

## **GRAMMER AG publishes results for the first half of 2024**

- *GRAMMER Group revenue down 5.0% to EUR 1,114.5 million*
- *EBIT at previous year's level of EUR 18.8 million despite higher costs (01–06 2023: EUR 18.5 million)*
- *At EUR 15.6 million, however, operating EBIT was significantly lower than in the previous year (01–06 2023: EUR 26.9 million)*
- *Overall economic and industry-related uncertainties are impacting business development, with revenue in EMEA in particular significantly below the previous year in both product areas*
- *Increased pre-financing requirements due to the high order intake from the previous year*
- *Forecast for the full year 2024 adjusted*
- *Increase in profitability expected in the second half of the year and in the coming year*

**Ursensollen, August 14, 2024** – The GRAMMER Group today published its financial figures for the first half-year of 2024. Group revenue fell by 5.0% to EUR 1,114.5 million in the reporting period (01–06 2023: EUR 1,172.6 million). This development resulted in particular from the revenue decline in the EMEA region to EUR 561.1 million (01–06 2023: EUR 639.8 million), while revenues in APAC and AMERICAS increased slightly by 3.3% to EUR 254.2 million and 2.9% to EUR 327.1 million respectively.

The two product areas showed very different developments. In the Automotive product area, revenue stagnated (+0.3% to EUR 754.0 million). By contrast, revenue in the higher-margin Commercial Vehicles product area fell by 14.4% to EUR 360.5 million (01–06 2023: EUR 420.9 million). As a result of this revenue trend and increased costs due to volatile plant capacity utilization, ramp-up costs for the new Commercial Vehicles plant in North America and translation effects, GRAMMER recorded a significant decline in operating EBIT to EUR 15.6 million (01–06 2023: EUR 26.9 million). In the previous year, negative currency effects of EUR 5.4 million and restructuring expenses of EUR 3.0 million were adjusted. In the current year, positive currency effects of EUR 3.2 million have been recorded. This results in an operating EBIT margin of 1.4% (01–06 2023: 2.3%). At EUR 18.8 million (01–06 2023: EUR 18.5 million), Grammer Group's earnings

Contact person:  
Tanja Bücherl  
Phone: +49 9621/66-2113  
Fax: +49 9621/66-32113  
Tanja.Buecherl@grammer.com

Publisher:  
GRAMMER AG  
Grammer-Allee 2  
92289 Ursensollen

before interest and taxes (EBIT) in the first half of 2024 were slightly above the previous year's level.

Free cash flow totaled EUR –57.3 million in the first half of 2024 (01–06 2023: EUR –2.3 million), which is mainly due to the sharp increase in capital expenditure. The free cash flow was therefore significantly below the previous year's figure, as more financial liabilities were taken on in the first half of 2024 to pre-finance the high order intake of the previous year.

**Business development in the regions: EMEA with significant decline in revenue; APAC and AMERICAS with slightly positive revenue development**

In the **EMEA** region, GRAMMER generated revenue of EUR 561.1 million in the first half of 2024 (01–06 2023: EUR 639.8 million) - a decline of 12.3% compared to the same period of the previous year. This was due in particular to the 20.0% drop in revenue in the higher-margin Commercial Vehicles product area to EUR 244.0 million (01–06 2023: EUR 305.0 million), which is attributable to a general decline in demand in this area. The Automotive product area recorded a decline of 5.3% to EUR 317.1 million in the same period (01–06 2023: EUR 334.8 million). In the first two quarters, the region was primarily impacted by the significant decline in revenues due to weaker demand as a result of economic and industry-specific uncertainties as well as high personnel expenses. Operating EBIT fell to EUR 14.2 million (01–06 2023: EUR 35.0 million). The operating EBIT margin fell accordingly to 2.5% (01–06 2023: 5.5%). Operating EBIT was adjusted for positive currency effects in the amount of EUR 1.2 million.

**APAC** recorded a slight increase in revenue of 3.3% to EUR 254.2 million in the reporting period (01–06 2023: EUR 246.0 million). In the Automotive product area, revenue increased by 6.7% year-on-year to EUR 181.0 million (01–06 2023: EUR 169.6 million), mainly due to business with the up-and-coming NEV manufacturers. The Automotive product area now generates more than 40% of its revenue with Chinese OEMs. By contrast, revenue in the Commercial Vehicles area fell by 4.2% to EUR 73.2 million (01–06 2023: EUR 76.4 million) as a result of the market-related decline in demand. Operating EBIT fell to EUR 23.7 million (01–06 2023: EUR 29.2 million) with an operating EBIT margin of 9.3% (01–06 2023: 11.9%) due to the decline in revenue in the Commercial Vehicles product area, translation effects and an unfavorable product mix and was adjusted for negative currency effects of EUR 0.2 million.

At EUR 327.1 million, revenue in the **AMERICAS** region in the first half of 2024 was 2.9% higher than in the previous year (01–06 2023: EUR 317.9 million), partly due to inflation-related price increases. In the Automotive product area, revenue rose by 3.2% to EUR 263.9 million (01–06 2023: EUR 255.6 million) and in the Commercial Vehicles product area by 1.4% to EUR 63.2 million (01–06 2023: EUR 62.3 million). Due to ramp-up costs for the new Commercial Vehicles plant in North America and inefficiencies in production, operating EBIT remained negative in the first six months at EUR –11.1 million (01–06 2023: EUR –23.0 million). Accordingly, the operating EBIT margin was –3.4%, an improvement of 3.8 percentage points compared to the same period of the previous year (01–06 2023: –7.2%). In the previous year, operating EBIT was adjusted for expenses for restructuring measures totaling EUR 3.0 million and negative currency effects of EUR 1.4 million. From January to June 2024, positive currency effects of EUR 1.5 million were adjusted. Overall, the results achieved continued to fall short of expectations despite the improvements.



