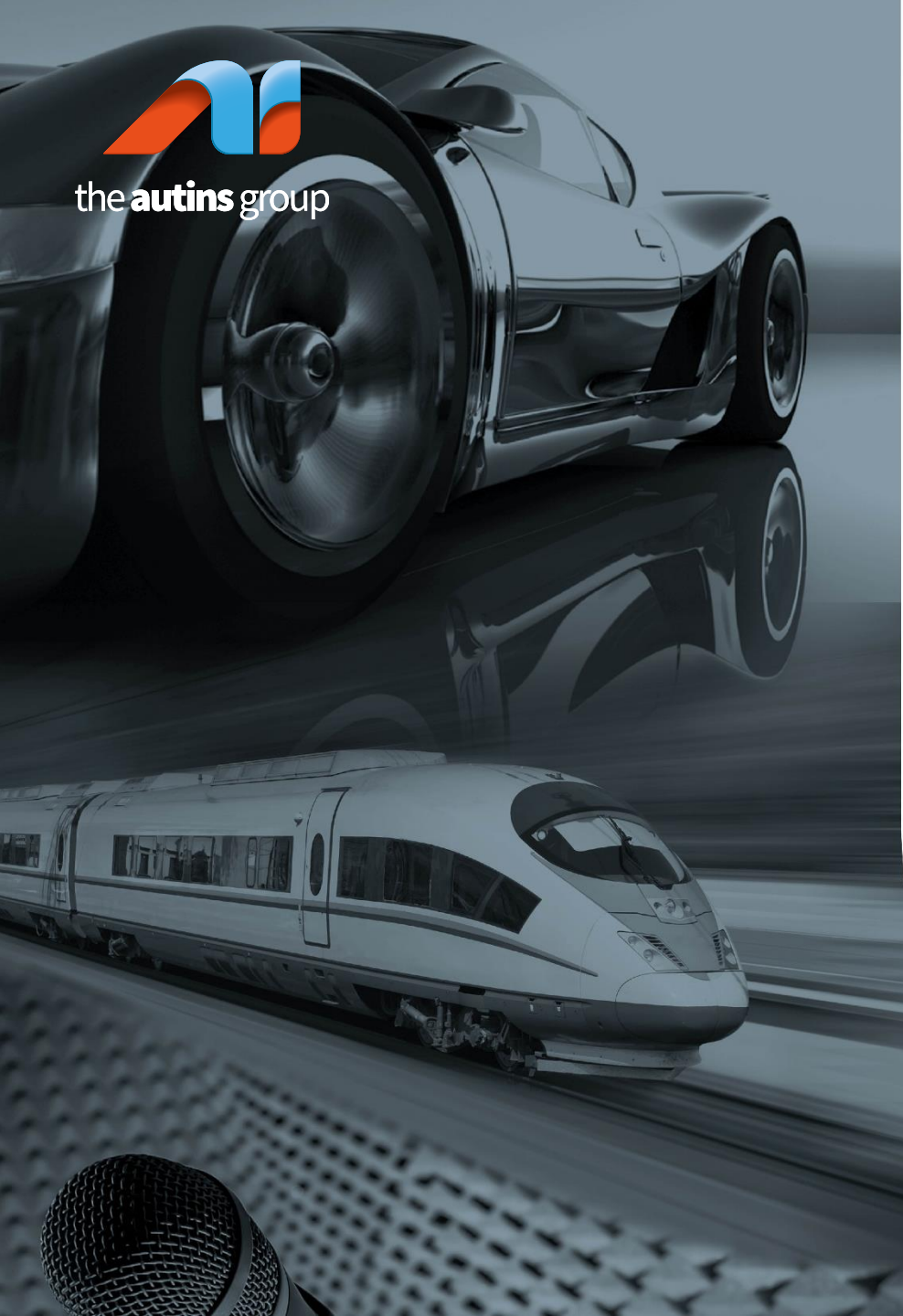




the **autins** group



# **Autins Group plc**

## **Financial Results FY2016**

March 2017



## Agenda

- Introductions
- Recent events
- Financial highlights
- Strategy overview
- Outlook
- Appendix

## Recent Events

- Change of CEO
  - Resignation of Jim Griffin – 1 February 2017
  - Appointment of Michael Jennings as Interim Chief Executive – 6 February 2017
- Trading update – 1 February 2017
  - Reduced schedule projections from key customer - lowering Group revenue and profit expectations
    - *New model launch delays*
    - *Schedule revisions on key volume platforms*

