

M&A AND FINANCIAL MARKET STATISTICS IN THE AUTOMOTIVE INDUSTRY

Summary

In Q3 2017, M&A activity slightly increased by approx. 25% in terms of aggregated deal value and decreased by approx. 15% in terms of absolute deal numbers compared to Q3 2016.

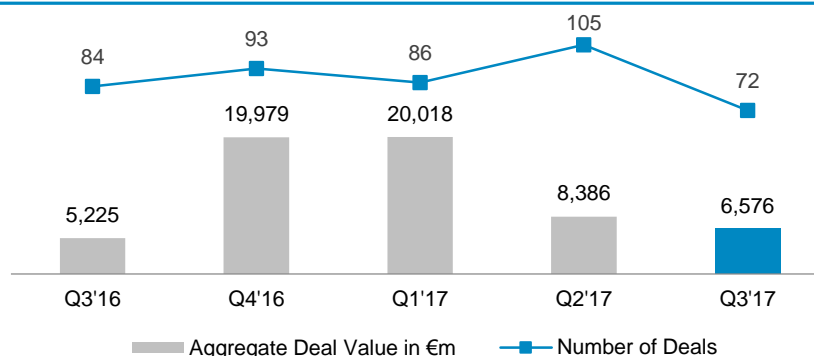
Looking at Q2 2017, aggregate deal count decreased by 30% in Q3 2017, while deal values were €1.8bn lower.

In comparison to year-end of 2016, average automotive sector valuation levels increased moderately: EV/Sales: plus 11.6%, EV/EBITDA: plus 3.6%, EV/EBIT: plus 0.6%.

The highest valuation levels can be observed in the Engineering and Controls/Electronics sub-segments.

The M&A market in Q3 2017 was mainly fueled by a continued consolidation in the powertrain area (e.g. Bosch Mahle Turbo Systems) and in the automotive interiors and electronics segments (e.g. Adient acquisition, Faurecia acquisition).

M&A Activity: Quarterly Comparison Q3 2016 - Q3 2017



Top M&A Deals Q3 2017

- Genuine Parts Company, the US-based distributor of automotive and industrial replacement parts, office products, and electrical and electronic materials has agreed to take over Alliance Automotive Group, the UK-based distributor of automotive and commercial vehicle spare parts (EV: €1,678m).
- Kohlberg Kravis Roberts & Co. L.P. has agreed to acquire a 47% stake in LS Automotive Corp. (LSA), the South Korea-based manufacturer of automotive parts, and a wholly-owned subsidiary of LS Mtron Co., Ltd and the copper foil & flexible copper clad laminate business of LS Mtron Co., Ltd. (EV: €807m).
- Adient plc has signed a definitive agreement to acquire Futuris Group, the listed US-based designer, developer, manufacturer and marketer of seating systems and components from Clearlake Capital Group, L.P. (EV: €306m).
- FountainVest Partners has agreed to take over Bosch Mahle Turbo Systems GmbH & Co. KG, the developer and producer of tailor-made exhaust gas turbochargers for passenger cars and commercial vehicles.

Selected Recent Global Automotive Bond Issuances Q3 2017

| Company | Date of Issuance | Amount (in €m) | Coupon | Yield (Latest) | Price (Latest) | Maturity Date |
|----------------|------------------|----------------|--------|----------------|----------------|---------------|
| Scania | 07.09.2017 | 500 | 0.021% | -0.122% | 100.28 | 06.09.2019 |
| Renault | 07.07.2017 | 488 | 0.360% | 0.400% | 99.89 | 06.07.2020 |
| General Motors | 02.08.2017 | 421 | 2.112% | 2.101% | 100.09 | 07.08.2020 |
| Valeo | 12.09.2017 | 600 | 0.375% | 0.448% | 99.64 | 12.09.2022 |
| Tesla | 11.08.2017 | 1,526 | 5.300% | 5.563% | 97.50 | 15.08.2025 |
| Lear | 14.08.2017 | 637 | 3.800% | 3.851% | 99.62 | 15.09.2027 |

