



Autins Group – FY21 Results  
January 2022

# Agenda

- Highlights and Market Outlook
- Financials
- Strategy and Growth Opportunity
- Appendix:
  - Balance Sheet
  - The Growth Opportunity

01

# Highlights and Market Outlook

# Highlights

- Revenue increased by 8.9% to £23.4m (FY20: £21.5m)
- Marginal automotive recovery, but mainly growth of £1.7m in non-auto, primarily flooring
- Adjusted gross profit increased by 5.4% to £6.3m (FY20: £6.0m)
- Gross margin reduced to 27% (FY20: 28%). Note high margin PPE added +1.4%pts to prior year
- German sales grew 69% to £7.5m (FY20: £4.6m) and EBITDA increased to £0.9m (FY20: £0.4m)
- Neptune sales increased by 64% to £7.1m (FY20: £4.3m) despite pandemic supply chain disruption
- Flooring sales grew 161% to £4.7m (FY20: £1.8m)
- Continuous operational improvements protected margins against disrupted demand and related cost increases
- Consistent EBITDA at £1.1m despite considerable pandemic and semiconductor disruption
- Operating cash inflow was £1.0m (FY20: inflow of £1.5m) despite £0.5m additional inventory supply chain buffer
- Post period end Company raised £3.0m (£2.8m net) via a placing of 15m new ordinary shares at 20p
- Lender Covenant Waivers and 6+ month payment deferrals secured

# Market Outlook

## Automotive

- OEMs still have record levels of backlogged orders and WIP awaiting semi-conductors to be installed so they can ship (160k vehicles for JLR)
- German business now being impacted by the semiconductor shortage
- HIS forecast data sees more stability in H1 22, slight improvement in H2 22 and catch up of backlog in 2023
- Strong market recovery is then expected, which should benefit Autins given we are an incumbent supplier on many platforms

## Non-Automotive markets

- The flooring sales are linked to general construction market activity. According HIS statistics the strong build activity experienced through most of 2021 and continues to expand at the fastest pace since February 2019
- The opportunity to capitalise on the fast growing office pod market with Neptune remains encouraging
- In Nov 21 our major office pod customer won a major order for supply into the US and Autins has already begun supplying Neptune into the walls and ceilings of these pods
- We now have regular workspace solution customers and 13 more completing trials

*Source: Customer feedback and primary research by Interpath*

**02**

# Financials

# Financial Highlights

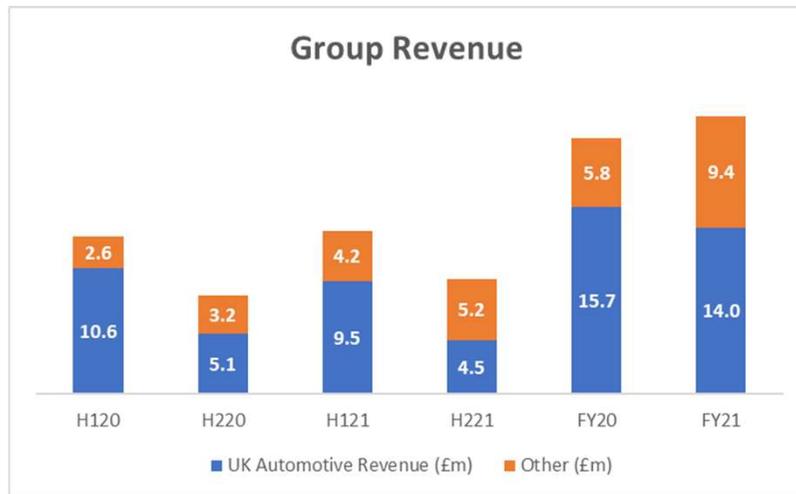
<i>Key Financials</i>	FY21 £k	FY20 £k	Improvement £k/pence
Revenue	23,431	21,517	1,914
Gross Profit	6,328	5,881	447
Gross margin %	27.0%	27.3%	(0.3%)
Exceptional costs	0	292	(292)
<b>EBITDA</b>	<b>1,087*</b>	<b>1,124*</b>	<b>(10)</b>
Loss before taxation	(1,179)	(1,760)	581
Taxation	95	37	58
Loss after taxation	(1,084)	(1,723)	639
Operating Cash Inflow	902	1,482	(580)
Net Debt	(2,703)	(1,899)	(801)
EPS	(2.74)p	(4.35)p	1.61p

- Revenue 8% Increase
- Cash Generation, investment in CapEx and Buffer stocks

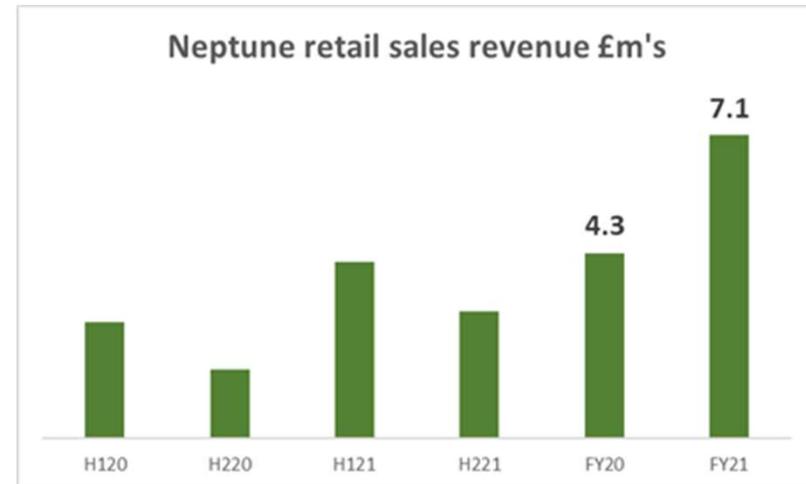
- Consistent EBITDA
- Net Debt Increase

\* including IFRS16 adj.

