



Financial Results 9M 2020

Ursensollen, October 29th, 2020



HIGHLIGHTS 9M 2020

POSITIVE BUSINESS DEVELOPMENT WITH IMPROVED MARKETS IN Q3



Market recovery in Q3 after huge COVID-19 impact in H1 2020

Q3 revenue reached EUR 461.7 million, (only 7.3% down) compared to the -30% drop in H1

Double-digit growth in APAC region, recovery in EMEA and Americas

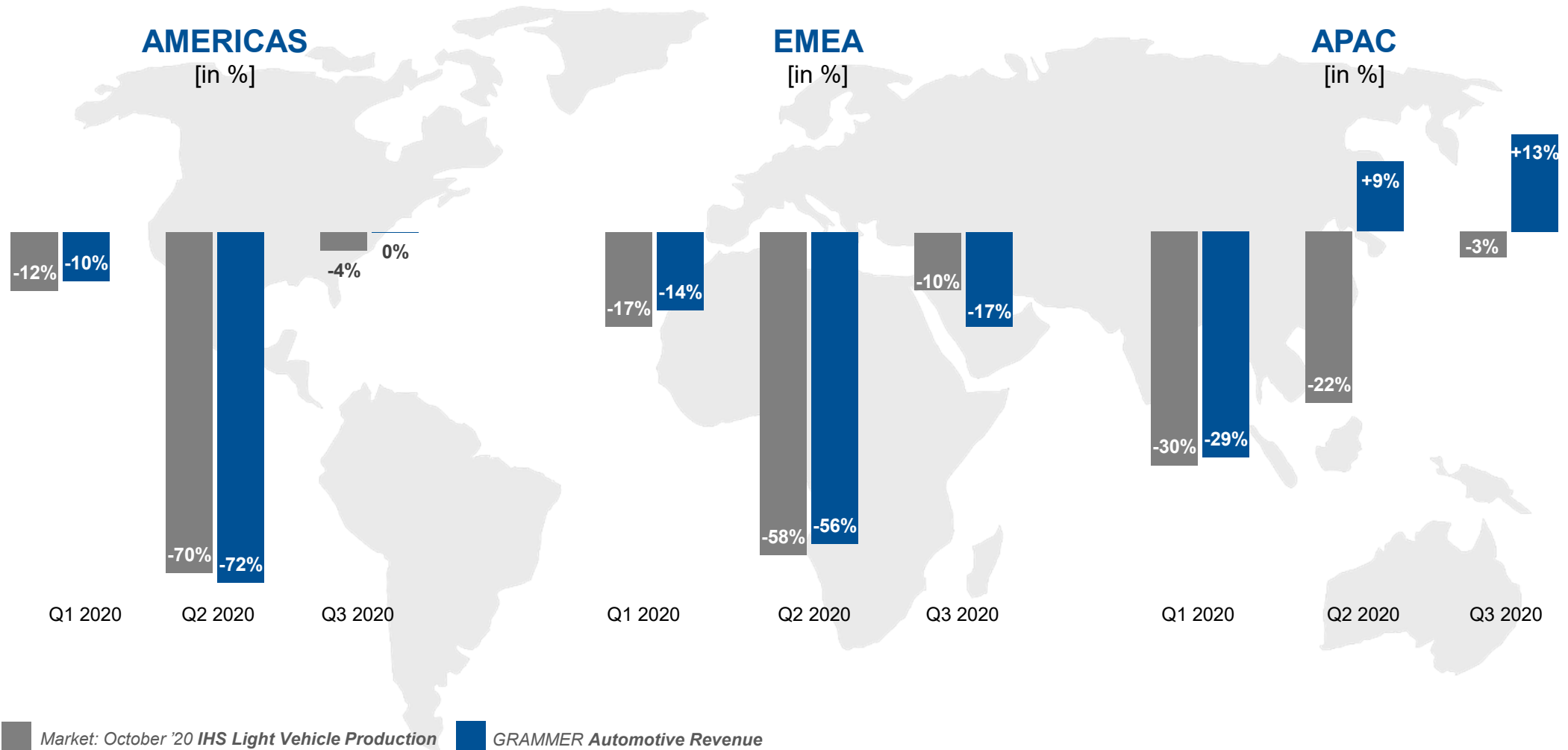
9M EBIT strongly impacted by COVID-19, special effects and provisions for restructuring

