

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: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Transcripts of Analyst/Investor Meet held on Thursday, April 30, 2026.

06/05/2026

Dear Sirs,

With reference to our letter dated April 30, 2026, please find enclosed the transcript of the Analyst/Investor meet held on Thursday, April 30, 2026, for your information and records.

Phone: +912068198464

The same is available on the Company's website - [Earnings Conference Call | Schaeffler India](#)

Kindly take the same on your records.

Thanking you.

Yours faithfully,
For **Schaeffler India Limited**

Ashish Tiwari,
VP - Legal & Company Secretary

Encl.: As above

SCHAEFFLER

Schaeffler India Limited Q1 CY26

Earnings Conference Call

April 30, 2026

**MANAGEMENT: MR. HARSHA KADAM – MANAGING DIRECTOR
AND CHIEF EXECUTIVE OFFICER**

**MS. HARDEVI VAZIRANI – DIRECTOR OF FINANCE
AND CHIEF FINANCIAL OFFICER**

MS. GAURI KANIKAR – INVESTOR RELATIONS

Moderator: Ladies and gentlemen, good morning, and welcome to the Schaeffler India Limited Q1 CY26 Earnings Conference Call. As a reminder, all participant lines will remain in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing star then zero on your touchtone telephone. Please note that this conference is being recorded.

I will now hand the conference over to Ms. Gauri Kanikar for opening remarks. Thank you, and over to you.

Gauri Kanikar: Thank you. Good morning, everyone, and welcome to Schaeffler India Limited earnings conference call for the first quarter ended 31st March 2026. Today, we have with us from management, Mr. Harsha Kadam, our Managing Director and Chief Executive Officer and Ms. Hardevi Vazirani, our Director of Finance and Chief Financial Officer. Mr. Kadam will first take us through a short presentation on the results, after which we will open the floor for questions.

Thank you, and over to you, Mr. Kadam.

Harsha Kadam: Thank you, Gauri, and good morning to all of you, and a very warm welcome to this earnings call of Schaeffler India Limited, the Motion Technology Company. I would like to briefly take you through my presentation. And as I always do, I would like to start my presentation by asking the question, why are we here? We are here because of our customers. And what the right way to start the presentation by sharing with you the accolades and the awards that we got from our customers in the first quarter of 2026.

So I draw your attention to Slide number three of the presentation, where in the quarter, we were bestowed with six awards from six of our prestigious customers, starting with one from John Deere Partner Level Excellence Award that was given for our strong engagement right from the product development stage till the securing of the business and serious supplies. Fundamentally, in the applications of transmissions, predominantly the product portfolio being clutches.

We also got an award from TVS Mobility, which is under the Vehicle Lifetime Solutions vertical of our business. And here again, they awarded us for engaging with them as a strategic partner. And this award is to commemorate the beginning of a good journey with TVS Mobility going forward as such.

The third award I would like to draw your attention to is from Rail Analysis, an agency that covers the railway sector specifically. And for the first time, we have been awarded as a very valued supplier for the Indian Railways as well as for the Metros. Now specific to point here is our offering under the category of Innovation in Underframe Components and Engineering, specifically pointing to the insulation coated bearings that we have been supplying to Indian Railways and the metro applications as such. This enables superior performance and a higher reliability of our products there.

The next I would draw your attention to is a customer, the largest customer in India, which is Adani Power. And we were awarded for an extensive engagement with strong on-the-ground engagement and a deeper robust distributor network, along with technical engagement with

Adani Power for their thermal power plant that was set up in Mundra, and we were recognized for the innovative product that we were able to offer here.

The next in line is a valued supplier award coming from ELIN. ELIN which is an erstwhile Voith company. ELIN manufacture generators for the wind turbine applications, and we have been awarded for outstanding contribution, for quality as well as valued partnership engagement. And this is a testimony of the reliable products that we offer to the wind sector as such.

Last but not the least, another award from John Deere, again, in the Vehicle Lifetime Solutions space, which is the aftermarket space for outstanding performance and making sure on-time deliveries towards John Deere in the aftermarket space. So, on the strong platform that we have set with good equations with our customers and credentials with our customers, let me move now to take you to the next three items on my agenda of presentation.

And I would like to throw some light on the current economy and the industry situation. I ask you to refer to Slide number 5. What you see on Slide number 5 is the economic snapshot of the country. And clearly, the overall outlook of the first quarter for 2026 in India is one of a resilient domestic growth in spite of all the economic uncertainties, the geopolitical conflicts that prevailed in West Asia and also the prevailing trade pressures that were there.

Interestingly, if one were to look at the combined index of the eight core industrial sectors, that increased by 4 percentage points in January 2026 compared to the same index if one were to look at the January 2025 numbers. So, the production of cement, steel, electricity and fertilizers and coal recorded a very positive growth in January this year itself.

