



**Proud to be
part of our
customers'
success**

Samvardhana Motherson Automotive Systems Group B.V.
Financial Performance
Year ended March 31, 2020

02nd June 2020

motherson 

- **Key Highlights**
- **Group Information**
- **Financial Performance**
- **Debt & Liquidity Status**
- **Order Book Status**

Key Highlights.

Overall performance is affected by **OEM plant closure** due to Covid-19 pandemic

Profitability continue to improve despite challenges in SMP Greenfield at Tuscaloosa

Net Leverage as at March 31, 2020 - **1.83x**

Debt levels are lowest in previous eight quarters, result of prudent financial management

Strong liquidity c.a. €954 mn backed by committed RCF lines, other bilateral facilities and cash & cash equivalents

Disciplined approach to capital expenditure; €175 mn capex for the year

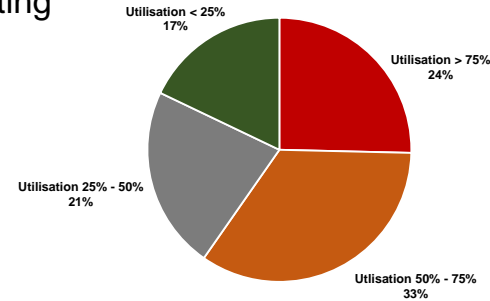
Liquidation of unbilled revenue c.a. €144 mn during FY 2019-20

Robust Order Book of €13.6 billion as at March 31, 2020

COVID-19 Update.

- **Business operations adversely affected post COVID-19 outbreak**
- **Impact felt globally -**
 - **China early Jan 2020**
 - **Rest of the World Mid-March 2020**

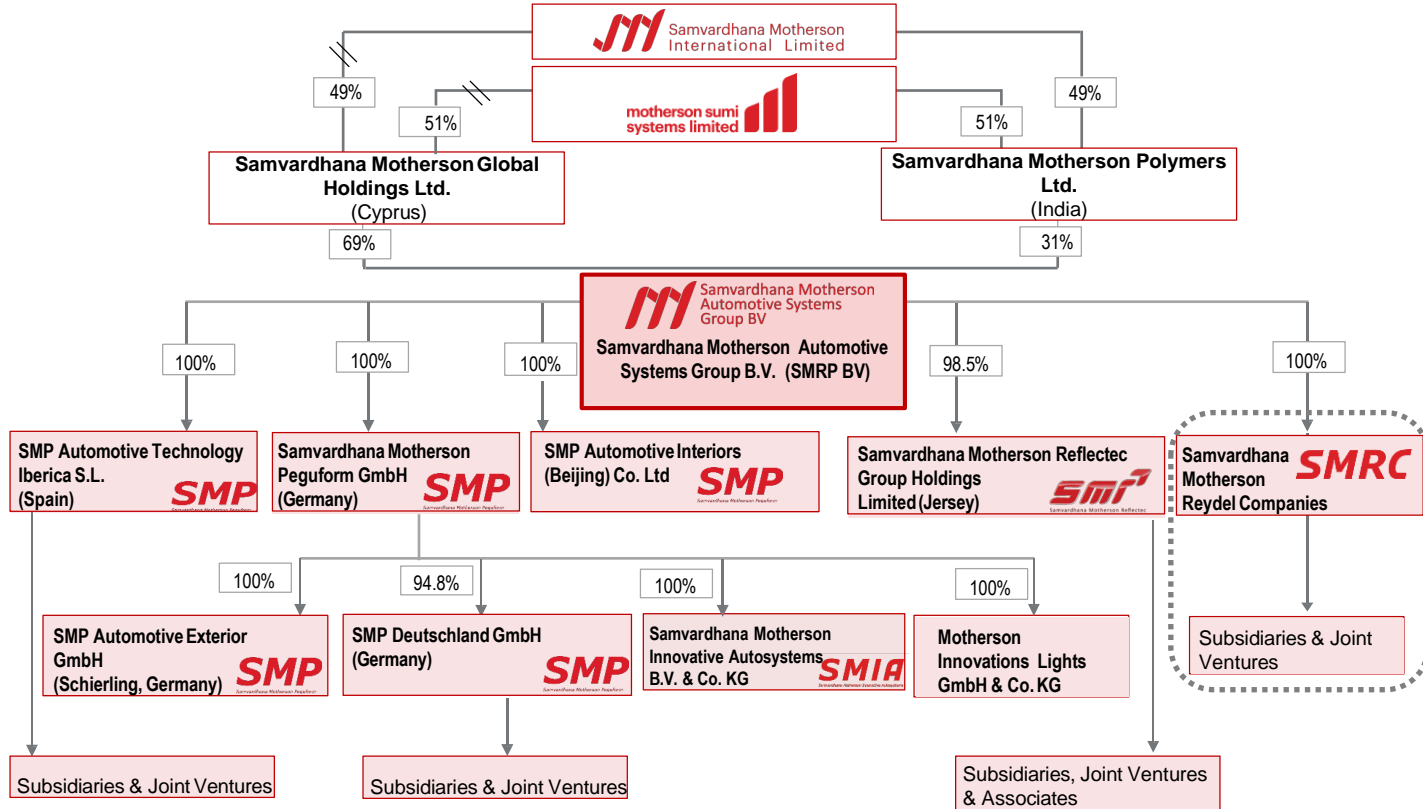
- Currently, majority of our manufacturing facilities are operating



