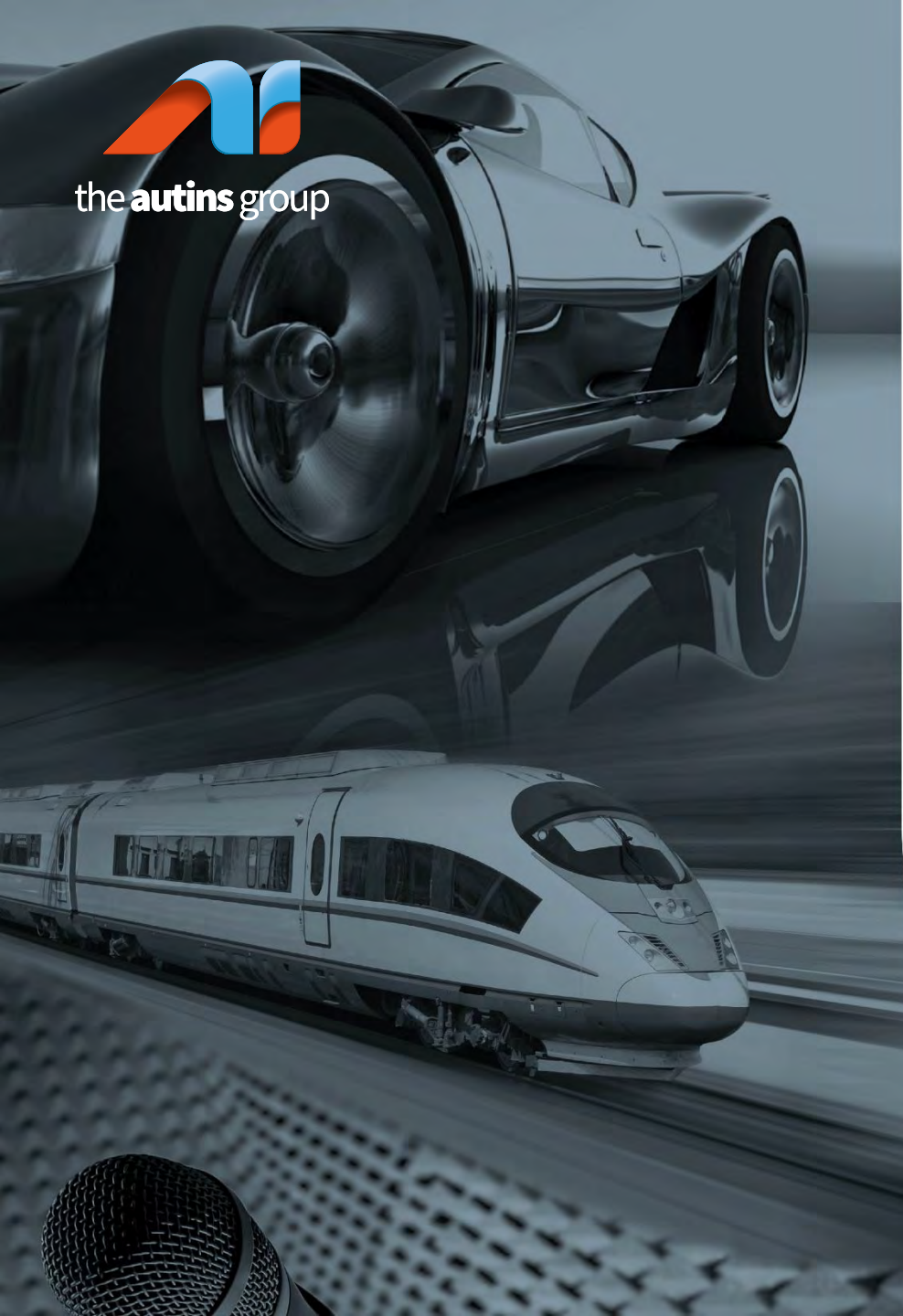




the **autins** group



Autins Group plc

Interim Results FY2017

June 2017



Agenda

- Overview
- Financial highlights
- Strategy Progress
- Outlook
- Appendix

Overview - Market

Market Context

- *Attractive Markets*
 - Automotive NVH >\$11bn p.a., CAGR >5%
 - Major growth in *SUVs and premium vehicles
 - Application potential for new end markets
- *Resilient Growth Drivers*
 - Regulation: **light vehicle noise reduction
 - Regulation: fuel economy & CO² reduction
 - Electric/hybrid/smaller engines changing NVH
- *Customer Requirements*
 - Strategic partnerships, geographical coverage
 - Tier 1 & 2 dual focus technically & commercially
 - NPI support locally: prototyping, engineering



