

**27 June 2023**

**Autins Group plc**  
("Autins" the "Company" or the "Group")

**Interim Results**

Autins Group plc (AIM: AUTG), the UK and European based manufacturer of the patented Neptune melt-blown material and specialist in the design, manufacture, and supply of acoustic and thermal insulation solutions, announces its results for the six months ended 31 March 2023.

**Financial Summary**

- Revenue increased by 15.4% to £10.84m (H1 22: £9.39m)
- Gross profit increased by 30.2% to £3.06m (H1 22: £2.35m)
- Gross margins increased by 3.1%pts to 28.2% (H1 22: 25.1%)
- EBITDA<sup>1</sup> was a profit of £0.34m (H1 22: £0.35m loss)
- Loss after tax of £0.90m (H1 22: loss of £1.38m)
- Loss per share of 1.65p (H1 22: loss of 2.83p)
- Operating cashflow was a £0.36m net inflow (H1 22: £0.36m net outflow)
- Net debt<sup>2</sup> excluding IFRS16 lease liabilities increased to £2.42m (H1 22: £1.03m)
- Cash and cash equivalents were £1.27m at the period end (H1 22 £2.78m)
- Group cash headroom<sup>3</sup> was £3.50m (H1 22: £5.15m)

*1: EBITDA is stated on an IFRS 16 basis.*

*2. Net debt is cash less bank overdrafts, loans, invoice discounting, hire purchase finance and excludes right of use lease liabilities.*

*3. Sum of net cash at bank and residual invoice financing capacity.*

**Operational Highlights**

- Significant financial benefits from price, material and cost improvements, adjustments to commercial contracts, and restructuring actions.
- The supply chain to the UK automotive market is more stable, although sales volumes were c.5% lower than the prior year.
- Automotive sales in Germany are up 65% year on year including 2022 EV platform wins.
- Flooring product sales were down 26% to £1.3m due to a slowdown in European construction activity.
- Neptune retail sales continue to increase and are up 34% on H1 22 to £4.4m.
- Gross profit increased primarily as a result of price, material and improved labour productivity which more than offset input cost pressures, leading to higher Group gross margins.
- Overheads were largely consistent year on year, despite Germany adding a stock storage facility to assist growth.
- EBITDA improved by £0.7m, which was mirrored by an equivalent improvement in operating cashflow year on year.

**Gareth Kaminski-Cook, Chief Executive, said:**

"I am pleased to report that we have seen a significant improvement in margins and a return to EBITDA profitability, during the first half of 2023.

We have worked closely with our customers over the past 18 months to recover the impact of increased input costs. Changes to our commercial contracts in all regions during the first six months of the year are now flowing to the bottom line. On top of this, actions taken in the period on headcount reductions, improved operational efficiencies and smarter material sourcing are all positively impacting performance. Whilst H2 2023 will see the full benefits of these actions they will be partially offset by recent workforce

salary increases.

We were delighted to see our German automotive sales grow by 65% as project wins, primarily with Neptune for EVs, began production. The flooring market however has suffered as European construction activity weakened against a tougher economic background.

Whilst margins have improved, it is clear that the business now needs more volume. Although the automotive supply chains have stabilised somewhat, market recovery is expected to remain modest into the medium term. This is partly due to the economic backdrop, but also because of the limited number of new vehicle models being launched by our major customers at this time. The focus within the management team will continue to be on winning new business and managing costs and margins.”

**For further information please contact:**

**Autins Group plc**

Gareth Kaminski-Cook, Chief Executive  
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Via SEC Newgate

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**About Autins**

Autins is a UK and continental Europe based industrial materials technology business that specialises in the design, manufacture, and supply of acoustic and thermal products. Its key markets are automotive, flooring, and commercial vehicles where it supplies products and services to more than 160 customer locations across Europe.

Autins is the UK and European manufacturer of the patented Neptune melt-blown material and specialises in the design, manufacture, and supply of acoustic and thermal insulation solutions.