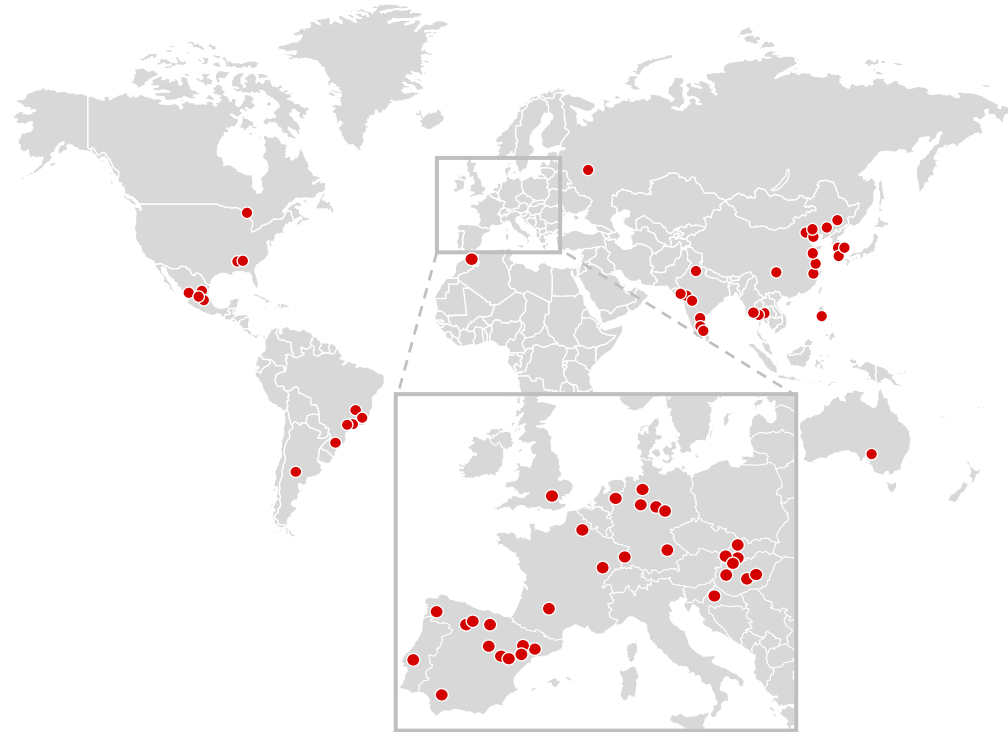
- Gradual ramp up in initial weeks/ months expected
- No significant program delays noticed
- Strong measures to reduce costs viz. –
 - Payroll flexibility & cost rationalisation measures
 - Critical monitoring of capital expenditure and elimination on non-critical investments
 - Close eye on working capital management.
- Maintain liquidity viz . –
 - Seek Govt. supported financial lines.
 - Keep cash liquidity to support business.

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SMRP BV Group Structure



Global Presence



* Include full time, part time, temporary & contract employees

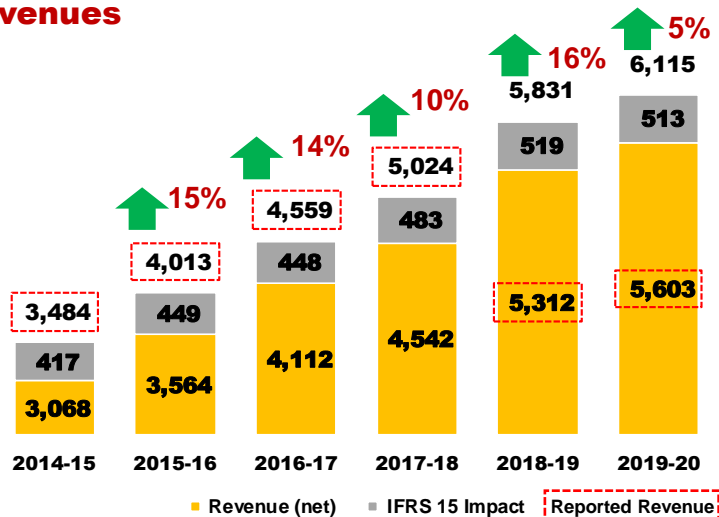
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Changes in Accounting Standard IFRS 16

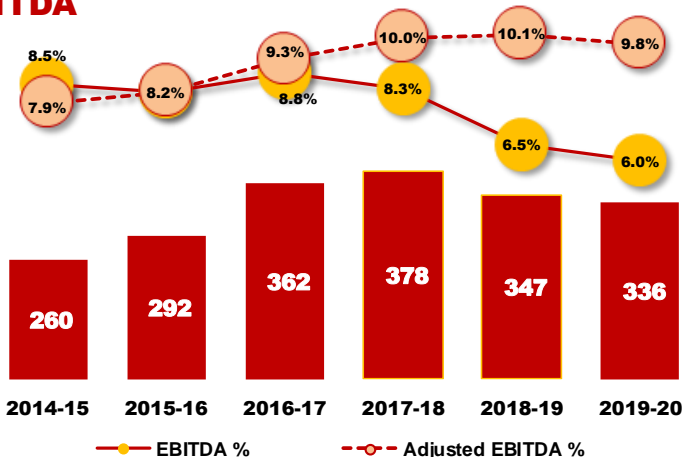
- Effective April 01, 2019, “**IFRS 16 – Leases**” became applicable on the Group replacing IAS 17 and other related interpretations.
- IFRS 16 requires lessees to recognize assets for the right to use as well as leasing liabilities for the outstanding lease payments. This means that leases that were previously not reported in the Statement of Financial Position will have to be reported in the statement of financial position – very similar to the accounting of finance leases under IAS 17.
- The Group has adopted the standard from April 1, 2019 without restating comparative amounts for previous period(s) as permitted by the modified retrospective approach.
- Following impacts were recorded in view of adoption of new standard

€ Millions	As at April 01, 2019	As at March 31, 2020
Right of Use Assets	105	100
Lease Liabilities	105	103
Derecognition of lease expense	-	32
Interest expense on leases	-	(4)
Depreciation on Right of Use Assets	-	(31)
Net Impact on Profit Before Tax	-	(3)

