

Schaeffler India Limited ■ Pune ■ Maharashtra

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai-400001

**Company Code: 505790**

**National Stock Exchange of India Limited**

Exchange Plaza, C - 1, Block G,  
Bandra-Kurla Complex, Bandra (E),  
Mumbai-400051

**Company Code: SCHAEFFLER**

28/07/2022

**Sub: Investor Presentation**

Dear Sirs,

Phone: +912068198464

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 quarter and half year ended June 30, 2022.

Kindly take the same on your record.

Thanking you.

Yours faithfully,

For **Schaeffler India Limited**

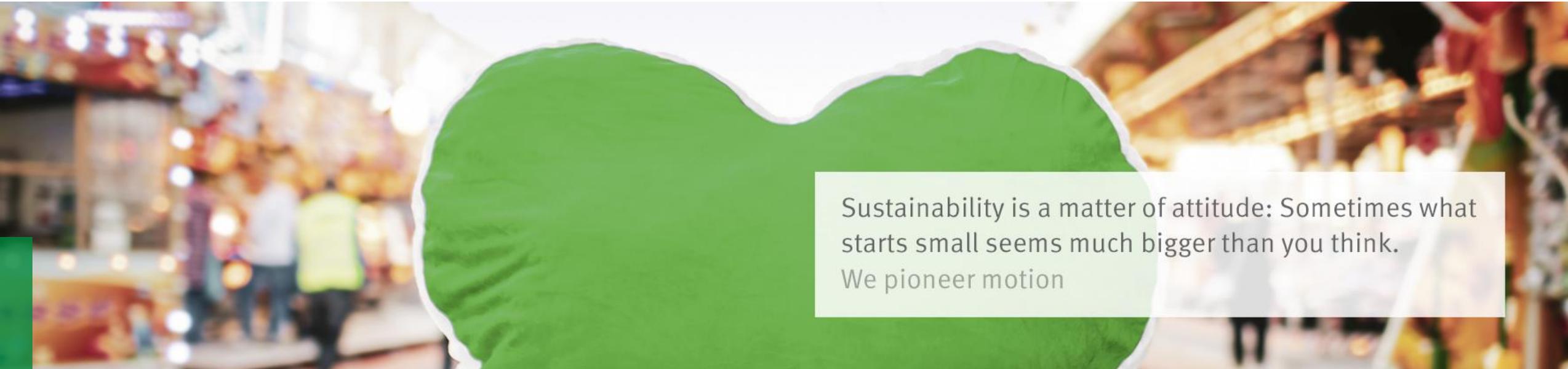


**Ashish Tiwari,**

VP - Legal & Company Secretary

Encl.: As above





Sustainability is a matter of attitude: Sometimes what starts small seems much bigger than you think.  
We pioneer motion

# Schaeffler India Limited Investor Presentation – Q2 and 6M 2022

July 27, 2022

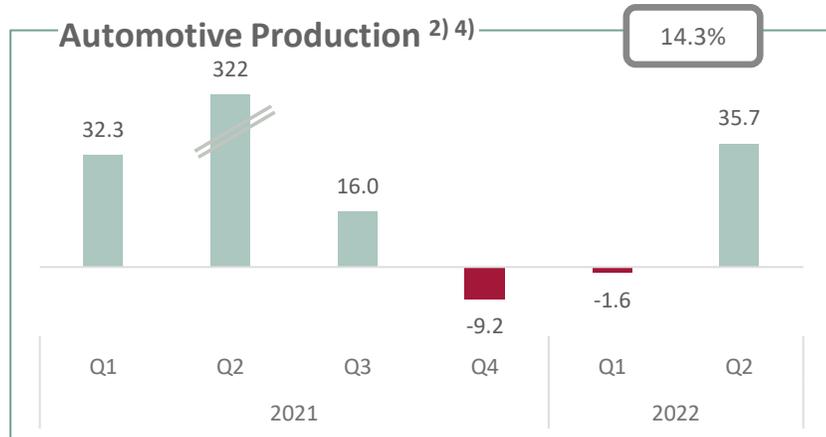
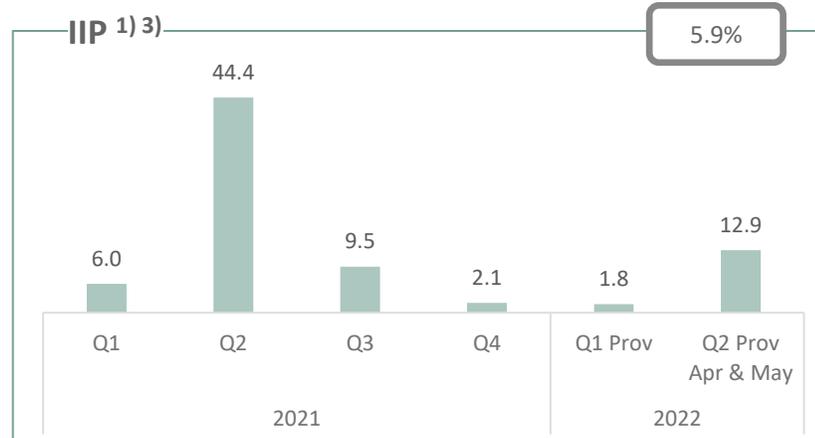
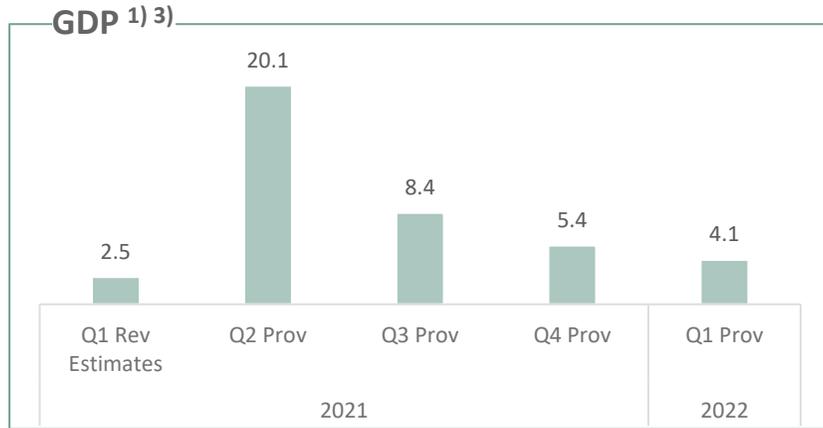
We pioneer motion

