

ON THE MOVE



Investor Presentation

March / April 2017



1 GRAMMER at a Glance

2 Strategic Roadmap for Profitable Growth & Value Generation

3 Strategic Partnership GRAMMER & Ningbo Jifeng

4 Outlook 2017

A Appendix

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GRAMMER at a Glance



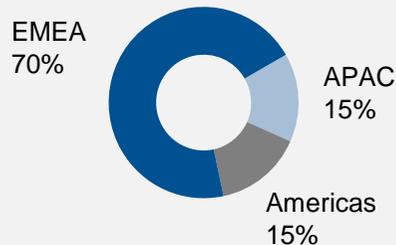
1 GRAMMER GROUP – KEY FACTS

Leading global player in the automotive and commercial vehicle industry



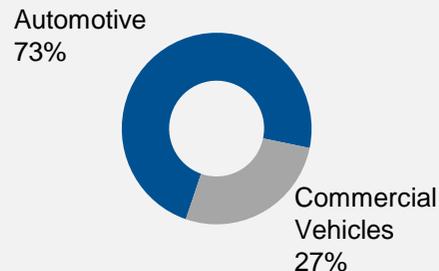
Group revenues by region and division (FY 2016)

by region



Total: € 1.7 billion

by division



Total: € 1.7 billion

Key OEM customers

Automotive

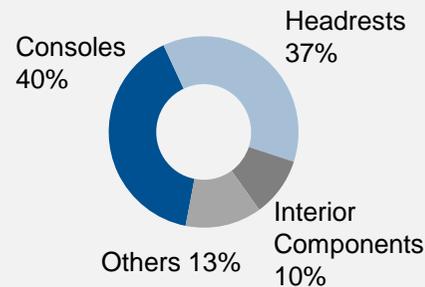


Commercial Vehicles



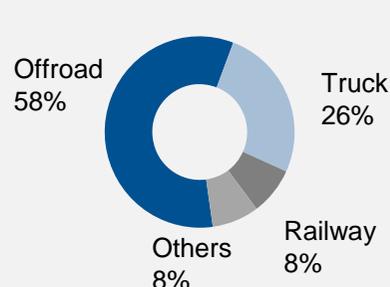
Revenues by product segment (FY 2016)

