

## M&amp;A AND FINANCIAL MARKET STATISTICS IN THE AUTOMOTIVE INDUSTRY

### Summary

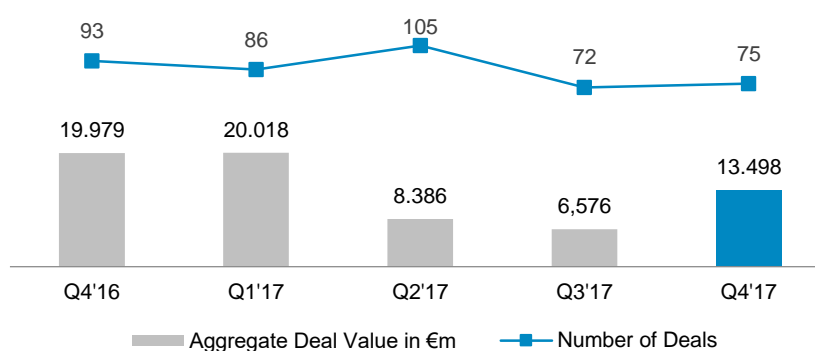
In Q4 2017, M&A activity sharply increased by doubling in terms of aggregated deal value while staying stable in terms of absolute deal numbers compared to Q3 2017.

The sharp increase in deal value resulted mainly from the acquisition of a 8.2% stake of Volvo AB by the Chinese automobile manufacturer Zhejiang Geely Holding Group Co., Ltd. for €2.7bn and the spin off of Delphi's subsidiary (powertrain systems division) for €4bn, to form a newly listed company.

In comparison to the fourth quarter of 2016, average automotive sector valuation levels in Q4 2017 increased significantly, including EV/Sales (plus 25%), EV/EBIT (plus 12%) and EV/EBITDA (plus 6%).

The M&A market in Q4 2017 confirms the steady consolidation in the megatrend segments of the automotive industry, especially in the area of e-Mobility (Cummins acquisition, Preh acquisition) as well as connectivity / autonomous driving (Conti acquisition, Nidec acquisition).

### M&A Activity: Quarterly Comparison Q4 2016 – Q4 2017



### Top M&A Deals Q4 2017

- Schaeffler family, the Germany-based family, has acquired ATESTEO GmbH, the Germany-based provider of drivetrain and transmission testing services to the automotive industry, from 3i Group Plc, the listed UK-based private equity firm (EV: € 399m).
- Key Safety Systems, Inc., a US-based company engaged in the design and manufacture of automotive safety-critical components and systems, has agreed to acquire all global assets and operations of Takata Corporation, a Japan-based company engaged in the development, manufacture and sale of safety products for automobiles (EV: € 1,353m).
- Continental Aktiengesellschaft, a listed Germany-based manufacturer of automotive components, has acquired Argus Cyber Security Ltd., an Israel-based provider of automotive cyber security solutions, from a group of investors (EV: € 387m).
- Preh GmbH, the Germany-based manufacturer of vehicle interior control systems and electronic control units, has agreed to acquire ePower unit, the Norway-based developer of on-board chargers for electric and hybrid vehicles, from Kongsberg Automotive Holding ASA.

### Selected Recent Global Automotive Bond Issuances Q4 2017

Company	Date of Issuance	Amount (in €m)	Coupon	Yield (Latest)	Price (Latest)	Maturity Date
Daimler	15.11.2017	1,000	1.000%	1.169%	98.43	15.11.2027
Renault	28.11.2017	750	1.000%	1.152%	99.86	28.11.2025
Ferrari	16.11.2017	700	0.250%	0.500%	99.25	16.01.2021
Kia Motors	19.10.2017	507	3.000%	3.451%	97.83	25.04.2023
JLR	04.10.2017	425	4.500%	4.596%	99.25	01.10.2027
Mazda	08.12.2017	150	0.300%	0.366%	99.55	06.12.2024

