



GRAMMER

SOLUTIONS FOR A WORLD ON THE MOVE

Financial Results FY 2021
Ursensollen, March 30th, 2022



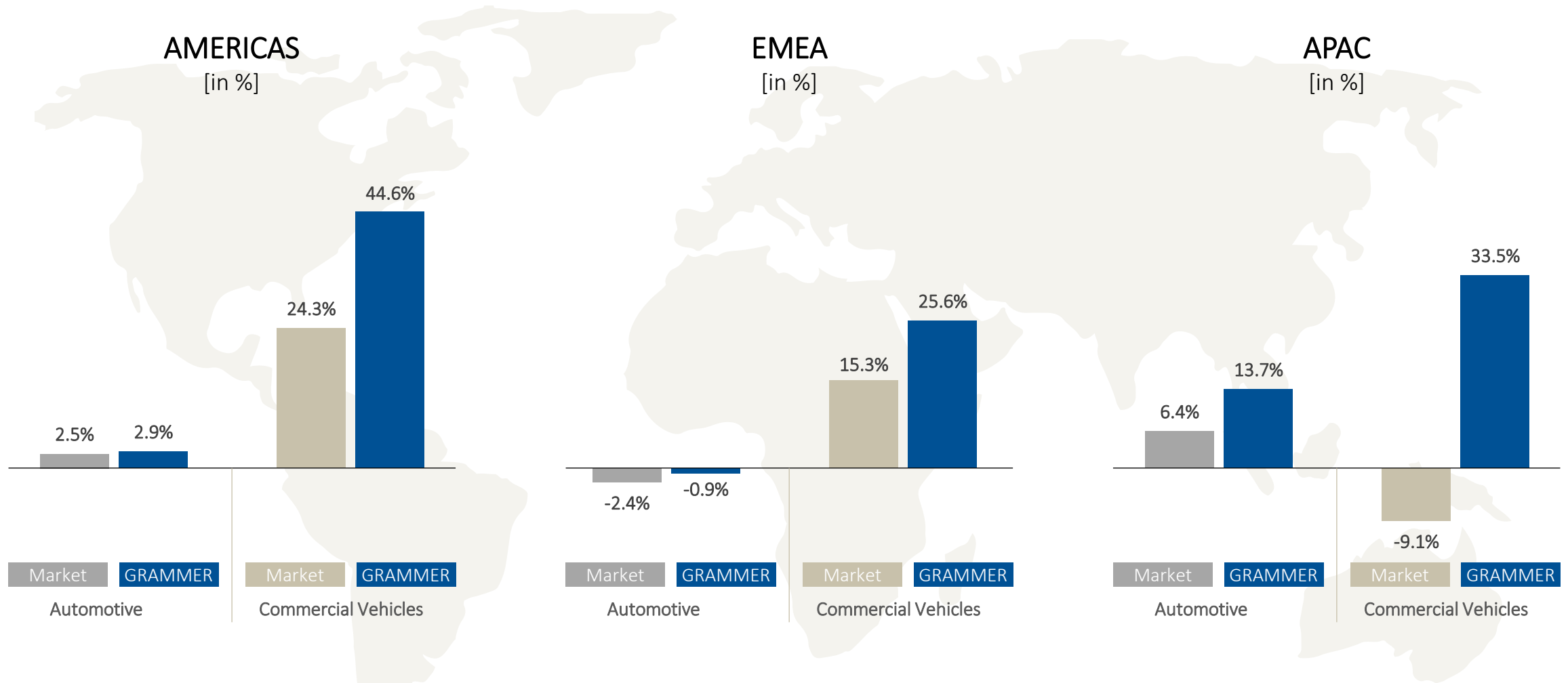
GRAMMER Group's financial year 2021 at a glance

- 11.2% growth in Group revenues with a significant increase of Commercial Vehicles business (+31%) across all regions
- Operating EBIT amounted to EUR 22.8 million, corresponding to an operating EBIT margin of 1.2%
- Volatile customer call-offs due to semiconductor shortages leading to underutilized production capacities & operational inefficiencies mainly in EMEA and AMERICAS since H2 2021
- Focus area AMERICAS: turnaround project "Path to Profitability" leaving no stone unturned
- Significant progress with our strategic initiatives in 2021, such as expansion in the APAC region, localization in the Americas or launch of innovations in the On- and Off-road segment

KPIs	2020	2021
Group revenue [in EUR million]	1,710.7	1,903.0
EBIT [in EUR million]	-46.1	18.9
Operating EBIT [in EUR million]	-11.7	22.8
Operating EBIT margin	-0.7%	1.2%
Net profit [in EUR million]	-64.7	0.6

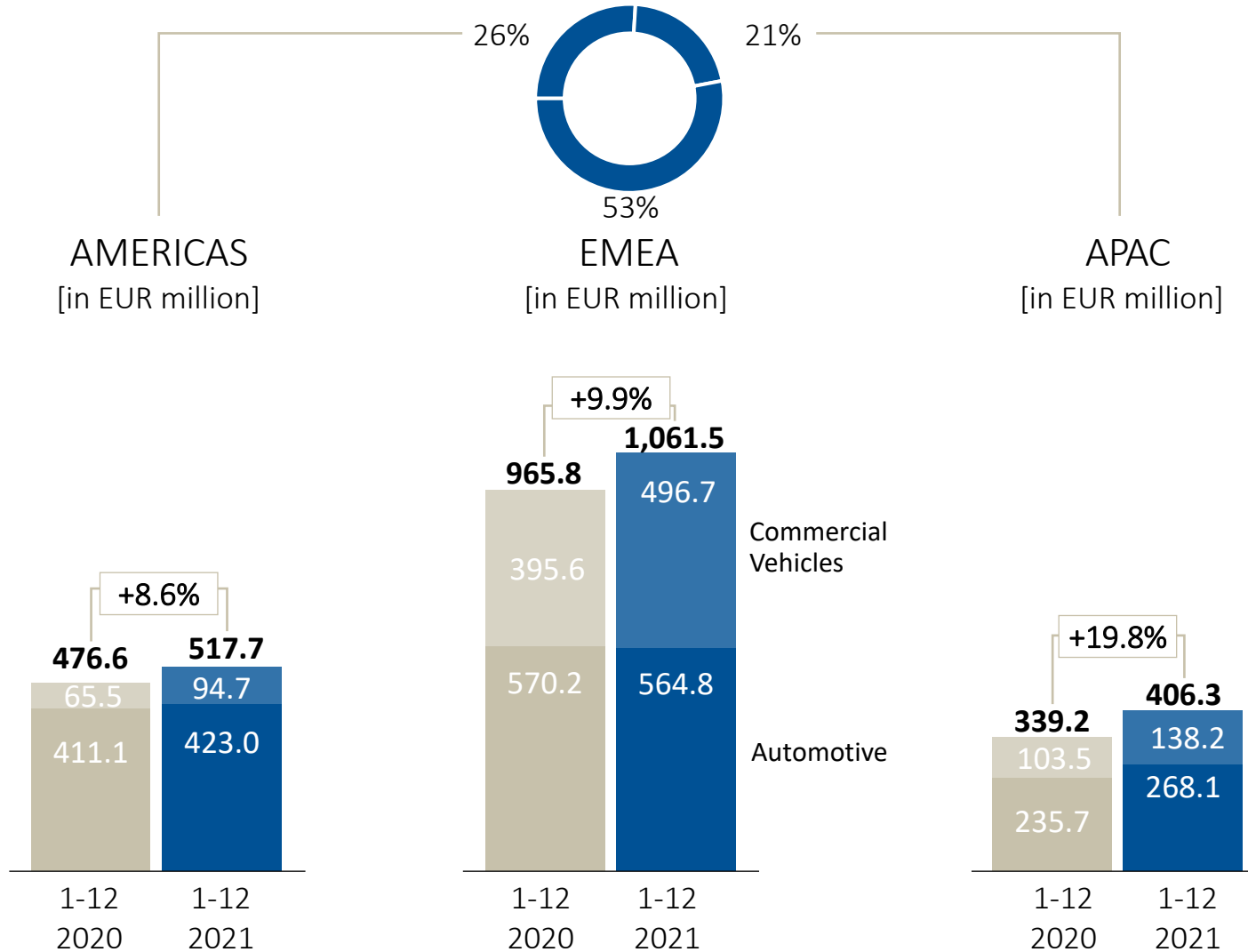
GRAMMER Group

Global market development compared to GRAMMER's performance (FY 2021)



