

Schaeffler Group

Revenue EUR **13,338 m**

22.5 %

Industrial



77.5 %

Automotive

EBIT margin before special items **12.7 %**

Group continued along successful course in 2016 // Revenue and operating results increased once more compared to prior year // Revenue growth 3.4 % at constant currency // EBIT before special items at EUR 1.7 bn // Strong year for Automotive division; Industrial division earnings declined // R&D activities for electric mobility expanded considerably

Schaeffler Group earnings

No. 042

in € millions	2016	2015	Change in %
Revenue	13,338	13,179	1.2
• at constant currency			3.4
Revenue by division			
Automotive	10,333	9,977	3.6
• at constant currency			6.0
Industrial	3,005	3,202	-6.2
• at constant currency			-4.8
Revenue by region ¹⁾			
Europe	7,077	7,027	0.7
• at constant currency			1.8
Americas	2,800	2,901	-3.5
• at constant currency			0.1
Greater China	2,053	1,898	8.2
• at constant currency			13.3
Asia/Pacific	1,408	1,353	4.1
• at constant currency			4.7
Cost of sales	-9,552	-9,448	1.1
Gross profit	3,786	3,731	1.5
• in % of revenue	28.4	28.3	-
Research and development expenses	-751	-673	11.6
Selling expenses	-915	-920	-0.5
Administrative expenses	-428	-407	5.2
Earnings before financial result and income taxes (EBIT)	1,556	1,402	11.0
• in % of revenue	11.7	10.6	-
Special items ²⁾	144	274	-47.4
EBIT before special items	1,700	1,676	1.4
• in % of revenue	12.7	12.7	-
Financial result	-341	-547	-37.7
Income taxes	-343	-250	37.2
Net income ³⁾	859	591	45.3
Earnings per common non-voting share (basic/diluted, in €) ⁴⁾	1.30	1.28	1.6

¹⁾ Based on market (customer location).

²⁾ Please refer to page 48 for the definition of special items.

³⁾ Attributable to shareholders of the parent company.

⁴⁾ Earnings per share were calculated in accordance with IAS 33.

2.3 Earnings

Schaeffler Group earnings

Revenue grew by 1.2 % to EUR 13,338 m in 2016 (prior year: EUR 13,179 m). Excluding the impact of currency translation, revenue grew by 3.4 %. The Automotive division contributed revenue growth of 6.0 % excluding the impact of currency translation, exceeding global growth in the production of passenger cars and light commercial vehicles of 4.8 %. The Industrial division, on the other hand, reported a decline in revenue of 4.8 % excluding the impact of currency translation.

Revenue in Schaeffler's Europe region was up by 0.7 % (+1.8 % at constant currency), with the added revenue in the Automotive division more than offsetting a slight decline in Industrial division revenue. The Americas region reported a drop in revenue of 3.5 %, (+0.1 % at constant currency). Considerably lower Industrial revenue in the U.S., primarily attributable to weak momentum in oil and gas production, held back this region's revenue. The revenue trend in the Greater China and Asia/Pacific regions remained positive. These regions' revenue increased by a total of 8.2 % (+13.3 % at constant currency) in Greater China and 4.1 % (+4.7 % at constant currency) in Asia/Pacific, despite the adverse impact of currency translation and a significant decline in the Industrial division.

Cost of sales increased by 1.1 % to EUR 9,552 m (prior year: EUR 9,448 m) in 2016. Gross profit improved by 1.5 % or EUR 55 m to EUR 3,786 m (prior year: EUR 3,731 m) and, consequently, gross margin of 28.4 % (prior year: 28.3 %) came in slightly above the prior year level. The Automotive division gross margin increased by 0.7 % to 28.5 % (prior year: 27.8 %), while the Industrial division's gross margin fell 2.2 percentage points to 27.8 % (prior year: 30.0 %).

