

**WABCO**

Commercial Vehicle Control Systems

ZF Group · WABCO INDIA Limited, Chennai 600058

Department	Finance
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Date	February 12, 2021

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Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

Scrip code: 533023
Fax No.022 22723121 / 2037 / 2039
corp.relations@bseindia.com

The Manager
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National Stock Exchange of India Ltd
Exchange Plaza, C-1, Block G
Bandra – Kurla Complex
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Scrip code: WABCOINDIA
Fax No.022 265982337 / 38
cmlist@nse.co.in

Sub: Earnings call presentation

We refer to our letter dated 8th February 2021.

Enclosing herewith the presentation to be made during the earnings call scheduled to be held today, 12th February 2021 at 14:00 hrs organised by M/s B&K Securities.

Kindly take the above on record and acknowledge receipt.

Yours sincerely,

ZF Group

M C Gokul
Company Secretary
WABCO INDIA Limited



WABCO

WABCO INDIA LIMITED – Quarterly Earnings Call

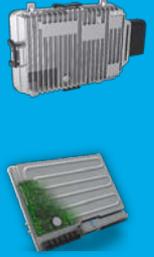
February 12, 2021

01

About ZF Group

ZF – a global technology company and solutions provider

Shareholders: 93.8% Zeppelin Foundation and 6.2% Dr. Jürgen and Irmgard Ulderup Foundation

Car Chassis Technology	Active Safety Systems	Passive Safety Systems	Electronics and ADAS	Electrified Powertrain Technology	Commercial Vehicle Technology	Commercial Vehicle Control Systems	Industrial Technology	ZF Aftermarket
								

ZF's global presence enables to provide a dense network of highly qualified contacts close to customers

As on December 2020, including WABCO



Worldwide Presence – Production, Development, Sales and Service

ZF & WABCO are highly successful and complementary companies



 €3.1 billion
Sales

 €0.3 billion
EBIT

 €36.5 billion
Sales

 €1.5 billion
Adj. EBIT

 40 Countries
28 Factories

 €0.2 billion
R&D Expenditure

 41 Countries
241 Factories

 €2.7 billion
R&D Expenditure

WABCO is a **global supplier** of technologies and services that improve the safety, efficiency and connectivity of **commercial vehicles**.

ZF Friedrichshafen AG is one of the leading global technology groups and supplies mobility systems for passenger cars, **commercial vehicles**, and industrial technology. Digital networking and automation is a focal point of the further development of ZF systems.

Note: Figures as of 31. December 2019 | WABCO figures converted with average USD FX rate of 1,12 USD/€

ZF - Ready to pivot and further grow in India

Overview (CY 2020)

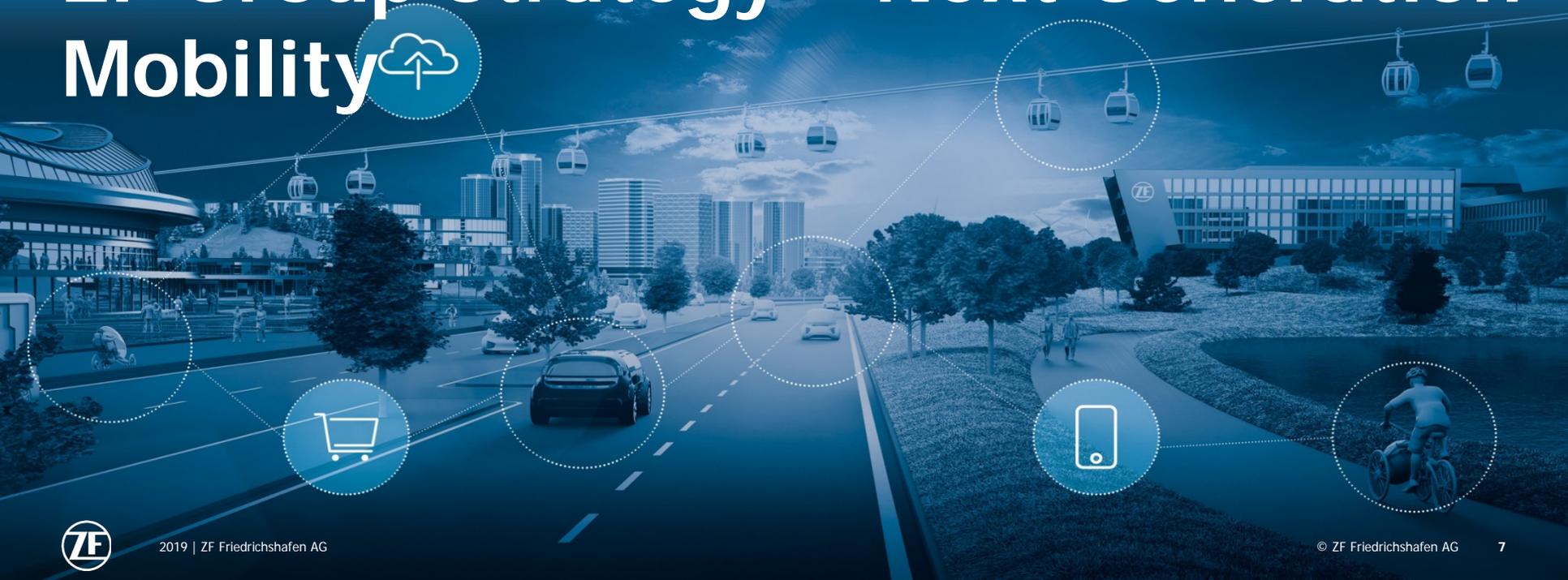
3 ZF Subsidiaries ¹	8 Engineering Centers ²	7 Service Partners ³ 288 Service Points ²
5 Joint Venture Partners	128 Aftermarket Dealers/ Distributors ²	37 Manufacturing Units ²
Over 6440 Employees ⁴		

1. ZF Subsidiaries – WOS (ZF India Pune & ZF Wind Power Coimbatore), Subsidiary (WABCO India - 93.11%)
2. Consolidated information including WABCO India
3. It includes 2 own service partners in Pune and Bangalore
4. Includes Engineering, Production, Aftermarket & Service

