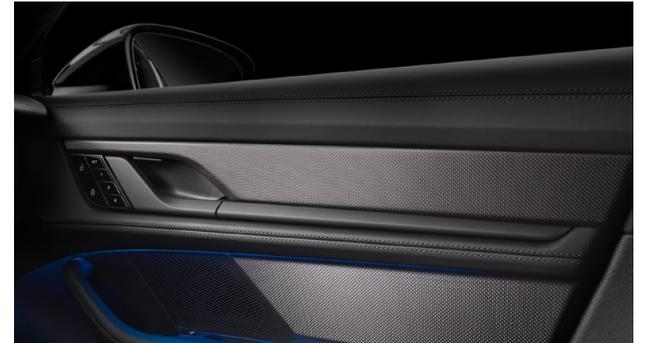




30 November 2022

# HY 2022/23 Interim Statement



# TABLE OF CONTENTS

## 1 GROUP OVERVIEW

Key results	3
HY 2022/23 highlights	4

## 2 GROUP INTERIM MANAGEMENT REPORT

Financial performance	5
Financial position	9
Cash flows	12
Segment reporting	15
Subsequent events and risks and opportunities	17

## 3 CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Consolidated statement of comprehensive income	18
Consolidated statement of financial position	19
Consolidated statement of cash flows	20
Consolidated statement of changes in equity	21

## 4 NOTES TO CONSOLIDATED INTERIM STATEMENTS

General information	22
Notes to consolidated statements of financial position	23
Notes to consolidated statements of other comprehensive income	27
Other disclosures	29

## 5 ADDITIONAL INFORMATION

Financial calendar	34
Contact	34
Glossary	35
Disclaimer	36



CONTENTS

1

GROUP  
OVERVIEW

2

GROUP INTERIM  
MANAGEMENT  
REPORT

3

CONSOLIDATED  
INTERIM FINANCIAL  
STATEMENTS

4

NOTES TO  
CONSOLIDATED  
INTERIM STATEMENTS

5

ADDITIONAL  
INFORMATION

# GROUP OVERVIEW

## Alternative Performance Measures (APMs) in the Group Interim Management Report for the first half of financial year 2022/23

In accordance with the European Securities and Markets Authority (ESMA) guidelines on Alternative Performance Measures, the Group provides a definition, the rationale for use and a reconciliation of APMs used. The Group uses the APMs shown in the following table. The definitions and required disclosures of all APMs are provided in the [glossary](#) of this Interim Report.

All mentioned APMs are used to track the Group's operating performance. It is neither required by nor presented in accordance with IFRS. It is also not a measure of financial performance under IFRS and should not be considered as an alternative to other indicators of operating performance, cash flow or any other measure of performance derived in accordance with IFRS.

## Key results

in € million	Q2 2021/22	Q2 2022/23	HY 2021/22	HY 2022/23
<b>Income statement</b>				
Revenue	139.2 <sup>1</sup>	177.4	295.3 <sup>1</sup>	359.3
Adj. EBIT	12.4	20.1	38.2	41.5
Adj. EBIT margin (%)	8.9%	11.3%	12.9%	11.5%
Adj. EBITDA	20.0	28.2	53.4	57.6
Adj. EBITDA margin (%)	14.4%	15.9%	18.1%	16.0%
<b>Cash flow</b>				
Capital expenditure	3.6	3.8	5.7	7.6
Capital expenditure as % of revenue	2.6%	2.2%	1.9%	2.1%
Free cash flow	0.9	22.8	11.0	20.4

<sup>1</sup> Including revenue-related adjustments

in € million	31 Mar 22	30 Sep 22
<b>Balance sheet</b>		
Trade working capital	41.0	60.3
Total working capital	127.3	156.2
Net financial debt	165.6	168.9
Net leverage (x Adj. EBITDA)	1.5	1.5



CONTENTS

1

GROUP OVERVIEW

2

GROUP INTERIM MANAGEMENT REPORT

3

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

4

NOTES TO CONSOLIDATED INTERIM STATEMENTS

5

ADDITIONAL INFORMATION



## HY 2022/23 highlights

### Strong revenue growth amid continued headwinds

Revenue for the first six months of financial year 2022/23 came in at €359.3 million, with both Q1 and Q2 contributing equally to the result. Compared to last year's €295.3 million for the same period, this marked strong growth of 21.7%. While revenue Series showed pleasing growth of 14.4%, revenue Tooling showed an even stronger year-on-year increase of 96.7%. In the first half year, Novem achieved an Adj. EBIT of €41.5 million, slightly above last year's figure of €38.2 million. Given the comparatively higher top line, this led to a slight decrease in the Adj. EBIT margin to 11.5% (PY: 12.9%) based on higher input costs and persistent headwinds like volatile customer call-offs. Free cash flow turned positive again in the second quarter 2022/23, lifting the half-year figure to €20.4 million (+85.7% y/y).

### Start of business relationship with Opel and expansion with FAW

With the flagship model *Insignia* (e-SUV), Novem acquired Opel as a new customer and expects the first revenue in 2025. This clearly exemplifies the overall trend towards premiumisation in cars, where volume brands increasingly equip their flagship models with premium trims. Anticipated as one of the megatrends to drive Novem's future growth, this opens many doors and enables further diversification of the customer base.

After acquiring a luxury SUV platform last year, Novem has now secured the first electric vehicle from FAW. With this award, Novem continues to strengthen its position in China and gained momentum in entering into new business collaborations there.

**1**GROUP  
OVERVIEW**2**GROUP INTERIM  
MANAGEMENT  
REPORT**3**CONSOLIDATED  
INTERIM FINANCIAL  
STATEMENTS**4**NOTES TO  
CONSOLIDATED  
INTERIM STATEMENTS**5**ADDITIONAL  
INFORMATION

# FINANCIAL PERFORMANCE



CONTENTS

in € million	Q2 2021/22	Q2 2022/23	HY 2021/22	HY 2022/23
Revenue	139.3	177.4	295.4	359.3
Increase or decrease in finished goods and work in process	3.2	-4.0	12.2	-5.3
<b>Total operating performance</b>	<b>142.5</b>	<b>173.4</b>	<b>307.6</b>	<b>354.0</b>
Other operating income	6.8	5.0	9.6	9.6
Cost of materials	74.3	90.6	153.1	184.1
Personnel expenses	39.2	40.7	79.2	82.3
Depreciation, amortisation and impairment	7.7	8.0	15.3	16.1
Other operating expenses	18.4	19.2	34.5	40.1
<b>Operating result (EBIT)</b>	<b>9.8</b>	<b>19.8</b>	<b>35.0</b>	<b>41.0</b>
Finance income	1.1	0.9	1.8	1.7
Finance costs	11.7	11.4	22.2	19.8
<b>Financial result</b>	<b>-10.6</b>	<b>-10.6</b>	<b>-20.4</b>	<b>-18.1</b>
Income taxes	3.2	3.1	9.5	7.7
Deferred taxes	-1.6	-0.1	-0.6	0.4
<b>Income tax result</b>	<b>1.6</b>	<b>3.0</b>	<b>8.9</b>	<b>8.1</b>
<b>Profit for the period attributable to the shareholders</b>	<b>-2.4</b>	<b>6.3</b>	<b>5.8</b>	<b>14.7</b>
Differences from currency translation	2.5	8.4	1.7	17.5
<b>Items that may subsequently be reclassified to consolidated profit or loss</b>	<b>2.5</b>	<b>8.4</b>	<b>1.7</b>	<b>17.5</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>2.5</b>	<b>8.4</b>	<b>1.7</b>	<b>17.5</b>
<b>Total comprehensive income/loss for the period attributable to the shareholders</b>	<b>0.1</b>	<b>14.6</b>	<b>7.5</b>	<b>32.3</b>
<b>Earnings per share attributable to the equity holders of the parent (in €)</b>				
basic	-0.06	0.15	0.14 <sup>1</sup>	0.34
diluted	-0.06	0.15	0.14 <sup>1</sup>	0.34

1 Adjusted according to IAS 8.42

1  
GROUP  
OVERVIEW

2  
GROUP INTERIM  
MANAGEMENT  
REPORT

3  
CONSOLIDATED  
INTERIM FINANCIAL  
STATEMENTS

4  
NOTES TO  
CONSOLIDATED  
INTERIM STATEMENTS

5  
ADDITIONAL  
INFORMATION



## Revenue

Total revenue of €359.3 million in the first half (period from April to September 2022) of the financial year 2022/23 increased by €63.9 million or 21.6% compared to the same reporting period last year (HY 2021/22: €295.4 million). Based on prior year (constant) exchange rates, revenue would have been lower by -6.0% or €-21.4 million. This currency impact was primarily influenced by the strong US Dollar and Chinese Renminbi. On a segmental basis, revenue was generated in the first half of 2022/23 primarily in Europe (€171.6 million), followed by Americas (€133.4 million) and Asia (€54.2 million).

## Revenue development

in € million	HY 2021/22	HY 2022/23	% change
Revenue Series	269.5	308.4	14.4%
Revenue Tooling	25.9	50.9	96.7%
<b>Revenue</b>	<b>295.4</b>	<b>359.3</b>	<b>21.6%</b>

## Revenue Series

Revenue Series developed positively in the first six months of the financial year 2022/23 and recorded at €308.4 million, up by 14.4% compared to the same reporting period last year (HY 2021/22: €269.5 million). Revenue Series generated 85.8% of total revenue (PY: 91.2%) and remained the key pillar of the business.

## Revenue Tooling

Revenue Tooling contributed €50.9 million to total revenue from April to September 2022 (HY 2021/22: €25.9 million). This corresponds to a year-on-year increase of 96.7% or €25.0 million, mainly attributable to a different project phasing.

## Change in finished goods and work in process

Change of finished goods and work in process decreased by €-17.5 million (<-100.0%) from €12.2 million in the first half of the financial year 2021/22 to €-5.3 million in the current financial year resulting from lower tooling inventories (€-18.4 million), profit in stock elimination (€-0.4 million) as well as work in process (€-0.2 million), positively affected by higher stock of finished goods (€+1.5 million).

## Other operating income

Other income amounted to €9.6 million in the first six months of the financial year 2022/23 and recorded at the same level as in the same period last year. The comparison of the periods under review merely shows a shift between currency translation gains (€+2.3 million) and other income (€-2.3 million).

## Cost of materials

Cost of materials rose from €153.1 million in the first half of the financial year 2021/22 to €184.1 million in the first six months of the financial year 2022/23, leading to a year-on-year change of 20.2%. The cost

of materials to output (total operating performance) ratio increased by 2.2 percentage points to 52.0% as a result of the negative impact of higher input costs for raw materials, energy and transportation during the reporting period.

