



29 November 2023

HY 2023/24 Interim Statement

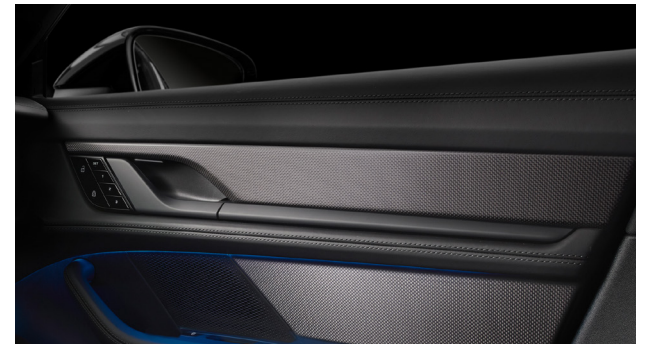
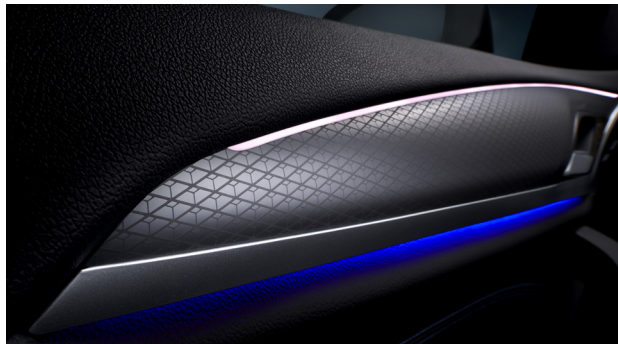


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GROUP OVERVIEW

Alternative Performance Measures (APMs) in the Group Interim Management Report for the first half of financial year 2023/24

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 2022/23	Q2 2023/24	HY 2022/23	HY 2023/24
Income statement				
Revenue	177.4	171.9	359.3	347.1
Adj. EBIT	20.1	18.0	41.5	38.0
Adj. EBIT margin (%)	11.3%	10.4%	11.5%	10.9%
Adj. EBITDA	28.2	26.2	57.6	54.5
Adj. EBITDA margin (%)	15.9%	15.2%	16.0%	15.7%
Cash flow				
Capital expenditure	3.8	4.6	7.6	8.0
Capital expenditure as % of revenue	2.2%	2.7%	2.1%	2.3%
Free cash flow	22.8	22.3	20.4	33.5

in € million	31 Mar 23	30 Sep 23
Balance sheet		
Trade working capital	53.3	56.0
Total working capital	124.0	136.3
Net financial debt	123.0	152.2
Net leverage (x Adj. EBITDA)	1.1x	1.4x



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HY 2023/24 highlights

Solid margin amid unfavourable conditions

Revenue for the first half of financial year 2023/24 came in at €347.1 million, which marked a decrease of €-12.2 million or -3.4% compared to the same period last year (€359.3 million). While revenue Series with -2.5% noted slightly below last year, revenue Tooling saw a decline of -8.6% compared to the first half of last year. The top line was impacted by unfavourable FX effects and would have been higher by 2.5% at constant FX rates. In the first six months, Adj. EBIT amounted to €38.0 million and was thus -8.4% below last year's figure of €41.5 million. This translated into an Adj. EBIT margin of 10.9% (PY: 11.5%) hampered by a weaker demand and model changes in Europe and Asia.

Free cash flow of €22.3 million in Q2 2023/24 lifted the half-year figure to €33.5 million. Compared to last year's €20.4 million, free cash flow recorded a substantial increase of €13.1 million or 64.5% y/y in the first half of FY 2023/24.

Acquisition of Tesla and Jaguar platforms

Novem has been nominated as supplier for the aluminium décor business of the Tesla *Model Y* facelift.

Furthermore, Novem acquired Jaguar's new electric platform *Panthera*. As part of the transformation to an all-electric luxury brand by 2025, Jaguar will develop the new platform in-house, which will serve as the basis for all future electric models.

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FINANCIAL PERFORMANCE



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in € million	Q2 2022/23	Q2 2023/24	HY 2022/23	HY 2023/24
Revenue	177.4	171.9	359.3	347.1
Increase or decrease in finished goods and work in process	-4.0	-5.5	-5.3	-11.8
Total operating performance	173.4	166.4	354.0	335.3
Other operating income	5.0	3.8	9.6	5.5
Cost of materials	-90.6	-83.5	-184.1	-163.9
Personnel expenses	-40.7	-46.6	-82.3	-90.1
Depreciation, amortisation and impairment	-8.0	-8.2	-16.1	-16.5
Other operating expenses	-19.2	-18.5	-40.1	-36.9
Operating result (EBIT)	19.8	13.3	41.0	33.3
Finance income	0.9	2.1	1.7	3.3
Finance costs	-11.4	-8.9	-19.8	-12.4
Financial result	-10.6	-6.8	-18.1	-9.1
Income taxes	-3.1	-3.2	-7.7	-6.3
Deferred taxes	0.1	1.5	-0.4	0.2
Income tax result	-3.0	-1.6	-8.1	-6.1
Profit for the period attributable to the shareholders	6.3	4.9	14.7	18.1
Differences from currency translation	8.4	4.4	17.5	2.9
Items that may subsequently be reclassified to consolidated profit or loss	8.4	4.4	17.5	2.9
Actuarial gains and losses from pensions and similar obligations (before taxes)	-	-	-	-
Taxes on actuarial gains and losses from pensions and similar obligations	-	-	-	-
Items that will not subsequently be reclassified to consolidated profit or loss	-	-	-	-
Other comprehensive income/loss, net of tax	8.4	4.4	17.5	2.9
Total comprehensive income/loss for the period attributable to the shareholders	14.6	9.3	32.3	21.0
Earnings per share attributable to the equity holders of the parent (in €)				
basic	0.15	0.11	0.34	0.42
diluted	0.15	0.11	0.34	0.42

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Revenue

Total revenue of €347.1 million in the first six months of the financial year 2023/24 decreased by €-12.2 million or -3.4% compared to the same reporting period last year. Based on prior year (constant) exchange rates, revenue would have been higher by 2.5%. This currency impact was primarily influenced by the weak Chinese Renminbi and US Dollar. On a segmental basis, revenue in the first half of 2023/24 was generated in Europe (€165.8 million), followed by Americas (€137.3 million) and Asia (€44.0 million).

Revenue development

in € million	HY 2022/23	HY 2023/24	% change
Revenue Series	308.4	300.6	-2.5%
Revenue Tooling	50.9	46.5	-8.6%
Revenue	359.3	347.1	-3.4%

Revenue Series

In the first six months of financial year 2023/24, revenue Series recorded at €300.6 million, -2.5% slightly below the same reporting period last year (HY 2022/23: €308.4 million). Revenue Series accounted for 86.6% of total revenue and remained the key pillar of the business.

Revenue Tooling

Revenue Tooling contributed €46.5 million to total revenue in the period from April to September 2023. This

corresponds to a year-on-year decrease of €-4.4 million (-8.6%), primarily attributable to a different project phasing.