Automotive*



Total: € 1.3 billion

Commercial Vehicles*



Total: € 0.5 billion

*) Group = Automotive + Commercial Vehicles - Consolidation

Key product segments

Automotive

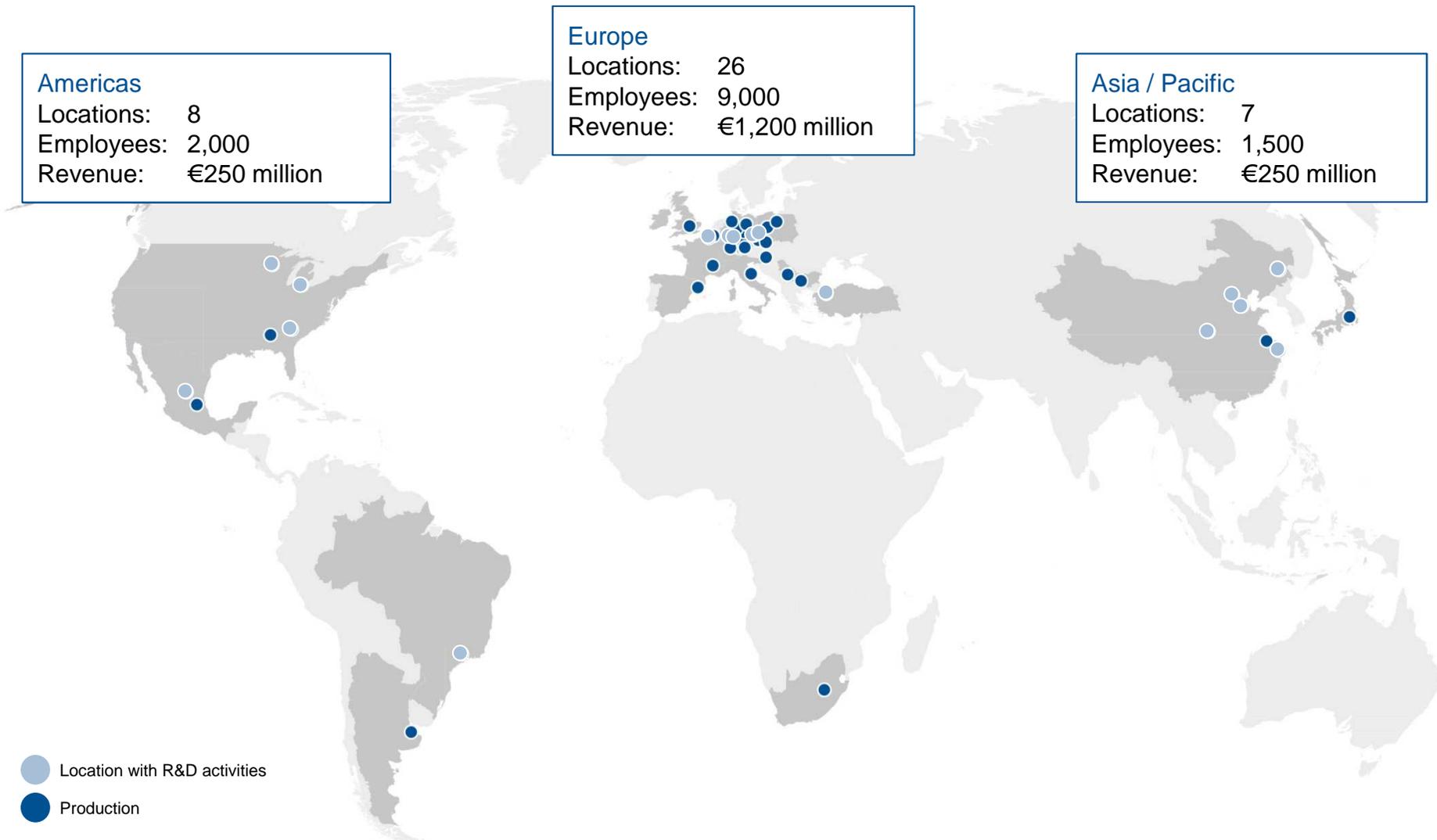


Commercial Vehicles



1 GRAMMER GROUP – GLOBAL FOOTPRINT

Global production and R&D network on 4 continents

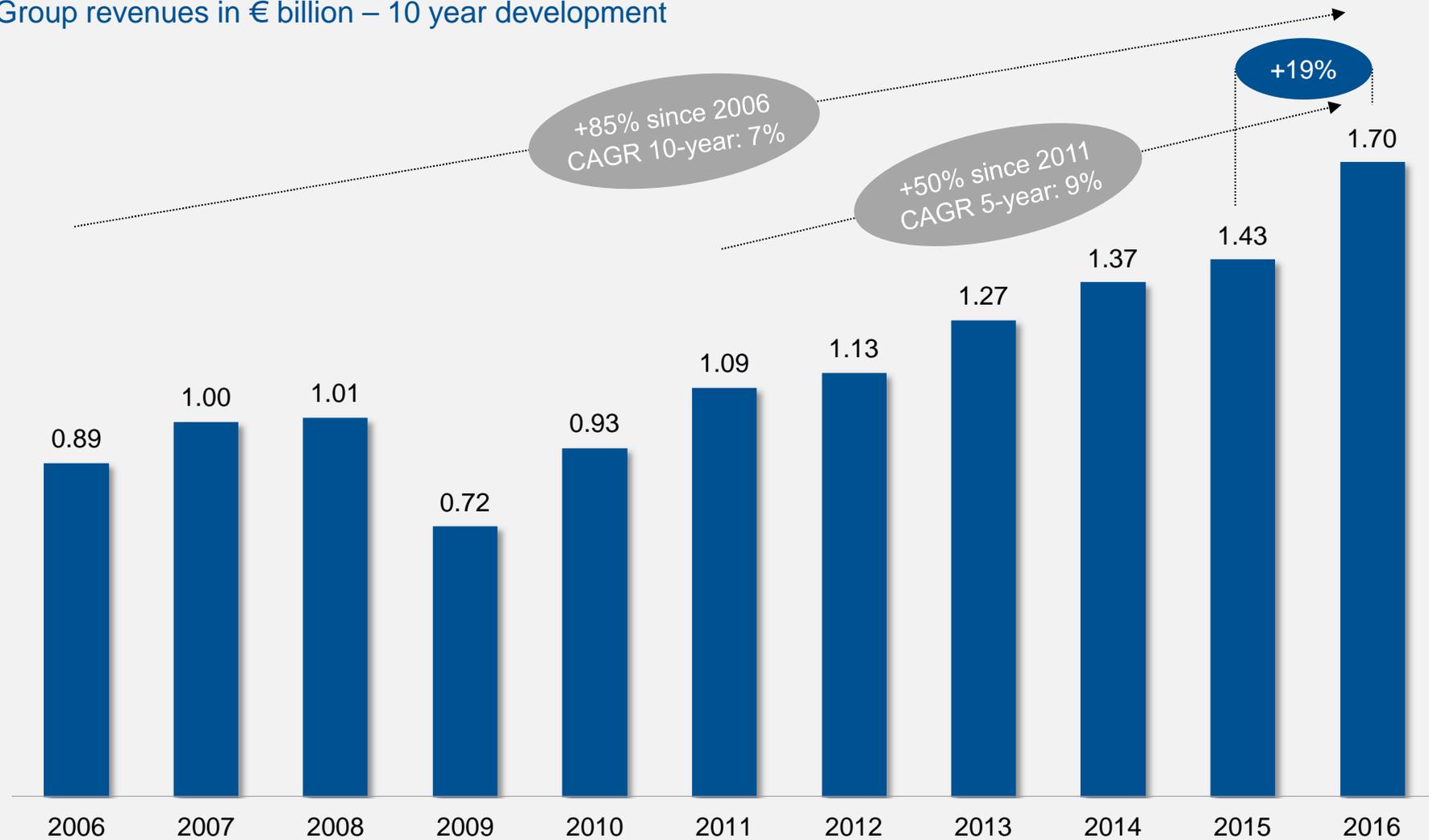


1 GRAMMER GROUP – LONG-TERM GROWTH

Strong track record of global revenue growth



Group revenues in € billion – 10 year development



1 GRAMMER GROUP – KEY FIGURES 2016

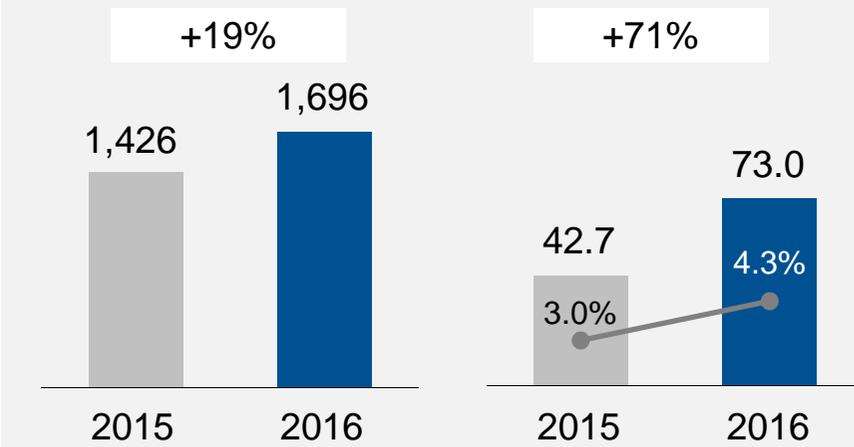
2016 performance proves success of long-term profitable growth strategy



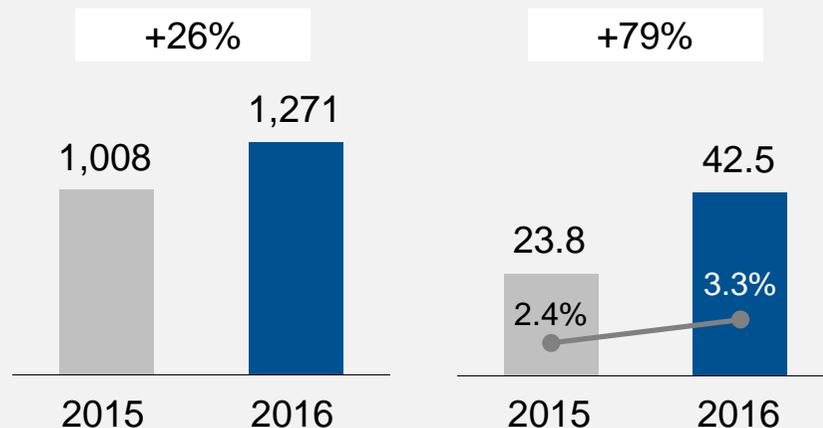
Highlights 2016

- Highest earnings in company history & 6th straight year with new sales record
- Group revenue climbed by 19% to 1.7 billion €, mainly driven by Automotive division
- 71% increase in EBIT to 73 million € (2015: 43)
- EPS improved by 90% to 4.01 € (2015: 2.10)
- Record dividend of 1.30 € / share proposed
- Share price +70% in 2016, #1 in SDAX-index

