

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

15/05/2020

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 quarter ended March 31, 2020.

Kindly take the same on your record.

Thanking you.

Yours faithfully,

For **Schaeffler India Limited**



Ashish Tiwari,

VP - Legal & Company Secretary

Encl.: As above

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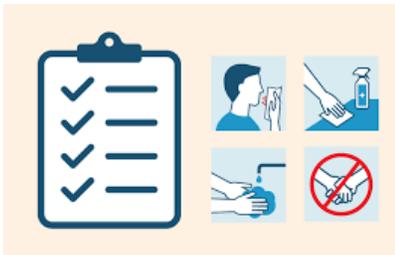
Schaeffler India Limited Investor Presentation - Q1 2020

May 15, 2020

Agenda

- 1 COVID-19
- 2 Economy and Market
- 3 Q1 2020 Performance update
- 4 Operations shutdown

Crisis Management



CMT (Crisis Management Team) formed on 6th March (Executive Management, Plant management, Legal, Compliance)

- Early actions and work from home partially started one week before lockdown
- Daily update (COVID-19 cases, notifications and interpretations, plant updates)
- Health and Safety measures : SOPs, Safety videos
- Customers and suppliers status update
- Communication : Internal Videos, Podcasts, Letters / External to stock market



Enabling Home office

- Requisite infrastructure for Home Office was created
- Reconfiguration of workstations to facilitate employees to work from home



Care for community

Contribution to society, timely payments to suppliers and service providers, timely payment to employees

COVID-19

Safety measures

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Plants, Warehouses and Office CMTs ensured a controlled shutdown of respective sites and their subsequent re-activation

- Controlled shutdown of plants : Site security, Medical staff and Maintenance staff available through out
- SOP for plants, warehouses and offices start in line with National directives issued by the central government and customer best practices
- Stagewise implementation of SOP ensuring zero risk of spread of COVID-19
- Establishing of mechanism for employee traceability within the plant premises by clustering them in groups (from entry till exit)
- Small innovations and ideas encouraged in plants (Social distancing stickers, Sanitizer dispenser, Door opener)



1 COVID-19

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Economic activity comes to a grinding halt | FY2020-21 growth forecast slashed to -1.0% ^{1]}

