



# Autins Group – FY20 Results

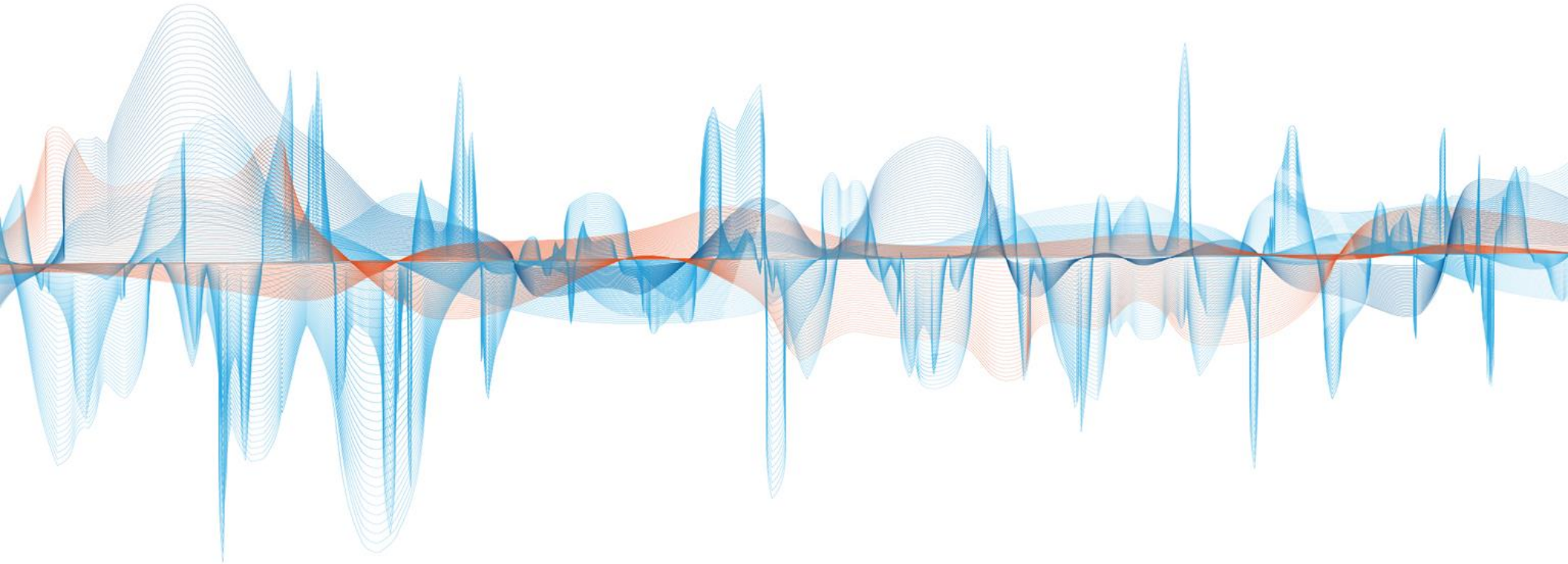
## January 2021

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- Operational Highlights
- Financial Highlights
- Delivering the Strategy
- Appendix:
  - Balance Sheet
  - The Growth Opportunity

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**01**

# Operational Highlights



# Operational Highlights

- Revenue of £21.5 million (FY 19: £26.9 million)
- H2 revenues £7.8 million (H120 £13.2m)
- EBITDA (non IFRS16) at +£48k, which is +£89k vs FY19
- Overheads reduced by £1.0m
- Gross margins maintained at 28%, despite volume falls.
- Operating cash inflow of £1.5m (FY19 outflow £1.0m), £0.9m from working capital
- £4.5m of new loan funding, with greater than 5 year terms
- Neptune pipeline strong at £35m, with £8.0m of parts already in production
- PPE generated £1.2m revenues in H2
- German EBITDA strongly ahead at £0.4m (FY19 £0.1m)

## H2 significantly impacted by COVID pandemic

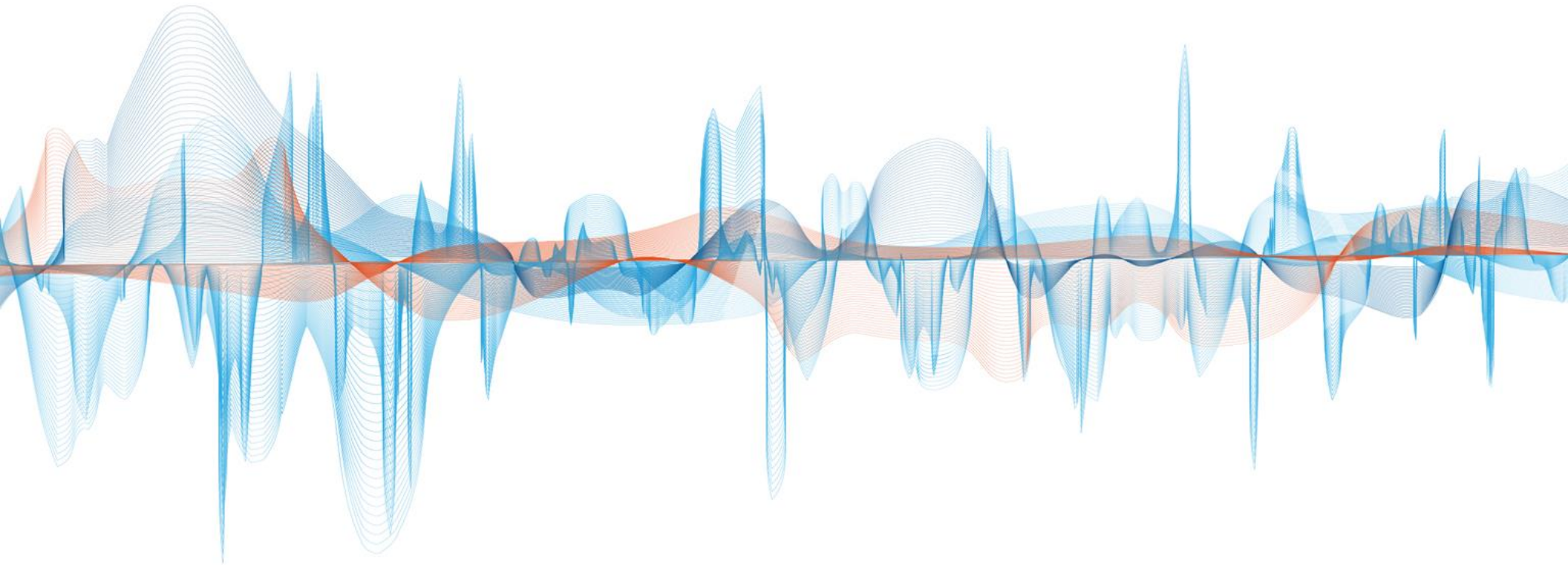
- Customer shutdowns reduced sales by c.£7m
- 90% of staff on furlough at peak
- Government support obtained
  - **UK:** CBILs and trade finance support of £3.05m plus furlough £0.7m
  - **Germany:** £0.3m loan plus £0.2m furlough
  - **Sweden:** £0.1m Government support
- Achieved £1.2m of PPE revenue:
  - Face masks ~220K supplied
  - Foam parts for Visors ~7m
- Prior to year end c.20% staff reduction
- Directors took 20% pay cuts in H2

