



Interim Management Statement January to March 2024

SOLUTIONS FOR A WORLD ON THE MOVE

Revenue
556.6 EUR m

Operating EBIT
2.4 EUR m

Operating EBIT margin
0.4 %

Equity ratio
19.5 %

Net profit/loss
-5.7 EUR m

Free cash flow
40.2 EUR m

EBIT
3.9 EUR m

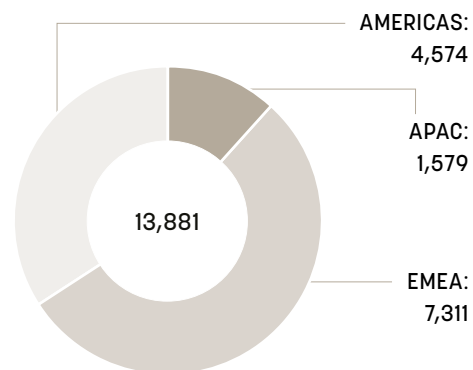
Capital expenditure
23.9 EUR m

Company profile

GRAMMER AG, which has its head office in Ursensollen, operates in two business segments: GRAMMER develops and produces high-quality interior and operating systems and innovative thermoplastic components for the global automotive industry. GRAMMER is a full service provider of driver and passenger seats for trucks, buses, trains and offroad vehicles. At present, GRAMMER AG has about 13,900 employees in 19 countries around the world. Its revenue in 2023 was about EUR 2.3 billion. GRAMMER shares are listed in the Prime Standard and traded on the Munich and Frankfurt stock exchanges as well as via the Xetra electronic trading platform.

