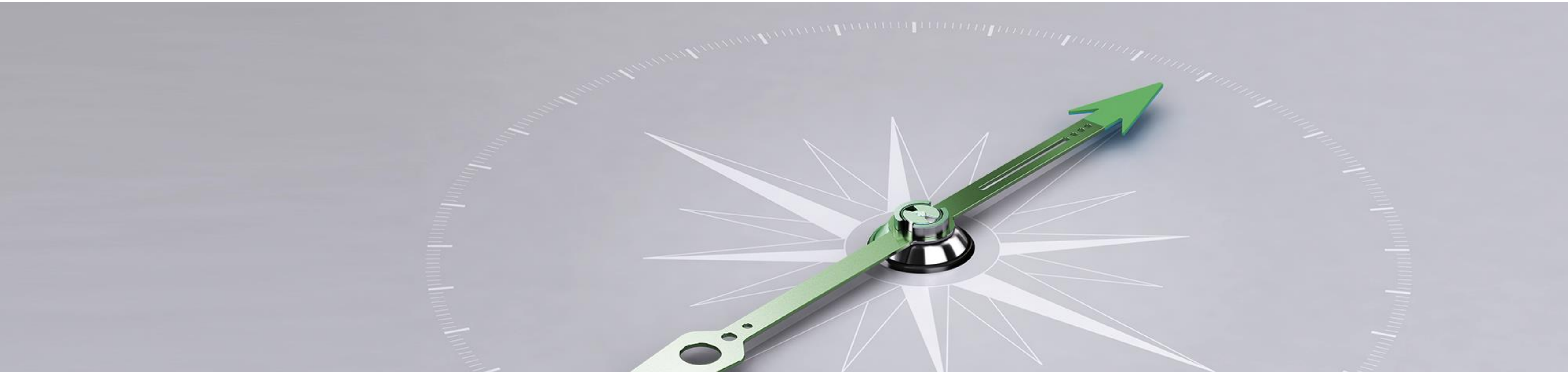

Results 9M 2018 Schaeffler AG

Conference Call
November 7, 2018
Herzogenaurach

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Agenda

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Mixed 9M results – Full-year guidance adjusted on October 30th

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	9M'17	9M'18
Group		
Sales	10,480 mn	10,714 mn (+5.1%[1])
EBIT margin[2]	11.4%	10.7%
Automotive OEM		
Sales	6,666 mn	6,778 mn (+4.3%[1])
EBIT margin[2]	10.7%	8.8%
Automotive Aftermarket		
Sales	1,434 mn	1,401 mn (+1.3%[1])
EBIT margin[2]	19.4%	18.3%
Industrial		
Sales	2,380 mn	2,535 mn (+9.8%[1])
EBIT margin[2]	8.7%	11.8%

Key aspects

1. 9M Group results impacted by mixed Q3 – Sales 9M +5.1%[1], EBIT margin[2] 9M 10.7% (PY 11.4%) after 11.1% in H1, FCF[3] 9M at EUR 127 mn (PY: EUR 247 mn)
2. Automotive OEM – Subdued growth, yet Outperformance in a weak market environment. Sales 9M +4.3%, EBIT margin[2] 8.8% (PY 10.7%) due to lower Q3 (7.9%).
3. Automotive Aftermarket – Soft Q3 sales bringing growth rate down to +1.3% in 9M[1], EBIT margin[2] 9M of 18.3% (PY 19.4%) still ahead of FY guidance of 16.5-17.5%
4. Industrial – Very strong Q3 with sales growth of 9.4%[1] (9M: 9.8%[1]), EBIT margin[2] 9M significantly increased to 11.8% (PY 8.7%)
5. Agenda 4 plus One on track, 50% Completion Ratio achieved – Reorganisation of UK activities as part of Global Footprint initiative
6. FCF[3] 9M at EUR 127 mn (PY: EUR 247 mn) – Q3 at EUR 201 mn (PY: EUR 333 mn) driven by lower EBIT and higher Inventory levels
7. Group guidance 2018 adjusted – Increased focus on cash generation, inventory reduction and stricter capex allocation; dividend policy unchanged (30-40% payout ratio)