## Fundamentals of our markets are still strong

- UK and Sweden 75-80% recovery by year end
- Germany 85% recovered
- Recovery stalled in November due to uncertain Brexit, Covid lockdown and supply chain issues
- Brexit deal provides further momentum
- Main issue is unwinding the market supply chain issues
- PPE market saturated with suppliers, so only low level on-going demand expected

Section  
**02**

# Financial Highlights





# Financial Highlights

<i>Key Financials</i>	FY20	FY19	Improvement £k / pence
Revenue	21,517	26,890	
Gross Profit (unadjusted)	6,045	7,457	
<i>Gross margin %</i>	<b>28.0%</b>	<b>27.7%</b>	
Exceptional costs	444	433	
<b>EBITDA</b>	<b>48*</b>	<b>-41</b>	<b>89</b>
(Loss)/profit before taxation	-1,760	-1,544	
Taxation	37	45	
(Loss)/profit after taxation	-1,723	-1,499	
<b>Operating Cash Inflow</b>	<b>1,482</b>	<b>-1,012</b>	<b>2,494</b>
<b>Net Debt</b>	<b>-1,899</b>	<b>-2,312</b>	<b>413</b>
<b>EPS</b>	<b>(4.35)p</b>	<b>(6.25)p</b>	<b>+1.9p</b>

**Revenue Down**

**Significant swing to Cash Generation**

**EBITDA slight improvement**

**Net Debt Reduction**

**\* excluding IFRS16 adj. Reported EBITDA is £1.1m incld. IFRS16**

# Revenues, Costs, and EBITDA

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- Cost turn around: > £1m reduction in overheads - mainly salaries / restructuring
- Underlying margin has 2-3% improvement from productivity and materials costs
- Lower (Covid) sales volumes reduce factory efficiency, neutralising % margin gains.
- Germany grew - exceeding budget and generating strong cash; +£0.3m EBITDA YoY.
- Sweden remained EBITDA and cash neutral, despite downturn.
  
- COVID - £7m sales reduction in H2, @ 28% margin = £2m gross profit loss.
- Offset by: +£1m furlough receipts, £0.9m cost reduction, £0.3m additional PPE margin

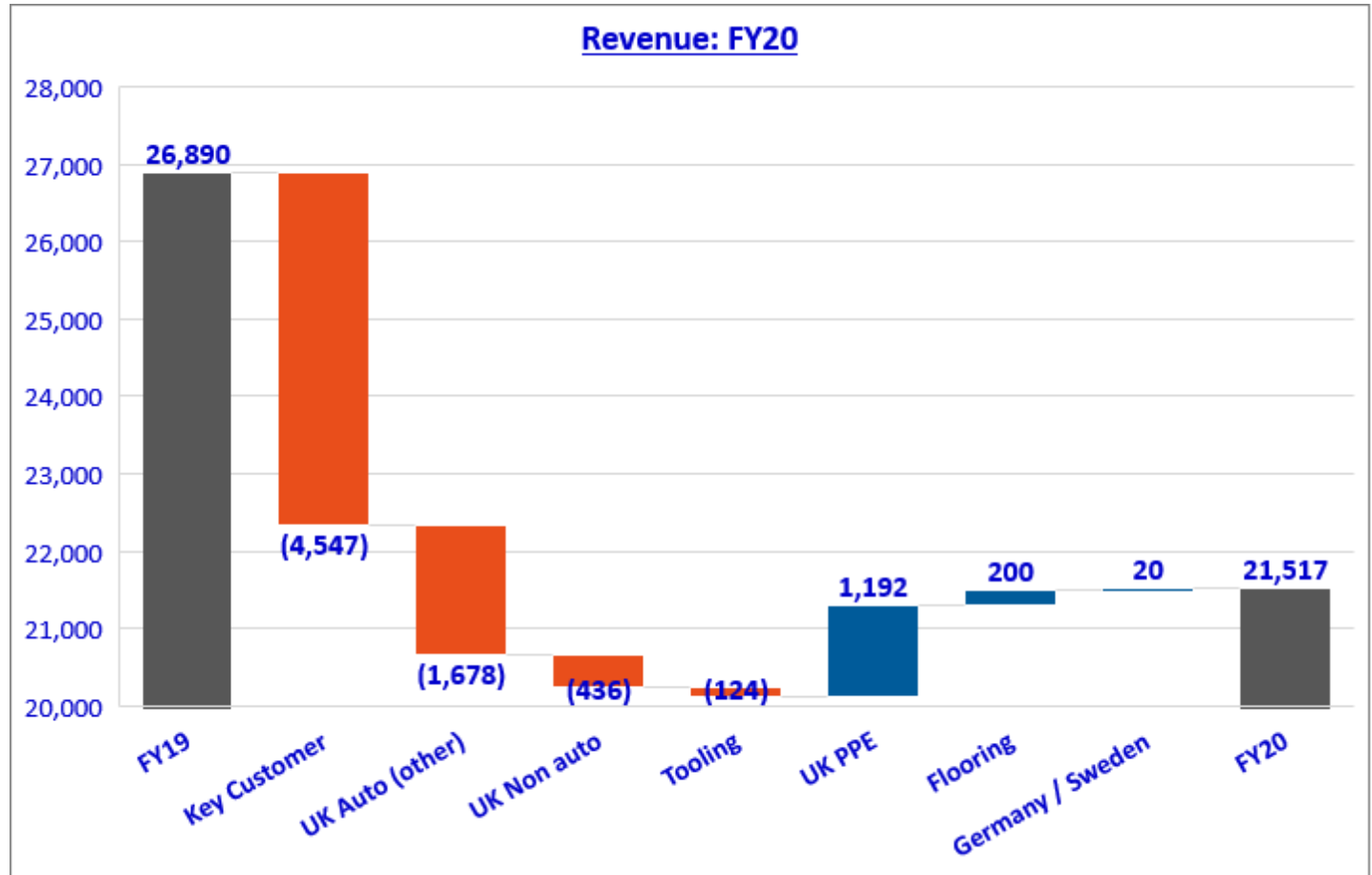
***The EBITDA Break Even Point has been lowered by c.£2m***

