



SONA COMSTAR

Date: - 25th October, 2023

BSE Ltd. Regd. Office: Floor - 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001. BSE Scrip Code: 543300	National Stock Exchange of India Ltd. Listing Dept., Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 NSE Scrip: SONACOMS
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Subject: Investor Presentation for the quarter and half year ended 30th September, 2023

In compliance with Regulation 30 read with Para 15(a) of Part A of Schedule III and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Investor Presentation *inter-alia*, encompassing an overview of the Company, its operations and Unaudited Standalone and Consolidated Financial Results for the quarter and half year ended on 30th September, 2023.

Kindly take the same on record.

Thanking you

For SONA BLW PRECISION FORGINGS LIMITED

Ajay Pratap Singh
Vice President (Legal), Company Secretary and Compliance Officer

Enclosed: As above



SONA COMSTAR

Q2 & H1 FY24 Earnings Presentation

25 October 2023

Disclaimer

The Future of
Mobility is
E.P.I.C.

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Our Management



**Mr. Kiran Manohar
Deshmukh**
Group CTO



Mr. V. Vikram Verma
CEO, Driveline Business



Mr. Sat Mohan Gupta
CEO, Motor Business



Mr. Rohit Nanda
Group CFO



Mr. Vivek Vikram Singh
MD & Group CEO

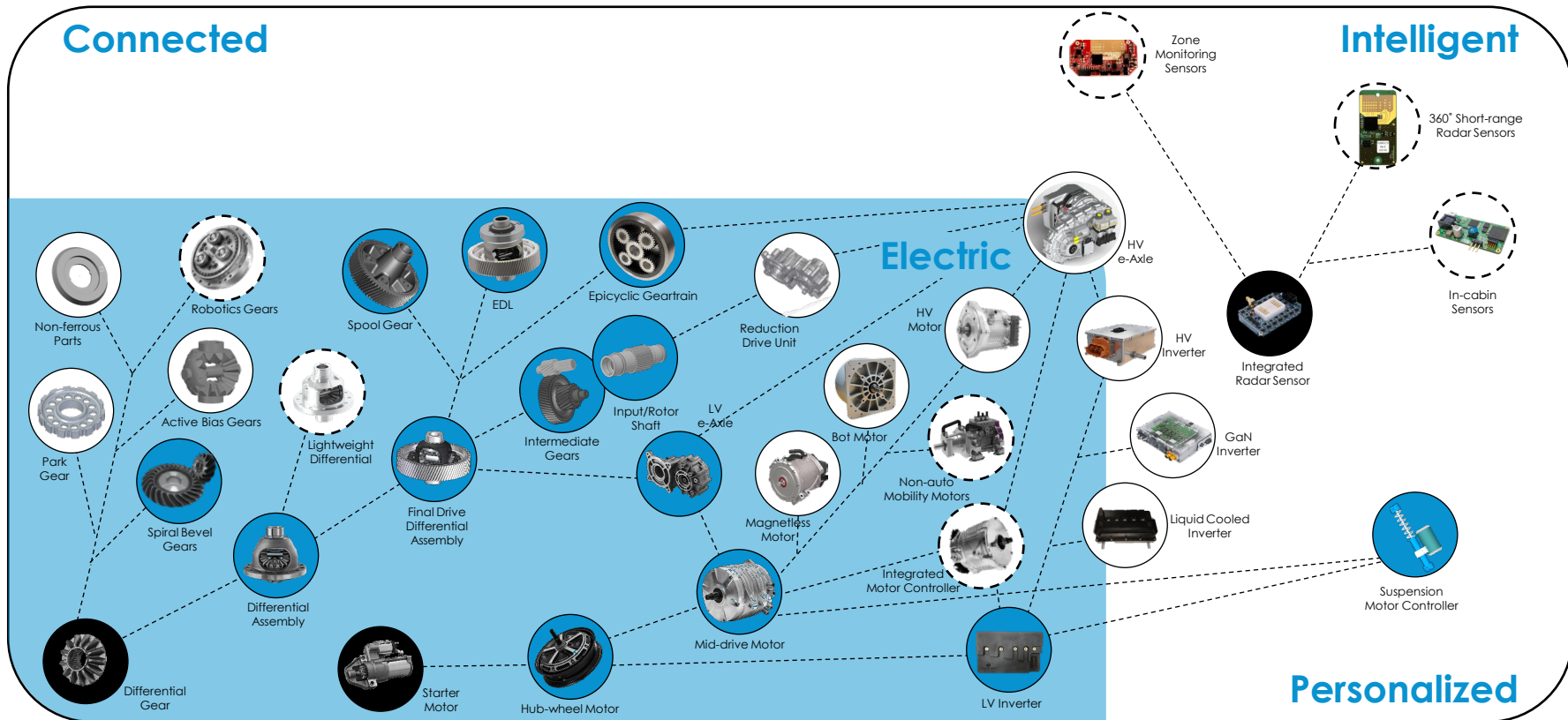


Mr. Amit Mishra
Head, Investor Relations

One Vision

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

Our new technology roadmap for E.P.I.C. mobility also displays our product evolution journey



- Legacy Products
- Current Products
- Future Products
- Future Products added in Q2FY24

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



Financial Performance Highlights

Our net formed differential gears

Q2 FY24 Financial Performance Highlights

7,908 mn | 20%

Revenue | YoY Growth

2,233 mn | 35%

EBITDA | YoY Growth

1,238 mn | 34%

PAT | YoY Growth

28.2% EBITDA Margin

15.7% PAT Margin¹

2,070 mn | 58%

BEV Revenue | YoY Growth

27%

Q2 FY24 Revenue Share
from BEV

Notes:

1. PAT margin percentage calculated from PAT including non-controlling interest

H1 FY24 Financial Performance Highlights

15,230 mn | **22%**

Revenue | YoY Growth

4,267 mn | **38%**

EBITDA | YoY Growth

2,359 mn | **40%**

PAT | YoY Growth

28.0% EBITDA Margin

15.5% PAT Margin¹

32.3%

RoCE²

28.7%

RoE³

Notes:

1. PAT margin percentage calculated from PAT including non-controlling interest
2. ROCE = LTM EBIT/ Average tangible capital employed + capital deployed for acquiring NOVELIC
3. ROE = LTM PAT/ Average tangible net worth + capital deployed for acquiring NOVELIC

The image shows four glowing orange, net-formed differential gears arranged in a diagonal line on a dark metal mesh conveyor belt. The gears have a complex, multi-lobed shape and are illuminated from within, giving them a bright, fiery appearance. The background is dark and industrial, with some structural elements visible.

Update on our Strategic Priorities

Net formed differential gears coming out of our forging press

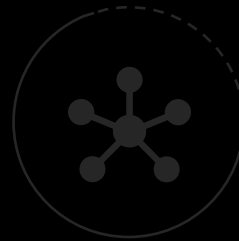
Update on our Strategic Priorities



Electrification



**Global Market
Significance**



Diversification



Technology

Sizeable and Increasing Presence in EVs



27%

H1 FY24 Revenue Share
from BEV

3,913 mn

H1 FY24 BEV segment
revenue

33%

H1 FY24 BEV revenue
YoY growth

46

(10+13+23)¹

EV Programs¹ awarded across
27 customers as at the end of
Q1 FY24

+2



48

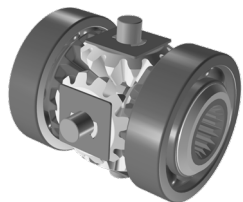
(10+15+23)¹

EV Programs¹ awarded across
28 customers as at the end of
Q2 FY24

Notes:

1. Include only BEV and PHEV programs currently in serial production as well as in the orderbook; numbers in brackets to be read as (# of programs in fully ramped up production + # of programs in ramp-up + # of programs not yet in production)

We added another high-end EV OEM customer with a unique drivetrain architecture & a legacy Indian OEM for electric 3-wheeler motors



