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to be  
part of.**

# **Presentation on Results FY 2017-18**

24<sup>th</sup> MAY 2018

 **Samvardhana Motherson  
Automotive Systems  
Group BV**

- **Highlights**
- **Group Information**
- **Financial Performance**
- **Debt & Liquidity Status**
- **Reydel Acquisition**

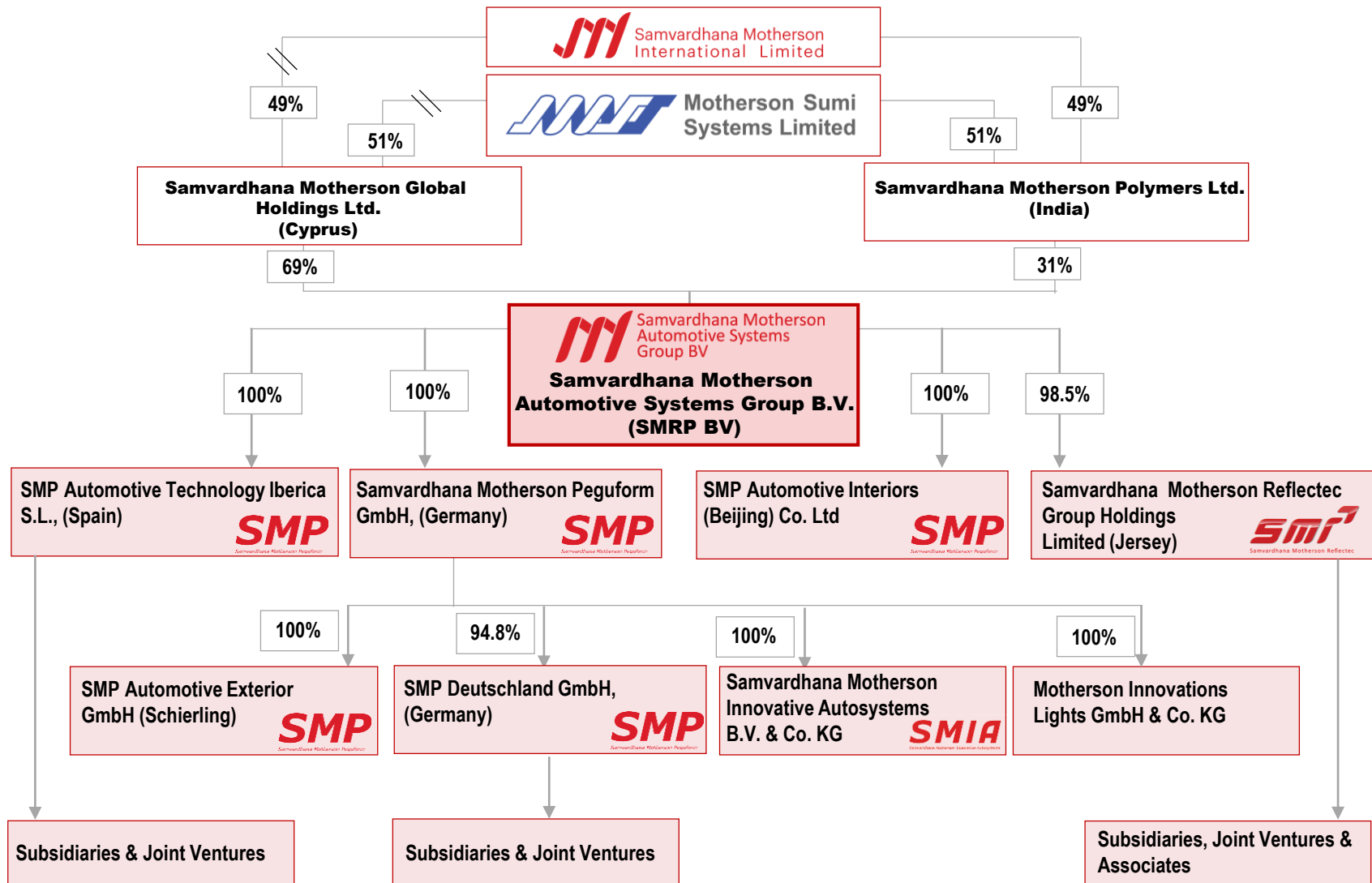
# Highlights FY 17-18

- Achieved **+€ 5 Billion** revenue, **growth + 10%** over previous year.
- Consistent Adjusted EBITDA improvement 8.8% FY 18 against 8.4% FY 17, growth **by 15%**
- Stable **Net Leverage** < 2.0x – March 31, 2018 at **1.74x**
- Robust **Order Book** as on March 31, 2018 for **€ 17.2 bn**
- Credit Rating
  - S&P reaffirmed corporate credit rating of **BB+** . However outlook was revised from **Positive to Stable** on announcement of Reydel acquisition.
  - Fitch Ratings have also assigned a first time corporate rating of **BB+ with Positive outlook**. Instrument Rating for € 300 million senior secured notes of **BBB-** was assigned.
- Financing Update
  - **Early redemption of € 500 million** senior secured notes due July 2021 on July 06, 2017
  - **Liquidity enhanced** – New Revolving Credit Facility of € 350 million replaced with a new facility of **€ 500 million** with **lower finance** costs
  - **Issued € 300 million 1.8%** senior secured notes on July 06, 2017; due July 2024.
- **Greenfield plants** development in-line with project timeline
  - Kecskemet, Hungary– SMP (Inaugurated on 16th Nov 2017) (SOP Q1 18-19)
  - Tuscaloosa, Alabama – SMP (Inaugurated on 27th April 2018) (SOP Q3 18-19)
- Executed transactions documents for **proposed acquisition of Reydel Automotive Group** (Reydel), on April 2, 2018. The purchase price for the transaction is **USD 201 million**.



- **Highlights**
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- **Reydel Acquisition**

# SMRP BV Group Structure



Corporate Structure as at March 31, 2018 and is not a legal structure

# Global Presence

48

Manufacturing  
Plants.

13

Module  
Centers.

18

Countries.

26,200+

Workforce.



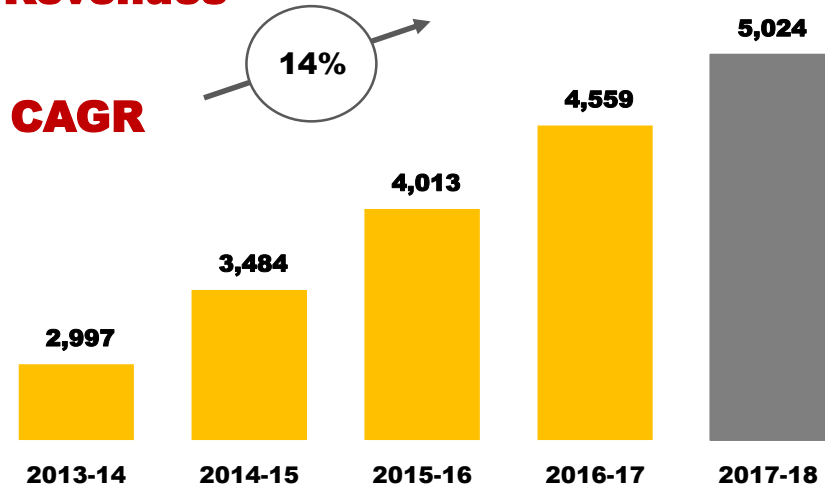
Above information is as at March 31, 2018



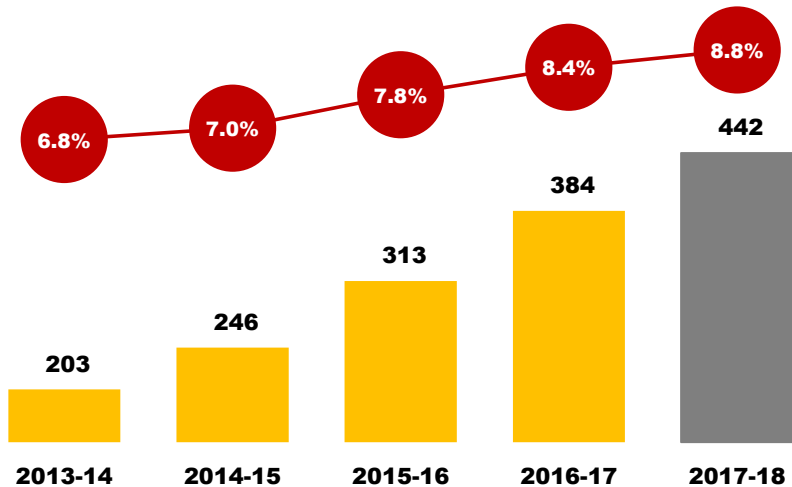
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# SMRP BV Consolidated : Profitable Growth

