

ONE GRAMMER

COLLABORATING FOR A SUSTAINABLE FUTURE

Analyst Conference
Ursensollen, March 31st, 2021



New Way of Working enables stronger buy-in and faster execution

WoW@GRAMMER



OUR WoW-CODE:

- Collaboration
- Openness
- Drive
- Empowerment



New regional organization promotes local empowerment

Regions AMERICAS, EMEA and APAC with full P&L responsibility



REGIONAL STRENGTHS

- Understanding market needs
- Higher customer intimacy
- Right products for local demands

ONE GRAMMER. ONE TEAM.

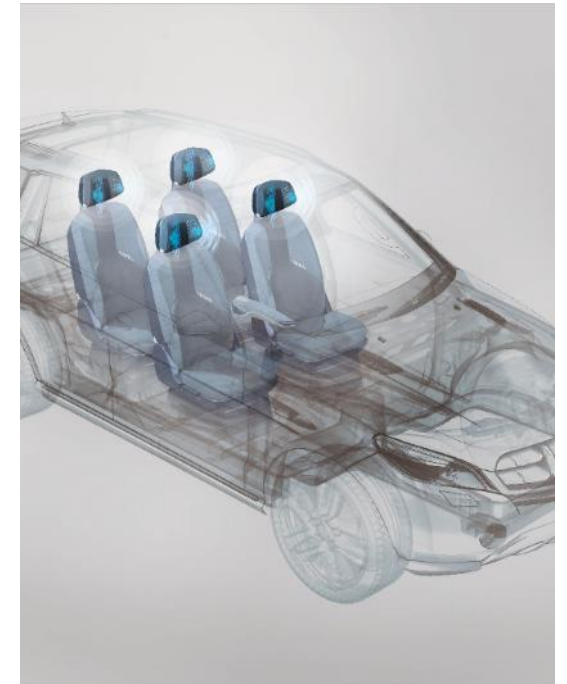
Achievements 2020: Course is set in EMEA



New GRAMMER Campus in Ursensollen as hub for innovation and better regional collaboration



Passenger seats for the next generation of high-speed trains for the train manufacturer Alstom



Cooperation with the sound expert HARMAN for headrests with integrated loudspeakers

ONE GRAMMER. ONE TEAM.

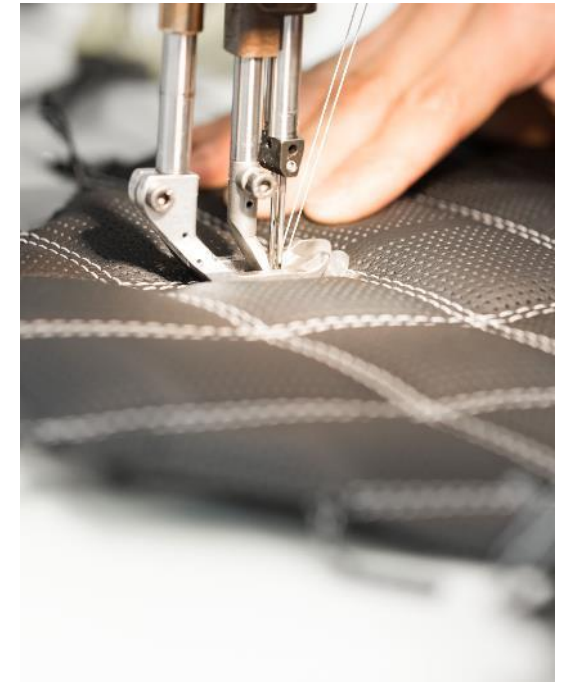
Achievements 2020: Progress through integration and expansion in AMERICAS



Integrating TMD: Serving our North American customers with one organization and optimized manufacturing footprint



Partnership with Hyster-Yale: GRAMMER becomes strategic supplier for global forklift platforms



Tetla II: a new cut&sew plant in Mexico to support growing customer demands in the region

ONE GRAMMER. ONE TEAM.

Achievements 2020: Stronger presence and higher localization in APAC



Important cooperation projects with strategic partner Ningbo Jifeng kicked off in 2020



