

# ON THE MOVE



## **Presentation First Six Months 2019**

Amberg, August 13<sup>th</sup>, 2019



# GRAMMER GROUP – MARKET DEVELOPMENT

Car markets declining while Commercial Vehicles continue to grow



## **Passenger Cars – New Registrations January to June 2019** (source vda)

- First half year in the automotive industry mostly negative around the globe
- New registrations in Germany (+1%), SUVs increased (+14%), Western Europe with decline (-4%)
- North America with decline (-3%), Passenger Cars (-9%), light trucks (+1%)
- China with a strong decline (-14%), car sales have been declining for past 12 months

## **Commercial Vehicles (> 6t) – New Registrations January to June 2019** (source vda)

- Western Europe (+16%), with Germany (+21%) and strong growth in Netherlands, France and UK
- USA with ongoing dynamic growth momentum (+14%), Medium Duty (+5%) and Heavy Duty (+23%)
- Recovery in Brazil is continuing in the first six months (+46%)
- China with a decline (-6%) in the first six months

## **Other Commercial Vehicle Markets**

- Agricultural, construction and material handling markets with ongoing growth in the first six months

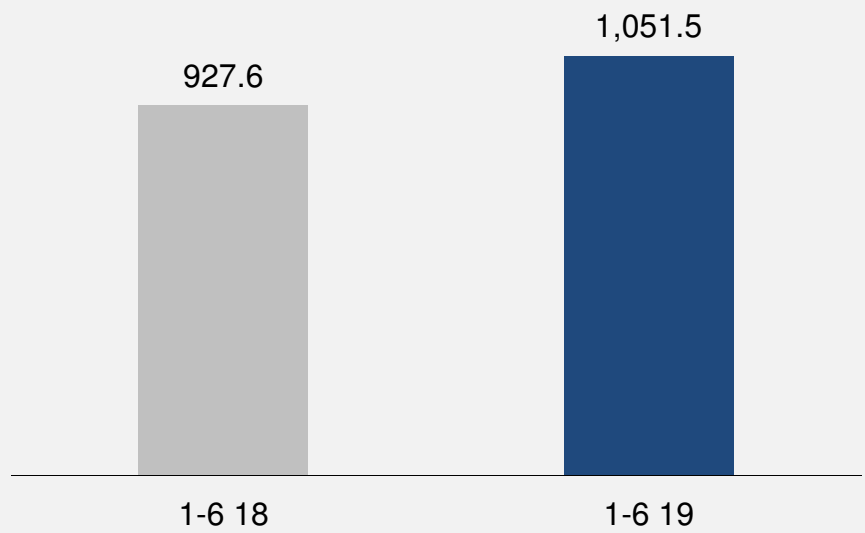
# GRAMMER GROUP – DEVELOPMENT 1-6 2019

Solid start in the first six months of 2019



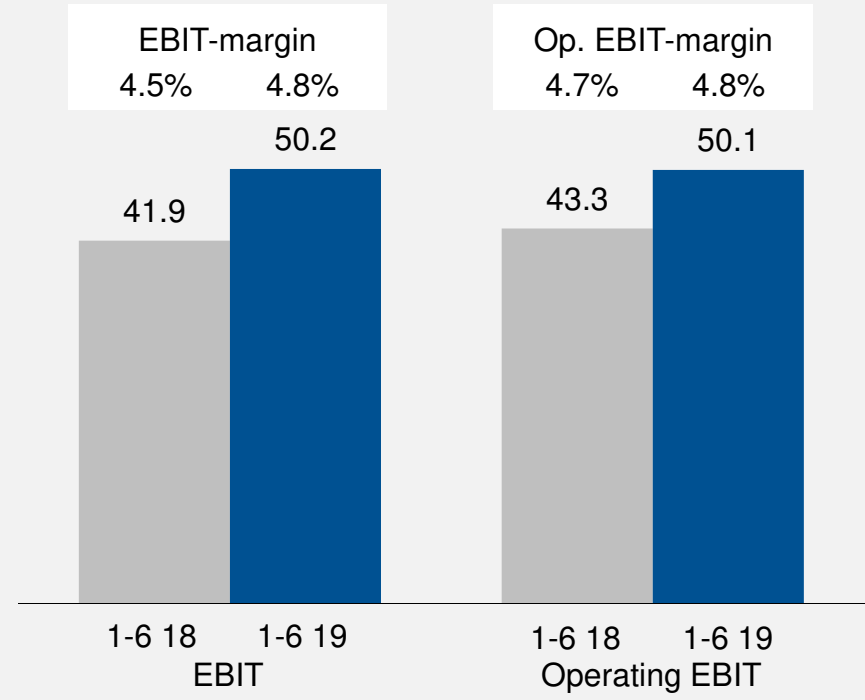
Revenues  
[in € million]

