



SONA COMSTAR

Date: - 30th April, 2024

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

Subject: Investor Presentation for the quarter and nine months ended on 31st December, 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 audited Standalone and Consolidated Financial Results for the quarter and financial year ended on 31st March, 2024.

Kindly take the same on record.

Thanking you

For SONA BLW PRECISION FORGINGS LIMITED

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

Enclosed: As above



SONA COMSTAR

Q4 & FY24 Earnings Presentation

30 April 2024

Disclaimer

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

This presentation and the accompanying slides (the "Presentation"), which have been prepared by Sona BLW Precision Forgings Ltd. (the "Company"), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Certain matters discussed in this presentation may contain certain forward-looking statements concerning the Company's future business prospects and business profitability. Such forward-looking statements are not guarantees of future performance and are subject to a number of risks and uncertainties that are difficult to predict. These risks and uncertainties include, but are not limited to, the Company's ability to manage growth, the fluctuations in earnings, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, the Company's ability to manage its international operations, Government policies and actions regulations, interest and other fiscal costs generally prevailing in the economy. The Company does not undertake to make any announcement in case any of these forward-looking statements become materially incorrect in future or update any forward-looking statements made from time to time by or on behalf of the Company.

© Sona BLW Precision Forgings Limited (Sona Comstar). Reproduction and distribution of this Presentation without the permission of Sona Comstar is prohibited.

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



Business Performance Highlights

Complete Drivetrain of an Electric Vehicle

Q4 FY24 Financial Performance Highlights

8,853 mn | **19%**

Revenue | YoY Growth

2,481 mn | **23%**

EBITDA | YoY Growth

1,487 mn | **24%**

PAT | YoY Growth

28.0% EBITDA Margin

16.7% PAT Margin¹

2,727 mn | **34%**

BEV Revenue | YoY Growth

32%

Q4 FY24 Product Revenue
Share from BEV

Notes:

1. PAT margin percentage calculated from PAT including non-controlling interest

FY24 Financial Performance Highlights

31,848 mn | 19%

Revenue | YoY Growth

9,021 mn | 30%

EBITDA | YoY Growth

5,173 mn | 31%

PAT | YoY Growth

28.3% EBITDA Margin

16.3% PAT Margin¹

31.0%

RoCE²

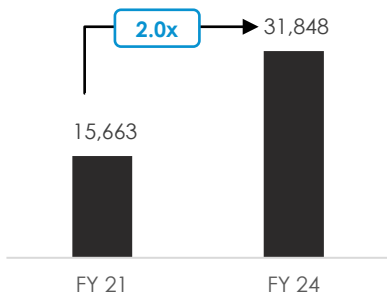
28.5%

RoE³

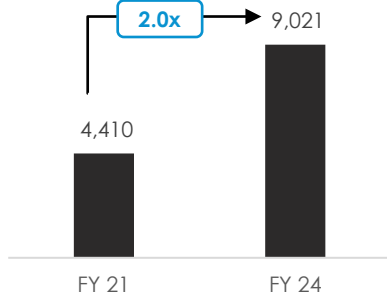
- Notes:**
1. PAT margin percentage calculated from PAT including non-controlling interest
 2. ROCE = LTM EBIT/ Average tangible capital employed + capital deployed for acquiring NOVELIC
 3. ROE = LTM PAT/ Average tangible net worth + capital deployed for acquiring NOVELIC

We have more than doubled on most key metrics in last 3 years

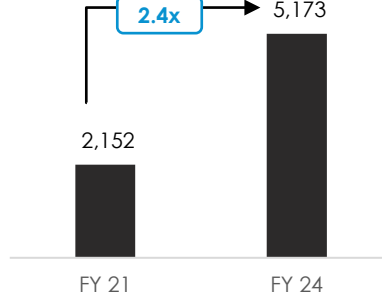
Revenue



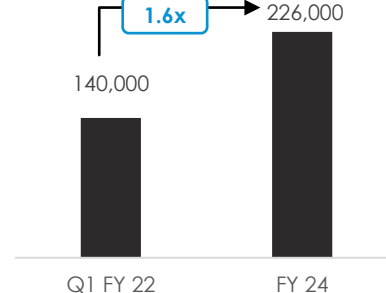
EBITDA



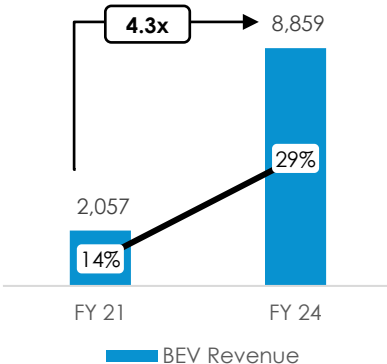
PAT



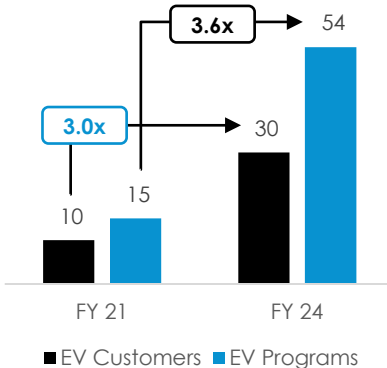
Net Order Book



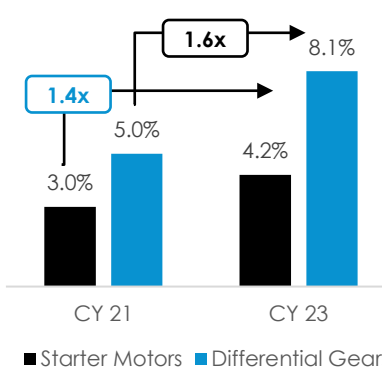
BEV Revenue



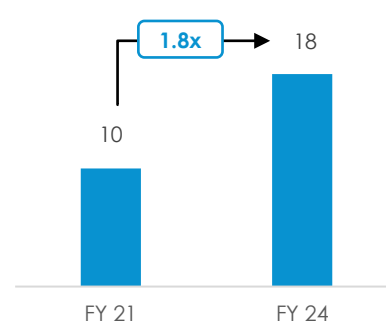
EV Diversification



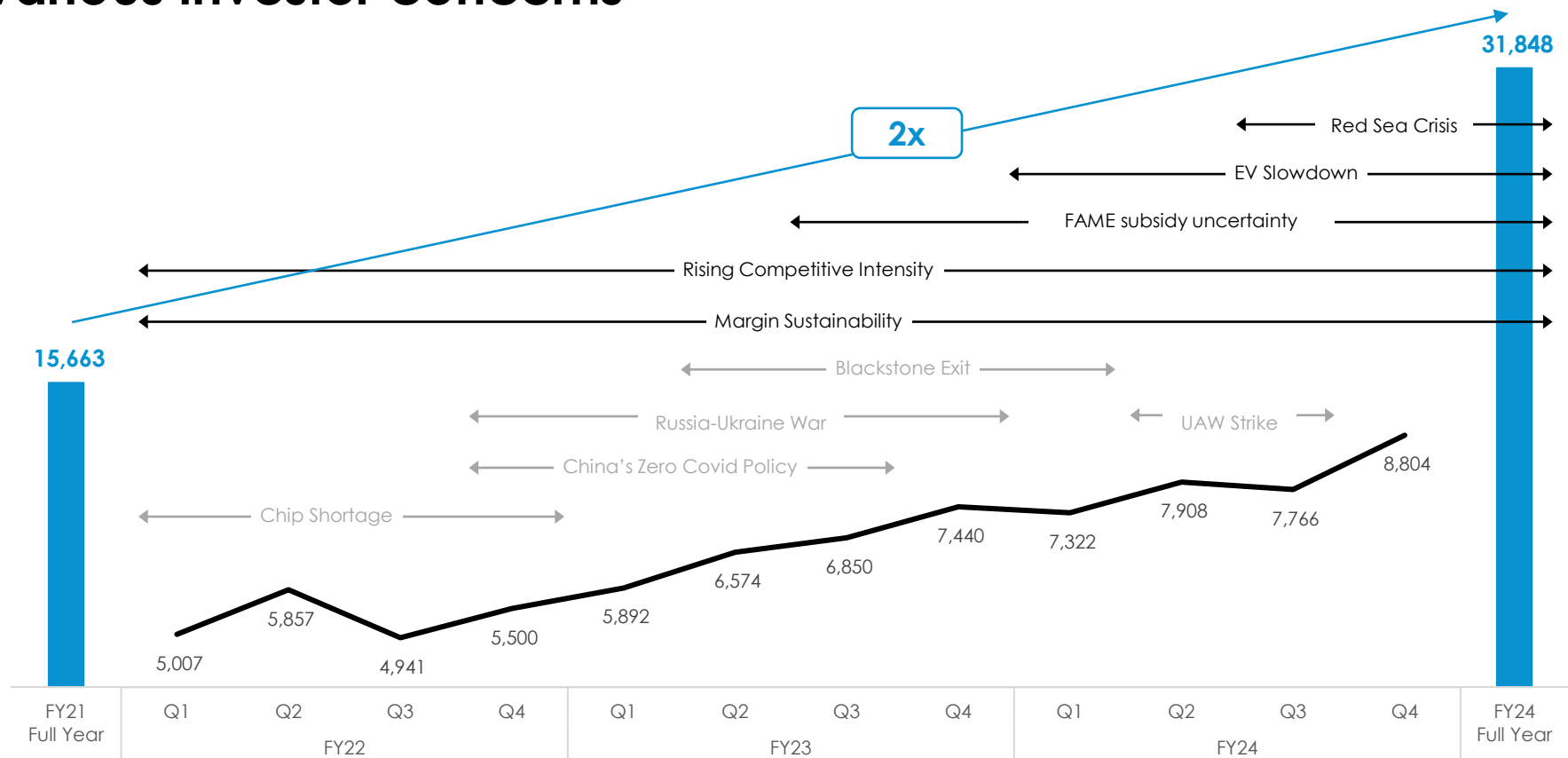
Global Market Share



Product Portfolio



This significant growth in the last 3 years was achieved despite various investor concerns





