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part of.**

Presentation on Results

Quarter and Year ended March 31, 2019 (Q4 and Year End 2018-19)

27th May 2019

 **Samvardhana Motherson
Automotive Systems
Group BV**

- **Group Information**
- **Financial Performance**
- **Debt & Liquidity Status**

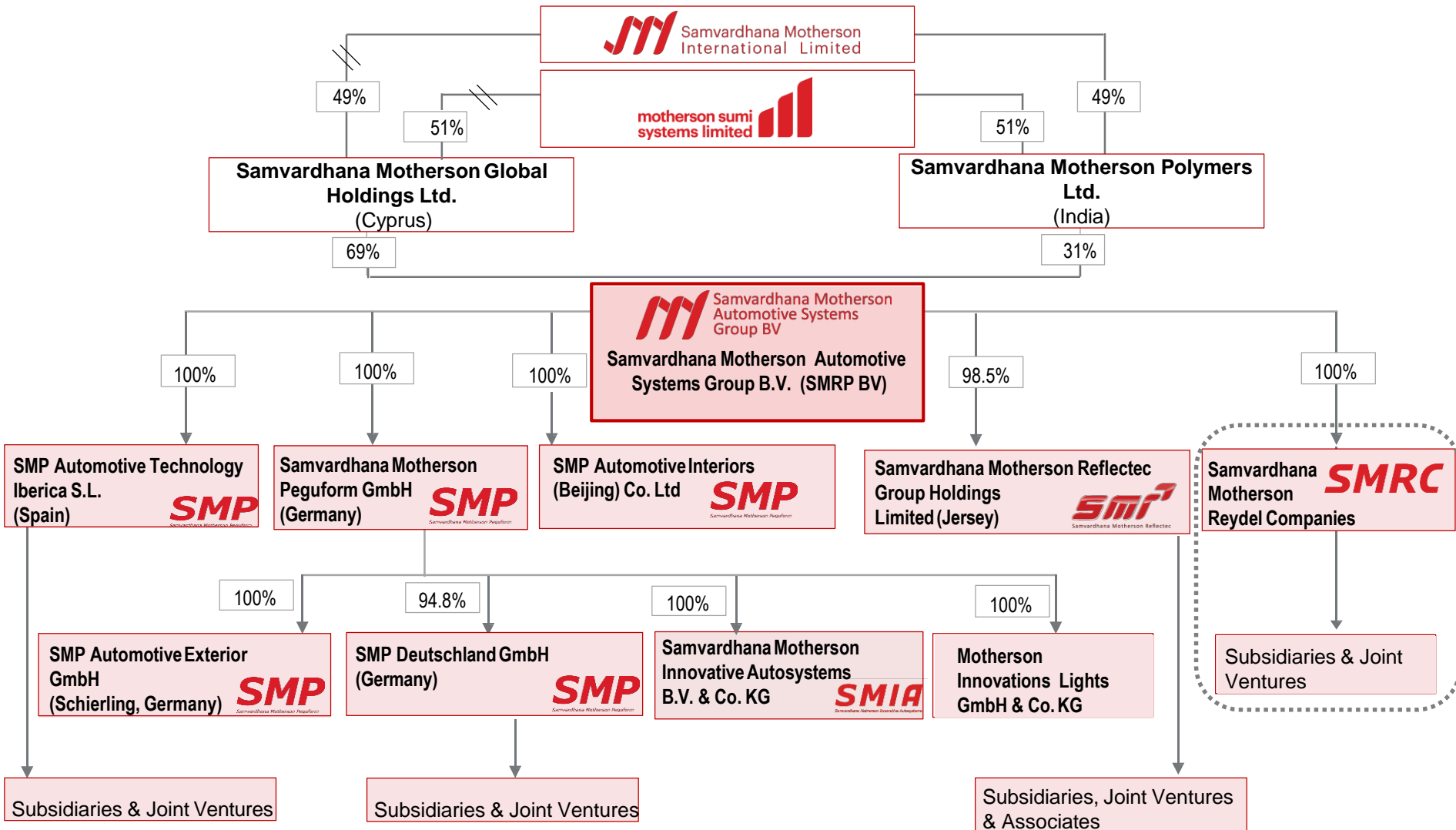
Highlights FY 18-19

- **Successfully completed acquisition of Reydel Automotive Group (renamed as SMRC) on 2nd August 2018. The purchase consideration paid was USD 200.4 million.**
- **Recorded revenue of €5.8 Billion in FY 18-19 which represents growth of 16% (On Gross basis excluding impact of IFRS 15) over corresponding previous year.**
- **Recorded EBITDA of €335 Millions* in FY 18-19.**
- **Higher Net Free Operating Cash after capex despite significantly large ramp up costs at SMP Greenfields at Kecskemet (Hungary) and Tuscaloosa (USA).**
- **Stable Net Leverage < 2.0x – March 31, 2019 at 1.98x. Even after including subordinated shareholder loan Net Leverage <2.5x – March 31, 2019 at 2.40x.**
- **Steady Order Book as on March 31, 2019 for € 18.2 bn.**
- **Credit Rating**
 - **S&P reaffirmed corporate credit rating of BB+ with stable outlook.**
 - **Fitch Ratings also reaffirmed corporate rating of BB+ with Positive outlook.**
- **SMP Greenfield plants at Kecskemet (Hungary) and Tuscaloosa (USA) commenced commercial production during FY 2018-19.**

* excludes bargain gain / fair valuation on acquisitions



SMRP BV Group Structure



Global Presence

Plants.

