

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

Schaeffler India Limited Investor Presentation – Q2 and 6M 2022

July 27, 2022

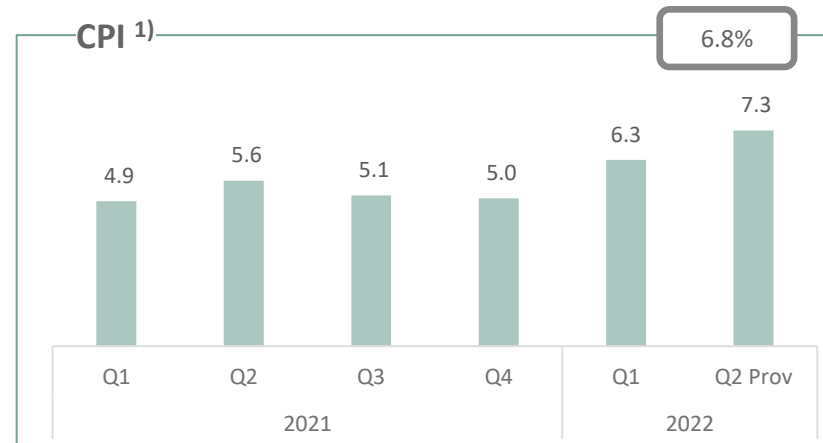
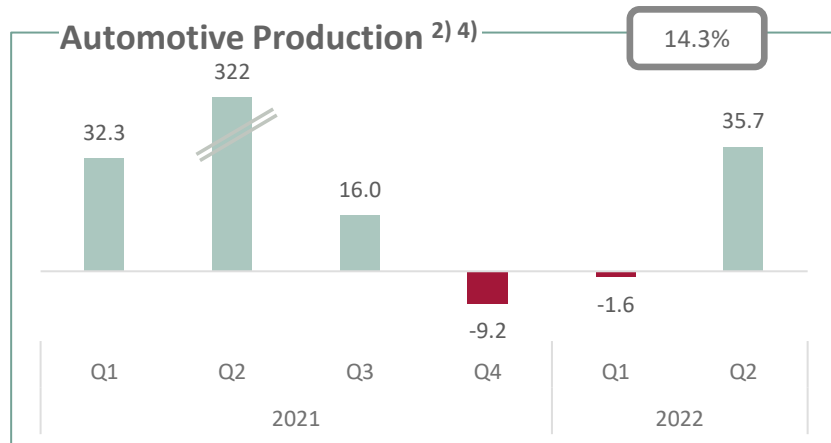
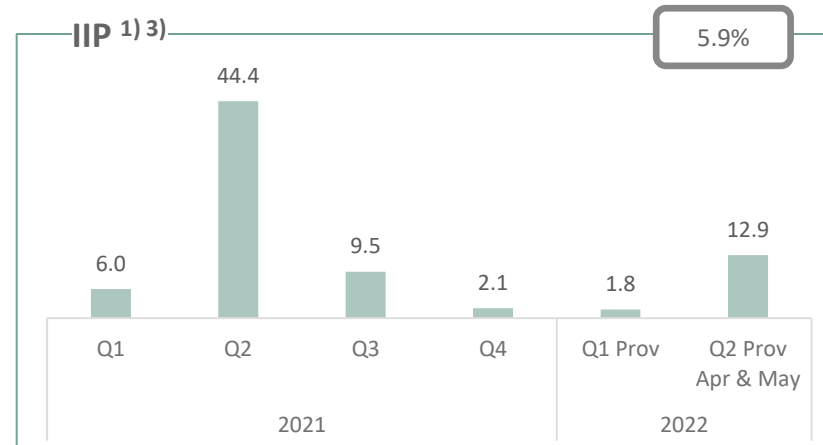
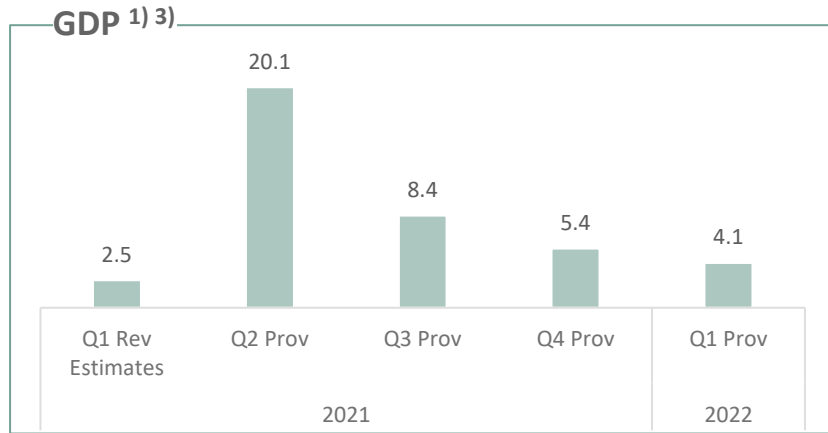
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Agenda

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2	Business Highlights Q2 and 6M 2022	6
3	Financial Highlights Q2 and 6M 2022	10
4	ESG at Schaeffler India	15

Economy | Rising inflation slows growth, outlook remains positive

2020 2021 YTD CY2022 Growth



- For CY2021, GDP is expected to grow by 8.3%
- Moderate growth in industrial sector; YTD CY 2022 growth of 5.9% in mining, 5.4% in manufacturing and 9.3% in electricity
- YTD CY 2022 Automotive production registered a growth of 14.3%
- High CPI in June'22 due to increase in consumer food price index by 7.7% and increased fuel prices by 10.4%