## Overview

Group revenue in the period increased by £1.45m to £10.84m (H1 22: £9.39m), which, combined with other actions, led to an EBITDA improvement of £0.69m to £0.34m (H1 22: EBITDA loss of £0.35m).

Revenue in our automotive division improved in all three regions as supply chains appeared to stabilise, albeit UK automotive volumes reduced slightly. Germany benefited from new project starts, whilst the flooring business was negatively impacted by slower European construction activity.

Protracted efforts with all our customers to recover the increased input costs of the previous 12 months finally bore fruit with adjustments to almost all customer contractual arrangements. The business also undertook further restructuring actions and improved resourcing for key materials which cumulatively have contributed to improve the gross margin by 3.1%pts to 28.2% since the end of the last financial year.

## Revenue

Revenue across the Group increased by 15.4% to £10.84m (H1 22: £9.39m) driven primarily by price and contract improvements and automotive recovery in Germany. Excluding some new contract wins, sales volumes declined from our key automotive customers in the UK and German flooring customers.

Sales through the European operations made up 40% of Group turnover, slightly up from H1 2022 at 37%, on the back of stronger performance in Germany.

Group automotive sales increased by 25% to £9.5m (H1 2022: £7.6m), driven primarily by price increases and strong growth in Germany.

Automotive revenue in the UK increased by 11% to £6.5m (H1 2022: £5.9m), with component revenue increasing by 11% and tooling remaining consistently low, as the OEMs continue to release very few new projects.

German automotive sales benefited from the start of new projects that were won in the previous years and more than compensated for the lower flooring sales that reflect the weak European construction market. As a result, German sales increased 25% to £3.7m (H1 22: £3.0m), with automotive sales up by 85% to £2.4m (H1 22: £1.3m), and flooring sales declining by 22% to £ 1.3m (H1 22: £1.7m). Sweden automotive sales increased by 20% to £0.6m (H1 22: £0.5m).

Non-automotive sales were lower by 24% in H1 23 at £1.4m (H1 22: £1.8m), driven by the drop in flooring demand described above. As a result, non-automotive sales now account for 13% of Group turnover, down from 19% in H1 22.

Sales concentration of our largest customer was 32.9% in H1 23, reducing from 38.3% last year, driven primarily by new projects in Germany. In the short to medium term, management would expect this concentration will revert back towards c.50% as UK automotive sales recover. Over the longer term, the sales concentration is expected to reduce as we develop demand from a larger customer base.

## Gross margin

The collective actions taken to secure customer price increases, improve operational efficiencies and lower material purchasing costs have improved margins progressively since the end of the last financial year. Within this, labour productivity and restructuring actions have also added significantly to gross margin improvement. These actions have largely offset the significant input cost challenges from the previous year and restored margins.

We are now in a situation where the largest impact on our gross profit is the residual impact of low customer volumes flowing through the business that reduce the absorption of fixed production overhead costs.

## **EBITDA profit and operating loss**

The reported H1 23 EBITDA profit of £0.34m improved by £0.7m year over year, (H1 22: EBITDA loss of £0.35m) and the reported operating loss was £0.65m (H1 22: loss of £1.1m). For both years the EBITDA and operating loss do not include any exceptional costs.

## **Joint venture**

The Group's share of joint venture activities relates solely to Indica Automotive, a UK based foam conversion business.

Turnover at Indica Automotive decreased marginally to £0.91m (H1 22: £0.92m), with a loss after tax of £0.01m (H1 22: profit of £0.01m). The Group remains the largest customer of the joint venture, and the ratio of sales to the Group as a percentage of total sales has reduced from 73% to 52%.

## **Net finance expense**

Net Finance expense for the period was consistent at £0.25m (H1 22: £0.26m) including IFRS 16 charges of £0.13m (H1 22 £0.14m). The interest element of hire purchase agreements is £0.01m (H1 22: £0.01m) with interest charged on bank borrowings of £0.11m (H1 22: £0.12m).

## **Taxation**

Given the continuing economic conditions, none of the losses carried forward are recognised in deferred tax balances, consistent with the judgement made in September 2022. A tax credit of £0.01m (H1 22: £0.01m) has been recognised.