## Personnel expenses

Personnel expenses amounted to €82.3 million in the period from April to September 2022, up by €3.1 million or 4.0% compared to last financial year (HY 2021/22: €79.2 million). Volatile customer call-offs because of production interruptions in connection with chip shortages led to inefficiencies in managing personnel expenses. As a percentage of total operating performance, personnel expenses decreased by -2.5 percentage points year-on-year to 23.3%, primarily resulting from increased revenue.

## Depreciation, amortisation and impairment

Novem reported depreciation and amortisation of €16.1 million in the first half of the financial year 2022/23, an increase of 5.1% or €0.8 million compared to previous financial year (HY 2021/22: €15.3 million). The increase was driven by depreciation on buildings (€+0.6 million), other equipment (€+0.2 million) and intangible assets (€+0.1 million), partly offset by lower depreciation on machinery and lower accelerated depreciation.

## Other operating expenses

In the first six months of the financial year 2022/23, other operating expenses rose by €5.6 million to €40.1 million (HY 2021/22: €34.5 million). This increase was

1

GROUP  
OVERVIEW

2

GROUP INTERIM  
MANAGEMENT  
REPORT

3

CONSOLIDATED  
INTERIM FINANCIAL  
STATEMENTS

4

NOTES TO  
CONSOLIDATED  
INTERIM STATEMENTS

5

ADDITIONAL  
INFORMATION

predominantly attributable to higher outgoing freights and lower release of accruals for other debtors as well as foreign currency translation losses, positively affected by lower legal and advisory fees.

## Finance income and costs

The financial result amounted to €-18.1 million for the first half of the financial year 2022/23, compared to the period from April to September 2021 of €-20.4 million.

Finance income decreased from €1.8 million in the first six months of the financial year 2021/22 by €-0.1 million to €1.7 million in the first half of the financial year 2022/23.

Novem reported finance costs of €19.8 million in the first half of the financial year 2022/23 (HY 2021/22: €22.2 million), a decrease of -11.0% or €-2.4 million. While higher losses from currency translation effects in connection with cash pooling and hedging increased finance costs, the change in the post-IPO financing structure and thus lower interest expenses had an offsetting effect.

## Income tax result

Income tax result decreased by -8.5% from €8.9 million last half year to €8.1 million in the first half of the financial year 2022/23. While income taxes declined, deferred taxes rose in the period under review.



CONTENTS

1

GROUP  
OVERVIEW

2

GROUP INTERIM  
MANAGEMENT  
REPORT

3

CONSOLIDATED  
INTERIM FINANCIAL  
STATEMENTS

4

NOTES TO  
CONSOLIDATED  
INTERIM STATEMENTS

5

ADDITIONAL  
INFORMATION



## 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 Group. The adjustments made follow a pre-defined and transparent approach and form part of the regular monthly closing and reporting routines.

### Adjustments

Adjustments in the second quarter of 2021/22 comprised €2.2 million transaction costs, €0.2 million severance payments and €0.1 million Covid-19 related costs. Transaction costs solely included expenses in connection with the IPO.

In the second quarter of 2022/23, adjustments included €0.2 million severance payments as well as €0.1 million Others.

The Adj. EBIT margin of 11.3% for the second quarter ended on 30 September 2022 exceeded the adjusted prior year's figure of 8.9% by 2.4 percentage points, primarily driven by higher revenue. Therefore, the Adj. EBITDA margin of 15.9% was also well above prior year's margin of 14.4%.

Adjustments in the first half of 2022/23 were significantly lower than prior year by €-2.6 million, mainly because of transaction costs in 2021/22.

The Adj. EBIT margin of 11.5% for the first half of 2022/23 recorded below prior year's margin of 12.9% by -1.4 percentage points as a result of higher input costs. Therefore, the Adj. EBITDA margin of 16.0% for the first half of 2022/23 was also behind the margin for the first six months of 2021/22 of 18.1% by -2.1 percentage points.

in € million	Q2 2021/22	Q2 2022/23	HY 2021/22	HY 2022/23
<b>Revenue</b>	<b>139.2<sup>1</sup></b>	<b>177.4</b>	<b>295.3<sup>1</sup></b>	<b>359.3</b>
<b>EBIT</b>	<b>9.8</b>	<b>19.8</b>	<b>35.0</b>	<b>41.0</b>
EBIT margin	7.1%	11.2%	11.9%	11.4%
Restructuring				
Material quality claims	-0.1		-0.1	
Single impairments				
Covid-19 costs	0.1	0.0	0.4	0.2
Transaction costs	2.2		2.4	
Others	0.3	0.2	0.4	0.3
Exceptional items	2.5	0.3	3.1	0.5
Discontinued operations				
<b>Adjustments</b>	<b>2.5</b>	<b>0.3</b>	<b>3.1</b>	<b>0.5</b>
<b>Adj. EBIT</b>	<b>12.4</b>	<b>20.1</b>	<b>38.2</b>	<b>41.5</b>
Adj. EBIT margin	8.9%	11.3%	12.9%	11.5%
Depreciation, amortisation and impairment	7.6	8.0	15.2	16.1
<b>Adj. EBITDA</b>	<b>20.0</b>	<b>28.2</b>	<b>53.4</b>	<b>57.6</b>
Adj. EBITDA margin	14.4%	15.9%	18.1%	16.0%

1 Including revenue-related adjustments

1

GROUP  
OVERVIEW

2

GROUP INTERIM  
MANAGEMENT  
REPORT

3

CONSOLIDATED  
INTERIM FINANCIAL  
STATEMENTS

4

NOTES TO  
CONSOLIDATED  
INTERIM STATEMENTS

5

ADDITIONAL  
INFORMATION

# FINANCIAL POSITION



CONTENTS

## Assets

in € million	31 Mar 22	30 Sep 22
Intangible assets	3.1	2.7
Property, plant and equipment	184.9	182.4
Trade receivables	47.5	51.6
Other non-current assets	12.6	11.8
Deferred tax assets	18.8	19.3
<b>Total non-current assets</b>	<b>267.0</b>	<b>267.8</b>
Inventories	129.4	121.7
Trade receivables	37.7	54.6
Other receivables	28.6	33.4
Other current assets	13.7	16.8
Cash and cash equivalents	117.0	113.5
Assets held for sale	0.8	
<b>Total current assets</b>	<b>327.0</b>	<b>340.0</b>
<b>Total assets</b>	<b>594.0</b>	<b>607.8</b>

## Equity and liabilities

in € million	31 Mar 22	30 Sep 22
Share capital	0.4	0.4
Capital reserves	539.6	539.6
Retained earnings/accumulated losses	-482.8	-485.3
Currency translation reserve	10.4	27.9
<b>Total equity</b>	<b>67.7</b>	<b>82.7</b>
Pensions and similar obligations	34.9	35.3
Other provisions	3.2	3.2
Financial liabilities	247.7	247.9
Other liabilities	29.8	29.9
Deferred tax liabilities	3.6	4.2
<b>Total non-current liabilities</b>	<b>319.1</b>	<b>320.5</b>
Tax liabilities	13.8	17.0
Other provisions	48.0	51.2
Financial liabilities	1.4	5.8
Trade payables	70.4	59.8
Other liabilities	73.7	70.7
<b>Total current liabilities</b>	<b>207.3</b>	<b>204.5</b>
<b>Equity and liabilities</b>	<b>594.0</b>	<b>607.8</b>

1  
GROUP  
OVERVIEW

2  
GROUP INTERIM  
MANAGEMENT  
REPORT

3  
CONSOLIDATED  
INTERIM FINANCIAL  
STATEMENTS

4  
NOTES TO  
CONSOLIDATED  
INTERIM STATEMENTS

5  
ADDITIONAL  
INFORMATION



## Total assets

Total assets amounted to €607.8 million as of 30 September 2022, an increase of 2.3% compared to the end of the last financial year 2021/22 (31 March 2022: €594.0 million).

## Non-current assets

Non-current assets remained stable at €267.8 million compared to the end of the last financial year 2021/22 (31 March 2022: €267.0 million), up €0.8 million or 0.3%, attributable to depreciation in property, plant and equipment of €2.5 million and lower other non-current assets by €-0.8 million with an offsetting effect in an increase in trade receivables by €4.1 million.

## Current assets

Current assets increased from €327.0 million as of 31 March 2022 by 3.9% to €340.0 million as of 30 September 2022. This movement resulted primarily in an increase in trade receivables by €16.9 million or 44.9%, attributable to higher production volumes. Through non-recourse factoring, Novem sold trade receivables of €49.2 million as of 30 September 2022, exceeding the volume of €47.8 million as of 31 March 2022 by €1.4 million. Lower inventories with €-7.7 million or -6.0% had the largest counterbalancing impact. The cash position oscillated at a solid level of €113.5 million compared to the end of the last financial year 2021/22 (31 March 2022: €117.0 million) despite the out-flow of €17.2 million for the dividend distribution in August 2022.

## Working capital

in € million	31 Mar 22	30 Sep 22	% change
Inventories	67.4	68.3	1.4%
Trade receivables	35.2	48.0	36.2%
Trade payables	61.6	56.0	-9.1%
<b>Trade working capital</b>	<b>41.0</b>	<b>60.3</b>	<b>47.1%</b>
Tooling net	74.4	81.9	10.1%
Contract assets	11.9	14.0	18.0%
<b>Total working capital</b>	<b>127.3</b>	<b>156.2</b>	<b>22.7%</b>

Total working capital amounted to €156.2 million as of 30 September 2022 and was, therefore, higher compared to 31 March 2022 by 22.7%. This was largely driven by higher trade receivables and tooling net. The most significant change in tooling net was attributable to a rise in non-current and current tooling trade receivables of €8.2 million. As a consequence, total working capital in % of revenue increased to 22.0% (31 March 2022: 20.0%).

## Equity

As of 30 September 2022, the equity position of €82.7 million improved from €67.7 million at the end of the last financial year 2021/22 due to the profit generated in HY 2022/23 and despite an offsetting effect from the dividend payment of €17.2 million. Currency translation differences to Euro influenced significantly and increased by €17.5 million (>100.0%).

## Non-current liabilities

Non-current liabilities remained stable at €320.5 million compared to the end of the last financial year 2021/22 (31 March 2022: €319.1 million), up €1.4 million or 0.4%.

