

Schaeffler India Limited
(Formerly known as FAG Bearings India Limited)
P.O. Maneja, Vadodara – 390013, Gujarat, India

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National Stock Exchange of India Limited
Exchange Plaza, C - 1, Block G,
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MUMBAI- 400 051

Company Code: 505790

Company Code: SCHAEFFLER

Your reference, your message from

Our reference, our message from

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Date

13.02.2019

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 and year ended December 31, 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.



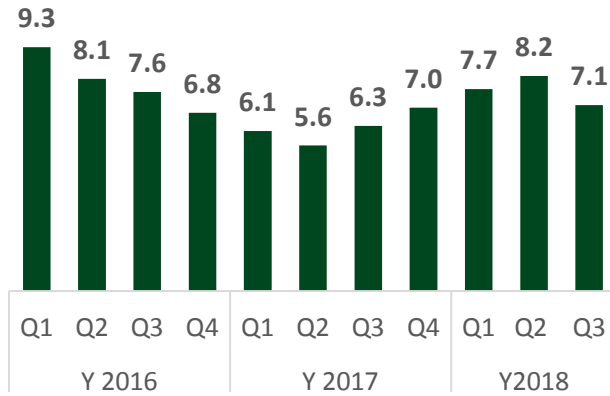
Investor Presentation

Schaeffler India Limited
February 13, 2019

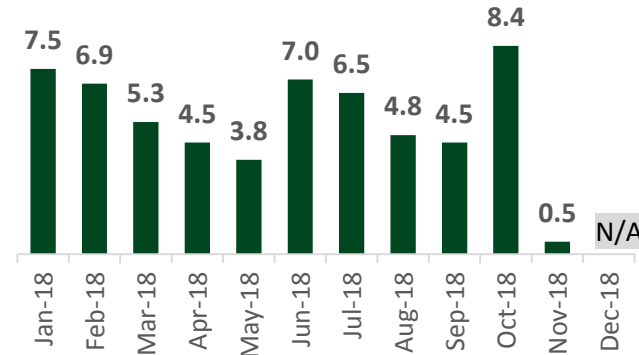
- 1 Economy & Market**
- 2 Financial update Q4 2018
- 3 Key takeaways

Economy staying on track; expected to grow 7.4% in 2018^{2]}

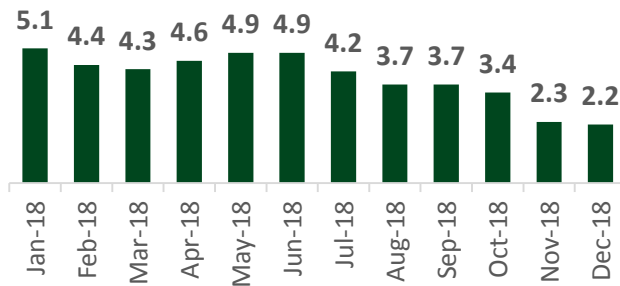
GDP Growth % ^{1]}



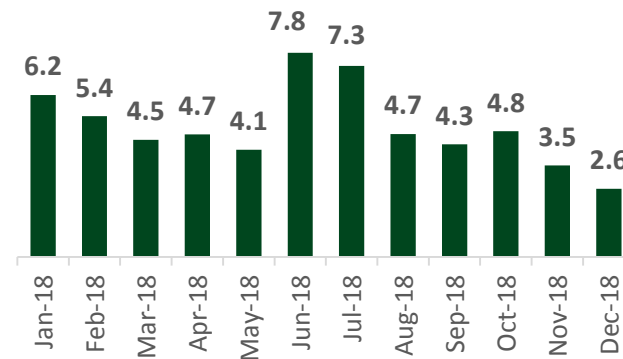
IIP – Overall (%) ^{2]}



Consumer Price Index^{2]}



Core Industry Growth (%) ^{3]}



Key Aspects

- ▶ India remains the fastest growing major economy with strong performance of manufacturing and agriculture sectors backed by government spending
- ▶ IIP and Core Industries growth stable; temporary dip due to advance stocking for festive season
- ▶ Inflation steadily under control as H1 impact of rising exchange rates and oil prices subsided
- ▶ Anticipate increased volatility - local market trends, India elections, global trade wars and protectionism policies (anti-dumping duty, custom duties etc.), New emission laws BS VI – requires close monitoring

