

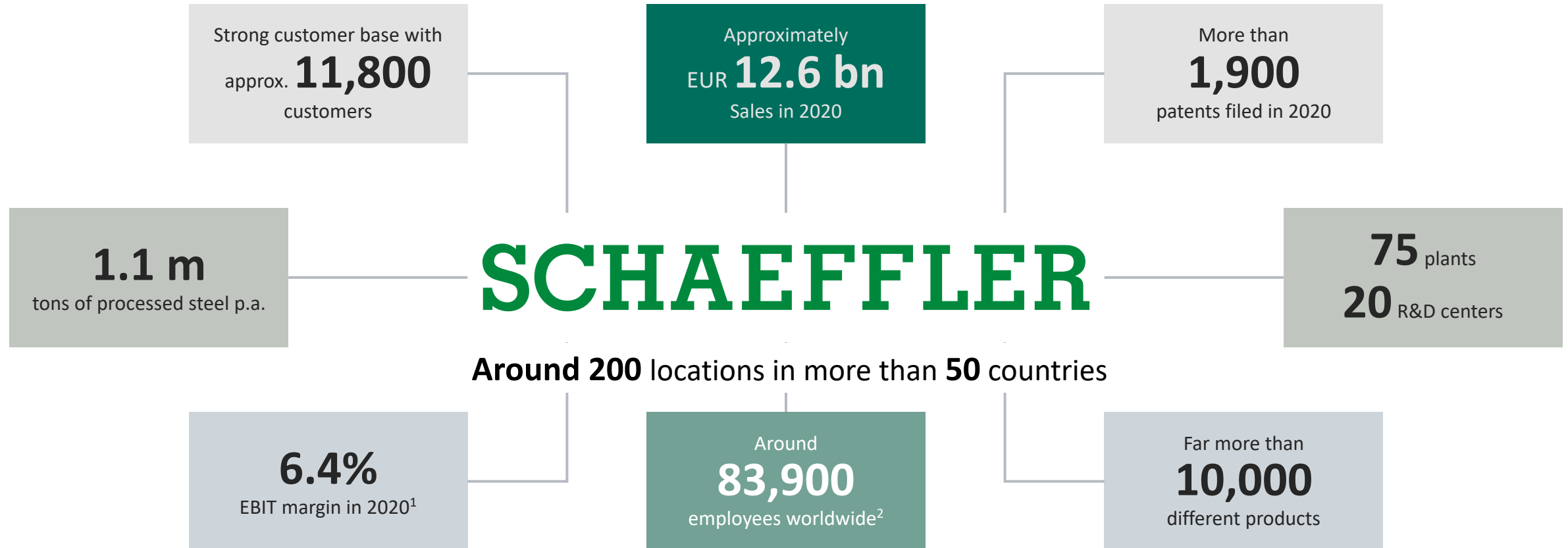
Schaeffler India Limited Investor Presentation

August 2021

Agenda

- 1 Schaeffler Group**
- 2 Executive Summary
- 3 Company Overview
- 4 Business Overview
- 5 Strategic Overview
- 6 Financial Overview

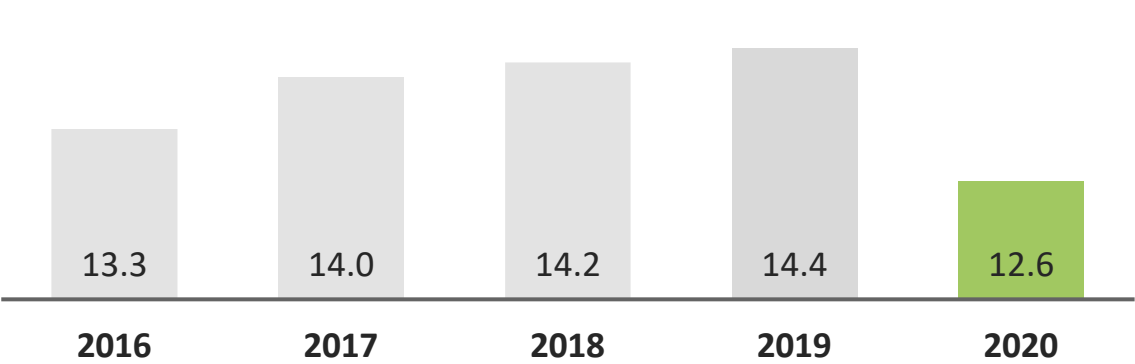
Schaeffler in facts – strong starting point



¹ Before one-off effects | ² As at June 30, 2021

Schaeffler – a leading global technology company

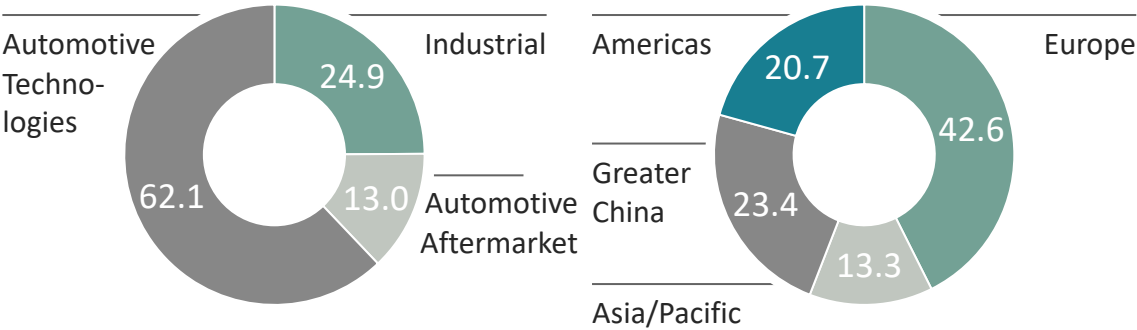
Sales (in EUR bn)



Global footprint

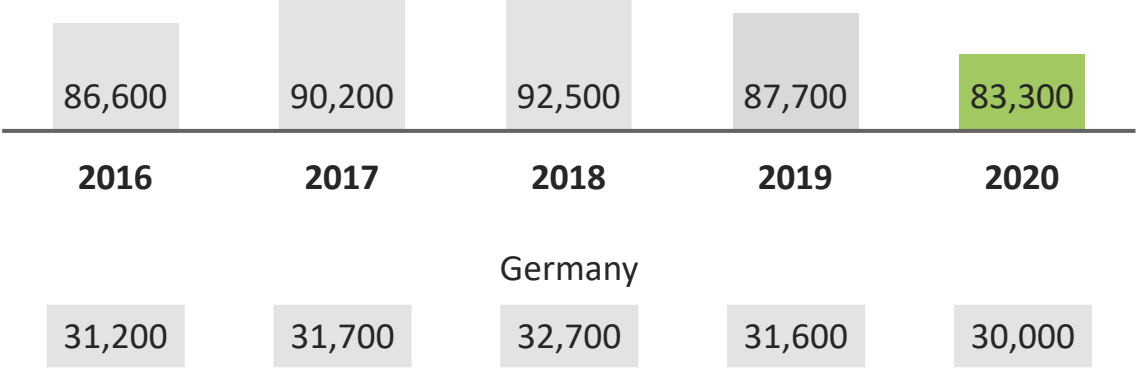
	#Plants	#R&D Centers	#Campus locations
Europe	43	10	9
Americas	13	5	3
Greater China	10	1	3
Asia/Pacific	9	4	-
Total	75	20	15

Sales by division and region in 2020 (in %)



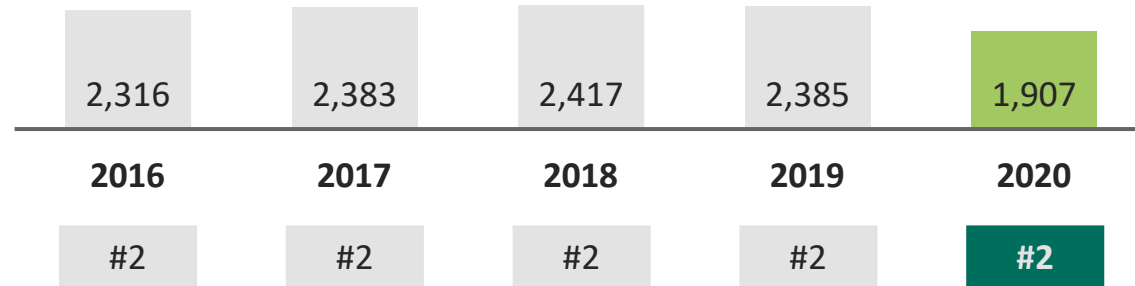
EUROPE: Incl. Germany, Western, Southern and Eastern Europe, Middle East, Africa and Russia

