Autins Group – FY19 Results
December 2019

Agenda

- Introduction
- The Opportunity
- Operational highlights
- Financial Review
- Summary
- Appendix

A year of recovery and new business wins

- **Operational and Financial improvements**
  - Gross margin increased to 27.8% (FY 2018: 24.8%)
  - Cost reduction exercise completed in full with c£1.0m of overhead cost removed
  - Return to EBITDA profitability in H2 19
- **Continued to deliver strategic objectives:**
  - Secured 22 new customers
  - 23% growth in Germany to £4.3m and European sales now 19% of Group
  - Neptune production more than doubled and enquiry pipeline has grown by over 60%
- **Stronger balance sheet**
- **Board confident this positive momentum will continue into new year**

autins

Section 02

The Opportunity

£700M
Addressable European market

Drivers for Growth

- Consumers want more comfort
- £700m+ European NVH auto market
- Only 4% market share
- Electric vehicle growth needs new solutions
- Environmental agenda
- Local sourcing and support
- Non-automotive markets also seeking improved acoustic comfort

Our Value

- Recognised NVH specialist in automotive
- Market leading performance materials
- Established European manufacturing and technical support
- Track record of winning new OEM and Tier 1 customers
- New market opportunities

Future Opportunities

Electric vehicle growth

- Electric vehicle sales grew by over 50% across Europe during Q3 of 2019
- Rapid increase in requests to help diagnose and design solutions for concept cars and complete NVH packages
- Autins have already designed and supplied solutions to the following vehicles:
  - Jaguar Land Rover's I-Pace
  - Volvo's Polestar
  - the London Taxi made by LEVC
  - AMG's Project One and
  - BMW's i8 Spyder

Office interiors and industrial applications

- Autins has supplied acoustic solutions into specialist applications for many years including:
  - construction and industrial equipment
  - commercial vehicles
  - medical devices and office furniture

Flooring

- Flooring manufacturers use Autins' expertise in acoustics and materials to improve their product performance
- This consultancy support is highly valued by the major companies such as IVC, Tarkett and Gerflor

Adding value – expertise and service

BUSINESS MODEL

- Innovative Technology
- Specialist Technical Support
- Continuous Innovation
- Exceptional Service

STRATEGY

- Accelerate sales in automotive using Neptune
- Expand sales into new markets
- Develop Autins' brand reputation

FOCUS

- Margin Improvement
- Growing the customer base
- Leverage Neptune technology

Aligned direction and approach

Our Vision

To be the preferred supplier of acoustic and thermal solutions to our customers in the automotive industry and segments where we can deliver value

Strategy for profitable growth

- Leverage Neptune to win new automotive customers
- Leverage our acoustic and thermal expertise to open up new markets
- Build the Autins brand reputation as an NVH solution provider of choice

Values and Culture

Teamwork

Accountability

Expertise

Creativity

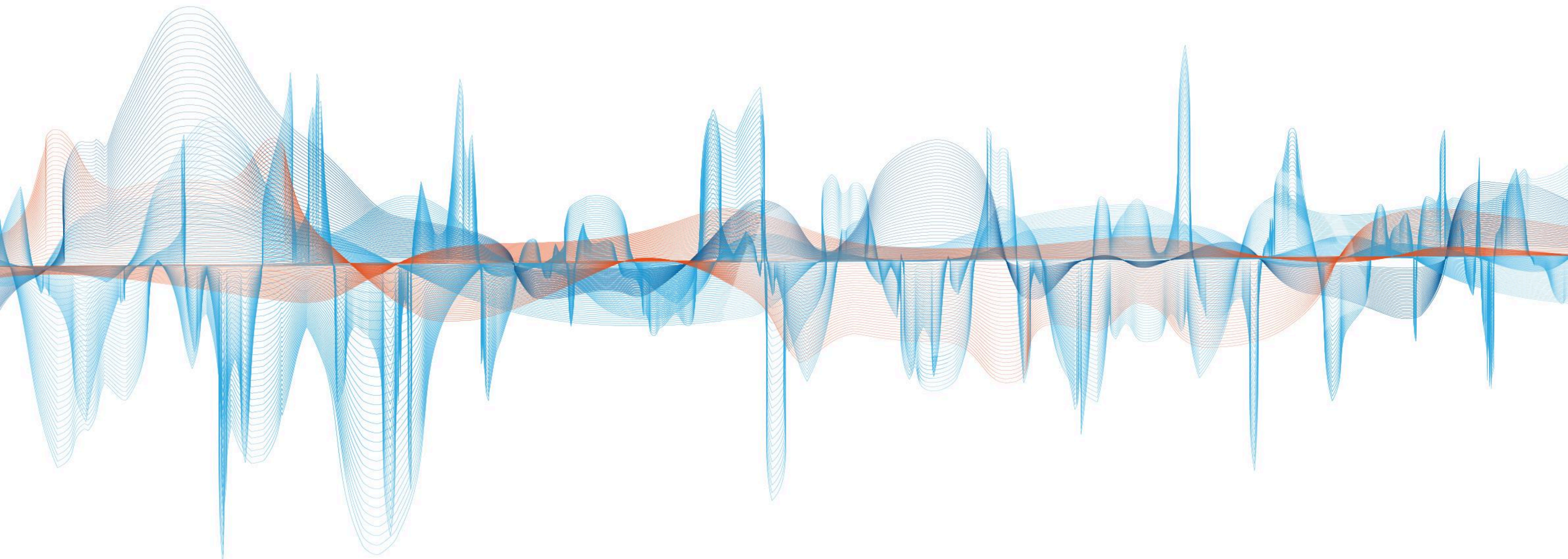
Agility

Passion

We have a unique product offering, due to the range of materials, products and processes and a highly responsive technical support service, which is valued by customers