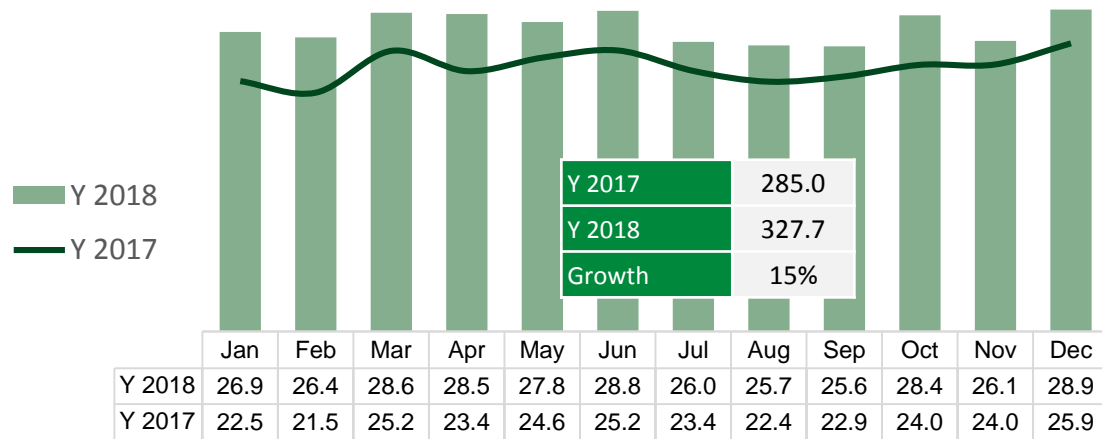
Economy expected to maintain growth momentum – with some volatility

1]Source: Central Statistics Office (CSO). GDP growth is as per latest revisions at constant prices; 30 Jan 2019

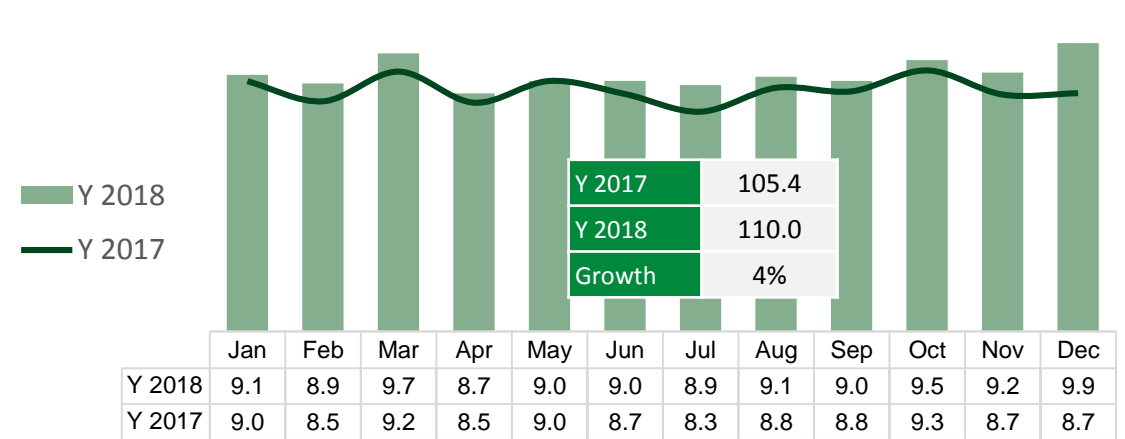
2] Source: RBI 3] Source: Office of the Economic Adviser

Infrastructure and utility maintained momentum in 2018

Cement Production (Mio T)

