

# ON THE MOVE



## **Presentation First Three Months 2019**

Amberg, May 14, 2019



# GRAMMER GROUP – MARKET DEVELOPMENT

## Car & Commercial Vehicles markets with mixed development



### Passenger Cars – New Registrations January to March 2019 (source: vda)

- Global automotive markets recorded declines in the first quarter
- New registrations in Germany +/-0% with SUVs and upper-class models popular
- New registrations in Western Europe are declining (-3%)
- North America registrations of light vehicles fell by 2%, but stable light-truck segment (+1%)
- China with double-digit decline (-14%)

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

- Western Europe (+6%), with Germany (+15%), UK (+12%) and France (+5%) growing strongly
- USA with ongoing dynamic growth momentum (+12%) mainly driven by strong heavy duty class 8 segments
- Recovery in Brazil is continuing in the first quarter (+47%)
- China with lower growth (-2%) in the first three months

### Other Commercial Vehicle Markets

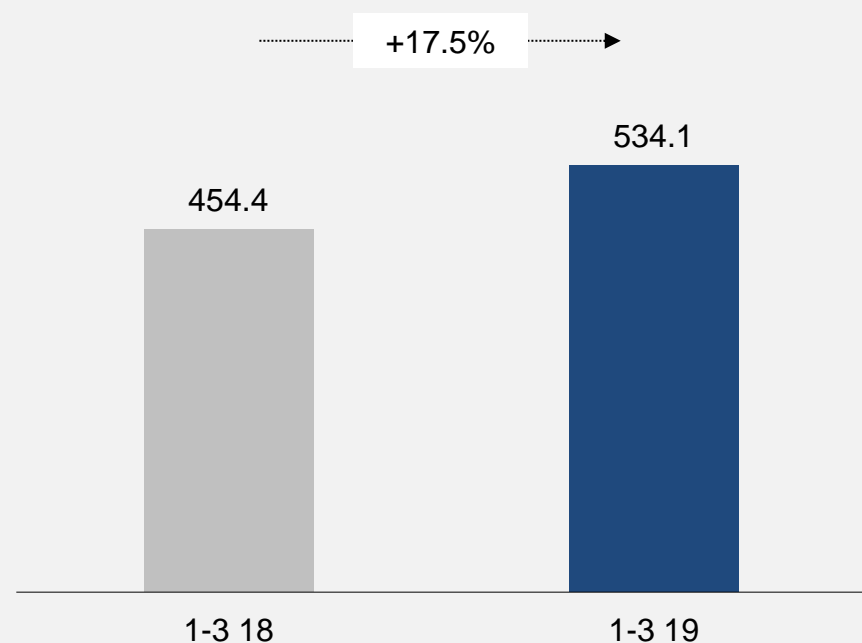
- Agricultural, construction and material handling markets with ongoing dynamic growth

