

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

19/02/2024

Dear Sirs,

Pursuant to provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith Investor Presentation (Q4 and CY2023) of the Company.

Phone: +912068198464

Kindly take the same on your record.

Thanking you,

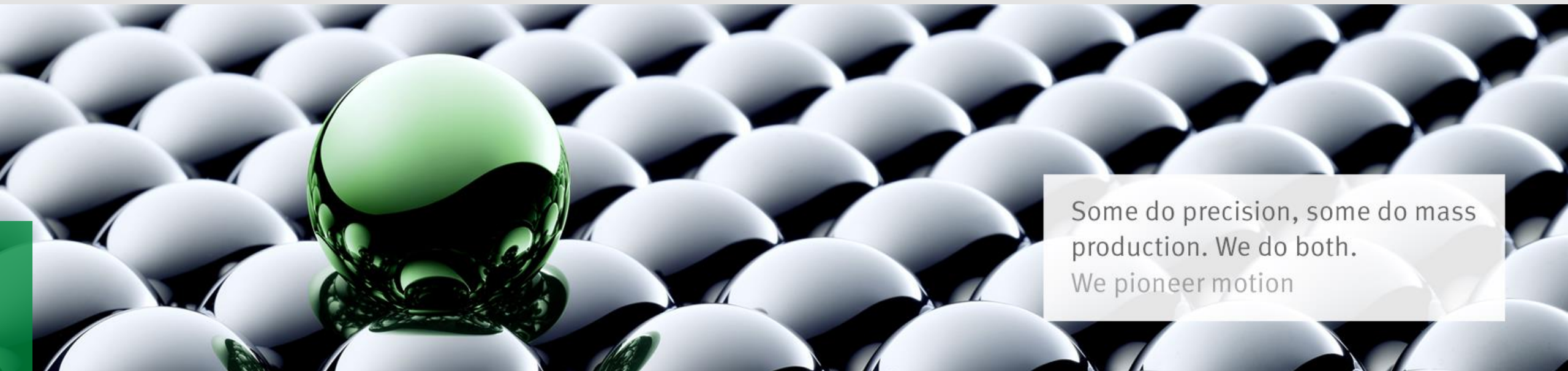
Yours faithfully,

For **Schaeffler India Limited**

Ashish Tiwari,

VP - Legal & Company Secretary

Encl.: As above



Some do precision, some do mass
production. We do both.
We pioneer motion

Schaeffler India Limited Investor Presentation – Q4 and CY 2023

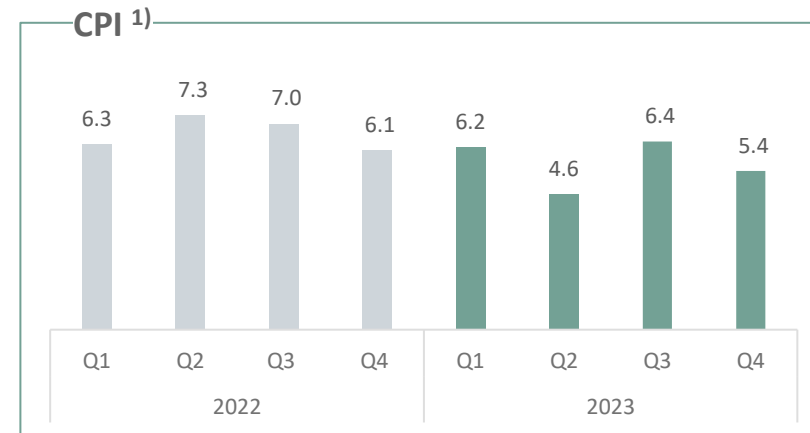
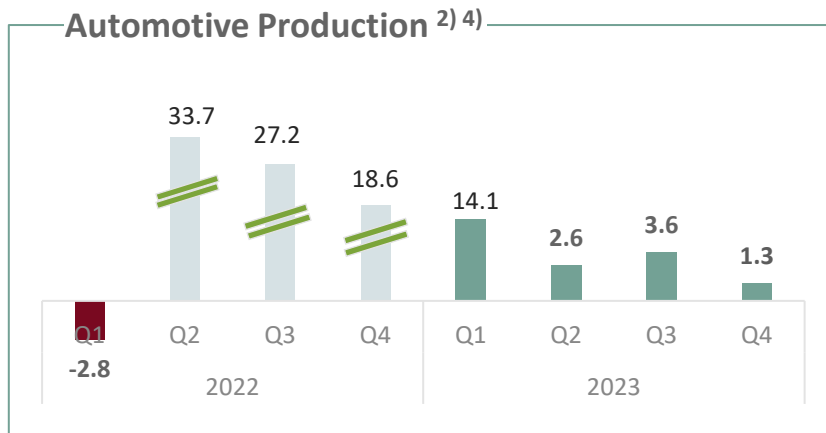
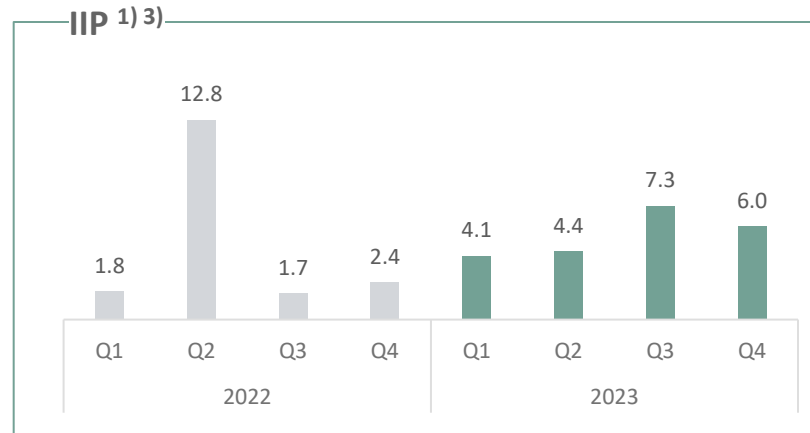
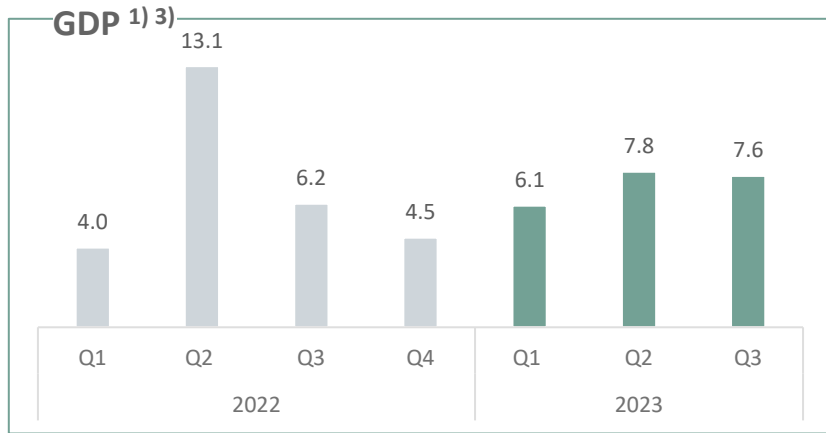
February 19, 2024

