FCF Automotive Supplier Monitor

June 2019

FCF
THE FINANCING SPECIALIST

EXECUTIVE SUMMARY

Executive Summary

The FCF Automotive Supplier Monitor is a standardized report / analysis of the public European automotive supplier market and provides valuable industry and competitive intelligence

More advanced, detailed and / or customized reports are available upon request

FCF Automotive Supplier Monitor

is a comprehensive publication of listed and private equity (PE) - backed European automotive suppliers. The analysis includes:

- **Market:** Fundamental data, such as historic and projected growth rates (sales, profitability) and margins
- **Equity:** Historic, recent and projected company valuation levels, such as trading multiples and valuation drivers
- **Debt:** Relevant financial metrics for debt transactions, financing structures / trends and WACC development
- **Rating:** Historic rating development, impact analysis of financial metrics and ratios on firm rating
- **PE:** Historical deals, analysis of funding volumes and league table of the most active / financially powerful investors

Selection of Companies

The selection of companies is primarily based on the following criteria:

- Listed companies headquartered in Europe (excl. Russia)
- Total revenues (Last Twelve Months) > EUR 50m and < EUR 10,000m
- Market Capitalization > EUR 50m
- Automotive supply industry classification
- Majority revenues in auto parts & accessories business
- Available financial forecasts

Recipients

The FCF Automotive Supplier Monitor targets a wide audience, which includes:

- Executives
- Key personnel involved in corporate development and financing decisions
- Equity / debt investors
- Shareholders

and provides in-depth and complete financial insights that highlight key trends within the European automotive supplier market

Data

All input data is provided by S&P Capital IQ and is not independently verified by FCF. Ratio and multiple calculations are driven based on the input data available. For additional information and disclaimer, please refer to the last page

Availability

The FCF Automotive Supplier Monitor is available on FCF's website at "www.fcf.de"

To recommend colleagues or fellow investors to be added to the mailing list, kindly send an email with the respective contact information

More advanced, detailed and / or customized reports can be ordered individually (e.g. for board reporting, strategy and competition analysis purposes)

FCF OVERVIEW

FCF Overview

FCF seeks to provide its clients with financing solutions

(i) at the lowest cost,

(ii) with the highest flexibility,

(iii) in the shortest period of time,

(iv) with the highest closing probability, and with

(v) financing partners that integrate well into their strategy

Who We Are

- Specialized investment bank and financing specialist
- Advising public and private small / midcap companies
- Advisor for structuring and placement of financing transactions:
  - All instruments: Unbiased approach to all available corporate financing instruments (no product selling approach), allowing for customized financing structures
  - All investors: Close and trusted relationships with senior executives of virtually all relevant equity and debt investors
  - Fast process: Process management skills and direct / personal access to institutional debt and equity investors enable fast transactions
- More than 100 transactions with a total placement volume in excess of EUR 4.0 billion since foundation in 2005
- Approx. 10 professionals headquartered in Munich

Capital Markets Capabilities and Services

Equity	Private / Pre-IPO	■ Venture capital ■ Growth capital	■ Private equity
	Public	■ Initial Public Offering (IPO) / Capital increase ■ Dual-track (IPO and alternative transaction	pursued in tandem) ■ Private Investment in Public Equity (PIPE) ■ Block trade
Debt	Short-term Debt	■ Receivables / Factoring / Asset-backed Securities ■ Borrowing base / Inventory	■ Working capital / Revolving credit facility ■ Guarantees / Letter of Credit
	Long-term Debt	■ Bank loan facility / Syndicated loans ■ Sale-and-lease back / Leasing ■ Corporate bonds (public / private placement)	■ Promissory note (*Schuldscheindarlehen*) ■ High-yield / PIK bond ■ Second lien / Subordinated loans ■ Unitranches
	Mezzanine	■ Mezzanine capital	■ Convertible bonds

Selected Transactions

Syndicated Loan Facility Doppstadt Familienholding GmbH EUR 70m pending	Round-Extension Synapticon GmbH [confidential] June 2019	Capital Increase Synapticon GmbH > EUR 10m January 2019	Investment in Advisor to AkrosA Private Equity GmbH & Co. KG > EUR 10m December 2018	Acquisition Financing Senior Loan & WCF GSE Group Acquisition by Finexx [confidential] December 2018	Acquisition Financing Second Lien Loan GSE Group Acquisition by Finexx [confidential] November 2018	Syndicated Loan Facility KMP Holding GmbH [confidential] April 2018	Bilateral Loan Facility Business Service Provider [confidential] April 2018	Capital Increase Leading Virtual Reality Company [confidential] April 2018	European Investment Bank Debt Facility censhare AG EUR 25m December 2017	European Investment Bank Debt Facility AMW GmbH EUR 25m December 2017	R&D-Financing Debt Facility Voxeljet AG EUR 25m November 2017
Capital Increase numares AG EUR 11m November 2017	European Investment Bank Debt Facility MagForce AG EUR 35m July 2017	Syndicated Loan Facility Ziegler Holzindustrie GmbH & Co. KG EUR 70m July 2017	Promissory Note Schnellecke Group AG & Co. KG EUR 55m June 2017	Bilateral Loan Facility DSD – Duales System Holding GmbH & Co. KG EUR 30m June 2017	European Investment Bank Debt Facility Biofrontera AG EUR 20m May 2017	Syndicated Loan Facility Schnellecke Group AG & Co. KG EUR 105m March 2017	Factoring Facility Schnellecke Group AG & Co. KG EUR 50m March 2017	Advisor to the Family and the Company W Schulz Group Sale to Berkshire Hathaway [confidential] February 2017	Debt Financing Alno AG > EUR 35m July 2016	Syndicated Loan Facility Karl Tönsmeier Entsorgungswirtschaft GmbH & Co. KG EUR 82m May 2016	Senior Debt Financing Max Aicher Group [confidential] April 2016

FCF Facts & Figures

 # 1

Financing advisor in Germany, purely focusing on corporate financing transactions

More than 10

Investment banking professionals

Close to 100

Years of aggregated, investment banking / financing experience

More than 100

Completed transactions

More than 4 bn

Total volume of advised & closed transactions since 2005

Network

Access to more than 4000 international financial institutions

2000

Contacts to family offices and ultra high net worth individuals worldwide

More than 25

International conferences organized

More than 120

Articles and research papers published

Leading

Advisor for financing transactions with EIB in the DACH region

PUBLIC MARKET

Public Market
General Overview

Large Caps (Enterprise Value > €1,000m)

	General Information						Growth & Profitability Profile										
		Financial	Cash &				Sales CAGR		EBITDA CAGR		EBITDA	Dividend	Leverage	Interest	Equity	RoE	RoCE
Peer Group	Listing Place	Debt (€m)	Equiv. (€m)	Net Debt (€m)	Market Cap (€m)	Enterprise Value (€m)	'15a-'18a	'18a-'21e	'15a-'18a	'18a-'21e	Margin 2019e	Yield LFYA	Ratio 2019e	Cover. 2018a	Ratio LTM	2019e	2019e
Brembo S.p.A.	EU	653.6	264.5	389.2	3,121.8	3,541.9	8.6%	3.5%	11.4%	6.5%	19.5%	2.3%	0.7x	31.5x	48.0%	19.6%	20.0%
CIE Automotive, S.A.	EU	943.6	0.0	943.6	3,036.7	3,980.3	4.8%	10.2%	11.5%	10.7%	17.8%	na	1.5x	10.0x	49.0%	25.3%	20.8%
Compagnie Plastic Omnium SA	EU	1,768.1	980.3	787.8	3,087.9	3,971.8	13.1%	9.7%	10.3%	12.5%	10.9%	3.5%	0.8x	12.1x	32.2%	17.9%	15.3%
ElringKlinger AG	EU	858.6	63.1	795.5	359.9	1,193.4	4.1%	4.0%	-8.1%	11.0%	10.2%	na	4.4x	12.1x	40.9%	3.4%	3.9%
Gestamp Automoción, S.A.	EU	3,397.3	610.7	2,786.6	2,906.6	6,145.1	6.8%	6.2%	7.1%	15.7%	12.2%	na	2.5x	7.3x	27.3%	13.3%	10.0%
HELLA GmbH & Co. KGaA	EU	1,353.8	1,402.1	-48.3	4,744.4	4,698.6	5.1%	2.1%	5.1%	3.9%	14.9%	2.5%	nm	27.6x	45.7%	18.0%	13.2%
LEONI AG	EU	1,210.5	174.1	1,036.3	439.2	1,481.3	4.2%	3.5%	-20.3%	40.0%	2.7%	na	7.7x	7.0x	25.2%	nm	-8.8%
Nokian Renkaat Oyj	EU	266.6	321.4	-54.8	3,554.7	3,499.9	5.5%	4.9%	5.6%	5.1%	28.5%	6.1%	nm	122.5x	75.7%	23.0%	18.6%
Pirelli & C. S.p.A.	EU	5,609.6	971.5	4,638.2	5,348.0	10,070.2	41.4%	2.0%	26.4%	10.6%	25.1%	3.3%	3.4x	11.0x	34.8%	11.4%	9.2%
TI Fluid Systems plc	UK	1,183.7	360.6	823.1	1,021.0	1,866.6	27.4%	3.1%	37.3%	8.8%	13.9%	4.6%	1.7x	6.6x	32.6%	14.2%	13.8%
Min		266.6	0.0	-54.8	359.9	1,193.4	4.1%	2.0%	-20.3%	3.9%	2.7%	2.3%	0.7x	6.6x	25.2%	3.4%	-8.8%
Max		5,609.6	1,402.1	4,638.2	5,348.0	10,070.2	41.4%	10.2%	37.3%	40.0%	28.5%	6.1%	7.7x	122.5x	75.7%	25.3%	20.8%
Median		1,197.1	341.0	809.3	3,062.3	3,756.9	6.1%	3.7%	8.7%	10.7%	14.4%	3.4%	2.1x	11.5x	37.8%	17.9%	13.5%
Mean		1,724.5	514.8	1,209.7	2,762.0	4,044.9	12.1%	4.9%	8.6%	12.5%	15.6%	3.7%	2.8x	24.8x	41.1%	16.2%	11.6%

Note: Share Price as of 23/05/2019 *) Sales CAGR '18a-'20e **) Sales CAGR '18a-'19e

Source: S&P Capital IQ as of 23/05/2019

Public Market
General Overview

Small/Mid Caps (Enterprise Value < €1,000m)

	General Information						Growth & Profitability Profile										
		Financial	Cash &	Net Debt	Market Cap	Enterprise	Sales CAGR		EBITDA CAGR		EBITDA	Dividend	Leverage	Interest	Equity	RoE	RoCE
Peer Group	Listing Place	Debt (€m)	Equiv. (€m)	(€m)	(€m)	Value (€m)	'15a-'18a	'18a-'21e	'15a-'18a	'18a-'21e	Margin 2019e	Yield LFYA	Ratio 2019e	Cover. 2018a	Ratio LTM	2019e	2019e
AKWEL	EU	133.3	92.7	40.6	414.4	456.0	7.3%	5.3%	2.0%	13.9%	11.8%	1.9%	0.3x	47.7x	56.3%	16.0%	17.3%
Autoneum Holding AG	CH	334.5	82.6	251.8	553.1	901.2	1.8%	2.2%	-11.6%	17.9%	6.9%	2.7%	1.8x	21.4x	39.2%	5.6%	6.8%
Bulten AB (publ)	SE	49.9	2.8	47.1	147.0	195.2	1.6%	5.5%	3.6%	15.3%	10.6%	5.4%	1.5x	72.5x	58.0%	9.0%	9.9%
EDAG Engineering Group AG	EU	299.3	63.0	236.3	322.0	558.3	3.0%	4.7%	-8.0%	18.4%	9.4%	5.8%	3.1x	10.7x	23.1%	15.7%	9.7%
Grammer AG	EU	507.4	155.5	351.9	401.5	753.6	9.3%	6.0%	19.6%	13.1%	8.3%	2.3%	2.0x	11.6x	21.8%	15.2%	12.3%
Kendrion N.V.	EU	98.1	10.5	87.6	244.3	331.9	0.5%	1.1%	7.3%	8.2%	13.6%	4.8%	1.5x	20.9x	48.5%	12.5%	11.1%
Landi Renzo S.p.A.	EU	81.3	17.2	64.2	135.2	199.1	-2.9%	3.2%	86.7%	5.6%	14.2%	na	2.4x	8.2x	29.3%	15.7%	13.9%
Mangata Holding S.A.	PL	39.8	8.5	31.2	108.6	143.5	23.0%	4.9%	20.7%	5.1%	13.2%	6.4%	1.3x	32.2x	55.6%	12.2%	12.5%
MS Industrie AG	EU	71.3	2.3	69.0	93.0	161.8	1.0%	-6.0%	-6.4%	11.8%	17.0%	na	1.8x	9.4x	38.2%	27.4%	25.6%
Nanogate AG	EU	140.4	38.3	102.1	147.8	249.9	38.6%	8.1%	37.3%	22.2%	8.9%	0.4%	4.5x	2.9x	33.2%	nm	-1.0%
paragon GmbH & Co. KGaA	EU	116.0	17.5	98.5	114.5	274.2	23.5%	22.0%	28.7%	36.8%	14.7%	1.0%	2.8x	5.6x	49.8%	4.8%	6.8%
Pininfarina S.p.A.	EU	34.5	27.1	7.4	96.2	103.6	10.3%	8.4%*	nm	51.9%*	10.8%	na	0.7x	3.2x	44.1%	na	8.0%
Polytec Holding AG	EU	218.1	88.1	130.0	199.9	337.5	0.6%	1.7%	3.5%	7.9%	11.8%	4.4%	1.7x	19.9x	40.3%	11.7%	9.0%
Progress-Werk Oberkirch AG	EU	143.5	10.0	133.5	74.1	207.6	6.3%	2.1%	1.4%	9.2%	9.3%	4.6%	3.0x	7.5x	27.0%	8.0%	7.1%
SHW AG	EU	50.9	5.2	45.7	125.8	171.5	-3.2%	9.0%*	-1.8%	12.0%*	8.8%	0.2%	1.1x	35.9x	43.4%	5.1%	7.0%
Sogefi S.p.A.	EU	458.5	123.1	335.4	134.0	491.7	2.7%	0.2%	11.6%	7.3%	11.7%	na	1.8x	7.0x	16.9%	7.2%	8.3%
Min		34.5	2.3	7.4	74.1	103.6	-3.2%	-6.0%	-11.6%	5.1%	6.9%	0.2%	0.3x	2.9x	16.9%	4.8%	-1.0%
Max		507.4	155.5	351.9	553.1	901.2	38.6%	22.0%	86.7%	51.9%	17.0%	6.4%	4.5x	72.5x	58.0%	27.4%	25.6%
Median		124.6	22.3	93.1	141.1	262.1	2.8%	4.8%	3.6%	12.6%	11.3%	3.5%	1.8x	11.2x	39.7%	11.9%	9.4%
Mean		173.5	46.5	127.0	207.0	346.0	7.7%	4.9%	13.0%	16.0%	11.3%	3.3%	2.0x	19.8x	39.0%	11.9%	10.3%

Note: Share Price as of 23/05/2019 *) Sales CAGR '18a-'20e **) Sales CAGR '18a-'19e

All Caps (Total)

Min		34.5	0.0	-54.8	74.1	103.6	-3.2%	-6.0%	-20.3%	3.9%	2.7%	0.2%	0.3x	2.9x	16.9%	3.4%	-8.8%
Max		5,609.6	1,402.1	4,638.2	5,348.0	10,070.2	41.4%	22.0%	86.7%	51.9%	28.5%	6.4%	7.7x	122.5x	75.7%	27.4%	25.6%
Median		282.9	72.9	131.8	340.9	525.0	5.3%	4.4%	7.1%	11.4%	11.8%	3.4%	1.8x	11.3x	39.7%	13.3%	10.0%
Mean		770.1	226.6	543.4	1,189.7	1,768.7	9.4%	4.9%	11.2%	14.7%	13.0%	3.5%	2.3x	21.7x	39.8%	13.6%	10.8%

Note: Share Price as of 23/05/2019 *) Sales CAGR '18a-'20e **) Sales CAGR '18a-'19e

Source: S&P Capital IQ as of 23/05/2019

Public Market

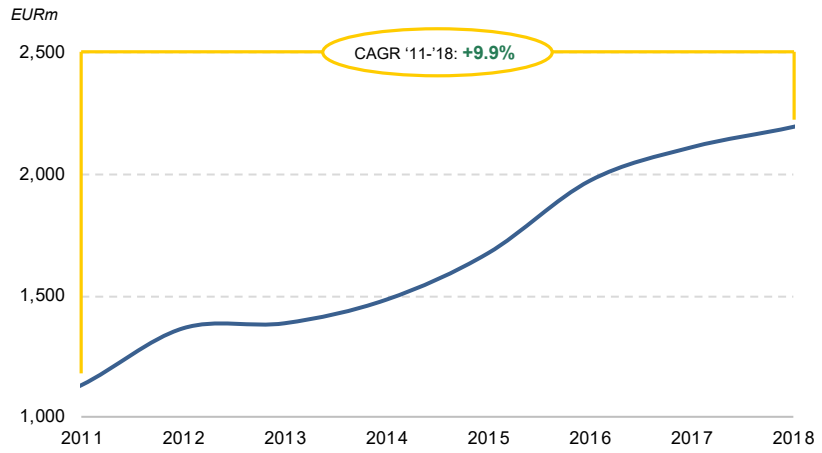
Development of P&L Metrics

Since '11, mean key P&L metrics of the relevant European automotive suppliers show a positive development, especially over the last five years ('13-'18), exhibiting an average annualized sales growth of 9.9% ('11 - '18)

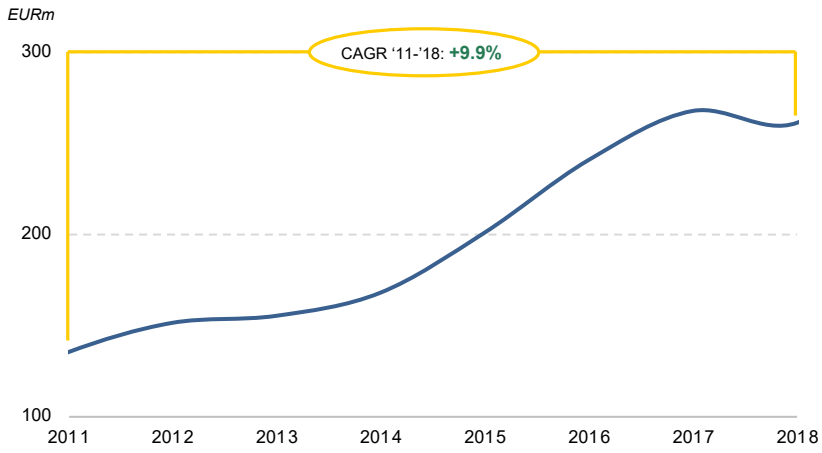
European automotive supplier were able to raise economies of scale until '17, resulting in higher profitability

The unexpected market challenges relating to the new WLTP car admission standards in Europe, have led to the decline in profitability metrics in '18 (suppliers struggled to manage variable costs)

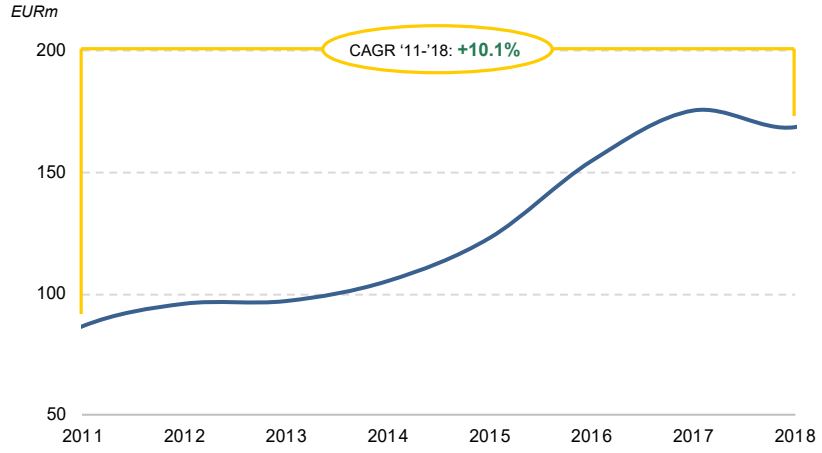
Sales (Mean '11 – '18)



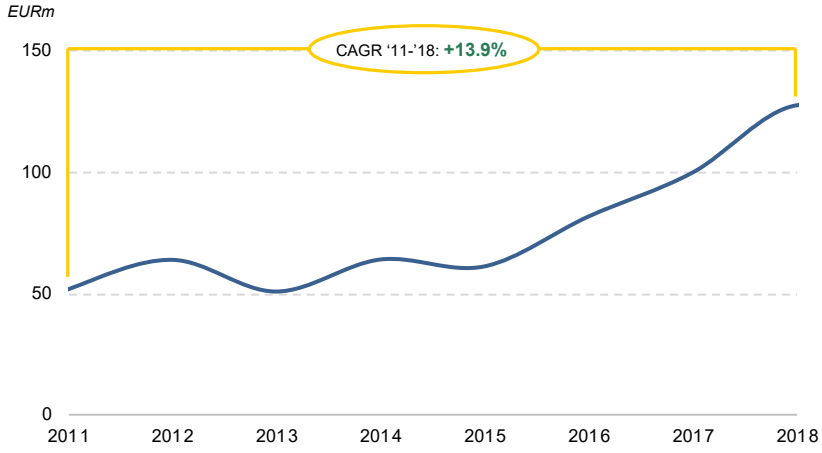
EBITDA (Mean '11 – '18)



EBIT (Mean '11 – '18)



Net Income (Mean '11 – '18)



Source: S&P Capital IQ as of 23/05/2019; FCF Equity Research

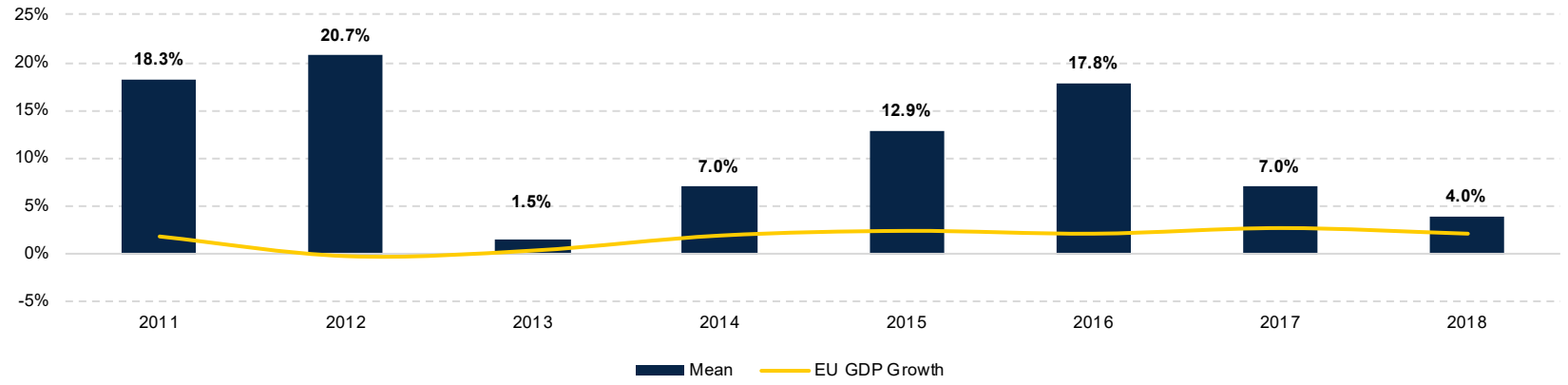
Public Market

Historical Year-on-Year Growth Rates

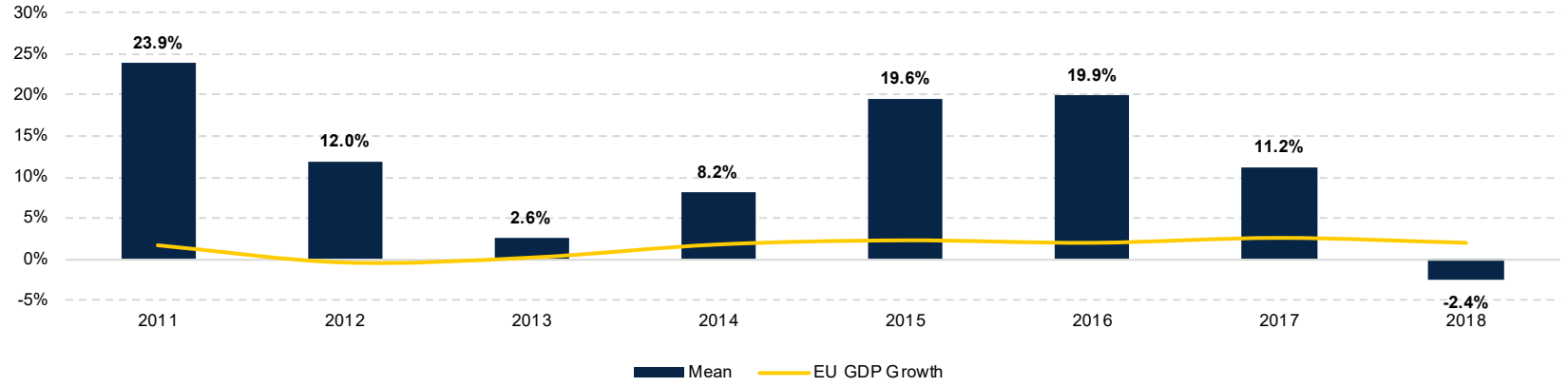
The European automotive supplier market has consistently outperformed the overall European economy on an annual basis, measured against the real European GDP ('11 - '18)

The general market challenges relating to the new WLTP car admission standards and stricter collective wage agreements (e.g. IG Metall in Germany) in Europe, have led to the sharp decline in EBITDA in 2018, as automotive suppliers struggle to manage variable costs (most notably personnel costs)

Revenue Growth Y-o-Y (Mean '11 – '18)



EBITDA Growth Y-o-Y (Mean '11 – '18)



