

Schaeffler India Limited
(Formerly known as FAG Bearings India Limited)
Head Office & Works · P.O. Maneja, Vadodara – 390013, Gujarat, India

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI- 400 001

National Stock Exchange of India Limited
Exchange Plaza, C - 1, Block G,
Bandra-Kurla Complex, Bandra (E)
MUMBAI- 400 051

Company Code: 505790

Company Code: SCHAEFFLER

Your reference, your message from

Our reference, our message from

Phone

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Date

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24.10.2018

Sub: Investor Presentation

Dear Sirs,

Pursuant to the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the Investor Presentation on Financial Results of the Company for the quarter ended September 30, 2018.

Kindly take the same on your records.

Thanking you,

Yours faithfully,

For **Schaeffler India Limited**
[Formerly known as FAG Bearings India Limited]



Chirag K Shukla
Company Secretary



Encl.: As above.



Investor Presentation

Schaeffler India Limited
October 24, 2018

- 1 Merger : We have arrived
- 2 Economy & Market
- 3 Financial update Q3 2018
- 4 Key takeaways

1 Merger : We have arrived
We are officially merged

SCHAEFFLER



Schaeffler India Limited
files merger order with RoC¹

1 RoC : Registrar of Companies

1 Merger : We have arrived

Transaction timeline and progress

SCHAEFFLER

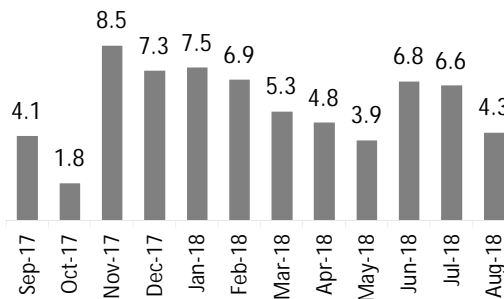
| Key events | Expected date |
|--|----------------------|
| ▶ Requisite applications submission to BSE, NSE and SEBI for approvals | ✓ Q3CY17 |
| ▶ BSE, NSE and SEBI approvals | ✓ Q4CY17 |
| ▶ Applications to NCLT (Mumbai and Chennai benches) in India | ✓ Q4CY17 |
| ▶ Notice to shareholders and creditors | ✓ Q1CY18 |
| ▶ Shareholder approvals <ul style="list-style-type: none">– Approval of majority of public shareholders– Approval of majority (in number) of shareholders and creditors representing 75% in value | ✓ Q1CY18 |
| ▶ NCLT approval <ul style="list-style-type: none">- Approval of Chennai NCLT- Approval of Mumbai NCLT | ✓ Q3CY18 ✓ Q3CY18 |
| ▶ BSE and NSE approvals for listing | Q4CY18 |
| ▶ Closing of transaction | Q4CY18 |

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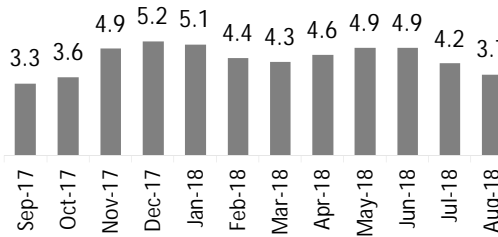
GDP Growth % ^{1]}



