

ON THE MOVE



Investor Presentation
September 2019



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GRAMMER Group Investment Highlights



1 GRAMMER GROUP – INVESTMENT HIGHLIGHTS

Well positioned for profitable growth & value generation



- + Leading global player in the automotive and commercial vehicles industry for interior components and seating systems
- + As an interior trendsetter, GRAMMER is ideally positioned to benefit from industry megatrends
- + Strong global presence in all regions with leading position in core markets
- + Strong track record with further substantial growth potential in all key markets
- + Higher earnings potential through organic profitability improvement and M&A activities
- + TMD acquisition providing better access to US customers
- + Ningbo Jifeng offers additional growth potential in China and provides stability within shareholder structure



GRAMMER Group Corporate Overview





GRAMMER GROUP – NEW EXECUTIVE BOARD

Experienced management team in place



Thorsten Seehars
Chief Executive Officer (CEO)

- CEO of GRAMMER AG since August 2019
- Member of Management Board of Knorr-Bremse Commercial Vehicle Systems GmbH (2015-2019)
- BorgWarner Inc. (2000-2015)
Vice President & General Manager, Combustion Solutions Europe (2012-2015)
Director of Operations, Transmission Control Europe (2010-2012)
Director of Sales & Application Engineering, Turbo Systems Asia (2001-2005)
- Manager Product Marketing, Freudenberg Sealing Technologies KG (1997-1999)
- Master in Industrial Engineering and Management; Executive MBA
- Born in 1972



Jurate Keblyte
Chief Financial Officer (CFO)

- CFO of GRAMMER AG since August 2019
- Chief Financial and Operating Officer (CFOO) of Baltics Yachts OY Ab Ltd. (2018-2019)
- Member of Management Board (CFO) of elcomax GmbH (2017)
- KUKA AG (2010-2017)
Member of Management Board (CFO) of KUKA Robotics Division (2013-2017)
- Giesecke & Devrient GmbH (2001-2010)
Head of Controlling Division Printing (2005-2010)
- Master's Degree in Business Management
- Born in 1975



Jens Öhlenschläger
Chief Operating Officer (COO)

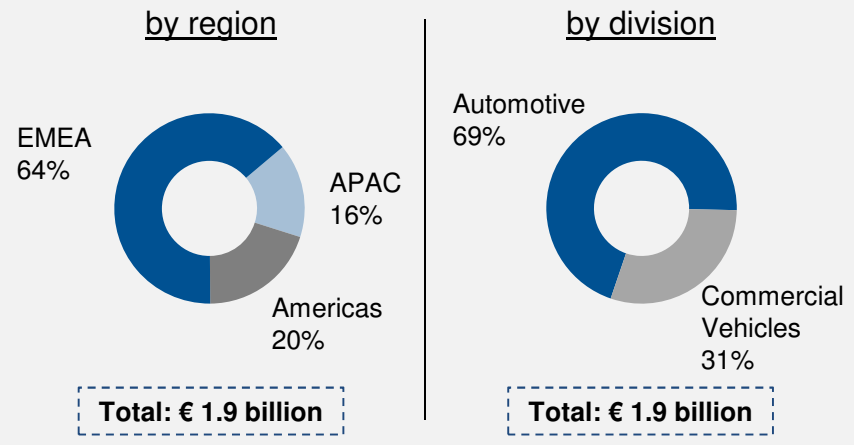
- COO of GRAMMER AG since January 2019
- Vice President Division Consoles & Armrests, GRAMMER AG (2015-2018)
- Vice President Global Steering Wheel Operations, Takata (2012-2015)
- Plant Manager, TRW Automotive (2000-2012)
- Production Manager, TRW Automotive (1995-1999)
- Project Manager, TRW Automotive (1992-1994)
- Master in Mechanical Engineering
- Born in 1964

2 GRAMMER GROUP – KEY FACTS

Leading global player for interior components and seating systems



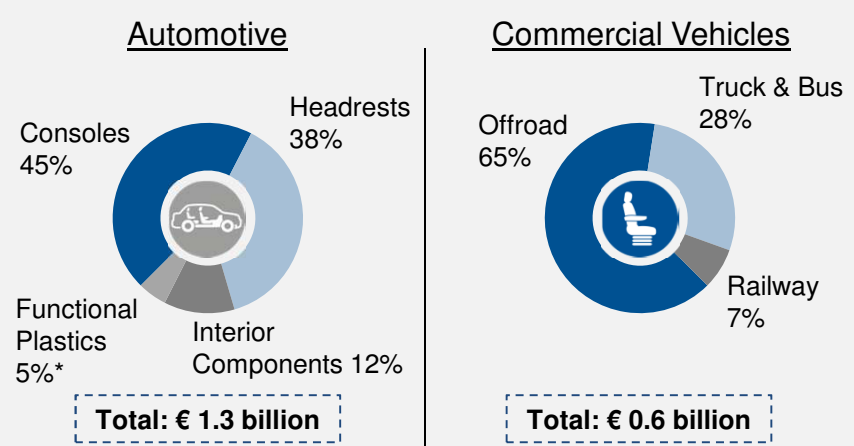
Group revenues by region and division (FY 2018)



Key OEM customers

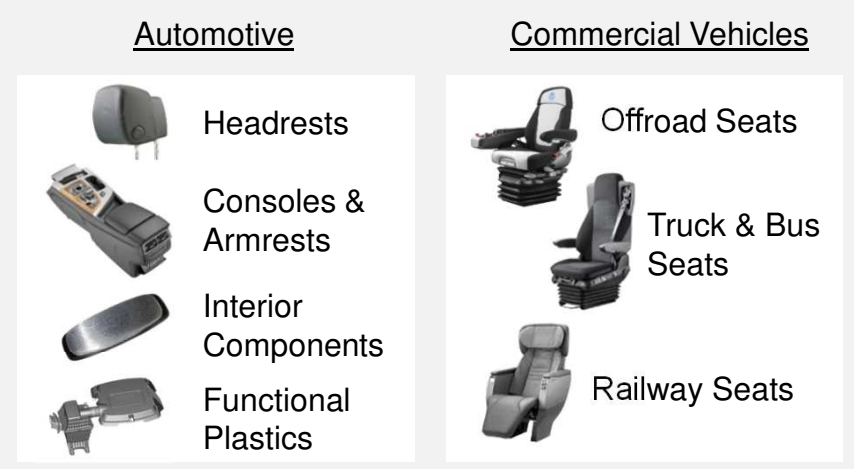


Revenues by product segment (FY 2018)



