

# Financial Results FY 2023

March 28, 2024



# GRAMMER GROUP AT A GLANCE

FY 2023

## KPIs FY 2023

Group revenue [in EUR million]

**2,304.9**

EBIT [in EUR million]

**42.0**

Operating EBIT [in EUR million]

**56.8**

Operating EBIT margin

**2.5%**

Free Cashflow [in EUR million]

**48.2**

## FY 2022

**2,158.8**

**-45.0**

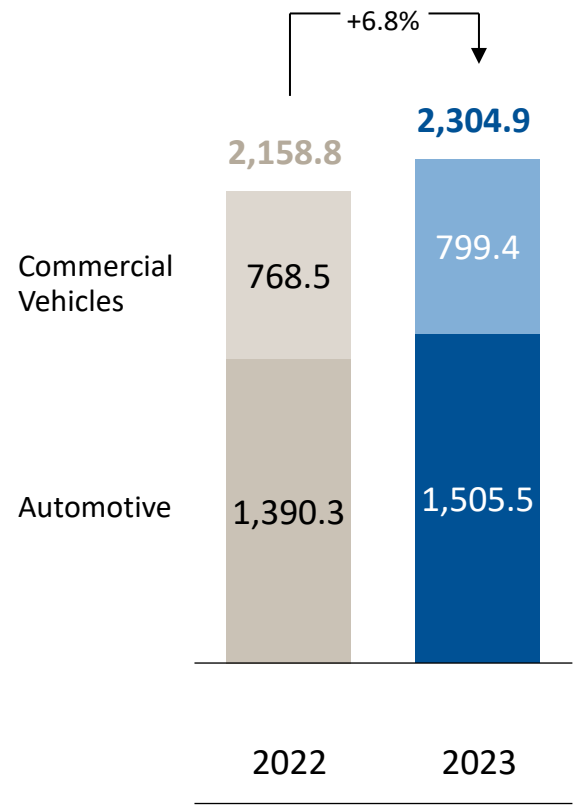
**35.5**

**1.6%**

**31.3**

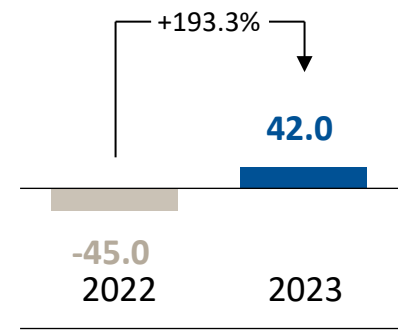
- Positive revenue development in particular due to market performance in APAC and EMEA as well as in both product areas
- Strongly improved operating EBIT compared to the previous year
- APAC was driven in particular by series start-ups with Chinese OEMs, and also recovered from burdens of COVID-19-related lockdowns in China previous year
- EMEA with solid contribution in earnings
- Turnaround of AMERICAS delayed
- “Top 10 measures” initiated to boost profitability in 2024

### REVENUE [in EUR million]



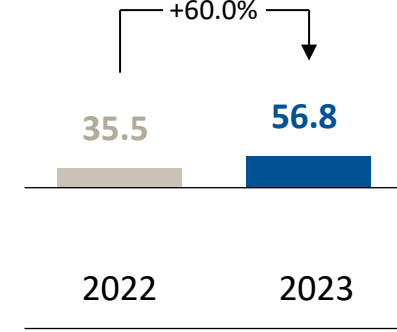
### EBIT [in EUR million and %]

Margin	-2.1%	1.8%
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### OPERATING EBIT [in EUR million and %]

Margin	1.6%	2.5%
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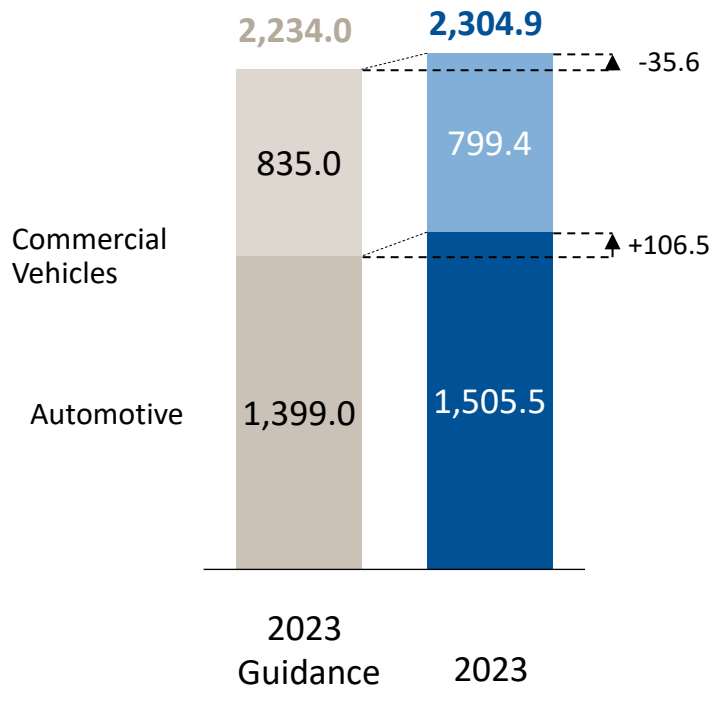
- Despite macroeconomic challenges positive revenue development
- EBIT increased significantly, also due to impairment losses in AMERICAS in 2022
- Operating EBIT up considerably on previous year but below expectations:
  - negative volume/mix and FX-effects, volatile capacity utilization and increased personnel costs influence EBIT
- Operating EBIT adjusted for:
  - EUR 4.1 million restructuring costs in AMERICAS
  - EUR 10.7 million negative currency effects

