



# Schaeffler India Limited Investor Presentation – Q1 2022

April 27, 2022

We pioneer motion

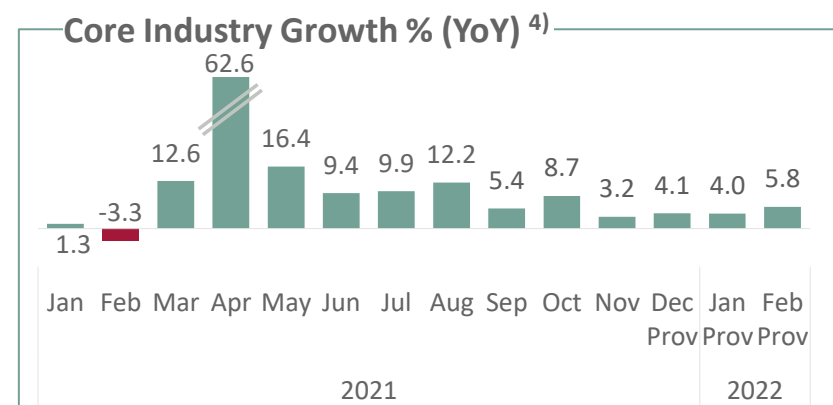
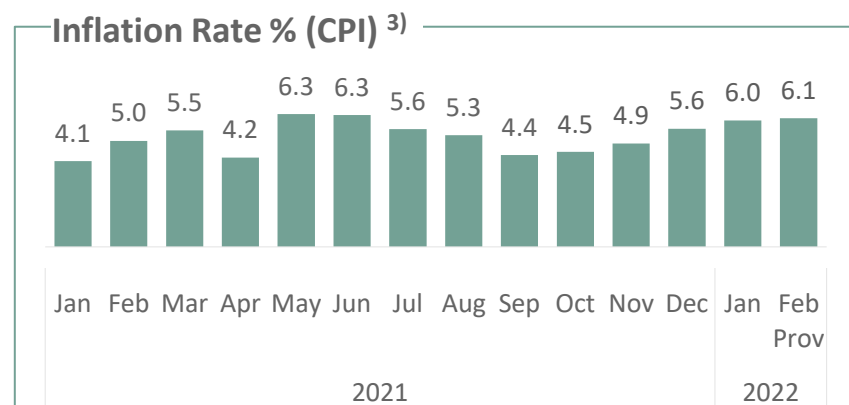
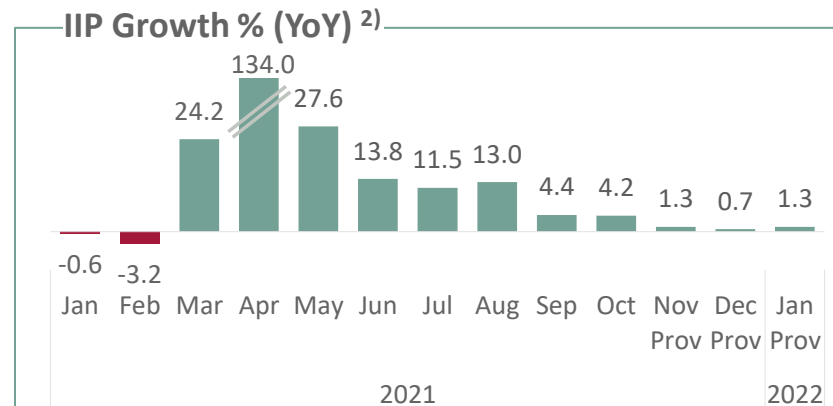
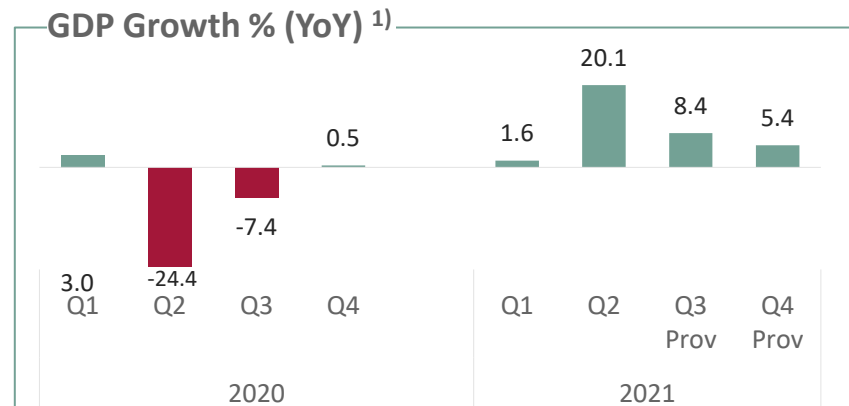
## Agenda