Revenues



EBITDA

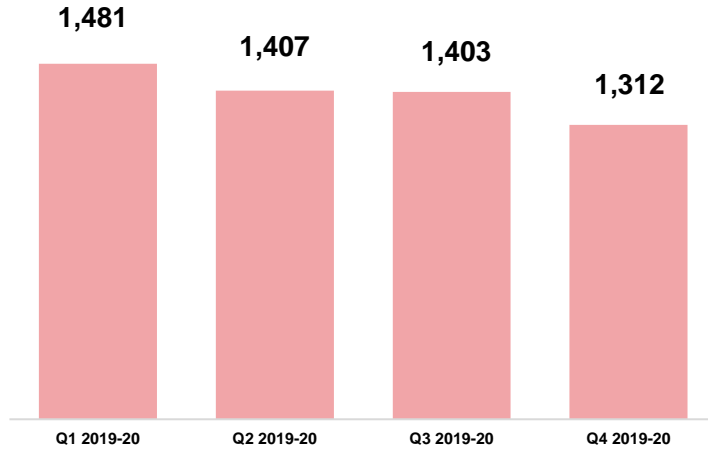


5Y Business Growth

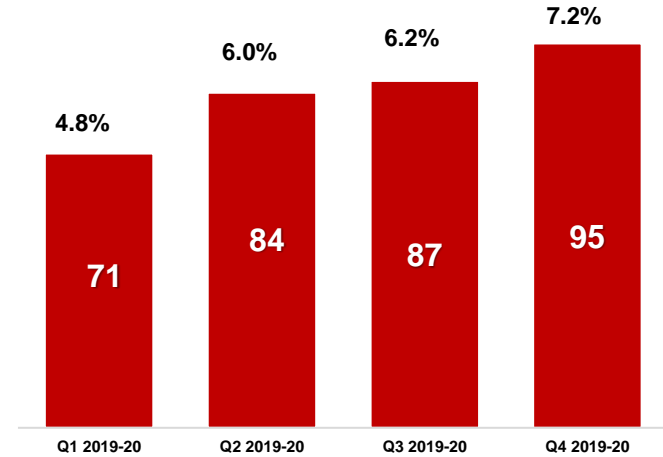
- CAGR of 12% in revenues over the last 5 years
- Effective April 2018, revenue under certain contracts recognised on net basis under IFRS 15; no impact on EBITDA
- EBITDA margins stable / improving on adjusted basis
- Adjustments relates to greenfield operations at USA and Hungary, SMRC and gain on bargain purchase for consistent comparison

FY 2019-20 Quarterly trend

Revenue.
(€ Mn)

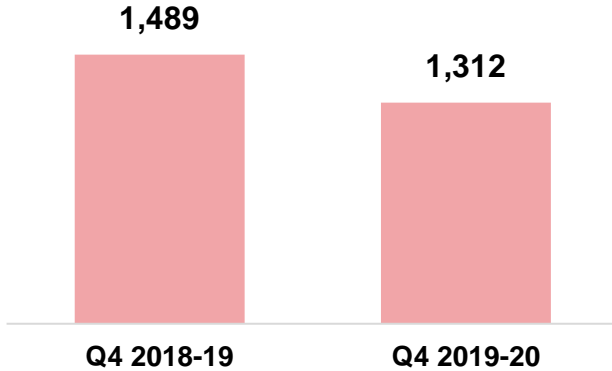


EBITDA.
(€ Mn)

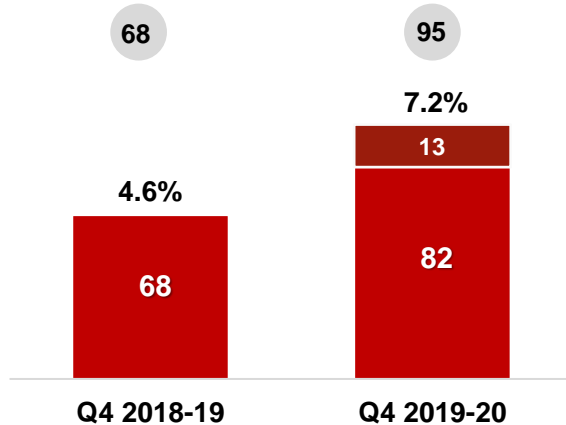


SMRP BV Consolidated : FY 2019-20

Revenue.
(€ Mn)



EBITDA.
(€ Mn)

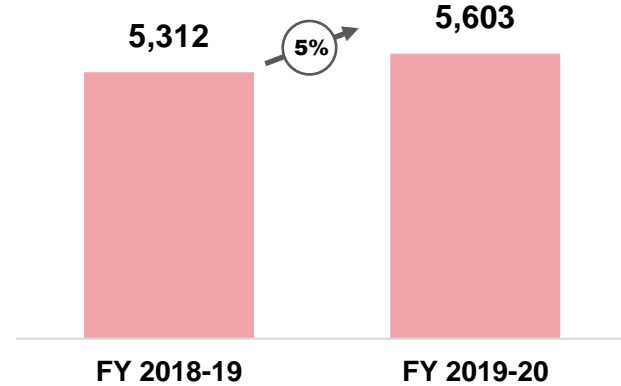


● IFRS 16 impact

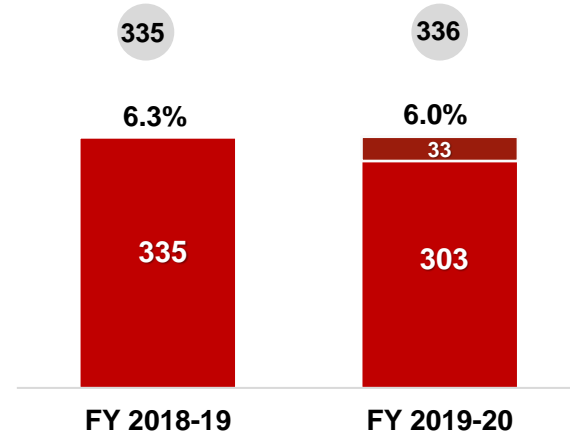
● Reported EBITDA

Reported EBITDA Q4 FY 2018-19 is excluding -€ 12 mn bargain gain

Revenue.
(€ Mn)



EBITDA.
(€ Mn)