# FY 2023

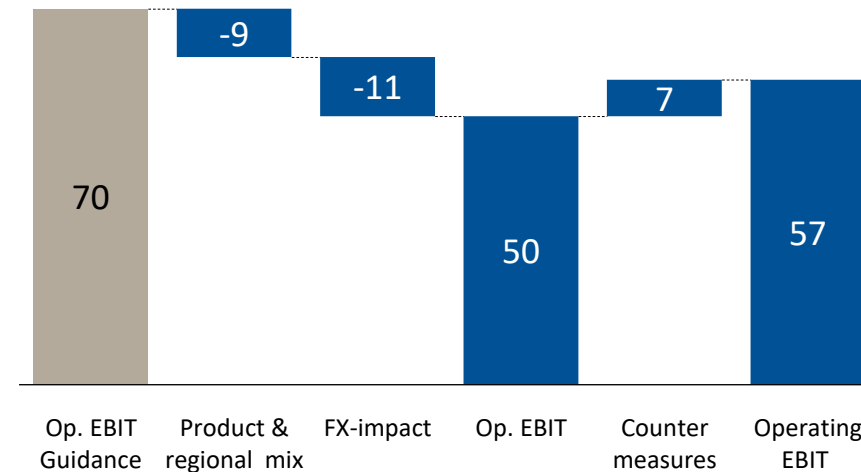
## Deviation to GUIDANCE



### REVENUE [in EUR million]



### OPERATING EBIT [in EUR million]



- Unfavorable change in revenue mix between Commercial Vehicles and Automotive
- Unfavorable change in regional mix: APAC significantly bellow expectations
- Unfavorable translatory currency effects (unadjusted in op. EBIT)
- Countermeasures introduced at an early stage did not offset these negative effects entirely
  - particularly the single month of December was behind expectations

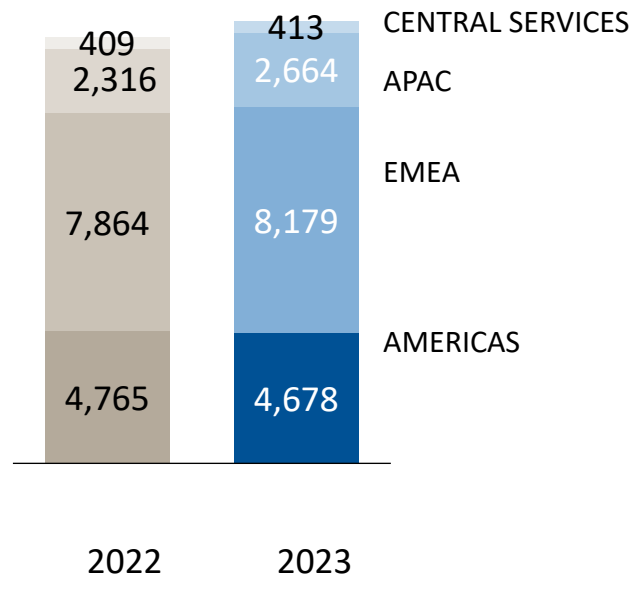
## EMPLOYEES

[Average; with temporary workers]



## BY REGION

[Average; with temporary workers]



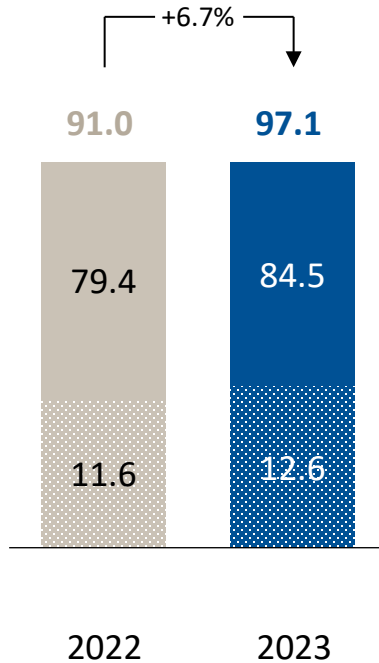
- **AMERICAS -1.8%**  
Adjustment to the decline in revenue
- **EMEA +4.0%**  
Development driven by a changed product mix and new product launches
- **APAC +15.0%**  
Expansion due to the increase in revenue and for future growth
- **Central Services** at previous year's level

