



SONA COMSTAR

Date: - 23rd October, 2024

BSE Ltd. Regd. Office: Floor - 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.	National Stock Exchange of India Ltd. Listing Dept., Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051
BSE Scrip Code: 543300	NSE Scrip: SONACOMS

Subject: Investor Presentation for the quarter and half year ended on 30th September, 2024.

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, 2024.

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 FY25 Earnings Presentation

23 October 2024

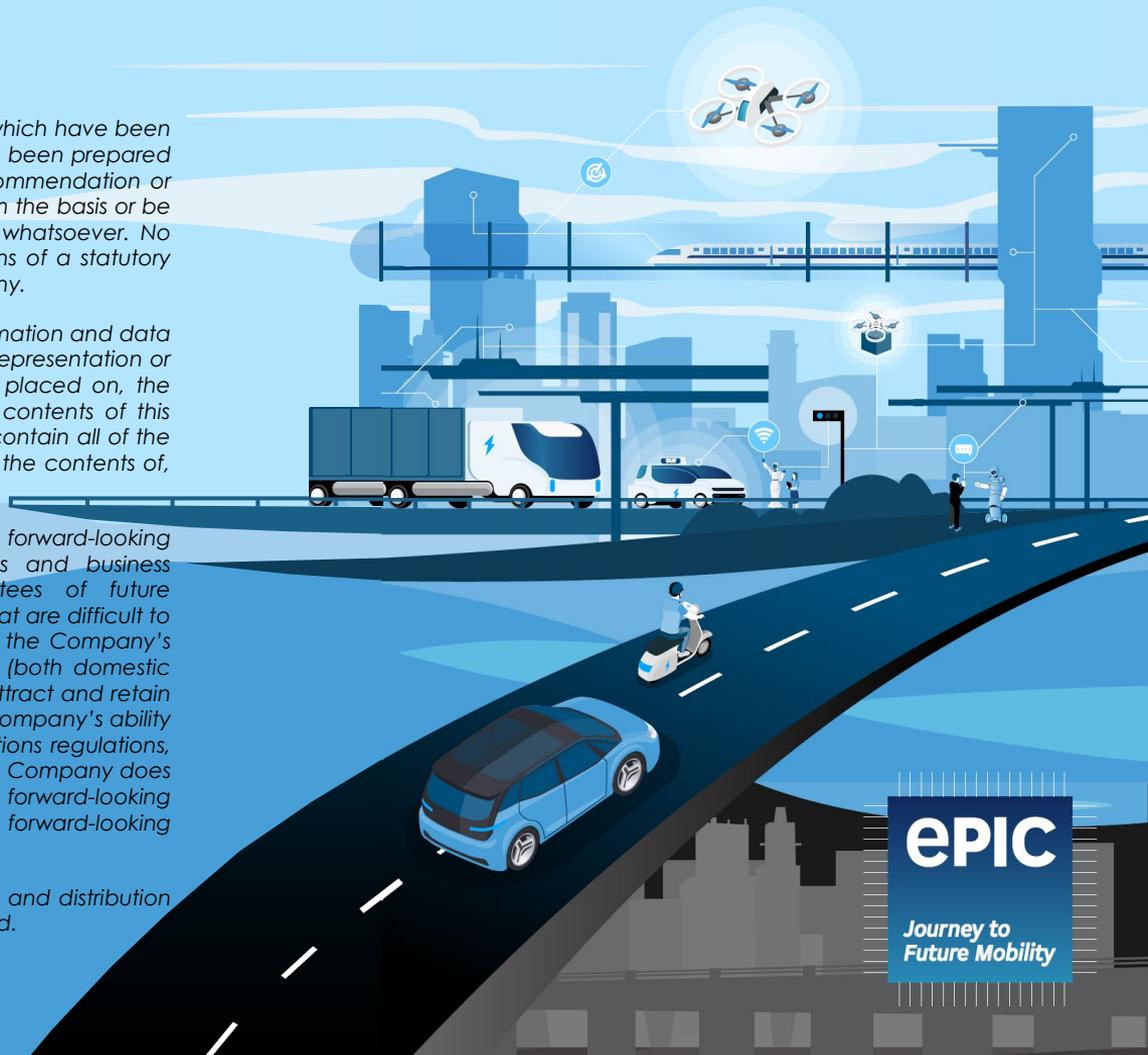
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EPIC

*Journey to
Future Mobility*

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

An aerial photograph of a train traveling through a dense forest during the golden hour of sunrise. The train, consisting of several green and blue freight cars, is moving along a set of tracks that cut through the trees. The forest is a mix of evergreen and deciduous trees, with many of the deciduous trees showing vibrant autumn colors of yellow, orange, and red. A soft, hazy mist or fog hangs in the air, particularly around the train and in the distance, where a city skyline is faintly visible on the horizon. The sky is a mix of light blue and warm orange, with a few wispy clouds. The overall scene conveys a sense of movement and growth within a natural setting.

Adding a new track of growth

The acquisition of EKL Railway Equipment Division will be a step forward in our journey towards realization of our new vision

Twelve months ago, we changed our Vision Statement

One Vision

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

And targeted growth opportunities with some filters

- Long-term product relevance
- Capability for market leadership in fast-growing and sizeable Markets
- Significant for diversification
- Good financial investment
- Good for the world – Clean Mobility



EKL Railway Equipment Division ticks all the filters set for our growth opportunity targets

- ✓ Long-term product relevance
- ✓ Capability for market leadership in fast-growing and sizeable Markets
- ✓ Significant for diversification
- ✓ Good financial investment
- ✓ Good for the world – Clean Mobility



Indian railways is one of the largest and fastest growing networks in the world



4th

Largest railway network in the world

4th

Largest rail freight carrier in the world

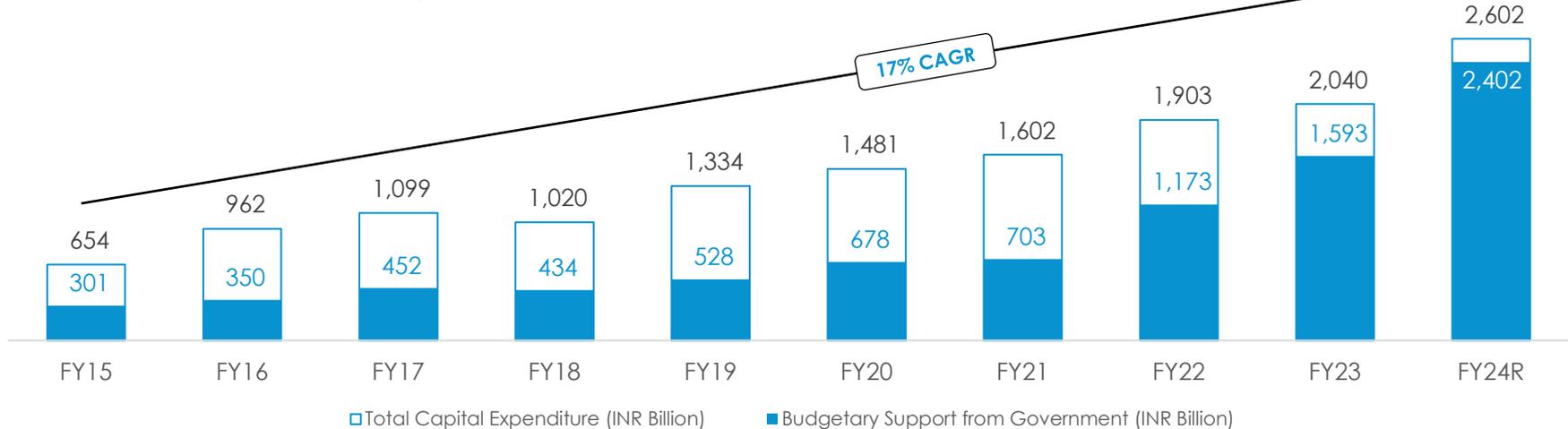
24mn

Passengers carried daily

1,500MT

Freight Carried in 2024

Railway's capex has been growing consistently and budgetary support from the government towards it has grown rapidly in the last few years

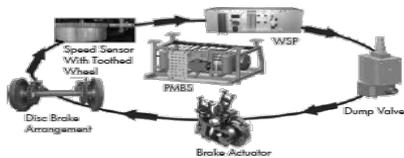


Escort Kubota's Railway Equipment Division is the market leader in the railway brake systems

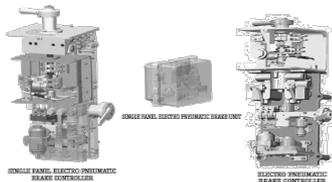


Brake systems is the largest product segment

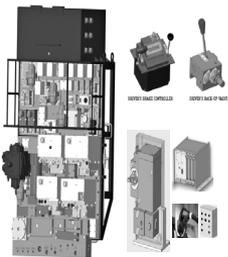
- Introduced manufacturing compressed air brake systems in railway application for the first time in India
- Oldest among legacy players in the railway component business in India – Started in 1961