AUTOMOTIVE SUPPLIER COMPOSITE – EQUITY MARKET PERFORMANCE METRICS BY SEGMENT

| Company | EV | EV/Sales | | EV/EBITDA | | EV/EBIT | | Gross Margin | | EBITDA Margin | | EBIT Margin | | Net Debt/ EBITDA |
|------------------------------|----------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|---------------|--------------|-------------|-------------|---------------------|
| | | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | |
| Chassis/Underbody | | | | | | | | | | | | | | |
| Aisin Seiki | 12,832.2 | 0.5x | 0.4x | 3.8x | 3.5x | 7.1x | 6.5x | 14.8% | 15.1% | 12.2% | 12.6% | 6.5% | 6.8% | 0.1x |
| American Axle | 4,778.3 | 0.9x | 0.8x | 5.3x | 4.7x | 8.7x | 8.1x | 18.2% | 18.5% | 17.7% | 17.9% | 10.8% | 10.4% | 3.1x |
| Dana | 4,495.6 | 0.8x | 0.7x | 6.6x | 6.1x | 9.6x | 8.5x | 15.0% | 15.3% | 11.6% | 11.9% | 8.0% | 8.6% | 1.5x |
| Georg Fischer | 4,537.6 | 1.3x | 1.2x | 10.7x | 10.0x | 15.0x | 13.7x | 53.5% | 53.8% | 12.1% | 12.4% | 8.6% | 9.0% | 0.6x |
| GKN | 7,324.6 | 0.6x | 0.6x | 6.0x | 5.7x | 7.7x | 7.4x | 48.1% | 48.0% | 10.7% | 11.1% | 8.3% | 8.6% | 0.5x |
| NHK Spring | 1,915.1 | 0.4x | 0.4x | 4.0x | 3.8x | 6.4x | 6.2x | n/a | n/a | 10.1% | 10.1% | 6.2% | 6.2% | (0.5x) |
| NSK | 6,936.0 | 0.9x | 0.9x | 7.3x | 6.6x | 11.1x | 9.8x | 22.7% | 23.4% | 12.9% | 13.9% | 8.4% | 9.3% | 0.8x |
| Showa | 639.4 | 0.3x | 0.3x | 3.2x | 2.5x | 4.8x | 3.5x | 21.2% | 21.3% | 9.9% | 12.2% | 6.5% | 8.7% | (0.6x) |
| Median | | 0.7x | 0.7x | 5.6x | 5.2x | 8.2x | 7.7x | 21.2% | 21.3% | 11.9% | 12.3% | 8.2% | 8.7% | 0.5x |
| Controls/Electronics | | | | | | | | | | | | | | |
| Gentherm | 1,157.1 | 1.4x | 1.3x | 8.8x | 7.9x | 11.9x | 10.8x | 33.2% | 33.2% | 16.1% | 16.8% | 11.8% | 12.3% | (0.0x) |
| Autoliv | 9,588.2 | 1.1x | 1.0x | 8.8x | 8.1x | 12.9x | 11.4x | 20.8% | 20.9% | 12.4% | 12.7% | 8.5% | 9.0% | 0.4x |
| Koito Manufacturing | 7,148.3 | 1.1x | 1.0x | 7.1x | 6.7x | 9.7x | 8.9x | 17.9% | 18.2% | 15.3% | 15.3% | 11.2% | 11.4% | (1.3x) |
| Kongsberg Automotive | 598.9 | 0.6x | 0.6x | 9.5x | 6.1x | 13.9x | 7.4x | n/a | n/a | 6.3% | 9.2% | 4.3% | 7.6% | 2.0x |
| Hella | 5,845.8 | 0.9x | 0.8x | 6.3x | 5.6x | 11.2x | 9.8x | 27.7% | 27.7% | 13.5% | 14.2% | 7.7% | 8.2% | 0.2x |
| Leoni | 2,257.6 | 0.5x | 0.5x | 6.2x | 5.9x | 10.5x | 9.8x | 17.6% | 17.6% | 7.7% | 7.8% | 4.5% | 4.7% | 1.0x |
| Tenneco | 3,844.1 | 0.5x | 0.5x | 5.1x | 4.7x | 6.8x | 6.4x | 16.9% | 17.5% | 9.7% | 10.1% | 7.3% | 7.5% | 1.3x |
| Melexis | 3,274.1 | 6.4x | 5.9x | 20.3x | 18.5x | 25.1x | 23.0x | 46.0% | 46.4% | 31.2% | 31.7% | 25.3% | 25.5% | (0.4x) |
| Stanley Electric | 4,168.0 | 1.3x | 1.3x | 6.8x | 6.1x | 11.5x | 10.2x | 22.1% | 22.7% | 19.9% | 20.9% | 11.7% | 12.5% | (1.0x) |
| Tokai Rika | 1,137.5 | 0.3x | 0.3x | 3.0x | 2.9x | 4.9x | 4.7x | 13.9% | 14.1% | 10.9% | 11.1% | 6.6% | 6.8% | (1.0x) |
| Stoneridge | 556.9 | 0.8x | 0.8x | 6.9x | 6.7x | 9.8x | 9.4x | 30.4% | 30.6% | 11.8% | 11.9% | 8.3% | 8.5% | 1.0x |
| Sumitomo Electric | 13,384.6 | 0.6x | 0.6x | 5.7x | 5.2x | 10.3x | 9.3x | 19.3% | 19.9% | 10.6% | 11.1% | 5.8% | 6.2% | 1.0x |
| Median | | 0.8x | 0.8x | 6.8x | 6.1x | 10.8x | 9.6x | 20.8% | 20.9% | 12.1% | 12.3% | 8.0% | 8.3% | 0.3x |
| Diversified Suppliers | | | | | | | | | | | | | | |
| CIE Automotive | 3,488.3 | 1.0x | 0.9x | 6.5x | 6.2x | 9.2x | 8.7x | 46.8% | 46.6% | 14.9% | 15.0% | 10.5% | 10.7% | 1.0x |
| Continental | 45,984.1 | 1.0x | 1.0x | 6.7x | 6.2x | 9.4x | 8.6x | 26.7% | 26.9% | 15.6% | 16.1% | 11.2% | 11.6% | 0.4x |
| Denso | 30,073.0 | 0.8x | 0.8x | 6.5x | 6.1x | 11.0x | 10.1x | 16.9% | 17.2% | 13.0% | 13.2% | 7.7% | 8.0% | (0.6x) |
| Johnson Controls | 43,472.2 | 1.7x | 1.6x | 10.5x | 9.9x | 13.9x | 12.6x | 31.7% | 32.3% | 16.1% | 16.7% | 12.1% | 13.1% | 2.6x |