Automotive has been on a strong trajectory of growth, thanks to the steps taken by the government in last year pertaining to the GST 2.0 that was rolled out. All in all, inflation has crept up. However, it is still at manageable levels. And I'm sure the fundamental building blocks continue to deliver the numbers that clearly points to the resilience in the economic situation of the country.

Yes, the currency sensitivity with the depreciation of the Indian rupee, while it reduces the overall GDP size in dollar terms, it affects the global ranking. But nevertheless, what is important is to ensure the stability of the growth rate in the country. And I think there it is well poised, and we are seeing strong traction coming from many sectors as we continue.

That said, let me move to Slide number 6, which is going to throw some light. As I already mentioned, you can see here the cement production grew by 8.4%, steel growing by 7.6% in the first quarter and coal more or less has remained at the same level, where the high focus is on the renewable energy by the Government of India and electricity generation also grew by about 2.3%.

All in all, all the core sectors showing a positive direction of growth and thereby enabling manufacturers like us to leverage the growth momentum, and we continue to reap the benefits of that, and the results of the last quarter's performance is a testimony to that.

I move to Slide number 7, and I would like to throw some light on the automotive sector performance, which has been on a strong traction footing in this quarter as well. As you can see the numbers, the two and three-wheelers, the production volumes have significantly gone up, 2.5 million two-wheelers produced in the month of March alone.

And passenger vehicles, too, more than 0.5 million cars produced in the country in the month of March alone, which has been a clear increase over the last year same quarter, same month, if one were to look at the numbers.

Talking of commercial vehicles, which was languishing last year, you can see month after month strong production numbers coming out there as well. Tractors, on the other hand, also have seen much stronger traction. And thereby, if you see the automotive sector, has posted robust growth story for India compared to the last year.

I move to the business highlights. And here, I would like to draw your attention to Slide number 9. Now as you can see here, we have been able to post a robust growth performance and delivered INR 2,507 crores in the first quarter, which was a clear 18.8% more than Q1 2025.

However, compared to the preceding quarter, we did have a drop of 5.1% compared to Q4 2025. While this was the situation on the top line, we did some cost corrections in some of the sectors as we had to calibrate the top line versus the bottom-line deliveries as well. So, there was some calibration exercises that we have carried out. And the result of that is you see that drop in the top line.

Also, some of the sectors, we have seen some liquidity crunch in the market as a result of which the demand offtake came down a bit in the specific sectors. But that said, you would see the EBITDA performance has remained well on track. As you can see, we have been able to deliver INR 483 crores in the quarter and staying at 19% EBITDA.

The profit after tax, bringing in INR 319.7 crores, again, remaining compared to the first quarter, which was 12.8% and stronger free cash flow generation as well, although it does reduce compared to the preceding quarter of Q4 and Q1 2025. But nevertheless, there has been a positive cash flow into the system.

While we have judiciously moderated our capex spend, looking at the market demand and the portfolio demands, but it does not mean that we are going to cut down our capex. It's just a timing phase that we moderated for the quarter. However, as the customers' projects begin to take and evolve, we are going to continue our investment initiatives.

So overall, I must say it has been a reasonably good quarter performance from our point of view in spite of strong headwinds on the supply chain area, particularly with the Middle East crisis that evolved into the supply chain getting impacted. We have been able to weather the headwinds and continue to deliver and create value for all our stakeholders.

I move to Slide number 10, which I always pride upon has been our pipeline of continuity of the business. What you see on the Slide number 10 are the business development activities that we pursue diligently. And in the quarter, I am proud to say that in the automotive space, a lot of new

businesses that we have secured in the quarter, particularly in the transmission application and heavy-duty clutches applications as well as the hydraulic cam phasers.

On the aftermarket side as well, we have continued to expand our portfolio of offerings, particularly on many of the new products, which we have had to bring in, which had to conform to the BS-VI requirement as the market demand went up.

Bearings and Industrial Solutions, too, we had large, big wins in the quarter, particularly in the spherical roller bearings and in the housing area, some of the large TRBs as well as the CRBs, the raw material sector. So, we have been able to secure strong business wins in the bearing portfolio as well.

I move now to the financial highlights. And I ask you to refer to Slide number 12. Our revenue from the operations, as you can see in the first quarter, as I already mentioned, INR 2,507 crores coming in was a clear 18.8% year-on-year growth. But over the preceding quarter, we dropped 5.1% and split the revenue that came in between Automotive Technologies and the four business divisions that we operate.

What you see is the automotive, which encompasses the ICE engines and the electric mobility both put together. The first quarter performance grew by 30.8% when compared to Q1 2025, while over the preceding quarter, we did have a marginal drop of 1.3%.

Vehicle Lifetime Solutions also posted robust double-digit numbers at 18.1% over last year but a marginal 0.6% drop when compared to the preceding quarter.

Bearings and Industrial Solutions, on the other hand, we did some recalibration here. And as a result, you see over the preceding quarter, there has been a significant drop, which is about 14.3%. However, compared to the last year's quarter, you would find we have still done 4.2% growth.

