CT AUTOMOTIVE

Innovation Defines Us

Delivering margin improvement

CT Automotive Group plc

2023 Interim Results

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Agenda

1. Highlights
2. Financial results
3. Business review
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Simon Phillips
CEO

Simon co-founded CT in 2000, having identified an opportunity to disrupt the automotive tooling market.

He developed the business model from its original tooling focus into the global Serial Production operation it is today.

Anna Brown
CFO

Anna brings substantial experience in strategic and operational finance in listed companies. Prior to CT, Anna spent eight years at McCarthy & Stone in various senior corporate and operational finance roles.

Anna is a Chartered Certified Accountant and has also held several senior roles at KPMG, helping clients to raise finance and deliver M&A strategy.

Highlights

Positive trading, strong first half of 2023

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Financial highlights

Revenue
$68.2m
+$14.0m

Gross profit
$17.8m
+$7.3m

Underlying* EBITDA
$6.7m
+$11.2m

Underlying* PBT
$2.5m
+$10.9m

PBT
$1.3m
+$9.3m

Earnings per share
1.70c
+16.9c

Net debt
$9.0m
+$11.2m

Note: H1 2023 and H1 2022 are presented as continuing operations excluding UK discontinued operations. H1 2022 has been restated for prior period adjustments as explained in Appendix 2. Underlying EBITDA and underlying PBT are adjusted for non-underlying items as explained on slide 8. Net debt excludes IFRS 16 lease liabilities.

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Encouraging trading performance

- Revenues ahead of the Board's expectations at $68.2m, up by 26% on H1 2022
  - Production revenue of $65.8m up 26% reflecting the improved trading environment
  - Tooling revenue expected to be weighted towards H2 reflecting the timing of customer projects

- Gross profit margins up to 26% (H1 2022: 19%), driven by:
  - Higher revenue
  - Stable production schedules
  - Restructuring
  - Efficiency initiatives

- Balance sheet strengthened following the fundraising of $9.6m in May 2023

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Good progress on operations and strategy

- Global production volumes recovered and automotive supply chain issues eased
- Efficiency initiatives in China and Türkiye progressing as planned
- Impact of hyperinflation in Türkiye partially offset by improved pricing and cost escalation system
- Performance of new Mexico facility on track - plant generated $4.8m revenue in H1
- Improvement in Group distribution and logistics recovered as supply chains and container rates normalised

Financial Review

Improvement across all key metrics

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Income statement

$m	H1 2023	H1 2022 (restated)
Production	65.9	52.3
Tooling	2.3	1.9
Revenue	**68.2**	**54.2**
Cost of sales	(50.4)	(43.7)
Gross profit	**17.8**	**10.5**
Gross profit margin (%)	26.2%	19.4%
Operating expenses	(11.1)	(15.1)
Underlying EBITDA	**6.7**	**(4.6)**
Depreciation & amortisation	(3.1)	(2.9)
Non-underlying items	(1.2)	(0.7)
Operating profit/(loss)	**2.4**	**(8.2)**
Finance costs	(1.1)	(0.8)
Profit/(loss) before tax	**1.3**	**(9.0)**
Taxation	(0.3)	1.2
Profit/ (loss) from continuing operations	**1.0**	**(7.8)**

- Revenue growth driven by increase in both production revenue and tooling revenue
- Gross profit increased on the back of improved trading conditions and the ongoing efficiency initiatives in China and Türkiye
- Underlying EBITDA of $6.7m further benefitted from improved distribution expenses as container rates settled to pre-covid levels and foreign exchange gains
- Rising finance costs reflect increased UK interest rates
- Overall result is a $2.5m underlying PBT and a $1.3m reported PBT

Non-underlying items

$m	H1 2023	H1 2022
Release of previously capitalised tooling overheads	0.3	-
Restructuring and margin improvement costs	0.9	-
Impact of applying IAS29	-	0.6
Irrecoverable excess freight costs	-	0.1
Total	**1.2**	**0.7**

Change in estimating tooling overheads:

- The Group changed the method of estimating tooling overheads
- This results in releasing production overheads in relation to tooling projects that were capitalised in prior periods
- The amount for the current financial period is $0.3m
- This change is expected to result in a non-underlying charge of $1.8m for the full year

Restructuring and margin improvement initiatives costs:

- Redundancies due to optimising our manufacturing footprint in China and Türkiye: $0.1m;
- A write down of unviable stock as part of destocking and distribution centre rationalisation programme: $0.3m; and
- $0.5m charge in relation to previously completed tooling projects.

