



SONA COMSTAR

Date: - 27th July, 2023

BSE Ltd. Regd. Office: Floor - 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.	National Stock Exchange of India Ltd. Listing Dept., Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051
BSE Scrip Code: 543300	NSE Scrip: SONACOMS

Subject: Investor Presentation for the quarter ended 30 June 2023

In compliance with Regulation 30 read with Para 15(a) of Part A of Schedule III and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Investor Presentation *inter-alia*, encompassing an overview of the Company, its operations and Unaudited Standalone and Consolidated Financial Results for the quarter on ended 30 June 2023, subjected to Limited Review.

Kindly take the same on record.

Thanking you

Thanking you,

For SONA BLW PRECISION FORGINGS LIMITED

Ajay Pratap Singh
Vice President (Legal), Company Secretary and Compliance Officer

Enclosed: As above



SONA COMSTAR

Q1 FY24 Earnings Presentation

27 July 2023

Disclaimer

The Future of
Mobility is
E.P.I.C.

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Our Management



**Mr. Kiran Manohar
Deshmukh**
Group CTO



Mr. V. Vikram Verma
CEO, Driveline Business



Mr. Sat Mohan Gupta
CEO, Motor Business



Mr. Rohit Nanda
Group CFO



Mr. Vivek Vikram Singh
MD & Group CEO



Mr. Amit Mishra
Head, Investor Relations

Q1 FY24 Financial Performance Highlights

7,322 mn | 24%

Revenue | YoY Growth

2,034 mn | 43%

EBITDA | YoY Growth

1,120 mn | 48%

PAT | YoY Growth

27.8% EBITDA Margin

15.3% PAT Margin

1,843 mn | 13%

BEV Revenue | YoY Growth

26%

Q1 FY24 Revenue Share
from BEV

The image shows four glowing orange, net-formed differential gears arranged in a diagonal line on a dark metal mesh conveyor belt. The gears have a complex, multi-lobed shape and are illuminated from within, giving them a bright, fiery appearance. The background is dark and industrial, with some structural elements visible.

Update on our Strategic Priorities

Net formed differential gears coming out of our forging press

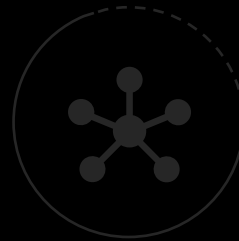
Update on our Strategic Priorities



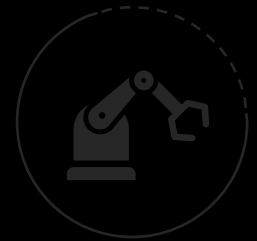
Electrification



**Global Market
Significance**



Diversification



Technology

Sizeable and Increasing Presence in EVs



26%

Q1 FY24 Revenue Share
from BEV

1,843 mn

Q1 FY24 BEV segment
revenue

13%

Q1 FY24 BEV revenue
YoY growth

42

(10+10+22)¹

EV Programs¹ awarded across
26 customers as at the end of
Q4 FY23

+4



46

(10+13+23)¹

EV Programs¹ awarded across
27 customers as at the end of
Q1 FY24

Notes:

1. Include only BEV and PHEV programs currently in serial production as well as in the orderbook; numbers in brackets to be read as (# of programs in fully ramped up production + # of programs in ramp-up + # of programs not yet in production)

Three new EV order wins have strengthened our position both in the new segments and with existing customers



