

ON THE MOVE



Presentation

First Nine Months 2018

Amberg, November 13, 2018



GRAMMER GROUP – MARKET DEVELOPMENT

Car markets & Commercial Vehicles continue to grow



Passenger Cars – New Registrations January to September 2018 (source vda)

- Introduction of new emission testing WLTP caused substantial market disturbance in Q3 2018
- New car registrations in Germany +2%
- Western Europe with solid growth (+1%)
- USA stable (+/-0%) driven by light-truck segment (+8%)
- China with an increase (+1%) based on strong SUV sales

Commercial Vehicles (> 6t) – New Registrations January to September 2018 (source vda)

- Western Europe (+2%), with Germany (+1%) and strong growth in Netherlands, France and Italy, but UK (-9%) declining
- USA with ongoing dynamic growth momentum (+18%) mainly driven by strong heavy duty (+33%)
- Recovery in Brazil is continuing in the first nine months (+52%)
- China with sideways trend (+/-0%) in the first nine months

Other Commercial Vehicle Markets

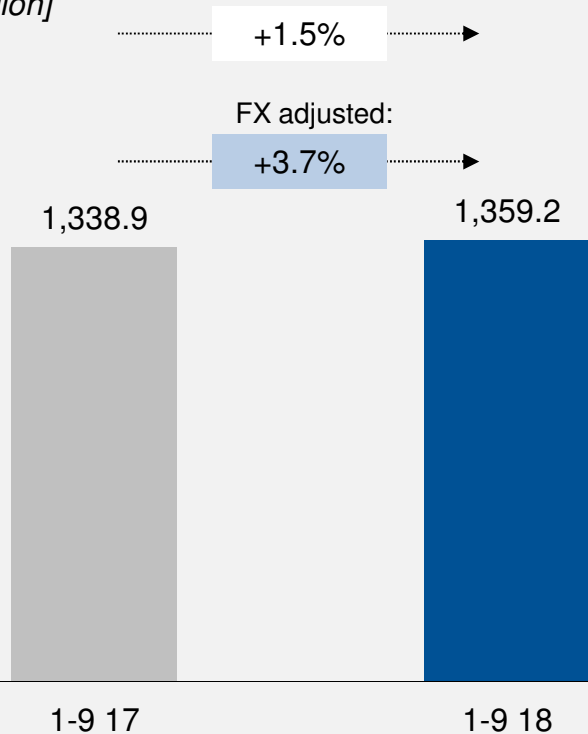
- Agricultural, construction and material handling markets with ongoing dynamic growth

GRAMMER GROUP – DEVELOPMENT 1-9 2018

The first nine months of 2018

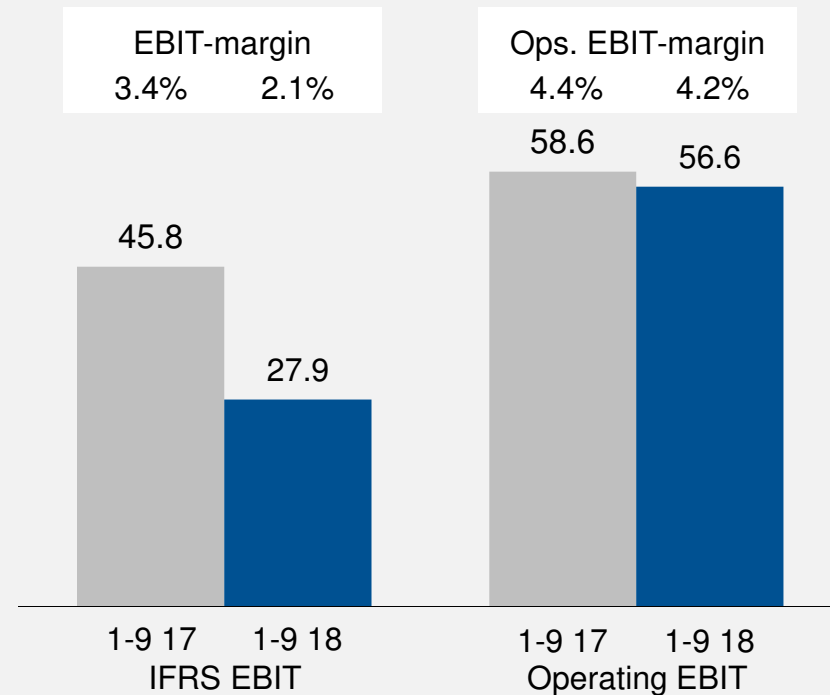


Revenues
[in € million]