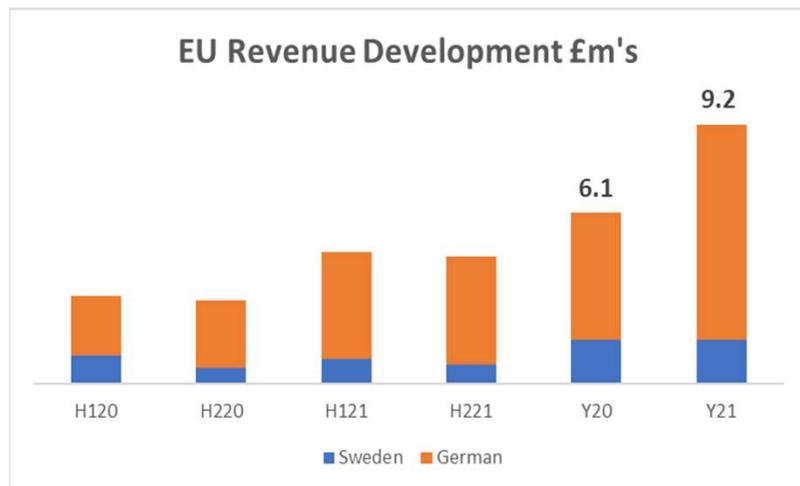
# Delivering the Growth Strategy



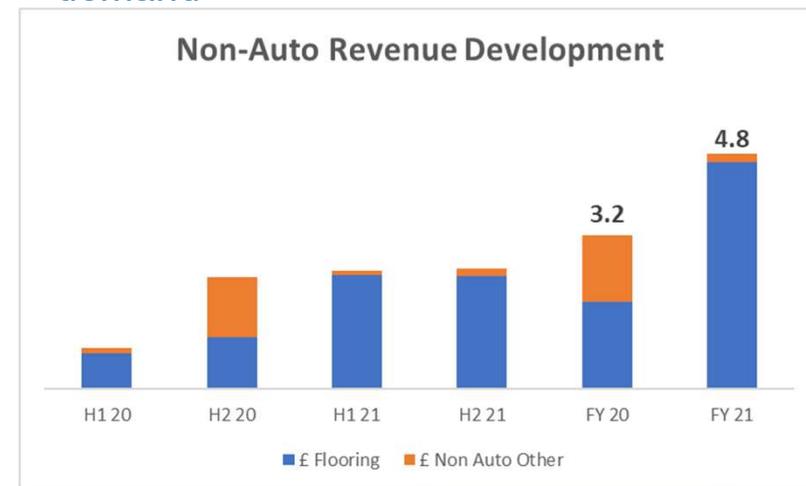
- +9% YoY total revenue growth to £23.4m
- Other growth +62% (all sales excluding UK auto)



- Sales grew +64% to £7.1m (*disrupted*)
- Booked business estimated £13m/ann. (*non-disrupted*)
- Covid and semi-conductor crisis depressed current demand



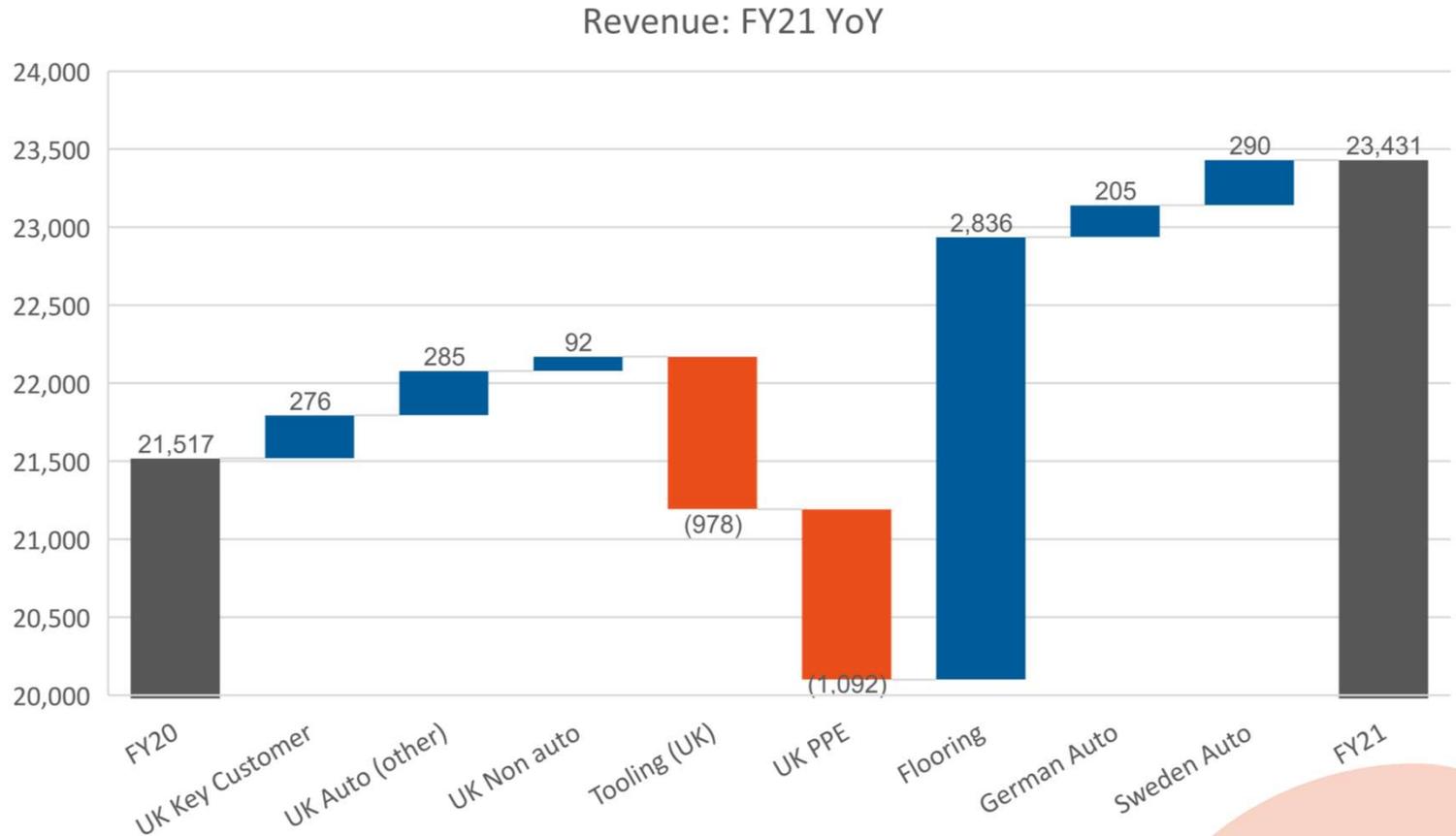
- EU +£3.1m to £9.2m; Germany +69% to £7.5m
- 63% of German revenue is non-auto