Axle-mounted disc brake system



Electro-pneumatic brake



EMCBS Panel with EP Assist



Bogie-mounted brake system

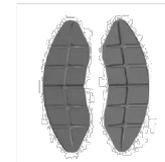
Diversified portfolio of other products



Couplers



Suspension Systems

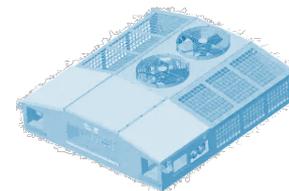


Friction and Rubber Products

High growth potential from new products



Electrical Panels

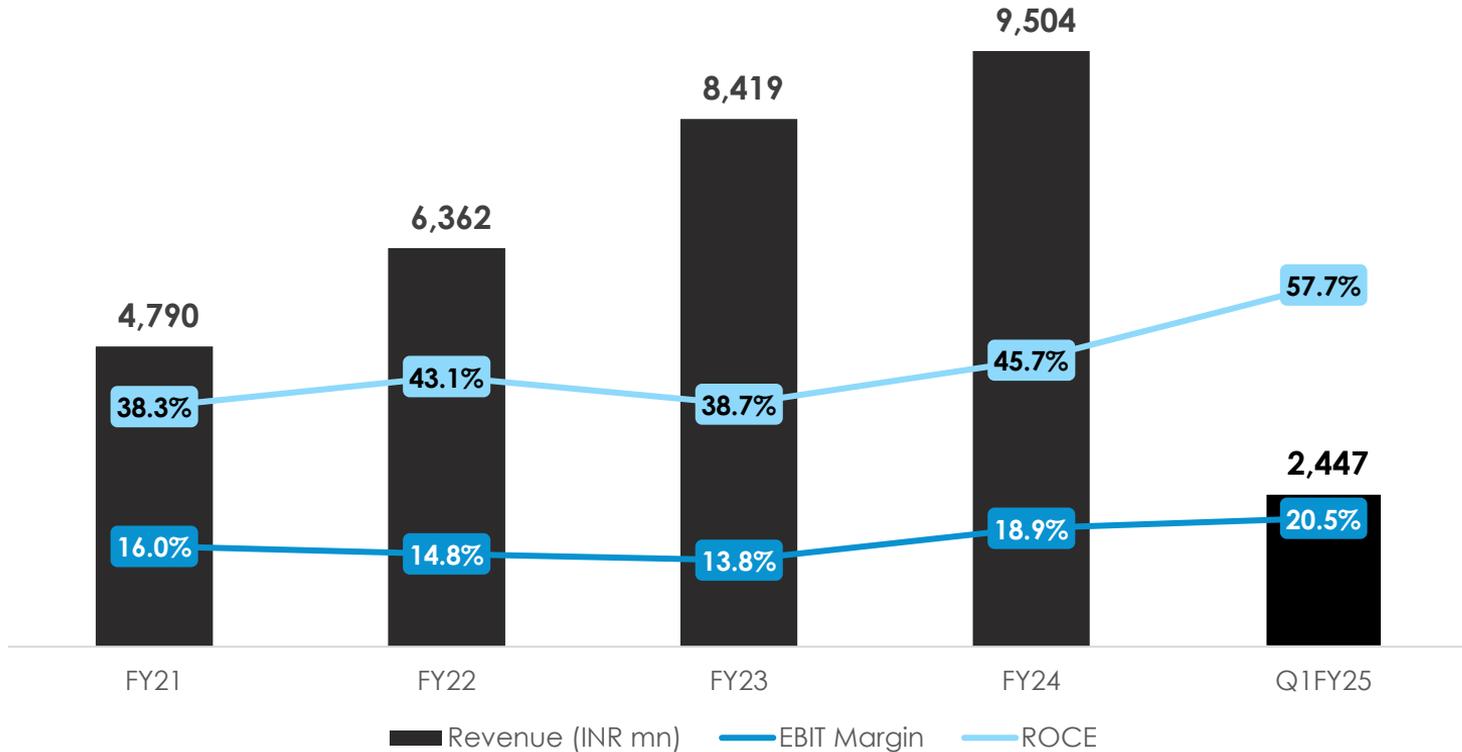


HVAC System



Automatic Plug Door System

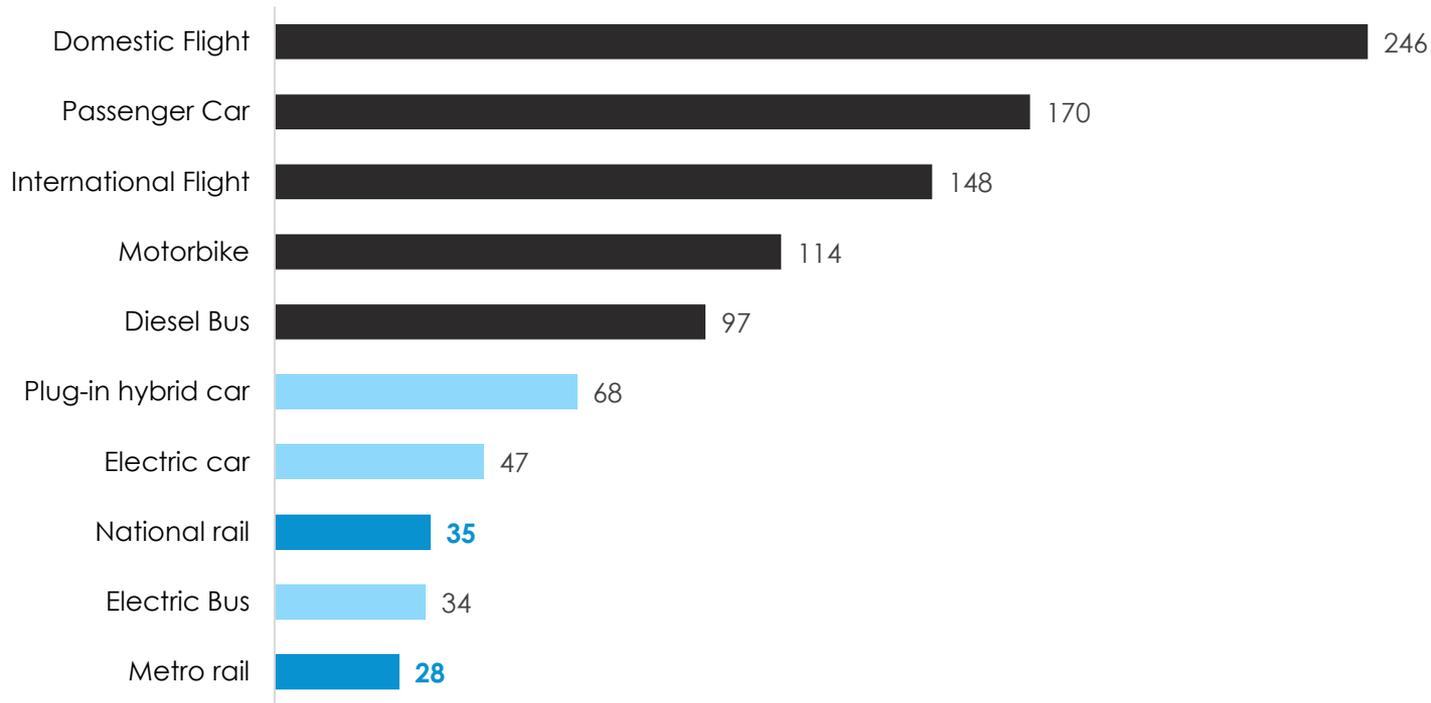
Railway Equipment Division has an attractive financial track record of high growth, profitability and return



Railway is one of the cleanest forms of mobility



Carbon footprint of travel per passenger-kilometer, 2022 (in grams of CO2 equivalents)



Acquisition of Railway Equipment Division is expected to be EPS accretive for us from the first year



- Sona Comstar will acquire Railway Equipment Division for an **Enterprise Value of INR 16 billion**
- Transaction structured as a slump sale of Railway Equipment Division as a going concern
- Sona Comstar will fund the transaction from the QIP proceeds and internal accruals
- **Acquisition is expected to be EPS accretive for Sona Comstar from Year 1**
- Our growth strategy for this business vertical will be similar to that for the other verticals: developing new and innovative products to achieve higher revenue realization per component



Business Performance Highlights

Complete Drivetrain of an Electric Vehicle

Q2 FY25 Financial Performance Highlights

9,251 mn | 17%

Revenue | YoY Growth

2,549 mn | 14%

EBITDA | YoY Growth

1,439 mn | 16%

PAT¹ | YoY Growth

27.6% EBITDA Margin

15.5% PAT Margin²

3,172 mn | 53%

BEV Revenue | YoY Growth

36%

Q2 FY25 Product Revenue
Share from BEV

Notes:

1. PAT includes an impact of ₹83 million in exceptional expenses related to potential acquisition opportunities
2. PAT margin percentage calculated from PAT including non-controlling interest

