



GRAMMER

SOLUTIONS FOR A WORLD ON THE MOVE

Financial Results H1 2022
Ursensollen, August | 11th, 2022



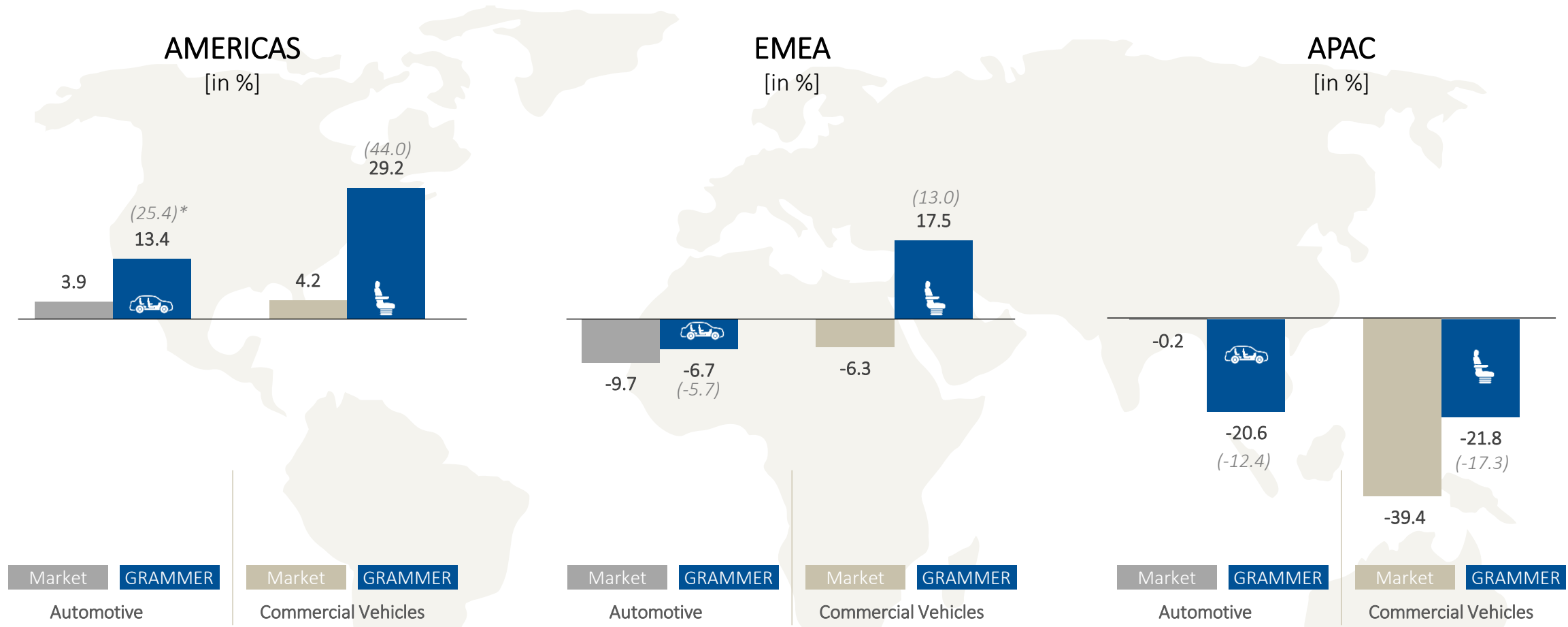
GRAMMER Group's H1 at a glance

- Group revenue grew by 6.4% to EUR 1,034.6 million in the first half of the year thanks to a positive development in the Commercial Vehicles division (+11.9%); revenue in the Automotive division also slightly higher (+3.4%)
- FX-adjusted revenue slightly above the previous year's figure (+2.5% to EUR 996.6 million)
- Operating EBIT amounted to EUR -12.3 million, corresponding to an operating EBIT margin of -1.2%
- Revenue and earnings performance in the first half year significantly impacted by rising material, logistics, energy and personnel costs as well as ongoing bottlenecks in the supply markets
- Forecast for full year 2022 confirmed; however, risks arising from the war in Ukraine and ongoing Covid-19 lockdowns in China may intensify and could have a negative impact on the full year guidance; In addition, further agreements on customer compensation are necessary

| KPIs | H1 2022 | H1 2021 |
|---------------------------------|---------|---------|
| Group revenue [in EUR million] | 1,034.6 | 972.5 |
| EBIT [in EUR million] | -12.5 | 27.8 |
| Operating EBIT [in EUR million] | -12.3 | 32.4 |
| Operating EBIT margin | -1.2% | 3.3% |
| Net profit [in EUR million] | -25.5 | 18.2 |

