

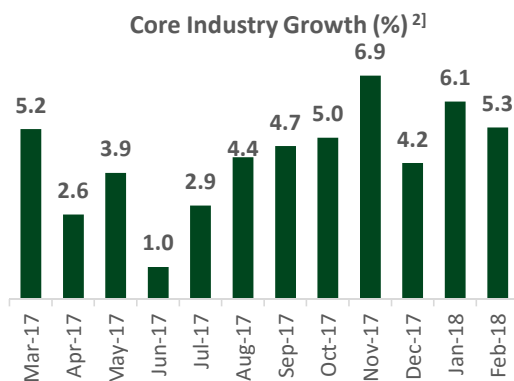
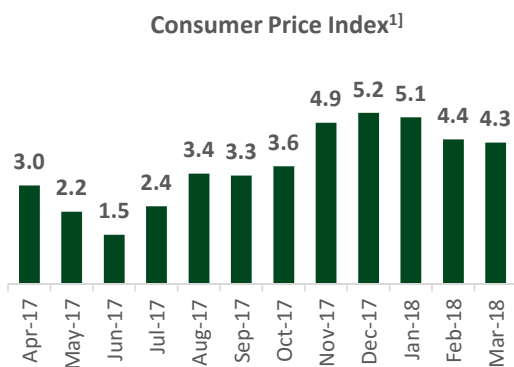
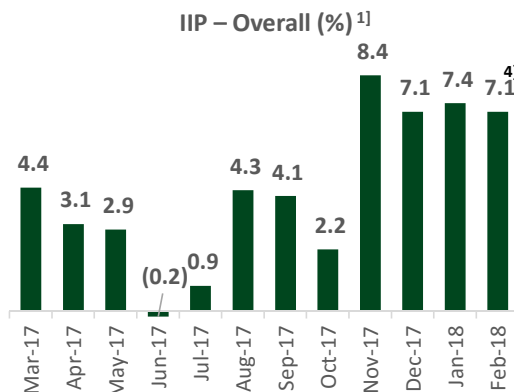


Investor Presentation

Schaeffler India Limited
April 18, 2018

- 1** Economy & Market
- 2 Financial update Q1 2018
- 3 Transaction update
- 4 Key takeaways

India is amongst the fastest growing large economies of the world



Key Aspects

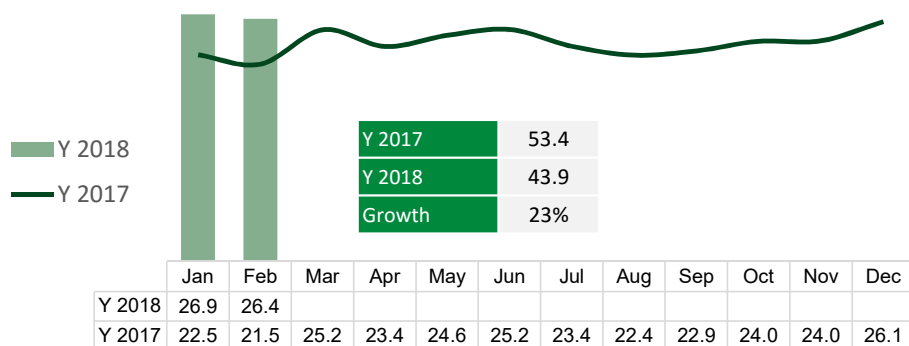
- ▶ GDP growth on recovery path
- ▶ Massive investment push in infrastructure in Union Budget 2018-19 – €75 Bn allocated to infrastructure including €18 Bn to Railways
- ▶ Hike in custom duty and cess on imported auto components to have an impact on our business

Economy appears to be recovering; infrastructure spending and private consumption to give further boost