Change in finished goods and work in process

Change of finished goods and work in process decreased by €-6.5 million (>100%) from €-5.3 million in the first half of financial year 2022/23 to €-11.8 million in the current financial year 2023/24 because of lower tooling inventories (€-3.8 million), finished goods (€-2.1 million) and work in process (€-1.0 million), positively affected by lower profit in stock elimination (€+0.4 million).

Other operating income

Other income declined by €-4.1 million from €9.6 million in the first six months of financial year 2022/23 to €5.5 million in the first six months of financial year 2023/24. This decrease was driven by currency translation gains of €-4.0 million and lower income from the release of accruals of €-2.1 million, partly compensated by higher other income of €2.0 million.

Cost of materials

Cost of materials shrank from €-184.1 million in the first half of financial year 2022/23 to €-163.9 million in the first half of financial year 2023/24, leading to a year-on-year change of -10.9%. Therefore, the cost of materials to output (total operating performance) ratio also decreased by -3.1 percentage points to 48.9%.

Personnel expenses

Novem reported personnel expenses of €-90.1 million in the period from April to September 2023, up by €-7.7 million compared to the same reporting period last year (HY 2022/23: €-82.3 million). The negative deviation was primarily attributable to poor customer call-offs, especially in Europe, which led to inefficiencies in personnel costs. As a percentage of total operating performance, personnel expenses increased by 3.6 percentage points year-on-year to 26.9%.

Depreciation, amortisation and impairment

Depreciation and amortisation amounted to €-16.5 million in the first six months of financial year 2023/24, resulting in an increase of 2.5% or €-0.4 million compared to last year. The increase was mainly caused by depreciation on buildings and machinery.

Other operating expenses

In the first half of financial year 2023/24, other operating expenses of €-36.9 million recorded €3.2 million below €-40.1 million in the first half of 2022/23. This positive deviation was largely driven by lower foreign currency translation losses.

Finance income and costs

The financial result improved from €-18.1 million in the first six months of financial year 2022/23 to €-9.1 million in the first six months of financial year 2023/24.

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Finance income amounted to €3.3 million in the first half of 2023/24 and recorded €1.6 million above the respective period last year. The favourable development was predominantly attributable to interest income.

Finance costs of €-12.4 million in the period from April to September 2023 showed a decrease of €7.4 million compared to €-19.8 million in the first half of 2022/23. The positive deviation was due to lower foreign currency translation effects, while interest expenses further increased compared to the same period last year.

Income tax result

Income tax result decreased by -25.0% from €-8.1 million last year to €-6.1 million in the first half of financial year 2023/24. Income taxes as well as deferred taxes declined in the period under review.



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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 first half of 2023/24 were considerably higher than last year and contained €4.5 million restructuring costs due to the plant closure in Bergamo and €0.2 million Others, while adjustments in the period under review last year included €0.2 million Covid-19 related costs, €0.2 million severance payments as well as €0.1 million Others.

The Adj. EBIT margin of 10.9% for the first six months of 2023/24 fell short of prior year's figure of 11.5% by -0.6 percentage points. Therefore, the Adj. EBITDA margin of 15.7% was also behind prior year's margin of 16.0%.

in € million	Q2 2022/23	Q2 2023/24	HY 2022/23	HY 2023/24
Revenue	177.4	171.9	359.3	347.1
EBIT	19.8	13.3	41.0	33.3
EBIT margin	11.2%	7.7%	11.4%	9.6%
Restructuring	-	4.5	-	4.5
Covid-19 costs	0.0	-	0.2	-
Others	0.2	0.2	0.3	0.2
Exceptional items	0.3	0.2	0.5	0.2
Discontinued operations	-	-	-	-
Adjustments	0.3	4.7	0.5	4.7
Adj. EBIT	20.1	18.0	41.5	38.0
Adj. EBIT margin	11.3%	10.4%	11.5%	10.9%
Depreciation and amortisation	8.0	8.2	16.1	16.5
Adj. EBITDA	28.2	26.2	57.6	54.5
Adj. EBITDA margin	15.9%	15.2%	16.0%	15.7%

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FINANCIAL POSITION



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Assets

in € million	31 Mar 23	30 Sep 23
Intangible assets	2.4	2.1
Property, plant and equipment	185.1	181.4
Trade receivables	46.3	52.3
Other non-current assets	10.3	17.3
Deferred tax assets	8.3	5.2
Total non-current assets	252.5	258.3
Inventories	116.3	106.3
Trade receivables	47.5	46.4
Other receivables	38.0	32.0
Other current assets	18.2	12.4
Cash and cash equivalents	165.5	136.6
Total current assets	385.5	333.7
Assets	638.0	592.0

Equity and liabilities

in € million	31 Mar 23	30 Sep 23
Share capital	0.4	0.4
Capital reserves	539.6	539.6
Retained earnings/accumulated losses	-443.4	-474.8
Currency translation reserve	10.6	13.6
Total equity	107.3	78.8
Pensions and similar obligations	27.0	27.1
Other provisions	1.4	1.5
Financial liabilities	248.2	248.5
Other liabilities	33.3	35.8
Deferred tax liabilities	0.6	-2.7
Total non-current liabilities	310.6	310.1
Tax liabilities	19.1	17.0
Other provisions	46.7	52.9
Financial liabilities	1.2	1.5
Trade payables	60.6	52.4
Other liabilities	92.7	79.3
Total current liabilities	220.2	203.1
Equity and liabilities	638.0	592.0

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Total assets

Total assets amounted to €592.0 million as of 30 September 2023, a decrease of €-46.0 million or -7.2% compared to the end of the last financial year 2022/23 (31 March 2023: €638.0 million).

Non-current assets

Non-current assets increased from €252.5 million as of 31 March 2023 by 2.3% to €258.3 million as of 30 September 2023. This movement was predominantly driven by the recognition of a development contribution for a won platform.

Current assets

Current assets decreased to €333.7 million compared to the previous balance sheet date (€385.5 million), down €-51.8 million or -13.4%. This change was mainly driven by a lower cash position (€-28.9 million) due to the extraordinary dividend payment of €49.5 million and lower inventories (€-10.0 million) followed by lower other receivables (€-6.0 million) and lower other current assets (€-5.8 million) resulting from a decline in contract assets. Through non-recourse factoring, Novem sold €43.1 million trade receivables as of 30 September 2023, falling below the volume of €54.1 million as of 31 March 2023 by €-11.0 million.

Working capital

in € million	31 Mar 23	30 Sep 23	% change
Inventories	64.1	63.6	-0.7%
Trade receivables	43.7	41.4	-5.3%
Trade payables	-54.5	-49.0	-10.1%
Trade working capital	53.3	56.0	5.1%
Tooling net	55.5	67.5	21.7%
Contract assets	15.3	12.8	-16.3%
Total working capital	124.0	136.3	9.9%

Total working capital amounted to €136.3 million as of 30 September 2023 and, therefore, higher than as of 31 March 2023 by 9.9%. This was primarily driven by a higher tooling net position and lower trade payables, with offsetting effects in trade receivables and contract assets. The most significant changes in tooling net were attributable to a decrease in tooling inventories by €-12.0 million and in the tooling-related deferred income position by €15.6 million due to project closures and the switch to series production as well as a rise in tooling receivables of €7.2 million. Consequently, total working capital in % of LTM revenue decreased by 0.5 percentage points to 19.8% (31 March 2023: 17.7%).

