

Motherson Sumi Systems Limited



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April 2, 2018

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

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

Scrip Code : MOTHERSUMI

Scrip Code : 517334

Sub.: Intimation of proposed acquisition – under Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sirs,

With reference to the captioned subject, we would like to inform you that, Samvardhana Motherson Automotive Systems Group B.V. (SMRPBV), Netherlands, a step down subsidiary of Motherson Sumi Systems Limited (the **Company**) has today executed the transaction documents for the proposed acquisition of Reydel Automotive Holdings B.V. and Reydel Automotive Management B.V. subject to signing of the binding documents and obtaining regulatory approvals as per the details provided in Annexure – A.

We are also enclosing the Press release as Annexure – B and Investor's presentation as Annexure – C.

This is for your information and record please.

Yours faithfully,
For **Motherson Sumi Systems Limited**


G.N. Gauba
Chief Financial Officer





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 entities, details in brief such as size, turnover etc.	<p>(i) Reydel Automotive Management B.V., a private company with limited liability incorporated under the laws of the Netherlands registered with the Dutch Trade Register of the Chamber of Commerce under number 63466627; and</p> <p>(ii) Reydel Automotive Holdings B.V., a private company with limited liability incorporated under the laws of the Netherlands registered with the Dutch Trade Register of the Chamber of Commerce under number 60418230 (collectively Target Companies).</p> <p>The Target Companies are the parent companies of Reydel Automotive Group (Target Group).</p> <p>Additional details of the Target Companies and the Target Group are set out in our response in S.no. (j).</p> <p>For the purpose of this Annexure, the Company and its direct and indirect subsidiaries are referred to as the "Purchaser Group".</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	Manufacturing
d)	Objects and effects of acquisition (including but not limited to, disclosure of reasons	The proposed transaction will further help consolidate Purchaser Group's position as a global interior supplier through amalgamation of complementary portfolio and



Motherson Sumi Systems Limited



	for acquisition of target entity, if its business is outside the main line of business of the Company);	capabilities. The proposed transaction will also enhance diversification across customer portfolio and geographical footprint for the Purchaser Group.
e)	Brief details of any governmental or regulatory approvals required for the acquisitions	The key regulatory approvals required are: (i) Works council consultation Prior information to and consultation with the Works Council wherever required for the proposed transaction will be obtained. (ii) Anti-trust approvals The Anti-Trust approvals are required in certain jurisdictions which will be obtained prior to closing of the proposed transaction.
f)	Indicative time period for completion of the acquisition	Subject to obtaining regulatory and other approvals, the transaction is expected to be closed within an estimated time-period of 4 - 6 months.
g)	Nature of consideration – whether cash consideration or share swap and details of the same	Cash consideration
h)	Cost of acquisition or the price at which the shares are acquired	USD 201 million (approx.) subject to closing adjustments.
i)	Percentage of shareholding / control acquired and / or number of shares acquired	100% stake in the Target Entities
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)	<u>Main line of business:</u> The Target Group's activity mainly consists manufacturing of cockpit modules, instrument panels and door panels, consoles, as well as certain other decorative parts. <u>Date of incorporation:</u> The Target Entities have been incorporated on the following dates:

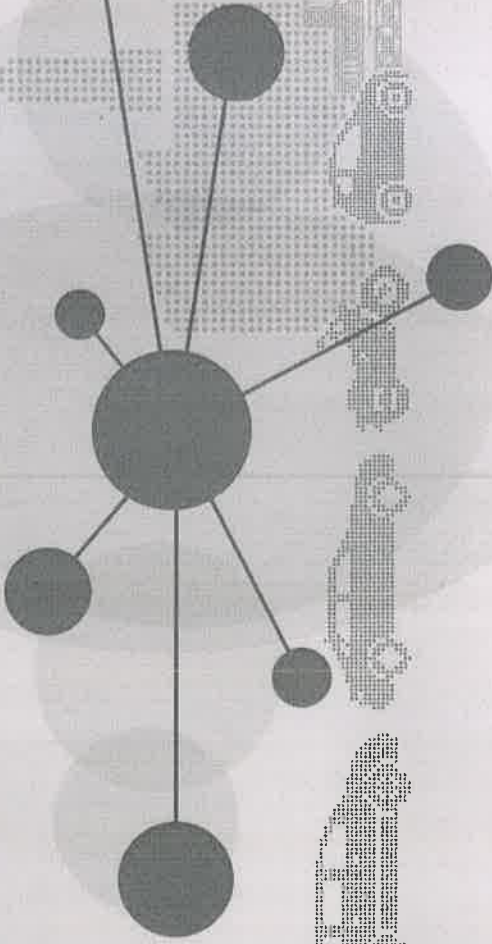




		<table border="1"> <thead> <tr> <th>Target Entity</th> <th>Date of Incorporation</th> </tr> </thead> <tbody> <tr> <td>Reydel Automotive Management B.V.</td> <td>5 June 2015</td> </tr> <tr> <td>Reydel Automotive Holdings B.V.</td> <td>7 April 2014</td> </tr> </tbody> </table>	Target Entity	Date of Incorporation	Reydel Automotive Management B.V.	5 June 2015	Reydel Automotive Holdings B.V.	7 April 2014
Target Entity	Date of Incorporation							
Reydel Automotive Management B.V.	5 June 2015							
Reydel Automotive Holdings B.V.	7 April 2014							
		<p><u>History of Turnover:</u> The turnover of the Target Group (in USD million) are as follows:</p> <table border="1"> <thead> <tr> <th>FY 2015</th> <th>FY 2016</th> <th>FY 2017*</th> </tr> </thead> <tbody> <tr> <td>876</td> <td>890</td> <td>1,048</td> </tr> </tbody> </table> <p>*unaudited provisional US GAAP figures.</p> <p><u>Global Presence:</u> The Target Group is a leading global designer and manufacturer of automotive interior products for worldwide OEMs. The Target Group has 20 manufacturing plants and presence across 16 countries.</p>	FY 2015	FY 2016	FY 2017*	876	890	1,048
FY 2015	FY 2016	FY 2017*						
876	890	1,048						



Proud
to be
part of.



Presentation on Acquisition of Reydel

April 2018



Signature

Transaction Overview



- MSSL's subsidiary SMRPBV, has executed the transaction documents for the proposed acquisition of Reydel Automotive Holdings B.V. and Reydel Automotive Management B.V. (together known as "Target Entities") on April 02, 2018
- Reydel Automotive is a portfolio company of Cerberus Capital Management, L.P.
- Reydel Automotive is an established global supplier of Instrument Panels, Door Panels, Console Modules, Decorative Parts and Cockpit Modules, with presence across Europe, South America and Asia
- The proposed transaction to be discussed with employee representatives and would be subject to customary closing conditions and receipt of required regulatory approvals.
- Indicatively, it is expected that the transaction will take 4-6 months to close.



