



# The Motherson story.

August 2017



# **01 A brief introduction to Motherson.**



**samvardhana**  
**motherhood**

**Samvardhana  
Motherhood is one of  
the world's fastest  
growing specialized  
automotive  
component  
manufacturing  
companies  
for OEMs.**

**US\$ 9.1 Bn  
approx.  
in yearly  
revenues.**

**Operating  
over 230  
facilities in  
37 countries.**

**Over  
100,000  
people.**

**Working  
with 23  
joint  
venture  
partners.**



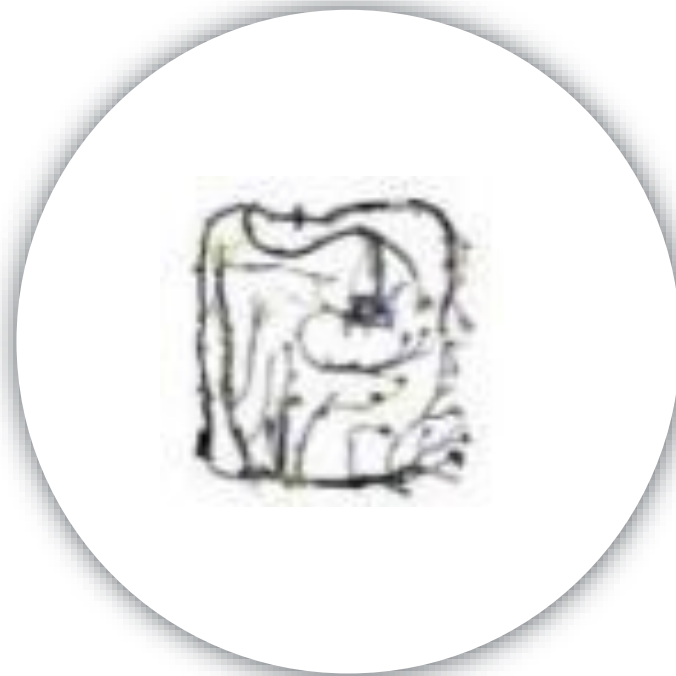
**Formulated  
in 1997, the  
vision of  
the Group  
has been the  
same all along.**

To be a  
globally  
preferred  
solutions  
provider.



# Group business portfolio today.

**01** Wiring harnesses.



**02** Rear view mirrors.



**03** Polymers and modules.



**04** IT, engineering and design.



**05** Metal working.



**06** Elastomers.



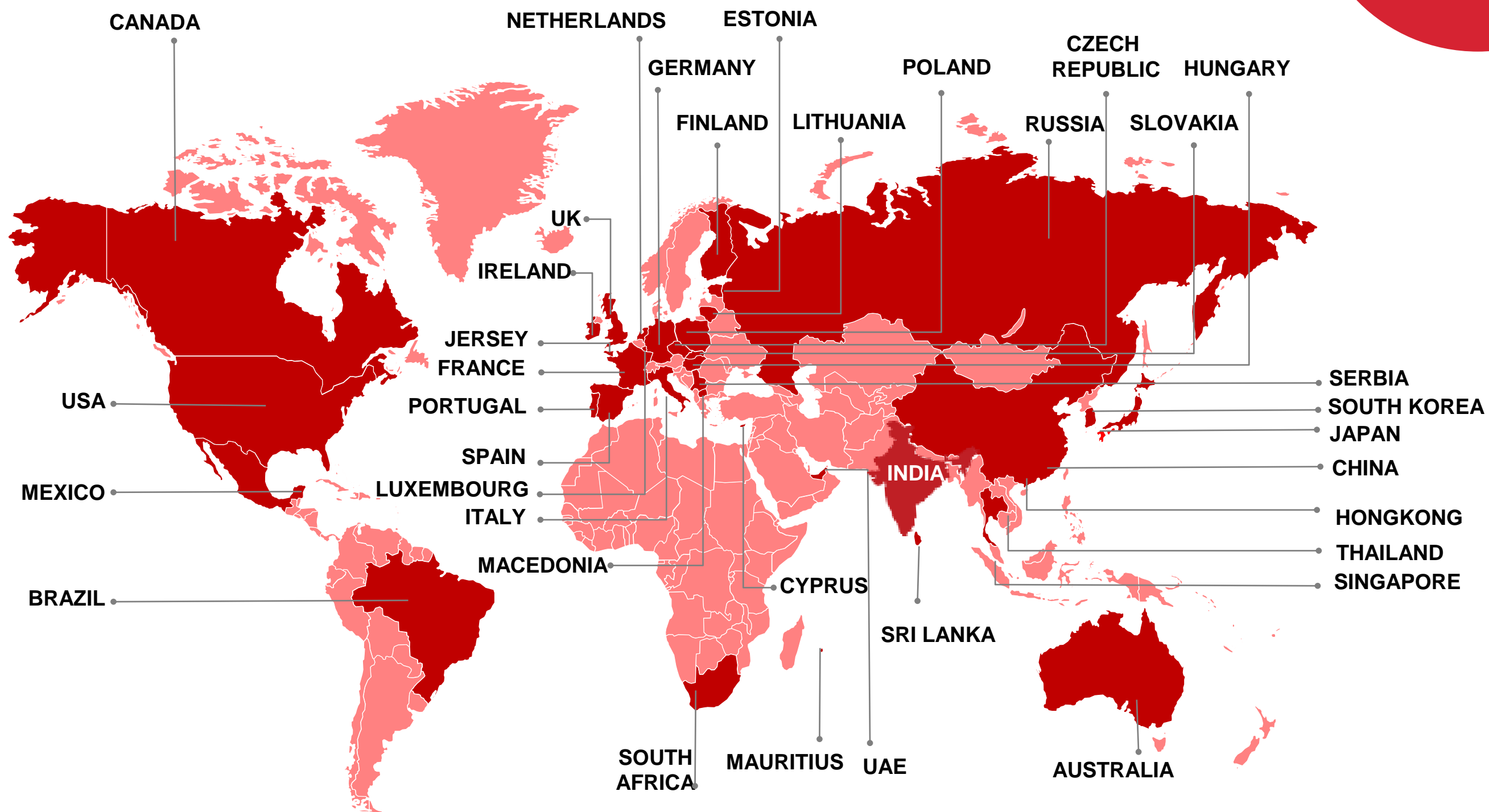
**07** Manufacturing support.



A growing portfolio that is diverse and scalable.

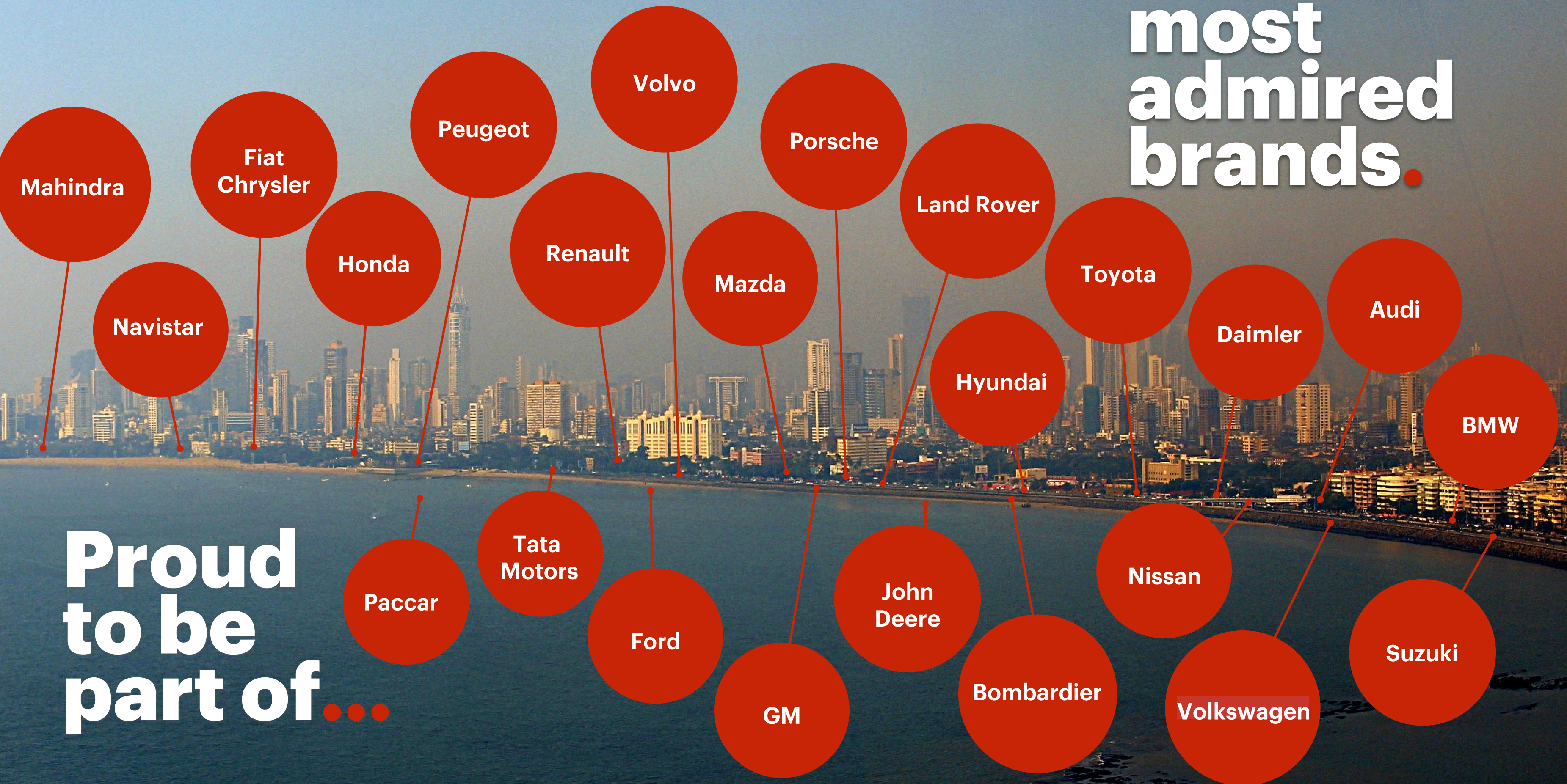
# Supporting customers globally.

Over 230 facilities in 37 countries.





...the  
world's  
most  
admired  
brands.



Proud  
to be  
part of...



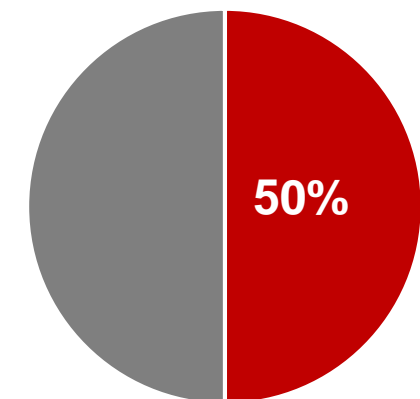
# MSSL's core business units.