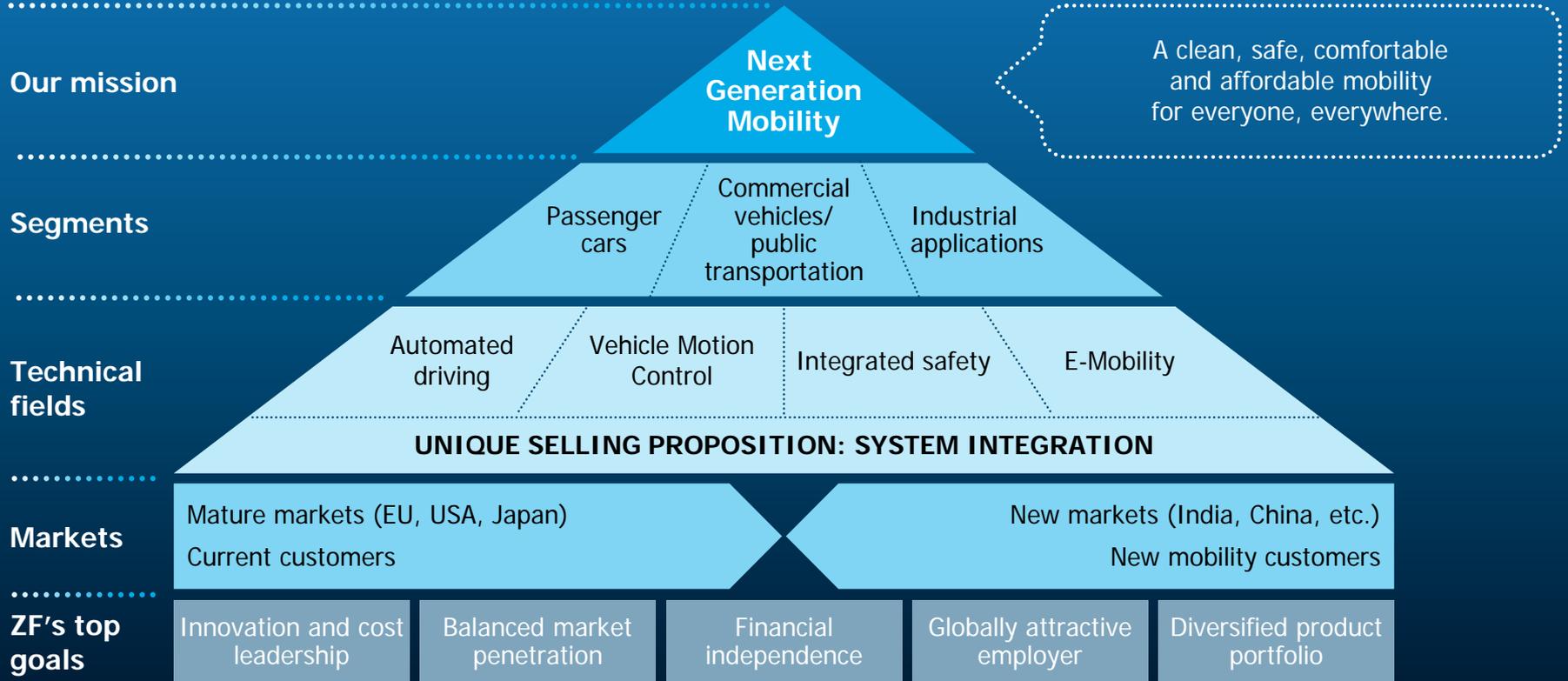


02

ZF Group Strategy – Next Generation Mobility



ZF's mission - Provide clean and safe, automated, comfortable and affordable mobility for everyone, everywhere



03

ZF & WABCO – Deal Rationale

ZF shapes the future in 4 technology domains, allowing vehicles to see, think and act



Vehicle Motion Control

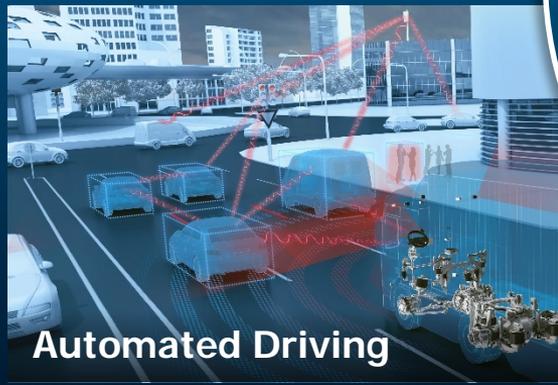


Integrated Safety



Software

Digitalization

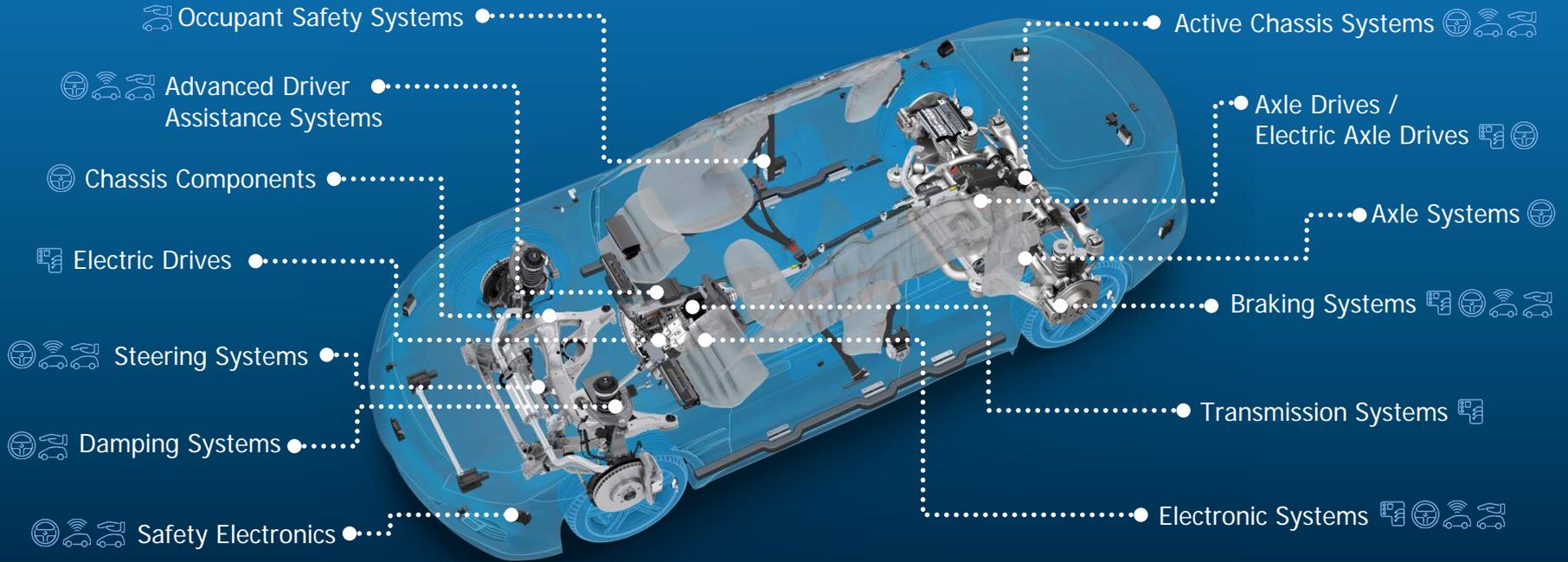


Automated Driving



Electric Mobility

ZF has a strong and proven systems expertise for passenger cars



E-Mobility: 

Vehicle Motion Control: 

Automated Driving: 

Integrated Safety: 

ZF and WABCO creates a leading global integrated CV systems supplier

CONNECTIVITY SOLUTIONS

DIGITAL FLEET SOLUTIONS

SAFETY ELECTRONICS

ADAS / AD SYSTEMS

VEHICLE ELECTRONIC SYSTEMS

DAMPING SYSTEMS

STEERING SYSTEMS
STEERING CONTROL

BRAKE & STABILITY CONTROL SOLUTIONS

POWERTRAIN MODULES

CHASSIS MODULES & COMPONENTS

AXLE SYSTEMS

WHEEL END SOLUTIONS

AERODYNAMICS SOLUTIONS

OCCUPANT SAFETY SYSTEMS

SUSPENSION CONTROL SOLUTIONS

ELECTRONIC COMPONENTS

AIR MANAGEMENT SOLUTIONS

TRANSMISSION SYSTEMS
TRANSMISSION AUTOMATION SOLUTIONS

ELECTRIC DRIVES

ZF WABCO

The transaction follows a clear strategic rationale...

ZF Friedrichshafen AG and WABCO



See. Think. Act

WABCO
MOBILIZING VEHICLE INTELLIGENCE

The combined company forms the world's leading integrated systems provider for commercial vehicle technology