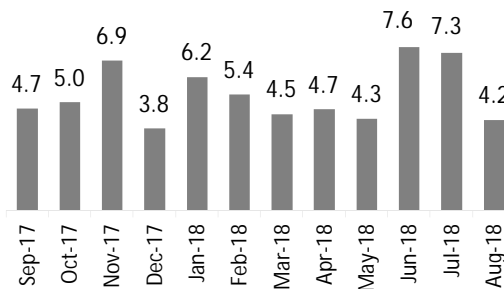
IIP – Overall (%) ^{2]}



Consumer Price Index^{2]}



Core Industry Growth (%) ^{3]}

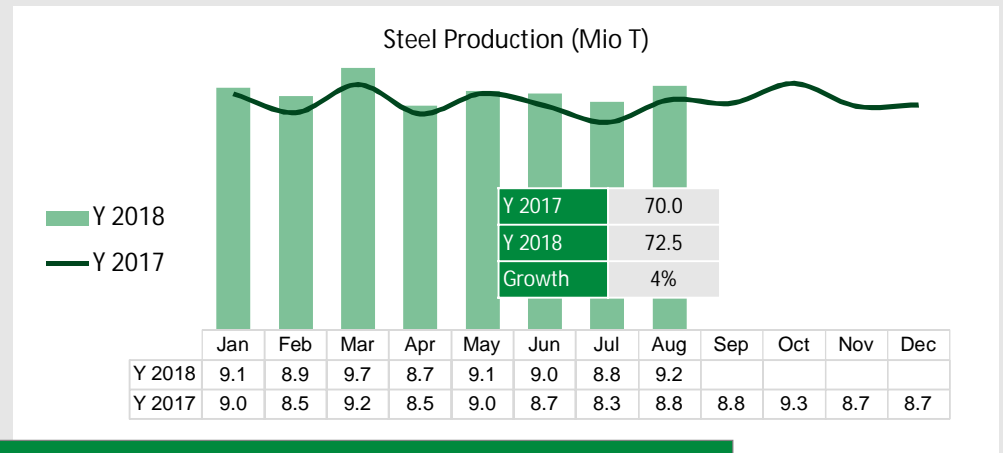
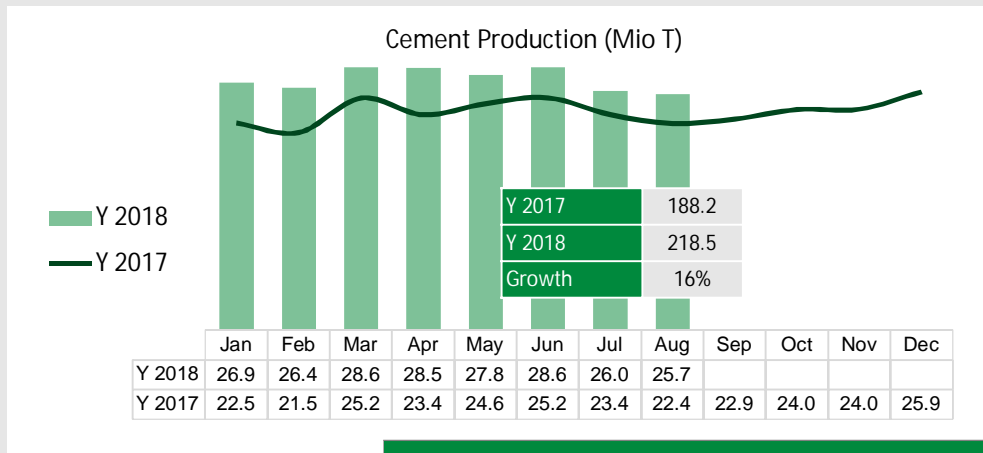


Key Aspects

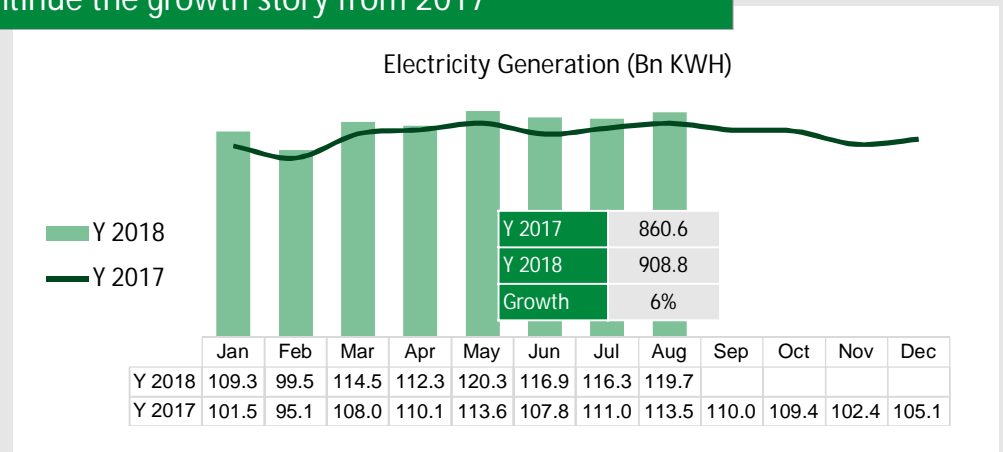
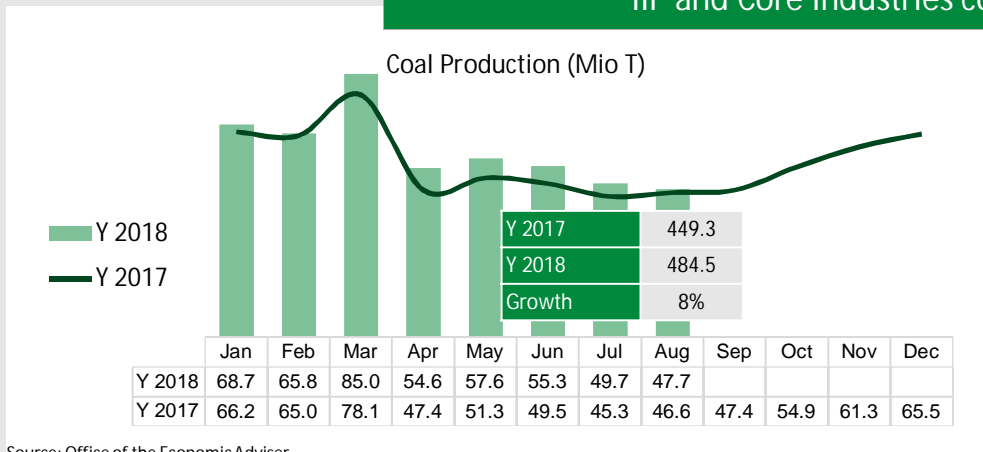
- ▶ India remains the fastest growing major economy, Growth numbers for the quarter ending Jun'18 particularly strong
- ▶ Manufacturing and agriculture sector growth backed by government spending on infrastructure and rural sectors
- ▶ Limited headroom for government going forward with crude prices and US dollar firming up. Infra spending and fiscal deficit could be under pressure
- ▶ Industry faced with rising commodity prices, imports becoming expensive, likely weakening of consumer sentiments- fuel prices, impending elections

