GRAMMER

SOLUTIONS FOR A WORLD ON THE MOVE

Financial Results Q1 2022
Ursensollen, April 28th, 2022

GRAMMER Group's Q1 at a glance

- 2.2% growth to EUR 515.0 million in Group revenues thanks to a positive development in the Commercial Vehicles division (+13.9%) whereas revenue in the Automotive division declined by 3.6%
- FX-adjusted revenue slightly below the previous year's figure (-0.6% to EUR 500.7 million)
- Operating EBIT amounted to EUR -2.5 million, corresponding to an operating EBIT margin of -0.5%
- Revenue and earnings performance in the first quarter 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 corona lockdowns in China may intensify and could have a negative impact on the full year guidance

KPIs	Q1 2021	Q1 2022
Group revenue [in EUR million]	503.7	515.0
EBIT [in EUR million]	22.6	-1.2
Operating EBIT [in EUR million]	21.0	-2.5
Operating EBIT margin	4.2%	-0.5%
Net profit [in EUR million]	13.3	-8.0

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GRAMMER's revenue in Q1 2022 reflects weak global market development

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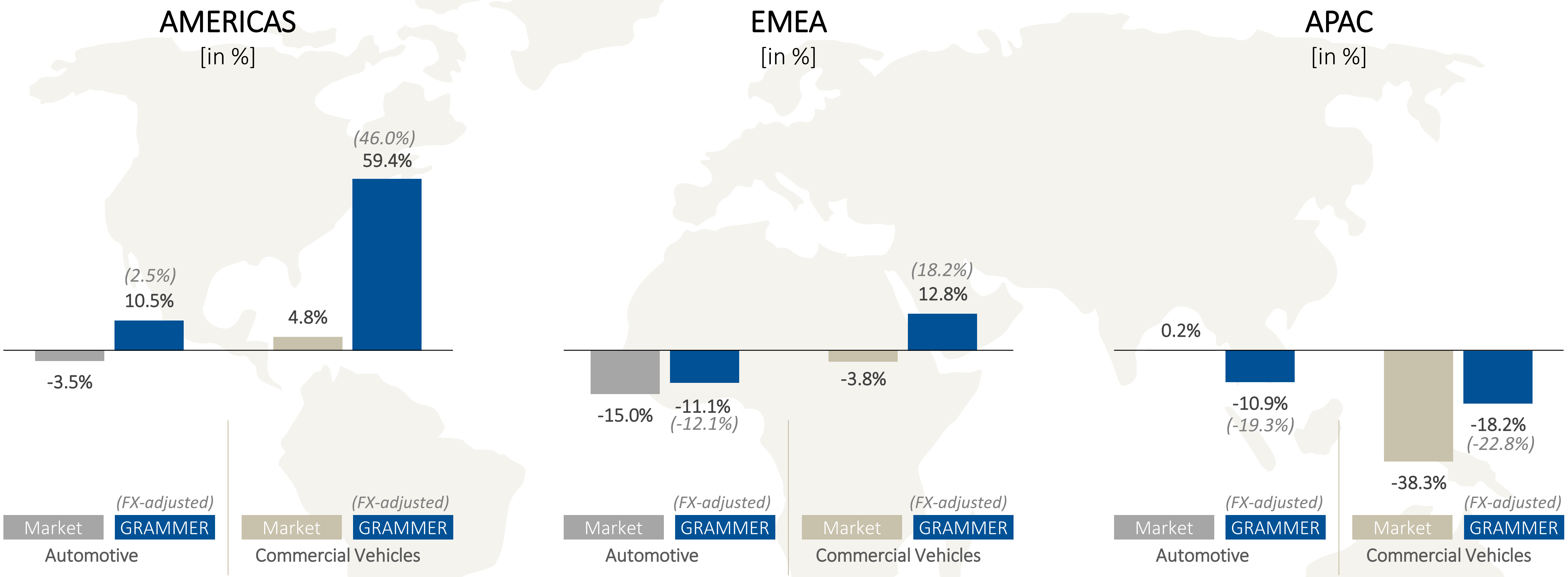


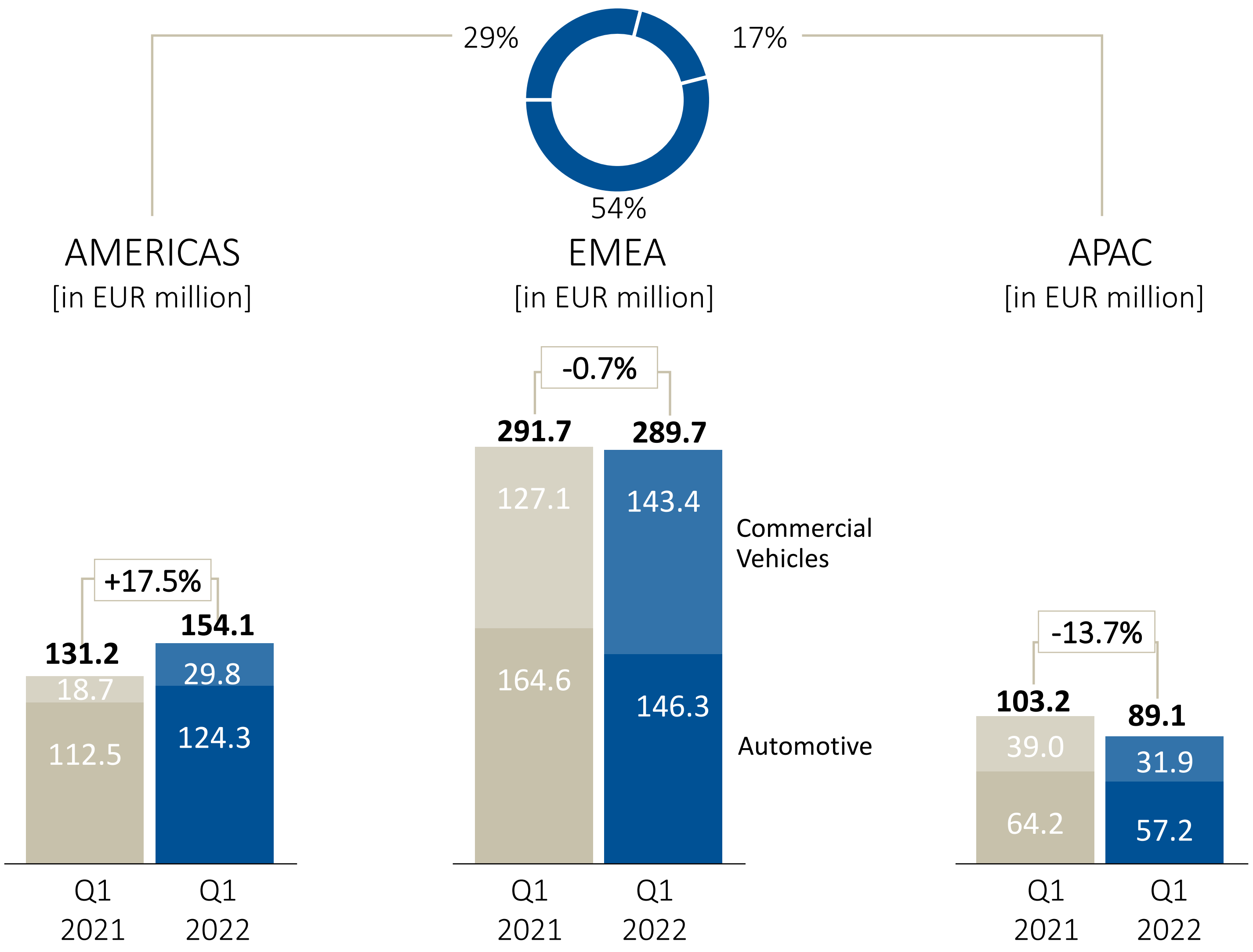
Market: April 20, 2022 IHS Light Vehicle Production

Market: April 2022 LMC Production [Truck only]

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 quarter was GRAMMER's offroad business in all three regions.

Revenue development by region (Q1 2022)

