

Schaeffler India Limited · Pune · Maharashtra

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001
Company Code: 505790

National Stock Exchange of India Limited

Exchange Plaza, C – 1, Block G,
Bandra-Kurla Complex, Bandra (E),
Mumbai-400051
Company Code: SCHAEFFLER

Sub: Investor Presentation

19/04/2023

Dear Sirs,

Phone: +912068198464

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 March 31, 2023.

Kindly take the same on your record.

Thanking you.

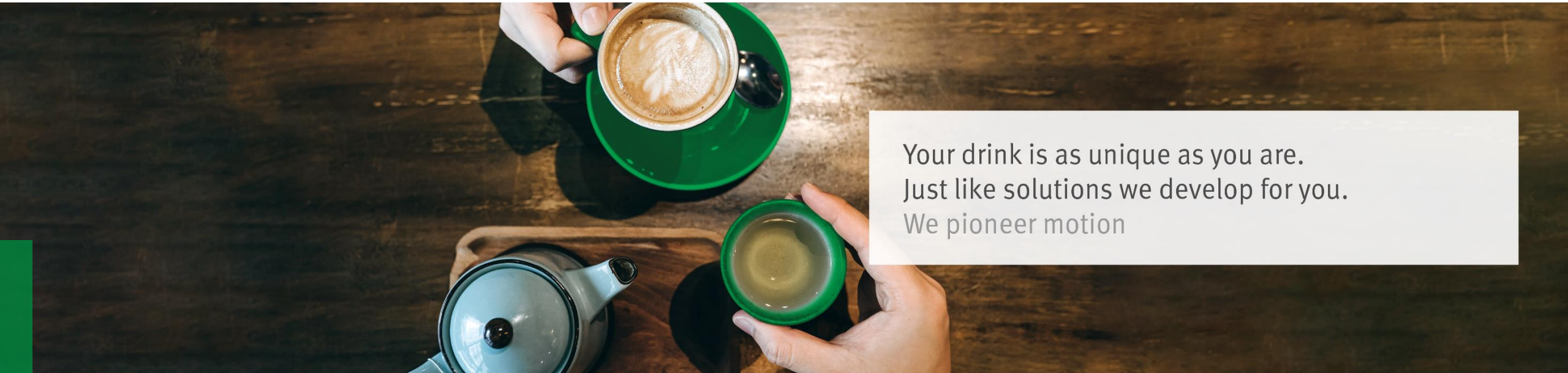
Yours faithfully,

For **Schaeffler India Limited**

Ashish Tiwari,

VP - Legal & Company Secretary

Encl.: As above



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

Schaeffler India Limited Investor Presentation – Q1 2023

April 19, 2023

We pioneer motion

Recognitions in our ESG journey continue



Dun & Bradstreet ESG Excellence Award

Governance award category 'Corporate Behaviors'



