

The Motherson story

November 2017



O1 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.



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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

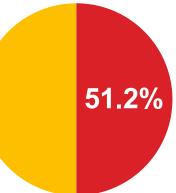


02 Wiring harnesses

03 Rear view mirrors



% of MSSL sales*.





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

To be a globally preferred solutions provider.



5 Year Plans

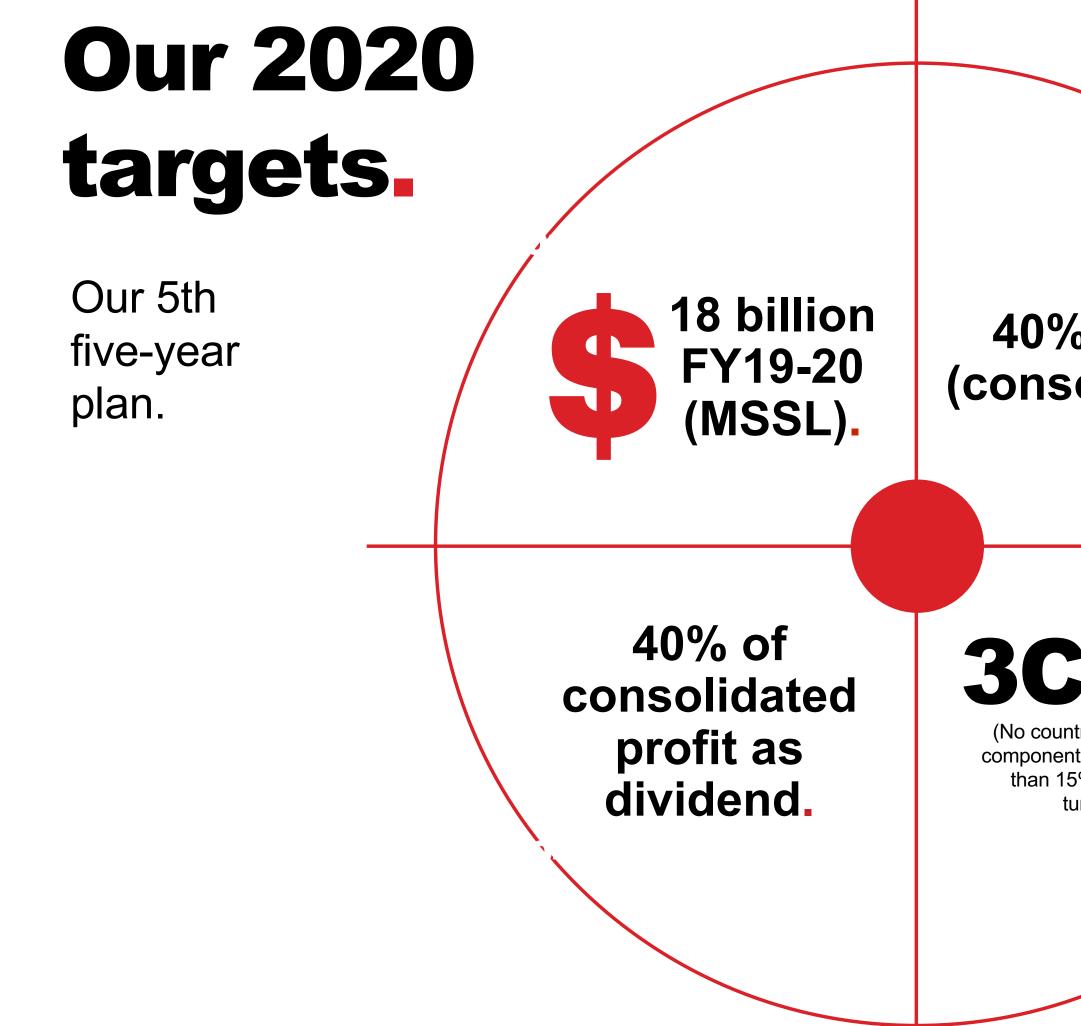
Since 1999-2000 we started to print our targets for the next 5 year plans in our Annual Report.

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	Achieved	Make MSSL a Billion Dollar	Achieved	Make MSSL a 5 Billion Dollar Company	Achieved USD 5.5 Bn	
(Consolidated) by the year 2005	Rs. 1029 Crores* *taking full turnover of JVs	Company 60% of our consolidated turnover should cater to the requirements of	USD 1.5 Bn Sales from customers outside	70% of our consolidated turnover should cater to the requirements of our customers	Sales from customers outside India is 85%	
Achieve 30% of sales from global customers	Sales from customers outside India was 29%	our customers outside India Contribution from any individual	India was 70% Single largest	outside India Global Presence in 26-27 countries	Presence in 25 countries	
Not to have dependence of over	Largest customer contributed 27% of	customer in our turnover shall not be more than 20% of the total turnover	customer contributed 15% of the total turnover		26%* (on consolidated basis) 36% (Excluding Acquisitions done post announcement of Vision 2015) 41% (on standalone basis)	
25% on any one source Attaining	the total turnover ROCE of 39%	Strive to maintain business ROCE of 40%	ROCE of 37% (standalone basis)	Achieve ROCE of 40%		
Return on Capital Employed of 40%	(on both Consolidated & Standalone Basis)	Shift our stated dividend policy of	ROCE of 22% (consolidated basis) Dividend Payout			
Dividend Payout Ratio 40%	Dividend Payout Ratio was 43% for	40% payout of the company's profits to 40% payout of the	Ratio 44% (Standalone)			
	2004-05	consolidated Profits	32% (Consolidated)	Dividend Payout Ratio of 40% of our consolidated net profit	Dividend Payout Ratio 37% (on consolidated bas 62% (on standalone basis	

Consistent Growth with Focus on Target ROCE of 40%



40% ROCE (consolidated).

3CX15

(No country, customer or component should be more than 15% of our total turnover)

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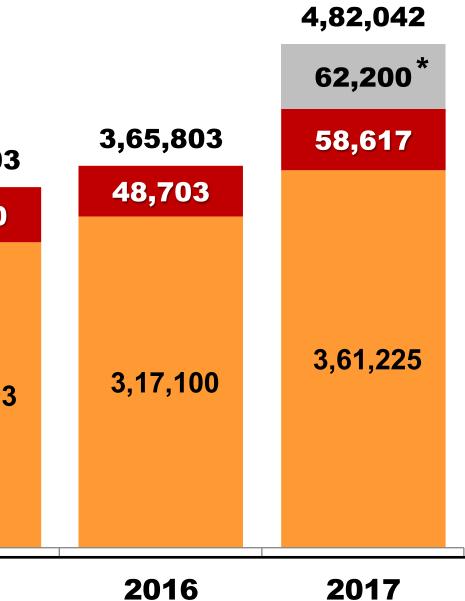
02 Our path of profitable growth.

Delivering growth while statying disciplined.

 MSSL consolidated revenues (Rs. in millions)