# GRAMMER GROUP – DEVELOPMENT 1-3 2019

Solid start in the first quarter of 2019

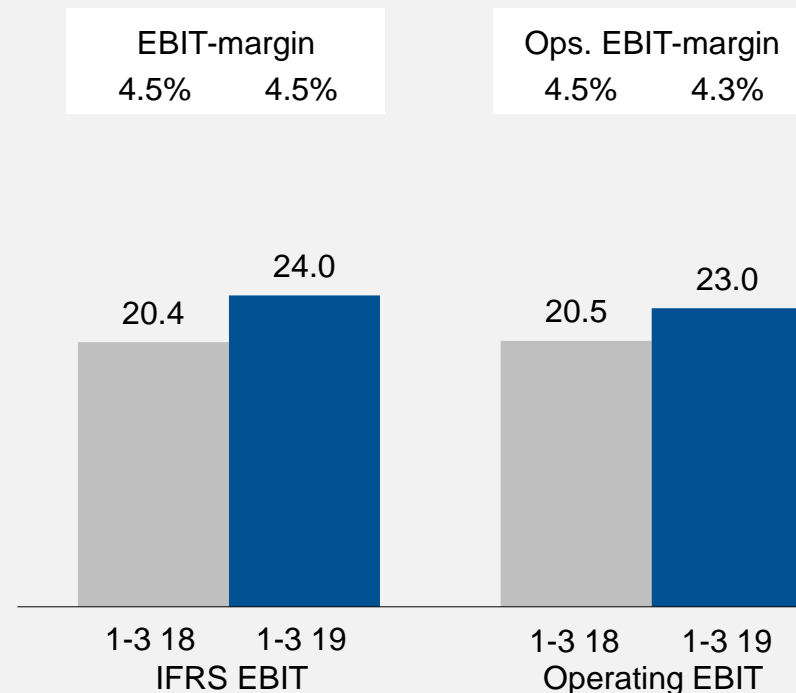


Revenues  
[in € million]



- Group revenues increased in 1<sup>st</sup> quarter compared to previous year chiefly due to the acquisition of the TMD Group
- Strong development in all core markets in Commercial Vehicles

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



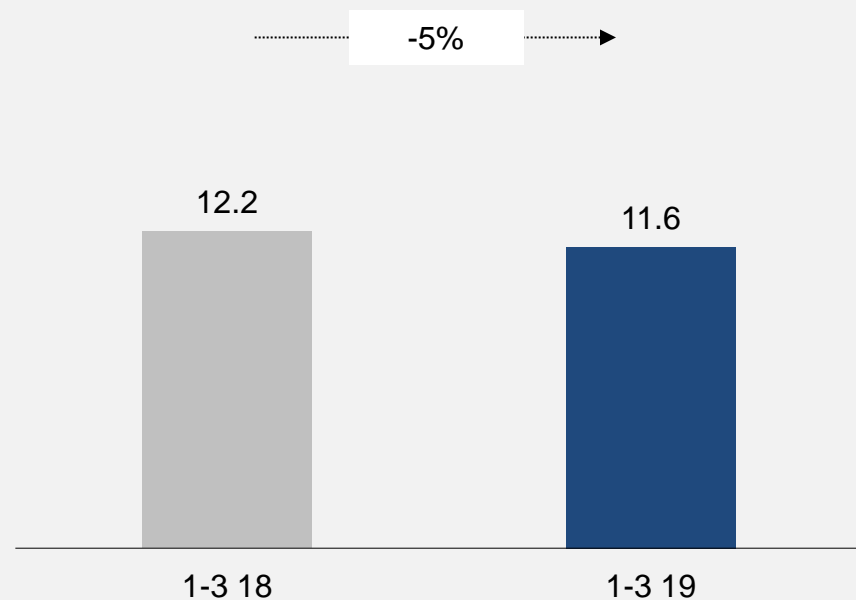
- Operating EBIT at 23.0 € million on a very high level
- Operating EBIT-margin of 4.3% reflects solid Q1-19 development