Equity

As of 30 September 2023, the equity position dropped from €107.3 million at the end of the last financial year 2022/23 to €78.8 million, attributable to the extraordinary dividend payment of €49.5 million, which was

offset by the profit generated in HY 2023/24 (€+18.1 million). Currency translation differences to Euro increased by €2.9 million (+27.4% y/y).

Non-current liabilities

Non-current liabilities amounted to €310.1 million and remained stable compared to the end of the last financial year 2022/23, down €-0.4 million or -0.1%.

Net financial debt

in € million	31 Mar 23	30 Sep 23	% change
Liabilities to banks	249.4	250.0	0.3%
Liabilities from derivatives (-)	-	0.5	-
Lease liabilities	39.1	39.3	0.5%
Gross financial debt	288.5	288.8	0.1%
Cash and cash equivalents	-165.5	-136.6	-17.4%
Net financial debt	123.0	152.2	23.7%

Gross financial debt as of 30 September 2023 amounted to €288.8 million and remained almost on PY level. Cash and cash equivalents decreased by €-28.9 million compared to the end of the last financial year 2022/23, primarily driven by the dividend payment, and thus mainly accountable for the increase of the net financial debt position in the amount of €29.2 million.

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Net leverage

in € million	31 Mar 23	30 Sep 23
Net financial debt	123.0	152.2
LTM Adj. EBITDA	114.2	111.1
Net leverage ratio	1.1	1.4

The net leverage ratio is defined as net financial debt divided by Adj. EBITDA for the last 12 months. The ratio rose from 1.1x Adj. EBITDA at the end of the financial year 2022/23 to 1.4x Adj. EBITDA as of 30 September 2023 due to the increased net financial debt position.

Current liabilities

Current liabilities amounted to €203.1 million as of 30 September 2023, down -7.8% or €-17.1 million compared to the end of the last financial year 2022/23. The decrease was mainly attributable to lower other liabilities of €-13.4 million or -14.5% due to tooling project closures resulting in revenue recognition of received advanced payments, followed by lower trade payables of €-8.2 million. The development was counterbalanced by an increase in the provision position of €6.2 million to €52.9 million.

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CASH FLOWS

in € million	Q2 2022/23	Q2 2023/24
Profit for the period	6.3	4.9
Income tax expense (+)/income (-)	3.1	3.2
Financial result (+)/(-) net	1.2	2.8
Depreciation, amortisation and impairment (+)	8.0	8.2
Other non-cash expenses (+)/income (-)	-0.2	-0.8
Increase (-)/decrease (+) in inventories	4.9	9.6
Increase (-)/decrease (+) in trade receivables	-3.2	5.0
Increase (-)/decrease (+) in other assets	-1.0	0.5
Increase (-)/decrease (+) in deferred taxes	-0.1	-1.5
Increase (-)/decrease (+) in prepaid expenses/deferred income	0.3	-0.9
Increase (+)/decrease (-) in provisions	3.1	1.2
Increase (+)/decrease (-) in trade payables	2.8	-1.3
Increase (+)/decrease (-) in other liabilities	2.8	-1.8
Gain (-)/loss (+) on disposals of non-current assets	-0.0	0.0
Cash received (+) from/cash paid (-) for income taxes	-2.2	-4.4
Cash flow from operating activities	25.8	24.7
Cash received (+) from disposals of property, plant and equipment	0.0	0.0
Cash paid (-) for investments in intangible assets	-0.0	-0.0
Cash paid (-) for investments in property, plant and equipment	-3.8	-4.6
Interest received (+)	0.9	2.1
Cash flow from investing activities	-3.0	-2.4

in € million	Q2 2022/23	Q2 2023/24
Cash paid (-) for subsidies/grants	-0.0	-0.0
Cash paid (-) for lease liabilities	-2.4	-2.5
Interest paid (-)	-1.6	-4.2
Dividends paid (-)	-17.2	-49.5
Cash flow from financing activities	-21.3	-56.2
Net increase (+)/decrease (-) in cash and cash equivalents	1.6	-34.0
Effect of exchange rate fluctuations on cash and cash equivalents	0.4	0.7
Cash and cash equivalents at the beginning of the reporting period	111.6	169.9
Cash and cash equivalents at the end of the reporting period	113.5	136.6



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in € million	HY 2022/23	HY 2023/24
Profit for the period	14.7	18.1
Income tax expense (+)/income (-)	7.7	6.3
Financial result (+)/(-) net	2.1	6.0
Depreciation, amortisation and impairment (+)	16.1	16.5
Other non-cash expenses (+)/income (-)	0.3	-1.6
Increase (-)/decrease (+) in inventories	10.4	12.6
Increase (-)/decrease (+) in trade receivables	-18.1	-4.7
Increase (-)/decrease (+) in other assets	-2.1	6.8
Increase (-)/decrease (+) in deferred taxes	0.4	-0.2
Increase (-)/decrease (+) in prepaid expenses/deferred income	-0.1	-1.6
Increase (+)/decrease (-) in provisions	4.3	3.8
Increase (+)/decrease (-) in trade payables	-0.1	-4.8
Increase (+)/decrease (-) in other liabilities	-6.0	-11.5
Gain (-)/loss (+) on disposals of non-current assets	0.0	0.0
Cash received (+) from/cash paid (-) for income taxes	-4.3	-7.4
Cash flow from operating activities	25.5	38.2
Cash received (+) from disposals of property, plant and equipment	0.8	0.0
Cash paid (-) for investments in intangible assets	-0.0	-0.1
Cash paid (-) for investments in property, plant and equipment	-7.5	-7.9
Interest received (+)	1.7	3.3
Cash flow from investing activities	-5.1	-4.7

in € million	HY 2022/23	HY 2023/24
Cash paid (-) for subsidies/grants	-0.0	-0.0
Cash paid (-) for lease liabilities	-4.5	-5.0
Interest paid (-)	-2.9	-8.1
Dividends paid (-)	-17.2	-49.5
Cash flow from financing activities	-24.6	-62.6
Net increase (+)/decrease (-) in cash and cash equivalents	-4.2	-29.1
Effect of exchange rate fluctuations on cash and cash equivalents	0.8	0.2
Cash and cash equivalents at the beginning of the reporting period	117.0	165.5
Cash and cash equivalents at the end of the reporting period	113.5	136.6

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Cash flow from operating activities

Cash flow from operating activities developed positively from €25.5 million in the first half of last year by €12.7 million to €38.2 million in the current half year. The development is explained by an increase in profit of €3.4 million as well as a decrease in the trade receivables position of €13.4 million and other assets position of €8.9 million compared to the same reporting period last year. This was partially offset by unfavourable changes of €-5.5 million in other liabilities and €-4.8 million in trade payables. In addition, taxes paid increased by €3.1 million.

