



24 February 2022

# Q3 2021/22 Interim Statement



# GROUP OVERVIEW

## Q3 2021/22 highlights

### Novem continues to grow ahead of the market

In the first nine months of the financial year 2021/22, the company demonstrated noticeable improvement and performance remained robust, with Adj. EBIT margin of 12.9%. The company generated revenue of €455.2 million, an increase of 8.6% or €36.0 million compared to the same period last year. Looking forward, the supply market is expected to stay challenging. In Q3 weaker production volumes of OEMs led to a decrease in revenue Series by -5.6% compared to Q3 2020/21. But despite these unfavourable trading conditions, Novem was again able to outperform the global market for light vehicle production, which declined by -12.5% compared to Q3 last year. Revenue Tooling contributed €40.2 million to the total revenue and marked an improvement of 12.2% (€35.8 million PY), driven by several project completions in Q3 2021/22. On a year-to-date basis, revenue Series was up by 8.2% to €415.2 million, following a strong pandemic-related decline in the previous year.

### Transfer of Faurecia business well prepared

Capital expenditure of €4.5 million doubled in Q3 2021/22 compared to the same reporting period last year, reflecting the acquired Faurecia business (€0.6 million), amongst other things. In the course of the current financial year, Novem expects further Faurecia-related investments of approximately €4.0 million. The transfer of the aluminium interior trim business will contribute around €18.0 million to revenue, starting from the second half of the year 2022.

### Successful resource protection project

As part of a cooperation with the local forestry, Novem initiated a joint reforestation project and enabled the plantation of around 3,500 trees in Northern Bavaria, the region where Novem's head office is located. This reforestation project represents an important first step towards sustainable climate protection, which will be built upon in the coming years.

## Key results

€m	Q3 2020/21	Q3 2021/22	YTD 2020/21	YTD 2021/22
<b>Income statement</b>				
Revenue	163.1 <sup>1)</sup>	159.9	419.5 <sup>1)</sup>	455.2 <sup>2)</sup>
Adj. EBIT	28.9	20.4	51.8	58.6
Adj. EBIT margin (%)	<b>17.7%</b>	<b>12.8%</b>	<b>12.4%</b>	<b>12.9%</b>
Adj. EBITDA	36.8	28.2	74.9	81.6
Adj. EBITDA margin (%)	22.6%	17.6%	17.9%	17.9%
<b>Cash flow</b>				
Capital expenditure	2.2	4.5	10.3	10.2
Capital expenditure as % of revenue	1.3%	2.8%	2.5%	2.2%
Free cash flow	32.4	8.9	64.1	19.9
Cash conversion (%)	94.0%	83.9%	86.2%	87.5%

	31 Mar 21	31 Dec 21
<b>Balance sheet</b>		
Trade working capital	50.1	61.8
Total working capital	125.0	151.9
Net financial debt	258.2	207.6
Net leverage (x Adj. EBITDA)	2.2x	1.7x

- 1) Adjusted for one-time payment to customer in course of platform relocation (Restructuring)  
2) Adjusted for reversal of provision, counter entry in Adjustments (Material quality claims)

