

IR release

Schaeffler off to a good start

- **Revenue increases by 6.9 percent**
- **Automotive division grows by 8.3 percent, Industrial division back on growth path**
- **Region Greater China strongest growth driver**
- **Net income increases by approximately 10 percent**
- **Outlook for 2017 confirmed**

HERZOGENAURACH, *May 11, 2017*. Global automotive and industrial supplier Schaeffler has had a good start in 2017. Its **revenue** for the first three months of 2017 increased by 6.9 percent to EUR 3.6 billion. At constant currency, growth amounted to 5.4 percent over the prior year.

The Automotive business reported revenue growth of 8.3 percent to approximately EUR 2.8 billion. At constant currency, the Automotive business expanded by 7.0 percent, once again outpacing global production volumes for passenger cars and light commercial vehicles (+4.2 percent). From a regional perspective, strong demand in China, which reported 20.1 percent (21.9 percent at constant currency) in additional revenue, was the main driver of this encouraging revenue trend. Also of particular note is the Automotive Aftermarket business which generated an 11.5 percent increase in revenue (9.9 percent at constant currency). The first quarter trend in the Industrial business was positive, with revenue growing by 2.4 percent to EUR 783 million (0.2 percent at constant currency). Klaus Rosenfeld, CEO of Schaeffler AG, said: “We are off to a good start in the new year. Our Automotive business is consistently sustaining its above-market growth. Our Industrial business is back on growth path.”

All Schaeffler Group regions experienced growth. Revenue in the Europe region was up 2.9 percent (2.2 percent at constant currency). Americas region revenue increased by 9.9 percent (5.5 percent at constant currency). The highest growth rate, 18.3 percent (19.0 percent at constant currency), was once again achieved by the Greater China region, and the Asia/Pacific region reported revenue growth of 6.4 percent (2.2 percent at constant currency).

EBIT (earnings before interest and taxes) increased by 3.3 percent to EUR 435 million (prior year: EUR 421 million). The EBIT margin before special items amounted to 12.2 percent (prior year: 12.6 percent) of revenue. The Automotive division generated an EBIT margin before special items of 13.1 percent (prior year: 14.2 percent) in the first quarter of 2017. The Industrial division improved its EBIT margin, raising it to 8.7 percent (prior year: 7.1 percent). **Net income** amounted to EUR 279 million (prior year: EUR 253 million) which represents an increase of 10.3 percent. The financial result for the first quarter of 2017 amounted to minus EUR 48 million (prior year: minus EUR 65 million). Earnings per common non-voting share increased to EUR 0.42 in the first quarter of 2017 (prior year: EUR 0.38).

The Schaeffler Group generated cash inflows from operating activities of EUR 186 million in the first three months of 2017 (prior year: EUR 206 million). Capital expenditures amounted to EUR 299 million (prior year: EUR 318 million), bringing the capex ratio (capital expenditures in relation to consolidated revenue) to 8.4 percent (prior year: 9.5 percent). The resulting **free cash flow**, seasonally negative as in the prior year, amounted to minus EUR 130 million (prior year: minus EUR 112 million).

Net financial debt amounted to EUR 2.7 billion as at March 31, 2017 (December 31, 2016: EUR 2.6 billion). Shareholders' equity increased by approximately EUR 400 million to EUR 2.4 billion. On April 25, 2017, rating agency Fitch assigned a company rating of BBB- to Schaeffler AG. Fitch's rating is Schaeffler AG's second investment grade rating following the one assigned by Moody's.

The company has confirmed its **guidance** for **2017** as a whole. The Schaeffler Group expects revenue growth of 4 to 5 percent at constant currency, an EBIT margin of 12 to 13 percent before special items, and free cash flow of approximately EUR 600 million for 2017 as a whole.

About Schaeffler

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. The technology company generated sales of approximately EUR 13.3 billion in 2016. With around 86,600 employees, Schaeffler is one of the world’s largest family companies and, with approximately 170 locations in more than 50 countries, has a worldwide network of manufacturing locations, research and development facilities, and sales companies.

The full interim report as at March 31, 2017 is available for download at:

<http://www.schaeffler.com/ir>

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