1) FX-adjusted 2) Before special items 3) Before M&A

Automotive OEM – Good Outperformance in a weak market environment, EBIT margin[2] at 8.8%

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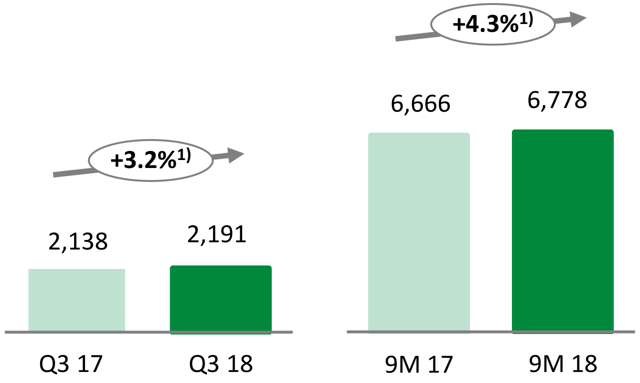
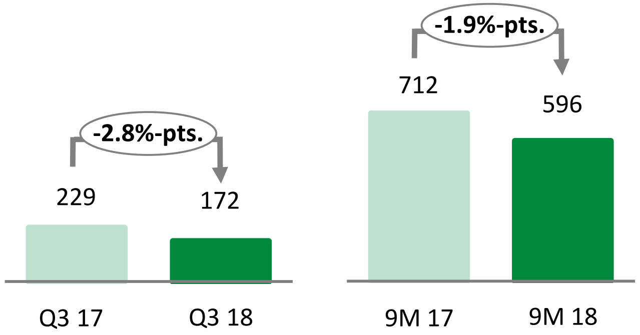
Automotive OEM sales

in EUR mn



Automotive OEM EBIT[2]

in EUR mn



	Q3 17	Q3 18	9M 17	9M 18
EBIT margin[2]	10.7%	7.9%	10.7%	8.8%

- Subdued growth development due to weak market environment in China and Europe (WLTP), FX-adjusted sales in Q3'18 +3.2%[1] – All business divisions and regions contributing with Americas showing the strongest growth of 9.9% FX-adjusted
- Outperformance accelerated to 5.2% in Q3 (9M: 3.5%) – Region Americas showing the highest Outperformance in Q3 with 7.7%, followed by Greater China with 5.8% in a declining market situation
- Lower margin in Q3 – Resulting from ramp up costs, project delays in China as well as negative mix in Europe and higher production costs (including higher raw material prices)
- Divisional Guidance 2018 adjusted – Sales growth[1] of 3.5-4.5% (previously: 4.5-5.5%) and EBIT margin[2] of 8.0-8.5% (previously: 8.5-9.5%)

1) FX-adjusted 2) Before special items

Automotive OEM – Schaeffler e-Axle transmission is driving the brand new Audi eTron Quattro

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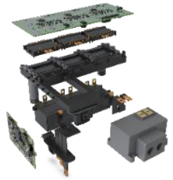
E-Axle subsystems

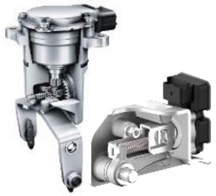
Power Electronics



E-Machines

E-Axle Transmission

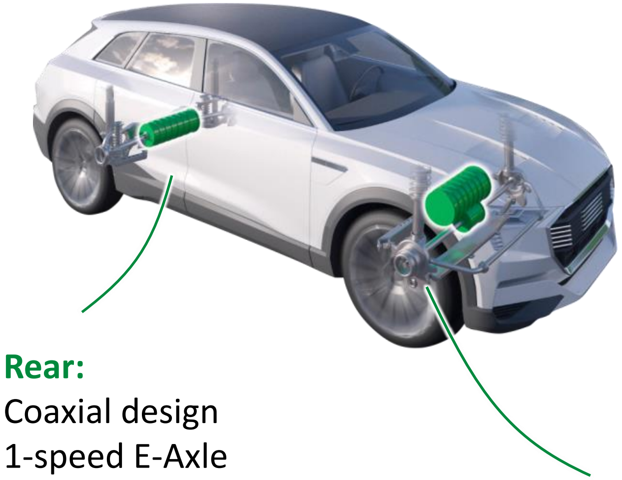
Actuators



Software

2018 Schaeffler‘s new Lightweight E-Axle Transmissions for the Audi eTron Quattro

SOP Q3/2018



Rear:
Coaxial design
1-speed E-Axle
Transmission

Front:
Parallel design 1-speed E-Axle Transmission with integrated electr. mech. parking lock