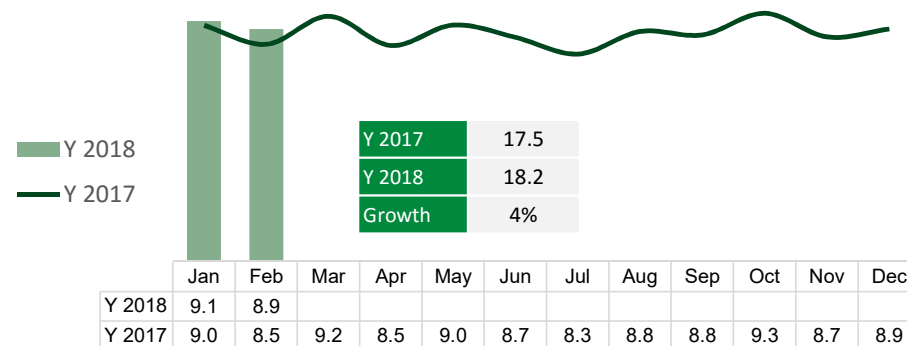
[1] Source: Central Statistics Office, [2] Source: Office of the Economic Adviser, [3] EAC is a recently constituted independent body of economists (reporting directly to the PM) to suggest measures to bring the economy back on track [4] Based on quick estimates
 Note: IIP growth has been updated with base as 2011-12

Positive sentiments in infrastructure and utility market

Cement Production (Mio T)

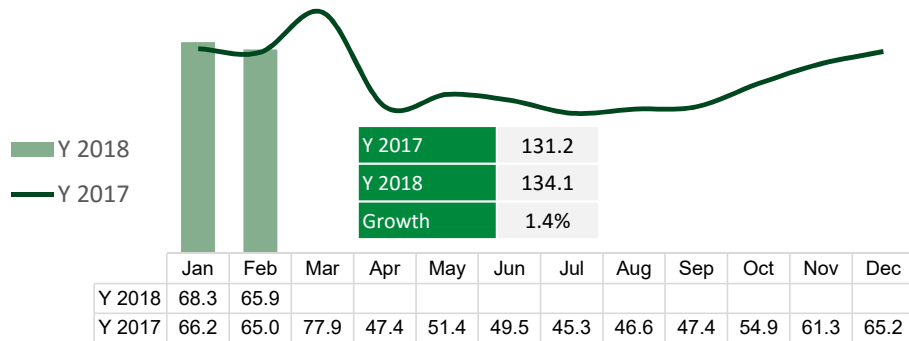


Steel Production (Mio T)

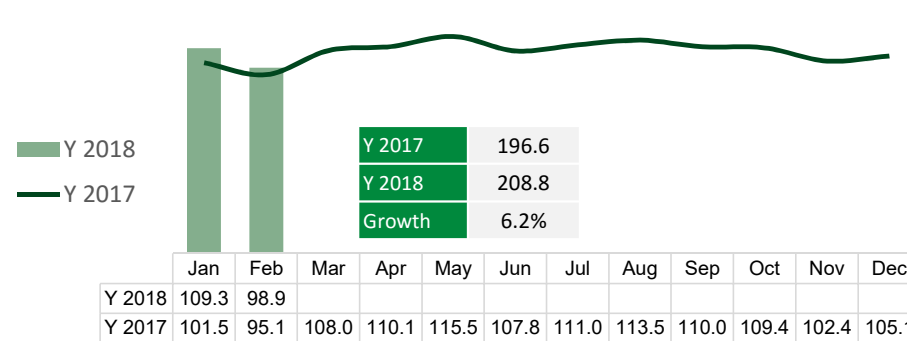


Strong start to the year as IIP and Core Industries continue the growth story from 2017

Coal Production (Mio T)



Electricity Generation (Bn KWH)

