

An aerial night photograph of a city skyline, likely Shanghai, featuring numerous illuminated skyscrapers and a prominent tower with a pointed top. Light trails from traffic are visible in the foreground, and a large stadium is seen on the right side of the image.

Investor Meet Timken India Limited

Timken India Limited

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A large, polished metal gear or ring is being lifted by a crane hook in a factory setting. The gear has a series of vertical ridges or teeth around its circumference. The background is blurred, showing industrial equipment and structures.

Timken India Limited: Overview and Strategy

Timken India Limited

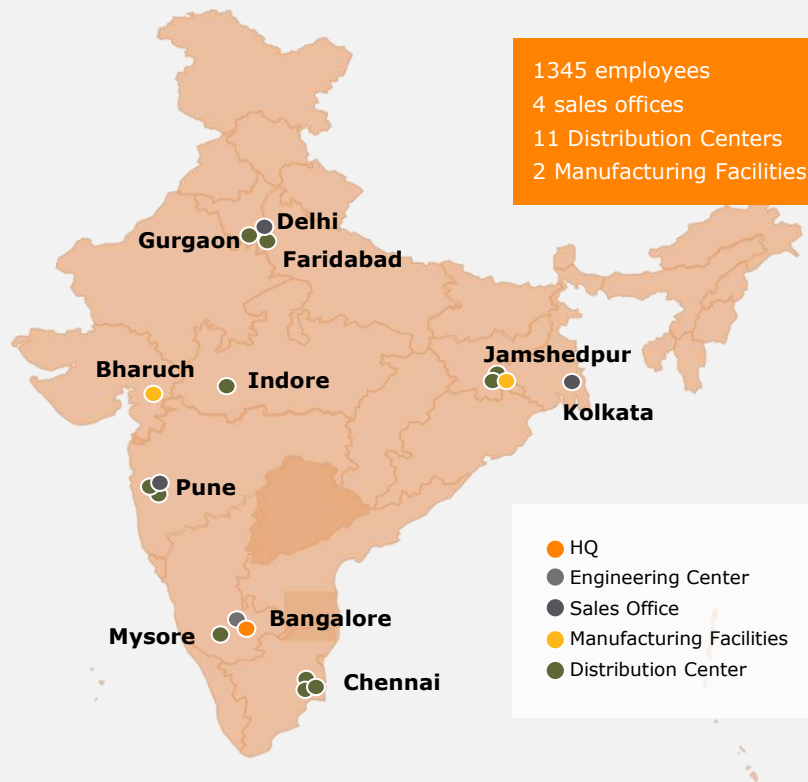
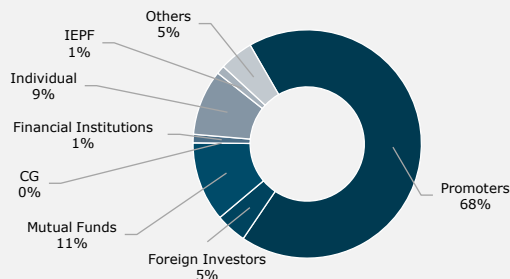
Timken India Limited - Company Overview

Established in 1987 as JV with Tata Steel
Commercial production started in 1992
NSE and BSE listed
One of the leading manufacturers of tapered roller bearings and its components in India
Head quartered in Bangalore, India

FY 2023 Key Metrics

INR 28,066 M Revenue	INR 6,135 M EBITDA
INR 51.95 EPS	21.9% EBITDA Margin

Share holding pattern as of 31st March 2023



New Manufacturing Facility

November 2022 – announced an investment of ~ USD 75 million (INR 6 billion)

New facility will be set-up to increase manufacturing capacity at existing site in Bharuch