Autins Proposition

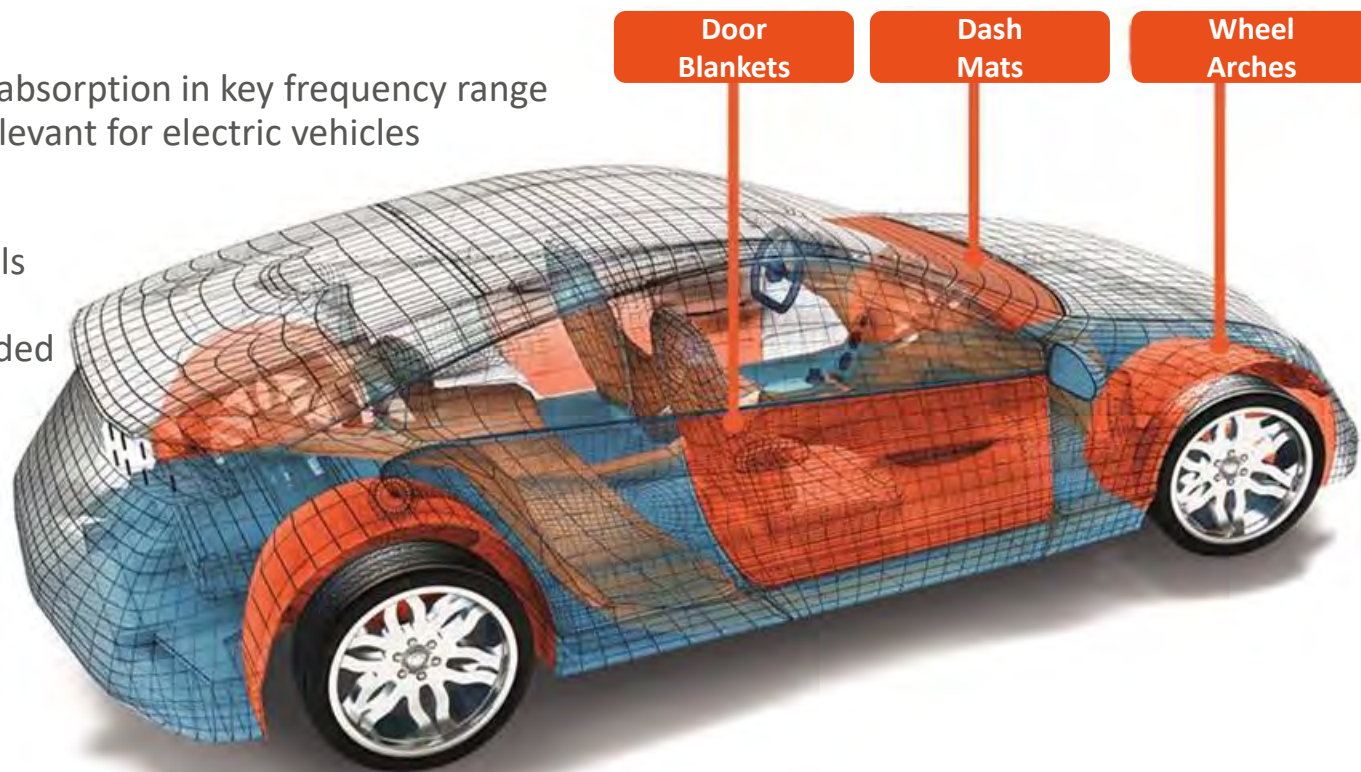
- *Differentiated Solutions*
 - Key materials: Neptune, Ozone, low-dens PUR
 - Specialist applications & material combinations
 - MIRA Technical Centre, R&D, IP development
- *Lean Operations*
 - Footprint/coverage: UK, Sweden, Germany...
 - Vertically integrated (materials) manufacturing
 - Mixed-model assembly, process & tooling, NPI
- *Core Capability*
 - Acoustic and thermal insulation expertise
 - One face to market: group-wide knowledge
 - Group shared services: Finance, HR, R&D