Regional differences: AMERICAS with revenue growth, EMEA and APAC with declines



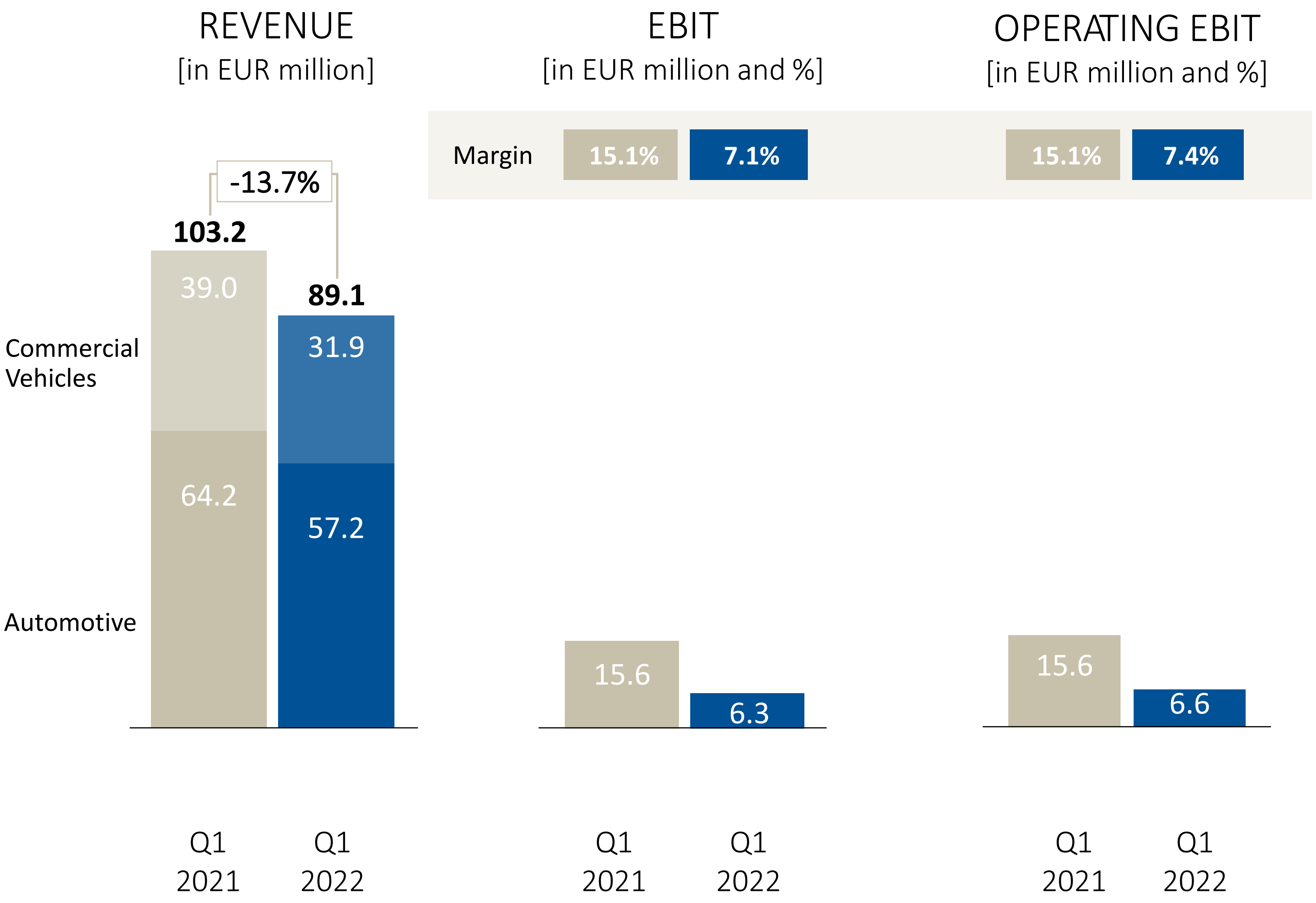
- AMERICAS with revenue growth in both divisions after weak prior-year quarter
- Contrary development in EMEA in the Automotive and Commercial Vehicles divisions, however both better than the weak market
- Negative development in APAC in both divisions due to COVID-19 restrictions (Automotive) and the side-effects of stricter emissions standard (Commercial Vehicles)

First quarter 2022 of APAC at a glance

Significant drop in APAC due to weak market development in China

- Significant revenue fall of -13.7% to EUR 89.1 million
- Automotive division with decrease of 10.9% caused by reduced call-offs from some customers due to COVID-19 lockdowns in Shanghai and Changchun
- Commercial Vehicles division normalizes at EUR 31.1 million as a result of the introduction of the new China 6 emission standard in July 2021; representing a drop of 18.2%
- Weak revenue development leads to decreased earnings

Q1 2022: Revenue / EBIT / operating EBIT in APAC



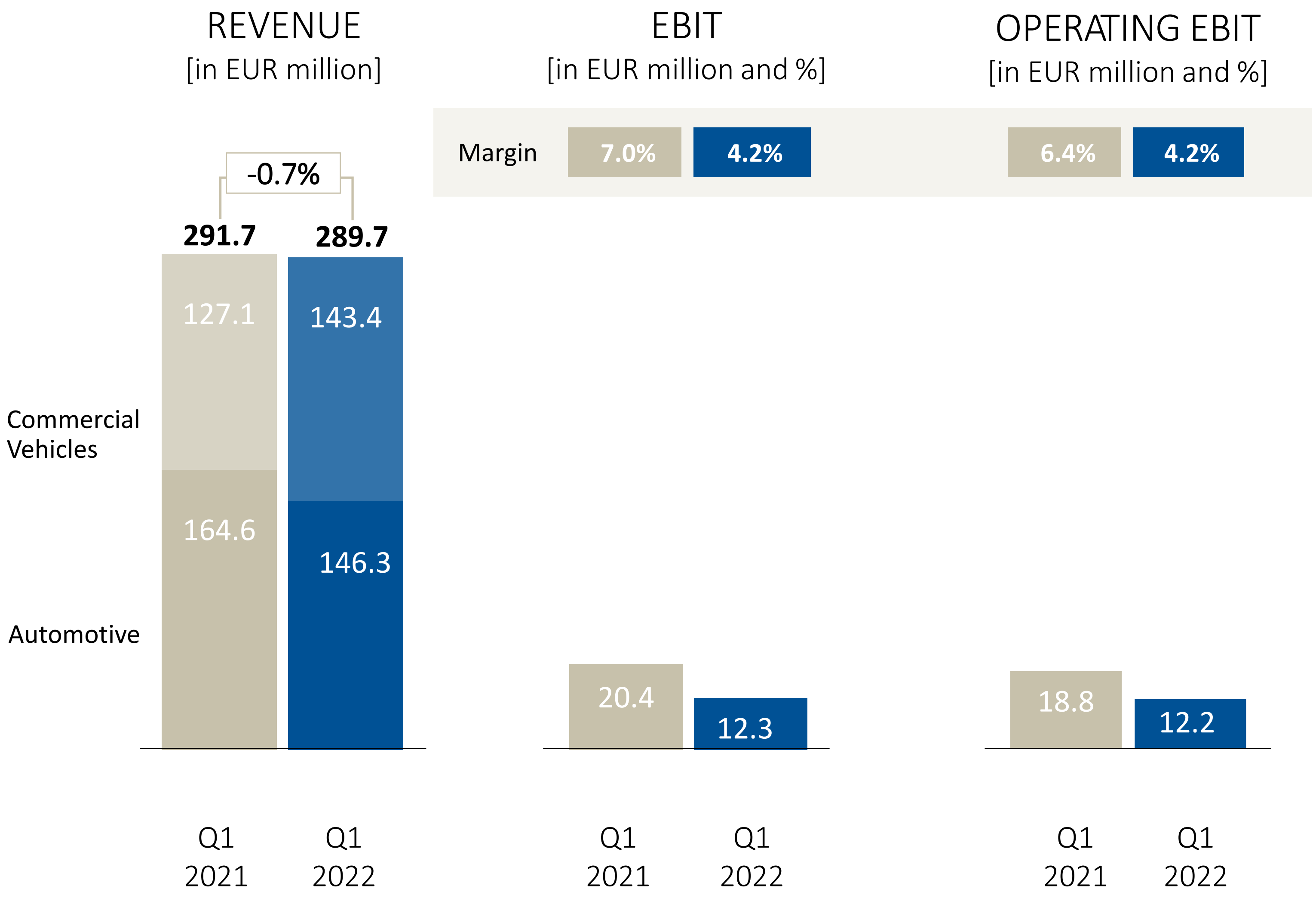
- **FX-adjusted revenue at EUR 81.9 million, -20.6%;** weakest quarter since beginning of 2021
- FX adjusted revenue in divisions:
  - Automotive: -19.3%
  - Commercial Vehicles -22.8%
- Reduced volumes, increased freight cost to Japan and ramp up costs for new locations lead to a significant EBIT reduction

First quarter 2022 of EMEA at a glance

Contrasting developments in the Automotive and Commercial Vehicles divisions

- Revenue of EUR 289.7 million (-0.7%) on PY level with significant swing between divisions
- Commercial Vehicles business increases by 12.8% resulting in a share of 49.5% in total revenues in the region
- Increased material, logistics and energy costs as well as ongoing bottlenecks in the supply marketsof our customers (e.g. semiconductors and cable trees) continue to negatively impact earnings