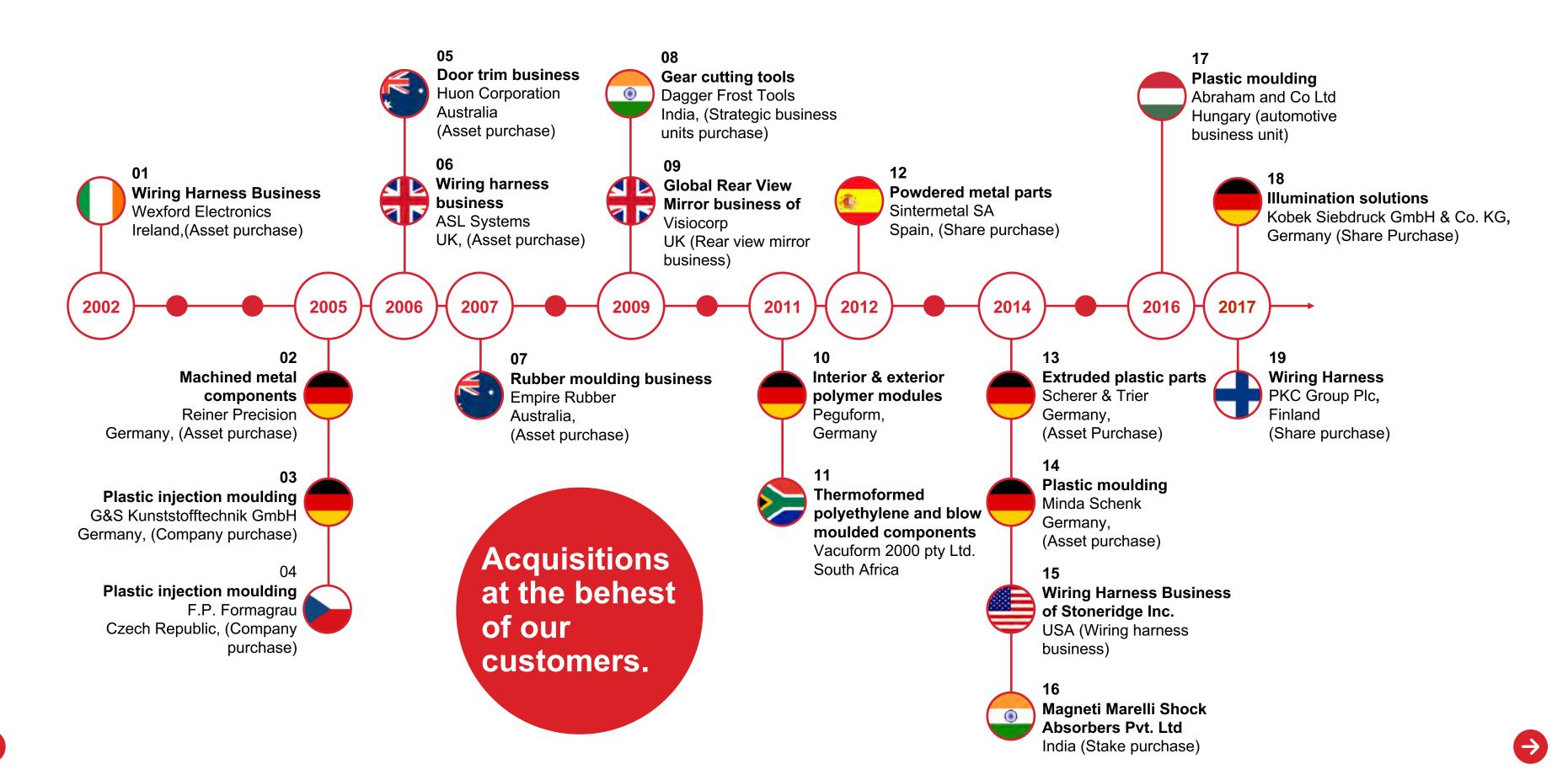
1993	2000	2005	2010	2015
193	1,528 2	7,306 2,984	20,431 46,591	
193	1,530	10,290	67,022	2,92,313
Total				52,590
Outside I	ndia			
Within In				3,44,903

* Revenues of PKC group (acquired at the end of March 2017) of Euro 845.67 million for 2016 on performa

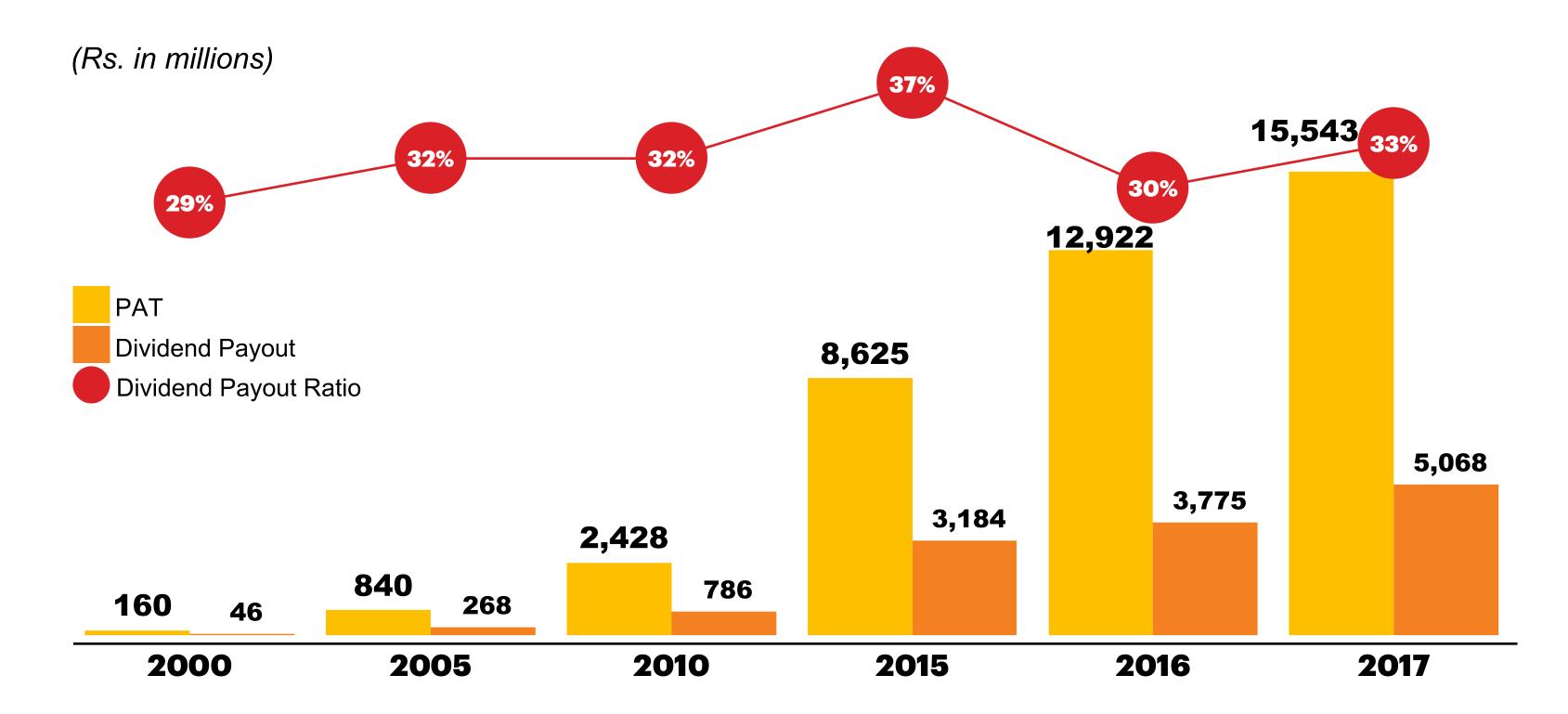


Acquisitions.

