

SCHAEFFLER

Facts and figures
Business year 2016

Company profile

The **SCHAEFFLER** Group is a global automotive and industrial supplier. Top quality, outstanding technology, and exceptionally innovative spirit form the basis for the continued success of the company. By delivering high-precision components and systems in engine, transmission, and chassis applications, as well as rolling and plain bearing solutions for a large number of industrial applications, the Schaeffler Group is already shaping “Mobility for tomorrow” to a significant degree.

Highlights 2016

Revenue increased further

Revenue at **EUR 13.3 bn**
(up 3.4 % at constant currency)

EBIT margin at high prior year level

EBIT margin before special items at **12.7 %**
(prior year: 12.7 %)

Positive free cash flow trend

Free cash flow at **EUR 735 m**
(prior year: EUR 370 m)

Net income up significantly from prior year

Net income at **EUR 859 m**
(prior year: EUR 591 m)

Schaeffler Group at a glance

Key figures

Income statement (in € millions)	2016	2015		Change
Revenue	13,338	13,179	1.2	%
• at constant currency			3.4	%
EBIT	1,556	1,402	11.0	%
• in % of revenue	11.7	10.6	1.1	%-pts.
EBIT before special items ¹⁾	1,700	1,676	1.4	%
• in % of revenue	12.7	12.7	0.0	%-pts.
Net income ²⁾	859	591	45.3	%
Earnings per common non-voting share (basic/diluted, in €) ³⁾	1.30	1.28	1.6	%
Statement of financial position (in € millions)	12/31/2016	12/31/2015		Change
Total assets	11,564	12,480	-7.3	%
Shareholders' equity ⁴⁾	1,997	1,568	429	€ millions
• in % of total assets	17.3	12.6	4.7	%-pts.
Net financial debt	2,636	4,889	-46.1	%
• Net financial debt to EBITDA ratio before special items ¹⁾	1.1	2.1		
• Gearing Ratio (Net financial debt to shareholders' equity, in %)	132.0	311.8	-179.8	%-pts.
Statement of cash flows (in € millions)	2016	2015		Change
EBITDA	2,293	2,096	9.4	%
• in % of revenue	17.2	15.9	1.3	%-pts.
EBITDA before special items ¹⁾	2,437	2,370	2.8	%
• in % of revenue	18.3	18.0	0.3	%-pts.
Cash flows from operating activities	1,876	1,372	504	€ millions
Capital expenditures (capex) ⁵⁾	1,146	1,025	121	€ millions
• in % of revenue (capex ratio)	8.6	7.8	0.8	%-pts.
Free cash flow	735	370	365	€ millions
Value Added	2016	2015		Change
ROCE before special items (in %) ¹⁾	21.7	22.5	-0.8	%-pts.
Schaeffler Value Added before special items (in € millions) ¹⁾	915	931	-1.7	%
Employees	12/31/2016	12/31/2015		Change
Headcount	86,662	84,198	2.9	%

¹⁾ EBIT, debt to EBITDA ratio, EBITDA, ROCE, and Schaeffler Value Added before special items, please refer to page 48 of the annual report 2016.

²⁾ Attributable to shareholders of the parent company.

³⁾ Earnings per share were calculated in accordance with IAS 33, please refer to page 42 of the annual report 2016.

⁴⁾ Including non-controlling interests.

⁵⁾ Capital expenditures on intangible assets and property, plant and equipment.

Automotive (in € millions)	2016	2015		Change
Revenue	10,333	9,977	3.6	%
• at constant currency			6.0	%
EBIT	1,383	1,135	21.9	%
• in % of revenue	13.4	11.4	2.0	%-pts.
EBIT before special items ¹⁾	1,491	1,373	8.6	%
• in % of revenue	14.4	13.8	0.6	%-pts.
Industrial (in € millions)	2016	2015		Change
Revenue	3,005	3,202	-6.2	%
• at constant currency			-4.8	%
EBIT	173	267	-35.2	%
• in % of revenue	5.8	8.3	-2.5	%-pts.
EBIT before special items ¹⁾	209	303	-31.0	%
• in % of revenue	7.0	9.5	-2.5	%-pts.