GRAMMER Group

Global market development compared to GRAMMER's performance

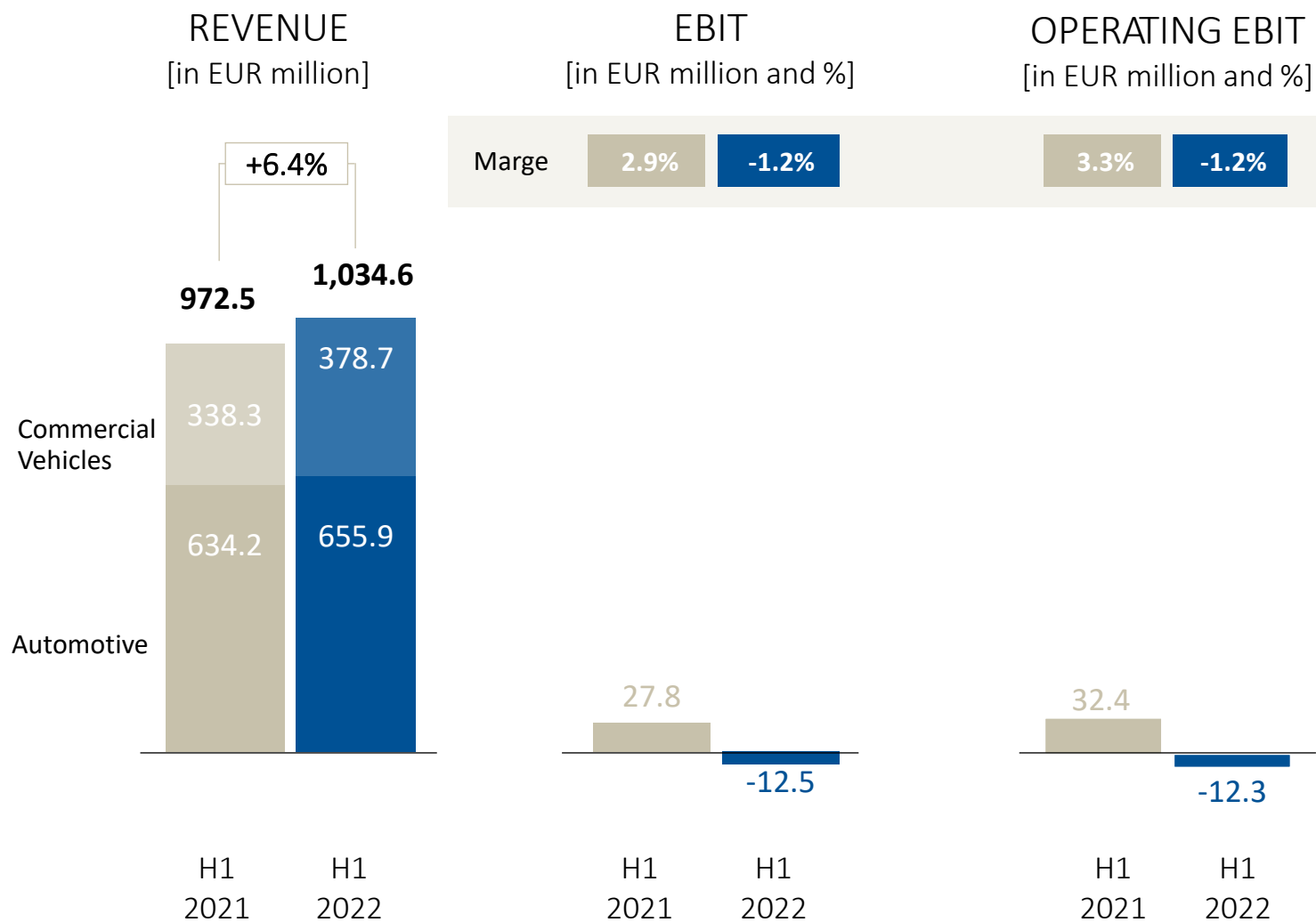


*Revenue development as reported, without FX effects

Market: August 2022 LMC Production [Truck only] Market: Augusty, 2022 IHS Light Vehicle Production

Commercial Vehicles (CV): LMC forecast refers only to medium and heavy-duty trucks - however, GRAMMERs revenue in Division CV includes Truck, Rail & Bus and Offroad business. The driver for the better performance in the first and second quarter was GRAMMER's offroad business in all three regions.

Group Revenue / EBIT / operating EBIT GRAMMER (H1 2022)

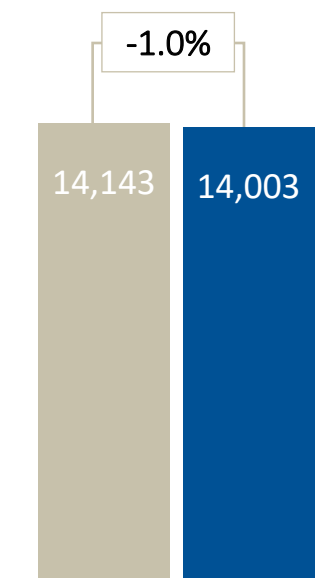


- FX adjusted revenue at EUR 996.6 million, +2.5%
- Automotive: EUR 617.6 million (-2,6%)
- Commercial Vehicles EUR 378.9 million (+12%)
- Operating EBIT adjusted for
 - EUR -2.0 million COVID-19 protection and action measures
 - EUR 1.8 million positive currency effects
- EBIT burdened by increasing material, logistics, energy, and personnel expenses, ongoing bottlenecks in the supply markets and new COVID-19 lockdowns
- Passing inflation effects to customers continues to be main task and challenge

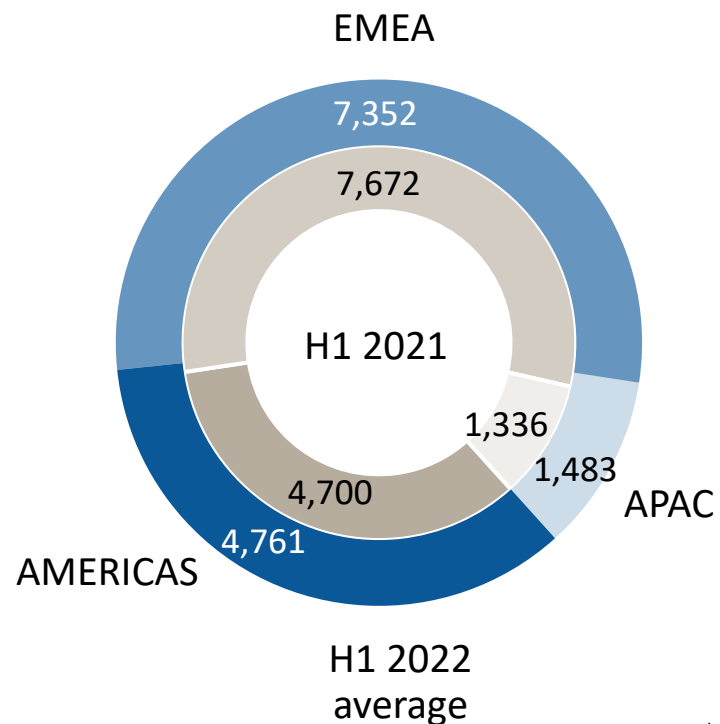
Employee development by region (H1 2022)

