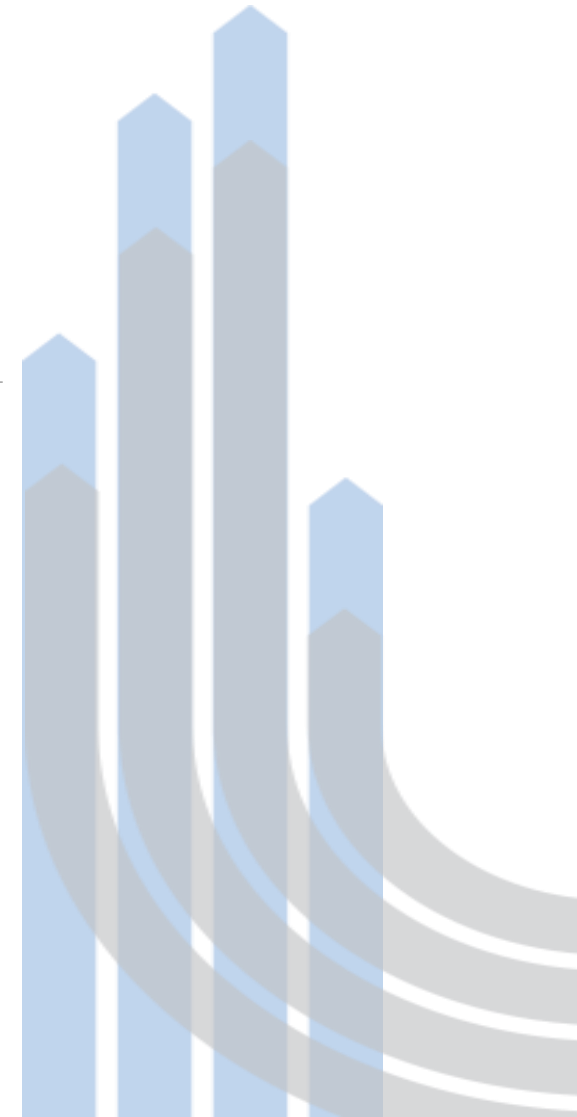


SMMT International Webinar

26 September 2019

Matt Smith
Policy Manager
SMMT



- During presentations (14:00 – 14:30) everyone will be muted so that only the presenters will be heard.
- The presentation will be followed by a Q&A session. Please type your question into the side panel.
- If you are experiencing any technical problems please call 020 7344 1673.

Introduction

Agenda

Welcome – Global Opportunities

Matthew Smith, Senior International Manager, **SMMT**

Helping UK Business Internationalise

Paul Brooks, UK Head of Manufacturing & Automotive and

Sean Edwards, Director - Strategic Partnerships

Santander Corporate and Commercial Banking

Licencing to Suzuki, selling to the USA, delivering value in India: Our success through different approaches in different markets

Joanna Richart, Business Development Director, **Intelligent Energy**

Win better business with forward financial thinking

Phill Potter, Senior Export Finance Manager, **UK Export Finance**

Q&A / SMMT international events 2020

SMMT annual dinner discount code



Representing the sum total of UK automotive industry



Global opportunities

Geographic and sector opportunities

- World market - 95m vehicle (2018)
- World vehicles in use – 1.3bn (2015, estimate)
- Mobility as a service / ACES technologies
- OEMs and Tier 1s looking for new ideas and technology
- New entrants not from the automotive space
- Always in demand – quality, new products, innovation, trusted brands, good service

New vehicle sales or registrations (OICA, 2018)	Vehicles in use (OICA - estimated 2015)
World 95m	World 1.3bn
China – 28m	China – 145m
USA – 25m	USA – 264m
EU 28 + EFTA – 18m	EU 28+ EFTA – 302m
Japan – 5.2m	Japan – 77m
India – 4.4m	India – 14m
UK 2.7m	UK 38m



Global opportunities – a few examples

China, India, Korea, USA, Poland



Helping UK businesses to Internationalise

Paul Brooks - Head of Manufacturing Sean Edwards - Director, Strategic Partnerships

Santander Corporate & Commercial Bank
International & Transactional Banking



Contents

- 1 Overview of Santander

- 2 Santander UK's International Proposition

- 3 Who do we Focus on and Why?

- 4 What do SMEs want?

- 5 What do we give SMEs?