Strong results but some concerns on outlook. Challenges from rising commodity prices and global risks

^{1]}Source: Central Statistics Office (CSO) ^{2]} Source: Database on Indian Economy, RBI ^{3]} Source: Office of the Economic Adviser
 * Early estimate by CSO. Historic GDP growth is as per latest revisions from CSO at constant prices; 10 Oct 2018.



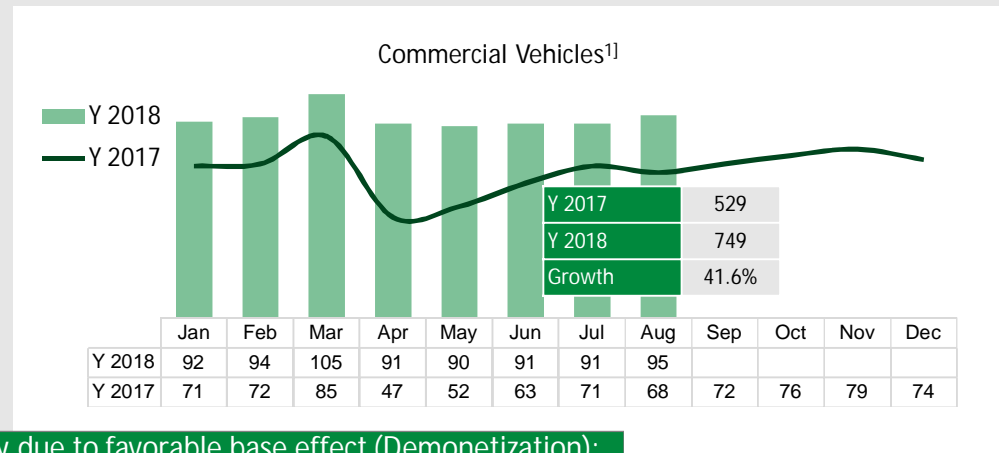
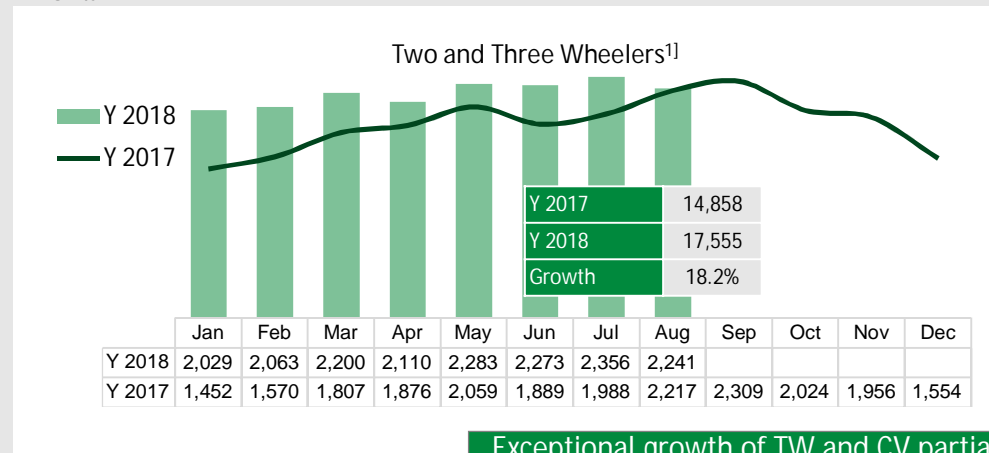
IIP and Core Industries continue the growth story from 2017