**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	
<b>Chassis/Underbody</b>														
Aisin Seiki	13,749.4	0.5x	0.5x	4.1x	3.7x	7.7x	7.1x	14.6%	14.8%	12.2%	12.7%	6.5%	6.7%	0.2x
American Axle	4,688.8	0.9x	0.8x	5.2x	4.7x	8.4x	7.9x	18.2%	18.2%	17.6%	17.6%	10.8%	10.4%	3.0x
Dana	4,987.5	0.8x	0.8x	7.2x	6.6x	10.8x	9.3x	15.1%	15.4%	11.7%	12.0%	7.8%	8.4%	1.3x
Georg Fischer	4,993.6	1.5x	1.4x	12.0x	11.2x	16.8x	15.1x	53.8%	54.0%	12.1%	12.4%	8.7%	9.1%	0.6x
GKN	6,811.3	0.6x	0.6x	6.0x	5.5x	8.0x	7.4x	48.0%	47.9%	10.0%	10.8%	7.5%	8.0%	0.5x
JOST Werke AG	745.7	1.1x	1.0x	8.2x	7.7x	10.3x	9.4x	28.2%	28.4%	13.2%	13.4%	10.5%	10.9%	1.2x
NHK Spring	1,930.7	0.4x	0.4x	4.2x	4.0x	6.8x	6.6x	n/a	n/a	9.7%	9.8%	5.9%	5.9%	(0.5x)
NSK	7,860.5	1.1x	1.0x	8.2x	7.2x	12.5x	10.5x	22.7%	23.1%	13.0%	14.2%	8.6%	9.8%	0.8x
Showa	573.5	0.3x	0.3x	3.0x	2.3x	4.6x	3.3x	21.9%	22.4%	9.6%	12.2%	6.2%	8.6%	(0.8x)
<b>Median</b>		<b>0.8x</b>	<b>0.8x</b>	<b>6.0x</b>	<b>5.5x</b>	<b>8.4x</b>	<b>7.9x</b>	<b>22.3%</b>	<b>22.8%</b>	<b>12.1%</b>	<b>12.4%</b>	<b>7.8%</b>	<b>8.6%</b>	<b>0.6x</b>
<b>Controls/Electronics</b>														
Gentherm	1,016.7	1.3x	1.2x	8.5x	7.3x	11.8x	9.9x	32.2%	32.9%	14.7%	16.0%	10.6%	11.8%	(0.0x)
Autoliv	9,875.7	1.2x	1.1x	9.2x	8.4x	13.6x	12.0x	20.7%	21.0%	12.4%	12.8%	8.5%	8.9%	0.4x
Koito Manufacturing	8,079.2	1.3x	1.3x	8.3x	7.8x	11.0x	10.2x	18.4%	19.5%	15.7%	16.8%	11.9%	12.9%	(1.4x)
Kongsberg Automotive	674.2	0.6x	0.6x	7.3x	5.4x	27.5x	11.4x	n/a	n/a	8.9%	11.1%	2.4%	5.2%	1.7x
Hella	6,135.8	0.9x	0.8x	6.6x	5.8x	11.7x	10.2x	27.7%	27.8%	13.6%	14.5%	7.6%	8.2%	0.3x
Leoni	2,498.5	0.5x	0.5x	6.7x	6.3x	11.1x	10.6x	17.5%	17.6%	7.8%	8.0%	4.7%	4.7%	1.1x
Tenneco	3,785.0	0.5x	0.5x	5.2x	4.9x	7.0x	6.5x	16.6%	17.1%	9.5%	9.8%	7.1%	7.3%	1.5x
Melexis	3,384.6	6.6x	6.1x	21.2x	19.4x	26.3x	23.9x	45.9%	45.8%	31.2%	31.5%	25.1%	25.6%	(0.5x)
Stanley Electric	4,830.6	1.6x	1.5x	7.9x	7.1x	13.4x	11.8x	22.4%	23.1%	19.9%	20.9%	11.7%	12.6%	(1.1x)
Tokai Rika	1,221.5	0.4x	0.3x	3.3x	3.1x	5.4x	5.1x	14.1%	14.3%	10.8%	11.0%	6.6%	6.7%	(1.0x)