# FY 2023

## CAPITAL EXPENDITURE

### CAPITAL EXPENDITURE

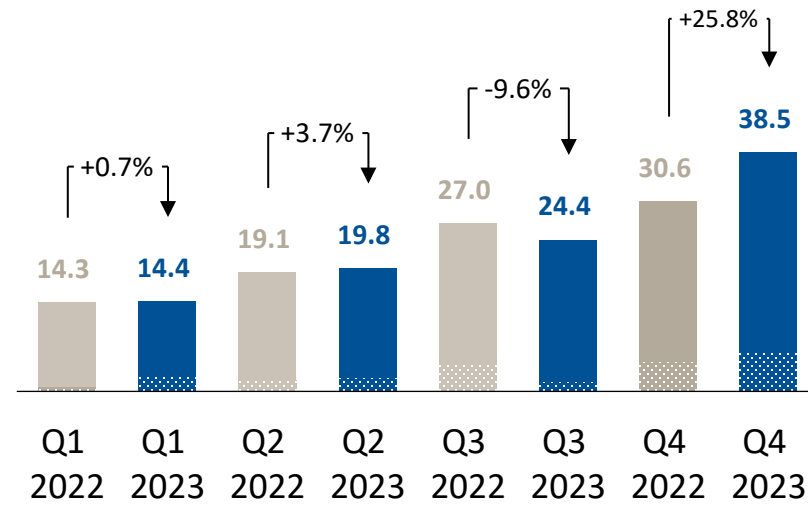
[in EUR million]



IFRS 16

### BY QUARTER

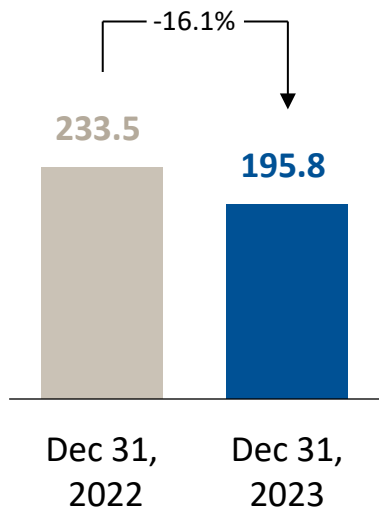
[in EUR million]



- **EMEA** still with highest portion of EUR 40.2 million for launching new products (i.e. center consoles)
- **APAC:** EUR 27.5 million, mainly for ramping up new plants in Ningbo and Changzhou
- **AMERICAS:** EUR 17.1 million, equipment for CV seat production in Delphos, launching a new program in Mexican facility
- **Central Services** EUR 12.3 million, 3-D printer, Product Lifecycle Management System, Digitalization

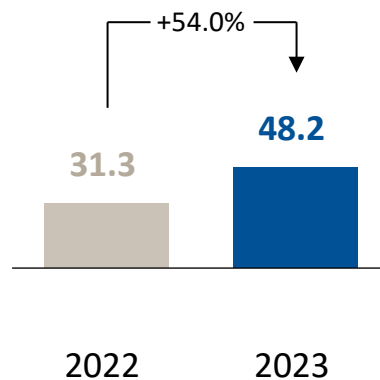
### WORKING CAPITAL

[in EUR million]



### FREE CASHFLOW

[in EUR million]



### NET DEBT

[in EUR million]



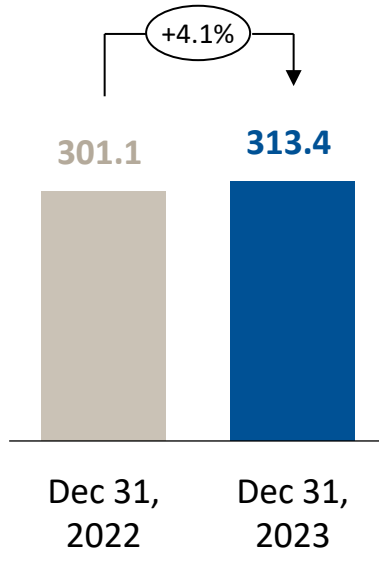
- Working Capital decreased to EUR 195.8 million – significant increase of trade accounts receivables is overcompensated by improved inventories and increased accounts payables
- Significantly improved earnings before taxes and substantially lower cash outflows from working capital compared to the previous year contributed to the improvement of free cash flow
- Net debt decreased as a result of positive free cash flow