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





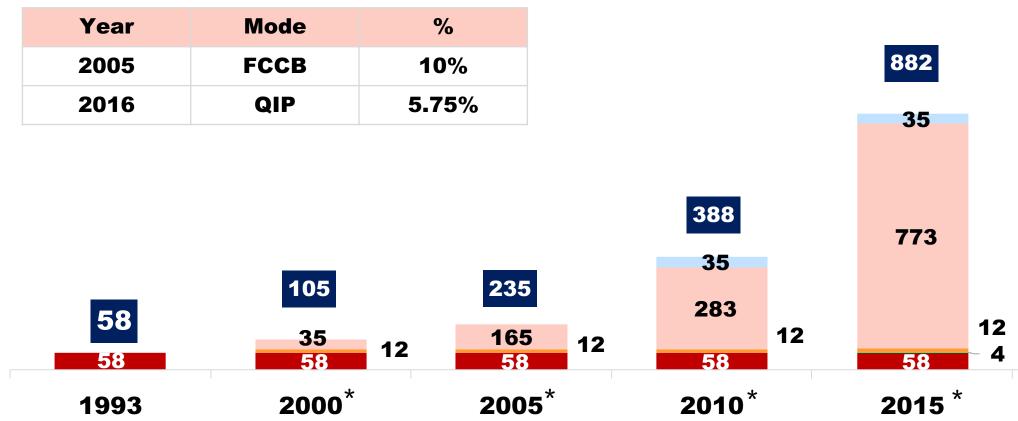
Current share capital

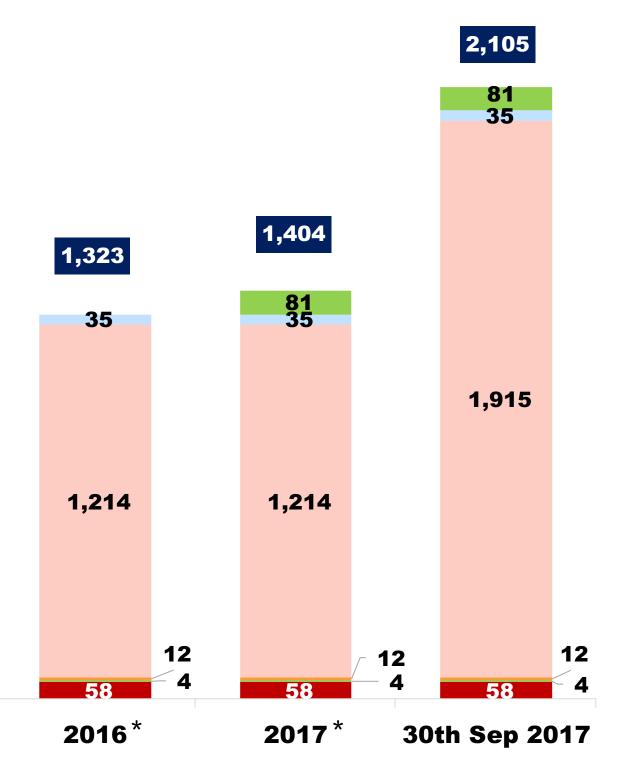
(Rs. in millions)

Total

- **QIP & Preferential Share Allotment**
- FCCB
- Bonus Issue
- Right Issue
- SMIIEL Merger
- Original IPO

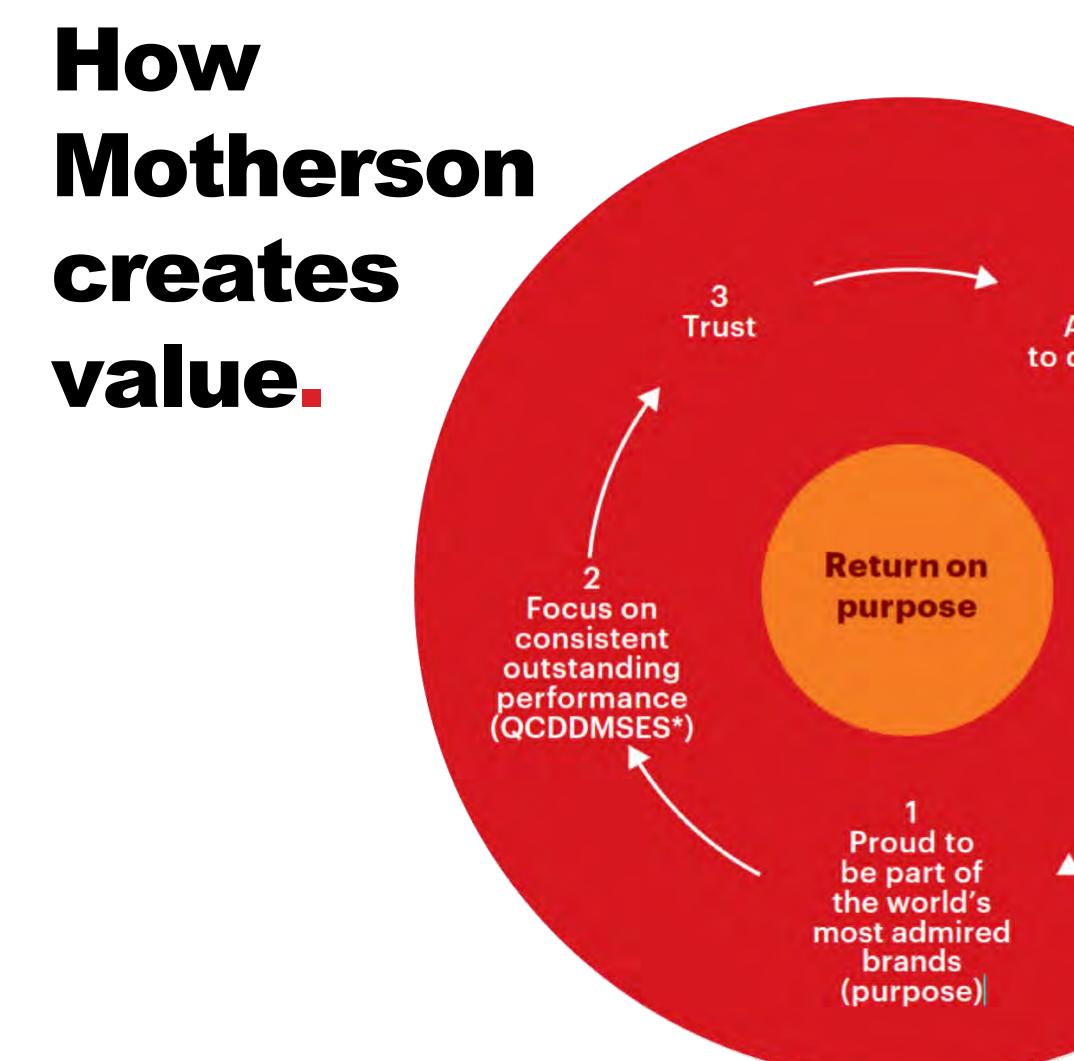
Dilution





03 Our "not so secret" recipe.





4 Asked to do more

> 5 Increase content, value per car

Strengthening customer trust via QCDDMSES performance.

1. Quality Seamlessly fit global quality standards of the customer.

8. Sustainability

Be committed to longterm greatness rather than transactional relationships.

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.

2. Cost Work at leading cost levels.

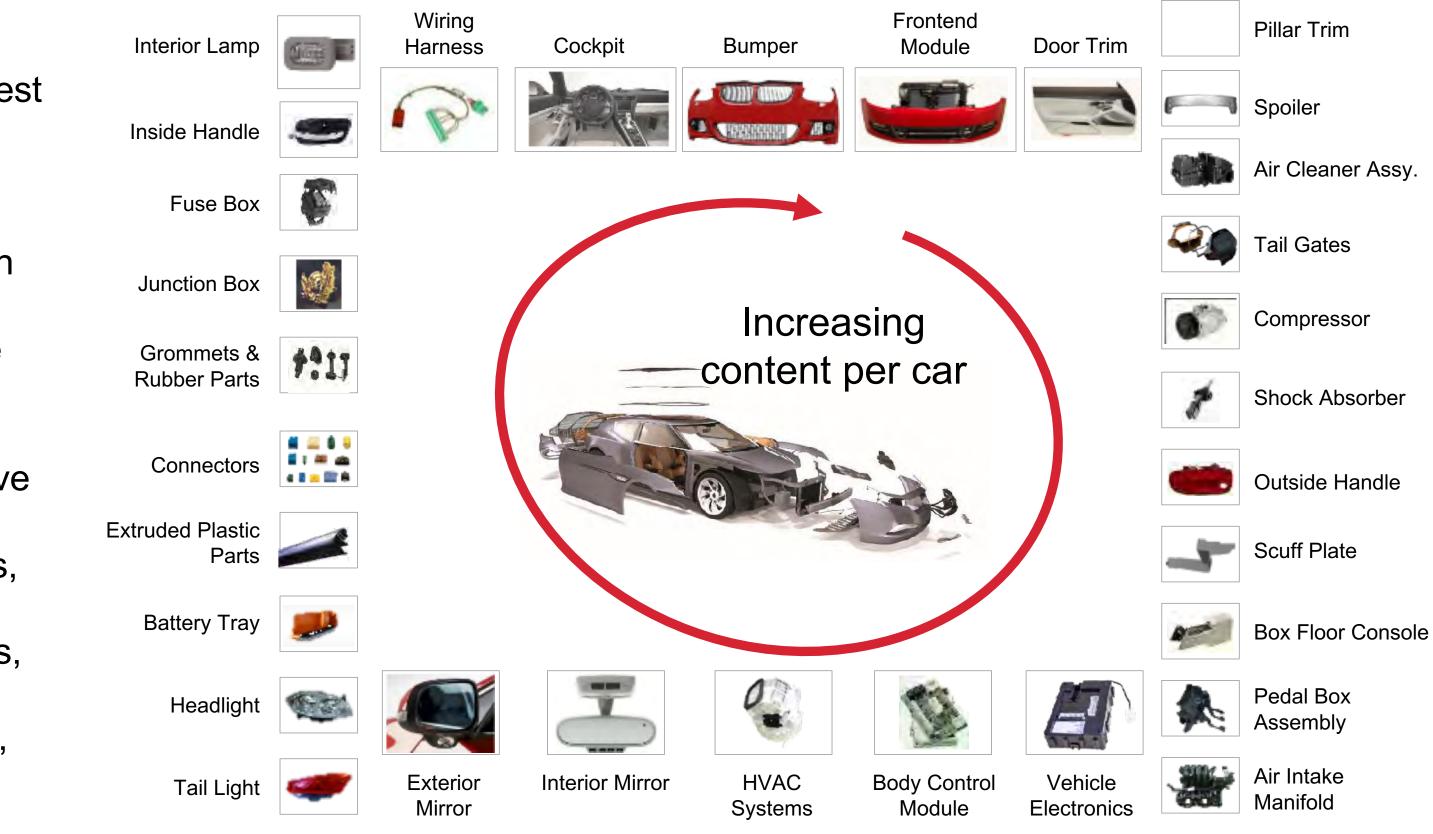
3. Design

Provide design support for current products and new concepts.