Research and development expenses increased significantly by 11.6 % to EUR 751 m in 2016 (prior year: EUR 673 m) which represents an R&D ratio of 5.6 % (prior year: 5.1 %) of revenue. Apart from inflation-related cost increases, the increase is primarily attributable to a focused expansion of the headcount in connection with the strategic direction of the research and development activities of the Automotive division, as a result of, among other things, stepped-up activities in the field of E-mobility.

Research and development expenses

No. 043

	2012	2013	2014	2015	2016
Research and development expenses (in € millions)	593	611	622	673	751
Research and development expenses (in % of revenue)	5.3 %	5.5 %	5.1 %	5.1 %	5.6 %
Number of research and development staff ¹⁾	6,098	6,039	6,387	6,650	7,121

¹⁾ Averages.

Selling and administrative expenses of EUR 1,343 m were slightly above prior year (prior year: EUR 1,327 m). Total functional costs rose by 4.7 % to EUR 2,094 m (prior year: EUR 2,000 m), growing to 15.7 % of revenue (prior year: 15.2 %).

EBIT increased by EUR 154 m or 11.0 % to EUR 1,556 m (prior year: EUR 1,402 m) during the reporting period. The Schaeffler Group's EBIT margin was 11.7 % (prior year: 10.6 %). In 2016, the Schaeffler Group's EBIT was adversely affected by EUR 144 m in special items (prior year: EUR 274 m), including EUR 86 m in special items for legal cases resulting from provisions for claims for damages in antitrust cases and for other compliance cases. In addition, the company recognized restructuring expenses of EUR 45 m for the stepped-up efficiency measures aimed at revitalizing the Industrial division – as part of the second wave of the program "CORE" – in 2016. Streamlining the production portfolio resulted in other special items of EUR 13 m. Prior year EBIT had been adversely affected by a EUR 238 m provision for legal cases recognized for potential third party claims in connection with the EU antitrust proceedings finalized in March 2014. In addition, prior year earnings were adversely affected by EUR 36 m in restructuring expenses related to the realignment of the Industrial division. The company's EBIT before special items amounted to EUR 1,700 m (prior year: EUR 1,676 m) in 2016, and its EBIT margin to 12.7 % (prior year: 12.7 %). An improvement in Automotive division gross margin more than offset the market-driven decline in the Industrial division's return as well as higher research and development expenses.

The Schaeffler Group's financial result improved by EUR 206 m to EUR -341 m (prior year: EUR -547 m) in 2016, and included EUR 158 m (prior year: EUR 196 m) in one-time charges incurred in connection with refinancing transactions in 2016.

Schaeffler Group financial result		No. 044	
in € millions	2016	2015	
Interest expense on financial debt ¹⁾	-286	-513	
Interest income on shareholder loans	49	72	
Foreign exchange gains and losses	-12	-224	
Fair value changes and compensation payments on derivatives	-21	234	
Fair value changes on embedded derivatives	-30	-79	
Interest income and expense on pensions and partial retirement obligations	-45	-42	
Other	4	5	
Total	-341	-547	

¹⁾ Incl. amortization of transaction costs and prepayment penalties.

Interest expense on financial debt amounted to EUR 286 m in 2016 (prior year: EUR 513 m) and includes EUR 48 m in prepayment penalties and EUR 31 m in deferred transaction costs derecognized. Please refer to the chapter entitled "Financial debt" for further detail. The prior year amount included a prepayment penalty of EUR 173 m and EUR 23 m in deferred transaction costs derecognized in connection with the early redemption of bonds.

Interest income on loans to a shareholder, IHO Verwaltungs GmbH (until September 27, 2016: Schaeffler Verwaltung Zwei GmbH), was EUR 49 m (prior year: EUR 72 m).

Net foreign exchange losses on financial assets and liabilities amounted to EUR 12 m (prior year: EUR 224 m) and resulted primarily from translating financing instruments denominated

in U.S. Dollar to Euro. The company has hedged these instruments using cross-currency derivatives and has reported the resulting losses of EUR 21 m (prior year: gains of EUR 234 m) under fair value changes and compensation payments on derivatives. The losses largely related to the early termination of cross-currency derivatives.

