

ON THE MOVE



Presentation First Nine Months 2019

Amberg, November 12th, 2019



GRAMMER GROUP – Q3/2019 Highlights

Summary



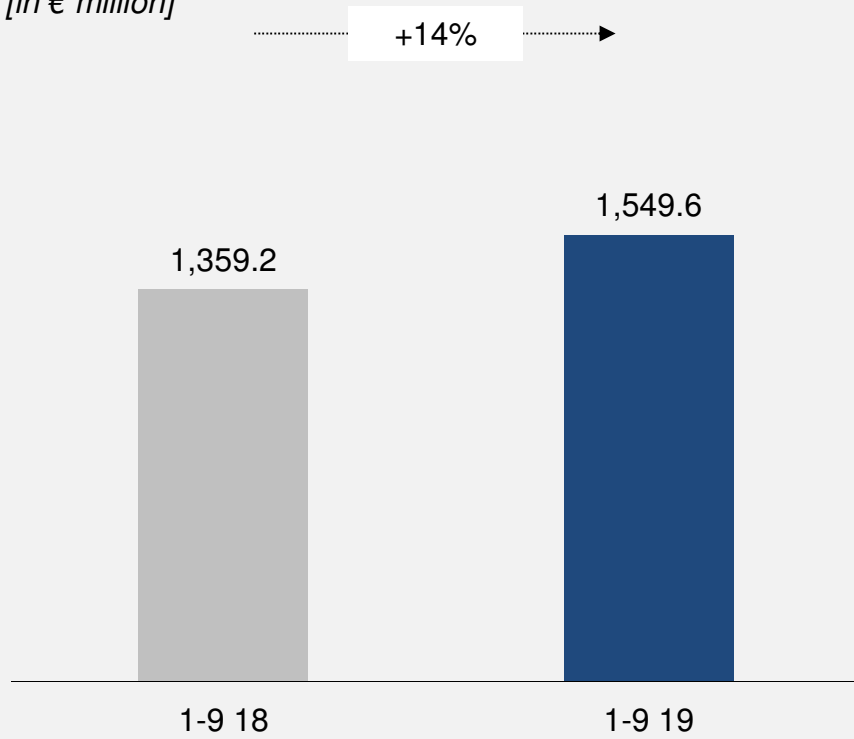
- Group revenue increased by 14% to € 1.5 billion supported by growth in both segments
- Commercial Vehicles Segment increased revenue to € 475 million and Automotive Segment growing to € 1,112 million (mainly due to the TMD acquisition)
- EMEA remains largest region for GRAMMER with revenues of € 864 million, Americas more than doubled to € 457 million. APAC increased slightly to € 228 million despite weaker market conditions in the world's largest vehicles market China
- Operating EBIT at EUR 59.2 million (or 3.8%) slightly above the previous year
- Global efficiency improvement programs initiated in combination with review of strategic priorities
- Joint Venture Agreement signed with FAWSN Group, Changchun (China)
- Slight adjustment of full year outlook:
GRAMMER Group expects revenues of around € 2 billion in the financial year 2019 (previously around € 2.1 billion). Operational EBIT margin expected at 3.8% for the full year 2019 (previously above 4.1%).

GRAMMER GROUP – DEVELOPMENT 01-09 2019

Solid development in challenging markets

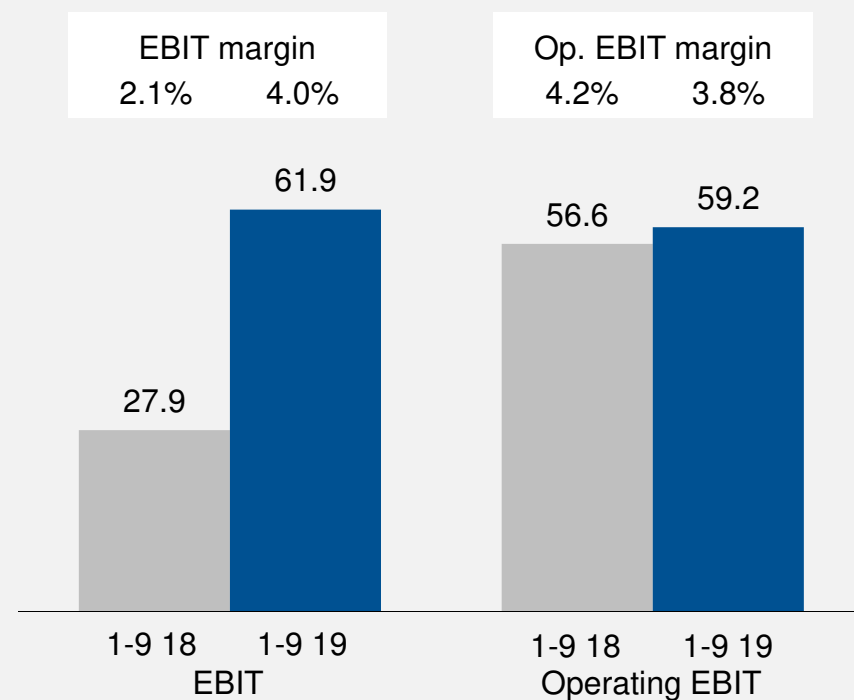


Revenues
[in € million]



