

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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Fax

Date  
09.02.2018

## Sub: Investor Presentation

Dear Sirs,

Pursuant to the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed is the Investor Presentation on Financial Results for the quarter and year ended December 31, 2017 and updates on the merger process.

The same is for your records.

Thanking you,

Yours faithfully,

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



**Chirag Shukla**  
Company Secretary



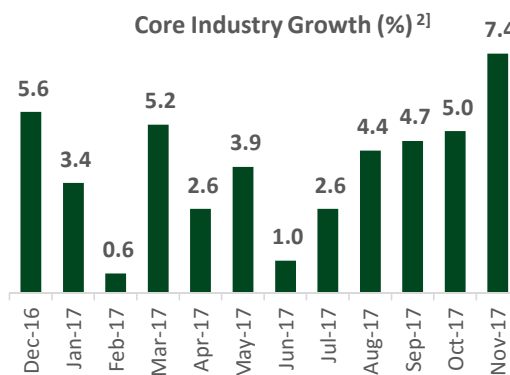
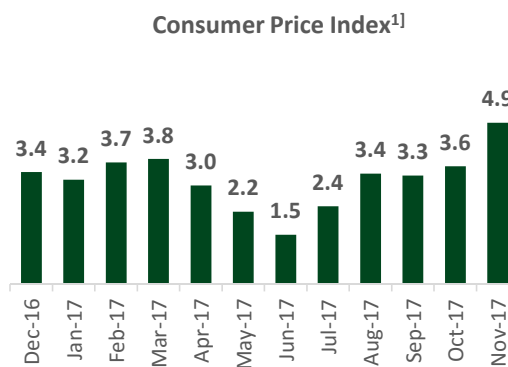
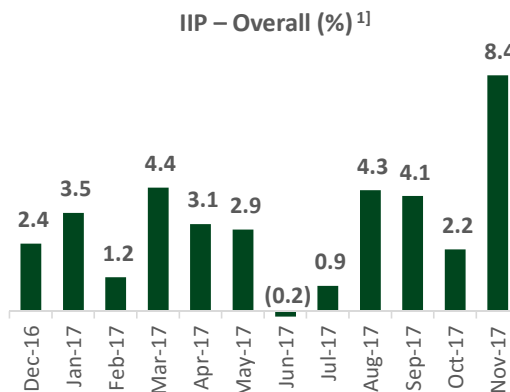


# Investor Presentation

Schaeffler India Limited  
February 09, 2018

- 1** Economy & Market
- 2 Financial update Q4 / 12M - 2017
- 3 Transaction update
- 4 Key takeaways

## Macroeconomic Performance



### Key aspects

- ▶ GDP growth on recovery path as manufacturing activity accelerated with companies restocking their warehouses after temporary disruption caused by uncertainties surrounding GST implementation
- ▶ Core industry and IIP showing growth and stability in H2 2017 as effects of demonetization and GST are subsiding

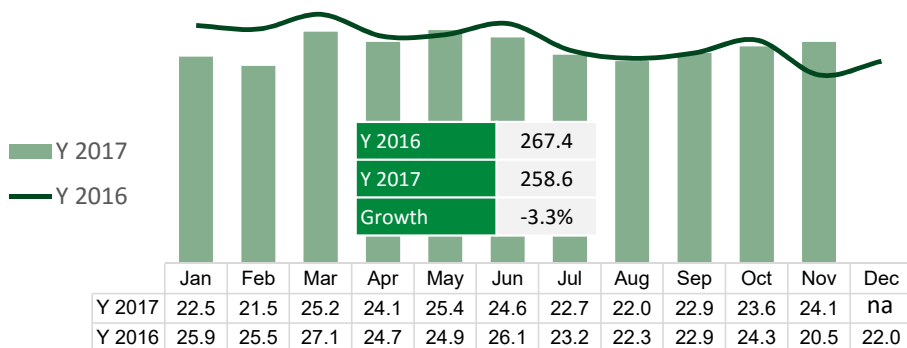
[1] Source: Central Statistics Office, [2] Source: Office of the Economic Adviser,

[3] EAC is a recently constituted independent body of economists (reporting directly to the PM) to suggest measures to bring the economy back on track

