



SONA COMSTAR

Q3 & 9MFY22 Earnings Presentation

01 February 2022

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Our Management Team



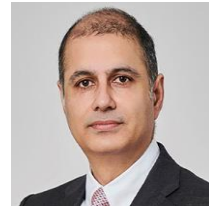
Mr. V. Vikram Verma
CEO, Driveline Business



**Mr. Kiran Manohar
Deshmukh**
Group CTO



Mr. Sat Mohan Gupta
CEO, Motor Business



Mr. Rohit Nanda
Group CFO



Mr. Vivek Vikram Singh
MD & Group CEO



Mr. Amit Mishra
Head, Investor Relations

Q3 FY22 Financial Performance Highlights

4,941 mn | **1%**

Revenue | YoY Growth

1,305 mn | **-11%**

EBITDA | YoY Growth

864 mn | **4%**

PAT | YoY Growth

26.4% EBITDA Margin

17.5% PAT Margin

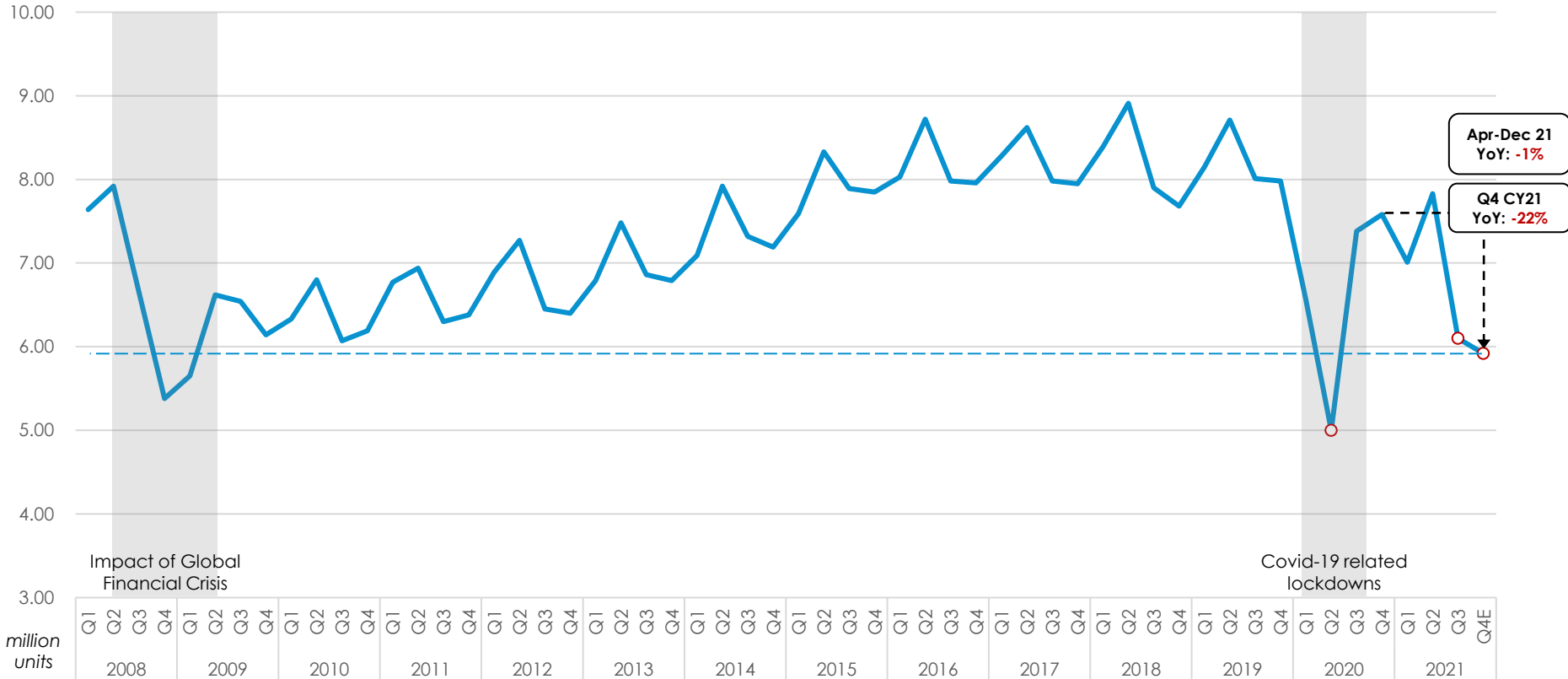
1,349 mn | **108%**

BEV Revenue | YoY Growth

29%

Q3 FY22 Revenue Share
from BEV

Passenger Vehicle Sales Trend in US + Europe



9M FY22 Financial Performance Highlights

15,806 mn | 54%

Revenue | YoY Growth

4,237 mn | 41%

EBITDA | YoY Growth

2,569 mn | 65%

PAT | YoY Growth

26.8% EBITDA Margin

16.3% PAT Margin

CY20

CY21

5.0% → 6.3%

Global Market Share
of Differential Gears¹

CY20

CY21

3.0% → 4.6%

Global Market Share
of Starter Motors²

36.1%

RoCE³

Notes:

1. As per Ricardo report
2. Across light vehicles; as per Ricardo report
3. ROCE = LTM EBIT/ Average tangible capital employed

The image shows four glowing orange, net-formed differential gears arranged on a dark metal mesh conveyor belt. The gears are illuminated from below, creating a bright orange glow. The background is dark and industrial, suggesting a factory setting. The text "Our Strategic Priorities" is overlaid in white on the left side of the image.