- Group revenues up 14% at 1,549.6 € m.
- Increase in revenues of Commercial Vehicles segment (+4%)
- Sales development of Automotive segment (+18%) mainly driven by TMD acquisition and higher sales in NAFTA

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



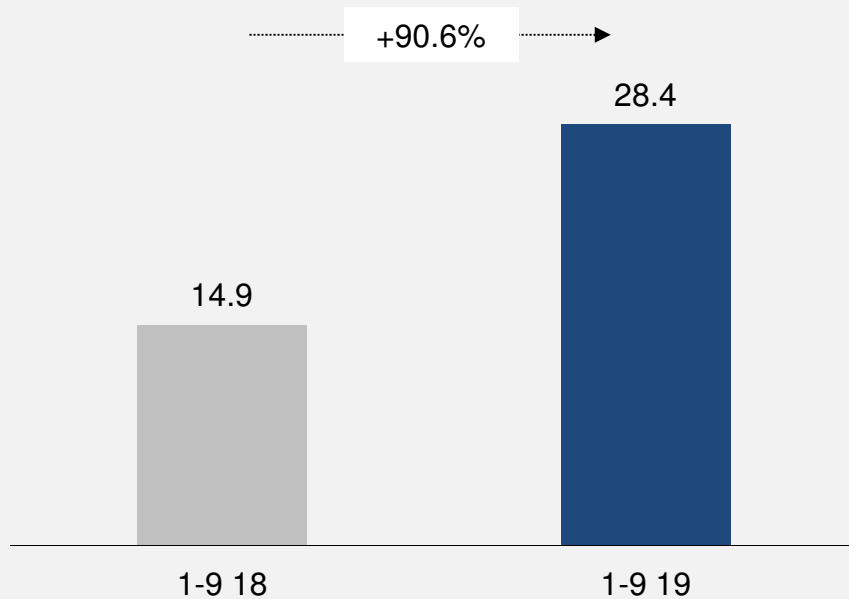
- EBIT level at 61.9 € m. and EBIT margin of 4.0%
- Operating Profitability at 59.2 € m. with lower operating EBIT margin of 3.8%

GRAMMER GROUP – DEVELOPMENT 01-09 2019

Positive development of Net Profit and Earnings per share

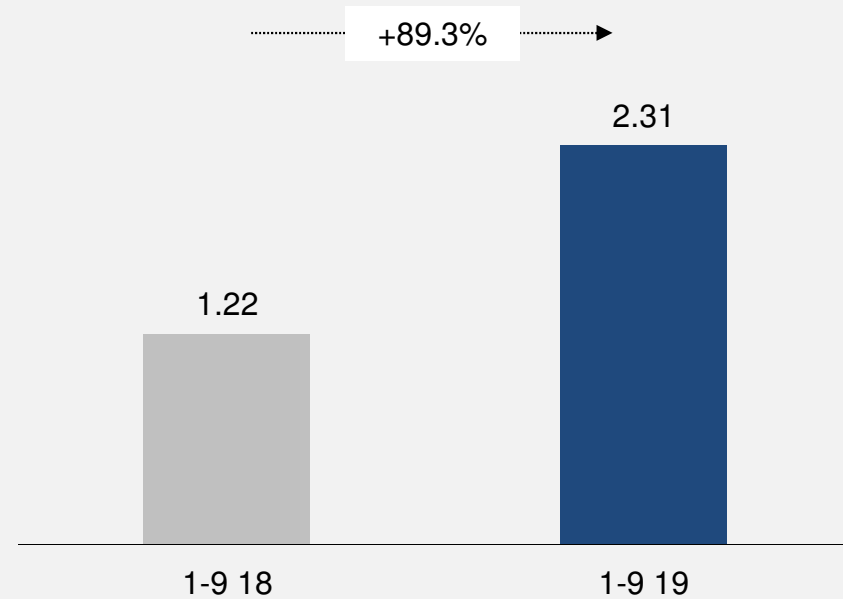


Net Profit
[in € million]



- Net Profit in 01-09 2019 at 28.4 € m.
- Financial result of - 21.1 € m. reflects higher debt level to finance the acquisition of TMD

Earnings per share
[in €]