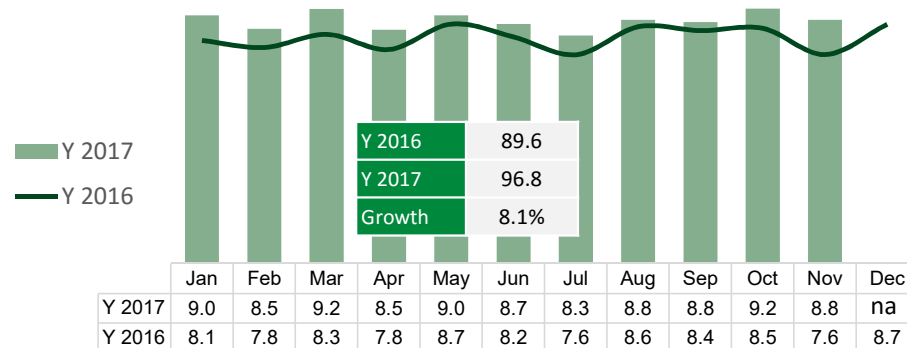
Note: IIP growth has been updated with base as 2011-12

# Core Industry Development

### Cement Production (Mio T)

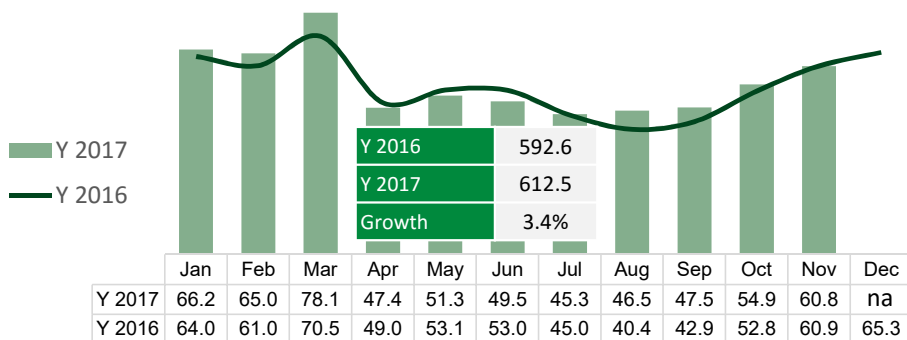


### Steel Production (Mio T)

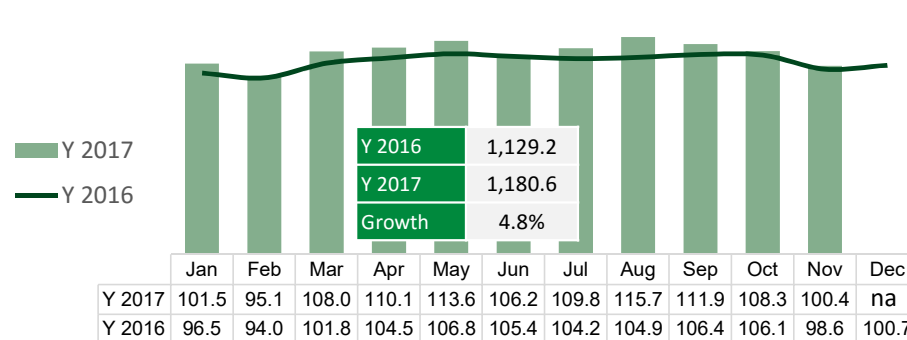


CY 2017: IIP growing at 3.8% and core industries at 3.3%

### Coal Production (Mio T)



### Electricity Generation (Bn KWH)

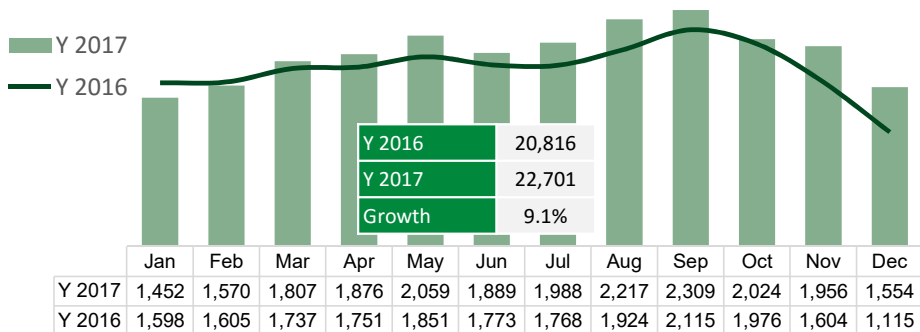


Source: Office of the Economic Adviser

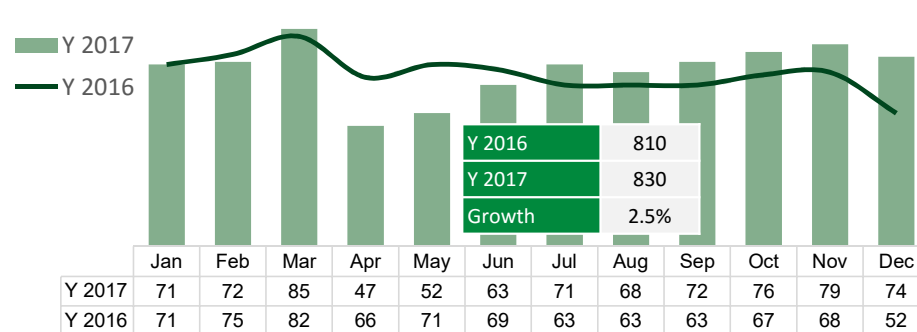
# Mobility Market Development

in T Units

### Two and Three Wheelers<sup>1</sup>

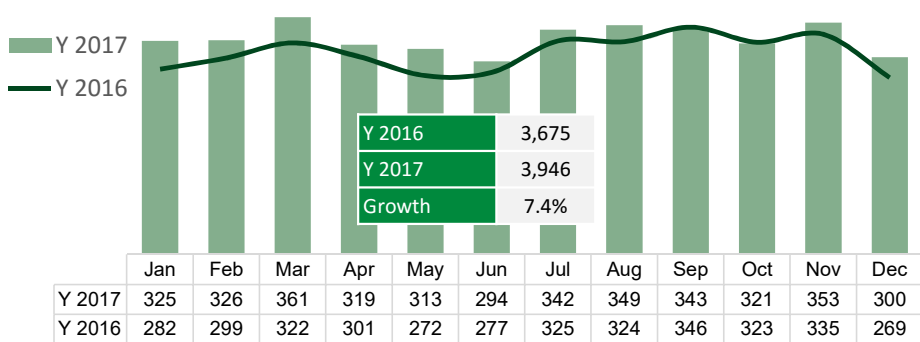