## Revenues



## Adjusted EBITDA



- **Revenue growth mainly driven by:**

- New orders won
- Ramp-up of new plants established to cater to OEMs' order book
- Strong market demand in USA, Mexico, Germany & Spain
- Ramp-up of operations of acquired companies post integration

- **Strong order book of €17.2bn provides high top-line visibility**

- High repeat business and penetration in new geographies enhances resilience of the underlying business

- **EBITDA and margin growth mainly driven by:**

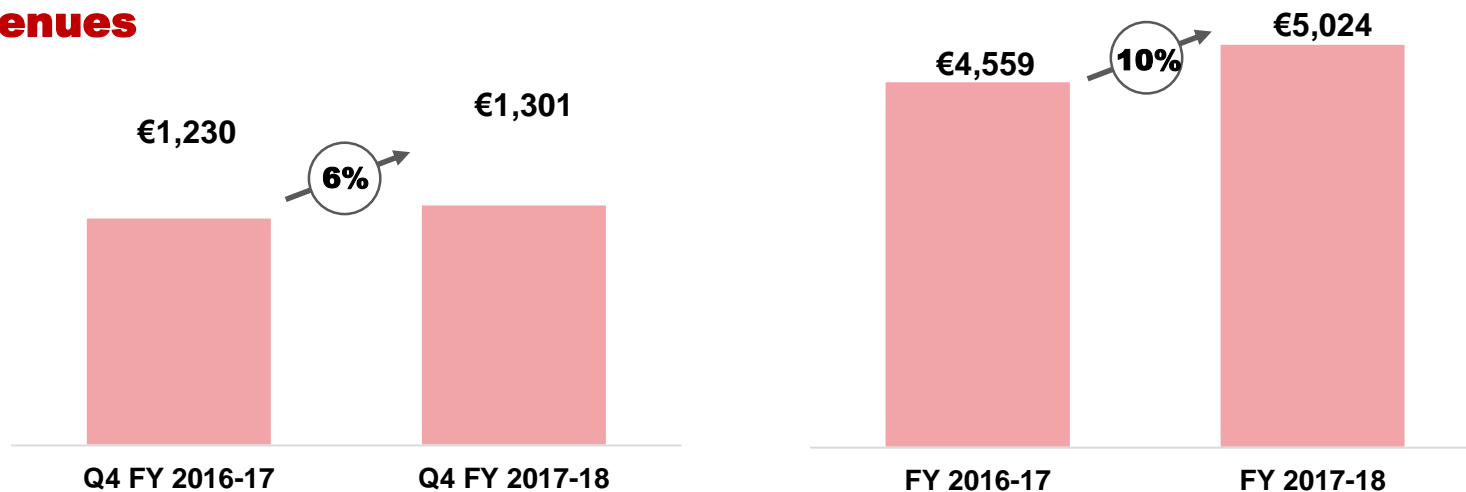
- Under construction plants coming online
- Steady revenue growth
- Improved manufacturing efficiencies
- Effect of better priced innovative products
- Group synergies such as centralized procurements, innovation, etc.



