



# The Mother'son growth journey.

June 2018

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  
**mother'son** is one  
of the world's  
fastest growing  
specialised  
automotive  
component  
manufacturing  
companies  
for OEMs.

Working  
with 26  
joint  
venture  
partners.

Over  
120,000  
people  
worldwide.

Operating  
over 230  
facilities in  
37 countries.

US\$ 10.5 bln.  
in yearly  
revenues.

< 2010-18 SMG CAGR = 26.2%



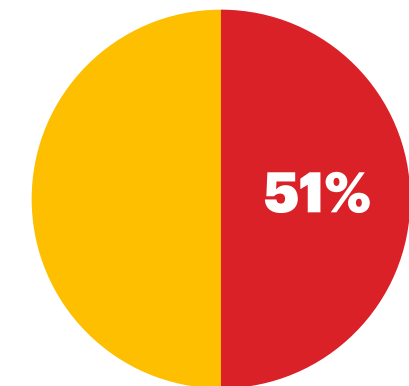
# MSSL's core business units.

- 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,

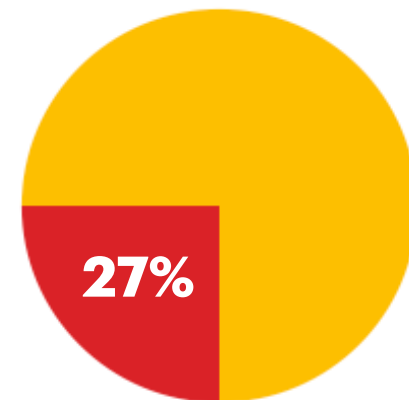
## 01 Modules, bumpers, door trims and plastic parts



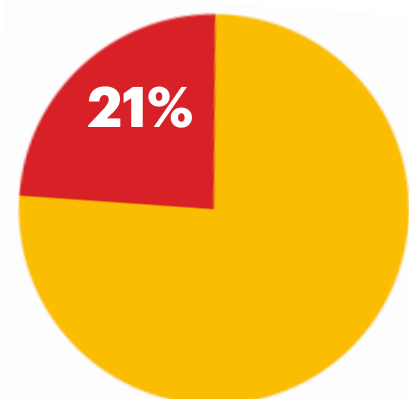
% of MSSL sales\*



## 02 Wiring harnesses



## 03 Rear view mirrors





VISION

To be a  
globally  
preferred  
solutions  
provider.

Formulated  
in 1997, the  
vision of the  
Group has  
remained  
unchanged.



# 5 Year Plans

# 5YP

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%



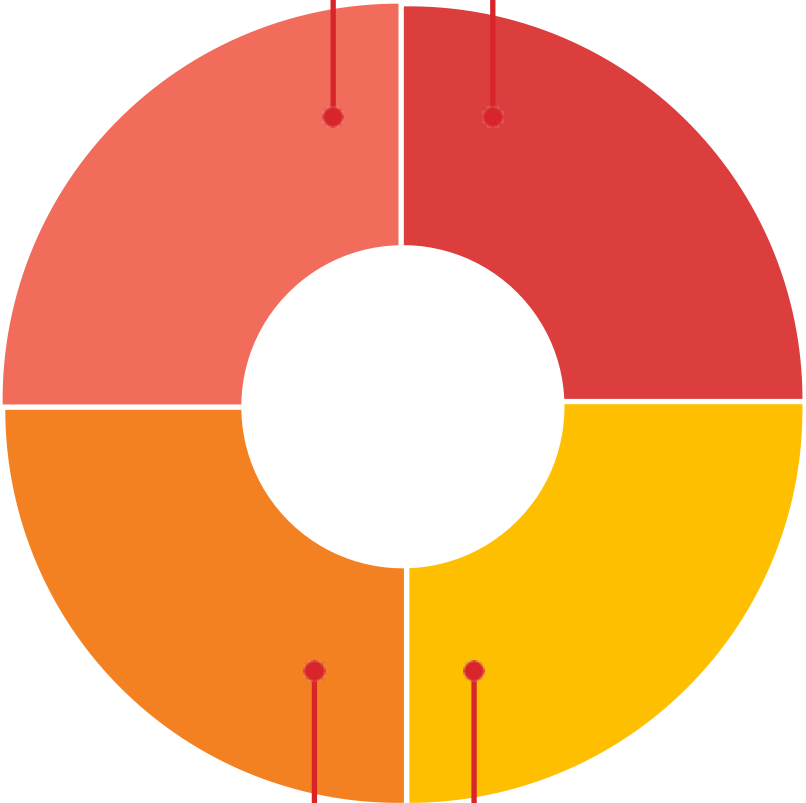
# The targets.

# 2022

Our fifth  
5-year plan.

①  
**USD 18 billion**  
**FY 19-20.**  
(Revenue)

②  
**40%  
ROCE**  
(Consolidated)



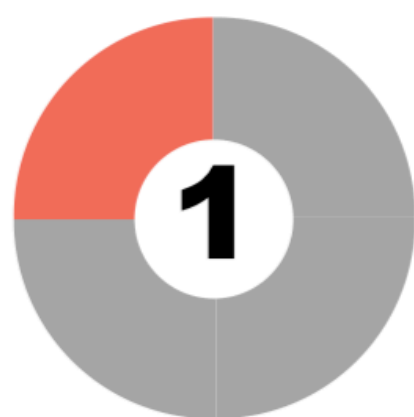
③  
**3CX15**  
(No Country, Customer,  
Component to contribute more  
than 15% to our revenues)

④  
**40%  
dividend**  
(Of consolidated profit)



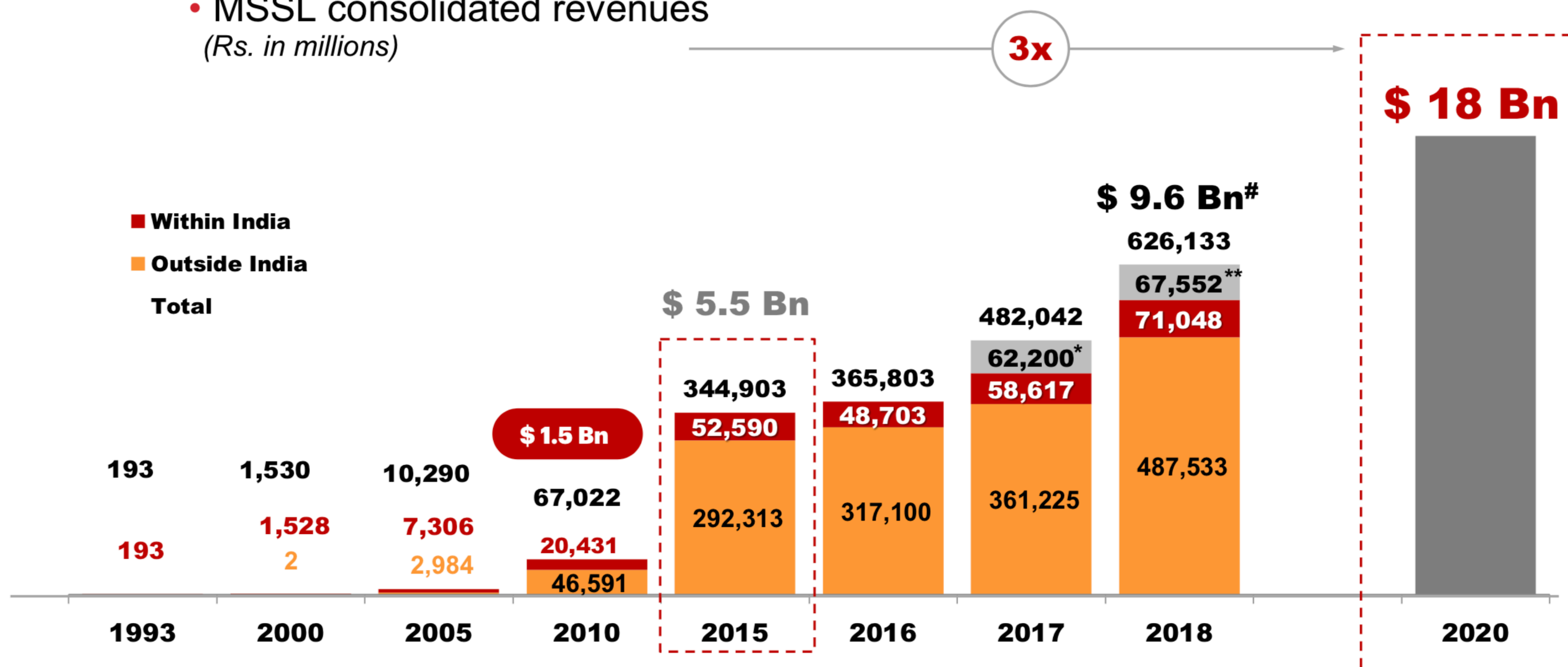
## 02 Our path of profitable growth.





