Press Information

Grammer expects decrease in revenues and weaker earnings in the first quarter 2020

- *Effects of coronavirus have an adverse impact on revenues and earnings in the first quarter*
- *Decline in global vehicle production in both segments leads to reduced revenues and earnings in 2020*
- *First measures of the efficiency enhancement program implemented*
- *Reduced dividend proposal to strengthen equity*

Amberg, March 03, 2020 – The decrease in demand in the automotive sector and an ongoing difficult economic climate in the commercial vehicle sector are having a visible effect on automotive supplier Grammer at the beginning of 2020. As a result of the coronavirus outbreak, customers in China were forced to stop production for several weeks from the end of January on. Due to these factors, the company is now predicting a significant decrease in revenues for the first quarter compared to the previous year (Q1/2019: EUR 534 million). Based on the preliminary figures for the months of January and February 2020, Grammer assumes earnings before interest and taxes (EBIT) (prior year: EUR 24 million) and operating EBIT (prior year: EUR 23 million) for the first quarter to be very significantly lower than in the same period of the last year.

From today's perspective, it is difficult to predict the full extent of the negative effects of the coronavirus outbreak on global supply chains as well as markets and whether automobile and commercial vehicle demand will stabilize in the second half of the year. For this reason, Grammer is forecasting a decline in sales and earnings for the full year. The outlook for 2020 will be published on March 30 at the Company's Annual Press Conference.

As a result of the significant decline in the worldwide markets since mid-2019, the company does no longer maintain its original revenues and earnings forecast for the coming years.

"The weakening of the market environment affected Grammer later than many other suppliers. Additionally the simultaneous decline in both, the premium automobile segment and the commercial vehicle markets, is now also impacting our core business," said Thorsten Seehars, CEO of Grammer AG. "We have implemented the first measures from the efficiency enhancement program which we initiated at the end of last year to position the company for these challenges."

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In order to give the company greater financial flexibility in implementing further measures, the Executive Board resolved yesterday to propose to the Annual General Meeting a dividend of EUR 0.11 per share for the financial year 2019.

The company will publish its annual report for the financial year 2019 on 30 March, 2020, the interim management statements for Q1/2020 on 29 April 2020.

About Grammer AG

Located in Amberg, Germany, Grammer AG specializes in the development and production of components and systems for automotive interiors as well as suspended driver and passenger seats for onroad and offroad vehicles.
In the Automotive Division, Grammer supplies headrests, armrests, center console systems, high-quality interior components, operating systems and innovative thermo-plastic solutions to premium automakers and automotive system suppliers. The Commercial Vehicles Division comprises seats for the truck and offroad seat segments (tractors, construction machinery, and forklifts) as well as train and bus seats. With over 15,500 employees, Grammer operates in 20 countries around the world. Grammer shares are listed in the Prime Standard and traded on the Frankfurt and Munich stock exchanges via the electronic trading system Xetra.