Overview of Santander UK

Key facts, Santander UK

14 million

active customers
(2016: 14 million)



£154.9bn

UK mortgage loans
(2016: £154.3bn)



£27.3bn

UK corporate loans
(2016: £27.4bn)



5.0 million

digital customers
(2016: 4.6 million)



1,400

new active mobile users
per day
(2016: 1,400)



31,670

digital corporate
customers
(2016: 26,970)



£1,814m

profit before tax
(2016: £1,914m)



51%

cost-to-income ratio
(2016: 50%)



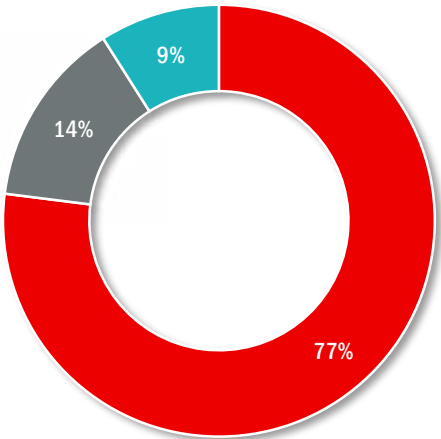
12.2%

CET1 capital ratio
(2016: 11.6%)



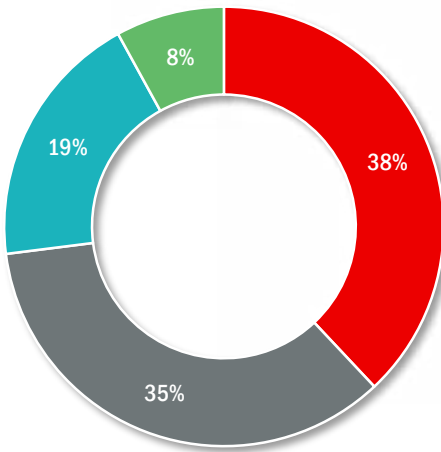
200 billion GBP Customer loans

- Mortgages
- Corporate loans
- Other



176 billion GBP Customer deposits

- Current accounts
- Savings
- Corporate deposits
- Other



1. Digital corporate customers includes active business banking users (from our Retail banking segment) as well as Commercial banking users of our Connect platform.

CCB, Passionate about helping ambitious businesses succeed

Santander Corporate & Commercial UK focuses on helping businesses prosper by being the “accelerator for business growth”.

We know that ambitious businesses want to continue to do business with Europe as well as grow beyond traditional markets - that is why we have a **deep**, **holistic** and **tailored** approach to our international proposition to help businesses with their international growth ambitions.

>2,000

SMEs and corporates from around the world have been supported by our team to date, covering;
Brazil, Canada, China, France, India, Spain, the US and many more

Credit ratings at March 2018

	Standard & Poor's			Moody's			Fitch		
Santander UK plc	A-	Stable	A-1	Aa3	Stable	P-1	A	RWP	Ex
Santander UK Group Holdings plc	BBS	Stable	-	Baa1	Stable	-	A	Stable	-

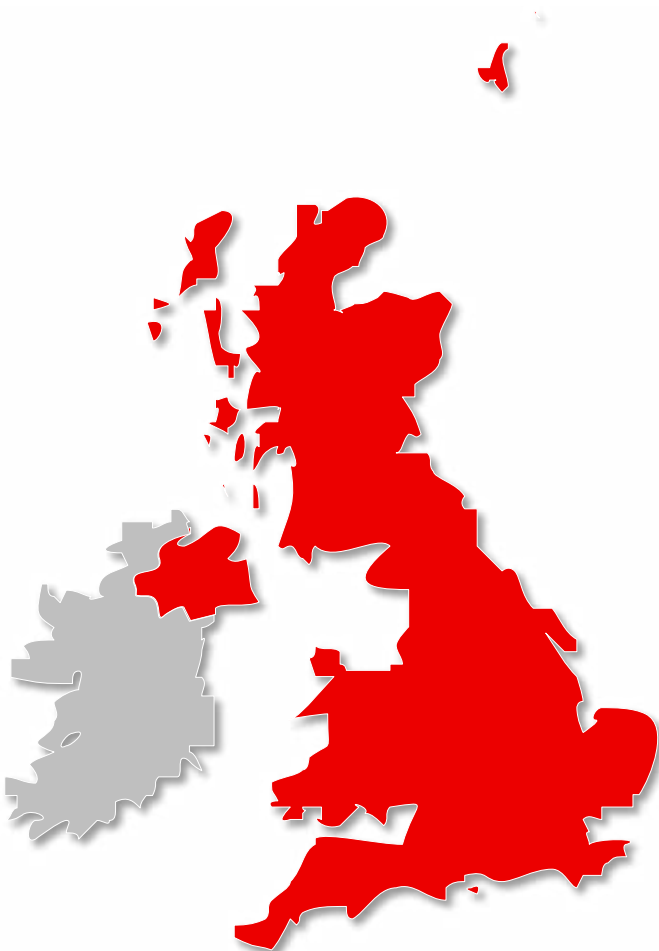
RWP = Rating watch positive

We have...