Agenda

<b>1</b>	<b>Economy &amp; Industry</b>	<b>2</b>
<b>2</b>	Business Highlights Q2 and 6M 2022	6
<b>3</b>	Financial Highlights Q2 and 6M 2022	10
<b>4</b>	ESG at Schaeffler India	15

**Economy | Rising inflation slows growth, outlook remains positive**

2020 2021 YTD CY2022 Growth



- For CY2021, GDP is expected to grow by 8.3%
- Moderate growth in industrial sector; YTD CY 2022 growth of 5.9% in mining, 5.4% in manufacturing and 9.3% in electricity
- YTD CY 2022 Automotive production registered a growth of 14.3%
- High CPI in June'22 due to increase in consumer food price index by 7.7% and increased fuel prices by 10.4%

Note :

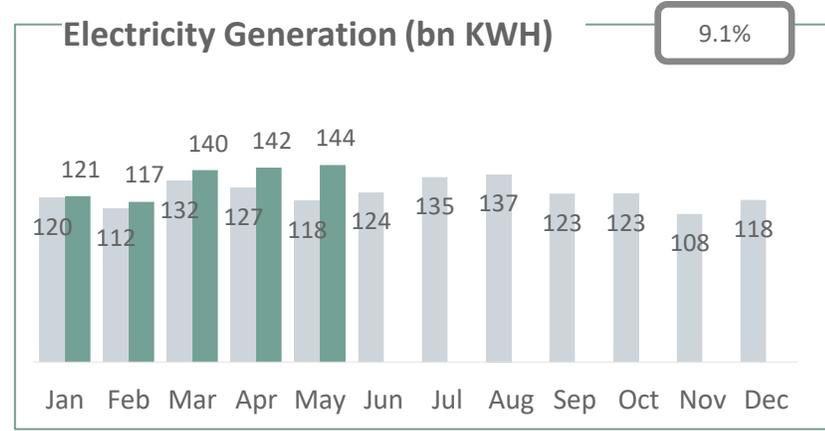
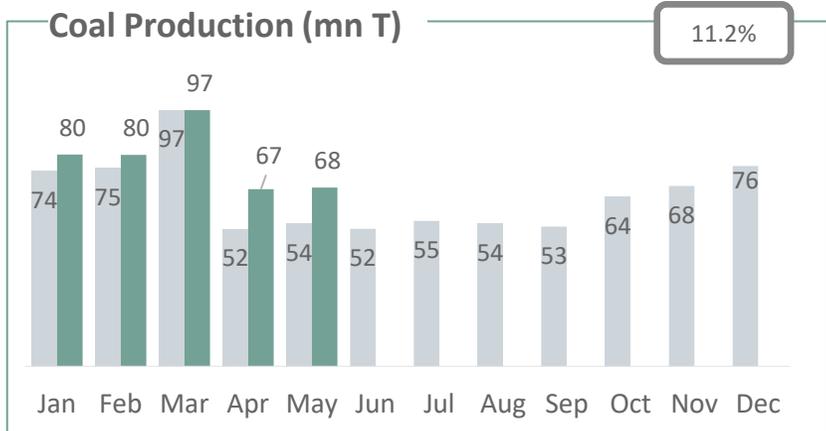
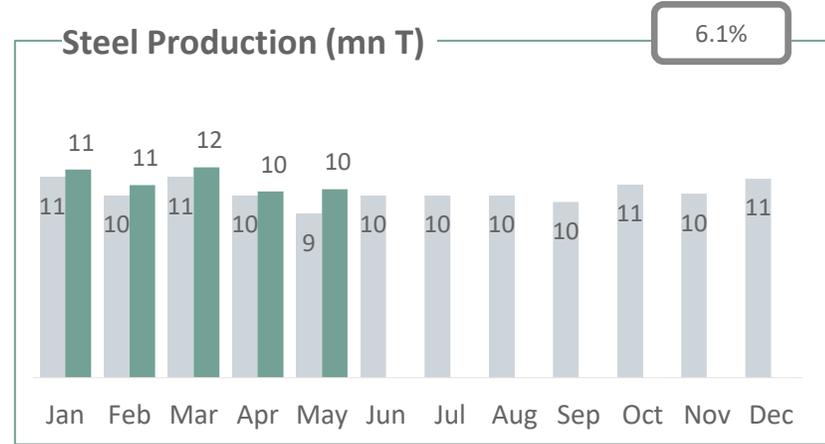
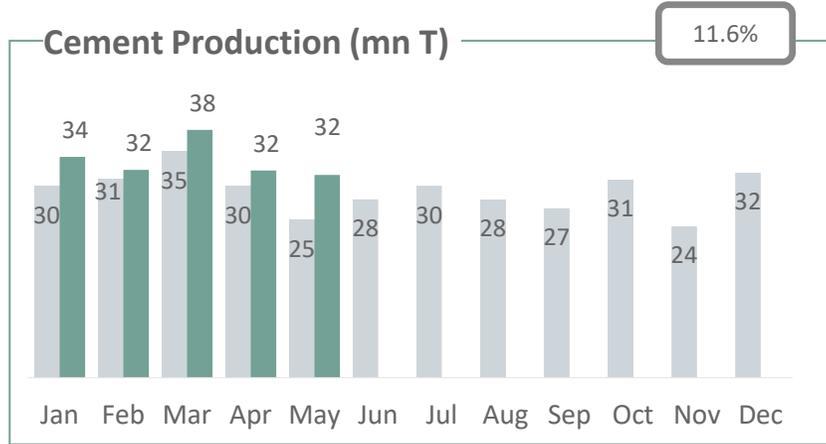
- Data is reinstated every quarter as per final reports released by authorities.
- GDP, IIP, and Automotive Production are YoY growth rates, whereas CPI is quarterly inflation rate. 6.8% is the average CPI for YTD 2022
- Contribution of manufacturing, mining, & electricity in IIP stands at 78%, 14%, & 8% respectively
- Automotive Production includes PVs, CVs, & Tractors with production share of 68%, 17%, & 15% respectively

