

Schaeffler India Limited · Pune · Maharashtra

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street,  
MUMBAI- 400 001

**Company Code: 505790**

**National Stock Exchange of India Limited**

Exchange Plaza, C - 1, Block G,  
Bandra-Kurla Complex, Bandra (E)  
MUMBAI- 400 051

**Company Code: SCHAEFFLER**

28/04/2021

**Sub: Investor Presentation**

Dear Sirs,

Phone: +91 8669613701

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith Investor Presentation on Financial Results of the Company for the first quarter ended March 31, 2021.

Kindly take the same on your record.

Thanking you.

Yours faithfully,

For **Schaeffler India Limited**

**Ashish Tiwari,**

VP - Legal & Company Secretary

Encl.: As above

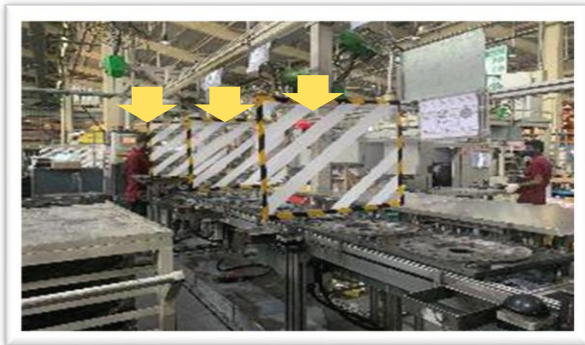


What has made us strong in the analog world,  
makes us even stronger in the digital world.  
We pioneer motion

# Schaeffler India Limited Investor Presentation – Q1 2021

April 28, 2021

## Continue to exercise utmost caution against COVID19



Side Protection at Sub Assembly Stations with Acrylic Sheets



Stringent Covid19 protocols at all plant locations



All non production staff and offices are WFH



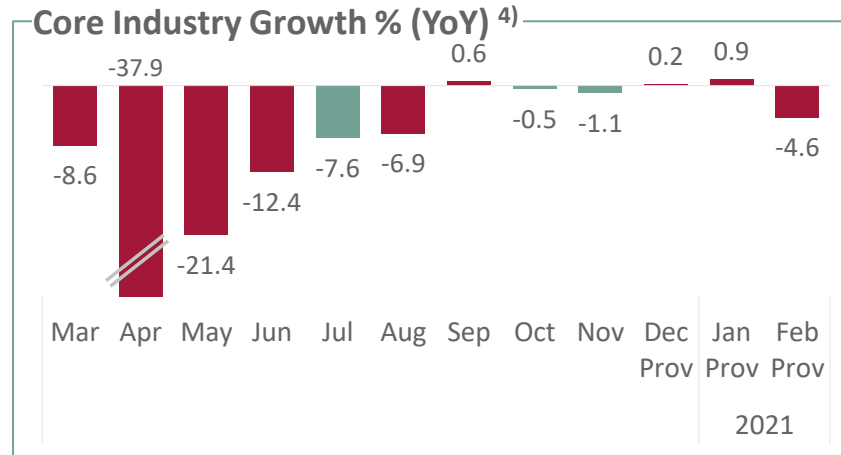
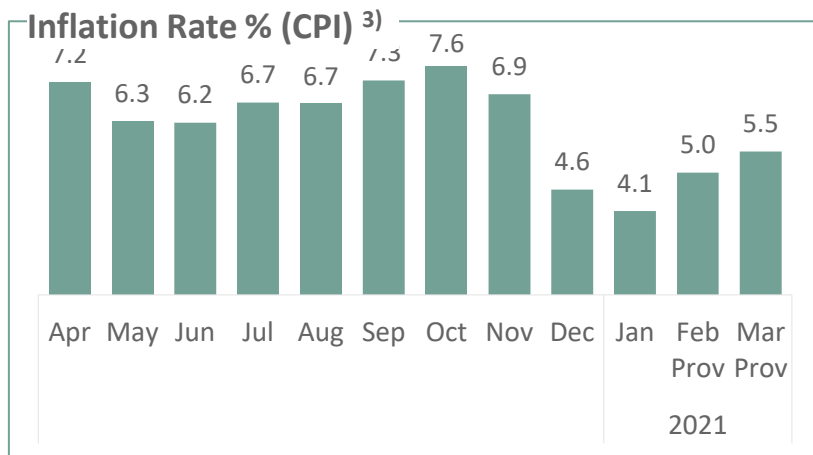
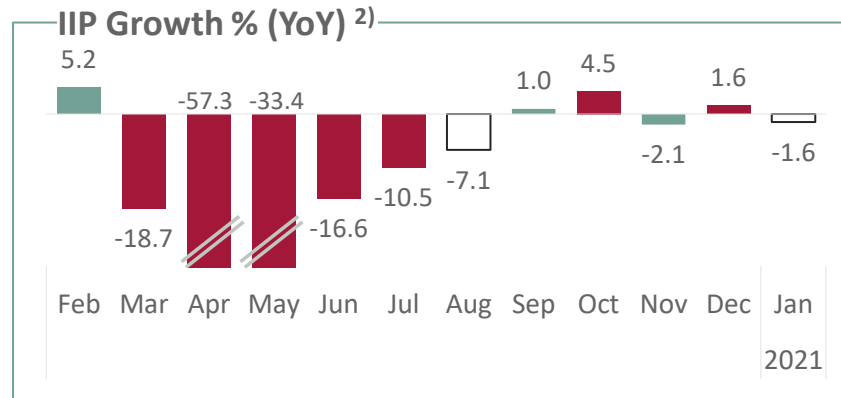
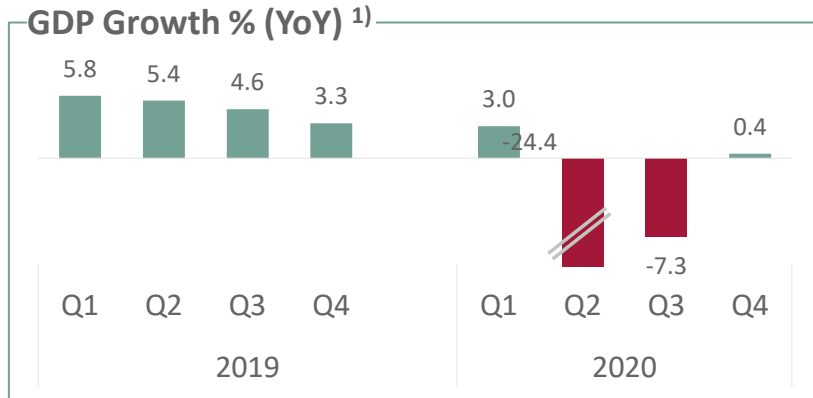
Vaccination drive for all eligible employees across the country including plants