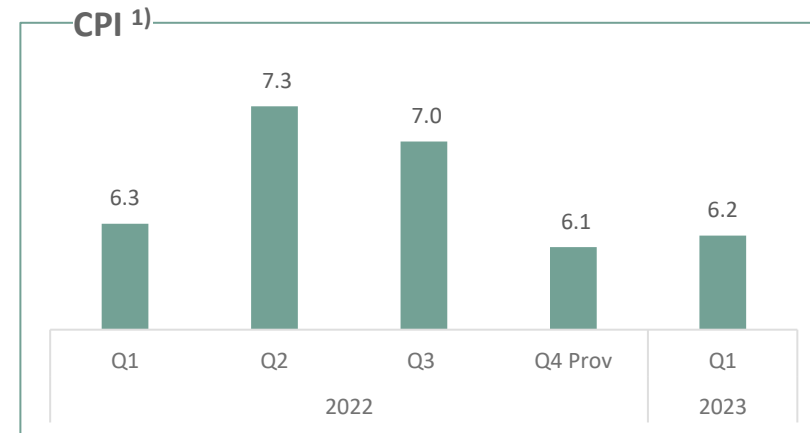
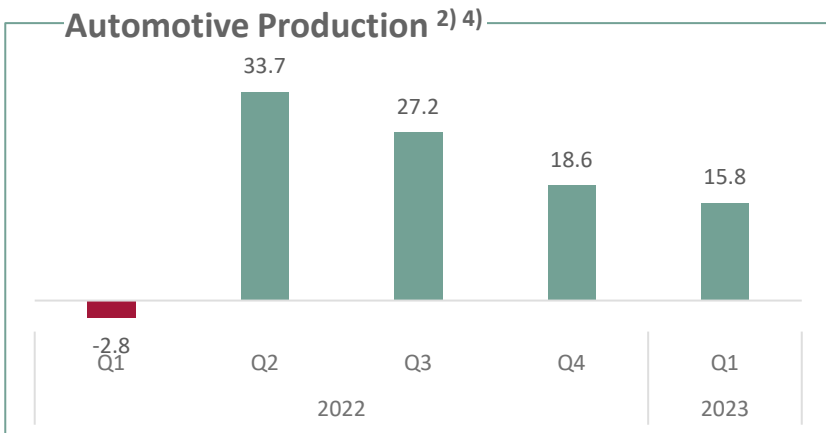
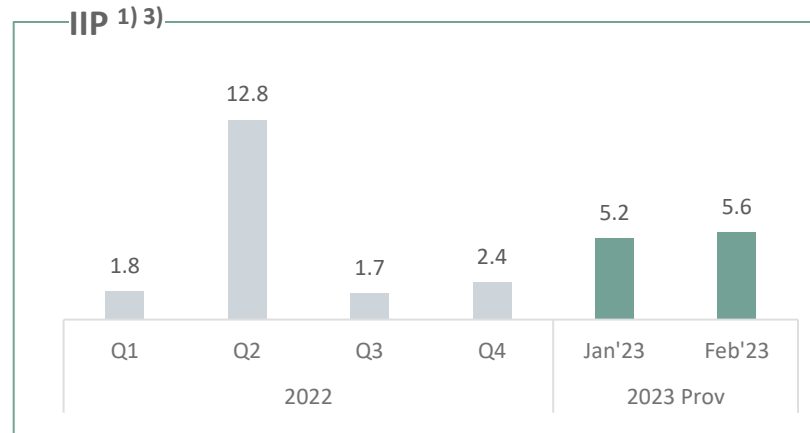
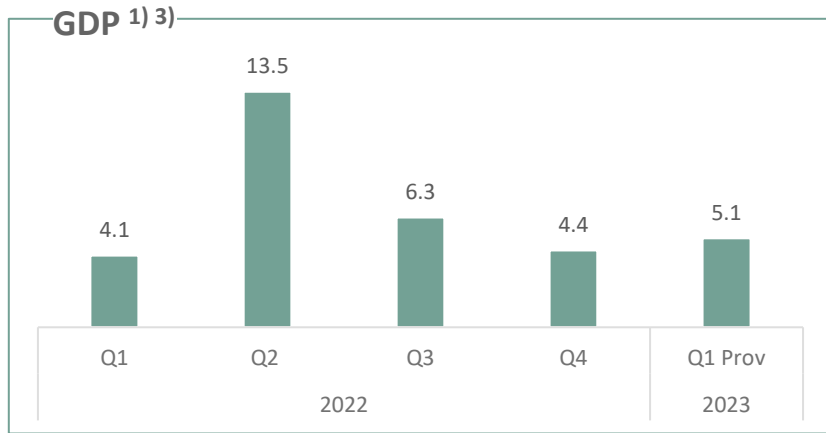
Special Commendation Award by The CSR Journal Excellence Awards

Jal Sahara is Schaeffler India's initiative to tackle issues of water scarcity through natural resource management in Khed Taluka, Pune

Agenda

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| 2 | Business Highlights - Q1 2023 | 7 |
| 3 | Financial Highlights - Q1 2023 | 10 |

Economy | Growth outlook



- FY2023 GDP is expected to grow by 6.1%
- Higher growth in manufacturing, & electricity output led to IIP growth
- Sustained growth in PVs Q1 growth of 12.6% in PVs, 34.7% in Tractors due to low-base of 2022 and muted growth in CVs at 3.1%
- Led by elevated food and fuel prices, CPI inflation remained high in Jan and Feb'23, moderated in Mar'23

Note :

