The background of the slide features a top-down view of a traditional tea ceremony on a dark wooden table. A hand holds a green cup filled with frothy coffee, while another hand holds a smaller green cup with tea. A light blue teapot is also visible on the table.

Your drink is as unique as you are.
Just like solutions we develop for you.
We pioneer motion

Schaeffler India Limited

Investor Presentation – Q3 and 9M 2023

Standalone Financial Results

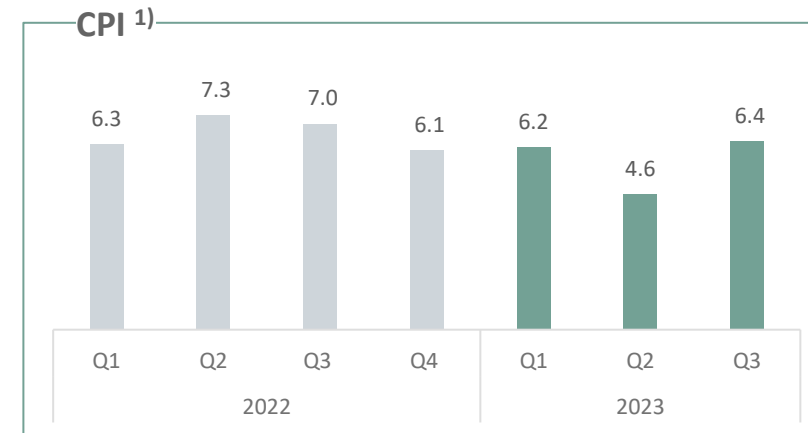
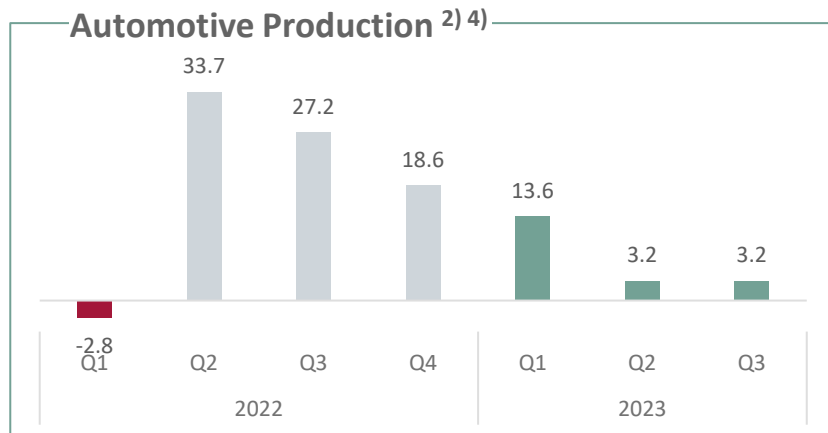
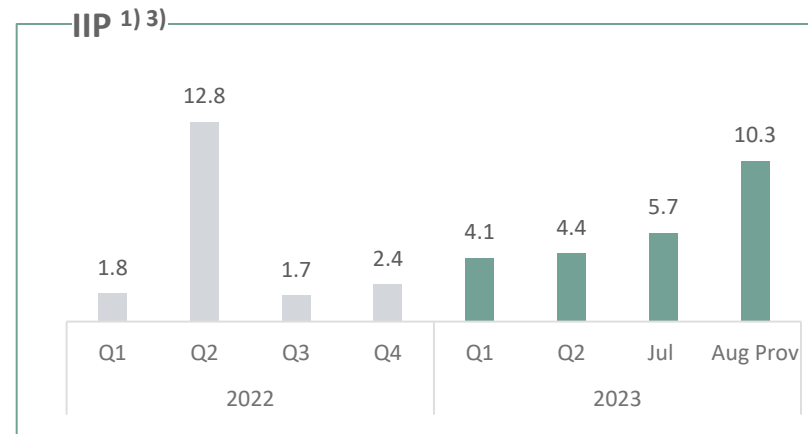
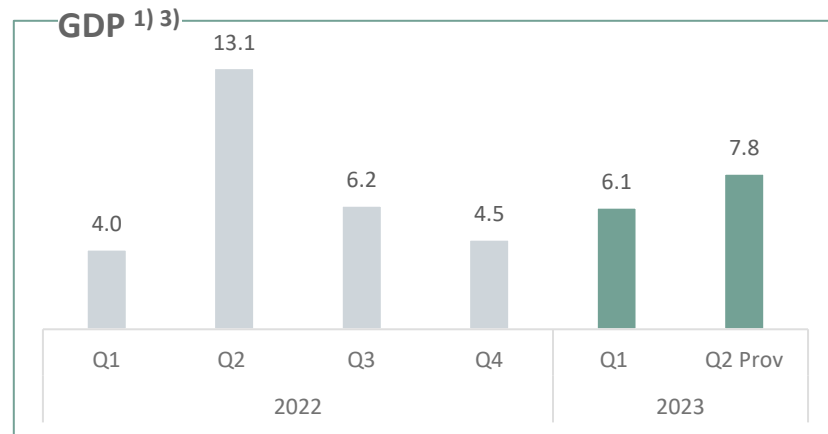
October 27, 2023