● IFRS 16 impact

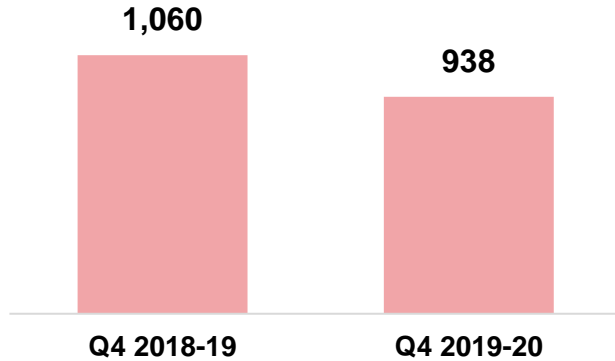
● Reported EBITDA

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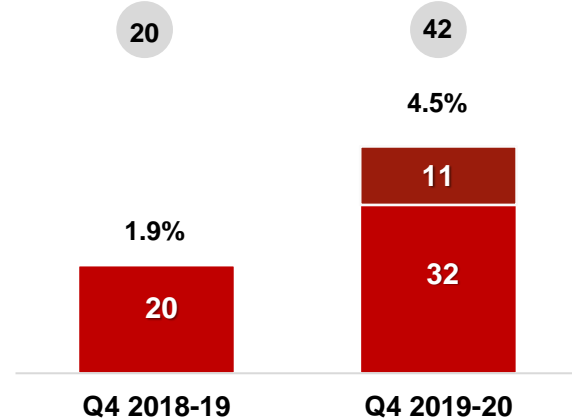


SMP Group : FY 2019-20

Revenue.
(€ Mn)



EBITDA.
(€ Mn)

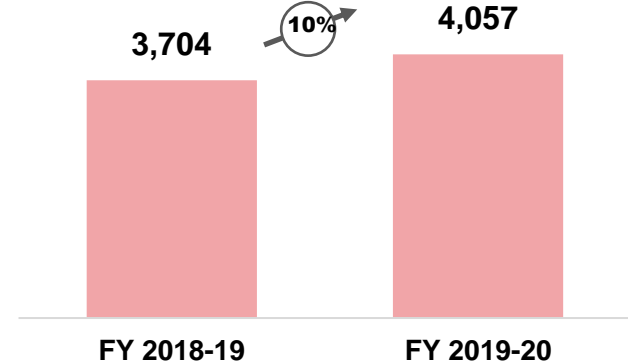


● IFRS 16 impact

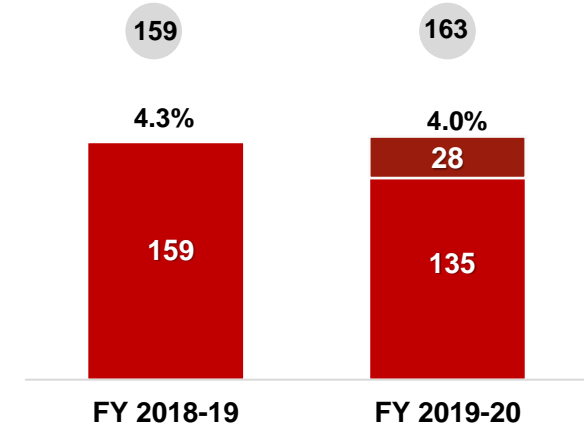
● Reported EBITDA

Reported EBITDA Q4 FY 2018-19 is excluding -€ 12 mn bargain gain

Revenue.
(€ Mn)



EBITDA.
(€ Mn)



● IFRS 16 impact

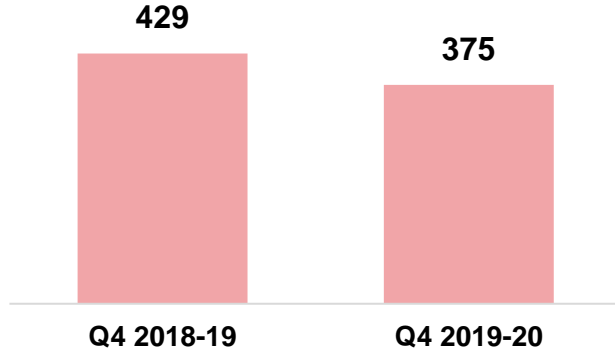
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Reported EBITDA FY 2018-19 is excluding € 12 mn bargain gain

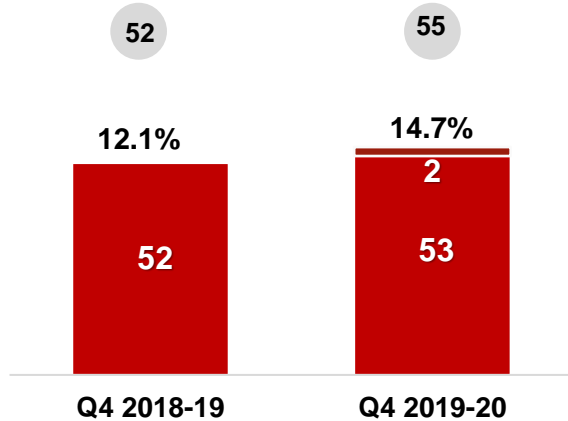


SMR Group : FY 2019-20

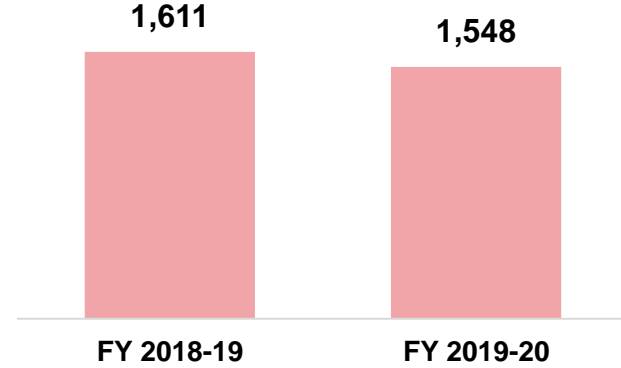
Revenue.
(€ Mn)



