

Schaeffler India Limited · Vadodara · Gujarat

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI- 400 001

Company Code: 505790

National Stock Exchange of India Limited

Exchange Plaza, C - 1, Block G,
Bandra-Kurla Complex, Bandra (E)
MUMBAI- 400 051

Company Code: SCHAEFFLER

24/07/2019

Sub: Investor Presentation

Dear Sirs,

Phone: +91 265 6602206

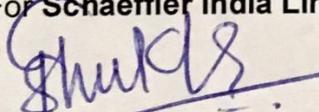
Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith Investor Presentation on Financial Results of the Company for the quarter and half year ended June 30, 2019.

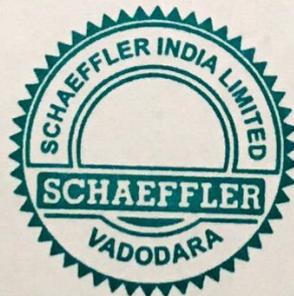
Kindly take the same on your records.

Thanking you,

Yours faithfully,

For **Schaeffler India Limited**


Chirag K. Shukla
Company Secretary



Encl.: As above



Schaeffler India Limited Investor Presentation – Q2/6M-2019

July 24, 2019

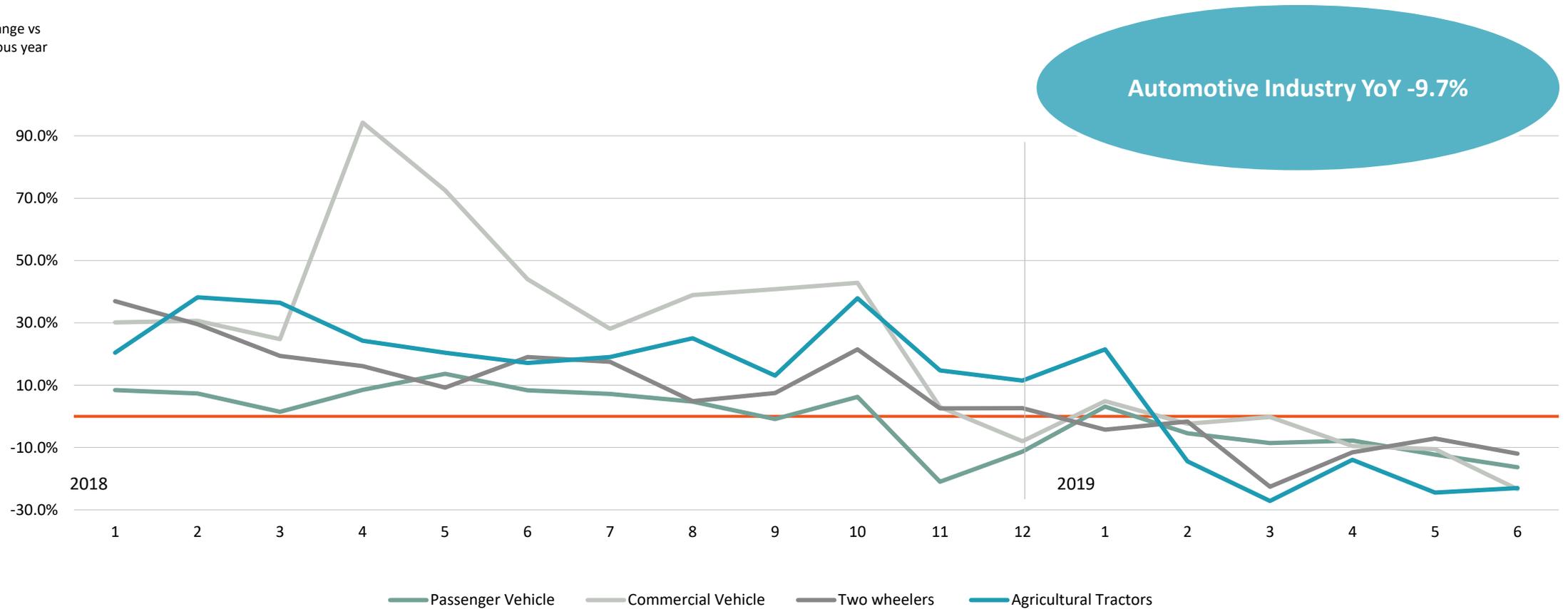
Agenda

- 1** Market developments and Schaeffler
- 2 Q2/6M 2019 Performance update
- 3 We are ready for future
- 4 Summary