EMPLOYEES

[Average; without temporary workers]



H1 2021 H1 2022



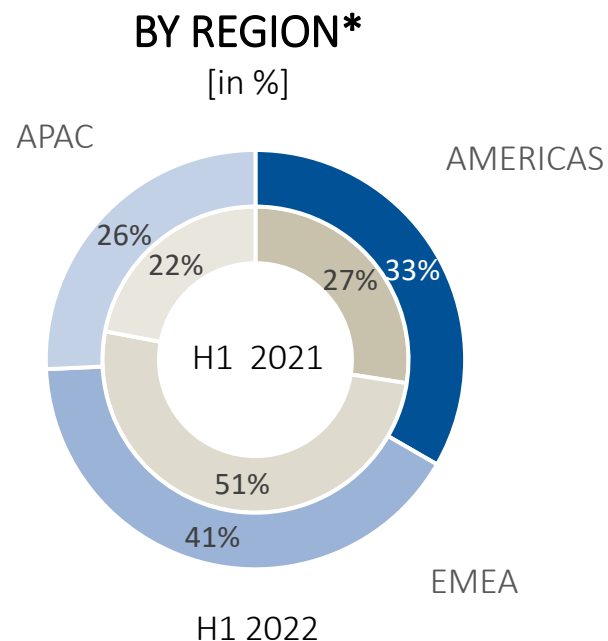
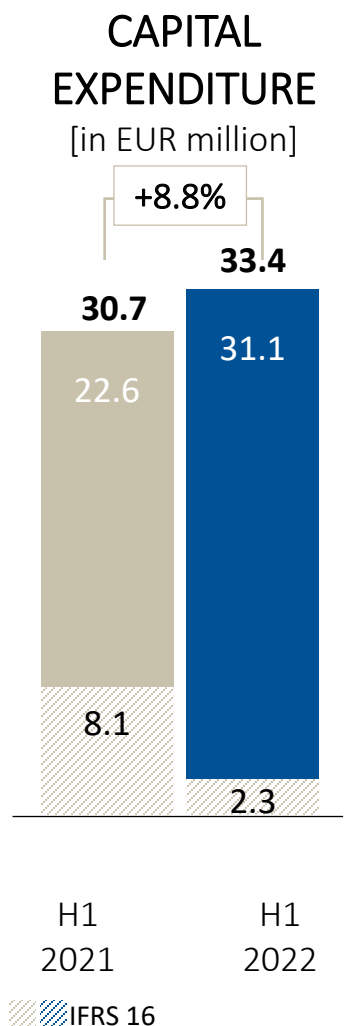
*CS H1 2021: 435

*CS H1 2022: 407

Different developments in H1 2022:

- **AMERICAS +1.3%**
Increase mainly due to high fluctuation
- **EMEA -4.2%**
Solid transformation following the volume increase in CV and reduction in Automotive
- **APAC +11.0%**
Employee recruitment in the growth region APAC

Capital expenditure (H1 2022)



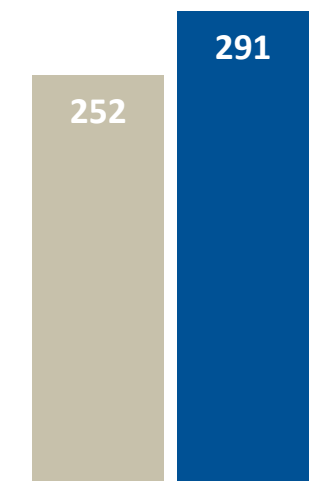
*CS H1 2021: EUR 1.2 million
*CS H1 2022: EUR 5.8 million

- Planned increase by 8.8% to EUR 33.4 million; main investments are new launches and replacements of machinery, digitalization of PLM and new seat generation in the CV Division.
- Highest portion of investments still in EMEA with EUR 11.3 million, followed by AMERICAS with EUR 9.2 million and APAC with EUR 7.1 million

Working capital, Free cashflow ,Net debt FY on Group level

WORKING CAPITAL

[in EUR million]



31 Dec
2021

30 June
2022

FREE CASH FLOW

[in EUR million]

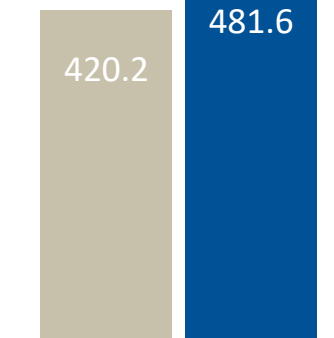


H1
2021

H1
2022

NET DEBT

[in EUR million]



31 Dec
2021

30 June
2022

- Increase in working capital mainly due to the rise in trade accounts receivables and inventories, especially in EMEA
- Free cashflow with EUR -45.2 million, above prior year's level, despite further increase of supply chain challenges
- Net debt increases to EUR 481.6 million as a result of the negative FCF
- Successful extension of syndicate loan (tranche C) in the amount of EUR 235 million until February 2025

Equity, leverage and gearing FY on Group level

EQUITY

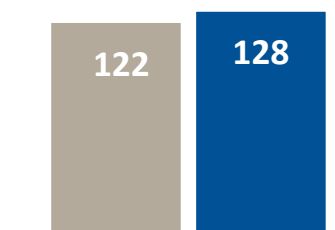
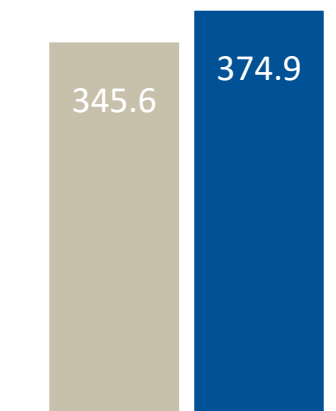
[in EUR million]

