



# Investor Presentation

February 2015





## **CORPORATE OVERVIEW**



**GRAMMER**

# GROUP – KEY FACTS & FIGURES



## Leading global player in the automotive and commercial vehicle industry

### Facts

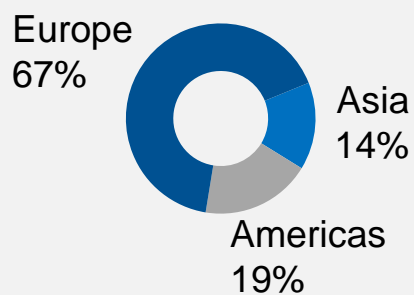
- Leading manufacturer of premium interior components and seating solutions
- Global player with > 10,000 employees
- Broad international manufacturing and R&D network in 20 countries
- Strong market position in core markets

### Financials [in € million]

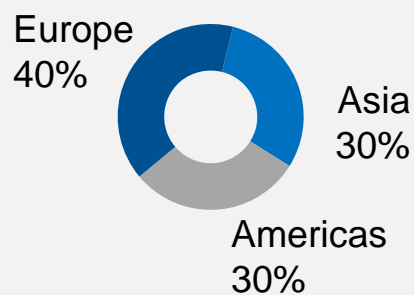
	2013	2012	2011
Revenues	1,266	1,133	1,094
Growth in %	+12%	+4%	+18%
EBIT	58	49	49
EBIT-Margin	4.6%	4.3%	4.5%
EPS in €	2.67	2.38	2.02
Dividend in €	0.65	0.50	0.40