# GRAMMER GROUP – DEVELOPMENT 1-3 2019

Net profit on par with previous year

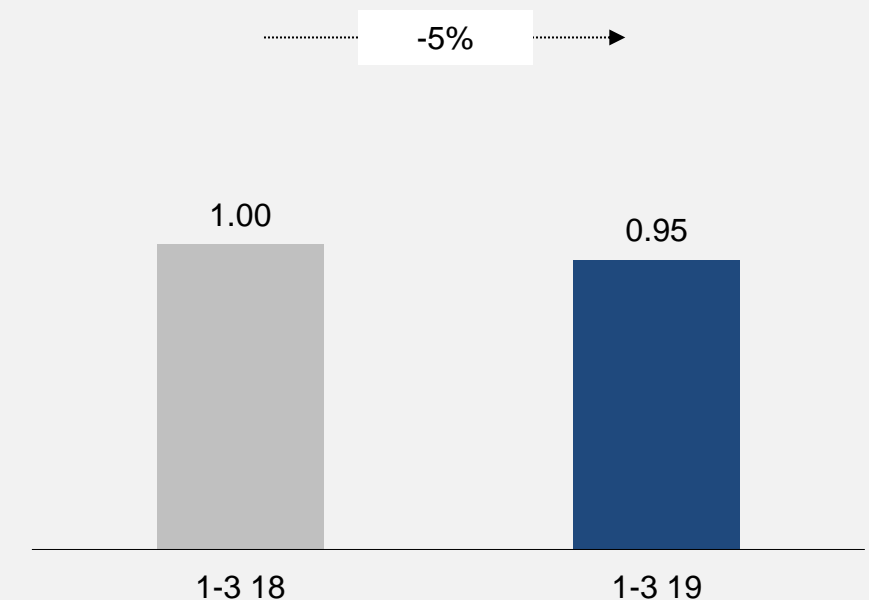


Net Profit  
[in € million]



- Net profit in Q1-19 reached almost the high level of the previous year
- The financial result reflects the TMD acquisition financing costs. The tax rate remains on previous year's level

Basic earnings per share  
[in €]



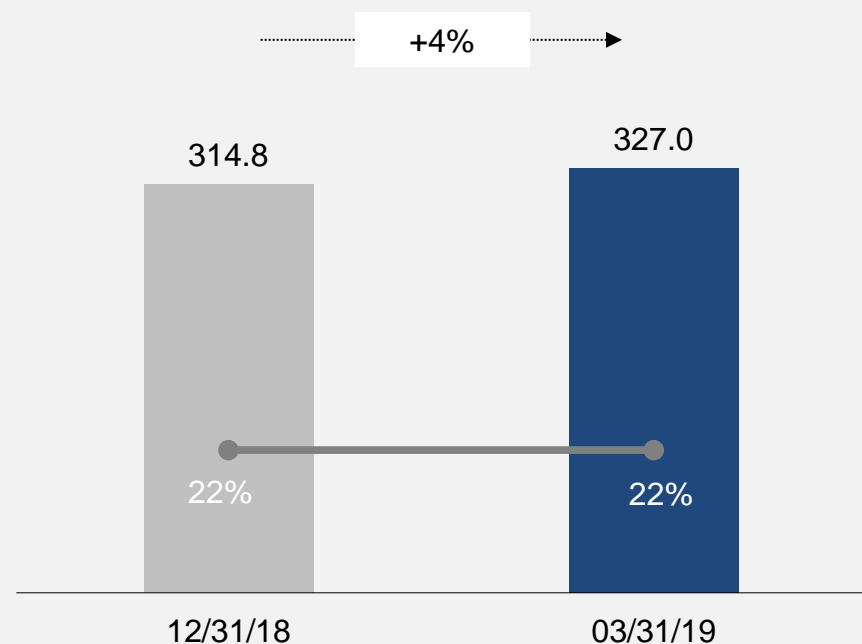
- EPS development reflects development of Group net profit