Changes in the fair value of embedded derivatives, primarily prepayment options for external financing instruments, resulted in net losses of EUR 30 m (prior year: EUR 79 m), including EUR 79 m in losses related to prepayment options written off in connection with the refinancing transactions in 2016, partially offset by EUR 49 m in gains resulting from changes in the fair value of the remaining prepayment options.

Income tax expense amounted to EUR 343 m in 2016 (prior year: EUR 250 m), resulting in an effective tax rate of 28.2 % (prior year: 29.2 %)

Net income attributable to shareholders of the parent company for 2016 was EUR 859 m (prior year: EUR 591 m). Net income before special items amounted to EUR 962 m (prior year: EUR 785 m). The Board of Managing Directors and the Supervisory Board will propose a dividend for 2016 of EUR 0.49 (prior year: EUR 0.34; special dividend EUR 0.15) per common share and EUR 0.50 (prior year: EUR 0.35; special dividend EUR 0.15) per common non-voting share to the annual general meeting. This represents a dividend of 34.1 % (prior year: 28.9 %) of net income attributable to shareholders before special items.

Basic and diluted earnings per common share increased to EUR 1.29 (prior year: EUR 0.88) in 2016. Basic and diluted earnings per common non-voting share amounted to EUR 1.30 (prior year: EUR 1.28). The number of shares used to calculate earnings per common share and earnings per common non-voting share was 500 million (prior year: 500 million) and 166 million (prior year: 116 million), respectively. ⁵

⁵ Earnings per share were calculated in accordance with IAS 33. As the common non-voting shares newly issued in October 2015 (66 million shares) participated in profits for the entire year 2015, earnings per common non-voting share for all of 2015 were calculated using proportionate net income based on 166 million common non-voting shares.

Automotive division

Revenue EUR **10,333 m**



EBIT margin before special items **14.4 %**

Profitable growth continued – both revenue and operating results before special items increased further // Revenue increased by 6.0 % at constant currency // Growth outpaces increase in global production volumes of passenger cars and light commercial vehicles // Revenue growth in all business divisions – strong Aftermarket business // R&D activities for electric mobility expanded considerably

Automotive division earnings			No. 045
in € millions	2016	2015	Change in %
Revenue	10,333	9,977	3.6
• at constant currency			6.0
Revenue by business division			
BD Engine Systems	2,643	2,596	1.8
• at constant currency			3.3
BD Transmission Systems	4,349	4,211	3.3
• at constant currency			5.6
BD Chassis Systems	1,531	1,465	4.5
• at constant currency			6.3
BD Automotive Aftermarket	1,810	1,705	6.2
• at constant currency			10.8
Revenue by region ¹⁾			
Europe	5,304	5,211	1.8
• at constant currency			2.9
Americas	2,238	2,301	-2.7
• at constant currency			1.3
Greater China	1,675	1,420	18.0
• at constant currency			24.3
Asia/Pacific	1,116	1,045	6.8
• at constant currency			7.3
Cost of sales	-7,383	-7,206	2.5
Gross profit	2,950	2,771	6.5
• in % of revenue	28.5	27.8	-
Research and development expenses	-613	-536	14.4
Selling and administrative expenses	-828	-814	1.7
EBIT	1,383	1,135	21.9
• in % of revenue	13.4	11.4	-
Special item ²⁾	108	238	-54.6
EBIT before special items	1,491	1,373	8.6
• in % of revenue	14.4	13.8	-

Prior year information presented based on 2016 segment structure.

¹⁾ Based on market (customer location).

²⁾ Please refer to page 48 for the definition of special items.