- All eligible employees vaccinated in a drive across all locations
- All plants and warehouses working as per local government regulations

## Agenda

- 1** Industry & economy
- 2** Key highlights
- 3** Q1 2021 Performance update

**Economy | Rebound with looming concerns over resurgence of COVID-19**



**Key comments**

- Indian economy is projected to contract by 8% in FY21 (Apr 2020 to Mar 2021).
- FY22 is statistical rebound with double digit growth expectations.
- With resurgence of COVID-19 cases and renewed lockdowns, manufacturing PMI grew at its weakest pace in seven month in March at 55.4 against Feb 57.5.
- Auto sector welcomed the announcement of the long-awaited vehicle scrappage policy

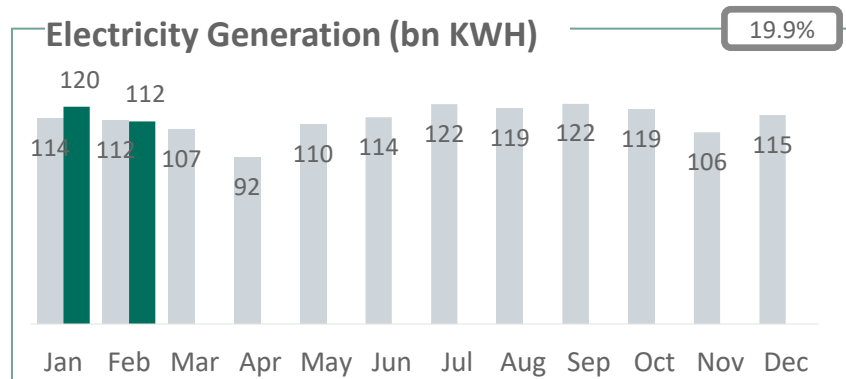
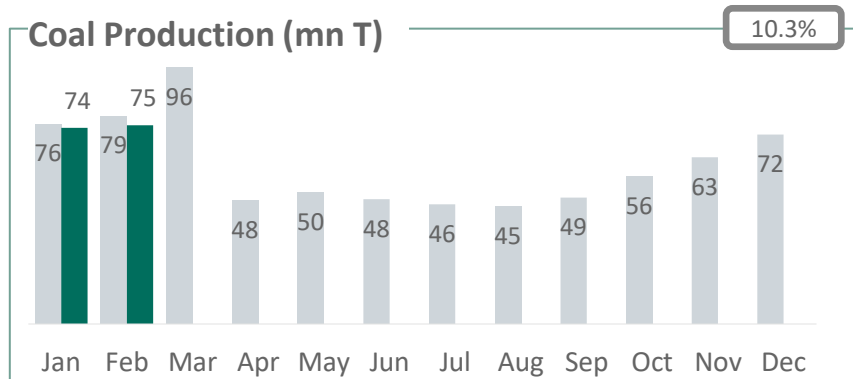
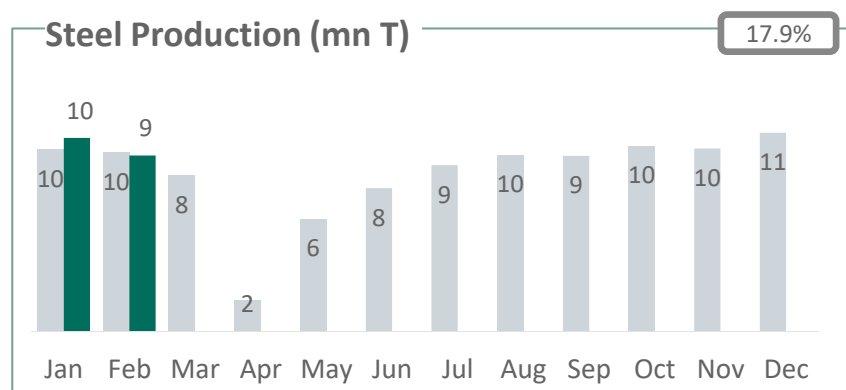
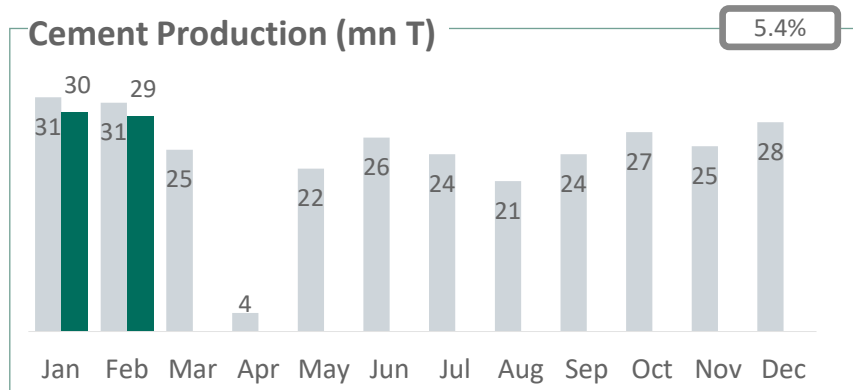
Note : Data is reinstated every quarter as per final reports released by authorities

