



**WABCO**

# **WABCO INDIA LIMITED – Quarterly Earnings Call**

May 18, 2021

# ZF Group: 2020 Key Figures



**€32.6 billion**  
Sales



**€5.4 billion**  
Liquidity Headroom



**3.2%**  
Adjusted  
EBIT margin



**153,522**  
Employees



**€2.5 billion**  
Research &  
Development



**€1.3 billion**  
Investments PP&E



## A solid performance by WABCO INDIA

**Strong outperformance of ~25% in a recovering domestic OE market**

**Securing future business growth with new technologies**

**Driving export growth to serve customers globally**

**Leveraging engineering footprint to ensure global business continuity**

**Decisive steps in growing aftermarket and developing digital solutions**

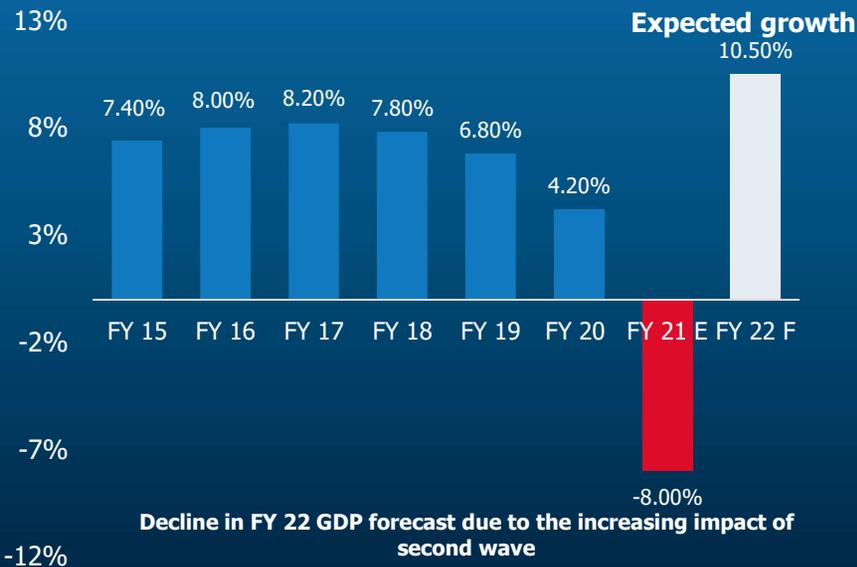
**Navigating successfully through uncertain times while securing long term growth**

