

Photo by Rajarishi Mitra.

01 A brief introduction to Motherson.

Notherson

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

Working with 32 joint venture partners.

Over 125,000 people worldwide.

(4)

US\$ 11.5 billion* in yearly revenues. (for FY17-18)

Operating over 250 facilities in 41 countries.

2010-18 **SMG CAGR = 27.09%**

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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



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To be a globally preferred solutions provider.

(6)

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

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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 (2010) | Target (as set in 2010) | Achievement (2015) | |
|---|---|--|--|--|---|--|
| To cross Rs. 1000 Crore | Achieved | Make MSSL a Billion Dollar Company | Achieved USD 1.5 Bn | Make MSSL a 5 Billion Dollar Company | Achieved USD 5.5 Bn | |
| (Consolidated) by the year 2005 | Rs. 1029 Crores* <pre>*taking full turnover of JVs</pre> | 60% of our consolidated turnover should cater to the requirements of | 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 | India was 70% | outside India Global Presence in 26-27 countries | Presence in 25 countries | |
| Not to have dependence of over | Largest customer contributed 27% of | Contribution from any individual customer in our turnover shall not be more than 20% of the total turnover | customer contributed 15% of the total turnover | countries | 26%* (on consolidated basis) 36% (Excluding Acquisitions done post announcement of Vision 2015) 41% (on standalone basis) | |
| 25% on any one source Attaining Return on Capital Employed of | the total turnover ROCE of 39% (on both Consolidated & | Strive to maintain business ROCE of 40% | ROCE of 37% (standalone basis) ROCE of 22% (consolidated basis) | Achieve ROCE of 40% | | |
| | Standalone Basis) Dividend Payout | Shift our stated dividend policy of 40% payout of the company's profits | Dividend Payout Ratio | | | |
| Dividend Payout Ratio 40% | Ratio was 43% for 2004-05 | to 40% payout of the consolidated Profits | 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 fifth 5-year plan.

3CX15 (No Country, Customer,



02 Our path of profitable growth.

staying disciplined.

(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 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.



1

The group has integrated 21 acquisitions since 2002, creating synergies while leaving companies to manage themselves as autonomously as possible.

Integrating Reydel in Motherson.





- Post completion of acquisition on August 3, 2018, Reydel is now integrated in Motherson and renamed SMRC
- Added 20 manufacturing facilities across 16 countries.
- Expanding Motherson presence in 5 new geographies
- Strong portfolio in automotive interior modules that includes Instrument Panels, Door Panels, Console Modules, Decorative Parts and Cockpit Modules





- Adds USD 1 Bn* to the top line
- * Revenue of acquisition of Reydel group amounting USD 1,048 million (based on unaudited financials for CY 17 USGAAP) on proforma basis



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









3CX15 Customer-wise revenue breakup.

3





3CX15 Geography-wise 3 revenue breakup.







40% Payout: Stated Dividend Policy.





03 Our "not so secret" recipe.

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.



4 Asked to do more

> 5 Increase content, value per car



...the world's most admired brands.

Toyota

Audi

BMW

Nissan

Suzuki

Bombardier

Volkswagen

Daimler



2 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.

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

Daimler Volkswagen usiness Partner Award 2017 Best Supplier Award for **Business Partner** Excellence in Innovation & Performance Partnership Performance Award **Technology Award** Award (support in global growth) Maruti Suzuki GM







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







Gold Award from Honda





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





Partner-level Supplier In Achieving Excellence Program



**Lifetime value at Euro Rates of 30.09.2018

1 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

New Orders worth **Rs. 23,810 crores**** (Euro 2.83 billion) received during H1 FY19

Total order book (€ 19.53 bn)

1,64,315

(€ 1.98 bn Order book at Reydel)

> **Execution of Orders worth Rs. 20,781 crores** (Euro 2.47 billion) started during H1 FY19

Order Book as on 30.09.18

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



Continuous non-linear growth.

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







Pillar Trim



Spoiler



Air Cleaner Assy.



Tail Gates



Compressor



Shock Absorber



Outside Handle



Scuff Plate



Box Floor Console



Pedal Box Assembly



Air Intake Manifold



Wireless Power

Body Control Module

Vehicle Electronics





Supporting customers with world-class facilities globally

3 of our largest plants begin operations

Recently set-up plants

Zitlaltepec, Mexico

- Groundbreaking: 2015
- Products: Bumpers, Rocker panels etc.
 Size of the facility: 194,000 sqm.





Recently set-up plants

Tuscaloosa, USA

Ground breaking: 2017
Products: Bumpers, Door panels etc.
Size of the facility: 993,000 sqm.



04 Implications.

Returns to shareholders.

• INR 2,500 invested in the MSSL IPO is worth INR 6,783,717 (including cumulative dividend)*.









Total Equity, Net Debt And EBITDA**.



** adding EBIDTA of Euro 64 million of PKC group for 2016 *Excluding other income and exchange fluctuations

(Rs in Million)

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



Rankings.

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SMG ranked 23rd

among global automotive suppliers by *Automotive News* MSSL ranked No. 1 auto ancillary in India for 7 consecutive years by *Fortune India*





MSSL among the Fab 50 companies of Asia for 6 consecutive years by *Forbes*



Creating value for all stakeholders.



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Thank you.

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