Our Strategic Priorities

Net formed differential gears coming out of our forging press

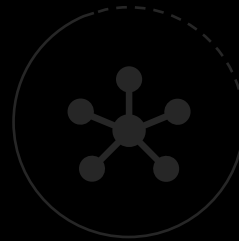
Our Strategic Priorities



Electrification



**Global Market
Significance**



Diversification



Technology

Sizeable and Increasing Presence in EVs



23%

9M FY22 Revenue Share
from BEV

3,556 mn

9M FY22 BEV segment
revenue

168%

9M FY22 BEV revenue
YoY growth

20

(7+13)¹

BEV Programs¹ awarded
across 11 customers as at the
end of Q2 FY22

+4



24

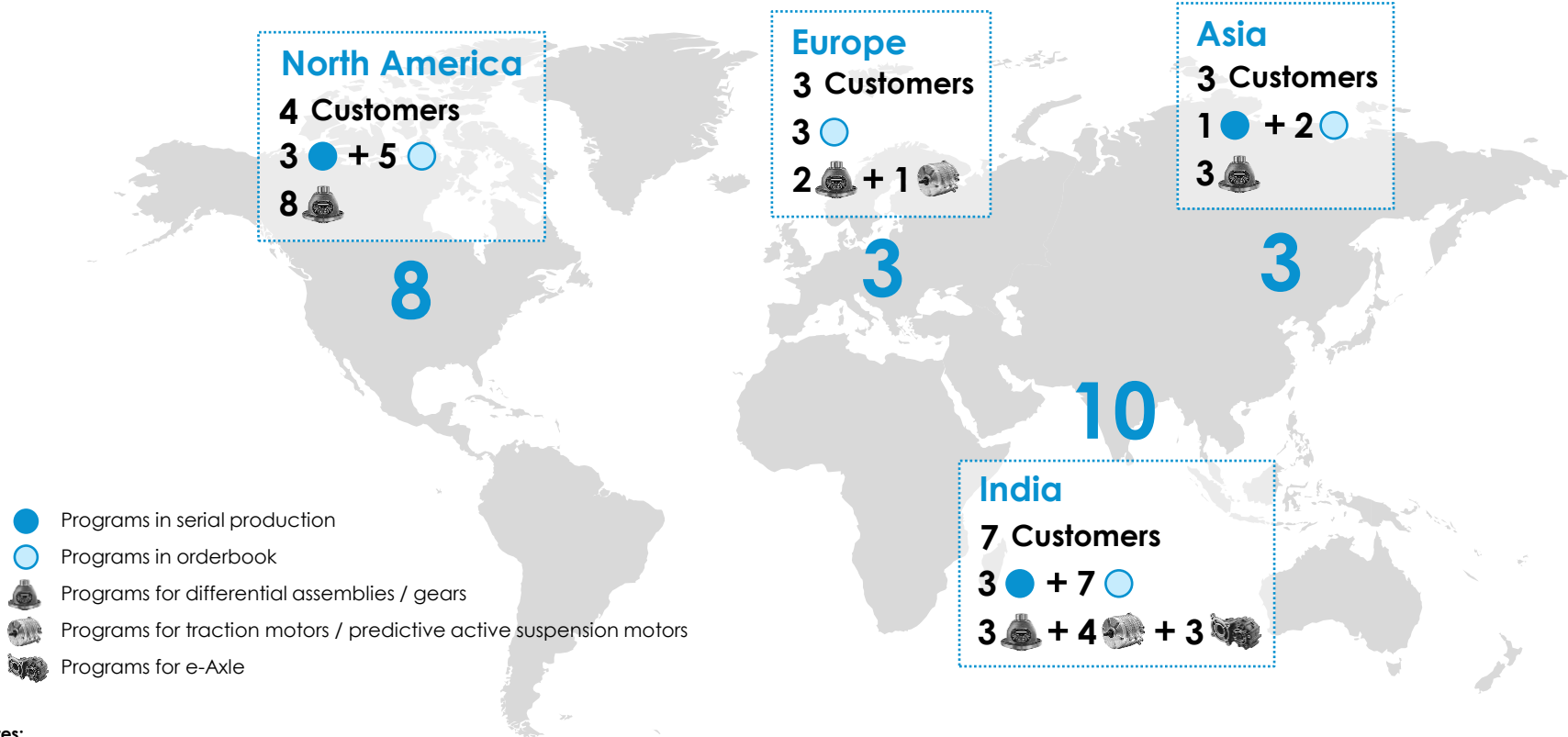
(7+17)¹

BEV Programs¹ awarded
across 14 customers as at the
end of Q3 FY22

Notes:

1. Include programs currently in serial production as well as in the orderbook; numbers in brackets to be read as → (# of programs in serial production + # of programs in orderbook)

24 EV Programs across 14¹ different customers



Notes:

1. 2 customers are present in more than one geography

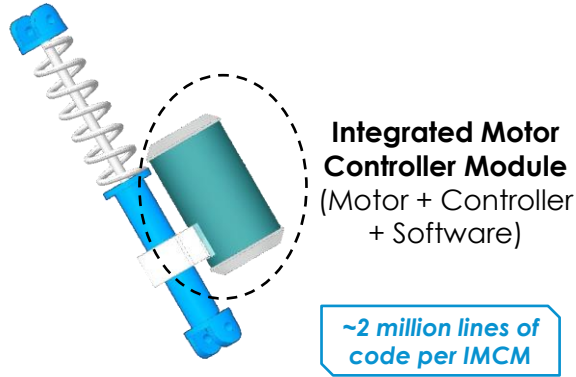


New Program Win – Project Glide¹

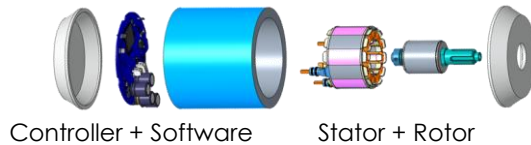
Predictive Active Suspension Integrated Motor Controller Module

~ 4,050 mn
peak annual revenue²

FY25
SOP Year



Exploded View of EMM



This video is for illustration purpose only and may not be an exact representation of the product

Notes:

1. Customer name is not disclosed due to confidentiality policy
2. We have applied a discount to the customer estimate

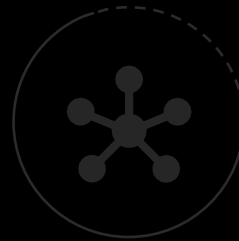
Our Strategic Priorities



Electrification



Global Market
Significance



Diversification

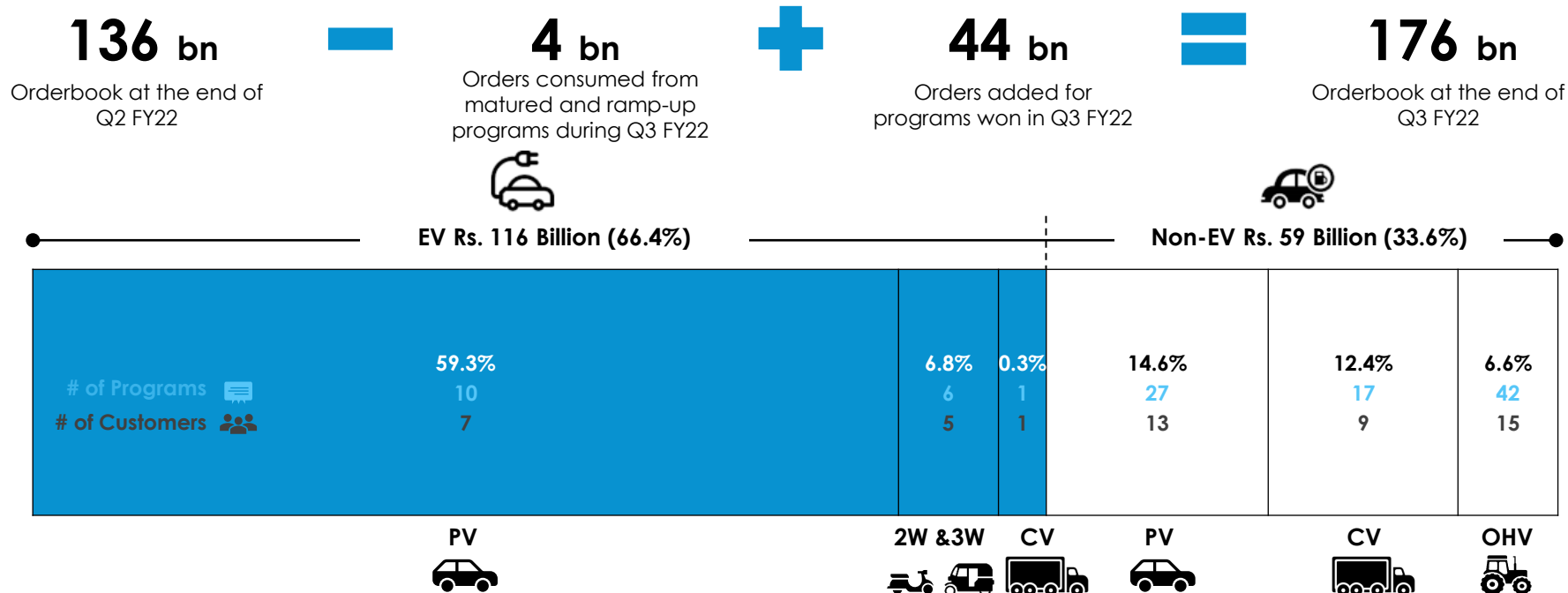


Technology

Scaled Player with High and Profitable Growth Outlook



Our net order book¹ at Rs. 176 billion is 11.2x FY21 revenue



Notes:

1. Net order book means the aggregate revenue from awarded programs which are either yet to start production or are yet to fully ramp up, in the next 10 years, after adjusting for the negative impact of all programs that are expected to reach end of life or be phased out. We have also applied a discount to accommodate any unforeseen delays or changes in program launches that may happen in the future.