We pioneer motion

Agenda

1	Economy & Industry	2
2	Business Highlights - Q4 and 12M 2023	7
3	Financial Highlights - Q4 and 12M 2023	10
4	Stakeholder Value Creation	16

Economy | Fundamentals remain strong



Key comments

- Q3 GDP at growth at 7.6%, on growth path supported by moderating inflation driven by domestic demand
- IIP growth in 2023 due to healthy run of the metal, electrical & mining sector
- YoY growth in Q4 for PVs at 8%, growth in CVs at 2% and de-growth in tractors of 2%
- CPI inflation moderated; food inflation remain a concern.

Note :

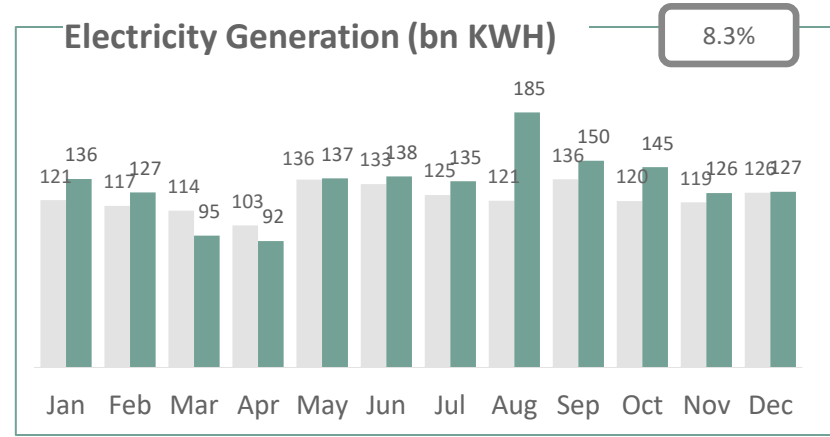
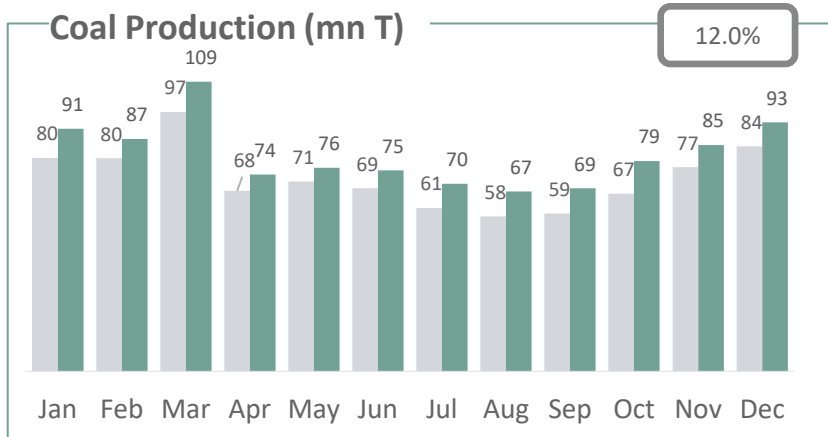
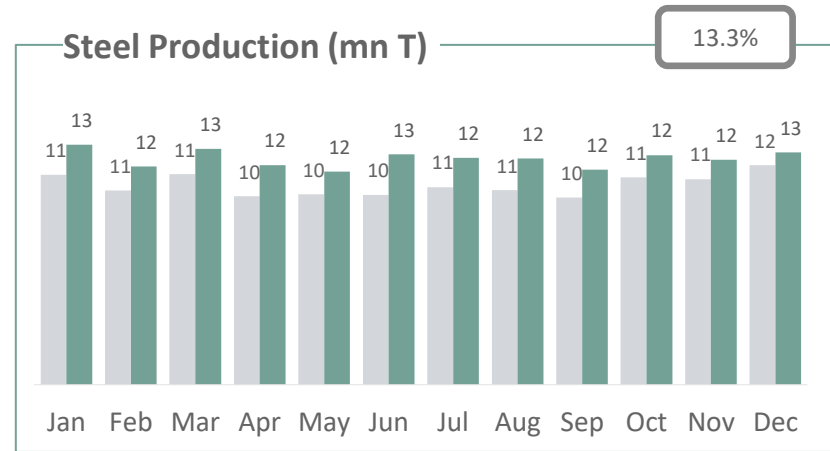
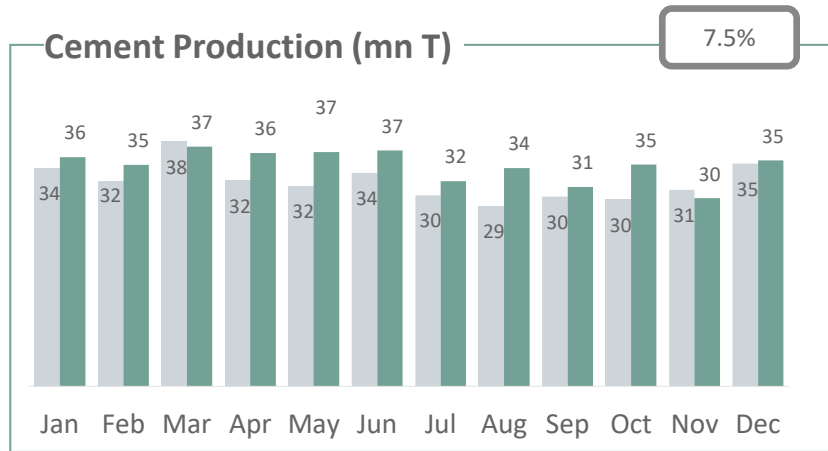
- Data is reinstated every quarter as per final reports released by authorities
- GDP, IIP, and Automotive Production are YoY growth rates, whereas CPI is quarterly inflation rate.
- Contribution of manufacturing, mining, & electricity in IIP stands at 78%, 14%, & 8% respectively
- Automotive Production includes PVs, CVs, & Tractors with production share of 70%, 16%, & 14% 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 | Remains robust for the year

