

Schaeffler India Limited · Pune · Maharashtra

## **BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street,  
MUMBAI- 400 001

**Company Code: 505790**

## **National Stock Exchange of India Limited**

Exchange Plaza, C - 1, Block G,  
Bandra-Kurla Complex, Bandra (E)  
MUMBAI- 400 051

**Company Code: SCHAEFFLER**

13/02/2020

### **Sub: Investor Presentation**

Dear Sirs,

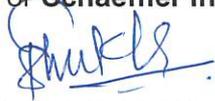
Phone: +91 20 68198448

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith Investor Presentation on Financial Results of the Company for the quarter and year ended December 31, 2019.

Kindly take the same on your records.

Thanking you,

Yours faithfully,  
For **Schaeffler India Limited**

  
**Chirag K. Shukla**  
Company Secretary



Encl.: As above

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# Schaeffler India Limited Investor Presentation – Q4/12M-2019

February 13, 2020

## Agenda

- 1 Market developments and Schaeffler
- 2 Q4/12M 2019 Performance update
- 3 We step up in Governance

## Q4 2019 | Highlights and Lowlights



Q4 automotive performance was slightly better than Q3 due to temporary demand surge and on top initiatives

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Working capital improved significantly as receivable and inventory control measures were realized

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Operating profit was better due to ongoing cost flexing and better automotive sales mix

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Q4 witnessed slow industrial performance in all sectors excluding wind

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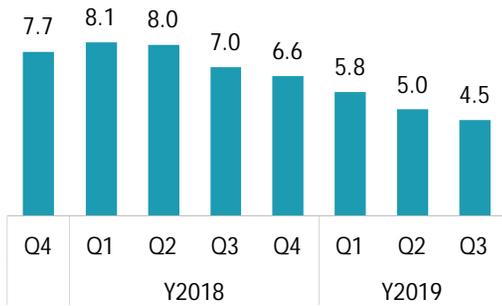


Intercompany exports also saw a dip due to lower demand from Europe and SEA

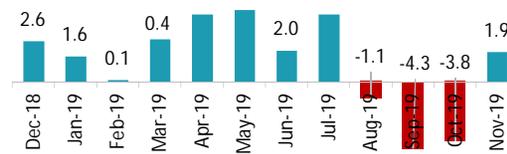
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Domestic economic activity remains subdued | FY 2019-20 growth forecast trimmed to 5%<sup>2]</sup>