Source of data :

- 1) Ministry of statistics GDP at constant prices 2011-12 series – data representation as per calendar year in above chart
- 2) Ministry of statistics IIP 2011-12 series
- 3) Reserve Bank of India – 2012 indexed to 100
- 4) Office of Economic advisor

**Core sector performance | On growth trajectory**

■ 2020 ■ 2021 □ Weight of sector within eight core sectors



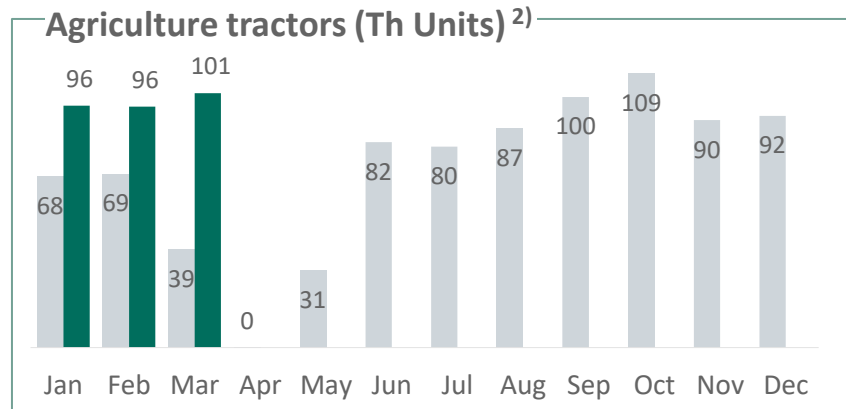
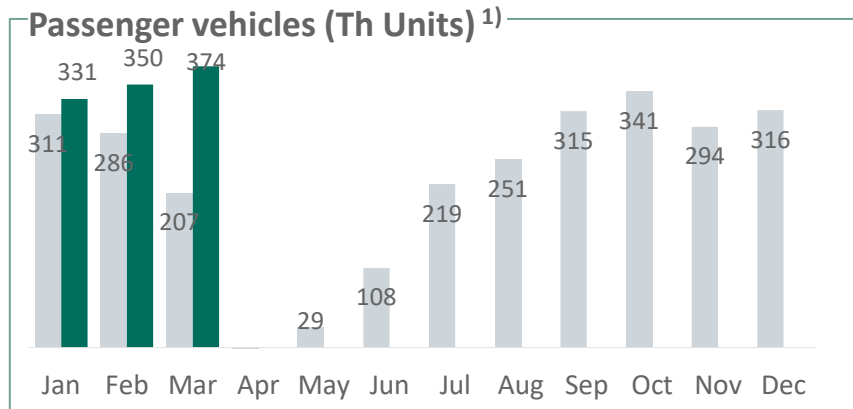
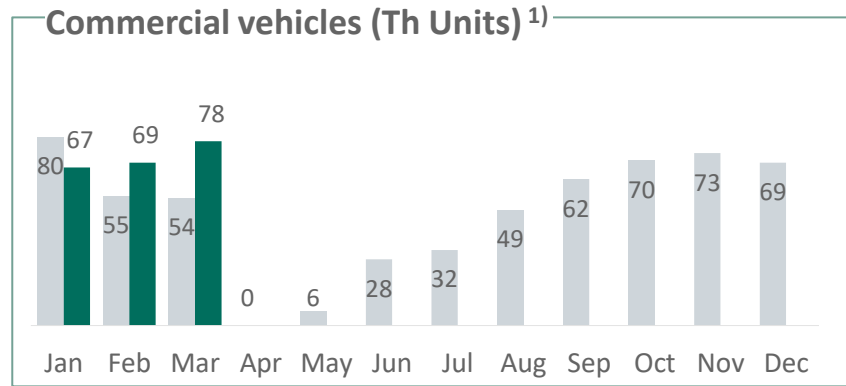
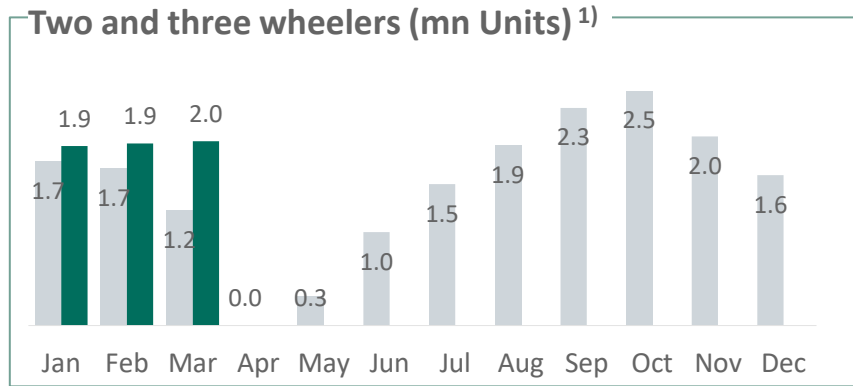
**Key comments**

