



The Mother's story.



November 2017

Photo by Rajarishi Mitra.

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.**

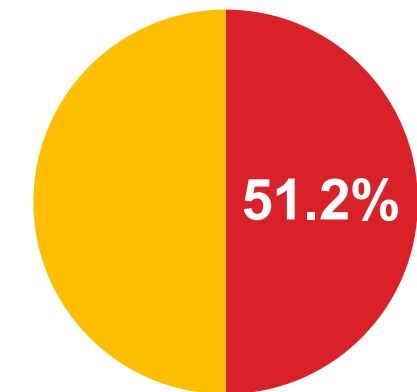
MSSL's core business units.

- 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,

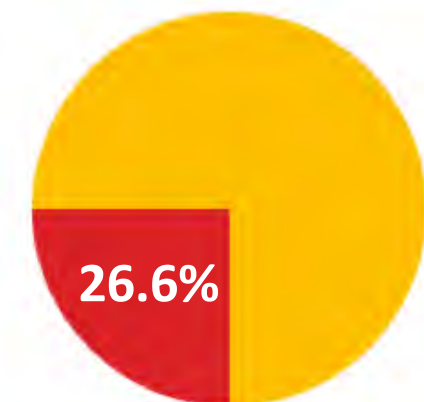
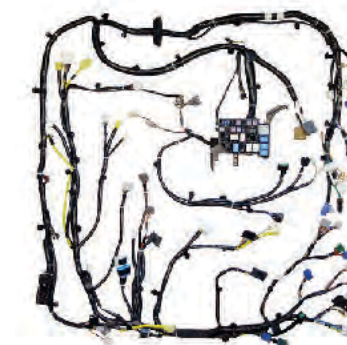
01 Modules, bumpers, door trims and plastic parts



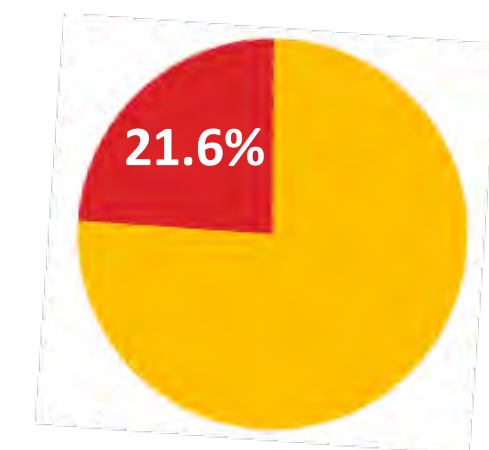
% of MSSL sales*.



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

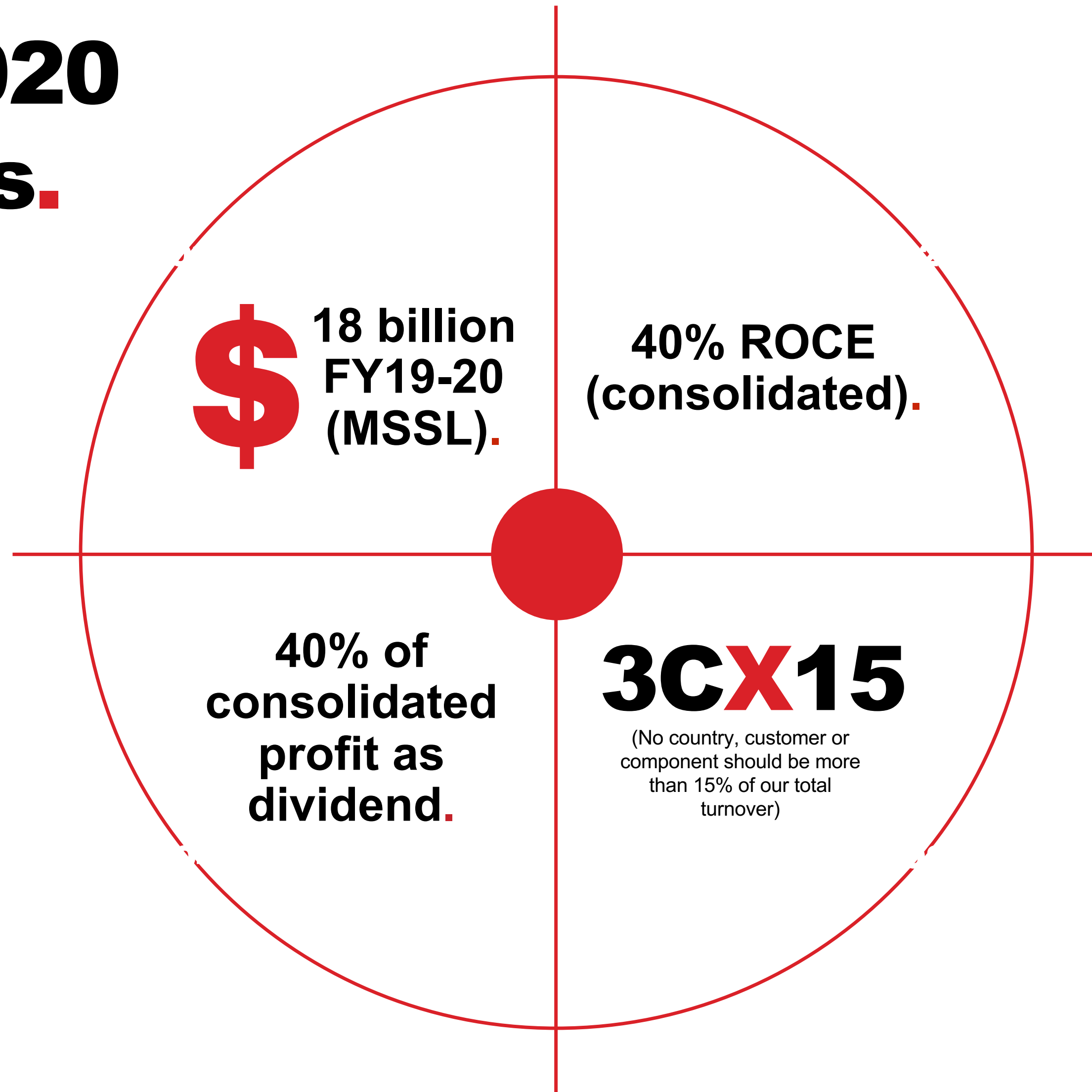
5 Year targets & our achievements.

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.