Exports also posted very robust numbers, as you can see, 32.5% compared to last year and 6.6% over the preceding quarter. Now with this growth, the way our demography of the sales mix looks like the pie chart, what you see with Automotive Technologies at about 37%, Bearings and Industrial Solutions at 35%, the Vehicle Lifetime Solutions at 12% and our IC exports - intercompany exports registering about 16% of the total sales.

So, all in all, the snapshot message here is we continue to sustain the double-digit overall growth momentum. Yes, we did do some small calibrations in some specific sectors, on specific product portfolios, which was a planned activity that we have done so as to ensure that we continue to deliver the top and bottom line in spite of the strong headwinds that we have seen on the supply chain front due to the geopolitical situations.

I move to Slide number 13, which talks about the earnings quality. And as you can see, the first quarter, our EBITDA, we brought in about INR 483 crores at 19.3% EBITDA, and the year-on-year growth has been 18.6%. The quarter-on-quarter, there has been a drop to 4.5% drop.

Now where does this EBITDA come from? The INR 483 crores, as you can see, it's clearly coming from our gross margin improvement has brought in INR 165 crores into the system. And while we had some employee cost as well as some other incomes, which were marginally smaller numbers that dropped.

The profit after tax obviously has improved to INR 319.7 crores, up 12.8%, which has again registered a strong year-on-year growth, marginal drop when compared to the preceding quarter. And we continue to keep the focus with all the countermeasures and the corrective actions that we are registering is exactly in line with what we plan. We continue to sustain and deliver the positive value to all our stakeholders.

I move to Slide number 14, which talks about the working capital and the capex situation. And I must say that we have been able to do much better in terms of the working capital management. As a percentage to sales, we have registered at about 17.9% and we will continue to keep our focus and efforts on our inventory levels as well as the working capital to make sure that we stay healthy.

Talking about capex. As I said, we had marginally reduced the investments, but nevertheless, close to INR 80 crores still continued to be the investment within the quarter. And as a percentage to sales, we are at about INR 350 crores and 3.1%.

Talking about free cash flow. We had a positive cash flow into the system of about INR 137 crores coming in, in the first quarter compared to the Q1 of last year where it was about INR 237 crores that came in. This was a little bit impacted with some of the liquidity crunch that we have been hearing from our customers in the marketplace as well.

I move to Slide number 15, which throws light on the performance indicators. I already touched upon the revenue. And what you see here is the revenue growth of year-on-year at 18.8% and an EBITDA margin at 19.3% with an EBIT margin of 15.8% and a profit after tax of 12.8%. I think we have done a reasonably good result that has been delivered by the team here.

That said, let me move to Slide number 16, where I would like to throw light on the consolidated financial results of Schaeffler India Limited as well as KRSV Innovative Auto Solutions Private Limited. KRSV, on the other hand, delivered a revenue of INR 78.7 crores in the quarter still has to breakeven when it comes to the profitability side, and it has registered an EBITDA of minus 13.4% and EBIT before exceptional items is -15.1% and the earnings before taxes is minus 19%. Overall, the consolidated result, INR 2,585.6 crores revenue, 19.1% on the EBITDA, registering a 15.6% EBIT margin at a consolidated level.

Moving on, I move to my last slide, Slide number 17, which is summarizing our year-on-year growth, double-digit growth momentum, we have been able to sustain. We have seen mixed sectoral speeds growth rates, Automotive performing very strongly in the market. The demand is super strong there. Vehicle Lifetime Solution as well, we have seen strong demand. Export has really come back again very strongly. Industrial, while the market is definitely positive, we had to do some cost corrections along the way.

And this has helped us to also register a very sustained earnings quality performance. And we have also increased our localization levels, and our localization levels have reached up to 80%, and we continue to keep the focus on capital efficiency going forward as well.

I already touched upon the working capital levels. We will continue to sustain these good levels. And the capex remains on track. We will monitor the market demand versus the product portfolio readiness and accordingly keep switching the tracks to make sure that we invest in the right portfolio to the right market going forward.

And as an organization, as a motion technology company, we are committed to continue to keep creating and delivering the value that we promise to our stakeholders. With that, I come to the end of my presentation. I open it up.

Moderator: Thank you. We take the first question from the line of Raghunandhan from Nuvama Research. Please go ahead.

Raghunandhan: Congratulations once again on stellar numbers. Firstly, on the demand side, for the industrial space, can you indicate how do you see the outlook for CY 2026? And how do you expect key categories like wind, railways, off-road and others to do for you?

Harsha Kadam: Yes. Thank you for that question, Raghu. As I said, in spite of the strong headwinds that we are facing on our supply chain front due to the evolving situations in the Middle East and West Asia, we have continued to keep our focus. We started off a crisis management team meetings on a daily basis to secure the supply chain continues to stay intact.

Now that said, will the situation continue in the succeeding quarters? Well, I think it's a crystal ball question. The way it is evolving. All I can say is that as an organization, me and my team, we are prepared, well prepared to ensure that we continue to manage and sustain the numbers that we have been delivering. Our focus will remain there.

