

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

17/02/2021

Sub: Investor Presentation

Dear Sirs,

Phone: +91 8669613701

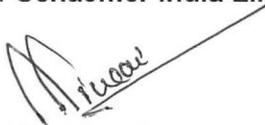
Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith Investor Presentation on Financial Results of the Company for the fourth quarter and full year, ended December 31, 2020.

Kindly take the same on your record.

Thanking you.

Yours faithfully,

For **Schaeffler India Limited**



Ashish Tiwari,
VP - Legal & Company Secretary

Encl.: As above





Schaeffler India Limited Investor Presentation – Q4/12M 2020

February 17th, 2021

1 Key Highlights

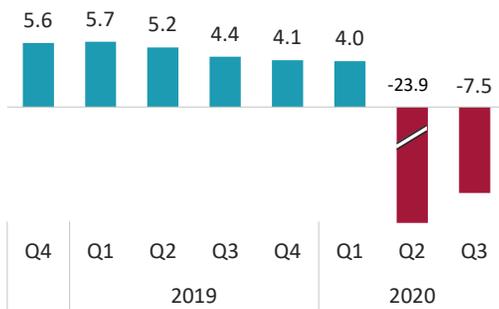
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Agenda

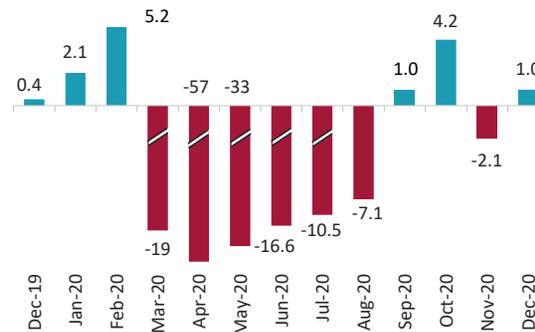
- 1 Economy & Market**
- 2 Key Highlights
- 3 Q4/ 12M 2020 Performance Highlights

CY2020 growth forecast for Indian economy slashed to -8.3% ^{1]}

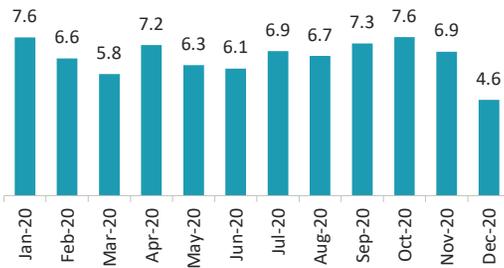
GDP Growth % ^{2]}



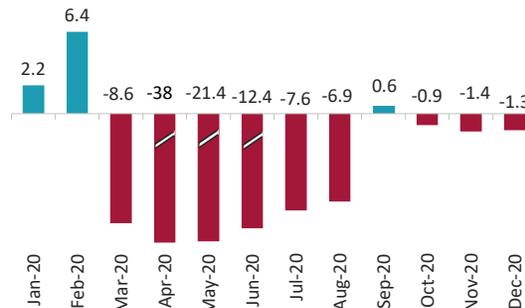
IIP – Overall (%) ^{3]}



Inflation Rate % (CPI) ^{3]}



Core Industry Growth (%) ^{4]}



Key Aspects

- Indian economy predicted to contract by 8.3% in CY 2020 owing to the severe stress triggered by one of the toughest lockdowns
- India's economy recovered faster than expected in the September quarter as a pick-up in manufacturing helped the GDP clock a lower contraction of 7.5 per cent
- India's Manufacturing PMI rises to 57.7 in January, shows sustained improvement in the Indian economy
- RBI has projected GDP growth at 10.5% and pegged retail inflation at 5% in FY22
- Reformist Union Budget 2021 presented with its focus on health, education, public infrastructure to redefine the growth trajectory in the Post-Pandemic world
- Auto sector welcomed the announcement of the long-awaited vehicle scrappage policy

1] Oxford Economics Q4 2020 for India 2]Source: Central Statistics Office (CSO)
3]Source: MOSPI 4] Source: Office of the Economic Adviser

Core Sector geared towards getting back to pre-COVID levels

 % contribution to Core Industries

Cement Production (Mio T)