- Group revenues in 1-9 2018 at 1,359 € m.
- Strong development of Commercial Vehicles division, slower Automotive development
- FX impact 29 € m. in 1-9 2018

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



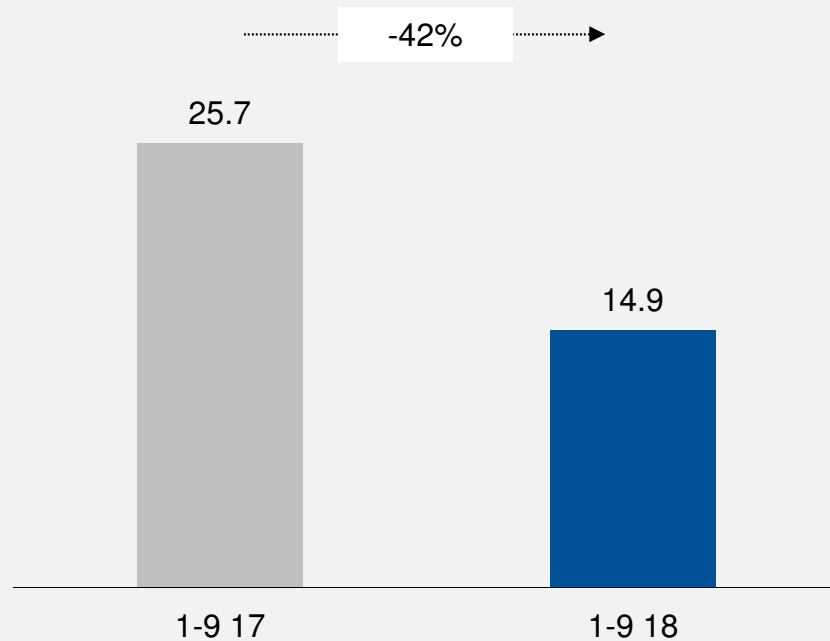
- Operating EBIT at 56.6 € m. only slightly below strong 1-9 17
- Ops. EBIT-margin of 4.2%
- FX impact 1.8 € m in 1-9 2018

GRAMMER GROUP – DEVELOPMENT 1-9 2018



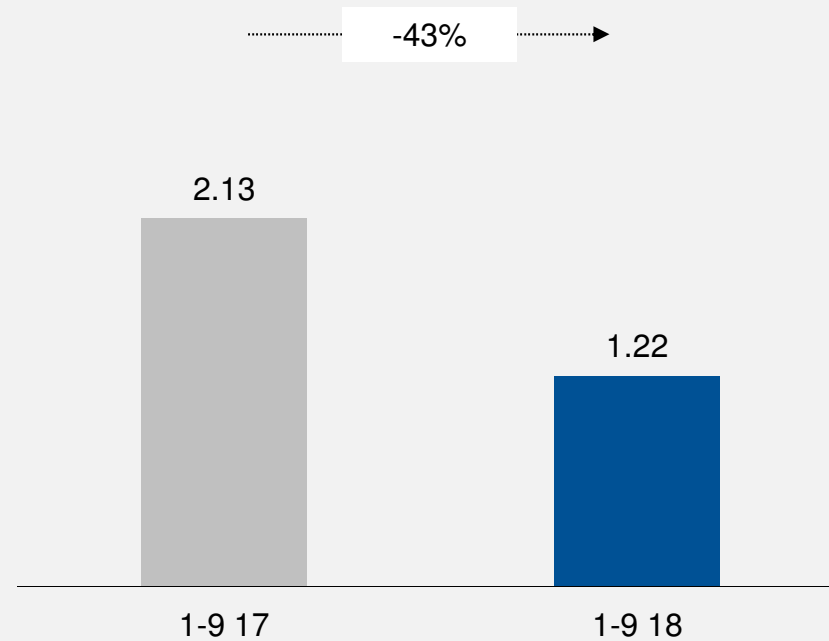
Net profit

Net Profit
[in € million]



- Q3 2018 was heavily influenced by changed underlying conditions in the automotive industry (WLTP) and also exceptional non-recurring costs
- Net profit in 1-9 2018 at 14.9 € m.

