

# Financial Results 9M 2024

November 14, 2024



## Q3 2024: setting the course for the future

- **Exceptional Q3 2024 for GRAMMER Group**
- **Major progress in the transformation of the company:**
  - **Restructuring program to reduce costs in EMEA continued to be implemented**
  - **TMD Group successfully sold in North America**
  - **Cooperation with Jifeng Automotive Interior (JAI) further intensified**
- **However, initiatives to increase profitability have also left their mark**
  - **Restructuring expenses of EUR 31.1 million**
  - **High burden for the existing workforce**





## KPIs 9M 2024

Group revenue [in EUR million]

1,472.0

EBIT [in EUR million]

-2.4

Operating EBIT [in EUR million]

38.0

Operating EBIT margin

2.6%

Free Cashflow from continued  
and discontinued operations  
[in EUR million]

-59.2

## 9M 2023

1,532.9

47.9

52.4

3.4%

44.3

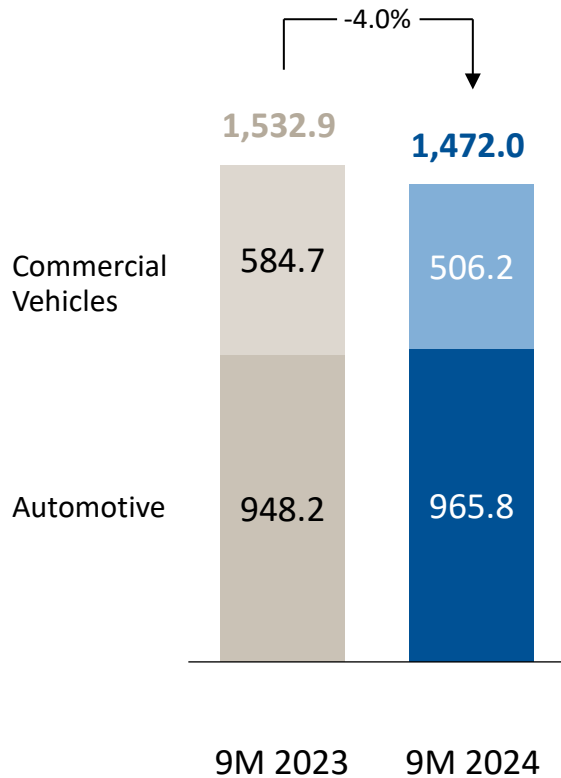
- Decline in revenue due to macroeconomic conditions - Commercial Vehicles down, Automotive overall stable, but with mixed regional development
- Operating EBIT under previous year's level due to decline in revenue, EBIT burdened by restructuring expenses
- The high level of incoming orders in the previous year ensures future growth but also requires high pre-financing costs
- FCF under pressure due to weak business and as a result of high spendings and investments from order income 2022/2023
- APAC impacted by market downturn in Commercial Vehicles and negative FX translation effects
- EMEA with market downturn in both product areas, especially in Commercial Vehicles
- Significant progress in "Top 10" program: Milestone achievement in Satellite, sale of TMD and increased synergies with JAI

# GENERAL INFORMATION

- **TMD was sold and deconsolidated** on September 20, 2024
- As of **September 2024**, GRAMMER is **required by IFRS** to report **TMD as a discontinued operation**
- **Remaining operations** of GRAMMER are recognized as **continued operations**
- The **financial figures** for the **current financial year** have been adjusted **retrospectively**
- For **better comparability**, the **comparative figures** for the **previous year** have also been **adjusted**

### REVENUE

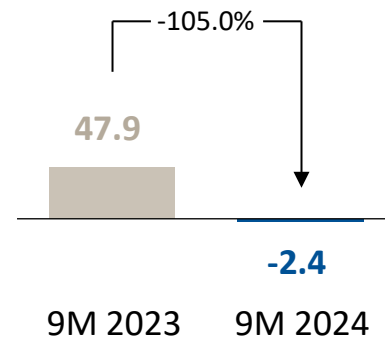
[in EUR million]



### EBIT

[in EUR million and %]