- 1 Economy & Industry
- 2 Business Highlights Q1 2022
- 3 Financial Highlights Q1 2022

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## Economy | Growth moderates but strong economic fundamentals in place



### Key comments

- For 2021, GDP is expected to grow by 8.1%
- IIP growth in FY22 Apr-Jan is registered at 13.7% compared to degrowth of 12.0% over the same period last year
- Global events causing inflationary pressure and disruptions in the supply chain

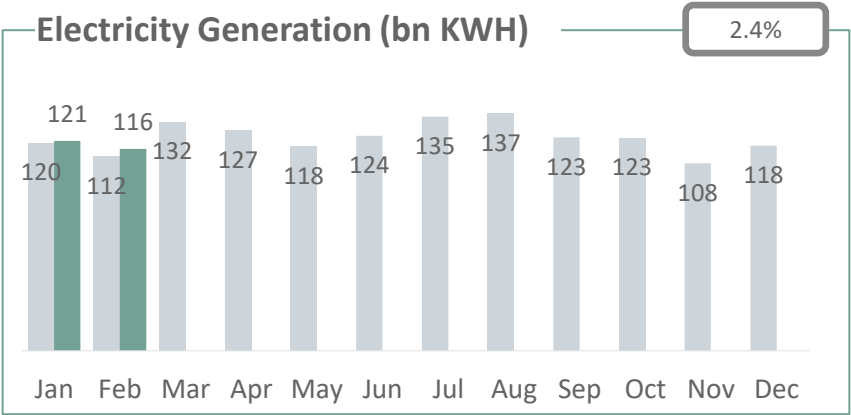
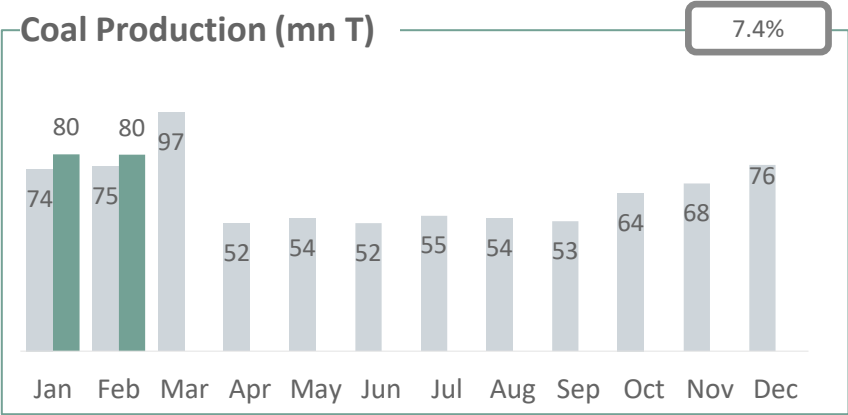
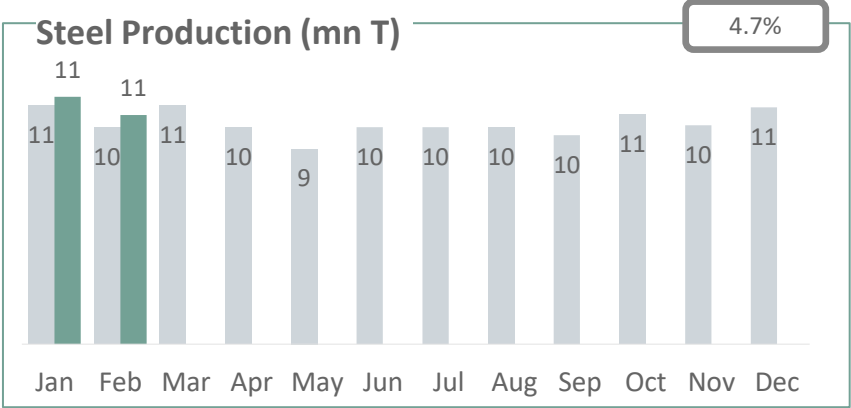
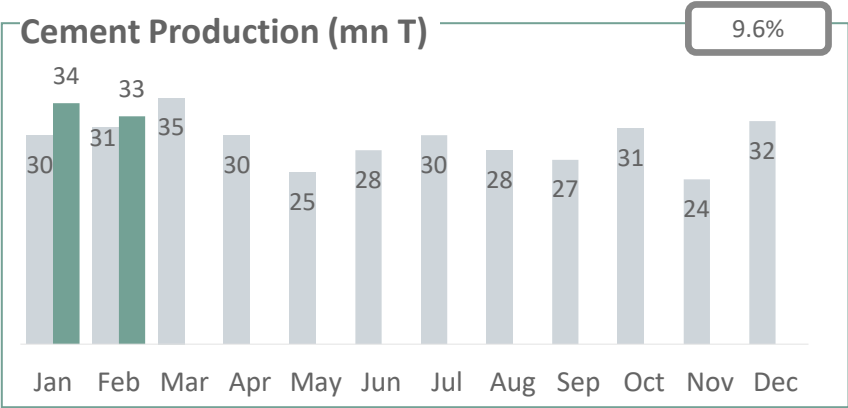
Note : Data is reinstated every quarter as per final reports released by Authorities