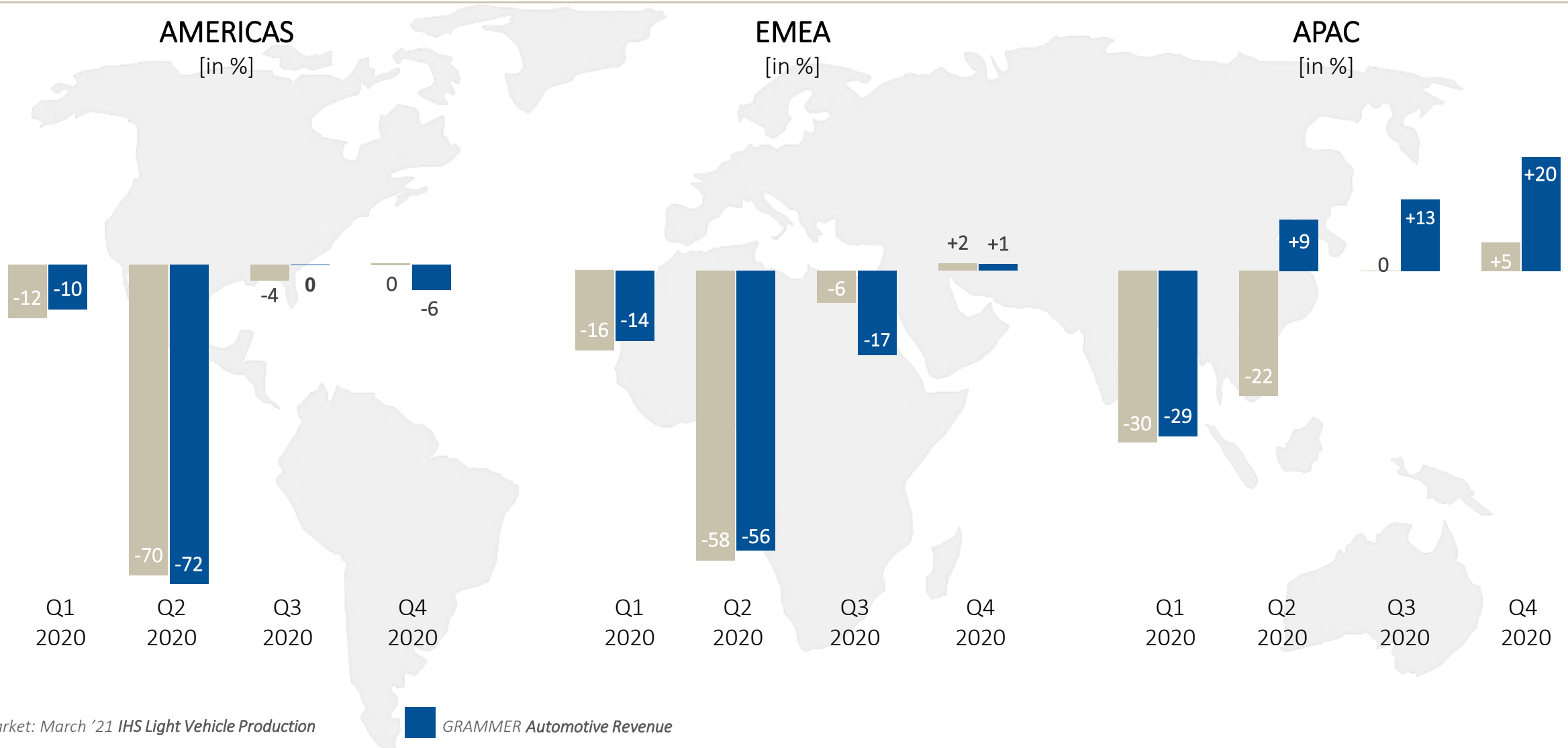
Successful start of production of GRAMMER's MSG 90.6 truck seats in China



Expansion of footprint in China to support further growth: 2 new plants in Ningbo and Shenyang