### Revenues by region [FY 2013]

#### By customer location

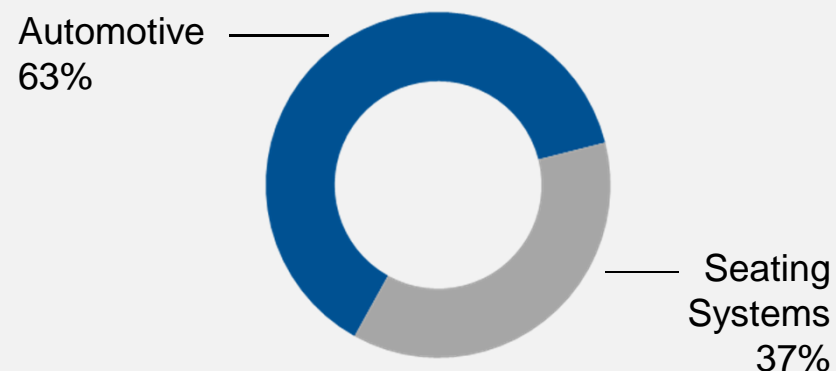


#### By end-user location\*



\*) estimation

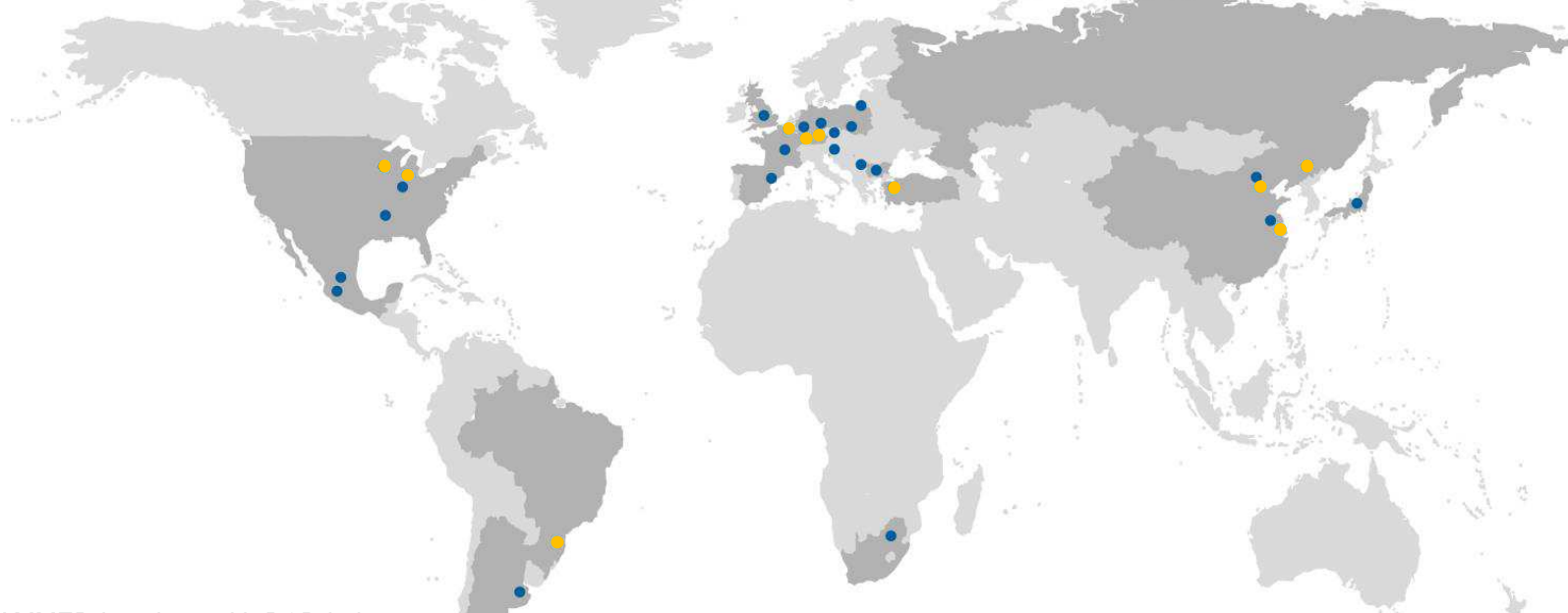
### Revenues by division [FY 2013]





## GROUP – GLOBAL FOOTPRINT

Global player on 4 continents with an international production & R&D network



- GRAMMER locations with R&D hubs
- GRAMMER production & sales locations

	Americas	Germany	Europe (w/o Germany)	Asia / Row	Total
# of locations*	8	8	14	7	37
thereof plants w/ R&D	2	2	2	4	10
% of total headcount	20%	20%	45%	15%	100%
% of R&D HC**	15%	60%	5%	20%	100%
% of Group Functions HC	15%	35%	30%	20%	100%

\*) Manufacturing plants, front-ends, sales & engineering offices

\*\*) R&D incl. project management

# AUTOMOTIVE – PRODUCT PORTFOLIO



Premium interior components for maximum in safety, comfort & functionality



Headrests



Consoles



Armrests



crash-active



x-adjustable



center console system



rear armrest



comfort



multimedia



center console body



front armrest



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# SEATING SYSTEMS – PRODUCT PORTFOLIO

Highly innovative seating solutions and broad product portfolio for all applications



Offroad



Truck & Bus



Railway



agricultural



construction



truck driver seats



railway passenger seats



material handling



turf care



bus driver & passenger seats



railway driver seats

# GRAMMER DIVISIONS – KEY FACTS & FIGURES



## Interior components for passenger cars and suspended seats for commercial vehicles

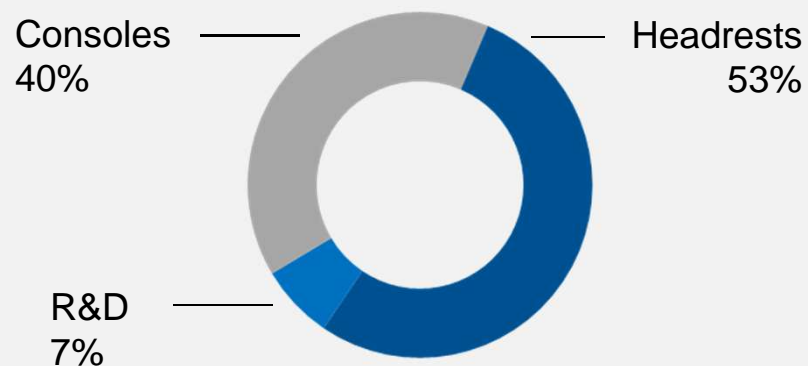
### Automotive – Financials [in € million]

