



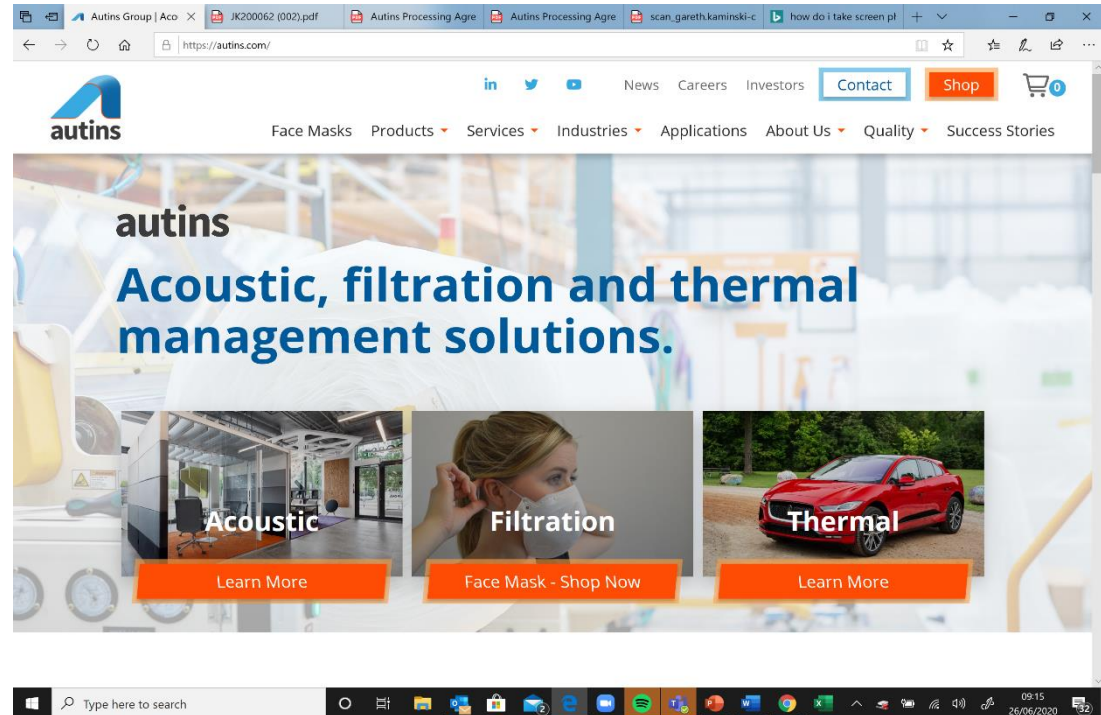
# Autins Group – Interim Results Presentation

## Six Months Ending March 2020

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# Agenda

- Introduction
- Financial Highlights
- Operational Highlights
- Financial Review
- Outlook
- Appendix



# Introduction to Autins Group



## OUR VISION

To be the preferred supplier of acoustic, filtration (PPE) and thermal solutions to a diversified range of end use applications

## OUR PRODUCTS

### Neptune

Lightweight, ultra-micro fibre acoustic absorber and filtration barrier

### Fleeces

Nonwoven mono-material polyester fleeces with application specific scrims

### Heavy Layer

Thermoplastic mass barriers

### Light Foam

Low density PUR foam with application specific scrims and heat shields

### Foams

Injection moulded PUR open/semi-open/closed cell foams

### Multi Layer

Layered barriers and absorbers tuned to specific applications

## OUR PROCESSES

### Materials Manufacturing

Ultra-micro fibre, low density PUR foams

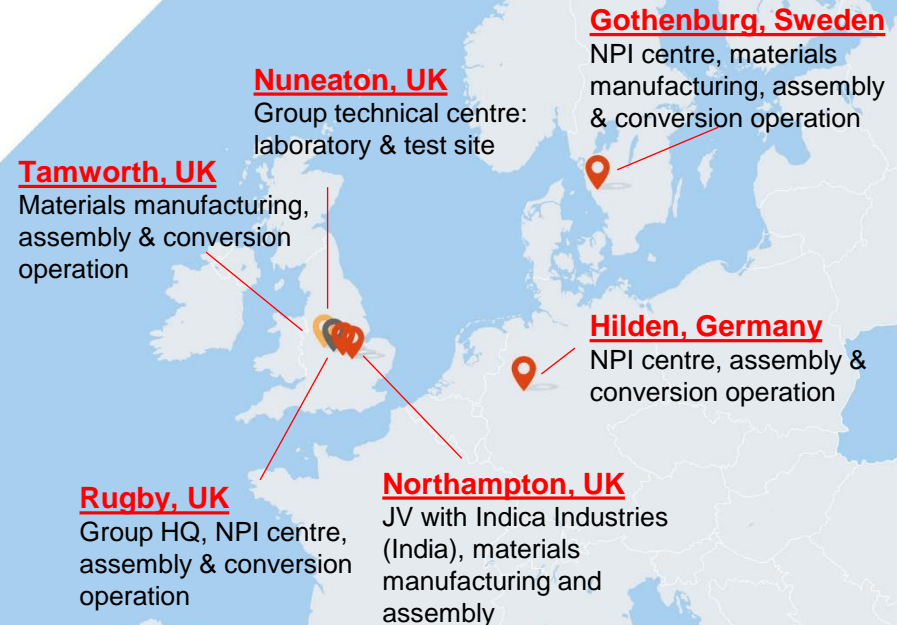
### Conversion and Assembly

Cutting, sealing, moulding, welding, sewing

### Customer Support

Tooling & component, design & testing

## Our locations



# Aligned direction and approach

## Strategy for profitable growth

- Leverage our Neptune technology and technical expertise to open up new markets
- Leverage our NVH expertise to win new auto customers
- Be the lowest cost producer