6.5 million
Corporate & SMEs
customers worldwide

300,000+
SME and corporate
UK customers

60+
Corporate business
centres in the UK*







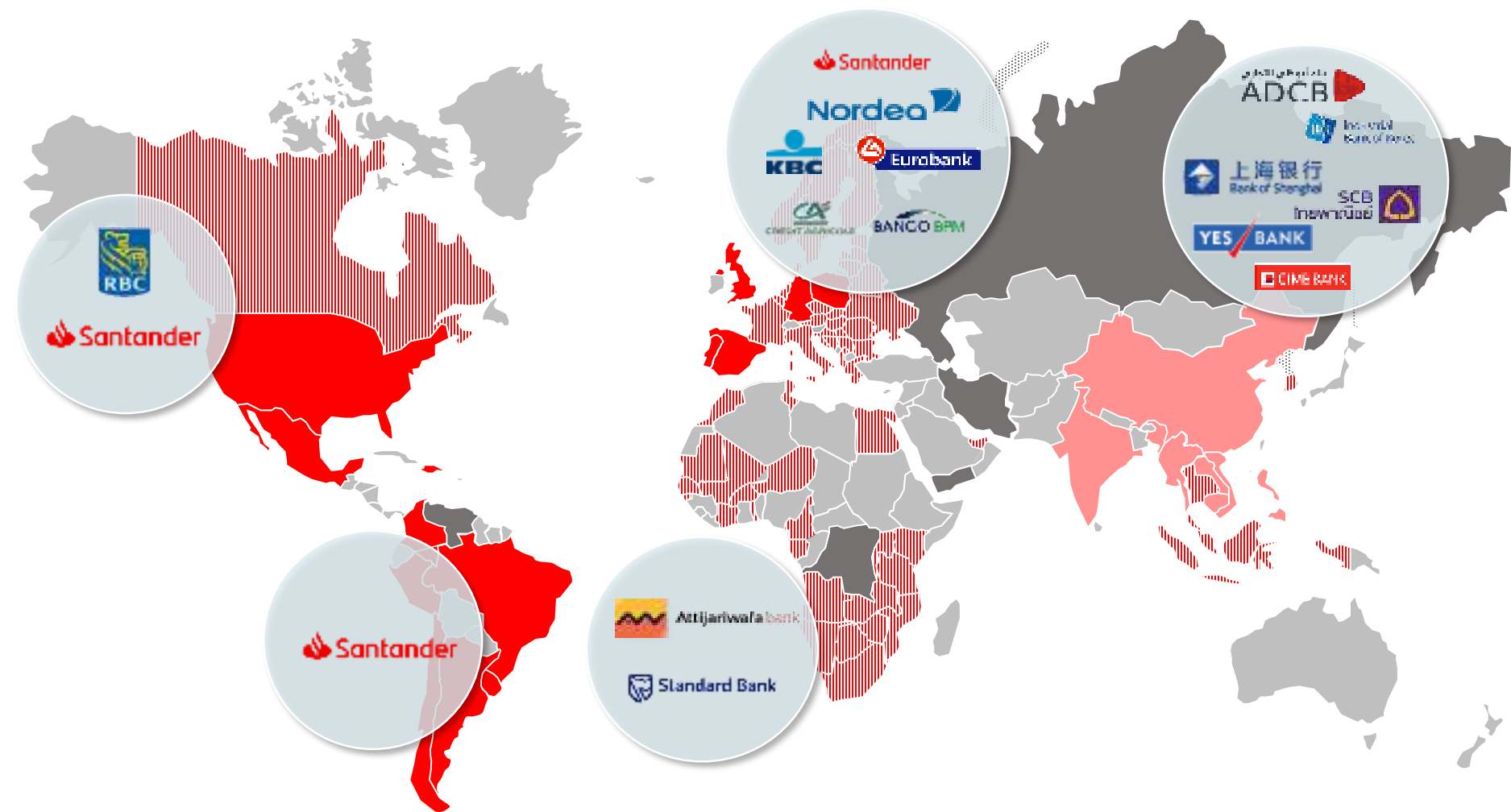
Our International Proposition

Santander UK - International Proposition

Trade Club Alliance Covering 80% of World Trade Flows

World Trade Flows¹

-  **Santander Group**
30% of World Trade Flows
-  **Trade Club Partner Banks**
31% of World Trade Flows
-  **Other Alliance Partners**
19% of World Trade Flows
-  **Sanctioned Countries**

