



ONE GRAMMER

COLLABORATING FOR A SUSTAINABLE FUTURE

Financial Results 9M 2021
Ursensollen, October 27th, 2021



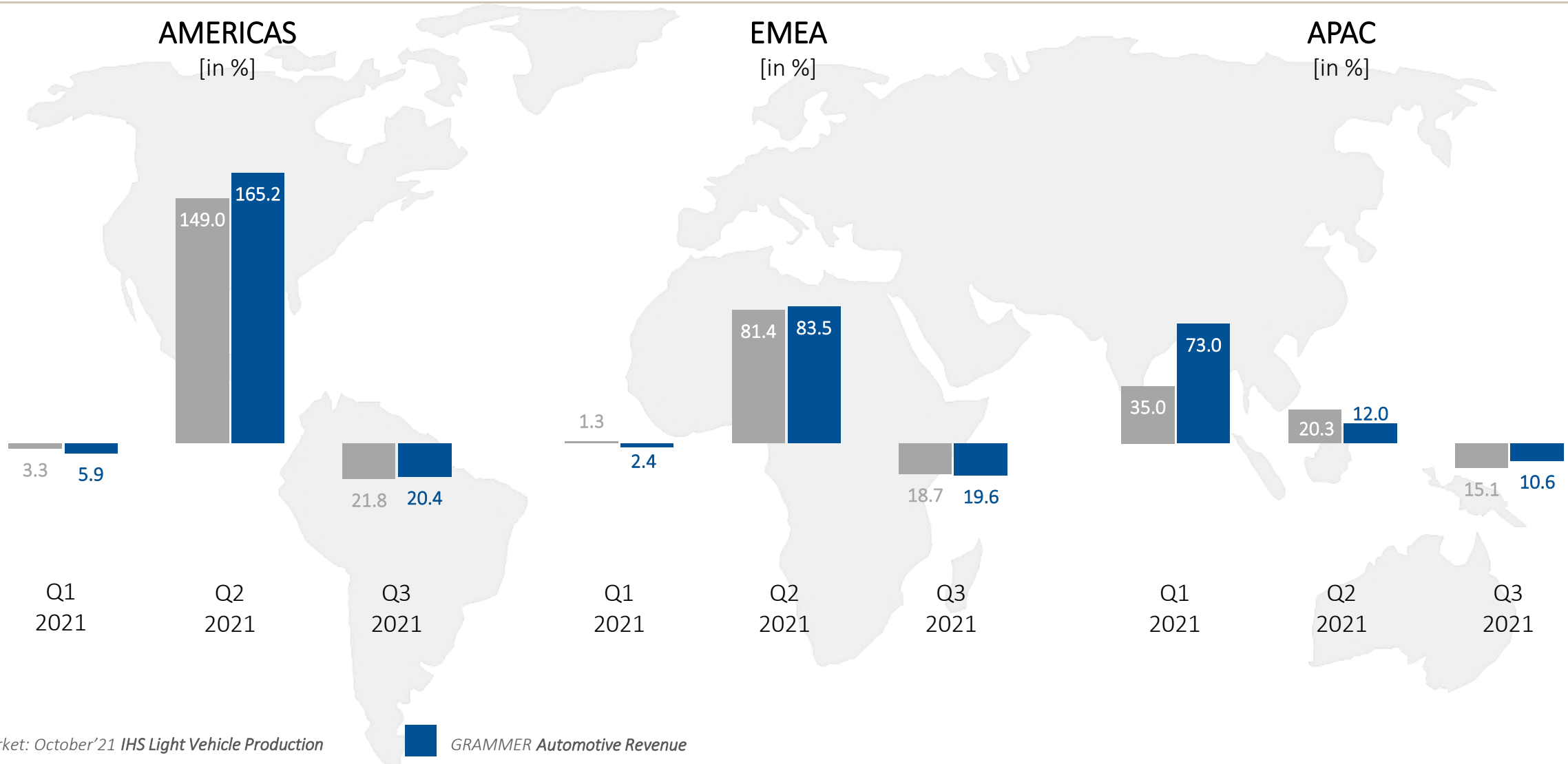
First nine months of GRAMMER Group at a glance

- Positive revenue development with a significant increase of Commercial Vehicles business (+34.9%) in all regions
- Very volatile customer call-offs and extended down-weeks due to semiconductor shortages leading to underutilized production capacities & operational inefficiencies
- Exceptional material and logistics cost increases as well as an extra-ordinary labor-market development in the US has been impacting earnings further in Q3
- Focus Area AMERICAS: turnaround project “Path to Profitability” leaving no stone unturned
- FY2021 Earnings outlook adjusted
- Robust GRAMMER business model with both divisions and their respective global markets



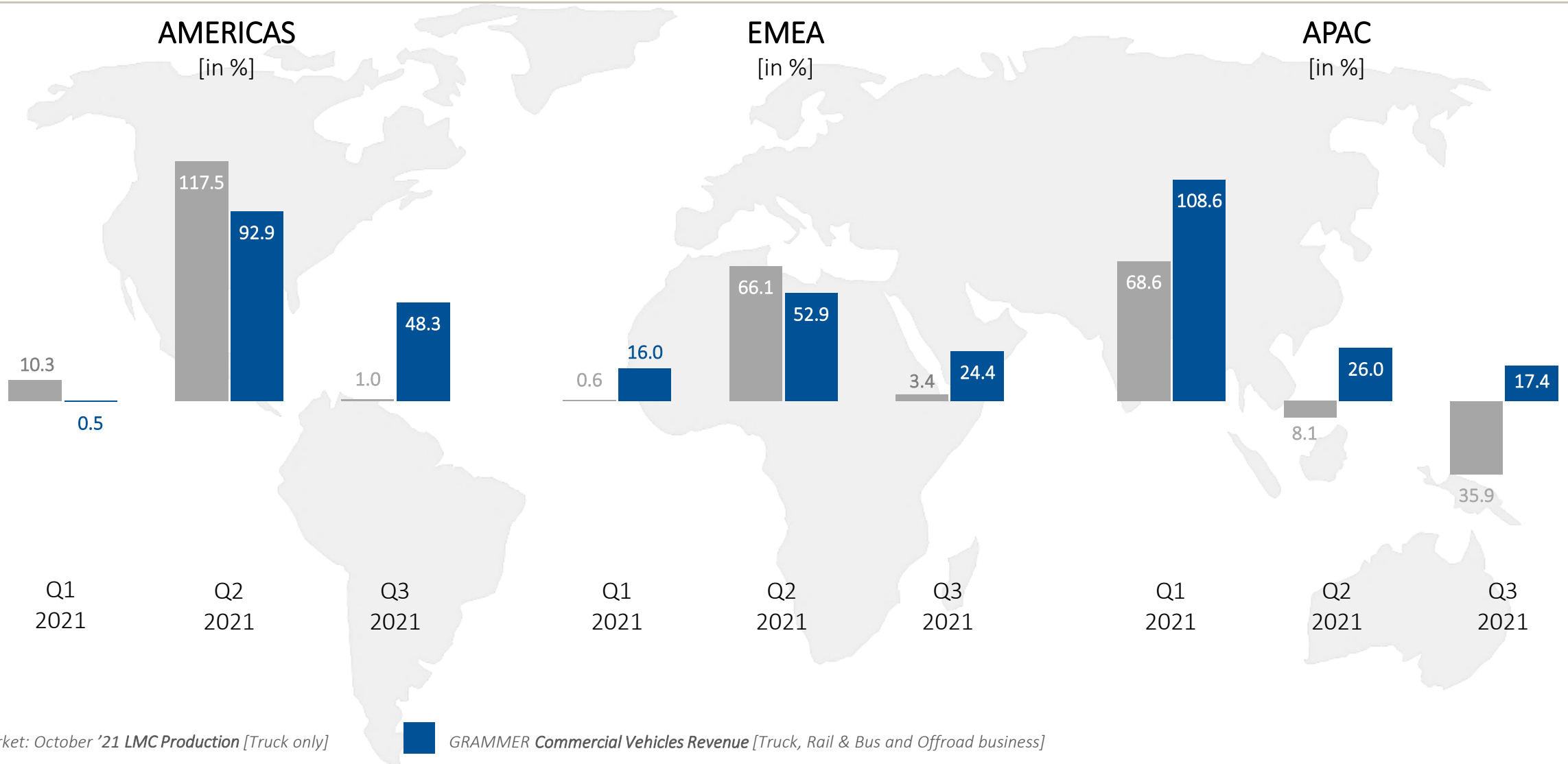
GRAMMER Automotive impacted by semiconductor shortages