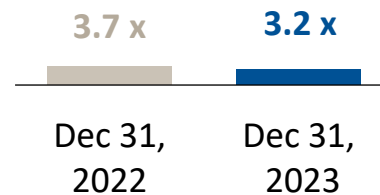
### EQUITY

[in EUR million]

Margin	20.8%	20.4%
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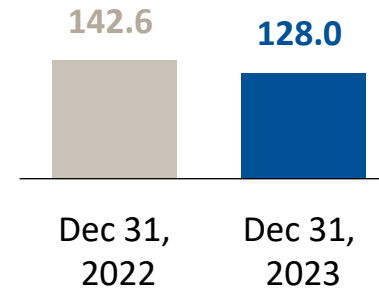


### LEVERAGE



### GEARING

[in %]

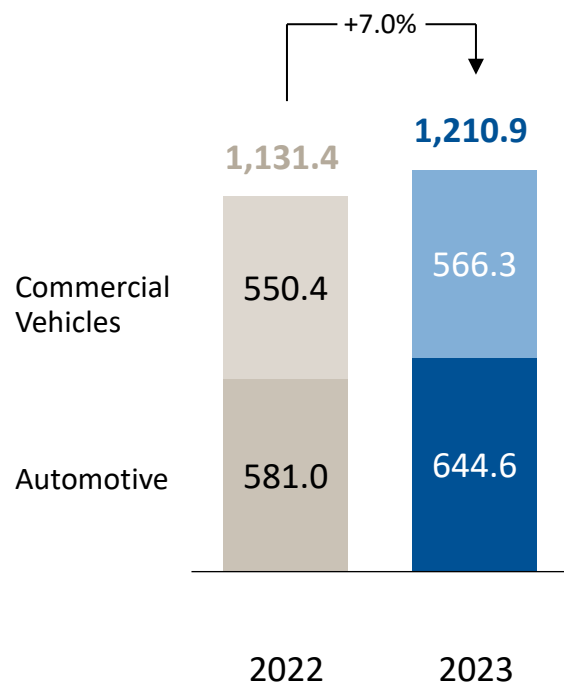


- Equity slightly higher due to hybrid loan of EUR 19.1 million
- Net profit at EUR 3.4 million
- Other comprehensive income of EUR -17.8 million (foreign currency conversion EUR -11.0 million)
- Improved Leverage due to increased EBITDA LTM from EUR 117.4 million to EUR 123.8 million
- Gearing better due to reduction of net debt



### REVENUE

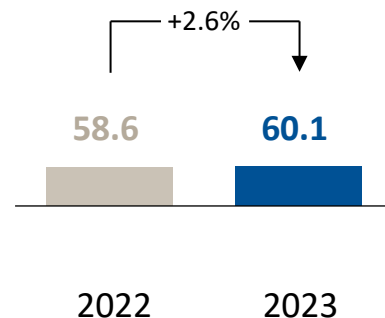
[in EUR million]



### EBIT

[in EUR million and %]

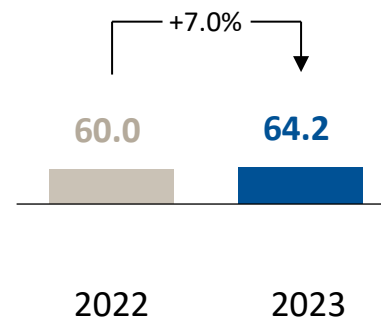
Margin **5.2%** **5.0%**



### OPERATING EBIT

[in EUR million and %]

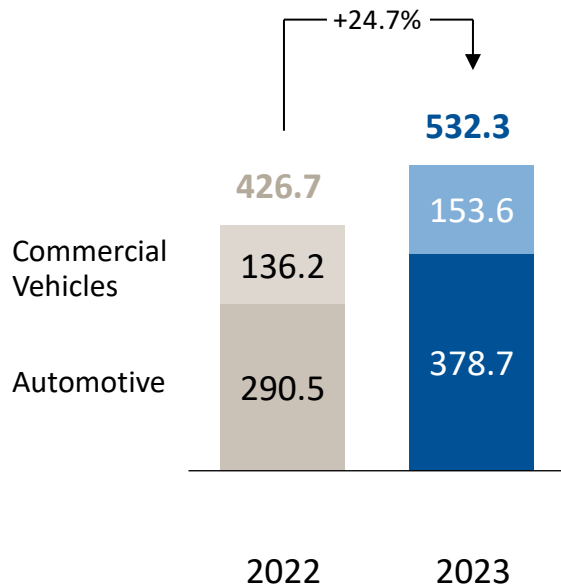
Margin **5.3%** **5.3%**



- EMEA enjoyed a strong first half of the year
- Poorer market conditions in the second half affected both product areas negatively
- The agreements to pass on inflation-related cost increases made a significant contribution to EBIT improvement
- Earnings were reduced by challenging new launches and higher personnel expenses
- Operating EBIT adjusted for negative currency effects