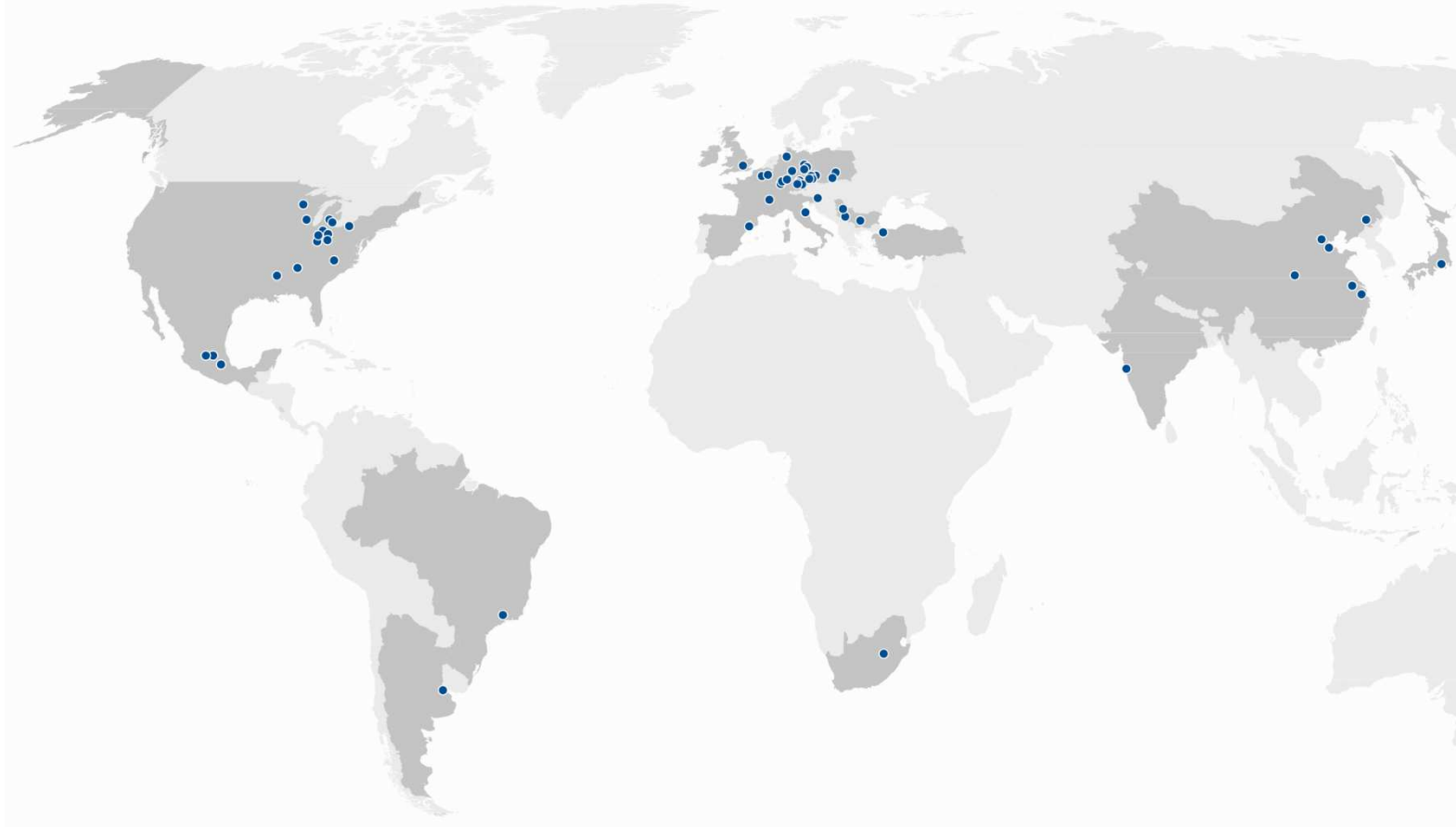
*) October - December

Key product segments



2 GRAMMER GROUP – GLOBAL FOOTPRINT

Global production and R&D network



Global Locations

Americas:

- USA
- Mexico
- Brazil
- Argentina

EMEA:

- Germany
- Belgium
- Italy
- Spain
- UK
- Czech Republic
- Poland
- Serbia
- Bulgaria
- Slovenia
- Turkey
- South Africa

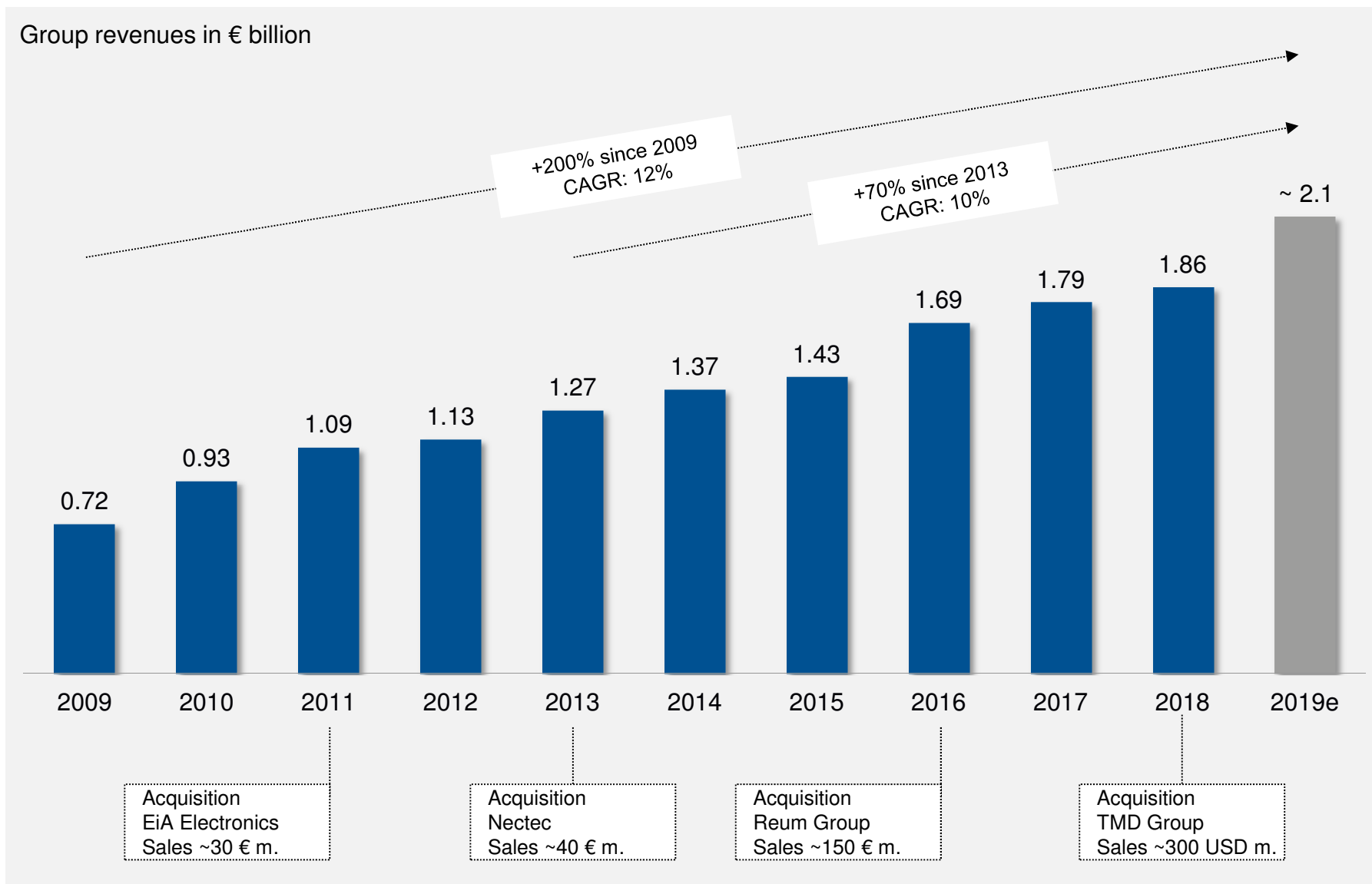
APAC:

- China
- India
- Japan

	AMERICAS	EMEA	APAC	World
Revenues [FY 2018, € m.]	~ 400	~ 1,200	~ 300	~ 1,860
Employees [12/31/2018] incl. TMD	~ 4,500	~ 8,500	~ 2,000	~ 15,000

2 GRAMMER GROUP – LONG-TERM GROWTH

Strong growth track record





GRAMMER Group Product Segment Overview



3 GRAMMER PRODUCT SEGMENT OVERVIEW

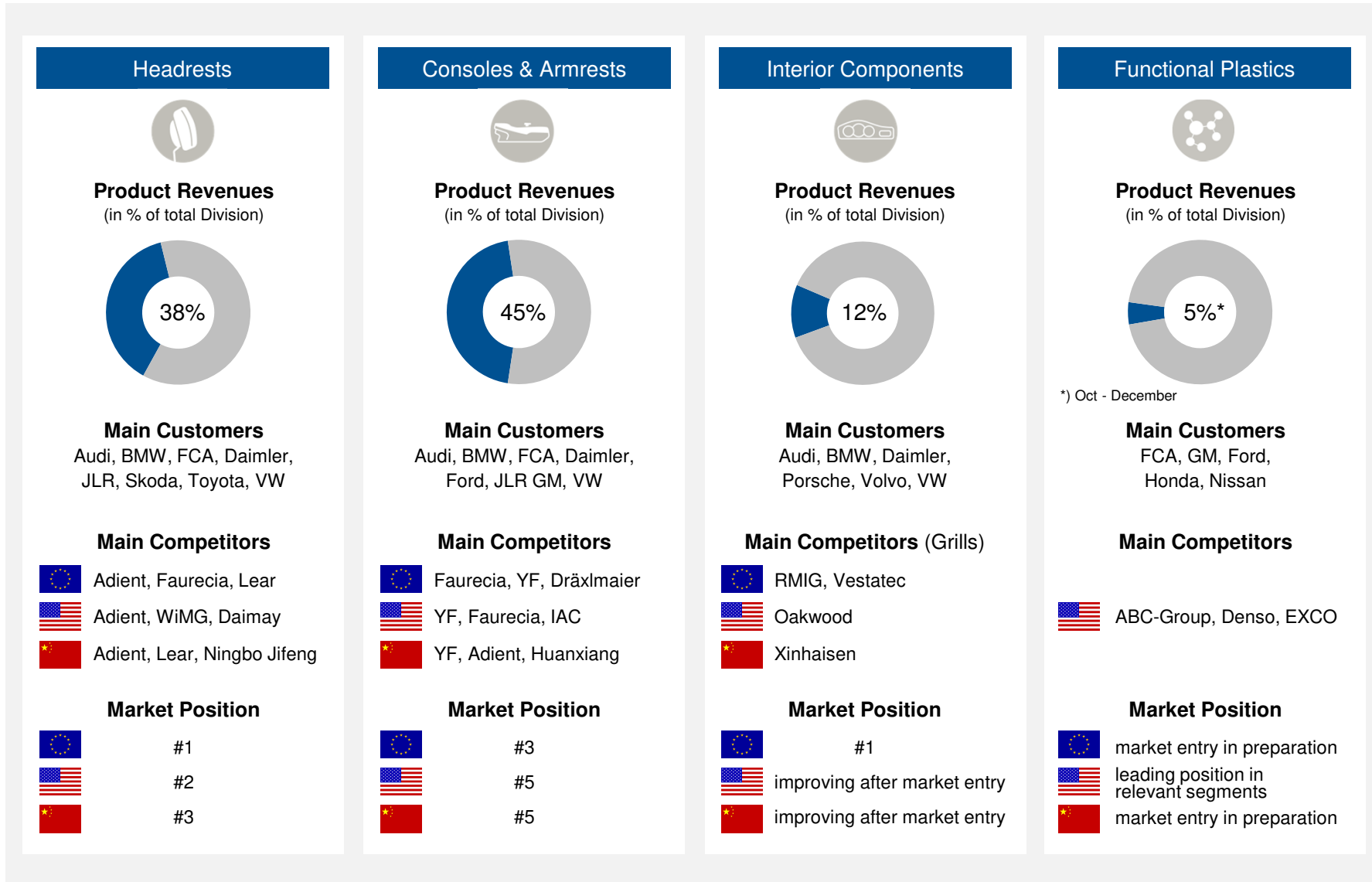
Automotive Division: premium innovative components for safety, comfort & functionality