Global market development light vehicles



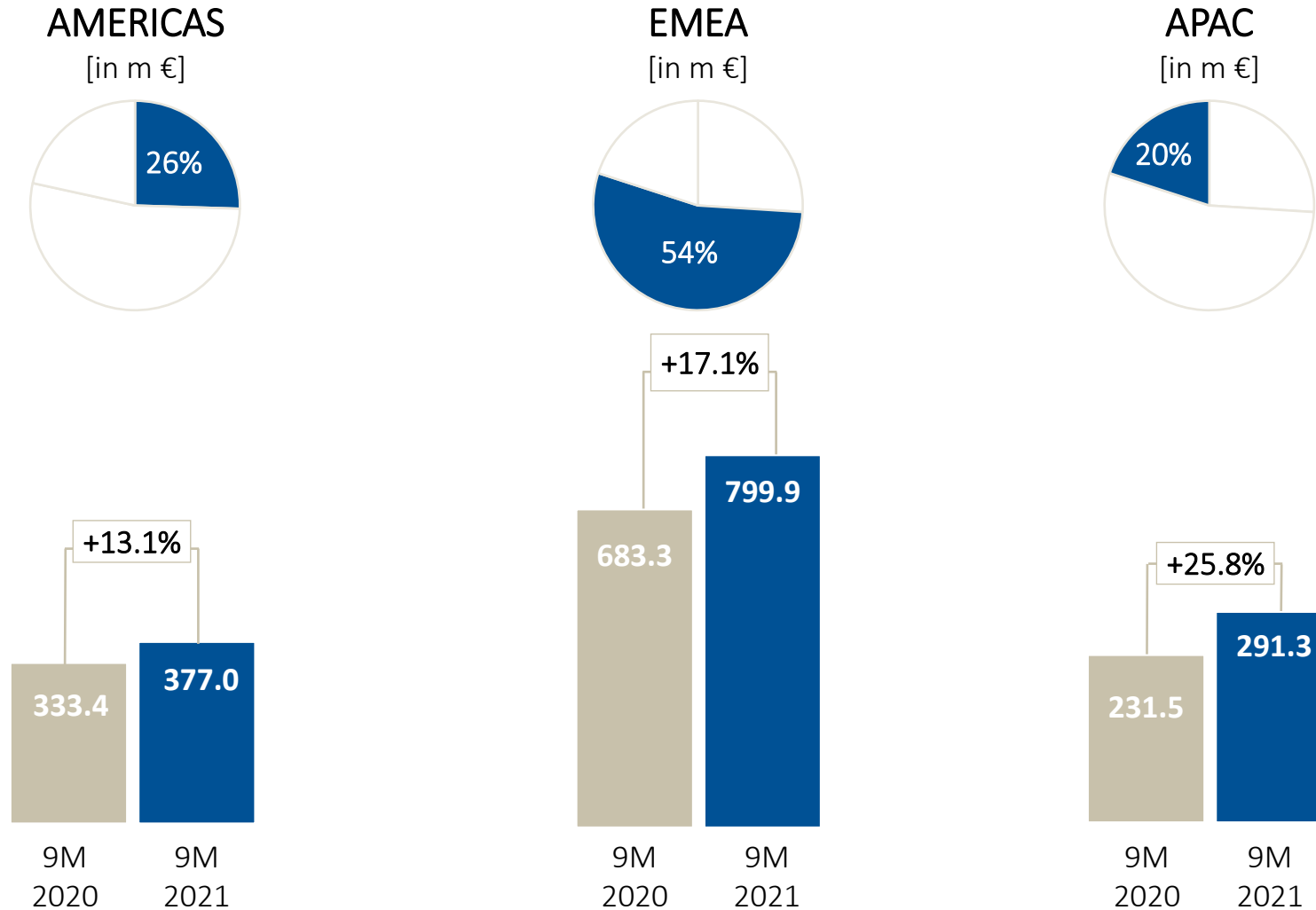
GRAMMER CV continues to outperform market in APAC

Global market development commercial vehicles



Revenue development by region

Improved markets in both AMERICAS and EMEA, plus a new sales record in APAC



- Significant increase of revenues in APAC (even compared to 2019)
- EMEA and AMERICAS with a recovery in revenues vs. 2020
- Commercial Vehicles: Double-digit growth rates in all regions, with expected seasonal decline in Q3
- Automotive: AMERICAS and EMEA impacted by semiconductor shortages since Q2, APAC starting in Q3
- Supply Chain headwinds are persisting with low visibility for the upcoming months

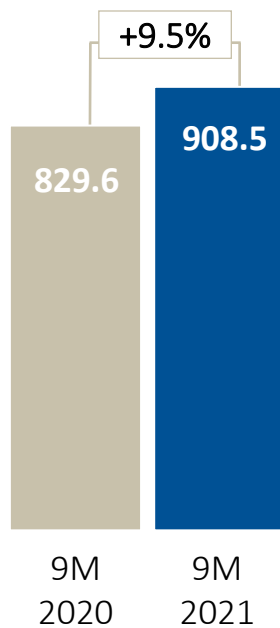
Revenue development by division

Two-leg strategy pays off: Disproportionate growth in the Commercial Vehicles business



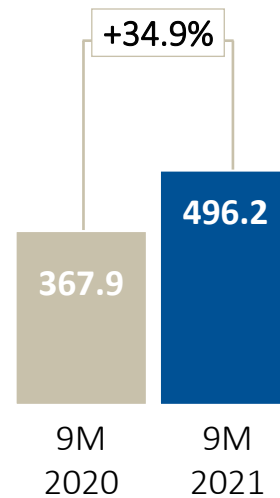
AUTOMOTIVE

[in m €]

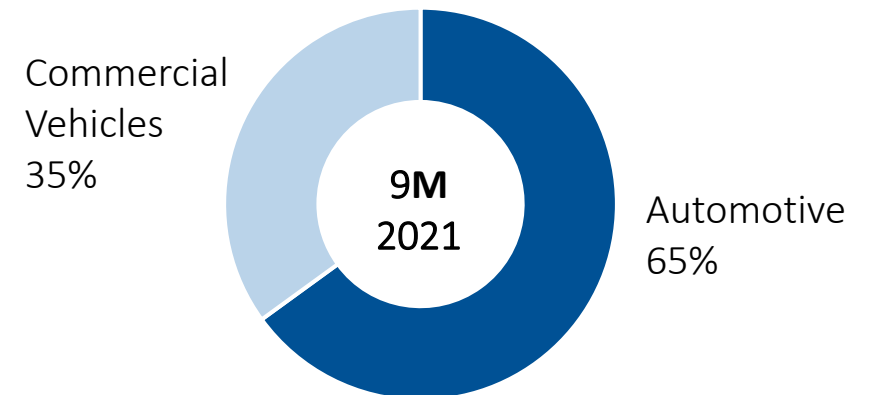
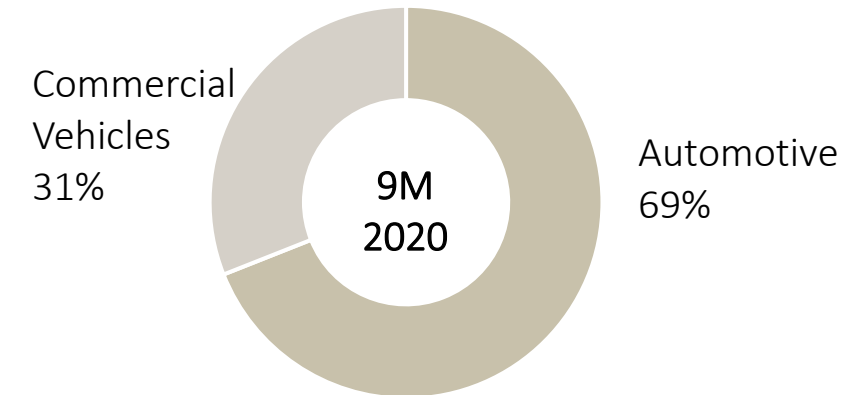