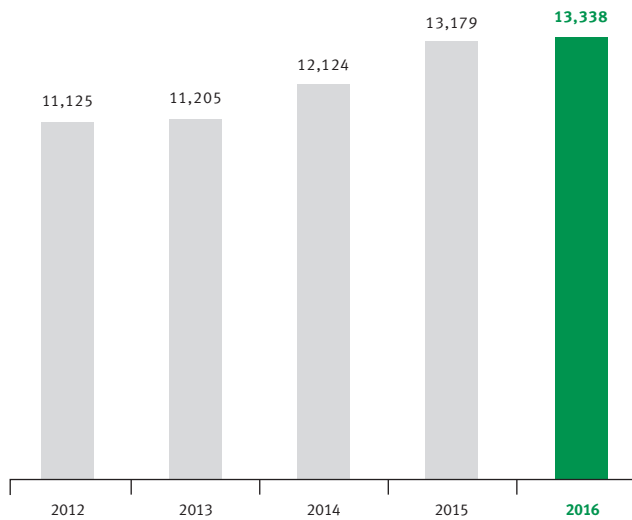
Prior year information presented based on 2016 segment structure.

¹⁾ EBIT before special items, please refer to page 48 of the annual report 2016.

Key financials

Revenue 2012 – 2016

in € millions

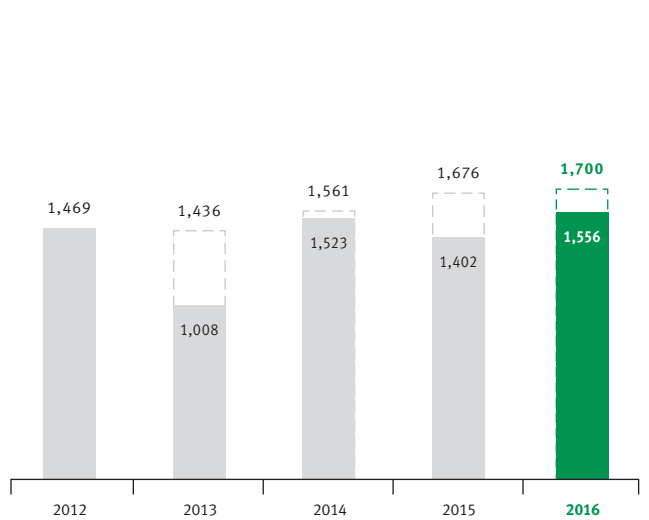


Revenue growth vs. prior year
 +4.0% +0.7% +8.2% +8.7% **+1.2%**

Revenue growth at constant currency
+3.4%

EBIT 2012 – 2016

in € millions



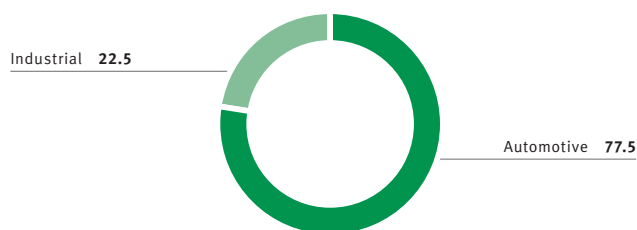
EBIT margin
 13.2% 9.0% 12.6% 10.6% **11.7%**

EBIT margin before special items
 - 12.8% 12.9% 12.7% **12.7%**

EBIT before special items

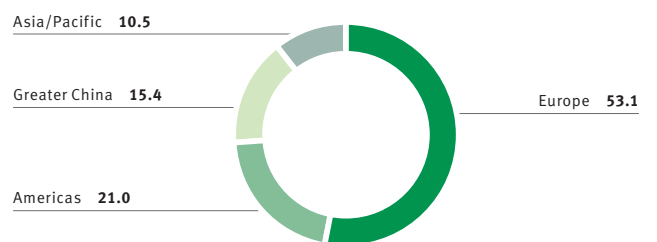
Schaeffler Group revenue by division

in percent



Schaeffler Group revenue by region

in percent by market view



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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

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 of the annual report 2016 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.

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

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 region¹⁾			
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 items 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.

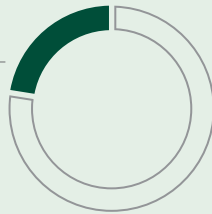
¹⁾ Based on market (customer location).

²⁾ Please refer to page 48 of the annual report 2016 for the definition of special items.

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 “CORE” program initiated

Industrial division earnings

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 of the annual report 2016 for the definition of special items.