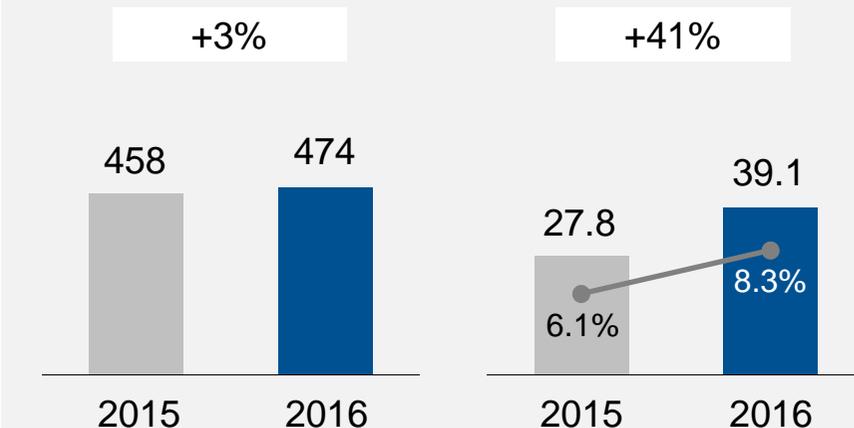
Group – Revenues & EBIT [in € million]



Automotive – Revenues & EBIT [in € million]



Commercial Vehicles – Revenues & EBIT [in € million]



1 GRAMMER AG – SHARE PRICE DEVELOPMENT

Management has strongly increased shareholder value



GRAMMER share price in €



Selected Broker Recommendations

Broker	Date	Current Recomm.	Current TP (€)
Bankhaus Lampe	2-Mar-17	Hold	52.0
DZ Bank	22-Feb-17	Buy	65.0
Landesbank BW	15-Feb-17	Hold	60.0
Baader-Helvea	14-Feb-17	Hold	55.0
Montega	14-Feb-17	Hold	50.0
Warburg Investment	9-Feb-17	Buy	63.0
Quirin Bank	1-Feb-17	Buy	62.0
Median			60.0

Top 5 Shareholders

Halog*	10.22%
Cascade*	10.00%
Dimensional	4.99%
Old Mutual Plc	3.07%
Union Investment	3.07%
Own Treasury Shares	2.86%

*) Companies owned by Hastor family

Basic Share Data

ISIN	DE000589540
WKN / Code	589540 / GMM
Number of shares	11,544,674
Market cap [Mar 20, 2017]	625 € million
Ave. trading vol. (Xetra)	70,000 shares/day
Ave. trading vol. (all exch.)	110,000 shares/day
Index	SDAX / DAXSector Automobiles

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Strategic Roadmap for
Profitable Growth & Value Generation



2 GRAMMER GROUP – ON THE MOVE

Our strategic roadmap for driving profitable growth & value generation



1 Driving Global Growth

Global setup, innovative products & strategic acquisitions build crucial basis for future success

2 Driving Innovations

Strategic Partnership with Ningbo Jifeng supports continuation of GRAMMER's successful global growth

3 Driving Strategic Development

Optimized processes and structures for better cost base

4 Driving Profitable Growth

GRAMMER Group is set for profitable growth and strong value generation

2 GRAMMER GROUP – DRIVING GLOBAL GROWTH

GRAMMER to continue outpacing market growth



GRAMMER

Automotive

Global Growth 2016 – 2021e

Global Car Production +11%

GRAMMER Product Sales



2016 2021e
Source: IHS

Regional Growth 2016 – 2021e

EUROPE:

Car Production +7%

GRAMMER Product Sales: +10%

AMERICAS:

Car Production +8%

GRAMMER Product Sales: >100%

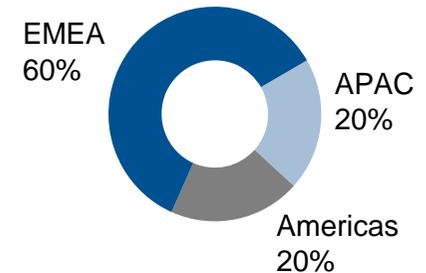
ASIA:

Car Production +14%

GRAMMER Product Sales: +30%

Regional Sales Split

2021e



Total: € 1.5 billion

Commercial Vehicle

Global Growth 2016 – 2021e

Global Truck Production +11%

GRAMMER Product Sales



2016 2021e
Source: IHS

Regional Growth 2016 – 2021e

EUROPE:

Truck Production +21%

GRAMMER Product Sales: +30%

AMERICAS:

Truck Production +28%

GRAMMER Product Sales: +85%

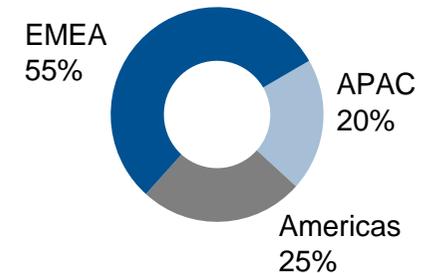
ASIA:

Truck Production +2%

GRAMMER Product Sales: >100%

Regional Sales Split

2021e



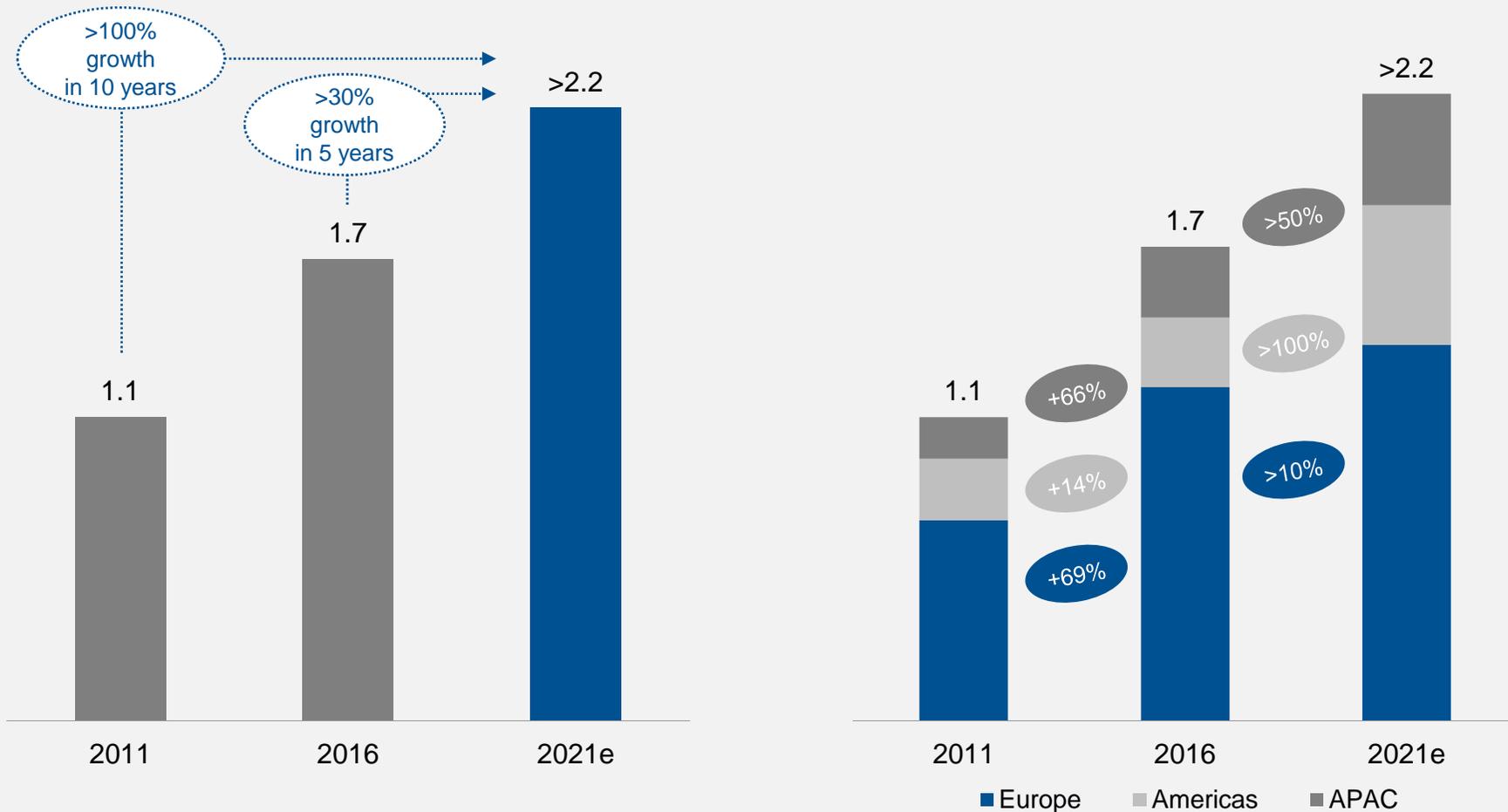
Total: € 0.7 billion

2 GRAMMER GROUP – DRIVING GLOBAL GROWTH

Impressive revenue growth to >2.2 billion € by 2021 expected

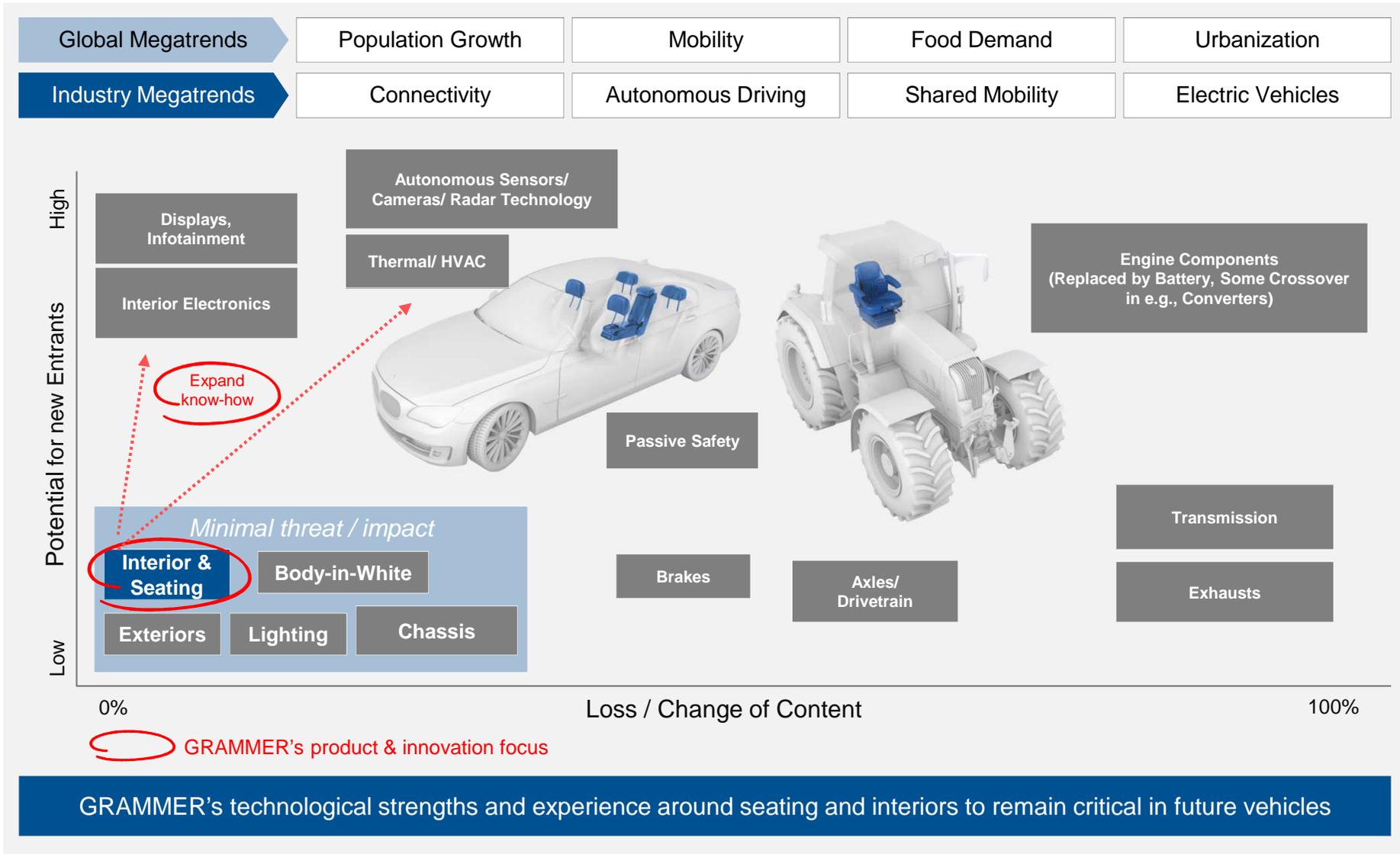


Group Revenue (IFRS) in € billion – Strategic Development until 2021e



2 GRAMMER GROUP – DRIVING INNOVATIONS

Business model disruption proof, with low risk execution



2 GRAMMER GROUP – DRIVING INNOVATIONS

Development focus secure our innovative leadership in interior & seating



HMI, Functional Surfaces & Ambient Lighting

Comfort & Ergonomics + Health Solutions

Elegant & Luxurious Appearance

Digital Interfaces & Sensors

Light Weight and "Green" Materials

Active & Passive Safety

1 Interior as main differentiation factor for the OEM



Superb comfort & luxurious appearance

2 Interior defines well-being and comfort of driver/passenger



Optimized ergonomics and functionality

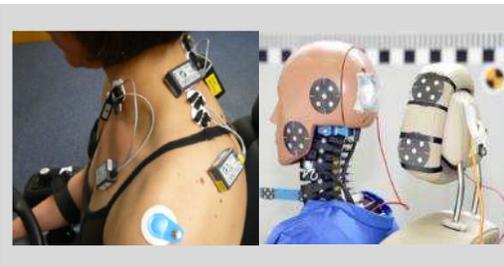
3 Massive upgrade & expansion of interior functionality