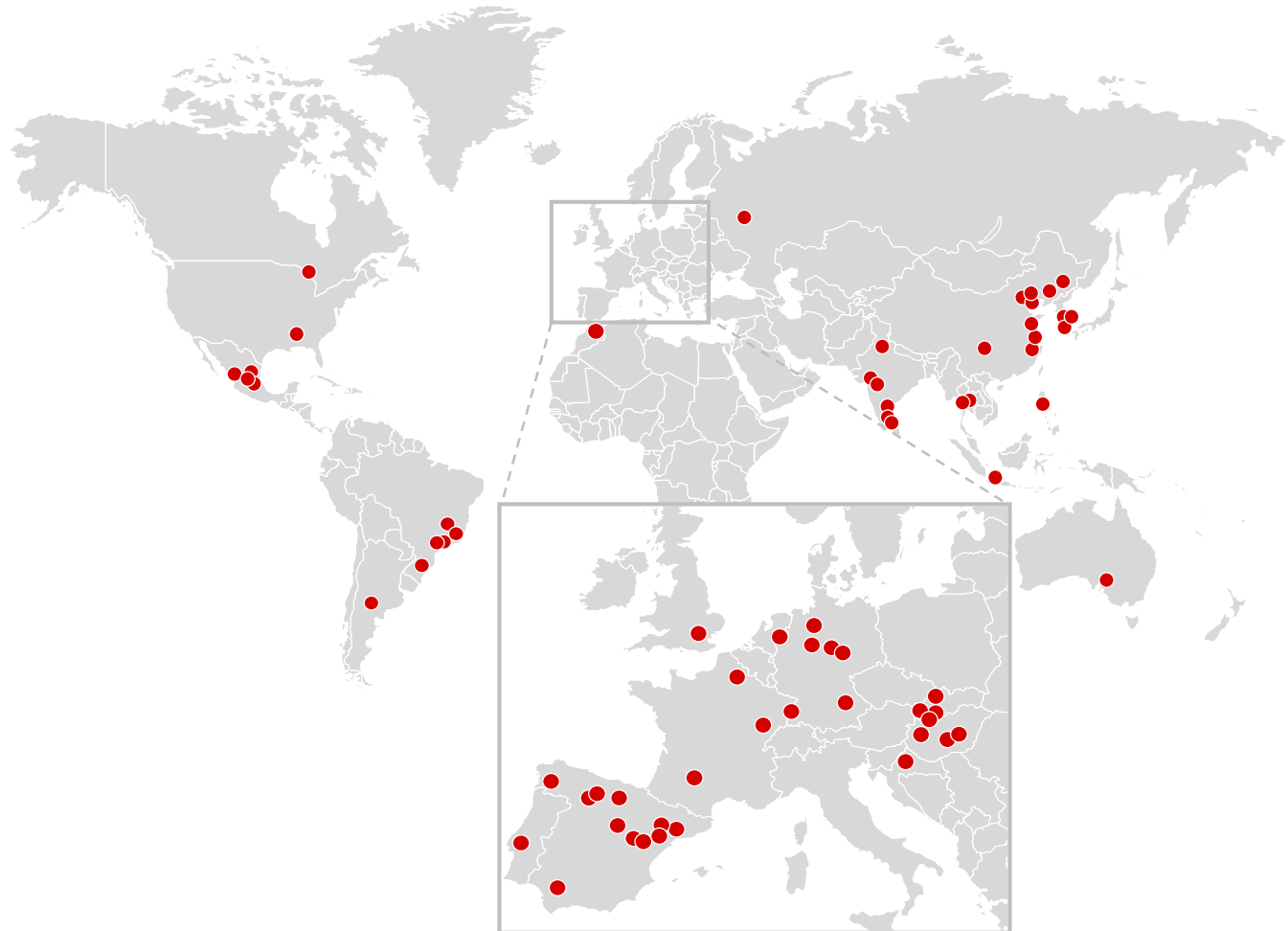
68

Countries.

24

Workforce*

32,500+



* Include full time, part time, temporary & contract employees



- **Group Information**
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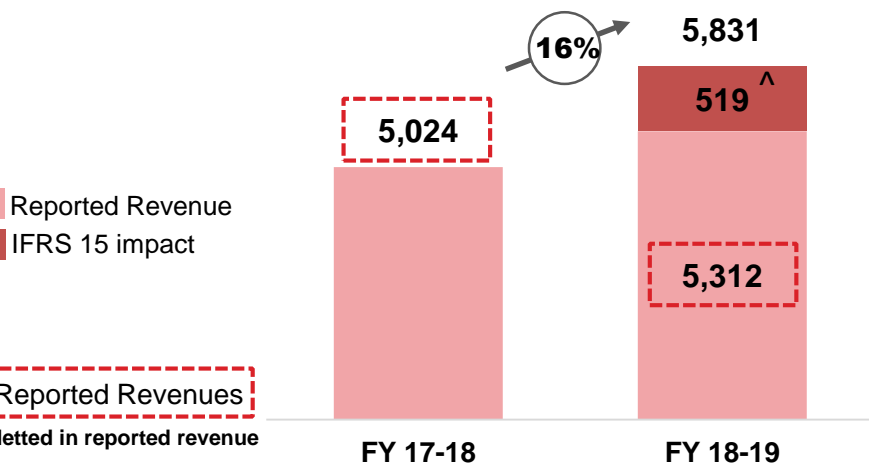
Changes in Accounting Standard IFRS 15

- Effective April 01, 2018, IFRS 15 – *Revenue from Contracts with Customers* became applicable on the Group.
- The Group builds all customized products for its customers. In certain contracts, the Group is undertaking higher level assemblies of modules such as Instrument Panels, Cockpits etc. wherein whole/ substantial components are procured from suppliers nominated by customer without taking over any risks on the Company itself.
- In view of implementation of new standard, only service fees involved in such contracts where the company has limited risks has been recognized as revenue by netting the cost of such components from raw material consumption as well as from sales as against earlier practice of full value to be included in Revenue.
- The new standard has been applied from April 01, 2018. The Group has adopted modified retrospective approach and hence comparative figures have not been reinstated. This change does not have impact on profits before and after tax.
- In order to make a comparison we have given impact on the revenue on slide no – 8, 9, 10 and 11.

SMRP BV Consolidated : FY 2018-19

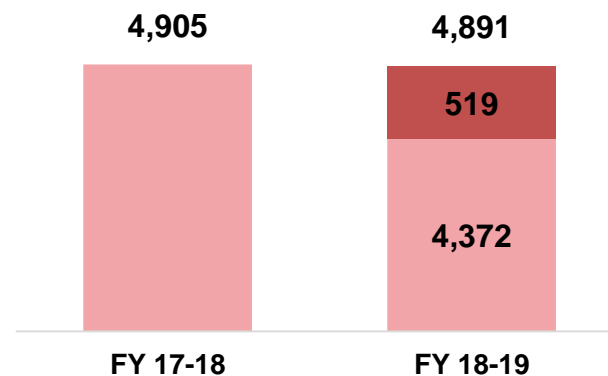
Revenue.

(€ Mn)



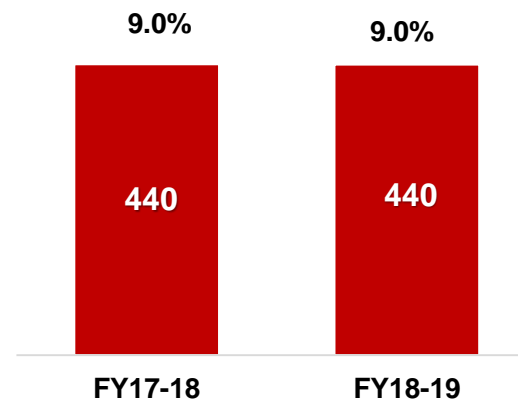
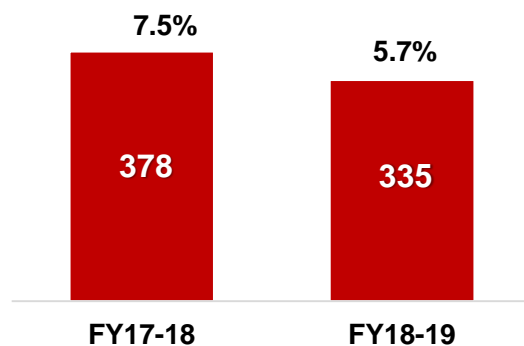
Excluding Greenfields & SMRC.