Stoneridge	631.4	0.9x	0.9x	7.8x	7.4x	11.0x	10.5x	30.6%	30.8%	11.9%	12.1%	8.4%	8.6%	0.8x
Sumitomo Electric	13,580.9	0.6x	0.6x	5.9x	5.4x	10.8x	9.7x	19.1%	19.6%	10.5%	11.0%	5.7%	6.1%	1.0x
<b>Median</b>		<b>0.9x</b>	<b>0.9x</b>	<b>7.6x</b>	<b>6.7x</b>	<b>11.4x</b>	<b>10.4x</b>	<b>20.7%</b>	<b>21.0%</b>	<b>12.2%</b>	<b>12.4%</b>	<b>8.0%</b>	<b>8.4%</b>	<b>0.3x</b>
<b>Diversified Suppliers</b>														
CIE Automotive	3,862.8	1.1x	1.0x	7.3x	6.5x	10.3x	9.1x	45.6%	46.2%	14.6%	15.2%	10.3%	10.9%	1.1x
Continental	49,361.4	1.1x	1.1x	7.3x	6.7x	10.3x	9.3x	26.2%	26.7%	15.4%	16.0%	10.9%	11.5%	0.4x
Denso	37,960.6	1.1x	1.0x	8.0x	7.3x	13.4x	12.1x	16.8%	17.0%	13.2%	13.4%	7.9%	8.1%	(0.3x)
Johnson Controls	41,537.5	1.7x	1.6x	10.7x	10.0x	14.4x	13.0x	31.0%	31.4%	15.4%	16.3%	11.5%	12.5%	2.6x
Magna	19,694.5	0.6x	0.6x	5.6x	5.3x	8.3x	7.7x	14.7%	14.6%	10.9%	10.6%	7.4%	7.3%	0.7x
Ningbo Joyson	5,189.3	1.5x	1.3x	11.2x	10.3x	23.9x	18.7x	18.0%	19.0%	13.5%	12.7%	6.3%	7.0%	2.0x
Sogefi	756.7	0.5x	0.4x	4.4x	4.1x	7.6x	6.6x	n/a	n/a	10.3%	10.7%	6.0%	6.6%	1.4x
Toyoda Gosei	2,819.6	0.5x	0.5x	4.5x	4.2x	8.9x	8.0x	13.0%	13.6%	11.0%	11.5%	5.5%	6.0%	(0.0x)
Visteon	3,150.9	1.2x	1.1x	10.3x	9.5x	13.3x	12.2x	15.4%	15.6%	11.6%	12.1%	9.1%	9.4%	(0.8x)
Valeo	16,337.4	0.9x	0.8x	6.6x	5.8x	11.1x	9.7x	18.6%	18.7%	13.2%	13.4%	7.9%	8.0%	0.4x
<b>Median</b>		<b>1.1x</b>	<b>1.0x</b>	<b>7.3x</b>	<b>6.6x</b>	<b>10.7x</b>	<b>9.5x</b>	<b>18.0%</b>	<b>18.7%</b>	<b>13.2%</b>	<b>13.0%</b>	<b>7.9%</b>	<b>8.1%</b>	<b>0.5x</b>
<b>Engine/Under-the-Hood</b>														
BorgWarner	11,028.0	1.4x	1.3x	8.2x	7.6x	11.0x	10.1x	21.7%	21.8%	16.8%	16.8%	12.5%	12.7%	1.1x
ErlingKlinger	1,829.3	1.1x	1.1x	7.4x	6.7x	12.4x	11.2x	25.9%	26.4%	15.0%	15.8%	9.0%	9.4%	2.4x
Exedy	1,232.4	0.6x	0.6x	4.2x	4.0x	7.4x	7.1x	21.2%	21.1%	14.6%	14.7%	8.3%	8.3%	(0.0x)
JTEKT	5,935.6	0.6x	0.6x	5.9x	5.5x	10.3x	9.5x	16.2%	16.3%	10.0%	10.4%	5.7%	6.0%	0.9x
Linamar	3,902.2	0.9x	0.8x	5.6x	4.7x	8.3x	6.6x	19.0%	22.3%	16.1%	16.7%	10.9%	12.0%	0.8x
Martinrea	1,310.6	0.5x	0.5x	5.0x	4.7x	8.5x	7.6x	14.3%	13.9%	10.7%	11.3%	6.3%	7.0%	1.4x