## Target markets

- Automotive and Commercial vehicles
- PPE
- Flooring
- Office furniture

## Values and Culture

*Teamwork*

*Accountability*

*Expertise*

*Creativity*

*Agility*

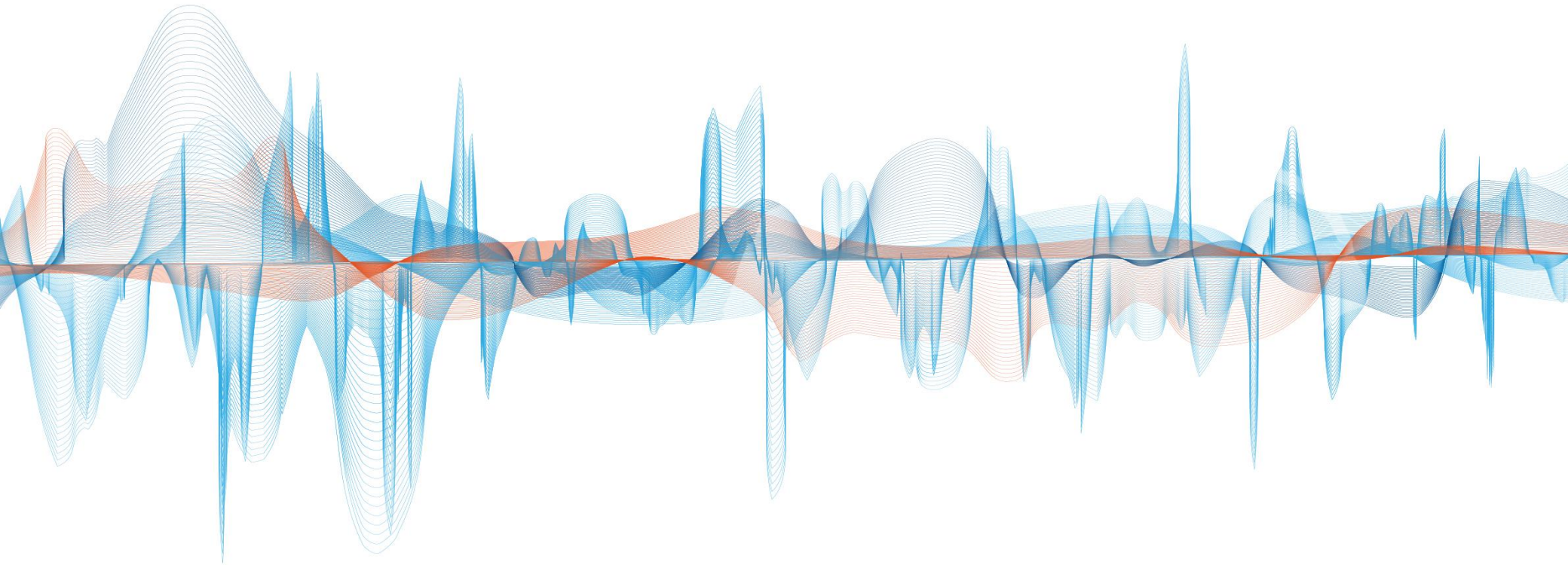
*Passion*

*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

01

# Financial Highlights



## *Significant Operational Cost Improvement*

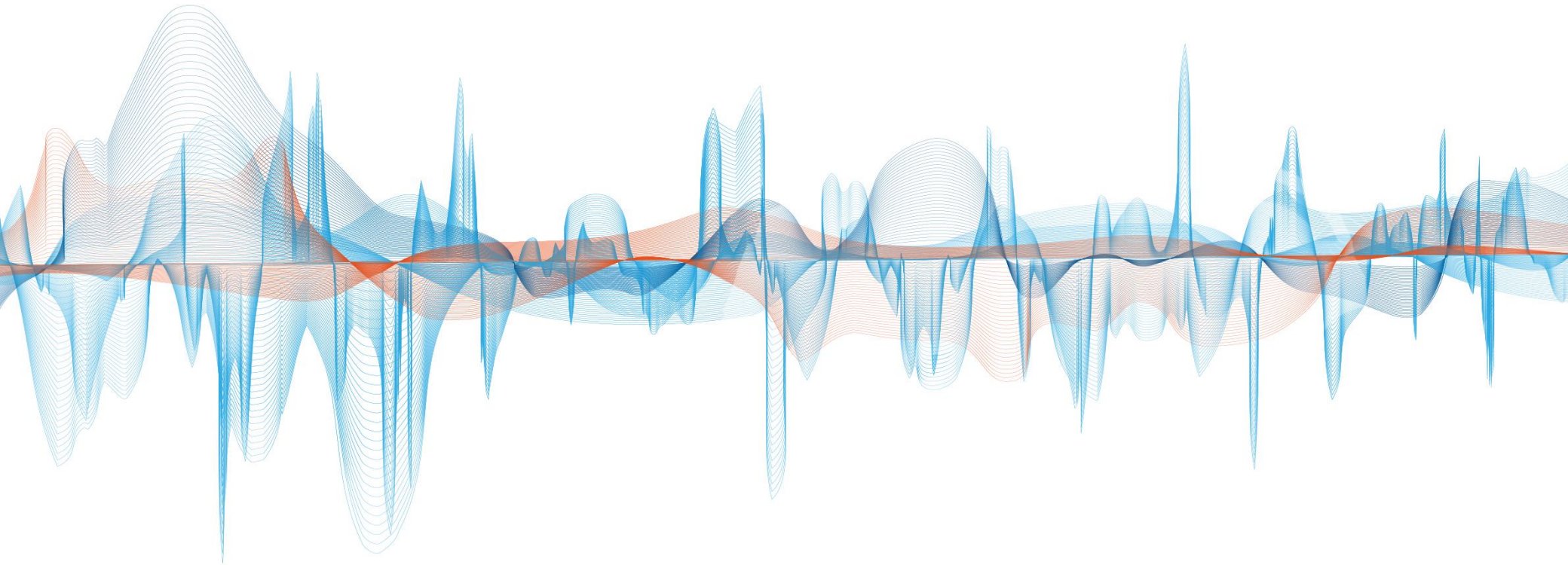
	<u>H1 20</u>	<u>FY19</u>	<u>H1 19</u>
Revenue	£13.22m	£26.86m	£13.66m
<b>Gross Margin</b>	<b>29.0%</b>	27.8%	26.5%
<b>EBITDA*</b>	<b>£0.71m</b>	£0.03m	£(0.16)m
Adjusted** Net Debt	£2.34m	£2.31m	£4.66m
(LPS)/EPS	(1.62)p	(6.08)p	(4.42)p
(Loss)/profit after Tax	£(0.64)m	£(1.50)m	£(0.98)m
Cash & Equivalents	£2.0m	£3.1m	£0.5m
Adjusted* Net Debt	£2.3m	£2.3m	£4.66m