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Economy | Indicators remains buoyant



- Q2 GDP at growth at 7.8%, on growth path supported moderating inflation driven by domestic demand
- IIP growth continues for the year, backed by stable economic activities
- Growth PVs and CVs, up 6.6% and 2.6% respectively when compared to the same quarter last year ; de-growth in tractors of 10.1%
- CPI inflation continued to moderate, largely contributed by decline in food and fuel inflation

Note :

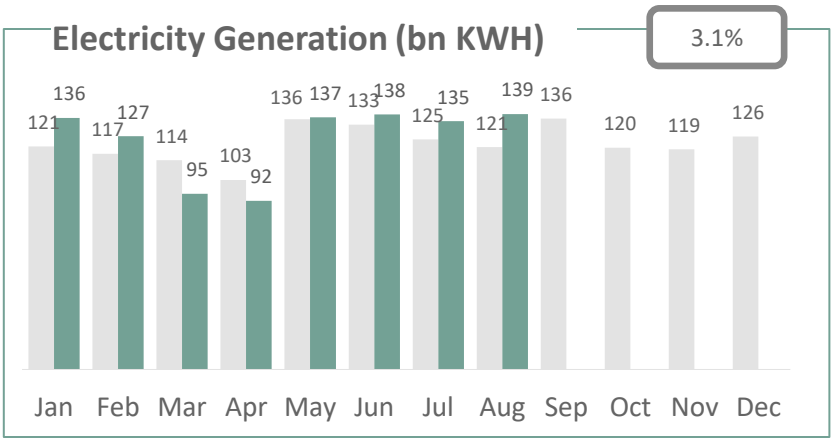
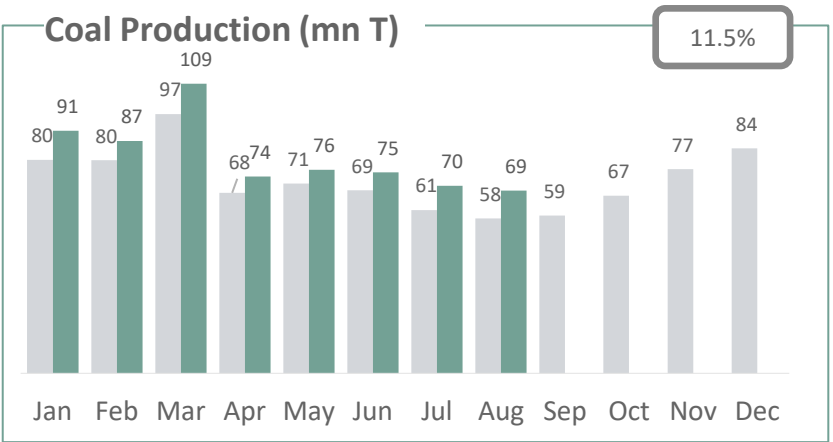
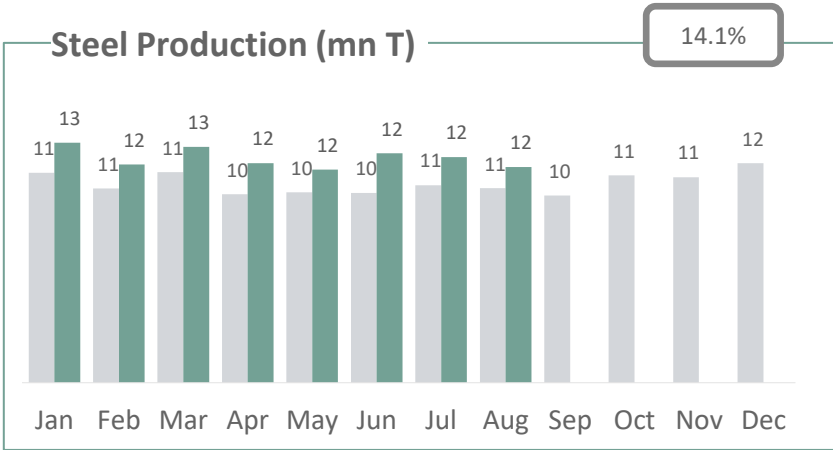
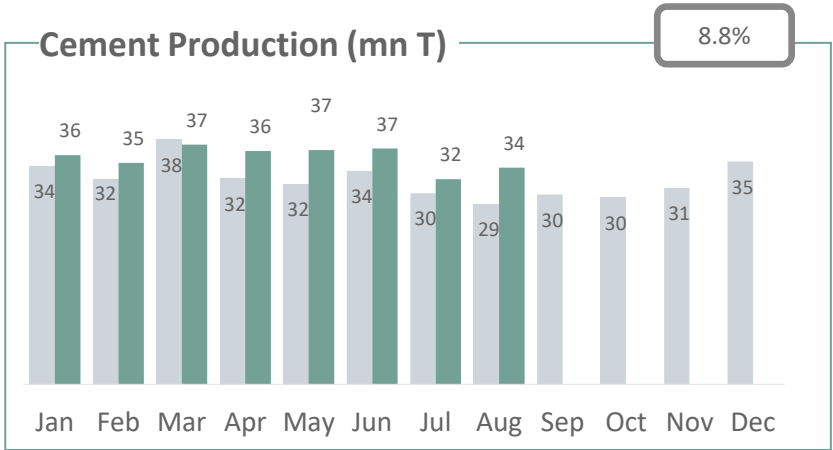
- Data is reinstated every quarter as per final reports released by authorities
- GDP, IIP, and Automotive Production are YoY growth rates, whereas CPI is quarterly inflation rate.
- Contribution of manufacturing, mining, & electricity in IIP stands at 78%, 14%, & 8% respectively
- Automotive Production includes PVs, CVs, & Tractors with production share of 69%, 16%, & 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 | Delivering strong growth