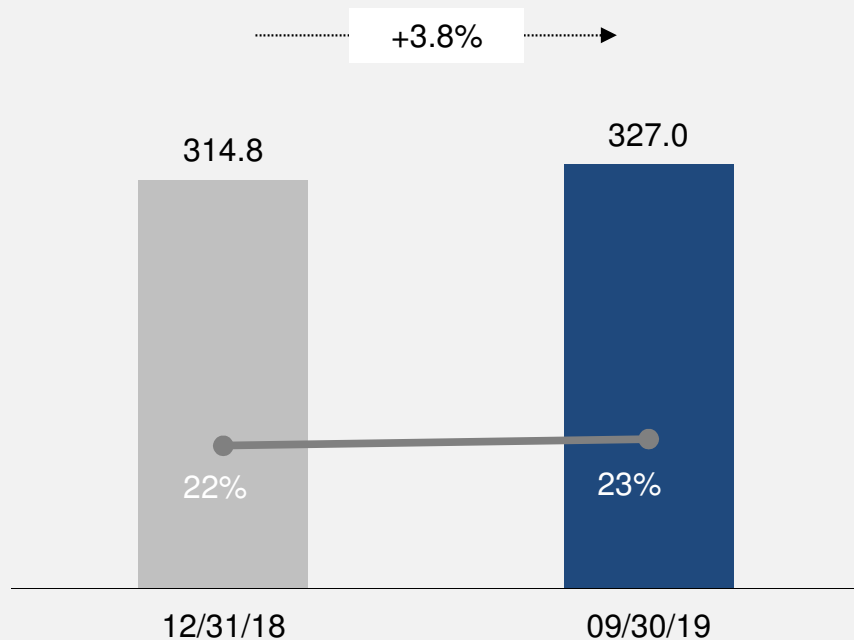
- Increase in Net Profit results in rising Earnings per share

GRAMMER GROUP – DEVELOPMENT 01-09 2019

Balance sheet influenced by acquisition financing of TMD

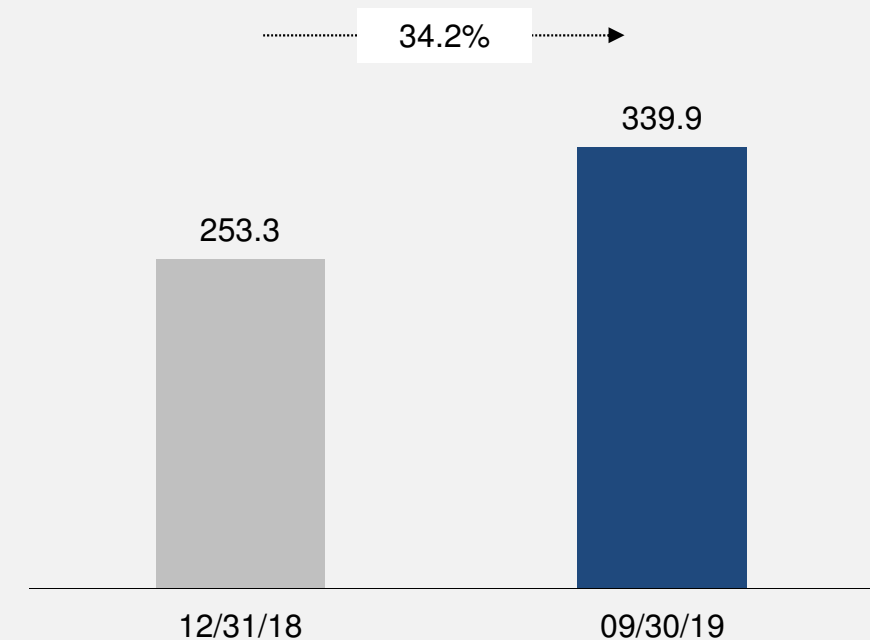


Equity and equity ratio
[in € million and %]



- Equity increased to 327 € m.
- Equity ratio remained unchanged at 23%

Net financial debt
[in € million and %]



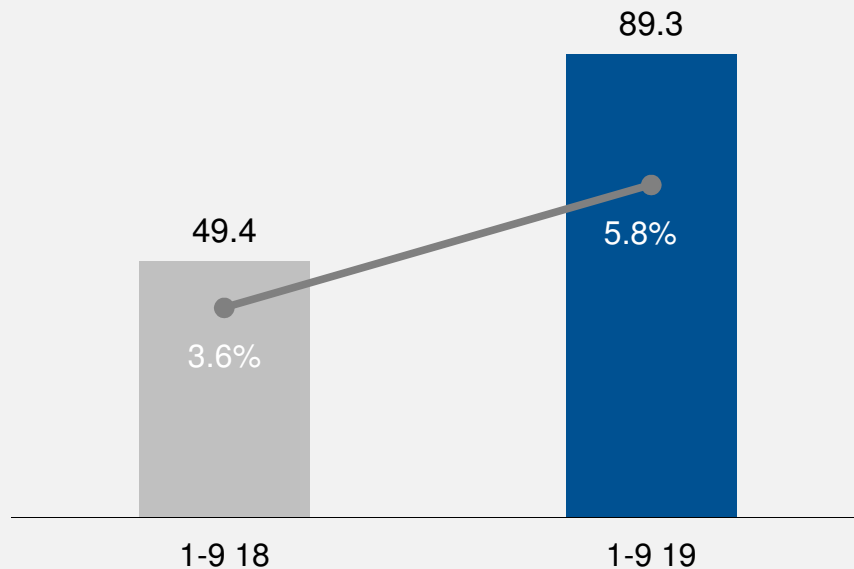
- Net debt increased to 339.9 € m. due to acquisition financing for TMD