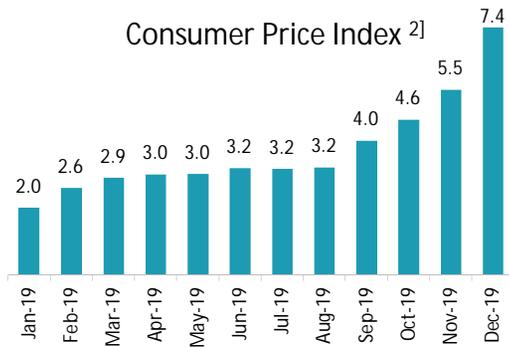
GDP Growth % <sup>1]</sup>



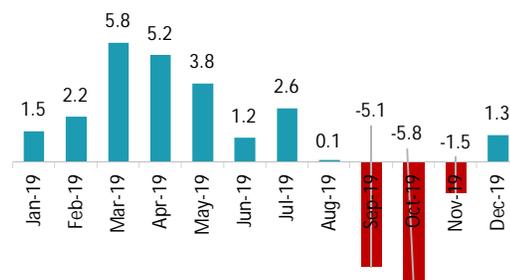
IIP – Overall (%) <sup>2]</sup>



Consumer Price Index <sup>2]</sup>



Core Industry Growth (%) <sup>3]</sup>



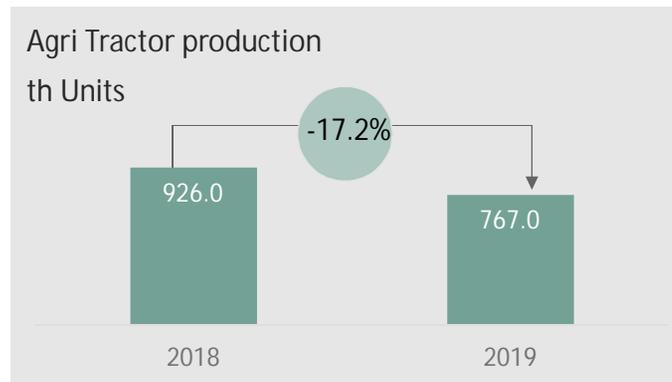
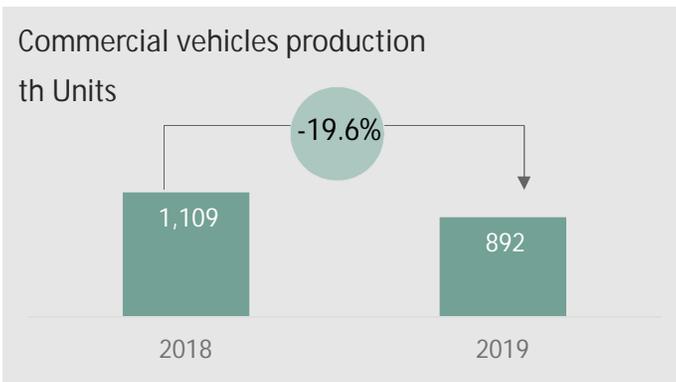
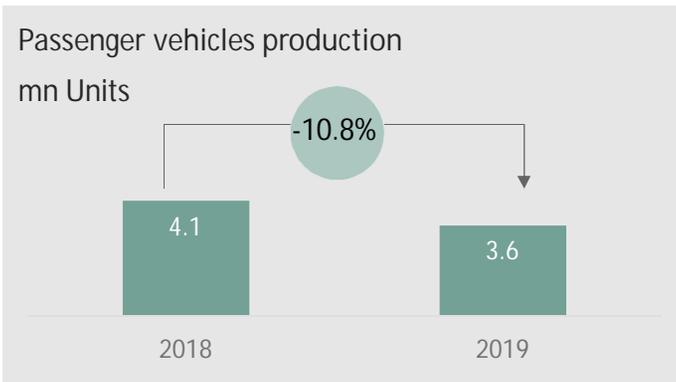
Key Aspects

- FY 2019-20 GDP growth outlook has been trimmed to 5% by RBI as Indian economy faces a combination of domestic and global headwinds
- Weak growth in the manufacturing sector and the slowdown in private consumption, both continue to escalate the slowdown
- India's Industrial production has turned a corner in Dec; increase seen after a period of 3 months due to combination of favorable base and pickup in construction activity
- Recent budget continued with the thrust on infrastructure and measures to improve 'Ease of Doing Business'
- Vehicle scrappage policy, awaiting final clearances from the cabinet, could be a game-changer for the automobile industry

1]Source: Central Statistics Office (CSO). GDP growth is as per latest revisions at constant prices; 5 Sep 2019

2]Source: RBI 3] Source: Office of the Economic Adviser

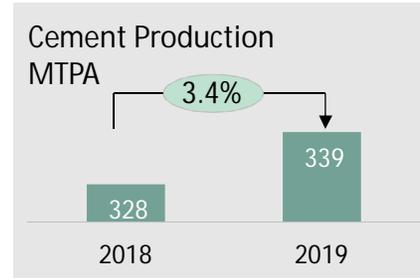
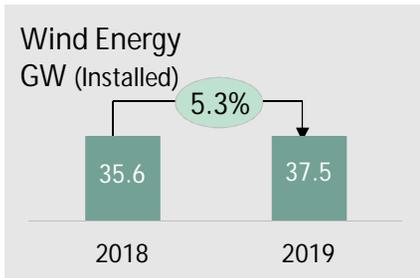
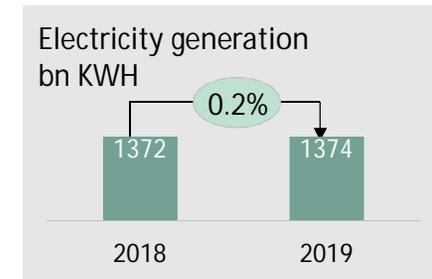
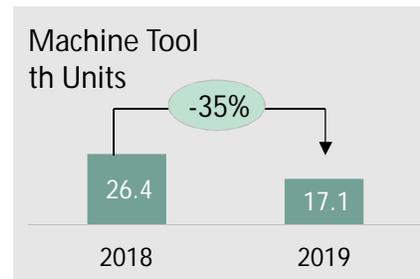
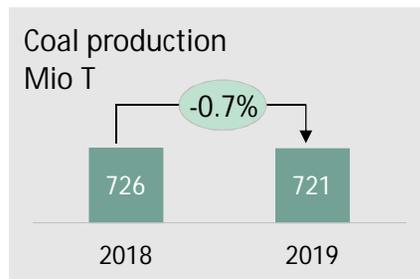
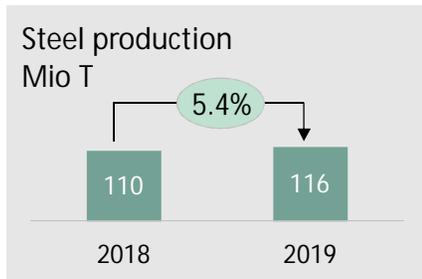
## Automotive market headwinds 2019