Consolidated income statement

in € millions	Note	2016	2015	Change in %
Revenue	3.1	13,338	13,179	1.2
Cost of sales		-9,552	-9,448	1.1
Gross profit		3,786	3,731	1.5
Research and development expenses		-751	-673	11.6
Selling expenses		-915	-920	-0.5
Administrative expenses		-428	-407	5.2
Other income	3.2	41	57	-28.1
Other expenses	3.3	-177	-386	-54.1
Earnings before financial result and income taxes (EBIT)		1,556	1,402	11.0
Financial income	3.5	220	327	-32.7
Financial expenses	3.5	-561	-874	-35.8
Financial result	3.5	-341	-547	-37.7
Earnings before income taxes		1,215	855	42.1
Income taxes	3.6	-343	-250	37.2
Net income		872	605	44.1
Attributable to shareholders of the parent company		859	591	45.3
Attributable to non-controlling interests		13	14	-7.1
Earnings per common share (basic/diluted, in €)	3.7	1.29	0.88	46.6
Earnings per common non-voting share (basic/diluted, in €)	3.7	1.30	1.28	1.6

Consolidated statement of financial position

in € millions	Note	12/31/2016	12/31/2015	Change in %
ASSETS				
Intangible assets	4.1	632	589	7.3
Property, plant and equipment	4.2	4,507	4,180	7.8
Other financial assets	4.6	217	2,123	-89.8
Other assets	4.6	51	57	-10.5
Income tax receivables	4.3	0	4	-100
Deferred tax assets	4.3	572	485	17.9
Total non-current assets		5,979	7,438	-19.6
Inventories	4.4	1,905	1,812	5.1
Trade receivables	4.5	2,218	2,023	9.6
Other financial assets	4.6	55	123	-55.3
Other assets	4.6	218	211	3.3
Income tax receivables	4.3	93	74	25.7
Cash and cash equivalents	4.7	1,071	799	34.0
Assets held for sale	4.8	25	0	-
Total current assets		5,585	5,042	10.8
Total assets		11,564	12,480	-7.3
SHAREHOLDERS' EQUITY AND LIABILITIES				
Share capital		666	666	0.0
Capital reserves		2,348	2,348	0.0
Other reserves		-404	-935	-56.8
Accumulated other comprehensive income (loss)		-713	-599	19.0
Equity attributable to shareholders of the parent company		1,897	1,480	28.2
Non-controlling interests		100	88	13.6
Total shareholders' equity	4.9	1,997	1,568	27.4
Provisions for pensions and similar obligations	4.11	2,182	1,942	12.4
Provisions	4.12	96	182	-47.3
Financial debt	4.10	3,704	5,685	-34.8
Income tax payables	4.3	163	210	-22.4
Other financial liabilities	4.13	86	12	>100
Other liabilities	4.13	6	6	0.0
Deferred tax liabilities	4.3	124	107	15.9
Total non-current liabilities		6,361	8,144	-21.9
Provisions	4.12	354	431	-17.9
Financial debt	4.10	3	3	0.0
Trade payables	4.14	1,625	1,405	15.7
Income tax payables	4.3	176	112	57.1
Other financial liabilities	4.13	696	512	35.9
Other liabilities	4.13	344	305	12.8
Liabilities held for sale	4.8	8	0	-
Total current liabilities		3,206	2,768	15.8
Total shareholders' equity and liabilities		11,564	12,480	-7.3

Consolidated statement of cash flows

in € millions	2016	2015	Change in %
Operating activities			
EBIT	1,556	1,402	11.0
Interest paid	-279	-508	-45.1
Interest received	98	43	>100
Income taxes paid	-327	-358	-8.7
Depreciation, amortization and impairments	737	694	6.2
(Gains) losses on disposal of assets	4	-18	-
Changes in:			
• Inventories	-88	-75	17.3
• Trade receivables	-205	-79	>100
• Trade payables	271	38	>100
• Provisions for pensions and similar obligations	-29	-9	>100
• Other assets, liabilities and provisions	138	242	-43.0
Cash flows from operating activities ¹⁾	1,876	1,372	36.7
Investing activities			
Proceeds from disposals of property, plant and equipment	4	26	-84.6
Capital expenditures on intangible assets	-29	-48	-39.6
Capital expenditures on property, plant and equipment	-1,117	-977	14.3
Other investing activities ²⁾	1	-3	-
Cash used in investing activities	-1,141	-1,002	13.9
Financing activities			
Dividends paid to shareholders and non-controlling interests	-329	-251	31.1
Proceeds from issuing shares	0	810	
Receipts from loans	1,000	207	>100
Repayments of loans	-2,910	-1,175	>100
Other financing activities	1,773	197	>100
Cash used in financing activities	-466	-212	>100
Net increase (decrease) in cash and cash equivalents	269	158	70.3
Effects of foreign exchange rate changes on cash and cash equivalents	3	5	-40.0
Cash and cash equivalents as at beginning of period	799	636	25.6
Cash and cash equivalents as at end of period	1,071	799	34.0

¹⁾ Excluding interest payments, cash flows from operating activities for the period from January 01 to December 31, 2016 amount to EUR 2,155 m (prior year: EUR 1,880 m).

