

ON THE MOVE



Presentation
First Nine Months 2017

Amberg,
November 13, 2017



GRAMMER GROUP – HIGHLIGHTS 1-9 2017

Ongoing operational improvements. Proxy fight has negative impacts on earnings

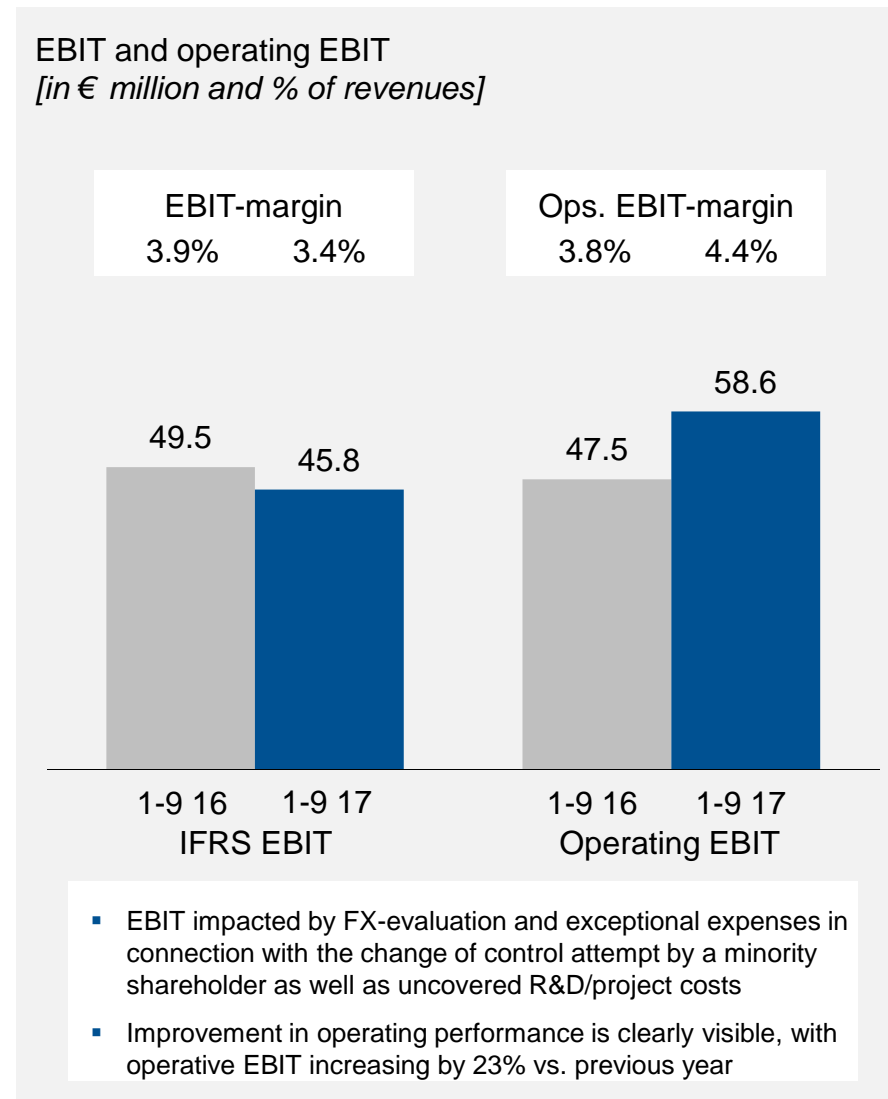
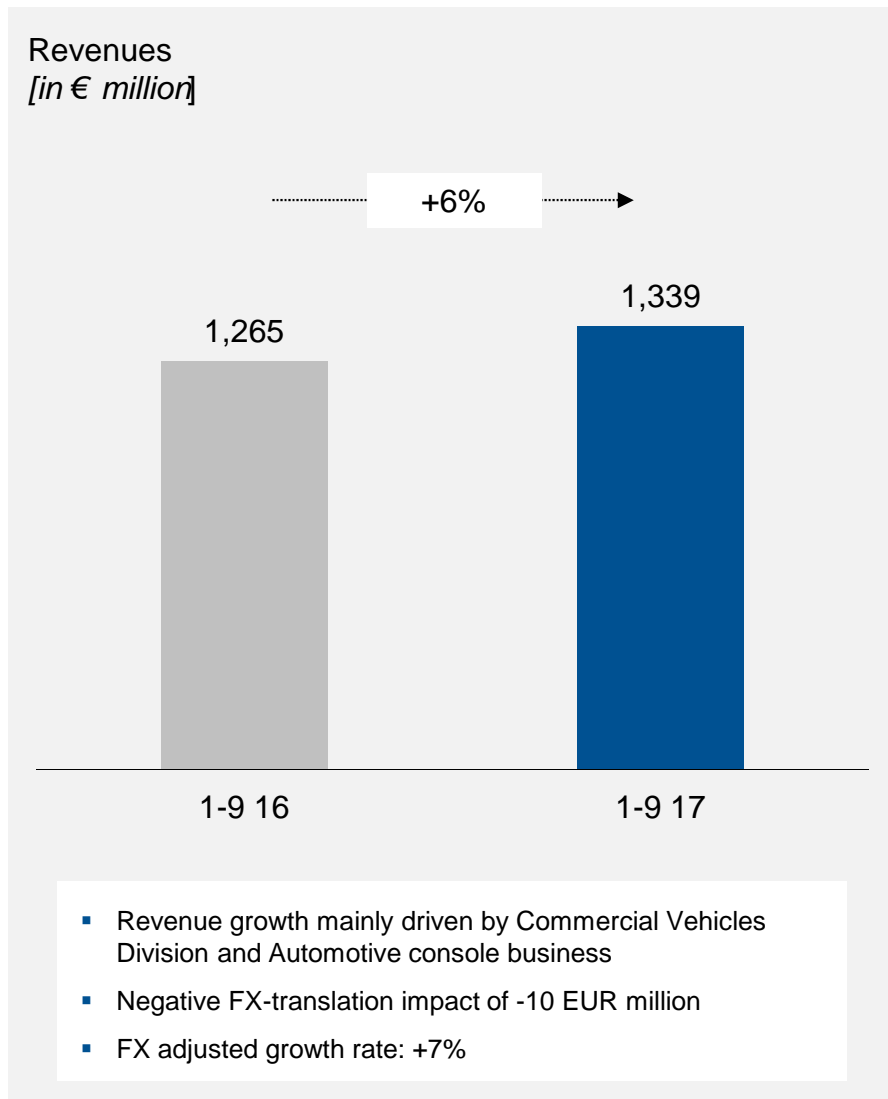