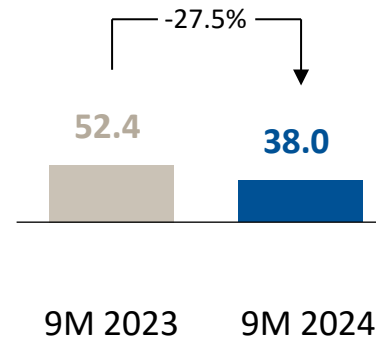
Margin **3.1%** **-0.2%**



### OPERATING EBIT

[in EUR million and %]

Margin **3.4%** **2.6%**



- Revenue decrease due to significant decline in CV business in EMEA
- EBIT negatively impacted by
  - decline in revenue
  - higher costs in connection with volatile capacity utilization
  - ramp-up costs in the new commercial vehicle plant in the US
  - Exceptionals in SG&A expenses due to special projects
- Operating EBIT adjusted for:
  - EUR 31.1 million restructuring expenses
  - EUR 7.0 million negative deconsolidation effect
  - EUR 0.7 million refinancing costs
  - EUR 1.6 million negative currency effects

# 9M 2024 EMPLOYEES

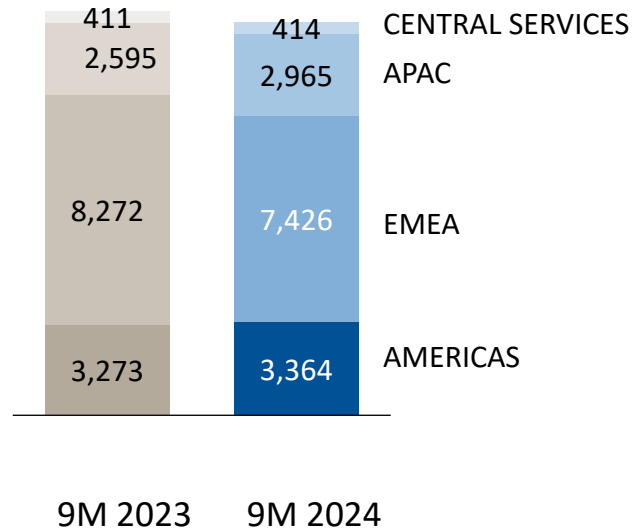
## EMPLOYEES

[Average; with temporary workers]



## BY REGION

[Average; with temporary workers]



- **AMERICAS without TMD +2.8%**  
Increase in the number of employees in South America
- **EMEA -10.2%**  
Downsizing blue collar to demand level
- **APAC +14.3%**  
Expansion for future growth
- **Central Services +0.7%**  
slight increase mainly transfer from EMEA to Group function