Intuitive HMIs on functional surfaces



Genius Cab – innovative cabin interior



Scientific research for comfort & safety



Intelligent interior for all driving situations

1

GRAMMER's M&A History

2011	EiA Electronics, Belgium	Commercial Vehicles (Offroad)	Expansion of electronic know-how
2012	Nectec, Czech Republic	Automotive (Headrest)	Additional safety technologies
2013	JV Jiangsu Yuhua, China	Commercial Vehicles (Truck)	Entry into Chinese truck market
2015	Reum Group, Germany & Poland	Automotive (Consoles)	Expansion of product & technology
2016	JV Shaanxi, China	Commercial Vehicles (Truck)	Secure growth in Chinese truck market

Successful M&A transactions and acquisitions in the past in all core product segments

2

GRAMMER's M&A Transaction Scope

Larger M&A Deals

Purchase price
> €500 million

Midsize M&A Deals

Purchase price
€100 to 500 million

Smaller M&A Deals

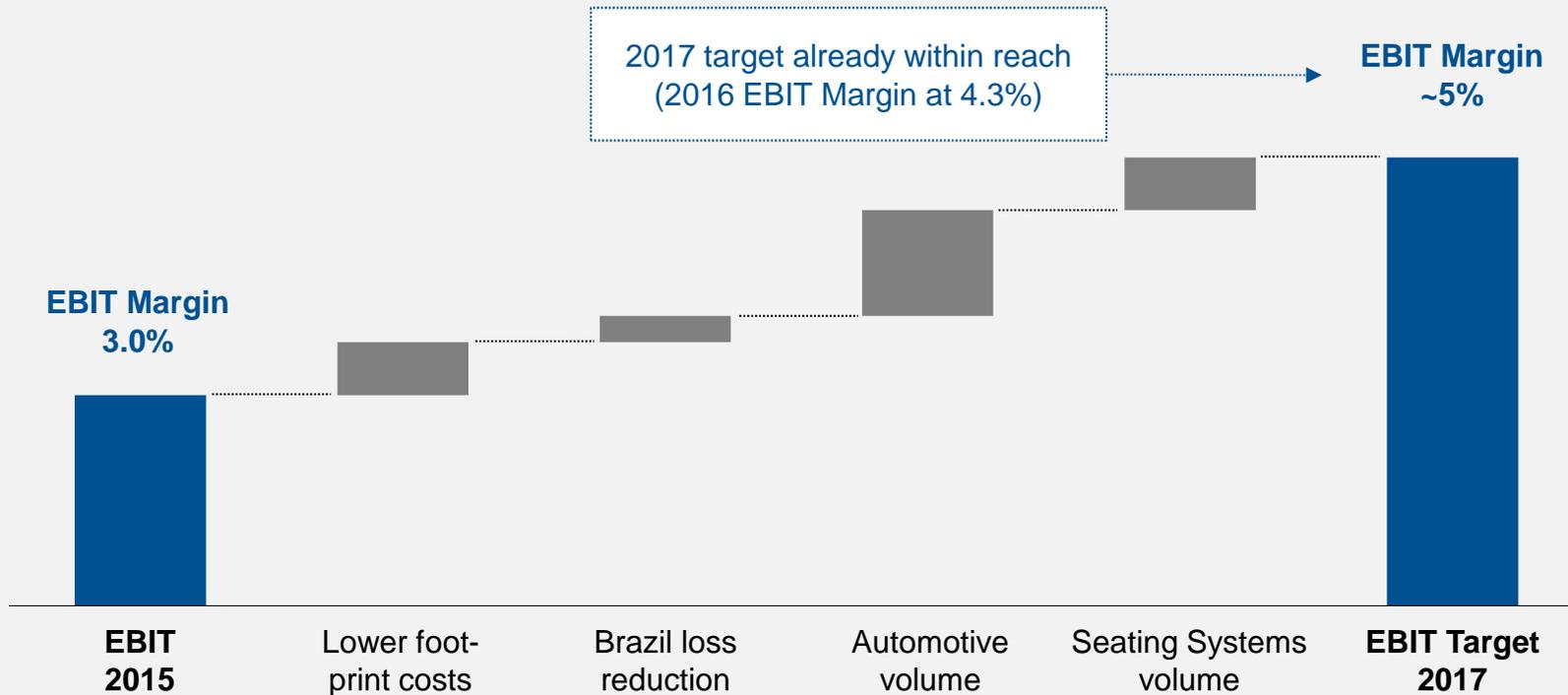
Purchase price
< €100 million

GRAMMER's M&A radar focused on smaller/midsize targets
to strengthen regional and innovative position

Adequate firepower of approx. € 150-250 m. for M&A strategy w/o deterioration in credit metrics & covenant breach
Additional financial headroom due to proceeds from Ningbo Jifeng's investment



Performance in 2016 sets base for further strong profitability improvement



Main EBIT driver Automotive Division:

Reduction of footprint costs combined with improved cost base will generate better incremental profits from higher volumes



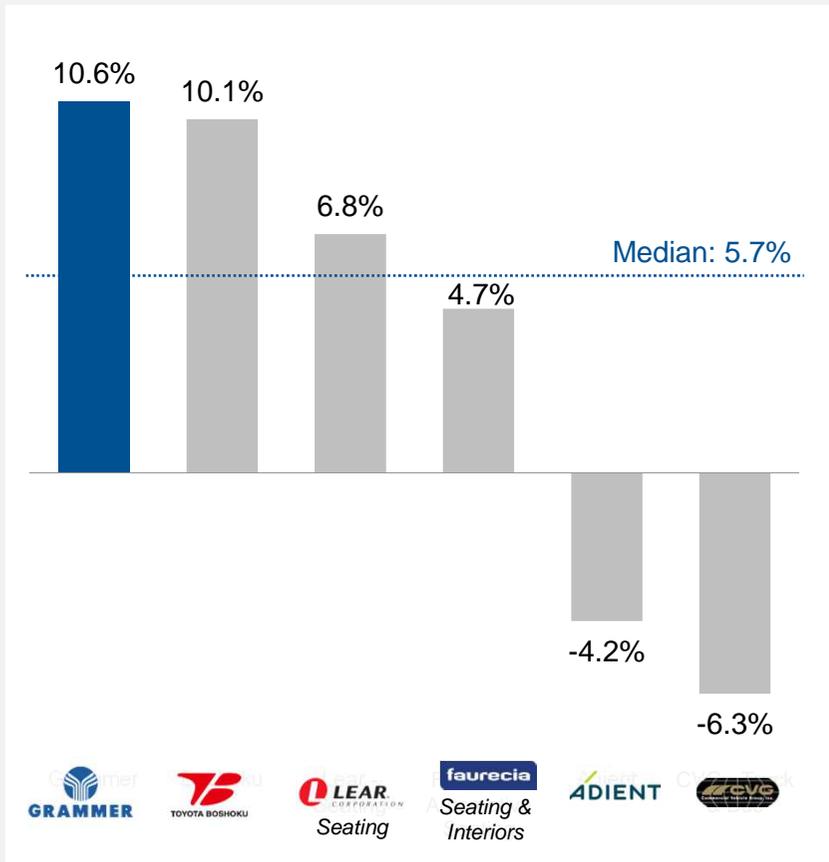
Main EBIT driver Seating Systems Division:

Reduction of Brazilian loss situation and slight volume improvement in offroad markets will result in margin upside

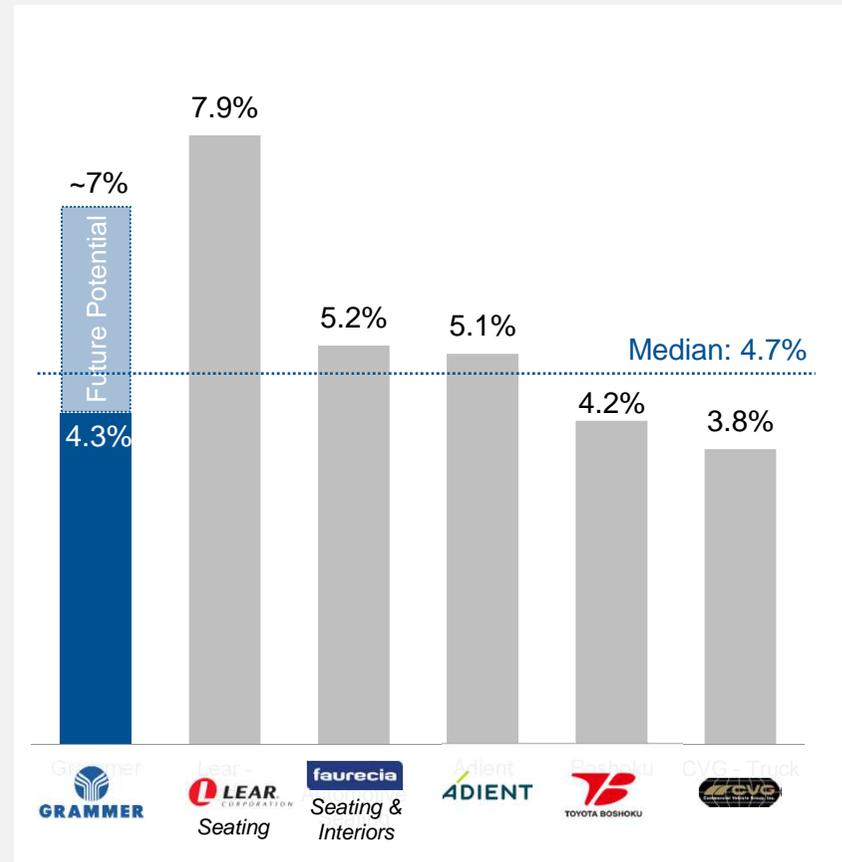


GRAMMER operational performance vs. interior & seating peers

5-years Sales CAGR (2012–2016)



2016 EBIT Margin



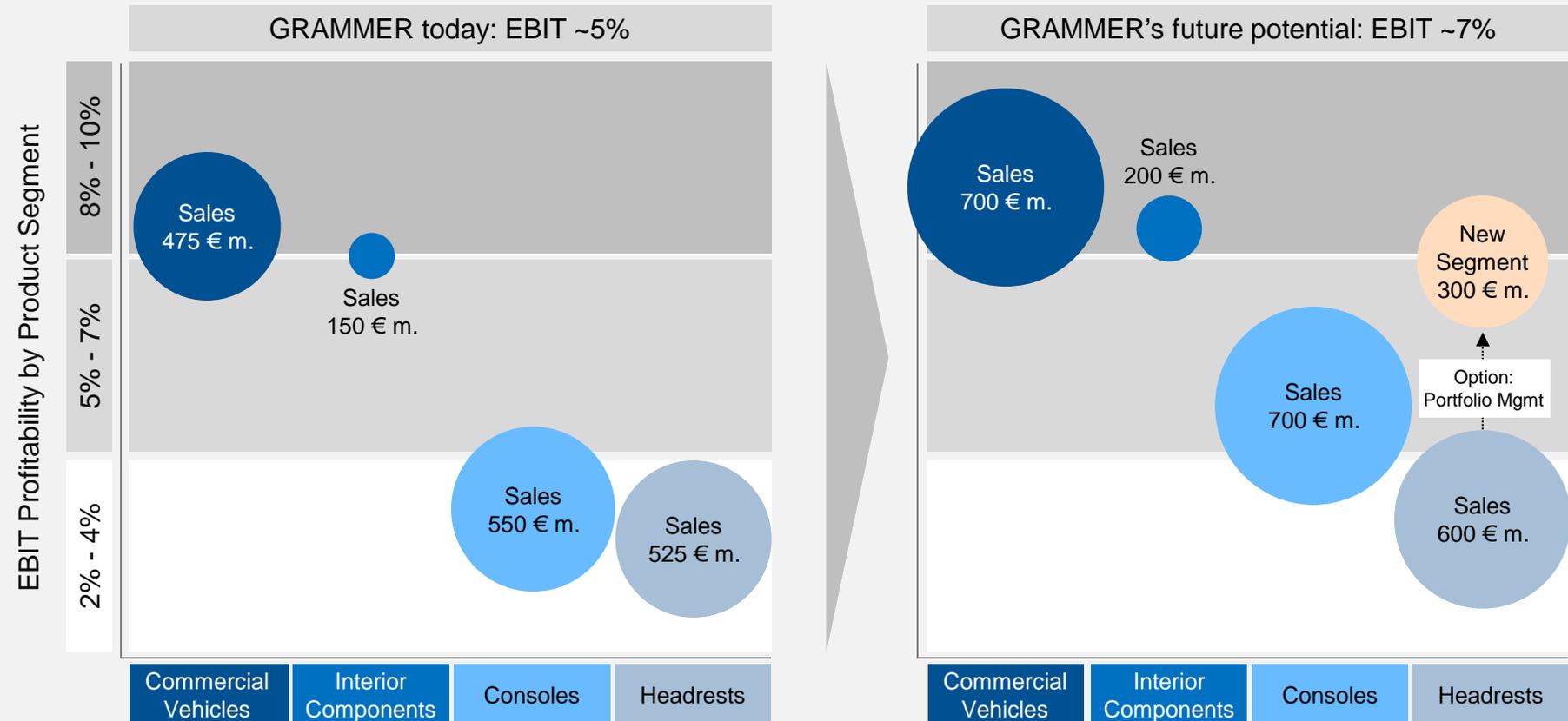
*) Peer divisional metrics exclude corporate costs

2 GRAMMER GROUP – DRIVING PROFITABLE GROWTH

Higher profitability based on cost optimization & active portfolio management



GRAMMER revenues and profitability roadmap by product segment



Future EBIT Drivers

- Commercial Vehicles:** Recovery of profitable market segments. Higher value due to functional (e.g. electronics) integration
- Interior Components:** Further synergies with GRAMMER Group. Global growth within GRAMMER's existing infrastructure
- Consoles:** Higher maturity of plants & products. Higher R&D efficiency and higher value due to functional integration
- Headrests:** Ongoing consequent cost optimization & production transfers. Plus: active portfolio management (JV China / M&A)