***This Equates to c.£6m Sales which is c.20% of 2019 Revenues***



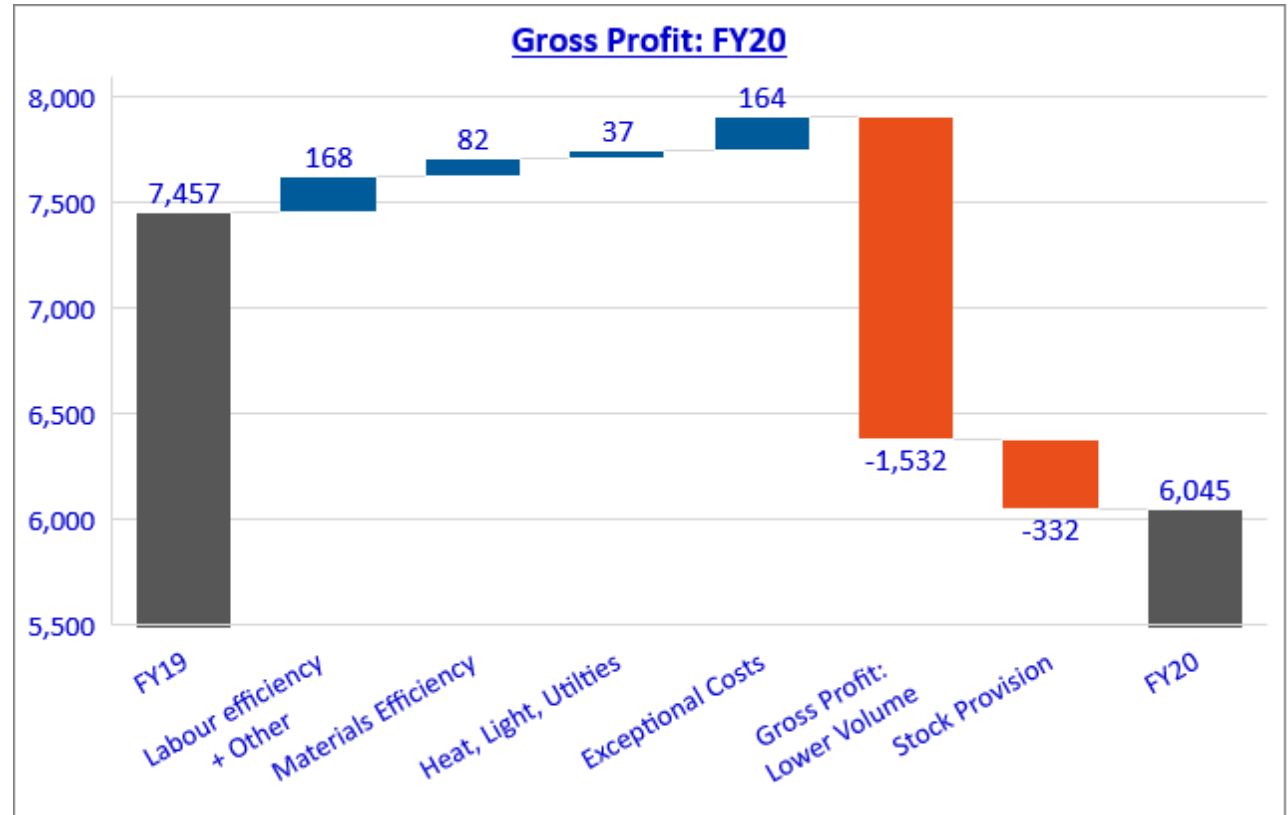
# Revenue: FY20 YoY

<b>FY19</b>	<b>26,890</b>
Key Customer	(4,547)
UK Auto (other)	(1,678)
UK Non auto	(436)
Tooling	(124)
UK PPE	1,192
Flooring	200
Germany / Sweden	20
<b>FY20</b>	<b>21,517</b>



# Gross Profit: FY20 YoY

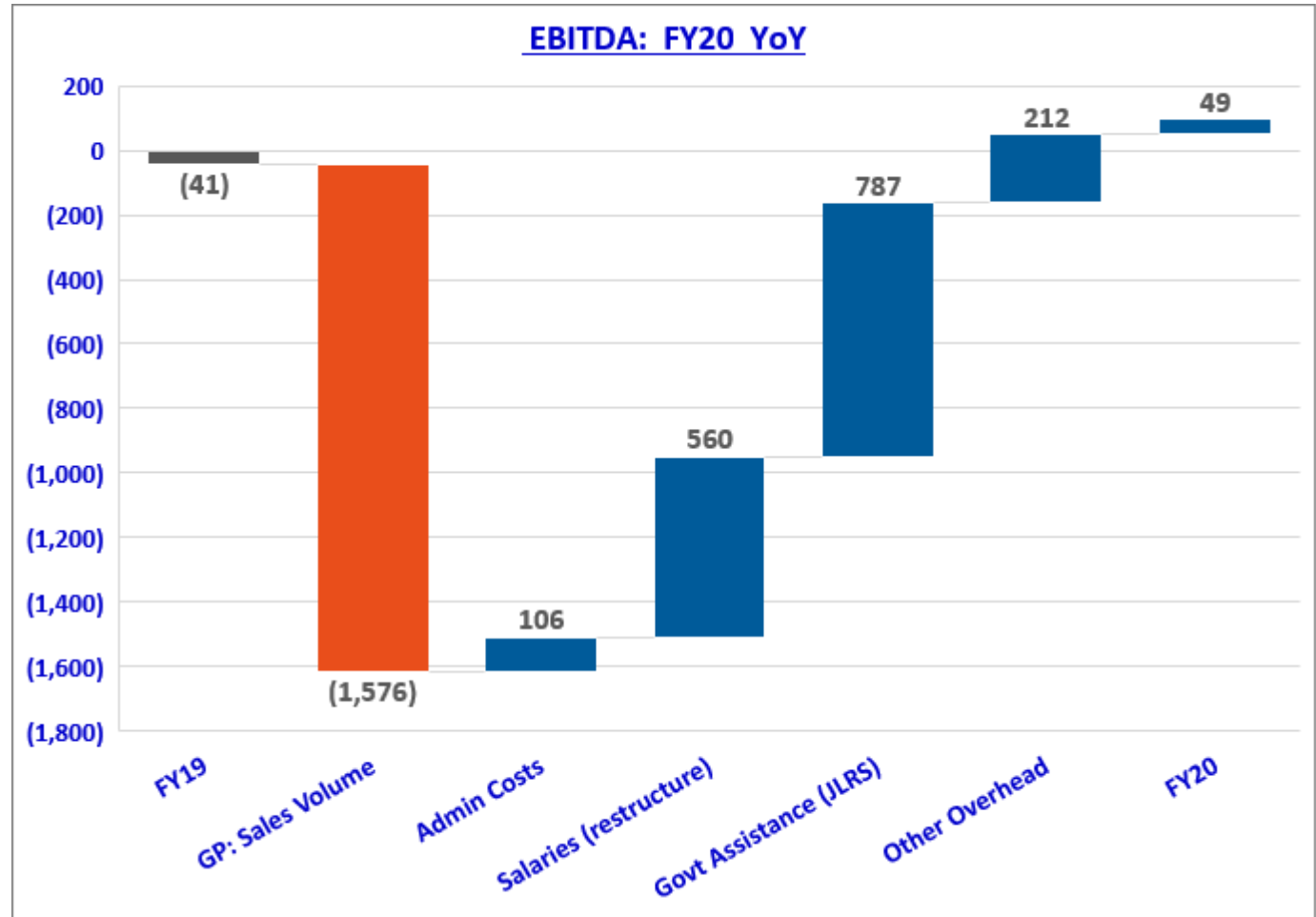
<b>FY19</b>	<b>7,457</b>
Labour efficiency + Other	168
Materials Efficiency	82
Heat, Light, Utilities	37
Exceptional Cost (Stock Adj)	164
Gross Profit: lower Volume	(1,532)
Stock Provision	(332)
<b>FY20</b>	<b>6,045</b>