Source of data :

- 1) Ministry of Statistics GDP at constant prices 2011-12 series : Data representation as per calendar year in above chart
- 2) Ministry of Statistics IIP 2011-12 series
- 3) Reserve Bank of India – 2012 indexed to 100
- 4) Office of Economic Advisor

Core sector performance | Infrastructure push to keep growth story intact

2020 2021 YTD CY2022 Growth



Key comments

Overall core sector performance for FY'22 YTD Feb'22 is 11.0% compared to degrowth of 8.1% over the same period last year

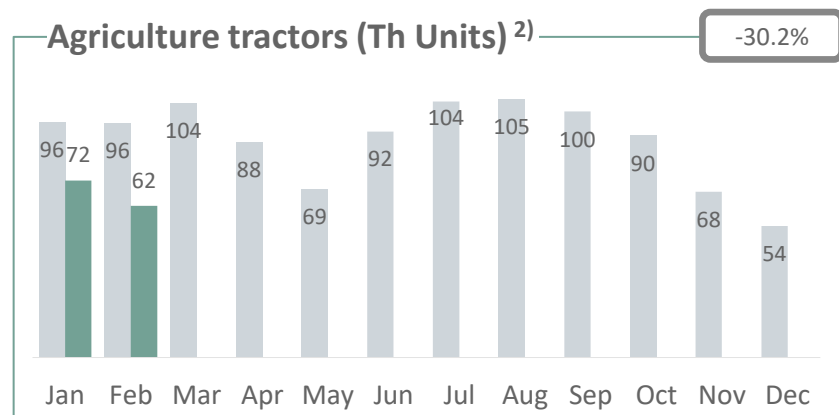
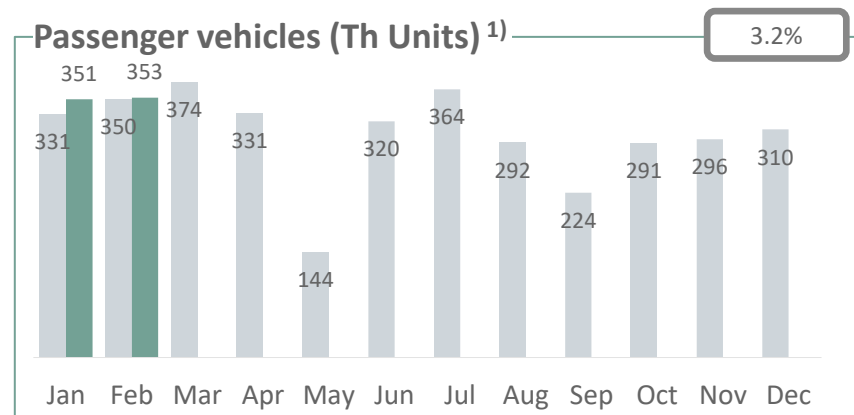
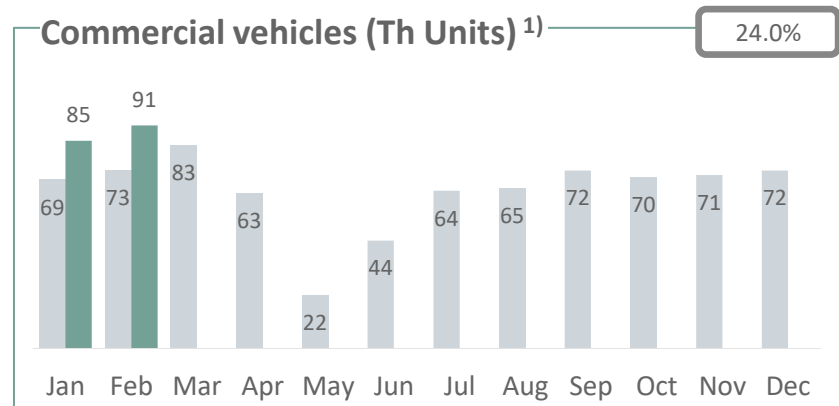
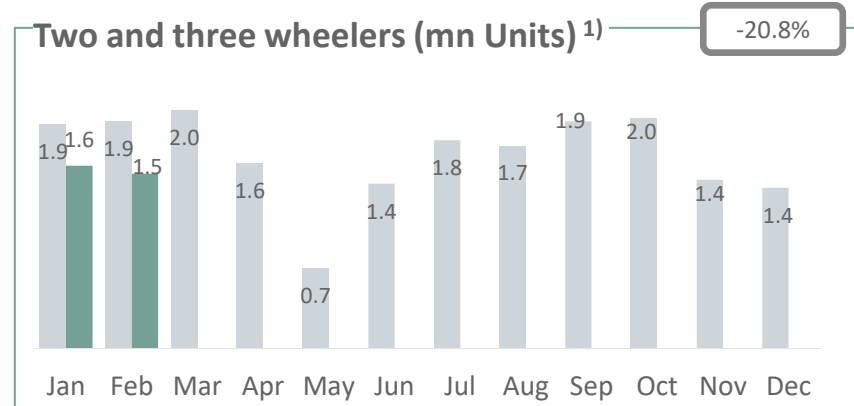
Sector weightage within eight core sectors