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Strategic Partnership
GRAMMER & Ningbo Jifeng



3 GRAMMER GROUP – STRATEGIC PARTNERSHIP NINGBO JIFENG

Highlights & core elements



GRAMMER

1

Compelling industrial logic & value creation potential due to complementary geographic focus and product offering

2

Subscription of 60 million € mandatory convertible bond by Ningbo Jifeng's associated company, representing ca. 9.2% of shares outstanding and enlarges the shareholder base of GRAMMER

3

Reinforcement of GRAMMER's shareholder structure as Ningbo Jifeng's associated company to become a long-term shareholder of GRAMMER AG

4

Envisaged future joint venture(s) and shared projects in China and other markets between GRAMMER and Ningbo Jifeng

This strategic alliance will:

- expand GRAMMER's market presence & customer penetration in the largest car market of the world
- support the continuation of GRAMMER's successful growth and innovation strategy
- help to secure GRAMMER's business relations with key customers
- secure the future growth and enhance the value of both companies

3 GRAMMER GROUP – STRATEGIC PARTNERSHIP NINGBO JIFENG

Compelling industrial logic & value creation potential



GRAMMER



Expand GRAMMER's Presence in China

- ✓ Largest and fastest growing automotive market globally
- ✓ Access to Ningbo Jifeng's supply and distribution networks
- ✓ Strong product complementary creates substantial potential for cross-selling



NINGBO JIFENG



Improve joint competitive position of two automotive interior specialists

- ✓ Partnership to improve both companies access to local and internat. OEMs in China & Europe
- ✓ GRAMMER's & Jifeng's products are complementary & comparable in the relevant segments
- ✓ Key customers are welcoming the strategic partnership between GRAMMER & Ningbo Jifeng



Ample Potential for Joint Value Creation

- ✓ Significant synergy potential combining best practices from 2 automotive suppliers
- ✓ Platform for future potential joint programs and value chain optimization programs
- ✓ Potential across entire value chain: R&D, procurement, manufacturing, distribution



Strengthened GRAMMER's Shareholding Structure

- ✓ Partnership underlined by Ningbo Jifeng's associated company becoming a long-term GRAMMER shareholder
- ✓ Strategic partnership important to safe-guard business relationship with main customers
- ✓ Ningbo Jifeng supportive of GRAMMER's strategic course and governance structures

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Outlook 2017



4 GRAMMER GROUP – MARKET OUTLOOK 2017

Global car & truck markets with solid growth. Brazil to recover in 2017



Car production – Actual 2016 & Forecast 2017 [in % yoy]

	Actual 2016	Forecast 2017
Europe	+3%	+2%
USA	+2%	-1%
Brazil	-11%	+10%
China	+14%	+3%
World	+5%	+2%

Source: IHS, Feb. 2017

Truck production – Actual 2016 & Forecast 2017 [Trucks >6t, in % yoy]

	Actual 2016	Forecast 2017
Europe	+3%	+1%
USA	-11%	+4%
Brazil	-20%	+10%
China	+24%	+7%
World	+6%	+4%

Source: IHS, Jan. 2017

Agricultural market outlook 2017 by our main customers

	Europe	North America	South America
John Deere*	0% to -5%	-5% to -10%	+15% to +20%
AGCO Group**	0% to -5%	-5% to -10%	+10%

Source: *) John Deere Q1 2017 (17.02.2017) **) AGCO Group Q4 2016 (07.02.2017)

4 GRAMMER GROUP – COMPANY OUTLOOK 2017

Further growth of revenue & profitability expected. 5% operational EBIT



GRAMMER Group – Outlook:

- At Group level GRAMMER forecasts a moderate increase in revenue to more than 1.75 billion € in 2017
- As communicated, a Group operational EBIT margin of around 5% is expected in 2017

Potential risk in case of change-of-control intended by investment company of Hastor family:

- Minority shareholder Cascade International Investment GmbH is seeking a change of control in GRAMMER AG's currently independent governance bodies
- If successful, this potential change of control could have an adverse effect on customer relations
- In this case GRAMMER cannot exclude the possibility of existential risks to future order intake

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Appendix



Financial Calendar 2017

Interim Management Statements Q1 / 2017	May 15, 2017
Annual General Meeting	May 24, 2017
Interim Report Q2 / 2017	August 09, 2017
Interim Management Statements Q3 / 2017	November 13, 2017

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Email: investor-relations@grammer.com

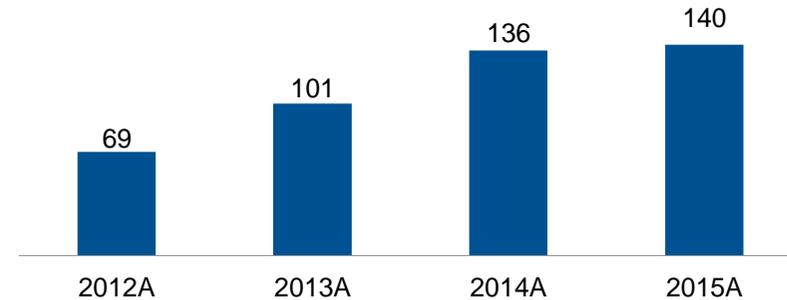
Internet: www.grammer.com/investor-relations

Company Description

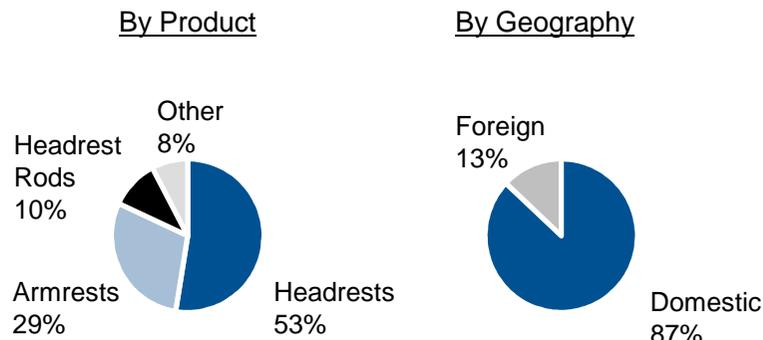
- Ningbo Jifeng specializes in automotive headrest assembly, armrest assembly, headrest stems and door stems
- Main products consist of passenger car seat headrests, headrest struts, seat armrests and other automotive seating components
- Its products are mainly used in the passenger car industry
- Main customers include Lear, Adient (formerly Johnson Controls) and Faurecia
- Production facilities in China (Ningbo, Changchun, Shenyang, Wuhan, Chengdu, Liuzhou, and Guangzhou) and in Česká Lípa, Czech Republic, with a total of ~2,600 employees