GRAMMER in line with market - strong performance in APAC

Global market development light vehicles

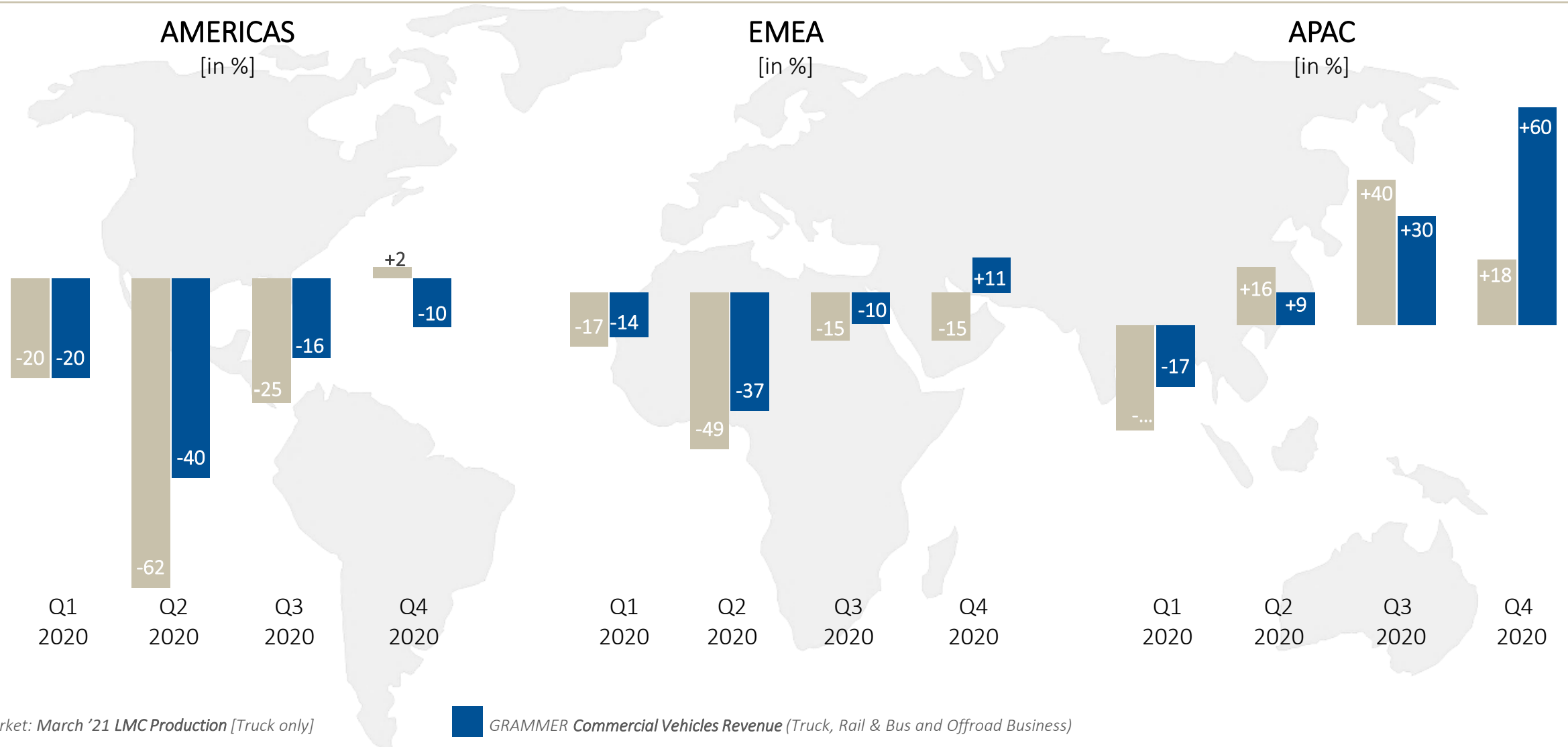


Market: March '21 IHS Light Vehicle Production

GRAMMER Automotive Revenue

GRAMMER outperforms markets globally

Global market development commercial vehicles



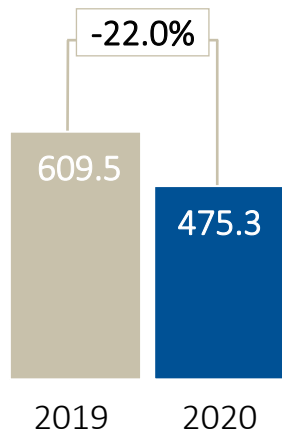
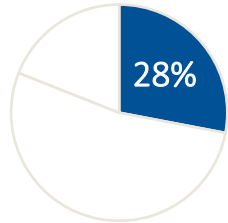
Revenue development in the regions

Strong impact of COVID-19 with solid recovery in HY2 and continuous growth in APAC



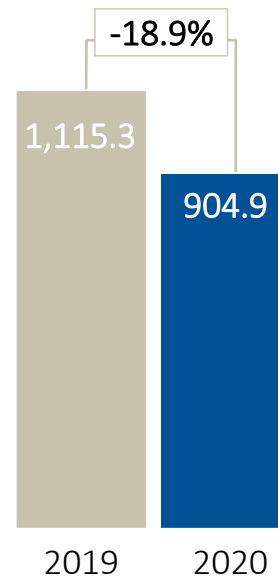
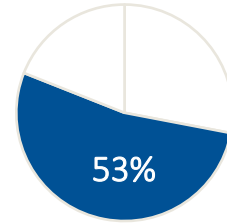
AMERICAS

[in m. €]



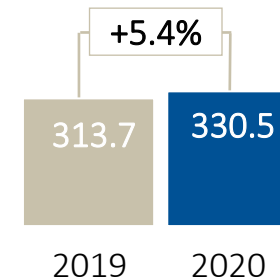
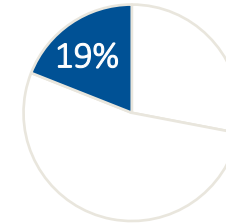
EMEA

[in m. €]



APAC

[in m. €]



- GRAMMER develops better than the overall market
- Significant recovery of sales in Americas and EMEA in HY2
- Customer plant shut-downs in the Americas and EMEA from mid March up to mid June*
- APAC region with full-year sales increase of +5.4%

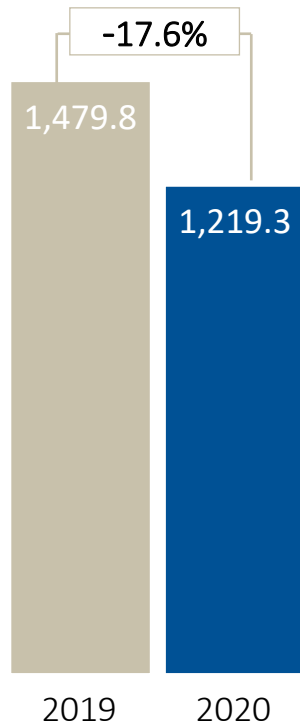
* Latest re-start of production in Mexican sites

Revenue development by segment

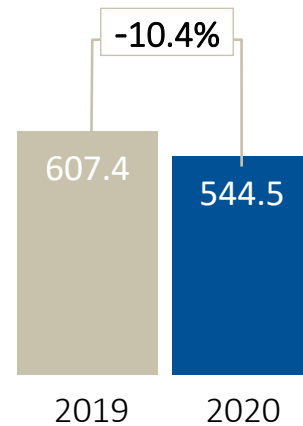
Two-leg strategy pays off: CV segment less affected by COVID-19 pandemic



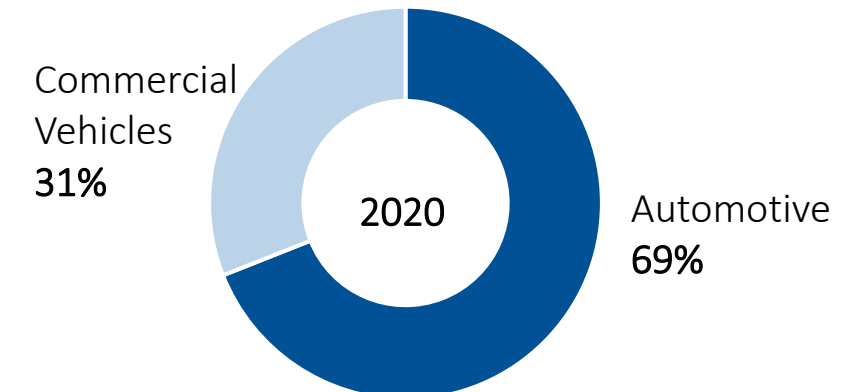
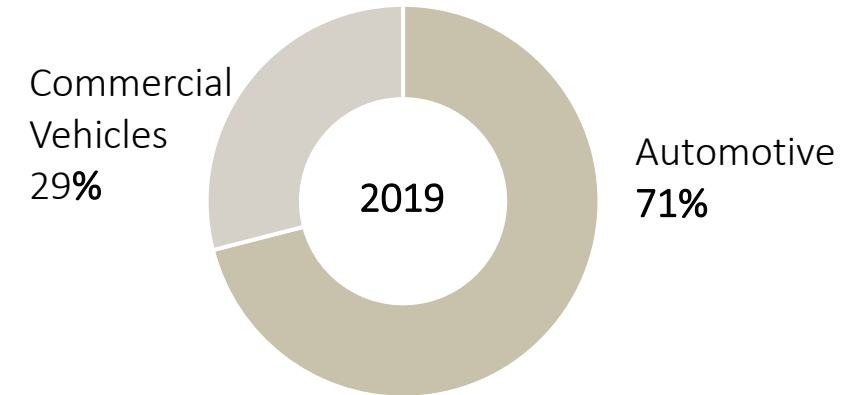
AUTOMOTIVE
[in m. €]



