



Samvardhana MotherSON International Limited

(formerly MotherSON Sumi Systems Limited)

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July 24, 2023

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1, G-Block
Bandra-Kurla Complex
Bandra (E)
MUMBAI – 400051, India

Scrip Code : MOTHERSON

BSE Limited
1st Floor, New Trading Ring
Rotunda Building
P.J. Towers, Dalal Street
Fort
MUMBAI – 400001, India

Scrip Code : 517334

Subject: Intimation under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015

Dear Sir / Madam,

The Board of Directors of Samvardhana MotherSON International Limited (“the Company”) in its meeting held on July 24, 2023, noted and approved an acquisition by Samvardhana MotherSON Automotive Systems Group B.V. (“SMRP BV”), a wholly owned material subsidiary of the Company, through SMRPBV’s subsidiaries and other group entities.

In this respect, disclosure required under Regulation 30 of SEBI LODR read with SEBI circular SEBI/HO/CFDPoD-1/P/CIR/2023/123 dated July 13, 2023 along with press release and investor presentation to be issued by the Company are respectively enclosed herewith as Annexure – ‘A’, ‘B’ & ‘C’.

The Board Meeting of the Company commenced at 1100 Hours (IST) and concluded at 1230 Hours (IST).

The above is for your information and records.

Thanking you,

Yours truly,

For Samvardhana MotherSON International Limited
(formerly MotherSON Sumi Systems Limited)

Alok Goel
Company Secretary

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Acquisition (including agreement to acquire)

Sr. no.	Details of Events that need to be provided	Information about such events
a)	Name of target entity, details in brief such as size, turnover etc.	<p>Assets of the German entities of Dr. Schneider Holding GmbH and shares in the foreign subsidiaries of Dr. Schneider Holding GmbH ("Target Business/ Dr Schneider Group").</p> <p>Dr. Schneider Group is a manufacturer of innovative, high-end interior components with global technology offerings, who filed for insolvency in September 22 due to a failed operational and financial restructuring.</p> <p>The group had a turnover of EUR 472 million in CY22.</p>
b)	Whether the acquisition would fall within related party transaction(s) and whether the promoter/promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at arms length	No
c)	Industry to which the entity being acquired belongs	Automotive Industry
d)	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the Company);	<ul style="list-style-type: none"> • Customers support the acquisition and subsequent reorganization which will drive long term competitiveness. • Technology leader in air-vents, decorative interior components with illumination, with strong presence in premium vehicles • Increasing content per car through vertical integration in Motherson's interior offerings • Potential to leverage the premium end product capabilities to supply to other global customers of Motherson • Strong R&D capabilities with 200+ patents; and strong team of ~240 engineers, working on the mobility of the future • Attractive Valuation with price to book of less than 0.5x
e)	Brief details of any governmental or regulatory approvals required for the acquisitions	Antitrust approval in Europe
f)	Indicative time period for completion of the acquisition	Transaction is expected to be completed in Q3 FY2024
g)	Nature of consideration – whether cash consideration or share swap and details of the same	Cash
h)	Cost of acquisition or the price at which the shares are acquired	Overall Enterprise Value of approximately EUR 118.3 million subject to certain customary adjustments and

Sr. no.	Details of Events that need to be provided	Information about such events								
		<p>actualizations</p> <ul style="list-style-type: none"> Estimated Enterprise Value of EUR 69.1 million for assets purchased in Germany subject to certain actualisations. Estimated Enterprise Value of EUR 49.2 million for shares of overseas subsidiaries <p>Overall Equity value is expected to be in the range of EUR 70-80 Million along with financial debt of not more than EUR 20 Million.</p>								
i)	Percentage of shareholding / control acquired and / or number of shares acquired	<p>Target Business includes:</p> <ul style="list-style-type: none"> Identified assets like fixed assets, intangible assets, Inventory and certain employee liabilities in Germany 100% shares of subsidiary in Spain, China, USA and Poland 21% shareholding in Symbiose SAS, France subject to receipt of approval from majority shareholders 								
j)	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and other significant information (in brief)	<p>Dr. Schneider Group was founded in 1927. In 1936, the company started manufacturing plastic components for the automotive and other allied industries.</p> <p>Dr. Schneider Group is a manufacturer of innovative, high-end integrated electronic interior components with global technology offerings.</p> <p>The Company has grown to 7 facilities across 5 countries with ~4,500 employees manufacturing various interior components for the automotive industry, especially in the premium segment.</p> <p>Due to the convergence of several macro headwinds occurring in rapid succession, such as the supply chain bottlenecks, COVID-19, energy crisis, soaring inflation, and the Ukraine conflict, along with delays in price revisions, the Target Business underwent financial distress.</p> <p>Subsequently, in September 2022, Dr. Schneider Holding GmbH and other German entities filed for insolvency to initiate a comprehensive restructuring process.</p> <table border="1" data-bbox="746 1704 1461 1809"> <thead> <tr> <th>(€ million)</th> <th>CY 2020</th> <th>CY 2021</th> <th>CY 2022</th> </tr> </thead> <tbody> <tr> <td>Turnover</td> <td>425</td> <td>434</td> <td>472</td> </tr> </tbody> </table> <p><i>All numbers provided in this document is as per German GAAP</i></p>	(€ million)	CY 2020	CY 2021	CY 2022	Turnover	425	434	472
(€ million)	CY 2020	CY 2021	CY 2022							
Turnover	425	434	472							