Q1 2022: Revenue / EBIT / operating EBIT in EMEA

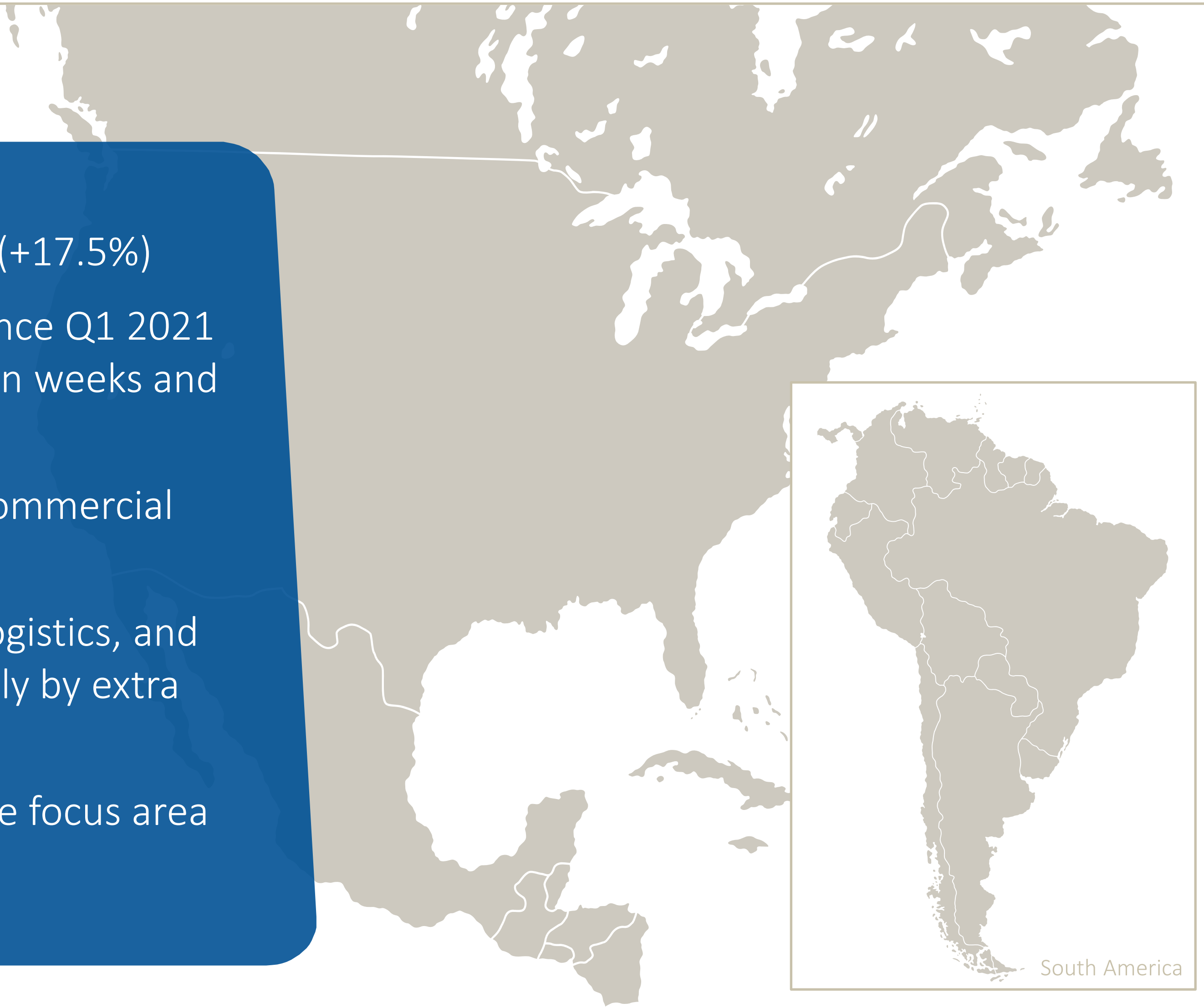


- FX adjusted revenue at EUR 294.9 million, +1.1%
- FX adjusted revenue in divisions:
  - Automotive: -12.1%
  - Commercial Vehicles +18.2%
- Earnings impacted by sharply rising material, logistics and energy costs as well as persistent bottlenecks in the supply markets, which were further exacerbated by the war in Ukraine

First quarter 2022 of AMERICAS at a glance

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

- Strong revenue increase to EUR 154.1 million (+17.5%)
- Recovery of Automotive revenues by 10.5% since Q1 2021 was impacted by extended customer shutdown weeks and very volatile call-offs in North America
- High order volume drive revenue growth of Commercial Vehicles by 59.4%
- 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



Q1 2022: Revenue / EBIT / operating EBIT in AMERICAS

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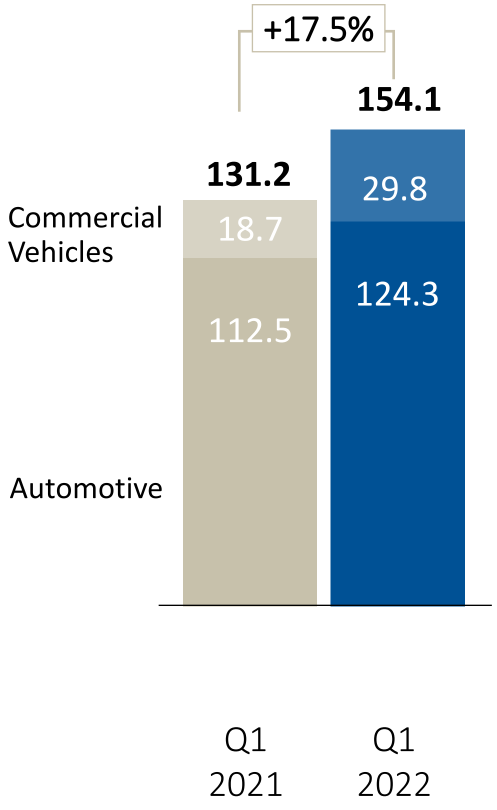
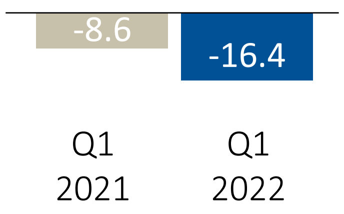
REVENUE
[in EUR million]

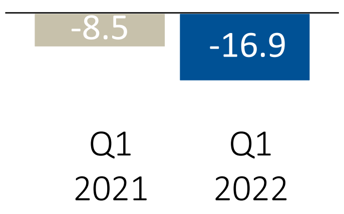


EBIT
[in EUR million and %]

OPERATING EBIT
[in EUR million and %]

	EBIT Q1 2021	EBIT Q1 2022	Operating EBIT Q1 2021	Operating EBIT Q1 2022
Margin	-6.6%	-10.6%	-6.5%	-11.0%

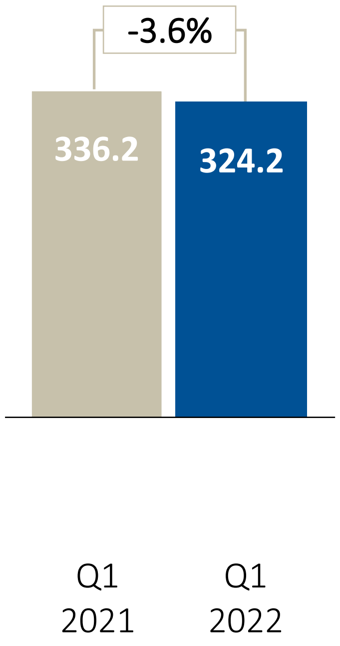




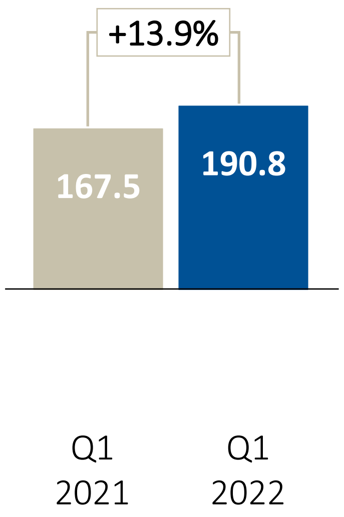
- FX adjusted revenue at EUR 142.6 million, +8.7%
- FX adjusted revenue in divisions:
  - Automotive: +2.5%
  - Commercial Vehicles +46.0%
- EBIT negatively affected by:
  - High inflation in material, logistics and personnel expenses
  - One-time extraordinary freights of around EUR 4 million
- GRAMMER aims to achieve a sustainable turnaround in AMERICAS by 2024

Revenue development by division (Q1 2022)

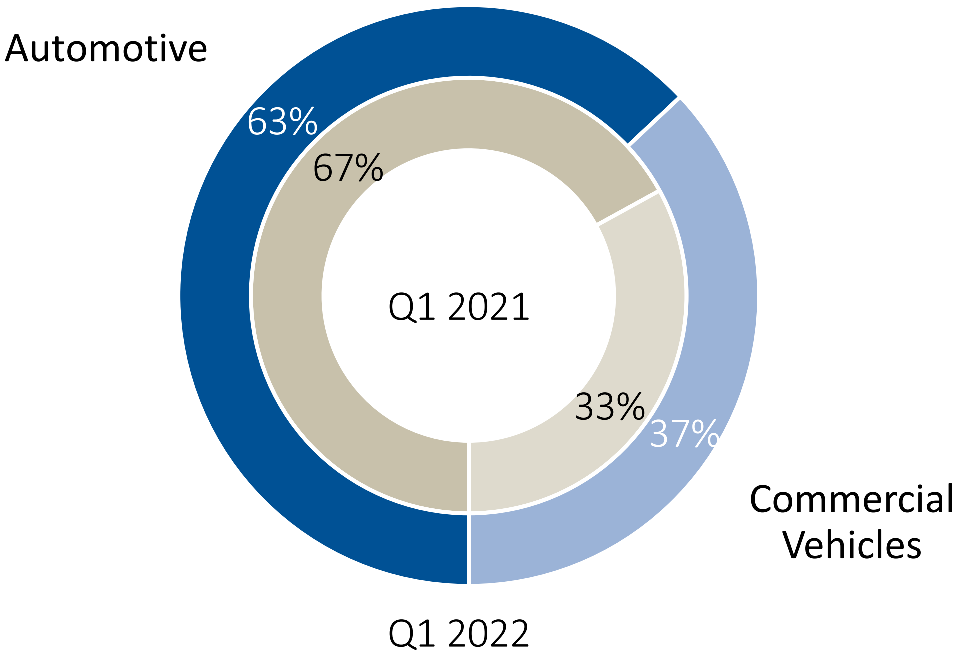
AUTOMOTIVE
[in € million]