### Commercial Vehicles<sup>1</sup>

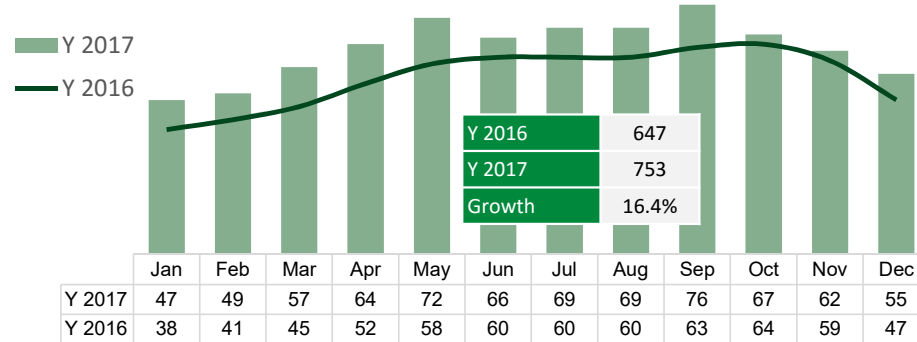


PV and tractors drove the growth in 2017; Two wheelers recovered from Demonetization; CV showed strong recovery in H2 after dual impact of Demonetization and BSIV implementation

### Passenger Vehicles<sup>1</sup>



### Agriculture Tractors<sup>2</sup>



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

[2] Source: Tractor Manufacturer Association (TMA)

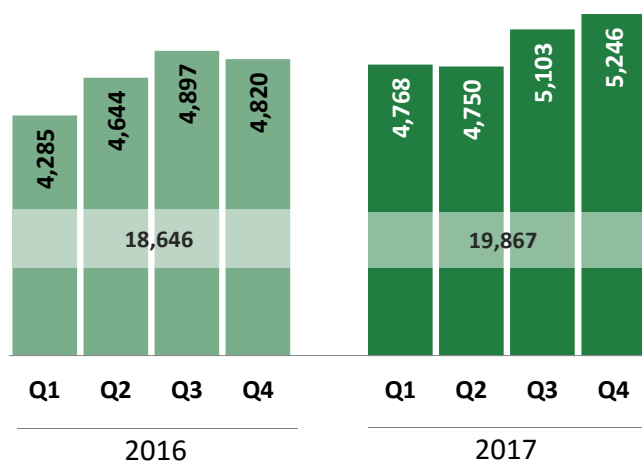
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## Schaeffler India Limited: Total income (net)