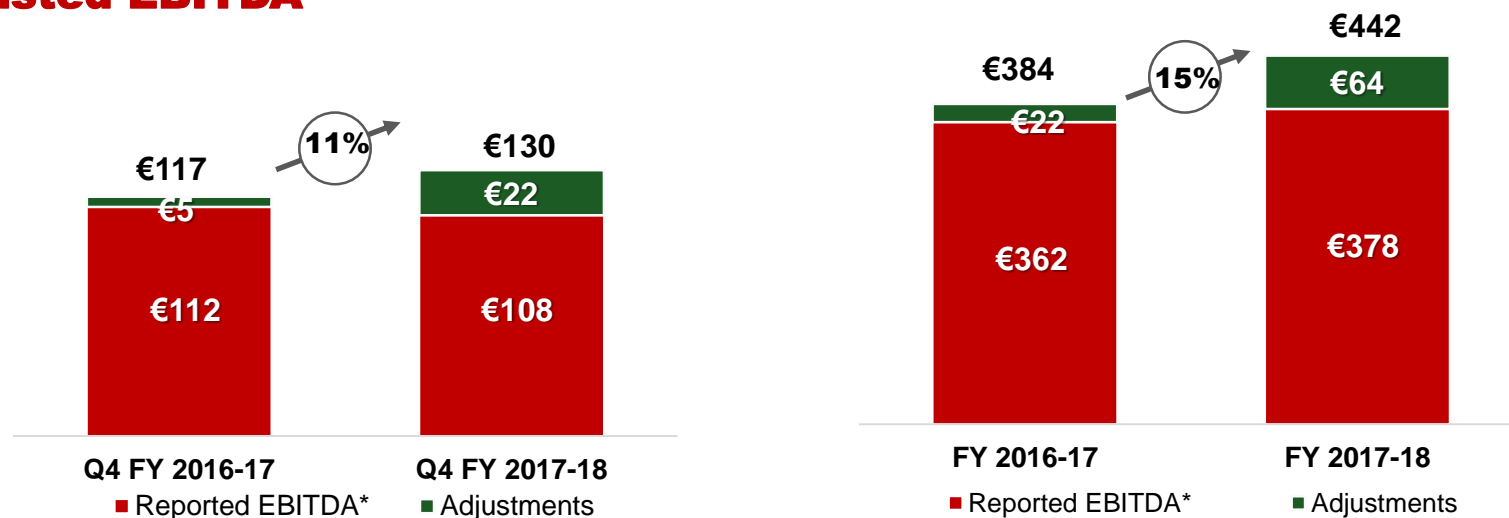


# SMRP BV Consolidated : Q4 and FY 17-18 results

## Revenues

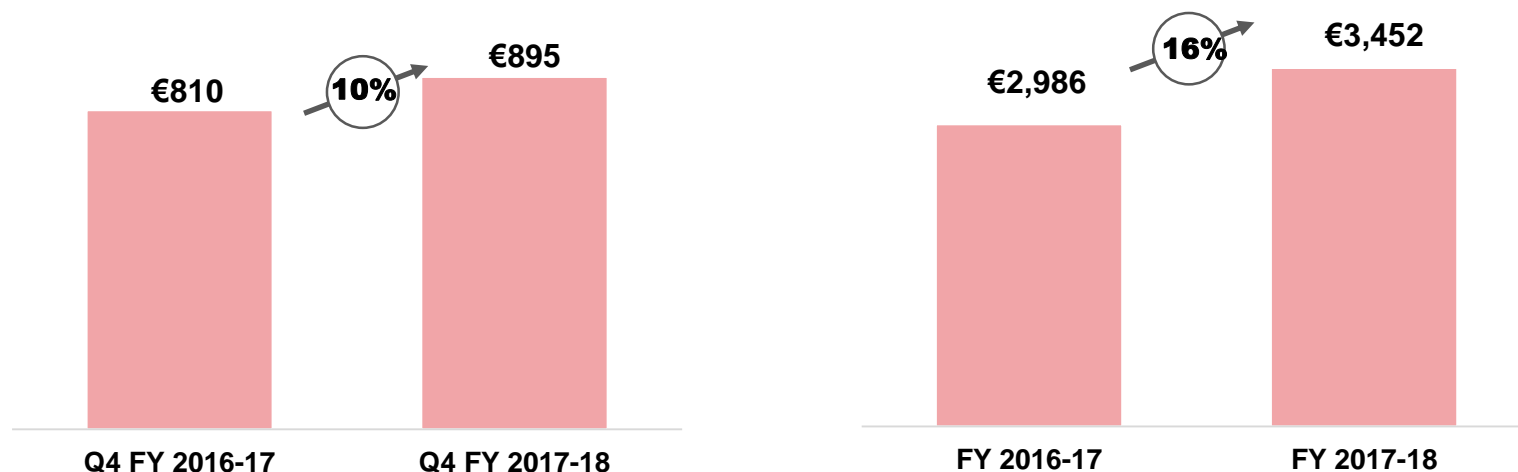


## Adjusted EBITDA

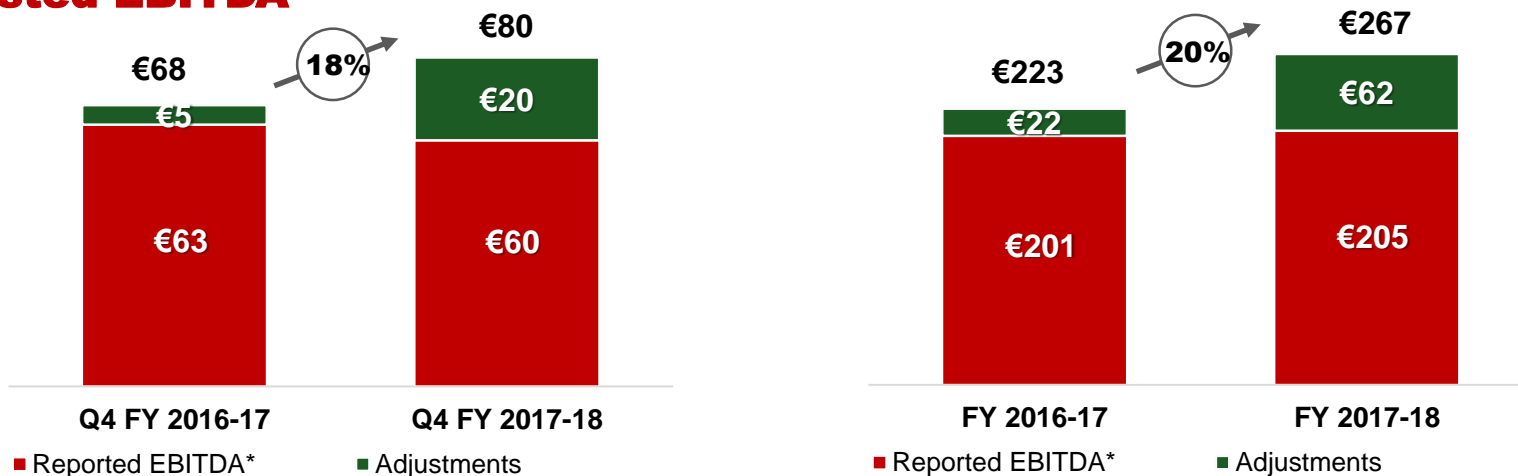


# SMP : Q4 and FY results

## Revenues

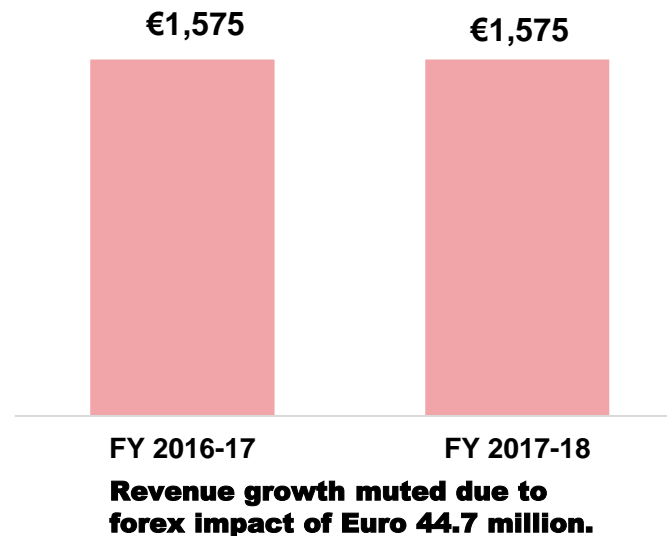
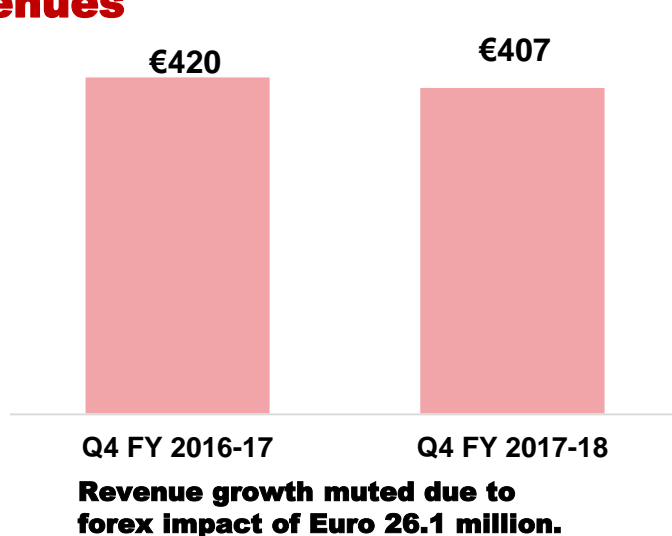


## Adjusted EBITDA

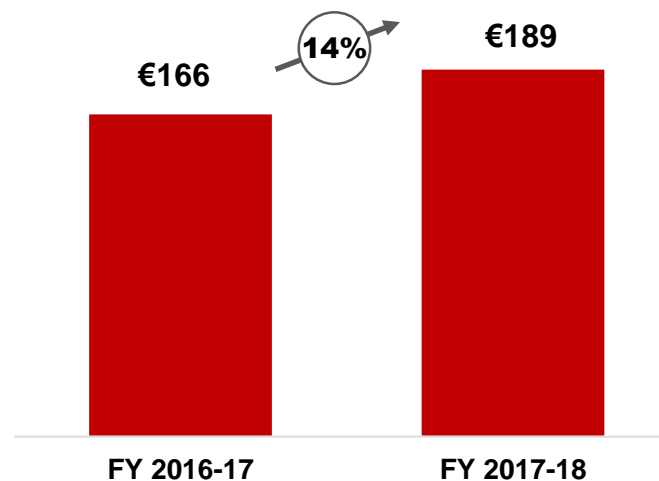
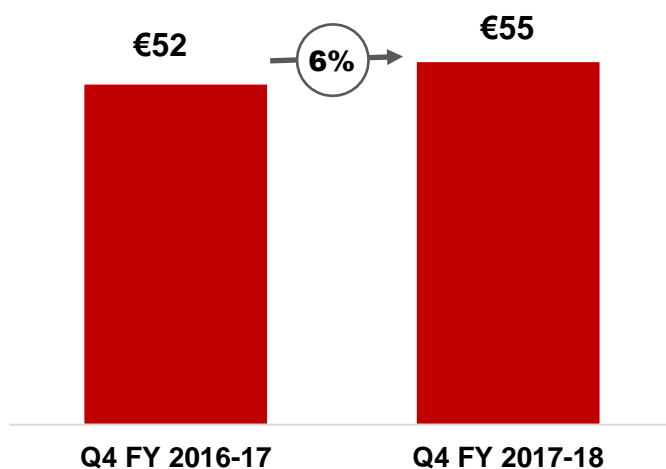


# SMR : Q4 and FY results

## Revenues



## EBITDA



# Adjusted EBITDA: Q4 and FY results

Income Statement	3M ended March 31, 2017			3M ended March 31, 2018		
€ millions	SMRPBV Group	SMP	SMR	SMRPBV Group	SMP	SMR
Revenue	1,230	810	420	1,301	895	407
<b>EBITDA</b>	<b>112</b>	<b>63</b>	<b>52</b>	<b>108</b>	<b>60</b>	<b>55</b>
<b>% to Revenue</b>	<b>9.1%</b>	<b>7.8%</b>	<b>12.4%</b>	<b>8.3%</b>	<b>6.7%</b>	<b>13.5%</b>
Startup cost for greenfield	(11)	(11)	-	(20)	(20)	-
Gain on fair valuation of investments	6	6	-	-	-	-
Exceptional costs*	-	-	-	(2)	-	-
<b>Adjusted EBITDA</b>	<b>117</b>	<b>68</b>	<b>52</b>	<b>130</b>	<b>80</b>	<b>55</b>
<b>% to Revenue</b>	<b>9.5%</b>	<b>8.4%</b>	<b>12.4%</b>	<b>10.0%</b>	<b>8.9%</b>	<b>13.5%</b>

Income Statement	Year ended March 31, 2017			Year ended March 31, 2018		
€ millions	SMRPBV Group	SMP	SMR	SMRPBV Group	SMP	SMR
Revenue	4,559	2,986	1,575	5,024	3,452	1,575
<b>EBITDA</b>	<b>362</b>	<b>201</b>	<b>166</b>	<b>378</b>	<b>205</b>	<b>189</b>
<b>% to Revenue</b>	<b>7.9%</b>	<b>6.7%</b>	<b>10.5%</b>	<b>7.5%</b>	<b>5.9%</b>	<b>12.0%</b>
Startup cost for greenfield	(28)	(28)	-	(62)	(62)	-
Gain on fair valuation of investments	6	6	-	-	-	-
Exceptional costs*	-	-	-	(2)	-	-
<b>Adjusted EBITDA</b>	<b>384</b>	<b>223</b>	<b>166</b>	<b>442</b>	<b>267</b>	<b>189</b>
<b>% to Revenue</b>	<b>8.4%</b>	<b>7.5%</b>	<b>10.5%</b>	<b>8.8%</b>	<b>7.7%</b>	<b>12.0%</b>