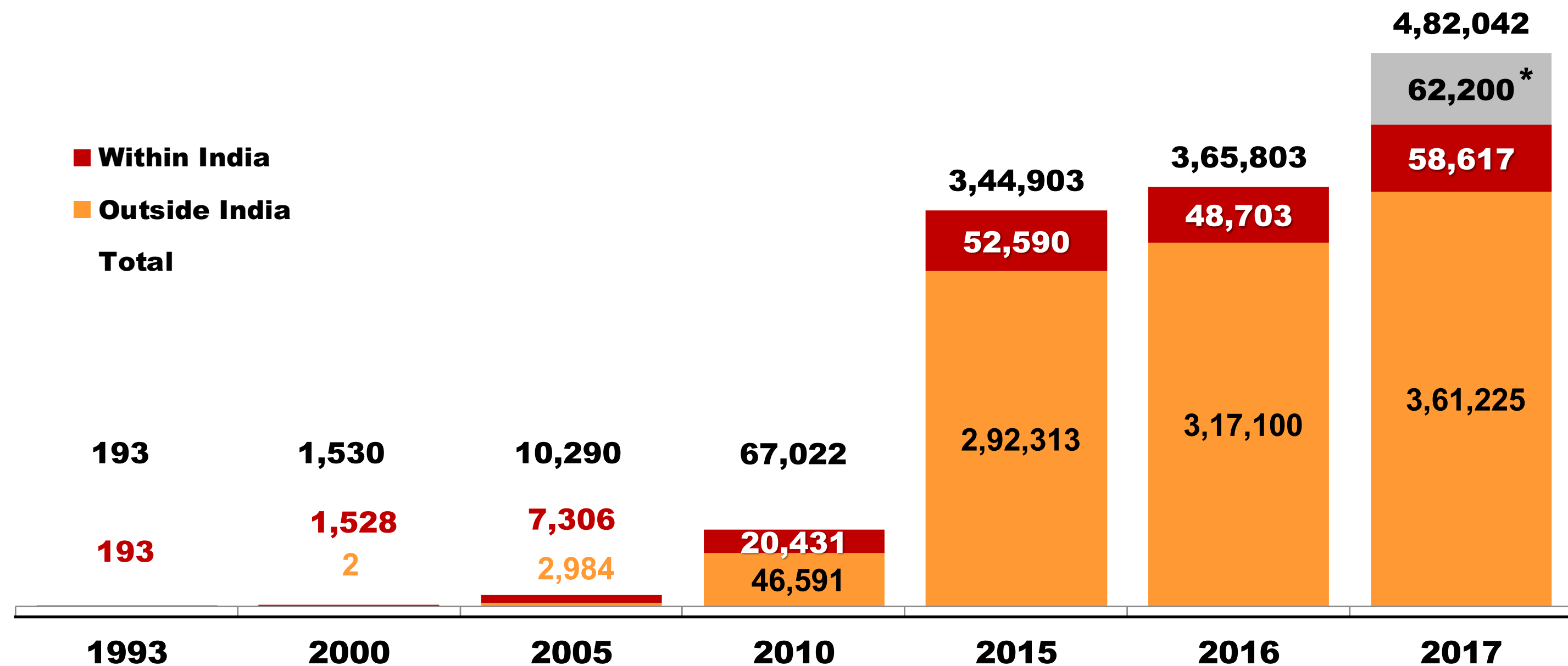
Our 5th
five-year
plan.



02 Our path of profitable growth.

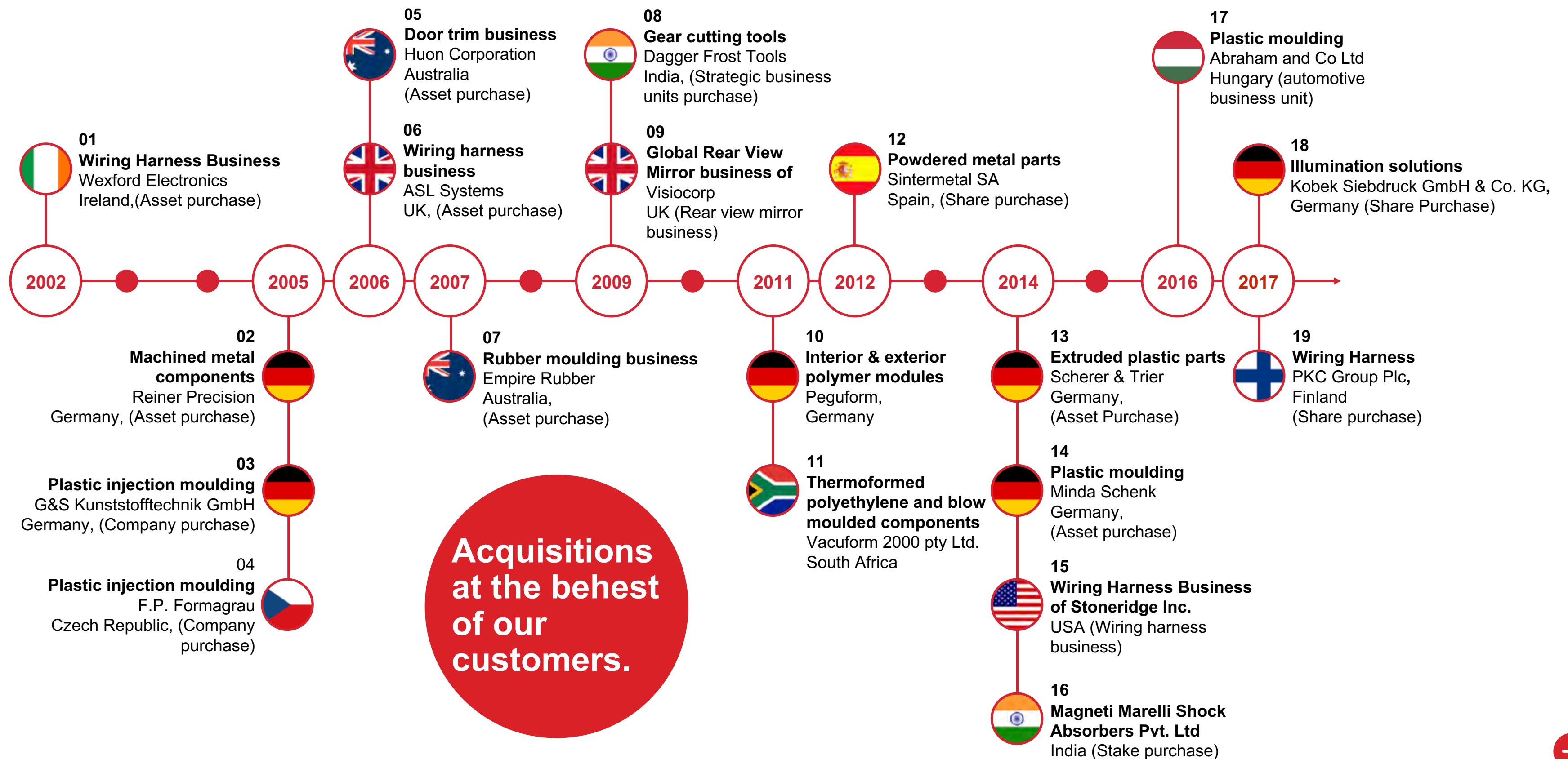
Delivering growth while statying disciplined.

- MSSL consolidated revenues
(Rs. in millions)



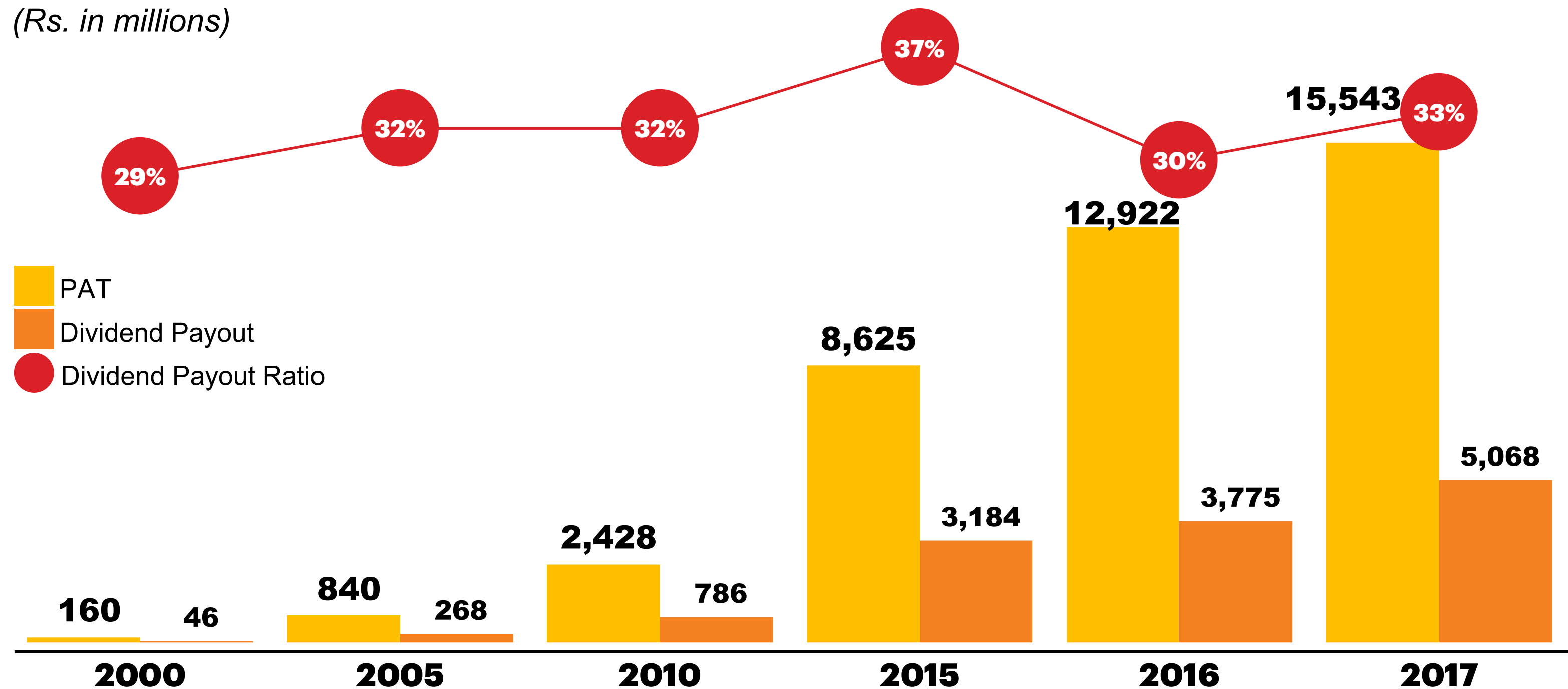
Acquisitions.

