Sub: Investor Presentation

Dear Sirs,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith Investor Presentation on Financial Results of the Company for the quarter and year ended December 31, 2019.

Kindly take the same on your records.

Thanking you,

Yours faithfully,

For Schaeffler India Limited

Chirag K. Shukla
Company Secretary

Enc.: As above
Agenda

1. Market developments and Schaeffler
2. Q4/12M 2019 Performance update
3. We step up in Governance
Market developments and Schaeffler

Q4 2019 | Highlights and Lowlights

Q4 automotive performance was slightly better than Q3 due to temporary demand surge and on top initiatives

Working capital improved significantly as receivable and inventory control measures were realized

Operating profit was better due to ongoing cost flexing and better automotive sales mix

Q4 witnessed slow industrial performance in all sectors excluding wind

Intercompany exports also saw a dip due to lower demand from Europe and SEA
**Market developments and Schaeffler**

**Domestic economic activity remains subdued | FY 2019-20 growth forecast trimmed to 5%[2]**

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**Key Aspects**

- FY 2019-20 GDP growth outlook has been trimmed to 5% by RBI as Indian economy faces a combination of domestic and global headwinds
- Weak growth in the manufacturing sector and the slowdown in private consumption, both continue to escalate the slowdown
- India's Industrial production has turned a corner in Dec; increase seen after a period of 3 months due to combination of favorable base and pickup in construction activity
- Recent budget continued with the thrust on infrastructure and measures to improve ‘Ease of Doing Business’
- Vehicle scrappage policy, awaiting final clearances from the cabinet, could be a game-changer for the automobile industry

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1. Source: Central Statistics Office (CSO). GDP growth is as per latest revisions at constant prices; 5 Sep 2019
2. Source: RBI  
3. Source: Office of the Economic Adviser
Automotive market headwinds 2019

Passenger vehicles production

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>mn Units</td>
<td>4.1</td>
<td>3.6</td>
<td>-10.8%</td>
</tr>
</tbody>
</table>

Two wheeler production

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>mn Units</td>
<td>26.5</td>
<td>24.2</td>
<td>-9.0%</td>
</tr>
</tbody>
</table>

Commercial vehicles production

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>th Units</td>
<td>1,109</td>
<td>892</td>
<td>-19.6%</td>
</tr>
</tbody>
</table>

Agri Tractor production

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>th Units</td>
<td>926.0</td>
<td>767.0</td>
<td>-17.2%</td>
</tr>
</tbody>
</table>

Market and economy concerns

- Average degrowth 12% in Automobile sector led by liquidity crunch, higher acquisition cost and subdued consumer sentiments.
  - Liquidity crunch at NBFCs major lender for auto sector has negatively impacted the market
  - Hike in insurance cost for 2W & 4W led to price rise.
  - End Customer postponement of purchase decision due to change in emission norms.
- EV announcements (Govt. announcing migration to EV by 2030)
Industrial experienced mixed Impacts with headwinds and upswings in different sectors

Market developments and Schaeffler

**Steel production**
Mio T

- 2018: 110
- 2019: 116

5.4%

**Coal production**
Mio T

- 2018: 726
- 2019: 721

-0.7%

**Machine Tool**
th Units

- 2018: 26.4
- 2019: 17.1

-35%

**Wind Energy**
GW (Installed)

- 2018: 35.6
- 2019: 37.5

5.3%

**Railways Rolling Stock**
th Units

- 2018: 279
- 2019: 289

3.6%

**Cement Production**
MTPA

- 2018: 328
- 2019: 339

3.4%

**Electricity generation**
bn KWH

- 2018: 1372
- 2019: 1374

0.2%

**Market and economy concerns**

- Increased Inflation – limiting domestic demand
- Liquidity crunch at OEMs and end customers - NBFC issues also hitting rural markets.
We managed better due to balanced portfolio

Charts indicates Sales in India (excl. exports)
1 Market developments and Schaeffler

2 Q4/12M 2019 Performance update

3 We step up in Governance
Q4/12M 2019 Performance update

Revenue from Operations | Automotive volumes down due to weak demand

### Total revenue in INR mn

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10,835</td>
<td>11,033</td>
</tr>
<tr>
<td></td>
<td>45,615 (16.0%)</td>
<td>43,606 (-4.4%)</td>
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</table>