COMMERCIAL VEHICLES

[in m €]

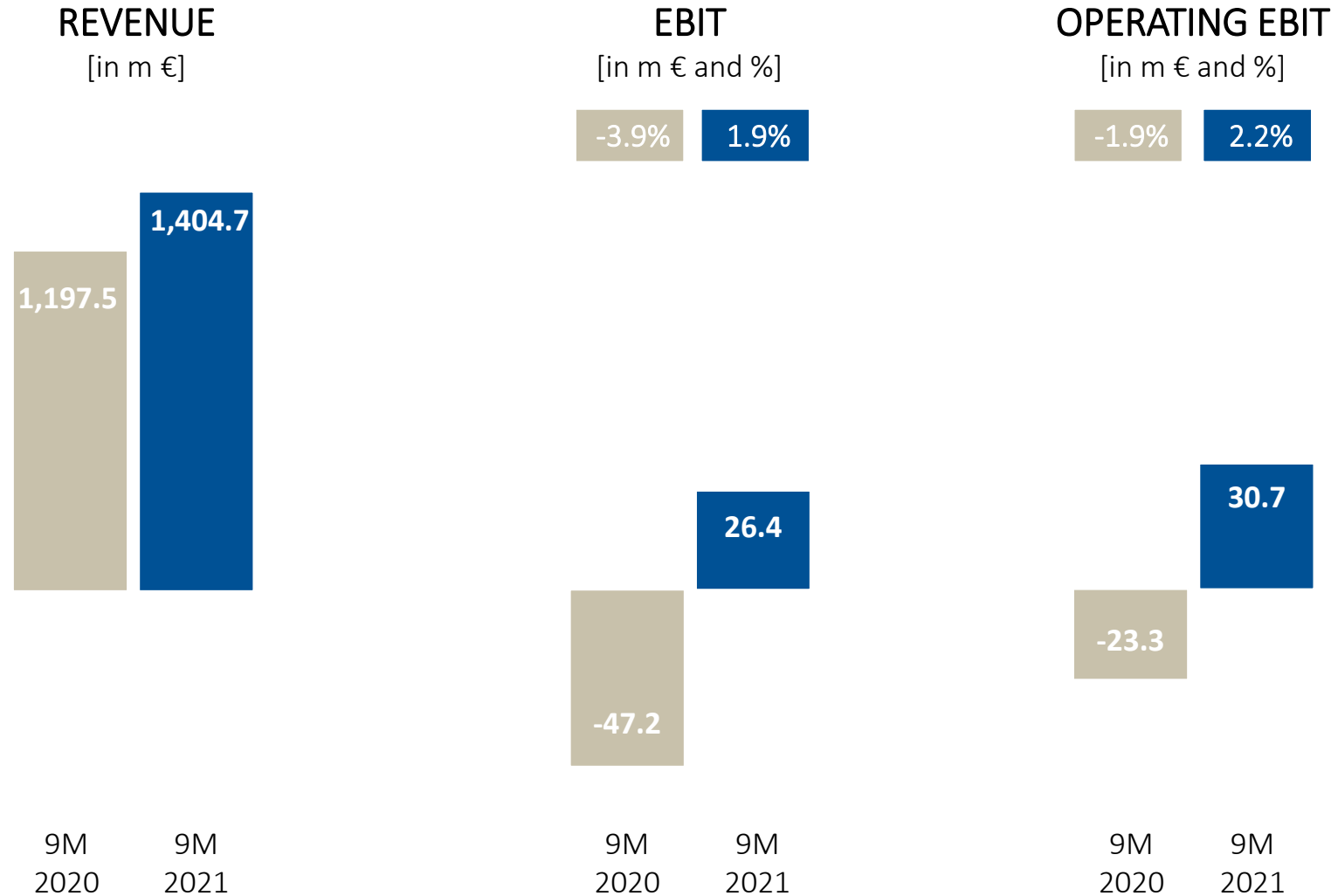


SHARE OF GROUP REVENUE



GROUP: Revenue, EBIT and operating EBIT

Positive business development continues despite very challenging environment



- Group revenue up 17.3% or EUR 207.2 million
- Business development impacted by semiconductor shortages in the automotive business resulting in underutilization of capacities
- Increased material and SCM cost and labor-market developments in the US impacting Q3 earnings
- Operating EBIT adjusted by:
 - -4.5 m € one-time expenses for the sale of a subsidiary
 - -2.6 m € corona protection and response measures
 - 2.8 m € positive FX effects

First nine months of AMERICAS at a glance

Full focus on stabilization and turn-around activities in the region

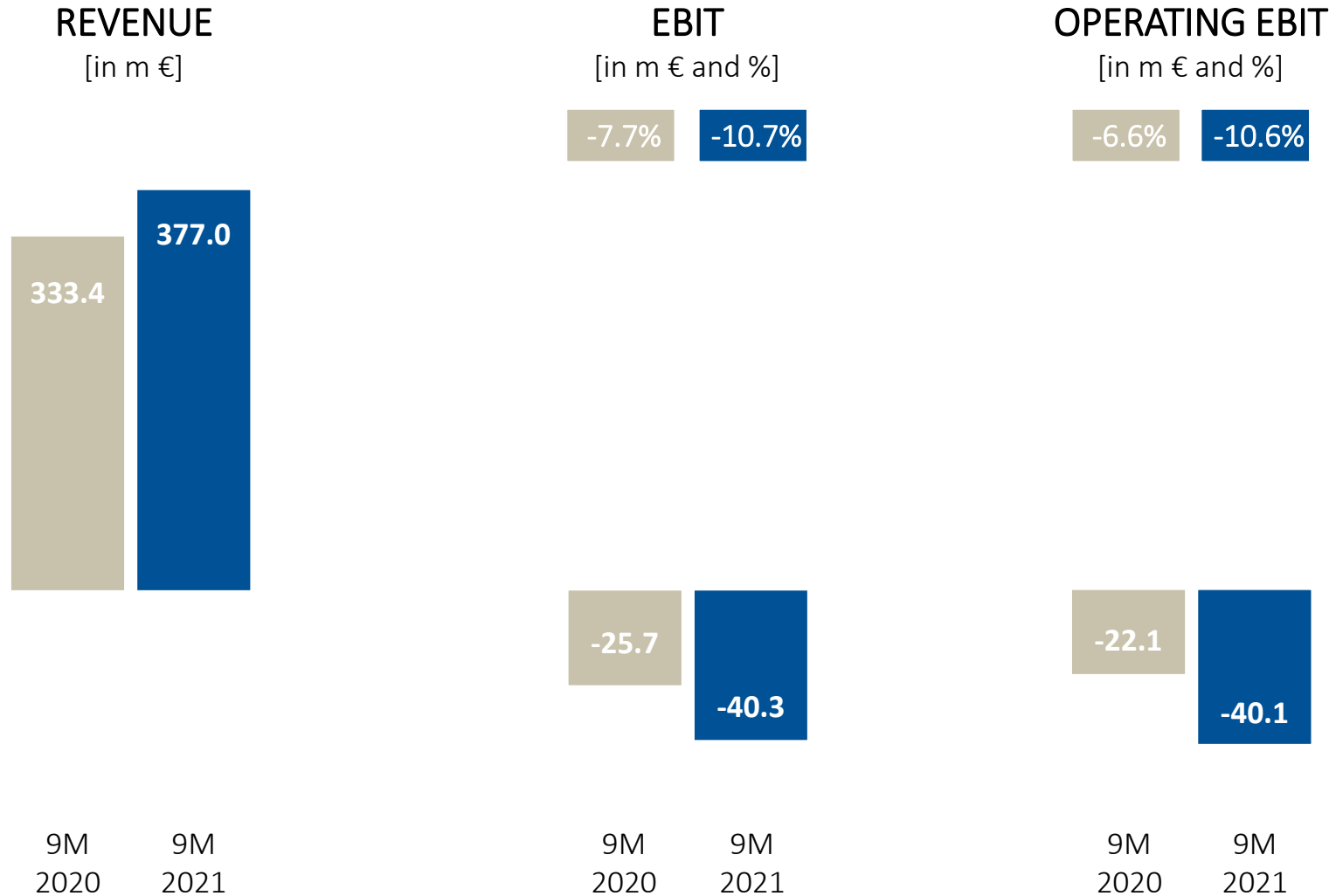


- Revenue increase of EUR 43.6 million (+13.1%)
- Situation of extended customer shutdown weeks and very volatile call-offs in North America worsening in Q3
- Increased material and logistics costs
- Very stressed labor market in the US
- Turnaround project “P2P - Path to Profitability” to secure financial stability and ensure sustainable development