+13%



- Group revenues in 1-6 2019 at 1,051.5 € m.
- Strong organic growth of Commercial Vehicles division (+8%)
- Sales development of Automotive division (+15%) mainly driven by TMD acquisition and higher sales in NA

EBIT and operating EBIT  
[in € million and % of revenues]



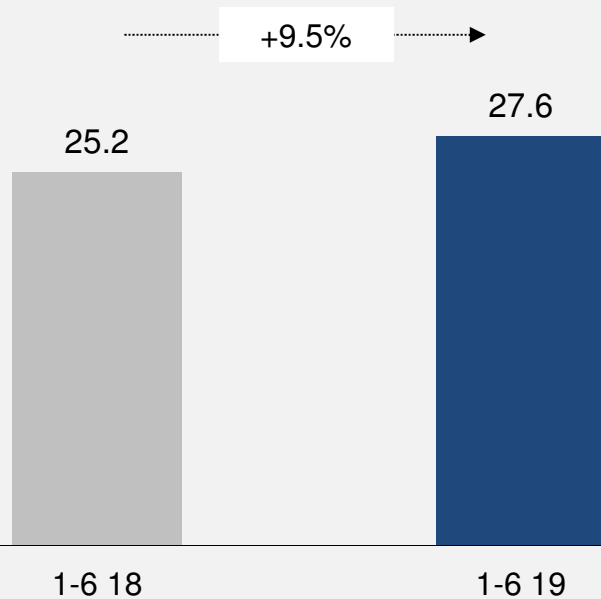
- Absolute EBIT level at 50.2 € m. and EBIT-margin of 4.8% reflects solid H1-19 development

# GRAMMER GROUP – DEVELOPMENT 1-6 2019

Net profit on high levels

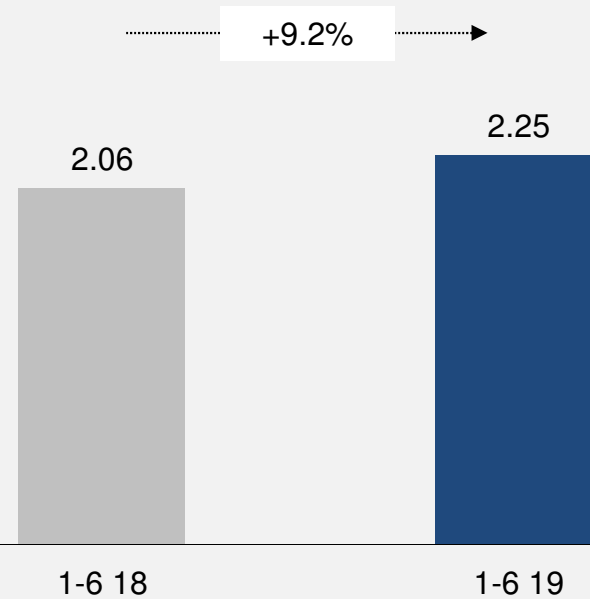


Net Profit  
[in € million]



- Net profit in 1-6 2019 at 27.6 € m.
- Financial result of 10.6 € m.

Earnings per share  
[in €]



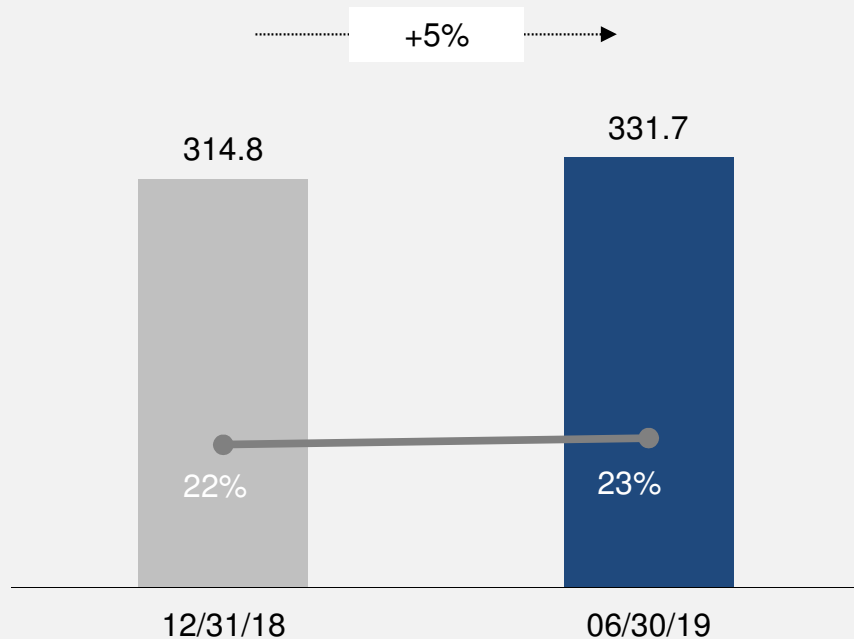
- Strong EPS development reflects positive development of GRAMMER Group net profit