Rotor Embedded Differential Sub-Assembly

For Electric Passenger Vehicles

New Customer

North American New Age
OEM of Electric PVs

₹ 1,700 mn

addition in our orderbook

Q2 FY25

Start of Production



Mid-Drive Traction Motor

For Electric 3-Wheelers

Existing Customer

Indian OEM of PVs, CVs,
OHVs, and EVs

₹ 3,700 mn

addition in our orderbook

Q3 FY25

Start of Production



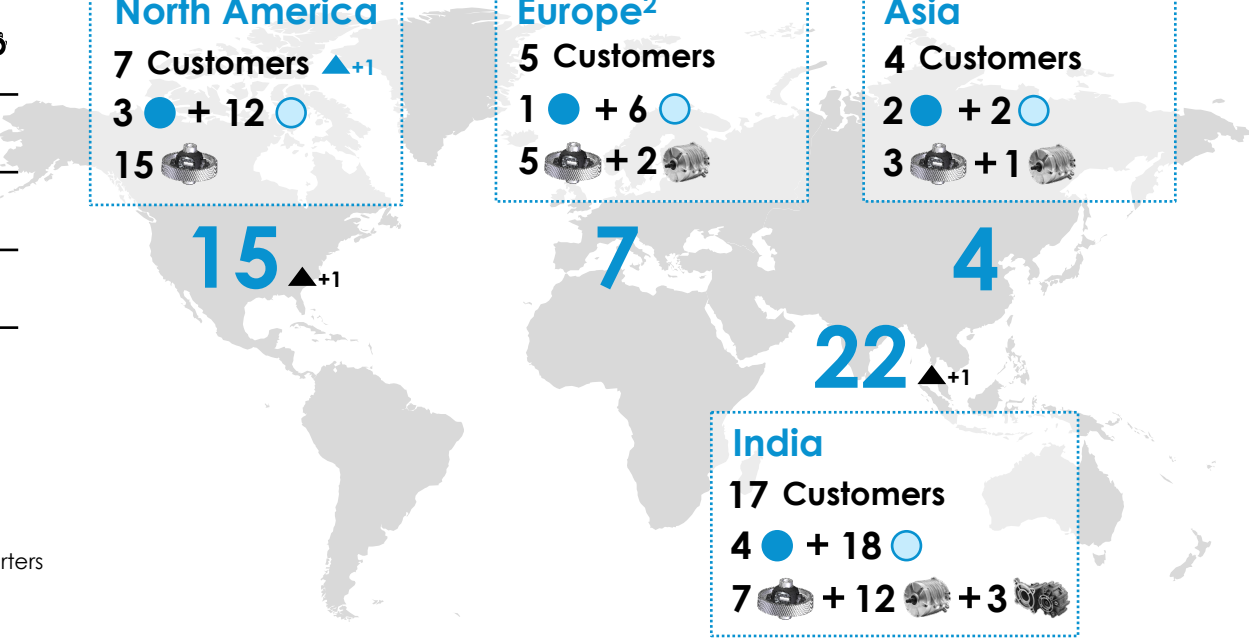
48 EV programs across 28¹ different customers

No. of programs customers			
	24 11	-	6 6
	3 3	11 9	1 1
	-	3 3	-

North America
 7 Customers ▲+1
 3 ● + 12 ○
 15

Europe²
 5 Customers
 1 ● + 6 ○
 5 + 2

Asia
 4 Customers
 2 ● + 2 ○
 3 + 1



- Programs in fully ramped-up production
- Programs in ramp-up or not yet in production
- Programs for geartrain components
- Programs for traction motors, IMCM and PHEV starters
- Programs for e-Axle

▲+x denotes the change during Q2 FY24

Notes:
 1. 2 customers are present in more than one geography
 2. Europe geography includes the UK

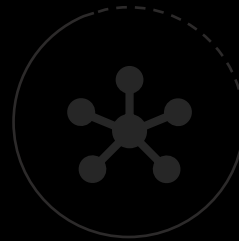
Our Strategic Priorities



Electrification



Global Market
Significance

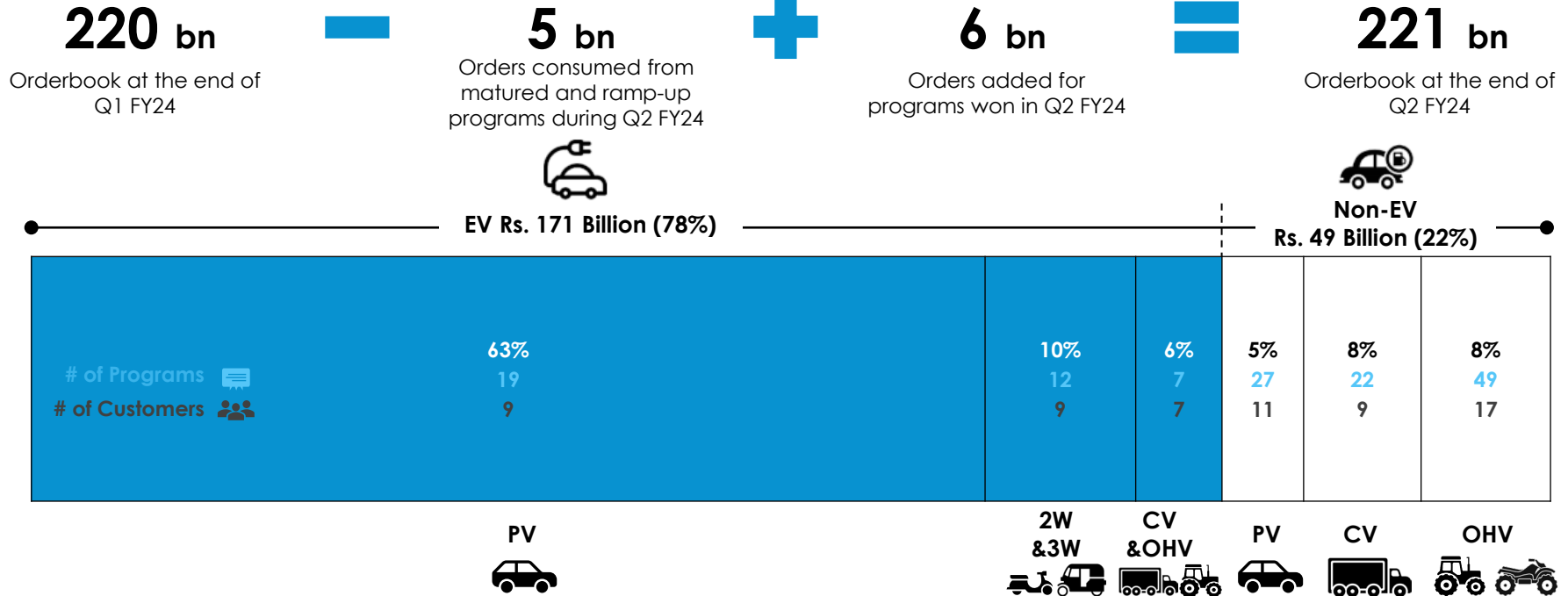


Diversification



Technology

Our net order book¹ grows to ₹221 billion (8.3x FY23 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.

