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**Novem Group S.A.****Novem Group S.A.: Q3 2022/23 results show solid revenue growth and outstanding free cash flow**

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**Novem Group S.A.: Q3 2022/23 results show solid revenue growth and outstanding free cash flow**

- YTD 2022/23 revenue of €526.2 million, +15.6% above YTD 2021/22
- Adj. EBIT<sup>1</sup> of €60.5 million, +3.3% above YTD 2021/22
- YTD Free cash flow<sup>1</sup> of €44.9 million significantly above prior year

*Luxembourg, 16 February 2023* – Novem Group S.A. today published its figures for the third quarter of its financial year 2022/23. Despite continued challenging trading conditions, Novem generated total revenue of €526.2 million in the first nine months of the financial year 2022/23, up 15.6% compared to last year.

**Strong sequential financial performance in volatile environment**

Both revenue Series and revenue Tooling increased in the third quarter year-on-year. Revenue Series grew marginally by 1.2% amounting to €147.4 million, impacted by weaker performance in December 2022. This was also underpinned by the latest available LMC figures, which reported moderate growth in LVP of 4.0% year-on-year for the relevant period. However, revenue Tooling grew significantly by 36.6% to €19.6 million, driven by major projects such as BMW X8 and Mercedes-Benz C-class. Adjusted for currency effects, revenue would have been -4.0% lower.

From a geographical perspective, revenue growth in Q3 2022/23 was mainly driven by Americas (€+10.4 million year-on-year), while Asia remained stable (€+0.3 million year-on-year) and Europe experienced negative growth (€-3.7 million year-on-year), which was largely attributable to lower call-offs from several OEMs because of extended plant holidays in December 2022. Revenue growth in Americas was driven by favourable currency effects from the US Dollar, strong demand for SUVs as well as increased revenue Tooling. Asia reported a flat development compared to last year as additional sales from BMW X5 offset lower demand for other programs.

For the first nine months of the financial year 2022/23, Novem reported an Adj. EBIT of €60.5 million, representing 3.3% year-on-year growth. This corresponds to a YTD profit margin of 11.5%. As in the previous quarters, the high Tooling share within total revenue led to a certain dilution of the Adj. EBIT margin of 11.4% in Q3 2022/23. Furthermore, this decrease was caused by continued headwinds from higher material prices, increased energy costs and freight expenses. Novem already received further compensation payments from OEMs that partly mitigate the impact from inflation and will continue the discussions in 2023.

### **Outstanding free cash flow and lower working capital**

Free cash flow reached an outstanding value of €24.6 million, exceeding the Q3 2021/22 by €15.6 million. Cash flow from operating activities (€28.5 million) contributed the most due to lower receivables and higher profit.

At the end of the quarter, total working capital<sup>1</sup> recorded at €137.1 million, a decrease of -9.8% compared to previous year. The positive deviation of €14.8 million year-on-year was mainly due to a lower tooling net (€+14.0 million) and higher trade payables (€+5.2 million). This was offset by an increase in inventories (€-5.9 million), which was largely attributable to safety stock requirements from OEMs in order to cushion potential supply chain disruptions.

### **Stable capital expenditure**

Capital expenditure<sup>1</sup> of €4.7 million in the third quarter of the financial year 2022/23 remained almost flat compared to the previous year (€4.5 million). Based on total revenue of €166.9 million, the underlying capex ratio of 2.8% was at a similar level compared to last year. The majority of investments comprised growth capex concerning new platforms to be launched with almost half of total capex invested in Langfang in China (€2.2 million).

### **Continued successful deleveraging**

As of 31 December 2022, Novem's gross financial debt<sup>1</sup> recorded at prior year's level, while cash rose considerably. Principal sources of funds comprised €132.4 million cash (PY: €73.9 million) and €38.2 million derived from non-recourse factoring (PY: €42.0 million). Net financial debt<sup>1</sup> as of 31 December 2022 stood at €150.0 million and implied a sharp decline over last year's €207.6 million. The net leverage ratio<sup>1</sup> with 1.3x Adj. EBITDA fell to the lowest level since the post-IPO refinancing. Thus, Novem has continued to successfully deleverage its balance sheet in a challenging market environment.

The quarterly statement for the third quarter of financial year 2022/23 can be found on the Investor Relations website at [Reports & Presentations](#).

1 For the definition/calculation of the used Alternative Performance Measures (APMs), please refer to the glossary provided in the corresponding quarterly statement for the third quarter of financial year 2022/23, which can be found on the Investor Relations website under [Reports & Presentation](#).

About Novem

German-headquartered Novem is a globally leading supplier of decorative interior trim parts for the premium automotive industry. Across the range of key materials such as genuine wood, aluminium, carbon and premium synthetics, the Company offers unrivalled quality, technology and innovation to a growing customer base including all major premium carmakers worldwide. Founded in Vorbach, Germany, back in 1947, the Company has continuously expanded its global footprint in Germany, Italy, Czech Republic, Slovenia, China, USA, Honduras and Mexico. Novem employs about 5,440 people at 12 locations and achieved revenue of around €615 million in FY 2021/22.

For more information, please visit [www.novem.com](http://www.novem.com).

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