- Established in 1986, MSSL is a joint venture between Samvardhana Motherson Group (SMG) and Sumitomo Wiring Systems (Japan).
- One of the largest manufacturers of wiring harnesses for passenger cars in India and for commercial vehicles globally
- Also, one of the largest manufacturer of rear-view mirrors, IP modules, door trims and bumpers for passenger car manufacturers globally

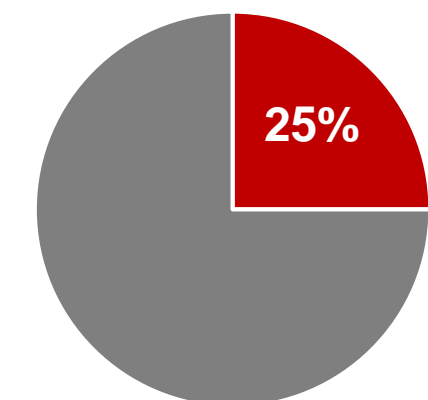
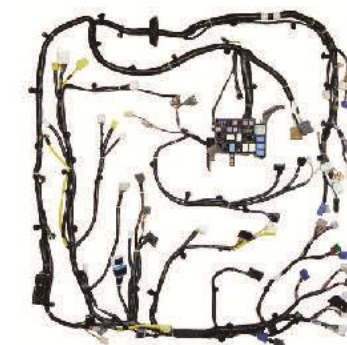
## 01 Polymers and modules



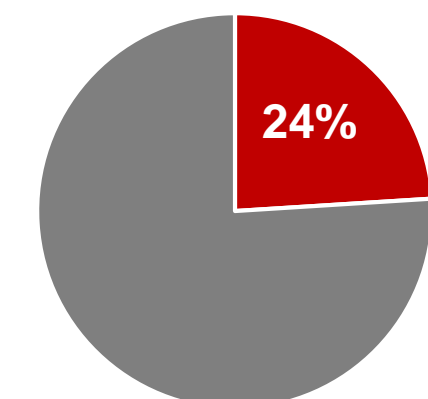
% of MSSL sales\*



## 02 Wiring harnesses



## 03 Rear view mirrors

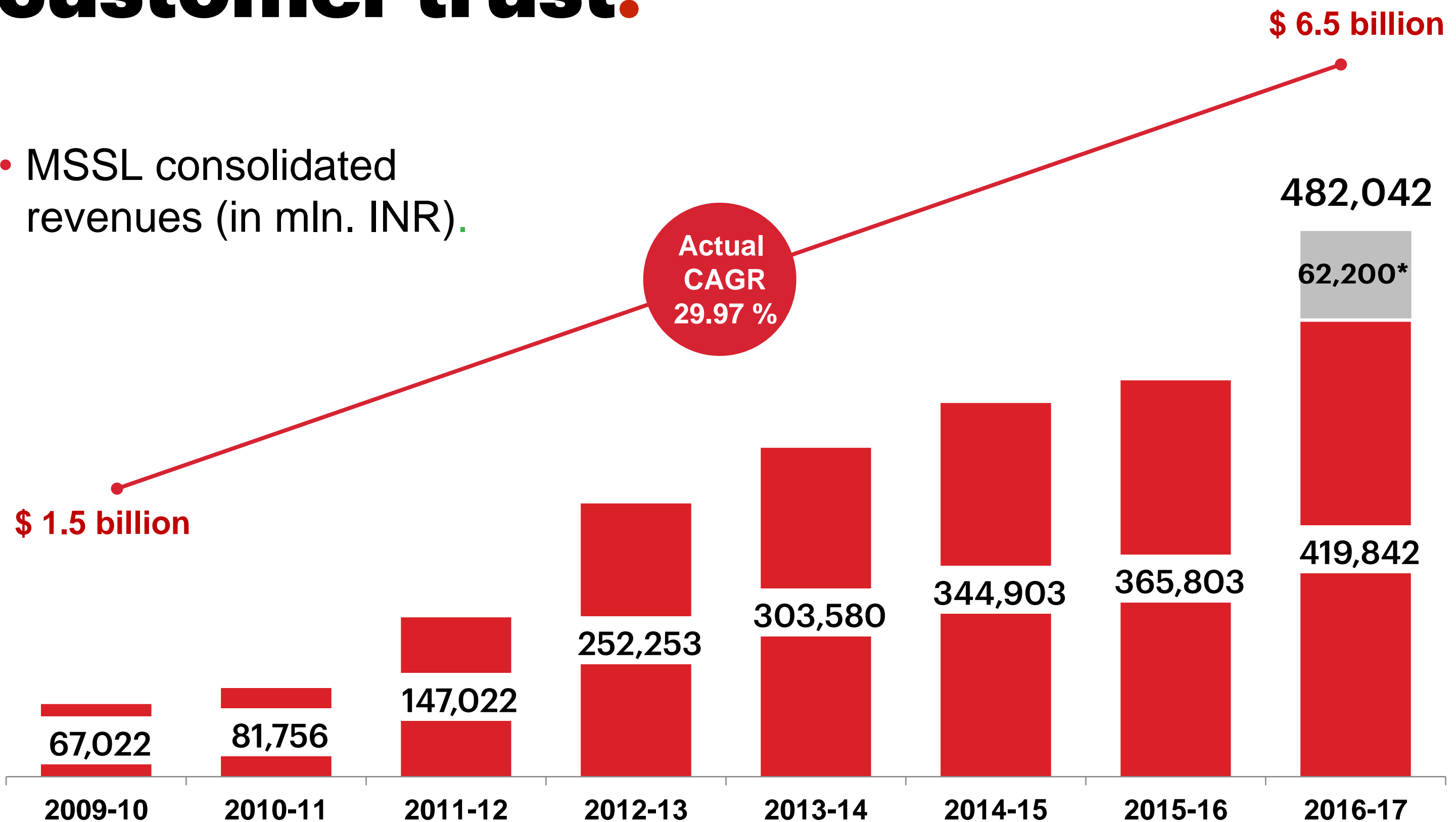


\*Based on FY 2017 consolidated revenues on Performa basis, excluding sales of services and other operating revenue



# Growing through customer trust.

- MSSL consolidated revenues (in mln. INR).

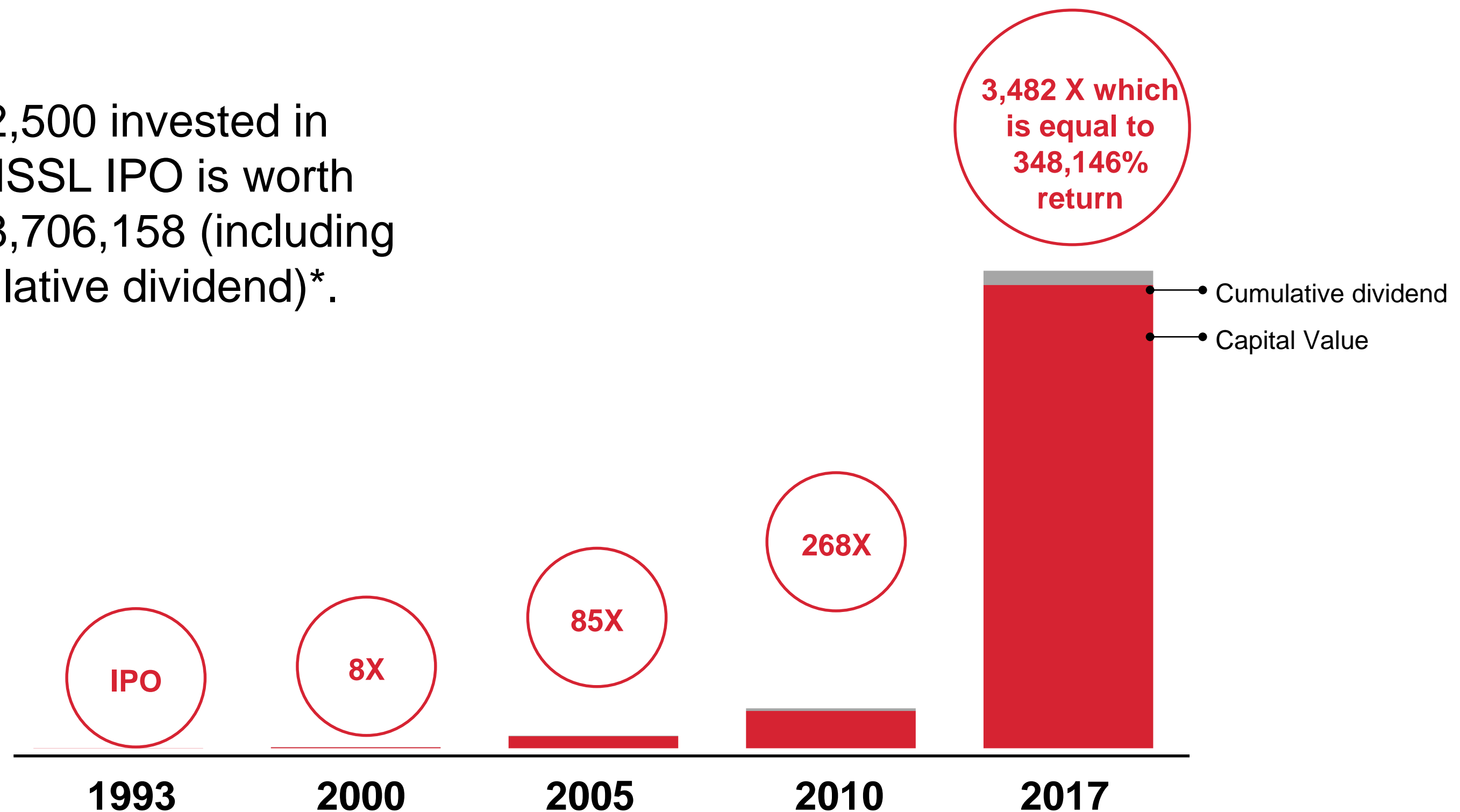


\* Revenues of PKC group (acquired at the end of March 2017) of Euro 845.6 million for 2016 on performa



# Returns to shareholders.

- INR 2,500 invested in the MSSL IPO is worth INR 8,706,158 (including cumulative dividend)\*.



