



ONE GRAMMER

COLLABORATING FOR A SUSTAINABLE FUTURE

Financial Results H1 2021
Ursensollen, August 12th, 2021



First six months of GRAMMER Group at a glance

- Positive business development in a challenging market environment
- Volatile customer call-offs and down-weeks in the AMERICAS and EMEA due to semiconductor shortages at the OEMs
- Exceptional raw material price development showing first bottom-line impact
- Encouraging growth in APAC - new sales record achieved in China



Highlights from AMERICAS

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



Coping with a challenging environment

- Managing extended customer shutdown weeks and volatile call-offs in North America
- Tackling a stressed labor market in the US
- Closure of Jefferson plant finalized in Q2 2021
- Former TMD plant in Delphos starting Commercial Vehicles seat production



Highlights from EMEA

Continuous footprint optimization through production consolidation and plant closures



Footprint optimization

- Sale of the Spanish entity in Q2 2021
- Closure of three plants by Q3 2021
- Optimization of capacity utilization through region-wide consolidation



Highlights from APAC

Continue our growth strategy in China and in the entire APAC region



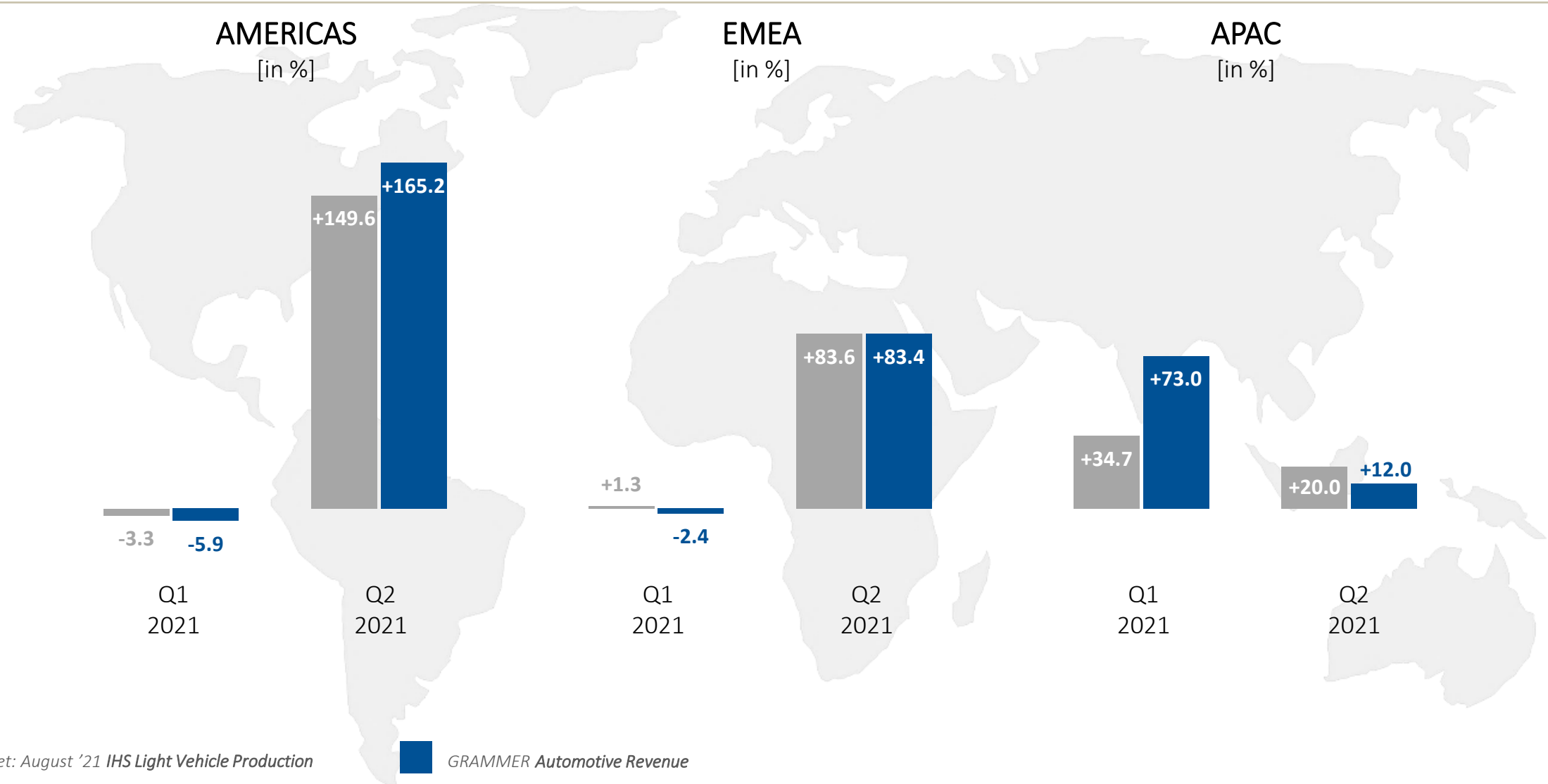
Profitable growth

- New Joint Venture with FAW Truck
- New plant in Shenyang starting production
- Set-up of a holding company for GRAMMER's China activities in Hefei



