



The future is bright.

Motherson Investor Meet 2020
Vivek Chaand Sehgal and Laksh Vaaman Sehgal
20th November, 2020

Overview.

Welcome

01 Our journey so far.

02 Vision 2025.

03 Space to grow.

04 Funds for growth.

Q&A

01

Our journey so far.

We are on an amazing journey.

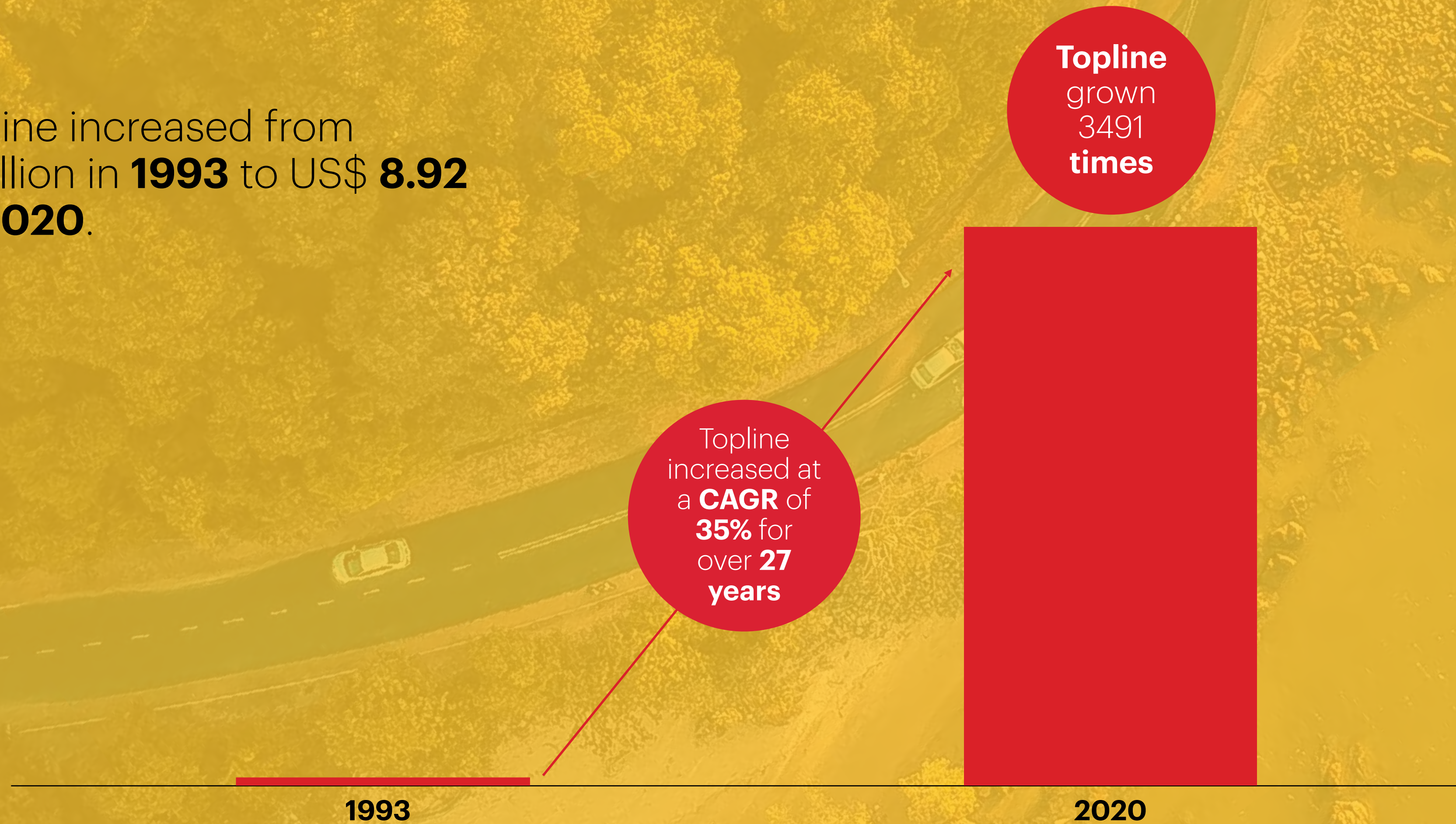
(MSSL Revenues in USD billion)





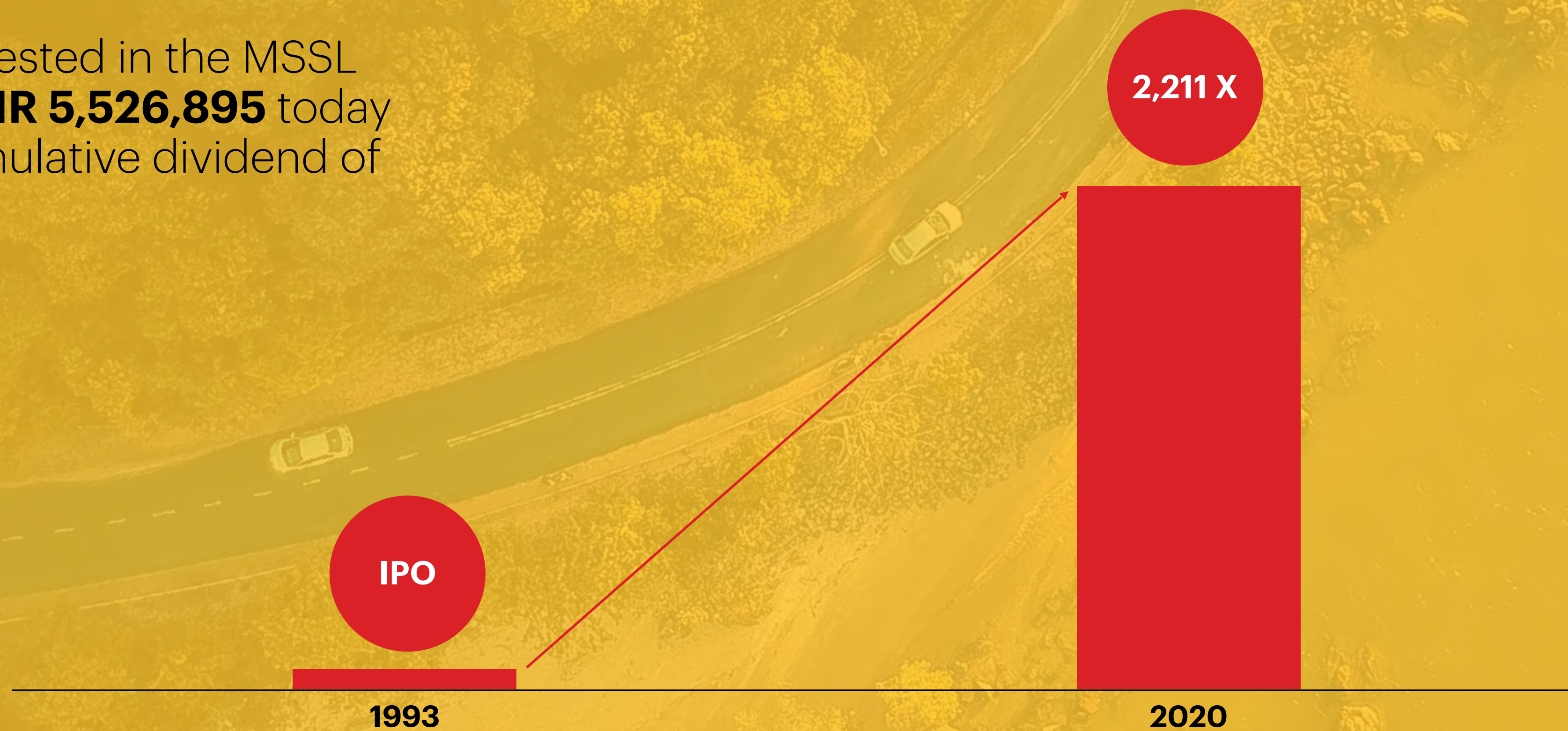
Continuous **growth** over the past **27** years.

MSSL topline increased from US\$ **3*** million in **1993** to US\$ **8.92** billion in **2020**.

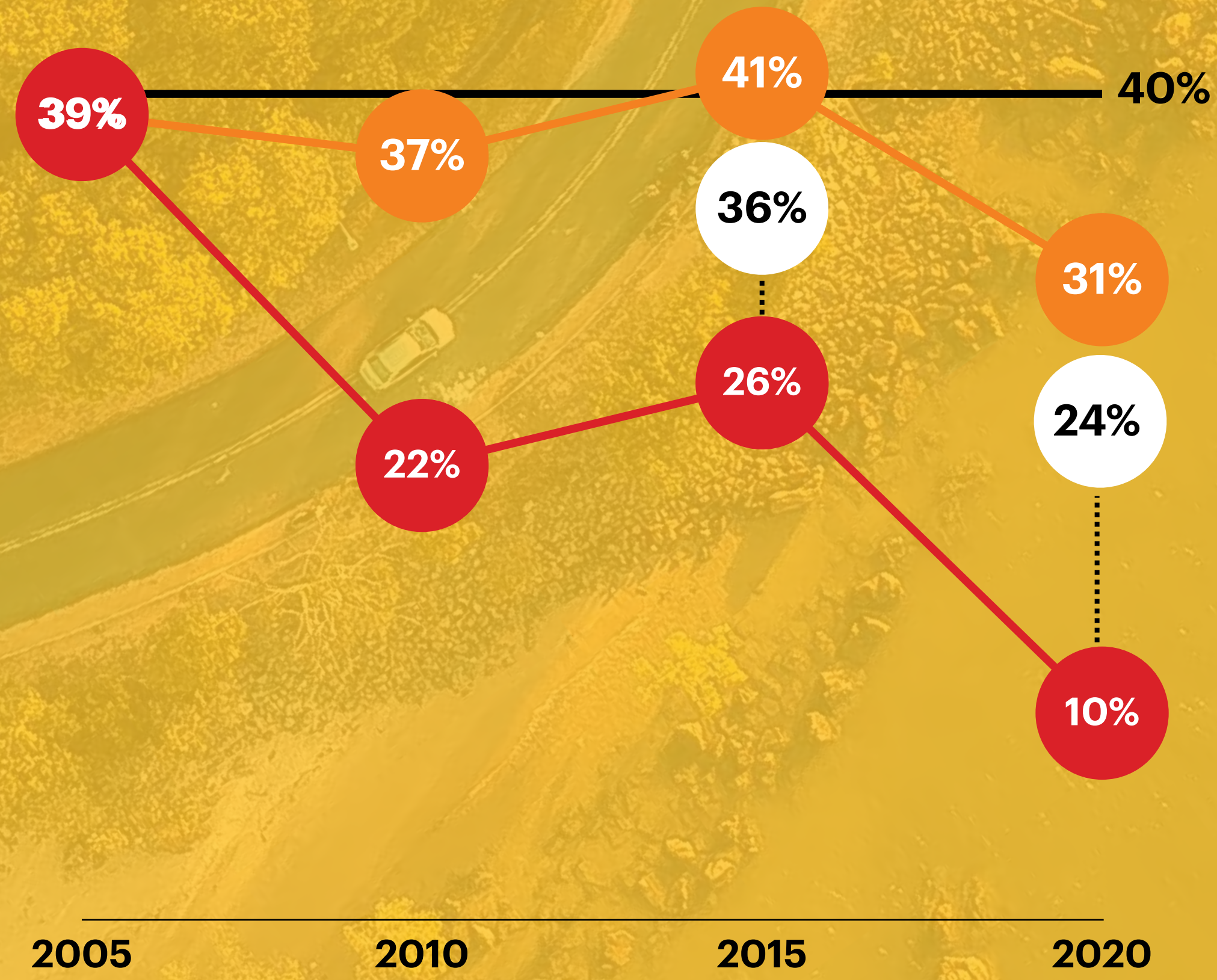
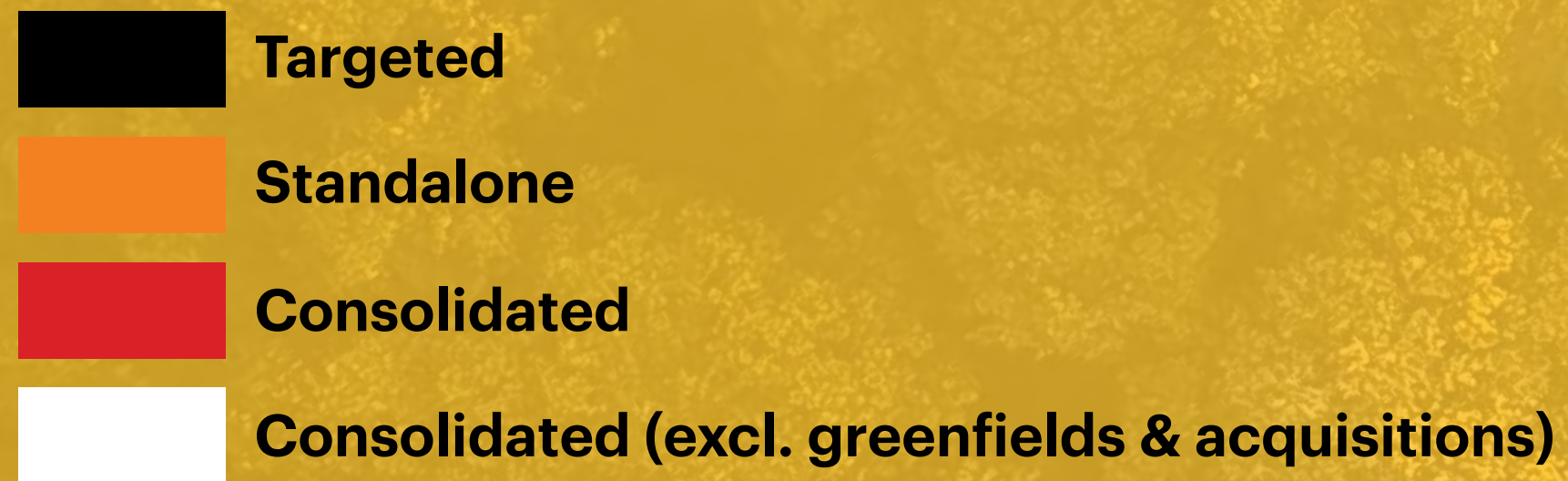


Proud to be part of the increasing wealth of our investors.

INR 2,500 invested in the MSSSL IPO is worth **INR 5,526,895** today (including cumulative dividend of INR 412,985)*.



MSSL Return on Average Capital Employed (ROACE).



We are on an amazing journey.

(MSSL Revenues in USD billion)



- Top line increased by approx. USD 3.4 bn.
- 41 new plants added
- 6 successful acquisitions
- Over 50,000 associates added in the past 5 years
- Achieved 3CX15 for Customers for the first time

VISION 2020 HIGHLIGHTS

New plants built.

In the last 5-year plan, Motherson has built a staggering 41 plants all around the world.