### Total Income (Net)

Mio INR

Q4-2017 over Q3-2017	Q4-2017 over Q4-2016	12M-2017 over 12M-2016
2.8%	8.8%	6.5%



### EBT Margin in %

Year	Q1	Q2	Q3	Q4
2016	16.8%	15.4%	16.5%	15.6%
2017	18.1%	17.6%	17.8%	19.4%

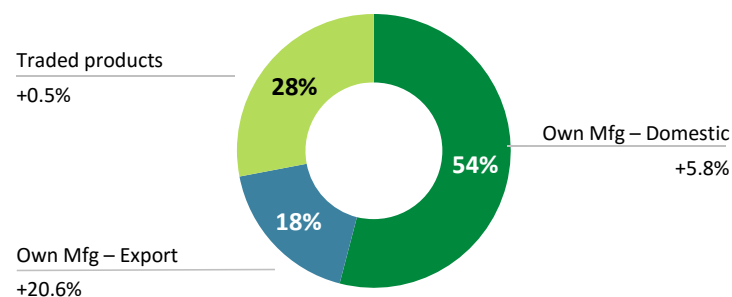
[1] Net of taxes for all the periods [2] Financials for year 2016 reinstated as per IND-AS implementation

### Key aspects

- ▶ Q4-2017 over Q3-2017 : Moderate growth of 2.8% mainly supported by Industrial (2%) and Exports (6%)
- ▶ Q4-2017 over Q4-2016 : 8.8% increase driven by strong growth in Automotive (22%) and Exports (30%)
- ▶ 12M-2017 over 12M-2016 : 6.5% growth driven by strong growth in Automotive (17%) and Exports (21%), while growth in Industrial was relatively flat
- ▶ Sales mix affirms our ongoing efforts of localization

### Sales mix 2017

y-o-y growth

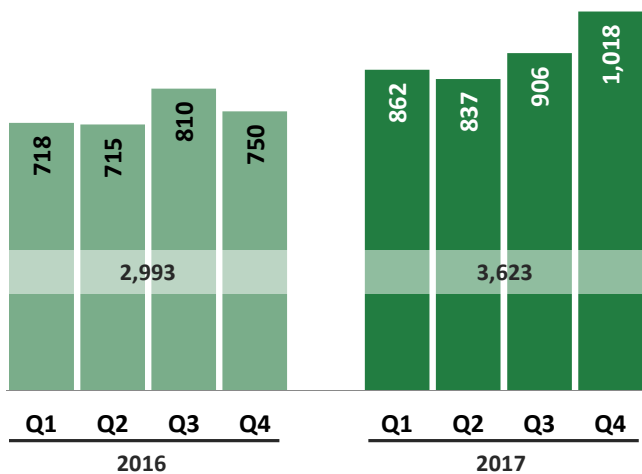




## Schaeffler India Limited : Earnings Before Taxes (EBT) Development

### EBT Mio INR

Q4-2017 over Q3-2017	Q4-2017 over Q4-2016	12M-2017 over 12M-2016
1.7 PPT	3.8 PPT	2.2 PPT



### EBT Margin to Total income (Net)

16.8%	15.4%	16.5%	15.6%	18.1%	17.6%	17.8%	19.4%
16.1%				18.2%			

### Key aspects

- ▶ Better sales mix and operational performance have led to improvement in EBT margin

## Schaeffler India Limited : Q4 / 12M Performance Highlights

SCHAEFFLER

in million INR	Q4 2016	Q4 2017	Q4 2017 vs Q4 2016		12M 2016	12M 2017	12M 2017 vs 12M 2016	
<b>Total income (Net)<sup>[1]</sup></b>	4,820	5,246	426	8.8%	18,646	19,867	1,221	6.5%
<b>EBITDA</b>	797	1,039	242	30.3%	3,130	3,739	609	19.5%
<b>% Margin</b>	16.5%	19.8%		3.3% ▲	16.8%	18.8%		2.0% ▲
<b>EBT</b>	750	1,018	268	35.8%	2,993	3,623	630	21.0%
<b>% Margin</b>	15.6%	19.4%		3.8% ▲	16.1%	18.2%		2.2% ▲
<b>EAT</b>	547	679	132	24.1%	1,951	2,380	430	22.0%
<b>% Margin</b>	11.4%	12.9%		1.6% ▲	10.5%	12.0%		1.5% ▲