## **Dividends**

The Board continues to believe that a suspension in dividend payments remains appropriate. As such, no interim dividend is proposed.

## **Net debt and financing**

The Group ended the period with net debt (being the net of cash and cash equivalents and the Group's loans and borrowings, excluding right of use lease liabilities) of £2.42m (H1 22 £1.03m). Including £5.04m (H1 22 £5.25m) arising from IFRS 16 lease liabilities, the Group's net debt would be £7.46m (H1 22 £6.28m). Net debt has increased as a result of trading outflows. Cash and cash equivalents at the period end were £1.3m (H1 22: £2.8m).

In January 2023, the Company secured a further deferment of UK loan repayments until July 2023 from its primary lender and until the end of March 2024 from its secondary lender. At 31 March 2023, the Group's UK HSBC facilities provided up to £3.5m (H1 22: £3.5m) of invoice financing facility (subject to available accounts receivable balances). In addition, £0.5m (H1 22: £0.5m) of asset finance facilities are available, subject to covenant compliance. At the end of the period, none of the invoice financing facility had been utilised (H1 22: £nil) with £0.1m used from the asset finance facility (H1 2022: £0.4m). Group cash headroom, being the sum of net cash at bank and residual invoice financing capacity, was £3.5m (H1 22 £5.1m). Currently, the HSBC term loan will re-commence quarterly payments of £146k in July 2023.

## **Capital expenditure**

The Group invested £0.1m (H1 22: £0.1m) in its operating facilities during the period. The Group will commission new equipment in Germany during H2 with a value of c.£300k, which will replace old equipment and improve efficiency and capacity to meet growing demand.

## **Employees**

In the UK, we have continued to focus on maximising employee engagement and retention. We continue to maintain a high visibility of senior management with staff through a combination of regular weekly cross functional planning meetings coupled with informal feedback “coffee” sessions. The banked hours scheme continues to be successful by providing surety of workers’ income whilst customer demand patterns continue to be variable. We have continued to convert the majority of temporary staff positions to permanent roles to aid core team strength. Production pay rates have been increased by more than 8% and continue to exceed the national living wage. Overtime rates continue with strong premiums to improve net take home pay, with pay bandings related to multi-skilling and personal performance also being improved. Staff retention, excluding redundancies, has been in excess of 93% during the period.

Teamwork has improved over the last 18 months positively impacting productivity, quality, customer service and the net cost in the factories. This has been critically important during a period where availability of labour continues to be a key challenge for manufacturers, and it is pleasing to see that some former colleagues have chosen to return to Autins. Latterly we have introduced a bonus scheme for all UK operators to recognise when teams or individuals have directly and positively impacted margins.

The German and Swedish businesses both have very strong team cultures which benefit from strong leadership and stable, highly committed people.

## **Board**

In May 2023, we announced that Andrew Burn had joined the Board as a Non-Executive Director. Neil MacDonald will resign from the Board of Directors at the end of June 2023. We would like to thank him for his excellent service and wish him well for the future.

## **Going Concern**

In approving these Interim Financial Statements, the Board has considered current trading, profit and cash flow forecasts and assessed existing borrowings and available sources of finance.

At the time of releasing our full year financial statements, forward looking profit, and cash flow projections for FY23, and FY24 were prepared and considered. As reported in January, our major UK lenders extended covenant waivers until the end of March 2024 and capital payment deferrals were extended until July 2023 with our primary lender, and until at least April 2024 with our secondary lender.

Financial forecasts and related sensitivities, compared with the prevailing key customer demand schedules and forecasts, were assessed in detail in January 2023. These assessments were documented in detail in our FY22 audited financial statements.

UK sales volumes in H1 23 remained marginally below these forecasts, although EBITDA and cash performance remained above the targets presented to the UK lenders. The Board has assumed a slight improvement in revenues for H2 23, with further improvement and new wins expected in FY24. However, there remains uncertainty on the exact timing and sales improvement for the automotive market against the current backdrop of global supply chain considerations and continuously evolving vehicle platforms for which the technical specifications and likely production quantities are still to be reliably communicated.