16 Greenfields
25 Brownfields



Total
41

VISION 2020 HIGHLIGHTS

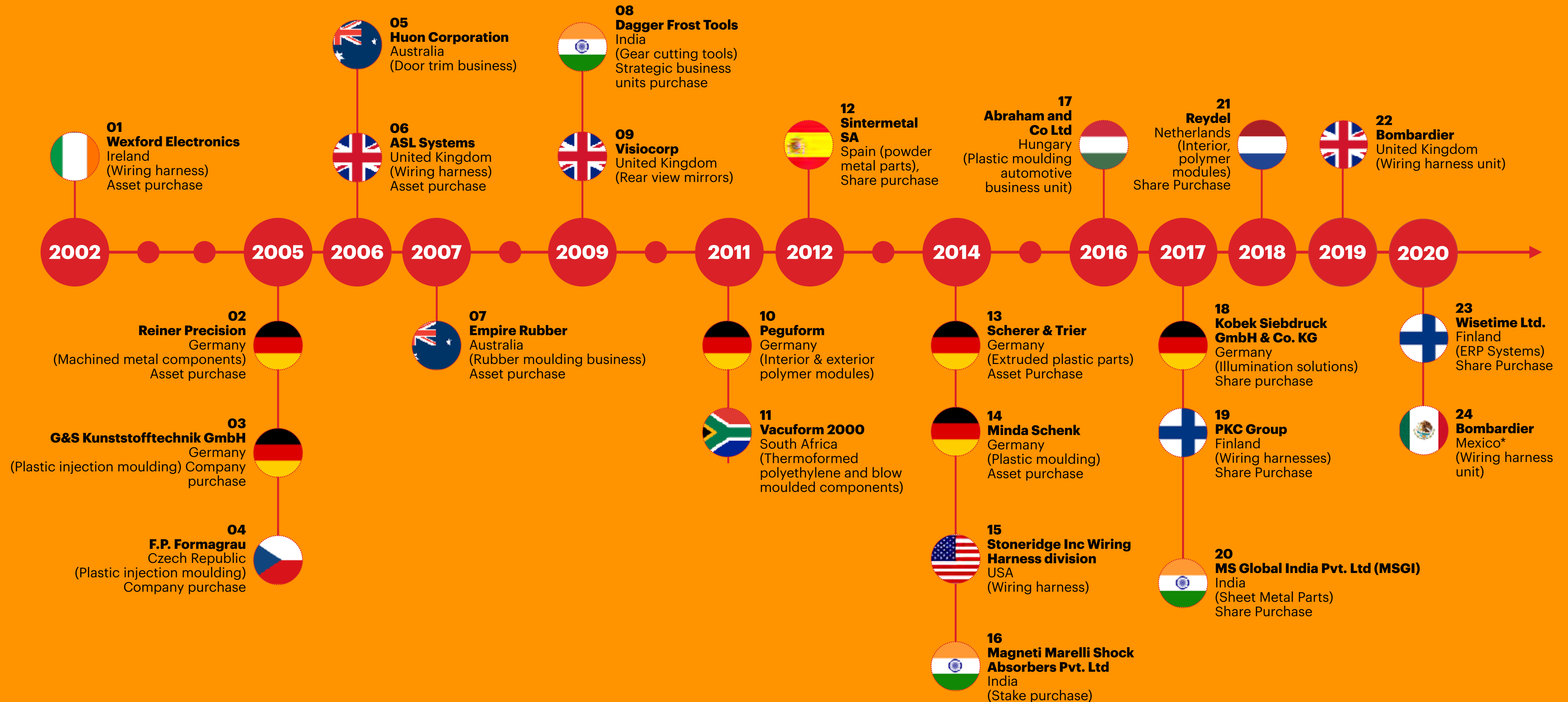
Greenfield learnings.

We have used the COVID-19 period to draw lessons and improve processes at our large Greenfields.



Acquisitions at the behest of customers.

Motherson Group has initiated **24*** acquisitions since 2002 bringing a wide range of solutions to customers.



*The Mexico acquisition is just announced in October 2020.



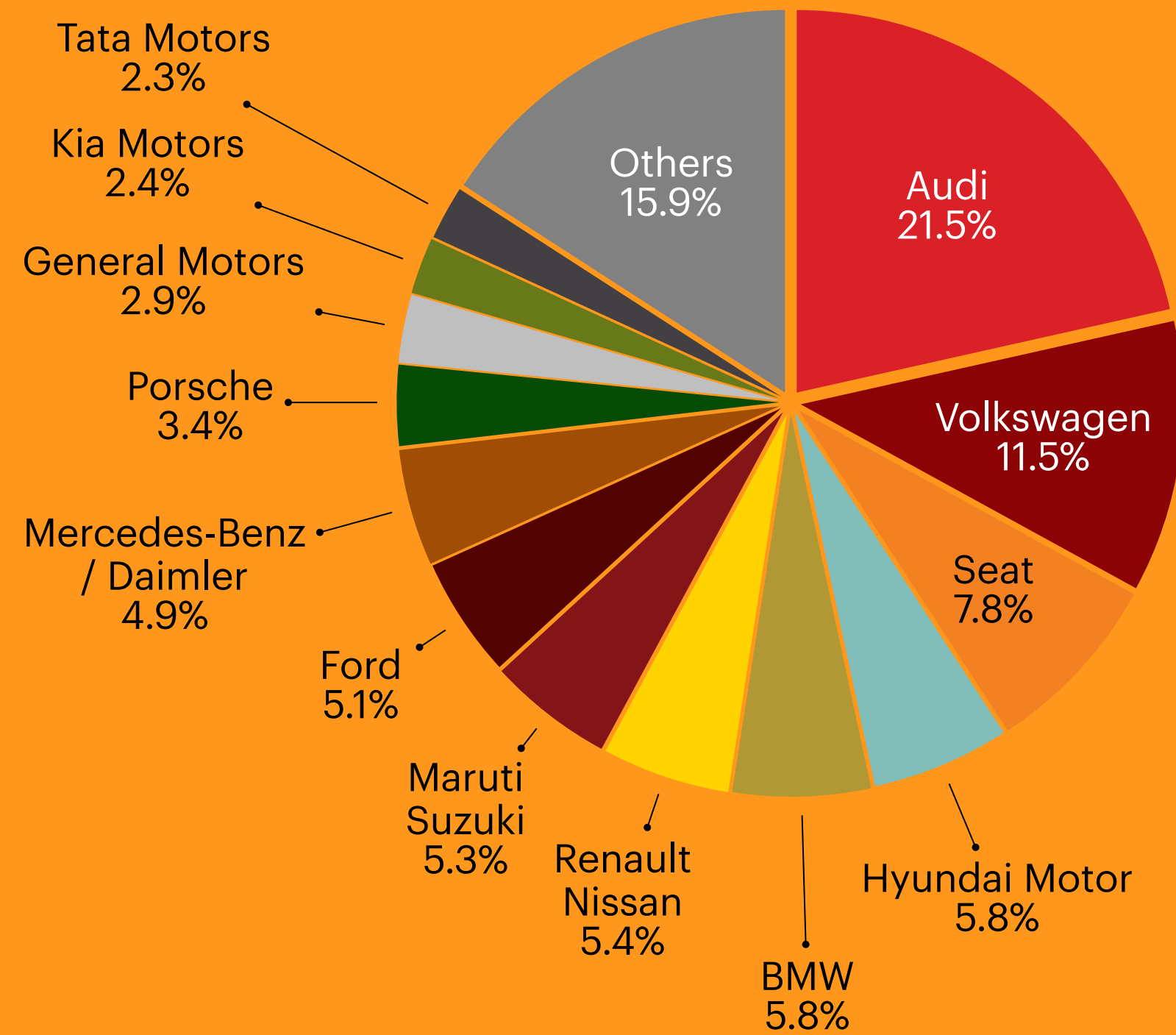
VISION 2020 HIGHLIGHTS

We have added 50,000 new associates.

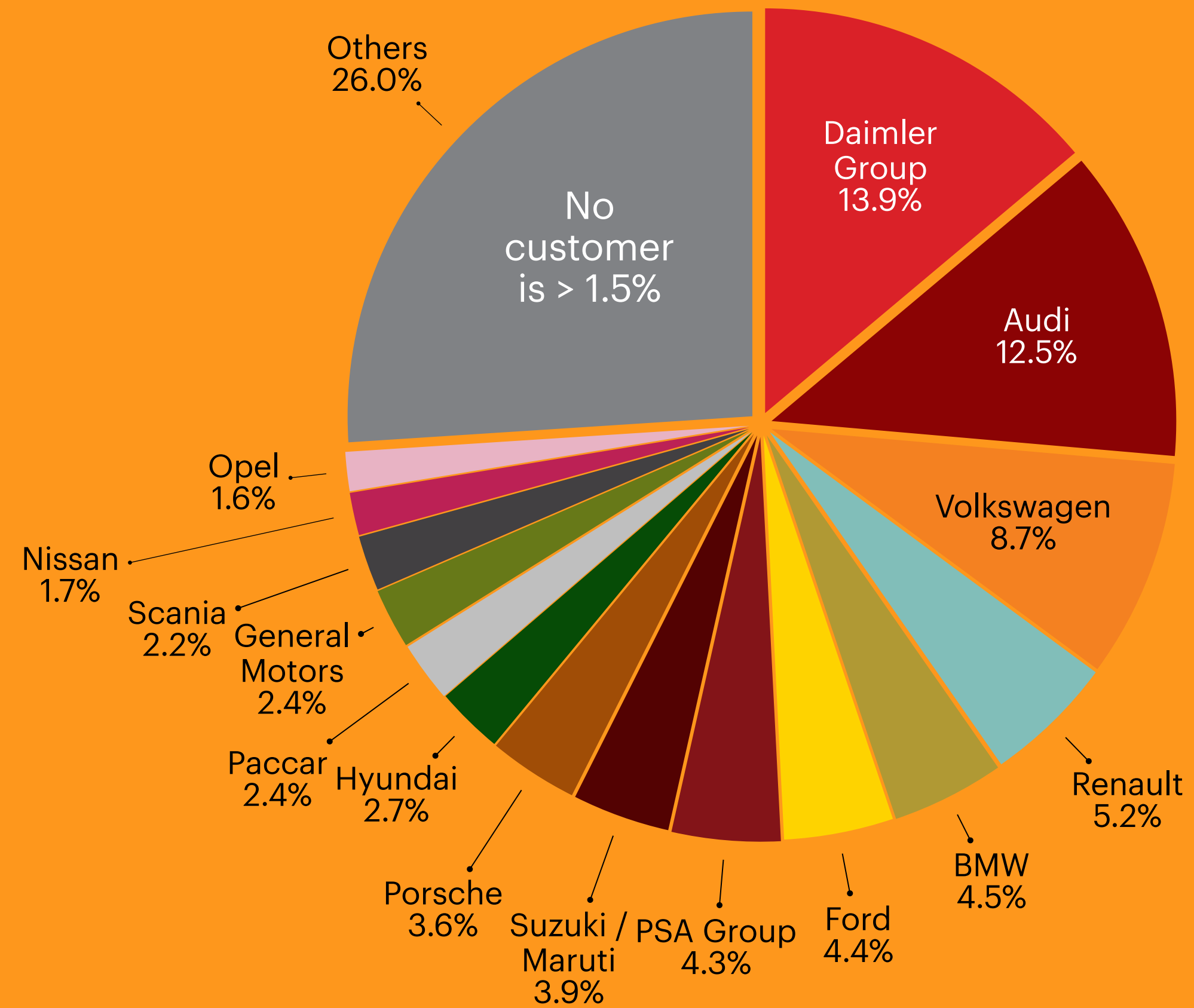


Sales: customer-wise.