As we see, we do not see major concerns in terms of delivering the numbers that we are committed to deliver this year. Of course, it would require a lot of monitoring as well as agility on our part. And I can assure you that our team is well prepared and we are fully aware of the current situation.

Raghunandhan: Noted, sir. On the Automotive Technology side, we've had an extremely strong growth at 31%. And when we compare with the underlying automotive production growth, which is at 15%, there has been a strong outperformance. You have been increasing your wallet share content per vehicle. Any specific drivers which you can call out, which is helping you in this outperformance, which should continue to help in that outperformance continuing for CY'26?

Harsha Kadam: As I already said, the traction in the automotive sector has been very good and strong. And since we are present in the, all platforms, all kinds of technology platforms, whether it is the ICE engine or the hybrid technology or even in the e-mobility, we have our portfolio is pretty active.

I must say when one looks at the ICE application or the ICE engine application, I think almost all the product portfolios have done very strong in the first quarter for us, clearly pointing to a

good traction in the automotive space. So, hybrid too has definitely done well. Clearly, we see that the automotive sector demand trend should continue the way it is, and we believe that it will remain robust going forward as well. So, we are optimistic on that front when it comes to the automotive sector.

Raghunandhan: Got it, sir. Last quarter during the earnings call, the expectation on exports were more moderate at 5% to 10%, but good to see that we have started exports on a very strong growth of 30%. So how do you see the outlook? Is the outlook improving? Is it surprising you on the positive side? How do you see the full year given that there are all these geopolitical issues?

Hardevi Vazirani: Very good question. So yes, if we see year-on-year quarter, we see over 30% growth. But if we see over Q4 because we ramped up significantly last year from Q1 to Q4, the growth is at 6.6%. And very likely, if we go run rate of the full year, we will be close to 10% to 12%.

Raghunandhan: Understood. On the cost side, there has been an increase in the commodity cost. Is there a pass-through based on indexation, which happens automatically with the customer? Is there any increase in any of the other expenses like power cost, freight cost, insurance cost? Anything you can comment whether we should be aware of any cost increases, which can impact in the coming quarters?

Harsha Kadam: So, Raghu, as you are aware, with the situation in the West Asia clearly has resulted in choking of the supply chains for the fuel. So, LPG, propane and some of the fuel items, which India relies heavily on imports has been impacted and the prices definitely have gone up there. So that means our input cost when it comes to usage of these certain categories of fuel has certainly gone up.

What we have done is we have looked at alternate sourcing routes. We have also looked at stocking up some of these items. We are also exploring the possibility of looking at compensations coming from our customers. However, I think this is early days because it's just been 1.5 months since the inflationary increases have happened. I guess time will tell us how successful we will get in terms of adjusting these cost increases or accommodating these cost increases or getting compensation for these cost increases.

Raghunandhan: Thank you sir for the details.

Moderator: Raghu, I would request you to please come back into the queue for follow-up questions. We take the next question from the line of Mukesh Saraf from Avendus Spark.

Mukesh Saraf: Just looking at the bearings business, especially in the industrial segment, I say, I mean, last few quarters, it's kind of remained at this level. It's been kind of flattish to maybe single-digit growth or a single-digit decline. If you could kind of give some sense, is it just weak end markets itself? Or is there some competitive intensity going up with more localized industrial bearing capacity getting built in the country? You had also kind of in your opening remarks mentioned about some calibration exercises in the bearing space, especially. So, is this also related to that? So, would help in getting the perspective on this?

Harsha Kadam: Thank you Mukesh. I guess you asked the question and answered it yourself as well, wherein you said there are multiple causes which are contributing to it, not one. Rightfully, yes, what

you said is our localization effort still continues because we believe we want to be closer to our customers when we make the product. So that still continues.

And I'm happy to share that our localization percentage has actually gone up to 80% now. So, we are on the right track there. However, while we are on this journey, we also look at the product mix, the market mix, the application mix. And as I said, we want to continue to deliver the value that we commit to our stakeholders.

And if we have to do that, calibration is always a part and parcel of the game. So, we will be continuing to do this. So, we decided to do this in the quarter, first quarter right at the beginning of the year so that the rest of the quarters, we are able to sustain the deliverables that we commit. That's the intent.

Mukesh Saraf: So just a follow-up on this, the calibration is because of pricing pressures in the industry. Are you seeing, say, either imports, I mean, our competition importing and supplying at lower cost? Are they producing locally and supplying at lower pricing? So, and is there a general pricing pressure and hence, you're calibration?

Harsha Kadam: Well, that is one of the reasons as well that we see our competition is also intensifying their activity within India. And hence, it is important that we recalibrate our portfolios as well, where do we want to focus and how do we continue to sustain the growth as well as the profitability development for our organization. So, this is something we do every year. And this time, we did it a little more concerted way that we decided to do the correction at the beginning of the year itself.