	2013	2012	2011
Revenues	813	711	680
Growth in %	+14%	+4%	+11%
EBIT	33	31	27
EBIT-Margin	4.1%	4.3%	4.0%
Capex	30	25	15
Employees	6,101	5,279	5,148

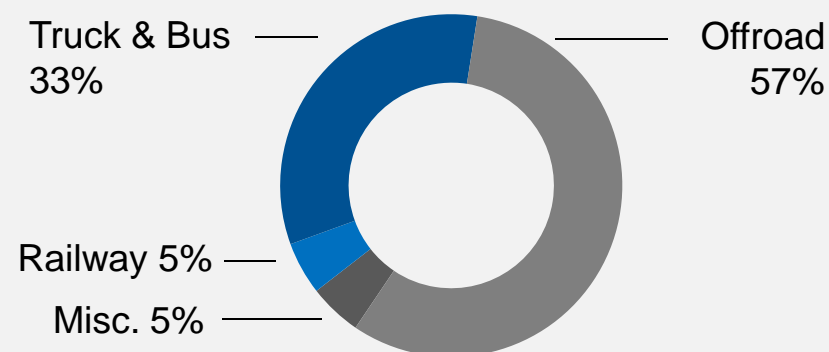
### Seating Systems – Financials [in € million]

	2013	2012	2011
Revenues	473	439	438
Growth in %	+8%	+1%	+28%
EBIT	38	26	31
EBIT-Margin	8.0%	6.0%	7.0%
Capex	16	13	22
Employees	3,729	3,088	3,377

### Automotive – revenues by product segment



### Seating Systems – revenues by product segment



# GROUP – CUSTOMER STRUCTURE & MARKET SHARES



Broad customer base in both divisions – “The who is who of the industry”

## Automotive – major OEM customers



## Seating Systems – major OEM customers



## Automotive – market shares

	Headrest	Consoles
Europe	#1	#2
North America	#3	#5
South America	Market entry 2014 / 2015	
China	#4	#5

Note: relevant market segments

## Seating Systems – market shares

	Offroad	Truck
Europe	#1	#2
North America	#2	#2
South America	#1	#1
China	#3	#5





**GROUP – GLOBAL GROWTH STRATEGY**



**GRAMMER**

## Main factors of GRAMMER's global growth strategy

**1** **Innovations** and M&A to strengthen our global leadership

**2** **Globalization** driven by regional market shift towards emerging markets



# GROUP – LONGTERM MARKET GROWTH

Global mega trends as key drivers for long-term growth of automotive and truck markets