2022 2023 YTD CY2023 Growth



Key comments

Core industry growth YTD Aug'23 registered at 7.5% compared to 8.2% for the same period last year

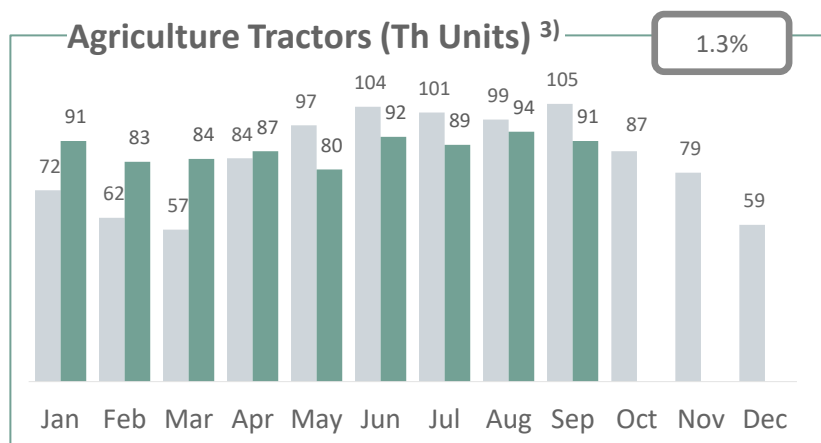
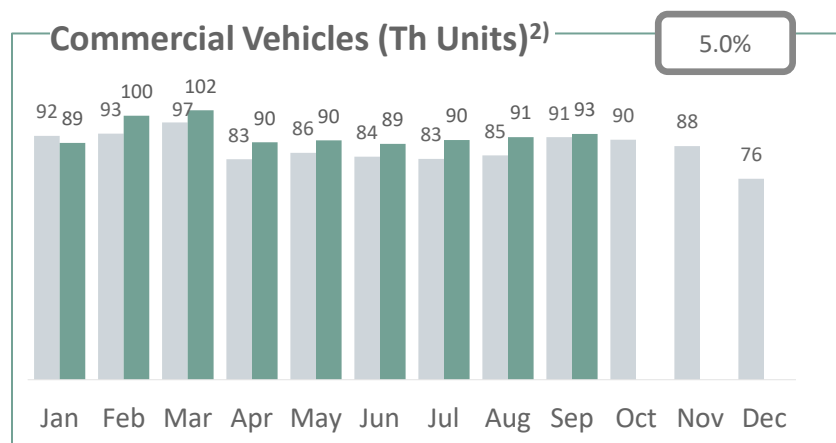
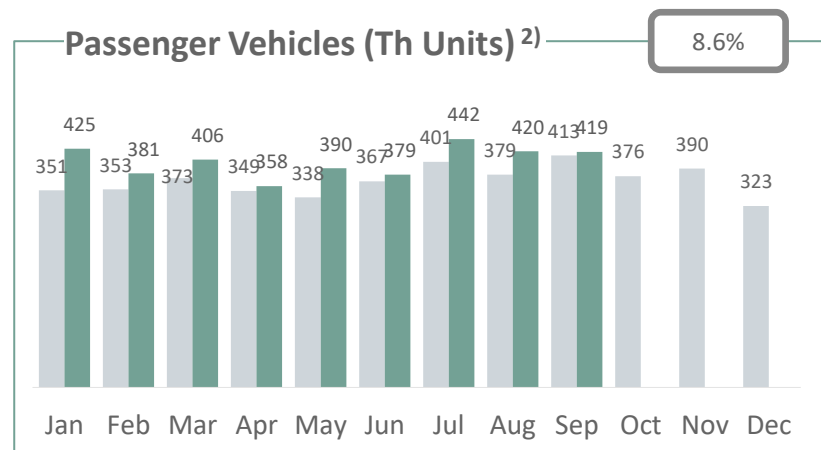
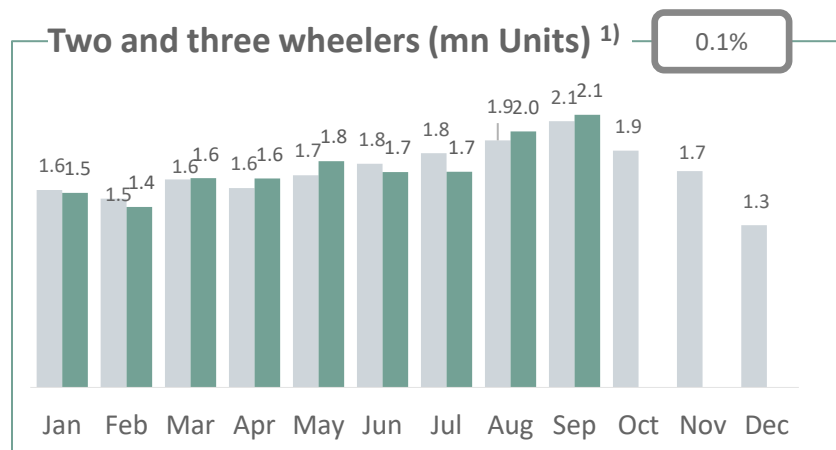
Sector weightage within eight core sectors

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

Source of core sectors data: Office of Economic Advisor

Automotive sector performance | Momentum continues

2022 2023 YTD CY2023 Growth



- Festive season ramping up demand for the 2W sector
- PV segment growth continues on the back of positive sentiments, new launches and stable commodity prices
- Demand trend of the CV segment remains steady, led by strong push for logistics and infrastructure sector
- Tractors segment remained weak, owing to a weak and irregular monsoon

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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Q3 2023 | Sustained domestic performance and earnings quality

Key Messages



Automotive Technologies growth on the back of favorable demand and continued trajectory of business wins



Recovery in key businesses helped industrial business to continue its growth trajectory