2022 2023 YTD CY2023 Growth



Key comments

Core industry growth for CY23 registered at 7.9% compared to 7.4% for the same period last year

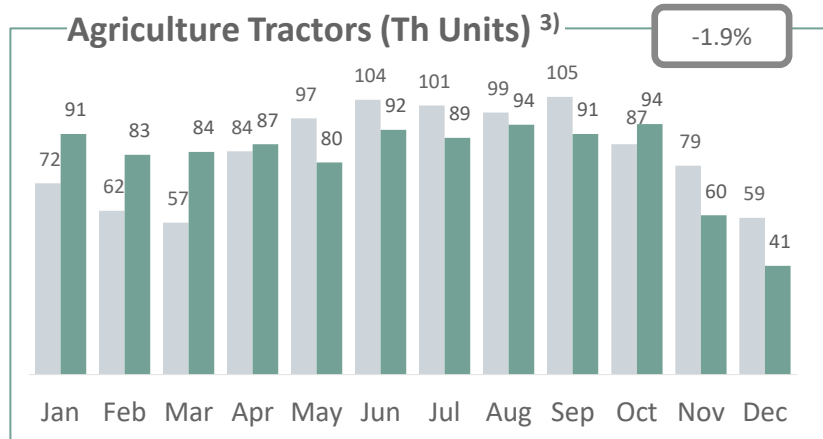
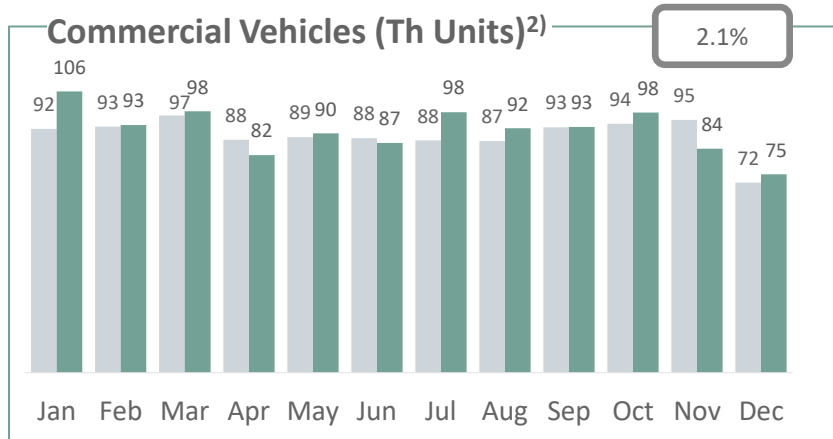
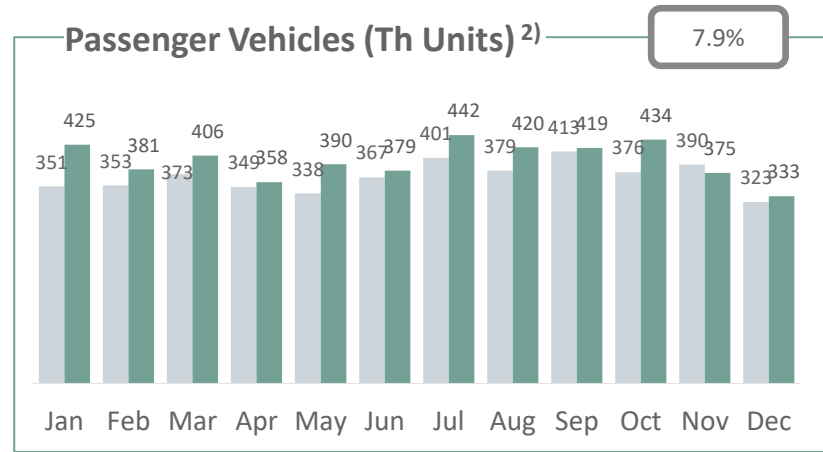
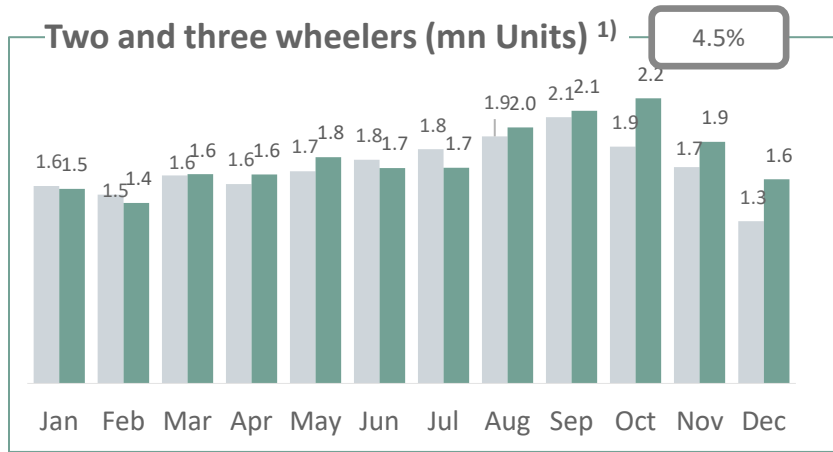
Sector weightage within eight core sectors