LEVERAGE

GEARING

[in %]

Margin **23.3%** **24.8%**



31 Dec 2021 30 June 2022

31 Dec 2021 30 June 2022

31 Dec 2021 30 June 2022

- Increase in equity by 8.5% mainly driven by other comprehensive income
- Equity ratio improved to 24.8%
- Higher leverage due to decrease in EBITDA LTM from EUR 103.1 million to EUR 64.9 million and increase in Net Debt from EUR 420.2 million to EUR 481.6 million
- Gearing just slightly higher than at year-end

First half year 2022 of EMEA at a glance

Contrasting developments in the Automotive and Commercial Vehicles divisions



- Revenue of EUR 577.0 million (+2.7%) on PY level with significant swing between divisions
- Commercial Vehicles business increased by 13.0% resulting in a share of 49.3% in total revenues in the region; Automotive business decreased by 5.7%
- Increased material, logistics and energy costs as well as ongoing shortages in the supply markets of our customers (e.g., semiconductors and cable trees) continue to negatively impact earnings



H1 2022: Revenue / EBIT / operating EBIT in EMEA

REVENUE
[in EUR million]

EBIT
[in EUR million and %]

OPERATING EBIT
[in EUR million and %]

Margin

5.4%

4.3%

6.2%

4.1%

+2.7%

562.0

577.0

251.7

284.3

310.3

292.7

Commercial Vehicles

Automotive

30.4

25.0

34.7

23.6

H1
2021

H1
2022

H1
2021

H1
2022

H1
2021

H1
2022

- FX adjusted revenue at EUR 585.4 million, +4.2%
- FX adjusted revenue in divisions:
 - Automotive: -6.7%
 - Commercial Vehicles +17.5%
- Earnings impacted by sharply rising material, logistics and energy costs as well as persistent bottlenecks in the supply markets, which were further exacerbated by the war in Ukraine

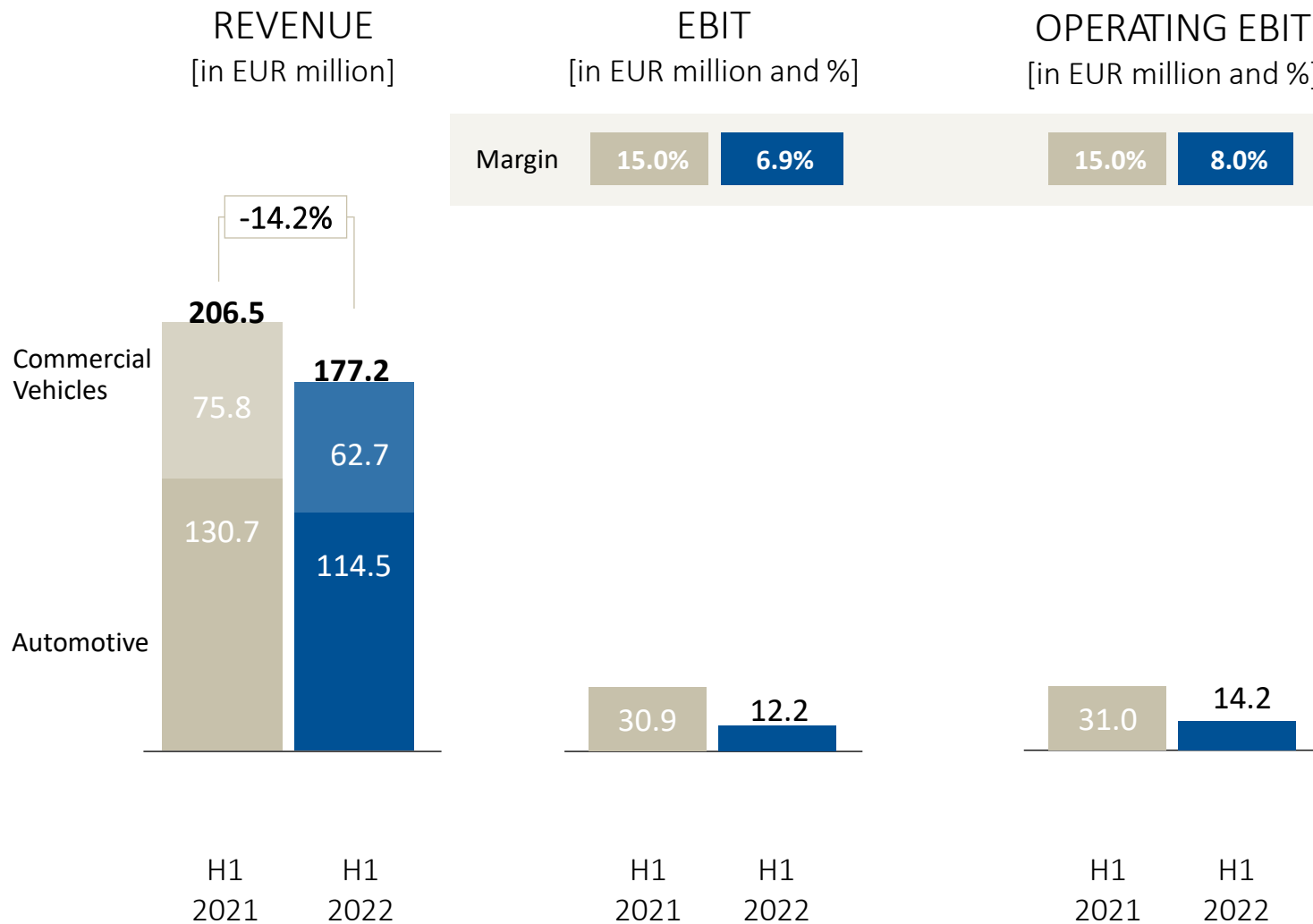
First half year 2022 of APAC at a glance