Actions taken to protect gross margins against increases in energy, materials, and labour costs have been successful in restoring gross margins.

The Company will continue further covenant compliance and capital repayment review discussions with its two major lenders over the coming months for the period beyond March 2024. Reaching an appropriate

outcome is required to ensure covenant compliance prevails beyond March 2024, albeit expected trading and existing facilities should allow loans to be serviceable for at least the next 12 month period. As at 20 June 2023, the last practicable date prior reporting date, the Group's liquidity cash headroom was in excess of £3.5m.

Having due regard to all the matters described above, the Board have a reasonable expectation that the Group will continue to have adequate resources to remain in operation for at least 12 months after the release of these financial statements. The Board has therefore determined to adopt the going concern basis in preparing these financial statements.

## **Outlook**

The price increases and cost reductions secured during H1 23 were critical to protecting our financial position and improving our profitability, whilst we strive to bring additional volume across our asset base. We will continue this focus in H2 23.

The outlook for the automotive sector is improving but we expect our growth to be modest in the short term. In particular, our ability to increase volumes in the UK will be affected by the limited release of new vehicle models by key OEMs, coupled with few opportunities to switch existing product programmes away from incumbent suppliers.

The construction and building market activity is currently depressed due to weak global economies, but we would expect our flooring sales to recover once economic confidence rises across Europe.

Customers are requesting more environmentally friendly solutions and we have responded by expanding the proportion of our product offering that is either fully recyclable or made of recycled material. We have developed Neptune Green and Neptune-R, and also launched a trademarked encapsulation product SilentShell, specifically targeting NVH problems in electric vehicles. Feedback has been positive from our major customers, and this will form the backbone of our value proposition for future vehicles.

The focus of the management team will continue to be on winning new business and further improving costs and margins.

## Interim Consolidated Income Statement

	Notes	Unaudited Period 1/10/22–31/3/23 £'000	Unaudited Period 1/10/21–31/3/22 £'000	Audited Year Ended 30/09/22 £'000
<b>Revenue</b>	2	<b>10,843</b>	<b>9,392</b>	<b>18,873</b>
Cost of sales		(7,780)	(7,039)	(14,638)
<b>Gross profit</b>		<b>3,063</b>	<b>2,353</b>	<b>4,235</b>
Other operating income		-	21	28
Distribution and administrative expenses		(3,711)	(3,504)	(7,247)
<b>Operating loss</b>		<b>(648)</b>	<b>(1,130)</b>	<b>(2,984)</b>
Finance expense		(253)	(263)	(542)
Share of post-tax (loss)/profit of equity accounted joint ventures		(6)	4	(26)
<b>Loss before tax</b>		<b>(907)</b>	<b>(1,389)</b>	<b>(3,552)</b>
Tax credit		8	8	277
<b>Loss after tax for the period</b>		<b>(899)</b>	<b>(1,381)</b>	<b>(3,275)</b>
<b>Earnings per share for loss attributable to the owners of the parent during the period</b>				
Basic (pence)	3	(1.65)p	(2.83)p	(6.34)p
Diluted (pence)	3	(1.65)p	(2.83)p	(6.34)p

Interim Consolidated Statement of Comprehensive Income

	Unaudited Period 1/10/22–31/3/23 £'000	Unaudited Period 1/10/21–31/3/22 £'000	Audited Year Ended 30/09/22 £'000
<b>Loss after tax for the period</b>	(899)	(1,381)	(3,275)
<b>Other comprehensive expense:</b>			
<i>Items that may be reclassified subsequently to profit and loss:</i>			
Currency translation differences	(9)	(17)	(15)
Other comprehensive expense for the period	(9)	(17)	(15)
<b>Total comprehensive expense for the period</b>	(908)	(1,398)	(3,290)