Cash flow from investing activities

Cash out-flow for investing activities reached €-4.7 million in the current half year (HY 2022/23: €-5.1 million). The main changes are reflected in higher interest received of €1.6 million and higher investments made in the amount of €0.4 million. This was counterbalanced by previous year's positive effect from the sale of the production premises in Kulmbach.

Cash flow from financing activities

Cash out-flow for financing activities showed the largest deviation and increased by €38.0 million to €-62.6 million in the first half of 2023/24. The underlying reasons are the higher interest rate level of the financing structure due to the raised base rate, which led to an increase in interest paid of €5.2 million and the extraordinary dividend distribution effect of €32.3 million.

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in € million	Europe		Americas		Asia		Total segments		Other/consolidation		Group	
	Q2 2022/23	Q2 2023/24	Q2 2022/23	Q2 2023/24	Q2 2022/23	Q2 2023/24	Q2 2022/23	Q2 2023/24	Q2 2022/23	Q2 2023/24	Q2 2022/23	Q2 2023/24
External revenue	78.0	75.8	71.2	72.3	28.2	23.7	177.4	171.9	-	-	177.4	171.9
Revenue between segments	15.2	9.4	12.9	13.2	4.0	3.3	32.2	25.9	-32.2	-25.9	0.0	-
Total revenue	93.2	85.2	84.1	85.5	32.2	27.0	209.6	197.8	-32.2	-25.9	177.4	171.9
Adj. EBITDA	8.1	6.8	13.7	15.5	6.4	3.9	28.2	26.2	-	-	28.2	26.2
Adj. EBITDA margin	8.7%	8.0%	16.3%	18.2%	19.8%	14.3%	13.4%	13.2%	-	-	15.9%	15.2%
Depreciation and amortisation	-3.7	-4.0	-3.0	-3.0	-1.3	-1.3	-8.0	-8.2	-	-	-8.0	-8.2
Adj. EBIT	4.4	2.8	10.7	12.6	5.1	2.6	20.1	18.0	-	-	20.1	18.0
Adj. EBIT margin	4.7%	3.3%	12.7%	14.7%	15.7%	9.7%	9.6%	9.1%	-	-	11.3%	10.4%
Adjustments	-0.3	-4.7	0.0	-	-0.0	-	-0.3	-4.7	-	-	-0.3	-4.7
Operating Result (EBIT)	4.1	-1.9	10.7	12.6	5.1	2.6	19.8	13.3	-	-	19.8	13.3

in € million	Europe		Americas		Asia		Total segments		Other/consolidation		Group	
	HY 2022/23	HY 2023/24	HY 2022/23	HY 2023/24	HY 2022/23	HY 2023/24	HY 2022/23	HY 2023/24	HY 2022/23	HY 2023/24	HY 2022/23	HY 2023/24
External revenue	171.6	165.8	133.4	137.3	54.2	44.0	359.3	347.1	-	-	359.3	347.1
Revenue between segments	25.4	19.1	25.4	27.2	8.1	7.5	58.9	53.9	-58.9	-53.9	-	-
Total revenue	197.1	184.9	158.8	164.5	62.3	51.5	418.2	400.9	-58.9	-53.9	359.3	347.1
Adj. EBITDA	19.1	17.1	27.2	28.8	11.3	8.5	57.6	54.5	-	-	57.6	54.5
Adj. EBITDA margin	9.7%	9.2%	17.1%	17.5%	18.1%	16.6%	13.8%	13.6%	-	-	16.0%	15.7%
Depreciation and amortisation	-7.4	-8.1	-6.0	-5.9	-2.6	-2.5	-16.1	-16.5	-	-	-16.1	-16.5
Adj. EBIT	11.6	9.0	21.2	22.9	8.7	6.0	41.5	38.0	-	-	41.5	38.0
Adj. EBIT margin	5.9%	4.9%	13.4%	13.9%	13.9%	11.7%	9.9%	9.5%	-	-	11.5%	10.9%
Adjustments	-0.3	-4.7	-0.0	-	-0.2	-	-0.5	-4.7	-	-	-0.5	-4.7
Operating Result (EBIT)	11.3	4.4	21.2	22.9	8.5	6.0	41.0	33.3	-	-	41.0	33.3

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Europe

External revenue in Europe decreased from €171.6 million in the first half of 2022/23 to €165.8 million in the first half of 2023/24, falling short of prior year by -3.4% or €-5.8 million.

Europe accounted for 47.8% of total revenue in the first six months of 2023/24 (HY 2022/23: 47.8%).

In Europe, Adj. EBIT for the first half of 2023/24 reached €9.0 million, -22.2% lower compared to last year (HY 2022/23: €11.6 million). Therefore, the Adj. EBIT margin decreased to 4.9% from 5.9% last year.

The operating performance of the region was badly hit by operational inefficiencies due to volatile and poor customer call-offs as well as unfavourable product mix changes and the scheduled phase-out of a larger platform.

in € million	HY 2022/23	HY 2023/24	% change
External revenue	171.6	165.8	-3.4%
Revenue between segments	25.4	19.1	-24.8%
Total revenue	197.1	184.9	-6.2%
Adj. EBIT	11.6	9.0	-22.2%
Adj. EBIT margin	5.9%	4.9%	

Americas

External revenue in Americas increased from €133.4 million in the first six months 2022/23 to €137.3 million in the same period of 2023/24 and outperformed prior year by 2.9% or €3.8 million. The currency translation impact accounted for €-4.1 million.

Revenue from Americas equalled 39.6% of total revenue in the first half of 2023/24 (HY 2022/23: 37.1%).

Adj. EBIT generated in Americas amounted to €22.9 million in the first six months of 2023/24 and was thus 8.1% higher compared to the same reporting period last year (HY 2022/23: €21.2 million). As a result, Adj. EBIT margin increased to 13.9% from 13.4% last year.

The region Americas was supported by a continued high demand for SUV platforms as well as reduced material costs and freight expenses.

in € million	HY 2022/23	HY 2023/24	% change
External revenue	133.4	137.3	2.9%
Revenue between segments	25.4	27.2	7.3%
Total revenue	158.8	164.5	3.6%
Adj. EBIT	21.2	22.9	8.1%
Adj. EBIT margin	13.4%	13.9%	

Asia

External revenue in Asia declined by -18.9% or €-10.2 million from €54.2 million in the first half of 2022/23 to €44.0 million in the first half of 2023/24. The effect of currency translation amounted to €-4.6 million.

Asia contributed 12.7% of total revenue in the first six months of 2023/24 (HY 2022/23: 15.1%).

Asia's Adj. EBIT came in at €6.0 million in the first half of 2023/24, representing a year-on-year decline of -30.6% (HY 2022/23: €8.7 million). Adj. EBIT margin decreased from 13.9% last year to 11.7%.