Automotive division earnings

Automotive division revenue increased by 3.6 % to EUR 10,333 m (prior year: EUR 9,977 m) in 2016. At constant currency, the growth rate was 6.0 %. Thus, the business once again expanded faster than global production volumes for passenger cars and light commercial vehicles, which grew by 4.8 % in 2016. The growth rate in excess of the rise in global automobile production was primarily due to an increase in the value of Schaeffler products installed per vehicle. From a regional perspective, the positive revenue trend was primarily attributable to double-digit growth in Greater China. The Aftermarket was also very successful.

Overall, revenue trends varied widely across market regions in 2016. The Europe region reported 1.8 % (+2.9 % at constant currency) in additional revenue, slightly less than average regional growth in production volumes (+5.2 %). The Americas region reported a decline in revenue of 2.7 % for the reporting period due to the adverse impact of currency translation. The region's revenue increased slightly by 1.3 % at constant currency while automobile production remained flat with prior year. The Automotive division once again significantly expanded its revenue in the Greater China region, mainly as a result of product ramp-ups and higher demand driven by tax incentives provided by the Chinese government. The Automotive division generated 18.0 % (+24.3 % at constant currency) in additional revenue in Greater China while regional vehicle production increased by 13.9 %. The reasons for the increase in Asia/Pacific region revenue by 6.8 % (+7.3 % at constant currency) included product ramp-ups, with vehicle production there declining by 2.8 %.

The Automotive division business is organized in the Engine Systems, Transmission Systems, Chassis Systems, and Automotive Aftermarket business divisions (BD), all of which reported revenue growth in 2016.

The **Engine Systems BD** generated revenue growth of 1.8 % (+3.3 % at constant currency) during the year. This growth was primarily buoyed by the start of volume production of the electromechanical camshaft phasing system within the camshaft phasing units product group. The accessory drive product group and the innovative thermal management module, which helps reduce fuel consumption and CO₂ emissions, also generated considerable additional revenue. Fully variable valve train systems (predominantly Multiair), on the other hand, experienced a significant decline in revenue, primarily as a result of the main customer in North America requiring less volume of this product due to shifts in product mix.

Transmission Systems BD revenue rose by 3.3 % (+5.6 % at constant currency), driven by higher volumes in the dual-mass flywheel product group and for components for automated transmissions, such as torque converters and dual clutches. In addition, the Automotive division also significantly increased sales of clutches and gearing components used in manual transmissions. On the other hand, continuously variable transmissions (CVT) declined, mainly due to the end of a project.

The **Chassis Systems BD** generated revenue growth of 4.5 % (+6.3 % at constant currency) mainly based on the solid performance of the newest generation of wheel bearings, highly integrated units containing mounting brackets for the brake disk, rim, and wheel carrier that ensure top running accuracy. Volume production of the electromechanical active roll control also considerably increased revenue in the chassis actuators product group.

The **Automotive Aftermarket BD** increased revenue by 6.2 % (+10.8 % at constant currency) in 2016. The increase was primarily due to higher sales in the Americas and Europe regions. Reasons for the additional revenue in Americas included increased requirements of automobile manufacturers (OES customers). In Europe, business expanded particularly in Eastern Europe as well as in Southern and Western Europe. The higher revenue was primarily attributable to increased market coverage.

Cost of sales increased by 2.5 % to EUR 7,383 m (prior year: EUR 7,206 m) in 2016. In total, the Automotive division improved its gross profit by EUR 179 m or 6.5 % to EUR 2,950 m (prior year: EUR 2,771 m). The division's gross margin of 28.5 % was ahead of the prior year period (prior year: 27.8 %). The Automotive division has thus continued its profitable growth, more than offsetting cost increases, primarily due to collectively bargained wage and salary increases, and the adverse impact of foreign currency translation with the favorable impact of higher volumes and a better revenue mix as well as lower raw materials costs.

Functional costs increased 6.7 % to EUR 1,441 m (prior year: EUR 1,350 m), rising slightly to 13.9 % of revenue (prior year: 13.5 %). The main driver of this increase was the rise in research and development expenses by 14.4 % to EUR 613 m (prior year: EUR 536 m) or 5.9 % (prior year: 5.4 %) of revenue, reflecting increased activities in the field of electric mobility, which has already won several volume production orders. Selling and administrative expenses of EUR 828 m were slightly ahead of prior year (+1.7 %; prior year: EUR 814 m).

