



# The Mothererson journey of transformation.

February, 2020

# **01** The story of our evolution.

# Motherson.

- Motherson started in 1975 in Delhi as a partnership between my mother the Late Shrimati Swaran Lata Sehgal and me.
- Our name signifies a relationship of trust with all stakeholders.



# Today.



**motherson** is one of the world's fastest growing specialised automotive component manufacturing companies for OEMs.

Working with 33 joint venture partners.

Over 135,000 people worldwide.

Operating over 270 facilities in 41 countries.

US\$ 11.7 bln. in yearly revenues.

99% automotive focused, 100% Tier 1 OEM supplier.

< 2010-19 CAGR = 24.1%

# Group business portfolio today.

Transformation from a wiring harness manufacturer to a diversified group.

01.  
**Wiring harness**



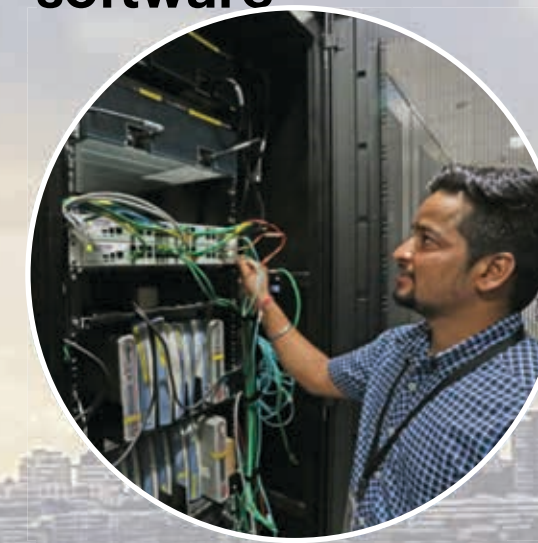
02.  
**Vision systems**



03.  
**Modules & polymer products**



04.  
**Technology & software**



05.  
**Metal products**



06.  
**Retail & services**



07.  
**Aerospace, Defence & Security**



08.  
**Logistics**



VISION

To be a  
globally  
preferred  
solutions  
provider.

Be part of the  
success of  
our customers.

**Change, adaptability** and  
**transformation** have been  
the main constants.



**From being  
a small  
company**

**to being one  
of the world's  
largest OEMs  
suppliers.**



**Transformation  
by taking a  
long-term view.**

**5YMP**

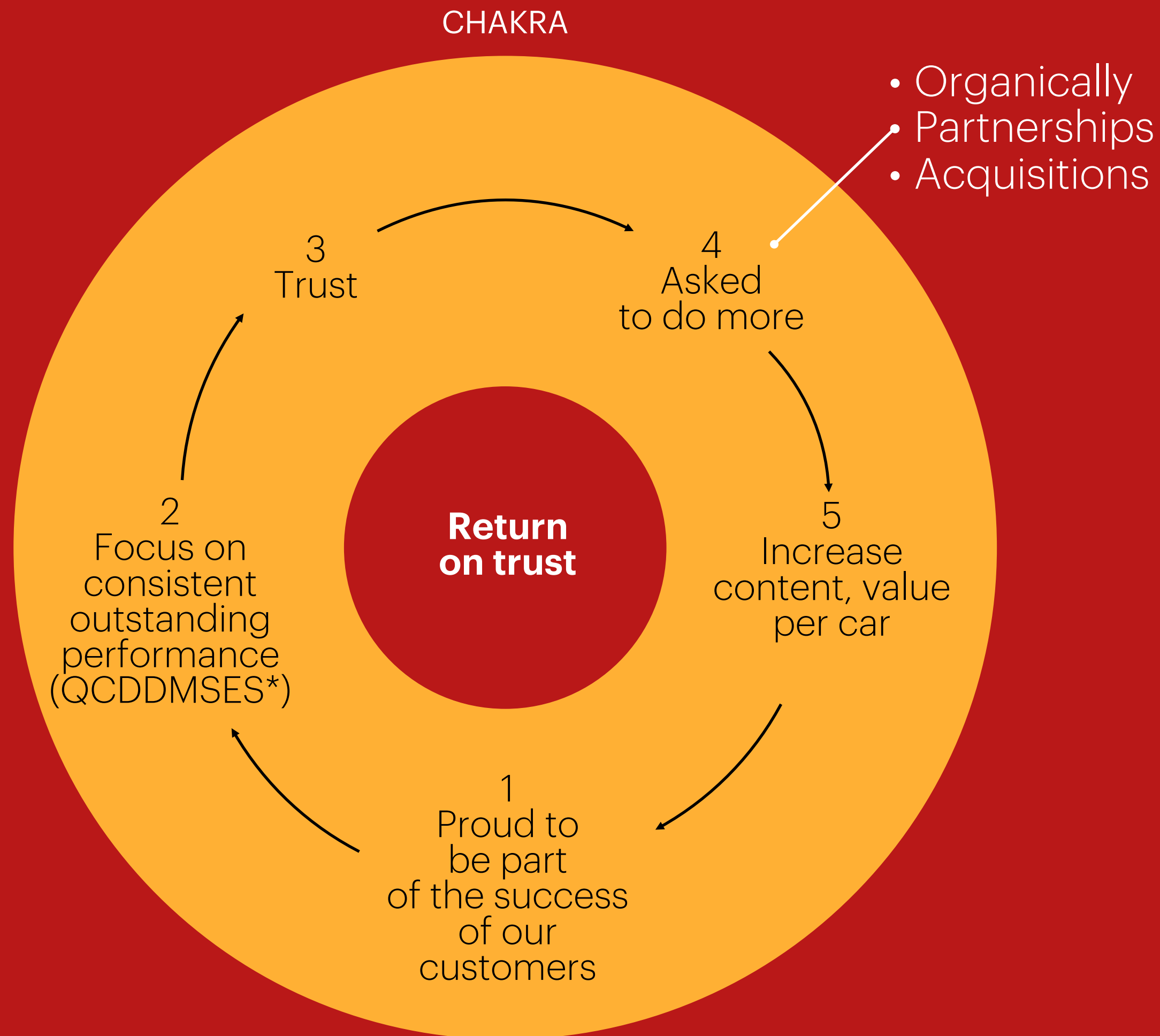
In 1995, we started working with 5 year plans.