[1] Net of taxes for all the periods [2] Financials for year 2016 reinstated as per IND-AS implementation

## Financial statements – 12M 2017 and pro forma

Key Highlights <sup>[1]</sup>	Schaeffler India Ltd		INA Bearings India Ltd		LuK India Pvt Ltd		Schaeffler India Ltd (Proforma) <sup>[2]</sup>		
	INRm	CY16	CY 17	CY16	CY 17	CY16	CY 17	CY16	CY 17
Total income (net) <sup>[3]</sup>		18,646	19,867	10,483	11,951	7,313	8,575	36,281	40,216
% growth (y-o-y)		4.7%	6.5%	15.5%	14.0%	16.5%	17.3%	9.9%	10.8%
EBITDA		3,130	3,739	1,488	1,668	1,272	1,478	5,890	6,885
% margin		16.8%	18.8%	14.2%	14.0%	17.4%	17.2%	16.2%	17.1%
PBT		2,993	3,623	997	1,155	889	1,124	4,879	5,902
% margin		16.1%	18.2%	9.5%	9.7%	12.2%	13.1%	13.4%	14.7%
PAT		1,951	2,380	685	743	611	773	3,247	3,896
% margin		10.5%	12.0%	6.5%	6.2%	8.3%	9.0%	8.9%	9.7%

#### Key highlights (INA India and LuK India)

- ▶ Consistently strong revenue growth in Engine systems, Chassis and Transmission systems
- ▶ Consistent improvement in EBT led by sales growth and operational performance

[1] Based on audited financials year ending 31st Dec 2017 (thereof Schaeffler India Limited represents IND-AS financials for 2016 & 2017)

[2] Proforma is after eliminating Intercompany transactions amongst three entities

[3] Total income (net) is net of taxes for all periods

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## Transaction expected to be completed in 2018 and is currently on track

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
▶ <b>Shareholder approvals</b> – Approval of majority of public shareholders – Approval of majority (in number) of shareholders and creditors representing 75% in value	<b>Q1CY18</b>
▶ NCLT approval	Q2CY18
▶ BSE, NSE and SEBI (final) approvals	Q3 CY18
▶ Closing of transaction	Q3 CY18

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4 Key takeaways  
**Recognition**

**SCHAEFFLER**



*'Best Delivery' for 3 years in a row*

*'Superior Performance' for all three companies*



**JOHN DEERE**

*'Partner Award' for 3 years in a row for LuK and Quality sustenance for SIL*

*'Platinum Supplier' for SIL*



**HYUNDAI**

*'Best Logistics' performance*



*'Best Supplier' award*

**FCA**

FIAT CHRYSLER AUTOMOBILES



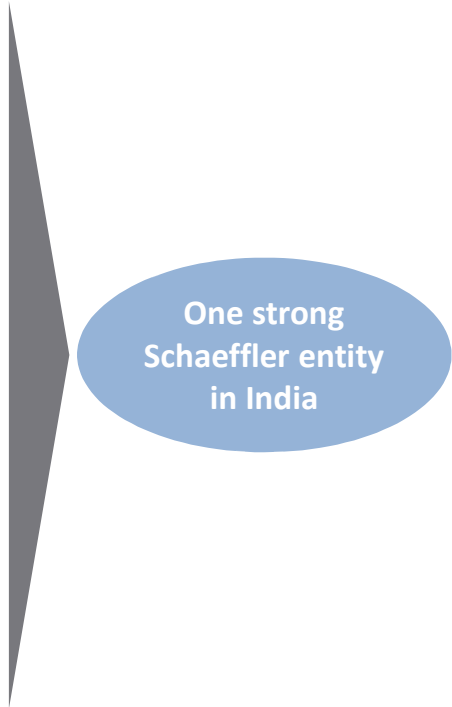
*'Quality Performance' award*



*'Supplier Excellence Award'*

## One strong Schaeffler entity in India

- 1 Economic outlook continues to be positive
- 2 Overall moderate sales growth – Strong Automotive growth and high exports
- 3 Better sales mix and operational performance have led to improvement in EBT margins
- 4 Focused on sales growth in recovering market
- 5 Merger activities gearing up and will gain further momentum





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for your attention