\*As on 10<sup>th</sup> August 2017




# Motherson is trusted by OEMs globally.







# Motherson is trusted by OEMs globally.

Volkswagen



Innovation & Technology Award


Daimler



Supplier Award for Partnership  
(support in global growth)




Best Performance Award

Ford



South America Supplier of the year



Toyota



Regional Contribution Award

Supplier of the Year Silver award

Best Project Performance







ZERO PPM Award

Certificate for Quality

Certificate for Delivery

Maruti Suzuki



Overall Performance

Excellence in Comprehensive Assessment

Certificate for Safety

Tooling Localization

GM



Supplier of the Year Award

Renault Nissan



Overall Best QCDM Performance Awards





# Motherson is trusted by OEMs globally.

● **Hyundai**



Quality Excellence

● **Tata Motors**



Best Supplier

● **Mahindra**



Best SPD Performance

● **Volvo**



Quality Excellence Award

● **Honda Cars**



Outstanding support in Sales Promotion

● **Paccar**



Supplier Performance

● **Navistar**



Diamond Supplier

● **Foton**



Excellent Supplier

● **Ashok Leyland**



Zero Defect Business Partner

● **Suzuki Motorcycle**



Performance Award – New Development

● **Honda Motorcycles & Scooters**



Strong CR Efforts in VA / VE- HSCS



# Motherson is trusted by OEMs globally.

● **Caterpillar**



Platinum Level in  
Supplier Quality  
Excellence Process

● **JCB**



Strategic Partner in  
Progress  
Chairman's Award

● **John Deere**



Commendable  
Performance for India  
Business



Partner-level Supplier  
In Achieving  
Excellence Program

● **Komatsu**



Significant  
Contribution  
Award

● **Honda Power Products**



Supplier  
Performance  
Award

● **Kobelco**



Preferred Business  
Partner

● **Tata Hitachi**



Significant  
Contribution on  
Quality



# Rankings.

## Top 100 global OEM parts suppliers - Ranked by sales of original equipment parts in 2016

2016 Rank	Company	Address	Executive	Total global OEM automotive parts sales (USD m)	Total global OEM automotive parts sales (USD m)	Percent North America 2016	Percent Europe 2016	Percent Asia 2016	Percent rest of world 2016	Products	2015 Rank
22	Audi Tyres, (46) 5 987 20 500; audityre.com	Karlbergsgatan 10, Sec. B, 7th Fl. Stockholm, SE-107 24, Sweden	Jan Carlsson chairman, president & CEO	\$19,674	\$9,170	34	30	27	9	Airbags, seat belts, safety electronics, steering wheels, brake control systems, radar, night vision & camera vision systems	25
23	Toyoda Boshoku Corp. (81) 596-29-6611; toyota-boshoku.com	1-1 Toyoda-cho, Kariya-shi, Aichi 448-8601, Japan	Shohei Toyoda chairman	9,883	10,975	19	6	72	3	Seats, door trim, carpet, headliner, oil & air filters, door panels & fabrics & substrates	21
24	MASTEC (46) 621-6010; mastec.com	Karl-Roos-Strasse 28, Ludwigsfelde, 81056, Germany	Karl Roos chairman	9,399	10,812	26	47	20	7	Cooling, catalytic, engineering plastics, polyurethanes, coatings, brake fluids, lubricants & battery materials	19
25	Hitachi Automotive Systems (81) 2-6421-1111; hitachi-as.co.jp	5-1, Otsuchi-cho, 2-1, Otsuchi-cho, Hidaka, Saitama 346-0292, Japan	Hitoshi Ito chairman	9,100	9,240	27	-	-	-	Engine management, electric powertrain & drive control	26
26	Motherhood Automotive Group (81) 100-661651; motherhood.com	Plot No. 1, Sector 127, Noida - Greater Noida Express, Noida, U.P. 201301, India	Vinod Chandra Salgotra chairman	9,075	7,245	19	51	26	4	Headline trim, plastic modules, dashboard, door trim & bumpers, wiring harnesses, molded plastic parts & assemblies, molded & extruded rubber components, lighting systems, air intake manifolds, pedal assemblies, shock absorbers, HVAC systems & roof hatches	31
27	BorgWarner Inc. (248) 754-0200; borgwarner.com	2600 Northbrook Plaza, North Hills, MI 48065, USA	James F. Miller president & CEO	8,976	8,652	30	40	14	16	Intake manifolds, engine performance systems, emission systems, emissions systems, thermal systems, transmission clutch systems, transmission control systems, torque management systems & rotating electric machines	28
28	Magneti Marelli S.p.A. (39) 02-972-20111; magneti-marelli.com	Viale Aldo Borletti 61/63, Corbetta, Milan 20011, Italy	Paolo Corlier CEO	8,292	7,425	15	66	10	9	Lighting, powertrain, electronics, suspension systems, active & passive shock absorbers, exhaust systems & plastic parts	33
29	Plastic Omnium Co. (33) 43-87-64-53; plasticomni.com	1 Avenue Pierre Benoit, Levallois Cedex, 92533, France	Laurent Baudin chairman & CEO	7,888	8,210	25	55	17	3	Exhaust, front-end modules, rear-end modules, brakes, body panels & fuel systems	37
30	Gestamp (34) 91-379-19-99; gestamp.com	Alfonso XII, 18, Madrid, Madrid 28014, Spain	Francisco Flores president & CEO	7,845	8,511	21	60	14	5	Steel components & assemblies, body-in-white & chassis	27
31	Yanfeng Inc. (817) 482-5000; yanfeng.com	530 N. Placid Drive, Lake Forest, IL 60045, USA	Gregg Shultz chairman & CEO	7,367	5,372	40	35	16	-	Emission control systems, manifolds, catalytic converters, diesel aftertreatment systems, catalytic reduction mufflers, shock absorbers, struts & electronic suspension products & systems	42
32	Kohji Manufacturing (81) 3-3443-7111; kohji.co.jp	4-3-3 Takasawa, Minato-ku Tokyo, 106-8711, Japan	Masahiro Ohtsuka chairman & CEO	7,219	5,879	23	4	10	65	Exterior lighting	44
33	Hella AG (49) 2541-88 0; hella.com	Hilfenhofstrasse 79, Lippstadt 33682, Germany	Reinhold Heidebrecht CEO	7,100	7,192	17	59	24	-	Electronic & lighting components & systems	32
34	Hyundai Wia Corp. (82) 55-200-9114; hyundai-wia.com	307-3 Sasangjung-dong, Changwon, Gyeongsang 641110, South Korea	Jun-Mo Yoon president & CEO	7,043	7,480	1	8	83	8	Halfshafts, driveshafts, axles, transfer cases, power transfer units, chassis modules, axles & related parts	39
35	Toyoda Gosei Co. (81) 22-600-1255; toyoda-gosei.co.jp	1-1 Hishinagata-cho, Kiyosu Aichi, 452-0864, Japan	Takeshi Akashima chairman	6,996	7,239	28	6	66	-	Safety, seating & interior systems, optoelectronics, exterior trim, rubber/plastic trimline & fuel systems	34
36	Bosch Powertrain GmbH (49) 5901-211-0; bosch.com	Muehlestrasse 1, Cologne, 50668, Germany	Joachim Otto CEO	6,763	6,705	25	53	21	1	Window regulators, door modules, power liftgate systems, seat structures & components, closure systems, electric motors & drives & electronics	34
37	GKN plc (44) 1521-523-590; gkn.com	P.O. Box 55, Newcastle, Warrackville 3088 VIC, United Kingdom	Philip Swash CEO, GKN Driveline	6,740	6,525	36	38	23	3	Driveline halfshafts, driveshafts & AWD, powder metal engine & transmission components, automotive structures & chassis systems, Automatic Transmissions & continuously variable transmissions	35
38	JATCO (81) 545-51-0047; jatco.co.jp	790-1, Inazumi-ku, Fuji City, Shizuoka 417-0805, Japan	Tetsuki Matsubara president & CEO	6,664	6,282	29	1	70	-	Chassis components & modules, engine & exhaust systems, structural components, lightweight solutions & solutions for electro-mobility	36
39	Renkier Automobiltechnik GmbH (49) 5254-61-0; renkier.com	An der Tals 27-31, Paderborn, 33094, Germany	Laurent Rente CEO	6,486	6,383	22	56	12	10	Interior & exterior patches, metal bumpers, archtrims, structural metal assemblies, forward & signal lighting, mechanical assemblies & prototyping & sequencing	38
40	Flex-N-Gate Corp. (217) 278-2600; flex-n-gate.com	5305 E. University Ave., Urbana, IL 61802, USA	Shahid Khan chairman & CEO	6,484	6,102	91	6	2	1	Dashboard including instrument panels, consoles, doors, headliner, 41 & overhead systems, flooring & acoustics	41
41	LMC Group (35) 2-207504-0; lmcgroup.com	4 rue Les Freres Ruel, L-1748, Luxembourg	Robert "Bob" Miller president & CEO	6,000	5,900	54	33	8	-	Engine management, ignition, audio & navigation systems, alternators & starter motors	41
42	Yatai Koki Electric Corp. (81) 03-5216-2111; yataikoki.co.jp	2-7-3 Murayoshi, Ohta-ku Tokyo, 100-8513, Japan	Masaru Sato representative executive officer, president & CEO	5,800	5,390	31	22	47	5	Airbags, seat belts, electronics, steering wheels & interior trim & bodies	45
43	Takata Corp. (81) 2-3-2520-3222; takata.com	APC Hills 5, Tower 13F, 4-5 Hongo-cho, Minato-ku, Tokyo, 106-8460, Japan	Shigehisa Takada chairman, president & CEO	5,800	5,390	31	22	36	5	Airbags, seat belts, electronics, steering wheels & interior trim & bodies	45
44	Dana Holding Corp. (419) 887-3000; dana.com	3939 Technology Drive, Maumee, OH 43537, USA	James Karsickas president & CEO	5,826	6,060	53	28	13	6	Axles, driveshafts & sealing & thermal management products	30

**SMG ranked 26<sup>th</sup> among global automotive suppliers by Automotive News**

**MSSL ranked No. 1 auto ancillary in India for 7 consecutive years by Fortune India**

**MSSL among the Fab 50 companies of Asia for 4 consecutive years by Forbes**



## THE SECTORAL LIST









### INDUSTRY RANK

**FI  
500**

**Rank  
2016**

### REVENUE

**Rs crore**

### PROFIT

**Rs crore**

### ASSETS

**Rs crore**

### NET WORTH

**Rs crore**

## AUTO ANCILLARIES

1	MOTHERSON SUMI SYSTEMS	37	38962.30	1273.70	12446.60	4236.00
2	AMTEKAUTO	76	16792.21	-987.09	20758.75	5900.40
3	SUNDARAM CLAYTON	100	12597.10	243.50	3532.68	1331.98
4	BOSCH	120	10936.50	1248.10	8775.80	8288.80
5	VARROC ENGINEERING	155	8578.62	245.51	3490.76	1847.94
6	GNARAT FORGE	170	7927.46	649.99	6776.76	3575.76
7	MARINDRA CIE AUTOMOTIVE	231	5239.55	116.31	3343.31	2010.73
8	SUNDARAM FASTENERS	314	3312.36	122.98	1555.32	929.98
9	MINDA INDUSTRIES	391	2564.15	111.13	1016.65	468.21
10	SKF INDIA	397	2512.07	205.72	1596.86	1569.39
11	MINDA CORPORATION	398	2491.40	107.27	1198.47	547.59
12	RANE HOLDINGS	401	2477.11	65.54	1382.08	590.76
13	ASANI INDIA GLASS	428	2211.32	86.95	1875.22	354.05
14	WHEELS INDIA	462	2015.62	39.99	800.18	408.16
15	WABCO INDIA	473	1894.24	204.62	1073.23	1053.95
16	FAB BEARINGS INDIA	486	1794.09	197.48	1312.77	1287.32