Financial Highlights



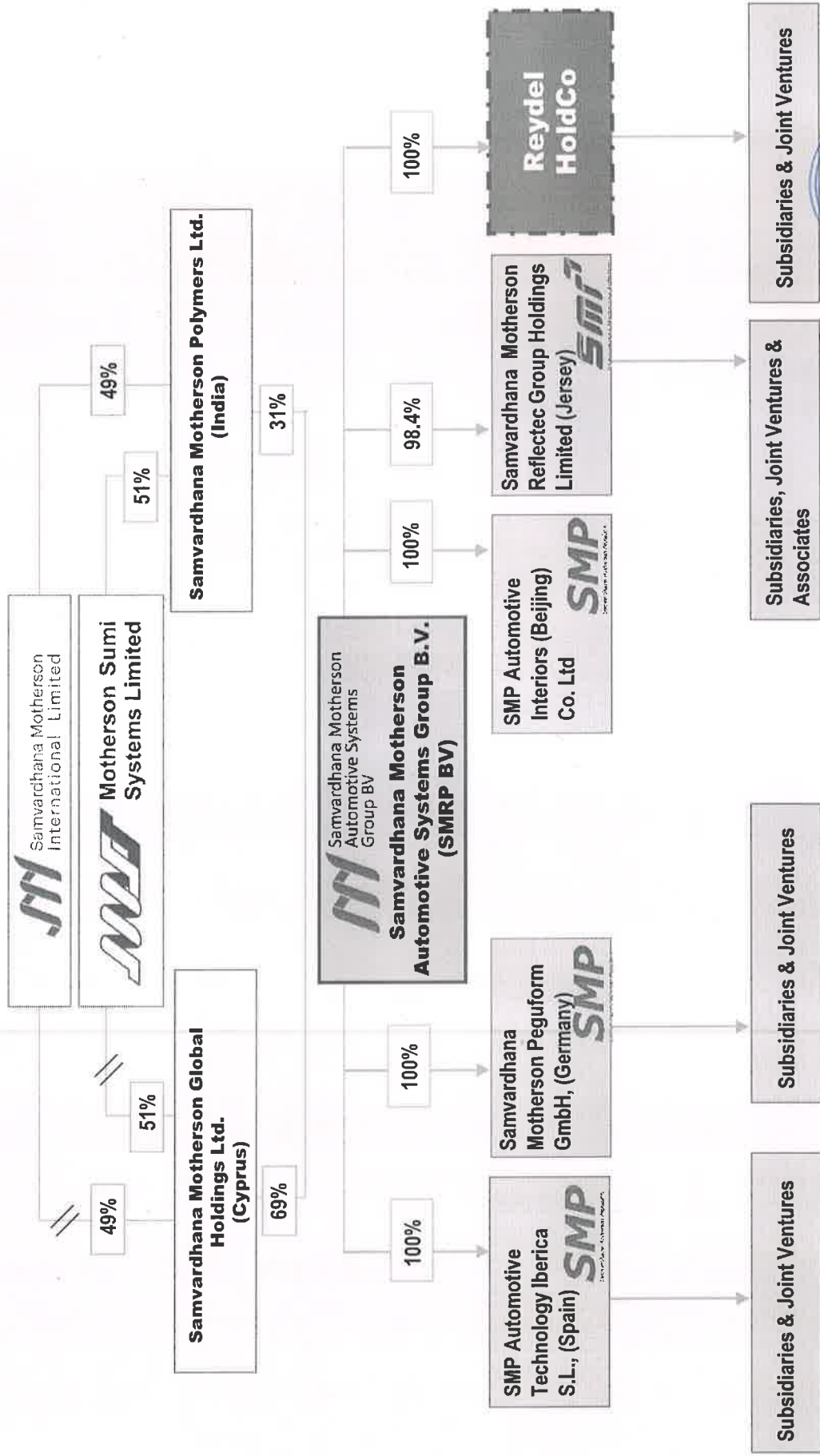
- Transaction is structured under a Lockbox arrangement from 1 Jan 2017; all business cash flows from lockbox date to accrue to buyer
- Aggregate equity purchase price of USD 201 million for 100% stake in the Target Entities
- Consideration is expected to be financed using existing cash and banking limits at SMRPBV
- Estimated to be EPS accretive from Day 1

Reydel Financial Highlights

\$ million	CY17P1
Revenues	1,048
EBITDA	68
EBIT	48
Gross Debt	25
Cash	88



Post Acquisition Group Structure



Above structure is a simplified group structure

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Reydel – Brief Overview



Overview

- Established global player in instrument panels and door panels
- Strong customer relationships (25+ years average) with global OEMs
- Headquartered in Baarn, the Netherlands, with main corporate office in Clamart (near Paris), France
- Has 20 manufacturing facilities with presence across 16 countries and about 5,650 employees as of Jan 2018
- Top customers include PSA, Renault, RSM, Ssangyong / Mahindra, VW and GM

Product Portfolio

Instrument Panels



Door Panels



Console Modules



Cockpit Modules



Decorative Parts



Motherson and Reydel – Creates a Stronger & Diversified Interiors Business Portfolio

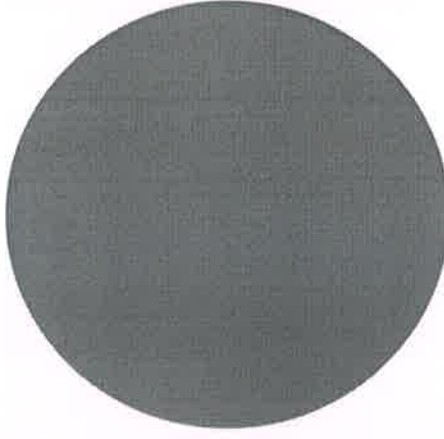


Consolidating position as an interior supplier through amalgamation of complementary portfolio and capabilities

