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The material contained in this presentation reflects current legislation and the business and financial affairs of Schaeffler Group which are subject to change.
Agenda

1 Overview
2 Strategy "Mobility for tomorrow"
3 Investment Highlights
4 Outlook and Summary
Pre-release FY 2016 results – Update Equity story

Chronology of events

Nov 9, 2016
Results 9M 2016

Dec 8-9, 2016
Goldman Sachs Annual Global Automotive Conference, London

Jan 10, 2017
Deutsche Bank Global Auto Industry Conference, Detroit

Jan 11, 2017
Commerzbank German Investment Seminar, New York

Jan 17, 2017
UniCredit KeplerCheuvreux German Corporate Conference, Frankfurt

Jan 24, 2017
Pre-release FY2016 results and Conference Call Update Equity Story

Mar 8, 2017
Results FY2016

New Co-CEO Automotive Matthias Zink

- Since 1994 with Schaeffler Group
- Until 2012 various leadership positions within Transmission Systems Unit
- Head of Schaeffler Automotive Asia/Pacific from 2012 until 2014
- Head of Transmission Systems Business Division from 2014 until 2016
- Since January 1, 2017 Member of the Executive Board of Schaeffler AG
Schaeffler Group – A leading automotive and industrial supplier

Schaeffler at a glance

- Leading automotive and industrial supplier of high-precision components and systems
- Global footprint with around 85,000 employees at about 170 locations in more than 50 countries
- Balanced business portfolio across sectors, geographies and diversified customer base with leading market positions
- Sizeable aftermarket exposure contributes to stable financial performance
- Highly attractive profitability and cash returns

Sales growth 2012 – 2016 in EUR bn

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>+5.2%</td>
</tr>
<tr>
<td>2013</td>
<td>+2.9%</td>
</tr>
<tr>
<td>2014</td>
<td>+0.8%</td>
</tr>
<tr>
<td>2015</td>
<td>+3.5%</td>
</tr>
<tr>
<td>2016</td>
<td>+3.4% 1)</td>
</tr>
</tbody>
</table>

1) Preliminary figures

Global footprint

<table>
<thead>
<tr>
<th>Region</th>
<th>#Plants</th>
<th>#R&amp;D Centers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>48</td>
<td>9</td>
</tr>
<tr>
<td>Americas</td>
<td>14</td>
<td>5</td>
</tr>
<tr>
<td>Greater China</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>Asia / Pacific</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>75</strong></td>
<td><strong>17</strong></td>
</tr>
</tbody>
</table>
Overview

Preliminary Results for 2016 – Guidance 2016 comfortably achieved

Sales 2014-2016 in EUR mn

- **2014**: 12,124
- **2015**: 13,226
- **2016**: ~13,300

**Guidance 2016 Sales growth**: 3-5%

**Growth rates**

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>+0.8%</td>
</tr>
<tr>
<td>2015</td>
<td>+3.5%</td>
</tr>
<tr>
<td>2016</td>
<td>+3.4%</td>
</tr>
</tbody>
</table>

EBIT 3) 2014-2016 in EUR mn

- **2014**: 1,561
- **2015**: 1,676
- **2016**: ~1,700

**Guidance 2016: EBIT Margin**: 12.13%

adj. EBIT Margin

<table>
<thead>
<tr>
<th>Year</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>12.9%</td>
</tr>
<tr>
<td>2015</td>
<td>12.7%</td>
</tr>
<tr>
<td>2016</td>
<td>12.7%</td>
</tr>
</tbody>
</table>

Free Cash Flow 2014-2016 in EUR mn

- **2014**: 533
- **2015**: 543
- **2016**: ~730

**Guidance 2016: Free Cash Flow**: ~600 mn EUR

Guidance 2016:

- **Free Cash Flow**: ~600 mn EUR
- **EBIT Margin**: 12.13%

**Notations**:

1) FX-adjusted, w/o external growth
2) Preliminary figures
3) Before one-off effects
4) Excl. EUR 114 mn refinancing charges and EUR 371 mn reversal of EU antitrust provisions
5) Excl. EUR 173 mn refinancing charges for early redemption of bonds
6) W/o external growth

January 24, 2017

Schaeffler AG Capital Markets Presentation
2 Strategy "Mobility for tomorrow"

Strategy "Mobility for tomorrow" – 4 key elements

Vision / Mission

Mission
“Guided by the values of a global family business, we work closely together with our customers as true partners to deliver a compelling value proposition through our best-in-class expertise in manufacturing technology and systems know-how. In doing so, we contribute to the success of our customers, the advancement of our employees, and the prosperity of our society.”