Source: S&P Capital IQ as of 23/05/2019; FCF Equity Research; IMF
Note: Real European GDP based on IMF regional classification

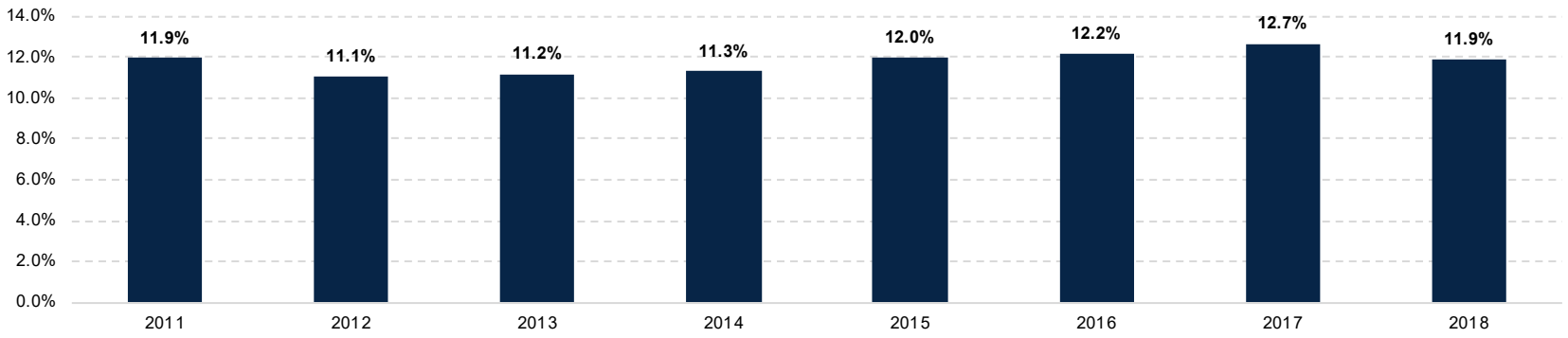
Public Market
Historical Profitability

The European automotive supplier industry largely benefits from leading technology positions and specializations in many segments, allowing for moderate margins

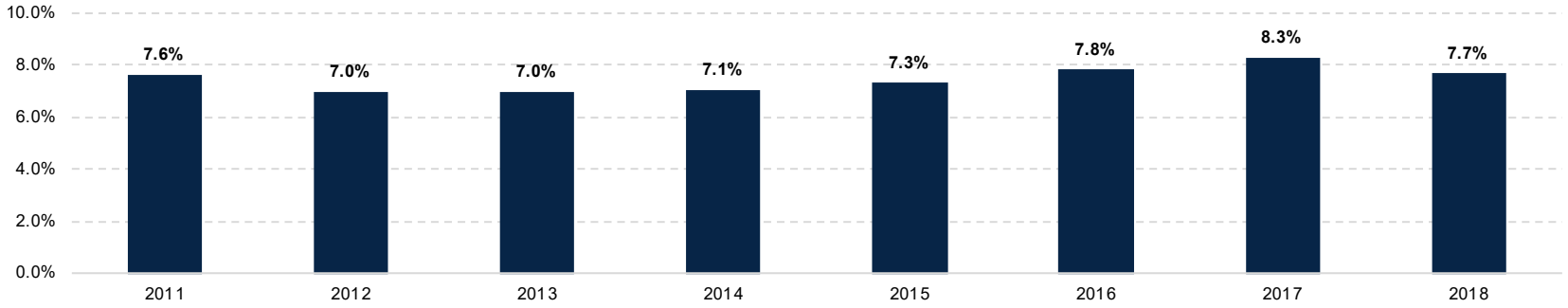
EBITDA / EBIT margins have been very stabile from '11 to '18, EBITDA / EBIT margins of around 12% and 7%, respectively

In '18 the general market challenges (e.g. WLTP and collective wage agreements) led to the slight decline in EBITDA / EBIT margin, as auto-motive suppliers struggle to manage variable costs (most notably personnel costs)

EBITDA Margin (Mean '11 – '18)



EBIT Margin (Mean '11 – '18)



Source: S&P Capital IQ as of 23/05/2019; FCF Equity Research

EQUITY / VALUATION

Equity / Valuation
Valuation Metrics

Large Caps (Enterprise Value > €1,000m)

Valuation Analysis

	Enterprise Value												Equity Value					Price / Op. CFpS
	EV / Sales				EV / EBITDA				EV / EBIT				P / E				P / B	
Peer Group	2018a	2019e	2020e	2021e	2018a	2019e	2020e	2021e	2018a	2019e	2020e	2021e	2018a	2019e	2020e	2021e	LFQA	2019e
Brembo S.p.A.	1.1x	1.3x	1.2x	1.2x	6.5x	6.7x	6.4x	6.3x	9.3x	10.2x	9.8x	9.6x	12.1x	12.2x	11.7x	11.4x	2.4x	7.0x
CIE Automotive, S.A.	1.4x	1.1x	1.1x	1.0x	7.8x	6.3x	6.0x	5.5x	11.3x	8.4x	7.9x	7.2x	7.0x	10.4x	9.7x	8.7x	2.6x	7.4x
Compagnie Plastic Omnium SA	0.5x	0.5x	0.4x	0.4x	5.1x	4.2x	3.9x	3.7x	7.1x	6.4x	6.2x	5.7x	5.5x	7.9x	7.2x	6.6x	1.4x	3.9x
ElringKlinger AG	0.7x	0.7x	0.7x	0.6x	7.3x	6.7x	5.7x	5.4x	17.7x	17.6x	12.3x	11.9x	9.9x	11.8x	7.7x	7.0x	0.4x	3.9x
Gestamp Automoción, S.A.	0.6x	0.7x	0.6x	0.6x	6.5x	5.4x	4.9x	4.6x	11.3x	10.3x	9.3x	8.8x	11.1x	9.6x	8.4x	7.6x	1.3x	4.7x
HELLA GmbH & Co. KGaA	0.5x	0.7x	0.6x	0.6x	4.2x	4.4x	4.5x	4.6x	7.2x	7.6x	7.9x	7.9x	6.1x	9.2x	11.3x	11.2x	1.7x	5.9x
LEONI AG	0.3x	0.3x	0.3x	0.3x	11.2x	11.0x	4.9x	3.7x	13.0x	nm	12.2x	7.6x	13.1x	nm	7.0x	3.7x	0.5x	2.9x
Nokian Renkaat Oyj	2.1x	2.1x	2.0x	1.9x	7.3x	7.5x	7.0x	6.5x	9.0x	9.9x	9.4x	8.7x	12.5x	8.9x	12.4x	11.4x	2.0x	6.6x
Pirelli & C. S.p.A.	1.6x	1.9x	1.8x	1.7x	8.0x	7.5x	7.0x	6.5x	12.1x	10.2x	9.3x	8.6x	13.0x	10.0x	9.3x	8.3x	1.1x	7.7x
TI Fluid Systems plc	0.5x	0.5x	0.5x	0.5x	4.5x	3.8x	3.7x	3.6x	6.7x	5.2x	5.0x	4.8x	7.0x	6.7x	6.1x	5.9x	0.9x	3.4x
Min	0.3x	0.3x	0.3x	0.3x	4.2x	3.8x	3.7x	3.6x	6.7x	5.2x	5.0x	4.8x	5.5x	6.7x	6.1x	3.7x	0.4x	2.9x
Max	2.1x	2.1x	2.0x	1.9x	11.2x	11.0x	7.0x	6.5x	17.7x	17.6x	12.3x	11.9x	13.1x	12.2x	12.4x	11.4x	2.6x	7.7x
Median	0.7x	0.7x	0.6x	0.6x	6.9x	6.5x	5.3x	5.0x	10.3x	9.9x	9.3x	8.3x	10.5x	9.6x	8.8x	8.0x	1.3x	5.3x
Mean	1.0x	1.0x	0.9x	0.9x	6.8x	6.4x	5.4x	5.0x	10.5x	9.5x	8.9x	8.1x	9.7x	9.6x	9.1x	8.2x	1.4x	5.3x

Source: S&P Capital IQ as of 23/05/2019

Equity / Valuation
Valuation Metrics

Small/Mid Caps (Enterprise Value < €1,000m)

Valuation Analysis

	Enterprise Value												Equity Value					Price / Op. CFpS
	EV / Sales				EV / EBITDA				EV / EBIT				P / E				P / B	
Peer Group	2018a	2019e	2020e	2021e	2018a	2019e	2020e	2021e	2018a	2019e	2020e	2021e	2018a	2019e	2020e	2021e	LFQA	2019e
AKWEL	0.4x	0.4x	0.4x	0.4x	4.2x	3.5x	3.2x	2.8x	6.1x	4.7x	4.4x	3.8x	7.0x	5.7x	5.3x	4.7x	0.9x	5.6x
Autoneum Holding AG	0.5x	0.4x	0.4x	0.4x	7.3x	6.3x	5.0x	4.2x	16.6x	14.2x	9.1x	6.9x	12.4x	17.7x	11.3x	8.1x	1.0x	5.0x
Bulten AB (publ)	0.6x	0.6x	0.6x	0.5x	6.8x	6.0x	4.9x	4.5x	9.9x	9.9x	7.8x	7.3x	12.3x	10.8x	8.5x	7.9x	1.0x	12.0x
EDAG Engineering Group AG	0.6x	0.7x	0.6x	0.6x	7.7x	7.3x	6.3x	5.6x	12.1x	12.8x	10.0x	8.6x	14.9x	14.0x	10.4x	8.4x	2.2x	4.7x
Grammer AG	0.4x	0.4x	0.3x	0.3x	5.9x	4.3x	4.3x	4.1x	9.7x	8.0x	7.4x	6.6x	19.9x	8.1x	6.9x	6.0x	1.2x	2.8x
Kendrion N.V.	0.8x	0.8x	0.7x	0.7x	6.9x	5.5x	5.3x	5.0x	11.0x	9.8x	9.2x	8.5x	20.3x	10.4x	9.7x	8.6x	1.3x	6.7x
Landi Renzo S.p.A.	1.0x	1.1x	1.0x	1.0x	7.0x	7.6x	6.9x	6.6x	11.7x	12.0x	9.9x	na	27.1x	14.2x	10.9x	na	2.2x	24.3x
Mangata Holding S.A.	0.8x	0.8x	0.8x	0.8x	5.9x	6.2x	6.4x	5.8x	8.4x	8.7x	9.4x	8.6x	7.1x	9.1x	9.6x	9.1x	1.1x	6.3x
MS Industrie AG	0.5x	0.7x	0.7x	0.7x	7.8x	4.1x	6.7x	6.0x	18.9x	5.8x	13.6x	11.1x	11.1x	5.2x	13.1x	10.3x	1.4x	nm
Nanogate AG	0.9x	1.0x	0.9x	0.8x	10.0x	11.0x	7.6x	6.4x	33.5x	nm	24.1x	14.7x	80.8x	nm	44.6x	18.4x	1.3x	8.0x
paragon GmbH & Co. KGaA	1.0x	1.2x	0.9x	0.7x	9.1x	7.8x	5.7x	4.6x	16.1x	14.2x	10.2x	7.1x	33.9x	13.2x	10.9x	8.0x	0.6x	nm
Pininfarina S.p.A.	1.2x	1.0x	0.9x	na	17.4x	9.4x	6.6x	na	35.0x	13.5x	8.5x	na	56.7x	na	na	na	1.5x	nm
Polytec Holding AG	0.5x	0.5x	0.5x	0.5x	4.6x	4.4x	4.4x	4.2x	8.0x	8.3x	7.5x	7.1x	6.3x	7.0x	6.6x	6.1x	0.8x	6.5x
Progress-Werk Oberkirch AG	0.4x	0.4x	0.4x	0.4x	4.9x	4.6x	4.1x	3.8x	11.4x	11.0x	9.3x	8.1x	11.3x	8.1x	6.3x	5.2x	0.6x	1.9x
SHW AG	0.4x	0.4x	0.3x	na	4.5x	4.3x	3.6x	na	10.9x	14.2x	9.6x	na	39.9x	19.7x	12.2x	na	1.0x	18.0x
Sogefi S.p.A.	0.3x	0.3x	0.3x	0.3x	2.7x	2.7x	2.5x	2.4x	5.6x	7.7x	6.2x	5.8x	12.0x	8.6x	4.7x	4.0x	0.6x	1.0x
Min	0.3x	0.3x	0.3x	0.3x	2.7x	2.7x	2.5x	2.4x	5.6x	4.7x	4.4x	3.8x	6.3x	5.2x	4.7x	4.0x	0.6x	1.0x
Max	1.2x	1.2x	1.0x	1.0x	17.4x	11.0x	7.6x	6.6x	35.0x	14.2x	24.1x	14.7x	80.8x	19.7x	44.6x	18.4x	2.2x	24.3x
Median	0.6x	0.7x	0.6x	0.6x	6.9x	5.8x	5.1x	4.6x	11.2x	9.9x	9.3x	7.3x	13.7x	9.7x	9.7x	8.0x	1.1x	6.3x
Mean	0.6x	0.7x	0.6x	0.6x	7.0x	5.9x	5.2x	4.7x	14.1x	10.3x	9.8x	8.0x	23.3x	10.8x	11.4x	8.1x	1.2x	7.9x

All Caps (Total)

Min	0.3x	0.3x	0.3x	0.3x	2.7x	2.7x	2.5x	2.4x	5.6x	4.7x	4.4x	3.8x	5.5x	5.2x	4.7x	3.7x	0.4x	1.0x
Max	2.1x	2.1x	2.0x	1.9x	17.4x	11.0x	7.6x	6.6x	35.0x	17.6x	24.1x	14.7x	80.8x	19.7x	44.6x	18.4x	2.6x	24.3x
Median	0.6x	0.7x	0.6x	0.6x	6.9x	6.1x	5.1x	4.6x	11.1x	9.9x	9.3x	7.9x	12.2x	9.6x	9.6x	8.0x	1.2x	5.9x
Mean	0.8x	0.8x	0.7x	0.7x	7.0x	6.1x	5.3x	4.9x	12.7x	10.0x	9.4x	8.0x	18.1x	10.4x	10.5x	8.1x	1.3x	6.8x

Source: S&P Capital IQ as of 23/05/2019

Equity / Valuation

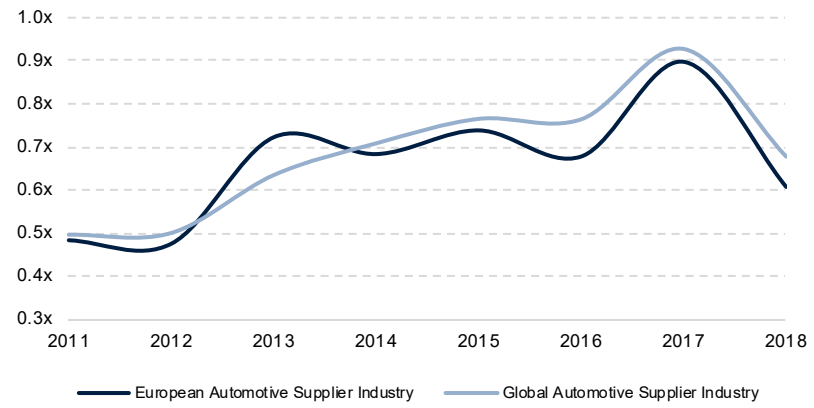
Historical Valuation Trading Multiples

Historically, valuation levels of European automotive suppliers have been in line with their global peers

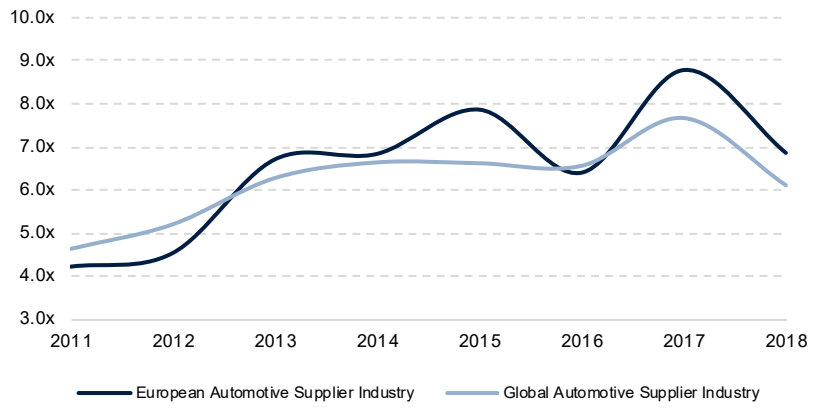
In general, valuation metrics of the European and global automotive suppliers have shown a strong upward development between '11 – '13 and have since increased further, reaching record highs in '17

The downward trend in valuation metrics in '18 is largely driven by a shift in investor sentiment within the automotive sector as the peak in the cycle has been passed

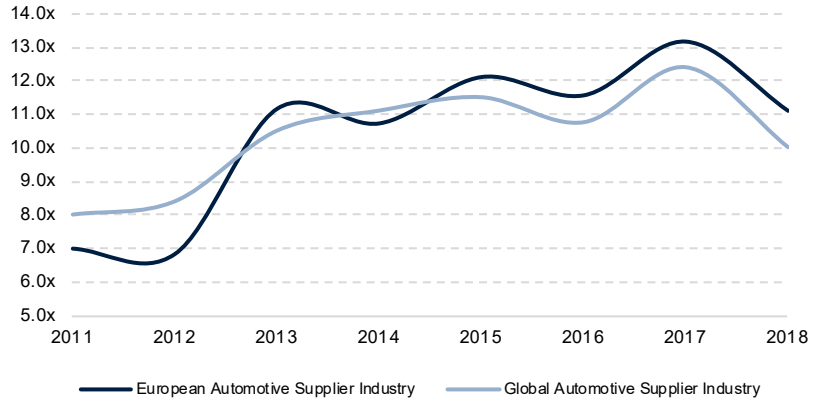
EV / Sales (Median '11 – '18)



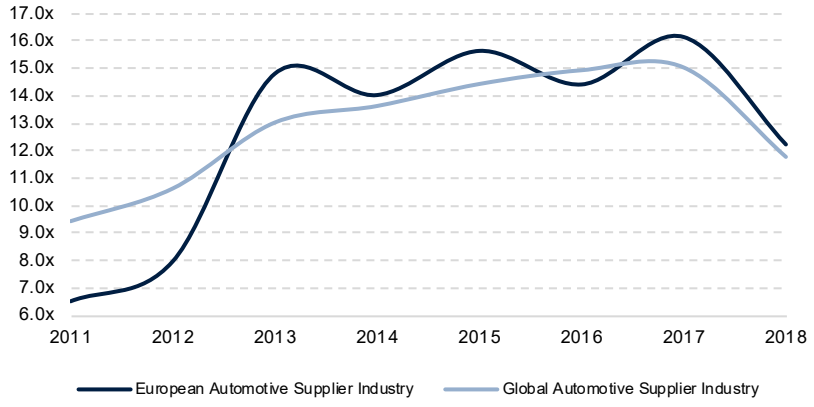
EV / EBITDA (Median '11 – '18)



EV / EBIT (Median '11 – '18)



P / E (Median '11 – '18)



Source: S&P Capital IQ as of 23/05/2019; FCF Equity Research
Note: Global industry average based on a worldwide peer group of listed companies active in the automotive supplier market with a current market capitalisation >EUR 100m

Equity / Valuation

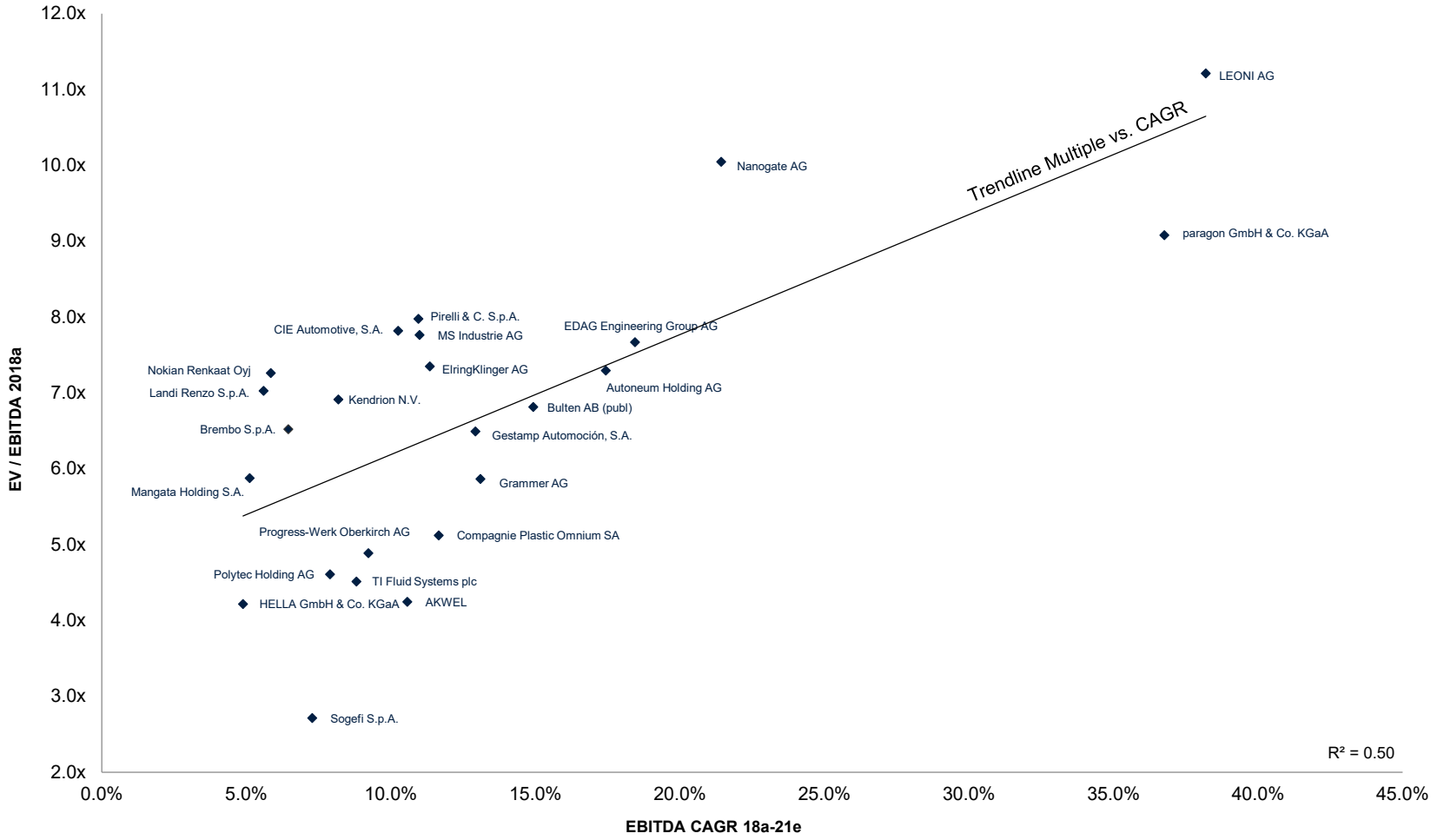
Regression Analysis of EBITDA Multiple vs. EBITDA Growth

The regression analysis seeks to determine the relative importance of future / expected profitability growth (EBITDA CAGR '18-'21) on valuation levels (EV / EBITDA multiple '18)

The projected EBITDA CAGR has a significant impact on current valuation levels (R^2=0.50). Approximately 50% of the variation in EV / EBITDA multiples can be explained by future profitability growth

Firms with stronger growth profiles generally trade at higher EV / EBITDA multiples

EV / EBITDA vs. EBITDA CAGR '18 – '21



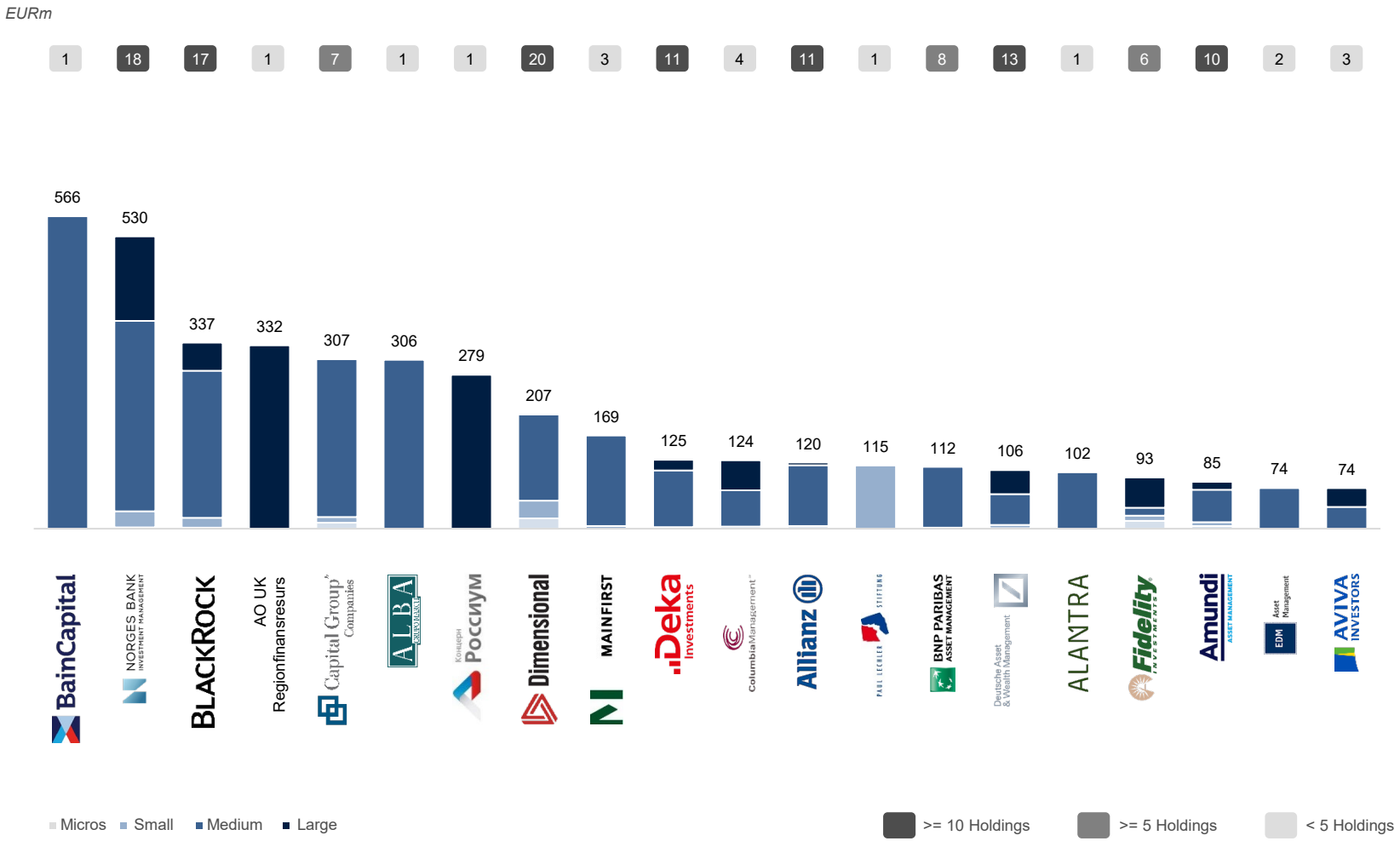
Source: S&P Capital IQ as of 23/05/2019; FCF Equity Research
Note: Companies with missing data have been excluded from this analysis