# Delivering growth while staying disciplined.

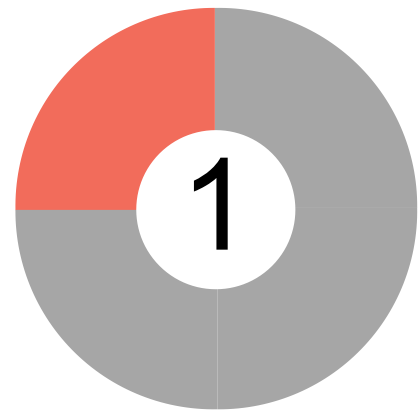
- MSSSL consolidated revenues  
(Rs. in millions)



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

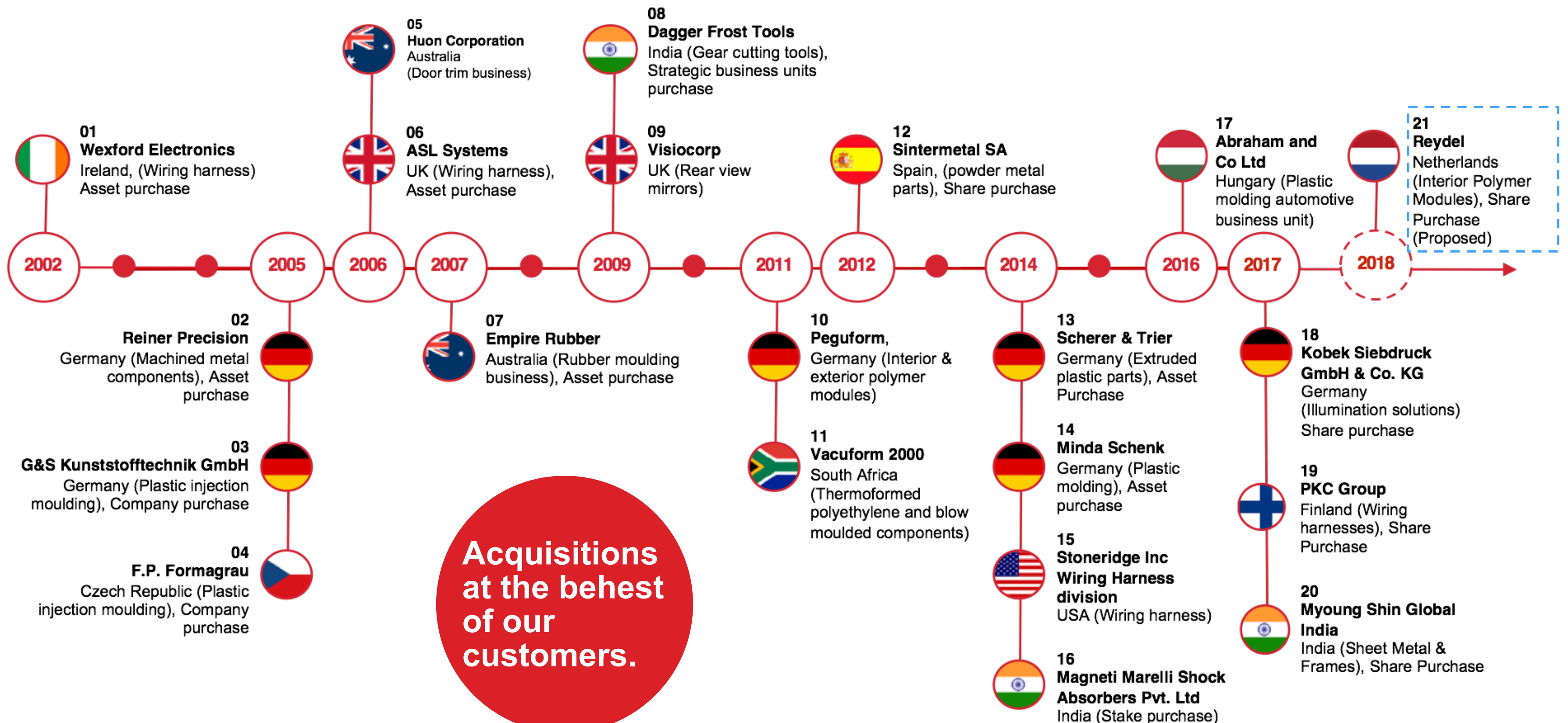
\*\* Revenue of proposed acquisition of Reydel group amounting USD 1,048 million (based on unaudited financials for CY 17 USGAAP) on proforma

# on Pro-Forma basis

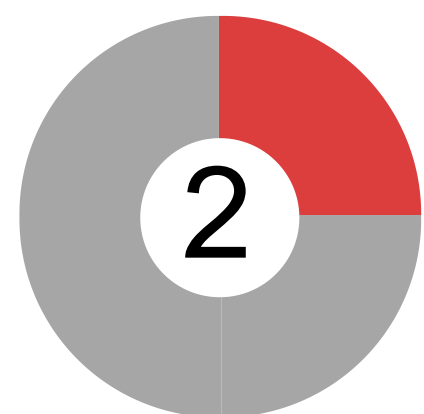


# Acquisitions: inorganic growth.

The group has integrated 20 acquisitions since 2002, creating synergies while leaving companies to manage themselves as autonomously as possible.

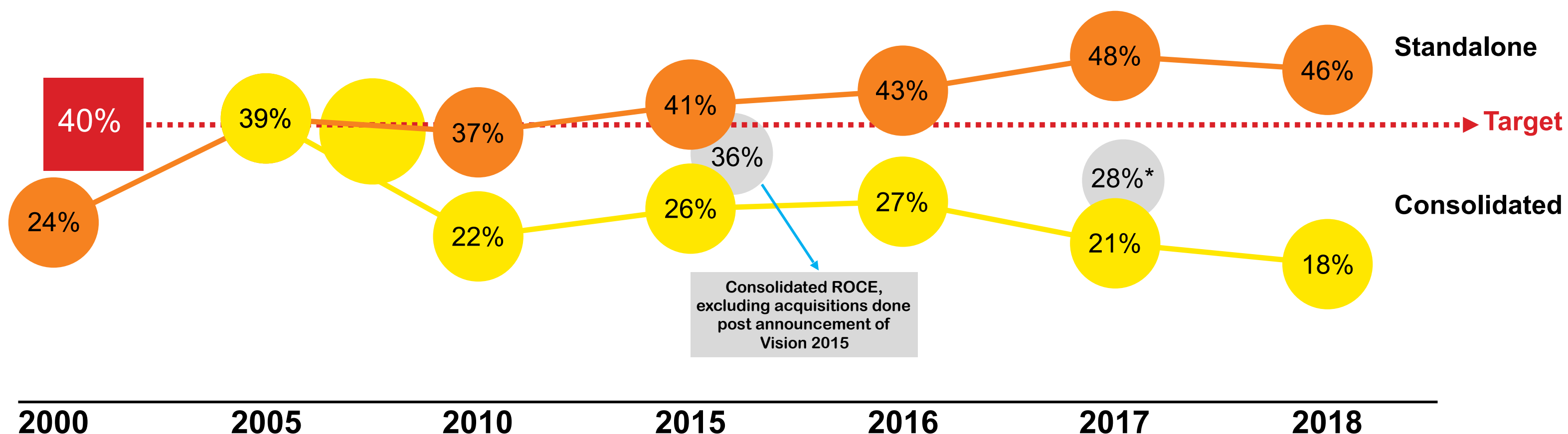






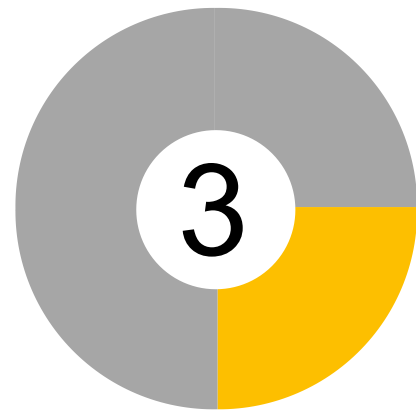
# A strong focus on ROCE.

- Return on Average Capital Employed (ROACE) for MSSL in our 5-year plans.



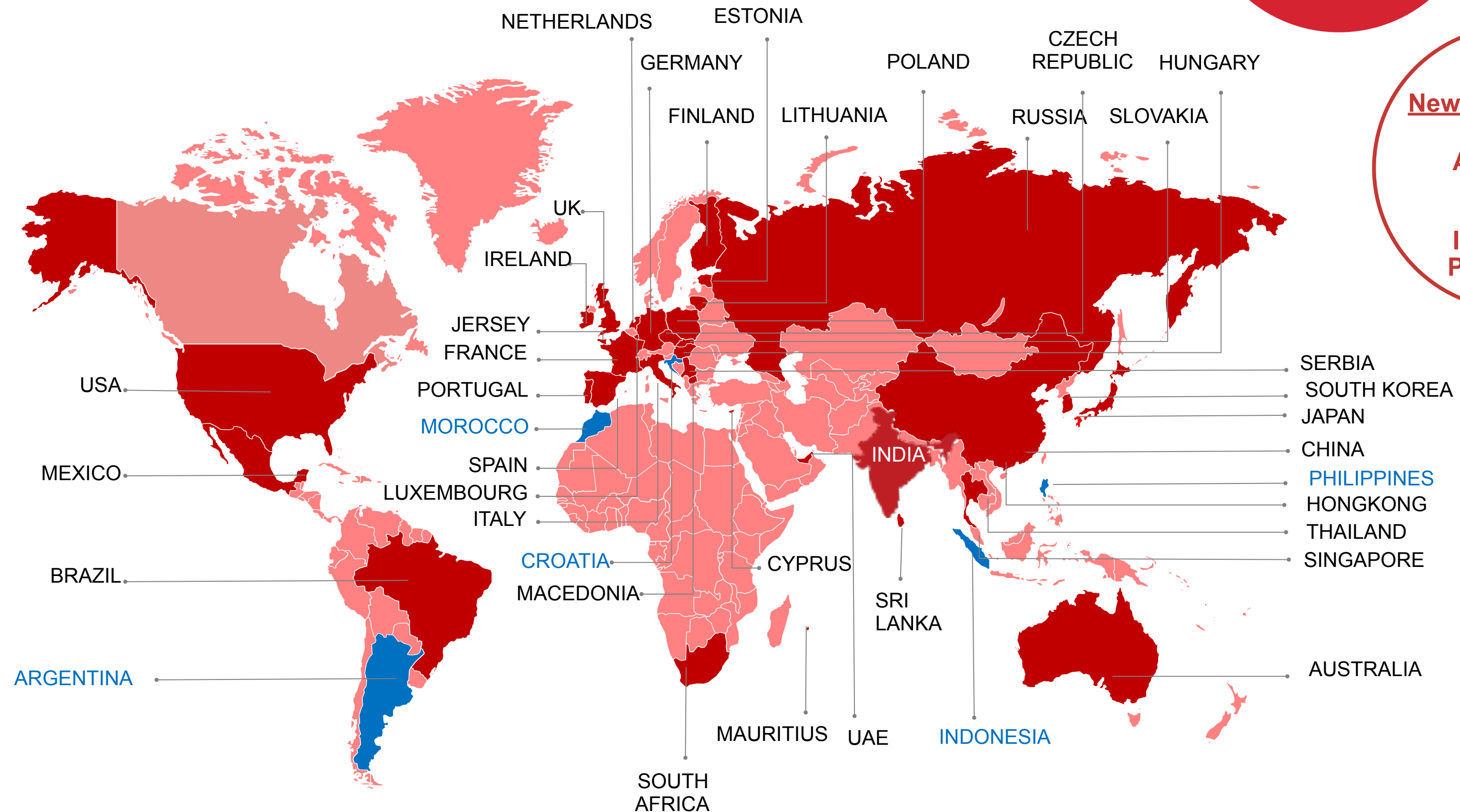
Consolidated ROCE, excluding acquisitions done post announcement of Vision 2015