Differential Assembly

For Class 5 Electric CVs

New Customer

North American New Age OEM of Electric CVs

₹ 4,050 mn

addition in our orderbook

Q4 FY25

Start of Production



Hub-Wheel Traction Motor

For Electric 2-Wheelers

Existing Customer

Indian OEM of Electric and ICE 2-Wheelers

₹ 3,600 mn

addition in our orderbook

Q4 FY24

Start of Production



Mid-Drive Traction Motor & Controller

For Electric OHVs

Existing Customer

Indian OEM of Electric OHVs and 3-Wheelers

₹ 900 mn

addition in our orderbook

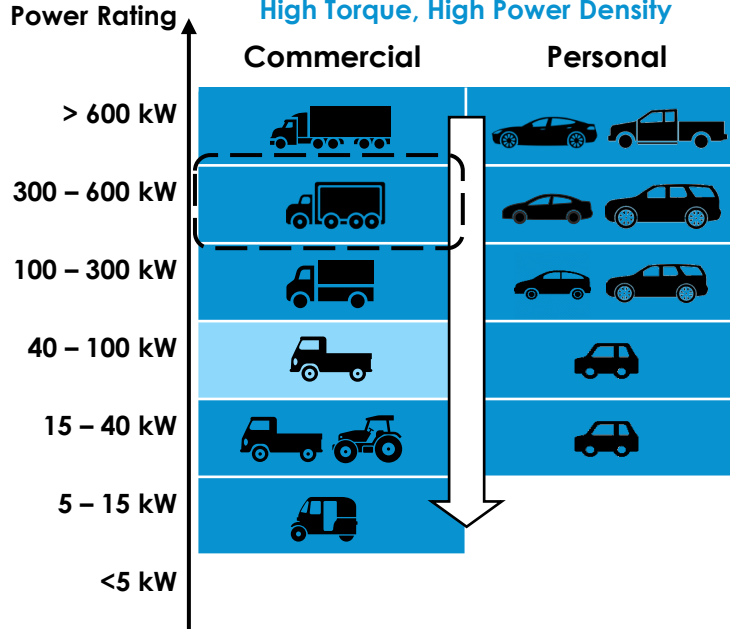
Q4 FY24

Start of Production

Electrification: Our Approach to Market

Driveline Solutions

Core Strength:
High Torque, High Power Density

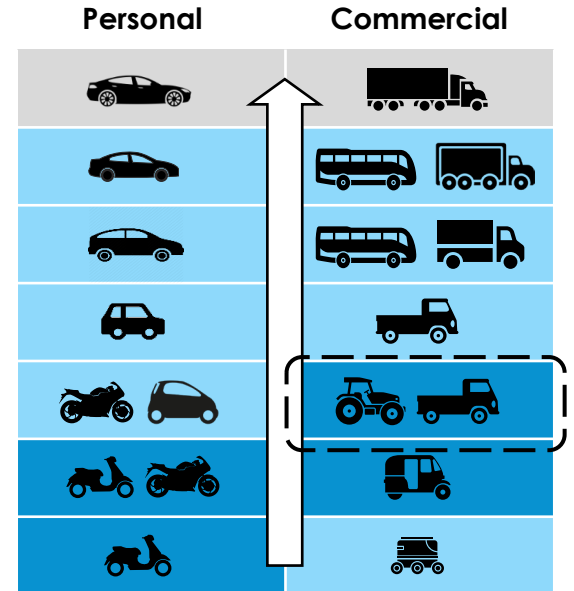


EV Products



Motor Solutions

Core Strength:
Low Voltage, High Power Density



In serial production or in orderbook

To be added between CY23-25

Category added in orderbook during Q1FY24



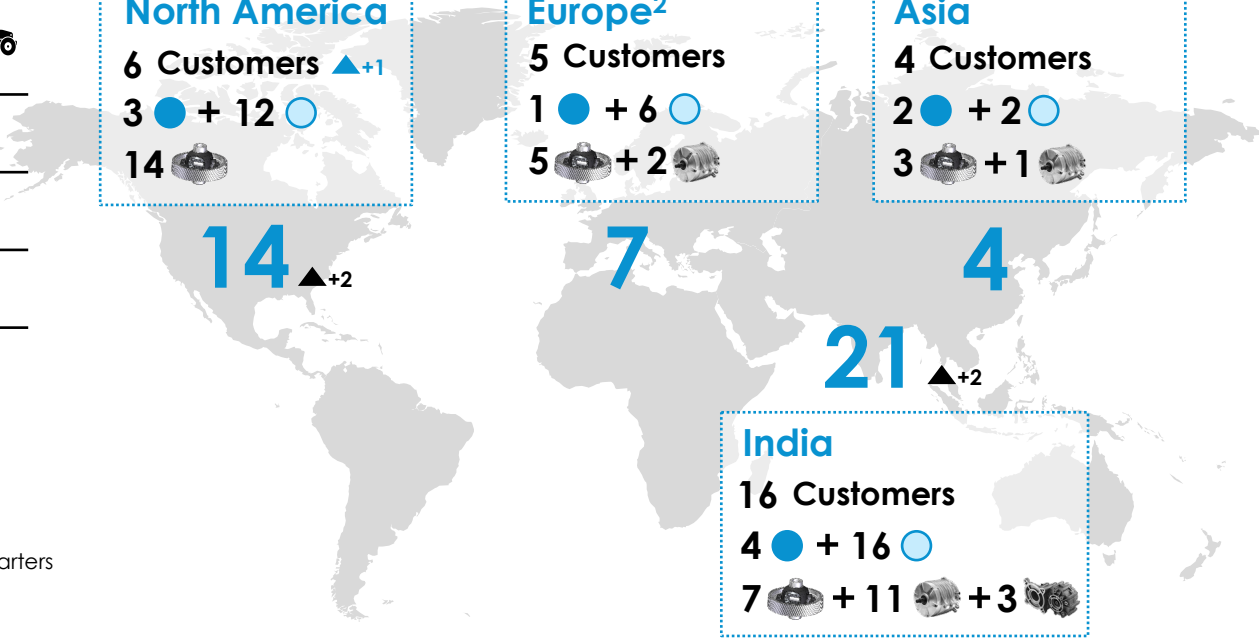
46 EV programs across 27¹ different customers

No. of programs customers			
	23 10	-	6 6
	3 3	10 8	1 1
	-	3 3	-

North America
 6 Customers ▲+1
 3 ● + 12 ○
 14

Europe²
 5 Customers
 1 ● + 6 ○
 5 + 2

Asia
 4 Customers
 2 ● + 2 ○
 3 + 1



India
 16 Customers
 4 ● + 16 ○
 7 + 11 + 3

- Programs in fully ramped-up production
- Programs in ramp-up or not yet in production
- Programs for geartrain components
- Programs for traction motors, IMCM and PHEV starters
- Programs for e-Axle

▲+x denotes the change during Q1 FY24

Notes:

- 2 customers are present in more than one geography
- Europe geography includes the UK

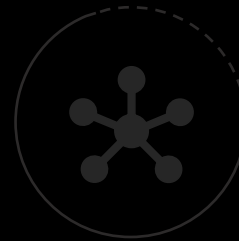
Our Strategic Priorities



Electrification



Global Market
Significance

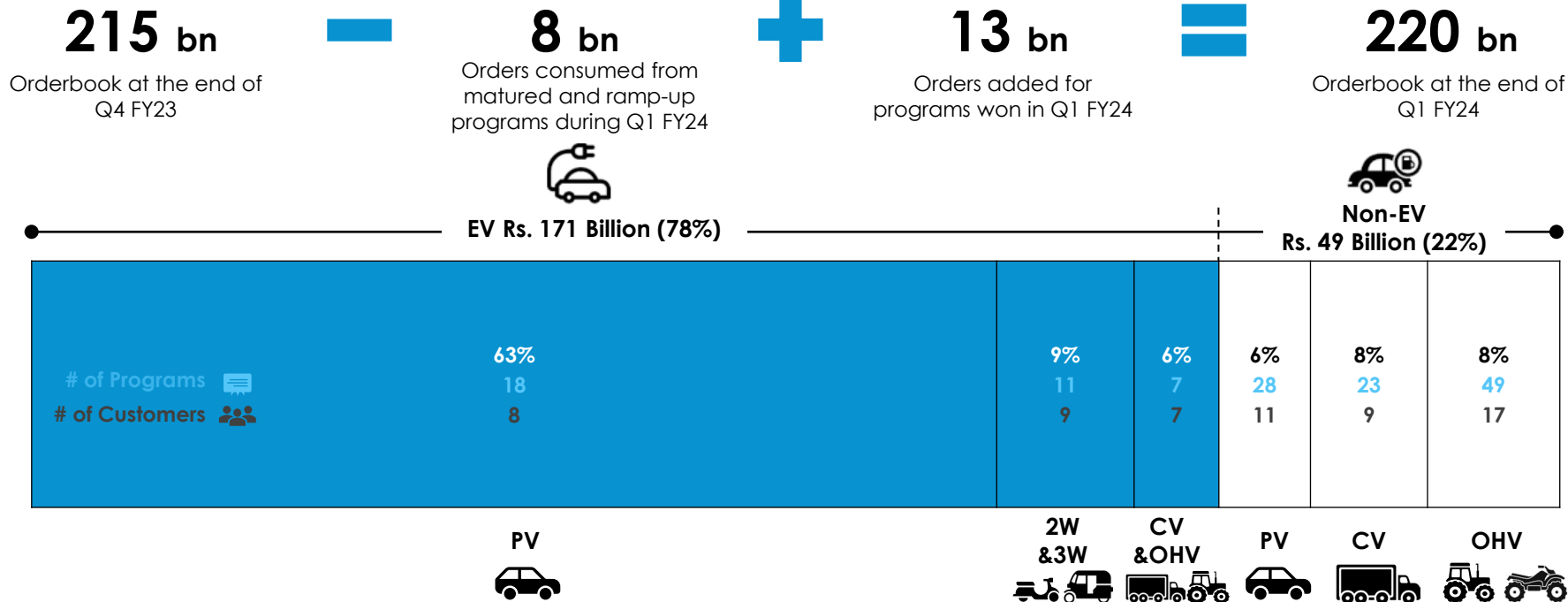


Diversification



Technology

Our net order book¹ grows to ₹220 billion (8.2x FY23 revenue)



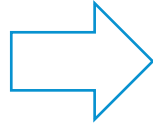
Notes:

1. Net order book means the aggregate revenue from awarded programs which are either yet to start production or are yet to fully ramp up, in the next 10 years, after adjusting for the negative impact of all programs that are expected to reach end of life or be phased out. We have also applied a discount to accommodate any unforeseen delays or changes in program launches that may happen in the future.

A significant order win from a global recreational OHV maker marks our entry into a new segment of mobility



