



# Analysts' and Press Conference Fiscal Year 2019

Amberg, March 30th, 2020





**JENS ÖHLENSCHLÄGER**

January 1, 2019

**THORSTEN SEEHARS**

August 1, 2019

**JURATE KEBLYTE**

August 1, 2019

The Health and Safety of our employees & business partners is very important to us. We have initiated comprehensive measures at all locations at an early stage and review/update them as needed.

Production stops at our customers continue to require short-term adjustments at the GRAMMER locations worldwide. We have agreed on a comprehensive set of measures with the works councils to minimize the financial impact to our company.

From today's perspective, neither the further development of the financial year 2020 nor the effects of the COVID-19 pandemic on the global economy and the GRAMMER Group can be reliably estimated.



GRAMMER Group is the trusted partner for many industries: an innovative supplier for premium Automotive interiors and a global market leader for seating solutions for Commercial Vehicles.

Based on a strong brand and a broad customer & product portfolio, we will leverage our global presence and also the partnership with Ningbo Jifeng to further grow the business in China and the Americas in both of our market segments: Automotive and Commercial Vehicles.

# GRAMMER GROUP | HIGHLIGHTS 2019

## PRODUCTS AND EVENTS



Trade Fair: BAUMA



European Spine Journal Award



Trade Fair: Agritechnica



Interior of the future - PROJECT PURE



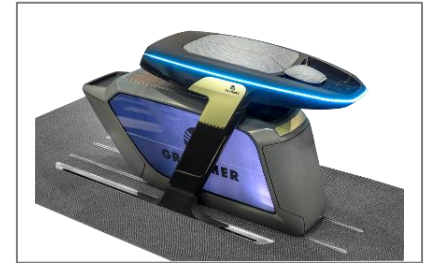
Trade Fair: SIMA



Joint Venture with FAWSN Group



Trade Fair: Auto Shanghai



Sliding Console



Trade Fair: Expo 1520



Red Dot Award 2019



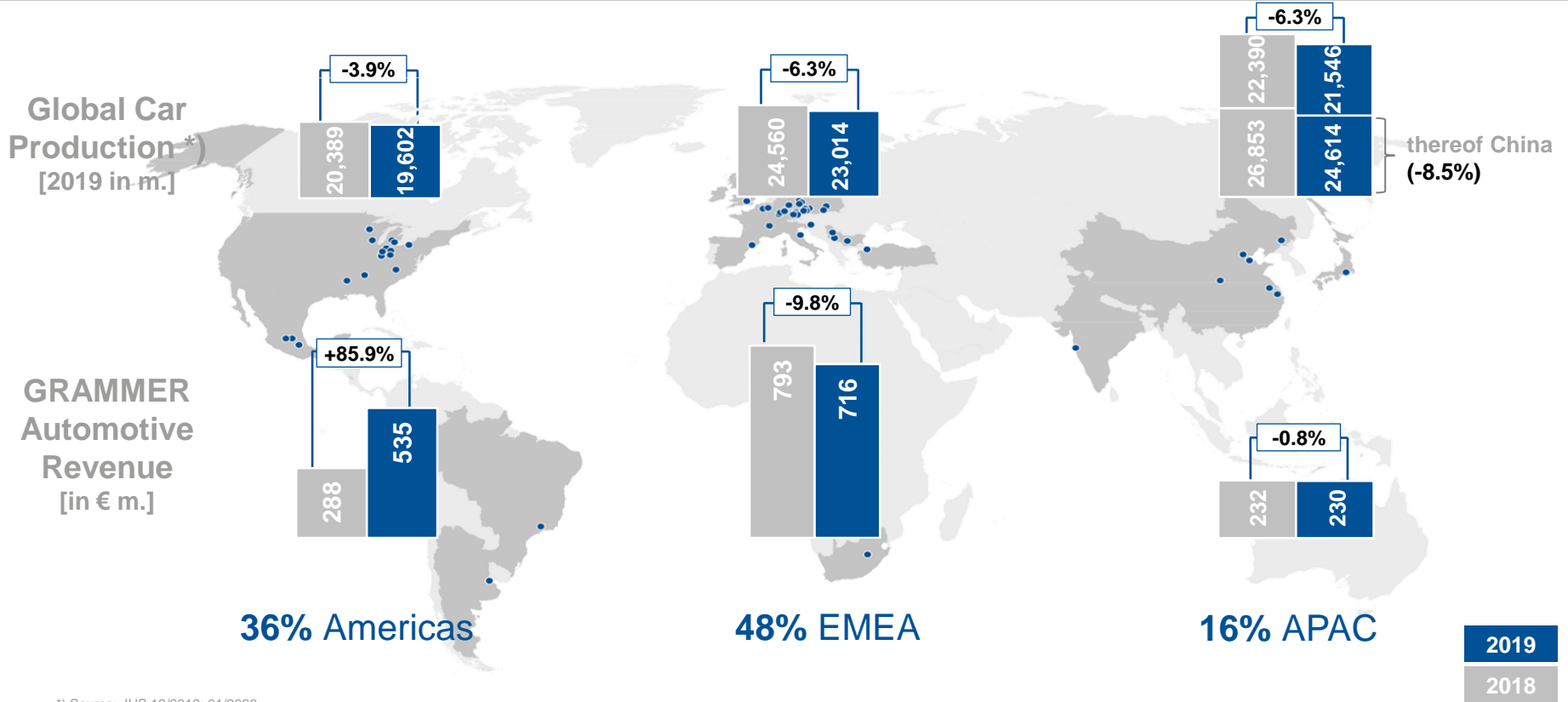
European Truck Grand Prix



New GRAMMER Campus

# GRAMMER DIVISIONS

## AUTOMOTIVE REVENUE BY REGION vs. GLOBAL CAR PRODUCTION

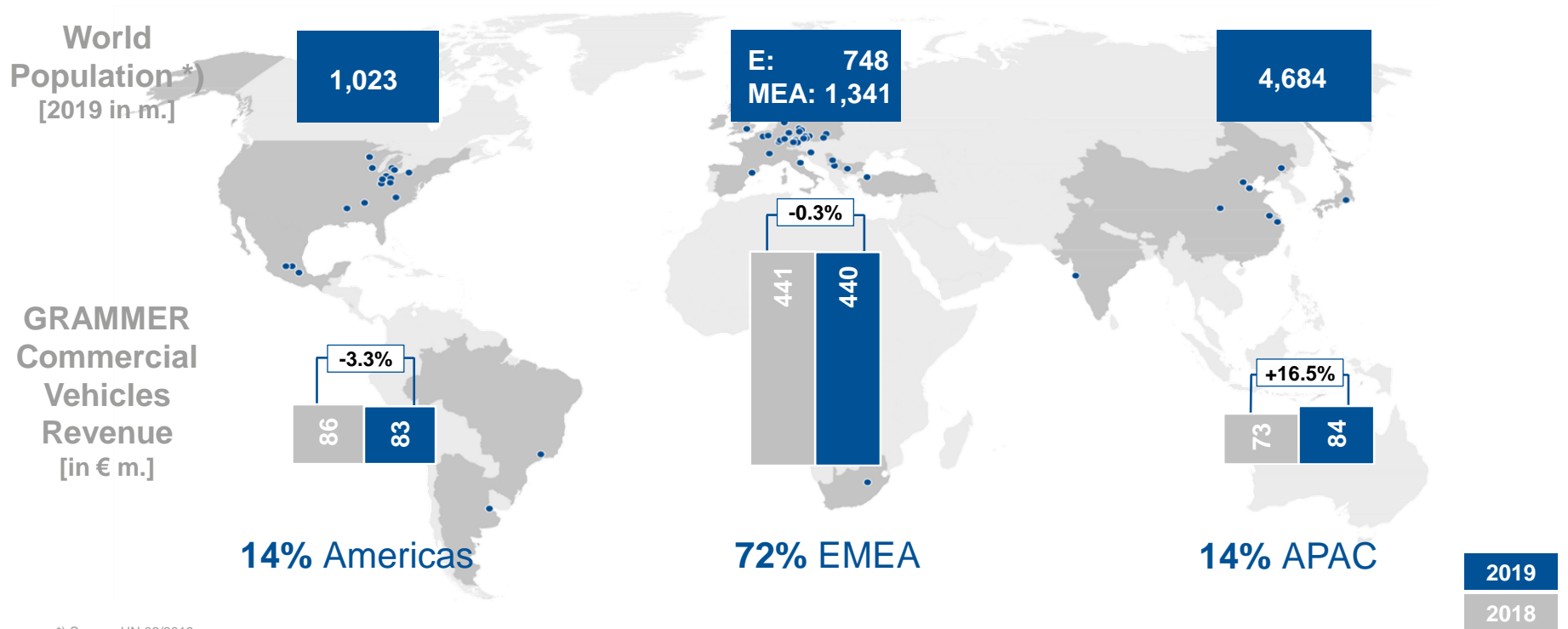