AMERICAS: Revenue, EBIT and operating EBIT

Business development strongly affected by global and local market factors



- Revenue decline of -12.2% in Q3 (Division Automotive -20.4%) vs 2020 due to extended customer shutdown weeks
- Earnings additionally impacted by material and logistics cost increases
- Labor market in the US is leading to a high fluctuation and significantly increase in personnel expenses
- Operating EBIT adjusted by:
 - -0.4 m € corona protection and response measures
 - 0.1 m € positive FX effects

First nine months of EMEA at a glance

Optimization of capacity utilization through region-wide consolidation



- Revenue recovery of around EUR 116.6 million (+17.1%)
- Significant increase of Commercial Vehicles business (+29.3%)
- Volatile customer call-offs and down-weeks due to semiconductor shortages leading to underutilized production capacities
- Raw material price and logistics costs increases affected earnings especially in Q3
- Footprint optimization through production consolidation and plant closures
- Restructuring program contributes significantly to earnings development



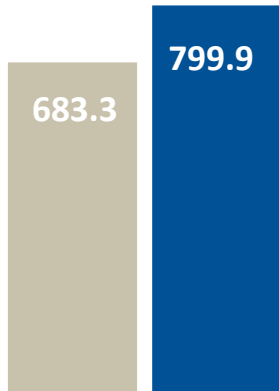
EMEA: Revenue, EBIT and operating EBIT

Revenue recovery, but already Q2 influenced by semiconductor shortages in Automotive



REVENUE

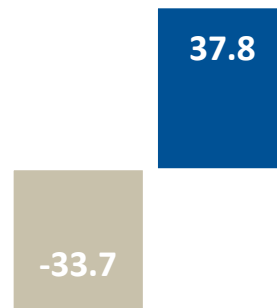
[in m €]



9M 2020 9M 2021

EBIT

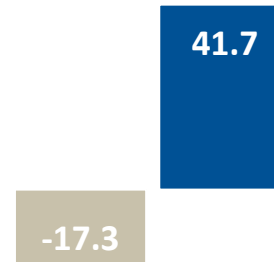
[in m € and %]



9M 2020 9M 2021

OPERATING EBIT

[in m € and %]



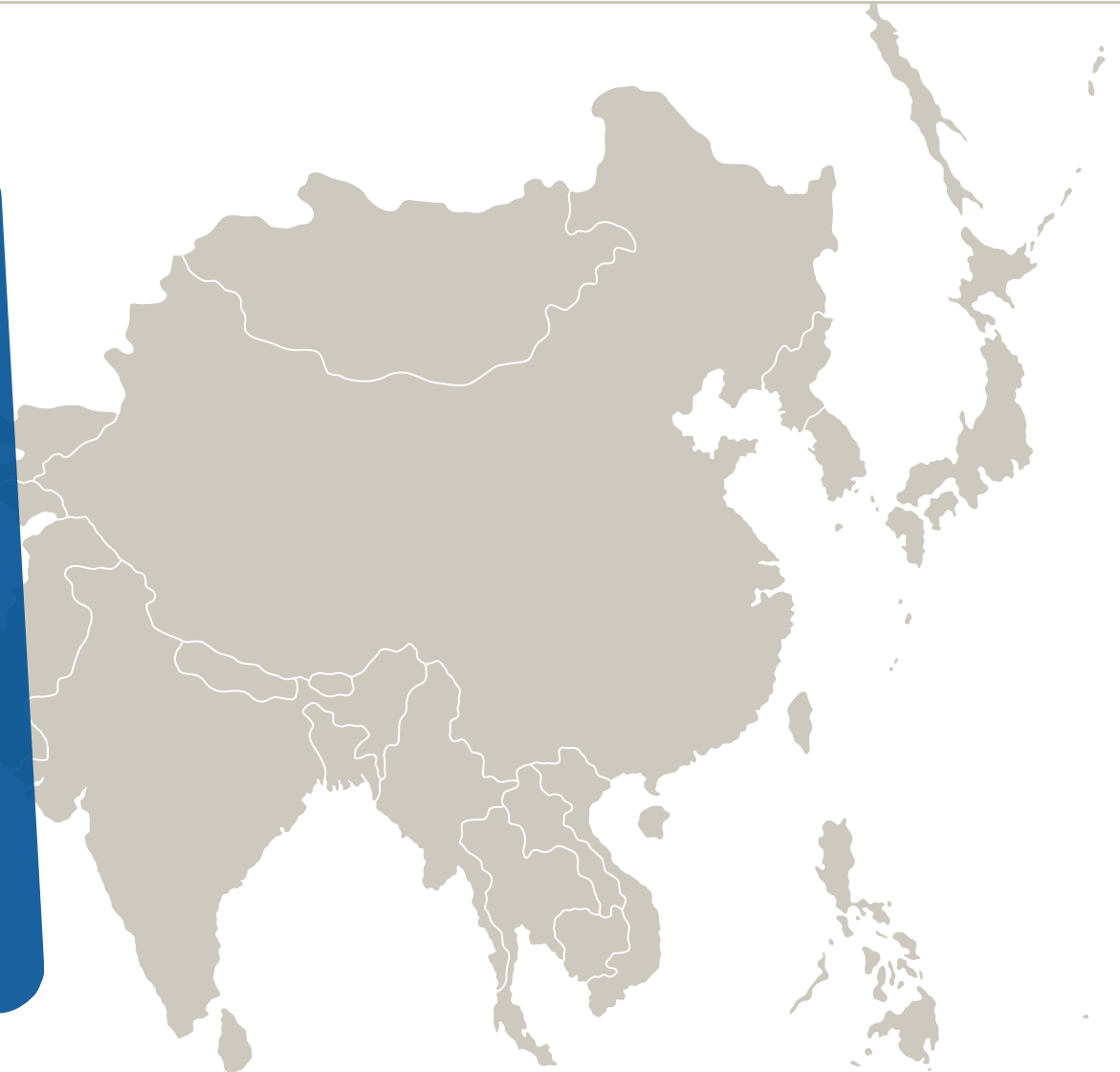
9M 2020 9M 2021

- Single-digit revenue decline of -2.6% in Q3 vs. 2020
- Q3 Automotive decline (-19.6%) can be partly offset by a strong performance of Commercial Vehicles (+24.4%)
- Q2 and Q3 earning impacted by material and logistics cost increases
- Operating EBIT adjusted by:
 - -4.5 m € one-time expenses for the sale of a production site
 - -1.7 m € corona protection and response measures
 - 2.4 m € positive currency effects

