



The Mother's son story.



October 2017

01 A brief introduction to Motherson.

Motherson. ■

**Samvardhana
Motherson Group
was started in 1975
as a partnership
between Late Mrs.
Swaran Lata Sehgal
and her son
Mr. Vivek Chaand
Sehgal.**

**The name signifies a
relationship of trust with
all stakeholders.**



samvardhana
motherson

**Samvardhana
Motherson Group
(SMG) 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 24
joint
venture
partners.**

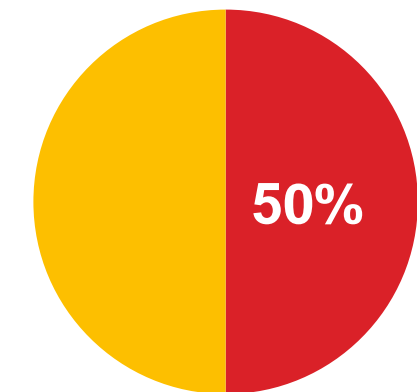
MSSL's core business units.

- One of the largest manufacturer of IP modules, door trims and bumpers for passenger cars in Europe & India
- One of the largest manufacturers of wiring harnesses for passenger cars in India and for commercial vehicles globally
- One of the largest manufacturer of rear-view mirrors globally,

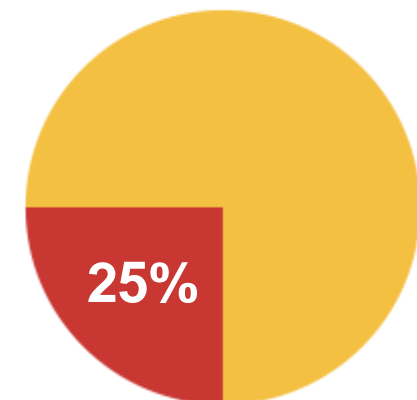
01 Modules, bumpers, door trims and plastic parts



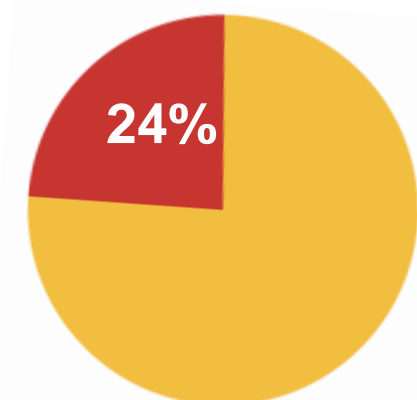
% of MSSL sales*.



02 Wiring harnesses



03 Rear view mirrors



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

**To be a
globally
preferred
solutions
provider.**

5 Year Plans

Since 1999-2000 we started to print our targets for the next 5 year plans in our Annual Report.

Today, Motherson only gives a 5-year guidance with a focus on long term growth

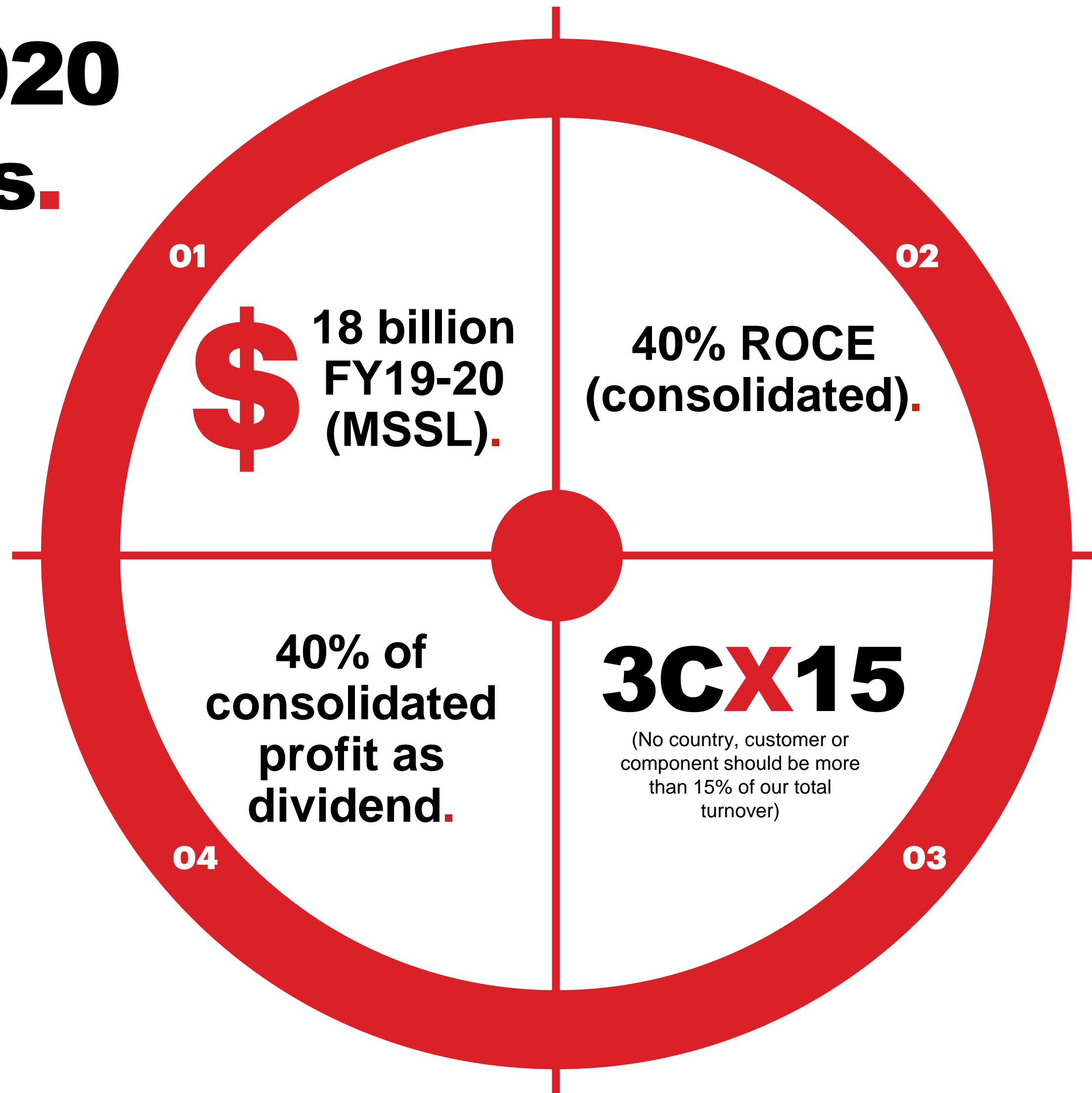
5 Year targets & our achievements.

Target (as set in 2000)	Achievement (2005)	Target (as set in 2005)	Achievement (2010)	Target (as set in 2010)	Achievement (2015)
To cross Rs. 1000 Crore (Consolidated) by the year 2005	Achieved Rs. 1029 Crores* <small>*taking full turnover of JVs</small>	Make MSSL a Billion Dollar Company	Achieved USD 1.5 Bn	Make MSSL a 5 Billion Dollar Company	Achieved USD 5.5 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 85%
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%	26%* (on consolidated basis) 36% (Excluding Acquisitions done post announcement of Vision 2015) 41% (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 37% (on consolidated basis) 62% (on standalone basis)

Consistent Growth with Focus on Target ROCE of 40%

Our 2020 targets.