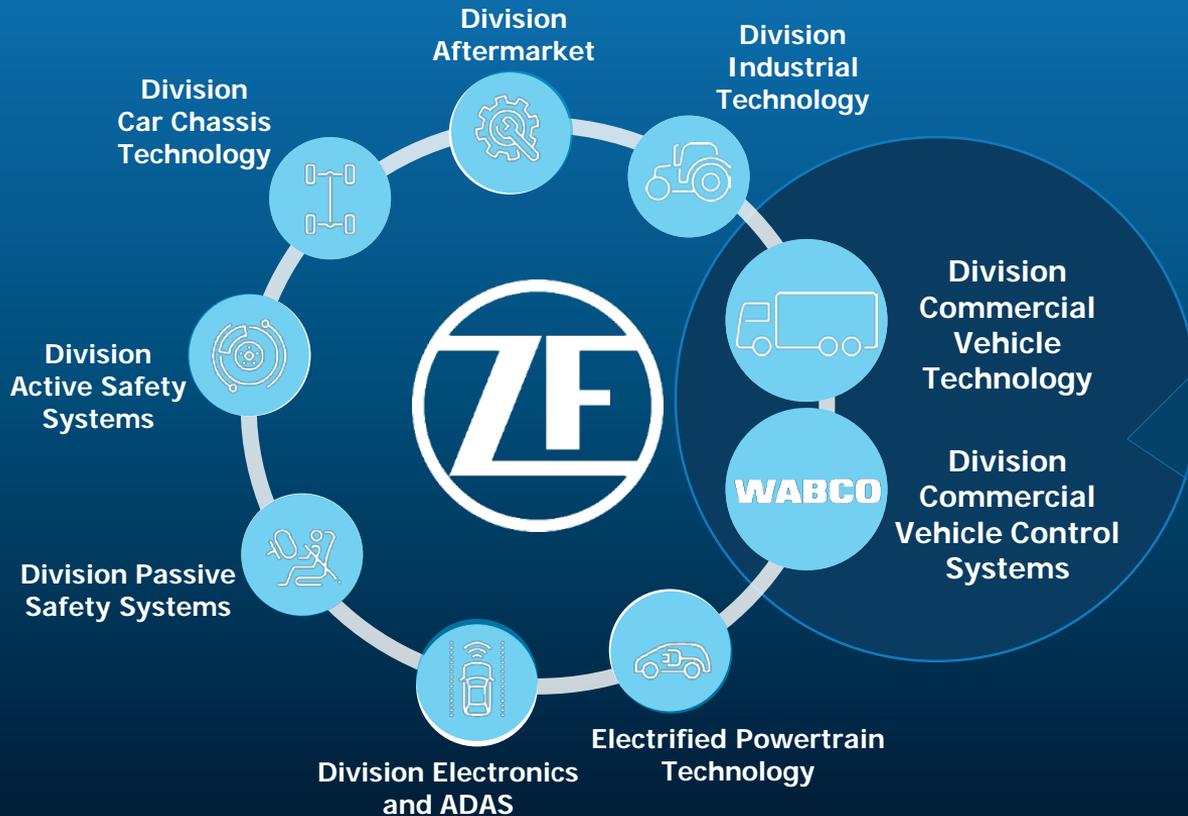
Developing next generation technology in the field of Autonomous Driving (AD/ADAS) in both commercial and passenger vehicles

Strengthening its position in emerging markets (especially India) where WABCO operates market leading positions with cost advantages

Access to the highly attractive truck fleet management market where WABCO excels with telematics solutions

Access to truck trailer customers and advanced mechatronic competencies

...creating an integrated solutions provider



Integration approach:

- Focus on customers and day-to-day business
- Speedy and seamless integration built on the legacy of successful collaboration in developing breakthrough technologies
- Complete integrated solutions provider for CV industry; strengthened technology roadmap
- Combined division for commercial vehicle technology in 2022

The power of a perfect match

Enhancing our technology portfolio, resources and presence to better serve the commercial vehicle sector.



ADVANCED TECHNOLOGY

- Complementary portfolio
- Passion for breakthrough innovation

INDUSTRY LEADERS

- Globalized and integrated supply chain
- Global manufacturing footprint
- Advanced industry processes
- Benchmark quality standards

BROAD CUSTOMER BASE

- Customer-centric strategies
- Offering one-stop solutions
- Long-standing and collaborative relationships

STRONG CULTURE

- Passionate
- Collaborative
- Diverse

WABCO

Uniting WABCO and ZF created a customer-focused organization to advance CV technologies and digital services

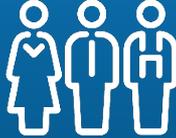
Sales 2019



\$3.4 bn
WABCO



€3.7 bn
ZF

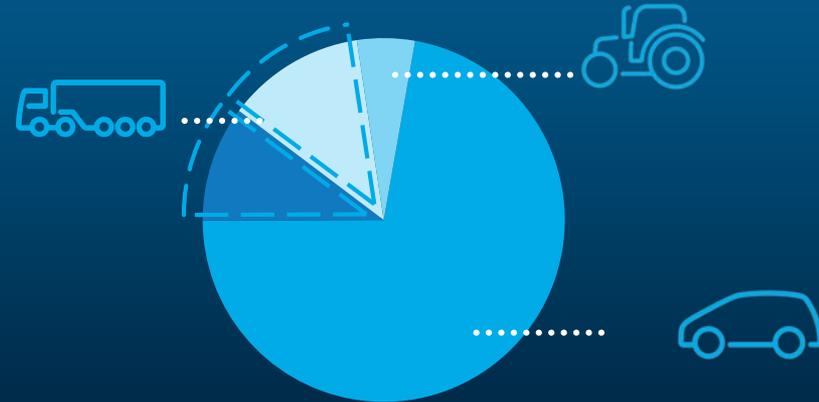


30,000

Employees in Commercial
Vehicle Business

Strengthen Commercial Vehicle business

Increase CV Sales from 12% to close to 20%



61

Sites in Commercial
Vehicle Business



28

Countries Presence

04

About WABCO India

WABCO India – A leading supplier of technologies and services to the Indian CV industry



With a broad market focus well-positioned for a bright future

Truck & Bus



Trailer



Off-Highway



Car



Fleets



Customers (among others):



Recognition for sustained and continuous value creation...

- First company to win Deming Prize and Japan Quality Medal in India
- Ranked by industry and media among India's leading companies
- Managing Director ranked among top CEOs by leading organization and business publications



Forbes India's Super 50 companies 2017 and 2018

The logo for Frost & Sullivan, featuring the company name in a serif font with a stylized ampersand between the words.

F&S India Commercial Vehicle Product Line leadership award 2016



F&S Future Ready Factory award 2017



P Kaniappan awarded F&S IMEA Lifetime Achievement Award 2018



P Kaniappan ranked among top 100 CEOs by Business Today 2017

...and recognition for excellence in execution

- Strong relationship with domestic customers for over five decades
- Recognized by leading customers for innovation, technology partnership, cost competitiveness, quality and excellence
- Recipient of over **30 customer awards** over the last decade
 - **9 awards from Ashok Leyland** supplier samrat; overall quality excellence
 - **7 awards from TATA Motors** supplier of the year; innovation and technology award
 - **6 awards from VECV** best quality supplier; outstanding contribution in technology innovation
 - **2 awards from Daimler** - best supplier for innovation, partners for Asia



Trusted innovation partner for India's OEMs

- First to bring advanced technology tailored for Indian CV market
 - **ABS, AMT, ESC, ADAS, ECAS, Intelligent Trailer Program**
- Advancing trailer safety and efficiency in India
- Development partner with deep local knowledge
- Serving industry through localized supply chain and country-wide service network
- Gateway to global operations to support Indian OEMs' export ambitions
- Proven technology ready to support advancing legislation