GRAMMER GROUP – DEVELOPMENT 01-09 2019

High investments to support future business and Technology Center

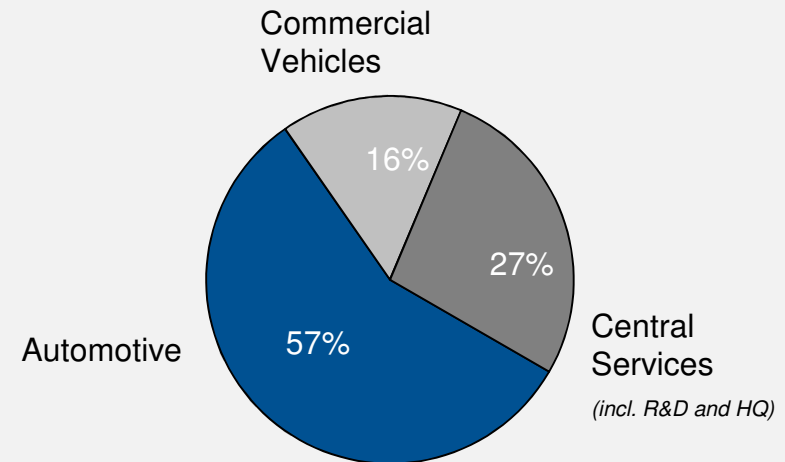


Capex and capex ratio
[in € million and %]



- Capex increase is mainly driven by the new GRAMMER Technology Center and also the leases under IFRS 16 rule as well as investments within TMD facilities
- Further investments in operational excellence activities and new product launches

Capex 01-09 2019 by segments
[in %]



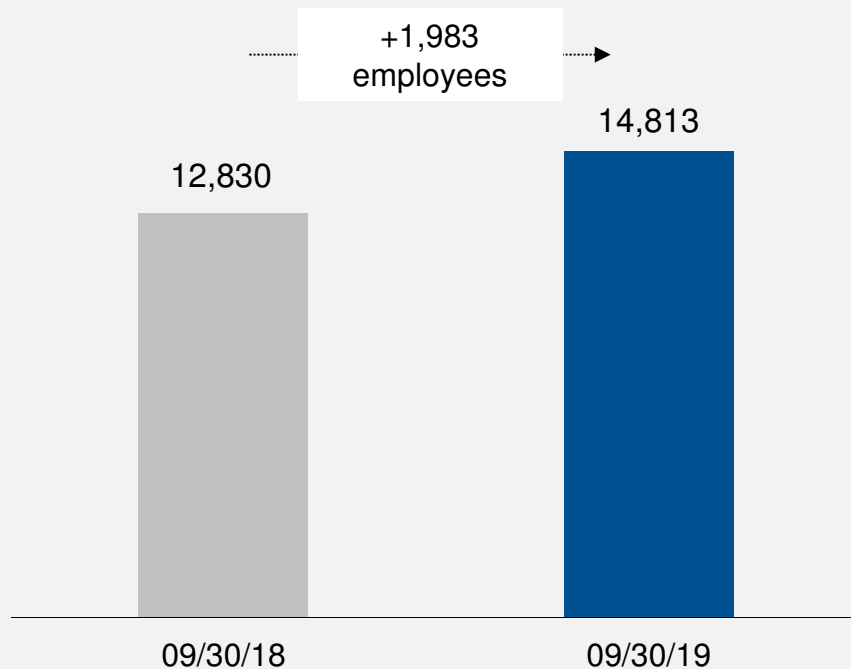
- Main investments in Automotive Segment (incl. TMD) for new product launches and to support efficiency measures
- Commercial Vehicles Segment expanding its production footprint in US & China

GRAMMER GROUP – DEVELOPMENT 01-09 2019

Headcount increase driven by integration of TMD

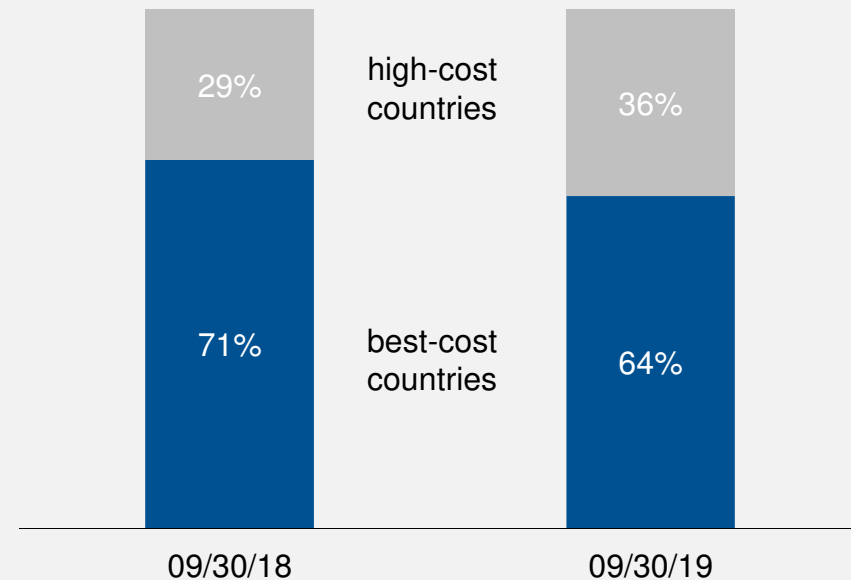


Employees
[month-end]