The definitions and detailed information of the defined Alternative Performance Measures (APMs) are provided in the corresponding results presentation.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€m	Q3 2020/21	Q3 2021/22	YTD 2020/21	YTD 2021/22
Revenue	163.0	159.9	419.3	455.3
Increase or decrease in finished goods and work in process	5.6	4.4	-6.6	16.5
<b>Total operating performance</b>	<b>168.6</b>	<b>164.3</b>	<b>412.7</b>	<b>471.9</b>
Other operating income	3.6	2.1	6.9	11.7
Cost of materials	78.7	82.9	197.3	236.0
Personnel expenses	39.2	39.1	104.8	118.3
Depreciation, amortization and impairment	7.9	7.7	23.1	23.0
Other operating expenses	23.2	19.8	48.5	54.4
<b>Operating result (EBIT)</b>	<b>23.3</b>	<b>16.8</b>	<b>45.9</b>	<b>51.9</b>
Finance income	3.6	0.6	8.9	2.4
Finance costs	13.2	2.5	38.8	24.7
<b>Financial result</b>	<b>-9.6</b>	<b>-1.9</b>	<b>-29.9</b>	<b>-22.3</b>
Income taxes	10.3	4.9	24.5	14.4
Deferred taxes	-0.1	0.5	0.9	-0.2
<b>Income tax result</b>	<b>10.2</b>	<b>5.4</b>	<b>25.4</b>	<b>14.2</b>
<b>Profit for the period</b>	<b>3.5</b>	<b>9.6</b>	<b>-9.4</b>	<b>15.4</b>
thereof attributable to shareholders of Novem	3.5	9.6	-9.4	15.4
thereof attributable to non-controlling interests				
Differences from currency translation	-8.0	5.9	-8.0	5.9
<b>Items that may subsequently be reclassified to consolidated profit or loss</b>	<b>-8.0</b>	<b>5.9</b>	<b>-8.0</b>	<b>5.9</b>
Actuarial gains and losses from pensions and similar obligations (before taxes)		0.0		0.0
Taxes on actuarial gains and losses from pensions and similar obligations				
<b>Items that will not subsequently be reclassified to consolidated profit or loss</b>		<b>0.0</b>		<b>0.0</b>
<b>Other comprehensive income/loss, net of tax</b>	<b>-8.0</b>	<b>5.9</b>	<b>-8.0</b>	<b>5.9</b>
<b>Total comprehensive income/loss for the period</b>	<b>-4.6</b>	<b>15.5</b>	<b>-17.5</b>	<b>21.2</b>
thereof attributable to shareholders of Novem	-4.6	15.5	-17.5	21.2
thereof attributable to non-controlling interests				
<b>Earnings per share (in €)</b>				
basic		0.22		0.36
diluted		0.22		0.36

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## Revenue

Total revenue of €455.3 million in the first nine months (period from April to December 2021) of the financial year 2021/22 increased by €36.0 million or 8.6% compared to the same reporting period last year. Based on prior year (constant) exchange rates, revenue would have been lower by -0.3%. This currency impact was influenced by the weakening of the Euro compared to the Renminbi, partly compensated by strengthening of the Euro compared to the US Dollar. On a segmental basis, the increase in revenue in the first nine months of 2021/22 primarily occurred in Europe (€265.2 million), followed by Americas (€197.0 million) and Asia (€76.0 million).

## Revenue development

€m	YTD 2020/21	YTD 2021/22	% change
Revenue Series	383.5	415.2	8.2%
Revenue Tooling	35.8	40.2	12.2%
<b>Revenue</b>	<b>419.3</b>	<b>455.3</b>	<b>8.6%</b>

## Revenue Series

In the first nine months, revenue Series developed favourably and contributed 91.2% of total revenue. Revenue Series recorded at €415.2 million in the first nine months of 2020/21, up 8.2% compared to the same period last year after the global lockdown in spring 2020.

## Revenue Tooling

Revenue Tooling contributed €40.2 million to total revenue in the period from April to December 2021. This corresponds to a year-on-year increase of 12.2% or €4.4 million.

## Increase in finished goods and work in process

Change of finished goods and work in process rose by €23.2 million (>100%) from €-6.6 million to €16.5 million in the reporting period under review because of higher tooling inventories (€+16.5 million), stock of finished goods (€+4.9 million) and work in process (€+0.9 million).

## Other operating income

Other income increased from €6.9 million in the first nine months of 2020/21 by €4.8 million to €11.7 million in the current year. The position primarily included the gains from currency translation and the income from cost recharges to third parties. The deviation was composed of higher currency translation gains of €1.6 million, income from the release of accruals of €1.1 million and other income of €2.1 million.

## Cost of materials

Cost of materials surged from €197.3 million in the first nine months of 2020/21 to €236.0 million in the first nine months of 2021/22, which equalled a year-on-year change of 19.6%. This development is primarily attributable to the first quarter of 2021/22, which included the recovery of the production volumes. The cost of materials to output (total operating performance) ratio increased by 2.2 percentage points to 50.0% as a consequence of the negative influence of higher material and transportation costs as well as leased workers for the reporting period under review.

## Personnel expenses

Personnel expenses amounted to €118.3 million in the first nine months of 2021/22, up by €13.5 million or 12.9% compared to last year. As a percentage of total operating performance, personnel expenses decreased by -0.3 percentage points year-on-year to 25.1% (YTD 2020/21: 25.4%). Strong volatilities in the customer call-offs led to inefficiencies in managing personnel expenses.

