

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**

27/10/2023

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 September 30, 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

SCHAEFFLER



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# Schaeffler India Limited

## Investor Presentation – Q3 and 9M 2023

### Standalone Financial Results

October 27, 2023

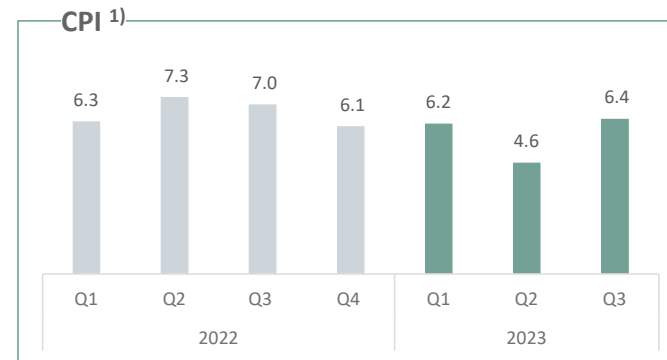
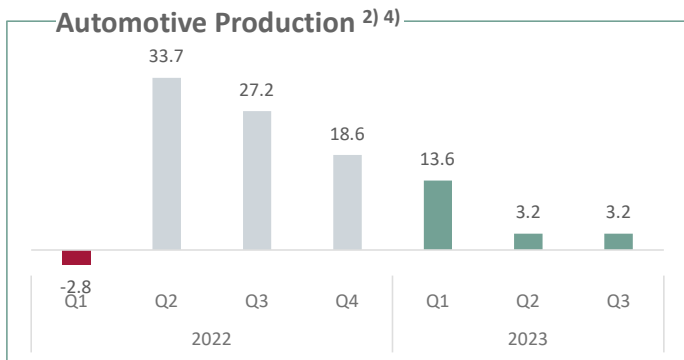
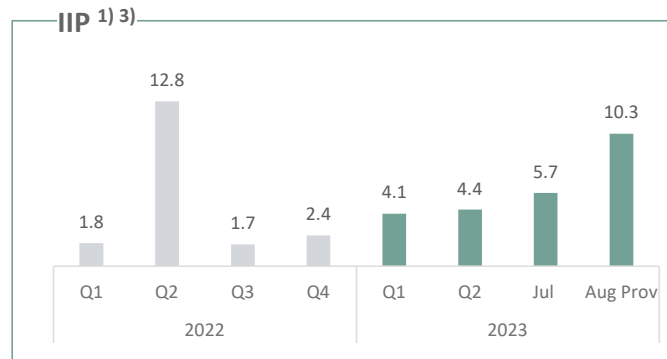
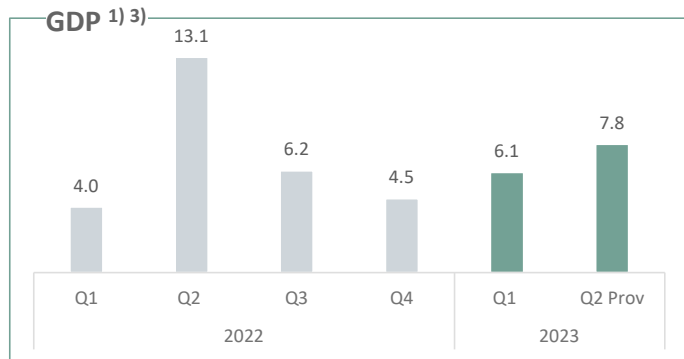
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Agenda

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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 :