- Headcount development reflects the integration of TMD into the GRAMMER Group

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



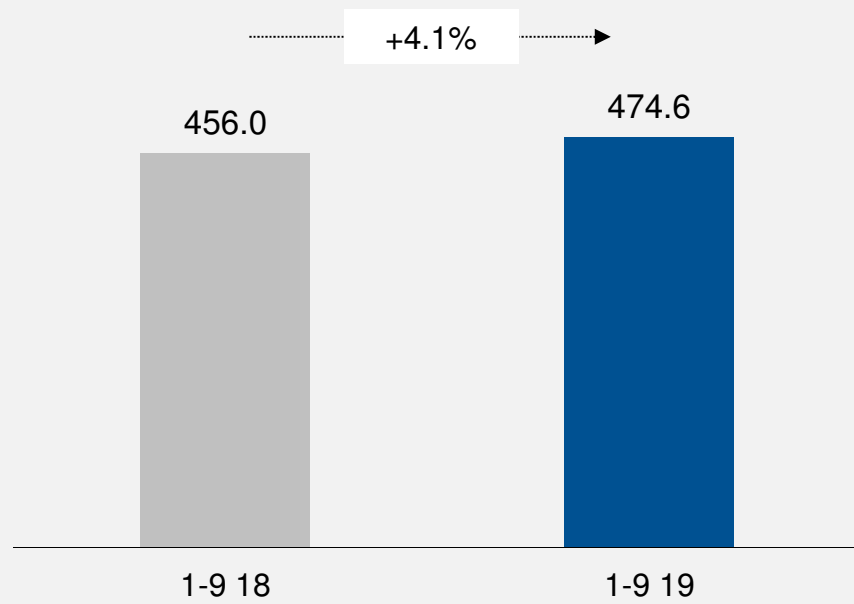
- 2/3 of the GRAMMER employees work in best-cost countries like Serbia, Bulgaria, CZ, Mexico and Turkey.
- Acquisition of TMD leads to relative increase of employees working in high-cost countries

COMMERCIAL VEHICLES – DEVELOPMENT 01-09 2019

CV business continued to grow, Q3/19 influenced by exceptional one-off effects

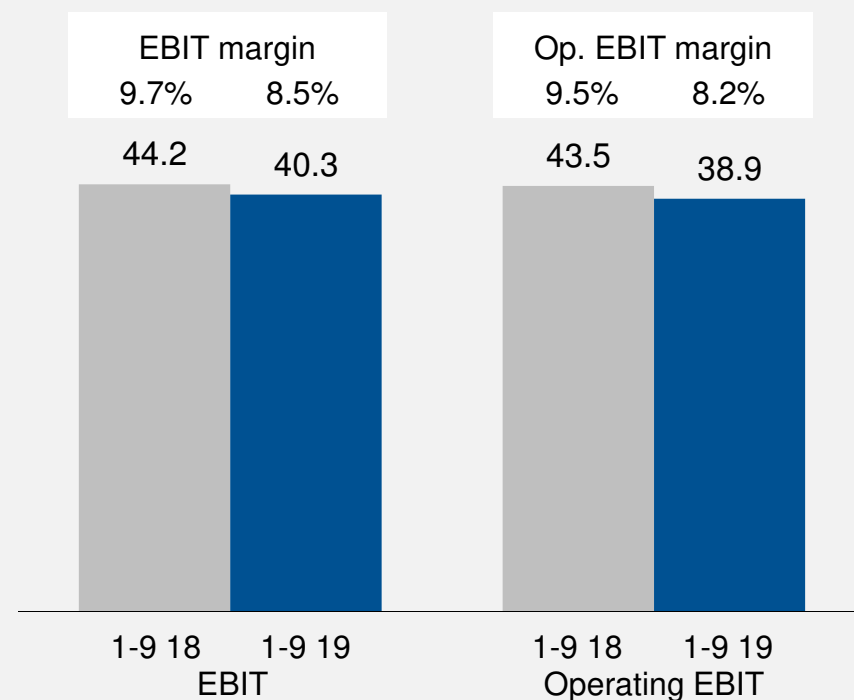


Revenues
[in € million]



- Revenue increased to 474.6 € m. in the first nine months
- APAC region achieved the highest relative increase with +16.6%, EMEA +2.4% and Americas +2.2%

EBIT and operating EBIT
[in € million]



