

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

28/07/2020

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 quarter and half year ended June 30, 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 - Q2/6M 2020

July 28, 2020

Weathering a storm



Agenda

- 1** COVID-19
- 2** Economy and Market
- 3** Q2 / 6M 2020 Performance update

Early ramp-up of plants and continued efforts to balance between demand and safety

	Working days In H1 2020	Q1			Q2			Q2	
		Jan	Feb	Mar	Q1	Apr	May		Jun
Planned days	155	26	25	26	77	26	26	26	78
Effective days	95	26	25	18	69	0	9	17	26
Days lost	60 39%	0	0	8	8 10%	26	17	9	52 67%

Early Resumption of plants allowed us to ramp-up operations and outline measures

Plant CMTs ensured a controlled shutdown of respective sites and their subsequent re-activation

- Gradual plant operations resumed starting from beginning of May, with strict adherence to EHS SOP in alignment with directives issued by MoHFW
- Cluster formation to ensure quarantine of relevant employees in case of any symptoms/infection reported by employees.
- Employees are being encouraged and motivated to come-up and self-declare in case of any symptoms/ infection risks
- Medical Officer and Team Leaders are providing requisite support to the affected employees and their families, during Home Quarantine
- Restricted travel
- Public Address System being used for daily briefing of safety and important message.

CMT : Crisis Management Team

COVID-19

SCHAEFFLER

Rigorous Implementation of EHS SOP in SIL Plants



100% Daily Checking of Temperature at Entry



Oxygen saturation level checking using Pulse Oximeter once in a week



Daily Safety Briefing by Manager in each shift in open air area



Covid safety Pledge in each shift



Canteen sitting realigned with Glass Partition in between



Office Seating with Social Distancing



Cluster badges are displayed by all employees to raise awareness



Frequent Floor & Touch Point Sanitization

Agenda

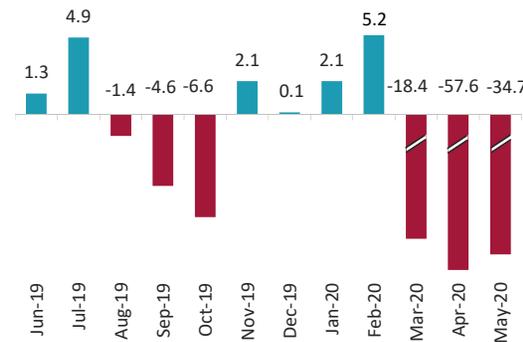
- 1 COVID-19
- 2 **Economy and Market**
- 3 Q2 / 6M 2020 Performance update

2020 growth forecast slashed to -3.1% ^{1]} | Localized Lockdowns hurt Revival

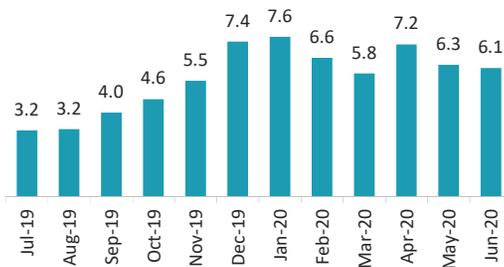
GDP Growth % ^{2]}



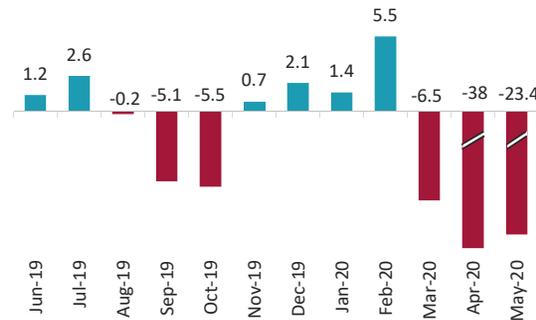
IIP – Overall (%) ^{3]}



Inflation Rate % (CPI) ^{3]}



Core Industry Growth (%) ^{4]}



Key Aspects

- Series of lockdowns to combat the pandemic took a toll on the economy: **GDP growth forecasts for 2020 trimmed to -3.1%**
- India witnessed revival in demand post unlocking of the economy in Jun - Manufacturing PMI increased to 47.2 in Jun from 30.8 and 27.4 in May and Apr respectively
- Localized lockdowns enforced across the urban centers pose challenges for a recovery as India struggles to get past the peak of the pandemic
- Rural demand, already reaching 85% of pre-covid average sales, is expected to fuel India's post lockdown growth, underpinned by higher farm income and minimal disruption due to lockdown
- GOI announced financial package worth **INR 20 Trillion** aimed at stimulating the economy in the form of credit guarantee to the MSMEs and liquidity injection into NBFCs
- **RBI slashed the repo rates by 40 basis points** to 4% (second reduction this year) and has provided a **six-month moratorium on all term loans to ease tensions built up due to COVID19**