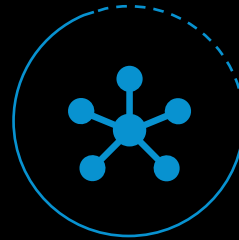
Our Strategic Priorities



Electrification



Global Market
Significance



Diversification



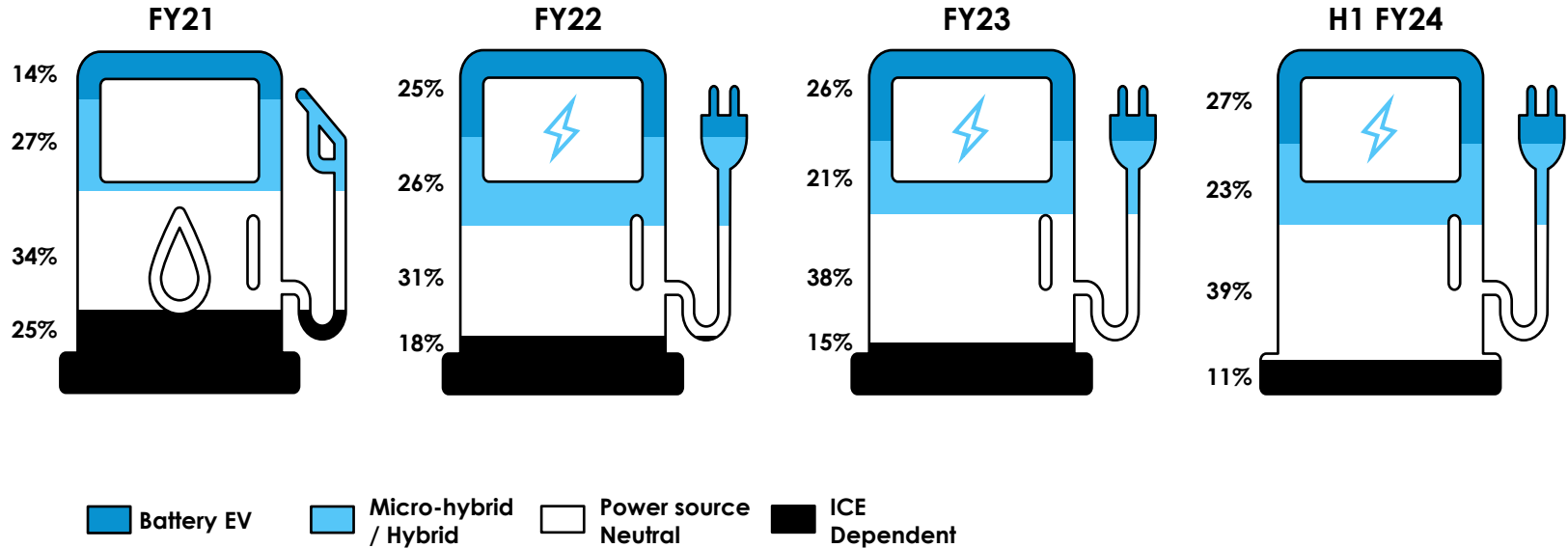
Technology



Diversified Revenue Mix – By Powertrain

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

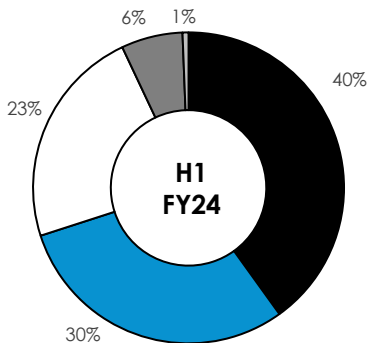
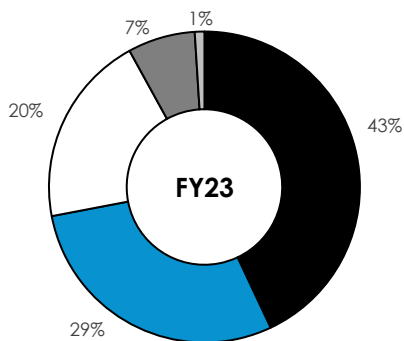
Our pure ICE dependence continues to reduce steadily going from 25% in FY21 to 11% in H1 FY24



Diversified Revenue Mix

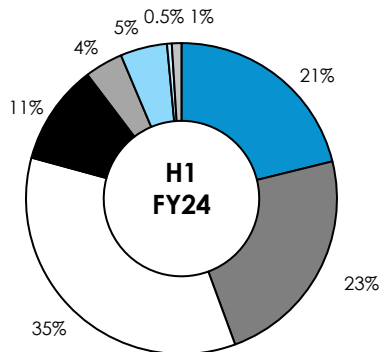
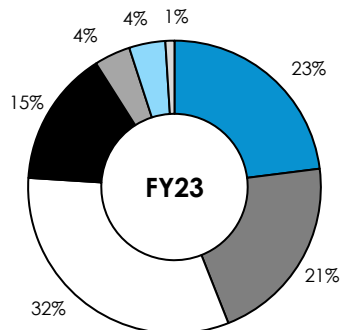


By Geography



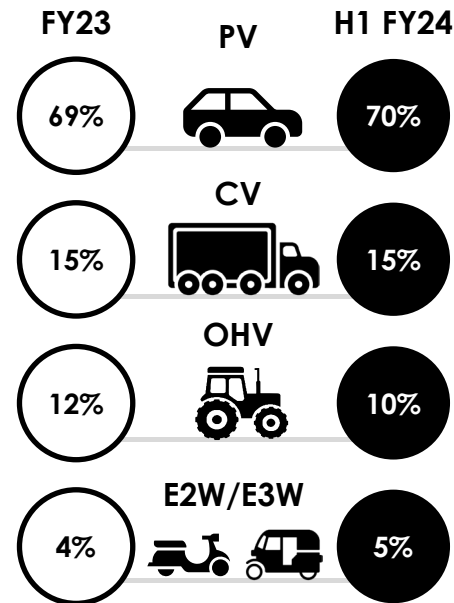
■ North America ■ India □ Europe ■ Asia (excl. India) □ RoW

By Product



■ Differential Assembly ■ Micro/Plug-in Hybrid Starter Motors
 □ Differential Gears ■ Conventional Starter Motors
 ■ Others Drivetrain Parts ■ Traction Motors & Controllers
 □ Sensors and Software □ Others

By Vehicle segment

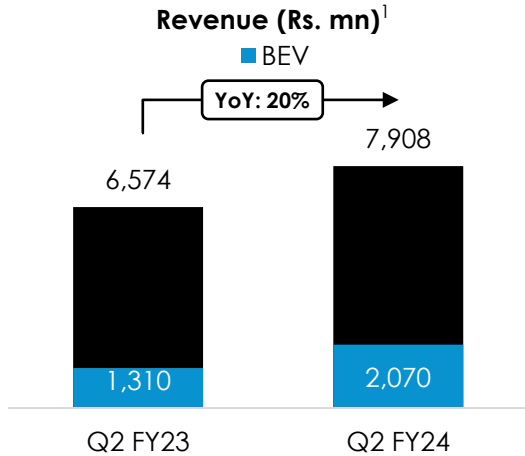




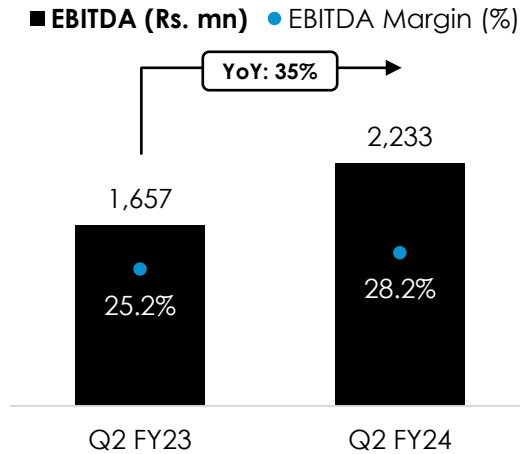
Q2 & H1 FY24 Financial Update

Our final drive gears

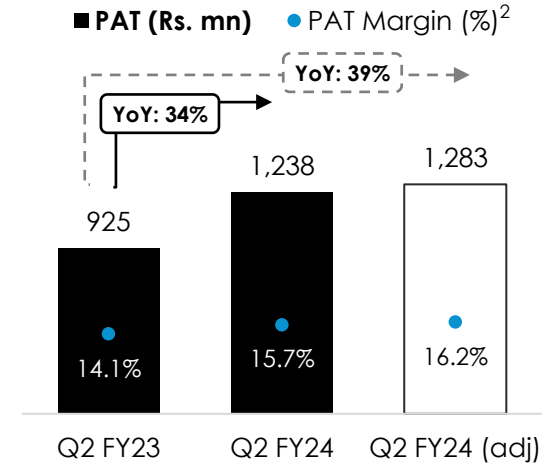
Q2 FY24 Financials



- BEV Revenue grew by 58% and constitutes 27% of total revenue
- Total Revenue grew by a robust 20% while light vehicle sales in our top-3 markets (North America, India, and Europe) grew by 14%



- EBITDA Margin is higher by ~3.0% largely due to the positive impact of product mix

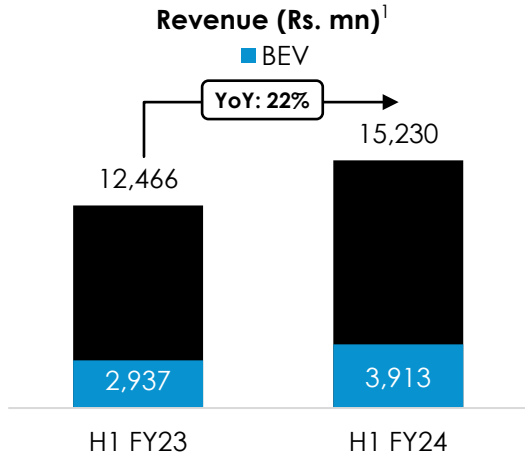


- Adjusted PAT margin is higher mainly due to improvement in EBITDA margin leading to 39% growth in PAT
- Exceptional expenses related to NOVELIC acquisition have been added back to arrive at the Adjusted PAT for Q2FY24