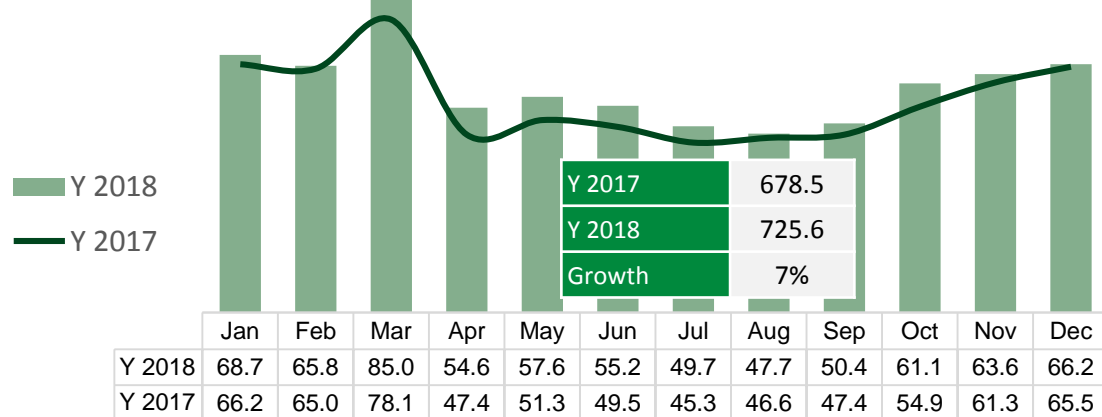


Steel Production (Mio T)

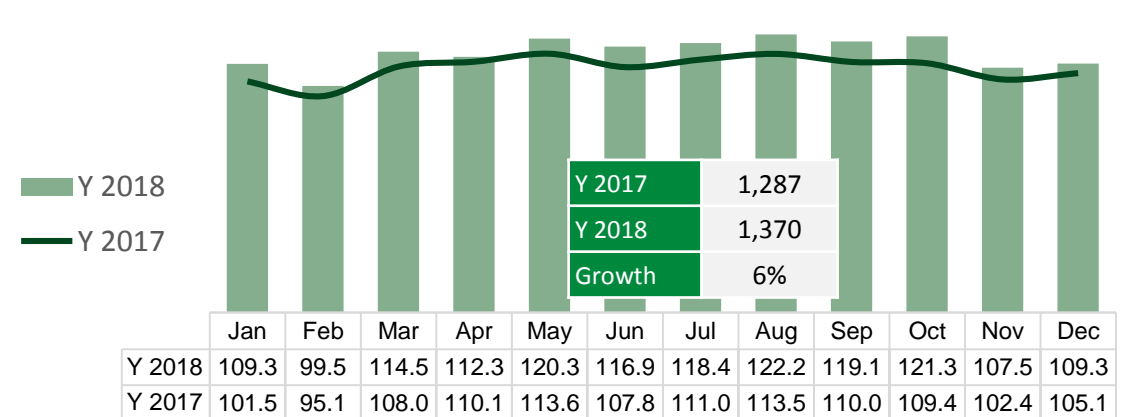


IIP and Core Industries both grew by more than 5% in 2018

Coal Production (Mio T)



Electricity Generation (Bn KWH)