## Net financial debt

in € million	31 Mar 22	30 Sep 22	% change
Liabilities to banks	249.1	253.7	1.9%
Liabilities from derivatives (-)	1.3	5.7	>100.0%
Lease liabilities	34.9	34.4	-1.2%
<b>Gross financial debt</b>	<b>282.6</b>	<b>282.4</b>	<b>-0.1%</b>
Cash and cash equivalents	-117.0	-113.5	-2.9%
<b>Net financial debt</b>	<b>165.6</b>	<b>168.9</b>	<b>2.0%</b>

Gross financial debt as of 30 September 2022 amounted to €282.4 million and thus posted an insignificant decrease of €-0.2 million, mainly attributed to the decline in lease liabilities of €-0.5 million. Cash and cash equivalents decreased by €-3.5 million compared to the end of the last financial year 2021/22 and thus mainly accountable for the increase of the net financial debt position in the amount of €3.3 million.

1

GROUP OVERVIEW

2

GROUP INTERIM MANAGEMENT REPORT

3

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

4

NOTES TO CONSOLIDATED INTERIM STATEMENTS

5

ADDITIONAL INFORMATION



## Net leverage

in € million	31 Mar 22	30 Sep 22
Net financial debt	165.6	168.9
LTM Adj. EBITDA	111.7	115.9
<b>Net leverage</b>	<b>1.5</b>	<b>1.5</b>

The net leverage ratio is defined as net financial debt divided by Adj. EBITDA for the last 12 months. The ratio oscillated at a solid level of around 1.5x Adj. EBITDA.

## Current liabilities

Current liabilities amounted to €204.5 million on the reporting date of the current half year, a decrease of 1.3% or €2.8 million compared to the end of the last financial year 2021/22. The decrease was attributable to lower trade payables of €10.6 million or 15.0%, followed by lower other liabilities of €3.0 million or -4.1%. This development was partly offset by higher financial liabilities of €4.4 million and higher tax liabilities by 23.5% or €3.2 million, as well as other provisions of the same amount.

1

GROUP  
OVERVIEW

2

GROUP INTERIM  
MANAGEMENT  
REPORT

3

CONSOLIDATED  
INTERIM FINANCIAL  
STATEMENTS

4

NOTES TO  
CONSOLIDATED  
INTERIM STATEMENTS

5

ADDITIONAL  
INFORMATION

# CASH FLOWS

in € million	Q2 2021/22	Q2 2022/23
Profit for the period	-2.4	6.3
Income tax expense (+)/income (-)	3.2	3.1
Financial result (+)/(-) net	7.8	1.2
Depreciation, amortisation and impairment	7.7	8.0
Other non-cash expenses (+)/income (-)	-2.0	-0.2
Increase (-)/decrease (+) in inventories	-8.1	4.9
Increase (-)/decrease (+) in trade receivables	9.5	-3.2
Increase (-)/decrease (+) in other assets	-1.2	-1.0
Increase (-)/decrease (+) in deferred taxes	-1.7	-0.1
Increase (-)/decrease (+) in prepaid expenses/deferred income	2.3	0.3
Increase (+)/decrease (-) in provisions	-1.8	3.1
Increase (+)/decrease (-) in trade payables	1.3	2.8
Increase (+)/decrease (-) in other liabilities	-4.6	2.8
Gain (-)/loss (+) on disposals of non-current assets	-0.0	-0.0
Cash received from (+)/cash paid for (-) income taxes	-4.4	-2.2
<b>Cash flow from operating activities</b>	<b>5.4</b>	<b>25.8</b>
Cash received (+) from disposals of property, plant and equipment	-0.1	0.0
Cash paid (-) for investments in intangible assets	-0.1	-0.0
Cash paid (-) for investments in property, plant and equipment	-5.5	-3.8
Interest received (+)	1.1	0.9
<b>Cash flow from investing activities</b>	<b>-4.6</b>	<b>-3.0</b>

in € million	Q2 2021/22	Q2 2022/23
Cash repayments of loans		
Cash received from loans	250.7	
Cash in-flow (+)/out-flow (-) from shareholders of the parent company	49.2	
Cash repayments (-) of bond/cash received from (+) issuance of bond	-400.4	
Cash paid for (-) subsidies/grants	-0.0	-0.0
Cash paid for (-) finance leases	-1.6	-2.4
Interest paid (-)	-5.2	-1.6
Dividends paid (-)		-17.2
<b>Cash flow from financing activities</b>	<b>-107.2</b>	<b>-21.3</b>
<b>Net increase (+)/decrease (-) in cash and cash equivalents</b>	<b>-106.4</b>	<b>1.6</b>
Effect of exchange rate fluctuations on cash and cash equivalents		0.4
Cash and cash equivalents at the beginning of the reporting period	177.8	111.6
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>71.4</b>	<b>113.5</b>



CONTENTS

1

GROUP OVERVIEW

2

GROUP INTERIM MANAGEMENT REPORT

3

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

4

NOTES TO CONSOLIDATED INTERIM STATEMENTS

5

ADDITIONAL INFORMATION



in € million	HY 2021/22	HY 2022/23
Profit for the period	5.8	14.7
Income tax expense (+)/income (-)	9.5	7.7
Financial result (+)/(-) net	19.8	2.1
Depreciation, amortisation and impairment	15.3	16.1
Other non-cash expenses (+)/income (-)	-8.8	0.3
Increase (-)/decrease (+) in inventories	-24.1	10.4
Increase (-)/decrease (+) in trade receivables	21.6	-18.1
Increase (-)/decrease (+) in other assets	-2.6	-2.1
Increase (-)/decrease (+) in deferred taxes	-0.7	0.4
Increase (-)/decrease (+) in prepaid expenses/deferred income	-1.1	-0.1
Increase (+)/decrease (-) in provisions	4.7	4.3
Increase (+)/decrease (-) in trade payables	-10.0	-0.1
Increase (+)/decrease (-) in other liabilities	-4.3	-6.0
Gain (-)/loss (+) on disposals of non-current assets	-0.0	0.0
Cash received from (+)/cash paid for (-) income taxes	-6.7	-4.3
<b>Cash flow from operating activities</b>	<b>18.4</b>	<b>25.5</b>
Cash received (+) from disposals of property, plant and equipment	-0.1	0.8
Cash paid (-) for investments in intangible assets	-0.2	-0.0
Cash paid (-) for investments in property, plant and equipment	-8.9	-7.5
Interest received (+)	1.8	1.7
<b>Cash flow from investing activities</b>	<b>-7.4</b>	<b>-5.1</b>

in € million	HY 2021/22	HY 2022/23
Cash repayments of loans		
Cash received from loans	250.7	
Cash in-flow (+)/out-flow (-) from shareholders of the parent company	49.2	
Cash repayments (-) of bond/cash received from (+) issuance of bond	-400.0	
Cash paid for (-) subsidies/grants	-0.0	-0.0
Cash paid for (-) finance leases	-4.0	-4.5
Interest paid (-)	-10.8	-2.9
Dividends paid (-)		-17.2
<b>Cash flow from financing activities</b>	<b>-114.8</b>	<b>-24.6</b>
<b>Net increase (+)/decrease (-) in cash and cash equivalents</b>	<b>-103.9</b>	<b>-4.2</b>
Effect of exchange rate fluctuations on cash and cash equivalents		0.8
Cash and cash equivalents at the beginning of the reporting period	175.3	117.0
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>71.4</b>	<b>113.5</b>

1

GROUP  
OVERVIEW

2

GROUP INTERIM  
MANAGEMENT  
REPORT

3

CONSOLIDATED  
INTERIM FINANCIAL  
STATEMENTS

4

NOTES TO  
CONSOLIDATED  
INTERIM STATEMENTS

5

ADDITIONAL  
INFORMATION



## Cash flow from operating activities

Cash flow from operating activities developed positively from €18.4 million in the first half of last year by €7.1 million to €25.5 million in the current half year. The development can be explained by the considerable increase of profit by €8.9 million compared to the same reporting period last year.

## Cash flow from investing activities

Cash out-flow for investing activities reached €5.1 million in the current half year (HY 2021/22: €7.4 million). The cash flow was characterised by lower investments in property, plant and equipment as well as by the positive impact of the sale of the production premise in Kulmbach in the amount of €0.8 million.

## Cash flow from financing activities

Cash out-flow for financing activities showed the largest deviation. Following a total of €-114.8 million in the first half of the previous year, cash flow from financing activities increased by €90.3 million to €-24.6 million in the first half of 2022/23. This change was largely driven by the new financing structure and thus lower interest paid of €-7.9 million due to the improved interest rate structure with an offsetting effect from the dividend distribution of €-17.2 million in August 2022.

1

GROUP  
OVERVIEW

2

GROUP INTERIM  
MANAGEMENT  
REPORT

3

CONSOLIDATED  
INTERIM FINANCIAL  
STATEMENTS

4

NOTES TO  
CONSOLIDATED  
INTERIM STATEMENTS

5

ADDITIONAL  
INFORMATION

# SEGMENT REPORTING



CONTENTS

in € million	Europe		Americas		Asia		Total segments		Other/consolidation		Group	
	Q2 2021/22	Q2 2022/23	Q2 2021/22	Q2 2022/23	Q2 2021/22	Q2 2022/23	Q2 2021/22	Q2 2022/23	Q2 2021/22	Q2 2022/23	Q2 2021/22	Q2 2022/23
External revenue	67.6 <sup>1</sup>	78.0	56.8	71.2	14.8	28.2	139.2	177.4			139.2	177.4
Revenue between segments	9.5	15.2	11.9	12.9	6.7	4.0	28.1	32.2	-28.1	-32.2		
<b>Total revenue</b>	<b>77.1</b>	<b>93.2</b>	<b>68.6</b>	<b>84.1</b>	<b>21.5</b>	<b>32.2</b>	<b>167.3</b>	<b>209.6</b>	<b>-28.1</b>	<b>-32.2</b>	<b>139.2</b>	<b>177.4</b>
<b>Adj. EBITDA</b>	<b>7.5</b>	<b>8.1</b>	<b>8.3</b>	<b>13.7</b>	<b>4.2</b>	<b>6.4</b>	<b>20.0</b>	<b>28.2</b>			<b>20.0</b>	<b>28.2</b>
Adj. EBITDA margin	9.7%	8.7%	12.1%	16.3%	19.6%	19.8%	12.0%	13.4%			14.4%	15.9%
Depreciation, amortisation and impairment	3.6	3.7	2.8	3.0	1.3	1.3	7.6	8.0			7.6	8.0
<b>Adj. EBIT</b>	<b>3.9</b>	<b>4.4</b>	<b>5.5</b>	<b>10.7</b>	<b>2.9</b>	<b>5.1</b>	<b>12.4</b>	<b>20.1</b>			<b>12.4</b>	<b>20.1</b>
Adj. EBIT margin	5.1%	4.7%	8.0%	12.7%	13.6%	15.7%	7.4%	9.6%			8.9%	11.3%
Adjustments	2.2	0.3	0.3	-0.0		0.0	2.5	0.3			2.5	0.3
<b>Operating Result (EBIT)</b>	<b>1.7</b>	<b>4.1</b>	<b>5.2</b>	<b>10.7</b>	<b>2.9</b>	<b>5.1</b>	<b>9.8</b>	<b>19.8</b>			<b>9.8</b>	<b>19.8</b>