# India macro economy indicators



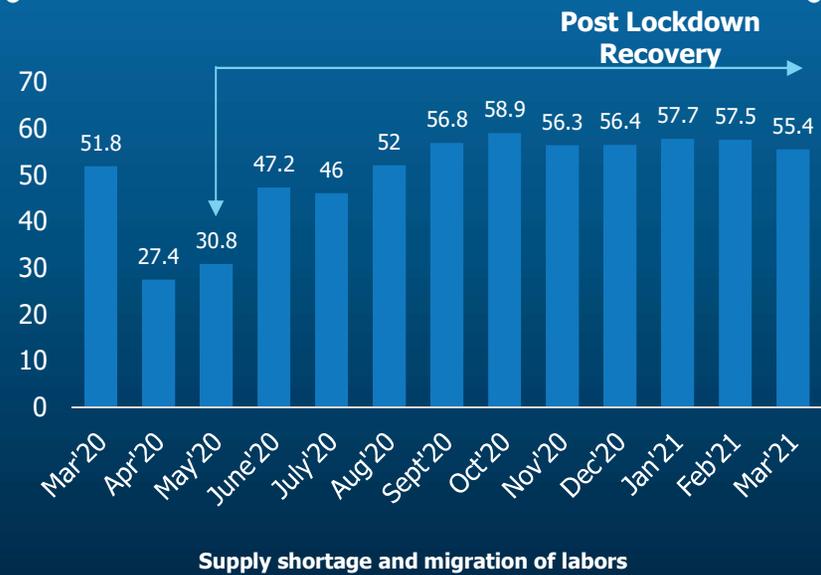
## GDP %

Last update  
FY 22 GDP:  
11%



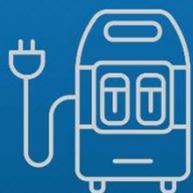
## Manufacturing PMI %

Declining  
from Feb'21



**Strong market recovery will – if at all- only be temporarily limited by COVID-19 pandemic**

## Strengthening our support for the fight against COVID



**50 Oxygen \*  
Concentrators**



**30 Glucometers  
with 15000  
Glucometer strips  
and lancets and  
alcohol swabs**



**85000  
Disposable gloves**



**23000  
face masks**



**14  
Critical care  
Monitors**



**2500  
PPE kits**



**60  
Hospital beds  
with supporting  
equipment**



**30  
Digital BP  
Apparatus**



**8800  
Face shields**



**32000  
Disposable sheets  
and pillow covers**



**4  
HFNC monitors  
100  
Pulse Oximeters**

## Significant global headwinds ...



**Corona mutations**

**Semiconductor shortages**

**Fire at Renesas Japan plant**

**Winter storm Texas**

**Challenging Logistics**

**Strong focus on ensuring business continuity**

## Q4 FY 21 : Strong volumes, supply chain constraints



### Demand surge

V shaped demand recovery strained supply chain



### Commodity inflation

Steel, copper and aluminum witness steep increases



### Increase in logistic costs

Increased freight costs due to multiple factors



### Regulatory changes

Notification of mandatory CSR spends



**Actions initiated to mitigate impact on results**

## Awards and recognitions



Ambattur site of WABCO India won the highest honor of the Integrated Manufacturing Excellence Initiative program, the Platinum medallion.



WABCO India Ambattur site won 5-star rating for excellence in EHS practices in the CII Southern Region EHS Excellence award 2020 and also the first place in the Auto & auto component sector.

## WABCO INDIA – Expanding our footprint and capacity to cope with increasing customer demand and growth

- The board of WABCO India concluded on a sizable foot print expansion in the vicinity of Chennai
- New location will support local market growth as well as our continuous export growth
- Expecting to conclude discussions with relevant authorities for land lease in the coming weeks



# Financials

# Q4 2020-21 Financials

INR Lakhs						
Profit & Loss Account	QTD Mar 21	%age	QTD Mar 20	%age	vs PY	vs PY
OE Sales	32,322	49%	15,100	42%	17,222	114%
AM Sales	9,376	14%	6,254	17%	3,122	50%
Export Sales	24,734	37%	14,514	40%	10,220	70%
<b>Sale of Products</b>	<b>66,432</b>	<b>100%</b>	<b>35,868</b>	<b>100%</b>	<b>30,564</b>	<b>85%</b>
Other operating income	4,801		4,617		183	4%
<b>Revenue from operations</b>	<b>71,232</b>		<b>40,485</b>		<b>30,747</b>	<b>76%</b>
Other income	659		1,813		(1,154)	-64%
<b>Total income</b>	<b>71,891</b>		<b>42,298</b>		<b>29,593</b>	<b>70%</b>
<b>Expenses</b>						
Cost of raw matls & compts	47,600		23,233		24,367	105%
Changes in inventories	(489)		(417)		(72)	17%
Employee benefits expense	7,842		6,711		1,131	17%
Depreciation	2,263		2,469		(206)	-8%
Finance costs	16		61		(46)	-75%
Other expense Total	7,934		5,791		2,143	37%
<b>Total expense</b>	<b>65,166</b>		<b>37,848</b>		<b>27,318</b>	<b>72%</b>
<b>Profit before tax</b>	<b>6,725</b>	<b>10%</b>	<b>4,451</b>	<b>12%</b>	<b>2,274</b>	<b>51%</b>
- Current tax	2,168		1,389		779	56%
- Deferred tax	(206)		(88)		(118)	134%
Income tax	1,962		1,301		661	51%
<b>Profit for the year (I)</b>	<b>4,763</b>	<b>7%</b>	<b>3,150</b>	<b>9%</b>	<b>1,614</b>	<b>51%</b>
OCI	313		202		111	55%
Income tax effect	(79)		(51)		(28)	55%
<b>Net OCI (II)</b>	<b>234</b>		<b>151</b>		<b>83</b>	<b>55%</b>
<b>Total comprehensive income (I) + (II)</b>	<b>4,997</b>		<b>3,301</b>		<b>1,697</b>	<b>51%</b>