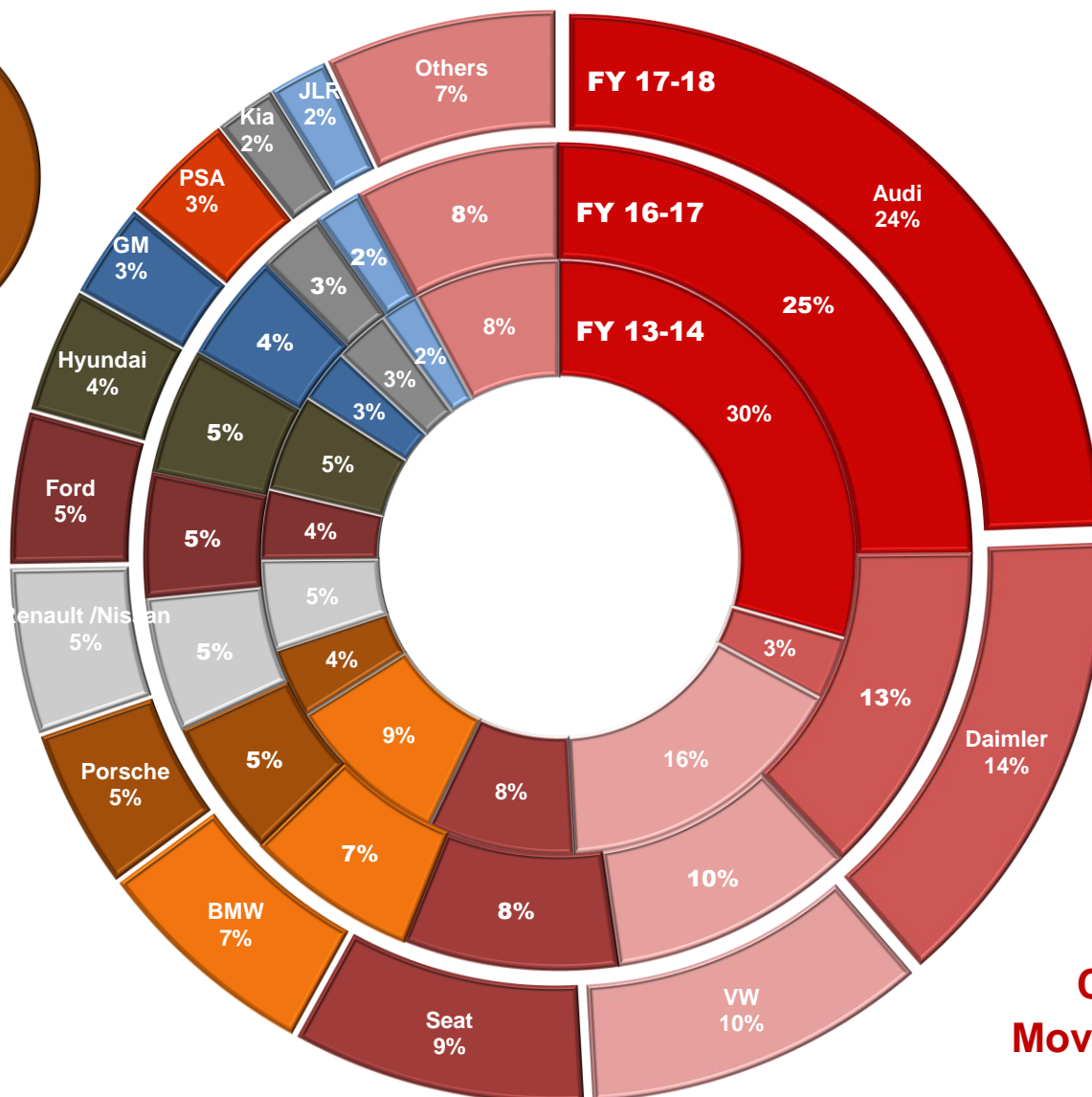
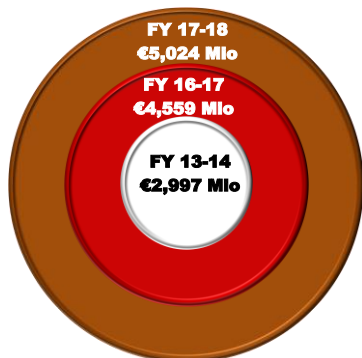
\* Exceptional costs: During the year, the company incurred expenditures of €2.4 Mio in connection with the proposed acquisition of Reydel Automotive Group, included in Legal and Professional expenses

SMRPBV Group includes results of 'Others', for details refer Note A.6.6.4 'Operating Segment Information' in consolidated financial statements for the fiscal year ended March 31, 2018



# Revenue Split - By Customer

## For the fiscal year ended March 31, 2018

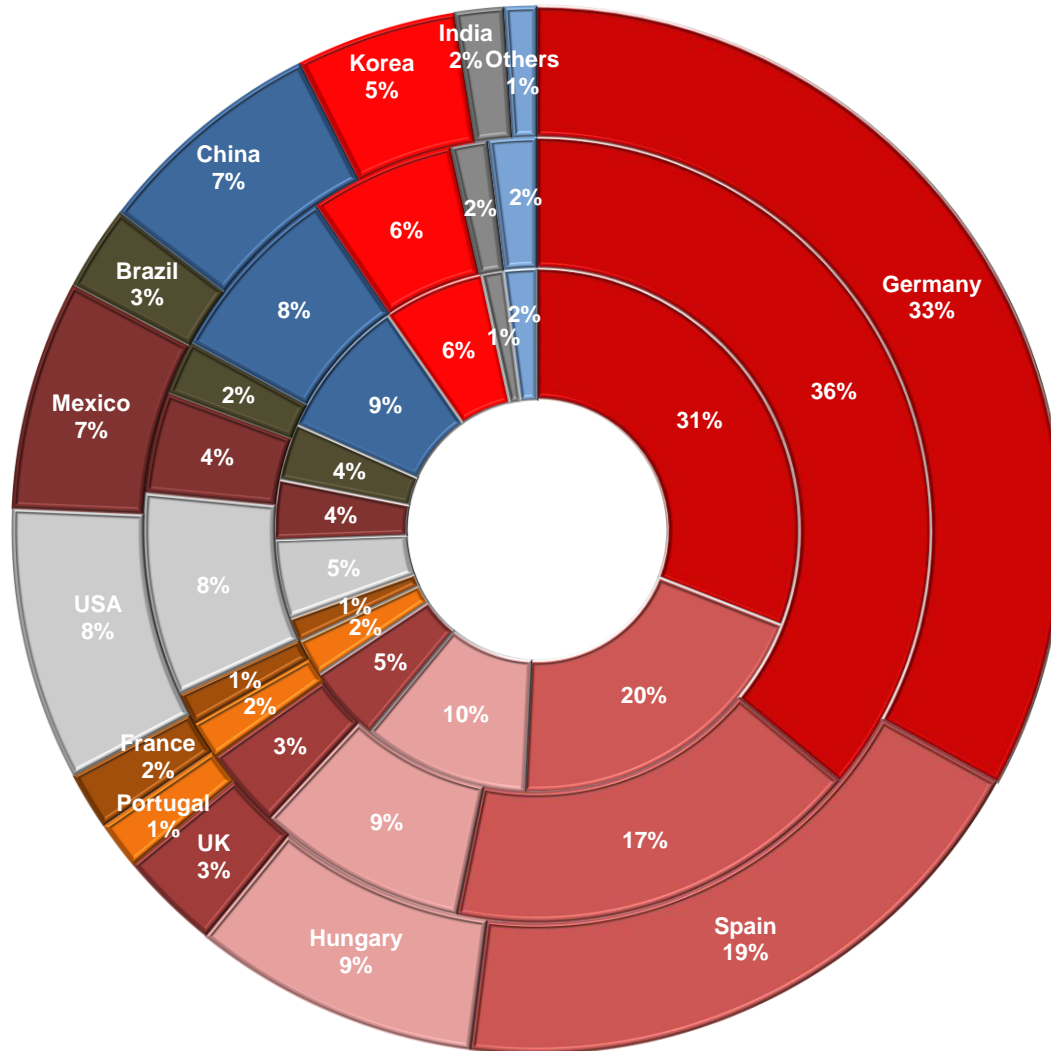
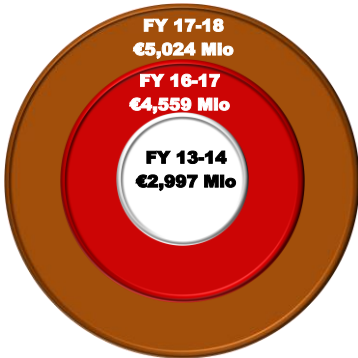