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)



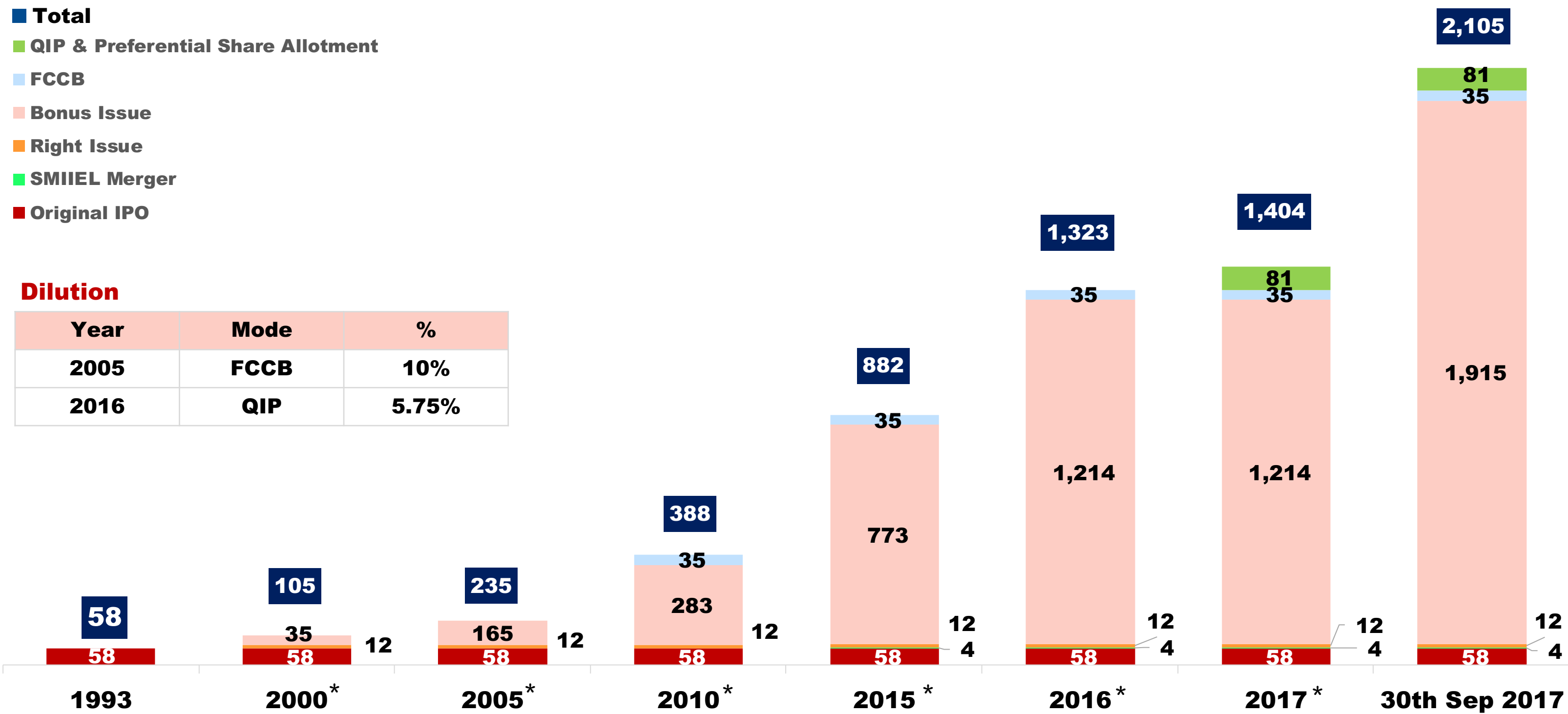
Current share capital.

(Rs. in millions)

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

Dilution

Year	Mode	%
2005	FCCB	10%
2016	QIP	5.75%

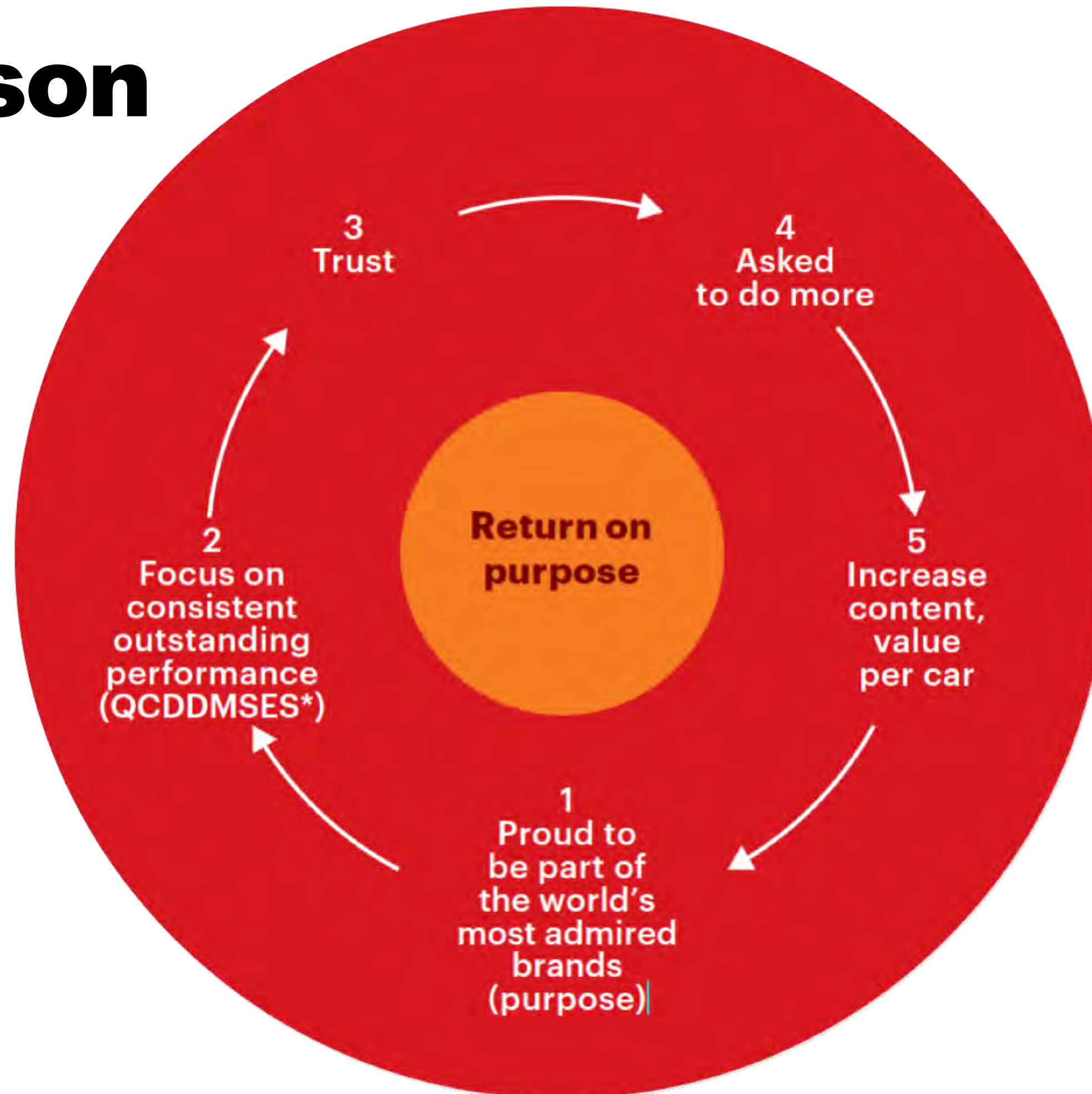


* As of 31st March of corresponding FY



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.