### REVENUE

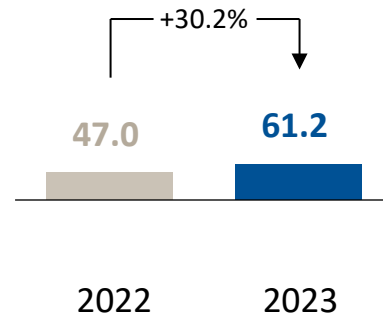
[in EUR million]



### EBIT

[in EUR million and %]

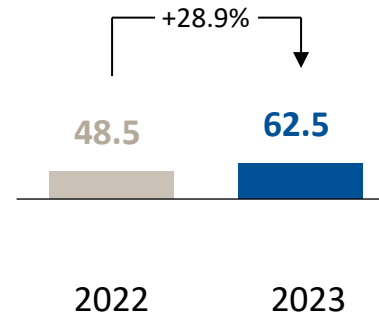
Margin **11.0%**      **11.5%**



### OPERATING EBIT

[in EUR million and %]

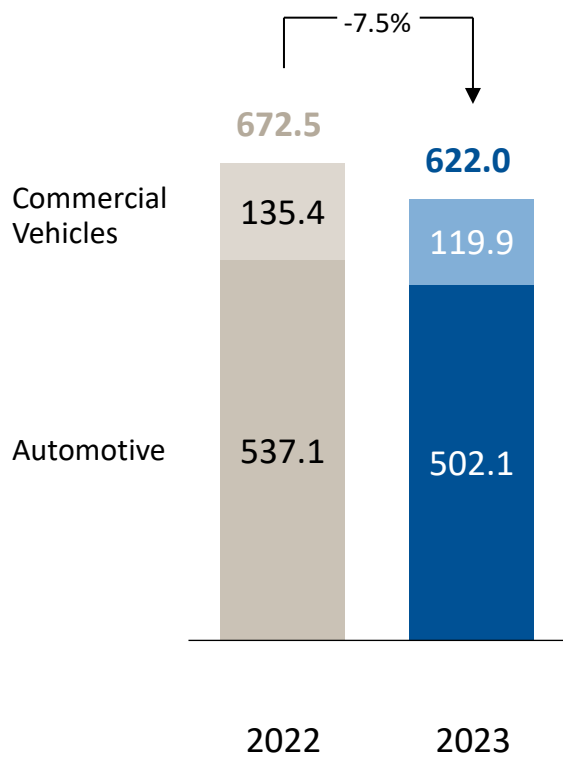
Margin **11.4%**      **11.7%**



- Strong revenue growth due to the normalization of the supply & demand situation and the start of the production in the new Hefei plant
- EBIT and operating EBIT climbed essentially due to the revenue upturn
- Operating EBIT adjusted for negative currency effects

### REVENUE

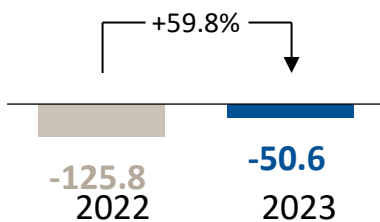
[in EUR million]



### EBIT

[in EUR million and %]

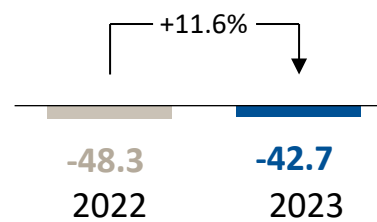
Margin **-18.7%**      **-8.1%**



### OPERATING EBIT

[in EUR million and %]

Margin **-7.2%**      **-6.9%**



- Reduction in revenue mainly attributable to Automotive, which was impacted by the premature expiry of a customer project and a respective plant closure as well as strikes at several OEMs
- EBIT and operating EBIT improved but again fell short of expectations (previous year also burdened by an impairment)
- Op. EBIT negatively impacted by lower volumes and unadjusted one-timers (plant closures, equipment relocations, ramp-ups of serial production and start-up of a new paint line in Mexico)
- Operating EBIT adjusted for EUR 4.1 million restructuring costs and EUR 3.9 million negative currency effects

# 2024 OUTLOOK

March 28, 2024



### Revenue

Stable **revenue** to around  
**EUR 2.3 billion**

(2023: EUR 2.3 billion)

### Operating EBIT

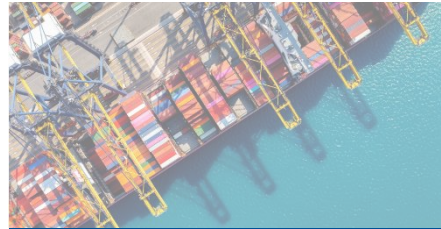
**Operating EBIT** of approximately  
**EUR 75 million**

(2023: EUR 56.8 million)



### *OEM Claims*

Ensure fair compensation from OEMs. Insist on compensation for lost volumes.