Major developments in the first nine months 2017

- Successful AGM proxy-fight against minority shareholder Cascade
- New strategic partnership with Chinese automotive supplier Ningbo Jifeng established
- Further increase of JAP (associated company of Ningbo Jifeng) holdings to 25.51% makes an “unfriendly” influence or change-of-control nearly impossible
- Order intake and new contract signings remained unsatisfactory as some major German OEMs are still reluctant to award GRAMMER with new business due to the development in GRAMMER AG’s shareholder structure
- Global automotive markets with positive momentum. GRAMMER as an interior specialist is not impacted by current discussions about Diesel emission standards
- Global truck markets with solid growth in 2017 while demand in Brazil is stabilizing after many years of strong decline
- Agricultural markets beginning to show noticeable signs of recovery. In addition also ongoing very positive growth development of construction and material handling markets
- The significantly lower level of orders, in addition to the corresponding smaller number of new projects in the Automotive segment burden the current business year's earnings performance
- However, GRAMMER Group could further improve its operational performance, leading to operative EBIT of 58.6 EUR million with an operative EBIT margin of 4.4% in the first 9 months of 2017
- Despite this additional cost burden GRAMMER AG continues to expect a very positive operating EBIT for the business year 2017 with an EBIT margin above the previous year’s level of 4.0%

GRAMMER GROUP – DEVELOPMENT 1-9 2017

Group revenues and operating EBIT with ongoing improvement

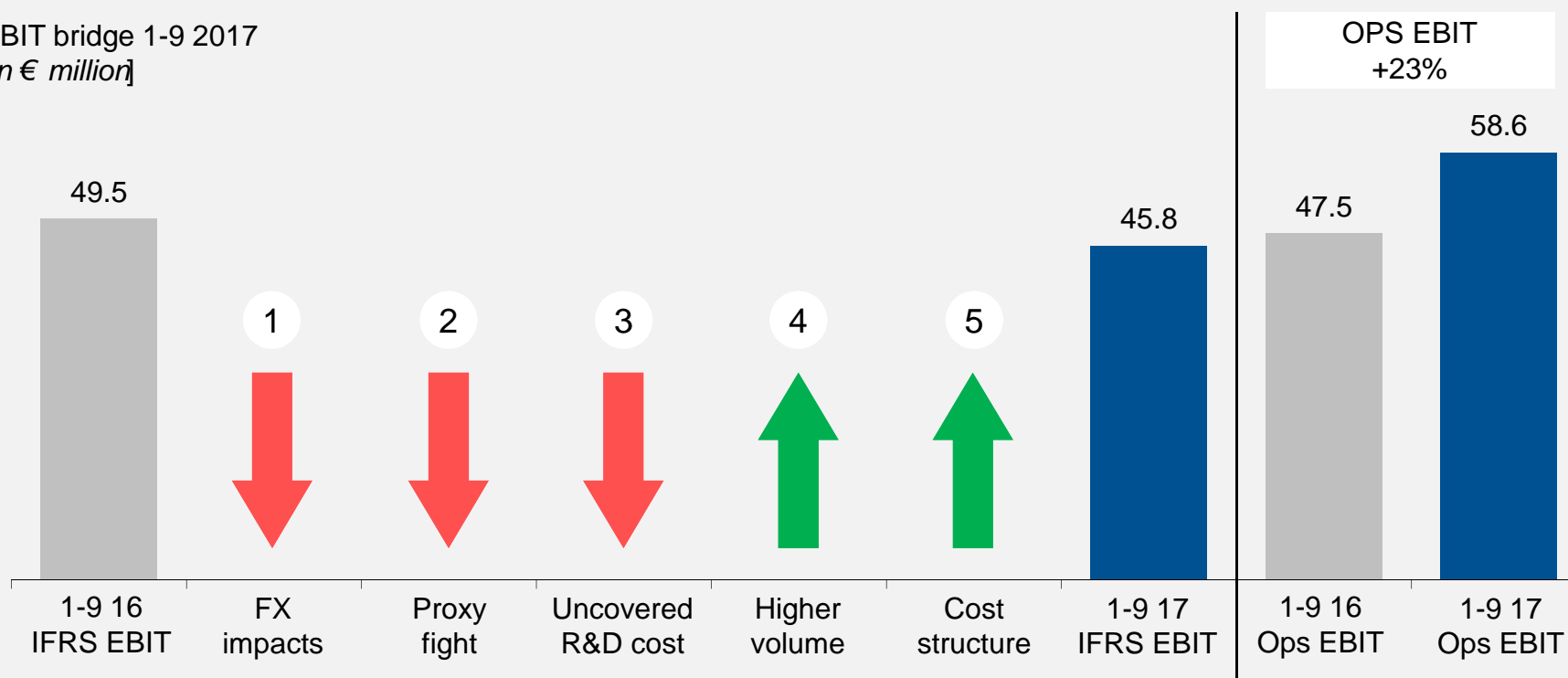


GRAMMER GROUP – DEVELOPMENT 1-9 2017

EBIT bridge 1-9 2017



EBIT bridge 1-9 2017
[in € million]



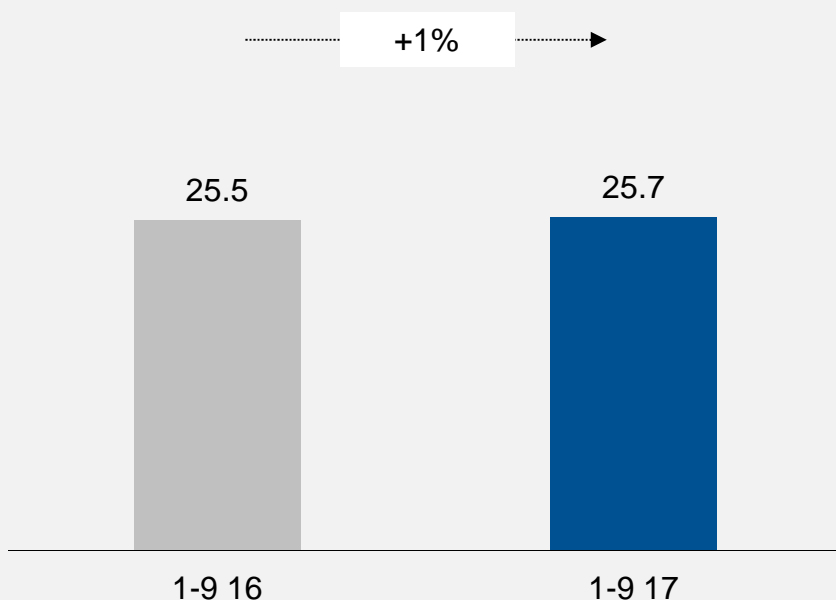
1. Negative impact vs. previous year from foreign currency evaluation of receivables and liabilities, totaling around -8 € m. (2016: +2, 2017: -6)
2. Special expenses in connection with the change of control attempt by a minority shareholder, totaling approx. -7 € million
3. Lower order intake levels and smaller number of new projects due to the past uncertainties in GRAMMER AG's shareholders' structure resulting in higher uncovered R&D and project costs, mainly in the Automotive segment
4. Positive EBIT impact due to higher volumes mainly in the Commercial Vehicles segment based on noticeable recovery of core markets in Europe and stabilization of truck market in Brazil
5. Positive EBIT impact from optimizing fixed costs and process structures as well as lower footprint costs