8 Strategic pillars

1. We want to be the preferred technology partner for our customers.
2. We are an Automotive and industrial supplier.
3. We are a global company with a local presence throughout the world.
4. We produce components and systems.
5. We view C-Mobility, Industry 4.0, and Digitalization as key opportunities for the future.
6. We strive for the highest possible quality, efficiency, and delivery performance.
7. We want to be an attractive employer.
8. We live by the values of a global family business.

4 Focus areas

- Eco-friendly drives
- Urban mobility
- Energy chain

- Optimised combustion engine
- Electric vehicles
- Industrial drives
- Two-wheelers
- Inner-city railways
- Autonomous vehicles
- Wind power
- Solar power
- Conventional power generation

Interurban mobility
- Rail vehicles
- Aircraft
- Off-highway

16 Strategic initiatives

Agenda 4 plus One

Initiatives
1. Customer Focus
2. Operational Excellence
3. Financial Sustainability
4. Leadership & Talent Management

Sponsors
- Prof. Peter Dr. Spindler
- Prof. Guenther
- Dr. Spindler
- Prof. Peter Dr. Spindler
- Prof. Peter Dr. Spindler
- Prof. Peter Dr. Spindler
- Schleurenfeld
- Schleurenfeld
- Schleurenfeld
- Schleurenfeld
- Dr. Spindler
- Prof. Peter Dr. Spindler
- Prof. Peter Dr. Spindler
- Prof. Peter Dr. Spindler
- Prof. Peter Dr. Spindler

January 24, 2017

Schaeffler AG Capital Markets Presentation
Financial Ambitions 2020 – Profitable growth and sustainable value creation

Financial Ambitions 2020

<table>
<thead>
<tr>
<th>Metric</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Growth</td>
<td>Ø 4-6% p.a.</td>
</tr>
<tr>
<td></td>
<td>w/o external growth, FX-adjusted</td>
</tr>
<tr>
<td>EBIT Margin</td>
<td>12-13% p.a.</td>
</tr>
<tr>
<td></td>
<td>Before one-off effects, w/o external growth</td>
</tr>
<tr>
<td>Free Cash flow</td>
<td>~€ 900M in 2020</td>
</tr>
<tr>
<td></td>
<td>w/o external growth</td>
</tr>
<tr>
<td>Earnings per Share</td>
<td>~€ 2.00 per share in 2020</td>
</tr>
<tr>
<td></td>
<td>w/o external growth</td>
</tr>
<tr>
<td>Gearing ratio 1)</td>
<td>&lt;75% in 2020</td>
</tr>
<tr>
<td>Dividend 2)</td>
<td>30-40% of Net income</td>
</tr>
</tbody>
</table>

Market assumptions

- Automotive: Growth of global passenger car production around 2%
- Industrial: Low single-digit growth of industrial production

1) Net-debt to equity ratio (excluding pensions)
2) Payout ratio based on Net income
**Equity Story – 3 key elements**

- Automotive growth above market
- Margin upside in Industrial
- Strong Free cash flow generation

**4 key questions**

1. What is your expectation regarding outperformance in Automotive for 2017?
2. What does e-mobility mean for Schaeffler?
3. When do you think the Industrial margin will pick up again?
4. What are your priorities with regard to "use of cash"?
Sales and EBIT margin 2012 – LTM 9M 2016 in EUR mn

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (EUR mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>7,658</td>
</tr>
<tr>
<td>2013</td>
<td>8,164</td>
</tr>
<tr>
<td>2014</td>
<td>8,986</td>
</tr>
<tr>
<td>2015</td>
<td>9,993</td>
</tr>
<tr>
<td>LTM 2016</td>
<td>10,169</td>
</tr>
</tbody>
</table>