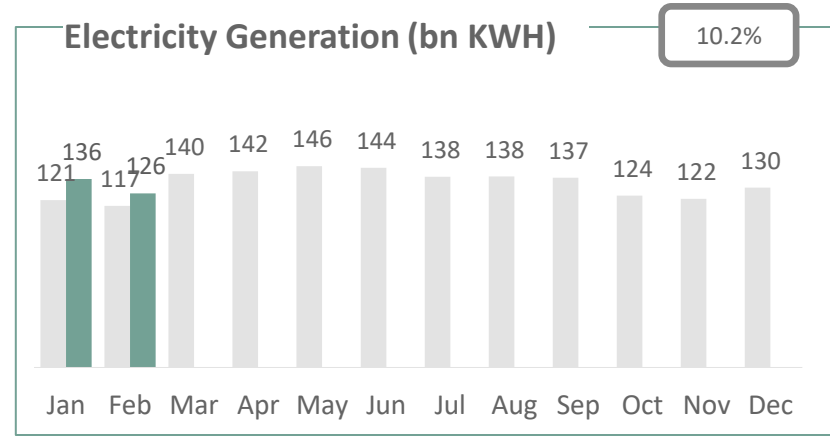
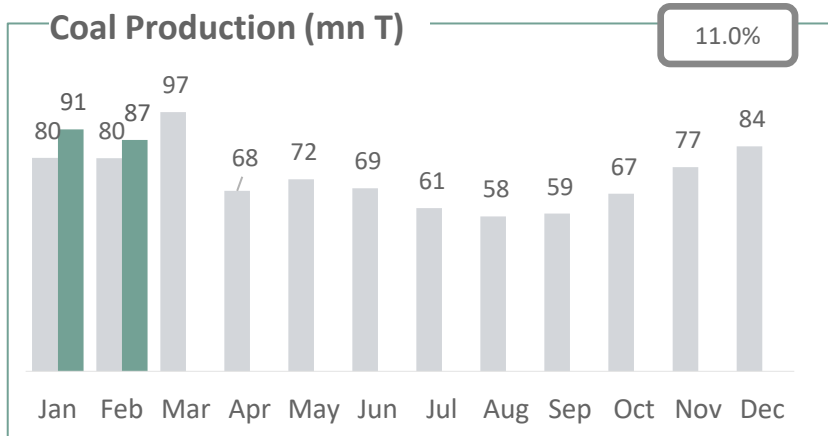
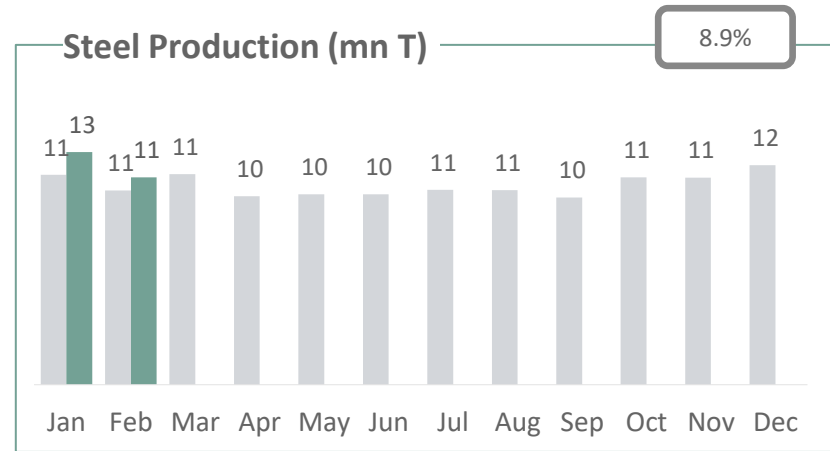
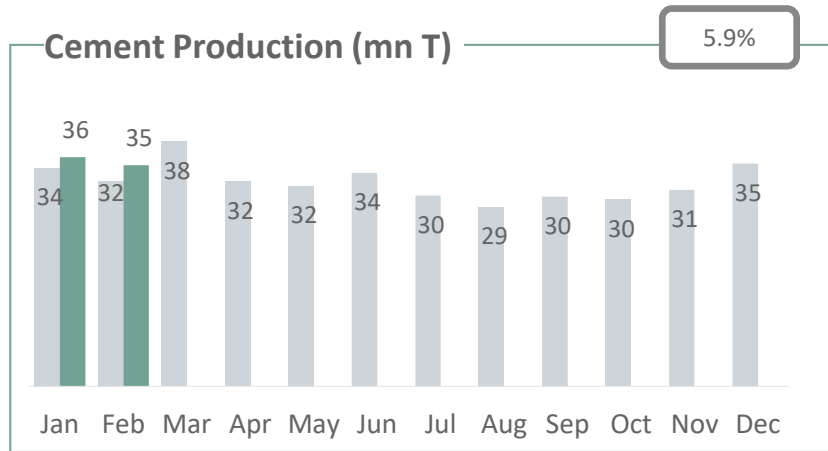
- Data is reinstated every quarter as per final reports released by authorities
- GDP, IIP, and Automotive Production are YoY growth rates, whereas CPI is quarterly inflation rate. 6.7% is the average CPI for YTD 2022
- Contribution of manufacturing, mining, & electricity in IIP stands at 78%, 14%, & 8% respectively
- Automotive Production includes PVs, CVs, & Tractors with production share of 68%, 16%, & 16% 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 | Moderate movement

2022 2023 YTD CY2023 Growth



Key comments

Core industry growth in FY23 Apr-Feb is registered at 7.8% compared to 11.1% for the same period last year