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 | Steady Growth

2022 2023 YTD CY2023 Growth

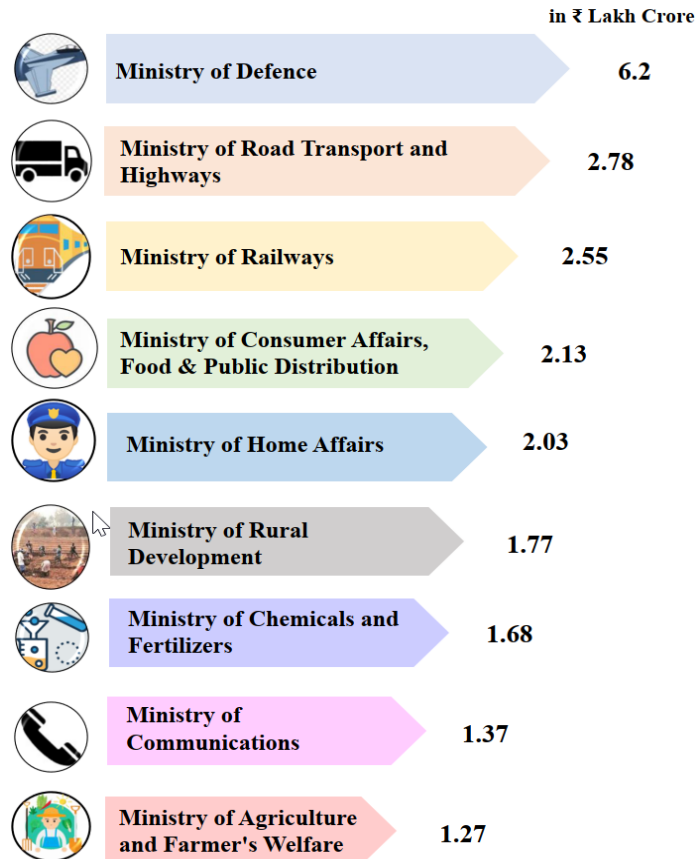


- 2W sector demand from domestic markets, exports continue to decline
- PV segment growth from SUVs and electrical segments, small cars growth below expectations
- Infrastructure push driving demand for the CV sector moderated by sluggishness in FMCG, Retail sectors
- Uneven rainfall and impacted farmer incomes continue to drag growth for the tractor segment

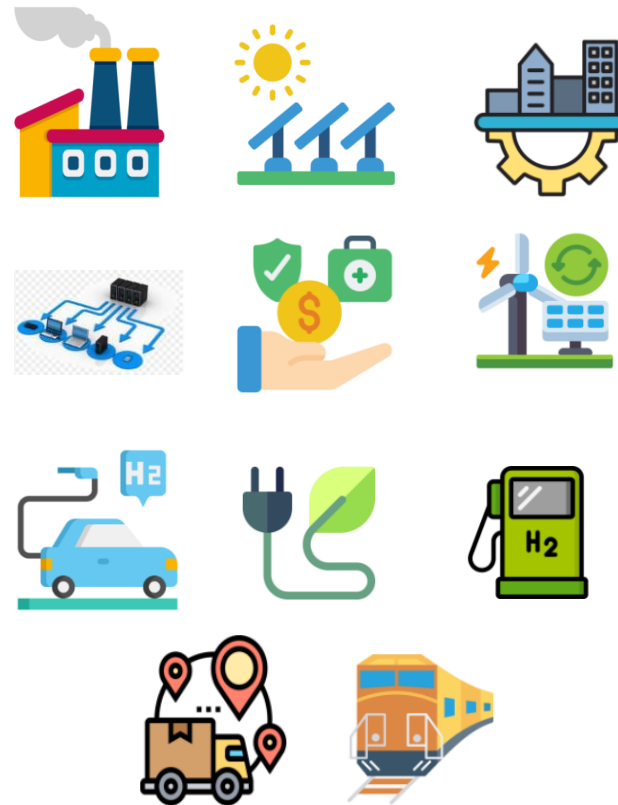
Source of data :
¹⁾ SIAM : Society of Indian Automobile Manufacturers
²⁾ TMA : Tractor Manufacturers Association
³⁾ TW – Two wheelers, CV – Commercial Vehicles, PV – Passenger Vehicles,

Interim Budget 2024 – Key Features

Budget Allocation



Strategic Focus Areas for Amrit Kaal



Fiscal Deficit

Target for FY25 at 5.1 percent of the GDP

Capital Expenditure

At ₹11.1 lakh crore, increased by 11.1 percent

Green Energy

Measures Towards meeting the commitment to 'net zero' by 2070

Electric Vehicles

Expand and strengthen the EV ecosystem

Railways

Continued infrastructure and investment plans

Schaeffler India's strategic priorities resonate well with Government policies

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1	Economy & Industry	2
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Q4 2023 | Sustained domestic performance

Key Messages

New business wins in select sectors and balanced business portfolio helped sustain performance for the quarter

Board of Directors recommend a dividend of INR 26 per equity share of face value INR 2, payout ratio of 45%

Focused efforts towards our ESG journey continue - second edition of the annual Social Innovator Fellowship Program

Margins under pressure for the quarter due to adverse sales mix

Entering 2024 with an uptick from some of the market sectors, with committed efforts to leverage the market growth

Sales growth

3.4% vs Q4'22

0.4% vs Q3'23

18,551 mn INR

EBIT ¹⁾ margin

14.9% Q4'23

15.9% Q3'23

2,757 mn INR

PAT margin

11.7% Q4'23

12.7% Q3'23

2,174 mn INR

FCF

-27.7% vs Q4'22

3.1% vs Q3'23

1,775 mn INR

¹⁾ EBIT (before exceptional items)