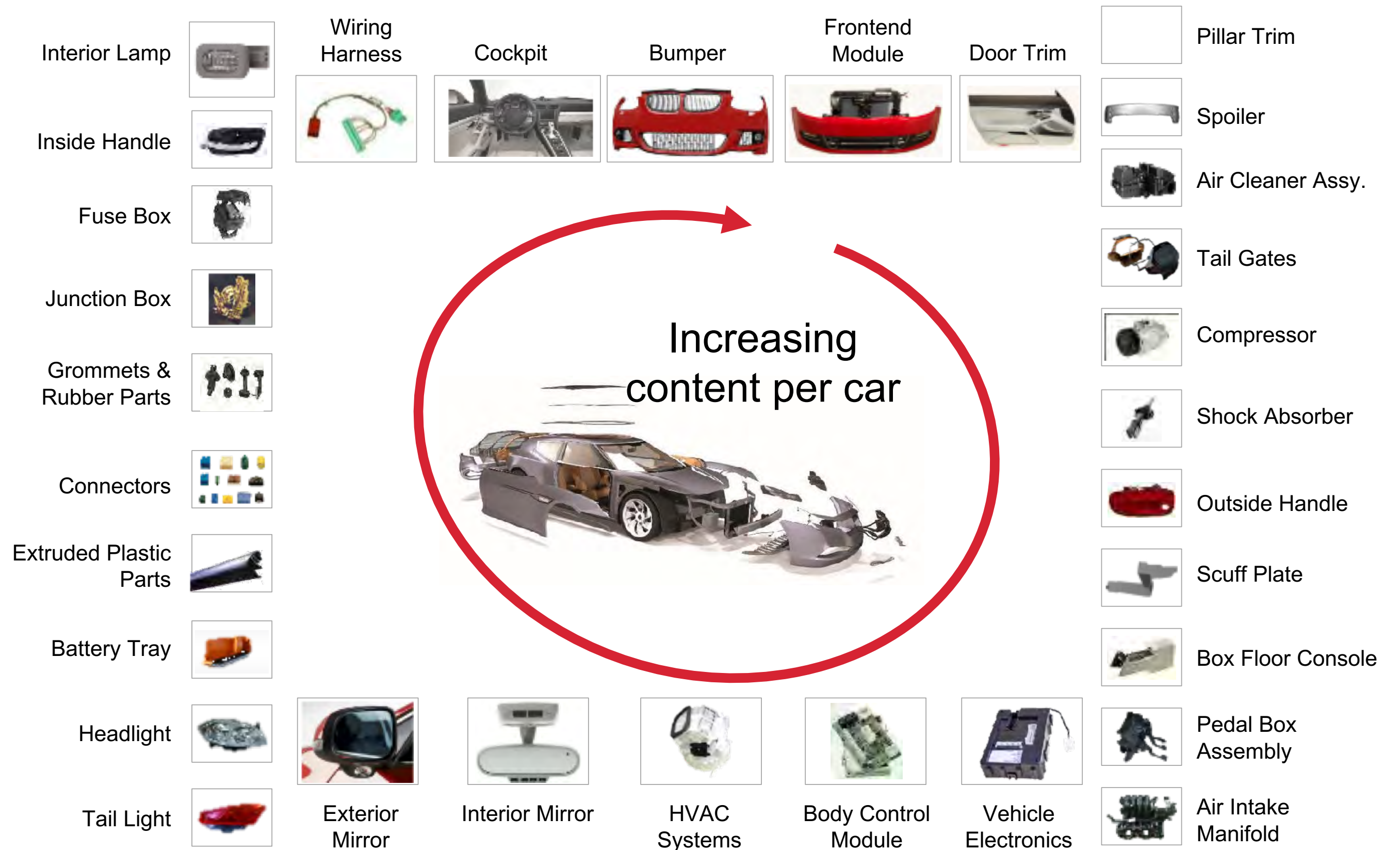
5. Management

Lead the organisation with the highest governance standards.



Increasing content per car : a “not yet” company.

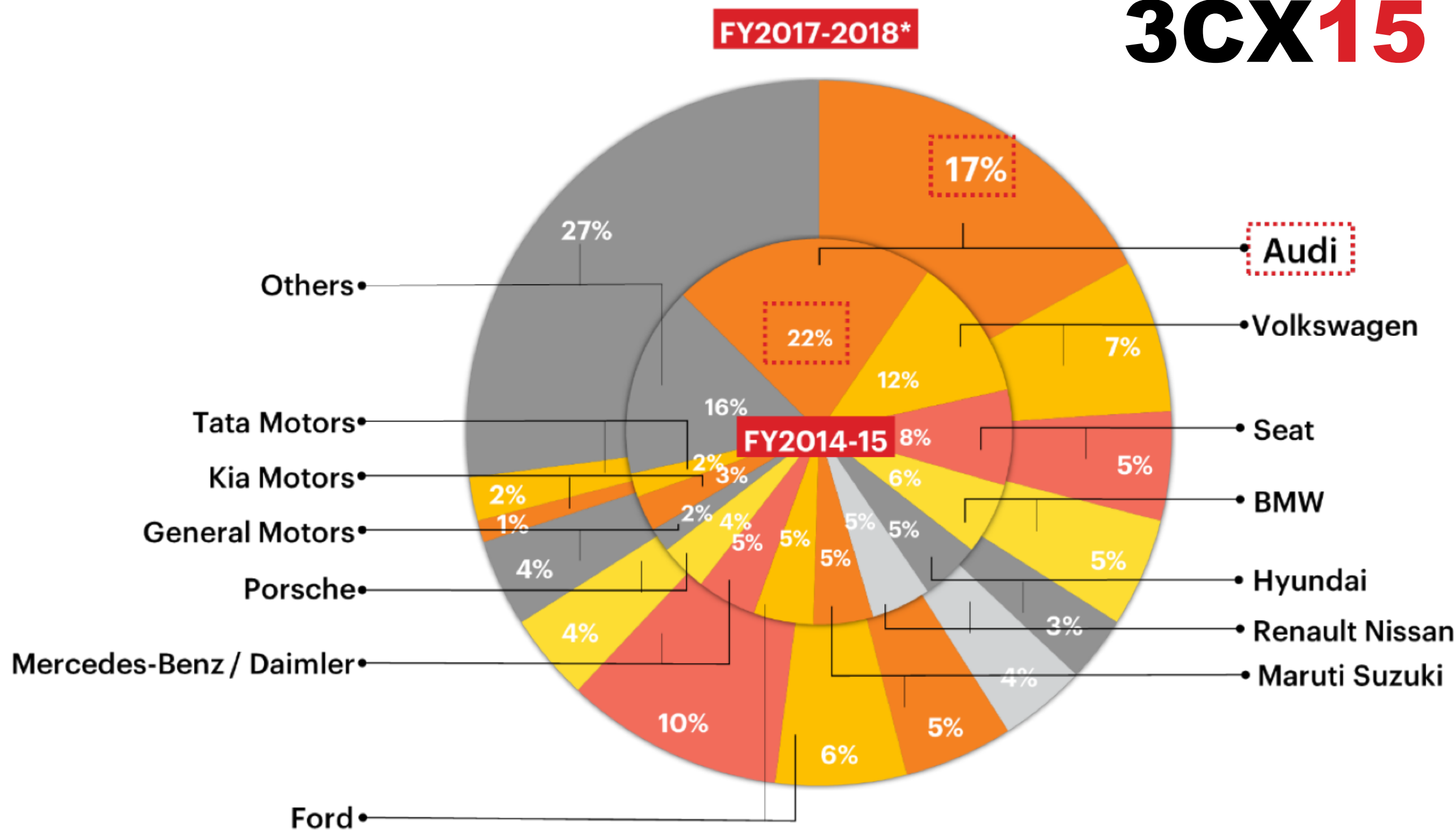
Focus on giving the best suited solutions to customers. with an open mind. In the process, we increase content per vehicle, serve more geographies, get new technologies, make new acquisitions, etc.