Update on our Strategic Priorities

Tool and Die Shop in our Gurgaon Plant

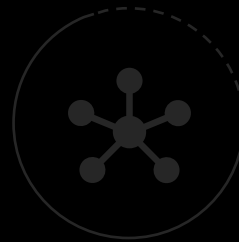
Update on our Strategic Priorities



Electrification



**Global Market
Significance**



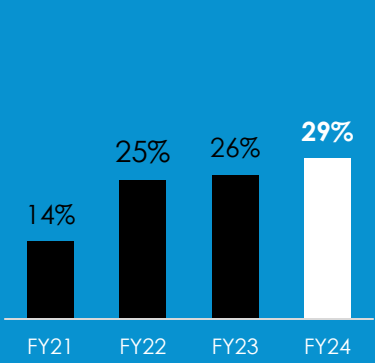
Diversification



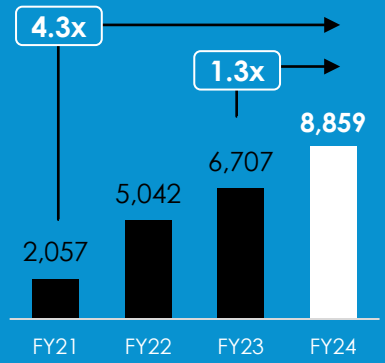
Technology



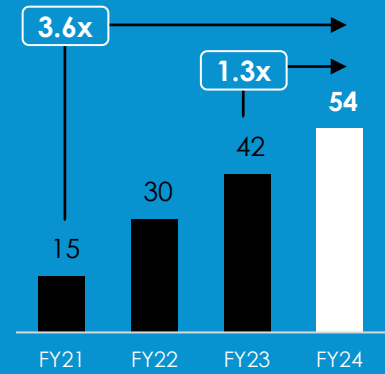
Sizeable and Increasing Presence in EVs



Revenue Share from BEV



BEV segment revenue



Cumulative No. of EV Programs awarded

53

(10+15+28)¹

EV Programs¹ awarded across 30 customers as at the end of Q3 FY24

+1

54

(11+16+27)¹

EV Programs¹ awarded across 30 customers as at the end of Q4 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)

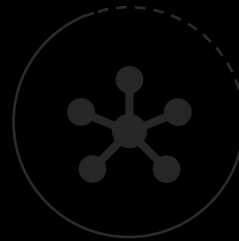
Our Strategic Priorities



Electrification



Global Market
Significance



Diversification

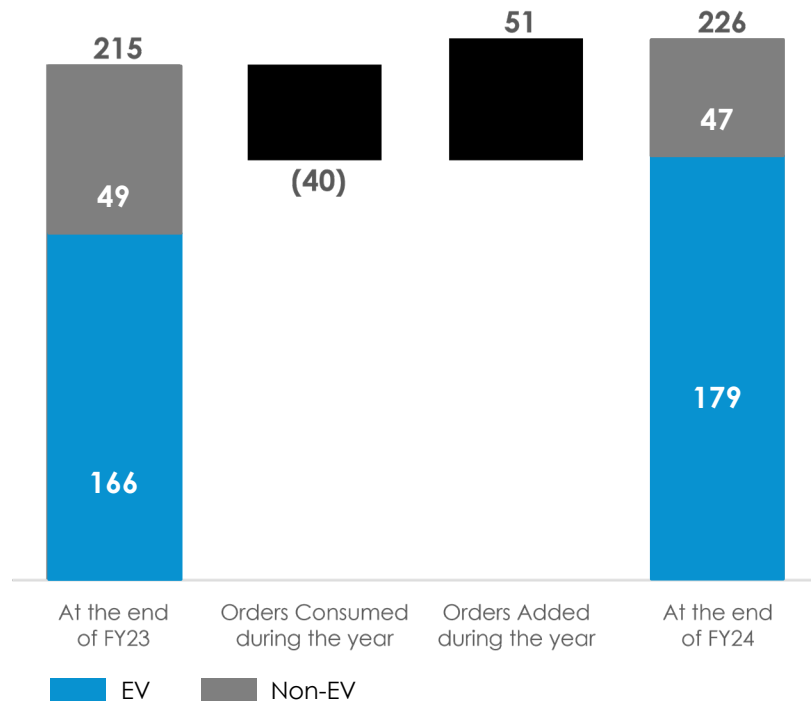


Technology

Orders worth Rs. 51 bn were added to our orderbook during FY24



Net Orderbook (Rs. Billion)



39 Programs won in FY24

5 New customers added in FY24

Global Market Share of Differential Gears¹
 CY22: 7.2% → CY23: 8.1%

Global Market Share of Starter Motors¹
 CY21: 4.1% → CY23: 4.2%

Notes:
 1. As per Ricardo's market size estimates; starter motor market share is across light vehicles report

Our net order book¹ stands at ₹226 billion (7.1x FY24 revenue)



EV Rs. 179 Billion (79%)



Non-EV Rs. 47 Billion (21%)

| | EV | | | Non-EV | | |
|----------------|-----|---------|----------|--------|----|-----|
| | PV | 2W & 3W | CV & OHV | PV | CV | OHV |
| # of Programs | 63% | 10% | 6% | 6% | 5% | 10% |
| | 21 | 14 | 8 | 17 | 21 | 52 |
| # of Customers | 9 | 11 | 8 | 11 | 8 | 19 |

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.

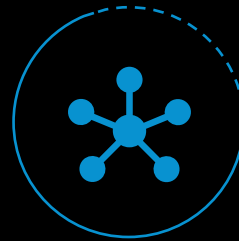
Our Strategic Priorities



Electrification



Global Market
Significance



Diversification



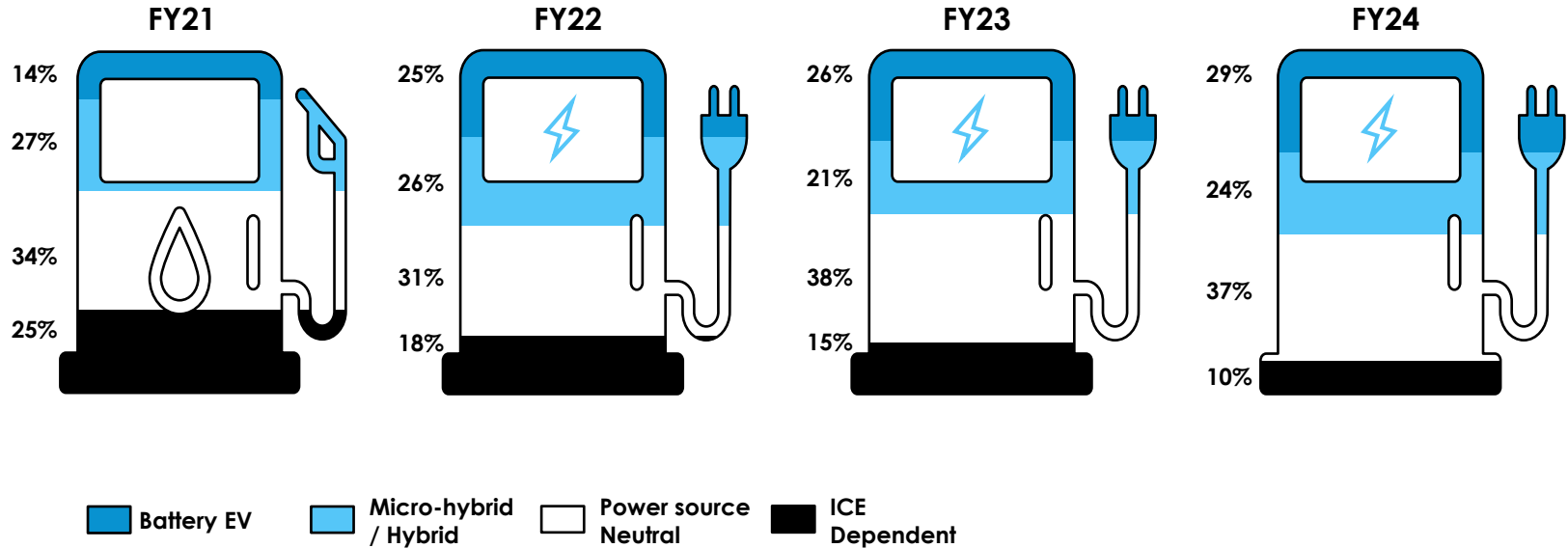
Technology



Diversified Product Revenue Mix – By Powertrain

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

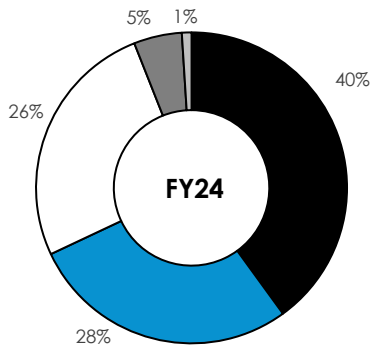
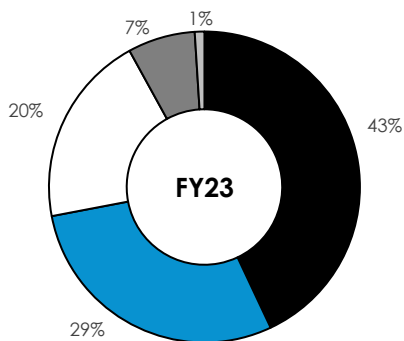
Our pure ICE dependence continues to reduce steadily going from 25% in FY21 to 10% in FY24