**Final Drive
Differential Assembly**



For Recreational Off-Highway Vehicles



New Customer

**Global OEM of
Recreational OHVs**

₹ 4,300 mn

addition in our orderbook

Q2 FY25

Start of Production

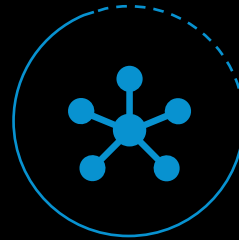
Our Strategic Priorities



Electrification



Global Market
Significance



Diversification



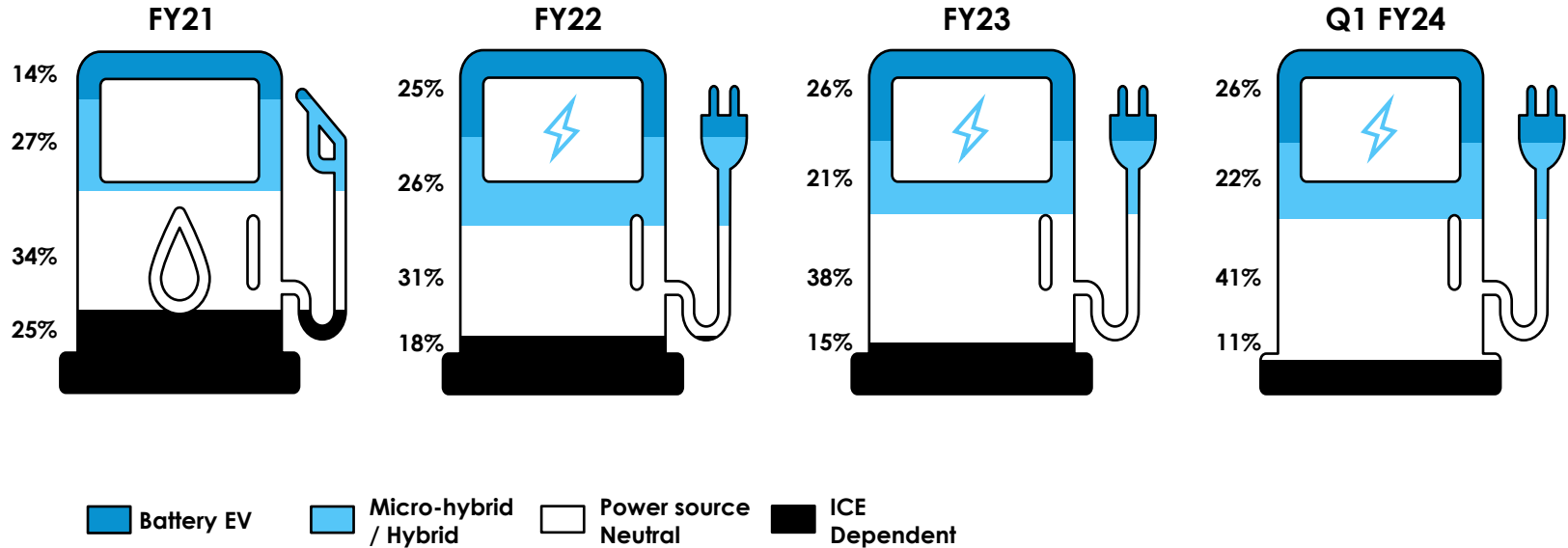
Technology



Diversified Revenue Mix – By Powertrain

Battery EV increasing as a % of our revenue continues to be our dominant and secular theme

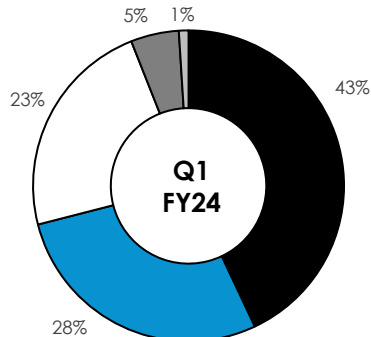
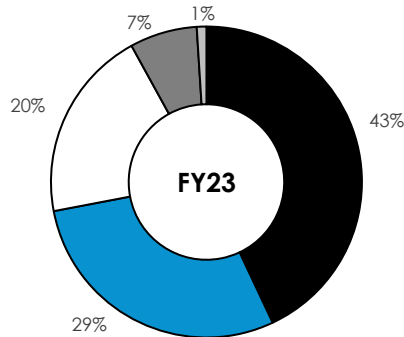
Our pure ICE dependence continues to reduce steadily going from 25% in FY21 to 11% in Q1 FY24



Diversified Revenue Mix

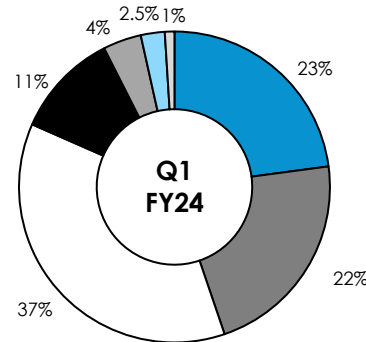
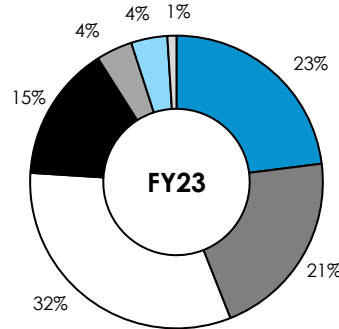


By Geography



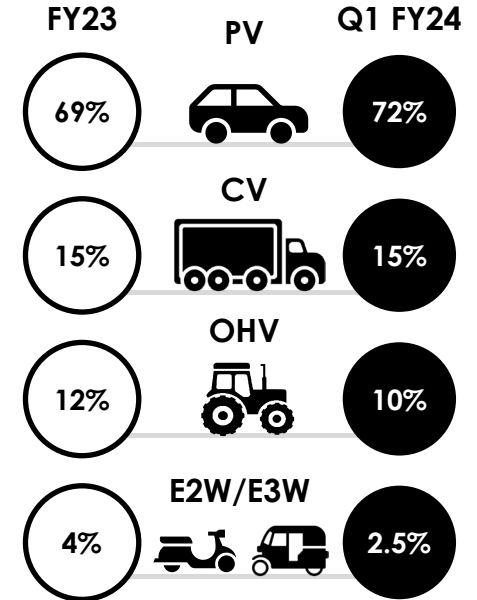
■ North America ■ India □ Europe ■ Asia (excl. India) □ RoW

By Product



■ Differential Assembly ■ Micro/Plug-in Hybrid Starter Motors
 □ Differential Gears ■ Conventional Starter Motors
 ■ Others Drivetrain Parts ■ Traction Motors
 □ Others