Section
03

Operational Highlights



Growing our Customer Base

autins

Customer concentration reduced

- Customer base increased with 22 new customers to 119

13 OEM's
48 Tier 1
22 Tier 2/3

32 Flooring

4 other sector

Geographic expansion

- European growth **+14%** to £5.3m
- German sales: **+23%** to £4.3m
- 11 new customers in Germany and 2 new customers in Sweden

Non Auto markets

- Flooring sales: +8% to £1.5m (6% of total revenues)

Neptune patented technology

- Production value doubled, enquiry value grew 66%

Financial Overview

- Revenue -**8.1%** to £26.9m
  - H1 -13.9% YoY
  - H2 -1.4% YoY
- Adjusted EBITDA of £0.03m (FY18: Loss of £0.3m)
- Net Debt £2.3m (FY18: £4.2m)
- EPS -6.25p per share (FY18: -6.14p per share)
- **KPI's:**
  - New Product & Customer sales **+3.1%pts** to 21.4%, now up 8.7%pts in two years
  - Delivering on strategic promises:
    1. Customer concentration reduced – new customer wins
    2. Geographic expansion (Non UK) – up from 17% to 19% of total revenue
    3. Expand in new markets – held at 7.5% of total revenue in the year
    4. Neptune patented technology – all target customers approved Neptune

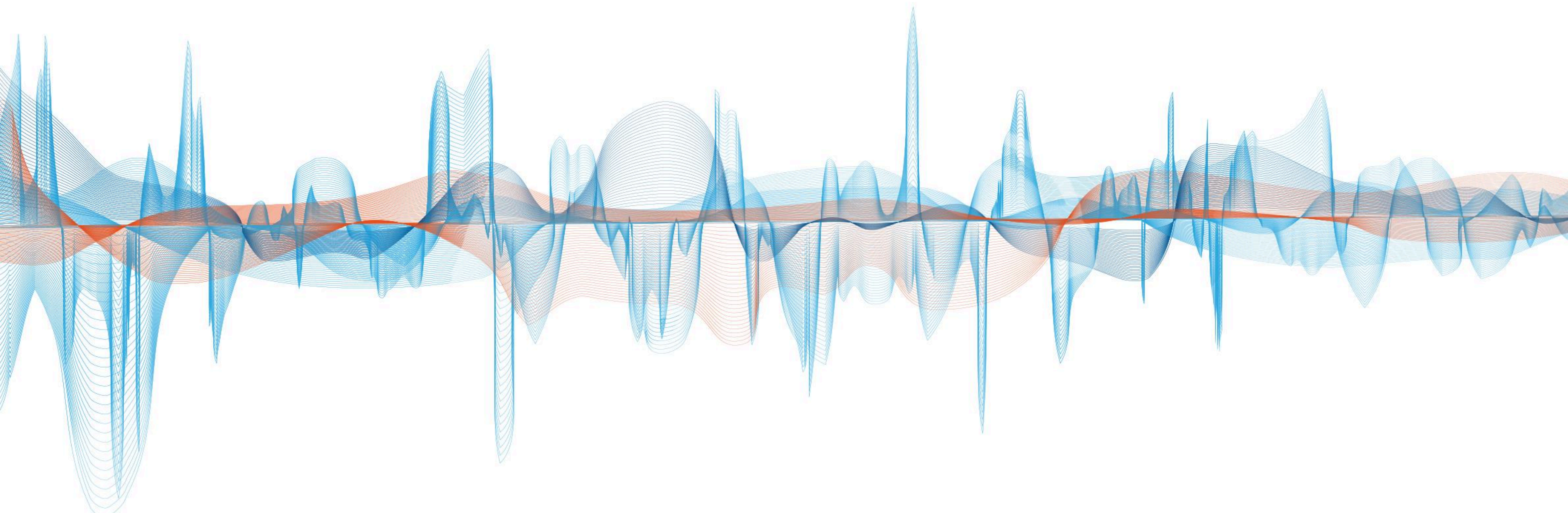
Financial overview

	H2 19	H1 19	H2 18	H1 18	FY19	FY18
Revenue	£13.20m	£13.66m	£13.40m	£15.86m	£26.96m	£29.2m
Gross Margin	29.1%	26.5%	22.2%	26.9%	27.8%	24.8%
Adjusted* EBITDA	£0.19m	£(0.16)m	£(0.92)m	£0.60m	£0.03m	£(0.3)m
Net Debt	£2.31m	£4.66m	£4.22m	£3.58m	£2.31m	£4.22m
(LPS)/EPS	(2.02)p	(4.42)p	(6.25)p	0.22p	(6.08)p	(6.14)p
(Loss)/profit after tax	£(0.52)m	£(0.98)m	£(1.45)m	£0.05m	£(1.50)m	£(1.36)m
Dividend	-	-	-	0.4p	-	-