Sustained quality of earnings and strong performance on operating metrics



Continued slowdown in global demand – focus on countermeasures to mitigate adverse impact on performance

Sales growth

5.2% vs Q3'22

1.0% vs Q2'23

18,483 mn INR

EBIT ¹⁾ margin

15.9% Q3'23

16.1% Q2'23

2,933 mn INR

PAT margin

12.7% Q3'23

13.0% Q2'23

2,350 mn INR

FCF

137.7% vs Q3'22

57.6% vs Q2'23

1,721 mn INR

¹⁾ EBIT (before exceptional items)

Q3 Business developments | Wins in hybrids, renewable energy

Automotive Technologies



Reliability and emission reduction

- 1 Business wins in PVs¹⁾ for gear shafts for hybrid vehicles
- 2 Business win for HD clutches for MHCV¹⁾ segment
- 3 Continued business wins for Gen-3 wheel bearings in PV¹⁾ segment

Automotive Aftermarket



Increased market coverage

- 1 Business wins for recent new launches in batteries, wipers
- 2 Business wins for FEAD/ Timing Kit, TRBs in the PV segment
- 3 Continued focus on network penetration and range extension

Industrial



Precision and Efficiency

- 1 Key business win in the renewable energy segment for taper roller bearings
- 2 New business wins for bearings in the off-road segment
- 3 Business wins for bearings continues for railway applications