Mukesh Saraf: Got it. Got it. In your opening remarks, you also mentioned that some subsectors saw demand offtake coming down. Would you like to call out some specific end markets, say, cement, steel or something of that sort? Or is that a general comment that you?

Harsha Kadam: It was a general comment. Fundamentally, when you look at the mining sector, we have not seen much traction on the mining sector, whereas some of the other sectors infrastructure growth is good. So, anything related to infrastructure industry is doing good. We are seeing traction in the cement and steel related to infrastructure. So, the energy sector, we have seen some ups and downs. We are seeing renewable energy still going strong. So, the mix is back there. Overall, it can be better if all the sectors were firing on all cylinders, which is not the truth.

Mukesh Saraf: Got it. Got it. And just lastly, I mean, we are supplying the e-axle to the Tata Harrier, as you had mentioned last year in one of your presentations. We also noted recently Tata Auto Components is having a JV now with Bosch to work on the e-axle. Is this something that you worry about in terms of future product supplies to your existing customers? Or you have enough on your plate in terms of working with other OEMs on the e-axle and you wouldn't worry too much about that?

Harsha Kadam: Well, my answer to that would be that, yes, the competition is what it is out there. What is more important is do we navigate through and still keep our strategic goal and focus and continue to trudge along. And I think we are well placed with the kind of offerings that we bring. And we will continue to keep our focus on innovation so that we continue to differentiate our offerings

with our customers. We do that. So, we are well aware of what's happening in the marketplace. So, we have a strategy also to manage that.

Moderator: We take the next question from the line of Ankur Sharma from HDFC Life Insurance.

Ankur Sharma: Just going back to the previous question on the slowdown that we've seen on the bearing side. So just trying to get my hands around it. So one, of course, you said there were some supply chain issues. You also mentioned some pricing pressure also because of higher local capacities from a fear.

Would also one of the reasons be that demand itself is slowing down? So one is, of course, the supply, the other competition, but just trying to understand, has demand also slowed down here on the industrial bearings? And if yes, which segments are you seeing that?

Harsha Kadam: We have seen a bit of demand slowdown in the aftermarket side of the industrial business, surely. And there appears to be a liquidity crunch in the market as a result of which the cash flows to our distributor community has been impacted in this quarter.

So surely, that is something that we are aware of. So that is one of the business sectors where we have seen some slowdown that has happened, yes, amongst, of course, some small slowdowns that have happened in some specific sectors could be in the power transmission or railways has been pretty good as such. There's been no slowdown there as such.

And fundamentally, when it comes to bearing portfolios, this is where we see a difference. We have seen a little bit of a shift. It could be a temporary situation because what we have seen in the past and our past experiences any liquidity crunch is seasonal and gets corrected the next quarter.

Hardevi Vazirani: It is seasonal.

Harsha Kadam: It is seasonal.

Ankur Sharma: Fair. Okay. Understood. And just on the export side, while what was mentioned was your Q-on-Q, the growth rate obviously is down about 6% to 7%. Just if you could talk about some of your key end markets, how are you seeing those shape up more in the context, for example, the whole APAC, Southeast Asia getting affected a lot more because of this whole spike in crude prices and result impact on demand. So, if you could just talk a little bit more what are you seeing on the ground in terms of exports to some of your key geographies?

Hardevi Vazirani: So, our key geographies that we serve are Europe, China, some Southeast Asia countries and Americas. And we do not see right now any dip in the demand. The order book for the year is solid, . Currently, it's showing 10% growth, minimum 10% that we are likely to register. So, at this point of time, we do not see any challenges. In last two years, we have focused on Southeast Asia business development in exports, and it is bearing fruits now.

Moderator: We take the next question from the line of Balasubramanian from Arihant Capital.

Balasubramanian: Sir and madam, on the battery management system side, I think the order wins, it's a concrete success. Are these stand-alone BMS controller wins or are they bundled with e-axle or thermal management models? And what is the average content BMS per vehicle?

Harsha Kadam: So, Bala, the battery management system, as you rightly pointed out, today, it is a stand-alone unit that we are selling to the customers. Now are we integrating this in the e-axle? I don't know if that's your question you're asking. As of today, no. But I think going forward, as the e-axle businesses start to evolve, it would probably get integrated within the complete scope of offerings. But as of now, yes, we are selling it as a unit, and that's what the customers want us to do. I don't know if I answered your question.

Balasubramanian: Yes, sir. And sir, average content per vehicle, sir, battery management systems?

Harsha Kadam: Well, we cannot measure just with battery management, isn't it? Because we'll have to look at what all do we offer on a vehicle. All the products, whether it is bearings, whether it is engine transmission parts, whether it is a battery electric vehicle, is it a motor, the reducer, the power electronics that goes with it, the sensors, everything. So, we need to total it up, correct? And that's how we measure, correct?

I am not able to measure it combining both the ICE and the battery electric vehicle technology. We need to split them separately. But it goes without saying, while on the ICE engine, we supply a lot of component level offerings, on the battery electric vehicle, we have the capability to offer a system level, which is the e-axle, complete with the motor, reducer gearbox and the power electronics that goes with it.