**Diversified  
Customer Profile  
Moving towards 3CX15.**



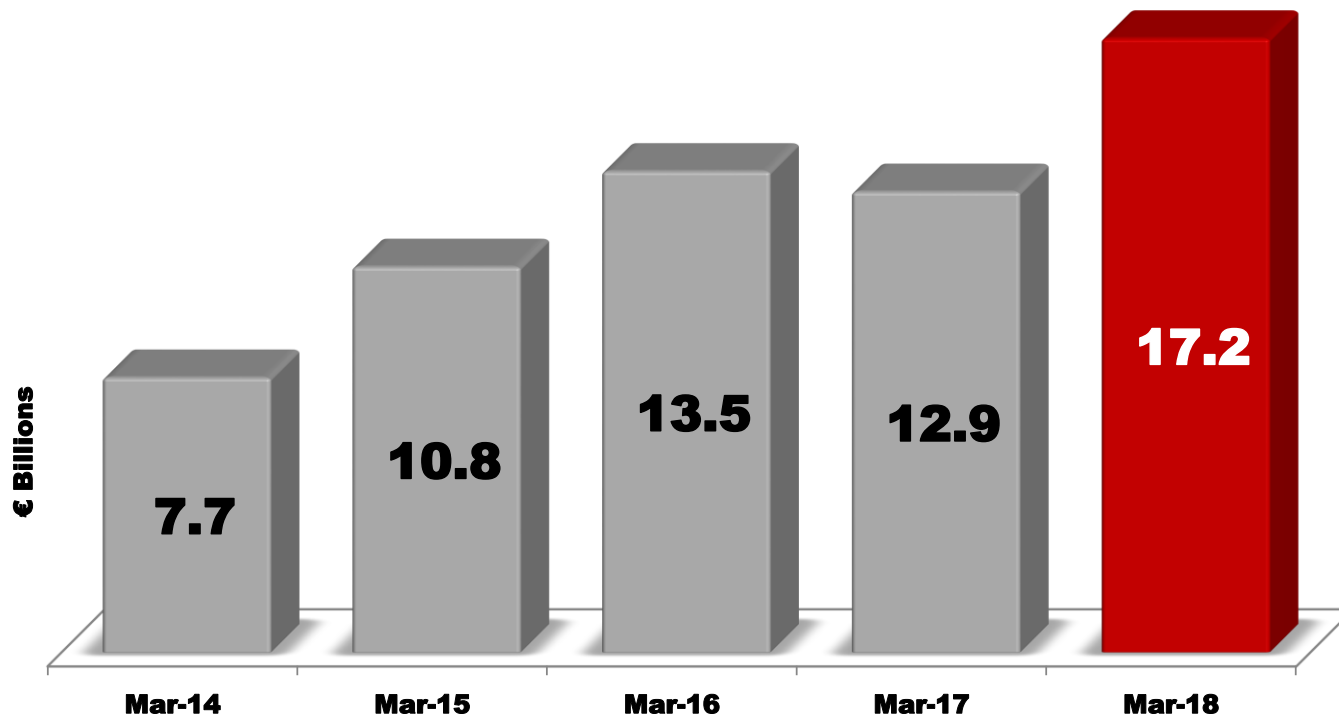
# Revenue Split - By Geography

## For the fiscal year ended March 31, 2018



# Order Book

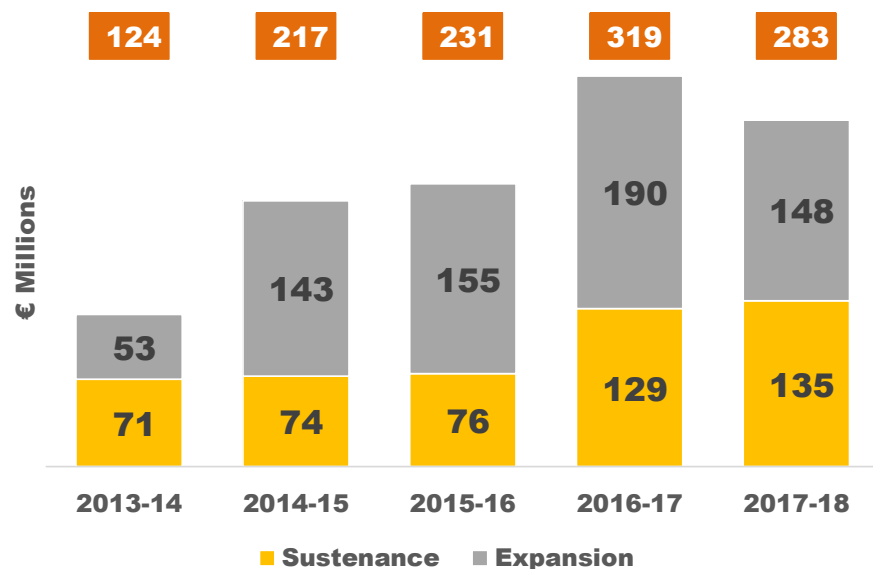
## Growing Order Book<sup>1</sup>



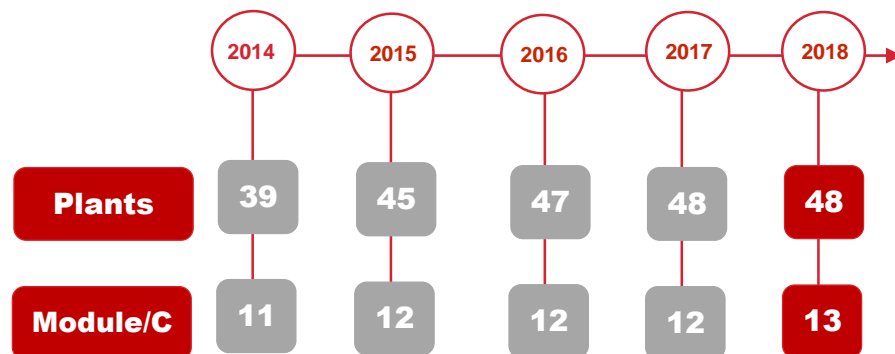
<sup>1</sup>Orderbook: lifetime sales that are expected to be recorded for vehicle programs that we have been awarded by OEMs but which are not yet in production

