

June 9, 2024
SEL/SEC/ 2024-2025/21

| | |
|---|--|
| BSE Limited Department of Corporate Services P. J. Towers, 25th Floor, Dalal Street, Mumbai- 400 001 Ref: 532509 | National Stock Exchange of India Ltd Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (E) Mumbai- 400 051 Ref: SUPRAJIT |
|---|--|

Dear Sirs,

Sub: Press Release - Suprajit to acquire the business of Stahlschmidt Cable Systems (SCS), out of insolvency proceedings in Germany.

Enclosed please find the Press Release dated June 9, 2024 regarding "Suprajit to acquire the business of Stahlschmidt Cable Systems (SCS), out of insolvency proceedings in Germany.

This is for your Information and records.

Please consider this as compliance under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking you

Yours faithfully
For Suprajit Engineering Limited**Medappa Gowda J**
CFO & Company Secretary

Encl : as above

Date: 09 June 2024

PRESS RELEASE

Suprajit is pleased to announce the signing of Share and Asset Purchase Agreement (SAPA) for the acquisition of the business of Stahlschmidt Cable Systems (SCS), out of insolvency proceedings in Germany.

SCS is a well-known Light Duty Cable maker with a marquee customer base. SCS brings valuable low-cost manufacturing capabilities in Morocco, a strong German engineering and sales team, and China exports through Canada. Headquartered in Germany, SCS has plants in Morocco and China, and is currently relocating manufacturing operations from its current plant in Poland to Morocco, when a funding crunch led to insolvency.

This acquisition comes with strong customer support and involves significant complexity including:

- Asset/Equity purchases in Germany, Canada, China, Poland and Morocco – Requiring in some instances fresh contracts with customers, vendors, and employees.
- Poland relocation is complete, and operations will be shut down. However, key employees will continue to support Morocco.
- At SCS's headquarters in Germany, there will be a reduction in workforce. The German team will form an integral part of Suprajit.
- A comprehensive one-year restructuring plan.

The completion is expected to be in two stages. The first stage (Germany, Poland and Morocco) is expected to close on July 1st, 2024, subject to certain debt reduction, critical restructuring and other Condition Precedents (CPs). A few months later, the second stage (Canada and China) will also be completed, subject to certain restructuring CPs in Canada and China.

The acquisition will be done through Suprajit USA Inc. Suprajit will be incorporating companies in Canada and China, in addition to recently setup Suprajit Germany GmbH to consummate this transaction.

When completed SCS will add €50 million in revenues and will form a key part of our global supply chain footprint. The Enterprise Value of the acquisition is pegged at €13.5 million and equity value will be less after deducting corporate debt and debt like items.

The acquisition is subject to significant debt reduction to be completed as conditions precedent to close. This transaction will be funded completely by internal accruals and cash in the Balance Sheet.

Ajith Rai, Founder and Chairman of Suprajit said – *“This acquisition will further strengthen our global Light Duty Cable manufacturing footprint. Suprajit will have enhanced ability to provide customers with low-cost manufacturing bases, nearshoring*

capabilities, and a perfect customer centric supply chain footprint. This acquisition, post its consolidation and restructuring, will yield improved customer service, global growth, and margin improvements, over the medium term.”

N.S. Mohan, Managing Director and Group CEO said – *“This transaction reposes the trust and confidence in Suprajit as a global Cable manufacturer by the major OEMs and Tier 1 vendors in Europe. The acquisition comes with a sound backing by the customers, vendors, and the management of SCS who are committed in nursing back a company with 100-year-old history”.*

Akhilesh Rai, Director and Chief Strategy Officer, said – *“We’ve consistently said the global automotive control cable industry is under considerable stress – but never expected SCS to be affected. This acquisition brings Suprajit ideal locations to support our customer’s control cable and future actuator needs.”*

Jim Ryan, President, Suprajit USA, said – *– “The recent SCS history has been difficult for all stakeholders, and although significant work will be required to fully stabilize the business, the resources and skills that Suprajit will provide will enhance the talents and capabilities within SCS. This will ultimately result in the highest level of Customer Satisfaction, a level that has been the cornerstone of Suprajit’s success for 40 years.”*

Grant Thornton Bharat LLP, India are the sole financial advisors and Oppenhoff & Partner, Germany, are the lead legal advisors to Suprajit for this transaction.

About Suprajit Engineering Limited:

Suprajit is India’s largest automotive cable and halogen bulb maker with an annual global capacity of 400 Million cables and 110 Million halogen bulbs. Suprajit’s customers list includes a large number of global automotive majors. Suprajit group has footprints in four continents with multiple plants, tech centres and warehouses.

For further information, please contact:

| | |
|---|--|
| Medappa Gowda J Chief Financial Officer & Company Secretary Suprajit Engineering Limited Email: medappa.gowda@suprajit.com | Bhargavi Aithal AGM - Corporate Communications Suprajit Engineering Limited Email: bhargavi.aithal@suprajit.com |
| https://www.suprajit.com/financials/ | |