Since then, Motherson only gives a 5-year guidance.

# Create value for OEMs.

By building trust with OEMs, they ask us to do more.

This makes our evolution and transformation customer-led.



# Our evolution.

**01**

**Growing in India**  
Expanding through  
JVs, new products  
and technology

1975-1999

**02**

**Focus on Europe**  
Growth through  
acquisitions

2000-2009

**03**

**Global expansion**  
a. Organic Growth  
b. Acquisitions  
c. Joint Ventures

2009 Onwards

1975-1999

# 01 Growing in India.

**First wiring harness order** for the Maruti Suzuki 800.

Vertical integration + **localisation** of components (due to high import duties)

**Joint ventures** in India with technology partners

Working to world **class standards** in India

Strong, trusted relationships with the global carmakers in India

1983

2000-2009

# 02 Focus on Europe.

**Large customer asked us** to set-up the first European Motherson operation.

**Major customers asked** Motherson to broaden its portfolio

**Take-over** a company in Ireland and moved it to Sharjah (UAE) to support its customers.

Do more **small acquisitions.**

2002



# 03 Global expansion.

## SMR acquisition:

Almost the same size as entire Motherson Group.

Growing 34% during the Lehman crisis.

## SMP acquisition:

Almost the same size as entire Motherson Group.

Acquisitions in Germany, USA and India.

## PKC Group acquisition:

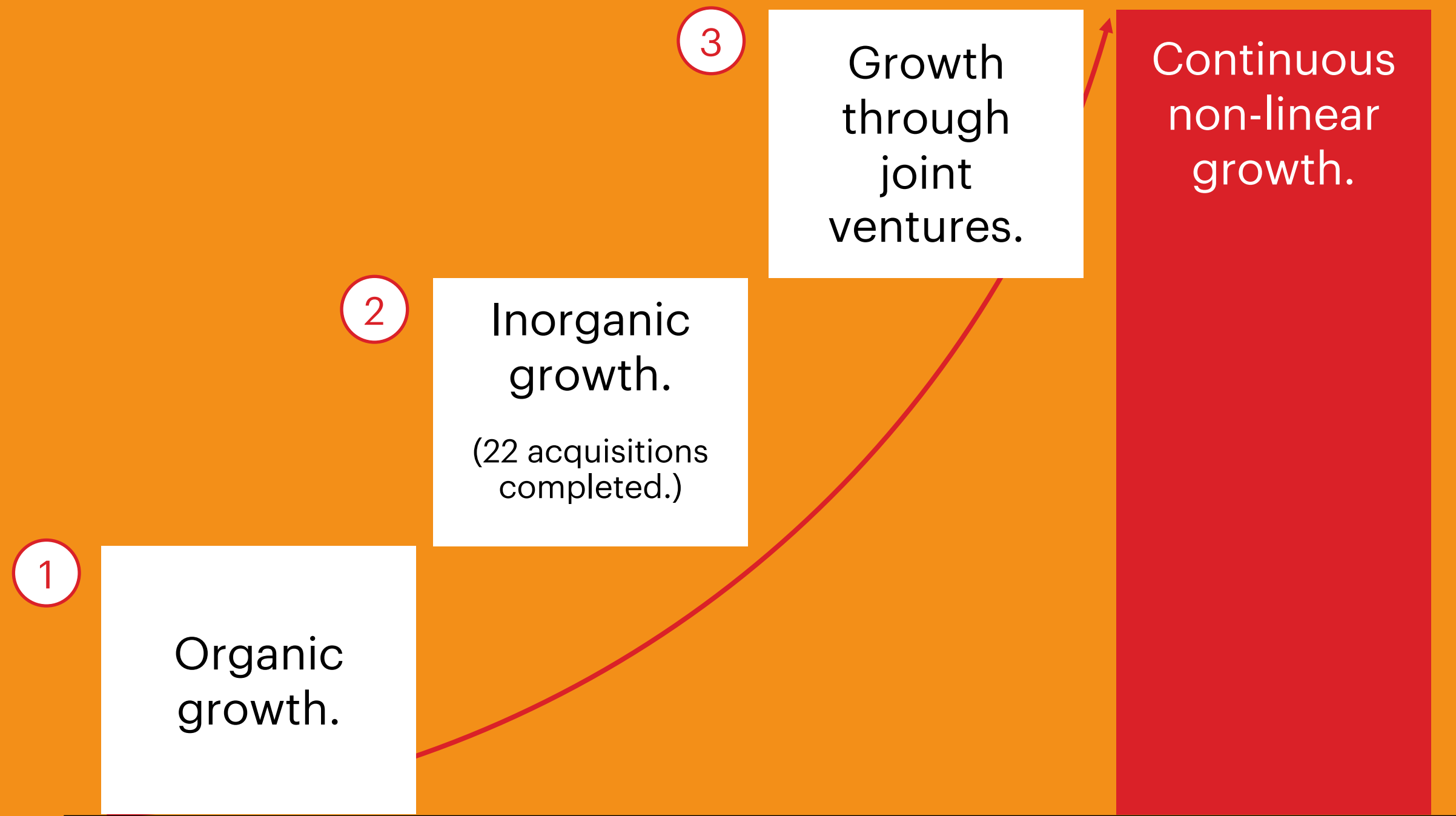
Venturing into a new segment for wiring harness - rolling stock.