Modine	1,259.3	0.8x	0.7x	8.8x	7.4x	15.1x	11.4x	18.0%	19.4%	9.2%	9.9%	5.4%	6.4%	n/a
<b>Median</b>		<b>0.8x</b>	<b>0.7x</b>	<b>5.9x</b>	<b>5.5x</b>	<b>10.3x</b>	<b>9.5x</b>	<b>19.0%</b>	<b>21.1%</b>	<b>14.6%</b>	<b>14.7%</b>	<b>8.3%</b>	<b>8.3%</b>	<b>1.0x</b>
<b>Interior/Exteriors</b>														
Toyota Boshoku	2,705.7	0.3x	0.3x	3.5x	3.4x	5.4x	5.3x	11.0%	11.2%	7.6%	7.7%	5.0%	5.0%	(0.7x)
Faurecia	9,467.7	0.6x	0.5x	5.1x	4.7x	8.3x	7.6x	11.8%	12.1%	11.0%	11.3%	6.8%	6.9%	0.2x
Grammer	618.4	0.3x	0.3x	5.7x	4.5x	9.9x	6.8x	12.0%	13.0%	6.1%	7.4%	3.5%	4.9%	(0.2x)
Plastic Omnium	6,453.3	1.0x	0.9x	6.8x	6.5x	10.2x	9.5x	16.6%	17.0%	14.0%	13.9%	9.3%	9.6%	0.8x
Polytec	503.3	0.7x	0.7x	5.9x	5.8x	8.5x	8.7x	51.5%	51.4%	12.6%	12.6%	8.7%	8.3%	1.0x
Rieter	814.9	1.0x	1.0x	8.2x	6.8x	11.6x	9.0x	53.0%	54.0%	12.5%	14.0%	8.9%	10.6%	(0.7x)
TS Tech	1,627.6	0.5x	0.5x	4.1x	4.0x	5.2x	5.1x	16.9%	17.4%	11.7%	11.6%	9.2%	9.2%	(1.9x)
<b>Median</b>		<b>0.6x</b>	<b>0.5x</b>	<b>5.7x</b>	<b>4.7x</b>	<b>8.5x</b>	<b>7.6x</b>	<b>16.6%</b>	<b>17.0%</b>	<b>11.7%</b>	<b>11.6%</b>	<b>8.7%</b>	<b>8.3%</b>	<b>(0.2x)</b>
<b>Engineering</b>														
Akka	1,189.3	0.9x	0.9x	10.4x	8.7x	13.1x	10.8x	n/a	n/a	8.7%	9.9%	6.9%	8.0%	1.6x
Altran	2,897.3	1.3x	1.2x	10.9x	9.6x	12.0x	10.6x	8.9%	9.7%	11.7%	12.5%	10.6%	11.3%	1.3x
Bertrandt	1,146.3	1.1x	1.1x	11.5x	9.6x	17.7x	14.0x	37.0%	89.8%	9.9%	11.3%	6.4%	7.8%	0.7x
EDAG	503.0	0.7x	0.7x	8.7x	7.3x	15.3x	12.3x	87.0%	87.0%	8.1%	9.2%	4.6%	5.4%	1.7x
Ricardo	584.4	1.4x	1.3x	10.0x	8.9x	13.0x	11.6x	37.9%	38.0%	14.2%	14.9%	10.9%	11.4%	0.7x
<b>Median</b>		<b>1.1x</b>	<b>1.1x</b>	<b>10.4x</b>	<b>8.9x</b>	<b>13.1x</b>	<b>11.6x</b>	<b>37.4%</b>	<b>62.5%</b>	<b>9.9%</b>	<b>11.3%</b>	<b>6.9%</b>	<b>8.0%</b>	<b>1.3x</b>
<b>Median</b>		<b>0.9x</b>	<b>0.8x</b>	<b>7.2x</b>	<b>6.5x</b>	<b>10.9x</b>	<b>9.6x</b>	<b>19.1%</b>	<b>20.3%</b>	<b>12.0%</b>	<b>12.4%</b>	<b>7.9%</b>	<b>8.3%</b>	
<b>Mean</b>		<b>1.0x</b>	<b>0.9x</b>	<b>7.4x</b>	<b>6.6x</b>	<b>11.4x</b>	<b>9.8x</b>	<b>25.4%</b>	<b>26.9%</b>	<b>12.5%</b>	<b>13.1%</b>	<b>8.3%</b>	<b>8.9%</b>	