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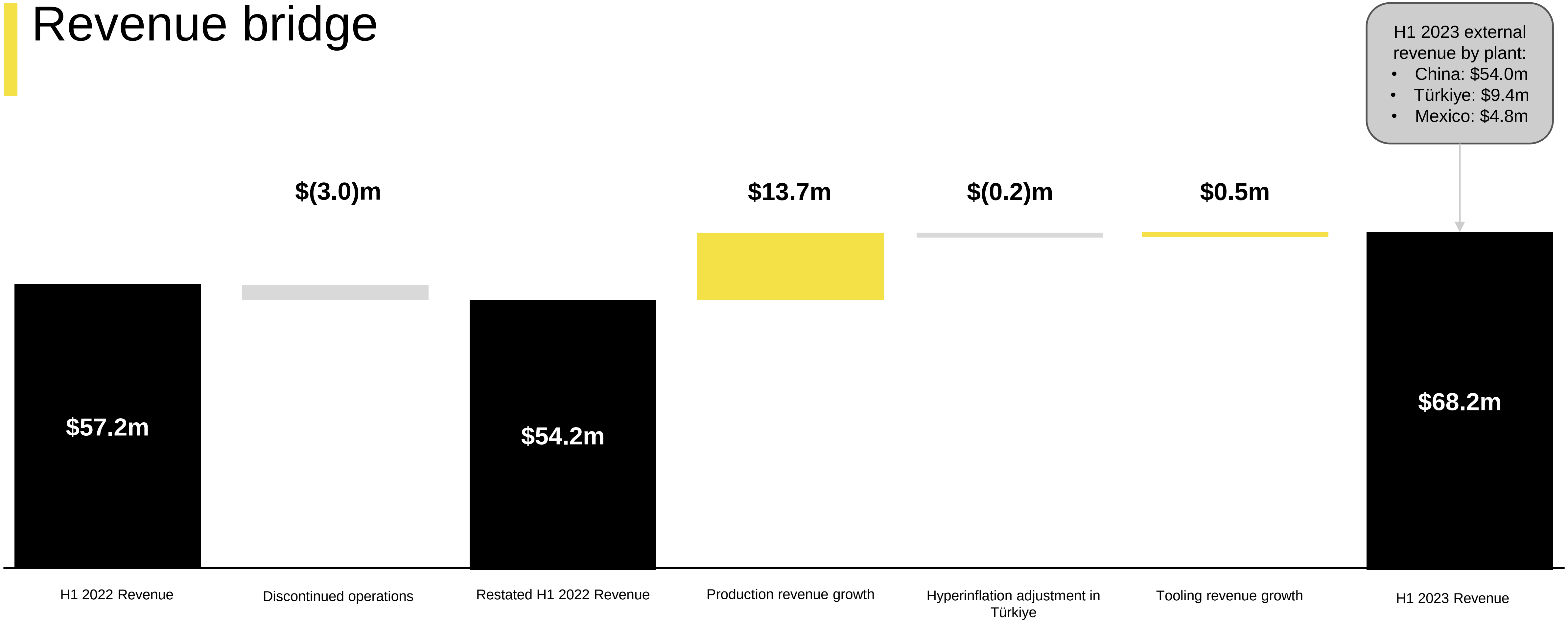
Balance sheet

$m	At 30 June 2023	At 31 December 2022
Non-current assets		
Intangible assets and goodwill	1.7	1.8
Tangible fixed assets	6.2	7.3
Right of use assets	9.0	10.8
Current assets		
Inventories	25.3	27.3
Trade and other receivables	33.3	27.1
Cash	7.6	4.8
Liabilities		
Loans and borrowings	(16.6)	(17.1)
Trade and other payables	(45.1)	(47.5)
IFRS 16 liabilities	(10.3)	(11.9)
Net Assets	**11.1**	**2.6**
Share capital	0.5	0.3
Share premium	63.7	54.7
Other reserves	(53.1)	(52.4)
Equity	**11.1**	**2.6**

- Net assets increased to $11.1m supported by the fundraise in May 2023
- Inventory levels reduced by $2.0m as the group pursued a strategy of de-stocking. Given new projects starting in H2 2023, stocks expected to rebuild towards Dec-23
- Increase in trade receivables is reflective of the strong sales levels achieved in H1 2023 and customer payment terms returning back to normal
- Loans and borrowings relate to working capital finance, comprising $1.1m of overdrafts, $7.1m of invoice finance and $8.4m of trade loans.
- Trade and other payables reduced by $2.7m, as the fund raise proceeds have been used to pay down historic AP balances in China and the UK