2018
Launch of ADAS
with TATA Motors



2018
Launch of
Intelligent Trailer
Program



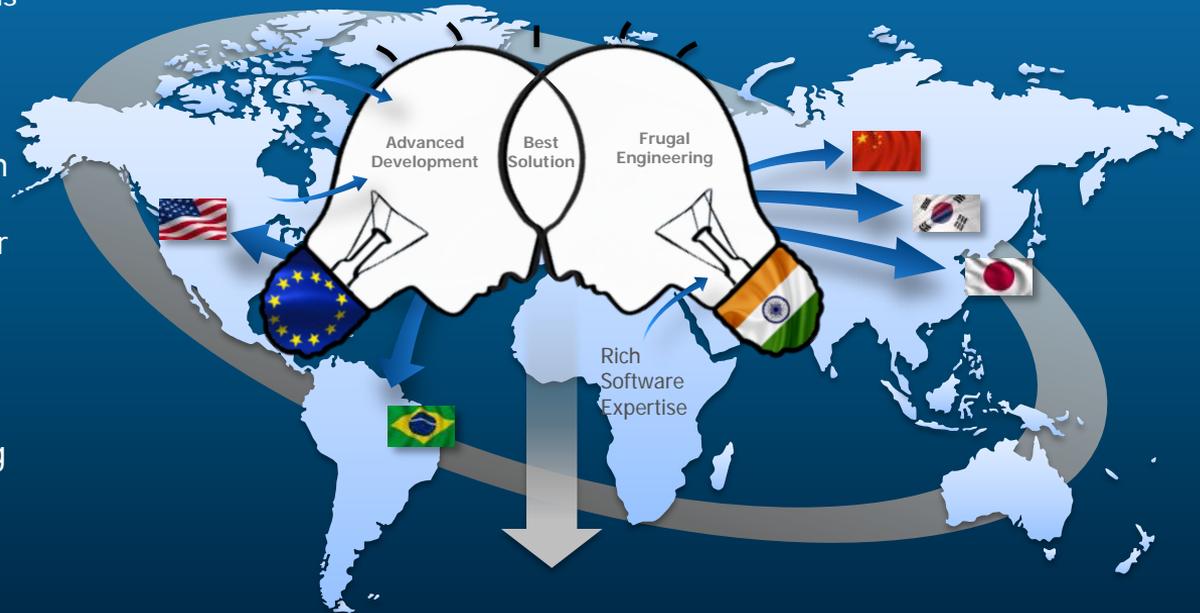
2017
Launch of ESC with
TATA Motors



2015
ABS Homologation :
100 models at
WABCO test track
within a year

Excellent positioned to deliver advanced technologies at best cost

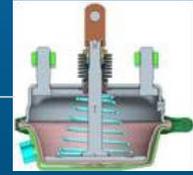
- **Advanced development organization** seeds innovation, leads technology screening and concept validation.
- **Frugal engineering expertise** with an ability to redesign advanced technologies and mature products for price sensitive markets
- **Skilled application engineers** provide excellent customer connectivity and support for adapting and homologating new technologies



Successful journey from component supplier to complete systems provider



Local manufacturing of global product



Design and Manufacturing of global products



Design and manufacturing of subsystem for global OEMs



Technology Center India



TPM Consistency award



TPM Excellence award



F&S award for Future Ready Factory



Award for Export Excellence from Govt. of India

Globally competitive best cost destination



Supplier of components for global needs

Supplier to domestic OEMs



Offering a powerful portfolio of solutions to empower fleets

End-to-end solutions and services

Digital services

Fleet Management Solutions encompassing all requirements of the fleet eco-system



Pan India service network

270+ authorized service centers - PAN India



Workshop solutions

Remote diagnostics, predictive maintenance to improve fleet productivity and reduce down-time



Spare parts along the lifetime of the vehicle

Genuine spare parts

OE certified premium quality parts



Retrofit solutions

State-of-the-art technology upgrades and updates for fleets



Professional training and consulting

Skill enhancement for fleets, OEM dealers and mechanics



Delivering a complete range of product and service offerings

Driving aftermarket transformation to deliver better customer services



Digital focus

- e-commerce portal rolled out for distributors, dealers and retailers
- e-parts catalog for easy reference and ordering
- Digital product launches for distributors and retailers
- Mechanic engagement through digital wallets



Distribution focus

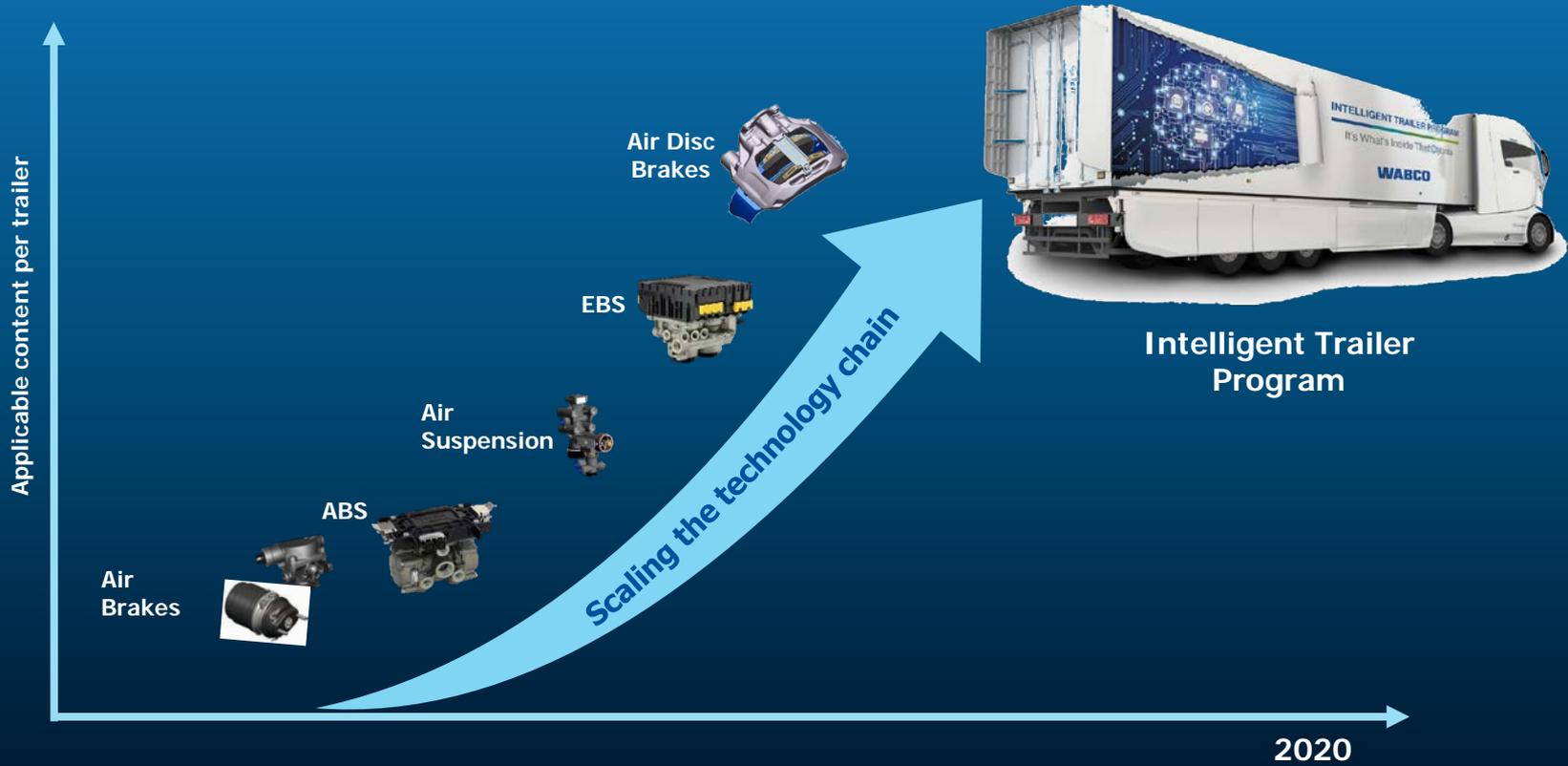
- WABCO shop concept initiated
- Penetrate to 1000+ vantage retail outlets, aiding direct control of market
- Improve and upgrade existing distributor / retailer coverage to improve market penetration



Fleet focus

- Transition from product-centric to customer solution centric
- Campaigns targeted at fleets – uptime , profitability, TCO
- Partner in uptime management
- Focus on safety critical fleets

... and making trailers more intelligent in India

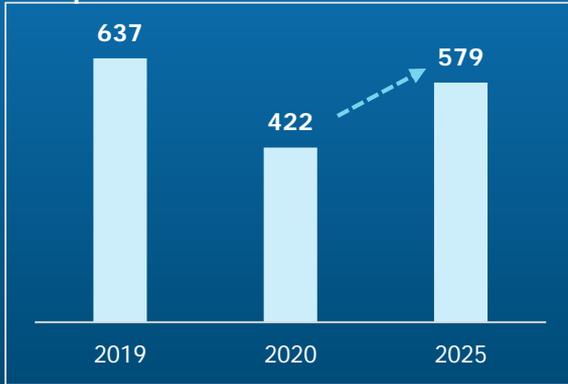


05

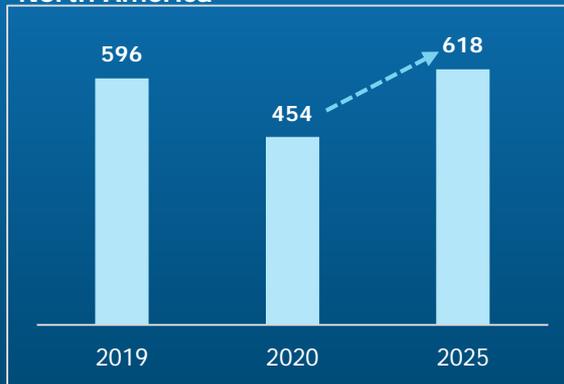
WABCO India Positioned for Growth and Profitability

