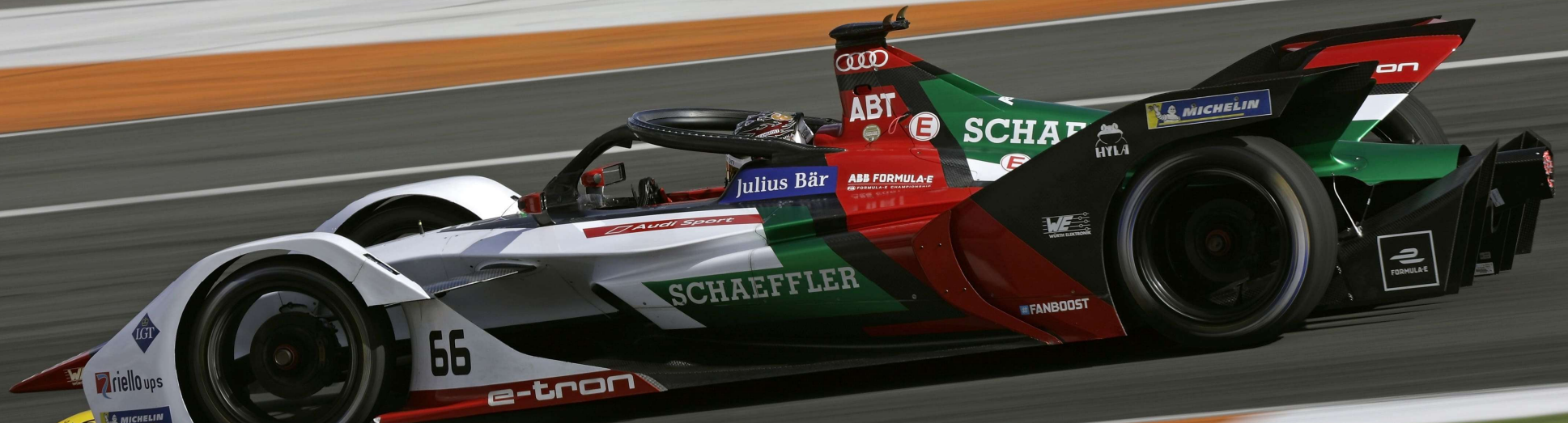


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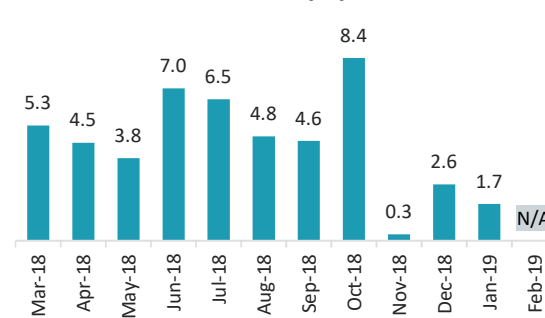
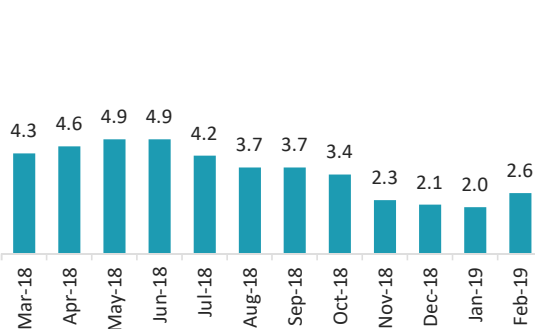
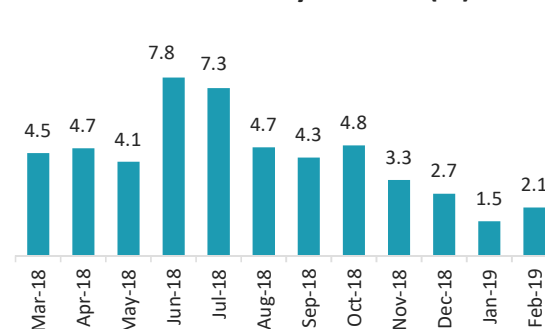
Schaeffler India Limited Investor Presentation – Q1/2019