Significant drop in APAC due to local zero covid policy in China

- Significant revenue fall of 14.2% to EUR 177.2 million
- Automotive division with decrease of 12.4% caused by reduced call-offs from some customers due to COVID-19 lockdowns in Shanghai and Changchun and by supply shortages for semiconductors
- Commercial Vehicles down by 17.3 % mainly as a result of the introduction of the new China 6 emission standard in July 2021
- Weak revenue development led to decline in earnings



H1 2022: Revenue / EBIT / operating EBIT in APAC



- FX-adjusted revenue at EUR 163.0 million (-21.1%)
- FX adjusted revenue in divisions:
 - Automotive: -20.6%
 - Commercial Vehicles -21.8%
- Reduced volumes, increased freight cost to Japan and ramp up costs for new locations lead to a significant EBIT reduction
- EBIT influenced by:
 - EUR -1.6 million COVID-19 protection and action measures
 - EUR 0.4 million negative currency effects

First half year 2022 of AMERICAS at a glance

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

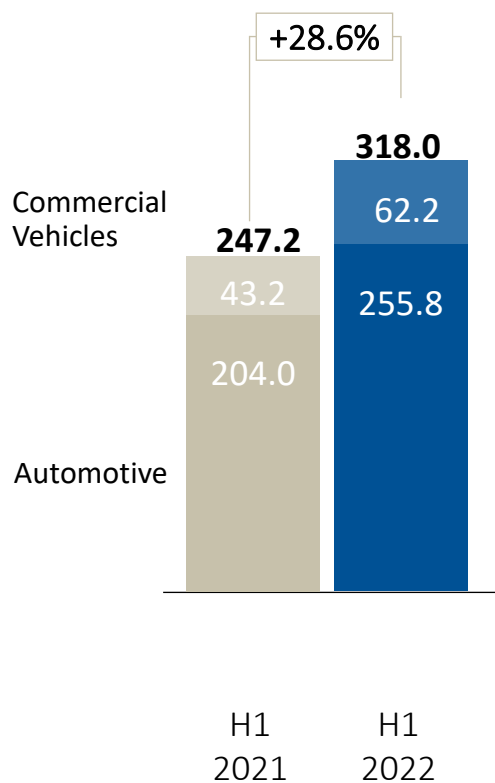


- Strong revenue increase to EUR 318.0 million (+28.6%)
- Recovery of Automotive revenues by 25.4% since H1 2021 was impacted by extended customer shutdown weeks and very volatile call-offs in North America
- Support of global Commercial Vehicles strategy by continually profitable growth in Brazil
- Besides market driven increases in material, logistics, and personnel expenses earnings impacted severely by extra freights
- “P2P - Path to Profitability” continues to be the focus area to achieve the turnaround

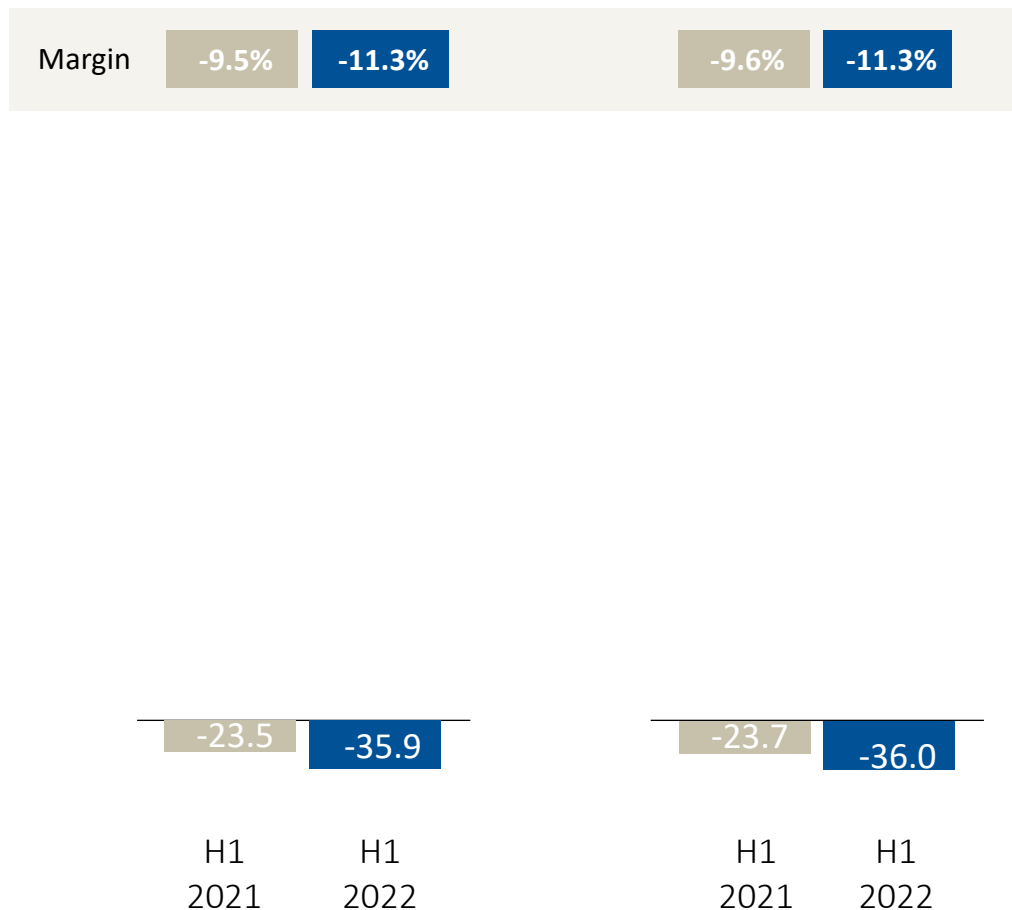


H1 2022: Revenue / EBIT / operating EBIT in AMERICAS

REVENUE
[in EUR million]



