

## **GRAMMER AG continues positive business trend in first quarter of 2021**

- *Revenue and earnings performance benefited in first quarter from improved markets in EMEA and APAC as well as from dynamic sales in Commercial Vehicles*
- *GRAMMER Group revenue rose by 10.7% to EUR 503.7 million*
- *Operating EBIT increased in Q1 2021 to EUR 21.0 million*
- *New reporting structure: EMEA, AMERICAS and APAC regions now the main reportable segments of GRAMMER Group*

**Ursensollen, April 28, 2021** – GRAMMER Group revenue came to EUR 503.7 million in the first quarter of 2021 (Q1 2020: EUR 454.9 million), representing an increase of 10.7% year-on-year. The marked recovery in business performance from the second half of 2020 continued in the first quarter of 2021, whereas the first quarter of 2020 had already been impacted by the effects of the COVID-19 pandemic. The GRAMMER Group's positive revenue performance in the first quarter was driven mainly by significant revenue growth in APAC of 84.9% to EUR 103.2 million (Q1 2020: EUR 55.8 million) and a revenue increase in EMEA of 4.8% to EUR 291.7 million (Q1 2020: EUR 278.3 million). Both divisions – Automotive and Commercial Vehicles – increased revenue overall, by 4.9% and 24.6%, respectively.

### **Positive earnings performance due to favorable product mix as well as effective cost and process optimization measures**

The positive revenue trend combined with ongoing, effective implementation of the cost and process optimization measures as well as a favorable product mix made for a substantial increase in earnings for the GRAMMER Group. Operating EBIT came up to EUR 21.0 million in Q1 2021 (Q1 2020: EUR 0.4 million), corresponding to an operating EBIT margin of 4.2% (Q1 2020: 0.1%). This figure is adjusted for EUR 2.2 million in positive currency translation effects as well as EUR 0.6 million in directly attributable costs of corona-related protection and response measures. Earnings before interest and taxes (EBIT) increased to EUR 22.6 million in the first quarter of 2021 (Q1 2020: EUR –2.1 million).

“We have made a very good start to the new year and further maintained the upward trend from the second half of 2020. The year-on-year growth is attributable to the favorable development in EMEA and significant increases in China,” said Thorsten Seehars, CEO of GRAMMER AG, explaining the recent performance.

As planned, the GRAMMER Group continued implementing the restructuring measures launched in fiscal year 2020 in the first quarter of 2021. These include the consolidation of plants in Europe and North America as well as a reduction of the workforce by roughly 300 administrative positions in Germany by mid-2021. Thanks to the voluntary redundancy program adopted for this purpose, GRAMMER has, in a socially responsible manner, already achieved the target of a sustainable reduction in structural costs set for 2021.

Contact:  
Tanja Bücherl  
Phone: +49 9621/66-2113  
Tanja.Buecherl@grammer.com

Publisher:  
Grammer AG  
Grammer-Allee 2  
92289 Ursensollen, Germany

### **Significant first-quarter revenue growth in APAC and EMEA**

Revenue in the **APAC** region increased by 84.9% in the first quarter to EUR 103.2 million (Q1 2020: EUR 55.8 million). This significant increase reflects high production orders from OEMs combined with the comparatively very low sales figures due to pandemic-related production shutdowns in the same quarter of the previous year. The revenue growth is the result of positive performance on the part of both divisions. The Automotive Division reported a year-on-year increase of 73.0% to EUR 64.2 million (Q1 2020: EUR 37.1 million), while revenue in the Commercial Vehicles Division more than doubled, rising 108.6% to EUR 39.0 million (Q1 2020: EUR 18.7 million). Operating EBIT in the APAC region amounted to EUR 15.6 million in the first quarter of 2021 (Q1 2020: EUR 3.4 million), corresponding to an operating EBIT margin of 15.1% (Q1 2020: 6.1%).

**EMEA** revenue came up to EUR 291.7 million (Q1 2020: EUR 278.3 million), marking an increase of 4.8%. This was mostly driven by the positive performance of the Commercial Vehicles Division, which generated 16.0% revenue growth to EUR 127.1 million (Q1 2020: EUR 109.6 million). As the region where the Group's highest-revenue companies are located, EMEA thus continued the positive trend from the second half of 2020. Operating EBIT in EMEA came to EUR 18.8 million (Q1 2020: EUR 5.8 million), with an operating EBIT margin of 6.4% (Q1 2020: 2.1%).