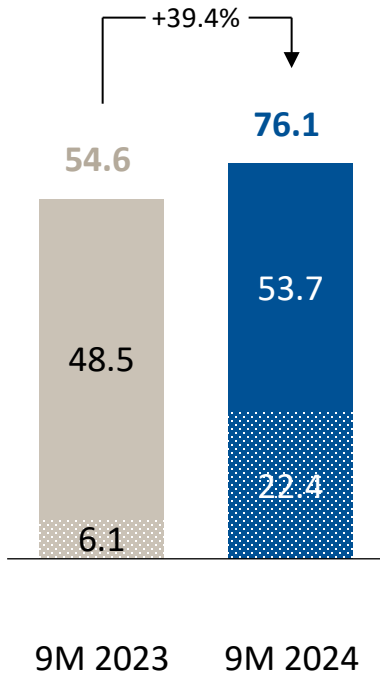
# 9M 2024

## CAPITAL EXPENDITURE



### CAPITAL EXPENDITURE

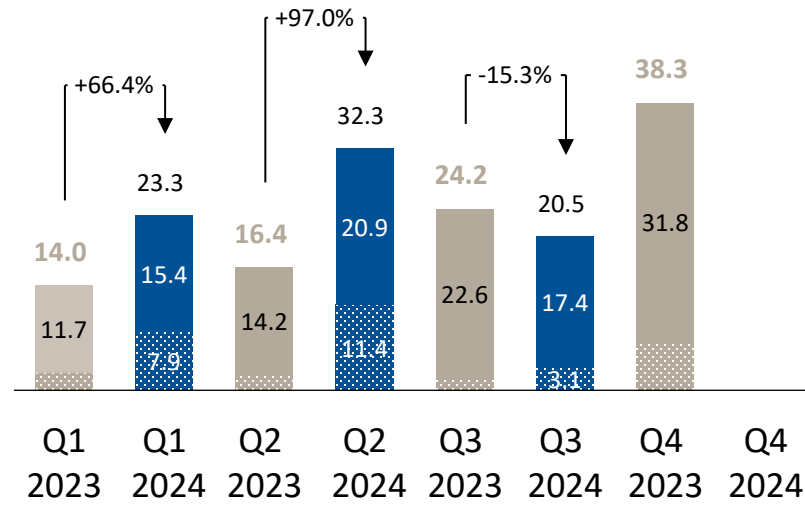
[in EUR million]



IFRS 16

### BY QUARTER

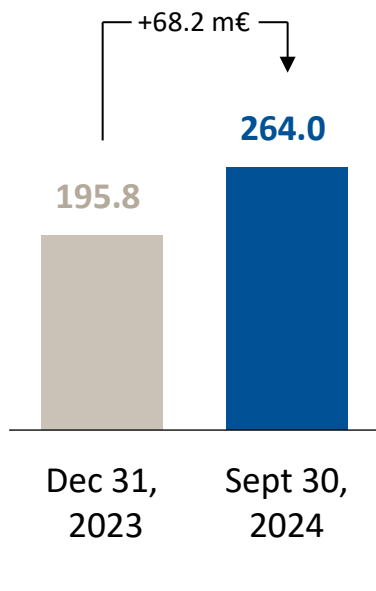
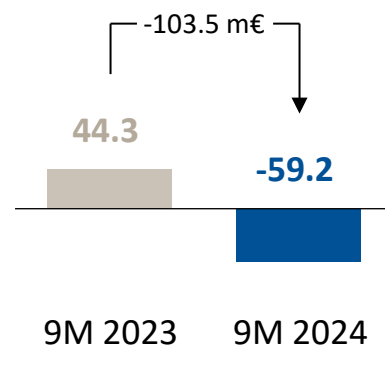
[in EUR million]



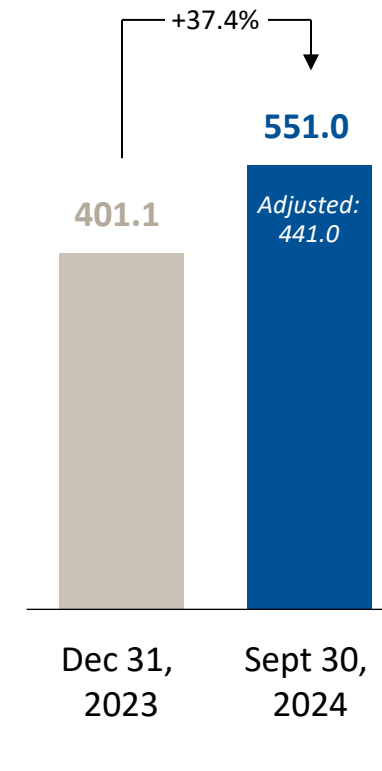
- **APAC** with the highest portion of EUR 33.3 million; basic plant setup in Changzhou; Leasing IFRS 16 of EUR 16.3 million for expansion in Tianjin, Changzhou and Shenyang
- **EMEA:** EUR 27.1 million, machines and project-specific investments in plants in Germany, Czech Republic and Poland
- **AMERICAS:** EUR 7.2 million, renewals of different equipment in Brazil and Mexico
- **Central Services** EUR 8.5 million, new Seat Generation CV, PLM and MES Systems

**WORKING CAPITAL**

[in EUR million]

**FREE CASHFLOW**
 from continued and  
 discontinued operations  
 [in EUR million]
**NET DEBT**

[in EUR million]



