

PRESS RELEASE

April 6th, 2022

SUPRAJIT ENGINEERING LIMITED (SUPRAJIT) CONCLUDES THE ACQUISITION OF LIGHT DUTY CABLE (LDC) BUSINESS UNIT OF KONGSBERG AUTOMOTIVE ASA.

Suprajit is pleased to announce that it has successfully concluded the acquisition of Light Duty Cable (LDC) business unit from Kongsberg Automotive ASA ('Kongsberg Automotive'). The LDC business unit of Kongsberg Automotive, supplying to automotive, non-automotive and 2-wheeler segments along with Electro-Mechanical Actuators (EMA) is now part of Suprajit Group. All the four LDC related entities are now 100% owned stepdown subsidiaries of Suprajit through Suprajit USA, Inc.

LDC consists of three manufacturing plants located at Matamoros – Mexico, Siofok – Hungary and Shanghai – China. It has a Tech Centre at Novi, Detroit (USA) and a distribution centre in Brownsville (USA). The transaction also involves the transfer of global sales and engineering expertise related to the LDC business located in US, Germany, France, , Sweden, and the UK, to Suprajit.

The total employee strength of LDC is around 1300. The sales for the calendar year 2021 was US\$ 85 million with operating EBITDA margin of about 8%. The Enterprise Value (EV) of the transaction is US\$ 42 million. Suprajit expects the business to exceed US\$ 100 million in the next couple of years with double digit EBITDA.

Suprajit has used a portion of cash available with the Company and balance through debt to complete this transaction, leaving behind a significant cash surplus with the Company.

LDC has marquee global customers in the automotive, non-automotive and 2-wheeler businesses including Tesla, Fiat, Land Rover, Mercedes, Honda, STIHL, Shiroki, Adient, Husqvarna, Lear, Magna, etc. Suprajit's annual global cable capacity will now exceed 400 million. Suprajit will also emerge as a global leader in the control cable business with a strong global footprint to serve any customer in all of these segments. LDC has a complimentary manufacturing footprint, customer base, product and technology.

Suprajit will also acquire the actuation technology through this transaction, making Electro-Magnetic Actuators (EMA), a new product segment for the group. This acquisition will bring much needed focus to the cable business for the LDC division. Suprajit is confident to grow this business profitably, complementing the strengths of both LDC and Suprajit.

Ajith Rai, Founder and Chairman of Suprajit, said – *“We heartily welcome all the employees of LDC to Suprajit Family on the conclusion of acquisition of LDC. It is heartening that Suprajit will emerge not only as a global leader in mechanical control cable systems but will aspire to become most preferred supplier in the world. Our combined manufacturing footprint in India, China, Hungary, USA and Mexico, with engineering centres in Novi (USA), Wichita (USA), Tamworth (UK) and Bangalore (India), along with the engineering support in multiple countries, will give Suprajit group a deep-rooted presence in this business. With 400 million annual cable capacity, Suprajit will have the capability to emerge as a ‘one-stop shop for cables’ in the world. We are excited about the opportunities, this acquisition will bring to Suprajit.”*

Mohan N S, Managing Director and Group CEO, said – *“Our strategy of **Cables beyond India and in India beyond cables** has been pursued with a clear focus. With this acquisition, we have demonstrated our ability to scale up to world class levels. We have also expanded our management bandwidth to manage plants in various geographies to serve our customers across the globe and truly become a global player”.*

Akhilesh Rai, Director and Chief Strategy Officer, said – *“LDC will form the fulcrum of a global Suprajit. Our strong push into systems through Suprajit Tech Center, along with our access to global customers and global platforms, will be a transformative acquisition for Suprajit as we move to support our customers in a holistic manner, from cables today to actuation technologies tomorrow.”*

Jim Ryan, President, Suprajit USA, said *“I am happy to welcome the team at LDC into the Suprajit family and I look forward to the work ahead of us to ensure that the combined value of the companies, for all stakeholders, is greater than just the sum of the two individual parts.”*

Grant Thornton Bharat LLP, India are the sole financial advisors and Oppenhoff & Partner, Germany, are the lead legal advisors to Suprajit for this transaction.

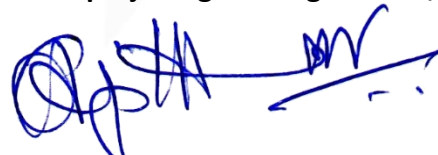
About Suprajit Engineering Limited:

Suprajit is one of the largest mechanical cable and halogen bulb manufacturers in the world with an annual global capacity of 400 million cables and 110 million halogen bulbs. Suprajit’s customers list includes many marquee global majors.

For further information, please contact:

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For Suprajit Engineering Limited,



**K. Ajith Kumar Rai,
Chairman.**