

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**

30/10/2020

### **Sub.: Investor Presentation**

Dear Sirs,

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 ended September 30, 2020.

Phone: +91 8669613701

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



# Schaeffler India Limited Investor Presentation – Q3/9M 2020

October 30, 2020

## Agenda

- 1** Key Highlights
- 2** Economy and Market
- 3** Q3 / 9M 2020 Performance update

## Q3 2020 | Key Highlights



Strong bounce-back in the market with demand recovery across all segments



Strict cost discipline and countermeasures enabled achievement of 12.6% EBIT in Q3 2020 (51.7% higher vs Q1 2020 - pre lockdown period). Net profit margin for the quarter stood at 10.1%.



Strong Free Cash Flow and liquidity position owing to all-round focus on capital employed



Great Customer Response to the freshly launched Schaeffler TruPower range of Lubricants



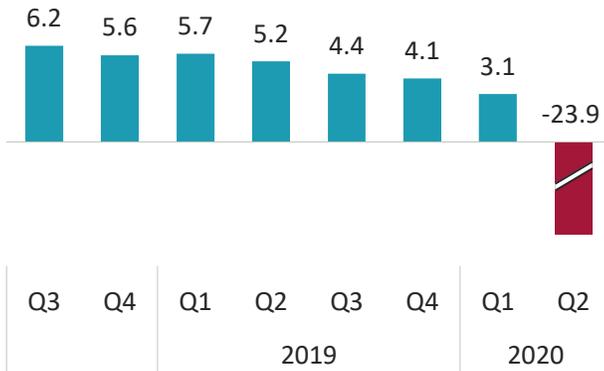
Continue to manage COVID-19 crisis effectively by following strict safety protocol, at the same time focusing on continuity of business operations.

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## 2020 growth forecast slashed to -8.9% <sup>1]</sup> | Green shoots of Recovery Visible

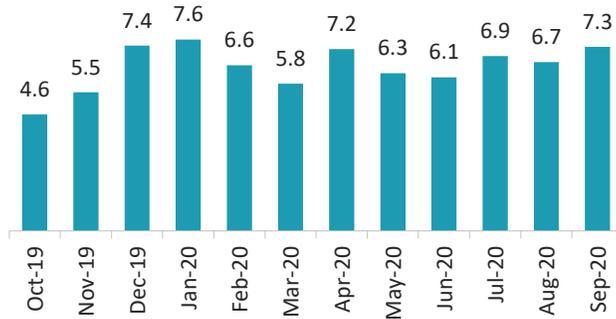
**GDP Growth % <sup>2]</sup>**



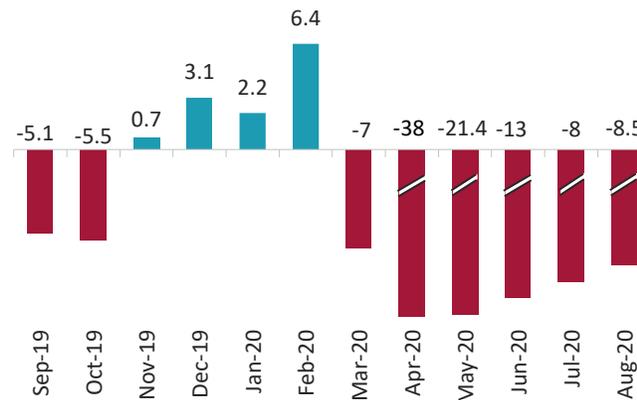
**IIP – Overall (%) <sup>3]</sup>**



**Inflation Rate % (CPI) <sup>3]</sup>**



**Core Industry Growth (%) <sup>4]</sup>**



**Key Aspects**

- Indian economy predicted to contract by 8.9% in CY 2020 owing to the severe stress triggered by one of the toughest lockdowns
- India witnessed revival in demand post unlocking of the economy. Manufacturing PMI increased to 56.8 in September from the lows of 30.8 and 27.4 recorded in May and Apr respectively
- Rise in GST collections, freight loading & manufacturing point to green shoots of recovery primarily driven by rural demand in sectors like tractors, two-wheelers, fertilizers, etc.
- Rural demand emerged as the silver lining of the economy driving the post lockdown revival, underpinned by good show from monsoons, higher farm income, and GOI’s success of rural focused measures
- Apart from the Atmanirbhar Bharat Package worth INR 20 Trillion, GOI has introduced a slew of measures to encourage consumer spending to boost the economy during the festival season
- RBI in its latest monetary policy review has indicated that it will prioritize the revival of economic growth over inflation, and continues its accommodative stance on interest rates