GRAMMER GROUP – DEVELOPMENT 1-9 2017

Net profit on par with prev. year. EPS slightly diluted due to capital increase

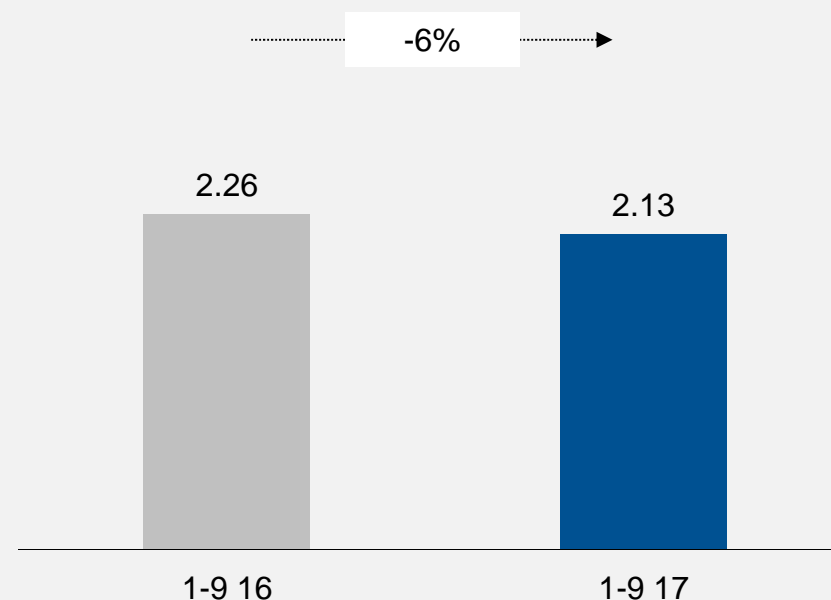


Net profit
[in € million]



- Net profit on par with previous year
- Net financial result improved mainly due to better other financial result
- Corporate tax rate 30% in the first nine months of 2017

Basic earnings per share
[in €]



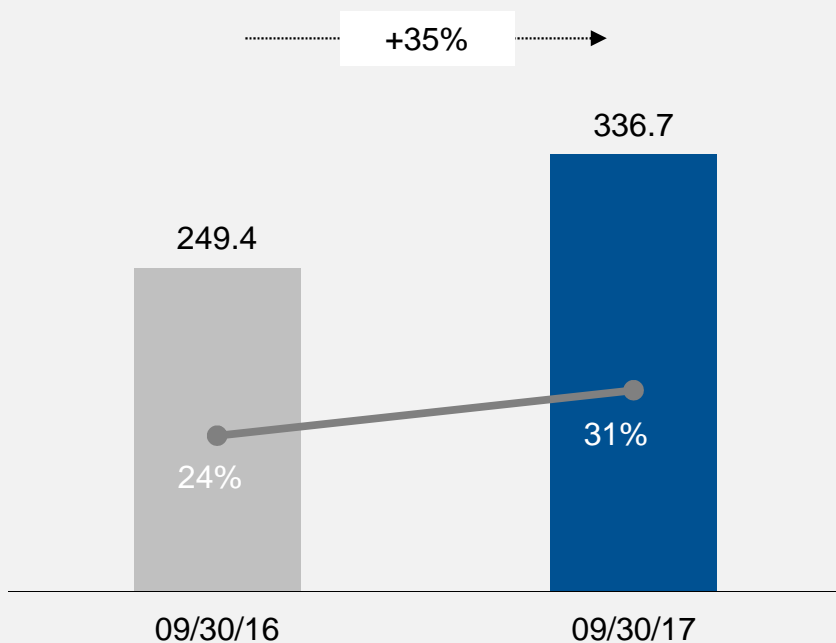
- EPS slightly lower than previous year, reflecting the small dilution due to the higher share capital after the conversion of the mandatory convertible bond in April 2017

GRAMMER GROUP – DEVELOPMENT 1-9 2017

Higher equity and lower debt due to convertible bond placement in February

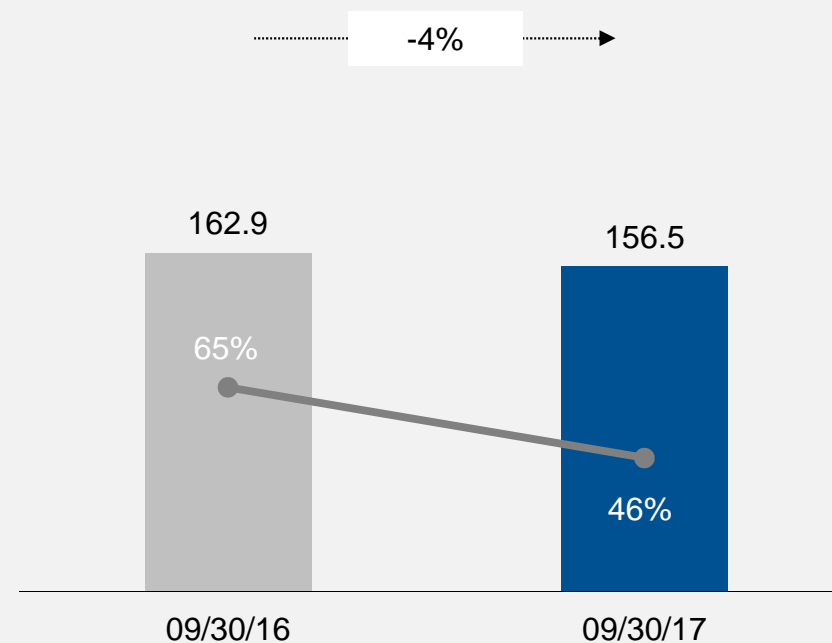


Equity and equity-ratio
[in € million and %]



- Equity increased by 87 € million due to the positive net earnings development and the placement of the mandatory convertible bond in Q1 2017
- Equity ratio improved to 31%

Net financial debt and gearing
[in € million and %]