1 Including revenue-related adjustments

in € million	Europe		Americas		Asia		Total segments		Other/consolidation		Group	
	HY 2021/22	HY 2022/23	HY 2021/22	HY 2022/23	HY 2021/22	HY 2022/23	HY 2021/22	HY 2022/23	HY 2021/22	HY 2022/23	HY 2021/22	HY 2022/23
External revenue	147.4 <sup>1</sup>	171.6	111.1	133.4	36.8	54.2	295.3	359.3			295.3	359.3
Revenue between segments	19.3	25.4	21.6	25.4	12.2	8.1	53.2	58.9	-53.2	-58.9		
<b>Total revenue</b>	<b>166.8</b>	<b>197.1</b>	<b>132.7</b>	<b>158.8</b>	<b>49.0</b>	<b>62.3</b>	<b>348.5</b>	<b>418.2</b>	<b>-53.2</b>	<b>-58.9</b>	<b>295.3</b>	<b>359.3</b>
<b>Adj. EBITDA</b>	<b>23.8</b>	<b>19.1</b>	<b>17.8</b>	<b>27.2</b>	<b>11.8</b>	<b>11.3</b>	<b>53.4</b>	<b>57.6</b>			<b>53.4</b>	<b>57.6</b>
Adj. EBITDA margin	14.3%	9.7%	13.4%	17.1%	24.2%	18.1%	15.3%	13.8%			18.1%	16.0%
Depreciation, amortisation and impairment	7.1	7.4	5.5	6.0	2.6	2.6	15.2	16.1			15.2	16.1
<b>Adj. EBIT</b>	<b>16.6</b>	<b>11.6</b>	<b>12.3</b>	<b>21.2</b>	<b>9.3</b>	<b>8.7</b>	<b>38.2</b>	<b>41.5</b>			<b>38.2</b>	<b>41.5</b>
Adj. EBIT margin	10.0%	5.9%	9.2%	13.4%	18.9%	13.9%	11.0%	9.9%			12.9%	11.5%
Adjustments	2.7	0.3	0.4	0.0		0.2	3.1	0.5			3.1	0.5
<b>Operating Result (EBIT)</b>	<b>14.0</b>	<b>11.3</b>	<b>11.8</b>	<b>21.2</b>	<b>9.3</b>	<b>8.5</b>	<b>35.0</b>	<b>41.0</b>			<b>35.0</b>	<b>41.0</b>

1 Including revenue-related adjustments

1  
GROUP OVERVIEW

2  
GROUP INTERIM MANAGEMENT REPORT

3  
CONSOLIDATED INTERIM FINANCIAL STATEMENTS

4  
NOTES TO CONSOLIDATED INTERIM STATEMENTS

5  
ADDITIONAL INFORMATION



## Europe

External revenue in Europe increased from €147.4 million in the first half of 2021/22 to €171.6 million in the first half of 2022/23 and exceeded prior year by 16.4% or €24.2 million.

Europe accounted for 47.8% of total revenue in the first six months of 2022/23 (HY 2021/22: 49.9%).

Adj. EBIT generated in Europe amounted to €11.6 million in the first half of 2022/23 and was thus -30.3% lower compared to the same reporting period last year (HY 2021/22: €16.6 million). Adj. EBIT margin decreased to 5.9% from 10.0% last year.

The region showed a sharp decline in operating performance in the first half of 2022/23 because of soaring input costs and ongoing inefficiencies because of volatile customer call-offs.

in € million	HY 2021/22	HY 2022/23	% change
External revenue	147.4 <sup>1</sup>	171.6	16.4%
Revenue between segments	19.3	25.4	31.4%
<b>Total revenue</b>	<b>166.8</b>	<b>197.1</b>	<b>18.2%</b>
Adj. EBIT	16.6	11.6	-30.3%
Adj. EBIT margin	10.0%	5.9%	-41.0%

1 Including revenue-related adjustments

## Americas

External revenue in Americas increased from €111.1 million in the first half of 2021/22 to €133.4 million in the first half of 2022/23 and exceeded prior year by 20.1% or €22.3 million. The currency translation impact amounted to €16.7 million in the first six months.

Americas contributed 37.1% of total revenue in the first six months of 2022/23 (HY 2021/22: 37.6%).

Adj. EBIT generated in Americas amounted to €21.2 million in the first half of 2022/23 and was thus 73.1% higher compared to the same reporting period last year (HY 2021/22: €12.3 million). Adj. EBIT margin increased to 13.4% from 9.2% last year.

While the other two regions showed a decline, the operating performance in Americas sharply increased in the first six months of 2022/23 compared to prior year, mainly driven by higher revenue.

in € million	HY 2021/22	HY 2022/23	% change
External revenue	111.1	133.4	20.1%
Revenue between segments	21.6	25.4	17.3%
<b>Total revenue</b>	<b>132.7</b>	<b>158.8</b>	<b>19.6%</b>
Adj. EBIT	12.3	21.2	73.1%
Adj. EBIT margin	9.2%	13.4%	44.7%

## Asia

External revenue in Asia increased from €36.8 million in the first half of 2021/22 to €54.2 million in the first half of 2022/23 and exceeded prior year by 47.3% or €17.4 million. The currency translation impact amounted to €4.8 million in the first six months.

Revenue from Asia equalled 15.1% of total revenue in the first six months of 2022/23 (HY 2021/22: 12.5%).

Asia generated €8.7 million Adj. EBIT in the first half of 2022/23 and was thus -6.6% lower compared to the same reporting period last year (HY 2021/22: €9.3 million). Adj. EBIT margin decreased to 13.9% from 18.9% last year.

The decrease in operating performance of the region in HY 2022/23 was predominantly driven by inefficiencies resulting from plant shutdowns of the OEMs according to China's zero-Covid policy.

in € million	HY 2021/22	HY 2022/23	% change
External revenue	36.8	54.2	47.3%
Revenue between segments	12.2	8.1	-33.6%
<b>Total revenue</b>	<b>49.0</b>	<b>62.3</b>	<b>27.2%</b>
Adj. EBIT	9.3	8.7	-6.6%
Adj. EBIT margin	18.9%	13.9%	-26.5%

1

GROUP  
OVERVIEW

2

GROUP INTERIM  
MANAGEMENT  
REPORT

3

CONSOLIDATED  
INTERIM FINANCIAL  
STATEMENTS

4

NOTES TO  
CONSOLIDATED  
INTERIM STATEMENTS

5

ADDITIONAL  
INFORMATION

# SUBSEQUENT EVENTS AND RISKS AND OPPORTUNITIES

## Subsequent events

There were no events or developments in the period from the balance sheet date as of 30 September 2022 to the publication date on 30 November 2022 that would have materially affected the recognition or measurement of Novem's assets and liabilities.

## Risks and opportunities

An assessment of risks and opportunities for Novem showed no significant changes to the risk-related disclosures as of and for the financial year ended 31 March 2022.

Herewith reference is being made to the Annual Financial Report 2021/22 on risks and opportunities, which can be accessed on the Investor Relations website of Novem in the section [Reports & Presentations](#).



CONTENTS

1

GROUP  
OVERVIEW

2

GROUP INTERIM  
MANAGEMENT  
REPORT

3

CONSOLIDATED  
INTERIM FINANCIAL  
STATEMENTS

4

NOTES TO  
CONSOLIDATED  
INTERIM STATEMENTS

5

ADDITIONAL  
INFORMATION

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the half year ended 30 September 2022

in € thousand	HY 2021/22	HY 2022/23
Revenue	295,404	359,263
Increase or decrease in finished goods and work in process	12,170	-5,287
<b>Total operating performance</b>	<b>307,574</b>	<b>353,976</b>
Other operating income	9,571	9,587
Cost of materials	153,078	184,060
Personnel expenses	79,193	82,329
Depreciation, amortisation and impairment	15,290	16,072
Other operating expenses	34,534	40,129
<b>Operating result (EBIT)</b>	<b>35,050</b>	<b>40,972</b>
Finance income	1,808	1,670
Finance costs	22,233	19,793
<b>Financial result</b>	<b>-20,425</b>	<b>-18,122</b>
Income taxes	9,476	7,743
Deferred taxes	-625	358
<b>Income tax result</b>	<b>8,850</b>	<b>8,101</b>
<b>Profit for the period attributable to the shareholders</b>	<b>5,774</b>	<b>14,748</b>
Differences from currency translation	1,732	17,527
<b>Items that may subsequently be reclassified to consolidated profit or loss</b>	<b>1,732</b>	<b>17,527</b>
Actuarial gains and losses from pensions and similar obligations (before taxes)	-17	
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>-17</b>	
<b>Other comprehensive income/loss, net of tax</b>	<b>1,716</b>	<b>17,527</b>
<b>Total comprehensive income/loss for the period attributable to the shareholders</b>	<b>7,490</b>	<b>32,275</b>
<b>Earnings per share attributable to the equity holders of the parent (in €)</b>		
basic	0.14 <sup>1</sup>	0.34
diluted	0.14 <sup>1</sup>	0.34

<sup>1</sup> Adjusted according to IAS 8.42



CONTENTS

1

GROUP OVERVIEW

2

GROUP INTERIM MANAGEMENT REPORT

3

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

4

NOTES TO CONSOLIDATED INTERIM STATEMENTS

5

ADDITIONAL INFORMATION

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of 30 September 2022



CONTENTS

## Assets

in € thousand	31 Mar 22	30 Sep 22
Intangible assets	3,100	2,671
Property, plant and equipment	184,905	182,386
Trade receivables	47,541	51,568
Other non-current assets	12,619	11,821
Deferred tax assets	18,845	19,335
<b>Total non-current assets</b>	<b>267,009</b>	<b>267,780</b>
Inventories	129,388	121,674
Trade receivables	37,671	54,610
Other receivables	28,584	33,359
Other current assets	13,667	16,847
Cash and cash equivalents	116,967	113,517
Assets held for sale	760	
<b>Total current assets</b>	<b>327,036</b>	<b>340,007</b>
<b>Total assets</b>	<b>594,045</b>	<b>607,787</b>