| Magna | 18,920.7 | 0.6x | 0.5x | 5.4x | 5.1x | 7.9x | 7.3x | 14.8% | 14.6% | 10.9% | 10.7% | 7.4% | 7.4% | 0.6x |
| Ningbo Joyson | 5,028.6 | 1.5x | 1.2x | 11.8x | 10.0x | 21.8x | 18.2x | 18.0% | 18.7% | 12.3% | 12.4% | 6.7% | 6.8% | 1.5x |
| Sogefi | 891.0 | 0.5x | 0.5x | 5.0x | 4.6x | 8.7x | 7.2x | 28.6% | 28.4% | 10.5% | 10.9% | 6.1% | 7.0% | 1.5x |
| Toyoda Gosei | 2,568.3 | 0.4x | 0.4x | 4.0x | 3.7x | 7.8x | 7.0x | 13.3% | 13.9% | 11.4% | 12.0% | 5.8% | 6.3% | (0.1x) |
| Visteon | 2,975.9 | 1.1x | 1.1x | 9.6x | 8.8x | 12.4x | 11.6x | 15.2% | 15.3% | 11.6% | 12.1% | 8.9% | 9.2% | (0.9x) |
| Valeo | 16,019.5 | 0.8x | 0.8x | 6.4x | 5.6x | 10.8x | 9.5x | 18.6% | 18.7% | 13.1% | 13.4% | 7.8% | 8.0% | 0.4x |
| Median | | 0.9x | 0.9x | 6.5x | 6.2x | 10.1x | 9.1x | 18.3% | 18.7% | 12.7% | 12.8% | 7.7% | 8.0% | 0.5x |
| Engine/Under-the-Hood | | | | | | | | | | | | | | |
| BorgWarner | 10,699.2 | 1.4x | 1.3x | 8.0x | 7.5x | 10.7x | 10.0x | 21.6% | 21.8% | 17.0% | 16.9% | 12.6% | 12.7% | 1.1x |
| EirongKlinger | 1,607.8 | 1.0x | 0.9x | 6.3x | 5.8x | 10.5x | 9.4x | 26.0% | 26.8% | 15.4% | 16.2% | 9.3% | 9.9% | 2.2x |
| Exedy | 1,236.3 | 0.6x | 0.6x | 4.1x | 3.9x | 7.2x | 6.9x | 20.8% | 20.4% | 14.5% | 14.8% | 8.3% | 8.4% | 0.0x |
| JTEKT | 5,045.7 | 0.5x | 0.5x | 4.8x | 4.8x | 8.9x | 8.5x | 16.2% | 16.3% | 10.0% | 10.1% | 5.6% | 5.7% | 0.9x |
| Linamar | 4,042.3 | 0.9x | 0.9x | 5.6x | 5.2x | 8.2x | 7.6x | 19.3% | 19.0% | 16.5% | 16.6% | 11.3% | 11.5% | 0.9x |
| Martinrea | 1,084.0 | 0.4x | 0.4x | 4.1x | 4.0x | 6.8x | 6.3x | 13.7% | 13.0% | 10.3% | 10.6% | 6.2% | 6.7% | 1.5x |
| Modine | 1,230.2 | 0.8x | 0.7x | 8.5x | 7.3x | 14.6x | 11.4x | 18.3% | 19.5% | 9.3% | 10.0% | 5.5% | 6.4% | n/a |
| Median | | 0.8x | 0.7x | 5.6x | 5.2x | 8.9x | 8.5x | 19.3% | 19.5% | 14.5% | 14.8% | 8.3% | 8.4% | 1.0x |
| Interior/Exteriors | | | | | | | | | | | | | | |
| Toyota Boshoku | 2,720.4 | 0.3x | 0.3x | 3.4x | 3.3x | 5.2x | 5.0x | 11.5% | 11.9% | 7.9% | 8.0% | 5.1% | 5.3% | (0.7x) |
| Faurecia | 8,472.9 | 0.4x | 0.4x | 4.6x | 4.3x | 7.6x | 6.9x | 10.7% | 12.0% | 9.2% | 10.2% | 5.6% | 6.4% | 0.2x |
| Grammer | 633.8 | 0.4x | 0.3x | 5.1x | 4.4x | 8.3x | 6.8x | 12.6% | 13.1% | 7.0% | 7.7% | 4.3% | 5.0% | (0.3x) |
| Plastic Omnium | 6,060.1 | 0.9x | 0.8x | 6.3x | 6.0x | 9.5x | 8.9x | 16.5% | 16.8% | 13.9% | 14.0% | 9.3% | 9.4% | 0.7x |
| Polytec | 539.4 | 0.8x | 0.8x | 6.1x | 6.3x | 9.3x | 9.9x | 51.8% | 51.5% | 13.0% | 12.1% | 8.5% | 7.8% | 1.0x |
| Rieter | 724.1 | 0.9x | 0.8x | 7.1x | 5.9x | 10.0x | 7.8x | 53.0% | 54.0% | 12.5% | 14.0% | 8.9% | 10.6% | (0.7x) |
| TS Tech | 1,200.5 | 0.4x | 0.4x | 3.1x | 3.0x | 4.0x | 4.0x | 17.5% | 17.3% | 11.9% | 11.8% | 9.2% | 9.0% | (1.9x) |
| Median | | 0.4x | 0.4x | 5.1x | 4.4x | 8.3x | 6.9x | 16.5% | 16.8% | 11.9% | 11.8% | 8.5% | 7.8% | (0.3x) |
| Engineering | | | | | | | | | | | | | | |
| Akka | 985.3 | 0.7x | 0.7x | 8.5x | 7.2x | 10.5x | 8.5x | n/a | n/a | 8.7% | 9.7% | 7.1% | 8.3% | 0.0x |
| Altran | 3,062.2 | 1.3x | 1.2x | 11.3x | 10.1x | 12.4x | 11.0x | 8.9% | 9.7% | 11.7% | 12.2% | 10.6% | 11.2% | 1.3x |
| Bertrandt | 949.1 | 0.9x | 0.9x | 9.6x | 8.4x | 14.8x | 12.7x | 89.9% | 89.9% | 9.7% | 10.7% | 6.3% | 7.1% | 0.9x |
| EDAG | 464.1 | 0.6x | 0.6x | 8.0x | 6.7x | 13.8x | 11.2x | 87.1% | 87.1% | 7.8% | 9.1% | 4.6% | 5.4% | 1.9x |
| Ricardo | 543.5 | 1.3x | 1.2x | 8.7x | 8.2x | 11.9x | 10.7x | 37.9% | 38.0% | 15.1% | 14.9% | 11.0% | 11.4% | 0.6x |
| Median | | 0.9x | 0.9x | 8.7x | 8.2x | 12.4x | 11.0x | 62.5% | 62.5% | 9.7% | 10.7% | 7.1% | 8.3% | 0.9x |
| Median | | 0.8x | 0.8x | 6.4x | 6.0x | 9.8x | 8.9x | 19.3% | 19.7% | 11.9% | 12.2% | 8.0% | 8.4% | |
| Mean | | 0.9x | 0.9x | 6.9x | 6.2x | 10.3x | 9.2x | 26.6% | 26.8% | 12.5% | 13.0% | 8.4% | 8.9% | |