IFRS earnings per share
[in €]



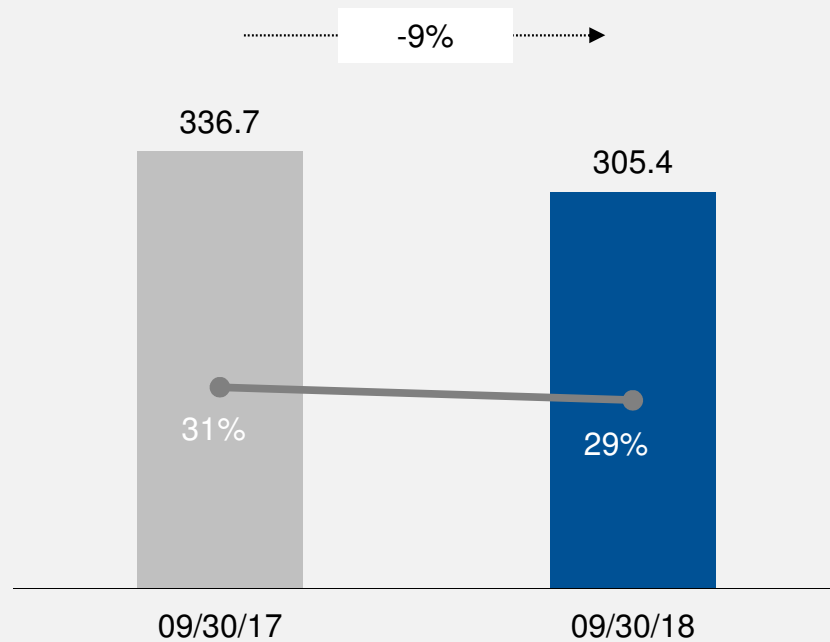
- Automotive revenues were lower than expected and exceptional effects result in earnings per share of 1.22 €

GRAMMER GROUP – DEVELOPMENT 1-9 2018

Equity ratio stable despite IFRS 15 adjustments

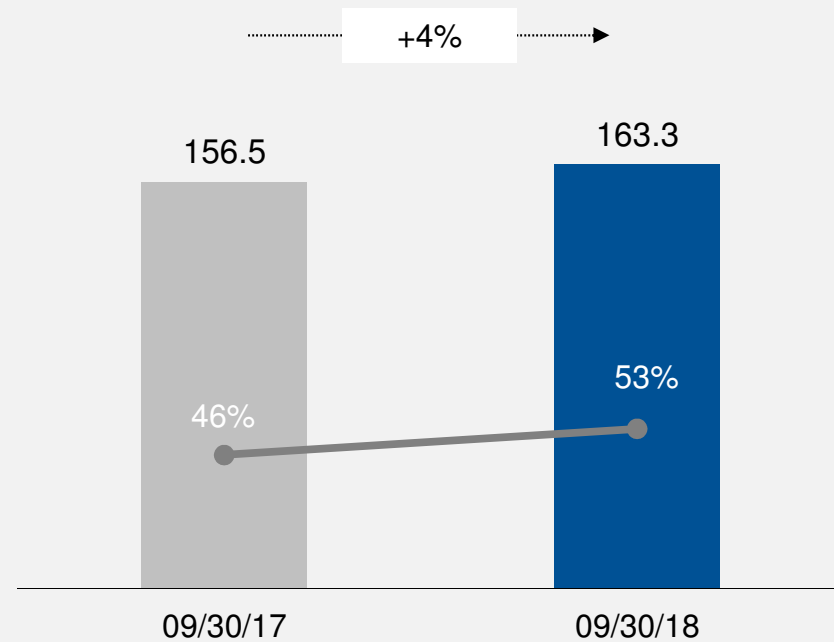


Equity and equity ratio
[in € million and %]



- Equity at September 30, 2018 lower, mainly due to first-time application of the new IFRS 15 regulation
- Equity ratio remains stable at 29%

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



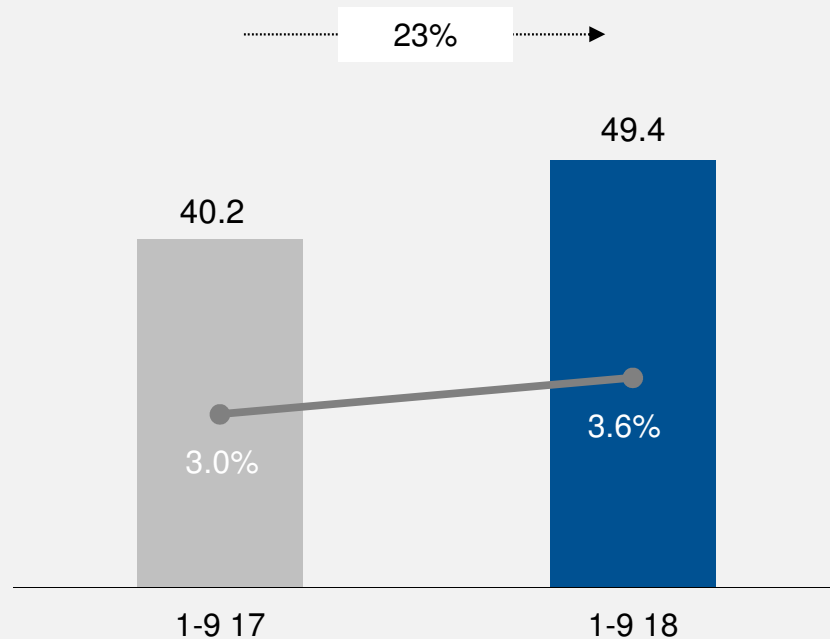
- Net debt increased to 163.3 € m. due to the financing of global business activities
- At 53%, gearing ratio remains on very solid level