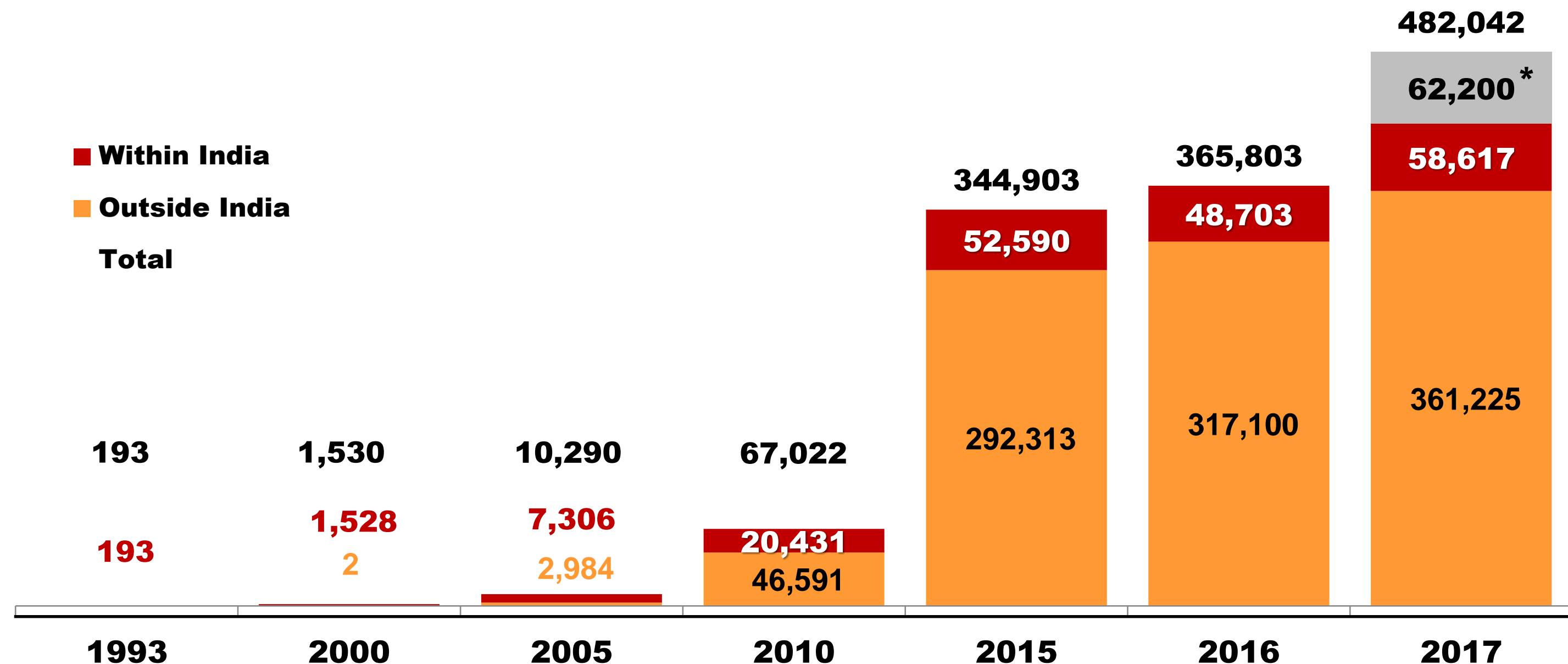
Our 5th
five-year
plan.



02 Our path of profitable growth.

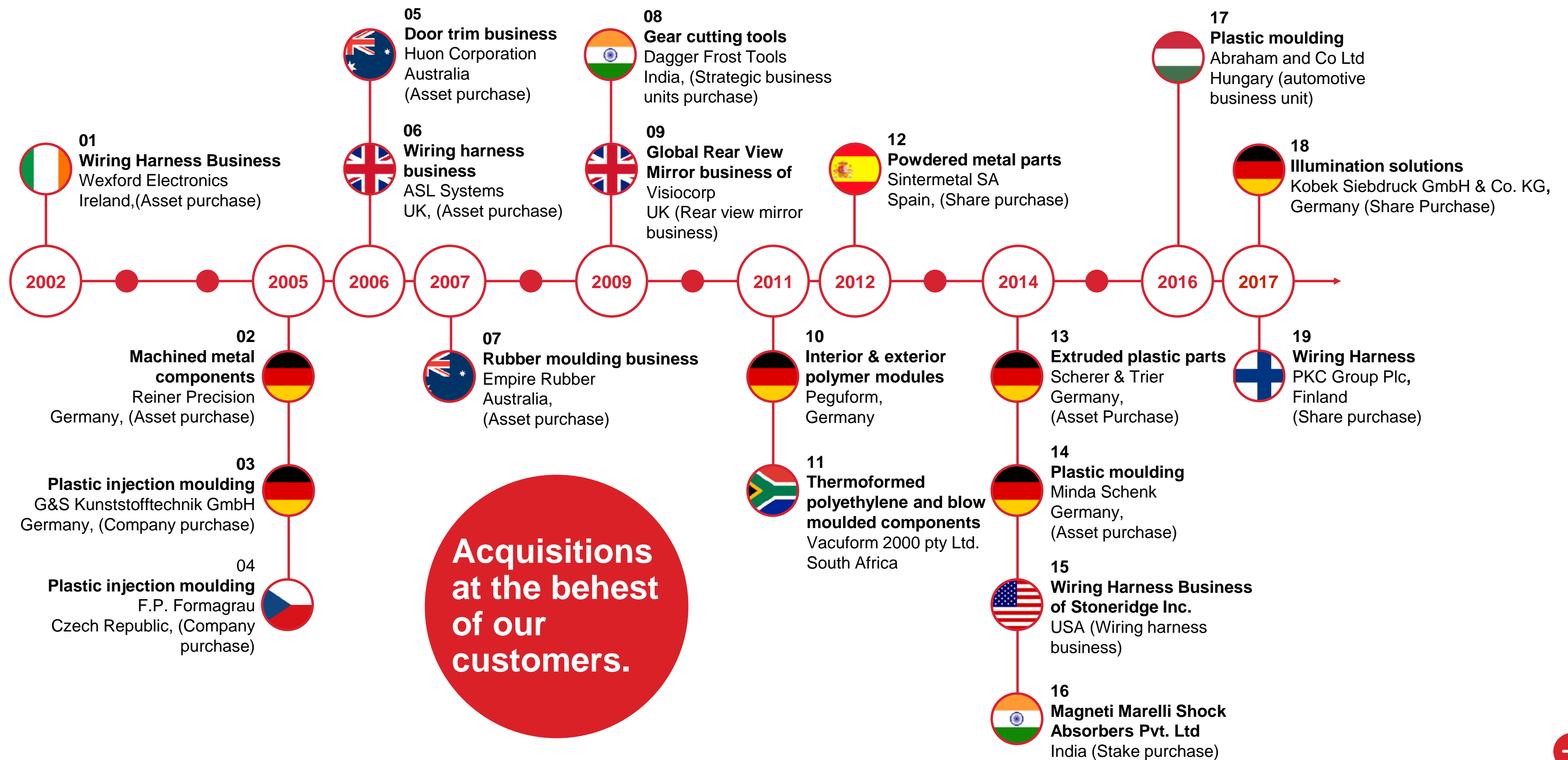
Delivering growth while statying disciplined.

- MSSL consolidated revenues
(Rs. in millions)



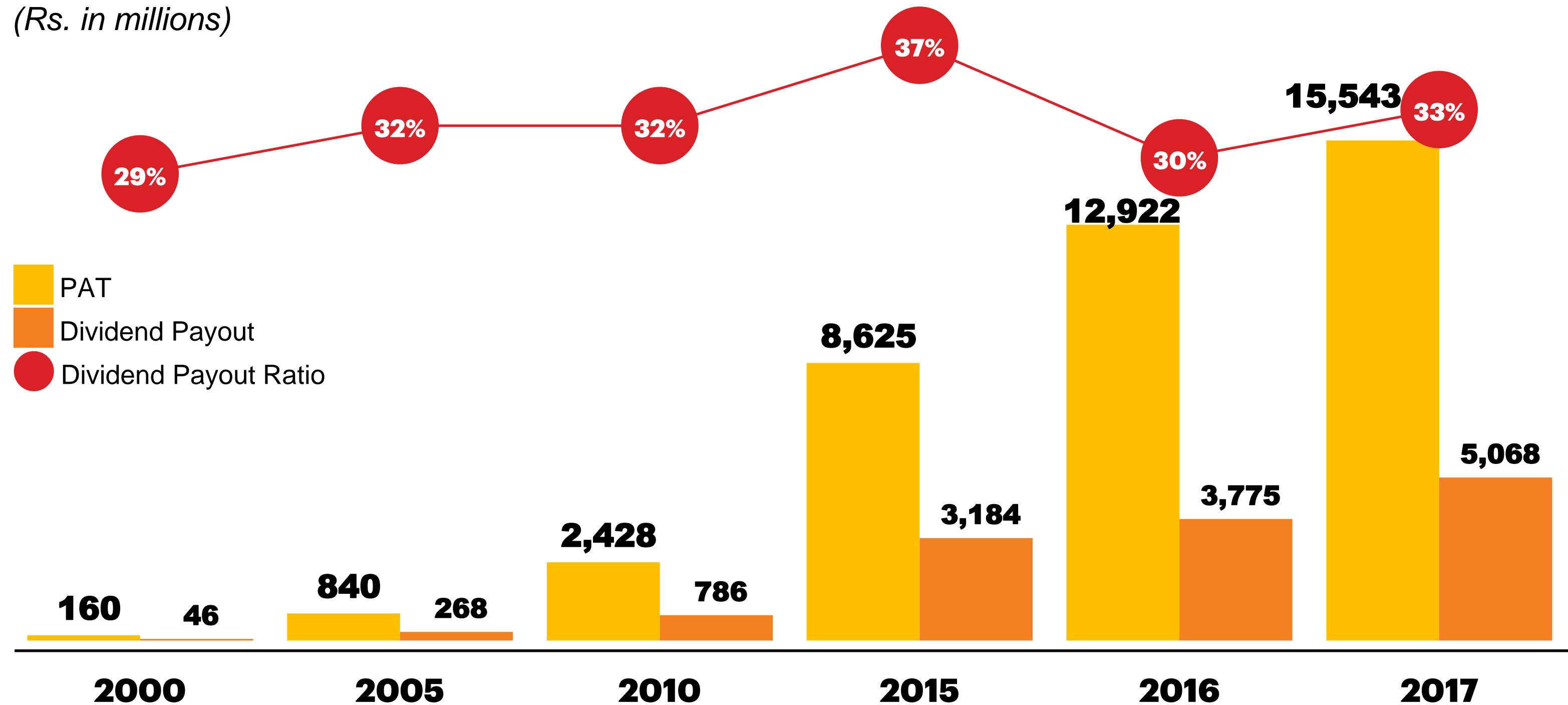
Acquisitions.