First nine months of APAC at a glance

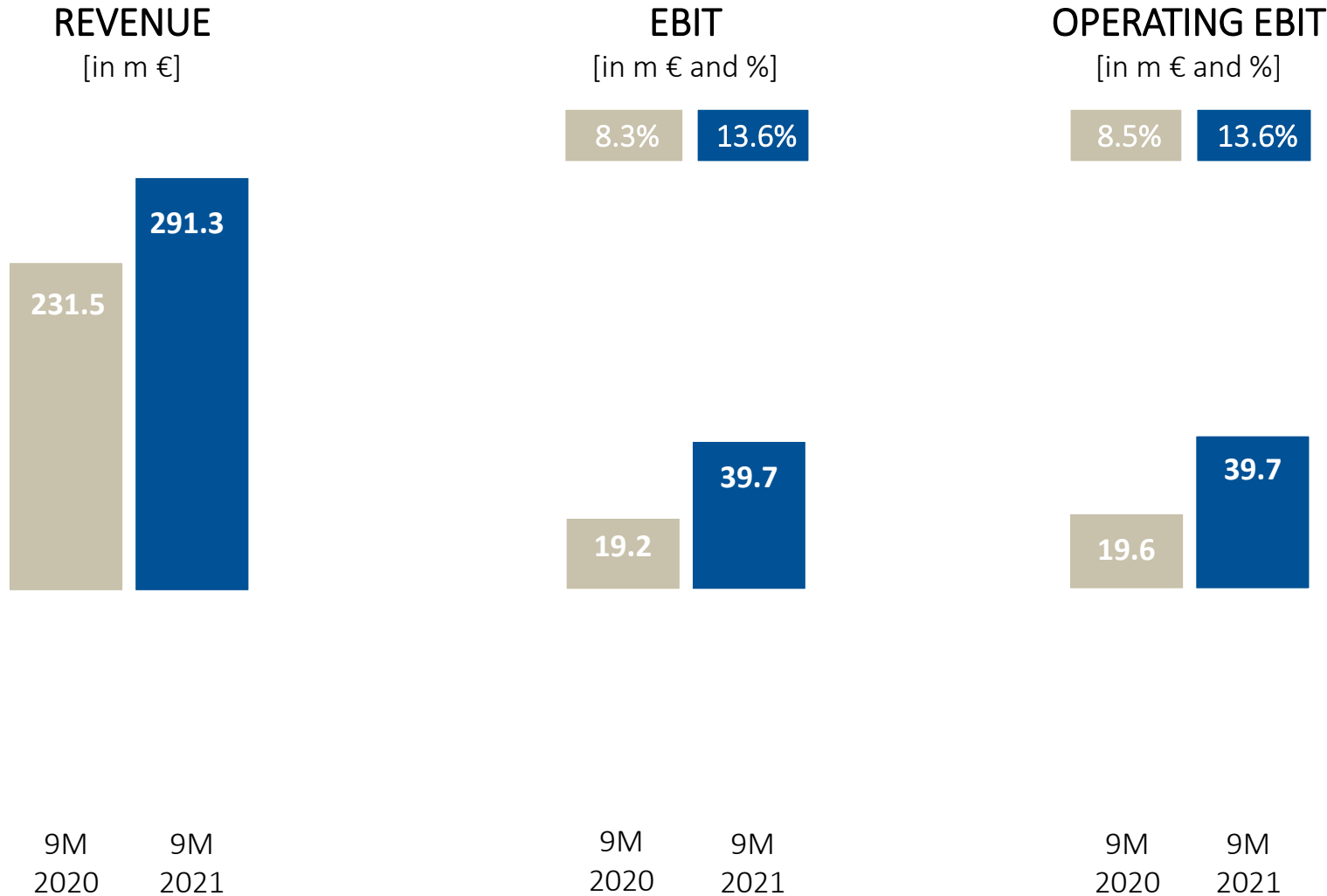
Strong development in China as targeted growth area in the APAC region

- Significant revenue increase of EUR 59.8 million (+25.8%) with a very strong performance in China
- Commercial Vehicles division grows by almost 45%, but weaker performance in Q3 due to new emission regulation China 6
- Automotive division with a growth of 17.4% and a plus of 12.8% compared to the pre-Corona year 2019
- Impact by semiconductor crisis starting in Q3
- Grand Opening Shenyang Plant in September 2021
- Continuing our growth strategy in China as well as in the entire APAC region



APAC: Revenue, EBIT and operating EBIT

China continues positive trend with first headwinds in the third quarter



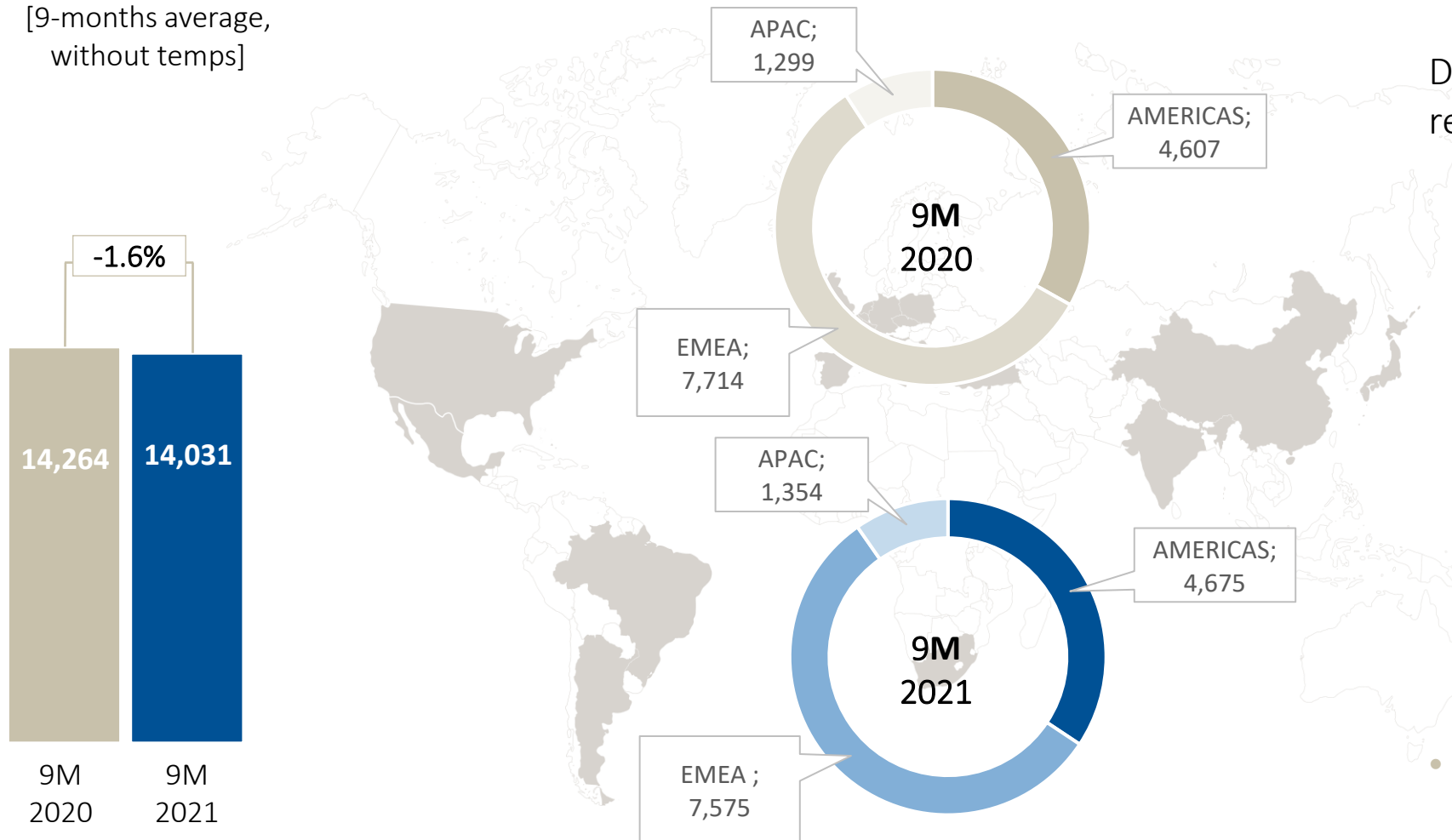
- APAC revenue in Q3 with a single-digit decline of -2.7% compared to 2020
- Commercial Vehicles with a weaker performance in Q3 due to new emission regulations
- Q3 first quarter with a downturn compared to 2020 (-10.6%) and 2019 (-3.5%) due to semiconductor availability in the Automotive business
- Earnings in Q3 are negatively impacted by ramp-up and relocation costs for Shenyang

