

## Rating Update: Grammer AG

Rating of 3rd May 2017	
<b>Issuer Rating*</b>	<b>Outlook</b>
<b>BBB</b>	<b>watch negative</b>
* see <i>Rating Categories</i>	

Rating History	21st July.2016
Notation/ Outlook	BBB /stable

Euler Hermes Rating is currently reviewing the rating of Grammer AG and therefore put it on the watchlist with a negative tendency. The review has been initiated due to the announcement of some stockholders, that they are going to propose the replacement of some members of the supervisory board as well as the executive board during the general meeting on 24<sup>th</sup> May 2017.

In the eyes of Euler Hermes Rating Grammer AG has successfully developed and improved its market position as an automotive supplier in recent years. The rating agency believes that short-term substantial changes of the supervisory and executive board may have an unfavourable impact on the continuity of the management, the strategic alignment as well as on customer relations. Euler Hermes Rating therefore thinks that in the case of the implementation of the aforementioned proposal risks may increase and the rating may have to be reassessed.

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### Rating methodology

Issuer Rating of Euler Hermes Rating GmbH of May 2016  
(<http://www.ehrg.de/seiten/Methodik2016.pdf>)

Issue Rating of Euler Hermes Rating GmbH of December 2014  
(<http://https://www.ehrg.de/seiten/Emission2014.pdf>)

## Rating Categories

Category	Definition
<b>AAA</b>	In the opinion of the rating agency, AAA rated entities demonstrate excellent credit quality and the lowest default risk.
<b>AA</b>	In the opinion of the rating agency, AA rated entities demonstrate very high credit quality with a very low default risk.
<b>A</b>	In the opinion of the rating agency, A rated entities demonstrate high credit quality with a low default risk.
<b>BBB</b>	In the opinion of the rating agency, BBB rated entities demonstrate highly satisfactory credit quality with a moderate default risk.
<b>BB</b>	In the opinion of the rating agency, BB rated entities demonstrate slightly satisfactory credit quality with a slightly increased default risk.
<b>B</b>	In the opinion of the rating agency, B rated entities demonstrate low credit quality with an increased default risk.
<b>CCC</b>	In the opinion of the rating agency, CCC rated entities demonstrate very low credit quality with a very high default risk.
<b>CC</b>	In the opinion of the rating agency, CC rated entities demonstrate very low credit quality, an event of default is very likely.
<b>C</b>	In the opinion of the rating agency, C rated entities demonstrate very low credit quality, an event of default is imminent.
<b>D / SD</b>	D rated entities have defaulted, as defined by the credit rating agency. The rated entity is assigned an SD rating (Selective Default) if it has only defaulted on certain debt obligations.
<b>PLUS (+) MINUS (-)</b>	Rating notations from AA to CCC are modified by a PLUS (+) or MINUS (-) where required in order to show their relative position within the rating category.