## Equity and liabilities

in € thousand	31 Mar 22	30 Sep 22
Share capital	430	430
Capital reserves	539,630	539,630
Retained earnings/accumulated losses	-482,826	-485,290
Currency translation reserve	10,422	27,949
<b>Total equity</b>	<b>67,656</b>	<b>82,720</b>
Pensions and similar obligations	34,871	35,282
Other provisions	3,172	3,213
Financial liabilities	247,683	247,946
Other liabilities	29,753	29,852
Deferred tax liabilities	3,635	4,239
<b>Total non-current liabilities</b>	<b>319,113</b>	<b>320,532</b>
Tax liabilities	13,805	17,047
Other provisions	47,974	51,213
Financial liabilities	1,404	5,793
Trade payables	70,384	59,809
Other liabilities	73,708	70,673
<b>Total current liabilities</b>	<b>207,275</b>	<b>204,535</b>
<b>Equity and liabilities</b>	<b>594,045</b>	<b>607,787</b>

1  
GROUP  
OVERVIEW

2  
GROUP INTERIM  
MANAGEMENT  
REPORT

3  
CONSOLIDATED  
INTERIM FINANCIAL  
STATEMENTS

4  
NOTES TO  
CONSOLIDATED  
INTERIM STATEMENTS

5  
ADDITIONAL  
INFORMATION

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the half year ended 30 September 2022

in € thousand	HY 2021/22	HY 2022/23
Profit for the period	5,774	14,748
Income tax expense (+)/income (-)	9,476	7,743
Financial result (+)/(-) net	19,793	2,116
Depreciation, amortisation and impairment	15,290	16,072
Other non-cash expenses (+)/income (-)	-8,759	278
Increase (-)/decrease (+) in inventories	-24,132	10,419
Increase (-)/decrease (+) in trade receivables	21,585	-18,079
Increase (-)/decrease (+) in other assets	-2,644	-2,109
Increase (-)/decrease (+) in deferred taxes	-688	358
Increase (-)/decrease (+) in prepaid expenses/deferred income	-1,077	-88
Increase (+)/decrease (-) in provisions	4,722	4,320
Increase (+)/decrease (-) in trade payables	-9,979	-56
Increase (+)/decrease (-) in other liabilities	-4,258	-5,964
Gain (-)/loss (+) on disposals of non-current assets	-7	26
Cash received from (+)/cash paid for (-) income taxes	-6,744	-4,315
<b>Cash flow from operating activities</b>	<b>18,350</b>	<b>25,470</b>
Cash received (+) from disposals of property, plant and equipment	-69	778
Cash paid (-) for investments in intangible assets	-249	-50
Cash paid (-) for investments in property, plant and equipment	-8,940	-7,518
Interest received (+)	1,808	1,670
<b>Cash flow from investing activities</b>	<b>-7,389</b>	<b>-5,120</b>

in € thousand	HY 2021/22	HY 2022/23
Cash repayments of loans		
Cash received from loans	250,747	
Cash in-flow (+)/out-flow (-) from shareholders of the parent company	49,245	
Cash repayments (-) of bond/cash received from (+) issuance of bond	-400,000	
Cash paid for (-) subsidies/grants	-2	-1
Cash paid for (-) finance leases	-4,022	-4,461
Interest paid (-)	-10,812	-2,878
Dividends paid (-)		-17,212
<b>Cash flow from financing activities</b>	<b>-114,843</b>	<b>-24,552</b>
<b>Net increase (+)/decrease (-) in cash and cash equivalents</b>	<b>-103,882</b>	<b>-4,202</b>
Effect of exchange rate fluctuations on cash and cash equivalents		751
Cash and cash equivalents at the beginning of the reporting period	175,299	116,967
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>71,417</b>	<b>113,517</b>



CONTENTS

1

GROUP OVERVIEW

2

GROUP INTERIM MANAGEMENT REPORT

3

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

4

NOTES TO CONSOLIDATED INTERIM STATEMENTS

5

ADDITIONAL INFORMATION

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half year ended 30 September 2022

in € thousand	Share capital	Capital reserves	Other retained earnings/ accumulated losses	Currency translation reserve	Equity
<b>Balance as of 01 Apr 21</b>	<b>62</b>	<b>21,891</b>	<b>-528,289</b>	<b>1,245</b>	<b>-505,091</b>
Profit or loss for the year			5,774		5,774
Other comprehensive income or loss			3	1,732	1,735
<b>Comprehensive income or loss for the year</b>			<b>5,777</b>	<b>1,732</b>	<b>7,509</b>
Issue of new shares	368	47,832			48,200
Contribution of shareholder loan		469,280			469,280
<b>Balance as of 30 Sep 21</b>	<b>430</b>	<b>539,003</b>	<b>-522,512</b>	<b>2,978</b>	<b>19,899</b>
<b>Balance as of 01 Apr 22</b>	<b>430</b>	<b>539,630</b>	<b>-482,826</b>	<b>10,422</b>	<b>67,656</b>
Profit or loss for the year			14,748		14,748
Other comprehensive income or loss				17,527	17,527
<b>Comprehensive income or loss for the year</b>			<b>14,748</b>	<b>17,527</b>	<b>32,275</b>
Dividends			-17,212		-17,212
<b>Balance as of 30 Sep 22</b>	<b>430</b>	<b>539,630</b>	<b>-485,290</b>	<b>27,949</b>	<b>82,720</b>



CONTENTS

1

GROUP OVERVIEW

2

GROUP INTERIM MANAGEMENT REPORT

3

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

4

NOTES TO CONSOLIDATED INTERIM STATEMENTS

5

ADDITIONAL INFORMATION

# NOTES TO CONSOLIDATED INTERIM STATEMENTS



CONTENTS

## 1 General information

### 1.1 Reporting entity

Novem Group S.A. (hereinafter also referred to as the “Company”) is domiciled in Contern, Luxembourg, and is registered in the commercial register of Luxembourg under register file number B 162.537. The Company’s registered office is at 19, rue Edmond Reuter, 5326 Contern, Luxembourg.

The Company’s financial year is from 1 April to 31 March of the following year (12-month period). The consolidated financial statements include Novem Group S.A. and its subsidiaries (hereinafter also referred to as “Novem” or the “Group”).

Novem operates as developer, supplier and system supplier for trim parts and decorative functional elements in vehicle interiors in the premium sector. The products combine valuable raw materials with the latest technology and processing. Typically, the products are used as instrument panels, impact-resistant trim parts in the centre console, door trims, beltlines and decorative functional elements in the car interior.

### 1.2 Basis of preparation and presentation method

These interim financial statements for the six months ended 30 September 2022 have been prepared in accordance with IAS 34 Interim Financial Reporting and comply with the International Financial Reporting Standards (IFRS) as adopted by the European Union. They should be read in conjunction with the Group’s last annual consolidated financial statements as at

and for the year ended 31 March 2022. They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual consolidated financial statements.

These interim financial statements were authorised for issue by the Management Board on 30 November 2022.

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in the Group’s annual consolidated financial statements at and for the year ended 31 March 2022.

Income tax expense is recognised in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

The Group observed all standards and interpretations adopted by the International Accounting Standards Board (IASB) and by the EU that are mandatory as of 1 January 2022. The following standards were initially adopted in financial year 2022/23 and had negligible effects on the Group’s accounting:

- Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41: Improvements to IFRS 2018-2020
- Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract
- Amendments to IAS 16: Proceeds before Intended Use
- Amendments to IFRS 3: Reference to the Framework

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual consolidated financial statements.

1

GROUP OVERVIEW

2

GROUP INTERIM MANAGEMENT REPORT

3

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

4

NOTES TO CONSOLIDATED INTERIM STATEMENTS

5

ADDITIONAL INFORMATION



## 2 Notes to consolidated statements of financial position

### 2.1 Property, plant and equipment

in € thousand	31 Mar 22	30 Sep 22
Land, leasehold rights and buildings, including buildings on third-party land	80,797	79,717
Thereof right-of-use assets from leases	29,661	30,160
Technical equipment and machinery	84,212	81,787
Thereof assets from leases	54	
Other equipment, operating and office equipment	12,083	10,863
Thereof right-of-use assets from leases	4,173	3,313
Advance payments and assets under construction	7,814	10,019
<b>Property, plant and equipment</b>	<b>184,905</b>	<b>182,386</b>

Property, plant and equipment include right-of-use assets due to the application of IFRS 16 (Leases). Please refer to [section 4.5](#) for additional information on future lease payments.

Novem's property, plant and equipment amounted to €182,386 thousand as of 30 September 2022 (31 March 2022: €184,905 thousand). The change results from depreciation and offsetting additions in the form of technical equipment and machinery and advance payments on assets under construction.

There were no material new impairment losses or reversals of impairment losses in the reporting period.

### 2.2 Inventories

in € thousand	31 Mar 22	30 Sep 22
Raw materials and consumables	36,499	36,849
Work in process	13,204	14,006
Finished goods and merchandise	17,664	17,435
Tools	61,141	52,881
Advance payments for tools	851	468
Advance payments for raw materials	29	35
<b>Inventories</b>	<b>129,388</b>	<b>121,674</b>

The majority of inventories consists of tools as well as raw materials and consumables.

Inventories that are expected to be turned over within twelve months amounted to €121,674 thousand (31 March 2022: €129,388). The write-downs recognised on inventories amounted to €7,005 thousand in the first half year of the financial year 2022/23 (31 March 2022: €6,069 thousand). In the case of write-downs, marketability, age, as well as all apparent storage and inventory risks are taken into account.

Due to the fact that there is no alternative use option for the finished parts on stock as of the reporting date, for which there are also firm purchase commitments by the OEMs, an adjustment was made to the inventories in the amount of €11,924 thousand (31 March 2022: €9,418 thousand) based on recognition of revenue over

time under IFRS 15, together with the recognition of contract assets amounting to €13,558 thousand (31 March 2022: €11,466 thousand).

### 2.3 Trade receivables

in € thousand	31 Mar 22	30 Sep 22
Trade receivables	86,326	107,613
Expected credit losses on trade receivables	-1,115	-1,435
<b>Trade receivables</b>	<b>85,211</b>	<b>106,178</b>
Non-current	47,540	51,568
Current	37,671	54,610

Trade receivables are mainly receivables from contracts with customers. In conjunction with a factoring agreement, receivables were sold to a bank at a purchase price of €48,698 thousand as of 30 September 2022 (31 March 2022: €47,805 thousand), of which €951 thousand representing a limited Seller Guarantee (2% of the average outstanding nominal amount of the European sold receivables). The Seller Guarantee represents the Group's maximum exposure to any losses in respect of trade receivables previously sold under the factoring program. These receivables were carried at fair value through profit or loss until the time of their disposal.