- \*EBITDA is £0.27m when IFRS16 Adjustments and exceptional costs are added back for comparative purposes.
- \*\*Net Debt, adjusted for IFRS 16 lease liabilities Adjustments. New shares were issued (net) £3.3m in H2 19, reduced net debt.

Section

02

# Operational Highlights



# Operational Highlights

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- Autins was awarded 9 new automotive contracts during H1
- The company appointed Kamran Munir as CFO on 1<sup>st</sup> January 2020
- Operational cost and efficiency improvement targets of £2m p.a. were set in the period and were **85% achieved** as at 31<sup>st</sup> March 2020
- £0.5m Q2 20 vs Q1 20 EBITDA improvement
- Cash Management was improved. Stock and Debtors > £1m
- The company secured £1.5m of long term Midlands Engine Investment Fund (“MEIF”) funding to support growth and working capital.
- Net debt kept consistent, with trade creditors back to terms
- Post Reporting event - £3m CBILs loan funding and trade support secured – July 2020

## Revenue and order book:

- Sales on track before COVID shutdowns
- Enquiry pipeline is strong at £41m, of which £34m is Neptune
- Neptune component production grew by £1.6m to £6.5m in the period
- New wins in the period with annual value of £2.7 (of which £1.0m starts in 2020)
  - JLR
  - Aston Martin
  - BMW Mini - first major win on Mini platform
  - NIFCO
  - Audi - first win with Audi and another EV win with Neptune
  - Kasai
  - Grupo Antolin
  - Spacestor - office pods
- 69% of wins are in UK and 31% were in Germany

# COVID-19 response since period end

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- Due to COVID-19, Autins closed all of its manufacturing plants on 22<sup>nd</sup> March 2020
- The Company has utilised furlough schemes in all three countries to protect cash and retain skilled labour. The group had received £0.5m to date, with a further £0.5m expected over the July to October period. Staff now returning from furlough in line with demand
- Cash improvement actions in line with government guidance have been pursued and are substantively implemented
- The UK Group Company secured £3.05m CBILS loans and trade finance support through its bankers, HSBC. £2.75m was received in July 2020.
- Autins Germany secured a Eur300k CBILs equivalent loan.

# COVID-19 response since period end

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## Automotive

- Significant fall off in demand for automotive products during the first few months of H2 20
- Recovery in UK and Sweden is beginning
- German automotive market recovery is looking stronger at 60% by end June 2020
- The re-opening of car showrooms in recent weeks is expected to stimulate demand
- Do not expect to reach pre-COVID demand levels in this financial year
- Electric vehicle growth will accelerate – key for our future
- Autins very well positioned with EV track record, Neptune and EV products
  - **Patented an encapsulation product** aimed at electric vehicles – trialling with 2 customers
  - Green Neptune – recycled PET

# COVID-19 response since period end

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## Flooring

- German business **won multi-year annual contract** to supply world's largest flooring manufacturer
- Annual value of €1.8m starting July 2020

## Other markets

- New win with a UK based **Commercial Vehicle** company, supplying Neptune product
- New win to a second **office pod manufacturer** – supplying Neptune into walls
- Kicked off market study for Neptune into **Hi-Tech apparel market**

# COVID-19 response - PPE

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- In 3 months Autins has developed and launched a range of PPE products
- In 2 months sales have reached £0.4m

## Face masks:

- Safety face masks designed using Neptune as the filtration layer
- We are currently selling into non-medical sectors
- Passed BSi test for face coverings, sponsored by the Cabinet Office
- Crown Commercial Services provides opportunities to start supply to the public sector
- Currently being assessed to medical (type IIR) and PPE (FFP2) certifications standards
- Autins is bidding for a government on-shore contract to supply:
  - melt blown material to mask manufacturers
  - government funded automated face mask equipment