Source of data :

- 1) Ministry of Statistics & Programme Implementation
- 2) SIAM : Society of Indian Automobile Manufacturers
- 3) GDP - Gross Domestic Production, IIP - Index of Industrial Production, CPI - Consumer Price Index
- 4) Automotive Production includes PVs, CVs, & Tractors

**Core sector performance | Moderate growth**

2020 2021 YTD CY2022 Growth



**Key comments**

Overall core sector index performance for CY22 is 8.2% compared to the previous year

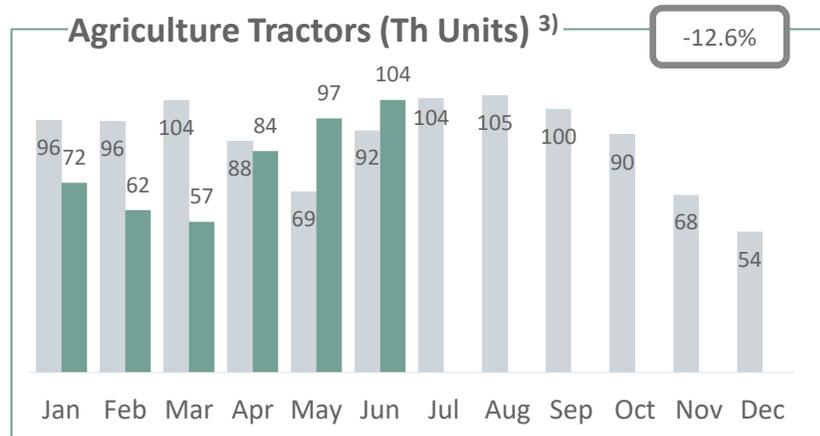
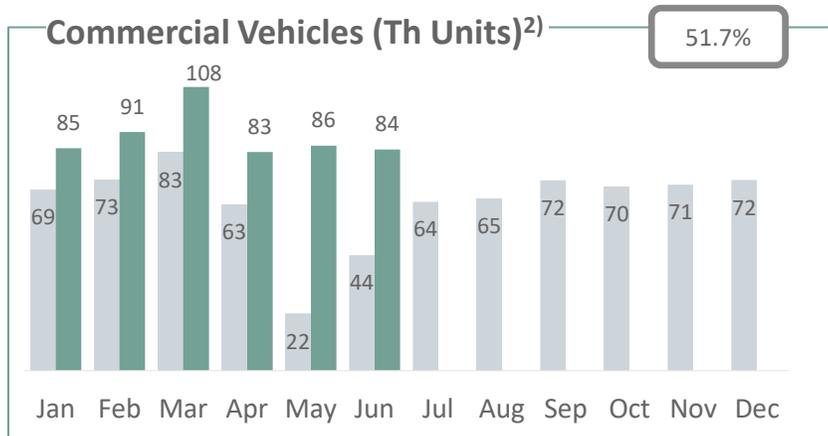
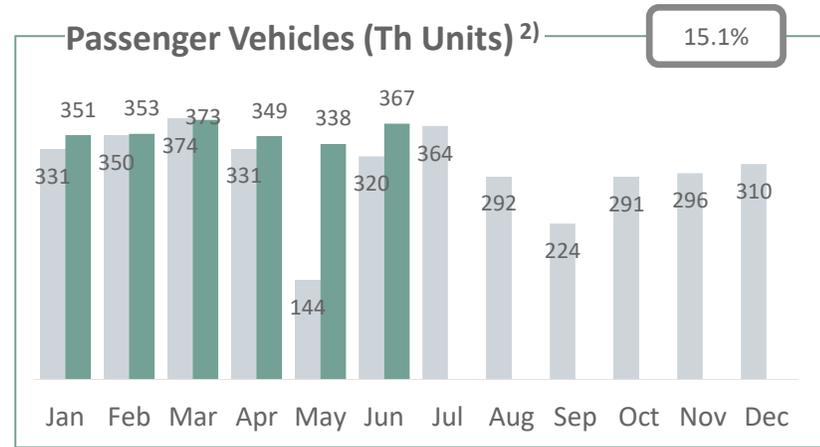
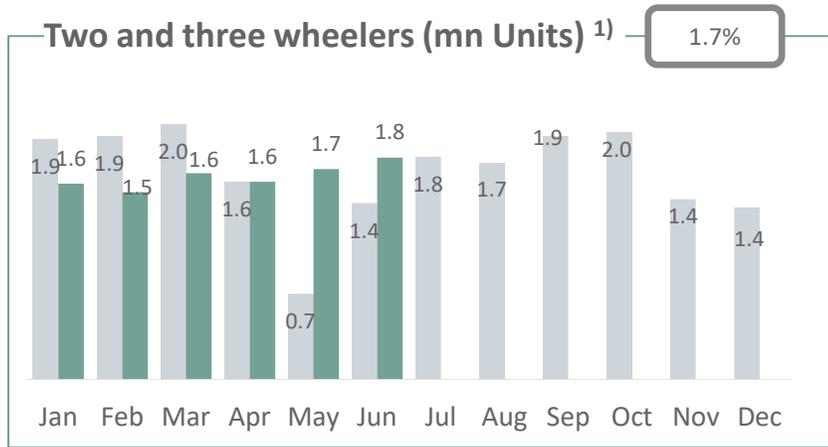
**Sector weightage within eight core sectors**