Equity / Valuation

Top 20 Institutional Investors in publicly listed European Automotive Suppliers

Analyzing the Top 20 institutional investors by total amount invested, BainCapital, Norges Bank and BlackRock can be considered as the three most financially powerful investors

Meanwhile, Dimensional, Norges Bank and BlackRock can be considered as the three most active institutional investors by total number of holdings (invested in >65% of public European automotive suppliers, each)



Source: S&P Capital IQ as of 23/05/2019
Note: Market Cap ranges: Micro <250m, Small 250 – 1,000m, Medium 1,000 – 5,000m, Large >5,000m

DEBT

Debt

Historical Performance of Fundamental and Credit Ratios

Large Caps (Enterprise Value > €1,000m)

Fundamental, Credit & Performance Ratios

Peer Group	Country	Listing Place	Enterprise Value (in €m)	EV / EBITDA '19e	EV / EBITDA FY + 1 2008-18 Average	Low	High	Credit & Performance Ratios: Equity Ratio LTM	Net Debt / EBITDA LTM	EBITDA Interest Cover LTM	EBITDA LTM (in €m)	Avg. EBITDA (in €m) 2008-18	Revenue CAGR 2008-18	Worst Y-o-Y Revenue Decline	Worst Y-o-Y EBITDA Decline	Avg. GP Margin 2008-18	Avg. EBITDA Margin 2008-18	Avg. CapEx / EBITDA 2008-18
Brembo S.p.A.	IT	EU	3,541.9	6.7x	6.5x	4.8x (2008)	9.2x (2017)	48.0%	0.8x	28.7x	477.6	252.6	9.5%	-22.0% (2009)	-36.1% (2009)	46.1%	13.9%	57.9%
CIE Automotive, S.A.	ES	EU	3,980.3	6.3x	5.9x	4.5x (2012)	7.6x (2018)	49.0%	1.8x	7.2x	539.1	302.0	7.6%	-21.0% (2009)	-24.6% (2009)	39.2%	13.9%	49.7%
Compagnie Plastic Omnium SA	FR	EU	3,971.8	4.2x	4.6x	3.1x (2008)	6.0x (2015)	32.2%	1.1x	12.1x	748.3	474.1	10.4%	-9.8% (2013)	-.5% (2013)	15.0%	9.9%	44.2%
ElringKlinger AG	DE	EU	1,193.4	6.7x	6.8x	5.8x (2018)	7.8x (2013)	40.9%	5.2x	13.3x	152.9	191.7	10.0%	-11.9% (2009)	-26.4% (2018)	26.7%	17.3%	72.1%
Gestamp Automoción, S.A.	ES	EU	6,145.1	5.4x	5.7x	5.6x (2017)	5.7x (2018)	27.3%	3.1x	7.5x	885.4	710.8	na	na	-3.0% (2013)	36.0%	10.0%	83.8%
HELLA GmbH & Co. KGaA	DE	EU	4,698.6	4.4x	5.0x	4.3x (2016)	5.3x (2015)	45.7%	-0.1x	24.9x	897.6	689.0	na	na	-10.1% (2012)	26.9%	12.2%	66.2%
LEONI AG	DE	EU	1,481.3	11.0x	4.8x	3.5x (2012)	5.8x (2009)	25.2%	nm	-1.6x	-35.2	251.7	5.8%	-25.8% (2009)	-89.7% (2009)	16.5%	6.4%	117.4%
Nokian Renkaat Oyj	FI	EU	3,499.9	7.5x	8.9x	7.6x (2012)	10.2x (2010)	75.7%	-0.1x	55.4x	465.6	392.7	4.0%	-26.1% (2009)	-46.1% (2009)	45.0%	28.7%	35.7%
Pirelli & C. S.p.A.	IT	EU	10,070.2	7.5x	8.4x	7.9x (2018)	9.0x (2017)	34.8%	4.0x	15.8x	1,170.1	936.7	na	-6.0% (2018)	na	71.0%	21.3%	33.0%
TI Fluid Systems plc	GB	UK	1,866.6	3.8x	5.2x	4.7x (2018)	5.6x (2017)	32.6%	2.1x	6.6x	401.4	338.7	na	-.5% (2018)	-2.3% (2018)	15.5%	11.0%	33.3%
Min			1,193.4	3.8x	4.6x	3.1x	5.3x	25.2%	-0.1x	-1.6x	-35.2	191.7	4.0%	-26.1%	-89.7%	15.0%	6.4%	33.0%
Max			10,070.2	11.0x	8.9x	7.9x	10.2x	75.7%	5.2x	55.4x	1,170.1	936.7	10.4%	-0.5%	-0.5%	71.0%	28.7%	117.4%
Median			3,756.9	6.5x	5.8x	4.8x	6.8x	37.8%	1.8x	12.7x	508.3	365.7	8.5%	-16.5%	-24.6%	31.4%	13.0%	53.8%
Mean			4,044.9	6.4x	6.2x	5.2x	7.2x	41.1%	2.0x	17.0x	570.3	454.0	7.9%	-15.4%	-26.6%	33.8%	14.5%	59.3%

Source: S&P Capital IQ as of 23/05/2019

Debt

Historical Performance of Fundamental and Credit Ratios

Small/Mid Caps (Enterprise Value < €1,000m)

Fundamental, Credit & Performance Ratios

Peer Group	Country	Listing Place	Enterprise Value (in €m)	EV / EBITDA '19e	EV / EBITDA FY + 1 2008-18 Average	Low	High	Credit & Performance Ratios: Equity Ratio LTM	Net Debt / EBITDA LTM	EBITDA Interest Cover LTM	EBITDA LTM (in €m)	Avg. EBITDA (in €m) 2008-18	Revenue CAGR 2008-18	Worst Y-o-Y Revenue Decline	Worst Y-o-Y EBITDA Decline	Avg. GP Margin 2008-18	Avg. EBITDA Margin 2008-18	Avg. CapEx / EBITDA 2008-18
AKWEL	FR	EU	456.0	3.5x	4.2x	2.4x (2012)	5.5x (2017)	56.3%	0.4x	47.7x	111.2	77.2	9.7%	-14.7% (2009)	-23.5% (2018)	60.3%	10.5%	49.6%
Autoneum Holding AG	CH	CH	901.2	6.3x	4.4x	3.0x (2012)	5.4x (2017)	39.2%	1.9x	21.4x	131.2	122.8	4.4%	-29.1% (2009)	-100.0% (2009)	51.1%	7.1%	70.0%
Bulten AB (publ)	SE	SE	195.2	6.0x	5.3x	3.5x (2011)	7.2x (2017)	58.0%	1.7x	49.0x	28.2	20.4	1.7%	-40.9% (2013)	-100.0% (2009)	16.8%	7.0%	53.6%
EDAG Engineering Group AG	CH	EU	558.3	7.3x	6.3x	5.7x (2016)	6.8x (2018)	23.1%	4.0x	11.8x	59.0	56.6	na	-1.0% (2016)	-28.3% (2016)	82.1%	8.5%	33.0%
Grammer AG	DE	EU	753.6	4.3x	4.3x	3.3x (2012)	5.4x (2009)	21.8%	2.7x	9.5x	130.3	77.8	6.3%	-27.8% (2009)	-100.0% (2009)	11.9%	5.7%	48.3%
Kendrion N.V.	NL	EU	331.9	5.5x	6.1x	4.8x (2012)	7.8x (2017)	48.5%	1.8x	21.8x	48.0	36.6	8.0%	-28.1% (2009)	-76.6% (2009)	47.8%	10.6%	71.4%
Landi Renzo S.p.A.	IT	EU	199.1	7.6x	7.7x	6.1x (2008)	10.9x (2017)	29.3%	2.5x	8.3x	25.8	22.6	-1.4%	-19.5% (2013)	-100.0% (2016)	26.7%	9.3%	61.0%
Mangata Holding S.A.	PL	PL	143.5	6.2x	7.8x	6.6x (2018)	8.9x (2016)	55.6%	1.4x	33.9x	22.0	10.7	12.1%	-9.3% (2009)	na	21.3%	11.8%	42.6%
MS Industrie AG	DE	EU	161.8	4.1x	6.3x	5.5x (2016)	7.2x (2017)	38.2%	3.6x	9.4x	19.1	15.2	3.9%	-46.8% (2009)	-25.6% (2016)	44.3%	7.8%	146.1%
Nanogate AG	DE	EU	249.9	11.0x	11.0x	7.5x (2011)	15.6x (2010)	33.2%	4.7x	2.9x	21.5	7.5	32.4%	-8.6% (2009)	-100.0% (2009)	62.3%	8.7%	113.7%
paragon GmbH & Co. KGaA	DE	EU	274.2	7.8x	6.0x	2.5x (2012)	13.4x (2017)	49.8%	3.8x	6.3x	25.9	8.5	5.6%	-42.3% (2009)	-100.0% (2009)	48.4%	6.9%	63.4%
Pininfarina S.p.A.	IT	EU	103.6	9.4x	7.8x	7.8x (2018)	7.8x (2018)	44.1%	1.6x	2.0x	4.7	-5.7	-15.1%	-73.5% (2011)	-100.0% (2011)	63.5%	-3.5%	86.0%
Polytec Holding AG	AT	EU	337.5	4.4x	4.4x	2.8x (2012)	7.8x (2009)	40.3%	2.2x	19.1x	59.2	51.5	-1.8%	-26.7% (2012)	-85.5% (2009)	46.8%	8.2%	74.8%
Progress-Werk Oberkirch AG	DE	EU	207.6	4.6x	4.6x	3.3x (2008)	5.5x (2015)	27.0%	3.3x	6.9x	41.0	34.7	6.3%	-20.6% (2009)	-47.7% (2009)	44.8%	9.4%	82.1%
SHW AG	DE	EU	171.5	4.3x	4.2x	3.0x (2011)	5.3x (2014)	43.4%	1.2x	35.9x	38.2	35.3	na	-12.5% (2016)	-11.2% (2017)	11.9%	9.4%	65.4%
Sogefi S.p.A.	IT	EU	491.7	2.7x	4.0x	3.0x (2018)	4.6x (2009)	16.9%	2.1x	6.8x	158.8	133.1	4.8%	-23.2% (2009)	-45.0% (2009)	20.6%	10.3%	36.6%
Min			103.6	2.7x	4.0x	2.4x	4.6x	16.9%	0.4x	2.0x	4.7	-5.7	-15.1%	-73.5%	-100.0%	11.9%	-3.5%	33.0%
Max			901.2	11.0x	11.0x	7.8x	15.6x	58.0%	4.7x	49.0x	158.8	133.1	32.4%	-1.0%	-11.2%	82.1%	11.8%	146.1%
Median			262.1	5.8x	5.7x	3.4x	7.2x	39.7%	2.2x	10.7x	39.6	35.0	5.2%	-24.9%	-85.5%	45.8%	8.6%	64.4%
Mean			346.0	5.9x	5.9x	4.4x	7.8x	39.0%	2.4x	18.3x	57.8	44.1	5.5%	-26.5%	-69.6%	41.3%	8.0%	68.6%

All Caps (Total)

Min			103.6	2.7x	4.0x	2.4x	4.6x	16.9%	-0.1x	-1.6x	-35.2	-5.7	-15.1%	-73.5%	-100.0%	11.9%	-3.5%	33.0%
Max			10,070.2	11.0x	11.0x	7.9x	15.6x	75.7%	5.2x	55.4x	1,170.1	936.7	32.4%	-0.5%	-0.5%	82.1%	28.7%	146.1%
Median			525.0	6.1x	5.8x	4.6x	7.2x	39.7%	2.1x	11.9x	85.2	77.5	6.1%	-21.5%	-45.5%	41.8%	9.7%	62.2%
Mean			1,768.7	6.1x	6.0x	4.7x	7.6x	39.8%	2.3x	17.8x	254.9	201.7	6.2%	-22.8%	-53.4%	38.4%	10.5%	65.0%

Source: S&P Capital IQ as of 23/05/2019

Debt
Capital Structure

Large Caps (Enterprise Value > €1,000m)

Debt Instruments

	Debt Structure / Terms (latest available)										Most Recently Issued Bond						Implied Rating	
Peer Group	RCF (in €m)	Term Loans (in €m)	Sr. Bonds / Notes (in €m)	Sub. Bonds / Notes (in €m)	Capital Leases (in €m)	Other Debt (in €m)	Total Debt (in €m)	Cash & Cash Equiv. (in €m)	Net Debt (in €m)	Implied Interest Rate	Issued	Maturity	Term	Volume (in €m)	Coupon	YTW	Issuer Rating	Credit Model Score
Brembo S.p.A.	153.3	508.5	na	na	0.1	-8.3	653.6	264.5	389.2	2.5%	na	na	na	na	na	na	na	na
CIE Automotive, S.A.	na	na	na	na	na	943.6	943.6	na	943.6	7.9%	na	na	na	na	na	na	na	na
Compagnie Plastic Omnium SA	145.6	na	1,606.5	na	11.6	4.4	1,768.1	980.3	787.8	3.5%	2017	2024	7	500.0	1.3%	1.7%	na	na
ElringKlinger AG	na	350.0	na	na	0.3	508.4	858.6	63.1	795.5	1.3%	na	na	na	na	na	na	na	na
Gestamp Automoción, S.A.	33.8	1,973.6	876.0	na	454.2	59.7	3,397.3	610.7	2,786.6	3.5%	2018	2026	8	400.0	3.3%	4.0%	BB	na
HELLA GmbH & Co. KGaA	na	82.8	892.1	na	135.4	243.5	1,353.8	1,402.1	-48.3	2.7%	2017	2024	7	300.0	1.0%	0.5%	na	na
LEONI AG	na	na	na	na	153.0	1,057.5	1,210.5	174.1	1,036.3	1.8%	na	na	na	na	na	na	na	na
Nokian Renkaat Oyj	na	132.4	na	na	132.2	2.0	266.6	321.4	-54.8	3.2%	na	na	na	na	na	na	na	na
Pirelli & C. S.p.A.	2,273.5	1,281.5	746.5	na	474.5	833.6	5,609.6	971.5	4,638.2	1.3%	2018	2020	2	200.0	0.4%	1.5%	na	na
TI Fluid Systems plc	na	1,205.5	na	na	2.0	-23.8	1,183.7	360.6	823.1	5.2%	na	na	na	na	na	na	BB-	na
Min	33.8	82.8	746.5	0.0	0.1	-23.8	266.6	63.1	-54.8	1.3%			2	200.0	0.4%	0.5%		
Max	2,273.5	1,973.6	1,606.5	0.0	474.5	1,057.5	5,609.6	1,402.1	4,638.2	7.9%			8	500.0	3.3%	4.0%		
Median	149.5	508.5	884.0	na	132.2	151.6	1,197.1	360.6	809.3	2.9%			7	350.0	1.1%	1.6%		
Mean	651.6	790.6	1,030.3	na	151.5	362.1	1,724.5	572.0	1,209.7	3.3%			6	350.0	1.5%	1.9%		

Source: S&P Capital IQ as of 23/05/2019

Debt
Capital Structure

Small/Mid Caps (Enterprise Value < €1,000m)

Debt Instruments

	Debt Structure / Terms (latest available)										Most Recently Issued Bond						Implied Rating	
Peer Group	RCF (in €m)	Term Loans (in €m)	Sr. Bonds / Notes (in €m)	Sub. Bonds / Notes (in €m)	Capital Leases (in €m)	Other Debt (in €m)	Total Debt (in €m)	Cash & Cash Equiv. (in €m)	Net Debt (in €m)	Implied Interest Rate	Issued	Maturity	Term	Volume (in €m)	Coupon	YTW	Issuer Rating	Credit Model Score
AKWEL	0.6	88.3	30.0	na	na	14.5	133.3	92.7	40.6	1.7%	na	na	na	na	na	na	na	na
Autoneum Holding AG	124.3	29.6	145.8	na	18.6	16.2	334.5	82.6	251.8	1.8%	2017	2025	8	85.6	1.1%	1.5%	na	na
Bulten AB (publ)	na	na	na	na	23.9	25.9	49.9	2.8	47.1	1.2%	na	na	na	na	na	na	na	na
EDAG Engineering Group AG	na	na	na	na	na	299.3	299.3	63.0	236.3	1.7%	na	na	na	na	na	na	na	na
Grammer AG	na	262.1	184.5	na	63.6	-2.8	507.4	155.5	351.9	2.7%	na	na	na	na	na	na	na	na
Kendrion N.V.	na	na	na	na	na	98.1	98.1	10.5	87.6	2.2%	na	na	na	na	na	na	na	na
Landi Renzo S.p.A.	na	na	na	na	na	81.3	81.3	17.2	64.2	3.8%	2015	2022	7	34.0	6.1%	11.9%	na	na
Mangata Holding S.A.	12.2	0.4	na	na	10.2	17.0	39.8	8.5	31.2	1.6%	na	na	na	na	na	na	na	na
MS Industrie AG	27.8	26.5	1.3	na	15.3	0.5	71.3	2.3	69.0	2.9%	na	na	na	na	na	na	na	na
Nanogate AG	5.8	129.4	na	na	10.6	-5.4	140.4	38.3	102.1	5.3%	na	na	na	na	na	na	na	na
paragon GmbH & Co. KGaA	na	59.0	50.5	na	9.7	-3.2	116.0	17.5	98.5	3.6%	2019	2024	5	30.6	4.0%	0.0%	na	na
Pininfarina S.p.A.	27.4	na	na	na	7.1	0.0	34.5	27.1	7.4	6.8%	na	na	na	na	na	na	na	na
Polytec Holding AG	na	18.7	155.9	na	0.2	43.4	218.1	88.1	130.0	1.4%	na	na	na	na	na	na	na	na
Progress-Werk Oberkirch AG	na	na	na	na	na	143.5	143.5	10.0	133.5	4.1%	na	na	na	na	na	na	na	na
SHW AG	37.7	8.4	na	na	5.8	-1.0	50.9	5.2	45.7	2.1%	na	na	na	na	na	na	na	na
Sogefi S.p.A.	na	na	na	na	na	458.5	458.5	123.1	335.4	5.1%	na	na	na	na	na	na	na	na
Min	0.6	0.4	1.3	0.0	0.2	-5.4	34.5	2.3	7.4	1.2%			5	30.6	1.1%	0.0%		
Max	124.3	262.1	184.5	0.0	63.6	458.5	507.4	155.5	351.9	6.8%			8	85.6	6.1%	11.9%		
Median	27.4	29.6	98.2	na	10.4	16.6	124.6	22.3	93.1	2.5%			7	34.0	4.0%	1.5%		
Mean	33.7	69.1	94.7	na	16.5	74.1	173.5	46.5	127.0	3.0%			7	50.0	3.7%	4.5%		

All Caps (Total)

Min	0.6	0.4	1.3	0.0	0.1	-23.8	34.5	2.3	-54.8	1.2%			2	30.6	0.4%	0.0%		
Max	2,273.5	1,973.6	1,606.5	0.0	474.5	1,057.5	5,609.6	1,402.1	4,638.2	7.9%			8	500.0	6.1%	11.9%		
Median	33.8	108.9	170.2	na	11.6	21.5	282.9	82.6	131.8	2.7%			7	200.0	1.3%	1.5%		
Mean	258.4	384.8	468.9	na	80.4	184.9	770.1	235.7	543.4	3.1%			6	221.4	2.4%	3.0%		

Source: S&P Capital IQ as of 23/05/2019

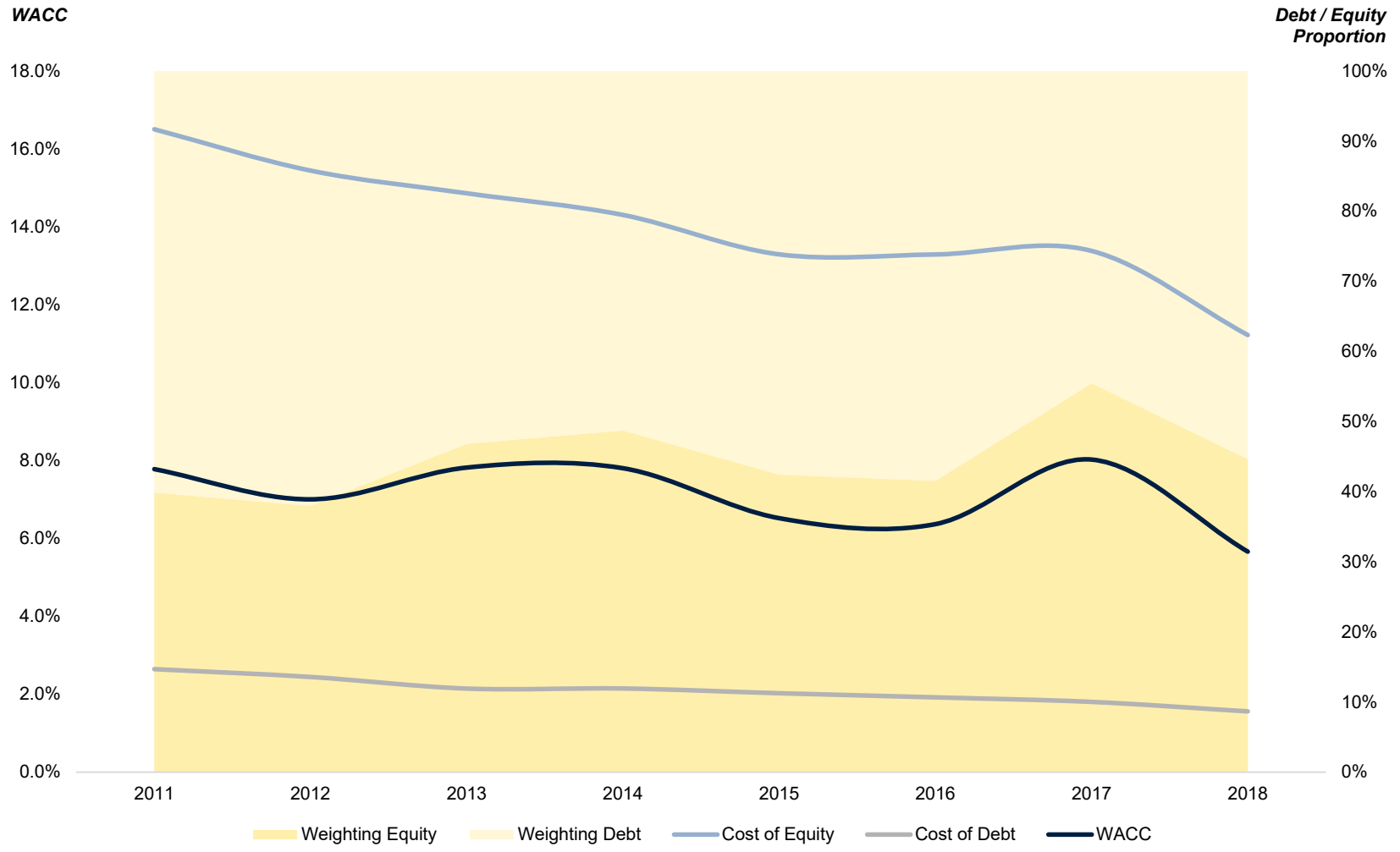
Debt

Historical Implied Cost of Capital / WACC Analysis

Since '11, a declining trend in the implied cost of equity (mean values) can be observed, from 17% in '11 to 11% in '18

The implied cost of debt (mean values of interest expenses divided by total liabilities) has decreased from 2.6% in '11 to 1.6% in '18, following the decreasing central bank base interest rate and refinancing at lower interest

The implied WACC has slightly decrease from 7.8% in '11 to 5.7% in '18 due to the decreasing implied cost of equity



Source: S&P Capital IQ as of 23/05/2019

Note: Implied cost of equity based on annual return on equity values (the actual cost of equity to the firm); implied cost of debt based on annual interest expenses as reported (including financial lease expenses and other components of interest expenses) as a proportion of total liabilities (implied interest rate)