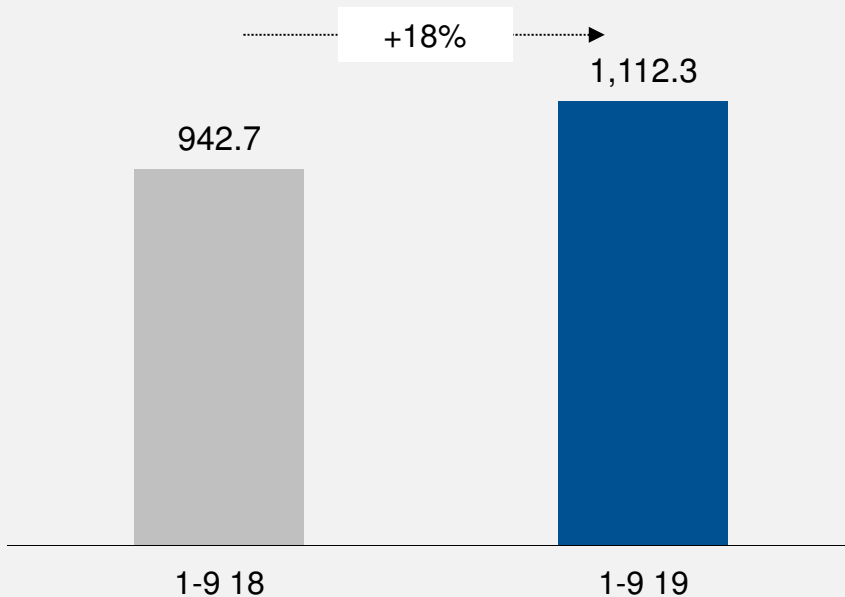
- The seasonal decline in order volumes in July and August was more pronounced than expected
- Relocation costs, production ramp-ups & product mix resulted in weaker Q3 results

AUTOMOTIVE – DEVELOPMENT 01-09 2019

Positive development of Automotive business due to TMD acquisition

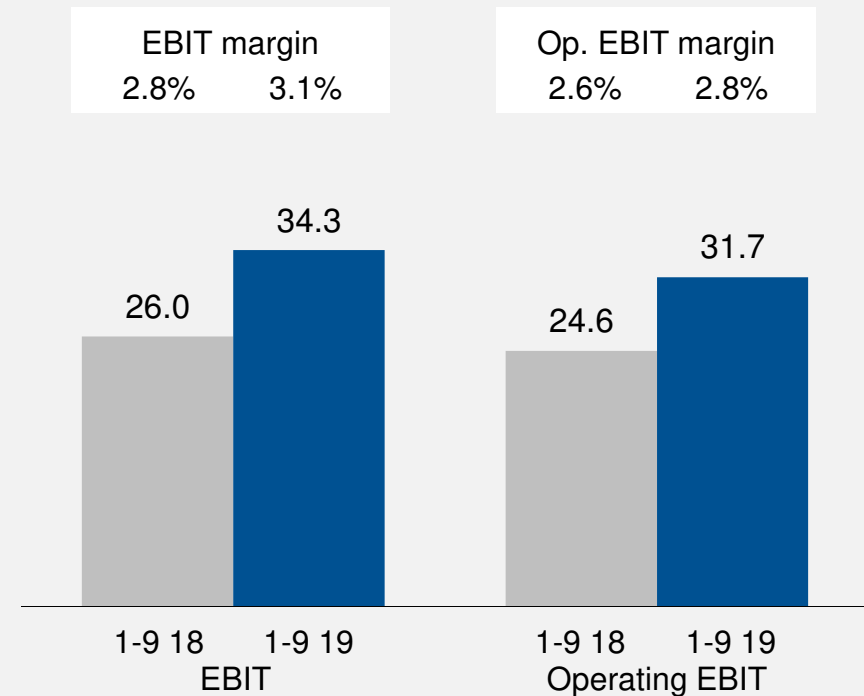


Revenues
[in € million]



- Revenues in Americas more than doubled (TMD & ramp up of new products) providing a strong base for future growth
- EMEA revenues in line with challenging market conditions in the automotive industry

EBIT and operating EBIT
[in € million]



- At 34.3 € m., EBIT in 01-09 2019 was higher than previous year with EBIT margin at 3.1%
- Positive contribution from TMD compensated the effects of a weaker automotive market in EMEA

