



## Samvardhana MotherSON International Limited

(formerly MotherSON Sumi Systems Limited)

Head Office: C-14 A & B, Sector 1, Noida – 201301 Distt. Gautam Budh Nagar, U.P. India

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October 20, 2023

BSE Limited  
1<sup>st</sup> Floor, New Trading Ring  
Rotunda Building  
P.J. Towers, Dalal Street, Fort  
MUMBAI – 400001, India

National Stock Exchange of India Limited  
Exchange Plaza, 5<sup>th</sup> Floor  
Plot No. C/1, G-Block  
Bandra-Kurla Complex, Bandra (E)  
MUMBAI – 400051, India

**Scrip Code: 517334**

**Symbol: MOTHERSON**

### **Subject: Intimation under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015**

Dear Sir / Madam,

Samvardhana MotherSON International Limited (“SAMIL”) via 100% subsidiary of SMRP B.V. (SAHN B.V.) has entered into an agreement to acquire 100% stake in SSCP Aero Topco SAS. SMRP B.V. is a material and 100% subsidiary of SAMIL.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with SEBI circular SEBI/HO/CFDPoD-1/P/CIR/2023/123 dated July 13, 2023, details of acquisition of the Company are enclosed herewith as **Annexure A**. Further, the investor presentation is also enclosed as **Annexure B**.

The Board Meeting of the Company commenced at 1300 Hours (IST) and concluded at 1518 Hours (IST).

The above is for your information and records.

Thanking you,

Yours truly,

For Samvardhana MotherSON International Limited  
(formerly MotherSON Sumi Systems Limited)

Alok Goel  
Company Secretary

Regd Office:

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Bandra Kurla Complex, Bandra East

Mumbai – 400051, Maharashtra (India)

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CIN No.: L34300MH1986PLC284510

E-mail: [investorrelations@motherSON.com](mailto:investorrelations@motherSON.com)

## ANNEXURE A

### Acquisition (including agreement to acquire)

Sr. no.	Details of Events that need to be provided	Information about such events
a)	Name of target entity, details in brief such as size, turnover etc.	<p>1) <u>Name of the Target:</u></p> <p>SSCP Aero Topco SAS ("<b>Topco</b>"), a French company that holds indirectly 100% share capital of AD Industrie SAS ("<b>Opco</b>") and of its French, Moroccan and Tunisian subsidiaries. Hereinafter Topco, the 2 French companies between Topco and Opco, Opco and Opco's subsidiaries are hereinafter being referred as ("<b>ADI Group</b>" or "<b>Target</b>")</p> <p>2) <u>Business of the Target:</u></p> <p>Target is, inter alia, engaged mainly in the business of manufacturing of components for aircraft engines and medical devices.</p> <p>3) <u>Turnover for the CY 2022:</u> € 129 Mn</p> <p>The target shall be acquired by Samvardhana Motherson International Limited (SAMIL) via 100% subsidiary of SMRPBV (SAHN BV).</p>
b)	Whether the acquisition would fall within related party transaction(s) and whether the promoter/promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at arms-length	<p>This is not a related party transaction for the Company</p> <p>None of the promoter / promoter group / group companies have any interest in the Target Group</p>
c)	Industry to which the entity being acquired belongs	<p>The Target caters to metallic and composite products for</p> <ul style="list-style-type: none"> <li>• Aerospace &amp; Advanced systems and</li> <li>• Medical equipment</li> </ul>
d)	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the Company);	<p>The acquisition of ADI Group is a step in the direction of SAMIL's vision 2025 with diversification in non-auto business. The key benefits of the acquisition are summarized below:</p> <ul style="list-style-type: none"> <li>• Access to state of art capabilities across sheet metal fabrication, hard metal machining and composites.</li> <li>• Strategic footprint with close proximity to customer and best cost locations such as Morocco</li> <li>• Booked business of € 850 Mn + over next 4-5 years</li> <li>• Significant opportunities in Health and Medical with utilization of composite capabilities to create new products and target new applications.</li> </ul>
e)	Brief details of any governmental or regulatory approvals required for the acquisitions	<ul style="list-style-type: none"> <li>• Merger control clearance by the French Competition Authority (<i>Autorité de la Concurrence</i>) and the merger control authority of Morocco.</li> <li>• Foreign Investment Control (FIC) Clearance by the French Ministry of Economy, meaning (i) confirmation that the contemplated transaction is not subject to</li> </ul>