Q3 operating EBIT margin of around 5% as result of successful crisis management

Capital increase to raise EUR 40 million announced today

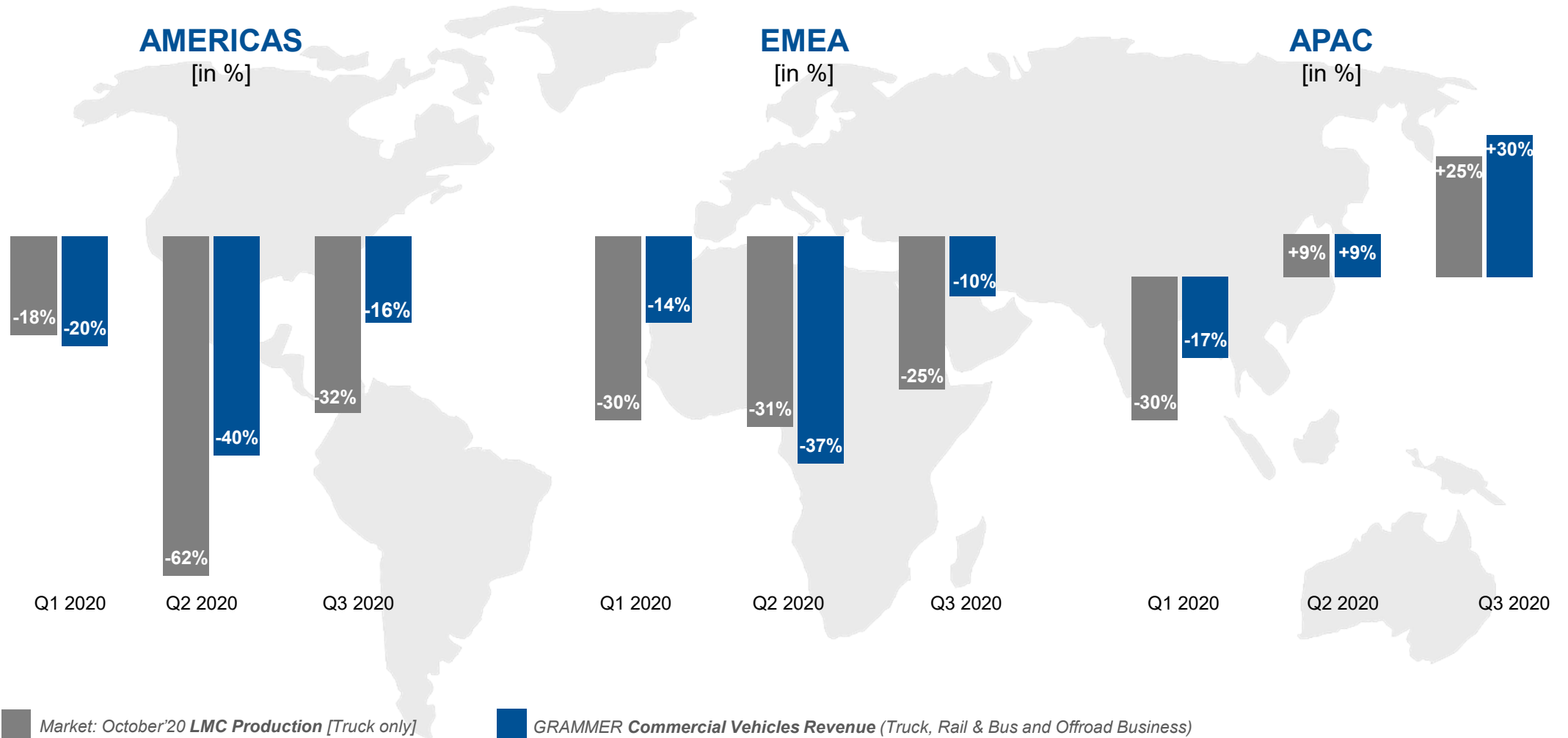
MARKET DEVELOPMENT LIGHT VEHICLES

GRAMMER IN LINE WITH MARKET TRENDS IN ALL REGIONS – STRONG PERFORMANCE IN APAC



MARKET DEVELOPMENT COMMERCIAL VEHICLES

GRAMMER OUTPERFORMS MARKETS GLOBALLY



9M REVENUE BY SEGMENTS

BOTH SEGMENTS AFFECTED BY COVID-19 – IMPROVED MARKETS IN Q3



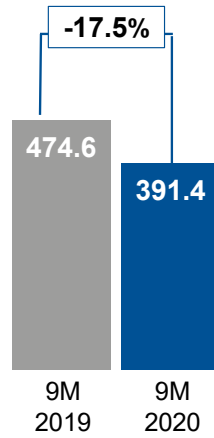
AUTOMOTIVE

