



ON THE MOVE

Strategic Partnership
GRAMMER & Ningbo Jifeng

February 14, 2017



NINGBO JIFENG



GRAMMER

STRATEGIC PARTNERSHIP

Executive Summary



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- 1 Envisaged strategic partnership between Ningbo Jifeng & GRAMMER
- 2 Compelling industrial logic & value creation potential for both companies due to complementary geographical focus and product offering
- 3 Issue of €60 MM mandatory convertible bond converting into c.9.2% of shares outstanding to solidify partnership as associated company to Ningbo Jifeng becomes key shareholder of GRAMMER upon conversion
- 4 Ningbo Jifeng supports continuation of GRAMMER's successful global growth & innovation strategy
- 5 Strategic partnership important to safe-guard business relationship with main customers

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Core elements



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1

Ningbo Jifeng's associated company subscribes to €60 MM mandatory convertible bond, representing c.9.2% of shares outstanding, and enlarges the shareholder base of GRAMMER

2

Intention of Ningbo Jifeng's associated company to become a long-term shareholder of GRAMMER, reinforcing the companies' joint strategic partnership

3

Envisaged joint venture(s) in China between GRAMMER and Ningbo Jifeng

The strategic partnership will secure the future growth and enhance the value of both companies

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Industrial logic



Expand GRAMMER's Presence in China

- ✓ Largest and fastest growing automotive markets globally
- ✓ Access to Ningbo Jifeng's supply and distribution networks
- ✓ Strong product complementary creates substantial potential for cross-selling



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Increase Ningbo Jifeng's Penetration in Europe

- ✓ Supports Ningbo Jifeng in its internationalization strategy
- ✓ Ability to benefit from GRAMMER's European foothold and relationships with OEMs
- ✓ Ningbo Jifeng gets access to GRAMMER's comprehensive value chain



Ample Potential for Joint Value Creation

- ✓ Significant synergy potential combining best practices from 2 automotive suppliers
- ✓ Platform for future potential joint programs



Strengthened GRAMMER's Shareholding Structure

- ✓ Partnership underlined by Ningbo Jifeng's associated company becoming a long-term GRAMMER shareholder
- ✓ Strategic partnership important to safe-guard business relationship with main customers
- ✓ Ningbo Jifeng supportive of GRAMMER's strategic course and governance structures

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Strong value generation potential



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Complementary Strengths

- Established international brand position as leading supplier for premium segment
- Global leader for seating systems in off-road vehicles
- Global footprint with production and R&D sites

Value Creation Opportunities

- Accelerate GRAMMER's growth in China
- Extend Ningbo Jifeng's presence in Europe
- Value creation potential across entire value chain: product development, sourcing, manufacturing excellence, distribution



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Complementary Strengths

- Leading Chinese supplier of automotive seating components with an extensive presence
- Tier-1 supplier to FAW-VW and BMW Brilliance Joint Ventures
- Strong relationships with global leaders in seating market (Adient, Faurecia, Lear)

STRATEGIC PARTNERSHIP

Attractive Chinese Automotive Market

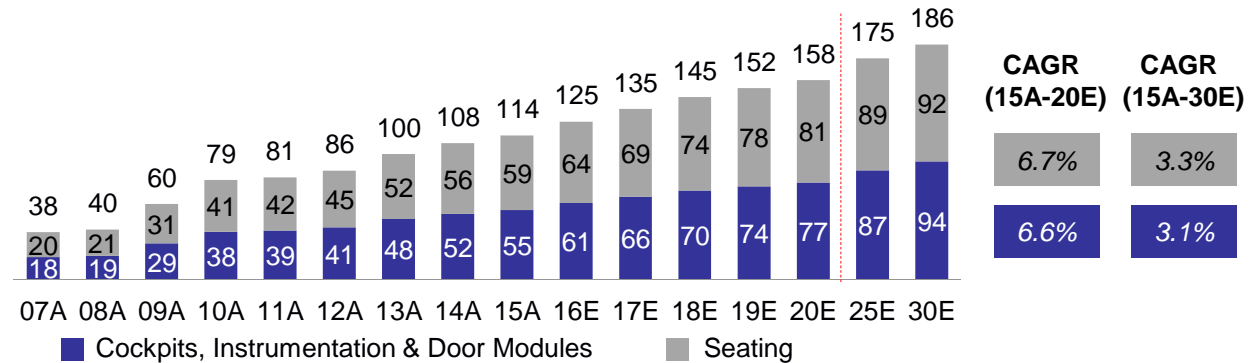


Market Key Facts

- Largest market world-wide for commercial vehicles & cars
- Strong forecast volume growth in seating and interiors market
- Increasing wealth and economic growth driving demand for greater content per vehicle