Source: Capital IQ as of 02/10/2017

Note: All financials calendarised to December year end

EV= Enterprise Value (i.e., market capitalisation + net debt); Net debt= Interest-bearing liabilities - cash

AUTOMOTIVE SUPPLIER COMPOSITE – EQUITY MARKET PERFORMANCE METRICS BY REGION

| Company | EV | EV/Sales | | EV/EBITDA | | EV/EBIT | | Gross Margin | | EBITDA Margin | | EBIT Margin | | Net Debt/ EBITDA |
|----------------------|----------|-------------|-------------|-------------|-------------|--------------|-------------|--------------|--------------|---------------|--------------|-------------|-------------|---------------------|
| | | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | |
| Europe | | | | | | | | | | | | | | |
| Akka | 985.3 | 0.7x | 0.7x | 8.5x | 7.2x | 10.5x | 8.5x | n/a | n/a | 8.7% | 9.7% | 7.1% | 8.3% | 0.0x |
| Altran | 3,062.2 | 1.3x | 1.2x | 11.3x | 10.1x | 12.4x | 11.0x | 8.9% | 9.7% | 11.7% | 12.2% | 10.6% | 11.2% | 1.3x |
| Autoliv | 9,588.2 | 1.1x | 1.0x | 8.8x | 8.1x | 12.9x | 11.4x | 20.8% | 20.9% | 12.4% | 12.7% | 8.5% | 9.0% | 0.4x |
| Bertrandt | 949.1 | 0.9x | 0.9x | 9.6x | 8.4x | 14.8x | 12.7x | 89.9% | 89.9% | 9.7% | 10.7% | 6.3% | 7.1% | 0.9x |
| CIE Automotive | 3,488.3 | 1.0x | 0.9x | 6.5x | 6.2x | 9.2x | 8.7x | 46.8% | 46.6% | 14.9% | 15.0% | 10.5% | 10.7% | 1.0x |
| Continental | 45,984.1 | 1.0x | 1.0x | 6.7x | 6.2x | 9.4x | 8.6x | 26.7% | 26.9% | 15.6% | 16.1% | 11.2% | 11.6% | 0.4x |
| EDAG | 464.1 | 0.6x | 0.6x | 8.0x | 6.7x | 13.8x | 11.2x | 87.1% | 87.1% | 7.8% | 9.1% | 4.6% | 5.4% | 1.9x |
| ElingKlinger | 1,607.8 | 1.0x | 0.9x | 6.3x | 5.8x | 10.5x | 9.4x | 26.0% | 26.8% | 15.4% | 16.2% | 9.3% | 9.9% | 2.2x |
| Faurecia | 8,472.9 | 0.4x | 0.4x | 4.6x | 4.3x | 7.6x | 6.9x | 10.7% | 12.0% | 9.2% | 10.2% | 5.6% | 6.4% | 0.2x |
| Georg Fischer | 4,537.6 | 1.3x | 1.2x | 10.7x | 10.0x | 15.0x | 13.7x | 53.5% | 53.8% | 12.1% | 12.4% | 8.6% | 9.0% | 0.6x |
| GKN | 7,324.6 | 0.6x | 0.6x | 6.0x | 5.7x | 7.7x | 7.4x | 48.1% | 48.0% | 10.7% | 11.1% | 8.3% | 8.6% | 0.5x |
| Grammer | 633.8 | 0.4x | 0.3x | 5.1x | 4.4x | 8.3x | 6.8x | 12.6% | 13.1% | 7.0% | 7.7% | 4.3% | 5.0% | (0.3x) |
| Hella | 5,845.8 | 0.9x | 0.8x | 6.3x | 5.6x | 11.2x | 9.8x | 27.7% | 27.7% | 13.5% | 14.2% | 7.7% | 8.2% | 0.2x |
| Kongsberg Automotive | 598.9 | 0.6x | 0.6x | 9.5x | 6.1x | 13.9x | 7.4x | n/a | n/a | 6.3% | 9.2% | 4.3% | 7.6% | 2.0x |
| Leoni | 2,257.6 | 0.5x | 0.5x | 6.2x | 5.9x | 10.5x | 9.8x | 17.6% | 17.6% | 7.7% | 7.8% | 4.5% | 4.7% | 1.0x |
| Melexis | 3,274.1 | 6.4x | 5.9x | 20.3x | 18.5x | 25.1x | 23.0x | 46.0% | 46.4% | 31.2% | 31.7% | 25.3% | 25.5% | (0.4x) |
| Plastic Omnium | 6,060.1 | 0.9x | 0.8x | 6.3x | 6.0x | 9.5x | 8.9x | 16.5% | 16.8% | 13.9% | 14.0% | 9.3% | 9.4% | 0.7x |
| Polytec | 539.4 | 0.8x | 0.8x | 6.1x | 6.3x | 9.3x | 9.9x | 51.8% | 51.5% | 13.0% | 12.1% | 8.5% | 7.8% | 1.0x |
| Ricardo | 543.5 | 1.3x | 1.2x | 8.7x | 8.2x | 11.9x | 10.7x | 37.9% | 38.0% | 15.1% | 14.9% | 11.0% | 11.4% | 0.6x |
| Rieter | 724.1 | 0.9x | 0.8x | 7.1x | 5.9x | 10.0x | 7.8x | 53.0% | 54.0% | 12.5% | 14.0% | 8.9% | 10.6% | (0.7x) |
| Sogefi | 891.0 | 0.5x | 0.5x | 5.0x | 4.6x | 8.7x | 7.2x | 28.6% | 28.4% | 10.5% | 10.9% | 6.1% | 7.0% | 1.5x |
| Valeo | 16,019.5 | 0.8x | 0.8x | 6.4x | 5.6x | 10.8x | 9.5x | 18.6% | 18.7% | 13.1% | 13.4% | 7.8% | 8.0% | 0.4x |
| Median | | 0.9x | 0.8x | 6.6x | 6.2x | 10.5x | 9.4x | 28.1% | 28.0% | 12.2% | 12.3% | 8.4% | 8.4% | 0.6x |
| North America | | | | | | | | | | | | | | |
| American Axle | 4,778.3 | 0.9x | 0.8x | 5.3x | 4.7x | 8.7x | 8.1x | 18.2% | 18.5% | 17.7% | 17.9% | 10.8% | 10.4% | 3.1x |