H1 FY25 Financial Performance Highlights

18,181 mn | **19%**

Revenue | YoY Growth

5,061 mn | **19%**

EBITDA | YoY Growth

2,859 mn | **21%**

PAT¹ | YoY Growth

27.8% EBITDA Margin

15.7% PAT Margin²

20.7%

RoCE³

18.0%

RoE⁴

Notes:

1. PAT includes an impact of ₹83 million in exceptional expenses related to potential acquisition opportunities
2. PAT margin percentage calculated from PAT including non-controlling interest
3. ROCE = LTM EBIT/(Average tangible capital employed + capital deployed for acquiring NOVELIC)
4. ROE = LTM PAT/(Average tangible net worth + capital deployed for acquiring NOVELIC)



Update on our Strategic Priorities

Tool and Die Shop in our Gurgaon Plant

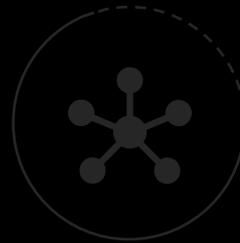
Update on our Strategic Priorities



Electrification



**Global Market
Significance**



Diversification



Technology

Sizeable and Increasing Presence in EVs



35%

H1 FY25 Product Revenue
Share from BEV

6,000 mn

H1 FY25 BEV segment
revenue

53%

H1 FY25 BEV revenue
YoY growth

55

(12+15+28)¹

EV Programs¹ awarded across
31 customers as at the end of
Q1 FY25

+1



56

(13+14+29)¹

EV Programs¹ awarded across
32 customers as at the end of
Q2 FY25

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)

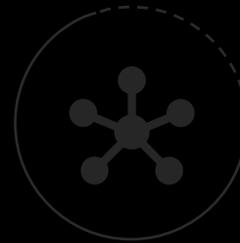
Our Strategic Priorities



Electrification



Global Market
Significance



Diversification



Technology

Our net order book¹ stands at ₹231 billion (7.3x FY24 revenue)



EV Rs. 180 Billion (78%)



Non-EV
Rs. 51 Billion (22%)

	EV Rs. 180 Billion (78%)			Non-EV Rs. 51 Billion (22%)		
	PV	2W & 3W	CV & OHV	PV	CV	OHV
# of Programs	56%	12%	10%	7%	5%	10%
# of Customers	20	14	9	18	24	59
	10	11	9	11	9	22

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.

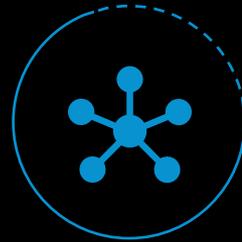
Our Strategic Priorities



Electrification



Global Market
Significance



Diversification



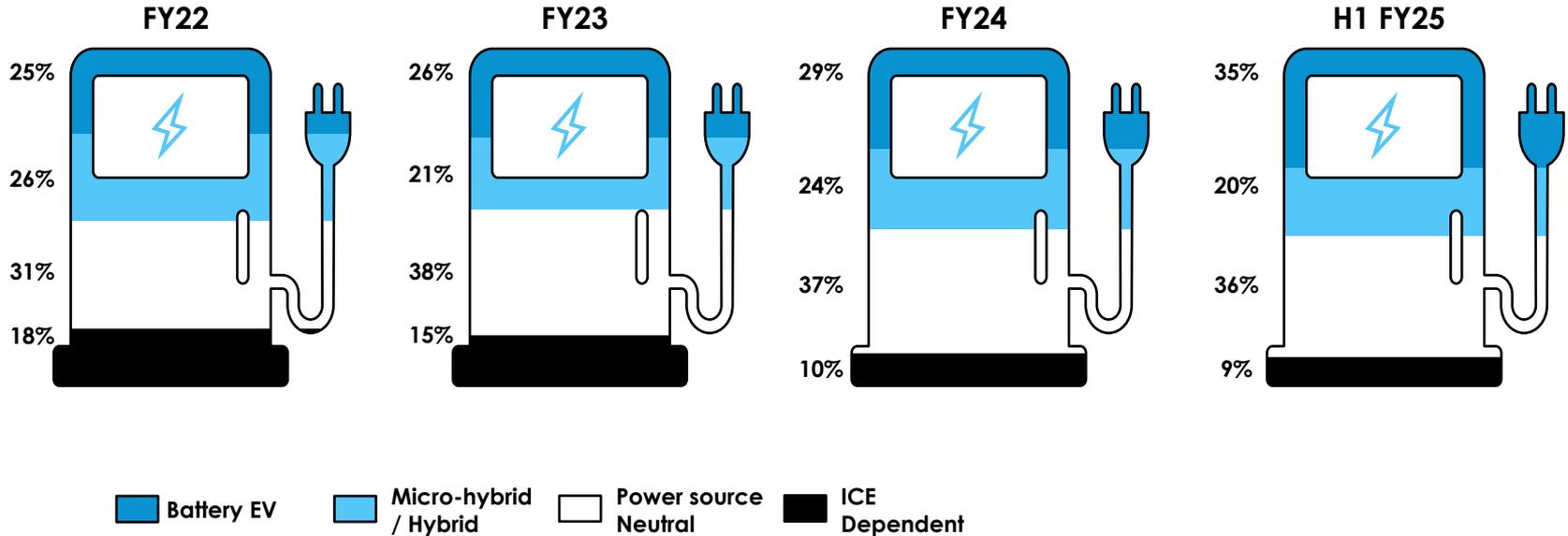
Technology



Diversified Product Revenue Mix – By Powertrain

Battery EV increasing as 35% of our revenue continues to be our dominant and secular theme

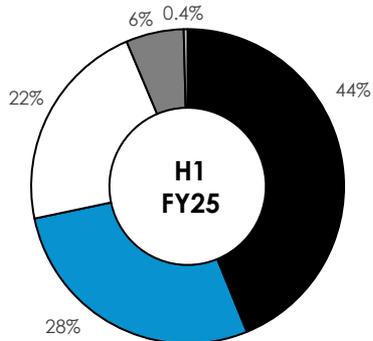
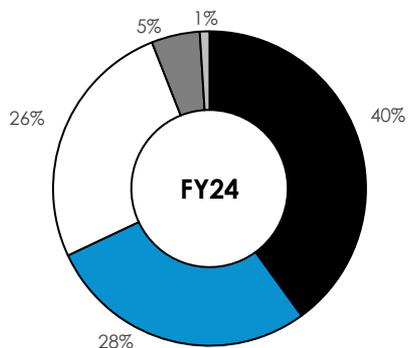
Our pure ICE dependence continues to reduce steadily going from 18% in FY22 to 9% in H1 FY25



Diversified Revenue Mix

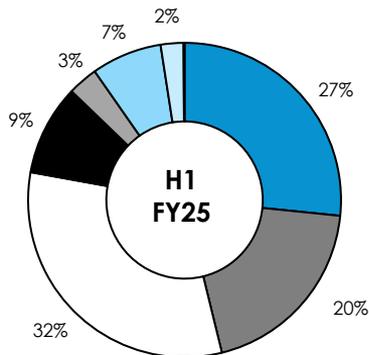
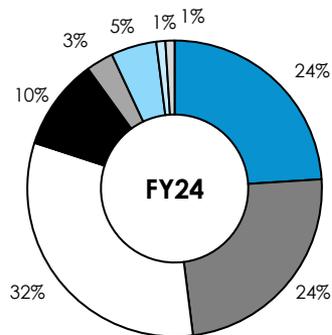


By Geography



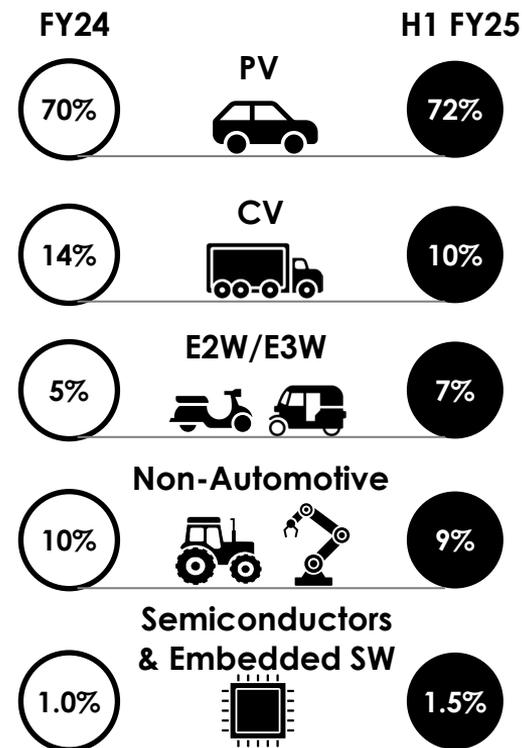
■ North America ■ India □ Europe ■ Asia (excl. India) □ RoW