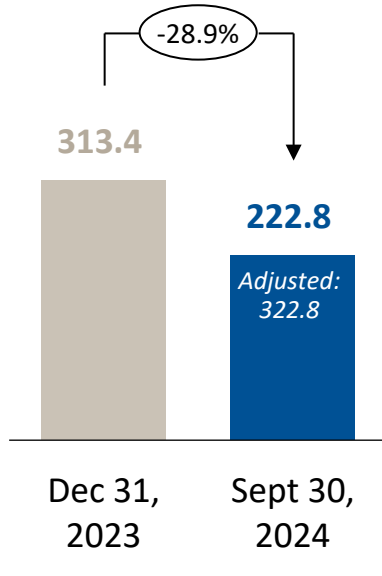
- Working Capital increased to EUR 264.0 million; current assets at year-end level, current liabilities decreased by EUR 66.7 million of which current trade accounts payable are decreased by EUR 81.2 million and other current liabilities increased by EUR 14.7 million
- Higher cash outflows from higher working capital and higher purchase of property, plant and equipment (ramp up in APAC) compared to previous year
- Net debt increased due to the increase in non-current financial liabilities and other financial liabilities
- Adjusted Net Debt: EUR 100 million subordinated loans from main shareholder Ningbo Jifeng to be rated as equity



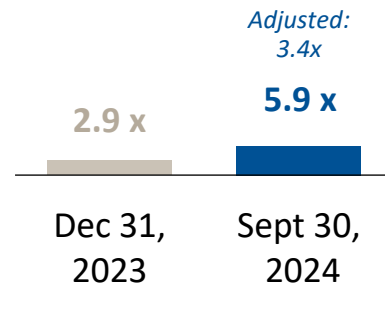
### EQUITY

[in EUR million]

Ratio	<b>20.4%</b>	<b>14.6%</b>	<i>Adjusted: 21.2%</i>
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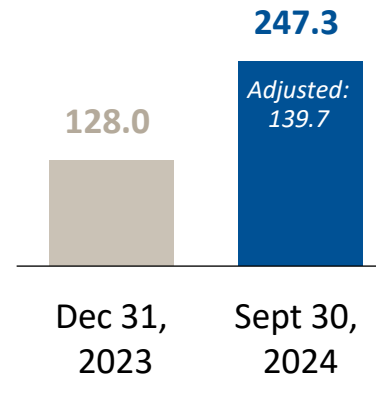


### LEVERAGE



### GEARING

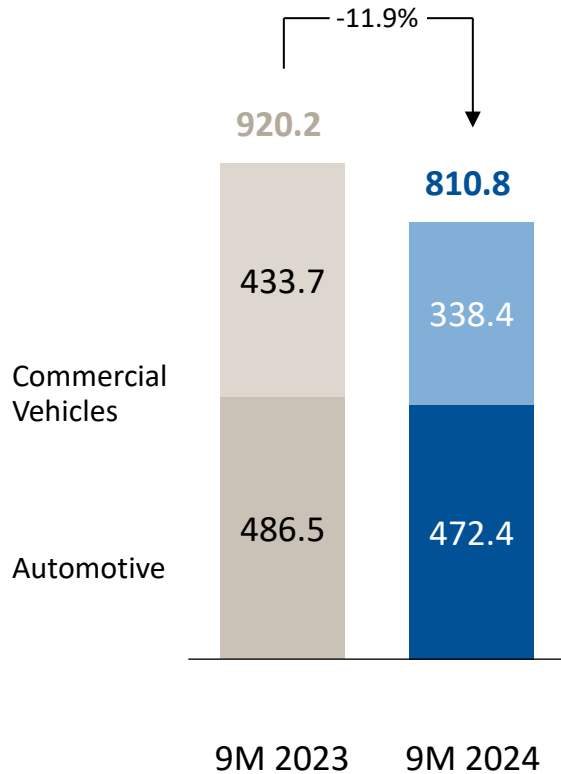
[in %]



- Equity lower than year end
- Net loss from continued and discontinued operations at EUR -84.9 million
- Other comprehensive income at EUR -7.8 million
- Equity measures in China entities of EUR +3.2 million
- Distribution of hybrid loan lender's compensation claims of EUR -1.0 million
- Adjusted equity and gearing consider the EUR 100 million subordinated loans as equity instead of debt; leverage is also adjusted by the exceptionals according to operating EBIT.