\*) Source: IHS 12/2019; 01/2020

GRAMMER Automotive Revenue of € 1,480 million (+13 % compared to prior year)

# GRAMMER DIVISIONS

## COMMERCIAL VEHICLES REVENUE BY REGION vs. WORLD POPULATION



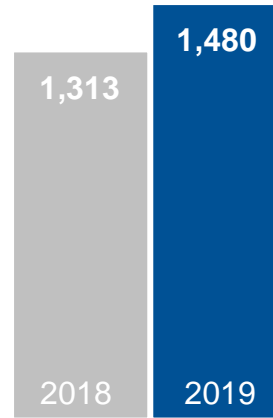
\*) Source: UN 08/2019

GRAMMER Commercial Vehicles Revenue of € 607 million (+1 % compared to prior year)



### REVENUE

[in m. €]

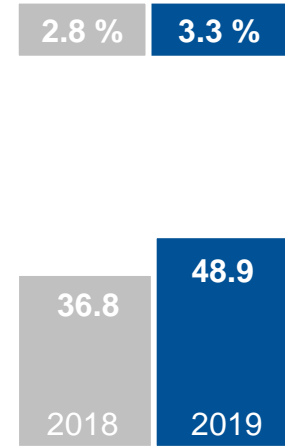


Sales growth in Americas mainly through TMD

Lower sales in Europe due to weaker car markets

### OPERATING EBIT

[in m. €]

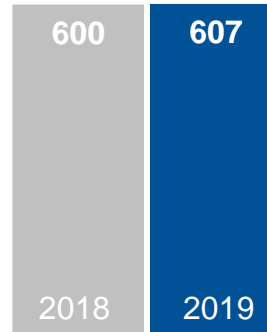


Earnings increased as weakness in European markets was over-compensated by growth in the NAFTA region



### REVENUE

[in m. €]

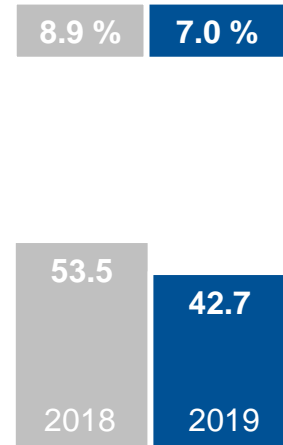


Solid performance with strong H1 especially in the off-road segment

Stronger development in China makes up for weaker demands in Europe and the Americas

### OPERATING EBIT

[in m. €]