# GRAMMER GROUP – DEVELOPMENT 1-3 2019

Balance sheet influenced by acquisition financing of TMD

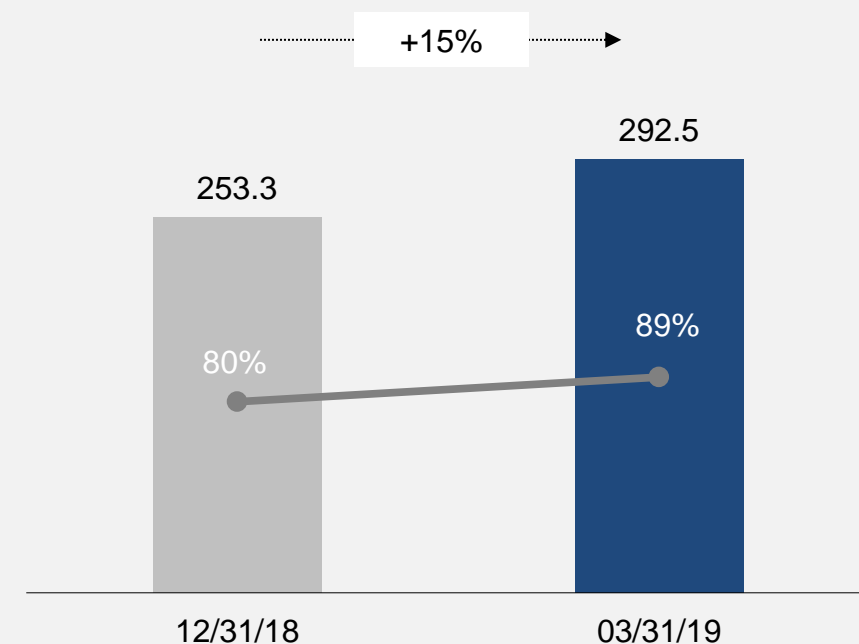


Equity and equity ratio  
[in € million and %]



- Equity ratio unchanged at 22% and in line with balance sheet development

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



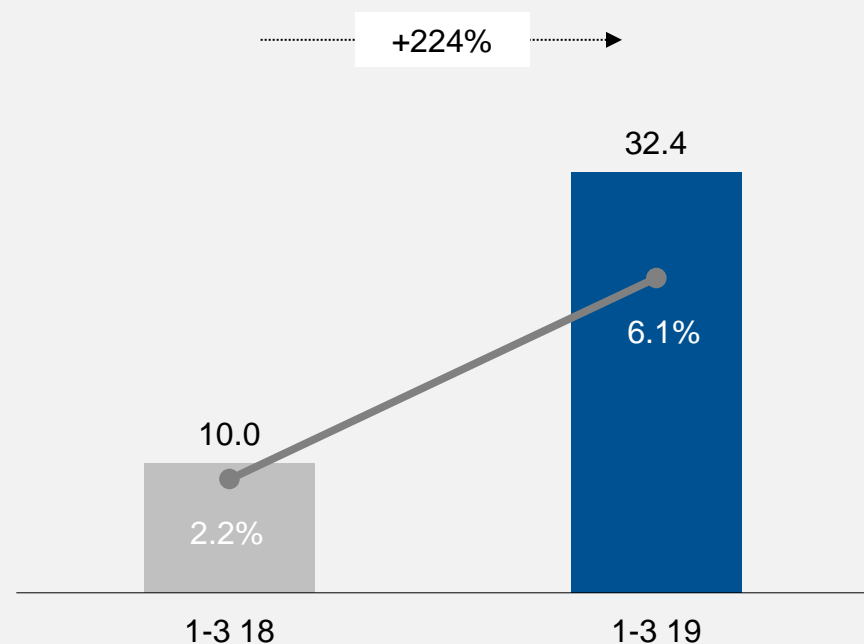
- Net debt increased to 292.5 € million reflecting TMD acquisition financing

# GRAMMER GROUP – DEVELOPMENT 1-3 2019

## Investments up due to IFRS 16 & new Tech Center

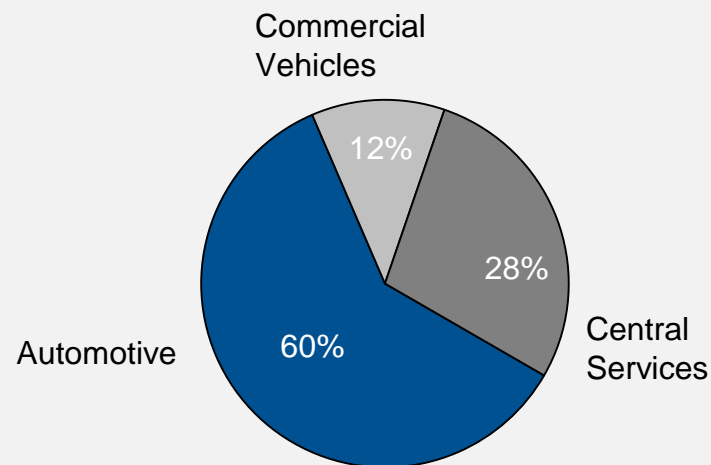


Capex and capex ratio  
[in € million and %]