Revenue bridge



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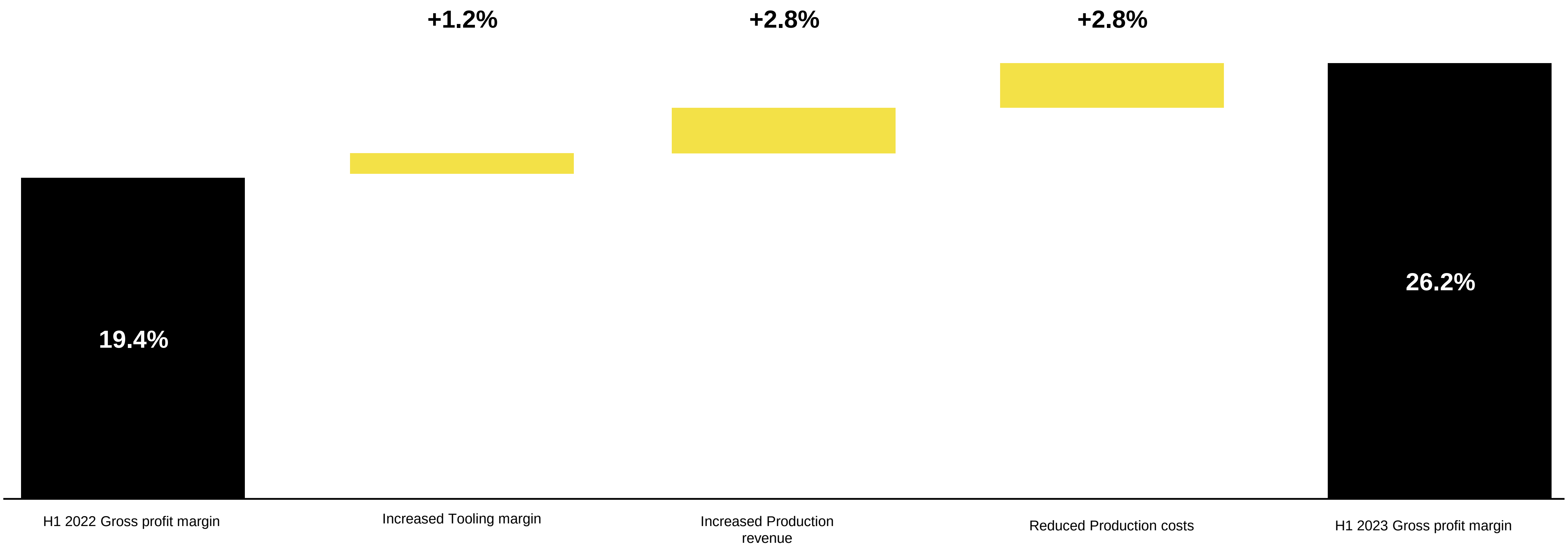
Gross profit margin bridge



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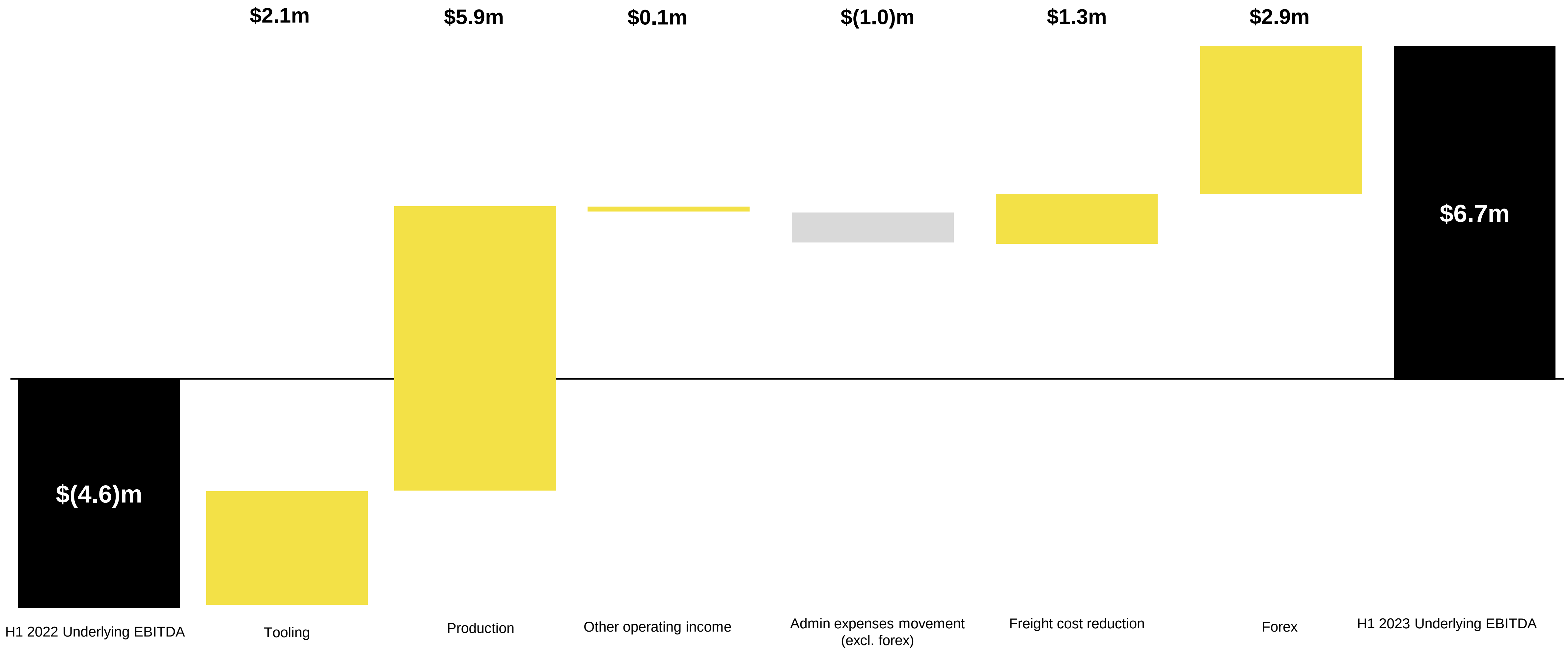
Underlying EBITDA bridge