Sector	% weight
Cement	5.4%
Steel	17.9%
Coal	10.3%
Electricity	19.9%

Source of core sectors data: Office of Economic Advisor

# Automotive sector performance | Seeing recovery, PVs picking up

2020 2021 YTD CY2022 Growth



- Low growth in two wheelers due to sluggish rural demand, higher prices and deferred purchases
- For CY 2022 - PVs picking up, semi-conductor shortage hampers production ramp-ups
- YTD YoY growth in CVs due to strong infrastructure push, fleet upgrades and low base effect
- YTD YoY growth for tractors seeing moderation due to cyclical impact and demand crunch in the rural market

Source of data :  
<sup>1)</sup> SIAM : Society of Indian Automobile Manufacturers  
<sup>2)</sup> TMA : Tractor Manufacturers Association  
<sup>3)</sup> TW – Two wheelers, CV – Commercial Vehicles, PV – Passenger Vehicles,

## Agenda

1	Economy & Industry	2
2	<b>Business Highlights Q2 and 6M 2022</b>	6
3	Financial Highlights Q2 and 6M 2022	10
4	ESG at Schaeffler India	15

## Q2 2022 | Continuing the positive trajectory

### Key Messages

-  Strong sales development across businesses due to our diversified portfolio
-  Continued wins in both Automotive and Industrial businesses
-  Margins remain consistent, significant capex outlay
-  Executed Business Transfer Agreement with CATENSYS India Private Limited for the sale of chain drive business of the Company
-  Customer recognitions for Quality and Agility
-  Sustainability – at the core of what we do. Climate Action Day and Schaeffler Innovator Fellowship Program
-  Headwinds due to input cost pressure and inflation remain

Sales growth

**41.8%** vs Q2'21

**11.6%** vs Q1'22

**17,488** mn INR

EBIT <sup>1)</sup> margin

**15.7%** Q2'22

**13.0%** Q2'21

**2,741** mn INR

PAT margin

**12.9%** Q2'22

**10.4%** Q2'21

**2,258** mn INR

FCF

**153.1%** vs Q2'21

**484.1%** vs Q1'22

**797** mn INR

<sup>1)</sup> EBIT (before exceptional items)

## Q2 Business developments | Key business wins

### Automotive Technologies



#### Reliability and emission reduction

- 1 Key wins in CVs<sup>1)</sup> for E- Axle Bearings
- 2 Business win for Gen-1 Wheel Bearings for PV<sup>1)</sup> segment
- 3 Business wins in CVs<sup>1)</sup> for light vehicle clutch systems

### Automotive Aftermarket



#### Increased market coverage

- 1 Product diversification continues, launched Centre Joint Support
- 2 Business wins for the FEAD/ Timing Kit, TRBs BS-VI PV<sup>1)</sup> segment
- 3 Key wins for shock absorbers, lubricants and newly launched wipers

### Industrial



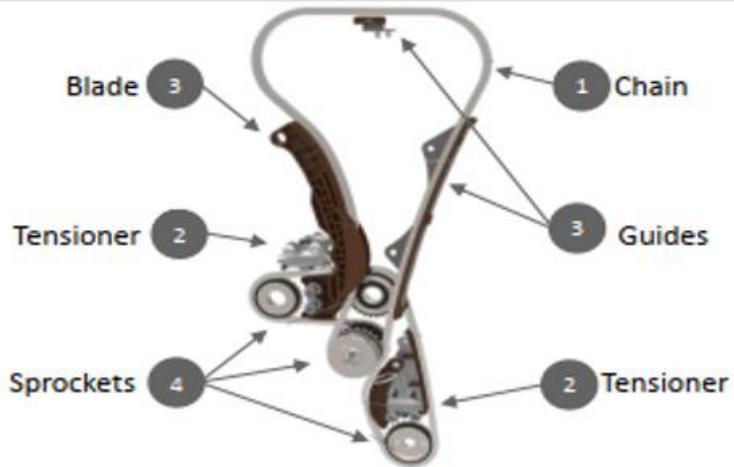
#### Precision and Efficiency

- 1 New win for CRBs and SRBs in our off-road segment
- 2 Key business win for ACBBs and NRBs in engine and transmission application for the TW<sup>1)</sup> sector
- 3 Business wins for Linear Guides in the industrial automation segment

<sup>1)</sup> TW - Two-wheelers, CV - Commercial Vehicles, PV - Passenger Vehicles

## Executed Business Transfer Agreement for the sale of chain drive business

### Chain Drive System



### Carve-out rationale

- Strategic global divestment with focus on technology shift in Automotive Technologies division
- A step in the direction towards e-mobility transition
- Shaped by our carbon-neutrality commitments

Sale to CATENSYS India Private Limited (part of CATENSYS Group Germany). Business Transfer Agreement executed on 29<sup>th</sup> June 2022

