

Schaeffler India Limited · Pune · Maharashtra

BSE Limited

Phiroze Jeejeebhoy Towers,
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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

— **Sub: Investor Presentation**

19/10/2022

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 ended September 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

Schaeffler India Limited

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Schaeffler India Limited Investor Presentation – Q3 and 9M 2022

October 19, 2022

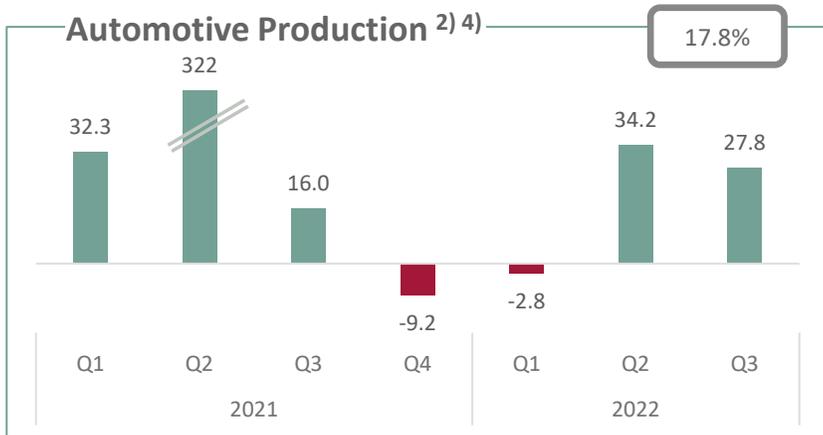
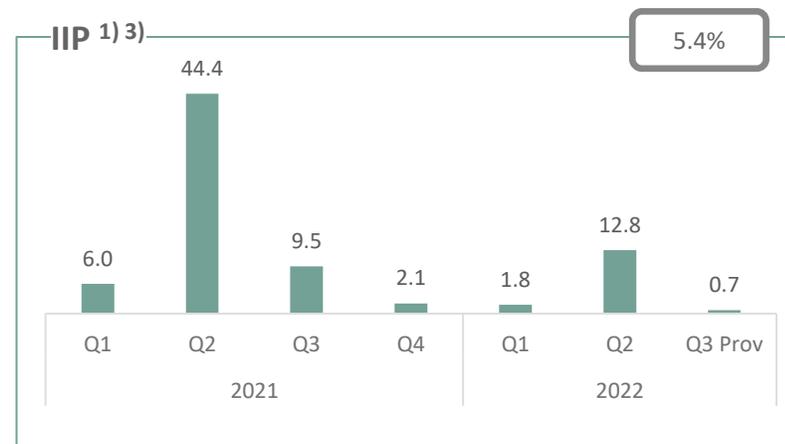
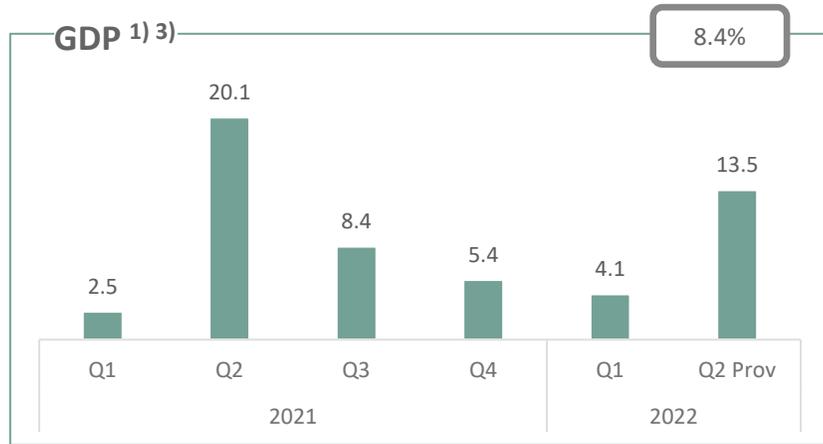
We pioneer motion

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2	Business Highlights Q3 and 9M 2022	6
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Economy | Inflationary pressure remains, economic growth subdued

2020 2021 YTD CY2022 Growth



- For CY2021, GDP grew by 8.3%
- H1 CY2022 growth stands at 8.4% and CY2022 GDP is expected to grow at 7.7%
- IIP posted degrowth of 0.8% in Aug; H1 CY2022 growth for mining, manufacturing, & electricity stands at 4.0%, 5.2%, and 8.2% respectively
- YTD CY2022 automotive production registered a growth of 17.8%; PVs, CVs remained strong with some challenges in the tractor segment
- Global events causing disruptions in the supply chain and inflationary pressure

Note :