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



40% Payout : Stated Dividend Policy.

(Rs. in millions)



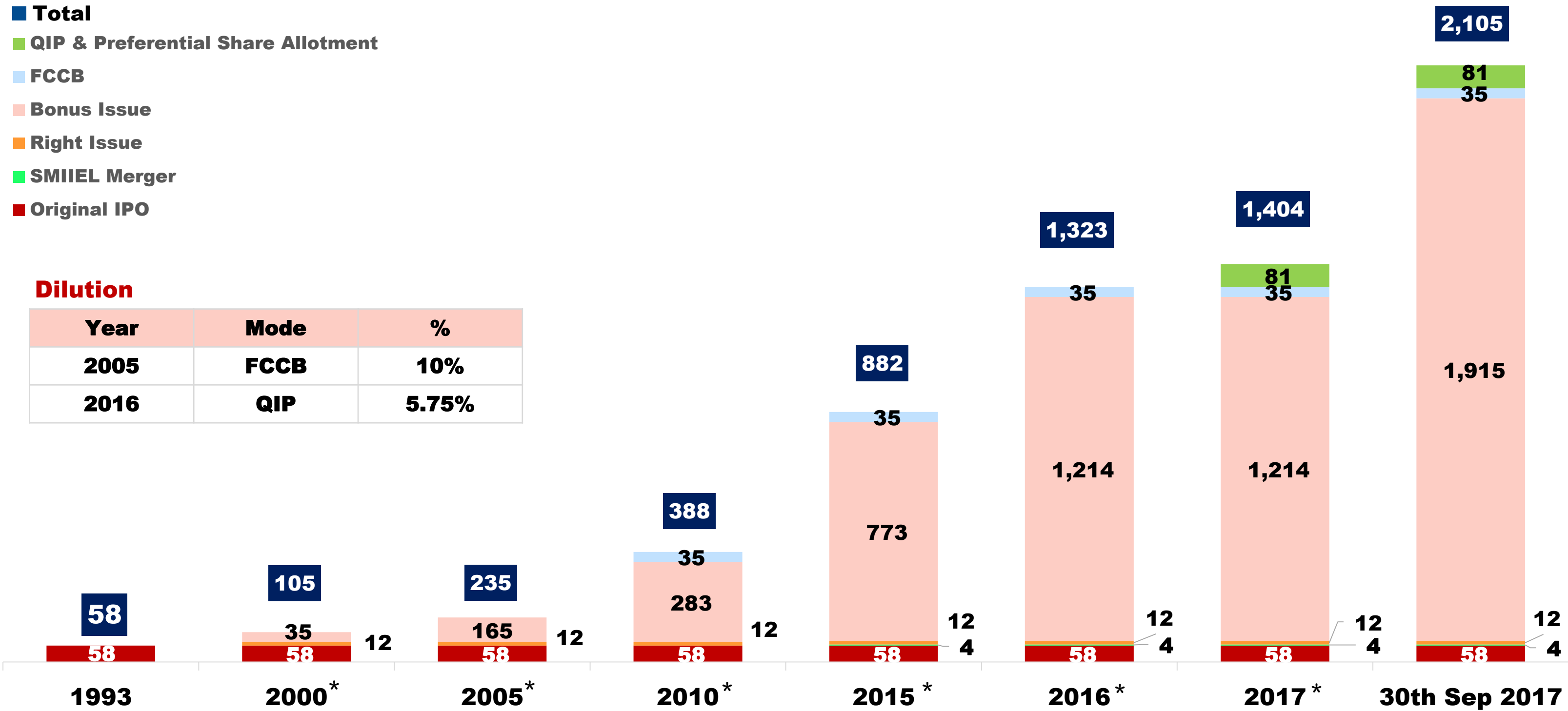
Current share capital.

(Rs. in millions)

- Total
- QIP & Preferential Share Allotment
- FCCB
- Bonus Issue
- Right Issue
- SMIIEI Merger
- Original IPO

Dilution

Year	Mode	%
2005	FCCB	10%
2016	QIP	5.75%

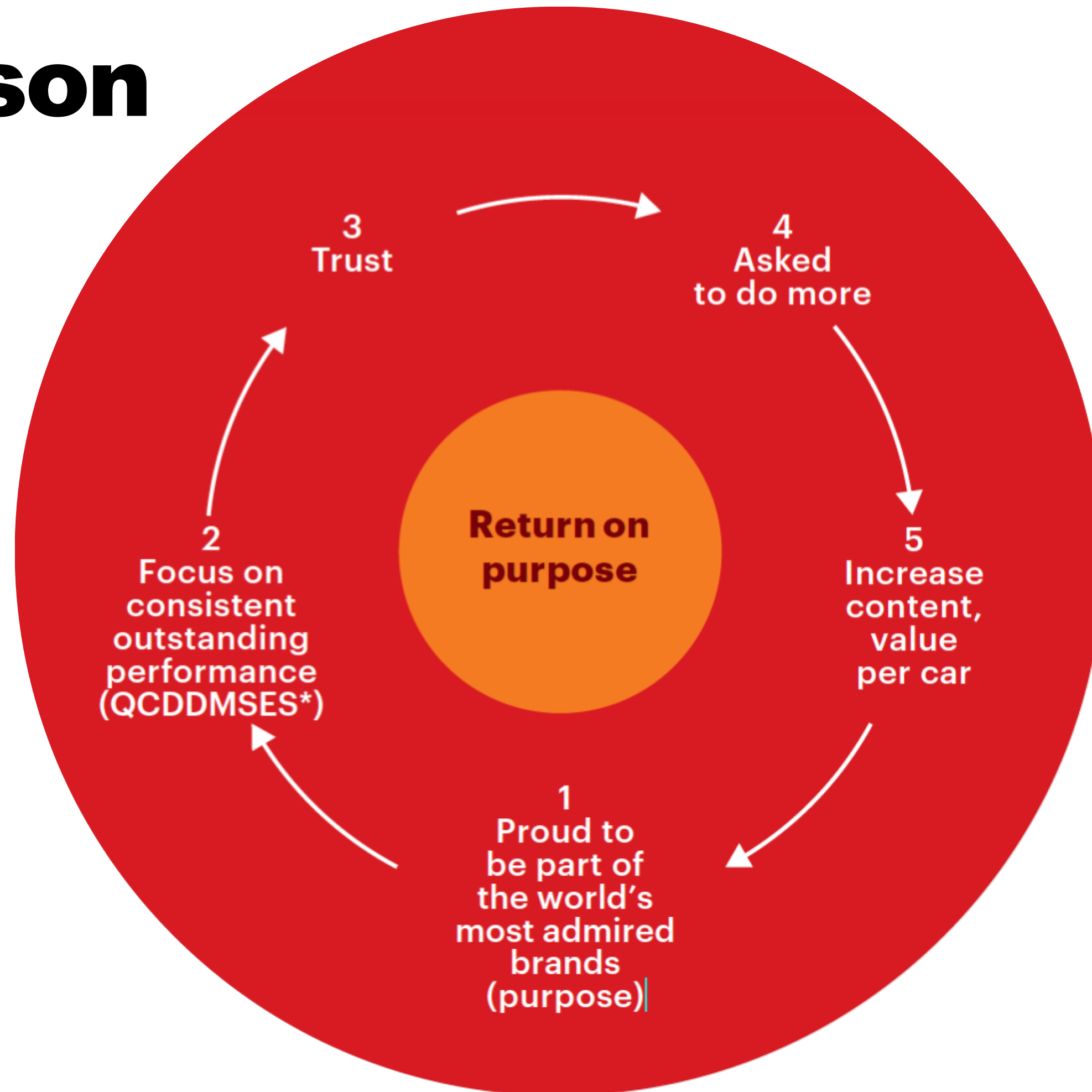


* As of 31st March of corresponding FY



03 Our "not so secret" recipe.

How Motherson creates value.