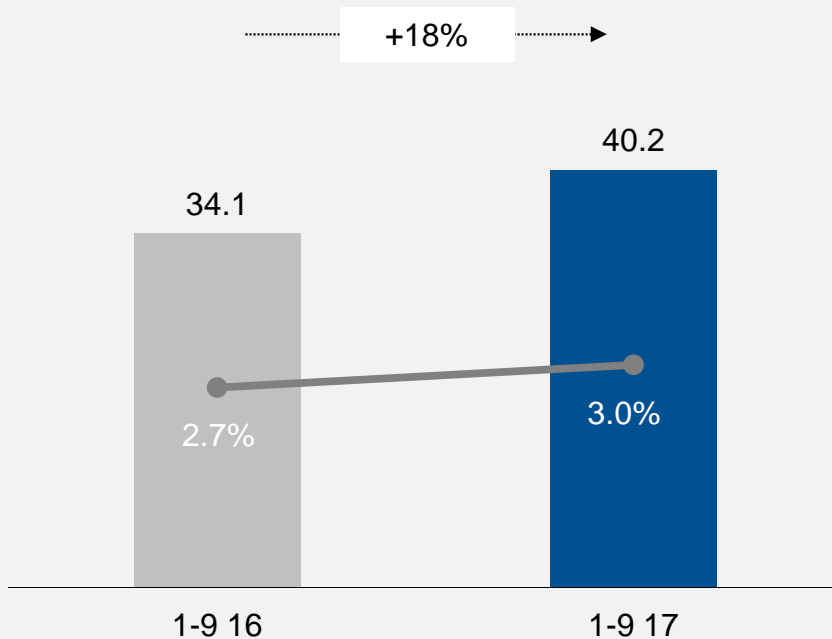
- Higher investments and higher trade receivables impacted cash flow development
- Placement of the mandatory convertible bond reduced net financial debt and gearing ratio

GRAMMER GROUP – DEVELOPMENT 1-9 2017

Investments continue to focus on expansion and optimization measures

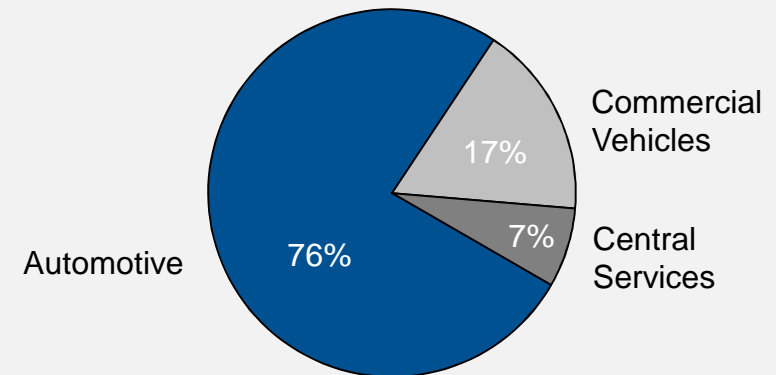


Capex and capex-ratio
[in € million and %]



- As planned, capex increased compared to previous year due to the business growth mainly outside of Europe
- Capex / Sales ratio on par with previous year

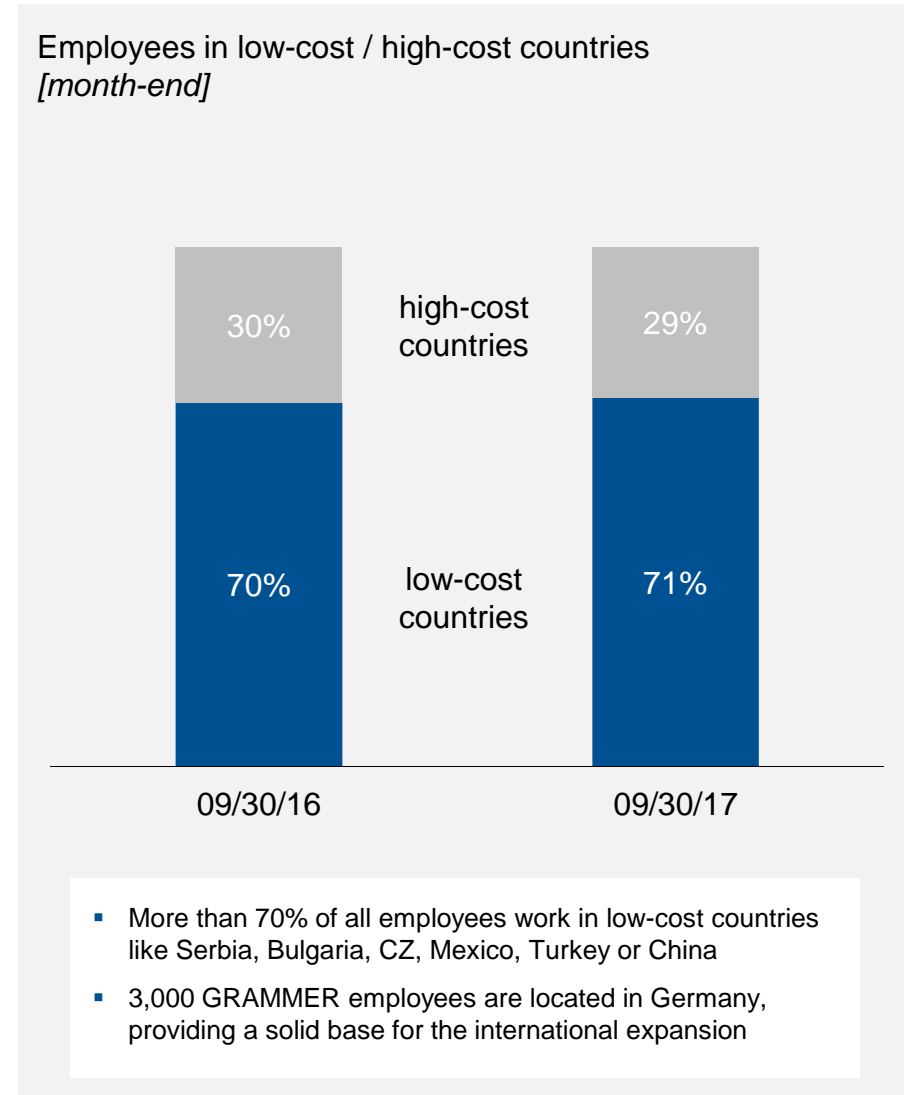
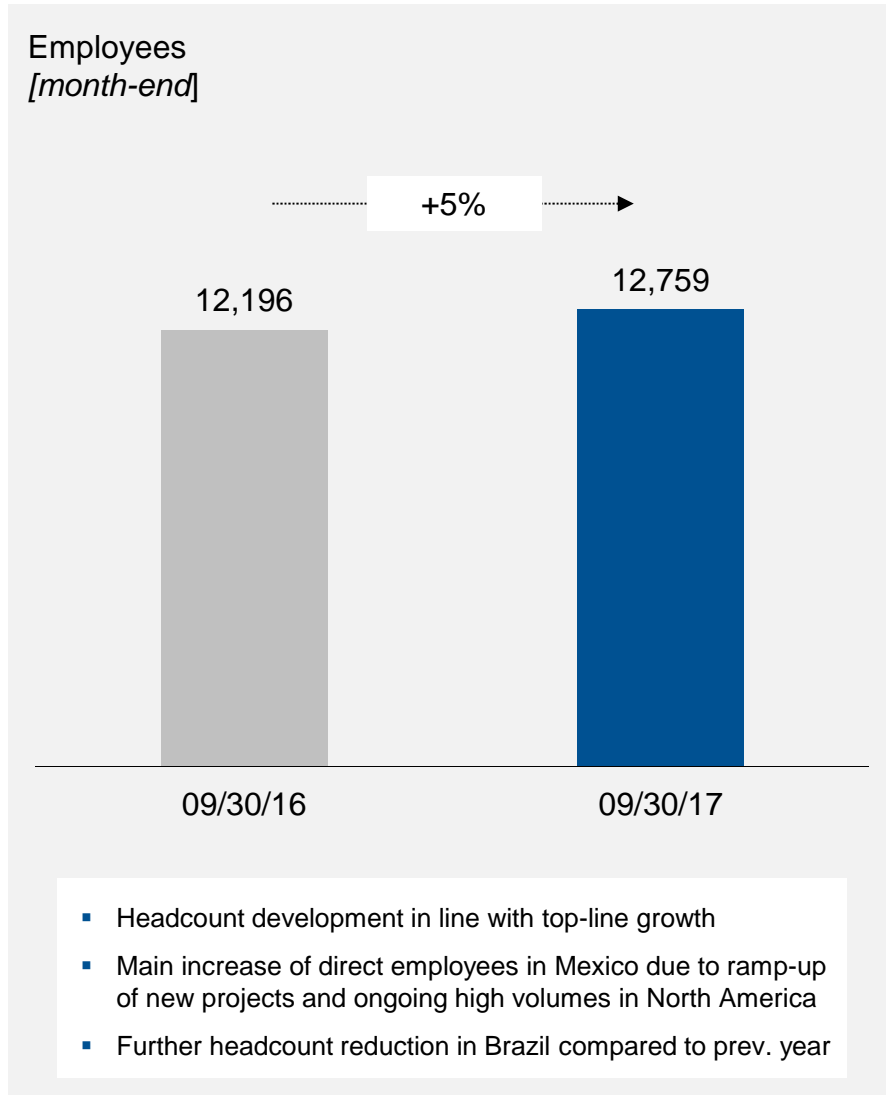
Capex 1-9 2017 by divisions
[in %]