Q4 Business developments | Trajectory continues

Automotive Technologies



Reliability and emission reduction

- 1 Business wins in PVs¹⁾ for valve train and engine components
- 2 Business win for double clutches for MHCV¹⁾ segment
- 3 Continued business wins for Gen-3 wheel bearings in PV¹⁾ segment

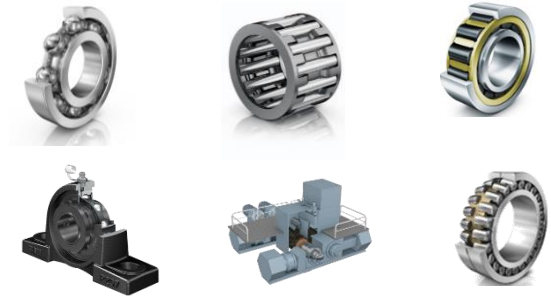
Automotive Aftermarket



Increased market coverage

- 1 Business wins continue for FEAD/ Timing Kit, TRBs in the PV segment
- 2 Wins for product launches announced – wipers and lubricants
- 3 Continued focus on network penetration and range extension

Industrial



Precision and Efficiency

- 1 Key business win in the DGBBS for electric TWs
- 2 New business wins for RIBBs in raw materials sector
- 3 Business wins for bearings continues for railway applications

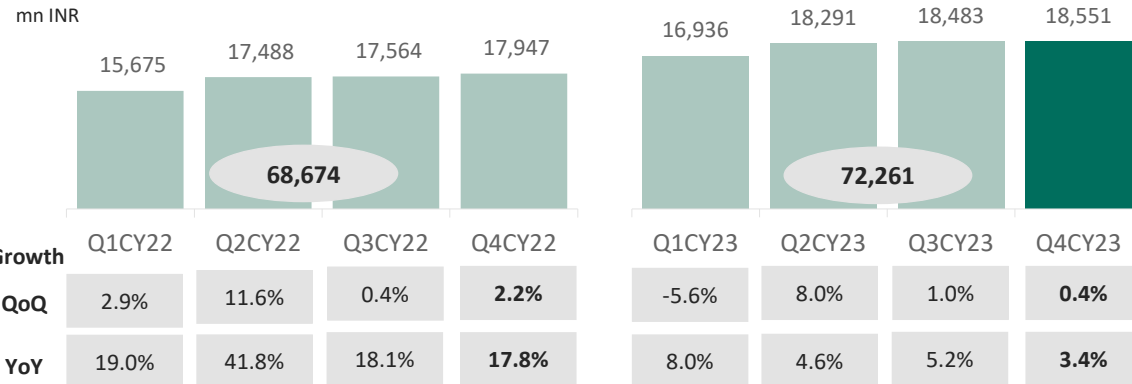
¹⁾ TW - Two-wheelers, CV - Commercial Vehicles, PV - Passenger Vehicles

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Revenue from operations | Domestic business continues to grow

Total revenue

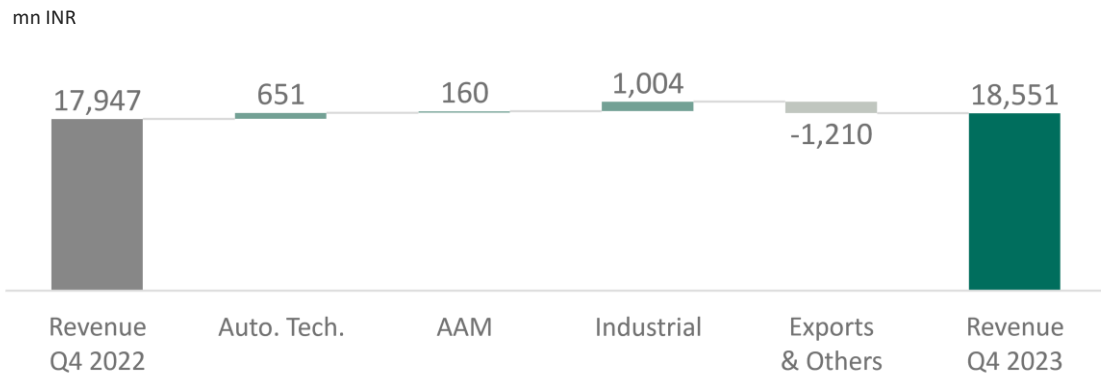


Key aspects

- YoY growth momentum in domestic business continues
- Adverse sales mix, due to slowdown in exports

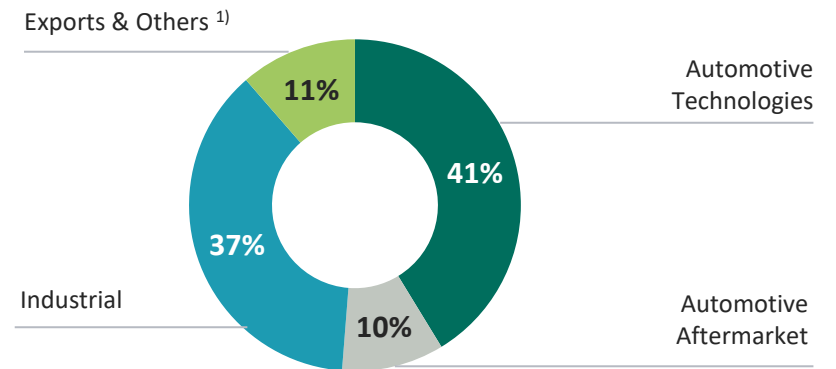
Growth	Q4'23 vs Q3'23	Q4'23 vs Q4'22	12M'23 vs 12M'22
Automotive Technologies	-0.9%	9.3%	11.7%
Automotive Aftermarket	10.3%	9.4%	14.8%
Industrial	1.2%	16.9%	5.1%
Exports & others	-5.3%	-36.4%	-14.8%