## Financial Highlights FY 2016

	FY2016	FY2015	Change
Revenue	£20.4m	£19.8m	+3%
Gross margin	31.8%	30.8%	
Adjusted EBITDA *	£1.3m	£1.8m	-27%
Profit before tax	£0.2m	£0.9m	-78%
Earnings per share	2.03p	5.56p	-63%
Net cash/(debt) **	£3.3m	(£5.5m)	+£8.8m
Dividend	0.4p	-	+0.4p

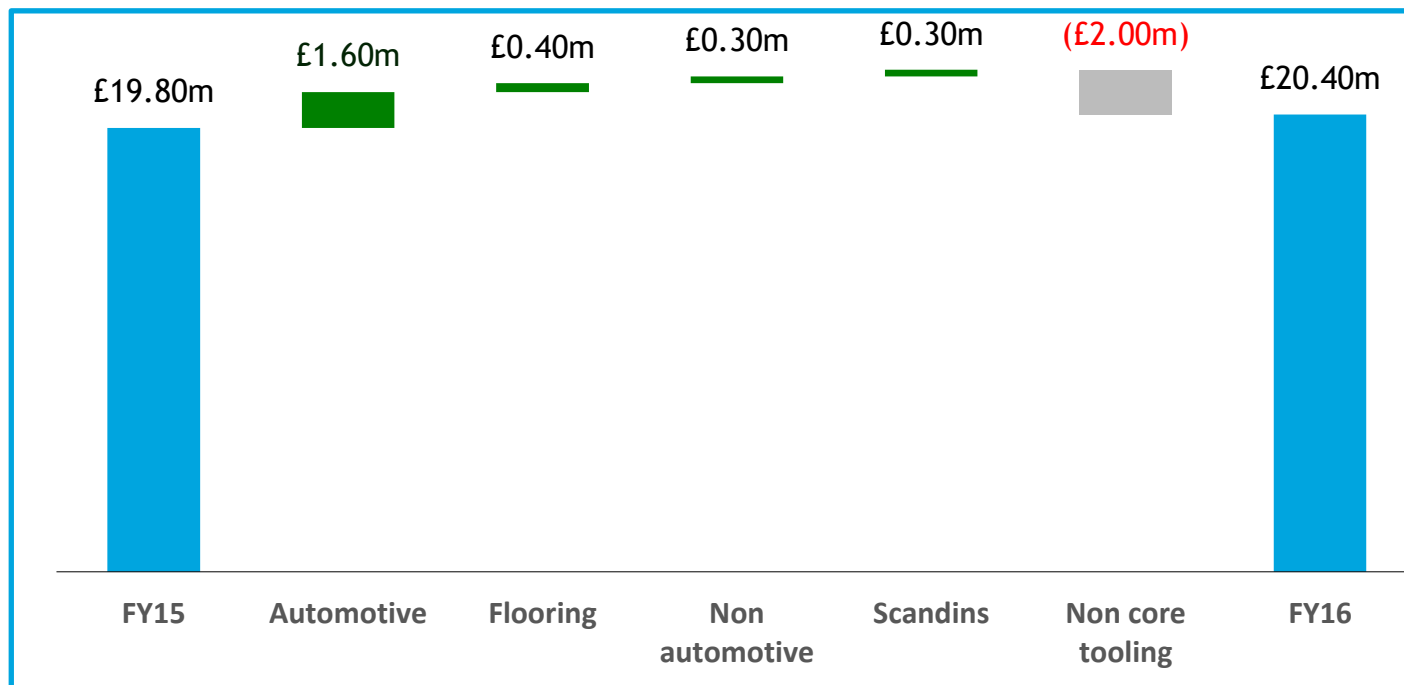
- Component revenue increase of 13% highlights sound core business growth
- Component gross margins strengthened from 31.6% to 33.1% in line with business plan and performance expectations
- Investment for growth in the year: Neptune production facility capex £4.0m, AI £0.7m and AITC established.
- Bottom line EPS in line with expectations at time of IPO
- Net cash retained as debt repaid with \$2.2m held for final payments on Neptune line