Employees worldwide



Our success factors – quality, technology and innovation

Number of patent applications in Germany¹



¹ Source: Deutsches Patent- und Markenamt (DPMA)

First class manufacturing technology

- State-of-the-art plants and testing facilities
- Outstanding know-how in
 - Surface treatment
 - Raw material processing
 - Tool Management & Prototyping/Special machinery building
 - Precision manufacturing

Selected Innovation and Quality Awards

- German Mobility Prize by the Federal Ministry of Transport and Digital Infrastructure (Schaeffler Mover)
- „BEST OF mobility“ und „Red Dot“-Award (Bio-Hybrid)
- Fiat Chrysler Automobiles „Outstanding Quality Supplier Award“
- Honda „Excellence in Delivery and Quality Award“
- John Deere Supplier Innovation Award

Innovation Networks

- SHARE - Schaeffler Hubs for Advanced Research
 - SHARE at KIT (Karlsruhe Institute for Technology, Germany)
 - SHARE at FAU (Friedrich-Alexander University of Erlangen-Nuremberg, Germany)
 - SHARE at NTU (Nanyang Technological University, Singapore)
 - SHARE at SWJTU (Southwest Jiaotong University, Chengdu, China)
- Silicon Valley Office, U.S. (intensive exchange with start-ups)
- Cooperation with: Startup Autobahn (Stuttgart), Plug and Play, ZOLLHOF Tech Incubator Nuremberg

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Company Snapshot

01

75+ Years of Global Experience and Parent Lineage; 50+ Years of presence in India

02

Serving customers across automotive and industrial segments

03

4 state-of-the-art manufacturing facilities in India

04

Two dedicated DSIR approved R&D facilities in India driving innovation

05

8 Sales Offices, 330 distributors and over 33,000+ retail network

06

Widely renowned and respected brands - FAG, INA and LuK.

07

Employing 2,500+ people across India

08

Debt-free

09

5 Year Revenue CAGR of 16%

10

10 Year Stock Return CAGR of 17%

Agenda

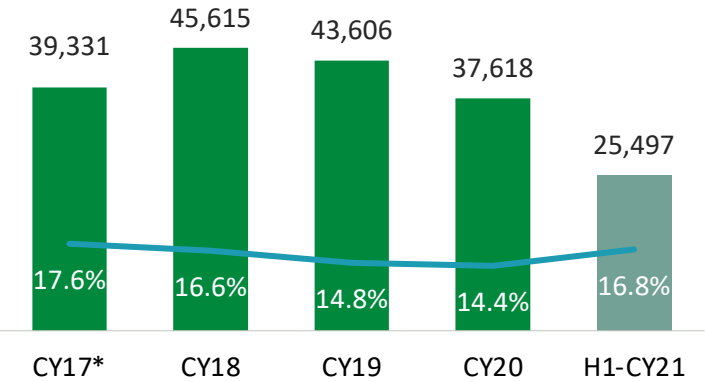
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Company Overview

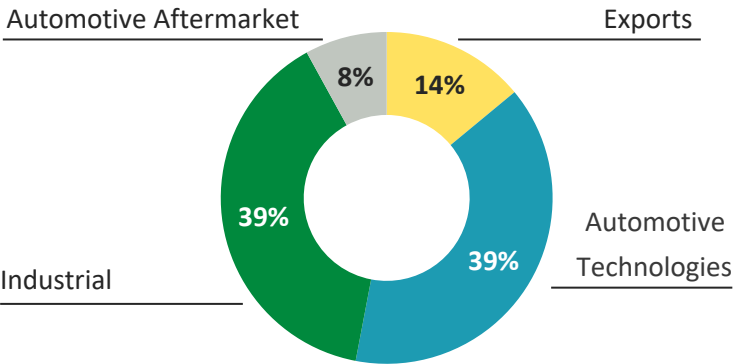
Schaeffler India

- The company has had a presence in India since 1962, and in 2018, INA Bearings India Private Limited and LuK India Private Limited merged with Schaeffler India Limited (erstwhile FAG Bearings India Limited).
- Schaeffler India provides diverse high-precision products with a balanced revenue mix between automotive and industrial segments.
- The Company also provides automotive aftermarket services wherein replacement and repair solutions are offered apart from best-in-class training services to important groups such as garages and fleet workshops.
- Schaeffler’s three major product brands – FAG, INA and LUK, are well represented in the country, which enjoy a prominent position in India.

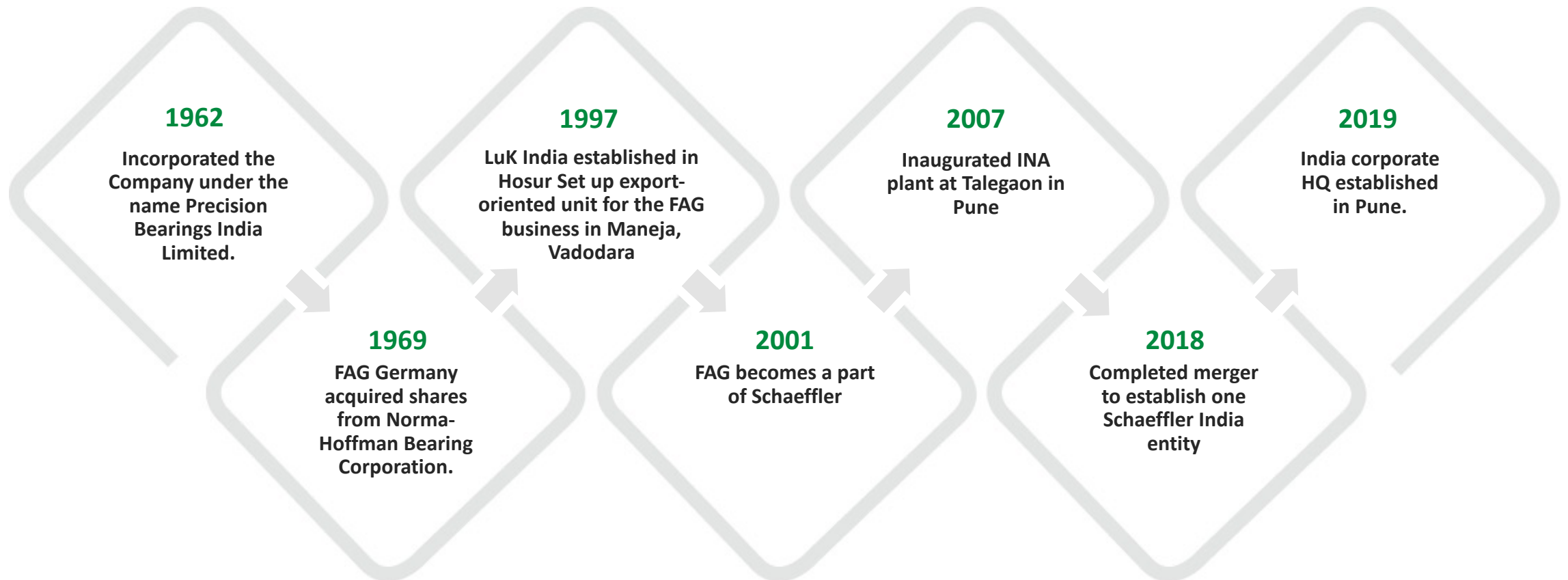
Revenue & EBITDA Margin (in INR Mn)



Revenue Mix (Q2 CY21)



Milestones



Board of Directors



Mr. Avinash Gandhi
Chairman and Independent Director



Mrs. Renu Challu
Independent Director



Mr. Arvind Balaji
Independent Director, Audit Committee, Chairperson of Corporate Social Responsibility Committee



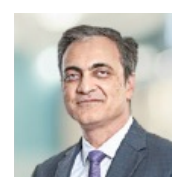
Mr. Amit Kalyani
Independent Director, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee



Ms. Eranti Sumithasri
Independent Director



Mr. Harsha Kadam
Managing Director & CEO, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee, President (Industrial Business).