- **Cement: Total production in 2020 was 290 mn T** - YTD Feb '21 Cement production was 21.3% higher than 2020.
- **Steel: Total production in 2020 was 102 mn T** - YTD Feb '21 steel production was 17.2% higher than 2020 average
- **Coal Total production in 2020 was 728 mn T** - YTD Feb '21 coal production was 23.2% higher than 2020 average.
- **Electricity : Total generation in 2020 was 1,351 bn KWH** - YTD Feb '21 is 3.0% higher than 2020 average.

Source of core sectors data: Office of Economic advisor

**Automotive production | Tractors leading, other segments to catch up**

2020 2021



**Key Comments**

- Although all segments of automotive production are witnessing robust growth, the resurgence of Covid19 in the current scenario can potentially dampen the consumer sentiments.

**• Average monthly production**

Th Units	2020	2021
TW	1476	1927
CV	48	71
PV	223	352
Trac	71	98

Source of data :  
 1) SIAM : Society of Indian Automobile Manufacturers  
 2) TMA : Tractor Manufacturers Association  
 3) 2021 represent monthly average of Jan – Mar 2021

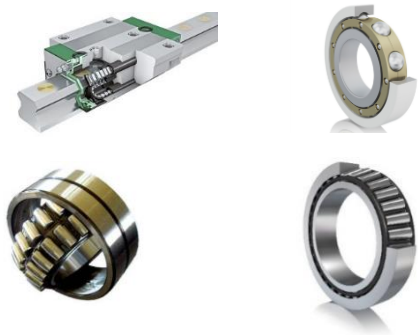
## Agenda

- 1 Industry & economy
- 2 **Key highlights**
- 3 Q1 2021 Performance update



## Key business developments

### Industrial



#### Precision and Efficiency

- 1 Started supply of Linear Motion guides from Quick Center Maneja, Vadodara
- 2 Key contracts for traction motor bearings - Railways
- 3 Strengthened position in wind segment with key win

### Automotive Technologies



#### Reliability and emission reduction

- 1 Key wins in PV segment for clutch systems and transmission solutions
- 2 Technical collaboration for engine application with a basket of products
- 3 Key business win for wheel bearings – Gen 1 & 3

### Automotive Aftermarket



#### Increased market coverage

- 1 TruPower continues to gain momentum increased BS VI portfolio
- 2 Range extension with 'Radiator Coolants'
- 3 Introduced transmission solutions for LCVs

## Agenda

- 1 Industry & economy
- 2 Key highlights
- 3 Q1 2021 Performance update**

## Q1 2021 | Continued momentum driving holistic growth

### Key Messages



Continue to effectively manage Covid19 situation with all-round focus on Employee Health & Safety



Robust growth Y-o-Y across all businesses – Auto. Technologies, AAM & Industrial. Strong revenue growth Q-o-Q in Automotive due to market recovery and new business.



Gold award from Hyundai India for excellence in Supply Chain for 2020 – a challenging year



Strong operational performance and sustained countermeasure measures led to resilient EBIT margin and FCF.