\* Excluding Neptune start up and IPO exceptionals

\*\* Cash less loan notes, bank financing and hire purchase arrangements

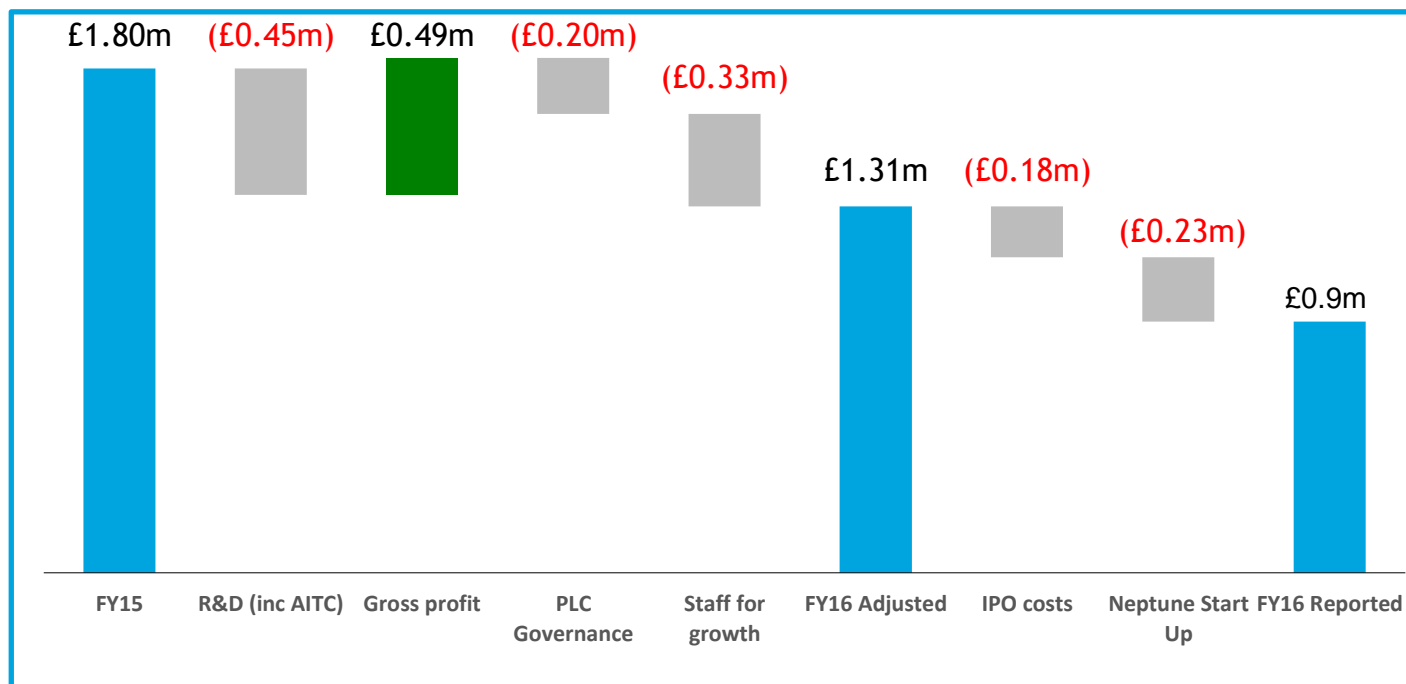
## Performance Bridge FY 2016: Revenue

- Component growth continued
- Diversification strategy
  - Flooring
  - Non-automotive
- Non core tooling reduced as expected



## Performance Bridge FY 2016: EBITDA

- Increased R&D spend
- Investing in people process and facilities
  - AITC laboratory
  - Project management and support
- Adjusted to reflect
  - Listing costs
  - Non-capitalised Neptune start up



## Use of Proceeds

Description	Proposed (£m)	Actual (£m)		
		By 30/9	To 31/12	Total
Debt repayment - Santander	6.2*	5.90	-	5.90
Debt repayment – Loan Notes	1.3*	-	1.20	1.20
Final Neptune payment <sup>1</sup>	1.6	-	-	-
Investment in Solar Nonwovens	3.0	0.15	0.10	0.25
Working Capital	1.0	0.90	1.50	2.40
Costs	0.9	1.50	-	1.50
Total	14.0	8.45	2.80	11.25
Cash retained for SNW/Neptune				2.75