## Depreciation, amortization and impairment

Novem recognized depreciation and amortization of €23.0 million in the first nine months of 2021/22, a minor decrease of -0.3% or €-0.1 million compared to last year. The decrease was driven by depreciation on machinery (€-0.6m), compensated by higher depreciation on intangible assets (€+0.2m), buildings (€+0.2m) and Others (€+0.1m).

## Other operating expenses

In the first nine months of 2021/22, other operating expenses rose by €5.8 million to €54.4 million (YTD 2020/21: €48.5 million). This increase was mainly driven by higher legal and advisory fees and order-related expenses, especially freight costs.

## Finance income and costs

The financial result amounted to €-22.3 million for the first nine months in 2021/22, compared to last year's amount of €-29.9 million.

Finance income totalled €2.4 million in the reporting period (YTD 2020/21: €8.9 million) and was largely attributable to interest income from customer tools (€2.3m).

Finance costs primarily related to interest expenses amounted to €24.7 million in the first nine months of 2021/22 (YTD 2020/21: €38.8 million), a decrease of -36.3% or €-14.1 million.

## Income tax result

Income tax result decreased by -44.0% to €14.2 million in the first nine months of 2021/22, compared to last year's amount of €25.4 million. Both income taxes and deferred taxes declined in the period under review.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## Adjustments

### Adj. EBIT

Adj. EBIT represents the operating result adjusted for exceptional non-recurring items. As such, Novem adjusts certain one-off effects to better show the underlying operating performance of the Company. The adjustments made follow a predefined and transparent approach and form part of the regular monthly closing and reporting routines.

### Adjustments

Adjustments in the third quarter of 2020/21 contained €5.4 million restructuring costs due to the closure of plant Kulmbach and €0.2 million severance payments because of the reduction of the workforce in Bergamo.

In the third quarter of 2021/22, adjustments comprised €3.0 million single provision and €0.7 million Covid-19 expenses. The single provision was recognized for impending losses for expected inefficiencies related to a specific platform. Covid-19 expenses mainly included a Corona bonus in Germany as well as costs for the purchase of masks and hygienic materials.

Adj. EBIT margin of 12.8% for the third quarter ended on 31 December 2021 fell short of the prior year figure of 17.7% by -4.9 percentage points primarily caused by lower revenue and inefficiencies as well as increased input costs resulting from reduced customer call-offs and production interruptions. This development resulted in an Adj. EBITDA margin of 17.6%, as depreciation and amortization remained on a similar level in comparison with the same reporting period last year.

## Reconciliation of EBIT/ EBITDA to Adj. EBIT/ EBITDA

€m	Q3 2020/21	Q3 2021/22	YTD 2020/21	YTD 2021/22
<b>Revenue</b>	<b>163.1<sup>1)</sup></b>	<b>159.9</b>	<b>419.5<sup>1)</sup></b>	<b>455.2<sup>2)</sup></b>
<b>EBIT</b>	<b>23.3</b>	<b>16.8</b>	<b>45.9</b>	<b>51.9</b>
EBIT margin	14.3%	10.5%	10.9%	11.4%
Restructuring	5.6		5.6	
Exceptional ramp-up costs				
Material quality claims				-0.1
Single impairments		3.0		3.0
Covid-19 costs		0.7		1.1
Transaction costs				2.4
Others	0.0	-0.1	0.3	0.3
Exceptional items	0.0	3.6	0.3	6.8
Discontinued operations				
<b>Adjustments</b>	<b>5.6</b>	<b>3.6</b>	<b>6.0</b>	<b>6.8</b>
<b>Adj. EBIT</b>	<b>28.9</b>	<b>20.4</b>	<b>51.8</b>	<b>58.6</b>
Adj. EBIT margin	17.7%	12.8%	12.4%	12.9%
Depreciation and amortization	7.9	7.7	23.1	23.0 <sup>3)</sup>
<b>Adj. EBITDA</b>	<b>36.8</b>	<b>28.2</b>	<b>74.9</b>	<b>81.6</b>
Adj. EBITDA margin	22.6%	17.6%	17.9%	17.9%

1) Adjusted for one-time payment to customer in course of platform relocation (Restructuring)

2) Adjusted for reversal of provision, counter entry in Adjustments (Material quality claims)

3) Adjusted for an extraordinary depreciation, counter entry in Adjustments (Others)