### REVENUE

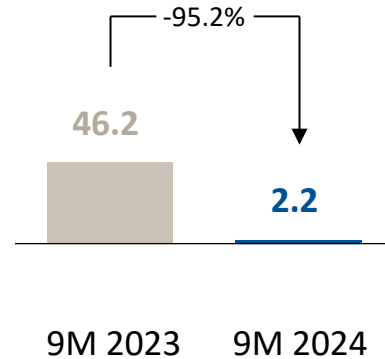
[in EUR million]



### EBIT

[in EUR million and %]

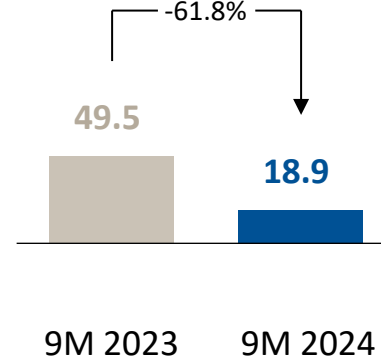
Margin **5.0%** **0.3%**



### OPERATING EBIT

[in EUR million and %]

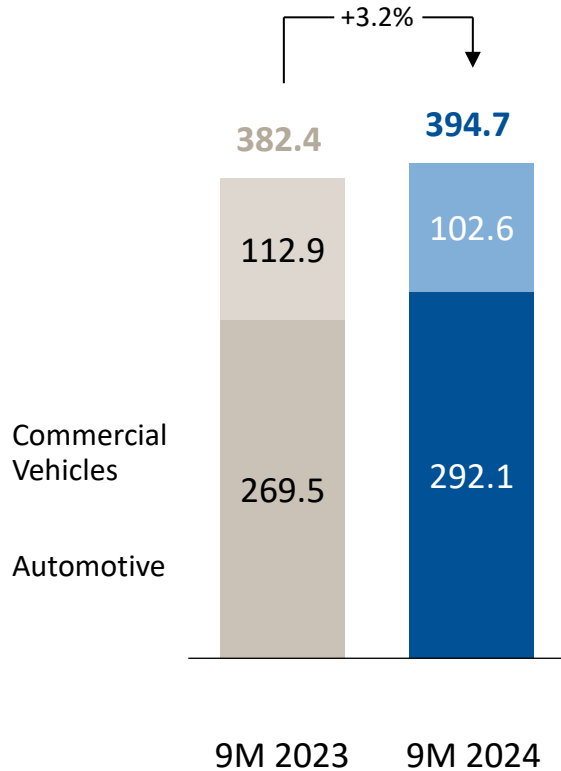
Margin **5.4%** **2.3%**



- Market conditions in 9M affected both product areas negatively, particularly CV
- FX-adjusted revenue EUR 827.1 million (-10.1%)
  - Automotive EUR 476.6 million (-2.0%)
  - Commercial Vehicles EUR 350.5 million (-19.2%)
- EBIT negatively impacted by lower volumes, slower adjustment of personnel costs
- Op. EBIT adjusted for
  - EUR 0.4 million negative FX
  - EUR 16.4 million expenses for restructuring measures

### REVENUE

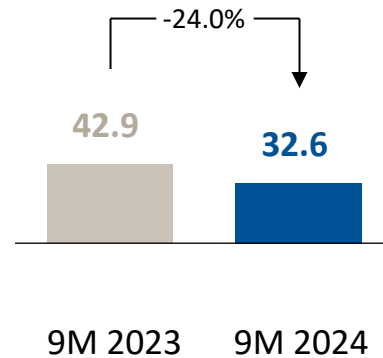
[in EUR million]



### EBIT

[in EUR million and %]