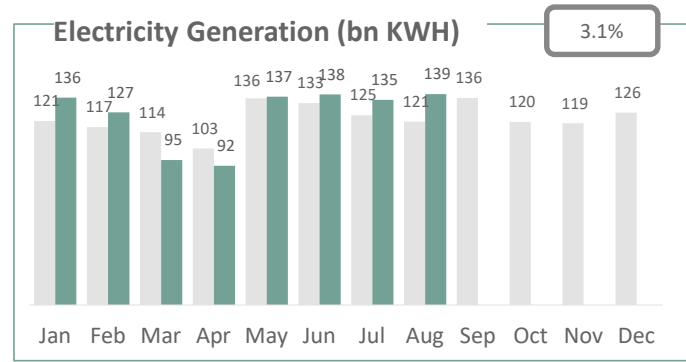
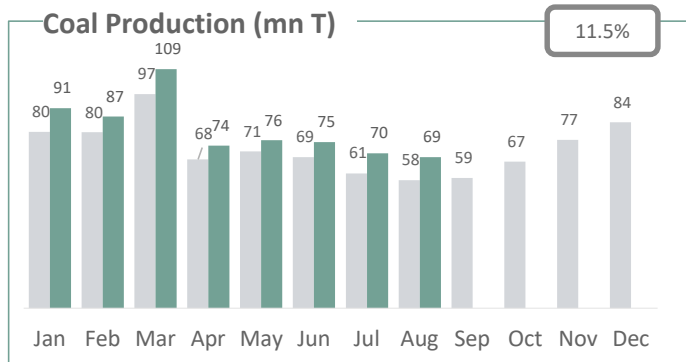
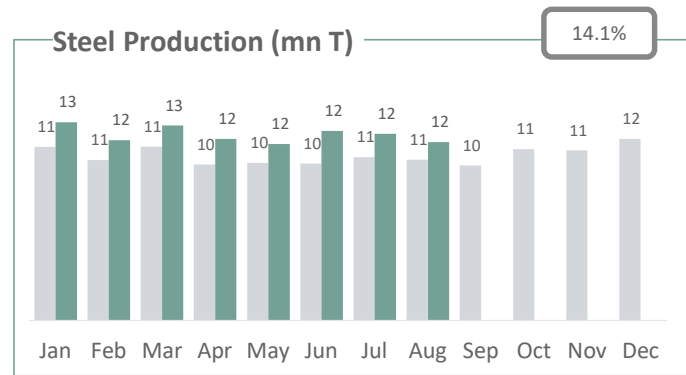
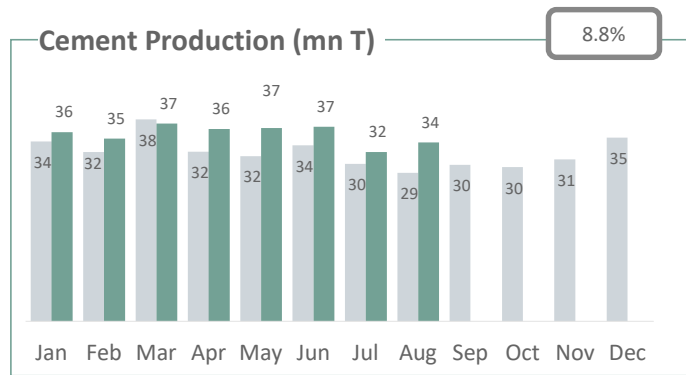
- Data is reinstated every quarter as per final reports released by authorities
- GDP, IIP, and Automotive Production are YoY growth rates, whereas CPI is quarterly inflation rate.
- Contribution of manufacturing, mining, & electricity in IIP stands at 78%, 14%, & 8% respectively
- Automotive Production includes PVs, CVs, & Tractors with production share of 69%, 16%, & 15% respectively

Source of data :

- <sup>1)</sup> Ministry of Statistics & Programme Implementation
- <sup>2)</sup> SIAM : Society of Indian Automobile Manufacturers
- <sup>3)</sup> GDP - Gross Domestic Production, IIP - Index of Industrial Production, CPI - Consumer Price Index
- <sup>4)</sup> 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