GRAMMER Automotive in line with the markets

Global market development light vehicles

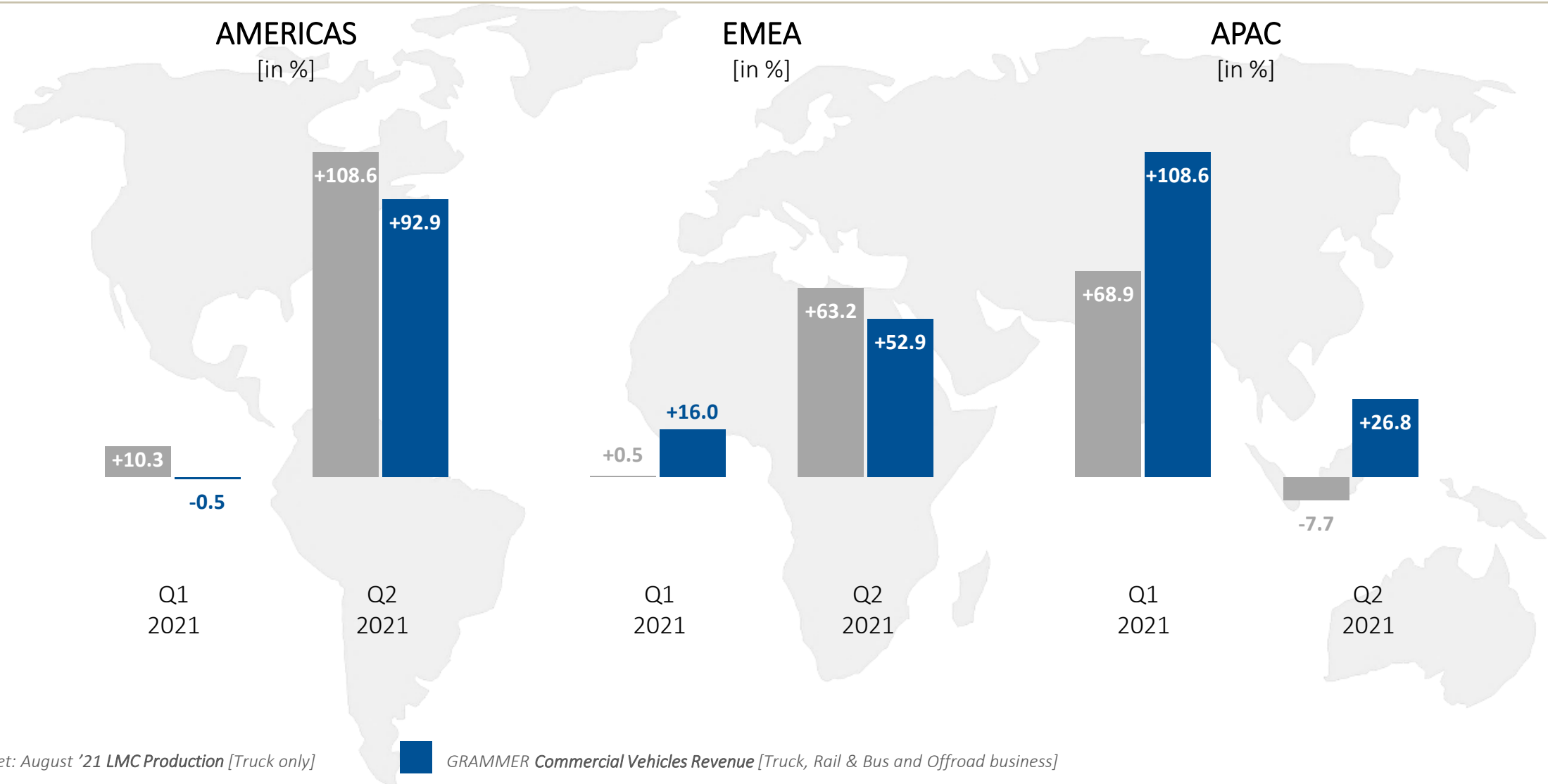


Market: August '21 IHS Light Vehicle Production

GRAMMER Automotive Revenue

GRAMMER CV outperforms market in APAC

Global market development commercial vehicles

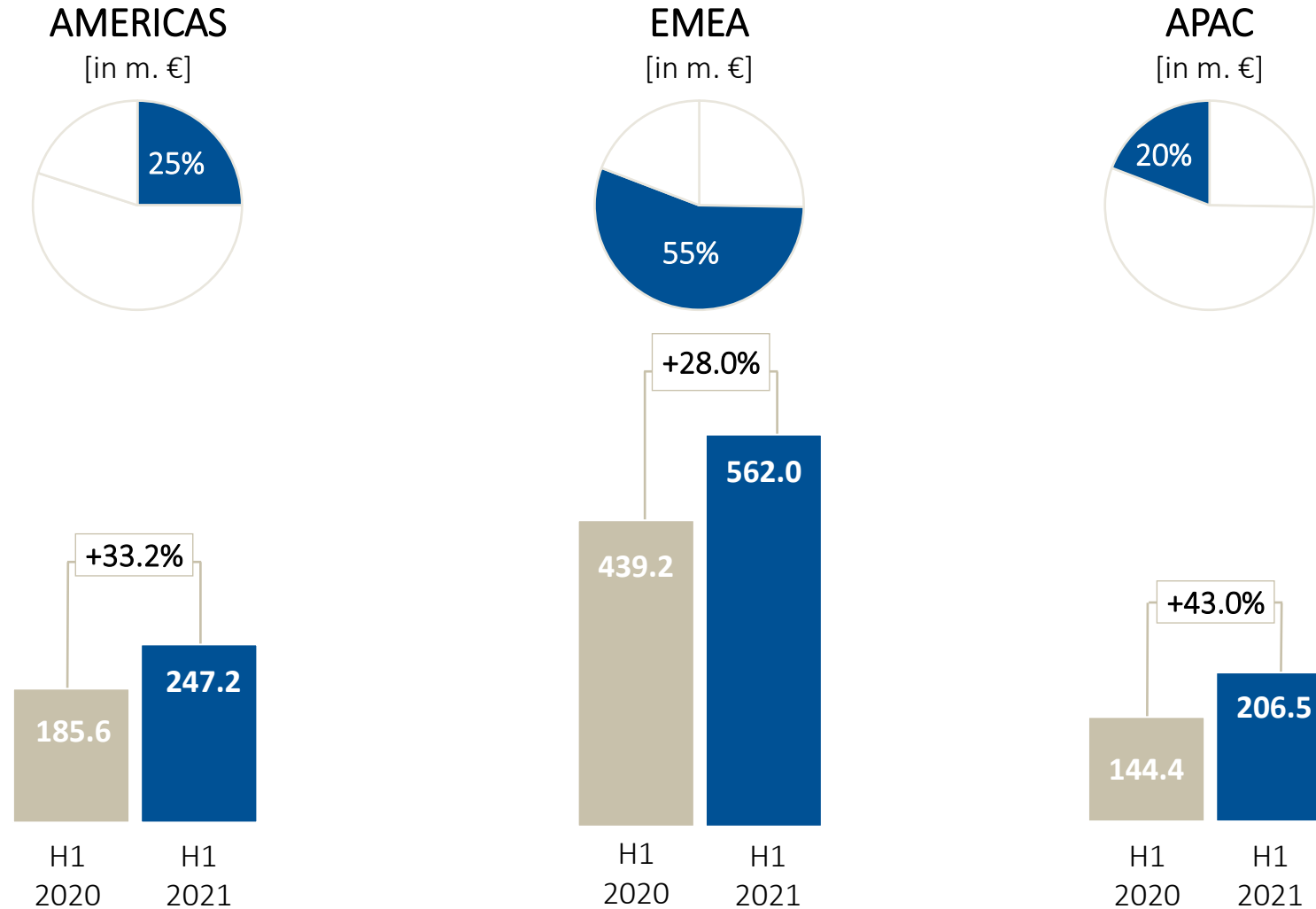


Market: August '21 LMC Production [Truck only]

GRAMMER Commercial Vehicles Revenue [Truck, Rail & Bus and Offroad business]

Revenue development by region

Improved markets in both, AMERICAS and EMEA, plus a new sales record in APAC



- H1 2020 was strongly impacted by revenue declines due to the Covid-19 pandemic