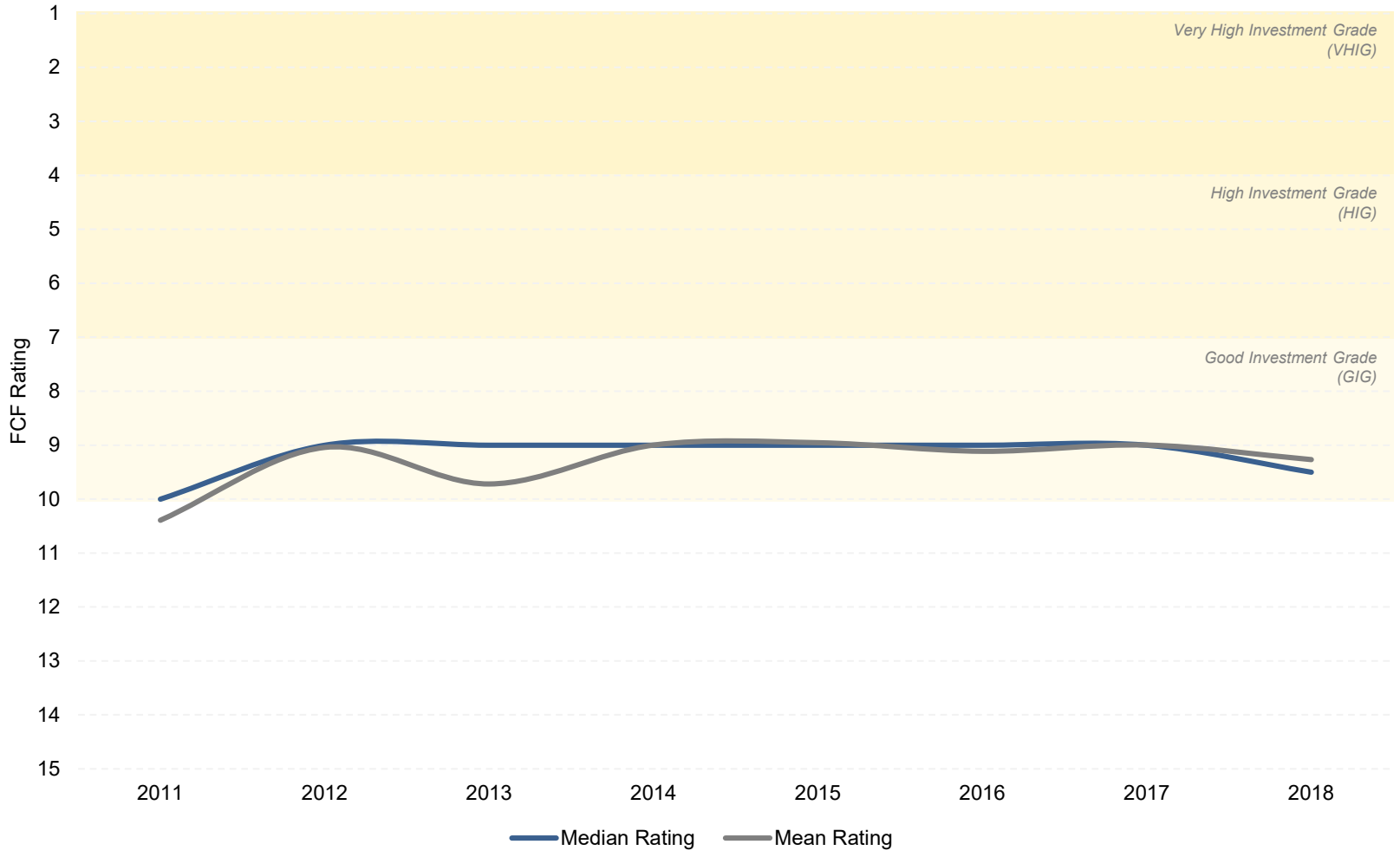
RATING ANALYSIS

Rating Analysis

Historical Rating Development of European Automotive Supplier Companies

Historically, the overall European public automotive supplier industry (rated by large rating agencies, e.g. Fitch, Moody´s, S&P) is rated as good-investment grade, despite the competitive and cyclical market environment

For a detailed explanation of FCF´s rating assessment, please refer to the Appendix – Ratings Conversion



Source: S&P Capital IQ as of 23/05/2019

Rating Analysis

Net Leverage vs. Rating

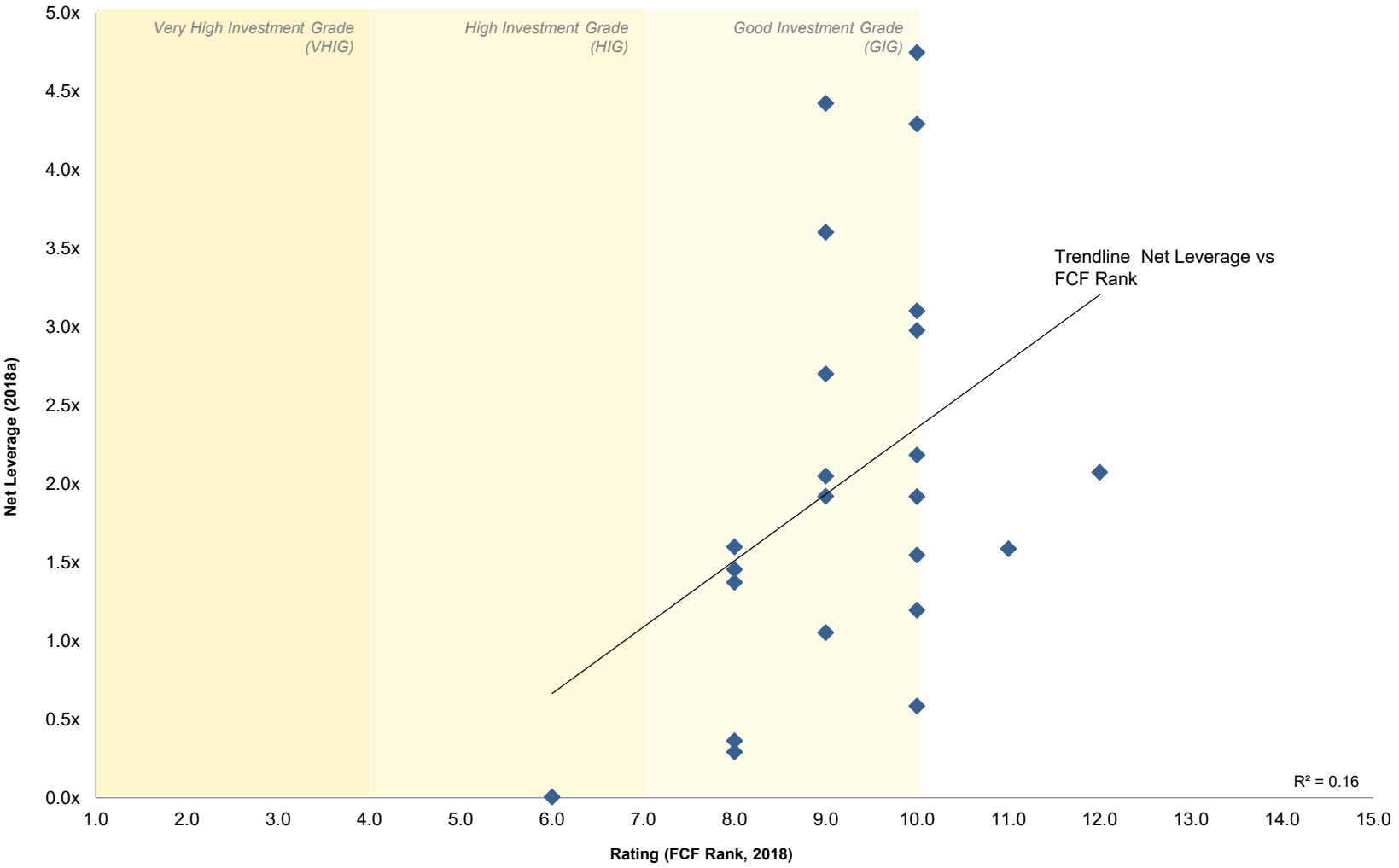
An analysis of the ***net leverage factor*** *seeks to identify the impact of net debt (financial debt minus cash divided by EBITDA) on the FCF rating*

The net leverage has a moderate impact on the rating (R^2=0.16)

Companies with a net leverage of <2.4x EBITDA can be expected to be investment grade

Investment Grade Thresholds:

- *VHIG: na*
- *HIG: <1.1x*
- *GIG: <2.4x*



Source: S&P Capital IQ as of 23/05/2019

Note: Company names have been redacted; FCF ratings take into account financial metrics as well as industry parameters. The rating scale (1-19) indicates the firm's perceived level of solvency, where 1 shows the highest solvency level

Rating Analysis
Equity Ratio vs. Rating

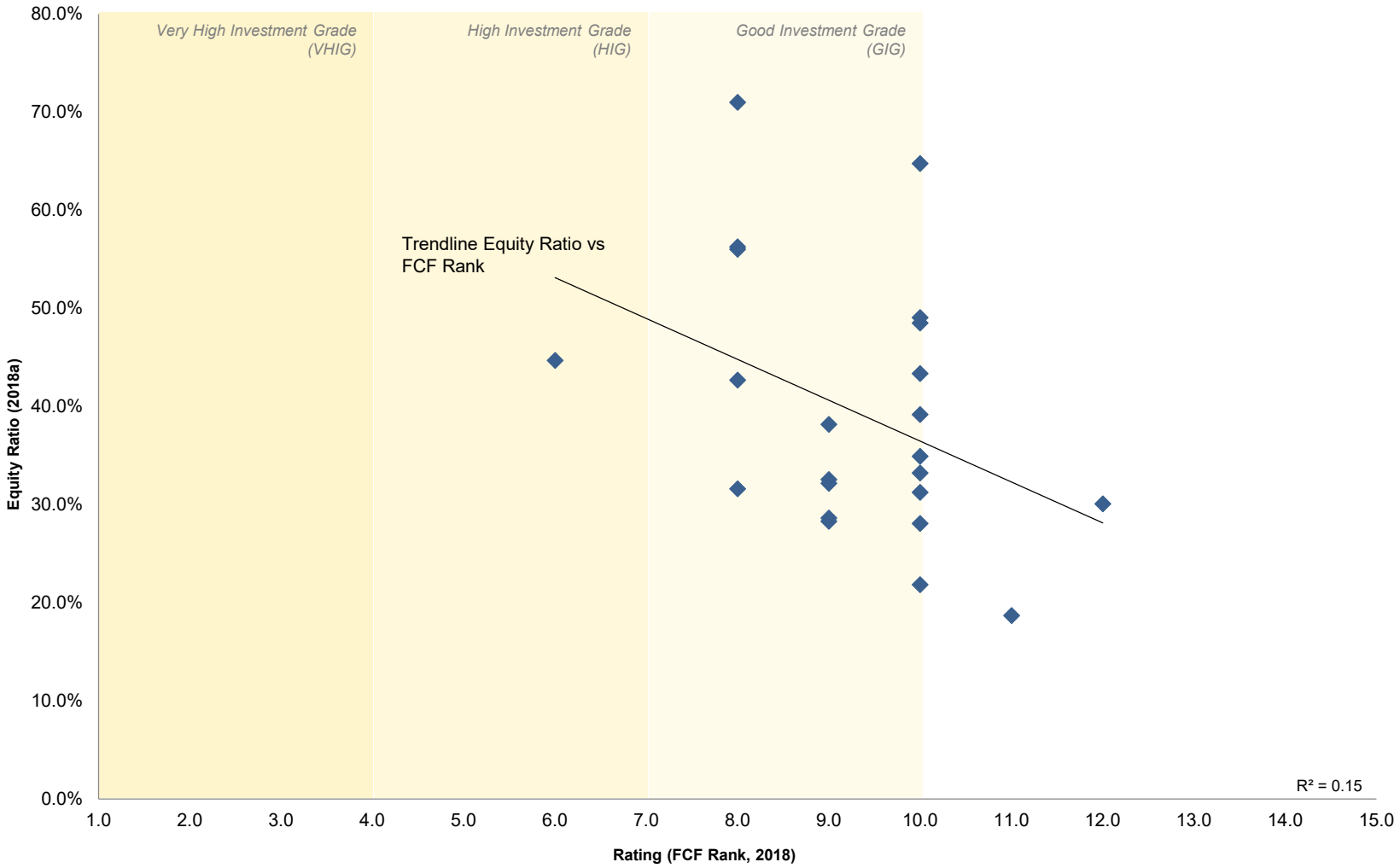
*An analysis of the **capital structure** seeks to identify the impact of equity ratio (equity divided by total assets) on the FCF rating*

The equity ratio has a moderate impact on the rating (R^2=0.15)

Companies with an equity ratio above 36.5% can be expected to be investment grade

Investment Grade Thresholds:

- *VHIG: >61.5%*
- *HIG: >49.0%*
- *GIG: >36.5%*



Source: S&P Capital IQ as of 23/05/2019
Note: FCF ratings take into account financial metrics as well as industry parameters. The rating scale (1-19) indicates the firm's perceived level of solvency, where 1 shows the highest solvency level

Rating Analysis

Return on Equity vs. Rating

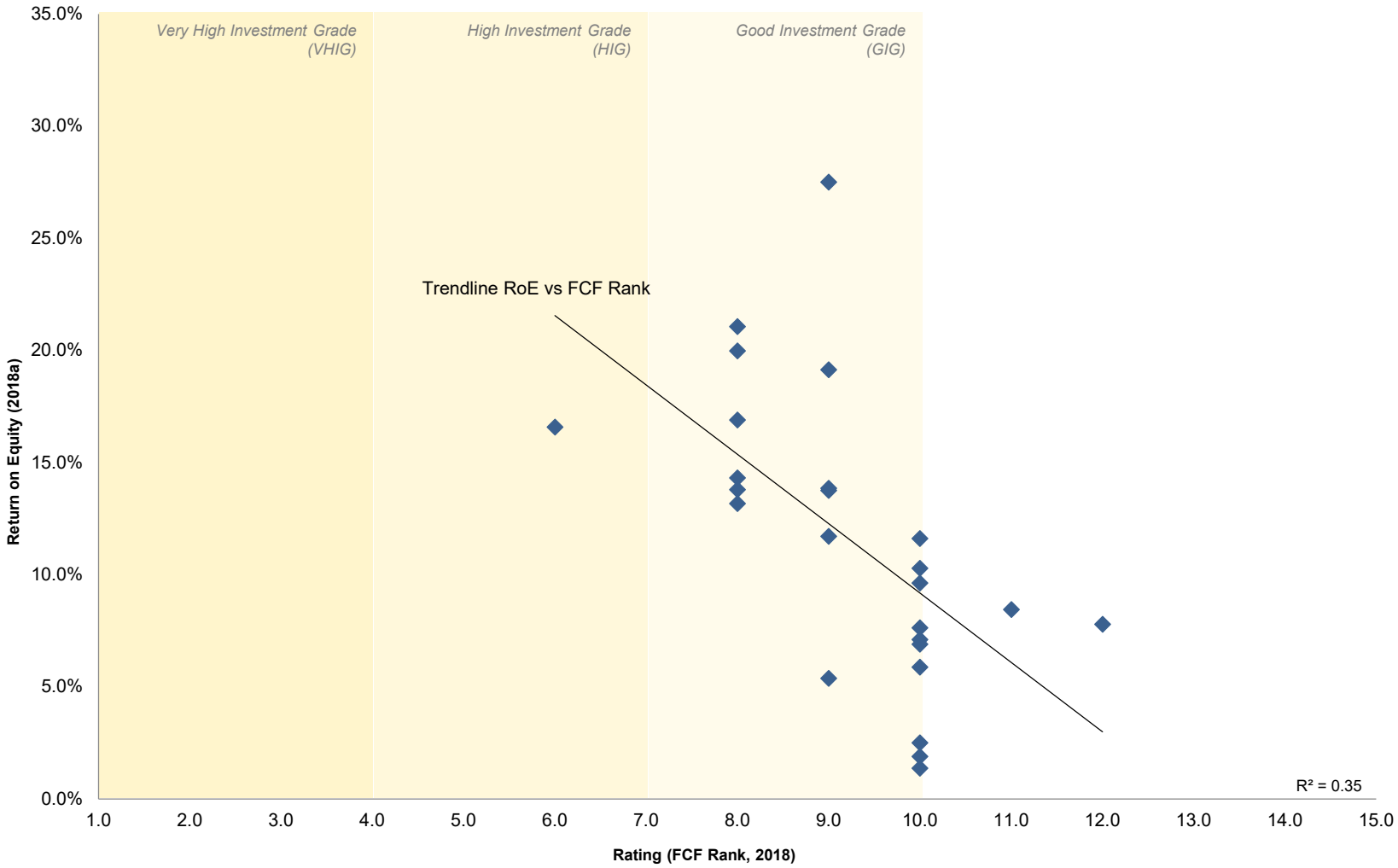
*An analysis of the **profitability** seeks to identify the impact of return on equity (net income by equity) on the FCF rating*

The return on equity has a significant impact on the rating (R^2=0.35)

Companies with a return on equity above 9.2% can be expected to be investment grade

Investment Grade Thresholds:

- *VHIG: >27.7%*
- *HIG: >18.5%*
- *GIG: >9.2%*



Source: S&P Capital IQ as of 23/05/2019

Note: FCF ratings take into account financial metrics as well as industry parameters. The rating scale (1-19) indicates the firm's perceived level of solvency, where 1 shows the highest solvency level

Rating Analysis

Interest Coverage vs. Rating

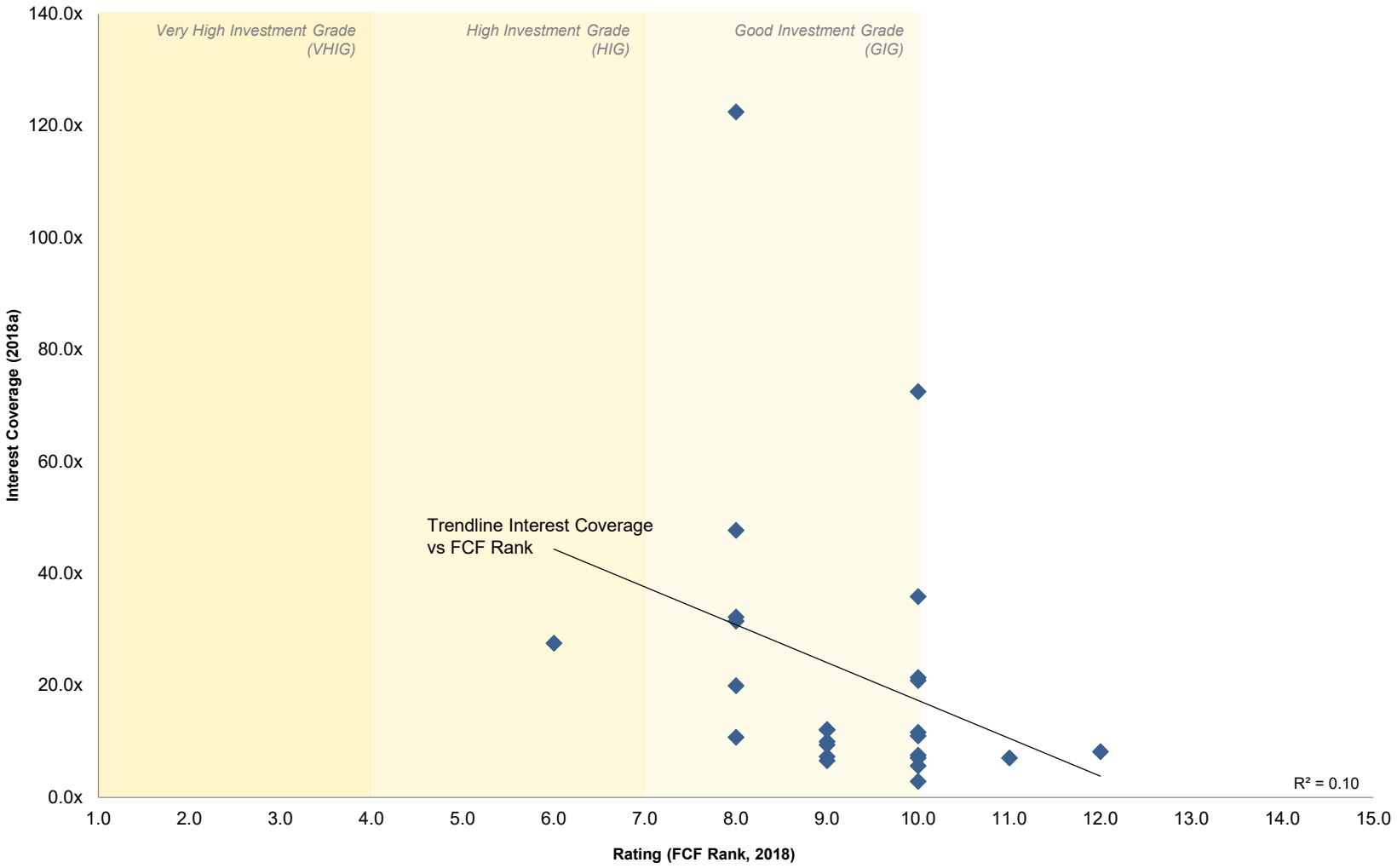
*An analysis of the **debt service capacity** seeks to identify the impact of the EBIT interest coverage ratio (EBIT divided by interest expenses) on the FCF rating*

The EBIT interest coverage ratio has a small impact on the rating (R^2=0.10)

Companies with an EBIT interest coverage ratio above 17.3x can be expected to be investment grade

Investment Grade Thresholds:

- *VHIG: >57.8x*
- *HIG: >37.6x*
- *GIG: >17.3x*



Source: S&P Capital IQ as of 23/05/2019
Note: FCF ratings take into account financial metrics as well as industry parameters. The rating scale (1-19) indicates the firm's perceived level of solvency, where 1 shows the highest solvency level; Kuehne + Nagel International AG excluded

Rating Analysis

Cost of Debt vs. Rating

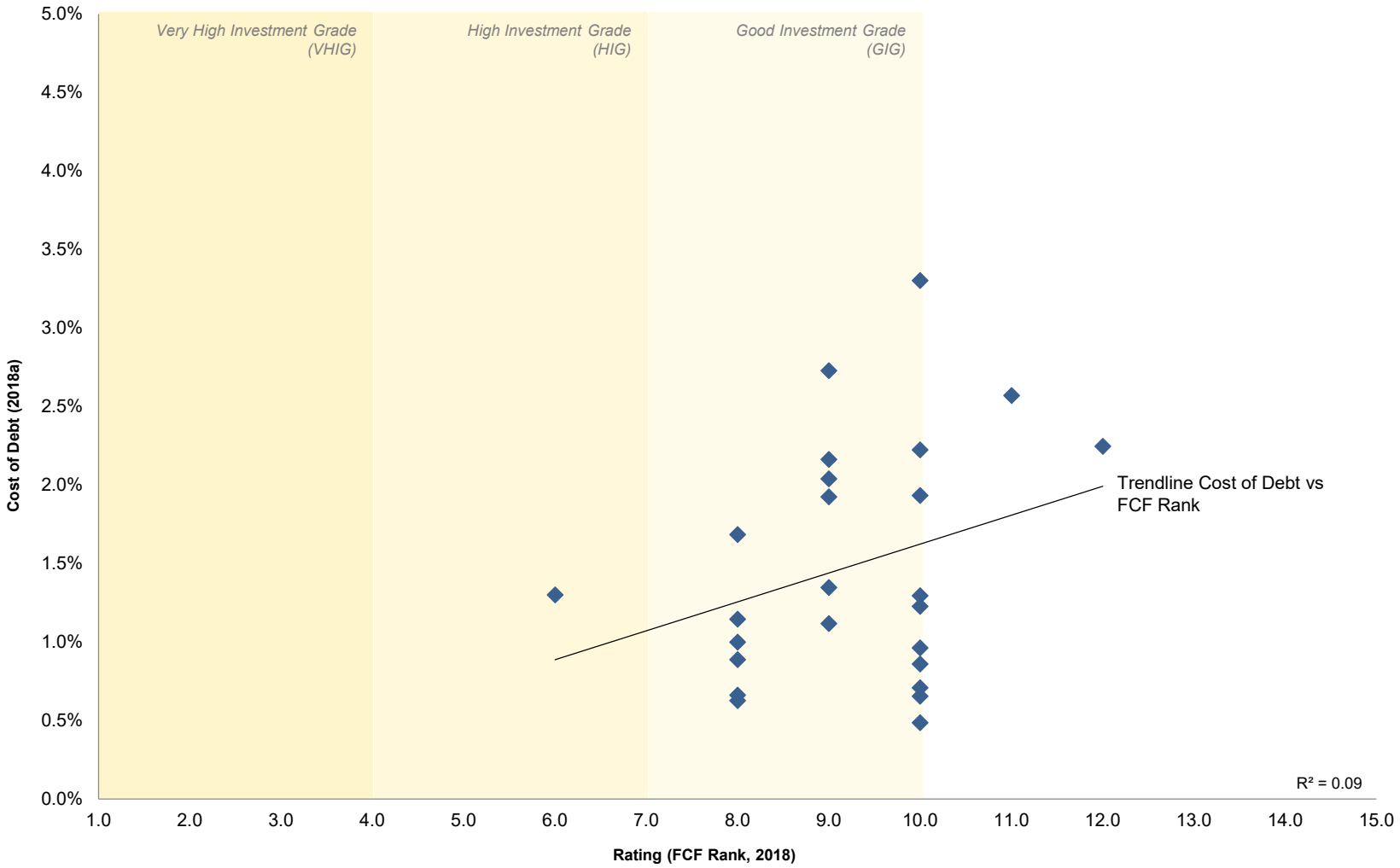
*An analysis of the **financing costs** seeks to identify the impact of cost of debt on the FCF rating*

The rating has a small impact on the cost of debt (R^2=0.09)

The cost of debt for investment grade automotive suppliers in Europe typically lies below 1.6%

Investment Grade Thresholds:

- *VHIG: <0.5%*
- *HIG: <1.1%*
- *GIG: <1.6%*



Source: S&P Capital IQ as of 23/05/2019

Note: FCF ratings take into account financial metrics as well as industry parameters. The rating scale (1-19) indicates the firm's perceived level of solvency, where 1 shows the highest solvency level

PRIVATE EQUITY

Private Equity

Top-10 Deals* by Volume / Last 5 Years (I)

The acquisition of the British TI Automotive by Bain Capital for EUR 2,140m is the largest automotive supplier private equity deal in Europe during the last 5 years

30% of the target companies in the Top 10 have a British- and 20% a German-origin

Non-EU private equity houses accounted for 50% of the Top 10 deals

80% of the Top 10 deals have a cross-border character

[Only deals with disclosed deal volumes considered]