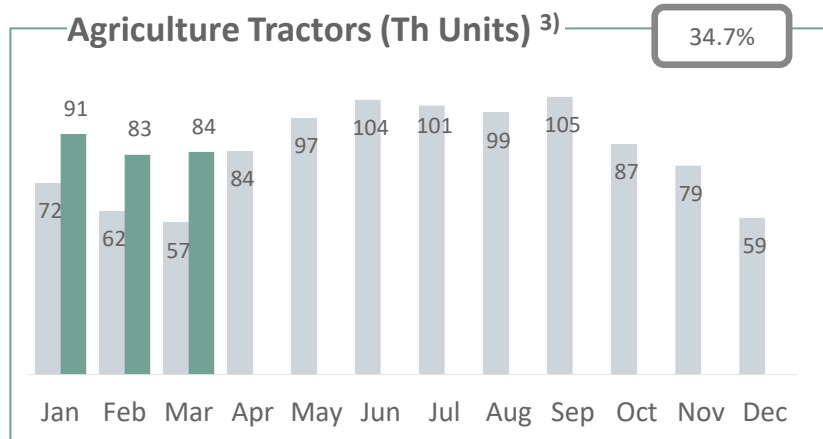
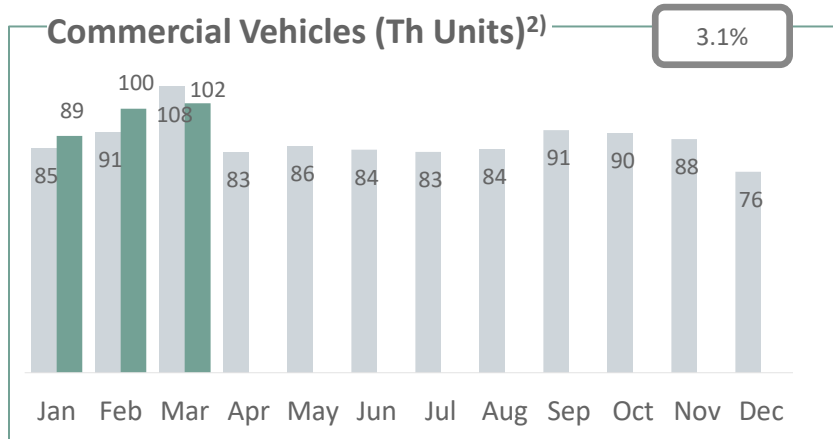
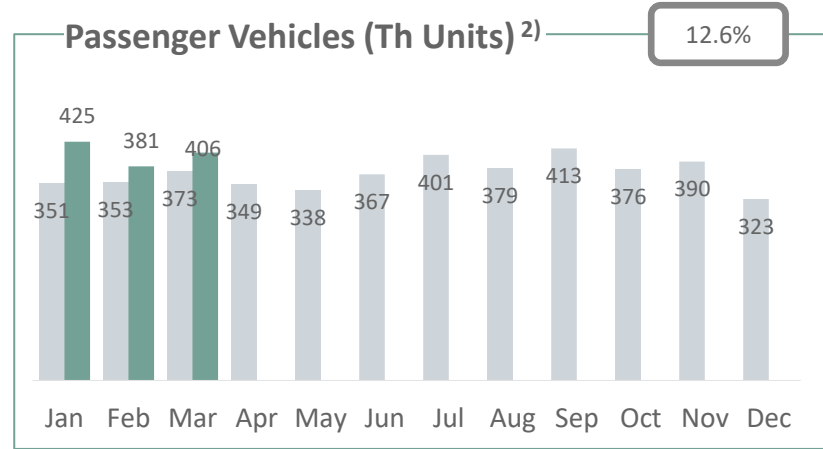
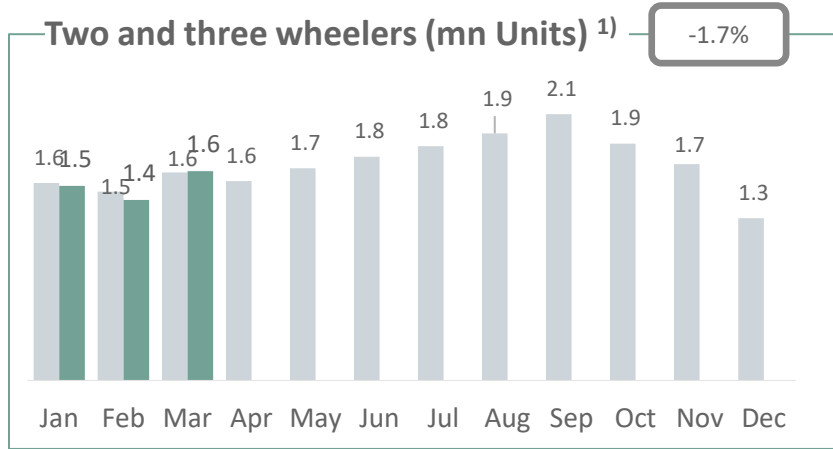
Sector weightage within eight core sectors