The drop in Asia was mainly driven by lower revenue Series due to model changes and the slow ramp-up of the new Chinese programs, positively affected by increased revenue Tooling.

in € million	HY 2022/23	HY 2023/24	% change
External revenue	54.2	44.0	-18.9%
Revenue between segments	8.1	7.5	-7.2%
Total revenue	62.3	51.5	-17.4%
Adj. EBIT	8.7	6.0	-30.6%
Adj. EBIT margin	13.9%	11.7%	

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SUBSEQUENT EVENTS AND RISKS AND OPPORTUNITIES

Subsequent events

The Management Board announced on 14 September 2023 to close the production in Bergamo (Italy), which led to a recognition of a provision for restructuring costs reflecting a reasonable estimation for the termination of employment, taking into account all evidence available up to the reporting date. On 30 October 2023, an agreement regarding the downsizing between Novem and the trade union in Italy was reached. The estimated €4.5 million already reflected in the figures as of 30 September 2023 is still sufficient.

There were no further events or developments that could have materially affected the measurement and presentation of the Group's assets and liabilities as of 30 September 2023.

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 2023.

Herewith reference is being made to the Annual Financial Report 2022/23 on risks and opportunities, which can be accessed on the Investor Relations website of Novem in the section [Reports & Presentations](#).



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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the half year ended 30 September 2023 (unaudited)

in € thousand	HY 2022/23	HY 2023/24
Revenue	359,263	347,059
Increase or decrease in finished goods and work in process	-5,287	-11,800
Total operating performance	353,976	335,260
Other operating income	9,587	5,453
Cost of materials	-184,060	-163,938
Personnel expenses	-82,329	-90,057
Depreciation, amortisation and impairment	-16,072	-16,479
Other operating expenses	-40,129	-36,933
Operating result (EBIT)	40,972	33,306
Finance income	1,670	3,278
Finance costs	-19,793	-12,409
Financial result	-18,122	-9,131
Income taxes	-7,743	-6,253
Deferred taxes	-358	178
Income tax result	-8,101	-6,075
Profit for the period attributable to the shareholders	14,748	18,099
Differences from currency translation	17,527	2,915
Items that may subsequently be reclassified to consolidated profit or loss	17,527	2,915
Actuarial gains and losses from pensions and similar obligations (before taxes)	-	-
Taxes on actuarial gains and losses from pensions and similar obligations	-	-
Items that will not subsequently be reclassified to consolidated profit or loss	-	-
Other comprehensive income/loss, net of tax	17,527	2,915
Total comprehensive income/loss for the period attributable to the shareholders	32,275	21,015
Earnings per share attributable to the equity holders of the parent (in €)		
basic	0.34	0.42
diluted	0.34	0.42



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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of 30 September 2023 (unaudited)



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Assets

in € thousand	31 Mar 23	30 Sep 23
Intangible assets	2,429	2,080
Property, plant and equipment	185,116	181,418
Trade receivables	46,329	52,306
Other non-current assets	10,276	17,252
Deferred tax assets	8,332	5,236
Total non-current assets	252,482	258,293
Inventories	116,306	106,301
Trade receivables	47,510	46,381
Other receivables	37,999	32,012
Other current assets	18,235	12,431
Cash and cash equivalents	165,474	136,600
Total current assets	385,524	333,726
Assets	638,006	592,018

Equity and liabilities

in € thousand	31 Mar 23	30 Sep 23
Share capital	430	430
Capital reserves	539,594	539,594
Retained earnings/accumulated losses	-443,414	-474,800
Currency translation reserve	10,646	13,562
Total equity	107,256	78,786
Pensions and similar obligations	27,044	27,090
Other provisions	1,373	1,478
Financial liabilities	248,220	248,487
Other liabilities	33,273	35,761
Deferred tax liabilities	648	-2,690
Total non-current liabilities	310,558	310,127
Tax liabilities	19,056	17,008
Other provisions	46,693	52,876
Financial liabilities	1,151	1,537
Trade payables	60,597	52,415
Other liabilities	92,694	79,270
Total current liabilities	220,191	203,105
Equity and liabilities	638,006	592,018

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CONSOLIDATED STATEMENT OF CASH FLOWS

for the half year ended 30 September 2023 (unaudited)

in € thousand	HY 2022/23	HY 2023/24
Profit for the period	14,748	18,099
Income tax expense (+)/income (-)	7,743	6,253
Financial result (+)/(-) net	2,116	6,012
Depreciation, amortisation and impairment (+)	16,072	16,479
Other non-cash expenses (+)/income (-)	278	-1,638
Increase (-)/decrease (+) in inventories	10,419	12,554
Increase (-)/decrease (+) in trade receivables	-18,079	-4,680
Increase (-)/decrease (+) in other assets	-2,109	6,776
Increase (-)/decrease (+) in deferred taxes	358	-178
Increase (-)/decrease (+) in prepaid expenses/deferred income	-88	-1,610
Increase (+)/decrease (-) in provisions	4,320	3,794
Increase (+)/decrease (-) in trade payables	-56	-4,831
Increase (+)/decrease (-) in other liabilities	-5,964	-11,496
Gain (-)/loss (+) on disposals of non-current assets	26	38
Cash received (+) from/cash paid (-) for income taxes	-4,315	-7,413
Cash flow from operating activities	25,470	38,158
Cash received (+) from disposals of property, plant and equipment	778	8
Cash paid (-) for investments in intangible assets	-50	-52
Cash paid (-) for investments in property, plant and equipment	-7,518	-7,909
Interest received (+)	1,670	3,278
Cash flow from investing activities	-5,120	-4,675

in € thousand	HY 2022/23	HY 2023/24
Cash paid (-) for subsidies/grants	-1	-3
Cash paid (-) for lease liabilities	-4,461	-4,985
Interest paid (-)	-2,878	-8,088
Dividends paid (-)	-17,212	-49,485
Cash flow from financing activities	-24,552	-62,560
Net increase (+)/decrease (-) in cash and cash equivalents	-4,202	-29,077
Effect of exchange rate fluctuations on cash and cash equivalents	751	203
Cash and cash equivalents at the beginning of the reporting period	116,967	165,474
Cash and cash equivalents at the end of the reporting period	113,517	136,600



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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half year ended 30 September 2023 (unaudited)

in € thousand	Share capital	Capital reserves	Other retained earnings/ accumulated losses	Currency translation reserve	Equity
Balance as of 01 Apr 22	430	539,630	-482,826	10,422	67,656
Profit or loss for the year	-	-	14,748	-	14,748
Other comprehensive income or loss	-	-	-	17,527	17,527
Comprehensive income or loss for the year	-	-	14,748	17,527	32,275
Dividends	-	-	-17,212	-	-17,212
Balance as of 30 Sep 22	430	539,630	-485,290	27,949	82,720
Balance as of 01 Apr 23	430	539,594	-443,414	10,646	107,256
Profit or loss for the year	-	-	18,099	-	18,099
Other comprehensive income or loss	-	-	-	2,915	2,915
Comprehensive income or loss for the year	-	-	18,099	2,915	21,015
Dividends	-	-	-49,485	-	-49,485
Balance as of 30 Sep 23	430	539,594	-474,800	13,562	78,786



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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 and its subsidiaries (hereinafter also referred to as “Novem” or the “Group”).