Note :

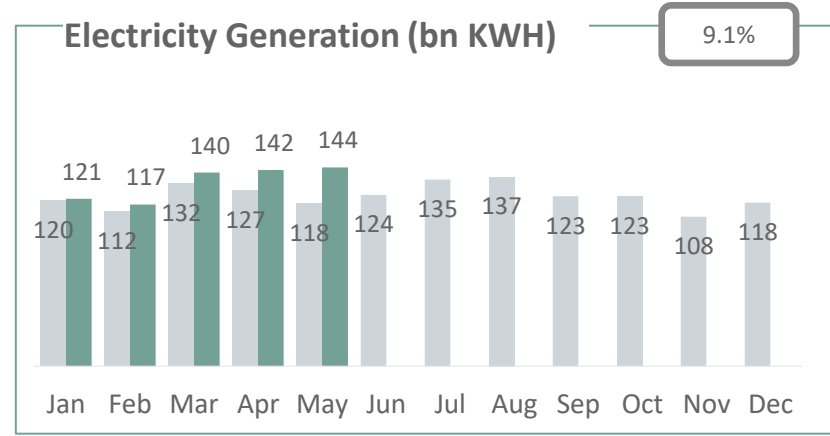
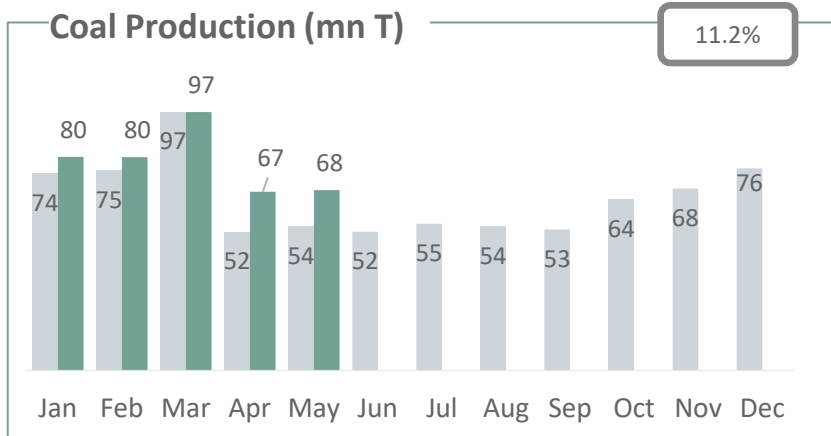
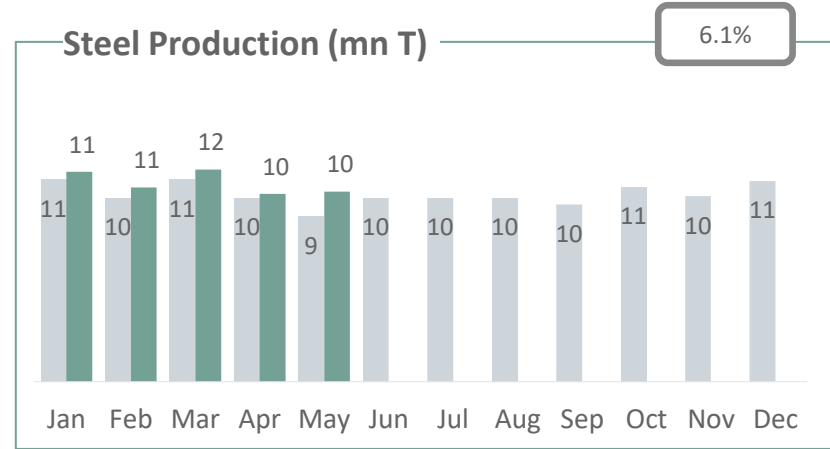
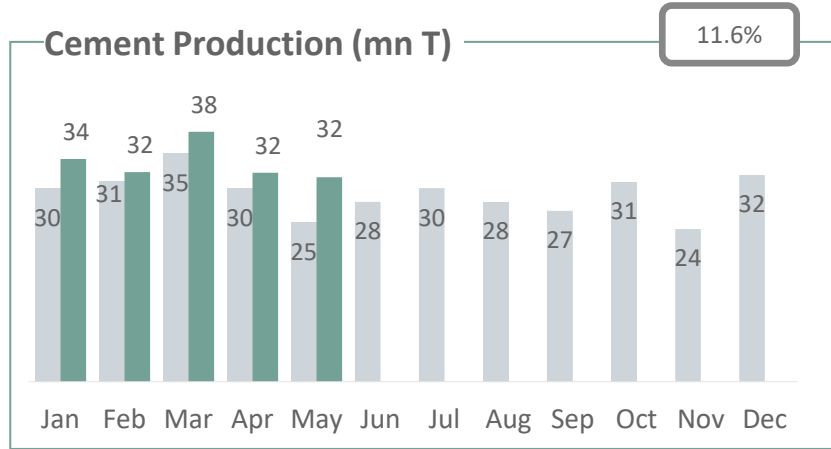
- Data is reinstated every quarter as per final reports released by authorities.
- GDP, IIP, and Automotive Production are YoY growth rates, whereas CPI is quarterly inflation rate. 6.8% is the average CPI for YTD 2022
- Contribution of manufacturing, mining, & electricity in IIP stands at 78%, 14%, & 8% respectively
- Automotive Production includes PVs, CVs, & Tractors with production share of 68%, 17%, & 15% respectively