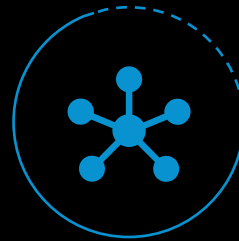
Our Strategic Priorities



Electrification



Global Market
Significance



Diversification



Technology

Well diversified across categories

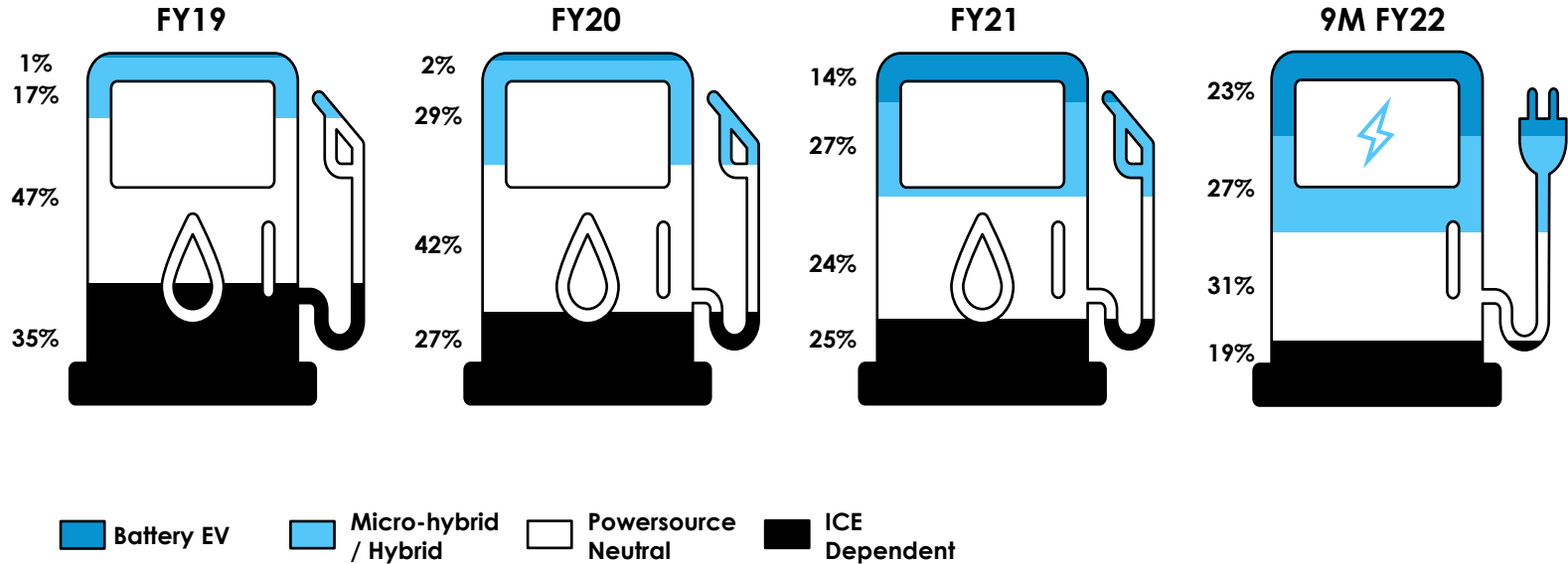
Powertrain, Geographies, Products and Vehicle segments



Diversified Revenue Mix – By Powertrain

Battery EV increasing as a % of our revenue continues to be our dominant and secular theme

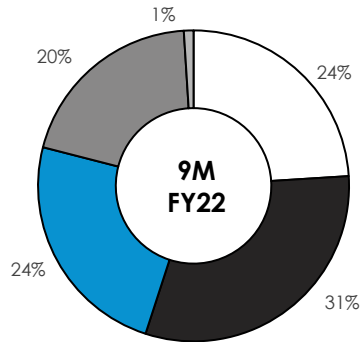
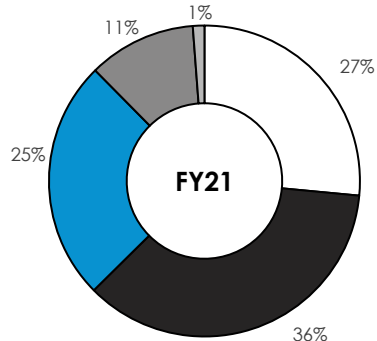
Our pure ICE dependence continues to reduce steadily going from 25.1% in FY21 to 18.8% in 9M FY22



Diversified Revenue Mix

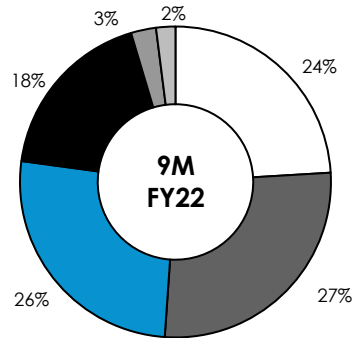
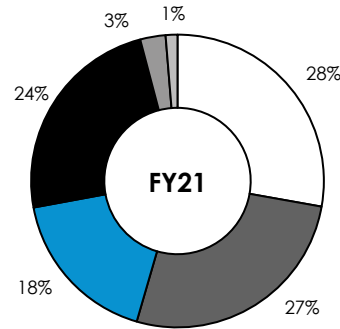


By Geography



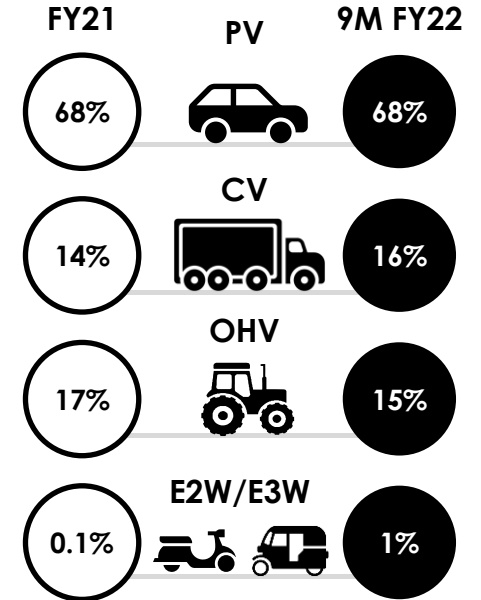
□ Europe ■ North America ■ India ■ Asia (excl. India) ■ RoW

By Product



□ Differential Gears ■ Micro-Hybrid Starter Motors
 ■ Differential Assembly ■ Conventional Starter Motors
 ■ Others Gears ■ Others

By Vehicle segment



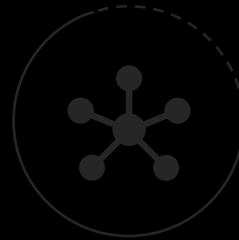
Our Strategic Priorities



Electrification



Global Market
Significance



Diversification



Technology



Increasing level of automation

Level 0



No System

No Automation

The driver is in complete control of the vehicle at all times

Level 1



Feet-off



Driver Assistance

The vehicle can assist the driver or take control of either the vehicle's speed or its lane position

Level 2



Hands-off



Partial Automation

The vehicle can take control of both the vehicle's speed and lane position in some situations

Level 3



Eyes-off



Conditional Automation

The vehicle is in full control in some situations, monitors the road and traffic, informs the driver when he/she must take control