The increase in receivables was especially driven by higher business volumes and higher demand among OEMs.

Trade receivables are written down in full or in part when there are indications that they are not recoverable. Furthermore, in accordance with IFRS 9, expected

1

GROUP OVERVIEW

2

GROUP INTERIM MANAGEMENT REPORT

3

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

4

NOTES TO CONSOLIDATED INTERIM STATEMENTS

5

ADDITIONAL INFORMATION



credit losses for trade receivables not measured at fair value through profit or loss are calculated on a portfolio basis. For this purpose, Novem groups the receivables by individual customers. The expected rates of default are provided for each counterparty by an external rating agency. This individual probability of default per customer is applied uniformly throughout the Novem Group. Current external credit information and ratings that reflect the prevalent expectations regarding the potential impact of the Covid-19 pandemic and Ukraine war were used for the consolidated financial statements as of 30 September 2022. An additional adjustment of the valuation allowance is thus not required under this model.

## 2.4 Cash and cash equivalents

in € thousand	31 Mar 22	30 Sep 22
Cash on hand	43	37
Cash at banks	116,924	113,480
<b>Cash and cash equivalents</b>	<b>116,967</b>	<b>113,517</b>

Cash and cash equivalents are readily available and are not subject to any restrictions. Cash and cash equivalents are concentrated at Novem Beteiligungs GmbH, which operates a group-wide cash pooling system.

## 2.5 Equity

Please refer to the [statement of changes in equity](#) for detailed information on changes in consolidated equity.

## Share capital

The share capital of the Company amounted to €430 thousand as of 30 September 2022 (31 March 2022: €430 thousand) and is divided into 43,030,303 ordinary shares in a dematerialised form with no nominal value. Each share of the Company represents a par value of €0.01 in the Company's share capital.

## Capital reserves

The capital reserves amounted to €539,630 thousand as of 30 September 2022 (31 March 2022: €539,630 thousand).

## Other retained earnings

Retained earnings amounted to €-485,290 thousand as of 30 September 2022 (31 March 2022: €-482,826 thousand).

Retained earnings comprise the past net income and other comprehensive income of the companies included in the consolidated financial statements as well as the amount distributed to shareholders. The comprehensive income for the first half of financial year 2022/23 amounted to €14,748 thousand (PY: €5,777 thousand). The Annual General Meeting resolved a dividend distribution of €0.40 per share to the shareholders of Novem Group S.A. for the past financial year. The total distribution ratio was therefore 39.1% and amounted to €17,212 thousand for 43,030,303 shares entitled to dividends. The remaining other accumulated losses were carried forward.

The negative amount primarily resulted from a recapitalisation and a related Group re-organisation in the financial year 2019/20.

## Difference in equity from currency translation

The statements of financial position and total comprehensive income for all foreign subsidiaries whose functional currency is not the Euro are translated into Euro. The currency translation differences arising are recognised in other comprehensive income and reported in the *Currency translation reserve in equity*; they amount to €27,949 thousand as of 30 September 2022 (31 March 2022: €10,422 thousand).

## 2.6 Other provisions

The provisions cover all identifiable risks and other uncertain obligations. In the following, the provisions are shown subdivided into non-current and current provisions:

### Non-current provisions

in € thousand	31 Mar 22	30 Sep 22
Obligations from sales	1,867	1,867
Employee benefits	1,305	1,346
<b>Non-current provisions</b>	<b>3,172</b>	<b>3,213</b>

The non-current provisions amounted to €3,213 thousand as of 30 September 2022 (31 March 2022: €3,172 thousand) and are expected to mature between one and five years.

The provisions attributable to the sales area primarily include risks arising from warranty claims. €1,346 thousand (31 March 2022: €1,305 thousand) are fully

1

GROUP OVERVIEW

2

GROUP INTERIM MANAGEMENT REPORT

3

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

4

NOTES TO CONSOLIDATED INTERIM STATEMENTS

5

ADDITIONAL INFORMATION



attributable to provisions in the personnel area. These personnel-related obligations relate to long-service awards, which are calculated using actuarial opinions.

### Current provisions

in € thousand	31 Mar 22	30 Sep 22
Obligations from sales	40,241	42,621
Employee benefits	1,741	1,816
Other risks	5,992	6,776
<b>Current provisions</b>	<b>47,974</b>	<b>51,213</b>

Current provisions as of 30 September 2022, which are recognised for uncertain obligations within one year, include in particular provisions from obligations from the sales and personnel areas as well as other risks of €51,213 thousand (31 March 2022: €47,974 thousand).

The provisions attributable to the sales area include especially risks arising from warranty claims, price risks and not yet finalised customer debit notes.

The personnel-related obligations relate largely to provisions for partial retirement benefits, severance payments and performance-based obligations.

Management's best estimate is used as a basis when measuring warranty provisions. These are estimated based on past experiences with respect to the Group's liability. Specific individual cases are also considered.

The outstanding customer debit notes recognised in the consolidated financial statements relating to price or quantity differences, as well as quality deficiencies,

were based on assumptions or estimates made on account of ongoing customer negotiations or past experiences with customers.

The remaining risks primarily involve several discernible individual risks and uncertain liabilities that are accounted for at their probable settlement amounts.

## 2.7 Financial liabilities

in € thousand	31 Mar 22			30 Sep 22		
	Current	Non-current	Total	Current	Non-current	Total
Liabilities to banks	1,404	247,683	<b>249,087</b>	5,793	247,946	<b>253,739</b>
<b>Financial liabilities</b>	<b>1,404</b>	<b>247,683</b>	<b>249,087</b>	<b>5,793</b>	<b>247,946</b>	<b>253,739</b>

Total current and non-current financial liabilities amounted to €253,739 thousand as of 30 September 2022 (31 March 2022: €249,087 thousand).

After the successful IPO, a new term loan agreement for €310,000 thousand in total (€250,000 thousand as a term loan and €60,000 thousand as a revolving credit facility) was entered into between Novem Group S.A. and an international syndicate of banks as of 18 June 2021. Accordingly, the refinancing was implemented as of 23 July 2021 by the drawdown of the term loan of €250,000 thousand and it matures in July 2026.

After the deduction of transaction costs and pro rata interest incurred, €247,946 thousand (31 March 2022: €247,683 thousand) of the liabilities to banks of €253,739 thousand (31 March 2022: €249,087 thousand) relate to the utilised term loan. The remaining amount of €5,793 thousand (31 March 2022: €1,404 thousand) mainly resulted from derivatives.

## 2.8 Other financial liabilities

Other financial liabilities are composed as follows:

in € thousand	31 Mar 22	30 Sep 22
<b>Other current financial liabilities</b>		
Lease liabilities	7,855	7,492
<b>Other non-current financial liabilities</b>		
Lease liabilities	27,002	26,952
Loan (benefits fund)	8	7
<b>Other financial liabilities</b>	<b>34,865</b>	<b>34,451</b>

The liabilities to leases changed due to cash out-flow of €4,876 thousand in the first half of the financial year 2022/23 (PY: €4,022 thousand). The changes in the lease liability occurred primarily from contract modifications and current leases.

1

GROUP  
OVERVIEW

2

GROUP INTERIM  
MANAGEMENT  
REPORT

3

CONSOLIDATED  
INTERIM FINANCIAL  
STATEMENTS

4

NOTES TO  
CONSOLIDATED  
INTERIM STATEMENTS

5

ADDITIONAL  
INFORMATION

The lease liabilities of €34,444 thousand as of 30 September 2022 (31 March 2021: €34,857 thousand) are largely from leasing land and buildings.

## 2.9 Trade payables

Trade payables comprise outstanding obligations from the exchange of the Group's goods and services. Outstanding invoices and liabilities for deliveries received are reported in accordance with their character under trade payables. Trade payables amounted to €59,809 thousand on the reporting date (31 March 2022: €70,384 thousand). The change was mainly driven by cash flow management and the maturity of liabilities.



CONTENTS

1

GROUP  
OVERVIEW

2

GROUP INTERIM  
MANAGEMENT  
REPORT

3

CONSOLIDATED  
INTERIM FINANCIAL  
STATEMENTS

4

NOTES TO  
CONSOLIDATED  
INTERIM STATEMENTS

5

ADDITIONAL  
INFORMATION



### 3 Notes to consolidated statements of other comprehensive income

#### 3.1 Revenue

In the first half of the financial year 2022/23, Novem generated total revenue of €359,263 thousand (PY: €295,404 thousand), which marks a 21.6% increase compared to the same period of last year. As in previous years, the wood surface area accounted for the largest share of Novem's success, followed by aluminium and premium synthetics. Revenue can be broken down by the surface areas mentioned below:

in € thousand	HY 2021/22	HY 2022/23
Wood	218,789	269,363
Aluminium	57,931	69,075
Premium synthetics	18,684	20,825
<b>Revenue</b>	<b>295,404</b>	<b>359,263</b>

Revenue Series developed positively in the first six months of the financial year 2022/23 and recorded at €308,399 thousand, up by 14.4% compared to the same reporting period last year (PY: €269,546 thousand). Revenue Series generated 85.8% of total revenue (PY: 91.2%) and remained the key pillar of the business.

Revenue Tooling contributed €50,864 thousand to total revenue from April to September 2022 (PY: €25,858 thousand). This corresponds to a year-on-year increase

of 96.7% or €25,006 thousand, mainly attributable to a different project phasing. Revenue within the Group can be allocated to business areas as follows:

in € thousand	HY 2021/22	HY 2022/23
Revenue Series	269,546	308,399
Revenue Tooling	25,858	50,864
<b>Revenue</b>	<b>295,404</b>	<b>359,263</b>

This following breakdown of revenues also determines the type of revenue recognition, as revenue from Tooling is considered to be goods and services transferred at a point in time, while revenue from Series must be classified as goods and services transferred over time.

in € thousand	HY 2021/22	HY 2022/23
Goods and services transferred over time	269,546 <sup>1</sup>	308,399
Goods transferred at a point in time	25,858 <sup>1</sup>	50,864
<b>Revenue</b>	<b>295,404</b>	<b>359,263</b>

<sup>1</sup> Adjusted according to IAS 8.42

There was also a corresponding adjustment of revenue in the amount of €769 thousand (PY: €900 thousand) on account of current contract terms, whereby, on the start of production (SOP) on some platforms, the revenue recognised is reduced in line with the units delivered and the asset for the development contribution is reversed accordingly.

Novem expects that revenue for its delivery obligations not (or only partially) fulfilled at the end of the financial year will be recognised within a year.