- Main investments in the Automotive segment to expand and optimize global business activities
- Investments within Commercial Vehicle segment focused on capacity expansion in the US and new plant set-up in China

GRAMMER GROUP – DEVELOPMENT 1-9 2017

Increase in headcount in-line with ongoing business growth



AUTOMOTIVE – ORDER INTAKE SITUATION 2017

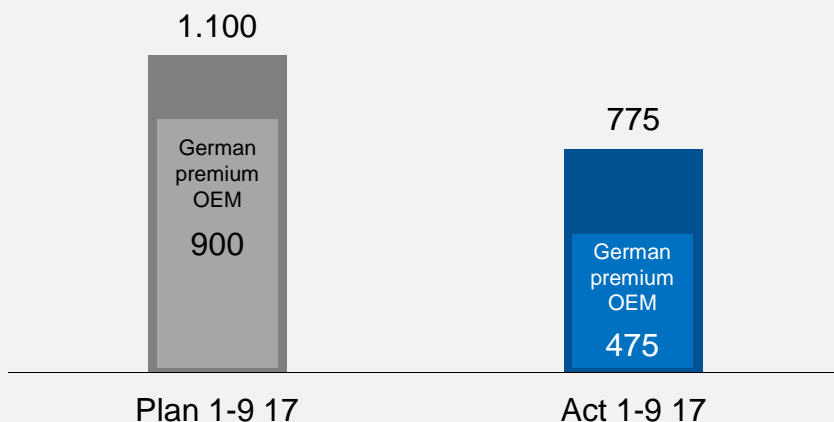
Lower order intake due to reluctance of main customers to award new business



Q1-Q3 2017 Automotive order intake for new projects
[life-time* revenues in € million]

Order intake 1-9/2017 with German Premium OEMs**

Plan 1-9 17	Deviation	Act 1-9 17
900 € m.	-425 € m.	475 € m.



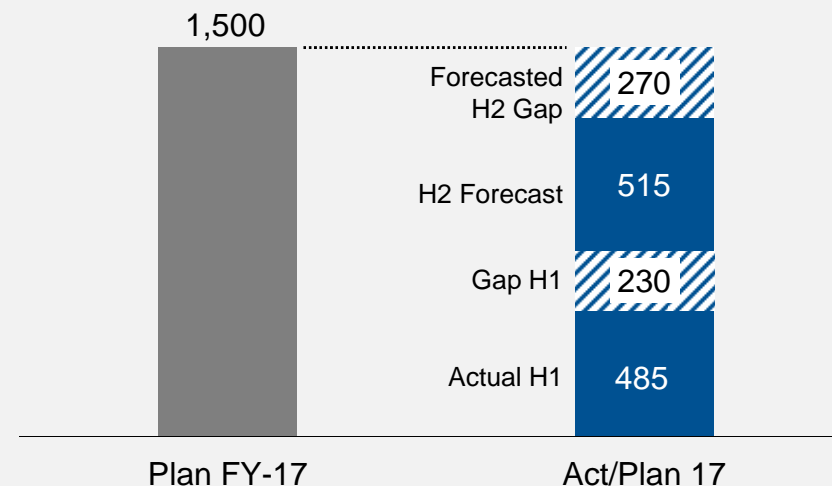
- Order intake for new future projects is still lower compared to our internal expectations
- Despite new business awards after the AGM by one German premium OEM and successful sales activities with other customers the Automotive order intake is lower than planned

*) life-time: projected revenues generated over the entire project life-cycle (ave. 6-7 years)

***) German Premium OEMs: BMW, Daimler, Volkswagen Group

Full-year Automotive order intake for new projects
[life-time revenues* in € million]

Order Intake Forecast FY 2017
950 – 1,050 € m.