# GRAMMER GROUP – DEVELOPMENT 1-6 2019

Balance sheet influenced by acquisition financing of TMD

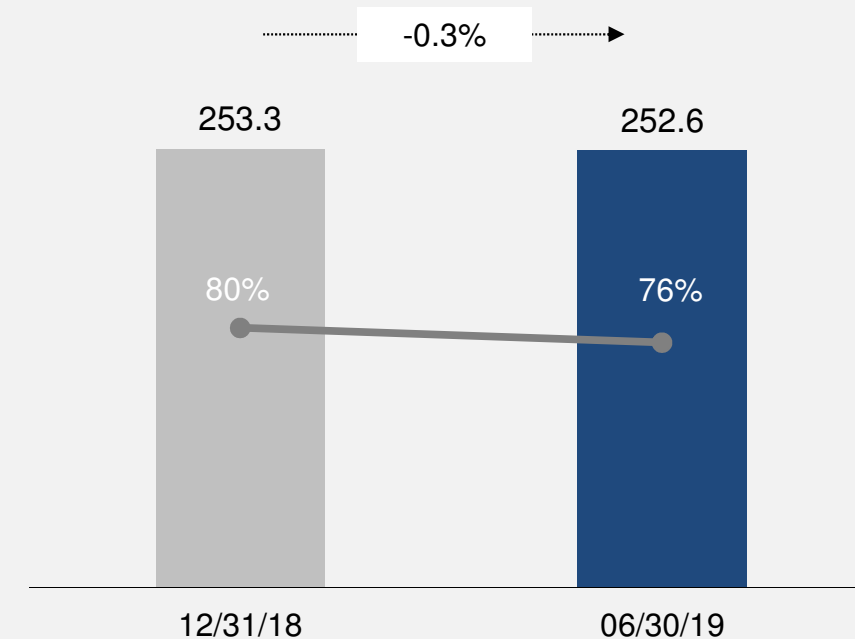


Equity and equity ratio  
[in € million and %]



- Equity increased to 331.7 € m.
- Equity ratio remained at 23% of the increased consolidated financial statements

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



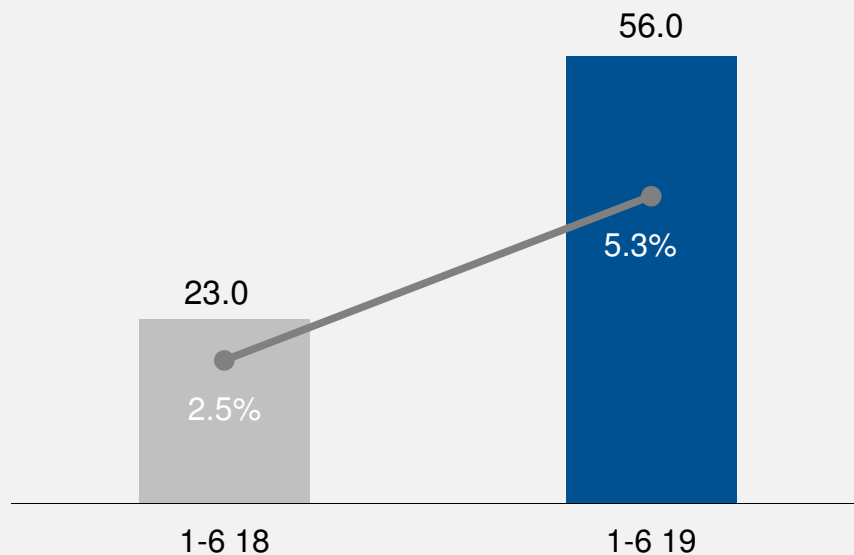
- Net debt decreased to 252.6 € m.
- At 76%, gearing ratio remains on a very solid level