- Adjusted EBITDA in H1 18 excluded non recurring start up Neptune costs of £0.24m (H1 & H2 19: £nil), H2 19 and H1 19 excludes £0.14m & £0.31m respectively related to restructuring of overhead costs and banking facilities (H1 & H2 18: £nil)
- EPS has been adjusted for H2 19 and FY19 based on the issue of 17,500,000 new shares on 22 August 2019

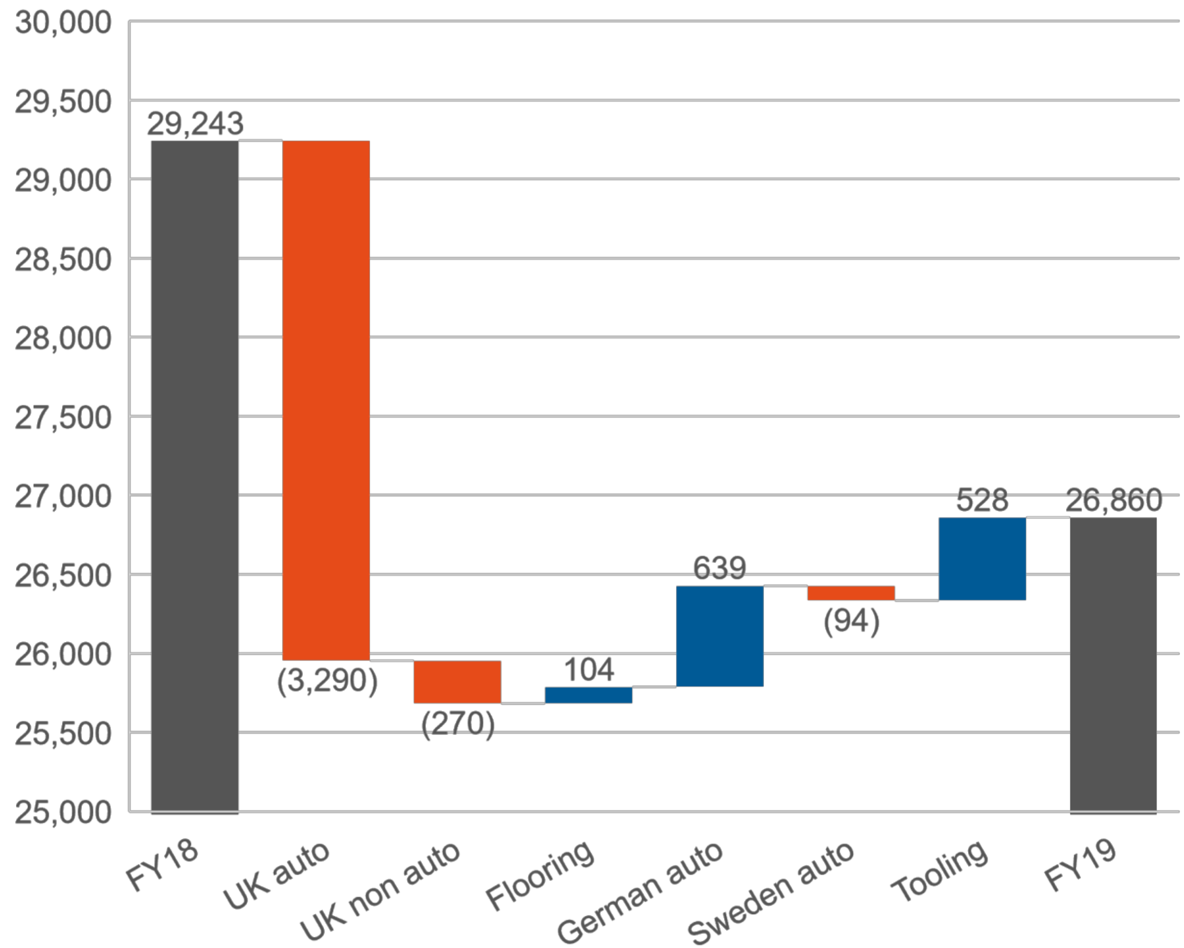
Section 04

Financial Review



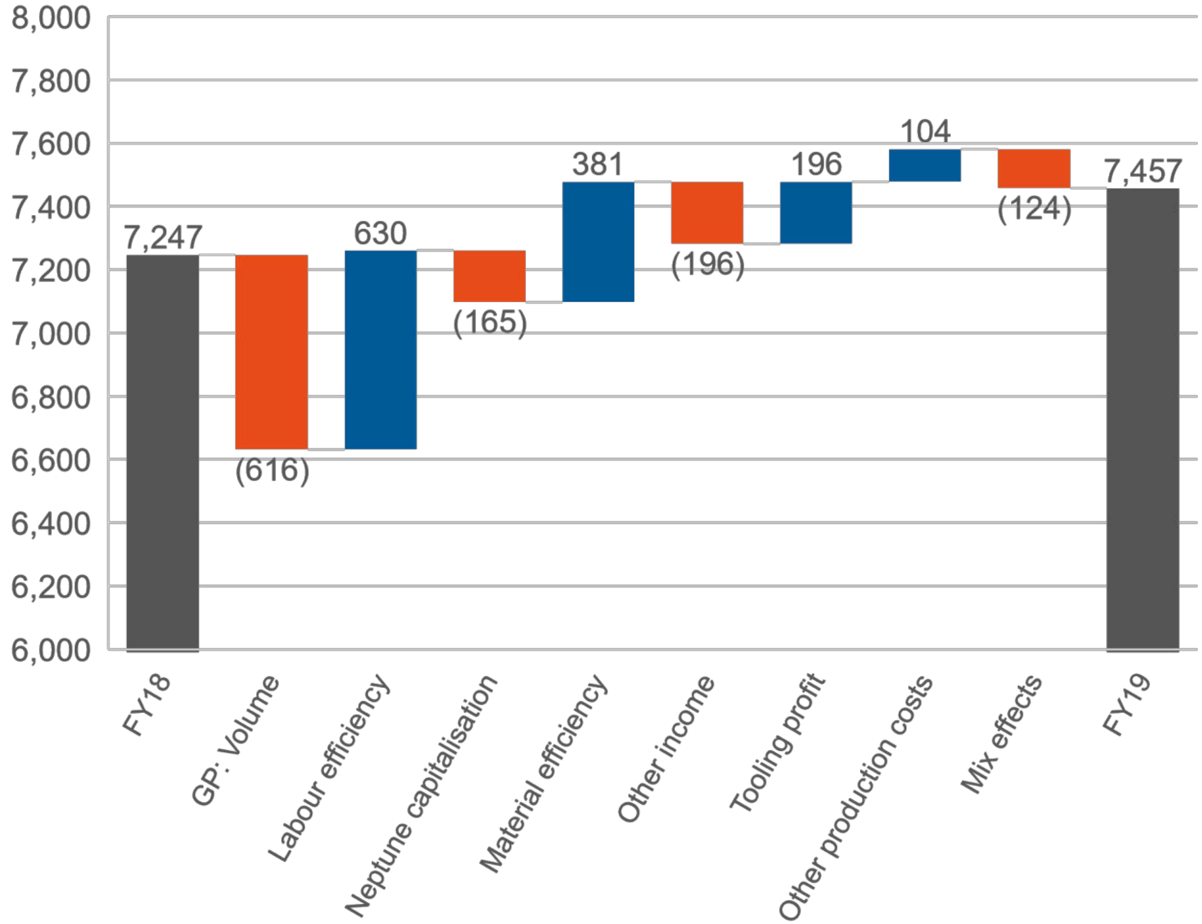
Revenue Bridge

- UK Auto
  - Largest customer down, other UK OEMs flat, some growth in other Tiers
- UK non automotive
  - Design change by a customer caused revenue loss and impairment of R&D asset
- Flooring
  - Growth in Germany
- German auto
  - OEM contract for single part
  - Market share growth with another OEM
  - New specialist tier customer for Neptune
- Sweden auto
  - Model change for engine component and end of inspection contract
- Tooling
  - Significant new platforms commencing in FY20