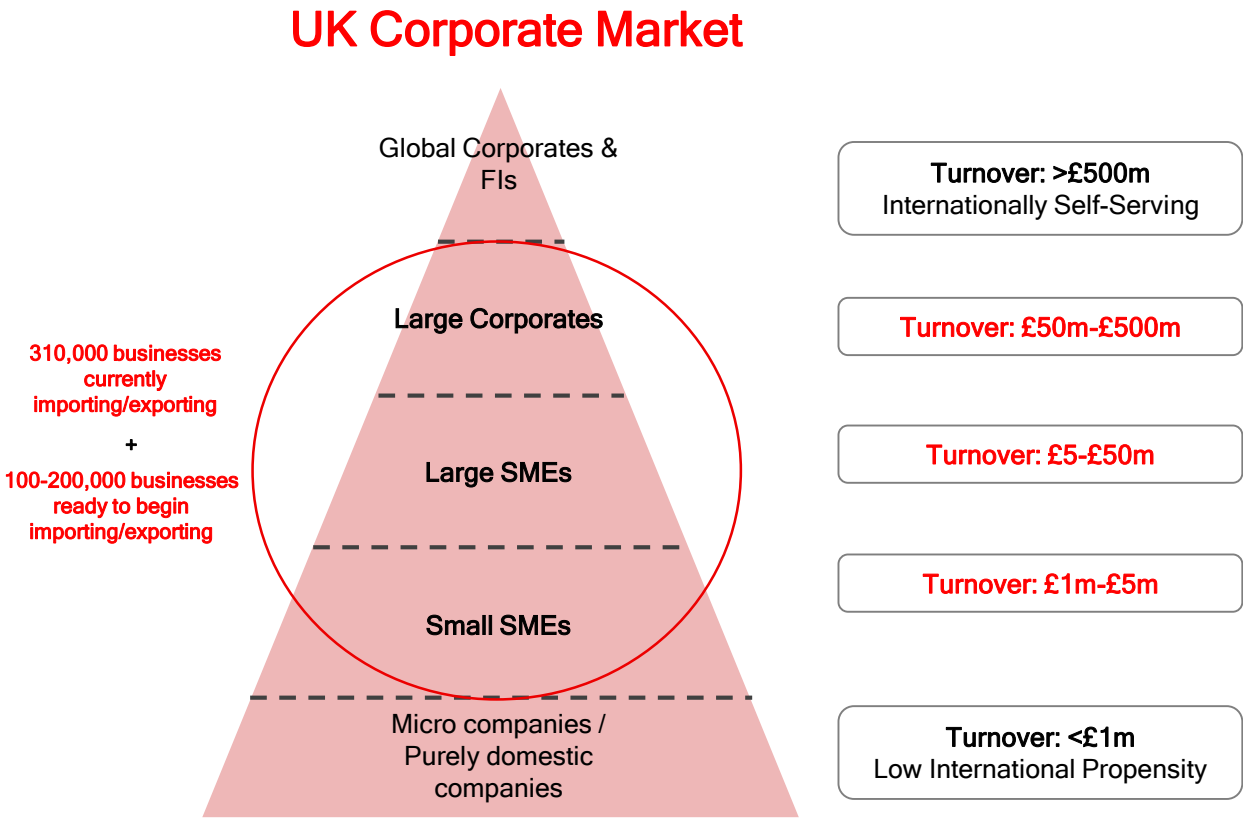


1. <http://www.imf.org/en/Data>
2. Based on Santander UK: Corporate and Commercial results 2017

Who do we Focus on? - Internationally Trading SMEs

Internationally trading businesses are the engines of growth and prosperity in most developed economies

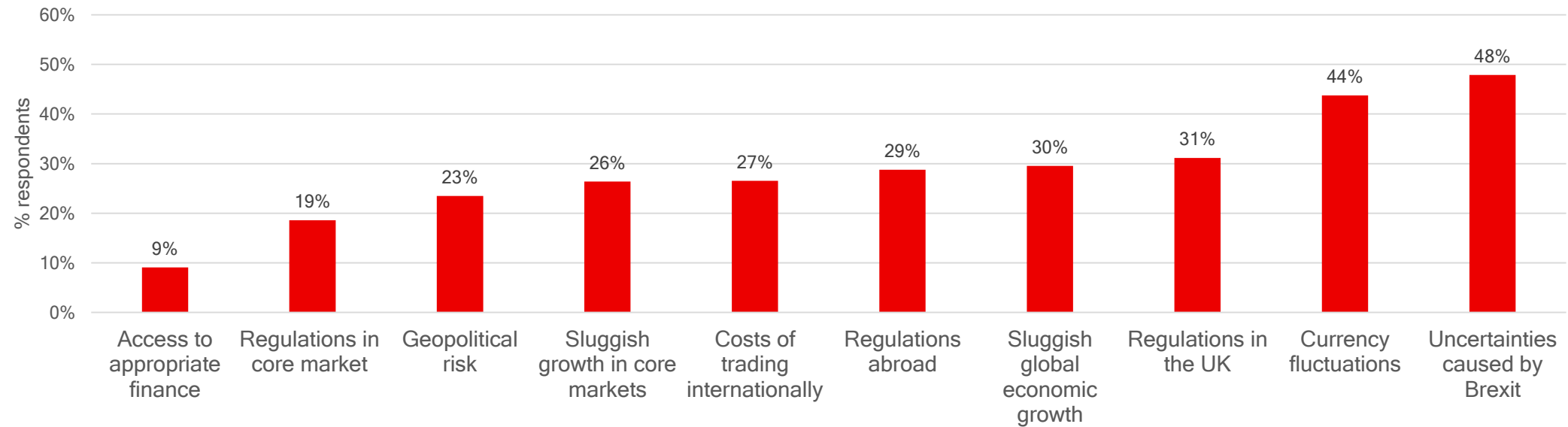
- SMEs generate 51% of private sector revenues in the UK economy *
- SMEs are responsible for 60% of UK private sector employment **
- Studies show that businesses that export grow faster, with exports of goods and services being the main drivers of economic growth in the EU from 2008 to 2016 (24% CAGR) ***
- 69% of domestic SMEs aspire to trade internationally to take advantage of the opportunities that global markets offer****



What do they Want? - Not Necessarily What We Would Expect from a Bank

Access to finance is not the main concern in the current operating environment...