- Capex with 32.4 € million continues as planned due to business growth and capacity expansion in all regions as well as application of IFRS 16 under the new accounting guidance

Capex 1-3 2019 by divisions  
[in %]



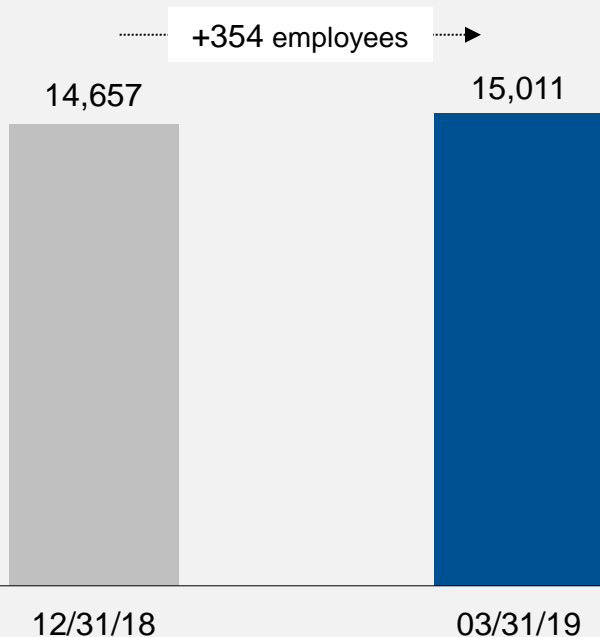
- Main investments in the Automotive segment to expand capacities and prepare for new production start-ups
- Higher investments within Central Services area for new GRAMMER Technology Center & Group Headquarters

# GRAMMER GROUP – DEVELOPMENT 1-3 2019

## Headcount development

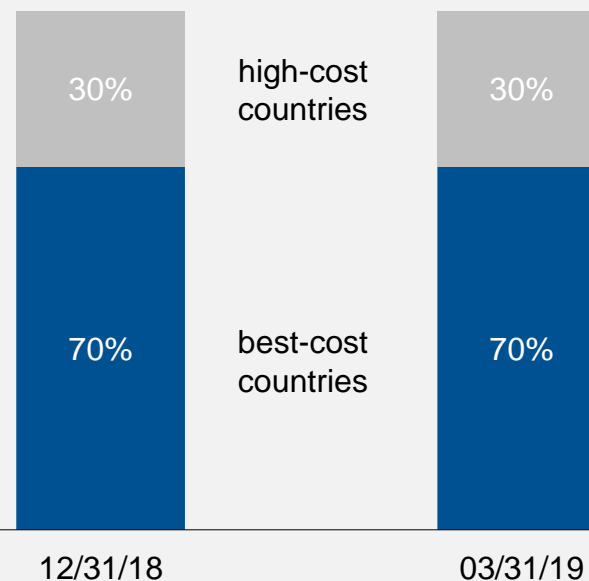


Employees  
[month-end]



- Headcount development reflects staffing higher business volumes and insourcing activities
- The increase is mainly attributable to the acquisition of the TMD Group