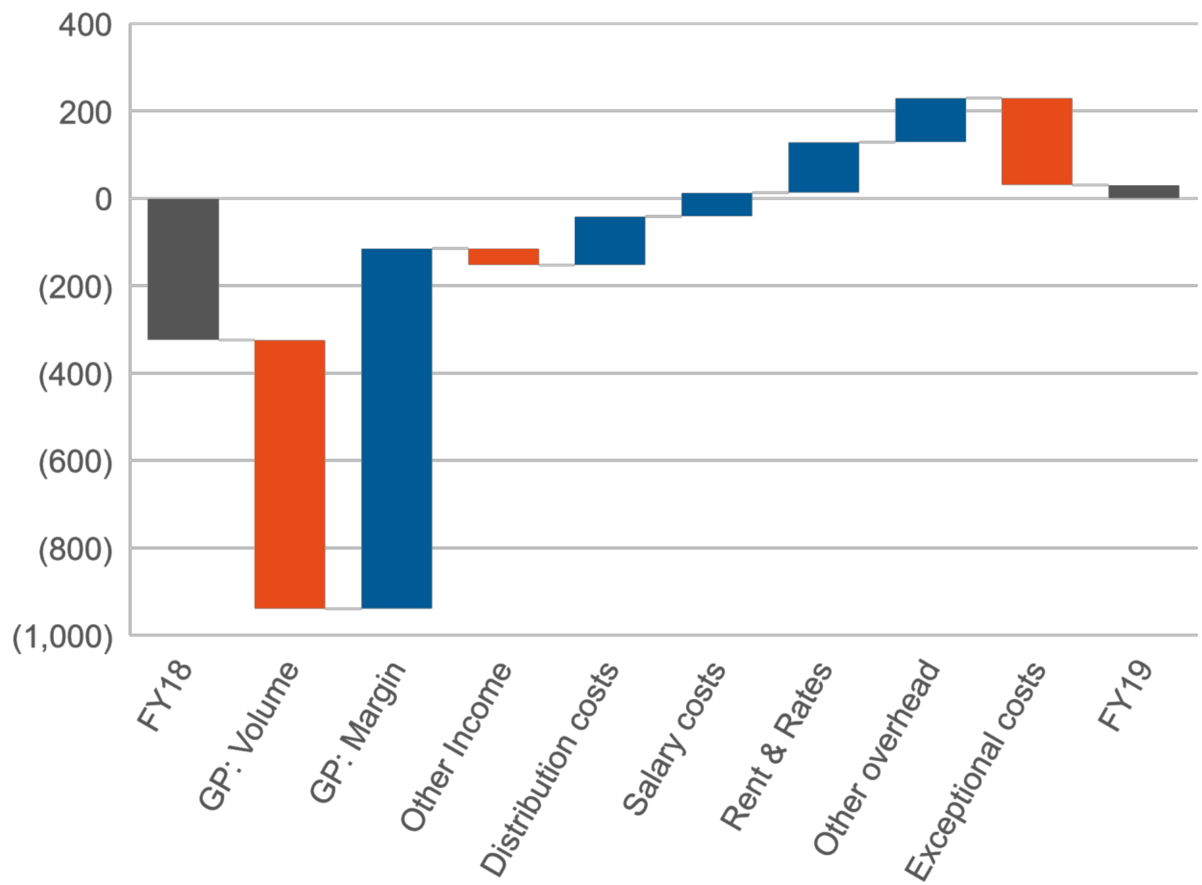
Gross Profit Bridge

- Gross profit volume: effect of revenue reduction at FY18 margin
- Labour efficiency: improved productivity and planning
- Neptune: specialist labour expensed in FY19 as commissioning complete.
- Materials: benefits from new heavy layer contracts and conversion to Neptune.
- Other income: reduction in grants and currency gains on flooring sales
- Tooling profit: higher sales and improved margin
- Other production costs: several savings achieved, largest were packaging & waste