Revenue development by region (FY 2021)

Improvements in all markets and a new sales record in APAC



- Revenue increased in all regions
- Division Commercial Vehicles with significant growth in revenues in:
 - AMERICAS +44.6%
 - EMEA +25.6%
 - APAC +33.5%
- Division Automotive presents a heterogeneous picture
 - AMERICAS +2.9%
 - EMEA -0.9%
 - APAC +13.7%
- Region APAC with new sales record

FY 2021 of APAC at a glance

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

- Significant revenue increase to EUR 406.3 million (+19.8%) with a very strong performance in China
- Automotive division with growth of 13.7%
- Grand Opening of Shenyang Plant in September 2021
- Commercial Vehicles division grew by 33.5%
- CV market particularly strong in H1 due to introduction of new China 6 emission standard in July 2021
- Continuing our growth strategy in China as well as in the entire APAC region



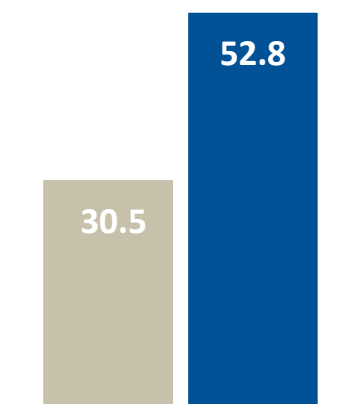
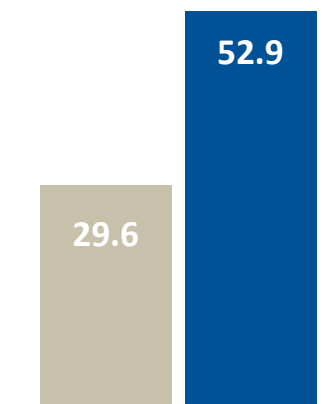
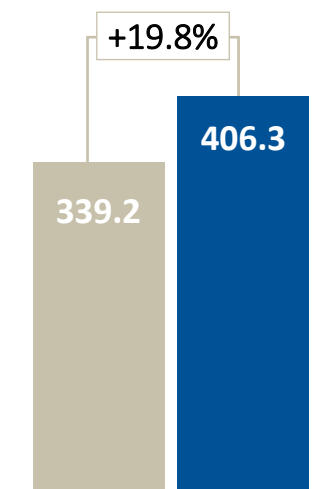
FY 2021 Revenue / EBIT / operating EBIT in APAC

REVENUE
[in EUR million]

EBIT
[in EUR million and %]

OPERATING EBIT
[in EUR million and %]

Margin	8.7%	13.0%	9.0%	13.0%
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1-12 2020 1-12 2021

1-12 2020 1-12 2021

1-12 2020 1-12 2021

- Recovery in revenues of 19.8%
- Double-digit growth in both divisions
- Higher EBIT due to recovery in revenues and the very positive development in the higher-margin division Commercial Vehicles
- Earnings slightly slowed down during the year by semiconductor shortage and higher raw material prices

FY 2021 of EMEA at a glance

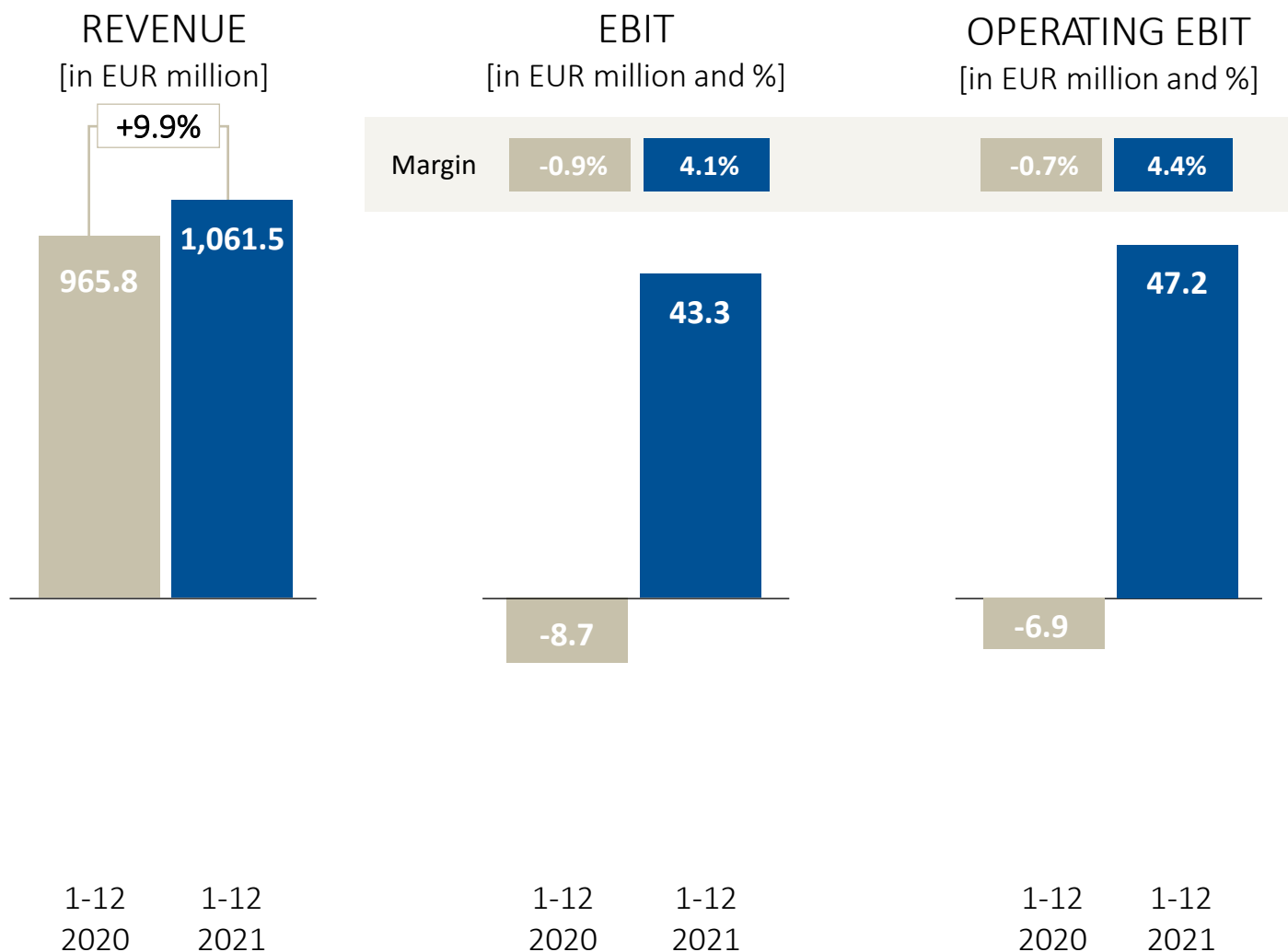
Optimization of capacity utilization through region-wide consolidation