GRAMMER GROUP – FURTHER GROWTH IN CHINA

Joint Venture Agreement with FAWSN signed on November 5th 2019



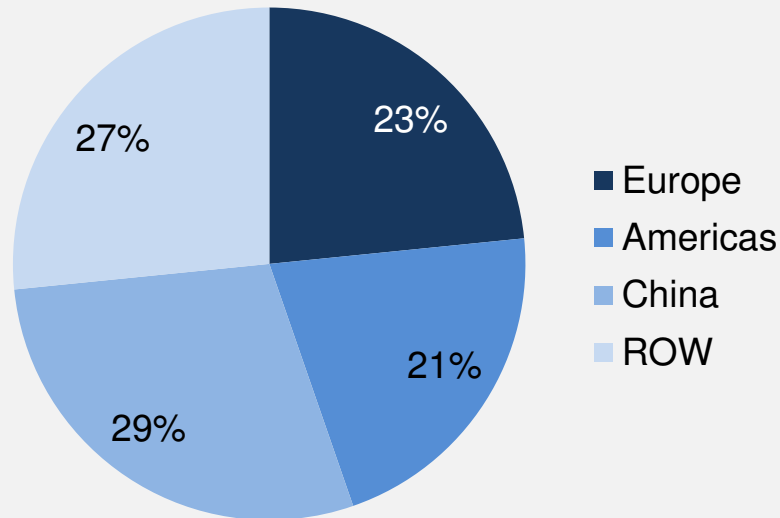
GRAMMER GROUP – FURTHER GROWTH IN CHINA

Overview of the Chinese automotive market



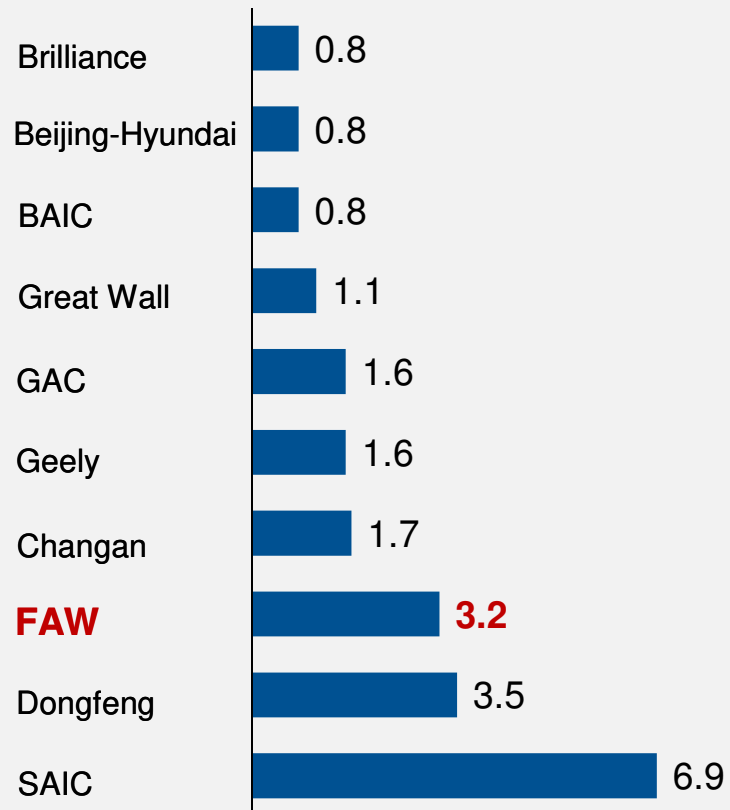
Worldwide car production in 2018

[in %]



Major car manufacturers in China

[2018 Passenger car production, in total 26 million cars]



GRAMMER GROUP – FURTHER GROWTH IN CHINA

Highlights of the Joint Venture Agreement with FAWSN Group



Joint Venture between GRAMMER AG and FAWSN Group Co. Ltd.

- Important milestone for further growth in the world's largest automotive market achieved
- GRAMMER to increase its market share through this affiliation with the 3rd largest OEM in China
- Access to several new customers for the product range from our Automotive Segment
- Additional platform for the introduction of Functional Plastic's products into the Chinese market
- Use of existing GRAMMER infrastructure in Changchun for the joint venture's start-up phase
- Targeted customers: FAW CAR, FAW-JIEFANG, FAW-VW and FAW-TOYOTA

GRAMMER GROUP – MARKET OUTLOOK 2019

Mixed development in regional passenger car & commercial vehicle markets



			Europe	USA	Brasil	China	World
	Worldwide car production	Source: IHS 10/2019	-4%	-4%	-3%	-9%	-6%
	Worldwide truck production	Source: IHS 07/2019	-0.4%	+3%	+13%	-14%	-5%
	Agricultural machinery	Source: John Deere 08/2019	Flat	Flat	Flat to up 5%	Flat to slightly down	
		Source: AGCO 10/2019	Flat	Flat	Down ~10%		
	Construction machinery	Source: Caterpillar 07/2019	Steady demand	Strong demand	Slow to recover	Flat, growth outside of China	
	Forklifts	Source: Jungheinrich 11/2019	Lasting and noticeable decline		Market growth on a par with the previous year possible		Lasting and noticeable decline

GRAMMER GROUP – SALES & EBIT OUTLOOK 2019

More cautious full year outlook



- GRAMMER expects total sales of around EUR 2.0 billion (previously around EUR 2.1 billion) for the year 2019.
- The Automotive Segment will benefit from last year's TMD acquisition and further organic growth in North America, which more than offsets the market decline in Europe.
- The Commercial Vehicles Segment will continue to record a slight growth compared with the previous year despite a weaker third quarter.