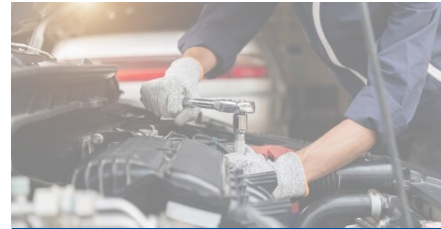
### *Procurement stretch*

Leverage decreasing material prices on global markets and recessive economic trends.



### *Operations EMEA*

Optimize plant profitability by improving footprint, material flow, operative efficiency, ...



### *Loss maker program*

Improve or terminate top loss-making projects automotive and CV for better financial resilience.



### *Turnaround TMD*

Restructuring of TMD with main focus on operational performance and SG&A cost reduction.



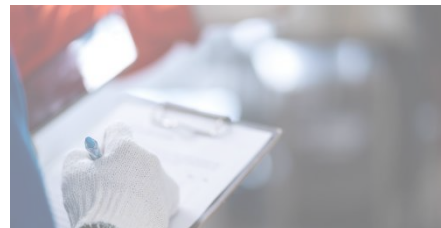
### *Turnaround Americas (excl. TMD)*

Improve competitiveness in Americas by assessing customer strategy, operations, SG&A costs.



### *JIFENG collaboration*

Leverage synergies between GRAMMER and Jifeng.



### *Quality initiative*

Improve Launch Performance and No Quality Costs (NQC).



### *Performance Improvement Global Engineering*

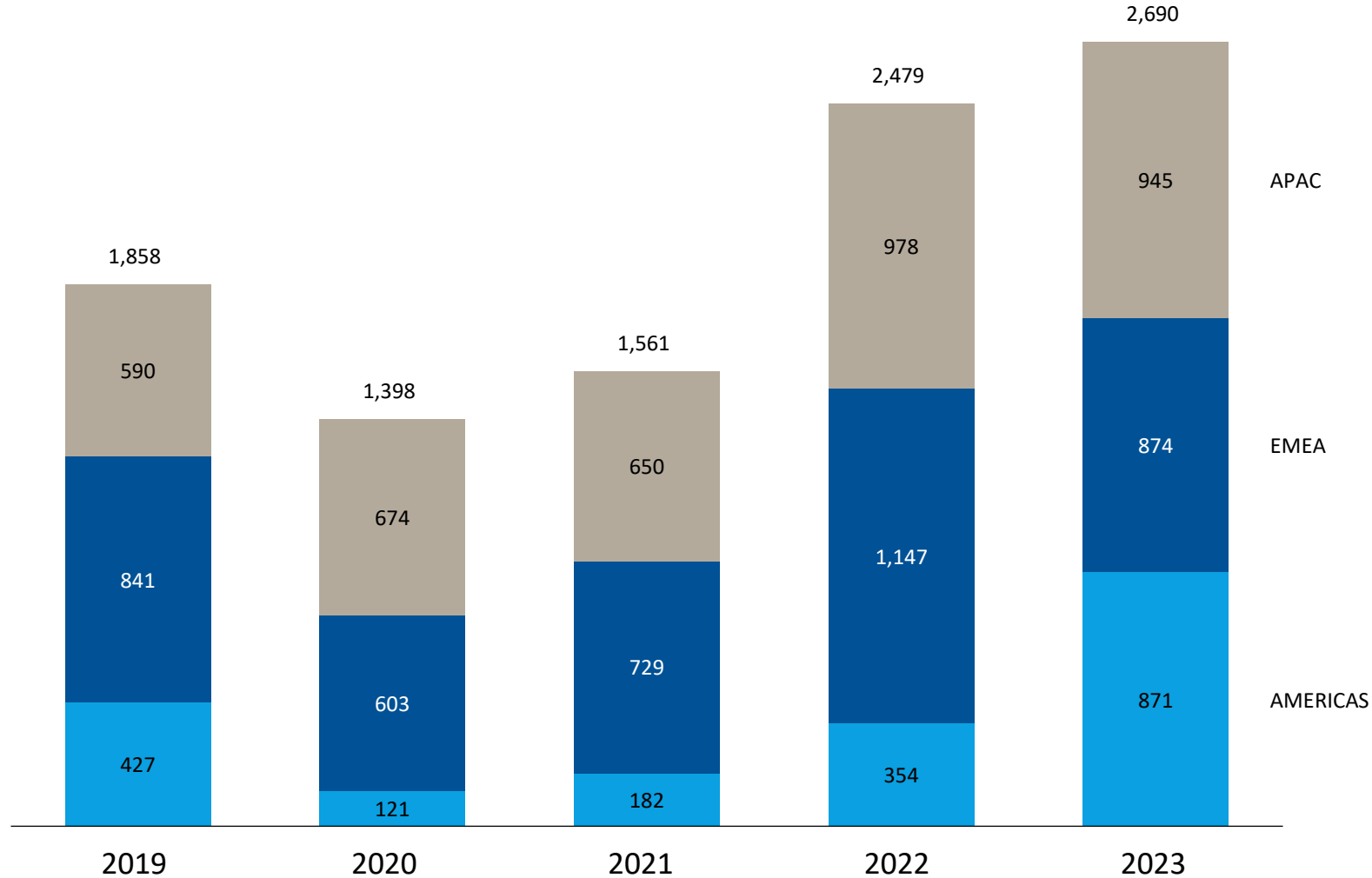
Reduce development cost and improve design for manufacturing.