* Germany SUVs: 2009 = 244k, 2016 = 715k; ** EU540 – 2014 74db to 68db by 2026

Overview – Products & Technology

Interior: Door Blankets

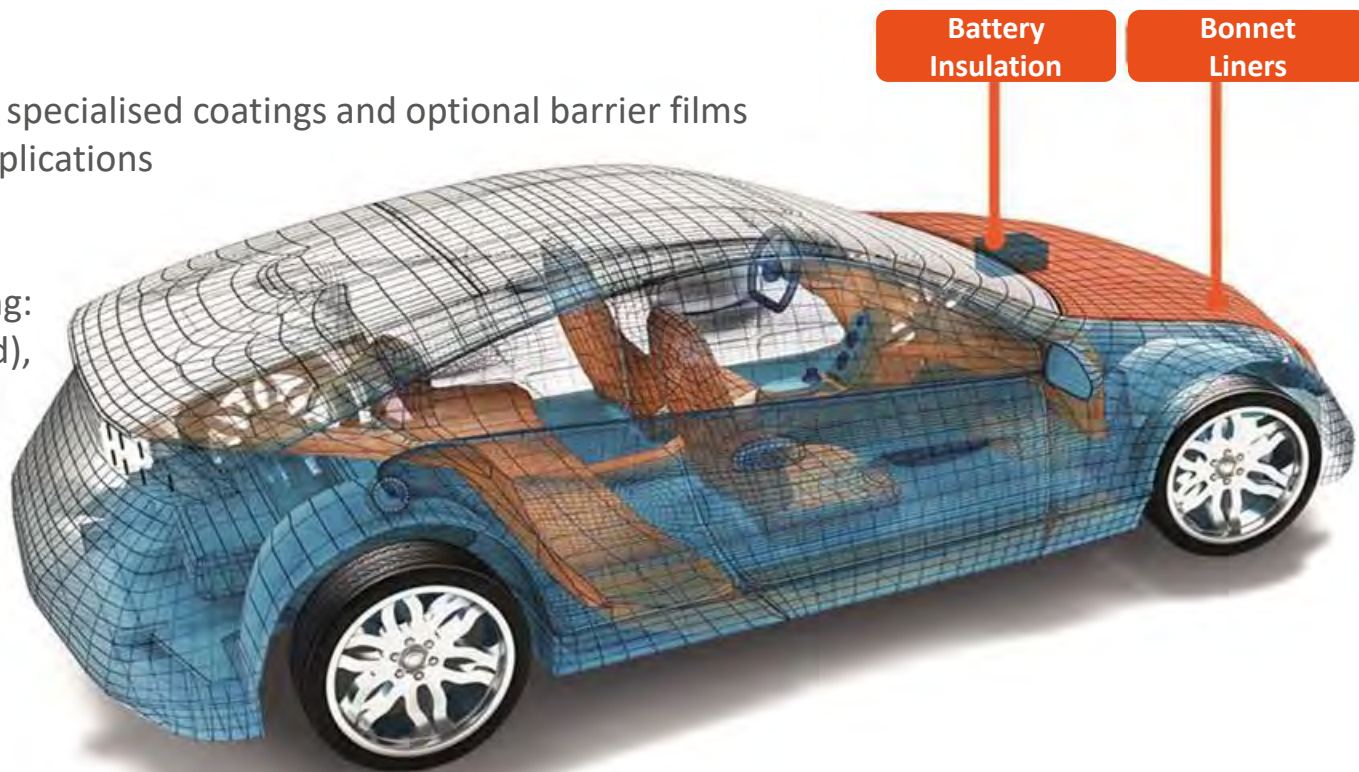
- Neptune product in multiple thicknesses
- *Material advantages*
 - High performance (3D) acoustic absorption in key frequency range
 - Thermally efficient, especially relevant for electric vehicles
- *Process advantages*
 - Die cut, stitch(less), hot/cold seals
 - Adhesive backings, multiple materials can be heat/sonic welded
 - Multiple compression options to customise insulation areas



Overview – Products & Technology

Powertrain: Battery Insulation

- Polyester wadding product with multi-purpose scrims (oil/water resistant)
- *Material advantages*
 - High performance protection via specialised coatings and optional barrier films
 - Thermally efficient for engine applications
- *Process advantages*
 - Cost-effective (smart) engineering: heat-sealed blanks (not moulded), single-step cut/seal finish
 - 3D assembled/origami form made from 2D tooling design



Overview – Products & Technology

Exterior: Transmission Undertray

- Low density PUR foam product with protective covers and optional aluminium heat shielding
- *Material advantages*
 - Lightweight solution with better acoustic performance than glass-fibre products
 - Low flame response, suitable for high temperature environments
 - Product covers/scrims customised per application
- *Process advantages*
 - Single process heat press (not 3D) which can incorporate shield
 - Simpler manufacturing and better assembly line handling

Bumper
NVH

Transmission
Undertray



Overview – Operations



Rugby, UK

- TS/ISO 16949,14001,18001
- 63k sq ft
- Lease 2014-2028
- NPI, Assembly operation
- Group Headquarters
- Headcount 125



Tamworth, UK

- ISO 9001
- 47k sq ft
- Lease 2016-2030
- Materials manufacturing
- Headcount 12



Gothenburg, Sweden

- ISO 9001,14001
- 22k sq ft
- Lease 2012-2019
- NPI, Materials & Assembly operation
- Headcount 18



Hilden, Germany

- ISO 9001,14001
- 16k sq ft
- Lease 2013-2019
- NPI, Assembly operation
- Headcount 24



Mira, UK

- UKAS (due Dec-17)
- 4k sq ft
- Lease 2016-2021
- Group Technical Centre & Test site
- Headcount 6

Headcount	People	% of total
Sales & Marketing	12	6%
Technical & Engineering	33	17%
Operations	137	69%
All Other	17	8%

Note: additional 83 temporary workers across Group (mostly Rugby)

Northampton, UK

- ISO 9001
- Joint Venture (Indica)
- 13k sq ft
- Lease 2016-2021
- Materials & Assembly
- Headcount 14



Financial Highlights



Financial Highlights Interims FY17

	March 2017	March 2016	FY16	FY15	Change
Revenue	£12.2m	£10.7m	£20.4m	£19.8m	+14%
Gross margin	34.3%	26.9%	32.1%	30.6%	
Adjusted EBITDA *	£0.54m	£0.64m	£1.20m	£1.77m	(£0.10m)
(Loss)/profit after tax	(£0.16m)	£0.15m	£0.30m	£0.72m	(£0.3m)
Earnings per share	(0.72)p	1.14p	2.03p	5.56p	(2.86p)
Net cash/(debt) **	£0.44m	(£7.3m)	£3.3m	(£5.5m)	+£7.74m
Dividend	0.4p	-	0.4p	-	+0.4p