Source: Capital IQ as of 15/01/2018

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	
<b>Europe</b>														
Akka	1,189.3	0.9x	0.9x	10.4x	8.7x	13.1x	10.8x	n/a	n/a	8.7%	9.9%	6.9%	8.0%	1.6x
Altran	2,897.3	1.3x	1.2x	10.9x	9.6x	12.0x	10.6x	8.9%	9.7%	11.7%	12.5%	10.6%	11.3%	1.3x
Autoliv	9,875.7	1.2x	1.1x	9.2x	8.4x	13.6x	12.0x	20.7%	21.0%	12.4%	12.8%	8.5%	8.9%	0.4x
Bertrandt	1,146.3	1.1x	1.1x	11.5x	9.6x	17.7x	14.0x	37.0%	89.8%	9.9%	11.3%	6.4%	7.8%	0.7x
CIE Automotive	3,862.8	1.1x	1.0x	7.3x	6.5x	10.3x	9.1x	45.6%	46.2%	14.6%	15.2%	10.3%	10.9%	1.1x
Continental	49,361.4	1.1x	1.1x	7.3x	6.7x	10.3x	9.3x	26.2%	26.7%	15.4%	16.0%	10.9%	11.5%	0.4x
EDAG	503.0	0.7x	0.7x	8.7x	7.3x	15.3x	12.3x	87.0%	87.0%	8.1%	9.2%	4.6%	5.4%	1.7x
EirongKlinger	1,829.3	1.1x	1.1x	7.4x	6.7x	12.4x	11.2x	25.9%	26.4%	15.0%	15.8%	9.0%	9.4%	2.4x
Faurecia	9,467.7	0.6x	0.5x	5.1x	4.7x	8.3x	7.6x	11.8%	12.1%	11.0%	11.3%	6.8%	6.9%	0.2x
Georg Fischer	4,993.6	1.5x	1.4x	12.0x	11.2x	16.8x	15.1x	53.8%	54.0%	12.1%	12.4%	8.7%	9.1%	0.6x
GKN	6,811.3	0.6x	0.6x	6.0x	5.5x	8.0x	7.4x	48.0%	47.9%	10.0%	10.8%	7.5%	8.0%	0.5x
Grammer	618.4	0.3x	0.3x	5.7x	4.5x	9.9x	6.8x	12.0%	13.0%	6.1%	7.4%	3.5%	4.9%	(0.2x)
Hella	6,135.8	0.9x	0.8x	6.6x	5.8x	11.7x	10.2x	27.7%	27.8%	13.6%	14.5%	7.6%	8.2%	0.3x
JOST Werke AG	745.7	1.1x	1.0x	8.2x	7.7x	10.3x	9.4x	28.2%	28.4%	13.2%	13.4%	10.5%	10.9%	1.2x
Kongsberg Automotive	674.2	0.6x	0.6x	7.3x	5.4x	27.5x	11.4x	n/a	n/a	8.9%	11.1%	2.4%	5.2%	1.7x
Leoni	2,498.5	0.5x	0.5x	6.7x	6.3x	11.1x	10.6x	17.5%	17.6%	7.8%	8.0%	4.7%	4.7%	1.1x
Melexis	3,384.6	6.6x	6.1x	21.2x	19.4x	26.3x	23.9x	45.9%	45.8%	31.2%	31.5%	25.1%	25.6%	(0.5x)
Plastic Omnium	6,453.3	1.0x	0.9x	6.8x	6.5x	10.2x	9.5x	16.6%	17.0%	14.0%	13.9%	9.3%	9.6%	0.8x
Polytec	503.3	0.7x	0.7x	5.9x	5.8x	8.5x	8.7x	51.5%	51.4%	12.6%	12.6%	8.7%	8.3%	1.0x
Ricardo	584.4	1.4x	1.3x	10.0x	8.9x	13.0x	11.6x	37.9%	38.0%	14.2%	14.9%	10.9%	11.4%	0.7x
Rieter	814.9	1.0x	1.0x	8.2x	6.8x	11.6x	9.0x	53.0%	54.0%	12.5%	14.0%	8.9%	10.6%	(0.7x)
Sogefi	756.7	0.5x	0.4x	4.4x	4.1x	7.6x	6.6x	n/a	n/a	10.3%	10.7%	6.0%	6.6%	1.4x
Valeo	16,337.4	0.9x	0.8x	6.6x	5.8x	11.1x	9.7x	18.6%	18.7%	13.2%	13.4%	7.9%	8.0%	0.4x
<b>Median</b>		<b>1.0x</b>	<b>0.9x</b>	<b>7.3x</b>	<b>6.7x</b>	<b>11.6x</b>	<b>10.2x</b>	<b>28.0%</b>	<b>28.1%</b>	<b>12.4%</b>	<b>12.6%</b>	<b>8.5%</b>	<b>8.3%</b>	<b>0.7x</b>
<b>North America</b>														
American Axle	4,688.8	0.9x	0.8x	5.2x	4.7x	8.4x	7.9x	18.2%	18.2%	17.6%	17.6%	10.8%	10.4%	3.0x
Gentherm	1,016.7	1.3x	1.2x	8.5x	7.3x	11.8x	9.9x	32.2%	32.9%	14.7%	16.0%	10.6%	11.8%	(0.0x)
BorgWarner	11,028.0	1.4x	1.3x	8.2x	7.6x	11.0x	10.1x	21.7%	21.8%	16.8%	16.8%	12.5%	12.7%	1.1x
Dana	4,987.5	0.8x	0.8x	7.2x	6.6x	10.8x	9.3x	15.1%	15.4%	11.7%	12.0%	7.8%	8.4%	1.3x