2014-15

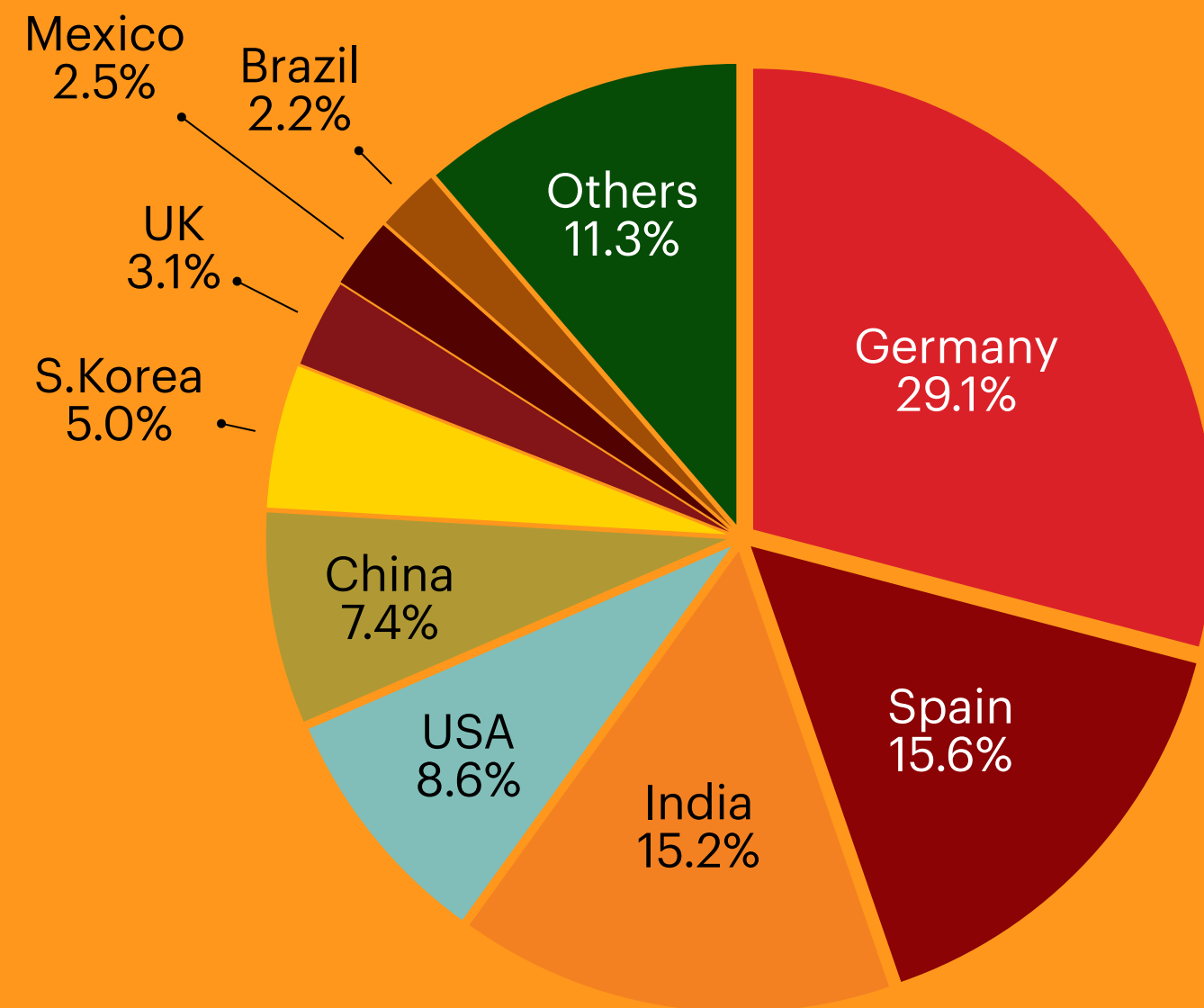


2019-20

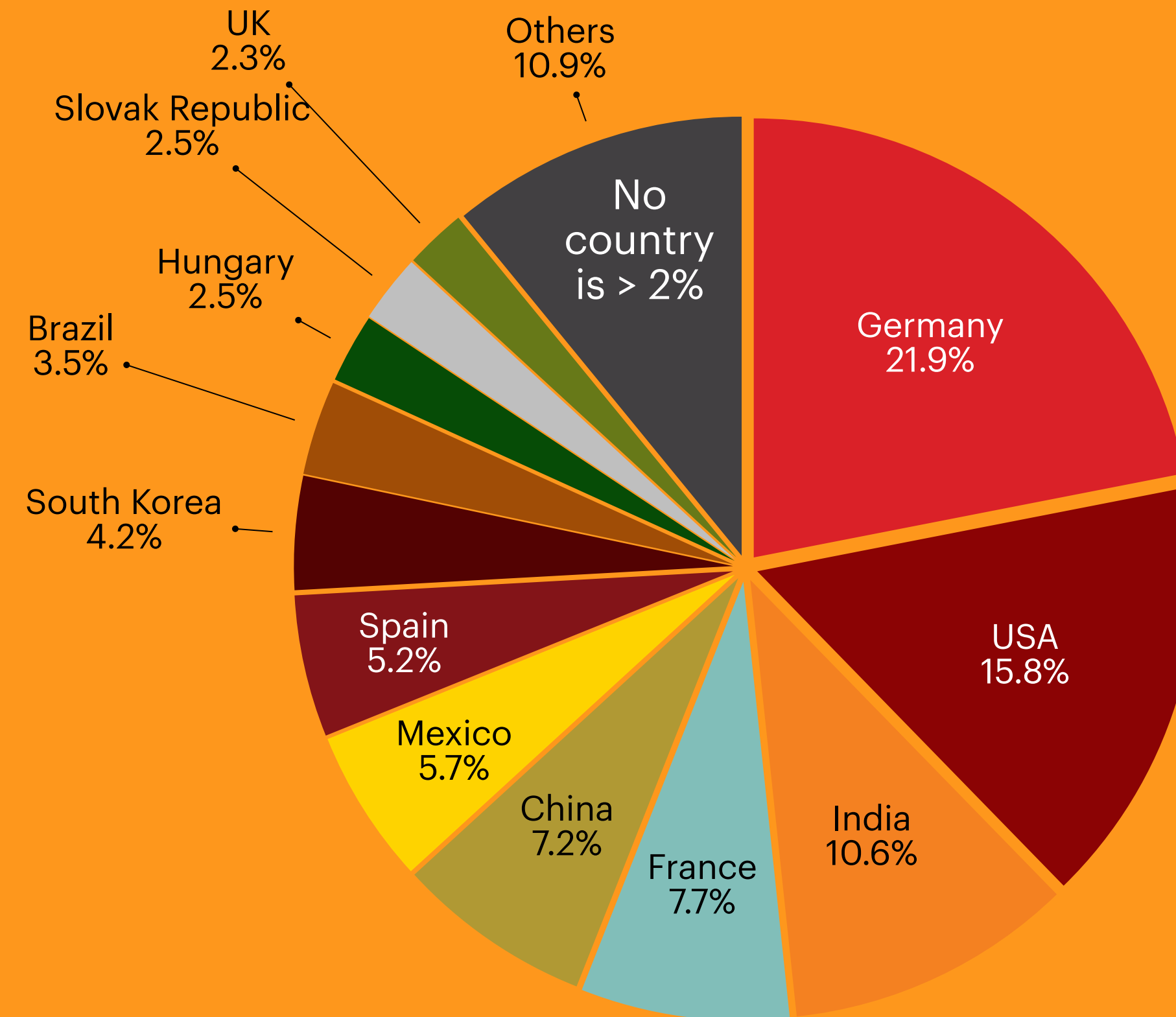


Sales: country-wise.

2014-15

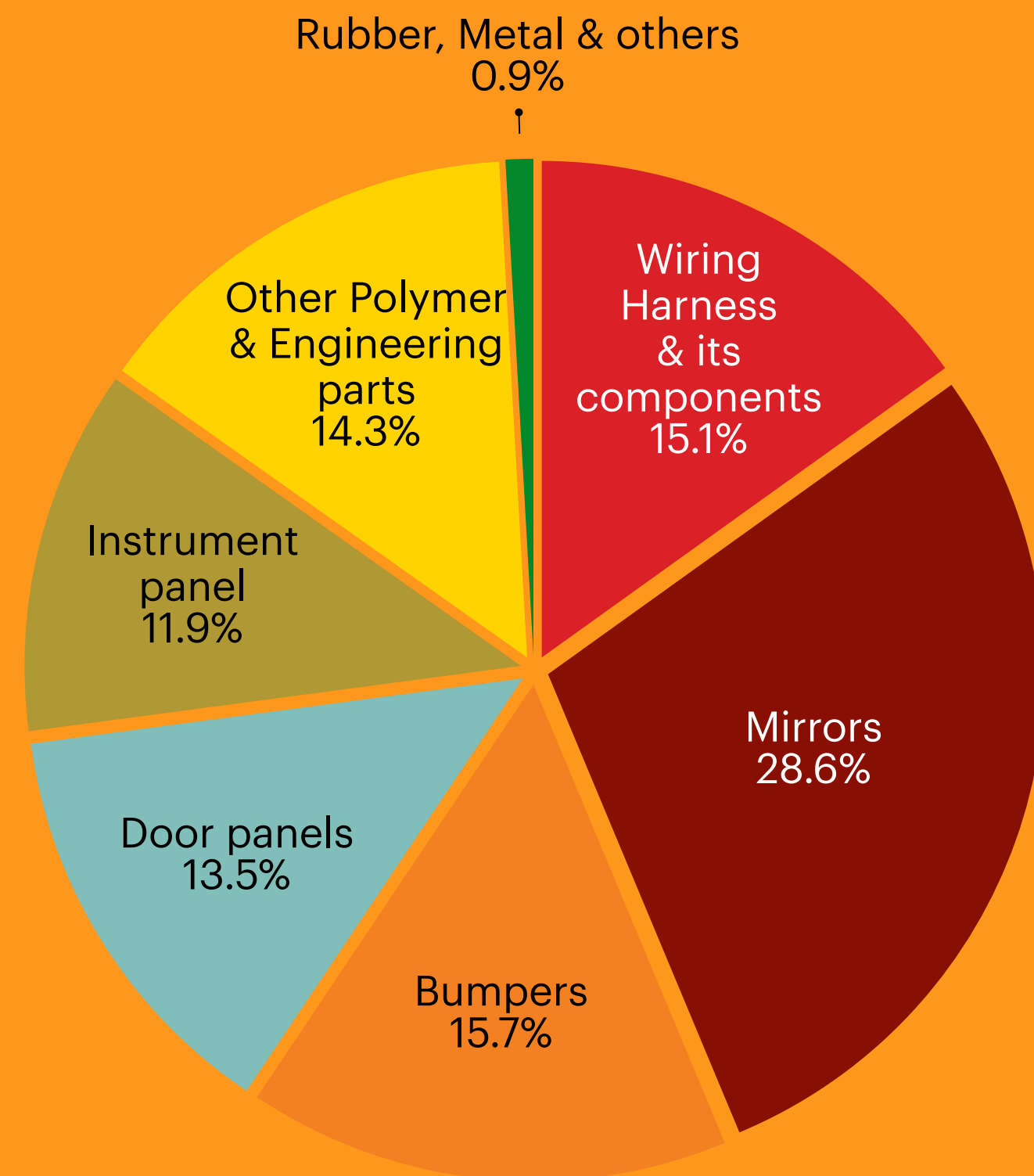


2019-20

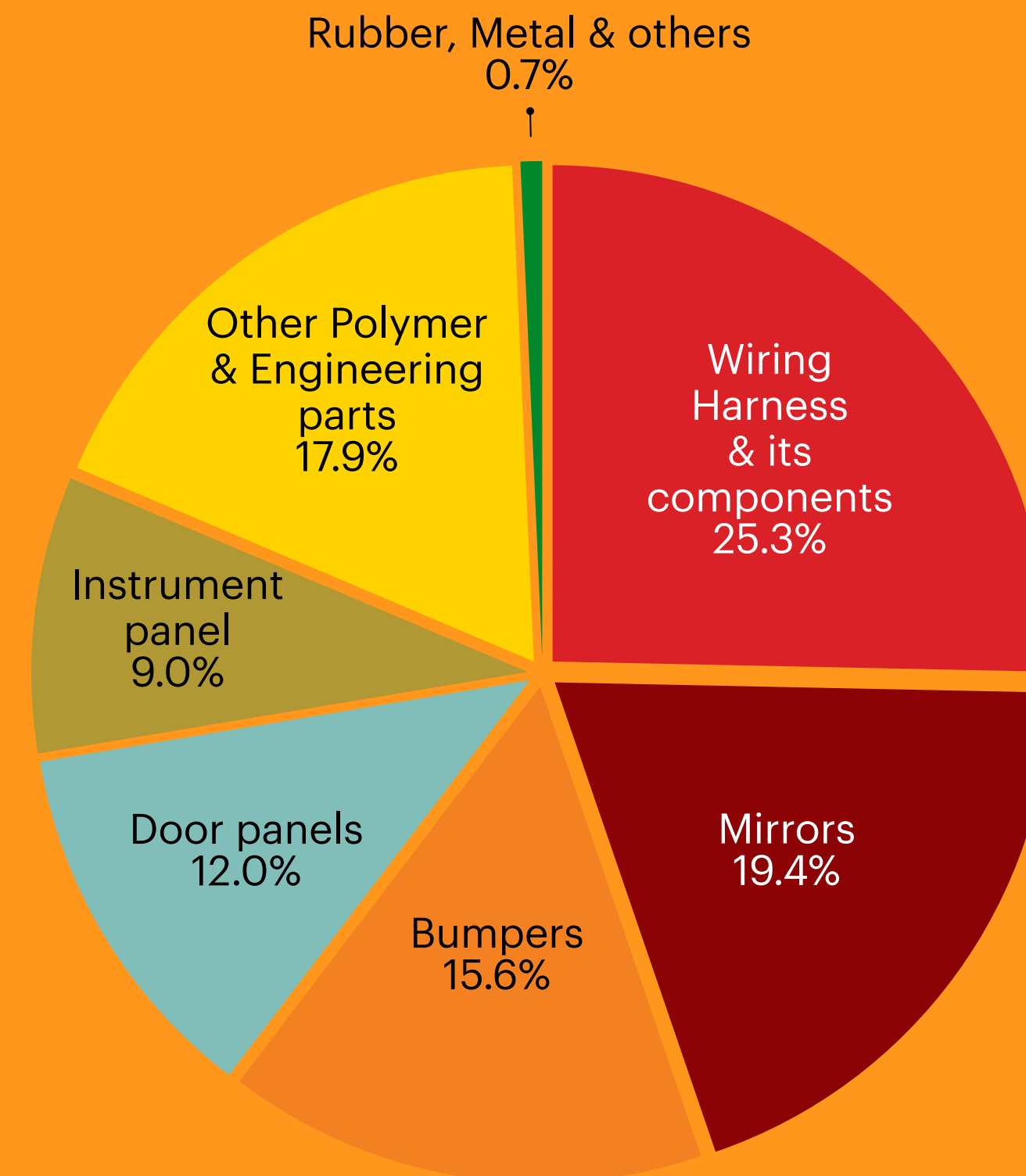


Sales: component-wise.