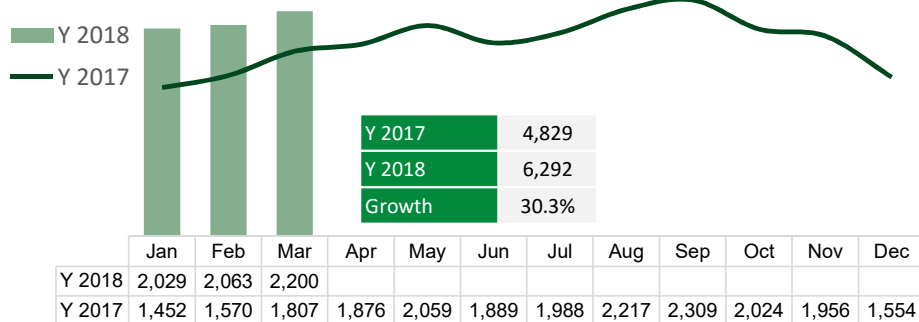


Source: Office of the Economic Adviser

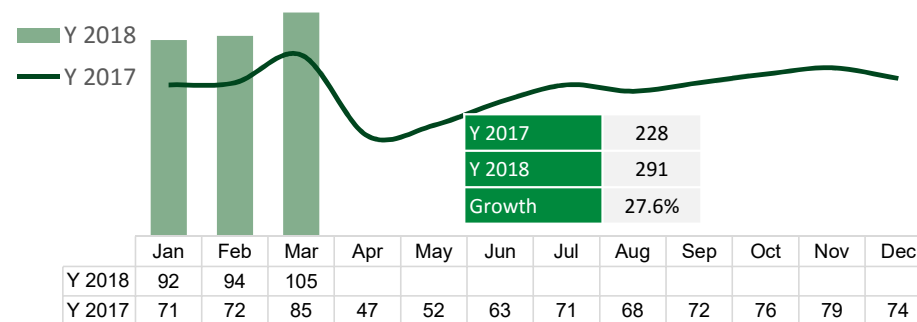
Growth momentum in mobility expected to continue in 2018

in T Units

Two and Three Wheelers¹

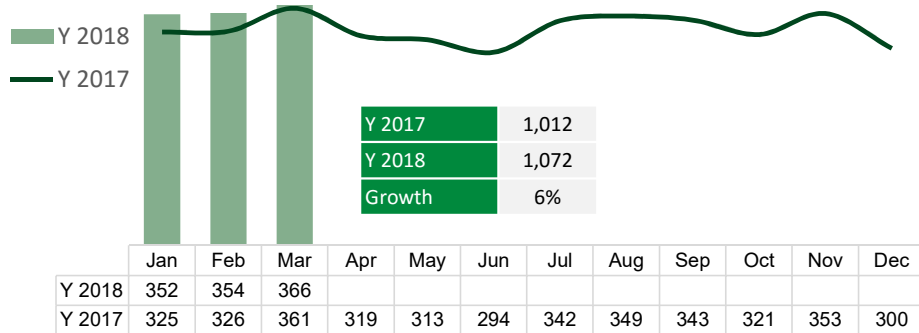


Commercial Vehicles¹



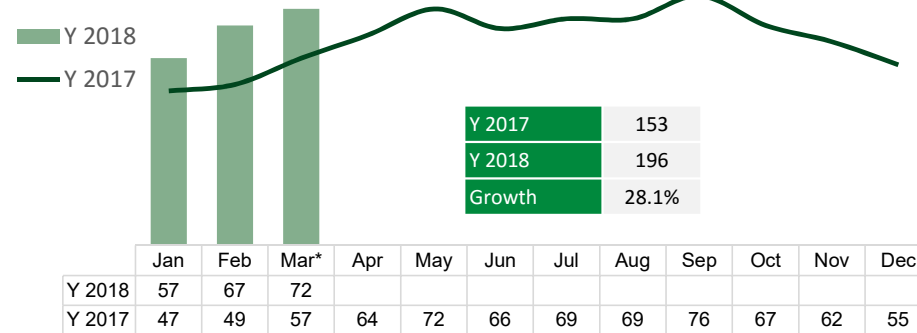
High growth in Two Wheelers and Commercial Vehicles partly due to favorable base effect ; Passenger Vehicles and Tractors continuing the growth trend in 2018