Employees by region¹

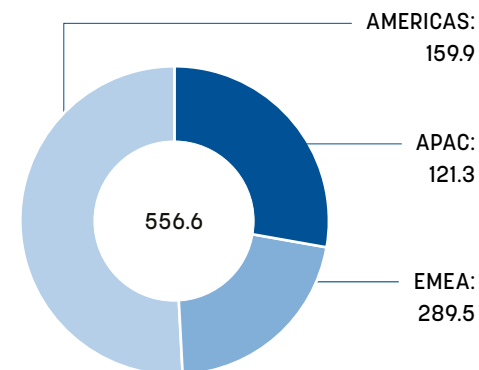
Annual average



¹ An average of 417 people were employed in Central Services

Revenue by region²

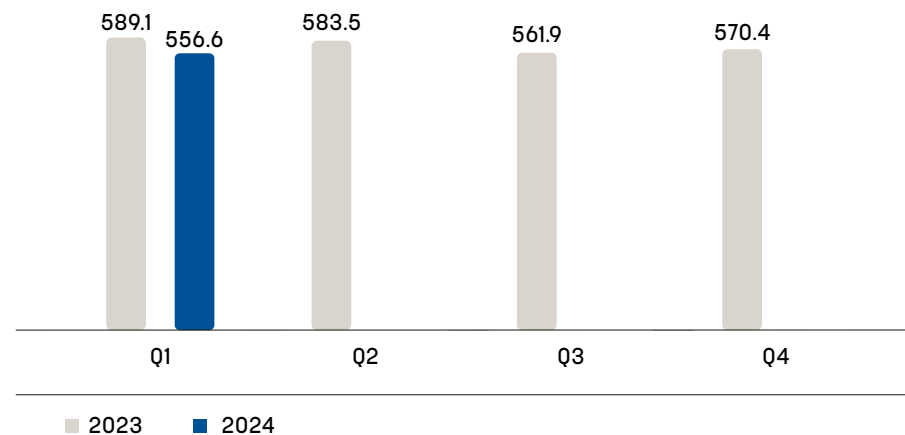
EUR m



² The consolidation effect of revenue between the regions amounts to EUR 14.1

Revenue by Quarter

in EUR m



Operating EBIT by region

AMERICAS	EMEA	APAC
-7.1	6.4	9.3
EUR m	EUR m	EUR m

Overview of business performance

- Macroeconomic environment: Global economic development varied. The Chinese economy grew surprisingly strongly in the first quarter with a year-on-year increase of 5.3% and is currently being supported by government investment and exports, although the real estate crisis continues. The US economy also proved remarkably resilient and stable at the start of 2024. In Europe, the weak economic development of 2023 continued in the first quarter of 2024
- General economic and industry uncertainty was affecting GRAMMER's business performance as well: Weaker demand in the first quarter of 2024 resulted in lower revenue in EMEA in both product areas and in APAC in the Commercial Vehicles area; total revenue declined by 5.5% compared to the previous year to EUR 556.6 million
- In the first three months of 2024, EBIT amounted to EUR 3.9 million (Q1 2023: EUR 11.7 million) with operating EBIT of EUR 2.4 million (Q1 2023: EUR 13.9 million); earnings were squeezed by the decline in revenue, higher costs due to volatile capacity utilization at plants, ramp-up costs for the new Commercial Vehicles plant in the US as well as translation effects
- In the regions: In EMEA, EBIT amounted to EUR 6.7 million (Q1 2023: EUR 17.4 million) as a result of the drop in revenue by 11.9%, in particular in the Commercial Vehicles area (-16.8%); operating EBIT declined to EUR 6.4 million (Q1 2023: EUR 17.1 million)
- APAC reported a slight decline in revenue of 3.3% to EUR 121.3 million; EBIT fell to EUR 9.3 million (Q1 2023: EUR 11.4 million) as a result of an unfavorable product mix and translation effects; operating EBIT amounted to EUR 9.3 million (Q1 2023: EUR 11.6 million)
- Revenue in AMERICAS was stable year-on-year at EUR 159.9 million; earnings improved but fell short of expectations with EBIT of EUR -6.4 million (Q1 2023: EUR -11.2 million) and operating EBIT of EUR -7.1 million (Q1 2023: EUR -9.3 million)
- GRAMMER vigorously implementing "Top 10 Measures" program to enhance profitability; positive effects from the program are expected in the second half of the year
- Forecast for 2024 confirmed: Revenue to match prior-year level with significant growth in operating EBIT

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A | Interim Management Statement January to March 2024

GRAMMER AG publishes results for the first quarter of 2024

The GRAMMER Group has today published its figures for the first quarter of 2024. Consolidated revenue declined by 5.5% to EUR 556.6 million in the reporting period (Q1 2023: EUR 589.1 million). In particular, revenue was lower than expected in the EMEA and APAC regions. In APAC, however, the revenue generated in the first quarter of 2024 was slightly up on the previous year at EUR 121.3 (Q1 2023: EUR 117.4 million), while revenue in the EMEA region also fell year-on-year by 11.9% to EUR 289.5 million (Q1 2023: EUR 328.5 million). In the AMERICAS region, revenue was stable year-on-year at EUR 159.9 million (Q1 2023: EUR 159.5 million). An overview of the product areas showed stagnation in the Automotive area, albeit with different trends in the regions. Revenue in the Automotive product area totalled EUR 369.1 million (Q1 2023: EUR 371.9 million). In the higher margin Commercial Vehicles product area, revenue fell by 13.7% to EUR 187.5 million (Q1 2023: EUR 217.2 million).

Consolidated EBIT amounted to EUR 3.9 million (Q1 2023: EUR 11.7 million) in the first quarter of 2024. Operating EBIT declined as well, from EUR 13.9 million in the same quarter of the previous year to EUR 2.4 million in the first three months of 2024. Operating EBIT was adjusted for positive currency translation effects of around EUR 1.5 million. The operating EBIT of the GRAMMER Group was squeezed by the decline in revenue, higher costs due to volatile capacity utilization at plants, ramp-up costs for the new Commercial Vehicles plant in the US and translation effects. In particular, revenue was lower than expected in the EMEA and APAC regions on account of the generally considerable economic and industry uncertainty. Free cash flow improved to EUR 40.2 million in the first quarter (Q1 2023: EUR 8.7 million). The increase mainly resulted from an improvement in working capital.

Business performance in the regions: General economic uncertainty slows revenue development in EMEA and APAC

In **EMEA**, GRAMMER's revenue declined by 11.9% to EUR 289.5 million in the first three months of 2024 (Q1 2023: EUR 328.5 million), a reduction of 9.5% adjusted for currency effects. Revenue was down by 7.2% at EUR 157.1 million in Automotive and by 16.8% at EUR 132.4 million in Commercial Vehicles. In particular, this was as a result of the negative effects of weaker demand owing to general economic and industry uncertainty. EBIT in EMEA amounted to EUR 6.7 million in the first quarter (Q1 2023: EUR 17.4 million) and was mainly impacted by the decline in revenue. Operating EBIT, adjusted for positive currency effects of EUR 0.3 million, amounted to EUR 6.4 million (Q1 2023: EUR 17.1 million).