- Schaeffler supplies both E-Axle Transmissions for the new Audi eTron Quattro
- Both E-Axles are based on Schaeffler‘s patented Lightweight Differential technology
- The rear axle is build in coaxial design and sets a new benchmark in power density (230 Nm/kg).
- The front axle is build in parallel design and includes a parking lock with electro-mechanical actuator

Best-in class
power density for
E-Axle transmissions:
230 Nm/kg

Automotive Aftermarket – Soft Q3 leading to sales growth[1] 9M +1.3%, EBIT margin 9M at 18.3%[2]

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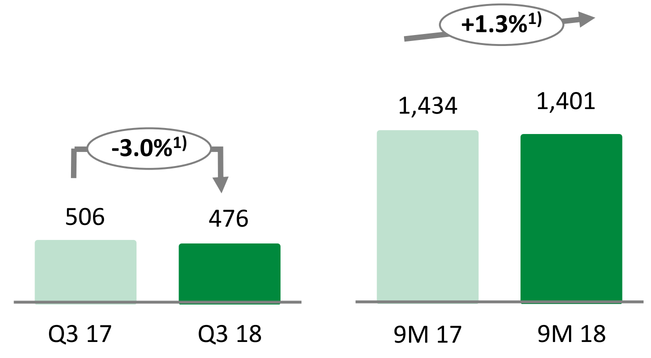
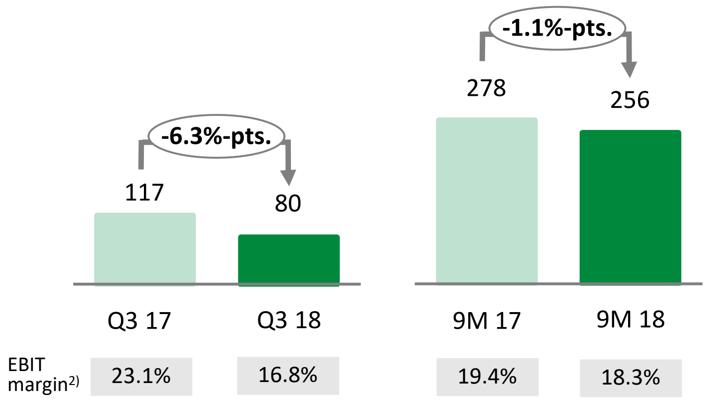
Automotive Aftermarket sales

in EUR mn



Automotive Aftermarket EBIT[2]

in EUR mn



- Q3 sales down 3%[1] bringing FX adjusted sales growth to +1.3%[1] in 9M – Sales development in Q3 driven by temporary lower demand in the Independent Aftermarket in Region Europe and the OES business in Region Americas
- EBIT margin[2] in 9M'18 at 18.3% (9M'17: 19.4%) – Q3´18 lower due to strong comparables and temporary increased logistics and marketing expenses
- Further optimization of our global logistic footprint – Extension of 3 regional warehouses to provide increased capacity and kitting capabilities at the regional level
- Divisional Guidance 2018 adjusted – Sales growth[1] of 1.5-2.5% (previously: 3-4%) and EBIT margin[2] of 17.0-17.5% (previously: 16.5-17.5%)

1) FX-adjusted 2) Before special items

Automotive Aftermarket – Further footprint optimization and presence at Automechanika