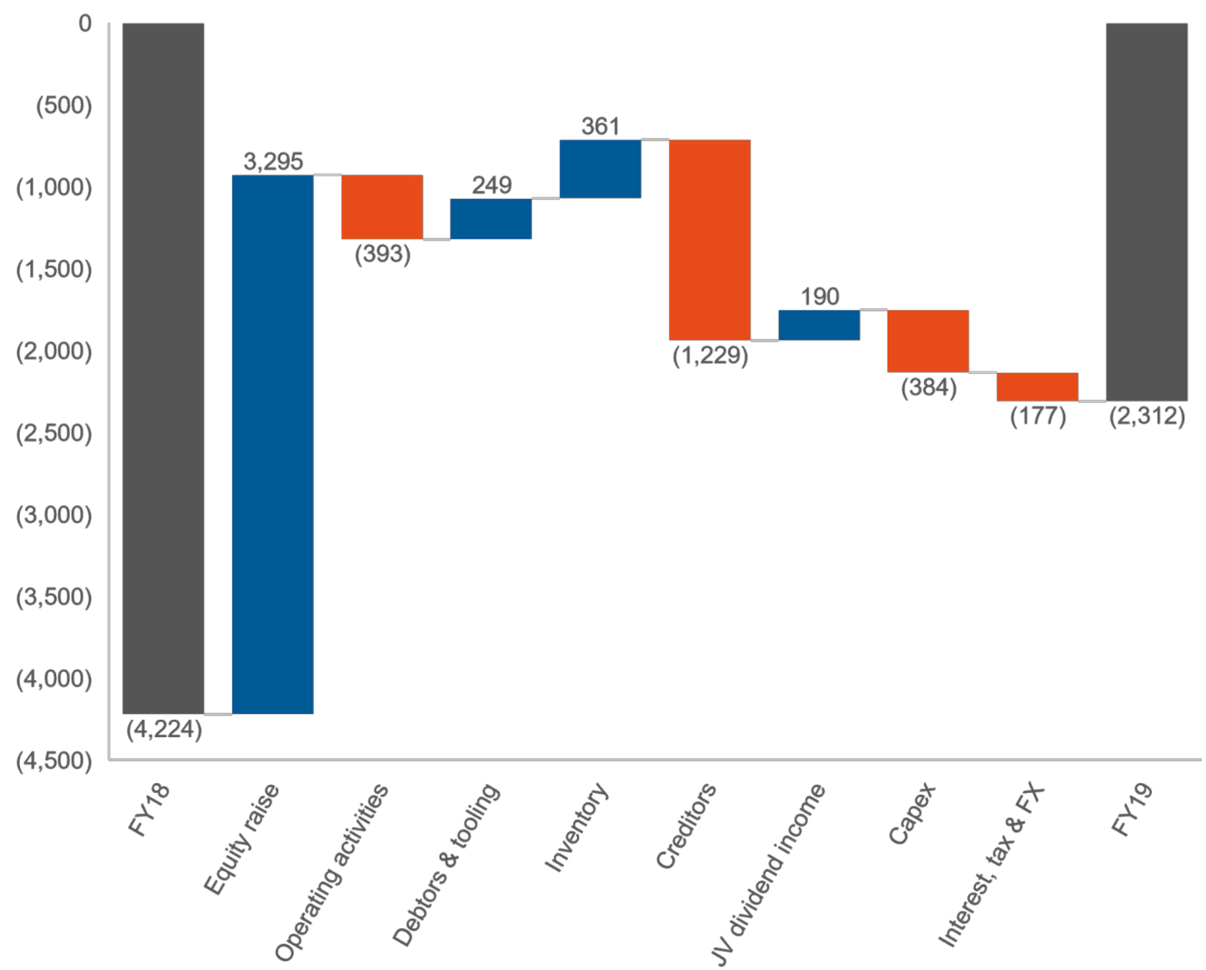
Adjusted EBITDA Bridge

- Gross profit: benefit from margin improvement sufficient to outweigh volume reduction
- Other income: no grant income in FY19
- Distribution costs: reduction in marketing, salaries and related costs
- Rates: reduction following appeal of UK rating assessments and no repeat of FY18 catch up charge
- Other overhead: focussed cost reduction programme delivering immediate and sustainable savings
- Exceptional costs increased - major cost and working capital exercise conducted during H1