1] Oxford Economics Q2 2020 for India 2]Source: Central Statistics Office (CSO)
3]Source: MOSPI 4] Source: Office of the Economic Adviser

Gradual Pickup in Core Sector activities as the Government relaxed lockdown in May

 % contribution to Core Industries

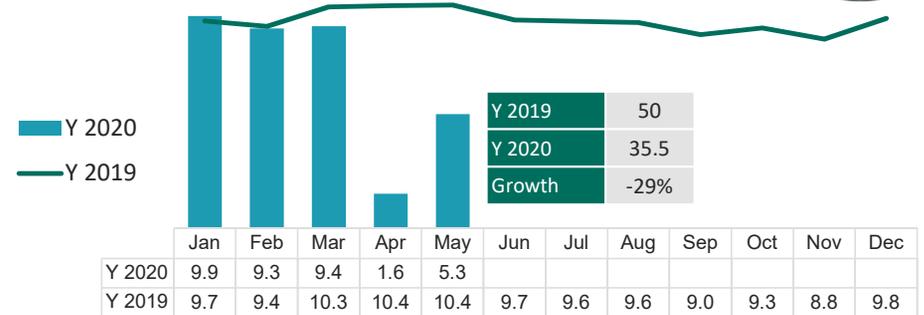
Cement Production (Mio T)

5.4%



Steel Production (Mio T)

17.9%



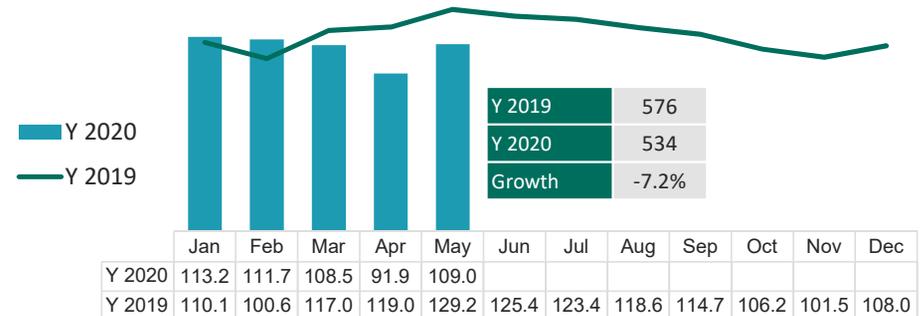
Coal Production (Mio T)

10.3%



Electricity Generation (Bn KWH)