COMMERCIAL VEHICLES
[in m. €]

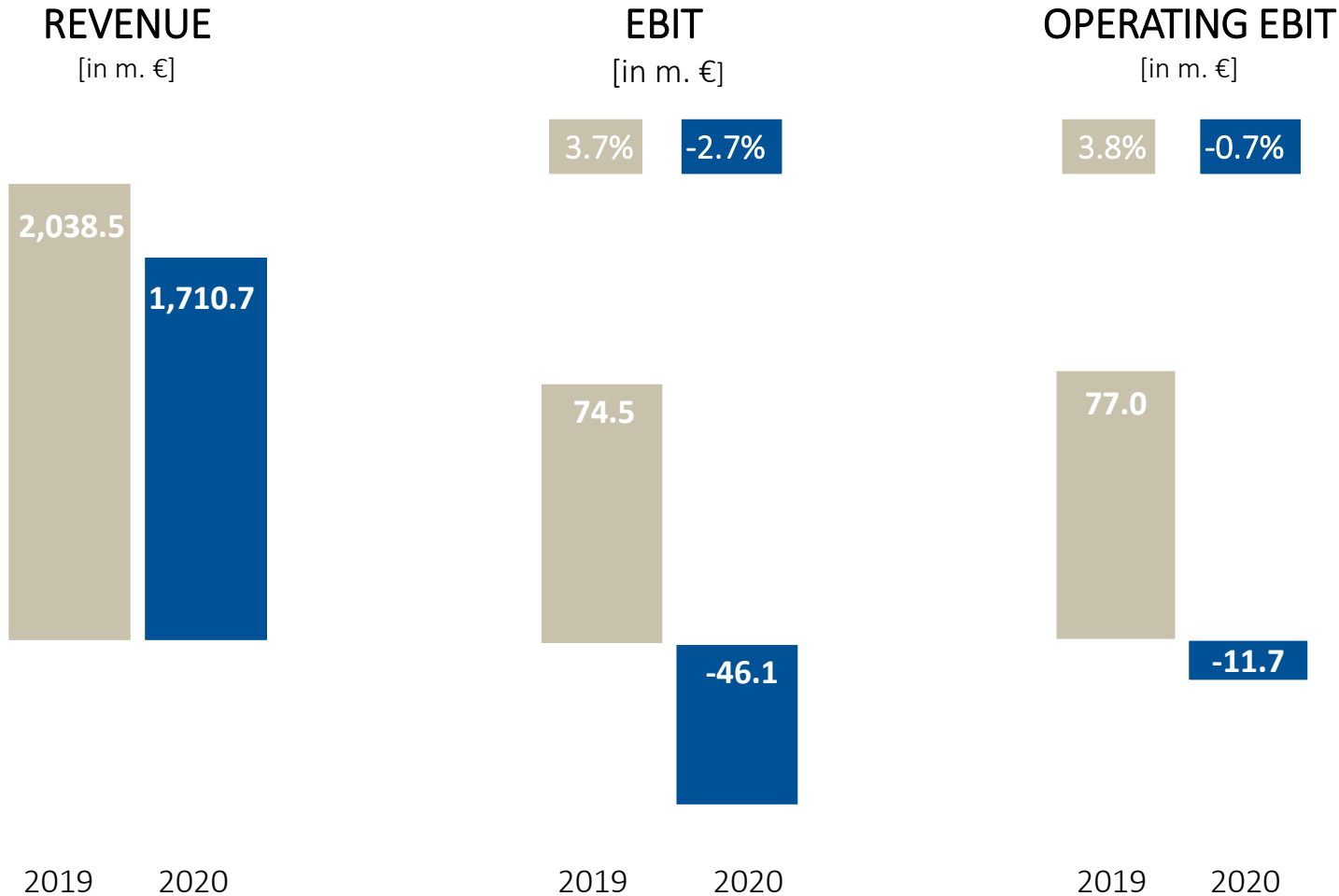


SHARE OF GROUP REVENUE



Revenue and EBIT

Significant impact from COVID-19 pandemic and one-time effects



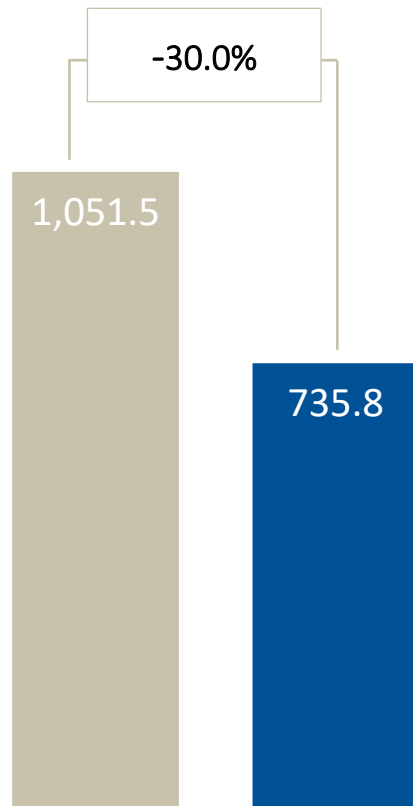
- Revenue down by nearly EUR 330 million (-16%)
- EBIT impacted by:
 - EUR 46.0 million negative one-time effects
 - EUR 20.6 million accruals for restructuring measures
 - EUR 9.3 million negative FX effects
 - EUR -4.5 million corona protection and response measures
- Op. EBIT includes EUR 46.0 million one-time effects