GRAMMER GROUP – DEVELOPMENT 1-9 2018

Investments

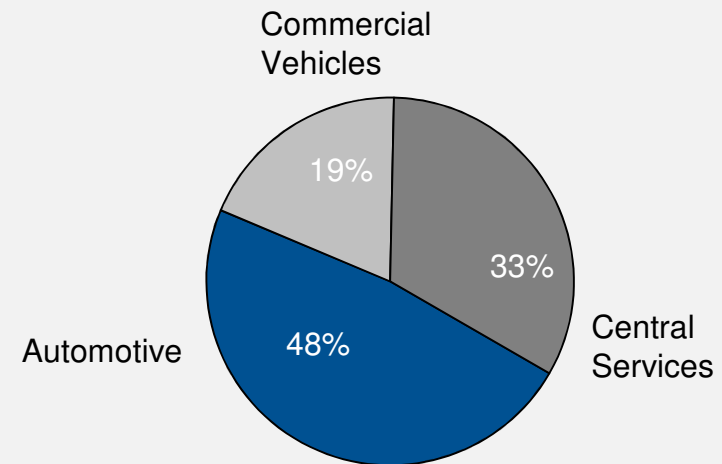


Capex and capex ratio
[in € million and %]



- Capex with 49.4 € m. continues as planned due to the business growth and capacity expansion in all regions
- Capex / Sales ratio higher than previous year

Capex 1-9 2018 by divisions
[in %]



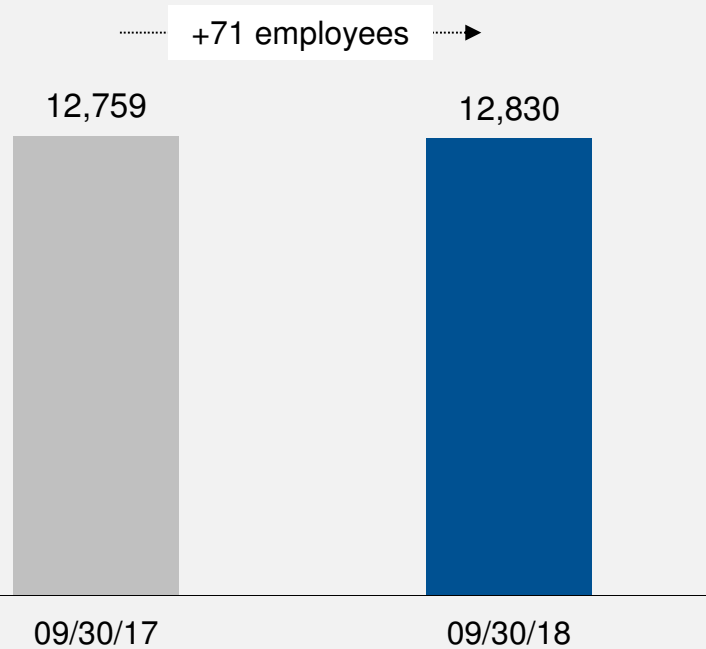
- Main investments in the Automotive segment to expand capacities and prepare for new production start-ups
- Higher investments within Central Services area for new GRAMMER Technology Center & Group Headquarter

GRAMMER GROUP – DEVELOPMENT 1-9 2018

Headcount increase in preparation for higher business volumes

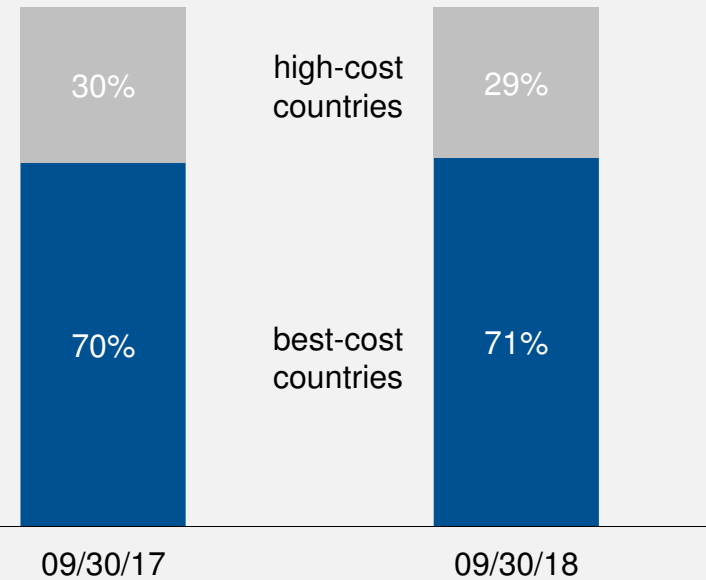


Employees
[month-end]