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 | Growth momentum in PVs, Tractors

2022 2023 YTD CY2023 Growth



- Growth in PVs on the back of easing pandemic related challenges and semiconductor shortages
- Rising market demand, positive sentiments led to moderate growth in CVs
- Growth in tractors given a low base effect of previous year and strong rural sentiments

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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Q1 2023 | Earnings quality sustained

Key Messages



Automotive Technologies supported top-line performance for the quarter, headwinds in wind energy impacting industrial business



Progress on e-mobility transition remains, trajectory of business wins continues



Quality of earnings continues despite headwinds given our balanced business portfolio and operational efficiencies



ESG remains at the core of how we do business, recognitions in this journey continue



Despite global uncertainties, committed for execution leveraging our balanced business portfolio

Sales growth

8.0% vs Q1'22

-5.6% vs Q4'22

16,936 mn INR

EBIT ¹⁾ margin

16.0% Q1'23

16.2% Q4'22

2,706 mn INR

PAT margin

13.0% Q1'23

12.9% Q4'22

2,194 mn INR

FCF

114.9% vs Q1'22

-98.7% vs Q4'22

31 mn INR

¹⁾ EBIT (before exceptional items)

Q1 Business developments | Progress on e-mobility continues

Automotive Technologies



Reliability and emission reduction

- 1 Key win in PVs¹⁾ for e-mobility solutions and conventional products
- 2 Business win for double clutch systems for CV¹⁾ segment
- 3 Business wins in PVs¹⁾ for alternator pulleys

Automotive Aftermarket



Increased market coverage

- 1 Volume wins for our recently launched products – wipers and center joint support continue
- 2 Business wins for FEAD/ Timing Kit, TRBs in the PV segment
- 3 Continued focus on portfolio expansion and penetration through range extension

Industrial



Precision and Efficiency

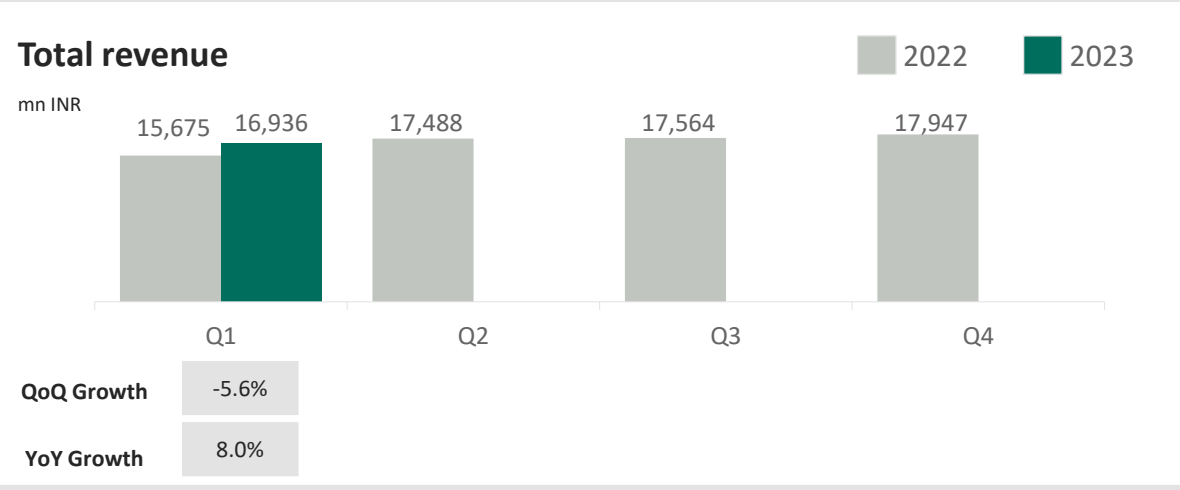
- 1 New business wins for ACBBs, NRBs, DGBBs in the TW segment
- 2 Key business win for CRBs, DGBBs and NRBs in the off-road segment
- 3 Business wins for linear motion guides in the Industrial Automation segment

