

## Euler Hermes Rating reviews Grammer AG's rating

Euler Hermes Rating is reviewing Grammer AG's "BBB-" rating and has placed it on the watch-list with a negative outlook. It has made this move in response to the company's decision to temporarily slow and stop production at its European locations due to production halts among many of its customers and the currently hard-to-quantify economic impact of the coronavirus pandemic.

The rating agency estimates that global unit sales of motor vehicles could shrink five to ten percent in 2020, depending on the duration and further course of the pandemic. This will generally accelerate the consolidation process in the automotive sector and directly and indirectly adversely affect the company's business and financial risk profile in the short to medium term, says the agency.

The analysts cite stabilizing factors such as the future-proof nature of Grammer AG's product portfolio and the medium- and long-term financing that it secured at the start of the year. Grammer also started a reorganization back in 2019 in order to adapt its structural costs to structural changes in the market environment through efficiency enhancement programmes.

Grammer AG specialises in developing, manufacturing and selling components and systems for car interiors as well as suspension driver and passenger seats for offroad vehicles, trucks, buses and trains. In the 2019 financial year, Grammer generated over € 2 billion in group revenue with 14,900 employees (average for the year).

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The rating agency publishes current ratings on [eulerhermes-rating.com](http://eulerhermes-rating.com).

## Methodology

This rating was prepared on the basis of the current *issuer rating* method of Euler Hermes Rating GmbH, which is published at [eulerhermes-rating.com](http://eulerhermes-rating.com).

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