Net debt bridge

- Operating loss reduced in the year
- Working capital outflow of £0.6m
- Creditors
  - Cash outflow as creditors reduced
  - Reduction in temporary staff had adverse impact on creditors
- Inventory
  - £0.36m reduction, improved working capital programme and optimising stock levels.
- Receivables
  - Improved by £0.25m at similar activity levels – improved cash collection and focus on terms
- Capex includes £0.15m of capitalised R&D
  - No individually significant spending on PPE in the period



Section 4

Summary

Optimism for the future

- A challenging year for the industries we serve and the Group
- A year of repositioning, recovery and new business wins
- We are in a strong position to make the most of the opportunities ahead
- The positive momentum we have already generated is encouraging and provides grounds for optimism for the future

Section
A

Appendix

Our locations are close to our customer base

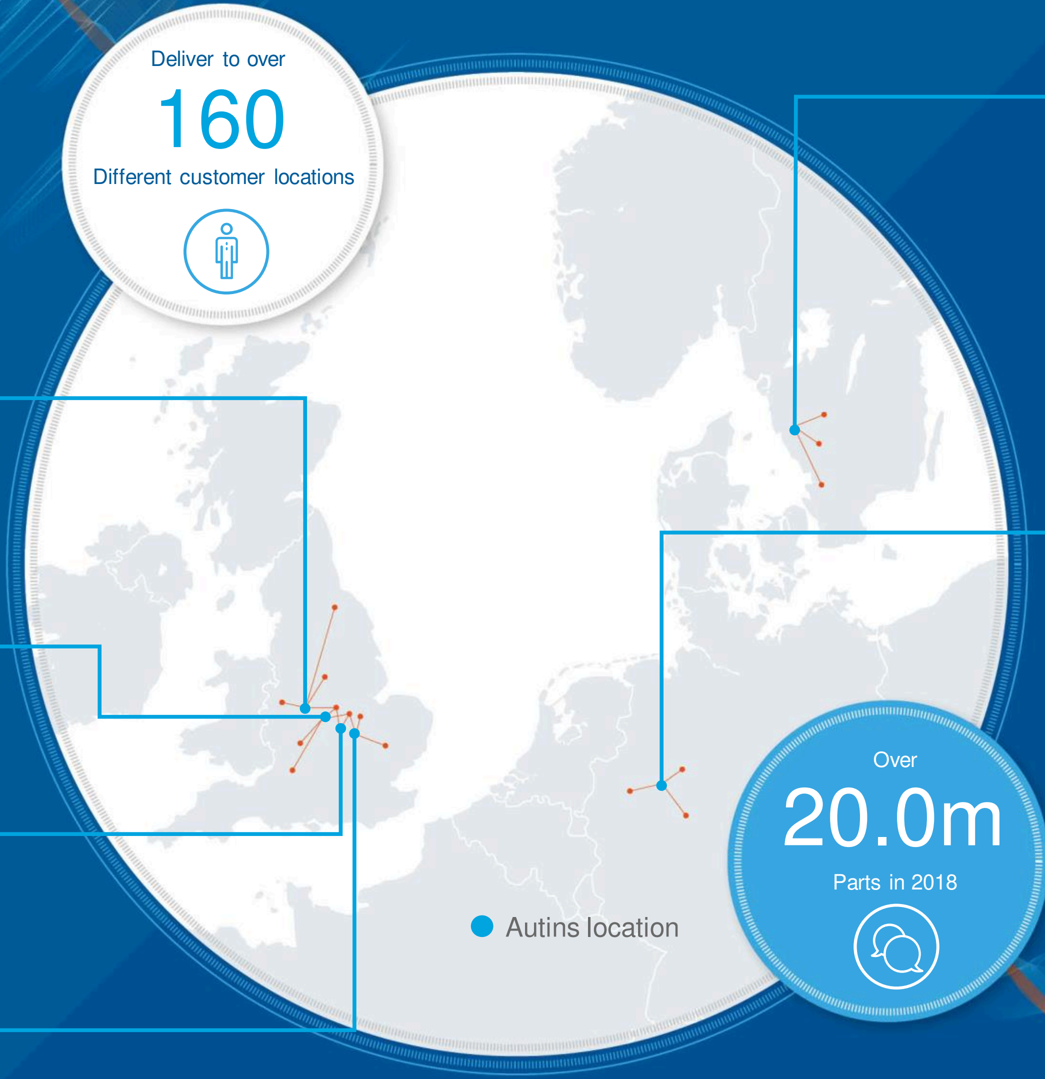
UK
TAMWORTH
Material's manufacturing, assembly & conversion operation

UK
NUNEATON
Group technical centre: laboratory & test site

MIRA TECHNOLOGY PARK

UK
RUGBY
Group headquarters, new product introduction centre, assembly & conversion operation