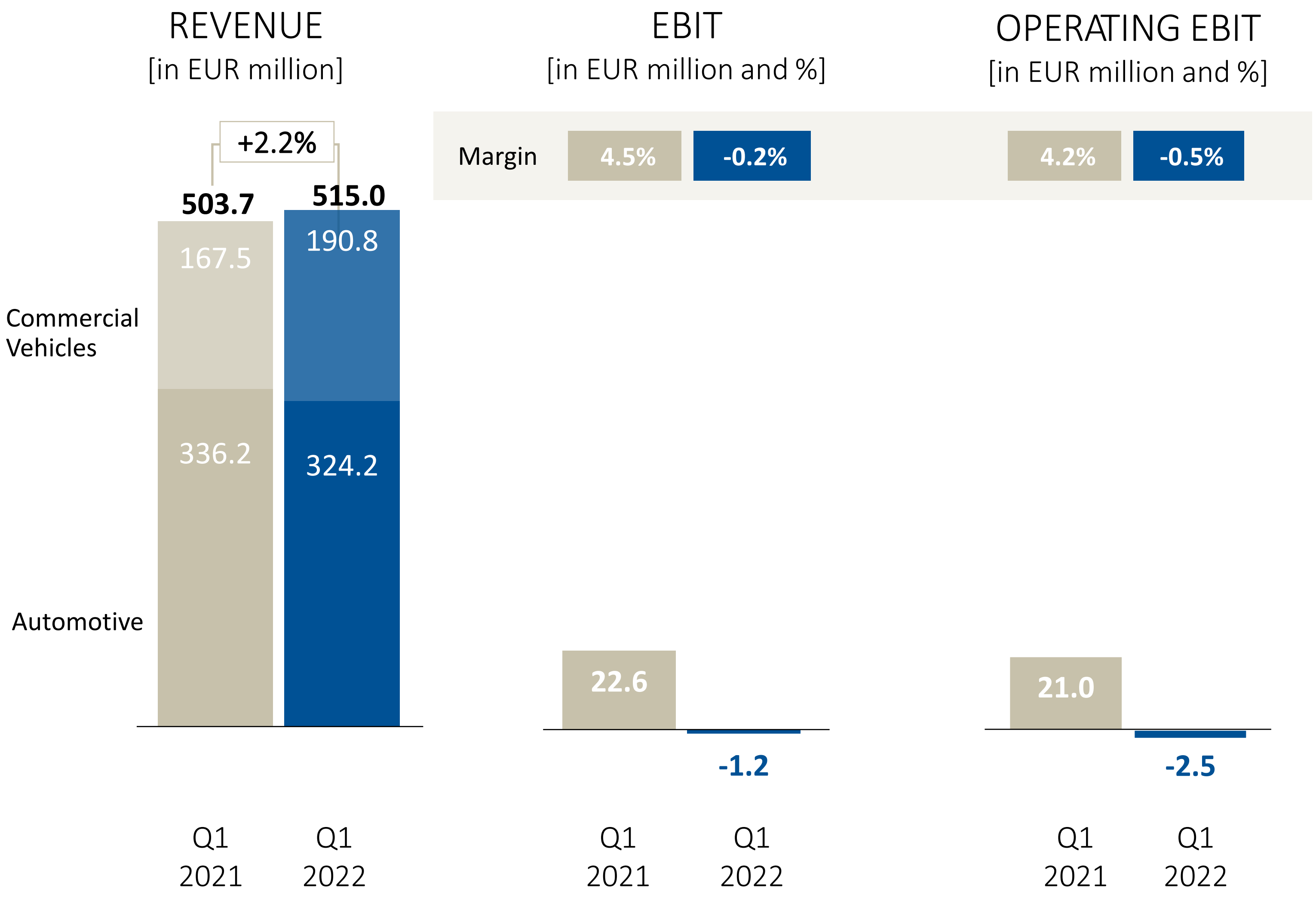
COMMERCIAL VEHICLES
[in € million]



SHARE IN GROUP REVENUE



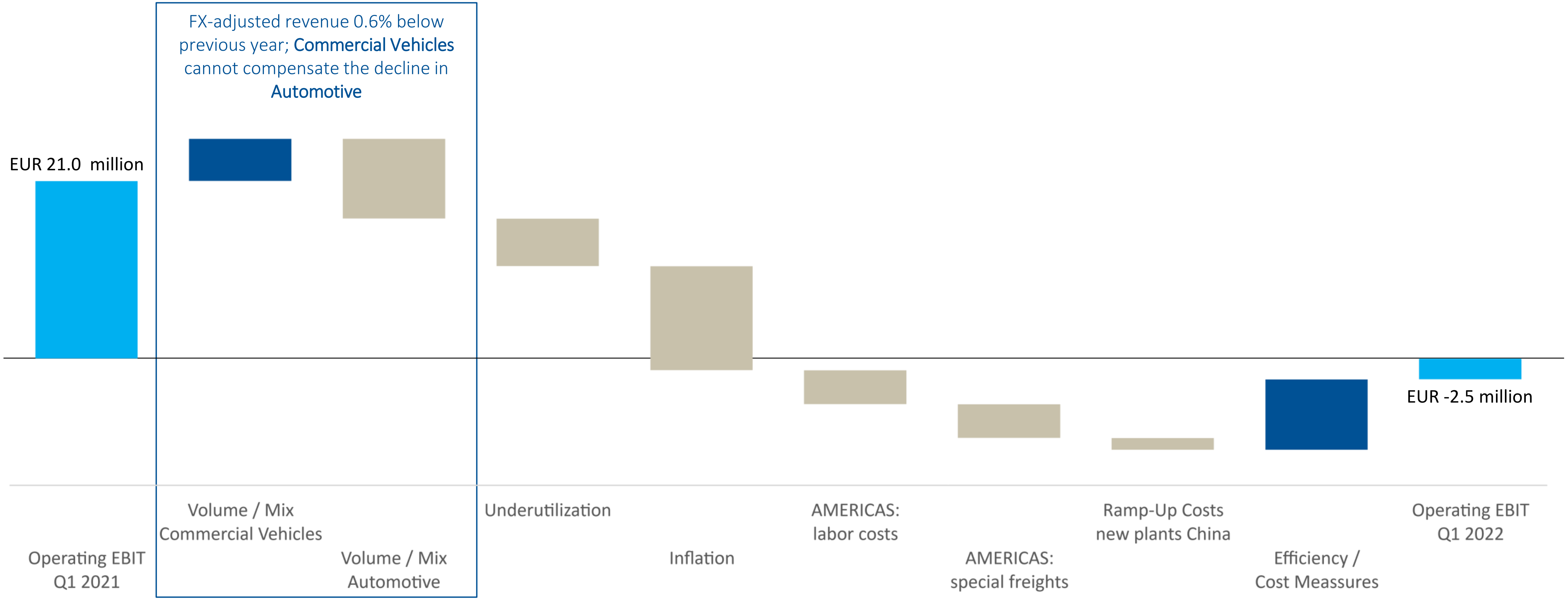
Group Revenue / EBIT / operating EBIT GRAMMER (Q1 2022)



- FX adjusted revenue at EUR 500.7 million, -0.6%
- 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

Changes in the earnings situation

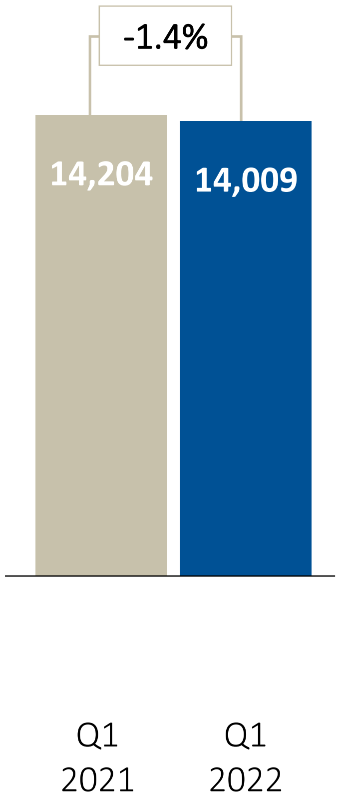
Profitability is heavily burdened by inflation in AMERICAS and EMEA

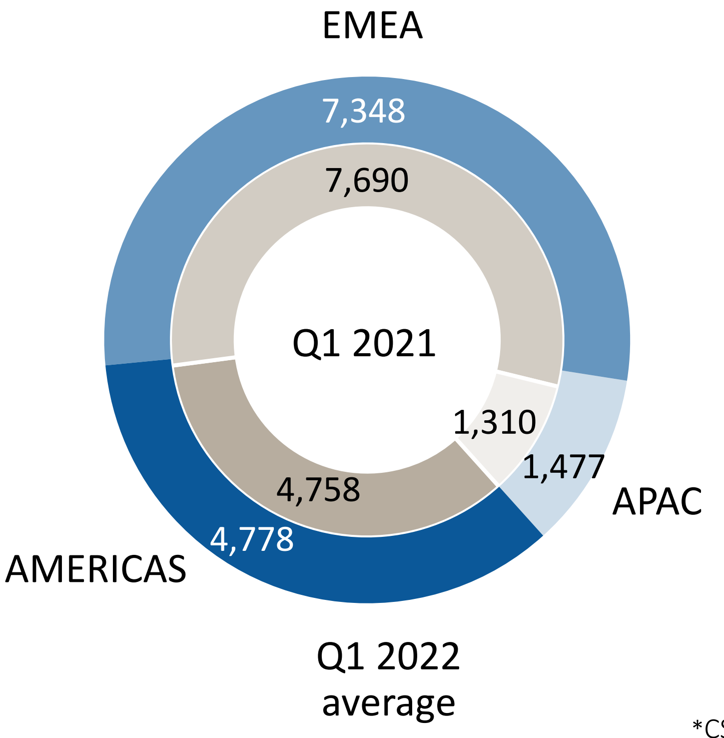


Massive inflation and underutilization due to the short-term volume reductions are eroding our margins. The compensation arrangements between our customers differ widely. The discrepancy **between partnership aspirations** and **daily reality** is at an all-time high, especially in the Automotive Business.