Diversified Revenue Mix

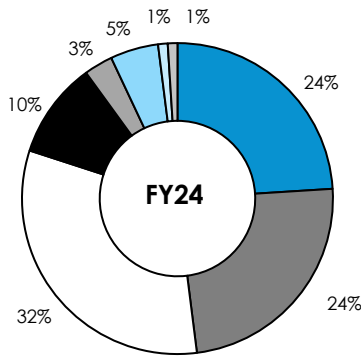
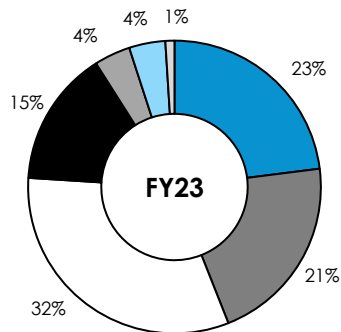


By Geography



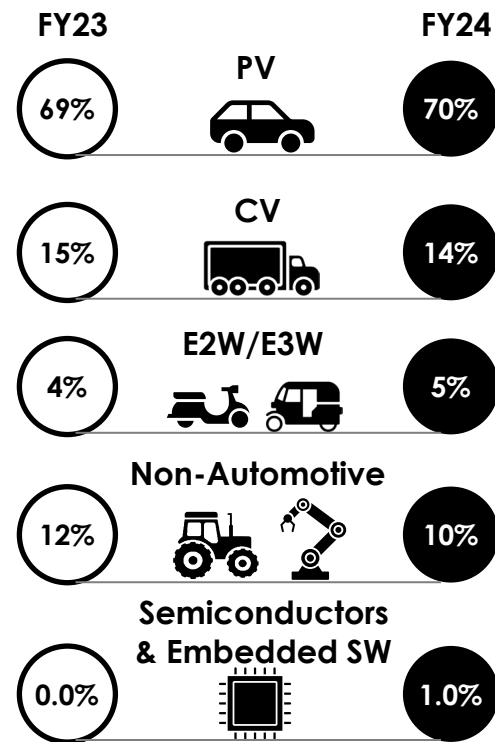
■ North America ■ India □ Europe ■ Asia (excl. India) □ RoW

By Product



■ Differential Assembly ■ Micro/Plug-in Hybrid Starter Motors
 □ Differential Gears ■ Conventional Starter Motors
 ■ Others Drivetrain Parts ■ Traction Motors & Controllers
 □ Sensors and Software □ Others

By Market segment



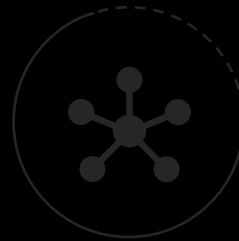
Our Strategic Priorities



Electrification



Global Market
Significance

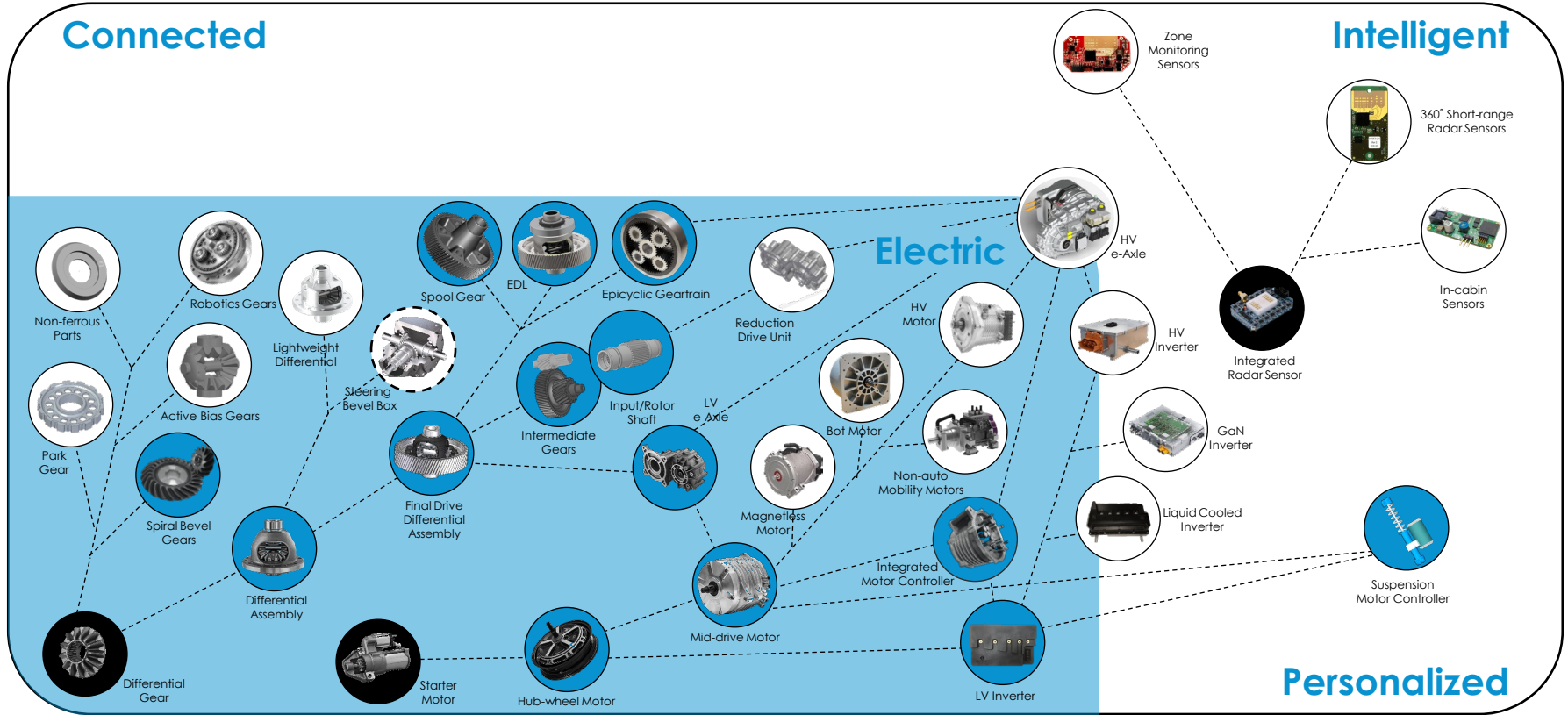


Diversification



Technology

Our Technology Roadmap for E.P.I.C. Mobility

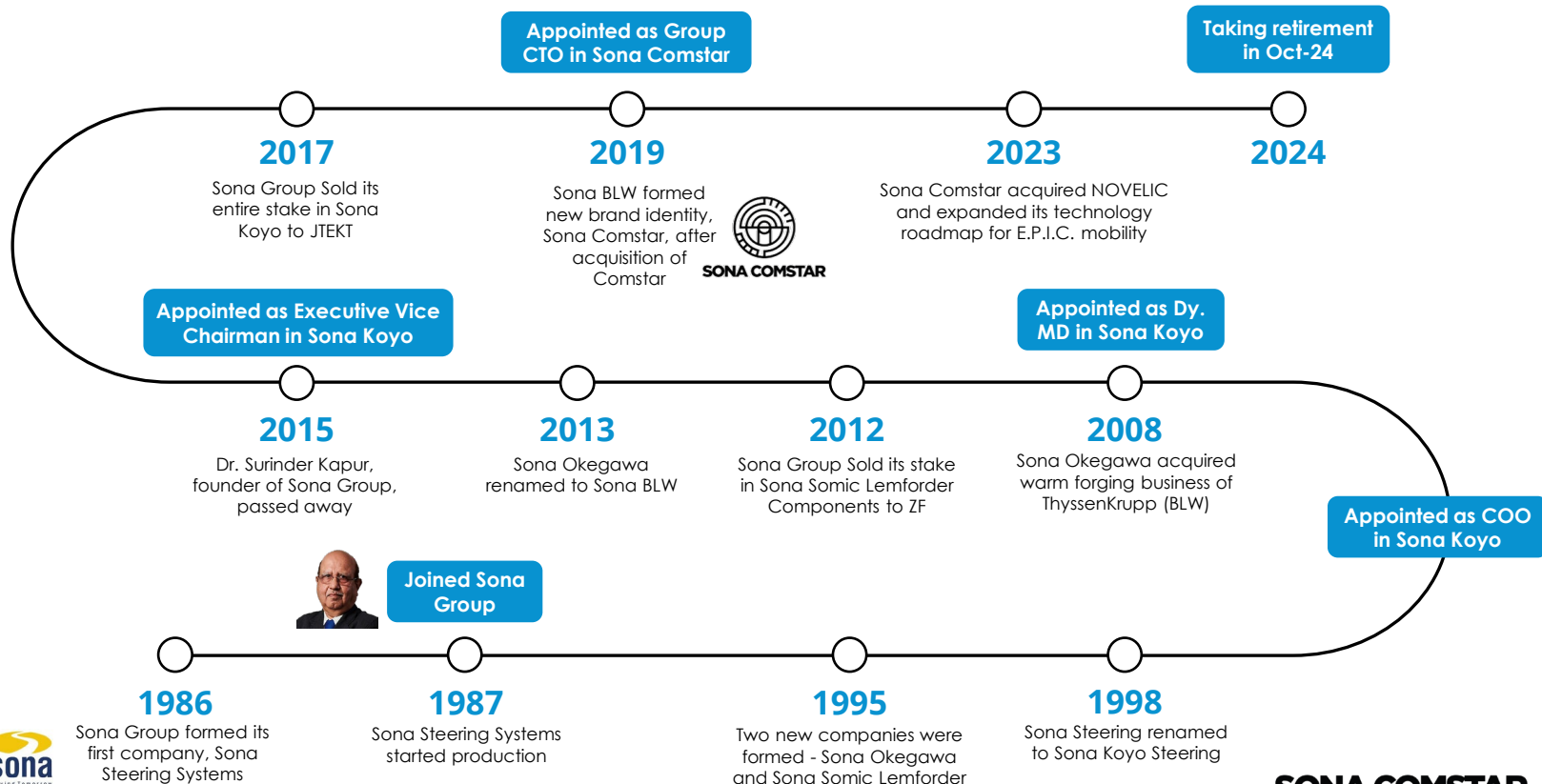


- Legacy Products
- Current Products
- Future Products
- ⦿ Future Products added in Q4FY24