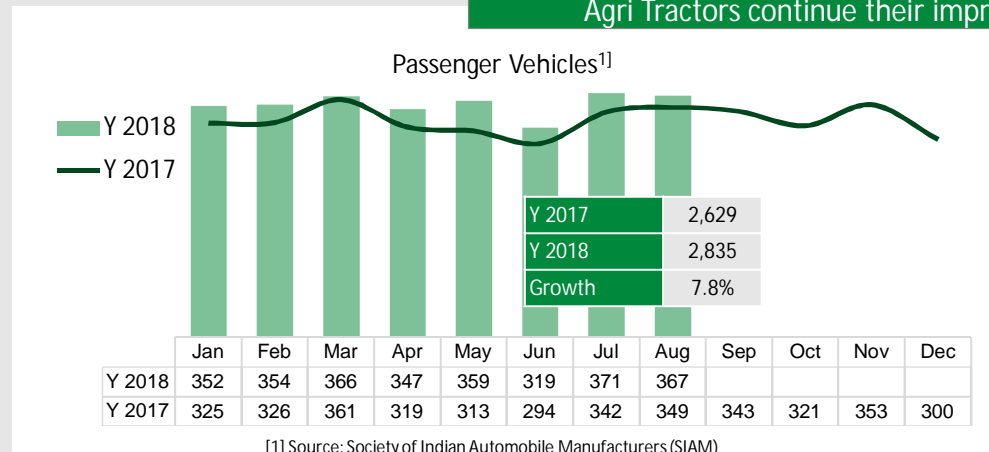
Source: Office of the Economic Adviser

Mobility continues the growth momentum in 2018

in T Units



Exceptional growth of TW and CV partially due to favorable base effect (Demonetization); Agri Tractors continue their impressive growth for second consecutive year



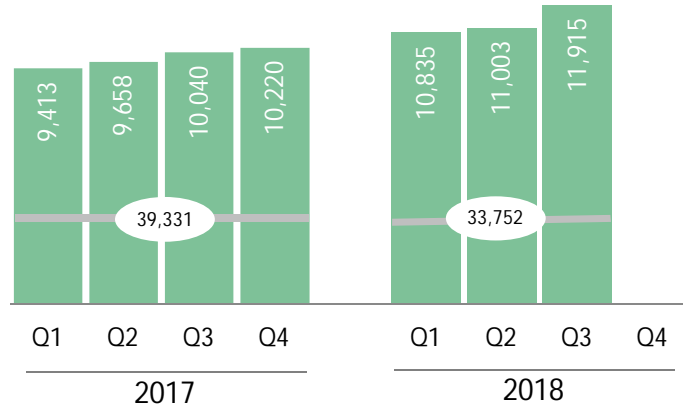
[1] Source: Society of Indian Automobile Manufacturers (SIAM)

[2] Source: Tractor Manufacturer Association (TMA); *Mar is estimated production

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Revenue from operations (Net)^[1]
mn INR

| Q3-2018 over Q2-2018 | Q3-2018 over Q2-2017 | 9M-2018 over 9M-2017 |
|----------------------|----------------------|----------------------|
| 8.3% | 18.7% | 15.9% |



EBITDA Margin^[2]

| | | | | | |
|-------|-------|-------|-------|-------|-------|
| 17.4% | 16.7% | 18.1% | 17.0% | 16.4% | 16.8% |
| 17.3% | | | 16.8% | | |

[1] Excludes other income, Net of taxes for all the periods
[2] Excludes other income

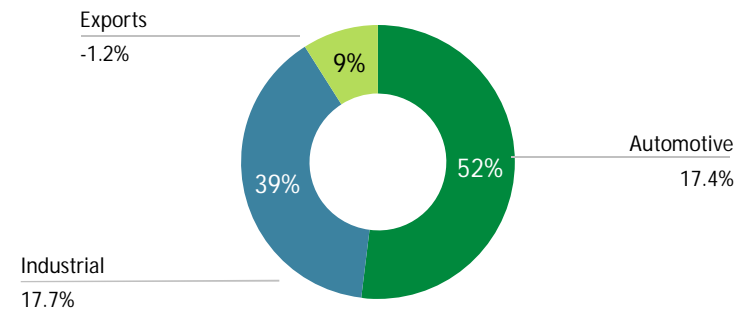
Key aspects

- ▶ Q3-2018 over Q2-2018 : Automotive 1.7%, Industrial 13.6%, Exports 43.0%
- ▶ Q3-2018 over Q3-2017 : Automotive 15.0%, Industrial 24.2%, Exports 11.4%
- ▶ 9M-2018 over 9M-2017 : Automotive 17.4%, Industrial 17.7%, Exports -1.2%