(€ Mn)



EBITDA*.

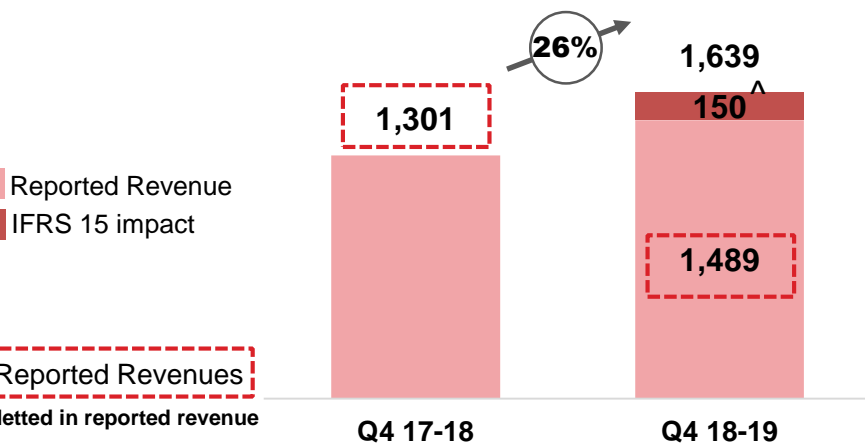
(€ Mn) (% to gross revenue)



SMRP BV Consolidated : Q4 2018-19

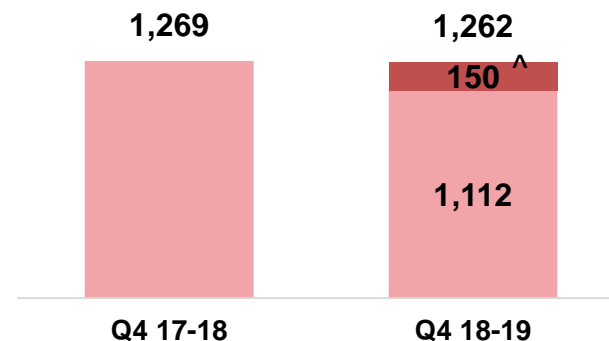
Revenue.

(€ Mn)



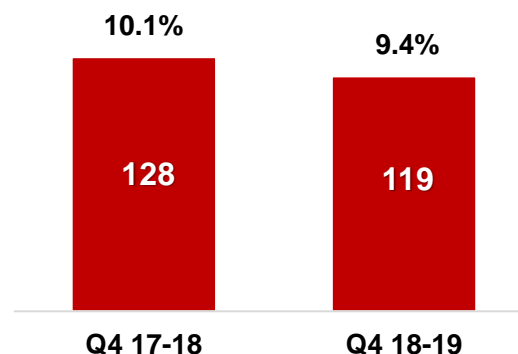
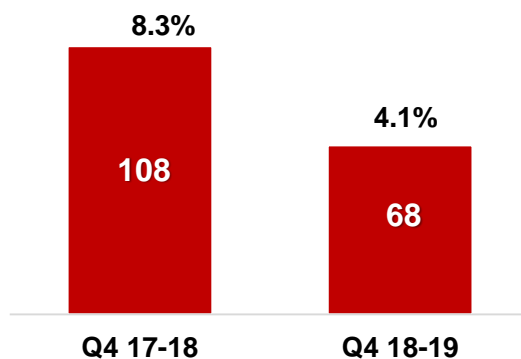
Excluding Greenfields & SMRC.

(€ Mn)



EBITDA*.

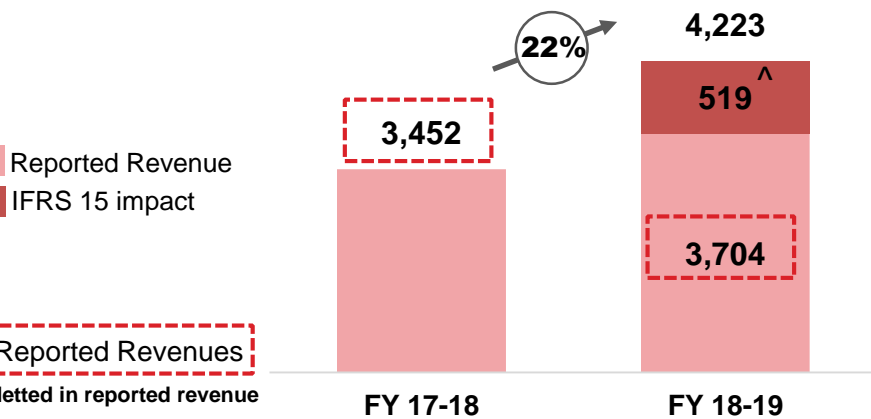
(€ Mn) (% to gross revenue)



SMP Group : FY 2018-19

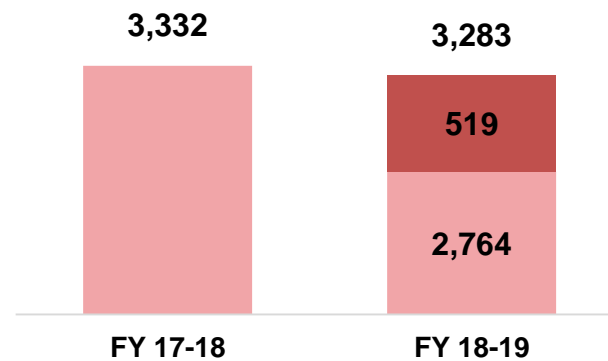
Revenue.

(€ Mn)



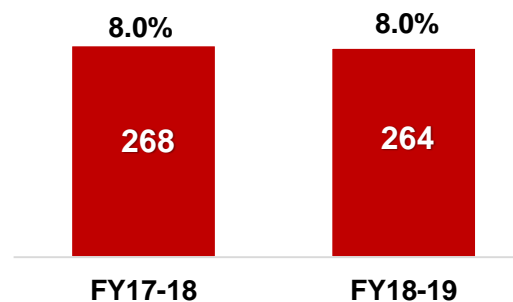
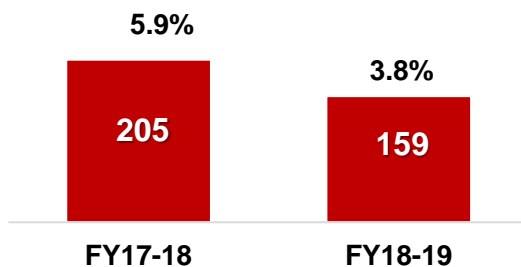
Excluding Greenfields & SMRC.