EBIT
[in EUR million and %]



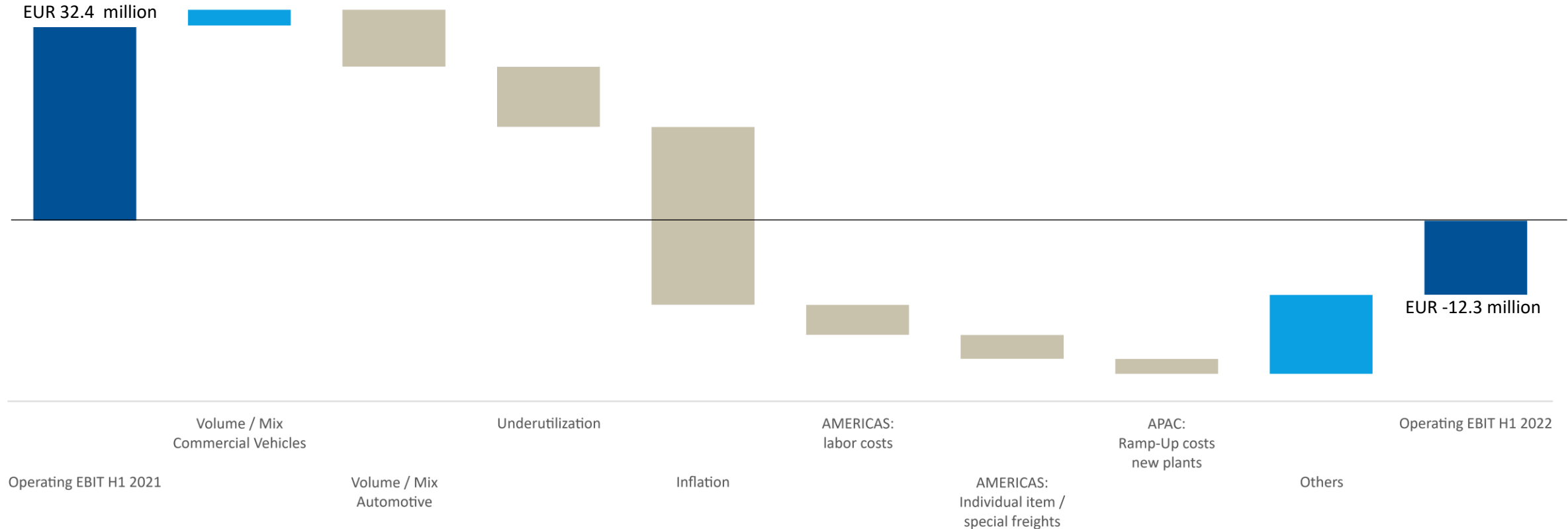
OPERATING EBIT
[in EUR million and %]



- FX adjusted revenue at EUR 287.1 million, +16.2%
- FX adjusted revenue in divisions:
 - Automotive: +13.4%
 - Commercial Vehicles +29.2%
- EBIT negatively affected by:
 - High inflation in material, logistics and personnel expenses
 - One-time extraordinary freights of around EUR 4 million
- GRAMMER aims to achieve a sustainable turnaround in AMERICAS by 2024

Group earnings effects in a nutshell

Profitability is heavily burdened by inflation in AMERICAS and EMEA



Massive inflation and underutilization due to the short-term volume reductions are eroding our margins. The compensation arrangements between our customers differ widely. The discrepancy between partnership aspirations and daily reality is at an all-time high, especially in the Automotive Business.

OUTLOOK

2022

August 11, 2022



Outlook 2022 confirmed: Revenue and earnings growth

Guidance 2022

Growth of **revenue** to around EUR 2.0 billion
(2021: EUR 1.9 billion)

Operating EBIT between EUR 35 and 40 million
(2021: EUR 22.8 million)