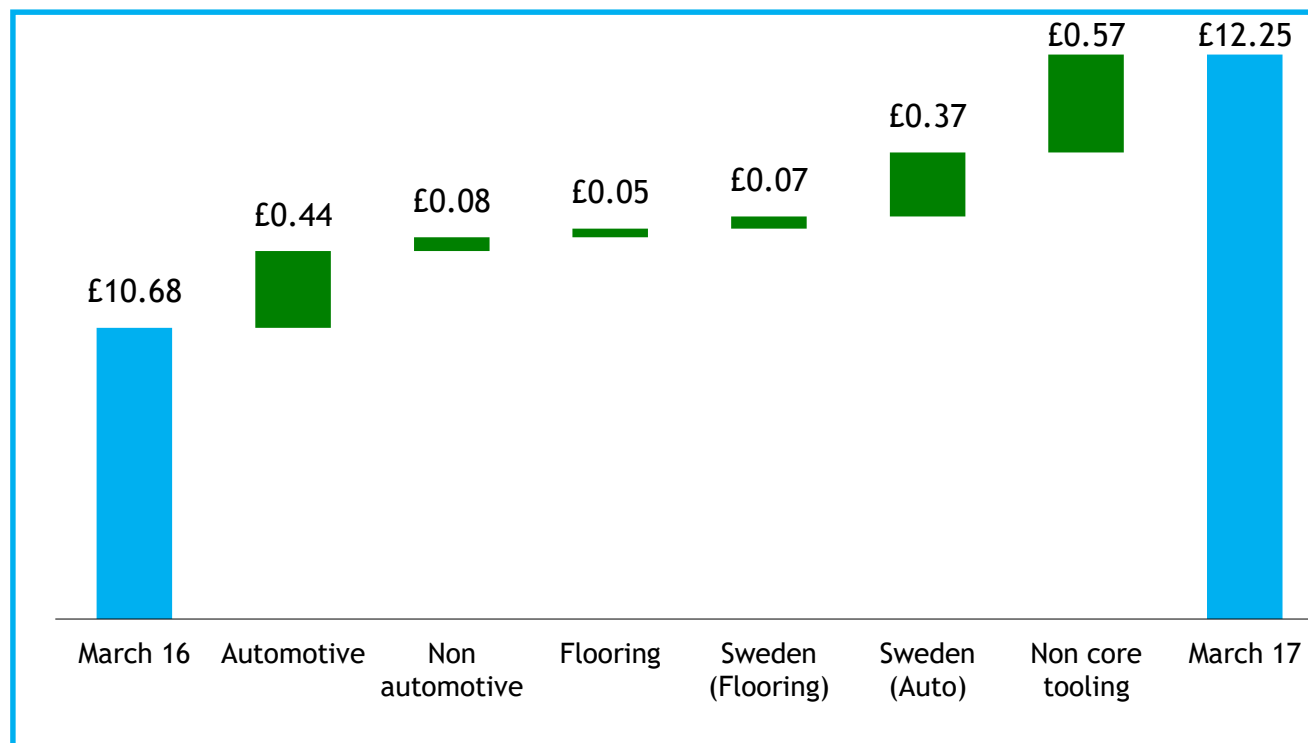
- Component revenue increased 9% with gross margin strengthening to 34.4%
- Investment for growth in the year;
 - Non Neptune capex of £0.5m, with further investments in H2
 - Start up costs for Neptune of £0.4m
- Indica Automotive joint venture turnover increased 50% with profits 16% higher after itself investing for growth
- Net cash retained after further \$1.1m payment on Neptune line and funding growth working capital

* Adjusted EBITDA excludes exceptional costs of £0.57m (2016: £0.12m)