GDP Growth % ^{2]}



IIP – Overall (%) ^{3]}



Consumer Price Index



Core Industry Growth (%) ^{4]}



Key Aspects

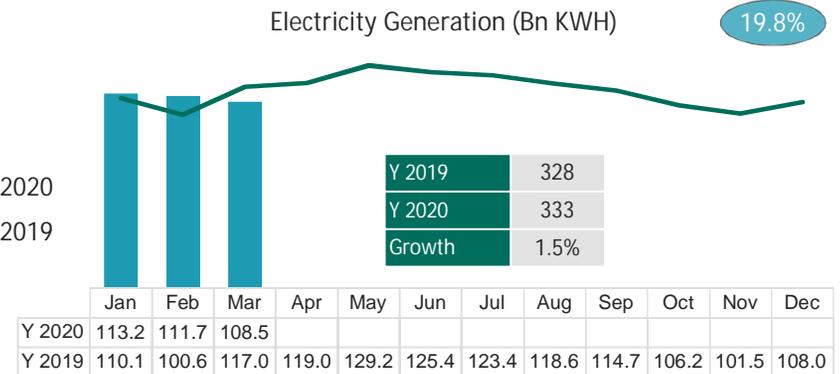
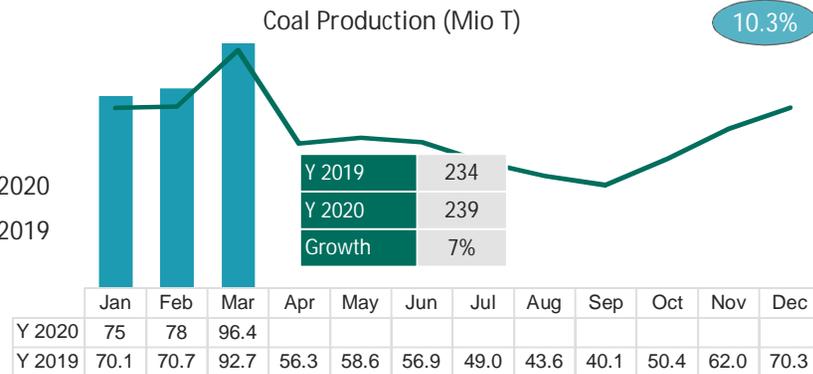
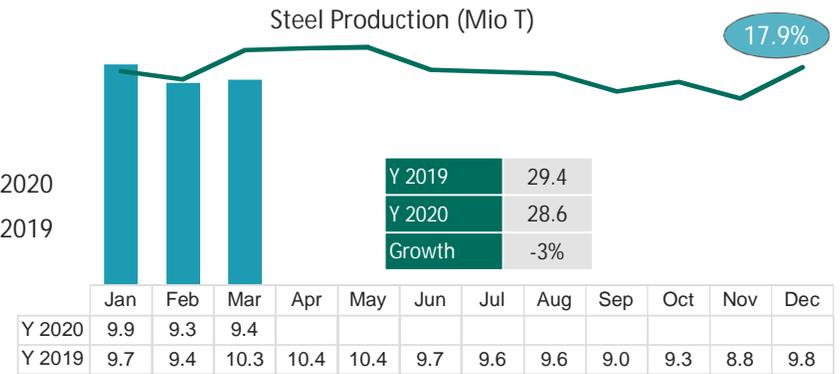
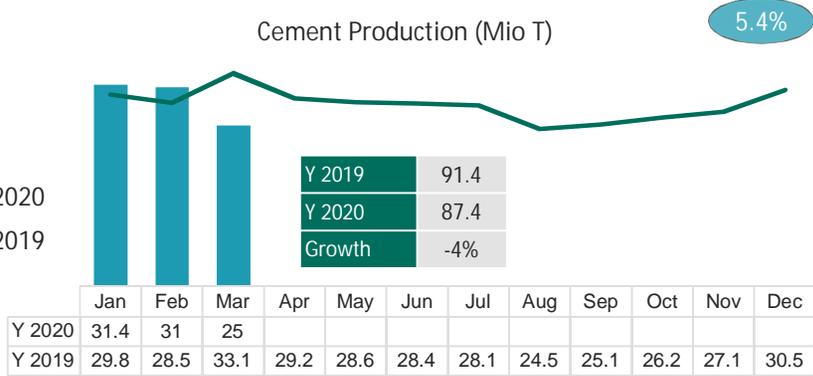
- Economic recovery altered by the coronavirus outbreak : GDP growth forecasts for FY21 trimmed from 4.4% to -1.0%
- Reports project V-shaped recovery for India and growth in the range of 7.0% to 9.0% in FY22
- Amid uncertainty, downturn is expected across the manufacturing and service sectors, especially where demand is discretionary
- PM Modi announced a 20 Trillion INR rescue package (equivalent to 10% of India's GDP) to weather the fallout of COVID-19 pandemic
- RBI slashed the repo rates by 75 basis points to 4.4% and has permitted banks to provide a three-month moratorium on all term loans to ease tensions build up due to COVID-19
- Revised forecast of 3.4 Mio. domestic vehicle production in 2020 against 4.5 Mio. vehicles in 2019 (down by 19%)

1] Oxford Economics Q1 2020 2nd Interim Update for India
3]Source: MOSPI

2]Source: Central Statistics Office (CSO)
4] Source: Office of the Economic Adviser