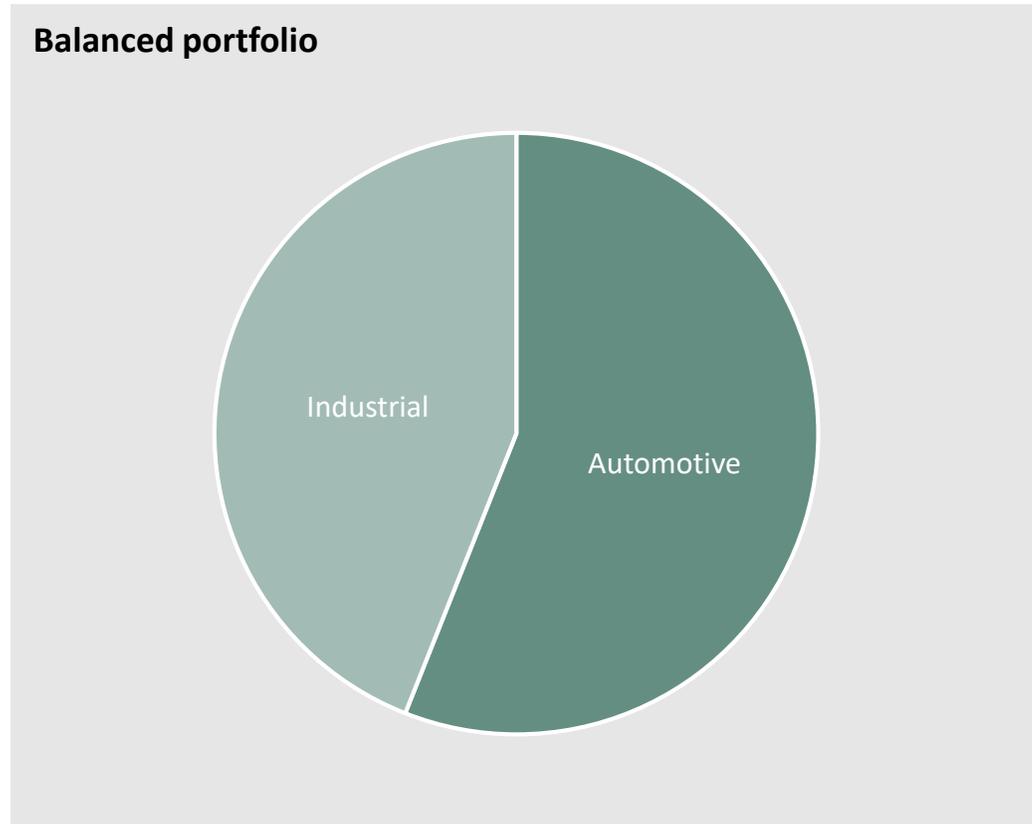
Indian Automotive Industry hasn't done well of late