Sales mix 2018

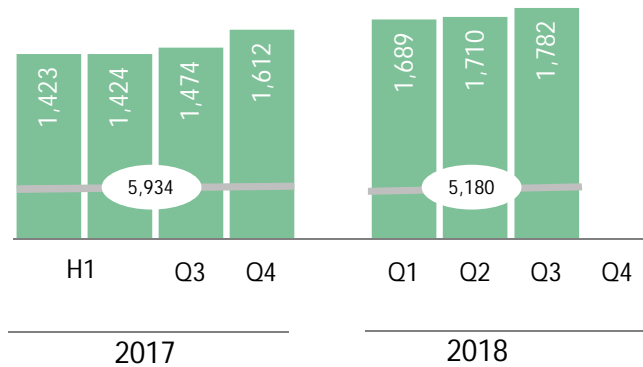
9M-2018 vs 9M-2017

Mobility 83.5%
Others 16.5%



PBT (before exceptional items)
mn INR

| Q3-2018 over Q2-2018 | Q3-2018 over Q3-2017 | 9M-2018 over 9M-2017 |
|----------------------|----------------------|----------------------|
| 4.2% | 20.9% | 19.9% |



PBT Margin

| | | | | | |
|-------|-------|-------|-------|-------|-------|
| 14.9% | 14.7% | 15.8% | 15.6% | 15.5% | 15.0% |
| 15.1% | | | 15.3% | | |

Key aspects

- ▶ QoQ : Consistent growth in domestic market as well as exports
- ▶ YoY Qtr : Margin improvement better than revenue due to better sales volume and mix
- ▶ YoY 9M : Margin improvement better than revenue due to better sales volume and mix

H1 '17 figures are equally splitted in two bars for scaling purpose only

Q3 Performance Highlights

| mn INR | Q3 2018 | Q2 2018 | Δ Q2 2018 | Q3 2017 | Δ Q3 2017 | 9M 2018 | 9M 2017 | Δ 9M 2017 | 12M 2017 |
|--|---------|---------|-----------------------|---------|-----------------------|---------|---------|-----------------------|----------|
| Revenue from operations (Net) ¹ | 11,915 | 11,003 | <u>912</u> 8.3% | 10,040 | <u>1,874</u> 18.7% | 33,752 | 29,111 | <u>4,641</u> 15.9% | 39,331 |
| EBITDA ² | 1,997 | 1,801 | <u>195</u> 10.8% | 1,677 | <u>320</u> 19.1% | 5,678 | 4,976 | <u>703</u> 14.1% | 6,821 |
| EBITDA Margin | 16.8% | 16.4% | 0.4% PT | 16.7% | 0.1% PT | 16.8% | 17.1% | -0.3% PT | 17.3% |
| EBIT ² | 1,625 | 1,435 | <u>189</u> 13.2% | 1,329 | <u>296</u> 22.3% | 4,581 | 3,946 | <u>635</u> 16.1% | 5,440 |
| EBIT Margin | 13.6% | 13.0% | 0.6% PT | 13.2% | 0.4% PT | 13.6% | 13.6% | 0.0% PT | 13.8% |
| PBT before exceptional ³ | 1,782 | 1,710 | <u>72</u> 4.2% | 1,474 | <u>307</u> 20.9% | 5,180 | 4,321 | <u>859</u> 19.9% | 5,934 |
| PBT Margin | 15.0% | 15.5% | -0.6% PT | 14.7% | 0.3% PT | 15.3% | 14.8% | 0.5% PT | 15.1% |
| PAT ³ | 907 | 1,114 | <u>-208</u> -18.6% | 955 | <u>-48</u> -5.0% | 3,126 | 2,844 | <u>282</u> 9.9% | 3,884 |
| PAT Margin | 7.6% | 10.1% | -2.5% PT | 9.5% | -1.9% PT | 9.3% | 9.8% | -0.5% PT | 9.9% |

[1] Excludes other income, Net of taxes for all the periods

[2] Excludes other income

[3] Includes other income

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- 1 Economy continues to grow - Close monitoring of business environment in the wake of global trade wars and protectionism policies.
- 2 Better sales in domestic market in both Automotive and Industrial leading to stable Operating profit performance
- 3 Earning quality sustained
- 4 Merger process is complete (effective date 22 Oct 2018)
- 5 Post merger integration activities gained momentum

One strong
Schaeffler entity
in India

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