Risks arising from

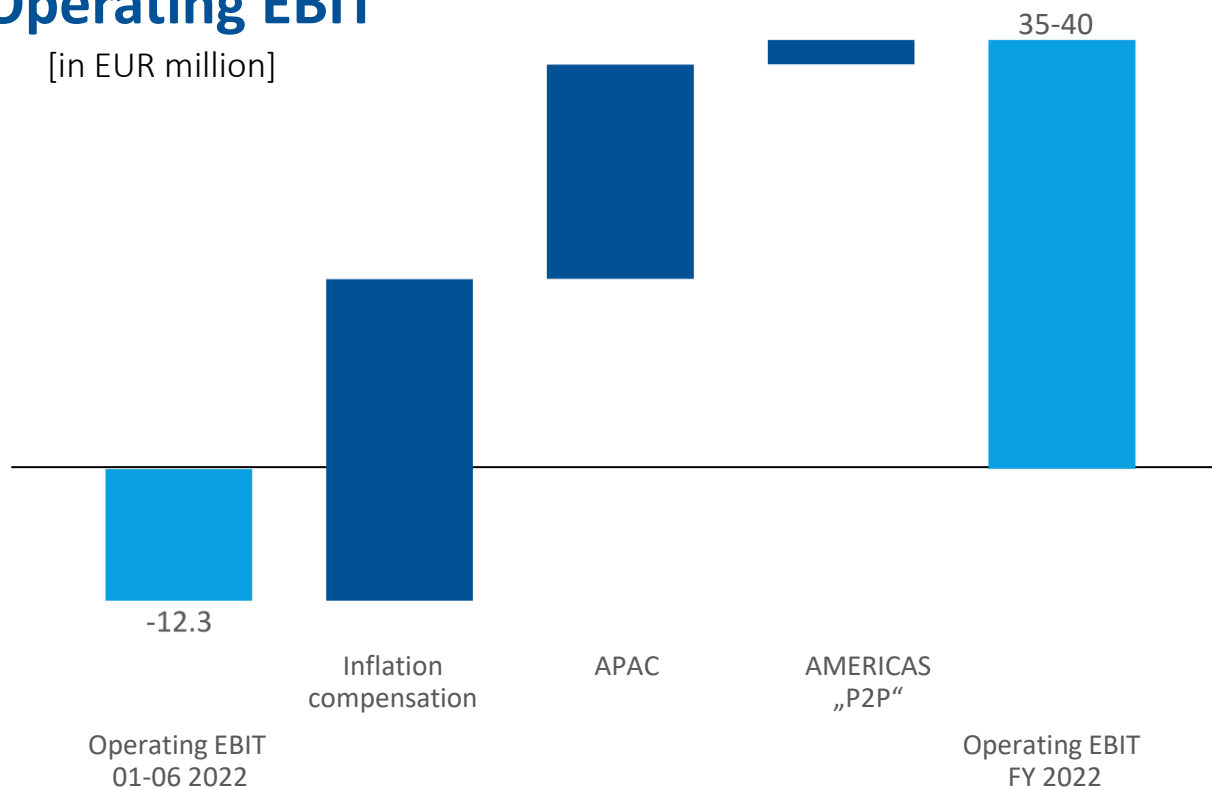
- the **war in Ukraine** and ongoing **corona lockdowns in China** as well as
- the **inability of passing on all cost increases to customers**

may intensify and could have a negative impact on the guidance

Outlook 2022 confirmed: Bridging the gap in operating EBIT

Operating EBIT

[in EUR million]



Revenue: on track



- 01-06 2022: EUR **1,034.6** million
- Outlook FY 2022: EUR **2** billion

Our results determine our success

Midterm targets for

2025

Sustainability

Reduction of CO₂-Emissions:

25%

Profitable growth

Revenue:
€2.5bn

Operating EBIT
margin: **> 5%**

Net profit
ratio: **> 4%**

Revenue split:

Automotive: 60 % / CV: 40 %

Objectives & Key Results

Innovation:
RDP > 5

Product quality:
zero-PPM

Delivery reliability:
100%

WoW pulse survey:
> 80% for overall index

Free-standing center console

- For the new BMW iX
- sustainable, lightweight, multifunctional, digital
- Use of recycled plastics and consistent lightweight construction saves energy
- Consistent noise reduction



Center table

- Center table with height adjustment movable across three rows of seats
- Consistent lightweight construction
- Multifunctional foldable flaps, spacious storage compartments

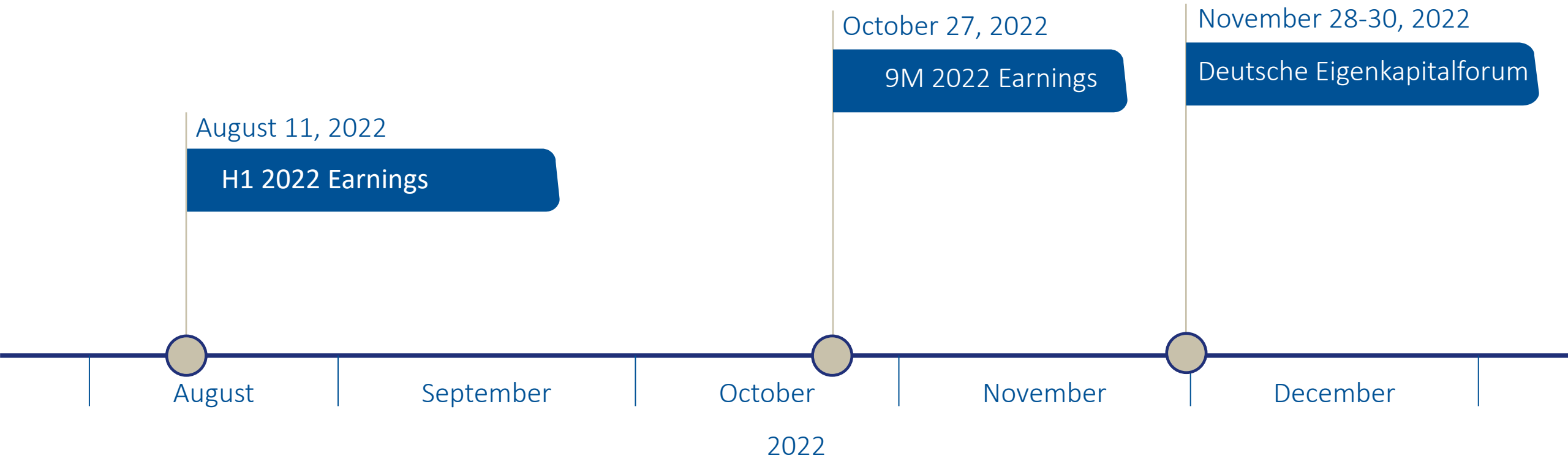


Sustainability

- Initiative Green Company
- Reduction of CO₂ emissions by at least 50% by the end of the decade
- Reduction of 25% by 2025 at Group level
- Silver status achieved in EcoVadis sustainability ranking
- Sustainable thinking and action to become part of the corporate DNA