Sharp rise in steel prices remain a cause of concern



Second wave of Covid19 threatens to derail growth momentum and dampen consumer spirits

### Sales in Q1

**41.8%** vs Q1'20

**3.4%** vs Q4'20

**13,168** mn INR

### EBIT in Q1

**82.8%** vs Q1'20

**-5.5%** vs Q4'20

**1,708** mn INR

### PAT in Q1

**78.1 %** vs Q1'20

**-1.2%** vs Q4'20

**1,395** mn INR

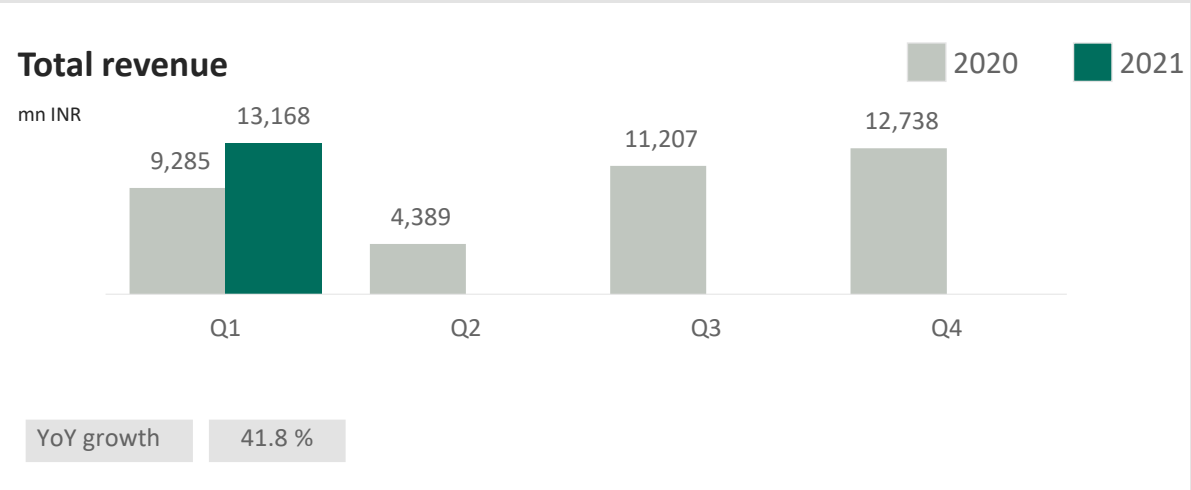
### FCF in Q1

**28.1%** vs Q1'20

**-47.1%** vs Q4'20

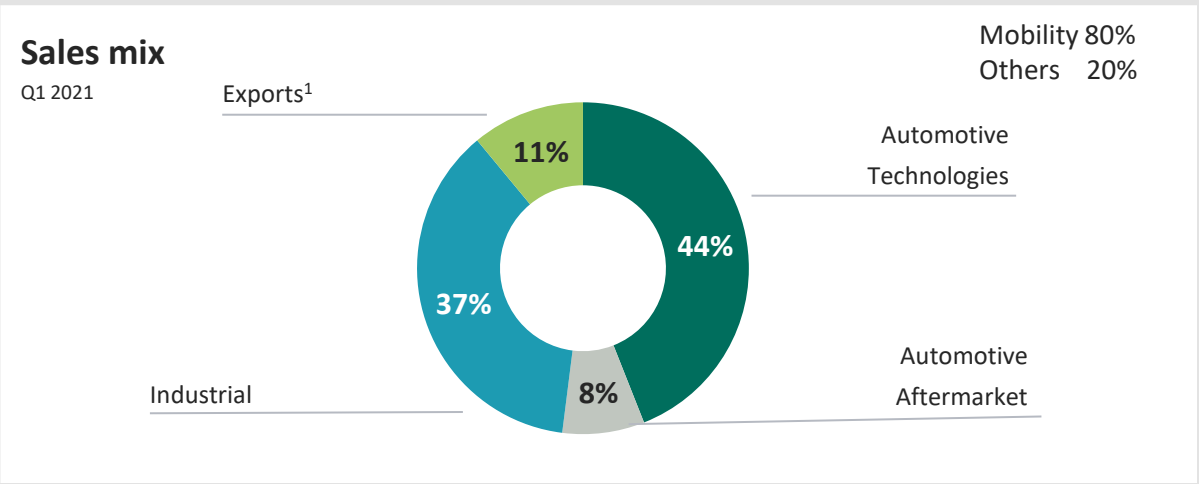
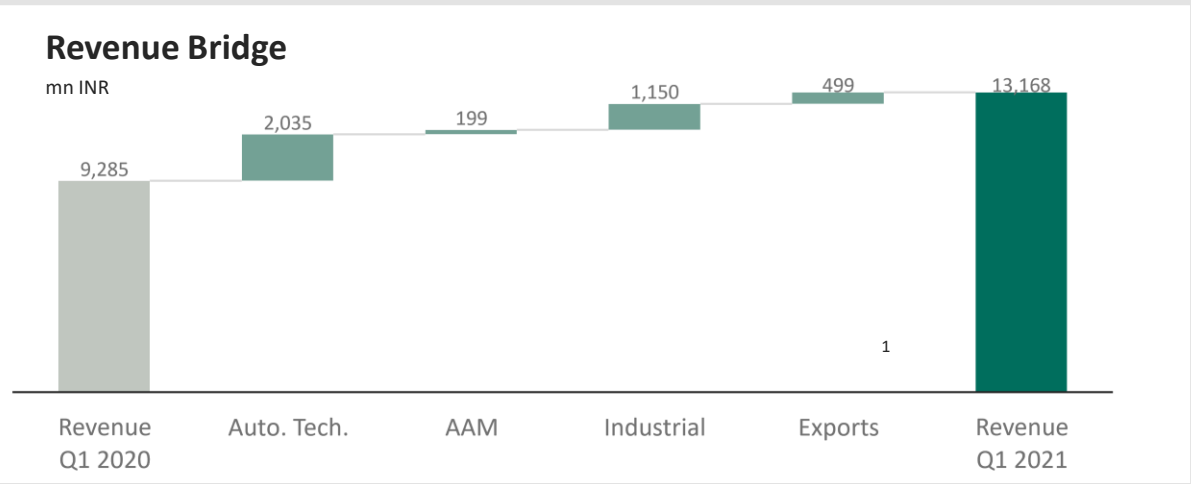
**1,842** mn INR