Sr. no.	Details of Events that need to be provided	Information about such events										
		foreign investment control in France or (ii) should the French Ministry of Economy rule that the contemplated transaction is subject to FIC, the consent or approval with regard to the contemplated transaction										
f)	Indicative time period for completion of the acquisition	Subject to satisfactory completion of all conditions precedent, the transaction is expected to be closed in Q4 FY 24 i.e., in the quarter ending March 31 <sup>st</sup> , 2024.										
g)	Nature of consideration – whether cash consideration or share swap and details of the same	Cash transaction.										
h)	Cost of acquisition or the price at which the shares are acquired	<ul style="list-style-type: none"> <li>• Purchase consideration of € 35 Mn (subject to leakage adjustments) to be paid upon closing with an additional upside upto € 10 Mn based on CY 2023 performance</li> <li>• In addition to paying the purchase consideration, SAMIL will be taking over debt at ADI group (~€ 105 Mn as of June 30<sup>th</sup>, 2023 (incl. lease liability))</li> </ul> <p>In the 6 months ended June 30<sup>th</sup>, 2023, based on unaudited accounts, Target has generated a revenue of ~€ 74 Mn* with an EBITDA of ~€ 6.4 Mn. *</p> <p>*Based on management accounts adjusted for IFRS 16</p>										
i)	Percentage of shareholding / control acquired and / or number of shares acquired	To acquire 100% shares of Topco from existing shareholders										
j)	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and other significant information (in brief)	<p>0) <u>Main line of business:</u></p> <p>The Target's activity mainly consists of manufacturing of components for aircraft engines and medical devices.</p> <p>1) <u>Date of incorporation of the Target:</u></p> <ol style="list-style-type: none"> <li>a. Topco was incorporated on 28<sup>th</sup> July 2016</li> <li>b. Opco was incorporated on 7<sup>th</sup> July 2004</li> </ol> <p>2) <u>Turnover of last four financial years:</u></p> <table border="1" data-bbox="743 1541 1414 1832"> <thead> <tr> <th>Particular</th> <th>CY 2019</th> <th>CY 2020</th> <th>CY 2021</th> <th>CY 2022</th> </tr> </thead> <tbody> <tr> <td>Turnover (in EUR Mn)</td> <td>192</td> <td>129</td> <td>116</td> <td>129</td> </tr> </tbody> </table> <p>3) <u>Presence:</u> The Target has eleven (11) manufacturing facilities across France, Morocco and Tunisia.</p>	Particular	CY 2019	CY 2020	CY 2021	CY 2022	Turnover (in EUR Mn)	192	129	116	129
Particular	CY 2019	CY 2020	CY 2021	CY 2022								
Turnover (in EUR Mn)	192	129	116	129								