By Vehicle segment



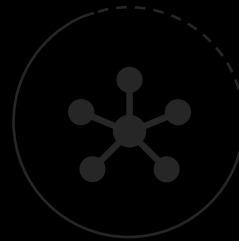
Our Strategic Priorities



Electrification



Global Market
Significance



Diversification

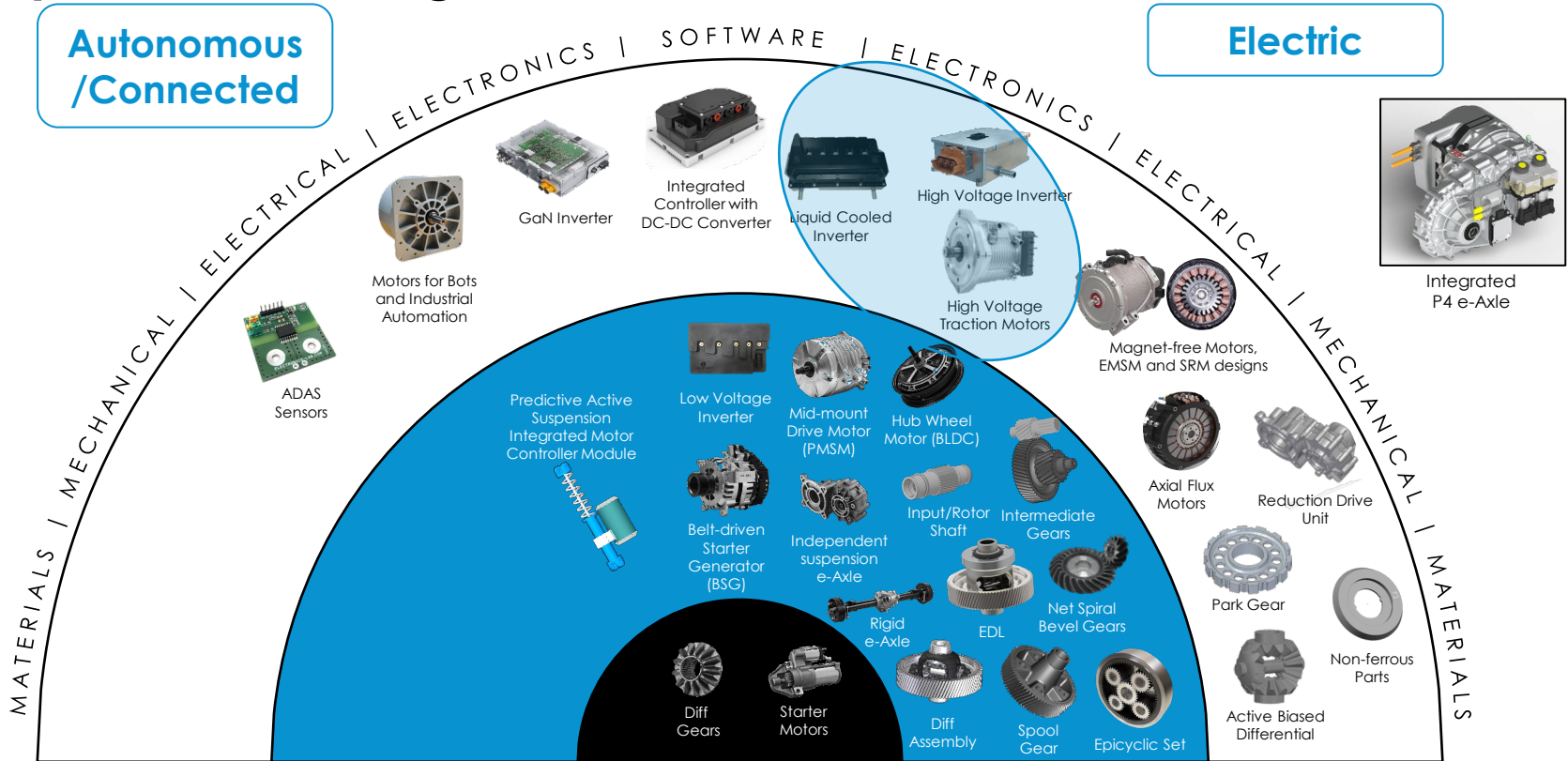


Technology

We are adding High Voltage Traction Motors and Inverters to our product offerings

Autonomous /Connected

Electric



Future Products
 Current Products
 Legacy Products

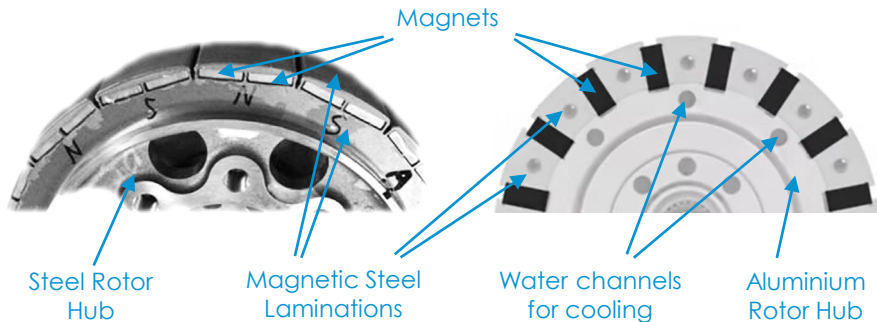
Note: The product images shown are for illustration purposes only and may not be an exact representation of the products

Equipmake's spoke architecture is a proven technology making their motors amongst the best in the world in power density

Conventional Architecture

vs

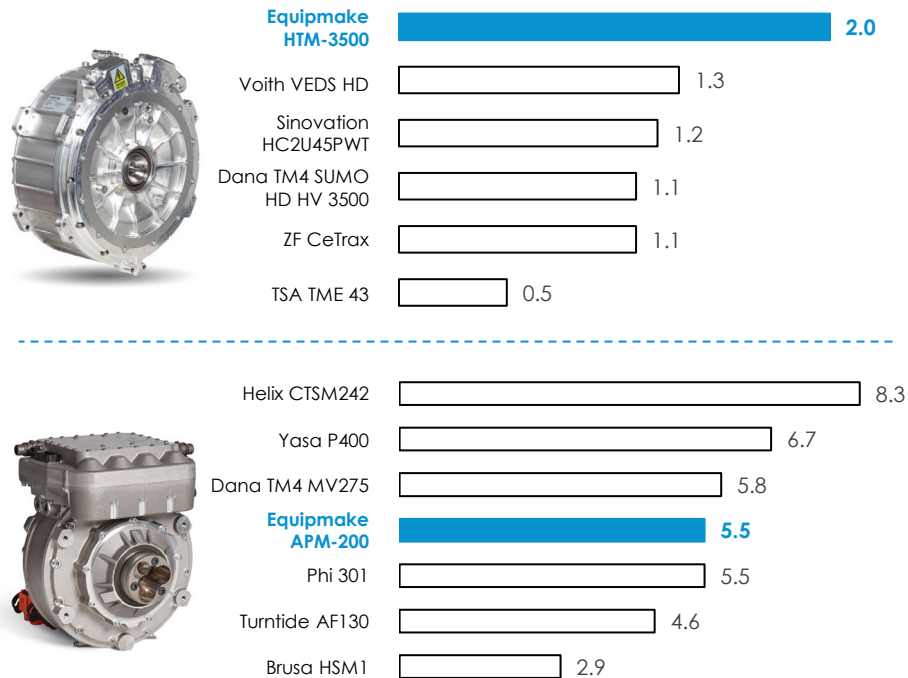
Spoke Motor Architecture



Advantages of Spoke Architecture & Patented Rotor Design

- 1 Non-magnetic Aluminium Rotor Hub
- 2 Integrated Water Channels for Effective Rotor Cooling
- 3 Automated Process for Concentrated Winding
- 4 Effective Use of Magnets

Power Density (kW/kg) Comparison¹ – Equipmake vs Others



1. Data Sources: Company Websites of respective motor makers

We have licensed their well-tested and delivered products for selected markets and will support them with manufacturing also

Tested and Delivered their technology to many customers



First Group (UK)

Repowered 12 buses; Secured another order for a double-deck bus

London Routemaster

Customer trials of an Equipmake converted fully-electric London Routemaster

Emergency One (UK)

Bespoke EV drivetrains for Emergency One Fire Trucks; Secured further orders

Agrale (Argentina)

Zero-emission powertrain fitted bus finished pre-service trials; started in-service trials also

European Electric Hypercar

Long-term contract to supply ASIL-D compliant motor drive inverter

Scope and Terms of our Agreement with Equipmake

Products Covered

- EV Powertrains (Power output: 100 kW to 440 kW)
- HTM 3500 motor & inverter
- APM 200 motor & inverter

Target Application

- Electric Passenger Cars
- Electric Buses
- Electric CVs
- Electric OHVs including tractors

Scope Distribution

- Equipmake to provide validated design
- Sona Comstar has exclusive rights to sell these products in the licensed territory (India, Thailand, and select South Asian markets)
- Sona Comstar will manufacture these products in India and supply to its customers in the licensed territory and to Equipmake for other markets

License Fee & Royalty

- One-time fee for each motor
- Variable royalty payment

Target SOP

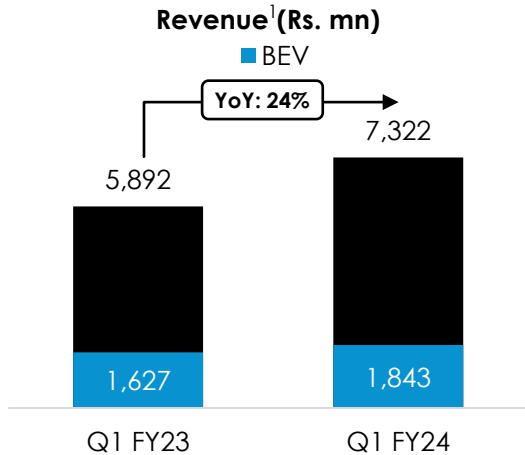
- Production is targeted to start in 2025