**Revenue from operations | Strong demand and new business wins**



### Key aspects

- Growth momentum continues across all segments Y-o-Y
- Strong operational performance continues
  - Production increase by >30% Y-o-Y (>10% Q-o-Q)
  - All plants at normal capacity level

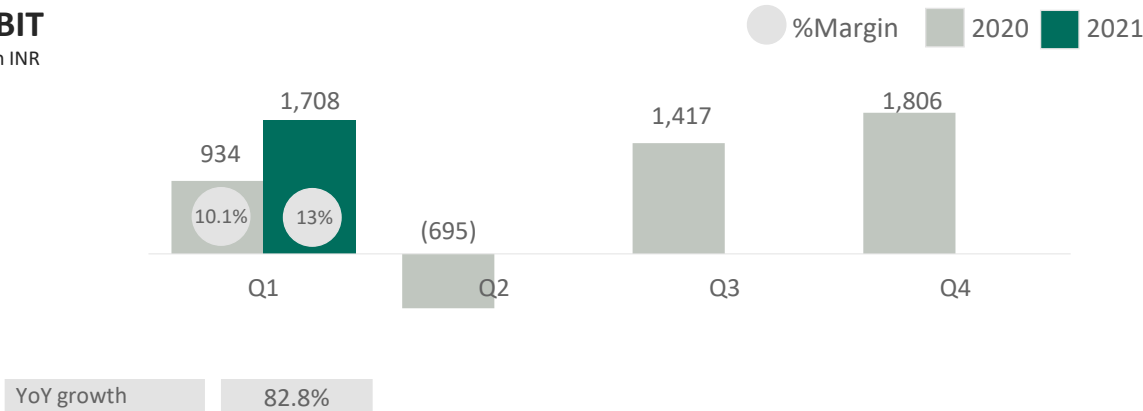


<sup>1</sup> Exports includes other operational revenue

**Earning Quality | Significantly improved y-o-y, sustained q-o-q**

**EBIT**

mn INR

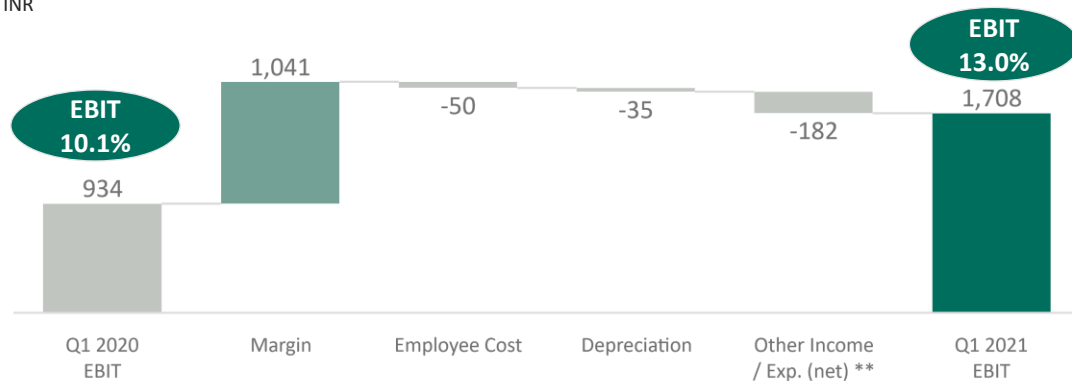


**Key aspects**

- Revenue growth momentum and portfolio, helped achieving robust performance vs Q1 2020
- Strong operational performance and sustained countermeasures led to resilient earnings growth
- Earnings quality sustained