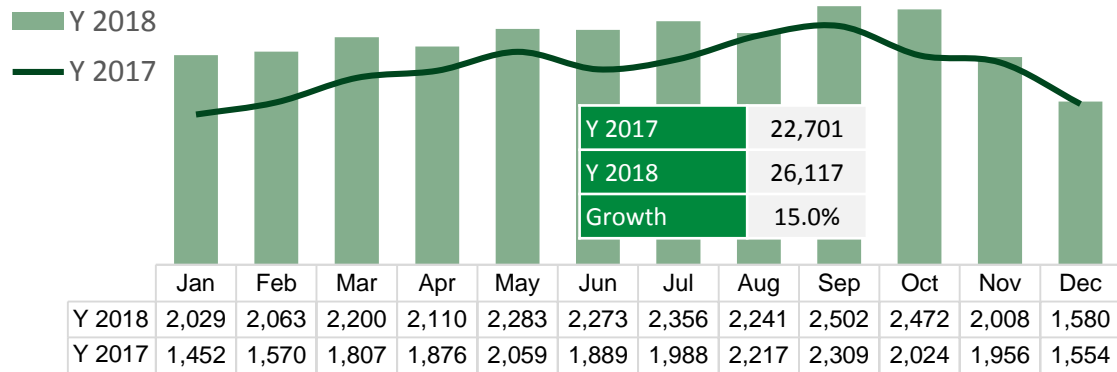


Source: Office of the Economic Adviser, all figures rounded off

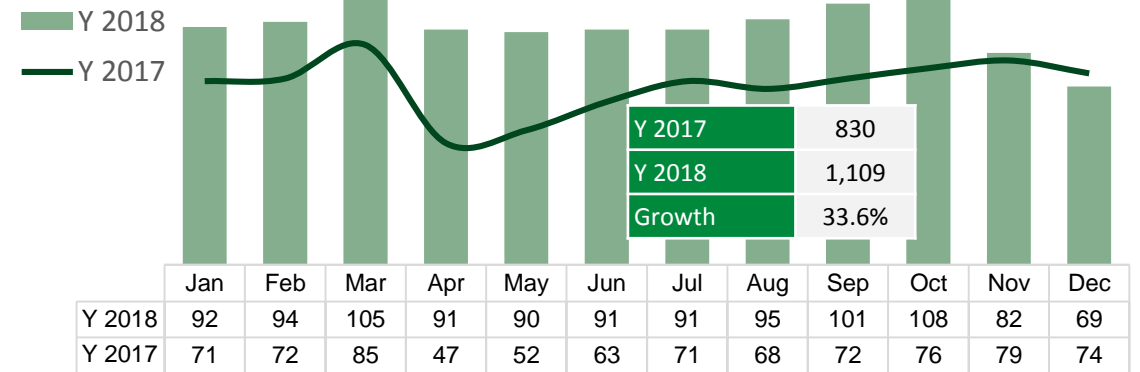
Mobility grew strong in 2018 despite a volatile Q4

