

## **Motherson Sumi Systems Ltd. acquires Finnish auto component giant PKC Group Plc. for Euro 571 million**

### **Highlights of Acquisition**

- MSSL poised to become a globally preferred solutions provider to the transportation industry
- This acquisition makes MSSL a market leader in wiring harness business for heavy duty commercial vehicles in the North American and European market.
- There is a great synergy between MSSL & PKC and a complementary geographical presence to serve the customers in all regions.
- Total amount payable for this acquisition is approximately Euro 571 million.
- As a result of its tender offer MSSL has become the controlling shareholder of PKC Group owning 93.75%\* of PKC's outstanding shares and stock options.

#### **March 27, 2017:**

Motherson Sumi Systems Ltd (MSSL) today said it has acquired Finland based global auto component major PKC Group Plc for approximately Euro 571 million., a move that will help Mr. Vivek Chaand Sehgal led group to expand its footprint significantly in American and European commercial vehicle market segment.

Announcing the deal closure, MSSL's Chairman Mr. Vivek Chaand Sehgal, said,

"We are very happy to announce that we have successfully acquired 93.75%\* shareholding in PKC Group which has significant market presence in the American and European markets with major growth plans in China. This is in sync with our declared policy of focusing on these markets to create enhanced value for all our stakeholders including investors."

"MSSL has always believed in both organic and inorganic growth and has seen an average annualized growth of 40 per cent over the last ten years. We wish to thank all our shareholders for being part of the growth story of the company owned by them. I see tremendous growth potential ahead and we will continue to work towards becoming a globally preferred solutions provider for the transportation industry" added, Mr. Sehgal.

MSSL will continue to keep its focus on providing full system solutions to its customers globally. With the operational expertise of MSSL and technical know-how of PKC, the company will add more value to its customers and suppliers. MSSL's success in managing its wiring harness business with a focus on training its' people, managing multiple plants with high degree of vertical integration from design to modules will help unlock the full potential of PKC.

This is the 16<sup>th</sup> acquisition by MSSL since 2002. A focused approach to product and market expansion has helped the company reach a turnover of USD 5.7 billion by FY15-16 and will help move forward towards the target of USD 18 billion along with business philosophy of 3CX15 meaning exposure to any country, component or customer should not be more than 15% of our total turnover by FY 2020.

As announced earlier on 19<sup>th</sup> Jan 2017, MSSL and PKC entered into a combination agreement pursuant to which MSSL launched a voluntary recommended public tender offer for the acquisition of all the issued and outstanding share capital and voting rights of PKC Group Plc (PKC). The tender offer was launched on 6<sup>th</sup> of February 2017.

*\*balance being acquired by subsequent offer / squeeze out process*

Shareholders of PKC, which had a topline of Euro 846 million during calendar year 2016 and Adj. EBIDTA of Euro 64.4 million were offered EUR 23.55 per share in tender offer. Total consideration paid for this acquisition is approximately Euro 571 million\*\*. Based on the overwhelming response received from the shareholders of PKC, the deal was completed within the estimated time. The company has also obtained all pre-closing regulatory approvals for the transaction prior to completion of the tender offer.

*\*\* For 100% of the company's shares*

### **About PKC**

PKC designs, manufactures and integrates tailored electrical distribution systems and related architecture components, vehicle electronics, wires and cables especially for trucks and buses, light and recreational vehicles, construction equipment and agricultural and forestry equipment. In addition, PKC designs and manufactures electrical cabinets, power packs and electrical distribution systems for leading rolling stock manufacturers. PKC's strengths, mass customization and the excellent skill to integrate into the customer's operating environment, provide a unique competitive advantage in the market. Product design and effective supply chain management are carried out in close cooperation with customers and in accordance with their requirements. PKC has a market leading presence in the wiring harnesses for commercial vehicles in the North America and Europe markets. Apart from these geographies, PKC has a significant presence in Brazil and, a growing presence in China.

### **About Motherson Sumi Systems Limited**

Motherson Sumi Systems Limited (MSSL) is one of the world's fastest growing specialised automotive component manufacturing company for OEMs. It was established in 1986 in partnership between Samvardhana Motherson Group and Sumitomo Wiring Systems (Japan). MSSL is a focused, dynamic and progressive company providing customers with innovative and value-added products, services and solutions. With a diverse global customer base comprising of almost all leading automobile manufacturers globally, the company has a presence in 26 countries across six continents. The company reported a turnover of USD 5.7 billion for FY16. MSSL is currently the largest auto ancillary in India and among the Fab 50 companies of India by Forbes magazine. MSSL is the flagship company of the Samvardhana Motherson Group (SMG) which is ranked 31<sup>st</sup> among global automotive suppliers by Automotive News. For more details about company, please visit [www.motherson.com](http://www.motherson.com) (CIN - L34300MH1986PLC284510)

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