# GRAMMER GROUP – DEVELOPMENT 1-6 2019

## Investments

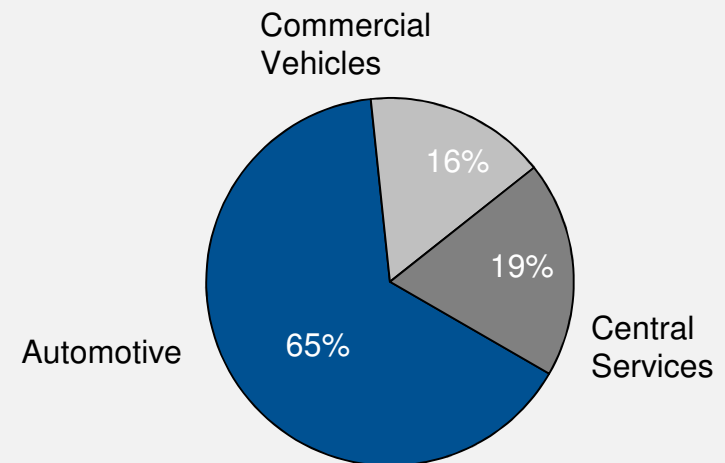


Capex and capex ratio  
[in € million and %]



- Capex of 56 € m. for investments in operational excellence, production ramp-ups and the new Technology Center & Group Headquarters in Ursensollen

Capex 1-6 2019 by divisions  
[in %]



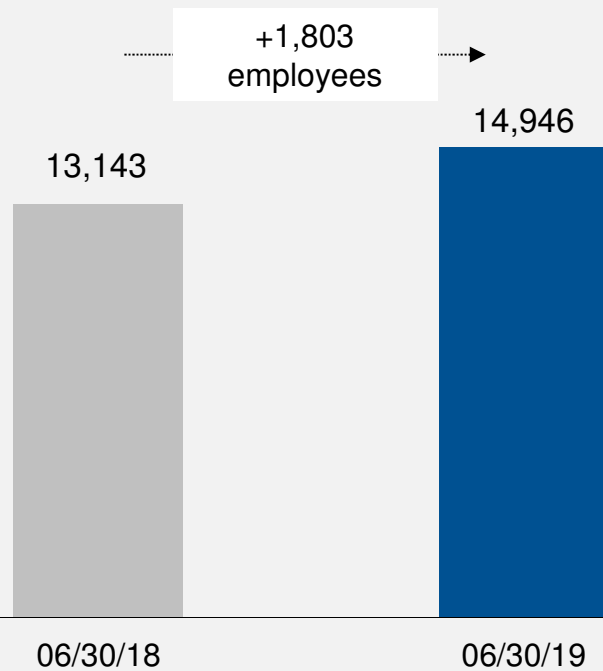
- Main investments in Automotive segment (incl. TMD) to prepare for new product launches and to support efficiency measures

# GRAMMER GROUP – DEVELOPMENT 1-6 2019

Headcount increases due to TMD acquisition

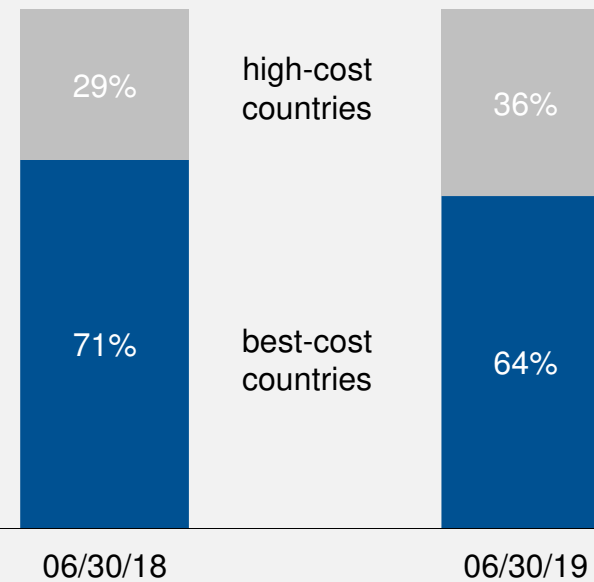


Employees  
[month-end]



- Headcount development reflects acquisition of TMD and staffing for higher business volumes in the CV division

Employees in best-cost / high-cost countries  
[month-end]