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€m	31 Mar 21	31 Dec 21
Intangible assets	3.6	3.2
Property, plant and equipment	186.8	181.5
Trade receivables	49.6	50.5
Other non-current assets	14.5	14.4
Deferred tax assets	9.0	8.2
<b>Total non-current assets</b>	<b>263.5</b>	<b>257.8</b>
Inventories	95.5	117.0
Trade receivables	53.0	48.6
Other receivables	27.2	26.4
Other current assets	14.2	13.8
Cash and cash equivalents	175.3	73.9
Assets held for sale	1.2	1.2
<b>Total current assets</b>	<b>366.4</b>	<b>280.9</b>
<b>Total assets</b>	<b>629.9</b>	<b>538.6</b>

€m	31 Mar 21	31 Dec 21
Share capital	0.1	0.4
Capital reserves	21.9	539.2
Retained earnings/(accumulated losses)	-528.3	-513.2
Currency translation reserve	1.2	7.1
<b>Total equity</b>	<b>-505.1</b>	<b>33.6</b>
Pensions and similar obligations	34.6	36.5
Tax liabilities	0.0	0.0
Other provisions	5.2	4.9
Financial liabilities	856.4	247.6
Other liabilities	34.1	30.6
Deferred tax liabilities	3.7	2.6
<b>Total non-current liabilities</b>	<b>933.9</b>	<b>322.1</b>
Tax liabilities	14.9	16.0
Other provisions	53.9	48.3
Financial liabilities	3.4	0.9
Trade payables	61.8	48.5
Other liabilities	67.1	69.2
<b>Total current liabilities</b>	<b>201.1</b>	<b>182.9</b>
<b>Equity and liabilities</b>	<b>629.9</b>	<b>538.6</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## Total assets

Total assets amounted to €538.6 million as of 31 December 2021, a decrease of -14.5% compared to the end of the last financial year 2020/21 (31 March 2021: €629.9 million).

## Non-current assets

Non-current assets decreased from €263.5 million as of 31 March 2021 by -5.8% to €257.8 million as of 31 December 2021. This movement resulted primarily from a decline in property, plant and equipment by €-5.3 million or -2.8% attributable to depreciation.

## Current assets

Current assets decreased to €280.9 million compared to the previous balance sheet date (31 March 2021: €366.4 million), €-85.5 million or -23.3%. This change was mainly driven by the decline in cash and cash equivalents of €-101.4 million due to the repayment of the bond. Lower trade receivables of €-4.4 million are attributable to both a higher factoring level and lower volumes mainly in running platforms. Through non-recourse factoring Novem sold trade receivables of €42.0 million as of 31 December 2021, an increase by €1.9 million compared to the end of last financial year (31 March 2021: of €40.1 million). Higher inventories had the largest counterbalancing impact (€21.5 million).

## Working capital

€m	31 Mar 21	31 Dec 21	% change
Inventories	57.7	64.4	11.7%
Trade receivables	47.1	42.2	-10.5%
Trade payables	-54.7	-44.8	18.1%
<b>Trade working capital</b>	<b>50.1</b>	<b>61.8</b>	<b>23.4%</b>
Tooling net	62.9	76.7	21.8%
Contract assets	12.0	13.5	12.1%
<b>Total working capital</b>	<b>125.0</b>	<b>151.9</b>	<b>21.5%</b>

Total working capital amounted to €151.9 million as of 31 December 2021 and was therefore higher compared to 31 March 2021 by 21.5%. This was largely driven by higher safety stock and tooling net. The most significant change in tooling net was attributable to a rise in tooling inventories of €13.7 million. Total working capital in % of revenue thus increased to 23.8% (31 March 2021: 20.7%).

## Equity

As of 31 December 2021, the equity position improved from €-505.1 million at the end of the financial year to €33.6 million, reflecting the effects of the initial public offering. Consequently, capital reserves rose by €517.3 million to €539.2 million. Currency translation differences to the Euro increased by €5.9 million to €7.1 million compared to the end of the last financial year.

## Non-current liabilities

Non-current liabilities decreased from €933.9 million as of 31 March 2021 by -65.5% or €-611.8 million to €322.1 million as of 31 December 2021. The decrease is attributable to the new financing structure following the completion of the refinancing.