UK
NORTHAMPTON
Joint venture with Indica Industries (India), materials' manufacturing and assembly



1.5km
to Volvo

Sweden
GOTHENBURG
New product introduction centre, material's manufacturing, assembly & conversion operation

20
Customers nearby

Germany
DUSSELDORF
New product introduction centre, assembly & conversion operation

Consolidated statement of income

	FY19	FY18	FY17
Revenue	**26,860**	**29,243**	**26,357**
Gross Profit	**7,457**	**7,247**	**9,030**
Gross margin %	28%	25%	34%
Exceptional costs	433	234	550
EBITDA	**(402)**	**(922)**	**874**
Finance Expense	(192)	(118)	(92)
Share of post tax profit of joint venture	203	219	190
(Loss)/profit before taxation	**(1,544)**	**(1,734)**	**207**
Taxation	45	376	196
(Loss)/profit after taxation	**(1,499)**	**(1,358)**	**403**

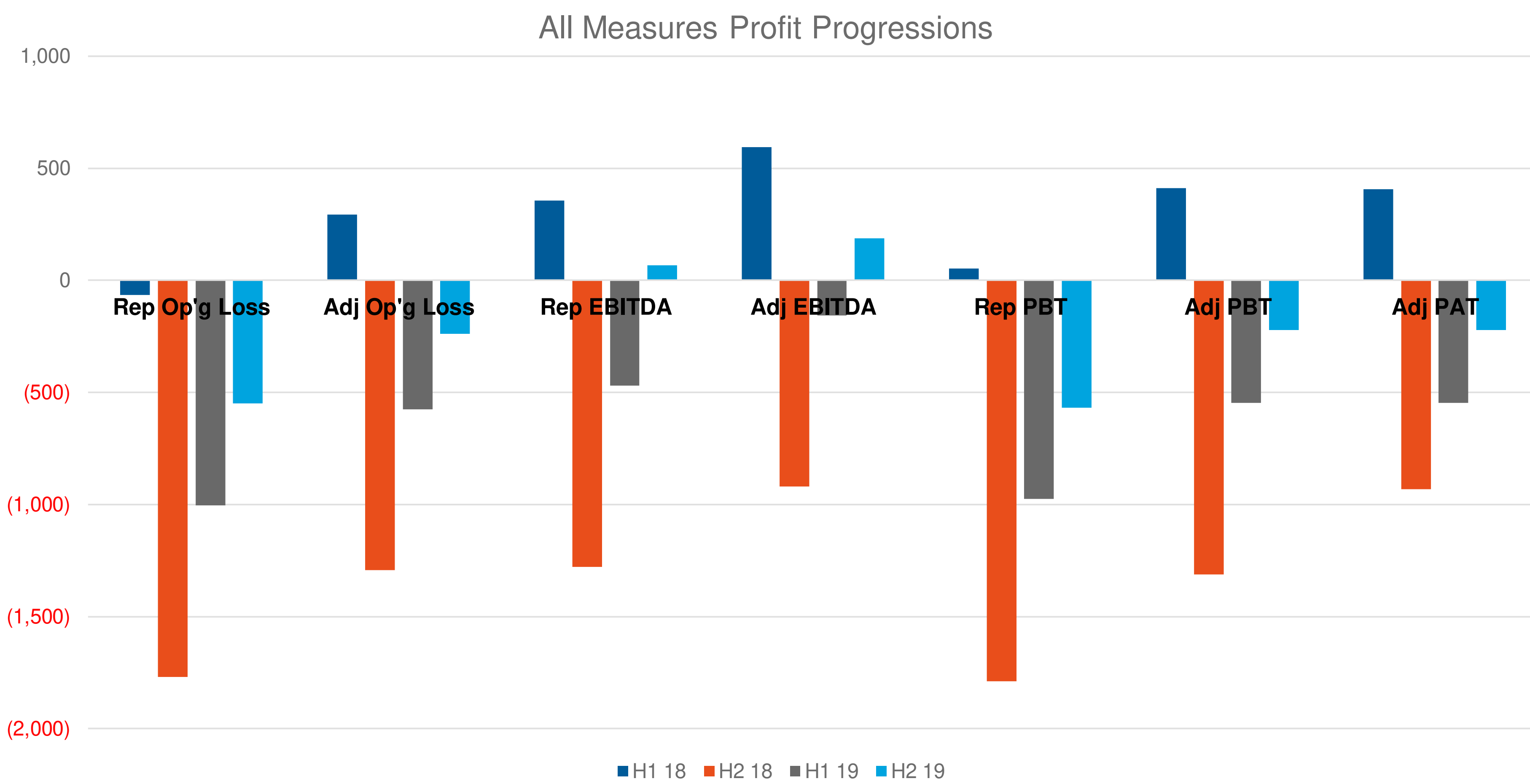
Consolidated Balance Sheet

	FY19	FY18	FY17
Total non-current assets	**14,660**	**15,624**	**15,108**
Inventories	1,961	2,553	1,967
Trade and other receivables	6,729	6,763	7,378
Cash and cash equivalents	3,132	91	1,625
Total current assets	**11,822**	**9,407**	**10,970**
Total assets	**26,482**	**25,031**	**26,078**
Trade and other payables	4.635	5,910	5,851
Loans and borrowings	5,143	3,713	2,947
Corporation tax liability	-	-	-
Total current liabilities	**9,778**	**9,623**	**8,798**
Non current other payables	115	115	123
Loans and borrowings	301	602	718
Deferred Tax liability	185	379	496
Total non-current liabilities	**601**	**1,096**	**1,337**
Total liabilities	**10,379**	**10,719**	**10,135**
Net Assets	**16,103**	**14,312**	**15,943**