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

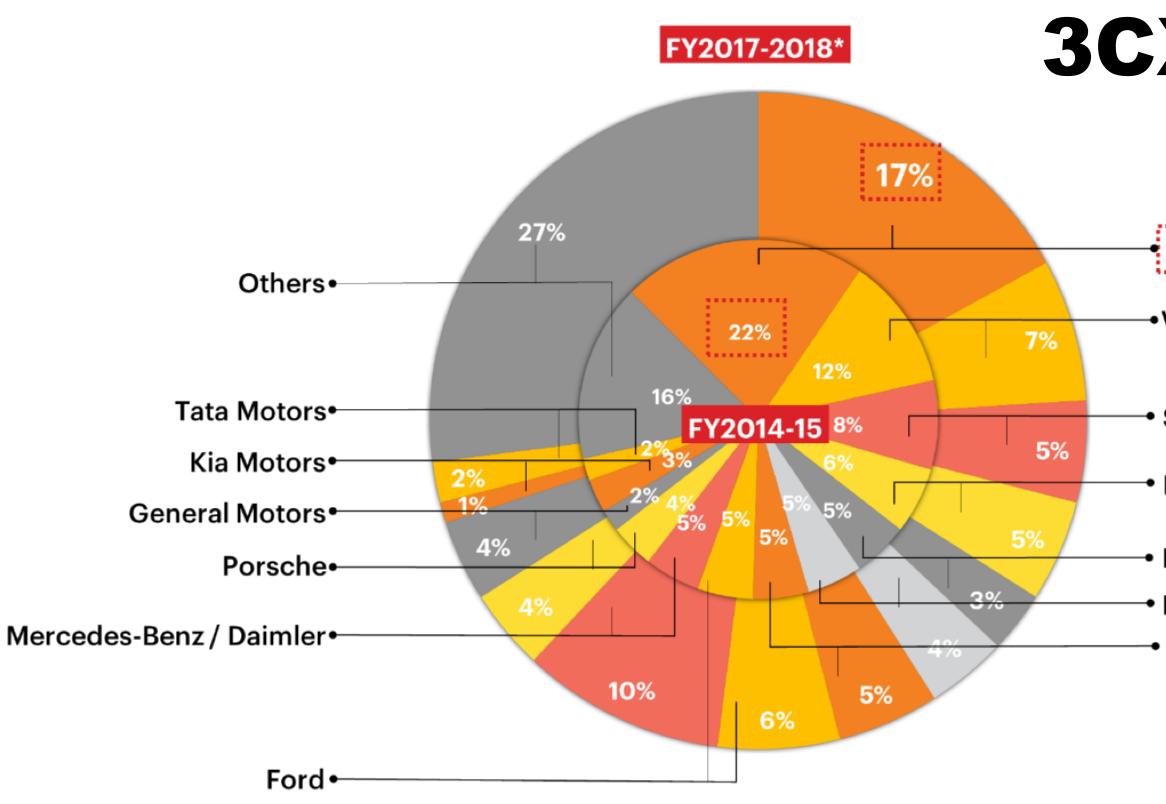
Increasing content per car : a "not yet" company.

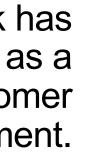
Focus on giving the best suited solutions to customers. with an open mind. In the process, we increase content per vehicle, serve more geographies, get new technologies, make new acquisitions, etc.