5.4%



Steel Production (Mio T)

17.9%



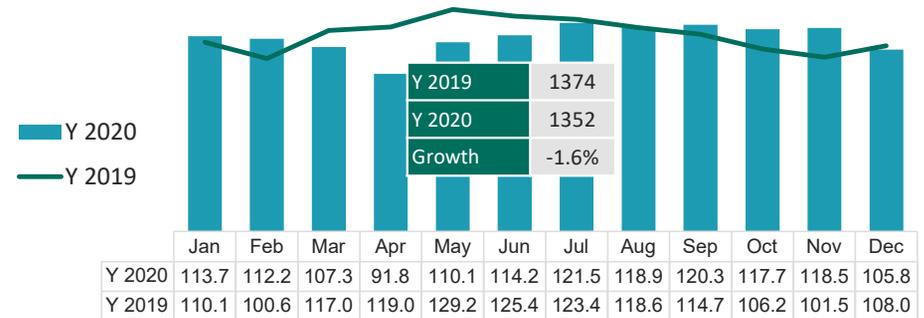
Coal Production (Mio T)

10.3%



Electricity Generation (Bn KWH)

19.8%



Source: Office of the Economic Adviser, all figures rounded off

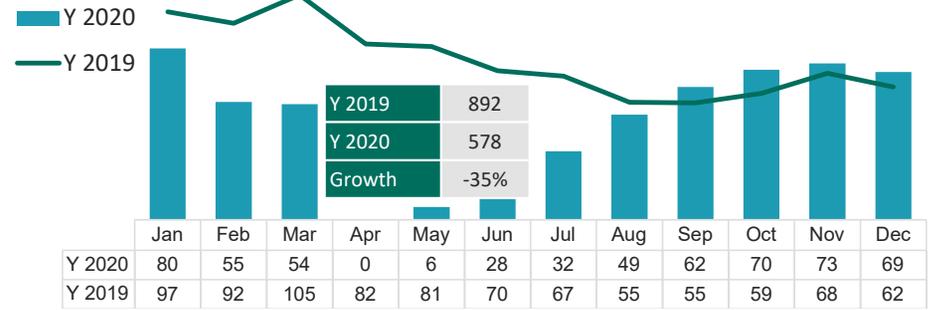
Stable demand in the Auto Sector continue to fuel recovery

in T Units

Two and Three Wheelers^{1]}



Commercial Vehicles^{1]}



Passenger Vehicles^{1]}



Agriculture Tractors^{2]}



[1] Source: Society of Indian Automobile Manufacturers (SIAM)

[2] Source: Tractor Manufacturer Association (TMA); *Mar is estimated production

1 Economy & Market

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- 1 Economy & Market
- 2 **Key Highlights**
- 3 Q4/ 12M 2020 Performance Highlights

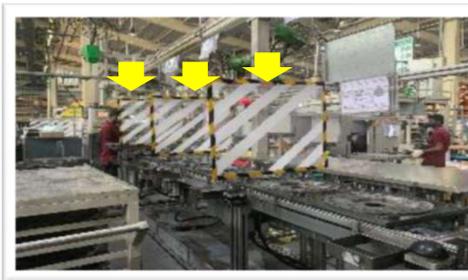
Key Highlights

Continue to exercise utmost caution against COVID19

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Distributed Work-stations to ensure social distancing