- Revenue recovery to EUR 1,061.5 million (+9.9%)
- Significant increase of Commercial Vehicles business (+25.6%) resulting in a share of 47% in total revenues
- Lower customer call-offs and several down-weeks due to semiconductor shortages leading to underutilized production capacities especially in the second half of 2021
- Raw material price and logistics costs increases affected earnings especially in the second half of 2021
- Footprint optimization through production consolidation and three plant closures
- Restructuring program contributed significantly to earnings development



FY 2021 Revenue / EBIT / operating EBIT in EMEA



- Recovery in revenues of 9.9% compared to year of COVID-19 outbreak
- EBIT influenced by:
 - EUR -4.5 million expenses from the sale of the subsidiary in Spain
 - EUR -2.0 million COVID-19 protection and action measures
 - EUR 2.6 million positive currency effects

FY 2021 of AMERICAS at a glance

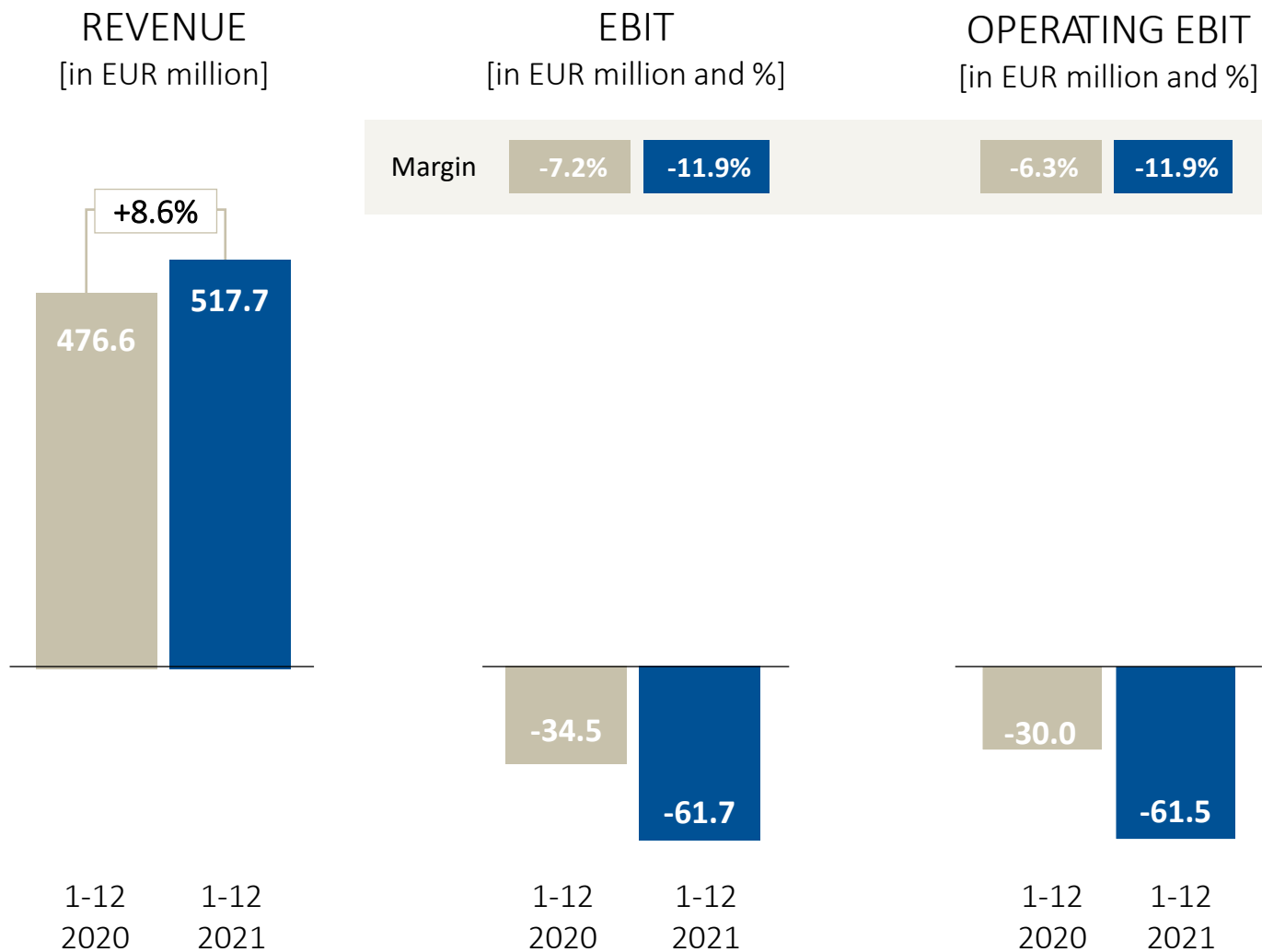
Full focus on stabilization and turn-around activities in the region



- Revenue increase to EUR 517.7 million (+8.6%)
- Situation of extended customer shutdown weeks and very volatile call-offs in North America worsening performance in the second half of 2021
- Increased material and logistics costs
- Very stressed labor market in the U.S.
- Turnaround project “P2P - Path to Profitability” to secure financial stability and ensure sustainable development



FY 2021 Revenue / EBIT / operating EBIT in AMERICAS



- Recovery in revenues of 8.6% compared to COVID-19 burdened previous year
- EBIT influenced by:
 - Plant closures of OEM's
 - Higher material and logistic costs
 - Difficult situation on U.S. labor market led to higher fluctuation at the locations in North America
 - Increase of personnel expenses

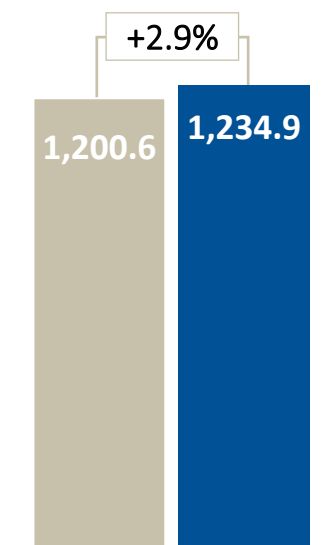
P2P AMERICAS: Return to profitability in 2024 at the latest

- Path to Profitability (P2P) to secure financial stability and ensure sustainable development
- Measures in 2022 will be focusing on
 - Customer compensations
 - Operational performance improvement
 - Utilization of existing capacities through new orders and insourcing projects
 - Further manufacturing footprint optimization measures under investigation
- New regional management with restructuring experience



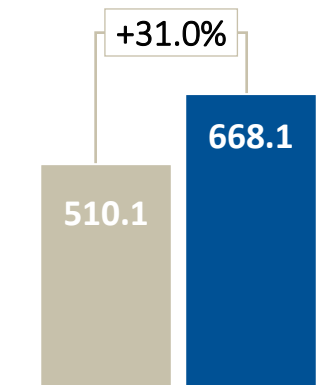
Revenue development by division (FY 2021)

AUTOMOTIVE [in € million]