## **Samvardhana Motherson International Limited (SAMIL) to acquire 100% stake in AD Industries (France)**

20<sup>th</sup> October 2023

**motherson** 

# Transaction Overview : Acquisition of ADI Group.



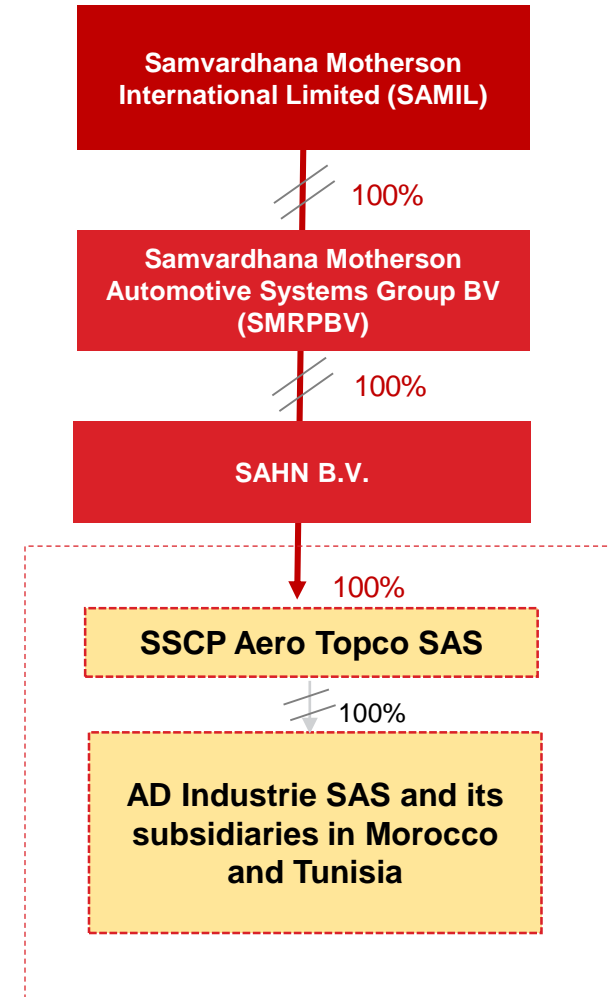
## Deal overview

- SAMIL via a 100% subsidiary of SMRP B.V. (SAHN B.V.) will acquire 100% stake in ADI Group, France
- Transaction is based on locked box mechanism (30th September 2022)
- ADI Group manufactures a wide range of components for aircraft engines and medical devices
- The financial performance of the company is summarized below

Particulars*	CY 2022*	H1 CY 2023**
Revenue	129	74
EBITDA	9.5	6.4

- Purchase consideration of € 35 Mn (subject to leakage adjustments) to be paid upon closing with an additional upside upto € 10 Mn based on CY 2023 performance
- In addition to paying the purchase consideration, SAMIL will be taking over debt at ADI group (~ € 105 Mn as of June 30<sup>th</sup> 2023 (incl. Lease liability))
- The transaction is expected to close in Q4FY24, subject to customary closing conditions and receipt of required regulatory approvals

## Proposed Structure



Target to be acquired “ADI Group”






# A leading aeroengine and medical component manufacturer in France.



## Introduction

- Founded in 2004, AD Industries is engaged primarily in manufacturing of aero engine components along with components for health and medical equipment
- ~1,100 employees in 11 facilities across France, Morocco and Tunisia
- Ability to offer better solutions to customers due to proximity to customers as well as best cost presence
- Diverse set of capabilities across 4 key divisions i.e. sheet metal, hydraulics, mechanical assemblies and composites (medical and aero)
- Ability to work with hard metals, soft metals and composites at the same time
- Access to marquee customer base: Safran, Airbus, Rolls Royce, Thales, Dassault Systems, GE, Trixell etc.

## Product Portfolio

Revenue Segmentation	Divisions	Key Products
Aerospace & advance systems 90%	37%	<b>Sheet Metal</b>  Ducts      Piping      Tank
	11%	<b>Hydraulics</b>  Nozzle      Actuator      De-Icing Valve      Tube
	30%	<b>Mechanical Assemblies</b>  Casing      Complex Assemblies
	12%	<b>Aero Composites</b>  OGV      Acoustic Panel      Structure Ballistic
Health & Medical 10%	10%	<b>Medical Composites</b> 



# Transaction Rationale.

1

**Asset aligned with aerospace division's phased growth strategy**

Building up capabilities in a phased manner. Now geared up to cater to large addressable market

2

**Synergistic capabilities with existing aerospace business of SAMIL.**

Complementary capabilities and footprint to enable synergies with the existing business of SAMIL