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

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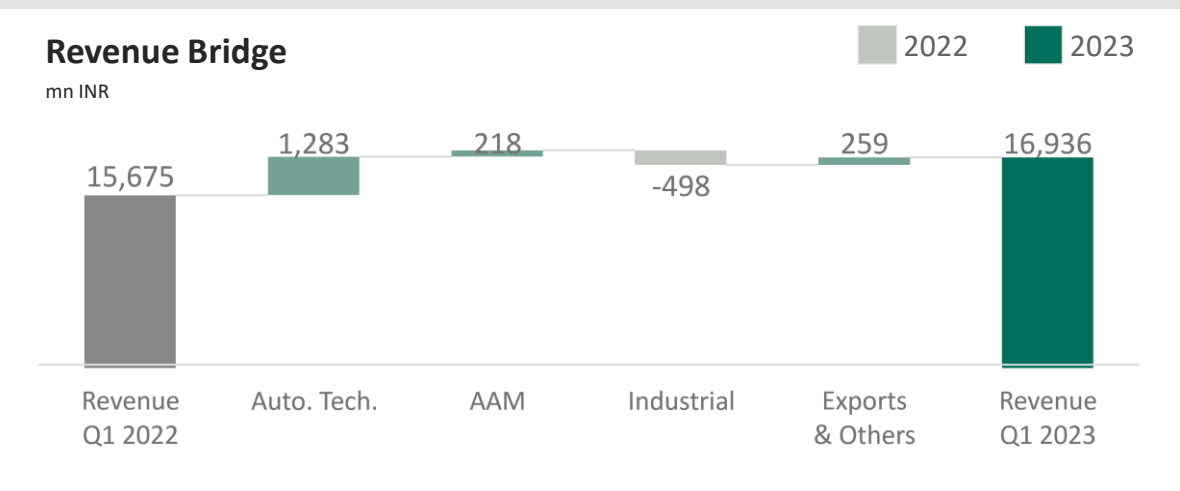
Revenue from operations | Growth moderates



Key aspects

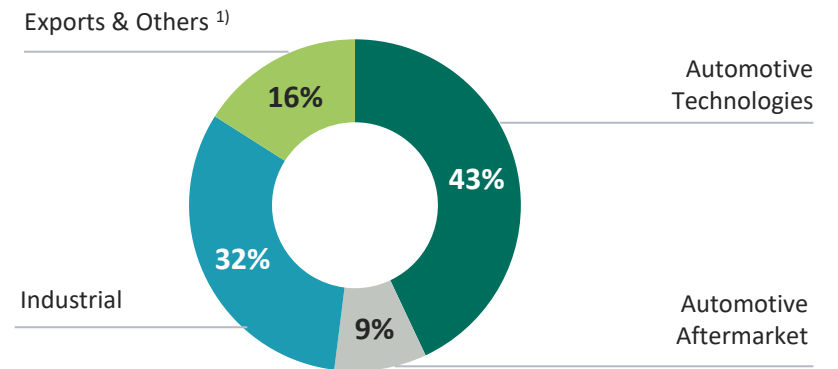
- YoY growth on the back of strong growth in the automotive businesses
- Headwinds in wind energy moderated growth in industrial business

Growth	Q1'23 vs Q4'22	Q1'23 vs Q1'22
Automotive Technologies	5.3%	21.1%
Automotive Aftermarket	-13.4%	17.4%
Industrial	-9.6%	-8.5%
Exports & others	-17.7%	10.5%