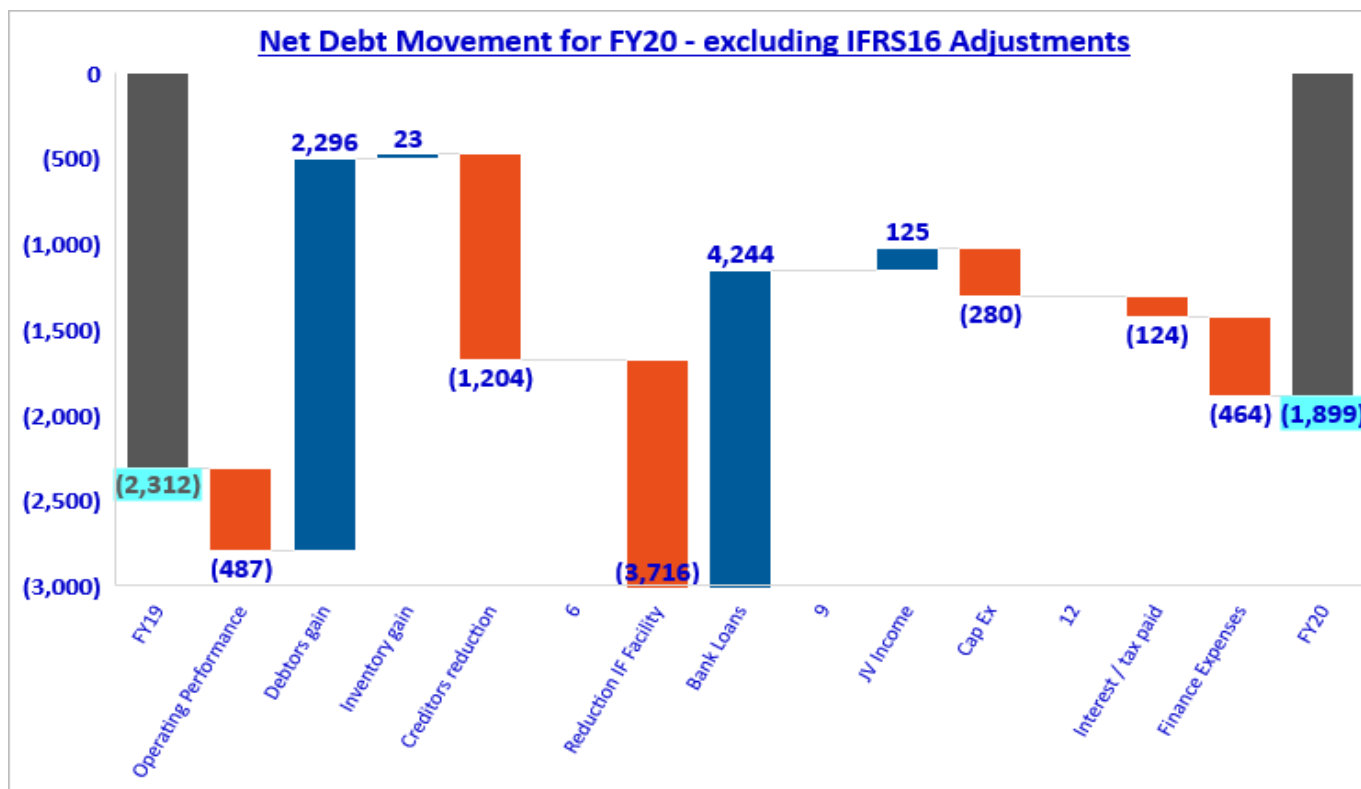
- Operational Costs & Labour efficiency improvements
- Materials and utilities cost rate improvements
- Nuneaton site rationalisation facilitated by stock reduction

# EBITDA: FY20 YoY

<b>FY19</b>	<b>(41)</b>
GP: Sales Volume	(1,576)
Admin Costs	106
Salaries (restructure)	560
Govt Assistance (JLRS)	787
Other Overhead	212
<b>FY20</b>	<b>49</b>