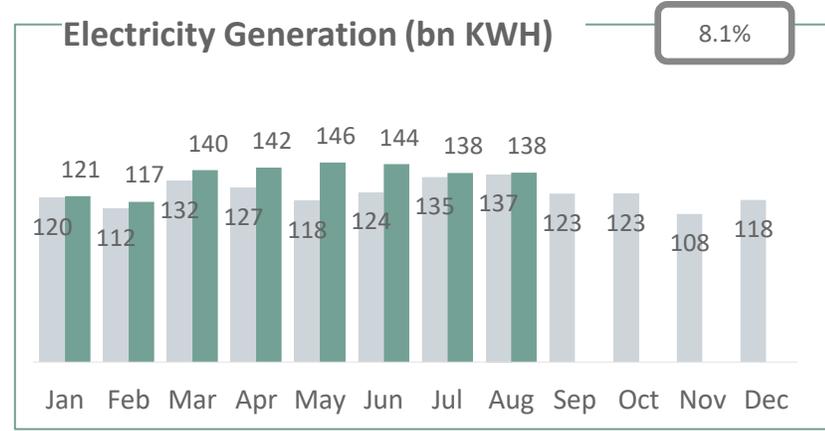
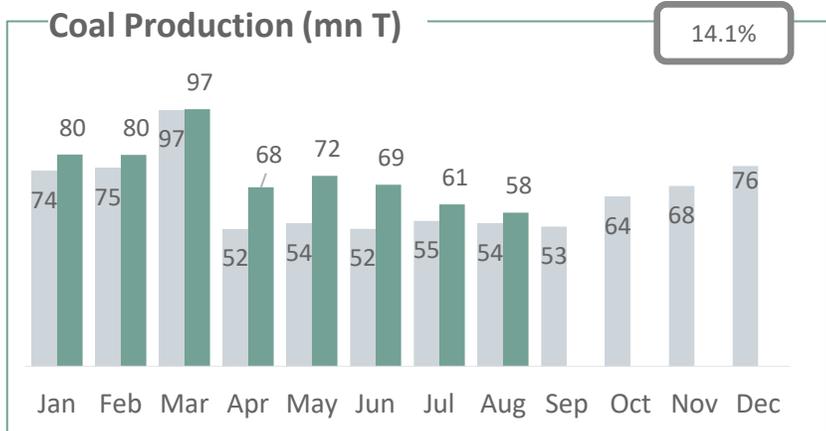
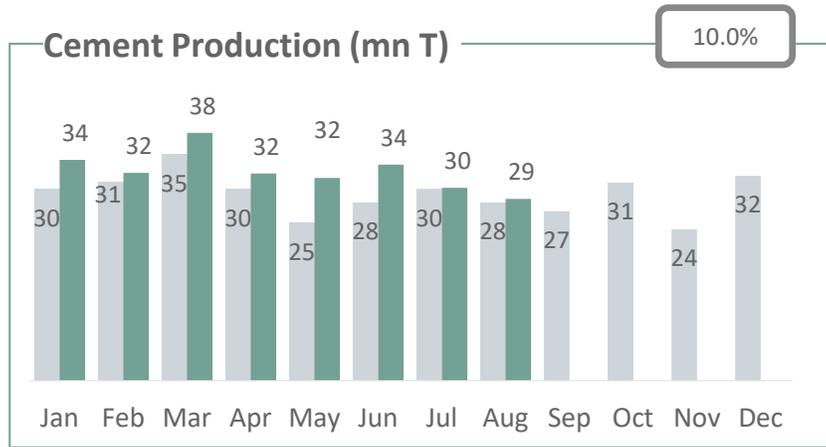
- Data is reinstated every quarter as per final reports released by authorities.
- GDP, IIP, and Automotive Production are YoY growth rates, whereas CPI is quarterly inflation rate. 6.9% is the average CPI for YTD 2022
- Contribution of manufacturing, mining, & electricity in IIP stands at 78%, 14%, & 8% respectively
- Automotive Production includes PVs, CVs, & Tractors with production share of 68%, 16% and 16% 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 | Growth showing positive movement

2020 2021 YTD CY2022 Growth



Overall core sector index performance for YTD CY2022 is 7.9% compared to the same period previous year