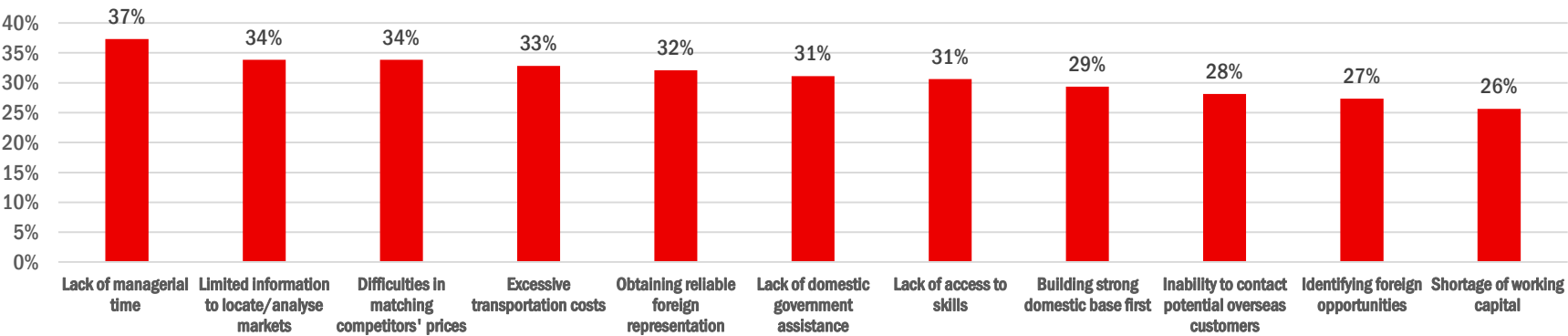
Key risks in the current operating environment



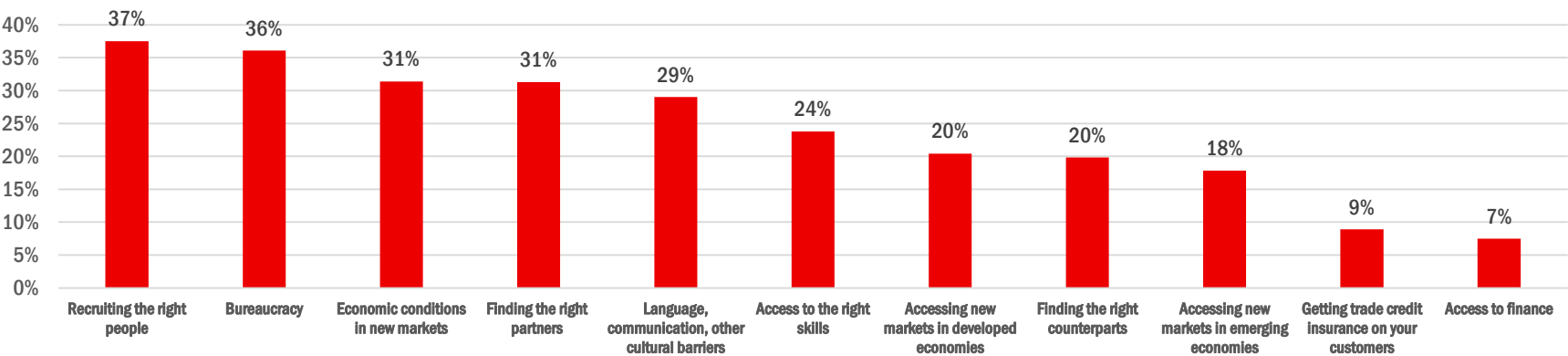
... but banks tend to only focus on finance

What do they Want? - Solutions for Every Need

New to International Trade: Barriers to Trading Internationally



Already Trading Internationally: Challenges Operating in Other Markets



From research conducted for the Santander Trade Barometer we have found our customers need solutions that are:

- **Deep:** Providing local expertise and reassuring on-the-ground presence in every locale - not just capital cities - to make sure their venture is a success wherever they go.
- **Holistic:** Alongside financial support, providing solutions to every step of the international customer journey e.g. navigating regulatory requirements, accessing the right skilled staff etc.
- **Tailored:** Needs and concerns are different across sectors and regions, which require a customised approach combining the right stakeholders with relevant skills.