Revenue Bridge



Sales mix

Q4 2023

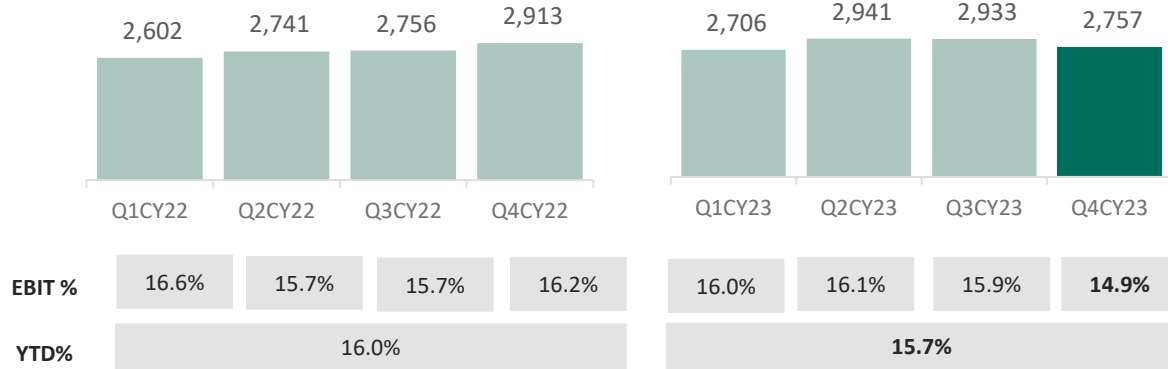


¹⁾ Exports mainly includes exports to group companies, scrap sale and other operating income

Earnings Quality | Sustained performance

EBIT¹⁾

mn INR



Key aspects

- Sustained quality of earnings for the year on the back of efficient utilization of resources and productivity measures

EBIT Bridge

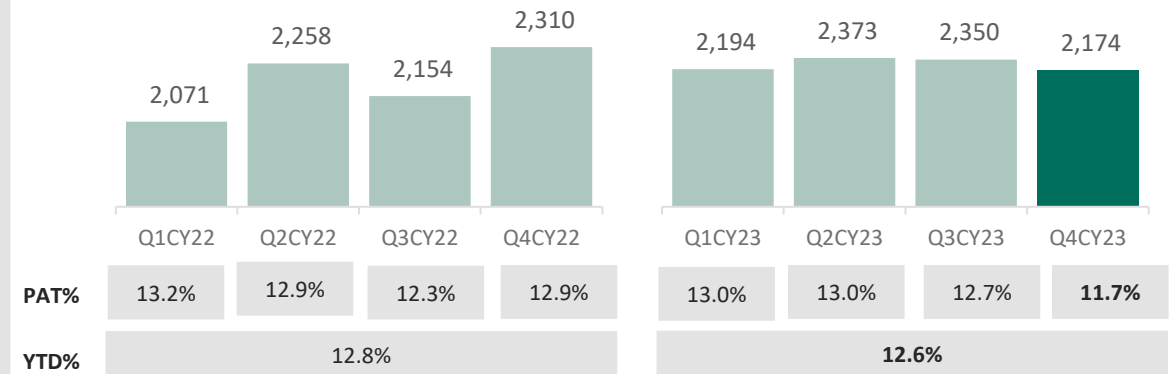
mn INR

● %Margin



PAT

mn INR



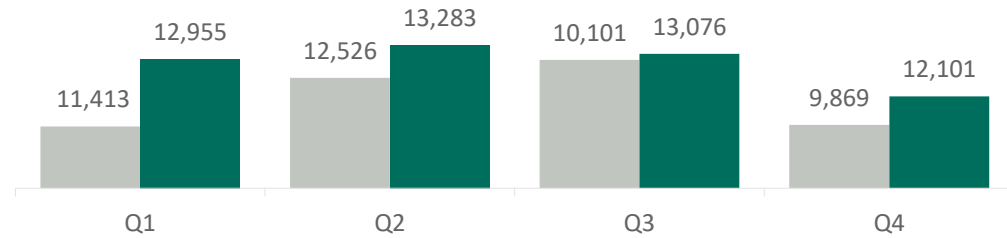
¹⁾ EBIT (before exceptional items) - interest income (net) at 248.4 mn INR in Q4'23 (182.7 mn INR Q4'22); 12M 2023 interest income (net) at 947.3 mn INR, 12M 2022 : 608.7 mn INR

Working capital, Capex | Focused and effective management

Working Capital

mn INR

2022 2023



% to sales

3M'22	3M'23	6M'22	6M'23	9M'22	9M'23	12M'22	12M'23
19.9%	18.9%	20.1%	19.2%	19.9%	18.6%	17.0%	17.0%

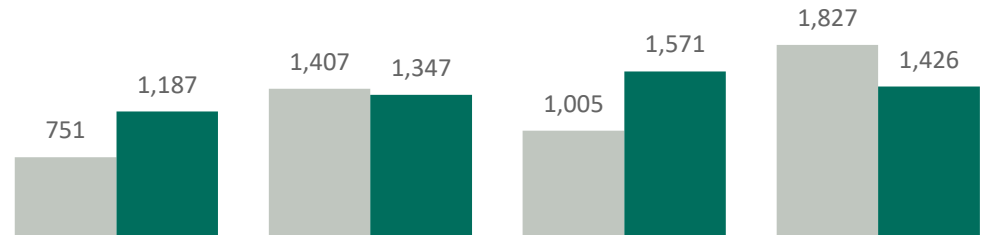
Key aspects

- Working Capital – continues to be optimal levels
- Capex framework – trajectory of investments continues
- Continued strong cash flow generation and effective working capital management