Novem operates as a 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 2023 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 2023. 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 understanding the changes in the Group’s financial position and performance since the last annual consolidated financial statements.

The consolidated interim financial statements and the Group Interim Management Report have not been audited or reviewed by our Group auditor.

These interim financial statements were authorised for issue by the Management Board on 29 November 2023.

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 as at and for the year ended 31 March 2023.

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 2023. The following standards were initially adopted in financial year 2023/24 and had negligible effects on the Group’s accounting:

- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 8: Definition of Accounting Estimates

- Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from Single Transaction
- Amendments to IFRS 17: Replacement of IFRS 4 and Amendments to IFRS 17

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.

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2 Notes to consolidated statements of financial position

2.1 Property, plant and equipment

in € thousand	31 Mar 23	30 Sep 23
Land, leasehold rights and buildings, including buildings on third-party land	82,131	81,503
Thereof right-of-use assets from leases	32,757	32,890
Technical equipment and machinery	82,135	77,938
Thereof assets from leases	-	31
Other equipment, operating and office equipment	13,921	12,529
Thereof right-of-use assets from leases	6,160	5,187
Advance payments and assets under construction	6,929	9,448
Property, plant and equipment	185,116	181,418

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 €181,418 thousand as of 30 September 2023 (31 March 2023: €185,116 thousand). The decrease was mainly due to straight-line depreciation, with offsetting effects resulting from additions to technical equipment and machinery, other equipment and advance payments for 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 23	30 Sep 23
Raw materials and consumables	33,409	35,633
Work in process	13,125	12,962
Finished goods and merchandise	17,530	14,992
Tools	50,955	38,935
Advance payments for tools	1,259	3,748
Advance payments for raw materials	28	31
Inventories	116,306	106,301

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

Inventories expected to be turned over within twelve months amounted to €106,301 thousand (31 March 2023: €116,306 thousand). The write-downs recognised on inventories amounted to €5,903 thousand in the first half year of the financial year 2023/24 (31 March 2023: €7,401 thousand). In the case of write-downs, marketability, age as well as all apparent storage and inventory risks are taken into account. Compared to 31 March 2023, the approach was adjusted and input parameters in terms of marketability were changed slightly, resulting in a positive one-time effect of €590 thousand.

Since 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 €10,936 thousand (31 March 2023: €12,129 thousand) based on recognition of revenue over time under IFRS 15, together with the recognition of contract assets amounting to €12,230 thousand (31 March 2023: €14,124 thousand).

2.3 Trade receivables

in € thousand	31 Mar 23	30 Sep 23
Trade receivables	95,448	100,857
Expected credit losses on trade receivables	-1,609	-2,170
Trade receivables	93,839	98,687
Non-current	46,329	52,306
Current	47,510	46,381

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 €43,090 thousand as of 30 September 2023 (31 March 2023: €54,022 thousand), of which €900 thousand (31 March 2023: €1,046 thousand) represented 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 non-current receivables was mainly due to higher tooling amortisation receivables.

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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 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 default rates are provided for each counterparty by an external rating agency. This individual probability of default per customer is applied uniformly throughout the Group. Current external credit information and ratings that reflect the prevalent expectations regarding the potential impact of global economic developments were used for the consolidated interim financial statements as of 30 September 2023. An additional adjustment of the valuation allowance is thus not required under this model.

2.4 Cash and cash equivalents

in € thousand	31 Mar 23	30 Sep 23
Cash on hand	34	41
Cash at banks	165,440	136,559
Cash and cash equivalents	165,474	136,600

Cash and cash equivalents are not subject to any restrictions. The amount corresponds to the value shown in the Consolidated statement of cash flows. 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 2023 (31 March 2023: €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 €539,594 thousand as of 30 September 2023 (31 March 2023: €539,594 thousand).

Other retained earnings

Retained earnings amounted to €-474,800 thousand as of 30 September 2023 (31 March 2023: €-443,414 thousand).

Retained earnings comprise the past net income and other comprehensive income of the companies included in the consolidated interim financial statements as well as the amount distributed to shareholders. The comprehensive income for the first half of financial year 2023/24 amounted to €18,099 thousand (PY: €14,748 thousand). The Annual General Meeting resolved the distribution of an ordinary dividend of €0.40 per share to the shareholders of Novem Group S.A. for the past financial year. Furthermore, an additional special dividend in the amount of €0.75 per share was distributed. In total, the shareholders received a

dividend of €1.15 per share (ordinary plus special). The total distribution thus amounted to €49,485 thousand (PY: €17,212 thousand) for 43,030,303 shares entitled to dividends, which equalled a payout ratio of 99.0% (PY: 39.1%). 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 amounted to €13,562 thousand as of 30 September 2023 (31 March 2023: €10,646 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 23	30 Sep 23
Obligations from sales	267	267
Employee benefits	1,106	1,211
Non-current provisions	1,373	1,478

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The non-current provisions amounted to €1,478 thousand as of 30 September 2023 (31 March 2023: €1,373 thousand) and have an expected maturity of between one and five years.

The provisions attributable to the sales area primarily include risks arising from warranty claims. The amount of €1,211 thousand (31 March 2023: €1,106 thousand) is fully 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 23	30 Sep 23
Obligations from sales	41,596	41,098
Employee benefits	1,853	6,246
Other risks	3,244	5,532
Current provisions	46,693	52,876

Current provisions as of 30 September 2023, which were recognised for uncertain obligations within one year, included in particular provisions from obligations from the personnel and sales areas as well as other risks of €52,876 thousand (31 March 2023: €46,693 thousand).

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

On 14 September 2023, it was announced that the plant in Italy will be closed, which led to a recognition of a provision for restructuring costs reflecting a reasonable estimation for the termination of employment, taking account of all evidence available to date.

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

The outstanding customer debit notes recognised in the consolidated interim 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 involved several discernible individual risks and uncertain liabilities accounted for at their probable settlement amounts.

2.7 Financial liabilities

in € thousand	31 Mar 23			30 Sep 23		
	Current	Non-current	Total	Current	Non-current	Total
Liabilities to banks	1,151	248,220	249,371	1,536	248,487	250,023
Financial liabilities	1,151	248,220	249,371	1,536	248,487	250,023

Total current and non-current financial liabilities amounted to €250,023 thousand as of 30 September 2023 (31 March 2023: €249,371 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 matures in July 2026.

After the deduction of transaction costs and pro rata interest incurred, €248,487 thousand (31 March 2023: €248,220 thousand) of the liabilities to banks of €250,023 thousand (31 March 2023: €249,371 thousand) relate to the utilised term loan. The remaining amount of €1,536 thousand (31 March 2023: €1,151 thousand) mainly resulted from the Seller Guarantee derived from factoring.

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2.8 Other financial liabilities

Other financial liabilities are composed as follows:

in € thousand	31 Mar 23	30 Sep 23
Other current financial liabilities		
Lease liabilities	7,938	8,346
Other non-current financial liabilities		
Lease liabilities	31,143	30,913
Loan (benefits fund)	4	1
Other financial liabilities	39,085	39,260

The liabilities to leases changed due to cash out-flow of €4,985 thousand in the first half of the financial year 2023/24 (PY: €4,876 thousand). The changes in the lease liability occurred primarily from contract modifications and current leases.