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 Market segment



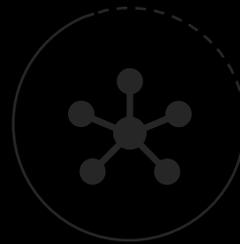
Our Strategic Priorities



Electrification



Global Market
Significance

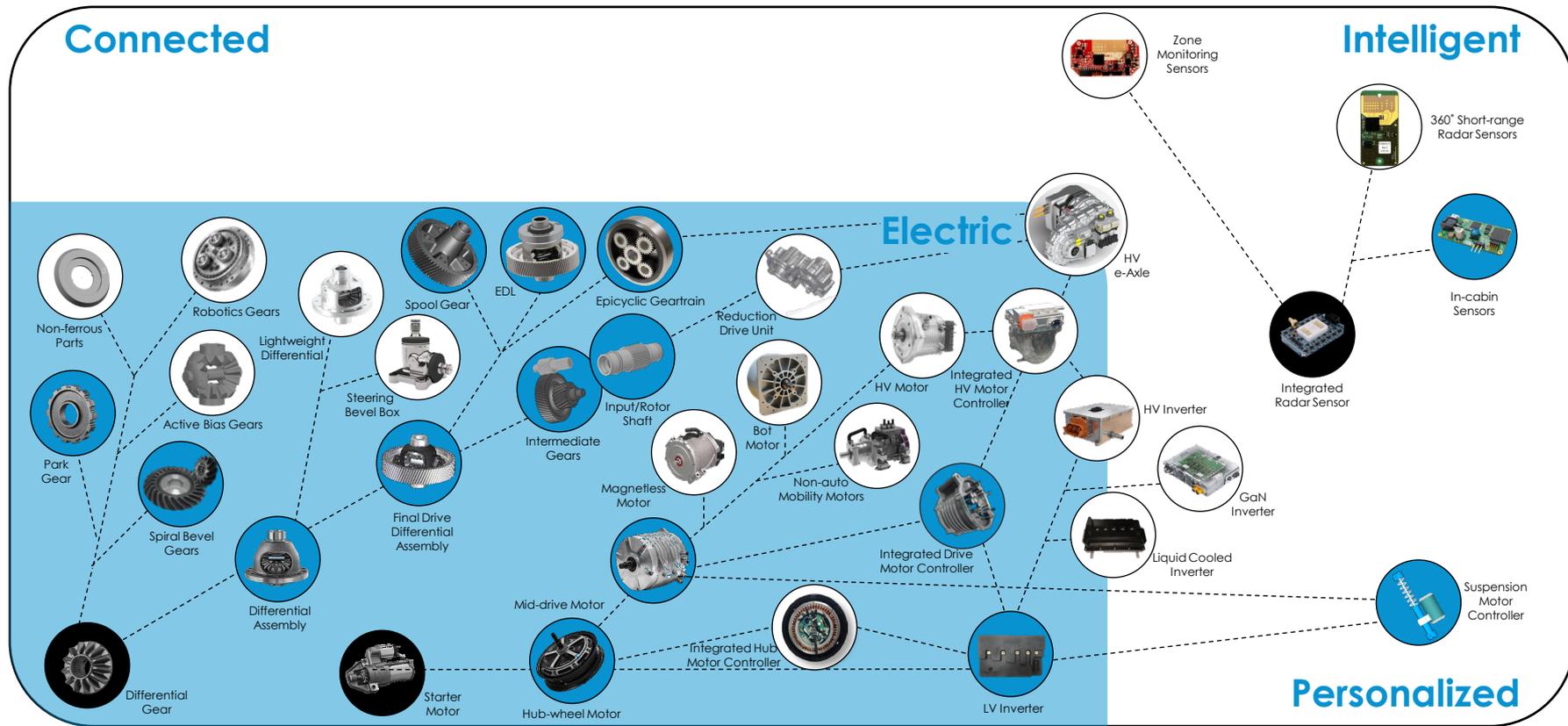


Diversification



Technology

We are now ASPICE Level-2 certified that demonstrates the strength of our software development process



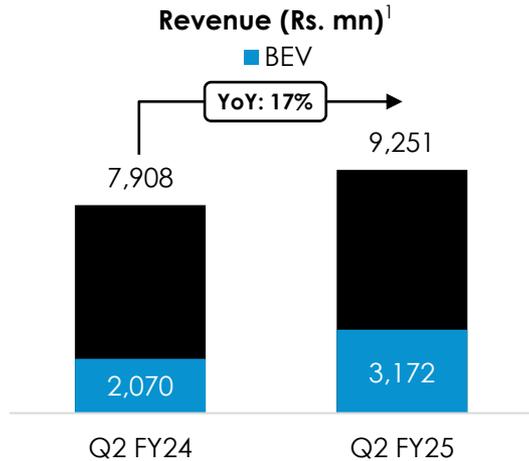
Note: The product images shown are for illustration purposes only and may not be an exact representation of the products



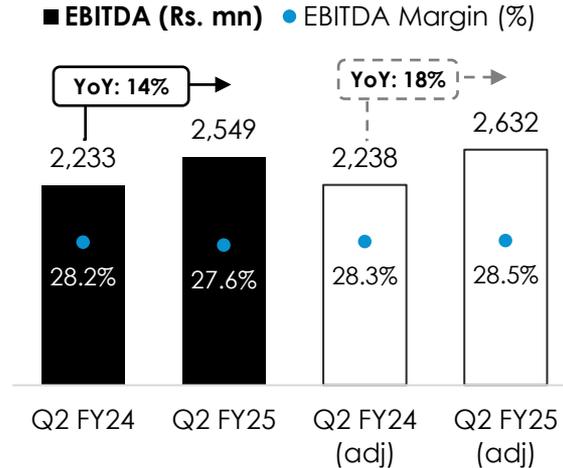
Q2 & FY25 Financial Update

Cross Sectional View of Hub Type EV Traction Motor

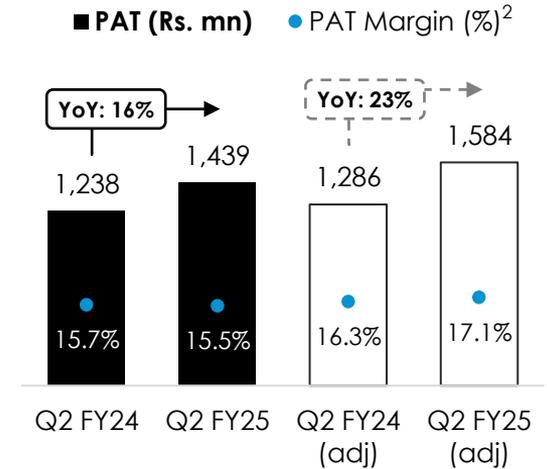
Q2 FY25 Financials



- BEV Revenue grew by 53% and constitutes 36% of total revenue
- Total Revenue grew by 17% while light vehicle sales in our top-3 markets (North America, India, and Europe) declined by 2%



- Adjusted EBITDA grew by 18% while margin improved by 0.2%
- Adjustment to EBITDA for Q2FY25 is on account of ESOP cost ₹83 mn under the approved ESOP scheme 2023. (₹5 mn in Q2FY24 under the ESOP plan 2020)

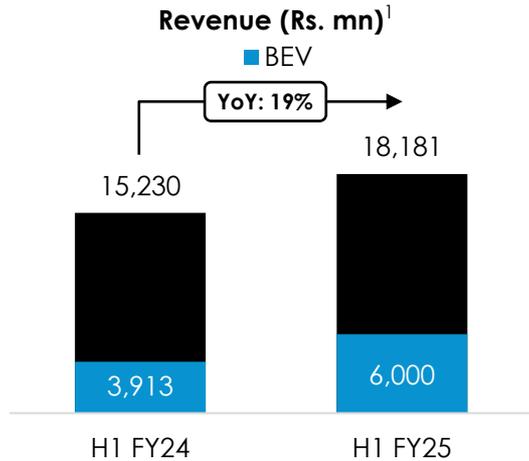


- Adjusted PAT margin is higher by 0.8% mainly due to net finance income
- Adjusted PAT for Q2FY25 includes adjustment for exceptional expenses related to potential acquisition opportunities ₹83 mn
- Adjusted PAT for Q2FY24 includes adjustment for exceptional expenses related to NOVELIC acquisition ₹44 mn

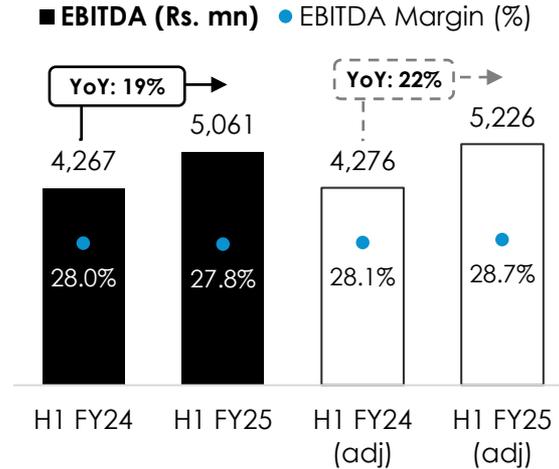
Notes:

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

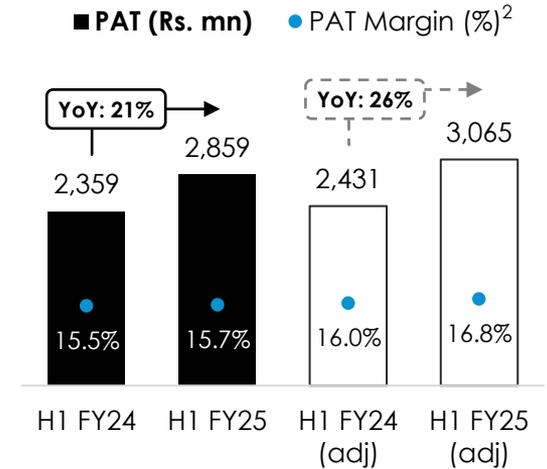
H1 FY25 Financials



- BEV Revenue grew by 53% and constitutes 35% of total revenue
- Total Revenue grew by 19% while light vehicle sales in our top-3 markets (North America, India, and Europe) grew by 3%



- Adjusted EBITDA margin is higher by ~0.6% largely due to lower input cost and operating leverage
- Adjustment to EBITDA for H1FY25 is on account of ESOP cost ₹165 mn under the approved ESOP scheme 2023. (₹9 mn in H1FY24 under the ESOP plan 2020)



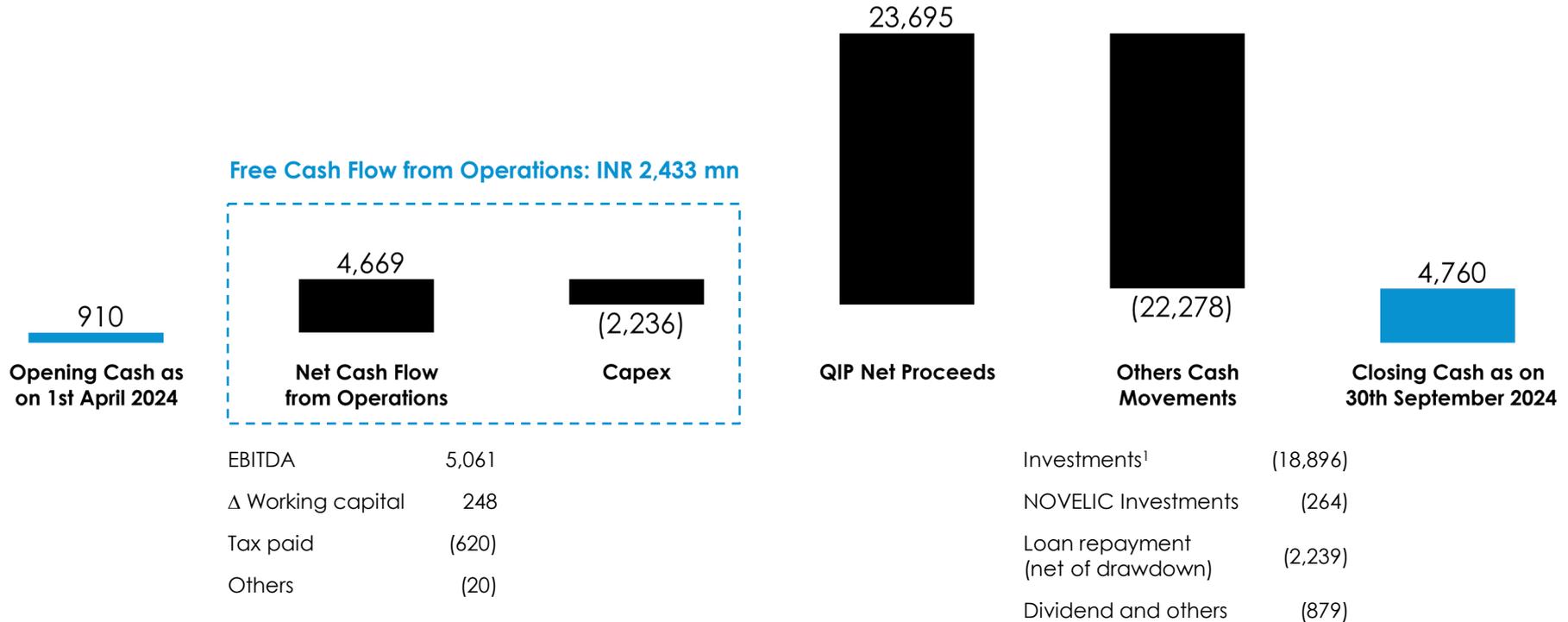
- Adjusted PAT margin is higher by 0.8% due to improvement in EBITDA margin and net finance income
- Adjusted PAT for H1FY25 includes adjustment for exceptional expenses related to potential acquisition opportunities ₹83 mn
- Adjusted PAT for H1FY24 includes adjustment for exceptional expenses related to NOVELIC acquisition ₹65 mn

Notes:

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

FCFO of INR 2,433 mn in H1 FY25

Numbers in Rs. mn



Notes:

1. Includes FD and mutual funds investments against unutilized portion of QIP proceeds

Key Ratios

VA/Employee cost



Mar-21 Mar-22 Mar-23 Mar-24 Sep-24

RoCE (%)



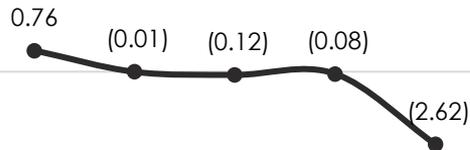
Mar-21 Mar-22 Mar-23 Mar-24 Sep-24

RoE (%)



Mar-21 Mar-22 Mar-23 Mar-24 Sep-24

Net Debt to EBITDA



Mar-21 Mar-22 Mar-23 Mar-24 Sep-24

Working Capital Turnover



Mar-21 Mar-22 Mar-23 Mar-24 Sep-24

Fixed Asset Turnover



Mar-21 Mar-22 Mar-23 Mar-24 Sep-24

Note:

- 1) VA/Employee Cost (for manufacturing businesses only) = 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 (for manufacturing businesses only) = LTM Revenue/ Average Tangible net block



Q&A




SONA COMSTAR

Providing "More Torque Per Gram"

Appendix

Our story so far...

Phase - 1

- 18 Customers
- 2 Plants
- 1 Product

Phase - 2

- 22 Customers
- 2 Plants
- 2 Products

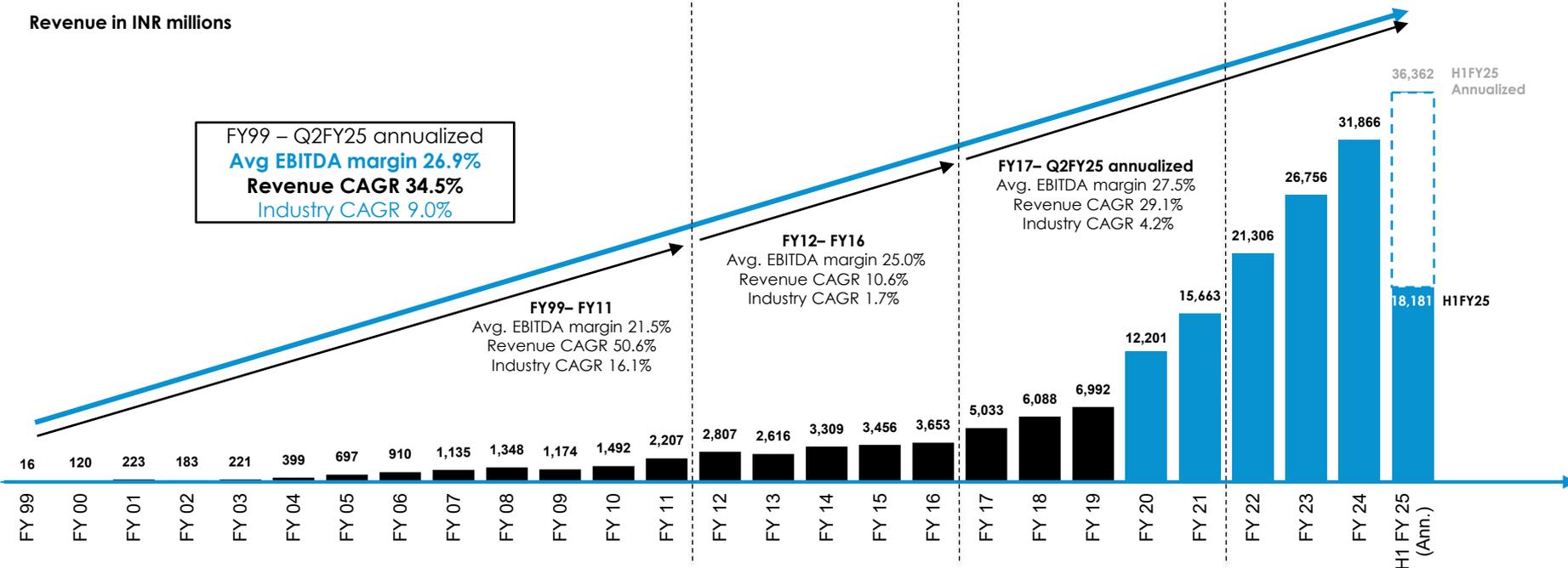
Phase - 3

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

Phase - 4

- Became publicly listed
- 74 customers
- 10 plants
- 20 products

Revenue in INR millions



FY99 – Q2FY25 annualized
Avg EBITDA margin 26.9%
Revenue CAGR 34.5%
 Industry CAGR 9.0%