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

Personalized

Mr. Kiran Manohar Deshmukh's exceptional journey since the inception of Sona Group



Mr. Praveen Chakrapani Rao will take the group CTO role from November 2024



President – R&D Motor Business

B.E. (Mechanical Engineering)
BMSCE, Bangalore

M.S (Management Systems)
BITS Pilani

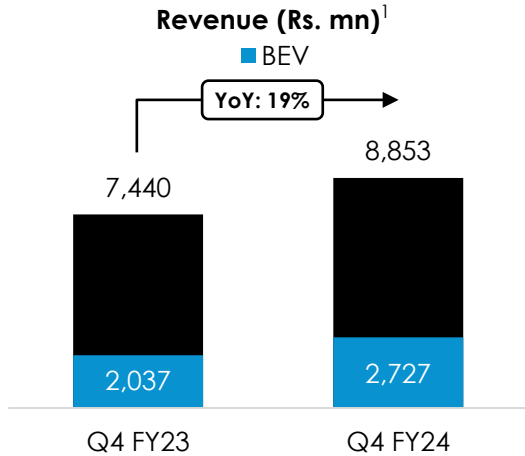
- **24 years of experience in Sona Comstar**, starting with Visteon's starter motor business that became Comstar, which merged into Sona Comstar
- **Over 32 years in automotive industry** spanning Bosch, Ford, Visteon, and Sona Comstar in Product Engineering & Business Development
- Worked at **Visteon, USA** in Product Engineering
- Played active role in **setting up overseas plants** in USA, China, and Mexico
- **Leads a team of over 250 Engineers** in Design and Development of Starters, Traction Motors, Controllers, Integrated Motor-Controllers, and Motor Modules
- Responsible for **growing the R&D team and its capabilities in EV** extending from Application and Systems Engineering, Advanced Engineering, Embedded Software, Hardware Development, Functional Safety, and Product Validation
- Leading **Technology Partnership** discussions and responsible for bringing next-gen HV Motors, Inverters and EDU to the Indian Market



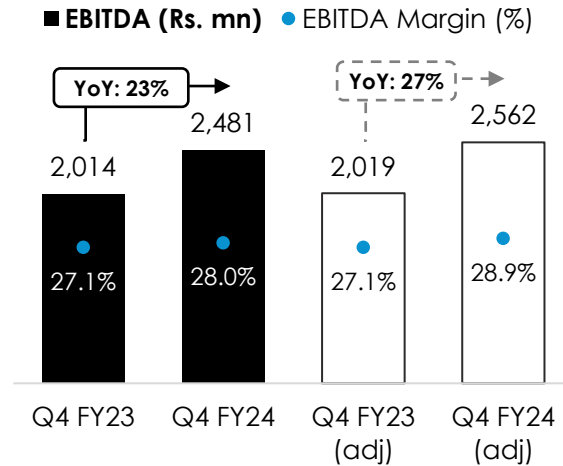
Q4 & FY24 Financial Update

Cross Sectional View of Hub Type EV Traction Motor

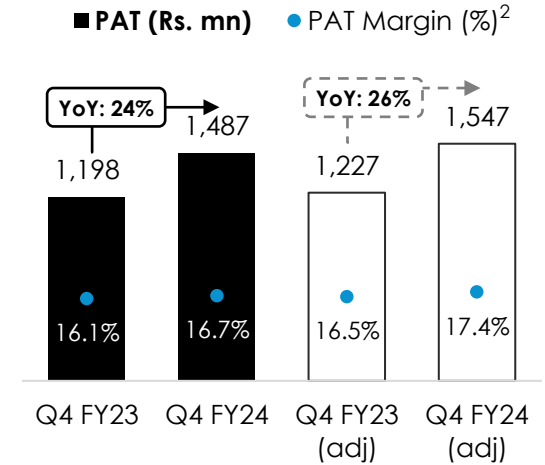
Q4 FY24 Financials



- o BEV Revenue grew by 34% and constitutes 32% of total revenue
- o Total Revenue grew by 19% while light vehicle sales in our top-3 markets (North America, India, and Europe) grew by 8%



- o Adjusted EBITDA margin is higher by ~1.8% largely due to better product mix, operational efficiency gains and lower input cost
- o Adjustment to EBITDA for Q4FY24 is on account of ESOP cost ₹80 mn under the approved ESOP scheme 2023. (₹4 mn in Q4FY23 under the ESOP plan 2020)

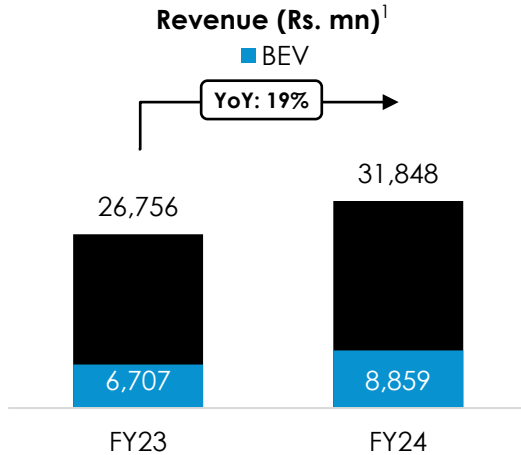


- o Adjusted PAT margin is higher by 0.9% mainly due to improvement in EBITDA margin partially reduced by higher depreciation (~0.3% of revenue)
- o Adjusted PAT for Q4FY23 also includes adjustment for exceptional expenses related to NOVELIC acquisition ₹25 mn

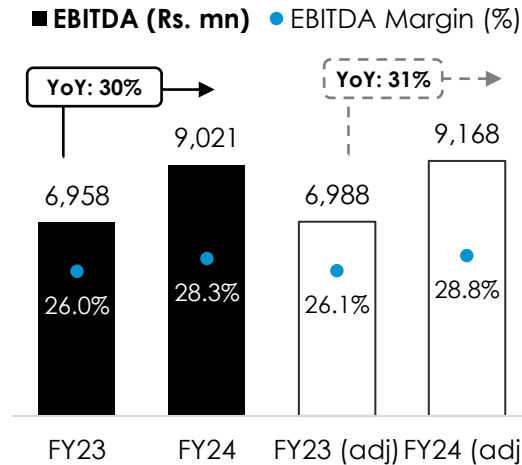
Notes:

1. Revenue includes net gain from foreign exchange
2. PAT margin percentage calculated from PAT including non-controlling interest

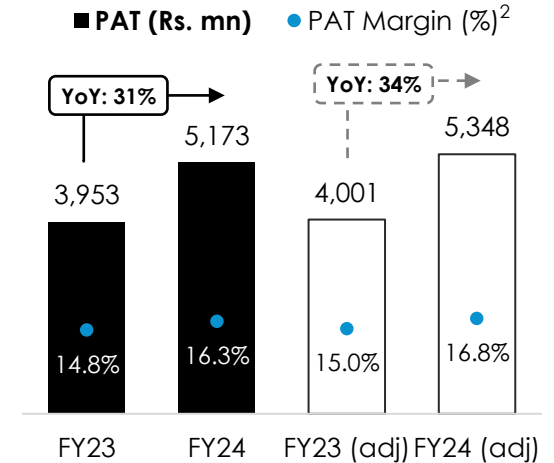
FY24 Financials



- o BEV Revenue grew by 32% and constitutes 29% of total revenue
- o Total Revenue grew by a robust 19% while light vehicle sales in our top-3 markets (North America, India, and Europe) grew by 9%



- o Adjusted EBITDA margin is higher by ~2.7% largely due to better product mix, operational efficiency gains and lower input cost
- o Adjustment to EBITDA for FY24 is on account of ESOP cost ₹147 mn. (₹30 mn in FY23)