[in m. €]



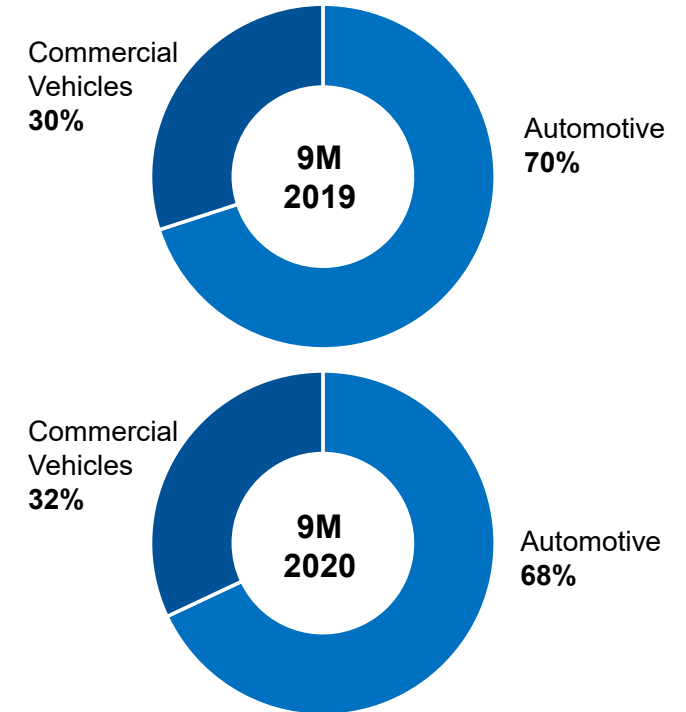
COMMERCIAL VEHICLES

[in m. €]



SHARE OF GROUP REVENUE

[in %]

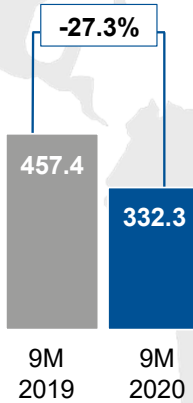
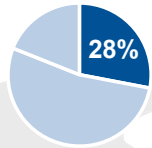


9M REVENUE BY REGION

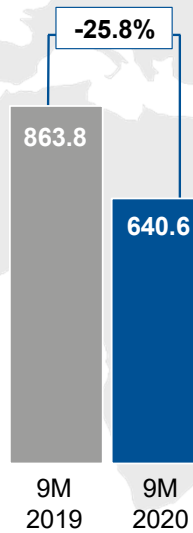
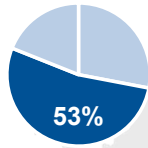
IMPACT BY COVID-19 BUT RECOVERY IN EMEA AND AMERICAS IN Q3



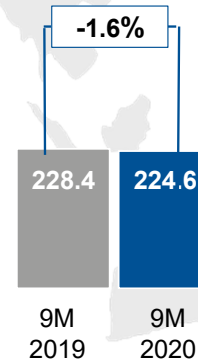
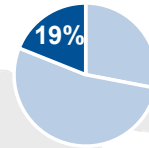
AMERICAS
[in m. €]



EMEA
[in m. €]



APAC
[in m. €]