- Group non-auto sales +53% to £4.8m
- Flooring grew +161%

# Revenue: FY21 YoY

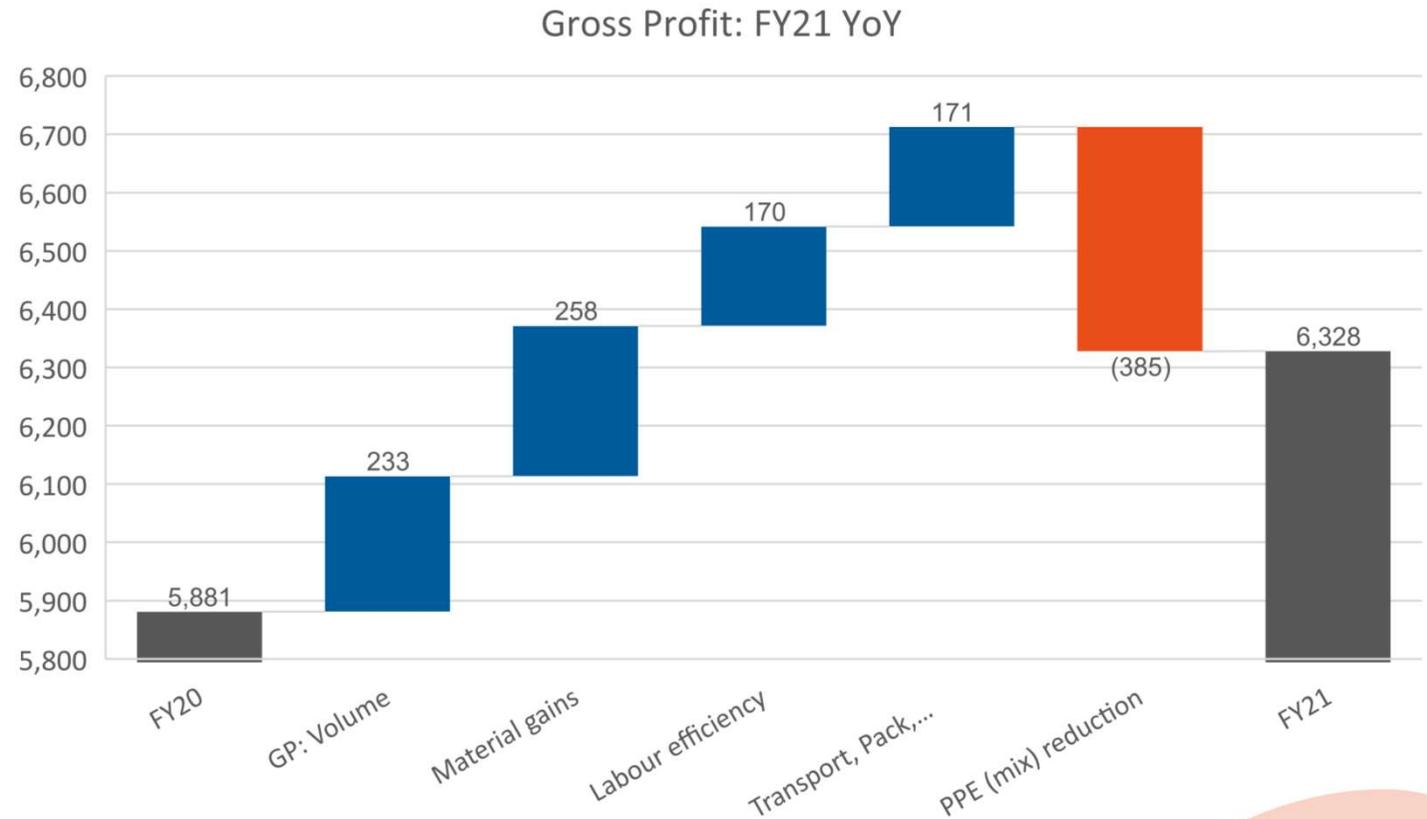
	£k	Subtotal
<b>Revenue</b>		
<b>FY20</b>	<b>21,517</b>	
UK Key Customer	276	
UK Auto (other)	285	
UK Non auto	92	
Tooling (UK)	(978)	(325)
UK PPE	(1,092)	
Flooring	2,836	2,836
German Auto	205	
Sweden Auto	290	495
<b>FY21</b>	<b>23,431</b>	



- Some UK & Sweden Auto recovery, but tooling programmes curtailed in crises
- Contract PPE revenues ended in H1
- Significant Flooring Growth
- Germany Auto contract growth overall greater than pandemic volume decreases.