#### 3.2 Net finance income/costs

The financial result amounted to €-18,123 thousand in the first half of the financial year 2022/23 (PY: €-20,425 thousand).

##### Finance income

in € thousand	HY 2021/22	HY 2022/23
Interest income	1,808	1,670
<b>Finance income</b>	<b>1,808</b>	<b>1,670</b>

Finance income amounted to €1,670 thousand in the first half of 2022/23 (PY: €1,808 thousand) and was largely attributable to interest income from customer tooling of €1,521 thousand (PY: €1,691 thousand).

##### Finance costs

in € thousand	HY 2021/22	HY 2022/23
Interest paid to banks	954	2,086
Interest paid on shareholder loans	7,389	
Interest paid on bond	6,825	
Transaction costs directly attributable to the issue of a financial liability	5,509	324
Interest expense from discounting of provisions	286	404
Interest expense arising from leases	276	249
Other interest expenses	361	724
Expenses from currency translation	633	16,006
<b>Finance costs</b>	<b>22,233</b>	<b>19,793</b>

1

GROUP OVERVIEW

2

GROUP INTERIM MANAGEMENT REPORT

3

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

4

NOTES TO CONSOLIDATED INTERIM STATEMENTS

5

ADDITIONAL INFORMATION



The finance costs of €19,793 thousand in the first half of 2022/23 (PY: €22,233 thousand) mainly arose from interest expenses for banks and from expenses from currency translation. With the exception of the interest expense from the discounting of provisions, interest expenses were calculated using the effective interest method.

### 3.3 Earnings per share

	HY 2021/22	HY 2022/23
Profit attributable to shareholders of the parent (in € thousand)	5,774	14,748
Number of weighted shares	41,295,143 <sup>1</sup>	43,030,303
<b>Earnings per share basic (in €)</b>	0.14 <sup>1</sup>	0.34
<b>Earnings per share diluted (in €)</b>	0.14 <sup>1</sup>	0.34

<sup>1</sup> Adjusted according to IAS 8.42

The earnings per share for the six months ended 30 September 2022 amounted to €0.34 (PY: €0.14). Earnings per share are calculated by dividing the profit for the period attributable to shareholders of the parent by the weighted average number of shares issued in the reporting period.

**1**

GROUP OVERVIEW

**2**

GROUP INTERIM MANAGEMENT REPORT

**3**

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

**4**

NOTES TO CONSOLIDATED INTERIM STATEMENTS

**5**

ADDITIONAL INFORMATION



## 4 Other disclosures

### 4.1 Financial instruments

The following table shows the carrying amounts and fair values of the financial instruments broken down by balance sheet class and category:

in € thousand	Category	31 Mar 22		30 Sep 22	
		Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets by classification</b>					
Trade receivables	FAAC	81,785	81,785	103,034	103,034
Trade receivables within the scope of factoring agreements	FAFVTPL	3,426	3,426	3,144	3,144
Cash and cash equivalents	FAAC	116,967	116,967	113,517	113,517
<b>Financial liabilities by classification</b>					
Trade payables	FLAC	70,384	70,384	59,809	59,809
Liabilities to banks (non-derivative)	FLAC	247,746	247,746	248,001	248,001
Liabilities to banks (derivative)	FLFVTPL	1,342	1,342	5,717	5,717
<b>Summary by category</b>					
FAAC		198,752	198,752	216,551	216,551
FAFVTPL		3,426	3,426	3,144	3,144
FLAC		318,130	318,130	307,810	307,810
FLFVTPL		1,342	1,342	5,717	5,717

There were no transfers between the different levels of the fair value hierarchy in the first half of the financial year 2022/23.

Fair value is the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement

date. The following methods and assumptions were used to estimate fair values in the preceding half of the financial year:

The invoice amount of receivables is used as a reasonable approximation for the fair value of trade receivables in conjunction with factoring agreements.

For trade receivables not subject to factoring agreements and for cash and cash equivalents, given their maturity, it is assumed that the carrying amount is a reasonable approximation of fair value due to their predominantly short-term nature. Similarly, for trade payables, non-derivative liabilities to banks and other financial liabilities, it is assumed that the carrying amount is the fair value.

The fair values of the derivative financial instruments in the form of forward exchange contracts with banks are determined using the present value method based on market prices.

The measurement of the fair values of trade receivables within the scope of factoring agreements and derivative financial instruments based on inputs that can be observed either directly (i.e. as prices) or indirectly (i.e. derived from prices) on active markets. As of 30 September 2022, the fair value of trade receivables within the scope of factoring agreements amounted to €3,144 thousand (31 March 2022: €3,426 thousand). The fair value of the derivative financial instruments increased to €5,717 thousand (31 March 2022: €1,342 thousand).

### 4.2 Share-based payments

The Management Board members of Novem Group S.A. participate in a long-term incentive (Performance Share Plan) in the form of virtual shares. The Performance Share Plan is classified according to IFRS 2 as cash-settled share-based payment.

The Performance Share Plan is granted in annual tranches of virtual shares with a respective performance period of four years. Deviating from this, the performance period of the tranche 2021 started on the day of the listing of Novem Group S.A. ("IPO") and will end on 31 March 2025. The second tranche (tranche 2022) started at the beginning of financial year 2022/23 and will end on 31 March 2026.

The conditionally granted number of virtual shares at the beginning of the performance period is calculated for each tranche by dividing a contractually defined individual target amount by the start share price of the

1

GROUP OVERVIEW

2

GROUP INTERIM MANAGEMENT REPORT

3

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

4

NOTES TO CONSOLIDATED INTERIM STATEMENTS

5

ADDITIONAL INFORMATION



share of Novem Group S.A. (arithmetic mean of the closing prices of the stock during the last 60 trading days prior to the start of the performance period).

The final number of virtual shares is determined by multiplying the total target achievement with the conditionally granted number of virtual shares. The total target achievement depends on the target achievement of the two financial figures relative Total Shareholder Return (70% weighting) and EBIT margin (30% weighting). Thereby, the target achievement of relative Total Shareholder Return and EBIT margin can range between 0% and 150%.

In order to determine the payout in cash, the final number of virtual shares is multiplied by the end share price of the share of Novem Group S.A. (arithmetic mean of the closing prices of the stock during the last 60 trading days prior to the end of the performance period) plus the sum of the dividends disbursed during the performance period. The payout is capped at 200% of the contractually defined individual target amount.

The first tranche of the Performance Share Plan was allocated to Management Board members of Novem Group S.A. for financial year 2021/22 and the number of conditionally granted virtual shares amounts to 40,826, resulting in a provision of €85 thousand as of 30 September 2022.

The second tranche is awarded for financial year 2022/23 with a total number of 60,385 conditionally granted virtual shares, corresponding to a provision of €55 thousand as of 30 September 2022.

In total, the expenses for financial year 2022/23 amounted to €71 thousand as of 30 September 2022.

The fair value of the Performance Share Plan to calculate expenses and provisions was determined by using a Monte-Carlo-Simulation. The fair value and the inputs used in the assessment of the fair value as of 30 September 2022 were as follows:

Valuation as of 30 September 2022	Tranche 2021	Tranche 2022
Performance period	19 Jul 21 – 31 Mar 25	1 Apr 22 – 31 Mar 26
Start share price Novem Group S.A.	€16.46	€11.25
Remaining duration of performance period	2.5 years	3.5 years
Expected annual volatility	49.2%	49.4%
Risk-free annual interest rate	1.7%	1.7%
Expected target achievement for internal target EBIT margin	100%	100%
<b>Fair value per virtual share</b>	<b>€6.23</b>	<b>€6.45</b>

### 4.3 Reporting by region

#### Revenue by surface

in € thousand	Europe	Americas	Asia
<b>HY 2021/22</b>			
Wood	103,296	84,708	30,785
Aluminium	25,983	25,952	5,996
Premium synthetics	18,242	442	
<b>HY 2022/23</b>			
Wood	120,962	99,855	48,546
Aluminium	36,005	28,382	4,688
Premium synthetics	14,672	5,194	959

#### Revenue by type of revenue recognition

in € thousand	Europe	Americas	Asia
<b>HY 2021/22</b>			
Goods and ser- vices transferred over time <sup>1</sup>	124,642	108,265	36,639
Goods transferred at a point in time <sup>1</sup>	22,879	2,837	142
<b>HY 2022/23</b>			
Goods and ser- vices transferred over time	133,993	128,101	46,305
Goods transferred at a point in time	37,646	5,330	7,888

<sup>1</sup> Adjusted according to IAS 8.42

1

GROUP  
OVERVIEW

2

GROUP INTERIM  
MANAGEMENT  
REPORT

3

CONSOLIDATED  
INTERIM FINANCIAL  
STATEMENTS

4

NOTES TO  
CONSOLIDATED  
INTERIM STATEMENTS

5

ADDITIONAL  
INFORMATION



#### 4.4 Reconciliation of information on reportable segments

The following table shows further information on the Adj. EBIT performance indicator, which is used to assess the performance of the operating segments:

##### Adjustments

in € thousand	Europe		Americas		Asia	
	HY 2021/22	HY 2022/23	HY 2021/22	HY 2022/23	HY 2021/22	HY 2022/23
<b>Restructuring</b>						
Material quality claims	-104					
Single impairments						
Covid-19 costs	176	-12	203	48		179
Transaction costs	2,409					
Others	218	307	230			
<b>Exceptional items</b>	<b>2,699</b>	<b>295</b>	<b>433</b>	<b>48</b>		<b>179</b>
<b>Discontinued operations</b>						
<b>Adjustments</b>	<b>2,699</b>	<b>295</b>	<b>433</b>	<b>48</b>		<b>179</b>

In the first half of the financial year 2022/23, adjustments contained €183 thousand severance payments, €215 thousand Covid-19 related costs, €114 thousand project costs, as well as €10 thousand accelerated depreciation. The adjustments in the first half of 2022/23 were significantly lower than in the previous year, mainly attributable to the transaction costs of €2,409 from the stock market listing.