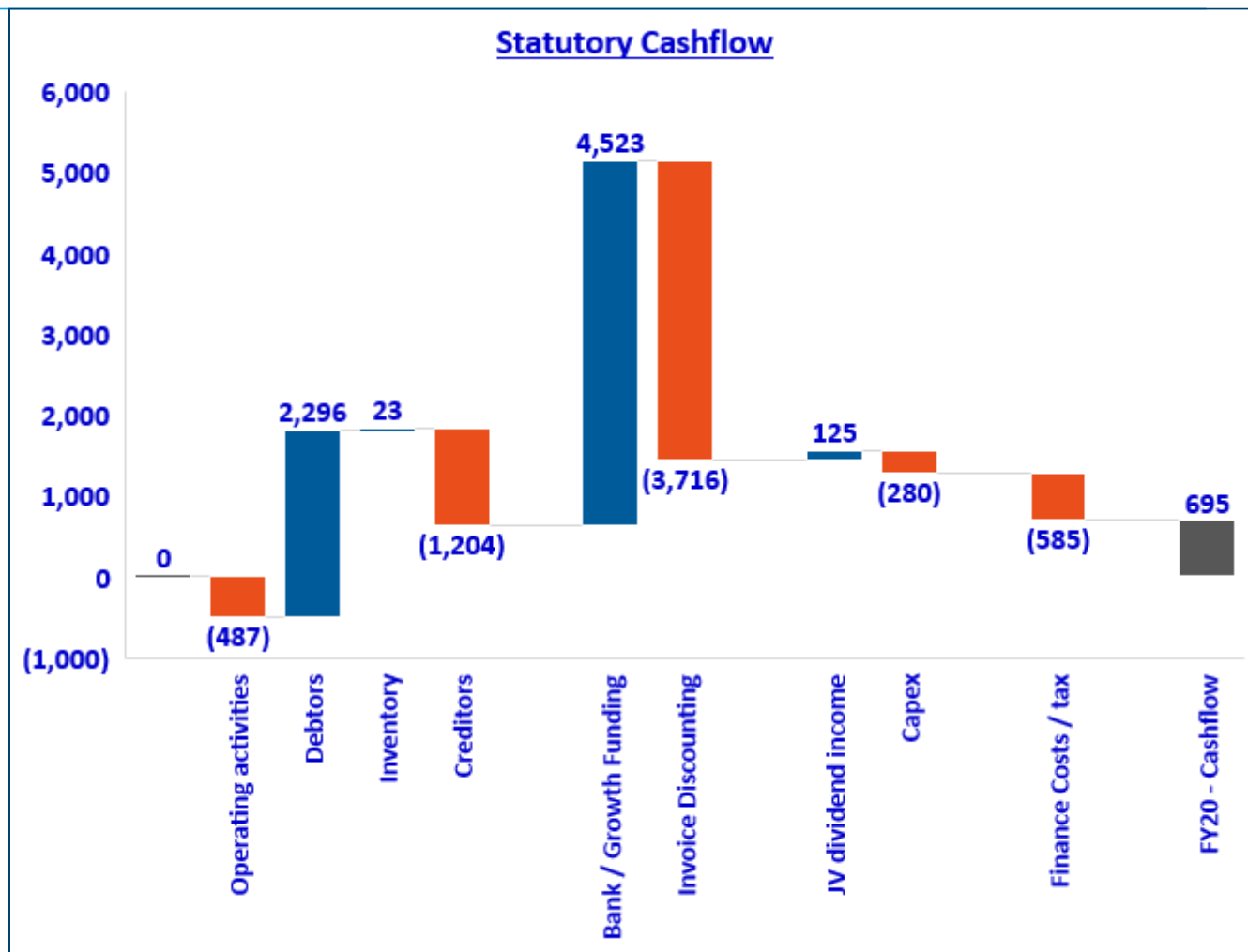
# Net Debt Movement for FY20



- **+£4.5m CBILS / Growth Funding**
  - **Repaid: £0.85m overdrafts and £3.7m IF facility**
    - **Net debt has decreased from £2.3m to £1.9m**

# Cashflow FY20

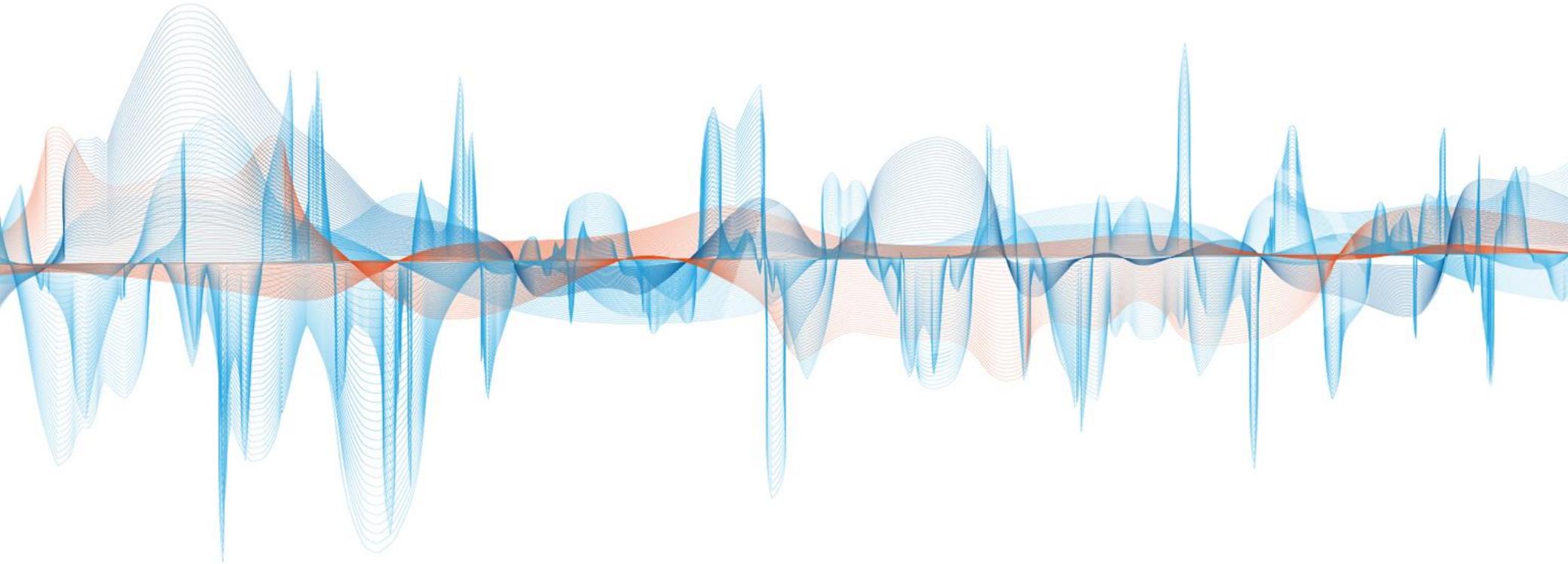
- Operating cash +£1.5m (inc IFRS16) (loss of £1.0m in FY19)
- Debtor days lower: 88 to 60
- Group Cash headroom > £5.5m