Capex

mn INR

2022 2023



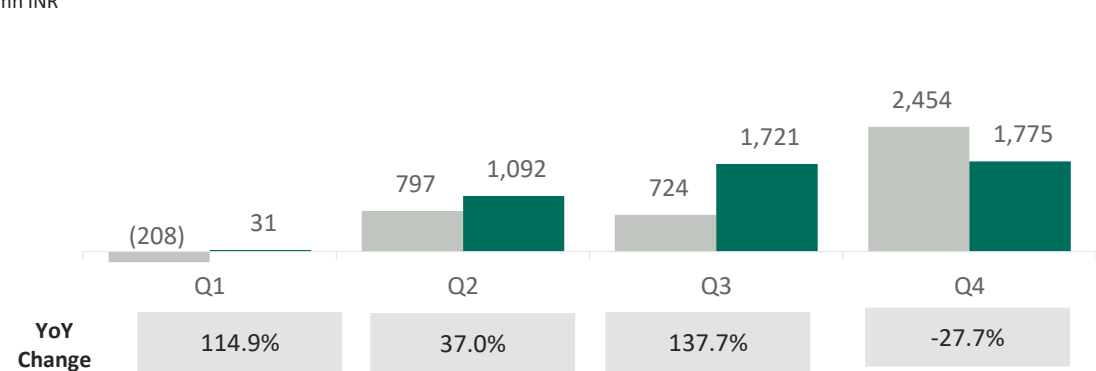
% to sales

3M'22	3M'23	6M'22	6M'23	9M'22	9M'23	12M'22	12M'23
4.8%	7.0%	6.5%	7.2%	6.2%	7.6%	7.3%	7.7%

Free Cash Flow

mn INR

2022 2023



Performance Indicators

	Unit	Q4 2023	Q3 2023	Q4 2022	12M 2023	12M 2022
Revenue	mn INR	18,551	18,483	17,947	72,261	68,674
Revenue growth (YoY)	%	3.4%	5.2%	17.8%	5.2%	23.5%
Revenue growth (QoQ)	%	0.4%	1.0%	2.2%	-	-
EBITDA	mn INR	3,328	3,490	3,443	13,528	13,076
EBITDA Margin	%	17.9%	18.9%	19.2%	18.7%	19.0%
EBIT ¹⁾	mn INR	2,757	2,933	2,913	11,337	11,012
EBIT Margin	%	14.9%	15.9%	16.2%	15.7%	16.0%
EBT	mn INR	3,005	3,157	3,096	12,284	11,621
EBT Margin	%	16.2%	17.1%	17.2%	17.0%	16.9%
PAT	mn INR	2,174	2,350	2,310	9,090	8,792
PAT Margin	%	11.7%	12.7%	12.9%	12.6%	12.8%
Capex ²⁾	mn INR	1,426	1,571	1,827	5,531	4,052
FCF	mn INR	1,775	1,721	2,454	4,619	3,768

¹⁾ EBIT (before exceptional items) - interest income (net) at 248.4 mn INR in Q4'23 (182.7 mn INR Q4'22); 12M 2023 interest income (net) at 947.3 mn INR, 12M 2022 : 608.7 mn INR ²⁾ Capex includes CWIP

Schaeffler India Limited – Consolidated Financial Results

- Seamless integration
- Financial statements for KRSV Innovative Auto Solutions Private Limited are audited for consolidation purpose
- Accounting policies and estimates are harmonized

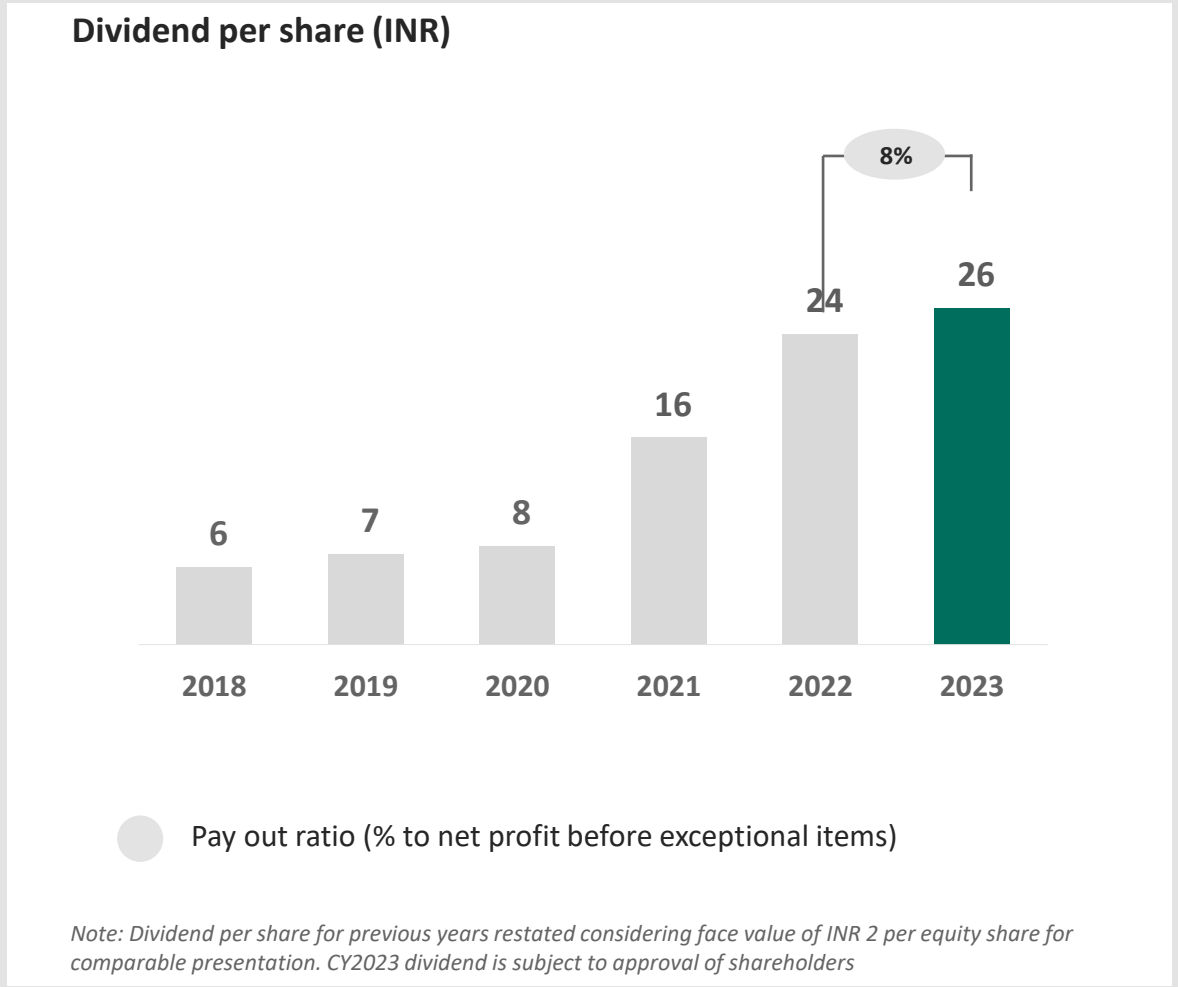
Particulars (mn INR)	Schaeffler India Limited Standalone Q4 2023	KRSV Innovative Auto Solutions Pvt. Limited Q4 2023	Schaeffler India Limited Consolidated Q4 2023
Revenue	18,551	195	18,746
EBITDA (before exceptional)	17.9%	-20.3%	17.5%
EBIT (before exceptional)	14.9%	-21.6%	14.5%
EBT (before exceptional)	16.2%	-23.6%	15.8%