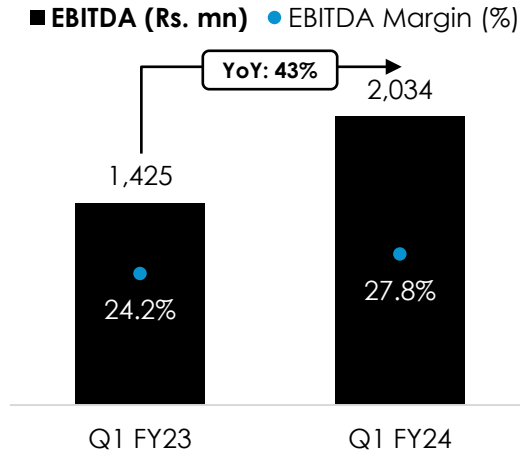
Q1 FY24 Financial Update

Our final drive gears

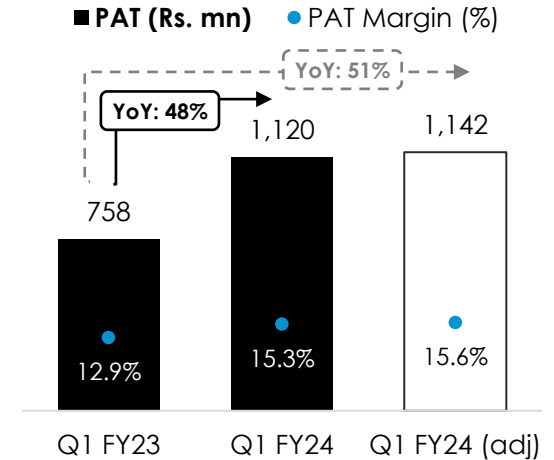
Q1 FY24 Financials



- BEV Revenue grew by 13% and constitutes 26% of total revenue
- Non-BEV Revenue grew by a robust 28% while light vehicle sales in our top-3 markets (North America, India, and Europe) grew by 15%



- EBITDA Margin is higher by ~3.6% largely due to the positive impact of product mix and operating leverage



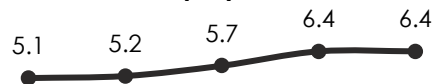
- PAT for Q1FY24 has been adjusted for exceptional expenses related to diligence work for acquisition
- Adjusted PAT margin improvement reflects improved EBITDA margin

Notes:

1. Revenue includes net gain from foreign exchange

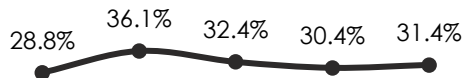
Key Ratios

VA/Employee cost



Mar-20 Mar-21 Mar-22 Mar-23 Jun-23

RoCE (%)



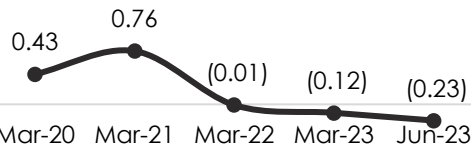
Mar-20 Mar-21 Mar-22 Mar-23 Jun-23

RoE (%)



Mar-20 Mar-21 Mar-22 Mar-23 Jun-23

Net Debt to EBITDA



Mar-20 Mar-21 Mar-22 Mar-23 Jun-23

Working Capital Turnover



Mar-20 Mar-21 Mar-22 Mar-23 Jun-23

Fixed Asset Turnover

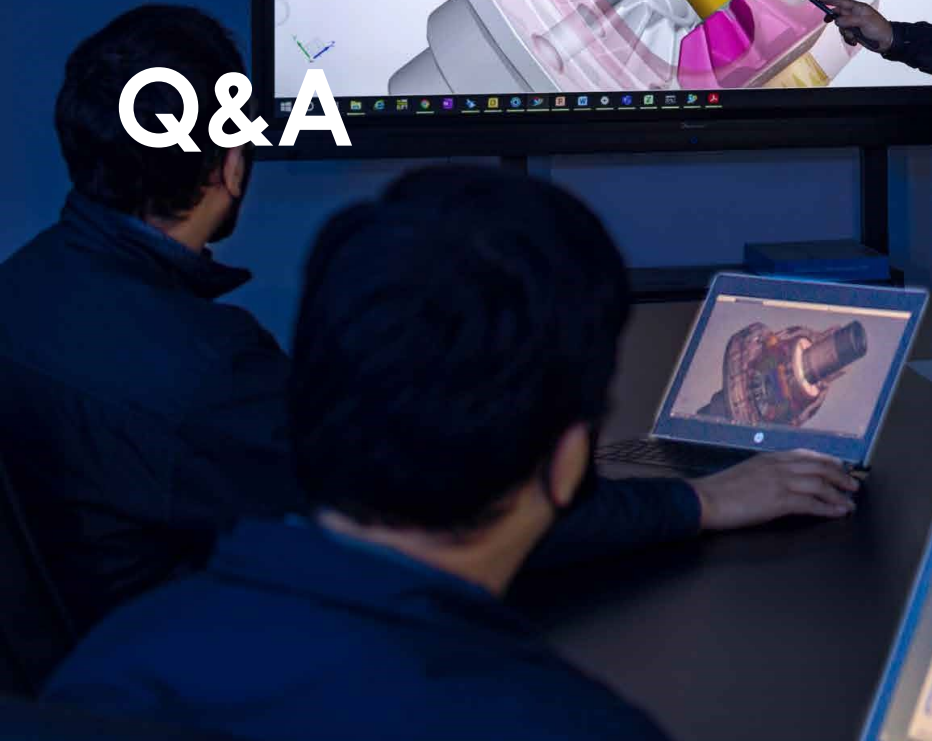
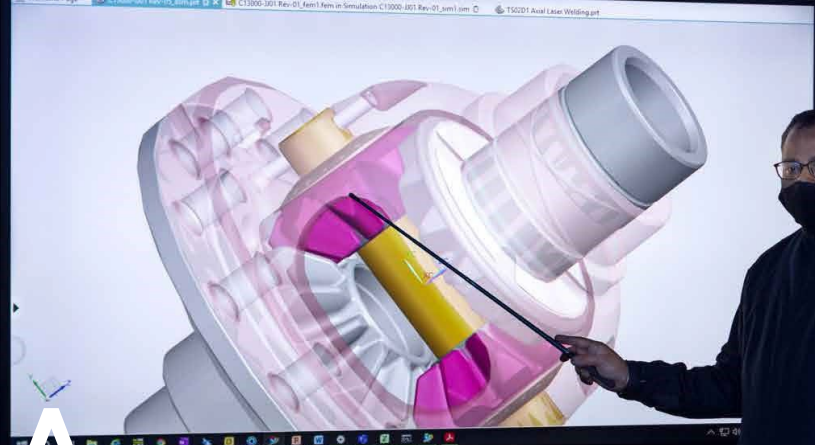


Mar-20 Mar-21 Mar-22 Mar-23 Jun-23

Note:

- 1) VA/Employee Cost = Material margin/ (Employee cost + Manpower cost on hiring)
- 2) ROCE = LTM EBIT/ Average tangible capital employed
- 3) ROE = LTM PAT/ Average tangible net worth
- 4) Net Debt to EBITDA = Short-term & long-term debt less cash, bank balances & mutual fund investments / LTM EBITDA
- 5) Working Capital Turnover = LTM Revenue/ Average net working capital
- 6) Fixed asset turnover = LTM Revenue/ Average Tangible net block
- 7) Mar-20 numbers are based on pro-forma financials
- 8) RoCE and RoE for earlier years have been recalculated due to merger

Q&A



New Product Development Discussion



Appendix

Inside view of our manufacturing plant at Manesar, Haryana

One Vision

To become one of the World's
most **Respected** and **Valuable**
Auto Technology companies
for our
Customers, Employees &
Shareholders

Our story so far...