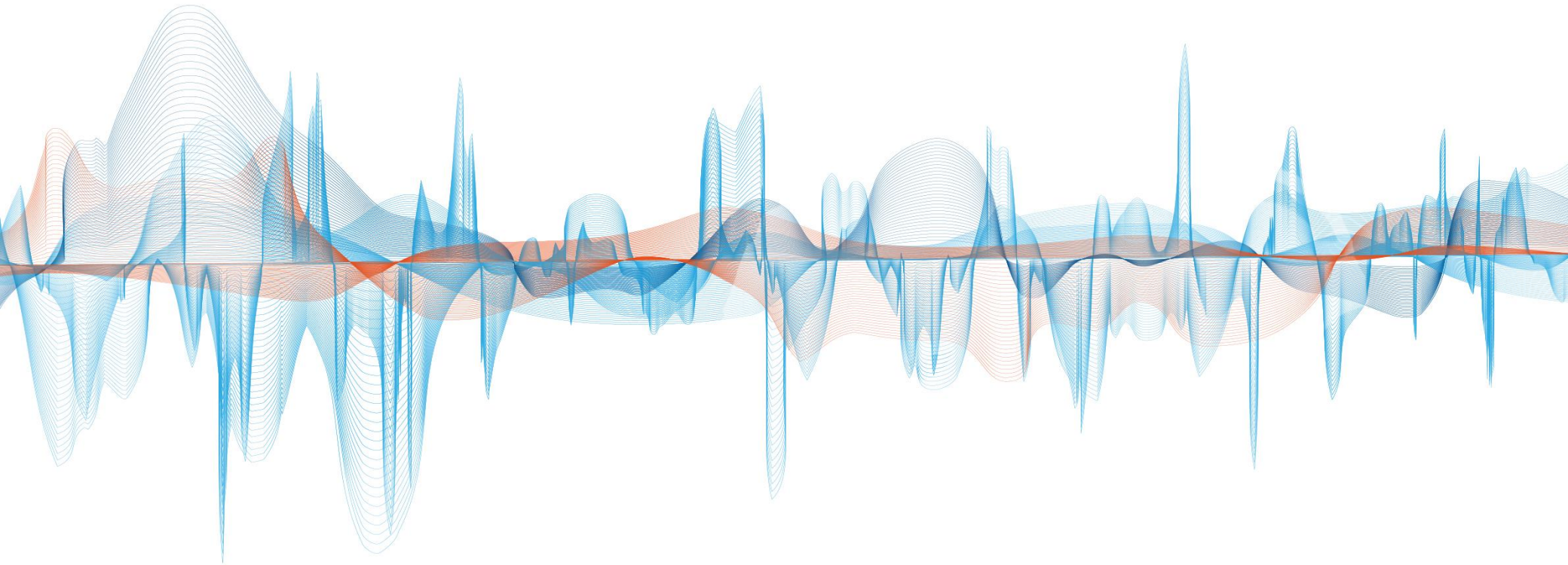
## Face visors:

- Autins has received an order to supply 2m foam parts for manufacturers of face visors

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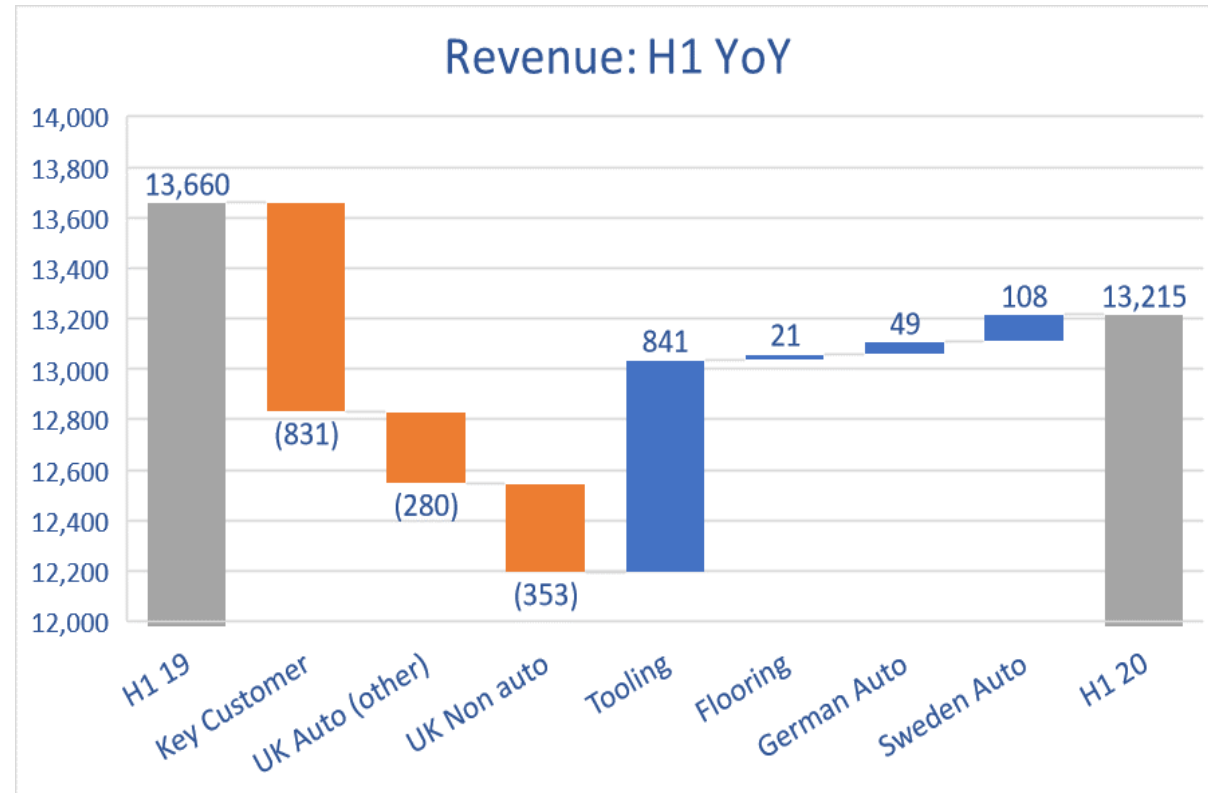
03