Perfectly positioned to benefit from growth in India and the global markets

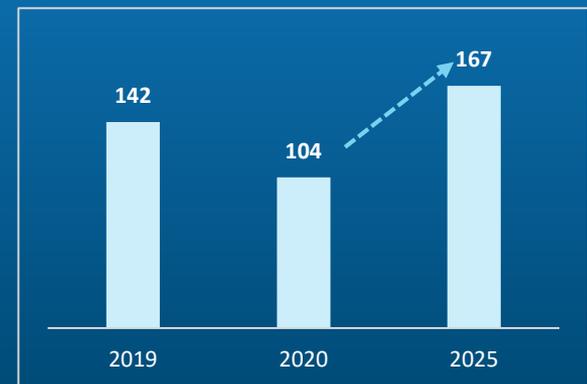
Europe



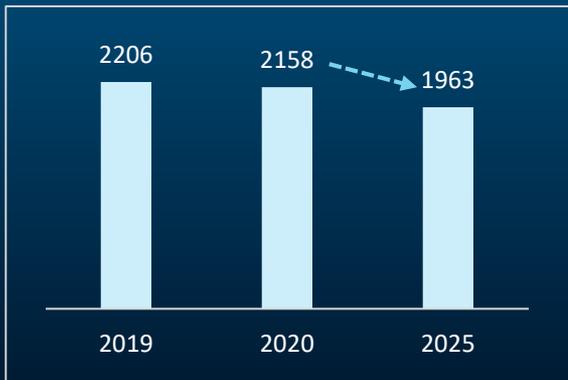
North America



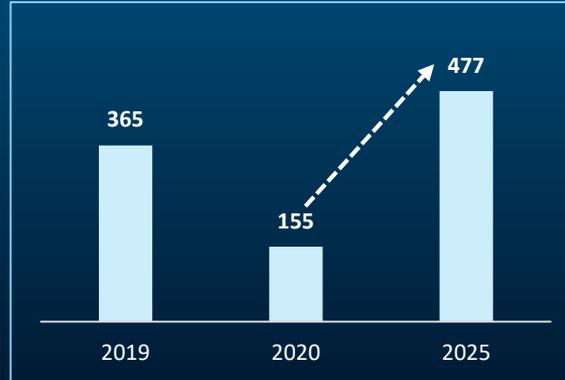
South America



APAC



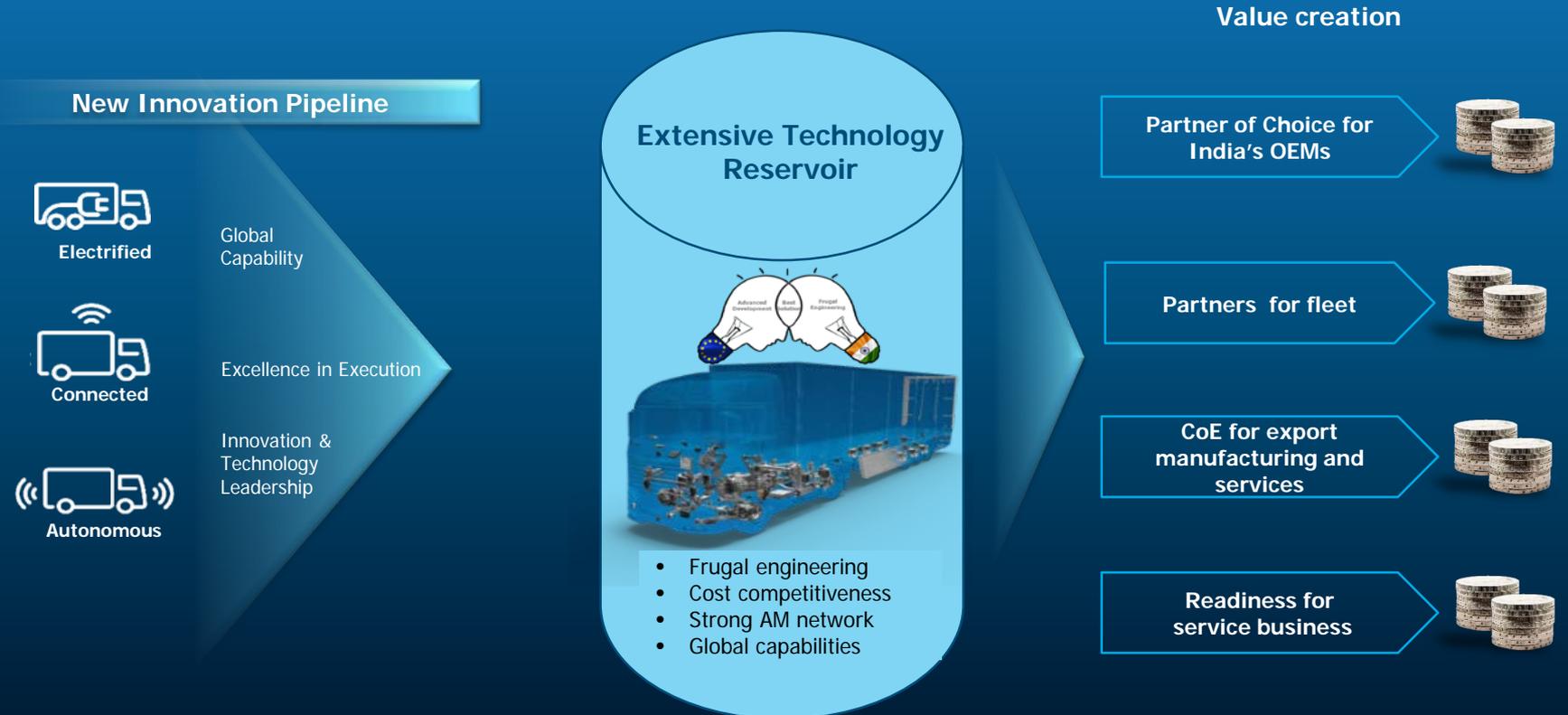
India



> 6 tonnes vehicles in 000s

Source : IHS Nov. 2020

Creating value for WABCO India's shareholders



Bringing customer & market-oriented, cost-optimized solutions to market quickly

Solving the industry's key challenges

Focused on efficiency

Product and system solutions for the reduction of operational costs (**TCO**) as well as lower **CO2 emissions**



Focused on safety

Assistance systems (**ADAS**) for the protection of road users, driver comfort and cargo integrity