Population Growth



Food Demand

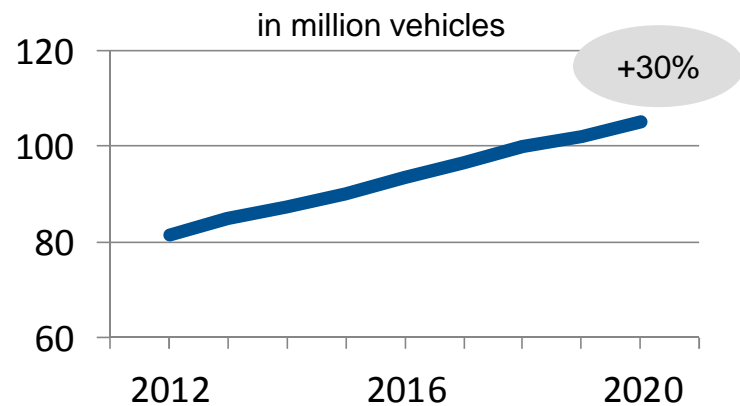


Mobility



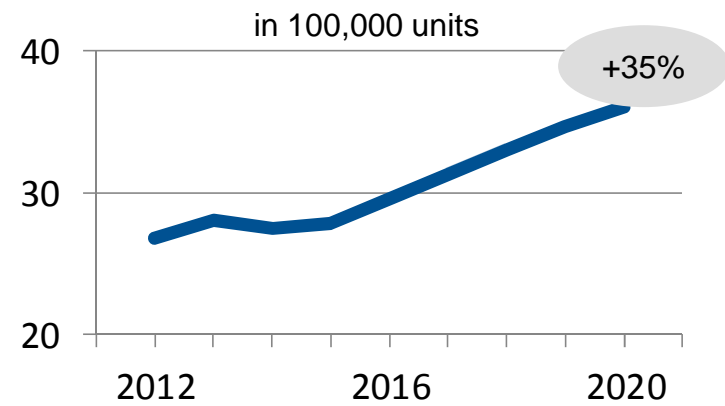
Urbanization

## Global Light Vehicle Production



Source: IHS, December 2014

## Global Heavy Truck Production



Source: LMCA, Q4/2014



# GROUP – INNOVATION AS GROWTH DRIVER

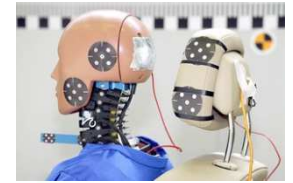
Supported by M&A strategy, our passion for new ideas & innovations drive our leadership

Main pillars of our R&D and M&A activities:

M&A focus

## Passenger Safety

Active Safety Systems



Passive Safety Systems



## Ergonomics

Ergomechanics®



Design for use®



## Materials & Technology

Light Weight



Surfaces (touch & feel)



## Electronics

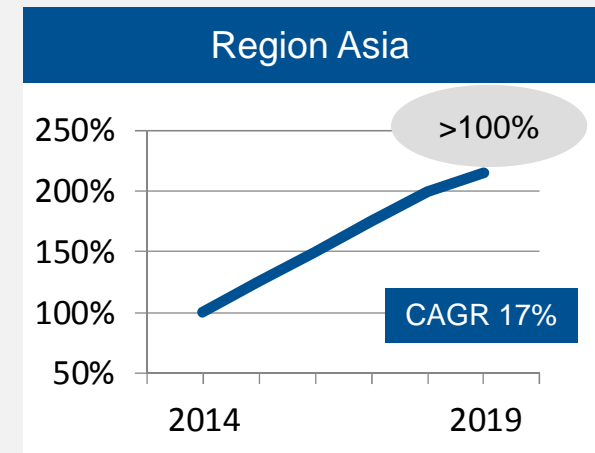
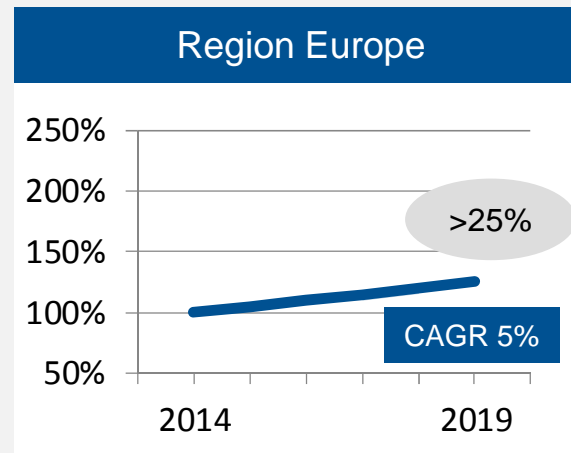
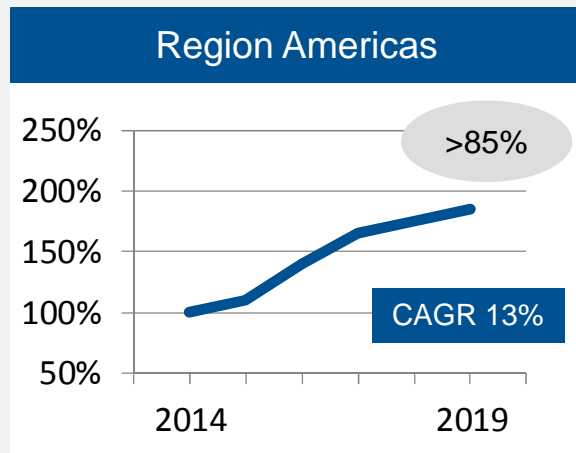