FORTUNE INDIA 500 // DECEMBER 2016

FORTUNE INDIA 500 // DECEMBER 2016





## **02 Our approach to growth.**



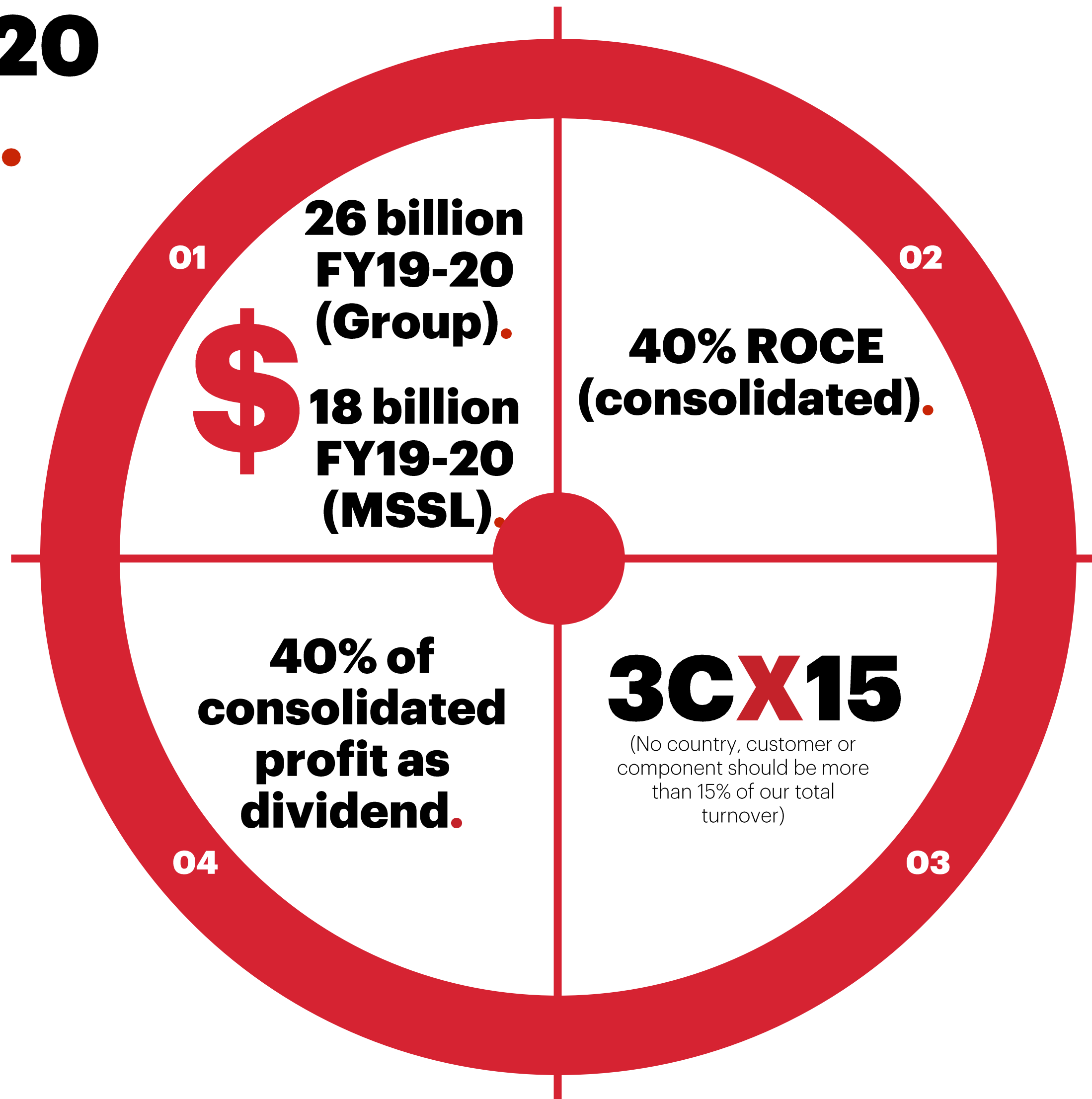
# 5YP

In 1995, we started working with 5 year plans. Partly at the request of analysts, we started to publish them. Today, Motherson only gives a 5-year guidance.



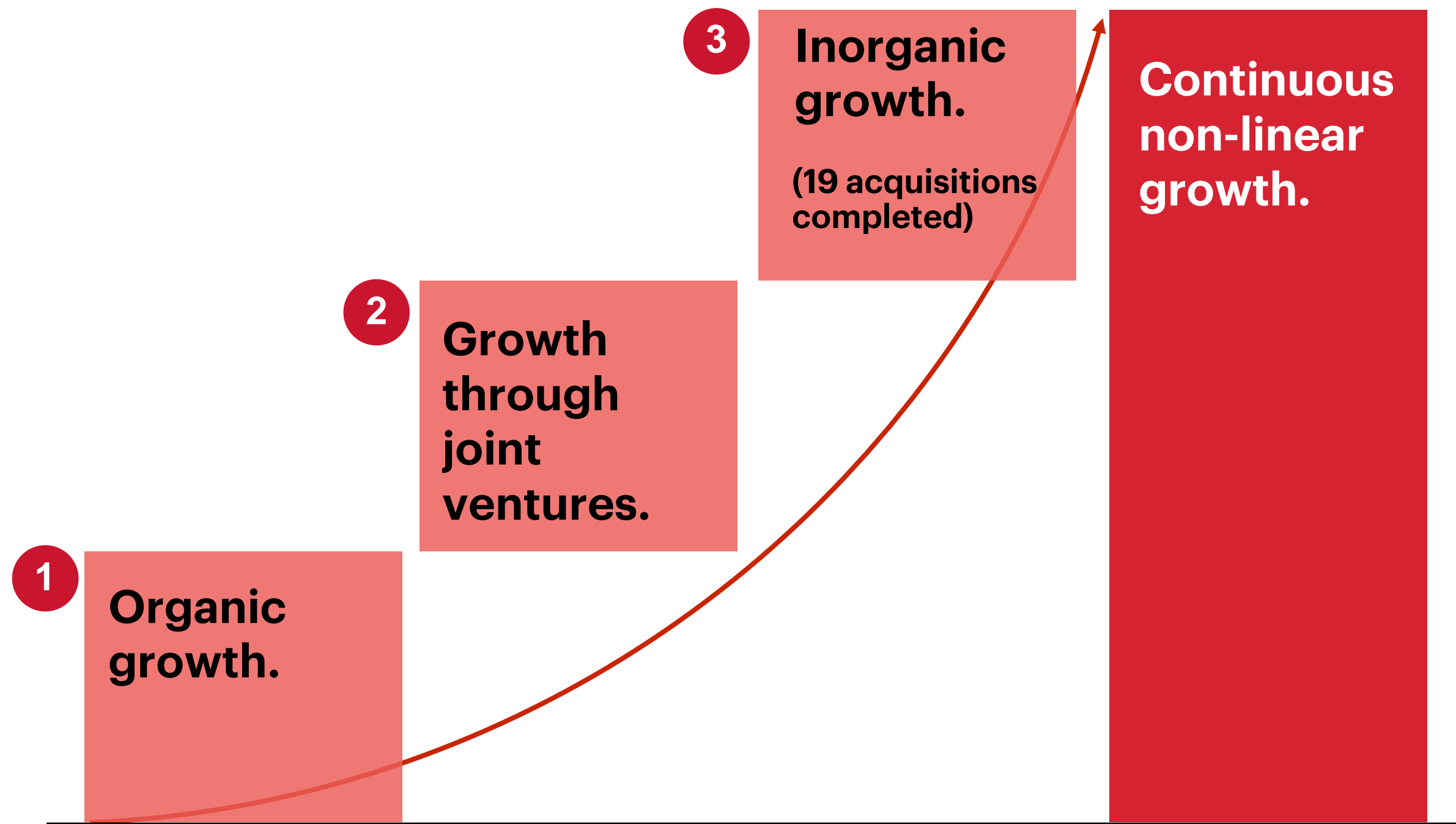
# Our 2020 targets.

Our 5th  
five-year  
plan.