in T Units

Two and Three Wheelers¹

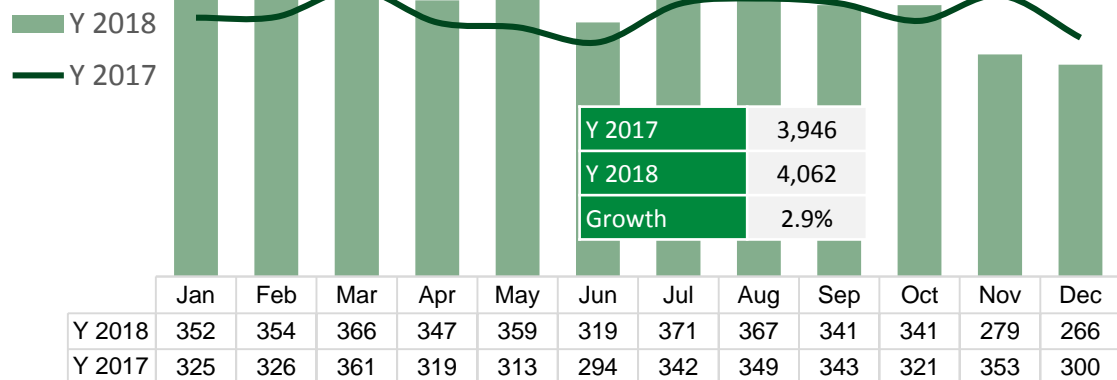


Commercial Vehicles¹



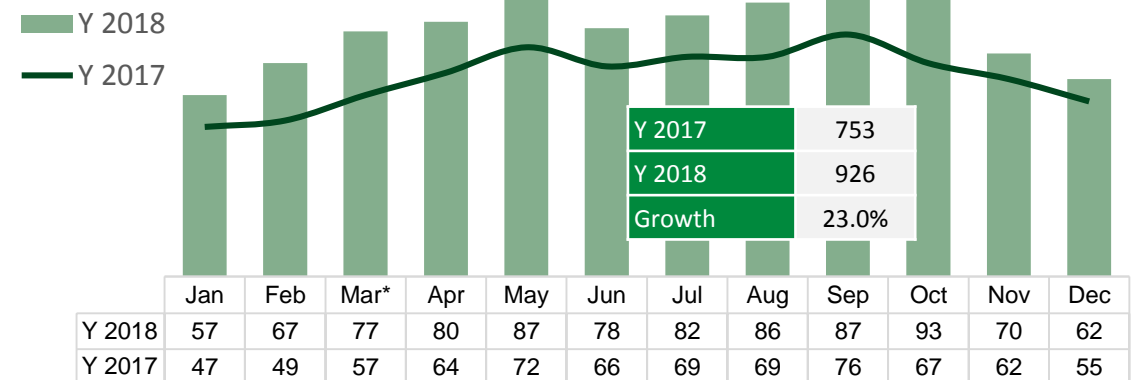
Q4 growth partially impacted due to cautious sentiments of consumers and the consequential drop in production by OEMs

Passenger Vehicles¹



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

Agriculture Tractors²



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

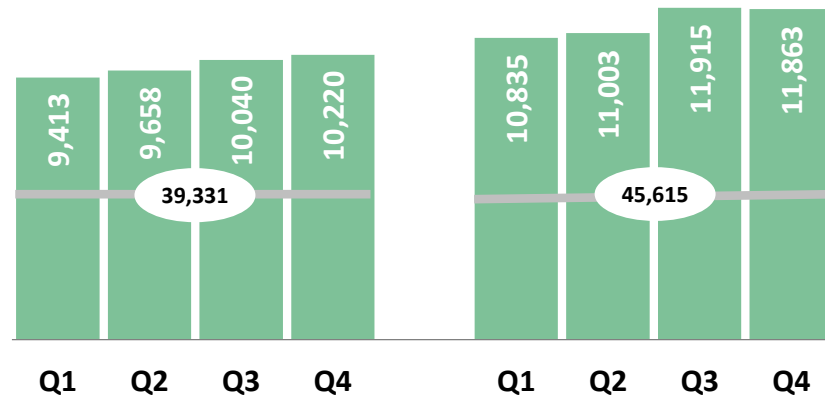
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Revenue from operations | Growth maintained despite volatility

Revenue from operations (Net)^[1]

mn INR

Q4-2018 over Q3-2018	Q4-2018 over Q4-2017	2018 over 2017
-0.4%	16.1%	16.0%



EBITDA Margin^[2]

Year	Q1	Q2	Q3	Q4	Total
2017	17.4%	16.7%	18.1%		17.3%
2018	17.0%	16.4%	16.8%	14.5%	16.2%

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

[2] Excludes other income

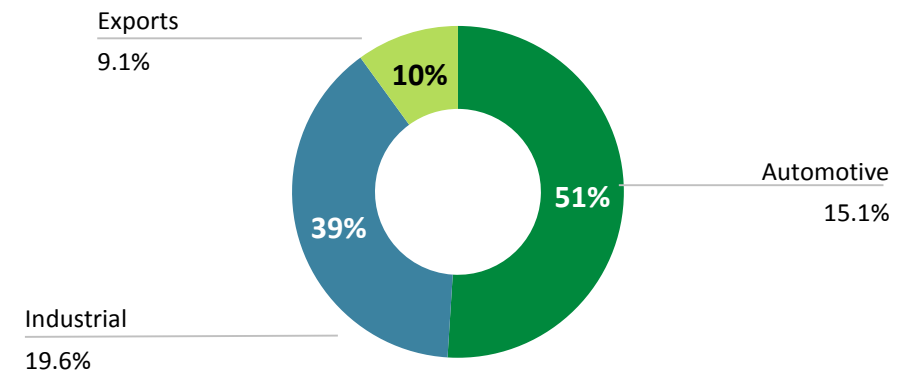
Key aspects

- ▶ Q4-2018 over Q3-2018 : Automotive -5.5%, Industrial -0.1%, Exports 31.0%
- ▶ Q4-2018 over Q4-2017 : Automotive 8.4%, Industrial 25.2%, Exports 36.3%
- ▶ 12M-2018 over 12M-2017 : Automotive 15.1%, Industrial 19.6%, Exports 9.1%