Strengthening customer trust via **QCDDMSES** performance.

1. Quality

Seamlessly fit global quality standards of the customer.

2. Cost

Work at leading cost levels.

3. Design

Provide design support for current products and new concepts.

8. Sustainability

Be committed to long-term greatness rather than transactional relationships.

4. Delivery

Deliver globally and be able follow the customer where they need us.

7. Environment

Meet the highest environmental standards.

6. Safety

Work to the highest standards of safety.

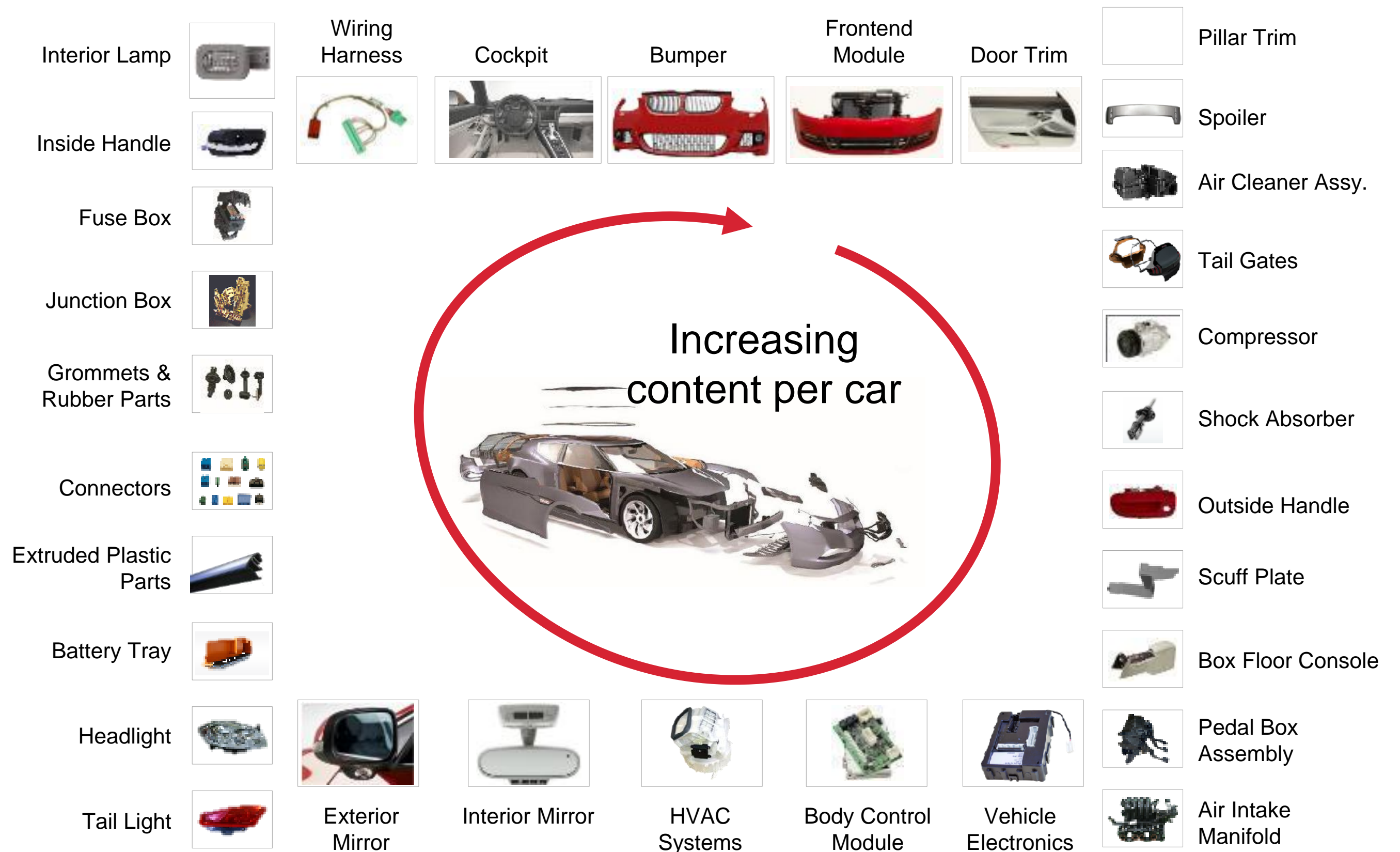
5. Manage

Lead the organisation with the highest governance standards.



Increasing content per car : 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.



Diversification with Growth – 3CX15.

Rolling stock has been added as a new customer segment.