Growth rate (y-o-y)\(^1\)  
- 2012: +5.1\%  
- 2013: +8.6\%  
- 2014: +10.7\%  
- 2015: +5.8\%  
- LTM 2016: +5.3\%

EBIT margin\(^2\)  
- 2012: 13.5\%  
- 2013: 13.0\%  
- 2014: 14.0\%  
- 2015: 13.6\%  
- LTM 2016: 14.4\%  

\(^1\) Before FX effects  
\(^2\) Before one-off effects

Sales by region 2015

Europe: 53\%  
Asia/Pacific: 22\%  
Greater China: 15\%  
Americas: 10\%

Top 10 customers

- Volkswagen
- BMW
- FCA
- Daimler
- Ford
- GM
- Hyundai
- Renault
- Toyota
- Getras

Broad customer mix

- Top 10 automotive customers: 60\%
- Other customers: 40\%

Sales by business 2015

- Engine Systems: 42\%
- Transmission Systems: 26\%
- Chassis Systems: 17\%
- Aftermarket: 15\%
3 Investment highlights

Outperformance Automotive 2016 – Below average

Key aspects

- Historical outperformance 2010 – 9M 2016 above internal benchmark of plus 4%-pts
- Above vehicle production in 2016 with strong 4th quarter
- Schaeffler outperformance 9M 2016 1.9% due to:
  - Trucks effect: Truck sales is part of our total Automotive sales, weak markets dampening growth
  - Phase out effect: Phase-out of two projects affecting growth rate negatively in 2016
  - Americas mix effect: OEM stopped production of two small sedans as market was shifting to SUVs and light trucks

Outperformance 2010 – 9M 2016

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth rate Automotive</th>
<th>Light Vehicle Production</th>
<th>Outperformance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>3.8%</td>
<td>10.8%</td>
<td>-0.9%</td>
</tr>
<tr>
<td>2011</td>
<td>28.8%</td>
<td>14.1%</td>
<td>5.1%</td>
</tr>
<tr>
<td>2012</td>
<td>5.1%</td>
<td>6.0%</td>
<td>4.0%</td>
</tr>
<tr>
<td>2013</td>
<td>8.6%</td>
<td>4.0%</td>
<td>3.1%</td>
</tr>
<tr>
<td>2014</td>
<td>10.7%</td>
<td>3.1%</td>
<td>1.6%</td>
</tr>
<tr>
<td>2015</td>
<td>5.8%</td>
<td>1.6%</td>
<td>3.4%</td>
</tr>
<tr>
<td>9M 2016</td>
<td>5.3%</td>
<td>to come</td>
<td>1.9%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Period</th>
<th>Growth rate</th>
<th>Light Vehicle Production</th>
<th>Outperformance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2016</td>
<td>5.0%</td>
<td>0.9%</td>
<td>4.1%</td>
</tr>
<tr>
<td>Q2 2016</td>
<td>5.8%</td>
<td>2.8%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Q3 2016</td>
<td>5.1%</td>
<td>5.1%</td>
<td>0.0%</td>
</tr>
<tr>
<td>9M 2016</td>
<td>5.3%</td>
<td>to come</td>
<td>1.9%</td>
</tr>
<tr>
<td>Q4 2016</td>
<td>to come</td>
<td>5.8%</td>
<td>4.4%</td>
</tr>
<tr>
<td>FY 2016</td>
<td>to come</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Target: +4%-pts above market

Indicative figures for illustration purposes
3. Investment highlights

1. Outperformance Automotive 2017 – Back to plus 4%-pts above-market

Sales development

- Nearly 100% booked business

Key aspects

- Expected global light vehicle production growth of around 1.5% for 2017

- Sales growth Schaeffler 2017 supported by strong orderbook (nearly 100% booked business)

- Several high-volume launches and above-average content per vehicle
  - UniAir system (Europe)
  - Electromechanical camphaser (Europe)
  - Torque converter (US)
  - Dual-clutch transmission (China)

1) At constant currency

4%-pts outperformance in 2017
3 Investment highlights

2 E-Mobility – Accelerated scenario becomes more realistic

Global production volume ¹)
in millions of units

<table>
<thead>
<tr>
<th>Year</th>
<th>Basic scenario ²)</th>
<th>Accelerated scenario ²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>74</td>
<td>74</td>
</tr>
<tr>
<td>2015</td>
<td>89</td>
<td>98%</td>
</tr>
<tr>
<td>2020e</td>
<td>102</td>
<td>97%</td>
</tr>
<tr>
<td>2025e</td>
<td>111</td>
<td>85%</td>
</tr>
<tr>
<td>2030e</td>
<td>120</td>
<td>72%</td>
</tr>
</tbody>
</table>

CAGR 2010/2030 +2.4% p.a.