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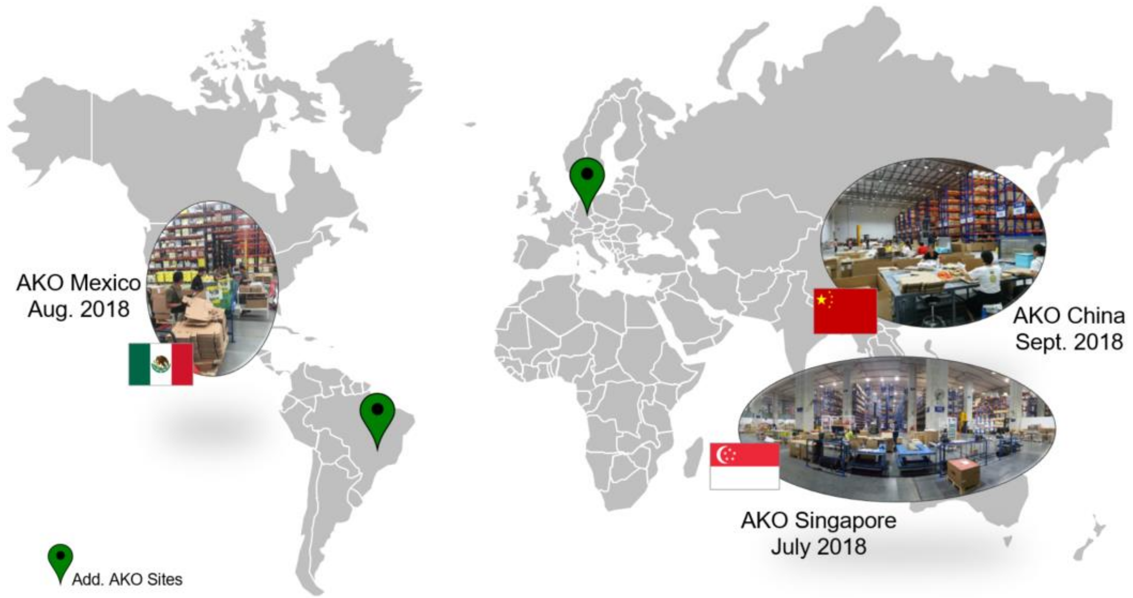
Closer to our customers around the globe: 3 new kitting operations



- **Future readiness** – customer proximity worldwide
- **System modernization** – creating a highly responsive supply chain
- **Process optimization** – driving efficiencies to benefit our customers

Showcasing the future: Schaeffler at the Automechanika 2018

- **Connecting with customers**: 260 meetings in 13 on-site meeting rooms

- **The solutions of tomorrow:** Schaeffler enhances product expertise with mixed reality elements

Industrial – Very strong performance continued: Sales growth[1] 9M +9.8%, EBIT margin[2] 9M at 11.8%

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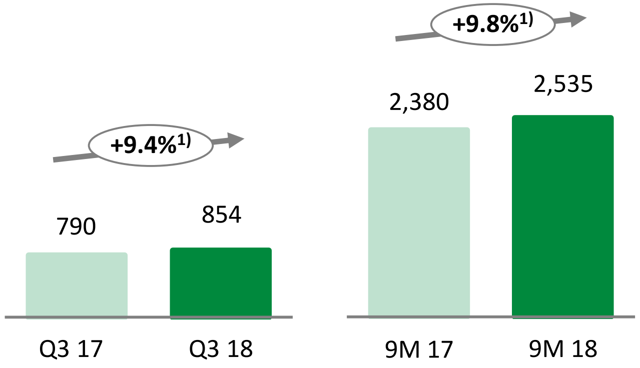
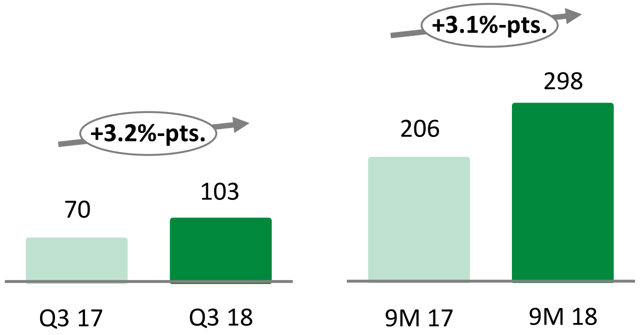
Industrial sales