Interim Consolidated Statement of Financial Position

	Unaudited As at 31/3/23 £'000	Unaudited As at 31/3/22 £'000	Audited As at 30/9/22 £'000
<b>Non-current assets</b>			
Property, plant and equipment	8,477	9,390	8,949
Right-of-use assets	4,143	4,475	4,549
Intangible assets	2,937	2,991	2,987
Investments in equity-accounted joint ventures	68	103	74
Deferred tax asset	-	95	-
<b>Total non-current assets</b>	<b>15,625</b>	<b>17,054</b>	<b>16,559</b>
<b>Current assets</b>			
Inventories	1,999	2,107	2,669
Trade and other receivables	4,624	3,954	3,433
Cash in hand and at bank	1,273	2,775	1,786
<b>Total current assets</b>	<b>7,896</b>	<b>8,836</b>	<b>7,888</b>
<b>Total assets</b>	<b>23,521</b>	<b>25,890</b>	<b>24,447</b>
<b>Current liabilities</b>			
Trade and other payables	3,831	3,070	3,358
Loans and borrowings	848	384	860
Lease liabilities	785	830	825
<b>Total current liabilities</b>	<b>5,464</b>	<b>4,284</b>	<b>5,043</b>
<b>Non-current liabilities</b>			
Trade and other payables	102	108	105
Loans and borrowings	2,847	3,417	2,907
Lease liabilities	4,259	4,415	4,627
Deferred tax liability	22	39	30
<b>Total non-current liabilities</b>	<b>7,230</b>	<b>7,979</b>	<b>7,669</b>
<b>Total liabilities</b>	<b>12,694</b>	<b>12,263</b>	<b>12,712</b>
<b>Net assets</b>	<b>10,827</b>	<b>13,627</b>	<b>11,735</b>
<b>Equity attributable to equity holders of the Company</b>			
Share capital	1,092	1,092	1,092
Share premium account	18,366	18,366	18,366
Other reserves	1,886	1,886	1,886
Currency differences reserve	(149)	(142)	(140)
Accumulated losses	(10,368)	(7,575)	(9,469)
<b>Total equity</b>	<b>10,827</b>	<b>13,627</b>	<b>11,735</b>

Interim Consolidated Statement of Changes in Equity Unaudited

	Share capital £'000	Share premium account £'000	Other reserves £'000	Currency differences reserve £'000	Retained earnings £'000	Total equity £'000
<b>At 1 October 2022</b>	1,092	18,366	1,886	(140)	(9,469)	11,735
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<b>Comprehensive expense for the period</b>						
Loss for the period	-	-	-	-	(899)	(899)
Other comprehensive expense	-	-	-	(9)	-	(9)
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<b>Total comprehensive expense for the period</b>	-	-	-	(9)	(899)	(908)
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<b>At 31 March 2023</b>	<b>1,092</b>	<b>18,366</b>	<b>1,886</b>	<b>(149)</b>	<b>(10,368)</b>	<b>10,827</b>
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	Share capital £'000	Share premium account £'000	Other reserves £'000	Currency differences reserve £'000	Profit and loss account (adjusted) £'000	Total equity £'000
<b>At 1 October 2021</b>	792	15,866	1,886	(125)	(6,194)	12,225
<b>Comprehensive expense for the period</b>						
Loss for the period	-	-	-	-	(1,381)	(1,381)
Other comprehensive expense	-	-	-	(17)	-	(17)
<b>Total comprehensive expense for the period</b>	-	-	-	(17)	(1,381)	(1,398)
<b>Contributions by and distributions to owners</b>						
Shares issued in the period (note 4)	300	2,700	-	-	-	3,000
Share issue expenses (note 4)	-	(200)	-	-	-	(200)
<b>Total contributions by and distributions to owners</b>	300	2,500	-	-	-	2,800
<b>At 31 March 2022</b>	<b>1,092</b>	<b>18,366</b>	<b>1,886</b>	<b>(142)</b>	<b>(7,575)</b>	<b>14,169</b>

The balance sheet has been adjusted at 1 October 2021 and at 31 March 2022, increasing accumulated losses and trade payables by £542,000, to reflect the prior year adjustment reported in the 30 September 2022 financial statements.