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



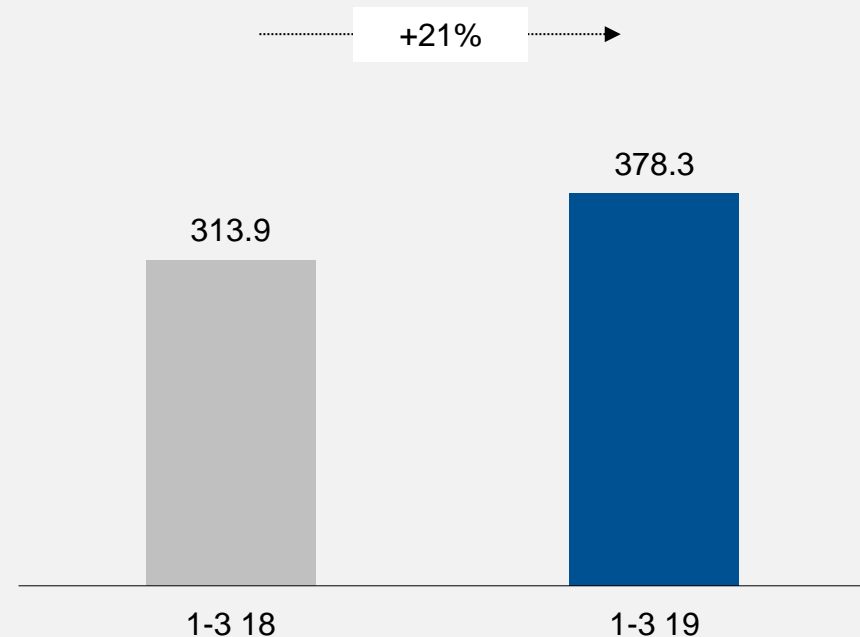
- More than 70% of all employees work in best-cost countries like Serbia, Bulgaria, CZ, Mexico, Turkey or China
- 3,300 GRAMMER employees are located in Germany, providing a solid base for the international expansion

# AUTOMOTIVE – DEVELOPMENT 1-3 2019

Expected challenging start with divergent car markets

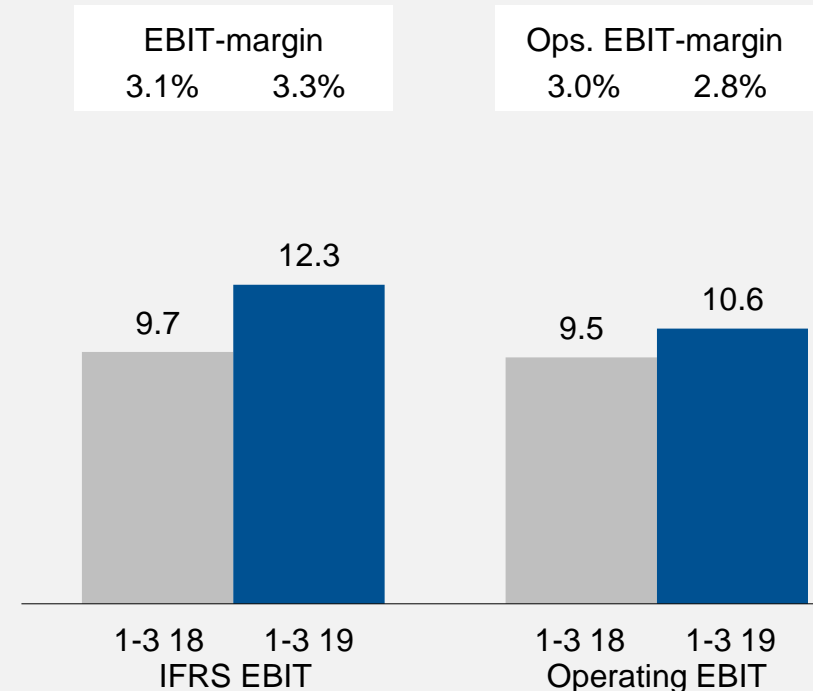


Revenues  
[in € million]



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

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



- At 10.6 € million, ops. EBIT in Q1-19 higher than prev. year with ops. EBIT-margin at 2.8%
- Positive FX impact of 1.7 € million