²⁾ Including EUR 2 m of cash and cash equivalents acquired in the purchase of Compact Dynamics GmbH.

Consolidated segment information

(Part of the notes to the consolidated financial statements)

	Automotive		Industrial		Total	
	01/01-12/31	01/01-12/31	01/01-12/31	01/01-12/31	01/01-12/31	01/01-12/31
in € millions	2016	2015	2016	2015	2016	2015
Revenue	10,333	9,977	3,005	3,202	13,338	13,179
Cost of sales	-7,383	-7,206	-2,169	-2,242	-9,552	-9,448
Gross profit	2,950	2,771	836	960	3,786	3,731
EBIT	1,383	1,135	173	267	1,556	1,402
• in % of revenue	13.4	11.4	5.8	8.3	11.7	10.6
Depreciation, amortization and impairments	-544	-498	-193	-196	-737	-694
Inventories ¹⁾	1,228	1,164	677	648	1,905	1,812
Trade receivables ¹⁾	1,730	1,556	488	467	2,218	2,023
Property, plant and equipment ¹⁾	3,430	3,115	1,077	1,065	4,507	4,180
Additions to intangible assets and property, plant and equipment	902	880	213	238	1,115	1,118

Prior year information presented based on 2016 segment structure.

¹⁾ Amounts as at December 31.

Summary – 1st quarter 2015 to 4th quarter 2016

Income statement (in € millions)	2015				2016			
	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter
Revenue	3,339	3,382	3,237	3,221	3,343	3,369	3,265	3,361
EBIT	434	384	433	151	421	438	417	280
• in % of revenue	13.0	11.4	13.4	4.7	12.6	13.0	12.8	8.3
EBIT before special items ¹⁾	441	384	433	418	421	438	417	424
• in % of revenue	13.2	11.4	13.4	13.0	12.6	13.0	12.8	12.6
Net income ²⁾	167	142	212	70	253	241	178	187
Earnings per common non-voting share (basic/diluted, in €) ³⁾	0.42	0.36	0.53	0.11	0.38	0.37	0.27	0.28
Statement of financial position (in € millions)								
Total assets	12,844	12,221	12,450	12,480	12,607	12,554	12,862	11,564
Shareholders' equity ⁴⁾	418	532	631	1,568	1,609	1,425	1,554	1,997
• in % of total assets	3.3	4.4	5.1	12.6	12.8	11.4	12.1	17.3
Net financial debt	6,190	6,245	5,950	4,889	4,909	4,874	2,876	2,636
• Net financial debt to EBITDA ratio before special items ^{1) 5)}	2.7	2.7	2.6	2.1	2.1	2.0	1.2	1.1
• Gearing ratio (Net financial debt to shareholders' equity, in %)	1,480.9	1,173.9	942.9	311.8	305.1	342.0	185.1	132.0
Statement of cash flows (in € millions)								
EBITDA	604	557	604	331	598	619	600	476
• in % of revenue	18.1	16.5	18.7	10.3	17.9	18.4	18.4	14.2
EBITDA before special items ¹⁾	611	557	604	598	598	619	600	620
• in % of revenue	18.3	16.5	18.7	18.6	17.9	18.4	18.4	18.4
Cash flows from operating activities	184	238	490	460	206	571	528	571
Capital expenditures (capex) ⁶⁾	244	257	242	282	318	243	268	317
• in % of revenue (capex ratio)	7.3	7.6	7.5	8.8	9.5	7.2	8.2	9.4
Free cash flow	-60	-12	264	178	-112	328	263	256
Value added								
ROCE before special items (in %) ^{1) 5)}	22.8	22.2	21.9	22.5	22.1	22.5	21.9	21.7
Schaeffler Value Added before special items (in € millions) ^{1) 5)}	896	878	870	931	906	951	920	915
Employees								
Headcount (at end of reporting period)	83,331	83,774	84,414	84,198	85,016	85,225	86,029	86,662

¹⁾ EBIT before special items, please refer to page 48 of the annual report 2016.