Sector	% weight
Cement	5.4%
Steel	17.9%
Coal	10.3%
Electricity	19.9%

Source of core sectors data: Office of Economic Advisor

## Automotive production | 2Ws and Tractors slow, but CV maintains the growth momentum

2020 2021 YTD CY2022 Growth



<sup>3)</sup> TW - Two-wheelers, CV - Commercial Vehicles, PV - Passenger Vehicles

### Key comments

- Stress in the rural and semi-urban economy is causing degrowth in TWs<sup>3)</sup>
- CVs<sup>3)</sup> grew on account of strong infrastructure push & fleet upgrades
- Semi-conductor shortage hampers production ramp-up for PVs<sup>3)</sup>
- Tractor sales impacted by late monsoon - delayed harvest of Kharif crops impacting rural cash flows and the high base effect of last year

Source of data :

<sup>1)</sup> SIAM : Society of Indian Automobile Manufacturers

<sup>2)</sup> TMA : Tractor Manufacturers Association

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## Q1 2022 | Consistent performance

### Key Messages



Consistent improvement in performance aided by improved mix and sustained countermeasures



Continued wins in both Automotive and Industrial businesses



Schaeffler India approved for PLI scheme (Component Champion Incentive Scheme)



Customer recognitions for Sustainability and Quality, Integrated Annual Report with enhanced disclosures



Headwinds due to geopolitical situations and increasing inflation

### Sales growth

**19.0%** vs Q1'21

**2.9%** vs Q4'21

**15,675** mn INR

### EBIT margin

**16.6%** Q1'22

**13.0%** Q1'21

**2,602** mn INR

### PAT margin

**13.2%** Q1'22

**10.6%** Q1'21

**2,071** mn INR

### FCF

**-111.3%** vs Q1'21

**-111.2%** vs Q4'21

**-208** mn INR



## Q1 Business developments | Key business wins

### Automotive Technologies



#### Reliability and emission reduction

- 1 Key wins in CVs<sup>1)</sup> for MHCV clutches for transmission solutions
- 2 Business win for wheel bearings for PV<sup>1)</sup> segment
- 3 Business wins in CVs<sup>1)</sup> for LV clutch systems

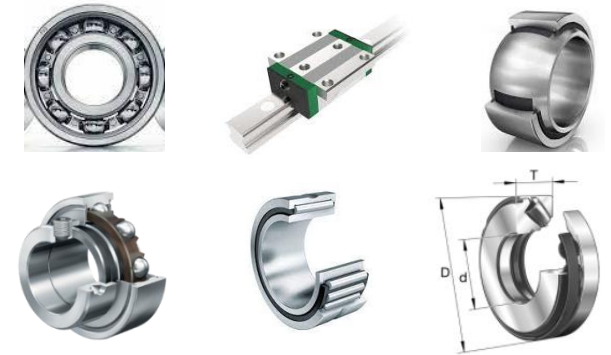
### Automotive Aftermarket



#### Increased market coverage

- 1 Introduction of wipers for PV<sup>1)</sup> segment
- 2 Business wins for the FEAD/ Timing Kit for PV<sup>1)</sup> segment
- 3 Diversification and penetration through range extension

### Industrial



#### Precision and Efficiency

- 1 Significant win for SRBs, CRBs and TRBs for the off-road sector
- 2 Key business win for Integrated Break and Slewing Ring for the industrial automation segment
- 3 Key business win in CRBs and SRBs for the raw material segment

<sup>1)</sup> TW - Two-wheelers, CV - Commercial Vehicles, PV - Passenger Vehicles