Phase - 1

- 18 Customers
- 2 Plants
- 1 Product

Phase - 2

- 22 Customers
- 2 Plants
- 2 Products

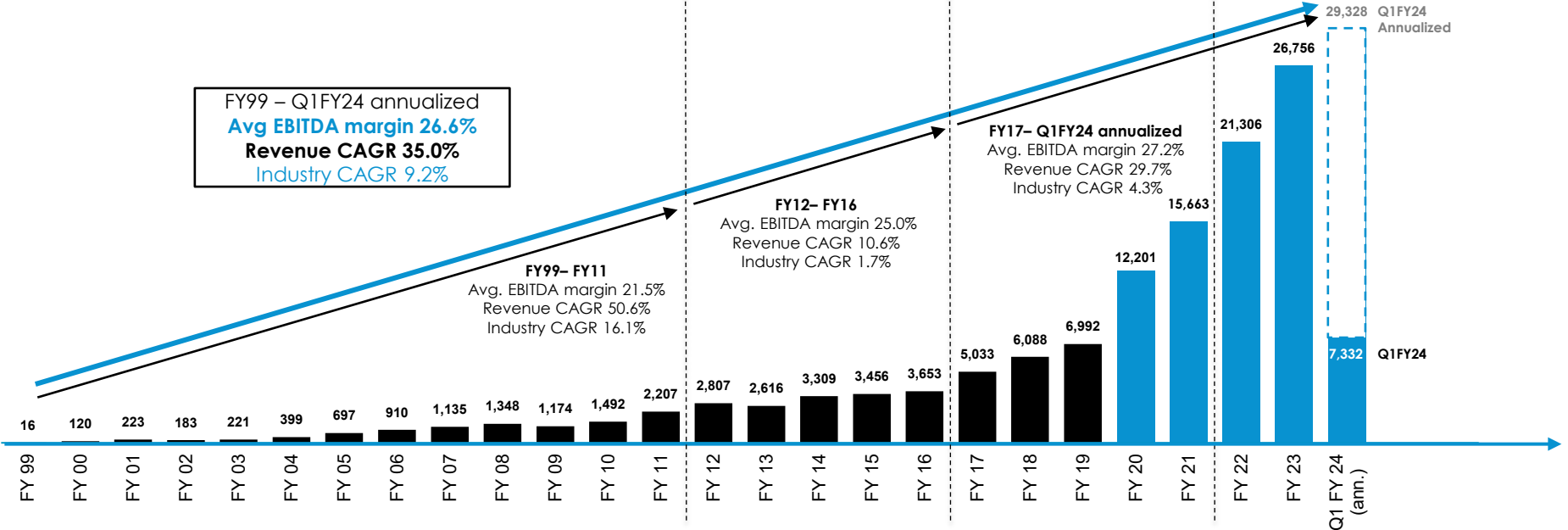
Phase - 3

- Acquisition of Comstar
- 47 Customers (37+10)
- 9 Plants (5+4)
- 10 Products (5+5)

Phase - 4

- Started journey as a public company
- 71 customers
- 9 plants
- 17 products

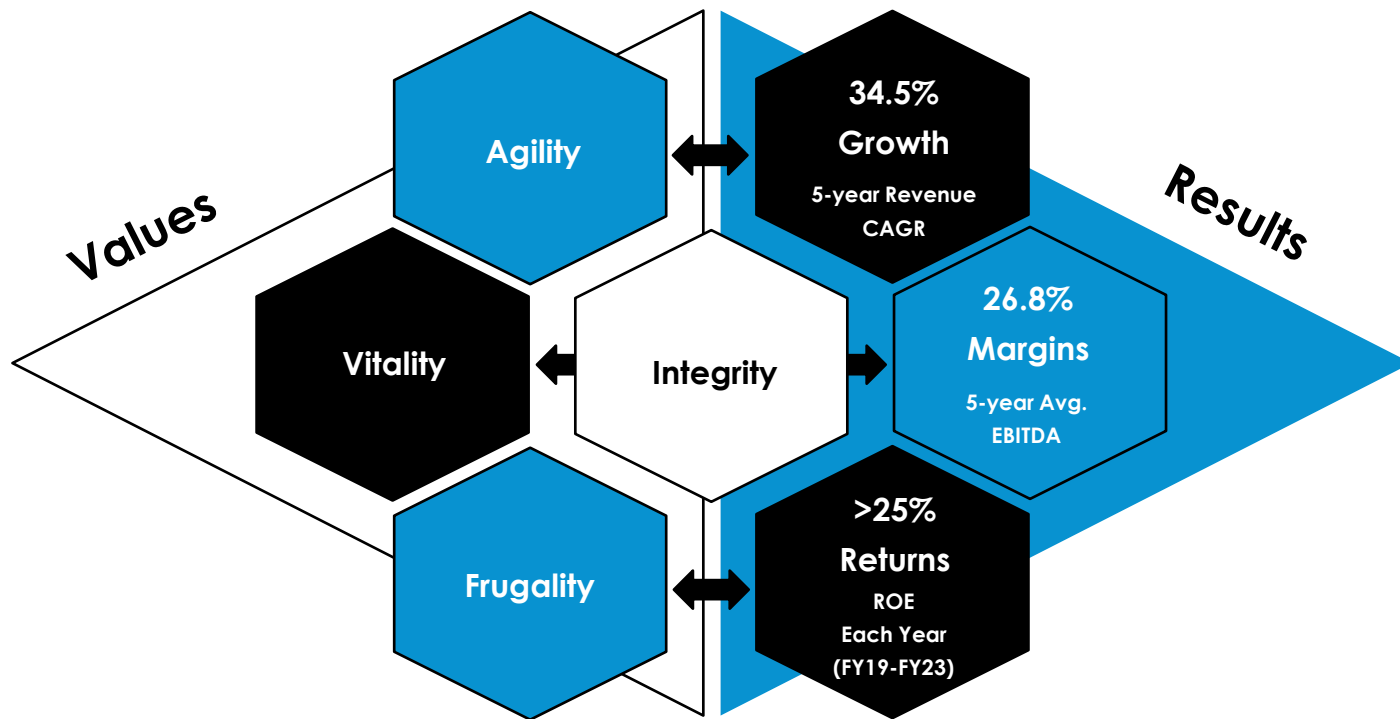
Revenue in INR millions



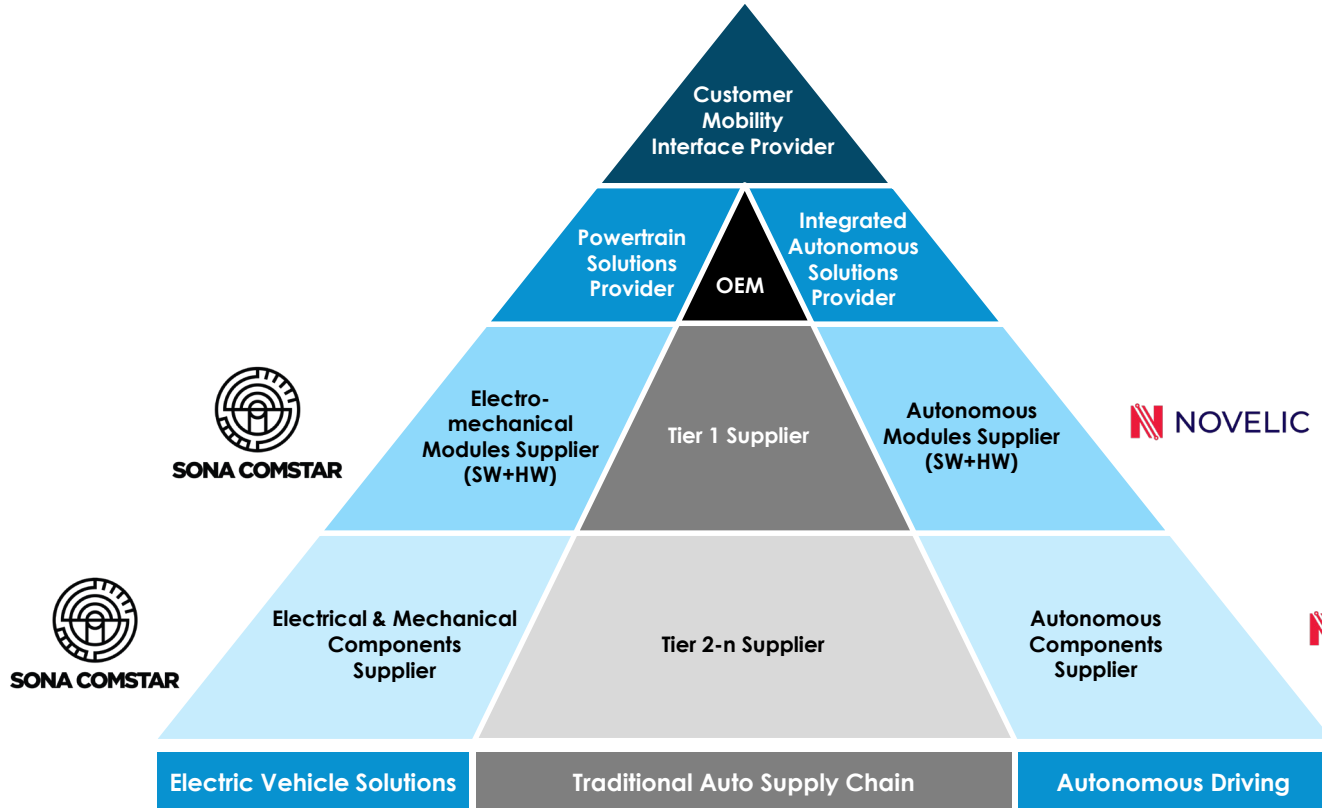
Notes:

1. FY20 onwards financials include Comstar
2. Industry data source: SIAM

Guided by Values



Vertically-integrated and modular electro-mechanical and autonomous solutions provider for the new EPIC value chain

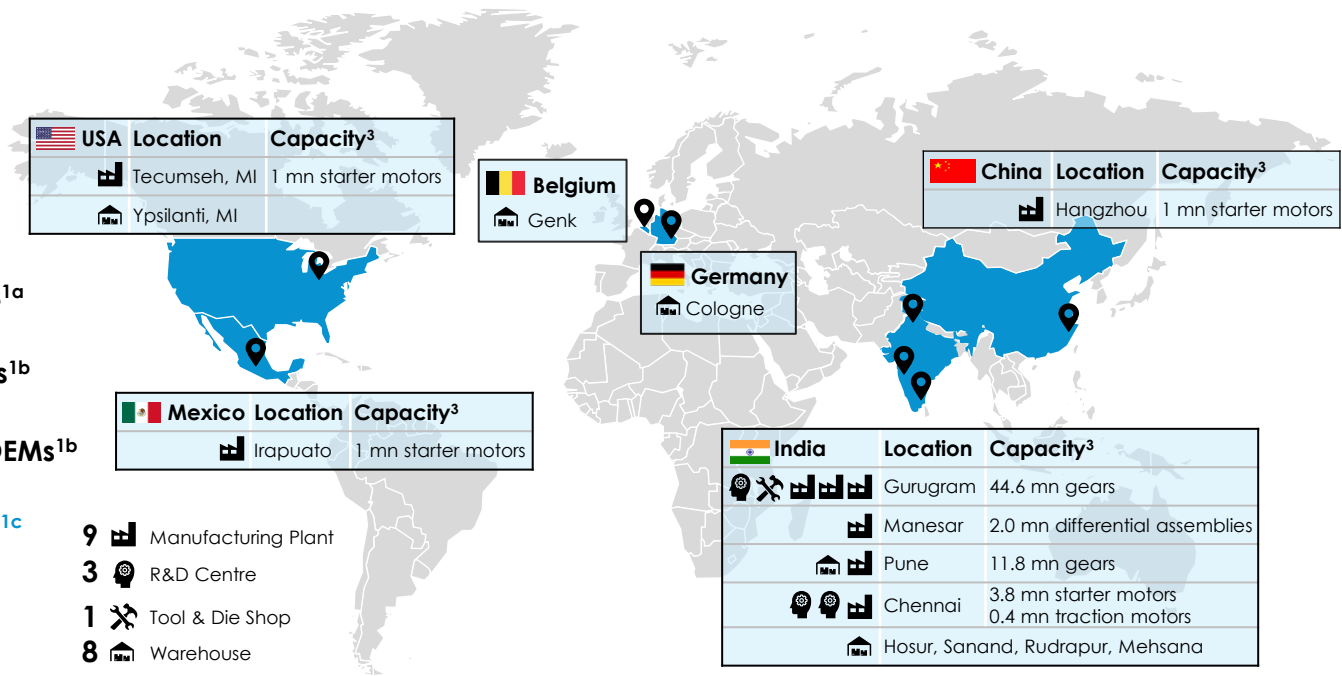


- Radar Boards & Antenna Design
- Embedded & Application Software
- Artificial Intelligence
- Machine Learning Algorithms
- Zonal architecture and multi-sensor systems



.. or any other radar chip manufacturer

Established Global Presence to Serve Customers Locally



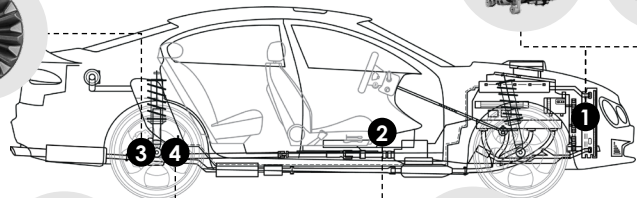
- 7 of the world's top 10 PV OEMs^{1a}
- 3 of the world's top 10 CV OEMs^{1b}
- 7 of the world's top 10 tractor OEMs^{1b}
- 5 of the world's top 15 EV OEMs^{1c}
- 4 of the Indian top 15 Indian e-2-Wheeler OEMs^{1d}

Notes:
 1. Data Source: a) BofA Global Automobiles Report; b) Ricardo Report; c) EV-Volumes; d) Vahan Database; Company Analysis
 2. Capacity as of March 2023