## Reydel acquisition:

Further expansion geographically and in core competencies.



# Three pillars of growth.



# 01 Organic growth.

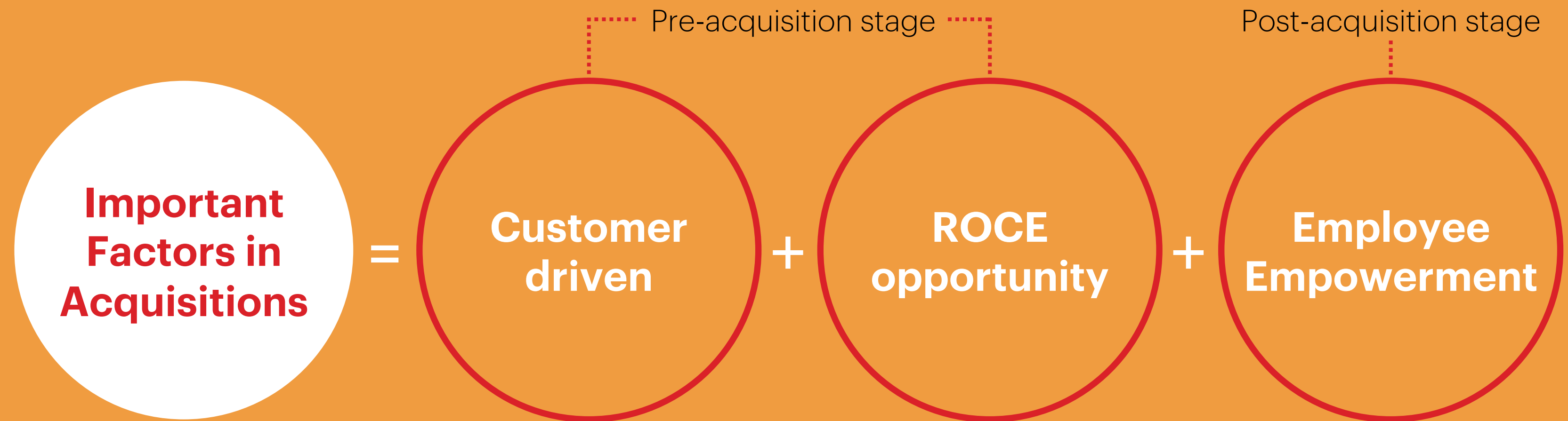
33 facilities established across 9 countries during current 5 year plan.