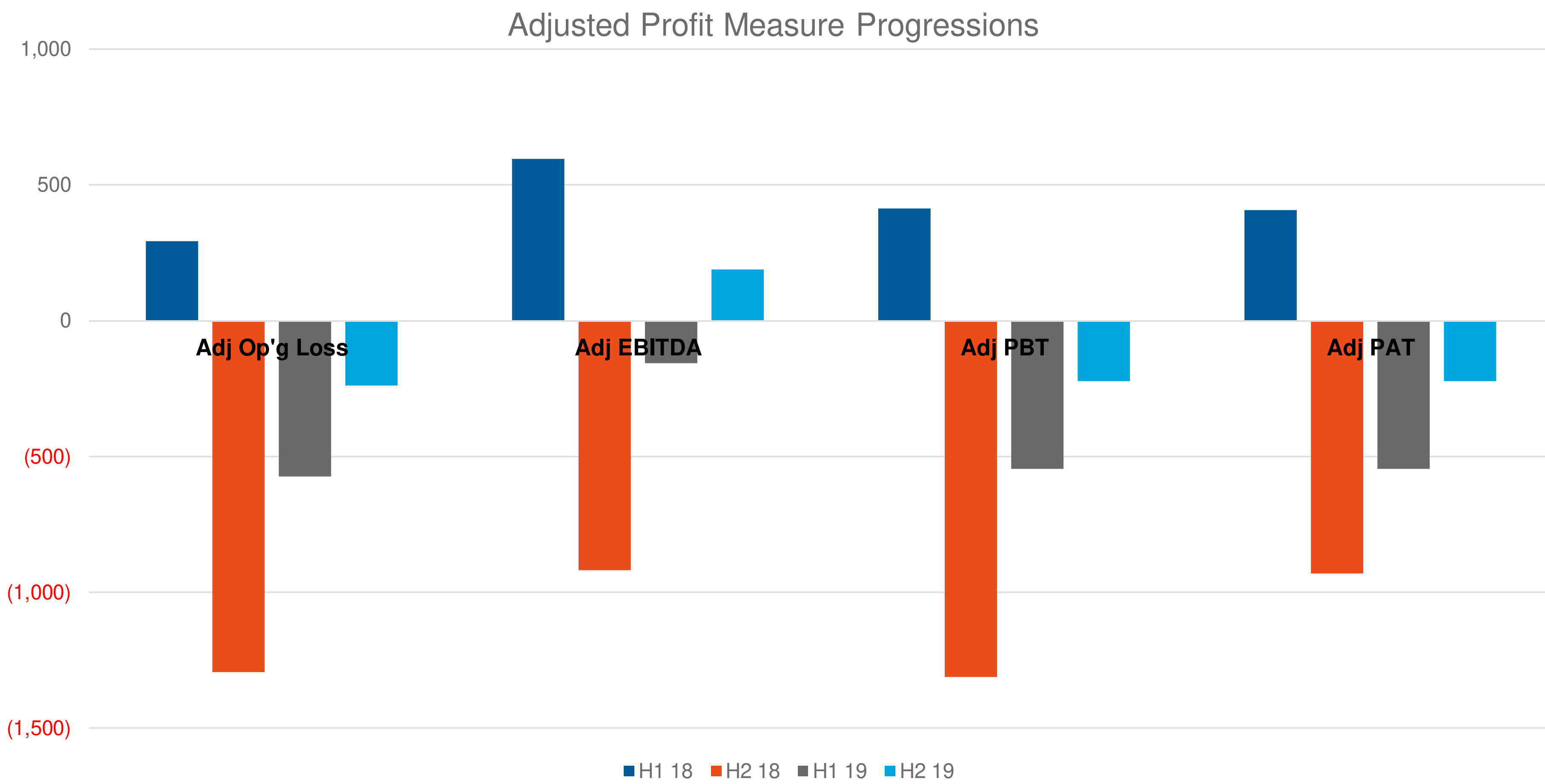
Consolidated Statement of Cash Flows

	FY19	FY18	FY17
Profit after tax	**(1,499)**	**(1,358)**	**403**
Depreciation, amortisation & impairment	1,152	913	765
Income taxes	(45)	(376)	(196)
Financing	192	118	92
Other operating items	(193)	(200)	(137)
Change in working capital	(619)	(54)	(1,829)
Operating Cashflow	**(1,012)**	**(957)**	**(902)**
Investing activities	(194)	(853)	(4,113)
Servicing of finance	(192)	(118)	(81)
Financing	280	499	510
Dividends paid	-	(265)	(177)
Taxation recovered/(paid)	15	182	(92)
Issue of shares (net)	3,295	-	-
Net Cashflow	**2,192**	**(1,512)**	**(4,855)**

All measures profit progressions



Adjusted measures profit progression



Reported measures profit progressions