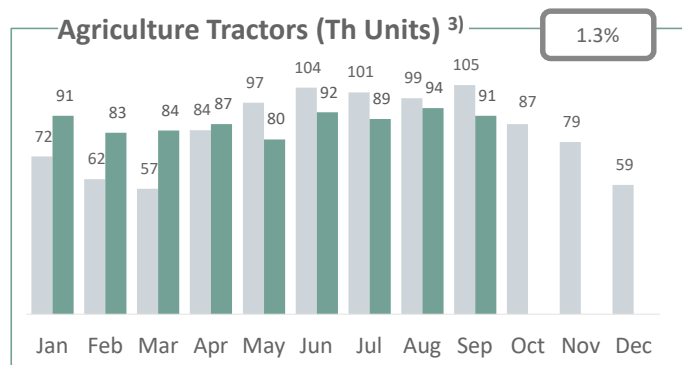
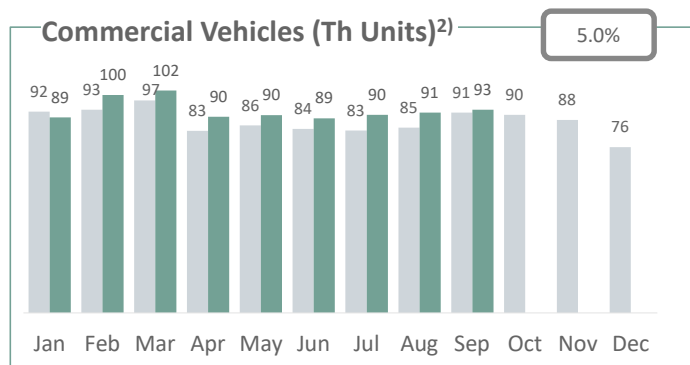
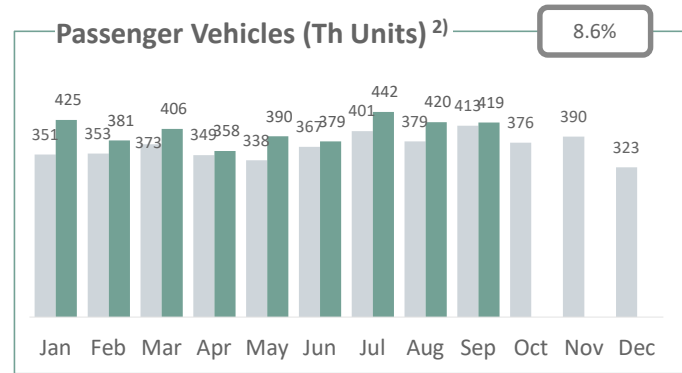
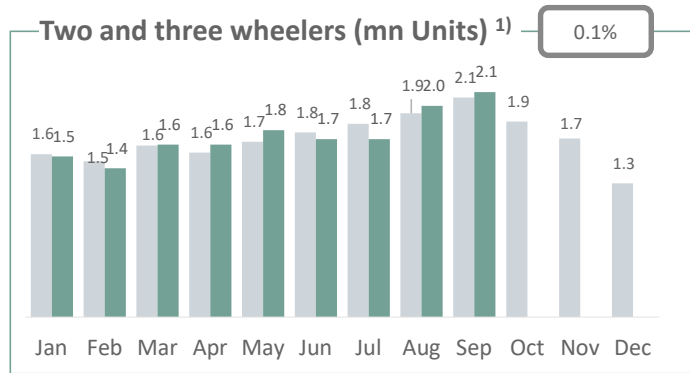
**Sector weightage within eight core sectors**

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 :  
<sup>1)</sup> SIAM : Society of Indian Automobile Manufacturers  
<sup>2)</sup> TMA : Tractor Manufacturers Association  
<sup>3)</sup> 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 <sup>1)</sup> 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

<sup>1)</sup> EBIT (before exceptional items)



**Q3 Business developments | Wins in hybrids, renewable energy**

**Automotive Technologies**



**Reliability and emission reduction**

- 1 Business wins in PVs<sup>1)</sup> for gear shafts for hybrid vehicles
- 2 Business win for HD clutches for MHCV<sup>1)</sup> segment
- 3 Continued business wins for Gen-3 wheel bearings in PV<sup>1)</sup> 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**