3

**Longstanding customer relationships – “Sizeable booked business”.**

Supplier to most commercial aircraft and engine platforms providing significant opportunity to grow with increase in aircraft production

4

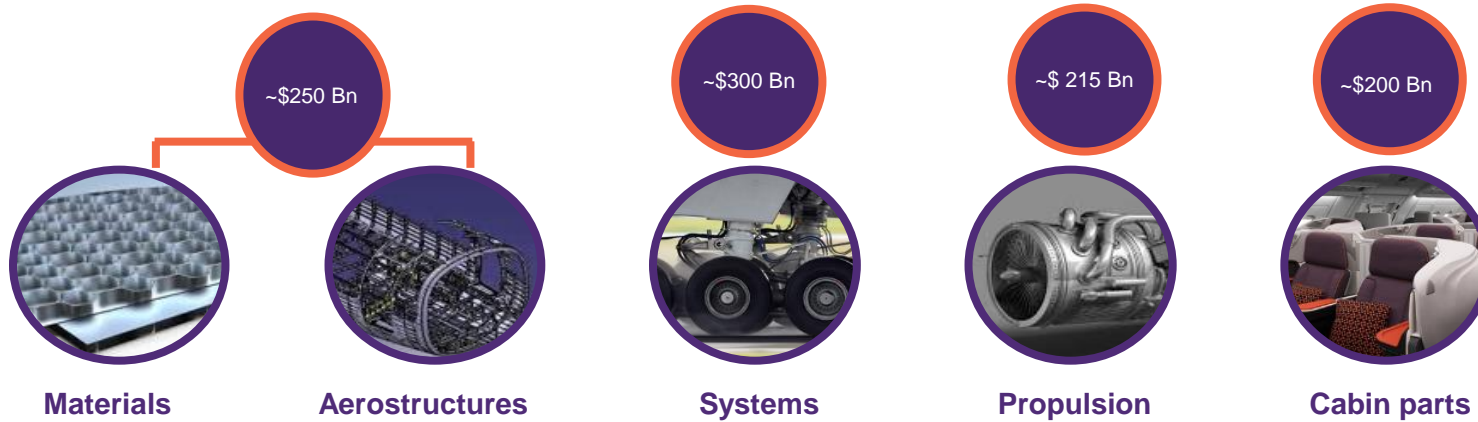
**Significant Opportunity in Health and Medical segment.**

Utilization of composite capabilities to create new products and target new applications