- Headcount development reflects increase of direct employees in Automotive division mainly due to new product launches in NAFTA region

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



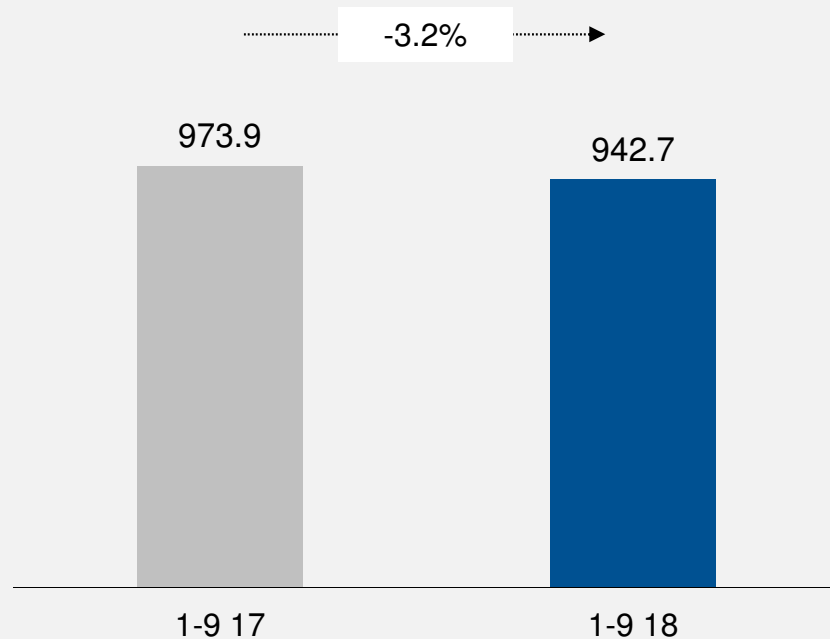
- More than 70% of all employees work in best-cost countries like Serbia, Bulgaria, CZ, Mexico, Turkey or China
- 3,300 GRAMMER employees are located in Germany, providing a solid base for the international expansion

AUTOMOTIVE – DEVELOPMENT 1-9 2018

Sales & EBIT

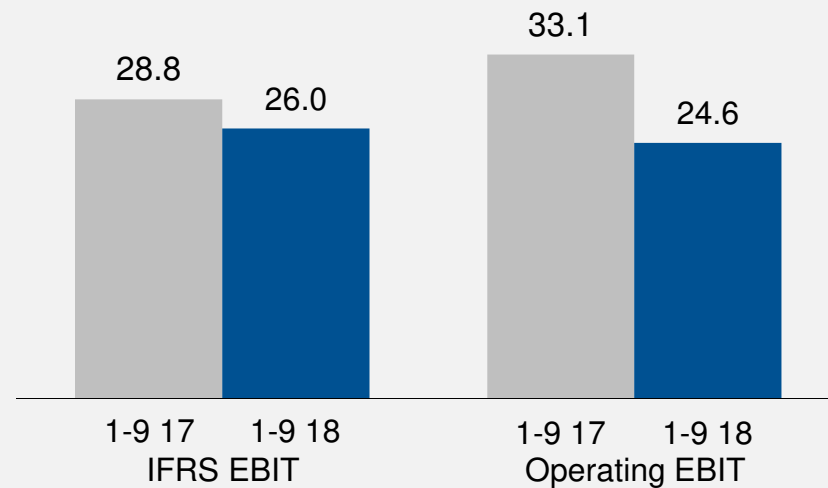


Revenues
[in € million]



- Expected lower sales mainly in NAFTA in 1-9 18 due to timing differences of phase-downs and subsequent ramp-ups
- Slump in passenger vehicle sales in Europe

EBIT and operating EBIT
[in € million]