Source of data :

- 1) Ministry of Statistics & Programme Implementation
- 2) SIAM : Society of Indian Automobile Manufacturers
- 3) GDP - Gross Domestic Production, IIP - Index of Industrial Production, CPI - Consumer Price Index
- 4) Automotive Production includes PVs, CVs, & Tractors

Core sector performance | Moderate growth

2020 2021 YTD CY2022 Growth



Key comments

Overall core sector index performance for CY22 is 8.2% compared to the previous year

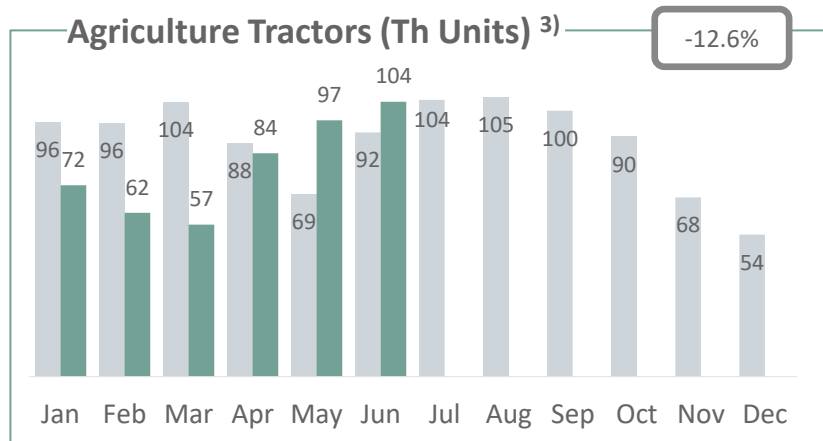
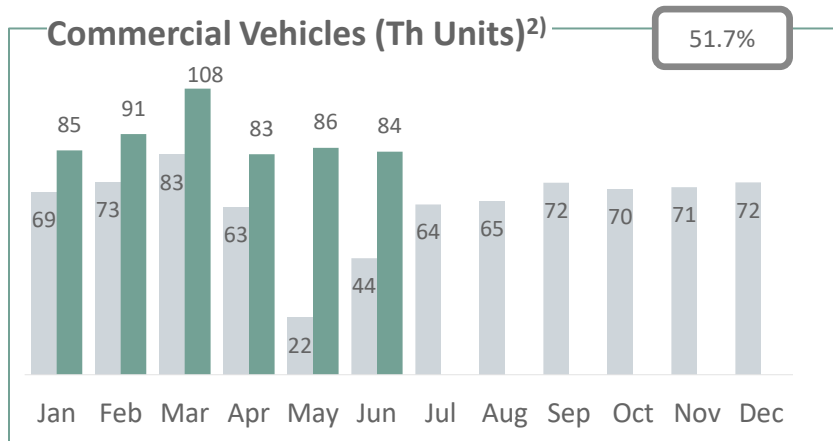
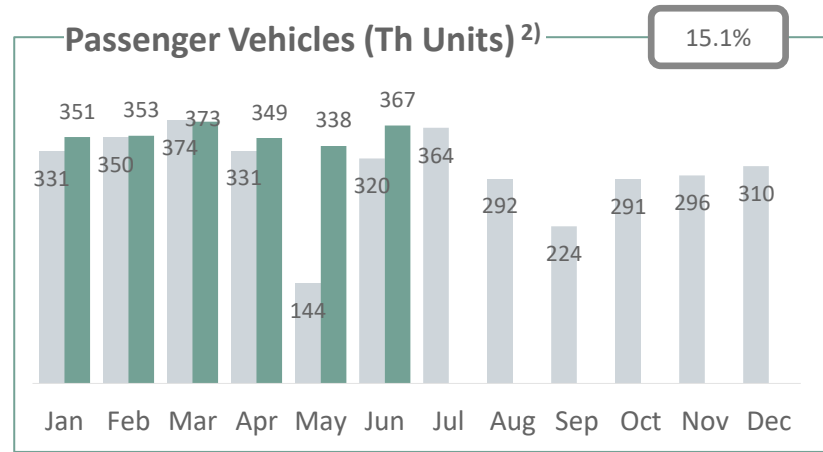
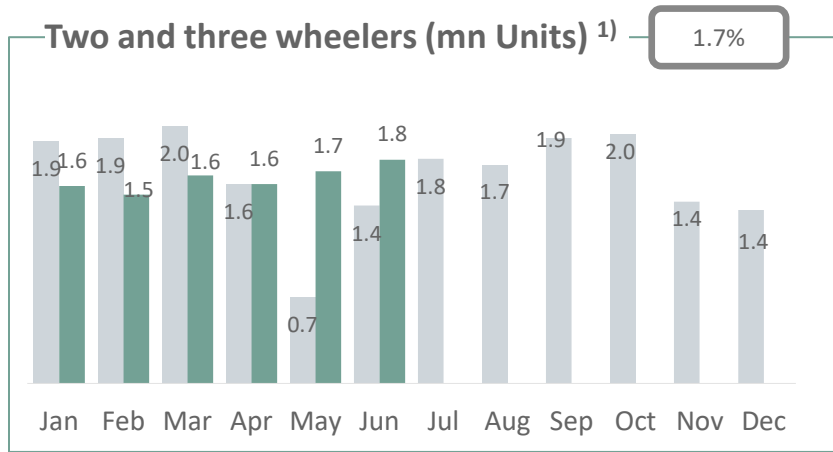
Sector weightage within eight core sectors