The **AMERICAS** region recorded decrease in revenue by 5.2% in the first quarter. As a result, revenue in the first quarter of 2021 amounted to EUR 131.2 million (Q1 2020: EUR 138.4 million). This was due to a lower number of orders from OEMs because of the global supply shortage of semiconductors. Revenue in the Automotive Division was down 5.9% to EUR 112.5 million (Q1 2020: EUR 119.6 million), while in the Commercial Vehicles Division it was on a par with the previous year's quarter figure of EUR 18.7 million. Operating EBIT in AMERICAS came to EUR –8.5 million (Q1 2020: EUR –6.8 million), corresponding to an operating EBIT margin of –6.5% (Q1 2020: –4.9%).

### **Further milestones in the expansion of Grammer's local presence in the Chinese market**

The GRAMMER Group continues to expand its presence in the Chinese market. In this connection, GRAMMER signed an agreement on April 13, 2021 to set up another joint venture with FAW Group. Together with a subsidiary of China's largest commercial vehicle manufacturer, the GRAMMER Group will produce high-quality truck seats for use in many of FAW Jiefang's truck model platforms. The two joint venture partners will benefit from the ongoing trend in China towards state-of-the-art, ergonomic truck driver seats that provide a key differentiating factor for OEMs in what is the world's largest commercial vehicle market. GRAMMER will hold a 60% majority stake in the joint venture.

As a further important step in GRAMMER's growth strategy, the Executive Board decided in April to establish a Chinese headquarters in the city of Hefei (Anhui Province). We see the new headquarters as a platform for launching an even more intensive exchange with existing

and potential customers on the requirements of future mobility solutions in Anhui Province, an upcoming center for electromobility in China.

### **Inspiration for tomorrow's premium interiors**

Also in April, the GRAMMER Group presented its innovative "Pure" interior concept at the "Auto Shanghai 2021" trade show. Based on the global megatrends for the future of mobility – including autonomous driving, connectivity, shared mobility/mobility-as-a-service and electric mobility – GRAMMER has identified four fields of innovation: Living Space, Functional Upgrade, Premium Comfort and Sustainability. As the focus of product innovation for vehicle interiors, these are supplemented by input from in-house trend analyses, user surveys and customer dialog. The "Pure" interior concept developed by GRAMMER provides inspiration for implementing individualization, comfort and variability in tomorrow's mobility solutions.

### **New reporting structure**

Effective January 1, 2021, GRAMMER AG made fundamental changes to its management and resource allocation structure. The EMEA, AMERICAS and APAC regions have been designated as the leading internal reporting structures and now comprise the reportable segments. Automotive and Commercial Vehicles, the previous reportable segments, are now two divisions, focusing on global market, customer and product strategy. The global functions – the corporate departments – support the regions and divisions as before by providing systems, standards and policies together with specified services such as in research and development.

### **Guidance for 2021 confirmed**

GRAMMER AG expects that fiscal year 2021 will see a continuation of the challenging economic conditions, especially in the markets relevant to the Group. The forward path of the COVID-19 pandemic in individual countries coupled with the trend as regards the global shortages in the semiconductor industry will also have a significant impact on the predicted economic recovery. While GRAMMER has demonstrated flexibility and agility since the onset of the pandemic, adverse movements in revenue within the fiscal year cannot be ruled out from today's perspective.

GRAMMER has confirmed the guidance published on March 31, 2021 and anticipates that revenue will recover to around EUR 1.8 billion in fiscal year 2021 (2020: EUR 1.7 billion). Based on the budgeting for the three regions relevant to its business performance, GRAMMER expects operating EBIT of roughly EUR 65 million in 2021 (2020: EUR –11.7 million). In fiscal year 2020, by contrast, operating EBIT was hit very hard by the impacts of the global COVID-19 pandemic as well as by costs due to various one-time effects.

### **Company profile**

Located in Ursensollen, Germany, Grammer AG specializes in the development and production of components and systems for automotive interiors as well as suspended driver and passenger seats for onroad and offroad vehicles. In the Automotive Division, Grammer supplies headrests, armrests, center console systems, high-quality interior components, operating systems and innovative thermo-plastic components to automakers and automotive system suppliers. The Commercial Vehicles Division comprises seats for the truck and offroad seat segments (tractors, construction machinery, and forklifts) as well as train and bus seats. With about 14,000 employees, Grammer operates in 20 countries around the world. Grammer shares are listed in the Prime Standard and traded on the Frankfurt and Munich stock exchanges via the electronic trading system Xetra.