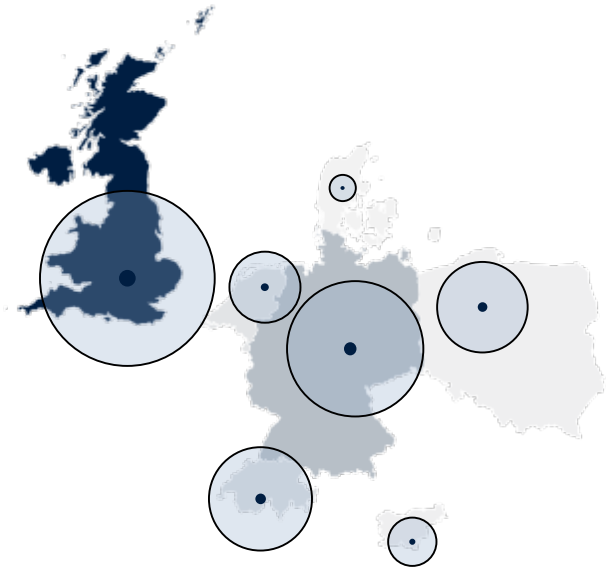
1. TI Automotive — *acquired by:* BainCapital
EURm 2,140 | *Revenue: EUR 875m* | *Deal Year: 2015* | *Found. Year: 2000*

2. SG HOLDING — *acquired by:* CRCI 崇德投資
EURm 545 | *Revenue: na* | *Deal Year: 2017* | *Found. Year: na*

3. Acrotec Group — *acquired by:* Castik Capital
EURm 257 | *Revenue: EUR 950m* | *Deal Year: 2016* | *Found. Year: 2001*

4. VECOY precision metal — *acquired by:* Gilde Buy Out Partners
EURm 224 | *Revenue: EUR 138m* | *Deal Year: 2018* | *Found. Year: 1934*

5. FPS — *acquired by:* Blackstone
EURm 138 | *Revenue: na* | *Deal Year: 2016* | *Found. Year: 1934*



6. Lookers plc — *acquired by:* Blackstone
EURm 138 | *Revenue: na* | *Deal Year: 2016* | *Found. Year: 1908*

7. ALUDESIGN — *acquired by:* TAR HEEL CAPITAL
EURm 100 | *Revenue: 13m* | *Deal Year: 2018* | *Found. Year: 1998*

8. CIMOS — *acquired by:* PFH, TCH Cogem
EURm 100 | *Revenue: 267m* | *Deal Year: 2017* | *Found. Year: 1972*

9. KAP — *acquired by:* The Carlyle Group
EURm 91 | *Revenue: 390m* | *Deal Year: 2017* | *Found. Year: 2003*

10. Budweg caliper — *acquired by:* Capidea
EURm 67 | *Revenue: 9m* | *Deal Year: 2018* | *Found. Year: 1978*

Source: PitchBook and S&P Capital IQ as of 23/05/2019, FCF Equity Research
Note: Revenue shows last recent figure available; * where data available

Private Equity

Top-10 Deals* by Volume / Last 5 Years (II)

		Transaction Description	Investors
1.	TI Automotive *TI Automotive* **EUR 2,140m**	The company was acquired by Bain Capital through a $2.4 billion SBO on June 19, 2015. The round amount including of assumed liabilities. FS Investment II provided debt financing in the deal.	Bain Capital
2.	SG HOLDING *SG Holding* **EUR 545m**	Robert Bosch (ETR: ROBG) sold the company to Zhengzhou Coal Mining and China Renaissance Capital Investment through an EUR 545 million LBO on December 29, 2017. ZMJ estimated that not more than EUR 440 million was funded through internal resources of ZJM and CRCI while the remainder was funded through external bank financing. The acquisition will also help ZMJ to expand its international businesses.	China Renaissance Capital Investment
3.	Acrotec Group *Acrotec Group* **EUR 257m**	The company was acquired by Castik Capital and its management through a EUR 257.3 million SBO on June 20, 2016. The deal secures the Group's independence and builds the foundations for further strong growth.	Castik Capital Partners
4.	veco precision metal *Veco Precision* **EUR 224m**	The company, a subsidiary of SPGPrints, was acquired by Gilde Buy Out Partners and its management through a $275.1 million LBO on April 19, 2018.	Gilde Buy Out Partners
5.	FPS *FPS Distribution* **EUR 138m**	The company was acquired by Alliance Automotive Group, via its financial sponsor The Blackstone Group, through a GBP 120 million LBO on November 4, 2016. This transaction enables Lookers to continue to focus on opportunities in their motor retail business, whilst at the same time securing the right home for the future of the Parts Division.	The Blackstone Group

Source: PitchBook and S&P Capital IQ as of 23/05/2019, FCF Equity Research
* where data available

Private Equity

Top-10 Deals* by Volume / Last 5 Years (III)

		Transaction Description	Investors
6.	Lookers plc Lookers **EUR 138m**	Parts Business of Lookers (LSE: LOOK) was acquired by Alliance Automotive Group, via its financial sponsor The Blackstone Group (NYSE: BX) through a GBP 120 million LBO on November 4, 2016. The sale would allow the dealer group to focus on what it does best and it will help fund more acquisitions for the group.	The Blackstone Group
7.	ALUDESIGN Aludesign **EUR 100m**	The company was acquired by Tar Heel Capital through an EUR 100 million LBO in September 2018. Tar Heel Capital raised an EUR 50 million as Debt for this transaction.	Tar Heel Capital
8.	CIMOS *Cimos* **EUR 100m**	The company was acquired by TCH Cogem, via its financial sponsor Palladio Holding, through a EUR 100 million LBO on May 18, 2017. The acquisition would have increased the presence of TCH in the automotive business.	Palladio Holding, TCH Cogem
9.	KAP Beteiligungs-AG *KAP Beteiligungs* **EUR 91m**	The company (FRA: IUR) was acquired by The Carlyle Group through a EUR 91.13 million LBO in February 2017. Fried Möller, long-term head of KAP Management Board, will continue to hold his minority stake and remain with the company as a member of its Supervisory Board.	The Carlyle Group
10.	Budweg caliper *Budweg Caliper* **EUR 67m**	The company was acquired by Capidea, through a DKK 500 million LBO on February 5, 2018. Following the transaction Capidea holds 55% stake in the company. The acquisition enables the company to fund future growth plans.	Capidea

Source: PitchBook and S&P Capital IQ as of 23/05/2019, FCF Equity Research
* where data available

Private Equity

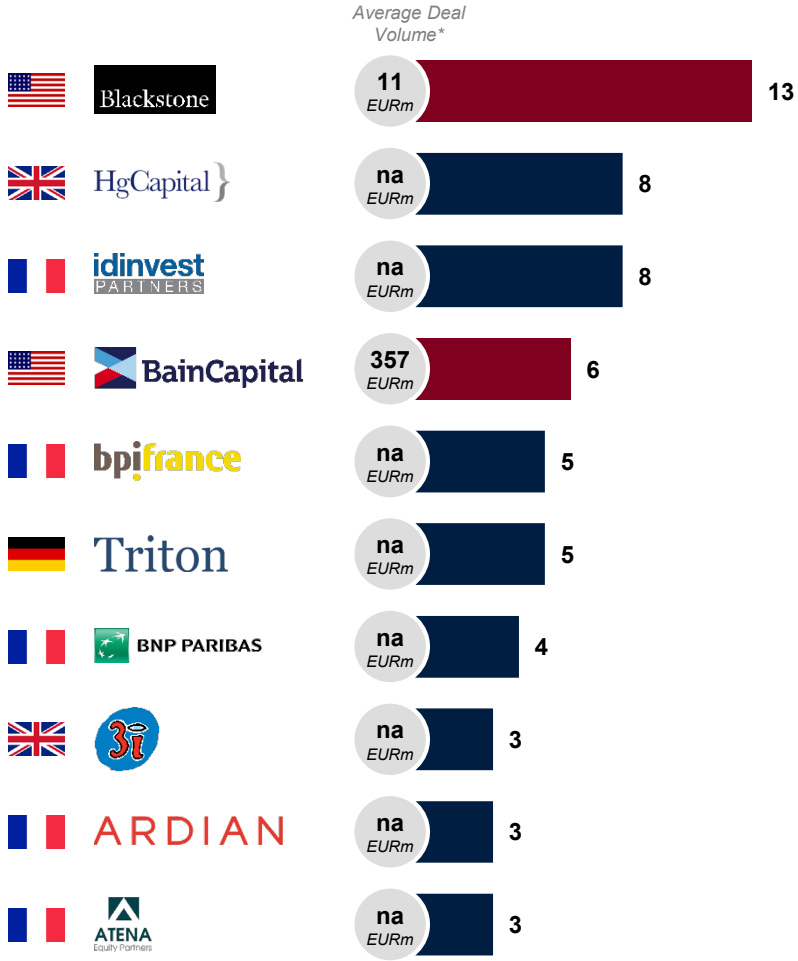
Top-10 Private Equity Investors* / Last 5 Years

Analyzing the Top 10 automotive supplier private equity investors by total amount invested, Bain Capital, CRCI and Castik Capital can be considered as the three financially powerful investors

Meanwhile, Blackstone, HgCapital and Idinvest can be considered as the three most active automotive supplier private equity investors by total number of deals

Top 10 Private Equity Investors – by Volume*

Top 10 Private Equity Investors – by # of Deals



Source: PitchBook and S&P Capital IQ as of 23/05/2019, FCF Equity Research
* where data available

APPENDIX

COMPANY PROFILES

AKWEL

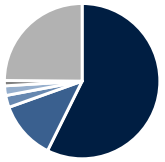
Company Describtion

Sector: Auto Components

AKWEL engages in the design, development, production, and sale of tooling equipment and car parts to car and other car equipment manufacturers in France and internationally. The company w as formerly know n as MGI Coutier SA and changed its name to AKWEL in June 2018. The company w as founded in 1972 and is headquartered in Champfromier, France. AKWEL is a subsidiary of Courtier Junior Company.

Public Shareholders[1]

Coutier Junior Company	57.3%
Coutier Senior Company	12.2%
Stanw ahr S.à r.l.	2.5%
Financiere De l'Echiquier	2.0%
Dimensional Fund Advisors L.P.	1.1%
Free Float	24.9%



Share Price Performance

	365 Days	180 Days	90 Days	30 Days
AKWEL	-44.9%	6.7%	11.2%	-10.4%
MSCI World Index	-0.5%	6.9%	1.2%	-2.9%

Revenue Split by Business Segments

Auto Parts & Accessories	100.0%
na	na
na	na
na	na
na	na
na	na

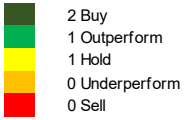
Revenue Split by Geographical Location

Europe & Africa	34.7%
France	31.0%
North America	23.6%
The Rest of The World	9.7%
South America	0.8%
na	na

Key Financials

in EURm	LTM	CY2018a	CY2019e	CY2020e	CAGR '18-'20
Revenue	1,062.2	1,062.2	1,119.2	1,173.8	5.1%
Growth			*5.4%*	*4.9%*	
EBITDA	111.2	111.2	127.4	137.3	11.1%
Margin	*10.5%*	*10.5%*	*11.4%*	*11.7%*	
EBIT	77.4	77.4	96.1	103.7	15.7%
Margin	*7.3%*	*7.3%*	*8.6%*	*8.8%*	
Net Income[2]	61.1	61.1	72.6	78.4	13.3%
Margin	*5.8%*	*5.8%*	*6.5%*	*6.7%*	

of Recommendations



Valuation

in EURm		Valuation	CY2018a	CY2019e	CY2020e
Enterprise Value	456.0	EV/Sales	0.4x	0.4x	0.4x
Net Debt	40.6	EV/EBITDA	4.2x	3.6x	3.3x
Minority Interest	0.9	EV/EBIT	6.1x	4.7x	4.4x
Preferred Equity	0.0	P/E	7.0x	5.7x	5.3x
Market Cap	414.4	P/B	0.9x	0.8x	0.7x

Source: S&P Capital IQ as of 23/05/2019

[1] Total Shares Outstanding can exceed 100% because reporting requirements for holdings data is not aligned with the financials reporting of shares outstanding

[2] Net Income can be larger due to extraordinary items

Autoneum Holding AG

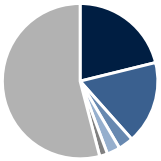
Company Describtion

Sector: Auto Components

Autoneum Holding AG develops and manufactures acoustic and thermal management solutions for the automotive market. It offers multifunctional and lightweight components and systems for noise and heat protection. The company provides engine encapsulations, engine top covers, hoodliners, battery covers, fender insulators, water box shields, and outer dashes and other body-mounted absorbers; and interior floor products comprising inner dashes, non-woven carpets, tufted carpets, spacers and crash pads, and floor insulators and mats. It also offers underbody products, including under floor shields, under engine shields, heatshields, floor pans, battery boxes, and wheelhouse outer liners; body treatment products, such as dampers, stiffeners, and other acoustics components; and measurement systems, as well as performs simulations and tests. The company has operations in Europe, North America, Asia, South America, the Middle East, and Africa. Autoneum Holding AG was founded in 1901 and is headquartered in Winterthur, Switzerland.

Public Shareholders[1]

Pieper, Michael W.	21.2%
Spuhler, Peter C.	17.3%
BZ Fund Management Aktiengesellschaft	3.1%
Norges Bank Investment Management	2.7%
The Vanguard Group, Inc.	1.7%
Free Float	54.1%

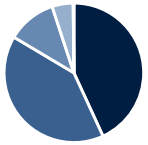


Share Price Performance

	365 Days	180 Days	90 Days	30 Days
Autoneum Holding AG	-46.6%	-28.3%	-21.5%	-1.9%
MSCI World Index	-0.5%	6.9%	1.2%	-2.9%

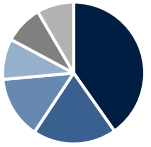
Revenue Split by Business Segments

BG Europe	43.1%
BG North America	40.4%
BG Asia	11.4%
BG SAMEA	4.9%
Corporate and Elimination	0.2%
na	na



Revenue Split by Geographical Location

United States of America	40.2%
Germany	19.1%
China	14.2%
Great Britain	9.3%
Spain	8.8%
Canada	8.4%



Key Financials

in EURm	LTM	CY2018a	CY2019e	CY2020e	CAGR '18-'20
Revenue	2,025.1	2,025.1	2,033.4	2,071.2	1.1%
Growth			*0.4%*	*1.9%*	
EBITDA	131.2	131.2	140.2	179.9	17.1%
Margin	*6.5%*	*6.5%*	*6.9%*	*8.7%*	
EBIT	57.5	57.5	62.2	99.5	31.6%
Margin	*2.8%*	*2.8%*	*3.1%*	*4.8%*	
Net Income[2]	48.9	48.9	30.4	49.2	0.3%
Margin	*2.4%*	*2.4%*	*1.5%*	*2.4%*	

of Recommendations

0	Buy
1	Outperform
4	Hold
0	Underperform
0	Sell

Valuation

in EURm		Valuation	CY2018a	CY2019e	CY2020e
Enterprise Value	901.2	EV/Sales	0.5x	0.4x	0.4x
Net Debt	251.8	EV/EBITDA	7.3x	6.4x	5.0x
Minority Interest	96.2	EV/EBIT	16.6x	14.5x	9.1x
Preferred Equity	0.0	P/E	12.4x	18.2x	11.2x
Market Cap	553.1	P/B	1.1x	1.2x	1.1x

Source: S&P Capital IQ as of 23/05/2019

[1] Total Shares Outstanding can exceed 100% because reporting requirements for holdings data is not aligned with the financials reporting of shares outstanding

[2] Net Income can be larger due to extraordinary items

Brembo S.p.A.

Company Describtion

Sector: Auto Components

Brembo S.p.A., together w ith its subsidiaries, designs, develops, and produces braking systems and components under the Brembo, Breco, AP Racing, Bybre, and Marchesini brands for cars, motorbikes, and industrial vehicles and machinery. It operates through Discs/Systems/Motorbikes and After Market/Performance Group segments. The company offers brake discs, calipers, w heel-side modules, and braking systems, as w ell as integrated engineering services for cars and commercial vehicles; and discs, calipers, brake master cylinders, lightw eight alloy w heels, and completes braking systems for motorcycles. It also provides spare parts comprising brake discs, brake pads, drums, brake shoes, kits for drum brakes, and hydraulic components. In addition, the company designs and produces Brembo Racing branded braking systems for race cars and motorbikes; AP Racing branded braking systems and clutches for race cars; Marchesini branded magnesium and aluminium w heels for racing motorbikes. It operates in 15 countries. The company w as founded in 1961 and is headquartered in Stezzano, Italy. Brembo S.p.A.

Public Shareholders[1]

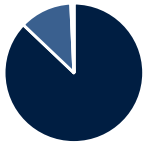
Nuova FourB S.r.l.	55.0%
Columbia Management Investment Advisers, LLC	2.1%
Groupama Asset Management Société anonyme	1.7%
Amundi Asset Management	1.5%
Capital Research and Management Company	1.3%
Free Float	38.5%

Share Price Performance

	365 Days	180 Days	90 Days	30 Days
Brembo S.p.A.	-17.0%	1.9%	-5.2%	-16.1%
MSCI World Index	-0.5%	6.9%	1.2%	-2.9%

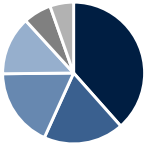
Revenue Split by Business Segments

Discs/Systems/Motorbikes	87.1%
After Market/Performance Group	12.2%
Unallocated Sales of Scraps	0.7%
Non-Segment	0.1%
na	na
na	na



Revenue Split by Geographical Location

Germany	38.4%
Other European Countries	18.3%
Italy	18.1%
United Kingdom	13.4%
France	6.4%
India	5.4%



Key Financials

in EURm	LTM	CY2018a	CY2019e	CY2020e	CAGR '18-'20
Revenue	2,687.0	2,676.5	2,712.1	2,859.2	3.4%
Growth			*1.3%*	*5.4%*	
EBITDA	477.6	469.1	527.9	554.6	8.7%
Margin	*17.8%*	*17.5%*	*19.5%*	*19.4%*	
EBIT	323.8	327.5	347.0	363.0	5.3%
Margin	*12.1%*	*12.2%*	*12.8%*	*12.7%*	
Net Income[2]	234.6	238.3	256.4	267.7	6.0%
Margin	*8.7%*	*8.9%*	*9.5%*	*9.4%*	

of Recommendations

0 Buy	
0 Outperform	
4 Hold	
1 Underperform	
0 Sell	

Valuation

in EURm		Valuation	CY2018a	CY2019e	CY2020e
Enterprise Value	3,541.9	EV/Sales	1.1x	1.3x	1.2x
Net Debt	389.2	EV/EBITDA	6.5x	6.7x	6.4x
Minority Interest	31.0	EV/EBIT	9.3x	10.2x	9.8x
Preferred Equity	0.0	P/E	12.1x	12.2x	11.7x
Market Cap	3,121.8	P/B	2.4x	2.3x	2.0x

Source: S&P Capital IQ as of 23/05/2019

[1] Total Shares Outstanding can exceed 100% because reporting requirements for holdings data is not aligned with the financials reporting of shares outstanding

[2] Net Income can be larger due to extraordinary items

Bulten AB (publ)

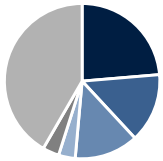
Company Describtion

Sector: Auto Components

Bulten AB (publ), together w ith its subsidiaries, designs, develops, manufactures, and distributes automotive components for light vehicles, heavy commercial vehicles, and tier 1 suppliers in Sw eden, Poland, the United States, Germany, Russia, the United Kingdom, China, and internationally. The company offers customer-specific standard, specialist, and customized fasteners. It also provides technical development, line-feeding, logistics, material, and production expertise services. In addition, the company offers friction, tensile, corrosion, and other testing services. The company w as formerly know n as FinnvedenBulten AB (publ) and changed its name to Bulten AB (publ) in September 2014. Bulten AB (publ) w as founded in 1873 and is headquartered in Gothenburg, Sw eden.

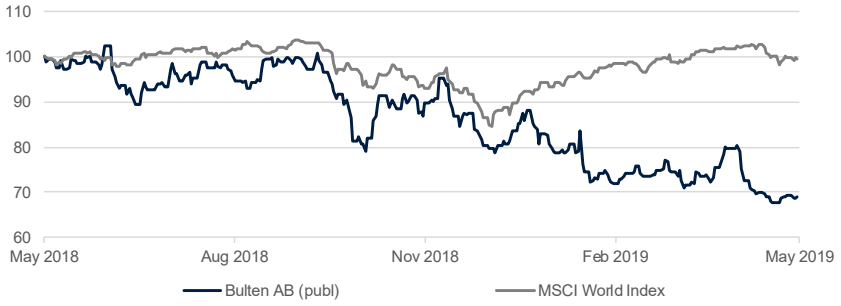
Public Shareholders[1]

Volito AB	23.7%
Investment AB Öresund (publ)	14.4%
Lannebo Fonder AB	13.3%
JPMorgan Chase & Co, Private Banking and Investment Ba	3.5%
Dimensional Fund Advisors L.P.	3.4%
Free Float	41.7%



Share Price Performance

	365 Days	180 Days	90 Days	30 Days
Bulten AB (publ)	-30.9%	-23.0%	-3.9%	-13.9%
MSCI World Index	-0.5%	6.9%	1.2%	-2.9%



Revenue Split by Business Segments

Bulten	100.0%
na	na
na	na
na	na
na	na
na	na

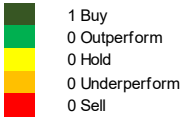
Revenue Split by Geographical Location

United Kingdom (UK)	47.5%
Sw eden	31.6%
Germany	19.2%
Poland	1.7%
na	na
na	na

Key Financials

in EURm	LTM	CY2018a	CY2019e	CY2020e	CAGR '18-'20
Revenue	296.7	307.8	303.1	342.0	5.4%
Growth			*-1.5%*	*12.8%*	
EBITDA	28.2	28.5	32.1	39.6	17.8%
Margin	*9.5%*	*9.3%*	*10.6%*	*11.6%*	
EBIT	18.3	19.6	19.5	24.6	12.2%
Margin	*6.2%*	*6.4%*	*6.4%*	*7.2%*	
Net Income[2]	13.4	14.3	13.5	17.1	9.0%
Margin	*4.5%*	*4.7%*	*4.5%*	*5.0%*	

of Recommendations



Valuation

in EURm		Valuation	CY2018a	CY2019e	CY2020e
Enterprise Value	195.2	EV/Sales	0.6x	0.6x	0.6x
Net Debt	47.1	EV/EBITDA	6.8x	6.1x	4.9x
Minority Interest	1.2	EV/EBIT	9.9x	10.0x	7.9x
Preferred Equity	0.0	P/E	12.3x	10.9x	8.6x
Market Cap	147.0	P/B	1.2x	1.0x	1.0x

Source: S&P Capital IQ as of 23/05/2019

[1] Total Shares Outstanding can exceed 100% because reporting requirements for holdings data is not aligned with the financials reporting of shares outstanding

[2] Net Income can be larger due to extraordinary items

CIE Automotive, S.A.

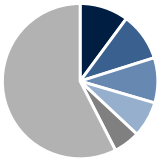
Company Describtion

Sector: Auto Components

CIE Automotive, S.A. designs, manufactures, and sells automotive components and sub-assemblies w orldw ide. It offers roof systems, including opening roof, shading, and glazing systems; BIW, chassis, and steering products, such as body in w hite, hubs, outer rings and spindles, steering column brackets, EPS main housings and components, steering nuts, airbag frames, steering housings, brake boosters, steering column tubes, rear axles, and seat structures; and exterior/interior trim products comprising arm rests, storage compartments, central consoles, ashtrays, glove compartments, in mold decorations, trim parts, emblems, rear-view mirrors, crossbeams, and front covers. The company also provides axle beams and spindles, brake camshafts, axle shafts, rear axle assemblies, pistons, levers, air suspension brackets, spindles, stabilizer bars, and sector shafts; and engine products, including crankshafts, crankshaft caps, diesel and gasoline common rails, ladder frames, camshaft covers and bearings, camshaft bearings housings, valve guides, brackets, exhaust air duct tubes, air tanks, and oil pans.

Public Shareholders[1]

Corporación Financiera Alba, S.A.	10.1%
Elidoza Promoción de Empresas, S.L.	10.0%
Risteel Corporation, B.V.	9.4%
Mahindra & Mahindra Limited	7.4%
Acek Desarrollo Y Gestion Industrial S.L.	5.5%
Free Float	57.5%



Share Price Performance

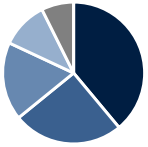
	365 Days	180 Days	90 Days	30 Days
CIE Automotive, S.A.	-29.0%	5.7%	-3.7%	-4.0%
MSCI World Index	-0.5%	6.9%	1.2%	-2.9%

Revenue Split by Business Segments

Automotive - Rest of Europe	27.9%
Automotive - North America	25.2%
Automotive - MCIE Europe	18.4%
Automotive - Asia	17.8%
Automotive - Brazil	10.7%
na	na

Revenue Split by Geographical Location

Rest of Europe	38.9%
North America	25.2%
Asia	17.8%
Brazil	10.7%
Spain	7.3%
na	na



Key Financials

in EURm	LTM	CY2018a	CY2019e	CY2020e	CAGR '18-'20
Revenue	3,076.7	3,029.5	3,482.3	3,732.1	11.0%
Growth			*14.9%*	*7.2%*	
EBITDA	539.1	531.7	632.0	660.8	11.5%
Margin	*17.5%*	*17.5%*	*18.1%*	*17.7%*	
EBIT	376.4	368.0	471.5	499.3	16.5%
Margin	*12.2%*	*12.1%*	*13.5%*	*13.4%*	
Net Income[2]	406.3	396.8	286.3	308.6	-11.8%
Margin	*13.2%*	*13.1%*	*8.2%*	*8.3%*	

of Recommendations

5 Buy	
0 Outperform	
2 Hold	
0 Underperform	
0 Sell	

Valuation

in EURm		Valuation	CY2018a	CY2019e	CY2020e
Enterprise Value	3,980.3	EV/Sales	1.4x	1.1x	1.1x
Net Debt	943.6	EV/EBITDA	7.8x	6.3x	6.0x
Minority Interest	0.0	EV/EBIT	11.3x	8.4x	8.0x
Preferred Equity	0.0	P/E	7.0x	10.6x	9.8x
Market Cap	3,036.7	P/B	2.6x	3.4x	2.7x

Source: S&P Capital IQ as of 23/05/2019

[1] Total Shares Outstanding can exceed 100% because reporting requirements for holdings data is not aligned with the financials reporting of shares outstanding

[2] Net Income can be larger due to extraordinary items

Compagnie Plastic Omnium SA

Company Describtion

Sector: Auto Components

Compagnie Plastic Omnium SA manufactures intelligent exterior systems, clean energy systems, and automotive modules w orldw ide. The company manufactures and sells automotive exterior components and modules, including bumper systems and fascias, body panels and spoilers, rear closure systems, front-end modules, and semi structural and structural parts; and plastic fuel systems and diesel emissions reduction products. The company w as founded in 1946 and is headquartered in Levallois-Perret, France. Compagnie Plastic Omnium SA is a subsidiary of Burelle SA.