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

Source of core sectors data: Office of Economic Advisor

Automotive sector performance | Seeing recovery, PVs picking up

2020 2021 YTD CY2022 Growth



- Low growth in two wheelers due to sluggish rural demand, higher prices and deferred purchases
- For CY 2022 - PVs picking up, semi-conductor shortage hampers production ramp-ups
- YTD YoY growth in CVs due to strong infrastructure push, fleet upgrades and low base effect
- YTD YoY growth for tractors seeing moderation due to cyclical impact and demand crunch in the rural market


Source of data :
¹⁾ SIAM : Society of Indian Automobile Manufacturers
²⁾ TMA : Tractor Manufacturers Association
³⁾ TW – Two wheelers, CV – Commercial Vehicles, PV – Passenger Vehicles,

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Q2 2022 | Continuing the positive trajectory

Key Messages

-  Strong sales development across businesses due to our diversified portfolio
-  Continued wins in both Automotive and Industrial businesses
-  Margins remain consistent, significant capex outlay
-  Executed Business Transfer Agreement with CATENSYS India Private Limited for the sale of chain drive business of the Company
-  Customer recognitions for Quality and Agility
-  Sustainability – at the core of what we do. Climate Action Day and Schaeffler Innovator Fellowship Program
-  Headwinds due to input cost pressure and inflation remain

Sales growth

41.8% vs Q2'21

11.6% vs Q1'22

17,488 mn INR

EBIT¹⁾ margin

15.7% Q2'22

13.0% Q2'21

2,741 mn INR

PAT margin

12.9% Q2'22

10.4% Q2'21

2,258 mn INR

FCF

153.1% vs Q2'21

484.1% vs Q1'22

797 mn INR

¹⁾ EBIT (before exceptional items)

Q2 Business developments | Key business wins

Automotive Technologies



Reliability and emission reduction

- 1 Key wins in CVs¹⁾ for E- Axle Bearings
- 2 Business win for Gen-1 Wheel Bearings for PV¹⁾ segment
- 3 Business wins in CVs¹⁾ for light vehicle clutch systems

Automotive Aftermarket



Increased market coverage

- 1 Product diversification continues, launched Centre Joint Support
- 2 Business wins for the FEAD/ Timing Kit, TRBs BS-VI PV¹⁾ segment
- 3 Key wins for shock absorbers, lubricants and newly launched wipers

Industrial



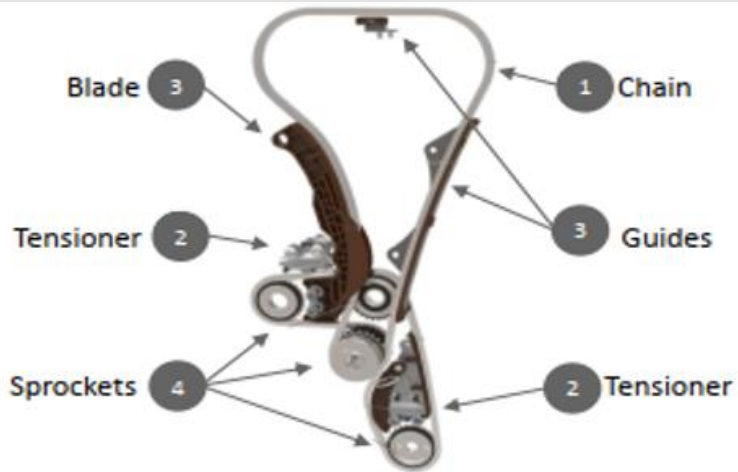
Precision and Efficiency

- 1 New win for CRBs and SRBs in our off-road segment
- 2 Key business win for ACBBs and NRBs in engine and transmission application for the TW¹⁾ sector
- 3 Business wins for Linear Guides in the industrial automation segment

¹⁾ TW - Two-wheelers, CV - Commercial Vehicles, PV - Passenger Vehicles

Executed Business Transfer Agreement for the sale of chain drive business

Chain Drive System



Carve-out rationale

- Strategic global divestment with focus on technology shift in Automotive Technologies division
- A step in the direction towards e-mobility transition
- Shaped by our carbon-neutrality commitments

Sale to CATENSYS India Private Limited (part of CATENSYS Group Germany). Business Transfer Agreement executed on 29th June 2022