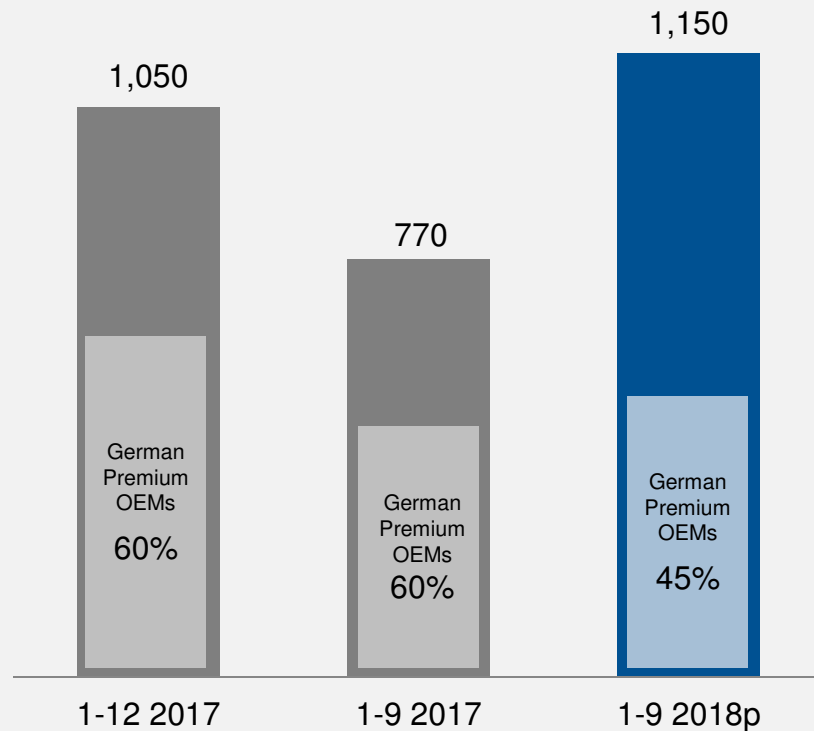
- At 24.6 € m., ops. EBIT in 1-9 lower vs. strong 1-9 17 result
- 1-9 18 ops. EBIT-margin at 2.6%
- Main impacts: Lower volumes & uncovered R&D costs

GRAMMER GROUP highlights 1-9 2018 – order intake

Order intake situation significantly improved



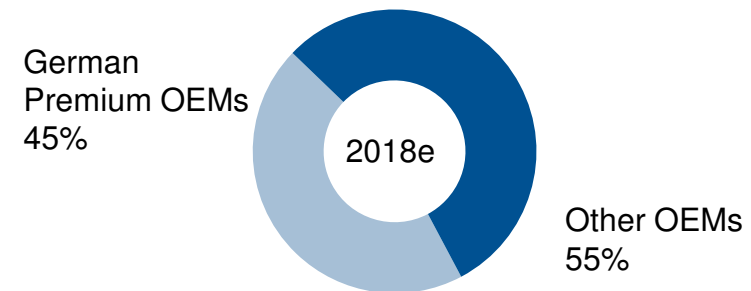
Order intake for new projects
[life-time sales, in € million]



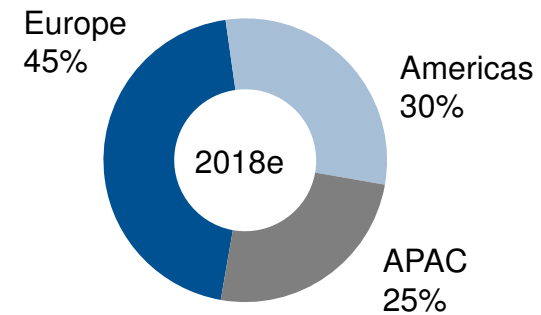
*) Life-time: projected series production sales over entire duration of the project (6-7 years)

Budgeted order intake 2018 Automotive
[in %]