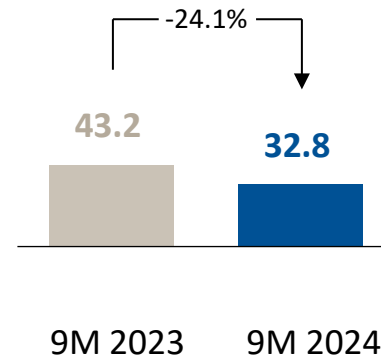
Margin **11.2%** **8.3%**



### OPERATING EBIT

[in EUR million and %]

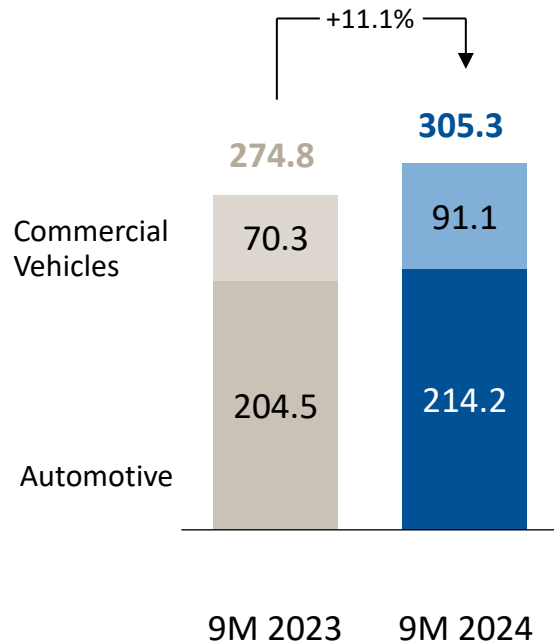
Margin **11.3%** **8.3%**



- Revenue in Automotive +8.4% and in Commercial Vehicles -9.1%
- FX-adjusted revenue EUR 407.0 million (+6.4%)
  - Automotive EUR 300.1 million (+11.4%)
  - Commercial Vehicles EUR 106.9 million (-5.3%)
- EBIT down due to unfavorable product mix, negative currency effects and higher SG&A costs (e.g. new plant in Changzhou)

### REVENUE

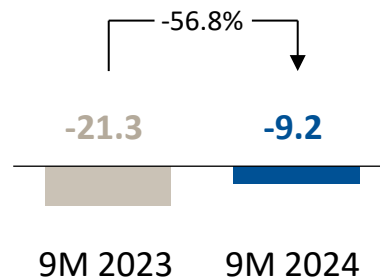
[in EUR million]



### EBIT

[in EUR million and %]

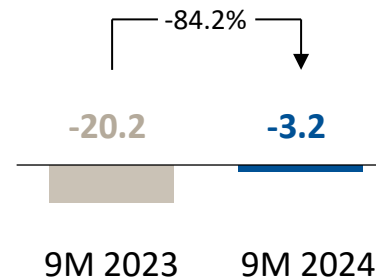
Margin **-7.8%**      **-3.0%**



### OPERATING EBIT

[in EUR million and %]

Margin **-7.4%**      **-1.0%**



- The figures have been adjusted due to the deconsolidation of TMD
- Revenue higher than prev. year
- FX-adjusted revenue EUR 318.3 million (+15.8%)
  - Automotive EUR 216.3 million (+5.8%)
  - Commercial Vehicles EUR 102.0 million (+45.1%)
- Results still impacted by ramp up costs for the new CV plant in the US, negative currency effects, one-off cost in SG&A and deconsolidation of TMD
- Op. EBIT adjusted for
  - EUR 1.0 million negative currency effects
  - EUR 4.9 million negative deconsolidation effect

# 2024 OUTLOOK

November 14, 2024





### FY 2024 new continuing operations

Group revenue

**~ 2 billion EUR**

Operating EBIT

**At previous  
year's level**

### FY 2024 August continuing and discontinuing operations

Group revenue

**Slightly below  
previous year**

Operating EBIT

**At previous  
year's level**

### FY 2023

continuing and discontinuing  
operations

Group revenue [in EUR million]

**2,304.9**

Operating EBIT [in EUR million]