### *Personal cost reduction*

Cost reduction by shifting or reducing mainly German SG&A functions (e.g. best cost countries)

## ORDER INTAKE REACHES NEW DIMENSIONS



- Above-average order intake in 2023 reflects manufacturers' confidence in GRAMMER's products and underscores the progress of the global quality initiative
- Growth largely driven by business with leading premium OEMs worldwide
- Significant successes in order intake in all three regions in 2023
- This brings GRAMMER closer to its goal of realizing revenue of EUR 2.5 billion by 2025



## Center Console: Mercedes-Benz GLC



- Butterfly lid as a high-quality storage compartment cover with a trim that matches the interior
- A center section including a generous storage compartment and USB socket

## Rear armrest: BMW 7series



- Particularly comfortable thanks to integrated heating
- Eye-catcher with elegant finish and 3D-molded real glass applications

## MAN TGX and TGA

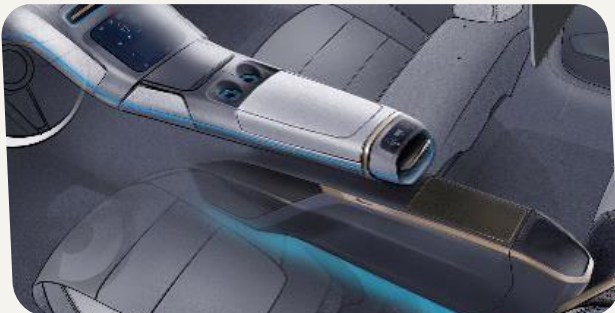


- Grammer's aftermarket driver seat in Standard, Comfort and Luxury versions are now available
- Top ergonomics certified by TÜV Rheinland, excellent product design
- Luxury, Comfort and Standard versions can be quickly installed and are ideal for demanding applications

# FY 2023 INNOVATIONS FOR THE FUTURE



- Electrically movable center console in x-direction
- Manual pull out drawer in different equipment variants
- In addition to standard surfaces with innovative surfaces (1k high gloss molding, soft touch surfaces, heated surfaces, e.g.).
- Focused value for the passengers of the 2<sup>nd</sup> and 3<sup>rd</sup> row



- Electrically or manually movable multifunction box in different equipment variants
- In addition to standard surfaces with innovative surfaces (1k high gloss molding, soft touch surfaces, heated surfaces e.g.).
- Added value for the passengers of the 2<sup>nd</sup> row
- No interface to “body in white”



- Manual pull out drawer in different equipment variants
- In addition to standard surfaces with innovative surfaces (1k high gloss molding, soft touch surfaces, heated surfaces e.g.).
- Added value for the passengers of the 2<sup>nd</sup> row
- No interface to “body in white”

# FY 2023 Q&A

March 28, 2024





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## Key figures 2023

March 28, 2024





Revenue  
**2,304.9** EUR million

EBIT margin  
**1.8%**

Operating EBIT margin  
**2.5%**

Net profit  
**3.4** EUR million

Free Cashflow  
**48.2** EUR million

Equity ratio  
**20.4%**

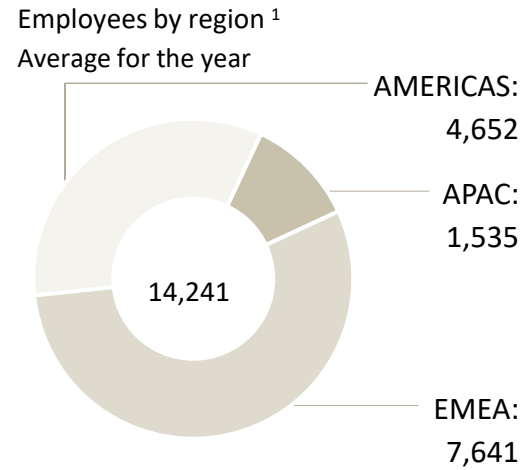
Group operating EBIT  
**56.8** EUR million