Next events



Q&A



August
11, 2022

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Annexes



Key figures 2022

August 11, 2022



Revenue
1,034.6 EUR million

EBIT margin
-1.2%

Operating EBIT margin
-1.2%

Net profit
-25.5 EUR million

Free Cashflow
-45.2 EUR million

Equity ratio
24.8%

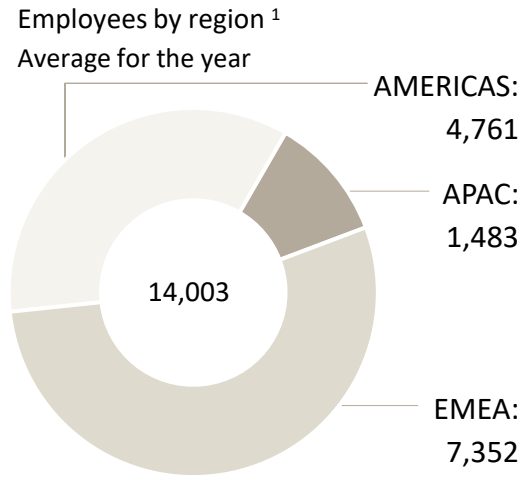
Group operating EBIT
-12.3 EUR million

Capital expenditure
33.4 EUR million

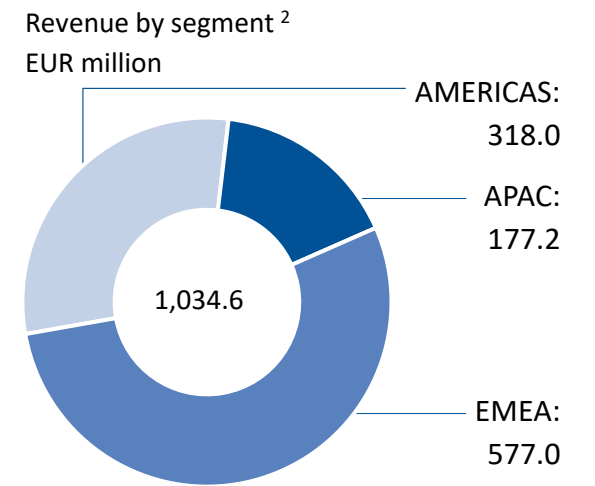
Operating EBIT (Region)
AMERICAS
-36.0 EUR million

Operating EBIT (Region)
EMEA
23.6 EUR million

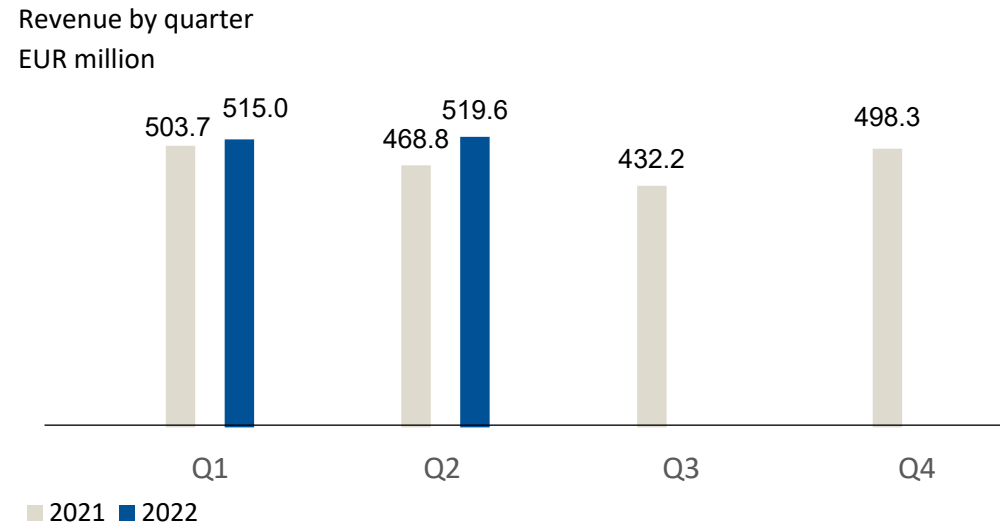
Operating EBIT (Region)
APAC
14.2 EUR million



¹ An average of 407 employees were employed in Central Services



² The consolidation effect of revenue between the regions amounts to EUR 37.6 million



Key figures



| <i>[IFRS, in € million]</i> | Q2 2022 | Q2 2021 | Q1 2022 | Q1 2021 | 2021 |
|------------------------------|----------------|----------------|----------------|----------------|-------------|
| Group Revenue | 519.6 | 468.8 | 515.0 | 503.7 | 1,903.0 |
| EBIT | -11.3 | 5.2 | -1.2 | 22.6 | 18.9 |
| EBIT Margin in % | -2.2 | 1.1 | -0.2 | 4.5 | 1.0 |
| Operating EBIT | -9.8 | 11.4 | -2.5 | 21.0 | 22.8 |
| Operating EBIT Margin in % | -1.9 | 2.4 | -0.5 | 4.2 | 1.2 |
| Net Profit | -17.5 | 4.8 | -8.0 | 13.3 | 0.6 |
| EPS in € | -1.14 | 0.33 | -0.53 | 0.88 | 0.08 |
| Total Assets | 1,511.4 | 1,446.0 | 1,518.9 | 1,427.0 | 1,483.4 |
| Equity | 374.9 | 332.0 | 355.8 | 328.2 | 345.6 |
| Equity-Ratio in % | 24.8 | 23.0 | 23.4 | 23.0 | 23.3 |
| Net Debt | 481.6 | 430.5 | 436.8 | 381.0 | 420.2 |
| Gearing Ratio in % | 128.5 | 129.7 | 122.8 | 116.1 | 121.6 |
| Capex (w/o financial assets) | 19.1 | 21.7 | 14.3 | 9.0 | 114.7 |
| Depreciation | 21.9 | 20.6 | 21.5 | 20.6 | 84.2 |
| Employees (average) | 14,003 | 14,143 | 14,009 | 14,204 | 14,006 |