# Focus on three pillars of growth.





# Organic growth: a “not yet” company.

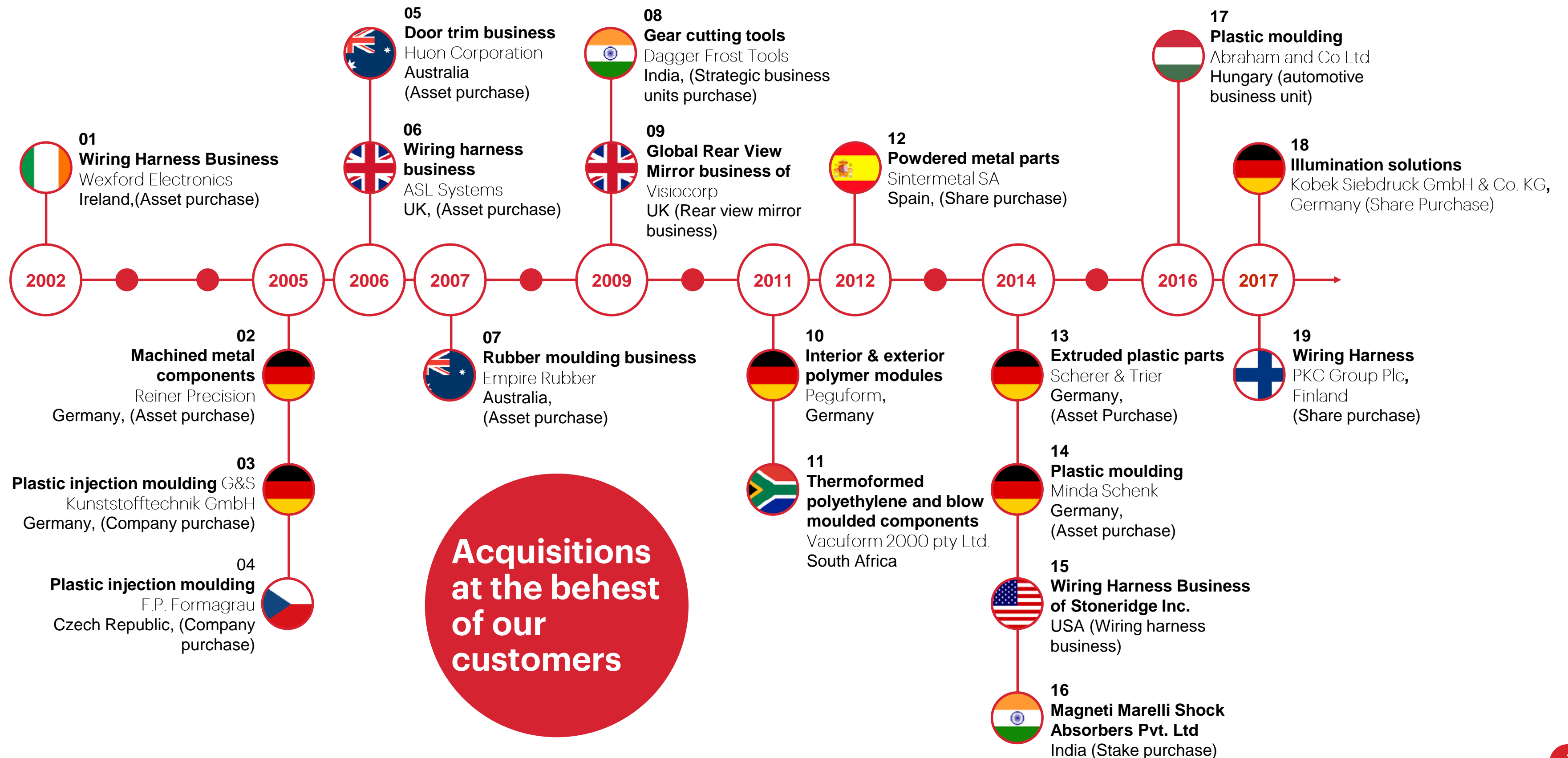
Focus on giving the best suited solutions to customers. with an open mind. In the process, we increase content per vehicle, serve more geographies, get new technologies, make new acquisitions, etc.





# Approach to acquisitions.

SMG has integrated 19 acquisitions since 2002, creating synergies while leaving companies to manage themselves as autonomously as possible.





# The industry environment: breathing with the market.

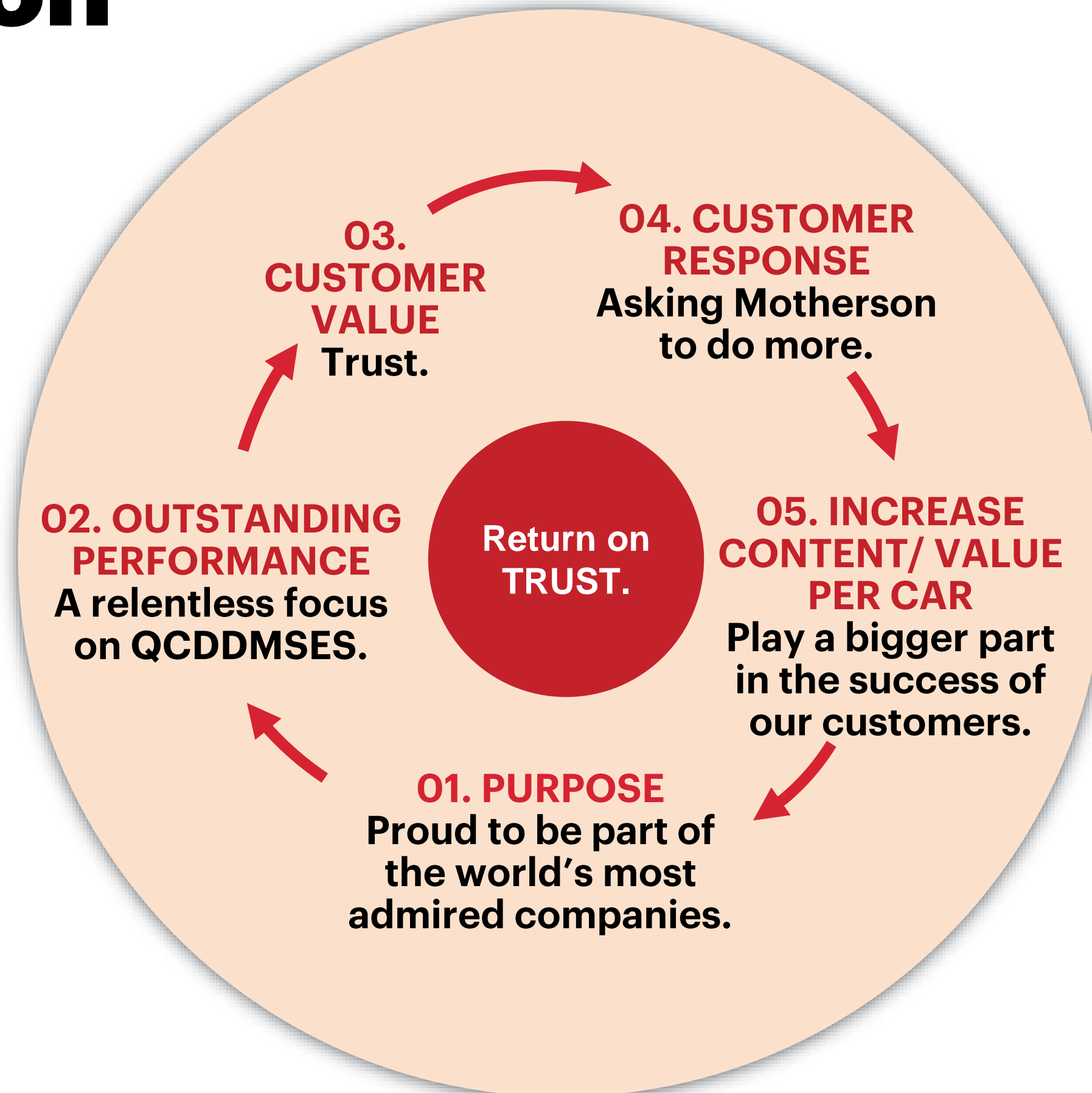
## Circle of influence

We focus on  
improving our own  
operational  
performance.

A global company  
adjusts to the external  
environment - as one  
cannot change it.



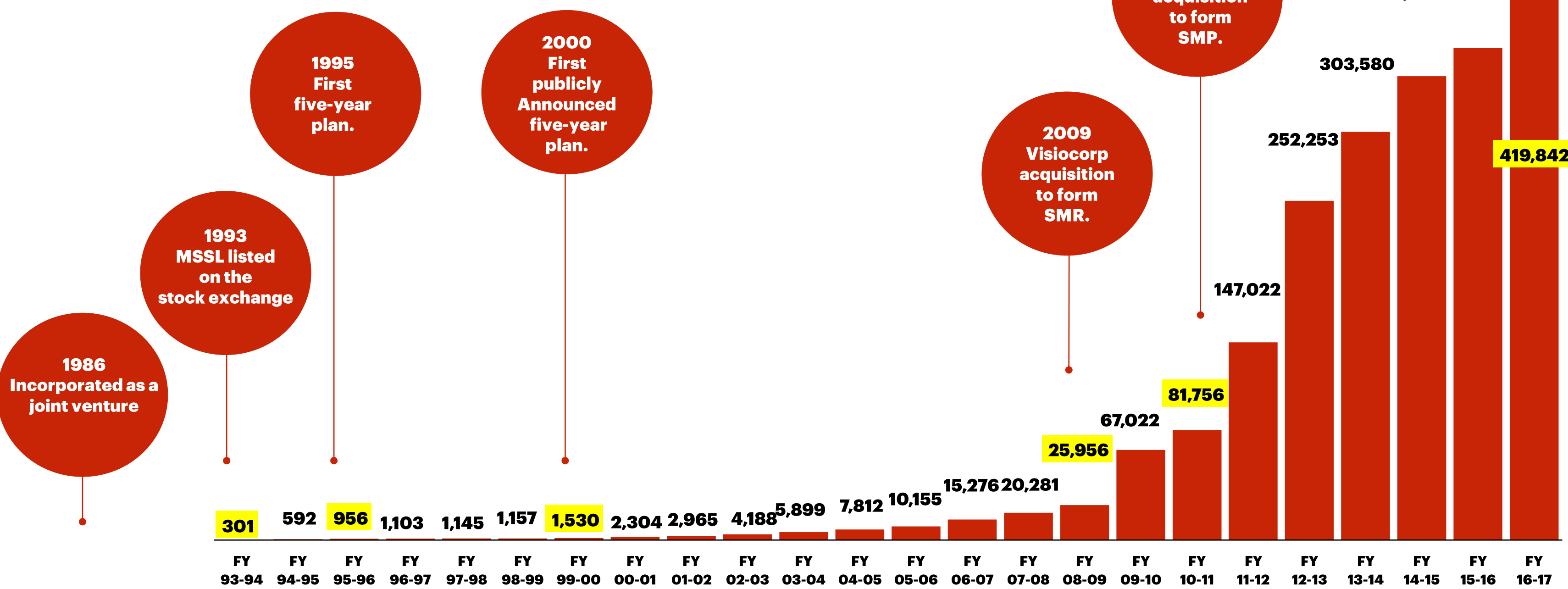
# How Motherson creates value.





# MSSL Sales & Milestones.

■ Consolidated



Current\*  
market cap.  
USD 10.85 Bn.