Above order book does not include the order book for Reydel Automotive

# Supported by significant footprint expansion



**€1.2 Billion capex in last 5 years. (58% Expansion capex)**

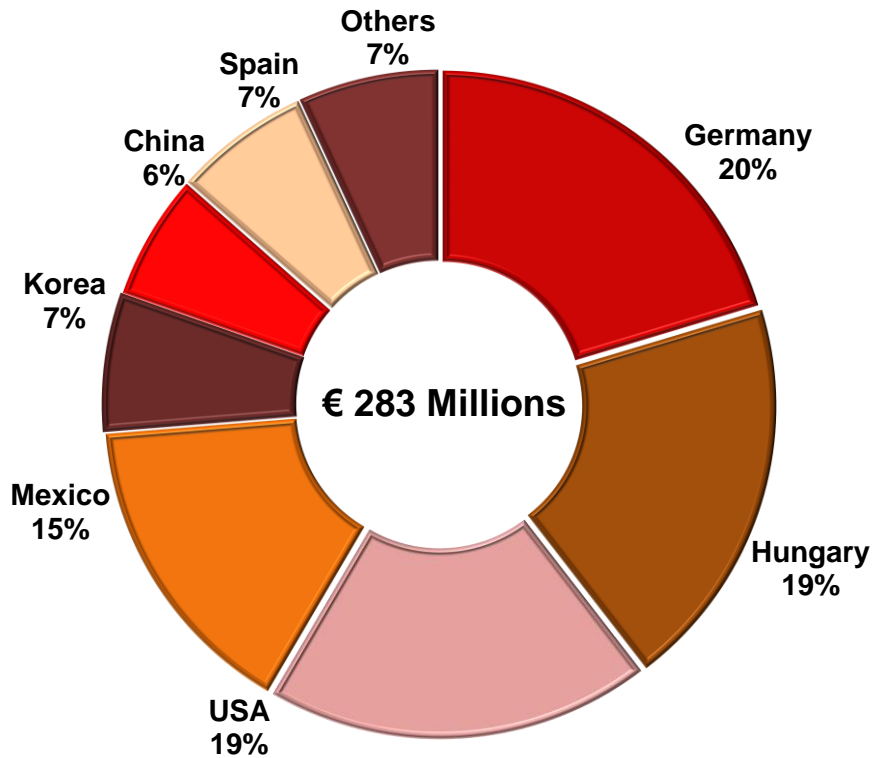


## Substantial Capex incurred for Capacity Expansion and Modernization Leading to Global Footprint and Nearshoring

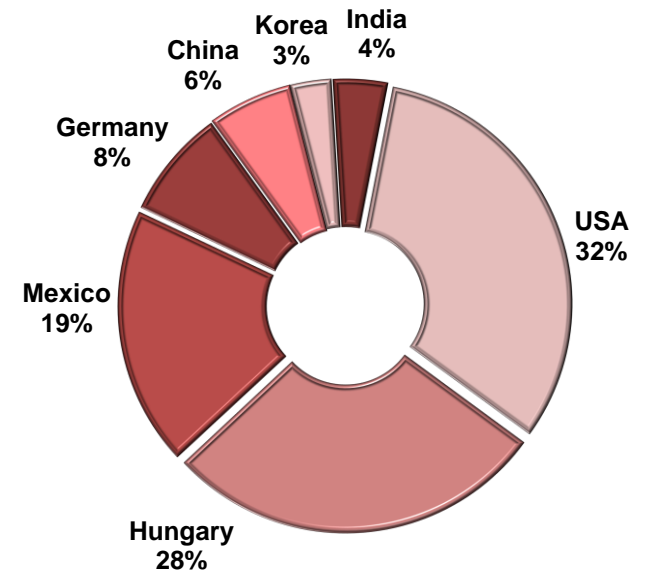
2014–2015	2015–2016	2016–2017	2017–2018	2018–2019
SMR CHINA (Greenfield) SMR USA (Brownfield) SMP GERMANY (Greenfield) SMP CHINA (Greenfield)	SMR USA (Brownfield) SMP GERMANY (Brownfield) SMP SPAIN (Paint Shop) SMP GERMANY (Paint Shop) SMR S. KOREA (Brownfield)	SMR INDIA (Brownfield) SMR CHINA (Brownfield & Paint Shop) SMP MEXICO (Greenfield) SMP CHINA (Greenfield)	SMR MEXICO (Paint Shop) SMR HUNGARY (Brownfield & Paint Shop) SMR CHINA (Brownfield) SMR S. KOREA (Brownfield)	SMP USA (Greenfield) Q3 2019 SMR INDIA (Brownfield) Q1 2020 SMP HUNGARY (Greenfield) Q1 2019 SMP GERMANY (Brownfield) Q3 2019 SMP China (Expansion)



# Capital Expenditure For the fiscal year ended March 31, 2018



**Greenfield/Brownfield  
€ 148 Million  
Approx. 52%**



**SMP**  
Samvardhana Motherson Peguform

**€ 204 Million**

**SMI<sup>1</sup>**  
Samvardhana Motherson Beltec

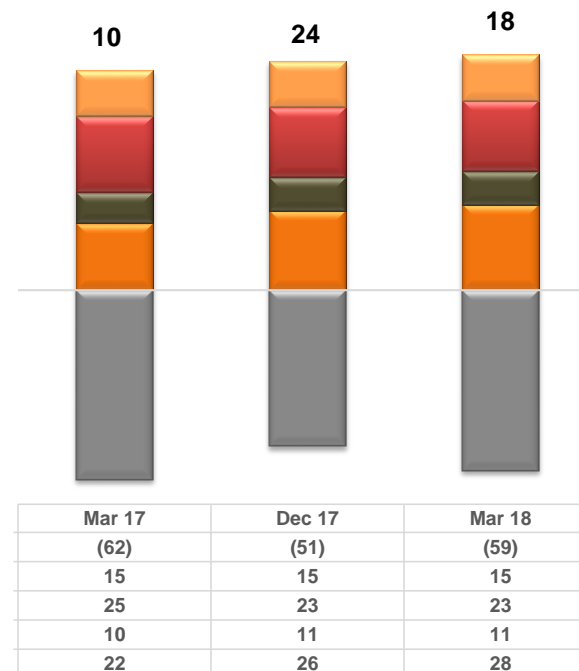
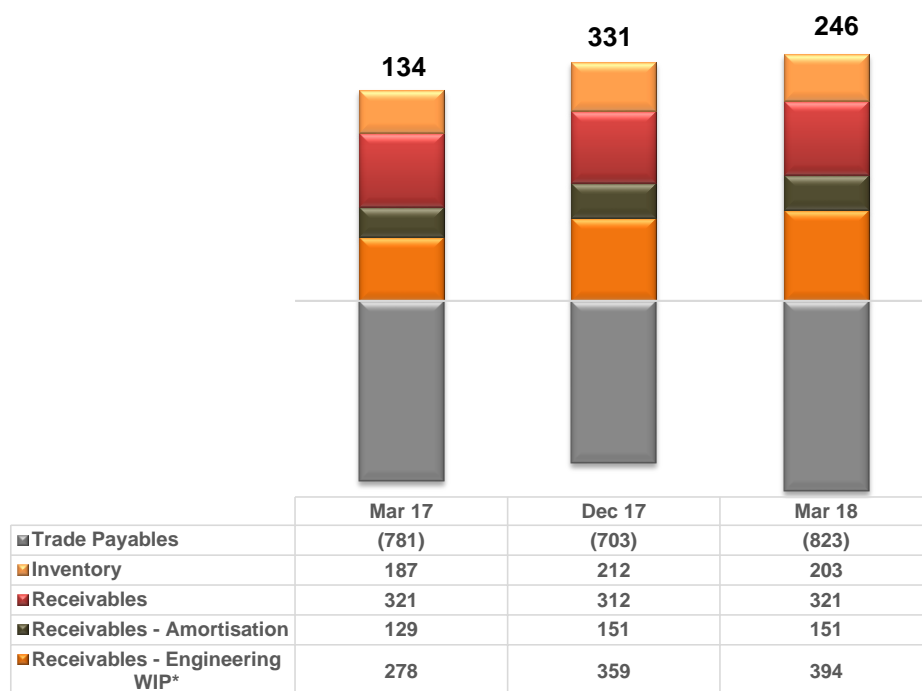
**€ 79 Million**



# Working Capital

€ Millions.

No of Days.



\* Receivables - Engineering WIP represents in-progress engineering inventory recognized as receivables under percentage of completion method