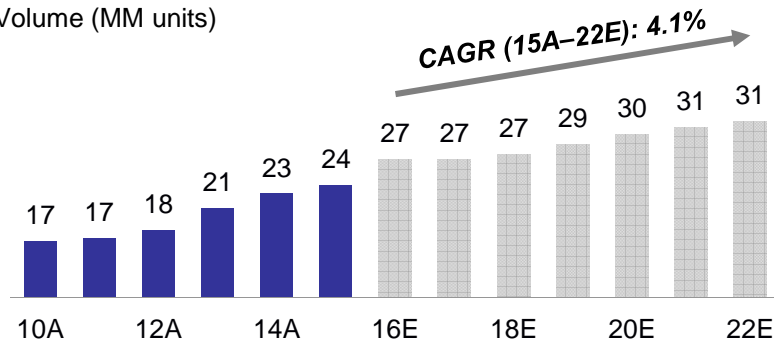
China Automotive Interior Market (07A–30E)

Volume (MM Units)



China Light Vehicle Sales (10A-22E)

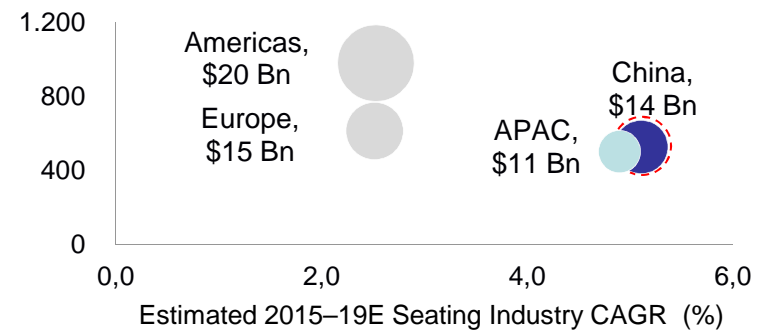
Volume (MM units)