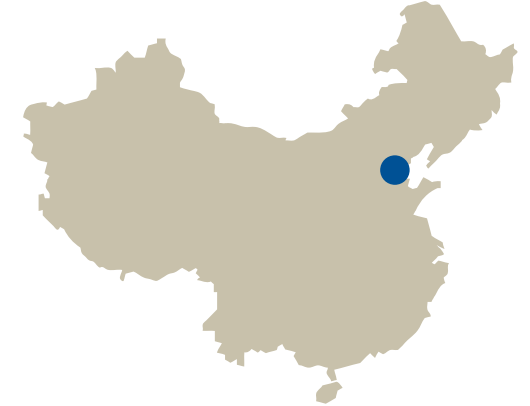
**56.8**

- Decline in volumes, particularly in **EMEA and APAC** due to difficult macroeconomic conditions
- Operating EBIT influenced by negative volume effects, underutilization, high costs for product launches, higher personnel costs and lower productivity
- TOP10 measures cannot fully compensate for these effects

# NEW PRODUCTION SITE IN TIANJIN



- On August 20, 2024, the new GRAMMER Interiors (Tianjin) production site in the Binhai New Area of Tianjin went into full production
- The new production site mainly produces commercial vehicle seats for construction machinery, agricultural machinery, forklifts and trucks
- It has an investment of more than RMB 120 million, with a total land and construction area of about 28,000 m<sup>2</sup> and 21,000 m<sup>2</sup>, respectively, including pre-foaming workshop, stamping and welding workshop, assembly workshop, logistics workshop and office



# EcoVadis awards GRAMMER a silver medal!



- GRAMMER is proud to announce its new EcoVadis sustainability rating: from a bronze medal in 2023, GRAMMER has received a **silver medal** this year with a **significant increase in its score**.
- This achievement demonstrates the strong commitment to sustainability in all departments, this year particularly in the areas of the environment and sustainable procurement.