Revenue and operating EBIT-Margin in %

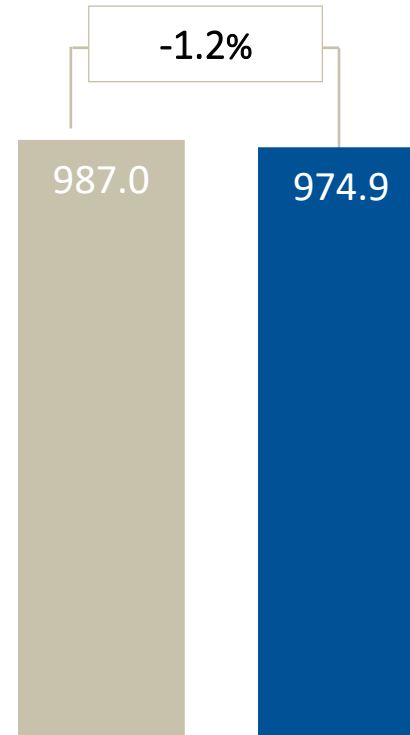
Significant improvement in operating EBIT in HY2 - measures already taking effect



Operating EBIT-Margin



2019 2020
First Half Year (HY1)



2019 2020
Second Half Year (HY2)

Revenue

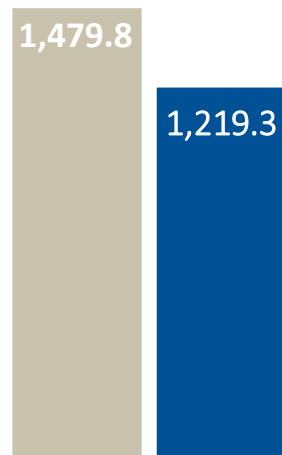
- Revenue HY2 nearly on the level of PY, includes catch up effects from customers
- Operating EBIT of EUR +34.0 million in HY2 compared to EUR -45.7 million in HY1
- Operating EBIT in HY2 25% (EUR +7.1million) up compared to same period PY

GRAMMER Automotive

Significant recovery in HY2 after severe customer production interruptions in HY1



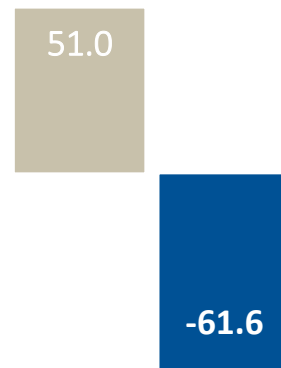
REVENUE [in m. €]



2019 2020

EBIT [in m. €]

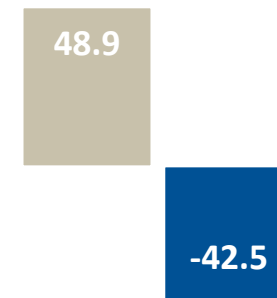
3.4% -5.1%



2019 2020

OPERATING EBIT [in m. €]

3.3% -3.5%



2019 2020

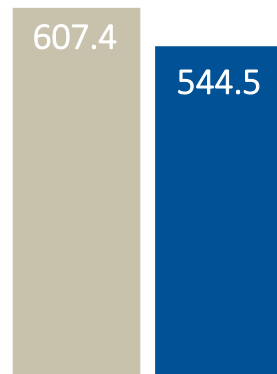
- Revenue down by -17.6%
- Recovery in HY2 with a single-digit decline of -2.0% vs. 2019 and strong recovery vs. HY1 (-33.0%)
- Operating EBIT includes one-time effects of EUR -40.2 million
- Operating EBIT adjusted by provisions for restructuring measures of EUR 11.8 million

GRAMMER Commercial Vehicles

Affected by general market slow-down but more resilient to crisis

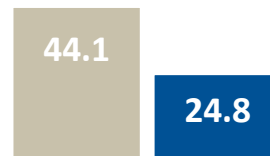


REVENUE [in m. €]



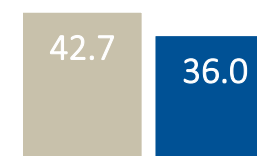
2019 2020

EBIT [in m. €]



2019 2020

OPERATING EBIT [in m. €]