ROLLING STOCK

ALSTOM

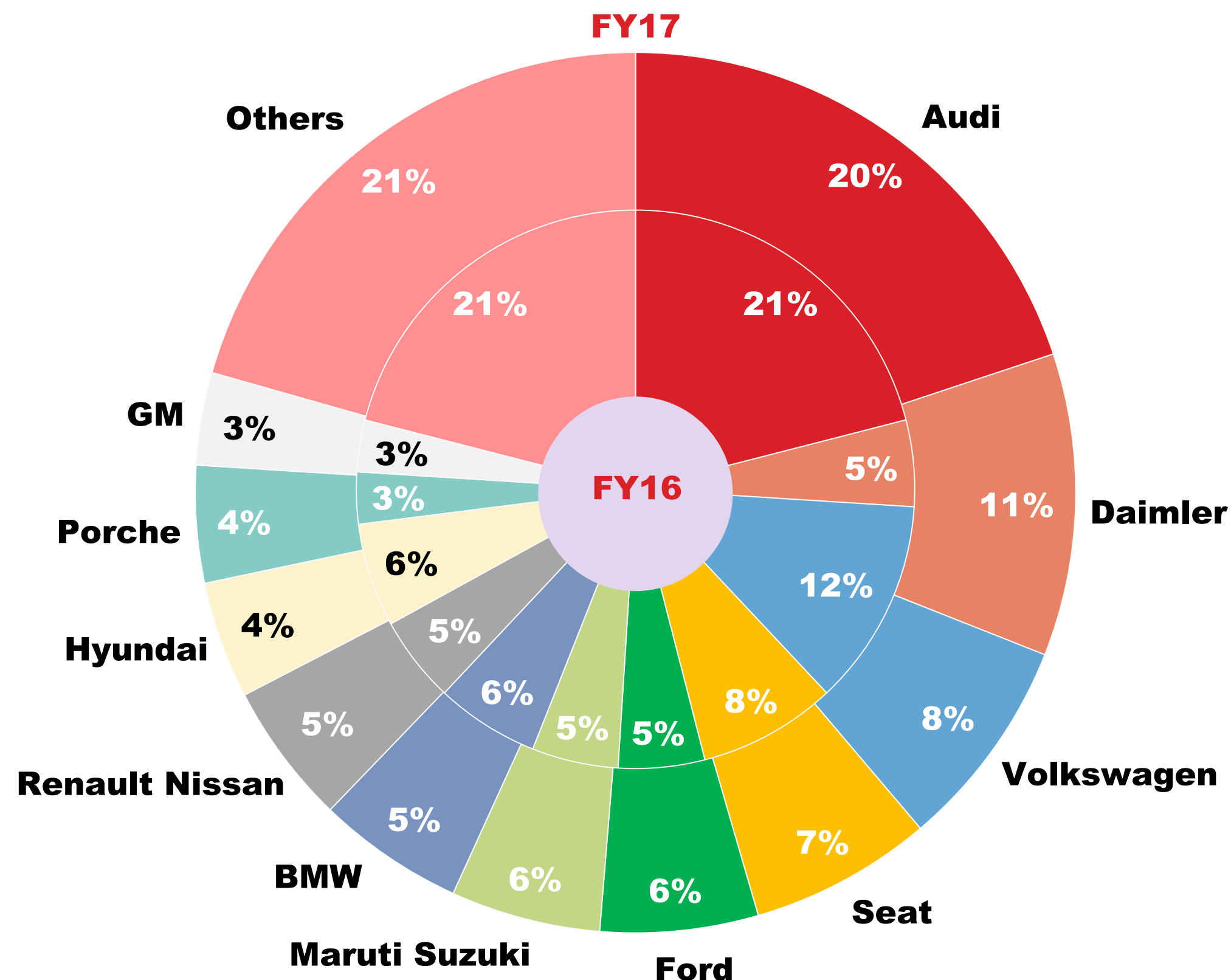
BOMBARDIER



AUTOMOTIVE



TESLA



A person is skydiving over a deep canyon. The skydiver is in the upper right portion of the frame, falling towards a river at the bottom of the canyon. The canyon walls are steep and rocky, with some green vegetation. The sky is blue with white clouds. The text is overlaid on the left side of the image.

Top line is vanity.

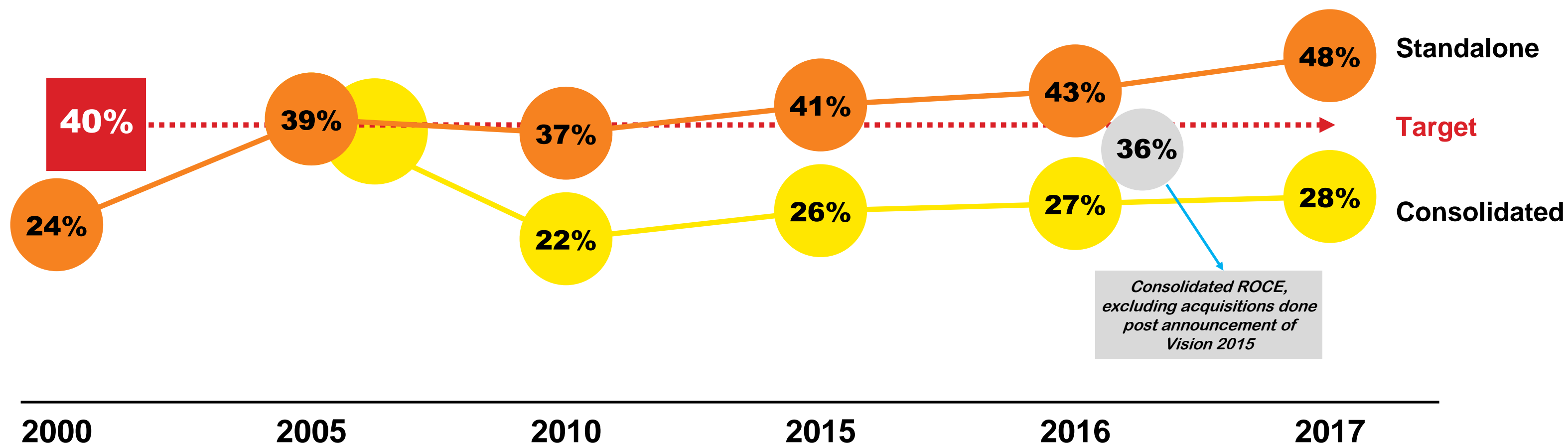
Bottom line is sanity.

**Cash in bank
is reality.**

Never pursue
top line for the
sake of topline
only.

A strong focus on ROCE.

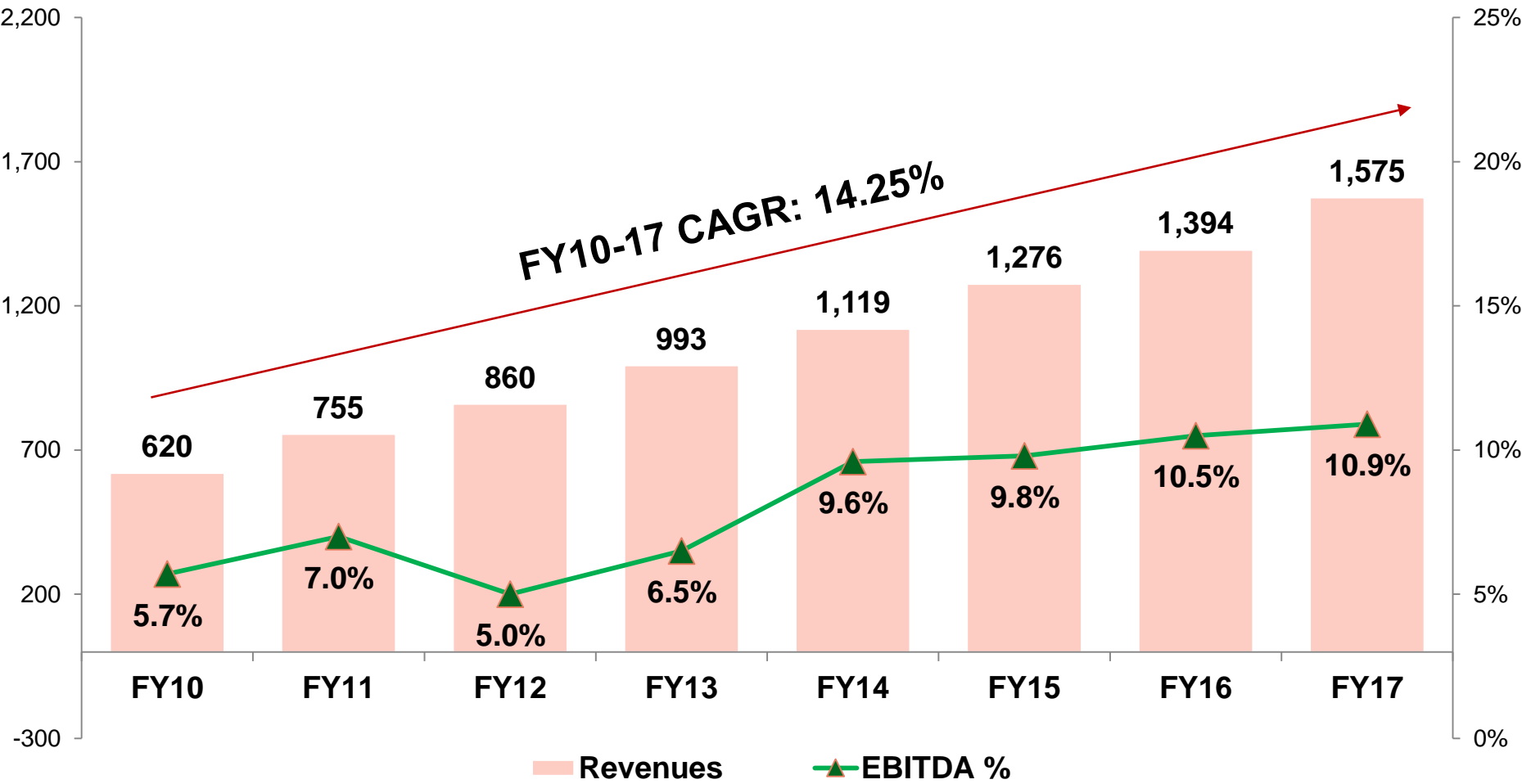
- Return on Average Capital Employed (ROACE) for MSSL in our 5-year plans.
- All time high ROCE for Standalone at 48%



Stable and improving operating margins and ROCE - Case Study (SMR).