**Business and capabilities are perfect fit for Motherson**

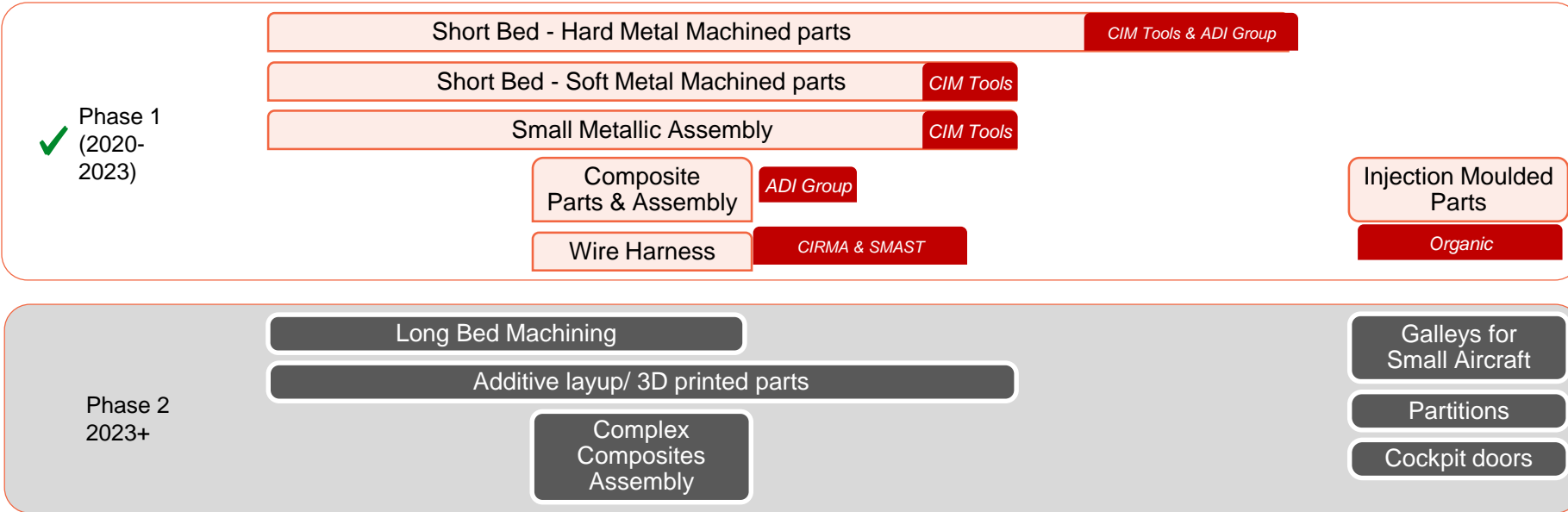
1

# Building aerospace capabilities in a phased manner; Now geared up to cater to large addressable market



Executing M&A strategy as per clearly defined areas of focus

Achievement of Phase-I objectives to fuel Phase-2 growth



5

✓ Capabilities Acquired/ Developed

\$Bn

10-year cumulative market size



2

# Sizeable booked business to be realized over next 4-5 years



Present on 95% aircraft platforms (A320, A330, A350, B737, B767, B777, B787, C919, E-Jet)

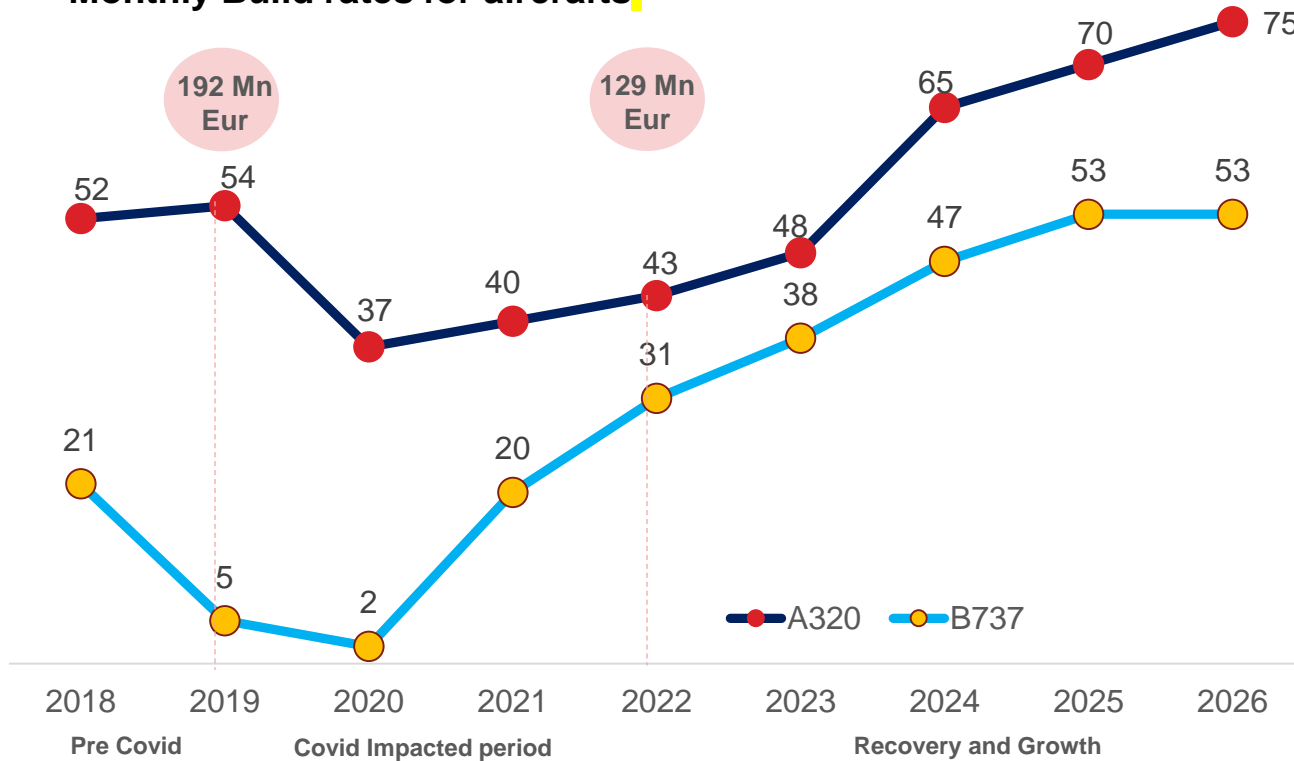
Present on entire family of Leap engines which has 60% global market share