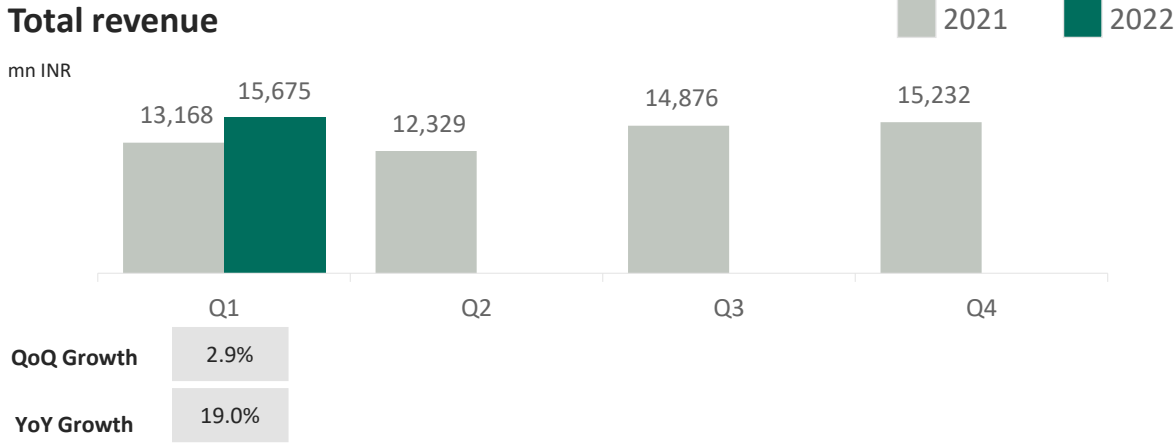
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Revenue from operations | Sustained performance

Total revenue

mn INR



Key aspects

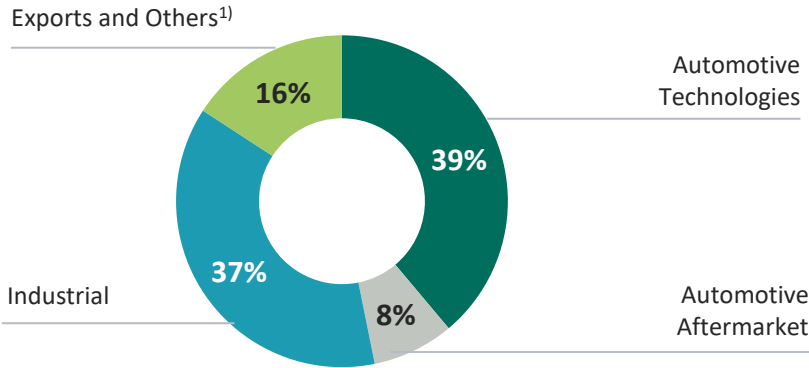
- Consistent growth on a YoY basis across all businesses

Growth	Q1 2022 vs Q1 2021
Automotive Technologies	6.1%
Automotive Aftermarket	15.5%
Industrial	21.7%
Exports & others	61.4%

- Exports continue to grow

Sales mix

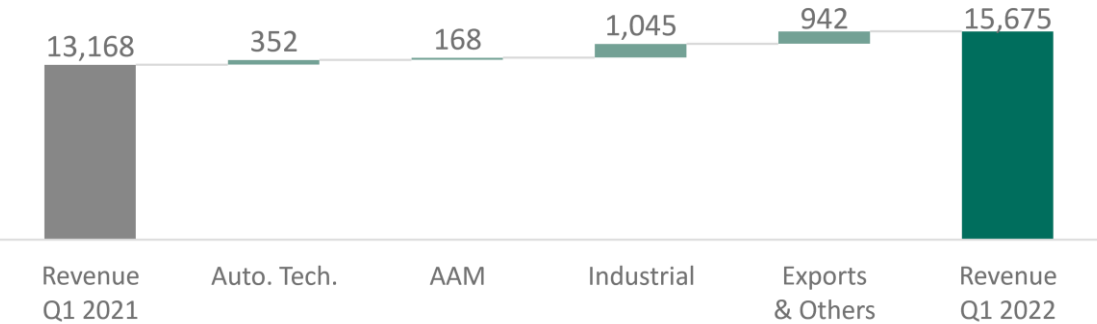
Q1 2022



<sup>1)</sup> Exports & Others mainly includes exports to group companies, scrap sale and other operating income