Now which obviously means in value terms, when you supply a component vis-a-vis supplying a system level, in value terms, the system level offering is at a much higher value, probably running into five digits, correct? Whereas here, at the component level, it could just be ranging from two digits going up to four digits. That's the way I would try and answer your question.

Balasubramanian: Sir, my next question, execution exceeded FY '25 projections, which is enabling next phase of localization. At the same time, the cheaper imports from Europe under the EU FDA would lead to localization decision for components where local suppliers are lacking.

I just want to understand which are the specific component categories are the most at risk and being switched back to imports? Because some of the components, local supplier, they are superior, some of the components, local suppliers, they might be lacking. Just want to understand if you can share your thought process on that?

Harsha Kadam: So, for the e-mobility or the e-axles offerings that we give to our customers, our supply chain route through China, not so much from Europe. So, to that extent, we are pretty competitive on the Indian market space. I hope that answers the first part of your question.

But if one were to look at some of the child parts that we have to import because within India, the supply chain doesn't exist for the special parts, could be magnets, for example. We are still relying on sources from outside of India, yes. While our localization in terms of manufacturing

and producing the e-axle is well underway. We are already into the Phase 2 of our localization activity.

One of the important steps that we are also working on is the local supplier development to start to source locally and cut down our imports as we move forward. So that, too, I would like to say, is happening, and it is clearly a part of the Phase 2 of the localization of the e-axles. So, while we are setting up the manufacturing line here, we are also developing a supplier base to locally supply locally produced parts. So, both are happening.

Moderator: We take the next question from the line of Harshit Patel from Equirus Securities.

Harshit Patel: Firstly, continuing from the last question since we have already begun Phase 2 of the e-axle localization at the supplier level, where do you think we would reach three to four years down the line in terms of the local value added in India? Will you be able to manufacture the entire system, almost 100% localization in next few years?

Harsha Kadam: Our intent clearly is to source as many child parts as possible from within India, which means our supplier development activities are in full swing. Of course, it also means that we will have to handhold our suppliers to meet the engineering specifications that we, as a German, with the German technology that we come to India have to comply with. So that's clearly a mandate that we have.

So, while we are on this journey, are we going to get into assembly to get into modules from our suppliers? Well, that is something we can always explore going forward. Nothing to stop us from evaluating a different business model going forward, correct? It all boils down to the competency and capability of our supply base in India. As soon as they gear up and get to those levels, I don't see any reason why we cannot also modify our business model.

Harshit Patel: Understood. Sir, secondly on exports, we have posted an extremely strong growth in 1Q CY '26 itself and we have also upgraded our outlook for the whole CY '26. So, could you explain what has changed here in terms of end market uses, new business wins? Why is it that we are able to grow faster than what we anticipated earlier?

Hardevi Vazirani: Yes. I mean it is just our export is mainly to our group companies. And if they are having the better demand, we get the better order book. So apparently, it seems and it is not just one region, it is all around. As I spoke earlier, from Europe, from Americas, from Southeast Asia, from China. So, we are getting a good order book from our intercompany partners, and this is what is leading to the better outlook.

Moderator: We take the next question from the line of Abhishek Ghosh from DSP Investment Management.

Abhishek Ghosh: So, three questions. First, in terms of the outperformance that we are seeing in the Automotive Technologies, is that also to do with the integration that we have had with Vitesco or the benefits of that are yet to come?

Hardevi Vazirani: No, the benefits of that are yet to come. It is purely our own ICE technology products in the space of clutch systems and engine systems. It is purely from that.

Abhishek Ghosh: Okay. So, over the next 12 to 18 months, should one see some benefits of Vitesco to come through? I'm just saying because now you guys have been working as a one entity for some time now. So just in terms of timelines, how should one expect?

Hardevi Vazirani: So globally, we're seen as one entity. However, in India, we are still two separate legal entities. We can leverage on their competencies on electronics side. However, Schaeffler India Limited stand-alone is still to leverage on those competencies. We will see in coming quarters maybe that on e-mobility side, we will have more synergies. And time will tell. However, there is no legal integration on cards as yet.

Abhishek Ghosh: Okay. Got it. And just in terms of the cost increase that one is seeing, in terms of how does one see with a lag, one should see you are able to pass it on to your customers? How has been your past experience there?

Hardevi Vazirani: We talk about the price excellence, that means we try to pass on the input price increases. It takes somewhere between six months to 18 months to have the full recovery. We have first batch of price increases realizing from Q2 onwards. However, for the full realization, it takes close to six quarters.

Abhishek Ghosh: Okay. And just in terms of the P&L, I see some amount of change in inventory. So, is there an inventory buildup that has happened towards the end of this quarter because you don't have the balance sheet for this quarter, but any thoughts on that because of some supply chain issues?

Hardevi Vazirani: There has been inventory buildup and the outlook for coming quarters is better.

Moderator: We take the next question from the line of Varun Jain from Dolat Capital.