Automobile Production YTD June 2019

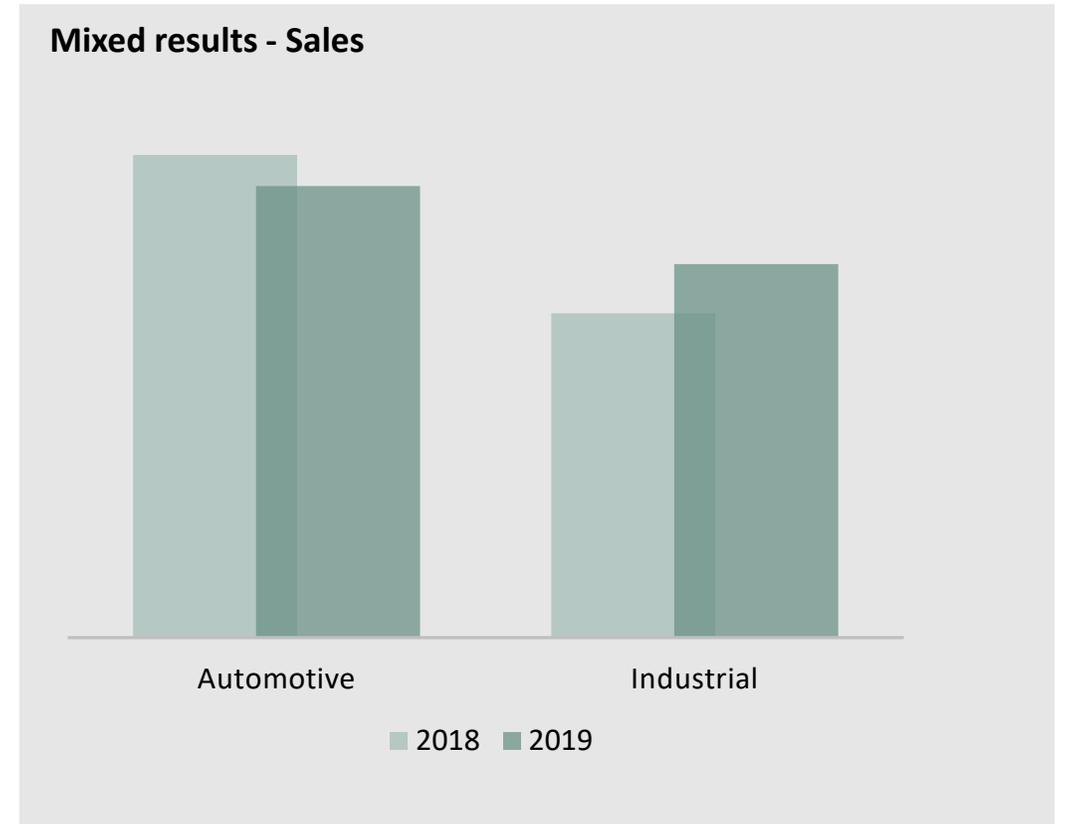
% Change vs Previous year



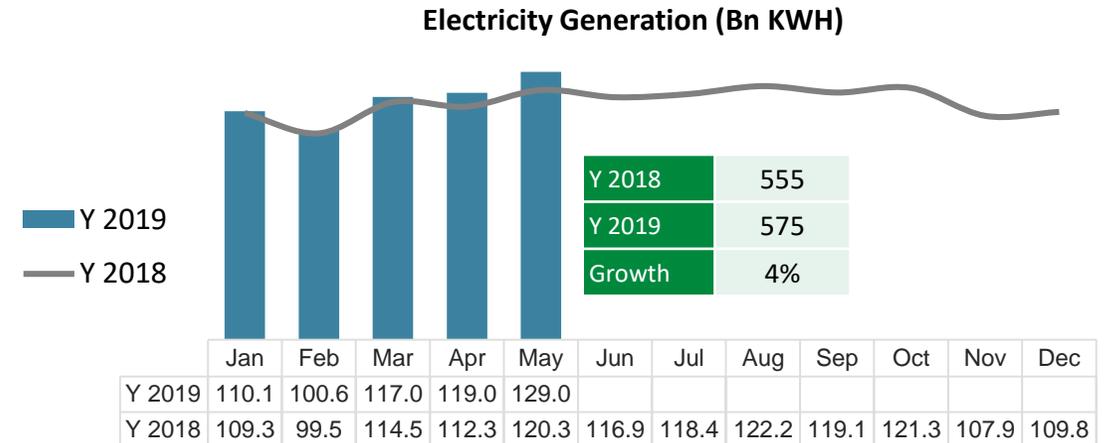