May 6, 2019

Agenda

- 1 Economy & Market**
- 2 Q1 2019 Performance update**
- 3 Summary**

Economy grew 7.4% in 2018^{2]}, but fears of slowdown appear

GDP Growth % ^{1]}Index Industrial Production – Overall (%) ^{2]}Consumer Price Index ^{2]}Core Industry Growth (%) ^{3]}

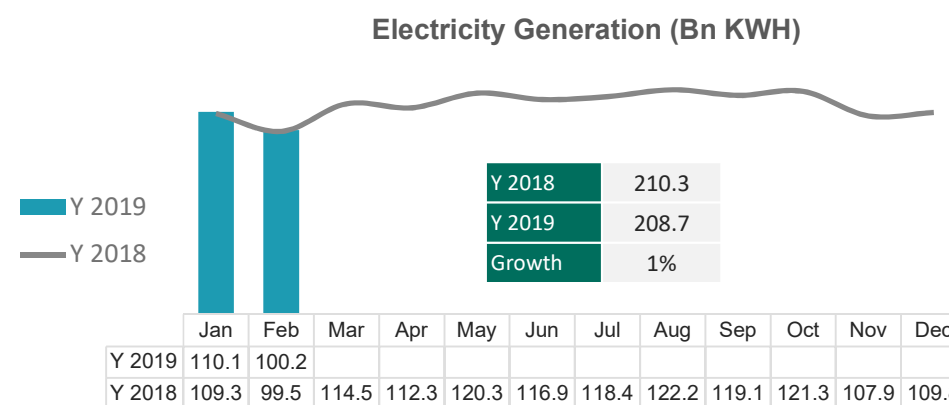
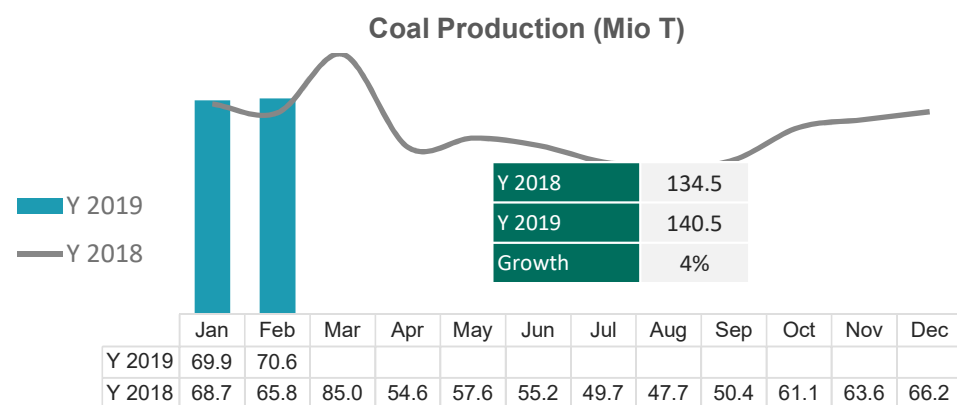
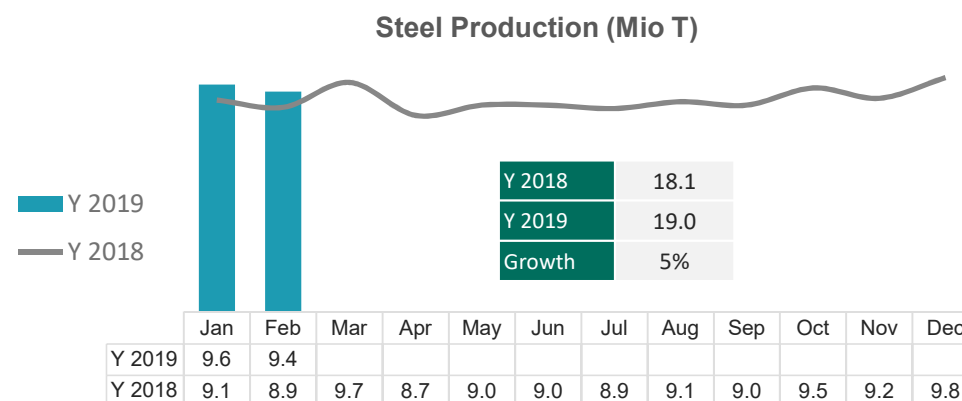
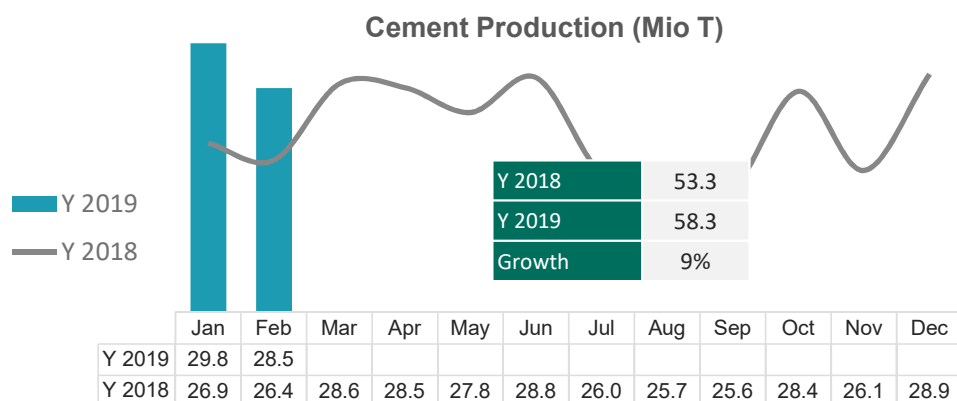
Key Aspects