Level 4



Brain-off



High Automation

The vehicle is in full control for the entire trip under certain conditions

Level 5

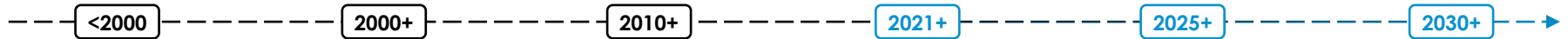


No driver



Full Automation

The vehicle can operate without a human driver or occupant



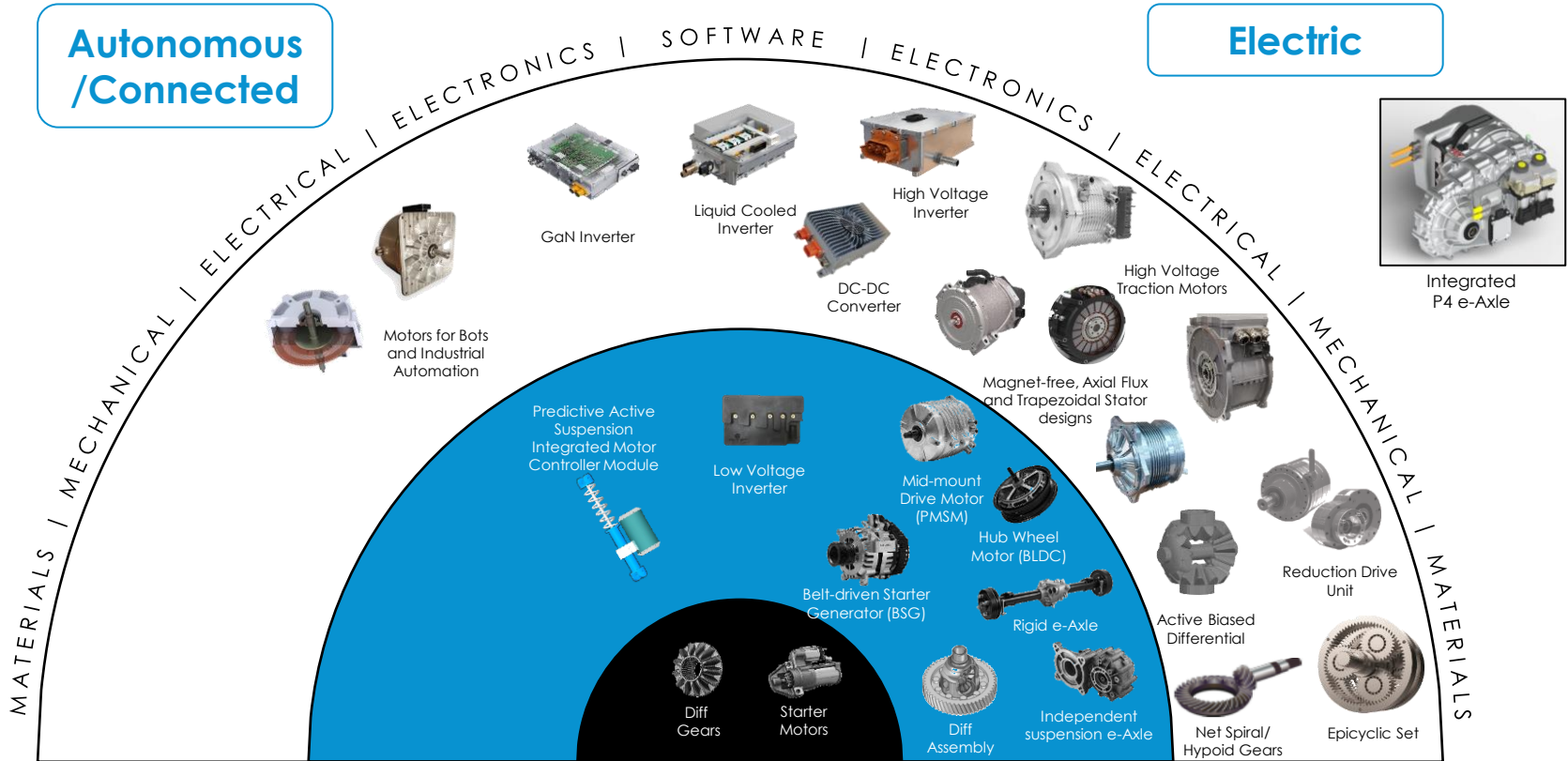
Expected start of commercial pilots and/or market introductions by established players →

Technology Roadmap



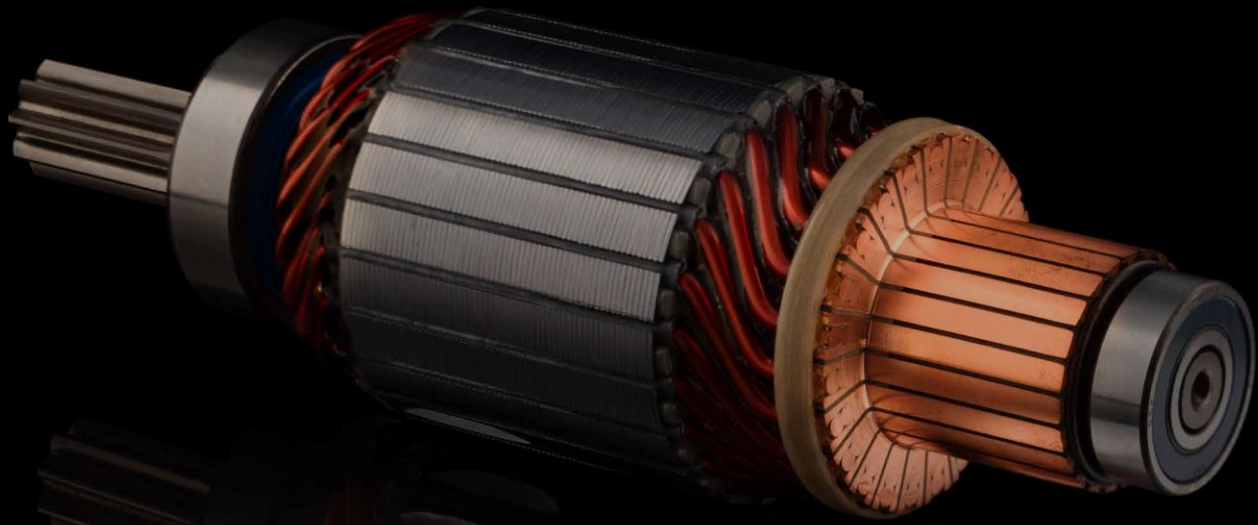
Autonomous /Connected

Electric



Future Products
 Current Products
 Legacy Products

Note: The product images shown are for illustration purposes only and may not be an exact representation of the products



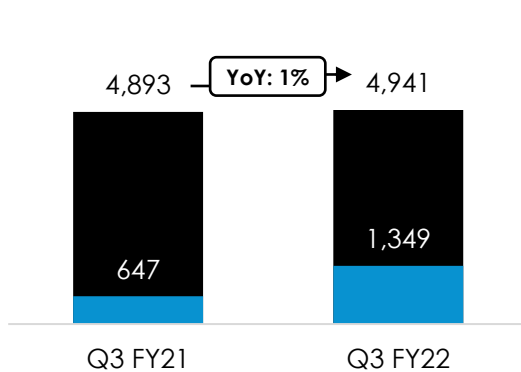
Q3 & 9MFY22 Financial Update

Our armature used in starter motors

Q3 FY22 Financials

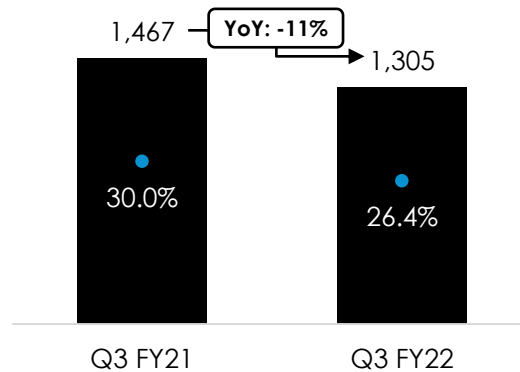
Revenue (Rs. mn)