Customer-wise revenue breakup.

Rolling stock has been added as a new customer segment.

3CX15



ROLLING STOCK

ALSTOM

BOMBARDIER



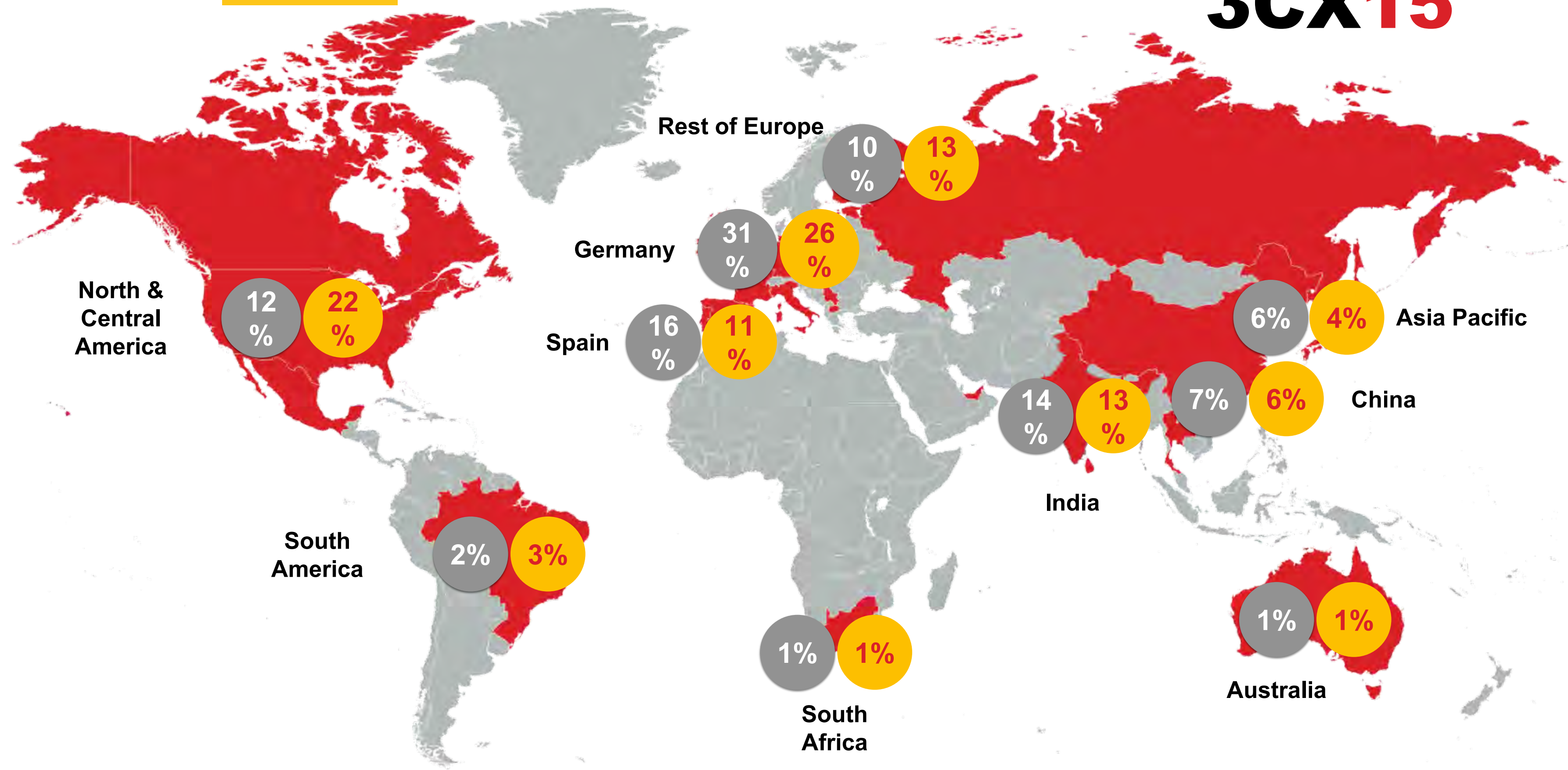
AUTOMOTIVE



Region-wise breakup.