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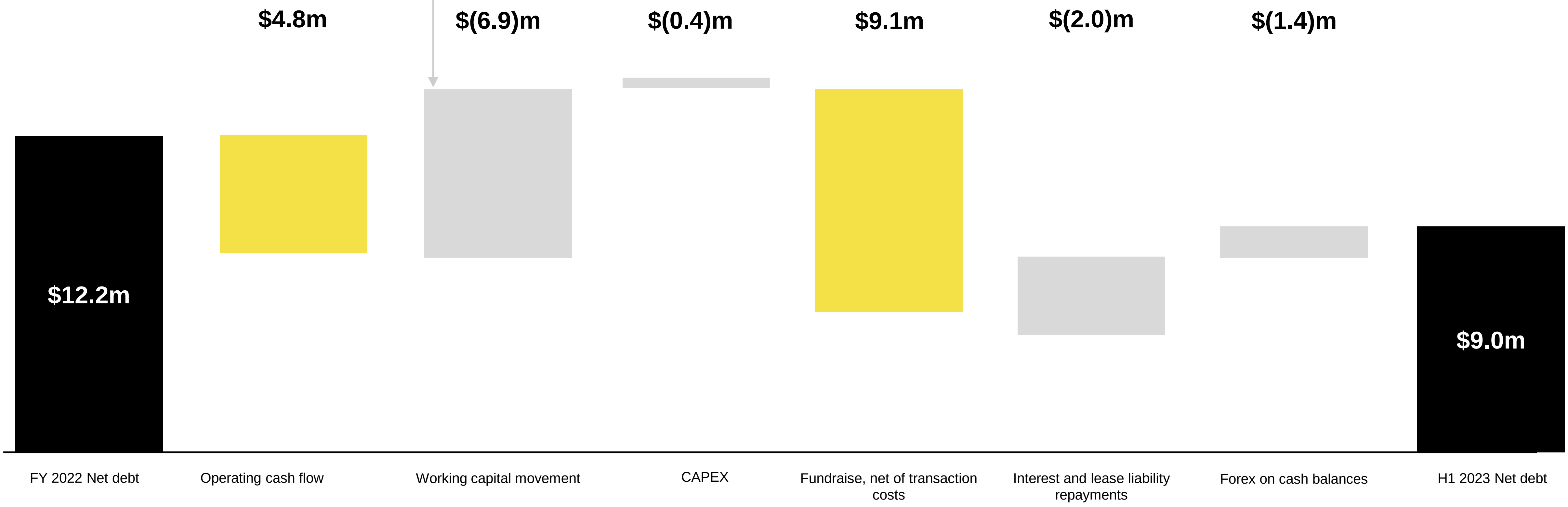
Net debt bridge

$9.2m increase in trade receivables:
- Customer payment terms return back to normal
- Mexico VAT