## Net financial debt

€m	31 Mar 21	31 Dec 21	% change
Liabilities from bond	397.4		<100%
Liabilities to banks	0.4	247.6	>100%
Lease liabilities	36.1	33.8	-6.4%
<b>Gross financial debt</b>	<b>434.0</b>	<b>281.5</b>	<b>-35.1%</b>
Cash and cash equivalents	-175.3	-73.9	57.9%
<b>Net financial debt</b>	<b>258.7</b>	<b>207.6</b>	<b>-19.7%</b>

Gross financial debt as of 30 March 2021 included liabilities from bond prior to the refinancing and redemption of the Senior Secured Notes on 26 July 2021. As a consequence, gross financial debt could be reduced by -35.1% to €281.5 million. Liabilities to banks of €0.4 million as of 30 March 2021 resulted from hedging liabilities. The increase in liabilities to banks of €247.2 million is attributable to the utilization of the new loan of €250.0 million.

## Net leverage

€m	31 Mar 21	31 Dec 21
Net financial debt	258.2	207.6
LTM Adj. EBITDA	117.3	124.0
<b>Net leverage</b>	<b>2.2x</b>	<b>1.7x</b>

The net leverage ratio is defined as net financial debt divided by Adj. EBITDA for the last twelve months. The ratio significantly improved from 2.2x Adj. EBITDA at the end of the financial year 2020/21 to 1.7x Adj. EBITDA as of 31 December 2021. Lease liabilities decreased by -6.8% to €33.8 million.

## Current liabilities

Current liabilities amounted to €182.9 million on the reporting date of 31 December 2021, a decrease of -9.0% or €-18.2 million compared to the previous balance sheet date (31 March 2021: €201.1 million). The decrease was attributable to lower trade payables of €-13.4 million or -21.6%, followed by lower other provisions €-5.6 million and lower financial liabilities of €-2.5 million. The development was offset by higher tax liabilities by 7.7% or €1.2 million.

# CONSOLIDATED STATEMENT OF CASH FLOWS

€m	Q3 2020/21	Q3 2021/22	YTD 2020/21	YTD 2021/22
Profit for the period	3.5	9.6	-9.4	15.4
Income tax expense (+)/income (-)	10.3	4.9	24.5	14.4
Financial result (+)/(-) net	12.3	0.9	36.3	20.7
Depreciation, amortization and impairment	7.9	7.7	23.1	23.0
Other non-cash expenses (+)/income (-)	-5.6	9.3	-30.1	0.5
Increase (-)/decrease (+) in inventories	-12.5	9.2	-8.1	-14.9
Increase (-)/decrease (+) in trade receivables	11.0	-18.3	19.2	3.3
Increase (-)/decrease (+) in other assets	0.3	4.4	-3.3	1.7
Increase (-)/decrease (+) in deferred taxes	-0.1	0.3	1.2	-0.3
Increase (-)/decrease (+) in prepaid expenses/deferred income	0.1	0.1	-1.0	-1.0
Increase (+)/decrease (-) in provisions	9.9	1.3	27.8	6.0
Increase (+)/decrease (-) in trade payables	3.2	-3.4	-5.6	-13.4
Increase (+)/decrease (-) in other liabilities	0.8	-1.8	5.2	-6.0
Gain (-)/loss (+) on disposals of non-current assets	0.0	-0.0	0.0	-0.0
Cash received from (+)/cash paid for (-) income taxes	-4.5	-6.5	-9.6	-13.2
<b>Cash flow from operating activities</b>	<b>36.5</b>	<b>17.8</b>	<b>70.3</b>	<b>36.1</b>
Cash received (+) from disposals of intangible assets		-0.1		-0.1
Cash received (+) from disposals of property, plant and equipment	0.2	0.9	-0.2	0.8
Cash paid (-) for investments in intangible assets	-0.0	0.1	-0.4	-0.2
Cash paid (-) for investments in property, plant and equipment	-5.0	-10.3	-8.0	-19.2
Interest received (+)	0.9	0.6	2.4	2.4
Dividends received (+)		0.0		0.0
<b>Cash flow from/(used in) investing activities</b>	<b>-4.0</b>	<b>-8.9</b>	<b>-6.2</b>	<b>-16.3</b>
Cash repayments (-) of loans/cash received from (+) loans	-75.0	-3.3	-77.2	247.4
Cash received from (+) shareholders of the parent company	0.0	0.2	0.0	49.4
Cash repayments (-) of shareholders loans	0.0	0.0	0.0	0.0
Cash repayments (-) of bond/cash received from (+) issuance of bond	0.5	0.0	1.3	-400.0
Cash paid for (-) subsidies/grants	-0.0	-0.0	-0.0	-0.0
Cash paid for (-) finance leases	-3.3	-2.1	-7.4	-6.1
Interest paid (-)	-6.2	-1.2	-17.8	-12.1
Dividends paid (-)				
<b>Cash flow from/(used in) financing activities</b>	<b>-84.0</b>	<b>-6.4</b>	<b>-101.1</b>	<b>-121.3</b>
<b>Net increase (+)/decrease (-) in cash and cash equivalents</b>	<b>-51.6</b>	<b>2.5</b>	<b>-37.0</b>	<b>-101.4</b>
Effect of exchange rate fluctuations on cash and cash equivalents			0.1	
Cash and cash equivalents at the beginning of the reporting period	210.8	71.4	196.2	175.3
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>159.2</b>	<b>73.9</b>	<b>159.2</b>	<b>73.9</b>