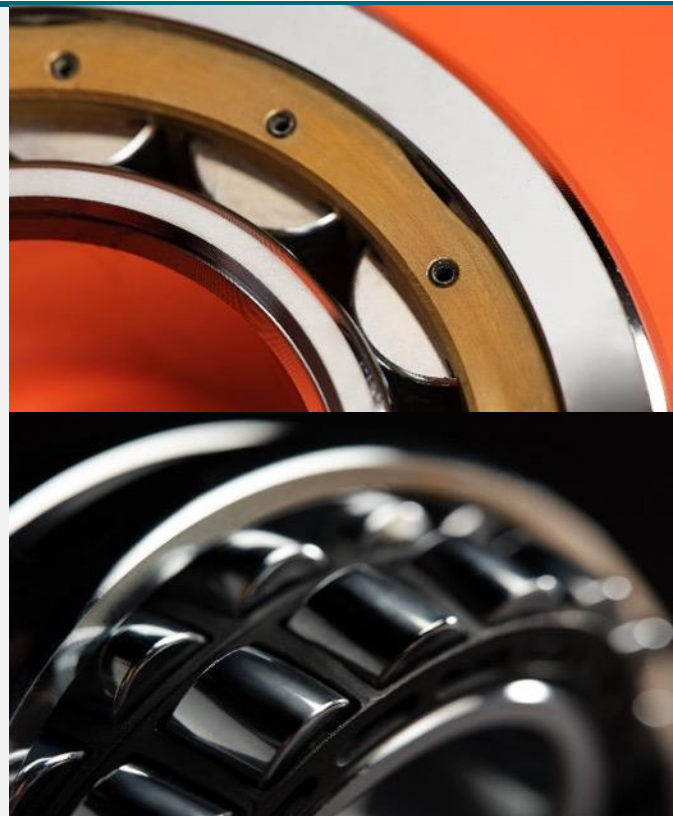
- Recently broke ground
- Expected production to start in January'25

New Product Lines:

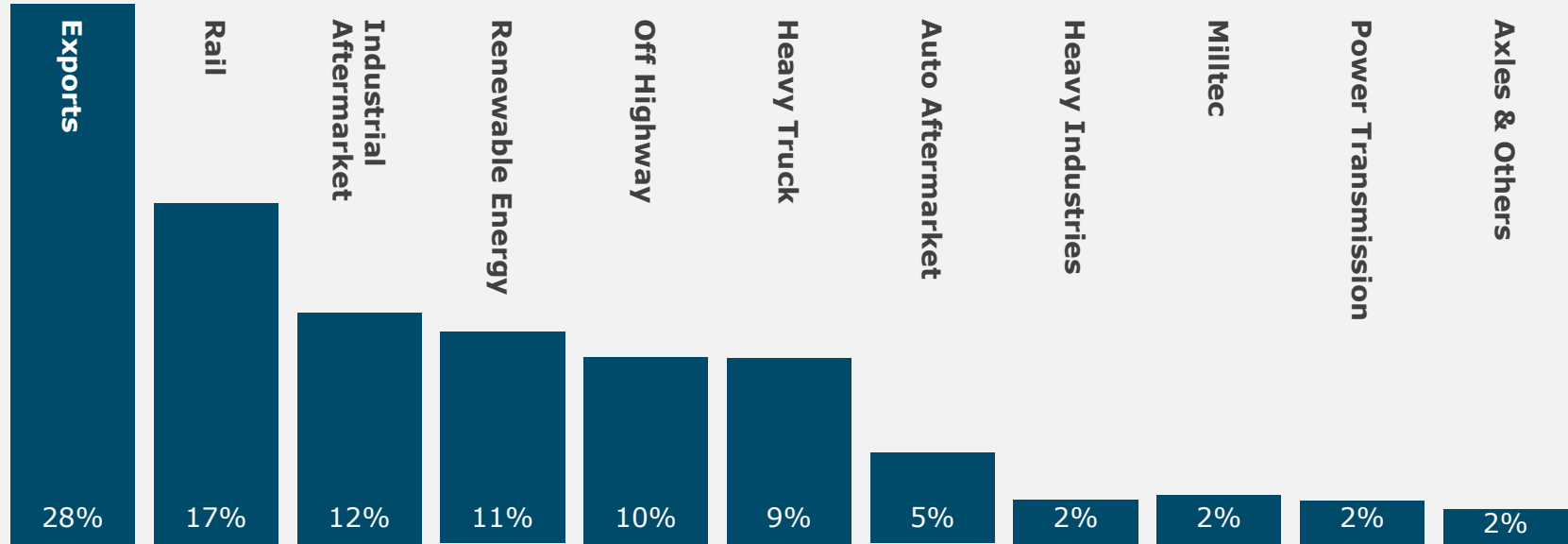
- Spherical roller bearings (SRB), and
- Cylindrical roller bearings (CRB)

At present these products are not manufactured in India – currently servicing Indian market by importing

Target Market – Domestic & Export including US and Europe













Timken India Limited – Well Diversified Market/Sector Mix








Note: Market/Sector Mix in the chart above represents percentage of actual sales for financial year 2023. Certain data contained in the chart above has been rounded for presentation purposes. Exports numbers mentioned here represents sales to Inter Company units.