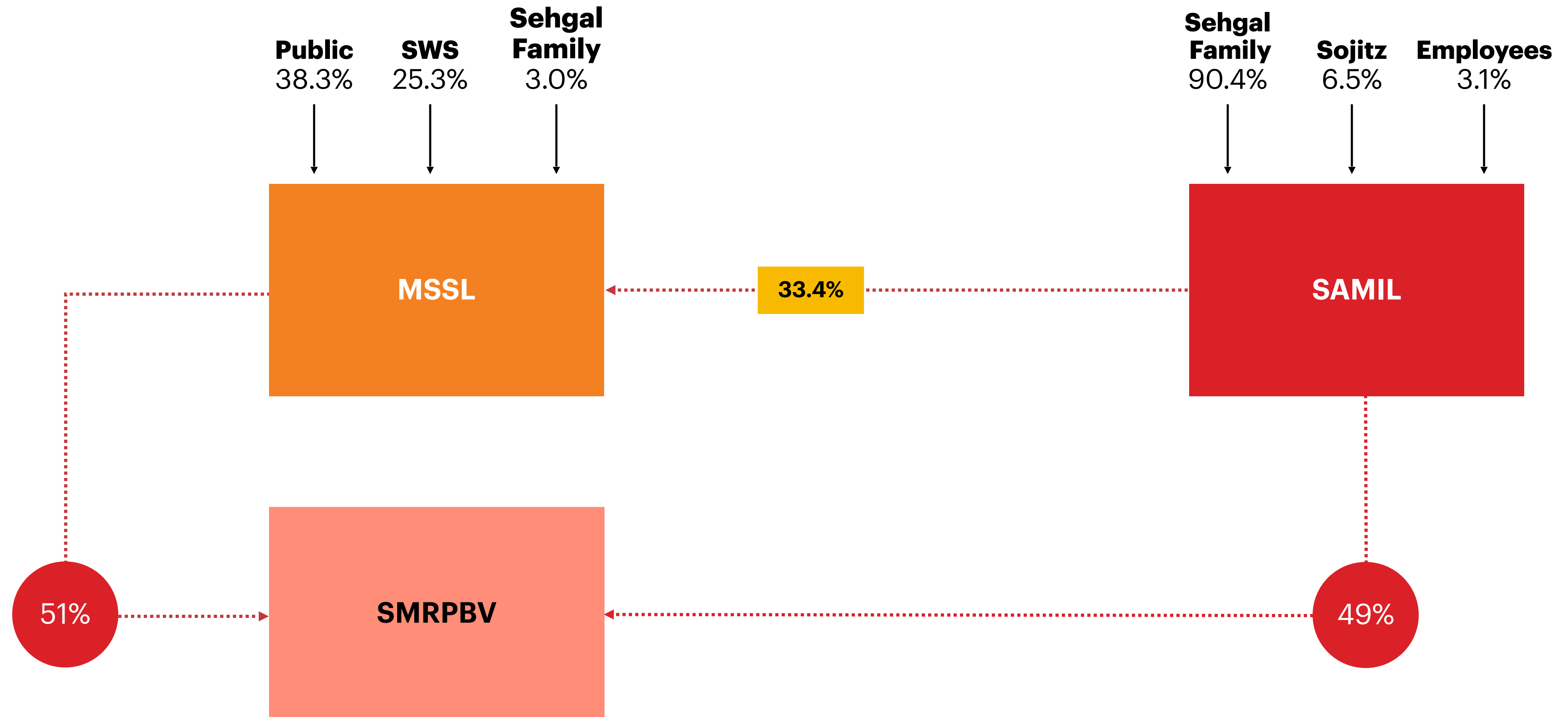
2014-15



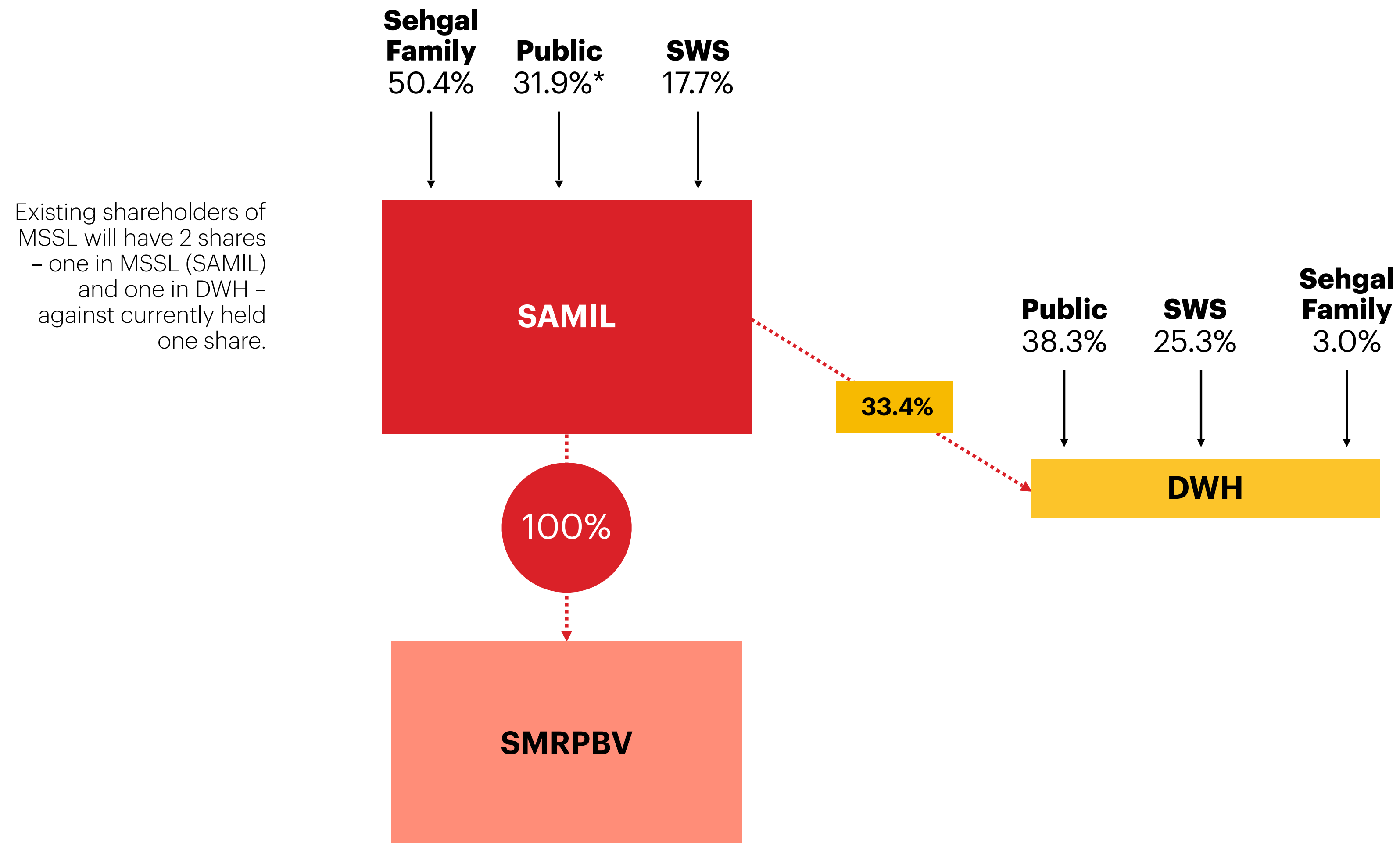
2019-20



The situation today.



The new situation.



*Public includes Sojitz and employees of SAMIL.

Group business portfolio.

Transformation from a wiring harness manufacturer to a diversified group.



01.
Wiring harness



02.
Modules & Polymers



03.
Vision systems



04.
Lighting & Electronics



05.
Precision Metals & Modules



06.
Technology & Industrial Solutions



07.
Logistics



08.
Aerospace



09.
Health & Medical



Motherson Group today.

Motherson is one of the world's fastest-growing specialised manufacturing companies for OEMs.

Our vision remains the same.

Engineering focused company, strong Tier 1 OEM supplier.

US\$ 10 bn* in yearly revenues as a group.

Operating over 270 facilities in 41 countries.

Over 135,000 people worldwide.

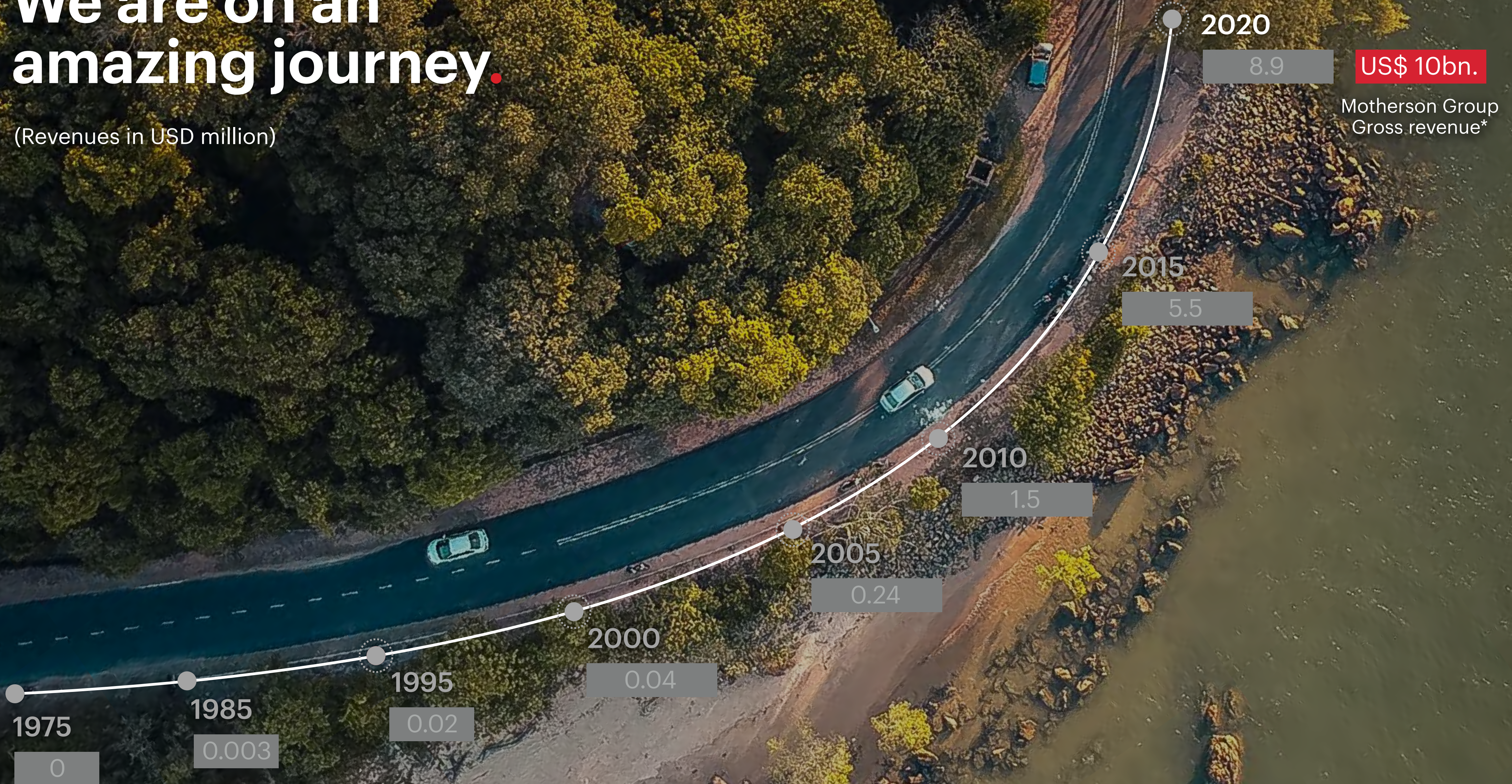
Working with 27 joint venture partners.

*US\$ 10 Bn as group sales for FY 20 has been calculated as follows: Audited revenue for MSSL + AUP revenue for SAMIL + full revenue of non-consolidated JVs of SAMIL and MSSL; Numbers converted at the average USD/INR exchange rate for the year.



We are on an amazing journey.

(Revenues in USD million)



Revenues shown here are on MSSL consolidated basis with addition of netted revenues on account of implementation of Ind AS 115 w.e.f 01-04-2018. All yearly numbers have been converted at exchange rate considered as on 31st March of the respective financial year.

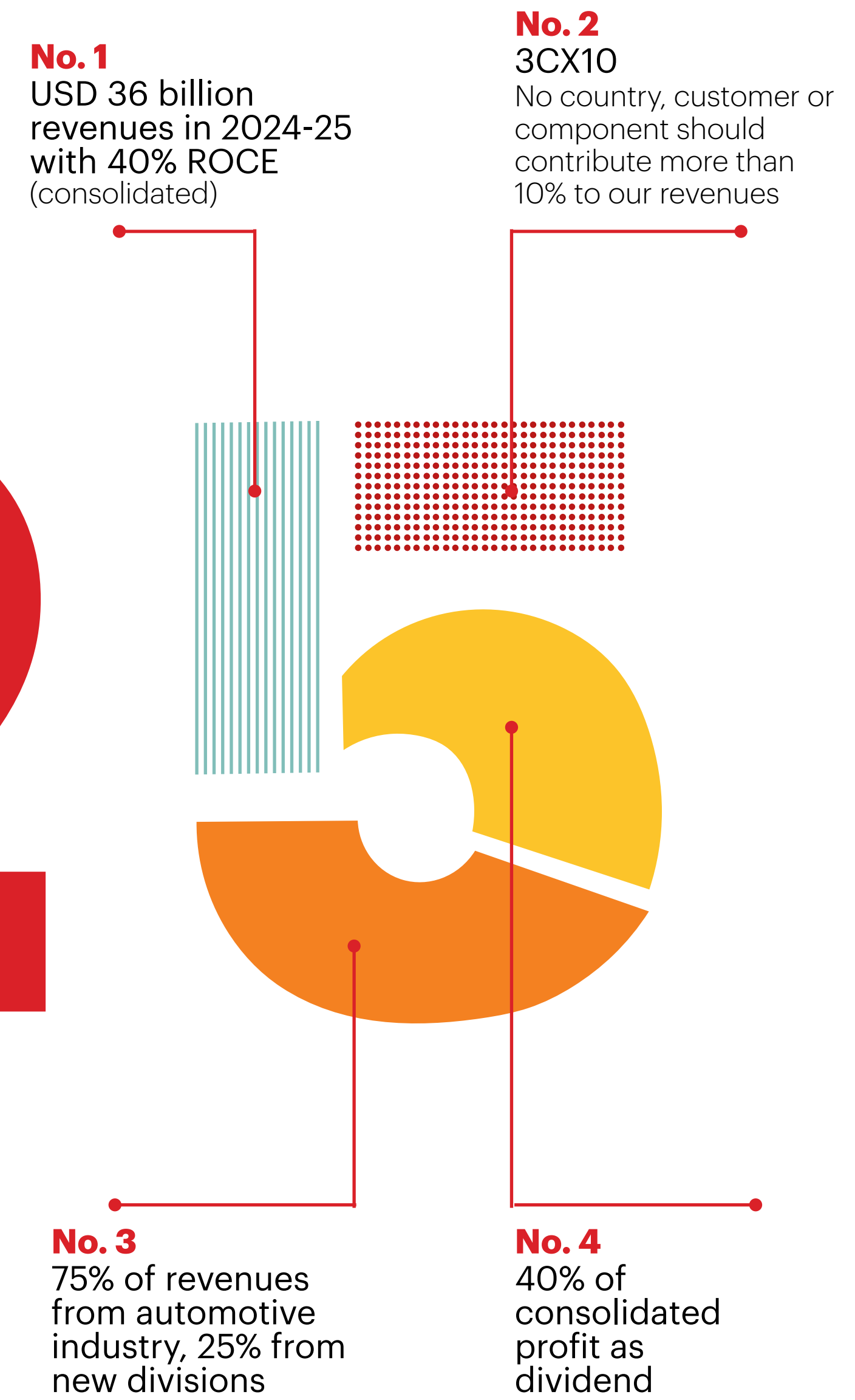
*Reported revenues of MSSL and SAMIL + revenues of unconsolidated joint ventures. Conversion to USD done at the average exchange rate for FY 20.

02
Vision 2025.

Vision

2022

The sixth 5-year plan.




**Succession
planning,
rather than
succession
gambling.**

**Avoiding a
sudden
road block.**

WIT ?
(Who is your
no.2,
leadership
programs)



**Why set such a high target
when we have not achieved
the 2020 target yet?**



**Because we
believe it is
possible.**

If we were to believe these reports...

WWW.ECONOMICTIMES.COM 18TH FEBRUARY 2016

Motherson Sumi in Talks to Acquire IAC for \$800 M

Win-win Deal Buyout likely to help Indian auto component maker get access to the US market and expand customer base

\$ 6 bn.
(revenue)

REUTERS Business Markets India South Asia TV More

DEALS - ASIA
DECEMBER 14, 2018 / 2:59 PM / UPDATED 2 YEARS AGO

Exclusive: India's Motherson Sumi in early-stage merger talks with Leoni - sources

By Arno Schuetze, Sumeet Chatterjee

FRANKFURT/HONG KONG (Reuters) - Indian car wiring maker Motherson Sumi Systems Ltd MOSS.NS is in early talks with German peer Leoni AG LEOGn.DE over a possible merger of the pair, two people close to the matter said.