Customer-wise revenue breakup









Volkswagen

Seat

BMW

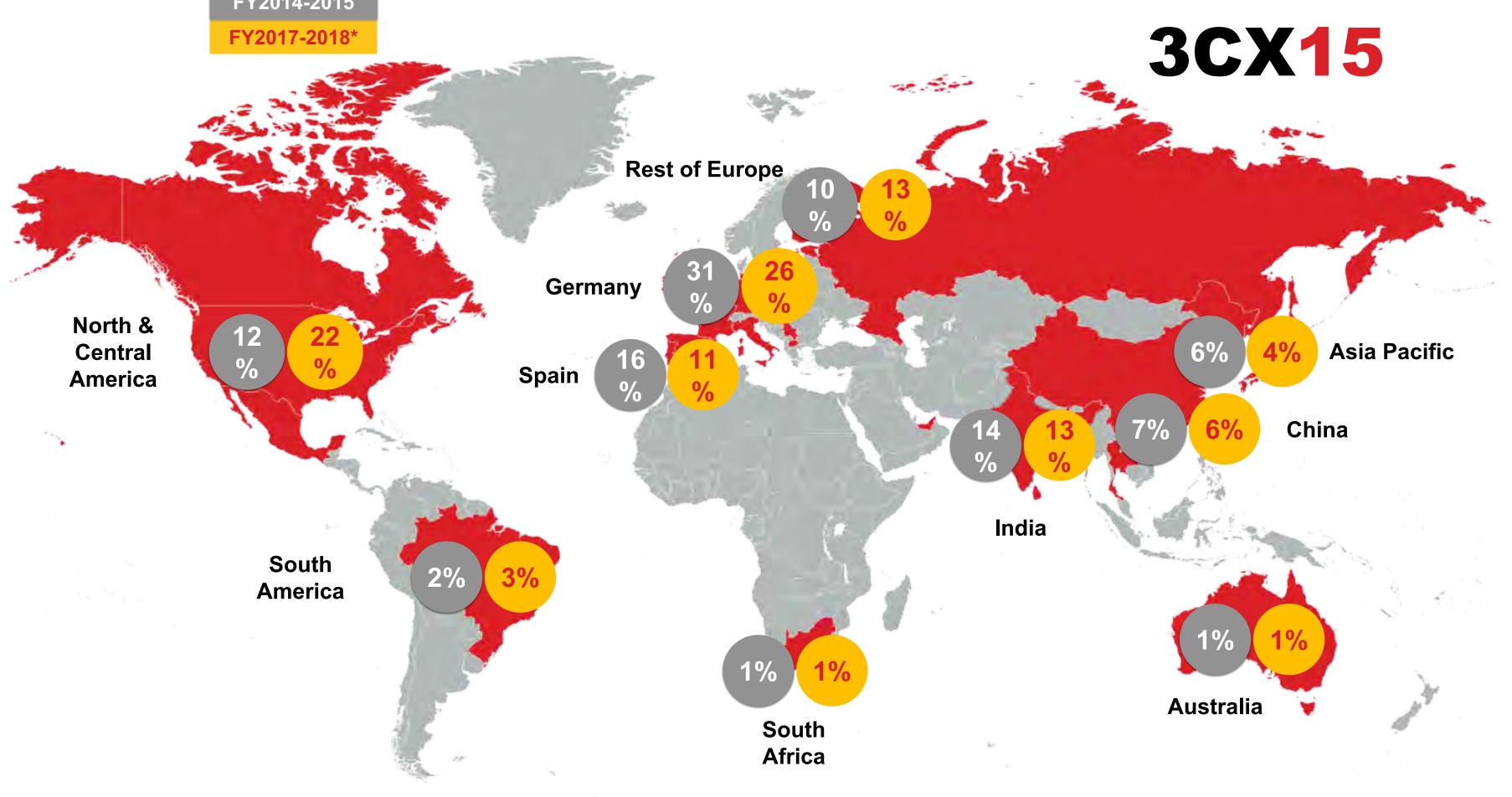
 Hyundai Renault Nissan Maruti Suzuki





Region-wise breakup

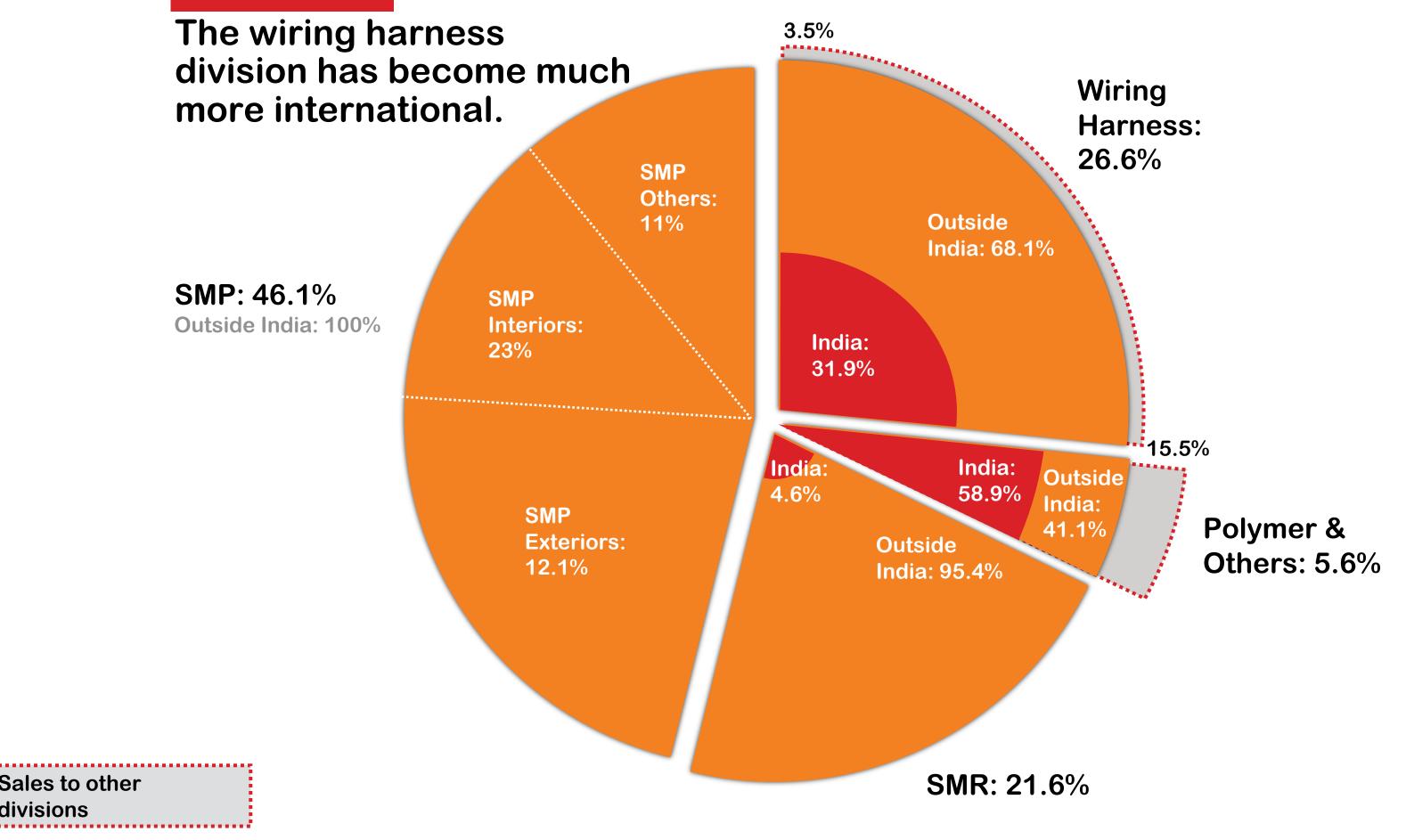




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02 Business-wise revenue breakup.

FY 2017-18*



Sales to other divisions

*Extrapolated to FY 2017-18

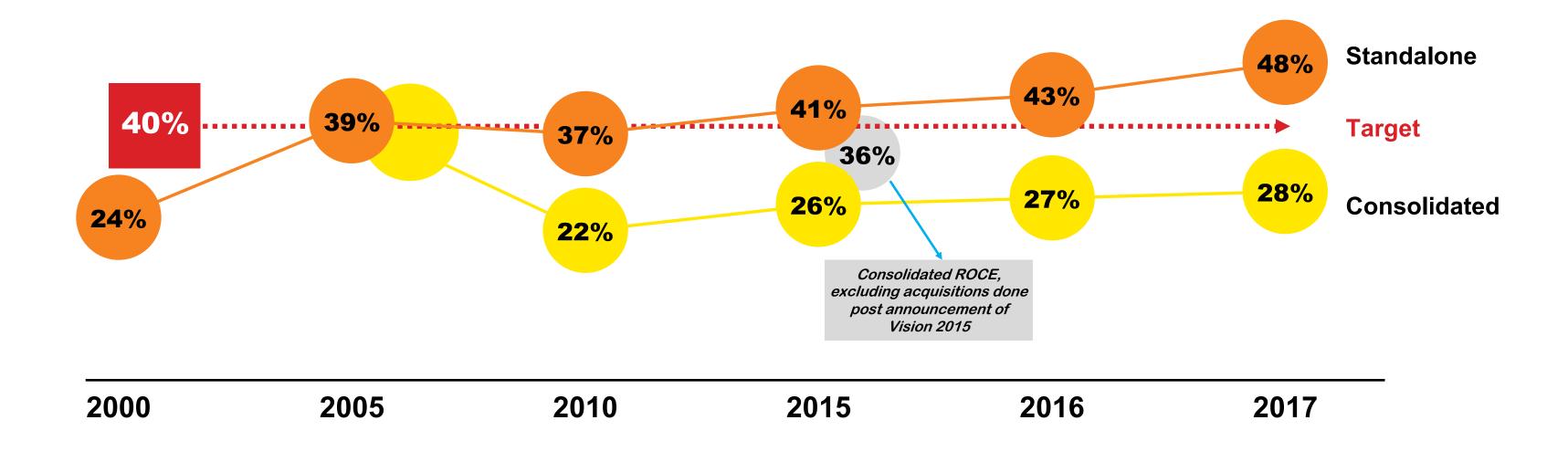
Top line is vanity. Bottom line is sanity

Cash in bank is reality

> Never pursue top line for the sake of topline only.