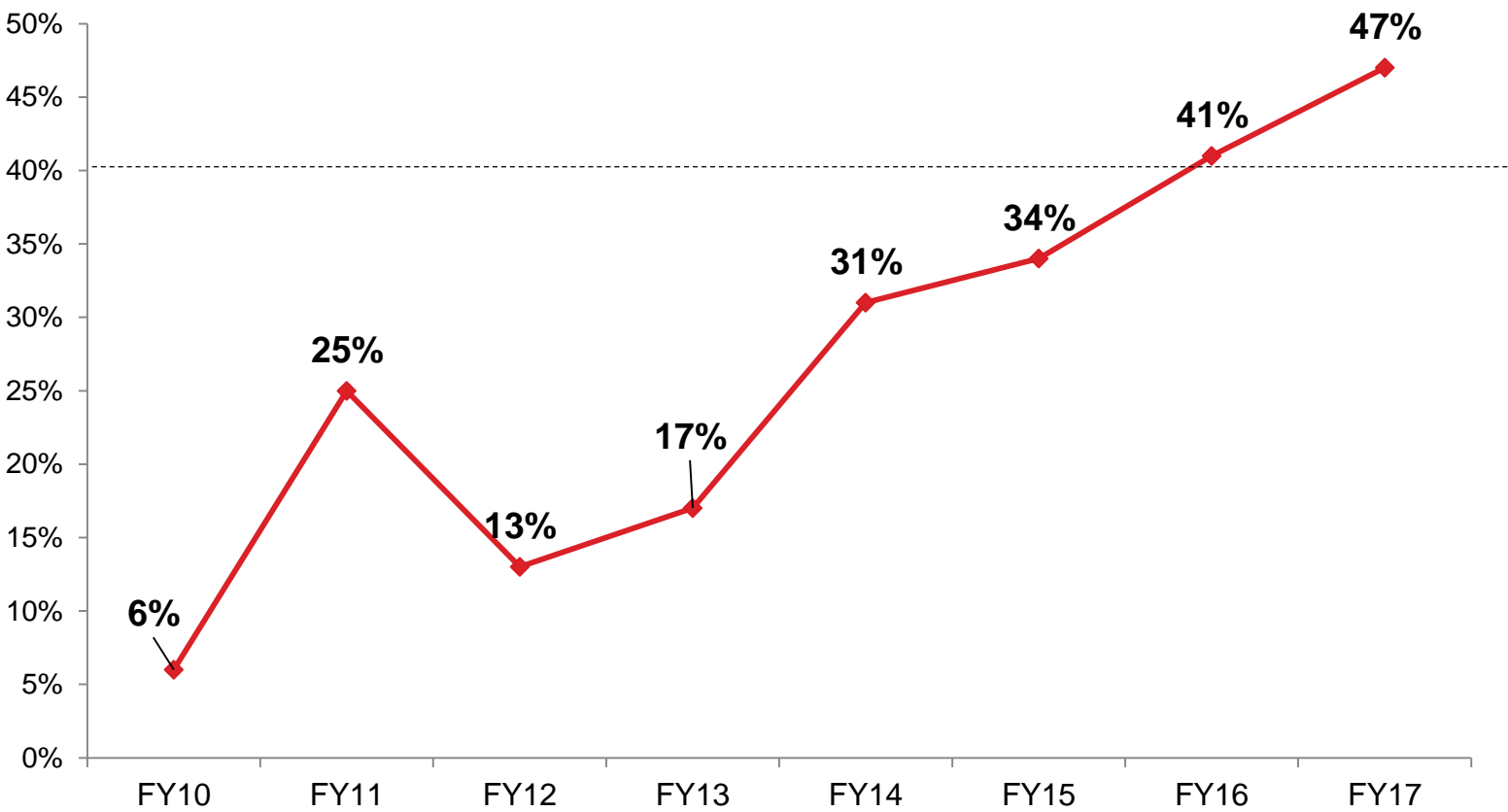
Revenue and EBITDA margins

(€m)



ROCE

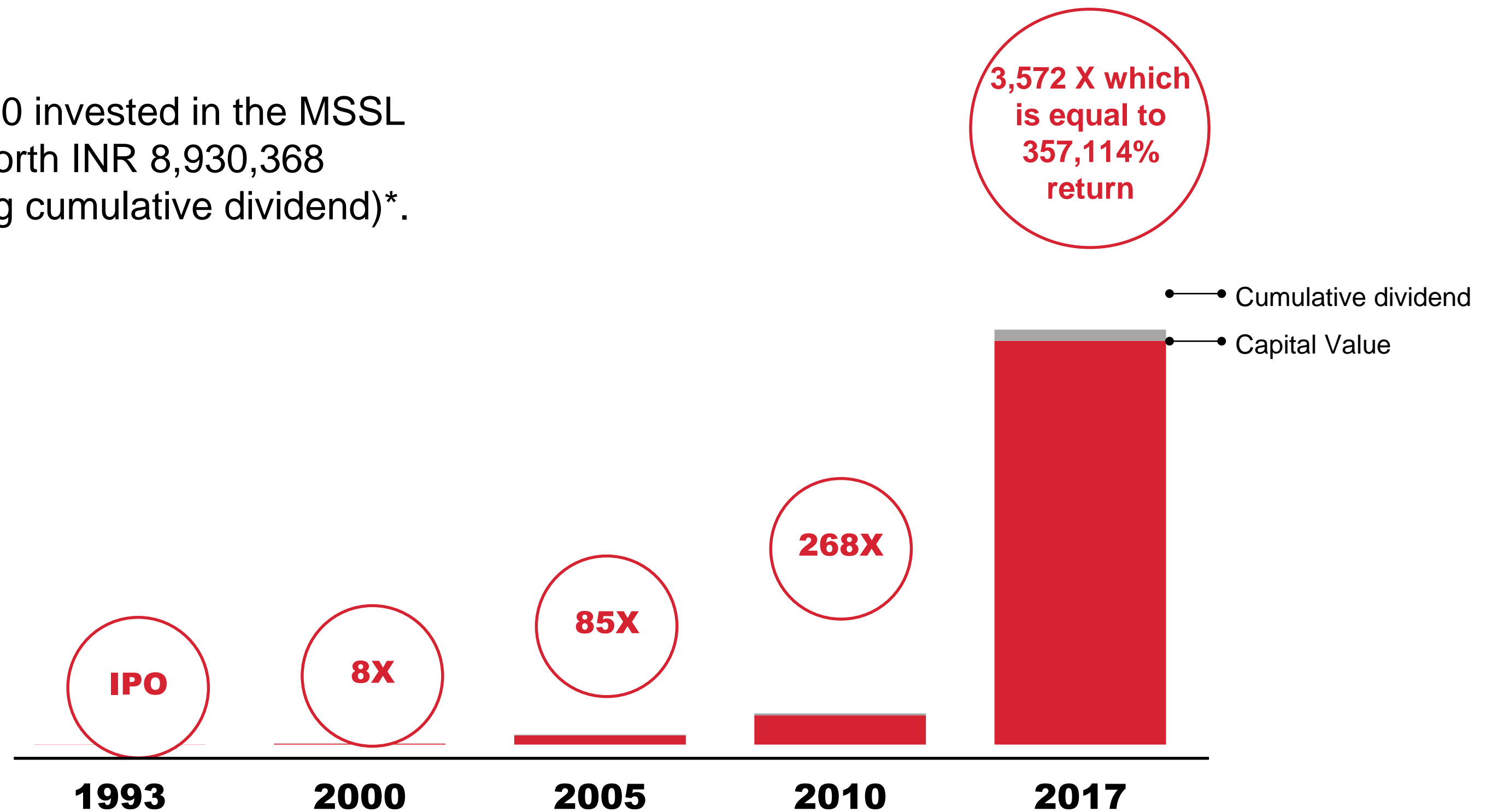
(%)



04 Implications.

Returns to shareholders.

- INR 2,500 invested in the MSSL IPO is worth INR 8,930,368 (including cumulative dividend)*.



*As on 03rd October 2017

Finance Cost.

Raising funds, while reducing financing costs.
Significant improvement in credit rating recognised
and rewarded by investors.