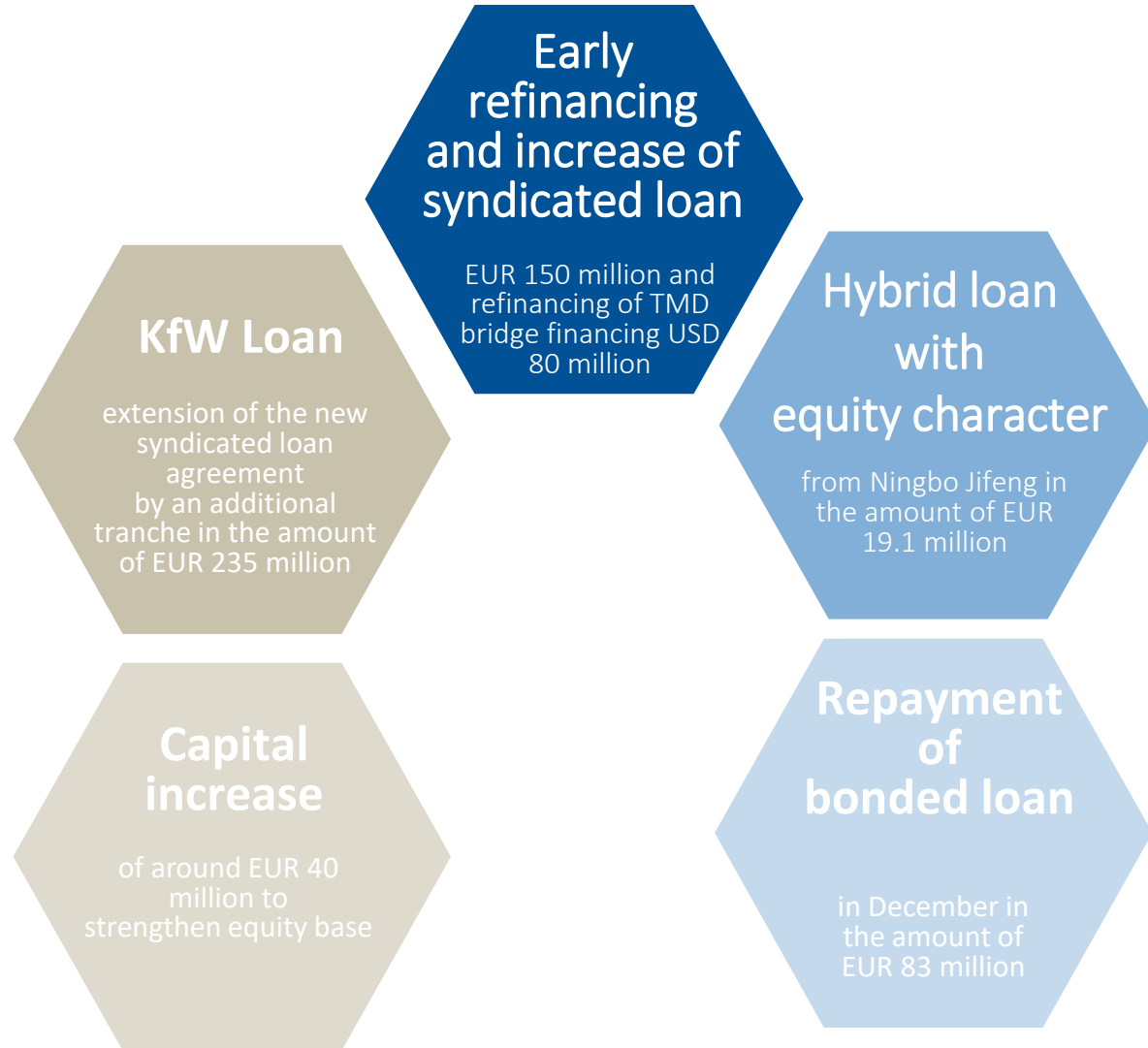


2019 2020

- Revenue declined by -10.4%
- Recovery of sales in HY2 of +4.6% vs. 2019 and strong recovery vs. HY1 (-22.8%)
- Significant full-year revenue improvement in APAC with +19.3%
- Operating EBIT includes one-time effects items of EUR -5.8 million
- Provisions for restructuring measures of EUR 5.6 million

Successful financial transactions in a difficult environment

In addition to a scheduled refinancing, 2020 was dominated by liquidity protection measures



ONE GRAMMER. Way of Working:
Cross-functional team behind the scenes



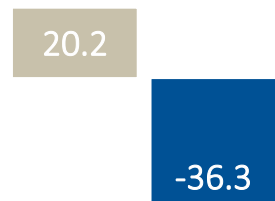
Solid liquidity position and medium- to long-term financing

Liquidity headroom increased and equity strengthened on a sustainable basis



FREE CASH FLOW

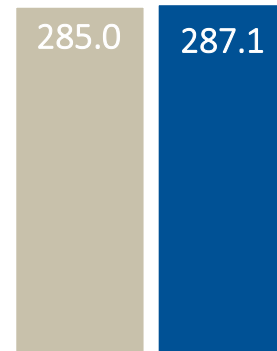
[in m. €]



2019 2020

NET FINANCIAL DEBT

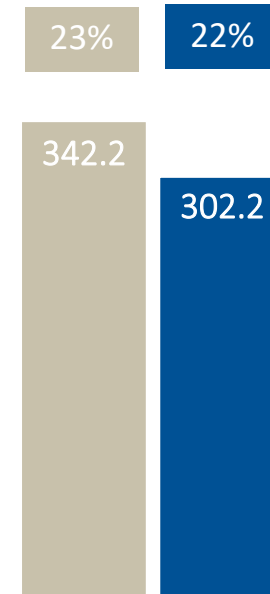
[in m. €]



2019 2020

EQUITY

[in m. €]



2019 2020

- Strong free cash flow generation in HY2 with EUR 70.5 million
- Repayment of a bonded loan in the amount of EUR 83.0 million from own liquidity resources leading to an overall reduction of financial debt from EUR 428 million to EUR 377 million
- Equity strengthening measures almost completely compensated the negative impact of the COVID-19 pandemic

Protecting our employees was - and still is - a top priority for us
We took immediate action and quickly implemented protective measures



Health & Safety

- Comprehensive hygiene concepts
- Provision of mouth-nose protection masks
- Enhanced mobile working

A strong global footprint is the decisive determinant of success

Footprint optimization by consolidation and competence concentration measures



AMERICAS

- 1 plant closure by Q2 2021
- New cut&sew plant opened in Mexico
- Former TMD plant starting Commercial Vehicles seat production

EMEA

- 3 plant closures by Q3 2021
- Optimization supply chain
- Set-up of competence centers for selected technologies and products

APAC

- 1 plant closed in Q3 2020
- 2 new plants in Ningbo and Shenyang
- Optimization of the Commercial Vehicle footprint in APAC