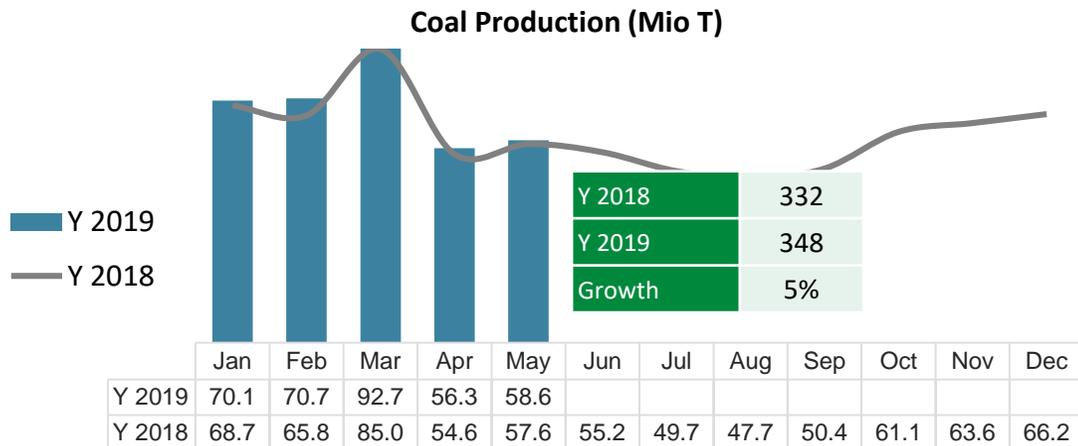
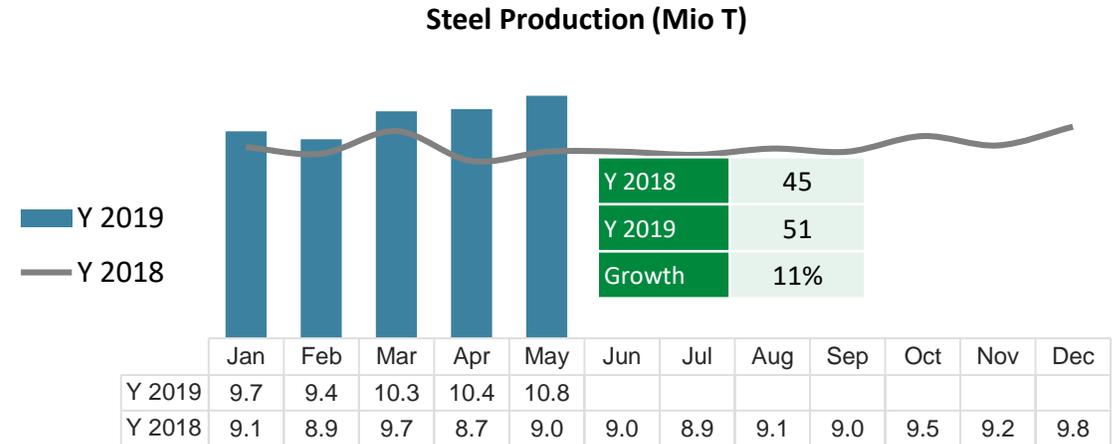
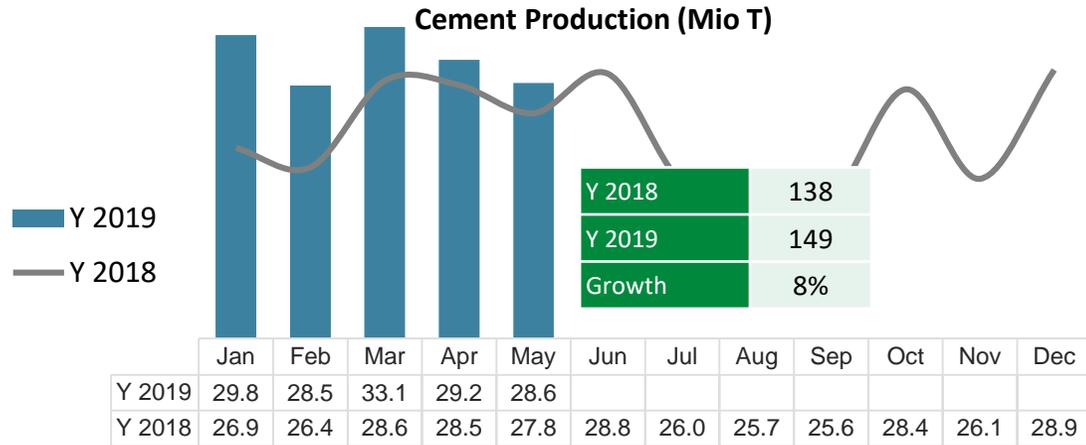
Schaeffler bucks the trend.. More than Automotive!