Public Shareholders[1]

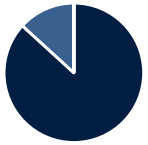
Burelle SA	59.4%
BNPP Asset Management Holding	2.2%
Norges Bank Investment Management	1.6%
Capital Research and Management Company	1.5%
The Vanguard Group, Inc.	1.1%
Free Float	34.3%

Share Price Performance

	365 Days	180 Days	90 Days	30 Days
Compagnie Plastic Omnium SA	-46.5%	-13.2%	-13.1%	-23.7%
MSCI World Index	-0.5%	6.9%	1.2%	-2.9%

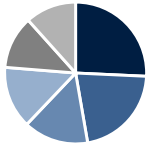
Revenue Split by Business Segments

Industries	86.8%
Modules	13.2%
na	na
na	na
na	na
na	na



Revenue Split by Geographical Location

Germany	25.7%
United States	21.5%
Mexico	14.8%
China	14.2%
Spain	12.1%
France	11.6%



Key Financials

in EURm	LTM	CY2018a	CY2019e	CY2020e	CAGR '18-'20
Revenue	7,244.6	7,244.6	8,571.4	9,063.4	11.9%
Growth			*18.3%*	*5.7%*	
EBITDA	748.3	748.3	935.8	1,000.6	15.6%
Margin	*10.3%*	*10.3%*	*10.9%*	*11.0%*	
EBIT	538.4	538.4	619.2	663.4	11.0%
Margin	*7.4%*	*7.4%*	*7.2%*	*7.3%*	
Net Income[2]	533.3	533.3	391.2	431.9	-10.0%
Margin	*7.4%*	*7.4%*	*4.6%*	*4.8%*	

of Recommendations

Valuation

in EURm		Valuation	CY2018a	CY2019e	CY2020e
Enterprise Value	3,971.8	EV/Sales	0.5x	0.5x	0.4x
Net Debt	787.8	EV/EBITDA	5.1x	4.2x	4.0x
Minority Interest	96.1	EV/EBIT	7.1x	6.4x	6.0x
Preferred Equity	0.0	P/E	5.5x	7.9x	7.1x
Market Cap	3,087.9	P/B	1.4x	1.4x	1.2x

Source: S&P Capital IQ as of 23/05/2019

[1] Total Shares Outstanding can exceed 100% because reporting requirements for holdings data is not aligned with the financials reporting of shares outstanding

[2] Net Income can be larger due to extraordinary items

EDAG Engineering Group AG

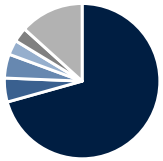
Company Describtion

Sector: Auto Components

EDAG Engineering Group AG, an engineering service provider, develops vehicles, derivatives, modules, and production facilities for the automotive and commercial vehicle industries w orldw ide. The company operates through three segments: Vehicle Engineering, Production Solutions, and Electrics/Electronics. It offers engineering services in the areas of vehicle development, including design concept, vehicle development, vehicle functions, and testing/computer aided engineering; production development comprising netw orked engineering and production solutions; vehicle electrics/electronics; and lightw eight, material and technology, electric mobility, integral safety, and commercial vehicle services. The company also provides production services, such as body manufacturing and prototype construction, and assembly services. In addition, it offers engineering services in the areas of project management, process and product data management, quality management, product quality and care, IT, and test engineering. The company w as founded in 1969 and is based in Arbon, Sw itzerland. EDAG Engineering Group AG is a subsidiary of Aton Austria Holding GmbH.

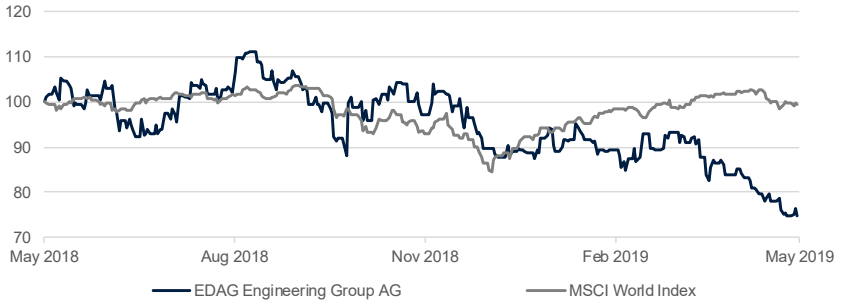
Public Shareholders[1]

ATON Austria Holding GmbH	70.7%
Horus Vermögensverw altungs GBR	5.0%
Axxion S.A.	5.0%
LOYS AG	3.1%
FIL Limited	3.0%
Free Float	13.3%



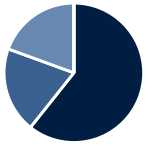
Share Price Performance

	365 Days	180 Days	90 Days	30 Days
EDAG Engineering Group AG	-25.3%	-23.2%	-16.4%	-12.5%
MSCI World Index	-0.5%	6.9%	1.2%	-2.9%



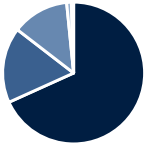
Revenue Split by Business Segments

Vehicle Engineering	60.7%
Production Solutions	19.9%
Electrics/Electronics	19.4%
na	na
na	na
na	na



Revenue Split by Geographical Location

Germany	68.2%
Remaining Europe	17.2%
North America	13.0%
South America	1.1%
Sw itzerland	0.5%
na	na



Key Financials

in EURm	LTM	CY2018a	CY2019e	CY2020e	CAGR '18-'20
Revenue	794.6	788.3	817.5	860.4	4.5%
Growth			*3.7%*	*5.3%*	
EBITDA	59.0	60.4	76.9	89.1	21.5%
Margin	*7.4%*	*7.7%*	*9.4%*	*10.4%*	
EBIT	36.7	38.4	43.5	56.1	20.9%
Margin	*4.6%*	*4.9%*	*5.3%*	*6.5%*	
Net Income[2]	24.3	25.5	24.7	31.1	10.5%
Margin	*3.1%*	*3.2%*	*3.0%*	*3.6%*	

of Recommendations

Valuation

in EURm		Valuation	CY2018a	CY2019e	CY2020e
Enterprise Value	558.3	EV/Sales	0.6x	0.7x	0.6x
Net Debt	236.3	EV/EBITDA	7.7x	7.3x	6.3x
Minority Interest	0.0	EV/EBIT	12.1x	12.8x	10.0x
Preferred Equity	0.0	P/E	14.9x	13.0x	10.4x
Market Cap	322.0	P/B	2.5x	2.0x	1.9x

Source: S&P Capital IQ as of 23/05/2019

[1] Total Shares Outstanding can exceed 100% because reporting requirements for holdings data is not aligned with the financials reporting of shares outstanding

[2] Net Income can be larger due to extraordinary items

ElringKlinger AG

Company Describtion

Sector: Auto Components

ElringKlinger AG develops, manufactures, and distributes technical and chemical products for the automotive sector and the general manufacturing industry w orldw ide. It operates through five segments: Original Equipment, Aftermarket, Engineered Plastics, Services, and Industrial Parks. The Original Equipment segment develops, manufactures, and sells lightw eight components, thermal and acoustic shielding systems, cylinder-head and specialty gaskets, battery and fuel cell systems, and electric drive units. The Aftermarket segment offers a range of spare parts comprising gaskets, gasket sets, and service parts for the repair of engines, transmissions, exhaust systems, and auxiliary units in cars and commercial vehicles under the Elring – Das Original brand. The Engineered Plastics segment offers high performance plastics for applications in the mechanical engineering sector, as w ell as in medical, chemical, energy, and vehicle industries. The Services segment provides development and assessment services for engines, transmissions, and exhaust tracts using testing and measurement facilities for vehicle manufacturers and automotive suppliers; and offers logistics and catering services.

Public Shareholders[1]

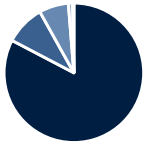
Paul Lechler Stiftung gGmbH, Endow ment Arm	32.0%
Elgarta GmbH	10.0%
Lechler Beteiligungs GmbH	10.0%
Elrena GmbH	9.8%
H.K.L. Holding Stiftung	5.1%
Free Float	33.1%

Share Price Performance

	365 Days	180 Days	90 Days	30 Days
ElringKlinger AG	-58.2%	-27.8%	-8.4%	-19.0%
MSCI World Index	-0.5%	6.9%	1.2%	-2.9%

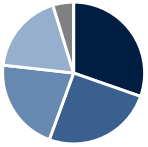
Revenue Split by Business Segments

Original Equipment	82.7%
Spare Parts	9.2%
Plastic Technology	6.8%
Services	1.0%
Industrial Parks	0.3%
na	na



Revenue Split by Geographical Location

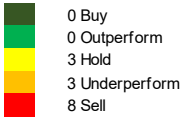
Other European Countries	30.3%
Germany	25.2%
North America	21.2%
Asia Pacific	18.5%
South America and Others	4.7%
na	na



Key Financials

in EURm	LTM	CY2018a	CY2019e	CY2020e	CAGR '18-'20
Revenue	1,709.4	1,699.0	1,760.8	1,827.6	3.7%
Growth			*3.6%*	*3.8%*	
EBITDA	152.9	160.9	179.1	210.1	14.3%
Margin	*8.9%*	*9.5%*	*10.2%*	*11.5%*	
EBIT	56.8	66.7	67.2	96.8	20.4%
Margin	*3.3%*	*3.9%*	*3.8%*	*5.3%*	
Net Income[2]	16.6	43.8	29.5	46.5	2.9%
Margin	*1.0%*	*2.6%*	*1.7%*	*2.5%*	

of Recommendations



Valuation

in EURm		Valuation	CY2018a	CY2019e	CY2020e
Enterprise Value	1,193.4	EV/Sales	0.7x	0.7x	0.7x
Net Debt	795.5	EV/EBITDA	7.3x	6.7x	5.7x
Minority Interest	38.0	EV/EBIT	17.7x	17.7x	12.3x
Preferred Equity	0.0	P/E	9.9x	12.2x	7.7x
Market Cap	359.9	P/B	0.5x	0.4x	0.4x

Source: S&P Capital IQ as of 23/05/2019

[1] Total Shares Outstanding can exceed 100% because reporting requirements for holdings data is not aligned with the financials reporting of shares outstanding

[2] Net Income can be larger due to extraordinary items

Gestamp Automoción, S.A.

Company Describtion

Sector: Auto Components

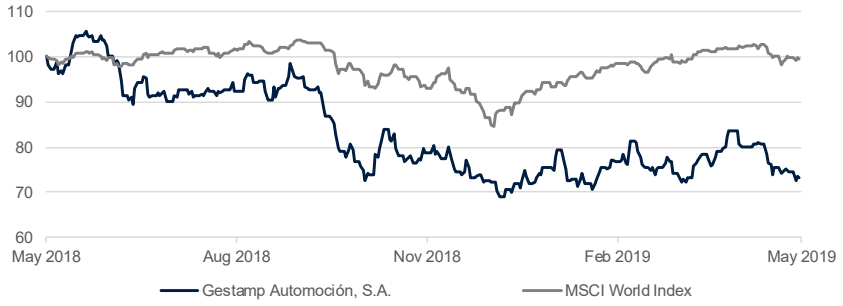
Gestamp Automoción, S.A. designs, develops, manufactures, and sells metal automotive components in Europe, North America, South America, and Asia. The company offers Body-in-White products, including large components and assembly parts, such as bonnets, roofs, doors, and mudguards, as w ell as other surface and assembly parts; and structural and crash-related elements that include floors, pillars, rails, and w heel arches. It also provides chassis comprises the under body of vehicles and systems, frames, and related parts, such as front and rear axles and couplings, control arms, and integrated couplings. In addition, the company offers mechanism parts, such as door hinges and door checks, pow ered systems, and driver controls. Gestamp Automoción, S.A. offers its products to manufacturers of light vehicles. The company w as founded in 1997 and is headquartered in Abadiño, Spain. Gestamp Automoción, S.A. is a subsidiary of Gestamp 2020, S.L.

Public Shareholders[1]

Acek Desarrollo Y Gestion Industrial S.L.	69.9%
Santander Asset Management, S.A., S.G.I.I.C.	2.4%
Mainfirst Asset Management	1.6%
Norges Bank Investment Management	1.5%
EDM Gestión S.A. SGIIC	1.3%
Free Float	23.2%

Share Price Performance

	365 Days	180 Days	90 Days	30 Days
Gestamp Automoción, S.A.	-26.7%	-6.9%	-4.6%	-9.2%
MSCI World Index	-0.5%	6.9%	1.2%	-2.9%



Revenue Split by Business Segments

Auto Parts & Accessories	100.0%
na	na
na	na
na	na
na	na
na	na

Revenue Split by Geographical Location

Unknow n	100.0%
na	na
na	na
na	na
na	na
na	na

Key Financials

in EURm	LTM	CY2018a	CY2019e	CY2020e	CAGR '18-'20
Revenue	8,794.7	8,676.4	9,260.4	9,863.1	6.6%
Growth			*6.7%*	*6.5%*	
EBITDA	885.4	868.0	1,076.7	1,179.4	16.6%
Margin	*10.1%*	*10.0%*	*11.6%*	*12.0%*	
EBIT	481.7	500.7	604.1	671.3	15.8%
Margin	*5.5%*	*5.8%*	*6.5%*	*6.8%*	
Net Income[2]	235.6	257.7	317.9	364.4	18.9%
Margin	*2.7%*	*3.0%*	*3.4%*	*3.7%*	

of Recommendations

Valuation

in EURm		Valuation	CY2018a	CY2019e	CY2020e
Enterprise Value	6,145.1	EV/Sales	0.6x	0.7x	0.6x
Net Debt	2,786.6	EV/EBITDA	6.5x	5.7x	5.2x
Minority Interest	451.9	EV/EBIT	11.3x	10.2x	9.2x
Preferred Equity	0.0	P/E	11.1x	9.1x	8.0x
Market Cap	2,906.6	P/B	1.3x	1.5x	1.2x

Source: S&P Capital IQ as of 23/05/2019

[1] Total Shares Outstanding can exceed 100% because reporting requirements for holdings data is not aligned with the financials reporting of shares outstanding

[2] Net Income can be larger due to extraordinary items

Grammer AG

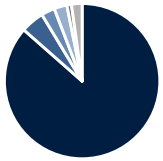
Company Describtion

Sector: Auto Components

Grammer AG develops and produces components and systems for automotive interiors w orldw ide. It operates in tw o divisions, Automotive and Commercial Vehicles. The Automotive division supplies headrests, armrests, center consoles, and interior components and operating elements to carmakers and automotive system suppliers. The Commercial Vehicles division offers driver and passenger seats for agricultural and construction machinery, forklifts, trucks, buses, and trains, as w ell as to bus and rolling stock OEMs and railw ay operators. The company w as founded in 1880 and is headquartered in Amberg, Germany. As of August 23, 2018, Grammer AG operates as a subsidiary of Ningbo Jifeng Auto Parts Co., Ltd.

Public Shareholders[1]

Ningbo Jihong Investment Co., Ltd.	86.5%
Wynnefield Capital, Inc.	4.9%
Alantra Partners, S.A, Asset Management Arm	2.8%
Merian Global Investors (UK) Limited	2.7%
Delta Lloyd Asset Management N.V.	1.0%
Free Float	2.2%

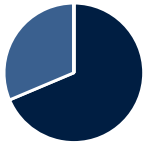


Share Price Performance

	365 Days	180 Days	90 Days	30 Days
Grammer AG	-34.7%	1.1%	-8.5%	-13.8%
MSCI World Index	-0.5%	6.9%	1.2%	-2.9%

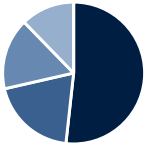
Revenue Split by Business Segments

Automotive	68.6%
Commercial Vehicles	31.4%
na	na
na	na
na	na
na	na



Revenue Split by Geographical Location

Germany	51.7%
Americas	19.7%
Asia-Pacific (APAC)	16.3%
Europe, The Middle East and Africa (EMEA) Excl. Germany	12.3%
na	na
na	na



Key Financials

in EURm	LTM	CY2018a	CY2019e	CY2020e	CAGR '18-'20
Revenue	1,941.0	1,861.3	2,117.1	2,153.5	7.6%
Growth			*13.7%*	*1.7%*	
EBITDA	130.3	126.0	175.6	173.6	17.4%
Margin	*6.7%*	*6.8%*	*8.3%*	*8.1%*	
EBIT	79.6	76.0	93.7	102.0	15.9%
Margin	*4.1%*	*4.1%*	*4.4%*	*4.7%*	
Net Income[2]	22.7	23.3	49.7	58.0	57.8%
Margin	*1.2%*	*1.3%*	*2.3%*	*2.7%*	

of Recommendations

1 Buy
0 Outperform
4 Hold
0 Underperform
0 Sell

Valuation

in EURm		Valuation	CY2018a	CY2019e	CY2020e
Enterprise Value	753.6	EV/Sales	0.4x	0.4x	0.3x
Net Debt	351.9	EV/EBITDA	5.9x	4.3x	4.3x
Minority Interest	0.2	EV/EBIT	9.7x	8.0x	7.4x
Preferred Equity	0.0	P/E	19.9x	8.1x	6.9x
Market Cap	401.5	P/B	1.5x	1.1x	1.0x

Source: S&P Capital IQ as of 23/05/2019

[1] Total Shares Outstanding can exceed 100% because reporting requirements for holdings data is not aligned with the financials reporting of shares outstanding

[2] Net Income can be larger due to extraordinary items

HELLA GmbH & Co. KGaA

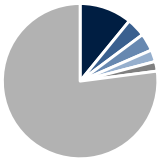
Company Describtion

Sector: Auto Components

HELLA GmbH & Co. KGaA, together with its subsidiaries, develops, manufactures, and sells lighting products, and electronic components and systems for automotive industry worldwide. It operates through three segments: Automotive, Aftermarket, and Special Applications. The Automotive segment offers headlamps, rear combination lamps, car body lighting products, interior lights, and radomes; and body electronics, energy management, lighting electronics, and steering solutions, as well as driver assistance systems and components, including sensors and engine compartment actuators. The Aftermarket segment trades in spare parts, wear parts, and accessory parts; and offers workshop equipment, such as vehicle data equipment, and professional diagnostic tools and devices, which enable vehicle repair and maintenance at garages, as well as various services. The Special Applications segment develops, manufactures, and markets lighting technology and electronic products for special vehicles comprising construction equipment, agricultural vehicles, buses, or motorhomes, as well as the marine sector.

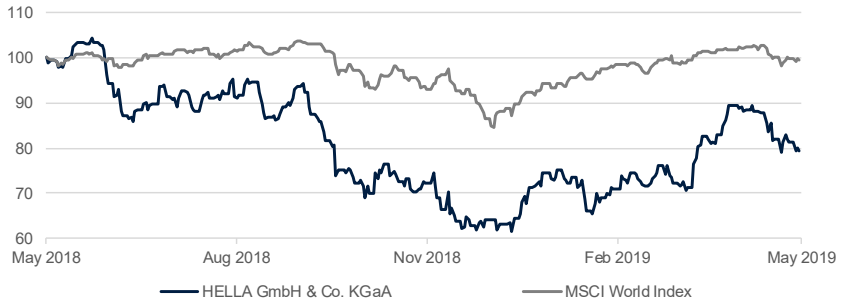
Public Shareholders[1]

Behrend, Laura	10.9%
Hammerstein, Roland	3.9%
Friesenhausen, Moritz	3.7%
Mainfirst Asset Management	2.5%
Vogt, Hartmut	2.0%
Free Float	77.1%



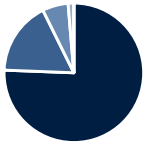
Share Price Performance

	365 Days	180 Days	90 Days	30 Days
HELLA GmbH & Co. KGaA	-20.5%	9.8%	12.1%	-10.6%
MSCI World Index	-0.5%	6.9%	1.2%	-2.9%



Revenue Split by Business Segments

Automotive	75.6%
Aftermarket	17.1%
Special Applications	6.0%
Other Divisions	1.3%
na	na
na	na



Revenue Split by Geographical Location

Europe without Germany	35.4%
Germany	30.2%
North, Central and South America	17.3%
Asia / Pacific / Rest of The World	17.1%
na	na
na	na

Key Financials

in EURm	LTM	CY2018a	CY2019e	CY2020e	CAGR '18-'20
Revenue	7,099.8	7,158.1	7,165.6	7,518.0	2.5%
Growth			*0.1%*	*4.9%*	
EBITDA	897.6	919.1	1,082.4	1,068.2	7.8%
Margin	*12.6%*	*12.8%*	*15.1%*	*14.2%*	
EBIT	540.0	540.7	637.8	612.3	6.4%
Margin	*7.6%*	*7.6%*	*8.9%*	*8.1%*	
Net Income[2]	623.0	634.1	527.9	440.5	-16.7%
Margin	*8.8%*	*8.9%*	*7.4%*	*5.9%*	

of Recommendations

Valuation

in EURm		Valuation	CY2018a	CY2019e	CY2020e
Enterprise Value	4,698.6	EV/Sales	0.5x	0.7x	0.6x
Net Debt	-48.3	EV/EBITDA	4.2x	4.3x	4.4x
Minority Interest	2.4	EV/EBIT	7.2x	7.4x	7.7x
Preferred Equity	0.0	P/E	6.1x	9.0x	10.8x
Market Cap	4,744.4	P/B	1.4x	na	na

Source: S&P Capital IQ as of 23/05/2019

[1] Total Shares Outstanding can exceed 100% because reporting requirements for holdings data is not aligned with the financials reporting of shares outstanding

[2] Net Income can be larger due to extraordinary items

Kendrion N.V.

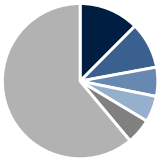
Company Describtion

Sector: Electrical Equipment

Kendrion N.V. develops, manufactures, and markets electromagnetic systems and components for industrial and automotive applications in Germany, Europe, the Americas, Asia, and internationally. The company operates in two segments, Automotive and Industrial. The Industrial segment offers switching, linear, locking, holding, door, oscillating, elevator brake, rotary, and custom solenoids; and industrial control systems to optimize automatic processes with pneumatics, fluid, solenoid, and control technologies. This segment also provides electromechanical brakes and clutches that are used in access control systems, aircraft interiors, elevator systems, energy generation and distribution, industrial appliances, industrial safety systems, medical equipment, robotics and automation, and textile machinery. The Automotive segment offers electromagnetic actuators, and mechatronic systems and components primarily for use in fuel systems, engine management, active damping, sound design, sensor technology, and assistance systems of passenger cars; and electronic systems and components primarily for use in the areas of commercial vehicles, such as bus and truck, as well as construction and agricultural machinery, municipal vehicles, and fire-protection technology and gensets.

Public Shareholders[1]

Teslin Capital Management BV	12.5%
NN Investment Partners International Holdings B.V.	9.6%
Kempen Capital Management N.V.	6.1%
Cross Options Beheer BV, Asset Management Arm	5.4%
Monolith Investment Management B.V.	5.3%
Free Float	61.1%

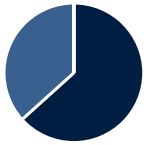


Share Price Performance

	365 Days	180 Days	90 Days	30 Days
Kendrion N.V.	-47.6%	-20.3%	-15.3%	-15.3%
MSCI World Index	-0.5%	6.9%	1.2%	-2.9%

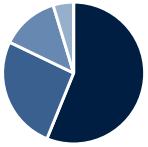
Revenue Split by Business Segments

Automotive	63.3%
Industrial	36.7%
na	na
na	na
na	na
na	na



Revenue Split by Geographical Location

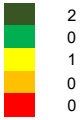
Germany	56.1%
Other European Countries	26.0%
The Americas	13.2%
Asia	4.7%
na	na
na	na



Key Financials

in EURm	LTM	CY2018a	CY2019e	CY2020e	CAGR '18-'20
Revenue	436.3	448.6	439.2	448.3	0.0%
Growth			*-2.1%*	*2.1%*	
EBITDA	48.0	52.2	59.9	62.6	9.5%
Margin	*11.0%*	*11.6%*	*13.6%*	*14.0%*	
EBIT	28.9	32.9	33.8	35.9	4.5%
Margin	*6.6%*	*7.3%*	*7.7%*	*8.0%*	
Net Income[2]	10.8	13.8	23.4	25.3	35.4%
Margin	*2.5%*	*3.1%*	*5.3%*	*5.6%*	

of Recommendations



2 Buy	
0 Outperform	
1 Hold	
0 Underperform	
0 Sell	

Valuation

in EURm		Valuation	CY2018a	CY2019e	CY2020e
Enterprise Value	331.9	EV/Sales	0.8x	0.8x	0.7x
Net Debt	87.6	EV/EBITDA	6.9x	5.5x	5.3x
Minority Interest	0.0	EV/EBIT	11.0x	9.8x	9.2x
Preferred Equity	0.0	P/E	20.3x	10.4x	9.7x
Market Cap	244.3	P/B	1.5x	1.3x	1.2x

Source: S&P Capital IQ as of 23/05/2019

[1] Total Shares Outstanding can exceed 100% because reporting requirements for holdings data is not aligned with the financials reporting of shares outstanding

[2] Net Income can be larger due to extraordinary items

Landi Renzo S.p.A.

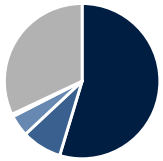
Company Describtion

Sector: Auto Components

Landi Renzo S.p.A. designs, produces, installs, and sells LPG and CNG fuel supply systems in Italy, Europe, America, Asia, and Rest of the World. The company offers LPG and CNG alternative fuel systems for vehicles, including electro-mechanical components, such as pressure regulators, injectors, electrovalves, and multivalves; electronic devices comprising electronic control units, sw itches-indicators, timing advanced processors, and other accessories; and vehicle safety and mobility devices. It also provides professional loudspeakers for use in sound reinforcement systems, live events, and permanent installations; and original equipment manufacturer solutions, including components and systems. In addition, the company designs and builds components and infrastructures for various applications that include CNG refuelling stations and systems for automotive purposes; compressors and auxiliary systems for processing gas from the extraction phase to final distribution; and installations for transforming biogas into biomethane. It provides its products and services under the SAFE and MED names to car manufacturers, independent retailers, and importers.