- We expect the GRAMMER Group to achieve a good EBIT in absolute terms, which will be significantly higher than the EBIT of EUR 48.7 million recorded in the fiscal year 2018.
- The operating EBIT margin (adjusted for exceptional and currency effects) for 2019 as a whole will be at the current level of 3.8% (previously above 4.1%).

Important note:

The outlook for the full year 2019 is based on the current forecasts for the global economy as well as our main markets and customers and assumes a constant currency environment. 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 and may leave noticeable traces on future earnings.

ON THE MOVE



Backup Information



GRAMMER GROUP

Key Figures 01-09 2019



[IFRS in € million]

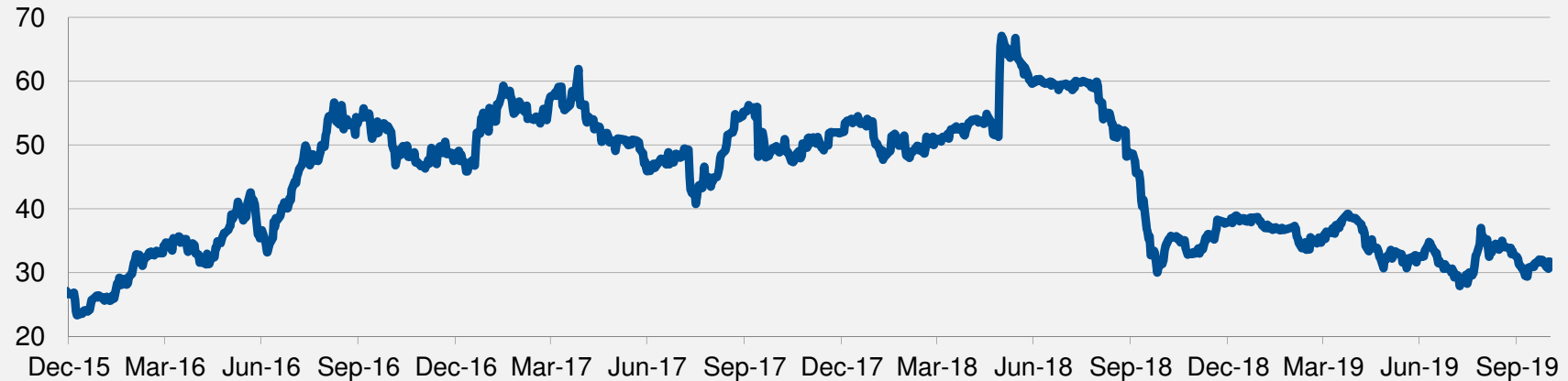
	Q3 2019	Q3 2018	Chg.	01-09 2019	01-09 2018	Chg.
Group Revenue	498.1	431.6	15.4%	1,549.6	1,359.2	14.0%
EBITDA	33.3	-1.8	1,950%	124.6	63.6	95.9%
EBITDA-Margin (in %)	6.7	-0.4	7.1 %-points	8.0	4.7	3.3 %-points
EBIT	11.7	-14.0	183.6%	61.9	27.9	121.9%
EBIT-Margin (in %)	2.3	-3.2	5.5%-points	4.0	2.1	1.9%-points
Operating EBIT	9.1	13.3	-31.6%	59.2	56.6	4.6%
Operating EBIT-Margin (in %)	1.8	3.1	-1.3%-points	3.8	4.2	-0.4%-points
Profit after taxes	0.8	-10.3	107.8%	28.4	14.9	90.6%
EPS in €	0.06	-0.83	107.2%	2.31	1.22	89.3%
Total Assets	1,449.9	1,052.1	37.8%	1,449.9	1,052.1	37.8%
Equity	327.0	305.4	7.1%	327.0	305.4	7.1%
Equity-Ratio	23	29	-6%-points	23	29	-6%-points
Net Financial Debt	339.9	163.3	108.1%	339.9	163.3	108.1%
Gearing (in %)	104	53	51%-points	104	53	51%-points
Capex (w/o M&A)	33.3	26.4	26.1%	89.3	49.4	80.8%
Depreciation	21.6	12.2	77.0%	62.7	35.7	75.6%
Employees (month-end)	14,813	12,830	15.5%	14,813	12,830	15.5%

GRAMMER AG

Share price development



GRAMMER share price in €, December 31, 2015 until October 31, 2019



Selected Broker Recommendations

Broker	Date	Current Recomm.	Current TP (€)
Baader Helvea	14-May-19	Hold	39.0
Bankhaus Lampe	11-Nov-19	Buy	43.0
DZ Bank	13-Aug-19	Hold	36.0
MM Warburg	15-May-19	Hold	36.0
Quirin	25-Sept 19	Sell	26.0
Oddo BHF	13-Aug-19	Hold	41.0
Consensus			36.8

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 [Sept 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 Revenue	1,861.3	1,786.5	1,695.5	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	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

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