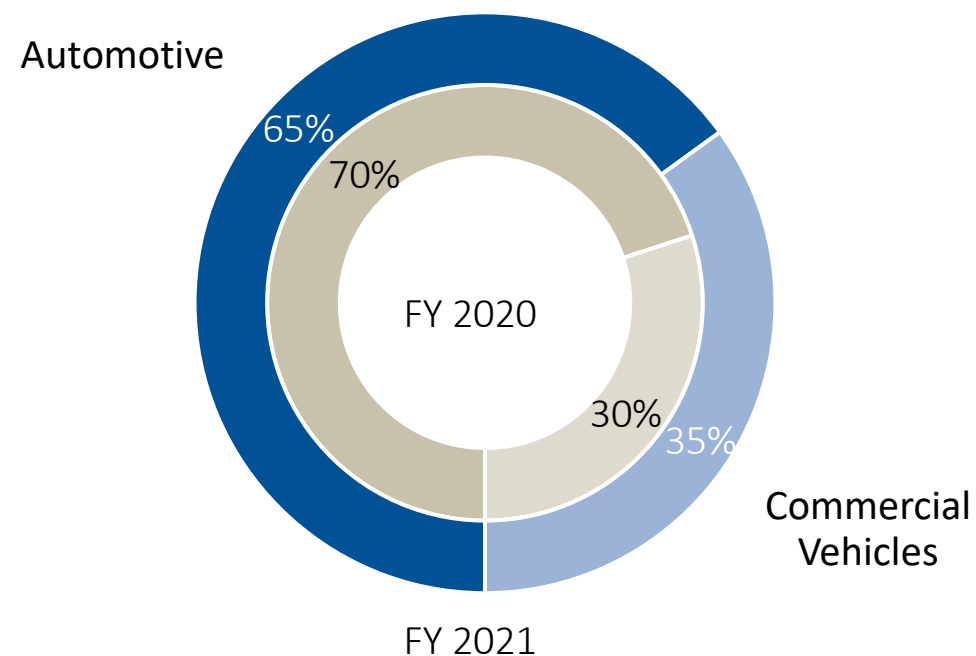
1-12 2020 1-12 2021

COMMERCIAL VEHICLES [in € million]

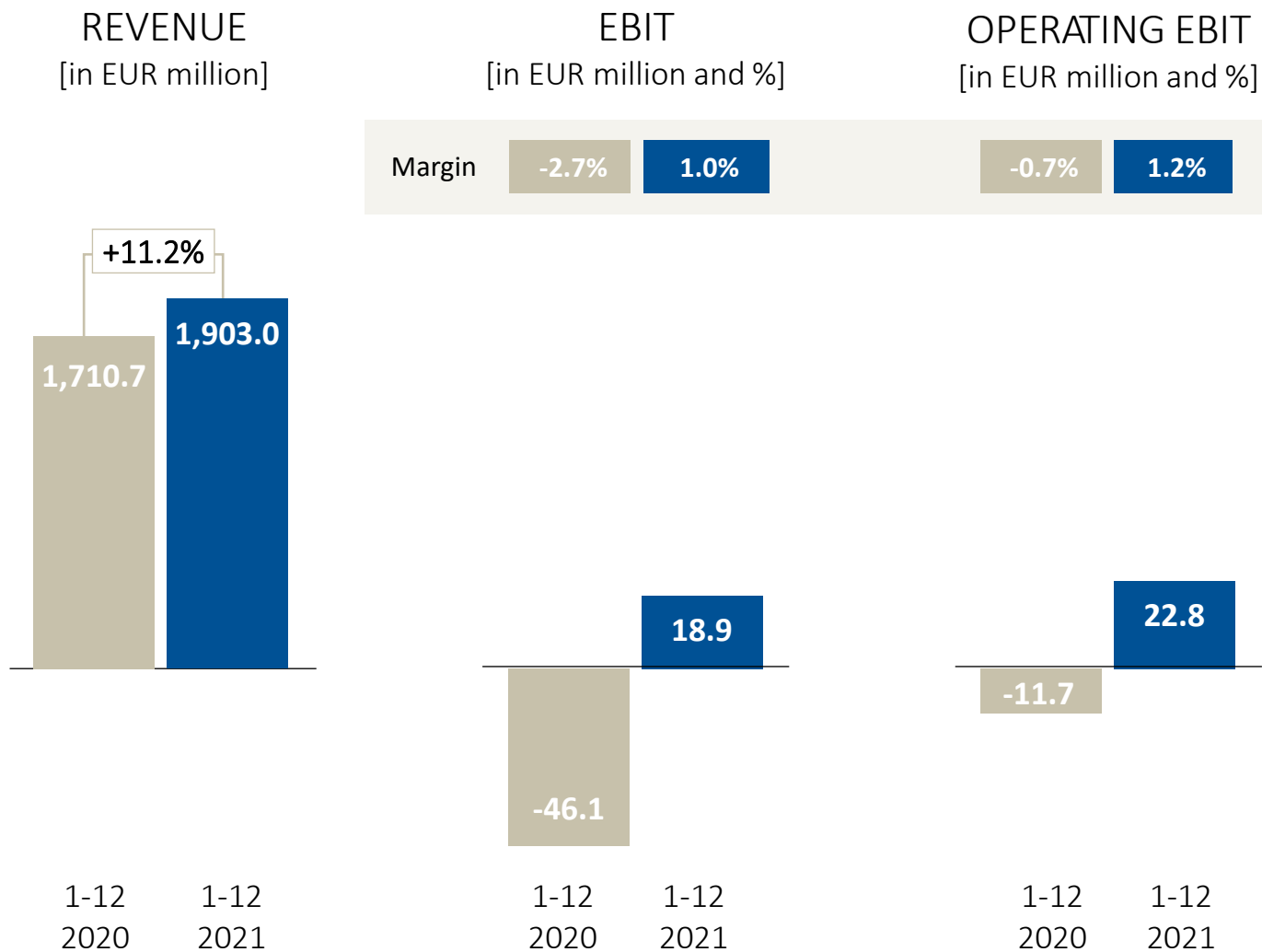


1-12 2020 1-12 2021

SHARE IN GROUP REVENUE



Group Revenue / EBIT / operating EBIT GRAMMER (FY 2021)



- Recovery in Group revenues of 11.2% compared to previous year to more than EUR 1.9 billion
- EBIT increase due to higher revenues, the positive first half year and significantly improved revenue development in the higher-margin commercial vehicles division
- EMEA and APAC regions contributed with positive results
- AMERICAS fell short of expectations and closed the year with a clearly negative EBIT

Changes in the earnings guidance for 2021

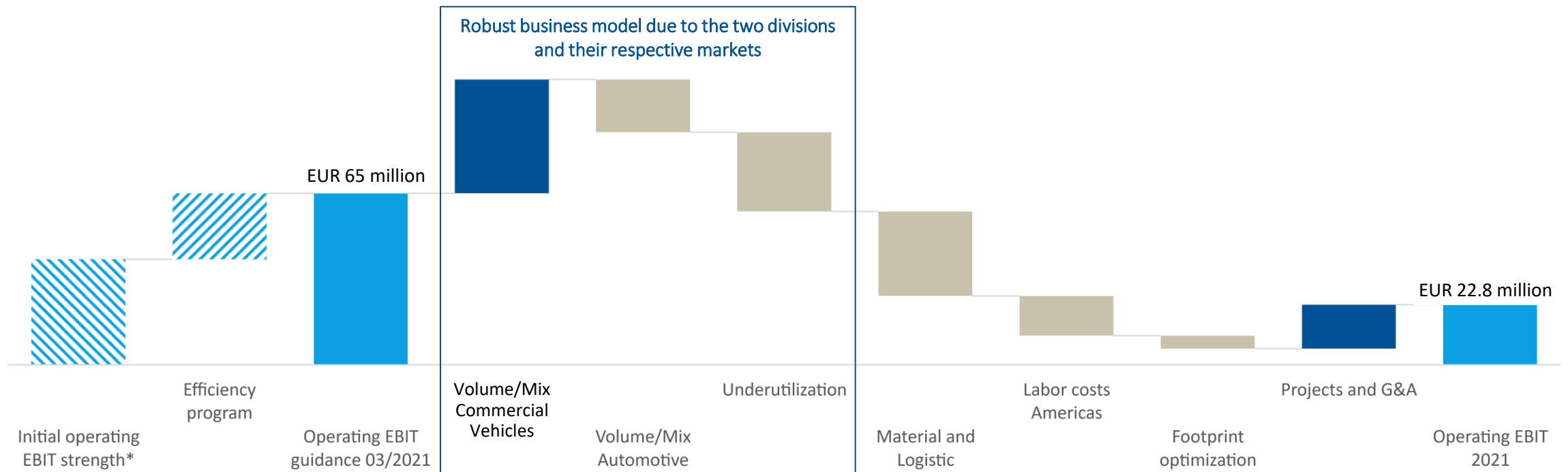
Profitability is significantly impacted by volatile automotive market and significant material cost development