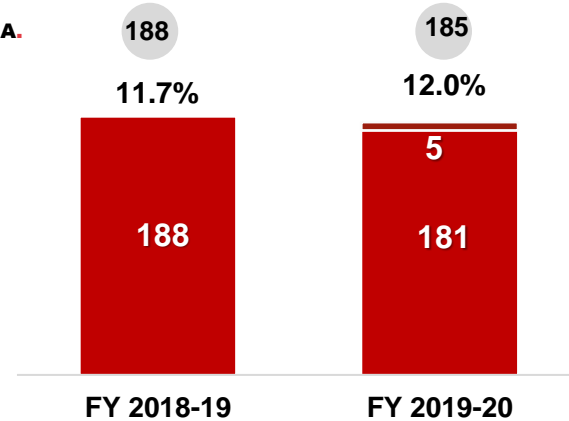
EBITDA.
(€ Mn)



Revenue.
(€ Mn)



EBITDA.
(€ Mn)

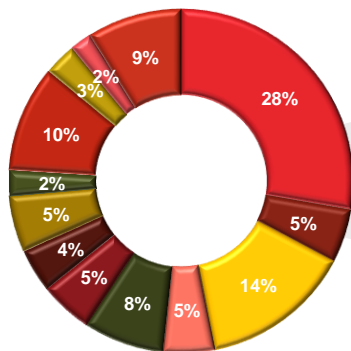


Revenue Split - By Customer

For the year ended March 31, 2020

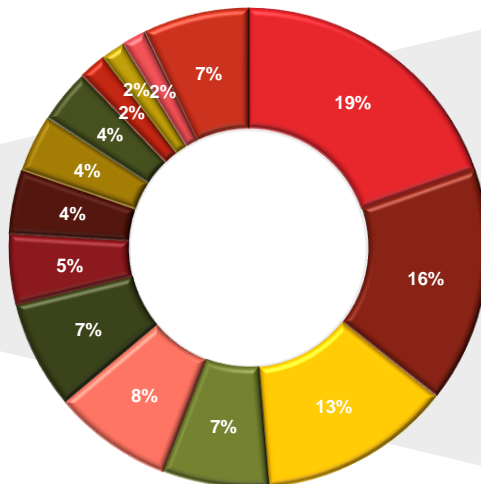
2015

€ 3.5 bn



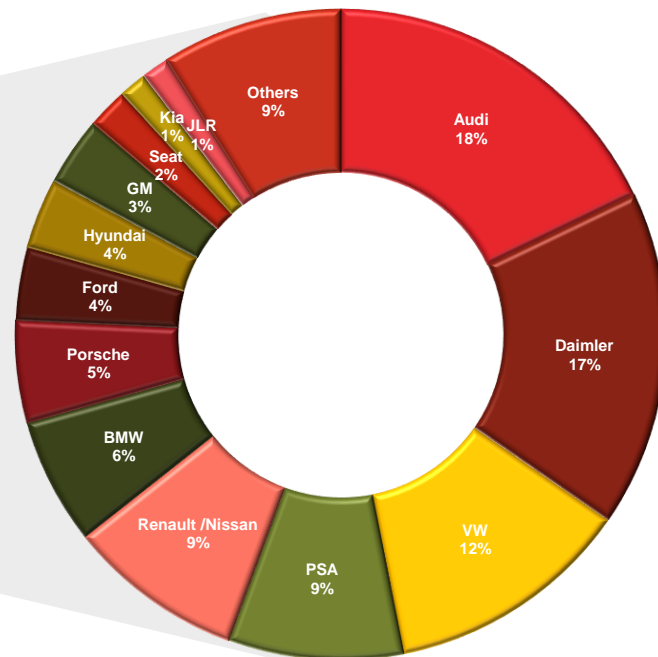
2019

€ 5.3 bn



2020

€ 5.6 bn

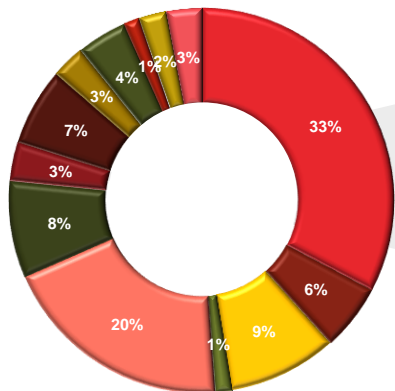


Revenue Split - By Geography

For the year ended March 31, 2020