1

GROUP OVERVIEW

2

GROUP INTERIM MANAGEMENT REPORT

3

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

4

NOTES TO CONSOLIDATED INTERIM STATEMENTS

5

ADDITIONAL INFORMATION



## Segment Reporting

in € thousand	Europe		Americas		Asia		Total segments		Other/consolidation		Group	
	HY 2021/22	HY 2022/23	HY 2021/22	HY 2022/23	HY 2021/22	HY 2022/23	HY 2021/22	HY 2022/23	HY 2021/22	HY 2022/23	HY 2021/22	HY 2022/23
External revenue	147,416 <sup>1</sup>	171,639	111,102	133,431	36,781	54,193	295,299	359,263			295,299	359,263
Revenue between segments	19,343	25,416	21,647	25,393	12,216	8,114	53,206	58,923	-53,206	-58,923		
<b>Total revenue</b>	<b>166,759</b>	<b>197,055</b>	<b>132,749</b>	<b>158,824</b>	<b>48,997</b>	<b>62,307</b>	<b>348,505</b>	<b>418,186</b>	<b>-53,206</b>	<b>-58,923</b>	<b>295,299</b>	<b>359,263</b>
<b>Adj. EBITDA</b>	<b>23,791</b>	<b>19,063</b>	<b>17,785</b>	<b>27,236</b>	<b>11,839</b>	<b>11,257</b>	<b>53,415</b>	<b>57,556</b>			<b>53,415</b>	<b>57,556</b>
Depreciation, amortisation and impairment	7,141	7,450	5,527	6,020	2,565	2,592	15,233	16,062			15,233	16,062
<b>Adj. EBIT</b>	<b>16,650</b>	<b>11,613</b>	<b>12,258</b>	<b>21,216</b>	<b>9,274</b>	<b>8,665</b>	<b>38,182</b>	<b>41,494</b>			<b>38,182</b>	<b>41,494</b>
Adjustments	2,699	295	433	48		179	3,132	522			3,132	522
<b>Operating Result (EBIT)</b>	<b>13,951</b>	<b>11,318</b>	<b>11,825</b>	<b>21,168</b>	<b>9,274</b>	<b>8,486</b>	<b>35,050</b>	<b>40,972</b>			<b>35,050</b>	<b>40,972</b>

<sup>1</sup> Including revenue-related adjustments

The amounts shown above in the *Other/consolidation* column include the elimination of transactions between the segments and specific items at group level that relate to the Group as a whole and cannot be allocated to the segments.

The following table shows the reconciliation of Adj. EBIT to EBIT and to earnings before taxes for the first half of the financial years 2021/22 and 2022/23:

in € thousand	HY 2021/22	HY 2022/23
<b>Adj. EBITDA</b>	<b>53,415</b>	<b>57,556</b>
Depreciation, amortisation and impairment	15,233	16,062
<b>Adj. EBIT</b>	<b>38,182</b>	<b>41,494</b>
Adjustments	3,132	522
<b>EBIT</b>	<b>35,050</b>	<b>40,972</b>
Finance income	1,808	1,670
Finance costs	22,233	19,793
<b>Earnings before taxes</b>	<b>14,625</b>	<b>22,849</b>

Adj. EBIT includes transactions with a one-off and non-recurring nature that occurred in the ordinary course of business.

#### 4.5 Leases

The Group is a lessee in various leases comprising land and buildings, technical equipment and machinery and items of operating and office equipment. The terms of the leases for land and buildings are typically between one and 35 years. Leasing contracts for technical equipment and machinery ended in the financial year 2022/23. The customary terms for leases for operating and office equipment are between one and eleven years. In some cases, Novem's leases also contain renewal options. The Group estimates that the potential future lease payments, if the renewal options not currently taken into account in the measurement of the

1

GROUP OVERVIEW

2

GROUP INTERIM MANAGEMENT REPORT

3

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

4

NOTES TO CONSOLIDATED INTERIM STATEMENTS

5

ADDITIONAL INFORMATION



lease liability were exercised, would result in expected additional future undiscounted lease payments of €67,302 thousand.

Some leases for land and buildings stipulate additional rent payments based on changes in local price indices.

The future cash out-flows from variable lease payments not included in the measurement of the lease liability amounted to €2,464 thousand (31 March 2022: €3,546 thousand). These essentially relate to leases for land and buildings.

Further information on leases in which the Group is the lessee is presented below. There are no leases in which Novem is the lessor.

#### Right-of-use assets

in € thousand	Carrying amount as of 31 Mar 22	Carrying amount as of 30 Sep 22
Land and buildings	29,661	30,160
Technical equipment and machinery	54	
Other equipment, operating and office equipment	4,173	3,313
<b>Right-of-use assets</b>	<b>33,888</b>	<b>33,473</b>

#### Amounts recognised in profit and loss and cash flows

in € thousand	HY 2021/22	HY 2022/23
Interest expense for lease liabilities	281	254
Short-term lease expenses	1,071	1,351
Lease expenses for low value assets except short-term leases for low value assets	460	578
Expense for variable lease payments not included in the measurement of lease liabilities	202	139
<b>Total cash out-flow for leases</b>	<b>5,892</b>	<b>6,944</b>

#### 4.6 Related parties

According to IAS 24, the Group has to disclose specific information about transactions between the Group and other related parties. Balances and transactions between the Group and its fully consolidated subsidiaries, which constitute related parties within the meaning of IAS 24, have been eliminated in the course of consolidation and are therefore not commented on in this note. The consolidated financial statements do not include any associated companies that are accounted for using the equity method.

In the first half of financial year 2022/23, transaction volume regarding the purchase of tools with Kunststoff Schwanden AG was €50 thousand (PY: €38 thousand).

Related parties of the Group primarily comprise the Novem Group's management, which also holds an investment in the Company. The remuneration of and

other transactions with key management personnel constitute related party transactions pursuant to IAS 24.

The Management Board mandate of Christine Hollmann ended on 10 August 2022 by resolution of the Supervisory Board of Novem Group S.A. In this context, her service agreement prematurely ends on 14 February 2023. Accordingly, she will receive the contractually agreed compensation commitments until 14 February 2023. In addition, she will receive a one-time payment in the amount of €69 thousand for the premature termination of her service agreement.

#### 4.7 Subsequent events

There were no events or developments that could have materially affected the measurement and presentation of the Group's assets and liabilities as of 30 September 2022.

1	GROUP OVERVIEW
2	GROUP INTERIM MANAGEMENT REPORT
3	CONSOLIDATED INTERIM FINANCIAL STATEMENTS
4	NOTES TO CONSOLIDATED INTERIM STATEMENTS
5	ADDITIONAL INFORMATION

# ADDITIONAL INFORMATION

## Financial calendar

16 February 2023	Q3 2022/23 Results
01 June 2023	FY 2022/23 Preliminary Results
29 June 2023	FY 2022/23 Results

All information is constantly updated and available.  
Please visit the investor section on the Company  
website: <https://ir.novem.com>

## Contact

Investor Relations  
[investor.relations@novem.com](mailto:investor.relations@novem.com)

## Date of publication

30 November 2022



CONTENTS

1

GROUP  
OVERVIEW

2

GROUP INTERIM  
MANAGEMENT  
REPORT

3

CONSOLIDATED  
INTERIM FINANCIAL  
STATEMENTS

4

NOTES TO  
CONSOLIDATED  
INTERIM STATEMENTS

5

ADDITIONAL  
INFORMATION



## Glossary

**Adj. EBIT** is defined as EBIT as adjusted for certain adjustments which management considers to be non-recurring in nature, as Novem believes such items are not reflective of the ongoing performance of the business.

**Adj. EBIT margin** is defined as Adj. EBIT divided by revenue.

**Adj. EBITDA** is defined as profit for the year before income tax result, financial result and amortisation, depreciation and write-downs as adjusted for certain adjustments which management considers to be non-recurring in nature, as Novem believes such items are not reflective of the ongoing performance of the business.

**Adj. EBITDA margin** is defined as Adj. EBITDA divided by revenue.

**Capital expenditure** is defined as the sum of cash paid for investments in property, plant and equipment and cash paid for investments in intangible assets excluding currency translation effects.

**EBIT** is defined as profit for the year before income tax result and financial result.

**EBITDA** is defined as profit for the year before income tax result, financial result and amortisation and depreciation.

**FAAC** stands for Financial assets measured at amortised cost.

**FAFVTPL** stands for Financial assets measured at fair value through profit or loss.

**FLAC** stands for Financial liabilities measured at amortised cost.

**FLFVTPL** stands for Financial liabilities measured at fair value through profit or loss.

**Free cash flow** is defined as the sum of cash flow from operating and investing activities.

**Gross financial debt** is defined as the sum of liabilities to banks, hedging and lease liabilities.

**Net financial debt** is defined as gross financial debt less cash and cash equivalents.

**Net leverage ratio** is defined as the ratio of net financial debt to Adj. EBITDA.

**Total operating performance** is defined as the sum of revenue and increase or decrease in finished goods.

**Total working capital** is defined as the sum of inventories, trade receivables and contract assets excluding expected losses less trade payables, tooling received advance payments received and other provisions related to tooling.

**Trade working capital** is defined as the sum of inventories non-tooling and trade receivables related to non-tooling less trade payables related to non-tooling.

1

GROUP  
OVERVIEW

2

GROUP INTERIM  
MANAGEMENT  
REPORT

3

CONSOLIDATED  
INTERIM FINANCIAL  
STATEMENTS

4

NOTES TO  
CONSOLIDATED  
INTERIM STATEMENTS

5

ADDITIONAL  
INFORMATION



## Disclaimer

Novem Group S.A. (the “Company”) has prepared this statement solely for your information. It should not be treated as giving investment advice. Neither the Company, nor any of its directors, officers, employees, direct or indirect shareholders and advisors nor any other person shall have any liability whatsoever for any direct or indirect losses arising from any use of this statement. While the Company has taken all reasonable care to ensure that the facts stated in this statement are accurate and that the opinions contained in it are fair and reasonable, this statement is selective in nature. Any opinions expressed in this statement are subject to change without notice and neither the Company nor any other person is under any obligation to update or keep current the information contained in this statement. Where this statement quotes any information or statistics from any external source, you should not interpret that the Company has adopted or endorsed such information or statistics as being accurate. This statement contains forward-looking statements, which involve risks, uncertainties and assumptions that could cause actual results, performance or events to differ materially from those described in, or expressed or implied by, such statements. These statements reflect the Company’s current knowledge and its expectations and projections about future events and may be identified by the context of such statements or words such as “anticipate”, “believe”, “estimate”, “expect”, “intend”, “plan”, “project” and “target”. No obligation is assumed to update any such statement. Numbers were rounded to one decimal. Due to rounding, the numbers presented may not add up precisely to the totals provided.

**1**GROUP  
OVERVIEW**2**GROUP INTERIM  
MANAGEMENT  
REPORT**3**CONSOLIDATED  
INTERIM FINANCIAL  
STATEMENTS**4**NOTES TO  
CONSOLIDATED  
INTERIM STATEMENTS**5**ADDITIONAL  
INFORMATION



Novem Group S.A.  
19, rue Edmond Reuter | 5326 Contern | Luxembourg

Email: [investor.relations@novem.com](mailto:investor.relations@novem.com)  
[www.novem.com](http://www.novem.com)