### Chain drive business transaction details

**1,070 mn INR revenue**  
FY 2021

**155 mn INR net worth**  
Dec' 2021

**294.2 mn INR**  
Slump sale consideration

**149.8 mn INR**  
Gain on sale of business

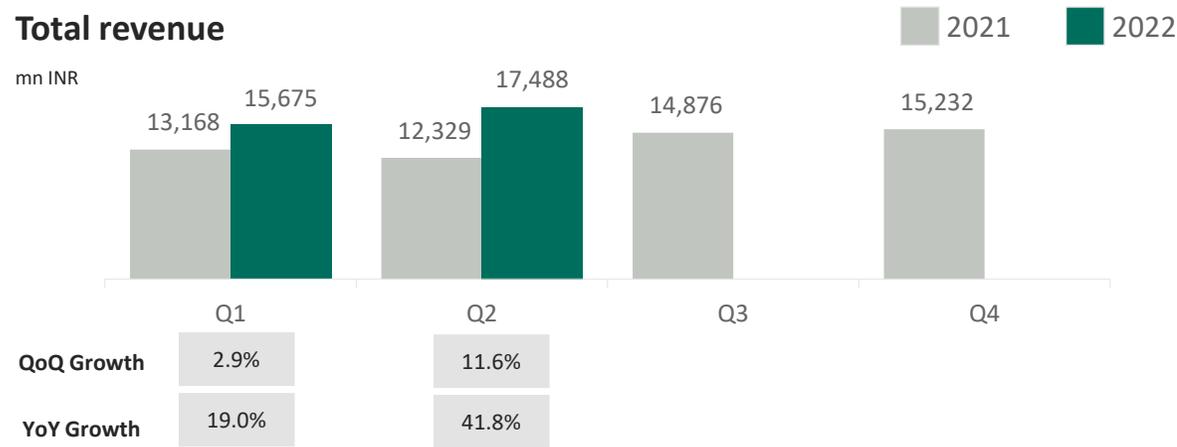
Agenda

1	Economy & Industry	2
2	Business Highlights Q2 and 6M 2022	6
3	<b>Financial Highlights Q2 and 6M 2022</b>	<b>10</b>
4	ESG at Schaeffler India	15

**Revenue from operations | Robust performance**

**Total revenue**

mn INR



**Key aspects**

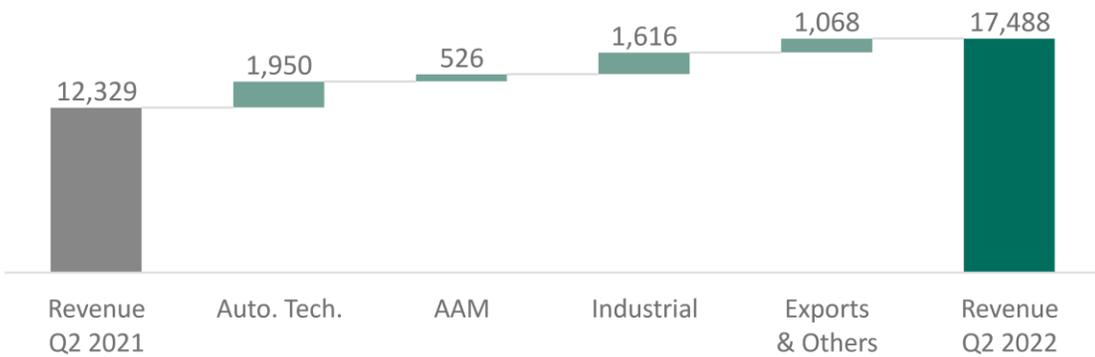
- Revenue uptick across all divisions

Growth	Q2 2022 vs Q1 2022	Q2 2022 vs Q2 2021	H2 2022 vs H1 2021
Automotive Technologies	11.5%	40.2%	21.7%
Automotive Aftermarket	19.7%	54.4%	33.9%
Industrial	9.4%	33.7%	27.7%
Exports & others	12.8%	61.8%	61.6%

- Exports growth trajectory continues

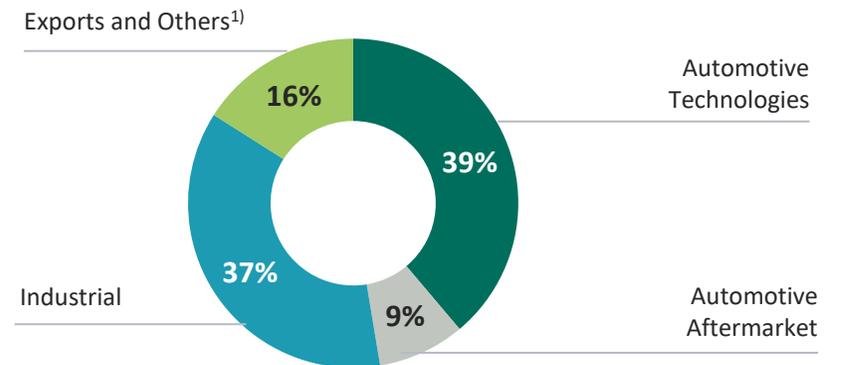
**Revenue Bridge**

mn INR



**Sales mix**

Q2 2022

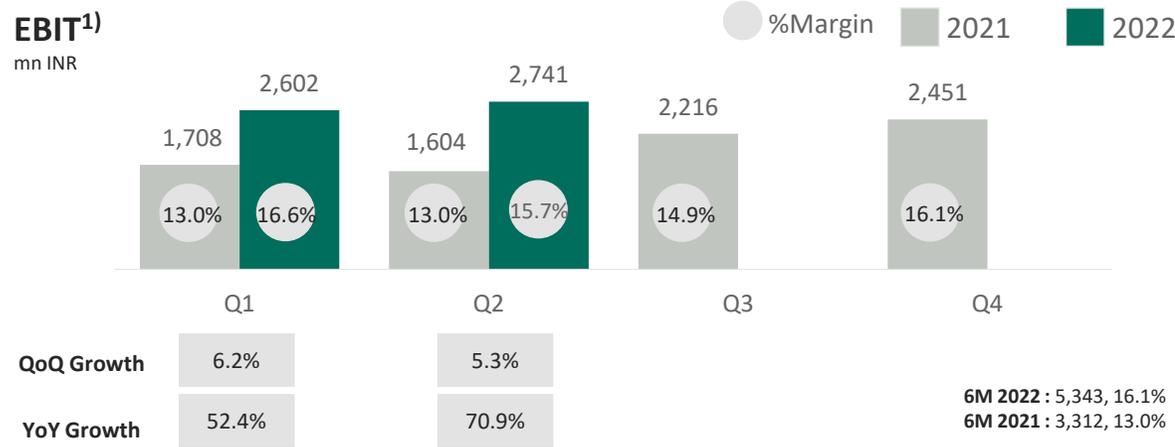


<sup>1)</sup> Exports & Others mainly includes exports to group companies, scrap sale and other operating income