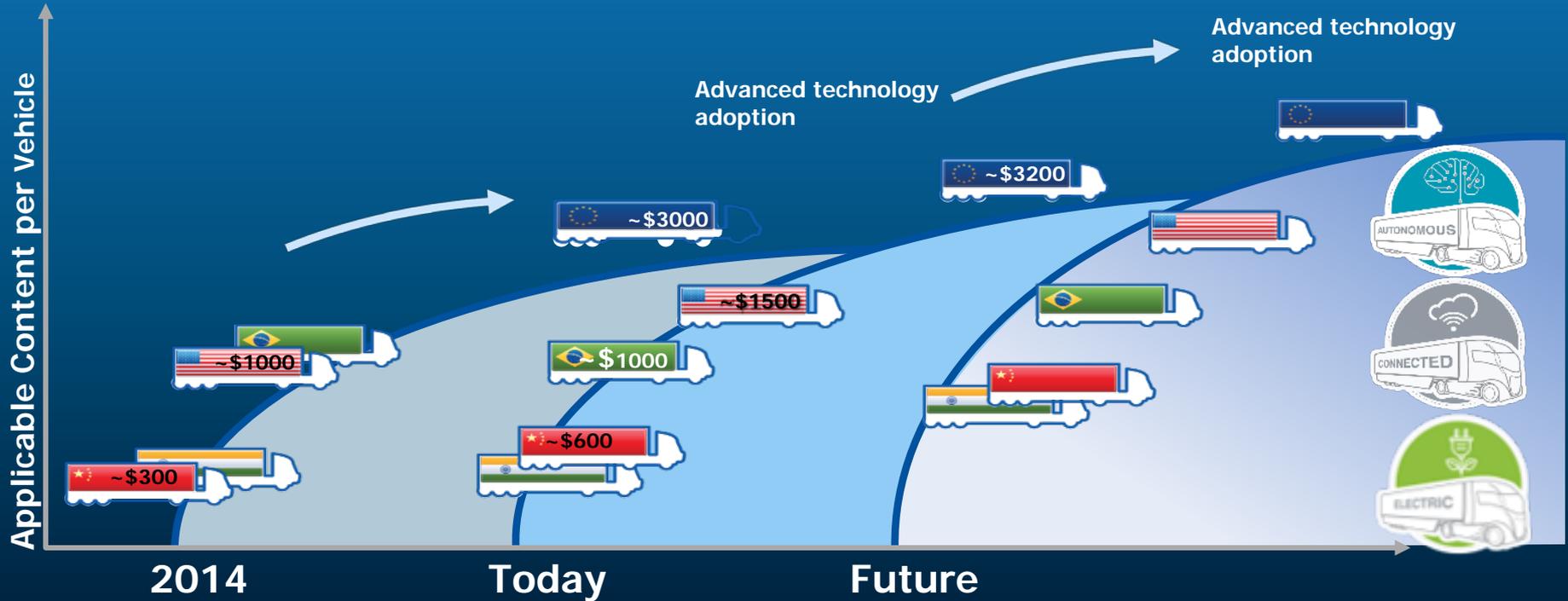


Focused on digitalization

Connectivity and **software solutions** for efficient processes (fleet mgmt. predictive maintenance, digital applications)



Benefiting from increasing penetration of advanced technologies



* At constant FX

Autonomous driving - driving into the future

- Planted seeds towards autonomous driving level in India with truck & bus, off highway OEMs leveraging the product and global expertise
- Launched ADAS in India in partnership with TATA Motors in 2018
- Launched India's first autonomous tractor with Automated Manual Transmission (AMT) in partnership with Escorts India



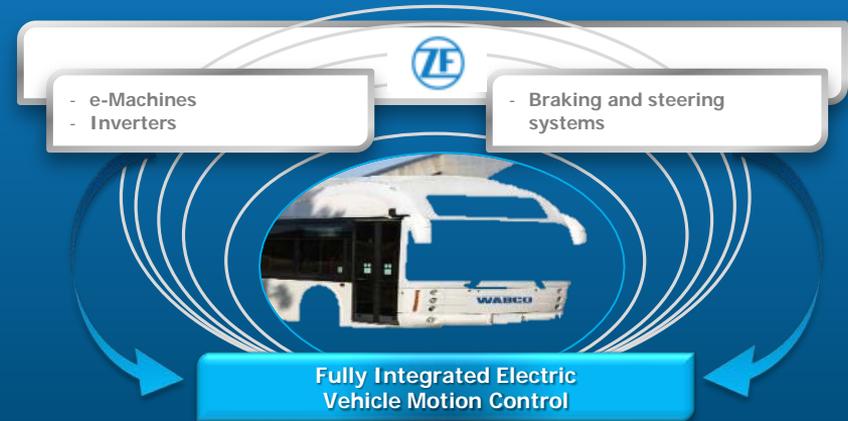
Enabling connectivity - maximizing fleet profitability

- Advanced fleet management solutions offering full connectivity for vehicles and fleets – hardware, firmware and services
- Leverages ZF's extensive expertise in providing connectivity solutions for OEMs and fleets worldwide
- Launched with two leading OEMs; scaled significantly with other OEM's, Fleets & Trailer OE's
- Penetrate aftermarket & off highway segments for new solutions and business opportunities
- Create value for OE customers with best in class position in the cloud-to-cloud data exchange & services (Customized OEM portal solutions)



Setting the pace in electromobility solutions

- Fully integrated solutions provider for electric vehicles - integrated electric drivetrain solutions combining brakes, e-compressor, controllers, steering and acceleration
- Preferred partner for all OEMs in India in the e-mobility domain