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

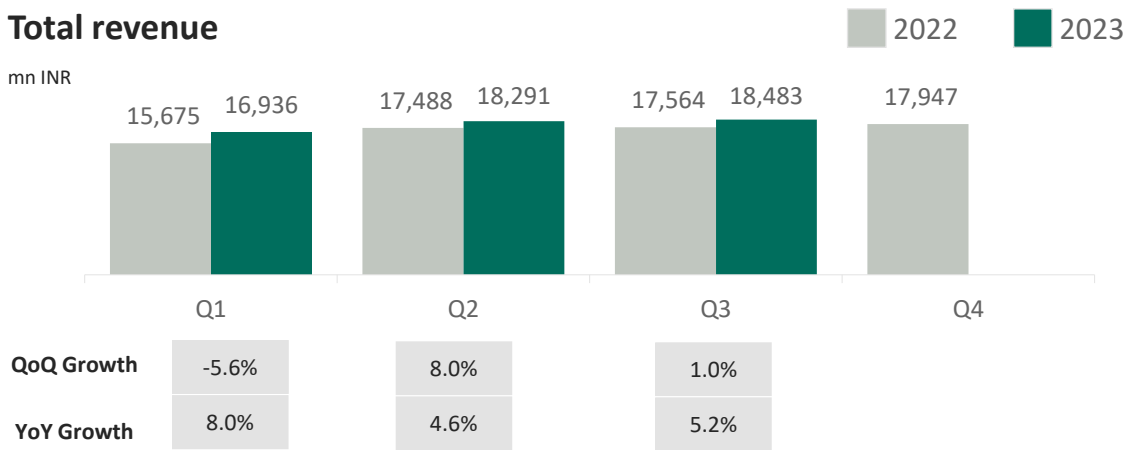
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Revenue from operations | Domestic business growth stable

Total revenue

mn INR



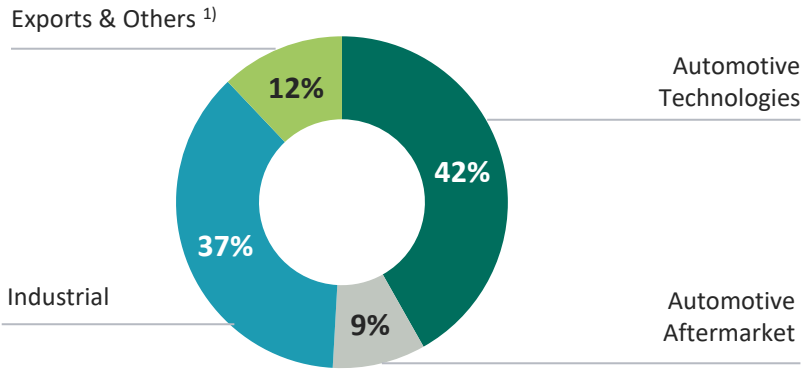
Key aspects

- Double digit YoY growth in domestic business overall
- Slowdown in exports continues owing to sluggish global demand

Growth	Q3'23 vs Q2'23	Q3'23 vs Q3'22	9M'23 vs 9M'22
Automotive Technologies	3.5%	7.8%	12.5%
Automotive Aftermarket	-7.8%	11.4%	16.9%
Industrial	7.9%	13.0%	1.2%
Exports & others ¹⁾	-16.0%	-21.2%	-5.9%