## **GROUP – GLOBALIZATION AS GROWTH DRIVER**

**Strong global presence as basis for GRAMMER's huge growth potential in all regions**

### **GRAMMER's 5 year growth potential**



### **Strong global presence is key for GRAMMER's successful growth strategy**

Future growth will continue to be generated mainly outside of Europe

Global presence allows balancing weaker European markets with strong growth abroad

High number of projects will secure leading position in Europe & boost business in Americas & Asia



**PRELIMINARY RESULTS 2014 & MARKET OUTLOOK 2015**



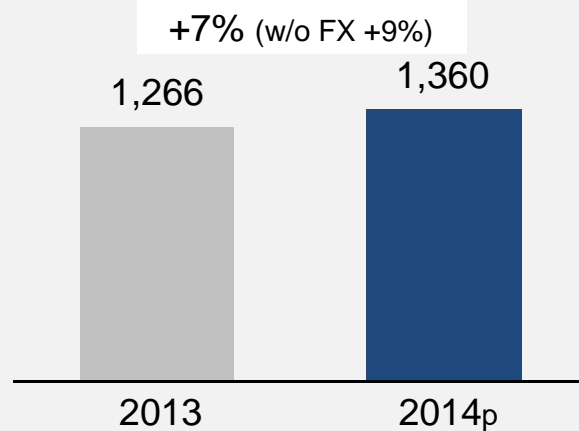
**GRAMMER**



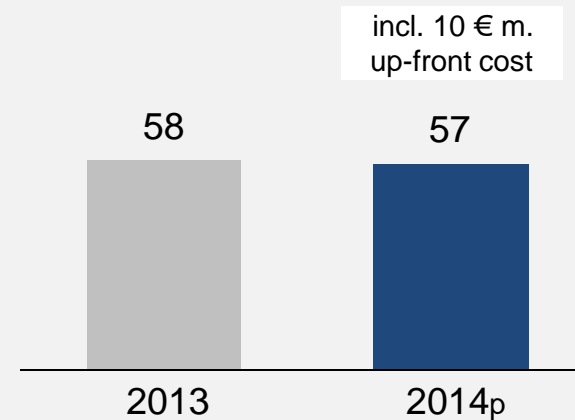
## GROUP – PRELIMINARY RESULTS 2014

Group revenue increased by 7%. EBIT on previous year's level despite up-front costs.

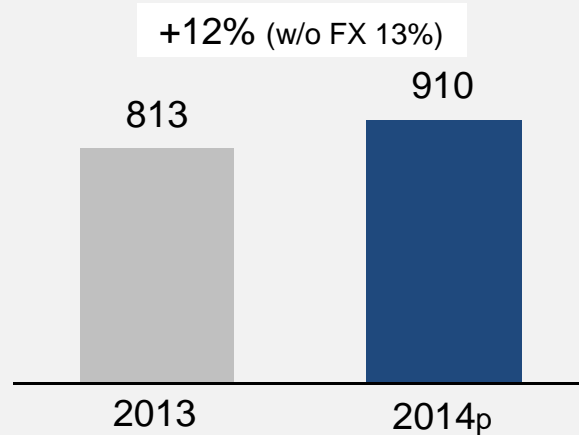
**Group Revenues** [in € million]



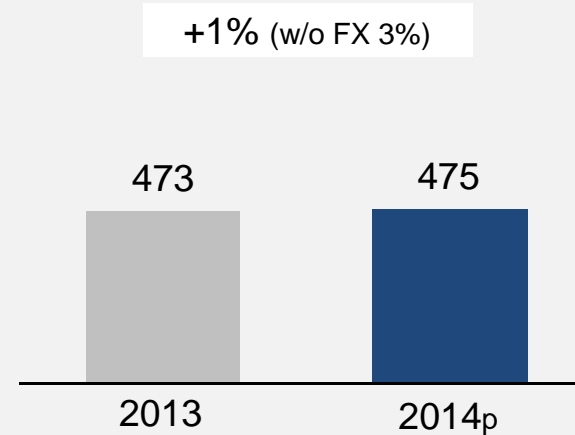
**Group EBIT** [in € million]