Operating EBIT guidance as of:

March 2021: EUR 65 million

October 2021: EUR 17 – 22 million

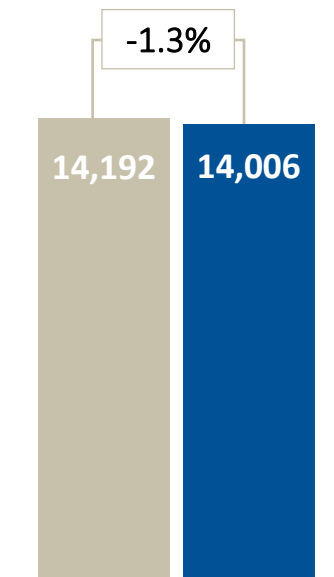


*) Operating EBIT estimate without measures initiated in the second half of 2019

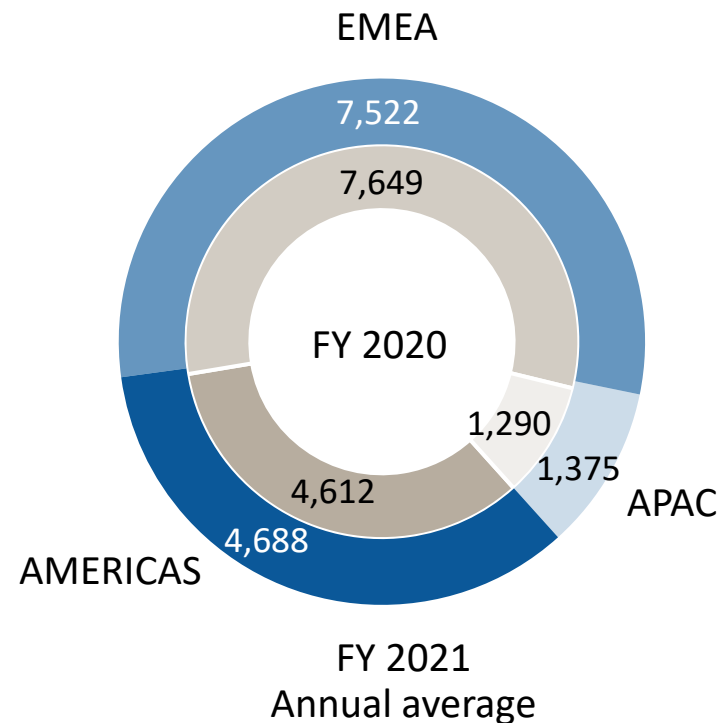
Employee development by region (FY 2021)

EMPLOYEES

[Average; without temporary workers]



1-12 2020 1-12 2021



*CS 2020: 641
*CS 2021: 421

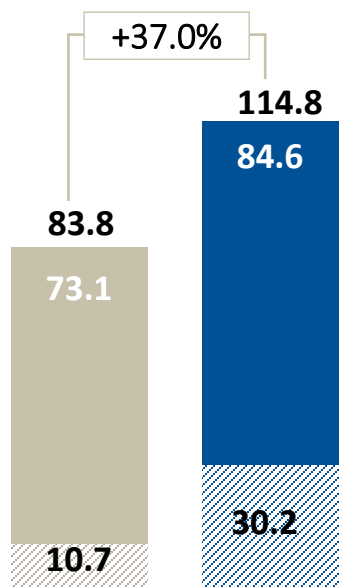
Different developments in 2021:

- **AMERICAS +1.6%**
Headcount increase is driven by the build-up of a new cut & sew hub in Mexico
- **EMEA -1.7%**
Flexibilization of employees to the reduced revenue level
- **APAC +6.5%**
Strategic employee recruitment in the APAC growth region
- Successful concluded voluntary severance program in Germany in overhead functions contributes to the results

Capital expenditure (FY 2021)

CAPITAL EXPENDITURE

[in EUR million]

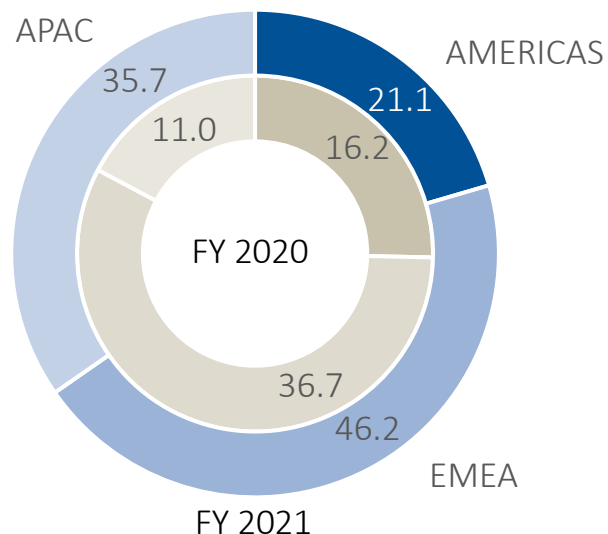


1-12 2020 1-12 2021

IFRS 16

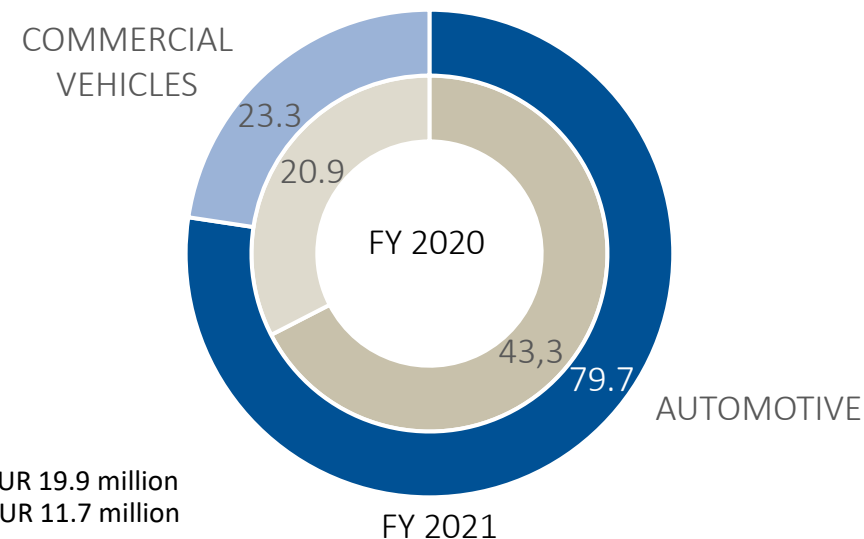
BY REGION*

[in EUR million]



BY DIVISION*

[in EUR million]



*CS 2020: EUR 19.9 million
*CS 2021: EUR 11.7 million

- Capital expenditure (Capex) increased as planned by 36.9% to EUR 114.7 million (2020: EUR 83.8 million).
- Main areas were new launches and replacing machinery, projects to digitalize core processes and systems and the development of a new seat generation in the CV Division.
- A share of EUR 30.2 million (2020: EUR 10.7 million) is related to leased assets capitalized in accordance with IFRS 16.
- Top region in terms of Capex spent was EMEA with EUR 46.2, followed by APAC with EUR 35.7

Free cashflow, Net debt, Equity FY on Group level

FREE CASH FLOW

[in EUR million]

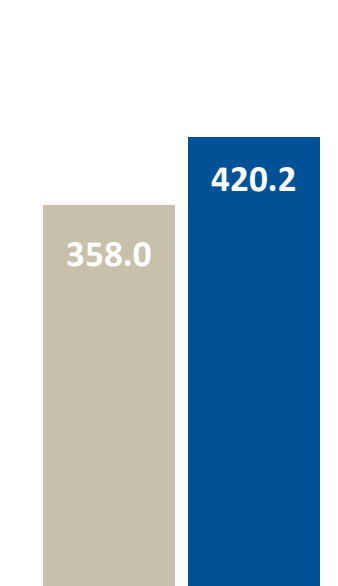


1-12
2020

1-12
2021

NET DEBT

[in EUR million]