Side Protection at Sub Assembly Stations with Acrylic Sheets



Face Readers installed at Entrance



Natural Ventilation in Plants and Office Spaces



All-round awareness on hygiene practices



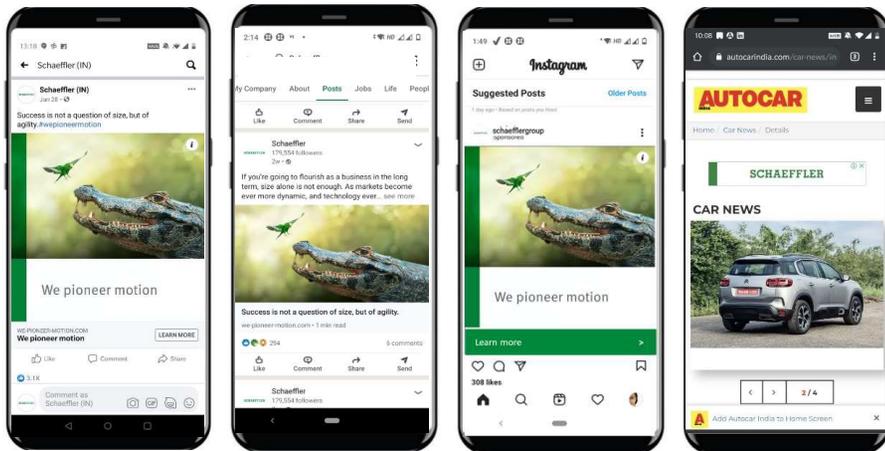
Safety Pledge to uphold standards by employees

Sustenance of safety measures in Q4-2020 enabled us to ramp-up to pre-COVID levels

Key Highlights

Our new claim

We pioneer motion.



Supported by global image campaign across digital & print channels

Key Highlights

New Products & Business Wins

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Industrial



Introducing Quick Center in India with end-to-end solution to make customized **Linear Guides** as per customer's need at a ready-to-fit speed

Automotive



DCT Damper

Nominated for supplying DCT Dampers for one of the large automakers reinforcing customer's confidence on Schaeffler design



Engine and Transmission Systems

Won businesses from the major automakers by offering complete basket of products for their new powertrain platforms



Schaeffler Trupower range of lubricants continued to gain traction in the market

Q4 2020 | Market recovery, countermeasures and new project realizations

Key Messages

-  Continue to effectively manage COVID situation with all-round focus on Employee Health & Safety
-  Strict cost discipline, countermeasures and new project realizations enabled us to achieve a superior financial performance
-  Pent-up demand in the market continue to drive sustained recovery across all segments
-  Automotive Division outperform on the backdrop of solid demand environment
-  Sharp gain in steel prices and intermittent supply issues remain a cause of concern
-  Delay in overseas supply situation and fragmented recovery in logistics

Sales growth Q4

22.9% vs Q4'19

13.7% vs Q3'20

INR 12,738 mn

EBIT growth Q4

61.8% vs Q4'19

27.5% vs Q3'20

INR 1,806 mn¹

PAT growth Q4

67.5% vs Q4'19

24.8% vs Q3'20

INR 1,417 mn

FCF growth Q4

18.6% vs Q4'19

66.5% vs Q3'20

INR 3,484 mn

1 Economy & Market

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Revenue from operations | Resounding performance backed by strong demand

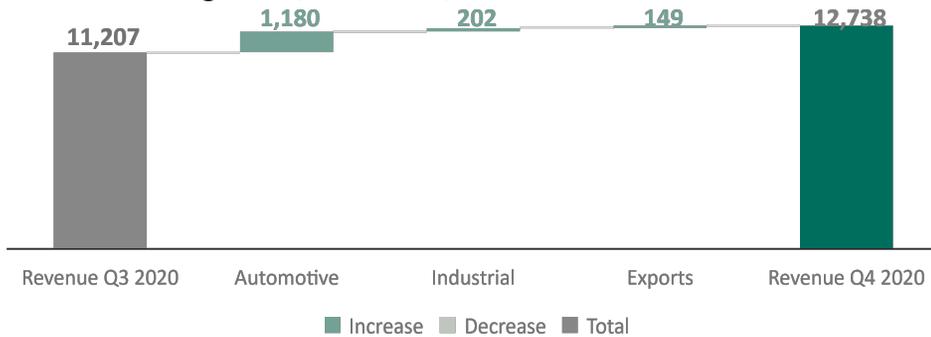
Total revenue (mn INR)