Glimpse of Industry Segments and Customers – 1/3

Key Segments	 Wind	 Oil & Gas	 Gear-Drives	 Pulp & Paper	 Food & Bev.
Application	Main shafts, gear boxes	Top drives, mud pumps, crown/ traveling blocks, rotary tables	Industrial & planetary gearboxes, geared motors, fans	Chippers/ debarkers, forming/press, dryer, calendar	Material handling, peelers/ dicers, sorting equipment, drives
Product Line					

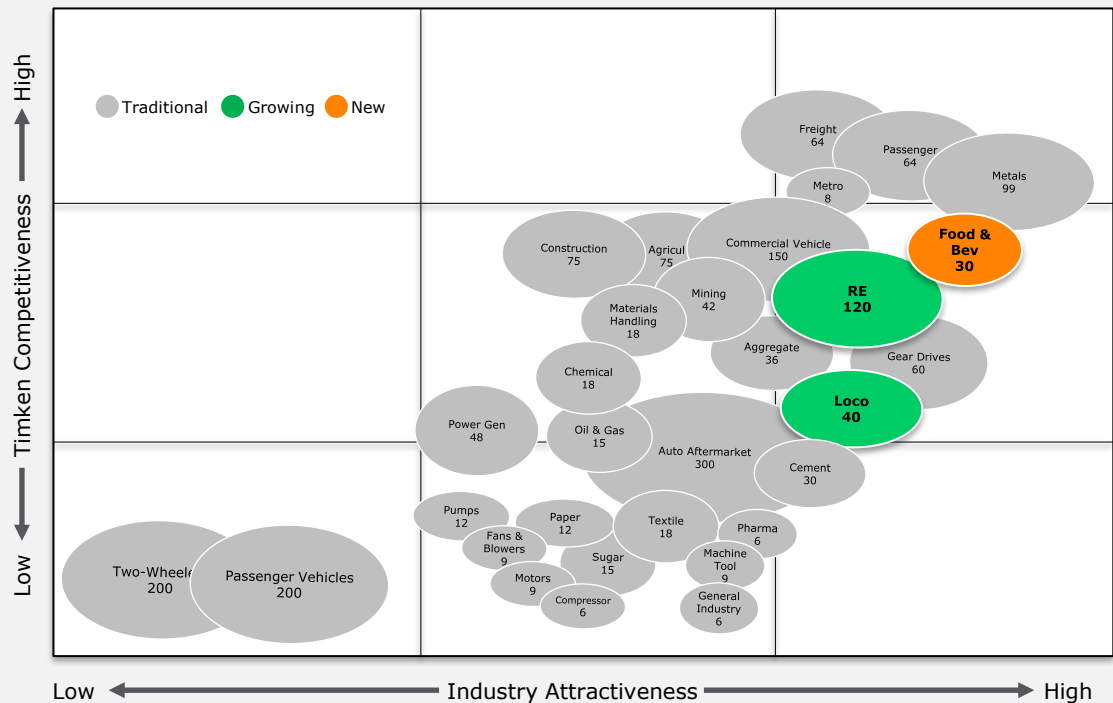
Glimpse of Industry Segments and Customers – 2/3

Key Segments	 Metals	 Mining	 Cement	 Power Gen-coal
Application	Casters, flat products, long products, non-ferrous	Shovels/draglines, Haul trucks, loaders material handling, crushing/screening	Vertical Rolling Mills, crushing screening, material handling	Pulverizers, ball mills, pumps material handling
Product Line				

Glimpse of Industry Segments and Customers – 3/3

Key Segments	 <p>Light Vehicles</p>	 <p>Heavy Trucks</p>	 <p>Auto & Truck Aftermarkets</p>	 <p>Off-Highway Machinery</p>	 <p>Freight & Passenger Rail</p>
Application	<p>Axles, Transmissions, Wheel End</p>	<p>Axles, Transmissions & Wheel End</p>	<p>Axles, Transmissions, Wheel End</p>	<p>Engine, Transmission & Wheel Ends</p>	<p>Rail Wagons Locomotives Passenger Coaches</p>
Product Line					

Industry Evaluation



OUR SPACE TO GROW	
INDUSTRIAL ~ \$0.48B	
SITUATION	TACTICS TO GROW
Low Industry Presence	Enhance domestic manufacturing footprint; local sourcing of components
Lack of Installed Base	Grow OEM business (seed installed base) and enhance channel partner relationships
Low Reach	Penetrate new markets through product vitality initiatives
RENEWABLES ~ \$0.12B	
SITUATION	TACTICS TO GROW
Medium Industry Presence	Increase share with existing customers (e.g., gear box); penetrate new applications (e.g., main shaft)
Vast Opportunities	Product expansion; leverage our new Industrial Motion products; aftermarket (sales and service) opportunities
Manufacturing	Expand domestic manufacturing footprint
RAIL ~ \$0.16B	
SITUATION	TACTICS TO GROW
Strong Industry Presence	Maintain leadership position; expand business with new products and services to meet new trends (e.g., electric locomotive)
Increased Competition	Defend leadership position in freight and passenger rail through technical and service differentiation
FOOD & BEVERAGE \$0.03B	
SITUATION	TACTICS TO GROW
New Entrant Into the Industry	Penetrate New Customers, Expand Product Range
Lack of Installed Base	Develop presence in Key OEM's

Numbers indicate Industry Size in \$M USD | Estimated segment size is based on company articles/market intelligence & voice of sales/customer. Range may vary from +/-10%.