Diversification in customer profile and geography – In line with SMG's strategy of 3CX15

Management team with significant experience in the Automotive sector

Sizable synergy potential across functions



Stronger growth potential with French OEMs – Ability to bid for global platforms

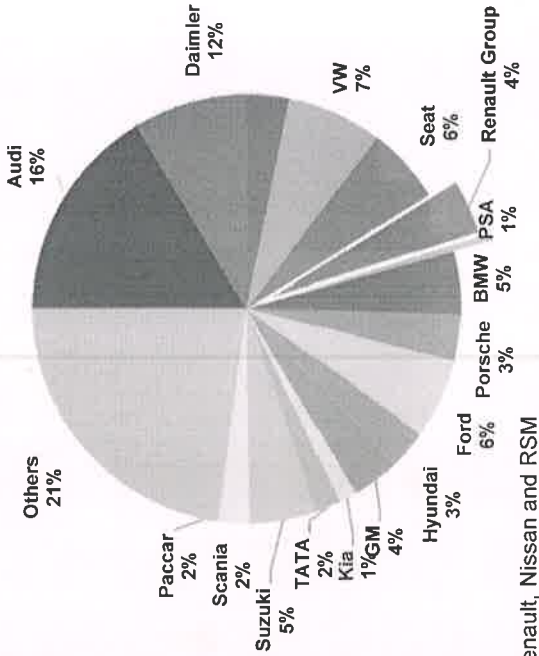
Potential to leverage Reydel's footprint to service key SMG customers



MSSL - Towards CX15

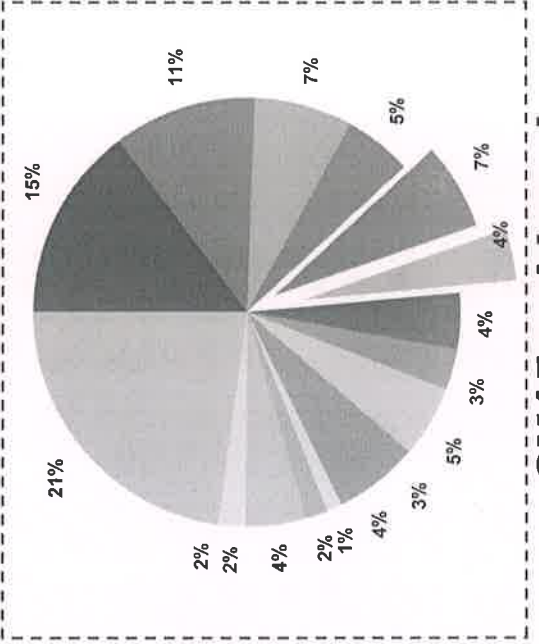


Existing

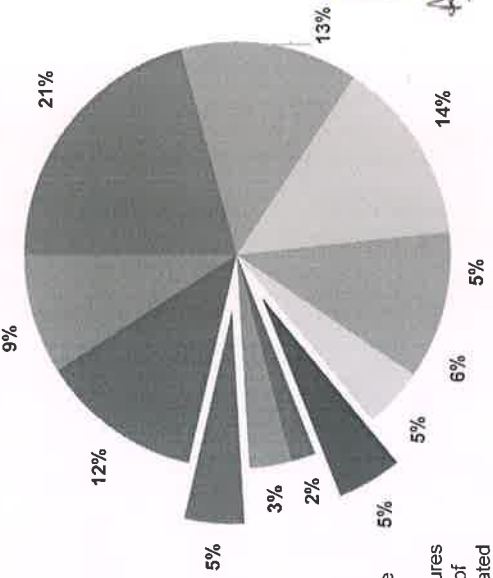


Renault Group includes Renault, Nissan and RSM

Pro-forma



CX15 achieved



Please note that the split in the charts are based on Reydel's unaudited CY17 US GAAP figures Existing represents sales mix of April - December 17, extrapolated to full year