Headrests	Consoles & Armrests	Interior Components	Functional Plastics
 	 	 	 

3 GRAMMER PRODUCT SEGMENT OVERVIEW

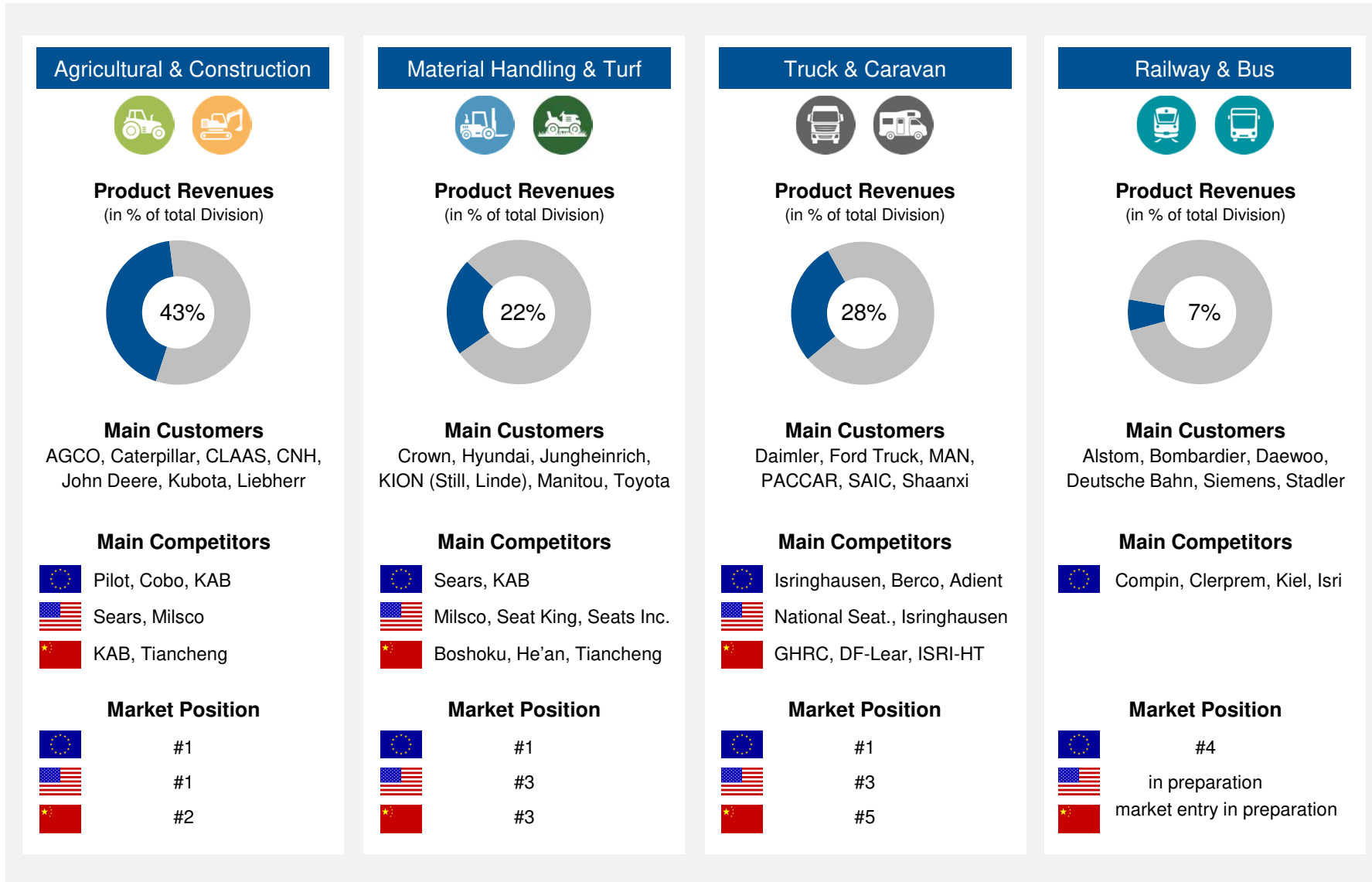
Automotive Division



*) Oct - December

3 GRAMMER PRODUCT SEGMENT OVERVIEW


















Commercial Vehicles Division



3 GRAMMER PRODUCT SEGMENT OVERVIEW

Suspended seating systems for commercial vehicles, trucks, buses and trains



Agricultural & Construction	Material Handling & Turf	Truck & Caravan	Railway & Bus
   	    	   	   



GRAMMER Group Highlights 2018 and H1 2019





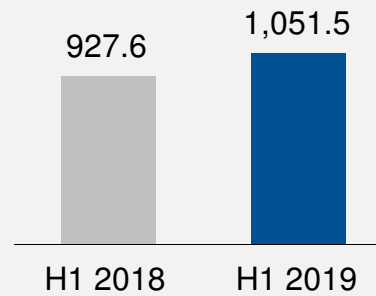
Highlights H1 2019

- Group revenue rose to EUR 1,051.5 million in H1 2019, climbed 13.4% vs. previous year. The increase resulted primarily from the acquisition of the TMD Group.
- At EUR 50.2 million, Group EBIT was up EUR 8.3 million on the previous year. The EBIT margin came to 4.8%.
- Automotive Division posted revenue of EUR 745.0 million.
- Revenue in the Commercial Vehicles Division increased from EUR 308.3 million to EUR 332.2 million.

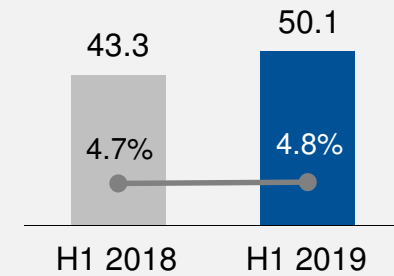
GRAMMER Group [in € m.]

Revenue

+13%



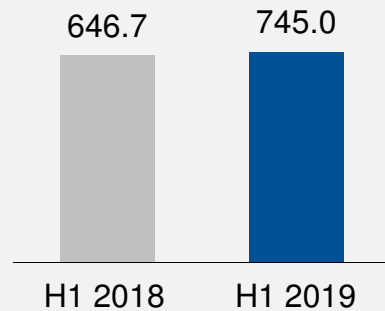
Operational EBIT



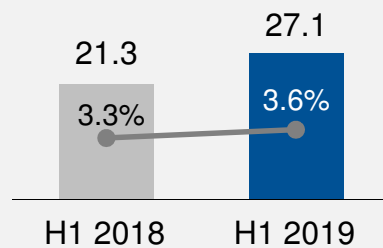
Automotive Division [in € m.]

Revenue

+15%



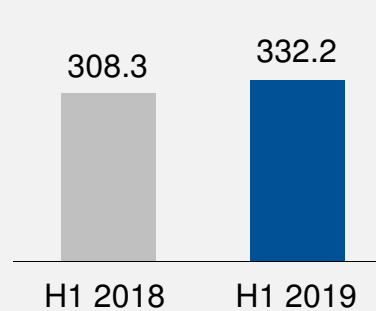
Operational EBIT



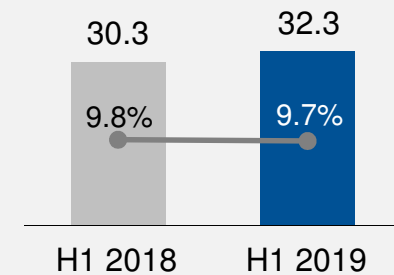
Commercial Vehicles Division [in € m.]