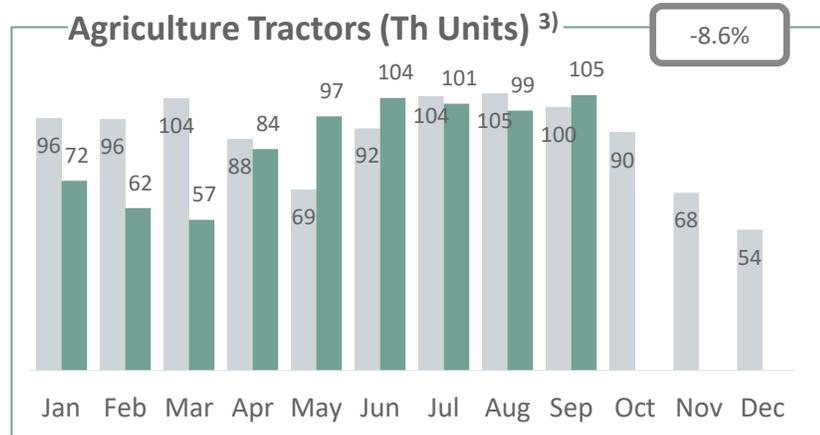
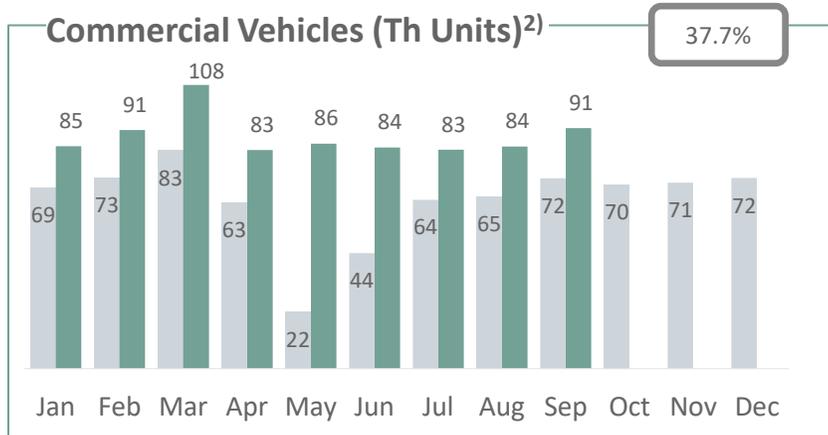
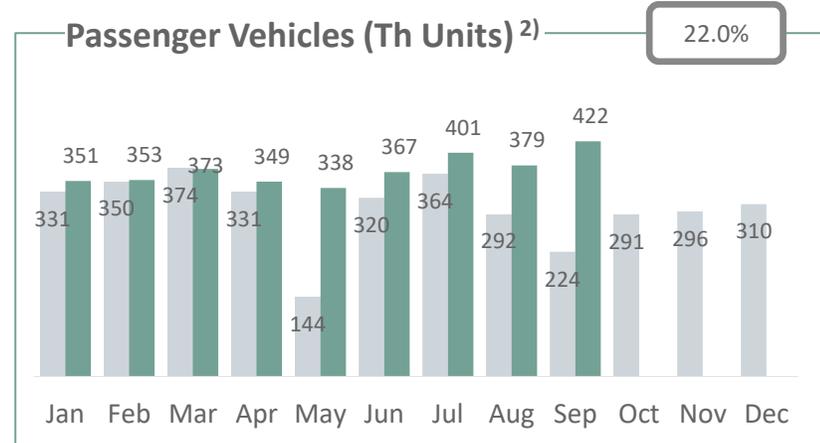
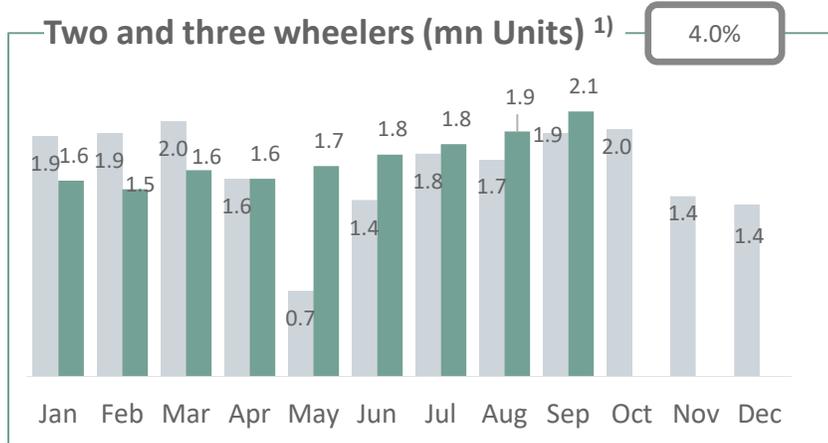
Sector weightage within eight core sectors

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 | Positive traction visible

2020 2021 YTD CY2022 Growth



- Growth in TWs and PVs on the back of festive season and easing of raw material challenges
- YTD YoY growth in CVs at 37.7%, outlook remains positive due to strong infrastructure push, fleet upgrades and low base effect
- YTD YoY growth for tractors seeing a decline due to cyclical impact and demand crunch in the rural market

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

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Q3 2022 | Consistent performance continues

Key Messages

-  Despite a challenging market environment, sustained performance on the back of our balanced business mix
-  Trajectory for business wins in both Automotive and Industrial businesses continues
-  Margin performance – consistent and sustained
-  Focus on constant customer engagement remains – REXPART Automotive Aftermarket Mobile Technical Training Van
-  Corporate Governance Scorecard - continue to remain in the leadership quadrant
-  Headwinds due to global market outlook and inflation remain