Motherson strengthens interior polymer business, with focus on innovation and technology; acquires Dr. Schneider of Germany

Noida (India), 24th July 2023

Samvardhana Motherson International Limited (SAMIL) via its 100% subsidiary Samvardhana Motherson Automotive Systems Group BV (SMRPBV) has entered into an agreement to acquire assets and shares of the Dr. Schneider Group entities from the insolvency administrator, Dr. Joachim Exner.

Dr. Schneider Group is a manufacturer of high-end, innovative, and integrated electronic interior polymer components and systems, such as smart surfaces and lighting modules. The company is a technology leader in air-vents, decorative interior polymer components with illumination and has strong presence in premium vehicles. It employs approx. 4,500 people in 07 facilities across 05 countries (Germany, Spain, Poland, USA, China).

The company has strong focus on R&D and product innovation, resulting in over 200 patents. More than 90% of its products have been developed in-house by a dedicated team of 240+ engineers, operating out of its fully equipped R&D centre in Germany. It also has in-house tooling capabilities for the entire product range. The company reported revenues of ~Euro 472 million for the CY22. It has filed for insolvency in September 22 due to an unsuccessful operational and financial restructuring.

Motherson is a leading Tier 1 supplier of polymer based interior modules and is working closely with automotive OEMs towards enhancing interior experience. There is a lot of synergies between Motherson and Dr. Schneider. Aesthetics and interior illumination are playing important role in the growing trend of premiumisation. With this acquisition, Motherson will also gain access to innovative electronic interior polymer components and can offer these innovations and technologies to other emerging countries and to medium segment customers by leveraging its existing global footprints and customer relationships.

The overall enterprise value of this transaction is approximately EUR 118.3 million subject to certain actualisation. This acquisition is done at the behest of our customers. The deal is expected to be closed by Q3 of FY23-24, subject to customary closing conditions and receipt of required regulatory approvals.

Commenting of the deal, Mr Vivek Chaand Sehgal, Chairman, Motherson said,

“We have been trusted upon by our customer to take over this business. With their continued support we believe we will be able to turnaround this business like we have done every time in the past. We see a lot of synergies and untapped potential in this business, specially on the R&D side. We are looking forward to welcoming 4,500 people on our journey towards our Vision 2025 and beyond.”

About “Dr. Schneider Group”

Dr. Schneider Group is a manufacturer of high-end, innovative and integrated electronic interior polymer components and systems, such as smart surfaces and lighting modules. The company is a technology leader in air-vents, decorative interior polymer components with illumination and has strong presence in premium vehicles. The company reported revenues of ~Euro 472 million for the CY22. It employs approx. 4,500 people in 07 facilities across 05 countries (Germany, Spain, Poland, USA, China). <https://www.dr-schneider.com>

About SAMIL (Formerly Motherson Sumi Systems Limited.) and SMRPBV

Samvardhana Motherson International Limited (SAMIL) is a diversified global manufacturing specialist and one of the world’s largest and fastest-growing automotive suppliers for OEMs. Motherson supports its customers from more than 300 facilities across 41 countries, with a team of over 164,000 dedicated professionals. The company recorded revenues of USD 12.7 Bn for FY23 and is among the top 25 largest automotive suppliers worldwide. www.motherson.com

Samvardhana Motherson Automotive Systems Group BV (SMRP B.V.) is a 100% subsidiary of SAMIL and is present in all major global automotive production hubs, with 110 facilities spread across 29 countries. SMRC Automotive Holdings Netherlands B.V. (“SAHN B.V.”) is a 100% subsidiary of SMRP BV. www.smrpbv.com

Module and Polymer Products Business Division

Motherson is leading expert in high quality interior and exterior polymer modules for the automotive industry and is one of the largest manufacturers of polymer-based modules and components globally. The Modules and Polymer Products division of Motherson develops and produces a highly diversified product range from simple plastic parts to highly integrated systems and modules, supplying to leading automotive OEMs globally. The division’s expertise in multiple polymer processing technologies is the optimal foundation for the development of cost-optimised products with highest quality standards and of innovative and sustainable solutions. Many of the division’s products are prominently visible in the inside and from the outside of the vehicles thus, contributing significantly to their aesthetic appearance. The division has 101 facilities spread across 25 countries.