Mr. Dharmesh Arora
Non-executive, Non-independent Director, Nomination and Remuneration Committee, Chairperson of Risk Management Committee



Mr. Satish Patel
Director - Finance & CFO, Audit Committee, Stakeholders' Relationship Committee, Risk Management Committee



Mr. Klaus Rosenfeld
Non-executive and Non-independent Director

Management Team



Mr. Harsha Kadam - *Managing Director & CEO*

Mr. Kadam is also responsible for Schaeffler's Industrial business in India. He joined Schaeffler in 2018, as President – Industrial Business, a role he continues to hold with more than 25 years of experience.



Mr. Satish Patel - *Director - Finance & CFO*

In his role, he is responsible for the Finance & IT functions of the company. Mr. Patel is associated with the company since 1992 and has a vast experience of over 28 years in the field of controlling and finance management.



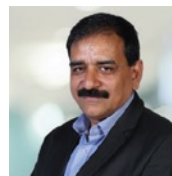
Mr. Sanjeev Saxena - *President (Automotive)*

Mr. Sanjeev Saxena is the President (Automotive) at Schaeffler India. In his role, Mr. Saxena is responsible for handling the Automotive business of Schaeffler in India. Mr. Saxena joined Schaeffler India in October 2019.



Mr. Alok Dave - *Vice President (Purchasing)*

Mr. Alok Dave joined Schaeffler India in 2011 as Vice President in Purchasing at Schaeffler India. In this role, he is responsible for entire Purchasing and Supplier management function in India for Automotive and Industrial businesses.



Mr. Sameer Mathur - *Vice President (Manufacturing), Chief Operating Officer, Risk Management Committee.*

Mr Sameer Mathur is the Chief Operating Officer of Schaeffler India. In his role, he is responsible for the complete operations which includes all factories, manufacturing and production facilities of Schaeffler India.



Mr. Santanu Ghoshal - *Vice President (Human Resources)*

Mr. Santanu Ghoshal is the Vice President of Human Resources at Schaeffler India and the member of Executive Board. In his role, he is responsible for all HR and IR aspects that includes Automotive and Industrial businesses.



Mr. Debasish Satpathy - *Vice President (Automotive Aftermarket)*

Mr. Debasish Satpathy is Vice President and responsible for Automotive Aftermarket Division of Schaeffler India.



Mr. Biswajyoti Mandal - *Vice President (Technology)*

Mr. Biswajyoti Mandal is the Vice President – Technology of Schaeffler India. He is responsible for evolving and maintaining technology solutions, bring technology support to new products and services, and ensure strong daily operations.

Customer Recognitions



TOYOTA

Best Quality
Performance with
Zero Defect



MARUTI SUZUKI

Awarded for
Design and
Development of
Efficient Products



Best Vendor for the
year 2018-2019



JOHN DEERE

Partner Level
Award for the
sixth time in a row



FIAT CHRYSLER AUTOMOBILES

Best Supplier
Award for Zero
Warranty and Zero
PPM



Best Supplier for
Outstanding
Performance in
Quality



Best Supplier
Award for
Consistent Zero
PPM Quality
Performance



Supplier
Excellence Award
for Best Product
Development
Performance



ASHOK LEYLAND

Gold award for
product reliability
from Ashok
Leyland

TOYOTA

First prize in cost
category for Best
Kaizen by Honda
cars India



HYUNDAI

Gold award for
best performance
in logistics
excellence from
Hyundai India



HYUNDAI

Gold award for
excellence in
supply chain 2020
from Hyundai

COVID-19 Response

Employees

- Vaccination of employees
- Leadership outreach
- Timely payment of salaries
- Work-from-home with a dedicated VPN
- Training for over 30,000+ hours
- Online sessions on well-being
- Videos to explain health and safety SOPs



SCHAEFFLER COVID Crisis Management

Community and Government/ Local COVID care

- 13 mn INR donated to PM CARES Fund
- 7.5 mn INR donation to local hospitals in Pune, Hosur and Vadodara for COVID related medicines, PPE kits, ventilators, etc.
- 3 Mobi Health Units reached out to villages regularly

Customers

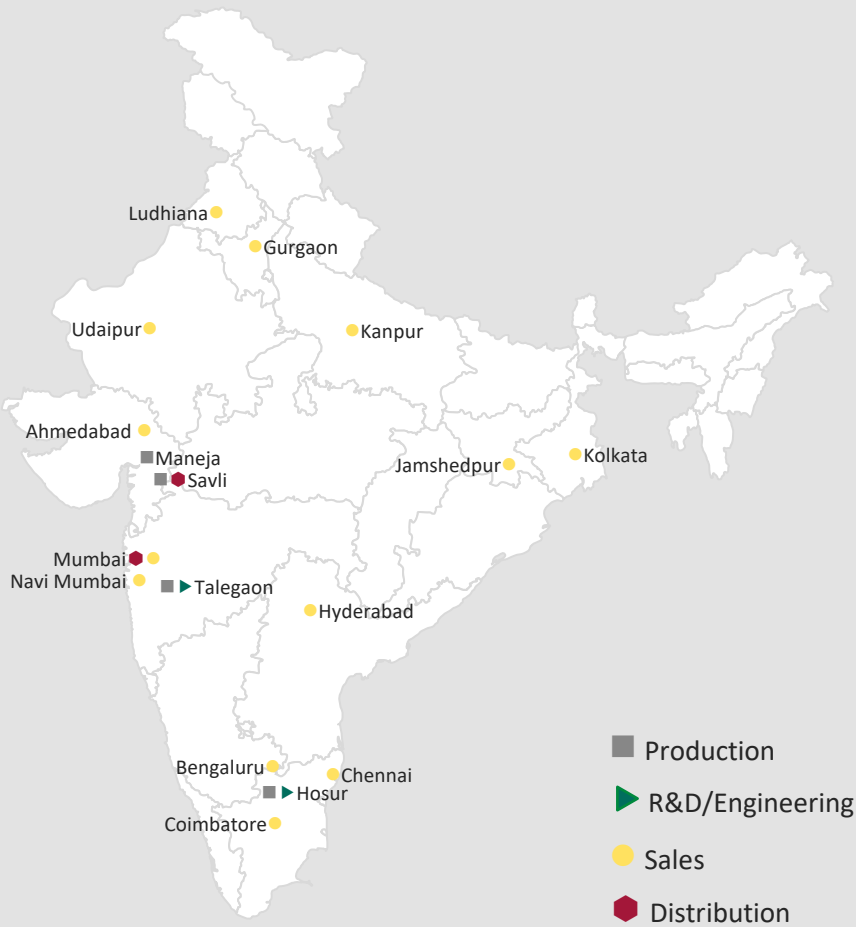
- Clearance of 220 containers in record two weeks
- Regular assessment of supply chain
- Booking of space in ship lines and airlines
- Alternative transport arrangements
- Effective task force of internal and external teams of freight forwards, clearing agents

Suppliers & Service providers

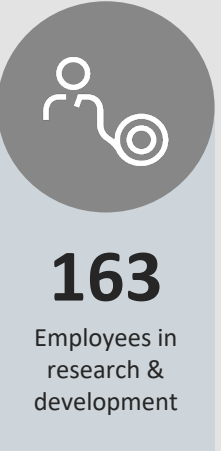
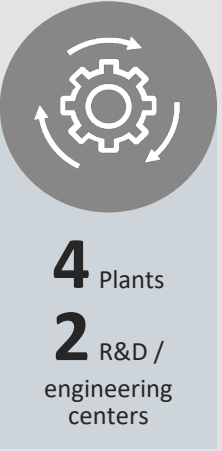
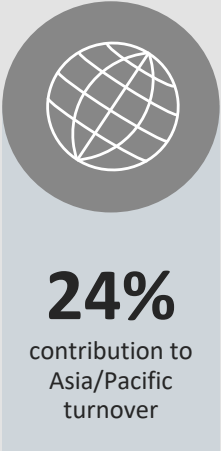
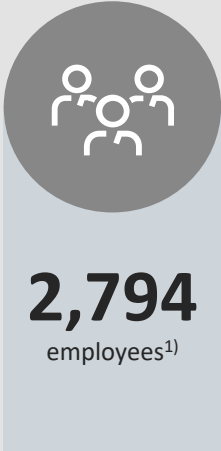
- Availability of adequate working capital
- Timely payments to suppliers & service providers
- Communication for smooth re-start of ensuring quality and timely delivery
- Communicated with suppliers on measures to be taken during restart phase