Global headcount development

Socially responsible measures implemented in 2020 support the positive earnings trend

EMPLOYEES

[9-months average,
without temps]



Different developments in the regions:

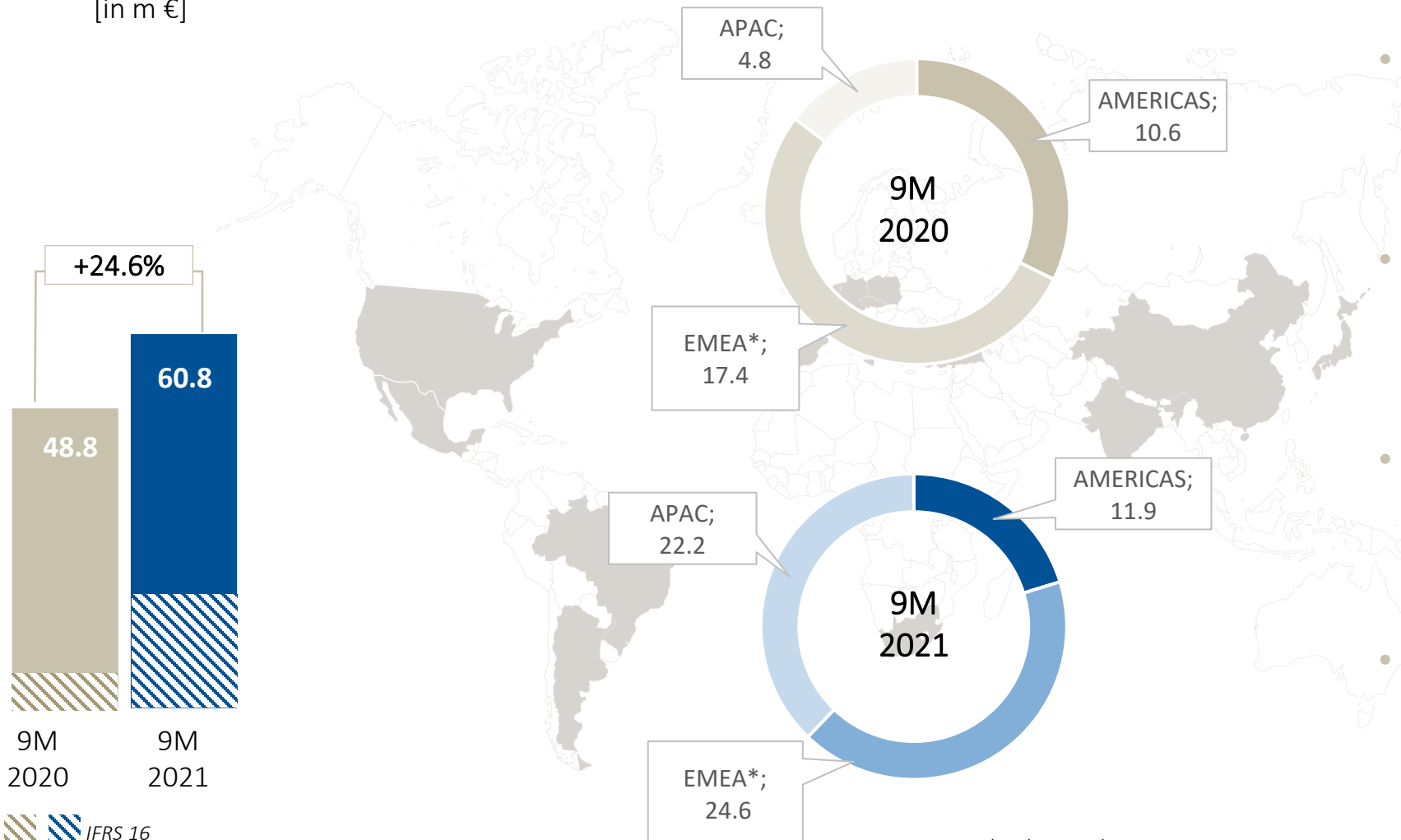
- **AMERICAS +1.5%**
Headcount increase is driven by the build-up of a new Cut&Sew hub in Tetla, Mexico
- **EMEA -1.8%**
Flexibilization of employees to the reduced revenue level
- **APAC +4.3%**
Strategic employee recruitment in the APAC growth region
- Voluntary severance program successfully concluded in Germany in overhead functions

Global investment development

Focus on regional and project-specific investment continues

INVESTMENTS

[in m €]



- Level of investments in 9M 2021 in line with the status of projects in the Automotive division
- PLM and new product developments ongoing as planned
- CAPEX excluding effects from IFRS16 reduced by EUR 0.9 year-on-year
- Strong investments in APAC. New production site opened in Shenyang

*excl. Central Services

IFRS 16

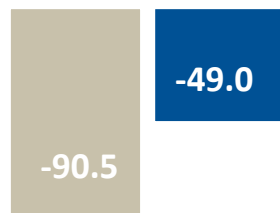
Finance key figures

Solid capital structure with a medium to long-term financing



FREE CASH FLOW

[in m €]



9M 2020 9M 2021

NET FINANCIAL DEBT

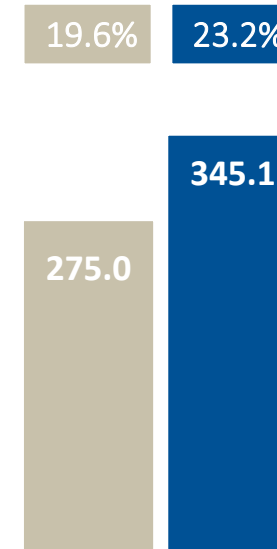
[in m €]



9M 2020 9M 2021

EQUITY

[in m €]



9M 2020 9M 2021

- Negative Free Cash Flow mainly results from increase of working capital and prefinancing of customer projects
- Short-term customer production shut-downs and safeguarding of material supplies led to a higher level of inventories
- Improved net financial debt position due to significant increase in earnings
- Equity increased by 25.5% to EUR 345.1 million, resulting in an Equity ratio of 23.2%



Outlook 2021

27.10.2021



Outlook 2021: Revenue and earnings growth



Guidance
March 31, 2021

Growth of **revenue** to around
EUR 1.8 billion
(2020: EUR 1.7 billion)

Significant increase of
operating EBIT to around EUR
65 million
(2020: EUR -11.7 million)

New Guidance
October 6, 2021

Growth of **revenue** to around
EUR 1.8 billion
(2020: EUR 1.7 billion)

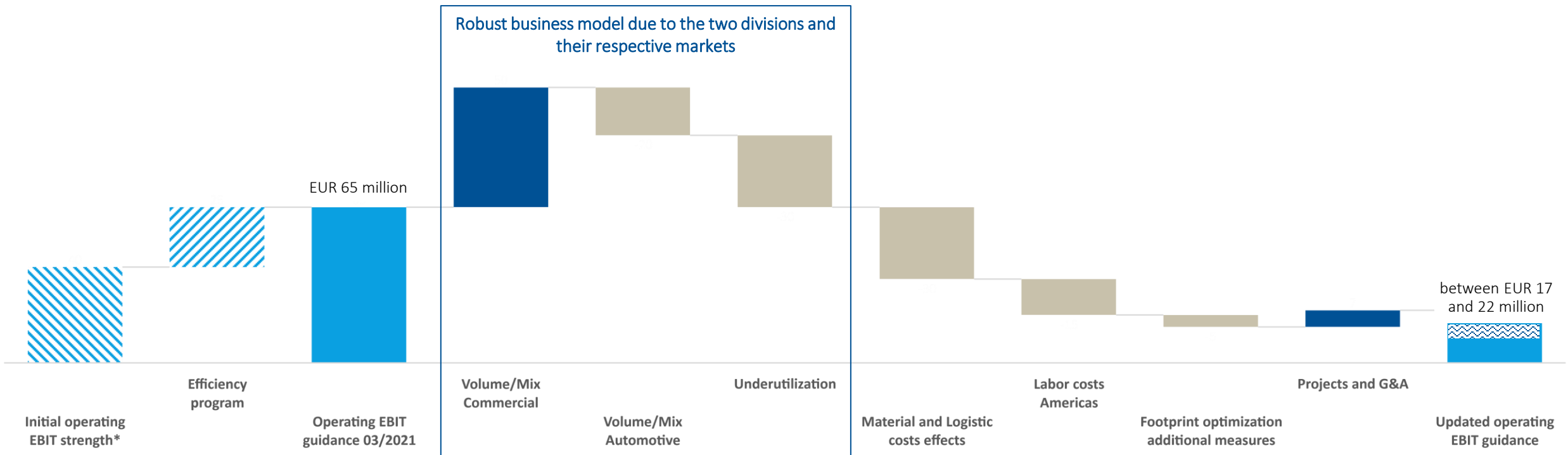
Operating EBIT between EUR 17
and 22 million
(2020: EUR -11.7 million)*