- Significant increase of revenues in H1 2021 in all regions due to improved market conditions
- AMERICAS and EMEA impacted from semiconductor situation in Q2, uncertainty remains for the second half of the year
- Encouraging growth in China with significant increase of 62.1 m € (+43.0 %) in APAC

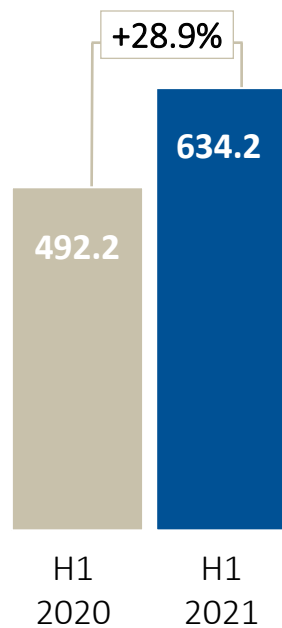
Revenue development by division

Two-leg strategy pays off: disproportionate growth in the Commercial Vehicles business



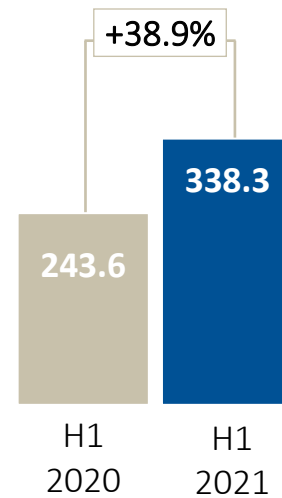
AUTOMOTIVE

[in m. €]

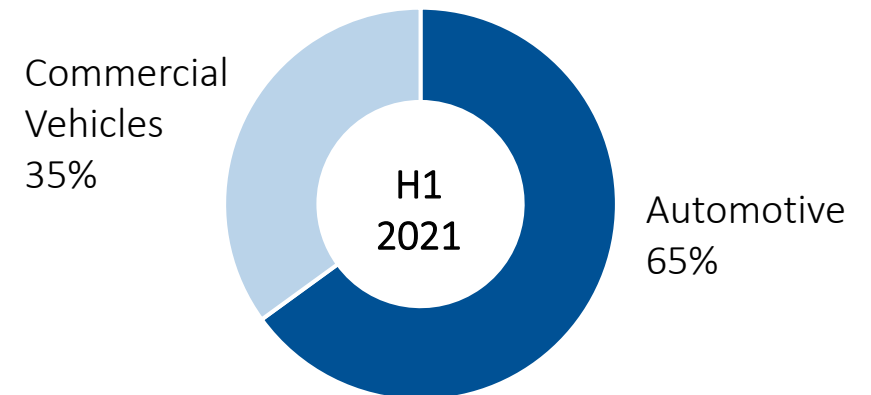
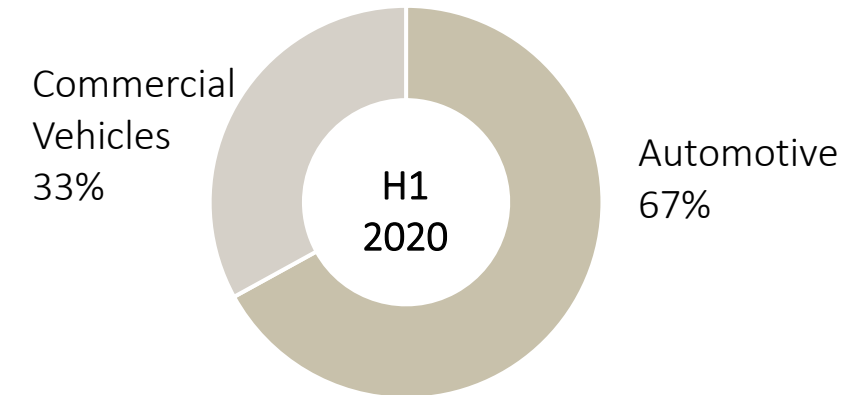