Wide exposure across platforms to ensure growth with the market

ADI Group Revenue

### Monthly Build rates for aircrafts



Recovery in build rates to drive revenue growth and operating leverage

Total booked business at € 850 Mn+

\* Build rate estimates as per published data from aircraft manufacturers

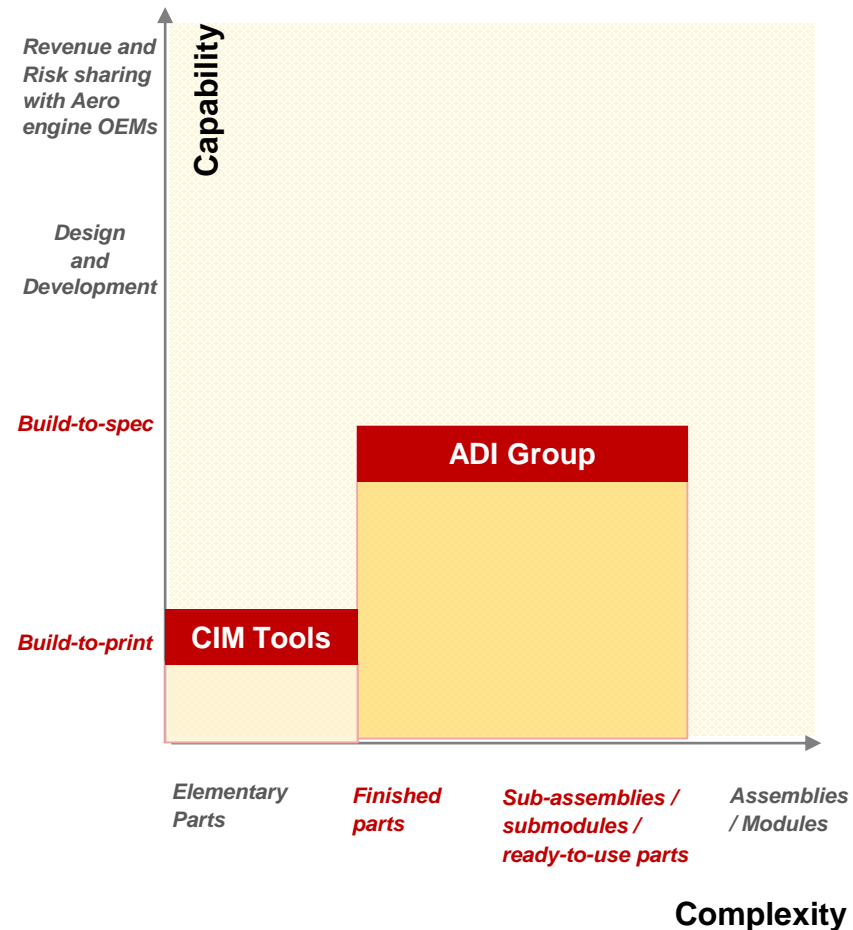
\* Includes LTA, LTA extensions and roll forward agreements