Automotive division EBIT grew by 21.9 % to EUR 1,383 m (prior year: EUR 1,135 m) during the reporting period, and its EBIT margin increased to 13.4 % (prior year: 11.4 %). In 2016, EBIT was adversely affected by EUR 108 m in special items (prior year: EUR 238 m), including EUR 82 m in special items for legal cases resulting from provisions for claims for damages in antitrust cases and other compliance cases. In addition, the division recognized EUR 13 m in restructuring expenses affecting the Automotive division as part of the second wave of the program "CORE" (consolidation of shared functions and plant structures). Streamlining the production portfolio resulted in other special items of EUR 13 m. Prior year EBIT had been adversely affected by a EUR 238 m provision for legal cases recognized for potential third party claims in connection with the EU antitrust proceedings finalized in March 2014. EBIT before special items increased by EUR 118 m to EUR 1,491 m (prior year: EUR 1,373 m), improving the division's EBIT margin by 0.6 percentage points to 14.4 % (prior year: 13.8 %). The increase in EBIT margin before special items was due to the favorable impact of higher volumes and a better revenue mix, partially offset mainly by higher research and development expenses and the adverse impact of currency translation.

Industrial division

Revenue EUR **3,005** m

22.5 %

of group revenue



EBIT margin before special items **7.0 %**

Market environment remains strained // Revenue declined by 4.8 % at constant currency // Considerably lower demand in the Greater China region // Low demand, especially in the raw materials and rail sectors // Operating results still adversely affected by low sales volume // EBIT before special items at EUR 209 m // Efficiency and cost saving measures executed as planned // Second wave of program “CORE” initiated

Industrial division earnings

No. 046

in € millions	2016	2015	Change in %
Revenue	3,005	3,202	-6.2
• at constant currency			-4.8
Revenue by region ¹⁾			
Europe	1,773	1,816	-2.4
• at constant currency			-1.3
Americas	562	600	-6.3
• at constant currency			-4.6
Greater China	378	478	-20.9
• at constant currency			-18.8
Asia/Pacific	292	308	-5.2
• at constant currency			-4.1
Cost of sales	-2,169	-2,242	-3.3
Gross profit	836	960	-12.9
• in % of revenue	27.8	30.0	-
Research and development expenses	-138	-137	0.7
Selling and administrative expenses	-515	-513	0.4
EBIT	173	267	-35.2
• in % of revenue	5.8	8.3	-
Special items ²⁾	36	36	0.0
EBIT before special items	209	303	-31.0
• in % of revenue	7.0	9.5	-

Prior year information presented based on 2016 segment structure.

¹⁾ Based on market (customer location).

²⁾ Please refer to page 48 for the definition of special items.

Industrial division earnings

Industrial division revenue decreased by 6.2 % to EUR 3,005 m (prior year: EUR 3,202 m) in 2016. Excluding the impact of currency translation, the division reported a revenue decline of 4.8 %.

The Industrial business is primarily managed based on regions. On this basis, the Europe, Americas, Greater China, and Asia/Pacific regions operate as profit centers responsible for the Industrial business in their respective markets. Within the regions, the Industrial business is grouped into eight sectors: wind, raw materials, aerospace, rail, offroad, two wheelers, power transmission, and industrial automation. Sales to distributors (Industrial Distribution) round out the Industrial division's regional business.

The market environment of the Industrial division remained strained in 2016. Commodity and oil prices remained relatively low, weakening demand on the customer side and, in turn, adversely affecting the performance of the raw materials and power transmission sectors to a significant degree. Sharp revenue declines in the rail sector also had an adverse effect on the division's revenue trend. Although Industrial Distribution revenue recovered slightly over the course of 2016, it still lagged considerably behind the prior year for the reporting period as a whole. The offroad and industrial automation sectors also reported slightly lower revenue. However, revenue in the division's wind, two wheelers, and aerospace sectors increased.