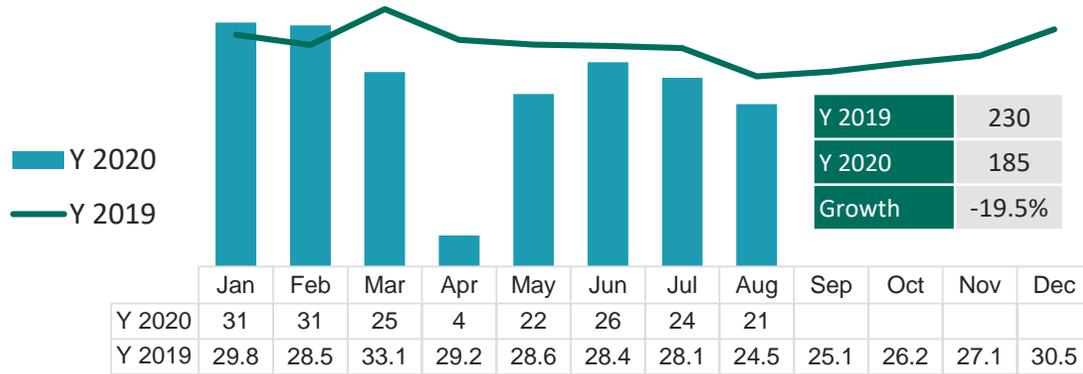
1] Oxford Economics Q3 2020 for India 2]Source: Central Statistics Office (CSO)  
 3]Source: MOSPI 4] Source: Office of the Economic Adviser

## Gradual Pickup in Core Sector activities instill further confidence

 % contribution to Core Industries

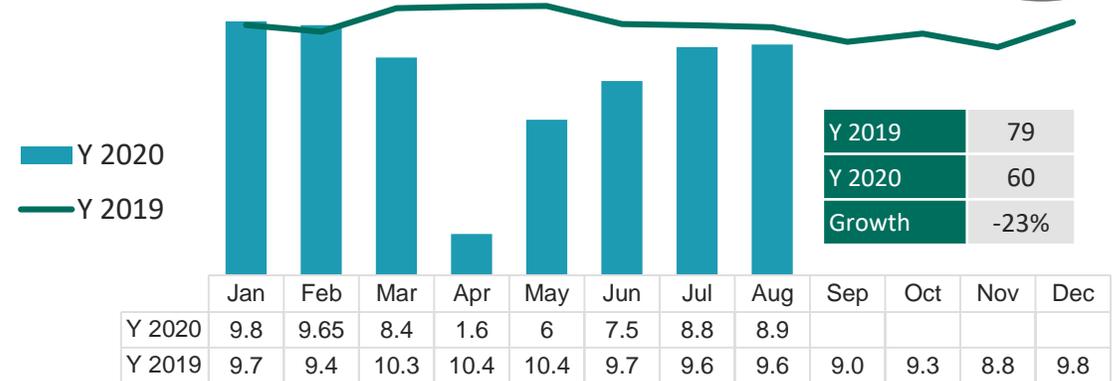
### Cement Production (Mio T)