# Summary of Cash Flow

## For the fiscal year ended March 31, 2018

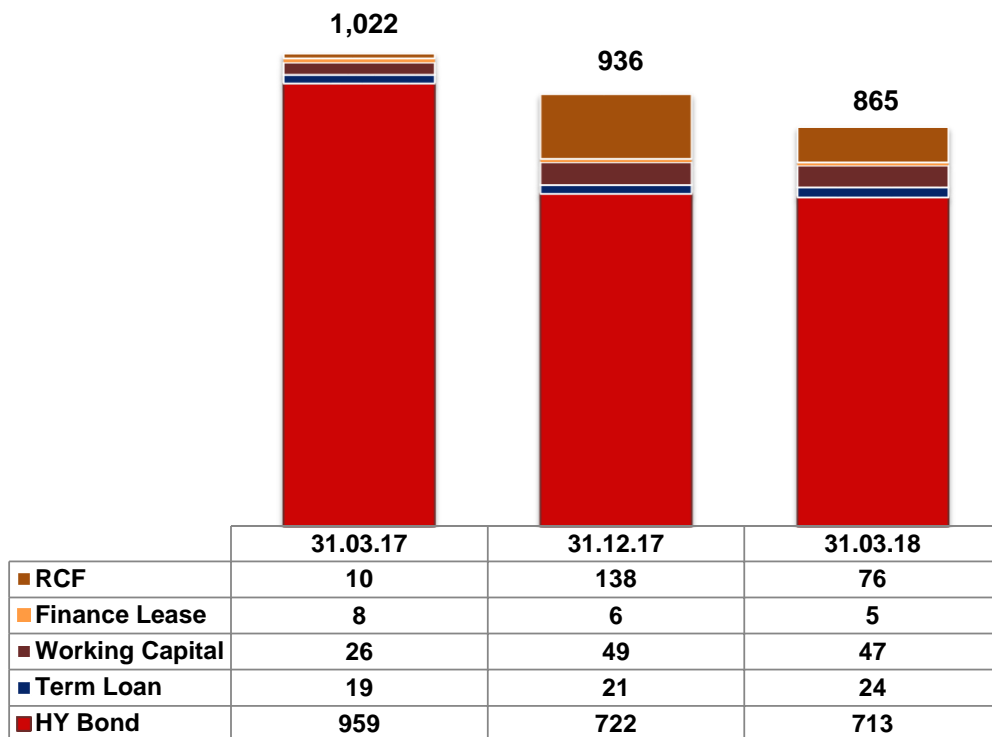
Statement of Cash Flows (€ millions)	April 1, 2016 to March 31, 2017	April 1, 2017 to March 31, 2018
Cash flow from operating activities before changes in working capital and income tax	356	388
Changes in working capital	26	(59)
Income tax paid	(70)	(73)
<b>Cash flow from operating activities</b>	<b>312</b>	<b>256</b>
Purchase of property, plant and equipment (including Pre-Payments)	(243)	(345)
Others	15	(15)
<b>Cash flow from investing activities</b>	<b>(228)</b>	<b>(360)</b>
Proceeds from issue of bond	352	292
Repayment of bond	-	(500)
Net Proceeds/(Repayment) of borrowings (including finance leases)	(63)	95
Interest Paid	(40)	(50)
Others	(21)	(17)
<b>Cash flow from financing activities</b>	<b>228</b>	<b>(180)</b>
<b>Net increase in cash and cash equivalents</b>	<b>312</b>	<b>(284)</b>
Cash and cash equivalents at the beginning of the period	193	506
Variation in cash and cash equivalents from translation in foreign currencies	1	(6)
<b>Cash and cash equivalents at the end of the period</b>	<b>506</b>	<b>216</b>



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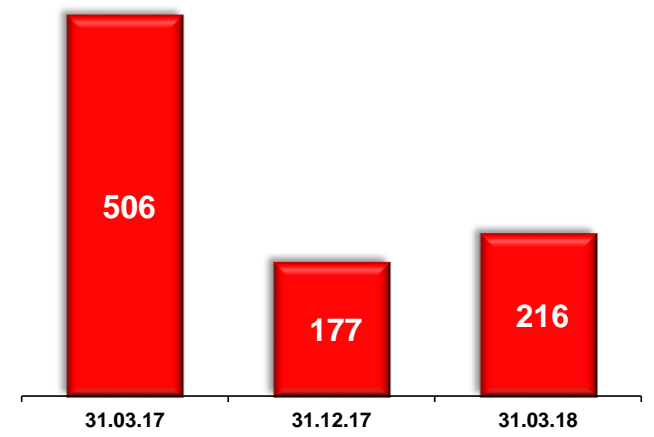
# Cash & Debt Status

## Gross debt. € Mio.

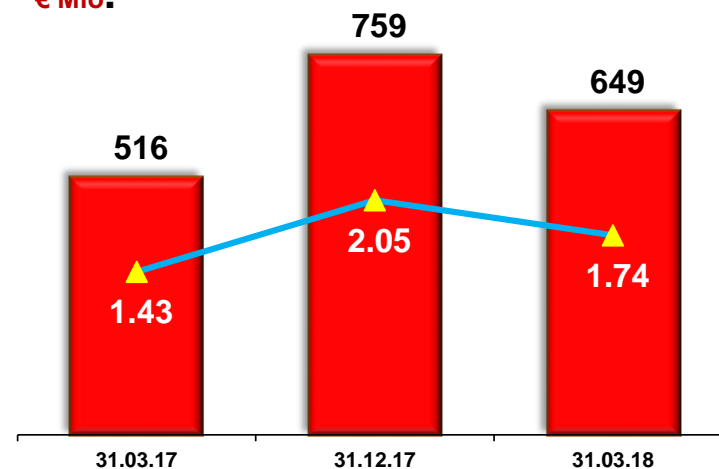


**Proceeds from New bond issuance of €300 mn plus cash on the balance sheet utilized for Early redemption of bond of €500 million in July 2017**

## Cash. € Mio.



## Net debt & Net leverage. € Mio.



# Liquidity Status As at March 31, 2018

## Available Liquidity\*.

€ in Millions	Sanctioned Limit	Utilised as at March 31, 2018	Liquidity Available
RCF (including Ancillary facility) **	500	76	424
Cash and Cash Equivalents			216
<b>Total Liquidity Available</b>			<b>640</b>

\* Available liquidity subject to headroom under leverage ratios

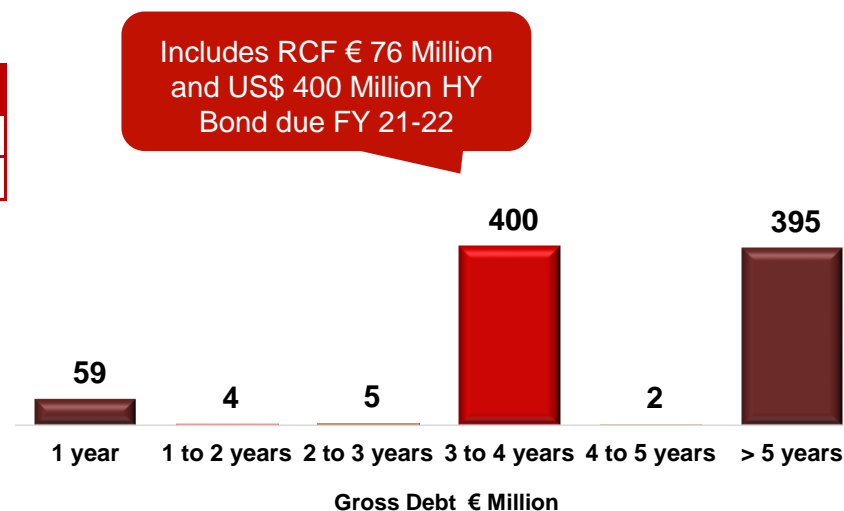
\*\* Earlier RCF facility of € 350 million was replaced with a new RCF facility

## Maturity profile.

## Leverage Ratio .

Key Ratios <sup>#</sup>	Allowed	March 31, 2018
Gross Leverage Ratio: Indenture	3.50x	2.31x
Net Leverage Ratio : RCF	3.25x	1.74x

# Computed as per definitions given in Indenture & RCF agreements



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# Transaction Overview

- On 2<sup>nd</sup> April 18, SMRPBV has executed the transaction documents for the proposed acquisition of Reydel Automotive Holdings B.V. (a portfolio company of Cerberus Capital Management, L.P.) and Reydel Automotive Management B.V. (together known as “Target Entities”).
- Upon receiving favourable opinions from European and French works council, the existing shareholders of Reydel Automotive Group have exercised their put option on 08 May 2018 and the Share Purchase Agreement was effectively deemed to have been executed on the same day.
- Above transaction is subject to customary closing conditions and receipt of required regulatory approvals. Indicatively, it is expected that the transaction will close in Q2 FY2018-19.