# Financial Review



# Revenue Bridges

- Revenue decreased 3.3% YoY, with expected reduction in UK demand and onset of COVID 19
- Revenue from Key Customer was down 11% YoY
  - Concentration will reduce with uptake of Neptune with other European OEMs and Tiers
- Tooling revenue up £841k on H1 19, with new future sales lines.
- Revenues in Germany increased YoY with automotive and flooring growth
- Component revenues in Sweden increased 30% with automotive growth YoY



***Slight Base reduction, offset by multiple future growth potential....***

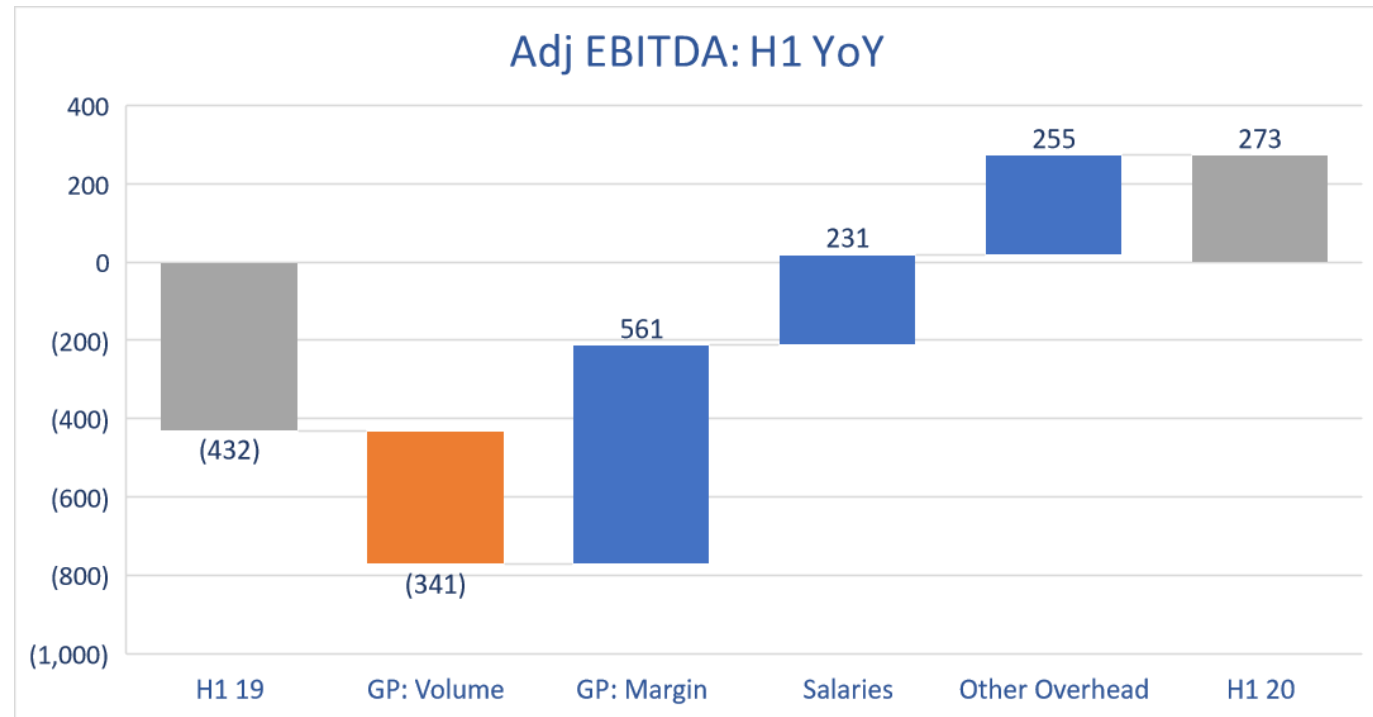
# Cost Reduction – Significant Achievement

- £2m p.a. cost target 85% achieved as at 31<sup>st</sup> March 2020, as follows:
- £0.5m - Q2 vs Q1 performance improvement, shown below:

£'000's	H1 2020		Q1 2020	Q2 2020	Improvement Q2 vs Q1
Revenue (£'000)	13,215		6,459	6,756	297
Gross Profit (£'000)	3,836		1,749	2,087	338
	29.0%		27.1%	30.9%	3.8%
EBITDA (£'000)	714		93	620	527
Profit / (Loss) Before Exceptional costs	(406)		(454)	48	502