Varun Jain: I have a couple of questions. So, you said the bearing localization has reached 80%. So, I what is this localization percentage for spherical roller bearings and cylindrical roller bearings? And this 80%, which you said, what is the upper bound of where localization can go? Can it be like 100% also?

Hardevi Vazirani: Almost 80% localization is our total revenue we are talking and not just industrial. Within industrial space, we might be around 60% or so. And there is still enough room for us in the industrial space, specifically bearings to localize.

It can never be 100%, in my opinion, as the technologies evolve, initial volumes, for example, e-axle initial volumes are lower. We cannot bring a complete line only for a handful of bearings. So, I don't think in a growing economy like India, where we are participating very actively at double-digit growth, it can ever be that we reach 100%.

Varun Jain: Okay. And this U.K. catch line, which you relocated to, when will it begin production? And what is the pace of ramp-up you see for this?

Harsha Kadam: Well, the process is ongoing right now as I speak. We are already now contemplating to build a second hall in the Shoolagiri plant, which is the new greenfield project that we started, correct? So, we are on track in terms of the transfer of the lines, correct? And the machines have started

to come in as well... Yes. What is, of course, needed is to expedite the process in terms of the business acquisition side, more we'll have to do that. And that is something we are focusing on right now, more to be acquired.

Varun Jain: Okay, sir. And just last question. So, I'm a little new to this company. So just do you guys issue guidance? And if you do, like can you give us some revenue and margin guidance for CY'27 and 28, if possible?

Harsha Kadam: No, Varun. We do not issue a guidance as such.

Varun Jain: Okay. Any indication of anything like any color even if it's not like formal percentage or anything?

Harsha Kadam: The only color I can add is that we remain committed to deliver the numbers that we say we want to deliver. So, we value our investors. We will make sure we won't let them down.

Moderator: We take the next question from the line of Mahesh Bendre an individual investor.

Mahesh Bendre: I'm from LIC Mutual Fund. Sir, my questions have been answered.

Moderator: Thank you. We take the next question from the line of Sudhir Kedia from Value Wise Capital. Please go ahead. Sudhir, please unmute your line and proceed with your question. Since there is no response, we'll move on to the next question, which is from the line of Viraj from SIMPL.

Viraj Kacharia: Am I audible?

Hardevi Vazirani: Yes.

Viraj Kacharia: Just a couple of questions. First, starting with the Industrial, Bearing Solutions business. See, you mentioned four reasons for the weakness in your business. One is the supply chain, second is the liquidity crunch in aftermarket and demand slowdown also us exiting some categories which are not profitable but if I look at two side Sir typically, when you look in times of stress when the industry is starting to have any supply issues...

Harsha Kadam: Viraj, I do apologize to interrupt you, but your audio is not clear.

Viraj Kacharia: Is it better now?

Harsha Kadam: Yes.

Viraj Kacharia: Should I repeat the question? Or should I...

Harsha Kadam: Yes, please.

Viraj Kacharia: Yes. So, my question is in times of stress, usually you see the business moving to the leaders, right? But what we are seeing here is us seeing a relatively underperformance in the industrial piece. So, I'm just trying to understand because even from a localization point of view, you seem to be much ahead of your MNC peers. So, in that sense, from a cost standpoint, from being a

large group from a supply chain or liquidity point, you would be much better placed compared to else in the market. So, with that perspective, how should one understand our performance?

Hardevi Vazirani:

So see, first of all, when the performance of industrial compared to the last quarter is lower we have to understand that first and foremost, Q1, specifically industrial distribution, the aftermarket part is always lower because this is the time on 31st March when there is liquidity crunch and they are correcting the inventory levels. So that is the first thing.

Second thing is even though our performance of the market appears lower, but overall, our capacity utilization are not impacted because we are compensated through exports. We export specifically the industrial bearings. So, there is as such no cost pressure because the utilization of lines is happening effectively. And at this point of time, with localization close to 80%, the capacity utilization of plant is well above 80%.

Viraj Kacharia:

If one has to understand versus various end markets, what is the kind of growth rate? So, forget about the quarter gone by, but if I have to look on an annual basis, say, aftermarket distribution piece or railways, wind, the major segments which we participate, what is the kind of growth rate you would have seen in the industry? And how would have been comparable for us? So that is one. And second is, any comment you can give or any color you can give in terms of the market shares or the competitive dynamics in each of those segments?

Harsha Kadam:

Let me take the first part of the question. There are some specific sectors, obviously, with the strong localization that we have. We have been growing better than the market as well, right? There have been some sectors, we believe, when the traction is good, when the demand is also strong, it is also good to do the corrections or recalibration, as I used the word earlier, so that we set the course for a long-term growth story profitably.

So, it is important that we revisit our portfolios and also try to correct the course, which we decided to do. We started off this activity in last year -- Q4 of last year, which has now kind of culminated into it. So, this is a well-thought-out strategic step that we take.