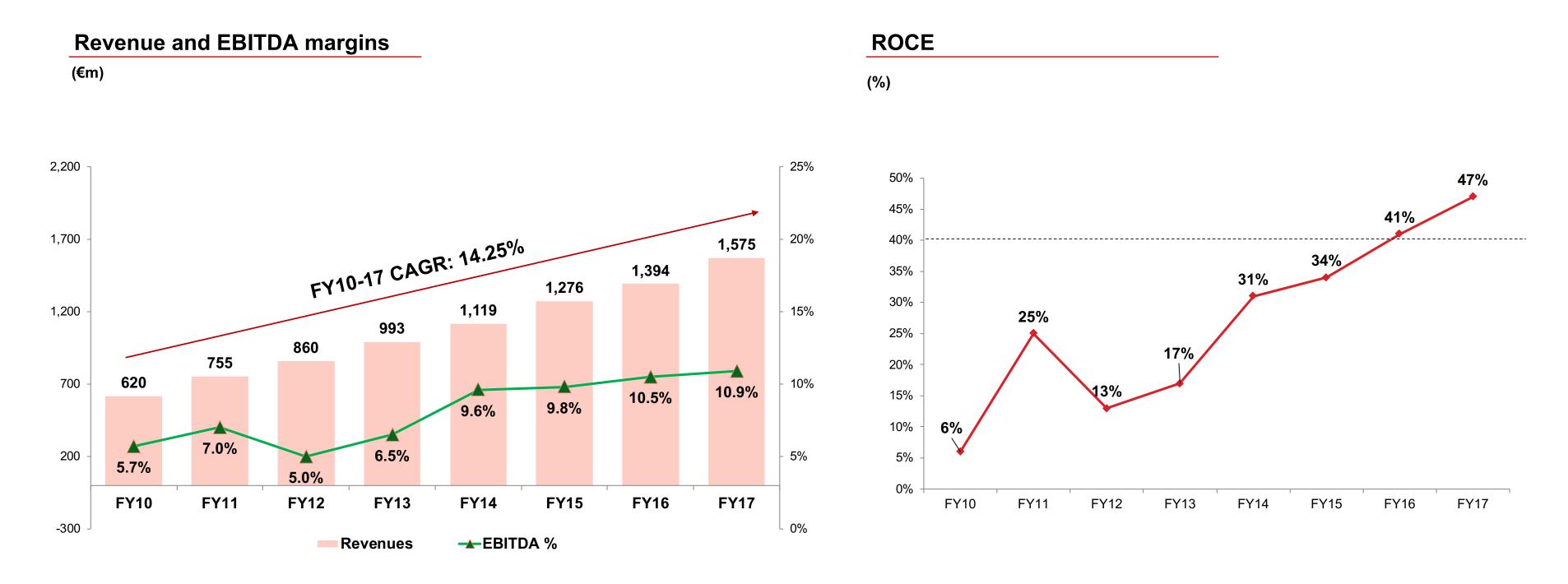
A strong focus on ROCE

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



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

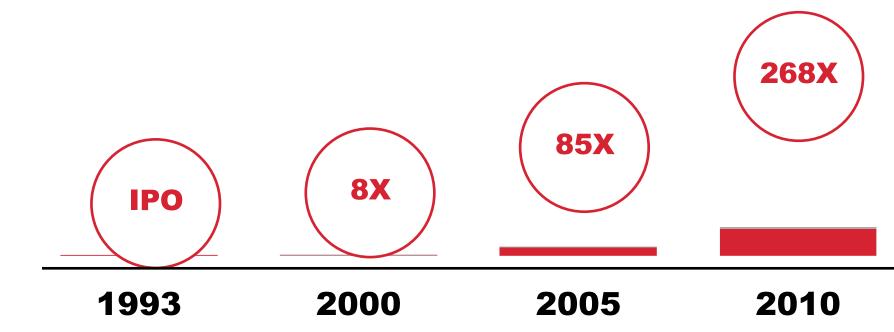


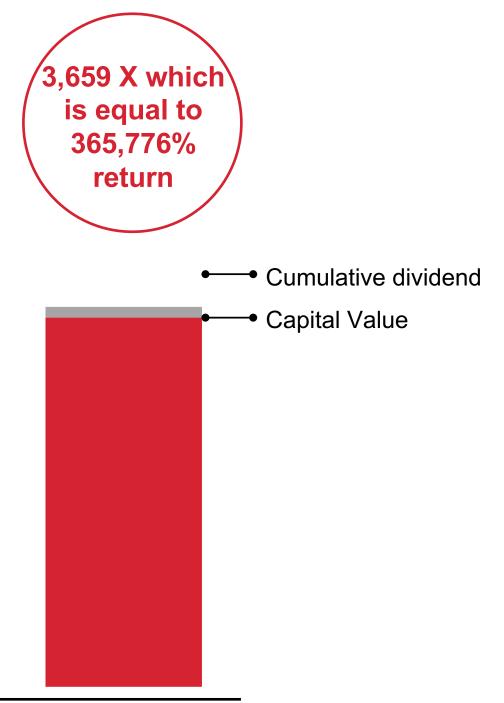
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04 Implications.

Returns to shareholders.