19.8%

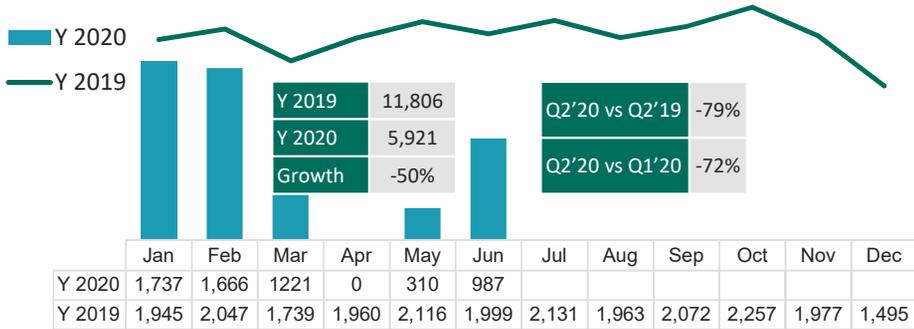


Source: Office of the Economic Adviser, all figures rounded off

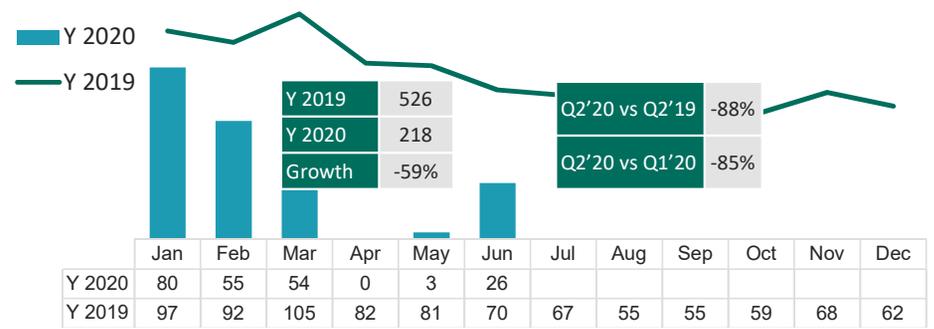
Covid-19 crisis continues to add the woes of India's Auto Sector

in T Units

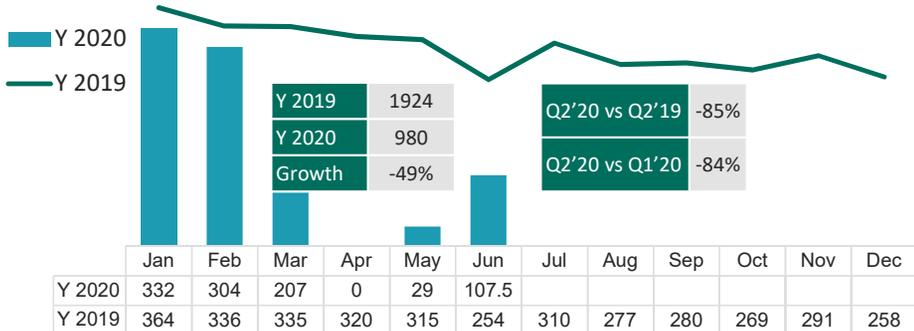
Two and Three Wheelers¹



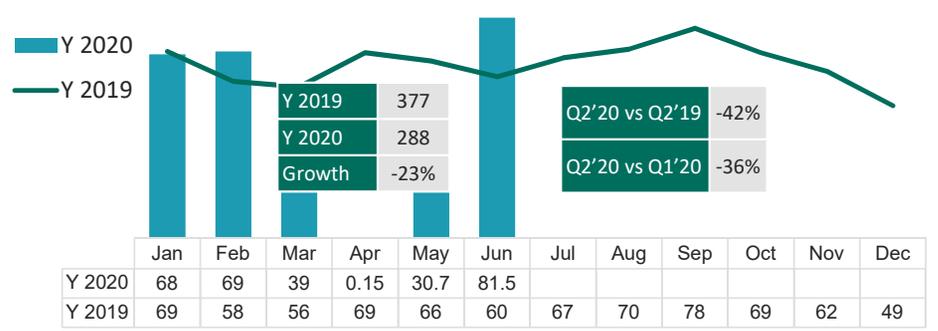
Commercial Vehicles¹



Passenger Vehicles¹



Agriculture Tractors²



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

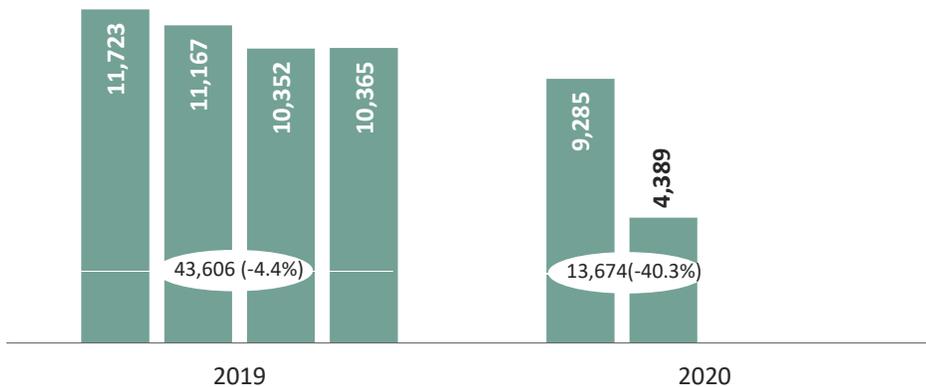
[2] Source: Tractor Manufacturer Association (TMA); *Mar is estimated production