Timken India: Targeting Attractive Industrial Market Sectors



Light Industrial



Medium Industrial



Heavy Industrial

Consumer
Medical
Food and Beverage

Material Handling
Industrial Machinery
Automation

Printing & Packaging
Rubber & Plastics
Drive Systems
Machine Tool

Off-Highway
Industrial Machinery

Metals
Mining
Cement & Aggregate
Wood & Paper

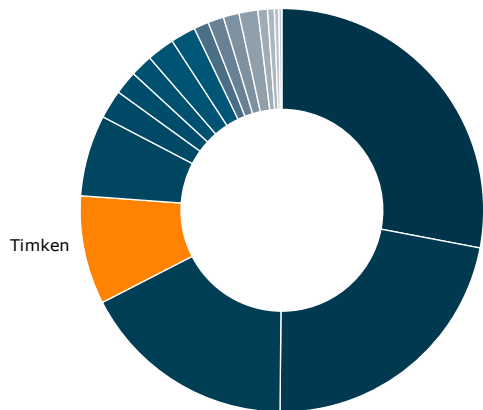
Oil & Gas
Power Generation
Rail

Market Sector
Opportunities

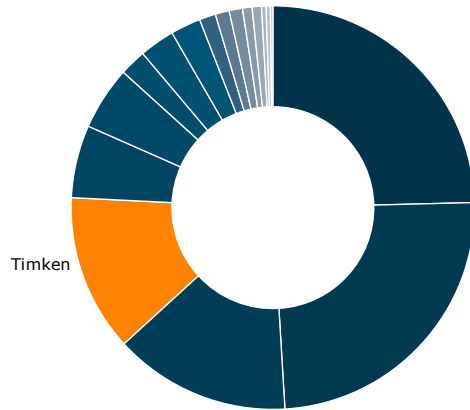
Historic Timken
Market Sectors

Bearing Industry Evolution – India

2017 INDUSTRY SIZE \$1.2B

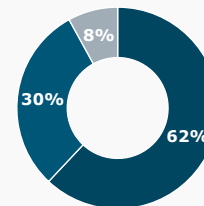


2022 INDUSTRY SIZE \$1.7B



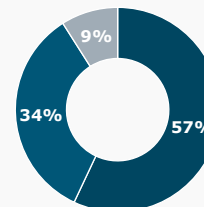
INDUSTRY SIZE BY PLAYERS

- P1
- P1.5
- P2



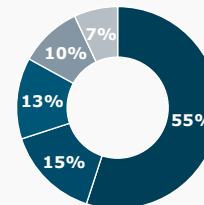
INDUSTRY SIZE BY SEGMENT

- Automotive
- Industrial
- Rail



INDUSTRY SIZE BY BEARING PRODUCT GROUP

- Ball Bearings
- Cylindrical Bearings
- Spherical Bearings
- Tapered Bearings
- Needle Bearings



CAGR 2017-22: ~7.5%. Timken position enhanced through growth and ABC acquisition

Ball bearing (BB) products are ~50% of total industry, ex-BBs, Timken’s position is even stronger

India bearing industry is expected to grow at 7-8% from '22-27

Only Organized Market constituting 17 Companies
 Constant Exchange Rate for both 2022 & 2017 (1USD = 74.5 INR)
 Source : Revenue Report of Companies/Assumptions on some unlisted companies based on market growth/V4C research report

Building a Diversified Industrial Leader

Pre-2015

Strengthening the Enterprise

Spin-off of Steel business globally
Expansion in Jamshedpur and making COE for Rail business

2015-2022

Growing our Industrial Leadership Position

Operational excellence
Organic outgrowth initiatives
Margin expansion
Scaled in attractive markets
Acquisition of ABC Bearings Ltd.