\$ 6 bn.
(revenue)

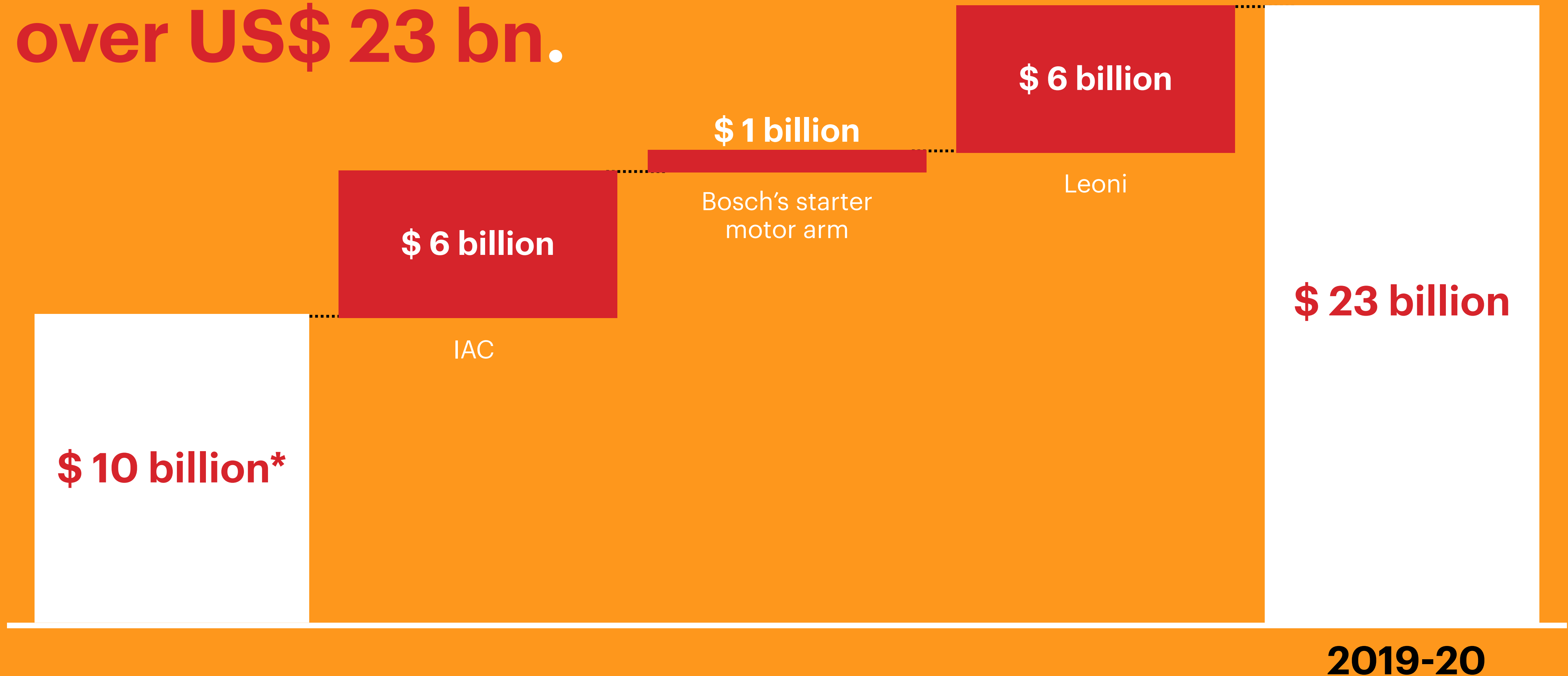
WWW.ECONOMICTIMES.COM 27TH MARCH 2017

Motherson Sumi Weighs \$600-M Bid for Bosch Arm

IN HOT PURSUIT Auto parts supplier is exploring financing options with banks to bid for German giant's starter motors and generators that was spun off for sale in 2015

\$ 1 bn.
(revenue)

... the approximate top-line would be over US\$ 23 bn.



However...

We look for top line growth **and 40% ROCE.**

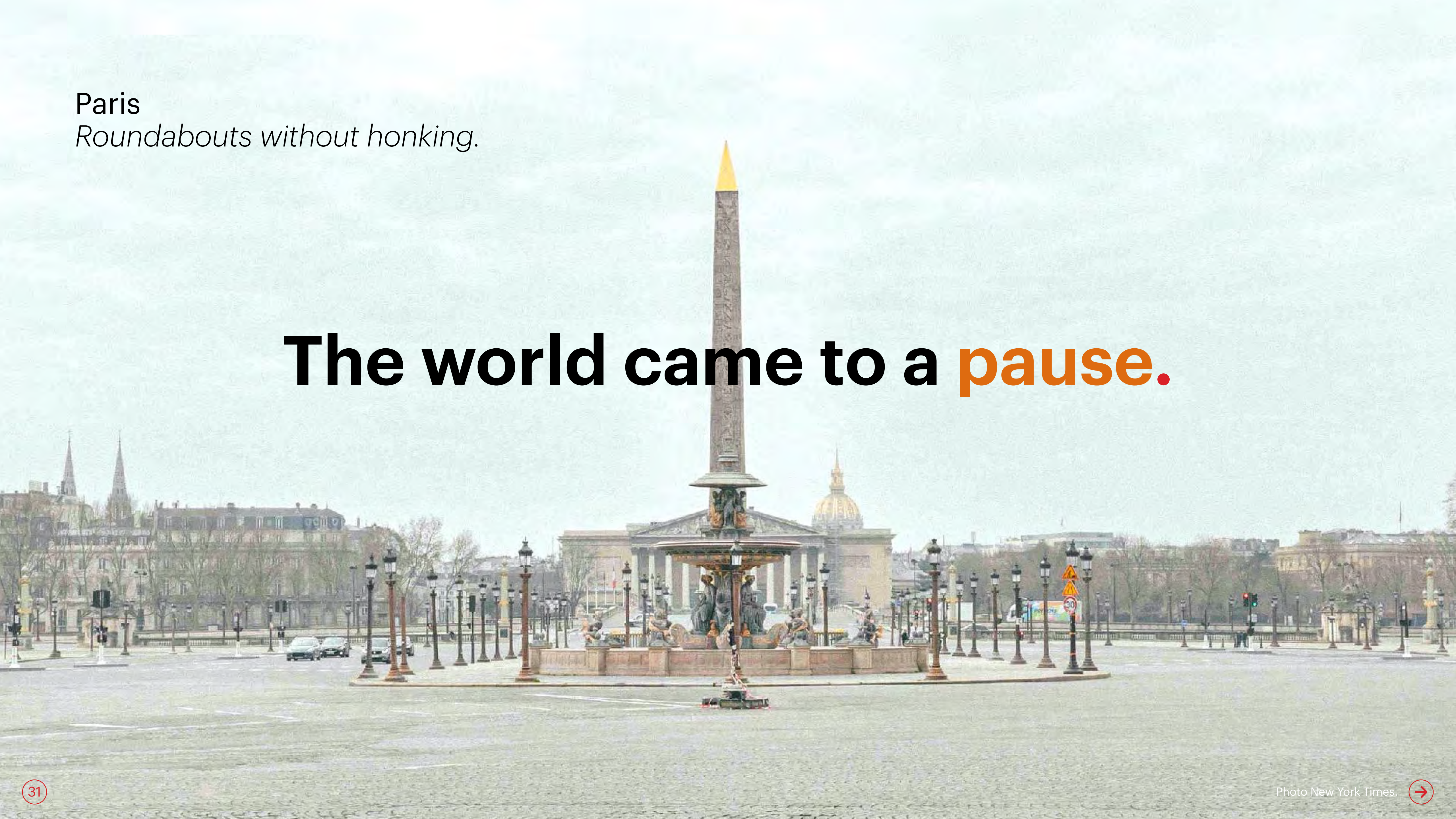
(Both together are the target.)

**COVID-19 affected
the entire world.**

...and we were no
exception.

Paris
Roundabouts without honking.

The world came to a **pause.**



New Delhi
Fairs without children.



Moscow *March*
Online performances without audiences.

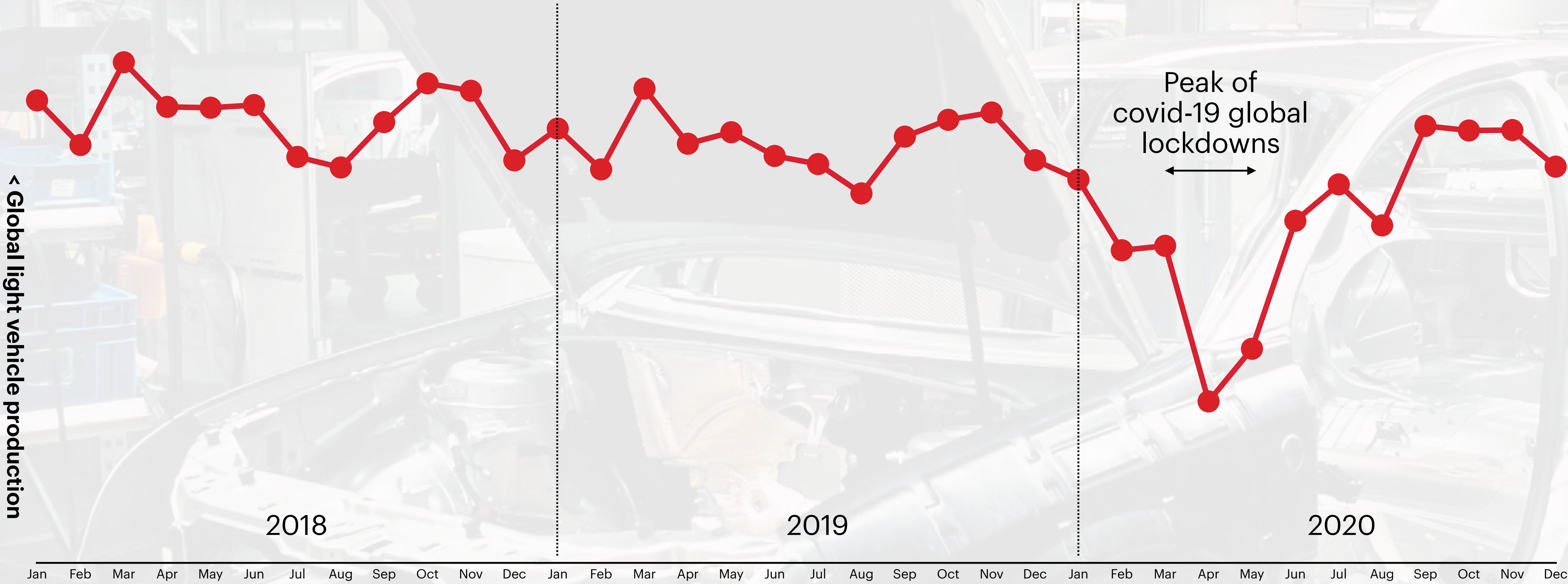


San Francisco
Roads without cars.



Global light vehicle production began falling during 2019.

This impacted our acquisition discussions.



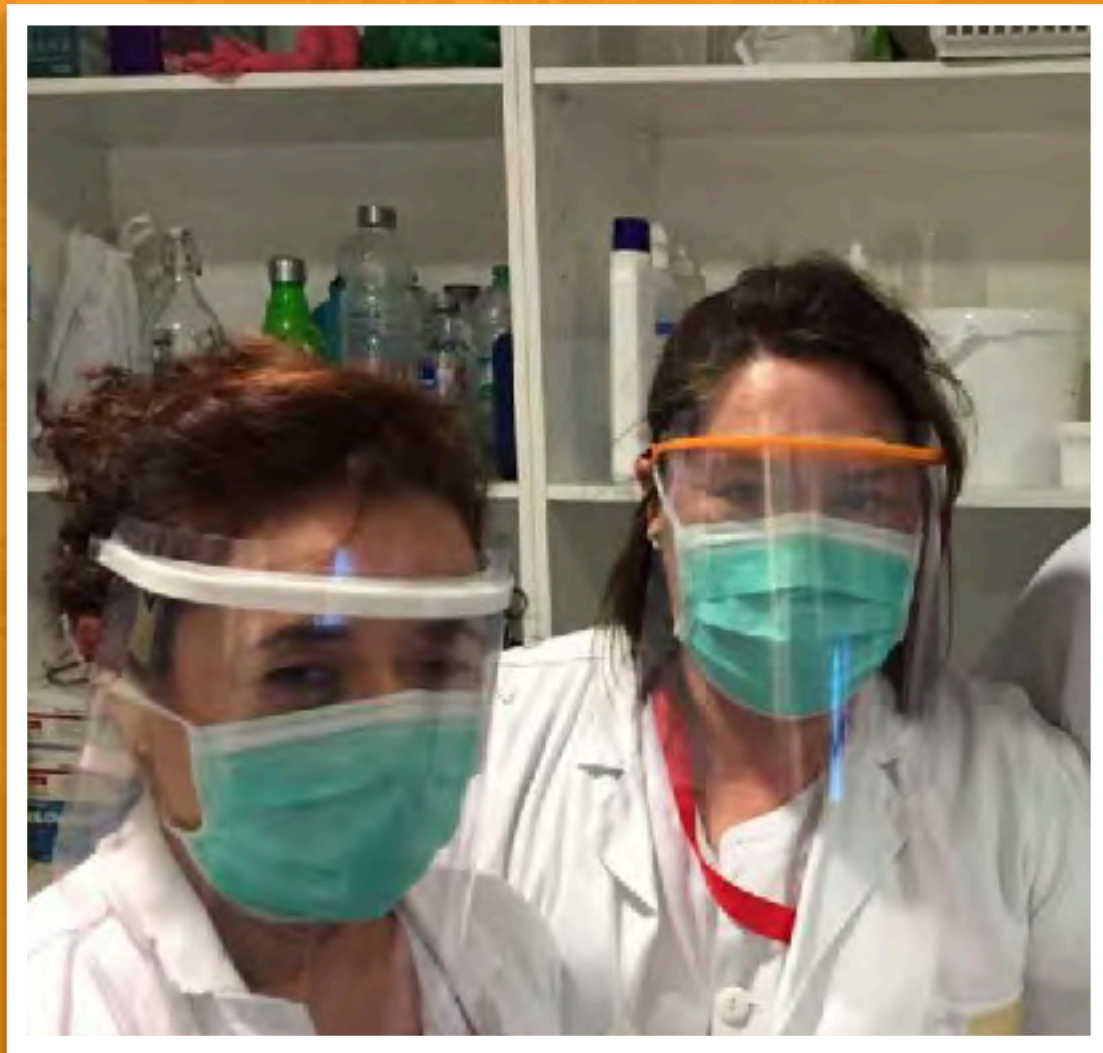
A close-up photograph of a dartboard. The board features concentric rings of black and white, with numbers 6, 7, 8, 9, 8, 7, 6, 5, 4, 3, 2, 1, and 0 (the bullseye) arranged in a vertical column. A single yellow dart is embedded in the center bullseye. The background is dark and out of focus.

**As a result, we
had to put our
acquisitions
on hold and
we fell short
of our 2020
targets.**

Because of our presence in China, we knew how to respond to COVID-19.



Our part of the fight.



SMRC Media, Spain, made face protection for hospitals.