APAC reported a slight increase in revenue of 3.3% to EUR 121.3 million in the reporting period (Q1 2023: EUR 117.4 million). Adjusted for currency effects, revenue grew by 9.7%. The rise in revenue in APAC was thanks to Automotive, where revenue was up by 10.1% at EUR 86.3 million (Q1 2023: EUR 78.4 million). The Automotive product area in APAC now generates more than 40% of its sales with Chinese OEMs. By contrast, revenue in Commercial Vehicles was down on the same quarter of the previous year at EUR 35.0 million (Q1 2023: EUR 39.0 million). EBIT was impacted by both translation effects and an unfavorable product mix, thus amounting to EUR 9.3 million in the first quarter of 2024 (Q1 2023: EUR 11.4 million). Operating EBIT likewise amounted to EUR 9.3 million (Q1 2023: EUR 11.6 million).

In **AMERICAS**, GRAMMER's revenue was stable year-on-year at EUR 159.9 million in the first quarter (Q1 2023: EUR 159.5 million). Adjusted for currency effects, revenue in the AMERICAS region grew by 3.0%. In Automotive, revenue rose slightly to EUR 129.3 million (Q1 2023: EUR 128.1 million), while in Commercial Vehicles it declined from EUR 31.4 million in the same quarter of the previous year to EUR 30.6 million in the first three months of 2024. GRAMMER's earnings in AMERICAS improved year-on-year but still fell short of expectations. EBIT amounted to EUR -6.4 million and was negatively influenced by revenue, which was lower than originally expected, ramp-up costs for the Commercial Vehicles plant in the region and delayed effects from the "P2P" restructuring project (Q1 2023: EUR -11.2 million). Operating EBIT, adjusted for positive currency effects of EUR 0.7 million, amounted to EUR -7.1 million (Q1 2023: EUR -9.3 million). The focus in this region remains on restructuring. In this context, various options are being considered, including the possible sale of TMD under certain circumstances.

GRAMMER vigorously implementing "Top 10 Measures" program

In response to the recent underperformance in profitability and the emerging cooldown in business performance, GRAMMER initiated its "Top 10 Measures" program in the first quarter. Among other things, the initiative includes the turnaround in AMERICAS with the aim of improving capacity utilization, adjusting SG&A expenses and raising margins in line with the Group's medium-term target. It also focuses on enhancing profitability in the EMEA region, a cost reduction in product development, sales, and general administration. Positive effects from the program are expected in the second half of the year.

Net assets and financial position in the first quarter of 2024

GRAMMER AG's total assets rose by 4.9% to EUR 1,610.3 million as of March 31, 2024. Non-current assets climbed to EUR 838.3 million (December 31, 2023: EUR 813.7 million). In particular, other financial assets increased from EUR 11.8 million as of the end of 2023 to EUR 18.7 million as of the end of the first quarter. Assets from contracts with customers also rose significantly to EUR 80.1 million (December 31, 2023: EUR 73.8 million). Current assets likewise increased by 7.1% to EUR 772.0 million. In particular, current trade accounts receivable rose to EUR 308.1 million (December 31, 2023: EUR 288.5 million) while cash and short-term deposits climbed to EUR 163.6 million (December 31, 2023: EUR 131.0 million).

Equity was unchanged as against the end of 2023 at EUR 313.5 million as of March 31, 2024. The equity ratio declined to 19.5% on account of higher total assets (December 31, 2023: 20.4%). At EUR 346.8 million, non-current liabilities were down as against December 31, 2023 (EUR 378.4 million), in particular as a result of a reclassification from non-current to current financial liabilities. By contrast, current liabilities rose by 12.7% to EUR 950.0 million (December 31, 2023: EUR 842.6 million), mainly on account of the reclassification of financial liabilities from non-current to current and an increase in current trade payables.

Forecast for 2024 confirmed: Revenue to match prior-year level with significant growth in operating EBIT

GRAMMER has presented its projections for the anticipated performance of the company in the current year in the forecast section of the 2023 annual report.

The GRAMMER Group had confirmed its previous forecast for the current 2024 financial year. The Executive Board still anticipates consolidated revenue of around EUR 2.3 billion and operating EBIT of around EUR 75 million.

