

Motherson Sumi Systems Limited



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CIN - L34300MH1986PLC284510

April 2, 2018

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

BSE Limited  
1<sup>st</sup> 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 <b>Target Companies</b>).</p> <p>The Target Companies are the parent companies of Reydel Automotive Group (<b>Target Group</b>).</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 "<b>Purchaser Group</b>".</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





	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:  <b>(i) Works council consultation</b>  Prior information to and consultation with the Works Council wherever required for the proposed transaction will be obtained.  <b>(ii) Anti-trust approvals</b>  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:





Target Entity	Date of Incorporation
Reydel Automotive Management B.V.	5 June 2015
Reydel Automotive Holdings B.V.	7 April 2014

History of Turnover: The turnover of the Target Group (in USD million) are as follows:

FY 2015	FY 2016	FY 2017*
876	890	1,048

\*unaudited provisional US GAAP figures.

Global Presence: 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.



PRESS RELEASE



## Motherson inks deal to acquire Reydel Automotive Group for USD 201 Million from Cerberus

- Acquisition would further consolidate Motherson's position as a global interior supplier through amalgamation of complementary portfolio and capabilities
- Acquisition would enhance Motherson's diversification across customer portfolio and geographical footprint to over 200 facilities across 41 countries

**Noida (India), 2 April 2018:** Motherson Sumi Systems Limited (MSSL), flagship company of the Samvardhana Motherson Group (SMG), through its step down subsidiary Samvardhana Motherson Automotive Systems Group B.V. (SMRP BV), today announced the proposed acquisition of Reydel Automotive Group (Reydel), a privately held portfolio company of Cerberus Capital Management, L.P. (Cerberus) that manufactures interior components and modules for global automotive customers. The purchase price for the transaction is USD 201 million.

This would be the 21<sup>st</sup> acquisition from the Samvardhana Motherson Group and is intended to further bolster Motherson's offerings in the automotive Interiors space.

Reydel's Interiors Product Portfolio includes Instrument Panels, Door Panels, Console Modules, Decorative Parts and Cockpit Modules. Reydel's global presence spans 20 plants and 16 countries, and is supported by a workforce of approximately 5,650 associates. The acquisition would enable both companies to capitalise on new opportunities in their existing and new geographies, as well as within each others' customer portfolios. Reydel's revenue for the year ended Dec 31, 2017 was USD 1,048 million and EBITDA was USD 68 million (provisional, and in accordance with US GAAP).

"With world class development capabilities and strong customer relationships, we found great alignment with our existing offerings at Motherson," **said Mr. Vivek Chaand Sehgal, Chairman, Samvardhana Motherson Group.** "The synergistic combination of complimentary portfolios will create a stronger business. We are very excited about this partnership. It brings us closer to meeting our 2020 targets and helps us achieve '3CX 15', our strategy to not have any component, customer or country contributing more than 15% to our business."

"We are proud to have contributed to Reydel's significant accomplishments in recent years," **said Dev Kapadia, Senior Managing Director of Cerberus and Co-Chair of the Cerberus Private Equity Investment Committee.** "Following a successful carve-out from Visteon, we partnered with the business to develop a high-performing and





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focused management team that was able to vastly improve financial performance. Since our acquisition in 2014, Reydel's EBITDA has transformed from USD (16) million in 2013 to USD 68 million in 2017. Samvardhana Motherson Group is a world class company, and this transaction would fulfill one of our key objectives, which is to position the business with a leading entity that will take Reydel to an even higher level of performance and success."

**Benoit Rolland, CEO of Reydel, said,** "The Cerberus team has been a great partner for Reydel during our efforts to improve our profitability and carve-out the business. We look forward to joining the Samvardhana Motherson Group, and this transaction would ensure that we will have excellent opportunities as part of one of the world's leading suppliers to the automotive industry."

The transaction will be discussed with employee representatives and, subject to obtaining customary regulatory and other approvals, could close within the next four to six months.

The consideration is expected to be financed using existing cash and banking limits at SMRPBV.

Evercore acted as exclusive financial advisor to Cerberus and Reydel, and Linklaters LLP acted as legal advisor. Latham & Watkins acted as legal advisor to Motherson for the transaction and Norton Rose as legal advisor to Motherson for Anti-trust related matters.

### **About Reydel Automotive Group**

Reydel Automotive Group is a leading global developer and supplier of interior components to the global automotive manufacturers. Reydel's Interiors Product Portfolio includes Instrument Panels, Door Panels, Console Modules, Decorative Parts and Cockpit Modules. Reydel's global presence spans across 20 plants and 16 countries and is supported by a workforce of approximately 5,650 associates.

### **About Samvardhana Motherson Automotive Systems Group BV (SMRP BV)**

Samvardhana Motherson Automotive Systems Group BV (SMRPBV) is a step down subsidiary of Motherson Sumi Systems Limited (MSSL), the flagship company of SMG and Samvardhana Motherson International Limited (SAMIL), the principal holding company of SMG through their subsidiaries.

SMRPBV has long-term relationships with a majority of the global OEMs. SMRPBV is present in each major global automotive production region, with 48 production facilities spread among 18 countries. SMRPBV operations include supplies to the global automotive industry as a Tier 1 supplier through its subsidiaries Samvardhana Motherson Reflectec (SMR) and Samvardhana Motherson Peguform (SMP).

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

Motherson Sumi Systems Limited (MSSL) is one of the world's leading, specialized automotive component manufacturing companies for OEMs. MSSL was established in 1986 as a joint venture with Sumitomo Wiring Systems and was listed in 1993 on the BSE and NSE in India. MSSL is a focused, dynamic and progressive company



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providing customers with innovative and value-added products, services and solutions. With a diverse global customer base of nearly all leading automobile manufacturers globally, the company has a presence in 36 countries across six continents. 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 26th among global automotive suppliers by Automotive News. (CIN - L34300MH1986PLC284510)

**About Cerberus Capital Management, L.P.**

Established in 1992, Cerberus Capital Management, L.P. is a global leader in alternative investing with more than US \$34 billion under management across complementary private equity, credit, and real estate strategies. From its headquarters in New York City and network of affiliate and advisory offices in the U.S., Europe, and Asia, Cerberus has the on-the-ground presence to invest in multiple asset classes globally.

**For other details on Motherson Sumi Systems Limited, please contact:**

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