Employee development by region (Q1 2022)

EMPLOYEES
[Average;without temporary workers]





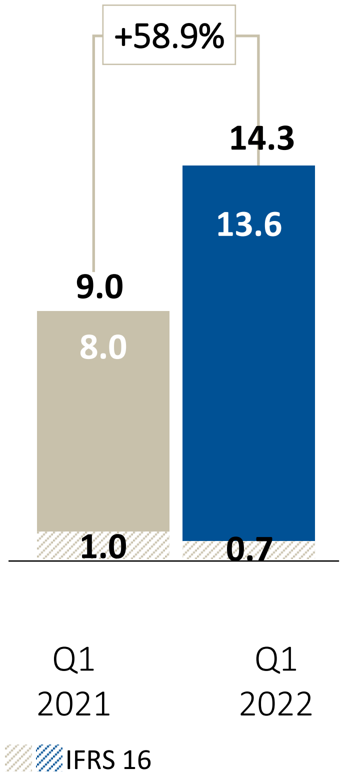
*CS Q1 2021: 446
*CS Q1 2022: 406

Different developments in Q1 2022:

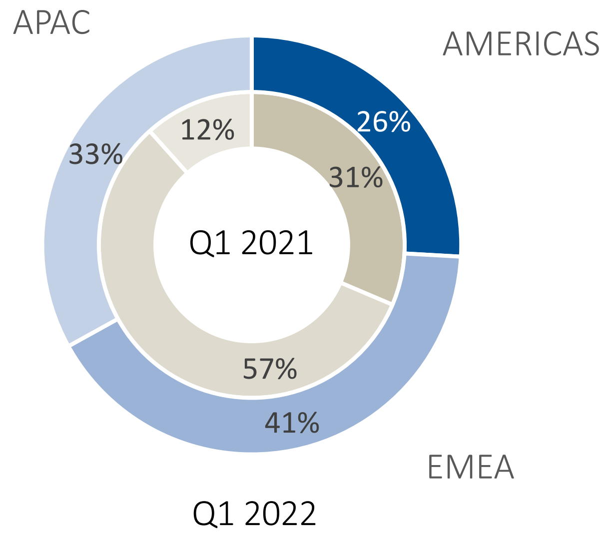
- **AMERICAS +0.4%**
  Stable development despite high fluctuation
- **EMEA -4.4%**
  Solid transformation following the volume increase in CV and reduction in Automotive
- **APAC +12.7%**
  Strategic employee recruitment in the growth region APAC

Capital expenditure (Q1 2022)

CAPITAL EXPENDITURE
[in EUR million]



BY REGION*
[in %]

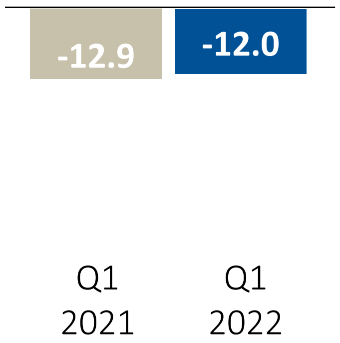


*CS Q1 2021: EUR 0.4 million
*CS Q1 2022: EUR 3.1 million

- Planned increase by 58.9% to EUR 14.3 million; main investments are new launches and replacements of machinery, digitalization of core processes and new seat generation in the CV Division.
- Highest portion of investments still in EMEA with EUR 4.6 million, followed by APAC with EUR 3.7 million and AMERICAS with EUR 2.9 million
- Biggest increase in APAC: ramp up Shenyang plant and expansion of capacities

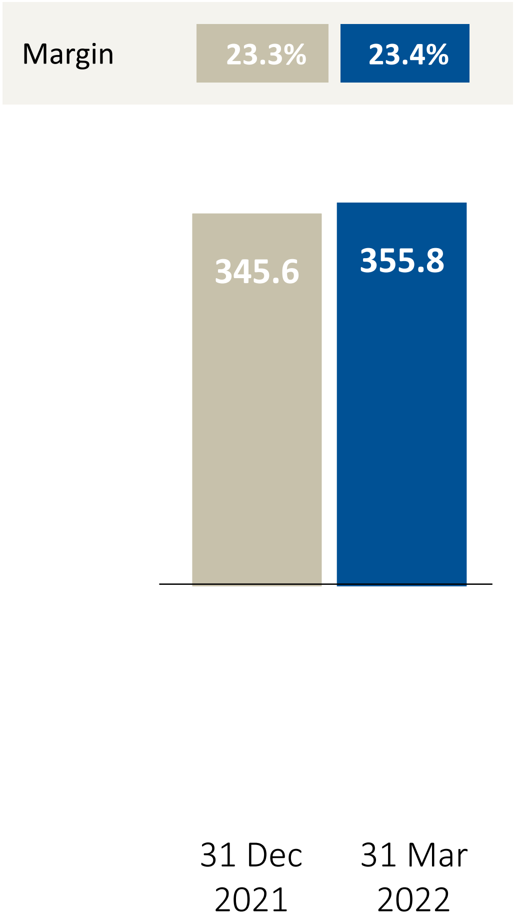
Free cashflow, Net debt, Equity FY on Group level

FREE CASH FLOW
[in EUR million]



NET DEBT
[in EUR million]

EQUITY
[in EUR million]



- Free cashflow with EUR -12 million, at prior year’s level, despite further increase of supply chain challenges
- Net debt increases to EUR 436.8 million as a result of the negative FCF
- Increase in equity by 3.0% mainly driven by other comprehensive income
- Equity ratio remained stable at 23.4%

Working capital, leverage and gearing FY on Group level

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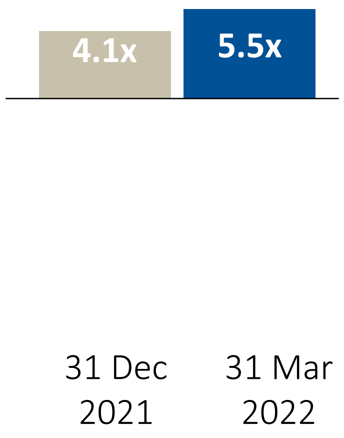
WORKING CAPITAL
[in EUR million]

LEVERAGE



GEARING
[in %]

- The increase in working capital was mainly due to the rise in trade accounts receivables and inventories, especially in EMEA
- Leverage has increased significantly due to decrease in EBITDA LTM from EUR 103.1 million to EUR 80.2 million
- Gearing just slightly higher against previous year's level

OUTLOOK 2022

Ursensollen, April 28th, 2022

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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

GRAMMER ROADMAP 2025

Ursensollen, April 28th, 2022

Where we stand today

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Customer

Increased **need for innovation, sustainability** and **lower prices.**

Success factor #1 continues to be practically oriented and rapid innovation capability for cost-efficient and sustainable customer solutions that meet regional needs.

Market

The automotive sector has changed fundamentally since 2020 and the **future** for **both our divisions** will be decided **in China and the AMERICAS.**

Commercial Vehicles, in particular, **represent** an **earnings lever** here.

Competition

Increasing **competitive pressure in all product segments** and **regions,** with **new players in the Electric Vehicle segment,** will lead further **disruption of the market** and the **competitive landscape.**

Trends

Automotive:
Electrification and autonomous driving make it possible to **rethink** the **interior** toward **multifunctional** and **customizable solutions.**

Commercial Vehicles:
The trend is toward **alternative drive systems** and the **industrialization of offroad markets.**

General environment

War in Ukraine and Corona are **leading** to massive **cost increases** in energy, transportation and materials as well as strong wage inflation.

Customers, banks and lawmakers are requiring **ever higher sustainability (ESG) standards.**

Our own realities

We know our **unpleasant truths when it comes to:**

- **our performance in North America**
- **our complex operations (footprint)**
- **our large product portfolio**
- and our untapped existing potentials

Transforming complexity in order to win in a disruptive environment

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In the short term, we have to…

1. **enforce passing on all of our cost increases** (materials, energy, transport, wages and stoppage costs) **to the customers**
2. achieve **lasting turnaround in AMERICAS** - today's second-largest market - by 2024
3. unlock potential for **added value at competitive prices** through **fast innovation and standardization** in products, one-off costs, and customer service

Accelerating our two-legs strategy (Automotive + Commercial Vehicles)

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Target markets

- Automotive: Regain former strength on the European market
- Commercial Vehicles: Secure European market leader position and enhance profitability
- Leveraging major potential with local OEMs in CHINA and AMERICAS to ensure profitable growth

Customer segments

- Stepping up activities in medium segment, electric vehicles, and alternative drive system OEMs

Portfolio

- Fine-tuning of the existing product portfolio and improved customer service

To strengthen the Group's competitiveness, **we do not shy away from exiting customer and product segments with slim prospects of profitability**. At the same time, **we constantly review our options for profitable and sustainable investments** in new technologies and innovations.