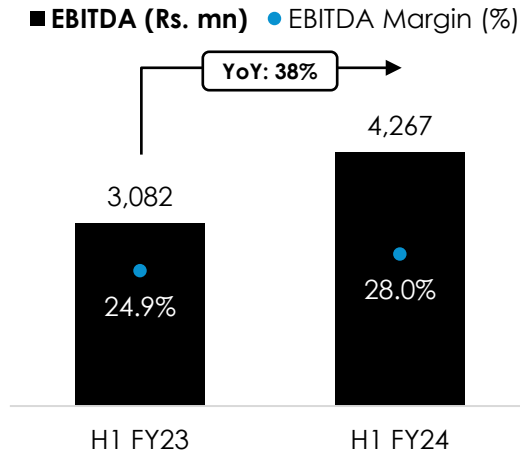
Notes:

1. Revenue includes net gain from foreign exchange
2. PAT margin percentage calculated from PAT including non-controlling interest

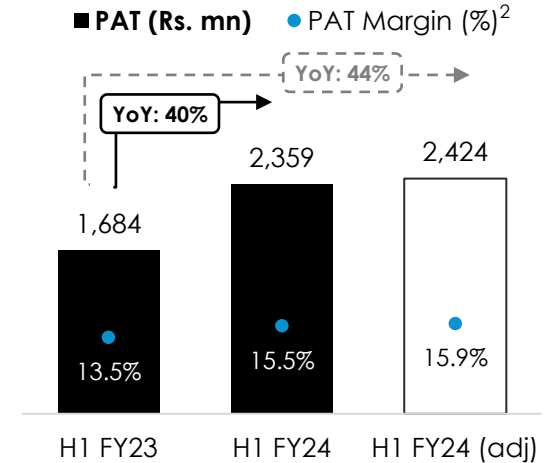
H1 FY24 Financials



- BEV Revenue grew by 33% and constitutes 27% of total revenue
- Total Revenue grew by a robust 22% while light vehicle sales in our top-3 markets (North America, India, and Europe) grew by 15%



- EBITDA Margin compared to H1FY23 is higher by ~3.1% largely due to the positive impact of product mix



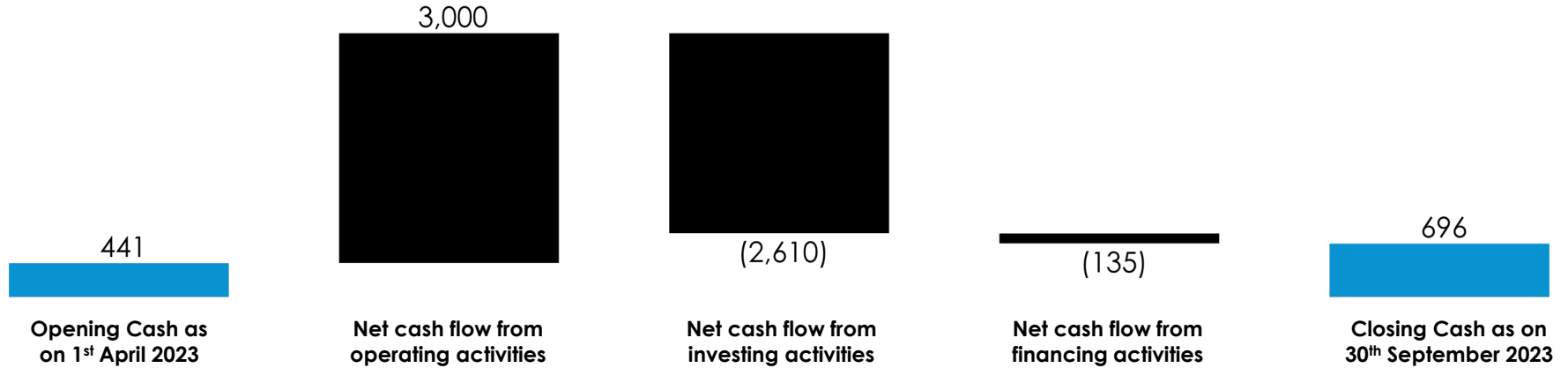
- Adjusted PAT margin improvement is mainly due to improved EBITDA margin leading to 44% growth in profit after tax
- Exceptional expenses related to NOVELIC acquisition have been added back to arrive at the Adjusted PAT for Q2FY24

Notes:

1. Revenue includes net gain from foreign exchange
2. PAT margin percentage calculated from PAT including non-controlling interest

FCFO of INR 1,592 mn in H1 FY24

Numbers in Rs. mn



EBITDA	4,267
Δ Working capital	(175)
Tax paid	(668)
Others	(424)

Capex	(1,408)
NOVELIC Investment	(2,110)
Other Investments	797
Others	111

Net loan drawn	645
Dividend	(896)
Others	116

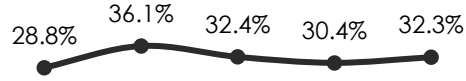
Key Ratios

VA/Employee cost



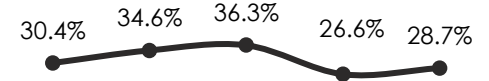
Mar-20 Mar-21 Mar-22 Mar-23 Sep-23

RoCE (%)



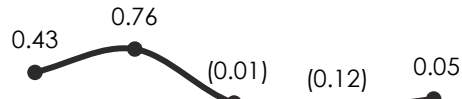
Mar-20 Mar-21 Mar-22 Mar-23 Sep-23

RoE (%)



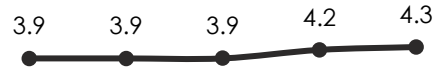
Mar-20 Mar-21 Mar-22 Mar-23 Sep-23

Net Debt to EBITDA



Mar-20 Mar-21 Mar-22 Mar-23 Sep-23

Working Capital Turnover



Mar-20 Mar-21 Mar-22 Mar-23 Sep-23

Fixed Asset Turnover

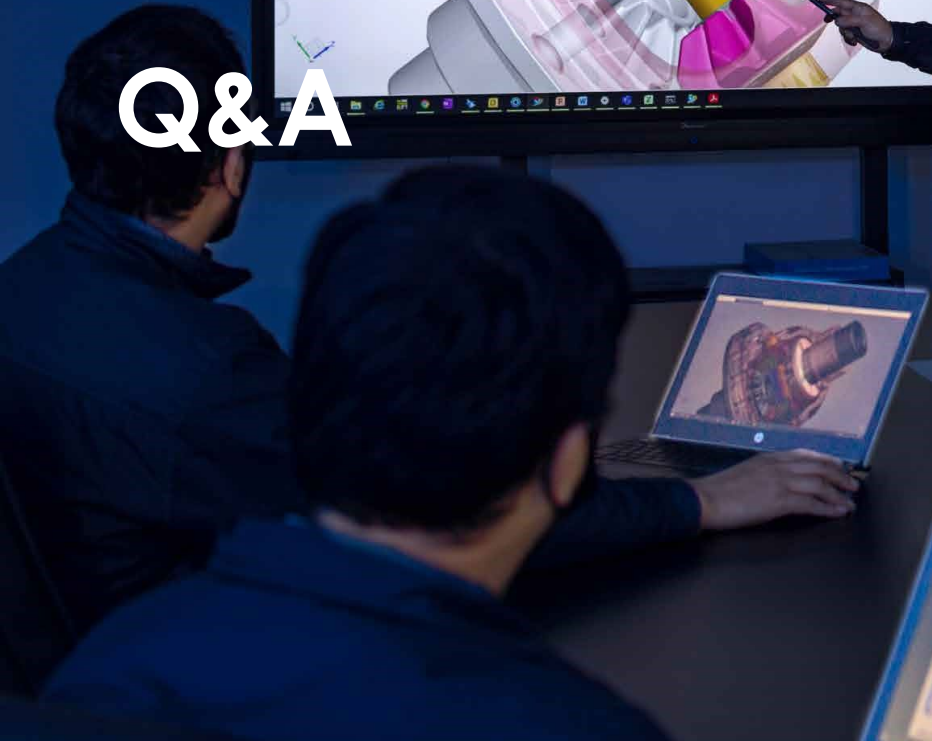
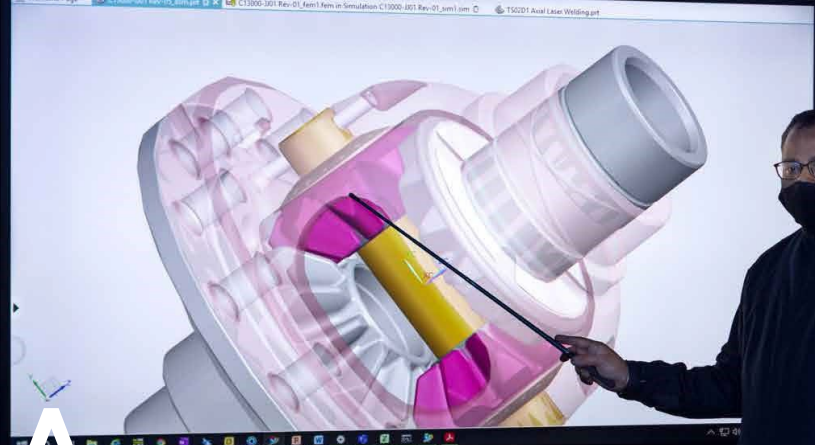