Customer plant shut-downs in the regions Americas and EMEA from mid March up to mid June*

Significant recovery of sales in Americas and EMEA in Q3

Continuous growth in APAC in Q3 resulting in higher share of total Group revenue

* Latest re-start of production in Mexican sites


COVID-19-PANDEMIC

COMPREHENSIVE MANAGEMENT MEASURES



CHALLENGES

COVID-19 PANDEMIC

People Management	Health and Safety measures Number of employees adapted to reduced workload Short-term adjustment of personnel costs	Maintaining the ability to react fast
Cash Management	Tightened working capital management Investments focused on key projects to secure launches and future business	Ongoing
Cost Management	Tight expense management in all categories	Ongoing
Funding Management	Increase of the existing syndicated loan by EUR 235 million with a new Tranche C	

TARGETS

PROTECTION OF OUR EMPLOYEES

SAFEGUARD LIQUIDITY AND EARNINGS

UPDATE ON EFFICIENCY ENHANCEMENT PROGRAM

ONGOING ACTIVITIES TO STRENGTHEN LONG-TERM COMPETITIVENESS



CHALLENGES

COVID-19 PANDEMIC

**REDUCED DEMANDS
IN THE AUTOMOTIVE
AND COMMERCIAL
VEHICLES MARKETS**

**New
organizational
structure**

Focus on regional empowerment to promote agility and flexibility

Ongoing

**Headcount
reduction**

Reduction of around 300 indirect positions in Germany by mid 2021

Ongoing & preparation for additional measures

**Operational
Excellence**

Optimization of core processes in terms of effectiveness and efficiency

Ongoing

**Consolidation
of production
footprint**

Footprint optimization by closing of 3 production sites in Europe and consolidation measures in Americas

Ongoing & preparation for additional measures

TARGETS

PROTECTION OF
OUR EMPLOYEES

SAFEGUARD EARNINGS
AND LIQUIDITY

**IMPROVE LONG-TERM
COMPETITIVENESS**

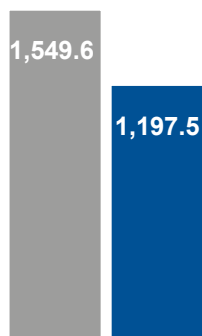
**LOWER STRUCTURAL
COSTS**

GRAMMER GROUP 9M

COVID-19 EFFECTS HIT BUSINESS IN H1 – SIGNIFICANT IMPROVEMENTS IN Q3

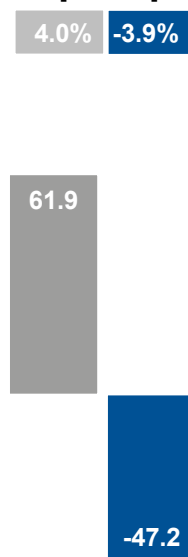


REVENUE [in m. €]



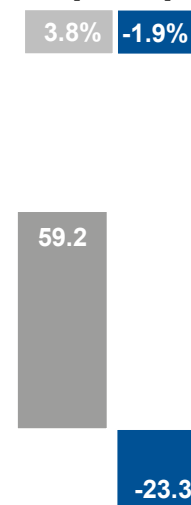
9M 2019 9M 2020

EBIT [in m. €]



9M 2019 9M 2020

OPERATING EBIT [in m. €]



9M 2019 9M 2020



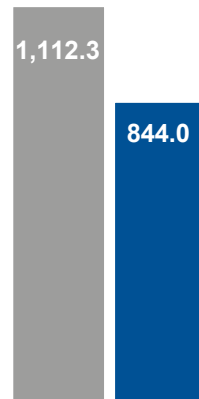
- 9M EBIT was affected by COVID-19-related volume drops, individual items in the first half year and restructuring expenses in the third quarter
- Q3 operating EBIT margin of around 5% in Q3 driven by crisis management and strict cost measures
- 9M operating EBIT adjusted by EUR 23.9 million in total, thereof EUR 12.5 million for provisions for restructuring and EUR 7.1 million FX effects