Future

The Next Generation of Timken India

New manufacturing facility in Bharuch
Scaling our position as a diversified industrial leader
Further demonstrate power of compounding growth
Top-quartile financial performance
Capitalize on emerging trends and technologies

Proven Strategy to Drive Shareholder Value

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Drive Profitable Organic Growth

Be the technical leader in solving our customers' toughest challenges

Expand both our product portfolio and penetrate new markets

Deliver best-in-class customer service experience with our differentiated technical sales model



Operate with Excellence

Drive lean and continuous improvement efforts across our operations

Make lowest cost plant for The Timken Company

Deliver efficiencies across our supply chains

Optimize processes and SG&A efficiency



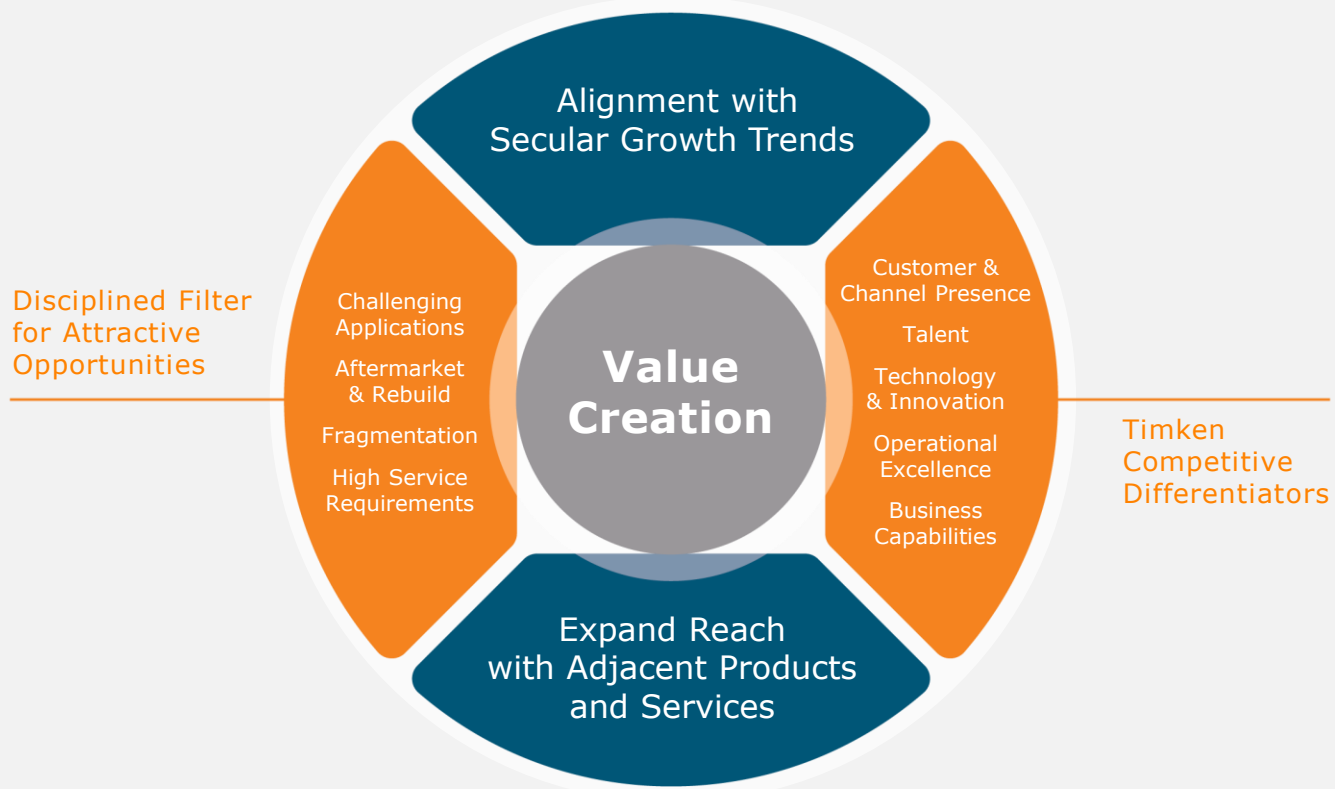
Deploy Capital to Deliver Shareholder Value

Invest in organic growth and productivity initiatives

Pay an attractive dividend that grows over time with earnings⁽¹⁾

(1) Subject to Board approval.