# Gross Profit: FY21 YoY

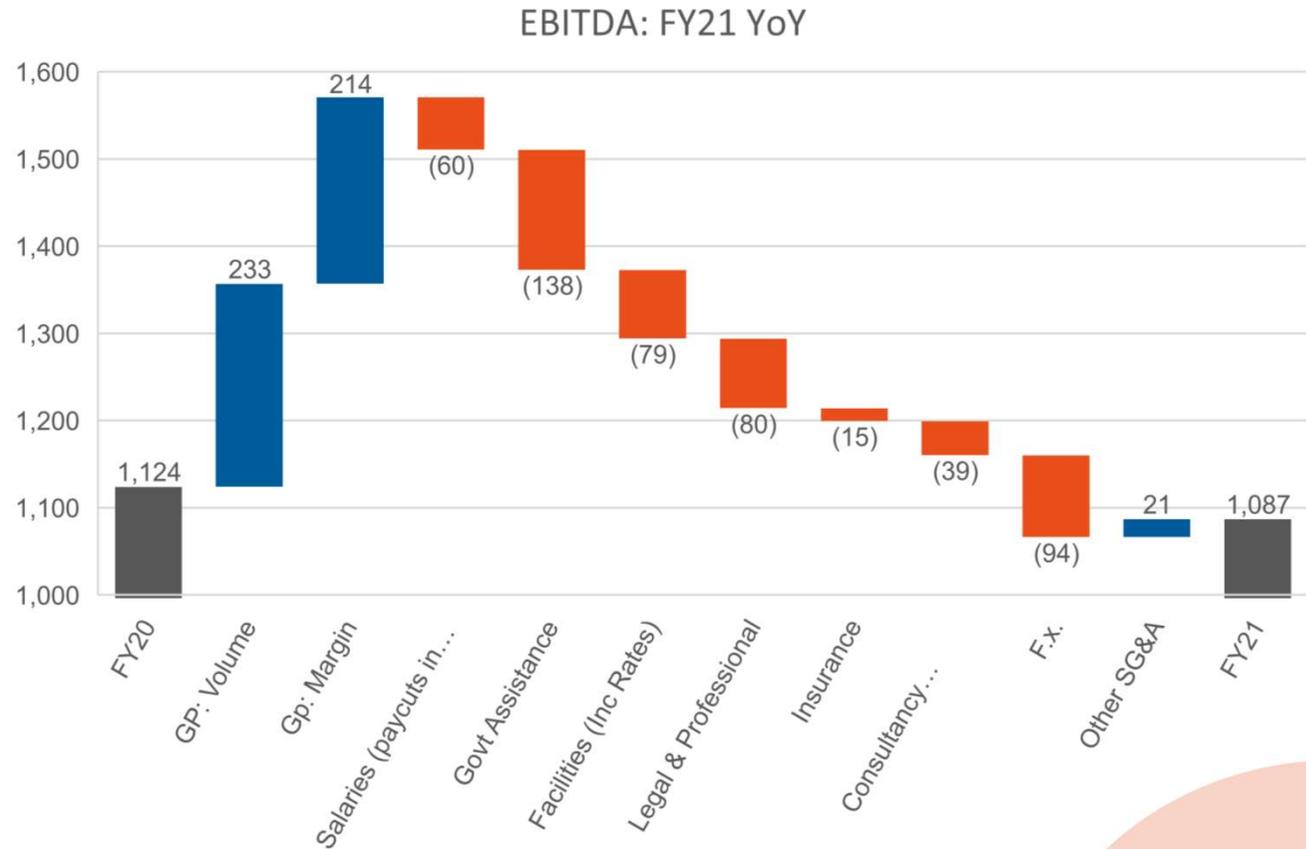
	£k	Subtotal
<b>Gross Profit</b>		
<b>FY20</b>	<b>5,881</b>	
GP: Volume	233	
Material gains	258	
Labour efficiency	170	
Transport, Pack, Waste	171	832
PPE (mix) reduction	(385)	
<b>FY21</b>	<b>6,328</b>	



- Slight Volume Recovery
- Improvement projects: Materials, labour, & operational costs
- Cessation of contract PPE sales

