

Ad hoc announcement



**Disclosure of inside information in accordance with Art. 17 MAR
GRAMMER AG (WKN 589540, ISIN DE0005895403)**

GRAMMER AG – Lower revenues due to weaker OEM sales and transaction costs impact result in the 3rd quarter of 2018 – adjustment of full-year outlook necessary

Amberg, October 15, 2018 – In view of the decline in revenues in the Automotive division that persisted since the end of the third quarter due to the accelerated and ongoing weaker demand especially in the European passenger car markets, the Group will fall short of its revenue target for 2018 (EUR 1.85 billion) by at least EUR 50 million.

According to preliminary tentative figures, the seasonal recovery expected for the Automotive division after the end of the summer vacations in September failed to emerge. Consequently, revenues and operative earnings in this segment had a adverse effect on Grammer's Group earnings. Consequently Group operative earnings before interest and taxes (operative EBIT) of around EUR 57 million in the period from January to September 2018 will be falling shortly below of the previous year's figure of EUR 58.6 million.

Moreover, the GRAMMER Group incurred typical one-time transaction expense in connection with the takeover of the company by an entity affiliated with strategic partner Ningbo Jifeng in the third quarter.

Accordingly, accumulated Group earnings before interest and taxes (EBIT) came to around EUR 27 million in the period from January to September 2018, thus falling well short of the previous year's figure of EUR 45.8 million. In view of the negative Group earnings in the third quarter, the company now assumes that full-year EBIT in 2018 will be substantially lower than in the previous year (EUR 66.5 million) and also fail to reach the current full-year guidance.

The company will be publishing revised revenue and earnings guidance in its Q3 report, which will be published on November 13, 2018.

Grammer AG
Executive Board