Creating Value with The Timken Business Model



Operational Excellence: Core to the Strategy

Sales & Service

Technical sales model for custom solutions
Deliver the best service in the industry
Optimized inventory

Manufacturing

Leverage best-cost supply chain
Globally consistent quality and safety
Lean and continuous improvement
Automation across our manufacturing locations
Ramping sustainability

Material and Supply Chain

Strong standards for supplier quality and specifications all around the world
Best-practice supply chain processes
Drive “next-level” efficiency and effectiveness across supply chains
Material- and energy-saving initiatives

Digital

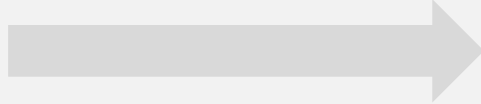
Leverage Integrated ERP system for optimal usage of resources
Advanced supply chain analytics
Best-practice global pricing processes
Investing in next-level digital customer experience and supplier connectivity



Megatrends Creating Opportunities for Timken

KEY MEGATRENDS

Urbanization & Smart Cities
Electrification
Energy Transformation
Growth in Population
Digitization
Artificial Intelligence



IMPACT FOR TIMKEN

Infrastructure (Metals/Cement/Construction/Rail)
Railways/Auto OE
Renewable Energy
Infrastructure/ Food & Beverage
Customer Digital Experience
Improved Manufacturing Capability

URBANIZATION



INFRASTRUCTURE DEVELOPMENT



POPULATION GROWTH



ENERGY



Serving Communities & Preserving the Environment

In India, our vision as a responsible corporate citizen is to develop the communities around us and to reduce the environmental impact of our business by making our operations more sustainable.

Recent Highlights

- Automotive mechanic trainings and recognition
- Upliftment of infrastructure of a charitable hospital
- Developed sports infrastructure for tribal students
- Housing, sanitation and healthcare infrastructure to underprivileged communities
- Infrastructure for rest house for patients at a cancer hospital
- Transportation facility for tribal students in remote areas
- Initiatives to improve the physical and mental wellbeing of our associates

GLIMPSES OF OUR CSR INITIATIVES

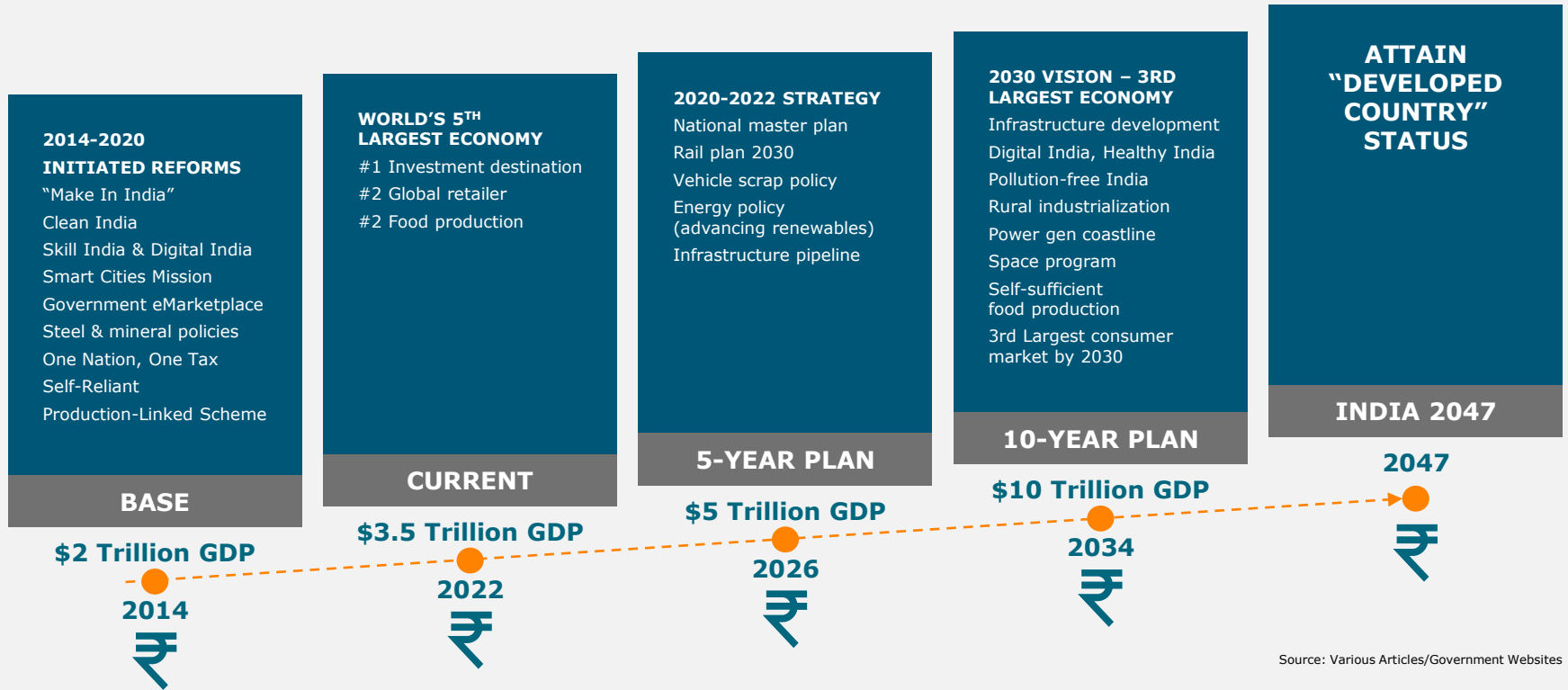


A close-up, high-angle photograph of a metal roller chain mechanism. The chain consists of several dark grey metal links connected by smaller rollers. The lighting is dramatic, highlighting the metallic surfaces and creating deep shadows. The background is blurred, showing more of the machinery.