FY17– Q2FY25 annualized
 Avg. EBITDA margin 27.5%
 Revenue CAGR 29.1%
 Industry CAGR 4.2%

FY12– FY16
 Avg. EBITDA margin 25.0%
 Revenue CAGR 10.6%
 Industry CAGR 1.7%

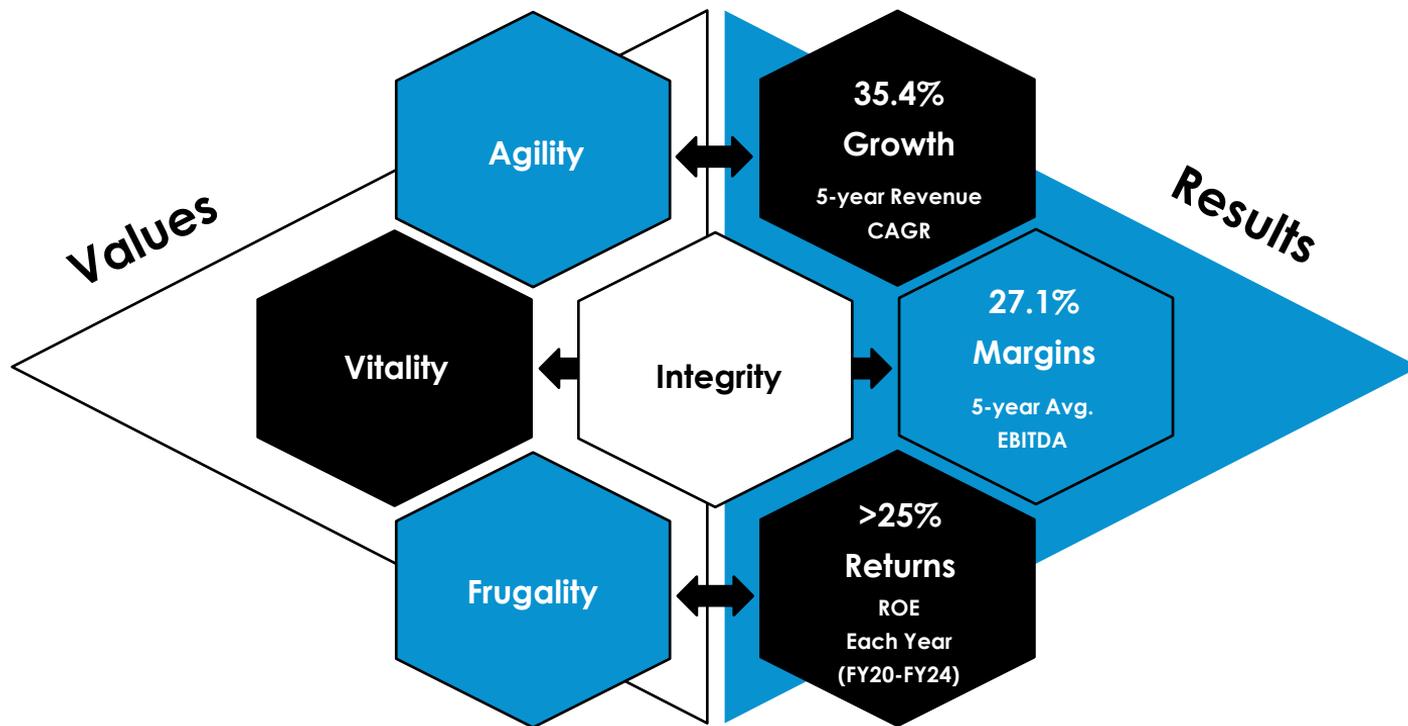
FY99– FY11
 Avg. EBITDA margin 21.5%
 Revenue CAGR 50.6%
 Industry CAGR 16.1%

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

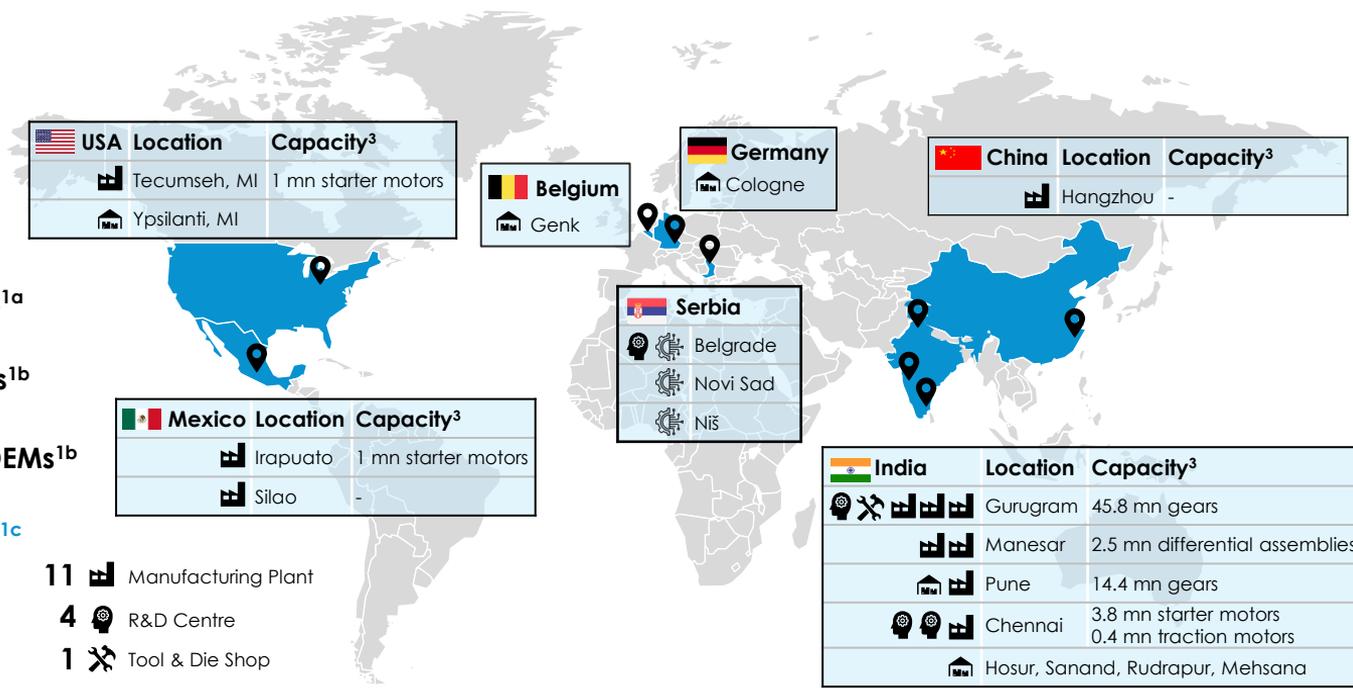
One Vision

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

Guided by Values



Established Global Presence to Serve Customers Locally



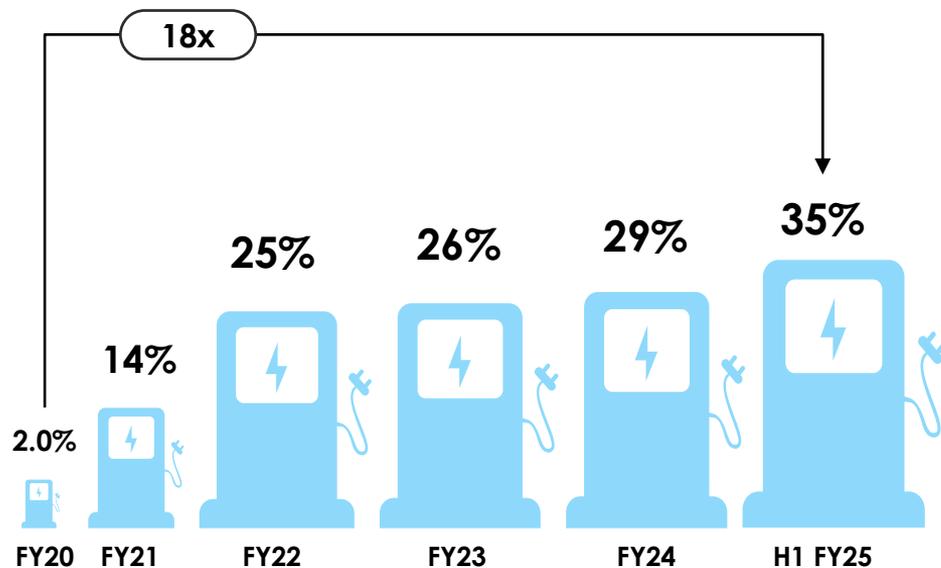
-  7 of the world's top 10 PV OEMs^{1a}
-  3 of the world's top 10 CV OEMs^{1b}
-  7 of the world's top 10 tractor OEMs^{1b}
-  4 of the world's top 10 EV OEMs^{1c}
-  3 of the Indian top 10 Indian e-2-Wheeler OEMs^{1d}