- India remained the fastest growing major economy. Slowdown in second half of 2018
- Central Bank cuts repo rate by 25 basis pts this month to sustain growth
- Inflation expands marginally but steadily under control as impact of rising exchange rates and oil prices subsided
- IIP and Core Industries growth hit by slowdown in the manufacturing sector and output of crude oil and refinery products
- Automotive sales soften due to cautious consumer sentiments – global concerns, oil/insurance/interest cost inflationary pressures, India general elections
- Heightened volatility expected in 2019

^{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

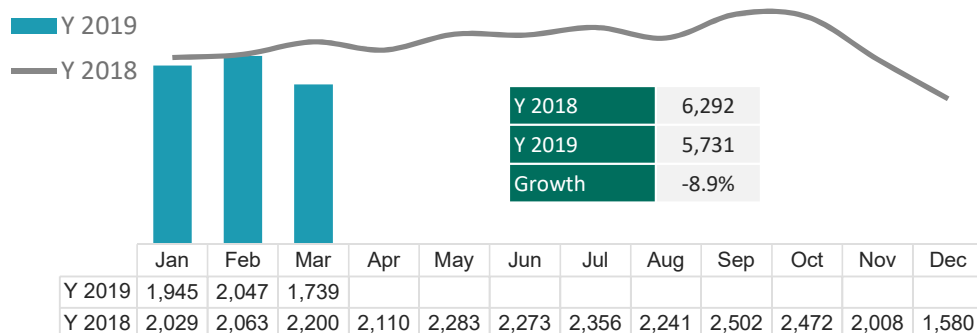
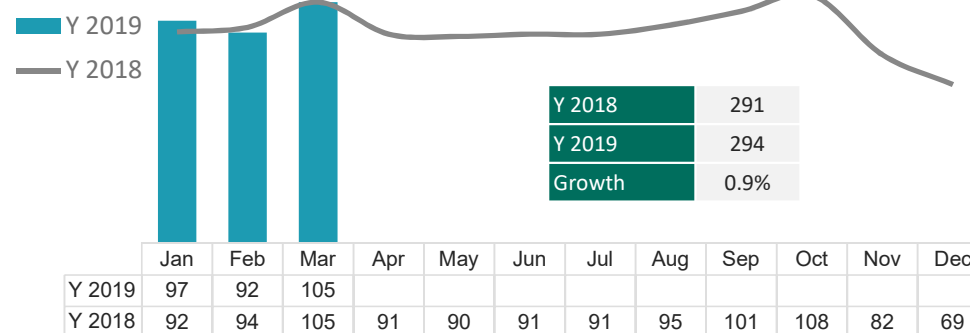
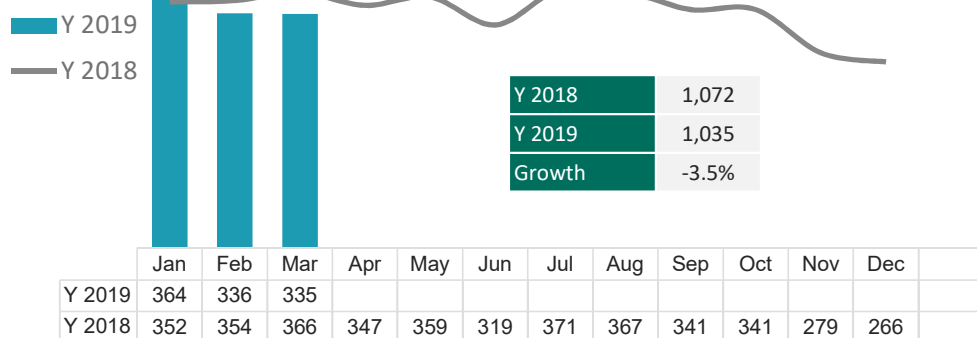
Infrastructure and utility stable