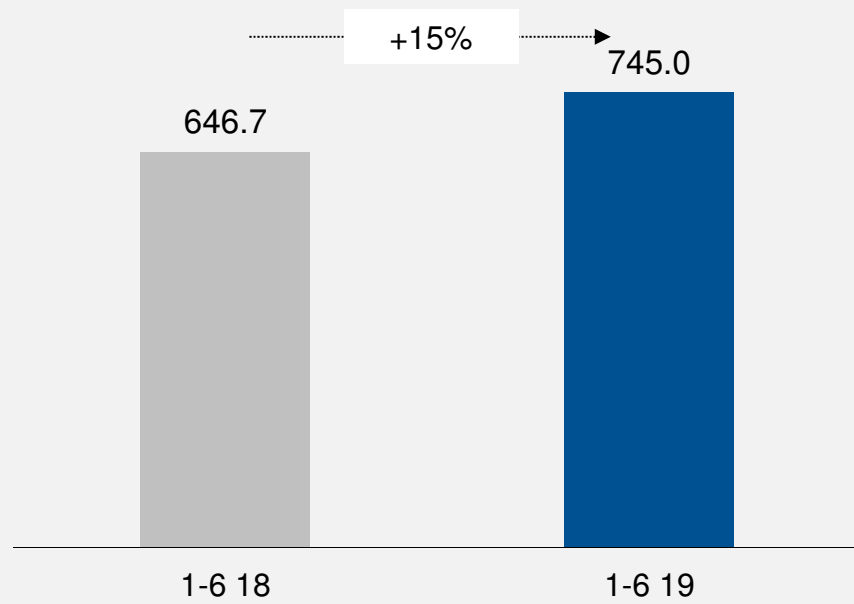
- More than 64% of all employees work in best-cost countries like Serbia, Bulgaria, CZ, Mexico, Turkey or China
- 3,300 GRAMMER employees are located in Germany, providing the solid base for further international expansion

# AUTOMOTIVE – DEVELOPMENT 1-6 2019

Challenging start in H1 as expected – Sales & EBIT planned to improve in H2

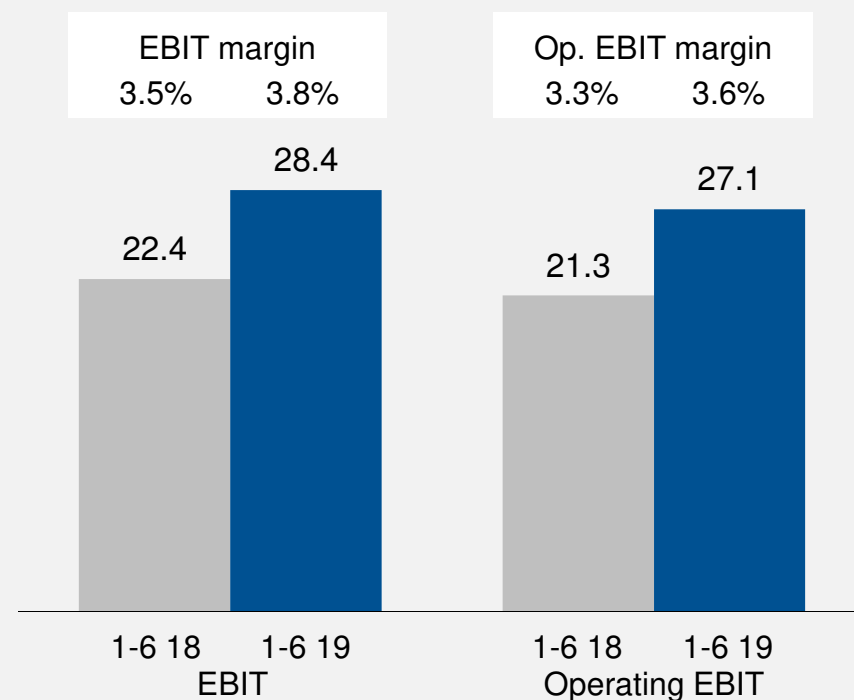


Revenues  
[in € million]



- Strong increase in revenues due to TMD acquisition. Revenues in Americas more than doubled
- EMEA revenues influenced by challenging market conditions in the automotive industry in Europe in particular

EBIT and operating EBIT  
[in € million]



- At 28.4 € m., EBIT in H1-19 higher than previous year with EBIT margin at 3.8%
- Op. EBIT in H1-2019 at 27.1 € m. higher than previous year with EBIT margin at 3.6 %