Charts indicates Sales in India (excl. exports)



Solid developments in Industry led by Infrastructure



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

Automotive is bound to come back.. Sooner than Later!



Increasing Mobility needs



Aspiration / Rising income



Low automotive ownership

**Automotive Industry
The Sunrise Sector**



Legislations



**E-Mobility
New Players**



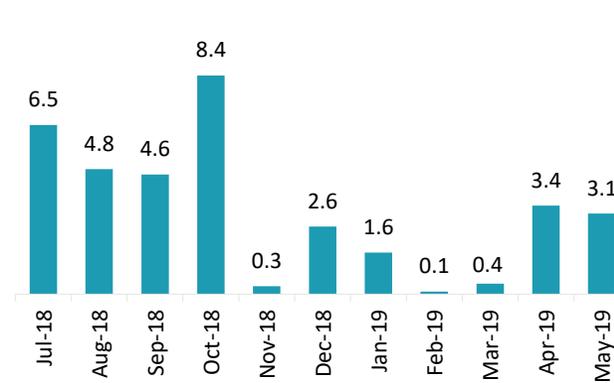
**Comfort, Safety
Fun to drive**

Supported by sound Economic growth

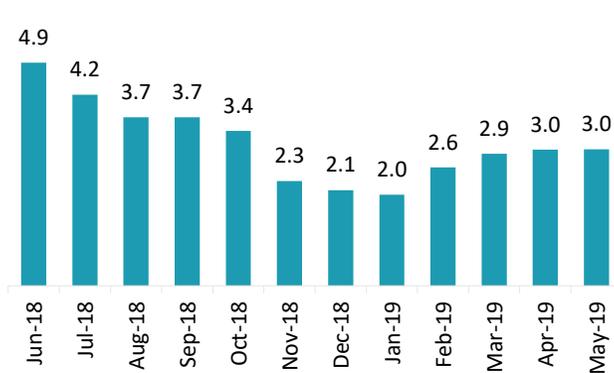
GDP Growth % ^{1]}



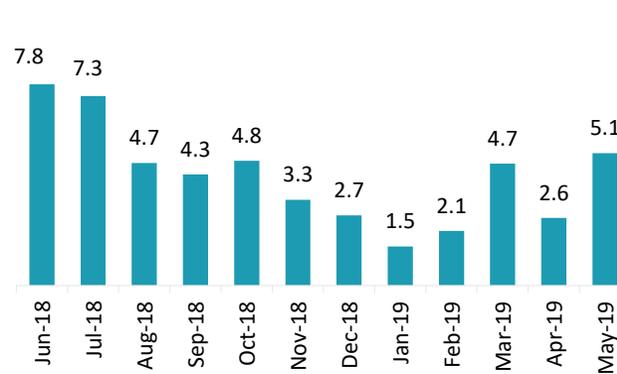
IIP – Overall (%) ^{2]}



Consumer Price Index ^{2]}



Core Industry Growth (%) ^{3]}



Key Aspects

- Indian GDP growth has eased to expected 7% in 2019-20 due to rising global volatility, externalities from trade disputes and investment rerouting
- Despite softer growth, India remains one of the fastest growing economy and perhaps least affected by global turmoil
- Budget 2019 – Strong focus on infrastructure, agriculture, rural economy and improving liquidity
- Proposal for lower GST, reduced import duties for EV components, IT exemptions for buying EVs reinforces government’s commitment to E-mobility
- India's industrial production grew by 3.1% YoY in May 2019, power generation improved but manufacturing grew only 2.5%
- Automotive sales remained sluggish and volatility expected to continue until early 2020
- All major automakers have taken plant shutdowns to adjust production and cut down inventories

1]Source: Central Statistics Office (CSO). GDP growth is as per latest revisions at constant prices; 5 Apr 2019