GRAMMER Group key figures

Key figures in accordance with IFRS GRAMMER Group

EUR m

	01-03 2024	01-03 2023	01-12 2023
Group revenue	556.6	589.1	2,304.9
Revenue EMEA	289.5	328.5	1,210.9
Revenue AMERICAS	159.9	159.5	622.0
Revenue APAC	121.3	117.4	532.3
Income Statement			
EBITDA	24.7	32.1	123.8
EBITDA margin (%)	4.4	5.4	5.4
EBIT	3.9	11.7	42.0
EBIT margin (%)	0.7	2.0	1.8
Operating EBIT	2.4	13.9	56.8
Operating EBIT margin (%)	0.4	2.4	2.5
Earnings before taxes	-4.6	3.9	9.2
Net profit/loss	-5.7	2.9	3.4

EUR m

	March 31, 2024	March 31, 2023	December 31, 2023
Consolidated Statement of Financial Position			
Total equity and liabilities	1,610.3	1,428.9	1,534.4
Equity	313.5	301.3	313.4
Equity ratio (%)	19.5	21.1	20.4
Net debt	371.6	427.1	401.1
Gearing (%)	118.5	141.8	128.0
	01-03 2024	01-03 2023	01-12 2023
Statement of Cash Flows			
Capital expenditure (without financial assets)	23.9	14.4	97.1
Depreciation and amortization	20.8	20.4	81.8
Free cash flow	40.2	8.7	48.2
Employees (number, average)	13,881	14,393	14,241

	March 31, 2024	March 31, 2023	December 31, 2023
Share data			
Prices (Xetra closing price in EUR)	10.60	14.40	10.90
Market capitalization (EUR m)	161.5	219.4	166.1
Earnings per share (basic/diluted, EUR)	-0.43	0.19	0.12

B | Financial information
January to March 2024

Consolidated Statement of Income

January 1 to March 31 of the respective financial year

EUR k	01-03 2024	01-03 2023
Revenue	556,563	589,101
Cost of sales	-502,383	-531,729
Gross profit	54,180	57,372
Selling expenses	-7,927	-7,811
Administrative expenses	-46,826	-43,482
Other operating income	4,493	5,596
Earnings before interest and taxes (EBIT)	3,920	11,675
Financial income	1,971	1,000
Financial expenses	-10,950	-10,183
Other financial result	447	1,371
Earnings before taxes	-4,612	3,863
Income taxes	-1,068	-941
Net profit/loss	-5,680	2,922
Of which attributable to:		
Shareholders of the parent company	-6,356	2,778
Non-controlling interests	237	4
Hybrid loan lender's compensation claims	439	140
Net profit/loss	-5,680	2,922
Earnings per share		
Basic/diluted earnings per share in EUR	-0.43	0.19

Consolidated Statement of Comprehensive Income

January 1 to March 31 of the respective financial year

EUR k	01-03 2024	01-03 2023	EUR k	01-03 2024	01-03 2023
Net profit/loss	-5,680	2,922			
Amounts that will not be reclassified to profit and loss in future periods			Gains/losses (-) from cash flow hedges		
Actuarial gains/losses (-) under defined benefit plans			Gains/losses (-) arising in the current period	2,069	1,983
Gains/losses (-) arising in the current period	2,919	8	Plus/less (-) amounts reclassified to the income statement through profit and loss	-1,263	-1,523
Tax expenses (-)/tax income	-843	-2	Tax expenses (-)/tax income	-139	-109
Actuarial gains/losses (-) under defined benefit plans (after tax)	2,076	6	Gains/losses (-) from cash flow hedges (after tax)	667	351
Total amounts that will not be reclassified to profit and loss in future periods	2,076	6	Gains/losses (-) from net investments in foreign operations		
Amounts that will be reclassified to profit and loss in future periods under certain conditions			Gains/losses (-) arising in the current period	751	-676
Gains/losses (-) from currency translation of foreign subsidiaries			Tax expenses (-)/tax income	-134	119
Gains/losses (-) arising in the current period	-687	-2,492	Gains/losses (-) from net investments in foreign operations (after tax)	617	-557
Gains/losses (-) from currency translation of foreign subsidiaries (after tax)	-687	-2,492	Total amounts that will be reclassified to profit and loss in future periods under certain conditions	597	-2,698
			Other comprehensive income	2,673	-2,692
			Total comprehensive income after taxes	-3,007	230
			Of which attributable to:		
			Shareholders of the parent company	-3,845	112
			Non-controlling interests	399	-22
			Hybrid loan lender's compensation claims	439	140

Consolidated Statement of Financial Position

as of March 31, 2024 and December 31, 2023

Assets

EUR k

	March 31, 2024	December 31, 2023
Property, plant and equipment	482,377	478,553
Intangible assets	147,500	147,781
Investments measured at equity	1,122	1,085
Other financial assets	18,725	11,757
Deferred tax assets	56,518	53,269
Other assets	51,946	47,442
Contract assets	80,089	73,766
Non-current assets	838,277	813,653
Inventories	181,179	186,207
Current trade accounts receivable	308,050	288,474
Other current financial assets	8,994	11,909
Current income tax receivables	3,576	3,232
Cash and short-term deposits	163,624	131,005
Other current assets	53,645	47,010
Current contract assets	52,965	52,931
Current assets	772,033	720,768
Total assets	1,610,310	1,534,421

