

## Automotive Interiors & Exteriors Sector and M&A Report

2018

### Consolidation continues for Automotive Interiors & Exteriors

**Automotive Interiors & Exteriors continues to benefit from strong industry trends, such as greater emphasis on vehicle differentiation and the integration of additional features. The global market is forecasted to grow by CAGR of 3.3%, reaching €316bn by 2020.**

**Consolidation continues to race along in the Interiors & Exteriors segment of the Automotive Suppliers market, driven by divestitures from conglomerates who are choosing to focus on more profitable 'core' activities. Strategic investors (primarily specialists) are seizing on the opportunity for ('bolt-on') acquisitions - to enhance and to diversify their product and customer portfolios, and to expand international footprints.**

#### Key insights:

- The global market for Interiors & Exteriors was worth 277bn in 2016, and is forecast to grow by a CAGR of 3.3% between now and 2020, when it will be worth 316bn. Europe is home to most of the largest and most influential tier 1 suppliers - e.g. Faurecia (FRA), Plastic Omnium (FRA), International Automotive Components (LUX) and Grupo Antolin (ESP).
- There are four key growth drivers: an increase in global vehicle production; higher demand for premium vehicles; a greater emphasis on vehicle differentiation (using diverse Interiors & Exteriors designs and systems); and the integration of additional features such as 'human machine interfaces' (HMI) and other smart electronic devices.
- Listed Interiors & Exteriors players are currently valued at 5.0x EBITDA, on average, while the five-year average is 4.7x EBITDA. This represents a significant discount compared to the rest of the Automotive Suppliers due to their lower average margins & earnings.
- The M&A market is seeing large diversified conglomerates such as Visteon (US) and Magna (CAN) divest their Interiors & Exteriors business units to focus on more profitable 'core' activities. On the other hand, emerging specialists such as Grupo Antolin (ESP), Motherson Sumi and Yanfeng Automotive Interiors (CHI) are using M&A to break into Interiors & Exteriors' top ranks - these consolidation plays are being undertaken with the expectation of higher margins & earnings down the road.
- In 2017, consolidation among automotive seating suppliers continued apace: we saw Lear acquire Grupo Antolin's automotive seating business, and Adient acquire the US-based Futuris Group.



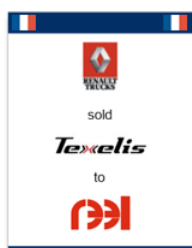
**Ferdinand Robert Schulhauser**  
Partner, Capitalmind

*"Interiors & Exteriors continue to be a hot area for M&A among Automotive Suppliers - over the last 12 months, we saw some spectacular deals in the seating suppliers segment. Looking forward, we expect deal activity to remain high in 2018, thanks to the favorable market outlook, fragmented competitive landscape and wide availability of interested strategic and PE investors."*

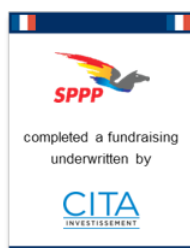
## Selected credentials in the Automotive sector



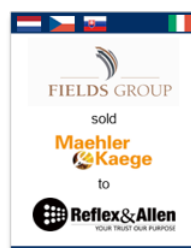
Independent  
aftermarket spare  
parts



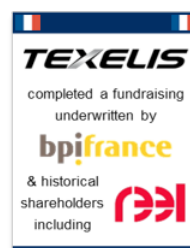
Axles for railways,  
metros and military  
vehicles



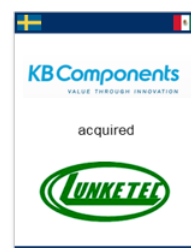
Automotive fluids  
and performance  
fuels



Electrical  
connectors, cable &  
wire harnessing



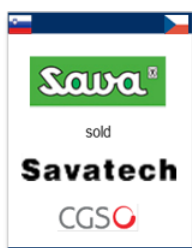
Axles for railways,  
metros and military  
vehicles



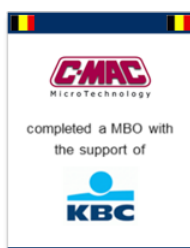
Plastic  
components



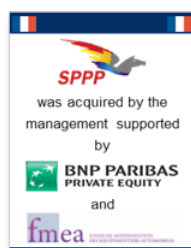
Paint  
coatings



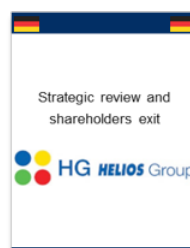
Industrial  
rubber



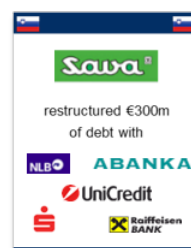
System critical  
electronics



Industrial  
painting



Paint  
coatings



Industrial  
rubber

## Contact us

Capitalmind has extensive experience in the Automotive sector.

If you would like to discuss this report in more detail or opportunities for your business, please get in touch.



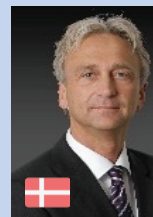
**Ferdinand Robert Schulhauser**  
Partner  
+49 611 95 15 131  
robert.schulhauser@capitalmind.com



**Bart Jonkman**  
Managing Partner  
+31 73 623 87 74  
bart.jonkman@capitalmind.com



**Jean-Arthur Dattée**  
Partner  
+33 148 246 288  
jean-arthur.datee@capitalmind.com



**Stig Madsen Lachenmeier**  
Managing Partner  
+45 20 433 373  
stig.madsen.lachenmeier@capitalmind.com



## Smart advice | by your side | worldwide

Capitalmind is one of the largest independent corporate finance advisory firms in Europe, owned by its partners. Since 1999 we have provided unbiased advice to mid-market companies, entrepreneurs, (private equity) investors and large corporates on selling, buying and financing businesses all over the world, and in the following sectors:

- 200+ closed transactions in the last 5 years - 500+ since 1999
- Worldwide access to strategic/financial players and likely buyers
- Team of 60+ experienced professionals in Europe
- European Headquartered advisory firm, with offices in Benelux, France, Germany & the Nordics
- We have received numerous awards



BUSINESS SERVICES



CONSUMER



FOOD & AGRO



HEALTHCARE



INDUSTRIALS



TMT

**'s-Hertogenbosch**, The Netherlands  
Reitscheweg 49  
5232 BX 's-Hertogenbosch  
T +31 (0)73 623 87 74

**Paris**, France  
151, boulevard Haussmann  
75008 Paris  
T +33 1 48 24 63 00

**Frankfurt**, Germany  
Sonnenberger Straße 16  
65193 Wiesbaden  
T +49 611 205 480

**Amsterdam**, The Netherlands  
Vreelandseweg 7  
1216 CG Hilversum  
T +31 (0)73 623 87 74

**Copenhagen**, Denmark  
Strandvejen 60  
2900 Hellerup  
T +45 20 433 373

**Berlin**, Germany  
Schumannstrasse 17  
10117 Berlin  
T +49 611 205 4810