

Novem Group S.A.**Novem Group S.A.: Q1 2023/24 results show robust margin in challenging market environment**

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- Q1 revenue 2023/24 of €175.2 million, -3.7% below Q1 2022/23
- Adj. EBIT¹ of €20.0 million, -6.3% below PY
- Q1 free cash flow¹ of €11.2 million significantly above PY (€+13.7 million)

Luxembourg, 17 August 2023 – Novem Group S.A. today published its figures for the first quarter of its financial year 2023/24. As a result of the challenging trading conditions, Novem generated total revenue of €175.2 million and fell short of previous year by -3.7%. Adj. EBIT margin of 11.4% remained stable and was supported by customer compensation payments.

Solid profit margin despite slightly lower revenue

While revenue Series of €151.0 million developed sideways as a result of the weak demand for several platforms in Europe, revenue Tooling of €24.2 million remained well behind previous year's figure due to timing reasons and contributed the most to the overall sales decline. At constant foreign exchange rates, Q1 revenue would have been higher by €2.2 million or 1.3%.

Geographically, revenue declined in Europe and Asia, while Americas could almost offset the Group's overall year-on-year variance. Lower revenue in Europe (€-3.6 million year-on-year) was mainly driven by weak demand for several platforms and the phasing-out of certain programs. Americas (€+2.7 million year-on-year) outperformed prior year despite a negative FX impact and showed continued growth momentum in the region. Revenue decline in Asia (€-5.8 million year-on-year) was attributable to Tooling (€-7.7 million year-on-year), while Series (€+1.9 million year-on-year) remained strong.

In the first quarter of the financial year 2023/24, Adj. EBIT was €-1.4 million lower compared to prior year resulting in a solid margin of 11.4% for the period under review. Lower Adj. EBIT resulted from weak and unsteady call-offs, which led to inefficiencies in several plants and demand fluctuations. While the operating performance suffered from a negative product mix

and model changes, a decrease in material and freight costs as well as customer compensations supported the bottom line.

Substantially higher cash flow

Novem generated free cash flow of €11.2 million in Q1 2023/24 and outperformed last year by €13.7 million. Cash flow from operating activities (€13.5 million) contributed the most to this increase due to lower other receivables and trade receivables as well as higher profit.

Stable capex and decreased working capital

In Q1 2023/24, capital expenditure¹ of €3.4 million recorded on a similar level as previous year. Based on total revenue of €175.2 million, the underlying capex ratio of 1.9% equalled last year's result (2.1%).

As of 30 June 2023, total working capital¹ amounted to €140.5 million, down -9.2% compared to last year. Tooling net had the largest positive impact, whereas the favourable variance was reduced by lower trade payables.

Net leverage ratio enhanced to a new record low

As of 30 June 2023, gross financial debt¹ of €288.5 million recorded at prior year's level, while cash balances increased significantly. Net financial debt¹ totalled €118.7 million, representing a further improvement over last year (PY: €170.3 million). Once again, the net leverage ratio¹ improved to a new record low of 1.0x over the last twelve months. In the light of the further deleveraged balance sheet and strong free cash flow, a dividend of €1.15 per share has been proposed to the Annual General Meeting on 24 August 2024.

The quarterly statement for the first quarter of financial year 2023/24 can be found on the Investor Relations website at [Reports & Presentation](#).

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 first quarter of financial year 2022/23, which can be found on the Investor Relations website under [Reports & Presentation](#).

About Novem

Luxembourg-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 5,500 people at 12 locations and achieved revenue of around €700 million in FY 2022/23.

For more information, please visit www.novem.com.

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