\* Excluding PKC acquisition and start up costs for the new plants at SMP

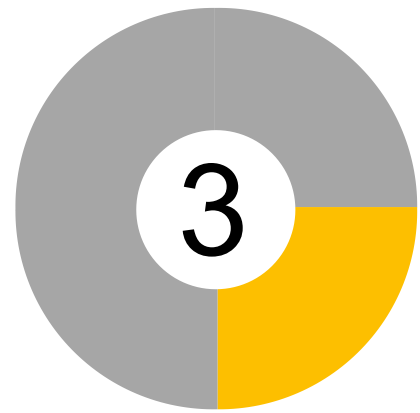


# Motherson + Reydel – Geographic Overview.

Over 250  
facilities of  
SMG in  
41 countries.



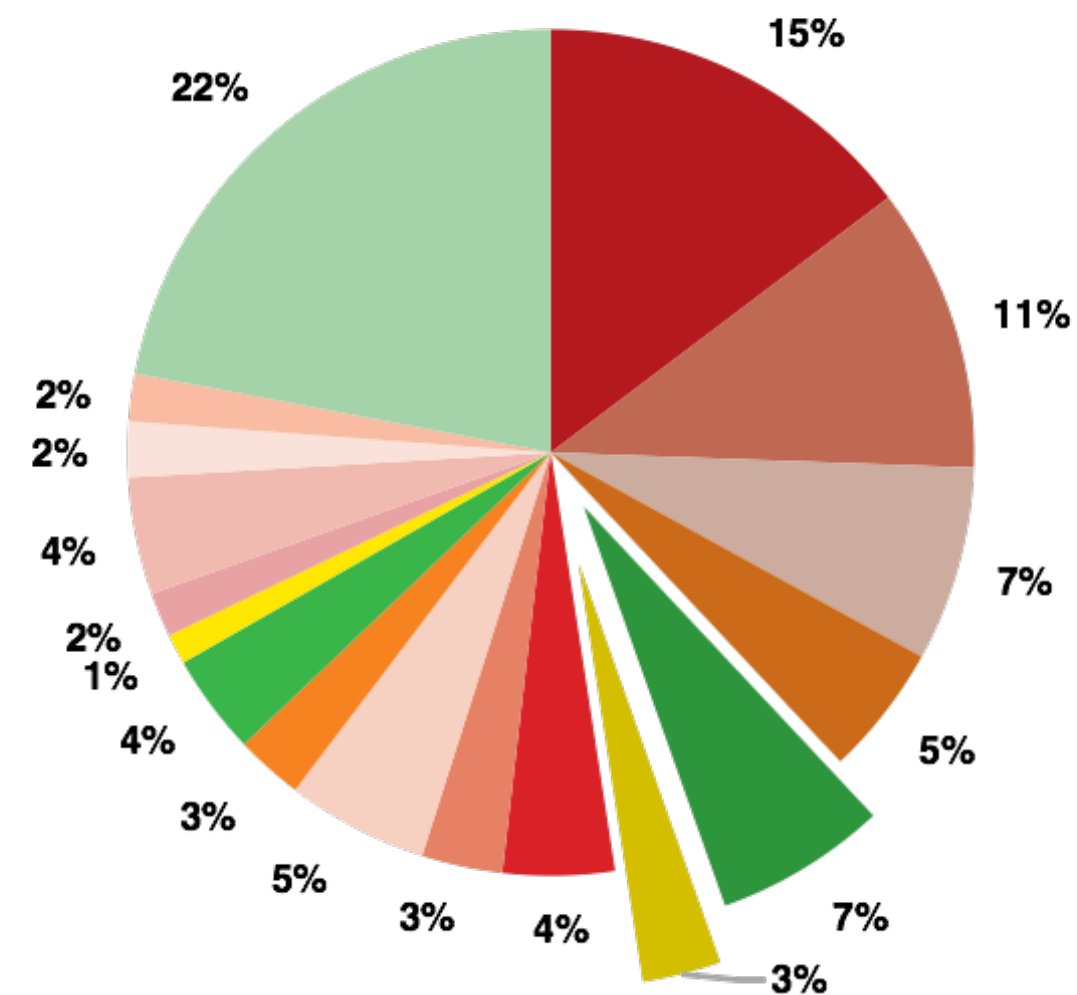
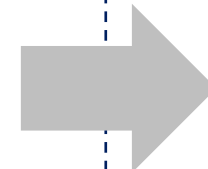
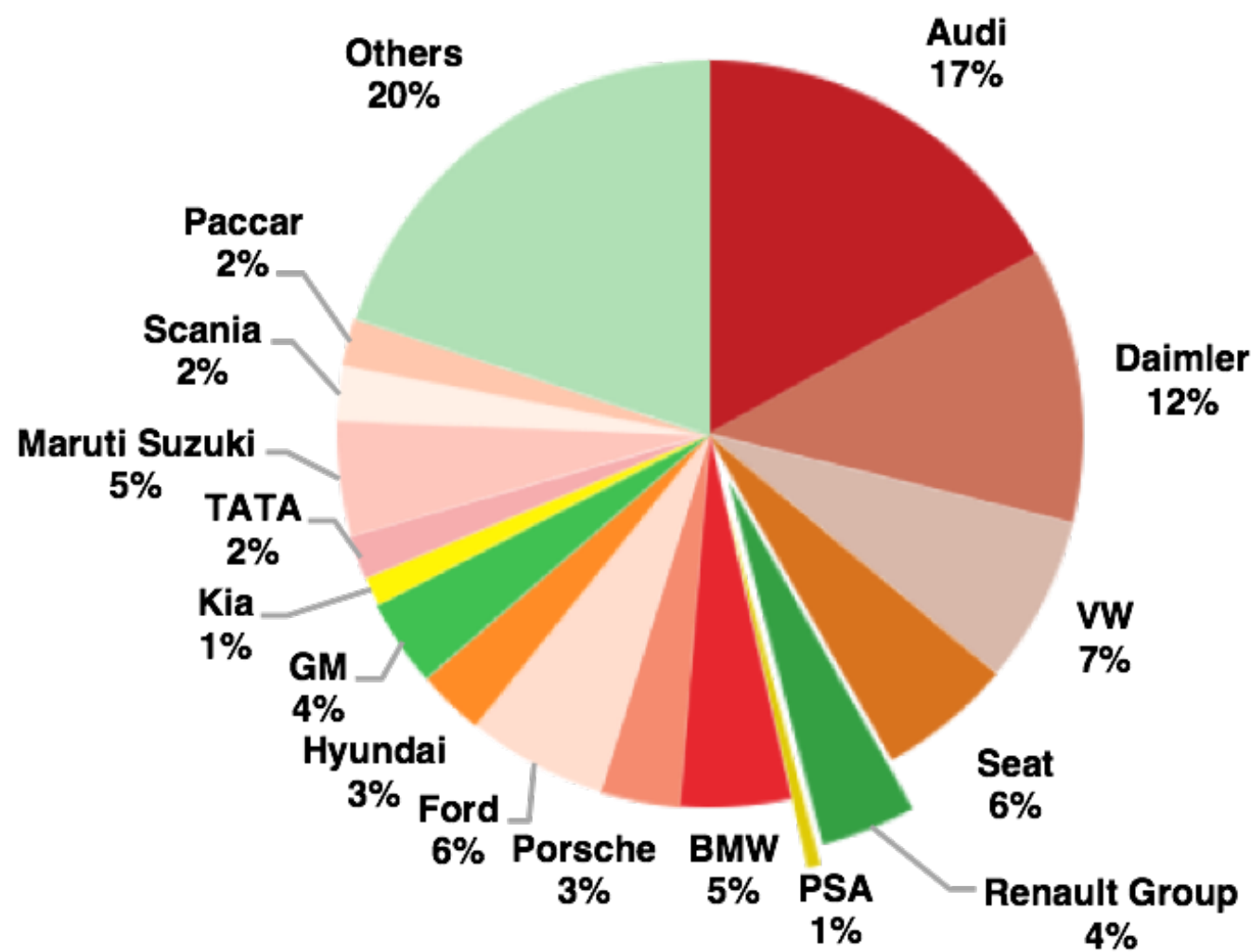




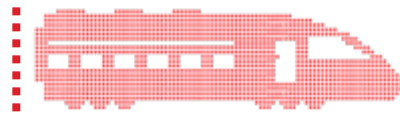
# 3CX15 Customer-wise revenue breakup.