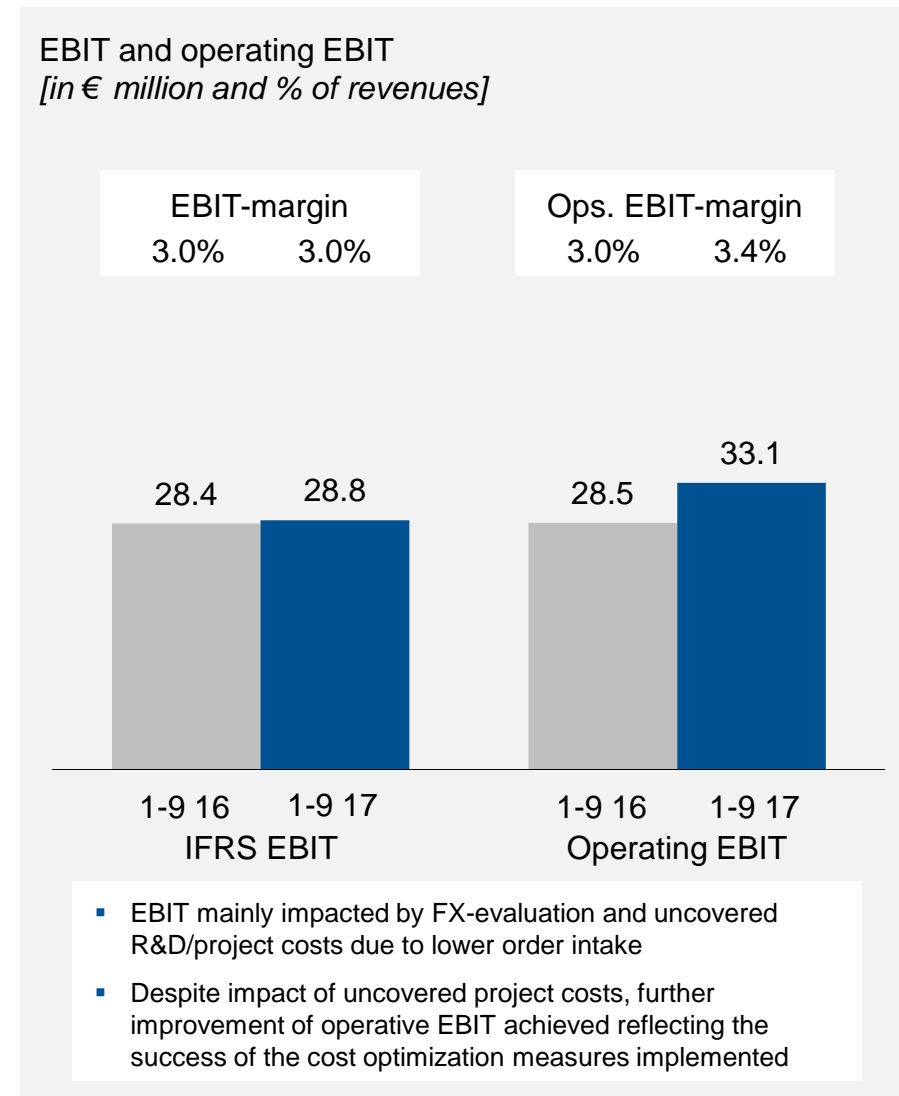
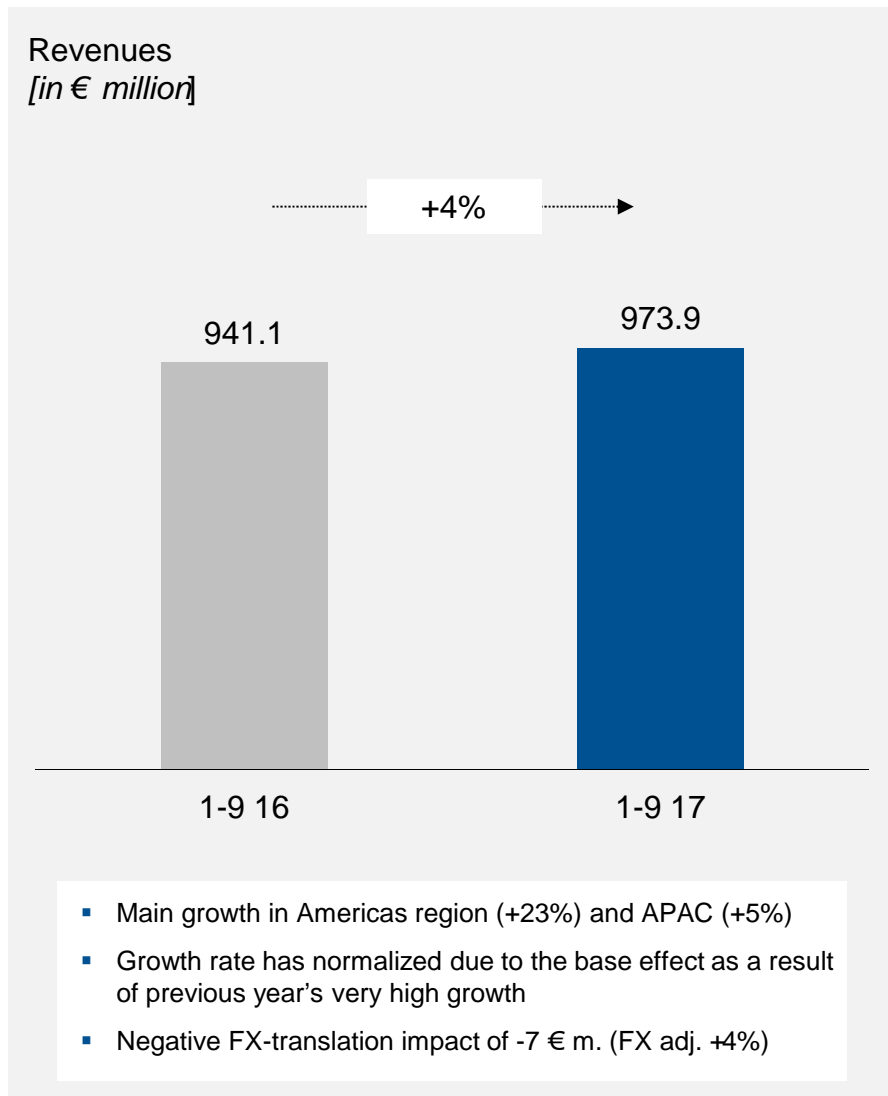


- Because of the surprising non-award of a global follow-up order, GRAMMER expects to fall well short of its planned annual target for new orders in the Automotive segment
- Despite intensified sales activities, the gap can no longer be fully compensated for in the current business year

*) life-time: projected revenues generated over the entire project life-cycle (ave. 6-7 years)