Where we want to go

Profitable growth
secures the Group‘s future

Boosting
innovation and digitalization
to secure our competitiveness

2025

Becoming the
employer of choice
in our industry

Sustainability
is our contribution to a liveable future

Making
customer excellence
our performance yardstick

Our results determine our success

Midterm targets for

2025

Sustainability

Reduction of CO_2-Emissions: **25%**

Profitable growth

Revenue: €2.5bn	Operating EBIT margin: > 5%	Net profit ratio: > 4%

Revenue split:

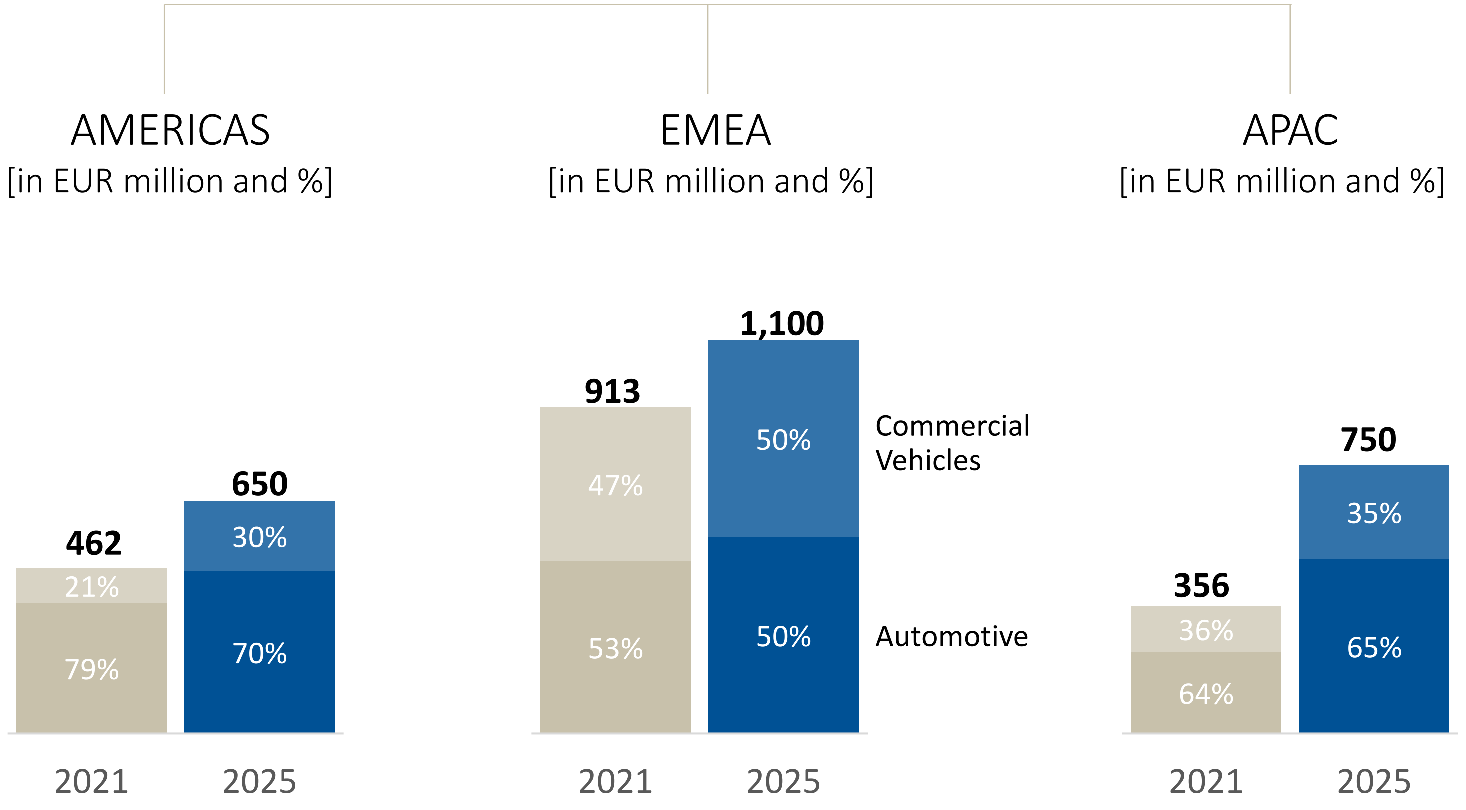
Automotive: 60 % / CV: 40 %

Objectives & Key Results

Innovation: RDP > 5	Product quality: zero-PPM
Delivery reliability: 100%	WoW pulse survey: > 80% for overall index

We aim to achieve to grow...

Revenue: **€2.5bn**

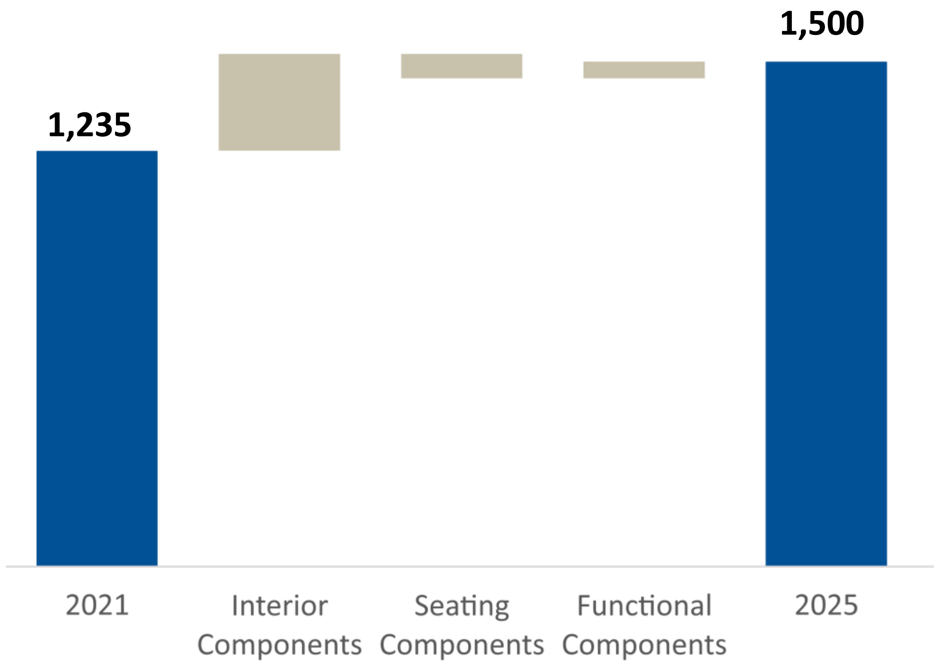


- **EMEA:** Regain the old strength in the Automotive and secure the market position in the Commercial Vehicles business
- **APAC:** Platform for growth in both Divisions
- **AMERICAS:** Getting back on track in Automotive and growing Commercial Vehicles

...product segments revenue...

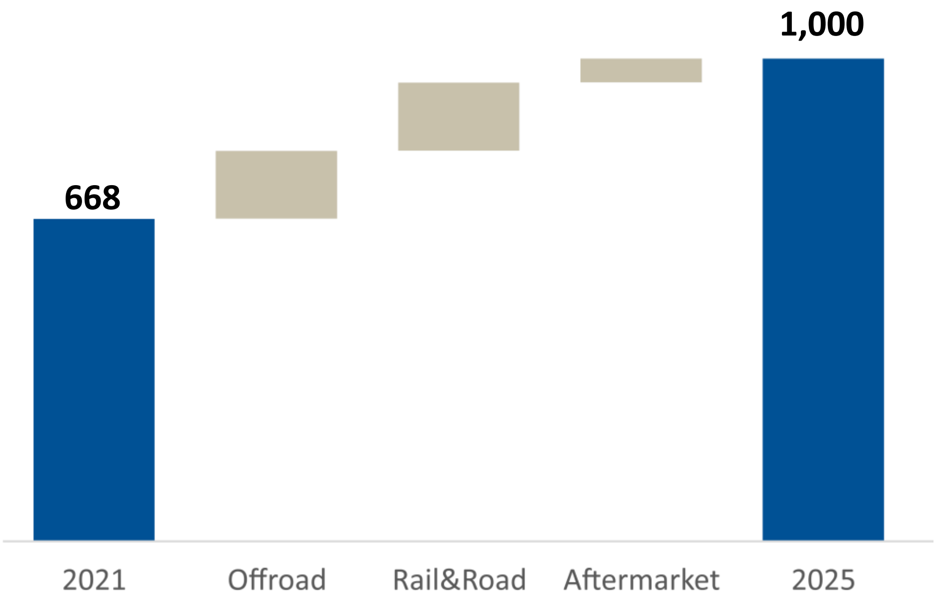
Automotive [in EUR million]

