Presentation by



August 2014

A member of Samvardhana Motherson Group

Content



Vision

- SMG Overview
- MSSL Overview
- Strategic Growth & Risk Management Levers
- MSSL Performance
- Customer Recognition

Vision & Mission





To be a Globally Preferred Solutions Provider



- Ensure Customer Delight
- Involve Employees as "Partners" in Progress
- Enhance Shareholder Value
- Set new standards in Good Corporate Citizenship

5 Year Targets



| 2005 Targets | | 2010 Targets | | 2015 Targets | |
|---|--|---|---|---|---|
| Target | Achieved | Target | Achieved | Target | Achieved |
| To cross Rs. 1000 Crore (Consolidated) by the year 2005 | Achieved Rs. 1029 Crores* *taking full turnover of JVs | Make MSSL a Billion Dollar Company | Achieved USD 1.5 Bn | Make MSSL a 5 Billion Dollar Company | Achieved USD 5.02 Bn |
| Achieve 30% of sales from global customers | Sales from customers outside India was 29% | 60% of our consolidated turnover should cater to the requirements of our customers outside India | Sales from customers outside India was 70% | 70% of our consolidated turnover should cater to the requirements of our customers outside India | Sales from customers outside India is 84% |
| Not to have dependence of over 25% on any one source | Largest customer contributed 27% of the total turnover | Contribution from any individual customer in our turnover shall not be more than 20% of the total turnover | Single largest customer contributed 15% of the total turnover | Global Presence in 26-27 countries | Presence in 25 countries |
| Attaining Return on Capital Employed of 40% | ROCE of 39% (on both Consolidated & Standalone Basis) | Strive to maintain business ROCE of 40% | ROCE of 37% (standalone basis) ROCE of 22% (consolidated basis) | Achieve ROCE of 40% | ROCE of 26%* (on consolidated basis) ROCE of 39% (on standalone basis) |
| Dividend Payout Ratio 40% | Dividend Payout Ratio was 43% for 2004-05 | Shift our stated dividend policy of 40% payout of the company's profits to 40% payout of the consolidated Profits | Dividend Payout Ratio 44% (Standalone) 32% (Consolidated) | Dividend Payout Ratio of 40% of our consolidated net profit | Dividend Payout Ratio 34% |

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Group Overview

A global Group

Established in 1975

7

6

5

3

2

1

0

BILLION US\$



Global customer base

Providing Diversified Portfolio. Technology driven Supplies to all the major full system solutions to automotive major business areas -Group automotive OEMs across and other related In-house research the world н. industries Also support from JV Polymers Rear-view Vision partners **Systems** Wiring Harnesses **Industry Position** Modules **One of the largest** Globally Exterior rearview mirrors Europe **Group Turnover Business Portfolio** Exterior rearview mirrors IP modules, door trims and bumpers CAGR: 39.7% IT & Design, Metal 6.1 0.5% Wiring harnesses for 2- wheelers, Others, 2% Working, Polymer & earthmoving and material handling 1.5% Tooling, 11%. 4.9 Rearview equipment Mirrors, 28% India Exterior , II 3.2 Modules, Wiring harnesses for passenger cars 17% 1.9 Rearview mirrors for passenger cars 1.6 - Moulded components and modules 100 Plastic air intake manifolds Interior Wiring Modules, 2009-10 2010-11 2011-12 2012-13 2013-14 Harness, 18% W 22% Cabins for large size dump trucks CBN & PCD cutting tools & Gear cutting 12. tools