Johnson Controls	41,537.5	1.7x	1.6x	10.7x	10.0x	14.4x	13.0x	31.0%	31.4%	15.4%	16.3%	11.5%	12.5%	2.6x
Linamar	3,902.2	0.9x	0.8x	5.6x	4.7x	8.3x	6.6x	19.0%	22.3%	16.1%	16.7%	10.9%	12.0%	0.8x
Magna	19,694.5	0.6x	0.6x	5.6x	5.3x	8.3x	7.7x	14.7%	14.6%	10.9%	10.6%	7.4%	7.3%	0.7x
Martinrea	1,310.6	0.5x	0.5x	5.0x	4.7x	8.5x	7.6x	14.3%	13.9%	10.7%	11.3%	6.3%	7.0%	1.4x
Modine	1,259.3	0.8x	0.7x	8.8x	7.4x	15.1x	11.4x	18.0%	19.4%	9.2%	9.9%	5.4%	6.4%	n/a
Stoneridge	631.4	0.9x	0.9x	7.8x	7.4x	11.0x	10.5x	30.6%	30.8%	11.9%	12.1%	8.4%	8.6%	0.8x
Tenneco	3,785.0	0.5x	0.5x	5.2x	4.9x	7.0x	6.5x	16.6%	17.1%	9.5%	9.8%	7.1%	7.3%	1.5x
Visteon	3,150.9	1.2x	1.1x	10.3x	9.5x	13.3x	12.2x	15.4%	15.6%	11.6%	12.1%	9.1%	9.4%	(0.8x)
<b>Median</b>		<b>0.9x</b>	<b>0.8x</b>	<b>7.5x</b>	<b>6.9x</b>	<b>10.9x</b>	<b>9.6x</b>	<b>18.1%</b>	<b>18.8%</b>	<b>11.8%</b>	<b>12.1%</b>	<b>8.7%</b>	<b>9.0%</b>	<b>1.1x</b>
<b>Asia</b>														
Aisin Seiki	13,749.4	0.5x	0.5x	4.1x	3.7x	7.7x	7.1x	14.6%	14.8%	12.2%	12.7%	6.5%	6.7%	0.2x
Toyota Boshoku	2,705.7	0.3x	0.3x	3.5x	3.4x	5.4x	5.3x	11.0%	11.2%	7.6%	7.7%	5.0%	5.0%	(0.7x)
Denso	37,960.6	1.1x	1.0x	8.0x	7.3x	13.4x	12.1x	16.8%	17.0%	13.2%	13.4%	7.9%	8.1%	(0.3x)
Exedy	1,232.4	0.6x	0.6x	4.2x	4.0x	7.4x	7.1x	21.2%	21.1%	14.6%	14.7%	8.3%	8.3%	(0.0x)
JTEKT	5,935.6	0.6x	0.6x	5.9x	5.5x	10.3x	9.5x	16.2%	16.3%	10.0%	10.4%	5.7%	6.0%	0.9x
Koito Manufacturing	8,079.2	1.3x	1.3x	8.3x	7.8x	11.0x	10.2x	18.4%	19.5%	15.7%	16.8%	11.9%	12.9%	(1.4x)
NHK Spring	1,930.7	0.4x	0.4x	4.2x	4.0x	6.8x	6.6x	n/a	n/a	9.7%	9.8%	5.9%	5.9%	(0.5x)
NSK	7,860.5	1.1x	1.0x	8.2x	7.2x	12.5x	10.5x	22.7%	23.1%	13.0%	14.2%	8.6%	9.8%	0.8x
Showa	573.5	0.3x	0.3x	3.0x	2.3x	4.6x	3.3x	21.9%	22.4%	9.6%	12.2%	6.2%	8.6%	(0.8x)
Stanley Electric	4,830.6	1.6x	1.5x	7.9x	7.1x	13.4x	11.8x	22.4%	23.1%	19.9%	20.9%	11.7%	12.6%	(1.1x)
Sumitomo Electric	13,580.9	0.6x	0.6x	5.9x	5.4x	10.8x	9.7x	19.1%	19.6%	10.5%	11.0%	5.7%	6.1%	1.0x
Ningbo Joyson	5,189.3	1.5x	1.3x	11.2x	10.3x	23.9x	18.7x	18.0%	19.0%	13.5%	12.7%	6.3%	7.0%	2.0x
Tokai Rika	1,221.5	0.4x	0.3x	3.3x	3.1x	5.4x	5.1x	14.1%	14.3%	10.8%	11.0%	6.6%	6.7%	(1.0x)
Toyoda Gosei	2,819.6	0.5x	0.5x	4.5x	4.2x	8.9x	8.0x	13.0%	13.6%	11.0%	11.5%	5.5%	6.0%	(0.0x)
TS Tech	1,627.6	0.5x	0.5x	4.1x	4.0x	5.2x	5.1x	16.9%	17.4%	11.7%	11.6%	9.2%	9.2%	(1.9x)
<b>Median</b>		<b>0.6x</b>	<b>0.6x</b>	<b>4.5x</b>	<b>4.2x</b>	<b>8.9x</b>	<b>8.0x</b>	<b>17.5%</b>	<b>18.2%</b>	<b>11.7%</b>	<b>12.2%</b>	<b>6.5%</b>	<b>7.0%</b>	<b>(0.3x)</b>
<b>Median</b>		<b>0.9x</b>	<b>0.8x</b>	<b>7.2x</b>	<b>6.5x</b>	<b>10.9x</b>	<b>9.6x</b>	<b>19.1%</b>	<b>20.3%</b>	<b>12.0%</b>	<b>12.4%</b>	<b>7.9%</b>	<b>8.3%</b>	
<b>Mean</b>		<b>1.0x</b>	<b>0.9x</b>	<b>7.4x</b>	<b>6.6x</b>	<b>11.4x</b>	<b>9.8x</b>	<b>25.4%</b>	<b>26.9%</b>	<b>12.5%</b>	<b>13.1%</b>	<b>8.3%</b>	<b>8.9%</b>	