Sales mix

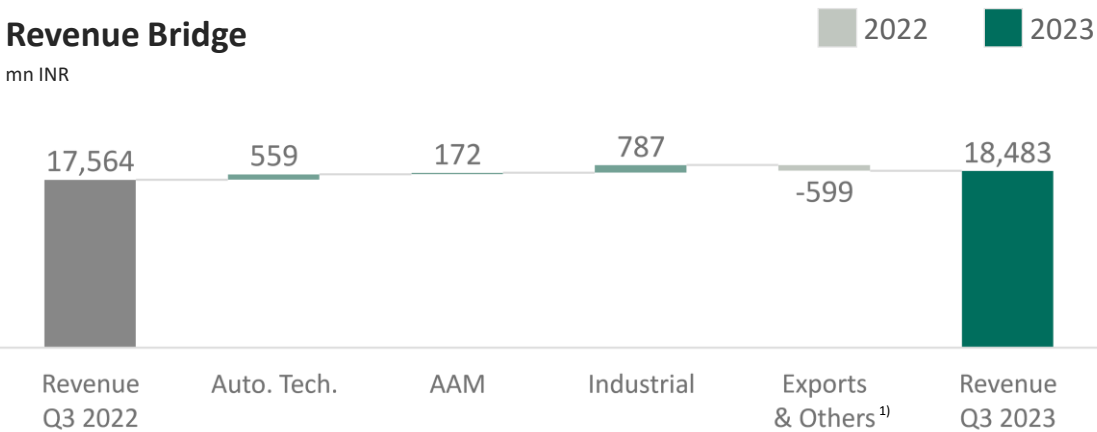
Q3 2023



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

Revenue Bridge

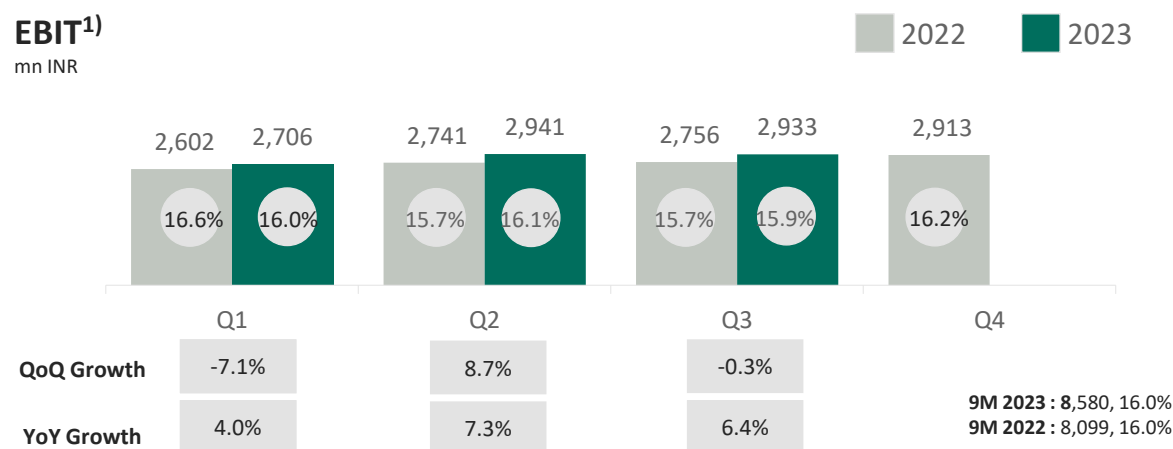
mn INR



Earnings Quality | Sustained performance

EBIT¹⁾

mn INR

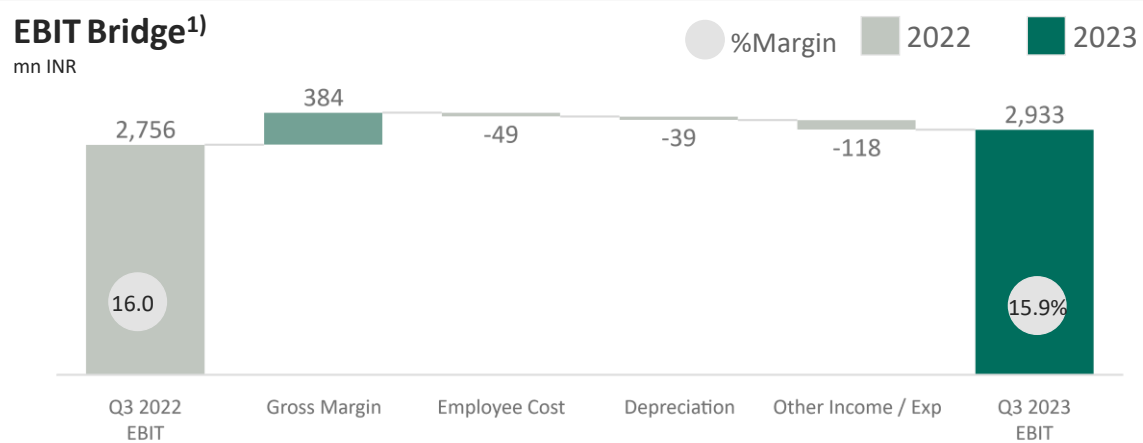


Key aspects

- YoY margins sustained due to volume gains and continued focus on operational efficiencies
- QoQ margins stable on the back of input cost stability, despite adverse revenue mix