in EUR mn



Industrial EBIT[2]

in EUR mn



	Q3 17	Q3 18	9M 17	9M 18
EBIT margin[2]	8.9%	12.1%	8.7%	11.8%

- Very strong Q3 sales growth of 9.4% bringing FX-adjusted sales growth in 9M'18 to 9.8%[1] – Growth driven by all sectors and regions; Industrial Distribution business with strong growth of 9.6%[1] in 9M'18
- Industrial EBIT margin 9M'18 at 11.8%[2] (9M'17: 8.7%[2]) – Higher volumes, favourable pricing and positive impact from CORE I and II cost efficiency initiatives as main drivers
- Double digit growth in four out of eight sectors – Greater China growth (9M´18: +29.6%) driven by sector clusters Raw Materials, Wind and Power Transmission
- Divisional Guidance 2018 confirmed – Sales growth[1] of 8-9% and EBIT margin[2] of 10.5-11.0% (previously: 10-11%)

1) FX-adjusted 2) Before special items

Industrial – Strong growth across main sector clusters

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Key aspects

Ongoing high growth in all regions, with Europe and Americas accelerating against Q2. Positive price momentum continues

Raw Materials

- Growth on a broad basis, with strong mining, steel and pulp / paper sectors
- Significant orders for cylindrical roller bearings with key customer in drilling & conveying equipment received

Power Transmission

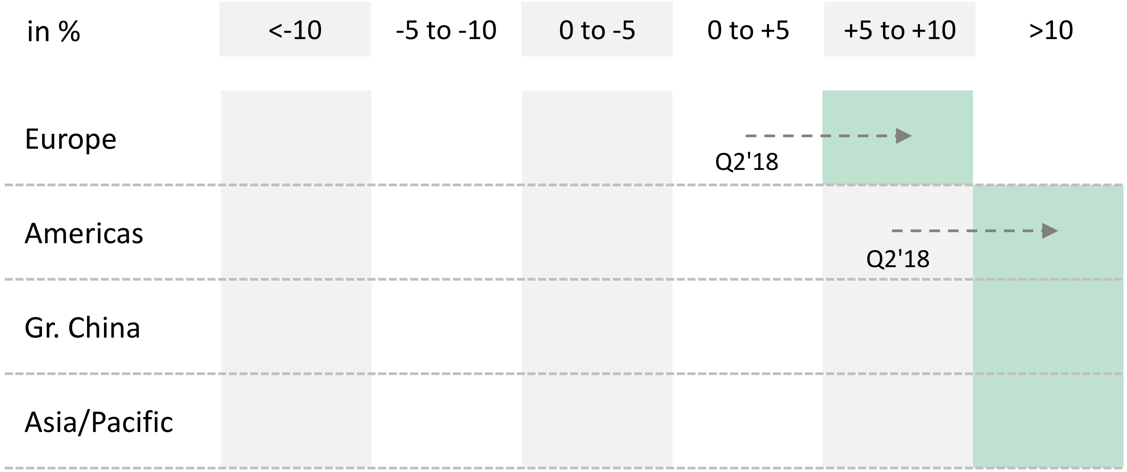
- Strong industrial equipment demand, incl. fluid / pneumatic and e-motors
- Business expansion with high performance cylindrical roller bearings made from Mancrodur material to extend gearbox service life