Revenue Bridge

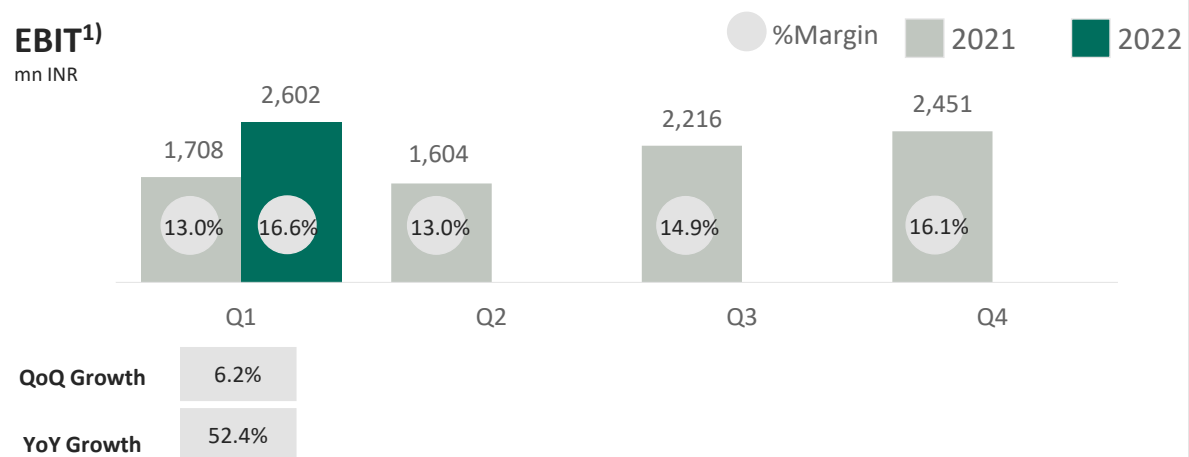
mn INR



## Earnings Quality | Improved margins

### EBIT<sup>1)</sup>

mn INR

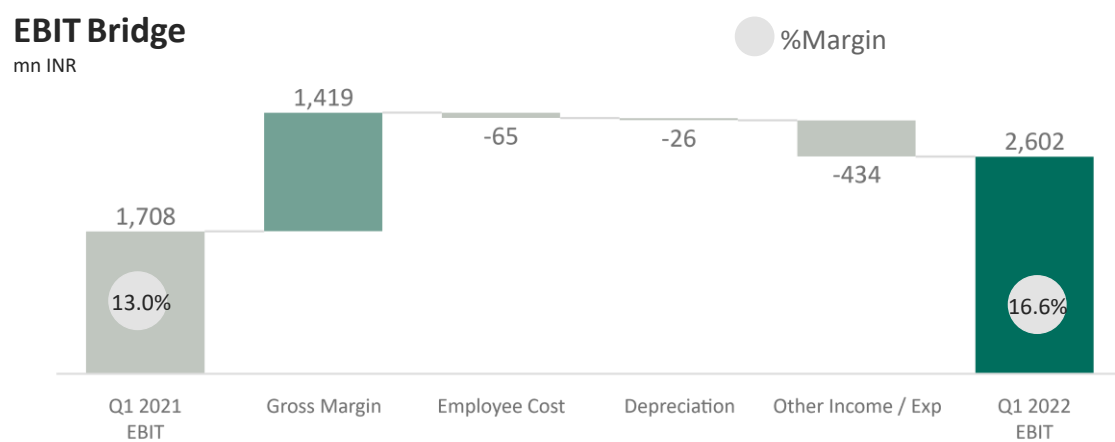


### Key aspects

- Significant YoY revenue growth across all businesses
- Consistently improving business mix coupled with sustained countermeasures