Business review

Efficiency initiatives delivering margin improvement

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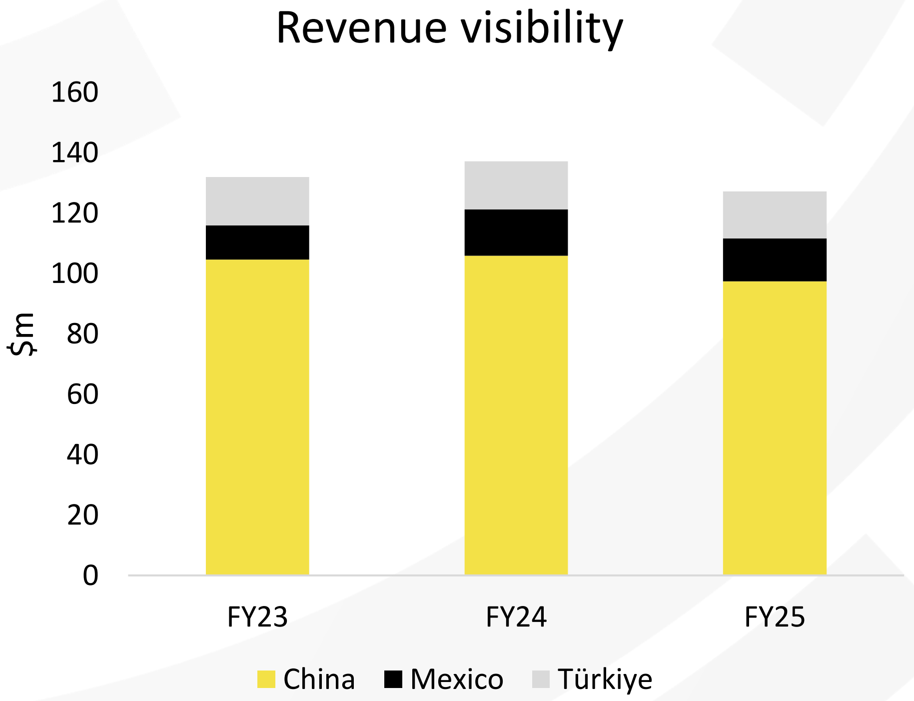
Strong revenue visibility and new business pipeline

Revenue visibility

- Strong visibility of revenue for the remainder of 2023 and into FY24 - FY25 from contracted production programmes
    - Pipeline will continue to build into FY24/25 with new programme wins to generate continued revenue growth



New business pipeline

- Recovery in new business activity into H2 2023
    - Reduced new tendering activity at start of 2023 as most OEMs considered significant changes to platform configurations
    - Notable increase in customer RFQs towards end of H1 2023
    - 5 new production programme wins in Q3 to date with a total production annualised turnover of $9.4m and tooling business awards of $6.9m
- More customers focusing on EVs for forward-looking platforms
- Strong sales capability is in place in Europe and USA
- We are strengthening our sales team in China as the opportunity is significant and largely untapped

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Review of key operations: China

Tooling

- Completed 5 tooling projects generating $2.3m revenue
- Our internal toolroom is fully utilised and ensures maximum product control and margins
- Tooling revenue is weighted towards the second half this year
- 11 projects are due to complete in H2 2023 with an expected revenue of c.$8-10m

Production

- China remains the main focus of our margin improvement initiatives
- Initiatives include the restructuring of tooling operations and manufacturing footprint, supplier and logistics rationalisation, as well as automation
- Continuing to consolidate some of our production lines in China to Ganzhou, benefitting from comparatively lower labour costs

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Progress on margin improvement

- CT is on track to deliver a 10.5% run rate underlying PBT margin by the end of 2023
- The main drivers of improvement continue to be:
  - ✓ **Materials**: ongoing material cost improvements driven by rationalisation of suppliers via dedicated supplier quality teams, driving ongoing procurement savings
  - ✓ **Direct labour**: continuous focus on efficiency improvements, mainly automation and production line relocation to Ganzhou facility
  - ✓ **Indirect labour**: improving systems (e.g. timesheets) to have greater visibility of costs, greater use of our Indian back office teams
  - ✓ **Logistics**: focus on packaging density improvements
- All aspects to reduce costs are measured directly at a plant level on a weekly basis using specific KPIs

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Review of key operations: Türkiye and Mexico

Türkiye

- Türkiye continued to be impacted by hyperinflation
- An improved pricing and cost escalation system with key customers has been effective in protecting local operations

Mexico

- Opened in late 2022 to support our North American customers
- Performing as planned, generating $4.8m revenue during H1 2023
- Further growth is expected from the new project launches scheduled for Q1 2024