Revenue in Schaeffler's **Europe region** fell by 2.4 % (-1.3 % at constant currency). Revenue trends varied widely across individual sectors. The raw materials sector business reported considerably lower revenue due to weak market conditions. The rail and power transmission sectors as well as Industrial Distribution similarly reported considerably lower revenue than in the prior year. The offroad and industrial automation sectors were nearly in line with prior year. However, revenue in the wind, two wheelers, and aerospace sectors generated considerable revenue increases. The wind and aerospace sectors generated double-digit growth rates excluding the impact of currency translation.

In the **Americas region**, revenue declined by 6.3 % (-4.6 % at constant currency). This trend was primarily driven by double-digit declines in revenue in the raw materials, rail, and power transmission sectors. These declines are related to the challenging situation in the U.S. markets for these sectors, particularly in the oil and gas industry. Despite recovering somewhat during the year, revenue for the industrial automation sector as well as for Industrial Distribution still fell short of its prior year level. Aerospace sector revenue at constant currency, on the other hand, was almost in line with prior year, and offroad sector revenue rose slightly, excluding the impact of currency translation. The wind and two wheelers sectors generated double-digit growth rates excluding the impact of currency translation.

The **Greater China region** reported a considerable drop in revenue of 20.9 % (-18.8 % at constant currency). Except for the wind sector, which reported only a minor decline in revenue, all significant sectors as well as Industrial Distribution saw double-digit declines in revenue due to weak market requirements, reduced investing activity, and the resulting pressure on market prices.

The decrease in revenue for the **Asia/Pacific region** by 5.2 % (-4.1 % at constant currency) was primarily attributable to Industrial Distribution and the raw materials sector. The aerospace, two wheelers, and industrial automation sectors, on the other hand, reported slightly higher revenue.

Industrial division cost of sales decreased by 3.3 % to EUR 2,169 m (prior year: EUR 2,242 m). Gross profit declined by EUR 124 m or 12.9 % to EUR 836 m (prior year: EUR 960 m) and, consequently, gross margin fell by 2.2 percentage points to 27.8 % (prior year: 30.0 %). The decrease was attributable to lower volumes, the resulting lower utilization of production capacities, and a less profitable revenue mix. However, lower raw materials prices had a positive effect on gross margin.

Functional costs of EUR 653 m (prior year: EUR 650 m) in 2016 were in line with prior year. The cost reduction measures of the program "CORE" approximately offset inflation-related increases in costs, particularly in personnel expenses. Functional costs as a percentage of revenue rose to 21.7 % (prior year: 20.3 %). Research and development expenses amounted to EUR 138 m (prior year: EUR 137 m), and selling and administrative expenses were EUR 515 m (prior year: EUR 513 m).

Industrial division EBIT declined to EUR 173 m (prior year: EUR 267 m) in 2016. The division's EBIT margin deteriorated to 5.8 % (prior year: 8.3 %). In 2016, the division's EBIT was adversely affected by EUR 36 m in special items (prior year: EUR 36 m), including EUR 32 m in restructuring expenses for the stepped-up efficiency measures aimed at revitalizing the Industrial division as part of the second wave of the program "CORE". In addition, the division recognized EUR 4 m in expenses for legal cases in 2016. This compares to EUR 36 m in restructuring expenses recognized in the prior year for the realignment of the Industrial division. The division's EBIT before special items amounted to EUR 209 m (prior year: EUR 303 m) in 2016, and its EBIT margin was 7.0 % (prior year: 9.5 %). The decrease in EBIT was primarily due to the adverse impact of lower volumes and a less favorable revenue mix.

Performance indicators and special items

EBIT, EBITDA, debt to EBITDA ratio, ROCE, and Schaeffler Value Added and the corresponding amounts before special items are indicators that are not defined in International Financial Reporting Standards (IFRS). Therefore, these indicators should be considered supplementary information.