Schaeffler in India



Map for representation purpose only



- **A strong footprint:** Total Manufacturing Floor Space (sq. mtr.)- 2016: ~ 72,000+; 2020: ~ 90,000.
- **Localisation Ratio:** 2016: 71% ; 2020: 76%
- **R&D expenditure:** in India over the past five years: INR 2,555 mn

Manufacturing Footprint



Pune - Talegaon Plant

- **Year of establishment:** 1998
- **Certifications:** ISO 9001:2000, OHSAS 18001, TS 16949:2002 and ISO 14001
- **Segments:** Automotive Industry, Motorcycles, Precision Equipment, Machine Tools And Material Handling
- **Product range:** Rocker Arm, Cam Rollers, Drawn Cup Needle Roller Bearings, Clutch Release Bearings, One Way Clutch, Transmission Cages Of Steel/Plastic/ Welded Technology



Vadodara - Maneja Plant

- **Year of establishment:** 1962
- **Certifications:** ISO 9001, TS 16949 and ISO 18001
- **Segments:** Construction Machinery, Electrical Engineering, Fluid Technology, Conveying equipment, Industrial Gears, Mining & Cement, Power Generation, Agricultural Engineering, Steel plants, Motorcycles, Textile Machinery, Machine tools, Wind power, Pulp and Paper
- **Product range:** Ball Bearing, Wheel Bearing, Roller Bearing



Vadodara – Savli Plant

- **Year of establishment:** 2012
- **Certifications:** ISO 9001, TS 16949 and ISO 18001
- **Segments:** Cars and Trucks, Two Wheelers, Railways, Renewable Energy, Power Transmission, Heavy Industry, Off Highway, Automation, MRO-Steel, MRO Raw Material, MRO-Power, MRO-Paper and Pulp
- **Product range:** Ball Bearing – Gen C, Large Size Bearing



Hosur Plant

- **Year of establishment:** 1978
- **Certifications:** ISO14001, ISO 9001, TS 16949, OHSAS 18001, EMAS
- **Segments:** Automotive and tractor industry
- **Product range:** Concentric Slave Cylinder Assembly, Clutch Master Cylinder Assembly, Semi Slave Cylinder Assembly, Adapter Assembly, High Pressure Pipe Assembly

Marquee Customers

Industrial Customers








Automotive Customers

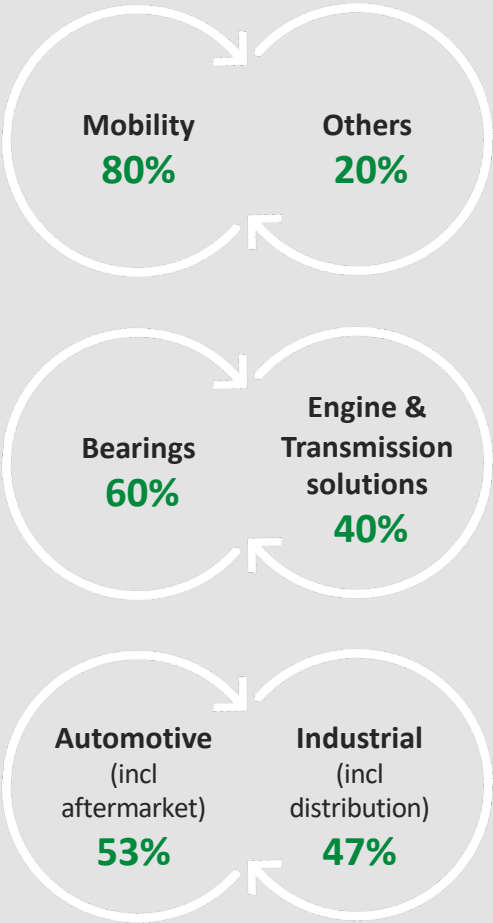




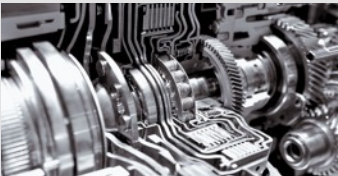


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Balanced business portfolio^

Two Wheelers	
Cars & Light Commercial Vehicles	
Truck & Bus	
Offroad	
Rail	

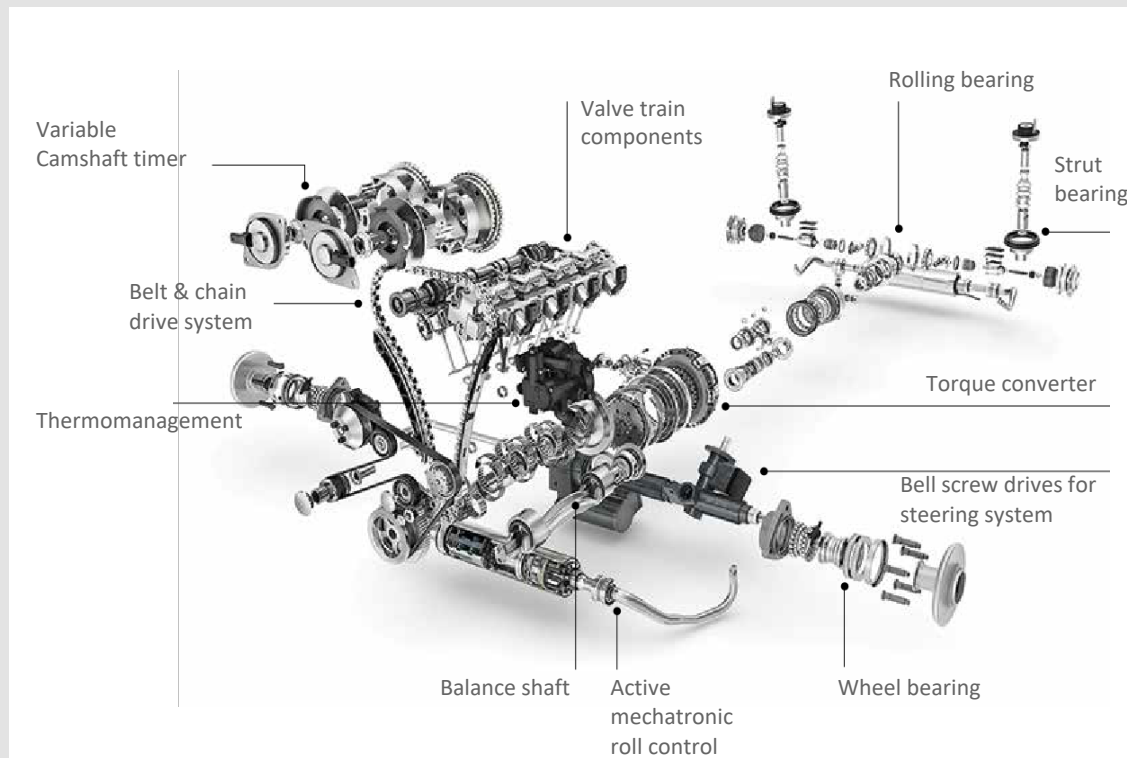


	Raw Materials
	Industrial Automation
	Power Transmission
	Wind
	Aftermarket & Distribution

^ As of 31st December 2020

Automotive Technologies Division

- The Automotive division accounts for 39% share of the total business in Q2 2021.
- Schaeffler provides innovative solutions on a wide range of technologies for the automotive industry; increasing the content per vehicle.
- The automotive precision products are key to reducing fuel consumption and emissions while extending the service life of engines and transmissions, and increase driving comfort and dynamics.



Products

- Chassis components and systems
- Clutches and transmission systems
- Engine components and precision
- Drives for Hybrid and Electric Vehicles (EVs)

Segments catered

- Commercial Vehicles
- Passenger vehicles
- Tractors

Applications

- Belt and chain drive systems
- Variable camshaft timer
- Rolling bearing
- Strut bearing
- Torque converter
- Ball screw drives for steering systems
- Wheel bearing
- Active mechatronic roll control
- Balance shaft
- Thermo-management

Industrials Division

- This division contributes 39% in Q2 2021 to the entire business with over 40,000+ applications across varied industries.
- The product spectrum includes bearing supports and components, which contributes to the quality of industrial applications.
- The industrial business continues to enhance Schaeffler's wallet share with existing relationships and help add new clients across the value chain.