■ BEV



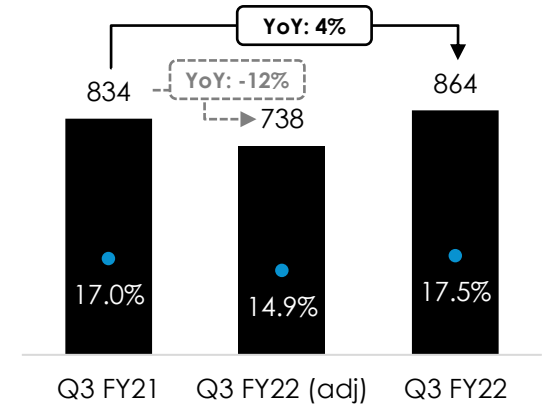
- BEV Revenue higher by 108%, constitutes 29% of total revenue
- Non-BEV Revenue declined 15% mainly due to decline of automotive sales in our largest markets viz. North America and Europe by ~22%

■ EBITDA (Rs. mn) ● EBITDA Margin (%)



- Positive margin impact of ~2.0% due to product mix
- Margin impact due to increase in RM prices
 - Numerator-denominator effect despite pass through ~(-4.2%)
 - No pass through ~(-1.3%)

■ PAT (Rs. mn) ● PAT Margin (%)

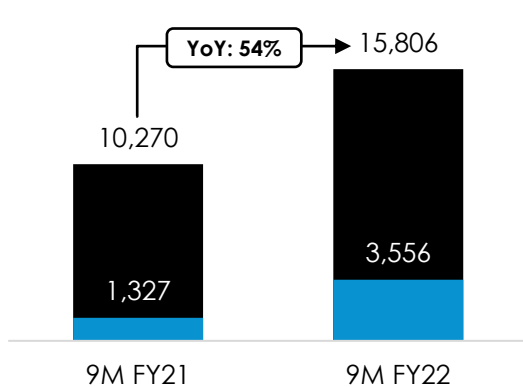


- Net impact of higher depreciation, lower interest cost and other income (as % of revenue) has reduced PAT margin by ~0.4%
- Adjusted for one-time tax impact, PAT would be ~Rs. 738 mn

9M FY22 Financials

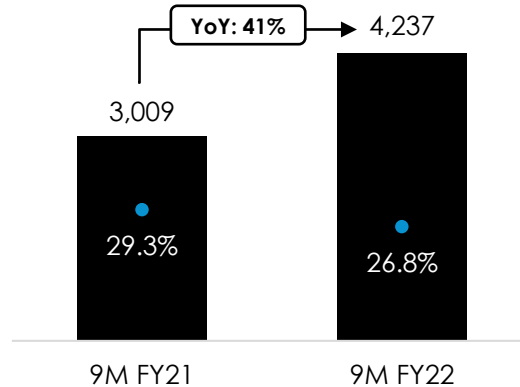
Revenue (Rs. mn)

■ BEV



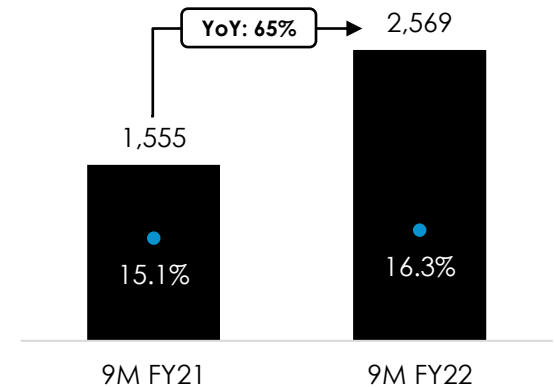
- BEV Revenue higher by 167%, constitutes 23% of total revenue
- Non-BEV Revenue grew 37% despite a decline of automotive sales in our largest markets of North America and Europe by ~1%,

■ EBITDA (Rs. mn) ● EBITDA Margin (%)



- Positive margin impact of ~1.6% and ~3.2% due to operating leverage and product mix respectively
- Margin impact due to increase in RM cost
 - Numerator-denominator effect despite pass through ~(-4.3%)
 - No pass-through impact ~(-1.4%)
- ~(-1.6%) margin impact due to lower forex gain

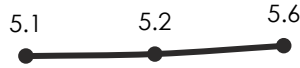
■ PAT (Rs. mn) ● PAT Margin (%)



- Net impact of lower depreciation, lower interest cost and other income (as % of revenue) has improved PAT margin by ~1.3%
- 9M FY22 PAT is higher by ~1.4% due to reversal of IPO expenses and one-time tax impact

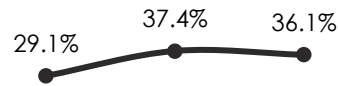
Key Ratios

VA/Employee cost



Mar-20 Mar-21 Dec-21

RoCE (%)



Mar-20 Mar-21 Dec-21

RoE (%)



Mar-20 Mar-21 Dec-21

Net Debt to EBITDA



Mar-20 Mar-21 Dec-21

Working Capital Turnover



Mar-20 Mar-21 Dec-21

Fixed Asset Turnover

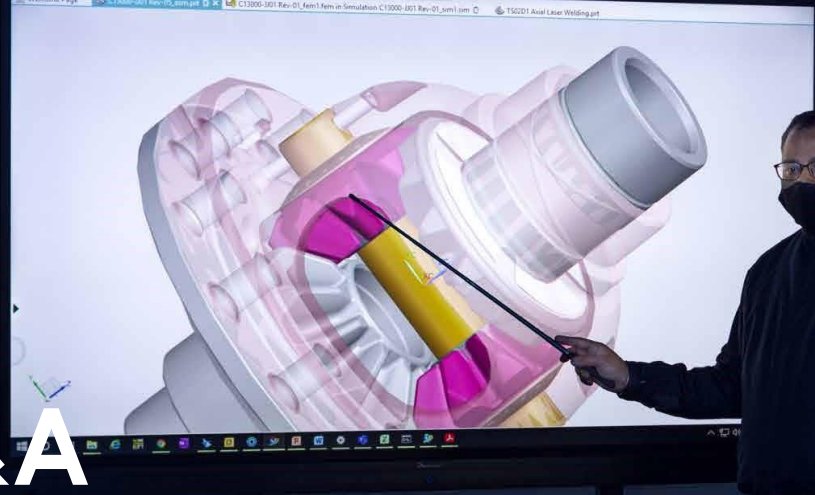


Mar-20 Mar-21 Dec-21

Note:

- 1) VA/Employee Cost = Material margin/ (Employee cost + Manpower cost on hiring)
- 2) ROCE = LTM EBIT/ Average tangible capital employed
- 3) ROE = LTM PAT/ Average tangible net worth
- 4) Net Debt to EBITDA = Short-term & long-term debt less Cash & bank balances / LTM EBITDA
- 5) Working Capital Turnover = LTM Revenue/ Average net working capital
- 6) Fixed asset turnover = LTM Revenue/ Average Tangible net block
- 7) Mar-20 numbers are based on pro-forma financials

Q&A



New Product Development Discussion



Thank you

Our final drive gears

Appendix



Outside view of our manufacturing plant at Manesar, Haryana

One Vision

To become one of the World's
most **Respected** and **Valuable**
Auto Technology companies
for our
Customers, Employees &
Shareholders

Our story so far...