Chain drive business transaction details

1,070 mn INR revenue
FY 2021

155 mn INR net worth
Dec' 2021

294.2 mn INR
Slump sale consideration

149.8 mn INR
Gain on sale of business

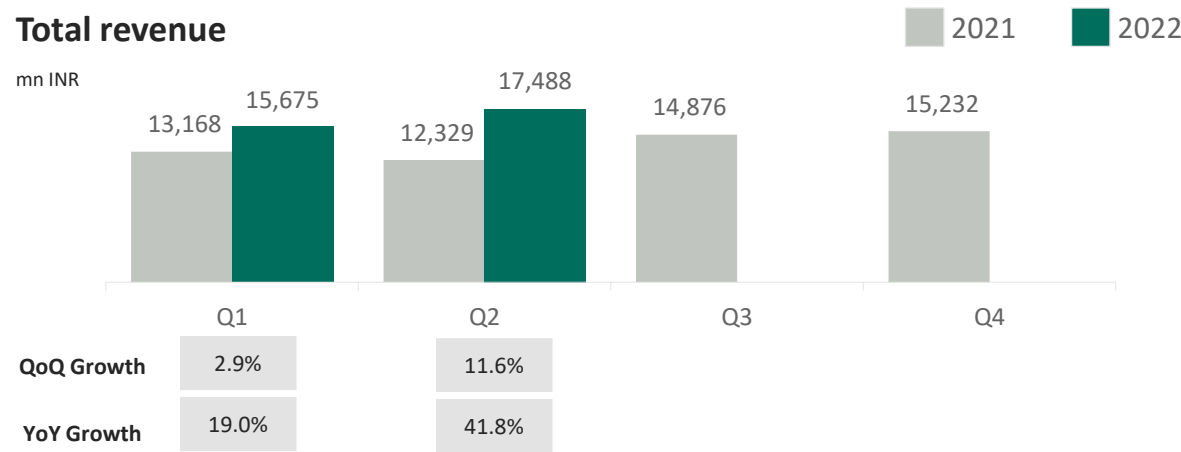
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Revenue from operations | Robust performance

Total revenue

mn INR



Key aspects

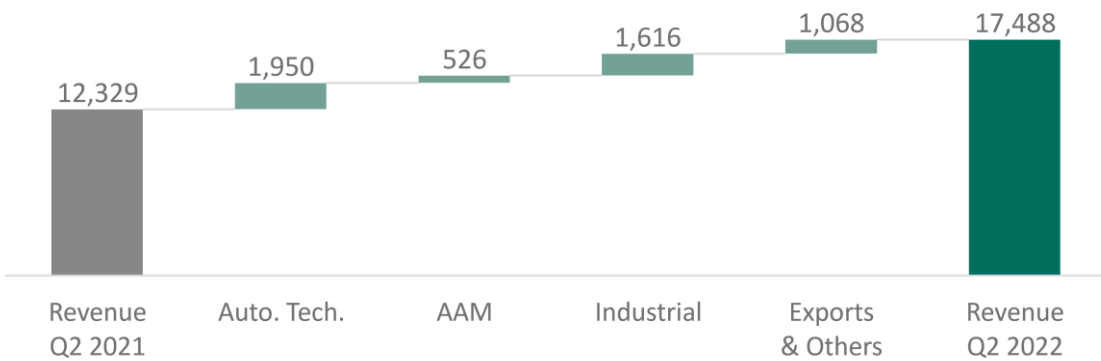
- Revenue uptick across all divisions

Growth	Q2 2022 vs Q1 2022	Q2 2022 vs Q2 2021	H2 2022 vs H1 2021
Automotive Technologies	11.5%	40.2%	21.7%
Automotive Aftermarket	19.7%	54.4%	33.9%
Industrial	9.4%	33.7%	27.7%
Exports & others	12.8%	61.8%	61.6%