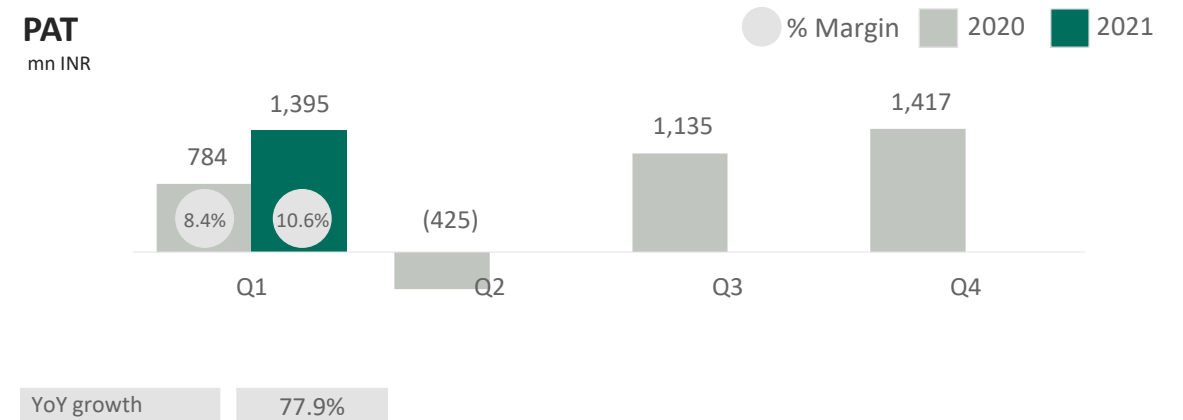
**EBIT<sup>1</sup>**

mn INR



**PAT**

mn INR



Margin : (Revenue from operation – Total Material cost) <sup>1</sup> EBIT is before interest income (net) 152 mn INR (167 mn INR Q1/2020)

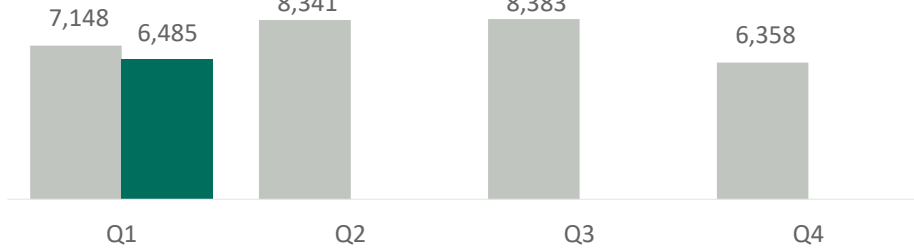
\*\* Other Income/expenses does not include interest

**Working Capital, Capex | Improved position**

**Working Capital**

mn INR

■ 2020 ■ 2021



3M'20 3M'21

% to sales (LTM)  
17.5% 15.8%

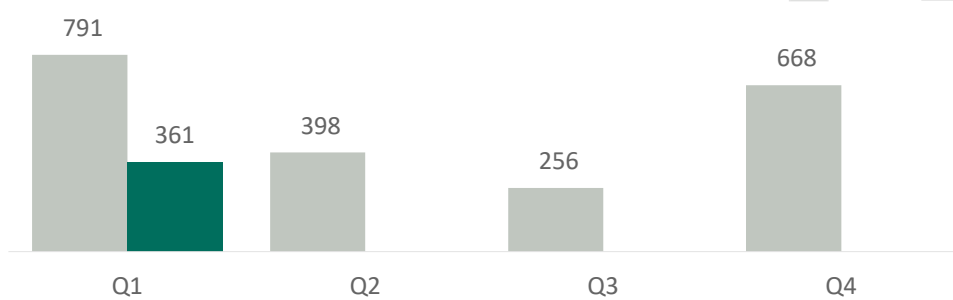
**Key aspects**

- Better inventory and receivable management
- Improved overdue position
- Judicious capex spending
- Robust Free Cash Flow generation

**Capex**

mn INR

■ 2020 ■ 2021



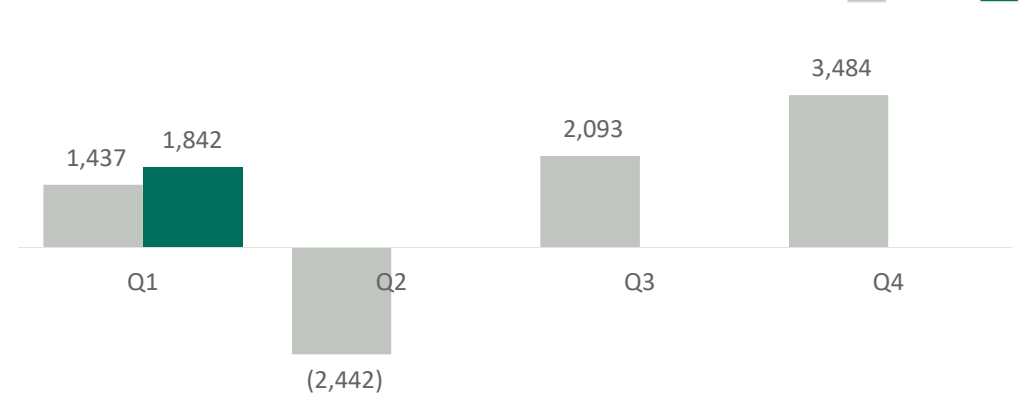
3M'20 3M'21

% to sales  
8.5% 2.7%

**FCF**

mn INR

■ 2020 ■ 2021



## Performance Indicators

	Unit	Q1 2021	Q4 2020	Q1 2020	12M 2020	12M 2019
Revenue	mn INR	13,168	12,738	9,285	37,619	43,606
Revenue growth (YoY)	%	41.8%	22.9%	-20.8%	-13.7%	-4.4%
Revenue growth (QoQ)	%	3.4%	13.7%	-10.4%		
EBITDA	mn INR	2,186	2,317	1,378	5,402	6,461
EBITDA Margin	%	16.6%	18.2%	14.8%	14.4%	14.8%
EBIT	mn INR	1,708	1,806	934	3,462	4,874
EBIT Margin	%	13.0%	14.2%	10.1%	9.2%	11.2%
EBT	mn INR	1,860	1,911	1,101	3,972	5,346
EBT Margin	%	14.1%	15.0%	11.9%	10.6%	12.3%
PAT	mn INR	1,395	1,417	784	2,910	3,676
PAT Margin	%	10.6%	11.1%	8.4%	7.7%	8.4%
Capex	mn INR	361	668	791	2,112	3,326
FCF	mn INR	1,842	3,484	1,437	4,572	2,474