# CONSOLIDATED STATEMENT OF CASH FLOWS

## Cash flow from operating activities

Cash flow from operating activities showed the largest deviation. As a total of €36.1 million, cash flow from operating activities declined by -48.6% or €-34.2 million compared to previous year (YTD 2020/21: €70.3 million). The development is amongst others attributable to higher stock levels (€-6.9 million), higher trade receivables (€-15.9 million) and lower trade payables (€-7.8 million). The increase of profit by €24.8 million to €15.4 million in YTD 2021/22 had an offsetting effect.

## Cash flow from/(used in) investing activities

Cash flow used in investing activities reached €-16.3 million in the current nine months of the fiscal year 2021/22 (YTD 2020/21: €-6.2 million). The major effect resulted from higher investments in property, plant and equipment, increasing by €11.2 million. In the first nine months of 2021/22, this position included currency translation effects of €-9.1 million (YTD 2020/21: €1.9 million).

## Cash flow from/(used in) financing activities

Cash flow from financing activities stood at €-121.3 million, which marked a decline of €-20.2 million compared to previous year (YTD 2020/21: €-101.1 million). Cash received from loans stood at €247.4 million due to the drawdown of the term loan facility of €250.0 million. This change of €324.6 million compared to prior year could be balanced by the redemption of the bond of €400 million.

# SEGMENT REPORTING

€m	Europe		Americas		Asia	
	Q3 2020/21	Q3 2021/22	Q3 2020/21	Q3 2021/22	Q3 2020/21	Q3 2021/22
External revenue	83.7	87.6	57.2	51.5	22.3	20.8
Revenue between segments	12.0	10.8	12.1	12.7	7.1	6.2
<b>Total revenue</b>	<b>95.7</b>	<b>98.4</b>	<b>69.3</b>	<b>64.2</b>	<b>29.4</b>	<b>27.0</b>
<b>Adj. EBITDA</b>	<b>18.6</b>	<b>15.2</b>	<b>10.7</b>	<b>8.3</b>	<b>7.5</b>	<b>4.7</b>
Adj. EBITDA margin	19.4%	15.4%	15.4%	12.9%	25.5%	17.4%
Depreciation, amortization and impairment	3.7	3.6	2.7	2.8	1.4	1.3
<b>Adj. EBIT</b>	<b>14.9</b>	<b>11.6</b>	<b>8.0</b>	<b>5.5</b>	<b>6.1</b>	<b>3.4</b>
Adj. EBIT margin	17.8%	13.2%	13.9%	10.6%	27.2%	16.3%
Adjustments	5.6	3.6		0.0		
<b>Operating Result (EBIT)</b>	<b>9.2</b>	<b>8.0</b>	<b>8.0</b>	<b>5.4</b>	<b>6.1</b>	<b>3.4</b>