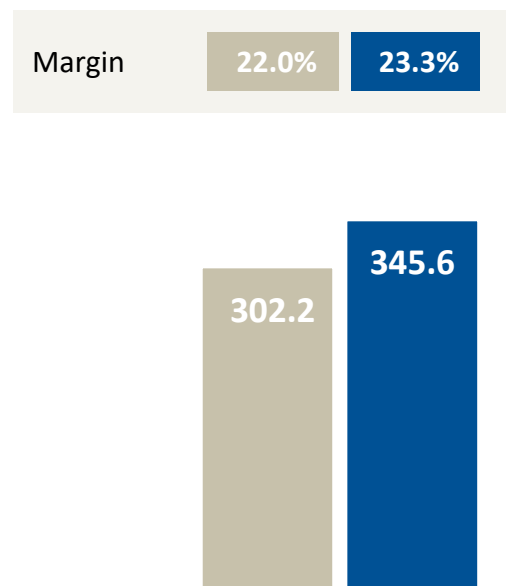


1-12
2020

1-12
2021

EQUITY

[in EUR million]



1-12
2020

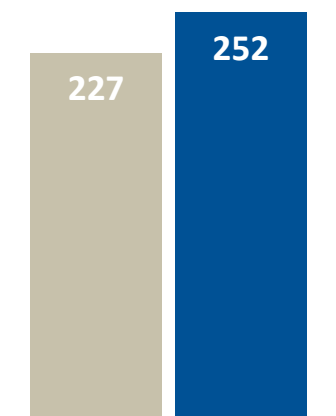
1-12
2021

- Free cashflow is at EUR -5.6 million – strong performance in Q4 with EUR 43.4 million
- Net debt increased to EUR 420.2 million
- Increase in equity by 14.4% due to other comprehensive income as well as the positive result after taxes
- Improvement of the equity ratio by 1.3 percentage points

Working capital, leverage and gearing FY on Group level

WORKING CAPITAL

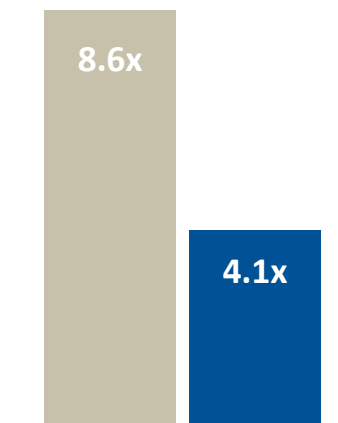
[in EUR million]



1-12
2020

1-12
2021

LEVERAGE



1-12
2020

1-12
2021

GEARING

[in %]



1-12
2020

1-12
2021

- The increase in working capital was mainly due to the rise in inventories, in particular to secure the supply of materials
- Leverage has improved significantly due to increase in EBITDA LTM from EUR 42 million to EUR 103 million
- Gearing just slightly higher against previous year's level

OUTLOOK 2022

Outlook 2022

March 30, 2022



Outlook 2022: 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)*



Mid-term guidance 2025

April 28th, 2022

*In case that the geopolitical situation, in particular in Eastern Europe, remains tense or even worsens, it could result in lasting consequences for production, supply chains and demand. Depending on the severity of the disruption, this may result in lower groupwide sales and earnings compared to the previous year. Moreover, this outlook is based on the assumption that there will be no further plant closures due to the COVID-19 pandemic in 2022.

Current events and potential effects on GRAMMER

Geopolitical and economic uncertainty caused by the war in Ukraine:

- GRAMMER has no plants and no employees in the Ukraine
- GRAMMER has employees from the Ukraine working in our ww locations
- Their safety and families' well-being is a key priority for us
- “Task Force Ukraine” in place to monitor and manage the situation
- Further bottlenecks in the supply chain, in particular on the side of our customers (e.g. cable harnesses)
- Revenues in the automotive division in EMEA affected short-term, effects on commercial vehicles division assumed to remain low
- Further increases on freight rates, raw material and energy prices expected
- Impact on the inflation and the global GDP development

COVID-19 in China:

- Negative impact due to further lockdowns in China cannot be excluded

Long-term outlook: megatrends

GRAMMER makes the lives of many people more comfortable, safer and more sustainable with its wide range of products for cars and commercial vehicles – and is participating in the key **megatrends of the future** with its solutions.



GRAMMER solutions in response to key megatrends



Electrification and new mobility



Digitalization



Growth in the world population



Urbanization



Sustainability

GRAMMER solutions in response to key megatrends



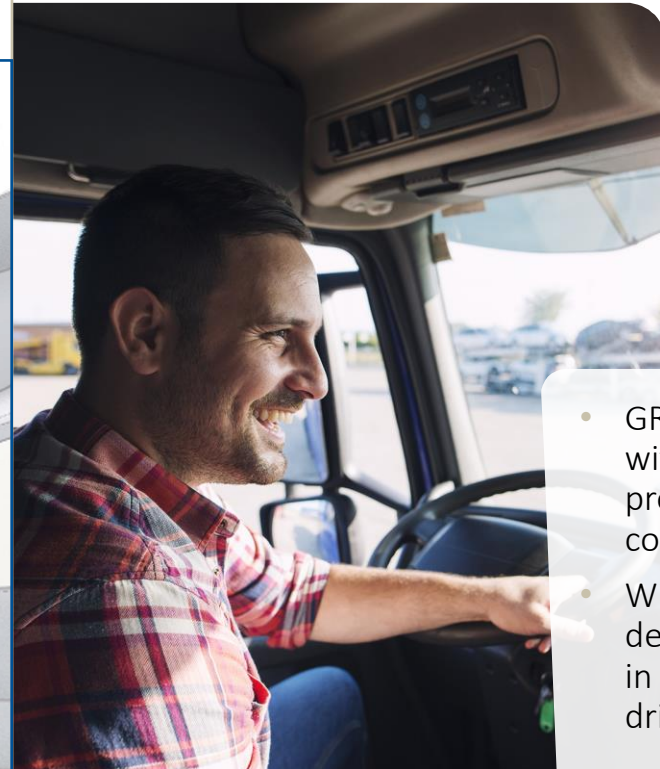
RETHINKING MOBILE INTERIORS



- New Mobility and Electrification promote the importance of car interior and increase the need for safety, comfort and functionality
- GRAMMER is working on modular solutions with flexible features such as sliding consoles for the next car generations



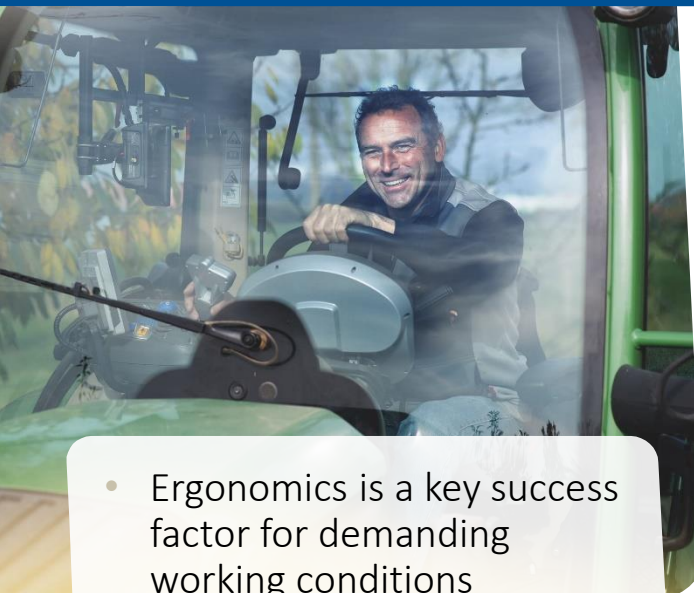
DESIGN FOR USE FROM THE SMART FACTORY



- GRAMMER drives digitalization with the most cutting-edge production plant for commercial vehicles
- With its new cinema seat, we deliver multifunctional comfort in the driver's cab for improved driver productivity