For more details on this transaction, you may please contact

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**Motherson further
strengthens its polymer
product range for
premium automotive
interiors**

**Samvardhana Motherson International Limited (SAMIL)
acquires assets and foreign subsidiary of insolvent
Dr. Schneider (Germany)**

July 2023

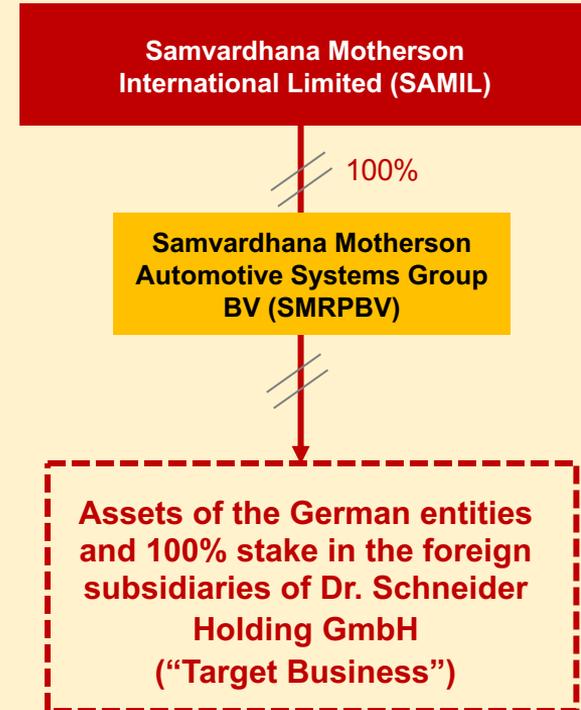
motherson 



Transaction Overview.

- SAMIL (via its 100% subsidiary SMRP BV) have acquired the automotive interior business (through assets and shares deal) of the Dr. Schneider group entities from the insolvency administrator.
- Developer of smart and Innovative technologies for a premium driving experience.
- Product range includes integrated electronic & polymer interior components primarily for premium and luxury segment OEMs.
- Reported revenues of ~Euro 472 million for the CY22.
- Filed for insolvency in September 22 due to an unsuccessful operational and financial restructuring.
- Customers support the acquisition and subsequent reorganisation which will drive long term competitiveness.
- Enterprise value of ~EUR 118.3 million*, subject to certain customary adjustments and actualizations
- Expected closure by Q3 of FY23-24, subject to customary closing conditions and receipt of required regulatory approvals.

Proposed Structure.



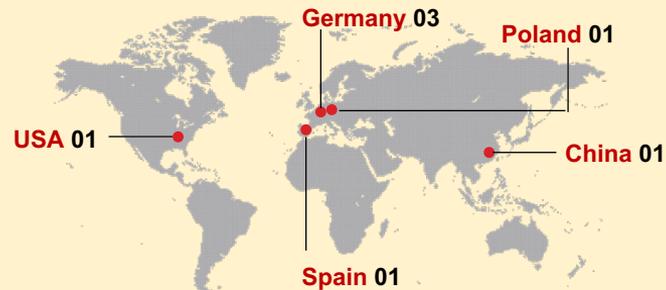
About Dr. Schneider Group.

Multiple macro headwinds leading into distressed assets

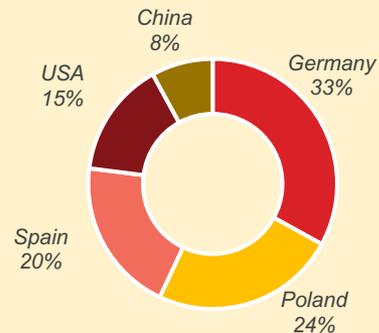
Background

- Dr. Schneider Group was founded in 1927. **In 1936, the company started manufacturing plastic components** for the automotive and other allied industries.
- Manufacturer of **high-end interior polymer components** for the automotive industry.
- Due to the **convergence of several macro headwinds** occurring in rapid succession, such as the supply chain bottlenecks, COVID-19, energy crisis, soaring inflation, and the Ukraine conflict, along with delays in price revisions, the **Target Business underwent financial distress**.
- Subsequently, **in September 2022**, Dr. Schneider Holding GmbH and other German entities **filed for insolvency to initiate a comprehensive restructuring process**.