- Exports growth trajectory continues

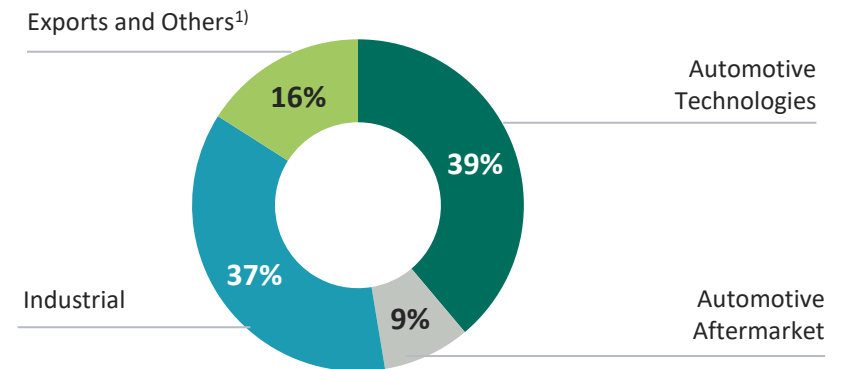
Revenue Bridge

mn INR



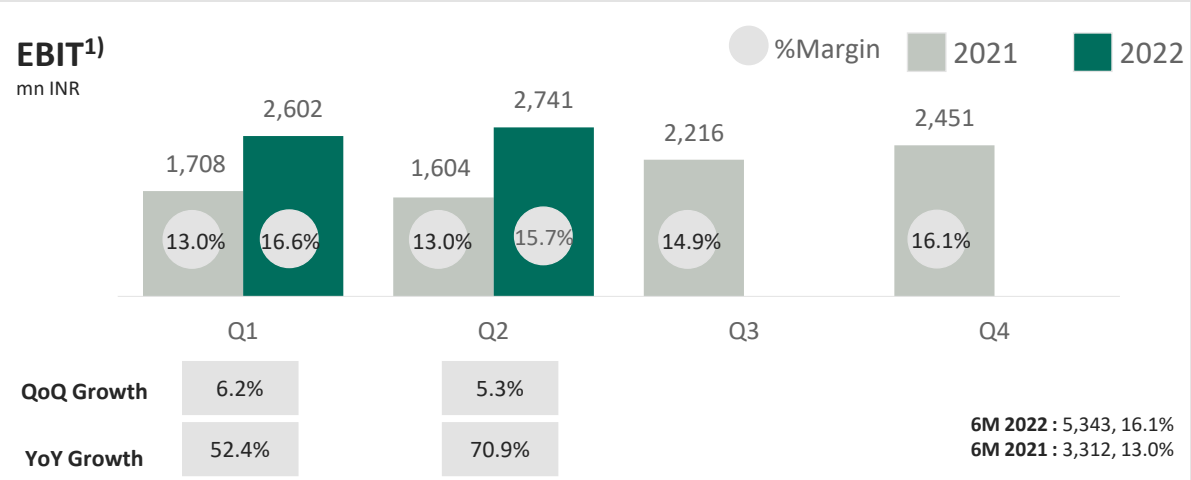
Sales mix

Q2 2022



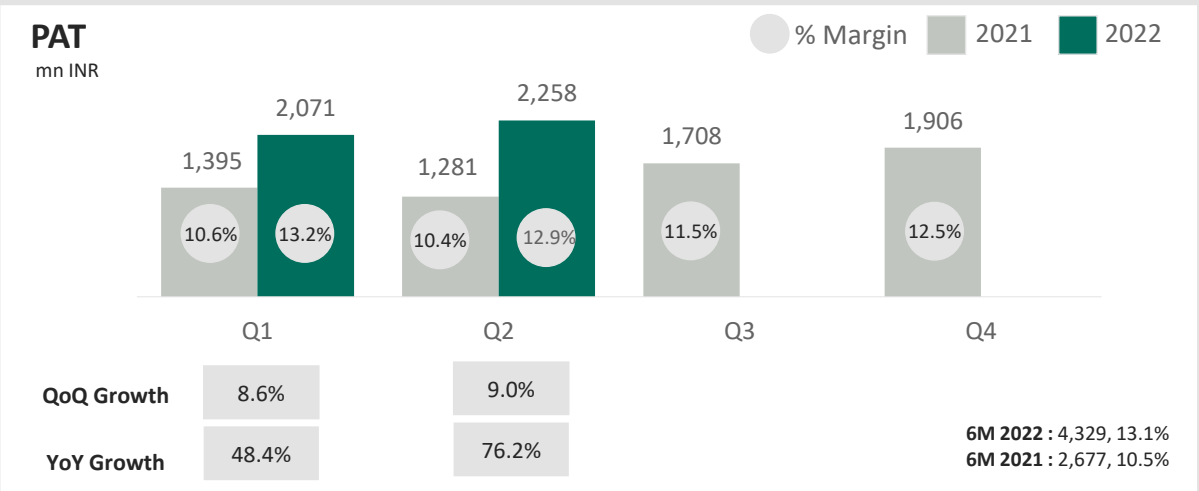
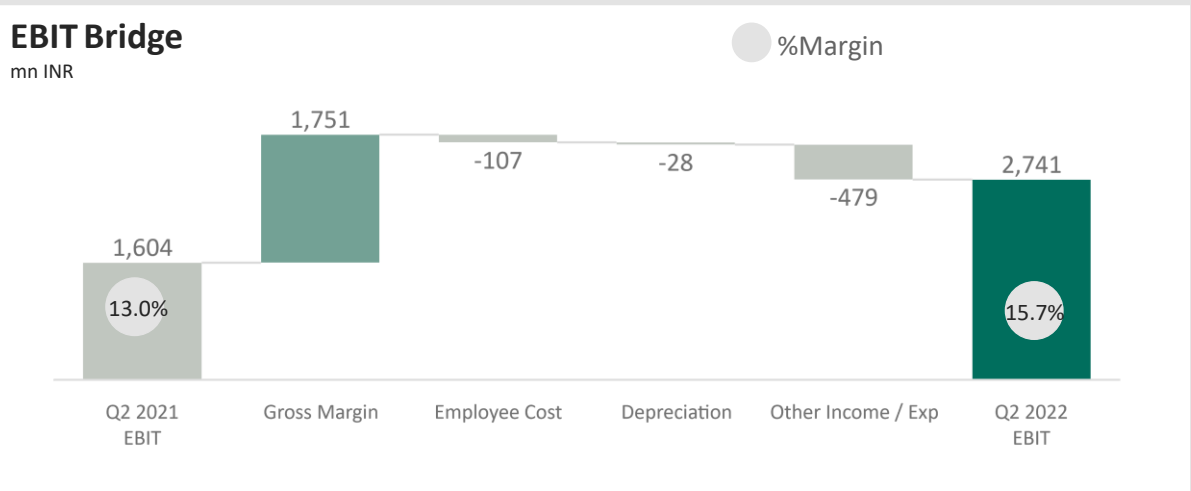
¹⁾ Exports & Others mainly includes exports to group companies, scrap sale and other operating income

Earnings Quality | Sustained



Key aspects

- Margins remain consistent for the quarter, despite input cost pressure
- Volume gains and sustained countermeasures helped achieving consistent performance for 6M 2022



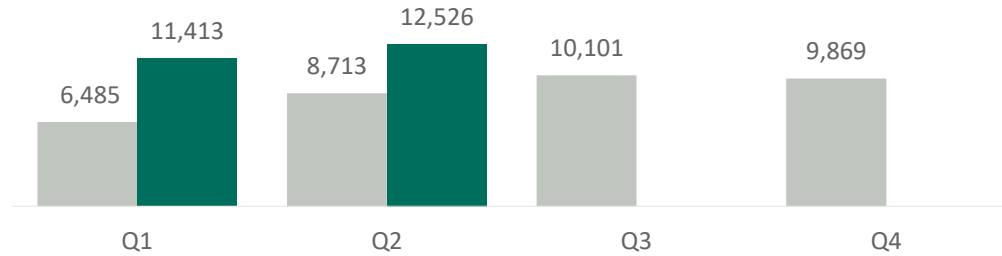
¹⁾ EBIT (before exceptional items) - interest income (net) at 116.5 mn INR in Q2 '22 (102.5 mn INR Q2'21) ;