(€ Mn)



EBITDA*.

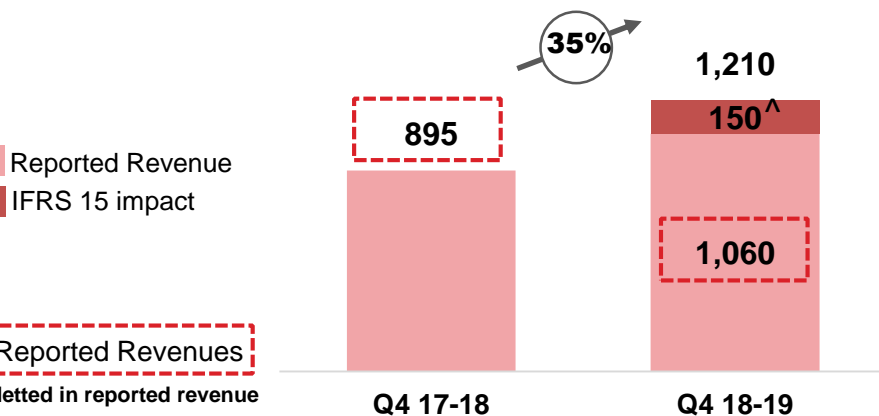
(€ Mn) (% to gross revenue)



SMP Group: Q4 2018-19

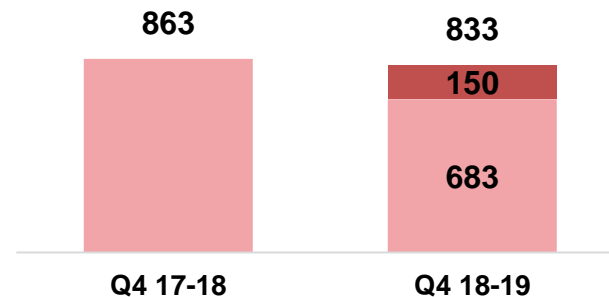
Revenue.

(€ Mn)



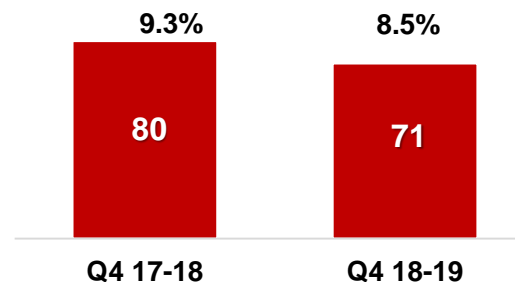
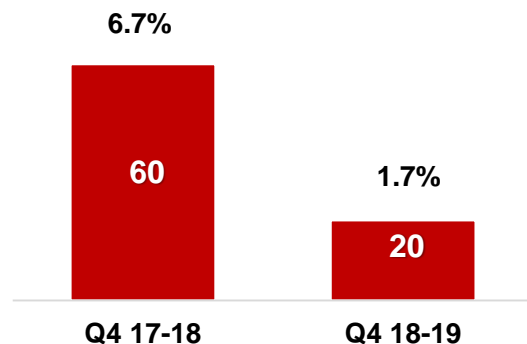
Excluding Greenfields & SMRC.

(€ Mn)



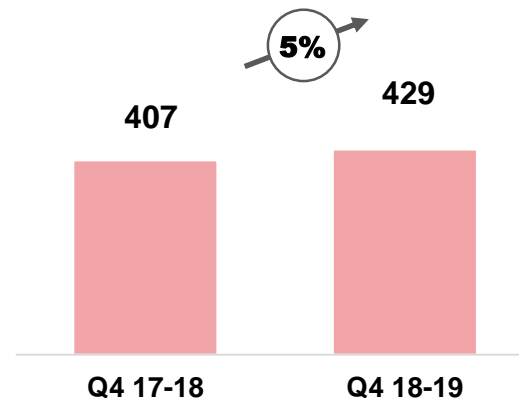
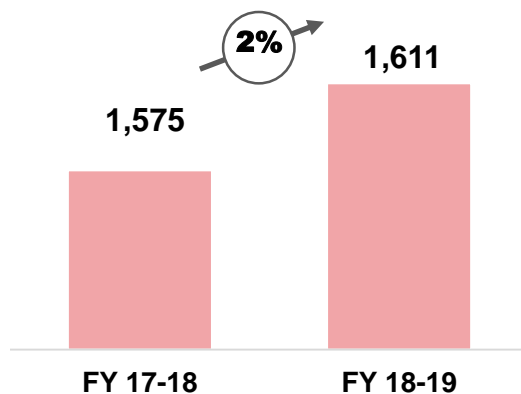
EBITDA*.

(€ Mn) (% to gross revenue)

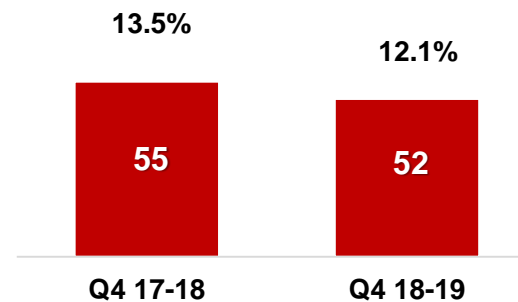
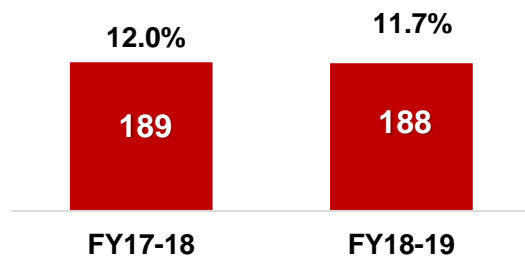