COMMERCIAL VEHICLES

[in m. €]

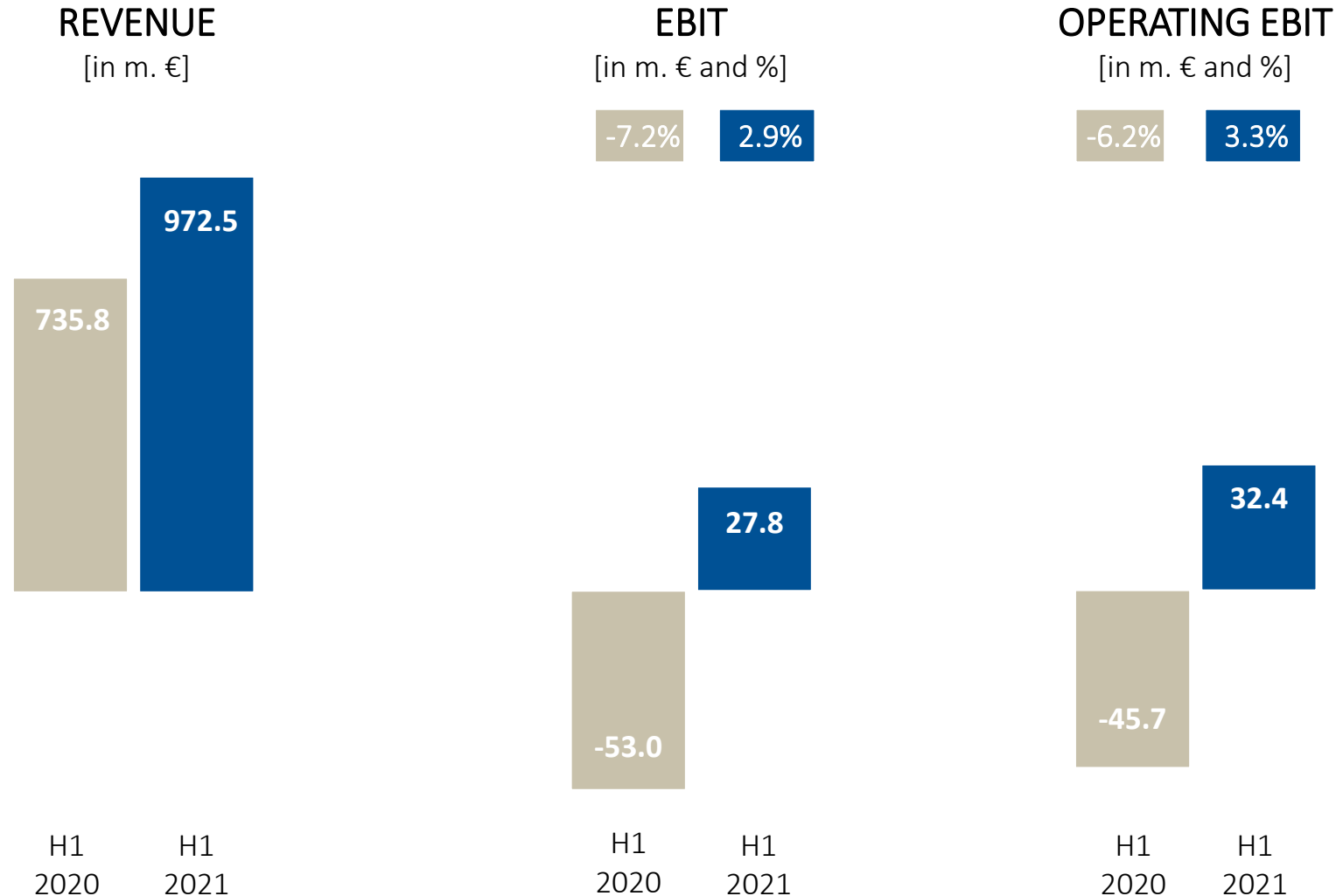


SHARE OF GROUP REVENUE



GROUP: Revenue, EBIT and operating EBIT

Positive business development continues despite challenging environment



- Group revenue up 32.2%
- Business development impacted by semiconductor shortages in the automotive business and increased raw material prices in both divisions
- EBIT impacted by:
 - -4.5 m € one-time expenses for the sale of a subsidiary
 - -2.3 m € corona protection and response measures
 - 2.2 m € positive FX effects

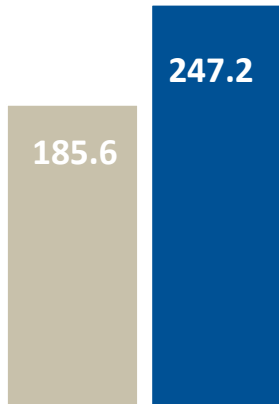
AMERICAS: Revenue, EBIT and operating EBIT

Business development strongly affected by global semiconductor shortage



REVENUE

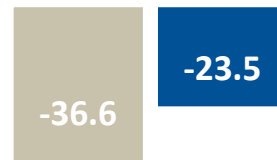
[in m. €]



H1 2020 H1 2021

EBIT

[in m. € and %]



H1 2020 H1 2021

OPERATING EBIT

[in m. € and %]



H1 2020 H1 2021

- Americas with a revenue increase of 61.6 m € (33.2%)
- Q2 was heavily impacted by semiconductor shortages and raw material price increases
- EBIT impacted by:
 - -0.2 m € corona protection and response measures
 - 0.4 m € positive FX effects
 - Customer down weeks and volatile call-offs as well as labor shortages impacting plants