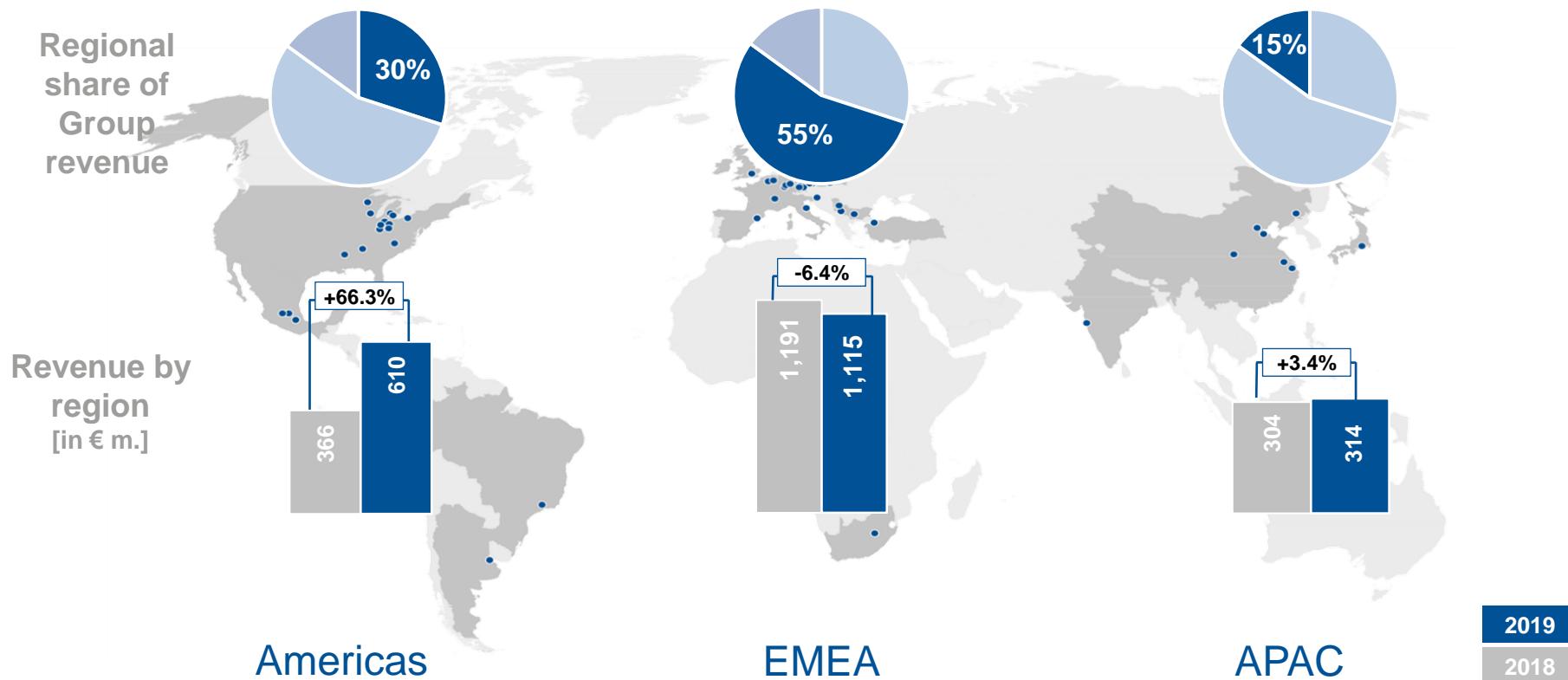


Product mix and one off costs from H1 impact FY margin negatively



# GRAMMER GROUP | FISCAL YEAR 2019

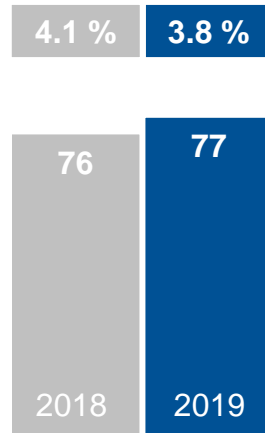
## GROUP REVENUE & DISTRIBUTION BY REGION



GRAMMER Group Revenue of € 2,038 million (2018: € 1,861 million; +9.5% compared to prior year)

### EBIT (OPERATING)

[in m. €]

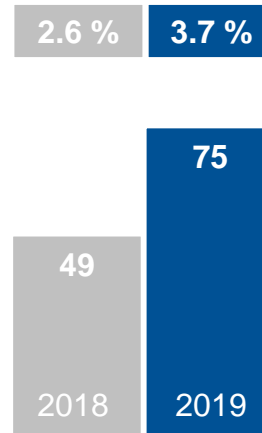


Both business segments contributed to rising operating earnings

Automotive marked by TMD acquisition

### EBIT (IFRS)

[in m. €]

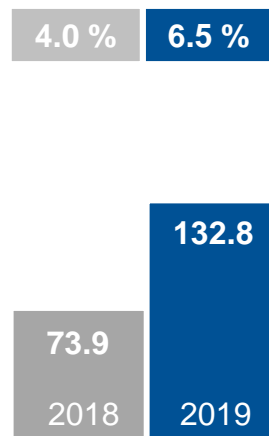


EBIT influenced by extraordinary items of € 4.9 m. and currency gains of € 2.5 m.