Revenue

+8%



Operational EBIT



4 GRAMMER GROUP HIGHLIGHTS 2018 – ACQUISITION OF TMD GROUP

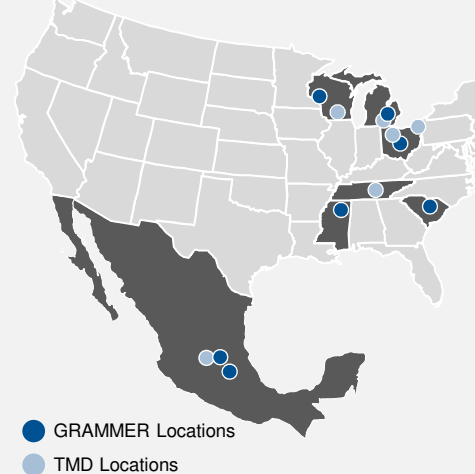
Milestone in the strategic transformation of GRAMMER Group in NAFTA region



Transaction Highlights

- Acquisition of TMD Group has been closed on October 01, 2018. Initial consolidation into GRAMMER Group in Q4/2018
- Purchase Price (provisional): 239.3 million USD
- TMD is a specialist in developing and manufacturing highly engineered thermoplastic automotive components
- TMD is operating in the NAFTA region with 10 locations, generating annual revenues of 300 million USD
- The transaction will be fully debt financed, attractive financing conditions have been secured

TMD & GRAMMER combined North American footprint



15 facilities
3,500+ employees
in US Northeast, Southeast
& Central Mexico

GRAMMER's & TMD's
state-of-the-art facilities
allow to serve the entire
NAFTA region in close
proximity to all key OEMs

Transaction Benefits

- ✓ Expansion of know-how and process technology in thermoplastic solutions, materials & light weight solutions
- ✓ Broad combined footprint covering all major Automotive regions in the Americas
- ✓ TMD's product range will expand the existing portfolio and offers further upside for the Commercial Vehicle business
- ✓ Acquisition forms a full-service partner for innovative solutions in thermoplastic and interiors globally
- ✓ Further customer diversification and better access to US based customers
- ✓ TMD Group will support GRAMMER Group's mid-term growth and profitability targets

4

GRAMMER GROUP HIGHLIGHTS 2018 – NEW JOINT TECH CENTER IN INDIA

AllyGrow & GRAMMER are joining forces to strengthen global R&D capabilities



GRAMMER Group global R&D footprint



Impressions Tech Center Pune



- State-of-the-art tech center with deep product & process know-how
- Strong partnership with a leading development service provider
- Major improvement of our R&D performance and efficiency
- Strengthens GRAMMER's global engineering footprint
- Major milestone in GRAMMER's R&D strategy



GRAMMER Strategy for Profitable Growth

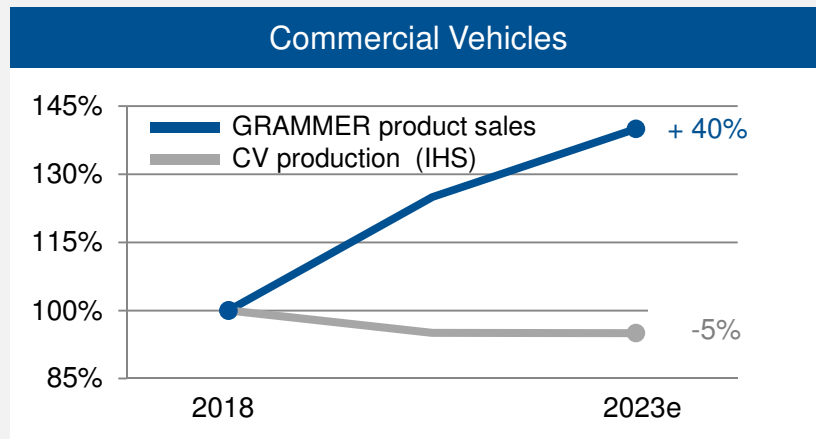
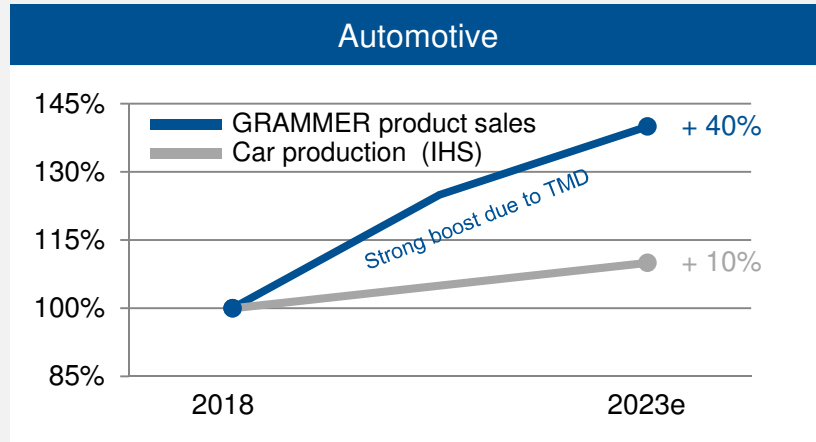


5 GRAMMER STRATEGY – PROFITABLE GROWTH

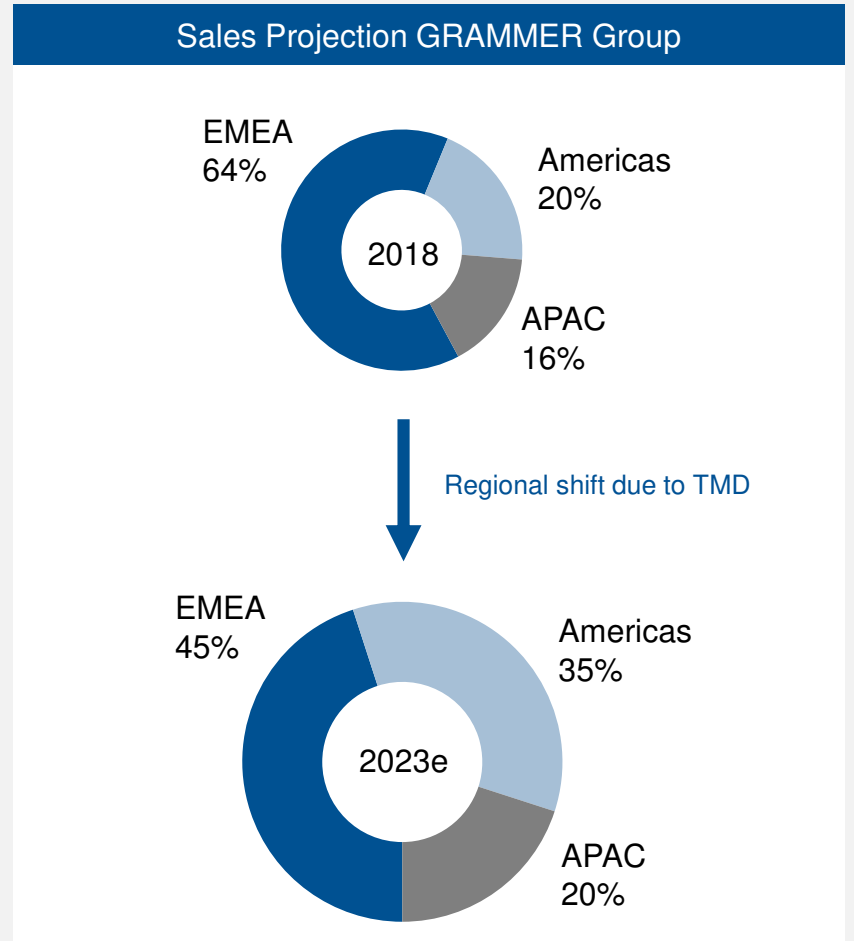
Targeting growth in Americas and APAC regions