Key aspects

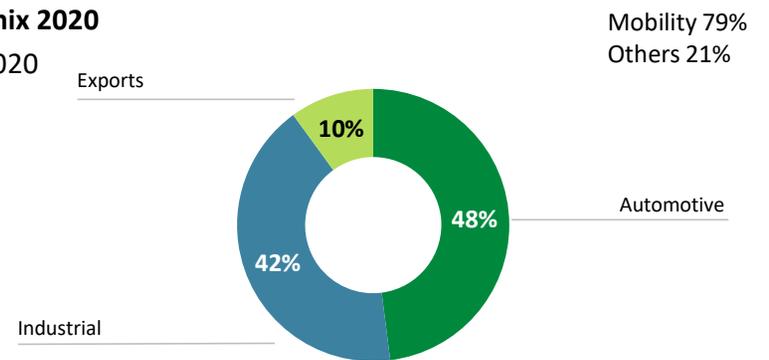
- Strong recovery both in Automotive and Industrial businesses (13.7% Sales growth vs Q3)
- Strong operational performance, better plant capacity utilization

Revenue Bridge – Q3/2020 & Q4/2020



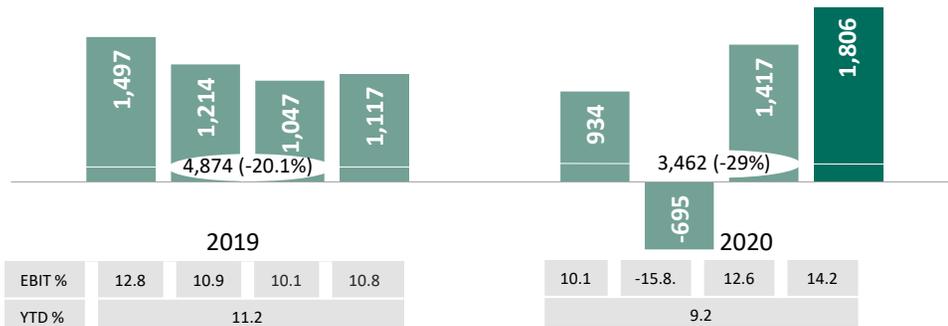
Sales mix 2020

12M 2020



Earning Quality | Significantly improved in Q4 due to strong recovery and countermeasures

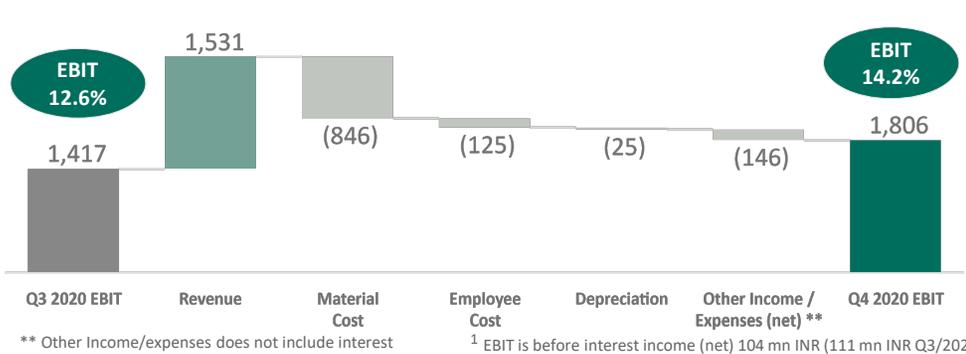
EBIT¹ mn INR



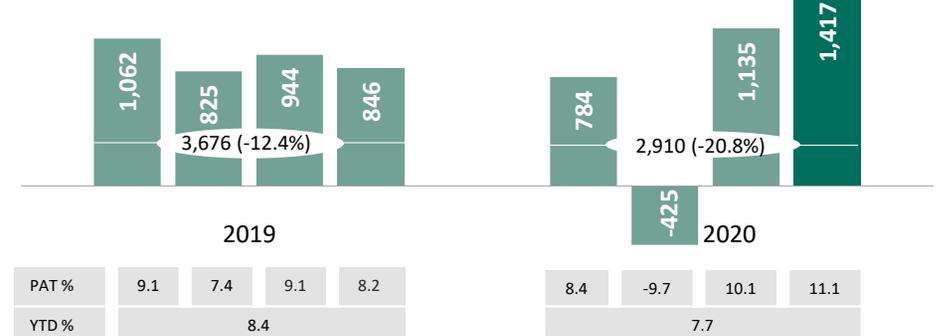
Key aspects

- Strong market recovery, countermeasures and realization of new projects enabled better performance