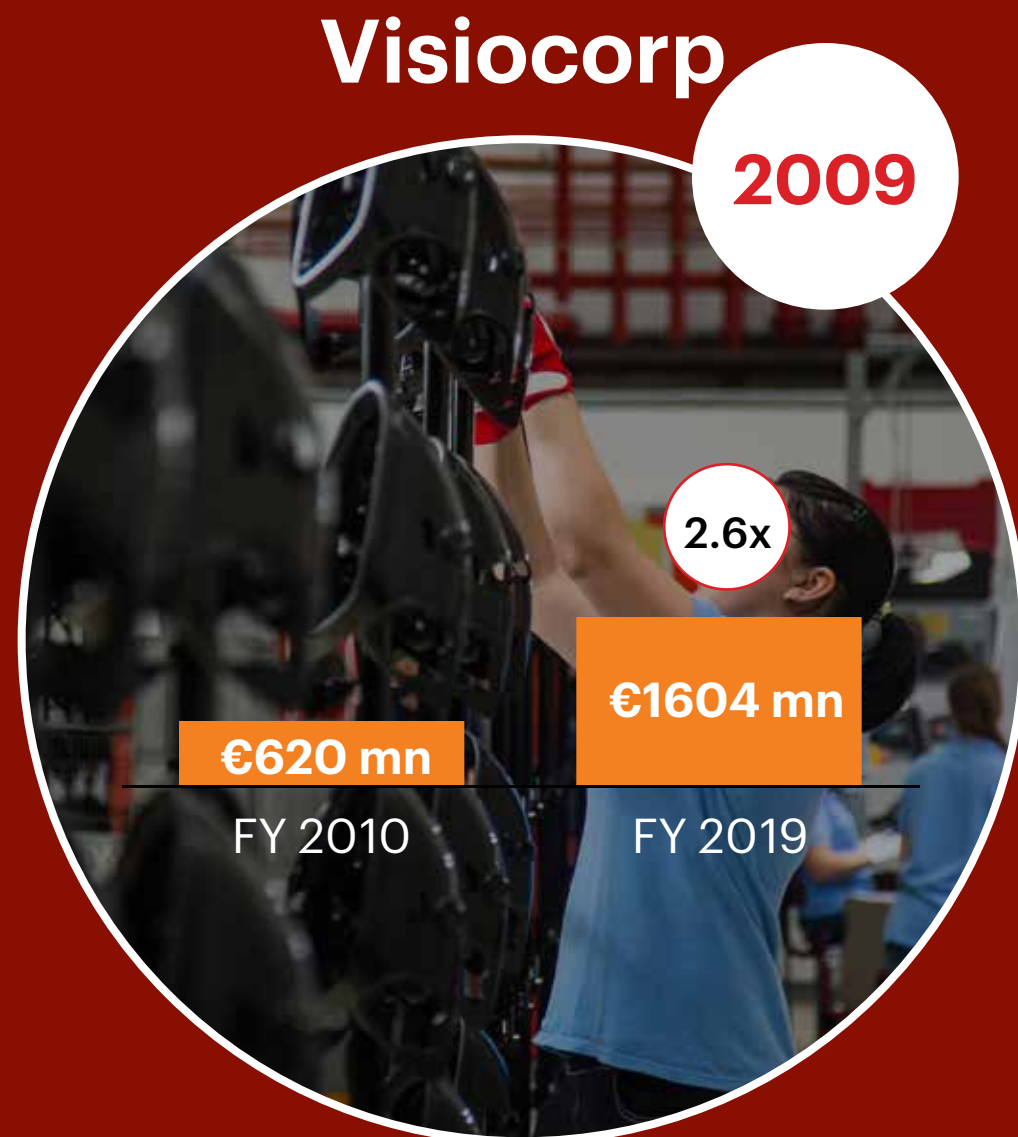
# 02 Growth through acquisitions.

Motherson has integrated 22 acquisitions since 2002 bringing a wide range of solutions to customers.



Each acquisition is different, hence needs a different solution.

# Large acquisitions we have grown profitably.



Doubled the size of the Group and brought leadership in mirrors and vision systems.