# EBITDA: FY21 YoY

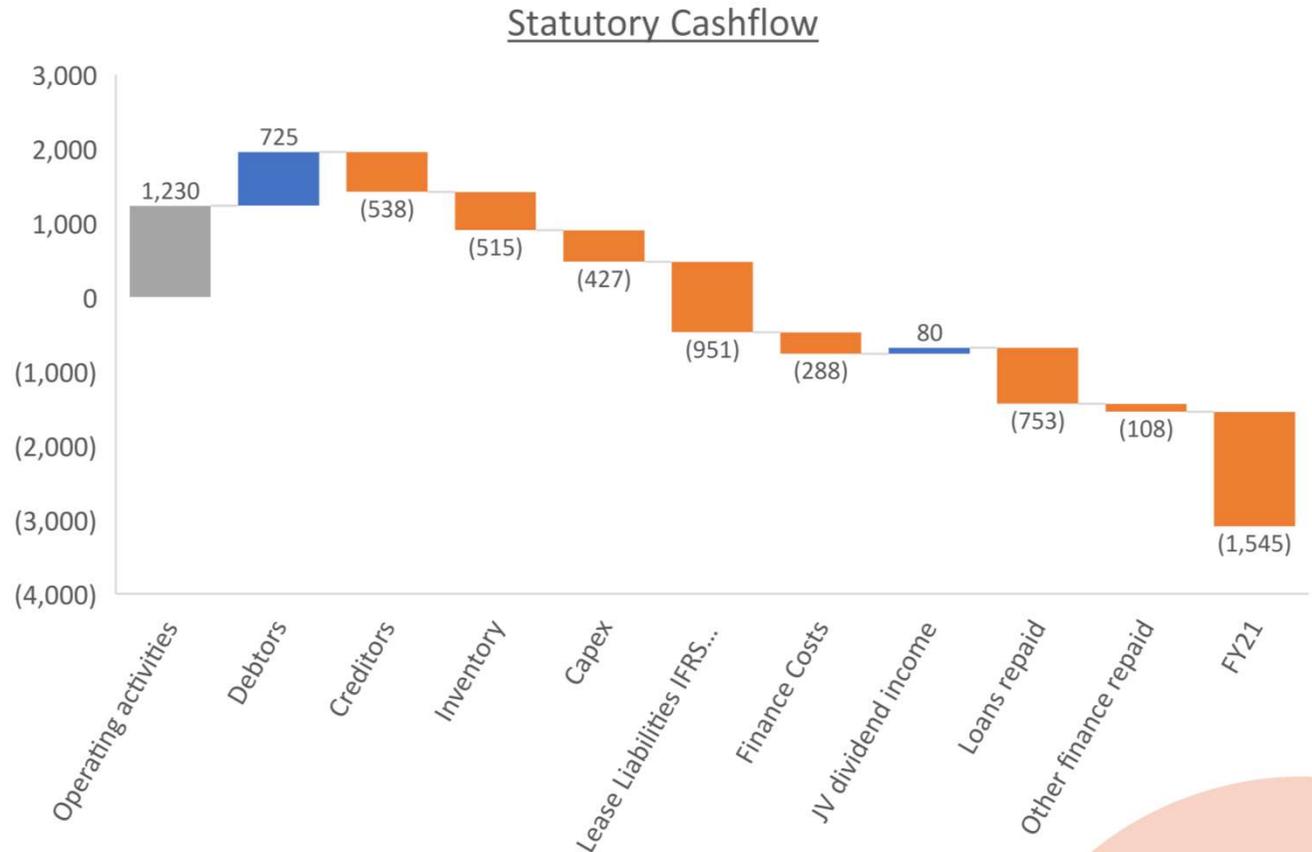
	£k	Subtotal
<b>EBITDA</b>		
<b>FY20</b>	<b>1,124</b>	
GP: Volume	233	
Gp: Margin	214	447
Salaries (payouts in FY20)	(60)	
Govt Assistance	(138)	(198)
Facilities (Inc Rates)	(79)	
Legal & Professional	(80)	
Insurance	(15)	
Consultancy/Development	(39)	
F.x.	(94)	
Other SG&A	21	
<b>FY21</b>	<b>1,087</b>	



- Volume and margin improvements
- Overall less government support (inc CBILS grants)
- FY20 reduced Covid, expense rate sees some cost inflation post Brexit

# Cashflow FY21

	£k	Subtotal
<b>Statutory Cash Flow FY21</b>		
Operating activities	1,230	
Debtors	725	
Creditors	(538)	187
Inventory	(515)	
Capex	(427)	(942)
Lease Liabilities IFRS 16	(951)	
Finance Costs	(288)	(9)
JV dividend income	80	80
Loans repaid	(753)	
Other finance repaid	(108)	(861)
	(1,545)	(1,545)



- Operating activities +£1.2m, +£187k from Debtors & Creditors
- Investment made in Buffer Stocks & Plant Capex:> 50% in 1 year payback projects, inc ESG
- £0.9m Debt repayments

A man in a blue polo shirt is working with fiber optic cables in a laboratory. He is holding a cable and looking at it with a slight smile. The background shows shelves with various equipment. The image is overlaid with a blue tint and a white circle containing the number 03.

**03**

## Strategy and Growth Opportunity

# Full Year Trading Update - Segmental

## UK AUTOMOTIVE

- Demand in H2 declined 53% to £4.5m vs H1, driven by semi-conductor supply, compounded by normal summer shutdowns and OEMs maximising use of furlough
- FY21 revenue declined 11% to £14m
- Modest improvements during the last quarter and trading is in line with published SMMT data
- Neptune sales up 64% in FY21 v FY20

## EU TRADING

- German automotive sales softened at the end of H2 remaining stable year on year at £2.8m
- Sweden has been affected by a decline in sale of parts to JLR

## FLOORING/ NON-AUTOMOTIVE

- Flooring sales for FY21 were up 161% to £4.7m
- Commercial vehicles – supply to DAF will commence in early 2022
- Modest wins in office pods during the year and strong new sales opportunities for 2022

*Source: SMMT Monthly published data, plus primary research with other auto manufacturers at the SMMT Meet the Buyer event on 19/10/21*

# A Real Growth Opportunity

## EU auto market £700m

The estimated directly addressable market value for existing products in Europe

*Note: non-independent / internal estimation*

only  
**4%**  
market share  
NVH in Europe

only  
**39%**  
of Autins' sales  
are in EU

## Non-auto



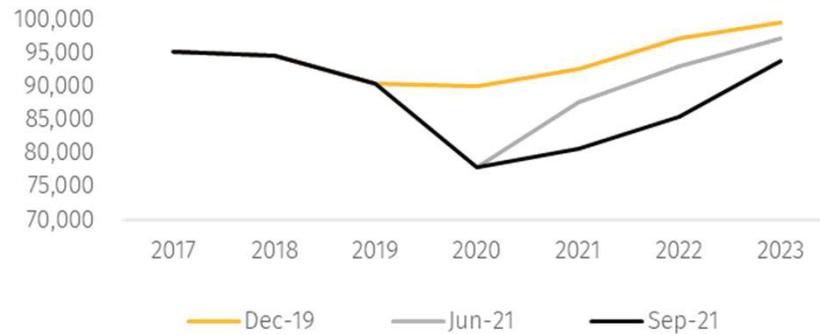
only  
**20%**  
of total revenue

**149%**  
growth in FY 21  
(excluding PPE)

- To grow our presence and market share in the large European NVH market
- To continue diversifying sales into new higher margin markets