### INVESTMENTS

[without M&A, in m. €]



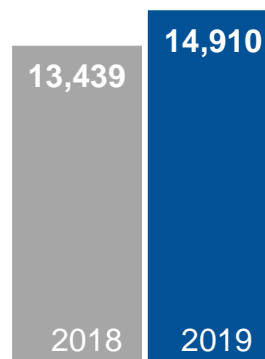
Investments for project launches & process optimization in all regions

IFRS 16 regulation „Leases“ with € 22.2 m. effect

Investments for Campus in Ursensollen € 55.1 m. in 2019

### EMPLOYEES

[average]

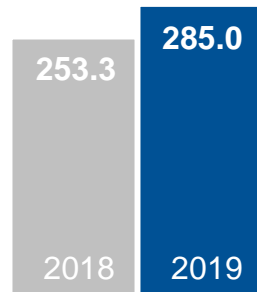


Number of employees increased due to TMD acquisition



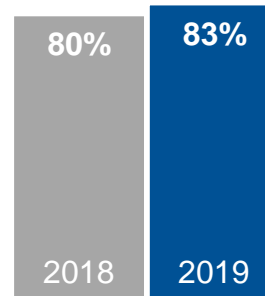
### NET FINANCIAL DEBT

[in m. €, Dec. 31]



### GEARING

[in %]

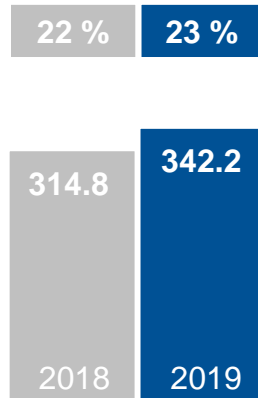


Solid financing structure further improved via premature refinancing of Syndicated Loan incl. the refinancing of TMD acquisition in February 2020.

GRAMMER AG has a well-balanced medium- / long-term maturity profile and a diversified mix of financing instruments.

### EQUITY

[in m. €, Dec. 31]



Higher earnings are reflected in the increase in equity

Equity ratio higher with 23%

### IFRS EARNINGS PER SHARE

[in €]



IFRS results influenced by special effects

### DIVIDEND FOR FISCAL YEAR

[in €]



Dividend proposal\* € 0.11 per share to strengthen the financial flexibility

\*) Executive & Supervisory Board Proposal



- GRAMMER AG has today published its Annual Report for the financial year 2019 which contains expected developments for the business year 2020. This report is based on our market assumptions and internal evaluations as of the beginning of the year 2020.
- Due to the globally rapidly progressing spread of the COVID-19 pandemic, the Executive Board has already communicated that the *report on expected developments* for the business year 2020 is not valid anymore. From today's perspective, neither the further development of the financial year 2020 nor the effects of the COVID-19 pandemic on the global economy and subsequently the GRAMMER Group can be reliably estimated.
- Therefore the Executive Board of GRAMMER AG has today suspended the guidance for the financial year 2020 for the GRAMMER Group that was adopted at the beginning of March. A new guidance will be issued once this is possible.



# REPOSITIONING GRAMMER FOR SUCCESS

## GROUP-WIDE MEASURES DURING COVID-19 SITUATION



Production at the plants in China has largely normalized. All plants were able to return to almost pre-Corona levels.

GRAMMER is temporarily restricting the production in the European and American plants following the shutdown notices from its customers in both segments.

Short-time work weeks are in place to cope with the reduced demands and to protect the financial flexibility of the company. Details of the arrangements, such as timing and duration of the restriction of plant operations, are agreed locally taking into account country- and site-specific regulations.

Additional measures are restrictive re-staffing for fluctuation, reduction of time accounts and of temporary work as well as strict cost management and stop of capital expenditures.