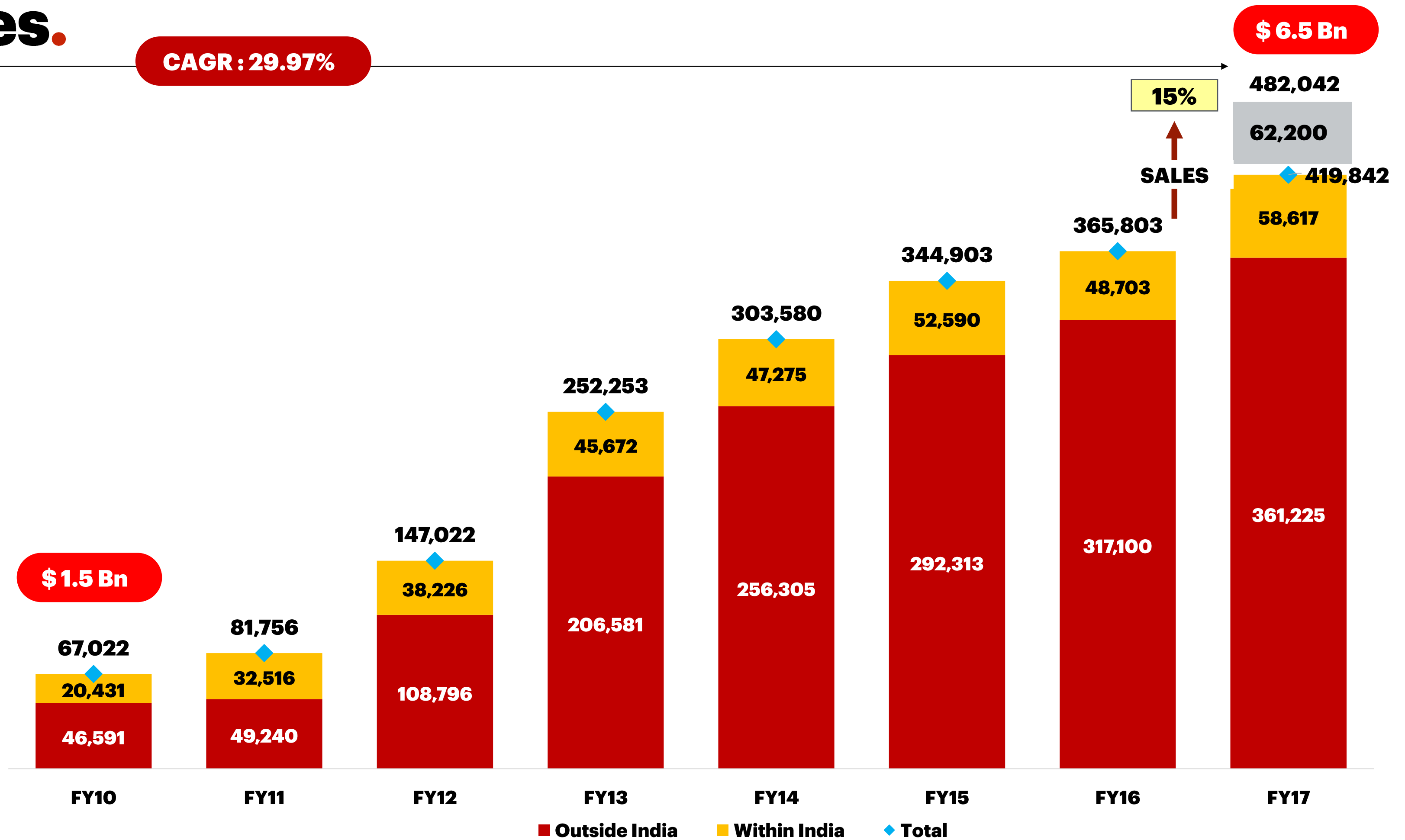
#As on 10<sup>th</sup> August 2017

\* Revenues of PKC group (acquired at the end of March 2017 of Euro 845.6 million for 2016 on performa)

# Sales.

**CAGR : 29.97%**

(Rs. in Million)

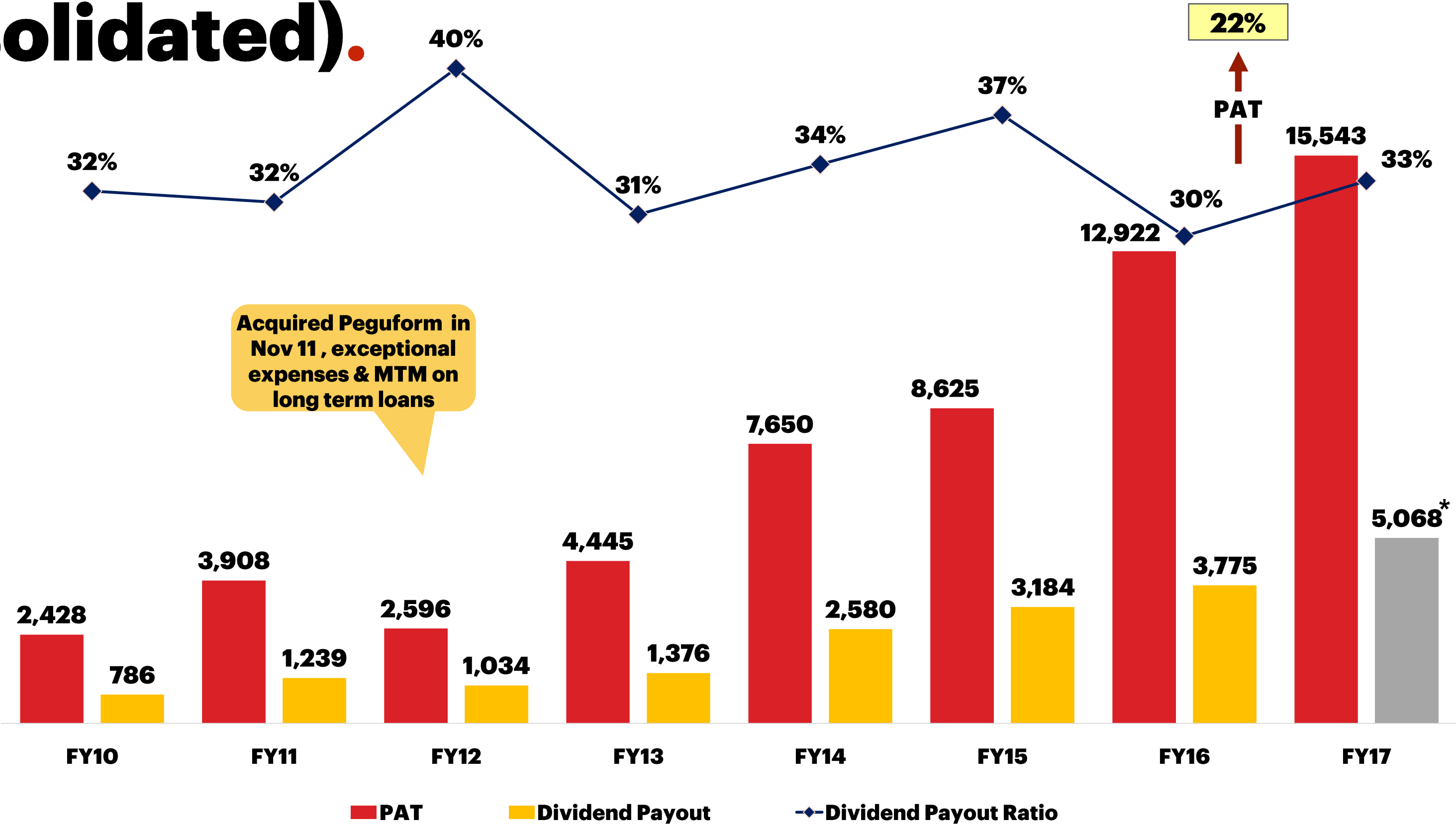


\* Revenues of PKC group (acquired at the end of March 2017 of Euro 845.6 million for 2016 on performa



# PAT, Dividend Payout and Dividend Payout Ratio (consolidated).

(Rs in Million)

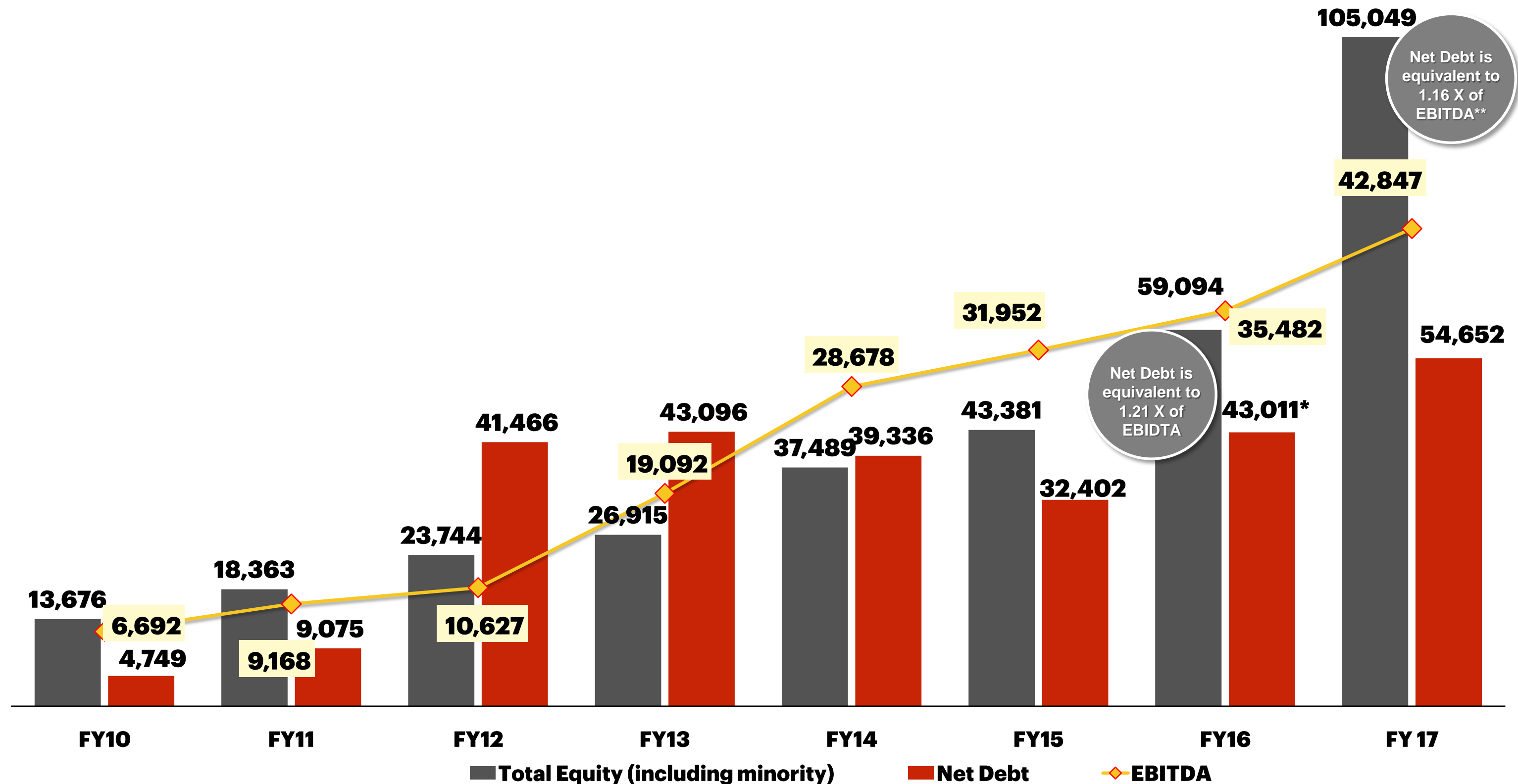


\* Proposed dividend for Financial Year ended March 2017

# Total Equity, Net Debt And EBITDA\*\*

(Rs in Million)

Moody's Investors Service, ("Moody's") has assigned **Baa3** foreign currency and local currency issuer ratings to MSSL. The ratings outlook is **Stable**.