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

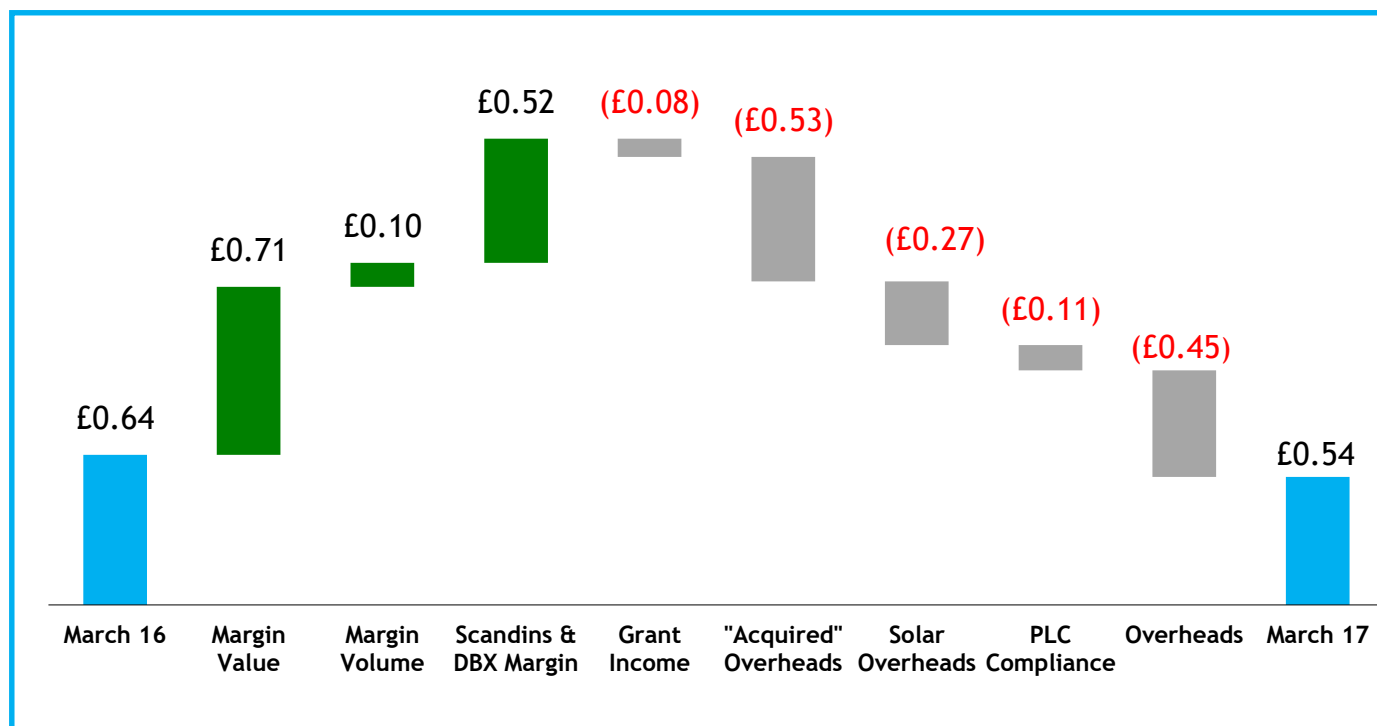
Financial Bridge Interims 2017: Revenue

- Component growth continued
 - Swedish growth as well as acquired volumes
 - German OEMs to multiple locations
- Diversification strategy
 - Flooring (including acquired DBX)
 - Non-automotive
- Tooling increased with new platform launches of higher value added parts



Financial Bridge Interims 2017: Adjusted EBITDA

- Increased R&D spend
 - AITC laboratory
- Investing in people, process and facilities
 - Solar Nonwovens
 - Commercial, project management and engineering staff
- Adjusted to reflect
 - Change of CEO
 - Final listing costs
 - Re-banking
 - Amortisation of intangibles
 - Neptune start-up costs



Strategy Progress & Outlook



Strategy Overview

Broaden Customer and Sector base

- Diversify automotive OEM customers
- Extend tier 1 & 2 and strategic supplier relationships
- Target opportunities in non-automotive sectors

Expand Geographically

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

Improve Gross Margins

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

Driving Growth & Profitability through a developing Organisation

Strategy Progress

Broaden Customer and Sector base

- Diversify automotive OEM customers
- Extend tier 1 & 2 and strategic supplier relationships
- Target opportunities in non-automotive sectors



Progress Update

- New wins with Bentley, Porsche, Aston Martin
- Multiple tier collaborations across door, roof, wheel arch
- Neptune approvals continue, target non-auto sector e.g. building. Note – flooring

Driving Growth & Profitability through a developing Organisation

Strategy Progress

Expand Geographically

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



Progress Update

- VW Group: 6 parts, 21 plants, 10 countries, plus NPI work
- Volvo: Neptune wins across XC models, multiple tiers
- Investment in MIRA Technical Centre on track, team in place

Driving Growth & Profitability through a developing Organisation

Strategy Overview

Improve Gross Margins

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



Progress Update

- Neptune traction: orders won ~£1m p.a. (5 OEMs, 67 parts)
- Neptune pipeline growing via JLR, Volvo, German OEMs, and with numerous tiers
- New sales team, new Group Operations Director (June)

Driving Growth & Profitability through a developing Organisation

Outlook

Investing for growth

- Top line growth is solid and holding while gross margin levels are continuing to improve as planned, highlighting strategic intent
- FY2017 profitability suffers as revenue growth lags behind the planned overhead increases while FY2018 financials start to take shape as growth enables operational gearing to improve bottom line

Increasingly well positioned

- Autins growth potential is significant and is the single biggest reason for me joining permanently
- It is a challenge and there is a lot to do but the opportunity to transform Autins is one that I would not want to miss
- Increasingly well positioned in attractive markets

Appendix

Financials

- Consolidated Statement of Income
- Consolidated Statement of Financial Position
- Consolidated Statement of Cash Flows
- Use of Proceeds

Other

- Overview extra reference slides



Consolidated Statement of Income

	March 2017	March 2016	FY 2016	FY 2015
	£000s	£000s	£000s	£000s
Revenue	12,253	10,680	20,378	19,781
Gross Profit	4,205	2,870	6,533	6,044
<i>Gross Margin %</i>	<i>34%</i>	<i>27%</i>	<i>32%</i>	<i>31%</i>
EBITDA	89	652	918	1,774
<i>Exceptional costs</i>	<i>574</i>	<i>118</i>	<i>513</i>	<i>237</i>
PBT	(220)	174	186	899
Tax	61	(23)	112	(182)
PAT	(159)	151	298	717