Continued market recovery,  
new business and sustained  
countermeasures led to resilient  
performance

## Conclusion & Outlook

- 
- 1 Resounding performance during the quarter aided by sharp market recovery, strong countermeasures and new business wins

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  - 2 Continue to leverage our deep customer connect and strong technical expertise to build a robust order book from our Automotive and Industrial customers

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  - 3 Sustained operational performance across all our plants, capacity utilization back to normal levels

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  - 4 Challenges on the horizon from the resurgent Covid19 scenario and rising commodity prices



**Continue to stay ahead with agility and innovation as key levers while driving deeper customer connect and market penetration**



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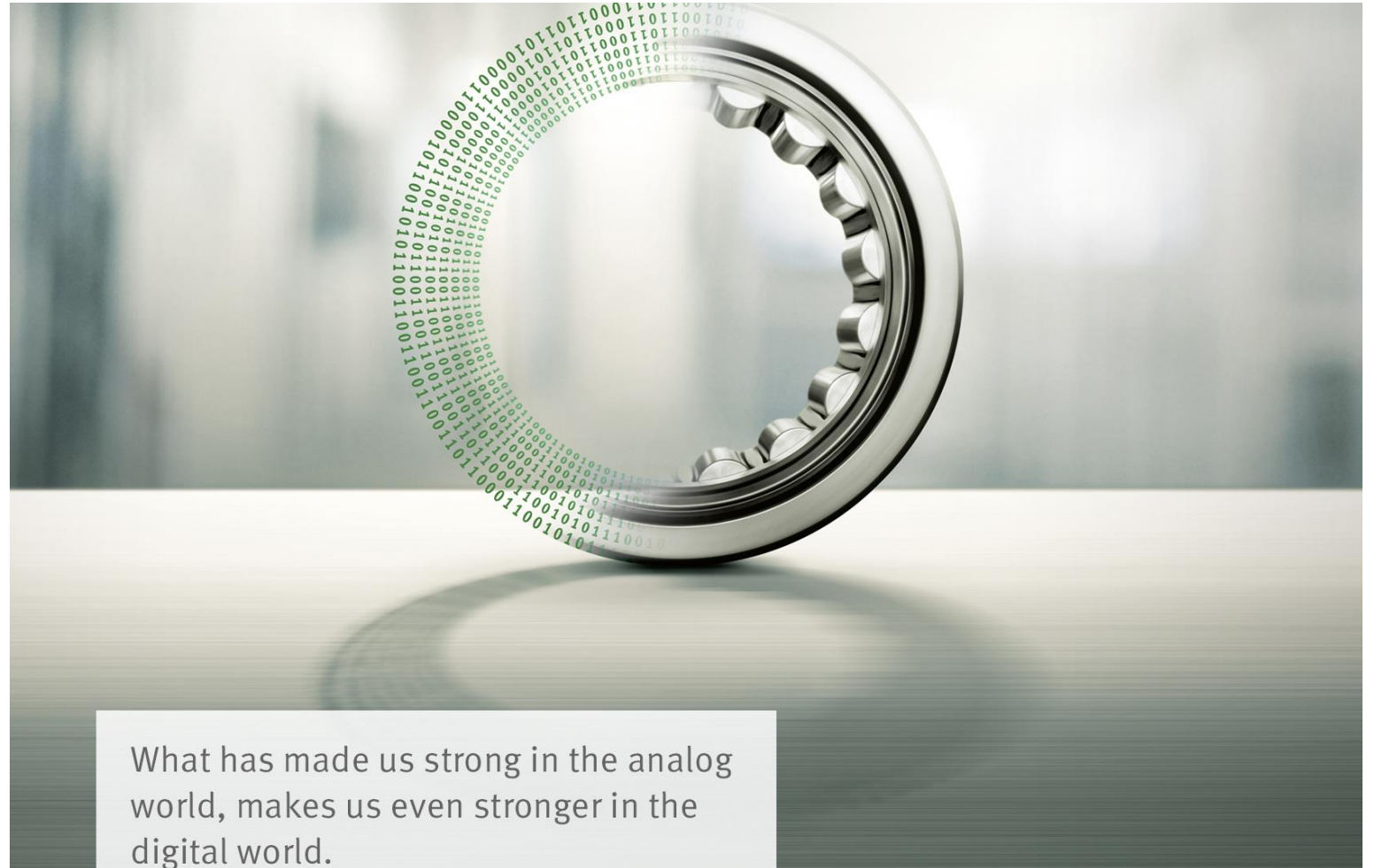
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for your  
attention**



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