²⁾ Attributable to shareholders of the parent company.

³⁾ Earnings per share were calculated in accordance with IAS 33.

⁴⁾ Including non-controlling interests.

⁵⁾ EBIT/EBITDA based on the last twelve months.

⁶⁾ Capital expenditures on intangible assets and property, plant and equipment.

Automotive (in € millions)	2015				2016			
	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter
Revenue	2,515	2,554	2,442	2,466	2,576	2,603	2,524	2,630
EBIT	343	308	356	128	372	367	364	280
• in % of revenue	13.6	12.1	14.6	5.2	14.4	14.1	14.4	10.6
EBIT before special items ¹⁾	350	308	356	359	372	367	364	388
• in % of revenue	13.9	12.1	14.6	14.6	14.4	14.1	14.4	14.8
Industrial (in € millions)								
Revenue	824	828	795	755	767	766	741	731
EBIT	91	76	77	23	49	71	53	0
• in % of revenue	11.0	9.2	9.7	3.0	6.4	9.3	7.2	0.0
EBIT before special items ¹⁾	91	76	77	59	49	71	53	36
• in % of revenue	11.0	9.2	9.7	7.8	6.4	9.3	7.2	4.9

Prior year information presented based on 2016 segment structure.

¹⁾ EBIT before special items, please refer to page 48 of the annual report 2016.

Multi-year comparison

	2012	2013	2014	2015	2016
Income statement (in € millions)					
Revenue	11,125	11,205	12,124	13,179	13,338
EBIT	1,469	1,008	1,523	1,402	1,556
• in % of revenue	13.2	9.0	12.6	10.6	11.7
EBIT before special items ¹⁾	-	1,436	1,561	1,676	1,700
• in % of revenue	-	12.8	12.9	12.7	12.7
Net income ²⁾	380	127	654	591	859
Earnings per common non-voting share (basic/ diluted, in €) ³⁾	-	-	1.29	1.28	1.30
Statement of financial position (in € millions)					
Total assets	8,463	8,387	11,617	12,480	11,564
Shareholders' equity ⁴⁾	-2,598	-1,966	258	1,568	1,997
• in % of total assets	-30.7	-23.4	2.2	12.6	17.3
Net financial debt	6,541	5,447	5,778	4,889	2,636
• Net financial debt to EBITDA ratio before special items ¹⁾	3.1	2.6	2.6	2.1	1.1
• Gearing ratio (Net financial debt to shareholders' equity, in %)	-	-	2,239.5	311.8	132.0
Statement of cash flows (in € millions)					
EBITDA	2,087	1,660	2,172	2,096	2,293
• in % of revenue	18.8	14.8	17.9	15.9	17.2
EBITDA before special items ¹⁾	-	2,088	2,210	2,370	2,437
• in % of revenue	-	18.6	18.2	18.0	18.3
Cash flows from operating activities ⁵⁾	1,133	1,027	900	1,372	1,876
Capital expenditures (capex) ⁶⁾	860	572	857	1,025	1,146
• in % of revenue (capex ratio)	7.7	5.1	7.1	7.8	8.6
Free cash flow ⁵⁾	301	473	48	370	735
Value added					
ROCE before special items (in %) ¹⁾	-	22.1	23.1	22.5	21.7
Schaeffler Value Added before special items (in € millions) ¹⁾	-	787	885	931	915
Employees					
Headcount (at end of reporting period)	75,810	78,258	82,294	84,198	86,662

¹⁾ EBIT before special items, please refer to page 48 of the annual report 2016.

²⁾ Attributable to shareholders of the parent company.

³⁾ Earnings per share were calculated in accordance with IAS 33.

⁴⁾ Including non-controlling interests.

⁵⁾ Including an outflow of EUR 371 m for the EU antitrust penalty in 2014.

⁶⁾ Capital expenditures on intangible assets and property, plant and equipment.

Financial calendar 2017

March 08, 2017

Publication of annual results 2016

April 26, 2017

Annual general meeting 2017

May 11, 2017

Publication of results for the first three months 2017

August 08, 2017

Publication of results for the first six months 2017

November 08, 2017

Publication of results for the first nine months 2017

All information is subject to correction and may be changed at short notice.

The annual report is available in the following formats



Printed report



PDF version for download:
www.schaeffler.com/ir



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www.schaeffler-annual-report.com

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