Weak Demand and Labor Constraints dent output amid the nationwide lockdown

 % contribution to Core Industries

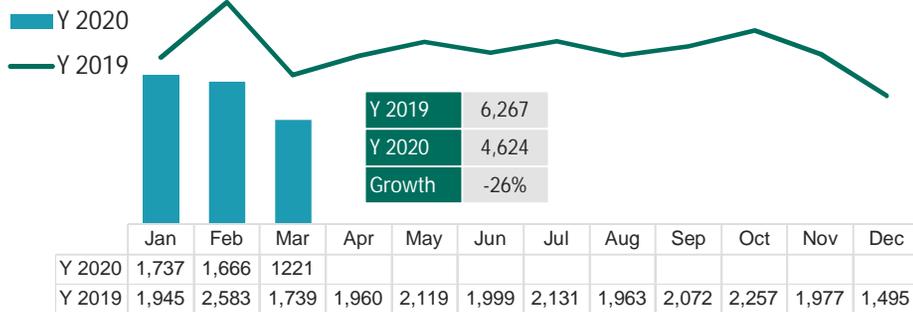


Source: Office of the Economic Adviser, all figures rounded off

Covid-19 crisis adds to the woes of India's Auto Sector

in T Units

Two and Three Wheelers^{1]}



Commercial Vehicles^{1]}



Passenger Vehicles^{1]}



Agriculture Tractors^{2]}



[1] Source: Society of Indian Automobile Manufacturers (SIAM)

[2] Source: Tractor Manufacturer Association (TMA); *Mar is estimated production

1 COVID-19

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Q1 2020 | Highlights and Lowlights



Q1 2020 profit margin at Q4 2019 level despite shutdown of operations since 23rd March owing to COVID-19 crisis



Working capital managed well and continues to be relatively below last year



Strong free cash flow and liquidity position despite performance loss in Mar'20 due to shutdown of operations



Continue to manage COVID-19 crisis effectively, safety measures taken ahead of Government announcements



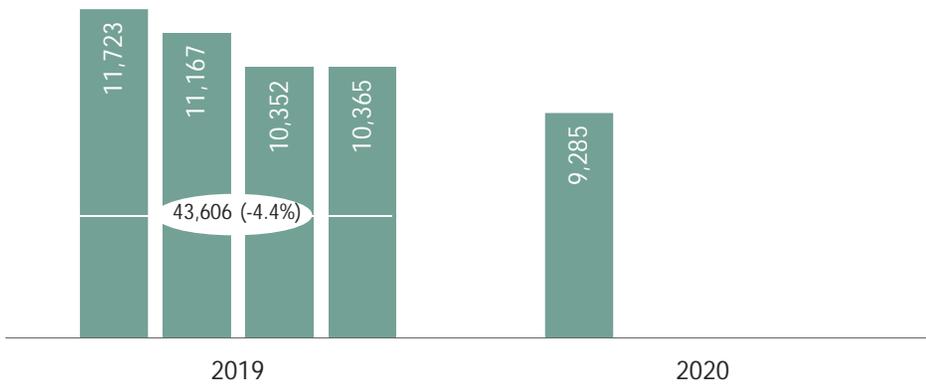
Sales and operations momentum came to a halt due to COVID-19 crisis



Shutdown since 23rd March impacted the momentum of quarterly performance towards end of the quarter

Revenue from Operations | Hit by COVID-19 shutdown

Total revenue in INR mn



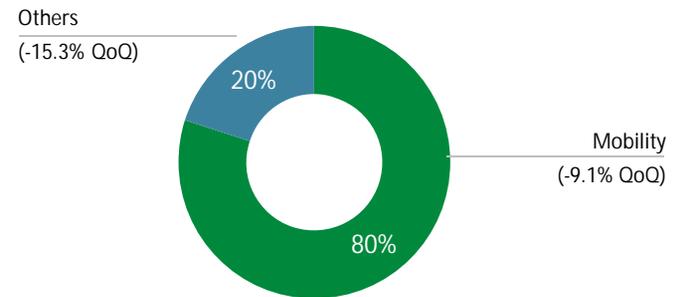
QoQ %	-1.2	-4.7	-7.3	0.1	
YoYQ %	8.2	1.5	-13.1	-12.6	-20.8

Key aspects

- QoQ revenue loss was caused by shutdown from March 23rd (COVID-19)
- YoY revenue loss is additionally caused by market volatility and demand slowdown in some sectors of automotive and industrial business