Mar-20 Mar-21 Mar-22 Mar-23 Sep-23

Note:

- 1) VA/Employee Cost = Material margin/ (Employee cost + Manpower cost on hiring)
- 2) ROCE = LTM EBIT/ Average tangible capital employed + capital deployed for acquiring NOVELIC
- 3) ROE = LTM PAT/ Average tangible net worth + capital deployed for acquiring NOVELIC
- 4) Net Debt to EBITDA = Short-term & long-term debt less cash, bank balances & mutual fund investments / 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
- 8) RoCE and RoE for earlier years have been recalculated due to merger

Q&A



New Product Development Discussion



Appendix

Inside view of our manufacturing plant at Manesar, Haryana

Our story so far...

Phase - 1

- 18 Customers
- 2 Plants
- 1 Product

Phase - 2

- 22 Customers
- 2 Plants
- 2 Products

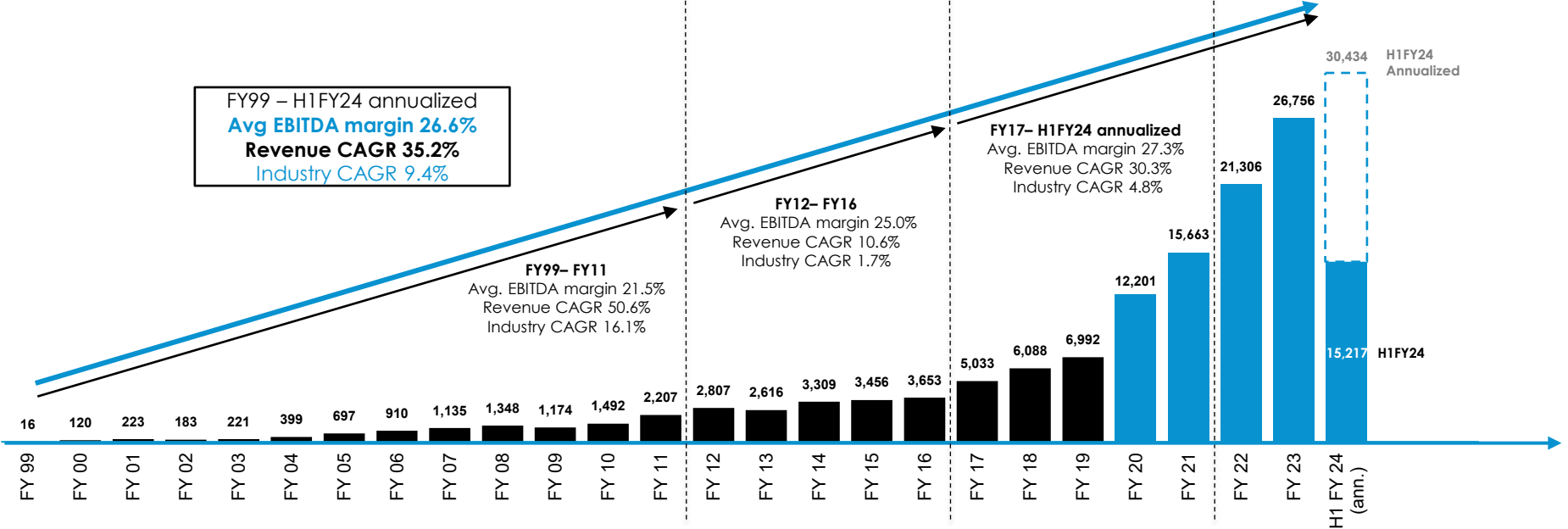
Phase - 3

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

Phase - 4

- Started journey as a public company
- 72 customers
- 9 plants
- 17 products

Revenue in INR millions



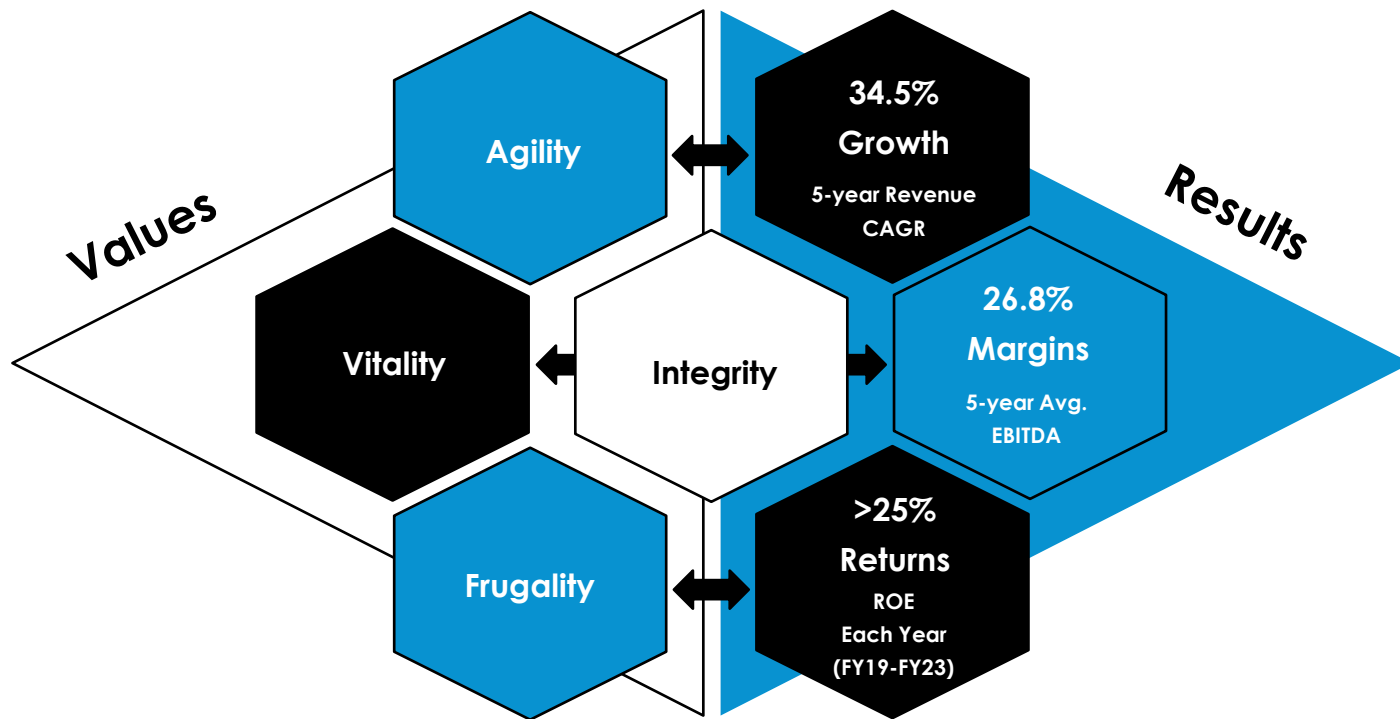
Notes:

1. FY20 onwards financials include Comstar
2. Industry data source: SIAM

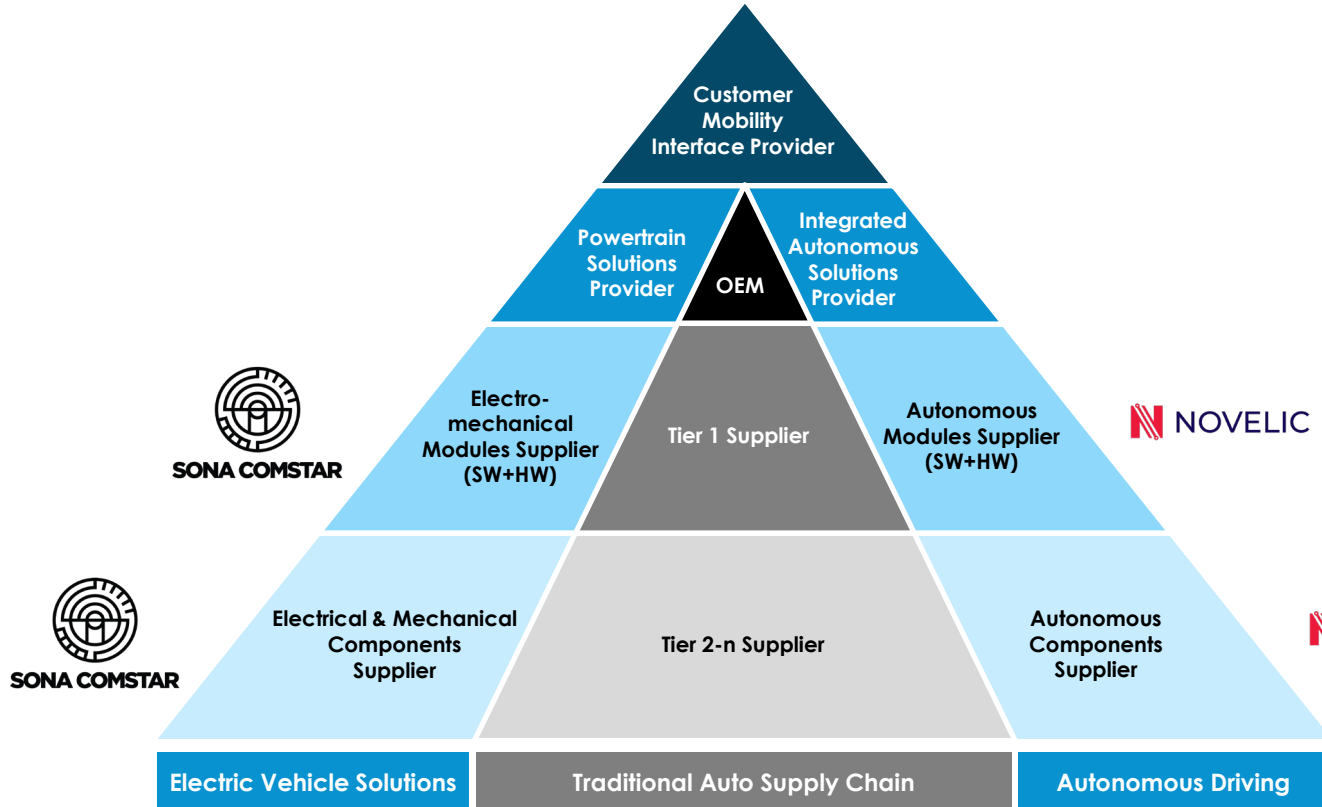
One Vision

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

Guided by Values



Vertically-integrated and modular electro-mechanical and autonomous solutions provider for the new EPIC value chain



- Radar Boards & Antenna Design
- Embedded & Application Software
- Artificial Intelligence
- Machine Learning Algorithms
- Zonal architecture and multi-sensor systems