€m	Total segments		Other/consolidation		Group	
	Q3 2020/21	Q3 2021/22	Q3 2020/21	Q3 2021/22	Q3 2020/21	Q3 2021/22
External revenue	163.1	159.9			163.1 <sup>1)</sup>	159.9
Revenue between segments	31.3	29.7	-31.3	-29.7		
<b>Total revenue</b>	<b>194.4</b>	<b>189.6</b>	<b>-31.3</b>	<b>-29.7</b>	<b>163.1</b>	<b>159.9</b>
<b>Adj. EBITDA</b>	<b>36.8</b>	<b>28.2</b>			<b>36.8</b>	<b>28.2</b>
Adj. EBITDA margin	18.9%	14.9%			22.6%	17.6%
Depreciation, amortization and impairment	7.9	7.7			7.9	7.7
<b>Adj. EBIT</b>	<b>28.9</b>	<b>20.4</b>			<b>28.9</b>	<b>20.4</b>
Adj. EBIT margin	14.9%	10.8%			17.7%	12.8%
Adjustments	5.6	3.6			5.6	3.6
<b>Operating Result (EBIT)</b>	<b>23.3</b>	<b>16.8</b>			<b>23.3</b>	<b>16.8</b>

1) Adjusted for one-time payment to customer in course of platform relocation (Restructuring)

# SEGMENT REPORTING

€m	Europe		Americas		Asia	
	YTD 2020/21	YTD 2021/22	YTD 2020/21	YTD 2021/22	YTD 2020/21	YTD 2021/22
External revenue	210.5	235.0	140.6	162.6	68.4	57.6
Revenue between segments	31.8	30.1	30.2	34.3	16.6	18.4
<b>Total revenue</b>	<b>242.3</b>	<b>265.2</b>	<b>170.8</b>	<b>197.0</b>	<b>85.0</b>	<b>76.0</b>
<b>Adj. EBITDA</b>	<b>29.4</b>	<b>39.0</b>	<b>22.4</b>	<b>26.1</b>	<b>23.1</b>	<b>16.5</b>
Adj. EBITDA margin	12.2%	14.7%	13.1%	13.2%	27.2%	21.8%
Depreciation, amortization and impairment	11.1	10.7	8.1	8.3	3.9	3.9
<b>Adj. EBIT</b>	<b>18.3</b>	<b>28.2</b>	<b>14.3</b>	<b>17.7</b>	<b>19.2</b>	<b>12.7</b>
Adj. EBIT margin	8.7%	12.0%	10.2%	10.9%	28.1%	22.0%
Adjustments	6.0	6.3		0.5		
<b>Operating Result (EBIT)</b>	<b>12.4</b>	<b>22.0</b>	<b>14.3</b>	<b>17.2</b>	<b>19.2</b>	<b>12.7</b>

€m	Total segments		Other/consolidation		Group	
	YTD 2020/21	YTD 2021/22	YTD 2020/21	YTD 2021/22	YTD 2020/21	YTD 2021/22
External revenue	419.5	455.2			419.5 <sup>1)</sup>	455.2 <sup>2)</sup>
Revenue between segments	78.6	82.9	-78.6	-82.9		
<b>Total revenue</b>	<b>498.1</b>	<b>538.1</b>	<b>-78.6</b>	<b>-82.9</b>	<b>419.5</b>	<b>455.2</b>
<b>Adj. EBITDA</b>	<b>74.9</b>	<b>81.6</b>			<b>74.9</b>	<b>81.6</b>
Adj. EBITDA margin	15.0%	15.2%			17.9%	17.9%
Depreciation, amortization and impairment	23.1	23.0			23.1	23.0 <sup>3)</sup>
<b>Adj. EBIT</b>	<b>51.8</b>	<b>58.6</b>			<b>51.8</b>	<b>58.6</b>
Adj. EBIT margin	10.4%	10.9%			12.4%	12.9%
Adjustments	6.0	6.8			6.0	6.8
<b>Operating Result (EBIT)</b>	<b>45.9</b>	<b>51.9</b>			<b>45.9</b>	<b>51.9</b>

1) Adjusted for one-time payment to customer in course of platform relocation (Restructuring)

2) Adjusted for reversal of provision, counter entry in Adjustments (Material quality claims)

3) Adjusted for an extraordinary depreciation, counter entry in Adjustments (Others)

# SEGMENT REPORTING

## Europe

External revenue in Europe increased by 11.6% to €235.0 million in the first nine months of 2021/22 (YTD 2020/21: €210.5 million).

Europe accounted for 51.6% of total revenue in the first nine months of 2021/22 (YTD 2020/21: 50.2%).