Existing

Pro-forma



## CX15 achieved



ROLLING  
STOCK

**ALSTOM**

**BOMBARDIER**



AUTOMOTIVE

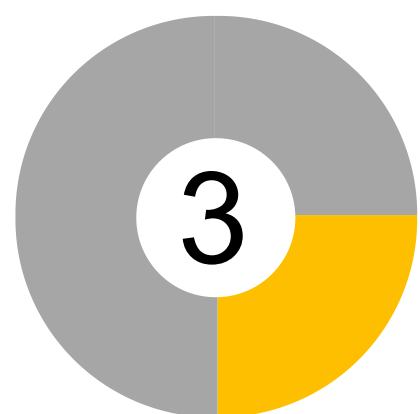


**TESLA**



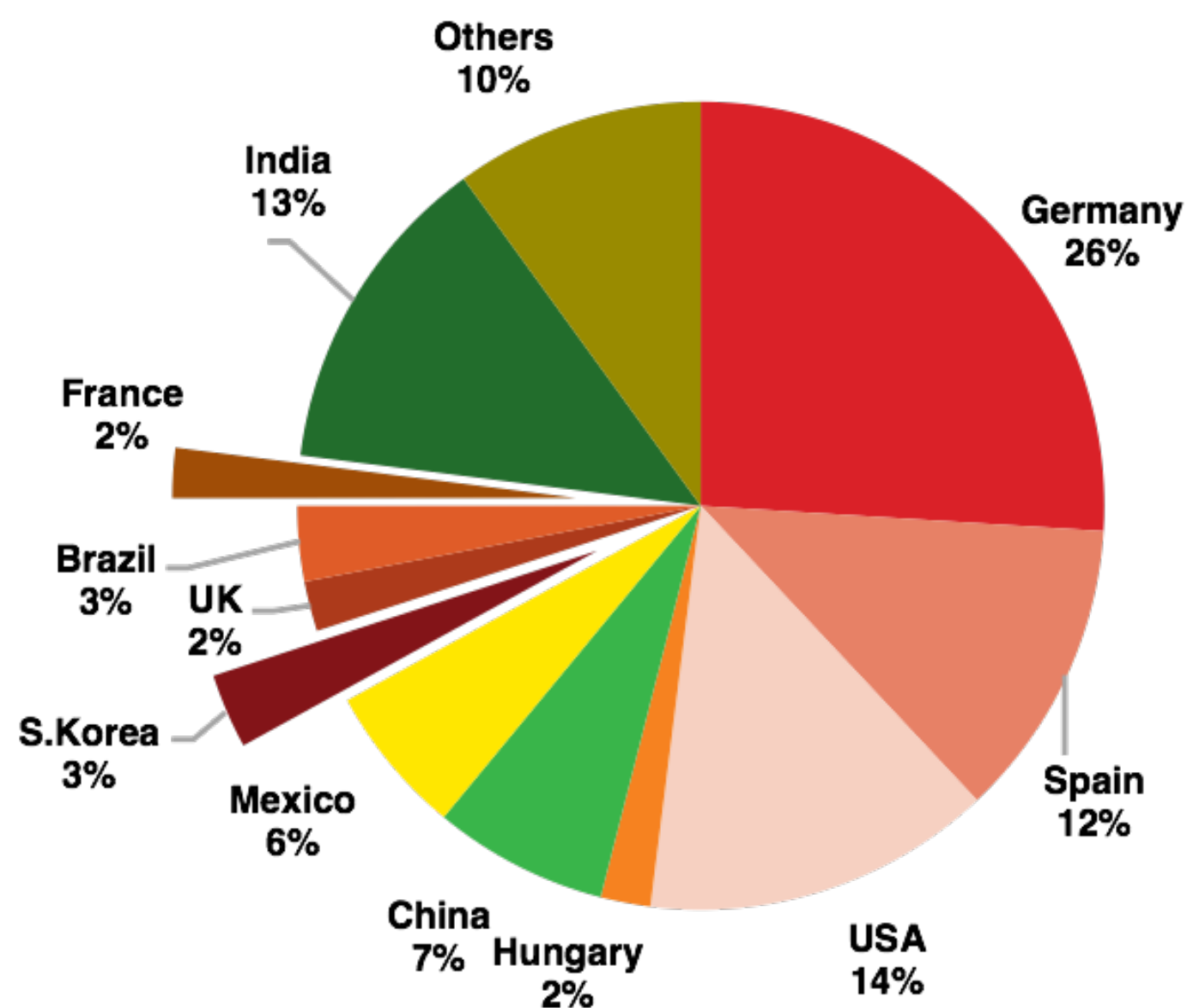
Please note that the split in the charts are based on Reydel's unaudited CY17 US GAAP figures  
Existing represents sales mix of April – Mar 2018, without Reydel