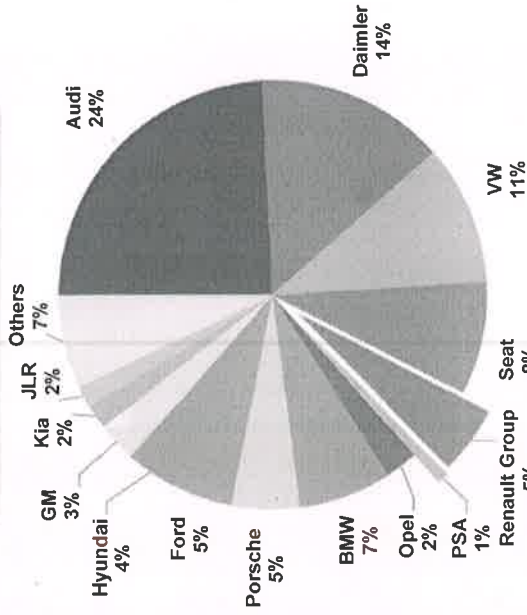
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SMRPBV – Towards CX15



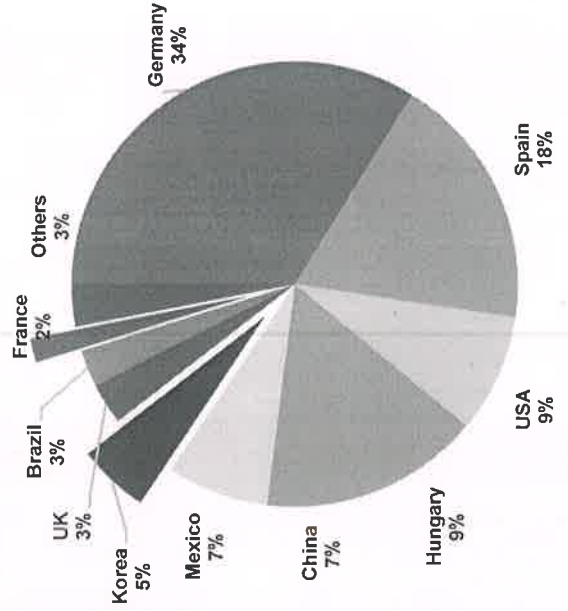
Existing

Customer

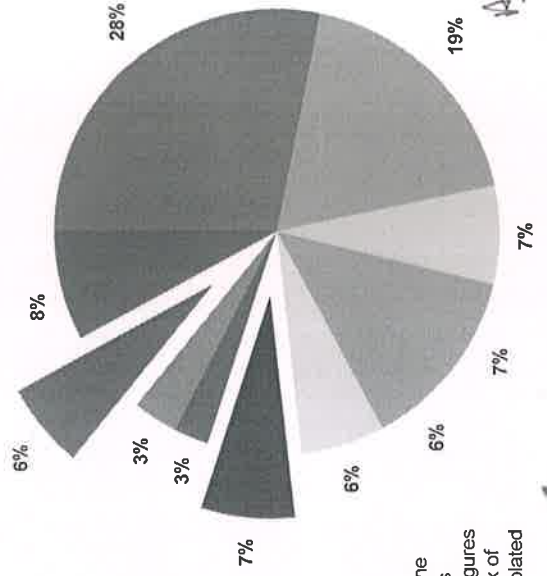
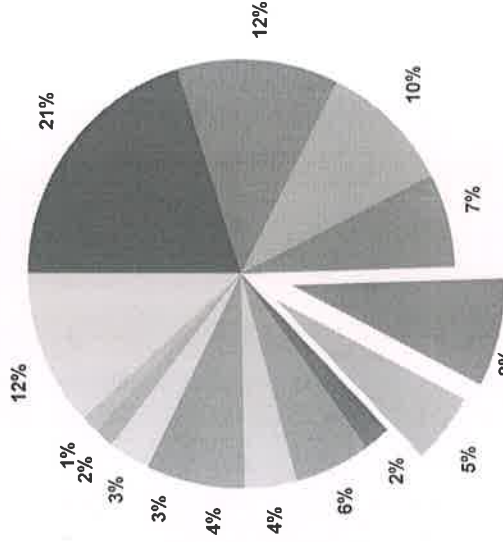


Renault Group includes Renault, Nissan and RSM

Footprint



Pro-forma



Please note that the split in the charts are based on Reydel's unaudited CY17 US GAAP figures Existing represents sales mix of April – December 17, extrapolated to full year