We have capacities, but we need to use them in the right area and use it to our strengths where we are more competitive and where we can generate more value. That's the strategic purpose here. Just because I have capacity does not mean that I go out and do business wherever we want, even if it is going to destroy the profitability, we won't do that, correct?

So, this is a recalibration effort we have done apart from the fact that there have been some sectors, as Hardevi already pointed out, our industrial aftermarket saw some lower traction in the quarter. And generally, we see in the first quarter of the year, there's always a slow start, and then it builds up, correct? But this year, we have seen a little lower traction than what we used to see before. And the primary reason for that is the liquidity crunch in the market.

Viraj Kacharia:

So, if we keep the distribution piece aside for the other portfolios where we have done the recalibration due to concerns on profitability, what is driving this in the marketplace? Because, from a cost standpoint, given that we are much ahead of the competition in terms of localization, we would have a far better cost proposition than anyone else in the market. Correct me if I'm

wrong in my thinking. So, in that sense, if we have to recalibrate the concerns on profitability, what is driving that behavior, and who is gaining that share in the market?

Harsha Kadam: Obviously, one of the strategic inputs is that the competition is also intensifying. So, it is not that the competition is sitting quietly as well, and we will have to accordingly try and correct the course that we are going on, right?

So, this is a normal activity that we do, and we did it in this quarter. We try to do this on a smaller basis at individual account levels. We try to do it along the year. But this time, we wanted to do a major correction across it, which was required if we had to stay the course of delivering both the top line and the bottom-line numbers that we promised. So, we took that strategic course direction.

When we take such decisions, obviously, we would look at what is the market situation, what is the competitor situation. Everything is factored in, and we make such a decision.

Viraj Kacharia: Just one follow-up on this. Has the share gone to other MNC players? Or is it more towards local players or the unorganized, per se? I mean, any color in terms of competitive dynamics you could share? And in which segments are these?

Harsha Kadam: We invest efforts in growing our business. So, which competitor is taking it, or which competitor is growing is not my quota. I think that you should do the check from your side.

Moderator: We take the next question from the line of Nirali Gopani from Unique PMS.

Nirali Gopani: Sir, the question is on exports. When we look at the last two years, the export growth rate has been very, very high. And when we say about calendar year '26, 10% to 12% of growth rate. So, over a little longer term, how should we look at exports? Is this a one-off, and we expect the growth to pick up over the next few years? Just a little broader picture will be very helpful.

Hardevi Vazirani: When we talk about our exports, as I said earlier, there's a lot of dependency on our intercompany partners, the related parties who are actually booking the orders and reselling. We don't export directly to the end customers.

If the order book is good, since we have been doing a lot of localization and the products, specifically when we talk about bearing, the capabilities in India have improved. Thereby, we see more and more orders coming from all the economies of Europe, China, Southeast Asia, etc.

And we don't have a kind of export strategy to focus only on export growth. Whenever there are idle capacities, those are utilized by intercompany partners to increase our exports. So, it is all depending on the order book that we get, like the current year's order book is in the space of around 10% to 12% increase. And we will continue to do so by utilizing our capacities for the global demand.

Nirali Gopani: Right. So, I was coming from a similar perspective, right? Is there a focus to shift manufacturing to India or source more from India, and over a period of time, we expect that to pick up? Or

there is no such strategy, and it's only based on the capacity and the demand that our intercompany has?

Hardevi Vazirani: So, the group looks at the local demand first, if local demand is better, then the lines are shifted to India, and then the global market is served out of India. So, it is basically several factors, what is the market demand, and we are the best cost country ultimately. So, it benefits the group from that perspective also. But it is not for the only intention of export, it is mainly the first focus is localization and the local demand.

Moderator: We take the last question from the line of Rosita Fernandes from Neo Asset Management.

Rosita Fernandes: Actually, my questions are answered, though I wanted to know if there is any color for the capex for this year, 2026?

Hardevi Vazirani: So, it will be in the range of what we had earlier, INR 400 crores to INR 500 crores investment this year. This is the trend which was there a year before last year. Last year, we had rationalized a little bit. But this year, again, we will be picking up and going in that range of INR 500 crores.

Rosita Fernandes: All right. All right. And on the export front, so the total exports are from the entire group company is what I understand by the conversation earlier?

Hardevi Vazirani: That's right.

Moderator: Ladies and gentlemen, with that, we conclude the question-and-answer session. I now hand the conference over to Ms. Gauri Kanikar for her closing comments.

Gauri Kanikar: Thank you, everyone. Thank you for joining us today. If you have any further queries, do reach out to me at gauri.kanikar@schaeffler.com. We can now conclude this call. Thank you once again.

Moderator: On behalf of Schaeffler India Limited, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.

(This document has been edited to improve readability)

Registered Office: 15th Floor, ASTP (Amar Sadanand Tech Park),
Baner, Pune – 411045, Maharashtra

Contact Details: Investorsupport.IN@schaeffler.com

Website: www.schaeffler.co.in

CIN: L29130PN1962PLC204515