**Automotive Revenues** [in € million]



**Seating Systems Revenues** [in € million]



## Global car and truck markets continued to grow, but uncertainties remain esp. in Brazil

Global passenger car production  
[in % vs. previous year]

	2014	Trend 2015
Europe	+3%	➔
North America	+5%	➔
South America	-16%	➔
China	+8%	➔
World	+3%	➔

Source: IHS, December 2014

Global production of heavy trucks  
[in % vs. previous year]

	2014	Trend 2015
Europe	-10%	➔
North America	+15%	➔
South America	-15%	➔
China	-5%	➔
World	-2%	➔

Source: LMCA, Q4/2014



## GROUP – SUMMARY: PILLARS OF SUCCESS



GRAMMER Group is well positioned for profitable growth & value generation

- 1 Trendsetter in ergonomics, safety & comfort through continuous R&D efforts
- 2 Strong global presence in all core markets and regions
- 3 Global GRAMMER network including 10 R&D centers and relevant core functions
- 4 Strong customer base and increasing customer penetration as system supplier
- 5 Financial flexibility to fund future growth combined with attractive dividend policy



## **BACKUP INFORMATION**



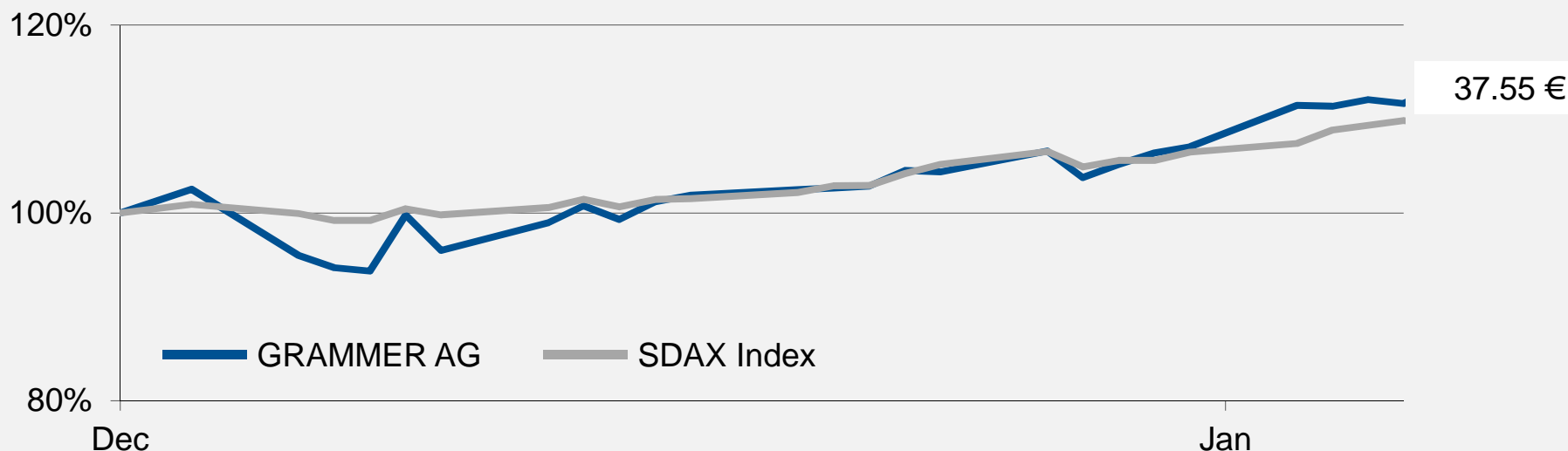
**GRAMMER**



# GROUP – SHARE PRICE DEVELOPMENT 2015

## Positive share price development in volatile stock markets

Share price development January 2015 – February 2015



### Basic share data

ISIN	DE000589540
WKN / Code	589540 / GMM
Number of shares	11.544.674
Market cap. 2014/02/06	433 € million
Primary stock exchange	XETRA (Frankfurt)
Index	SDAX