GRAMMER solutions in response to key megatrends

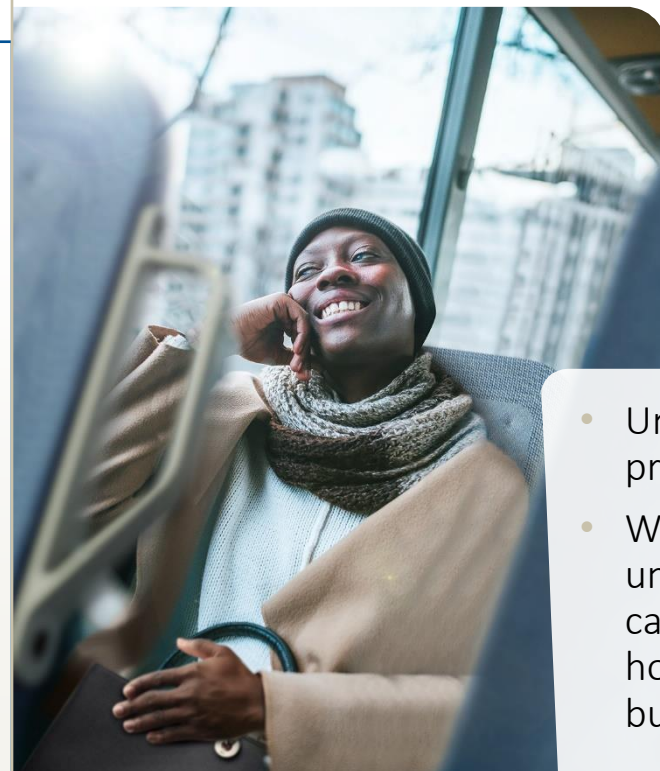
A NEW DIMENSION OF SEATING COMFORT



- Ergonomics is a key success factor for demanding working conditions
- GRAMMER is continuously optimizing ergonomic comfort in agricultural machinery to enhance productivity to meet future food demand



INNOVATIONS FOR URBAN MOBILITY

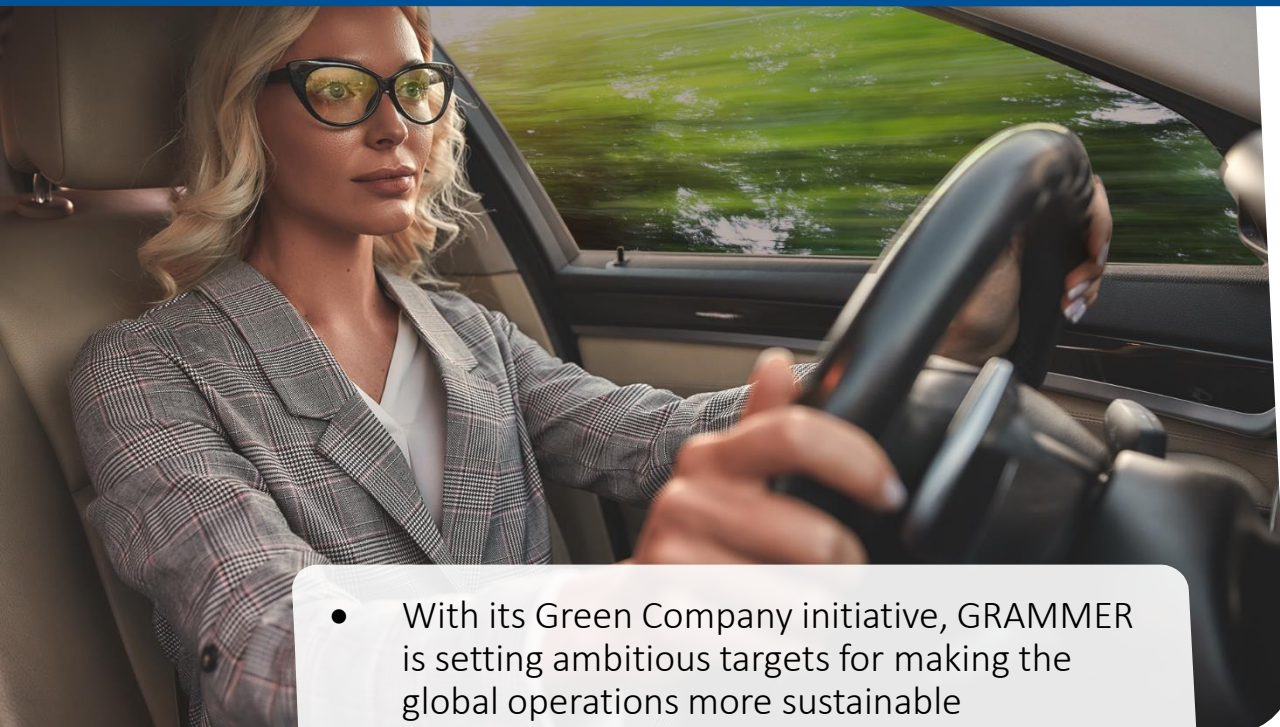


- Urban mobility is facing profound changes
- With Utility One, GRAMMER underlines its innovating capabilities and provides a holistic interior concept for busses and trains of tomorrow

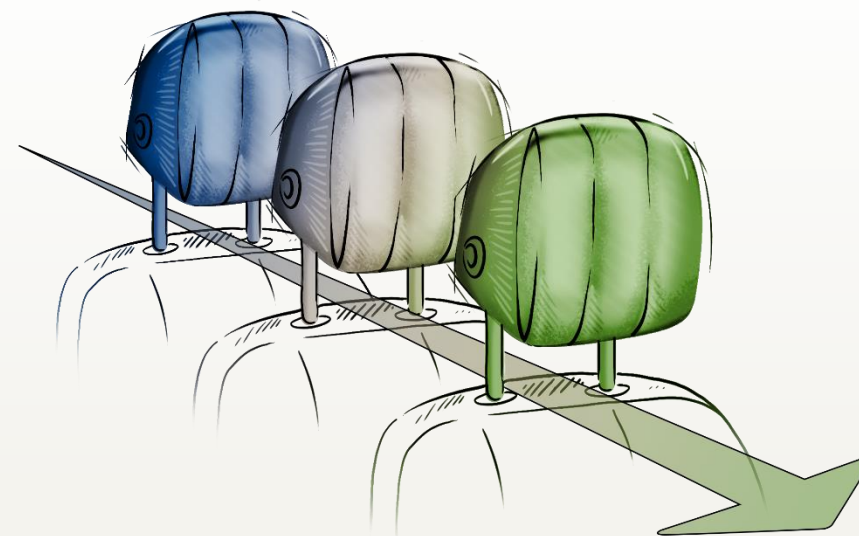
GRAMMER solutions in response to key megatrends