5.4%



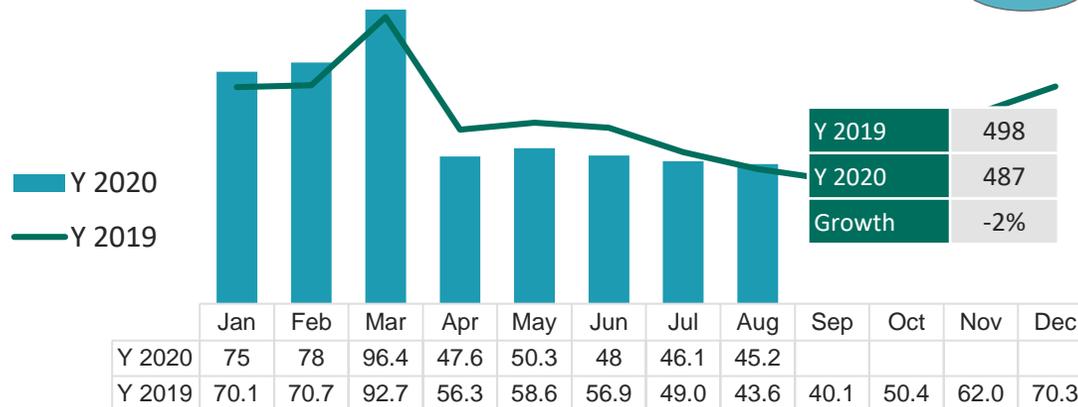
### Steel Production (Mio T)

17.9%



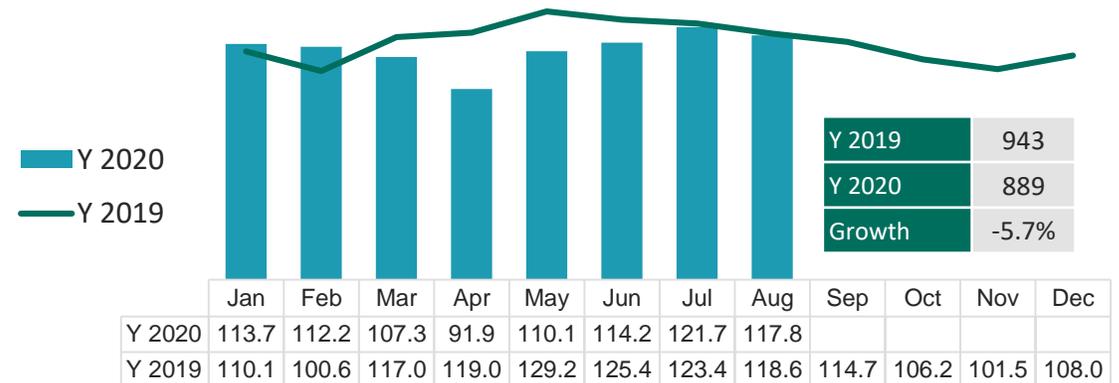
### Coal Production (Mio T)