Products

- Rolling and plain bearings
- Linear guidance system
- Maintenance products
- Maintenance services
- Mechatronics
- Digital services

Segments catered

- Wind energy
- Railways
- Industrial automation
- Two-wheelers
- Off-highway
- Power transmission

Applications

- Linear technology (Ball and roller bearing and guideway assemblies, hydrostatic linear guidance systems, and complete systems)
- Direct Drives (Rotary and linear direct drives, including electronic sub-assemblies)
- Maintenance (Products and services for mounting, maintenance and condition monitoring)
- Mechatronics (Bearings with integrated additional functions, e.g. using sensors or generators)

Industrials Product Portfolio

Rolling bearings and Plain bearings



Ball Bearings



Roller Bearings



Other Rolling Bearings



Radial Insert Ball Bearing and Housing Units



Bearing Housing



Plain Bearings

Maintenance Products



Mounting and Dismounting



Lubrication



Alignment

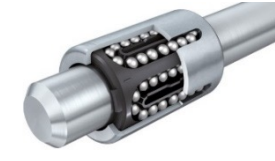
Linear guidance systems



Monorail Guidance System



Track Roller Guidance System



Shaft Guidance System



Miniature Plain Guidance System



Miniature Cage Guidance System



Driven Linear Units



Flat Cage Guidance System



Linear Roller Bearings

Mechatronics



Condition Monitoring



Mechatronic Products



Analytical Systems for Conditional Monitoring

Automotive Aftermarket Division

Light Commercial Vehicles



Intelligent solution for light commercial vehicles

Passenger Cars



Outstanding competence in systems and services

Tractors



Dependable solutions for tractors.

Heavy Commercial Vehicles



Repair solutions for extended service life

- The Automotive Aftermarket division accounts for 8% share of the total business in Q2 2021.
- This segment is focused on providing services which plays an important role in growing reach and connect with mechanics and other influencer groups.
- Provides intelligent solutions for all light & heavy commercial vehicles, and tractor clutches.
- Schaeffler Automotive Aftermarket products stand for advanced technology and outstanding quality.
- Our Mobile Training Centre, REPPERT supports garages with up-to-date vehicle data and detailed information, bundling the technical services.

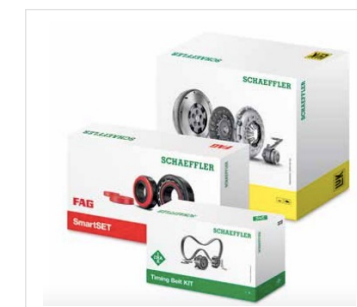
Products

Replacement Parts for

- Transmission
- Engine Components
- Chassis Components

Intelligent Solutions for

- Repair and service points via platforms such as REPPERT.



Segments catered

- Repair Garages.
- Multi Band garages.
- Fleet workshops.
- Retail Markets.

Our expertise & Experience

- Repair solutions
- Training & development
- Quality parts

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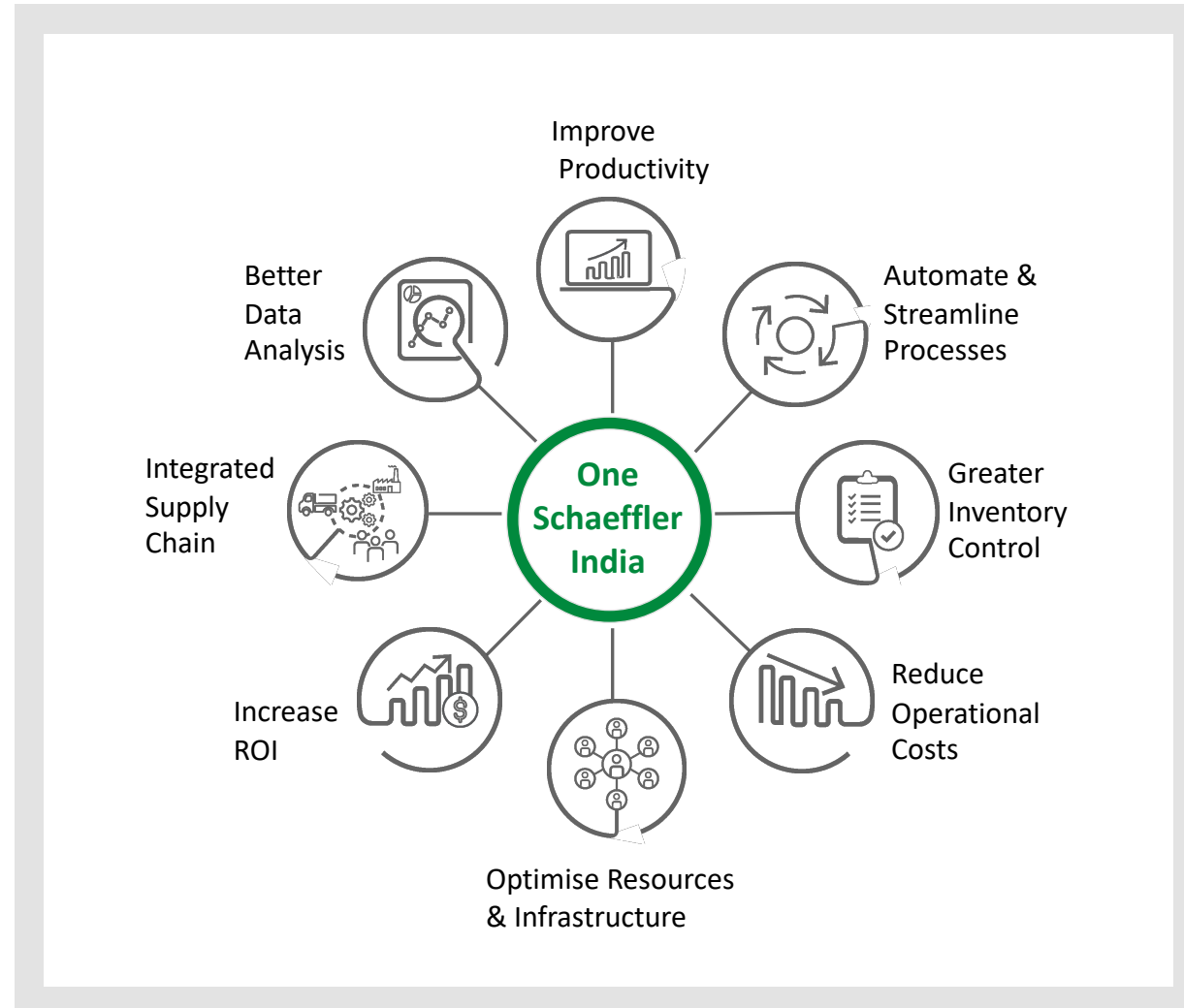
One Schaeffler Strategy

Building capacities for an integrated ecosystem

- We have set up best-in-class infrastructure for manufacturing, storing and distributing our products.
- In addition to enhancing utilisation and making the requisite capacity expansions from time to time, we also strive to achieve higher efficiencies and become a leaner organisation.
- During 2020, we streamlined operations across all our locations to remove duplication and redundancies that came to the fore post the merger. We have successfully merged the operations seamlessly into one, integrated organisation.
- To achieve this, we ensured a re-look at the different operational processes of each entity to identify areas of improvement.
- We have made considerable progress in establishing a new, integrated inbound and outbound network via our centralised warehouses.