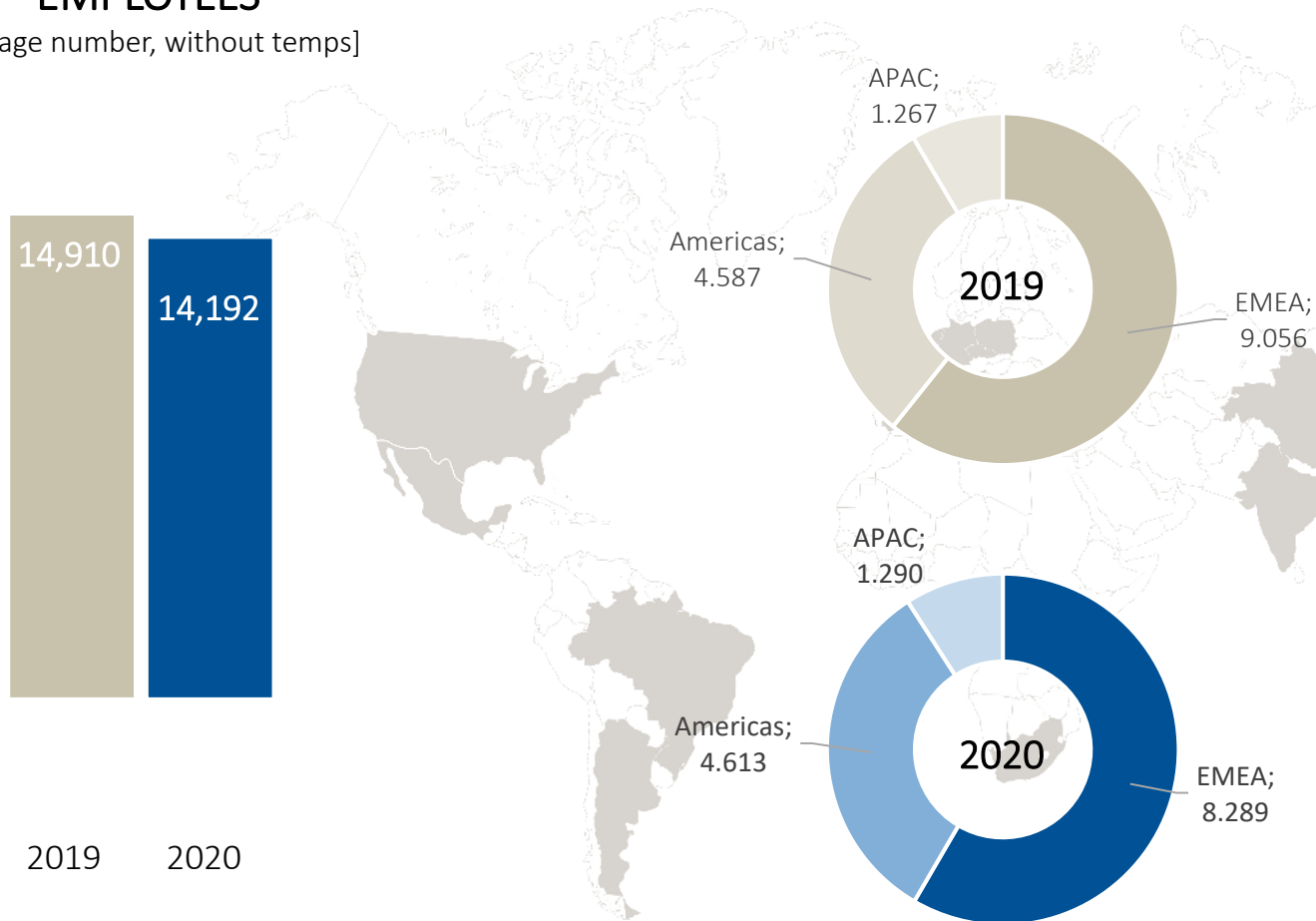
Rapid reaction to reduced workload

Short-time and furloughs, reduced number of employees in a socially acceptable way



EMPLOYEES

[average number, without temps]



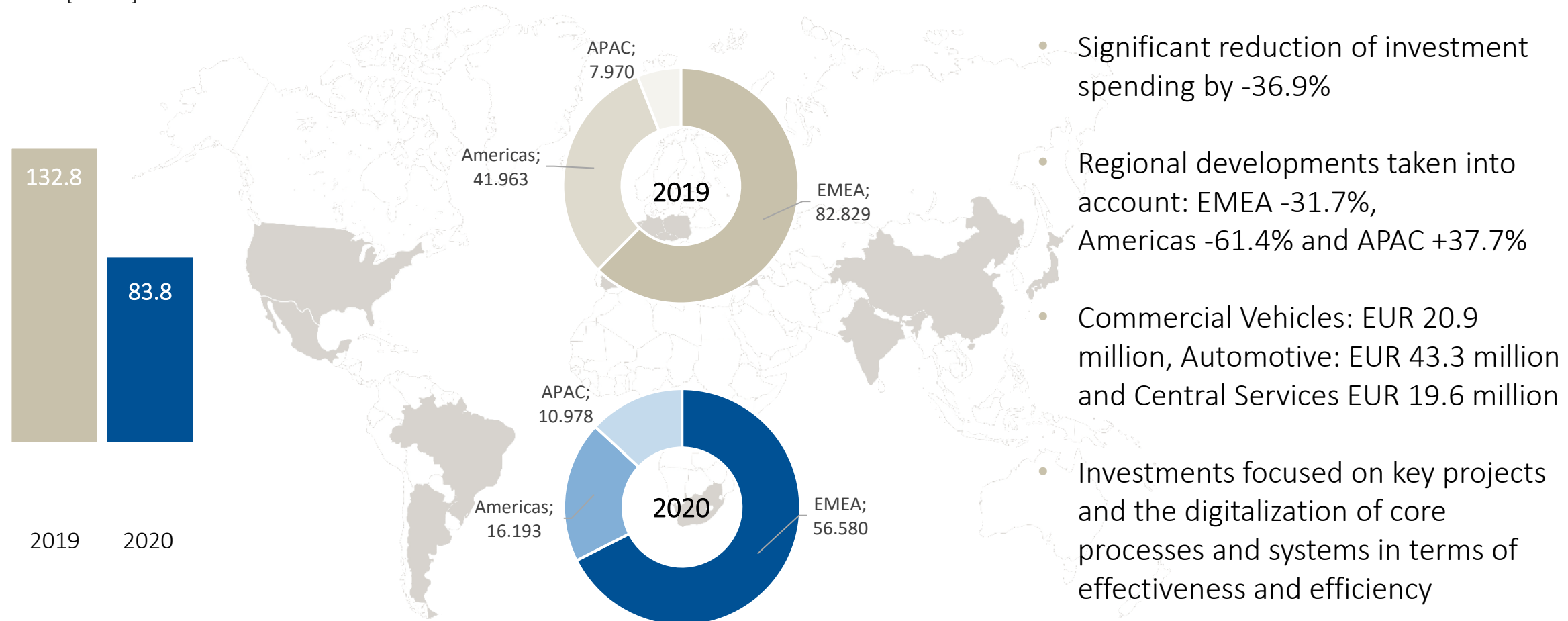
- Number of employees adjusted to reduced workload -4.8%
- Regional differences taken into account: EMEA -8.5%, Americas +0.6% and APAC +1.8%
- Short-time working in Germany and comparable measures in all other countries (e.g. furloughs in Americas)
- Volunteer program successfully realized
- Reduction of around 300 indirect positions in Germany by mid 2021