+ 100 bps
in comparison to IHS



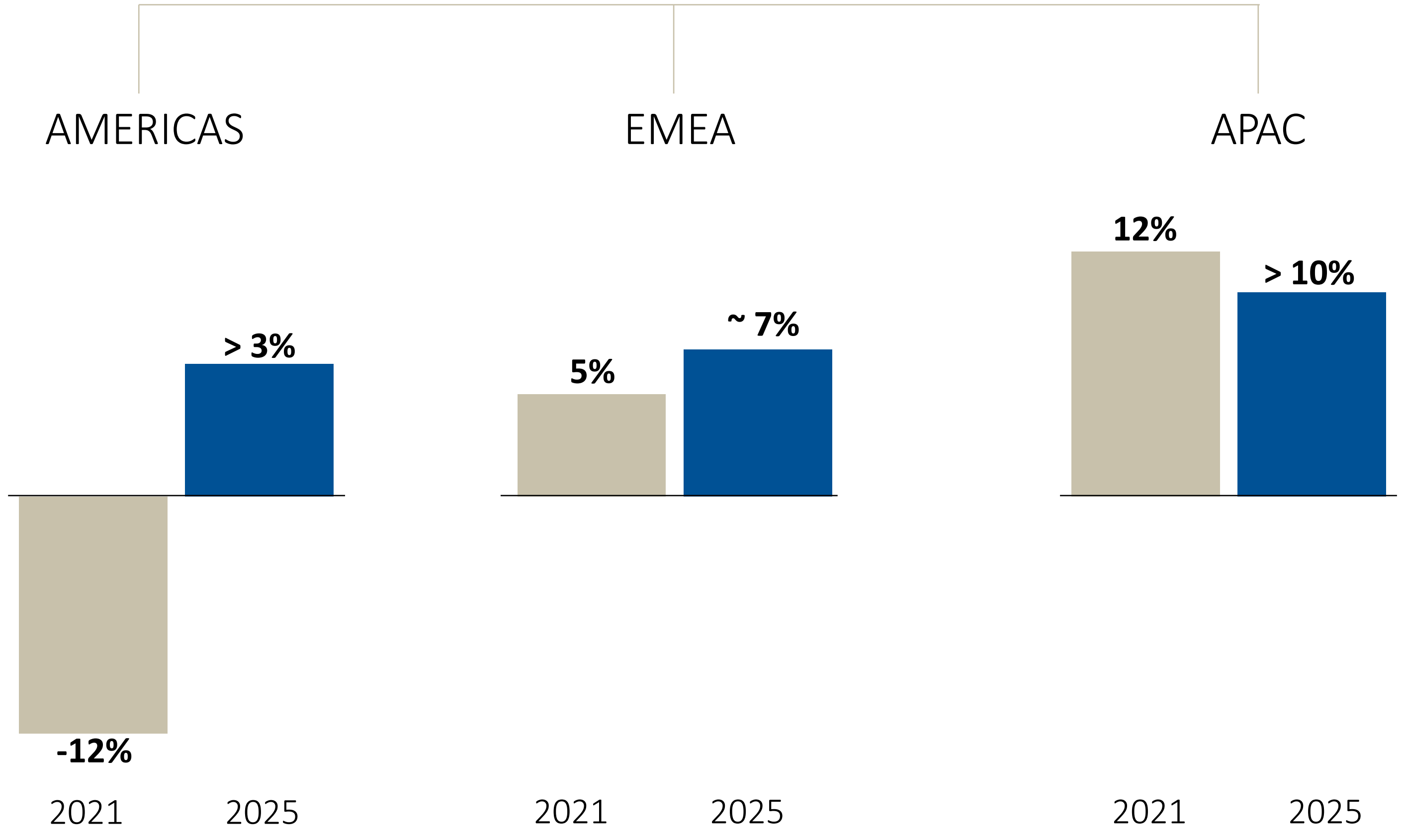
Commercial Vehicles [in EUR million]

+ 7% (+3%)
CAGR GRAMMER (LMC)



…profitably in all regions

Operating EBIT Margin: **> 5%**



- **Profitable growth secures the Group's future**
- **EMEA:** Further growth in Commercial Vehicles business is the key to success; Footprint optimization measures show effect
- **APAC:** Stable double-digit profitability
- **AMERICAS:** Turnaround accomplished and back on track

What we are tackling now

Focus areas

2022 — SALES CAGR 2022-2025 | 7.72% → **2025**

1.8-2% OPERATING EBIT MARGIN → **> 5%** OPERATING EBIT MARGIN (target)

	Profitable growth	Customer focus	Sustainability	Innovation & digitalization	Employer of choice
Initiatives	• Global Footprint • Path2Profitability AMERICAS	• Quality initiative • Streamline Product Development Process	• Green company	• Innovation pipeline • GRAMMER Goes Digital	• Our new Way of Working (WoW) • Company Culture

Highlights	• Developing CV metal footprint in China and North America
	• Increase sales per plant
	• Improve space and equipment utilization
	• Enhance VAIVE activities
	• Reduce process complexity and investment
		• Product quality: “Zero" - PPM
		• Delivery reliability: 100%
		• Smooth & Silent New Product launches
		• Reduction of NQC <0,5 of revenue
		• Customer request replied < 48h
			• Global introduction of ISO 50001 energy management system incl. energy monitoring
			• Launch of green products (e.g. Ubility One) with alternative materials and lightweight construction
			• Localization initiatives
			• "Green" investments
				• Automotive
				  • Console 4U
				  • Personalized audio headrest
				  • Alternative materials
				• CV: Modernize modular seating platform
				  •Offroad: S2900/MSG29X
				  •Onroad: Generation 2 truck seating structure
				  •Rail: Ubility One
				• Digital Data & Process Management (PLM, ADAPROQ, Traceability, Mayflower)
					• WoW Power House
					• GRAMMER Academy
					• mylife@GRAMMER
					• Top Employer Branding
					• “Zero" - Accidents

How we reorganize…

Global footprint (1/2)

Raise sales per plant and lessen process complexity:
- Reduce number of plants in EMEA and AMERICAS
- Focus on core technologies

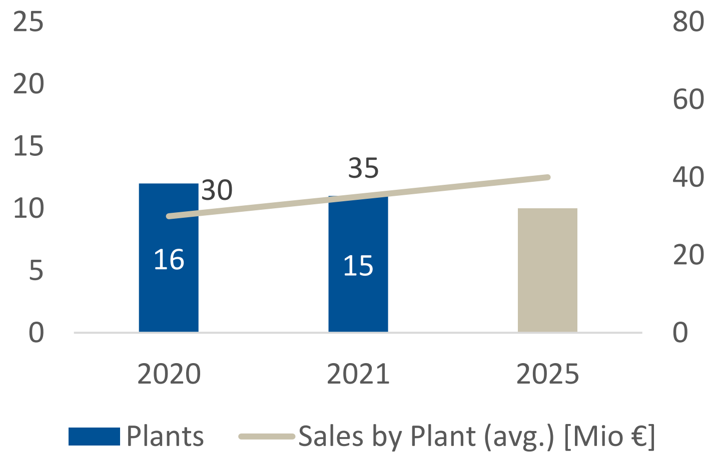
Increase plant utilization:
- Reduction of product complexity in the plants
- Installation of competence centers in the regions for selected technologies and processes
- Insourcing of certain production stages along the supply chain

Cost optimization:
- Reduction of cross-regional supply relationships (intercompany & suppliers) through localization
- Optimization of the Commercial Vehicles plant network in China
- Localization of seat structure production in China (2020/2021) and AMERICAS

…and develop our plant structure for profitable growth

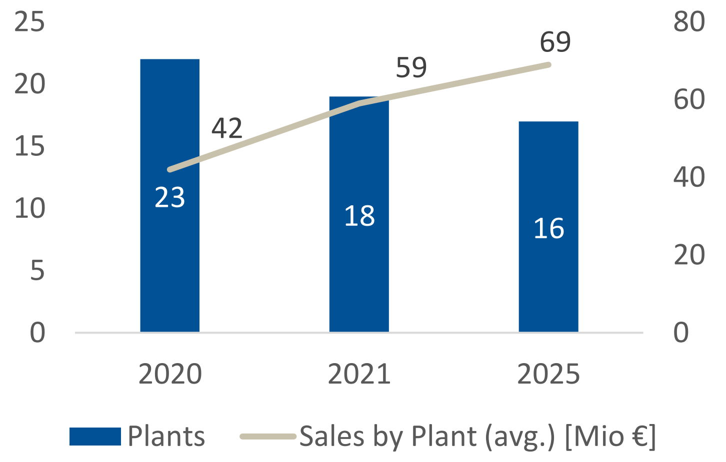
Global footprint (2/2)

AMERICAS



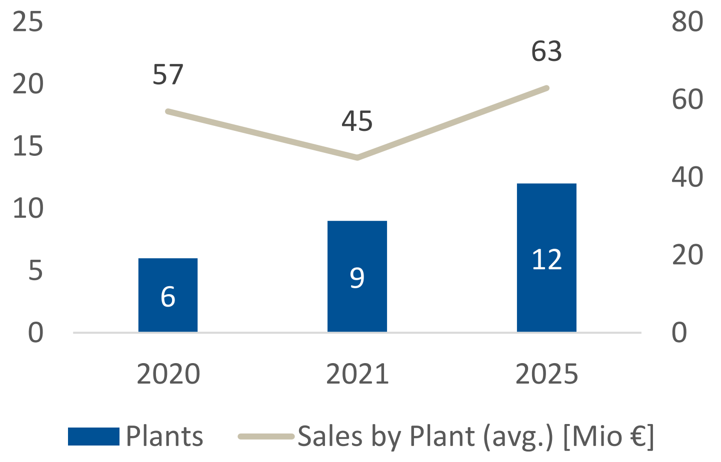
Year	Plants	Sales by Plant [Mio €]
2020	16	30
2021	15	35
2025	P2P: under evaluation	

EMEA



Year	Plants	Sales by Plant [Mio €]
2020	23	42
2021	18	59
2025	16	69

China



Year	Plants	Sales by Plant [Mio €]
2020	6	57
2021	9	45
2025	12	63

Secure financial stability and return to profitability in 2024

new regional management in AMERICAS with restructuring experience

Customer compensations	Operational performance	Manufacturing footprint and capacities optimization
2022 → 2025	2022 → 2025	2022 → 2025
EUR 11 Mio. → EUR 22 Mio.	EUR 12 Mio. → EUR 16 Mio.	EUR 0 Mio. → EUR 18 Mio.