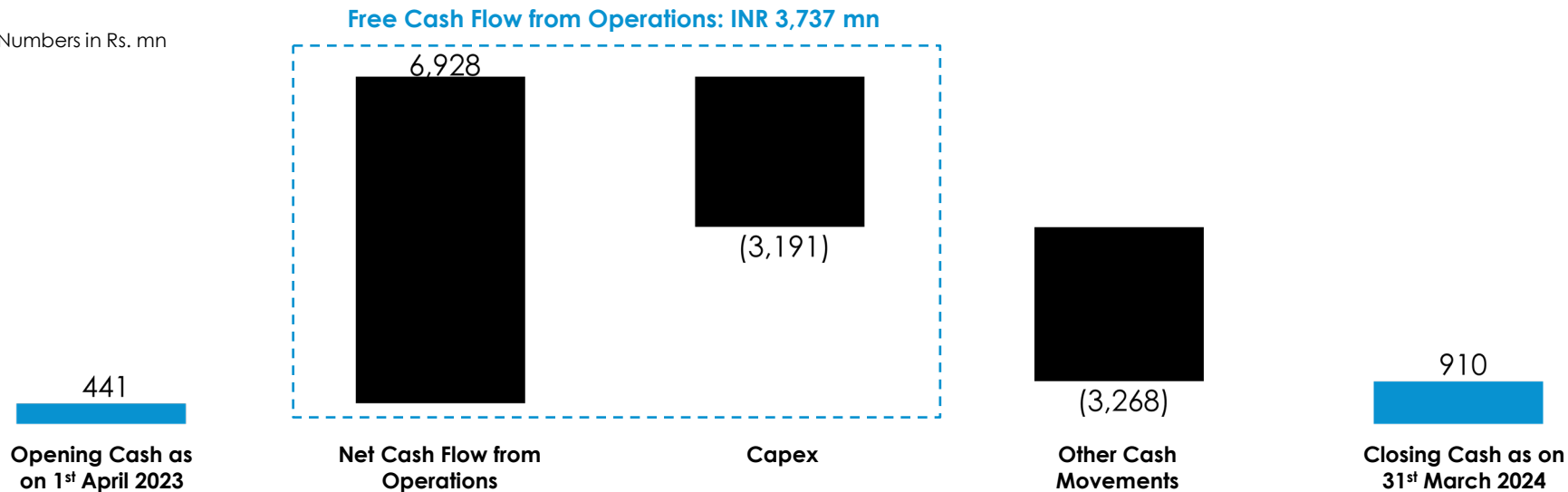
- o Adjusted PAT margin is higher by 1.8% mainly due to improvement in EBITDA margin partially reduced by higher depreciation (~0.2% of revenue)
- o Apart from ESOP cost, adjusted PAT for FY23 and FY24 also include adjustment for exceptional expenses related to NOVELIC acquisition, ₹25 mn and ₹65 mn respectively

Notes:

1. Revenue includes net gain from foreign exchange
2. PAT margin percentage calculated from PAT including non-controlling interest

FCFO of INR 3,737 mn in FY24

Numbers in Rs. mn



| | | | |
|-------------------|---------|---------------------|---------|
| EBITDA | 9,021 | NOVELIC Investments | (2,110) |
| Δ Working capital | (247) | Other Investments | 382 |
| Tax paid | (1,553) | Net loan drawdown | 95 |
| Others | (293) | Dividend | (1,793) |
| | | Others | 159 |

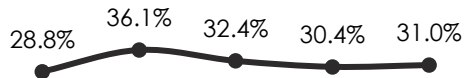
Key Ratios

VA/Employee cost



Mar-20 Mar-21 Mar-22 Mar-23 Mar-24

RoCE (%)



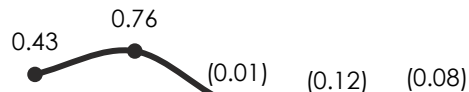
Mar-20 Mar-21 Mar-22 Mar-23 Mar-24

RoE (%)



Mar-20 Mar-21 Mar-22 Mar-23 Mar-24

Net Debt to EBITDA



Mar-20 Mar-21 Mar-22 Mar-23 Mar-24

Working Capital Turnover



Mar-20 Mar-21 Mar-22 Mar-23 Mar-24

Fixed Asset Turnover



Mar-20 Mar-21 Mar-22 Mar-23 Mar-24

Note:

- 1) VA/Employee Cost (for manufacturing businesses only) = Material margin / (Employee cost + Manpower cost on hiring)
- 2) ROCE = LTM EBIT / Average tangible capital employed + capital deployed for acquiring NOVELIC
- 3) ROE = LTM PAT / Average tangible net worth + capital deployed for acquiring NOVELIC
- 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 (for manufacturing businesses only) = 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




SONA COMSTAR

Providing "More Torque Per Gram"

Appendix

Our story so far...

Phase - 1

- 18 Customers
- 2 Plants
- 1 Product

Phase - 2

- 22 Customers
- 2 Plants
- 2 Products

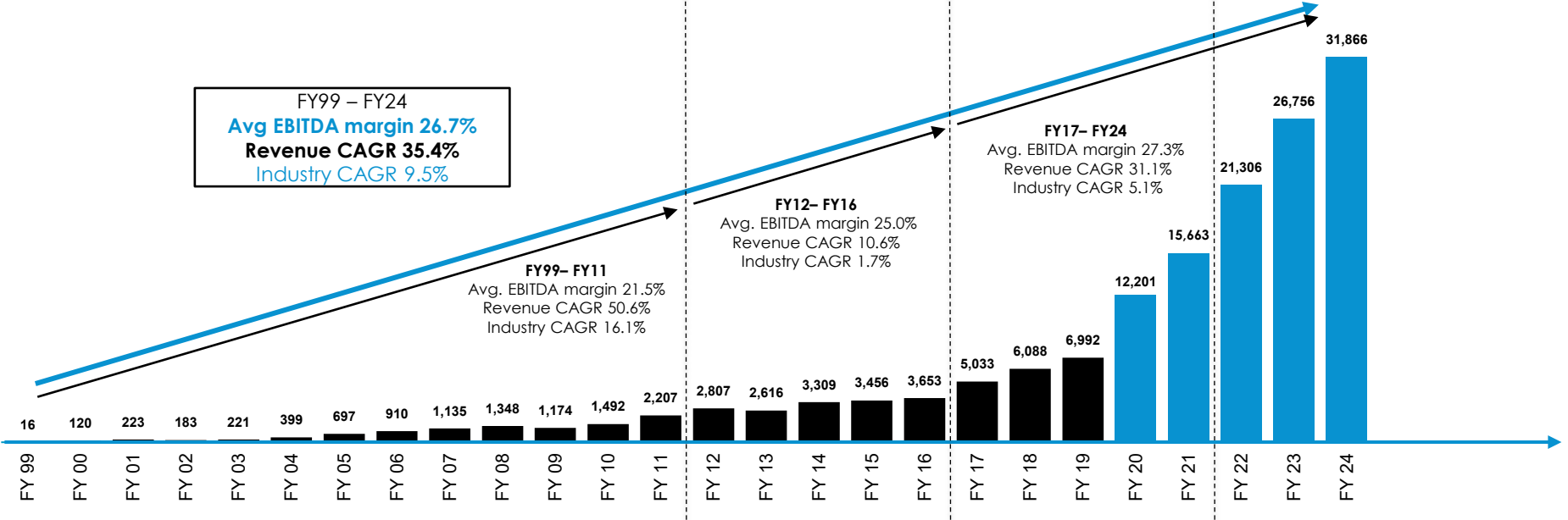
Phase - 3

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

Phase - 4

- Became publicly listed
- 73 customers
- 9 plants
- 18 products

Revenue in INR millions



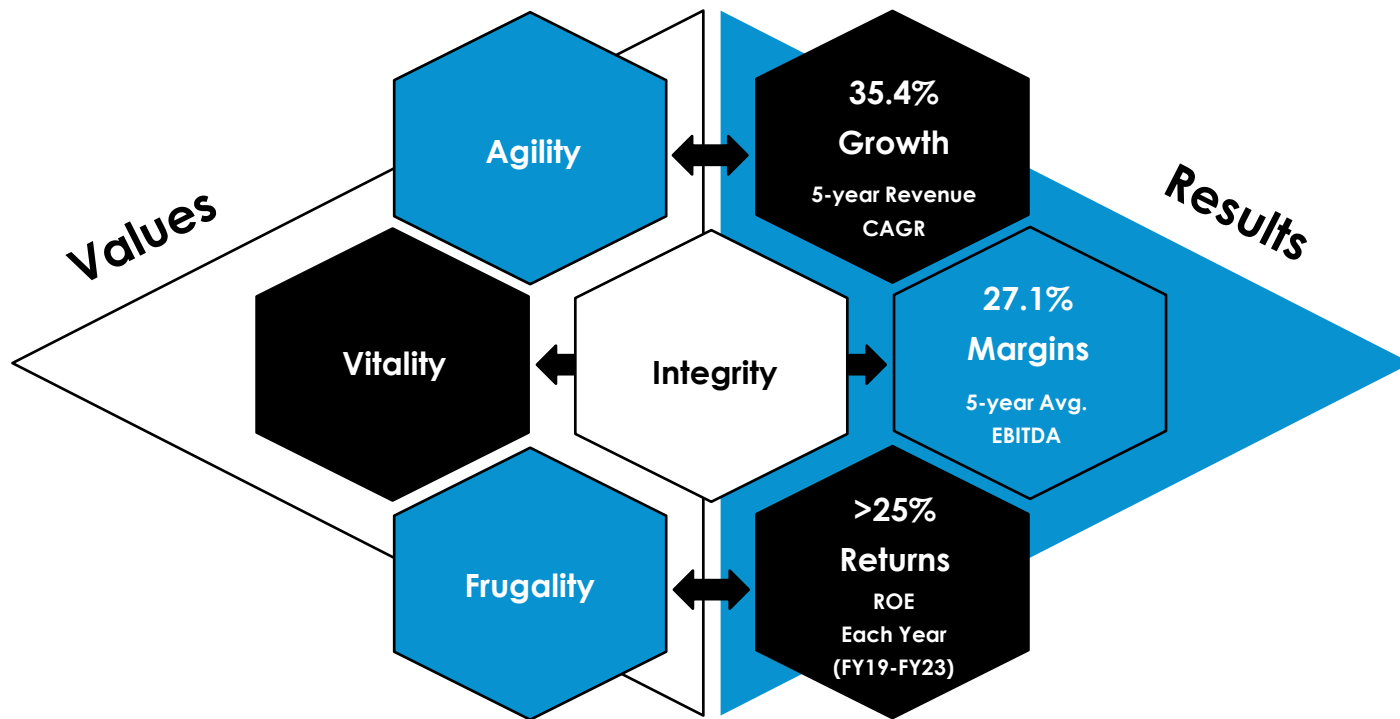
Notes:

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

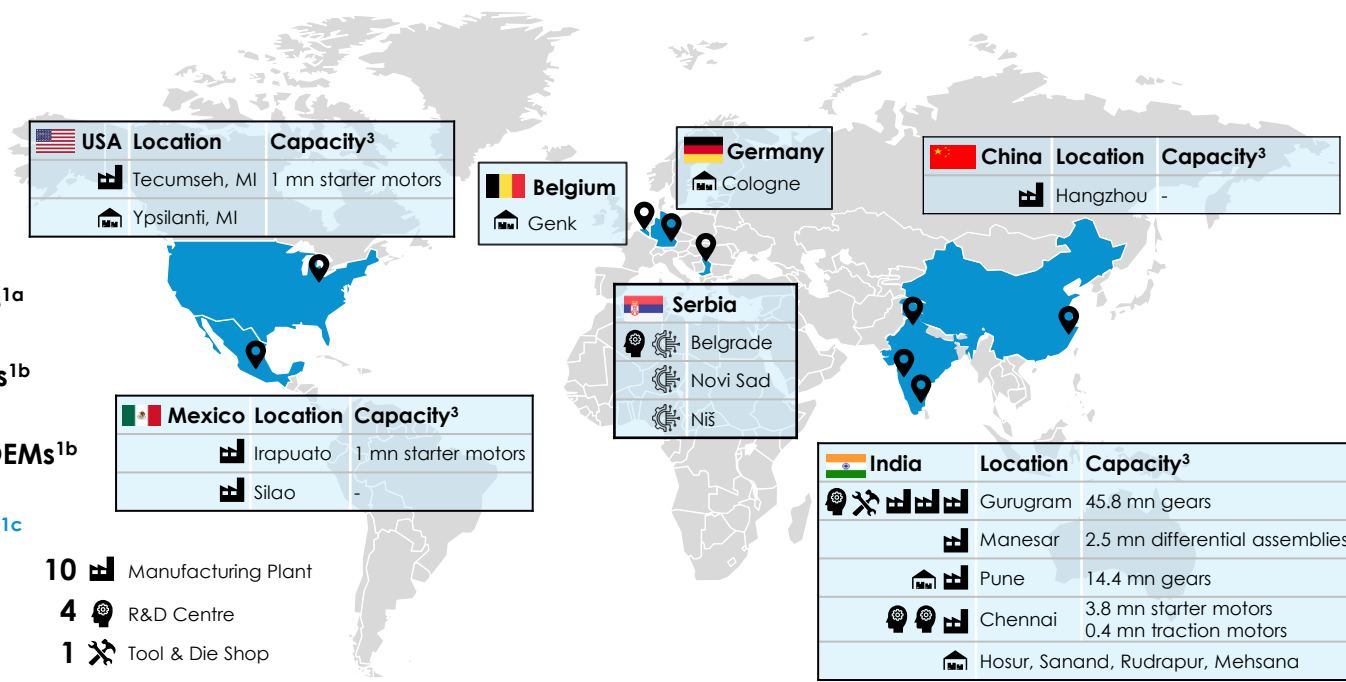
One Vision

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

Guided by Values



Established Global Presence to Serve Customers Locally



| USA | Location | Capacity ³ |
|-----|-----------------|-----------------------|
| 🇺🇸 | 🏭 Tecumseh, MI | 1 mn starter motors |
| | 🏠 Ypsilanti, MI | |
| | | |

| Belgium | Location | Capacity ³ |
|---------|----------|-----------------------|
| 🇧🇪 | 🏠 Genk | |
| | | |

| Germany | Location | Capacity ³ |
|---------|-----------|-----------------------|
| 🇩🇪 | 🏠 Cologne | |
| | | |

| China | Location | Capacity ³ |
|-------|------------|-----------------------|
| 🇨🇳 | 🏭 Hangzhou | - |
| | | |

| Mexico | Location | Capacity ³ |
|--------|------------|-----------------------|
| 🇲🇽 | 🏭 Irapuato | 1 mn starter motors |
| | 🏭 Silao | - |

| Serbia | Location | Capacity ³ |
|--------|------------|-----------------------|
| 🇷🇸 | 🧠 Belgrade | |
| | 🏭 Novi Sad | |
| | 🏭 Niš | |

| India | Location | Capacity ³ |
|-------|------------------------------------|---|
| 🇮🇳 | 🧠🏭 Gurugram | 45.8 mn gears |
| | 🏭 Manesar | 2.5 mn differential assemblies |
| | 🏠🏭 Pune | 14.4 mn gears |
| | 🧠🏭 Chennai | 3.8 mn starter motors 0.4 mn traction motors |
| | 🏠 Hosur, Sanand, Rudrapur, Mehsana | |
| | | |

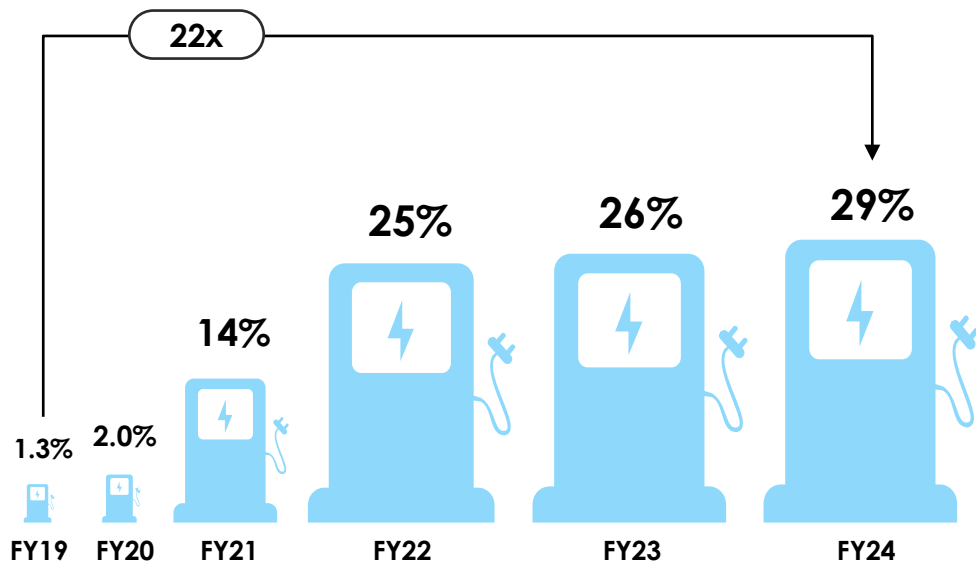
- 🚗 7 of the world's top 10 PV OEMs^{1a}
- 🚛 3 of the world's top 10 CV OEMs^{1b}
- 🚜 7 of the world's top 10 tractor OEMs^{1b}
- 🚗 4 of the world's top 10 EV OEMs^{1c}
- 🛵 3 of the Indian top 10 Indian e-2-Wheeler OEMs^{1d}

- 10 🏭 Manufacturing Plant
- 4 🧠 R&D Centre
- 1 🛠️ Tool & Die Shop
- 8 🏠 Warehouse
- 3 🧠 Engineering Capability Centre

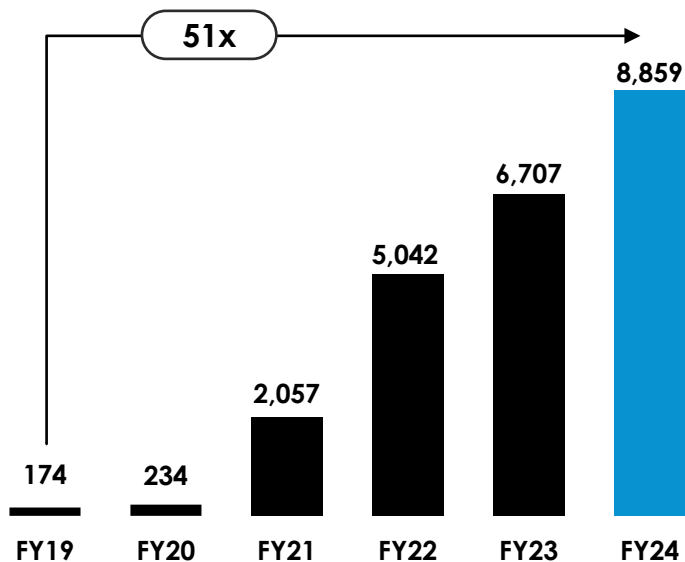
Notes:
 1. Data Source: a) BofA Global Automobiles Report; b) Ricardo Report; c) EV-Volumes; d) Vahan Database; Company Analysis
 2. Capacity as of March 2024

Revenue share from BEV has grown 22x over 5 years, with absolute BEV revenue growth at 51x

Revenue from BEV (%)



BEV Segment Revenue (Rs. mn)