*This outlook is based on the assumption that the global economy and the political environment will develop in a stable manner and that there will be no further plant closures due to the COVID-19 pandemic in 2021. We also assume that the global shortage of semiconductor components and an increase in raw material prices will continue to affect our business in the fourth quarter of the current year. Furthermore, we are aware that the visibility of how the supply situation will actually develop is limited at the moment.

Changes in the earnings guidance for 2021

Profitability is significantly influenced by volatile automotive market and material cost development

OPERATING EBIT BRIDGE 2020 TO 2021 EARNINGS GUIDANCE



This outlook is based on the following assumptions:

- Commercial Vehicles with over-proportional growth can only partially compensate the decline of the Automotive business
- Volatile customer call-offs and down-weeks due to semiconductor shortages continue to lead to underutilized production capacities
- Exceptional material and logistics cost increases as well as labor-market development in North America strongly impacting earnings

**) Operating EBIT estimate without measures initiated in the second half of 2019*

Measures for 2021 going forward

- P2P turnaround program in the Americas
- Footprint optimization measures are being reviewed and adjusted if necessary
- Enhanced customer claim management re: material impact and underutilization
- Strategic (re-) orientation of GRAMMER



Strategy to recover and grow



We deliver what matters!



GRAMMER invests in CV seat production 4.0

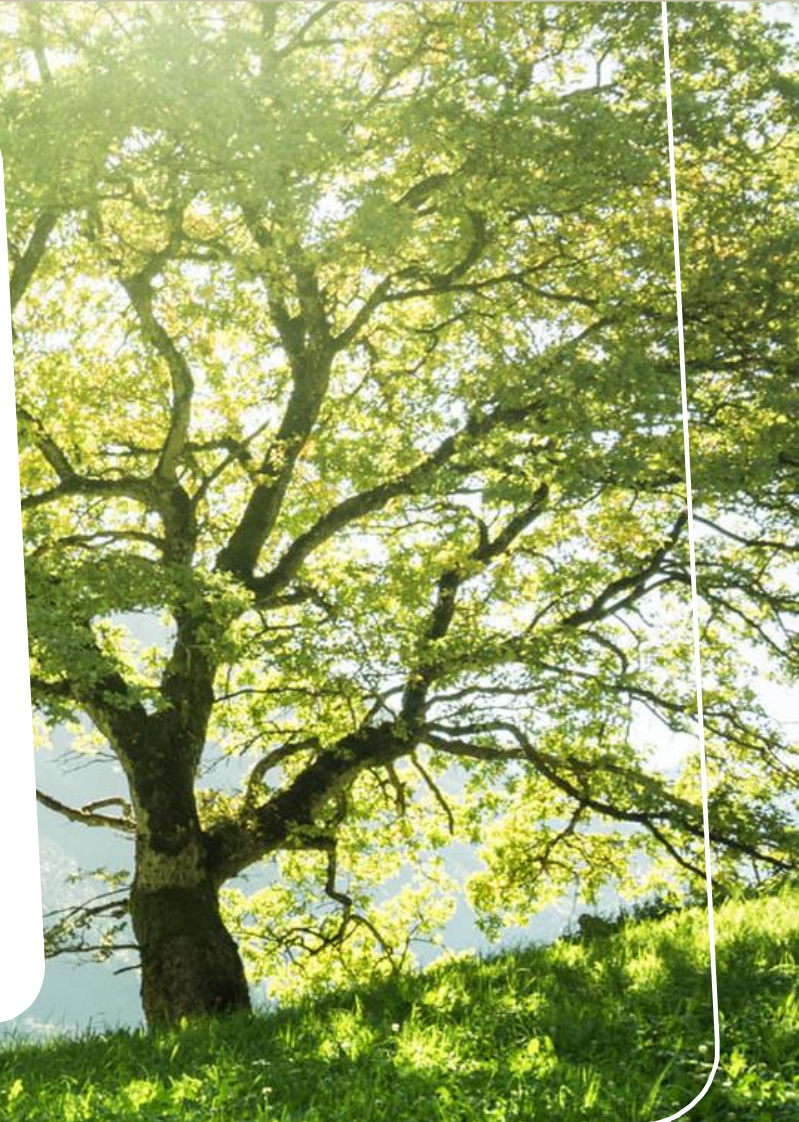


- Creating a blueprint for ‘Seat production 4.0’
- Turning GRAMMER into the world’s most advanced manufacturer of commercial vehicle seats
- Establishing a lead plant, from which all GRAMMER locations worldwide will benefit
- Supporting our sustainability goals

GRAMMER goes green

GRAMMER nomination tree: Tree by tree on the way to more sustainability

- Since September 1, 2021, GRAMMER suppliers have been planting a tree for every new order they receive
- Worldwide "GRAMMER Forest" makes active contribution to CO2 reduction
- One of many steps on GRAMMER's path to becoming a Green Company



GRAMMER opens new Automotive production site in Shenyang



- GRAMMER pursuing its growth strategy in China with an expanded footprint
- State-of-the-art production of high-quality interior components started in July 2021
- Further expansion stages already being planned for the new site in Shenyang

GRAMMERs new CINEMA SEAT: more living space in truck cab



- GRAMMER innovation enhances comfort and improves safety
- New driver/passenger seat combination for medium and heavy-duty trucks
- Cinema Seat: seat surface folds up, backrest for use as storage area, swivel adapter



