Press release

Financial Year 2024:
GRAMMER sets the course for the future

- *GRAMMER sets the course for the future: structural measures for increased competitiveness and greater financial stability successfully implemented in a challenging environment*
- *Revenue at EUR 1,921.7 million, operating EBIT at EUR 41.6 million and EBIT including restructuring expenses at EUR 8.1 million*
- *Outlook for 2025: Revenue at prior-year level and moderate improvement in operating EBIT*

Ursensollen, March 28, 2025 – The GRAMMER Group today released its audited consolidated financial statements for the financial year 2024. In the reporting period, the company generated revenue of EUR 1,921.7 million (previous year: EUR 2,055.0 million), while operating EBIT was EUR 41.6 million (previous year: EUR 83.0 million); EBIT amounted to EUR 8.1 million (previous year: EUR 72.4 million) and includes restructuring expenses of EUR 35.7 million. The reported figures reflect the continuing operations, which have been adjusted for the results of TMD Group, which was sold and deconsolidated in September 2024. The sale of TMD Group is one of the most significant structural measures successfully implemented by GRAMMER in 2024.

Jurate Keblyte, CFO of GRAMMER AG: "In 2024, a year marked by a weak economy and major changes in the automotive industry, GRAMMER set the stage for the future. Through our 'Top 10' program, we implemented key structural measures to boost GRAMMER's competitiveness and financial stability. In addition to selling the TMD Group, this mainly involved launching the Shared Service Center in Serbia and reducing excess capacities in EMEA. Personally, this reassures me that GRAMMER is on the right path as I pass the baton to my successor Thomas Strobl today."

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Cyclically weak demand for commercial vehicles and major upheavals in the automotive industry

Contrary to expectations, the market environment in the sectors relevant to GRAMMER did not recover during 2024. After the record years of 2022 and 2023, the business with commercial vehicle seats in the Commercial Vehicles product area partly returned to ‘normal’ as anticipated, but was significantly impacted by cyclically weak demand, especially in Europe, with revenues of EUR 652 million almost 16% below the previous year’s level.

At EUR 1,269.5 million (–0.8%), revenue in the Automotive area was on a par with the previous year but fell significantly short of expectations and was marked by major upheavals. The decline was partly offset by the strong order intake of the previous years, which made a significant contribution of approx. EUR 150 million. While AMERICAS remained at the prior-year level and EMEA contracted by just under 6%, APAC (China) grew by almost 7%. However, this growth was well below expectations and was characterized by significant shifts in volume from global to local (Chinese) OEMs.

Successful restructuring measures in EMEA and AMERICAS; China and Central Services undergoing transformation – “on the move”

GRAMMER saw the biggest revenue decline in **EMEA**, with a significant drop of 13.8%, bringing revenue down to EUR 1,044.3 million. Both product areas were hit by a significant cyclical downturn in demand: revenue in the Automotive product area fell by 5.7% to EUR 607.7 million, while the higher-margin Commercial Vehicles area saw a 22.9% decrease to EUR 436.6 million. Due to the revenue drop and increased costs from volatile plant utilization, operating EBIT fell to EUR 25.2 million (previous year: EUR 64.2 million).

To counteract this trend, GRAMMER pursued two material restructuring measures in the reporting period: eliminating excess capacity and integrating the Jifeng Automotive Interior Group (JAI). The takeover of the majority shareholder’s (NBJF) wholly-owned subsidiary, including locations in Eastern Europe, will allow GRAMMER to consolidate its production footprint and product portfolio, in particular. Additionally, the acquisition will lead to cost savings from joint production planning and administration as well as in research and development. The number of employees in the European plants was reduced by about 1,100 over the course of the year to align installed capacities with decreased customer demand. This reduction was spread throughout the year and will not be fully reflected in cost savings until 2025.

In **AMERICAS**, the sale of TMD Group marked an important step towards streamlining the portfolio and achieving a significant reduction in overhead costs. Reported revenue from continuing operations climbed 5.2% to EUR 391.7 million, which was essentially due to an accounting adjustment, though. At EUR 276.3 million, Automotive revenue remained largely stable (+0.2%), while Commercial Vehicles revenue increased by 19.6% to EUR 115.4 million due to the mentioned accounting adjustment. Earnings in AMERICAS were affected by a large number of challenging product launches and therefore improved only slightly from EUR –16.4 million to EUR –15.8 million.