GRAMMER AUTOMOTIVE 9M

AFTER CUSTOMER PRODUCTION STOPS IN H1, SIGNIFICANT RECOVERY OF THE MARKETS IN Q3



REVENUE [in m. €]



1-9 2019 1-9 2020

EBIT [in m. €]

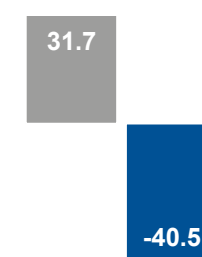
3.1% -6.2%



1-9 2019 1-9 2020

OPERATING EBIT [in m. €]

2.8% -4.8%



1-9 2019 1-9 2020

9M Revenue down by 24.1%

Recovery in Q3 with a single-digit decline of -6.1% vs. Q3 2019 and strong recovery vs. Q2 2020

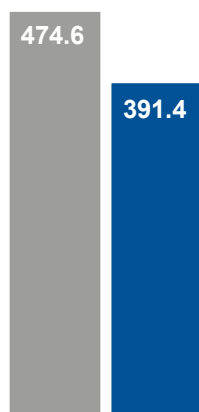
EBIT impacted by extraordinary specific items in Q2 (EUR 20.8 million) and provisions for restructuring measures in Q3 (EUR 5.0 million)

GRAMMER COMMERCIAL VEHICLES 9M

COMMERCIAL VEHICLES AFFECTED BY GENERAL MARKET SLOW-DOWN BUT MORE RESILIENT TO CRISIS

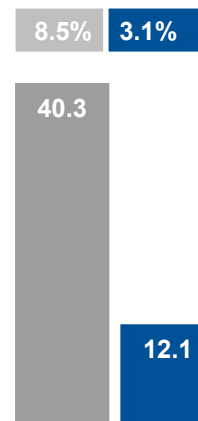


REVENUE [in m. €]



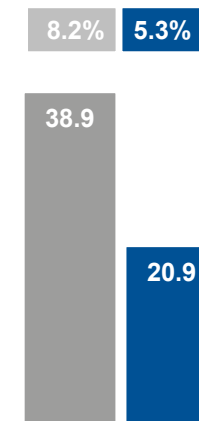
9M 2019 9M 2020

EBIT [in m. €]



9 M 2019 9M 2020

OPERATING EBIT [in m. €]



9M 2019 9M 2020

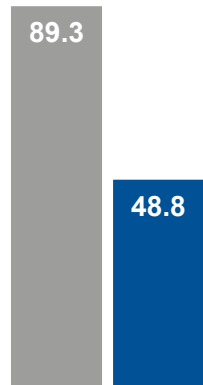
- Revenue declined by 17.5% in 9M and 5.4% in Q3, significant revenue improvement in APAC with +7.0% in 9M and +29.9% in Q3
- EBIT impacted by extraordinary specific items in Q2 (EUR 3.3 million) and provisions for restructuring measures in Q3 (EUR 4.5 million)
- 9M operating EBIT margin at 5.3%

INVESTMENTS AND EMPLOYEES

FOCUSED CAPEX SPENT AND ADJUSTED NUMBER OF EMPLOYEES



INVESTMENTS
[in m. €]



9M 2019 9M 2020

EMPLOYEES
[reporting date, without temps]



30/09/19 30/09/20

EMPLOYEES
[average number, without temps]



9M 2019 9M 2020



Investments focused on key projects to preserve liquidity and secure future business

Number of employees being adapted to reduced workload

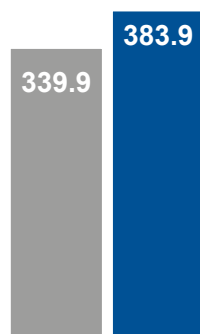
Restructuring program initiated to reduce indirect headcount of around 300 by mid 2021 with focus on Germany

FINANCIAL POSITION

SOLID LIQUIDITY POSITION AND MEDIUM- TO LONG-TERM FINANCING

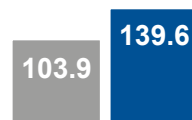


NET FINANCIAL DEBT
[in m. €]