Investments focused on key projects and future business

Leads to a significant decrease compared to the previous year in EMEA and AMERICAS

INVESTMENTS

[in m. €]



Strategy to recover and grow

THREE MAIN GOALS

- Strengthen and grow in the regions
- Review & enhance product portfolio
- Broaden customer base

Enhance product portfolio I

PURE – FREEDOM TO MOVE

- Trend towards more individuality
- Modular and adjustable interior elements
- Lightweight and sustainable materials

Enhance product portfolio II



INNOVATING THE CABIN INTERIOR

- Trend towards more individuality
- Integration of E/E interfaces
- Excellence in Fit and Finish

Enhance product portfolio III



NEW SEAT-SERIES FOR URBAN MOBILITY

- Attractive and modular design
- Lightweight construction
- Sustainable materials



Broaden customer base



EXCITE EXISTING AND ATTRACT NEW CUSTOMERS WITH

- Innovation
- Sustainability
- Global & local support





Outlook 2021



Outlook 2021: Revenue and earnings growth



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)*

*This outlook assumes that the global economy and 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.

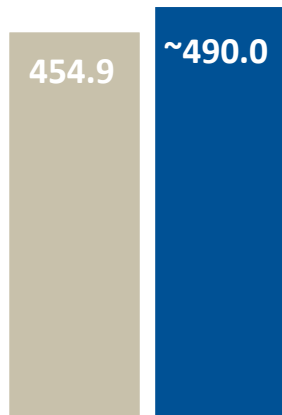
Revenue and EBIT

Preliminary figures for the first quarter of 2021 confirm positive trend



REVENUE

[in m. €]



Q1 2020 Q1 2021

EBIT

[in m. €]



Q1 2020 Q1 2021

OPERATING EBIT

[in m. €]



Q1 2020 Q1 2021

-0.5%

4.5%

0.1%

4.5%

- 8 % increase in revenue compared to Q1 2020
- Continued high demand in both segments, especially in the APAC and EMEA regions
- Operating EBIT significantly above Q1 2020
- Continuous and efficient implementation of cost and process optimization measures

A photograph of three business professionals in a meeting. A woman with short blonde hair, wearing a light pink blazer, is on the left. In the center, a man with glasses and a blue blazer is smiling. On the right, a man with glasses and a grey blazer is looking towards the center. They are seated at a table with a glass of water and a small white cup. The background is a bright, modern office space.

Q&A Session

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We deliver what matters.

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Annexes

Key figures



<i>[IFRS, in € million]</i>	2020	2019	Q4 - 2020	Q4 - 2019	Chg.
Group Revenue	1,710.7	2,038.5	513.2	488.9	5.0%
EBITDA	41.7	159.8	24.5	35.2	-30.4%
EBITDA Margin in %	2.4	7.8	4.8	7.2	-2.4%-points
EBIT	-46.1	74.5	1.1	12.6	-91.4%
EBIT Margin in %	-2.7	3.7	0.2	2.6	-2.4%-points
Operating EBIT	-11.7	77.0	11.6	17.8	-34.8%
Operating EBIT Margin in %	-0.7	3.8	2.3	3.6	-1.3%-points
Net Profit	-64.7	43.5	-6.2	15.1	-141.1%
EPS in €	-5.10	3.56	-0.43	1.24	-100.3%
Total Assets	1,376.4	1,474.4	1,376.4	1,474.4	-6.6%
Equity	302.2	342.2	302.2	342.2	-11.7%
Equity-Ratio in %	22.0	23,2	22.0	23.2	-1.2%-points
Net Financial Debt	287.1	285.0	287.1	285.0	0.7%
Gearing Ratio in %	95.0	83.3	95.0	83.3	11.7%-points
Capex (w/o financial assets)	83.8	132.8	35.0	43.5	-19.6%
Depreciation	87.8	85.3	23.4	22.6	3.8%
Employees (average)	14,192	14,910	14,192	14,910	-4.81%

Financial Calendar 2021



Analyst and financial
press conference



Annual General
Meeting



Annual Report



Interim financial
report on the
first half of the year



Q1 statement



Q3 statement