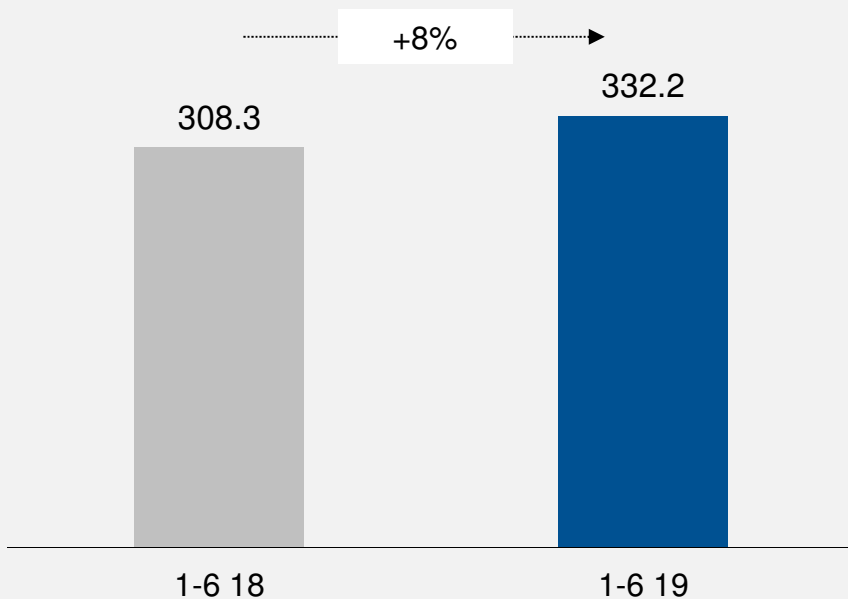


# COMMERCIAL VEHICLES – DEVELOPMENT 1-6 2019

Strong performance in a dynamic market environment

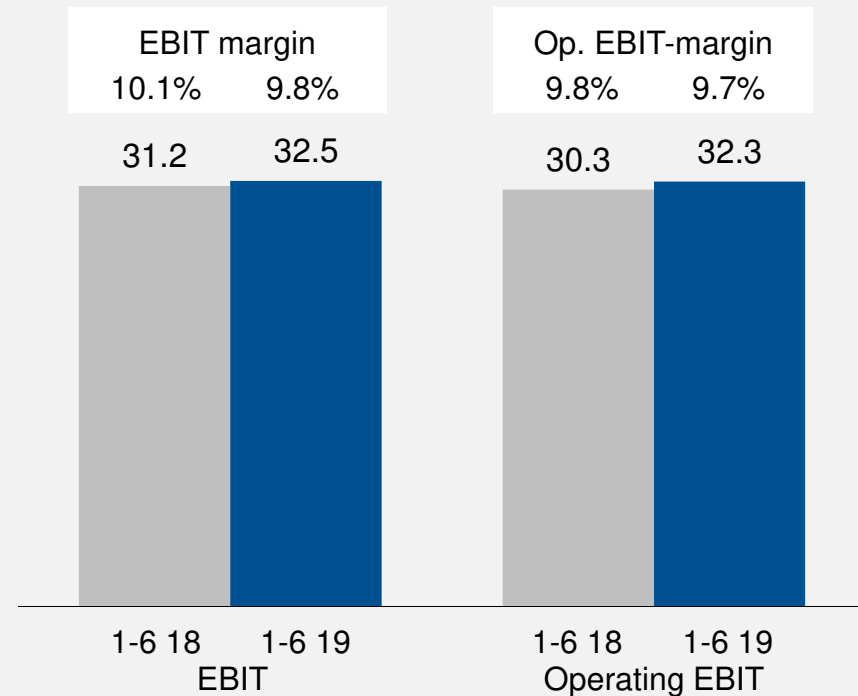


Revenues  
[in € million]



- Continued strong growth due to ongoing positive development of the major market segments in H1 2019
- Growth in all regions underline higher market penetration and market share gains of GRAMMER's seating systems

EBIT and operating EBIT  
[in € million]








- EBIT improved to 32.5 € m.
- EBIT margin decreased slightly in the first half year triggered by additional special costs due to very high capacity utilization rates

# GRAMMER GROUP – MARKET OUTLOOK 2019

Most regional car & commercial vehicle markets expected to decline



|   |                            |                              | Europe                         | USA           | Brasil          | China  | World                          |
|---|----------------------------|------------------------------|--------------------------------|---------------|-----------------|--|--------------------------------|
|    | Worldwide car production   | Source: IHS 06/2019          | -2%                            | -2%           | +2%             | -4%  | -3%                            |
|    | Worldwide truck production | Source: IHS 04/2019          | +1%                            | +7%           | +9%             | -8%  | -1%                            |
|    | Agricultural machinery     | Source: John Deere 05/2019   | Flat                           | Flat to up 5% | 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 |