Battery electric vehicles
Hybrid vehicles
Internal combustion engines

Source: IHS, LMC Automotive, Schaeffler Group projections

²) Annually expected global production volume, automobiles/small utility vehicles in millions of units
Schaeffler estimates

Global production volume ¹)
in millions of units

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<th>Accelerated scenario ²)</th>
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<td>2020e</td>
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Schaeffler estimates

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Schaeffler AG Capital Markets Presentation
3 Investment highlights

**E-Mobility – 3 main powertrain structures**

1. **Internal combustion engines**
   - Powertrain structure
   - Powertrain portfolio
   - Existing Schaeffler portfolio
   - Est. Content per Vehicle: 50 – 500 Euro

2. **Hybrid vehicles**
   - Powertrain structure
   - Powertrain portfolio
   - Existing Schaeffler portfolio + Hybrid Module
   - Est. Content per Vehicle: 200 – 1,000 Euro

3. **Battery electric vehicles**
   - Powertrain structure
   - Powertrain portfolio
   - Selected components\(^1\) + Electric Axles
   - Est. Content per Vehicle: 25 – 1,250 Euro

---

\(^1\) Bearings; Planetary Gears

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3 Investment highlights

2 Strong starting position in e-mobility – Broad portfolio of solutions

Product portfolio

- E-Clutch
- 48 V hybrid module
- HV hybrid module
- 48 V Front end accessory drive
- 48 V e-axle
- 48 V e-axle
- HV e-axle
- Electric wheel hub drive

Key aspects

1999
1st Schaeffler E-Mobility symposium

2002
1st E-Mobility concept car

2005
1st serial production of components for hybrid modules

2016
- 500 Million Euro investment to date\(^1\), 1,200 employees globally
- More than 20 customer projects
- 6 series contracts for hybrid modules and e-Axles

2020
- Further 500 Million Euro investment\(^1\)
- Doubling of employees in R&D and manufacturing

\(^1\) Including R&D
More than 20 customer projects – 6 series contracts

**Americas**
- Hybrid Module with Integrated Torque Converter
  - Tier 1
  - SOP Q4/2018

**Europe**
- 1-Gear Electric Axle Front + Rear
  - Tier 1
  - SOP Q3/2018
- 1-Gear Electric Axle Front
  - Tier 1
  - SOP Q3/2019

**China**
- Hybrid Module
  - Tier 1
  - SOP Q1/2018
- 2-Gear Electric Axle Rear
  - Tier 1
  - SOP Q4/2017

**Hybrid Modules**
- 2 series contracts received
- More than 10 customer projects ongoing

**E-Axles**
- 4 series contracts received
- More than 10 customer project ongoing
Compact Dynamics acquired – Broadening competence and scope

1. System and Powertrain Competence
   - 500 Million Euro investment to date¹)
   - 1,200 employees globally
   - More than 20 customer projects
   - 6 series contracts for hybrid modules and e-axles

2. Acquisition
   - Schaeffler acquires a 51% stake in Compact Dynamics GmbH from SEMIKRON International GmbH.
   - Closing expected in Q1 2017; call option for remaining 49% stake until June 2018.
   - Compact Dynamics is a development specialist in the field of innovative, electric drive concepts

3. Cooperation
   - At the same time, SEMIKRON and Schaeffler establish a cooperation to develop power electronic solutions for alternative drive concepts
   - SEMIKRON is a worldwide leader for innovative power electronics
   - Schaeffler is significantly expending its expertise in e-motors and power electronics

¹) Includes Schaeffler’s joint ventures and minority interests
**3 Investment highlights**