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

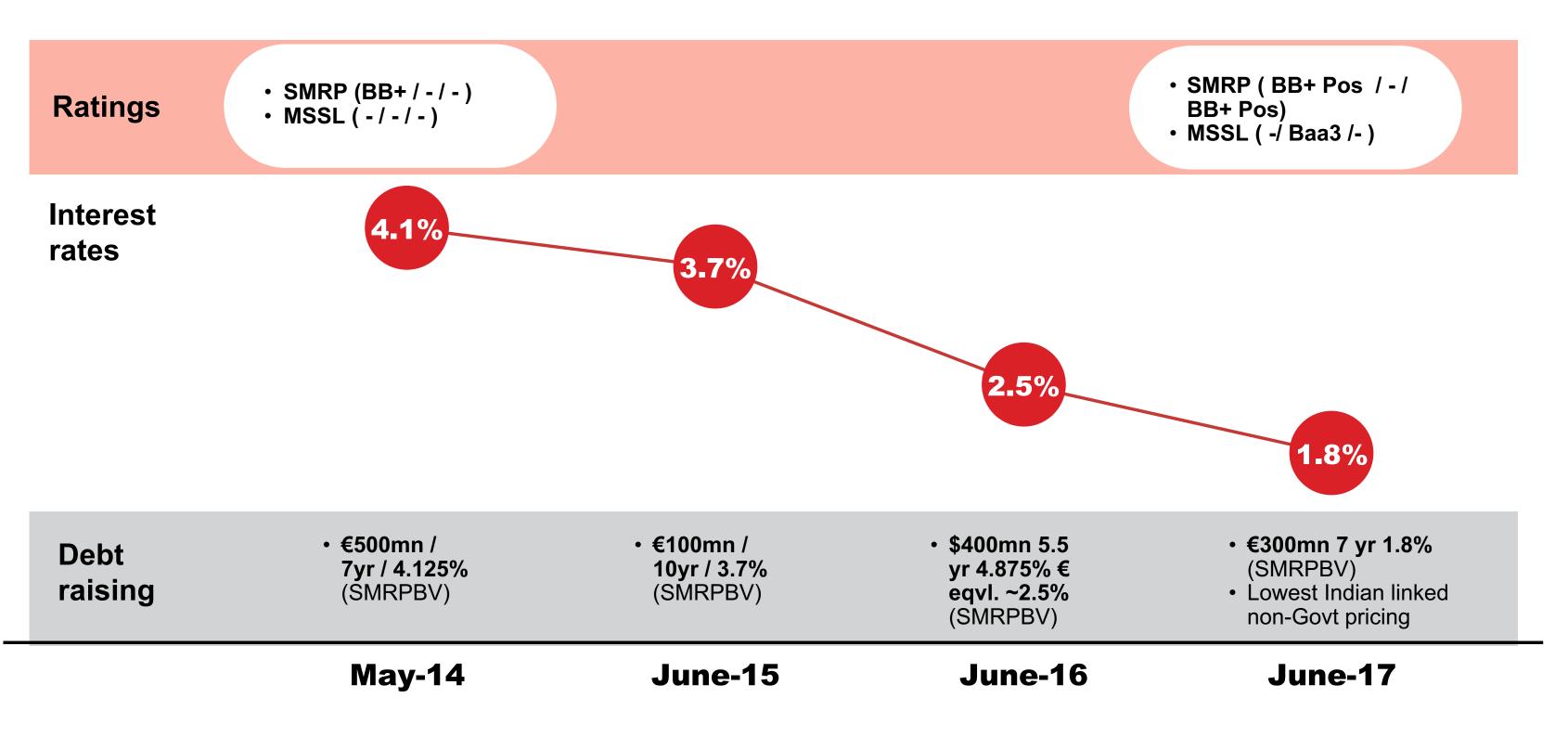




2017

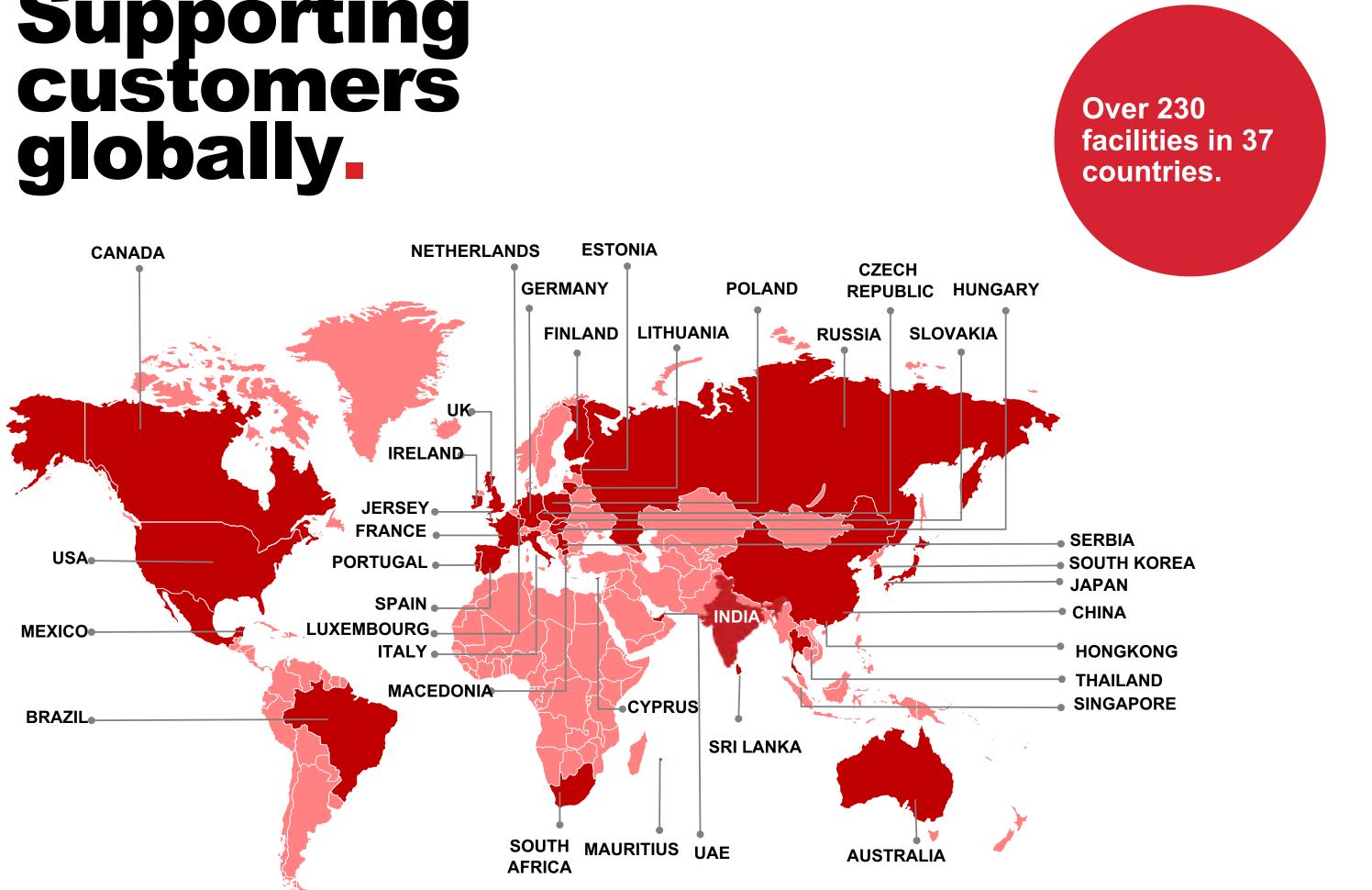
Finance Cost

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



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Supporting customers



Motherson is trusted by OEMs globally.