FY2014-2015
FY2017-2018*

3CX15

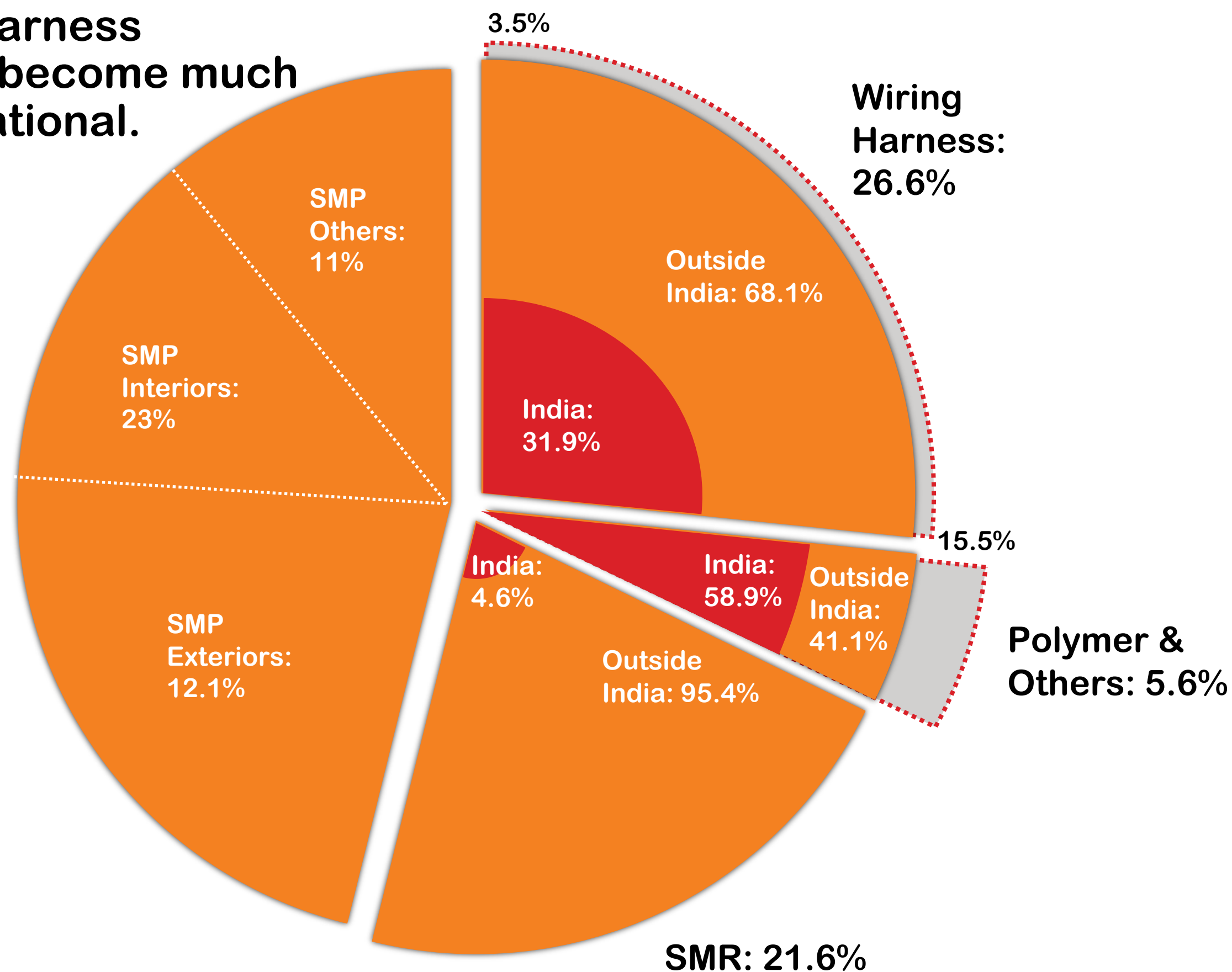


02 Business-wise revenue breakup.

FY 2017-18*

The wiring harness division has become much more international.

SMP: 46.1%
Outside India: 100%



Sales to other divisions

A person in a white and blue jumpsuit is skydiving over a deep, rugged canyon. The canyon walls are steep and rocky, with some green vegetation at the bottom. A river flows through the valley floor. The sky is blue with scattered white clouds. The text is overlaid on the left side of the image.

Top line is vanity.

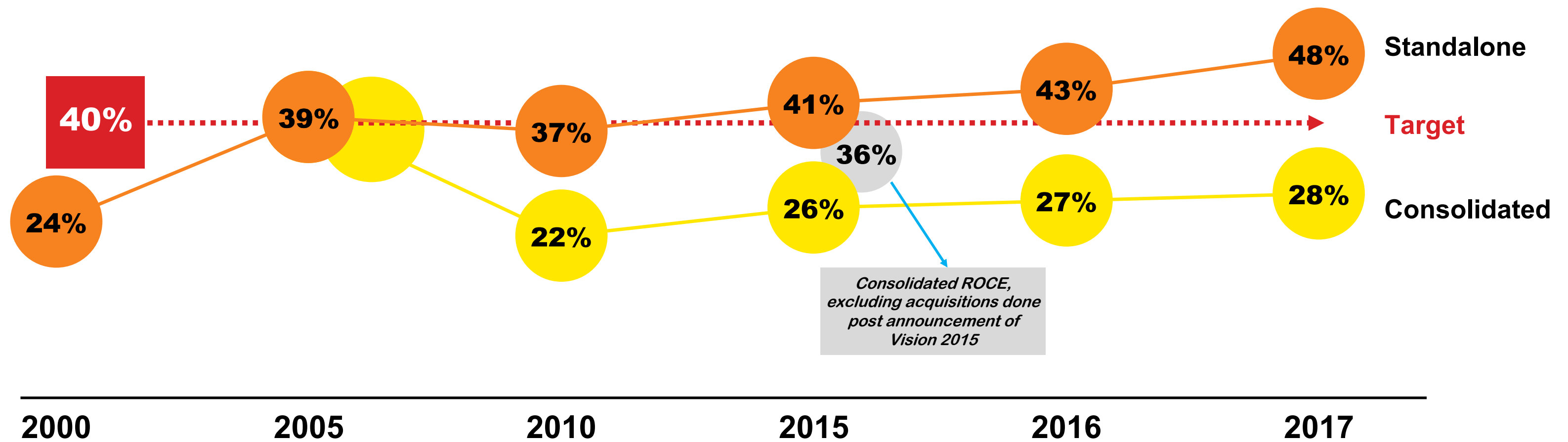
Bottom line is sanity.

**Cash in bank
is reality.**

Never pursue
top line for the
sake of topline
only.

A strong focus on ROCE.

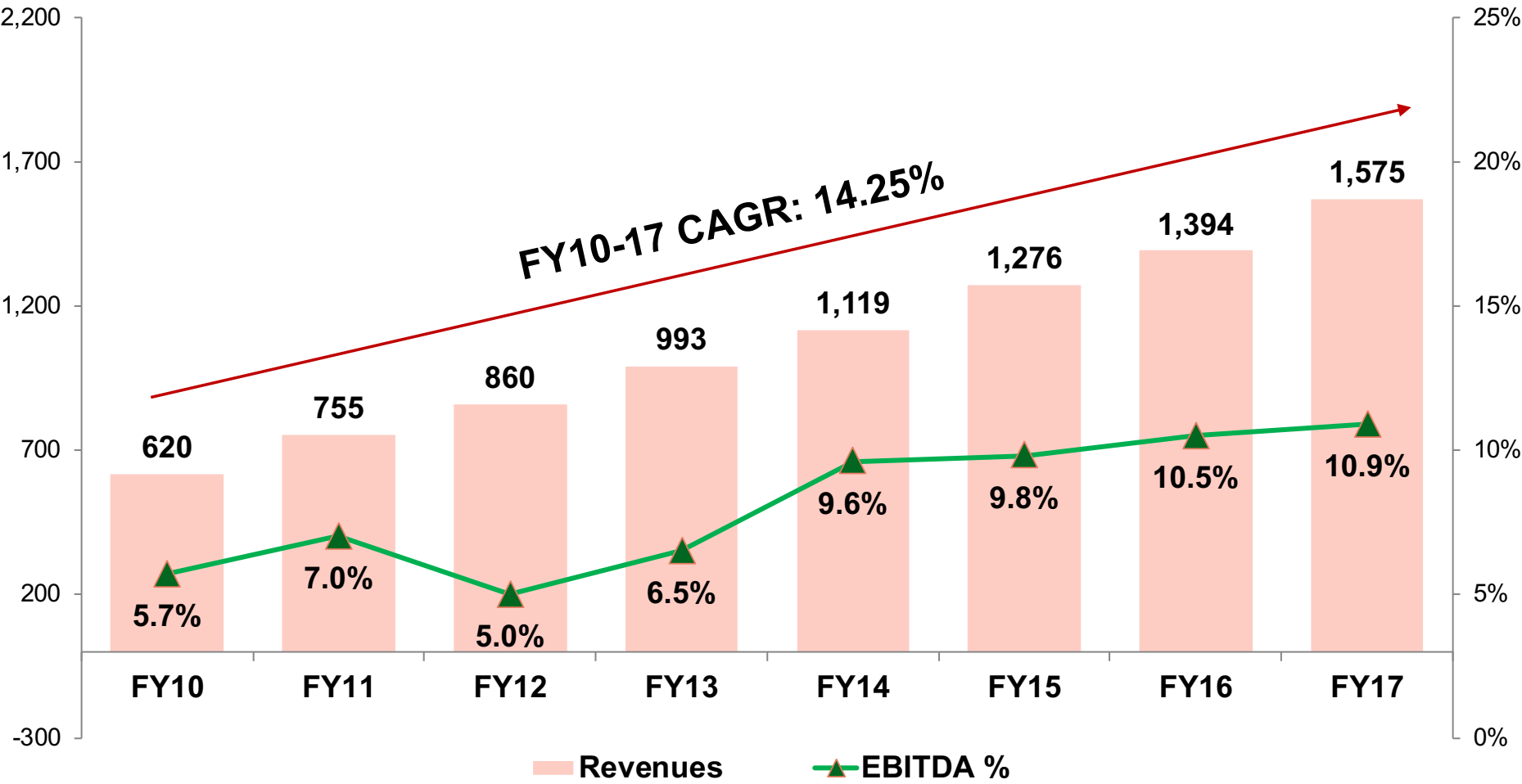
- Return on Average Capital Employed (ROACE) for MSSL in our 5-year plans.
- All time high ROCE for Standalone at 48%