Sources: Just-Auto, IHS, Broker Reports

Seating Markets: Size, Growth, Content/Vehicle

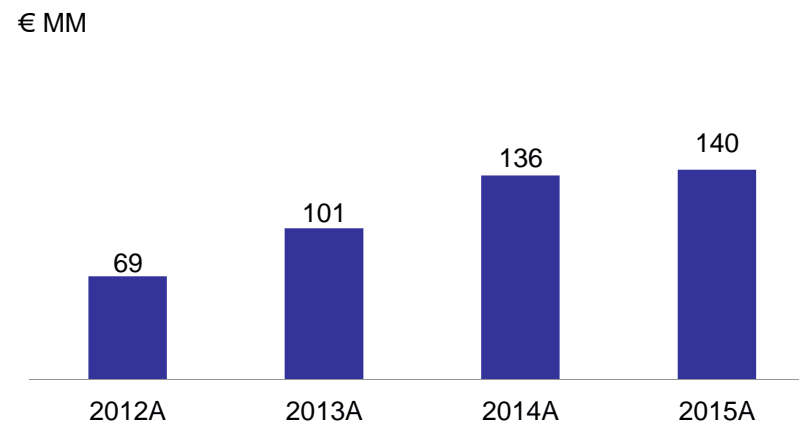
US\$ Content per Vehicle



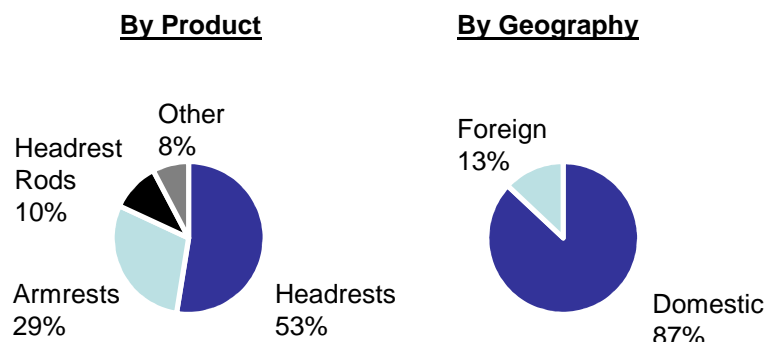
Company Description

- Ningbo Jifeng specializes in automotive headrest assembly, armrest assembly, headrest stems and door stems
- Main products consist of passenger car seat headrests, headrest struts, seat armrests and other automotive seating components
- Its products are mainly used in the passenger car industry
- Main customers include Lear, Adient (formerly Johnson Controls) and Faurecia
- Production facilities in China (Ningbo, Changchun, Shenyang, Wuhan, Chengdu, Liuzhou, and Guangzhou) and in Česká Lípa, Czech Republic, with a total of ~2,600 employees

Revenue Development



Revenue Split 2015A



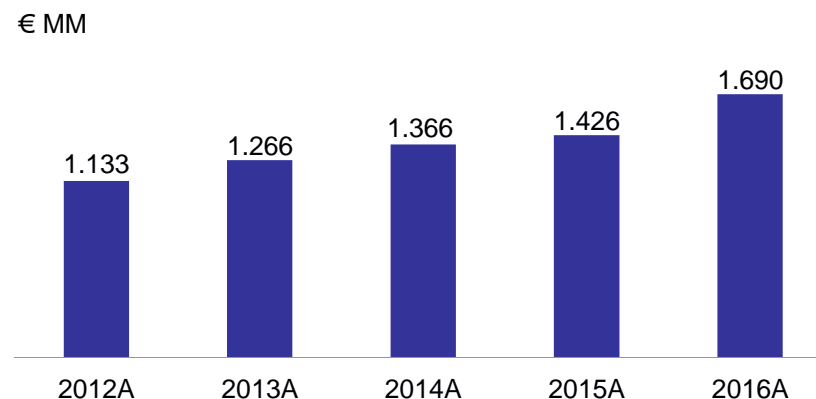
Top Customers



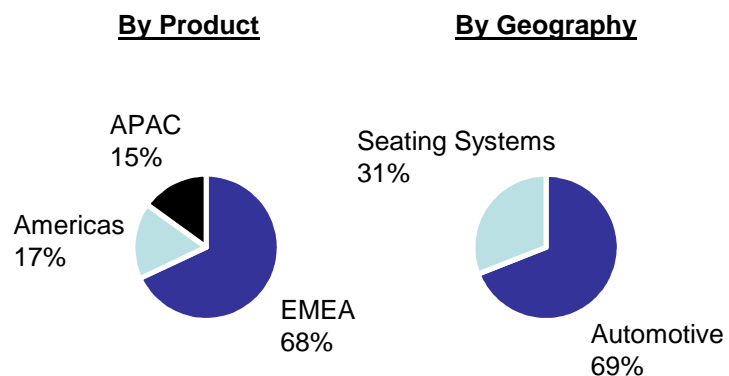
Company Description

- Develops and supplies components and systems for automotive interiors
 - Automotive division provides seating components, such as seat covers, headrests, armrests, centre consoles, side upholstery elements to automakers and automotive system suppliers
 - Seating Systems division operates as an original equipment manufacturer (OEM) and aftermarket supplier of seat units and seating systems for end markets including agriculture, forestry, construction and rail
- Located in 20 countries with more than 12,000 employees

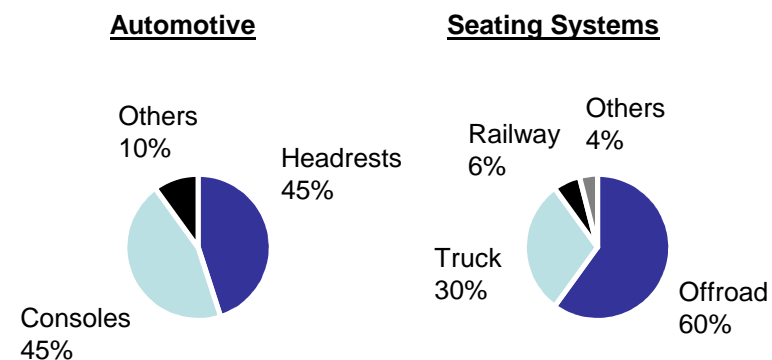
Revenue Development



Revenue Split 2015A



Revenues by Product Segment 2015A





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