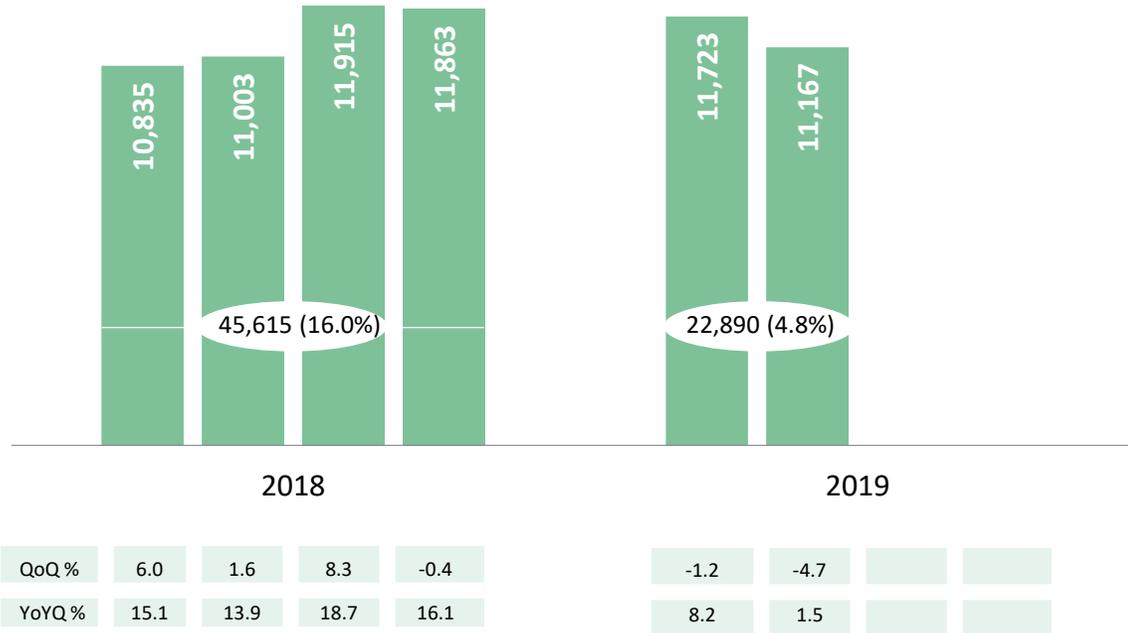
2]Source: RBI 3] Source: Office of the Economic Adviser

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Revenue from Operations | Automotive volumes down due to weak demand

Total revenue in INR mn

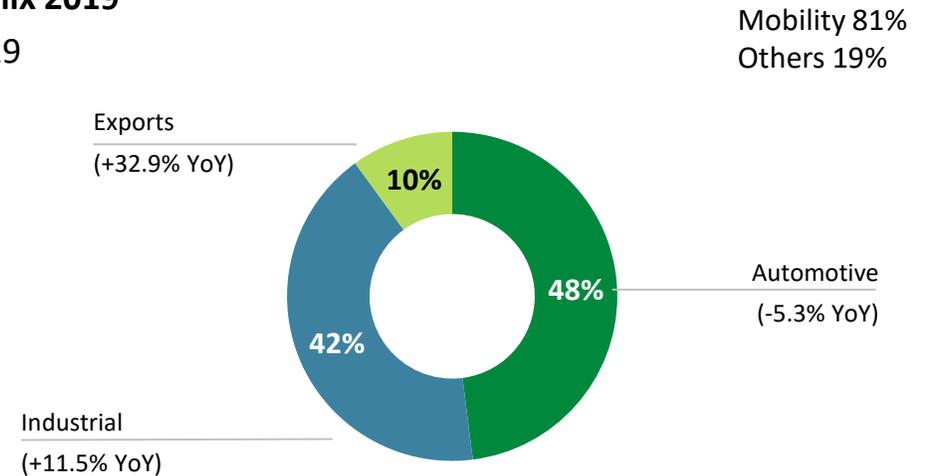


Key aspects

- Mobility segment : Automotive demand remained subdued for the quarter. Railways grew strongly consecutively in second quarter
- Others : Raw Materials, Power Transmissions and Distribution continue to return positive results