## Sales

- Continued recovery in vehicle production market and an outperformance of 28.9% showing improvement in sales to OEM
- Strong global markets, giving a 70 % growth to exports.
- Volumes higher by INR 305.6 Cr; improving PBT by INR 59.2 Cr
- Pricing improvement of INR 22.3 Cr

## Variable Cost

- Commodity inflation impact INR 33 Cr
- Material productivity INR 2.5 Cr
- Freight impact INR 5.9 Cr

## Fixed Costs

- Impacted by regulatory changes and other one-time cost

# FY 2020-21 Financials

INR Lakhs						
Profit & Loss Account	FY Mar 21	%age	FY Mar 20	%age	vs PY	vs PY
OE Sales	68,482	41%	76,950	45%	(8,468)	-11%
AM Sales	25,976	16%	25,994	15%	(18)	0%
Export Sales	72,184	43%	69,851	40%	2,333	3%
<b>Sale of Products</b>	<b>166,642</b>	<b>100%</b>	<b>172,795</b>	<b>100%</b>	<b>(6,153)</b>	<b>-4%</b>
Other operating income	19,707		20,161		(454)	-2%
<b>Revenue from operations</b>	<b>186,349</b>		<b>192,956</b>		<b>(6,607)</b>	<b>-3%</b>
Other income	3,889		6,388		(2,499)	-39%
<b>Total income</b>	<b>190,238</b>		<b>199,344</b>		<b>(9,106)</b>	<b>-5%</b>
<b>Expenses</b>						
Cost of raw matls & compts	113,583		112,636		947	1%
Changes in inventories	(160)		2,232		(2,392)	-107%
Employee benefits expense	29,044		26,569		2,475	9%
Depreciation	9,039		9,011		28	0%
Finance costs	199		192		7	4%
Other expense Total	23,306		26,371		(3,065)	-12%
<b>Total expense</b>	<b>175,012</b>		<b>177,010</b>		<b>(1,999)</b>	<b>-1%</b>
<b>Profit before tax</b>	<b>15,226</b>	<b>9%</b>	<b>22,334</b>	<b>13%</b>	<b>(7,108)</b>	<b>-32%</b>
- Current tax	5,361		6,901		(1,540)	-22%
- Deferred tax	(515)		(448)		(67)	15%
Income tax	<b>4,846</b>		<b>6,452</b>		<b>(1,606)</b>	<b>-25%</b>
<b>Profit for the year (I)</b>	<b>10,380</b>	<b>6%</b>	<b>15,881</b>	<b>9%</b>	<b>(5,501)</b>	<b>-35%</b>
OCI	(260)		(106)		(154)	145%
Income tax effect	66		27		39	145%
<b>Net OCI (II)</b>	<b>(195)</b>		<b>(80)</b>		<b>(115)</b>	<b>145%</b>
<b>Total comprehensive income (I) + (II)</b>	<b>10,185</b>		<b>15,802</b>		<b>(5,616)</b>	<b>-36%</b>

## Sales

- A recovering market and an outperformance of 8.3% showing signs of improvement in sales to OEM approaching to pre-covid levels
- Sustained orders from global markets.
- Volumes down by INR 61 Cr; impacting PBT by **INR 11.8 Cr**
- Pricing better by **INR 30 Cr**

## Variable Cost

- Commodity price inflation impacted profitability by **INR 43 Cr**
- Material productivity **INR 19 Cr**

## Fixed Costs

- Impacted by regulatory changes and other one-time cost

**Portfolio**

**Innovation**

**Intelligence**

**Safety**

**Efficiency**

# “Mobilizing Commercial Vehicle Intelligence”

**Network**

**Performance**

**Connectivity**

**Automation**

**Speed**

**Thank you.**

**Welcome your questions  
and feedback.**