Global footprints



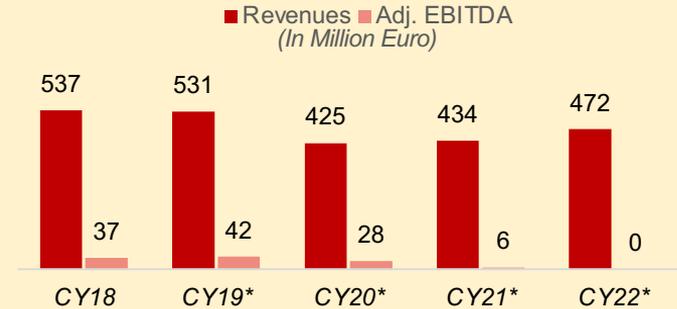
Geography wise split*



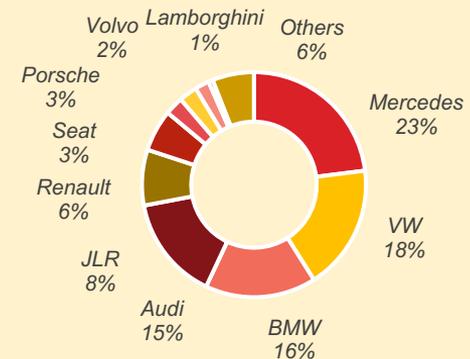
Introduction

- Leading manufacturer of **high-end, innovative and integrated electronic interior components and systems**. (e. g. smart surfaces and lighting modules)
- **Technology leader** in air-vents, decorative interior components with illumination, with **strong presence in premium vehicles**
- Manufacturing and supplying **patented invisible air ventilations** for luxury cars
- Employs **~4,500 people in 07 facilities across 05 countries** (Germany, Spain, Poland, USA, China)
- Estimated cumulative revenue **~Euro 1.6 billion over next 3 years**
- **200+ patents**, 90%+ products developed by inhouse R&D teams

Financial Overview



Customer wise split**



Premium product portfolio, high on aesthetics and innovation.

smart technologies for a premium driving experience



Air Vent Systems.

Cover and Trim parts.

Decorative Systems.

Storage Systems.

Fuel/Charge Modules.



DAIMLER
E-KLASSE



MASERATI GIBLI
LOUDSPEAKER GRILL



VW T-CROSS
BEZEL

Functionality and design of components, such as arm rests, cup holders, make-up mirrors or door handles etc

FERRARI LUSO
CUPHOLDER



Coupled with high-quality, surfaces enhances premium driving experience



AUDI A1 CENTRE
CONSOLE

Focus on safety and precision



MINI COUNTRYMAN
FUEL FILLER
MODULE

Developing modules that meet the highest function and design standards, serving the needs of e-mobility



MINI FUEL FILLER
MODULE



AUDI
Q7



JAGUAR
PILLAR TRIM



DAIMLER SLC
COVER

Core competency in innovative climate components

Merging functionality, design, material and technology

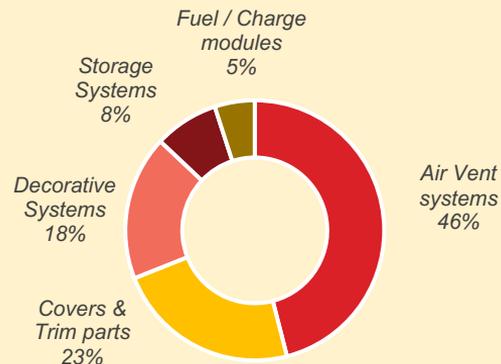
State-of-the-art technologies and high-quality surface finishes

Capability to integrate with multi functional, customisable ambient lighting, giving personalised and premium experience

Integration of components into a seamless look, enhancing the aesthetic appeal of interior cabin experience

High-gloss paint, film print and hot stamping resulting in decorative elements, high-quality parts emphasise the automobile's character and give special look to its interiors

Product wise spilt*



Transaction Rationale.

Customer Trust

Strategic asset, required by customers for longevity and supply chain continuity

Committed customer support to put the Target Business on the path to recovery immediately after transaction closing by way of supporting to cope with macro headwinds

Increasing content per car

Captivating product range for Instrument panel and Decorative panel offerings, adding highly aesthetic products for premium segment

In-house, complete Tooling solutions for the entire product range

Added capabilities for car interiors

Patented invisible air vent design, Air ventilation systems for the premium segment OEMs

Niche capability of seamlessly integrating plastic and electronics together for ambient lighting and enhance aesthetics

Strong R&D capabilities

200+ patents, R&D centre in Germany with ~240 engineers, working on the mobility of the future

New products with intelligent surfaces and lighting modules have been developed, while more innovative products like Voice command enabled air vents and lighting are under development

Scope of Multiplier effect

Innovations and technology can be trickled down to other emerging countries and to medium segment customers

In-sourcing and cross selling opportunity for auto interior components by leveraging Motherson's strong footprints and customer relationships

Attractive valuations

Attractive Valuation with price to book less than 0.5x

Transaction to be EPS accretive

Likely to be ROCE accretive from next year onwards



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