10.3%



### Electricity Generation (Bn KWH)

19.8%

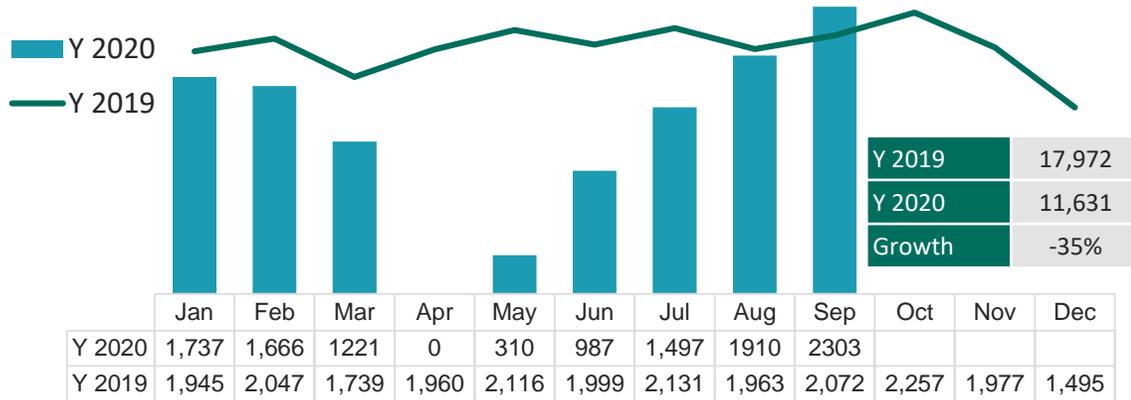


Source: Office of the Economic Adviser, all figures rounded off

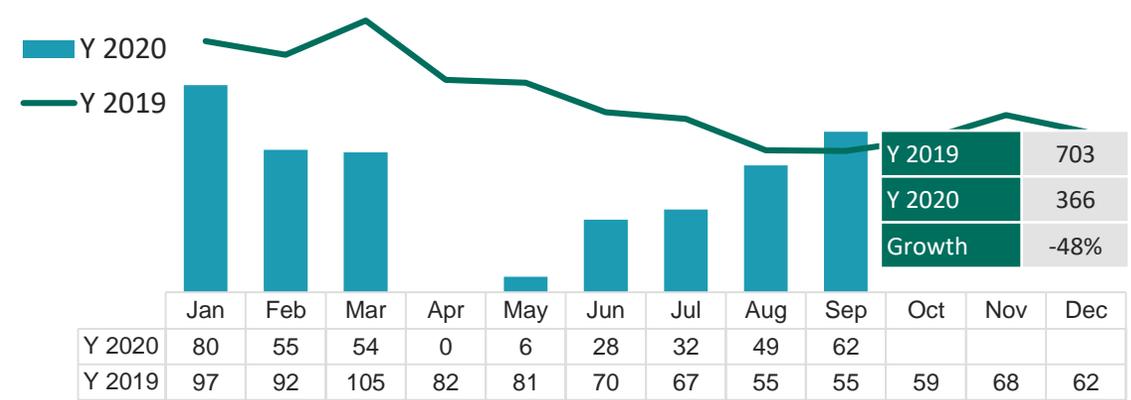
# Auto Sector leads recovery for India Inc. post lockdown