# Automotive market outlook

Forecast Development



Global Light Vehicle Production (Millions)



Source: "Global Light Vehicle demand hit hard by supply disruptions, delaying recovery by more than a year"; LMC Automotive; 24 September 2021

- Global demand for cars has remained strong since recovering from the initial pandemic shock and forecasts by both HIS and LMC expect demand to recover to 2019 levels in 2023 and then grow further in the following years
- Used car prices have soared due to the increased difficulty for buyers to source new vehicles. We see this as confirmation that consumers want a change, but we would not expect this to be a permanent consumer shift towards used cars
- Regarding production levels IHS forecasts semiconductor supply to stabilise in H1 22, to improve in H2 22 and recover fully in 2023, when OEMs will start to catch up the backlog of sales supply
- Autins therefore expects its automotive component sales to match this forecast and improve later in 2022
- OEMs, facing a period of on-going reduced income and an increased market demand for electric vehicles may skip next generation ICE platform launches in favour of bringing forward plans to launch electric platforms
- This means that current platforms will be extended and the "must win battles" will be for the next generation EV platforms
- Autins is currently quoting or developing solutions for a number of start up EV companies

# Electric Vehicles & Environment

## Positioning Autins as an Electric Vehicle Solutions Provider

- Already supplying Volvo, JLR, AMG, LEVC
- Car companies are focused on EV and is a must win battleground for Autins

## Neptune offers significant acoustic and weight benefits

- Development partnerships being established for new EV platforms
- Patent applied for an Encapsulation product for EVs