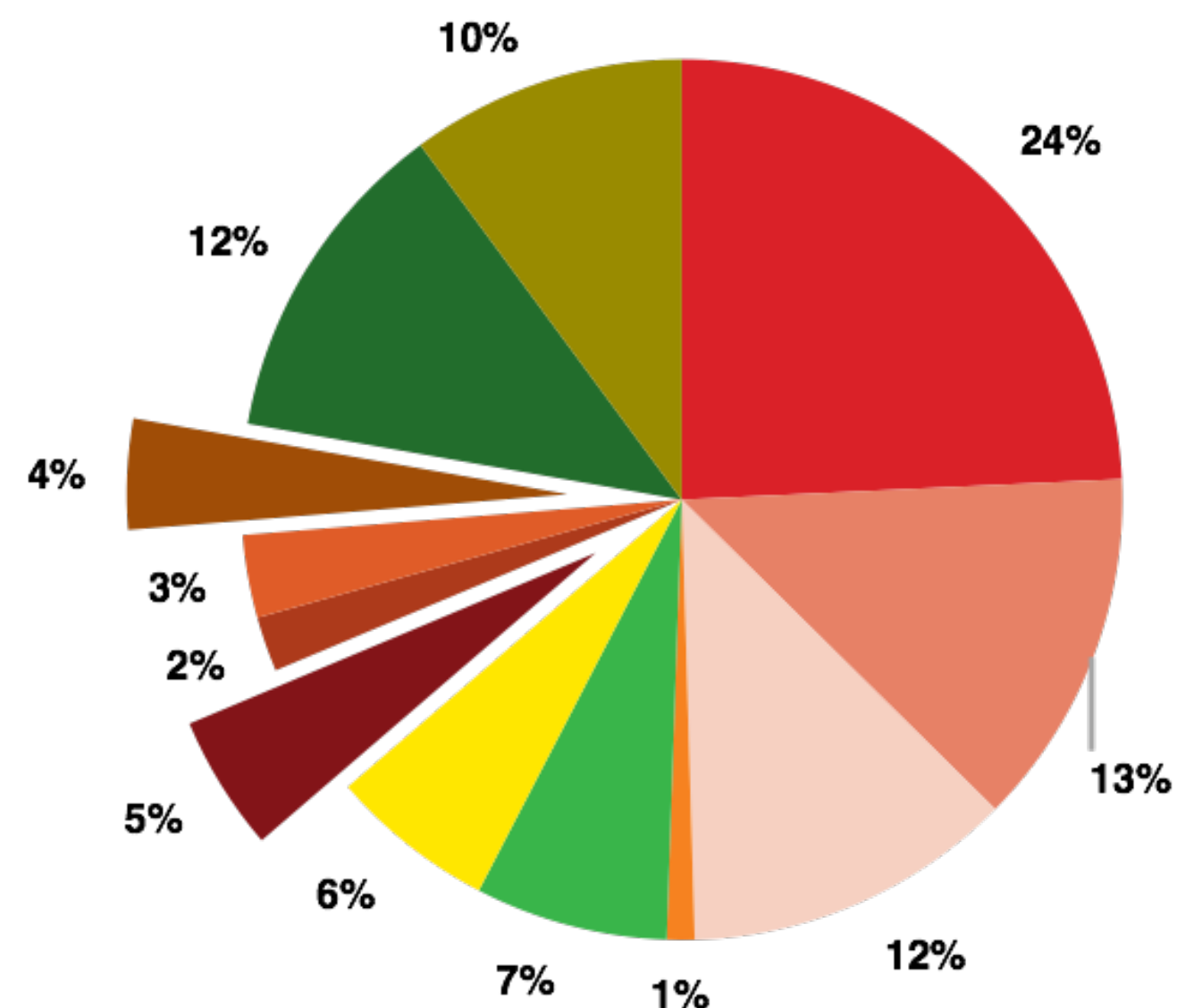


# 3CX15 Geography-wise revenue breakup.

Existing

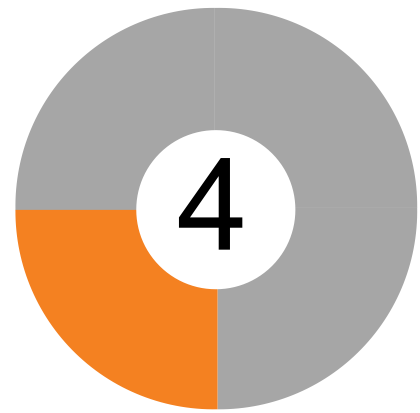


Pro-forma

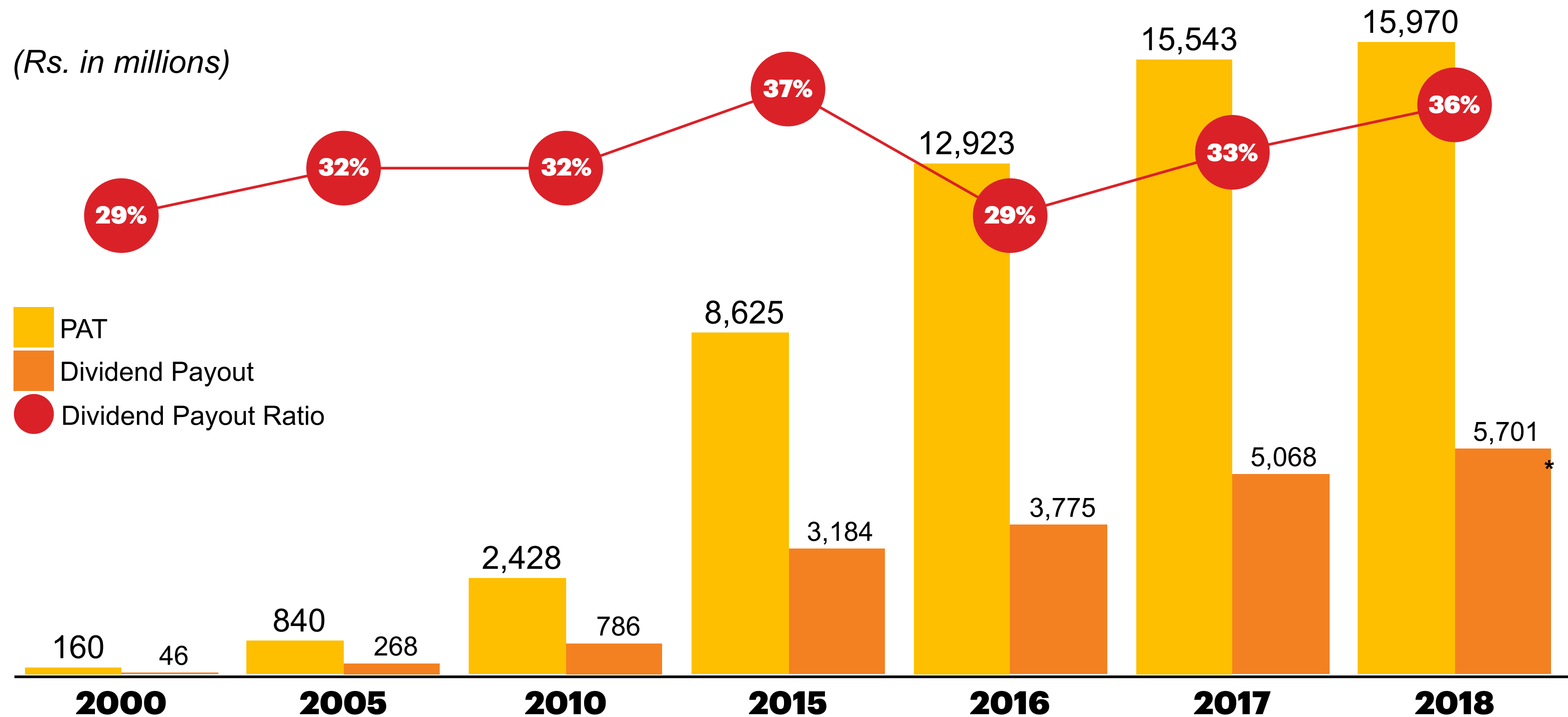


Please note that the split in the charts are based on Reydel's unaudited CY17 US GAAP figures  
Existing represents sales mix of April – Mar 2018, without Reydel





# 40% Payout: Stated Dividend Policy.



\* Proposed dividend for the FY ended 31<sup>st</sup> March 2018

03 Our "not so secret" recipe.



A person in a white and blue jumpsuit is skydiving over a vast, rugged mountain valley. The sky is blue with scattered white clouds. The terrain below is a deep valley with steep, rocky slopes and a winding river or fjord. The skydiver is positioned in the upper right quadrant of the frame, appearing small against the massive landscape.

**Top line is vanity.**

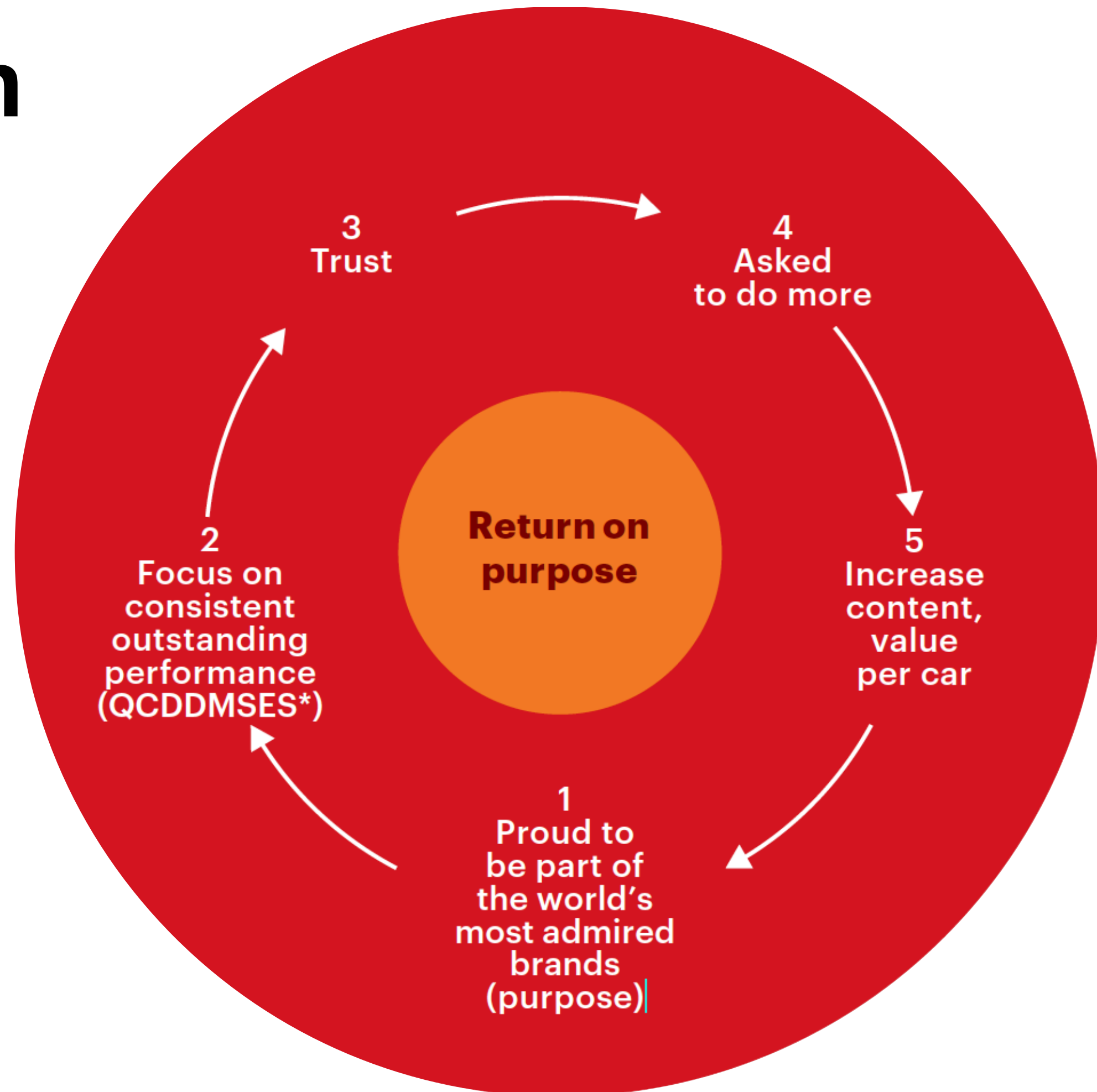
**Bottom line is sanity.**

**Cash in bank  
is reality.**

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



# How Motherson creates value.





...the  
world's  
most  
admired  
brands.