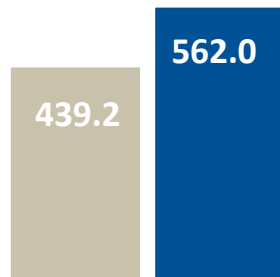
EMEA: Revenue, EBIT and operating EBIT

Overall high revenues in H1, but Q2 influenced by semiconductor shortages in Automotive



REVENUE

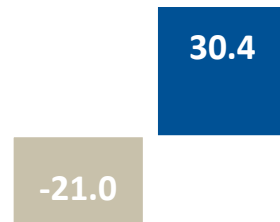
[in m. €]



H1 2020 H1 2021

EBIT

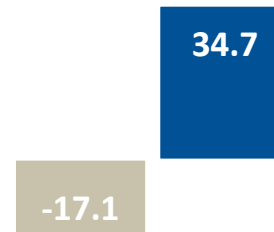
[in m. € and %]



H1 2020 H1 2021

OPERATING EBIT

[in m. € and %]



H1 2020 H1 2021

- Revenue recovery in EMEA of around 123 m € (28.0%)
- Volatile customer call-offs and raw material price increases with smaller impact in H1 2021
- EBIT impacted by:
 - -4.5 m € one-time expenses for the sale of a subsidiary
 - -1.7 m € corona protection and response measures
 - 1.9 m € positive currency effects

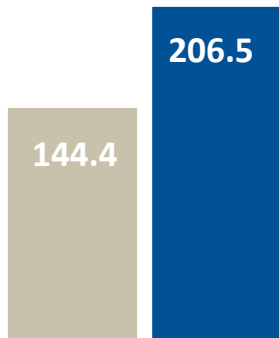
APAC: Revenue, EBIT and operating EBIT

China continues positive trend from the first quarter



REVENUE

[in m. €]



H1 2020 H1 2021

EBIT

[in m. € and %]



H1 2020 H1 2021

OPERATING EBIT

[in m. € and %]



H1 2020 H1 2021

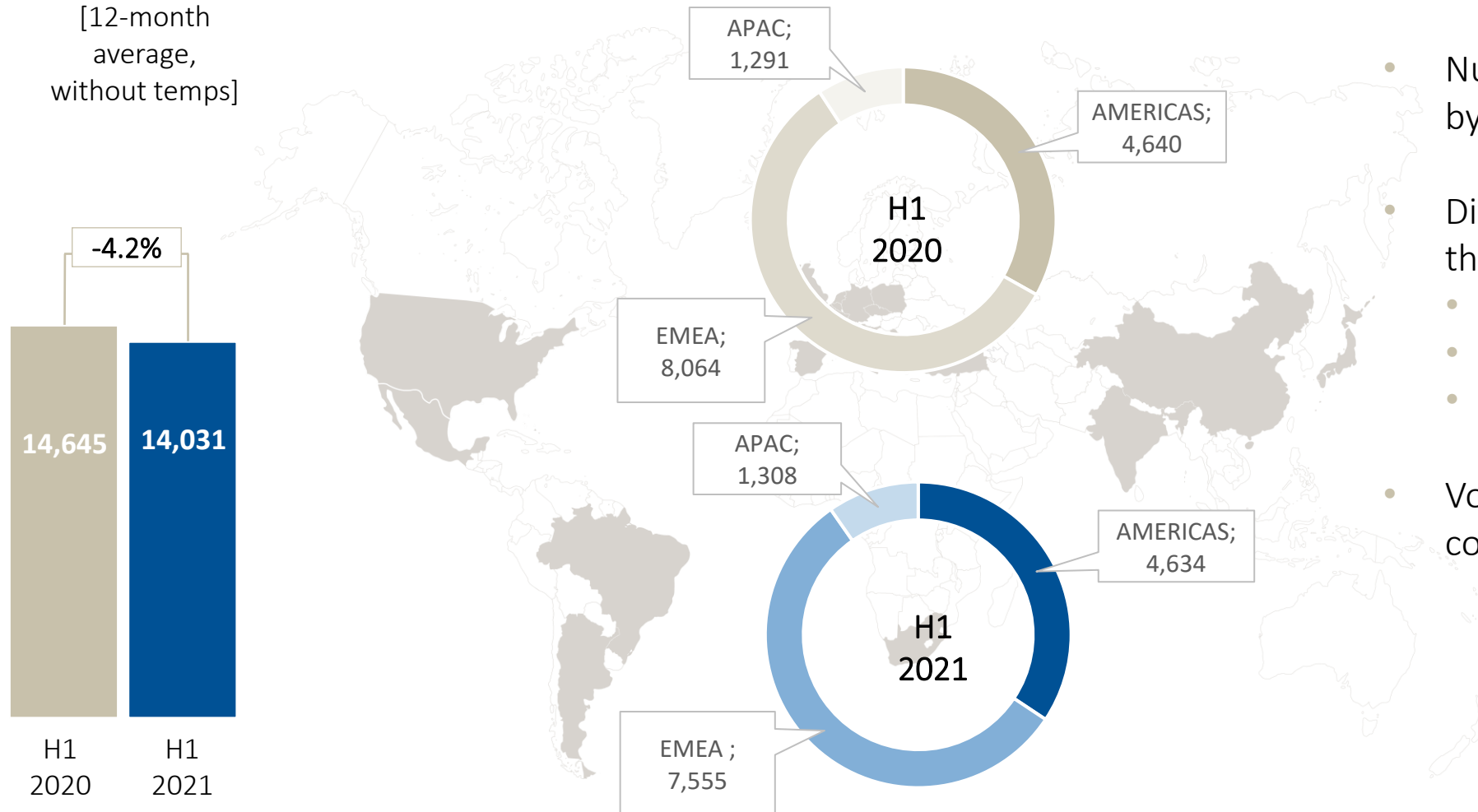
- Significant revenue increase of 62.1 m € (43.0%)
- Favorable sales momentum in APAC with a very strong performance in China
- Both divisions contribute to revenue growth
- Commercial Vehicles grows by almost 60%
- Market cool down in the second half of the year expected