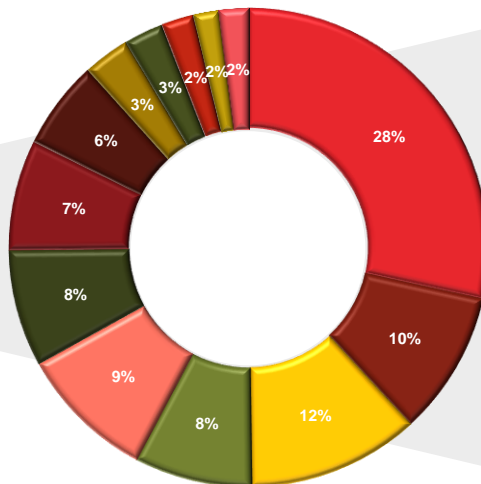
2015

€ 3.5 bn



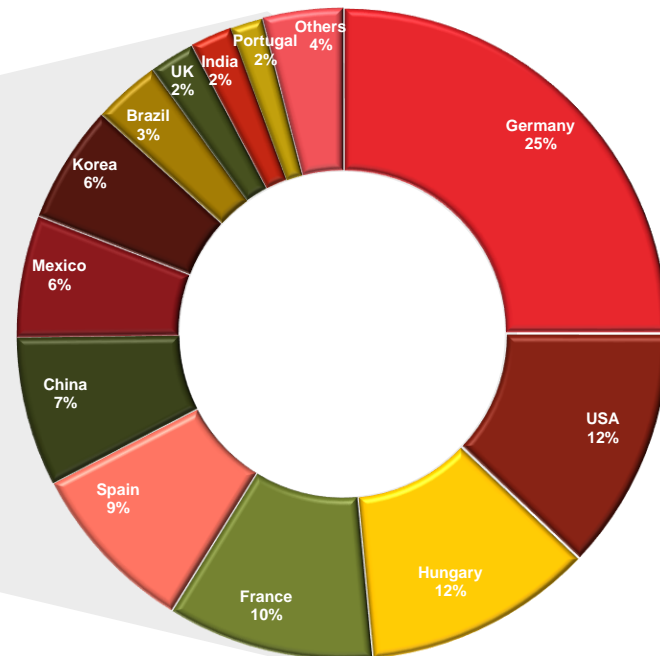
2019

€ 5.3 bn



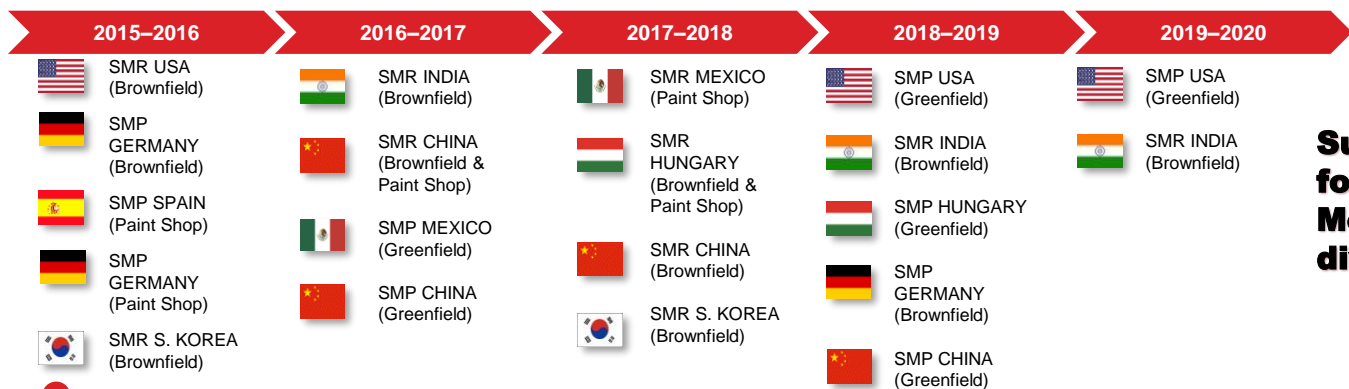
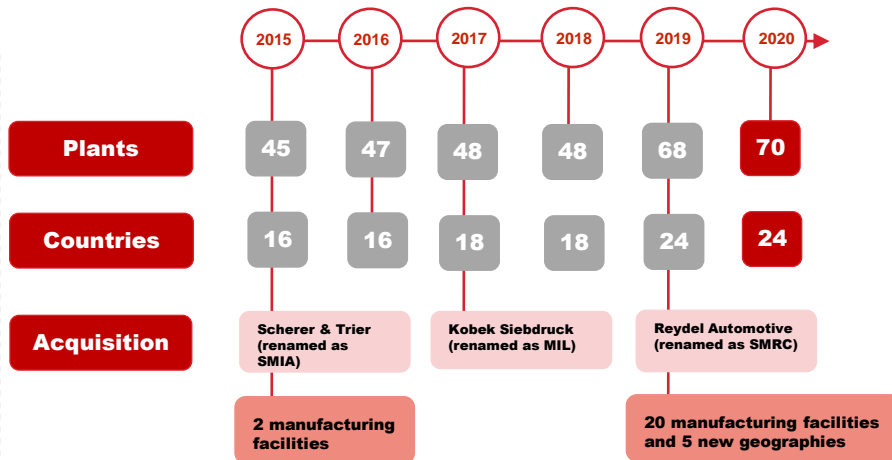
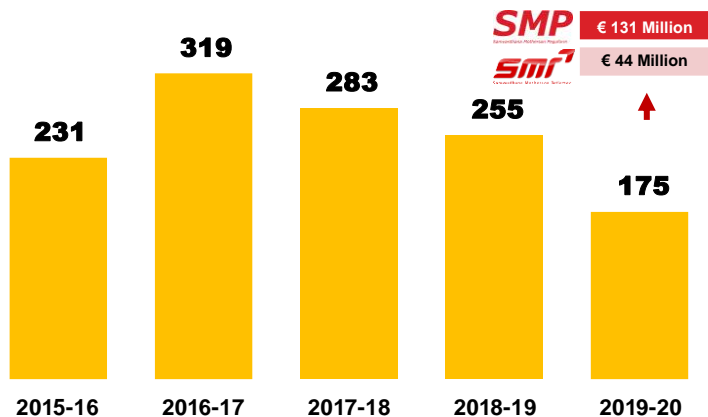
2020

€ 5.6 bn



Capital Expenditure

Capex.
(€ Mn)

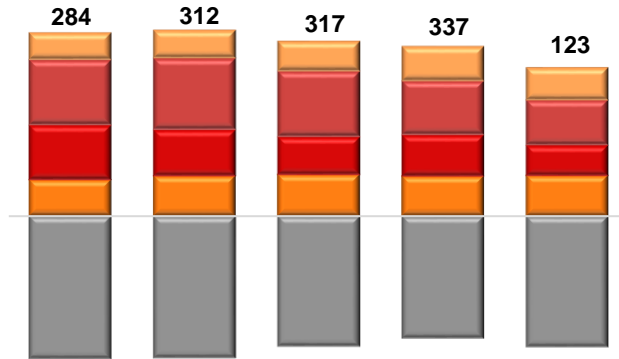


Substantial Capex incurred for Capacity Expansion and Modernization Leading to diversified Global Footprint.