1  
Proud  
to be  
part of...



# 2 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.





# 3 As a result, Motherson is trusted by OEMs globally.

Volkswagen



Innovation & Technology Award

Daimler



Excellence in Performance



Business Partner Award



Supplier Award for Partnership  
(support in global growth)



Best Performance Award

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 Quality Excellence Award



Supplier of the Year Award

Ford



South America Supplier of the year

Renault Nissan



Overall Best QCDDM Performance Awards

# 3 As a result, Motherson is trusted by OEMs globally.

Hyundai



Quality Excellence

Tata Motors



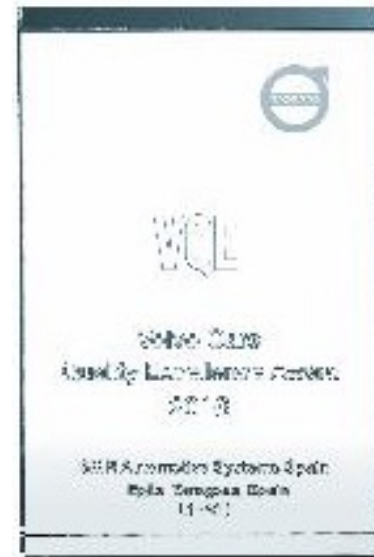
Best Supplier

Mahindra



Best SPD Performance

Volvo



Quality Excellence Award

Honda Cars



Gold Award from Honda

Paccar



Supplier Performance

Navistar



Diamond Supplier

Foton



Excellent Supplier

Ashok Leyland



Zero Defect Business Partner

Suzuki Motorcycle



Performance Award -- New Development

Honda Motorcycles & Scooters



Quality Management Award

Harley Davidson



Product Development