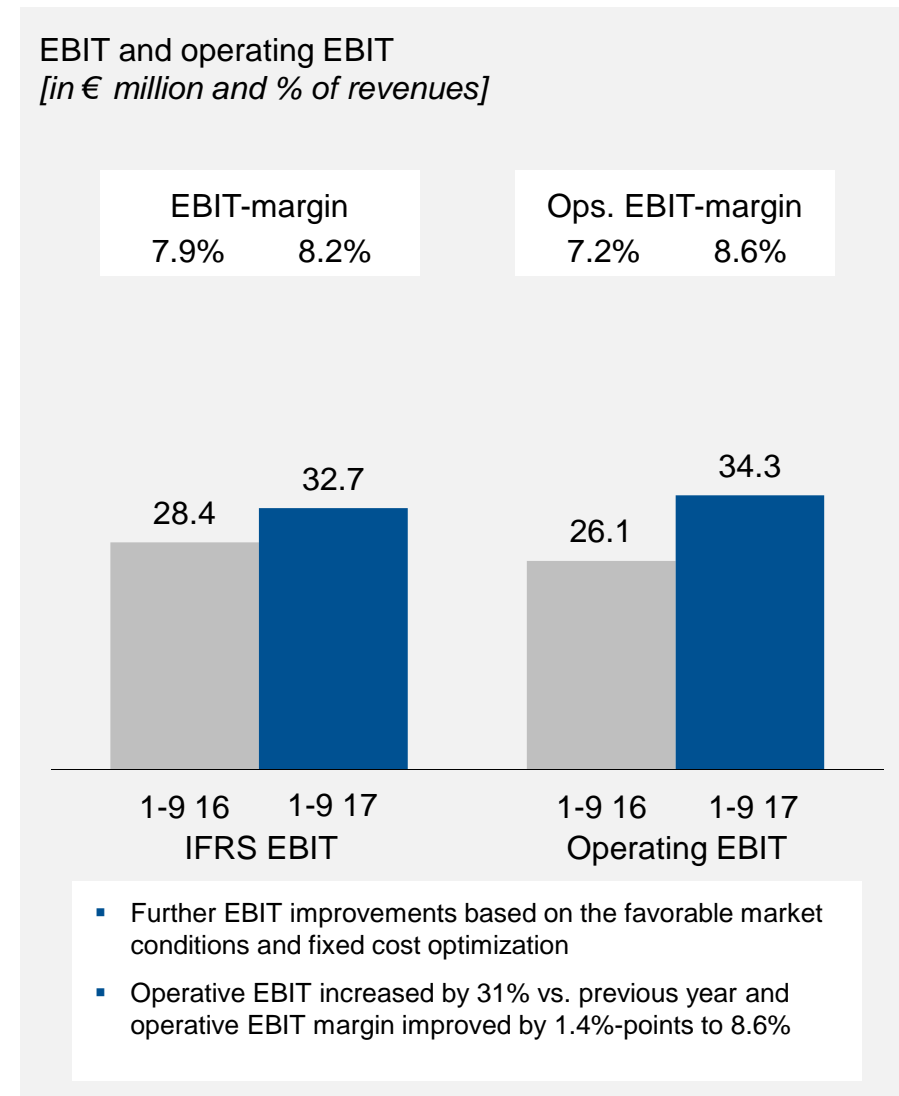
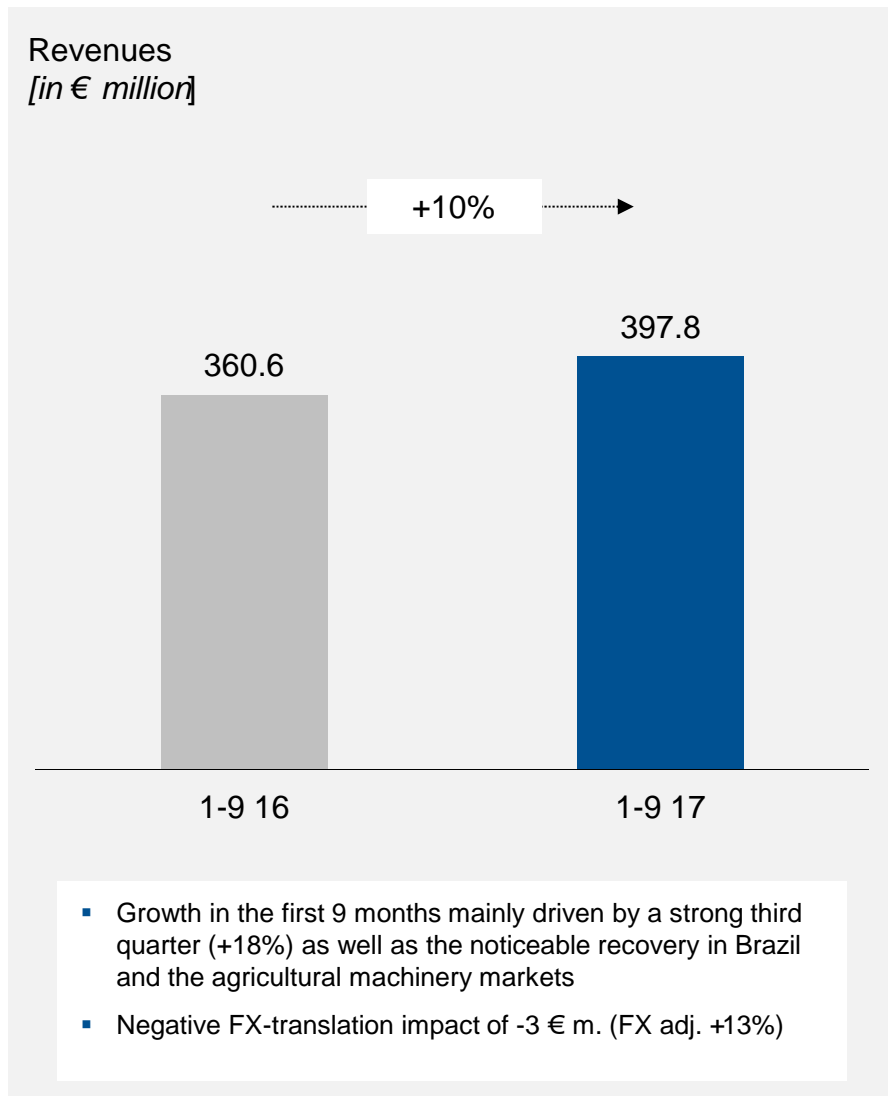
AUTOMOTIVE – DEVELOPMENT 1-9 2017

Improvement of operating performance, but neg. impact of uncovered project costs



COMMERCIAL VEHICLES – DEVELOPMENT 1-9 2017

Partial recovery of key markets and cost optimization drive EBIT improvement



GRAMMER GROUP – MARKET OUTLOOK 2017

Car & Truck markets with solid growth. Brazil and Agriculture recovering in 2017



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

	Actual 2016	Forecast 2017	Trend vs. prev. FC
Europe	+3%	+3%	➔
USA	+2%	-3%	➔
Brazil	-11%	+18%	➔
China	+14%	+/-0%	➔
World	+5%	+2%	➔

Source: IHS, September 2017 forecast (prev. forecast April 2017)

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

	Actual 2016	Forecast 2017	Trend vs. prev. FC
Europe	+4%	+4%	➔
USA	-18%	+6%	➔
Brazil	-19%	-1%	➔
China	+28%	+8%	➔
World	+5%	+5%	➔