Source: Capital IQ as of 15/01/2018

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 Q4 2017**

Date	Target	Country	Target Description	Buyer	Seller	EV (€m)
03/10/2017	Nosag Polska Sp. z o.o.	Poland	Manufacturer of seat mats, wire frames and bent wire parts for the automotive industry	William Hughes Limited	Defra SAS	n/a
03/10/2017	BMW Brilliance Automotive Ltd. (Engine Assembly Line)	China	Engine assembly line of BMW Brilliance Automotive Ltd.	Xinchen China Power Holdings Limited	BMW Brilliance Automotive Ltd.	15
03/10/2017	Myotek Industries, Inc.	US	Designer, manufacturer and supplier automotive lighting products	New Water Capital, L.P.	Family / Management	n/a
06/10/2017	CPC Group	Italy	Manufacturer of composite mechanical parts for the automotive sector	Mitsubishi Chemical Holdings Corporation	Innovative Solutions S.r.l.	n/a
16/10/2017	Brammo Inc.	US	Company engaged in designing and manufacturing electric motorcycles	Cummins Inc	Polaris Industries Inc.	n/a
18/10/2017	InEVit, Inc.	US	Company engaged in electric vehicle battery module design	Chongqing Sokon Industry Group Co., Ltd.	Family / Management	n/a
26/10/2017	Benteler Automotive Farsund AS	Norway	Manufacturer and supplier of low pressure die cast aluminum products	Chassis, Inc.	Benteler International AG	n/a
27/10/2017	MAS Automotive Distribution Inc.	Canada	Manufacturer of premium chassis parts and control arms that delivers original equipment plus parts to the automotive industry	Dorman Products, Inc.	Family / Management	n/a
31/10/2017	Shenzhen Faurecia Automotive Parts Co. Ltd. (70% Stake)	China	Joint venture engaged in the manufacture, assembly and sale of automotive seating products	Faurecia S.A.	BYD Company Limited	n/a
03/11/2017	Truck-Lite Europe GmbH	Germany	Manufacturer of automotive lighting products	Boao Group	Truck-Lite Co., LLC	n/a
03/11/2017	Argus Cyber Security Ltd.	Israel	Provider of automotive cyber security solutions	Continental Aktiengesellschaft	Vertex Vent.; Magma Vent.; OurCrowd Ltd.; Motus Vent.; Allianz Vent.	387
08/11/2017	Benteler-SGL GmbH & Co. KG (50% Stake)	Austria, Germany	Company which develops, manufactures, and markets carbon-fiber reinforced plastics based components for the automotive industry	SGL Carbon SE	Benteler International AG	n/a
16/11/2017	Eberhard Hoesckle GmbH	Germany	Manufacturer of precision parts for the automotive industry	Jet Investment AS	Family / Management	n/a
20/11/2017	Henderson Wheel & Trailer Supply, Inc.	US	Manufacturer of sprung and torsion axles and fenders as well as distributor of axles, trailer components and fenders	Dexter Axle Company	Family / Management	n/a
21/11/2017	Takata Corporation	Japan	Company engaged in the development, manufacture and sale of safety products for automobiles	Key Safety Systems, Inc.	Family / Management	1,353

**GLOBAL AUTOMOTIVE SUPPLIER INDUSTRY – SELECTED M&A TRANSACTIONS IN Q4 2017**

Date	Target	Country	Target Description	Buyer	Seller	EV (€m)
22/11/2017	SeaStar Solutions Incorporated	US	Company providing OEM and aftermarket products and accessories for recreational marine and related markets	Dometic Group AB	American Securities LLC	743
24/11/2017	Kongsberg Automotive Holding ASA (ePower unit)	Norway	Developer of on-board chargers for electric and hybrid vehicles	Preh GmbH	Kongsberg Automotive Holding ASA	n/a
28/11/2017	FAIST ChemTec Holding GmbH	Germany	Investment holding company formed by Findos Investor GmbH and having interest in companies manufacturing acoustic products	Sika AG	L-GAM Advisers LLP	n/a
30/11/2017	EPOS CAT GmbH	Germany	Provider of computer aided testing (CAT), R&D IT services, software development and systems integration services to automotive industry	Data Respons ASA	Family / Management	9
01/12/2017	driveXpert GmbH	Germany	Company engaged in the development and design of automotive ECU hardware and software	Nidec Corporation	Family / Management	n/a
04/12/2017	Melett Limited	UK	Company that designs, manufactures and supplies vehicle turbochargers and replacement parts	Wabtec Corporation	Ian Warhurst (Private Investor)	n/a
05/12/2017	Tornilleria Lema SA	Spain	Company engaged in high precision machining which works mainly for the automotive industry	MEK Group	Family / Management	n/a
05/12/2017	REGE Motoren Teile GmbH & Co. KG	Germany	Producer of engine parts for the automotive industry	JD Norman Industries, Inc.	Family / Management	n/a
07/12/2017	E&P Hydraulics B.V.	Netherlands	Manufacturer of professional levelling system solutions for caravans, motorhomes and light commercial vehicles	DexKo Global, Inc.	Private Investors: Eric Klinkenberg, Pierre Blom, Kay Fischer	n/a
08/12/2017	Gebrüder Ahle GmbH & Co. KG	Germany	Company engaged in manufacturing and sales of automobile springs	Mitsubishi Steel Mfg Co., Ltd.	Family / Management	n/a
11/12/2017	STAHLGRUBER GmbH	Germany	Automotive parts distributor and car service shops	LKQ Corporation, Inc.	Stahlgruber Otto Gruber AG	1,500
14/12/2017	WITTE Stromberg GmbH	Germany	Company engaged in the design and manufacture of hood hinges for the automotive industry which are used in vehicle doors, hoods and tailgates	Endurance Capital AG; AL-KO Kober SE	WITTE Automotive GmbH	n/a
21/12/2017	SCHROTH Safety Products GmbH	Germany	Supplier of advanced safety restraints for vehicle and aviation industries	PerUS GmbH	TransDigm Group Inc.	n/a
21/12/2017	ATESTEO GmbH	Germany	Provider of drivetrain and transmission testing services to automotive industry	Schaeffler family	3i Group Plc	399
27/12/2017	AB Volvo (8.2% Stake)	Sweden	Manufacturer of trucks, buses, aircraft engine components, construction equipment, engines, and drive systems for boats and for industrial applications	Zhejiang Geely Holding Group Co., Ltd.	Cevian Capital AB	40,521