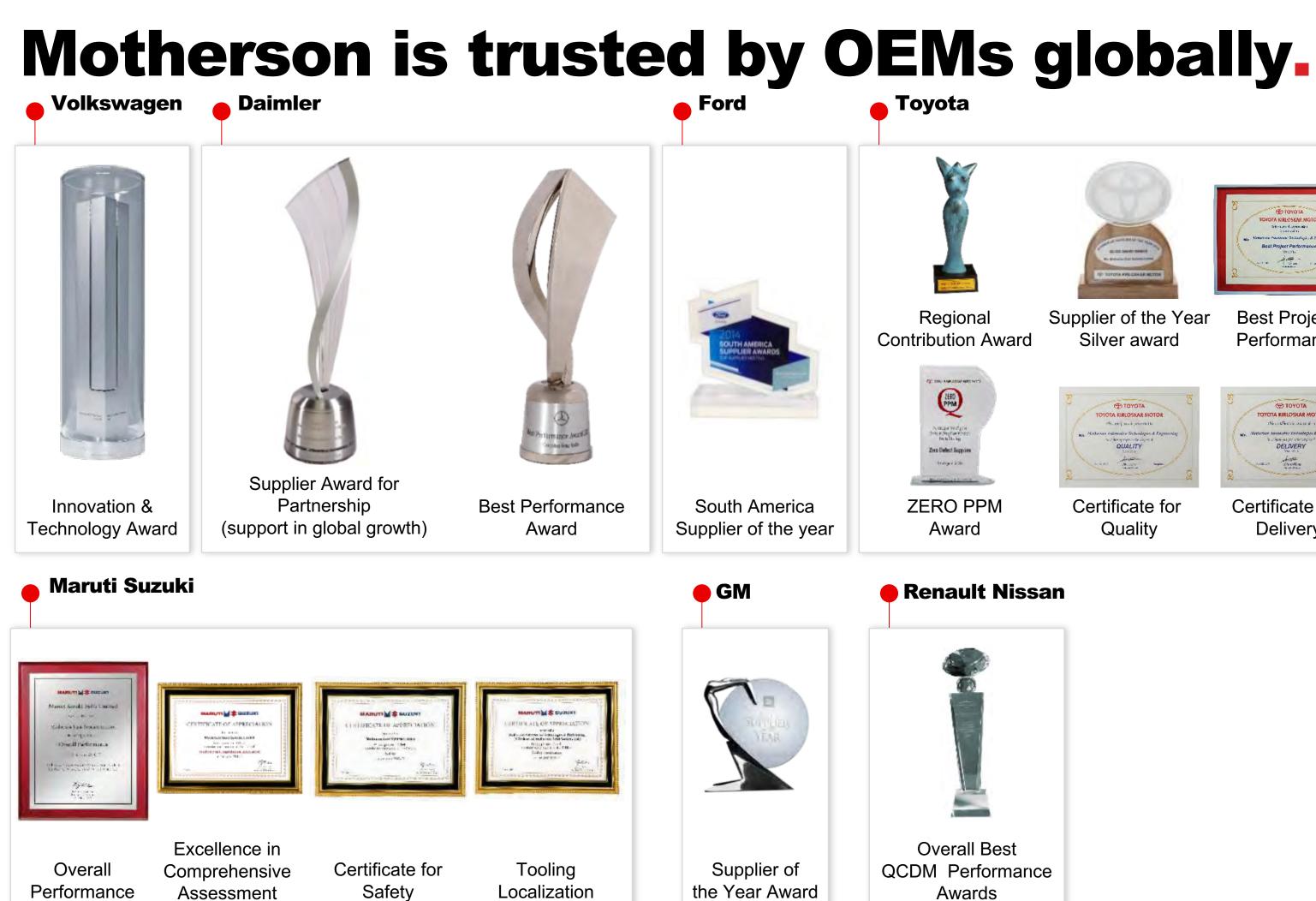












Toyota



Regional **Contribution Award**

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(HEO PPM

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Zero Defect Supplies

Antipratio



Best Project

Performance



Silver award

ZERO PPM Award



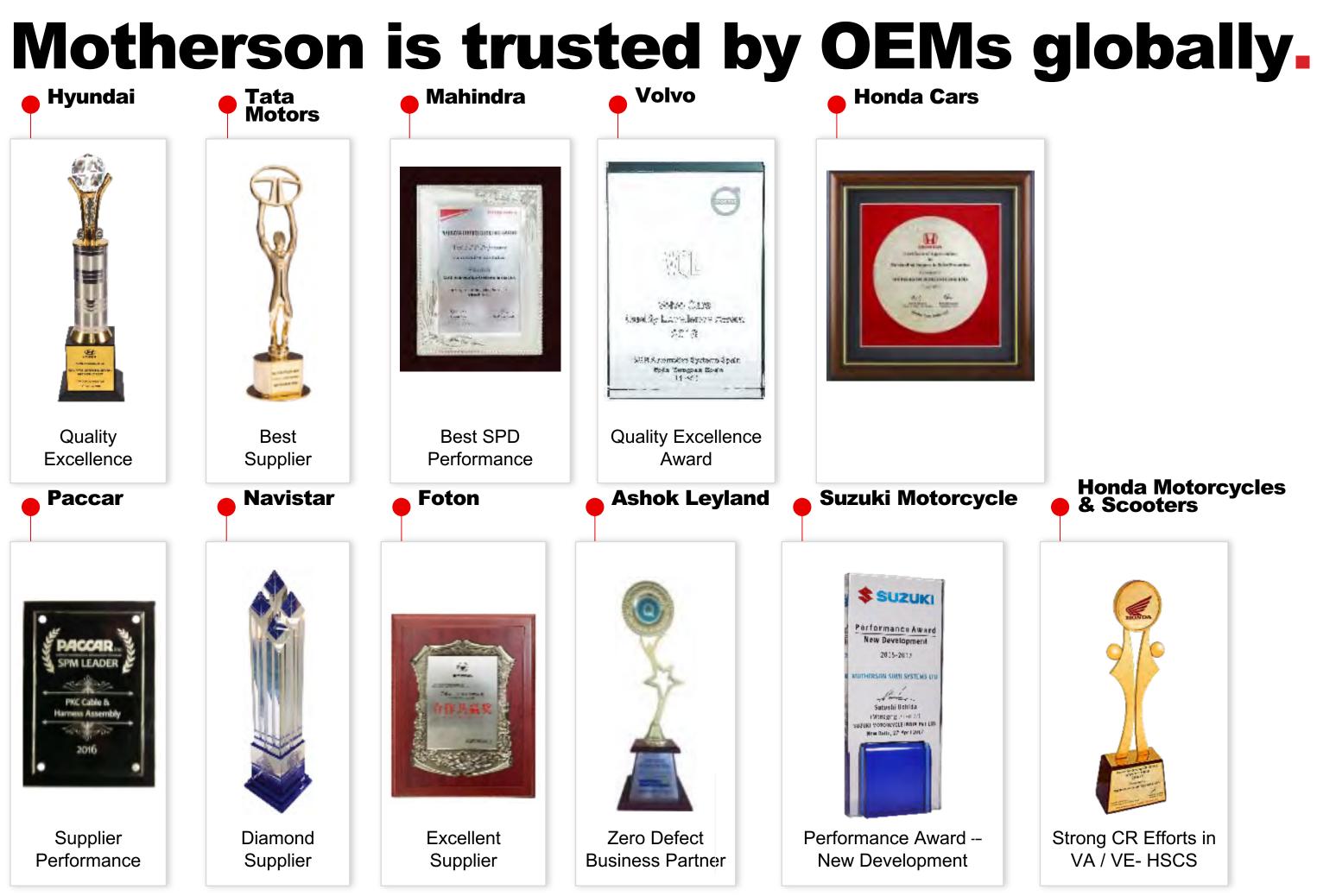


Certificate for Delivery

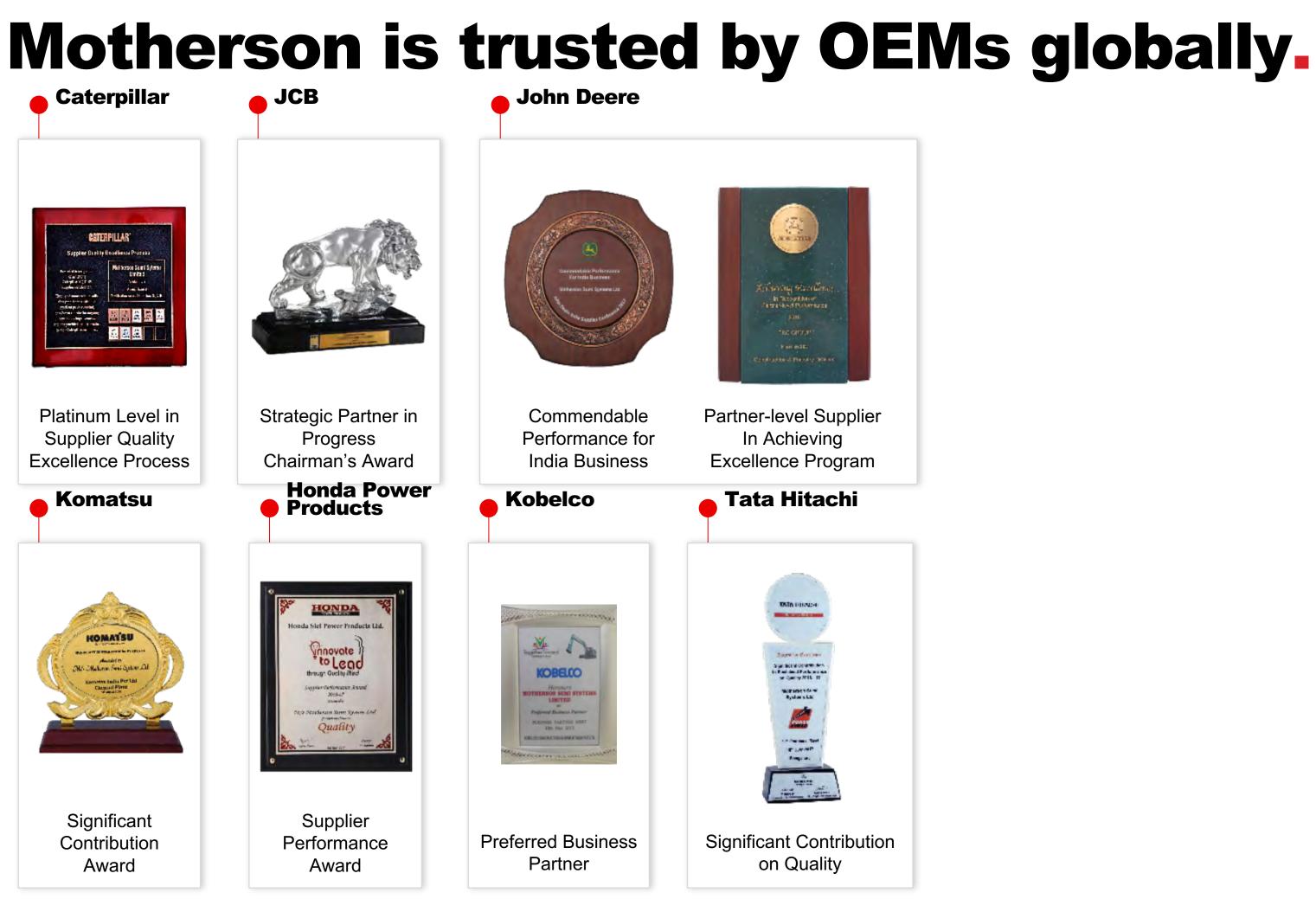
Renault Nissan



Overall Best QCDM Performance Awards



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the world's acmired brands

Audi

Toyota

Daimler

BMW

Nissan

Suzuki

Bombardier

Volkswagen



Rankings.

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SMG's ranking has gone up from **40**th 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**

REVENUE | PROFIT | ASSETS

Rscrore

38962.30

16792.21

12597.10

10936.50

8578.62

7927.46

5239.55

3312.36

2564.15

2512.07

2491.40

2477.11

2211.32

2015.62

1894.24

1794.09

155

231

314

391

473

486

FORTUNE INDIA 500 // DECEMBER 2016

Rscrere

1273.70

987.09

243.50

1248.10

245.51

649.99

116.31

122.98

111.13

205.72

107.27

65.54

86.95

39.99

204.62

197.48

Hscrore

12446.

20758.

THE SECTORAL LIST

NOUSTRY RANK

UTO ANCILLARIES MOTHERSON SUMI SYSTEMS

AMTEKAUTO

BOSCH

SUNDARAM CLAYTON

ARROC ENGINEERING

MAHINDRA CIF AUTOMOTIVE

SUNDRAM FASTENERS

MINDA INDUSTRIES

MINDA CORPORATION

RANE HOLDINGS

WHEELS INDIA

VABCO INDIA

ASAHI INDIA GLASS

FAG BEARINGS INDIA

SKF INDIA

BHARAT FORGE

*	
SSETS	WORTH
fls crore	Rscrate
12446.60	4236.00
20758.75	5900.40
3532.68	1331.98
8775.80	8288.80
3490.76	1847.94
6776.76	3575.76
3343.31	2010.73
1555.32	929.98
1016.65	468.21
1596.86	1569.39
1198.47	547.59
1382.08	590.76
1875.22	354.05
800.18	408.16
1073.23	1053.95
1312.77	1287.32



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

Value creation for all Stakeholders.



... The lives of our employees

... The wellbeing of the communities we work in

samvardhana motherson

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.