# GRAMMER GROUP – OUTLOOK 2019

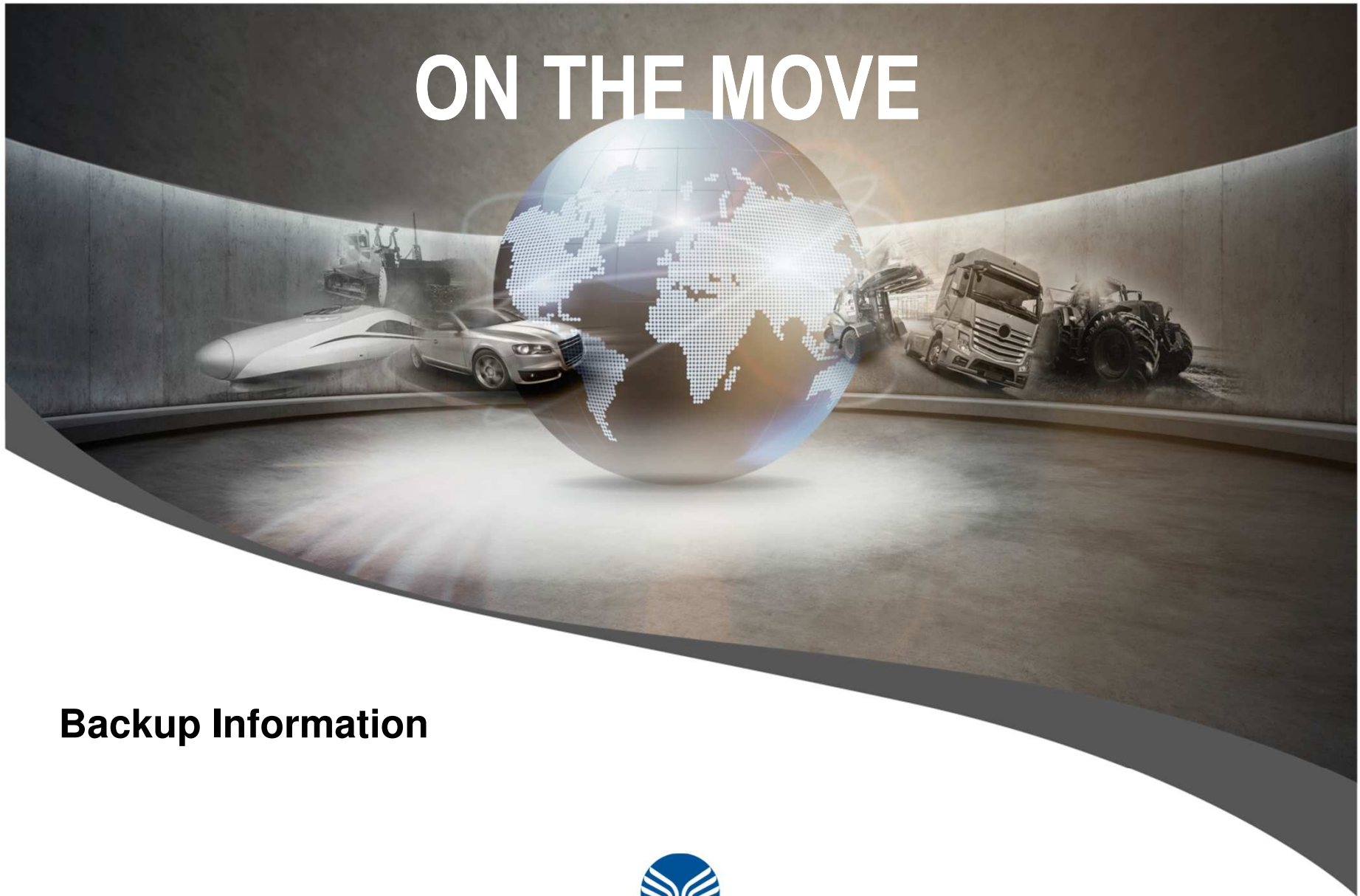
Further growth and improved profitability expected for GRAMMER



|                    |                       | Actual 2018    | Outlook 2019                  |
|--------------------|-----------------------|----------------|-------------------------------|
| GRAMMER<br>Outlook | Group sales revenue   | 1.86 billion € | around 2.1 billion €          |
|                    | EBIT                  | 49 million €   | Very clearly above prev. year |
|                    | Operating EBIT margin | 4.1%           | > previous year               |
|                    | ROCE                  | 10.5%          | > previous year               |

**Important note:**  
 The outlook for the second half-year 2019 is based on the current forecasts for the global economy as well as our main markets and customers. Recent developments with respect to trade restrictions as well as mutually imposed retaliatory customs tariffs could have a negative impact on the sales of our customers in the Automotive Division in the second half of the year and may leave noticeable traces on future earnings.