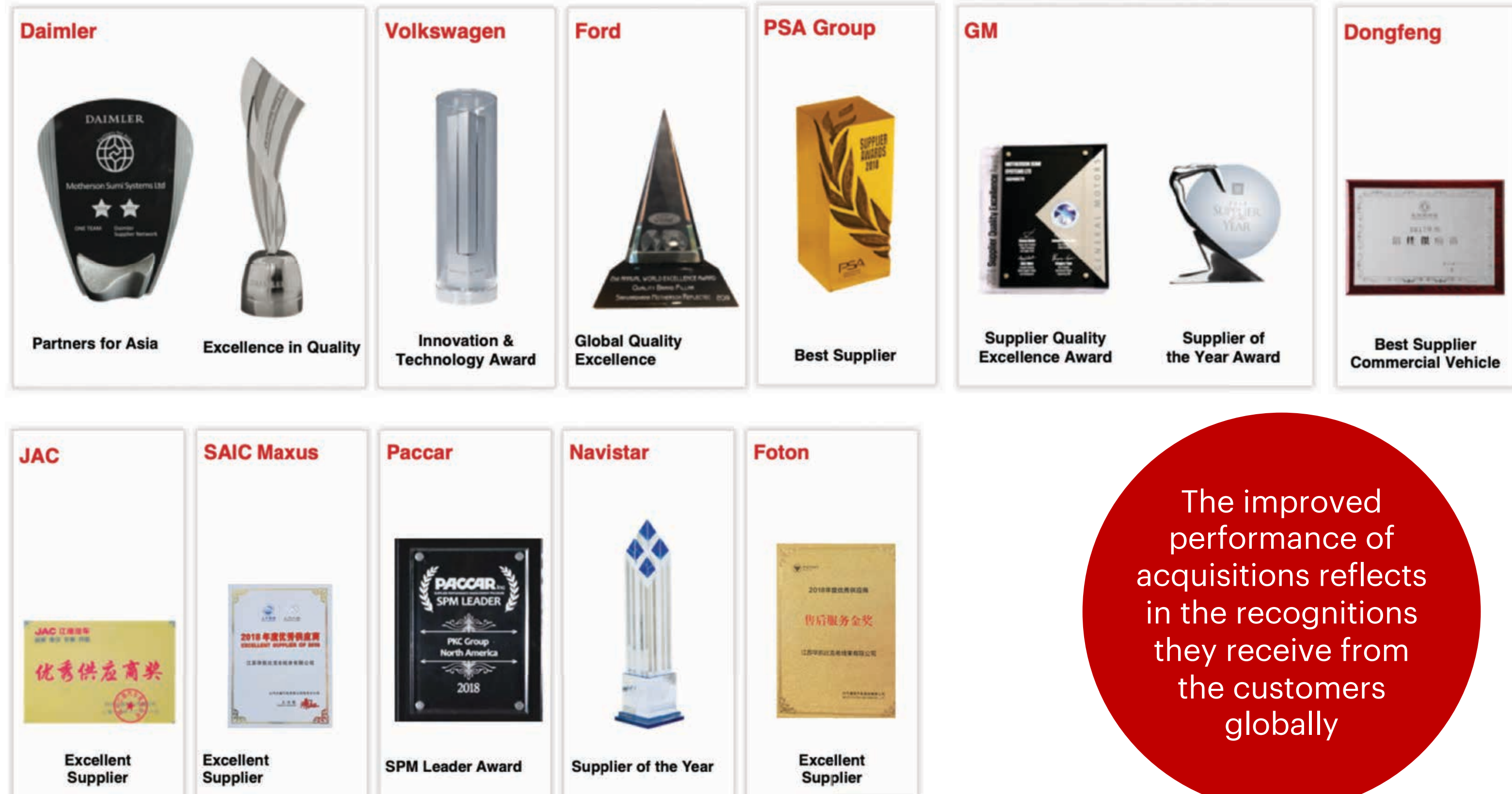


Doubled the size of the Group and brought growth to the polymer division.



Globalisation of the wiring division and leadership in the commercial vehicle segment.

# Outcome of focus on customer success.



The improved performance of acquisitions reflects in the recognitions they receive from the customers globally