Global headcount development

Socially responsible measures implemented in 2020 support the positive earnings trend

EMPLOYEES

[12-month average, without temps]



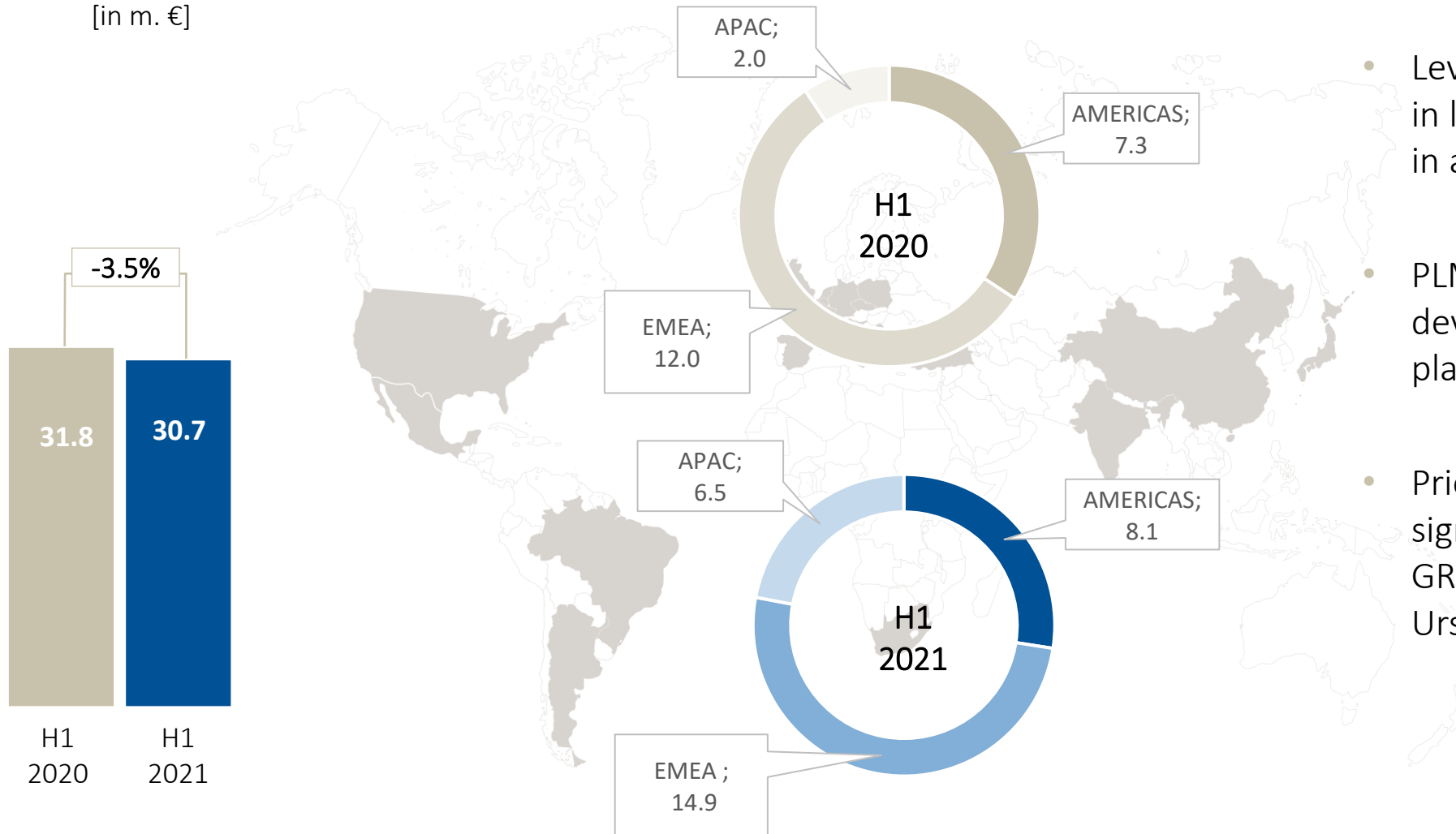
- Number of employees reduced by 4.2% on 12-month average
- Differentiated development in the regions:
 - AMERICAS -0.1%
 - EMEA -6.3%
 - APAC +1.3%
- Volunteer program successfully concluded in Germany

Global investment development

Regional and project-specific investment focus continues

INVESTMENTS

[in m. €]



- Level of investments in H1 2021 in line with the status of projects in automotive
- PLM and new product developments ongoing as planned
- Prior year's investments include significant portion for new GRAMMER Campus in Ursensollen (Germany)

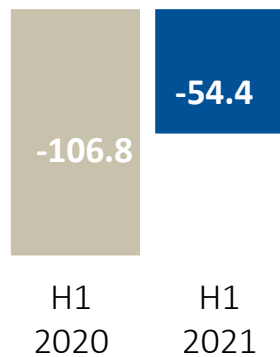
Finance key figures

Solid capital structure with a medium to long-term financing



FREE CASH FLOW

[in m. €]



NET FINANCIAL DEBT

[in m. €]



EQUITY

[in m. €]



- Negative Free Cash Flow mainly results from increase of working capital and prefinancing of the customer projects
- Customer production shut-downs and safeguarding of material supplies led to a higher level of inventories
- Improved net financial debt position
- Equity increased by 9.8% to EUR 332.0 million and leads to an Equity ratio of 23.0% (2020: 302,2 m €)



Outlook 2021



Challenges in the second half of 2021

- Semiconductor shortages to continue
 - Volatile customer call-offs in all regions
 - Exceptional raw material price developments for both divisions
- very challenging second half of the year



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 is based on the assumption that the global economy and the 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. We also assume that the global shortage of semiconductor components and an increase in raw material prices will continue to affect our business in the second half of the year. Furthermore, we are aware that the visibility of how the supply situation will actually develop is limited at the moment.