Sales mix 2018

12M-2018 vs 12M-2017

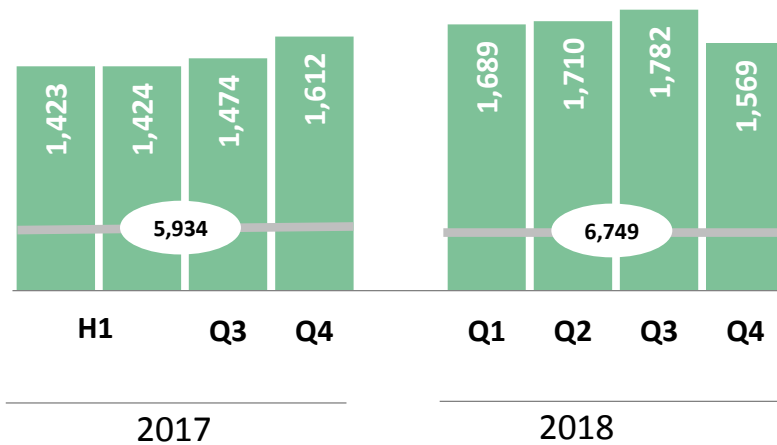
Mobility 82.8%
Others 17.2%



Earning quality impacted in Q4

PBT (before exceptional items) mn INR

Q4-2018 over Q3-2018	Q4-2018 over Q4-2017	2018 over 2017
-12.0%	-2.7%	13.7%



PBT Margin

14.9%	14.7%	15.8%	15.6%	15.5%	15.0%	13.2%
15.1%			14.8%			

Key aspects

- ▶ QoQ : Witnessed market volatility in automotive impacting profitability with mix and volume deviation
- ▶ YoY Qtr : Adverse sales volume and mix
- ▶ YoY 12M : Margin improvement in line with revenue growth but impacted by adverse sales mix and production cut in Q4.

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

Q4 Performance Highlights

mn INR	Q4 2018	Q3 2018	Δ Q3 2018	Q4 2017	Δ Q4 2017	12M 2018	12M 2017	Δ 12M 2017
Revenue from operations (Net) ¹	11,863	11,915	-52 -0.4%	10,220	1,643 16.1%	45,615	39,331	6,284 16.0%
EBITDA ²	1,718	1,997	-279	1,846	-128	7,396	6,821	575
EBITDA Margin	14.5%	16.8%	-2.3% PT	18.1%	-3.6% PT	16.2%	17.3%	-1.1% PT
EBIT ²	1,330	1,625	-295	1,493	-163	5,911	5,440	472
EBIT Margin	11.2%	13.6%	-2.4% PT	14.6%	-3.4% PT	13.0%	13.8%	-0.9% PT
PBT before exceptional ³	1,569	1,782	-213	1,612	-44	6,749	5,934	816
PBT Margin	13.2%	15.0%	-1.7% PT	15.8%	-2.6% PT	14.8%	15.1%	-0.3% PT
PAT	1,058	907	151	1,040	18	4,184	3,884	301
PAT Margin	8.9%	7.6%	1.3% PT	10.2%	-1.3% PT	9.2%	9.9%	-0.7% PT

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

[2] Excludes other income

[3] Includes other income

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One strong Schaeffler entity in India

1 Economic growth remains strong but volatile – requires close monitoring of developments

2 Despite market volatility in Q4, revenue growth at 16% compared to 2017 – Automotive 15.1% and Industrial 19.6%

3 Earning quality was impacted in Q4 adversely due to adverse sales mix and production cut

4 Softness in automotive market continues in 2019 – but strong retails sales in Jan'19 are promising

5 Post merger integration activities progressing well

One strong
Schaeffler entity
in India

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for your attention**