**Earnings Quality | Sustained**

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

mn INR

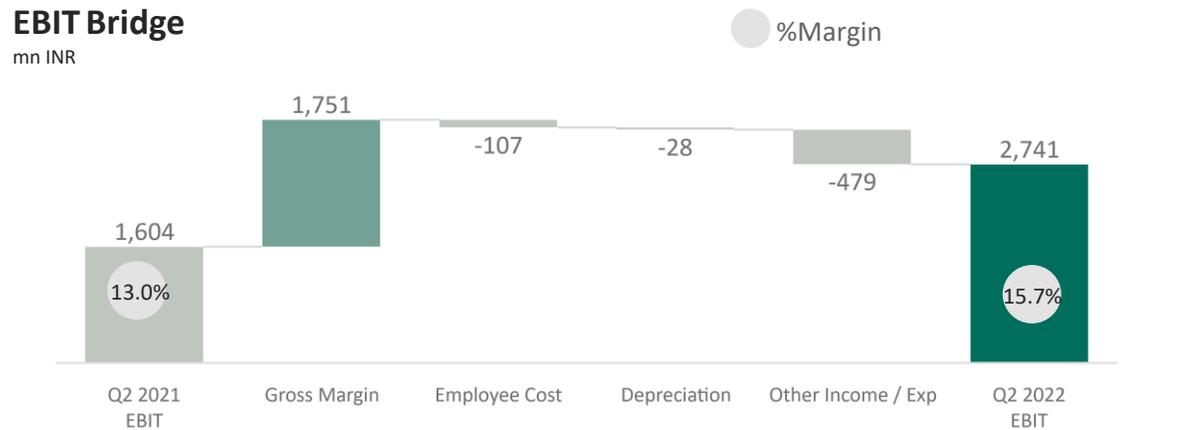


**Key aspects**

- Margins remain consistent for the quarter, despite input cost pressure
- Volume gains and sustained countermeasures helped achieving consistent performance for 6M 2022

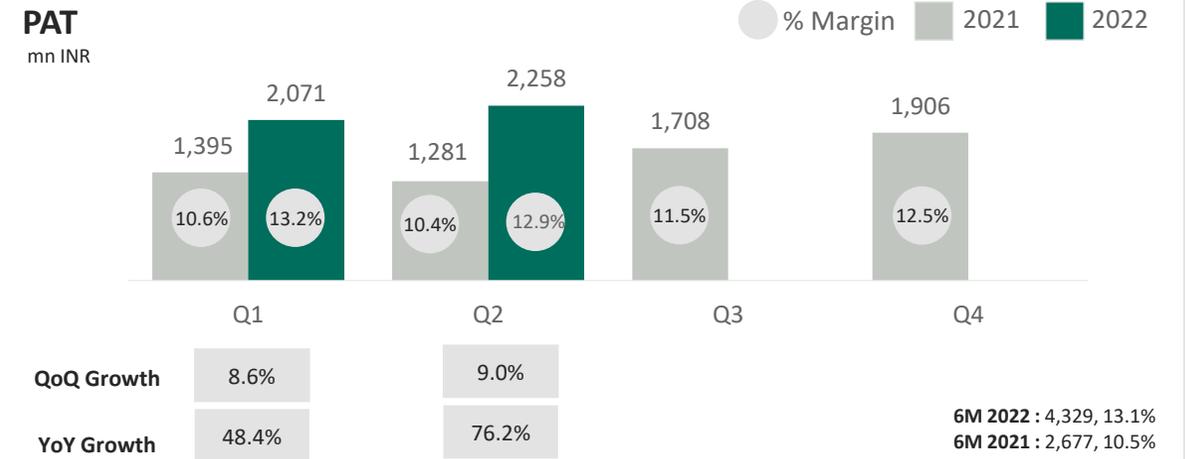
**EBIT Bridge**

mn INR



**PAT**

mn INR



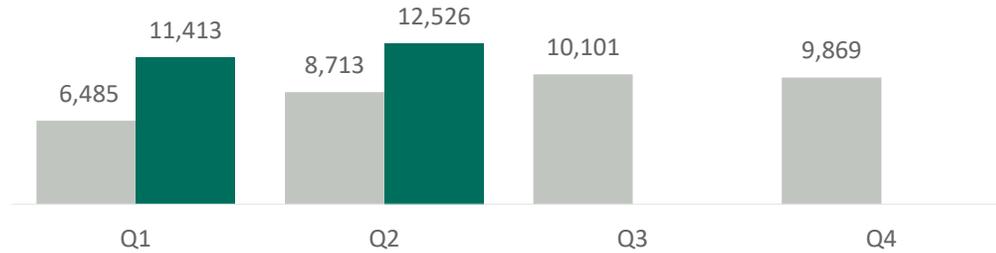
<sup>1)</sup> EBIT (before exceptional items) - interest income (net) at 116.5 mn INR in Q2 '22 (102.5 mn INR Q2'21) ;

**Working capital, Capex | Delivering on our strategy**

**Working Capital**

mn INR

2021 2022



% to sales

3M'21	3M'22	6M'21	6M'22	9M'21	12M'21
15.8%	19.9%	18.0%	<b>20.1%</b>	19.3%	18.0%

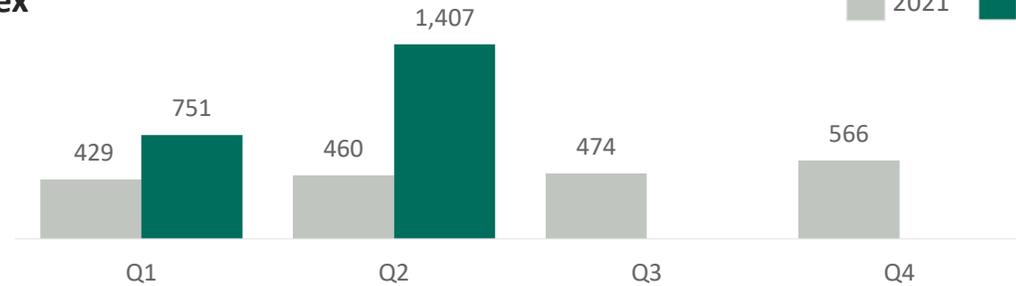
**Key aspects**

- Working Capital marginally higher due to higher receivables
- Delivering on our capex strategy, 8.0% of sales in Q2'22
- Free cash flow generation improved owing to a better performance – cash profit and working capital improvement