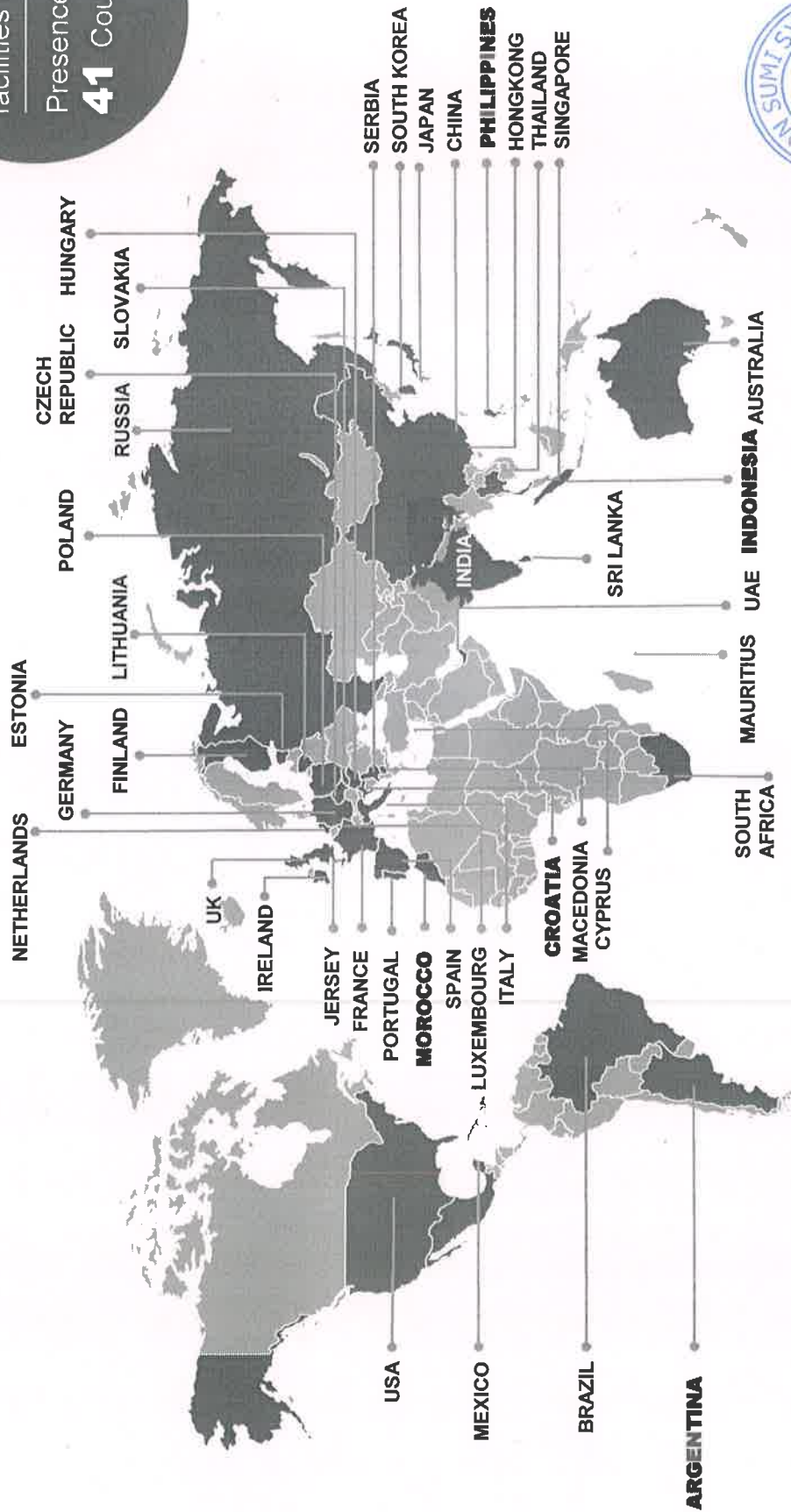


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Motherison and Reydel – Combined Geographic Overview



Over **200**
facilities of MSSL
Presence in
41 Countries



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Acquisition in alignment with our Vision



Our Vision.
(Unchanged since 1997)

**To be a
globally
preferred
solutions
provider**

Vision 2020
(Our 5th five-year plan)

01
\$
18 billion
FY19-20.
(in Revenues)

02
40% ROCE
(consolidated).