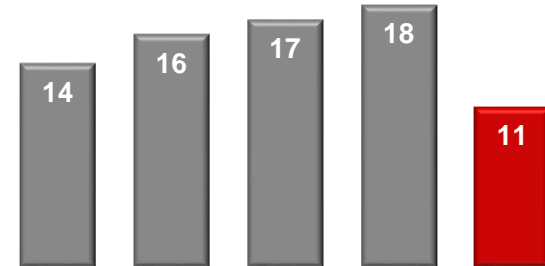
Trade Working Capital

€ Millions.



	31.03.2019	30.06.2019	30.09.2019	31.12.2019	31.03.2020
Trade liabilities	(1,042)	(1,034)	(951)	(892)	(955)
Receivables - Amortisation	197	203	219	249	236
Receivables - Unbilled Revenue	471	517	475	391	327
Receivables	395	336	275	302	224
Inventory	263	290	299	287	291

No of Days*.



31.03.2019	30.06.2019	30.09.2019	31.12.2019	31.03.2020
(54)	(57)	(57)	(56)	(59)
10	11	12	13	13
25	27	27	25	23
19	20	19	20	18
14	15	16	16	16

Summarised Cash Flow.

For the year ended March 31, 2020

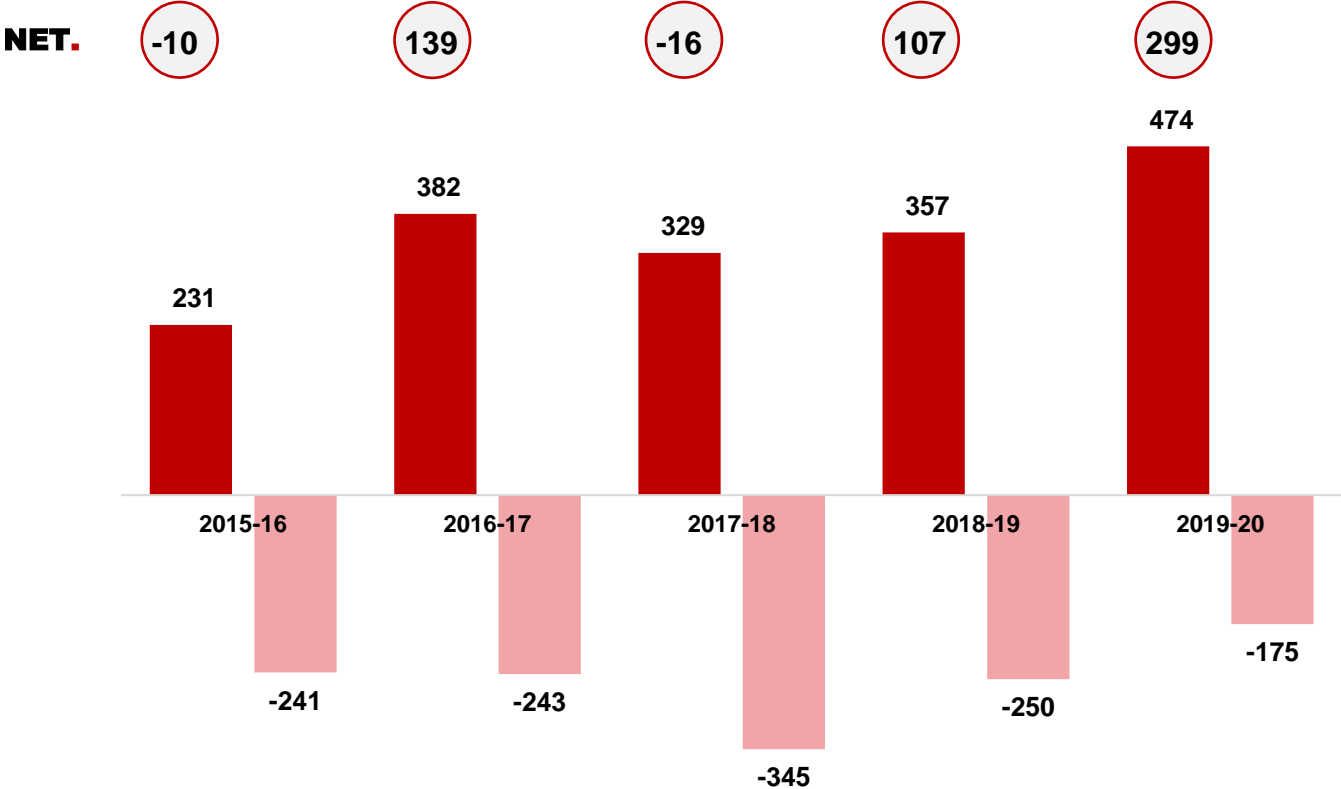
Statement of Cash Flows (€ millions)	Year ended March 31, 2019	Year ended March 31, 2020
Cash flow from operating activities before changes in working capital and income tax	340	323
Changes in working capital	17	151
Income tax paid	(69)	(53)
Cash flow from operating activities	288	421
Purchase of property, plant and equipment (including Pre-Payments)	(250)	(175)
Payment for acquisition of SMRC (net of cash acquired)	(91)	-
Others	5	7
Cash flow from investing activities	(336)	(168)
Net proceeds from / (repayment of) borrowings	201	(50)
Lease payments	(3)	(29)
Interest Paid	(45)	(51)
Others	(17)	(18)
Cash flow from financing activities	136	(148)
Net increase in cash and cash equivalents	88	105
Cash and cash equivalents at the beginning of the year	216	311
Variation in cash and cash equivalents from translation in foreign currencies	7	(2)
Cash and cash equivalents at the end of the year	311	414

- Liquidation of working capital; majorly engineering receivables
- Positive Free Cash Flows from Operations enabling gross and net debt reduction
- Absolute tax payment lower than March 2019, however effective tax rate higher due to non-recognition of deferred tax assets in respect of loss making entities
- Excluding effect of such non recognized tax assets, consolidated ETR is stable in the range of 27%
- Lowest capital expenditure in last 5 years

Cash generated from Operations and Capex.



€ Millions.