Public Shareholders[1]

Landi Trust	54.7%
Aerius Investment Holding AG	8.4%
Gireimm S.r.l.,	4.4%
Matejka & Partner Asset Management GmbH	0.4%
KBC Asset Management NV	0.1%
Free Float	32.0%



Share Price Performance

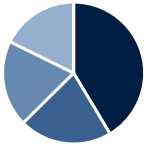
	365 Days	180 Days	90 Days	30 Days
Landi Renzo S.p.A.	-23.2%	-2.3%	-9.8%	-8.1%
MSCI World Index	-0.5%	6.9%	1.2%	-2.9%

Revenue Split by Business Segments

Automotive	100.0%
na	na
na	na
na	na
na	na
na	na

Revenue Split by Geographical Location

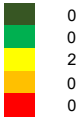
Europe (Excl.Italy)	41.4%
Asia and Rest of The World	21.2%
America	19.7%
Italy	17.7%
na	na
na	na



Key Financials

in EURm	LTM	CY2018a	CY2019e	CY2020e	CAGR '18-'20
Revenue	189.8	188.1	186.0	199.2	2.9%
Growth			*-1.1%*	*7.1%*	
EBITDA	25.8	25.5	26.3	28.8	6.2%
Margin	*13.6%*	*13.5%*	*14.1%*	*14.4%*	
EBIT	15.6	15.2	16.6	20.1	14.9%
Margin	*8.2%*	*8.1%*	*8.9%*	*10.1%*	
Net Income[2]	6.4	4.7	9.1	12.1	60.9%
Margin	*3.4%*	*2.5%*	*4.9%*	*6.1%*	

of Recommendations



0 Buy
0 Outperform
2 Hold
0 Underperform
0 Sell

Valuation

in EURm		Valuation	CY2018a	CY2019e	CY2020e
Enterprise Value	199.1	EV/Sales	1.0x	1.1x	1.0x
Net Debt	64.2	EV/EBITDA	7.0x	7.6x	6.9x
Minority Interest	-0.3	EV/EBIT	11.7x	12.0x	9.9x
Preferred Equity	0.0	P/E	27.1x	14.9x	11.2x
Market Cap	135.2	P/B	2.1x	2.0x	1.7x

Source: S&P Capital IQ as of 23/05/2019

[1] Total Shares Outstanding can exceed 100% because reporting requirements for holdings data is not aligned with the financials reporting of shares outstanding

[2] Net Income can be larger due to extraordinary items

LEONI AG

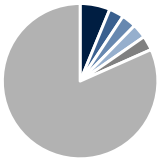
Company Describtion

Sector: Auto Components

LEONI AG, together with its subsidiaries, provides products, solutions, and services for energy and data management in the automotive sector and other industries worldwide. It operates in two divisions, Wiring Systems, and Wire & Cable Solutions. The Wiring Systems division provides complete wiring systems and customized cable harnesses for the motor vehicle industry. Its products and services comprise cable harnesses through to integrated wiring systems, high-voltage wiring systems for hybrid and electric vehicles, energy distribution components, and special connectors, as well as related services. The Wire & Cable Solutions division manufactures and sells wire and cable systems; and provides intelligent energy transmission and data management system solutions. This segment offers a range of products and services, such as wires, strands, optical fibers, standardized cables, special cables, and fully assembled systems, as well as related services for customers in the automotive, capital goods, medical technology, telecommunications, energy, and infrastructure industries. The company was formerly known as Leonische Drahtwerke AG and changed its name to LEONI AG in 1999.

Public Shareholders[1]

Schroder Investment Management Limited	6.2%
NN Investment Partners International Holdings B.V.	3.1%
Dimensional Fund Advisors L.P.	3.0%
Pierer Konzerngesellschaft mbH	3.0%
Hans Wilms Beteiligungs-Gmbh	3.0%
Free Float	81.7%

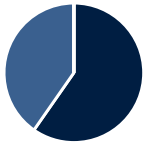


Share Price Performance

	365 Days	180 Days	90 Days	30 Days
LEONI AG	-75.0%	-49.7%	-40.7%	-34.5%
MSCI World Index	-0.5%	6.9%	1.2%	-2.9%

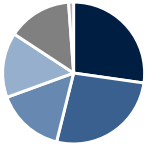
Revenue Split by Business Segments

Wiring Systems	59.7%
Wire & Cable Solutions	40.3%
na	na
na	na
na	na
na	na



Revenue Split by Geographical Location

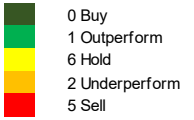
Germany	27.2%
Rest of Europe	26.6%
Americas	15.6%
Asia	14.8%
Eastern Europe	14.6%
Rest of EMEA	1.1%



Key Financials

in EURm	LTM	CY2018a	CY2019e	CY2020e	CAGR '18-'20
Revenue	5,035.8	5,101.1	5,084.7	5,400.8	2.9%
Growth			*-0.3%*	*6.2%*	
EBITDA	-35.2	144.2	136.9	301.6	44.6%
Margin	*-0.7%*	*2.8%*	*2.7%*	*5.6%*	
EBIT	-66.6	124.3	-158.8	123.1	-0.5%
Margin	*-1.3%*	*2.4%*	*-3.1%*	*2.3%*	
Net Income[2]	-100.0	75.6	-182.1	63.6	-8.3%
Margin	*-2.0%*	*1.5%*	*-3.6%*	*1.2%*	

of Recommendations



Valuation

in EURm		Valuation	CY2018a	CY2019e	CY2020e
Enterprise Value	1,481.3	EV/Sales	0.3x	0.3x	0.3x
Net Debt	1,036.3	EV/EBITDA	11.2x	10.8x	4.9x
Minority Interest	5.7	EV/EBIT	13.0x	nm	12.0x
Preferred Equity	0.0	P/E	13.1x	nm	6.9x
Market Cap	439.2	P/B	0.9x	0.5x	0.4x

Source: S&P Capital IQ as of 23/05/2019

[1] Total Shares Outstanding can exceed 100% because reporting requirements for holdings data is not aligned with the financials reporting of shares outstanding

[2] Net Income can be larger due to extraordinary items

Mangata Holding S.A.

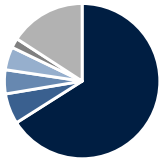
Company Describtion

Sector: Machinery

Mangata Holding S.A. operates in the industrial sector in Poland. It offers forgings for automotive, mining, construction, energy, and agriculture industries; exhaust systems and metal components for use in automotive, construction, agriculture, and forestry industries; and car parts, mechanical parts, and servo drive parts, as well as parts for construction and agricultural machinery, hydraulic units, and high pressure hydraulic pumps. The company also provides stop, bellow, check, butterfly, ball, and gate valves, as well as strainers, backflow preventers, rubber expansion joints, and castings for heating plants and systems, air conditioning and ventilation, water and sewage plants, and shipbuilding applications; and bolts, nuts, washers, and rivets that are used in construction, railway, engineering, mining, and automotive industries. In addition, it offers engineering services for the implementation of the research and development of industrial valves and regulation systems. Mangata Holding S.A. also exports its products to approximately 70 countries. The company was formerly known as ZETKAMA Spólka Akcyjna and changed its name to Mangata Holding S.A.

Public Shareholders[1]

Avallon Sp. z o.o.	66.0%
Nationale-Nederlanden Powszechne Towarzystwo Emery	6.4%
Powszechne Towarzystwo Emerytalne PZU SA	5.0%
Mrozek, Zygmunt	4.8%
Pocztylion Arka Powszechne Towarzystwo Emerytalne S	2.0%
Free Float	15.8%

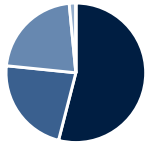


Share Price Performance

	365 Days	180 Days	90 Days	30 Days
Mangata Holding S.A.	-25.6%	1.4%	8.8%	-1.2%
MSCI World Index	-0.5%	6.9%	1.2%	-2.9%

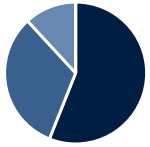
Revenue Split by Business Segments

Motorization Components	54.0%
Industrial Automation and Fittings	22.6%
Fasteners	21.9%
Non-Productive Activities	1.5%
na	na
na	na



Revenue Split by Geographical Location

European Union	56.0%
Poland	32.1%
Other Countries	11.9%
na	na
na	na
na	na



Key Financials

in EURm	LTM	CY2018a	CY2019e	CY2020e	CAGR '18-'20
Revenue	166.4	163.7	173.5	176.1	3.7%
Growth			*6.0%*	*1.5%*	
EBITDA	22.0	21.2	22.8	22.0	1.9%
Margin	*13.2%*	*12.9%*	*13.1%*	*12.5%*	
EBIT	15.5	14.8	15.8	15.2	1.4%
Margin	*9.3%*	*9.0%*	*9.1%*	*8.6%*	
Net Income[2]	13.1	12.7	10.4	10.8	-7.9%
Margin	*7.9%*	*7.8%*	*6.0%*	*6.1%*	

of Recommendations

1 Buy	
0 Outperform	
2 Hold	
0 Underperform	
0 Sell	

Valuation

in EURm		Valuation	CY2018a	CY2019e	CY2020e
Enterprise Value	143.5	EV/Sales	0.8x	0.8x	0.8x
Net Debt	31.2	EV/EBITDA	5.9x	6.3x	6.5x
Minority Interest	3.6	EV/EBIT	8.4x	9.1x	9.5x
Preferred Equity	0.0	P/E	7.1x	10.4x	10.1x
Market Cap	108.6	P/B	1.0x	na	na

Source: S&P Capital IQ as of 23/05/2019

[1] Total Shares Outstanding can exceed 100% because reporting requirements for holdings data is not aligned with the financials reporting of shares outstanding

[2] Net Income can be larger due to extraordinary items

MS Industrie AG

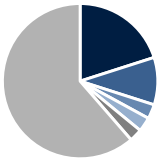
Company Describtion

Sector: Machinery

MS Industrie AG primarily operates in the pow ertrain and ultrasonic technology business areas in Germany and internationally. It designs, develops, and manufactures automotive components and systems for heavy-duty combustion engines; and manufactures customized electric motors, as w ell as related products. The company also offers special machines for integrated processing of plastic parts, such as fenders, door panels, instrument panels, and engine and luggage compartment covers for the automotive industry; and ultrasonic components comprising generators or sonotrodes, ultrasonic systems, and standard machines for w elding, sealing, cutting, and punching of films, papers, tissues, nonw ovens, and filter materials under the MS soniWORLD name. In addition, it provides corporate finance, controlling and reporting, risk management, corporate governance, and transaction advisory services, as w ell as leases land. The company w as formerly know n as GCI Industrie AG and changed its name to MS Industrie AG in July 2012. MS Industrie AG w as founded in 1991 and is headquartered in Munich, Germany.

Public Shareholders[1]

MS ProActive Beteiligungs GmbH & Co. KG	20.1%
Kreissparkasse Biberach GmbH, Asset Management Arm	9.9%
Allianz Asset Management AG	3.0%
HANSAINVEST Hanseatische Investment-GmbH	3.0%
Baring Asset Management Limited	2.7%
Free Float	61.4%

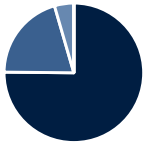


Share Price Performance

	365 Days	180 Days	90 Days	30 Days
MS Industrie AG	-12.8%	12.9%	7.5%	-6.3%
MSCI World Index	-0.5%	6.9%	1.2%	-2.9%

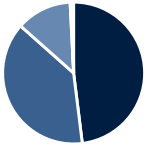
Revenue Split by Business Segments

MS Pow ertrain Group	75.2%
MS Ultrasonic Group	20.4%
Serving Services	4.5%
na	na
na	na
na	na



Revenue Split by Geographical Location

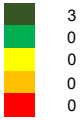
Germany	48.0%
North America (USA, Canada)	38.5%
Europe (Excluding Germany)	12.6%
Other America	0.4%
Asia/Pacific	0.3%
Other (Africa, Middle East, CIS)	0.1%



Key Financials

in EURm	LTM	CY2018a	CY2019e	CY2020e	CAGR '18-'20
Revenue	282.8	282.8	231.9	222.6	-11.3%
Growth			*-18.0%*	*-4.0%*	
EBITDA	19.1	19.1	38.1	23.0	9.6%
Margin	*6.8%*	*6.8%*	*16.4%*	*10.3%*	
EBIT	7.9	7.9	17.1	11.5	20.7%
Margin	*2.8%*	*2.8%*	*7.4%*	*5.2%*	
Net Income[2]	7.2	7.2	17.5	6.9	-2.3%
Margin	*2.5%*	*2.5%*	*7.5%*	*3.1%*	

of Recommendations



3 Buy
0 Outperform
0 Hold
0 Underperform
0 Sell

Valuation

in EURm		Valuation	CY2018a	CY2019e	CY2020e
Enterprise Value	161.8	EV/Sales	0.5x	0.7x	0.7x
Net Debt	69.0	EV/EBITDA	7.8x	4.2x	7.0x
Minority Interest	-0.2	EV/EBIT	18.9x	9.5x	14.1x
Preferred Equity	0.0	P/E	11.1x	5.3x	13.5x
Market Cap	93.0	P/B	1.2x	na	na

Source: S&P Capital IQ as of 23/05/2019

[1] Total Shares Outstanding can exceed 100% because reporting requirements for holdings data is not aligned with the financials reporting of shares outstanding

[2] Net Income can be larger due to extraordinary items

Nanogate AG

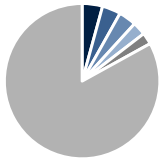
Company Describtion

Sector: Chemicals

Nanogate AG provides integrated systems for high-performance surfaces and components in Germany and internationally. It offers systems equipping plastic, metal, and other surfaces with various functions and properties, such as scratchproof, chemical resistance, UV protection, easy cleaning, hygienic features, de-misting, anti-static, or various tribological properties. The company is also involved in the industrial implementation of various high-performance surfaces, primarily for metal surfaces; provision of do-it-yourself systems for the cleaning, care, and protection of textiles under the feldten and Empire brands; and technical and optical enhancement of plastic and metal surface geometries. In addition, it engages in coating transparent plastics for buildings/interiors, aviation, and automotive/mechanical engineering sectors; surfaces on two-dimensional components; processing plastics; and the production, enhancement, and molding of flat glazing components used in special-purpose forestry vehicles. Further, the company offers coatings for decorative multifunctional surfaces for automotive industry and building services, as well as appliance manufacturers; provides services for the manufacture and processing of smaller and medium-sized design-oriented plastic components, as well as plastic surfaces and components; and develops and produces plastic

Public Shareholders[1]

Financiere De l'Echiquier	4.3%
Lupus Alpha Asset Management GmbH	3.9%
Joh. Berenberg, Gossler & Co. KG, Asset Management Ar	3.7%
Oddo Bhf Asset Management SAS	2.8%
Lannebo Fonder AB	2.4%
Free Float	83.0%



Share Price Performance

	365 Days	180 Days	90 Days	30 Days
Nanogate AG	-35.3%	-2.3%	9.3%	-8.4%
MSCI World Index	-0.5%	6.9%	1.2%	-2.9%

Revenue Split by Business Segments

Unknown	100.0%
na	na
na	na
na	na
na	na
na	na

Revenue Split by Geographical Location

Germany	48.6%
United States of America	25.9%
Europe	25.5%
na	na
na	na
na	na

Key Financials

in EURm	LTM	CY2018a	CY2019e	CY2020e	CAGR '18-'20
Revenue	245.7	245.7	256.2	282.1	7.1%
Growth			*4.3%*	*10.1%*	
EBITDA	21.5	21.5	23.5	32.6	23.1%
Margin	*8.8%*	*8.8%*	*9.2%*	*11.6%*	
EBIT	6.5	6.5	1.1	10.1	25.3%
Margin	*2.6%*	*2.6%*	*0.4%*	*3.6%*	
Net Income[2]	1.4	1.4	-4.5	3.1	47.4%
Margin	*0.6%*	*0.6%*	*-1.8%*	*1.1%*	

of Recommendations

Valuation

in EURm		Valuation	CY2018a	CY2019e	CY2020e
Enterprise Value	249.9	EV/Sales	0.9x	1.0x	0.9x
Net Debt	102.1	EV/EBITDA	10.0x	10.6x	7.7x
Minority Interest	0.0	EV/EBIT	33.5x	nm	24.7x
Preferred Equity	0.0	P/E	80.8x	nm	48.3x
Market Cap	147.8	P/B	1.0x	1.4x	1.4x

Source: S&P Capital IQ as of 23/05/2019

[1] Total Shares Outstanding can exceed 100% because reporting requirements for holdings data is not aligned with the financials reporting of shares outstanding

[2] Net Income can be larger due to extraordinary items

Nokian Renkaat Oyj

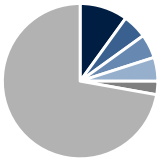
Company Describtion

Sector: Auto Components

Nokian Renkaat Oyj develops and manufactures tires in Finland, Sweden, Norway, Russia, the rest of Europe, North America, and internationally. It operates through Passenger Car Tyres, Heavy Tyres, and Vianor segments. The Passenger Car Tyres segment develops and produces summer and winter tires for cars and vans. The Heavy Tyres segment offers tires for forestry machinery; and special tires for agricultural machinery, tractors, and industrial machinery, as well as retreading services and truck tires. The Vianor Tyre segment sells car and van tires, as well as truck tires under the Nokian brand, as well as other leading tire brands; and other automotive products and services. The company offers its products through its owned and partnered stores, authorized dealer partners, N-Tyre retailers, and other tire and vehicle retailers, as well as online stores. The company offers its products through its owned and partnered stores, authorized dealer partners, N-Tyre retailers, and other tire and vehicle retailers, as well as online stores. As of December 31, 2018, it operated 1,318 Vianor service centers; 2,162 Nokian tires authorized dealer stores; and 127 N-Tyre stores.

Public Shareholders[1]

Bridgestone Corporation	10.0%
Solidium Oy	5.1%
Capital Research and Management Company	5.0%
BlackRock, Inc.	5.0%
The Vanguard Group, Inc.	2.8%
Free Float	72.2%

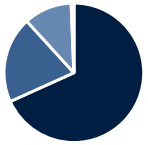


Share Price Performance

	365 Days	180 Days	90 Days	30 Days
Nokian Renkaat Oyj	-23.3%	-7.4%	-16.3%	-17.6%
MSCI World Index	-0.5%	6.9%	1.2%	-2.9%

Revenue Split by Business Segments

Passenger Car Tyres	68.2%
Vianor	20.0%
Heavy Tyres	11.1%
Other Operations	0.6%
na	na
na	na



Revenue Split by Geographical Location

The Rest of Europe	45.2%
Russia	31.6%
North America	20.1%
The Rest of the World	3.1%
na	na
na	na

Key Financials

in EURm	LTM	CY2018a	CY2019e	CY2020e	CAGR '18-'20
Revenue	1,603.3	1,595.6	1,665.1	1,762.4	5.1%
Growth			*4.4%*	*5.8%*	
EBITDA	465.6	465.5	479.6	509.9	4.7%
Margin	*29.0%*	*29.2%*	*28.8%*	*28.9%*	
EBIT	366.6	374.0	364.3	384.3	1.4%
Margin	*22.9%*	*23.4%*	*21.9%*	*21.8%*	
Net Income[2]	443.2	295.2	389.0	296.5	0.2%
Margin	*27.6%*	*18.5%*	*23.4%*	*16.8%*	

of Recommendations

Valuation

in EURm		Valuation	CY2018a	CY2019e	CY2020e
Enterprise Value	3,499.9	EV/Sales	2.1x	2.1x	2.0x
Net Debt	-54.8	EV/EBITDA	7.3x	7.3x	6.9x
Minority Interest	0.0	EV/EBIT	9.0x	9.6x	9.1x
Preferred Equity	0.0	P/E	12.5x	9.1x	12.0x
Market Cap	3,554.7	P/B	2.5x	2.1x	2.0x

Source: S&P Capital IQ as of 23/05/2019

[1] Total Shares Outstanding can exceed 100% because reporting requirements for holdings data is not aligned with the financials reporting of shares outstanding

[2] Net Income can be larger due to extraordinary items

paragon GmbH & Co. KGaA

Company Describtion

Sector: Auto Components

paragon GmbH & Co. KGaA develops, manufactures, and sells electronic components and sensors for the automotive industry in Germany and internationally. It operates through three segments: Electronics, Mechanics, and Electromobility. The Electronics segment develops and sells sensors, microphones, and instruments primarily for the automotive industry. The Electromobility segment manufactures and sells battery systems and battery management systems for various industries. The Mechanics segment develops and markets electromechanical components for the automotive and mechanical manufacturing industries. The company w as founded in 1988 and is headquartered in Delbrück, Germany.

Public Shareholders[1]

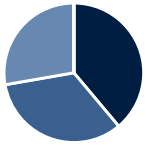
Frers, Klaus Dieter	50.0%
Oddo Bhf Asset Management SAS	3.0%
HANSAINVEST Hanseatische Investment-GmbH	2.9%
Otus Capital Management Limited	2.7%
Bellevue Asset Management AG	1.7%
Free Float	39.7%

Share Price Performance

	365 Days	180 Days	90 Days	30 Days
paragon GmbH & Co. KGaA	-56.1%	6.9%	38.0%	-18.9%
MSCI World Index	-0.5%	6.9%	1.2%	-2.9%

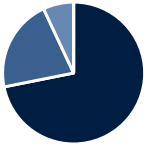
Revenue Split by Business Segments

Electronics	38.9%
Mechanics	33.4%
Electromoblity	27.7%
na	na
na	na
na	na



Revenue Split by Geographical Location

Germany	71.9%
European Union	21.2%
Other Countries	7.0%
na	na
na	na
na	na



Key Financials

in EURm	LTM	CY2018a	CY2019e	CY2020e	CAGR '18-'20
Revenue	212.7	203.0	238.5	305.3	22.6%
Growth			*17.5%*	*28.0%*	
EBITDA	25.9	23.1	38.6	50.7	48.1%
Margin	*12.2%*	*11.4%*	*16.2%*	*16.6%*	
EBIT	13.6	13.0	19.3	29.3	50.0%
Margin	*6.4%*	*6.4%*	*8.1%*	*9.6%*	
Net Income[2]	3.8	2.3	10.8	12.8	134.0%
Margin	*1.8%*	*1.1%*	*4.5%*	*4.2%*	

of Recommendations

3	Buy
0	Outperform
1	Hold
0	Underperform
0	Sell

Valuation

in EURm		Valuation	CY2018a	CY2019e	CY2020e
Enterprise Value	274.2	EV/Sales	1.0x	1.1x	0.9x
Net Debt	98.5	EV/EBITDA	9.1x	7.1x	5.4x
Minority Interest	61.2	EV/EBIT	16.1x	14.2x	9.3x
Preferred Equity	0.0	P/E	33.9x	10.6x	9.0x
Market Cap	114.5	P/B	0.4x	0.6x	0.6x

Source: S&P Capital IQ as of 23/05/2019

[1] Total Shares Outstanding can exceed 100% because reporting requirements for holdings data is not aligned with the financials reporting of shares outstanding

[2] Net Income can be larger due to extraordinary items

Pininfarina S.p.A.

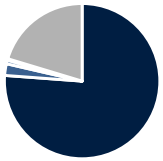
Company Describtion

Sector: Automobiles

Pininfarina S.p.A., together with its subsidiaries, designs, manufactures, and sells spare parts for cars in Italy, Germany, China, and the United States. The company operates through, Operations and Design & Engineering segments. It offers design, engineering, and custom-built vehicles. The company also engages in the lease business for the production of electric cars for the car sharing service and support functions. In addition, it provides automotive design, architecture and interiors, transportation design, industrial design, engineering, wind tunnel, and sustainable mobility services. Pininfarina S.p.A. primarily serves automotive, industrial, civil architectural, nautical, and transportation industries. The company was founded in 1930 and is headquartered in Cambiano, Italy. Pininfarina S.p.A. is a subsidiary of PF Holdings BV.

Public Shareholders[1]

Tech Mahindra Limited	76.2%
Anima SGR S.p.A.	2.4%
AcomeA Sgr	0.8%
Lemanik S.A., Asset Management Arm	0.3%
Olympia Wealth Management Ltd	0.0%
Free Float	20.3%

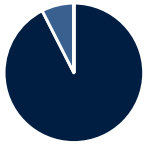


Share Price Performance

	365 Days	180 Days	90 Days	30 Days
Pininfarina S.p.A.	-33.7%	-15.8%	-24.0%	-17.3%
MSCI World Index	-0.5%	6.9%	1.2%	-2.9%

Revenue Split by Business Segments

Services	92.5%
Operations	7.5%
na	na
na	na
na	na
na	na



Revenue Split by Geographical Location

Unknown	100.0%
na	na
na	na
na	na
na	na
na	na

Key Financials

in EURm	LTM	CY2018a	CY2019e	CY2020e	CAGR '18-'20
Revenue	105.4	105.4	102.1	121.0	7.2%
Growth			*-3.1%*	*18.5%*	
EBITDA	7.1	7.1	11.1	15.7	48.8%
Margin	*6.7%*	*6.7%*	*10.8%*	*13.0%*	
EBIT	3.6	3.6	7.7	12.1	84.4%
Margin	*3.4%*	*3.4%*	*7.5%*	*10.0%*	
Net Income[2]	2.2	2.2	na	na	na
Margin	*2.1%*	*2.1%*	*na*	*na*	

of Recommendations

0 Buy	
0 Outperform	
1 Hold	
0 Underperform	
0 Sell	

Valuation

in EURm		Valuation	CY2018a	CY2019e	CY2020e
Enterprise Value	91.5	EV/Sales	1.1x	0.9x	0.8x
Net Debt	-4.7	EV/EBITDA	16.7x	8.3x	5.8x
Minority Interest	0.0	EV/EBIT	33.2x	11.9x	7.5x
Preferred Equity	0.0	P/E	56.7x	na	na
Market Cap	96.2	P/B	2.0x	1.5x	1.3x

Source: S&P Capital IQ as of 23/05/2019

[1] Total Shares Outstanding can exceed 100% because reporting requirements for holdings data is not aligned with the financials reporting of shares outstanding

[2] Net Income can be larger due to extraordinary items

Pirelli & C. S.p.A.