Passenger Vehicles¹



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

Agriculture Tractors²



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

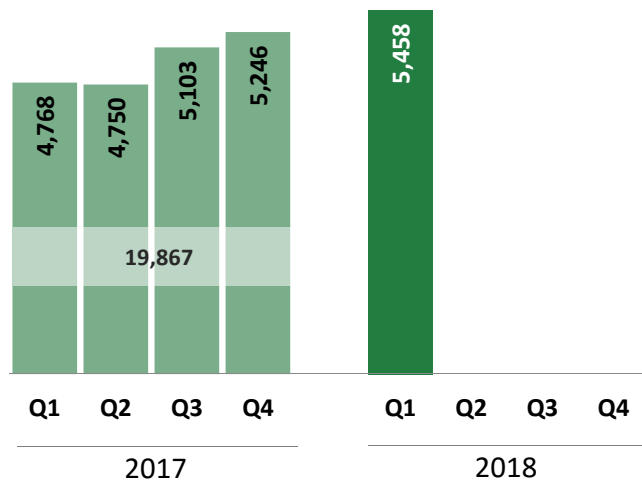
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Schaeffler India Limited : Total income (Net)

Total Income (Net)

Mio INR

Q1-2018 over Q4-2017	Q1-2018 over Q1-2017
4.1%	14.5%



EBT Margin

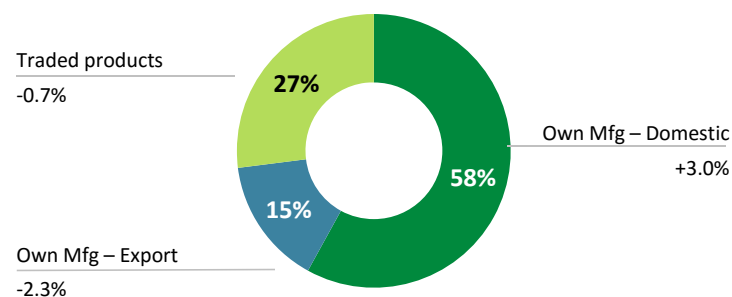
18.1%	17.6%	17.8%	19.4%	18.0%			
18.2%				18.0%			

Key aspects

- ▶ Q1-2018 over Q4-2017 : : Moderate growth of 4.1% contributed by Automotive OE and Industrial.
- ▶ Q1-2018 over Q1-2017 : Strong growth of 14.5% driven by growth in Industrial (14.4%) and Automotive OE (26.5%)

Sales mix Q1 2018

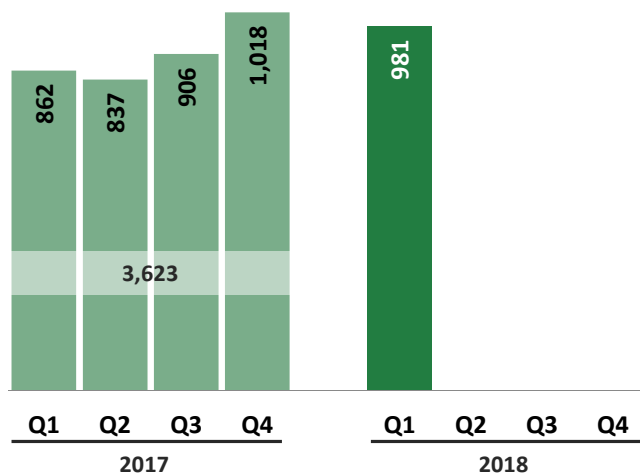
y-o-y growth



Schaeffler India Limited : Earnings Before Taxes (EBT) Development

EBT
Mio INR

Q1-2018 over Q4-2017	Q1-2018 over Q1-2017
-1.4%pts	-0.1%pts



EBT Margin

18.1%	17.6%	17.8%	19.4%	18.0%			
18.2%				18.0%			

Key aspects

- ▶ Better sales volume in domestic market ensures stable EBT
- ▶ Average EBT sustained

Schaeffler India Limited : Q1 Performance Highlights

in million INR	Q4 2017	Q1 2018	Q1 2018 vs Q4 2017		Q1 2017	Q1 2018 vs Q1 2017	
Total income (Net)^[1]	5,246	5,458	212	4.1%	4,768	690	14.5%
EBITDA	1,039	987	-52	-5.0%	906	81	8.9%
% Margin	19.8%	18.1%	-1.7% ▲		19.0%	0.8% ▲	
EBT	1,018	981	-37	-3.6%	862	120	13.9%
% Margin	19.4%	18.0%	-1.4% ▲		18.1%	-0.1% ▲	
EAT	679	660	-19	-2.8%	575	86	14.9%
% Margin	12.9%	12.1%	-0.8% ▲		12.1%	0.0% ▲	