Consolidated Statement of Financial Position

	March 2017	March 2016	FY 2016	FY 2015
	£000s	£000s	£000s	£000s
Intangibles	3,767	3,070	3,189	3,706
Tangibles	9,413	5,794	8,808	3,444
Investments – JV's	232	191	206	111
Total non-current assets	13,412	9,055	12,720	6,744
Inventories	1,596	1,069	1,565	1,392
Trade and other receivables	7,368	5,808	4,955	4,105
Cash and cash equivalents	2,081	424	6,449	505
Total current assets	11,045	7,301	12,969	6,002
Total assets	24,457	16,356	25,689	12,746
Trade and other payables	6,775	5,825	6,300	3,975
Loans and borrowings	628	2,653	994	2,930
Corporation tax liability	-	-	-	87
Total current liabilities	7,403	8,478	7,294	6,992
Loans and borrowings	1,013	5,108	2,119	3,039
Deferred tax liability	482	570	559	657
Total non-current liabilities	1,495	5,678	2,678	3,696
Total liabilities	8,898	14,156	9,972	10,688
Net Assets	15,559	2,200	15,717	2,058

Consolidated Statement of Cash Flows

	March 2017	March 2016	FY 2016	FY 2015
	£000s	£000s	£000s	£000s
Profit after tax	(159)	151	298	717
Depreciation & amortisation	368	297	616	576
Income taxes	(61)	23	(112)	182
Financing	53	261	558	386
Other operating items	(112)	(80)	(528)	6
Change in working capital	(1,372)	684	(159)	881
Operating Cashflow	(1,283)	1,336	673	2,748
Investing activities	(1,437)	(2,266)	(3,451)	(403)
Servicing of finance	(40)	(156)	(324)	(250)
Financing	(1,487)	1,425	9,435	(1,233)
Dividends paid	-	(9)	(9)	(9)
Taxation recovered/(paid)	(123)	(231)	(173)	(79)
Share Repurchase	-	(180)	(300)	(369)
Net Cashflow	(4,370)	(81)	5,851	405

Use of Proceeds

Description	Proposed (£m)	Actual (£m)		
		By 30/9	To 31/03	Total
Debt repayment - Santander	6.2*	5.90	-	5.90
Debt repayment – Loan Notes	1.3*	-	1.20	1.20
Final Neptune payments ¹	1.6	-	0.90	0.90
Investment in Solar Nonwovens	3.0	0.15	0.30	0.45
Working Capital	1.0	0.90	1.00	1.90
Costs	0.9	1.50	(0.2) ²	1.30
Total	14.0	8.45	3.20	11.65

* Originally shown as aggregated. Santander debt £7.7m at proposal date – £1.5m balance was Asset Finance (retained and now £1.1m)

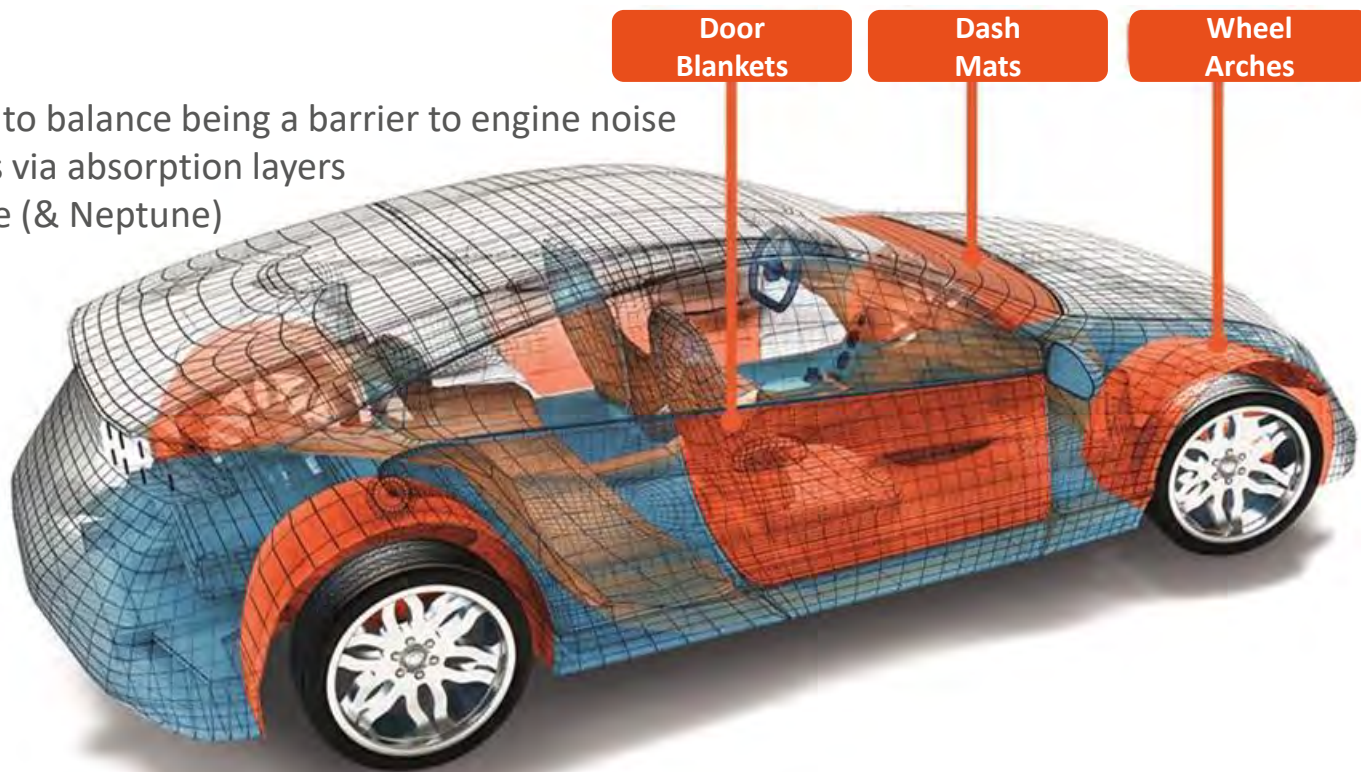
¹ \$1.1m (£0.9m) payment paid Jan '17. Final \$1.1m (£0.86m) paid in May '17