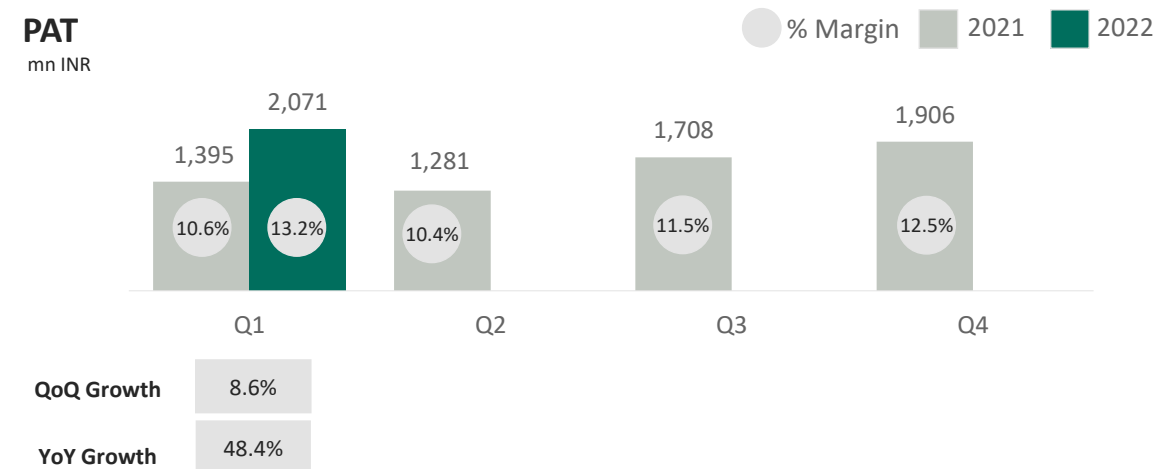
### EBIT Bridge

mn INR



### PAT

mn INR

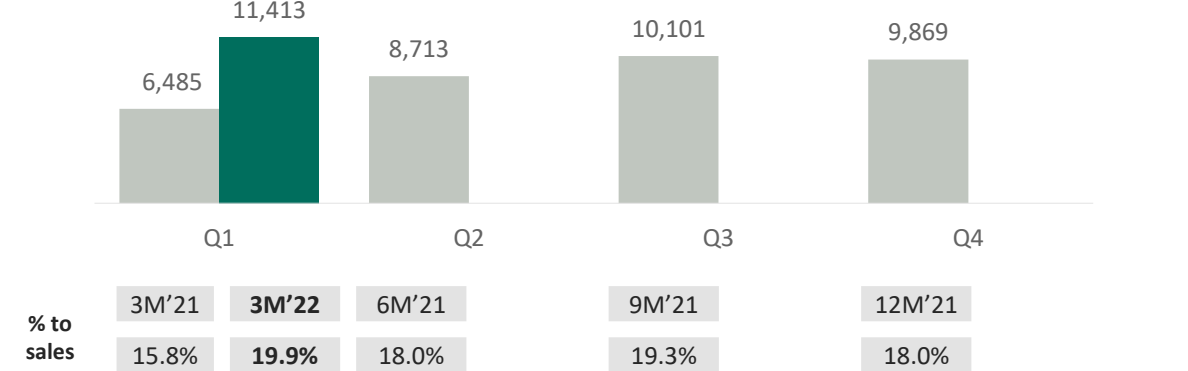


<sup>1)</sup> EBIT is before interest income (net) 169.9 mn INR Q1 '22 (152.1 mn INR Q1'21)

## Working capital, Capex | Focus remains

## Working Capital

mn INR

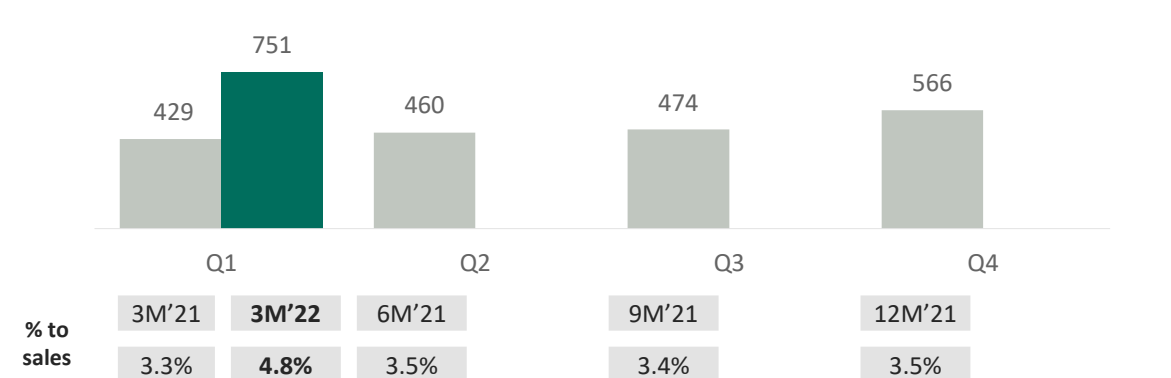


## Key aspects

- Higher working capital mainly due to inventory increases to improve on service levels
- On track with our capex strategy, 4.8% of sales in Q1'22
- Focus remains on free cash flow generation