GRAMMER Sales Projection and IHS Market Forecast
[global, in %, 2018 = 100%]

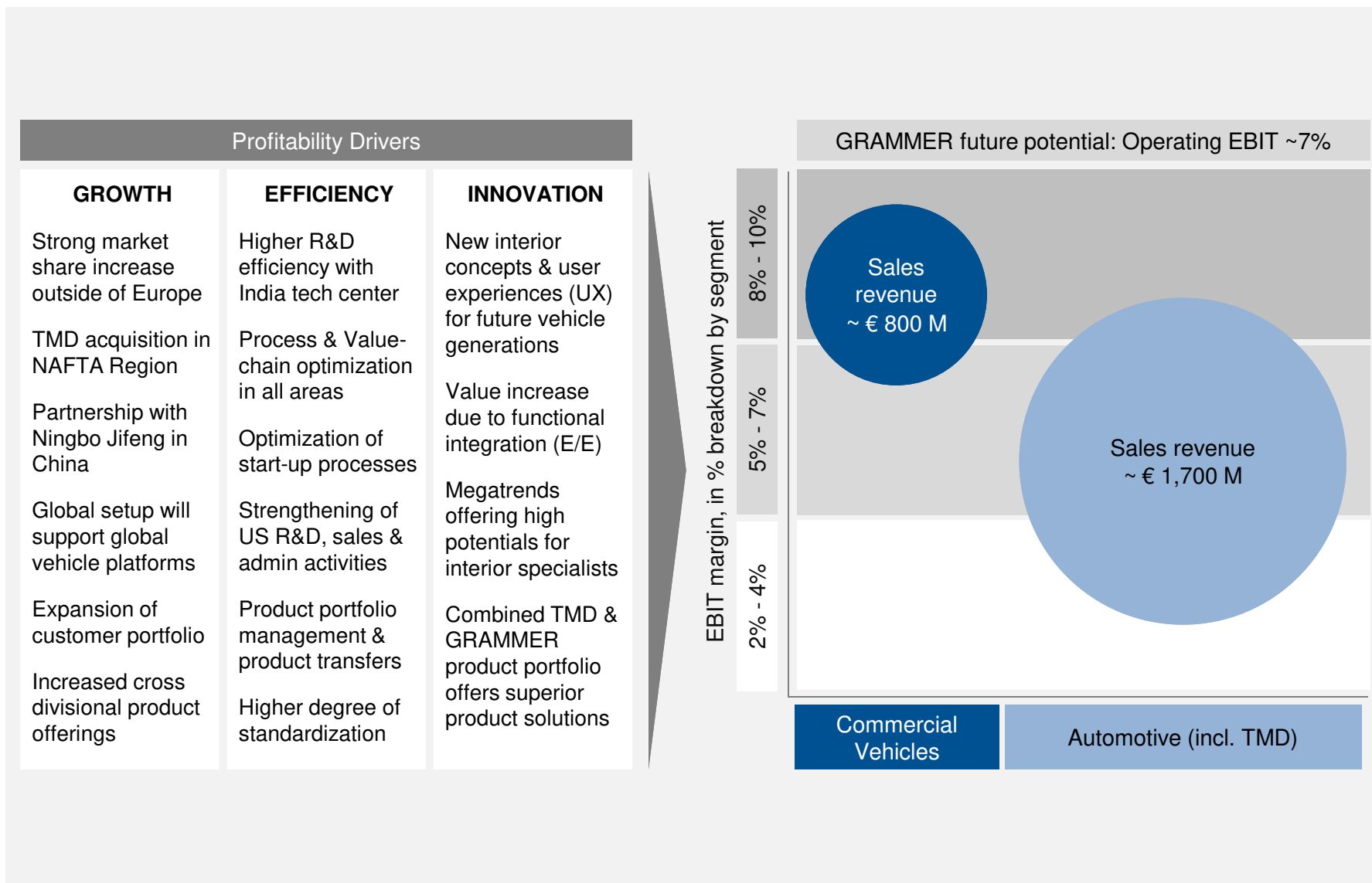


Development of sales, breakdown by region 2018 - 2023e
[in %]