Phase - 1

- 18 Customers
- 2 Plants
- 1 Product

Phase - 2

- 22 Customers
- 2 Plants
- 2 Products

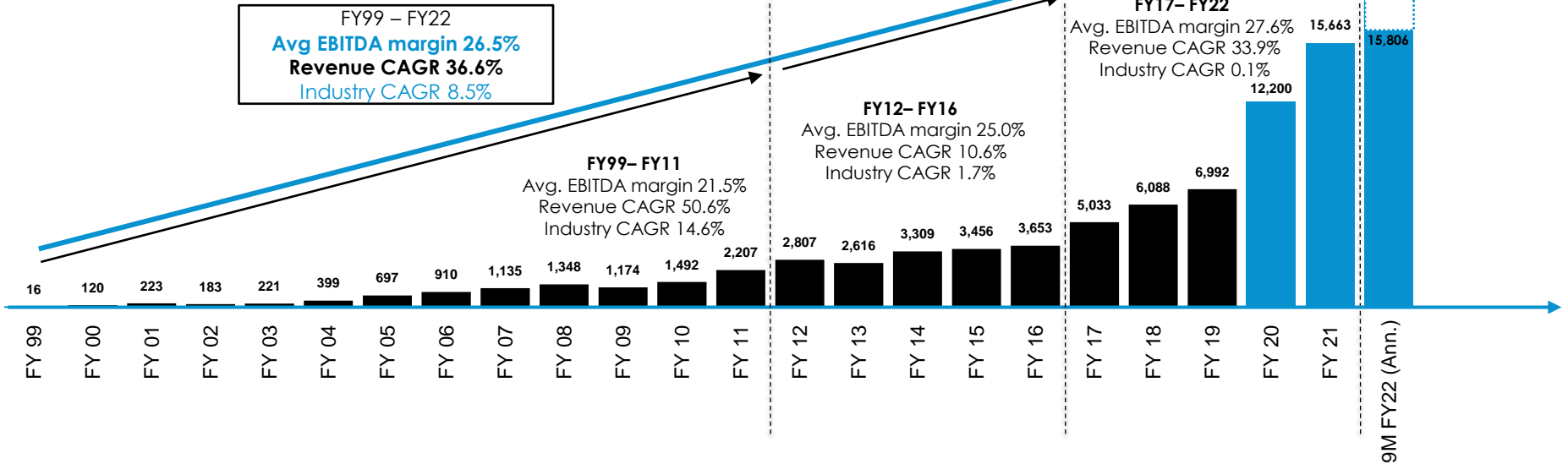
Phase - 3

- Acquisition of Comstar
- 47 Customers (37+10)
- 8 Plants (4+4)
- 10 Products (5+5)

Phase - 4

- Started journey as public company

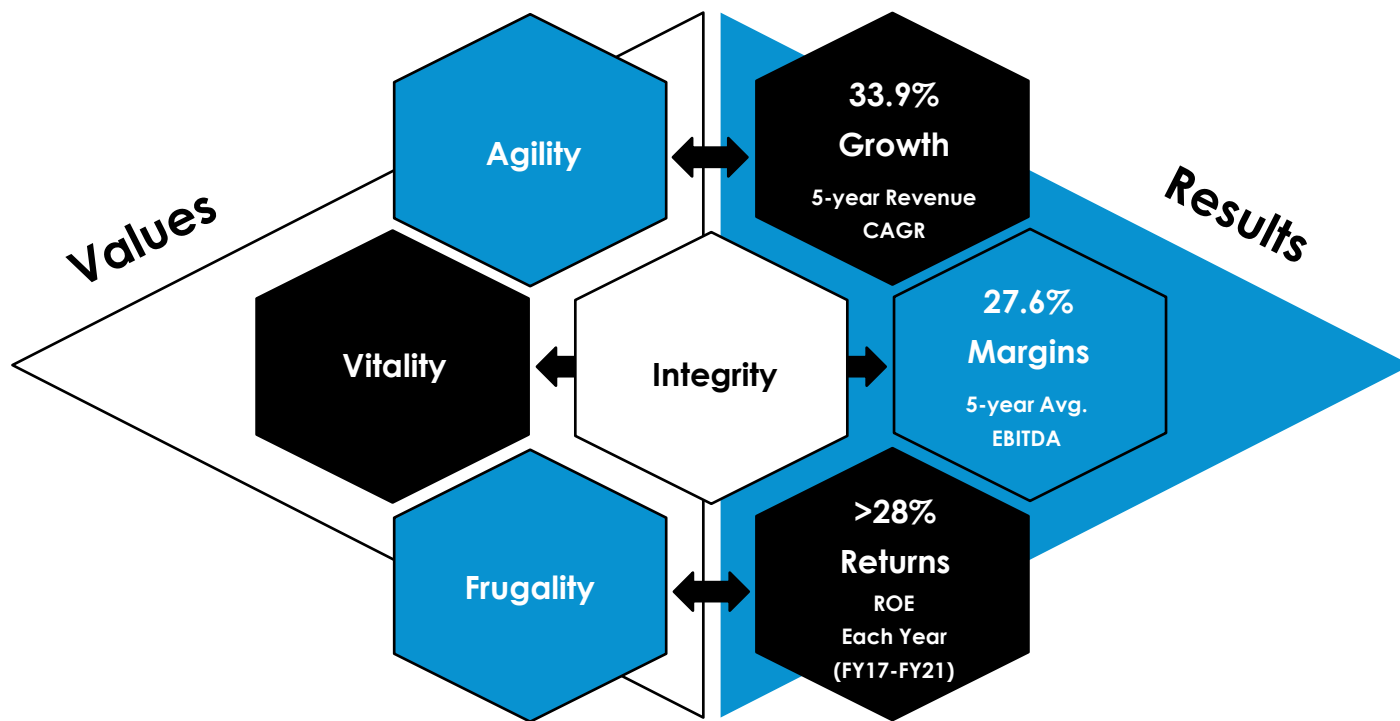
Revenue in INR millions



Notes:

1. FY20, FY21 and 9M FY22 include Comstar
2. Industry data source: SIAM

Guided by Values



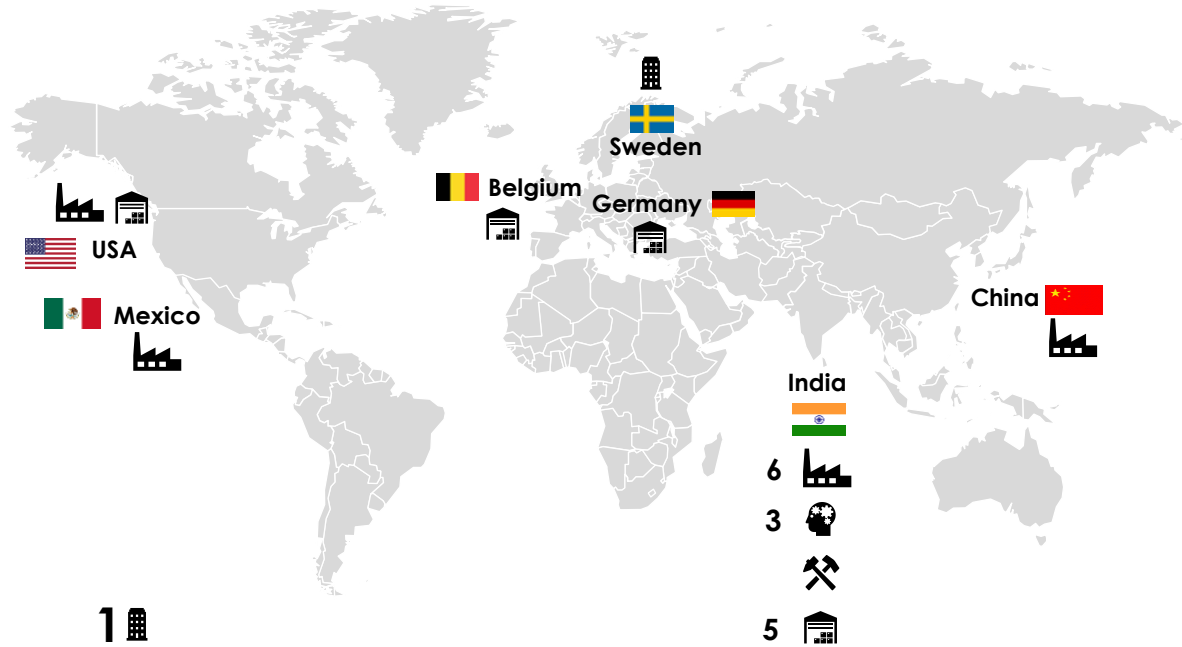
Our Value Proposition

We are one of the world's leading automotive technology companies, designing, manufacturing and supplying mission-critical complex systems and components for both **electrified** and non-electrified powertrain segments