**Schaeffler Industrial at a glance**

**Sales and EBIT margin 2012 – LTM 9M 2016**
in EUR mn

- **2012**: 3,406
- **2013**: 3,041
- **2014**: 3,138
- **2015**: 3,233
- **LTM 2016**: 3,029

Growth rate (y-o-y): -1.6% -8.1% +4.2% -3.2% -5.3%

EBIT-margin: 12.7% 10.7% 9.6% 9.7% 7.7%

**Sales by region 2015**

- **Americas**: 56%
- **Europe**: 19%
- **Asia/Pacific**: 15%

**Sales split by sector cluster & distribution channel 2015**

- **Wind**
  - Industrial Distribution: 33%
  - Industrial Automation: 13%
- **Raw Materials**
  - Aerospace: 10%
  - Rail: 8%
- **Aerospace**
  - Offroad: 7%
  - Two-Wheelers: 4%
- **Power Transmission**
  - Two-Wheelers: 10%

**Sales by business model 2015**

- **Customized product business**: 35%
- **Standard product distribution business**: 30%
- **OEM and MRO business**: 35%
3 Investment highlights

3 Revitalizing the Industrial division – Program CORE

4 key drivers

1. Customer focus and growth
   - Strengthen sales organizations in the regions
   - Strengthen regional engineering / customer support centers
   - Establish dedicated global key account management

2. Cost reduction & efficiency improvement
   - Reduce overhead cost
   - Re-dimension central departments
   - Drive cost saving program including material cost, efficiency gains and overhead reduction

3. High delivery performance
   - Establish European distribution centers (EDC) to ensure immediate product availability
   - Increase level of standardization
   - Implement high runner program with 24/48h delivery time

4. Optimized product and service offering
   - Strengthen standard product business
   - Balance customized product business / engineering solutions
   - Enforce market penetration of service / digitalization

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Cost reduction and efficiency improvements – First wave mostly completed in 2016

Key aspects

- First wave announced in August 2015
- Cost savings through HCO reduction in overhead functions of the Industrial Division
- Reduction of 500 HCO mainly in Germany until 12/2017
- Approximately 40 EUR mn overhead cost savings (full run rate 2018)
- 36 EUR mn restructuring provisions (booked in Q IV 2015)

Indicative Financial Impact
Δ EBIT in EUR mn

<table>
<thead>
<tr>
<th>Year</th>
<th>EBIT Improvement</th>
<th>One-off effects</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014A</td>
<td>-36</td>
<td></td>
</tr>
<tr>
<td>2015A</td>
<td>15²)</td>
<td></td>
</tr>
<tr>
<td>2016F</td>
<td>31</td>
<td></td>
</tr>
<tr>
<td>2017P</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>2018P</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1) Financial impact in specific year
2) thereof 9 mn Euro YTD September 2016

HCO reduction Overhead

<table>
<thead>
<tr>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Overhead Headcount 06/2015</td>
<td>Left payroll</td>
<td>Signed termination contracts</td>
</tr>
<tr>
<td>2.165</td>
<td>127</td>
<td>459</td>
</tr>
<tr>
<td></td>
<td>332</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1.665</td>
</tr>
</tbody>
</table>

Completion Ratio -90% ³)

³) as of November 3, 2016

EBIT Improvement
One-off effects
Cost reduction and efficiency improvements – Second wave initiated in 2016

Key aspects

- Second wave announced in November 2016
- Cost savings through consolidation of plants in Europe and Americas and HCO reduction in overhead functions also outside the Industrial division
- Reduction of 500 HCO in Germany\(^1\), Europe and other regions targeted
- Approximately 60 EUR mn improvement from Gross Profit optimization and Overhead cost reduction until 2019 planned
- Around 70 EUR mn one-off effects until 2019 of which approximately 45 EUR mn will be booked as restructuring cost as of year end 2016

Indicative Financial Impact\(^2\)

\[ \Delta \text{EBIT in EUR mn} \]

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>2015A</td>
<td>~45</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016F</td>
<td></td>
<td>23</td>
<td></td>
<td>41</td>
<td>58</td>
</tr>
<tr>
<td>2017P</td>
<td>-14</td>
<td></td>
<td>50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018P</td>
<td>-9</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019P</td>
<td>-2</td>
<td></td>
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</table>