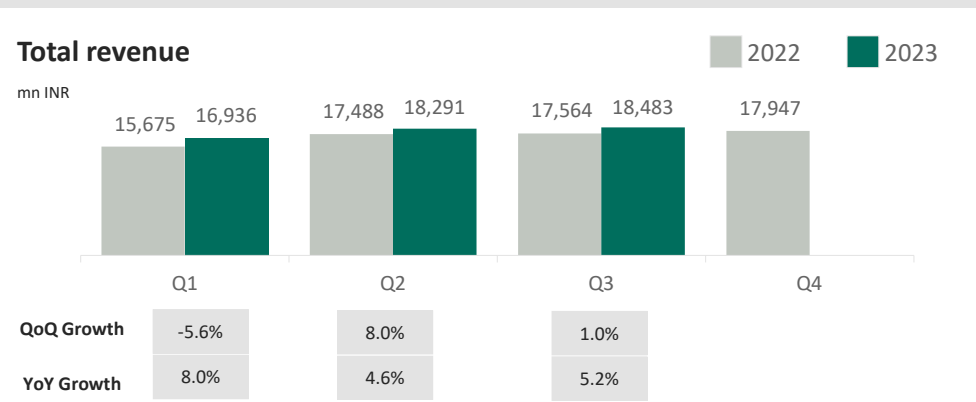
- 1 Key business win in the renewable energy segment for taper roller bearings
- 2 New business wins for bearings in the off-road segment
- 3 Business wins for bearings continues for railway applications

<sup>1)</sup> TW - Two-wheelers, CV - Commercial Vehicles, PV - Passenger Vehicles

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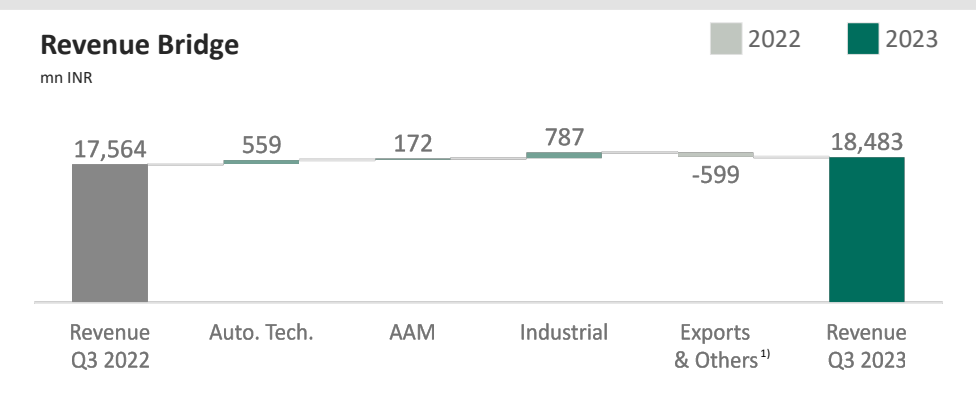
**Revenue from operations | Domestic business growth stable**



**Key aspects**

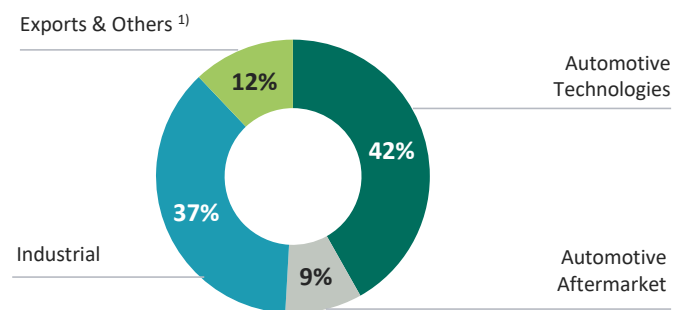
- Double digit YoY growth in domestic business overall
- Slowdown in exports continues owing to sluggish global demand

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 <sup>1)</sup>	-16.0%	-21.2%	-5.9%