**Jurate Keblyte, CFO of GRAMMER AG:** "In the first half of 2024, we experienced a sharp decline in demand, particularly in the Commercial Vehicles product area. Unfortunately, the "Top 10 measures", which were intended to help increase profitability, were unable to compensate for the slump in revenue. This makes it even more important to pursue the program with vigor and to continue the initiatives in the second half of the year. In EMEA in particular, where we had to cope with a sharp drop in revenue in the first six

months, we are focusing on cost-saving measures. We are confident that these measures will help our company to emerge stronger."

#### **Net assets and financial position in the first half-year of 2024**

GRAMMER AG's total assets increased to EUR 1,587.5 million as of June 30, 2024 (December 31, 2023: EUR 1,534.4 million). Non-current assets increased to EUR 849.9 million (December 31, 2023: EUR 813.7 million). Property, plant and equipment in particular increased by 3.3% to EUR 494.3 million as at the interim reporting date (December 31, 2023: EUR 478.6 million). Contract assets increased significantly by 19.8% to EUR 88.4 million as a result of the high order intake from the previous year (December 31, 2023: EUR 73.8 million). Current assets recorded an increase of 2.3% or EUR 16.8 million to EUR 737.6 million (December 31, 2023: EUR 720.8 million).

At EUR 314.6 million as at June 30, 2024, equity was at the same level as at the end of 2023. The equity ratio decreased slightly to 19.8% (December 31, 2023: 20.4%) due to the increase in total assets. Non-current liabilities increased by EUR 147.9 million to EUR 526.3 million (December 31, 2023: EUR 378.4 million) due to a reclassification from current to non-current financial liabilities. In contrast, current liabilities fell by EUR 96.0 million or 11.4% to EUR 746.6 million (December 31, 2023: EUR 842.6 million).

#### **Integration of Jifeng Automotive Interior Group to strengthen the EMEA region**

To strengthen its revenue and profitability targets, GRAMMER Group has announced the integration of Jifeng Automotive Interior Group (JAI), which is to be completed by December 31, 2024. JAI was founded in 2013 and, like GRAMMER, is active in the automotive headrests, armrests and functional components segments. The acquisition of the wholly owned subsidiary of majority shareholder Ningbo Jifeng with sites in Europe will enable a better approach to customers, a consolidation of the product portfolio and the sites as well as cost advantages through joint production planning and synergy effects in administration and research and development.

#### **Forecast for the full year 2024 adjusted**

Based on the business trend to date, the current full-year forecast for operating EBIT of around EUR 75 million is not achievable. As announced in the ad hoc announcement on August 9, 2024, GRAMMER now expects operating EBIT to be at the previous year's level (2023: EUR 56.8 million). In addition, Group revenue for 2024 as a whole is expected to be slightly below the previous year's level (2023: EUR 2,304.9 million) and therefore below the projected level of around EUR 2.3 billion. In the future, the "Top 10 Measures" program in particular, which GRAMMER is systematically continuing in the second half of the year, should contribute to increasing profitability. GRAMMER expects that the positive effects of this program are likely to have a positive impact in the second half of the year and in the coming year.

The report on the first half of 2024 can be found online at: <https://www.grammer.com/en/investor-relations/financial-publications-presentations/quarterly-reports/>

**GRAMMER Group key performance indicators**

<b>in EUR million</b>	<b>H1 2024</b>	<b>H1 2023</b>	<b>Q2 2024</b>	<b>Q2 2023</b>
Group revenue	1,114.5	1,172.6	557.9	583.5
Revenue EMEA	561.1	639.8	271.6	311.3
Revenue AMERICAS	327.1	317.9	167.2	158.4
Revenue APAC	254.2	246.0	132.9	128.6
<b>Earnings KPIs</b>				
EBIT	18.8	18.5	14.9	6.8
EBIT margin (in %)	1.7	1.6	2.7	1.2
Operating EBIT	15.6	26.9	13.2	13.0
Operating EBIT margin (in %)	1.4	2.3	2.4	2.2
Earnings before taxes	3.4	5.0	8.0	1.1
Net profit/loss	-2.2	-0.3	3.4	-3.2
<b>Other KPIs</b>				
Equity (as at June 30)	314.6	289.1		
Net debt (as at June 30)	491.6	446.3		
Capital expenditure (without financial assets)				
	57.3	34.2	33.4	19.8
Depreciation and amortization	42.3	41.1	21.5	20.7
Free cash flow	-57.3	-2.3	-97.5	-11.0
Employees (number, average)	13,780	14,423		

*GRAMMER's key performance indicator, "operating EBIT", is discussed on page 16 of the Annual Report.*

*Rounding differences in the key financial figures are possible.*

**Company profile**

GRAMMER AG, based in Ursensollen, specializes in the development and production of components and systems for car interiors as well as suspended driver and passenger seats for on-road and off-road vehicles. In the Automotive product area, the company supplies headrests, armrests, center console systems, high-quality interior components and operating elements as well as innovative thermoplastic solutions for well-known car manufacturers and system suppliers in the vehicle industry. The Commercial Vehicles product area comprises the business areas of truck and off-road seats (tractors, construction machinery and forklifts) as well as train and bus seating. GRAMMER operates in 19 countries with around 13,800 employees. GRAMMER's shares are listed in the Prime Standard and traded on the Munich and Frankfurt stock exchanges and the Xetra electronic trading platform.