### QoQ% & YoY%

<table>
<thead>
<tr>
<th></th>
<th>2018 QoQ%</th>
<th>2018 YoY%</th>
<th>2019 QoQ%</th>
<th>2019 YoY%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobility</td>
<td>6.0</td>
<td>15.1</td>
<td>-1.2</td>
<td>8.2</td>
</tr>
<tr>
<td>Others</td>
<td>1.6</td>
<td>13.9</td>
<td>-4.7</td>
<td>1.5</td>
</tr>
<tr>
<td></td>
<td>8.3</td>
<td>18.7</td>
<td>-7.3</td>
<td>-13.1</td>
</tr>
<tr>
<td></td>
<td>-0.4</td>
<td>16.1</td>
<td>0.1</td>
<td>-12.6</td>
</tr>
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### Key aspects
- Mobility segment: Automotive witnessed a temporary surge in demand in Q4.
- Others: Positive results from Wind offsets demand drop in other industrial sectors.

### Sales mix 2019 12M-2019

- Mobility: 80% (-7.2% YoY)
- Others: 20% (+9.0% YoY)

Note: The above includes exports 11% (-1.0% YoY)
Earning Quality | Q4 improved due to better sales mix

**Key comments**
- Automotive volumes improved in Q4
- Cost flexing in line with Production output continued to be in focus
- Working Capital improved significantly due to ongoing measures

**PBT (before exceptional items)**
in INR mn (% in bracket denotes absolute change over same period previous year)

<table>
<thead>
<tr>
<th>Year</th>
<th>PBT (INR mn)</th>
<th>PBT %</th>
<th>YTD</th>
</tr>
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<tbody>
<tr>
<td>2018</td>
<td>6,749 (13.7%)</td>
<td>15.6</td>
<td>14.8%</td>
</tr>
<tr>
<td>2019</td>
<td>5,346 (-20.8%)</td>
<td>13.9</td>
<td>12.3%</td>
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</tbody>
</table>

Improved earnings in Q4 due to better mix and on top measures
## Q4 2019 Performance Highlights

<table>
<thead>
<tr>
<th></th>
<th>Unit</th>
<th>Q4 2019</th>
<th>Q3 2019</th>
<th>Q4 2018</th>
<th>12M 2019</th>
<th>12M 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>mn INR</td>
<td>10,365</td>
<td>10,352</td>
<td>11,863</td>
<td>43,606</td>
<td>45,615</td>
</tr>
<tr>
<td><strong>Revenue growth (y-o-y)</strong></td>
<td>%</td>
<td>-12.6%</td>
<td>-13.1%</td>
<td>16.1%</td>
<td>-4.4%</td>
<td>16.0%</td>
</tr>
<tr>
<td><strong>EBITDA Margin</strong></td>
<td>%</td>
<td>14.9%</td>
<td>14.0%</td>
<td>15.2%</td>
<td>14.8%</td>
<td>16.6%</td>
</tr>
<tr>
<td><strong>EBIT Margin</strong></td>
<td>%</td>
<td>10.8%</td>
<td>10.1%</td>
<td>11.9%</td>
<td>11.2%</td>
<td>13.4%</td>
</tr>
<tr>
<td><strong>PBT Margin</strong></td>
<td>%</td>
<td>12.0%</td>
<td>11.1%</td>
<td>13.2%</td>
<td>12.3%</td>
<td>14.8%</td>
</tr>
<tr>
<td><strong>PAT Margin</strong></td>
<td>%</td>
<td>8.2%</td>
<td>9.1%</td>
<td>9.0%</td>
<td>8.4%</td>
<td>9.2%</td>
</tr>
</tbody>
</table>
1 Market developments and Schaeffler

2 Q4/12M 2019 Performance update

3 We step up in Governance
Leadership position in Governance

We step up in Governance

Schaeffler India Limited achieves ‘Leadership’ position in governance

Only 3 companies in SENSEX and 6 in BSE 100 fall in the ‘Leadership’ category

Assessment as on December 20, 2019 by Institutional Investor Advisory Services (IIAS), a SEBI-registered proxy advisory firm
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