### Market and economy concerns

- Average degrowth 12% In Automobile sector led by liquidity crunch , higher acquisition cost and subdued consumer sentiments.
  - Liquidity crunch at NBFCs major lender for auto sector has negatively impact the market
  - Hike in insurance cost for 2W & 4W Led to price rise.
  - End Customer postponement of purchase decision due to change in emission norms.
- EV announcements (Govt. announcing migration to EV by 2030)

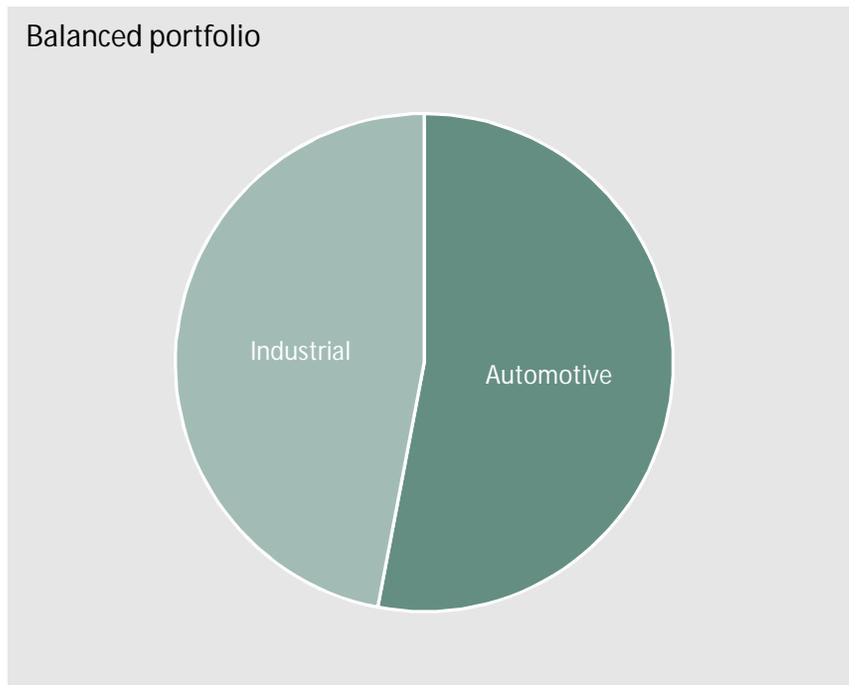
Industrial experienced mixed Impacts with headwinds and upswings in different sectors



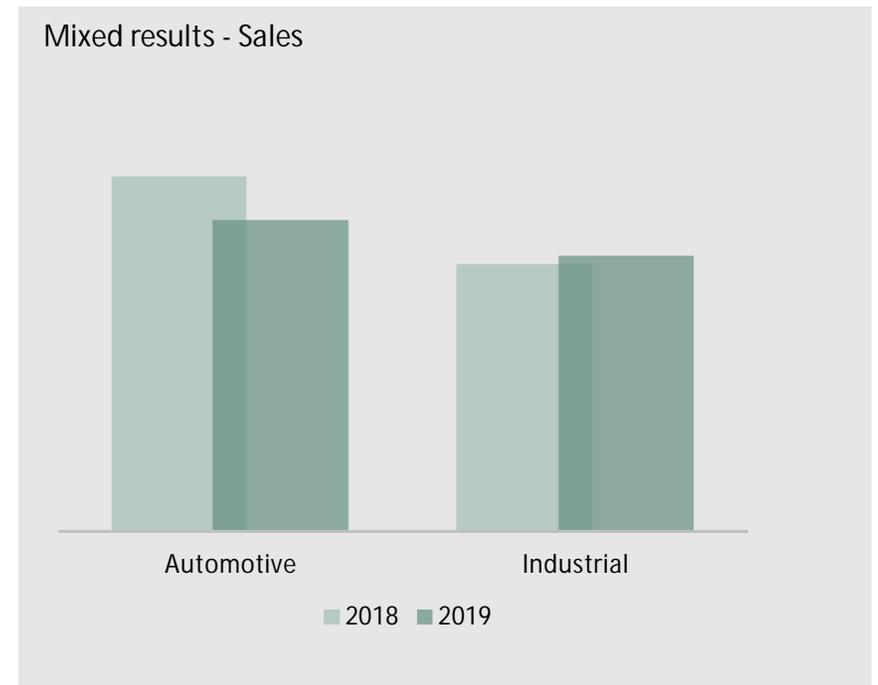
Market and economy concerns

- Increased Inflation – limiting domestic demand
- Liquidity crunch at OEMs and end customers - NBFC issues also hitting rural markets.