Breakdown by customer group



Breakdown by region

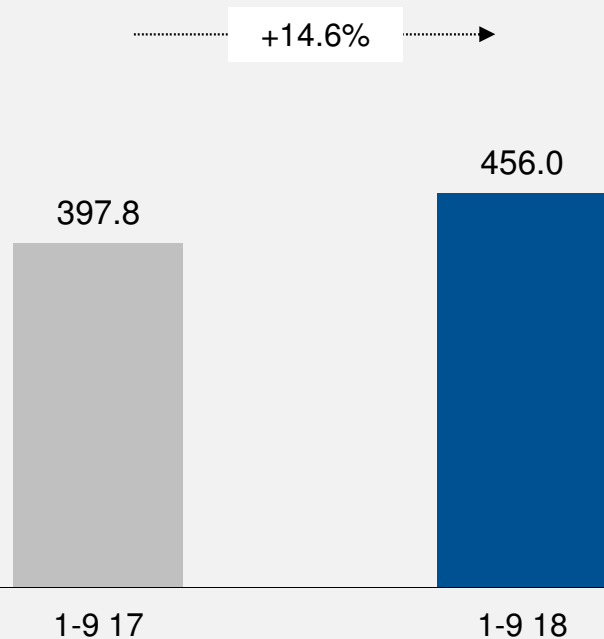


COMMERCIAL VEHICLES – DEVELOPMENT 1-9 2018

Strong performance in a dynamic market environment

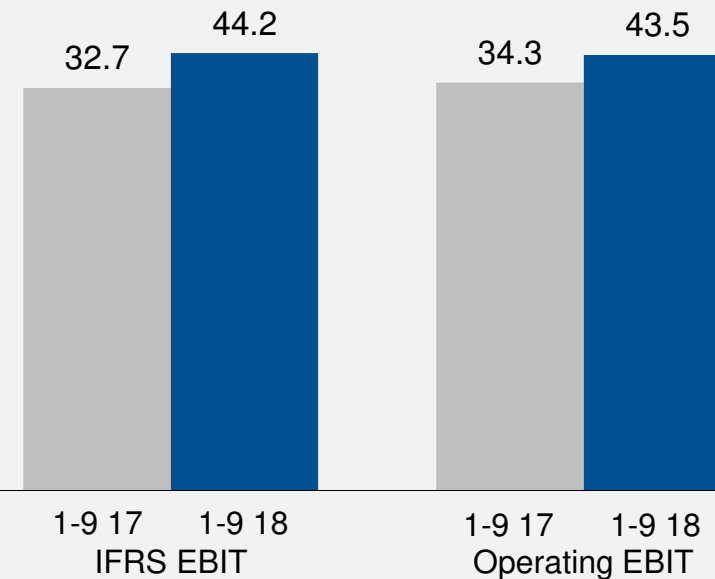


Revenues
[in € million]



- Strong growth due to ongoing dynamic market environment
- Double-digit growth in all regions underline higher market penetration and market share gains
- FX impact -16 € m. in 1-9/2018

EBIT and operating EBIT
[in € million]








- Operating EBIT improved to 43.5 € m.
- Ops. EBIT-margin increased strongly in the first nine month
- Volume impact due to favorable market conditions spurred the Division's performance

GRAMMER GROUP – MARKET OUTLOOK 2018

Most regional car & commercial vehicle markets expected to grow



| | | | Europe | USA | Brazil | China | World | |
|---|-------------------------------|-------------------------------|---------------|---------------|-----------------|---------------|-------|--|
|  | Worldwide car production | Source VDA September 2018 | +0% | -2% | +10% | +2% | +1% | |
|  | Worldwide truck registrations | Source VDA September 2018 | +1% | +15% | +35% | -10% | +2% | |
|  | Agricultural machinery | Source John Deere August 2018 | +5-10% | +10% | 0% to +5% | +/-0% | | |
| | | Source AGCO October 2018 | +/-0% | 0% to +5% | +/-0% | | | |
|  | Construction machinery | Source Caterpillar July 2018 | Strong demand | Strong demand | Slow to recover | Strong demand | | |
|  | Forklifts | Source Jungheinrich Nov. 2018 | > 10%-growth | | | | | |

GRAMMER GROUP – OUTLOOK 2018

Outlook for FY 2018 revised



| | | Actual 2017 | Outlook 2018 NEW | Outlook 2018 OLD |
|--------------------|-----------------------|----------------|---------------------------|-------------------|
| GRAMMER Outlook | Group revenue | € 1.79 billion | approx. € 1.85 bn | approx. € 1.85 bn |
| | Operating EBIT-margin | 4.5% | slightly below prev. year | around 5% |
| | ROCE | 11.5% | below prev. year | > prev. year |

Important note:

The outlook for the full year 2018 is based on the current forecasts for the global economy as well as our main markets and customers.

The EU-wide introduction of the worldwide harmonized light vehicles (WLTP) test procedure for passenger cars and light commercial vehicles could also have an ongoing negative impact on the sales of our customers in the Automotive Division in Q4 2018.