	Share capital £'000	Share premium account £'000	Other reserves £'000	Currency differences reserve £'000	Retained earnings £'000	Total equity £'000
<b>At 1 October 2021</b>	792	15,866	1,886	(125)	(6,194)	12,225
<b>Comprehensive expense for the year</b>						
Loss for the year	-	-	-	-	(3,275)	(3,275)
Other comprehensive income	-	-	-	(15)	-	(15)
<b>Total comprehensive expense for the year</b>	-	-	-	(15)	(3,275)	(3,290)
<b>Contributions by and distributions to owners</b>						
Shares issued in the period (note 4)	300	2,700	-	-	-	3,000
Share issue expenses (note 4)	-	(200)	-	-	-	(200)
<b>Total contributions by and distributions to owners</b>	300	2,500	-	-	-	2,800
<b>At 30 September 2022</b>	<b>1,092</b>	<b>18,366</b>	<b>1,886</b>	<b>(140)</b>	<b>(9,469)</b>	<b>11,735</b>

## Interim Consolidated Statement of Cash Flows

	Unaudited Period 1/10/22-31/3/23 £'000	Unaudited Period 1/10/21-31/3/22 £'000	Audited Year ended 30/09/22 £'000
<b>Cash flows from operating activities</b>			
Loss after tax	(899)	(1,381)	(3,275)
<i>Adjustments for:</i>			
Income tax	(8)	(8)	(277)
Finance expense	253	263	542
Depreciation of property, plant and equipment	543	340	884
Depreciation of right-of-use assets	384	377	831
Amortisation of intangible assets	81	81	163
Share of post-tax loss/(profit) of equity accounted joint ventures	6	(4)	26
	360	(332)	(1,106)
(Increase)/decrease in trade and other receivables	(1,250)	(360)	261
Decrease/(increase) in inventories	670	326	(236)
Increase/(decrease) in trade and other payables	518	(32)	255
<b>Cash flows from operations</b>	<b>298</b>	<b>(398)</b>	<b>(826)</b>
Income taxes received	59	37	291
<b>Net cash flows from/(used in) operating activities</b>	<b>357</b>	<b>(361)</b>	<b>(535)</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment	(82)	(123)	(219)
Purchase of intangible assets	(75)	(30)	(112)
Dividend received from equity accounted joint venture	-	20	20
<b>Net cash used in investing activities</b>	<b>(157)</b>	<b>(133)</b>	<b>(311)</b>
<b>Financing activities</b>			
Interest paid	(245)	(255)	(527)
Proceeds from issue of shares	-	3,000	3,000
Share issue expenses paid	-	(200)	(200)
Loan issue costs paid	-	-	(3)
Repayment of loans	(17)	(100)	(108)
Repayment of hire purchase liabilities	(61)	(44)	(87)
Payment of lease liabilities	(385)	(366)	(688)
<b>Net cash flows (used in)/from financing activities</b>	<b>(708)</b>	<b>2,035</b>	<b>1,387</b>
Net (decrease)/increase in cash and cash equivalents	(508)	1,541	541
Cash and cash equivalents at beginning of period	1,786	1,238	1,238
Exchange losses on cash and cash equivalents	(5)	(4)	7
<b>Cash and cash equivalents at end of period (all cash balances)</b>	<b>1,273</b>	<b>2,775</b>	<b>1,786</b>

## Notes to the Interim Consolidated Financial Information

### 1. Accounting policies

#### **Description of business**

Autins Group plc is a public limited company domiciled in the United Kingdom and quoted on AIM, a market operated by the London Stock Exchange. The principal activity of the Group is the design, manufacture, and supply of acoustic and thermal insulation solutions. The address of the registered office is Central Point One, Central Park Drive, Rugby, Warwickshire, CV23 0WE.