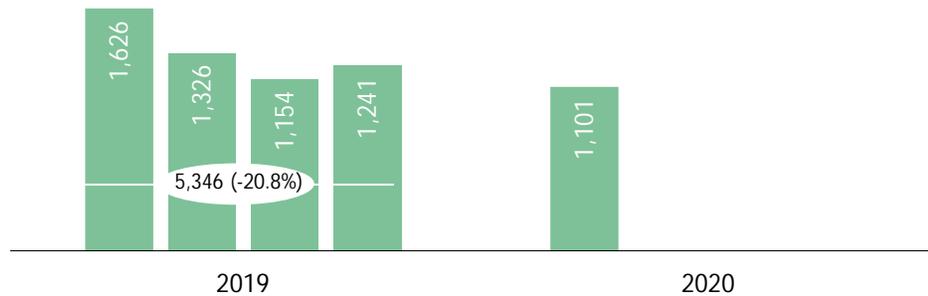
Sales mix 2020

Q1 2020



Earning Quality | PBT margin at preceding quarter level despite shutdown due to COVID-19

PBT (before exceptional items)
in INR mn (% in bracket denotes absolute change over same period previous year)



PBT %	13.9	11.9	11.1	12.0	11.9
YTD %	12.3				-32.3

Key comments

- Despite revenue loss, profitability was maintained due to better mix and cost level
- Working Capital was also controlled effectively and was relatively better than the last quarter.

Earning quality level of Q4 2019 maintained

Performance Highlights

	Unit	Q1 2020	Q4 2019	Q1 2019	12M 2019
Revenue	mn INR	9,285	10,365	11,723	43,606
Revenue growth (YoY)	%	-20.8%	-12.6%	8.2%	-4.4%
Revenue growth (QoQ)	%	-10.4%	0.1%	-1.2%	
EBITDA	mn INR	1,378	1,541	1,875	6,461
EBITDA Margin	%	14.8%	14.9%	16.0%	14.8%
EBIT	mn INR	934	1,117	1,497	4,874
EBIT Margin	%	10.1%	10.8%	12.8%	11.2%
PBT Margin	mn INR	1,101	1,241	1,626	5,346
PBT Margin	%	11.9%	12.0%	13.9%	12.3%
PAT	mn INR	784	846	1,062	3,676
PAT Margin	%	8.4%	8.2%	9.1%	8.4%



PAT margin better than Q4 2019, improved mix and cost level

1 COVID-19

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Operations shutdown

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Closure of operations | Notified nationwide shutdown 25th Mar to 17th May due to COVID-19

	Working days	Q1			Q2					Q3	Q4
		Jan	Feb	Mar	Q1	Apr	May	Jun	Q2		
Planned days	308	26	25	26	77	26	26	26	78	77	76
Effective days	256	26	25	18	69	0	8	26	34	77	76
Shutdown days	52 17%	0	0	8	8 10%	26	18	0	44 56%	0	0

	March			April				May				Effective prod days in May	Capacity Utilization in May	
	WK 10	WK 11	WK 12	WK 13	WK 14	WK 15	WK 16	WK 17	WK 18	WK 19	WK 20			WK 21
Maneja								25/4					8	30%
Savli								22/4					8	30%
Talegaon											5/5		6	20%
Hosur										9/5			7	25%

Key comments

- Lock down – Govt. announcement
 - Phase 1.0 (25th Mar – 14th April)
 - Phase 2.0 (15th April – 3rd May)
 - Phase 3.0 (4th May – 17th May)
- Plant /warehouse closure since :
 - Maneja & Savli | 23rd March
 - Pune | 23rd March
 - Hosur | 25th March

Operations shutdown

We are ramping up ...

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GEARING UP TO START

- All plants and warehouses have commenced operations partially as per government approvals
- We are awaiting new notifications for end of lockdown to start our offices
- Requisite countermeasures being defined for financial stability

WE WILL WEATHER THIS STORM TOO.....

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Operations shutdown

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for your
attention