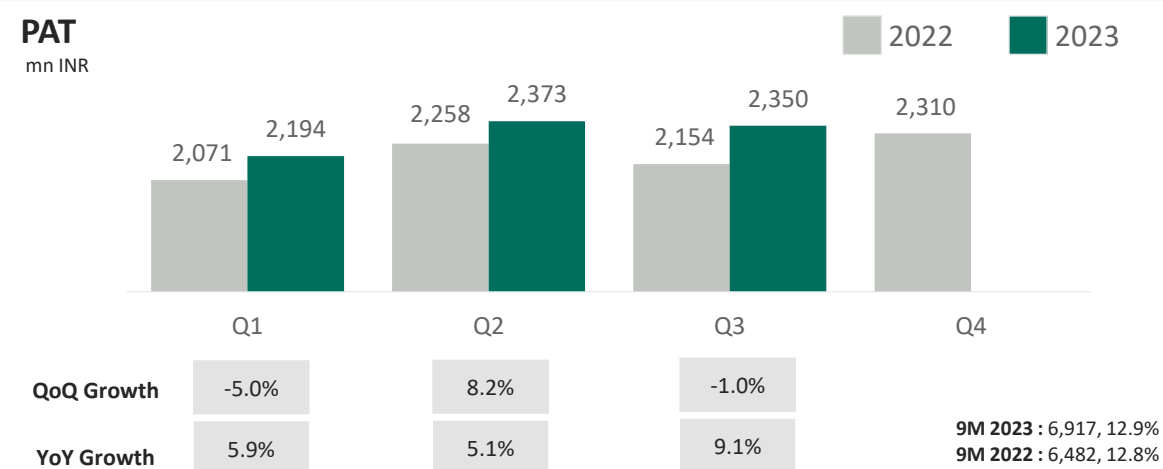
EBIT Bridge¹⁾

mn INR



PAT

mn INR

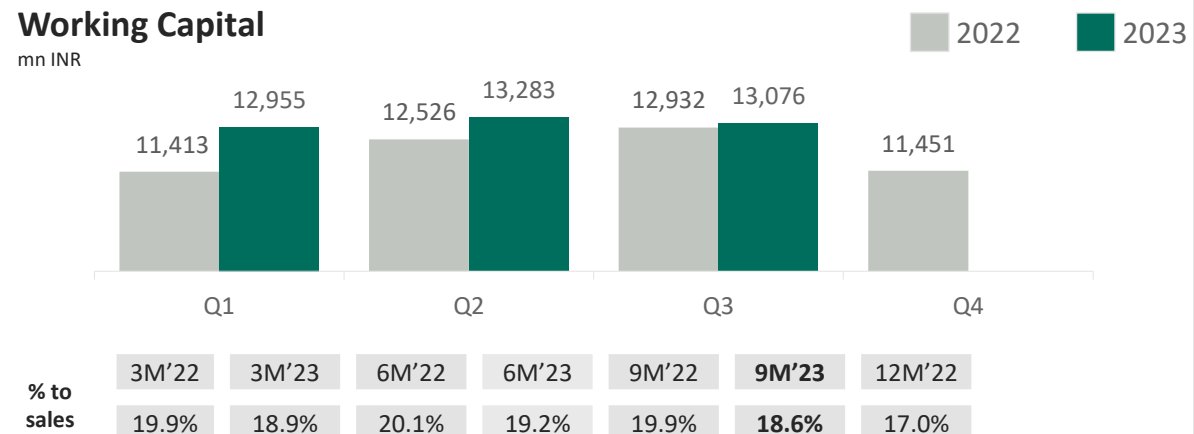


¹⁾ EBIT (before exceptional items) - interest income (net) at 223.8 mn INR in Q3'23 (139.6 mn INR Q3'22)

