

GRAMMER AG publishes results for the first nine months of 2024

- *Weak macroeconomic development and automotive crisis impact business performance, with revenue in EMEA in particular suffering a drastic decline compared to the previous year*
- *Important milestones reached in the “Top10” program: conclusion of negotiations with employee representatives to reduce personnel costs in Germany and sale of the TMD Group in North America*
- *9-month figures retrospectively adjusted for discontinued operations of the TMD Group sold in September 2024*
- *GRAMMER Group’s revenue from continuing operations down 4.0% to EUR 1,472.0 million*
- *Operating EBIT down significantly to EUR 38.0 million (01–09 2023: EUR 52.4 million), mainly due to the decline in revenue*
- *EBIT of EUR –2.4 million (01–09 2023: EUR 47.9 million) burdened by expenses for restructuring measures and special effects from the sale of the TMD Group*

Ursensollen, November 14, 2024 - GRAMMER Group today presented its business figures for the first nine months of 2024, which have been retrospectively adjusted for the discontinued operations of TMD Group following the sale and deconsolidation of TMD Group in September 2024. The previous year's figures have also been adjusted accordingly to improve comparability. Group revenue from continuing operations fell by 4.0% to EUR 1,472.0 million in the reporting period (01–09 2023: EUR 1,532.9 million) against the backdrop of the challenging market environment and demand that has lagged behind original expectations. In particular, in the EMEA region, revenue fell to EUR 810.8 million (01–09 2023: EUR 920.2 million), while revenue in APAC increased by 3.2% to EUR 394.7 million and in AMERICAS by 11.1% to EUR 305.3 million.

GRAMMER recorded a decline in consolidated earnings before interest and taxes (operating EBIT) to EUR 38.0 million (01–09 2023: EUR 52.4 million) due to the downturn in revenue, an increase in costs as a result of volatile plant utilization and ramp-up costs for the new Commercial Vehicles plant in North America. The

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

operating EBIT margin was 2.6% (01–09 2023: 3.4%). In addition to the weak development of the operating result, non-recurring expenses from the “Top10” program in particular led to EBIT of EUR –2.4 million (01–09 2023: EUR 47.9 million). The non-recurring expenses included restructuring expenses of EUR 31.1 million and expenses arising from the sale of the TMD Group totaling EUR 7.0 million. Refinancing costs of EUR 0.7 million and negative currency effects of EUR 1.6 million also had a negative impact on EBIT.

Business development in the regions: Weak economic development and automotive crisis impact revenue performance in EMEA and APAC

In **EMEA**, GRAMMER recorded a decline in revenue of 11.9% to EUR 810.8 million in the first three quarters of 2024 (01–09 2023: EUR 920.2 million). Revenue in the Automotive product area fell by 2.9% to EUR 472.4 million and in the Commercial Vehicles product area by 22.0% to EUR 338.4 million. This was due in particular to weaker demand as a result of macroeconomic developments and the crisis in large parts of the automotive industry. Operating EBIT in EMEA was adjusted for expenses for restructuring measures totaling EUR 16.4 million and negative currency effects of EUR 0.4 million and amounted to EUR 18.9 million (01–09 2023: EUR 49.5 million). EBIT amounted to EUR 2.2 million in the first three quarters (01–09 2023: EUR 46.2 million) and was mainly impacted by the decline in revenue and increased costs due to volatile plant capacity utilization.

APAC recorded a slight increase in revenue of 3.2% to EUR 394.7 million in the reporting period (01–09 2023: EUR 382.4 million). Adjusted for currency effects, revenue growth was 6.4%. The increase in APAC was driven by the Automotive product area, where revenue rose by 8.4% to EUR 292.1 million (01–09 2023: EUR 269.5 million). The share of revenue generated by Chinese OEMs in the Automotive product segment in the APAC region has now risen to more than 50%. By contrast, revenue in the Commercial Vehicles area was down on the previous year at EUR 102.6 million (01–09 2023: EUR 112.9 million). In addition to currency effects, an unfavorable product mix had a negative impact on EBIT, which fell to EUR 32.6 million in the first three quarters of 2024 (01–09 2023: EUR 42.9 million). Operating EBIT totaled EUR 32.8 million (01–09 2023: EUR 43.2 million).