Ratings

- SMRP (BB+ / - / -)
- MSSL (- / - / -)

- SMRP (BB+ Pos / - / BB+ Pos)
- MSSL (- / Baa3 / -)

Interest rates

4.1%

3.7%

2.5%

1.8%

Debt raising

- €500mn / 7yr / 4.125% (SMRPBV)

- €100mn / 10yr / 3.7% (SMRPBV)

- \$400mn 5.5 yr 4.875% € eqvl. ~2.5% (SMRPBV)

- €300mn 7 yr 1.8% (SMRPBV)
- Lowest Indian linked non-Govt pricing

May-14

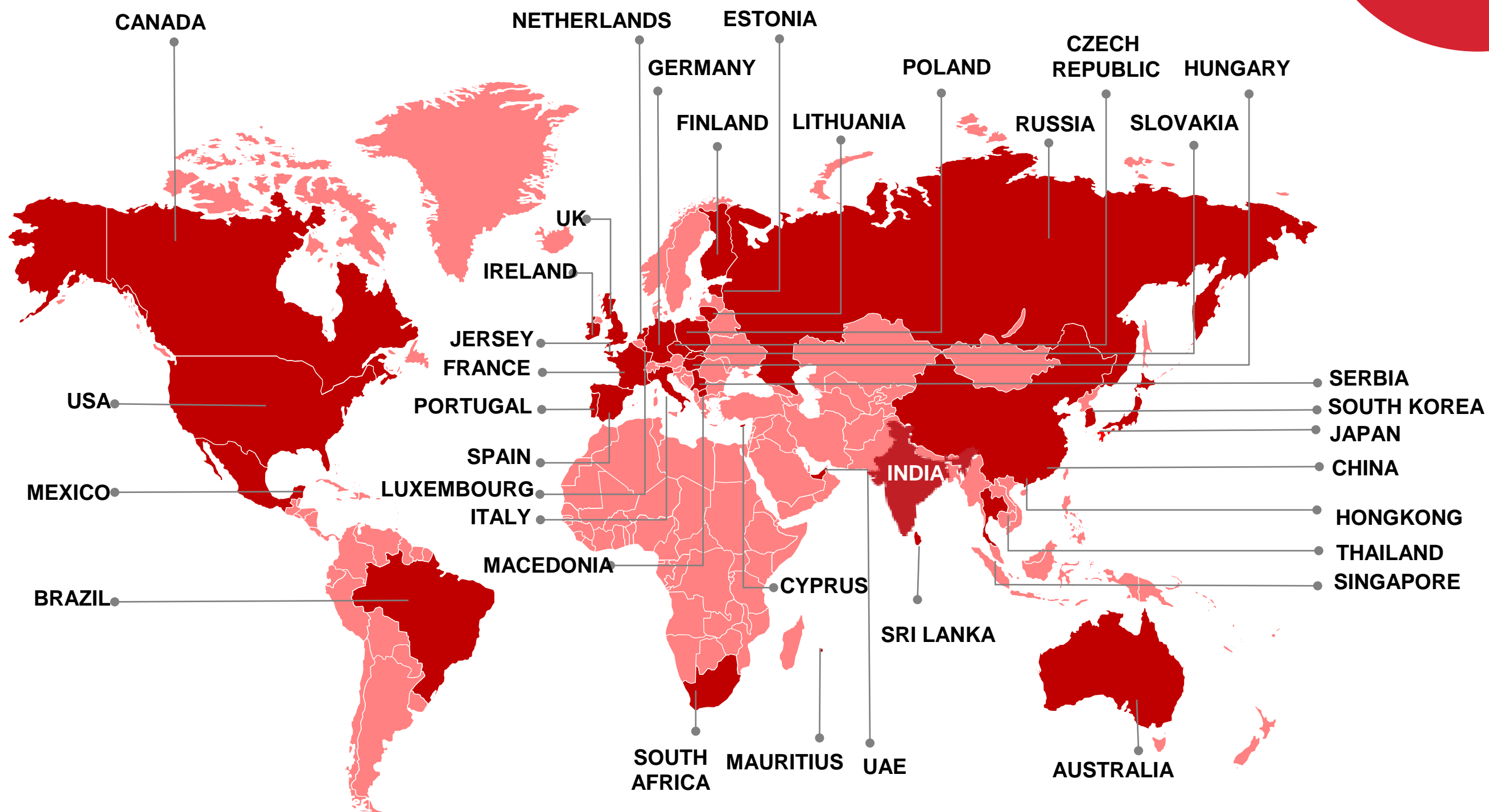
June-15

June-16

June-17

Supporting customers globally.

Over 230 facilities in 37 countries.



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



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

...the
world's
most
admired
brands.



Proud
to be
part of...

Rankings.

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

2016 Rank	Company	Address	Executive	Total global OEM parts sales (USD \$ mil)	Total global OEM parts sales (USD \$ mil) 2015	Percent change 2016/2015	Percent North America 2016	Percent North America 2015	Percent rest of world 2016	Products	2015 Rank
22	Audi Tyres	Karlensgrändsvägen 70, 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.	1-1 Toyoda-cho, Kariya-shi, Aichi 448-8601, Japan	Shohei Toyoda chairman	9,883.1e	10,975.1e	19	6	72	3	Seals, door trim, carpet, headlamps, oil & air filters, door panels & fabrics & substrates	21
24	MASTEC	Karl-Roos-Strasse 28, Ludwigsfelde, 81056, Germany	Karl Roos chairman	9,399.1	10,812.1	26	47	20	7	Cooling, catalytic, engineering plastics, polyurethanes, coatings, brake fluids, lubricants & battery materials	19
25	Hitachi Automotive Systems	Shio-Omachi Bldg, 2-1, Otsuchi 2-chome, Hidaka Shi, Tokyo, 120-8585, Japan	Shin-Omachi Bldg, 2-1, Otsuchi 2-chome, Hidaka Shi, Tokyo, 120-8585, Japan	9,100.1e	9,240.1e	27	—	—	—	Engine management, electric powertrain & drive control	26
26	Motherhood Automotive Group	Plot No. 1, Sector 127, Noida - Greater Noida Expy., Noida, U.P. 201301, India	Vinod Chandra Salgotra chairman	8,875.1e	7,245.1e	19	51	26	4	Headlamps, plastic modules, 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.	3600 Northbrook, Auburn Hills, MI 48306, USA	James F. Hines president & CEO	8,871e	8,822e	30	40	14	10	Exhaust systems, 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.	Viale Aldo Bozzi 61/63, Corbetta, Milan 20011, Italy	Piero Giorli CEO	8,252.1	7,425.1	15	66	10	9	Lighting, powertrain, electronics, suspension systems, active & passive shock absorbers, exhaust systems & plastic parts	33
29	Plastic Omnium Co.	1 rue 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	Alfonso XII, 78, 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.	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	4-3-3 Takasawa, Minato-ku, Tokyo, 106-8711, Japan	Masahiro Ohtsuka chairman & CEO	7,219.1	5,879.1	23	4	10	66	Exterior lighting	44
33	Hella AG	Hübener Strasse 7b, Lippstadt 33682, Germany	Heidi Breidenbach CEO	7,100.1e	7,192.1e	17	59	24	—	Electronic & lighting components & systems	32
34	Hyundai Wia Corp.	307-8 Sasangjung-dong, Changwon, Gyeongsang 641110, South Korea	Jun-Mo Yoon president & CEO	7,043.1	7,480.1	1	8	83	8	Halfshafts, axleshafts, axles, transfer cases, power transfer units, chassis modules, axles & related parts	39
35	Toyoda Gosei Co.	Y Handaiyagata Kyoku, Aichi, 452-0864, Japan	Takeshi Aizawa chairman	6,986.1	7,230.1e	26	6	66	—	Safety, seating & interior systems, optoelectronics, exterior trim, rubber/plastic trimline & fuel systems	34
36	Bosch Powertrain GmbH	Muehlweg 1, 63073, Germany	Joachim Otto CEO	6,763	6,705	25	53	21	1	Window regulators, door modules, power tiltgate systems, seat structures & components, closure systems, electric motors & drives & electronics	34
37	GM plc	P.O. Box 55, Redditch, Worcestershire B98 6AU, United Kingdom	Philip Swash CEO, GMN Division	6,740	6,525	36	38	23	3	Drive-line halfshafts, driveshafts & AWD, powder metal engine & transmission components, automotive structures & chassis systems, Automatic Transmissions & continuously variable transmissions	35
38	JATCO	790-1, Inazumi-cho, Fuji City, Shizuoka 417-0885, Japan	Tetsuki Matsuzaki president & CEO	6,684.1e	6,282.1e	26	1	70	—	Chassis components & modules, engine & exhaust systems, structural components, lightweight solutions & solutions for electro-mobility	36
39	Renkier Automobiltechnik GmbH	An der Talstr. 27/31, Paderborn, 33106, 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.	5305 E. University Ave., Urbana, IL 61802, USA	Shahid Khan chairman & CEO	6,484	6,102	91	6	2	1	Chassis including drivetrain panels, consoles, doors, headlamps, & overhead systems, flooring & acoustics	41
41	LMC Group	4 rue Les Freres, Rodez, L-1748, Luxembourg	Robert "Steen" Miller president & CEO	6,000	5,900	54	33	8	—	Engine management, ignition, audio & navigation systems, alternators & starter motors	45
42	Yatai Corp.	2-7-9 Maruyoshi, Ohta-ku, Tokyo, 100-8513, Japan	Masaru Sakayama representative executive officer, president & CEO	6,000.1e	6,000.1e	81	22	47	—	Airbags, seat belts, electronics, steering wheels & interior trim & bodies	46
43	Takata Corp.	APK Bldg 5, Tower 137, 4-5 Hongo-cho, Minato-ku, Tokyo, 106-8480, Japan	Shigehisa Takada chairman, president & CEO	5,808.1e	5,380.1	37	22	36	5	Asides, driveshafts & sealing & thermal management products	30
44	Dana Holding Corp.	3939 Technology Drive, Mesquite, OH 43057, USA	James Karsickas president & CEO	5,826	6,060	53	28	13	6		