# 03 Growing through joint ventures.

**33**

existing JV partners

**9**

countries of origin of JV partners

**3**

highest number of JVs with one partner

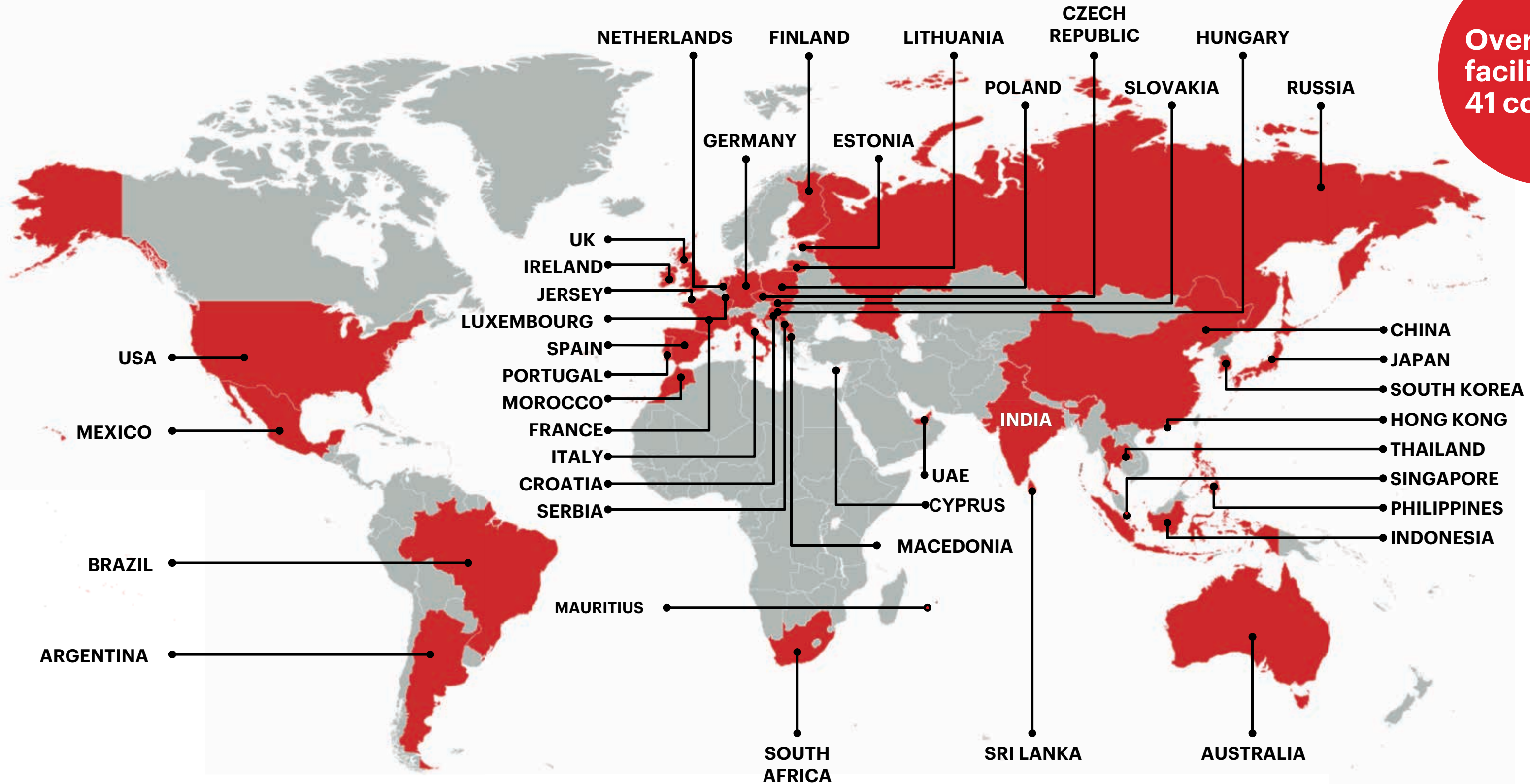
**31**

total number of JV companies working with

**37**

age of our oldest partnership

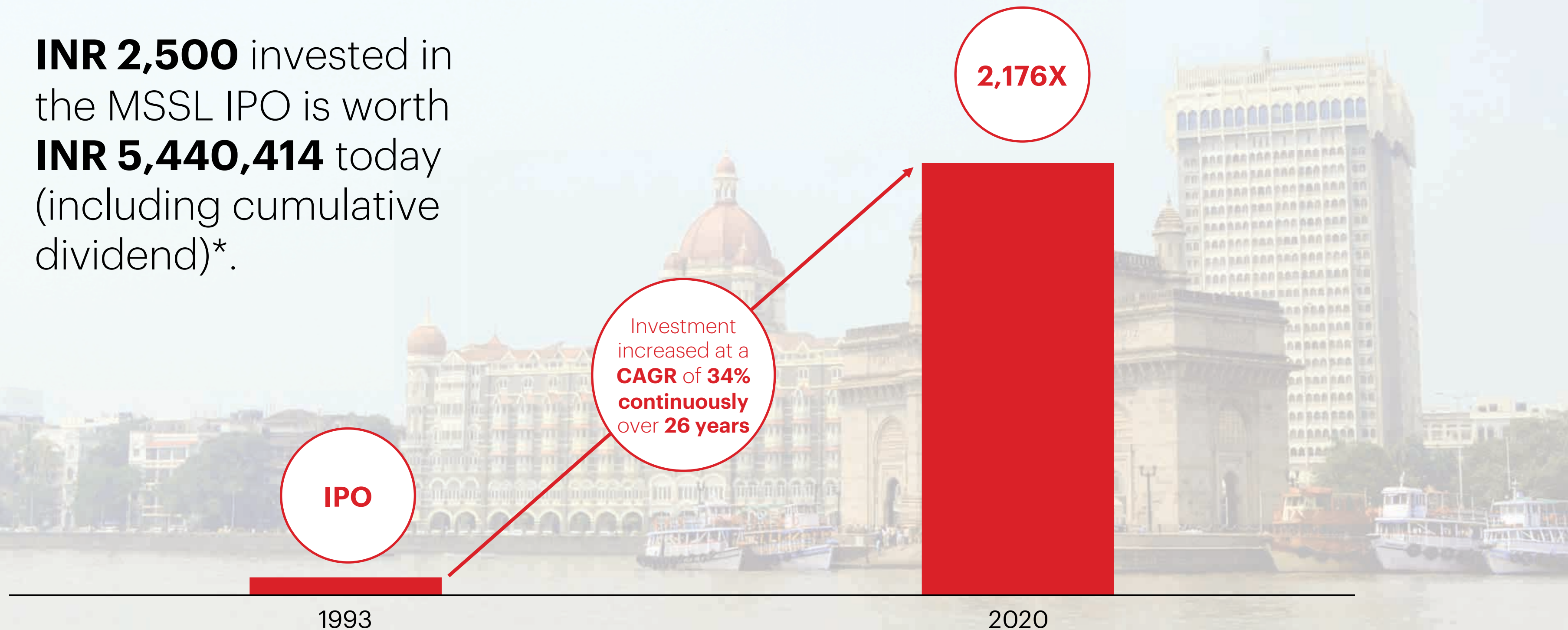
# Supporting customers globally.



Over 270 facilities in 41 countries.

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

**INR 2,500** invested in the MSSL IPO is worth **INR 5,440,414** today (including cumulative dividend)\*.



# Continuous growth over the past 26 years.

The **topline** of Motherson increased from **USD 2.2 million** in **1993** to **USD 11.7\* billion** in **2019**.

**Topline**  
grown **5,300**  
**times**



A futuristic silver car is shown in motion on a road, set against a backdrop of mountains and a cloudy sky. The car has a sleek, aerodynamic design with large wheels and a prominent front grille. The text "02 Disruption." is overlaid on the car's side.

# 02 Disruption.



# Four major trends.

C

connected

A

autonomous

S

shared

E

electric



# Four major trends.

C A S E

connected

“Now that cars are more connected, with technologies such as WiFi and 3G, 4G, 5G, hackers have multiple ways to get in.”

Dan Sahar  
vice-president Upstream Security

# Four major trends.

C A S E

autonomous

“We overestimated the arrival of  
autonomous vehicles.”

Ford CEO Jim Hackett

# Four major trends.

C A S E

shared

"The message [...] was that the customer of the future would not be interested in owning a car, but rather in using one. [But] the average registered driver of a car-sharing app uses the service for just 12 hours a year."