The lease liabilities of €39,259 thousand as of 30 September 2023 (31 March 2023: €39,081 thousand) were largely from leasing land and buildings (refer to [section 4.5](#)).

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 €52,415 thousand on the reporting date (31 March 2023: €60,597 thousand). The change was mainly driven by the maturity of liabilities and partly by cash flow management.

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3 Notes to consolidated statements of other comprehensive income

3.1 Revenue

In the first half of the financial year 2023/24, Novem generated total revenue of €347,059 thousand (PY: €359,263 thousand), which marked a -3.4% decrease 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 2022/23	HY 2023/24
Wood	269,363	277,057
Aluminium	69,075	45,581
Premium synthetics	20,825	24,421
Revenue	359,263	347,059

Revenue Series in the first six months of the financial year 2023/24 came in at €300,580 thousand, down by -2.5% compared to the same reporting period last year (PY: €308,399 thousand). Revenue Series generated 86.6% of total revenue (PY: 85.8%) and remained the key pillar of the business.

Revenue Tooling contributed €46,479 thousand to total revenue from April to September 2023 (PY: €50,864 thousand). This corresponded to a year-on-year

decrease of -8.6% or €-4,385 thousand. Revenue within the Group can be allocated to business areas as follows:

in € thousand	HY 2022/23	HY 2023/24
Revenue Series	308,399	300,580
Revenue Tooling	50,864	46,479
Revenue	359,263	347,059

This breakdown 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 2022/23	HY 2023/24
Goods and services transferred over time	309,889 ¹	303,584
Goods and services transferred at a point in time	49,374 ¹	43,475
Revenue	359,263	347,059

¹ Adjusted according to IAS 8.42

A corresponding adjustment of revenue in the amount of €941 thousand (PY: €769 thousand) was made 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 €-9,131 thousand in the first half of the financial year 2023/24 (PY: €-18,123 thousand).

Finance income

in € thousand	HY 2022/23	HY 2023/24
Interest income	1,670	3,278
Finance income	1,670	3,278

Finance income amounted to €3,278 thousand in the first half of financial year 2023/24 (PY: €1,670 thousand) and was largely attributable to interest income from customer tooling of €1,876 thousand (PY: €1,521 thousand) as well as interest income from banks of €1,402 thousand (PY: €149 thousand).

Finance costs

in € thousand	HY 2022/23	HY 2023/24
Interest paid to banks	2,086	6,372
Transaction costs directly attributable to the issue of a financial liability	324	328
Interest expense from discounting of provisions	404	491
Interest expense arising from leases	249	428
Other interest expenses	724	1,669
Expenses from currency translation	16,006	3,119
Finance costs	19,793	12,407

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The finance costs amounted to €12,407 thousand in the first half of financial year 2023/24 (PY: €19,793 thousand). Two major effects led to this development in finance costs. On the one hand, the interest expense for banks increased by €4,286 thousand due to the rise of the 3-month Euribor, which is a consequence of the European interest rate policy. On the other hand, expenses from currency translation decreased by €-12,887 thousand, reflecting the significant change in the USD exchange rate compared to previous year. 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 2022/23	HY 2023/24
Profit attributable to shareholders of the parent (in € thousand)	14,748	18,099
Number of weighted shares	43,030,303	43,030,303
Earnings per share basic (in €)	0.34	0.42
Earnings per share diluted (in €)	0.34	0.42

The earnings per share for the six months ended 30 September 2023 amounted to €0.42 (PY: €0.34). 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.

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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		31 Mar 23		30 Sep 23	
	Category	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets by classification					
Trade receivables	FAAC	88,711	88,711	94,948	94,948
Trade receivables within the scope of factoring agreements	FAFVTPL	5,128	5,128	3,739	3,739
Seller Guarantee	FVPL	1,046	1,046	900	900
Derivatives with positive market values	FAFVTPL	600	600	-	-
Cash and cash equivalents	FAAC	165,474	165,474	136,600	136,600
Financial liabilities by classification					
Trade payables	FLAC	60,597	60,597	52,415	52,415
Liabilities to banks (non-derivative)	FLAC	249,371 ¹	251,152	249,506 ²	252,565
Liabilities to banks (derivative)	FLFVTPL	-	-	517	517
Summary by category					
FAAC		259,314	260,360	231,548	231,548
FAFVTPL		5,728	5,728	3,739	3,739
FVPL		1,046	1,046	900	900
FLAC		309,968	309,968	301,921	304,980
FLFVTPL		-	-	517	517

1 Including the Seller Guarantee in the amount of €1,046 thousand.

2 Including the Seller Guarantee in the amount of €900 thousand.

There were no transfers between the different levels of the fair value hierarchy in the first half of the financial year 2023/24.

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

The measurement of the fair value of trade receivables within the scope of factoring agreements and derivative financial instruments is 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 2023, the fair value of trade receivables within the scope of factoring agreements amounted to €3,739 thousand (31 March 2023: €5,128 thousand). The fair value of the derivative financial instruments increased to €517 thousand (31 March 2023: €0 thousand).

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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 third tranche (tranche 2023) started at the beginning of financial year 2023/24 and will end on 31 March 2027.

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 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 €205 thousand as of 30 September 2023 (31 March 2023: €170 thousand).

The second tranche was awarded for financial year 2022/23 with a total number of 60,384 conditionally granted virtual shares, corresponding to a provision of €204 thousand as of 30 September 2023 (31 March 2023: €140 thousand).

The third tranche was awarded for financial year 2023/24 with a total number of 74,457 conditionally granted virtual shares, corresponding to a provision of €69 thousand as of 30 September 2023 (31 March 2023: €0).

These provisions have been included in *Other liabilities*.

In total, the expenses for financial year 2023/24 amounted to €168 thousand as of 30 September 2023 (PY: €71 thousand).

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 2023 were as follows:

Valuation as of 30 September 2023	Tranche 2021	Tranche 2022	Tranche 2023
Performance period	19 Jul 21 – 31 Mar 25	1 Apr 22 – 31 Mar 26	1 Apr 23 – 31 Mar 27
Start share price Novem Group S.A.	€16.46	€11.25	€9.06
Remaining duration of performance period	1.5 years	2.5 years	3.5 years
Expected annual volatility	51.8%	44.5%	45.9%
Risk-free annual interest rate	3.5%	3.2%	3.0%
Expected target achievement for internal target EBIT margin	100%	100%	100%
Fair value per virtual share	€8.54	€9.23	€9.72

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For comparative purposes, the fair value and inputs used in the assessment of the fair value as of 31 March 2023 were as follows:

Valuation as of 31 March 2023	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	2.0 years	3.0 years
Expected annual volatility	45.8%	47.6%
Risk-free annual interest rate	2.7%	2.5%
Expected target achievement for internal target EBIT margin	100%	100%
Fair value per virtual share	€8.82	€8.85