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# Delivering the Strategy



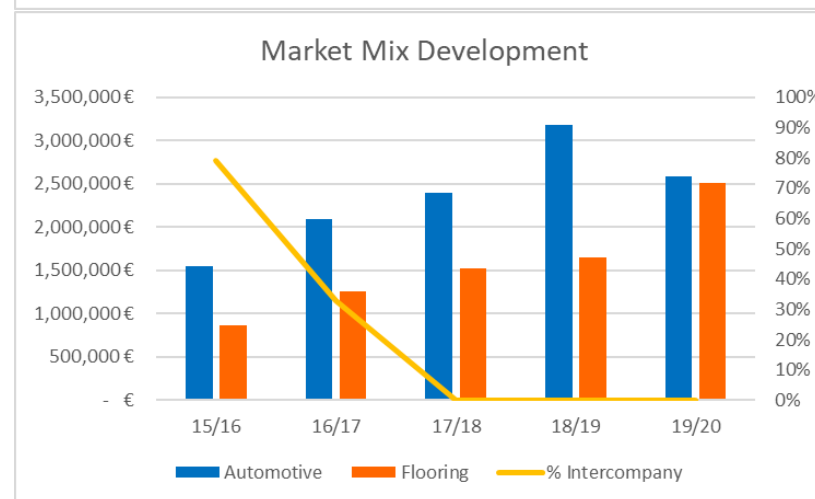
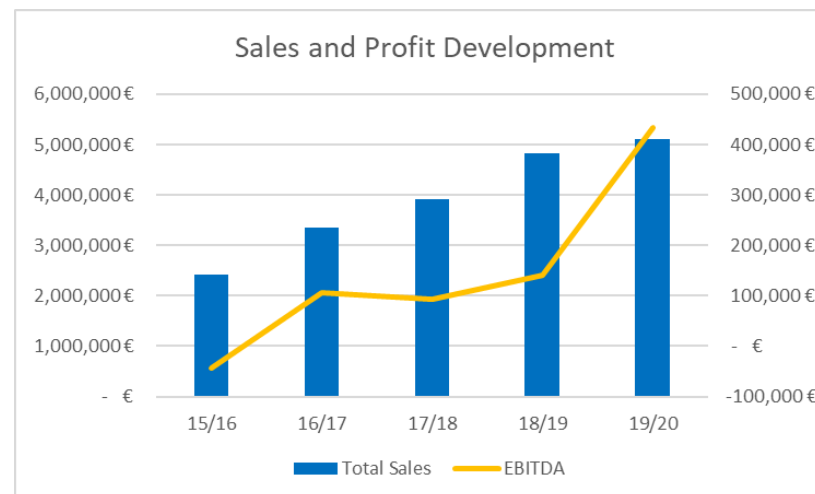
# Delivering the Strategy

	2019	2020	Variance	Comment
Revenue	£26.9m	£21.5	-20%	Covid impact
Regional Mix	19%	25%	+6%	Strong expansion into European locations
New product and customers	£2.0m	£4.3m	+115%	20% of sales (7.4% in '19) including BMW <i>14.4% excld. PPE</i>
Non-auto %	£2.0m	£3.1m	+55%	14% of sales (7.4% in '19)
New wins	£7.8m	£11.5m	+29%	Higher rate of wins
JLR growth	49%	52%	3%	Continue to win new business
Neptune growth				
• Actual sales	£4.9m	£6.5m	+33%	Strong momentum
• Customers	30	43	+43%	



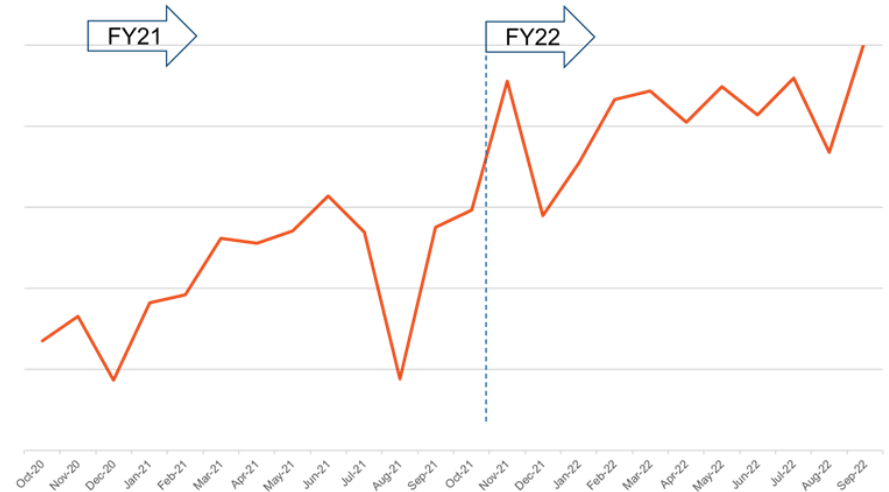
# Germany delivering profitable growth

- 7% sales growth of +£300k
- Profit grew from £100k to £400k
- Balanced sales mix
- £3.9m of new wins
- Flooring sales set to double in 2021
- Customer base has grown to 31
- Enquiry pipeline doubled to c.£15m – the basis of future growth



- Enquiry pipeline over £40m
- 19 project wins during FY20
  - 12 started in 2019/20, including **BMW Mini**
  - 7 start in 2020/21, including **Audi e-Tron and Volvo Polestar**
- **Electric vehicles**
  - 7% of all cars sold today
  - Forecast to increase to anywhere between 25 and 50% of by 2030
  - NVH content on EV's the same as combustion engines
  - **Neptune is a winning technology in EV's**

## Potential projected sales till end '22



### Assumptions:

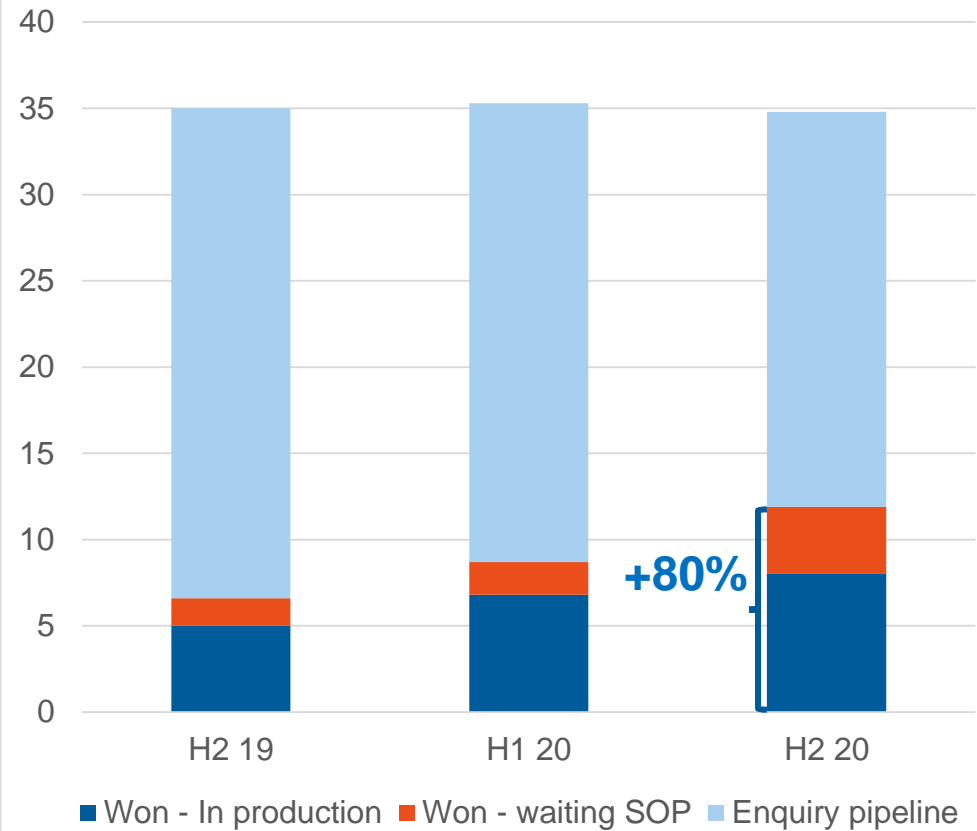
- *Recovery to above 80% pre-Covid*
- *OEM projects start on time and meet their forecasts*
- *Only high probability wins included*