*Santander Trade Barometer 2019

Santander UK - International Proposition

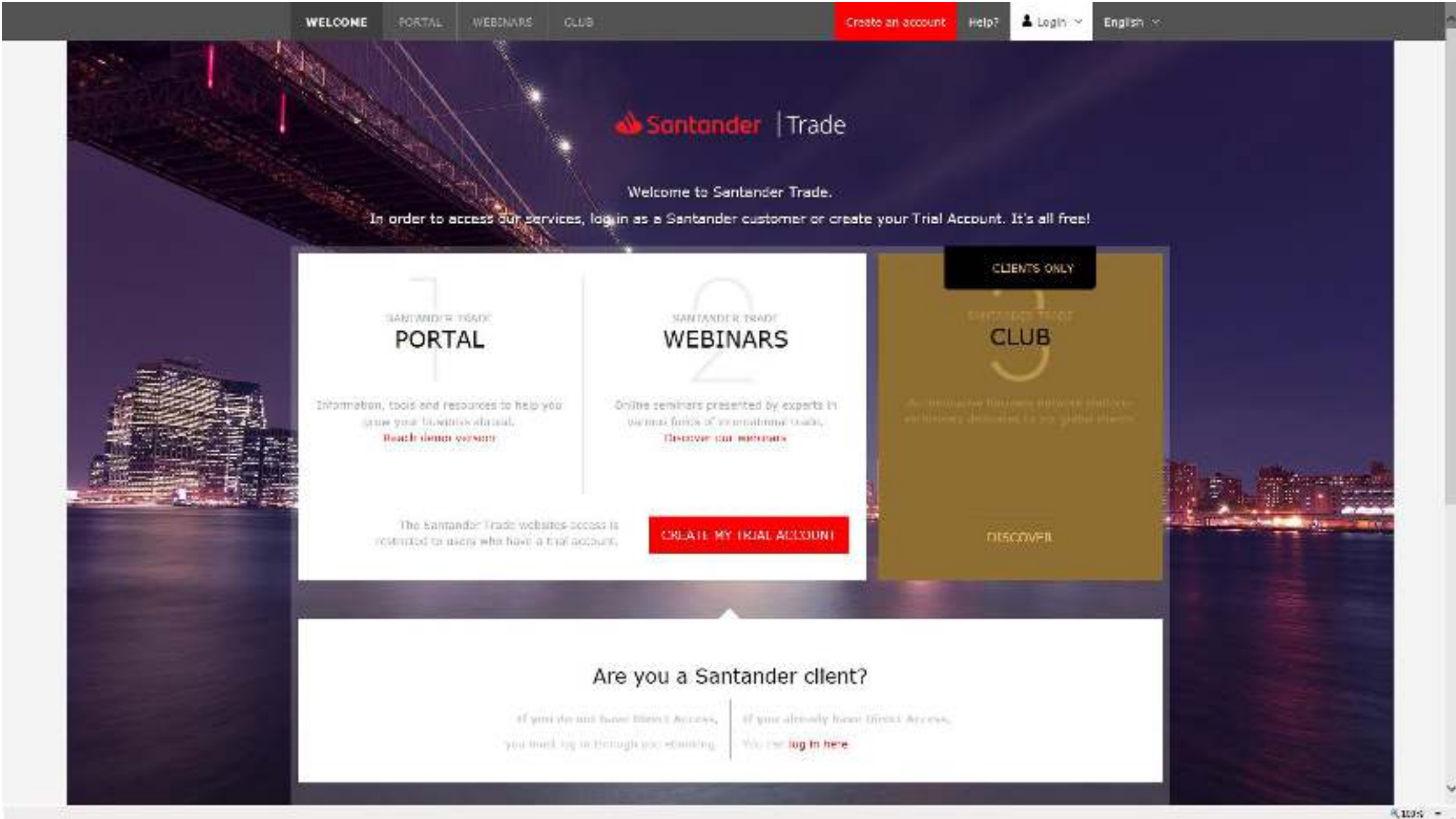
What do we give them? - A Deep, Tailored and Holistic Solution

Fully developed eco-systems

...Partnering to provide the solutions we can't

- We are actively engaged across the business ecosystem; with partners aligned to our international business agenda and can help service our global pool of 6.5m Corporate & Commercial clients
- We work in close collaboration with sectorial, government bodies and chambers, at both a national and local level, to promote the work that we are doing to support UK businesses and to also positively influence the Trade policy debate
- This results in a multiplier effect, with our message being shared by entire governmental, chamber and sectorial networks in addition to our own





WELCOME

PORTAL

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CLUB

Create 90-day trial

Help?

Login

English

United Kingdom

Want to expand globally?

Enter your country of interest

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Shipments

Currencies

Banking

Establishing

ANALYZE MARKET TRENDS

Collect market information and select the most promising target countries for your products and services. »

REACH BUSINESS COUNTERPARTS

Identify new business opportunities using databases of importers and exporters worldwide. »

MANAGE SHIPMENTS

Optimize customs procedures, costs and trade compliance for your international shipping. »

CURRENCY ANALYSTS

Analyze currency markets, manage exchange rates and minimize risks. »

BANK WITH US

Make the most of your available capital and find solutions to trade internationally. »

ESTABLISH OVERSEAS

Learn how to operate a business abroad and manage international investments. »

TAKE A VIDEO TOUR!

INDUSTRY ALERTS

Every week we publish 150 market reports. Select your industry and receive weekly updates.