Capital expenditure  
**97.1** EUR million

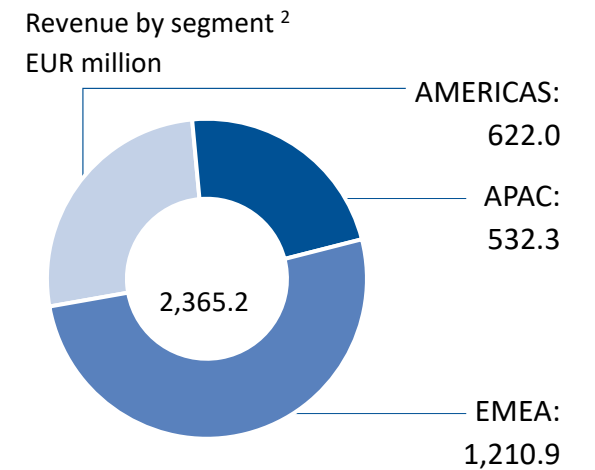
Operating EBIT (Region)  
AMERICAS  
**-42.7** EUR million

Operating EBIT (Region)  
EMEA  
**64.2** EUR million

Operating EBIT (Region)  
APAC  
**62.5** EUR million

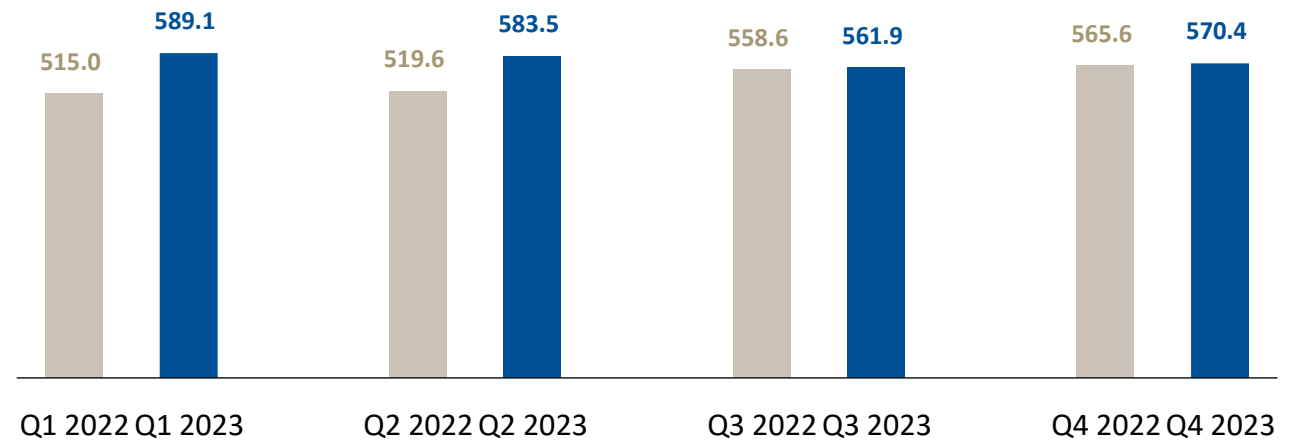


<sup>1</sup> An average of 413 employees were employed in Central Services



<sup>2</sup> The consolidation effect of revenue between the regions amounts to EUR 60.3 million

Revenue by quarter  
EUR million



	1-12 2023	01-12 2022	Q4 2023	Q4 2022
<b>Group revenue</b>	<b>2,304.9</b>	<b>2,158.8</b>	<b>570.4</b>	<b>565.6</b>
Revenue EMEA	1,210.9	1,131.4	290.7	282.0
Revenue AMERICAS	622.0	672.5	145.6	180.1
Revenue APAC	532.3	426.7	149.9	120.9
EBIT	42.0	-45.0	11.5	-47.5
EBIT margin (in %)	1.8	-2.1	2.0	-8.4
Operating EBIT	56.8	35.5	18.4	33.6
Operating EBIT margin (in %)	2.5	1.6	3.2	5.9
Earnings before taxes	9.2	-62.8	0.9	-62.5
Net profit	3.4	-78.6	2.0	-62.9
Total assets	1,534.4	1,444.6	1,534.4	1,444.6
Equity	313.4	301.1	313.4	301.1
Equity ratio (in %)	20.4	20.8	20.4	20.8
Net debt	401.1	429.3	401.1	429.3
Gearing (in %)	128.0	142.6	128.0	142.6
Capital expenditure (without Financial Assets)	97.1	91.0	38.5	30.6
Free Cashflow	48.2	31.3	3.9	72.1
Employees (number, average)	14,241	14,044	14,241	14,044