## RECENT TRANSACTIONS OF OUR GLOBAL AUTOMOTIVE SECTOR TEAM

 <b>BENTELER</b> Global automotive component supplier Clearwater International advised BENTELER on the sale of the Norwegian aluminium die casting business to Chassis, Inc.	 <b>FAURECIA</b> Automotive equipment supplier Clearwater International advised Faurecia on the acquisition of Chinese in-car infotainment and technology company Jiangxi Coagent Electronics	 <b>ORLANDO MANAGEMENT</b> Private equity firm Clearwater International advised Orlando Management AG on the sale of Beinbauer Group to H.I.G. Capital	 <b>BUCHBINDER</b> Car rental company Clearwater International advised the shareholders of Buchbinder on the sale of the company to Europcar Group	<b>ALANTRA</b> Private equity firm Clearwater International advised Alantra Private Equity on the cross-border acquisition of MD Moldes, an automotive lighting mould manufacturer, based in Portugal
 <b>JOYSON</b> Leading global automotive supplier Clearwater International advised Ningbo Joyson Electronic Corporation on its acquisition of Key Safety Systems	 <b>FINOBA AUTOMOTIVE</b> Lightweight component processing & machining firm Clearwater International advised the shareholder of Finoba Automotive on the disposal of its shares to China National Machinery Industry Corporation	 <b>RIVIERA TOOL</b> Full service tool and die manufacturer Clearwater International advised the shareholders of Riviera Tool on the sale of all substantial assets to Tesla Motors	 <b>BROSE INTERNATIONAL</b> Automotive component manufacturer Clearwater International advised Brose International, on the establishment of a JV with Dongfeng Motor Parts And Components Group	 <b>STARCO</b> Aftermarket supplier of tires and wheels Clearwater International advised Starco A/S on the sale of its aftermarket operations to Bohnenkamp AG

## ABOUT CLEARWATER INTERNATIONAL'S AUTOMOTIVE SECTOR TEAM



With 15 offices in Europe and Asia, Clearwater International combines profound sector expertise, relevant transaction experience and global reach

#1	Worldwide Automotive M&A advisor by deal count	70%	Cross-border deals within the last 5 years
+255	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

## OUR GLOBAL AUTOMOTIVE SECTOR TEAM

### GERMANY, AUSTRIA & SWITZERLAND

**Tobias Schätzmüller**  
Partner & International  
Head of Automotive



**DD:** +49 611 360 39 26

### UNITED KINGDOM

**Jon Hustler**  
Partner



**DD:** +44 845 052 0364

### FRANCE

**Philippe Croppi**  
Partner



**DD:** +33 661 642 369

### SPAIN

**Francisco Gómez**  
Partner



**DD:** +34 699 446 314

### NORDICS

**Lars Rau Jacobsen**  
Associate Partner



**DD:** +45 25 39 45 71

### PORTUGAL

**José Lemos**  
Partner



**DD:** +351 917 529 764

### IRELAND

**John Sheridan**  
Partner



**DD:** +353 1 517 58 41

### NORTH AMERICA

**Clifton H. Roesler**  
Managing Director



**DD:** +1 124 860 595 02

### CHINA

**Barry Chen**  
Partner



**DD:** +86 21 6341 0699 x 881

With more than 200 employees worldwide, Clearwater International is one of the leading international corporate finance advisory firms in the mid cap segment. We offer M&A, Debt & Special Situations advisory services to our clients, including privately owned, mid-sized enterprises, corporates, private equity sponsors and the public sector. With 15 offices in Europe and Asia, Clearwater International combines profound sector expertise, relevant transaction experience and global reach.



**automotive@cwicf.com**

[WWW.CLEARWATERINTERNATIONAL.COM](http://WWW.CLEARWATERINTERNATIONAL.COM)

CHINA • DENMARK • FRANCE • GERMANY • IRELAND • PORTUGAL • SPAIN • UNITED KINGDOM • US



This material is for your private information, and we are not soliciting any action based upon it. This material is for general information only and should not be read as containing advice or recommendations. It has not been prepared taking into account any person's particular objectives or needs. Any person should consider whether the information is appropriate to their needs or seek advice before making a decision based on this information. The material is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. Opinions expressed are our current opinions as of the date appearing on this material only. While we endeavour to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so. No part of this material may be (i) copied, photocopied or duplicated in any form by any means or (ii) redistributed without Clearwater International's prior written consent.