\* Originally shown as aggregated. Santander debt £7.7m as at 31/5 – balance was Asset Finance (retained and now £1.1m)

<sup>1</sup> £0.9m payment made Jan '17. \$1.1m left to pay

# Strategy Overview

## Broaden Customer and Sector base

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- Diversify automotive OEM customers
- Extend tier one and strategic supplier relationships
- Target opportunities in non-automotive sectors

## Expand Geographically

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- Build on established presence in UK, Sweden and Germany
- Capitalise on Group capabilities to further penetrate European markets
- Evaluate opportunities in India via Indica joint venture

## Improve Gross Margins

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- Focus innovation to better differentiate our solutions
  - Vertically integrate into manufacture of materials
  - Adopt lean enterprise processes to enhance performance
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# Strategy Progress

## Broaden Customer and Sector base

- Neptune approved by several automotive OEMs in Europe
- Neptune adoption being driven via several Tier one suppliers in Europe
- Focused sales development in flooring, building, wider industrial applications
- Autins Technical Centre established and on track for UKAS accreditation
- Strengthening of management team

# Strategy Progress

## Expand Geographically

- Neptune approved by several automotive OEMs in Europe
- Successful integration of Swedish business
- Successful integration of German business
- Our Joint Venture – Indica Automotive – is incorporated well within Autins plans and is financially making good progress
- Strengthening of management team continues

# Strategy Progress

## Improve Gross Margins

- Neptune facility fully commissioned for production
- Development of new manufacturing processes:
  - Drape moulding
  - Press moulding
  - Robotic waterjet cutting
- Continued evolution of product range to better margin levels via differentiation in materials and process capability
- Operational standardisation is the enabler for the Group to optimise margins
- Strengthening of management team continues

# Outlook

- Fully revisited the outlook for FY2017 and FY2018
- Top line growth is strong yet not matching our original expectations
- Margin levels are encouraging, clearly highlighting that our strategic development is very much intact
- FY2017: bottom line profit suffers as slower revenue growth relative to continued overhead increases/investment
- FY2018: improved shape of financial performance as growth is leveraged better to bottom line profit



# Appendix

# Financials

**Consolidated Statement of Income**

**Consolidated Statement of Financial Position**

**Consolidated Statement of Cash Flows**



# Consolidated Statement of Income

	FY 2013	FY 2014	FY 2015	FY 2016
	£000s	£000s	£000s	£000s
<b>Revenue</b>	<b>11,551</b>	<b>13,616</b>	<b>19,781</b>	<b>20,378</b>
Gross Profit	3,251	4,158	6,044	6,533
Gross Margin %	28%	31%	31%	28%
<b>EBITDA</b>	<b>1,014</b>	<b>487</b>	<b>1,774</b>	<b>918</b>
<b>PBT</b>	<b>698</b>	<b>415</b>	<b>899</b>	<b>186</b>
Tax	(163)	(123)	(182)	112
<b>PAT</b>	<b>535</b>	<b>292</b>	<b>717</b>	<b>298</b>

Source Audited IFRS accounts FY2016 and Admission Document

## Consolidated Statement of Financial Position

	FY 2013	FY 2014	FY 2015	FY 2016
	£000s	£000s	£000s	£000s
Intangibles	1,472	3,426	3,706	3,189
Tangibles	1,040	2,551	3,444	8,808
Investments – JV's	–	24	111	206
<b>Total non-current assets</b>	<b>2,512</b>	<b>6,001</b>	<b>6,744</b>	<b>12,720</b>
Inventories	658	1,651	1,392	1,565
Trade and other receivables	3,087	3,987	4,105	4,955
Cash and cash equivalents	43	100	505	6,449
<b>Total current assets</b>	<b>3,788</b>	<b>5,738</b>	<b>6,002</b>	<b>12,969</b>
<b>Total assets</b>	<b>6,300</b>	<b>11,739</b>	<b>12,746</b>	<b>25,689</b>
Trade and other payables	3,734	2,573	3,975	6,300
Loans and borrowings	374	3,594	2,930	994
Corporation tax liability	132	-	87	-
<b>Total current liabilities</b>	<b>4,240</b>	<b>6,167</b>	<b>6,992</b>	<b>7,294</b>
Loans and borrowings	1,128	2,551	3,039	2,119
Deferred tax liability	142	660	657	559
<b>Total non-current liabilities</b>	<b>1,270</b>	<b>3,211</b>	<b>3,696</b>	<b>2,678</b>
<b>Total liabilities</b>	<b>5,510</b>	<b>9,378</b>	<b>10,688</b>	<b>9,972</b>
<b>Net Assets</b>	<b>790</b>	<b>2,361</b>	<b>2,058</b>	<b>15,717</b>