■ Cash generated from operations ■ Capex (net of disposals)



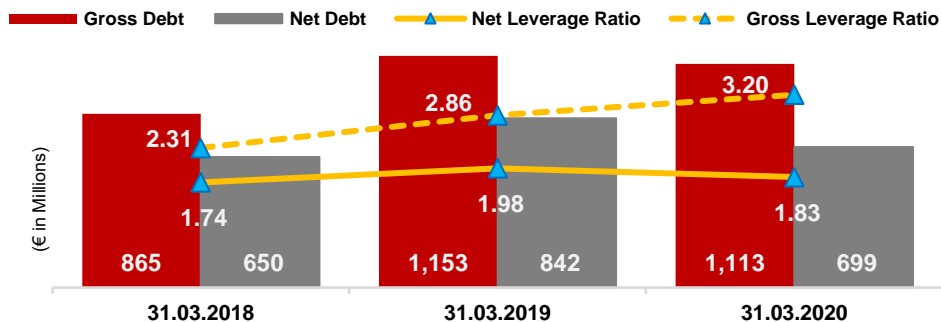
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Cash & Debt status

A. Net Debt.

€ Millions	31.03.2018	31.03.2019	31.03.2020
Gross Debt*	865	1,153	1,113
Cash and cash equivalents	215	311	414
Net Debt*	650	842	699
Shareholder Loan	-	150	150

* Gross debt and Net debt are inclusive of Shareholder Loan



• Leverage ratios are computed excluding Subordinated Shareholder Loan and lease liabilities under IFRS 16.

US\$ 100 Mn shareholder loan availed in September 2019, repaid in February 2020

A. Impact of IFRS 16. (not included in net debt above)

€ Millions	01.04.2019	31.03.2020
Lease Liability	105	103

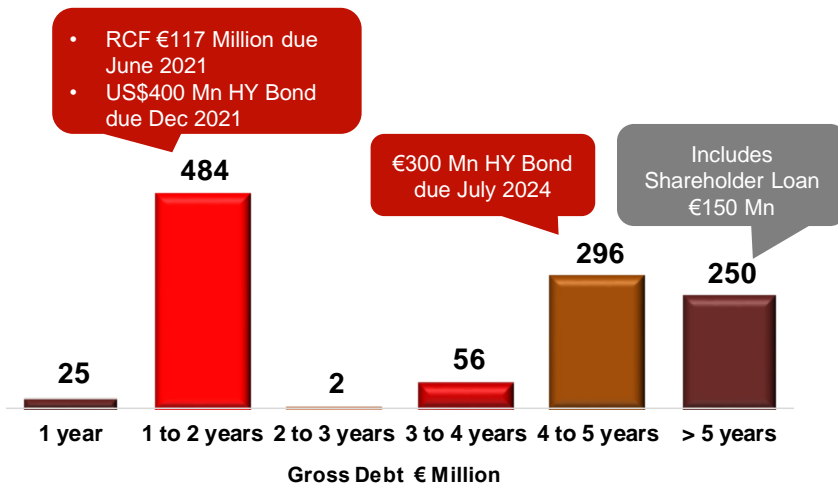
Liquidity Status As at March 31, 2020

A. Available Liquidity*

€ in Millions	Sanctioned Limit	Utilised as at March 31, 2020	Liquidity Available
RCF (including ancillary facilities)	575	120	455
Other working capital facilities	97	12	85
Total facilities	672	132	540
Cash and Cash Equivalents			414
Total Liquidity Available			954

* Available liquidity subject to headroom under leverage ratios

B. Maturity profile.



Current Liquidity Situation continue to remain strong

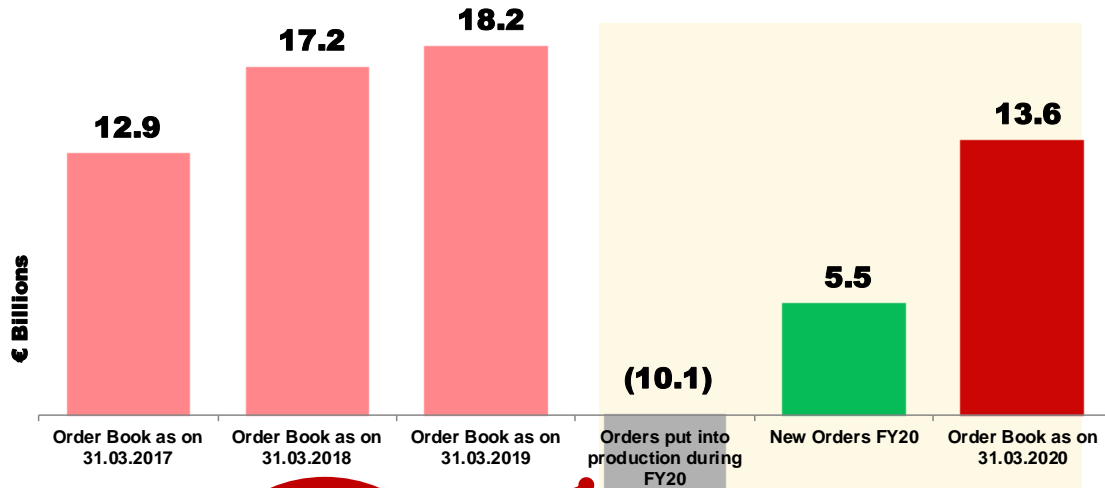
Continue working towards various
liquidity enhancement measure

Working towards various State Backed Loans / Government Support Programs that have been availed / under finalisation across the globe

Current liquidity position continues to be similar to March 31, 2020 including the above initiatives

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Order Book Status



Highest ever execution of orders in a financial year

New Orders worth Euro 5.5 billion received during FY20

Execution of Orders worth Euro 10.1 billion started during FY20

Order book status represents Gross Revenues (including Cockpit assemblies), which are reported on Net basis in financial statements consequent of implementation of IFRS 15

SOP: Start of production i.e. commencement of commercial execution of orders





Thank you.

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