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

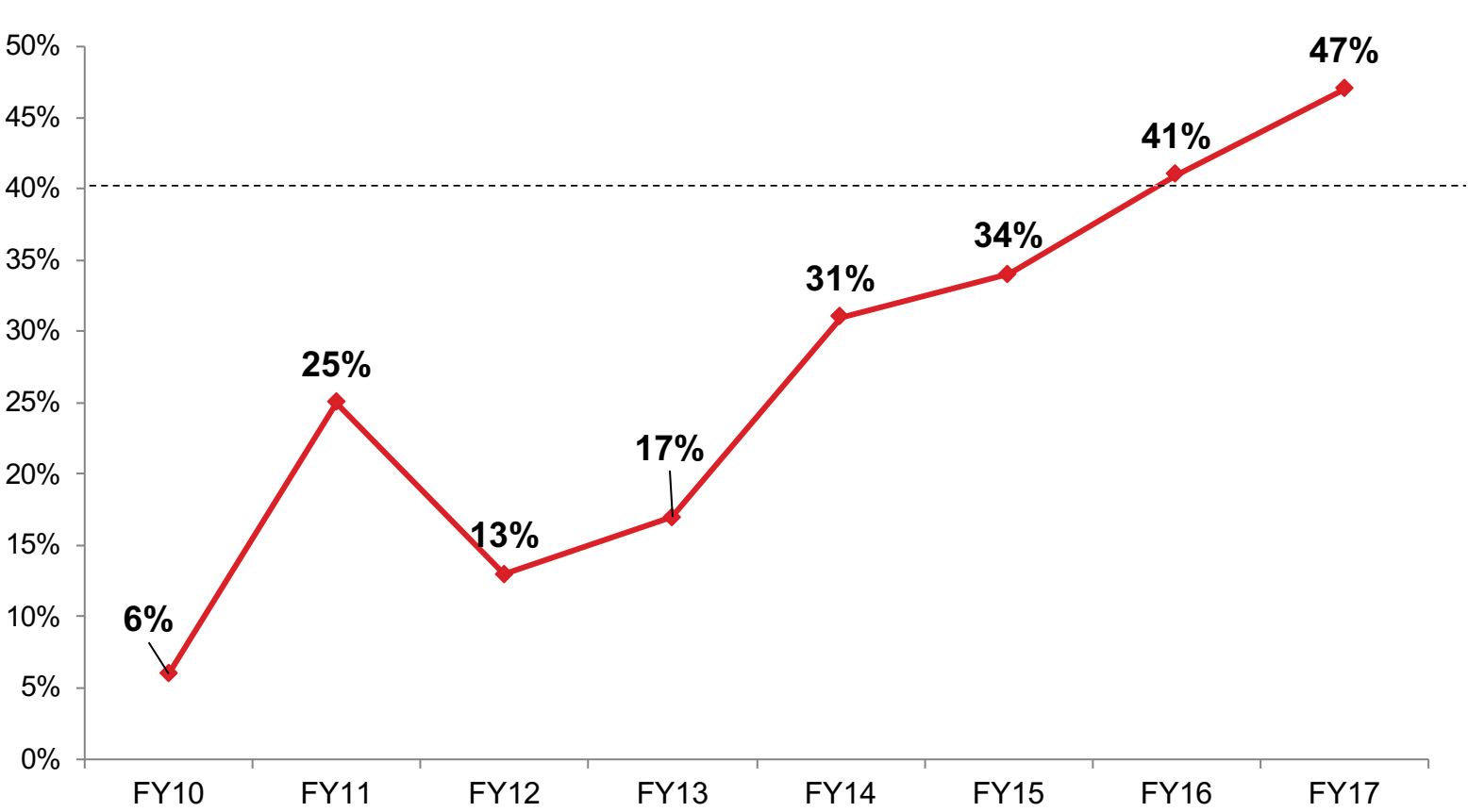
Revenue and EBITDA margins

(€m)



ROCE

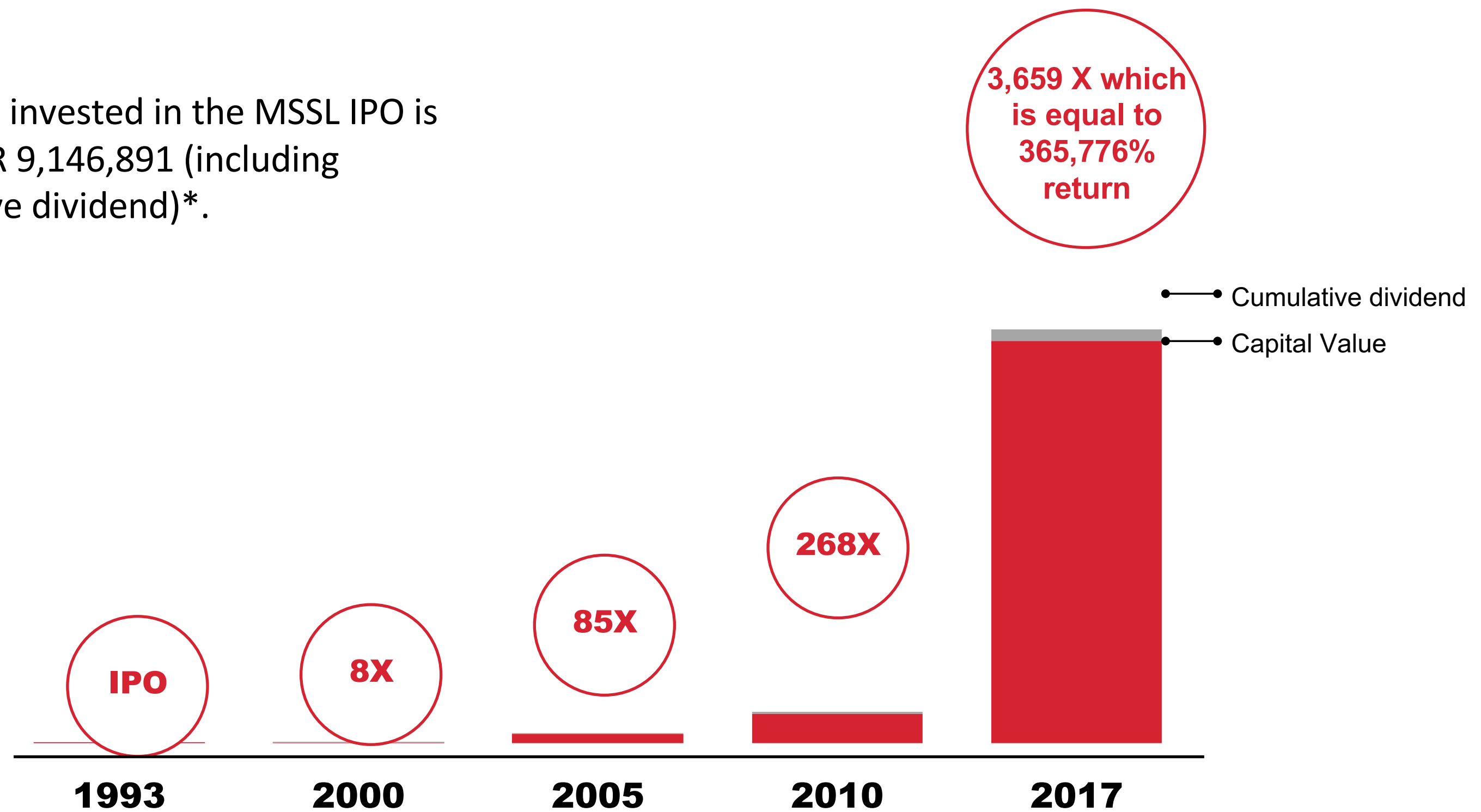
(%)



04 Implications.

Returns to shareholders.

- INR 2,500 invested in the MSSL IPO is worth INR 9,146,891 (including cumulative dividend)*.