² £0.2m recovered from existing shareholders in Q2 '17

Overview – Products & Technology

Interior: Dash Mats

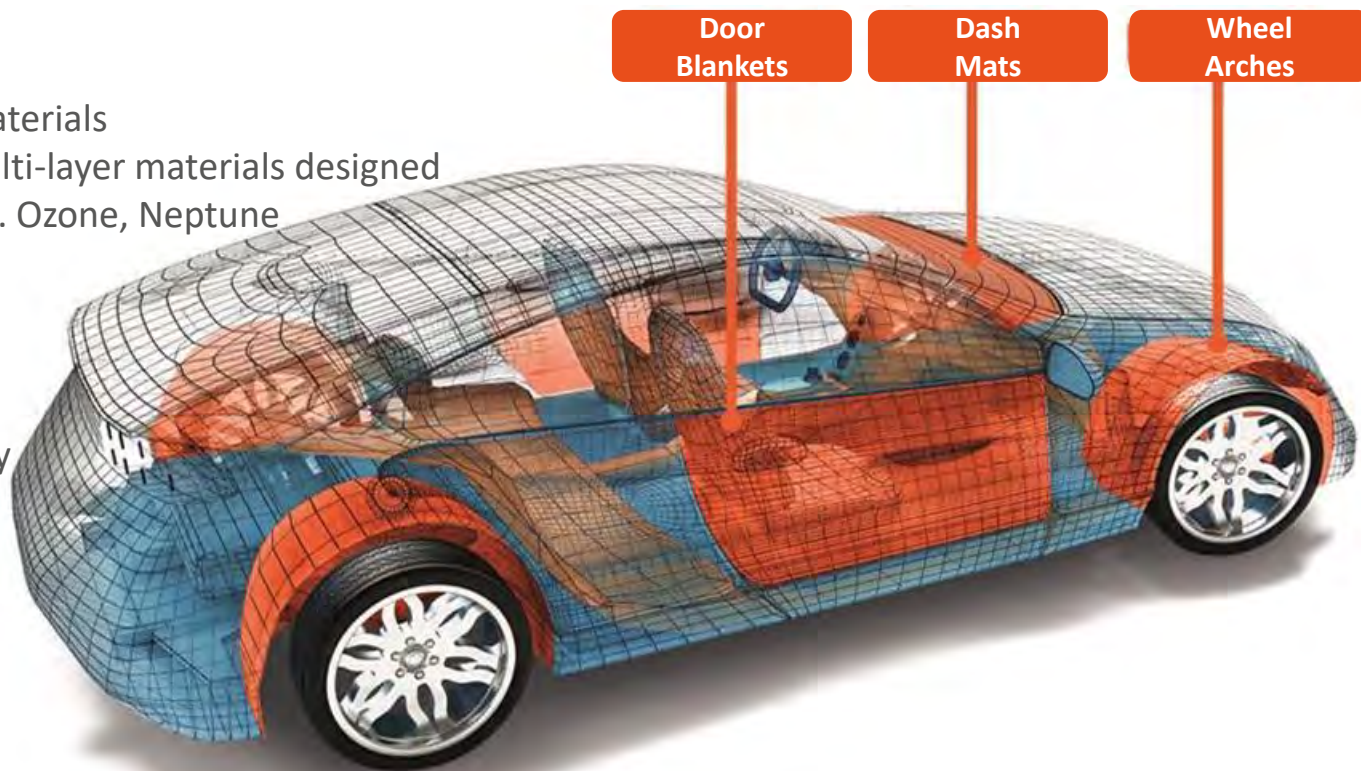
- Multi-layer product with Neptune option, delivering special acoustic performance
- *Material advantages*
 - Material combinations designed to balance being a barrier to engine noise and enhancing interior acoustics via absorption layers
 - Strong application for new Ozone (& Neptune)
- *Process advantages*
 - Weight reduction and structural advantages mean improved assembly line fitting/handling