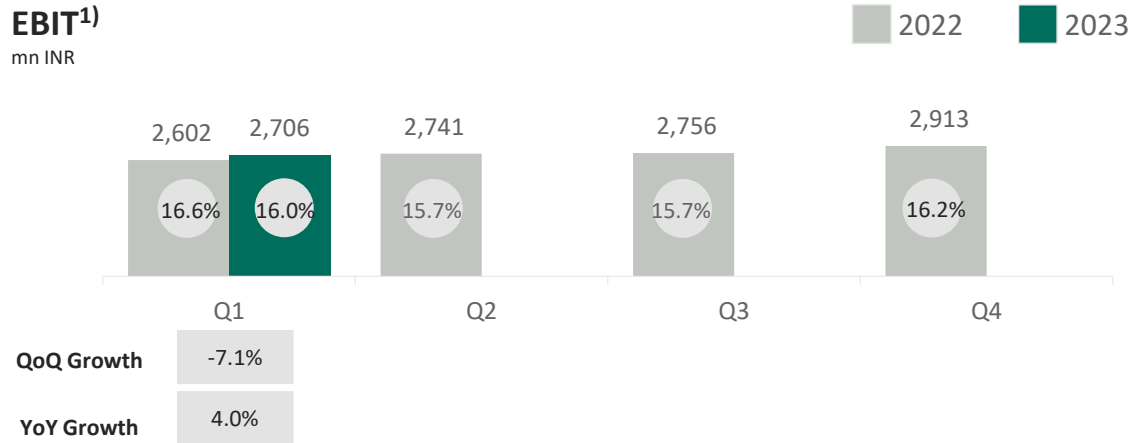
Sales mix

Q1 2023



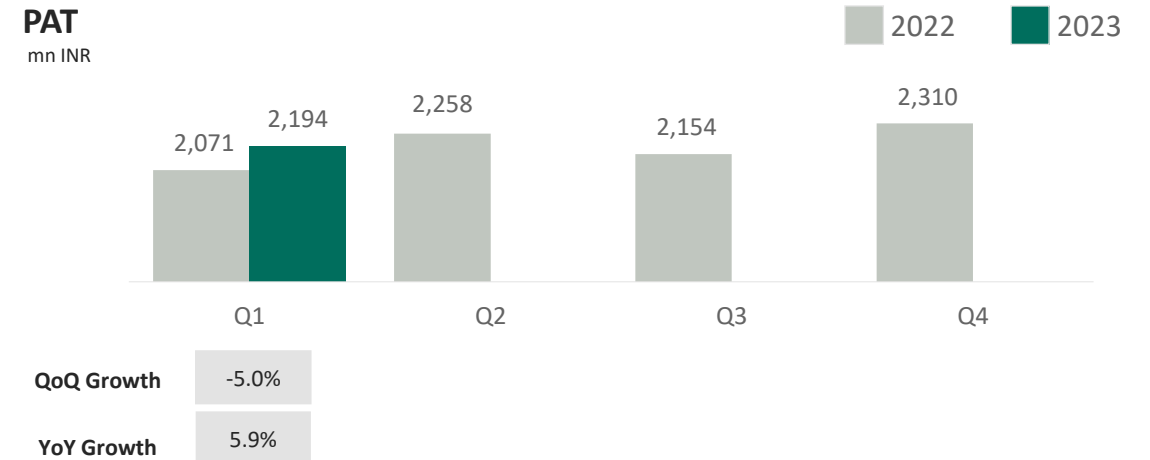
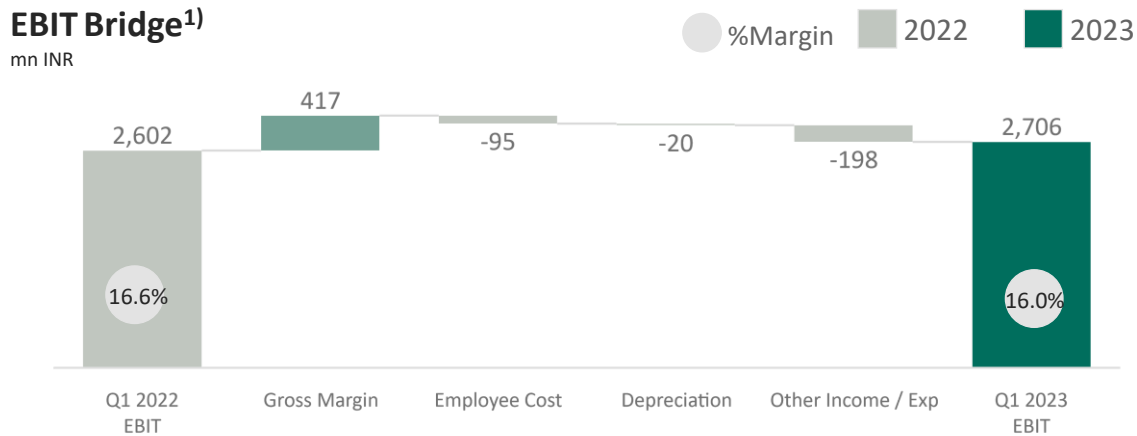
¹⁾ Exports mainly includes exports to group companies, scrap sale and other operating income

Earnings Quality | Sustained performance



Key aspects

- YoY earnings grew marginally despite moderate revenue growth, due to continued focus on operational efficiencies
- QoQ margins stable with focus on countermeasures and balanced business portfolio



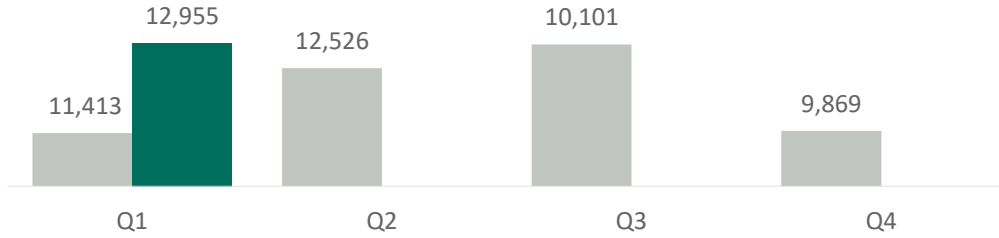
¹⁾ EBIT (before exceptional items) - interest income (net) at 235.6 mn INR in Q1 '23 (169.9 mn INR Q1'22);