### Shareholder structure

DWS Investment	5.18%
Wynnefield	5.17%
EQMC	5.10%
BNP Paribas	5.02%
Dimensional	3.01%
Own shares	2.86%

## GROUP – EXECUTIVE BOARD



Highly experienced management team driving profitable growth strategy



Hartmut Müller  
CEO

- joined in 2007
- more than 25 years of automotive experience
- former positions include:
  - GM climate control North & Eastern Europe, Valeo S.A.
  - CEO & GM power steering systems, Continental AG



Volker Walprecht  
CFO

- joined in 2012
- 25 years of industry experience
- former positions include:
  - CFO Oil & Gas Division, Siemens AG
  - CFO Chassis & Safety Division, Continental AG



Manfred Pretscher  
COO

- joined in 2010
- 30 years of automotive experience
- former positions include:
  - GM climate control systems Germany, Valeo S.A.
  - Head of R&D for engine cooling systems Germany, Valeo S.A.



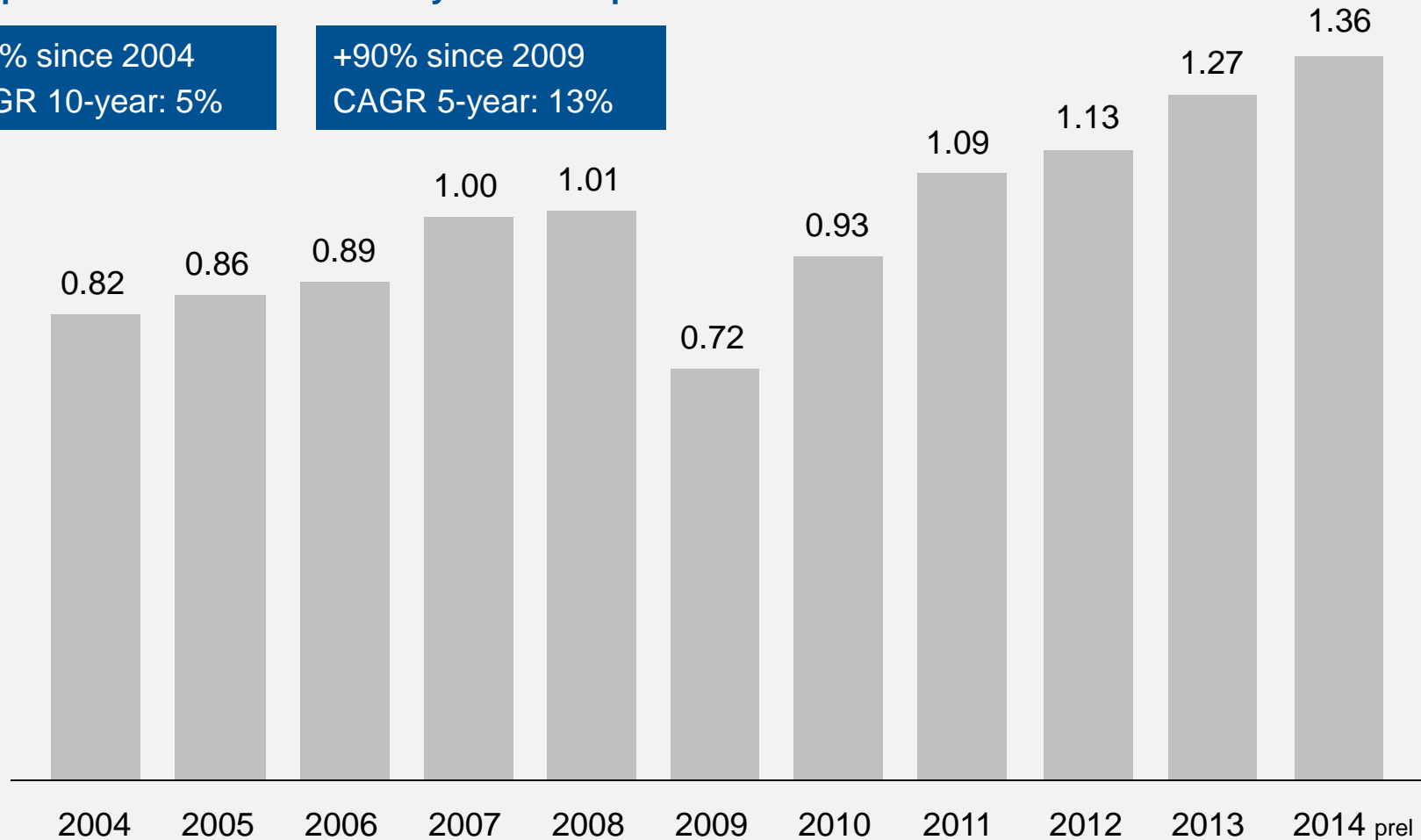
## **GROUP – LONG-TERM GROWTH 2004 – 2014** prel