# Reydel – Brief Overview

## Overview

- Established global player in instrument panels and door panels
- Strong customer relationships (25+ years average) with global OEMs
- Headquartered in Baarn, the Netherlands, with main corporate office in Clamart (near Paris), France
- Has 20 manufacturing facilities with presence across 16 countries and about 5,650 employees as of Jan 2018
- Top customers include PSA, Renault, RSM, Ssangyong / Mahindra, VW and GM

## Product Portfolio

### Instrument Panels



### Door Panels



### Console Modules



### Cockpit Modules



### Decorative Parts



# Financial Highlights

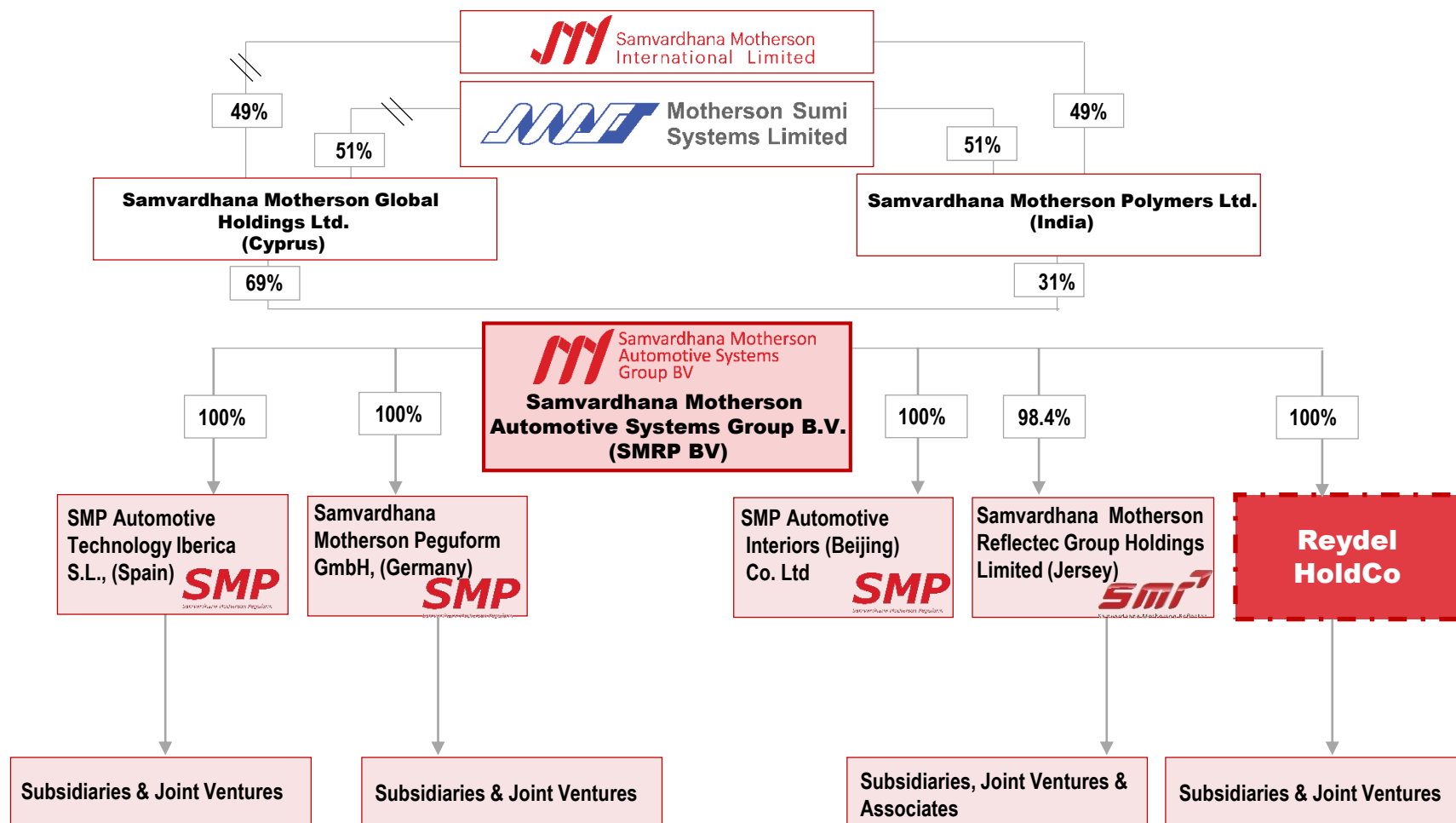
- Transaction is structured under a Lockbox arrangement with a lock box date of 1 Jan 2017. All business cash flows from lockbox date onwards will accrue to buyer (SMRPBV).
- Aggregate equity purchase price of USD 201 million for 100% stake in the Target Entities
- The transaction is expected to be financed using cash and existing undrawn facilities at SMRPBV.
- SMRPBV is currently evaluating financing alternatives which could enable maintaining post-completion liquidity levels in line with past practice.

## Reydel Financial Highlights

\$ million	CY17P <sup>1</sup>
Revenues	1,048
EBITDA	68
EBIT	48
Gross Debt	25
Cash	88



# Post Acquisition Group Structure

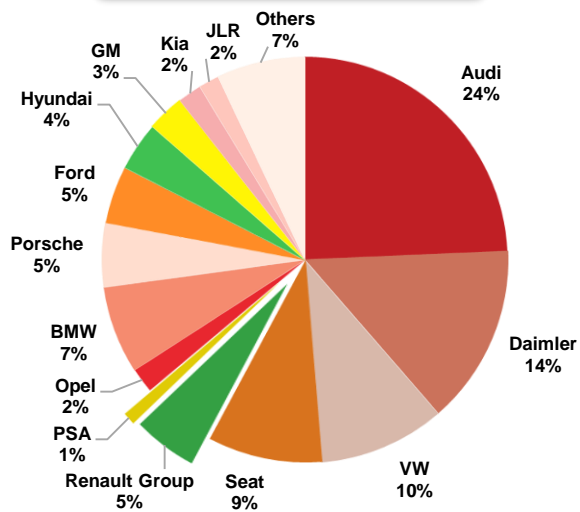


Above structure is a simplified group structure

# SMRPBV – Towards CX15

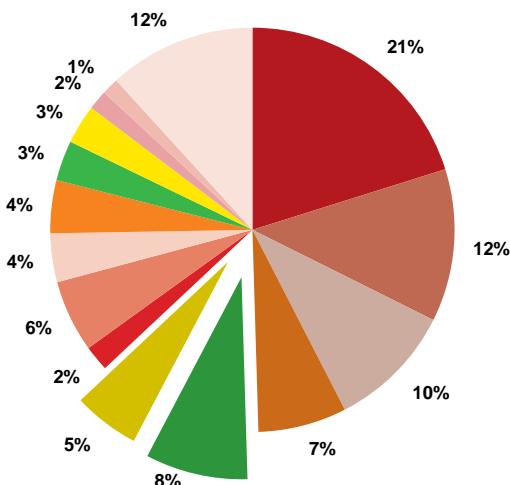
## Customer

### Existing

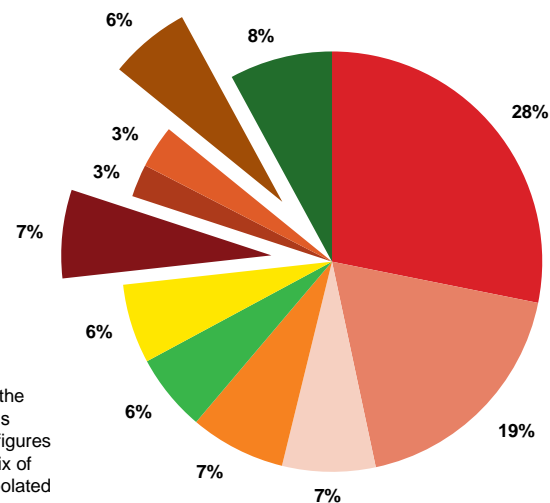
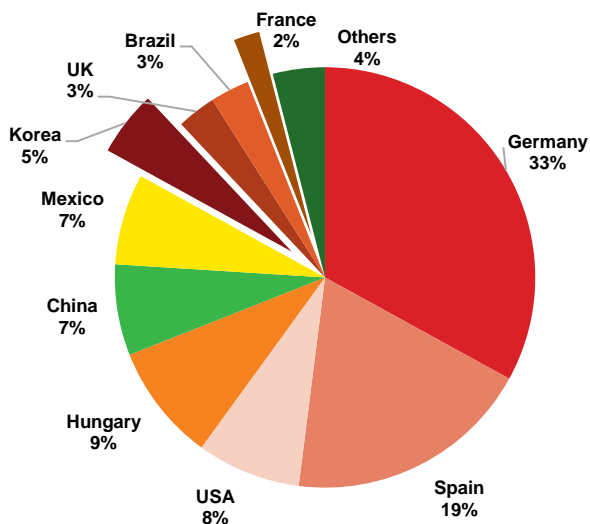


Renault Group includes Renault, Nissan and RSM

### Pro-forma



## Footprint



Please note that the split in the charts are based on Reydel's unaudited CY17 US GAAP figures. Existing represents sales mix of April – December 17, extrapolated to full year.



# Global Presence

**SMRPBV**

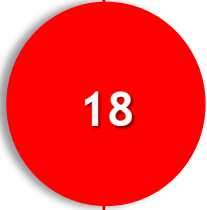
**Reydel**

**Combined**

**Manufacturing  
Plants.**



**Countries.**



**New Geographies**

- Croatia
- Morocco
- Indonesia
- Philippines
- Argentina

**Workforce.**



# Safe harbour

## 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.

# Thank you.