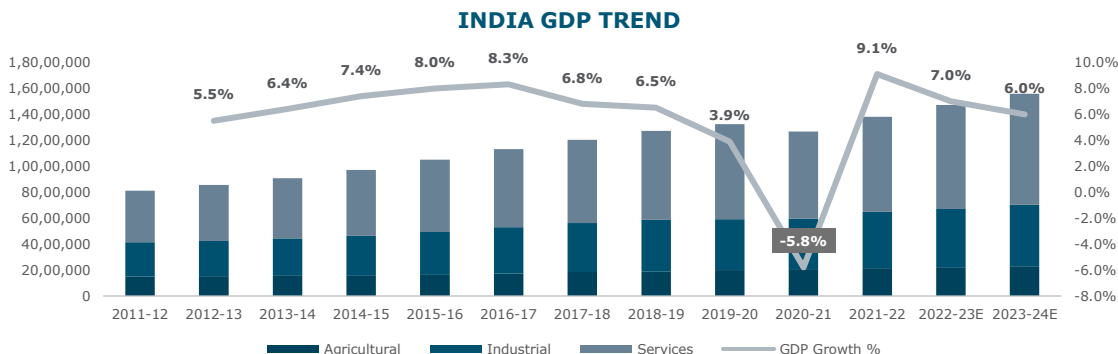
India Growth Story & Market Outlook

Timken India Limited

India's Growth Vision



India GDP History and 2023 Outlook



GVA = (GDP-Net Taxes) @ Constant Prices - Source: MOSPI, Ind-Ra & RBI : April'23

India to grow ~7% in FY23 & ~6% in FY24. Expected to maintain 6-8% growth level
Growth aided by government plans
Most economic indicators point to positive growth outlook
India likely to maintain position as the fastest-growing, major economy
China-PLUS-One is an opportunity

CURRENT STATE OF ECONOMY

- GDP
 - Ease of Doing Business
 - Industrial Production
 - Steel Production
 - Mining Production
 - Crude Oil Price
 - Manufacturing PMI
- Stock Market
 - Inflation
 - Current Account Deficit
 - Wholesale Price Index
- Currency : USD to INR
 - Consumer Price Index

Source: Trading Economics *Status as on Week2 April'23

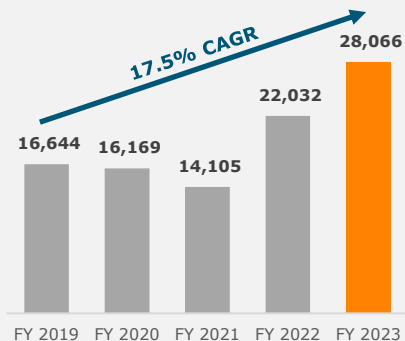
Financial Performance

Timken India Limited



Consistent, Growing and Strong Performance

Revenue (INR M)



2x Revenue in last 5 years with base of FY 2018

Organic outgrowth initiatives adding to top-line performance

EBITDA Margin

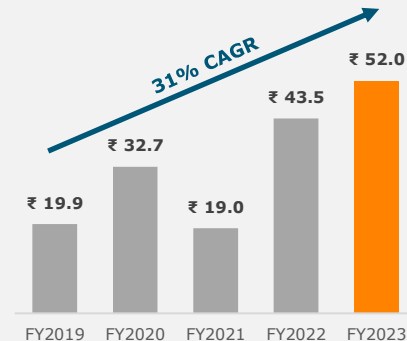


Consistent margin performance through dynamic operating environments

Attractive margin profile; higher and more consistent performance

Growth, price/mix, and operational excellence delivering next-level results

EPS



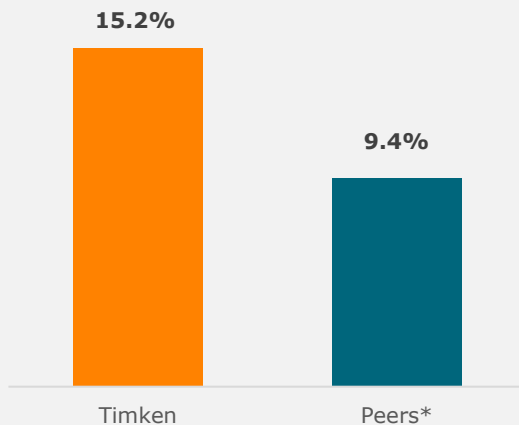
Record earnings four out of five years; up ~19% YOY in 2022