BECOMING A GREEN COMPANY WITH SUSTAINABLE PRODUCTS

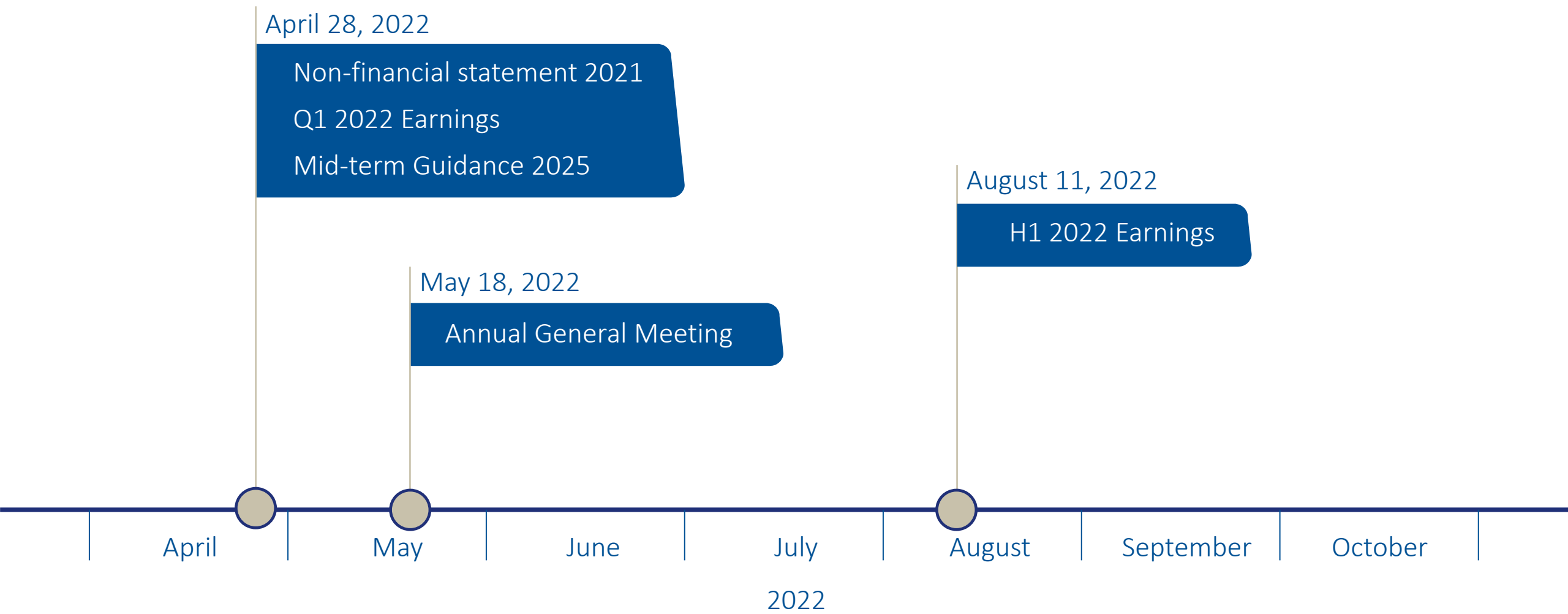


- With its Green Company initiative, GRAMMER is setting ambitious targets for making the global operations more sustainable
- One example are the next generation headrests, currently developed, that will generate around 80% of CO₂ savings



80%
CO₂ reduction

Next events





Q&A Session

March 30, 2022



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Annexes



Key figures 2021

March 30, 2022



Revenue
1,903.0 EUR million

EBIT margin
1.0%

Operating EBIT margin
1.2%

Net profit
0.6 EUR million

Free Cashflow
-5.6 EUR million

Equity ratio
23.3%

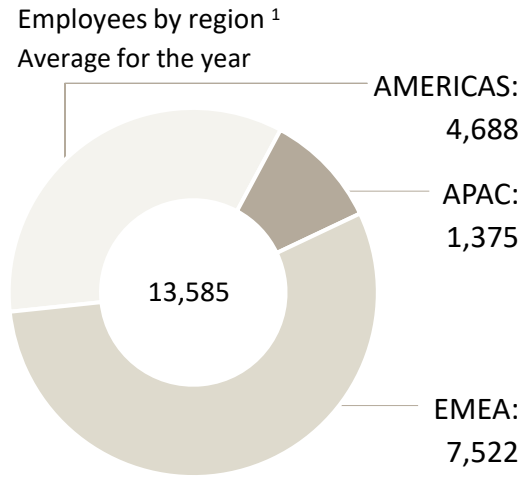
Group operating EBIT
22.8 EUR million

Capital expenditure
114.7 EUR million

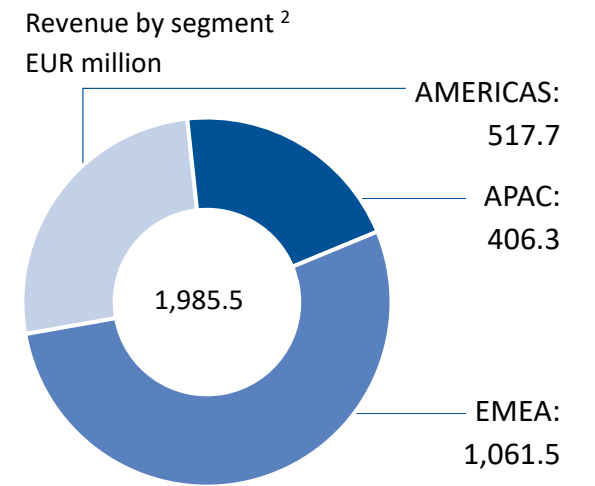
Operating EBIT (Region)
AMERICAS
-61.5 EUR million

Operating EBIT (Region)
EMEA
47.2 EUR million

Operating EBIT (Region)
APAC
52.8 EUR million

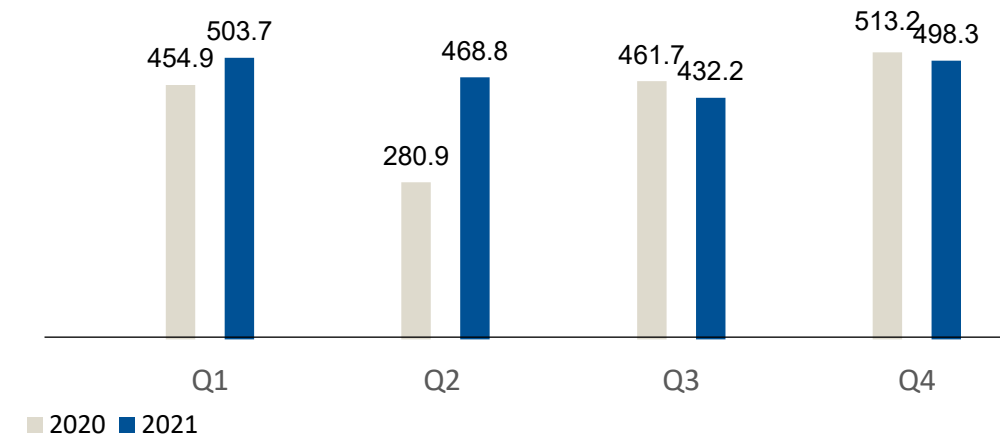


¹ An average of 421 employees were employed in Central Services



² The consolidation effect of revenue between the regions amounts to EUR 82.5 million

Revenue by quarter
EUR million



Key figures

<i>[IFRS, in € million]</i>	Q4 2021	Q4 2020	2021	2020
Group Revenue	498.3	513.2	1,903.0	1,710.7
EBIT	-7.5	1.1	18.9	-46.1
EBIT Margin in %	-1.5	0.2	1.0	-2.7
Operating EBIT	-7.9	11.6	22.8	-11.7
Operating EBIT Margin in %	-1.6	2.3	1.2	-0.7
Net Profit	-12.5	-6.2	0.6	-64.7
EPS in €			0.08	-5.10
Total Assets	1,483.4	1,376.4	1,483.4	1,376.4
Equity	345.6	358.0	345.6	358.0
Equity-Ratio in %	23.3	22.0	23.3	22.0
Net Debt	420.2	358.0	420.2	358.0
Gearing Ratio in %	121.6	118.5	121.6	118.5
Capex (w/o financial assets)	53.9	35.0	114.7	83.8
Depreciation	21.9	23.4	84.2	87.8
Employees (average)			14,006	14,192