Select your industry

Your email

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Industry Alerts

Target market focus

Market trends

Reach Business Counterparts

Find importers in key countries

Find suppliers worldwide

Trading Directories

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Trade shows

Professional associations

Dealers and order in business

Manage Shipments

Shipping Documents

Import/Export

Export Customs

Export price calculator

Customs and risk advice

Customs parties and local laws

ITF business chambers

Bank With Us

Payment and collection

Financing

Trade coverage

Solutions

Local international desk

Local commercial networks

Global International

Currency Analysts

Currency converter, exchange rates

Reports, local and currency instability

Currency risk management

Establish Overseas

Information and advice to trade and

Santander UK - International Proposition

Trade Mission Automotive - Poland, October 2019

Opportunity

1300
Automotive companies in
Poland

£29bn
Industry Income

The Polish Automotive industry is among the largest in Central & Eastern Europe and the second largest industrial sector in Poland with a market share of 10.1%

Export volume is at £22bn (9.75% YoY), including exports of parts and accessories (10.39% YoY). Major export markets is the EU - £19bn, with other markets contributing circa £3bn

660 out of the 1,300 automotive businesses in Poland hold the IATF 16949/2016 certificate (International Standards)

Poland has an annual production of 689,000 vehicles: 514,700 of which are passenger cars, 169,800 commercial vehicles (vans and trucks) and 5,300 buses

The total number of employees in the Automotive sector is 203,000 (7.4% of total employment and 3rd largest employment sector in the country)

Solutions and Differentiators



COUNTRY SUPPLY CHAIN

Work with Automotive associations, SMMT in the UK and PZPM in Poland to identify new opportunities - network of verified buyers, distributors and 3rd parties via the Trade Club Alliance



TRADING PARTNERS

Introduction to existing ecosystem of partners in Poland, such as: SANPOL, Altios, DIT, and the digital connection of UK companies with Polish Trading partners via a B2B matchmaking service



LOCAL SUBSIDIARY

Poland has a skilled and growing workforce, essential to ensure retention and development of key workers - preferred HR provider in market to advise on labour and skills in market-link to a Digital Solution



LOCAL LEGAL PARTNERS

Alongside Santander Poland we can support the setup process to comply with Polish legislation and navigate in country bureaucracy



CURRENCY MANAGEMENT

We are offering non-resident accounts, FX solutions, currency accounts to support effective trade and fully cover banking requirements



WORKING CAPITAL

We have advanced funding and growth capital capabilities to support country growth, a holistic Trade Finance solution with international payments leverage

Santander UK - International Proposition

Summary

- A strong Automotive sector focus
- A unique International Proposition
- Trade Hub – Portal, Club & Alliance Network
- Webinars, MTB & Trade

Missions

Thank you.

Our purpose is to help people and businesses prosper.

Our culture is based on believing that everything we do should be:

Simple Personal Fair



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Licencing to Suzuki, selling to the USA, delivering value in India: Our success through different approaches in different markets.

Ing. Bc. Joanna Richart MCIPS, CEng, MBA Business Development Director



USA – Fuel Cells for UAV power

- Measure your flight time in hours rather than minutes
- Quick refueling (minutes)
- Great progress with USA customers
- Example customer applications
 - Pipeline inspection
 - Overhead power line inspection
 - Surveying and mapping
 - Inspection
 - Motion picture, filming, TV and broadcast
 - Agriculture
 - Parcel delivery
 - Specialist / military



India – Fuel Cells for telecoms back-up power

- Essential Energy was initially established in 2013 as a wholly owned subsidiary of Intelligent Energy to deliver comprehensive energy management services for the telecom and other customer markets in India.
- Responsible for O&M with SLA – 24X7 availability and >99.97% network uptime.
- This work developed our range of portable fuel cell power modules rated at 1kW to 4kW. Now being deployed by customers globally.





Japan – Fuel Cells for automotive

Milestones

- Joint Development of Crosscage concept bike
- Prototype Burgman development
- License Agreement for IP and manufacturing rights
- SMILE JV for in country fuel cell manufacture
- Fleet trials in UK and Japan



Suzuki establishes fuel cell joint venture

Suzuki Motor Corporation will establish a joint venture company, SMILE FC System Corporation (SMILE FC), for developing and manufacturing fuel cell systems with Intelligent Energy Holdings PLC (IEH), a company which owns an affiliate company, Intelligent Energy, an IEL that develops the fuel cell system.

Both Suzuki and IEH have been working to develop a fuel cell system for use in a motorcycle. The joint venture company will develop a fuel cell system for the 2012, 2013 and 2014 Tokyo Motor Show, and starting in 2015, the company will develop a fuel cell system for the 2015, 2016 and 2017 Tokyo Motor Show.