SMR Group: FY and Q4 2018-19

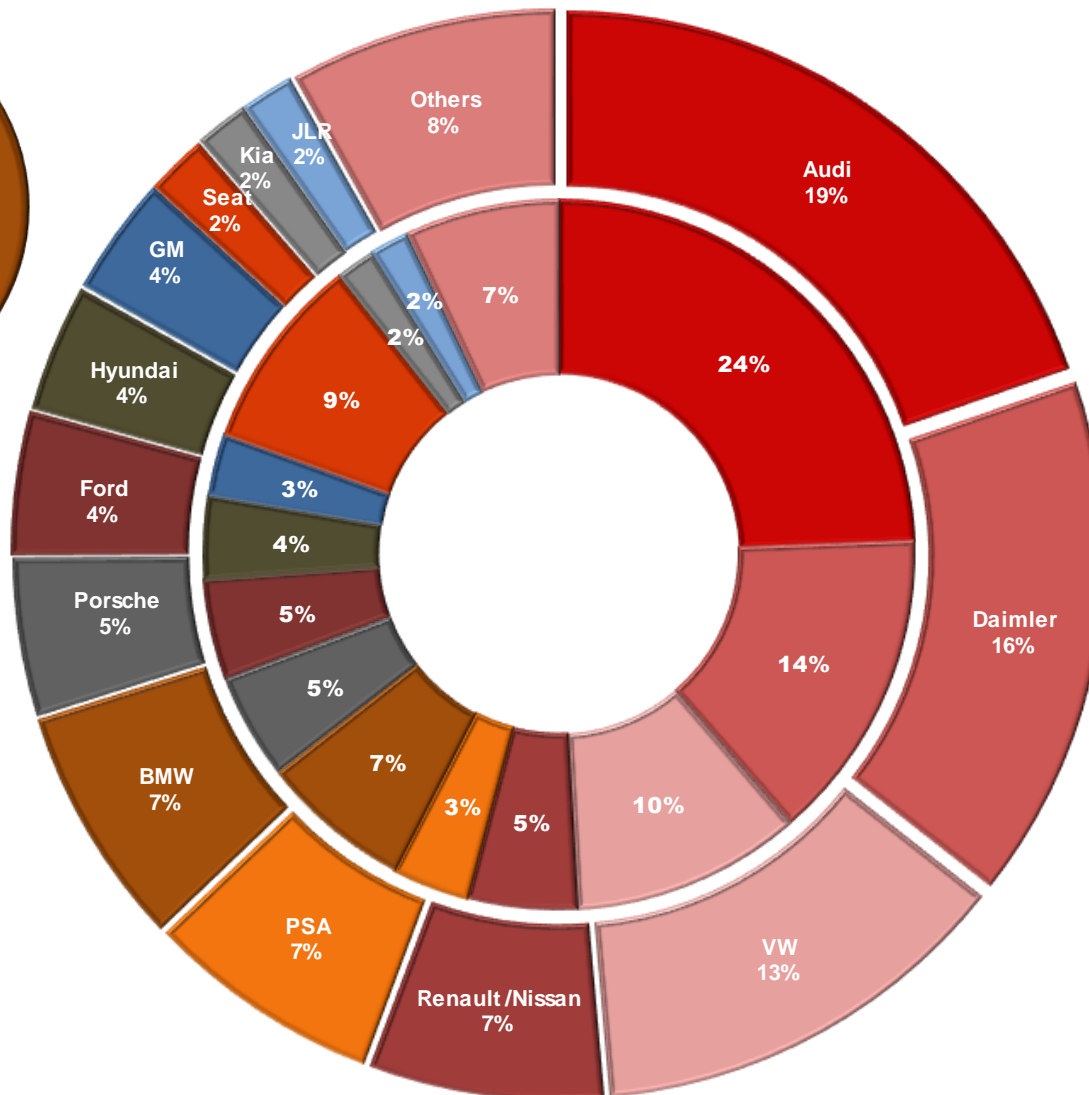
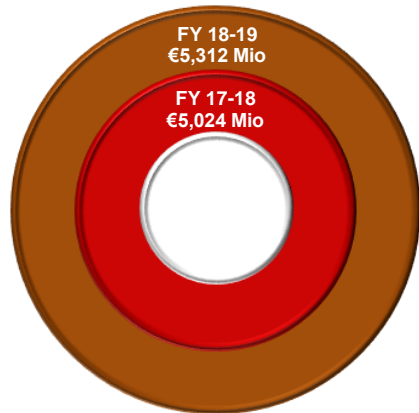
Revenue. (€ Mn)



EBITDA. (€ Mn) (% to revenue)



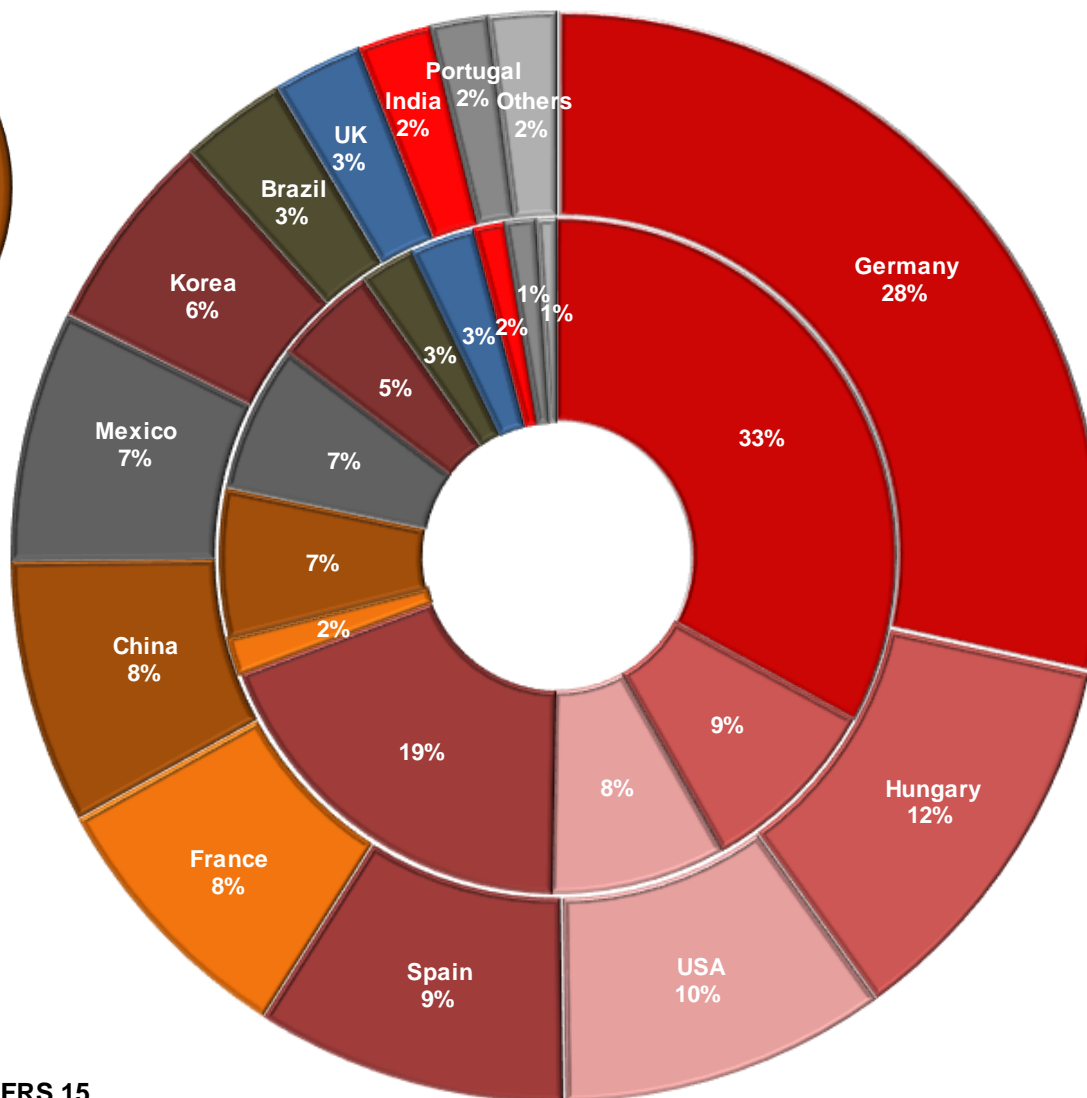
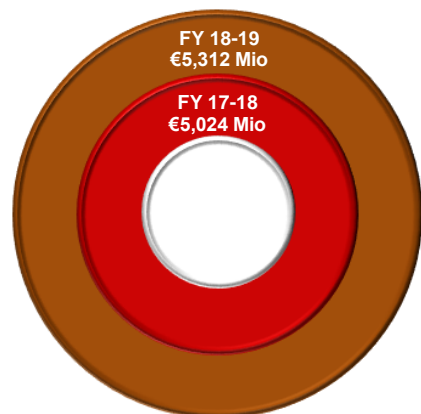
Revenue Split - By Customer For the Financial Year ended March 31, 2019