## Environmental credentials are good

- Increasing recycled content
- Developing 100% recyclable Neptune range

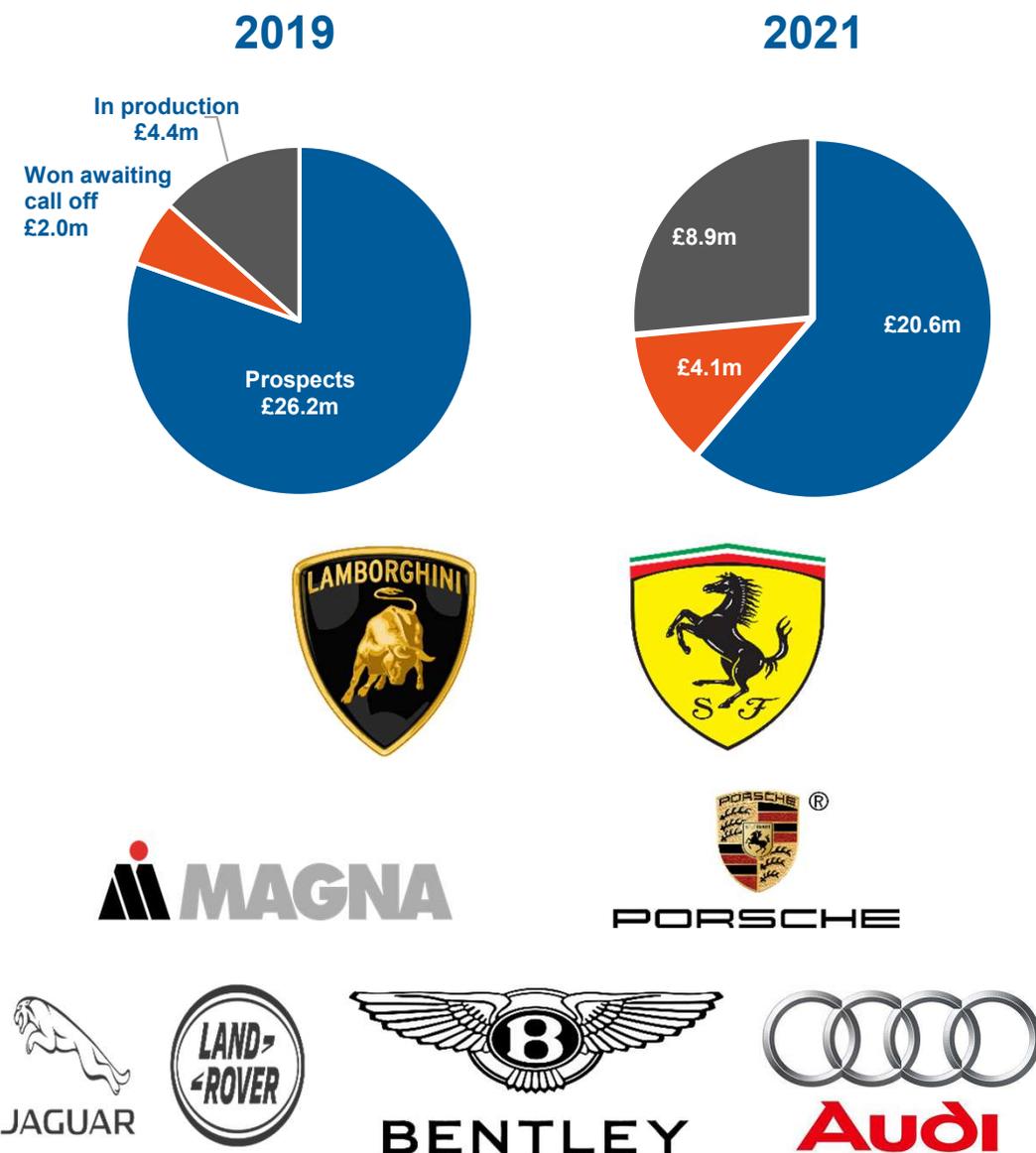
## EV Solutions developed by R&D



## EV Brands Supplied by Autins



# Neptune Wins Doubled and Strong Pipeline

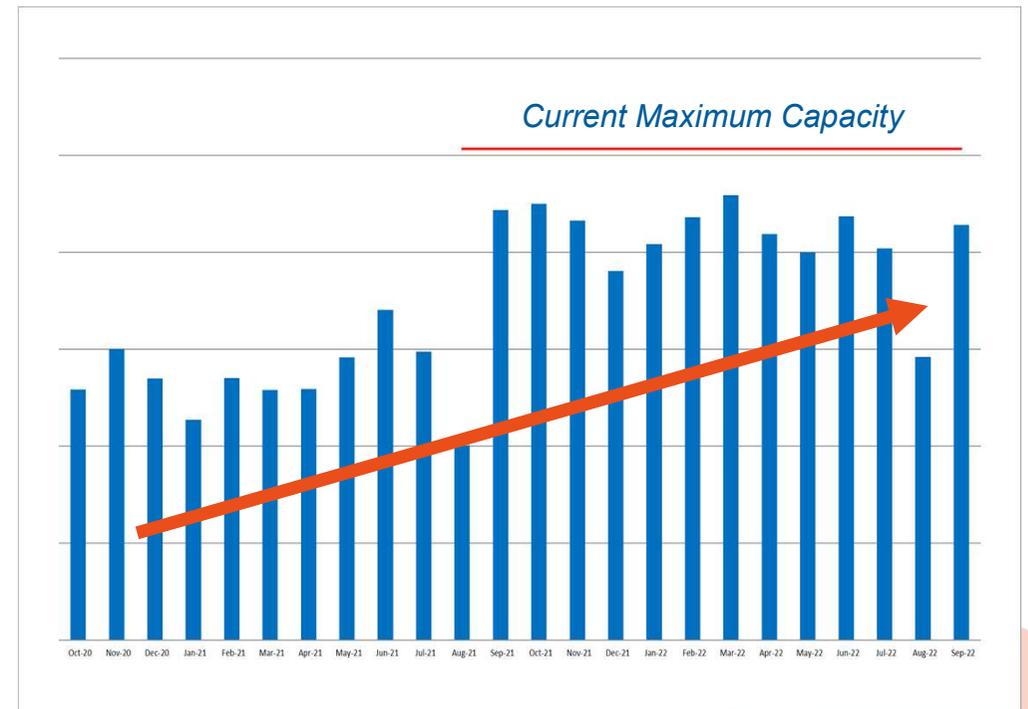


- Business won has doubled since 2019 to £13m\*, with £8.9m already in production
  - Auto platforms typically run for a minimum of 6 years
  - Awards have been slower during Covid and semi-conductor crisis
  - Winning technology in auto and non-auto applications
  - Enquiry pipeline remains strong
- 
- Total: £41.5m
  - Neptune: £20.6m

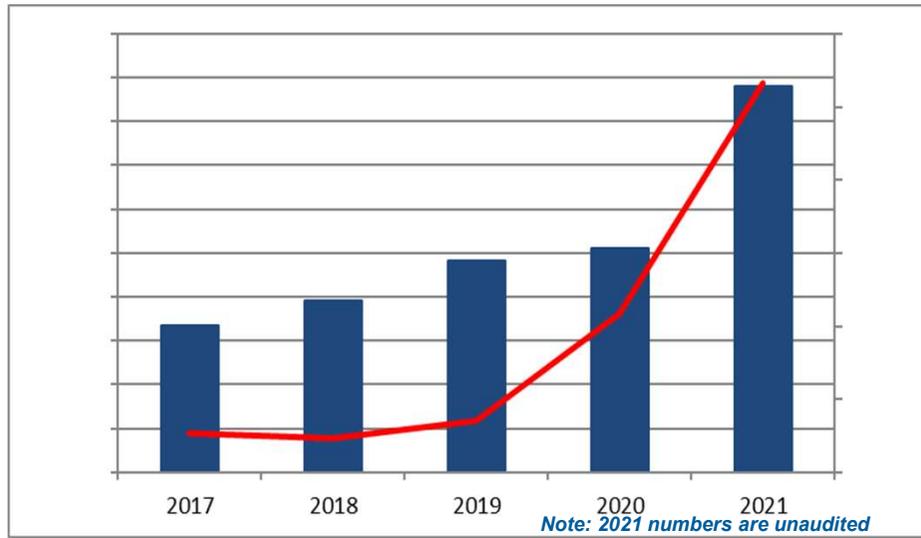
*Note\* all numbers are based on a non-disrupted market basis*

# Expanding Neptune Capacity and Margin

- Continuous wins mean that we have higher utilisation of the plant
- Improvement projects are underway to improve the margin and capacity on Neptune
- Investment:
  - £150k initially to deliver up to £350k benefits  
(*already seen 7.5% EBITDA pre-IFRS16 improvement*)
  - Further investment being planned so that we could add c.60% capacity
  - Equates to c.£10m+ additional revenue



# Strong German Growth



- 69% sales growth to £7.5m
- EBITDA increased to £0.9m
- Enquiry pipeline grown to £13m
- Non-Auto is 63% of sales mix

## NON-AUTO

Flooring grows 161% to £4.7m



## AUTOMOTIVE

12 wins of £1.3m annualised value



DRÄXLMAIER



FIAT CHRYSLER AUTOMOBILES

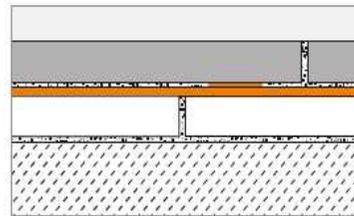


# Innovation Will Drive More Growth in Flooring

- Lifting System for Ceramic Tiles
- Launched one of the worlds largest flooring distributors SCHLÜTER
- 1st deliveries October 2021



Schlüter®-REFLEECE



Schlüter®-REFLEECE

Trocken und frostfrei lagern. Vor intensiver Sonneneinstrahlung schützen. Empfohlener Verarbeitungszeitraum: 18 Monate  
Der Herstellungsmonat entspricht den ersten beiden Ziffern, das Herstellungsjahr entspricht den zweiten beiden Ziffern der Chargennummer.