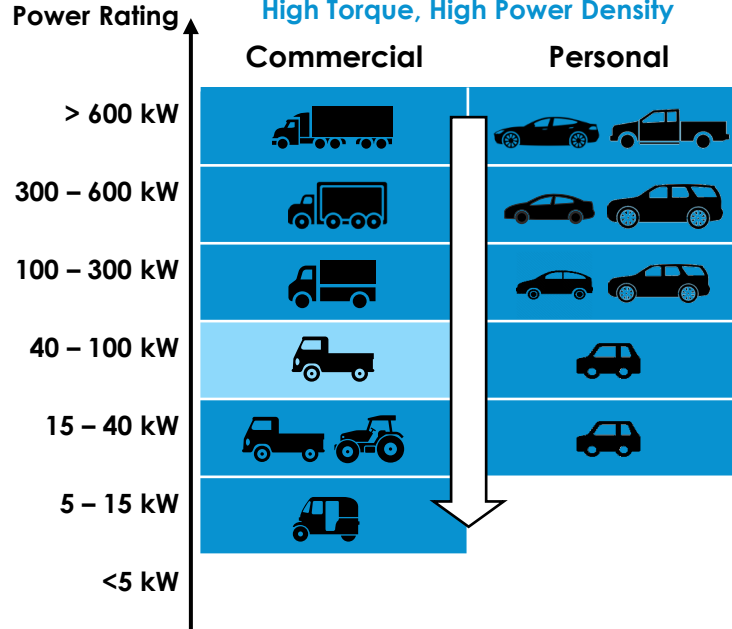


.. or any other radar chip manufacturer

Electrification: Our Approach to Market

Driveline Solutions

Core Strength:
High Torque, High Power Density



In serial production
or in orderbook



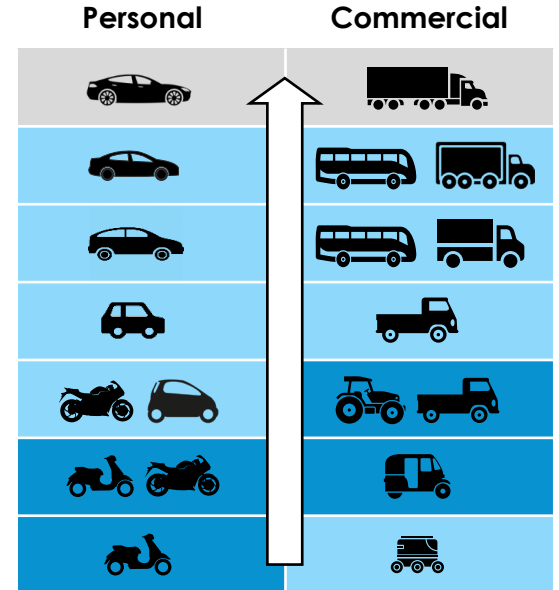
To be added
between CY23-25

EV Products

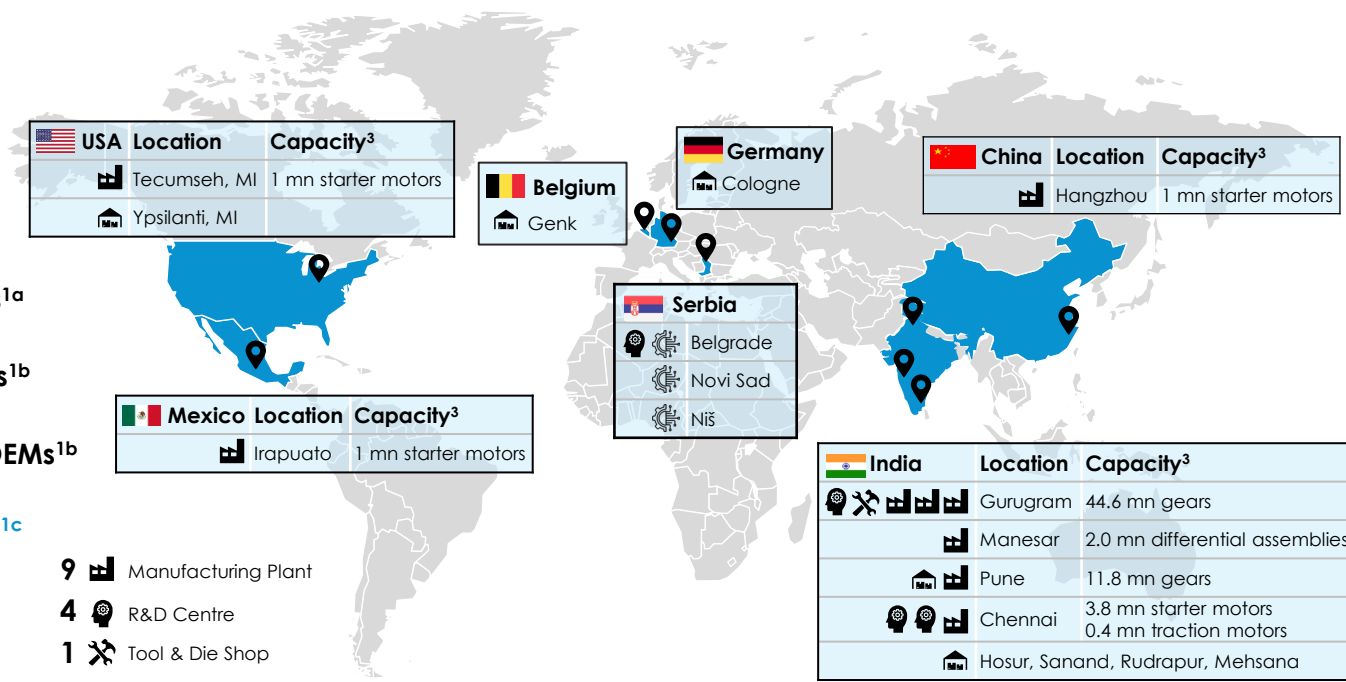







Motor Solutions

Core Strength:
Low Voltage, High Power Density



Established Global Presence to Serve Customers Locally

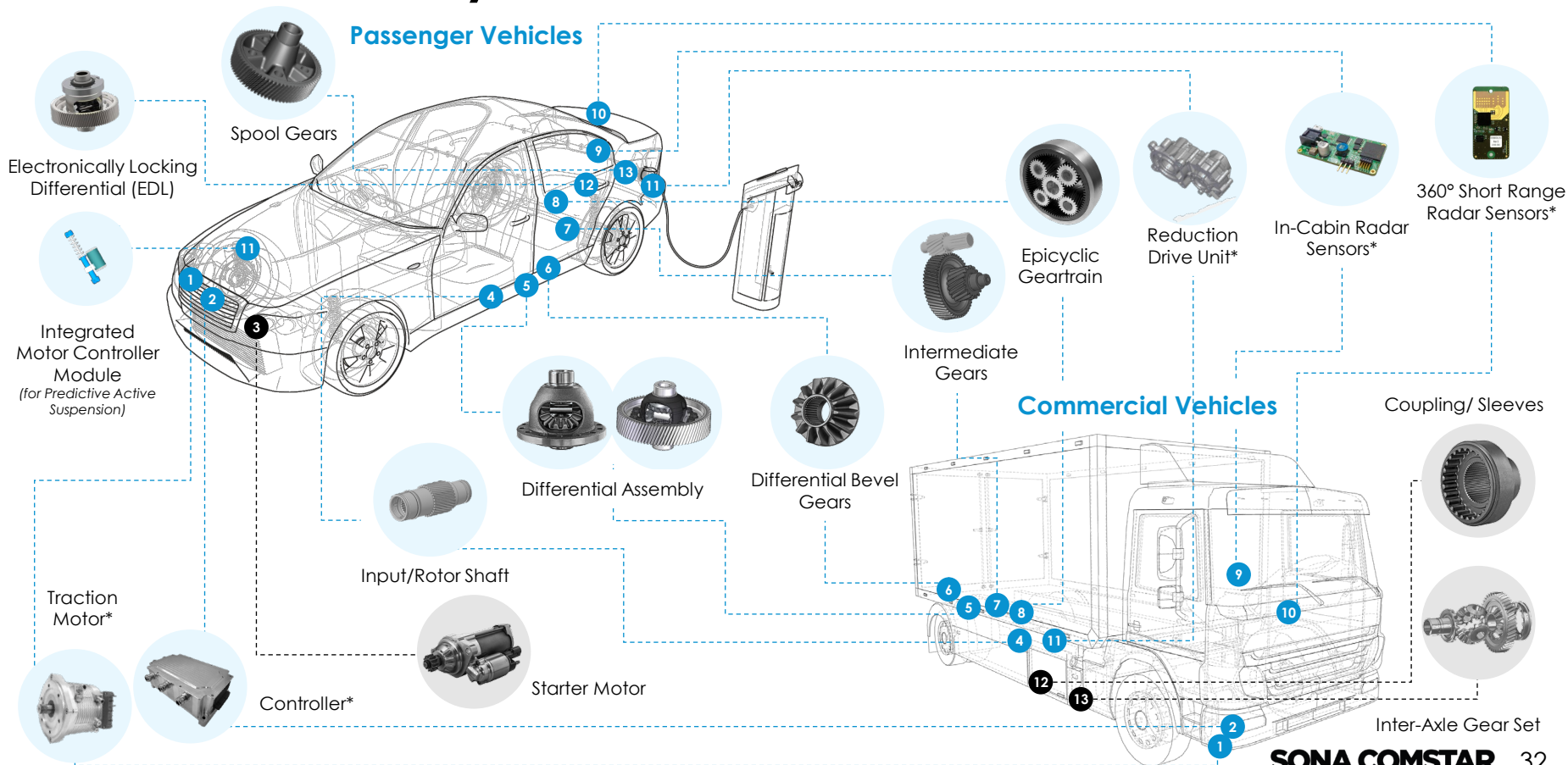


-  7 of the world's top 10 PV OEMs^{1a}
-  3 of the world's top 10 CV OEMs^{1b}
-  7 of the world's top 10 tractor OEMs^{1b}
-  4 of the world's top 10 EV OEMs^{1c}
-  3 of the Indian top 10 Indian e-2-Wheeler OEMs^{1d}

- 9 🏭 Manufacturing Plant
- 4 🧠 R&D Centre
- 1 🔧 Tool & Die Shop
- 8 🏠 Warehouse
- 3 🏭 Engineering Capability Centre

Notes:
 1. Data Source: a) BofA Global Automobiles Report; b) Ricardo Report; c) EV-Volumes; d) Vahan Database; Company Analysis
 2. Capacity as of March 2023

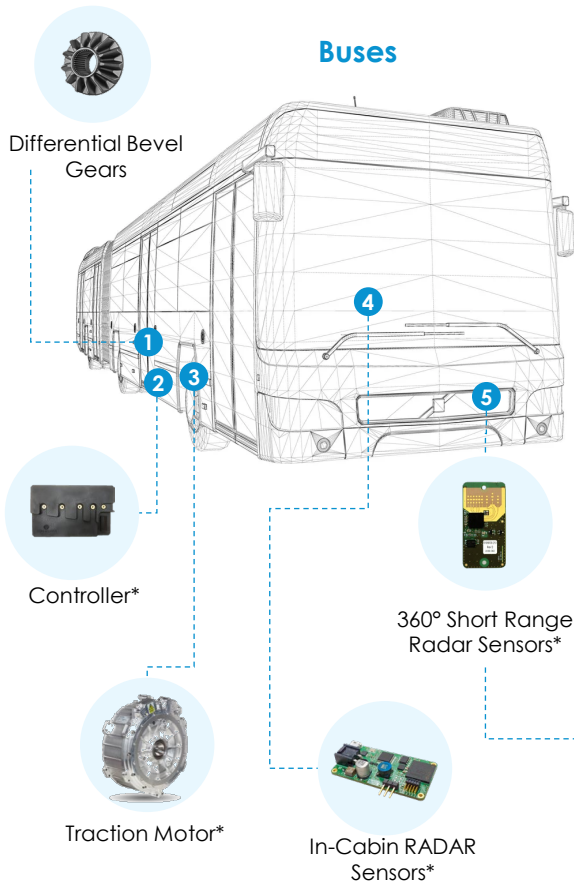
Product Summary



*Product under development

Product Summary

Buses



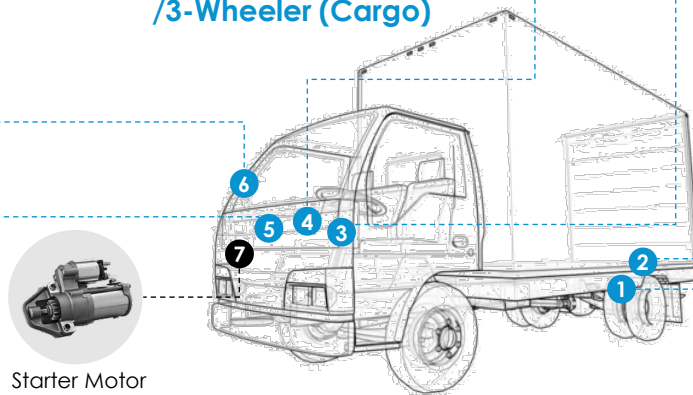
*Product under development

In-Cabin Radar Sensors*

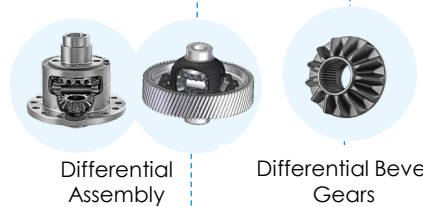
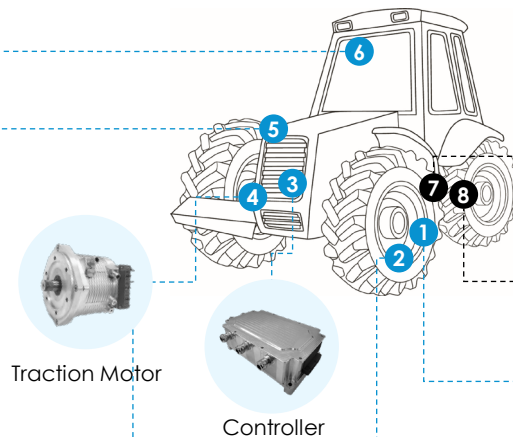