03
3CX15
(No country, customer or
component should be more
than 15% of our total
turnover)

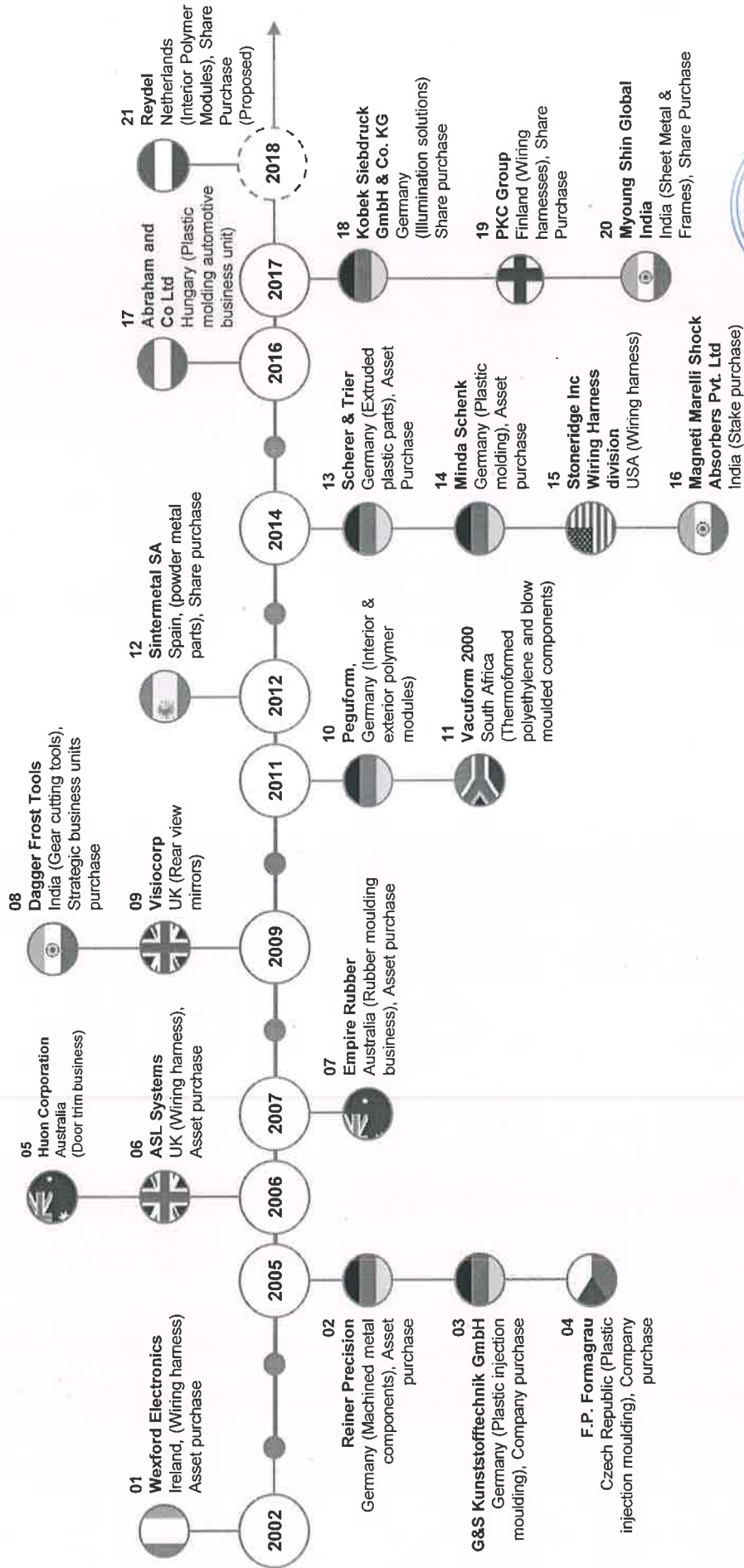
04
40% of
consol. profit
as dividend.



Supported by Strong Acquisition and Integration Experience



Mother's has successfully integrated over 20 acquisitions since 2002



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Safe harbour



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