**Capex**

mn INR

2021 2022



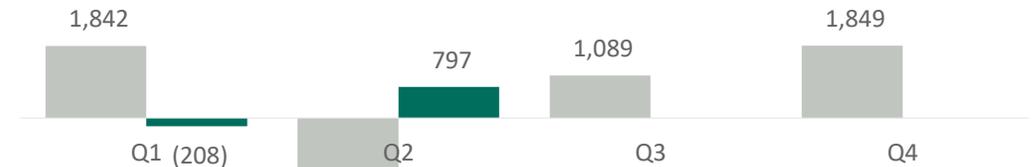
% to sales

3M'21	3M'22	6M'21	6M'22	9M'21	12M'21
3.3%	4.8%	3.5%	<b>6.5%</b>	3.4%	3.5%

**Free Cash Flow**

mn INR

2021 2022



QoQ Growth

-111.2%	484.1%
---------	--------

YoY Growth

-111.3%	153.1%
---------	--------

## Performance Indicators

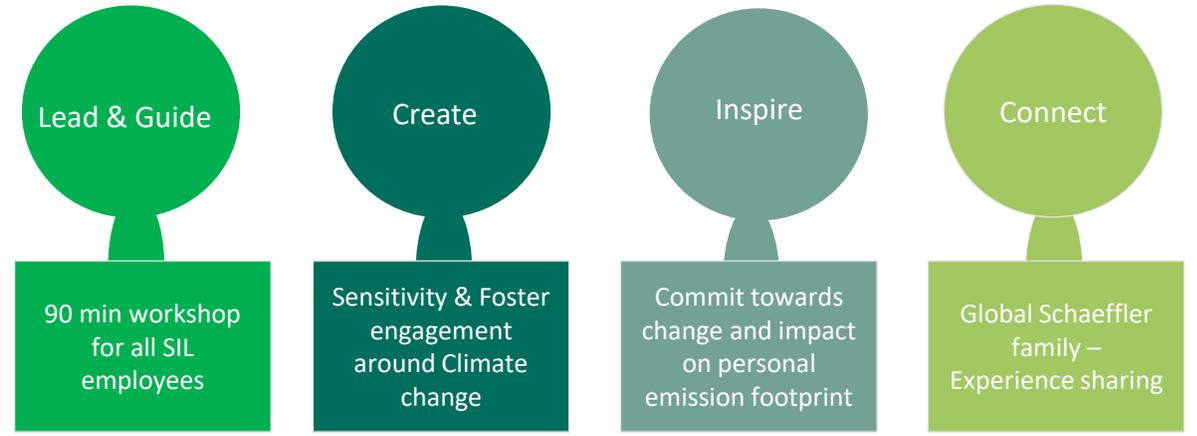
	Unit	Q2 2022	Q1 2022	Q2 2021	6M 2022	6M 2021	12M 2021	12M 2020
Revenue	mn INR	17,488	15,675	12,329	33,163	25,497	55,605	37,619
Revenue growth (YoY)	%	41.8%	19.0%	180.9%	30.1%	86.5%	47.8%	-13.7%
Revenue growth (QoQ)	%	11.6%	2.9%	(6.4)%				
EBITDA	mn INR	3,254	3,107	2,089	6,360	4,275	9,950	5,402
EBITDA Margin	%	18.6%	19.8%	16.9%	19.2%	16.8%	17.9%	14.4%
EBIT <sup>1)</sup>	mn INR	2,741	2,602	1,604	5,343	3,312	7,979	3,462
EBIT Margin	%	15.7%	16.6%	13.0%	16.1%	13.0%	14.3%	9.2%
EBT	mn INR	2,857	2,772	1,707	5,629	3,566	8,431	3,972
EBT Margin	%	16.3%	17.7%	13.8%	17.0%	14.0%	15.2%	10.6%
PAT	mn INR	2,258	2,071	1,281	4,329	2,677	6,291	2,910
PAT Margin	%	12.9%	13.2%	10.4%	13.1%	10.5%	11.3%	7.7%
Capex <sup>2)</sup>	mn INR	1,407	751	460	2,158	889	1,929	2,126
FCF	mn INR	797	(208)	(1,501)	590	341	3,279	4,572

<sup>1)</sup> EBIT (before exceptional items) - interest income (net) at 116.5 mn INR in Q2 '22 (102.5 mn INR Q2'21); <sup>2)</sup> Capex includes CWIP

Agenda

1	Economy & Industry	2
2	Business Highlights Q2 and 6M 2022	6
3	Financial Highlights Q2 and 6M 2022	10
4	<b>ESG at Schaeffler India</b>	<b>15</b>

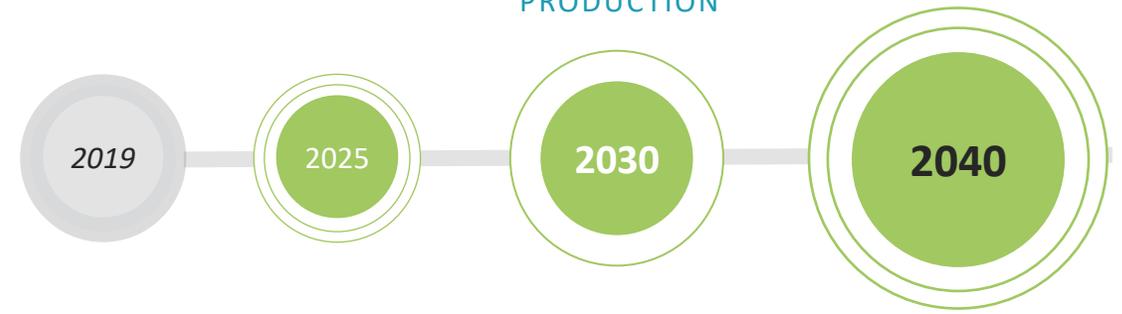
# Climate Action Day | A step to sensitize and create climate awareness