### Strong track record of revenue growth

Group revenues in € billion – 10 year development:

+65% since 2004  
CAGR 10-year: 5%

+90% since 2009  
CAGR 5-year: 13%





## GROUP – KEY FIGURES Q3 and 1-9 2014

	1-9 2014	1-9 2013	Chg.	Q3 2014	Q3 2013	Chg.
Group Revenues	993.8	952.9	4.3%	324.2	310.4	4.4%
EBITDA	69.8	68.5	1.9%	21.8	21.9	-0.5%
EBITDA-Margin	7.0%	7.2%	-0.2%-P	6.7%	7.1%	-0.4%-P
EBIT	43.1	43.3	-0.5%	12.2	13.2	-7.6%
EBIT-Margin	4.3%	4.5%	-0.2%-P	3.8%	4.3%	-0.5%-P
Profit after taxes	25.8	23.9	7.9%	7.5	6.6	13.6%
EPS in €	2.37	2.15	10.2%	1.67	1.54	8.4%
Total Assets	808.1	764.8	5.7%	808.1	764.8	5.7%
Equity	234.8	225.1	4.3%	234.8	225.1	4.3%
Equity-Ratio	29%	29%	0%-P	29%	29%	0 %-P
Net Financial Debt	120.6	110.5	9.1%	120.6	110.5	9.1%
Gearing Ratio	51%	49%	2 %-P	51%	49%	2 %-P
Capex (w/o M&A)	32.2	31.0	3.9%	10.4	15.5	-32.9
Depreciation	26.7	25.2	6.0%	9.6	8.7	10.3%
Employees (month-end)	10,499	9,580	9.6%	10,499	9,580	9.6%

## GROUP – HIGHLIGHTS 2013



In 2013 GRAMMER once again substantially improved the previous year's good results

Key figures 2013  
[IFRS, in € million]

	2013	2012	Change
Group Revenues	1,265.7	1,133.0	11.7%
EBITDA	92.3	78.1	18.2%
EBITDA-Margin	7.3%	6.9%	0.4 %-P
EBIT	58.0	49.0	18.4%
EBIT-Margin	4.6%	4.3%	0.3 %-P
Profit after taxes	29.6	26.8	10.4%
EPS in €	2.67	2.38	12.2%
Dividend in €	0.65	0.50	30.0%
Equity	224.7	210.3	6.8%
Equity-Ratio	29%	31%	-2 %-P
Net Financial Debt	93.2	76.5	21.8%
Gearing Ratio	41%	36%	5 %-P
Employees (yearend)	10,082	8,620	17.0%

Note: Prior-year figures 2012 were adjusted to reflect application of IFRS 11 and the amended version of IAS 19

## Financial Calendar 2015

Annual Report 2014:	March 30, 2015
Analyst & Press Conference:	March 30, 2015
Interim Report Q1/2015:	May 06, 2015
Annual General Meeting:	May 20, 2015
Interim Report Q2/2015:	August 05, 2015
Interim Report Q3/2015:	November 04, 2015

## Investor Relations Contact

Ralf Hoppe

VP Investor Relations, Communications,  
Marketing & Strategic Product Planning

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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