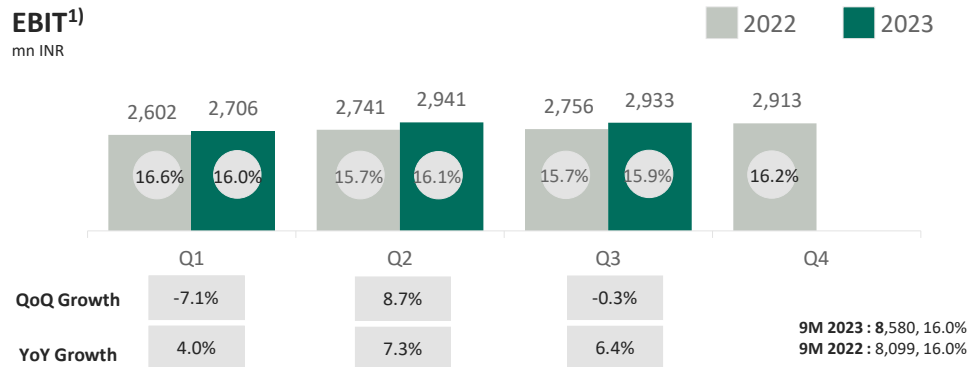
**Sales mix**

Q3 2023



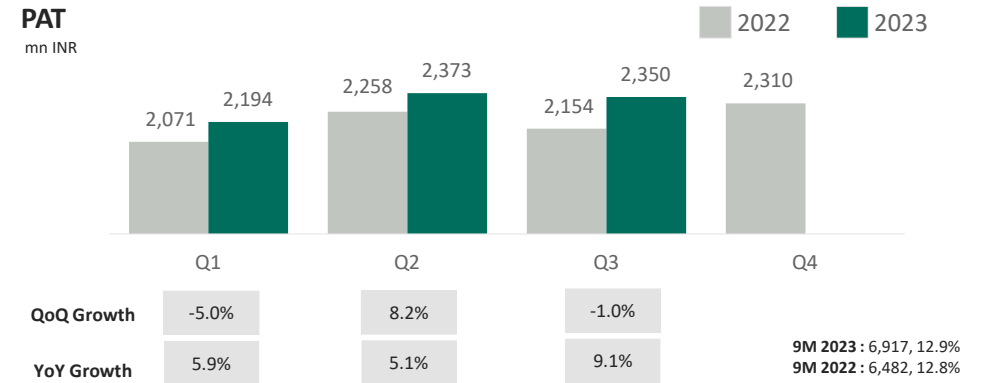
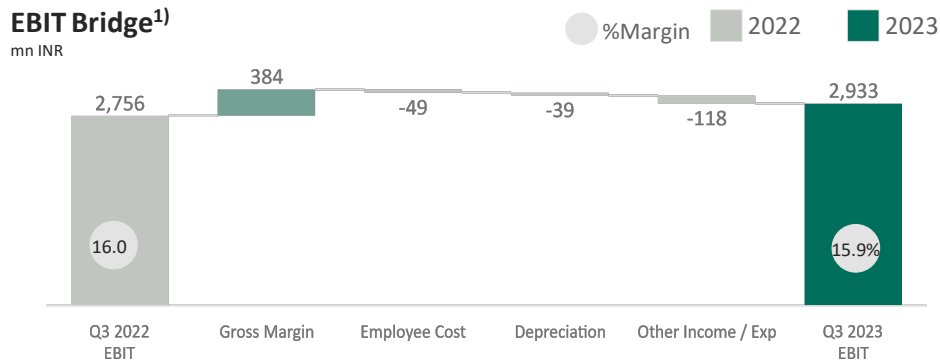
<sup>1)</sup> Exports mainly includes exports to group companies, scrap sale and other operating income