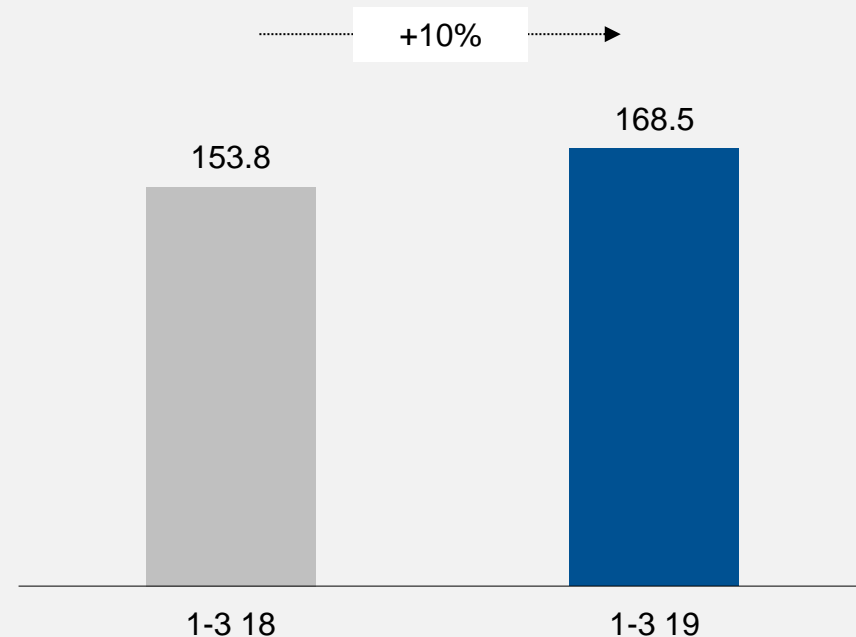


# COMMERCIAL VEHICLES – DEVELOPMENT 1-3 2019

Strong performance with dynamic core markets

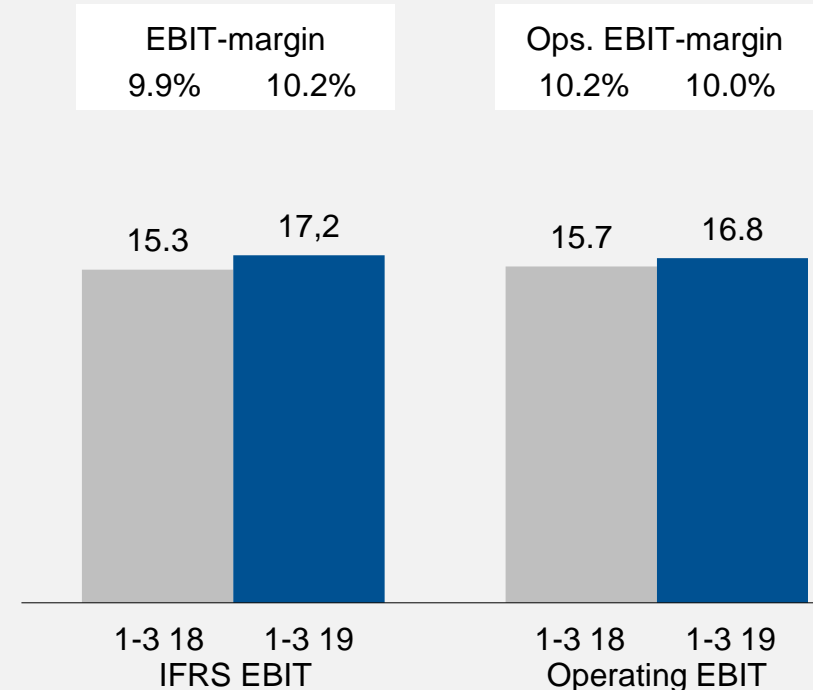


Revenues  
[in € million]



- Strong growth with ongoing dynamic market environment
- Double-digit growth in APAC and Americas underline higher market penetration and market share gains

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





- Operating EBIT improved to 16.8 € million
- Operating EBIT-margin at 10.0%
- Positive volume impact due to high sales performance spurred the Division's earnings

# GRAMMER GROUP – MARKET OUTLOOK 2019

Overall positive market development



			Europe	USA	Brasil	China	World
	Worldwide car production	Source: IHS 03/2019	-2%	-1%	+6%	+1%	+/-0%
	Worldwide truck production	Source: IHS 01/2019	+6%	+6%	+10%	-10%	-1%
	Agricultural machinery	Source: John Deere 02/2019	+/-0%	0 to +5%	0 to +5%		
		Source: AGCO 05/2019	+/-0%	0 to +5%	0 to +5%		
	Construction machinery	Source: Caterpillar 01/2019	Steady demand	Strong demand	Slow to recover	Flat, growth outside of China	
	Forklifts	Source: Jungheinrich 03/2019	Growth in lower to mid single digit %			Growth in mid single digit %	Less dynamic growth, potential slight decrease