Sales growth

18.1% vs Q3'21

0.4% vs Q2'22

17,564 mn INR

EBIT ¹⁾ margin

15.7% Q3'22

14.9% Q3'21

2,756 mn INR

PAT margin

12.3% Q3'22

11.5% Q3'21

2,154 mn INR

FCF

-33.5% vs Q3'21

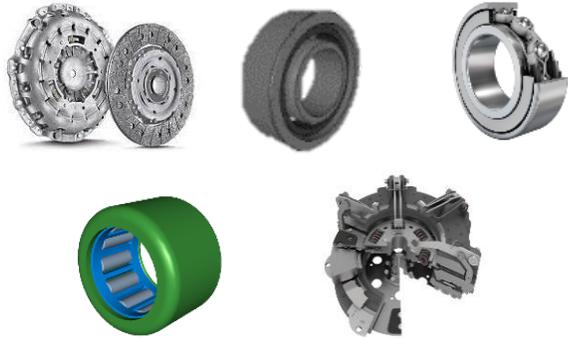
-9.2% vs Q2'22

724 mn INR

¹⁾ EBIT (before exceptional items)

Q3 Business developments | Key business wins

Automotive Technologies



Reliability and emission reduction

- 1 Key win in CVs¹⁾ for double clutch systems
- 2 Business win for needle bearings and DGBBs for PV¹⁾ segment
- 3 Business wins in PVs¹⁾ for light vehicle clutch systems

Automotive Aftermarket



Increased market coverage

- 1 Volume wins for our newly launched product – center joint support
- 2 Set up our Mobile Training Center under our REXPERT brand
- 3 Continue to expand our market coverage for shock absorbers, lubricants and wipers

Industrial



Precision and Efficiency

- 1 Key business wins for CRBs, SRBs and TRBs in our off-road segment
- 2 New business win for SRBs, TRBs and LSBs in our energy segment
- 3 Business wins for linear guides in the industrial automation segment and DGBB and NRBs in the TW¹⁾ segment

¹⁾ TW - Two-wheelers, CV - Commercial Vehicles, PV - Passenger Vehicles

REXPERT | Automotive Aftermarket Mobile Technical Training Van



No. of Garages 1100	Days on Road 81	Total KM on Road 8800
No. of Sessions 102	Total Customer 1575	
Training Hours 306	No. of Cities 36	

Target Group

 Repair Garages	 Fleet Workshops
 Multi Brand Garages	 Retail Markets

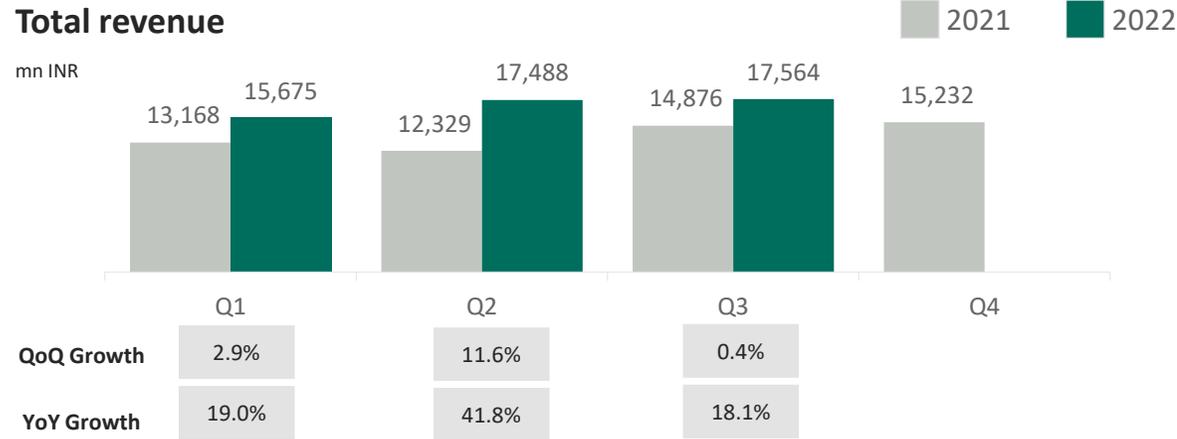
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Revenue from operations | Sustained revenues