| Gentherm | 1,157.1 | 1.4x | 1.3x | 8.8x | 7.9x | 11.9x | 10.8x | 33.2% | 33.2% | 16.1% | 16.8% | 11.8% | 12.3% | (0.0x) |
| BorgWarner | 10,699.2 | 1.4x | 1.3x | 8.0x | 7.5x | 10.7x | 10.0x | 21.6% | 21.8% | 17.0% | 16.9% | 12.6% | 12.7% | 1.1x |
| Dana | 4,495.6 | 0.8x | 0.7x | 6.6x | 6.1x | 9.6x | 8.5x | 15.0% | 15.3% | 11.6% | 11.9% | 8.0% | 8.6% | 1.5x |
| Johnson Controls | 43,472.2 | 1.7x | 1.6x | 10.5x | 9.9x | 13.9x | 12.6x | 31.7% | 32.3% | 16.1% | 16.7% | 12.1% | 13.1% | 2.6x |
| Linamar | 4,042.3 | 0.9x | 0.9x | 5.6x | 5.2x | 8.2x | 7.6x | 19.3% | 19.0% | 16.5% | 16.6% | 11.3% | 11.5% | 0.9x |
| Magna | 18,920.7 | 0.6x | 0.5x | 5.4x | 5.1x | 7.9x | 7.3x | 14.8% | 14.6% | 10.9% | 10.7% | 7.4% | 7.4% | 0.6x |
| Martinrea | 1,084.0 | 0.4x | 0.4x | 4.1x | 4.0x | 6.8x | 6.3x | 13.7% | 13.0% | 10.3% | 10.6% | 6.2% | 6.7% | 1.5x |
| Modine | 1,230.2 | 0.8x | 0.7x | 8.5x | 7.3x | 14.6x | 11.4x | 18.3% | 19.5% | 9.3% | 10.0% | 5.5% | 6.4% | n/a |
| Stoneridge | 556.9 | 0.8x | 0.8x | 6.9x | 6.7x | 9.8x | 9.4x | 30.4% | 30.6% | 11.8% | 11.9% | 8.3% | 8.5% | 1.0x |
| Tenneco | 3,844.1 | 0.5x | 0.5x | 5.1x | 4.7x | 6.8x | 6.4x | 16.9% | 17.5% | 9.7% | 10.1% | 7.3% | 7.5% | 1.3x |
| Visteon | 2,975.9 | 1.1x | 1.1x | 9.6x | 8.8x | 12.4x | 11.6x | 15.2% | 15.3% | 11.6% | 12.1% | 8.9% | 9.2% | (0.9x) |
| Median | | 0.9x | 0.8x | 6.8x | 6.4x | 9.7x | 9.0x | 18.2% | 18.7% | 11.7% | 12.0% | 8.6% | 8.9% | 1.1x |
| Asia | | | | | | | | | | | | | | |
| Aisin Seiki | 12,832.2 | 0.5x | 0.4x | 3.8x | 3.5x | 7.1x | 6.5x | 14.8% | 15.1% | 12.2% | 12.6% | 6.5% | 6.8% | 0.1x |
| Toyota Boshoku | 2,720.4 | 0.3x | 0.3x | 3.4x | 3.3x | 5.2x | 5.0x | 11.5% | 11.9% | 7.9% | 8.0% | 5.1% | 5.3% | (0.7x) |
| Denso | 30,073.0 | 0.8x | 0.8x | 6.5x | 6.1x | 11.0x | 10.1x | 16.9% | 17.2% | 13.0% | 13.2% | 7.7% | 8.0% | (0.6x) |
| Exedy | 1,236.3 | 0.6x | 0.6x | 4.1x | 3.9x | 7.2x | 6.9x | 20.8% | 20.4% | 14.5% | 14.8% | 8.3% | 8.4% | 0.0x |
| JTEKT | 5,045.7 | 0.5x | 0.5x | 5.0x | 4.8x | 8.9x | 8.5x | 16.2% | 16.3% | 10.0% | 10.1% | 5.6% | 5.7% | 0.9x |
| Koito Manufacturing | 7,148.3 | 1.1x | 1.0x | 7.1x | 6.7x | 9.7x | 8.9x | 17.9% | 18.2% | 15.3% | 15.3% | 11.2% | 11.4% | (1.3x) |
| NHK Spring | 1,915.1 | 0.4x | 0.4x | 4.0x | 3.8x | 6.4x | 6.2x | n/a | n/a | 10.1% | 10.1% | 6.2% | 6.2% | (0.5x) |
| NSK | 6,936.0 | 0.9x | 0.9x | 7.3x | 6.6x | 11.1x | 9.8x | 22.7% | 23.4% | 12.9% | 13.9% | 8.4% | 9.3% | 0.8x |
| Showa | 639.4 | 0.3x | 0.3x | 3.2x | 2.5x | 4.8x | 3.5x | 21.2% | 21.3% | 9.9% | 12.2% | 6.5% | 8.7% | (0.6x) |
| Stanley Electric | 4,168.0 | 1.3x | 1.3x | 6.8x | 6.1x | 11.5x | 10.2x | 22.1% | 22.7% | 19.9% | 20.9% | 11.7% | 12.5% | (1.0x) |
| Sumitomo Electric | 13,384.6 | 0.6x | 0.6x | 5.7x | 5.2x | 10.3x | 9.3x | 19.3% | 19.9% | 10.6% | 11.1% | 5.8% | 6.2% | 1.0x |
| Ningbo Joyson | 5,028.6 | 1.5x | 1.2x | 11.8x | 10.0x | 21.8x | 18.2x | 18.0% | 18.7% | 12.3% | 12.4% | 6.7% | 6.8% | 1.5x |
| Tokai Rika | 1,137.5 | 0.3x | 0.3x | 3.0x | 2.9x | 4.9x | 4.7x | 13.9% | 14.1% | 10.9% | 11.1% | 6.6% | 6.8% | (1.0x) |
| Toyoda Gosei | 2,568.3 | 0.4x | 0.4x | 4.0x | 3.7x | 7.8x | 7.0x | 13.3% | 13.9% | 11.4% | 12.0% | 5.8% | 6.3% | (0.1x) |
| TS Tech | 1,200.5 | 0.4x | 0.4x | 3.1x | 3.0x | 4.0x | 4.0x | 17.5% | 17.3% | 11.9% | 11.8% | 9.2% | 9.0% | (1.9x) |
| Median | | 0.5x | 0.5x | 4.1x | 3.9x | 7.8x | 7.0x | 17.7% | 17.7% | 11.9% | 12.2% | 6.6% | 6.8% | (0.5x) |
| Median | | 0.8x | 0.8x | 6.4x | 6.0x | 9.8x | 8.9x | 19.3% | 19.7% | 11.9% | 12.2% | 8.0% | 8.4% | |
| Mean | | 0.9x | 0.9x | 6.9x | 6.2x | 10.3x | 9.2x | 26.6% | 26.8% | 12.5% | 13.0% | 8.4% | 8.9% | |