Distribution

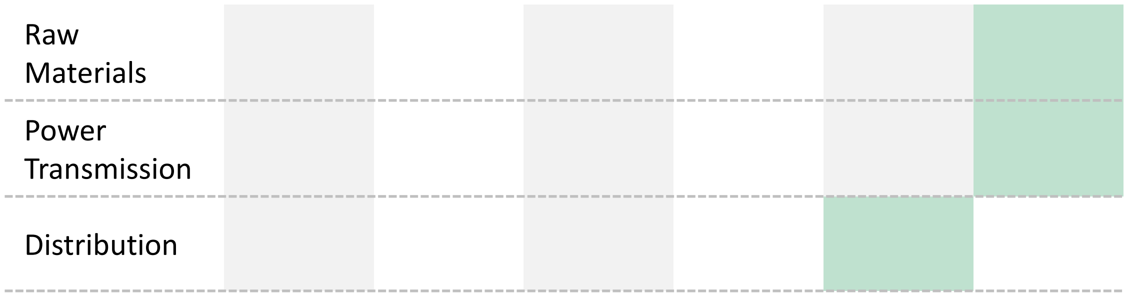
- Ongoing positive market environment, driven by strong aftersales service demand and customized investment of smaller local OEMs
- Extended contracts with distribution partners concluded

YOY Growth rates Q3´18[1)]

Regional growth performance



Selected sector /channel growth drivers



1) FX-adjusted

Agenda 4 plus One on track – Global Footprint Initiative in the UK

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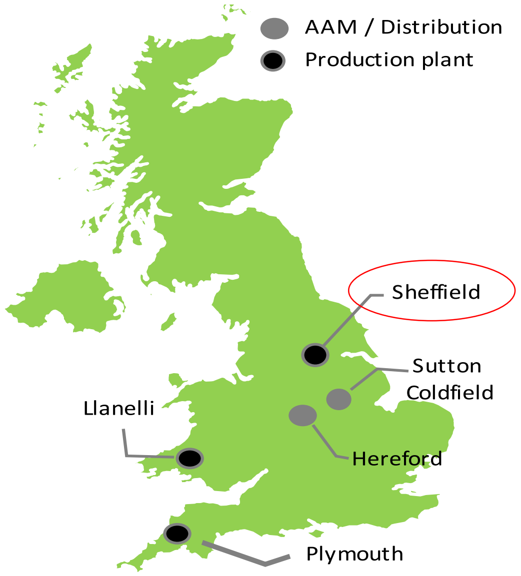
Key aspects

- Company remains committed to UK, but with smaller production footprint
- Current footprint comprises 3 plants (production is mainly for the European continent) and 2 distribution centers
- The current production of Plymouth und Llanelli will be shifted to sites outside of the UK. Both plants will be closed following the completion of the production shift

Current footprint in the UK

- The total headcount in the UK is slightly above 1,000 employees
- Sales of around EUR 440 mn in FY2017 (Automotive ~85% and Industrial ~15%)



Rationale in the UK

- Decision based on economic and commercial imperatives
- Optimize footprint with only 1 plant (Sheffield) to become more efficient and to limit potential Brexit impact
- Restructuring to start in Q4 2018
- Implementation will take up to 2 years
- Restructuring cost of approximately EUR 20 mn in 2018[1)]
- Synergies and increases in efficiencies beyond 2020

Streamline the Global Supply Chain

1) First estimate

Free Cash Flow before M&A Q3 at EUR 201 mn – Capex Ratio Q3 at 7.4%

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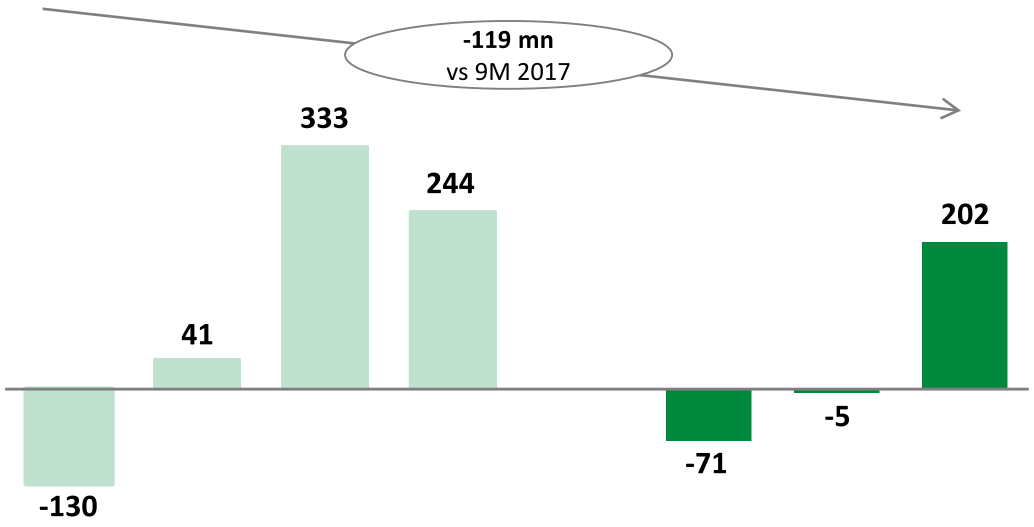
Free Cash Flow