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

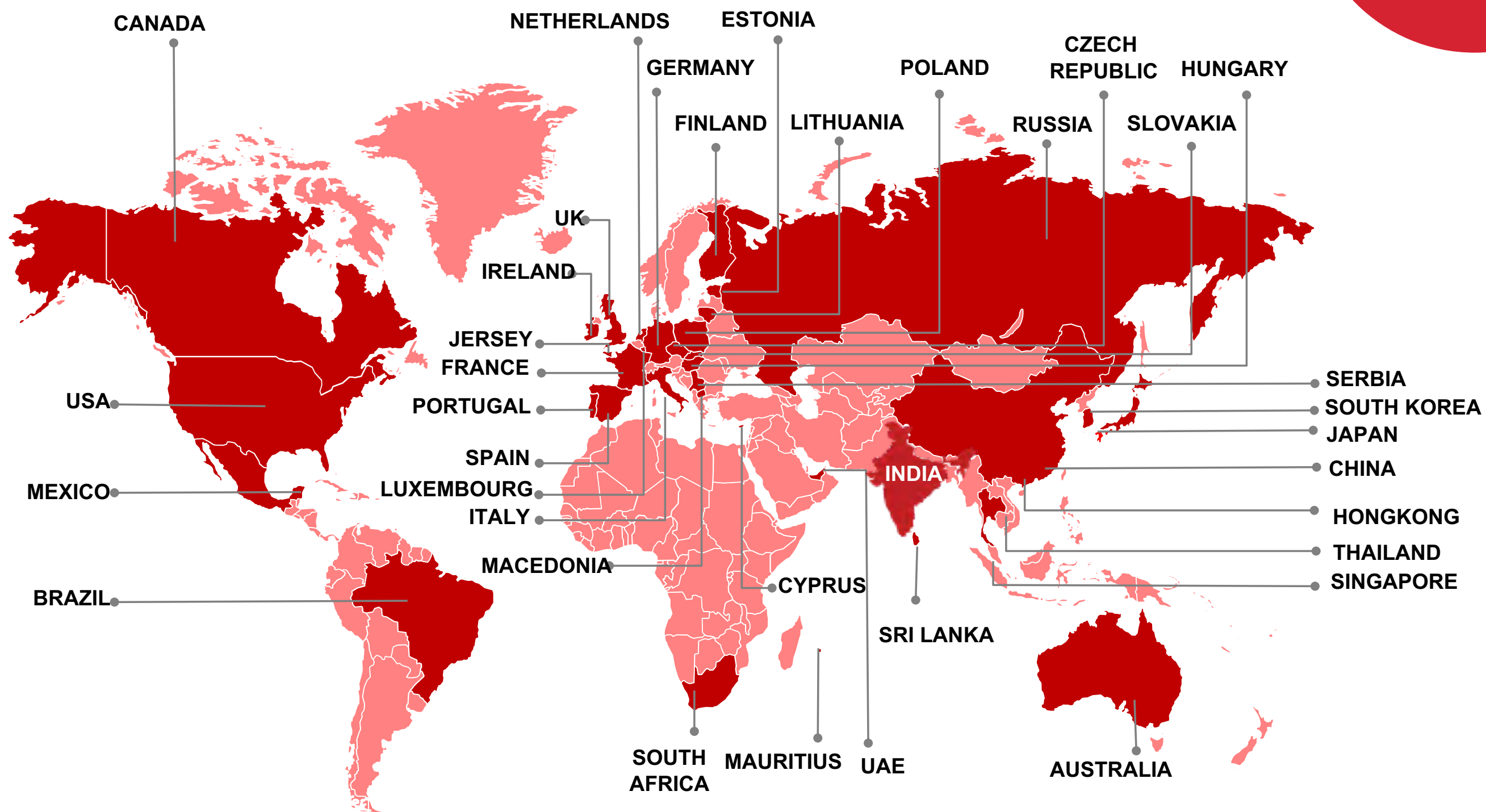
June-15

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...

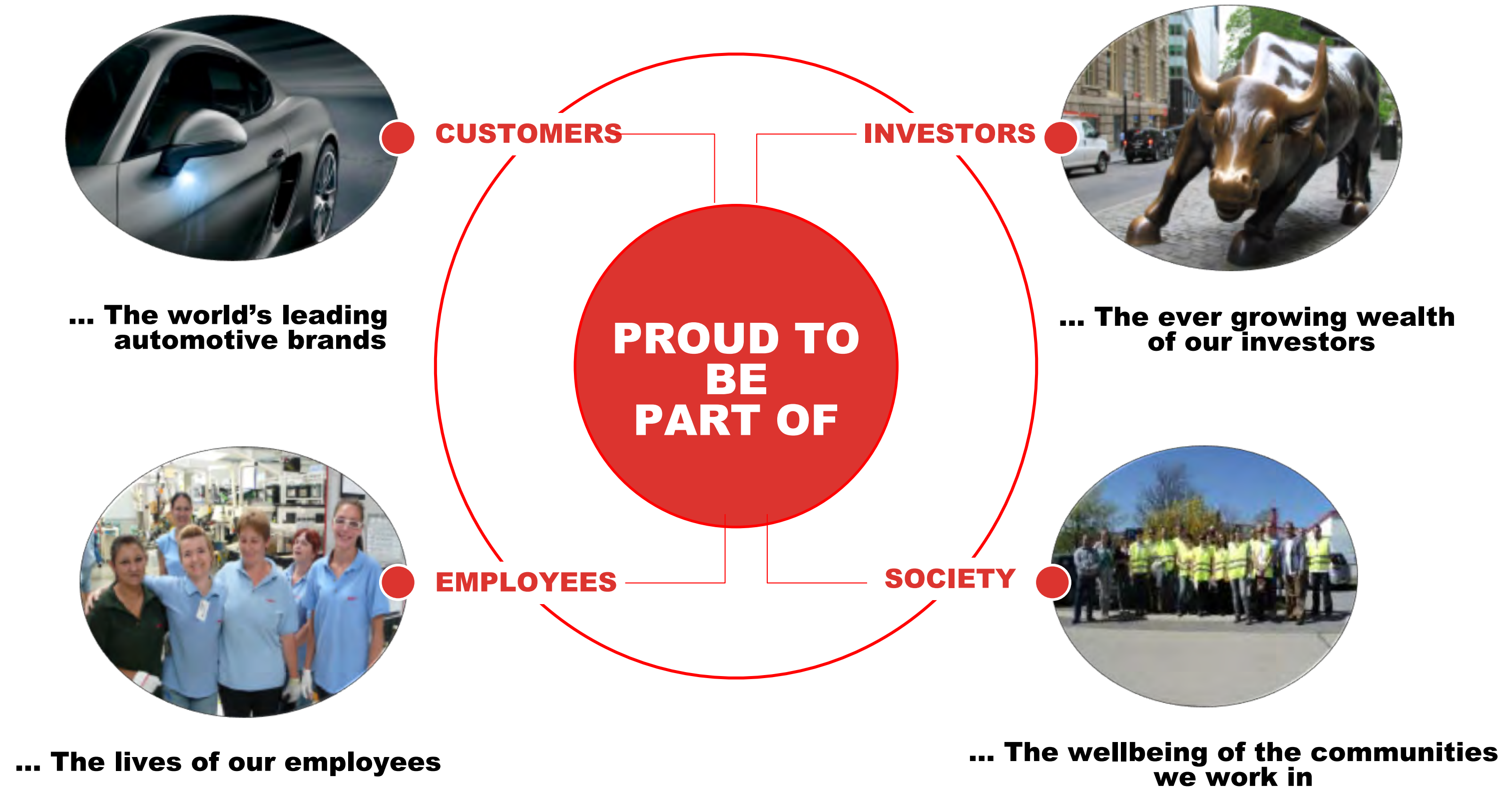
SMG's ranking has gone up from 40th in 2014 to 26th in 2016 in global automotive suppliers by Automotive News

[illegible]

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



Value creation for all Stakeholders.





Thank you.

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.