Benefits of the new logistics system

- Consolidation of load across our network of plants and warehouses
- Optimisation of material storage and movement across different locations
- Quicker availability of products
- Better planning, documentation and execution of the order
- Timely delivery to customers
- Reduced number of levels across the entire process
- Improved overall supply chain network

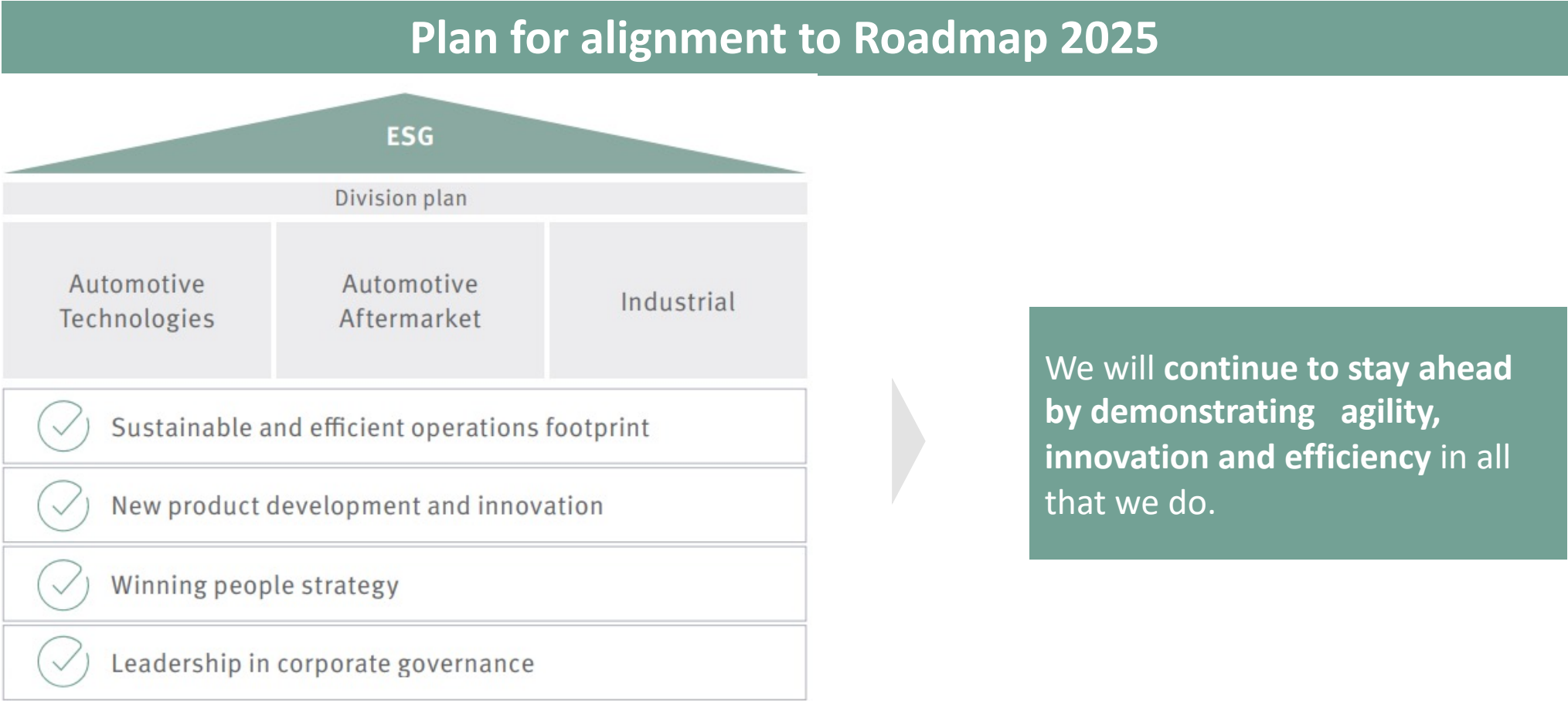


We keep strategic course globally

Schaeffler launched its Global Roadmap 2025

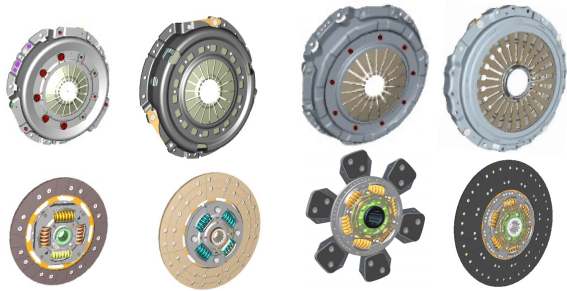


Intact Long term growth story



Future ready products and new launches

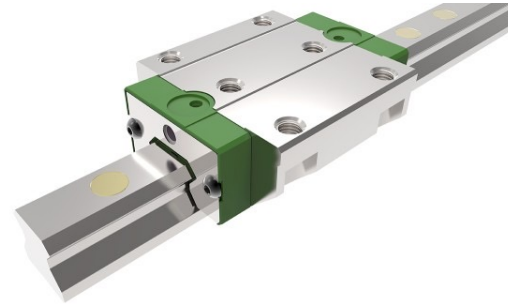
Automotive Technologies



Future ready products

- 1 Superior performance with increased life
- 2 Less clutch pedal effort and vibrations
- 3 Reduced Total cost of ownership

Industrial



Linear assembly guideways

- 1 High positional accuracy, effortless installation
- 2 Long life with accurate high-speed motion with less driving force
- 3 Equal loading capacity in all directions

Automotive Aftermarket



Lubricant Schaeffler TruPower

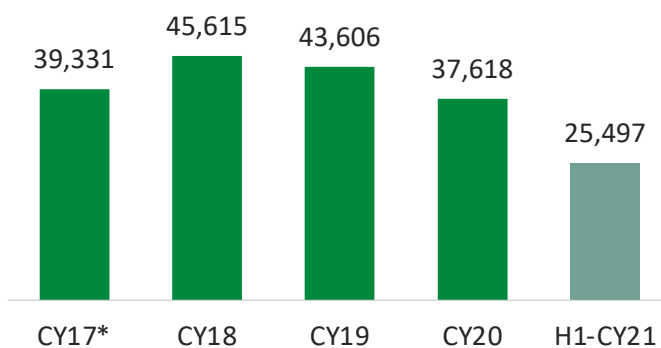
- 1 Premium base oil with enhanced additives technology
- 2 Complete Range across Vehicle Segments
- 3 First Movers to introduce BS VI Range

Agenda

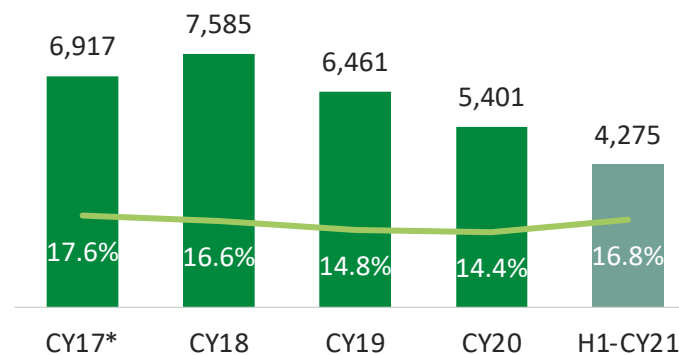
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Key Financial Highlights

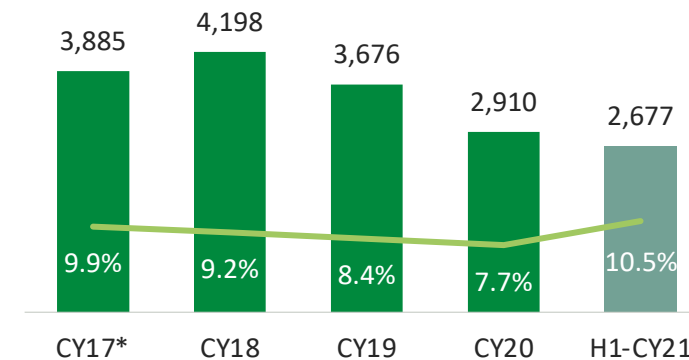
Revenues (INR Mn)



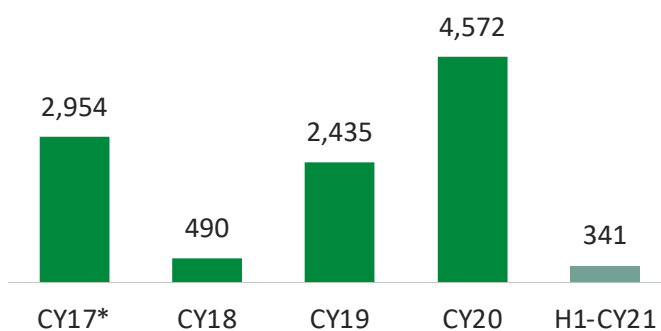
EBITDA & EBITDA Margin (%)