Total revenue

mn INR



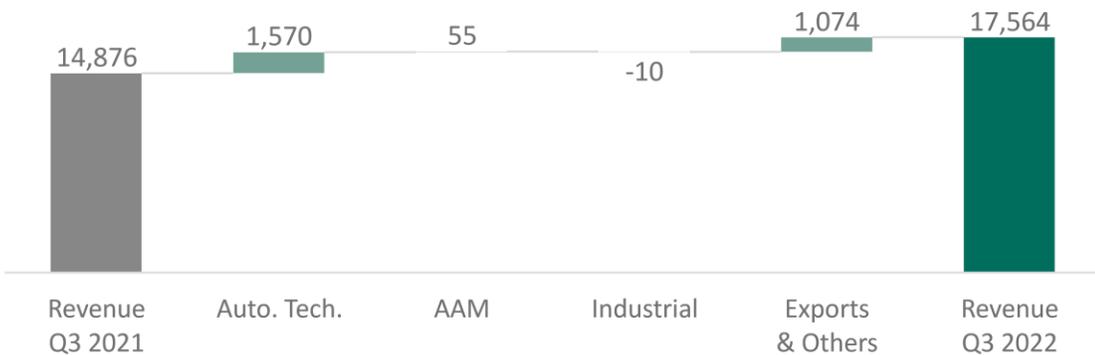
Key aspects

- YTD 2022 growth momentum continued
- Balanced business mix helped in sustaining quarterly revenues

Growth	Q3'22 vs Q2'22	Q3'22 vs Q3'21	9M'22 vs 9M'21
Automotive Technologies	5.5%	28.0%	23.9%
Automotive Aftermarket	0.9%	3.8%	21.4%
Industrial	-5.4%	-0.2%	16.9%
Exports & others	1.3%	61.1%	61.5%