Adj. EBIT generated in Europe amounted to €28.2 million in the first nine months of 2021/22 and was thus 54.0% higher compared to the same reporting period last year (YTD 2020/21: €18.3 million). Adj. EBIT margin increased to 12.0% from 8.7% last year.

The sharp improvement in the operating performance of the region was primarily driven by the market recovery after the lockdown in financial year 2020/21, even though the market environment in financial year 2021/22 was negatively affected by customer production disruptions and the shortage of raw and purchased materials.

## Europe

€m	YTD 2020/21	YTD 2021/22	% change
External revenue	210.5	235.0	11.6%
Revenue between segments	31.8	30.1	-5.2%
<b>Total revenue</b>	<b>242.3</b>	<b>265.2</b>	<b>9.4%</b>
Adj. EBIT	18.3	28.2	54.0%
Adj. EBIT margin	8.7%	12.0%	38.0%

## Americas

External revenue in Americas increased from €140.6 million in the first nine months of 2020/21 to €162.6 million in the corresponding period under review (+15.7% or €22.0 million). The currency translation impact amounted to €-1.6 million and predominantly resulted from the strengthening of the Euro.

Americas accounted for 35.7% of total revenue during the first nine months of 2021/22 (YTD 2020/21: 33.5%).

Adj. EBIT generated in Americas amounted to €17.7 million in the first nine months of 2021/22 and was thus 24.0% higher compared to the same reporting period last year (YTD 2020/21: €14.3 million). Adj. EBIT margin increased to 10.9% from 10.2% last year.

The Americas region slightly increased the operating performance in the first nine months of 2021/22 compared to prior year, primarily due to a market recovery after the Covid-19 pandemic in financial year 2020/21. However, this development was almost offset by higher input prices and increased freight expenses in 2021/22, amongst others.

## Americas

€m	YTD 2020/21	YTD 2021/22	% change
External revenue	140.6	162.6	15.7%
Revenue between segments	30.2	34.3	13.6%
<b>Total revenue</b>	<b>170.8</b>	<b>197.0</b>	<b>15.3%</b>
Adj. EBIT	14.3	17.7	24.0%
Adj. EBIT margin	10.2%	10.9%	7.1%

## Asia

External revenue in Asia declined from €68.4 million in the first nine months of 2020/21 to €57.6 million in the first nine months of 2021/22 (change of -15.8% in comparison to last year). This development was positively affected by a currency translation impact of €2.8 million.

Asia accounted for 12.7% of total revenue in the first nine months of 2021/22 (YTD 2020/21: 16.3%).

Adj. EBIT generated in Asia amounted to €12.7 million in the first nine months of 2021/22 and was thus -34.1% lower than in the same reporting period last year (YTD 2020/21: €19.2 million). Adj. EBIT margin decreased to 22.0% from 28.1% last year.

In contrast to the other two regions, Asia benefited from increased revenue in financial year 2020/21 after the pandemic. The pronounced swing back as well as lower customer call-offs in financial year 2021/22 driven by global supply chain shortages resulted in lower revenue. Nevertheless, Asia's operating performance remains on a robust level and at high profitability.

## Asia

€m	YTD 2020/21	YTD 2021/22	% change
External revenue	68.4	57.6	-15.8%
Revenue between segments	16.6	18.4	11.1%
<b>Total revenue</b>	<b>85.0</b>	<b>76.0</b>	<b>-10.6%</b>
Adj. EBIT	19.2	12.7	-34.1%
Adj. EBIT margin	28.1%	22.0%	-21.7%

# FURTHER INFORMATION

## Subsequent events

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There were no events or developments in the period from the balance sheet date as of 31 December 2021 to the publication date on 24 February 2022, that would have materially affected the recognition or measurement of Novem's assets and liabilities.

## Opportunities and risks

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An assessment of opportunities and risks for Novem showed no significant changes to the risk-related disclosures as of and for the financial year ended 31 March 2021.

Herewith reference is being made to the Annual Financial Report 2020/21 on opportunities and risks which can be accessed on the Investor Relations website of Novem in the section of Reports & Presentations.

# FURTHER INFORMATION

## Financial calendar

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02 June 2022	FY 2021/22 Preliminary Results
30 June 2022	FY 2021/22 Results

## Disclaimer

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All information is constantly updated and available.

Please visit the investor section on the Company website:

<https://ir.novem.com/websites/novem/English/1/investor-relations.html>



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