Sales mix 2019

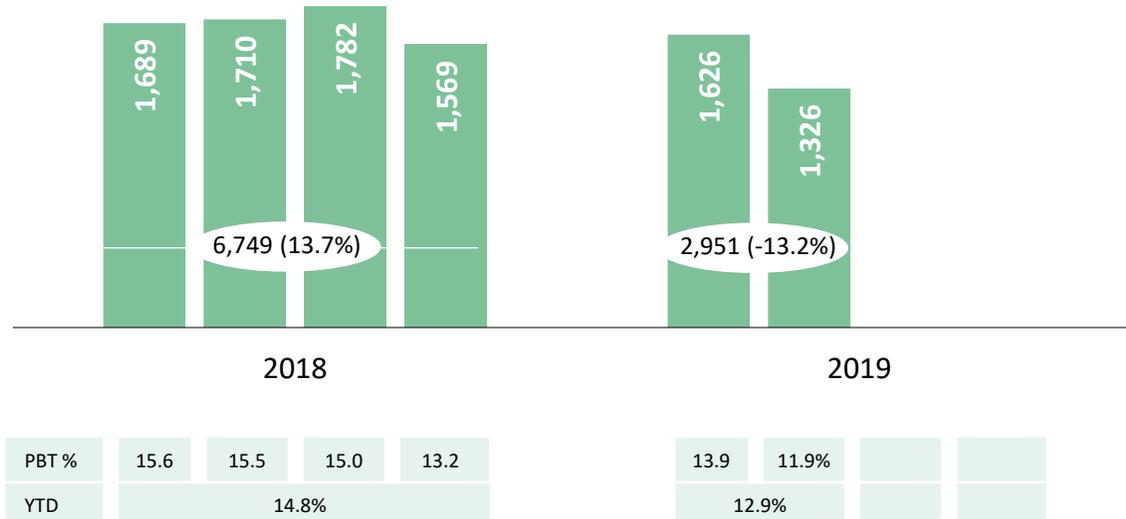
H1-2019



Earning Quality | Impacted by softness in Automotive

PBT (before exceptional items)

in INR mn (% in bracket denotes absolute change over same period previous year)



Key comments

- Automotive volumes continue to be lower
- Production output in line with sales (flat performance) but full cost flexing in short term is a challenge
- Adverse sales mix – more traded
- Working Capital management continuously in focus – demand volatility causes imbalance

Q2 Earning quality adversely impacted by continued softness in automotive market

Q2 2019 Performance Highlights

	Unit	Q2 2019	Q1 2019	Q2 2018	H1 2019	H1 2018	12M 2018
Revenue	INR mn	11,167	11,723	11,003	22,890	21,837	45,615
Revenue growth (y-o-y)	%	1.5%	8.2%	13.9%	4.8%	14.5%	16.0%
EBITDA Margin	%	14.3%	16.0%	17.5%	15.2%	17.5%	16.8%
EBIT Margin	%	10.9%	12.8%	14.1%	11.8%	14.2%	13.5%
PBT Margin	%	11.9%	13.9%	15.5%	12.9%	15.6%	14.8%
PAT Margin	%	7.4%	9.1%	10.1%	8.2%	10.2%	9.2%

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We are ready for future

We are creating future-ready organization

Preparing for Future

- Continue to Invest, despite slow down - 1,690 INR mn in H1 2019
- Construction of new building at Savli plant as per plan this year
- Started two brand new Distribution Centers and two consolidated sales offices post merger
- Sales and Corporate colleagues will be housed under one roof Q4, 2019 – opening up new possibilities of collaboration
- Focus on R&D has been like never before – capacity and capability build up for local and Mechatronic support for global
- Solutions to support BS VI and beyond, E-mobility and Industry 4.0
- New skills for future ready organization – leadership development, multidimensional diversity, governance, compliance, digitalization are some of the management agenda this year

Well backed up by the parent Group Company



ELMOTEC STATOMAT

Compact
Dynamics

XTRONIC

PARAVAN

autinity
systems

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Key messages

- 1 Indian Automotive Industry experiencing slowdown. Likely to recover – sooner than later, though could remain volatile for a while
- 2 Schaeffler India reports 4.8% sales growth for H1, despite automotive slowdown – Confirms inherent strength of combined Automotive and Industrial businesses
- 3 PBT margin down to 12.9% for year to date. Continued focus on cost and productivity measures – To benefit when the market improves
- 4 Focus on managing anticipated volatility, remain aggressive in the marketplace while improving working capital
- 5 Continue to invest and maintain technology leadership – transformation is an opportunity



Committed to long term growth

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for your
attention**