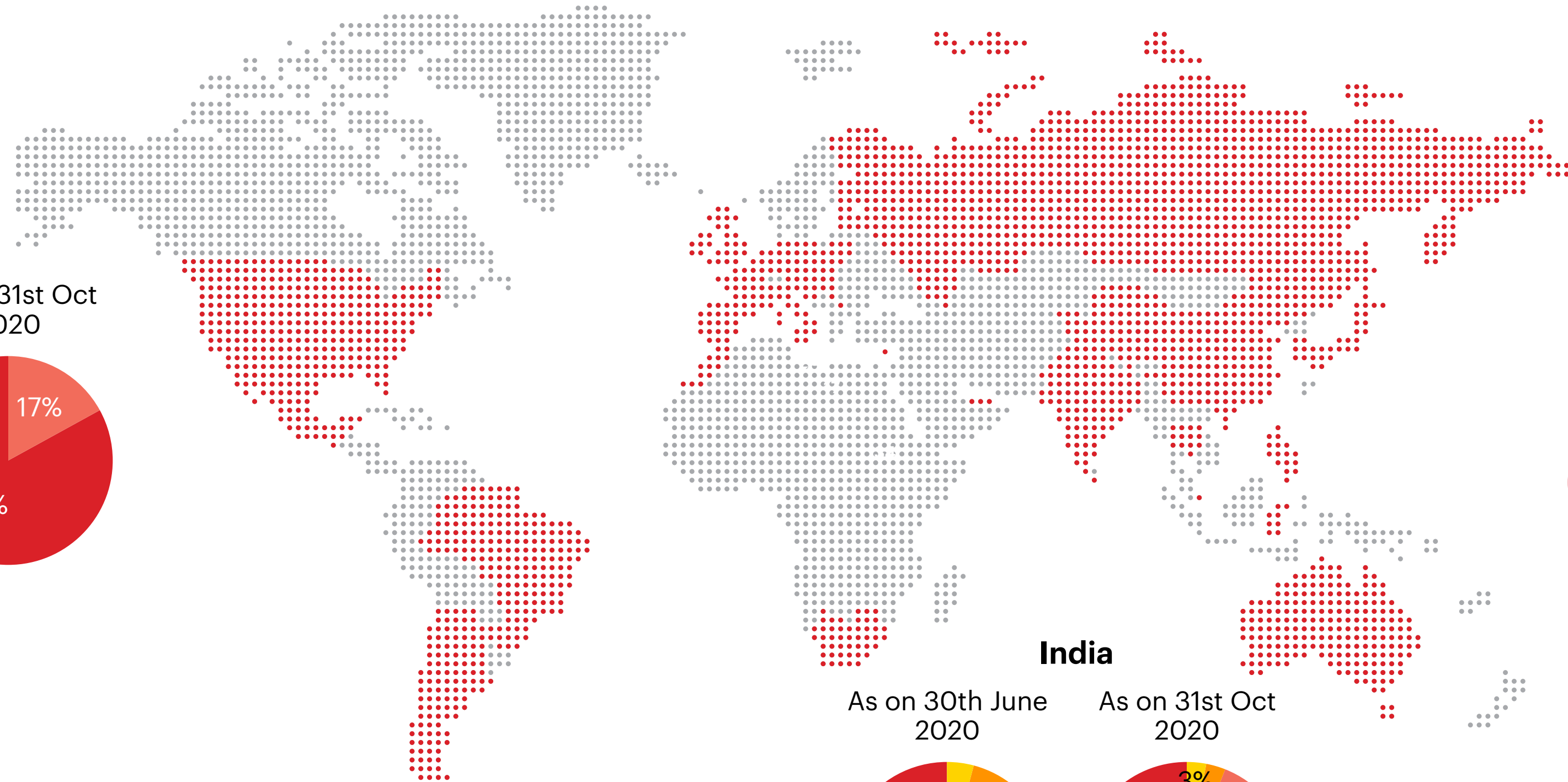


SMR France produced protective visors for the doctors, firefighters, nurses, and medical researchers in its local area.

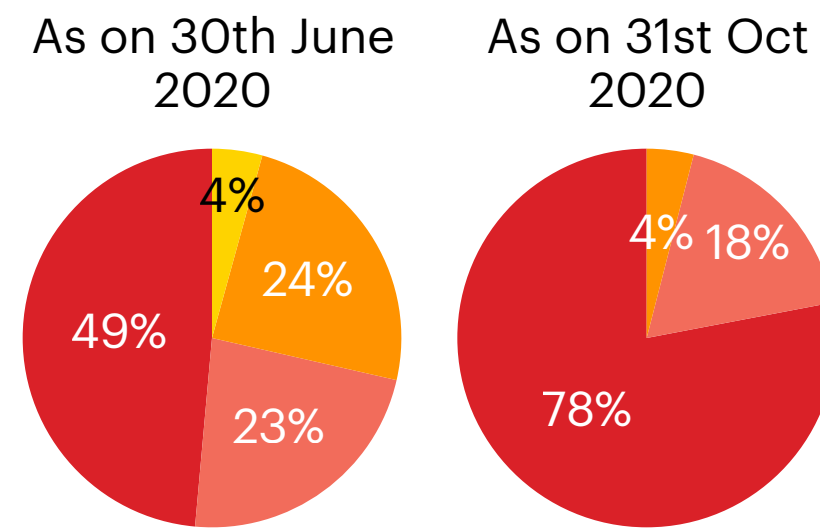


SMIEL built sanitisation tunnels that were deployed at the plants.

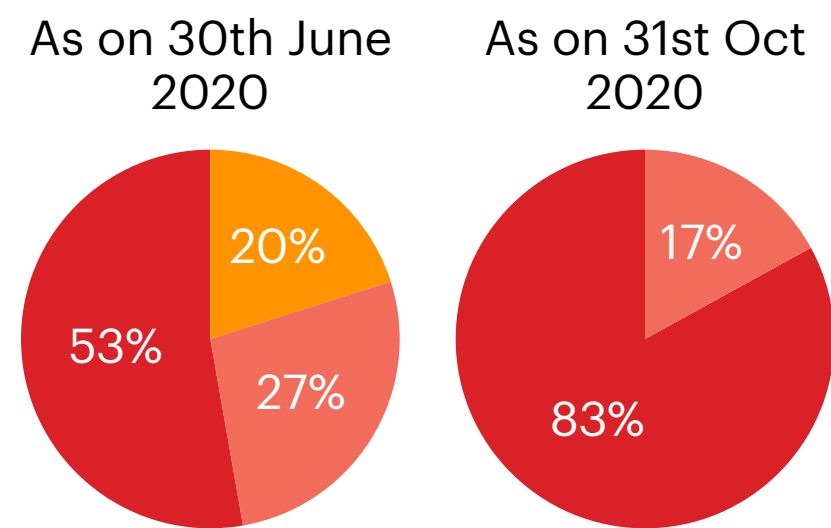
80% of our plants are running at more than 75% capacity.



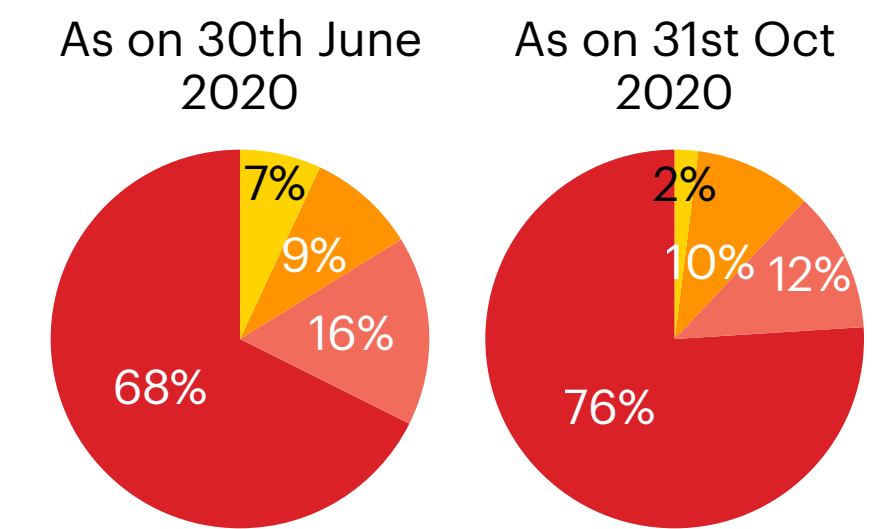
Europe, Middle East & Africa



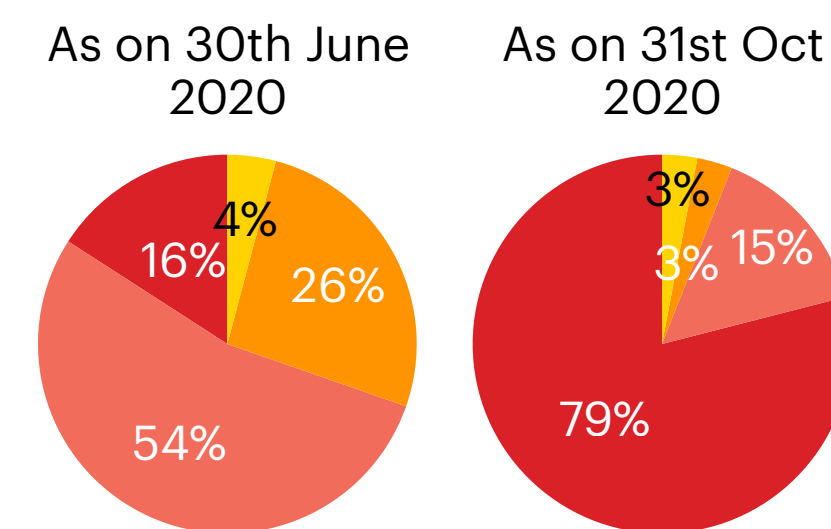
Americas



Asia (excl. India) & Australia



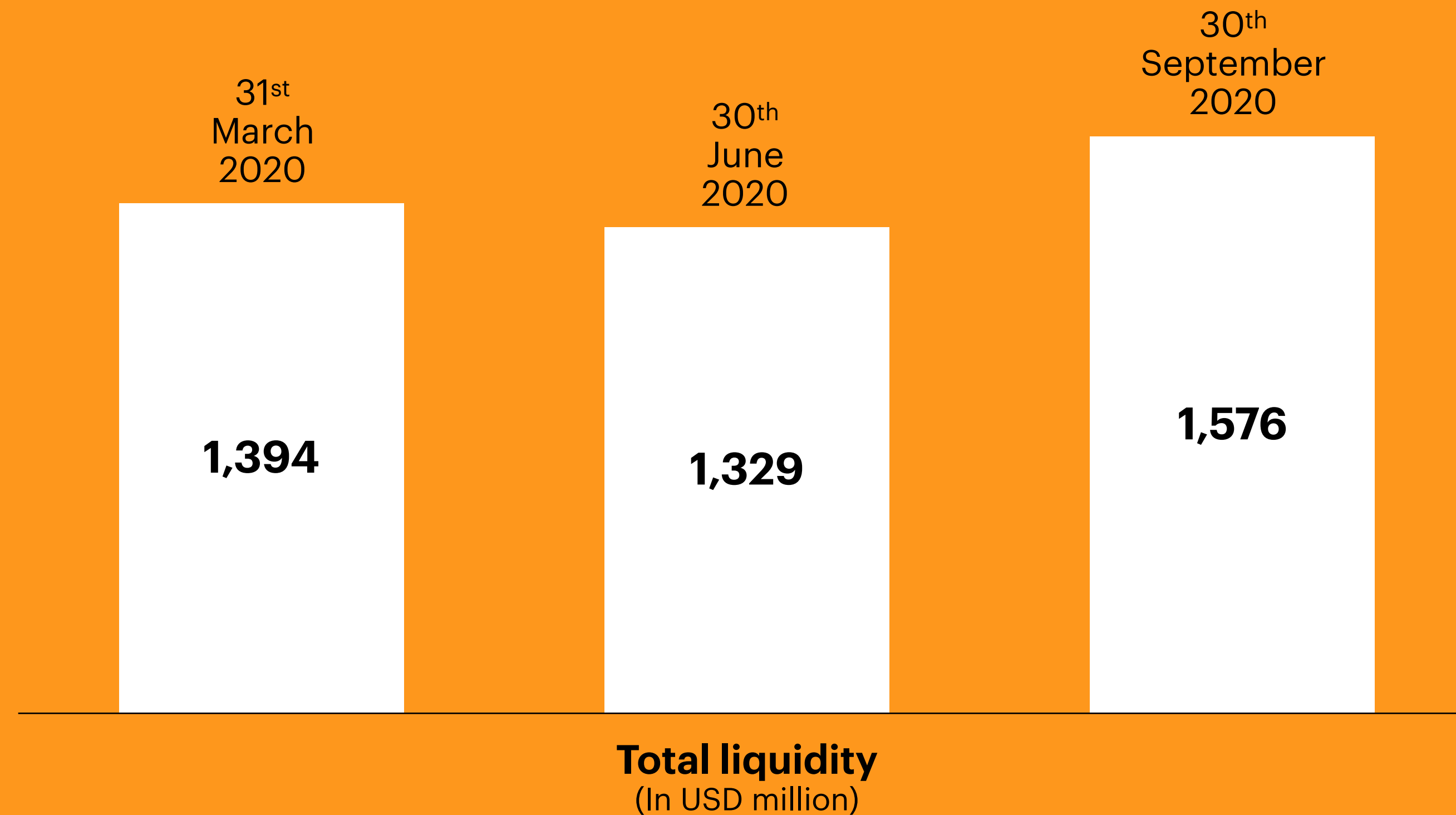
India



Capacity utilisation

- Less than 25%
- 25%-50%
- 50%-75%
- More than 75%

MSSL's liquidity position has been strong throughout the crisis.



**We will
make up
for it in
Vision 2025.**



People all over the world prefer private vehicles.

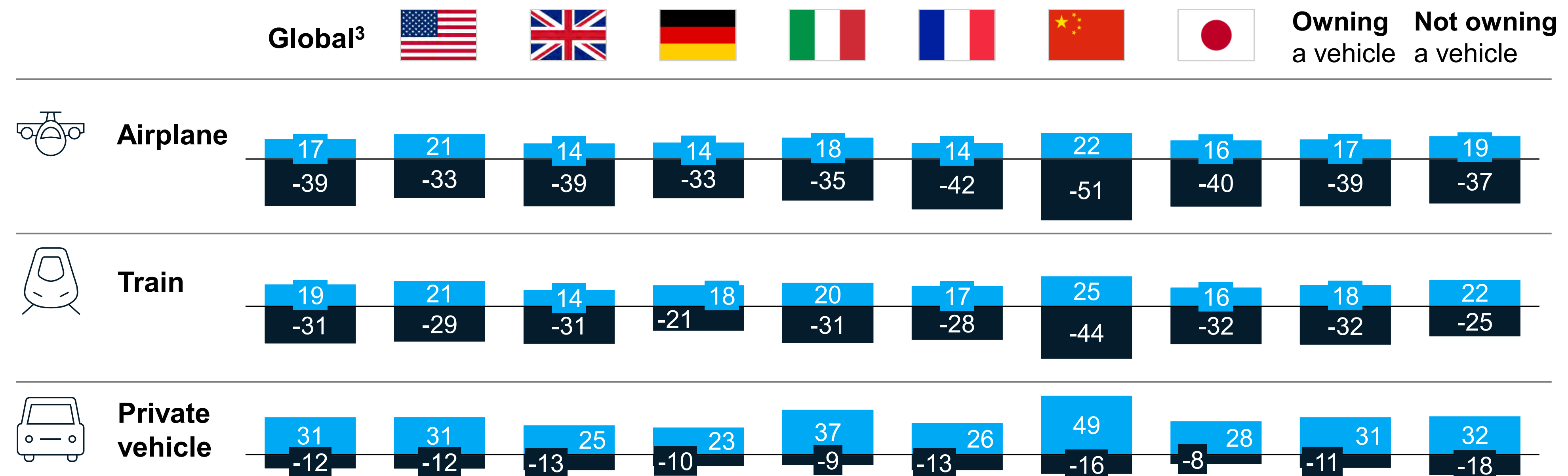


Around the world consumers expect to shift from airplanes and trains for intercity travelling to an increased use of private vehicles

Results of wave 1 (May 9-18), wave 2 (May 27-29), wave 3 (June 16-18), wave 4 (July 15 – 17), and wave 5 (Sep 2-4)

■ Increased usage ■ Decreased usage

Change of mode for intercity travelling when returning to "next normal" vs. habits before COVID-19 outbreak¹
 Number of respondents², in percent



1 Q: After you return to next normal, how do you think travelling between cities will change compared to before the COVID-19 outbreak?