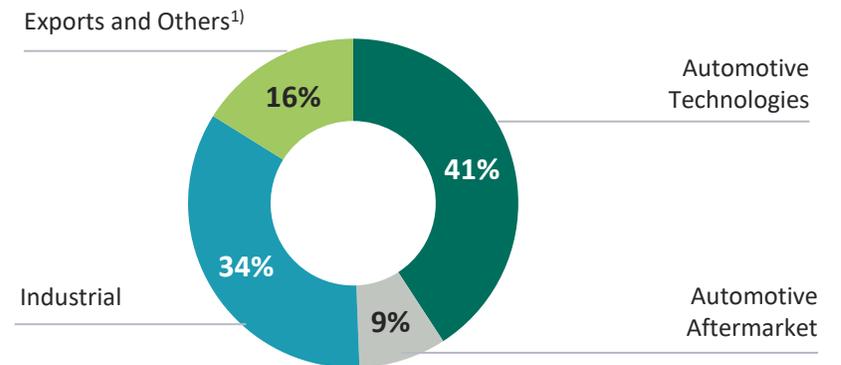
Revenue Bridge

mn INR



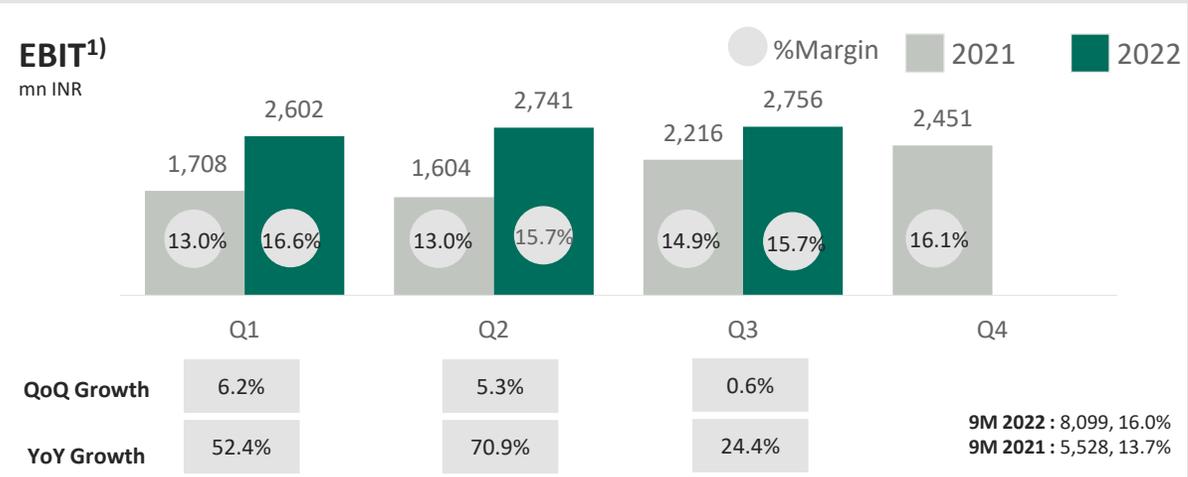
Sales mix

Q3 2022



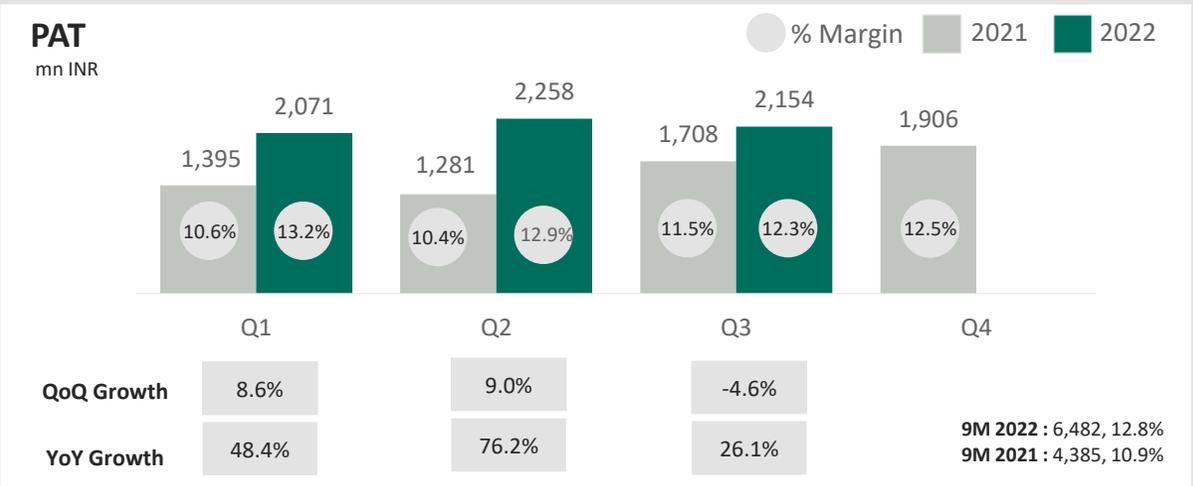
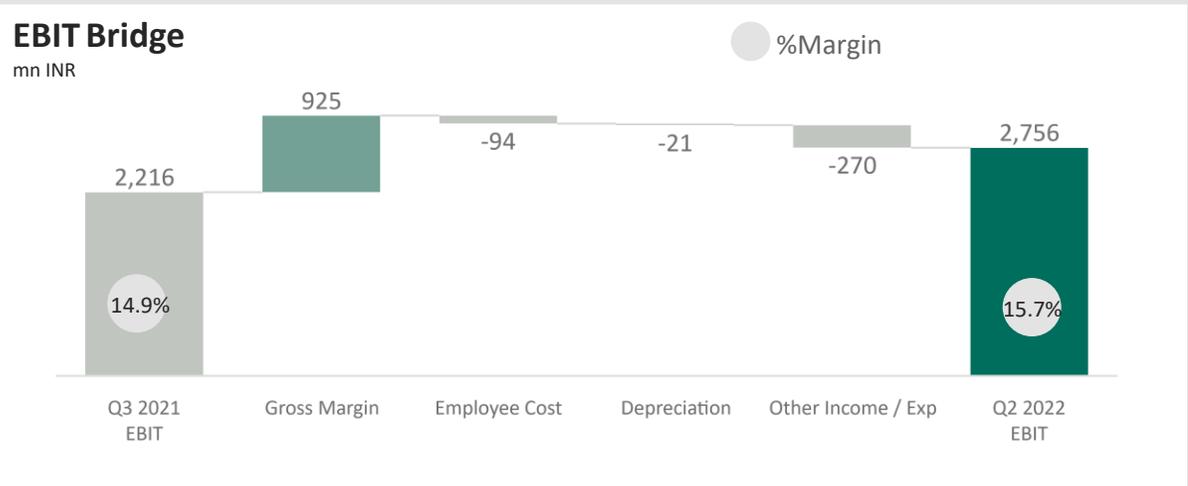
¹⁾ Exports & Others mainly includes exports to group companies, scrap sale and other operating income

Earnings Quality | Continuing consistent performance



Key aspects

- YTD 2022 margin performance improved, higher by ~227 bps on the back of volume gains, sustained countermeasures and business mix
- Q3CY2022 margins sustained - business mix and countermeasures continue to help achieve consistent quarterly performance

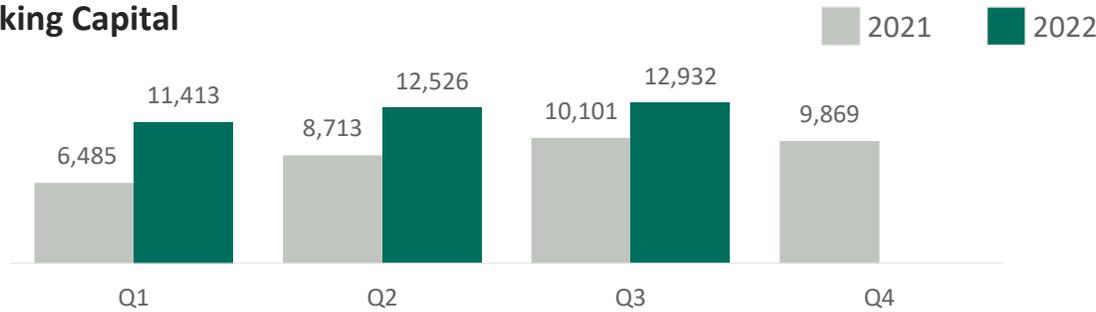


¹⁾ EBIT (before exceptional items) - interest income (net) at 139.6 mn INR in Q3 '22 (79.9 mn INR Q3'21);