Working capital, Capex | Optimal levels of working capital and focus on capex

Working Capital

mn INR

■ 2022 ■ 2023



% to sales

Period	2022 (%)	2023 (%)
3M'22	19.9%	
3M'23		19.9%
6M'22	20.1%	
9M'22	19.9%	
12M'22	17.0%	

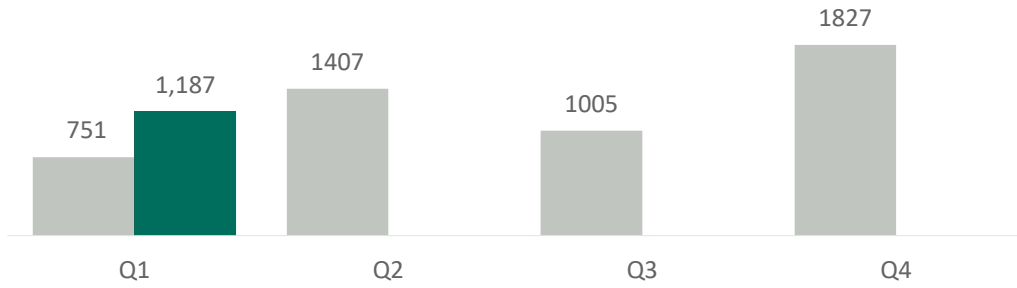
Key aspects

- Working Capital at optimal levels
- Capex framework – on track
- Free cash flow generation for Q1CY23 on track

Capex

mn INR

■ 2022 ■ 2023



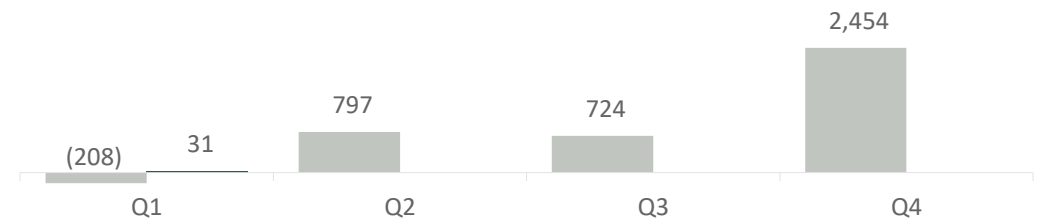
% to sales

Period	2022 (%)	2023 (%)
3M'22	3.5%	
3M'23		7.0%
6M'22	8.0%	
9M'22	6.2%	
12M'22	7.3%	

Free Cash Flow

mn INR

■ 2022 ■ 2023



YoY Change

YoY Change	114.9%
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Performance Indicators

	Unit	Q1 2023	Q4 2022	Q1 2022	12M 2022	12M 2021
Revenue	mn INR	16,936	17,947	15,675	68,674	55,605
Revenue growth (YoY)	%	8.0%	17.8%	19.0%	23.5%	47.8%
Revenue growth (QoQ)	%	-5.6%	2.2%	2.9%		
EBITDA	mn INR	3,230	3,443	3,107	13,076	9,950
EBITDA Margin	%	19.1%	19.2%	19.8%	19.0%	17.9%
EBIT ¹⁾	mn INR	2,706	2,913	2,602	11,012	7,979
EBIT Margin	%	16.0%	16.2%	16.6%	16.0%	14.3%
EBT	mn INR	2,941	3,096	2,772	11,770	8,431
EBT Margin	%	17.4%	17.2%	17.7%	17.1%	15.2%
PAT	mn INR	2,194	2,310	2,071	8,792	6,291
PAT Margin	%	13.0%	12.9%	13.2%	12.8%	11.3%
Capex ²⁾	mn INR	1,187	1,827	751	4,990	1,929
FCF	mn INR	31	2,454	(208)	3,768	3,279

¹⁾ EBIT (before exceptional items) - interest income (net) at 235.6 mn INR in Q1 '23 (169.9 mn INR Q1'22); ²⁾ Capex includes CWIP

In Summary

- 1 Balanced business portfolio helped in offsetting the adverse impact of the industrial business performance
- 2 Sustained countermeasures and operational efficiencies helped keeping margin levels at par
- 3 Capex on track. Investments across businesses continued as per our framework
- 4 Remain cognizant of the volatility and challenges in the environment, ensuring appropriate actions



Committed to continue on our growth trajectory leveraging on our strengths

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Thank you



Sustainability is a matter of attitude:
Sometimes what starts small seems
much bigger than you think.
We pioneer motion