Working capital, Capex | Delivering on our strategy

Working Capital

mn INR

2021 2022



% to sales	3M'21	3M'22	6M'21	6M'22	9M'21	12M'21
	15.8%	19.9%	18.0%	20.1%	19.3%	18.0%

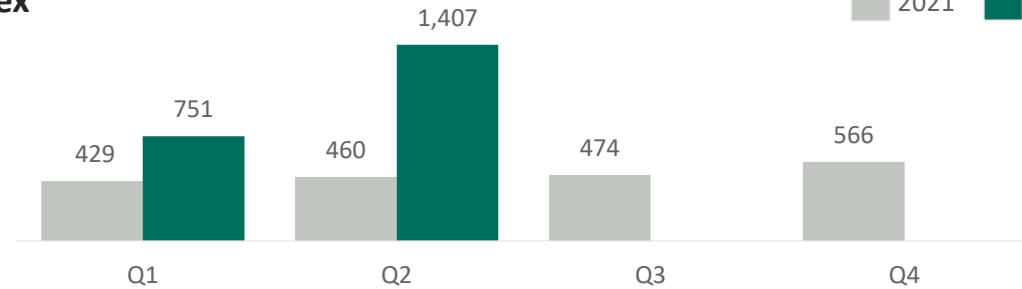
Key aspects

- Working Capital marginally higher due to higher receivables
- Delivering on our capex strategy, 8.0% of sales in Q2'22
- Free cash flow generation improved owing to a better performance – cash profit and working capital improvement

Capex

mn INR

2021 2022

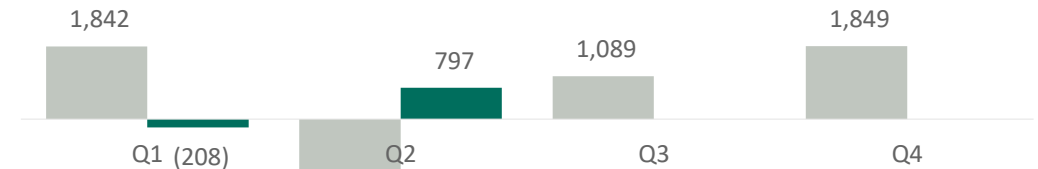


% to sales	3M'21	3M'22	6M'21	6M'22	9M'21	12M'21
	3.3%	4.8%	3.5%	6.5%	3.4%	3.5%

Free Cash Flow

mn INR

2021 2022



QoQ Growth	Q1	Q2
	-111.2%	484.1%
YoY Growth	-111.3%	153.1%

Performance Indicators

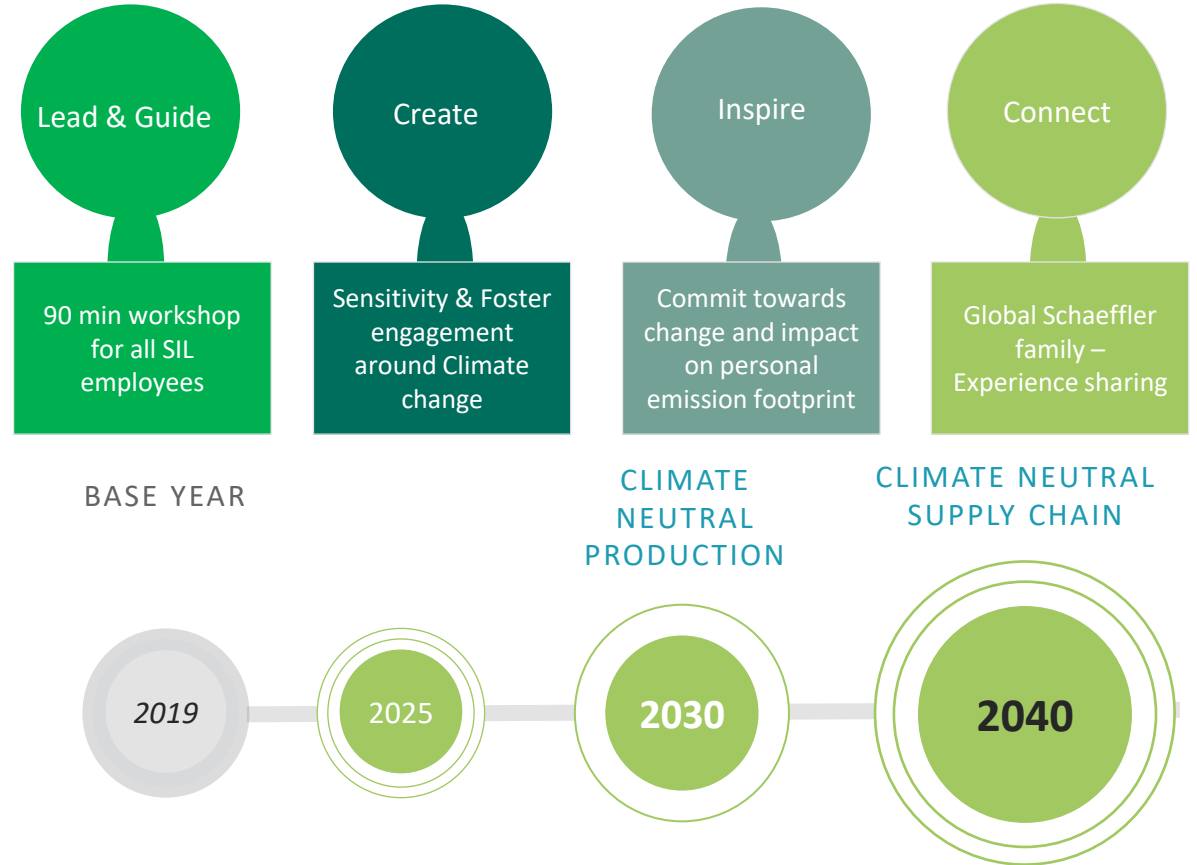
	Unit	Q2 2022	Q1 2022	Q2 2021	6M 2022	6M 2021	12M 2021	12M 2020
Revenue	mn INR	17,488	15,675	12,329	33,163	25,497	55,605	37,619
Revenue growth (YoY)	%	41.8%	19.0%	180.9%	30.1%	86.5%	47.8%	-13.7%
Revenue growth (QoQ)	%	11.6%	2.9%	(6.4)%				
EBITDA	mn INR	3,254	3,107	2,089	6,360	4,275	9,950	5,402
EBITDA Margin	%	18.6%	19.8%	16.9%	19.2%	16.8%	17.9%	14.4%
EBIT ¹⁾	mn INR	2,741	2,602	1,604	5,343	3,312	7,979	3,462
EBIT Margin	%	15.7%	16.6%	13.0%	16.1%	13.0%	14.3%	9.2%
EBT	mn INR	2,857	2,772	1,707	5,629	3,566	8,431	3,972
EBT Margin	%	16.3%	17.7%	13.8%	17.0%	14.0%	15.2%	10.6%
PAT	mn INR	2,258	2,071	1,281	4,329	2,677	6,291	2,910
PAT Margin	%	12.9%	13.2%	10.4%	13.1%	10.5%	11.3%	7.7%
Capex ²⁾	mn INR	1,407	751	460	2,158	889	1,929	2,126
FCF	mn INR	797	(208)	(1,501)	590	341	3,279	4,572