Store in a dry and frost-free environment. Protect from intense sunlight. Recommendation: Use within about 18 months  
The month of manufacturing corresponds to the first two digits, the year of manufacturing corresponds to the second two digits of the batch code.



Rolle 30,0 x 1,0 m = 30 m<sup>2</sup>  
Roll 98'5" x 3'3"=323 ft<sup>2</sup>

Art.-No. REFL30M

Made in Germany



Schlüter-Systeme KG · Schmilkestraße 7 · D-58840 Iserlohn  
[www.schluter-systems.com](http://www.schluter-systems.com)



Rolle 30,0 x 1,0 m = 30 m<sup>2</sup>  
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Art.-No. REFL30M

Made in Germany



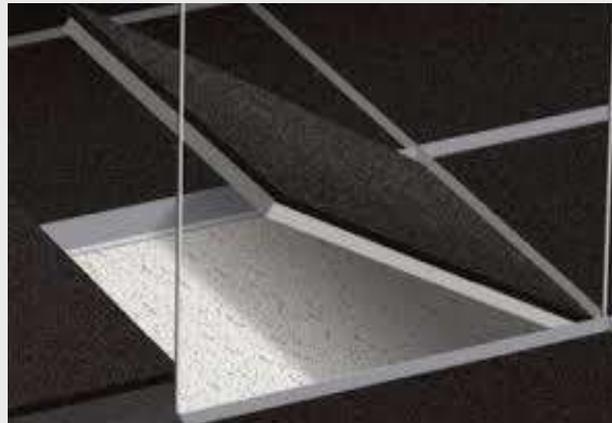
Stand 0021

# Diversifying into Other Markets

WORKSPACE SOLUTIONS



METAL CEILINGS & PARTITIONS



COMMERCIAL VEHICLES





# 04 Summary

# Strategy for Growth

- Protect the existing business during the semi-conductor crisis and capture the market recovery
- Recovery expected from H2 22. Full recovery expected during 2023 when OEMs are forecast to catch up the backlog of orders
- Maintain focus on our core NVH automotive market, which remains our biggest opportunity:
  - UK opportunities with JLR, Nissan and other Tiers and supply into non-Interior applications
  - Ensure we are a key player in the development of EV solutions and exploit new EV market opportunities
  - German opportunities with BMW, Audi and Tiers
  - Sweden opportunities with Volvo European production
- Non-automotive growth
  - Flooring remains a priority along with Commercial vehicles
  - UK focussed on Workspace Solutions, Ceiling tiles and partitions

# Summary

- The global shortage of semi-conductors is forecast to stabilise during the first half of 2022 and improve later in the year, with full recovery expected in 2023
- Shareholder and banking support secured
- The auto industry retail demand remains strong
- Cost reduction and efficiency measures have improved underlying profitability
- Neptune continues to be a winning technology in automotive and non-automotive and the Group continues to diversify its customer and market base
- Well positioned to benefit from increased momentum for EV solutions and become a key NVH player in this market
- Germany is delivering strong revenue growth and EBITDA

**05**

# Appendices

*Previously published numbers*

# Appendix 1 : Profit and loss

	FY21	FY20
<b>Revenue</b>	<b>23,431</b>	<b>21,517</b>
<b>Gross Profit</b>	<b>6,328</b>	<b>5,881</b>
Gross margin %	27.0%	27.3%
Exceptional costs	0	292
<b>EBITDA</b>	<b>1,087</b>	<b>1,124</b>
<b>Loss before taxation</b>	<b>(1,179)</b>	<b>(1,760)</b>
Taxation	95	37
<b>Loss after taxation</b>	<b>(1,084)</b>	<b>(1,723)</b>

*\*Including IFRS 16 Adjustments*

# Appendix 2 : Balance Sheet

	FY 21	FY 20
<b>Total non-current assets</b>	<b>17,786</b>	<b>18,701</b>
Inventories	2,433	1,938
Trade and other receivables	3,630	4,339
Cash and cash equivalents	1262	2974
<b>Total current assets</b>	<b>7,325</b>	<b>9,251</b>
<b>Total assets</b>	<b>25,111</b>	<b>27,952</b>
Trade and other payables	2,584	3,151
Loans and borrowings	719	1,027
Lease Liabilities	842	917
<b>Total current liabilities</b>	<b>4,145</b>	<b>5,095</b>
Non current other payables	111	117
Loans and borrowings	3,248	3,847
Lease Liabilities	4,794	4,970
Deferred tax liability	46	74
<b>Total non-current liabilities</b>	<b>8,199</b>	<b>9,008</b>
<b>Total liabilities</b>	<b>12,344</b>	<b>14,103</b>
<b>Net Assets</b>	<b>12,767</b>	<b>13,849</b>

# Appendix 3 : Cashflow

	FY21	FY20
<b>Profit after tax</b>	<b>(1,084)</b>	<b>(1,723)</b>
Depreciation & amortisation	1,895	2,004
Income taxes	(95)	(37)
Financing	542	523
Other operating items	(28)	(178)
Change in working capital	(328)	893
<b>Operating Cashflow</b>	<b>902</b>	<b>1,482</b>
Investing activities	(347)	(154)
Servicing of finance	(380)	(421)
Issue of Shares	0	0
Share/Loan Issue Expenses	0	(17)
Loan Issue Expenses	0	(66)
Bank Loans Advanced	0	4,523
Financing	(861)	(382)
Decrease in Invoice Discounting	0	(3,716)
Payment of Lease Liabilities	(951)	(549)
Taxation recovered/(paid)	92	(5)
<b>Net Cashflow</b>	<b>(1,545)</b>	<b>695</b>

# 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
- Drive operational efficiencies to lowest cost

## 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