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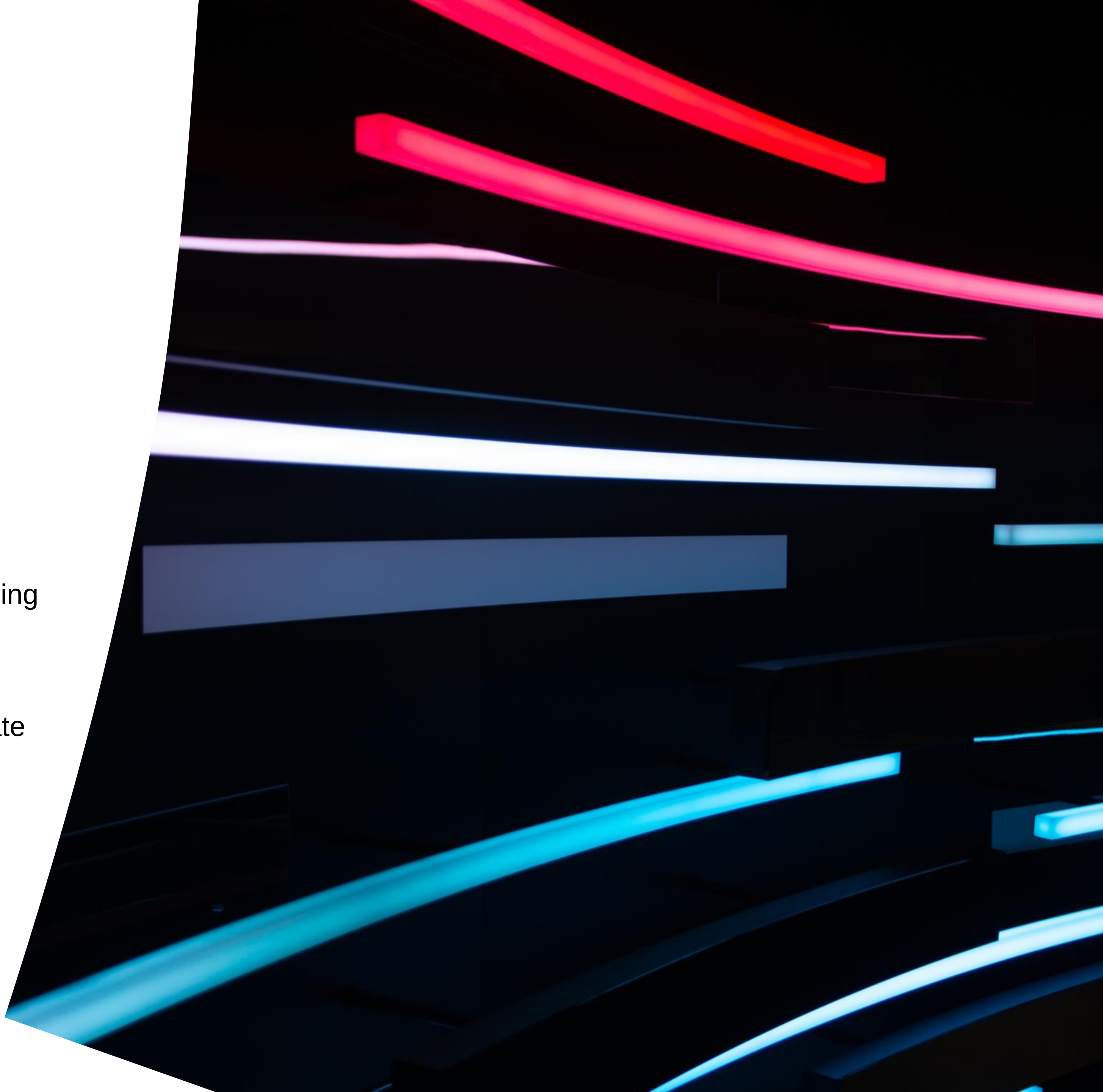
Summary and outlook



- Encouraged by stabilising order volumes, pricing and inventory patterns since the start of FY23
- Entered H2 2023 with good visibility of production schedules and tooling projects
- Continued signs that customer schedules are strengthening as OEMs supply chain issues are continuing to improve
- The Board remains confident of underlying margin run rate progression in H2 2023, supported by the efficiency initiatives and achieving its expectations for FY23

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Appendices

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Appendix 1: Investment Case

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Overview of CT Automotive

Specialist supplier of interior kinematic systems and finishers

CT Automotive offers two principal services:

- **ED&D** – Full Engineering Design and Development of complex kinematic interior components.
- **Production** – Lean, efficient, vertically integrated manufacturing of interior components for the automotive sector.

Strong reputation with both OEMs and Tier 1 customers across the industry

MARELLI FORVIA faurecia Ford

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Investment Case

Niche market with high barriers to entry

Innovative business model with European expertise and low-cost production

Embedded relationships with growing blue chip client base

Long term visibility of pipeline with production levels stabilising

Focus on self help margin improvement through optimising manufacturing footprint, supplier and logistics rationalisation, automation

Recent fundraise enabled further investment in production efficiencies, including robotics and strengthened the balance sheet

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Board Of Directors

Raymond Bench

Independent Non-Executive Director, Chairman

Ray has worked in the global automotive industry for the past 30 years; 12 of which were spent working for a Chinese OEM. He is an experienced automotive design engineer with extensive knowledge of automotive design processes.