FY 18-19 revenue after applying IFRS 15

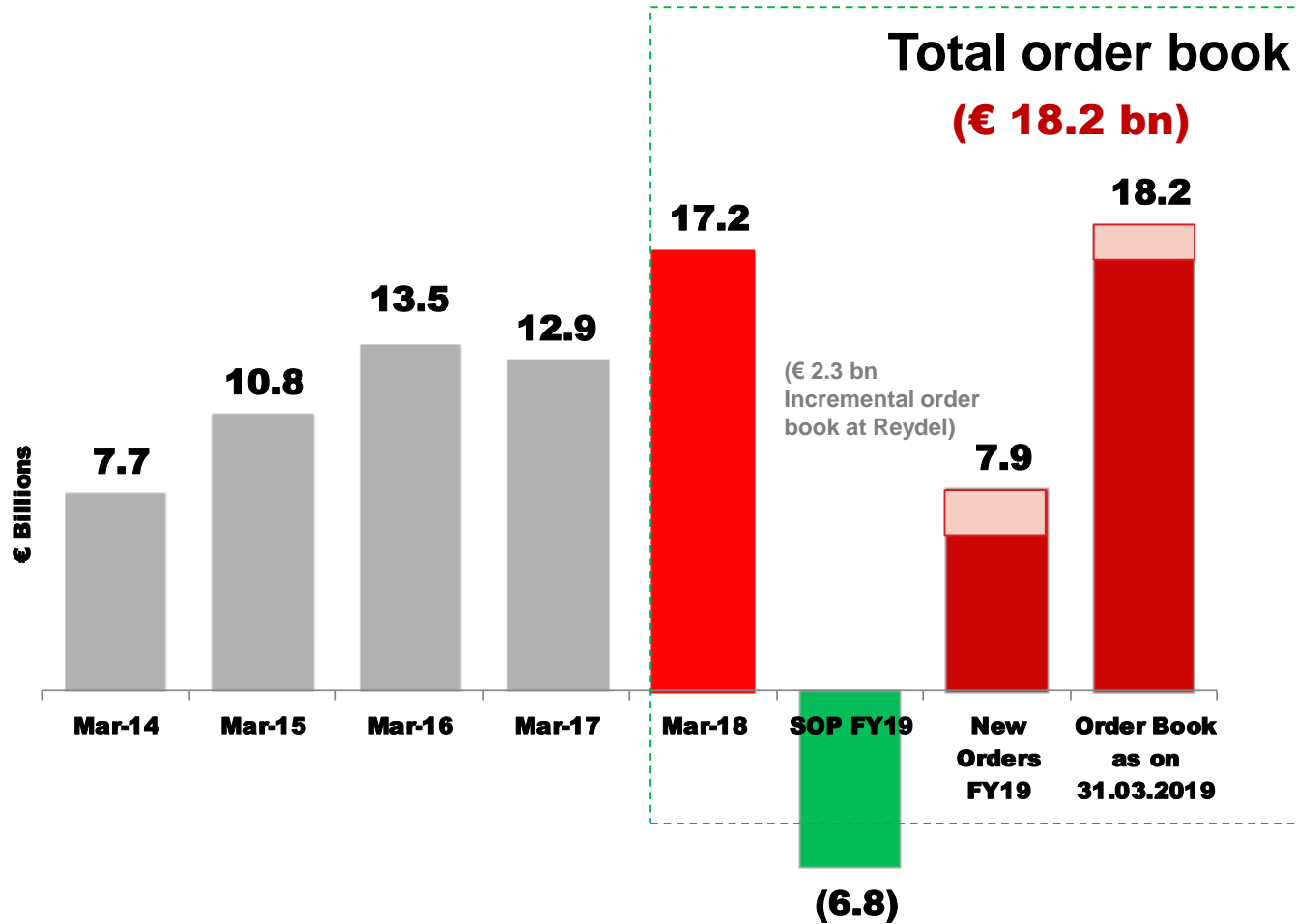
Revenue Split - By Geography

For the Financial Year ended March 31, 2019



FY 18-19 revenue after applying IFRS 15

Order Book Status



New Orders worth Euro 5.6 billion received during FY 18-19

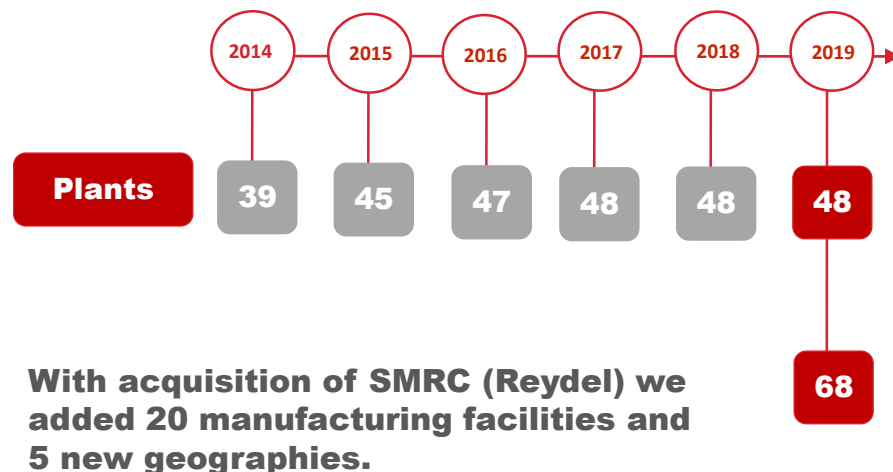
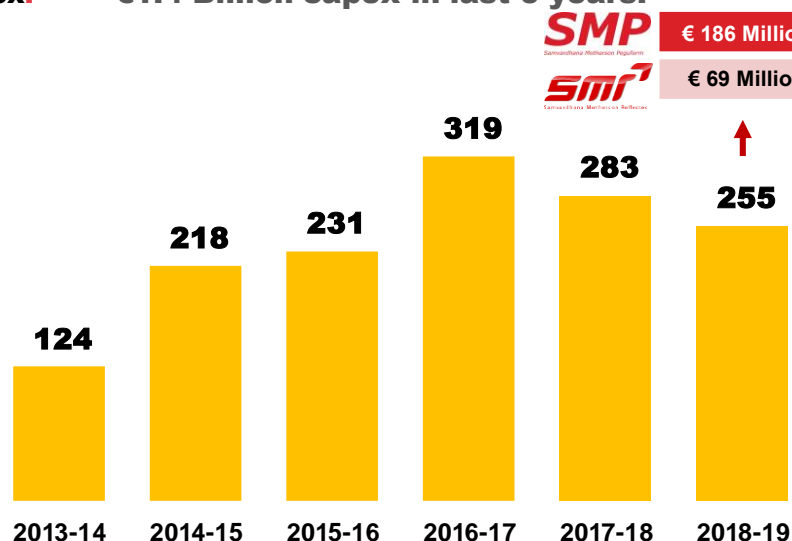
Euro 2.3 billion Order book at SMRC

Execution of Orders worth Euro 6.8 billion started during FY 18-19

- Order book: 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.
- Order book status represents Gross Revenues (including Cockpit assemblies), which are reported on Net basis in financial statements consequent of implementation of IFRS 15.