# GRAMMER GROUP – OUTLOOK 2019

Further growth and improved profitability expected



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

# ON THE MOVE



**Backup Information**



**GRAMMER**

# GRAMMER GROUP

## Key Figures 1-3 2019



<i>[IFRS, in € million]</i>	Q1 2019	Q1 2018	Chg.
Group Revenues	534.1	454.4	+17.5%
EBITDA	44.2	32.0	+38.1%
EBITDA-Margin	8.3%	7.0%	+1.3%-P
EBIT	24.0	20.4	+17.6%
EBIT-Margin	4.5%	4.5%	+/-0%-P
Operating EBIT	23.0	20.5	+12.2%
Operating EBIT-Margin	4.3%	4.5%	-0.2%-P
Profit after taxes	11.6	12.2	-4.9%
EPS in €	0.95	1.00	-5%
Total Assets	1,499.2	1,068.9	+40.3%
Equity	327.0	325.8	+0.4%
Equity-Ratio	22%	30%	-8%-P
Net Financial Debt	292.5	128.6	+127.4%
Gearing Ratio	89%	39%	+50%-P
Capex (w/o M&A)	32.4	10.0	+224.0%
Depreciation	20.2	11.6	+74.1%
Employees (month-end)	15,011	13,123	+14.4%

# GRAMMER AG – SHARE PRICE DEVELOPMENT

## GRAMMER Share



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



### Selected Broker Recommendations

Broker	Date	Current Recomm.	Current TP (€)
Baader Helvea	05-Apr-19	Hold	39.0
Bankhaus Lampe	29-Mar-19	Buy	52.0
DZ Bank	26-Feb-19	Hold	37.0
MM Warburg	14-Nov-18	Hold	37.0
Oddo BHF	29-Apr-19	Hold	41.0
<b>Consensus</b>			<b>41.0</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 [December 31, 2018]	475 € million
Ave. daily trading volume 2018 (XETRA):	
January – August	30.000 shares
September – December	8.000 shares

<i>[IFRS, in € million]</i>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Group Revenues</b>	1,861.3	1,786.5	1,695.9	1,427.7	1,365.9
<b>EBITDA</b>	101.0	116.0	120.2	83.2	93.7
<b>EBITDA-Margin</b>	5.4%	6.5%	7.1%	5.8%	6.9%
<b>EBIT</b>	48.7	66.5	73.0	42.7	57.0
<b>EBIT-Margin</b>	2.6%	3.7%	4.3%	3.0%	4.2%
<b>Profit after taxes</b>	23.2	32.4	45.2	23.8	33.6
<b>EPS in €</b>	1.90	2.67	4.01	2.10	3.09
<b>Dividend/ Share in €</b>	0.75*	1.25	1.30	0.75	0.75
<b>Total Assets</b>	1,441.4	1,107.0	1,050.6	992.1	836.5
<b>Equity</b>	314.8	337.7	271.2	253.4	231.8
<b>Equity-Ratio</b>	22%	31%	26%	26%	28%
<b>Net Financial Debt</b>	253.3	92.2	139.1	155.5	86.7
<b>Gearing Ratio</b>	80%	27%	51%	61%	37%
<b>Capex (w/o M&amp;A)</b>	73.9	59.1	56.2	47.9	51.5
<b>Depreciation</b>	52.3	49.5	47.2	40.5	36.7
<b>Employees (Dec. 31)</b>	14,657	12,947	12,250	11,397	10,700

\*) proposed

### Financial Calendar 2019

Annual General Meeting	July 12, 2019
Half-Year 2019 Report	August 06, 2019
Interim Management Statements Q3 / 2019	November 12, 2019

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