The key indicators used in evaluating the company's operations are EBIT and the EBIT margin. In addition, the company calculates EBITDA, which represents EBIT before amortization of intangible assets, depreciation of property, plant and equipment, and impairment losses. EBITDA is primarily used to calculate the debt to EBITDA ratio. This ratio is used to evaluate the financing structure and is the ratio of net financial debt to EBITDA, where net financial debt is defined as the sum of current and non-current financial debt net of cash and cash equivalents. The Schaeffler Group's key value-based performance indicator is return on capital employed (ROCE) as well as Schaeffler Value Added, which is closely linked to ROCE. ROCE corresponds to EBIT in relation to average capital employed. Average capital employed is calculated as the sum of property, plant and equipment, intangible assets, and working capital, which in turn comprises trade receivables and inventories net of trade payables. The annual average is determined as the mathematical average of the balance at the end of each of the four quarters. Schaeffler Value Added is calculated as EBIT less the cost of capital. Cost of capital is calculated by applying the minimum return of 10 % p.a. (before tax) set by the Board of Managing Directors and the Supervisory Board to the average capital employed during the year.

In order to make the evaluation of the company's results of operations as transparent as possible, the Schaeffler Group reports the indicators described above before special items. Special items are items which the Board of Managing Directors considers to render the financial indicators less meaningful for evaluating the sustainability of the Schaeffler Group's profitability due to their nature, frequency, and/or size. Net income attributable to shareholders of the parent company before special items in EBIT is also presented in order to facilitate calculating the payout ratio. In addition to presenting special items, the company also aims to make the evaluation of the company's results of operations as transparent as possible by presenting its revenue figures excluding the impact of currency translation. Revenue figures at constant currency, i.e. excluding the impact of currency translation, are calculated by translating functional currency revenue using the same exchange rate for both the current and the prior year or comparison reporting period.

In 2016, special items relate primarily to issues in the categories legal cases, restructuring, and other.

Reconciliation		No. 047					
		Total		Automotive		Industrial	
in € millions		2016	2015	2016	2015	2016	2015
EBIT		1,556	1,402	1,383	1,135	173	267
• in % of revenue		11.7	10.6	13.4	11.4	5.8	8.3
Special items		144	274	108	238	36	36
• Legal cases		86	238	82	238	4	0
• Restructuring		45	36	13	0	32	36
• Other		13	0	13	0	0	0
EBIT before special items		1,700	1,676	1,491	1,373	209	303
• in % of revenue		12.7	12.7	14.4	13.8	7.0	9.5
EBITDA		2,293	2,096				
Special items		144	274				
• Legal cases		86	238				
• Restructuring		45	36				
• Other		13	0				
EBITDA before special items		2,437	2,370				
Net income¹⁾		859	591				
Special items		144	274				
• Legal cases		86	238				
• Restructuring		45	36				
• Other		13	0				
– Tax effect ²⁾		-41	-80				
Net income before special items¹⁾		962	785				
Net financial debt		2,636	4,889				
/ EBITDA		2,293	2,096				
Debt to EBITDA ratio		1.1	2.3				
Net financial debt		2,636	4,889				
/ EBITDA before special items		2,437	2,370				
Debt to EBITDA ratio before special items		1.1	2.1				
EBIT		1,556	1,402				
/ Average capital employed		7,848	7,455				
ROCE (in %)		19.8	18.8				
EBIT before special items		1,700	1,676				
/ Average capital employed		7,848	7,455				
ROCE before special items (in %)		21.7	22.5				
EBIT		1,556	1,402				
– Cost of capital		785	745				
Schaeffler Value Added		771	657				
EBIT before special items		1,700	1,676				
– Cost of capital		785	745				
Schaeffler Value Added before special items		915	931				

¹⁾ Attributable to shareholders of the parent company.

²⁾ Based on the groups effective tax rate for the relevant year.