Agenda

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Revenue from Operations | Hit by COVID-19 shutdown

Total revenue
mn INR



QoQ %	-1.2	-4.7	-7.3	0.1
YoYQ %	8.2	1.5	-13.1	-12.6

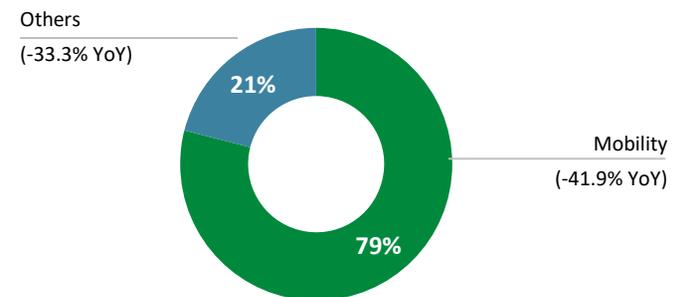
QoQ %	-10.4	-52.7
YoYQ %	-20.8	-60.7

Key aspects

- QoQ revenue loss was caused by shutdown for the whole month of April and staggered opening in May and June
- YoY revenue loss is additionally caused by market volatility and demand slowdown in some sectors of automotive and industrial business

Sales mix 2020

6M 2020



Earnings before tax | Continued adverse impact of COVID-19 lockdown

EBT

mn INR (% in bracket denotes absolute change over same period previous year)



	2019				2020	
EBT %	13.9	11.9	11.1	12.0	11.9	-12.9
YTD %	12.3				3.9	

EBT : before exceptional items

Key comments

- Revenue drop by 60.7% (Q2 2020 vs. Q2 2019) resulted in -12.9% PBT margin, due to fixed cost impacts. However cost saving measures helped minimizing the losses
- Resumption of partial operations in Q2 2020 and cost saving initiatives, facilitated 3.9% PBT margin in H1 2020.

Cost saving measures led to minimizing margin loss in H2 2020

Performance Indicators

	Unit	Q2 2020	Q1 2020	Q2 2019	H1 2020	H1 2019	12M 2019
Revenue	mn INR	4,389	9,285	11,167	13,674	22,890	43,606
Revenue growth (YoY)	%	-60.7%	-20.8%	1.5%	-40.3%	4.8%	-4.4%
Revenue growth (QoQ)	%	-52.7%	-10.4%	-4.7%			
EBITDA	mn INR	(196)	1,378	1,598	1,182	3,473	6,461
EBITDA Margin	%	-4.5%	14.8%	14.3%	8.6%	15.2%	14.8%
EBIT	mn INR	(695)	934	1,214	239	2,710	4,874
EBIT Margin	%	-15.8%	10.1%	10.9%	1.7%	11.8%	11.2%
EBT	mn INR	(567)	1,101	1,326	534	2,951	5,346
EBT Margin	%	-12.9%	11.9%	11.9%	3.9%	12.9%	12.3%
PAT	mn INR	(425)	784	825	359	1,887	3,676
PAT Margin	%	-9.7%	8.4%	7.4%	2.6%	8.2%	8.4%

- Impacted by COVID-19 shutdown, - Countermeasures helped minimizing losses in Q2

OPTIME | Wireless next generation condition monitoring Solution

Global online launch of OPTIME on 1st July 2020

550 participants from 12 countries



Features of OPTIME



Plug : The vibration sensors are attached to each machine using screws or adhesive. Then they are activated via NFC.



Play : Provides trends and, using a multi-stage warning system, provides a visual representation of the severity of potential incidents. In an emergency, it can sound an alarm and provide add info



Predict : he system detects malfunctions weeks in advance and provides information on the root causes. This works with continuous automatic analyses.

Key benefits of OPTIME



Cost efficient : Monitoring hundreds of rotating machines for a few cents each per day – up to 50% cheaper than handheld measurement



Installs quickly : Installing the sensors and setting up the OPTIME app takes mere minutes – no prior experience required



Expert knowhow : Digital Service provides professional diagnostics based on expert algorithms and machine learning, 24/7 via



For beginners & experienced users : Intuitive operation, provides crucial information and comprehensive expandability – perfect for a broad range of users and applications



Three components:

- Wireless, battery-powered vibration and temperature sensors
- A gateway
- A digital service

Launch in India in October 2020

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for your
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