Revenue Development

€ MM



Revenue Split 2015A



Top Customers

Seat Manufacturers



Car Manufacturers



A GRAMMER GROUP – INFORMATION ON NINGBO JIFENG

Overview of the Chinese automotive market

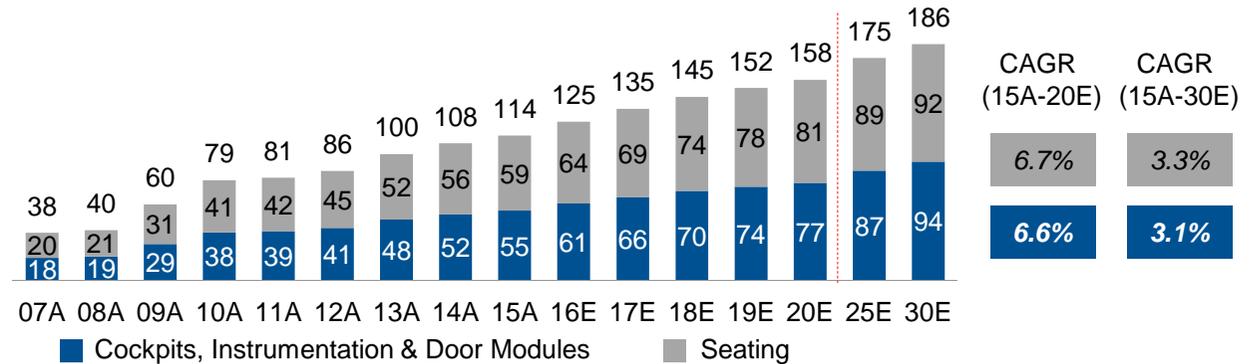


Market Key Facts

- Largest market world-wide for commercial vehicles & cars
- Strong forecast volume growth in seating and interiors market
- Increasing wealth and economic growth driving demand for greater content per vehicle

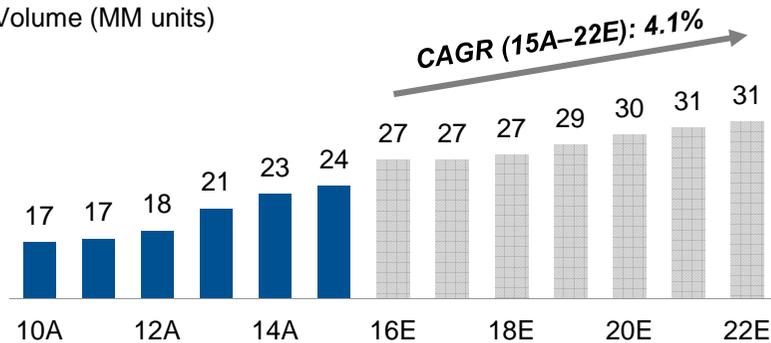
China Automotive Interior Market (07A–30E)

Volume (MM Units)



China Light Vehicle Sales (10A-22E)

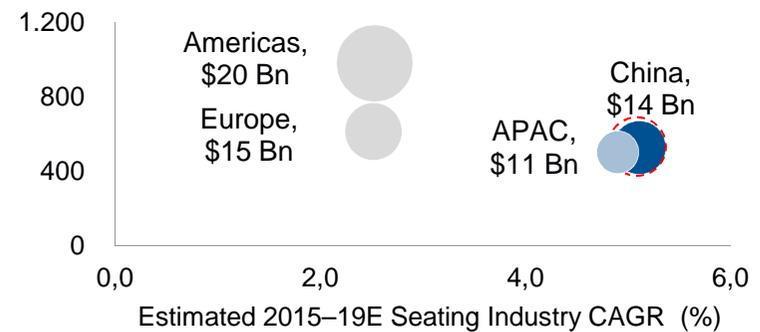
Volume (MM units)



Sources: Just-Auto, IHS, Broker Reports

Seating Markets: Size, Growth, Content/Vehicle

US\$ Content per Vehicle



A GRAMMER GROUP – APPENDIX

Key figures full year 2016 and Q4 2016



GRAMMER

<i>[IFRS, in € million]</i>	1-12 2016	1-12 2015	Chg.	Q4 2016	Q4 2015	Chg.
Group Revenues	1,695.5	1,425.7	+18.9%	430.2	369.7	+16.4%
EBITDA	120.2	83.2	44.5%	35.0	24.3	44.0%
EBITDA-Margin	7.1%	5.8%	1.3%-P	8.1%	6.6%	1.5%-P
EBIT	73.0	42.7	71.0%	23.4	13.0	79.0%
EBIT-Margin	4.3%	3.0%	1.3%-P	5.4%	3.5%	1.9%-P
Operating EBIT	68.1	39.0	74.6%	20.6	12.3	67.5%
Operating EBIT-Margin	4.0%	2.7%	1.3%-P	4.8%	3.3%	1.5%-P
Profit after taxes	45.2	23.8	89.9%	19.6	7.1	176.1%
EPS in €	4.01	2.10	91.0%	1.74	0.63	176.2%
Total Assets	1,050.6	992.1	5.9%	1,050.6	992.1	5.9%
Equity	271.2	253.4	7.0%	271.2	253.4	7.0%
Equity-Ratio	26%	26%	0%-P	26%	26%	0%-P
Net Financial Debt	139.1	155.5	-10.5%	139.1	155.5	19.5%
Gearing Ratio	51%	61%	-10%-P	51%	61%	10%-P
Capex (w/o M&A)	56.2	47.9	17.3%	22.1	22.9	-3.5%
Depreciation	47.2	40.5	16.5%	11.6	11.3	2.7%
Employees (month-end)	12,250	11,397	7.5%	12,250	11,397	7.5%

A GRAMMER GROUP – APPENDIX

Financial key figures 5-year overview



<i>[IFRS, in € million]</i>	2016	2015	2014	2013	2012	
Group Revenue	1,695.5	1,425.7	1,365.9	1,265.7	1,133.0	
EBITDA	120.2	83.2	93.7	92.3	78.1	
EBITDA-Margin	7.1%	5.8%	6.9%	7.3%	6.9%	
EBIT	73.0	42.7	57.0	58.0	49.0	
EBIT-Margin	4.3%	3.0%	4.2%	4.6%	4.3%	
Profit after taxes	45.2	23.8	33.6	29.6	26.8	
EPS in €	4.01	2.10	3.09	2.67	2.38	
Dividend / Share in €	1.30*	0.75	0.75	0.65	0.50	
Total Assets	1,050.6	992.1	836.5	766.0	668.8	
Equity	271.2	253.4	231.8	224.7	210.3	
Equity-Ratio	26%	26%	28%	29%	31%	
Net Financial Debt	139.1	155.5	86.7	93.2	76.5	
Gearing Ratio	51%	61%	37%	41%	36%	
Capex (w/o M&A)	56.2	47.9	51.5	46.8	39.0	
Depreciation	47.2	40.5	36.7	34.3	29.1	
Employees (Dec. 31)	12,250	11,397	10,700	10,082	8,620	*) proposed

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