Source: Capital IQ as of 02/10/2017

Note: All financials calendarised to December year end

EV= Enterprise Value (i.e., market capitalisation + net debt); Net debt= Interest-bearing liabilities - cash

GLOBAL AUTOMOTIVE SUPPLIER INDUSTRY – SELECTED M&A TRANSACTIONS IN Q3 2017

| Date | Target | Country | Target Description | Buyer | Seller | EV (€m) |
|------------|--|-------------|---|--|---------------------------------------|---------|
| 01/07/2017 | Beijing Chehejia Information Technology Co., Ltd | China | Company engaged in the field of smart electric vehicle component manufacturing and automotive internet-related servicing | Investor Group | Family / Management | n/a |
| 03/07/2017 | Cab Automotive Ltd | UK | Manufacturer of products for vehicle interior including seating, headliners, interior trim, trunk systems, parcel tray and door cards | Adler Pelzer Group | Advancel Limited | n/a |
| 14/07/2017 | Neue Halberg Guss GmbH | Germany | Company engaged in development and production of cast iron cylinder blocks, crank shafts, and rear axle casings for automotive engine manufacturers | SDL Sueddeutsche Beteiligungsgesellschaft GmbH | HTP Investments B.V. | 14 |
| 17/07/2017 | Sevcon, Inc. | UK | Company engaged in design and manufacture of controls for zero emission electric and hybrid vehicles | BorgWarner Inc. | Family / Management | 141 |
| 18/07/2017 | Anderson Manufacturing Company, Inc. | US | Company that provides cold formed terminals, pins, rivets, screws, contacts, clinch studs and anti-cross threaded products to automotive manufacturers | Big Shoulders Capital LLC | Family / Management | n/a |
| 19/07/2017 | AB Elektronik GmbH | Germany | Company engaged in developing sensors and control solutions for automotive original equipment manufacturers and tier one suppliers | AVX Corp. | TT Electronics Plc | 134 |
| 19/07/2017 | Jiangxi Coagent Electronics Co., Ltd. | China | Provider of infotainment and interior electronic solutions for the automotive industry | Faurecia S.A. | Family / Management | 180 |
| 20/07/2017 | King Automotive Systems Ltd.; Amtek Aluminium Castings (Witham) Ltd. | UK | Manufacturer of high pressure aluminium die castings and undertakes machining, assembly and testing with applications in the automotive industry | Liberty House Limited | Amtek Global Technologies Pte Limited | n/a |
| 26/07/2017 | LS Automotive Corp. (47% Stake); LS Mtron Co., Ltd. | South Korea | Manufacturer of automotive parts (vehicle switches and components); South Korea-based copper foil and flexible copper clad laminate business of LS Mtron Co., Ltd. | Kohlberg Kravis Roberts & Co. L.P. | LS Mtron Co., Ltd. | 807 |
| 28/07/2017 | Borgstena Group Sweden AB (95% Stake) | Sweden | Automotive textile supplier (with focus on seat covers) | DUAL Co., Ltd. | Herenco AB; Pomona-Gruppen AB | n/a |
| 31/07/2017 | Autoclima S.p.A. | Italy | Company that designs and produces air conditioning systems for vehicles | Indel B S.p.A. | Ferrero Turbo Service SpA | 31 |
| 01/08/2017 | Pacific Insight Electronics Corp. | Canada | Company offering design, development, manufacturing and delivery of lighting and electronic products and service solutions to the automotive and commercial vehicle markets | Methode Electronics, Inc. | Family / Management | 88 |
| 03/08/2017 | Koller Gruppe (Undisclosed Majority Stake) | Germany | Company engaged in the production of injection-molding tools and components with focus on the automotive industry | Nanjing Nangang Iron & Steel United Co., Ltd. | HANNOVER Finanz GmbH | n/a |
| 03/08/2017 | AZ Ausruistung und Zubehoer GmbH & Co. KG | Germany | Manufacturer of automotive components (especially plastic injection molding) | Otto Vollmann GmbH & Co. KG | Family / Management | n/a |
| 11/08/2017 | Synergies Castings Limited (67.1% Stake) | India | Company engaged in manufacturing and supplying aluminum alloy wheels to automotive industry | Jamy LLC | Kubera Cross-Border Fund Limited | n/a |