\(^1\) Subject to negotiation with working council

HCO reduction Plants/Overhead

- Total HCO reduction target: ~500 EUR mn
- Germany: ~400 EUR mn
- Europe: ~100 EUR mn

2016-2019 in total 70 mn Euro one-off effects, thereof 45 mn Euro booked as restructuring cost
3 Investment highlights

3 Cost reduction and efficiency improvements — Overall target remains in place

Successful implementation

Cost reduction and efficiency improvements

- Overall target remains in place

- Successful implementation

Financial ambitions

- Stable market environment

- EBIT margin Industrial Division 10-11% in 2018

- Successful implementation of CORE program
Customer focus and growth – New business picking up

Railway

Sectors and products

- E-locomotive
- Tapered and cylindrical roller bearing with ceramic coating; TAROL for Wheelset and Axle box housing
- Supplier network

Signed 12/2016
10-year contract
Two-digit Euro mn

Wind

Sectors and products

- Wind turbine
- Durotect B coated spherical roller bearing with WPOS
- Supplier network

Signed 09/2016
1-year contract
Two-digit Euro mn

Aerospace

Sectors and products

- Aerospace engine
- Bearings and components for key engine programs; Main shaft and gearbox bearings
- Supplier network

Signed 12/2016
5-year contract
Three-digit Euro mn
Investment highlights

Use of cash – M&A strategy based on selected add-on acquisitions

M&A strategy

Approach
- Focus on technological competence to maintain our strong position as technology and innovation leader
- Focus on smaller add-on acquisitions that contribute to a sustainable value creation

Acquisition Criteria
- Strategic and cultural fit, technological excellence and value contribution as the most important acquisition criteria
- Possible acquisitions will be in the three-digit million range

Automotive & Industrial
- Attractive pipeline of potential acquisition targets for both divisions
- Focus in Automotive and Industrial is on technology and on strengthening market positions

Use of cash

External growth
- Add-on acquisitions

Deleveraging
- Further optimization of balance sheet

Dividends
- 30-40% of net income
**Outlook and Summary**

**Guidance for 2017 – Improved growth prospects**

<table>
<thead>
<tr>
<th>Sales growth</th>
<th>Guidance 2016</th>
<th>Actuals 2016</th>
<th>Guidance 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3-5% FX-adjusted</td>
<td>3.4% FX-adjusted</td>
<td>4-5% FX-adjusted</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>12-13% of sales before one-off effects</td>
<td>12.7% of sales before one-off effects</td>
<td>12-13% of sales before one-off effects</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>~ EUR 600 mn w/o external growth</td>
<td>~ EUR 730 mn</td>
<td>~ EUR 600 mn w/o external growth</td>
</tr>
</tbody>
</table>

**Market assumptions**

- Automotive: Global Light Vehicle production growth of around 1.5%
- Industrial: Slight volume growth of global Industrial production at constant prices
Key messages

1. Pre-release of preliminary figures with strong results (FX-adjusted sales growth 3.4%, adj. EBIT margin 12.7%; FCF EUR ~730mn), comfortably achieving Guidance for 2016

2. Outperformance Automotive below-average in 2016, but back to 4%-pts target in 2017

3. Powertrain electrification requires alignment of product portfolio offering significant growth potential; more than 20 customer projects, 6 series contracts with top customers

4. Program CORE on track; second wave of efficiency measures initiated; increasing customer business

5. Strong cash flow generation allows for balanced use of cash including healthy dividend payments and add-on acquisitions

6. Guidance 2017 (FX-adjusted sales growth 4-5%, adj. EBIT margin 12-13%, FCF ~600 mn EUR); Foundations laid to achieve financial ambitions 2020
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Financial Calendar

<table>
<thead>
<tr>
<th>Financial Period</th>
<th>Reporting Date</th>
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<tbody>
<tr>
<td>FY 2016 results</td>
<td>March 8, 2017</td>
</tr>
<tr>
<td>Q1 2017 results</td>
<td>May 11, 2017</td>
</tr>
<tr>
<td>H1 2017 results</td>
<td>August 8, 2017</td>
</tr>
<tr>
<td>9M 2017 results</td>
<td>November 8, 2017</td>
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