in EUR mn



	Q1 17	Q2 17	Q3 17	Q4 17	Q1 18	Q2 18	Q3 18
FCF before M&A	-111	25	333	268	-69	-5	201
FCF conversion ratio[4]	30%	18%	21%	22%	24%	22%	17%
Capex ratio[5]	8.4%	8.5%	8.1%	11.3%	8.6%	7.9%	7.4%

1) Including payments for legal cases and restructuring measures
2) Capex in major logistic projects Aftermarket Kitting Operation (AKO), European Distribution Center (EDC) and initiative Focus
3) Cash in- and outflows for M&A activities
4) LTM FCF before M&A divided by LTM EBITDA before special items
5) Capex in % of sales

Key aspects

- FCF before M&A at EUR 201 mn in Q3’18 (PY: EUR 333 mn), FCF conversion ratio 17%
- Lower EBIT and higher inventory level as main drivers for lower FCF before M&A
- Capex to sales ratio reduced to 7.4% in Q3’18 (Q3'17: 8.1%), showing more disciplined Capex spending

FCF Details

in EUR mn

	Q3 2017	Q3 2018	*Δ Q3 17/18*	9M 2017	9M 2018	*Δ 9M 17/18*
FCF as reported	**333**	**202**	***(131)***	**244**	**126**	***(118)***
Non recurring items[1]	10	9	*(1)*	103	85	*(18)*
AKO / EDC/ Focus[2]	26	7	*(19)*	66	33	*(33)*
M&A[3]	0	(1)	*(1)*	3	1	*(2)*
Receivable Sale Program	(54)	(47)	*7*	(54)	(47)	*7*
	315	**170**	***(145)***	**362**	**198**	***(164)***

Key figures Q3 2018 and 9M 2018

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in EUR mn		9M 2017	9M 2018	9M 2018 vs. 9M 2017	Q3 2017	Q3 2018	Q3 2018 vs. Q3 2017
Sales	1	10,480	10,714	+2.2% / +5.1%[1]	3,434	3,521	+2.5% / +3.7%[1]
EBIT[2]	2	1,196	1,150	-46 mn / -3.8%	416	355	-61 mn / -14.7%
EBIT margin[2]		11.4%	10.7%	-0.7%-pts.	12.1%	10.1%	-2.0%-pts.
Net income[3]	3	791	766	-25 mn	306	257	-49 mn
EPS[4]		1.19	1.16	-0.03	0.46	0.39	-0.07
ROCE[2) 5]		20.5%	18.8%	-1.7%-pts.			
Free Cash Flow[6]	4	247	127	-120 mn	333	201	-132 mn
Capex		873	857	-16 mn	279	262	-17 mn
Net financial debt	5	2,620	2,644	+24 mn			
Gearing ratio[7]		109.1%	91.0%	-18.1%-pts.			