# 3 As a result, Motherson is trusted by OEMs globally.

● Caterpillar



Platinum Level in Supplier Quality Excellence Process

● JCB



Strategic Partner in Progress Chairman's Award

● John Deere



Excellence in Quality, Delivery, Technological Support and Cost Management



Commendable Performance for India Business



Partner-level Supplier In Achieving Excellence Program

● Komatsu



Significant Contribution Award

● Honda Power Products



Supplier Performance Award

● Kobelco



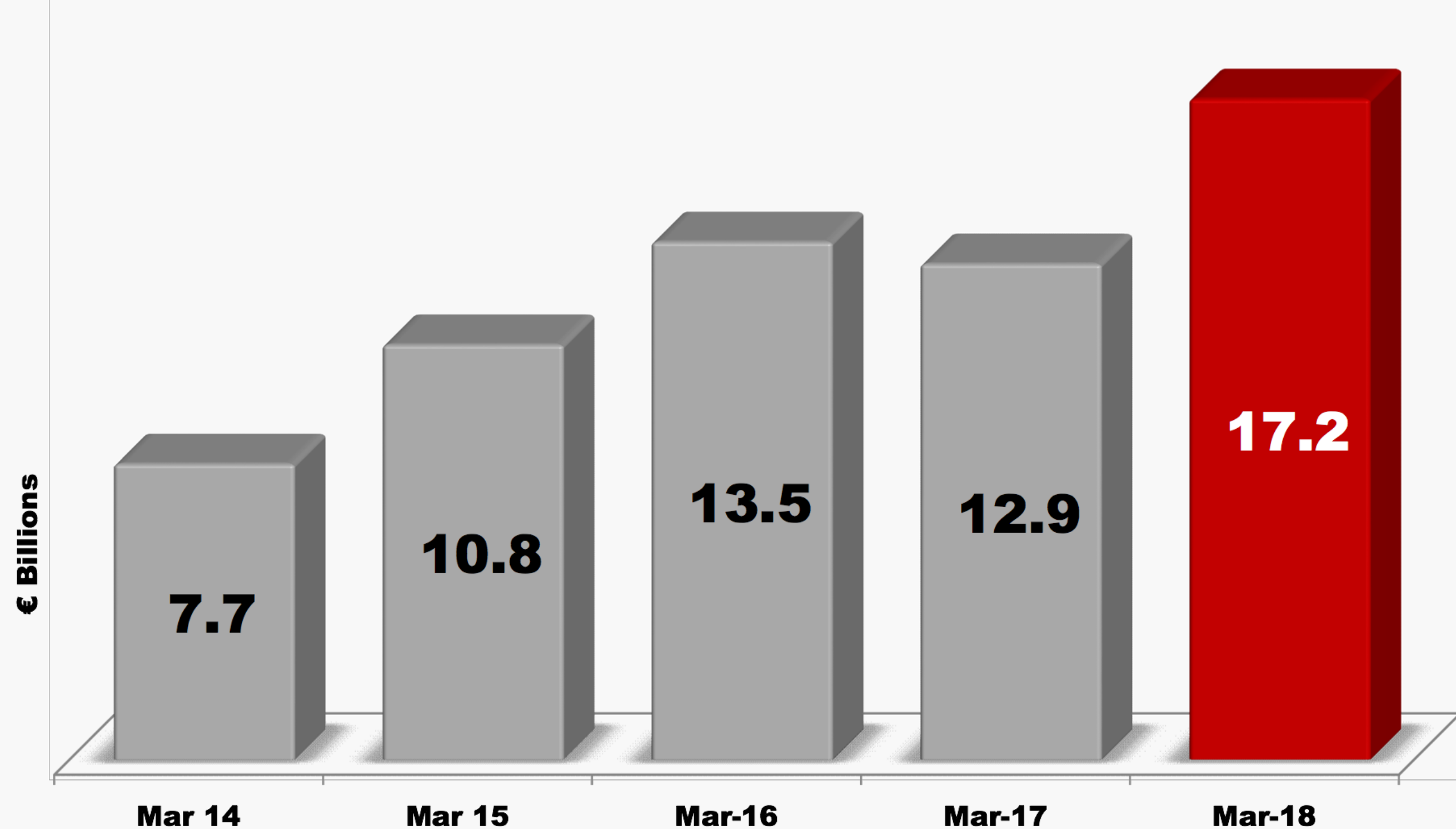
Preferred Business Partner

● Tata Hitachi



Significant Contribution on Quality

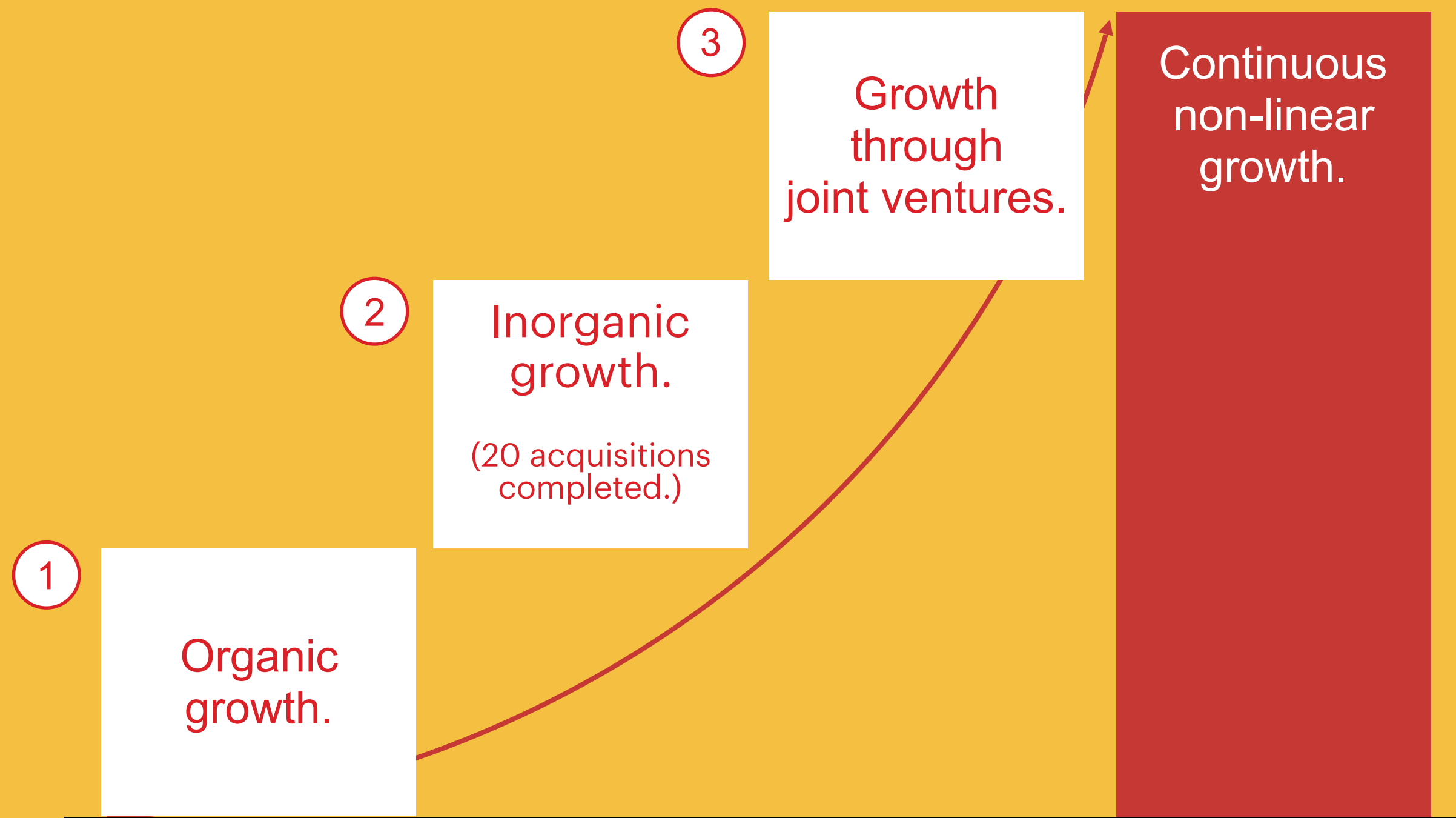
## 4 SMRP BV Order Book<sup>1</sup>



<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

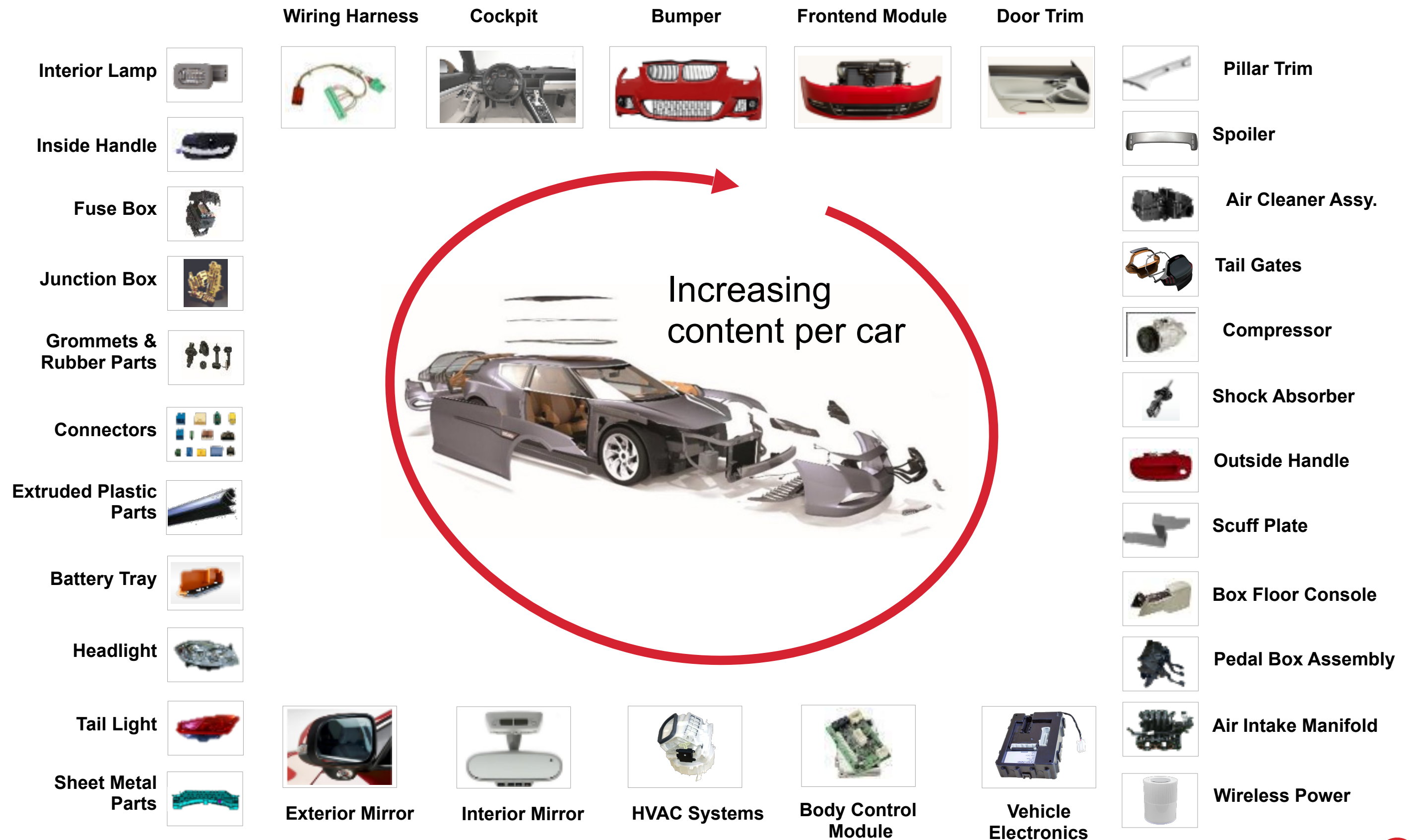


# 4 Trust has led customers to ask Motherson to do more.



# 5 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.

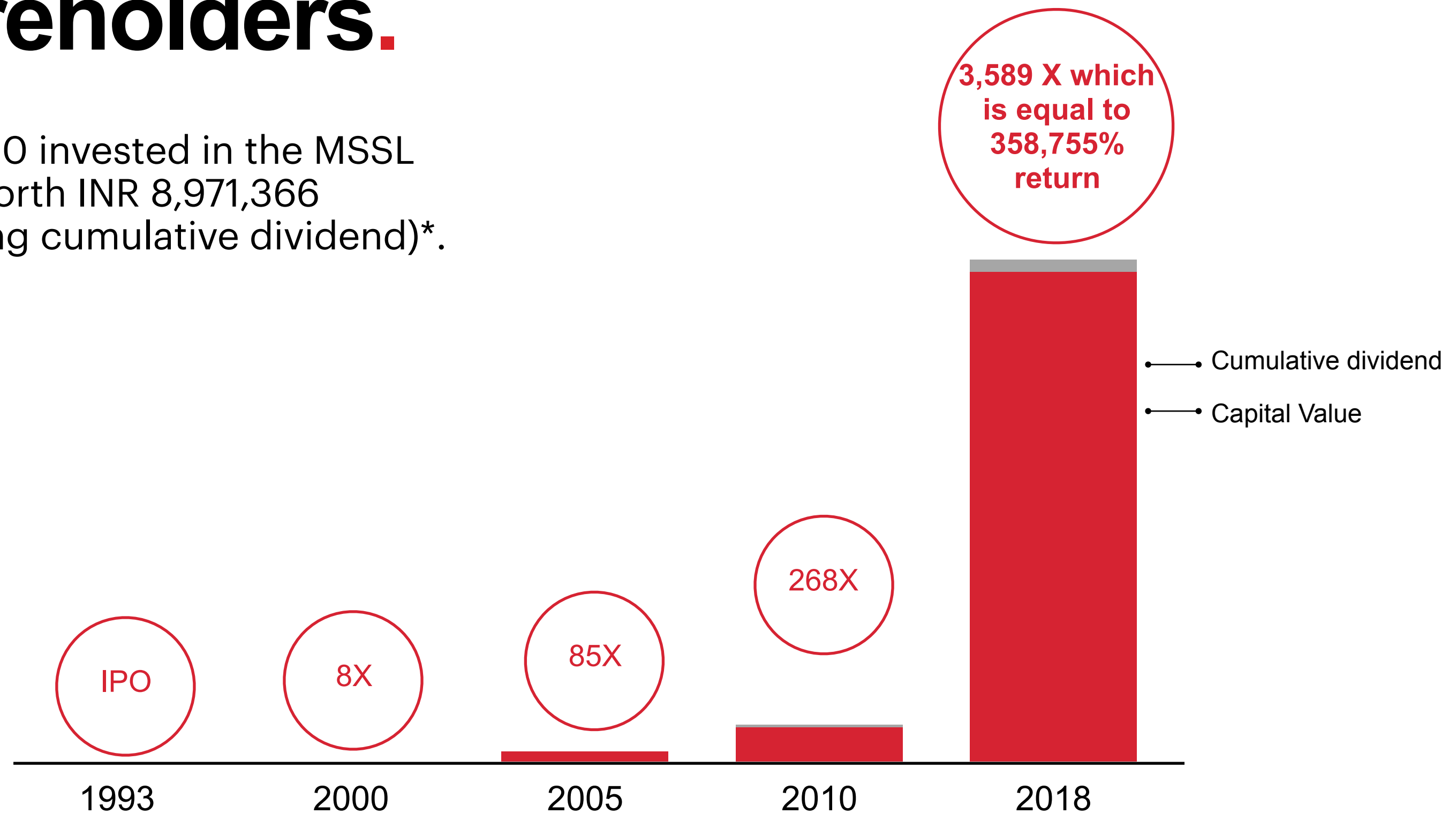




# 04 Implications.

# Returns to shareholders.

- INR 2,500 invested in the MSSL IPO is worth INR 8,971,366 (including cumulative dividend)\*.