Ferdinand Dudenhöffer  
Center for Automotive Research, Universität Duisburg-Essen

# Four major trends.

C A S E

electric

“The barriers to entry in auto remain high. Making cars is hard. The move to electric cars will be expensive, and will probably be led by traditional auto companies, with far less disruption than feared.”

Max Warburton and Robin Zhu  
Sanford C. Bernstein, October 2019.

# Four major trends.



“Although the big picture trend is clear, questions of how, when and where this ‘new era of transportation’ will start, as well as what mobility will look like in the future, are open.”

Vincent Dupray, Peter Otto, Alexander Yakovlev,  
IPOS, November 2019.

# Motherson is a powertrain agnostic OEM supplier.

Combustion ✓



Hybrid ✓



Electric ✓



**We reinvent ourselves by listening and adapting to new customer needs.**





# **03** Some key management principles.

# 01 Building blocks of sustainable growth.

## **3CX15.**

(No Country, Customer, Component to contribute more than 15% to our revenues)

## **Globally local.**

Supporting customers globally, through local investments.

## **Future Readiness.**

In sync with the emerging trends.

## **Follow the principles.**

Never forget the basic business principles.

# 02 The customer is always the king.

We have to consistently meet their targets and expectations.

# 03 QCDDMSES

How we measure ourselves and OEMs measure us.

## 01 Quality

Seamlessly fit global quality standards of the customer.

## 02 Cost

Work at leading cost levels.

## 03 Design

Provide design support for current products and new concepts.

## 08 Sustainability

Be committed to long-term greatness rather than transactional relationships.

## 04 Delivery

Deliver globally and be able to follow the customer wherever they need us.

## 07 Environment

Meet the highest environmental standards.

## 06 Safety

Work to the highest standards of safety.

## 05 Management

Lead the organisation with the highest governance standards.



# 04 Globally local strategy.

We invest in local plants and employment across the world, where our customers need us.

**Builds customer & community confidence, reduces political and currency risks**

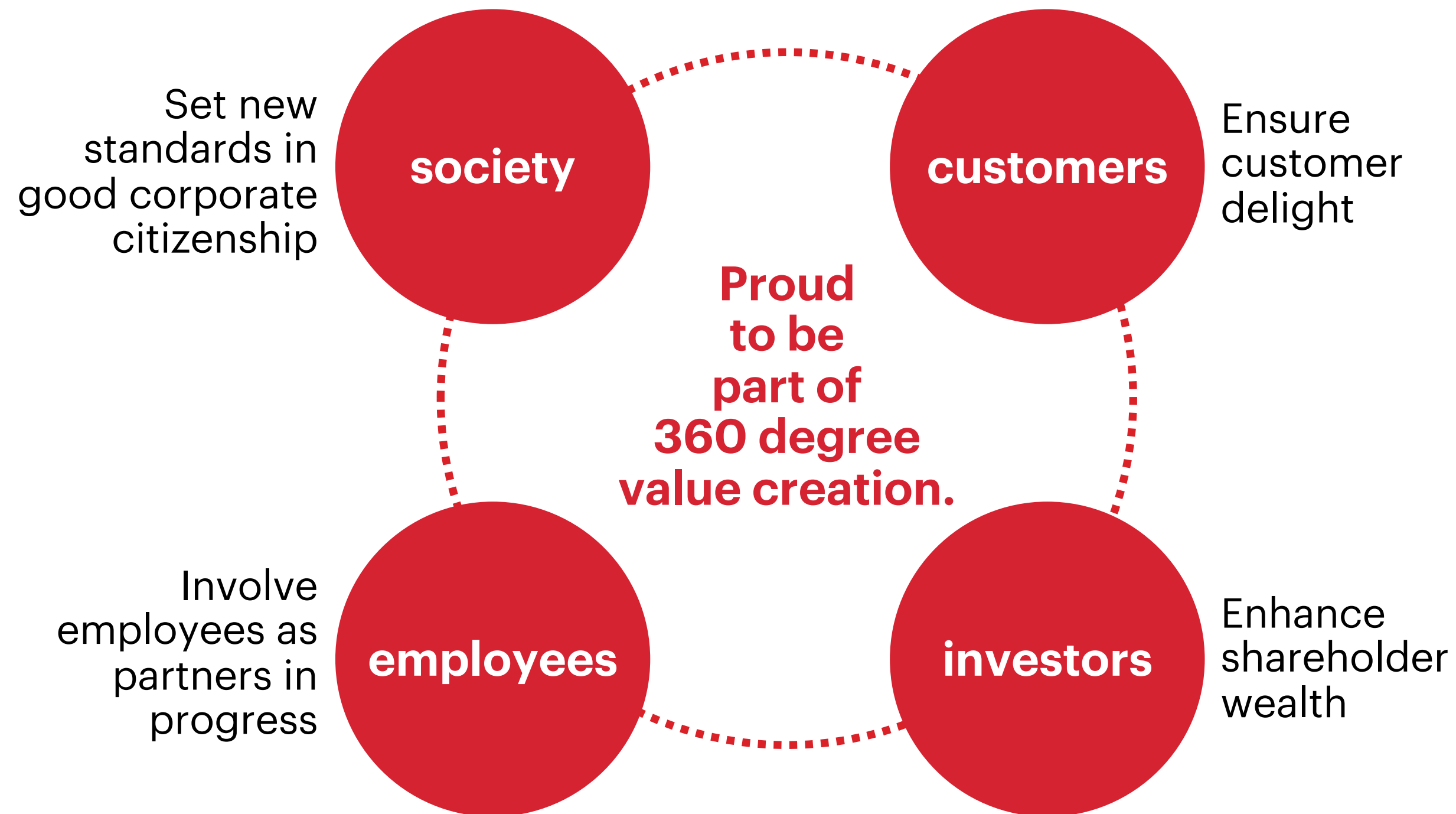


# 05 People are the foundation.

Tied together with mutual trust.