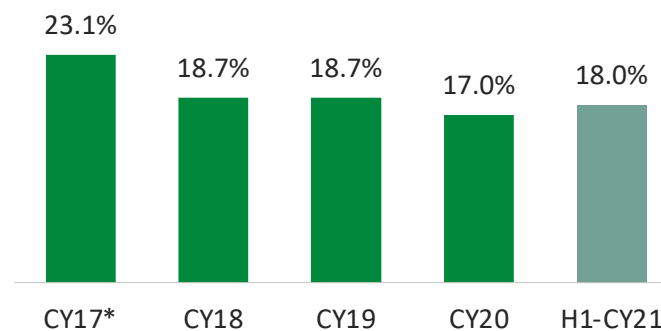
PAT & PAT Margin (%)



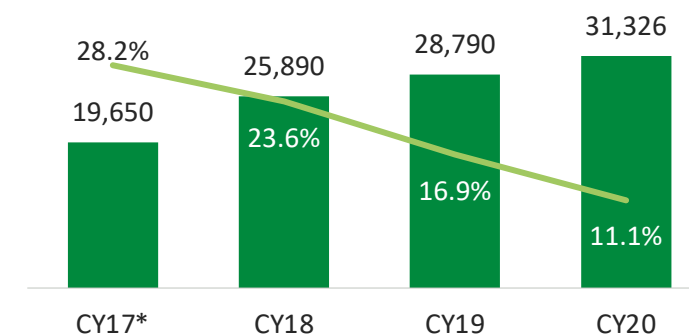
Free Cash Flows (INR Mn)



Working Capital (% to Sales)

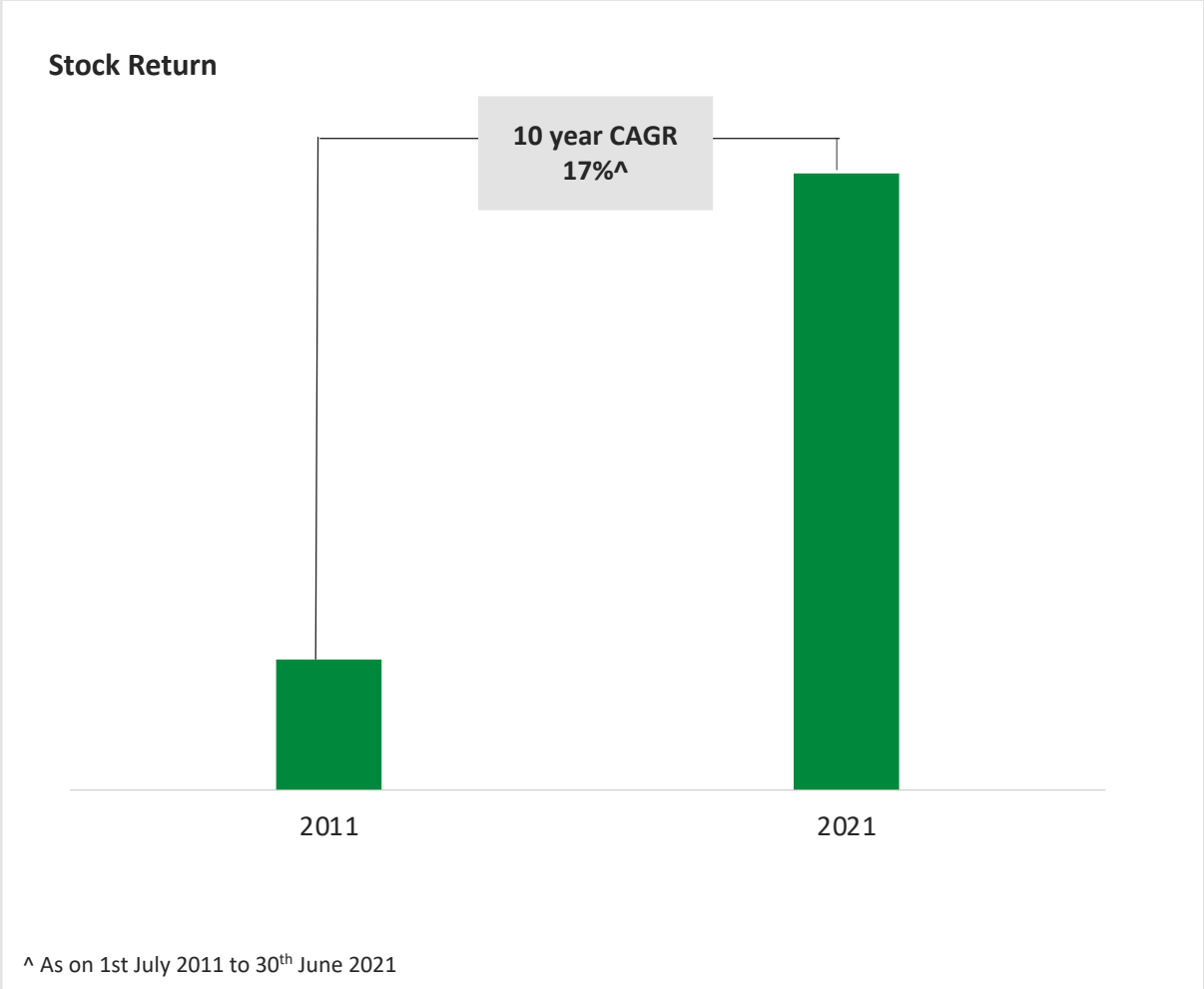
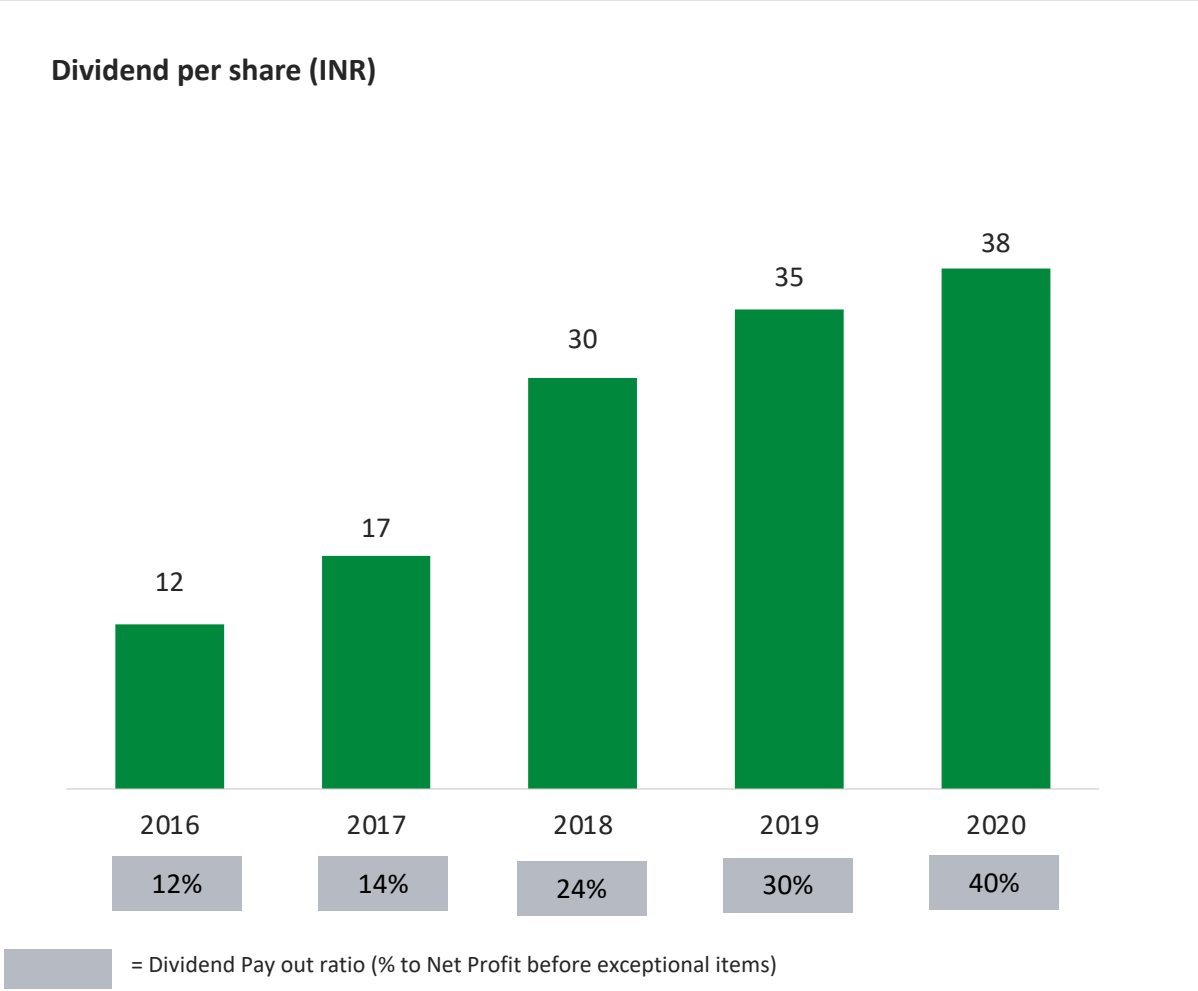