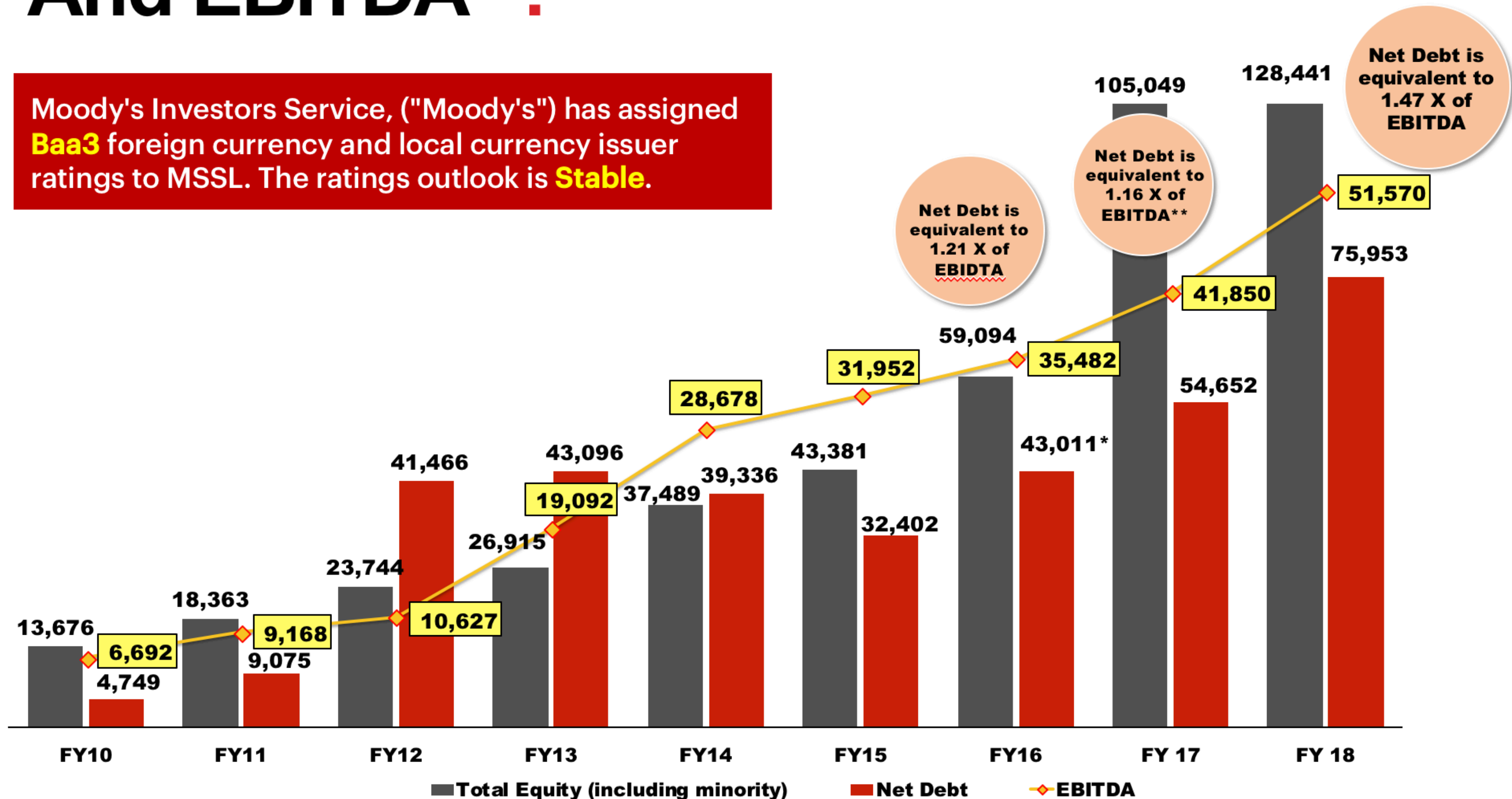




# Total Equity, Net Debt And EBITDA\*\*

(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**.

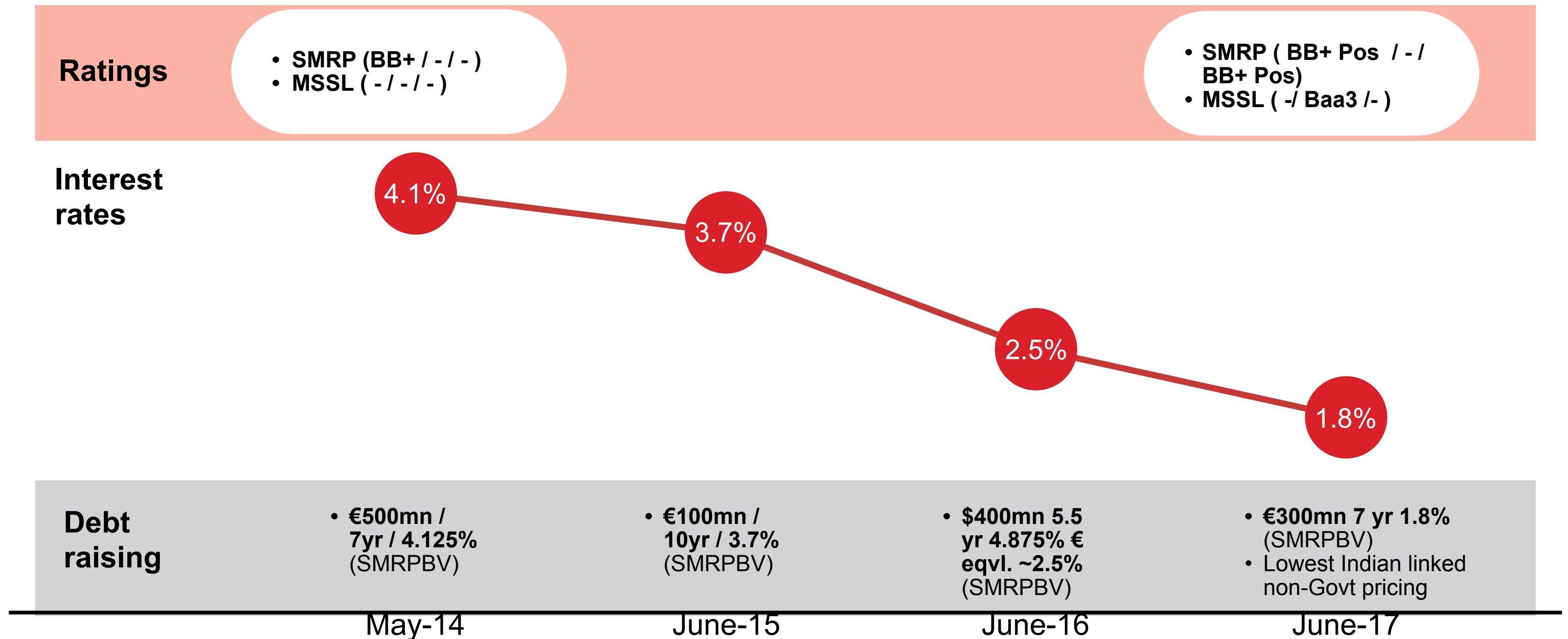


\*\* adding EBITDA of Euro 64 million of PKC group for 2016

\*Excluding other income and exchange fluctuations

# Finance Cost.

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





# Industry Recognition.

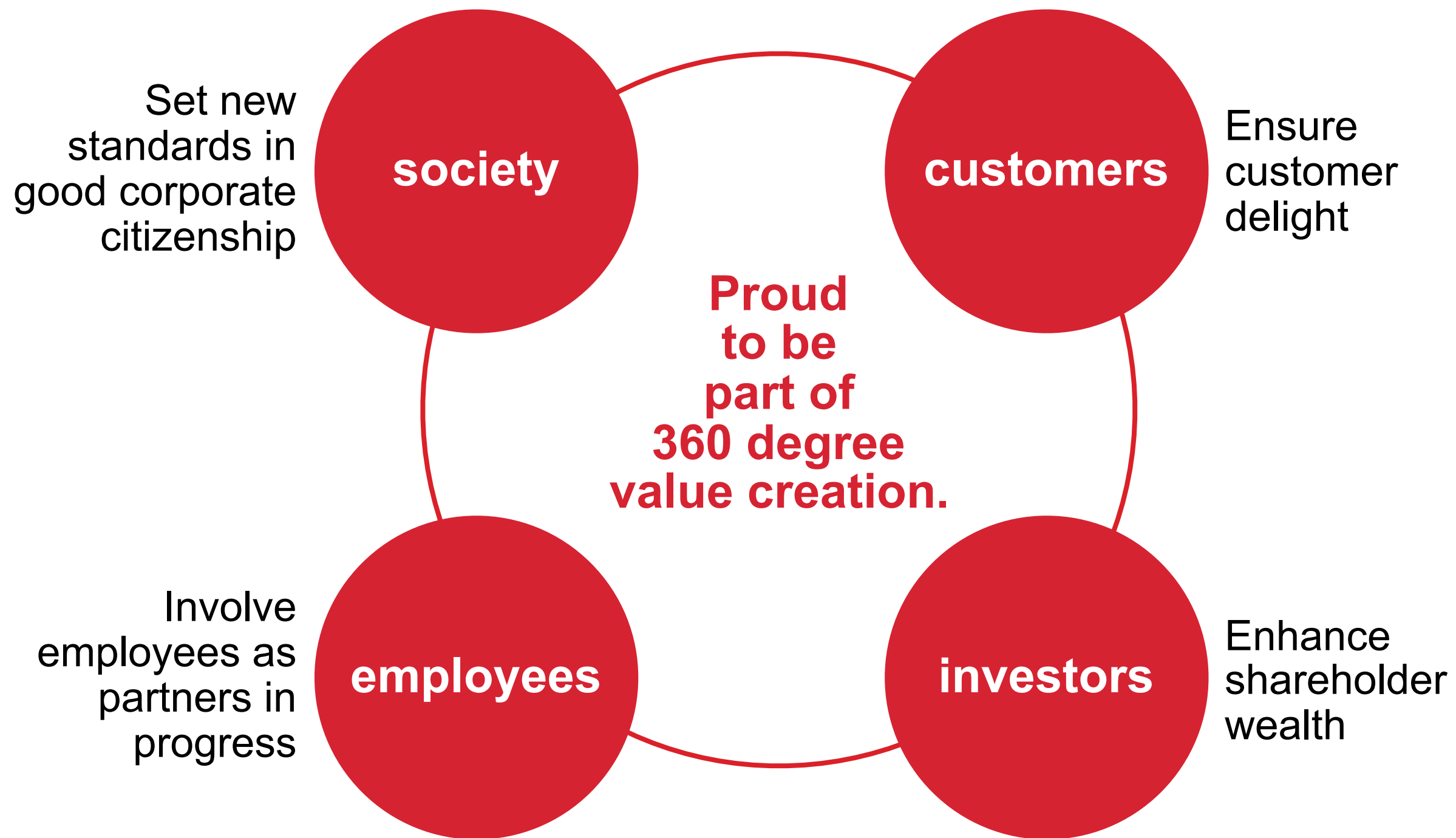


**Motherson Sumi Systems Ltd was recognized as the**

**“Outstanding Company of the Year Award”**

**at  
‘India Business Leader Awards’ (IBLA)  
in April 2018**

# Creating value for all stakeholders.







# Thank you.

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