Source Audited IFRS accounts FY 2013, FY 2014, FY 2015, FY 2016

## Consolidated Statement of Cash Flows

	FY 2013	FY 2014	FY 2015	FY 2016
	£000s	£000s	£000s	£000s
Profit after tax	535	292	717	298
Depreciation & amortisation	174	348	576	616
Income taxes	163	122	182	(112)
Financing	99	(215)	386	558
Other operating items	43	30	6	(528)
Change in working capital	(1,150)	(1,249)	881	(159)
<b>Operating Cashflow</b>	<b>(136)</b>	<b>(672)</b>	<b>2,748</b>	<b>673</b>
Investing activities	81	(445)	(403)	(3,451)
Servicing of finance	(44)	(93)	(250)	(324)
Financing	212	1,547	(1,233)	9,435
Dividends paid	(30)	(41)	(9)	(9)
Taxation recovered/(paid)	(24)	(137)	(79)	(173)
Share Repurchase	-	(102)	(369)	(300)
<b>Net Cashflow</b>	<b>59</b>	<b>57</b>	<b>405</b>	<b>5,851</b>

Source Audited IFRS accounts FY 2013, FY 2014, FY 2015, FY 2016

**Autins Business Model**

**OEM Key Account Management**

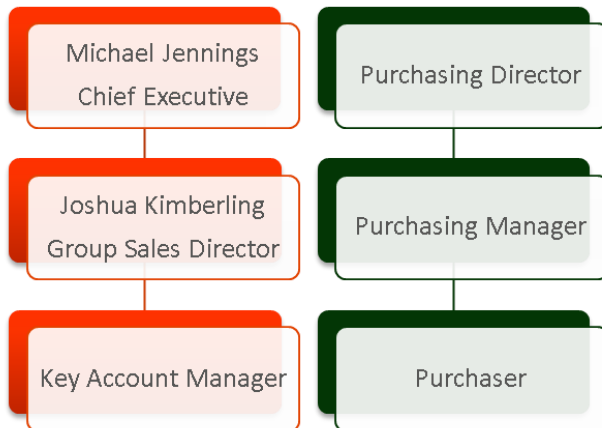


# Business Model



# Automotive OEM Key Account Structure

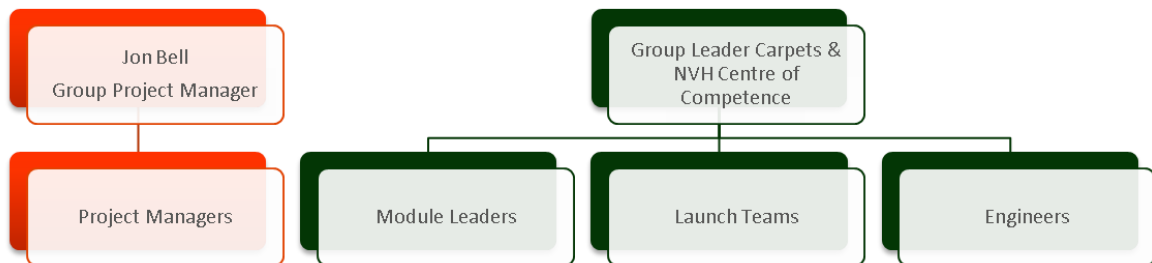
## Purchasing



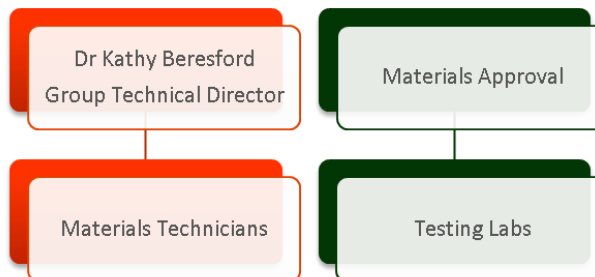
## Logistics



## Engineering



## Technical Centres



## Quality