Presence in 25 countries

Group Global Presence







Presence in India



| PATHREDI Wiring Harness TAPUKARA Plastic Moulding & Assemblies GANDHIDHAM © Gear Cutting Tools KANDLA © Gear Cutting Tools KANDLA © Rubber Injection Moulding © Wiring Harness NASHIK © Engineering & Design © Rear View Mirrors PUNE © Nuring Harness © Plastic Moulding & Assemblies © Rear View Mirrors © Automotive Manufacturing Engineering © Automotive Lighting © Air Intake Manifolds BEAGALURU © Wires | HALDWANI Wiring Harness LUCKNOW Wiring Harness Wiring Harness AURANGABAD Gear Cutting Too CHENNAI Wiring Harness Plastic Moulding & Assemblies IP, Door Trim & Bumpers Rearview Mirrors Components & HVAC Rubber Moulding Cabins for Off Highway Vehicles | NOIDA & NCR REGION Wiring Harness Wires Wiring Harness Components Plastic Moulding & Assemblies Rubber Injection Moulding IP, Door Trim & Bumpers Rearview Mirrors Engineering & Design Components & HVAC IT Solutions Cutting Tools Machining Solutions Thin Film Coating Metals Air Compressors Paint Coating Equipment Auxiliary | Equipment for Injection moulding Machines Automotive Manufacturing Engineering Bimetal Band Saw Blades Bus Air Conditioners & Roof Hatches Automotive Lighting Air Filters Forming Racks | Established base in close proximity to customer locations Covering all major customer cluster locations in the country Ability to set-up dedicated facilities of specific customer requirements Alternate manufacturing capabilities for all the major products |
|---|---|---|---|--|
| Wiring Harness Wires Plastic Moulding & Assemblies | venicles | | | |

- Metal Machining
- Rear View Mirrors

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Plastic Moulding & Assemblies



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Business Portfolio





Key Product Overview



Wiring Harnesses



- Market Leader with over 65 % market share of passenger car wiring harnesses in India
- Manufacturing bases spread across India, Middle East, Europe, Sri Lanka, Thailand, Japan and Mexico. Serving a global customer base
- Strong presence in Europe two-wheeler & material handling equipment markets along with commercial vehicle segment in USA
- Full service supplier with complete inhouse design capability, design validation and lab testing which enables SMG to provide complete design support to its customers
- Vertical backward integration for critical wiring harness components



🕻 kyungshin

Kyungshin Corp S. Korea

Rearview Mirrors



- Samvardhana Motherson Reflectec (SMR), which acquired global rear view mirror business of Visiocorp in March 2009, is a leading manufacturer of automotive rear view mirrors in the world
- Presence in India since 1996 through initial JV with Britax which later on became a part of Visiocorp
- Supplying products to the Top Ten OEMs totalling more than 360 individual programs
- 20 manufacturing plants across the world in growing markets like China, India, Korea, Brazil & Mexico
- Technology leader with over 500 patents and a history of innovations
- 22% share of global passenger car rearview mirror market and a 53% share in India



tronic Poong Jeong Ind Co., Ltd., S. Korea Modules, Polymer Products and Tooling



- One of the largest molded parts, assemblies & module supplier to the European automotive industry through Samvardhana Motherson Peguform (SMP), Acquired in Nov 2011 & to the Indian automotive industry through polymer division Motherson Automotive Technologies & Engineering (MATE)
- Over 49 Manufacturing facilities across the globe
- Over 1100 machines of Injection, Gas, Compression and Blow Molding
- Injection Molding Machines from 5 Tons 4500 Tons (Hydraulic / Electric)
- Complete In-house Post Processing Facilities including Paint Shop
- Robotic Trimming / Welding (Heat stake/ Ultrasonic/ Vibration) Operations
- LPI Injection Molding





Vacuform 2000 pty

Itd South Africa



Blanos Partners S.L Spain

Sumitomo Wiring Systems, Japan Changshu Automobile Interior Decoration Co., Ltd China Nippon Pigment (S) Pte. Ltd Toyota Tsusho Corporation, Japan



MSSL has completed the acquisition of Wiring Harness business of Stoneridge Inc.







Business

- History of 48 years of wiring harness manufacturing
- Also manufacture instrument panels for commercial vehicles
- Supplies principally to the commercial vehicles, agricultural equipment, material handling equipment and off-highway vehicle segments
- Six manufacturing facilities One located in Portland, Indiana(USA), Five Locations in Mexico Chihuahua, Saltillo and Monclova
- Engineering and administrative center located in Warren, Ohio (USA)
- Revenue approx. USD 300 million

Rationale behind Acquisition

- Expands MSSL's wiring harness global business in North America, mainly serving Commercial Vehicles, Agricultural & Material Handling Equipment
- Strong synergies with the proposed business being acquired in terms of customer segments, products and global operations
- MSSL will further build upon the existing knowledge, technical expertise, and customer relationships that acquired business has in the region.
- Presence strengthened in North America to play key Role in Vision 2020