- **New business development manager employed**
- **Commercial market – acoustic solutions for trucks and commercial vehicles**
  - 3 new customers won in 2020:
    - Blachford UK
    - Scania in Sweden
    - DAF trucks in Germany
- **Office pods**
  - Supply started to new customer Spacestor
  - Superior performance of Neptune an ideal solution for thin wall office pods
- **PPE**
  - £1.2m of sales generated April – September
  - Supply shortage now solved
  - Autins mask BSI accredited as face cover
  - Expect demand to remain at low level

# Neptune sales momentum

- Production value now £8m pa (+60%)  
*(using OEM non-Covid forecasts)*
- £3.9m of wins awaiting SOP
- 58%, by value, of wins were to new customers (14% FY19)
- 50% win/loss rate on all quotes
- Customer base grew from 30 to 43

## Neptune Sales Growth (£m's)

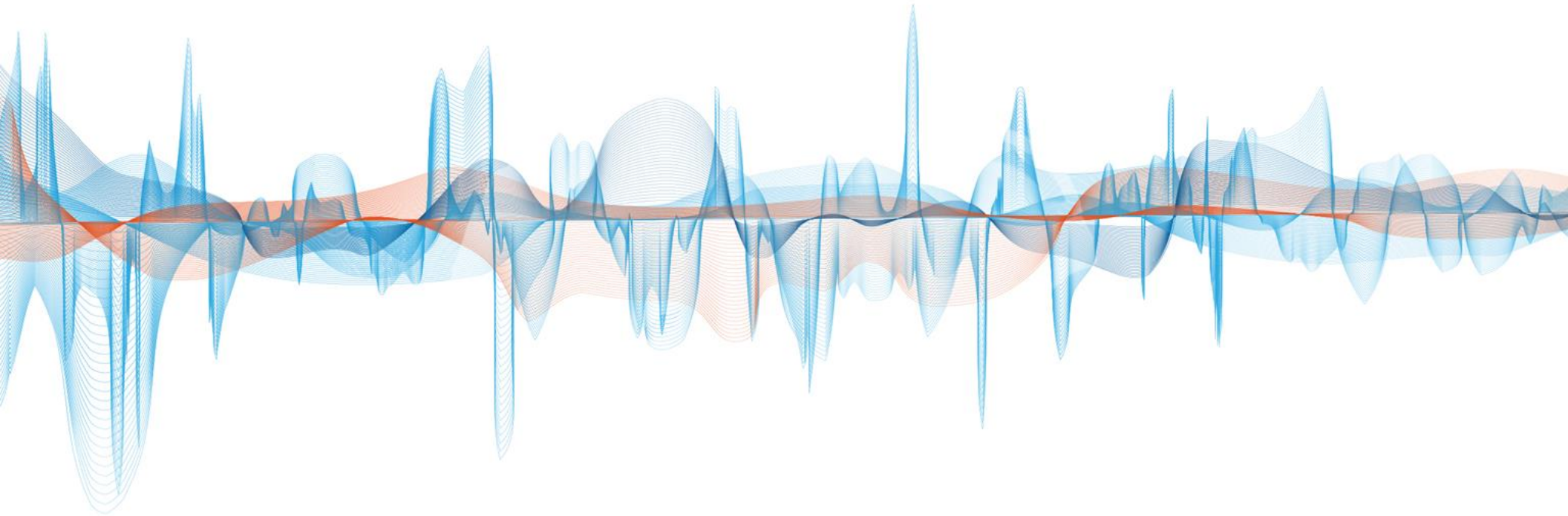


**Note: Sales Values based on OEM annual (non-Covid) estimates**

Section

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# Summary



# Operational improvements and diversification

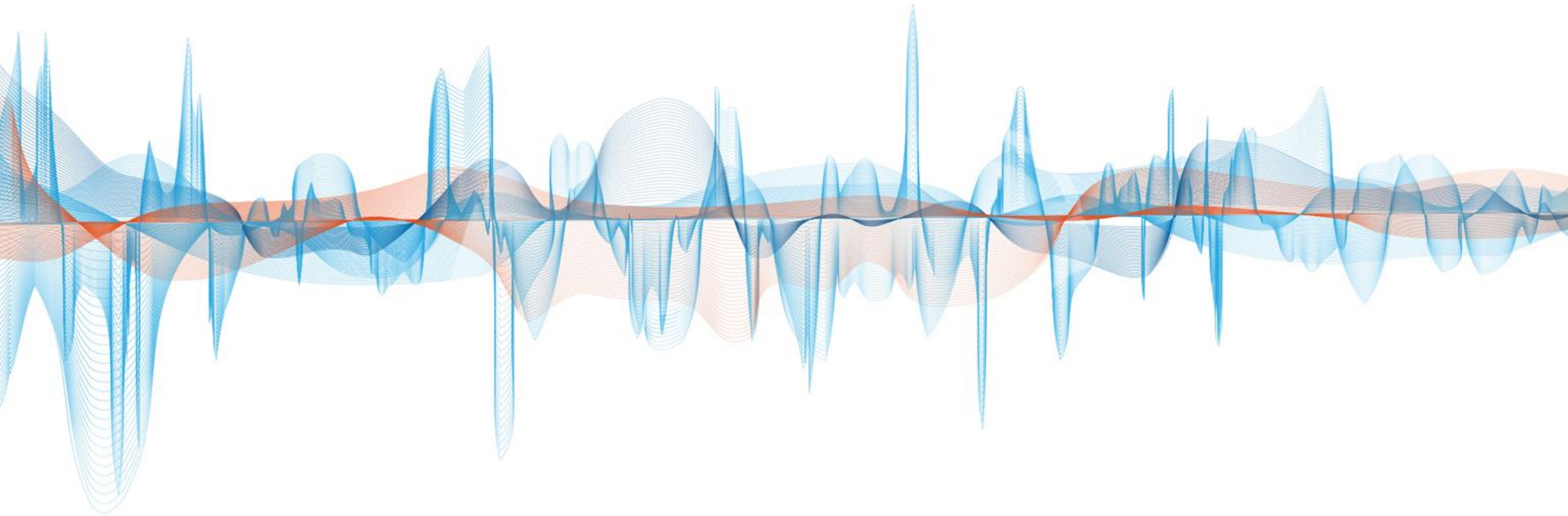
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- Strong cash position and balance sheet
- Operational costs and overheads significantly reduced
- Growth will drive through the benefits to bottom line
  - Focused resource for non-auto markets
  - Neptune sales growth gaining momentum
  - Strong project and customer base in place for market recovery
  - Pursue innovation for new markets
  - Keep partnerships and M&A on the radar