Ray has significant experience of business and departmental management, including having been part of Shanghai Motor UK Technical Centre's UK senior leadership team. Ray's experience also includes leadership roles at Ricardo, Rover Group, and Land Rover.

Francesca Ecsery

Senior Independent Non-Executive director, Chair of Renumeration Committee

Francesca has over 20 years' experience as a director of both public companies and start-ups in the digital, retail, fast-moving consumer goods and leisure industries. She is a Harvard MBA, fluent in five languages and has special expertise in multi-platform consumer marketing, branding and sustainable commercial strategies. Francesca is also a Non-Executive Director of Société Air France SA, Henderson High Income Investment Trust plc, Haffner Energy SA and the Association of Investment Companies. She previously served on the boards of Marshall Motors plc, F&C Investment Trust plc, Good Energy Group plc and Vista Communications. Her previous executive experience includes McKinsey, PepsiCo, Thorn EMI, Thomas Cook and STA Travel.

Geraint Davies

Independent Non-Executive Director, Chair of Audit and Risk Committee

Geraint is a Chartered Accountant with over 30 years' experience as a Partner in the "Big Four" accounting firms, working principally with global businesses in manufacturing, real estate, mining, distribution and financial services.

Prior to his appointment, Geraint held senior leadership roles in EY's practices in the Channel Islands, the UK, and most recently in Malta. He has also previously held roles with PwC and Deloitte. Throughout his career, Geraint has had specific responsibility for risk, both at regional and national level, as well as leading on talent development and senior recruitment.

Nick Timberlake

Non-Executive Director

Nick is a director of India Capital Growth Fund and abrdn Equity Income Trust plc. He has over thirty years' experience in the asset management industry, including as a portfolio manager with HSBC Global Asset Management between 2005 and 2020, initially as Global Head of Emerging Markets Equities and then Head of Equities. Previously, Nick was a Director of F&C Emerging Markets Limited and has spent over 20 years investing in global emerging markets equities. Nick is a member of the CFA Institute and CFA Society of the UK.

Simon Phillips

Chief Executive Officer

Simon co-founded CT Automotive in 2000 having identified an opportunity to disrupt the automotive tooling market. He led the business from its original tooling focus into the global Serial Production operation it is today. Simon was a shareholder in an injection moulding company in the UK prior to exiting that business and co-founding CT Automotive. He has an engineering background having studied Mechanical Engineering at Portsmouth University, with a specific emphasis on sub-sonic to super-sonic flight.

Anna Brown

Chief Finance Officer

Anna is a Chartered Certified Accountant and brings substantial experience in strategic and operational financial roles in listed companies prior to joining CT Automotive.

Prior to her joining CT Automotive, Anna spent eight years at McCarthy & Stone, latterly as Director of Strategic and Corporate Finance and Group Company Secretary, having previously held various roles including Group Financial Controller, Head of Accounting & Reporting, and IPO Project Director. Anna has also held several senior finance roles during her sixteen years at KPMG.

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Global Footprint

CT Mexico *c100 staff*
Peubla, Mexico
Operates CT’s Mexico manufacturing site, (Air registers, kinetic assemblies and wrapped panels with commercial and program support for the Americas)

CT UK *c30 staff*
Sunderland, UK
Warehouse to hold and distribute products to UK customers
Portsmouth, UK
Head office

CT Czech Republic
Kolin, Czechia
Warehousing, assembly, ultrasonic welding for European customers

CT Türkiye *c250 staff*
Gebze, Türkiye
Operates CT’s Turkish manufacturing site, (Air registers, kinetic assemblies and illumination systems with on-site OEM approved paint-line and program support for Turkey and Northern Europe)

CTIN *c25 staff*
Pune, India
Engineering Design office established in 2020

CT Ganzhou plant 1
c400 staff
Ganzhou, China
Cut & sew – wrapped trim parts Armrests/IP panels/console trims/gear-shift gaiters

CT Shenzhen *c800 staff*
Shenzhen, China
Operates CT’s plants in Shenzhen, including the chrome plant and new 2K site (Programme Mgt – Product Design, tooling / gauge / fixture manufacture, complex/high tech assembly, injection molding, hydrographics, chrome plating CR6 CR3)

CT Ganzhou plant 3
c350 staff
Ganzhou, China
Light guide injection & assembly, hot stamping in ISO clean room

CT Ganzhou plant 2
c400 staff
Ganzhou, China
Two fully automatic paint lines with UV, Air vents/cupholders, Mechanical storage bins

CTHK
Hong Kong
Interim holding company
CMSHK
Hong Kong (offshore)
Management of design, development and tooling projects for other group members