Established Global Presence to Serve Customers Locally

-  6 of the world's top 10 PV OEMs¹
-  3 of the world's top 10 CV OEMs¹
-  7 of the world's top 8 tractor OEMs¹



9 
Manufacturing Plant

3 
R&D Centre

1 
Tool & Die Shop

8 
Warehouse

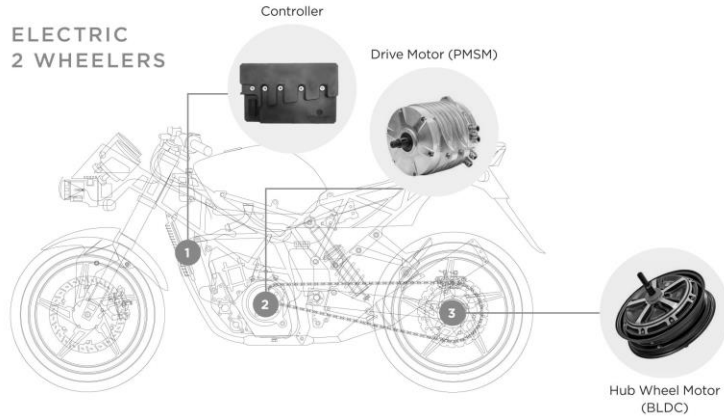
1 
Sales Office

6 
3 
1 
5 

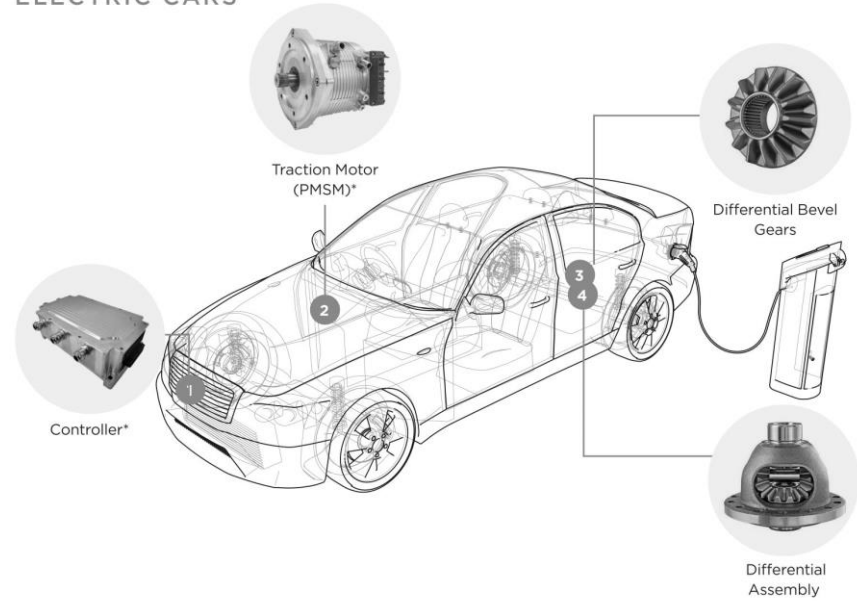
Notes:
1. As per Ricardo report

Product Summary

ELECTRIC 2 WHEELERS



ELECTRIC CARS

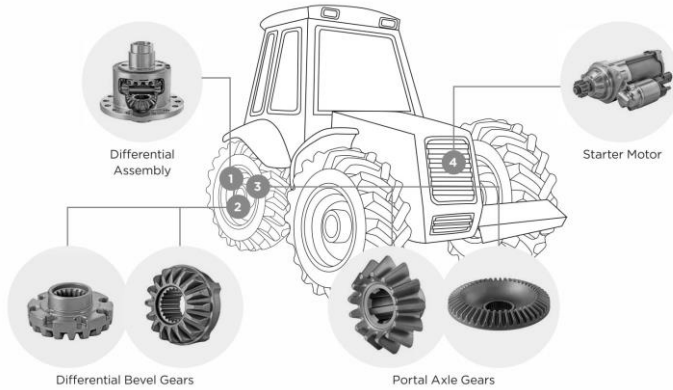


ELECTRIC RICKSHAWS AND 3 WHEELERS

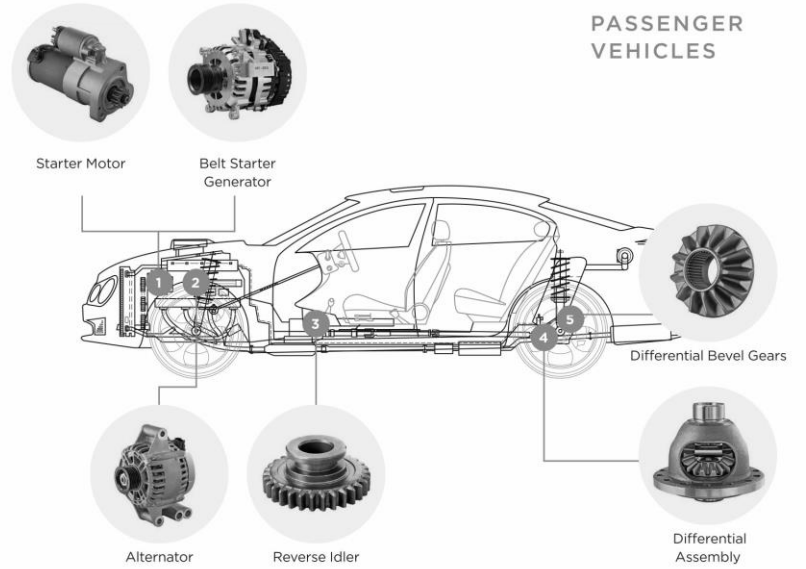


Product Summary

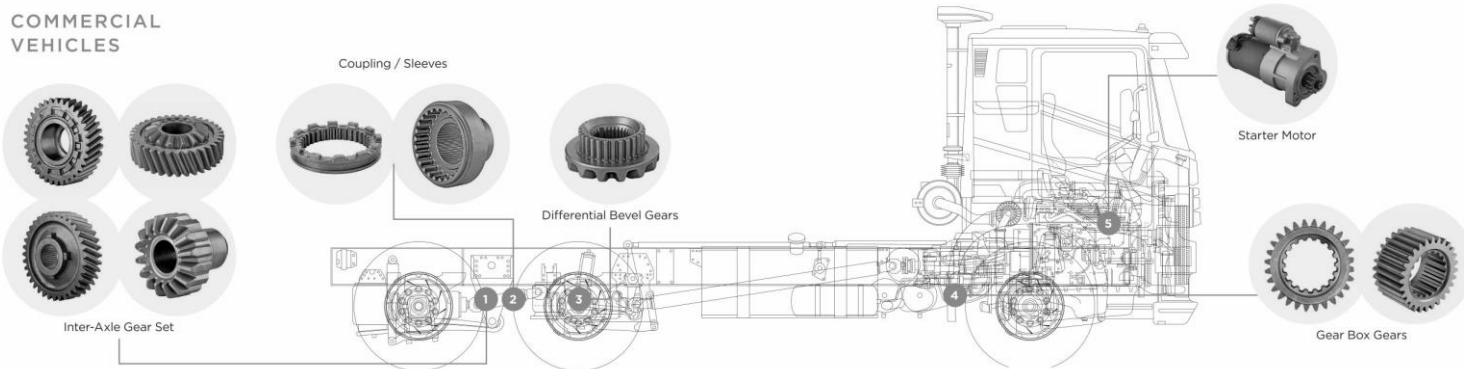
OFF HIGHWAY VEHICLES



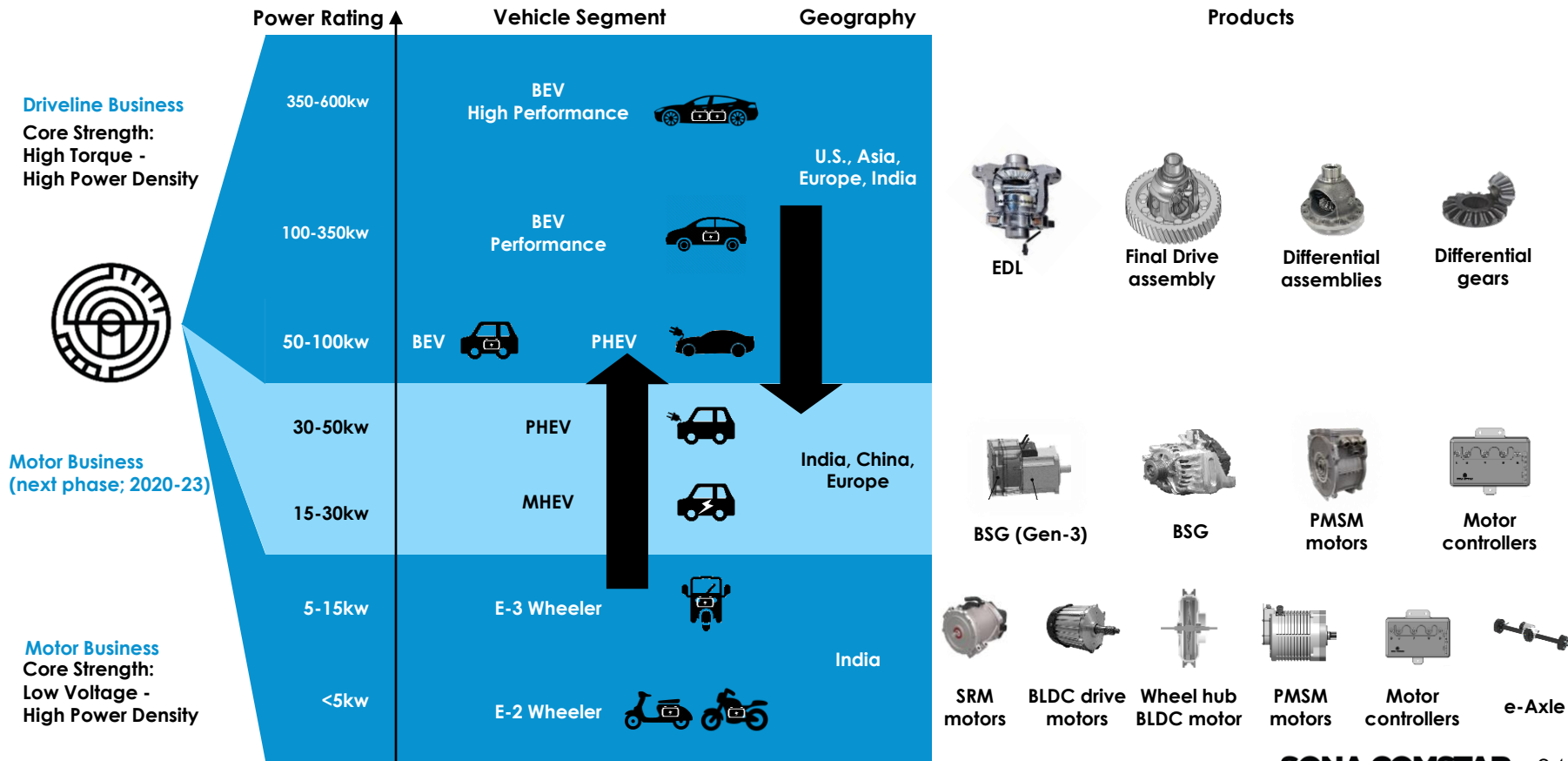
PASSENGER VEHICLES