- SOP: Start of production i.e. commencement of commercial execution of orders.

Supported by significant footprint expansion

Capex. ~ €1.4 Billion capex in last 6 years.
(€ Mn)



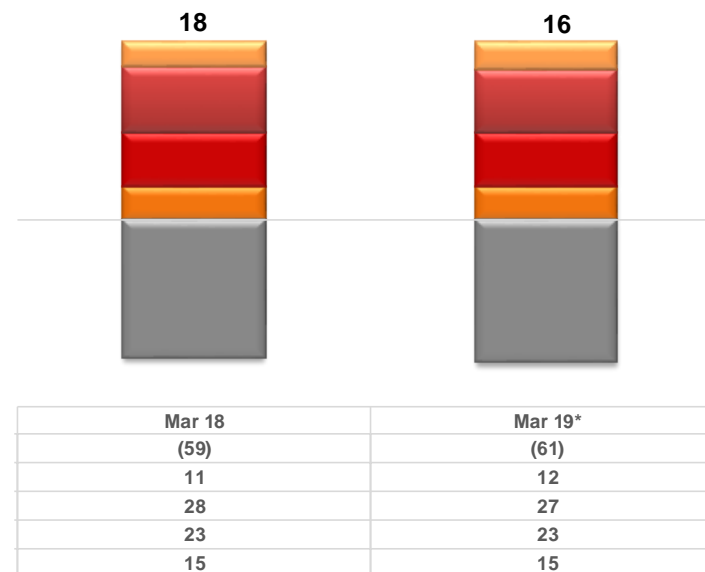
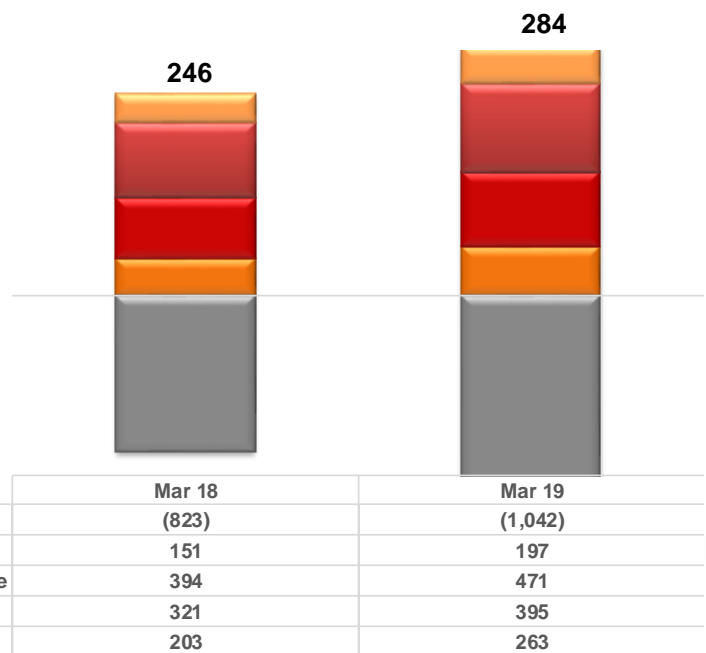
Substantial Capex incurred for Capacity Expansion and Modernization Leading to diversified Global Footprint.

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

Trade Working Capital

€ Millions.

No of Days.



* Working capital days has been computed on gross revenue.