Strategy to recover and grow

MAIN GOALS

- Strengthen and grow in the regions
- Review and enhance the product portfolio
- Broaden our customer base
- Sustainability for our future

Sustainability for our future



Corporate Governance - Code of conduct for all employees



Innovative and sustainable product solutions



Environment - Green Company



Supply Chain - Responsible Supplier Management



Social & Community

Sustainability for our future

We aim to achieve the 1.5-degree target of the Paris climate agreement with a **CO₂ emissions reduction of at least 50% by 2030.**

Exercise corporate due diligence for **fair working conditions and human rights.**

Diversity & equal opportunities - increase share of women in management positions to 20% by latest 2030.

Measures for 2021

- Use of renewable energies
- All German plants using green electricity
- Development of sustainable product solutions
- Increase energy and material efficiency
- Waste prevention & recycling

Interior innovations for premium automobiles



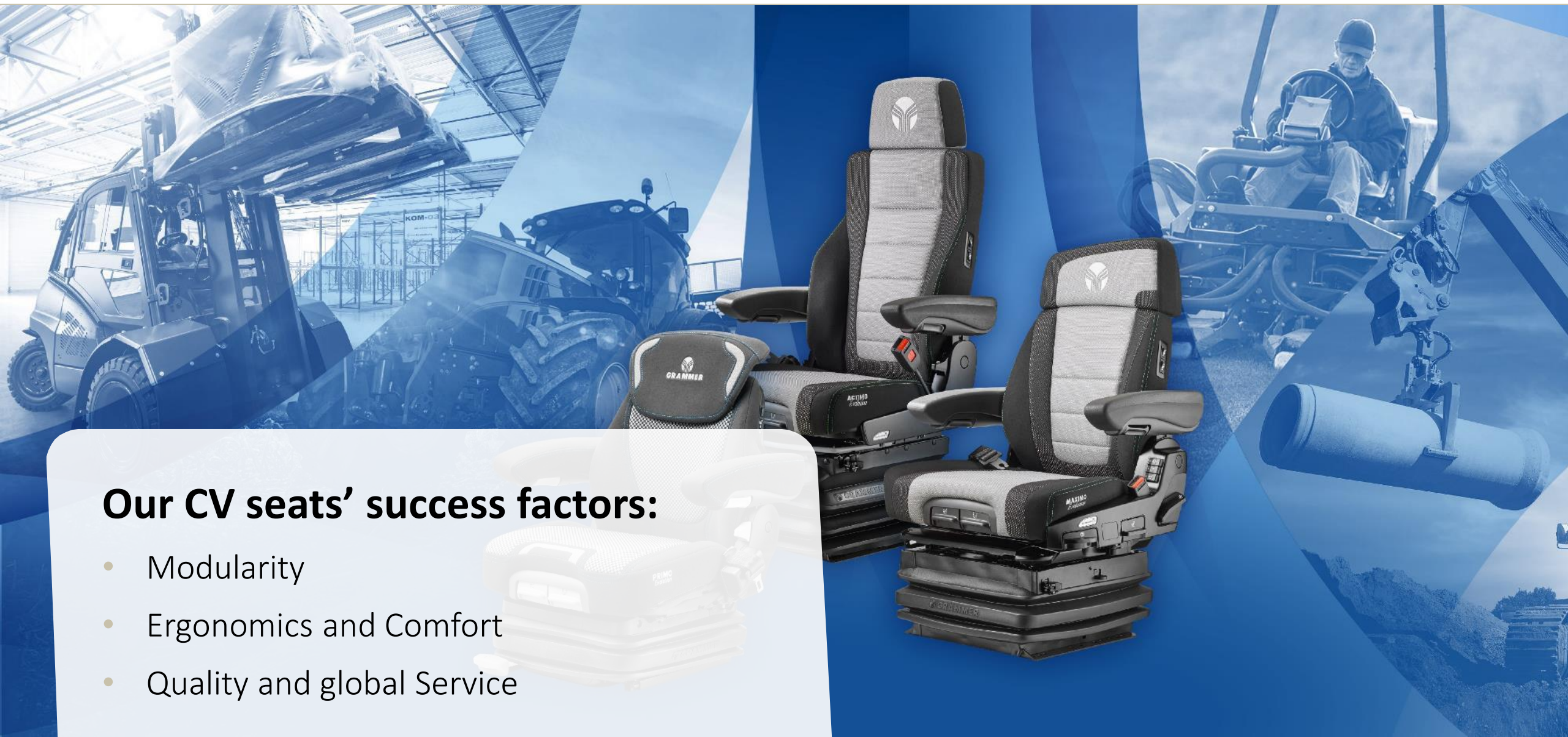
Automotive focus areas:

- Acquisition of new customers globally
- Expansion of local presence in China
- Clear positioning as innovative development partner for the OEMs
- Showcasing 3D-Glass, sliding console technology and sustainable product solutions

Global market leader in commercial vehicle seats

Our CV seats' success factors:

- Modularity
- Ergonomics and Comfort
- Quality and global Service



A photograph of a man and a woman in a professional setting. The man, on the left, is wearing glasses and a dark suit jacket over a white shirt. The woman, on the right, has short blonde hair and is wearing a light-colored blazer over a light blue top. They are both looking towards the right side of the frame. A white rounded rectangle is overlaid on the image, containing the text 'Q&A Session'.