4.3 Reporting by region

Revenue by surface

in € thousand	Europe	Americas	Asia
HY 2022/23			
Wood	120,962	99,855	48,546
Aluminium	36,005	28,382	4,688
Premium synthetics	14,672	5,194	959
HY 2023/24			
Wood	116,340	118,895	41,822
Aluminium	27,170	16,299	2,112
Premium synthetics	22,324	2,071	26

Revenue by business area

in € thousand	Europe	Americas	Asia
HY 2022/23			
Revenue Series	133,993	128,101	46,305
Revenue Tooling	37,646	5,330	7,888
HY 2023/24			
Revenue Series	126,969	136,079	37,532
Revenue Tooling	38,864	1,186	6,429

Revenue by type of revenue recognition

in € thousand	Europe	Americas	Asia
HY 2022/23			
Goods and servi- ces transferred over time	134,762 ¹	128,651 ¹	46,476 ¹
Goods and servi- ces transferred at a point in time	36,877 ¹	4,780 ¹	7,717 ¹
HY 2023/24			
Goods and servi- ces transferred over time	128,701	137,201	37,682
Goods and servi- ces transferred at a point in time	37,133	64	6,278

¹ Adjusted according to IAS 8.42

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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 2022/23	HY 2023/24	HY 2022/23	HY 2023/24	HY 2022/23	HY 2023/24
Restructuring	-	4,500	-	-	-	-
Covid-19 costs	-12	-	48	-	179	-
Others	307	182	-	-	-	-
Exceptional items	295	182	48	-	179	-
Discontinued operations	-	-	-	-	-	-
Adjustments	295	4,682	48	-	179	-

In the first six months of financial year 2023/24, adjustments contained €4,500 thousand restructuring costs, €55 thousand related to severance payments, €77 thousand project costs, as well as €50 thousand costs caused by the flood in Slovenia. Adjustments in the first half of financial year 2023/24 were significantly higher than last year, reflecting the current reasonable estimation of restructuring costs resulting from the plant closure in Bergamo (Italy).

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Segment Reporting

in € thousand	Europe		Americas		Asia		Total segments		Other/consolidation		Group	
	HY 2022/23	HY 2023/24	HY 2022/23	HY 2023/24	HY 2022/23	HY 2023/24	HY 2022/23	HY 2023/24	HY 2022/23	HY 2023/24	HY 2022/23	HY 2023/24
External revenue	171,639	165,834	133,431	137,265	54,193	43,960	359,263	347,059	-	-	359,263	347,059
Revenue between segments	25,416	19,102	25,393	27,241	8,114	7,530	58,923	53,872	-58,923	53,872	-	-
Total revenue	197,055	184,936	158,824	164,506	62,307	51,490	418,186	400,931	-58,923	-53,872	359,263	347,059
Adj. EBITDA	19,063	17,095	27,236	28,826	11,257	8,546	57,556	54,467	-	-	57,556	54,467
Depreciation and amortisation	7,450	8,056	6,020	5,891	2,592	2,533	16,062	16,479	-	-	16,062	16,479
Adj. EBIT	11,613	9,039	21,216	22,935	8,665	6,013	41,494	37,988	-	-	41,494	37,988
Adjustments	295	4,682	48	-	179	-	522	4,682	-	-	522	4,682
Operating Result (EBIT)	11,318	4,357	21,168	22,935	8,486	6,013	40,972	33,306	-	-	40,972	33,306

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 2022/23 and 2023/24:

in € thousand	HY 2022/23	HY 2023/24
Adj. EBITDA	57,556	54,467
Depreciation and amortisation	16,062	16,479
Adj. EBIT	41,494	37,988
Adjustments	522	4,682
EBIT	40,972	33,306
Finance income	1,670	3,278
Finance costs	19,793	12,408
Earnings before taxes	22,849	24,176

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 as well as items of operating and office equipment. The terms of the leases for land and buildings are typically between one and 19 years. Leases of technical equipment and machinery generally have a term of four years. 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

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account in the measurement of the lease liability were exercised, would result in expected additional future undiscounted lease payments of €61,570 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 €1,594 thousand (31 March 2023: €2,361 thousand). These essentially related 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 23	Carrying amount as of 30 Sep 23
Land and buildings	32,757	32,890
Technical equipment and machinery	-	31
Other equipment, operating and office equipment	6,160	5,187
Right-of-use assets	38,917	38,108

Amounts recognised in profit and loss and cash flows

in € thousand	HY 2022/23	HY 2023/24
Interest expense for lease liabilities	254	498
Short-term lease expenses	1,351	1,433
Lease expenses for low value assets except short-term leases for low value assets	578	494
Expense for variable lease payments not included in the measurement of lease liabilities	139	171
Total cash out-flow for leases	6,944	7,657

4.6 Related party transactions

Holding company

The direct holding company of the Group is Rokoko Automotive Holdings (Jersey) Limited, Jersey. During the first half of financial year 2023/24, there were no transactions or outstanding balances with Rokoko Automotive Holdings (Jersey) Limited, Jersey.

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 interim financial statements do not

include any associated companies that are accounted for using the equity method.

Kunststoff Schwanden AG and the Group belong to the same group of companies pursuant to IAS 24.9b (i). The transaction volume with Kunststoff Schwanden AG was €106 thousand (PY: €50 thousand). The balance as of 30 September 2023 amounted to €15 thousand (31 March 2023: €16 thousand).

Related parties of the Group primarily comprise Novem'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, please refer to [section 4.2](#).

The Management Board mandate of Frank Schmitt ended on 31 August 2023 by resolution of the Supervisory Board of Novem Group S.A. Accordingly, he received a one-time payment in the amount of €160 thousand.

4.7 Subsequent events

The Management Board announced on 14 September 2023 to close the production in Bergamo (Italy), which led to a recognition of a provision for restructuring costs reflecting a reasonable estimation for the termination of employment, taking into account all evidence available up to the reporting date. On 30 October 2023, an agreement regarding the downsizing between Novem and the trade union in Italy was reached. The estimated €4,500 thousand already reflected in the figures as of 30 September 2023 is still sufficient.

There were no further events or developments that could have materially affected the measurement and presentation of the Group's assets and liabilities as of 30 September 2023.

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Responsibility statement

We, Markus Wittmann (Chief Executive Officer), Dr. Johannes Burtscher (Chief Financial Officer), Maria Eichinger (Manager Consolidation) and Mathias Rieger (Director Internal Audit), confirm, to the best of our knowledge, that the consolidated interim financial statements which have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Novem Group S.A. and the undertakings included in the consolidation taken as a whole and that the Group Interim Management Report includes a fair review of the development and performance of the business and the position of the Novem Group S.A. and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Luxembourg, 29 November 2023

Novem Group S.A.
Management Board

Markus Wittmann

Dr. Johannes Burtscher

Maria Eichinger

Mathias Rieger

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Financial calendar

15 February 2024	Q3 2023/24 Results
29 May 2024	FY 2023/24 Preliminary Results
27 June 2024	FY 2023/24 Results

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

Contact

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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.

FLVPL stands for Fair value through profit or loss.

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.

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