Dr. Hiroyuki Yoshida, CEO, Intelligent Energy
Genji Suzuki, Chairman of SMILE FC, Suzuki Motor Corporation

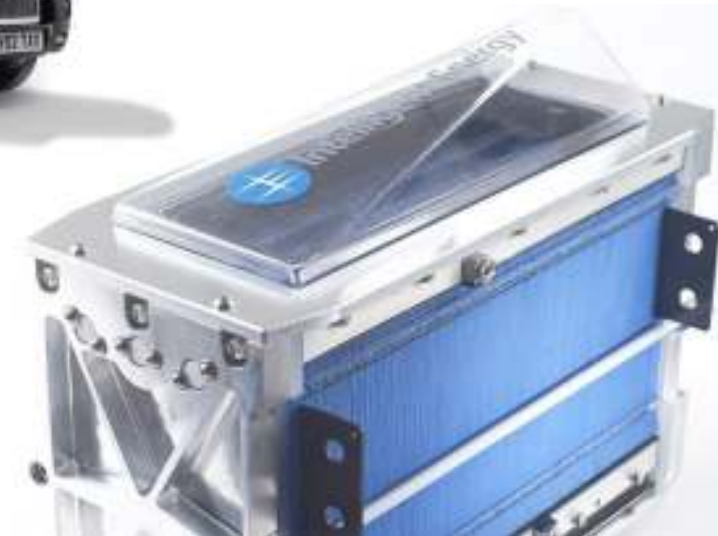




Europe

European customers appreciate IP in our high power fuel cell system

- High power density
- Low pressure operation
- Metallic bipolar plate design
- Sub-zero capability
- Stack configurations for a range of 30kW-100kW
- No pre-stack humidification or cooling plates





UK Export
Finance



EXPORTING
IS
GREAT

BRITAIN & NORTHERN IRELAND

**Win Better Business with
Forward Financial Thinking**

Case study: Flamgard Calidair



The Chernobyl New Safe Confinement Site, a project worth €1.5bn, awarded Flamgard a contract for the supply of dampers for the site.

The contract required Flamgard to offer an advance payment bond, which usually require sizable deposits.

Thanks to a UKEF guarantee, there was no requirement for a deposit – affording the financial flexibility to fulfil the contract.



Case Study : Garrandale Limited



- ▶ A leading developer and supplier to the engineering and rail sectors, with high-profile customers including the London Underground, Network Rail and Bombardier
- ▶ Won a contract to provide train washing equipment for the Sydney Metro North West, Australia's first fully-automated metro rail system in Australia
- ▶ UKEF provided their bank with an 80% guarantee under its Working Capital Facility to support a loan of £375,000 to Garrandale

"Our international business is hugely important to Garrandale, driving our sales performance."

Without the support of UK Export Finance and Santander we would not have been able to deliver on this major order in an important market."

Tim Brown, Managing Director at Garrandale

Case Study : Green's Power



- Bespoke manufacturers of economisers since 1845
- Green's Power won a supply contract with a UK energy company who exported the component as part of a wider package to Africa.
- Performance guarantee required by the UK buyer to secure this contract.
- Bank required them to provide cash security restricting the available cashflow.
- Became first company to benefit from UKEF's expansion of eligibility to include the UK supply chain
- UKEF provided an 80% guarantee to their bank which released cash for working capital

Case study: Legume Technology



Based in Nottingham, Legume Technology manufactures specialist biological fertilisers to replace chemical fertilisers.

Exports to Ukraine represent about 30% of sales, but due to the political situation in the country in 2016, they struggled to find insurance cover.

UKEF issued an Export Insurance Policy (EXIP) covering risk on non-payment where the private sector wouldn't,

"After steadily growing our exports to Ukraine, customers were placing orders of a size where we could not make them fast enough."

"The help we received from UKEF has given us both security for our current employees and the confidence to increase production capacity"

Dr Bruce Knight,
Managing Director, Legume Technology



How to learn more about UK Export Finance support

Our regional Export Finance Managers can check you are getting the export finance support you need, and help you bridge any gaps. Find your local [Export Finance Manager](#).

You should also visit the [Great.gov.uk](#) website for a whole range of guidance on all matters relating to exporting.



Your questions



Testimonials and business wins

Results from some of our events

'India is a complex and fascinating market, SIAT & SMMT offers the chance to see the benefits whilst offering full support'

'The SMMT collective is a good way to showcase UK technologies'

'Branding was excellent, great being grouped with other British companies'

'[China] is a newish market and represents a lot of opportunity and I am sure this would be the case for others'

Don't forget:

- Claim grants
- Contact support networks
- SMMT International Newsletter
- You are a British company!

Japan Society of Automotive Engineers (JSAE) 2019

£21.8m reported by 9 companies

Symposium for International Automotive Technology, India, 2019

£688,000 average expected business wins

Automechanika Shanghai 2018

£640,000 average expected business wins



SMMT international events

Programme of events throughout 2020

DATE	LOCATION	NAME
7-10 January	Las Vegas, USA	Consumer Electronics Show (CES)
January	Beijing, China	EV 100 Annual Conference
6-9 February	New Delhi, India	Auto Expo Components Show
3-6 March	Indianapolis, USA	Trade Mission and Exhibition to Indianapolis Work Truck Show
TBC	Korea	Technology trade mission – CAV / technology
20-22 May	Yokohama, Japan	JSAE
May	Tel Aviv, Israel	EcoMotion, Israel
8-12 September	Frankfurt, Germany	Automechanika Frankfurt
December	Shanghai, China	Automechanika Shanghai



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Slides will be shared after the webinar

SMMT Annual dinner 26 Nov – email **'webinar dinner discount 19'**

Thank you!



Thank you

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