



Seminar on Value Investing and the Search for Value

May 30, 2023



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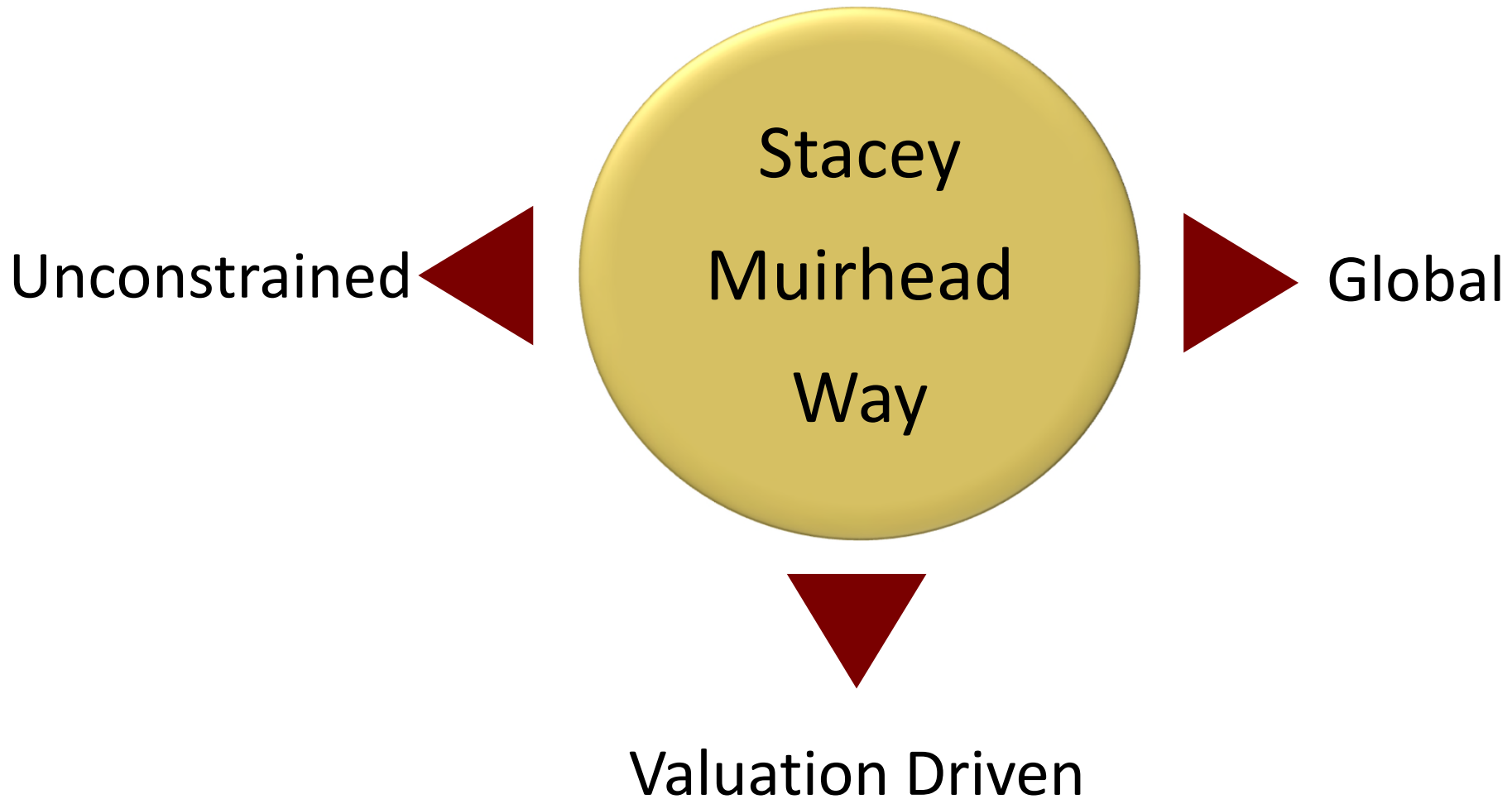
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Investment Philosophy

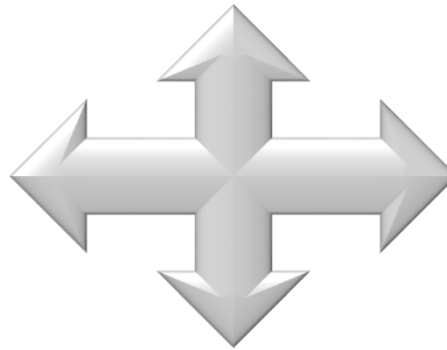


Investment Philosophy

Long-Term
Investments

Event Driven
Investments

Other Commitments



Cash and Cash
Equivalents

Fundamental Research and Stock-Picking are the Cornerstone



Long Term Investments – What Are We Looking For?

Does it possess outstanding business economics?



Does it have honest and capable management?



Can it be purchased at an attractive price?



GREAT BUSINESS

GREAT PEOPLE

GREAT PRICE



Does it possess outstanding business economics?

- High returns on shareholders' equity
- A strong balance sheet with minimal or no debt
- Attractive operating and profit margins
- Significant brand recognition
- Pricing power for its products
- Growing revenue and earnings over time
- Consistent free cash flow generation



Does it have honest and capable management?

- “Skin in the game”
- Reasonable compensation practices
- Measurable pay for performance
- Demonstrated integrity
- Capital allocation record
- Unique corporate culture



Can it be purchased at an attractive price?