Working capital, Capex | Focused and effective management

Working Capital

mn INR

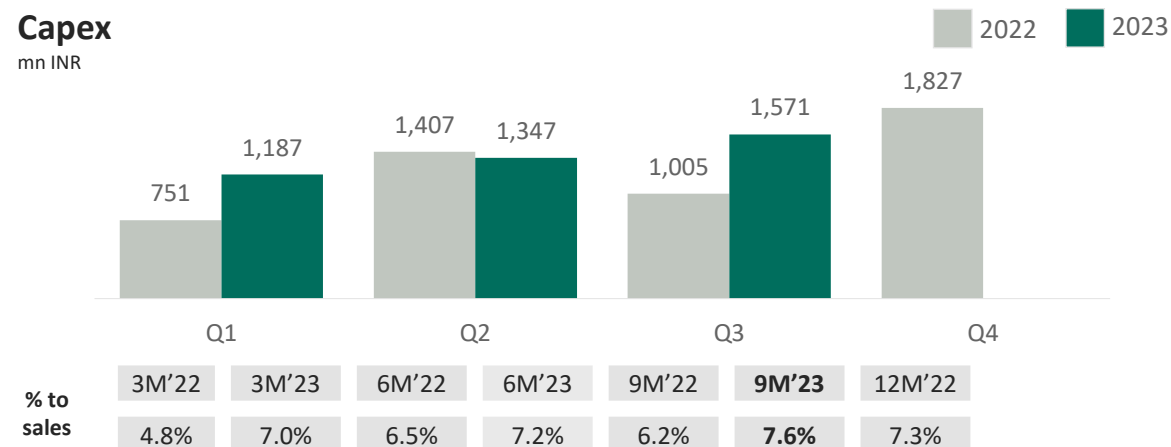


Key aspects

- Working Capital - optimal levels continue to be maintained
- Capex in-line with strategic framework
- Free cash flow generation – continued focus on business performance and better working capital management

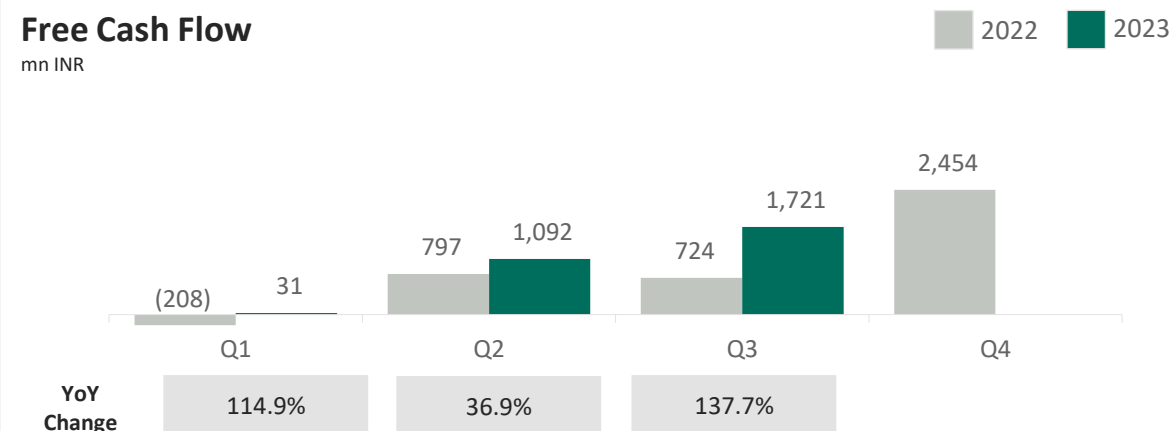
Capex

mn INR



Free Cash Flow

mn INR



Performance Indicators

	Unit	Q3 2023	Q2 2023	Q3 2022	9M 2023	9M 2022	12M 2022
Revenue	mn INR	18,483	18,291	17,564	53,711	50,728	68,674
Revenue growth (YoY)	%	5.2%	4.6%	18.1%	5.9%	25.6%	23.5%
Revenue growth (QoQ)	%	1.0%	8.0%	0.4%	-	-	
EBITDA	mn INR	3,490	3,480	3,273	10,200	9,634	13,076
EBITDA Margin	%	18.9%	19.0%	18.6%	19.0%	19.0%	19.0%
EBIT ¹⁾	mn INR	2,933	2,941	2,756	8,580	8,099	11,012
EBIT Margin	%	15.9%	16.1%	15.7%	16.0%	16.0%	16.0%
EBT	mn INR	3,157	3,180	2,896	9,279	8,525	11,770
EBT Margin	%	17.1%	17.4%	16.5%	17.3%	16.8%	17.1%
PAT	mn INR	2,350	2,373	2,154	6,917	6,482	8,792
PAT Margin	%	12.7%	13.0%	12.3%	12.9%	12.8%	12.8%
Capex ²⁾	mn INR	1,571	1,347	1,005	4,105	3,163	4,990
FCF	mn INR	1,721	1,092	724	2,844	1,314	3,768

¹⁾ EBIT (before exceptional items) - interest income (net) at 223.8 mn INR in Q3'23 (139.6 mn INR Q3'22); 9M 2023 interest income (net) at 698.9 mn INR, 9M 2022 : 426.0 mn INR ²⁾ Capex includes CWIP

In Summary

- 1 Performance for the quarter supported by continued growth in domestic business
- 2 Quality of earnings sustained, strong performance on operating metrics
- 3 Continued focus on capacity investments and localization to be future ready
- 4 Focus on countermeasures and operational efficiencies continues



Committed to achieve long-term value and sustainable growth

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Thank you



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Sometimes what starts small seems
much bigger than you think.
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