~ 4x EPS growth with base of FY 2018

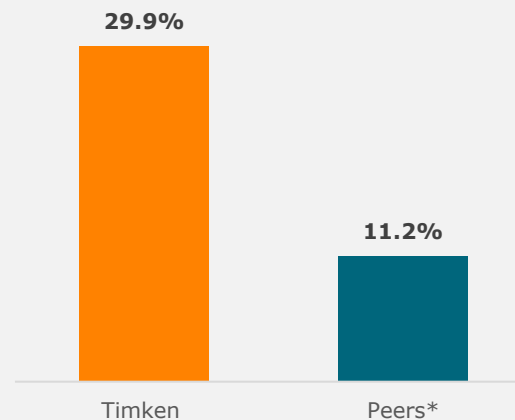
Consistently growing the earnings power and cash generation of the company despite varying macro-economic conditions

Timken India's Top Quartile Performance vs. Peers — FY 2018-2022

Revenue CAGR



EBITDA CAGR



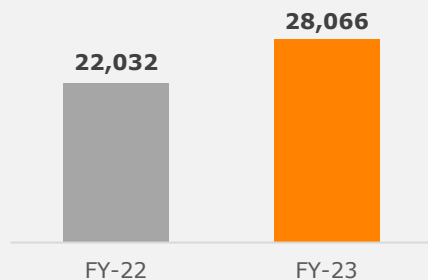
**Timken last 5-Year
EBITDA Margin
Average: 20%**

**Peers last 5-Year
EBITDA Margin
Average: 17.5%**

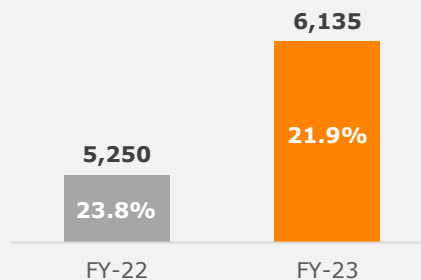
* Peers represent SKF India Limited and Schaeffler India Limited. SKF India Limited Follows Fiscal Year and Schaeffler India Limited follows calendar year for their financial reporting

Financial Overview – FY 2023

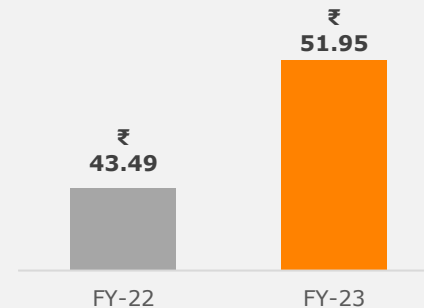
Net Sales (INR M)



EBITDA (INR M)



Earnings Per Share



Sales of INR 28,066 million, up 27.4% from FY 2022

- Structural increase driven by growth across most end-market sectors

EBITDA margin of 21.9% down 190 bps from FY 2022

- EBITDA margin at 22% level slightly lower compared to previous year primarily driven by significant inflation on raw materials cost

FY 2023 EPS of INR 52 (a record year)

- EPS up 19.5% due mainly to higher volume

Consistent Dividend Payments and Strong Balance Sheet

Goal: Pay an attractive dividend that grows over time with earnings

- Target 10–15% payout over the cycle ⁽¹⁾
- Paid dividend consecutively for more than 10 years

Strong balance sheet with low debt and ample cash to invest for profitable growth

⁽¹⁾Subject to ongoing Board approval

Long-Term Financial Goals

Goals

Strong Top-Line Growth

- Positive macros; strong pricing power
- Organic outgrowth driven by new products and innovation by group
- Leverage Industrial motion portfolio in the Indian Market

Organic Growth CAGR: 8%+

Earnings Growth

- Strong EPS growth over the cycle
- Attractive mix and operational excellence drive higher EBITDA margins

EPS CAGR: >10%

Long-Term Targets (5-Year)

Timken India Limited: A Compelling Investment

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Experienced leadership team with proven track record of performing in dynamic environments

Top-quartile financial performance with additional runway for further enhancements

Strong product offering with proven business model and strategy to drive profitable growth

Compelling long-term targets