Average Capital Employed & ROCE (%)



(*) CY17 Numbers are on a proforma basis

Shareholder Value Creation



Income Statement

Particulars (INR Mn)	CY18	CY19	CY20	H1-CY21
Revenue from Operations	45,615	43,606	37,618	25,497
Other Income	189	125	40	76
Expenses	38,219	37,270	32,257	21,298
EBITDA	7,585	6,461	5,401	4,275
EBITDA Margin (%)	16.6%	14.8%	14.4%	16.8%
Interest Income	719	507	563	272
Finance cost	70	35	52	18
Depreciation and amortisation expenses	1,485	1,587	1,940	963
Exceptional Items	(432)	(3)	-	-
Profit before tax	6,317	5,343	3,972	3,566
Tax expense	2,119	1,667	1,062	889
PAT	4,198	3,676	2,910	2,677
PAT Margin (%)	9.2%	8.4%	7.7%	10.5%
Other Comprehensive income	(48)	15	(35)	15
Total Comprehensive income	4,150	3,691	2,875	2,692
Basic and Diluted EPS (INR)	134.3	117.6	93.1	85.6

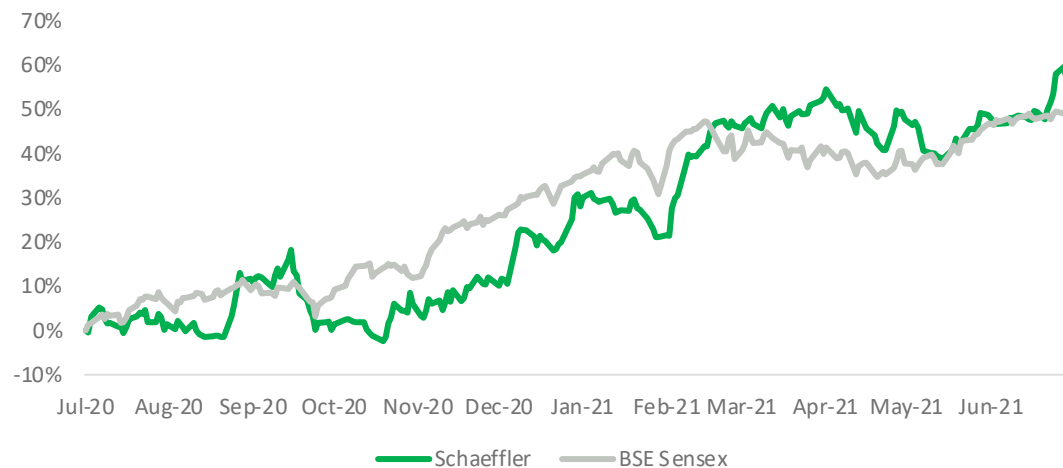
Balance Sheet

Assets (INR Mn)	CY19	CY20	H1-CY21
Non-current Assets			
Property, plant & equipment	8,943	9,259	9,267
Right of use assets	-	798	768
Capital work-in-progress	1,663	1,604	1,506
Other tangible assets	3	2	1
Financial assets			
Loans	95	96	97
Other financial assets	1,391	764	5
Deferred tax assets	235	363	373
Non-current tax assets	815	1,003	771
Other non-current assets	660	481	622
Total Non-current Assets	13,805	14,370	13,410
Current Assets			
Inventories	7,205	7,136	10,232
Financial assets			
Trade receivables	6,319	6,917	7,727
Cash and cash equivalents	1,159	2,108	1,010
Bank balances other than above	7,195	10,351	11,359
Loans	78	50	31
Other financial assets	244	174	221
Other current assets	447	408	758
Total Current Assets	22,647	27,144	31,338
Total Assets	36,452	41,514	44,748

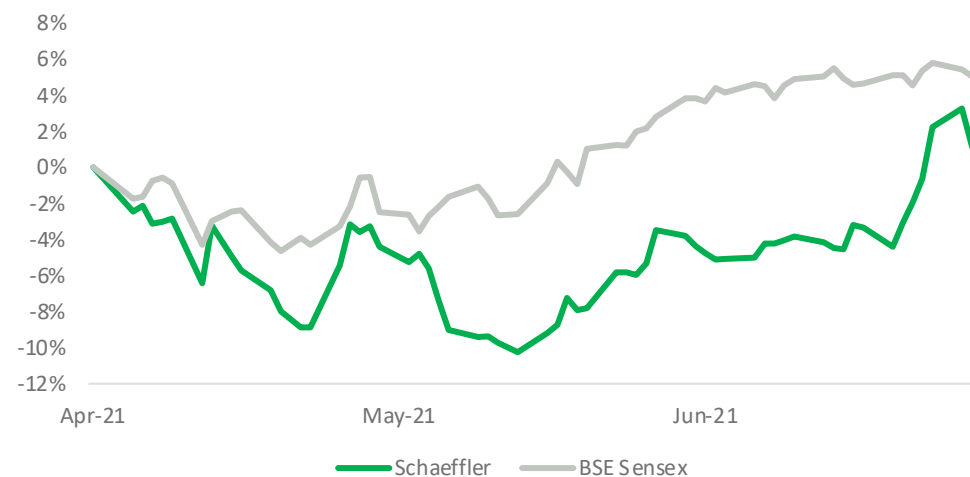
Equity and Liabilities (INR Mn)	CY19	CY20	H1-CY21
Equity			
Equity share capital	313	313	313
Other equity	29,309	31,090	32,650
Total Equity	29,622	31,403	32,963
Liabilities			
Non-current Liabilities			
Financial Liabilities			
Lease liabilities	-	566	549
Other financial liabilities	33	23	24
Provisions	421	403	25
Total Non-current liabilities	454	992	598
Current Liabilities			
Financial Liabilities			
Lease liabilities	-	85	88
Trade Payables			
Total outstanding dues of micro enterprises and small enterprises	19	50	70
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,973	7,636	9,258
Other financial liabilities	1,035	980	1,089
Other current liabilities	133	99	80
Provisions	186	256	590
Current tax liabilities	30	13	12
Total Current Liabilities	6,376	9,119	11,187
Total Liabilities	6,830	10,111	11,785
Total Equity and Liabilities	36,452	41,514	44,748

Capital Market Data

1 Year Stock Return (as on 30th June, 2021)



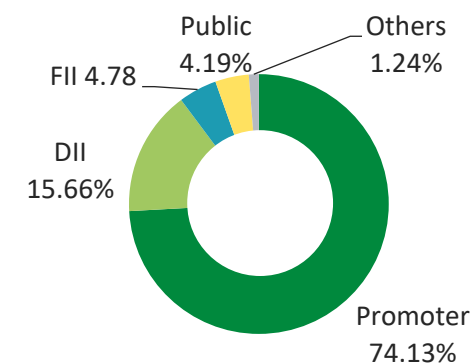
3 Months Stock Return (as on 30th June, 2021)

Price Data (As on 30th June 2021)

Face value (INR)	10
Market Price (INR)	5,641.25
52 Week H/L (INR)	5,745/ 3,437
Market Cap (INR Mn)	176,349.61
Equity Shares Outstanding (Mn)	31.26
1 Year Avg. trading volume ('000)	17.23

Key Shareholders

Kotak Mutual Funds	4.26
UTI Mutual Funds	3.16
SBI Mutual Funds	2.08
HDFC Life Insurance Company Limited	1.46
HDFC Trustee Mid Cap opportunities Fund	1.08

Shareholding Structure (As on 30th June, 2021)

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