Overview – Products & Technology

Interior: Wheel Arches

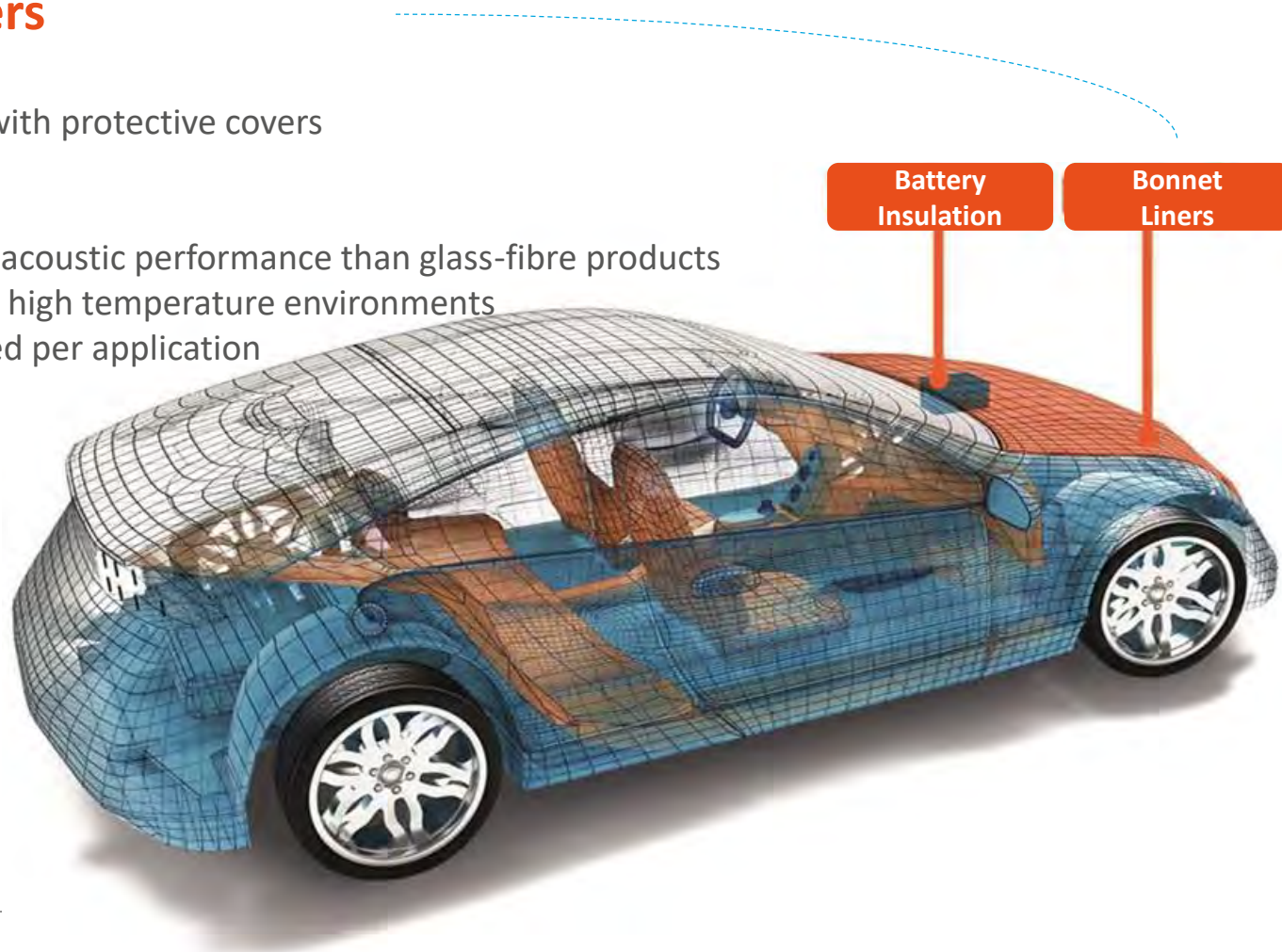
- Combination product including polyester, recycled fibres or advanced materials
- *Material advantages*
 - Cost-effective use of recycled materials
 - Improved acoustic profile via multi-layer materials designed for specific application areas e.g. Ozone, Neptune
- *Process advantages*
 - Lightweight product and press moulding provides finished formed parts for easier assembly



Overview – Products & Technology

Powertrain: Bonnet Liners

- Low density PUR foam product with protective covers
- *Material advantages*
 - Lightweight solution with better acoustic performance than glass-fibre products
 - Low flame response, suitable for high temperature environments
 - Product covers/scrim customised per application
- *Process advantages*
 - Lightweight product providing better assembly line handling



Overview – Products & Technology

Exterior: Bumper NVH

- Heavy layer product
- *Material advantages*
 - Significant mass used to reduce vibrations and act as a barrier to noise transmission
- *Process advantages*
 - Parts can be cut from simple 2D tools