# REPOSITIONING GRAMMER FOR SUCCESS

## EFFICIENCY MEASURES FOR GRAMMER GROUP



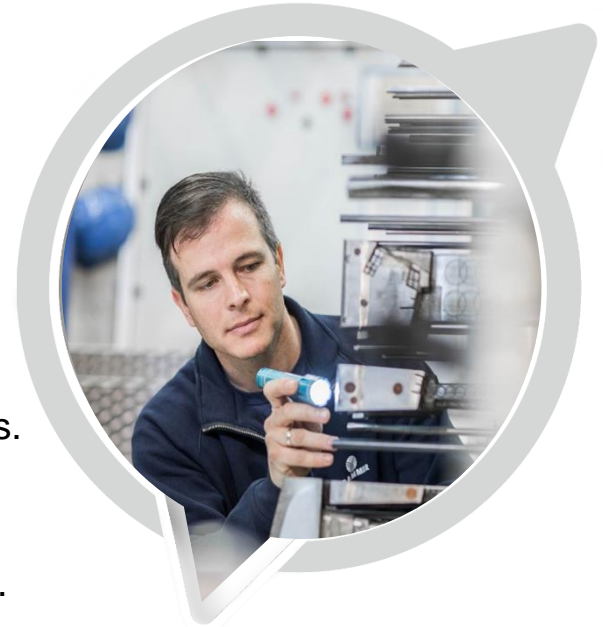
“Reshape the Future”-Program was implemented with efficiency measures for the organization at plant level and to reduce costs in all administration areas.

Team of specialists has been set up to focus on Design to Cost (for new projects) and VAVE (for running products) activities.

Started the adjustment of the regional manufacturing footprint to achieve higher equipment utilization rates and to reduce fix costs.

Reduction of transportation costs and lowering of inventories by consequent localization of production and regional part sourcing.

All of those activities are being strongly supported through the change of the organizational structure of Operations from a Divisional to a Regional organization, which is also bringing GRAMMER closer to its local customers and markets.





# REPOSITIONING GRAMMER FOR SUCCESS

## ENHANCED COOPERATION WITH NINGBO JIFENG



Grammer and Ningbo Jifeng have been working on a wide set of cooperation projects to achieve greater synergies in the areas of purchasing and manufacturing as well as to extend the current product portfolio and to improve the market access for each of the two companies in certain regions.

A first contract to set-up a global purchasing cooperation between both firms has been signed recently and will be implemented now. Target is to bundle selected global procurement activities and to optimize purchasing conditions.

We are currently also in discussion to establish specific production cooperations on a case-by-case basis in the framework of the existing investment agreement (BCA) with the goal of a better utilization of production capacities.



MEGA  
TRENDS

Autonomous  
Driving

Electric /  
Hybrid  
Vehicles

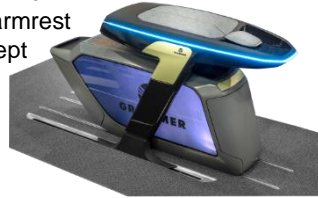
Individual  
Mobility

Electrification &  
Digitalization

Fiber Hiss Noise  
Resonator:  
Noise emission  
reduction  
on air intake side  
of combustion  
engines



New  
multifunctional &  
ergonomic  
console/armrest  
concept



Electrified air-vent with  
3D haptic feedback



Industrial armrest  
with integrated  
ergonomic joystick  
& display



Fully powered  
AG seat with  
multi-  
functional  
armrest  
controls



New headrest  
system with sound,  
light & auto  
adjustments



Lightweight panel  
with complex  
material mix &  
loudspeaker  
integration

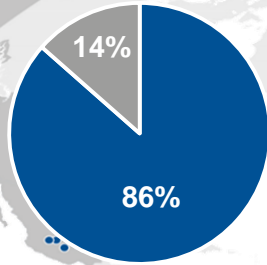
### Seating and Interior as key differentiation factors for the OEMs

# GRAMMER GROUP

WORLDWIDE GROWTH OPPORTUNITIES FOR GRAMMER



GRAMMER Group revenue by segment



GRAMMER Group revenue by region [in %]

30% Americas

55% EMEA

15% APAC

Automotive  
Comm. Vehicles





# Q & A



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