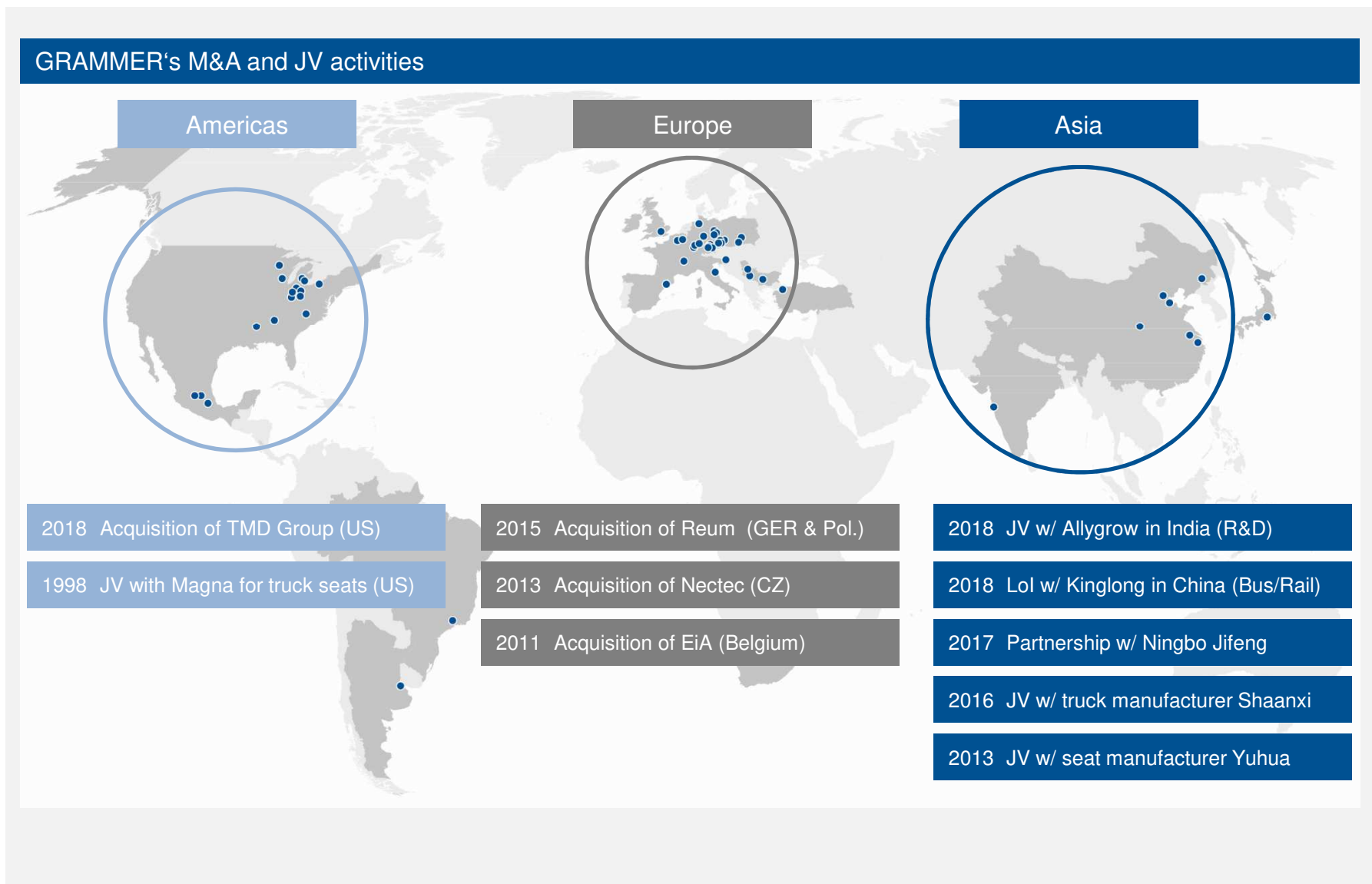
5 GRAMMER STRATEGY – PROFITABLE GROWTH

Higher earnings potential through growth, efficiency and innovations



5 GRAMMER STRATEGY – PROFITABLE GROWTH

Improved footprint, technology, product & customer portfolio via targeted M&A activities 



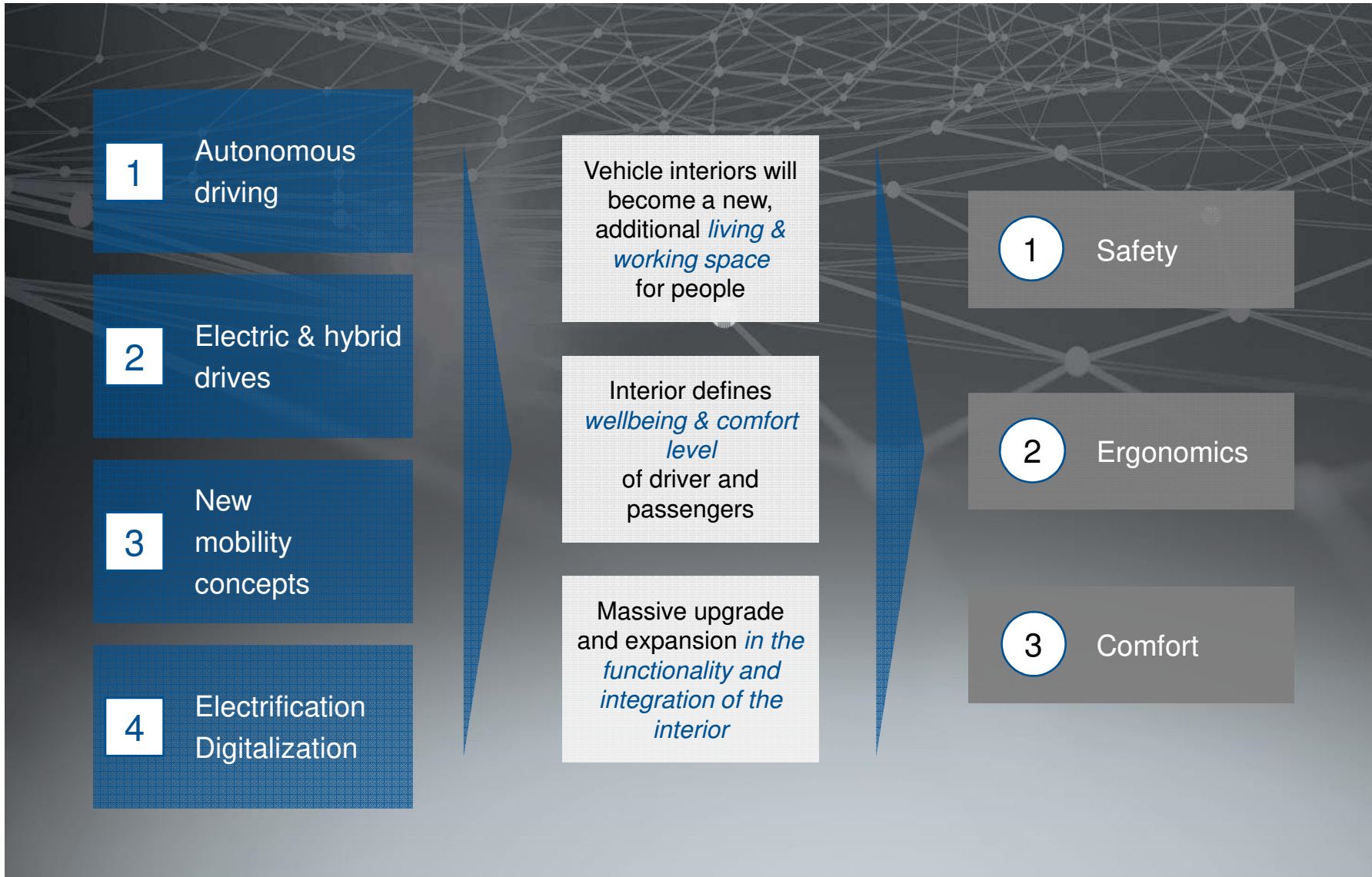


GRAMMER Strategy for Leadership in Innovation



6 GRAMMER GROUP – INNOVATIONS

Megatrends offering high potential for interior and seating specialists



6 GRAMMER GROUP – INNOVATIONS

New interior concepts & user experiences (UX) for future vehicle generations

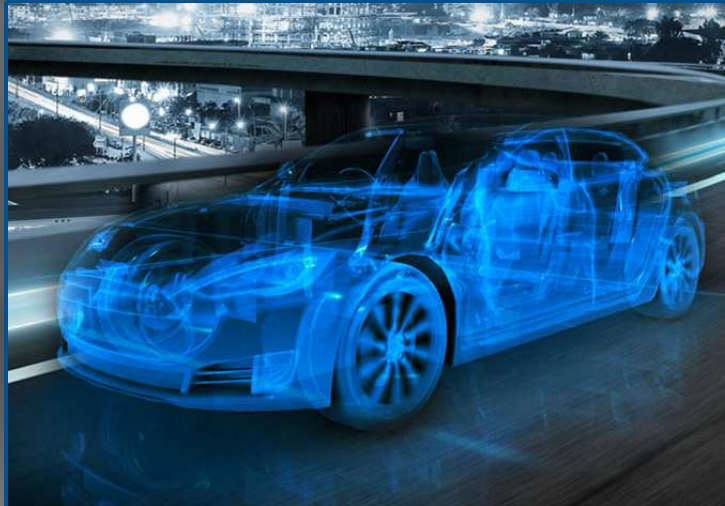


Surfaces & Materials

- ▶ High-quality haptics, touch & feel
- ▶ Hygienic & "green" materials
- ▶ Lightweight & composite materials
- ▶ Functional, 3D surfaces
- ▶ Ambient lighting