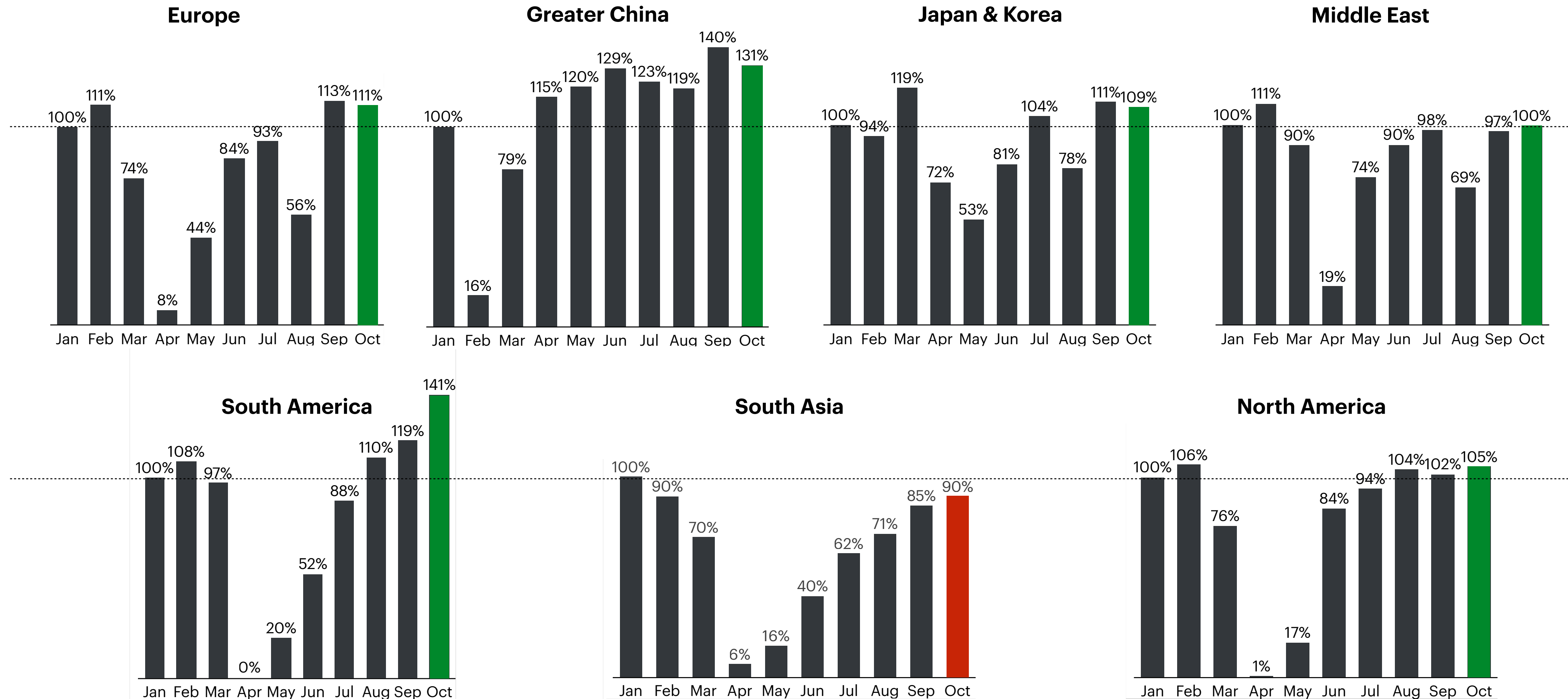
2. Consumers that have not used this mode of transportation before the COVID-19 outbreak excluded of scope of country

Source: McKinsey Center for Future Mobility

McKinsey & Company

LV production is back at pre-covid levels.

LV production as a % of January 2020.

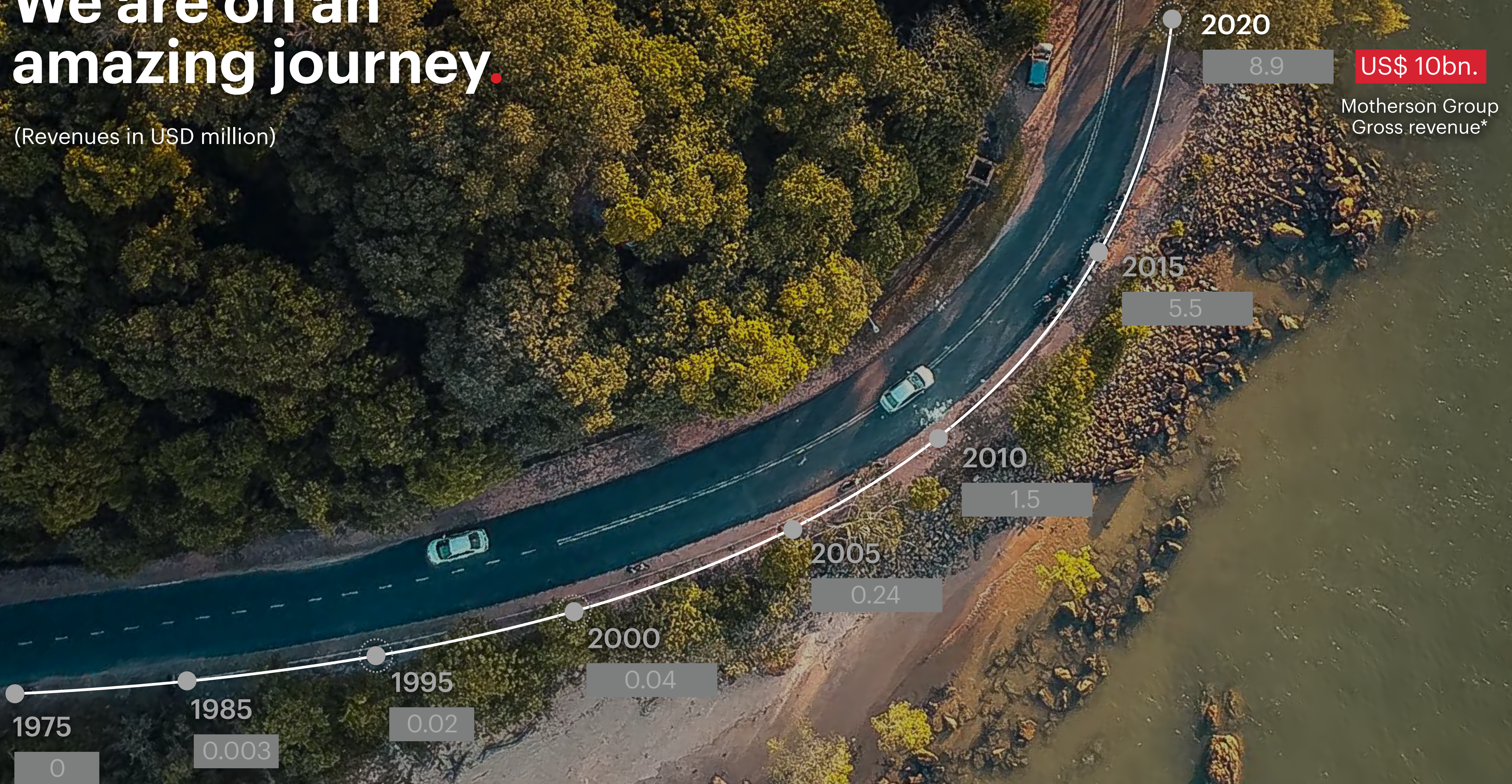


03

Space to grow.

We are on an amazing journey.

(Revenues in USD million)

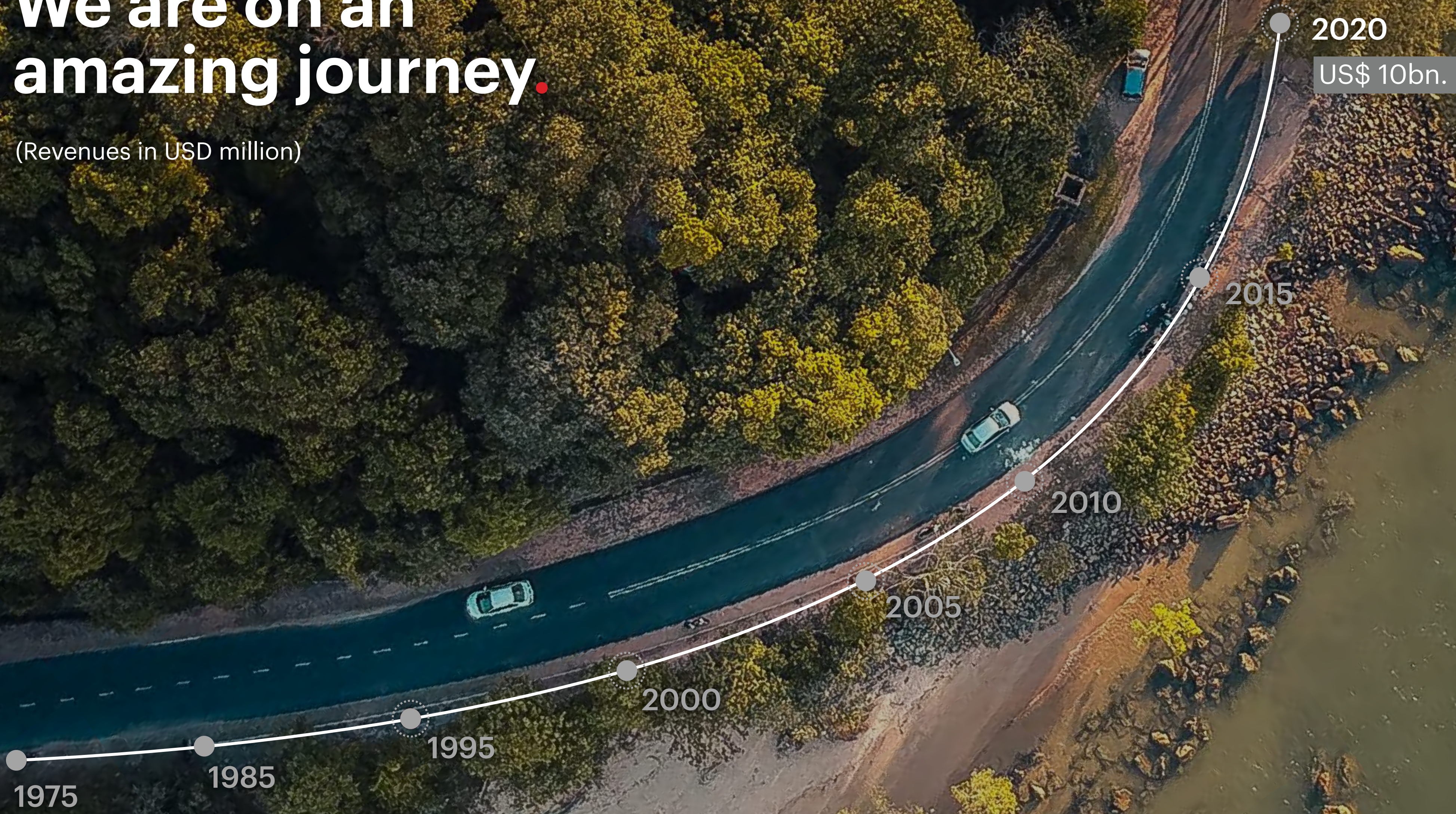


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We are on an amazing journey.

(Revenues in USD million)



We are on an amazing journey towards 2025.

2020
US\$ 10bn.

01
Business growth in current product lines

02
New technologies into current products and processes

03
Adjacent expansion
(New solutions in current industries)

04
Diversification into new industries

2025
US\$ 36bn.

US\$27bn
Automotive industry

US\$9bn
New divisions / non automotive

- Organically
- Partnerships
- Acquisitions

We are on an amazing journey towards 2025.

2025
US\$ 36

04
Diversification into new industries

03
Adjacent expansion
(New solutions in current industries)

02
New technologies into current products and processes

01
Business growth in current product lines

2020
US\$ 10bn.

- Vision Systems expansion into new geographies
- Polymer & Modules increase in share of business with existing customers and expansion to new geographies
- Deeper insourcing and vertical integration across divisions
- Increasing content and value per car/OEM

We are on an amazing journey towards 2025.





Adapting to change
and sustainability.



Sustainability.

Quality **C**osts **D**esign
Delivery **M**anagement
Safety **E**nvironment
Sustainability.

We are on an amazing journey towards 2025.

2020
US\$ 10bn.

2025
US\$ 36

01
Business growth in current product lines

02
New technologies into current products and processes

03
Adjacent expansion (New solutions in current industries)

04
Diversification into new industries

- 2 wheeler LED lighting
- Greater share of truck market globally
- Expansion in the Rolling Stock market.
- Tooling solutions, forward and backward integration
- Strengthening hot stamping capabilities

We are on an amazing journey towards 2025.

2025
US\$ 36

04
Diversification into new industries

03
Adjacent expansion
(New solutions in current industries)

02
New technologies into current products and processes

01
Business growth in current product lines

2020
US\$ 10bn.

- Expansion into Aerospace through wiring harnesses and aerostuctures
- Logistics services for automotive OEMs and specialised B2B services
- Launch of point of care health and medical technologies
- Augmenting IT offerings to cover data analytics needs through software and hardware

**While automotive remains our focus,
we are now also targeting substantial
revenues from non-automotive
industries.**

Rationale.

Medical

- Positively impacts lives
- Growing global need
- Group capabilities well aligned for medical and health technology
- Growing market size of over US\$ 1 trillion
- Initial entry in place

Aerospace

- Global presence
- Manufacturing DNA
- Ability to pivot
- Turn around specialists

Logistics

- Consolidate fragmented B2B ancillary market.
- Delight customers with better technology driven solutions.
- Betterment of the lives of drivers.
- In-house agile, technology-enabling and efficiency-focused capabilities.

IT

- Legacy expertise in high-tech enablement of manufacturing organisations
- Deep experience in the automotive sector
- Enlarging Global Footprint Through integrated competencies and strategic product innovation

Leveraging existing Motherson strengths.

Our entry into new verticals is based on proven, existing Motherson strengths.

This allows us to create value for customers in these new businesses from the start.

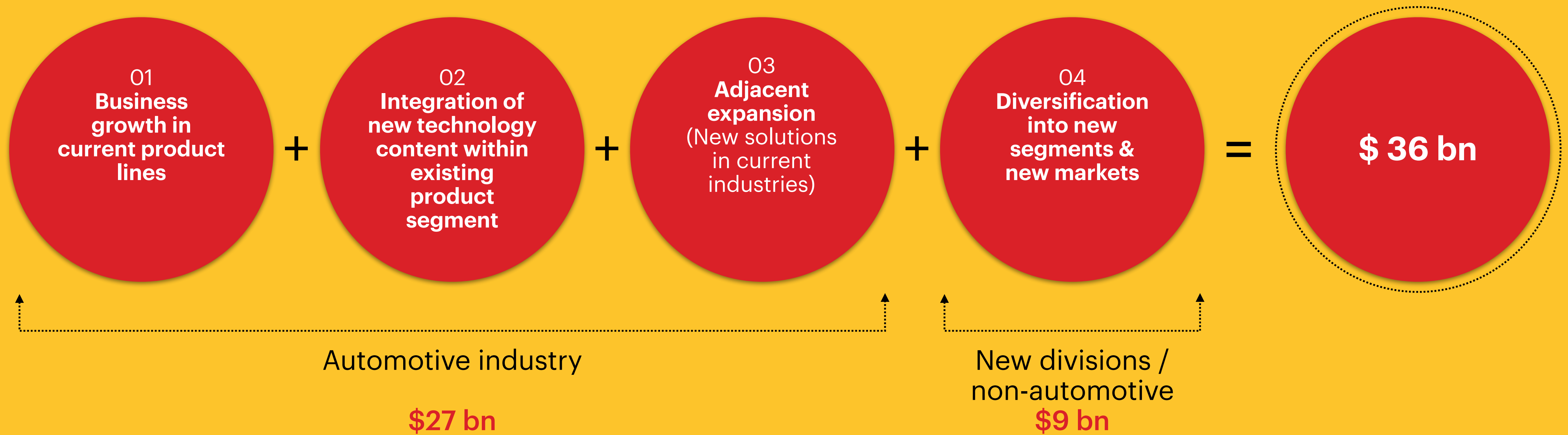


Shared services.