# 06 Creating value for all stakeholders.



**07** Top line is  
vanity.

Bottom line is  
sanity.

Cash in bank  
is reality.

Never  
pursue top  
line for the  
sake of  
topline only.



Conclusion

# Transformation.

We **listen** well, to follow the ever-evolving needs of our customers.

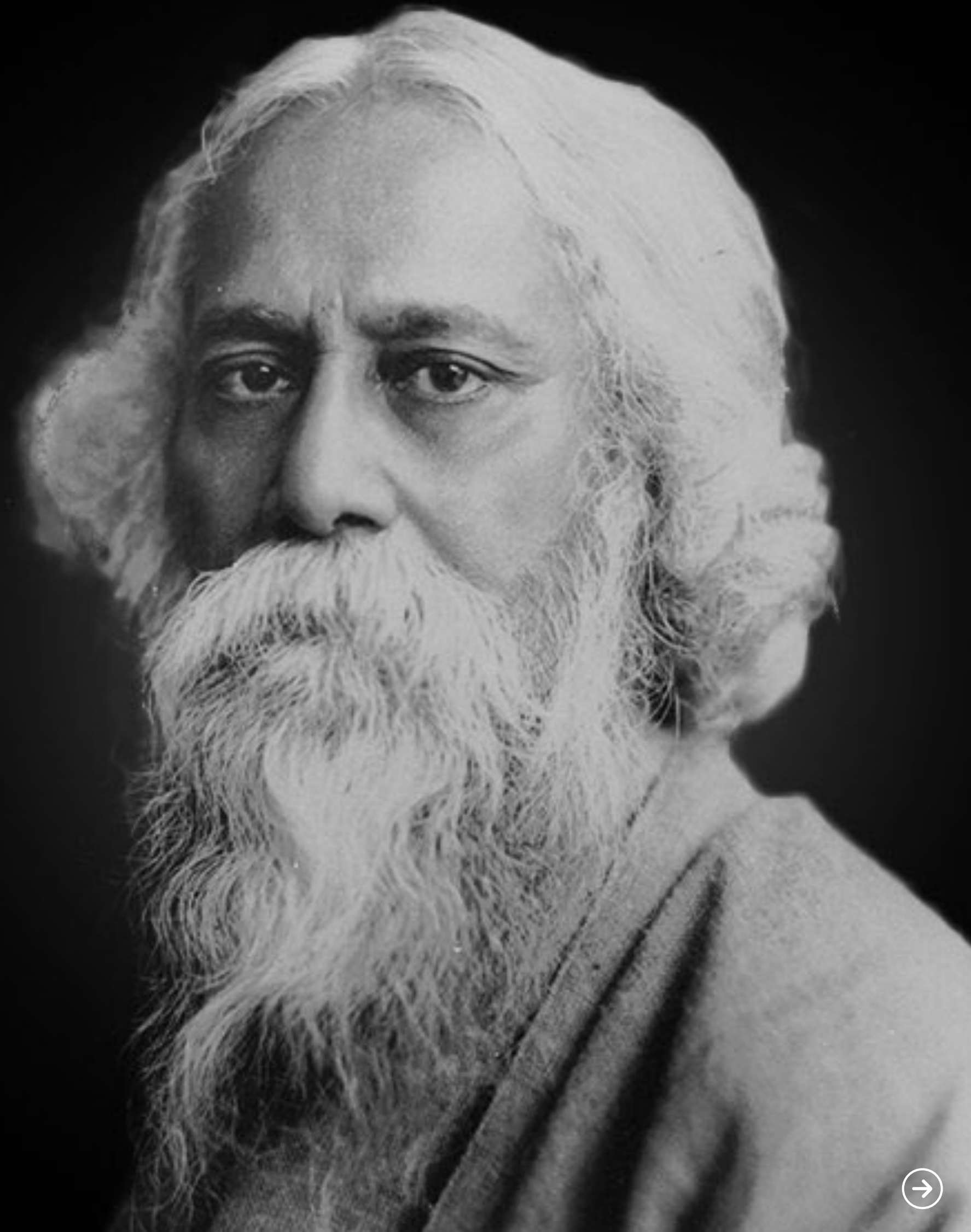
We are **flexible, adaptive** and continue transforming to stay **relevant** to the fast-changing market.



# Ekla chalo.

The Mother's approach to transformation is not based on examples from corporate history.

We believe we can and must write our own history.





motherson

Thank you.

**Safe harbour**

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