UBILITY ONE from GRAMMER: Bus and Train seats rethought

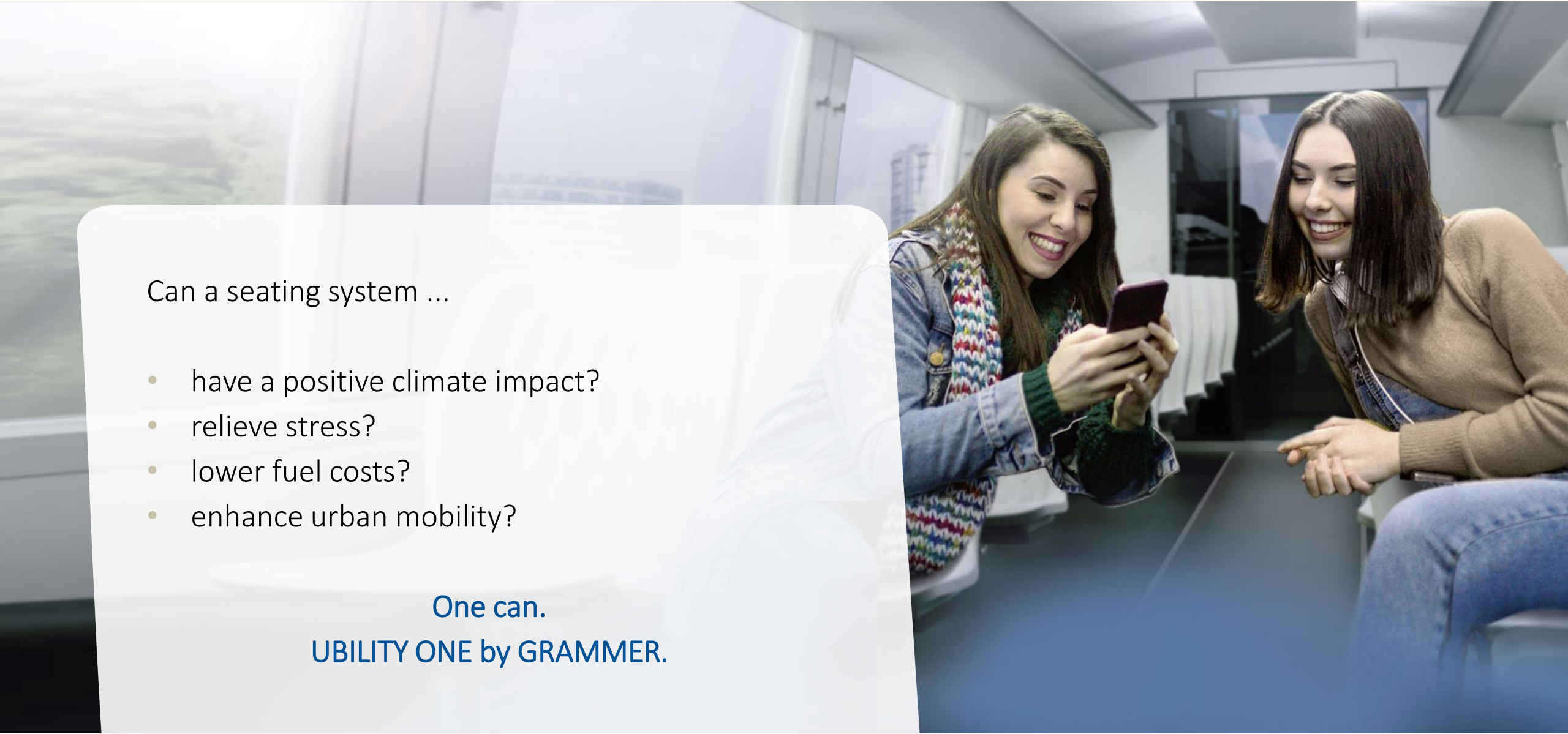


Can a seating system ...

- have a positive climate impact?
- relieve stress?
- lower fuel costs?
- enhance urban mobility?

One can.

UBILITY ONE by GRAMMER.



Sustainability meets economy.



Ultralight design for lower weight, reducing fuel consumption and CO₂ emissions



Sustainable: made of recycled and recyclable materials



Intelligent design: extremely robust and durable, easy to maintain

A photograph of a man and a woman in a professional setting. The man, on the left, is wearing glasses and a dark suit jacket over a white shirt. The woman, on the right, has short blonde hair and is wearing a light-colored blazer. They appear to be in a meeting or discussion. A white rounded rectangle is overlaid on the image, containing the text 'Q&A Session'.

Q&A Session

27.10.2021



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Annexes



Key figures 2021

27.10.2021



Revenue
1,404.7 EUR million

EBIT margin
1.9%

Operating EBIT margin
2.2%

Net profit
13.1 EUR million

Free Cashflow
-49.0 EUR million

Equity ratio
23.2%

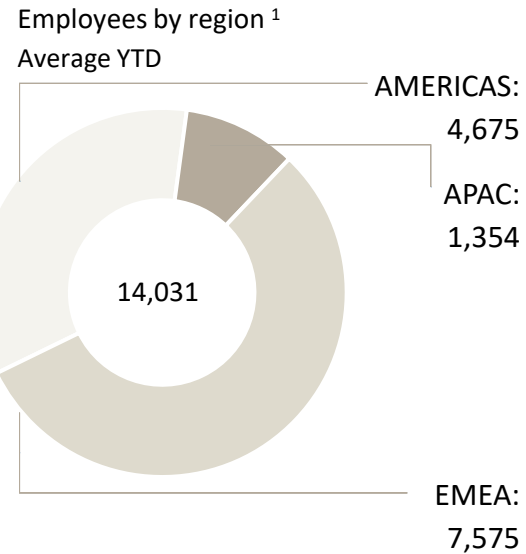
Group operating EBIT
30.7 EUR million

Capital expenditure
60.8 EUR million

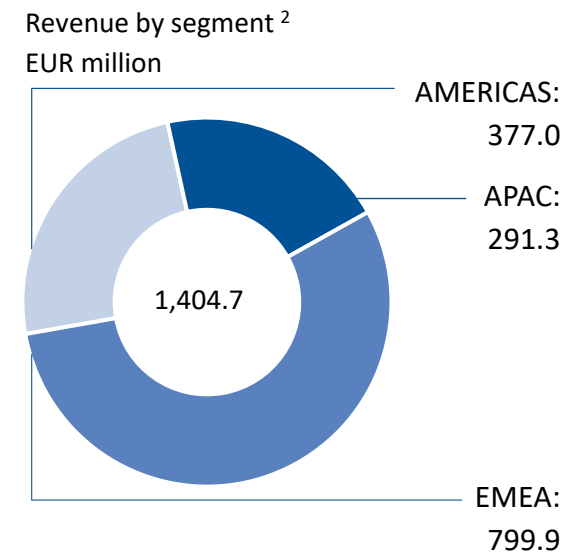
Operating EBIT (Region)
AMERICAS
-40.1 EUR million

Operating EBIT (Region)
EMEA
41.7 EUR million

Operating EBIT (Region)
APAC
39.7 EUR million

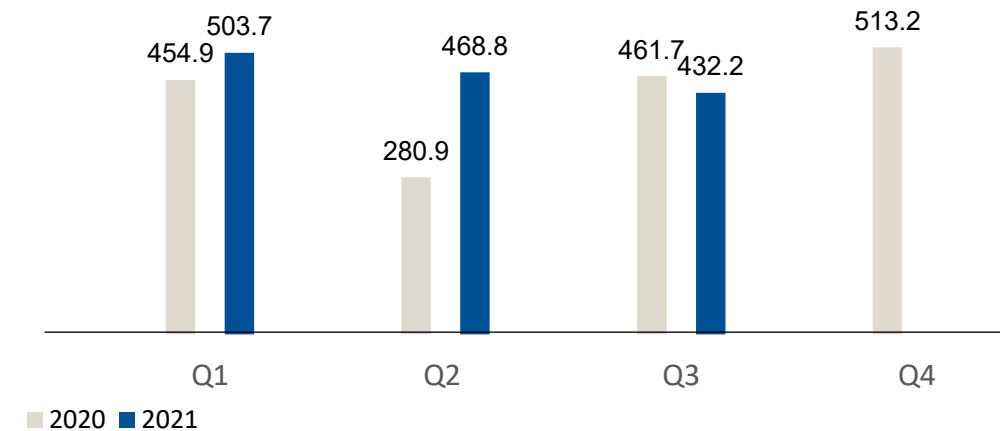


¹ An average of 427 employees were employed in Central Services



² The consolidation effect of revenue between the regions amounts to EUR 63.5 million

Revenue by quarter
EUR million



Key figures

<i>[IFRS, in € million]</i>	Q3 2021	Q3 2020	01-09 2021	01-09 2020
Group Revenue	432.2	461.7	1,404.7	1,197.5
EBITDA	19.7	27.6	88.7	17.2
EBITDA Margin in %	4.6	6.0	6.3	1.4
EBIT	-1.4	5.8	26.4	-47.2
EBIT Margin in %	-0.3	1.3	1.9	-3.9
Operating EBIT	-1.7	22.4	30.7	-23.3
Operating EBIT Margin in %	-0.4	4.9	2.2	-1.9
Net Profit	-5.0	0.7	13.1	-58.5
EPS in €	-0.36	0.06	0.86	-4.77
Total Assets	1,487.3	1,404.2	1,487.3	1,404.2
Equity	345.1	275.0	345.1	275.0
Equity-Ratio in %	23.2	19.6	23.2	19.6
Net Financial Debt	360.7	383.9	360.7	383.9
Gearing Ratio in %	104.5	139.6	104.5	139.6
Capex (w/o financial assets)	30.1	17.0	60.8	48.8
Depreciation	21.1	21.8	62.3	64.4
Employees (average)	14,031	14,264	14,031	14,264