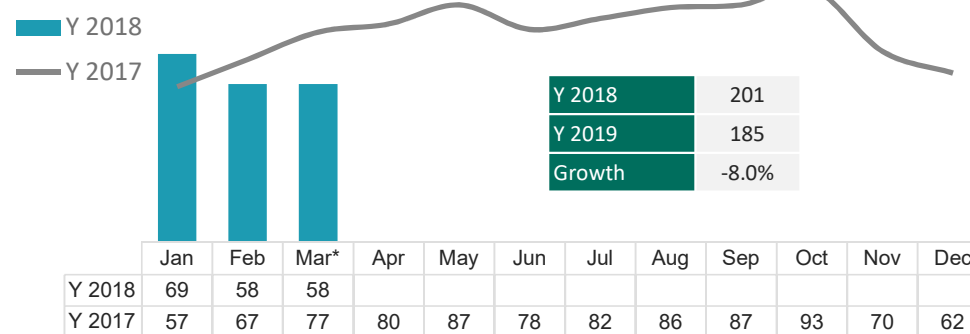
Source: Office of the Economic Adviser, all figures rounded off

Mobility impacted by softness in the market

in T Units

Two and Three Wheelers¹⁾Commercial Vehicles¹⁾Passenger Vehicles¹⁾

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

Agriculture Tractors²⁾

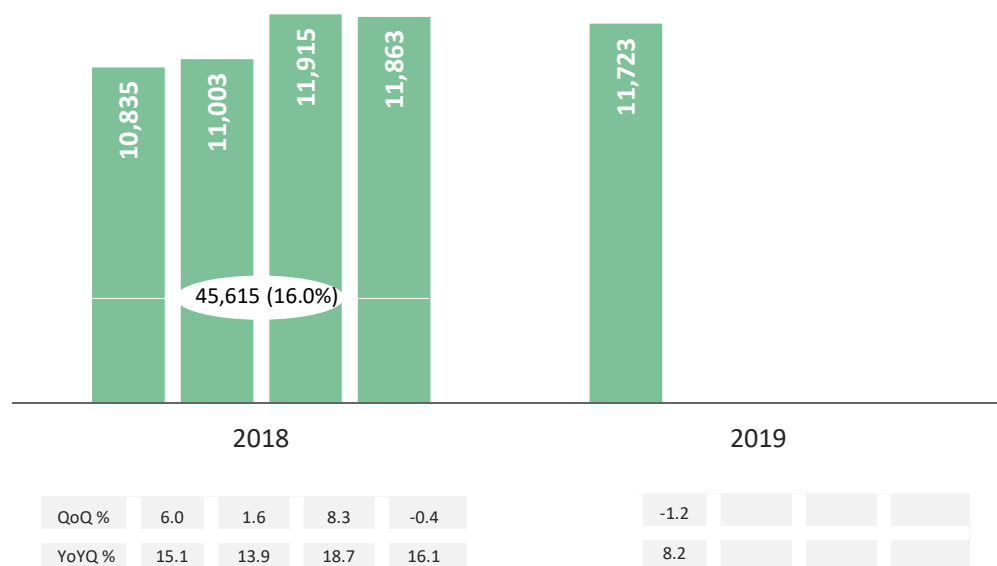
[2] Source: Tractor Manufacturer Association (TMA); *Mar is estimated production

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Revenue from Operations | Automotive impacted by market and diesel shift