The revised outlook includes the effects of the initial consolidation of TMD on October 01, 2018

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Backup Information



GRAMMER GROUP

Key Figures 1-9 2018



| <i>[IFRS, in € million]</i> | Q3 2018 | Q3 2017 | Chg. | 01-09 2018 | 01-09 2017 | Chg. |
|-----------------------------|----------------|----------------|-------------|-------------------|-------------------|-------------|
| Group Revenues | 431.6 | 430.9 | +0.2% | 1,359.2 | 1,338.9 | +1.5% |
| EBITDA | -1.8 | 23.2 | -107.8% | 63.6 | 82.7 | -23.1% |
| EBITDA-Margin | -0.4% | 5.4% | -5.8%-P | 4.7% | 6.2% | -1.5%-P |
| EBIT | -14.0 | 10.7 | -230.9% | 27.9 | 45.8 | -39.1% |
| EBIT-Margin | -3.2% | 2.5% | -5.7%-P | 2.1% | 3.4% | -1.3%-P |
| Operating EBIT | 13.3 | 14.6 | -8.9% | 56.6 | 58.6 | -3.4% |
| Operating EBIT-Margin | 3.1% | 3.4% | -0.3%-P | 4.2% | 4.4% | -0.2%-P |
| Profit after taxes | -10.3 | 5.7 | -280.7% | 14.9 | 25.7 | -42.0% |
| EPS in € | -0.83 | 0.47 | -276.6% | 1.22 | 2.13 | -42.7% |
| Total Assets | 1,052.1 | 1,092.3 | -3.7% | 1,052.1 | 1,092.3 | -3.7% |
| Equity | 305.4 | 336.7 | -9.3% | 305.4 | 336.7 | -9.3% |
| Equity-Ratio | 29% | 31% | -2%-P | 29% | 31% | -2%-P |
| Net Financial Debt | 163.3 | 156.5 | +4.3% | 163.3 | 156.5 | -4.3% |
| Gearing Ratio | 53% | 46% | +7%-P | 53% | 46% | +7%-P |
| Capex (w/o M&A) | 26.4 | 11.7 | 125.6% | 49.4 | 40.2 | +22.9% |
| Depreciation | 12.2 | 12.5 | -2.4% | 35.7 | 36.9 | -3.2% |
| Employees (month-end) | 12,830 | 12,759 | 0.6% | 12,830 | 12,759 | +0.6% |

GRAMMER share price in €, December 31, 2015 until September 30, 2018



Selected Broker Recommendations

| Broker | Date | Current Recomm. | Current TP (€) |
|----------------|------------|-----------------|----------------|
| Baader Helvea | 15-Oct-18 | Hold | 60.0 |
| DZ Bank | 24-Sept-18 | Hold | 56.0 |
| Bankhaus Lampe | 29-Aug-18 | Hold | 60.0 |
| MM Warburg | 25-Sept-18 | Hold | 60.0 |
| Quirin | 25-Sept-18 | Sell | 43.0 |
| Oddo BHF | 15-Oct-18 | Buy | 46.0 |
| Median | | | 54.0 |

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 [September 30, 2018] | 616 € million |
| Ave. trading vol. (Xetra) | 10,000 shares/day |
| Ave. trading vol. (all exch.) | 20,000 shares/day |

GRAMMER GROUP

Financial key figures 5-year overview



| <i>[IFRS, in € million]</i> | 2017 | 2016 | 2015 | 2014 | 2013 |
|-----------------------------|---------|---------|---------|---------|---------|
| Group Revenue | 1,786.5 | 1,695.5 | 1,425.7 | 1,365.9 | 1,265.7 |
| EBITDA | 116.0 | 120.2 | 83.2 | 93.7 | 92.3 |
| EBITDA-Margin | 6.5% | 7.1% | 5.8% | 6.9% | 7.3% |
| EBIT | 66.5 | 73.0 | 42.7 | 57.0 | 58.0 |
| EBIT-Margin | 3.7% | 4.3% | 3.0% | 4.2% | 4.6% |
| Profit after taxes | 32.4 | 45.2 | 23.8 | 33.6 | 29.6 |
| EPS in € | 2.67 | 4.01 | 2.10 | 3.09 | 2.67 |
| Dividend / Share in € | 1.25 | 1.30 | 0.75 | 0.75 | 0.65 |
| Total Assets | 1,107.0 | 1,050.6 | 992.1 | 836.5 | 766.0 |
| Equity | 337.7 | 271.2 | 253.4 | 231.8 | 224.7 |
| Equity-Ratio | 31% | 26% | 26% | 28% | 29% |
| Net Financial Debt | 92.2 | 139.1 | 155.5 | 86.7 | 93.2 |
| Gearing Ratio | 27% | 51% | 61% | 37% | 41% |
| Capex (w/o M&A) | 59.1 | 56.2 | 47.9 | 51.5 | 46.8 |
| Depreciation | 49.5 | 47.2 | 40.5 | 36.7 | 34.3 |
| Employees (Dec. 31) | 12,947 | 12,250 | 11,397 | 10,700 | 10,082 |

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