¹⁾ EBIT (before exceptional items) - interest income (net) at 116.5 mn INR in Q2 '22 (102.5 mn INR Q2'21); ²⁾ Capex includes CWIP

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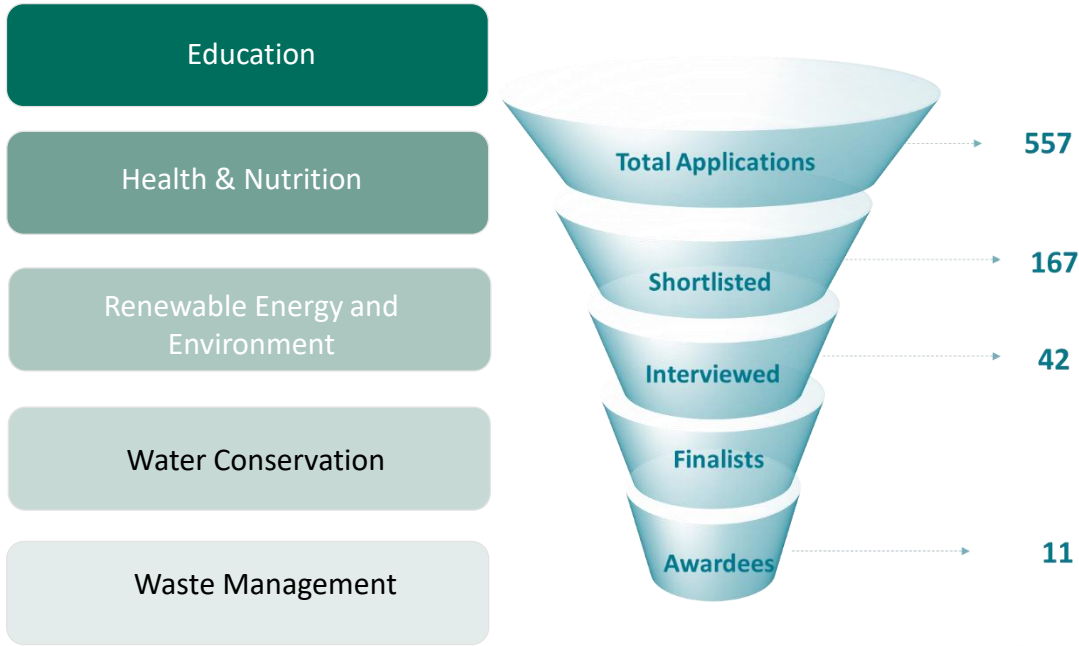
Climate Action Day | A step to sensitize and create climate awareness



**Over 100 Sessions across Schaeffler India
More than 2,000 Ideas**

Schaeffler Group Sustainability Targets

Social Innovator Fellowship Program | Rewarding solutions that have the potential to positively impact the society



Financial aid

Mentorship program, CIIE

India network & partners

In Summary

- 1 Increased volumes and new business developments contributed to the positive sales trend with record revenues

- 2 Volume gains and countermeasures helped deliver resilient margins

- 3 Capital allocation – remains a priority, on track with our investment strategy

- 4 Remain committed on delivering performance amidst market uncertainties



Committed to sustainable and responsible growth, driven by our strong customer connect, ensuring all round performance

Thank you



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