Electronics

- ▶ E/E system integration
- ▶ Mobile device integration
- ▶ E-drives & intelligent kinematics
- ▶ Monitors, cameras, sensors
- ▶ Intuitive HMIs



Comfort

- ▶ E-seat, rotatable, active seat
- ▶ Latest seat suspension systems
- ▶ Individual climate zones
- ▶ Noise suppression, sound zones
- ▶ Fold-away tables, stowage systems, cooling compartments

Active & Passive Safety

- ▶ New seat belt & restraint systems
- ▶ New headrest systems
- ▶ Neck & torso support systems
- ▶ Driver monitoring
- ▶ Active control of body posture

6 GRAMMER GROUP – INNOVATIONS

Numerous innovative concepts & solutions for all product segments and applications



Seating Solutions



Fully powered lightweight truck seat concept and HMI-armrest

Fully powered AG seat with multi-functional armrest controls

Captain's chair concept with smart device activation

Interior Solutions



New multifunctional & ergonomic console/armrest concept



New headrest system with sound, light & automatic adjustments



Electrified air-vent with 3D haptic feedback



Lightweight panel with complex material mix & loudspeaker integration

Electronic & New Materials



Functional surfaces with multi-touch and car-bus integration



Slim-design armrest with multi-touch HMI and steering wheel integration



Industrial armrest with integrated ergonomic joystick & display



Molded interior surfaces with glass & stainless steel material mix



Outlook 2019



7

MARKET EXPECTATIONS 2019

Overall positive market development expected, but uncertainties in car markets



			Europe	USA	Brasil	China	World
	Worldwide car production	Source: IHS 08/2019	-3%	-2%	+/-0%	-7%	-4%
	Worldwide truck production	Source: IHS 07/2019	-0.4%	+3%	+13%	-14%	-5%
	Agricultural machinery	Source: John Deere 08/2019	Flat	Flat	Flat to up 5%	Flat to slightly down	
		Source: AGCO 07/2019	Flat	Flat	Flat		
	Construction machinery	Source: Caterpillar 07/2019	Steady demand	Strong demand	Slow to recover	Flat, growth outside of China	
	Forklifts	Source: Jungheinrich 08/2019	Lasting and noticeable decline		Market growth on a par with the previous year possible		Lasting and noticeable decline

7

GRAMMER GROUP – OUTLOOK 2019

Further growth and improved profitability expected in 2019



		Actual 2018	Outlook 2019
GRAMMER Outlook	Group sales revenue	€ 1.86 billion	around € 2.1 billion
	IFRS EBIT	€ 49 million	very clearly above prev. year
	Operating EBIT margin	4.1%	> prev. year
	ROCE	10.5%	> prev. year



Appendix



<i>[IFRS in € million]</i>	Q2 2019	Q2 2018	Chg.	01-06 2019	01-06 2018	Chg.
Group Revenues	517.4	473.2	9.3%	1,051.5	927.6	13.4%
EBITDA	47.1	33.4	41.0%	91.3	65.4	39.6%
EBITDA margin (in %)	9.1	7.1	2.0 %-points	8.7	7.1	1.6 %-points
EBIT	26.2	21.5	21.9%	50.2	41.9	19.8%
EBIT margin (in %)	5.1	4.5	0.6 %-points	4.8	4.5	0.3 %-points
Operating EBIT	27.1	22.8	18.9%	50.1	43.3	15.7%
Operating EBIT margin (in %)	5.2	4.8	0.4 %-points	4.8	4.7	0.1 %-points
Profit after taxes	16.0	13.0	23.1%	27.6	25.2	9.5%
EPS in €	1.30	1.06	22.6%	2.25	2.06	9.2%
Total Assets	1,468.7	1,071.2	37.1%	1,468.7	1,071.2	37.1%
Equity	331.7	319.9	3.7%	331.7	319.9	3.7%
Equity ratio	23	30	-7 %-points	23	30	-7 %-points
Net Financial Debt	252.6	137.2	84.1%	252.6	137.2	84.1%
Gearing ratio (in %)	76	43	33 %-points	76	43	33 %-points
Capex (w/o M&A)	23.6	13.0	81.5%	56.0	23.0	143.5%
Depreciation	20.9	11.9	75.6%	41.1	23.5	74.9%
Employees (month-end)	14,946	13,143	13.7%	14,946	13,143	13.7%



[IFRS, in € million]

	2018	2017	2016	2015	2014
Group Revenues	1,861.3	1,786.5	1,695.9	1,427.7	1,365.9
EBITDA	101.0	116.0	120.2	83.2	93.7
EBITDA-Margin	5.4%	6.5%	7.1%	5.8%	6.9%
EBIT	48.7	66.5	73.0	42.7	57.0
EBIT-Margin	2.6%	3.7%	4.3%	3.0%	4.2%
Profit after taxes	23.2	32.4	45.2	23.8	33.6
EPS in €	1.90	2.67	4.01	2.10	3.09
Dividend / Share in €	0.75	1.25	1.30	0.75	0.75
Total Assets	1,441.4	1,107.0	1,050.6	992.1	836.5
Equity	314.8	337.7	271.2	253.4	231.8
Equity-Ratio	22%	31%	26%	26%	28%
Net Financial Debt	253.3	92.2	139.1	155.5	86.7
Gearing Ratio	80%	27%	51%	61%	37%
Capex (w/o M&A)	73.9	59.1	56.2	47.9	51.5
Depreciation	52.3	49.5	47.2	40.5	36.7
Employees (Dec. 31)	14,657	12,947	12,250	11,397	10,700

GRAMMER share price in €, December 31, 2015 until August 30, 2019



Selected Broker Recommendations

Broker	Date	Current Recomm.	Current TP (€)
Baader Helvea	14-May-19	Hold	39.0
Bankhaus Lampe	13-Aug-19	Buy	52.0
DZ Bank	13-Aug-19	Hold	30.0
MM Warburg	15-May-19	Hold	36.0
Oddo BHF	13-Aug-19	Hold	41.0
Consensus			39.6

Top Shareholders

Investor	in %*
Jiye Auto Parts **	84.23%
Own treasury shares	2.62%
Free Float (<3%)	13.15%

*) Percentage based on 12,607,121 voting rights
**) Associated company of GRAMMER's strategic partner Ningbo Jifeng

Basic Share Data

ISIN	DE000589540
WKN / Code	589540 / GMM
Number of shares	12,607,121
Market cap [June 30, 2019]	410 € million
Ave. daily trad. volume 2019:	4,000 shares



Financial Calendar 2019

Interim Management
Statements Q3 / 2019

November 12, 2019

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