EBIT¹ mn INR

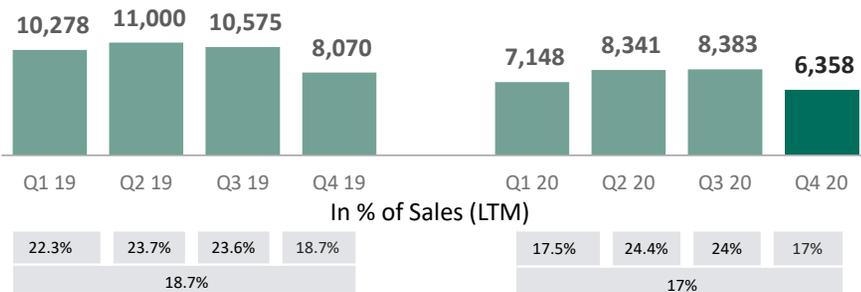


PAT mn INR



Working Capital ratio, Capex Ratio, Free Cash Flow & Cash Flow from Operation

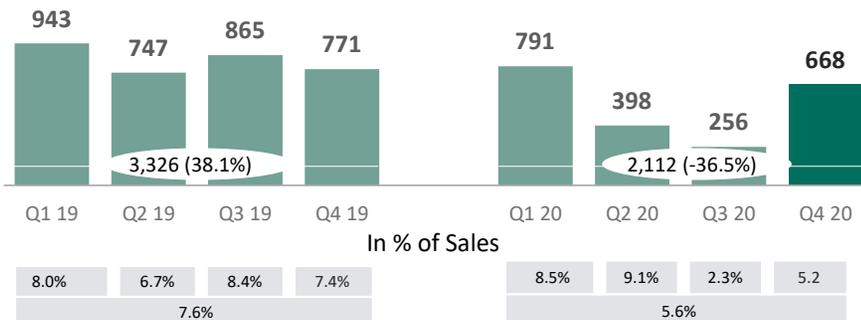
Working Capital mn INR



Key aspects

- Better inventory and receivable management
- Prudent Capital allocation - Capex prioritization
- Robust Free Cash Flow generation

Capex mn INR



Free Cash Flow mn INR



Performance Indicators

	Unit	Q4-2020	Q3-2020	Q4-2019	12M-2020	12M-2019
Revenue	mn INR	12,738	11,207	10,365	37,618.4	43,606
Revenue growth-(Y-o-Y)	%	22.9%	8.30%	-12.6%	-13.7%	-4.4%
Revenue growth-(Q-o-Q)	%	13.7%	155.30%	0.13%		
EBITDA	mn INR	2,317	1,902	1,541	5,402	6,461
EBITDA Margin	%	18.2%	17.00%	14.9%	14.4%	14.8%
EBIT	mn INR	1,806	1,417	1,117	3,462	4,874
EBIT Margin	%	14.2%	12.60%	10.8%	9.2%	11.2%
EBT	mn INR	1,911	1,527	1,241	3,972	5,346
EBT Margin	%	15.0%	13.60%	12.0%	10.6%	12.3%
PAT	mn INR	1,417	1,135	846	2,910	3,676
PAT Margin	%	11.1%	10.10%	8.2%	7.7%	8.4%

Strong performance driven by demand revival and realization of operational efficiency initiatives

Conclusion & Outlook

- 1 Resounding performance during the quarter aided by sharp market recovery, strong countermeasures and successful realization of new projects
- 2 Our balanced business portfolio between Automotive and Industrial enabled us to recover quickly
- 3 Continue to leverage our deep customer connect and strong technical expertise to build a robust order book from our Automotive customers
- 4 New 'Trupower' range of lubricants in the Automotive Aftermarket continues to gain traction, demonstrating the strength of the brand
- 5 Appreciable sequential demand uptick seen in some of the key industrial sectors of Wind, Off-road, Two-Wheeler and Distribution



Continue to stay ahead by demonstrating Agility, Innovation and Efficiency

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for your
attention**