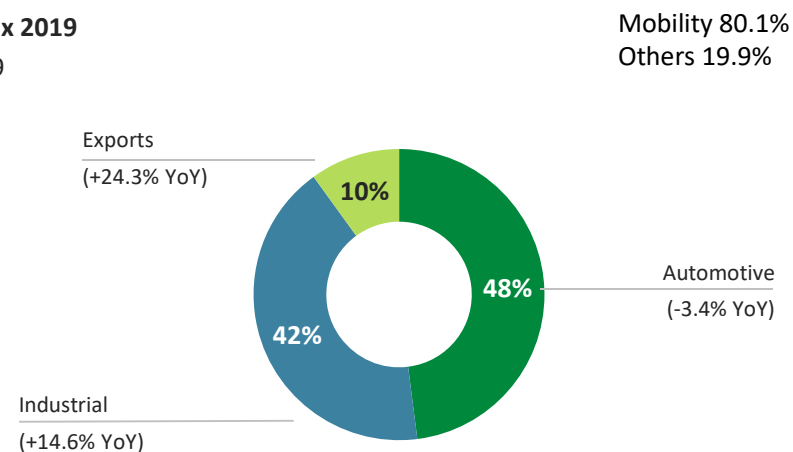
Total revenue
in INR mn



Key aspects

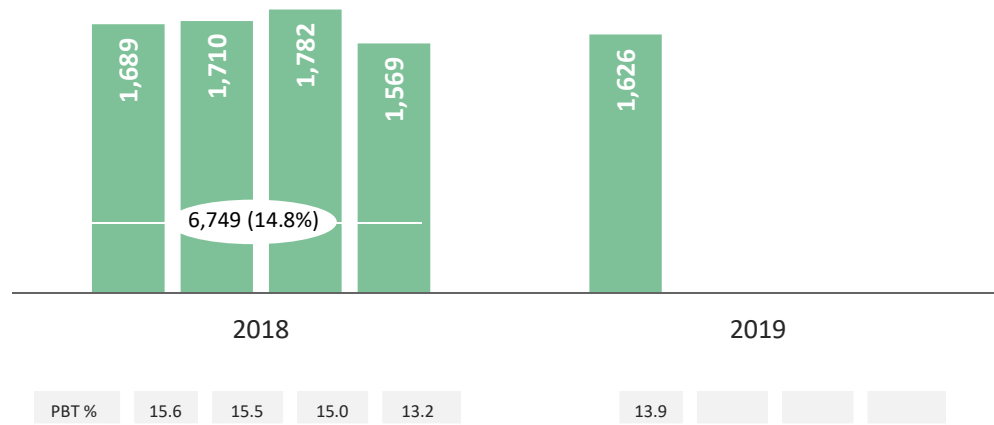
- Mobility segment : Automotive showed continued weakness for the quarter. But Railways grew strongly
- Others : Raw Materials, Power Transmissions and Distribution returned very positive results

Sales mix 2019 Q1-2019



Earning Quality | Impacted by softness in Automotive

PBT (before exceptional items)
in INR mn



Key comments

- ▶ Adverse sales mix
- ▶ Continued cost pressure
- ▶ Improved operational performance & overheads
- ▶ Inventory needs correction

Q1 Earning quality impacted by volume loss/adverse mix but better than Q4, 2018

Q1 2019 Performance Highlights

	Unit	Q1 2019	Q4 2018	Q1 2018	12M 2018
Revenue	INR mn	11,723	11,863	10,835	45,615
Growth QoQ/YoY	%	-1.2%	-0.4%	6.0%	16.0%
EBITDA Margin	%	16.0%	15.2%	17.6%	16.8%
EBIT Margin	%	12.8%	11.9%	14.3%	13.5%
PBT Margin	%	13.9%	13.2%	15.6%	14.8%
PAT Margin	%	9.1%	9.0%	10.2%	9.2%

Agenda

- 1** Economy & Market
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- 3** **Summary**

Key messages

- 1 Indian economy maintained strong momentum – though weakness seen from Q3, 2018
- 2 Automotive sales down 3.4% YoY - Impacted by industry slowdown and rapid shift from diesel to gasoline
- 3 PBT at 13.9% is better than last quarter at 13.2% - Efforts made to compensate margin loss from volume, adverse mix and cost pressure
- 4 Close monitoring and agility needed to keep inventories in check, while remaining aggressive in market
- 5 One Schaeffler India project – post merger integration - on track

**One Schaeffler
Stronger Together**

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