[1] Net of taxes for all the periods

Financial statements – Q1 2018 and pro forma

Key Highlights	Schaeffler India Ltd		INA Bearings India Pvt. Ltd		LuK India Pvt Ltd		Schaeffler India Ltd (Proforma)	
	CY 17	3M 18	CY 17	3M 18	CY 17	3M 18	CY 17	3M 18
Total income (net)	19,867	5,458	11,951	3,157	8,575	2,558	40,216	11,130
% growth (y-o-y)	6.5%	14.5%	14.0%	10.6%	17.3%	30.2%	10.8%	16.5%
EBITDA	3,739	987	1,668	435	1,478	447	6,885	1,869
% margin	18.8%	18.1%	14.0%	13.8%	17.2%	17.5%	17.1%	16.8%
EBT	3,623	981	1,155	309	1,124	365	5,902	1,654
% margin	18.2%	18.0%	9.7%	9.8%	13.1%	14.3%	14.7%	14.9%
EAT	2,380	660	743	201	773	250	3,896	1,111
% margin	12.0%	12.1%	6.2%	6.4%	9.0%	9.8%	9.7%	10.0%

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

[2] 3M 2018 numbers are unaudited (thereof Schaeffler India Limited based on unaudited limited review)

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

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

Key aspects (INA & LuK)

- ▶ Consistent revenue growth in Engine systems, Transmission applications and clutch systems
- ▶ Better earning quality due to revenue growth and improvement in operational performance

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Transaction expected to be completed in Q3 2018 and is currently on track

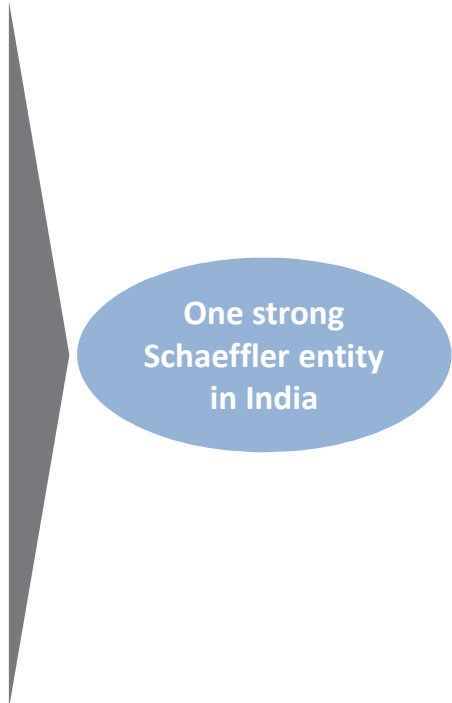
Key events	Expected date
▶ Requisite applications submission to BSE, NSE and SEBI for approvals	✓ Q3CY17
▶ BSE, NSE and SEBI approvals	✓ Q4CY17
▶ Applications to NCLT (Mumbai and Chennai benches) in India	✓ Q4CY17
▶ Notice to shareholders and creditors	✓ Q1CY18
▶ Shareholder approvals <ul style="list-style-type: none"> – Approval of majority of public shareholders – Approval of majority (in number) of shareholders and creditors representing 75% in value 	✓ Q1CY18
▶ NCLT approval	Q2CY18 ¹⁾
▶ BSE, NSE and SEBI approvals for listing	Q3CY18
▶ Closing of transaction	Q3CY18

1) Can get delayed to beginning of Q3CY18

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One strong Schaeffler entity in India

- 1 Economic growth momentum expected to continue
- 2 Strong domestic sales growth in both Automotive and Industrial divisions
- 3 Better Sales volume supports to maintain EBT margins
- 4 Expect growth in order book given effects of GST seem to be subsiding
- 5 Merger activities progressing as per plan



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