# Adjusted EBITDA Bridges

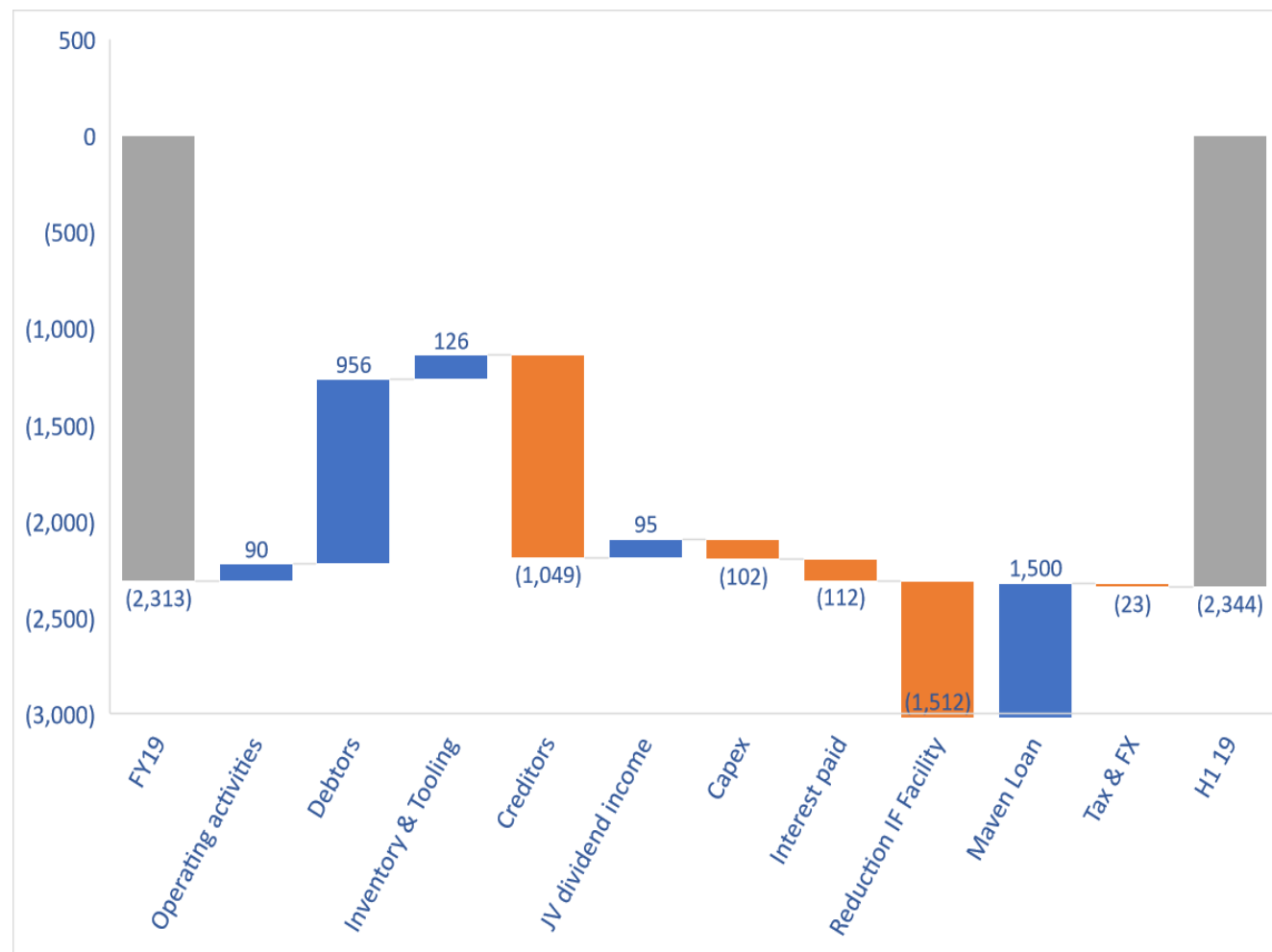
- Margin improvement as before, labour & material
- Fixed and Admin headcount reduced. Full year impact will be proportionately larger.
- Other costs including, rent, rates, management, bank charges, I.T./ systems, & legal and professional costs reduced
- Revenue loss – as before



***£1m GP, headcount, and overhead improvement***

EBITDA profit of £0.71m is reduced to £0.27m, for comparative purposes with IFRS 16 favourable adjustments removed.

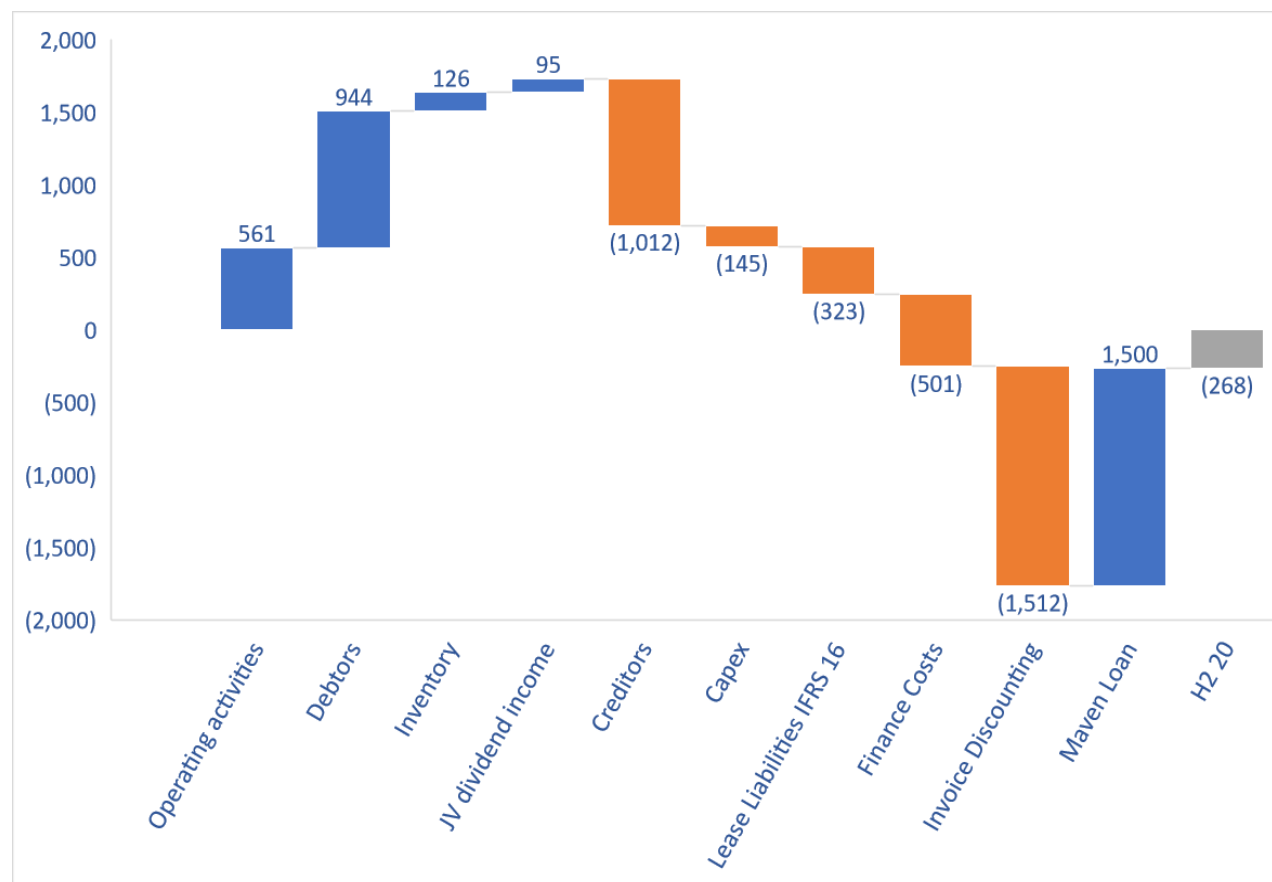
# Net debt bridge – *Remove for external*