Working capital, Capex | Delivering on our commitment

Working Capital

mn INR



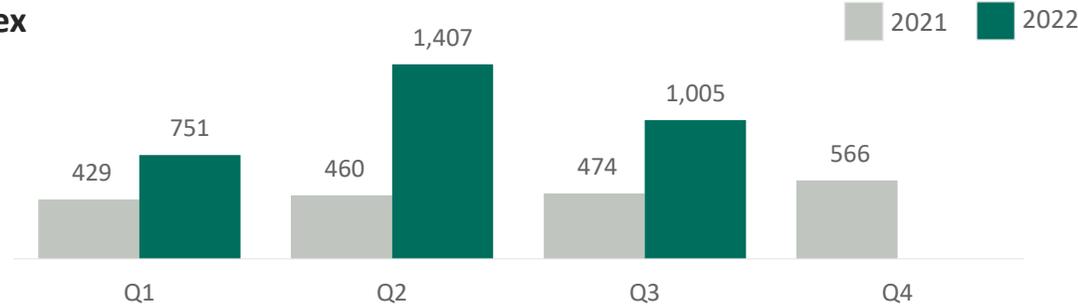
% to sales	3M'21	3M'22	6M'21	6M'22	9M'21	9M'22	12M'21
	15.8%	19.9%	18.0%	20.1%	19.3%	19.9%	18.0%

Key aspects

- Working Capital levels maintained, YoY increased marginally due to inventory increase for improving service levels
- Capex framework – efficient and judicious use of resources
- Modest free cash flow generation on the back of overall performance

Capex

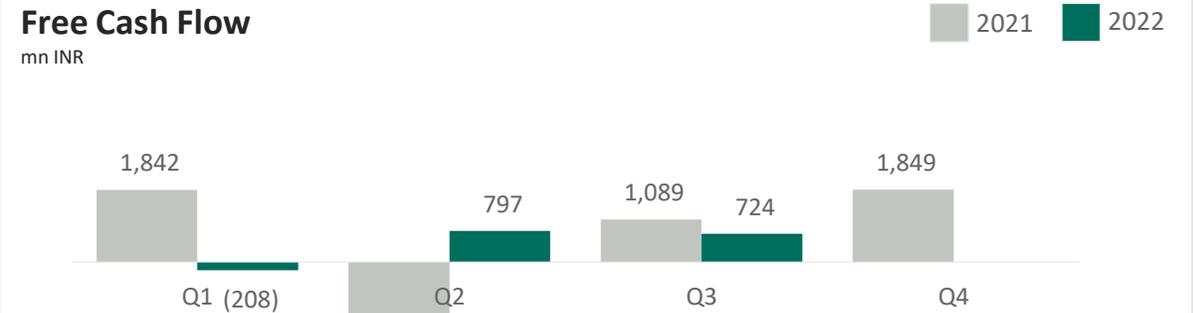
mn INR



% to sales	3M'21	3M'22	6M'21	6M'22	9M'21	9M'22	12M'21
	3.3%	4.8%	3.5%	6.5%	3.4%	6.2%	3.5%

Free Cash Flow

mn INR



QoQ Growth	Q1	Q2	Q3
	-111.2%	484.1%	-9.2%
YoY Growth	Q1	Q2	Q3
	-111.3%	153.1%	-33.5%