P2P

Path2Profitability AMERICAS

We continue to work on our sustainable and profitable future - despite currently rough grounds

Next events

GRAMMER

May 18, 2022
Annual General Meeting

August 11, 2022
H1 2022 Earnings

October 27, 2022
9M 2022 Earnings

May | June | July | August | September | October | November

2022

Q&A Session

April 28, 2022

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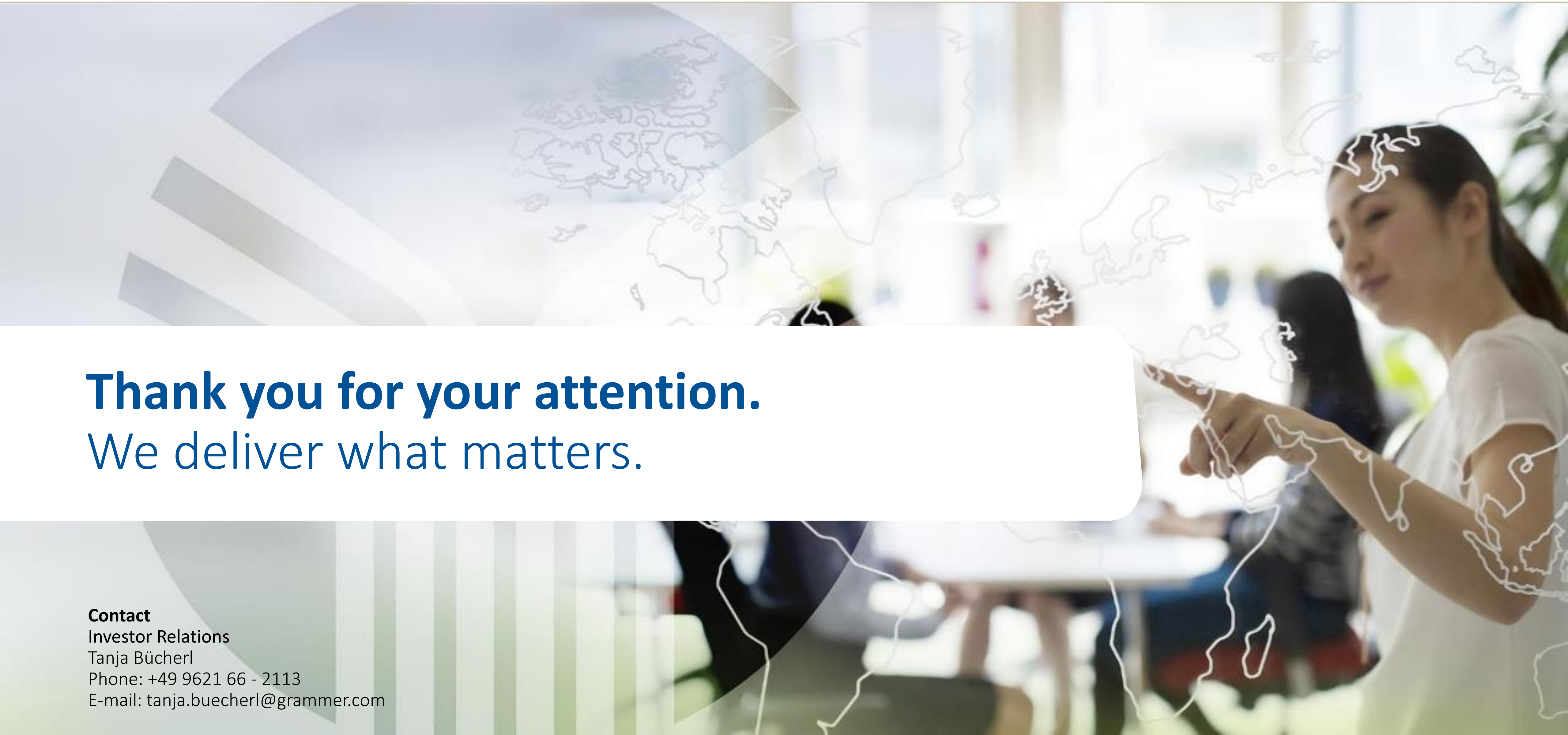

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We deliver what matters.

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Annexes

Key figures Q1 2022

April 28, 2022

GRAMMER

Revenue

515.0 EUR million

EBIT margin

-0.2%

Operating EBIT margin

-0.5%

Net profit

-8.0 EUR million

Free Cashflow

-12.0 EUR million

Equity ratio

23.4%

Group operating EBIT

-2.5 EUR million

Capital expenditure

14.3 EUR million

Operating EBIT (Region)

AMERICAS

-16.9 EUR million

Operating EBIT (Region)

EMEA

12.2 EUR million

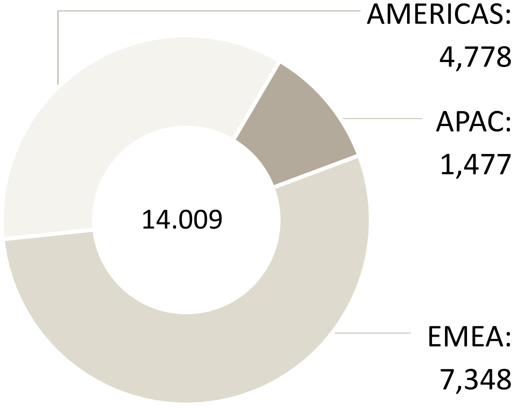
Operating EBIT (Region)

APAC

6.6 EUR million

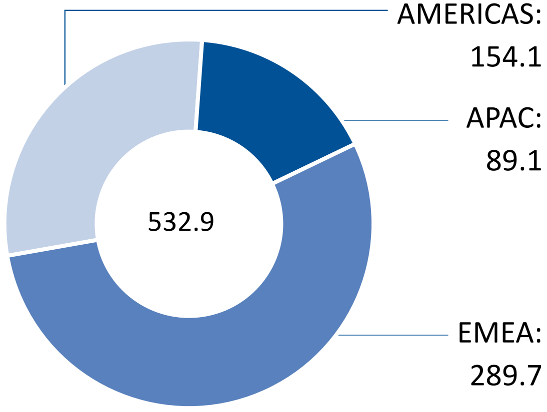
Employees by region [1]

Average for the year



Revenue by segment [2]

EUR million

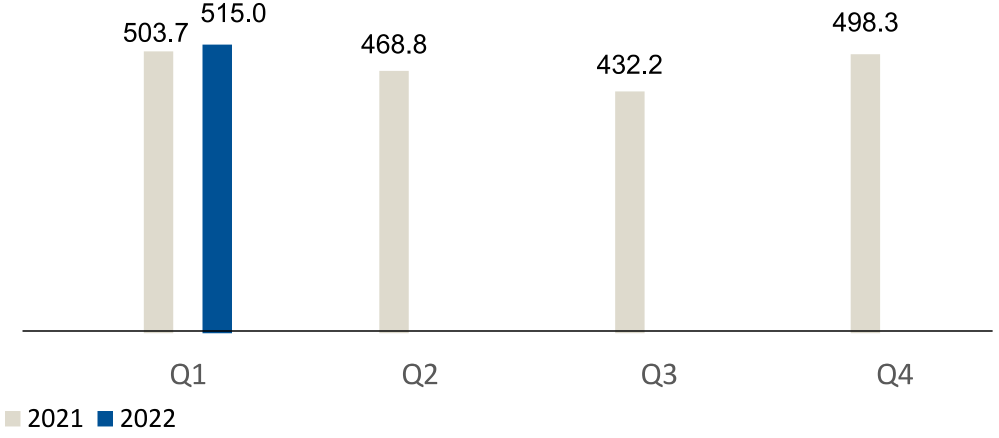


[1] An average of 406 employees were employed in Central Services

[2] The consolidation effect of revenue between the regions amounts to EUR 17.9 million

Revenue by quarter

EUR million



Internal

Key figures

[IFRS, in € million]	**Q1 2022**	**Q1 2021**	**2021**
Group Revenue	515.0	503.7	1,903.0
EBIT	-1.2	22.6	18.9
EBIT Margin in %	-0.2	4.5	1.0
Operating EBIT	-2.5	21.0	22.8
Operating EBIT Margin in %	-0.5	4.2	1.2
Net Profit	-8.0	13.3	0.6
EPS in €	-0.53	0.88	0.08
Total Assets	1,518.9	1,427.0	1,483.4
Equity	355.8	328.2	345.6
Equity-Ratio in %	23.4	23.0	23.3
Net Debt	436.8	381.0	420.2
Gearing Ratio in %	122.8	116.1	121.6
Capex (w/o financial assets)	14.3	9.0	114.7
Depreciation	21.5	20.6	84.2
Employees (average)	14,009	14,204	14,006