***Better Debtors and Stock performance used to bring Suppliers to Equilibrium***

# Cash Flow

- **Net Debt consistent at £2.3m, with neutral operating cashflow**
- **Key Working capital changes**
  - *Inventory decreased £0.1m*
  - *Trade debtors reduced £1.1m, offset by other debtors increase (£0.1m)*
  - *Trade creditors reduced £1.2m offset by other creditors increase (£0.2m)*
- **+MEIF £1.5m, reduces OD & IF facility (£1.5m) drawdown.**

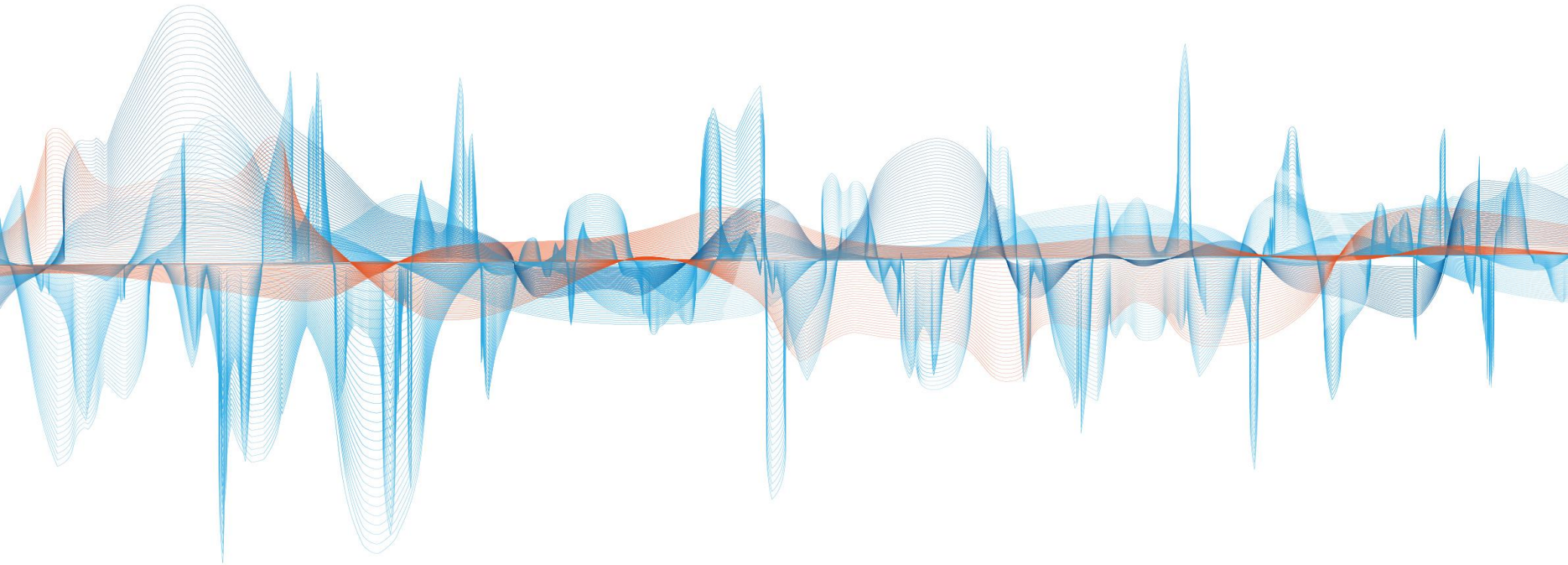


***Better Debtors and Stock performance used to bring Suppliers to Equilibrium***

Section

04

# Outlook

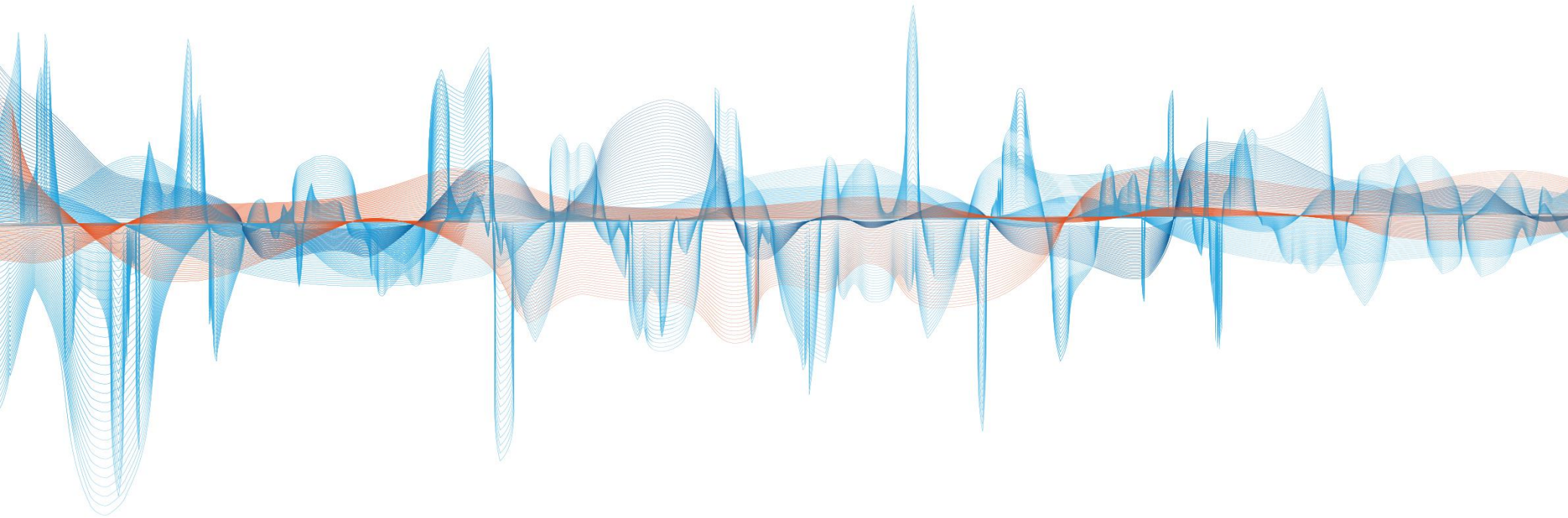


- Turnaround mostly complete
- Auto markets returning and will remain somewhat depressed in the medium term
- Autins will continue to win business from its large automotive sales pipeline, supported by its European footprint
- More focus on higher margin non-auto opportunities
- Leverage uniqueness of being a UK meltblown manufacturer during global shortage
- Expect margins to continue to improve as cost and operational actions take full effect
- Further cost reductions are being planned

Section

05

# Appendix - Financials



# Interim Consolidated statement of income £k

	H1 20	H1 19	FY19
<b>Revenue</b>	<b>13,215</b>	<b>13,657</b>	<b>26,860</b>
<b>Gross Profit</b>	<b>3,836</b>	<b>3,616</b>	<b>7,457</b>
Gross margin %	29%	26%	28%
Exceptional costs	160	312	433
<b>EBITDA</b>	<b>576</b>	<b>(469)</b>	<b>(402)</b>
<b>(Loss)/profit before taxation</b>	<b>(567)</b>	<b>(976)</b>	<b>(1,544)</b>
Taxation	73	0	45
<b>(Loss)/profit after taxation</b>	<b>(640)</b>	<b>(976)</b>	<b>(1,499)</b>