Performance Indicators

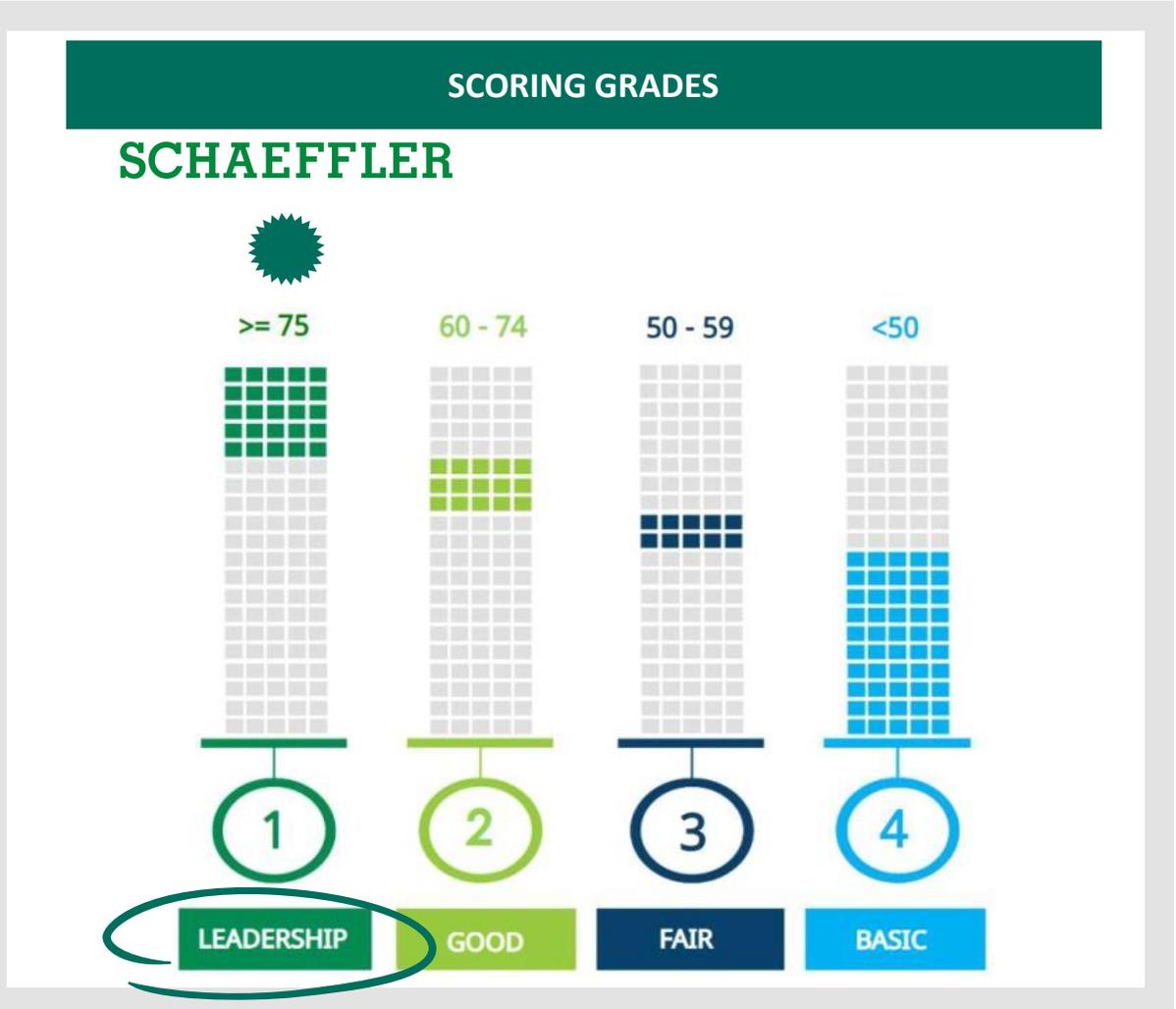
	Unit	Q3 2022	Q2 2022	Q3 2021	9M 2022	9M 2021	12M 2021	12M 2020
Revenue	mn INR	17,564	17,488	14,786	50,728	40,373	55,605	37,619
Revenue growth (YoY)	%	18.1%	41.8%	32.7%	25.6%	62.3%	47.8%	-13.7%
Revenue growth (QoQ)	%	0.4%	11.6%	20.7%				
EBITDA	mn INR	3,273	3,254	2,712	9,634	6,987	9,950	5,402
EBITDA Margin	%	18.6%	18.6%	18.2%	19.0%	17.3%	17.9%	14.4%
EBIT ¹⁾	mn INR	2,756	2,741	2,216	8,099	5,528	7,979	3,462
EBIT Margin	%	15.7%	15.7%	14.9%	16.0%	13.7%	14.3%	9.2%
EBT	mn INR	2,896	2,857	2,296	8,525	5,863	8,431	3,972
EBT Margin	%	16.5%	16.3%	15.4%	16.8%	14.5%	15.2%	10.6%
PAT	mn INR	2,154	2,258	1,708	6,482	4,385	6,291	2,910
PAT Margin	%	12.3%	12.9%	11.5%	12.8%	10.9%	11.3%	7.7%
Capex ²⁾	mn INR	1,005	1,407	474	3,163	1,363	1,929	2,126
FCF	mn INR	724	797	1,089	1,314	1,430	3,279	4,572

¹⁾ EBIT and EBT (before exceptional items) - interest income (net) at 139.6 mn INR in Q3 '22 (79.9 mn INR Q3'21); ²⁾ Capex includes CWIP

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Corporate Governance Scorecard | Leadership position continues



SCHAEFFLER SCORECARD

iIAS INSTITUTIONAL INVESTOR ADVISORY SERVICES

BSE: **505790** | NSE: **SCHAEFFLER**
Index: **S&P BSE 500, NIFTY 500**
Sector: **Industrials**

Governance Grade

LEADERSHIP

20% companies in the S&P BSE 100* are in this grade

* As per evaluation done by iIAS

In Summary

- 1 Revenue performance in line despite sluggish macroeconomic environment
- 2 Balanced business mix and continued countermeasures enabled sustained performance
- 3 Capex – on track for consistent capital deployment
- 4 Remain cautiously optimistic on the back of weakening global outlook and uncertainties



Committed on constant customer engagement while ensuring sustainable value addition for all our stakeholders

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Thank you



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