EBIT : Earning before Interest, taxes and exceptional items

Agenda

- 1 Economy & Industry 2
- 2 Business Highlights - Q4 and 12M 2023 7
- 3 Financial Highlights - Q4 and 12M 2023 10
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Dividend payout | Consistent approach to value creation

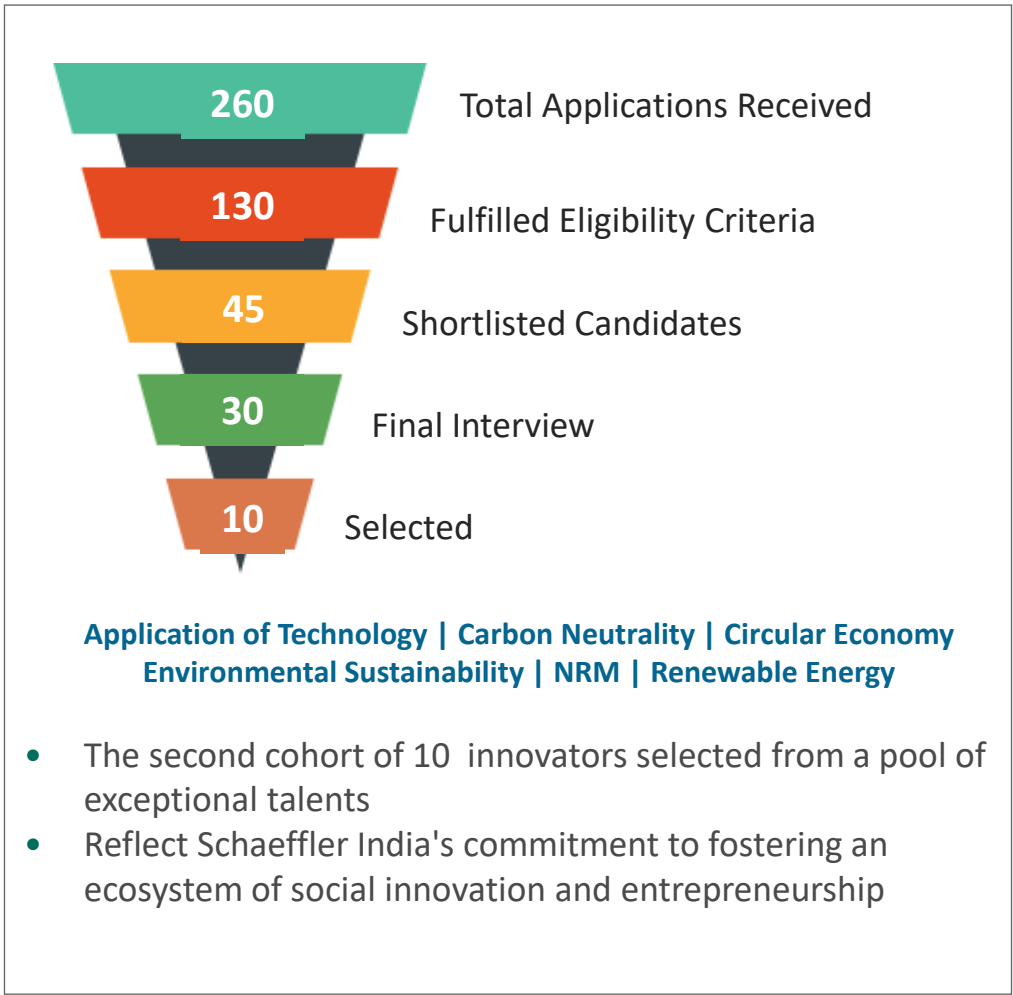


Target dividend payout ratio, 30% to 50% of net income*

- The Board of Directors of the Company has recommended a dividend for the year ended December 31 2023, at the rate of INR 26/-per equity share (INR 24 per share for CY2022) of face value INR 2/- each

*Net Income – annual standalone profits after tax (PAT)

Schaeffler India Social Innovator fellowship Program 2023 - Enabling Young Innovators



₹ +  + SCHAEFFLER

Mentorship program, CIIE India network & partners

In Summary

- 1 Domestic business continues to deliver, business wins across sectors aided performance
- 2 Slowdown in exports owing to global demand conditions continues
- 3 Sustained quality of earnings on the back of countermeasures initiated
- 4 Strong performance on operating metrics, capex trajectory continues as planned
- 5 Entering 2024 with an uptick from some of the market sectors, with committed efforts to leverage the market growth



Strong basis to further
building the leading Motion
Technology Company

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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