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

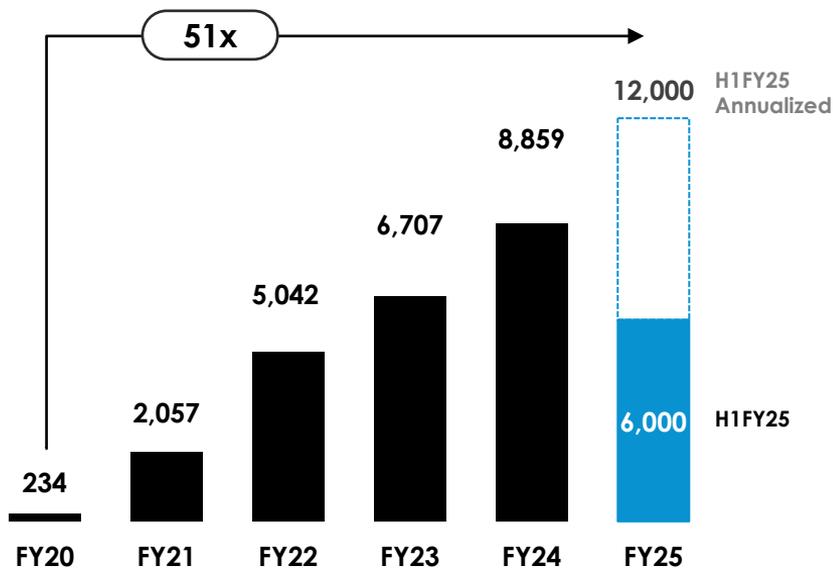
Notes:
 1. Data Source: a) BofA Global Automobiles Report; b) Ricardo Report; c) EV-Volumes; d) Vahan Database; Company Analysis
 2. Capacity as of March 2024

Revenue share from BEV has grown 18x over 5 years, with absolute BEV revenue growth at 51x

Revenue from BEV (%)



BEV Segment Revenue (Rs. mn)



56 EV programs across 32¹ different customers

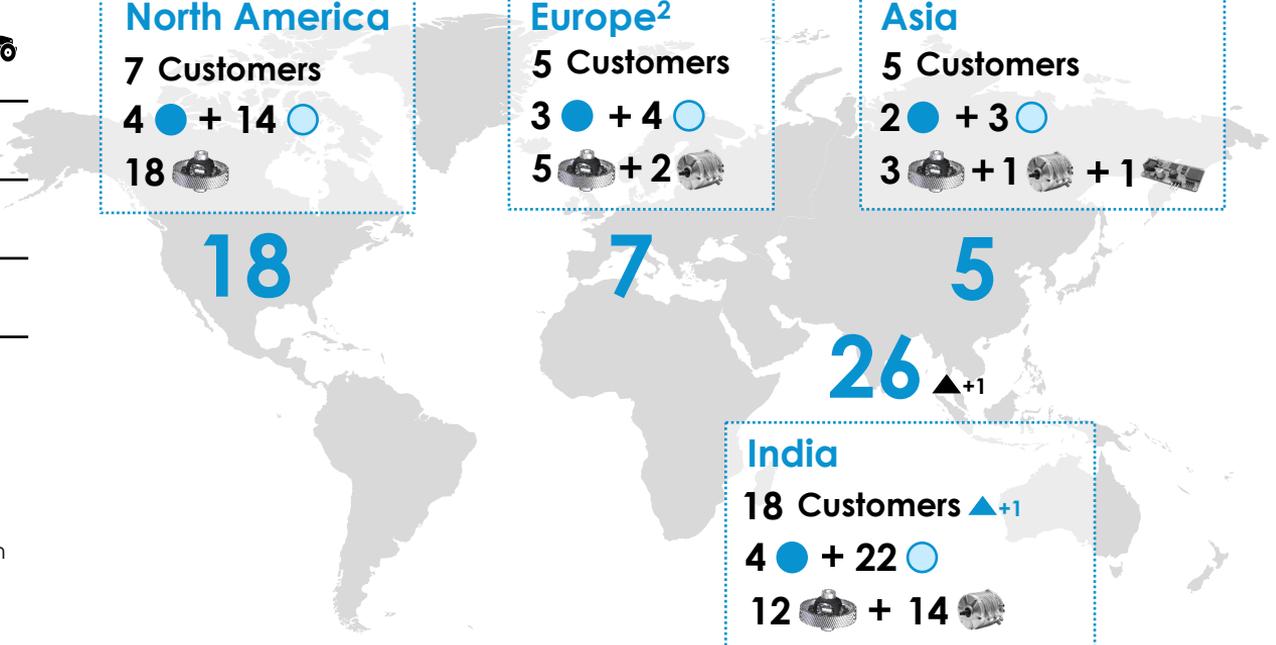


No. of programs customers			
	27 11	3 3	8 8
	3 3	13 10	1 1
	1 1	-	-

North America
7 Customers
4 ● + 14 ○
18

Europe²
5 Customers
3 ● + 4 ○
5 + 2

Asia
5 Customers
2 ● + 3 ○
3 + 1 + 1



India
18 Customers ▲+1
4 ● + 22 ○
12 + 14

- Programs in fully ramped-up production
- Programs in ramp-up or not yet in production
- Programs for Driveline business
- Programs for Motor business
- Programs for Sensors and Software business

▲+x denotes the change during Q2 FY25

Notes:

- 2 customers are present in more than one geography
- Europe geography includes the UK

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

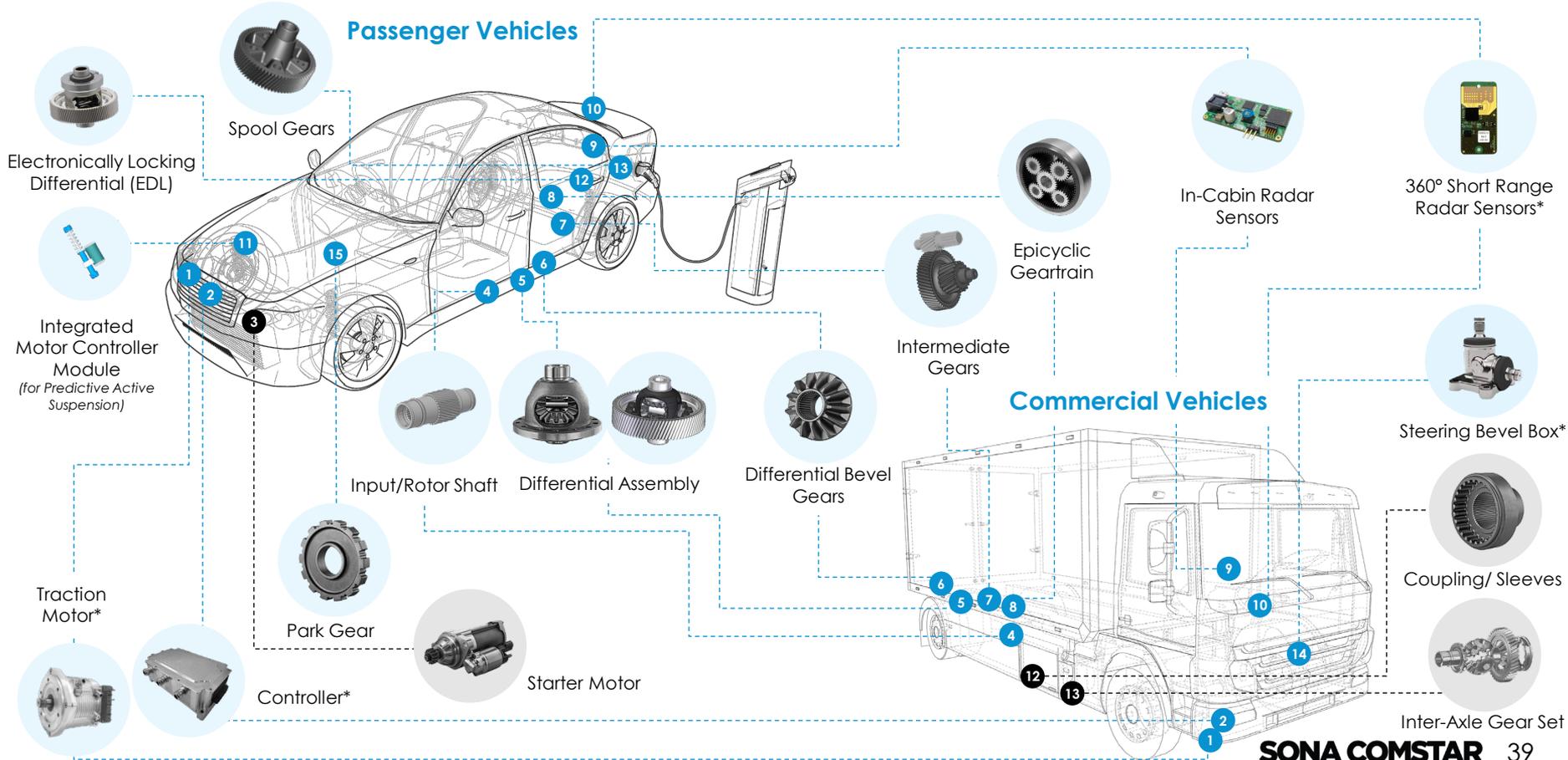


75-85%²

Notes:

1. As per Ricardo report; starter motor market share across light vehicles
2. As per CRISIL report dated Feb 2021

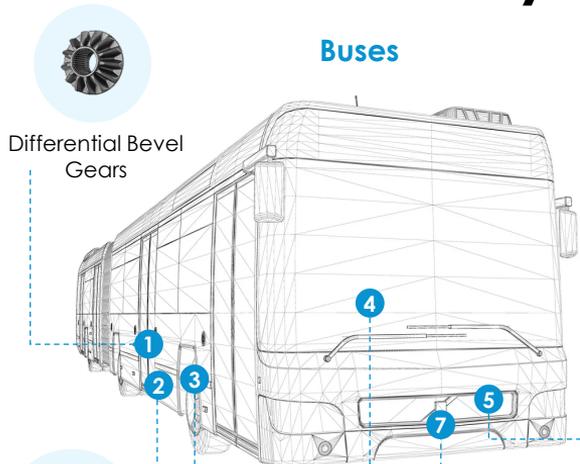
Product Summary



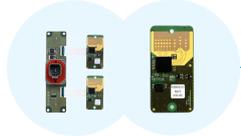
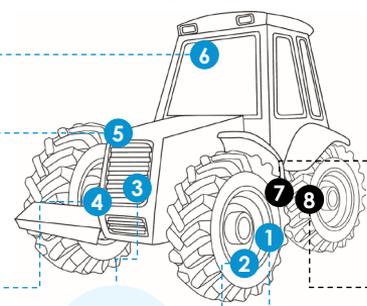
*Product under development

Product Summary

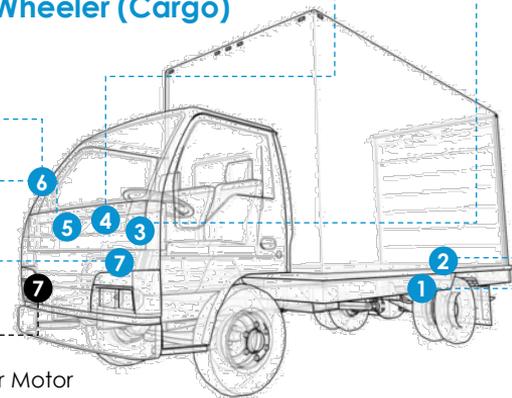
Buses



Off Highway Vehicles



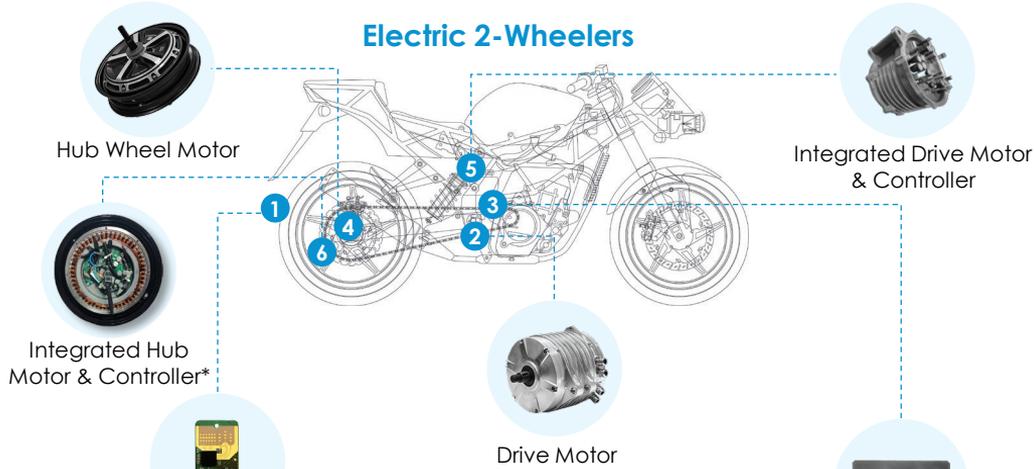
Light Commercial Vehicles /3-Wheeler (Cargo)



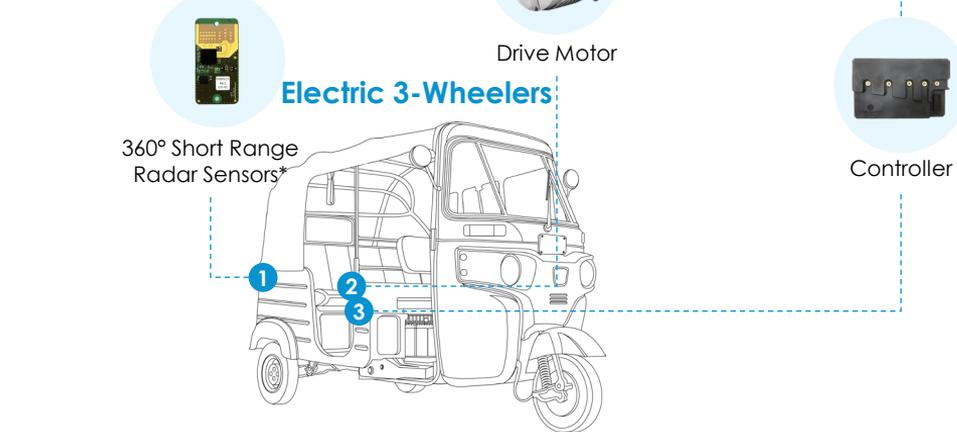
*Product under development

Product Summary

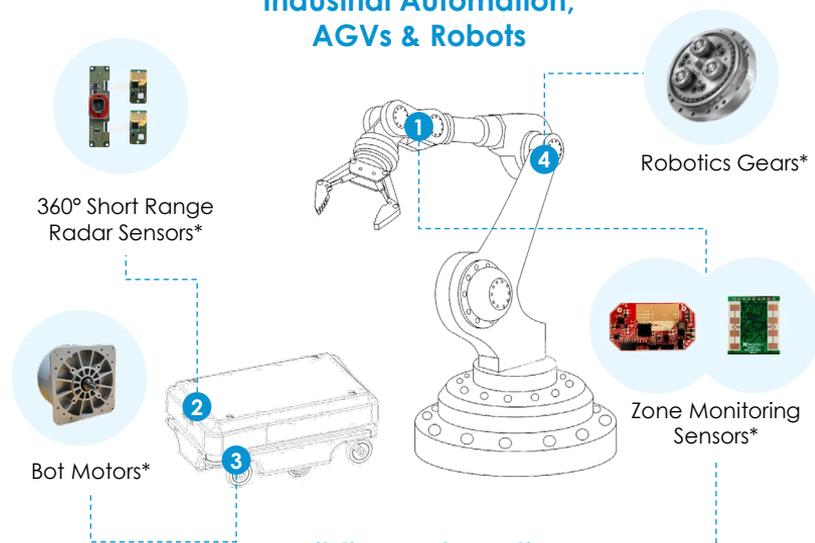
Electric 2-Wheelers



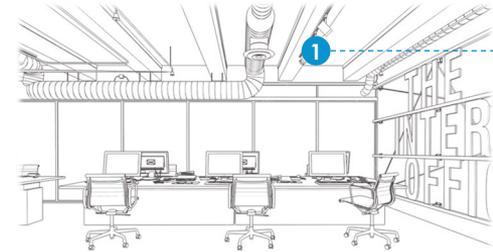
Electric 3-Wheelers



Industrial Automation, AGVs & Robots



Building Automation



*Product under development

ESG Performance Highlights



14.3 Low Risk



Top 9%

Out of 16,049 global companies



- 10% and 15% improvement in emissions intensity and water intensity respectively, in FY24 from FY22
- Setting up a total solar group captive capacity of 21.35 MWp across Maharashtra, Haryana, and Tamilnadu
- Pune Chakan Plant has been rated by IGBC in the Green Factory Building category with "IGBC Gold" Rating



- Great Place to Work Certified in Jan 2023 and recertified in Jan 2024 with a higher rating
- Driving incubation of 11 startups innovating for sustainability in partnership with IIT Delhi and IIM Ahmedabad
- Improved the female participation in the total workforce from 3% to 6%



- Golden Peacock Award won in 2023 for excellence in corporate governance
- 5 independent directors and 2 women directors out of 8 board members
- Promoter holds the position of a non-executive chairman