#### **Basis of preparation**

In preparing these interim financial statements, the Board have considered the impact of any new standards or interpretations which will become applicable for the FY23 Annual Report and Accounts which deal with the year ending 30 September 2023 and there are not expected to be any changes in the Group's accounting policies compared to those applied at 30 September 2022.

A full description of those accounting policies are contained within our FY22 Annual Report and Accounts which are available on our website (Autins FY22 ARA).

This interim announcement has been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards issued by the International Accounting Standards Board, as adopted by the United Kingdom as effective for periods beginning on or after 1 January 2022.

#### New accounting standards applicable to future periods

There are no new standards, interpretations and amendments which are not yet effective in these financial statements, expected to have a material effect on the Group's future financial statements.

This unaudited consolidated interim financial information has been prepared in accordance with IFRS as adopted by the United Kingdom. The principal accounting policies used in preparing the interim results are those the Group expects to apply in its financial statements for the year ending 30 September 2023.

The financial information does not contain all of the information that is required to be disclosed in a full set of IFRS financial statements. The financial information for the six months ended 31 March 2023 and 31 March 2022 is unreviewed and unaudited and does not constitute the Group's statutory financial statements for those periods.

The comparative financial information for the full year ended 30 September 2022 has, however, been derived from the audited statutory financial statements for that period. A copy of those statutory financial statements has been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified, did not include references to any matters to which the auditor drew attention by way of emphasis without qualifying its report and did not contain a statement under section 498(2)-(3) of the Companies Act 2006.

The financial information in the Interim Report is presented in Sterling, the Group's presentational currency.

#### **Basis of consolidation**

The consolidated financial statements present the results of the Company and its subsidiaries (the "Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date.

#### **Operating segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the management team including the Chief Executive, Chief Financial Officer and Chairman.

The Board considers that the Group's activity constitutes one primary operating and one separable reporting segment as defined under IFRS 8. Management consider the reportable segment to be Automotive NVH. Revenue and profit before tax primarily arises from the principal activity based in the UK. All material assets are based in the UK. Management reviews the performance of the Group by reference to total results against budget.

The total profit measure is operating (loss)/profit as disclosed on the face of the consolidated income statement. No differences exist between the basis of preparation of the performance measures used by management and the figures in the Group financial information

## 2 Revenue

	Unaudited Period 1/10/22–31/3/23 £'000	Unaudited Period 1/10/21–31/3/22 £'000	Audited Year ended 30/09/22 £'000
Revenue arises from:			
Component sales	10,791	9,283	18,577
Sales of tooling	52	109	296
	10,843	9,392	18,873
	10,843	9,392	18,873

### Segmental information

The Group currently has one main reportable segment in each year/period, namely Automotive NVH which involves provision of insulation materials to reduce noise, vibration and harshness to automotive manufacturing. Turnover and Operating Profit are disclosed for other segments in aggregate as they individually have not had a significant impact on the Group result. In H1 FY23 and in FY22 with a continuing subdued automotive market, a majority of the other revenue arises from acoustic flooring sales.

#### Measurement of operating segment profit or loss, assets and liabilities

The accounting policies of the operating segments are the same as those applied by the Group in the FY22 annual report and accounts.

The Group evaluates performance on the basis of operating (loss)/profit.

	Automotive NVH £'000	Others £'000	1/10/22–31/3/23 Total £'000
Group's revenue per Consolidated Statement of Comprehensive Income	9,468	1,375	10,843
Depreciation of property, plant and equipment	543	-	543
Depreciation of right-of-use assets	384	-	384
Amortisation	81	-	81
Segment operating loss	(626)	(22)	(648)
Finance expense			(253)
Share of post tax loss of equity accounted joint venture			(6)
Group loss before tax			(907)
	Automotive NVH £'000	Others £'000	As at 31/3/23 Total £'000
Additions to non-current assets	157	-	157
Reportable segment assets	23,453	-	23,453
Investment in joint ventures	68	-	68
Total Group assets	23,521	-	23,521
Reportable segment liabilities/ total Group liabilities	12,694	-	12,694