BASE YEAR

CLIMATE NEUTRAL PRODUCTION

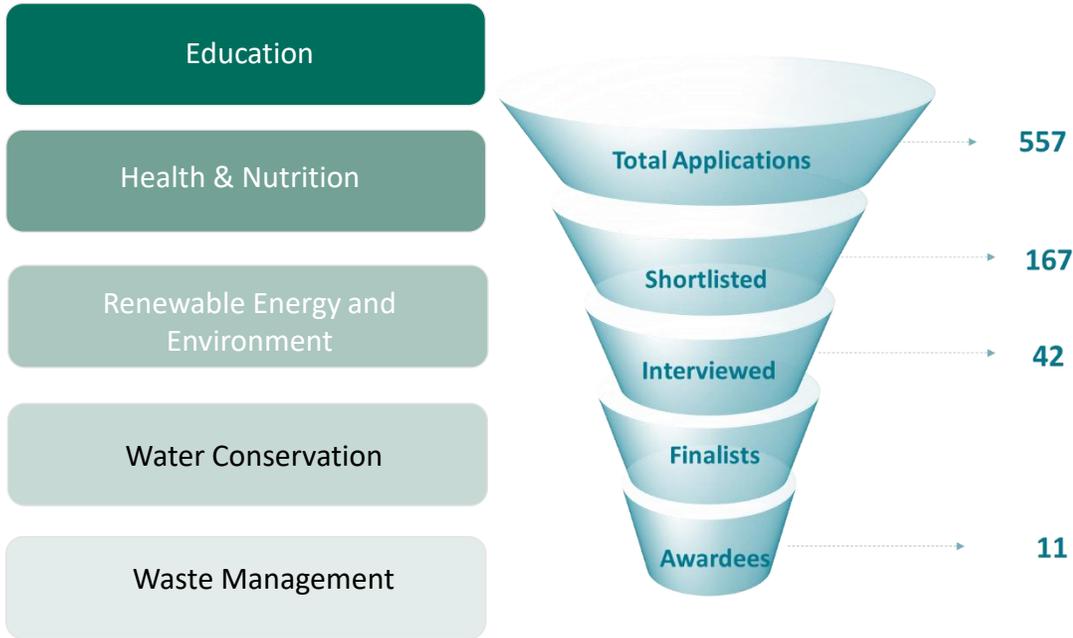
CLIMATE NEUTRAL SUPPLY CHAIN



**Over 100 Sessions across Schaeffler India  
More than 2,000 Ideas**

**Schaeffler Group Sustainability Targets**

**Social Innovator Fellowship Program | Rewarding solutions that have the potential to positively impact the society**



Financial aid

Mentorship program, CIIE

India network & partners

In Summary

- 1 Increased volumes and new business developments contributed to the positive sales trend with record revenues

---

- 2 Volume gains and countermeasures helped deliver resilient margins

---

- 3 Capital allocation – remains a priority, on track with our investment strategy

---

- 4 Remain committed on delivering performance amidst market uncertainties



Committed to sustainable and responsible growth, driven by our strong customer connect, ensuring all round performance

Thank you



Sustainability is a matter of attitude:  
Sometimes what starts small seems  
much bigger than you think.  
We pioneer motion

## Disclaimer

The information contained in this presentation is provided by Schaeffler India Limited (“**the Company**”), to you solely for your reference. This document is being given solely for your information and for your use and may not be retained by you and neither this presentation nor any part thereof may be (i) used or relied upon by any other party or for any other purpose; (ii) copied, photocopied, duplicated or otherwise reproduced in any form or by any means; or (iii) re-circulated, redistributed, passed on, published in any media, website or otherwise disseminated, to any other person, in any form or manner, in part or as a whole, without the prior written consent of the Company. This presentation does not purport to be a complete description of the market conditions or developments referred to in the material.

This presentation contains forward-looking statements. The words “anticipate”, “assume”, “believe”, “estimate”, “expect”, “intend”, “may”, “plan”, “project”, “should” and similar expressions are used to identify forward-looking statements. Forward-looking statements are statements that are not historical facts; they include statements about Schaeffler Group’s beliefs and expectations and the assumptions underlying them. These statements are based on plans, estimates and projections as they are currently available to the management of Schaeffler AG. Forward-looking statements therefore speak only as of the date they are made, and Schaeffler Group undertakes no obligation to update any of them in light of new information or future events.

By their very nature, forward-looking statements involve risks and uncertainties. These statements are based on Schaeffler AG management’s current expectations and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Actual results may differ from those set forth in the forward-looking statements as a result of various factors (including, but not limited to, future global economic conditions, changed market conditions affecting the automotive industry, intense competition in the markets in which we operate and costs of compliance with applicable laws, regulations and standards, diverse political, legal, economic and other conditions affecting our markets, and other factors beyond our control).

This presentation is intended to provide a general overview of Schaeffler Group’s business and does not purport to deal with all aspects and details regarding Schaeffler Group. Accordingly, neither Schaeffler Group nor any of its directors, officers, employees or advisers nor any other person makes any representation or warranty, express or implied, as to, and accordingly no reliance should be placed on, the accuracy or completeness of the information contained in the presentation or of the views given or implied. Neither Schaeffler Group nor any of its directors, officers, employees or advisers nor any other person shall have any liability whatsoever for any errors or omissions or any loss howsoever arising, directly or indirectly, from any use of this information or its contents or otherwise arising in connection therewith.

The material contained in this presentation reflects current legislation and the business and financial affairs of Schaeffler Group which are subject to change