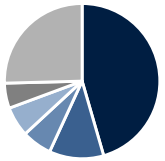
Company Describtion

Sector: Auto Components

Pirelli & C. S.p.A. manufactures and supplies tires for cars, motorcycles, and bicycles w orldw ide. The company provides premium, specialty, super specialty, and prestige tires. It offers automotive products under the P Zero, Cinturato, Winter, Scorpion, and Ice Zero names; motorcycle products under the Pirelli and Metzeler names; and road racing tires under the P Zero Velo name, as w ell as urban tires under the Scorpion MTB, Cinturato Velo, and Cycl-e name. The company also provides Run Flat and Seal Inside specialties that enable cars to continue driving after a puncture; Pirelli Noise Cancelling System for reducing tire-rolling noise; tires for vintage cars under the COLLEZIONE name; colored tires under the Pirelli Color Edition name; and tires for the light transport sector under the PIRELLI CARRIER name. In addition, the company is involved in the provision of ancillary services; car and motorcycle sporting competition activities; the research and development of products, processes, and materials; and the operation of approximately 15,900 points of sale. Pirelli & C. S.p.A. w as founded in 1872 and is headquartered in Milan, Italy.

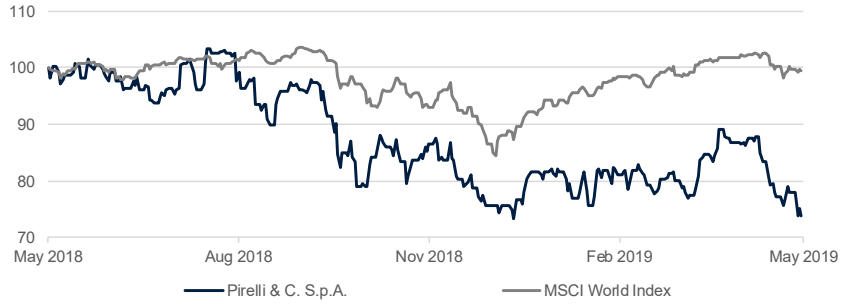
Public Shareholders[1]

China National Chemical Corporation Limited	45.5%
CAMFIN S.p.A.	11.3%
AO UK Regionfinansresurs	6.2%
Long-Term Investments Luxembourg S.A.	6.2%
Limited Liability Company Concern ROSSIUM., Asset Mana	5.2%
Free Float	25.4%



Share Price Performance

	365 Days	180 Days	90 Days	30 Days
Pirelli & C. S.p.A.	-26.2%	-14.9%	-9.0%	-14.8%
MSCI World Index	-0.5%	6.9%	1.2%	-2.9%

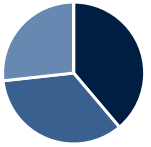


Revenue Split by Business Segments

Unknow n	100.0%
na	na
na	na
na	na
na	na
na	na

Revenue Split by Geographical Location

North America	38.8%
Asia/Pacific (APAC)	34.4%
South America	26.8%
na	na
na	na
na	na



Key Financials

in EURm	LTM	CY2018a	CY2019e	CY2020e	CAGR '18-'20
Revenue	5,543.7	5,554.1	5,351.5	5,659.5	0.9%
Growth			*-3.6%*	*5.8%*	
EBITDA	1,170.1	1,141.8	1,341.4	1,447.2	12.6%
Margin	*21.1%*	*20.6%*	*25.1%*	*25.6%*	
EBIT	756.9	755.3	991.3	1,090.4	20.2%
Margin	*13.7%*	*13.6%*	*18.5%*	*19.3%*	
Net Income[2]	438.9	431.6	523.6	573.9	15.3%
Margin	*7.9%*	*7.8%*	*9.8%*	*10.1%*	

of Recommendations

Valuation

in EURm		Valuation	CY2018a	CY2019e	CY2020e
Enterprise Value	10,070.2	EV/Sales	1.6x	1.9x	1.8x
Net Debt	4,638.2	EV/EBITDA	8.0x	7.5x	7.0x
Minority Interest	84.0	EV/EBIT	12.1x	10.2x	9.2x
Preferred Equity	0.0	P/E	13.0x	10.2x	9.3x
Market Cap	5,348.0	P/B	1.2x	1.1x	1.0x

Source: S&P Capital IQ as of 23/05/2019

[1] Total Shares Outstanding can exceed 100% because reporting requirements for holdings data is not aligned with the financials reporting of shares outstanding

[2] Net Income can be larger due to extraordinary items

Polytec Holding AG

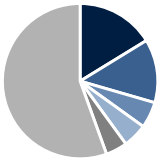
Company Describtion

Sector: Auto Components

Polytec Holding AG, together with its subsidiaries, develops and manufactures plastic components for the automotive and plastics industry worldwide. The company offers passenger car engine parts, including battery panels, timing belt protections, cooling water tubes, engine and water box covers, oil pans, charge-air ducts, fuel distributor rails, electronic boxes, air separator vent pipes, brake fluid reservoirs, chain adjustment systems, expansion pressure systems, cylinder head covers, intake manifolds, and crank case vents. It also provides interior parts, such as trunk load floors, cargo step protection, and trunk lid covers; and non-automotive products comprising drainage systems, transport boxes, and modules of home appliances. In addition, the company offers roof spoilers, cabin steps and tractor fenders, cabin roofs, front lids, side deflectors, bumpers, cab corners, tractor engine hoods, valve covers, and wiring inlet casings for commercial vehicles. Further, it provides trunk lids, tonneau covers, rear spoilers, and scuttle panels, as well as propeller shaft guards, mounting supports, under body shields, and aerodynamic resistance panels for passenger cars; and solar panel frames, conductor rail carriers, parabol reflectors, illumination technology, ground plates, and conveyor and storage systems for other vehicles.

Public Shareholders[1]

Huemer, Friedrich	16.2%
Huemer Invest GmbH	13.2%
Capital Research and Management Company	5.5%
NN Group N.V, Asset Management Arm	5.1%
NN Investment Partners International Holdings B.V.	4.5%
Free Float	55.5%



Share Price Performance

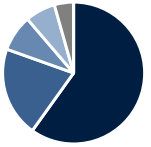
	365 Days	180 Days	90 Days	30 Days
Polytec Holding AG	-34.9%	4.4%	7.2%	-12.9%
MSCI World Index	-0.5%	6.9%	1.2%	-2.9%

Revenue Split by Business Segments

Plastics Processing	100.0%
na	na
na	na
na	na
na	na
na	na

Revenue Split by Geographical Location

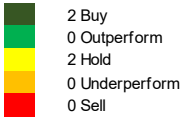
Germany	59.9%
Rest of European Union	20.6%
UK	8.3%
Other Countries	6.9%
Austria	4.4%
na	na



Key Financials

in EURm	LTM	CY2018a	CY2019e	CY2020e	CAGR '18-'20
Revenue	630.6	639.4	640.5	659.7	1.6%
Growth			*0.2%*	*3.0%*	
EBITDA	59.2	63.7	75.9	76.6	9.7%
Margin	*9.4%*	*10.0%*	*11.8%*	*11.6%*	
EBIT	31.3	36.7	40.5	44.9	10.6%
Margin	*5.0%*	*5.7%*	*6.3%*	*6.8%*	
Net Income[2]	24.6	29.1	28.7	30.3	2.0%
Margin	*3.9%*	*4.6%*	*4.5%*	*4.6%*	

of Recommendations



Valuation

in EURm		Valuation	CY2018a	CY2019e	CY2020e
Enterprise Value	337.5	EV/Sales	0.5x	0.5x	0.5x
Net Debt	130.0	EV/EBITDA	4.6x	4.4x	4.4x
Minority Interest	7.6	EV/EBIT	8.0x	8.3x	7.5x
Preferred Equity	0.0	P/E	6.3x	7.0x	6.6x
Market Cap	199.9	P/B	0.8x	0.8x	0.7x

Source: S&P Capital IQ as of 23/05/2019

[1] Total Shares Outstanding can exceed 100% because reporting requirements for holdings data is not aligned with the financials reporting of shares outstanding

[2] Net Income can be larger due to extraordinary items

Progress-Werk Oberkirch AG

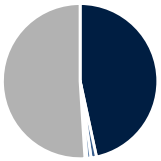
Company Describtion

Sector: Auto Components

Progress-Werk Oberkirch AG develops and manufactures advanced metal components and subsystems used in lightw eight construction for the automotive safety and comfort in Germany, rest of Europe, North America, and Asia. It offers mechanical components for electrical and electronic applications, such as motor housings, housings for electronic control units, rotor housings, and covers for electronic control units. The company also provides safety components for airbags, seats, and steering systems; and structural components and sub-systems for vehicle body and chassis consisting of body components, instrument panel carriers, and air spring pots. The company w as founded in 1919 and is headquartered in Oberkirch, Germany.

Public Shareholders[1]

Consult Invest Beteiligungsberatungs Gmbh	46.6%
KBC Asset Management NV	1.1%
Dimensional Fund Advisors L.P.	0.9%
Bayern-Invest Kag	0.3%
Bayerische Vermögen AG	0.1%
Free Float	51.0%



Share Price Performance

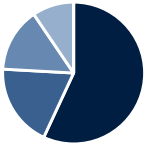
	365 Days	180 Days	90 Days	30 Days
Progress-Werk Oberkirch AG	-45.9%	-10.7%	-6.3%	-9.1%
MSCI World Index	-0.5%	6.9%	1.2%	-2.9%

Revenue Split by Business Segments

Auto Parts & Accessories	100.0%
na	na
na	na
na	na
na	na
na	na

Revenue Split by Geographical Location

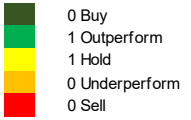
Germany	56.9%
North America	19.0%
Other Europe	14.6%
Asia	9.5%
na	na
na	na



Key Financials

in EURm	LTM	CY2018a	CY2019e	CY2020e	CAGR '18-'20
Revenue	482.4	486.8	485.7	502.9	1.6%
Growth			*-0.2%*	*3.6%*	
EBITDA	41.0	42.4	45.0	50.3	8.8%
Margin	*8.5%*	*8.7%*	*9.3%*	*10.0%*	
EBIT	16.6	18.2	18.8	22.4	11.0%
Margin	*3.4%*	*3.7%*	*3.9%*	*4.4%*	
Net Income[2]	5.9	6.7	9.1	11.7	32.3%
Margin	*1.2%*	*1.4%*	*1.9%*	*2.3%*	

of Recommendations



Valuation

in EURm		Valuation	CY2018a	CY2019e	CY2020e
Enterprise Value	207.6	EV/Sales	0.4x	0.4x	0.4x
Net Debt	133.5	EV/EBITDA	4.9x	4.6x	4.1x
Minority Interest	0.0	EV/EBIT	11.4x	11.0x	9.3x
Preferred Equity	0.0	P/E	11.3x	8.1x	6.3x
Market Cap	74.1	P/B	0.7x	0.6x	0.6x

Source: S&P Capital IQ as of 23/05/2019

[1] Total Shares Outstanding can exceed 100% because reporting requirements for holdings data is not aligned with the financials reporting of shares outstanding

[2] Net Income can be larger due to extraordinary items

SHW AG

Company Describtion

Sector: Auto Components

SHW AG develops and manufactures products to reduce fuel consumption and CO2 emissions in the automotive industry in Germany, rest of Europe, the United States, Asia, and internationally. It operates in two segments, Pumps and Engine Compliments, and Brake Discs. The Pumps and Engine Compliments segment offers variable oil pumps/map-controlled oil pumps, e-pumps, primary transmission oil pumps, oil/vacuum pumps with or without balancer shafts, and camshaft phasers for passenger vehicles; and transmission oil, fuel, engine oil, and industrial pumps for truck and off-highway applications, as well as provides powder metallurgy products comprising sintered adjustment rings and rotors for variable oil pumps offering reduced consumption, camshaft phaser components of steel and aluminum powder, and backlash-free gearwheel systems. The Brake Discs segment develops and produces monobloc ventilated brake discs and composite brake discs. The company serves manufacturers of automobiles, commercial vehicles, agricultural machines, and construction machines, as well as other automotive suppliers. SHW AG was founded in 1365 and is headquartered in Aalen, Germany.

Public Shareholders[1]

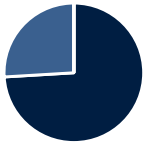
Pierer Konzerngesellschaft mbH	50.2%
Anhui ARN Group Co., Ltd.	9.4%
FIL Limited	3.0%
Dimensional Fund Advisors L.P.	3.0%
Capital Bank Grawe Gruppe AG, Asset Management Arm	1.9%
Free Float	32.5%

Share Price Performance

	365 Days	180 Days	90 Days	30 Days
SHW AG	-43.7%	-4.8%	2.3%	-15.6%
MSCI World Index	-0.5%	6.9%	1.2%	-2.9%

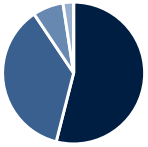
Revenue Split by Business Segments

Pumps and Engine Components	74.1%
Brake Discs	25.9%
na	na
na	na
na	na
na	na



Revenue Split by Geographical Location

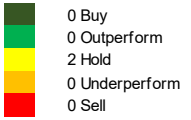
Germany	54.0%
Rest of Europe	36.7%
Asia	7.0%
America	2.4%
Other	0.0%
na	na



Key Financials

in EURm	LTM	CY2018a	CY2019e	CY2020e	CAGR '18-'20
Revenue	420.9	420.9	455.0	500.5	9.0%
Growth			*8.1%*	*10.0%*	
EBITDA	38.2	38.2	40.1	47.9	12.0%
Margin	*9.1%*	*9.1%*	*8.8%*	*9.6%*	
EBIT	15.7	15.7	12.1	17.9	6.9%
Margin	*3.7%*	*3.7%*	*2.7%*	*3.6%*	
Net Income[2]	3.1	3.1	6.4	10.3	81.4%
Margin	*0.7%*	*0.7%*	*1.4%*	*2.1%*	

of Recommendations



Valuation

in EURm		Valuation	CY2018a	CY2019e	CY2020e
Enterprise Value	171.5	EV/Sales	0.4x	0.4x	0.3x
Net Debt	45.7	EV/EBITDA	4.5x	4.3x	3.6x
Minority Interest	0.0	EV/EBIT	10.9x	14.2x	9.6x
Preferred Equity	0.0	P/E	39.9x	19.7x	12.2x
Market Cap	125.8	P/B	1.0x	1.0x	0.9x

Source: S&P Capital IQ as of 23/05/2019

[1] Total Shares Outstanding can exceed 100% because reporting requirements for holdings data is not aligned with the financials reporting of shares outstanding

[2] Net Income can be larger due to extraordinary items

Sogefi S.p.A.

Company Describtion

Sector: Auto Components

Sogefi S.p.A. designs, develops, and produces filtration systems, suspension components, air management, and engine cooling systems for the automotive industry w orldw ide. Its products include intake manifold systems, charged air ducts, air induction systems, thermostat housings and ducts, and coolant pumps and modules; and oil filtration systems, petrol fuel filters, diesel fuel filtration systems, air filtration systems, cam covers, and oil separators for the original equipment manufacturers of motorcycles, three w heelers, cars, and heavy duty vehicles. The company also offers oil, air, petrol, diesel, and cabin filters for the automotive replacement markets. In addition, its suspension components include helical springs, stabilizer bars, torsion bars, stabilinks, leaf springs, track tensioners, coil springs, FRP coil springs, and precision springs for use in cars, light and heavy commercial vehicles, earth-moving equipment, armored vehicles, and rolling w agons. Sogefi S.p.A. offers its products under the Allevard Rejna, Coopers Fiaam, FRAM, LP-DN, Purflux, Sidergarda Mollificio Bresciano, Sogefi PRO, and United Springs brands.

Public Shareholders[1]

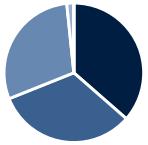
Rodolfo, Marco ed Edoardo De Benedetti S.a.p.a.	56.8%
Azimut Capital Management Sgr SpA	1.1%
Dimensional Fund Advisors L.P.	1.1%
DNCA Finance	0.8%
Nextam Partners S.G.R. S.p.A.	0.7%
Free Float	39.5%

Share Price Performance

	365 Days	180 Days	90 Days	30 Days
Sogefi S.p.A.	-62.8%	-20.2%	-33.5%	-29.6%
MSCI World Index	-0.5%	6.9%	1.2%	-2.9%

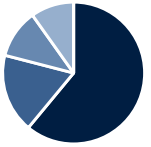
Revenue Split by Business Segments

Suspensions	36.4%
Filtration	32.5%
Air & Cooling	29.4%
Sogefi S.P.A. / Sogefi Gestion S.A.S.	1.6%
na	na
na	na



Revenue Split by Geographical Location

Europe	61.0%
North America	18.0%
South America	11.1%
Asia	9.8%
na	na
na	na



Key Financials

in EURm	LTM	CY2018a	CY2019e	CY2020e	CAGR '18-'20
Revenue	1,607.4	1,623.8	1,551.9	1,622.9	0.0%
Growth			*-4.4%*	*4.6%*	
EBITDA	158.8	168.1	182.2	199.5	8.9%
Margin	*9.9%*	*10.4%*	*11.7%*	*12.3%*	
EBIT	68.2	81.4	64.0	79.4	-1.2%
Margin	*4.2%*	*5.0%*	*4.1%*	*4.9%*	
Net Income[2]	4.4	14.0	15.7	28.2	42.0%
Margin	*0.3%*	*0.9%*	*1.0%*	*1.7%*	

of Recommendations

Valuation

in EURm		Valuation	CY2018a	CY2019e	CY2020e
Enterprise Value	491.7	EV/Sales	0.3x	0.3x	0.3x
Net Debt	335.4	EV/EBITDA	2.7x	2.7x	2.5x
Minority Interest	22.3	EV/EBIT	5.6x	7.7x	6.2x
Preferred Equity	0.0	P/E	12.0x	8.6x	4.7x
Market Cap	134.0	P/B	0.8x	0.7x	0.6x

Source: S&P Capital IQ as of 23/05/2019

[1] Total Shares Outstanding can exceed 100% because reporting requirements for holdings data is not aligned with the financials reporting of shares outstanding

[2] Net Income can be larger due to extraordinary items

TI Fluid Systems plc

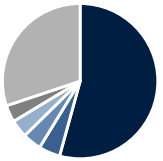
Company Describtion

Sector: Auto Components

TI Fluid Systems plc manufactures and supplies automotive fluid storage, carrying, and delivery systems for the light duty automotive market w orldw ide. It operates through tw o segments, Fluid Carrying Systems (FCS) and Fuel Tank and Delivery Systems (FTDS). The FCS segment offers brake and fuel lines/chassis bundles, such as double-w all and single-w all steel fluid carrying lines, and bundles for brake and fuel systems; multi-layer plastic lines for vapor, thermal management, and exhaust treatment; sensor-integrated connectors for installation and system assembly; and heated plastic lines for selective catalyst reduction urea fluids. It also provides thermal products, including thermal management technology for hybrid-electric vehicle battery packs; climate control tube and hose assemblies; coaxial or tube-in-tube assemblies; accumulators and receiver dryers; and heater and radiator hoses, as w ell as pow ertrain products comprising gasoline direct injection lines and rails, high-pressure diesel lines, and turbocharger cooling lines. The FTDS segment offers fuel tank products, such as plastic fuel tanks for gasoline, diesel, and flex fuel vehicles; partial zero emissions vehicle fuel tanks; pressurized fuel tank systems for hybrid vehicles; low emission vehicle fuel tanks; delivery and return components; and plastic fuel filler tubes.

Public Shareholders[1]

Bain Capital, LP	54.3%
Liontrust Investment Partners LLP	4.5%
Janus Henderson Group plc	3.9%
Franklin Resources, Inc.	3.7%
Aberforth Partners LLP	3.5%
Free Float	30.1%

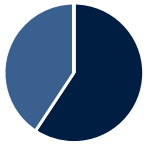


Share Price Performance

	365 Days	180 Days	90 Days	30 Days
TI Fluid Systems plc	-28.3%	-5.7%	-4.2%	-14.3%
MSCI World Index	-0.5%	6.9%	1.2%	-2.9%

Revenue Split by Business Segments

Fluid Carrying Systems (FCS)	59.3%
Fuel Tank & Delivery Systems (FTDS)	40.7%
na	na
na	na
na	na
na	na



Revenue Split by Geographical Location

Germany	35.4%
Spain	16.0%
Poland	14.8%
Czech Republic	12.3%
Belgium	10.9%
France	10.6%

Key Financials

in EURm	LTM	CY2018a	CY2019e	CY2020e	CAGR '18-'20
Revenue	3,472.8	3,472.8	3,537.1	3,655.2	2.6%
Growth			*1.9%*	*3.3%*	
EBITDA	401.4	401.4	493.1	497.8	11.4%
Margin	*11.6%*	*11.6%*	*13.9%*	*13.6%*	
EBIT	270.3	270.3	361.0	375.7	17.9%
Margin	*7.8%*	*7.8%*	*10.2%*	*10.3%*	
Net Income[2]	137.8	137.8	153.2	167.8	10.3%
Margin	*4.0%*	*4.0%*	*4.3%*	*4.6%*	

of Recommendations

5 Buy	
2 Outperform	
0 Hold	
0 Underperform	
0 Sell	

Valuation

in EURm		Valuation	CY2018a	CY2019e	CY2020e
Enterprise Value	1,866.6	EV/Sales	0.5x	0.5x	0.5x
Net Debt	823.1	EV/EBITDA	4.5x	3.8x	3.7x
Minority Interest	22.5	EV/EBIT	6.7x	5.2x	5.0x
Preferred Equity	0.0	P/E	7.0x	6.7x	6.1x
Market Cap	1,021.0	P/B	0.9x	0.9x	0.8x

Source: S&P Capital IQ as of 23/05/2019

[1] Total Shares Outstanding can exceed 100% because reporting requirements for holdings data is not aligned with the financials reporting of shares outstanding

[2] Net Income can be larger due to extraordinary items

APPENDIX

DEFINITIONS

Appendix
Abbreviations

Abbreviations	Definition
a = Actual	Actual results as officially reported for last quarter or last calendar year
Cash & Equiv. = Cash & Equivalents	Cash and short-term investments that can be converted into cash based on the last quarterly report available
Curr. = Currency	Currency of depicted numbers
e = Estimate	Estimated results based on brokers' consensus estimates for the full calendar year
EBIT	Earnings before interest and taxes for the respective calendar year
EBITDA	Earnings before interest, taxes, depreciation and amortization for the respective calendar year
EV = Enterprise Value	Current market capitalization + financial debt – cash & equivalents + minority interest
Financial Debt	All interest bearing bank debt, bonds and equivalents based on the last quarterly report available
LFYA	Last fiscal or calendar year available
LFQA	Last fiscal quarter available
LTM = Last Twelve Months	Last twelve months reported (equals last four quarters available)
Market Cap = Market Capitalization	Number of shares outstanding × current share price as provided by S&P Capital IQ
na = not available	Data not available
nm = not meaningful	Data not meaningful due to negative or too high (valuation) metrics (e.g. ratios and multiples)

Appendix
Multiple & Ratio Definitions

Multiples & Ratios	Definition
Dividend Yield	Dividend for the last calendar year available / actual market capitalization
EBIT Multiple	Current enterprise value / EBIT (actual or estimate) for the respective calendar year
EBITDA Multiple	Current enterprise value / EBITDA (actual or estimate) for the respective calendar year
Interest Cover = EBITDA Interest Coverage	EBITDA for the last calendar year available / interest expenses as stated by the company's income statement
Leverage Ratio	Net financial debt based on the last quarterly report available / EBITDA for the respective calendar year (actual or estimates)
P / B = Price-Book Ratio	Current market capitalization / total equity for the last quarter available
P / E = Price-Earnings Ratio	Current share price / earnings per share (EPS) (actual or estimates) for the respective calendar year
Price / OCFPS = Price / Operating Cash Flow per Share	Current share price / operating cash flow per share for the last calendar year available
RoE = Return on Equity	Net income for the respective calendar year (actual or estimates) / total equity for the last quarter available
Sales Multiple	Current enterprise value / sales (actual or estimate) for the respective calendar year

Appendix – Ratings Conversion

	Fitch Ratings	Moody's	S&P Global Ratings	FCF (equivalent)
Very High[1] *Investment Grade*	AAA AA+ AA AA-	Aaa Aa1 Aa2 Aa3	AAA AA+ AA AA-	1 2 3 4
High[2] *Investment Grade*	A+ A A-	A1 A2 A3	A+ A A-	5 6 7
Good[3] *Investment Grade*	BBB+ BBB BBB-	Baa1 Baa2 Baa3	BBB+ BBB BBB-	8 9 10
Speculative *Investment Grade*	BB+ BB BB-	Ba1 Ba2 Ba3	BB+ BB BB-	11 12 13
Highly Speculative *Investment Grade*	B+ B	B1 B2	B+ B	14 15

[1] VHIG; [2] HIG; [3] GIG

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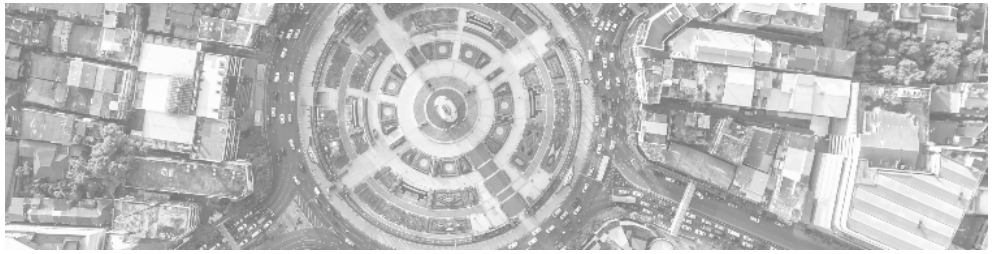

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