*EBITDA Pre-Exceptional costs, adjustments & with IFRS16: = £713k*

# Interim Consolidated Balance Sheet

	H1 20	H1 19	FY19
<b>Total non-current assets</b>	<b>19,033</b>	<b>15,207</b>	<b>14,660</b>
Inventories	1,982	2,167	1,961
Trade and other receivables	5,548	7,262	6,729
Cash and cash equivalents	2003	511	3132
<b>Total current assets</b>	<b>9,533</b>	<b>9,940</b>	<b>11,822</b>
<b>Total assets</b>	<b>28,566</b>	<b>25,147</b>	<b>26,482</b>
Trade and other payables	3,436	6,083	4,635
Loans and borrowings	2,651	4,762	5,143
Lease Liabilities	696	-	-
<b>Total current liabilities</b>	<b>6,783</b>	<b>10,845</b>	<b>9,778</b>
Non current other payables	113	124	115
Loans and borrowings	1696	409	301
Lease Liabilities	4980		
Deferred tax liability	86	379	185
Total non-current liabilities	6875	912	601
<b>Total liabilities</b>	<b>13,658</b>	<b>11,757</b>	<b>10,379</b>
<b>Net Assets</b>	<b>14,908</b>	<b>13,390</b>	<b>16,103</b>

# Interim Consolidated Statement of Cash Flows

	H1 20	H1 19	FY19
<b>Profit after tax</b>	<b>(640)</b>	<b>(976)</b>	<b>(1,499)</b>
Depreciation & amortisation	954	536	1152
Income taxes	73	0	(45)
Financing	259	90	192
Other operating items	(86)	(109)	(193)
<b>Change in working capital</b>	<b>58</b>	<b>130</b>	<b>(619)</b>
<b>Operating Cashflow</b>	<b>618</b>	<b>(329)</b>	<b>(1012)</b>
Investing activities	(50)	(38)	(194)
Servicing of finance	(258)	(90)	(192)
Issue of Shares	0	0	3500
Share/Loan Issue Expenses	(58)	0	(205)
Financing	(197)	860	280
Payment of Lease Liabilities	(323)	0	0
Taxation recovered/(paid)	0	7	15
<b>Net Cashflow</b>	<b>(268)</b>	<b>410</b>	<b>2192</b>