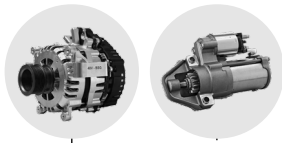
Product Summary

Differential Bevel Gears

Passenger Vehicles



Belt Starter Generator Starter Motor



Differential Assembly

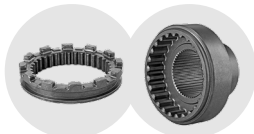


Reverse Idler

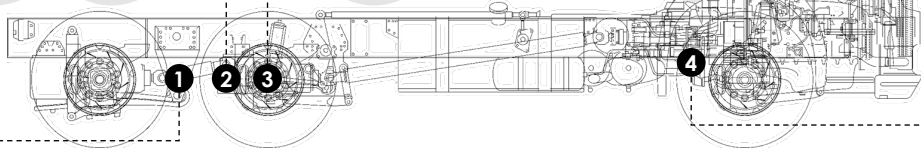
Inter-Axle Gear Set



Coupling/ Sleeves



Differential Bevel Gears



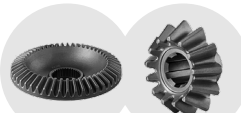
Commercial Vehicles

Off Highway Vehicles

Starter Motor



Spiral Bevel Gears

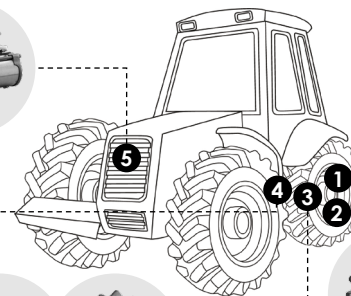


Portal Axle Gears

Differential Assembly



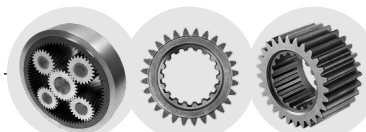
Differential Bevel Gears



Starter Motor*

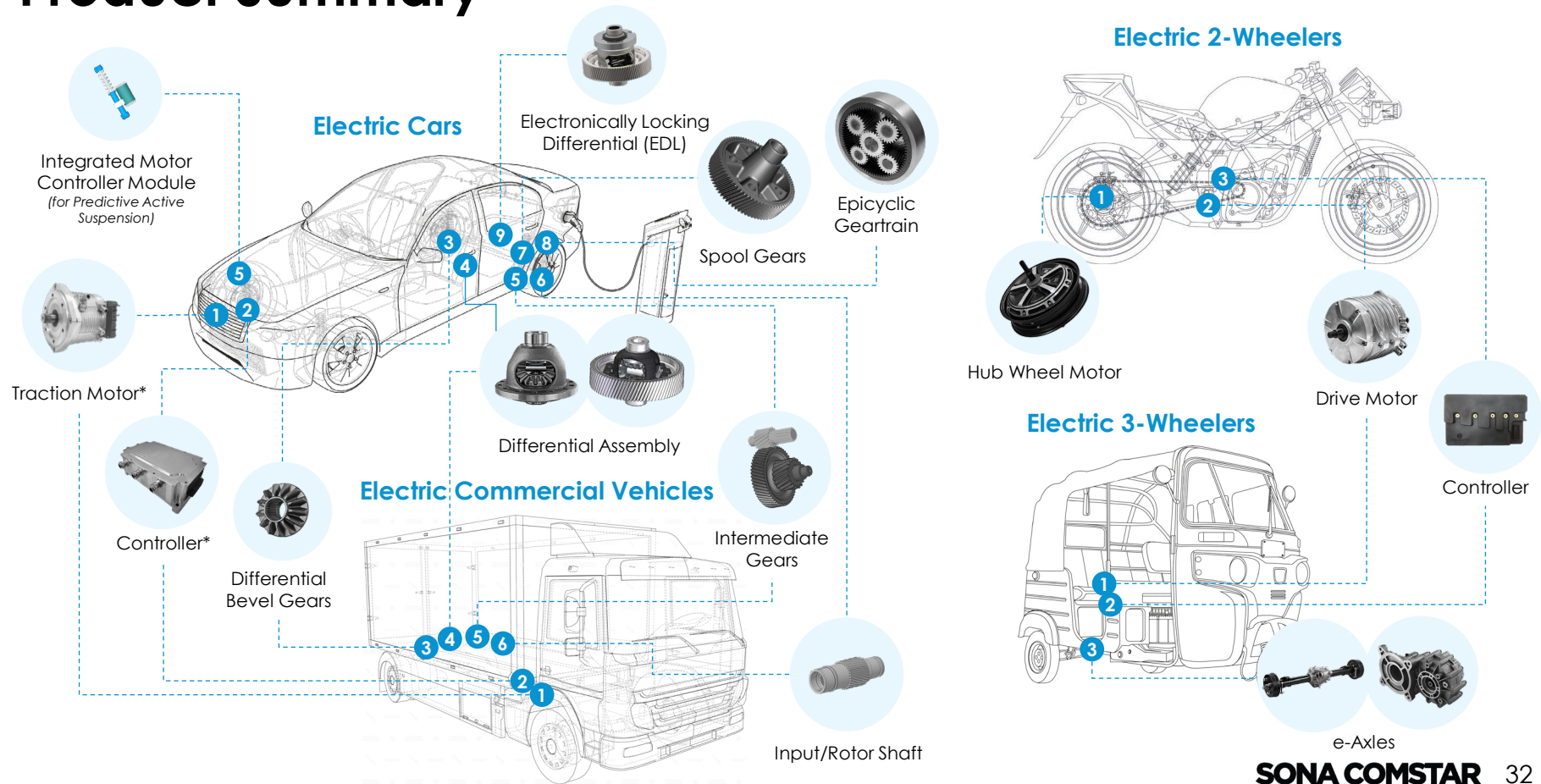


Epicyclic Geartrain/Gears



* Product under development

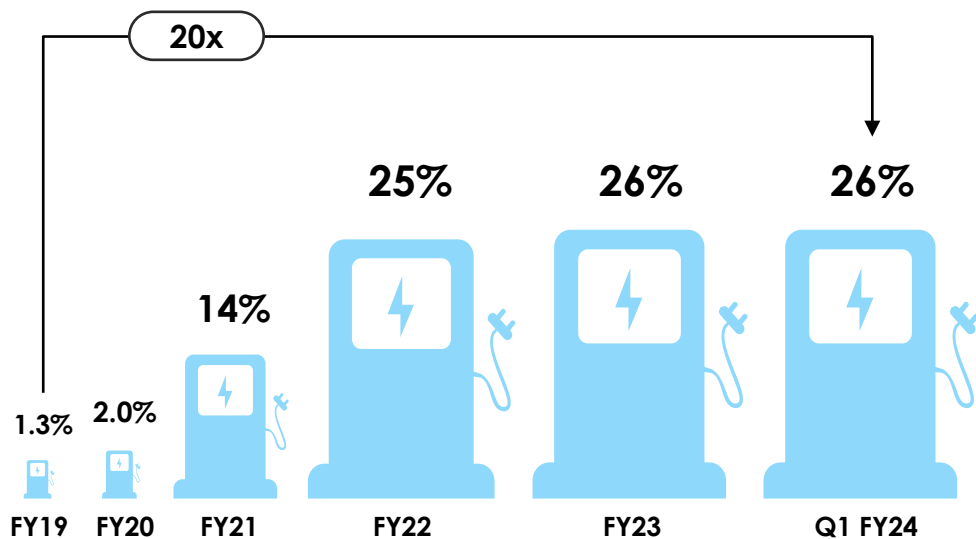
Product Summary



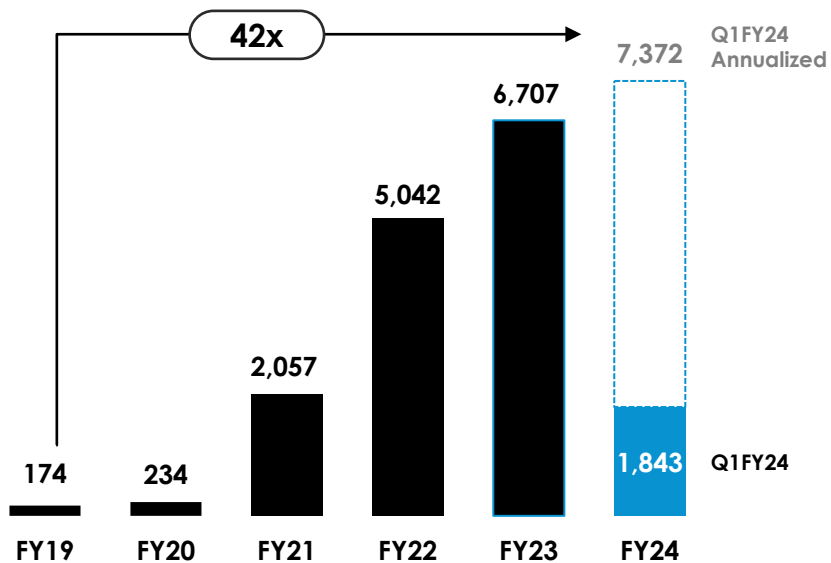
* Product under development

Revenue share from BEV has grown 20x over 5 years, with absolute BEV revenue growth at 42x

Revenue from BEV (%)

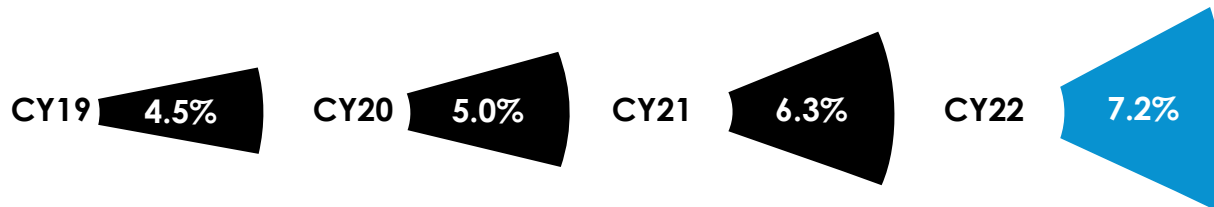


BEV Segment Revenue (Rs. mn)



Market Shares for Differential Gears and Starter Motors

Global Market Share of Differential Gears¹



Global Market Share of Starter Motors¹



While we continue to dominate the Indian market for Differential Gears

Passenger Vehicles



55-60%²

Commercial Vehicles



80-90%²

Tractors



75-85%²

Notes:

1. As per Ricardo report; starter motor market share across light vehicles
2. As per CRISIL report dated Feb 2021