Shared services can be leveraged across all of Motherson, thus relying on internal rather than external sources and optimising efficiencies.



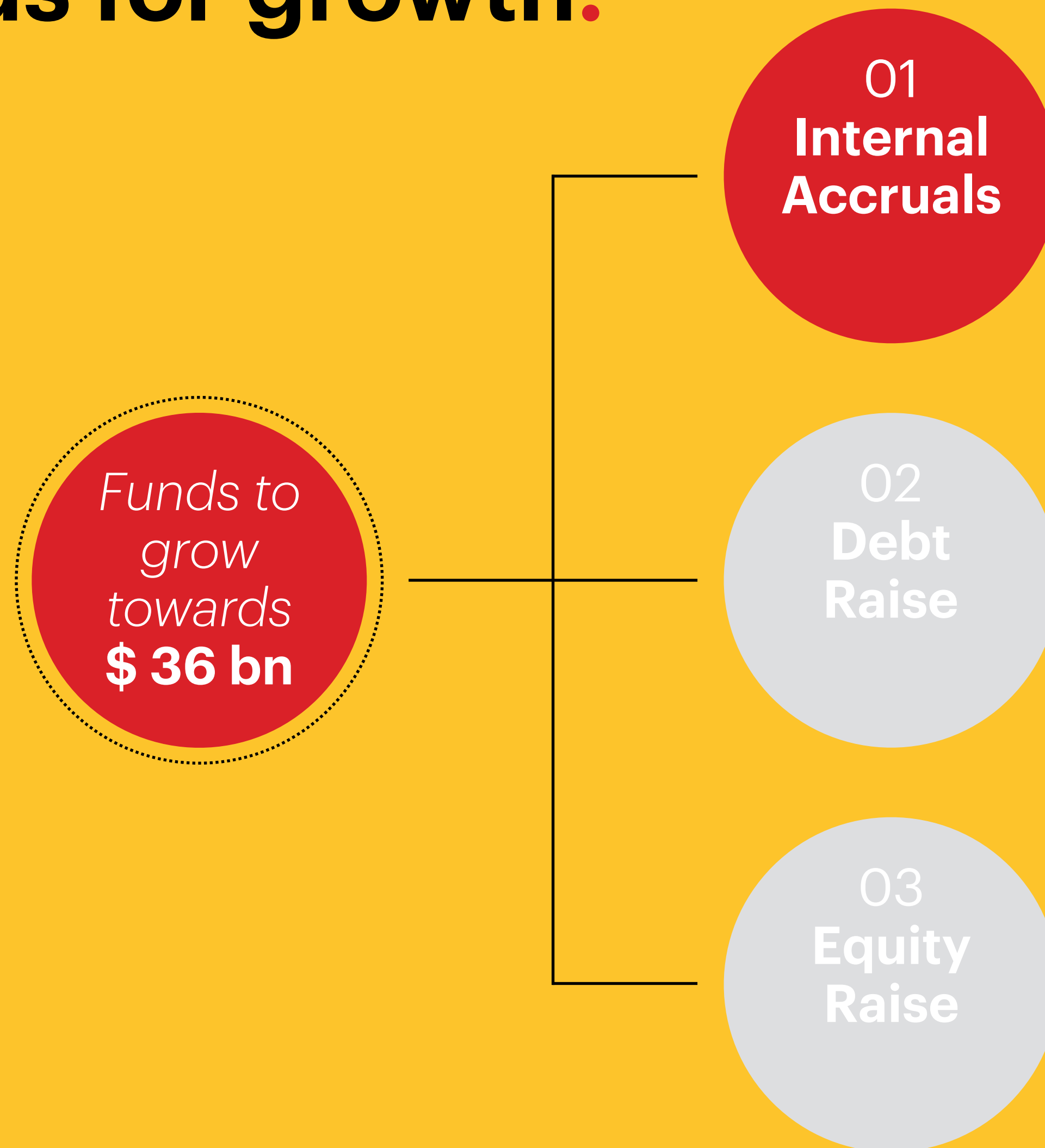
The roadmap to growth.



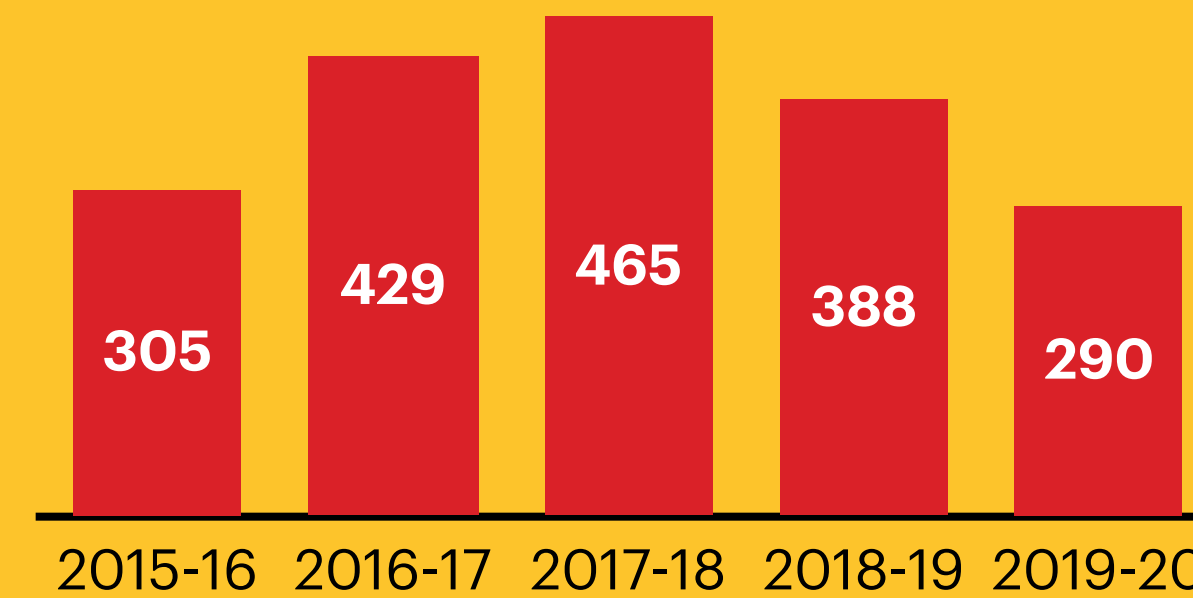
04

Funds for growth.

Funds for growth.

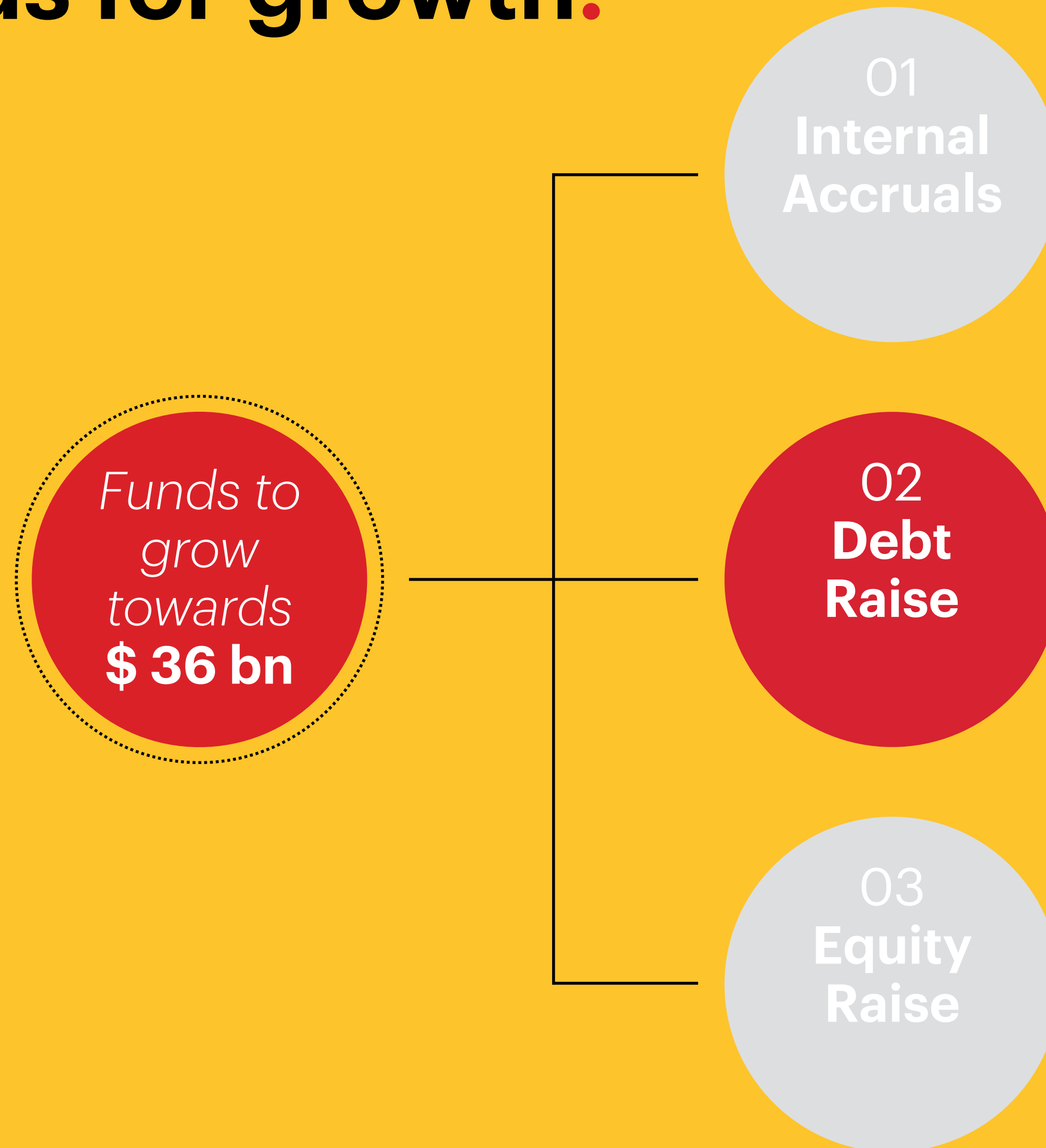


- Capex cycle largely over (In USD million)*



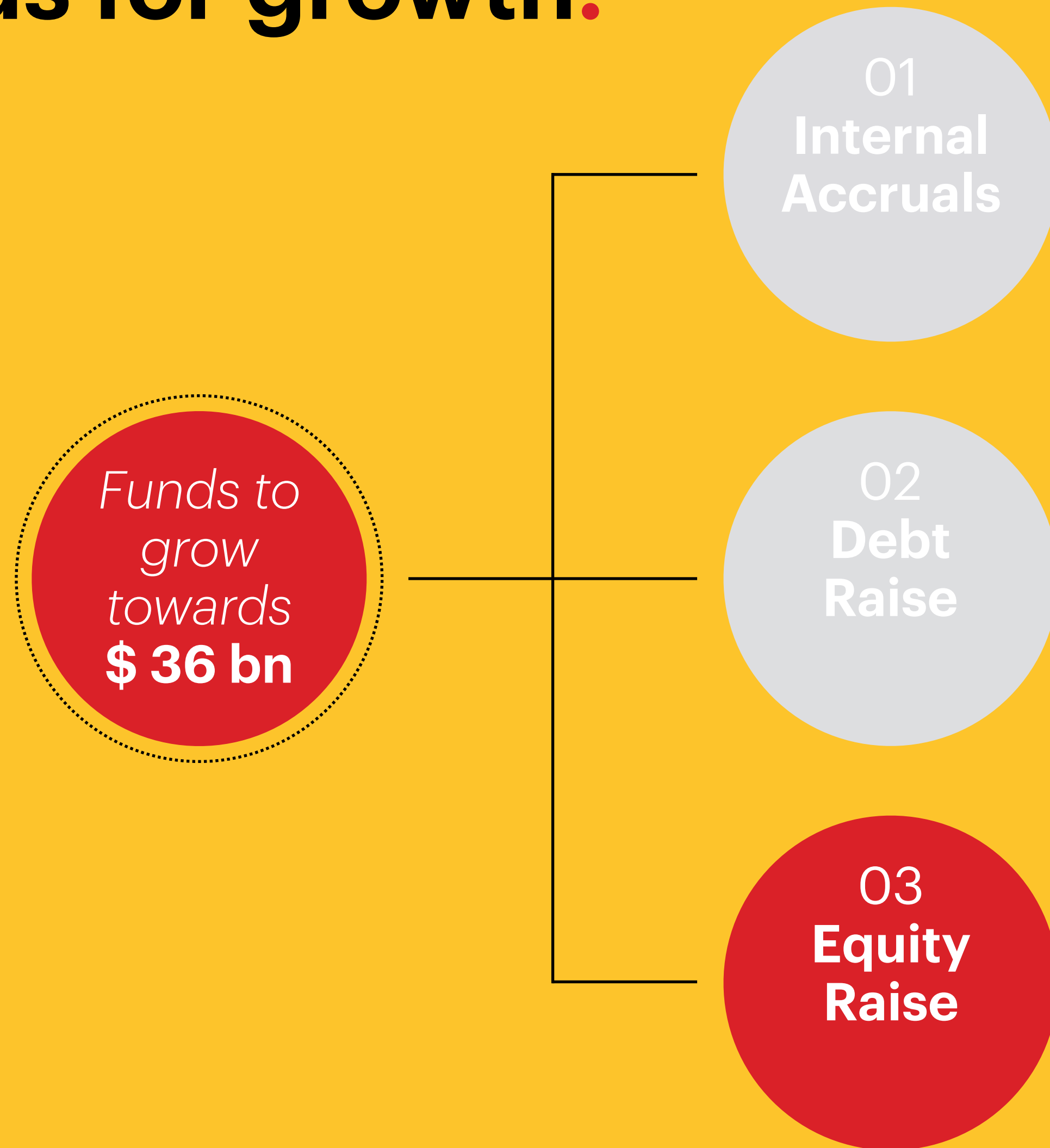
- Investments made in last 5 year plan to **fully come on-stream**
- **Efficiency** improvements and turnaround of key projects to aid strong FCF generation

Funds for growth.



- Strong Credit Profile – MSSL Rating changed from **AA to AAA** over last 5 years
 - Best in Industry commercials availed on various facilities (6.65% NCD issued for INR 2130 Cr.)
- Access to **multi-currency** market (\$, Euro, INR)
- Over **US\$ 500 Mn capital raised** even in current uncertain environment
- **Well-capitalised** for any uncertainties and future opportunity
- EBITDA expansion to further **improve credit profile** and further headroom for debt financing
- Comfortable leverage policy at **2.5x Net Debt EBITDA**

Funds for growth.



- Not averse to raise Equity capital given the unified corporate structure



motherson

Thank you ●