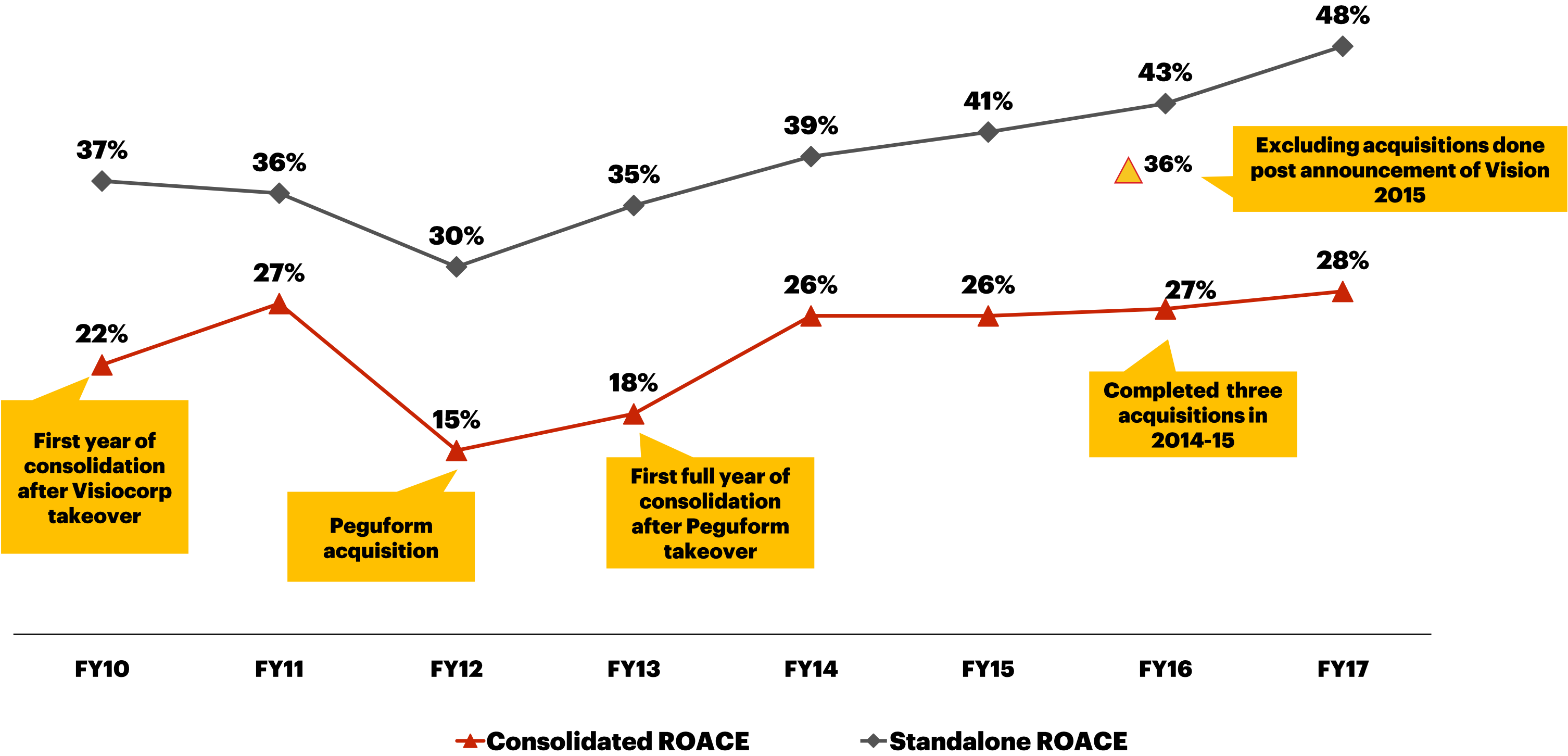
\*\* adding EBITDA of Euro 64 million of PKC group for 2016

\*Excluding other income and exchange fluctuations



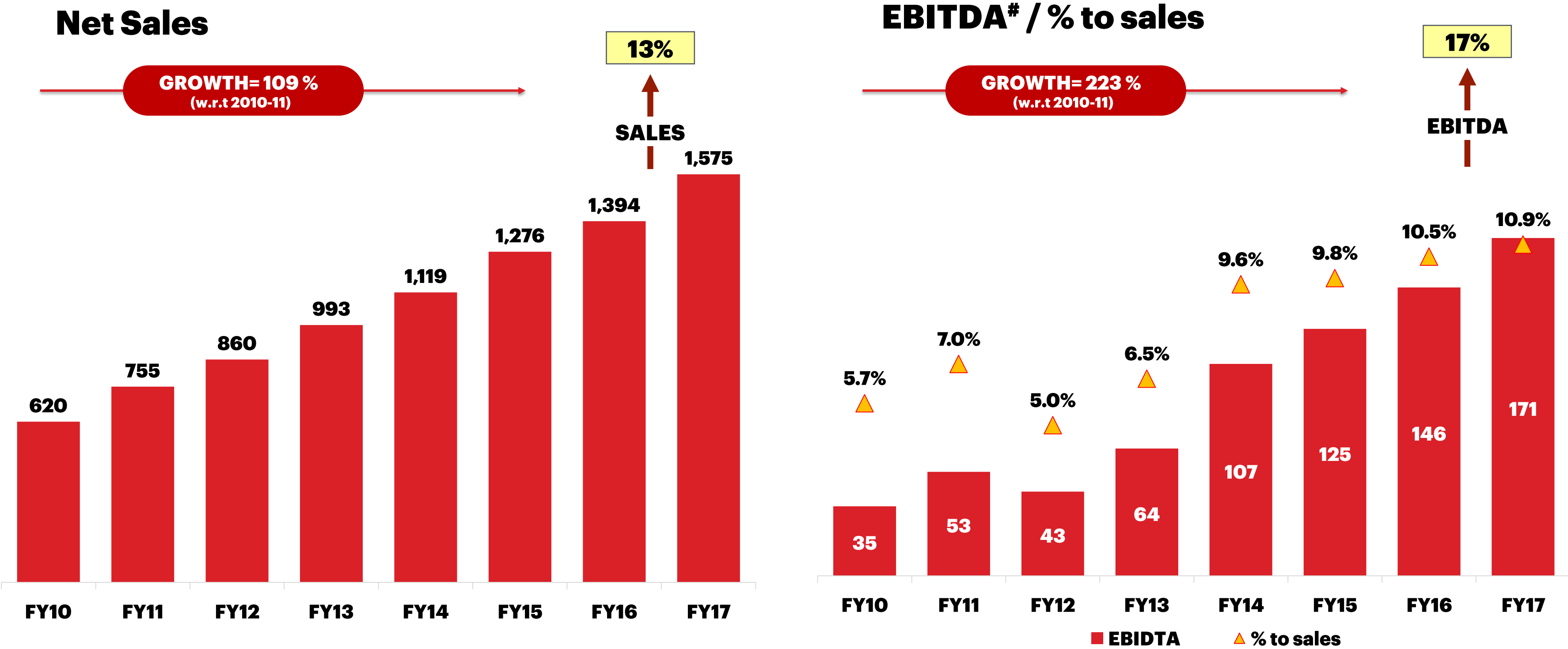
# Return of Average Capital Employed (ROACE)

★ All Time High ROCE for Standalone at 48%



# Samvardhana Motherson Reflectec (SMR) Performance since acquisition

(Euro in Million)



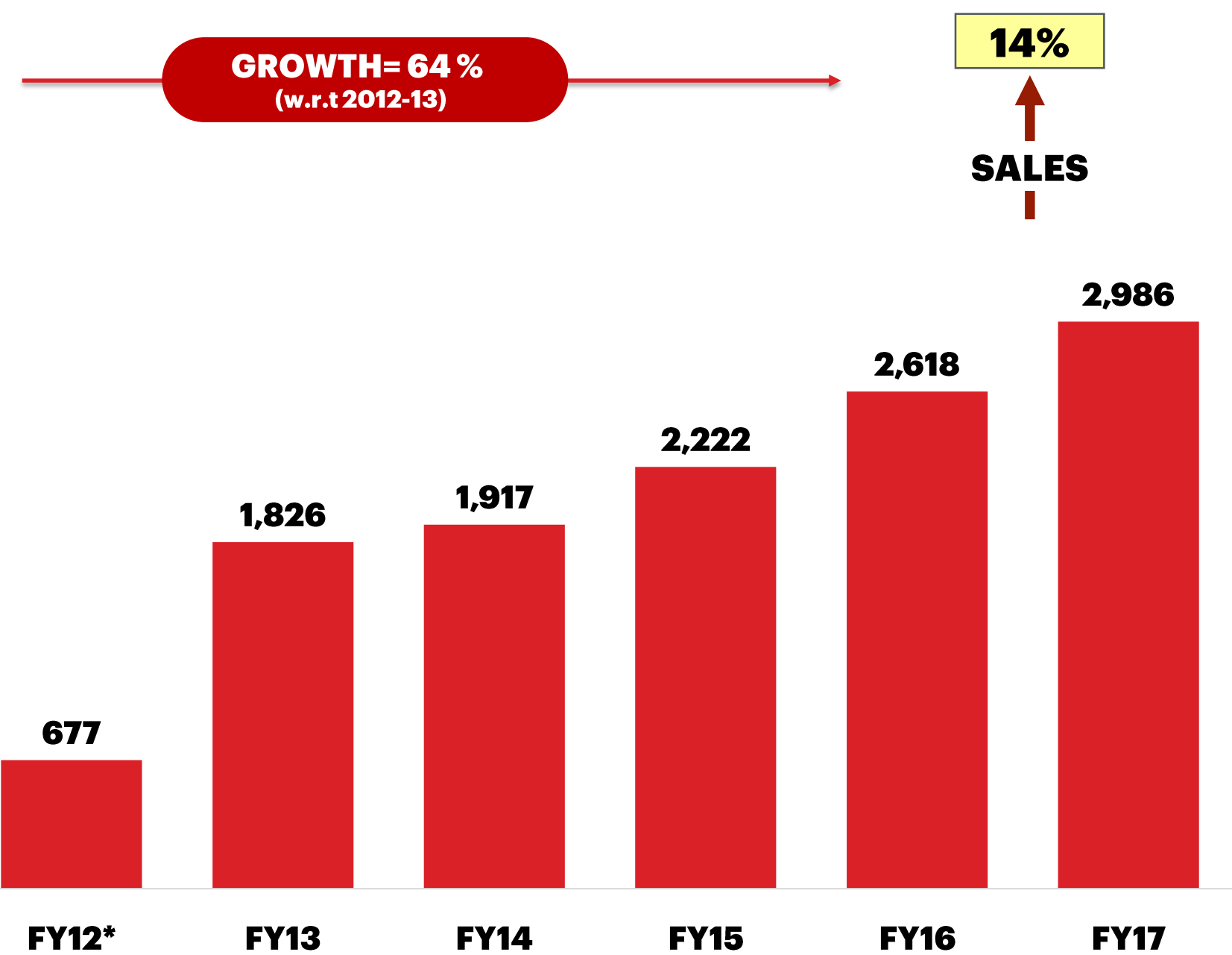
# Before exchange gain / loss on long term loans