“Your goal as an investor should be simply to purchase at a rational price a part interest in an easily understood business whose earnings are virtually certain to be materially higher, five, ten or twenty years from now.”

Warren Buffett



FAIRFAX INDIA

All figures are as of December 31, 2022 and stated in USD unless otherwise noted

Fairfax India Holdings

Corporate Overview

Fairfax India Holdings Corporation is an investment holding company whose objective is to achieve long term capital appreciation by investing in public and private equity securities and debt instruments in Indian businesses.



Fairfax India Holdings

Background

- Fairfax Financial has an excellent long term record in India
- Fairfax India IPO was completed on 01/30/15
- Fairfax Financial owns 42.3% and OMERS owns 14.7%
- Investment support from Fairbridge Capital in Mumbai
- IFRS investment entity accounting
- Book Value/Share is a “rough” proxy for intrinsic value



Fairfax India Holdings

Unique Business Model

- Public or private equities
- Debt instruments
- Significant ownership or portfolio investment
- Ability to partner with quality investors
- Flexible capital structure
- Long duration asset with no defined end date



Fairfax India Holdings

Market Data

- Current Share Price (04/30/23) \$13.00
- Shares Outstanding (3/31/23) 137,815,952
- Market Capitalization \$1.79 B
- Book Value/Share (03/31/23) \$18.85
- Total Cash and Investments \$3.31 B



Does it possess outstanding
business economics?



Fairfax India Holdings

The Record

(\$ millions, except per share data)	2022	2021	2020	2019	2018	2017	2016	2015
Book value per share	19.11	19.65	16.37	16.89	13.86	14.46	10.25	9.50
Common shareholders' equity	2,642	2,775	2,447	2,578	2,118	2,132	1,075	1,013
Shares outstanding (millions)	138.3	141.2	149.5	152.6	152.9	147.4	104.9	106.7
Total cash and investments	3,358	3,577	3,066	3,237	2,696	2,660	1,261	997

BVPS CAGR of 8.5% since IPO

Consistent Value Creation



Fairfax India Holdings

Investments



Fairfax India Holdings

Summary of Investments

(\$ millions)	Date of Initial Investment	Ownership	Amount Invested	Fair Value at Dec 31, 2022	Annualized Return*
Bangalore International Airport	March 2017	54%	653	1,234	12.2%
IIFL companies**	December 2015		156	634	19.8%
Sanmar Chemicals Group	April 2016	43%	199	338	13.2%
CSB Bank	October 2018	50%	170	223	7.5%
Seven Islands Shipping	March 2019	49%	84	97	4.0%
NCML	August 2015	89%	188	69	(13.8%)
Fairchem Organics	February 2016	53%	30	111	34.1%
National Stock Exchange	July 2016	1%	27	160	35.2%
Saurashtra Freight	February 2017	51%	30	51	10.1%
Maxop Engineering	November 2021	67%	51	52	0.8%
Jaynix Engineering	February 2022	70%	33	33	1.0%
Other Indian Investments			34	38	24.8%
Total Indian investments			1,654	3,040	13.2%
Cash and government bonds			321	318	
Total cash and investments at December 31, 2022			1,975	3,358	

* Represents the internal rate of return over the investment period

** Since Fairfax India's investment in IIFL Holdings in 2015, it has split into four separate listed companies; 5paisa was spun-off in 2017, and in 2019 IIFL Holdings spun-off IIFL Wealth (now renamed 360 ONE) and IIFL Securities, and was concurrently renamed IIFL Finance



Fairfax India Holdings

Financial Position

Debt – matures in 2028	\$497,306
Common Equity	\$2,642,036
Debt to Equity Ratio	.19 to 1

All figures in \$ thousands



Fairfax India Holdings

Share Repurchases

- 3.0 million in 2022 for \$36.0 million or \$12.00 per share
- Over the last five years, Fairfax India repurchased 17.4 million shares for \$227 million or \$13.04 per share
- Fairfax Financial purchased 5.4 million shares at \$12.00 per share in February



Bangalore International Airport Limited



Kempegowda

INTERNATIONAL
AIRPORT
BENGALURU

Fairfax India Holdings - BIAL

- World's fastest growing airport
- India's third largest airport
- Strategic position in southern India
- Second runway completed in 2019
- Second terminal completed in 2022 taking capacity to 50 million passengers
- Current valuation of \$2.3 Billion (100% basis) is conservative
- Recent Valuation support: OMERS and Sydney Airport



Fairfax India Holdings

Does it possess superior business economics?

- Excellent long term growth in book value/share
- Unique business model
- Diverse holdings with solid growth prospects
- Reasonable valuations
- Accretive share repurchases
- Strong Financial Position



Does it have honest and
capable management?



Fairfax India Holdings

- Prem Watsa owns 1,542,880 Fairfax Financial common shares
- Prem Watsa owns 320,000 Fairfax India common shares
- Other officers, including Chandran Ratnaswami, own common shares in both companies
- Capital allocation and investment program includes an active share repurchase program
- Excellent board of directors
- Fairfax India benefits from Fairfax Guiding Principles



Fairfax India Holdings

Does it have honest and capable management?

- “Skin in the Game”
- Capital allocation record/share repurchases
- Excellent Board of Directors
- Unique corporate culture



Can it be purchased at an attractive price?



Fairfax India Holdings

Current Price (04/30/23) \$13.00

Book Value/Share (03/31/23) \$18.85

Discount

31.0%



Fairfax India Holdings

Summary

Great Business

Great People

Great Price





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