SMG's ranking has gone up from **40th in 2014** to **26th in 2016** in global automotive suppliers by Automotive News

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

MSSL is **among the Fab 50 companies of Asia** for 5 consecutive years by Forbes

Fortune

THE SECTORAL LIST

INDUSTRY RANK

FI 500
Rank
2016

REVENUE
Rs crore

PROFIT
Rs crore

ASSETS
Rs crore

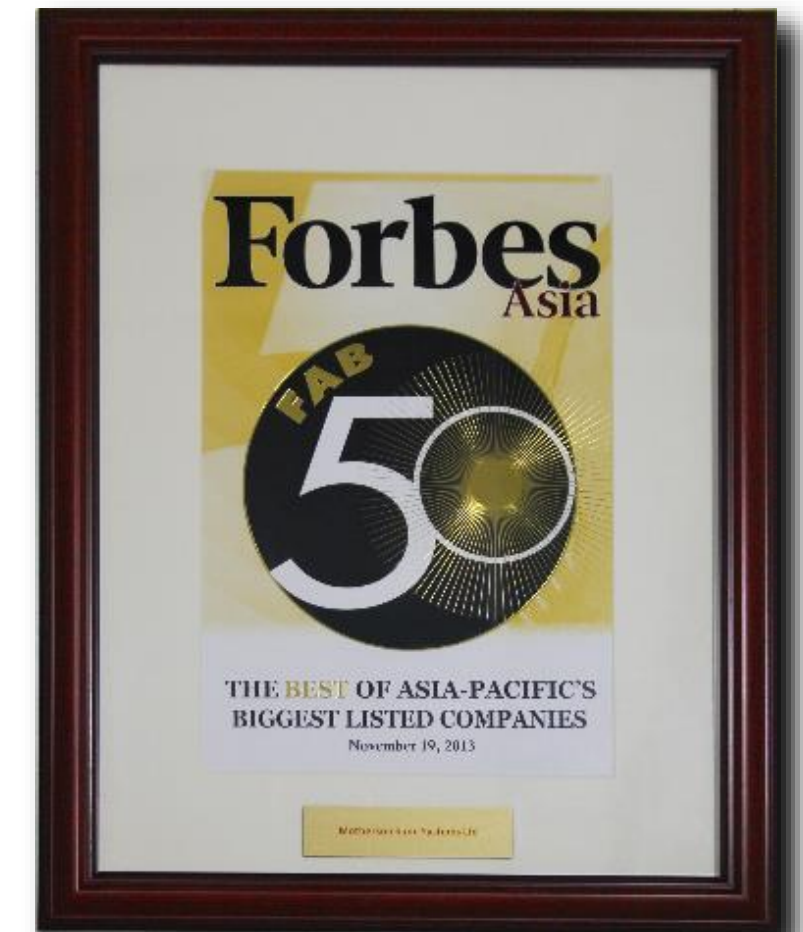
NET WORTH
Rs crore

AUTO ANCILLARIES

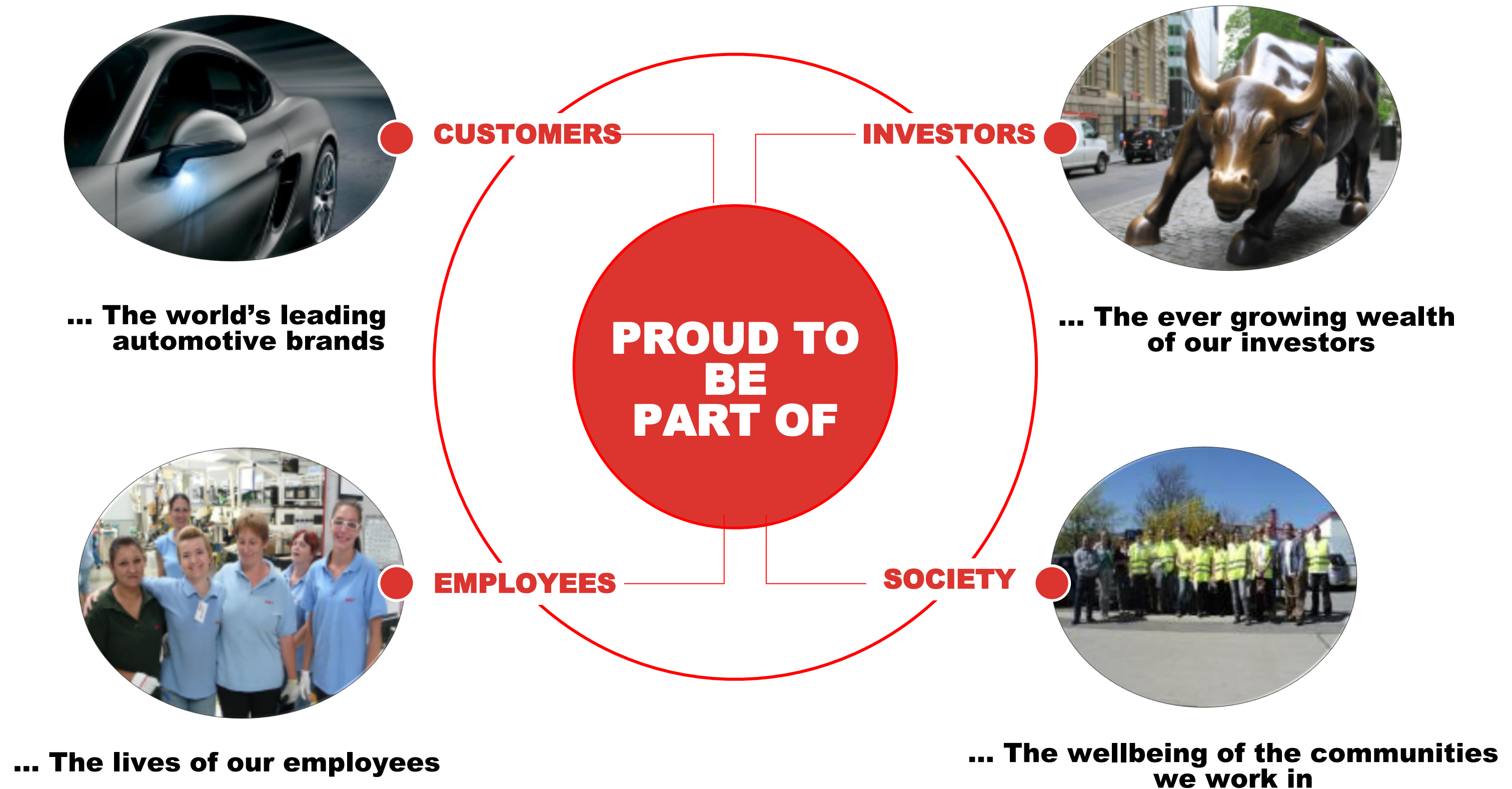
1	MOTHERSON SUMI SYSTEMS	37	38962.30	1273.70	12446.60	4236.00
2	AMTEK AUTO	76	16792.21	-987.09	20758.75	5900.40
3	SUNDARAM CLAYTON	100	12597.10	243.50	3532.68	1331.98
4	BOSCH	120	10936.50	1248.10	8775.80	8288.80
5	VARROC ENGINEERING	155	8578.62	245.51	3490.76	1847.94
6	GNARAT FORGE	170	7927.46	649.99	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 588 // DECEMBER 2016

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Value creation for all Stakeholders.





Thank you.

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