Section  
**A**

# Appendix





# Appendix 1 : Balance Sheet

	FY 20	FY19
<b>Total non-current assets</b>	<b>18,701</b>	<b>14,660</b>
Inventories	1,938	1,961
Trade and other receivables	4,339	6,729
Cash and cash equivalents	2974	3132
<b>Total current assets</b>	<b>9,251</b>	<b>11,822</b>
<b>Total assets</b>	<b>27,952</b>	<b>26,482</b>
Trade and other payables	3,151	4,635
Loans and borrowings	1,027	5,143
Lease Liabilities	917	-
<b>Total current liabilities</b>	<b>5,095</b>	<b>9,778</b>
Non current other payables	117	115
Loans and borrowings	3847	301
Lease Liabilities	4970	
Deferred tax liability	74	185
<b>Total non-current liabilities</b>	<b>9008</b>	<b>601</b>
<b>Total liabilities</b>	<b>14,103</b>	<b>10,379</b>
<b>Net Assets</b>	<b>13,849</b>	<b>16,103</b>

# Appendix 2 : Cashflow

	FY20	FY19
<b>Profit after tax</b>	<b>-1723</b>	<b>-1,499</b>
Depreciation & amortisation	2004	1152
Income taxes	-37	-45
Financing	523	192
Other operating items	-178	-193
Change in working capital	893	-619
<b>Operating Cashflow</b>	<b>1482</b>	<b>-1012</b>
Investing activities	-154	-194
Servicing of finance	-421	-192
Issue of Shares	0	3500
Share/Loan Issue Expenses	-17	-205
Loan Issue Expenses	-66	0
Bank Loans Advanced	4523	127
Financing	-382	-583
(Decrease) Increase in Invoice Discounting	-3716	736
Payment of Lease Liabilities	-549	0
Taxation recovered/(paid)	-5	15
<b>Net Cashflow</b>	<b>695</b>	<b>2192</b>

# Appendix 3 - A real growth opportunity

## £700M auto market

The directly addressable market value for existing products in Europe



## New markets



# Key Drivers for Autins' growth

- Specialist in Acoustic and Thermal design and NVH solutions
- Unique patented Neptune technology
- Very broad range of material and conversion capability
- Established European manufacturing and technical support
- Track record of winning new business
- New market growth

# Aligned direction and approach

## Our Vision

To help make the world a more comfortable and quieter place to live, work and thrive, by reducing noise, and thermal energy waste

We will do this by providing specialist acoustic and thermal solutions to our customers

## Strategy for profitable growth

- Leverage our NVH expertise in automotive to win new customers
- Leverage our Neptune technology and technical expertise to open up new markets

## Values and Culture

*Teamwork*

*Accountability*

*Expertise*

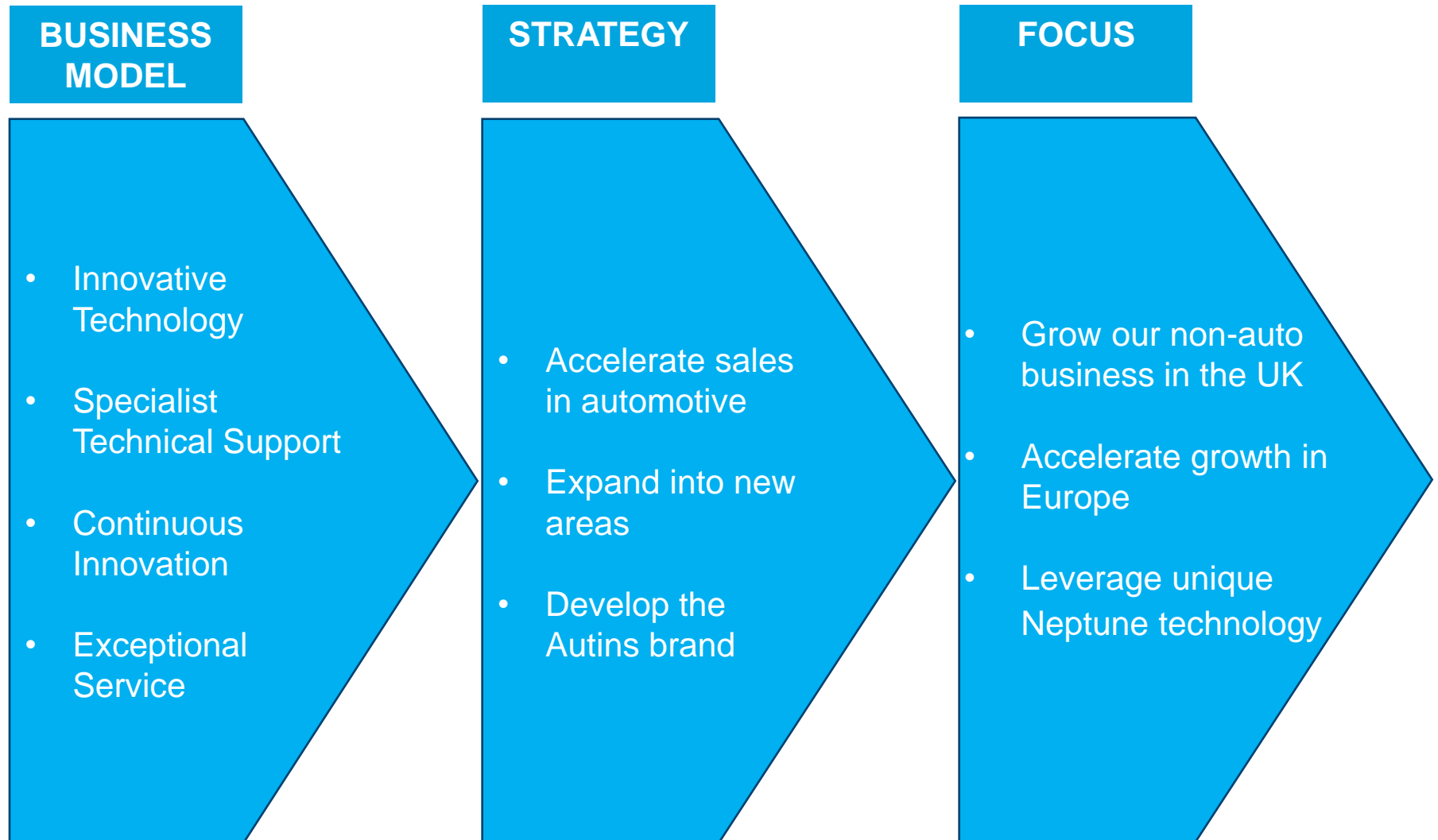
*Creativity*

*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***

# Adding value – expertise and service



# Our locations are close to our customer base