Energy Recuperation

Hybrid EBS



Vehicle Electrification

Electrically Driven
Compressor or
compressed air
replacement

Electronic -
APU

Electro
Mechanical
Brake

Integrated
E-Drive
Controller



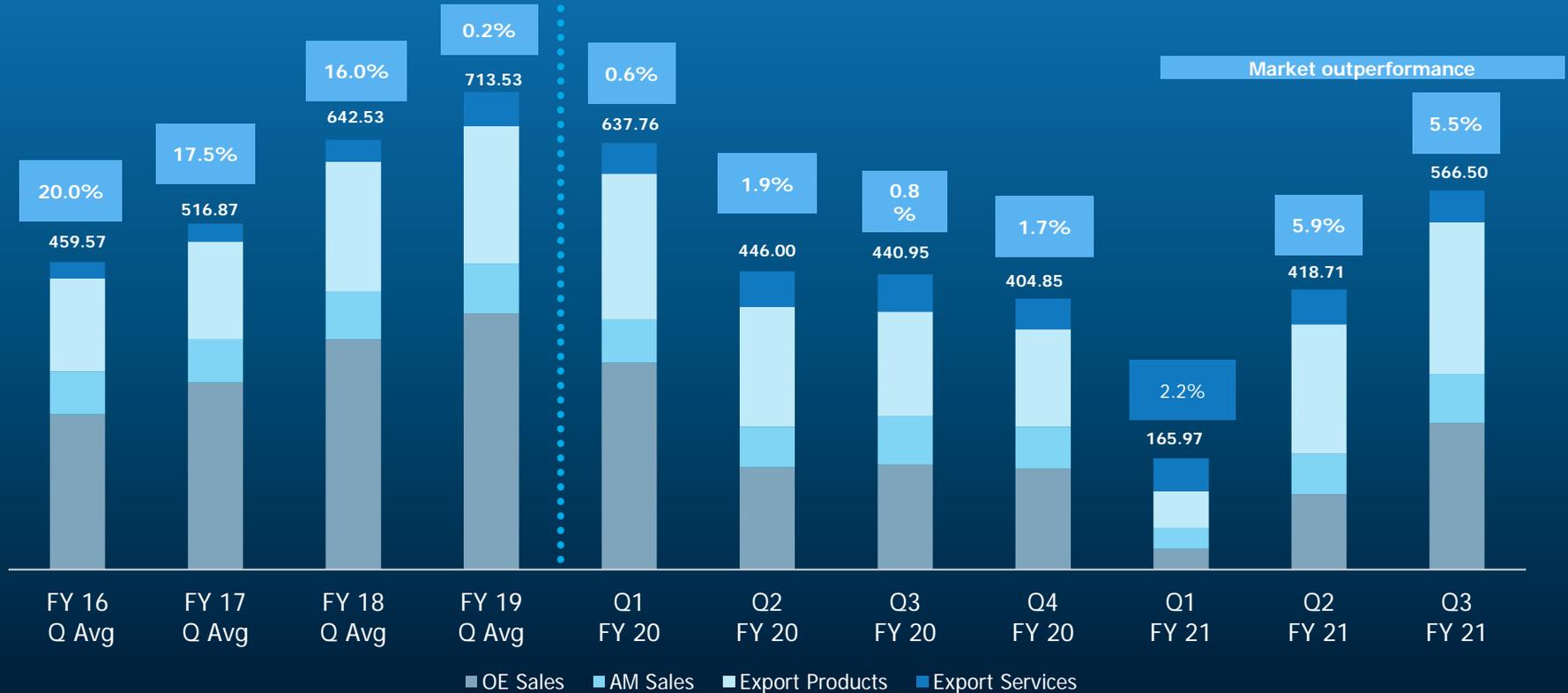
06

WABCO India Performance

WABCO India performance – Q-on-Q revenue

Recovery of sales to pre-crisis levels

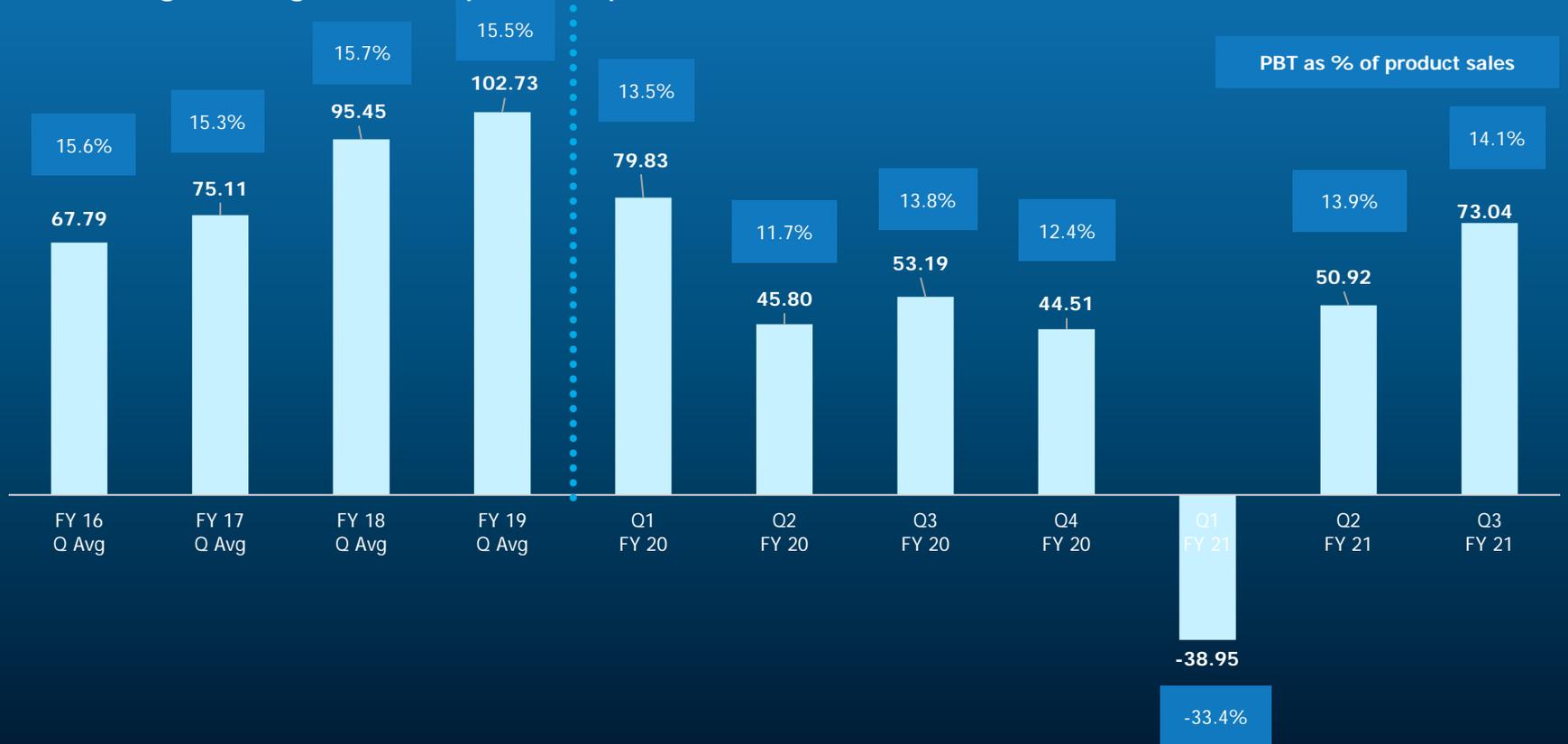
(in Rs Crores)



WABCO India performance – profits before tax

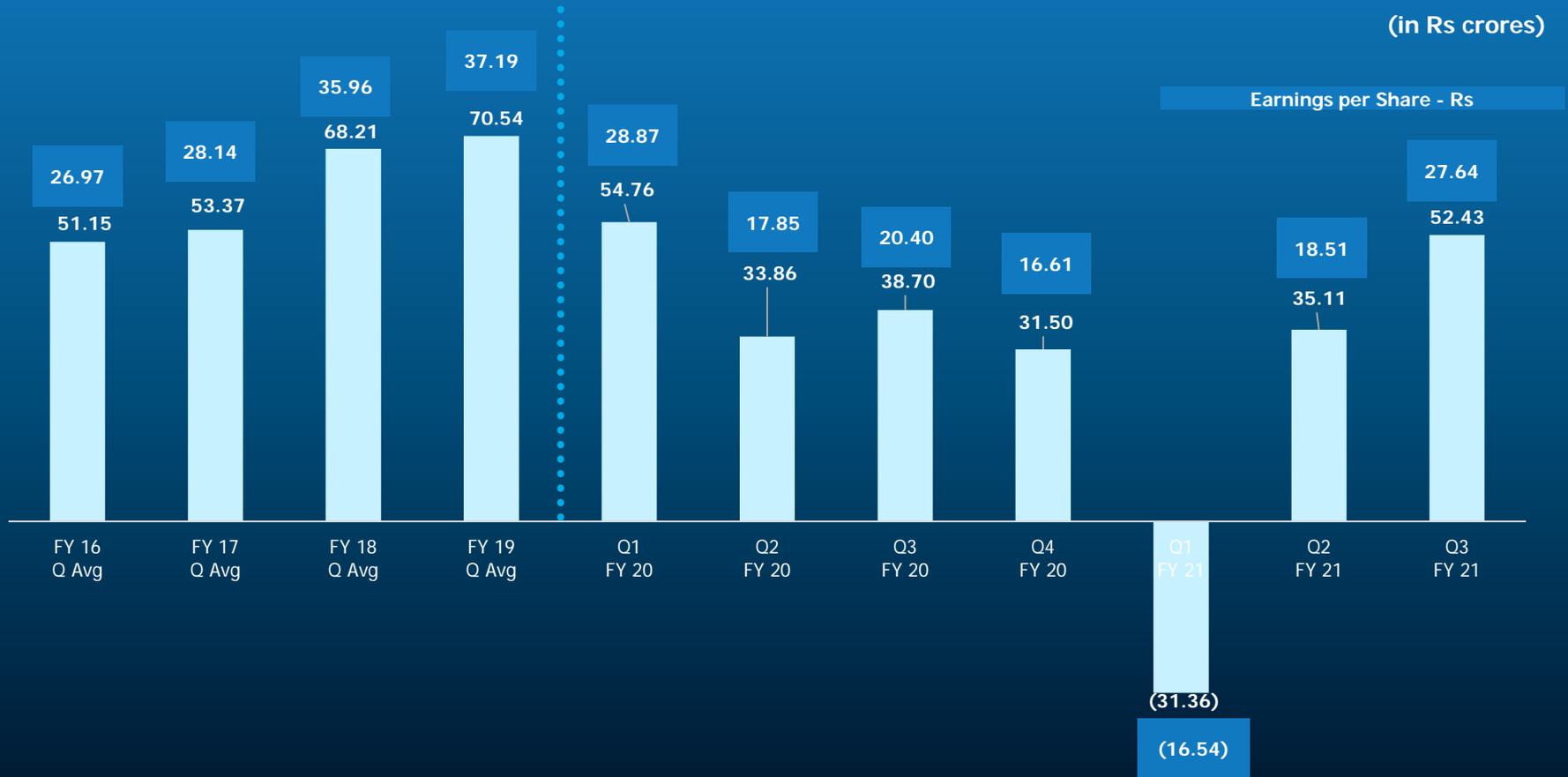
Translating sales growth to profit expansion

(in Rs crores)