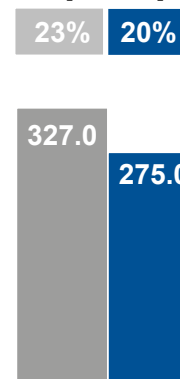
9M 2019 9M 2020

GEARING
[in %]



9M 2019 9M 2020

EQUITY
[in m. €]



9M 2019 9M 2020



Hybrid loan from Ningbo Jifeng received in Q1 (EUR 19.1 million) and C tranche added to the syndicated loan contract (+EUR 235 million) in August

Well-balanced medium- / long-term maturity profile and a diversified mix of financing instruments

Equity ratio affected by negative impact of COVID-19

CAPITAL INCREASE

CAPITAL INCREASE ANNOUNCED TO RAISE EUR 40 MILLION



40 million Euro capital increase announced

Capital increase from authorized capital with subscription rights for existing shareholders

Full placement guarantee of major shareholder

2,630,801 new shares to be issued at a price of 15.21 per share

The subscription ratio is 14:3, which means that 14 existing shares entitle the holder to subscribe for 3 new shares

Subscription period begins on 30 October 2020 and ends on 12 November 2020, 24:00 hours

GRAMMER BUSINESS DEVELOPMENT IN APAC

FURTHER MILESTONES ACHIEVED IN GROWING THE BUSINESS IN THE APAC REGION



GRAMMER is optimizing its manufacturing footprint in China

Positions itself for further growth in APAC in both segments with key customers

Opening of two new plants in Ningbo and Shenyang by the beginning of 2021

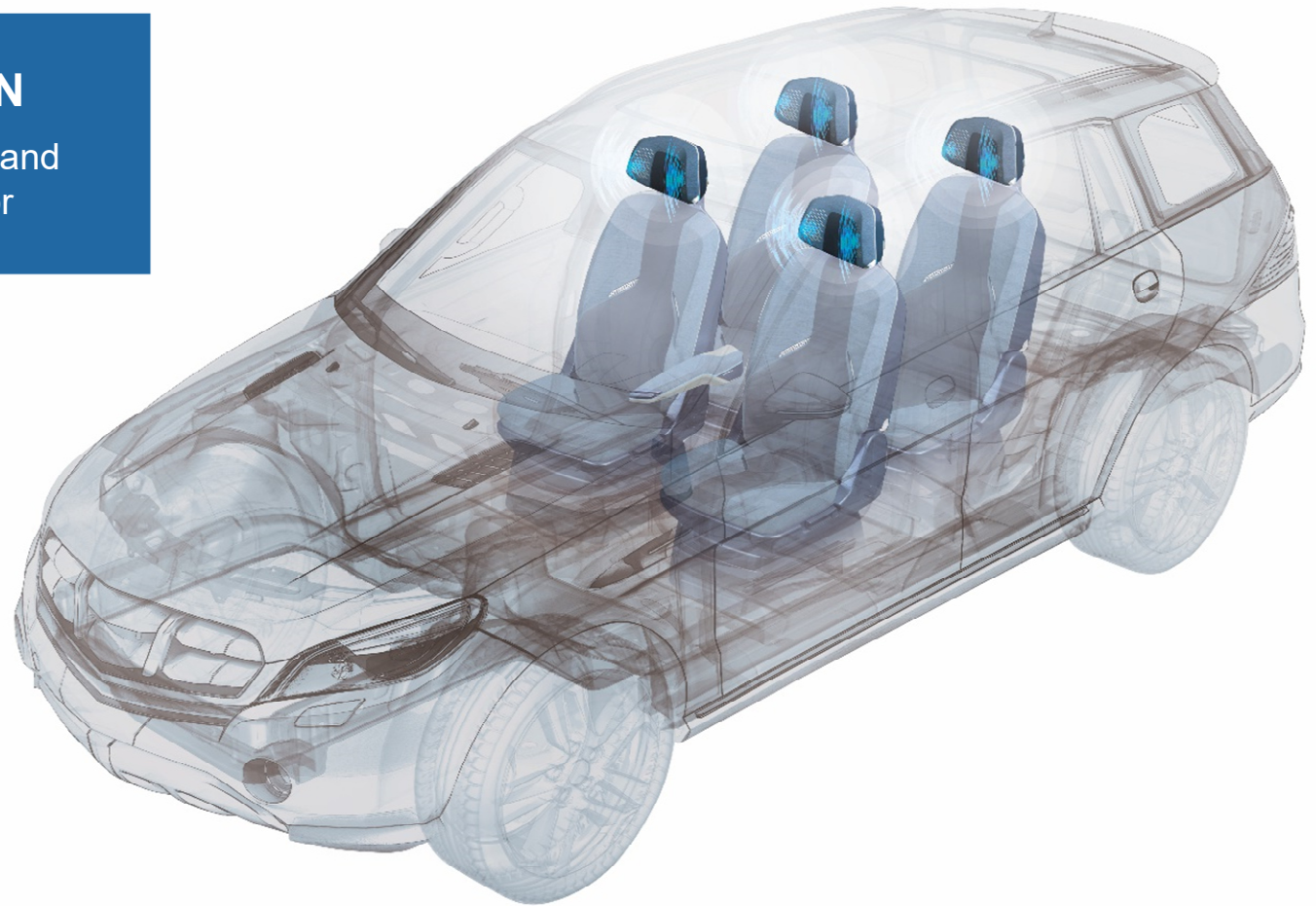
Enhanced strategic partnership with Ningbo Jifeng

