

Good Start to 2023 Financial Year for GRAMMER AG

- *Significant 14.4% revenue upturn for GRAMMER Group to EUR 589.1 million;*
- *All regions contribute to growth; highest revenue increase in APAC region (+31.8%)*
- *Both divisions report double-digit revenue growth: Automotive +14.7% to EUR 371.9 million; Commercial Vehicles +13.8% to EUR 217.2 million*
- *Operating EBIT well into positive territory at EUR 13.9 million after EUR -2.5 million in previous year*
- *Outlook for 2023 as a whole confirmed, with Group revenue of around EUR 2.2 billion and operating EBIT of around EUR 70 million; far stronger second half expected once again*

Ursensollen, April 27, 2023 – The GRAMMER Group today presented its business figures for the first quarter of 2023. GRAMMER AG recorded a considerable year-on-year increase in Group revenue of 14.4% to EUR 589.1 million (Q1 2022: EUR 515.0 million).

The positive revenue performance was driven by all three GRAMMER Group regions and both divisions. Revenue in the Automotive Division increased by 14.7% to EUR 371.9 million, while revenue in the Commercial Vehicles Division rose by 13.8% to EUR 217.2 million. In both divisions, good revenue growth was driven mainly by the EMEA and APAC regions and, in APAC, also reflected the weaker prior-year quarter on account of COVID-19 lockdowns in China.

Group earnings before interest and taxes (EBIT) rose significantly to EUR 11.7 million in the first quarter of 2023 (Q1 2022: EUR -1.2 million). Improved earnings were recorded in all three regions at GRAMMER, with first-quarter EBIT amounting to EUR 11.4 million in the APAC region (Q1 2022: EUR 6.3 million) and EUR 17.4 million in EMEA (Q1 2022: EUR 12.3 million). In the AMERICAS, EBIT came to EUR -11.2 million after EUR -16.4 million in the first quarter of 2022.

GRAMMER Group's operating EBIT also improved significantly to EUR 13.9 million (Q1 2022: EUR -2.5 million), resulting in an operating EBIT margin of 2.4% (Q1 2022: -0.5%). The earnings figure was adjusted for expenses for restructuring

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measures in the AMERICAS region in the amount of EUR 0.9 million and for negative currency effects of EUR 1.3 million. Earnings improvements were driven largely by the “normalization” of the situation in the APAC region, where COVID-19 lockdowns in China, high freight costs in Japan and ramp-up costs for new plants still had a considerable negative impact in the first three months of the previous year, as well as the positive effects of TMD restructuring in the AMERICAS region.

EMEA and APAC with significant revenue growth; operating earnings improve for all regions

GRAMMER generated revenue of EUR 328.5 million in the **EMEA region** in the first three months of 2023 (Q1 2022: EUR 289.7 million) – a year-on-year increase of 13.4%. Both divisions contributed to revenue growth in the region. The Commercial Vehicles Division picked up by 11.0%, with the Automotive Division generating growth of 15.7% in the same period. Operating EBIT in the region rose by 40.2% to EUR 17.1 million (Q1 2022: EUR 12.2 million). The operating EBIT margin rose by one percentage point to 5.2% (Q1 2022: 4.2%). Operating EBIT was adjusted by positive currency translation effects in the amount of EUR 0.3 million.

The **AMERICAS region** reported revenue growth of 3.5% to EUR 159.5 million in the first quarter of 2023 (Q1 2022: EUR 154.1 million), thanks entirely to currency effects. Adjusted for FX effects, the region saw a slight decline of 0.1%. Revenue in the Automotive Division rose by 3.1% to EUR 128.1 million (Q1 2022: EUR 124.3 million). In the previous year, there had been catch-up effects here due to the semiconductor shortage in 2021. Revenue in the Commercial Vehicles Division increased by 5.4% to EUR 31.4 million (Q1 2022: EUR 29.8 million). Operating EBIT improved to EUR -9.3 million in the first quarter of 2023 (Q1 2022: EUR -16.9 million). The operating EBIT margin thus came to -5.8%, representing a significant year-on-year improvement of 5.2 percentage points (Q1 2022: -11.0%). Operating EBIT was adjusted for expenses for restructuring measures of EUR 0.9 million and for negative currency effects of EUR 1.0 million.