# 9M 2024 Q&A

November 14, 2024



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## Key figures 9M 2024

November 14, 2024



Revenue  
**1,472.0** EUR million

EBIT margin  
**-0.2%**

Operating EBIT margin  
**2.6%**

Net profit  
**-46.3** EUR million

Free Cashflow  
**-59.2** EUR million

Equity ratio  
**14.6%**

Group operating EBIT  
**38.0** EUR million

Capital expenditure  
**76.1** EUR million

Operating EBIT (Region)  
AMERICAS

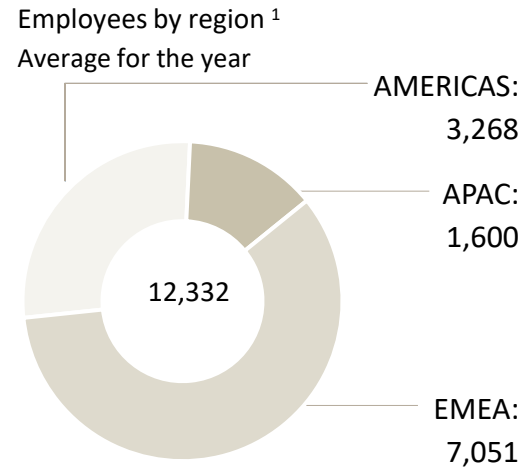
**-3.2** million

Operating EBIT (Region)  
EMEA

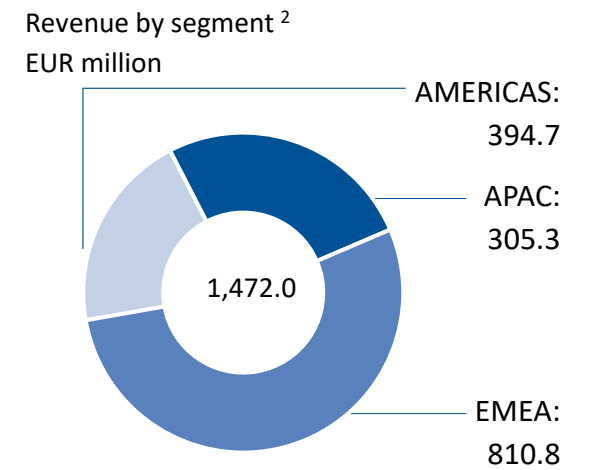
**18.9** EUR million

Operating EBIT (Region)  
APAC

**32.8** EUR million

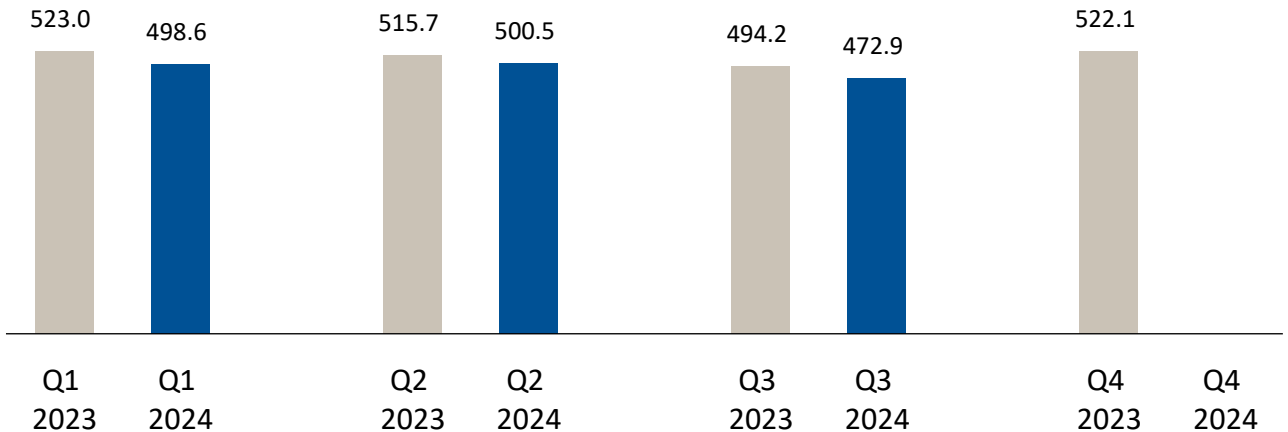


<sup>1</sup> An average of 413 employees were employed in Central Services



<sup>2</sup> The consolidation effect of revenue between the regions amounts to EUR 38.8 million

Revenue by quarter  
EUR million



The **financial figures** for the **current financial year** have been adjusted **retrospectively**. For **better comparability**, the **comparative figures** for the **previous year** have also been **adjusted**.

	Q3 2024	Q3 2023	01-09 2024	01-09 2023	1-12 2023
<b>Group revenue</b>	<b>472.9</b>	<b>494.2</b>	<b>1,472.0</b>	<b>1,532.9</b>	<b>2,055.0</b>
Revenue EMEA	249.7	280.4	810.8	920.2	1,210.9
Revenue AMERICAS	93.7	90.9	305.3	274.8	372.2
Revenue APAC	140.5	136.4	394.7	382.4	532.3
EBIT	-35.3	13.8	-2.4	47.9	72.4
EBIT margin (in %)	-7.5	2.8	-0.2	3.1	3.5
Operating EBIT	8.4	13.0	38.0	52.4	83.0
Operating EBIT margin (in %)	1.8	2.6	2.6	3.4	4.0
Earnings before taxes	-50.9	6.6	-32.4	27.6	42.1
Net profit	-59.5	5.1	-46.3	19.4	24.7
Total assets	1,522.9	1,497.5	1,522.9	1,497.5	1,534.4
Equity	222.8	302.5	222.8	302.5	313.4
Equity ratio (in %)	14.6	20.2	14.6	20.2	20.4
Net debt	551.0	406.4	551.0	406.4	401.1
Gearing (in %)	247.3	134.3	247.3	143,3	128.0
Capital expenditure (without Financial Assets)	20.5	24.2	76.1	54.6	92.9
Free Cashflow from continued and discontinued operations	-1.9	46.6	-59.2	44.3	48.2
Employees (number, average)	12,332	12,848	12,332	12,848	12,778