Global Footprints : Wiring Harness





Group Structure





SMRP BV

(Group Holding Company of SMR & SMP)



The shareholding of SMRGHL (holding Company of SMR Group) has been reorganized under Samvardhana Motherson Automotive Systems Group B.V. Netherlands (earlier known as Samvardhana Motherson BV -- now known as SMRP BV) to make SMRPBV as the group holding company for both SMR and SMP. SMRP BV is a subsidiary of MSSL and is a joint venture with SMIL. Acquired shareholding held by minority shareholders of SMR, present holding is 98.5% in SMR. Also acquired Cross shareholding in SMP, present holding in SMP is 100%.

Strengths of SMRP BV

- Leading global market positions
- Strategic long-standing customer relationships with financially strong OEMs & strong order book
- Proven track record and reputation for innovation in leading technologies
- Strong & Diversified business portfolio SMR division (rear view mirrors) & SMP division (polymer modules, well-positioned to tap favourable industry dynamics
- Highly experienced management supported by committed and well-capitalized parent
- Added disclosure to be available under IFRS quarterly

SMRP BV Bond Issue

Issue Details

- Issue Size : Euro 500 million
- Issue Ratings : "BB + " with stable outlook by S & P
- Pricing : 4.125% p.a., payable half yearly, (Fixed Rate)
- Tenure : Maturity at the "End of 7 Years"

(Option with SMRP BV to pay after 3 years)

Implications

- Long Term funding secured for SMRP BV
- Growth Capex for next 12-18 months fully financed as part of overall Capital Structure
- SMRP BV business materured enough to be self funded
- Corporate guarantee of MSSL & SMIL released, no debt at SMRP BV with recourse to the parent

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Strategic Growth & Risk Management Levers

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Advanced R&D capabilities resulting in strong intellectual property





Derisking Through Growth









*For the FY (13-14)

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MSSL Returns to Shareholders





* At closing rate of 22nd Aug 2014

including Dividend proposed @ Rs. 2.50 per share for 2013-14







(Rs. in Million)

PAT, Dividend Payout & Dividend Payout Ratio







Debt Status



| | Rs in million | 31.3.2014 | 30.06.2014 | |
|----------|---------------------|--------------------|------------|------------------------|
| | Gross Debt | 48,397 | 51,522 | |
| | Cash & Bank Balance | 9,061 | 9,574 | |
| | Net Debt | 39,337 | 41,948 | |
| ,000 | | | | |
| | | | 39,336 | 41,948 |
| .0,000 - | | | 55,550 | |
| 0,000 - | | | 16,420 | 16,567 |
| 0.000 | | | | |
| .0,000 - | | | | |
| 0,000 - | 7,387 5,123 | | 22,916 | 25,381 |
| | | | | |
| - + | Standalone | | Consolida | ated |
| | 31.03.2 | 2014 30.06.2014 | Loans gua | aranteed by MSSL and / |

| Exchange Rate used | 31.3.2014 | 30.06.2014 | |
|--------------------|-----------|------------|--|
| Rs / Euro | 82.49 | 82.37 | |
| Rs / US \$ | 59.91 | 60.17 | |

Loan Guaranteed by MSSL fully refinanced through issue of Bonds without recourse to the parent



ROACE & ROAE 45% 39% 40% 37% 36% 35% 35% 31% 34% 30% 33% 30% 27% 25% 26% 25% 18% 17% 20% 22% 15% First year of 15% consolidation 10% First year of after Visiocorp consolidation takeover after Peguform 5% Peguform takeover Acquisition 0% 2011-12 2009-10 2010-11 2012-13 2013-14 Consolidated ROACE (Return on Average Capital Employed) -D-ROAE (Return on Average Equity) Standalone ROACE (Return on Average Capital Employed)

Performance of SMR





Financial Performance

- Acquired rear view mirror business of Visocorp in March 2009
- EPS accretive since acquisition
- Achieved EBITDA +ve within First Quarter of acquisition
- Consistent Improvement in Financial Performance







After exchange adjustments

Performance of SMP







* *From 24th Nov 2011

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Customer Recognition





Customer Recognition





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Thank You ...



A Relationship Built on Trust