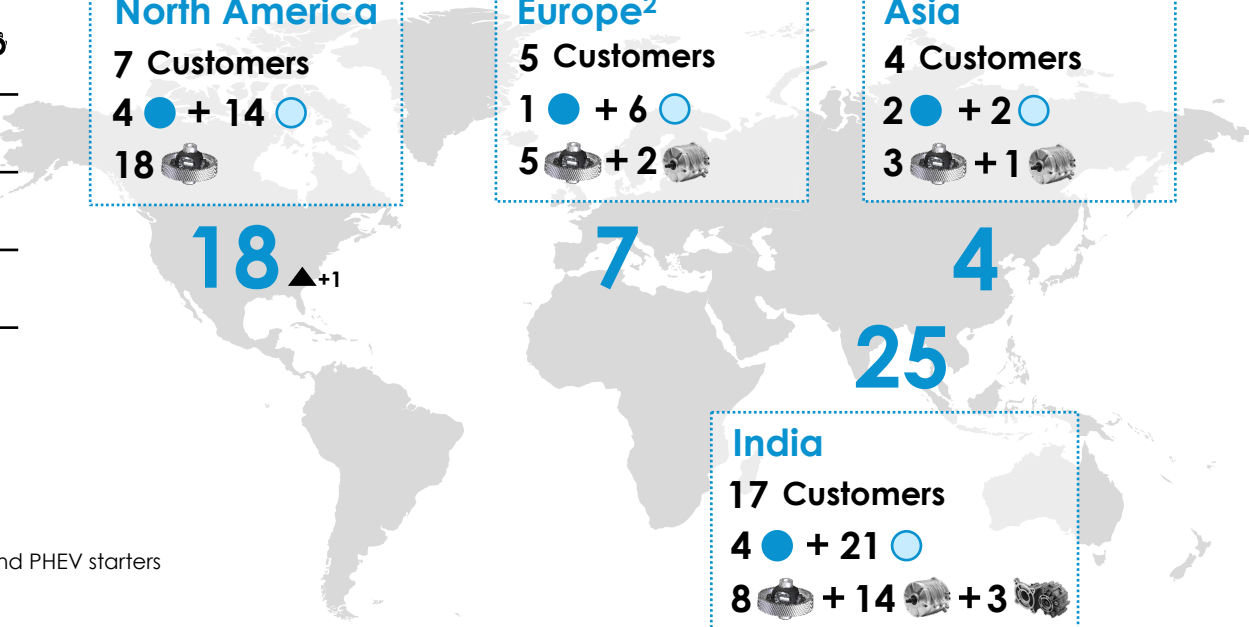
54 EV programs across 30¹ different customers

| No. of programs customers | | | |
|---------------------------|-------|-------|-----|
| | 27 11 | - | 7 7 |
| | 3 3 | 13 10 | 1 1 |
| | - | 3 3 | - |

North America
7 Customers
4 ● + 14 ○
18

Europe²
5 Customers
1 ● + 6 ○
5 + 2

Asia
4 Customers
2 ● + 2 ○
3 + 1



India
17 Customers
4 ● + 21 ○
8 + 14 + 3

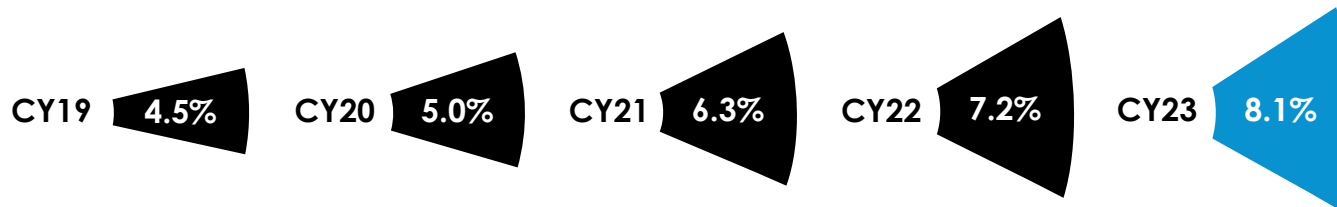
- Programs in fully ramped-up production
- Programs in ramp-up or not yet in production
- Programs for geartrain components
- Programs for traction motors, controllers, IMCM and PHEV starters
- Programs for e-Axle

▲+x denotes the change during Q4 FY24

Notes:
1. 2 customers are present in more than one geography
2. Europe geography includes the UK

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

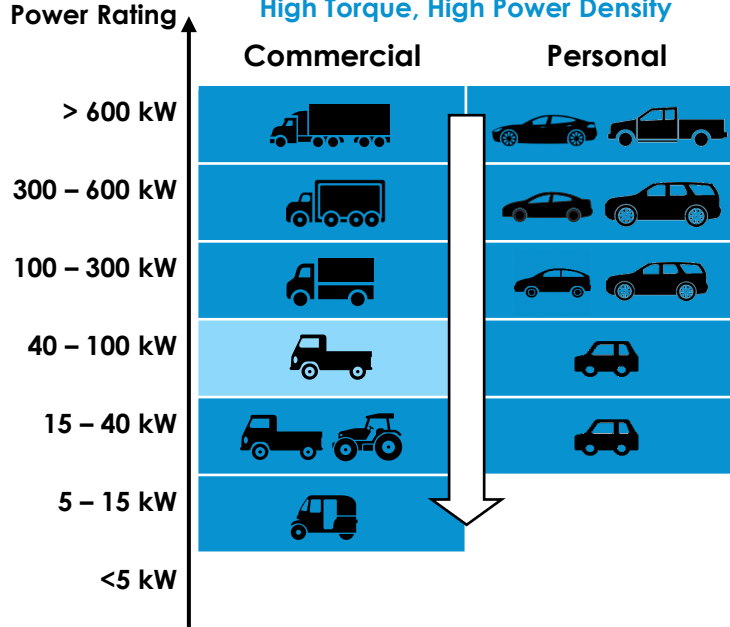
Notes:

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

Electrification: Our Approach to Market

Driveline Solutions

Core Strength:
High Torque, High Power Density



In serial production or in orderbook

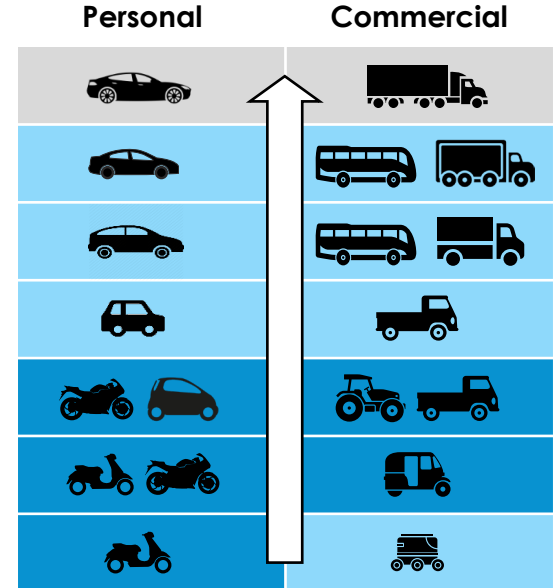
To be added between CY24-25

EV Products

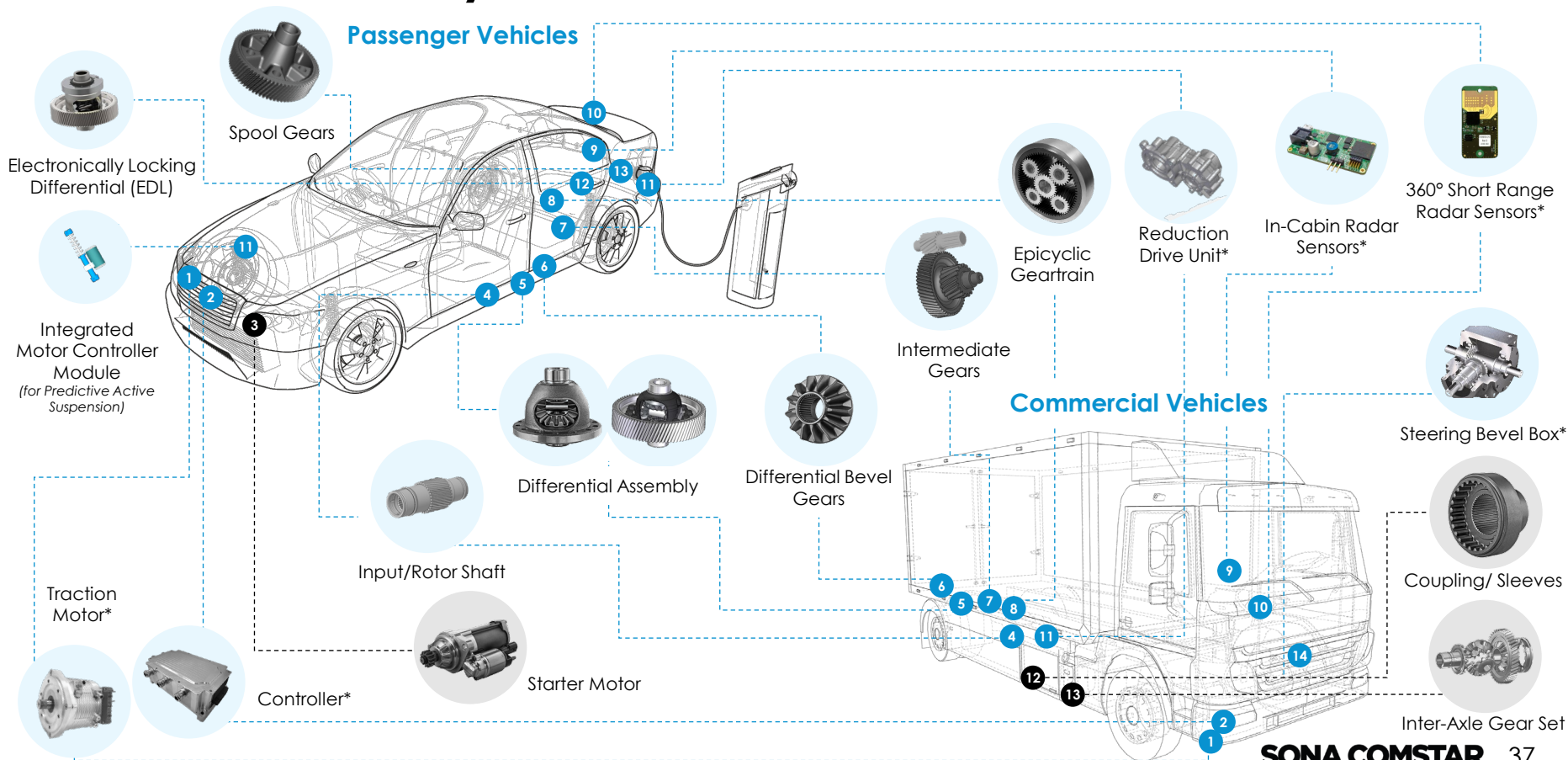


Motor Solutions

Core Strength:
Low Voltage, High Power Density



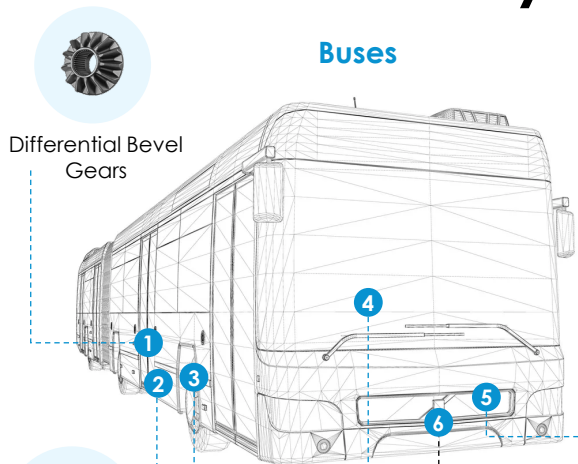
Product Summary



*Product under development

Product Summary

Buses



Differential Bevel Gears



Controller*



Traction Motor*



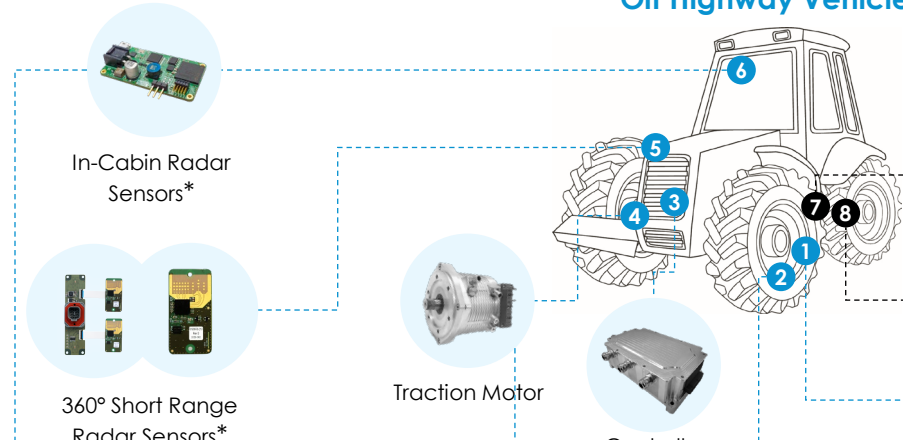
Steering Bevel Box*



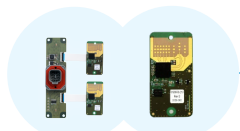
In-Cabin RADAR Sensors*

*Product under development

Off Highway Vehicles

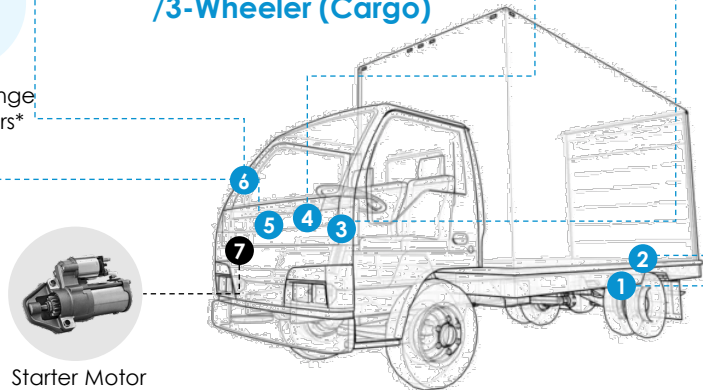


In-Cabin Radar Sensors*



360° Short Range Radar Sensors*

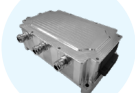
Light Commercial Vehicles /3-Wheeler (Cargo)



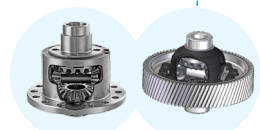
Starter Motor



Traction Motor



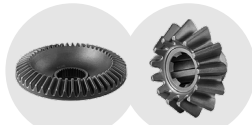
Controller



Differential Assembly



Spiral Bevel Gears



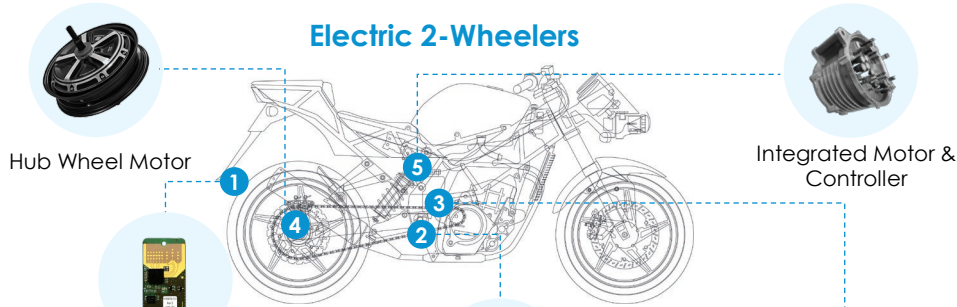
Portal Axle Gears



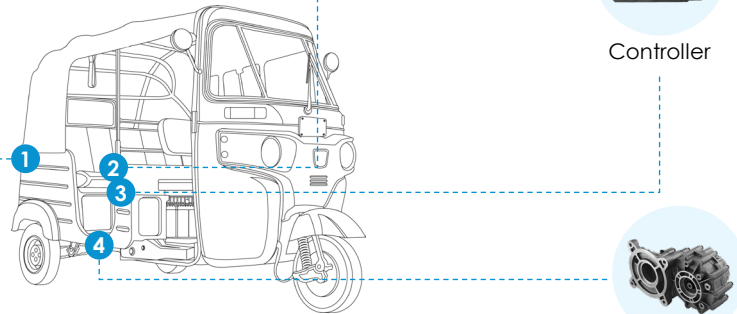
Differential Bevel Gears

Product Summary

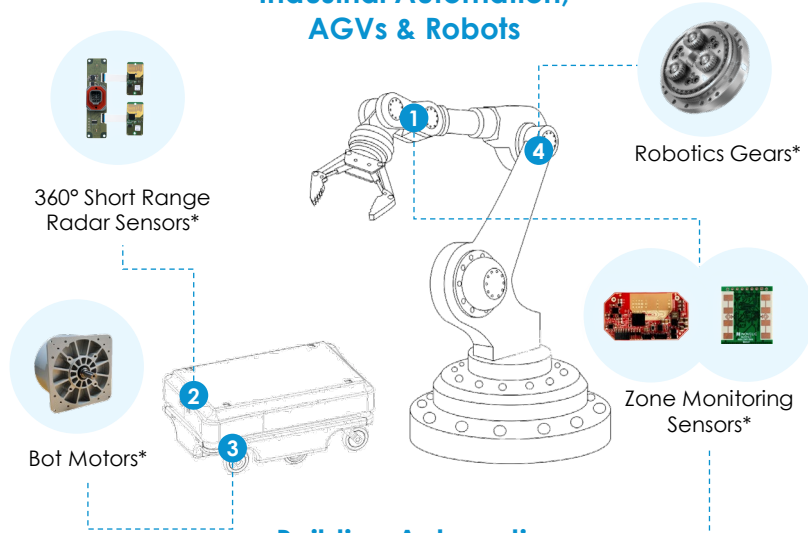
Electric 2-Wheelers



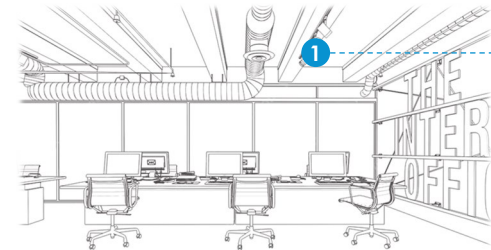
Electric 3-Wheelers



Industrial Automation, AGVs & Robots



Building Automation



*Product under development

ESG Performance Highlights



14.3 Low Risk



Top 9%

Out of 16,421 global companies



- 10% improvement in emissions intensity in FY23 from FY22
- 2% improvement in water intensity in FY23 from FY22
- Silver Medal won by Gurugram and Manesar plants in India Green Manufacturing Challenge by IRIM in 2022



- Great Place to Work Certified in Jan 2023 and recertified in Jan 2024 with a higher rating
- Driving incubation of startups innovating for sustainability in partnership with IIT Delhi and IIM Ahmedabad
- 4,958 student lives positively impacted across multiple schools



- Golden Peacock Award won in 2023 for excellence in corporate governance
- 5 independent directors and 2 women directors out of 8 board members
- Promoter holds the position of a non-executive chairman