# Synergistic capabilities with existing aerospace business of SAMIL

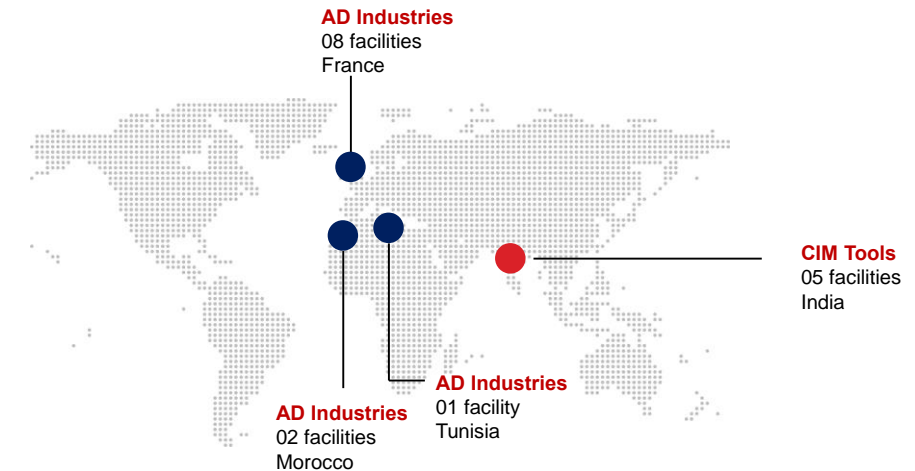
Offering a wider range of capabilities to Customers...

Capability	ADI Group	CIM Tools
<b>Sheet Metal</b> (Hard Metal)	✓✓✓	-
<b>Machining</b> (Hard Metal)	✓✓✓	✓
<b>Composites</b>	✓✓✓	-
<b>Mechanical Assembly</b>	✓✓✓	✓✓✓
<b>Hydraulics</b>	✓✓✓	-
<b>Machining</b> (Soft Metal)	✓	✓✓✓
<b>Sheet Metal</b> (Soft Metal)	-	✓✓✓
<b>Surface Treatment</b>		✓✓✓

....across the product value chain of aeroengines and aerostructures



....from a diversified global footprint, with a fine balance of near shore and best cost facilities



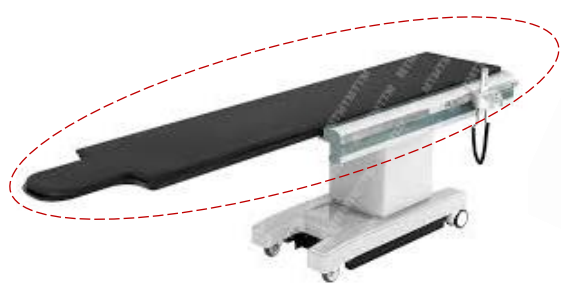
# 4 Significant opportunity in Health and Medical space



## Key Capabilities

Development and manufacturing of healthcare specific applications using **carbon fiber composites**

## Existing Product Range focused on Radiology



Patient tables



Detector plates

## Expansion possibilities for product portfolio into new segments within healthcare

1

### Traditional Uses

#### Applications of Carbon Fiber composites in Radiology

- Patient Table for Interventional Guided Therapy Systems
- X-Ray Detector Housing
- Patient accessories for X-ray devices
- X-ray System Patient Tables
- CT Scanner Patient Tables
- Mammography Systems

2

### Emerging applications



Prosthetics



Orthopedics instruments



Surgical instruments



Specialised accessories

Medical composites market size is ~\$1.1 Bn, growing at ~11.% CAGR



# Thank you.

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