Q&A Session

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Annexes



Key figures and Financial Calendar 2021

Revenue
972.5 EUR million

EBIT margin
2.9%

Operating EBIT margin
3.3%

Net profit
18.2 EUR million

Free Cashflow
-54.4 EUR million

Equity ratio
23.0%

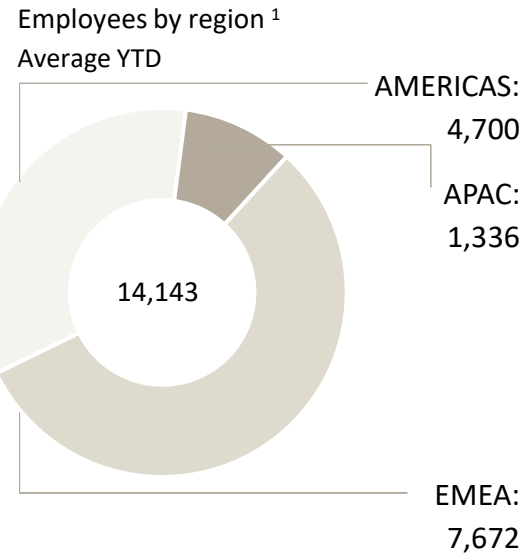
Group operating EBIT
32.4 EUR million

Capital expenditure
30.7 EUR million

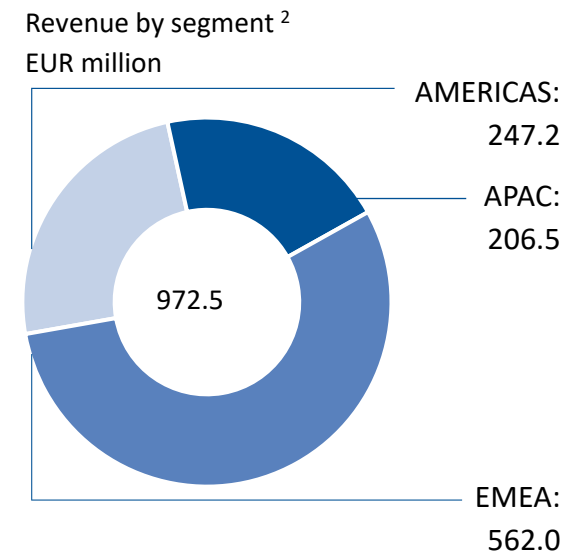
Operating EBIT (Region)
 AMERICAS
-23.7 EUR million

Operating EBIT (Region)
 EMEA
34.7 EUR million

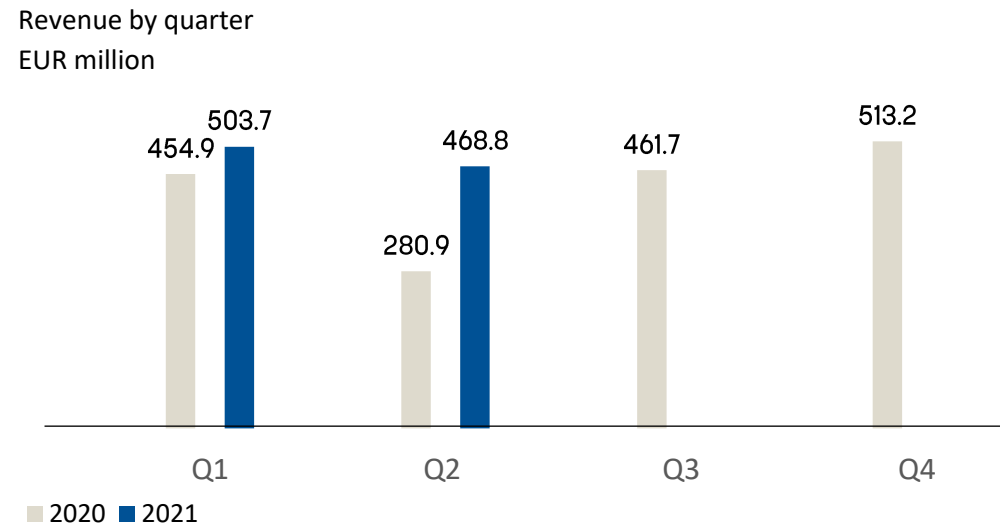
Operating EBIT (Region)
 APAC
31.0 EUR million



¹ An average of 435 employees were employed in Central Services



² The consolidation effect of revenue between the regions amounts to EUR 43.2 million EUR



Key figures

<i>[IFRS, in € million]</i>	Q2 2021	Q2 2020	01-06 2021	01-06 2020
Group Revenue	468.8	280.9	972.5	735.8
EBITDA	25.8	-29.9	69.0	-10.4
EBITDA Margin in %	5.5	-10.6	7.1	-1.4
EBIT	5.2	-50.9	27.8	-53.0
EBIT Margin in %	1.1	-18.1	2.9	-7.2
Operating EBIT	11.4	-46.1	32.4	-45.7
Operating EBIT Margin in %	2.4	-16.4	3.3	-6.2
Net Profit	4.8	-49.4	18.2	-59.2
EPS in €	0.32	-4.03	1.21	-4.83
Total Assets	1,446.0	1,371.5	1,446.0	1,371.5
Equity	332.0	292.5	332.0	292.5
Equity-Ratio in %	23.0	21.3	23.0	21.3
Net Financial Debt	359.9	392.5	359.9	392.5
Gearing Ratio in %	108.4	134.2	108.4	134.2
Capex (w/o financial assets)	21.7	12.3	30.7	31.8
Depreciation	20.6	21.0	41.2	42.6
Employees (average)	14,143	14,465	14,143	14,465

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