**Earnings Quality | Sustained performance**



**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

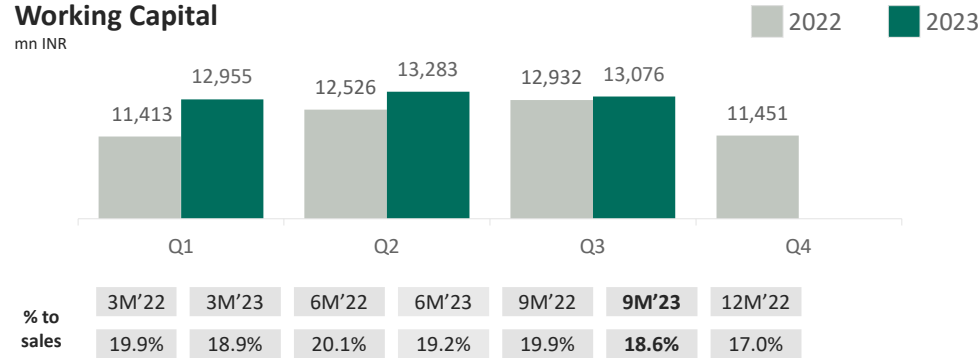


<sup>1)</sup> EBIT (before exceptional items) - interest income (net) at 223.8 mn INR in Q3'23 (139.6 mn INR Q3'22)

## Working capital, Capex | Focused and effective management

### Working Capital

mn INR

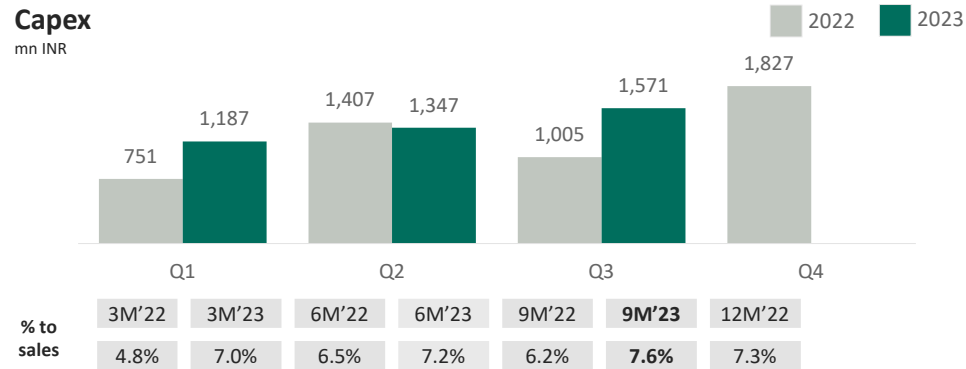


### Key aspects

- 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

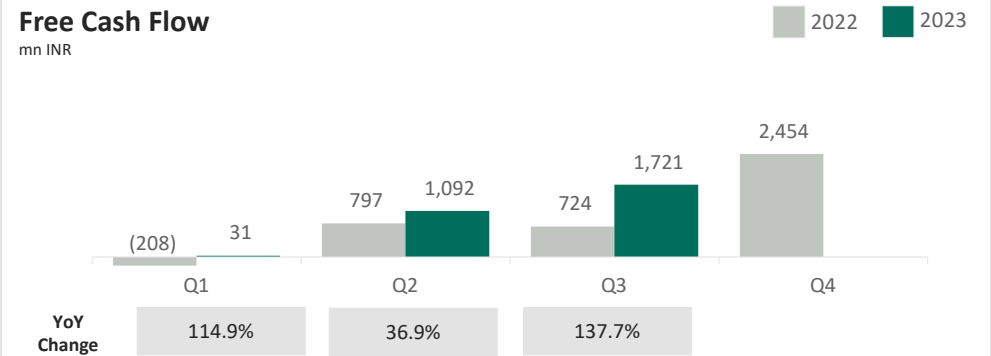
### Capex

mn INR



### Free Cash Flow

mn INR



## Performance Indicators

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

<sup>1)</sup> 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 <sup>2)</sup> 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



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Sometimes what starts small seems  
much bigger than you think.  
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