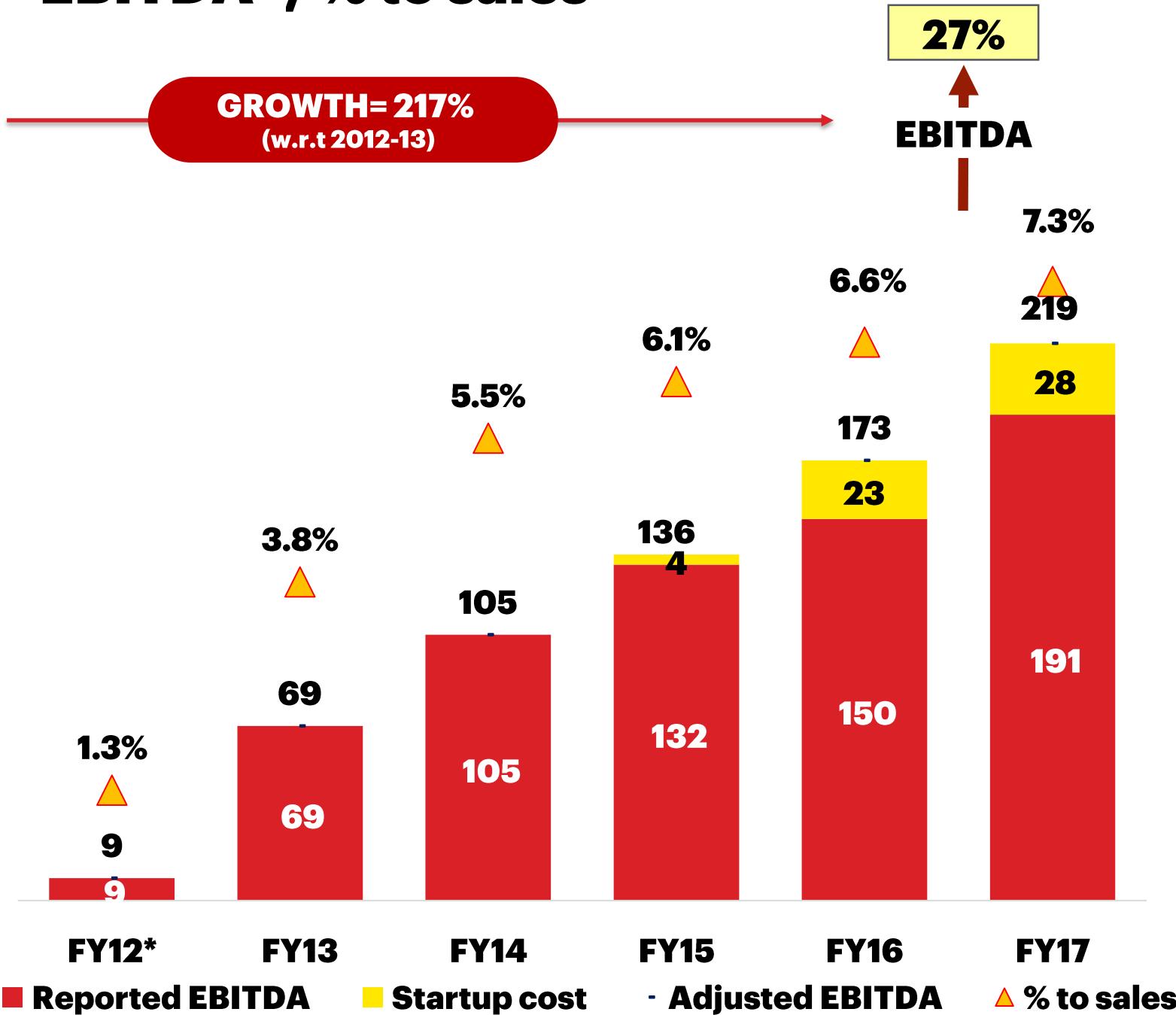
# Samvardhana Motherson Peguform (SMP) Performance since acquisition

(Euro in Million)

## Net Sales



## EBITDA# / % to sales



\* For 4 months as the acquisition was done on 23<sup>rd</sup> Nov 2011

\* For 4 months as the acquisition was done on 23<sup>rd</sup> Nov 2011

# Before exchange gain / loss on long term loans

# Other Recent Developments.

## QIP

- **Successfully completed raising of funds amounting to Rs. 19,934.49 million by way of qualified institutional placement (“QIP”) issue in Sep 2016.**
- **For the QIP 62,884,827 equity shares were issued to qualified institutional buyers along with preferential issue of 17,762,460 equity shares was made in favour of SWS**
- **SWS shareholding continues to remain above 25%.**

## Ratings

- **“Moody’s” has assigned Baa3 foreign currency and local currency issuer ratings to Motherson Sumi Systems Limited**
- **The ratings outlook is stable**
- **The company’s subsidiary SMRP BV is rated BB+ with the current outlook as Positive by S&P and Fitch Ratings**

## Bond Issue

- **SMRP BV issued Euro 300 mn 1.8% Senior Secured Notes due July 2024, 4<sup>th</sup> successful issue and 3<sup>rd</sup> offering in Europe**
- **The Notes have been rated BBB- by Fitch and BB+ by S&P.**
- **This is also the lowest yield long tenor corporate bond to date from an Indian private sector corporate.**

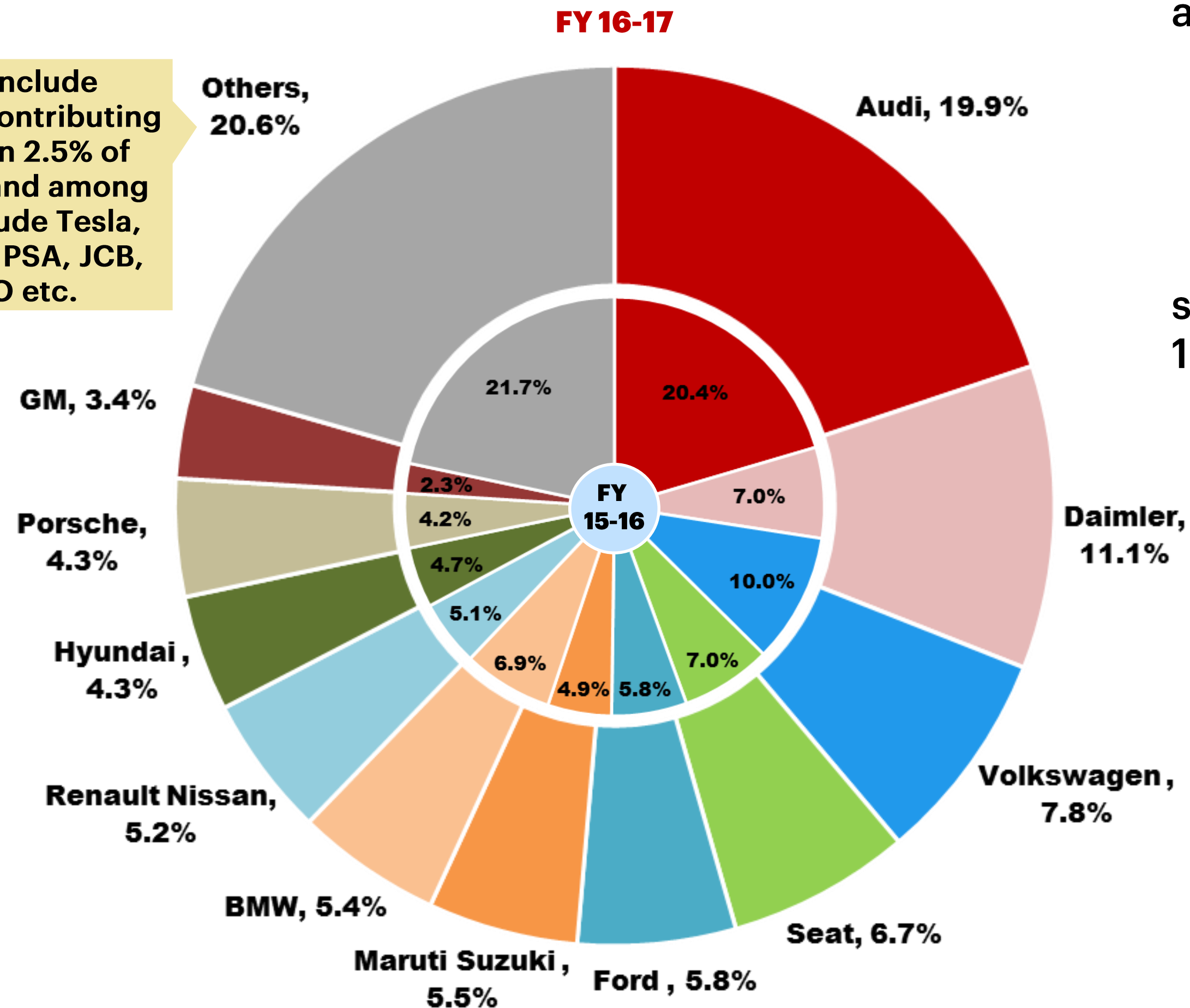


Working on a policy to balance and grow the business in such a way that no

- Single Customer
- Single Country
- Single Component

should constitute more than 15% of the turnover

Others include customers contributing to less than 2.5% of total sales and among others include Tesla, Mitsubishi, PSA, JCB, NACCO etc.





A person is skydiving over a deep, rugged canyon. The skydiver is in the upper right portion of the frame, falling towards the bottom. The canyon walls are steep and rocky, with some green vegetation visible. A river or lake is visible at the bottom of the canyon. The sky is blue with some white clouds.

**Top line is vanity.**

**Bottom line is  
sanity.**

**Cash in bank  
is reality.**

Never pursue  
top line for  
the sake of  
topline only.



# Ekla chalo.

The Motherson approach is not based on examples in corporate history.

We believe we can and must write our own history.



# Thank you.

**Note : Figures for FY ended 31<sup>st</sup> March 2016 & 2017 are as per INDAS and for prior years are as per Indian Gaaps**

**Safe harbour**

*This presentation contains forward-looking statements based on the currently held beliefs and assumptions of the management of the Company, which are expressed in good faith and, in their opinion, reasonable. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of the Company or industry results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements. Given these risks, uncertainties and other factors, recipients of this presentation are cautioned not to place undue reliance on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements to reflect future events or developments.*