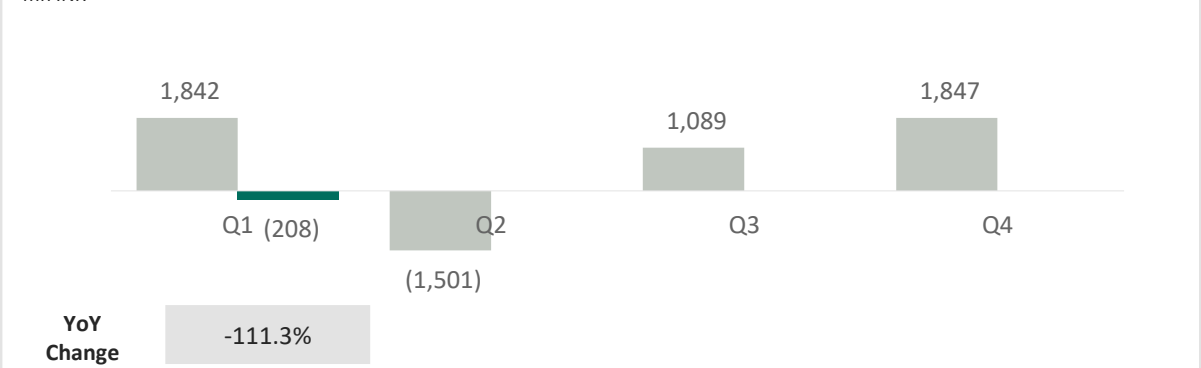
## Capex

mn INR



## Free Cash Flow

mn INR



## Performance Indicators

	Unit	Q1 2022	Q4 2021	Q1 2021	12M 2021	12M 2020
<b>Revenue</b>	mn INR	<b>15,675</b>	<b>15,232</b>	<b>13,168</b>	<b>55,605</b>	<b>37,619</b>
<b>Revenue growth (YoY)</b>	%	<b>19.0%</b>	<b>19.6%</b>	<b>41.8%</b>	<b>47.8%</b>	<b>-13.7%</b>
Revenue growth (QoQ)	%	2.9%	2.4%	3.4%		
EBITDA	mn INR	3,107	2,962	2,186	9,950	5,402
<b>EBITDA Margin</b>	%	<b>19.8%</b>	<b>19.4%</b>	<b>16.6%</b>	<b>17.9%</b>	<b>14.4%</b>
EBIT <sup>1)</sup>	mn INR	2,602	2,451	1,708	7,979	3,462
<b>EBIT Margin</b>	%	<b>16.6%</b>	<b>16.1%</b>	<b>13.0%</b>	<b>14.3%</b>	<b>9.2%</b>
EBT	mn INR	2,772	2,569	1,860	8,431	3,972
<b>EBT Margin</b>	%	<b>17.7%</b>	<b>16.9%</b>	<b>14.1%</b>	<b>15.2%</b>	<b>10.6%</b>
PAT	mn INR	2,071	1,906	1,395	6,291	2,910
<b>PAT Margin</b>	%	<b>13.2%</b>	<b>12.5%</b>	<b>10.6%</b>	<b>11.3%</b>	<b>7.7%</b>
Capex <sup>2)</sup>	mn INR	751	566	429	1,929	2,126
FCF	mn INR	(208)	1,849	1,842	3,277	4,572

<sup>1)</sup> EBIT is before interest income (net) 169.9 mn INR Q1 '22 (152.1 mn INR Q1'21) <sup>2)</sup> Capex includes CWIP

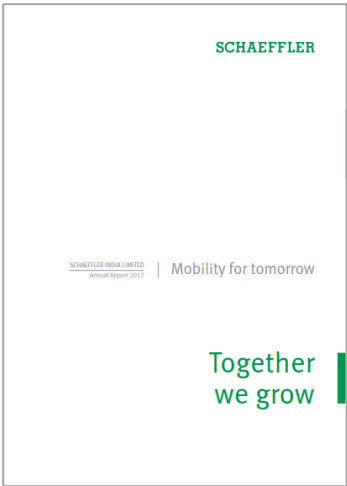
2021

2017

2018

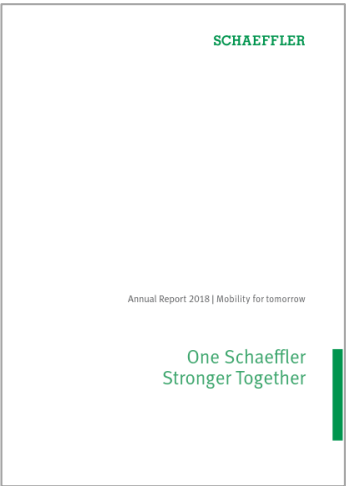
2019

2020

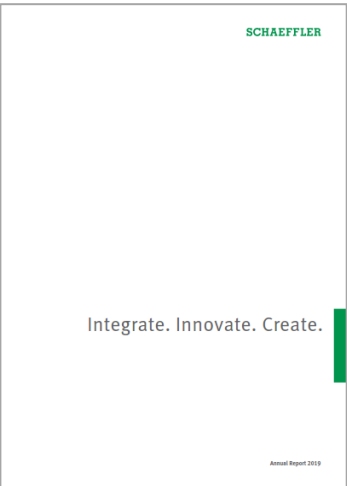


Together we grow

Annual Report - conventional



One Schaeffler. Stronger Together.



Integrate. Innovate. Create.

Annual Report <IR> framework



Resilient today. Empowering tomorrow.



Leading ahead

Integrated Annual Report

## In Summary

- 1 Portfolio extension and key business wins contributed positively
- 2 Improved business mix and continued focus on deployed countermeasures helped deliver resilient performance
- 3 Investing in capacities and enhancing competencies  
Focus on capital management remains
- 4 Q1'22 started well, treading cautiously for external challenges as we move ahead



Committed to sustaining  
performance while  
creating long-term  
sustainable value for our  
stakeholders



**Thank you  
for your  
attention**



Sustainability is a matter of attitude:  
Sometimes what starts small seems  
much bigger than you think.  
We pioneer motion

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