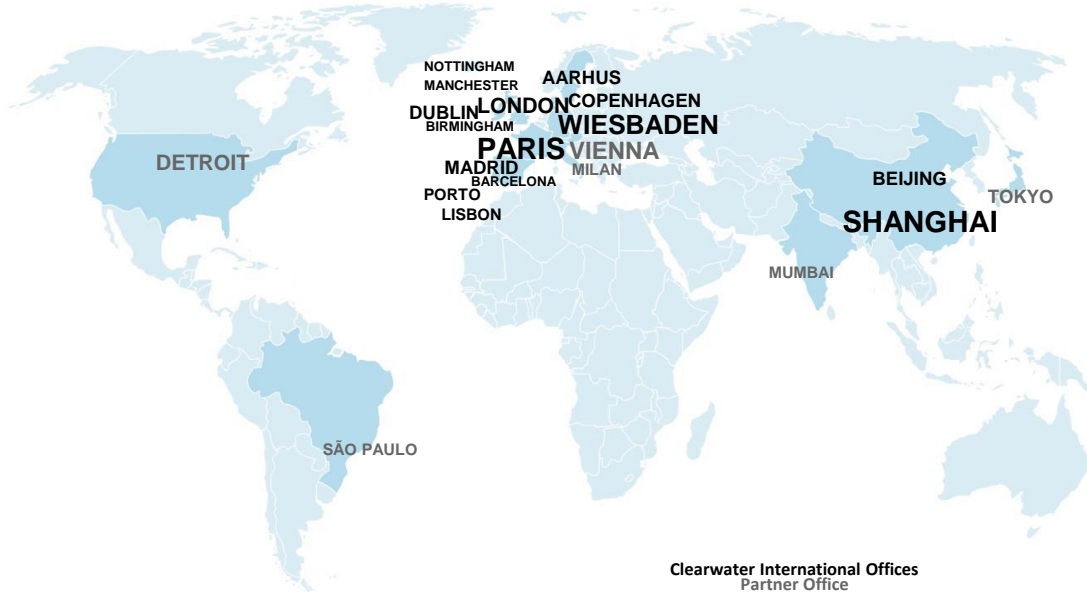
GLOBAL AUTOMOTIVE SUPPLIER INDUSTRY – SELECTED M&A TRANSACTIONS IN Q3 2017

| Date | Target | Country | Target Description | Buyer | Seller | EV (€m) |
|------------|--|---------|---|------------------------------|---|---------|
| 21/08/2017 | Futuris Group | US | Designer and manufacturer of automotive seating and interior systems | A dient plc | Clearlake Capital Group, L.P. | 306 |
| 23/08/2017 | Thermamax Hochtemperaturdaem mungen GmbH | Germany | Manufacturer of thermal and acoustic insulation systems for engine compartments and exhaust lines for diesel and gasoline engines, fuel cells, and electric drive systems | Capvis Equity Partners AG | Family / Management | n/a |
| 24/08/2017 | R.H. Sheppard Co., Inc. | US | Company that designs, manufactures and supplies auto parts and technologies (electronic braking, stability, suspension and transmission control systems) | WABCO Holdings Inc. | Family / Management | 123 |
| 30/08/2017 | ZF Friedrichshafen AG (Global Body Control Systems business) | Germany | Global Body Control Systems business of ZF Friedrichshafen AG, including its Radio Frequency Electronics business | Luxshare Precision Limited | ZF Friedrichshafen AG | n/a |
| 31/08/2017 | TSM Corporation | US | Manufacturer and supplier of powertrain, chassis and suspension components | HCI Equity Partners | Family / Management | n/a |
| 03/09/2017 | Magneti Marelli S.p.A. (70% Stake) | Italy | Plastic module components [PCMA] site of Magneti Marelli S.p.A. | Prima Sole Components S.p.A. | Magneti Marelli S.p.A. | n/a |
| 05/09/2017 | Janesville Acoustics Europe GmbH | Germany | Manufacturer of fiber-based thermal and acoustical applications for automotive industry | Quartuar GmbH | Jason Industries, Inc. | 9 |
| 05/09/2017 | LDS Motor Factors Limited | UK | Supplier of vehicle parts and spares (incl. braking, cooling & heating, engine & fuel, exhaust, filtration, interior & exterior and steering & suspension) | Alliance Automotive Group | Family / Management | n/a |
| 07/09/2017 | Bosch Mahle Turbo Systems GmbH & Co. KG | Germany | Company that develops and produces tailor-made exhaust gas turbochargers for passenger cars and commercial vehicles | FountainVest Partners | Robert Bosch GmbH; MAHLE GmbH | n/a |
| 12/09/2017 | Industria Metallurgica Carmagnolese Srl (75% Stake) | Italy | Manufacturer of vehicle components specialized in cold stamping steel products | Mittel SpA | Roblavin Holding Srl | n/a |
| 12/09/2017 | EVA Fahrzeugtechnik GmbH | Germany | Company engaged in providing engineering services for vehicle, automotive manufacturing and a specialist in e-mobility and high-voltage storage | FEV Europe GmbH | Michael Schirrmeyer (Private Investor); Werner Irrgang (Private Investor) | n/a |
| 18/09/2017 | Meritor WABCO Vehicle Control Systems (50% Stake) | US | Company that manufactures and supplies braking systems and controls, active safety systems, and suspension and control systems | WABCO Holdings Inc. | Meritor, Inc. | n/a |
| 18/09/2018 | J&S GmbH Automotive Technology (Undisclosed Majority Stake) | Germany | Manufacturer of automotive safety components (D-rings for belt systems, welding assemblies, airbag components, heat shields, stamping and bending parts, metal seals and gaskets) | Seafort Advisors GmbH | Brockhaus Private Equity AG | n/a |