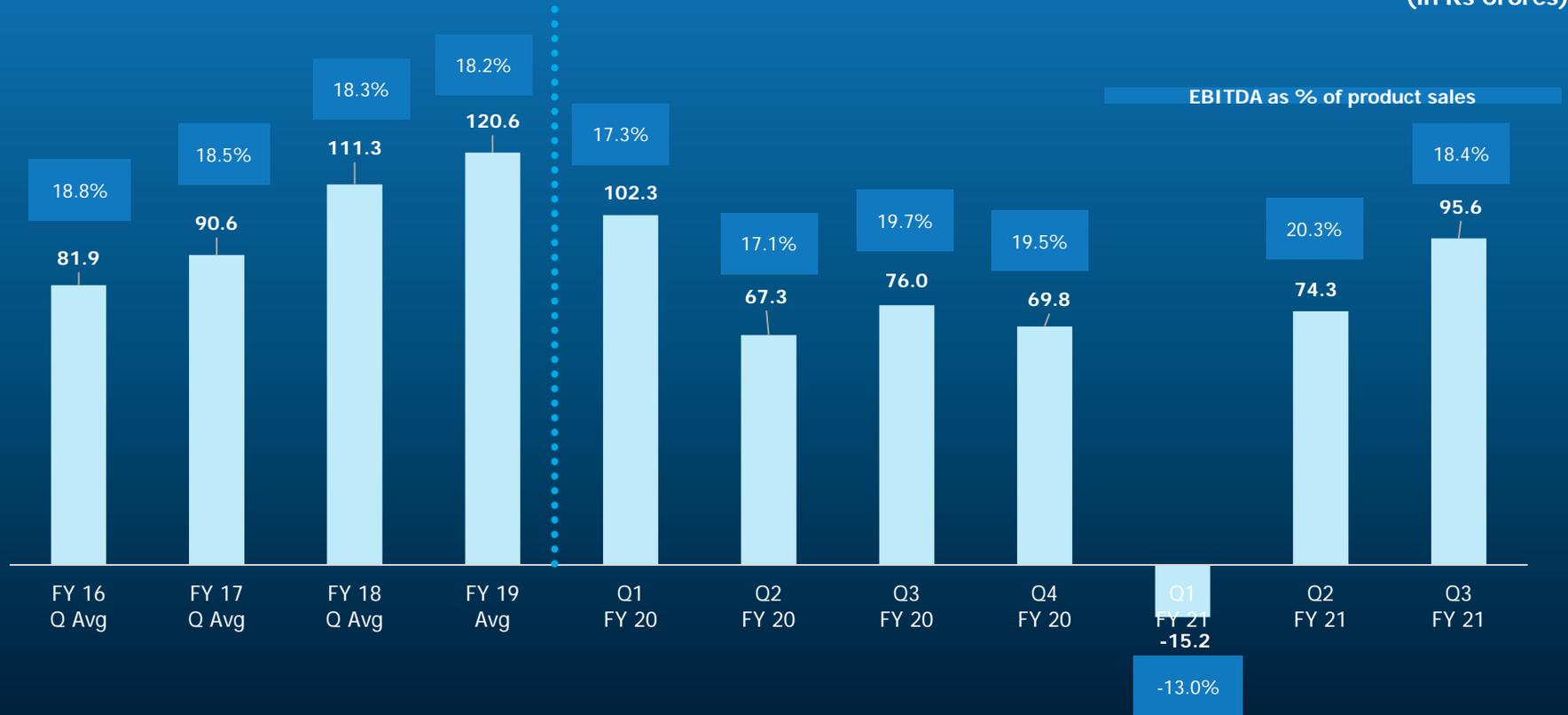
WABCO India performance – profits after tax

(in Rs crores)

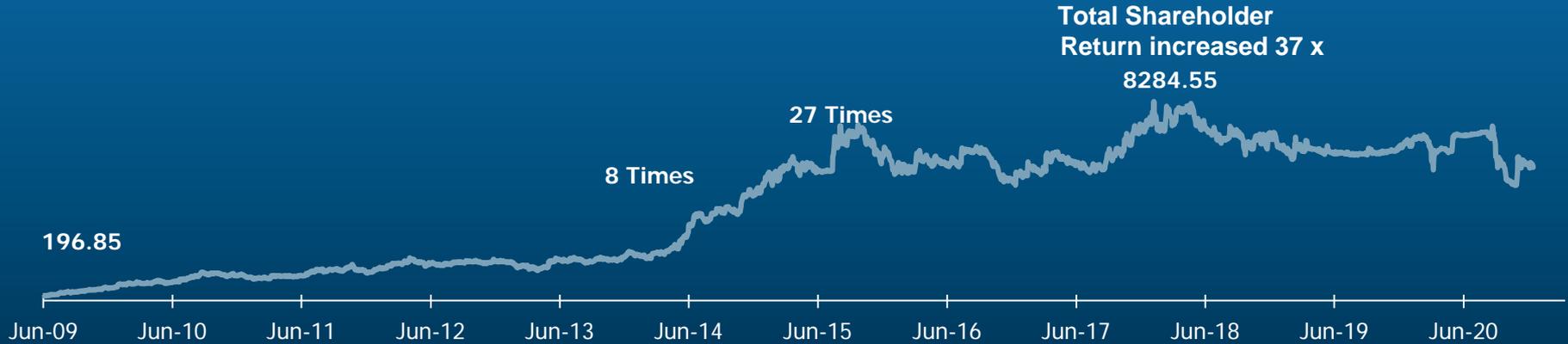


WABCO India performance – EBITDA

(in Rs Crores)



WABCO India – Delivering increasing share holder value



07

WABCO India – A Responsible Corporate Citizen

WABCO India – A responsible corporate citizen...

WABCO CSR

Safety

Road safety



Community

Supporting communities



Education

Skilling individuals



Environment

Environmental responsibility



... focusing on road safety to reduce accidents and to save lives...

8000+ drivers upskilled in partnership with RTOs and STUs

PAN India coverage - 6 States covered across South, West North

Focused , hands on curriculum with practical sessions, **95%** satisfaction

Partnership with PRAXAIR for drivers of hazardous cargo vehicles ; **Zero Accident** rate

Partnering with **Drive Smart Drive Safe Club** for **Pedestrian Safety , 1 Crores steps challenge, India against road Crash Season 1 & 2**



...and supporting local communities in the fight against COVID-19



31,600
food packages and
water bottles
distributed



300 ltr
sanitizer



16700
gloves



21000
masks



10
Critical care Monitors



1500
Personal protective
equipment kits



50
Hospital
beds



100
Pulse oximeters



5300
Face shields



1000
Disposable bed
sheets and pillow
covers



4
HFNC monitors

08

WABCO India – Q3 Performance

Q3 2020-21 Financials

INR Lakhs						
Profit & Loss Account	QTD		QTD		vs PY	
	Dec 20	%age	Dec 19	%age		
OE Sales	21,904	42.2%	15,663	40.7%	6,241	39.8%
AM Sales	7,338	14.1%	7,213	18.7%	125	1.7%
Export Sales	22,663	43.7%	15,635	40.6%	7,028	45.0%
Sale of Products	51,905	100.0%	38,511	100.0%	13,394	34.8%
Other operating income	4,744		5,583		(839)	-15.0%
Revenue from operations	56,650		44,095		12,555	28.5%
Other income	782		1,580		(798)	-50.5%
Total income	57,431		45,674		11,757	25.7%
Expenses						
Cost of raw matls & compts	35,104		25,261		9,843	39.0%
Changes in inventories	(424)		286		(710)	-248.4%
Employee benefits expense	7,085		6,863		222	3.2%
Depreciation	2,227		2,234		(7)	-0.3%
Finance costs	25		45		(21)	-45.8%
Other expense Total	6,110		5,666		444	7.8%
Total expense	50,127		40,355		9,772	24.2%
Profit before tax	7,304	14.1%	5,319	13.8%	1,985	37.3%
- Current tax	1,821		1,625		197	12.1%
- Deferred tax	240		(175)		415	-237.0%
Income tax	2,061		1,450		611	42.2%
Profit for the year (I)	5,243	10.1%	3,870	10.0%	1,373	35.5%
OCI	(180)		(103)		(77)	75.1%
Income tax effect	45		25		20	81.7%
Net OCI (II)	(135)		(78)		(57)	73.0%
Total comprehensive income (I) + (II)	5,108		3,792		1,316	34.7%

Sales

- A recovering market and an outperformance of 5.5% showing improvement in sales to OEM
- Strong global markets, giving a 45% growth to exports.

Variable Cost

- Better absorption of Conversion cost of INR 10.1 Cr
- Commodity price inflation impacted profitability by INR 10.2 Cr

Fixed Costs

- Impacted by low interest costs

Portfolio

Innovation

Intelligence

Safety

Efficiency

“Mobilizing Commercial Vehicle Intelligence”

Network

Performance

Connectivity

Automation

Speed

Thank you.

**Welcome your questions
and feedback.**