## We managed better due to balanced portfolio



Charts indicates Sales in India (excl. exports)



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Revenue from Operations | Automotive volumes down due to weak demand

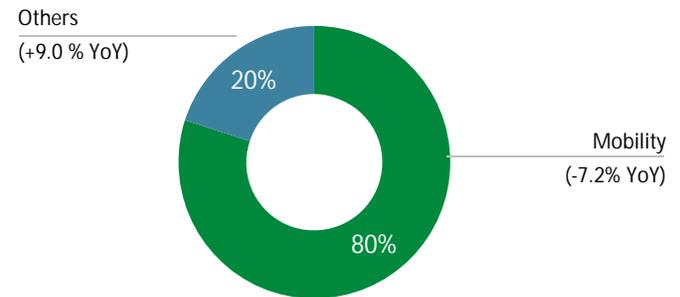
Total revenue  
in INR mn



Key aspects

- Mobility segment : Automotive witnessed a temporary surge in demand in Q4.
- Others : Positive results from Wind offsets demand drop in other industrial sectors.

Sales mix 2019  
12M-2019



Note : The above includes exports 11% (-1.0% YoY)

Earning Quality | Q4 improved due to better sales mix

PBT (before exceptional items)  
in INR mn (% in bracket denotes absolute change over same period previous year)



Key comments

- Automotive volumes improved in Q4
- Cost flexing in line with Production output continued to be in focus
- Working Capital improved significantly due to ongoing measures

Improved earnings in Q4 due to better mix and on top measures

## Q4 2019 Performance Highlights

	Unit	Q4 2019	Q3 2019	Q4 2018	12M 2019	12M 2018
Revenue	mn INR	10,365	10,352	11,863	43,606	45,615
Revenue growth (y-o-y)	%	-12.6%	-13.1%	16.1%	-4.4%	16.0%
EBITDA Margin	%	14.9%	14.0%	15.2%	14.8%	16.6%
EBIT Margin	%	10.8%	10.1%	11.9%	11.2%	13.4%
PBT Margin	%	12.0%	11.1%	13.2%	12.3%	14.8%
PAT Margin	%	8.2%	9.1%	9.0%	8.4%	9.2%

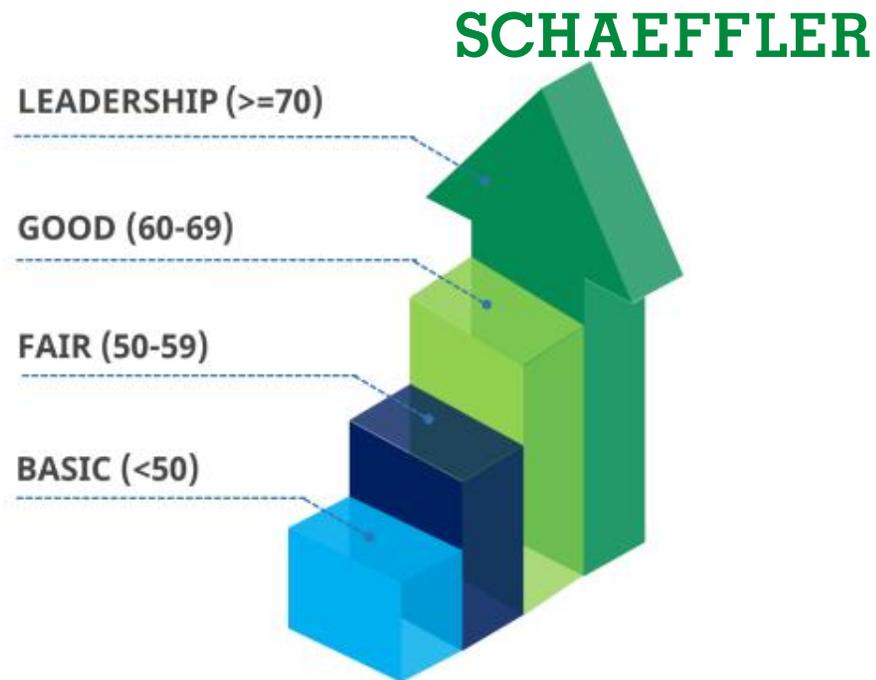
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We step up in Governance

## Leadership position in Governance

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Schaeffler India Limited achieves 'Leadership' position in governance

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Only 3 companies in SENSEX and 6 in BSE 100 fall in the 'Leadership' category

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Assessment as on December 20, 2019 by Institutional Investor Advisory Services (IIAS), a SEBI-registered proxy advisory firm

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for your  
attention