in T Units

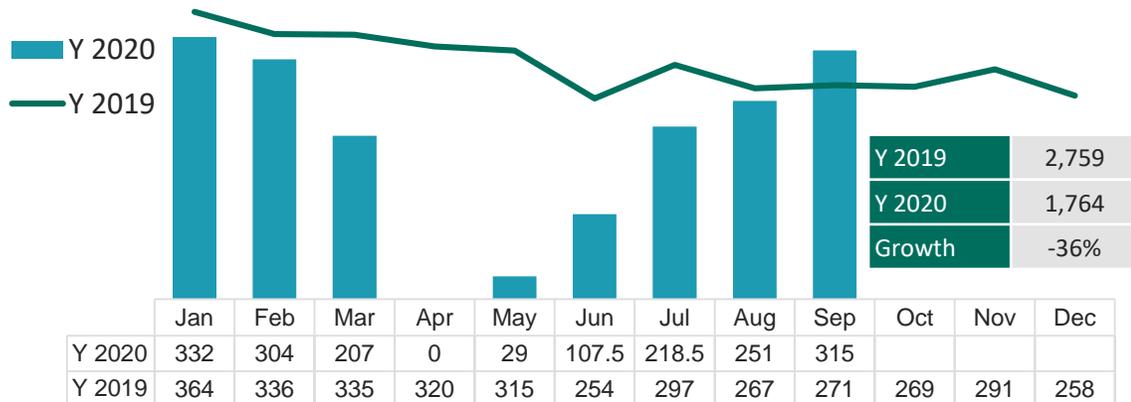
**Two and Three Wheelers<sup>1]</sup>**



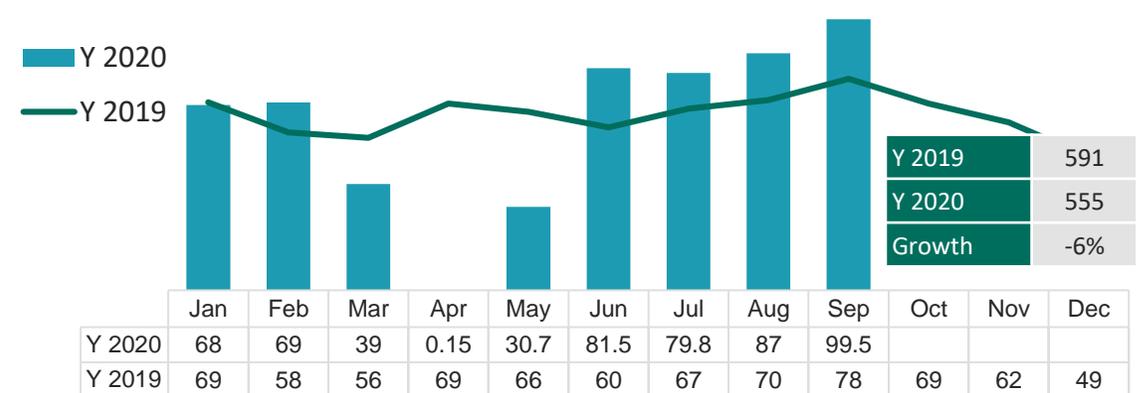
**Commercial Vehicles<sup>1]</sup>**



**Passenger Vehicles<sup>1]</sup>**



**Agriculture Tractors<sup>2]</sup>**



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

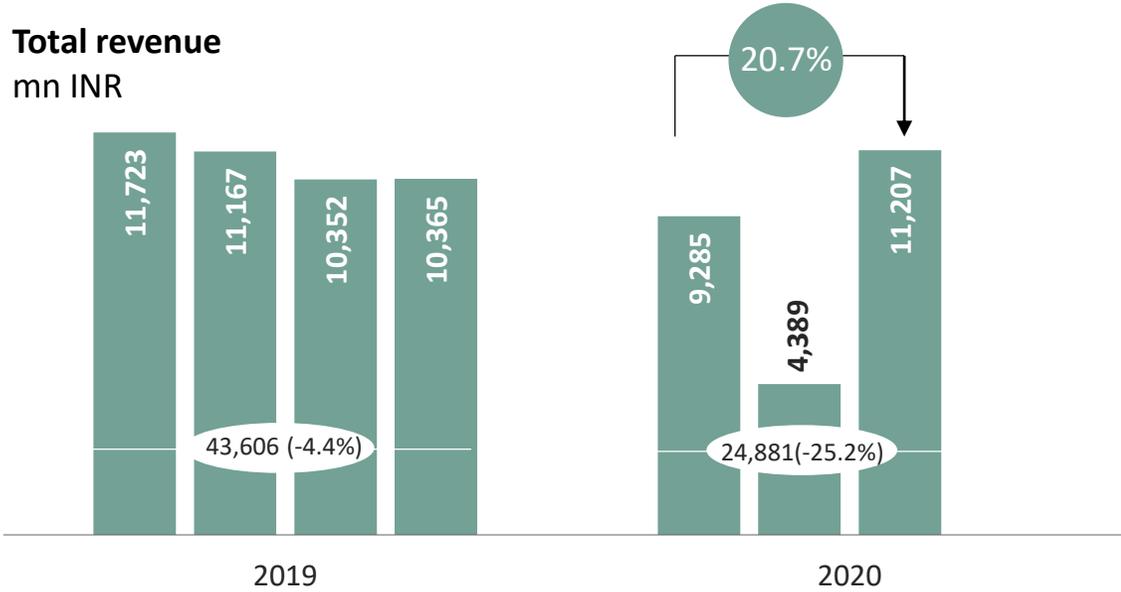
[2] Source: Tractor Manufacturer Association (TMA); \*Mar is estimated production

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**Revenue from operations | Resounding performance backed by strong demand**

**Total revenue**  
mn INR



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

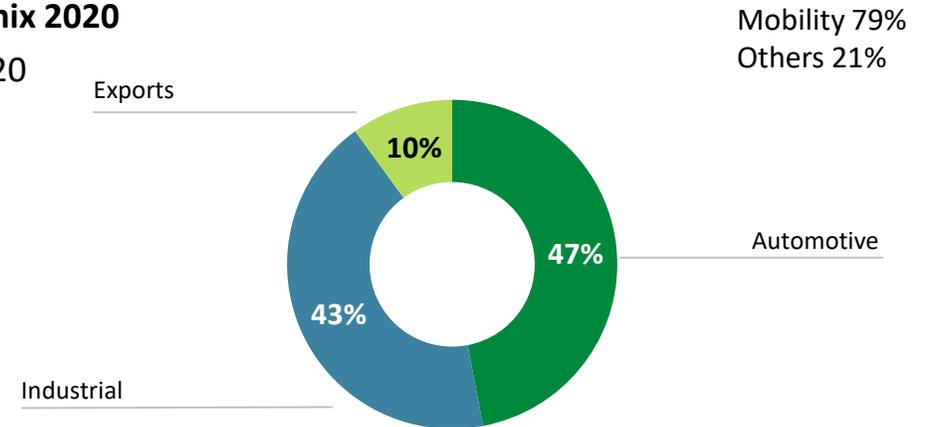
QoQ %	-10.4	-52.7	155
YoYQ %	-20.8	-60.7	8.3