# ON THE MOVE



**Backup Information**



# GRAMMER GROUP

## Key Figures 1-6 2019



| <i>[IFRS in € million]</i>          | Q2 2019 | Q2 2018 | Chg.         | 01-06 2019 | 01-06 2018 | Chg.         |
|-------------------------------------|---------|---------|--------------|------------|------------|--------------|
| <b>Group Revenues</b>               | 517.4   | 473.2   | 9.3%         | 1,051.5    | 927.6      | 13.4%        |
| <b>EBITDA</b>                       | 47.1    | 33.4    | 41.0%        | 91.3       | 65.4       | 39.6%        |
| <b>EBITDA margin (in %)</b>         | 9.1     | 7,1     | 2.0 %-points | 8.7        | 7.1        | 1.6 %-points |
| <b>EBIT</b>                         | 26.2    | 21,5    | 21.9%        | 50.2       | 41.9       | 19.8%        |
| <b>EBIT margin (in %)</b>           | 5.1     | 4,5     | 0.6%-points  | 4.8        | 4.5        | 0.3%-points  |
| <b>Operating EBIT</b>               | 27.1    | 22,8    | 18.9%        | 50.1       | 43.3       | 15.7%        |
| <b>Operating EBIT margin (in %)</b> | 5.2     | 4,8     | 0.4%-points  | 4.8        | 4.7        | 0.1%-points  |
| <b>Profit after taxes</b>           | 16.0    | 13,0    | 23,1%        | 27.6       | 25.2       | 9.5%         |
| <b>EPS in €</b>                     | 1.30    | 1,06    | 22,6%        | 2.25       | 2.06       | 9.2%         |
| <b>Total Assets</b>                 | 1,468.7 | 1,071.2 | 37.1%        | 1,468.7    | 1,071.2    | 37.1%        |
| <b>Equity</b>                       | 331.7   | 319.9   | 3.7%         | 331.7      | 319.9      | 3.7%         |
| <b>Equity ratio</b>                 | 23      | 30      | -7%-points   | 23         | 30         | -7%-points   |
| <b>Net Financial Debt</b>           | 252.6   | 137.2   | 84.1%        | 252.6      | 137.2      | 84.1%        |
| <b>Gearing ratio (in %)</b>         | 76      | 43      | 33%-points   | 76         | 43         | 33%-points   |
| <b>Capex (w/o M&amp;A)</b>          | 23.6    | 13.0    | 81.5%        | 56.0       | 23.0       | 143.5%       |
| <b>Depreciation</b>                 | 20.9    | 11.9    | 75,6%        | 41.1       | 23.5       | 74.9%        |
| <b>Employees (month-end)</b>        | 14,946  | 13,143  | 13.7%        | 14,946     | 13.143     | 13.7%        |

# GRAMMER AG

## Share price development



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



### Selected Broker Recommendations

| Broker           | Date      | Current Recomm. | Current TP (€) |
|------------------|-----------|-----------------|----------------|
| Baader Helvea    | 14-May-19 | Hold            | 39.0           |
| Bankhaus Lampe   | 14-May-19 | Buy             | 52.0           |
| DZ Bank          | 15-May-19 | Hold            | 36.0           |
| MM Warburg       | 15-May-19 | Hold            | 36.0           |
| Oddo BHF         | 14-May-19 | Hold            | 41.0           |
| <b>Consensus</b> |           |                 | <b>40.8</b>    |

### 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  |

# GRAMMER GROUP

## Financial key figures 5-year overview



| <i>[IFRS, in € million]</i> | 2018    | 2017    | 2016    | 2015    | 2014    |
|-----------------------------|---------|---------|---------|---------|---------|
| Group Revenues              | 1,861.3 | 1,786.5 | 1,695.9 | 1,425.7 | 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  |

### Financial Calendar 2019

Interim Management  
Statements Q3 / 2019

November 12, 2019

### Investor Relations Contact

Boris Mutius  
Head of Investor Relations,  
Communications, Marketing, CSR

Phone: +49 (0)9621 66 2200

Fax: +49 (0)9621 66 32200

Email: [investor-relations@grammer.com](mailto:investor-relations@grammer.com)

Internet: [www.grammer.com/investor-relations](http://www.grammer.com/investor-relations)



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