| 21/09/2017 | Termax, LLC (51% Stake) | US | Manufacturer of metal, plastic and rubber fastening systems for automotive interiors | Lisi Group | Family / Management | n/a |
| 25/09/2017 | Alliance Automotive Group | UK | Distributor of light and commercial vehicle parts to the independent aftermarket in France, Germany and the UK | Genuine Parts Company | Blackstone Group LP; Alistair Brown; Jean-Jacques Lafont | 1678 |

RECENT TRANSACTIONS OF OUR GLOBAL AUTOMOTIVE SECTOR TEAM

| | | | | |
|--|--|---|--|---|
| <p>FINOBA AUTOMOTIVE We treat parts</p> <p>FINOBA AUTOMOTIVE</p> <p>Light weight component processing & machining firm</p> <p>Clearwater International advised the shareholder of Finoba Automotive on the disposal of its shares to China National Machinery Industry Corporation</p> | <p>BROSE INTERNATIONAL</p> <p>Automotive component manufacturer</p> <p>Clearwater International advised Brose international, on the establishment of a JV with Dongfeng Motor Parts And Components Group</p> | <p>FAURECIA</p> <p>Automotive equipment supplier</p> <p>Clearwater International advised Faurecia on the acquisition of Chinese in-car infotainment and technology company Jiangxi Coagent Electronics</p> | <p>DELPHI</p> <p>American automotive electronic components and parts supplier</p> <p>Clearwater International advised Delphi on the disposal of its Global Reception Systems business to Northeast Industries Group</p> | <p>BOSCH</p> <p>German multinational engineering and electronics company</p> <p>Clearwater International advised Bosch Automotive Service Solutions on the sale of RTI Technologies to Mahle Group</p> |
| <p>JOYSON</p> <p>Leading global automotive supplier</p> <p>Clearwater International advised Ningbo Joyson Electronic Corporation on its acquisition of Key Safety Systems</p> | <p>CENTRIC PARTS</p> <p>Aftermarket supplier of brake and chassis components</p> <p>Clearwater International advised Centric Parts on the merger with AP Emissions Technologies to form APC Automotive Technologies</p> | <p>WEBASTO</p> <p>Global automotive roof and thermal system supplier</p> <p>Clearwater International advised Webasto AG, on the acquisition of Hebei Nanfeng Automotive System Group</p> | <p>BUCHBINDER</p> <p>Aftermarket supplier of tires and wheels</p> <p>Clearwater International has advised the shareholders of Buchbinder on the sale of the company to Europcar Group</p> | <p>STARCO</p> <p>Aftermarket supplier of tires and wheels</p> <p>Clearwater International advised Starco A/S on the sale of their aftermarket operations to Bohnenkamp AG</p> |

ABOUT CLEARWATER INTERNATIONAL'S AUTOMOTIVE SECTOR TEAM



| | | | |
|---------|--|-----|--|
| #1 | Worldwide Automotive M&A advisor by deal count | 70% | Cross-border deals within the last 5 years |
| +245 | Completed Automotive deals | +30 | Dedicated Automotive Sector team members worldwide |
| €12.0bn | Aggregate deal value | +20 | Completed deals with Asian buyers or targets within the last 5 years |
| +€50m | Average deal size | 10 | High-profile senior advisers, all former top tier executives |

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