**Segmental information (continued)**

	<b>Automotive NVH £'000</b>	<b>Others £'000</b>	<b>1/10/21–31/3/22 Total £'000</b>
Group's revenue per Consolidated Statement of Comprehensive Income	7,577	1,815	9,392
Depreciation of property, plant and equipment	340	-	340
Depreciation of right-of-use assets	377	-	377
Amortisation	81	-	81
Segment operating (loss)/profit	(1,214)	84	(1,130)
Finance expense			(263)
Share of post tax profit of equity accounted joint venture			4
Group loss before tax			(1,389)
	<b>Automotive NVH £'000</b>	<b>Others £'000</b>	<b>As at 31/3/22 Total £'000</b>
Additions to non-current assets	153	-	153
Reportable segment assets	25,787	-	25,787
Investment in joint ventures	103	-	103
Total Group assets	25,890	-	25,890
Reportable segment liabilities/ total Group liabilities	12,263	-	12,263



**Segmental information (continued)**

	<b>Automotive NVH £'000</b>	<b>Others £'000</b>	<b>Year Ended 30/9/22 Total £'000</b>
Group's revenue per Consolidated Statement of Comprehensive Income	15,271	3,602	18,873
Depreciation of property, plant and equipment	884	-	884
Depreciation of right-of-use assets	831	-	831
Amortisation	163	-	163
Segment operating(loss)/profit	(2,968)	(16)	(2,984)
Finance expense			(542)
Share of post-tax loss of equity accounted joint venture			(26)
Group loss before tax			(3,552)
	<b>Automotive NVH £'000</b>	<b>Others £'000</b>	<b>As at 30/9/22 Total £'000</b>
Additions to non-current assets	1,036	-	1,036
Reportable Segment assets	24,373	-	24,373
Investment in joint venture	74	-	74
Total Group assets	24,447	-	24,447
Reportable segment liabilities/ Total Group liabilities	12,712	-	12,712

Reporting of external revenue by location of customers is as follows:

	<b>Unaudited Period 1/10/22–31/3/23 £'000</b>	<b>Unaudited Period 1/10/21–31/3/22 £'000</b>	<b>Audited Year ended 30/09/22 £'000</b>
United Kingdom	6,170	5,531	10,570
Germany	3,252	2,764	5,917
Sweden	366	311	645
Other European	1,050	771	1,706
Rest of the World	5	15	35
	10,843	9,392	18,873

### 3 Earnings per share

	<b>Unaudited Period 1/10/22–31/3/23 £'000</b>	<b>Unaudited Period 1/10/21–31/3/22 £'000</b>	<b>Audited Year Ended 30/09/22 £'000</b>
Loss used in calculating basic and diluted earnings per share	(899)	(1,381)	(3,275)
Weighted average number of £0.02 shares for the purpose of:			
- basic earnings per share ('000)	54,601	48,832	51,683
- diluted earnings per share ('000)	54,601	48,832	51,683
Basic and diluted earnings per share (pence)	(1.65)p	(2.83)p	(6.34)p

Loss per share is calculated based on the share capital of Autins Group plc and the earnings of the Group for all periods. There are options in place over 2,523,648 ordinary shares at 31 March 2023 with vesting dependent on meeting a combination of EBITDA and share price targets over the period to September 2023. These options were anti-dilutive at the period end but may dilute future earnings per share.

### 4 Share capital

In December 2021, 15,000,000 additional £0.02 ordinary shares were issued at 20 pence each. Net proceeds of £2,800,000 arose after incurring issue expenses of £200,000. This resulted in an increase in the nominal value of share capital of £300,000 and an increase of £2,500,000 in the share premium account net of the issue expenses. The total number of ordinary shares in issue since December 2022 is 54,600,984.

### 5 Taxation

The tax credit for the period reflects only the deferred tax related to amortisation of intangible assets. Given the continuing economic conditions, losses carried forward are not yet recognised in deferred tax balances, consistent with the judgement made at 30 September 2022.

### 6 Interim Report

A copy of the Interim Report will be available on the Company's website: [www.autins.com](http://www.autins.com).