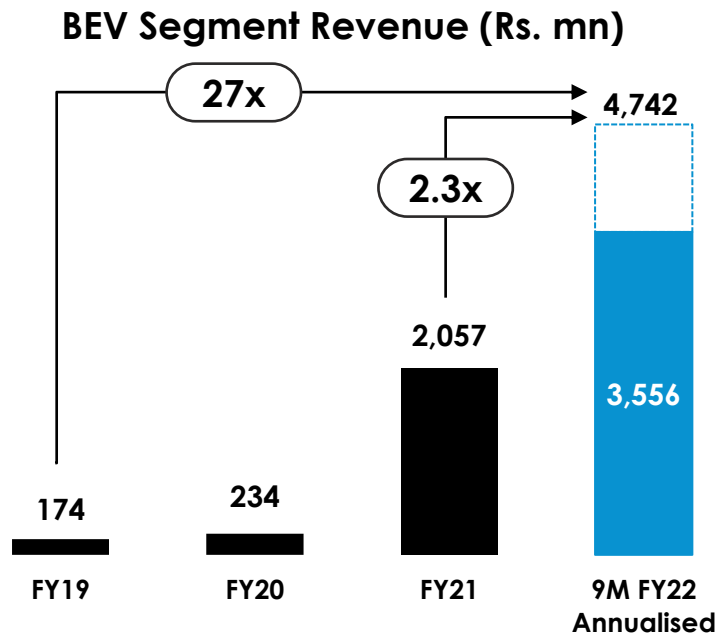
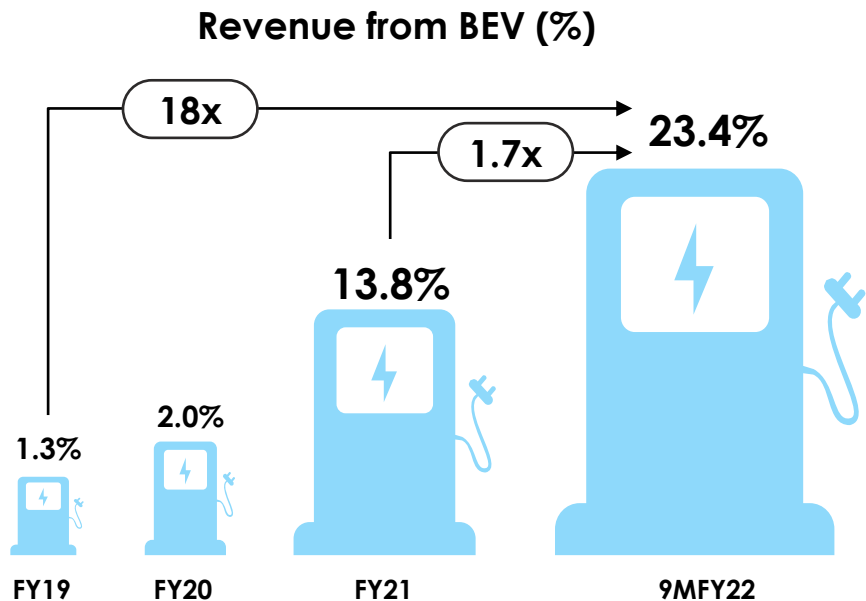
COMMERCIAL VEHICLES



Electrification: Our Approach to Market

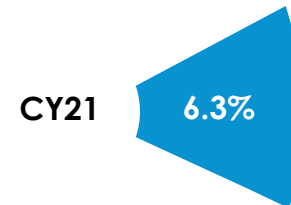


Revenue share from BEV has grown 18x over 3 years, with absolute BEV revenue growth at 27x

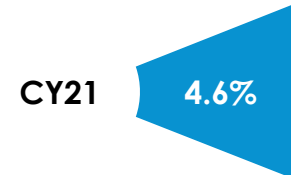


Our Global market share continues to increase across Differential Gears & Starter Motors

Differential Gears¹



Starter Motors¹



While we continue to dominate the Indian market for Differential Gears

Passenger Vehicles



55-60%²

Commercial Vehicles



80-90%²

Tractors



75-85%²

Notes:

1. As per Ricardo report; starter motor market share across light vehicles
2. As per CRISIL report