In the **AMERICAS** region, the TMD Group was sold and deconsolidated in September. Accordingly, the activities of the TMD Group are presented in the statement of profit or loss as discontinued operations both in the reporting period and in the same period of the previous year. From January to September, AMERICAS achieved an increase in revenue from continuing operations of 11.1%

to EUR 305.3 million (01–09 2023: EUR 274.8 million). Adjusted for currency effects, AMERICAS achieved an increase in revenue of 15.8%. Revenue in the Automotive area rose slightly to EUR 214.2 million (01–09 2023: EUR 204.5 million), while revenue in the Commercial Vehicles product area increased from EUR 70.3 million in the previous year to EUR 91.1 million in the first nine months of 2024. Operating EBIT was adjusted for negative currency effects of EUR 1.0 million and expenses for the sale of a business of EUR 4.9 million and amounted to EUR –3.2 million (01–09 2023: EUR –20.2 million). EBIT totaled EUR –9.2 million (01–09 2023: EUR –21.3 million).



"The turnaround in AMERICAS has the highest priority on the path to a sustainable increase in GRAMMER Group's profitability. As part of our Top10 program, we have set ourselves the goal of concentrating on GRAMMER's core competencies and products and streamlining the portfolio. With the sale of the TMD Group, we have taken an important step in this direction. However, reaching this milestone does not mean a breather for GRAMMER: The economic crisis is forcing us to shift the focus of the Top10 measures to

EMEA and to accelerate and expand the planned measures in order to emerge stronger from this crisis," says Jurate Keblyte, CFO of GRAMMER AG.

Net assets and financial position as of September 30, 2024

GRAMMER AG's total assets fell by 0.7% to EUR 1,522.9 million as of September 30, 2024. This also reflects the deconsolidation of TMD Group. On the assets side, non-current assets increased to EUR 852.2 million (December 31, 2023: EUR 813.7 million). Property, plant and equipment fell by EUR 24.7 million to EUR 453.9 million (December 31, 2023: EUR 478.6 million). Other financial assets increased from EUR 11.8 million at the end of 2023 to EUR 83.9 million as of the interim reporting date. Contract assets also increased significantly to EUR 82.1 million (December 31, 2023: EUR 73.8 million). Current assets fell by 6.9% to EUR 670.7 million. Inventories were reduced by EUR 20.8 million to EUR 165.4 million. Current trade accounts receivables declined to EUR 262.6 million (December 31, 2023: EUR 288.5 million) and cash and short-term deposits fell to EUR 103.4 million (December 31, 2023: EUR 131.0 million). At EUR 222.8 million as of September 30, 2024, equity was below the level at the end of 2023 (December 31,

2023: EUR 313.4 million). The equity ratio decreased to 14.6% (December 31, 2023: 20.4%). At EUR 593.7 million, non-current liabilities were higher than the level as of December 31, 2023 (EUR 378.4 million), in particular due to a reclassification from current to non-current financial liabilities. In contrast, current liabilities fell by 16.2% to EUR 706.4 million (December 31, 2023: EUR 842.6 million), mainly triggered by the aforementioned reclassification of financial liabilities and a decrease in short-term trade accounts payables.

Update of the 2024 revenue forecast

In light of the business performance to date and the successful sale of TMD Group, GRAMMER is maintaining its full-year operating EBIT forecast of around EUR 56.8 million, which was adjusted in August. The originally forecast revenue of EUR 2.3 billion will not be achieved due to significantly weaker demand and the sale of the TMD Group. Revenues of around EUR 2 billion are now expected for 2024 as a whole.

The full report for the first three quarters of 2024 is available on the website at <https://www.grammer.com/en/investor-relations/financial-publications-presentations/quarterly-reports/>.

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 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 12,000 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.