Customers

Strong reputation with both OEMs and Tier 1 customers across the industry

OEMs

Volume brands	Premium brands	Electric vehicles
gm, SEAT, FIAT, PSA, Ford, ŠKODA, RENAULT NISSAN MITSUBISHI, STELLANTIS	LOTUS, LAMBORGHINI, Audi, BENTLEY	RIVIAN, LUCID, eGO, Togg, VINFAST

Tier 1 Suppliers

> 15 years	> 10 years	> 5 years	Newest Customers
MARELLI, IAC International Automotive Components, MAGNA	FORVIA faurecia	Yanfeng Global Automotive Interiors, DRÄXLMAIER	Kasai, farplas, SMRC SONG MÃ DISTRIBUTION

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Product Range

1

Wrapped assemblies
CT's vast tailoring and trim department caters for and provides the very highest-quality wrapped trim panels, shifter assemblies and consoles, with no limiting factors on globally available coverings.

2

Decorative finishes
CT's in-house chrome plating, painting and finishing divisions allow for a full range of high-quality finishing techniques that span across many different styles and applications

3

Mechanical assemblies
A wide range of kinematic assemblies with the supply of deployable cup holders, docking stations and storage bins.

4

Light guides
Ambient light guides supplied by CT's class 10,000 clean room facility can be incorporated into our trim panel supply or provided as individual assemblies

5

HVAC
CT specialises in 2k tooling manufacture and production supply of cabin comfort system components, including a broad range of HVAC doors and assemblies

6

Air registers
From high-volume, multi-global platform supply to premium brand prestigious models

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Appendix 2: Prior Period Adjustments

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H1 22 Restatement reconciliation

(USD M)	As previously stated in H1 2022 Results Presentation	Adjustments				
	Reported H1 22	Prior period inventory adjustment	Prior period tooling adjustment	Impact of UK discontinued operations	Impact of IAS 29 monetary gain reclassification to align with FY 22	H122 Underlying (restated)
Production	55.3	-	-	(3.0)	-	52.3
Tooling	1.9	-	-		-	1.9
Revenue	**57.2**	**-**	**-**	**(3.0)**	**-**	**54.2**
Cost of sales	(46.6)	(1.1)	0.4	3.6	-	(43.7)
Gross profit	**10.6**	**(1.1)**	**0.4**	**0.6**	**-**	**10.5**
Gross profit margin (%)	*18.5%*					*19.4%*
Operating expenses	(16.2)	-	-	0.2	0.3	(15.7)
EBITDA	**(5.6)**	**(1.1)**	**0.4**	**0.8**	**0.3**	**(5.2)**
EBITDA margin (%)	*(9.8%)*	-	-			*(9.6%)*
Dep'n & amortisation	(3.0)	-	-	-	-	(3.0)
Operating profit/(loss)	**(8.6)**	**(1.1)**	**0.4**	**0.8**	**0.3**	**(8.2)**
Finance costs & monetary gain	(0.6)	-	-	0.1	(0.3)	(0.8)
Profit/(loss) before tax	**(9.2)**	**(1.1)**	**0.4**	**0.9**	**-**	**(9.0)**
Taxation	1.5	-	-	(0.2)	-	1.3
Net income	**(7.7)**	**(1.1)**	**0.4**	**0.7**	**-**	**(7.8)**
EPS	(0.15)					(0.15)

Prior period adjustments

- Two prior period adjustments were identified during the audit of the 2022 financial statements. Full detail of the nature of these adjustments is disclosed in the 2022 Annual Report and Financial Statements.
- We have considered and calculated the impact of these adjustments, which originated in 2020 and 2021, on the previously reported results for the 6-month period ended 30 June 2022.
- Recalculation of the provision for unrealised profit (PURP) as at 30 June 2022 results in a $9.4m reduction in the value of inventory, and a $1.1m increase in cost of sales for the 6 months ended 30 June 2022.
- Correction of the transfer of tooling assets to cost of sales, relating to sales made in 2021, results in a $2.2m reduction in the value of Property, plant and equipment and a $0.4m reduction in cost of sales for the 6 months ended 30 June 2022.

Appendix 3: Use of Fundraise Proceeds

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Use of fundraise proceeds

	$m
Gross proceeds	9.6
Less: Fundraising costs	(0.5)
Net proceeds	**9.1**
Repayment to creditors	(5.9)
Capex expenditure	(0.5)
Additional cash headroom	**2.7**

- Achieved total gross proceeds of $9.6m mid-May 2023
- Net proceeds of $9.1m have been used during June – August 2023 to:
  - ✓ Repaid $5.9m to Chinese and UK creditors;
  - ✓ Invested $464k in injection moulding production processes/ robotics as a deposit for the finance leases; and
  - ✓ Used $2.7m to increase cash headroom

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