360° Short Range Radar Sensors*

Light Commercial Vehicles /3-Wheeler (Cargo)

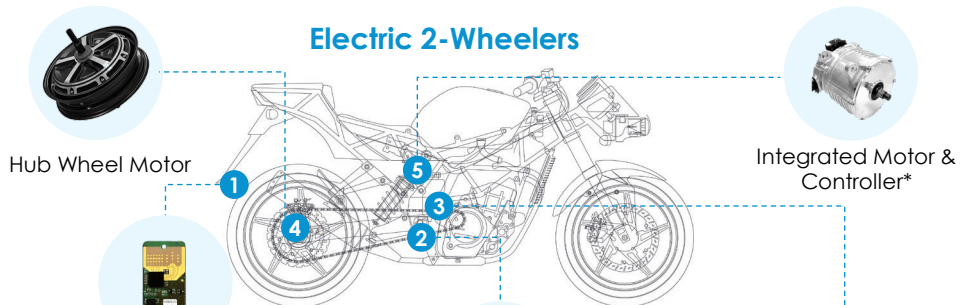


Off Highway Vehicles



Product Summary

Electric 2-Wheelers

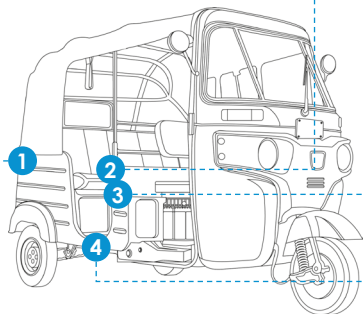


360° Short Range Radar Sensors*



Drive Motor

Electric 3-Wheelers

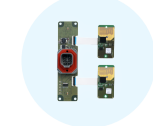


Controller



e-Axles

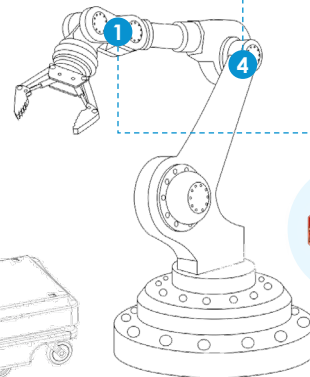
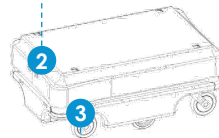
Industrial Automation, AGVs & Robots



360° Short Range Radar Sensors*



Bot Motors*

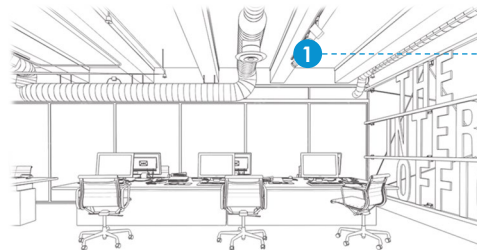


Robotics Gears*



Zone Monitoring Sensors*

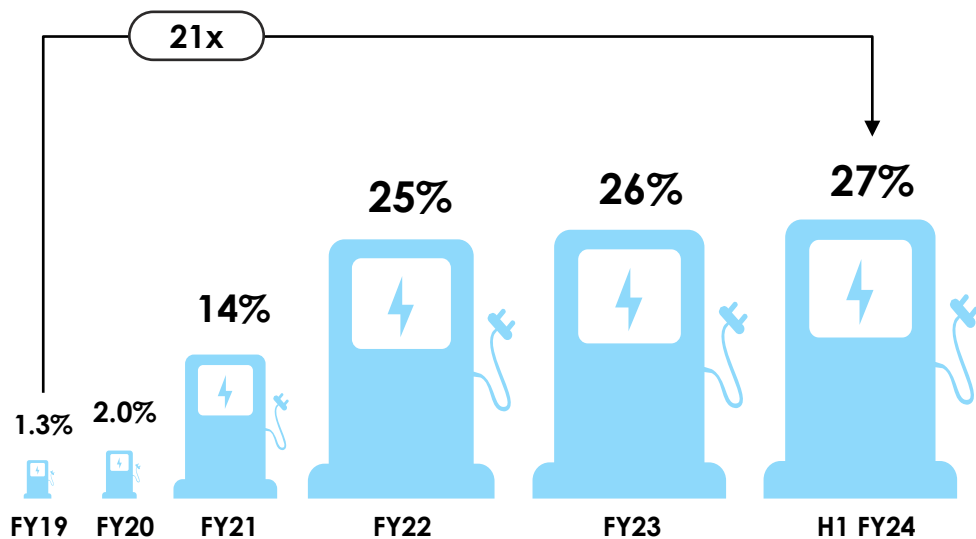
Building Automation



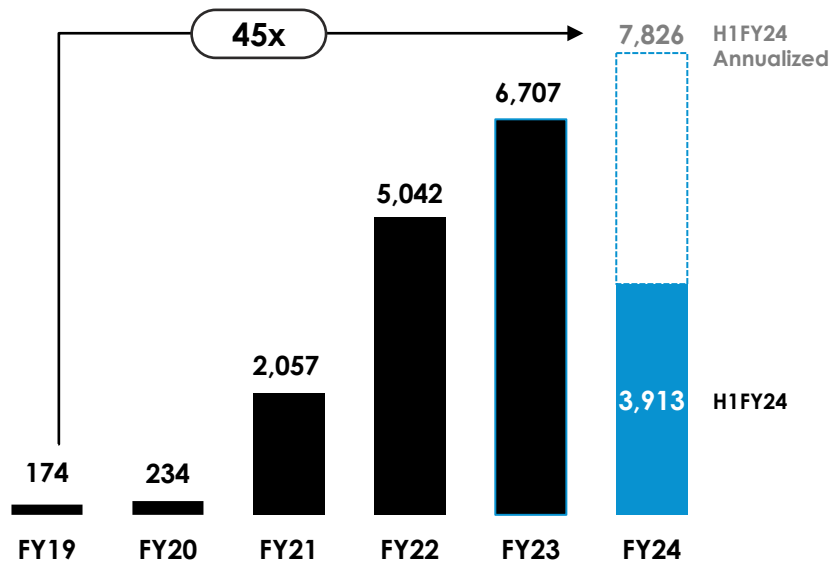
*Product under development

Revenue share from BEV has grown 21x over 5 years, with absolute BEV revenue growth at 45x

Revenue from BEV (%)

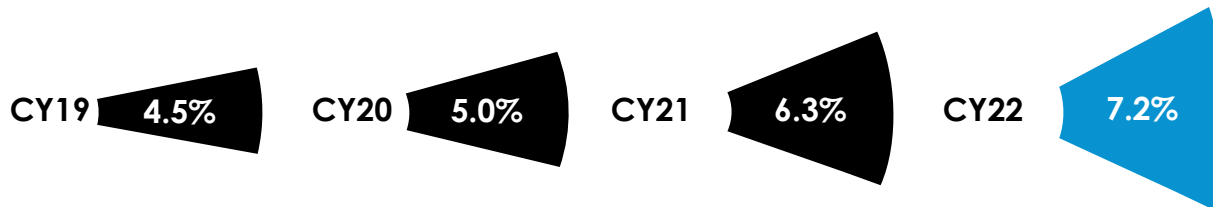


BEV Segment Revenue (Rs. mn)



Market Shares for Differential Gears and Starter Motors

Global Market Share of Differential Gears¹



Global Market Share of 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 dated Feb 2021