Source: IHS, July 2017 forecast (prev. forecast April 2017)

Agricultural market outlook 2017 by our main customers

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

Source: *) John Deere forecast as of August 18, 2017 (prev. forecast as of May 19, 2017)

**) AGCO Group forecast as of October 31, 2017 (prev. forecast July 27, 2017)

GRAMMER GROUP – OUTLOOK 2017

EBIT outlook adjusted to reflect cost impacts of lower level of orders



GRAMMER Group – Outlook:

- At Group level GRAMMER forecasts an increase in revenue of around 5% over the previous year in 2017.
- The reticence of some premium manufacturers to place new orders with GRAMMER AG due to the developments in the shareholders' structure was clearly noticeable especially in the first half-year and is partly still continuing in the second half of 2017.
- As a result of the significantly lower level of orders and smaller number of new projects in the Automotive segment, costs of development, sales and projects can now no longer be allocated to the new projects and invoiced to customers as planned. Accordingly, these costs burden the current business year's operating earnings.
- Despite this additional cost burden GRAMMER AG continues to expect a very positive operating EBIT for the business year 2017 with an operating EBIT margin above the previous year's level of 4.0%.
- From today's point of view there is no need to adjust GRAMMER Group's midterm projections.

ON THE MOVE



Backup Information



GRAMMER GROUP

Key Figures 1-9 and Q3 2017



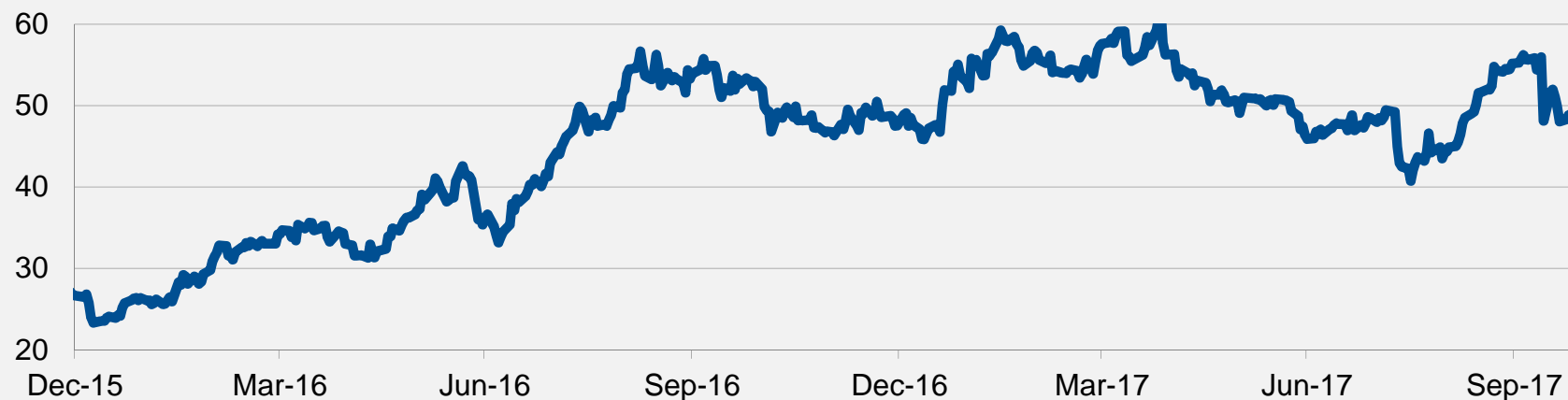
<i>[IFRS, in € million]</i>	Q3 2017	Q3 2016	Chg.	1-9 2017	1-9 2016	Chg.
Group Revenues	430.9	404.7	+6.5%	1,338.9	1,265.3	+5.8%
EBITDA	23.2	25.4	-8.7%	82.7	85.2	-2.9%
EBITDA-Margin	5.4%	6.3%	-0.9%-P	6.2%	6.7%	-0.5%-P
EBIT	10.7	13.1	-18.3%	45.8	49.5	-7.5%
EBIT-Margin	2.5%	3.2%	-0.7%-P	3.4%	3.9%	-0.5%-P
Operating EBIT	14.6	11.8	+23.7%	58.6	47.5	+23.4%
Operating EBIT-Margin	3.4%	2.9%	+0.5%-P	4.4%	3.8%	+0.6%-P
Profit after taxes	5.7	4.3	+32.6%	25.7	25.5	+0.8%
EPS in €	0.47	0.38	23.7%	2.13	2.26	-5.8%
Total Assets	1,092.3	1,034.3	+5.6%	1,092.3	1,034.3	+5.6%
Equity	336.7	249.4	+35.0%	336.7	249.4	+35.0%
Equity-Ratio	31%	24%	+7%-P	31%	24%	+7%-P
Net Financial Debt	156.5	162.9	-3.9%	156.5	162.9	-3.9%
Gearing Ratio	46%	65%	-19%-P	46%	65%	-19%-P
Capex (w/o M&A)	11.7	14.2	-17.6%	40.2	34.1	+17.9%
Depreciation	12.5	12.2	+2.5%	36.9	35.7	+3.4
Employees (month-end)	12,759	12,196	+4.6%	12,759	12,196	+4.6%

GRAMMER AG – SHARE PRICE DEVELOPMENT

Key Figures 1-9 and Q3 2017



GRAMMER share price in € December 31, 2015 until October 30, 2017



Selected Broker Recommendations

Broker	Date	Current Recomm.	Current TP (€)
Oddo BHF	7-Nov-17	Hold	52.0
Bankhaus Lampe	20-Oct-17	Hold	49.0
MM Warburg	16-Oct-17	Buy	57.0
Baader Helvea	13-Oct-17	Hold	55.0
DZ Bank	19-Sept-17	Buy	61.0
LBBW	10-Aug-17	Hold	45.0
Median			53.2

Top Shareholders

Investor	in %*
JAP Capital Holding**	25.51%
Cascade***	13.41%
Halog***	9.18%
Dimensional	4.58%
Own treasury shares	2.62%
Free Float (<3%)	44.70%

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

Basic Share Data

ISIN	DE000589540
WKN / Code	589540 / GMM
Number of shares	12,607,121
Market cap [October 30, 2017]	628 € million
Ave. trading vol. (Xetra)	75,000 shares/day
Ave. trading vol. (all exch.)	110,000 shares/day
Index	SDAX / DAXSector Automobiles

GRAMMER GROUP – FINANCIAL KEY FIGURES

5-year development



<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

Financial Calendar 2018

FY 2017 Analyst Conference March 21, 2018

Interim Management
Statements Q1 / 2018 May 14, 2018

Investor Relations Contact

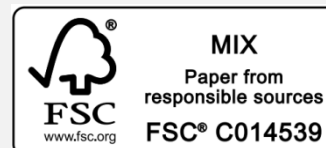
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