**Key aspects**

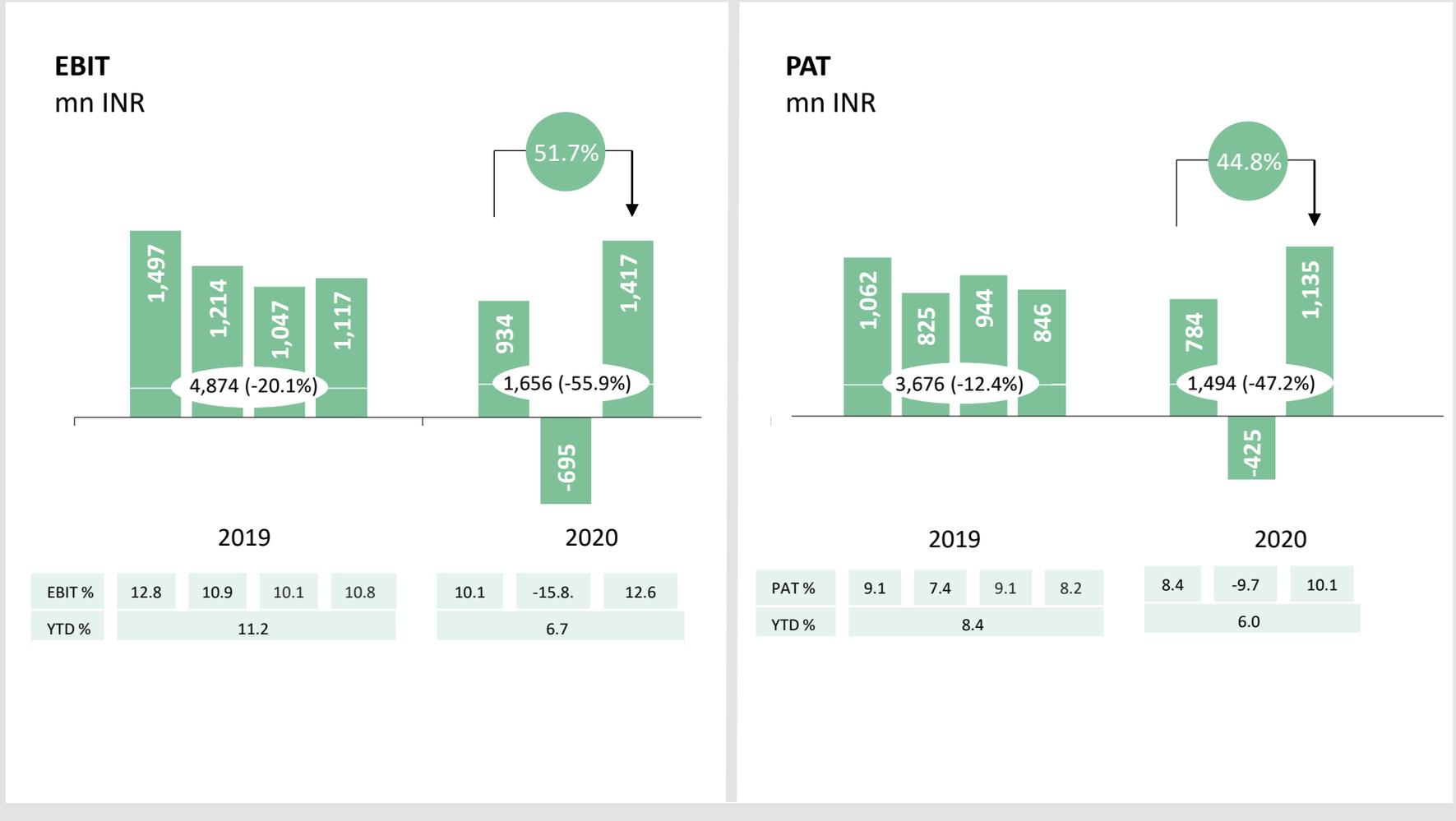
- Strong recovery both in Automotive and Industrial businesses (20.7% Sales growth vs Q1 – pre lockdown period)
- Strong operational performance
  - Production resumed to normalcy
  - All plants operating at regular capacity level