Revenue in **APAC** rose slightly by 0.8% to EUR 536.6 million (previous year: EUR 532.3 million). The increase is attributable to the Automotive product area, where revenue went up by 6.8%, while revenue in the Commercial Vehicles area declined due to the market-related drop in demand. Operating EBIT in APAC fell to EUR 46.5 million (previous year: EUR 62.5 million). This was due to the reduced revenue in the Commercial Vehicles product area and a volume shift in the Automotive area from global to less profitable local OEMs, which have gained substantial market share in the meantime. Revenue from local OEMs meanwhile accounts for about half of the Automotive area's revenue in China and is exposed to very strong competition. However, GRAMMER has been successful in winning and doing initial business with local OEMs and therefore believes it is well positioned for further growth in the region.

Further significant restructuring measures related to **Central Services** and the administrative functions of EMEA, which are bundled at GRAMMER's headquarters in Ursensollen. The 'Satellite' project has been launched to make the administrative processes more efficient and less costly. To this end, processes and activities have been identified that will be relocated to a new, more cost-efficient Shared Services location in Serbia or be eliminated altogether. The site in Serbia took up operations in the fourth quarter of 2024 and is becoming an important satellite of the headquarter with a focus on ongoing digitalization and efficiency improvements of the end-to-end processes.

Outlook for 2025: Revenue at prior-year level and moderate improvement in operating EBIT

For the current financial year 2025, GRAMMER assumes that customer demand in both product areas will vary regionally and industry-specifically. The company expects the negative trend in the passenger car market to continue due to trade-related uncertainties, while a recovery is projected for the commercial vehicle market. Against this backdrop, GRAMMER expects revenue for the financial year 2025 to remain at the previous year's level of around EUR 1.9 billion.

Regarding operating earnings, GRAMMER expects profitability to be positively influenced particularly by the full-year impact of the Top 10 measures implemented in the previous year as well as by the continuation of the program. By contrast, reduced sales volumes as well as increased labor costs and tariffs are expected to have an adverse impact. Accordingly, the Executive Board projects operating EBIT of approx. EUR 60 million (previous year: EUR 41.6 million) at Group level.

The "Sanierungs- und Zukunftstarifvertrag" (special collective agreement) signed for the locations in Amberg will also help to achieve this goal. As part of the continuation of the Top 10 program, GRAMMER and the IG Metall trade union reached an agreement on the key points last week. Thanks to cost savings, this supplementary collective agreement will help to further improve the company's competitiveness and, hence, to secure jobs at the Amberg sites.

The complete 2024 Financial Report is available at https://www.grammer.com/en/investor-relations/financial-publications-presentations/annual-reports/ .

GRAMMER Group key performance indicators

In EUR m	2024	2023	Q4 2024	Q4 2023
Group revenue*	1,921.7	2,055.0	449.7	522.1
Revenue EMEA	1,044.3	1,210.9	233.5	290.7
Revenue AMERICAS*	391.7	372.2	86.4	97.4
Revenue APAC	536.6	532.3	141.9	149.9
Earnings KPIs*				
EBIT	8.1	72.4	10.5	24.5
EBIT margin (in %)	0.4	3.5	2.3	4.7
Operating EBIT	41.6	83.0	3.6	30.6
Operating EBIT margin (in %)	2.2	4.0	0.8	5.9
Earnings before taxes	–23.7	42.1	8.6	14.5
Net profit/loss	–48.0	24.7	–1.7	5.4
Other KPIs				
Equity	266.9	313.4		
Net debt	485.5	401.1		
Capital expenditure (without acquisitions from business combinations and financial assets)*	96.3	92.9	20.3	38.3
Depreciation and amortization*	72.8	66.5	19.1	17.2
Free cash flow*	–24.5	42.7		
Employees (number, average)*	12,116	12,778		

**from continuing operations*
The figures for the full financial year 2024 and the comparative year 2023 were retroactively adjusted for discontinued operations of TMD Group sold in September 2024.

Rounding differences in the disclosures contained in the consolidated financial statements 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 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 20 countries with around 12,100 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.