Summary of Cash Flow-

For the period ended March 31, 2019

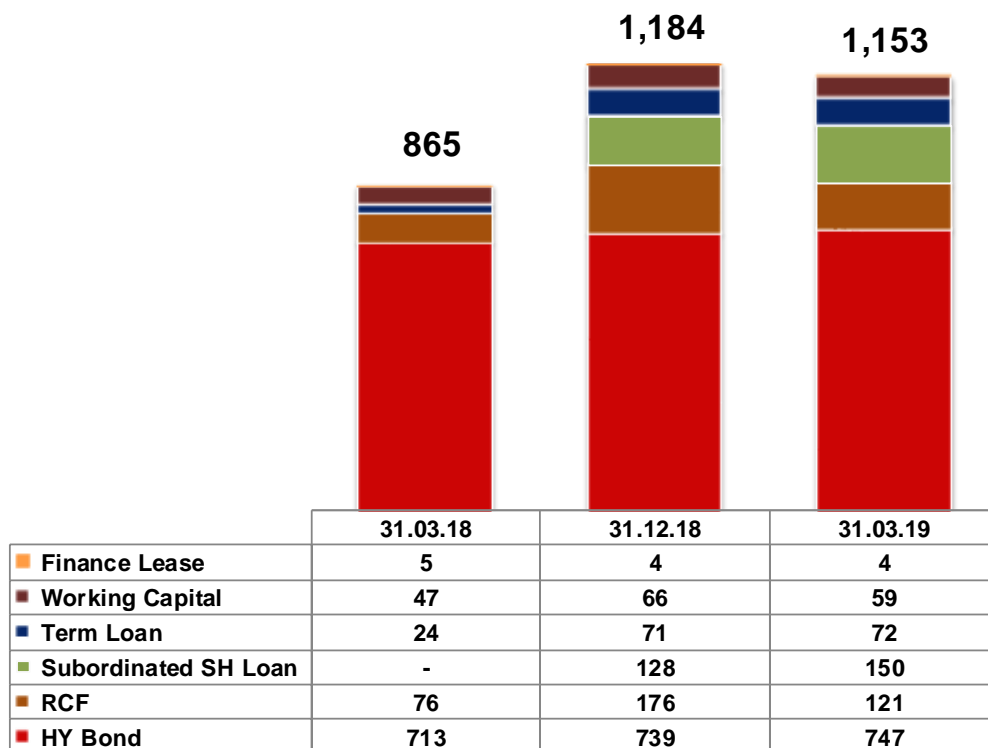
Statement of Cash Flows (€ millions)	April 1, 2017 to Mar 31, 2018	April 1, 2018 to Mar 31, 2019
Cash flow from operating activities before changes in working capital and income tax	388	340
Changes in working capital	(59)	17
Income tax paid	(73)	(69)
Cash flow from operating activities	256	288
Purchase of property, plant and equipment (including Pre-Payments)	(345)	(250)
Payment for acquisition of SMRC (net of cash acquired)	-	(91)
Others	(15)	5
Cash flow from investing activities	(360)	(336)
Proceeds from issue of bond	292	-
Repayment of bond	(500)	-
Net Proceeds from borrowings (including finance leases)	95	198
Interest Paid	(50)	(45)
Others	(17)	(17)
Cash flow from financing activities	(180)	136
Net increase in cash and cash equivalents	(284)	88
Cash and cash equivalents at the beginning of the period	506	216
Variation in cash and cash equivalents from translation in foreign currencies	(6)	7
Cash and cash equivalents at the end of the period	216	311

- **Group Information**
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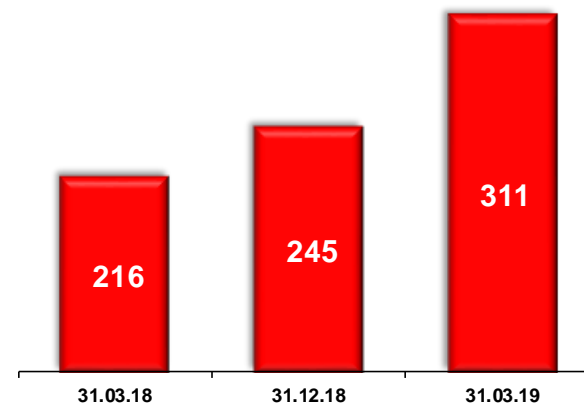
Cash & Debt Status

Gross Debt

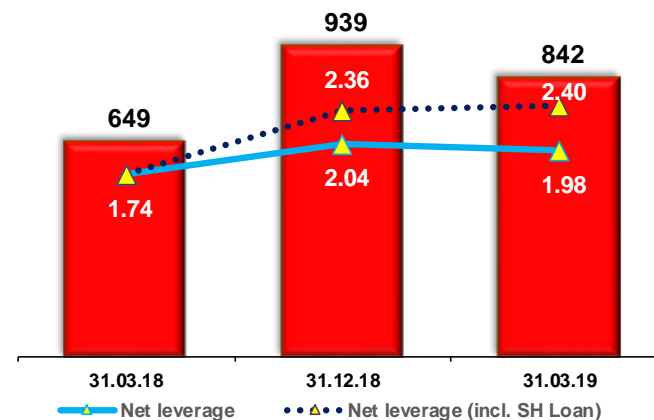
- US\$ 60 mn Term Loan availed during September 2018
- Shareholder Loan of €150 Mn



Cash



Net Debt / Net Leverage*



*Net leverage computed as per definitions given in RCF agreements which excludes Subordinated Shareholder Loan.
SMRC LTM EBITDA has been considered on proforma basis.

Liquidity Status As at March 31, 2019

Available Liquidity*.

€ in Millions	Sanctioned Limit	Utilised as at Mar 31, 2019	Liquidity Available
RCF (including ancillary facilities)	575	121	454
Cash and Cash Equivalents			311
Total Liquidity Available			765

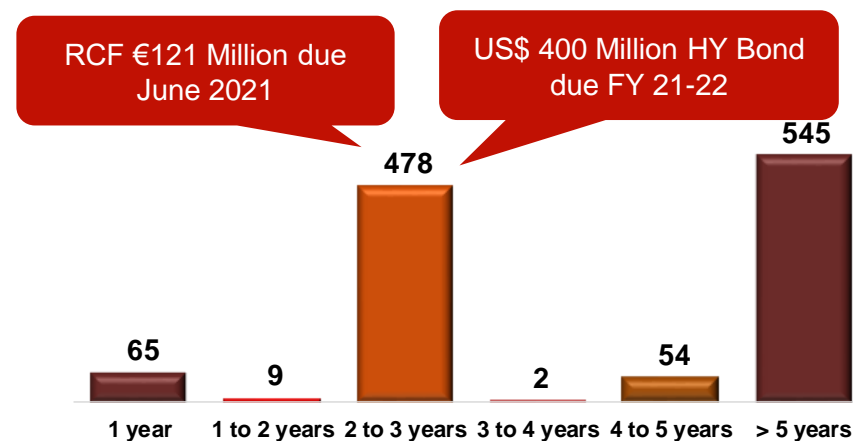
* Available liquidity subject to headroom under leverage ratios

Leverage Ratio .

Key Ratios [#]	Allowed	Mar 31, 2019
Gross Leverage Ratio: Indenture	3.50x	2.86x
Net Leverage Ratio : RCF	3.25x	1.98x

Computed as per definitions given in Indenture & RCF agreements

Maturity profile.



Safe harbour

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Thank you.