Revenue in the **APAC region** rose by 31.8% to EUR 117.4 million in the first quarter of 2023 (Q1 2022: EUR 89.1 million). This increase was primarily due to the base effect resulting from lower revenue in the first quarter of 2022, when the COVID-19 lockdowns in China and global supply bottlenecks for semiconductors led to considerably lower customer call-offs. In the Automotive Division, revenue rose by 37.1% year-on-year to EUR 78.4 million (Q1 2022: EUR 57.2 million). Revenue in

the Commercial Vehicles Division also increased by 22.3% to EUR 39.0 million (Q1 2022: EUR 31.9 million). New truck orders declined dramatically in the previous year due to the introduction of a stricter emission standard, a major factor in the current revenue upturn.

Operating EBIT saw above-average growth of almost 75% to EUR 11.6 million (Q1 2022: EUR 6.6 million), with the operating EBIT margin rising by 2.5 percentage points year-on-year to 9.9% (Q1 2022: 7.4%). Operating EBIT was adjusted by negative currency translation effects in the amount of EUR 0.2 million. Earnings in the previous year had been depressed by higher freight costs in Japan and ramp-up costs for the three new plants in China.



Jurate Keblyte, CFO of Grammer AG: “After an extremely strong final quarter of 2022, the start of 2023 reflected the easing of supply chains and COVID-19 lockdowns in China compared to the previous year, as well as the still considerable impact of inflation. Customer compensation for inflation-related cost hikes agreed last year helped improve earnings compared to the first quarter of 2022, but earnings are still affected by the portion of inflation that has not been offset and, in particular, how this has extended

to material, personnel and energy prices. Regarding the “P2P – Path to Profitability” turnaround project in the AMERICAS region, GRAMMER successfully completed a key component in the first quarter of 2023 by restructuring the TMD business. In view of this, we are confident about our guidance for the year, with the second half of the year providing the driving force.”

Guidance for 2023 as a whole confirmed

The GRAMMER Group is confirming its previous guidance for the current financial year. Due to the continuing macroeconomic and industry-specific uncertainties, the management anticipates revenue at the previous year’s level of around EUR 2.2 billion. GRAMMER expects operating EBIT to double to around EUR 70 million.

The full statement for the first quarter of 2023 can be found online at <https://www.grammer.com/en/investor-relations/financial-publications/quarterly-reports.html>

GRAMMER Group key figures

in EUR m	Q1 2023	Q1 2022
Group revenue	589.1	515.0
Revenue EMEA	328.5	289.7
Revenue AMERICAS	159.5	154.1
Revenue APAC	117.4	89.1
Earnings KPIs		
EBIT	11.7	-1.2
EBIT margin (%)	2.0	-0.2
Operating EBIT	13.9	-2.5
Operating EBIT margin (%)	2.4	-0.5
Earnings before taxes	3.9	-2.2
Net profit/loss	2.9	-8.0
Other KPIs		
Equity (as at 31 March)	301.3	355.8
Net debt (as at 31 March)	427.1	436.8
Capital expenditure (without financial assets)	14.4	14.3
Depreciation and amortization	20.4	21.5
Free cash flow	8.7	-12.0
Employees (number, average)	14,393	14,009

GRAMMER's key performance indicator, "operating EBIT", is discussed on page 15 of the Annual Report.

Company profile

GRAMMER AG, which has its head office in Ursensollen, specializes in the development and production of complex components and systems for automotive interiors as well as suspension driver and passenger seats for onroad and offroad vehicles. In the Automotive Division, the Company supplies headrests, armrests, center console systems, high-quality interior components and operating systems, and innovative thermoplastic components for the automotive industry to prominent car manufacturers and Tier 1 suppliers in the vehicle industry. The Commercial Vehicles Division comprises the business segments of truck and offroad seats (tractors, construction machinery, and forklifts) and train and bus seats. GRAMMER has about 14,500 employees and operates in 19 countries around the world. GRAMMER shares are listed in the Prime Standard and traded on the Munich and Frankfurt stock exchanges via the Xetra electronic trading platform.