03/2020: Start of global purchasing cooperation

11/2020: Sales cooperation for the Japanese automotive market

COOPERATION WITH HARMAN

for the development of various concepts and products for upgrading the vehicle interior



GRAMMER GROUP OUTLOOK

GUIDANCE STILL SUSPENDED DUE TO UNCERTAINTIES RESULTING FROM COVID-19 PANDEMIC



In view of the extremely dynamic development and the associated uncertainties arising from the COVID-19 pandemic and its economic fallout, no reliable forecast of the development in the fourth quarter of 2020 is possible.

GRAMMER expects sales and operating profit for the full year 2020 to be significantly below the level of the previous year.



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Back-up Information



GRAMMER GROUP

BACK-UP 9M 2020



GRAMMER share price in €, December 31, 2015 until September 30, 2020



Selected Broker Recommendations

Broker	Date	Current Recomm.	Current TP (€)
Bankhaus Lampe	12-Oct-20	Buy	22.0
DZ Bank	3-April-20	Hold	19.0
MM Warburg	14-Aug-20	Hold	18.00
Oddo BHF	31-March-20	Hold	25.0
Consensus			21.0

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, 2020]	€ 206 million

GRAMMER GROUP

DEVELOPMENT 1-9 2020



<i>[IFRS, in € million]</i>	1-9 2020	1-9 2019	Q3 - 2020	Q3 - 2019	Chg.
Group Revenue	1,197.5	1,549.6	461.7	498.1	-7.3 %
EBITDA	17.2	124.6	27.6	33.3	-17.1%
EBITDA Margin in %	1.4	8.0	6.0	6.7	-0.7 %-points
EBIT	-47.2	61.9	5.8	11.7	-50.5 %
EBIT Margin in %	-3.9	4.0	1.3	2.3	-1.0 %-points
Operating EBIT	-23,3	59.2	22.4	9.1	146.5 %
Operating EBIT Margin in %	-1.9	3.8	4.9	1.8	3.1 %-points
Net Profit	-58.5	28.4	0.7	0.8	-12.5 %
EPS in €	-4.77	2.31	0.06	0.06	0.0 %
Total Assets	1,404.2	1,449.9	1,404.2	1,449.9	-3.2 %
Equity	275.0	327.0	275.0	327.0	-15.9 %
Equity-Ratio in %	19.6	22.6	19.6	22.6	-3.0 %-points
Net Financial Debt	383.9	339.9	383.9	339.9	12.9 %
Gearing Ratio in %	139.6	103.9	139.6	103.9	35.7 %-points
Capex (w/o M&A & financial assets)	48.8	89.3	17.0	33.3	-49.0 %
Depreciation	64.4	62.7	21.8	21.6	1.0 %
Employees (average)	14,264	14,942	14,264	14,942	-4.5 %