Consolidated Statement of Financial Position

as of March 31, 2024 and December 31, 2023

Equity and Liabilities

EUR k	March 31, 2024	December 31, 2023	EUR k	March 31, 2024	December 31, 2023
Subscribed capital	39,009	39,009	Current financial liabilities	325,749	286,628
Capital reserve	162,947	162,947	Current trade accounts payable	458,590	404,051
Own shares	-7,441	-7,441	Other current financial liabilities	20,234	23,169
Retained earnings	117,457	124,075	Other current liabilities	113,377	93,476
Cumulative other comprehensive income	-52,134	-54,645	Current income tax liabilities	3,798	4,193
Equity attributable to shareholders of the parent company	259,838	263,945	Provisions	26,509	29,022
Hybrid loan	39,234	38,795	Current contract liabilities	1,762	2,083
Non-controlling interests	14,464	10,615	Current liabilities	950,019	842,622
Equity	313,536	313,355			
			Total liabilities	1,296,774	1,221,066
Non-current financial liabilities	131,313	167,025	Total equity and liabilities	1,610,310	1,534,421
Trade accounts payable	1,389	1,474			
Other financial liabilities	57,959	55,221			
Retirement benefits and similar obligations	120,476	122,925			
Deferred tax liabilities	30,787	29,013			
Contract liabilities	4,831	2,786			
Non-current liabilities	346,755	378,444			

Consolidated Statement of Cash Flows

January 1 to March 31 of the respective financial year

EUR k

	01-03 2024	01-03 2023
1. Cash flow from operating activities		
Earnings before taxes	-4,612	3,863
Reconciliation of earnings before taxes with cash flow from operating activities		
Depreciation and impairment of property, plant and equipment	18,410	17,969
Amortization and impairment of intangible assets	2,393	2,443
Gains (-)/losses from the disposal of assets	72	1,008
Other non-cash changes	3,035	68
Financial result	8,532	7,812
Changes in operating assets and liabilities		
Decrease/increase (-) in trade accounts receivable and other assets	-34,365	-49,962
Decrease/increase (-) in inventories	5,028	6,448
Decrease (-)/increase in provisions and retirement benefit provisions	-5,470	-4,340
Decrease (-)/increase in accounts payable and other liabilities	71,929	38,405
Income taxes paid	-4,085	-5,683
Cash flow from operating activities	60,867	18,031

EUR k	01-03 2024	01-03 2023
2. Cash flow from investing activities		
Purchases		
Purchase of property, plant and equipment	-14,355	-10,514
Purchase of intangible assets	-1,673	-1,569
Purchase of financial assets	-6,002	0
Purchase of subsidiaries	-1,363	0
Disposals		
Disposal of property, plant and equipment	690	1,055
Disposal of financial assets	107	697
Interest received	1,971	1,000
Cash flow from investing activities	-20,625	-9,331
3. Cash flow from financing activities		
Inflow from capital increase by minority shareholders	4,551	0
Payments received from raising financial liabilities	150,699	116,368
Payments made for the settlement of financial liabilities	-123,868	-142,316
Payments made for the settlement of lease liabilities	-5,330	-5,488
Interest paid	-9,024	-8,186
Cash flow from financing activities	17,028	-39,622
4. Cash and cash equivalents at the end of the period		
Changes in cash and cash equivalents recognized in the cash flow statement (sub-total of items 1-3)	57,270	-30,922
Effects of exchange rate differences of cash and cash equivalents	-1,229	2,620
Cash and cash equivalents as of January 1	51,451	35,549
Cash and cash equivalents as of March 31	107,492	7,247
5. Analysis of cash and cash equivalents		
Cash and short-term deposits	163,624	58,582
Bank overdrafts (including current liabilities under factoring contracts)	-56,132	-51,335
Cash and cash equivalents as of March 31	107,492	7,247

Financial Calendar 2024 ¹

Important dates for shareholders and analysts



Publication of Interim Management Statement 1st Quarter 2024



Annual General Meeting 2024



Publication of Interim Report 2nd Quarter / 1st Half Year 2024



Publication of Interim Management Statement 3rd Quarter 2024

¹ All dates are tentative and subject to change.

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Masthead

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