**Sales mix 2020**

9M 2020



**Earning Quality | Significantly improved in Q3 due to normalcy and cost savings**



**Key comments**

- Strong market recovery led to normalcy in operational performance
- Strict cost discipline and countermeasures, enabled achieving strong result performance during the quarter

**Focus on market, opportunities, resource utilization and cost**

## Performance Indicators

	Unit	Q3 2020	Q2 2020	Q3 2019	9M 2020	9M 2019	12M 2019
<b>Revenue</b>	mn INR	11,207	4,389	10,352	24,881	33,242	43,606
<b>Revenue growth (YoY)</b>	%	8.3%	-60.7%	-13.1%	-25.2%	-1.5%	-4.4%
<b>Revenue growth (QoQ)</b>	%	155.3%	-52.7%	-7.3%			
<b>EBITDA</b>	mn INR	1,902	(196)	1,447	3,084	4,920	6,461
<b>EBITDA Margin</b>	%	17.0%	-4.5%	14.0%	12.4%	14.8%	14.8%
<b>EBIT</b>	mn INR	1,417	(695)	1,047	1,656	3,757	4,874
<b>EBIT Margin</b>	%	12.6%	-15.8%	10.1%	6.7%	11.3%	11.2%
<b>EBT</b>	mn INR	1,527	(567)	1,154	2,062	4,105	5,346
<b>EBT Margin</b>	%	13.6%	-12.9%	11.1%	8.3%	12.3%	12.3%
<b>PAT</b>	mn INR	1,135	(425)	944	1,494	2,831	3,676
<b>PAT Margin</b>	%	10.1%	-9.7%	9.1%	6.0%	8.5%	8.4%



Strong performance  
due to market  
recovery and  
countermeasures

Schaeffler TruPower | Experience the True Power of Lubricant



ENGINE OIL | GEAR OIL | GREASE | COOLANT | HYDRAULIC OIL

Press Coverage & Branding – Great Customer Response



- 1 Made in  | To be rolled out in AP
- 2 Complete Range across Vehicle Segments
- 3 First Movers to introduce BS VI Range



Launched in 30 locations | 2021 Target : 70 locations

## Advanced Measures taken in SIL Plants as part of COVID Safety Protocols



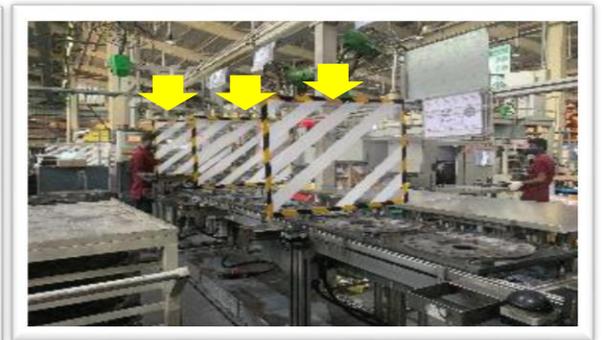
Offices operating inside the plant with 50% staff strength



Parallel Line Protection provided at assembly lines for Social Distancing



Side Protection at Sub Assembly and Station with Acrylic Sheets



Ayurvedic Kadha - Served in Canteen



Auto Thermal Check with Face Mask



Rigorous Cluster Management



Container Based Toilet Unit to as part of additional amenities to reduce social distancing inside plant



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for your  
attention