1) FX-adjusted
2) Before special items
3) Attributable to shareholders of the parent company
4) Earnings per common non-voting share
5) LTM
6) Before M&A
7) Ratio of net financial debt to equity incl. non-controlling interests

1 Sales growth Q3'18 +3.7%[1)] – Region Americas and Greater China with highest growth rates

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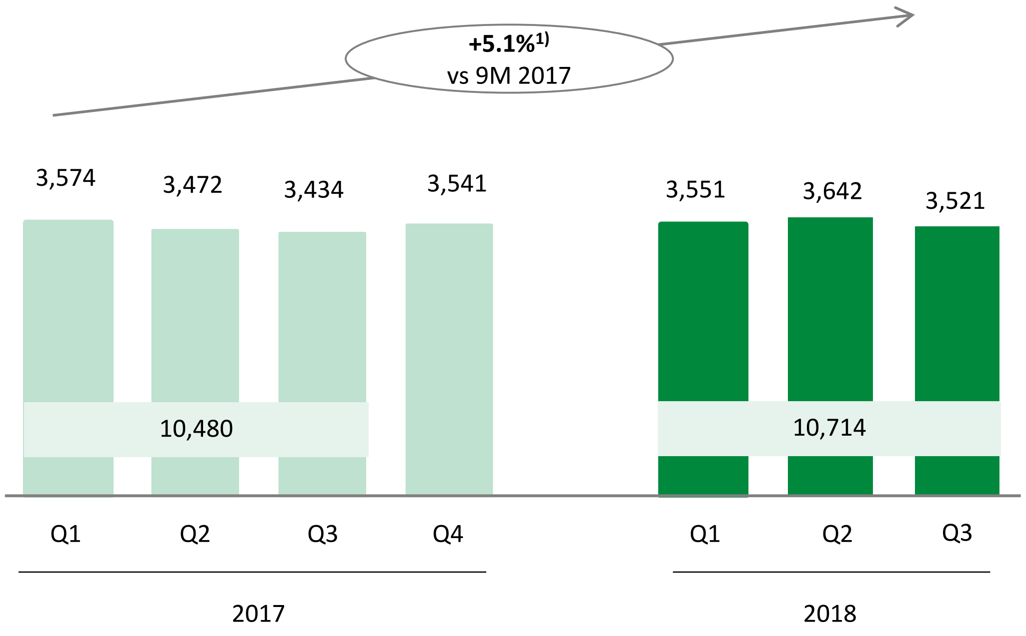
Sales

in EUR mn



	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018
Reported growth	+6.9%	+3.1%	+5.2%	+5.4%	-0.6%	+4.9%	+2.5%
Sales growth[1)]	+5.4%	+2.2%	+7.4%	+8.5%	+3.9%	+7.9%	+3.7%

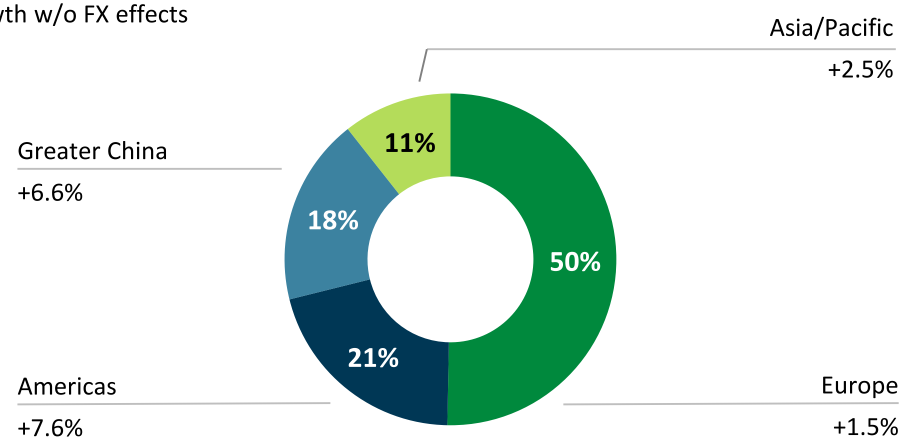
1) FX-adjusted

Key aspects Q3'18

- Group sales up by +3.7%[1)] (Q3'17: +7.4%[1)]), all regions contributed
- Sales growth mainly driven by Americas (+7.6%) and Greater China (+6.6%, thereof: AOEM +2.5%; AAM +37.3%; Industrial +17.6%)

Sales by region Q3 2018

y-o-y growth w/o FX effects



2 EBIT Margin Q3'18 10.1% – 2.0%-pts. below prior year quarter

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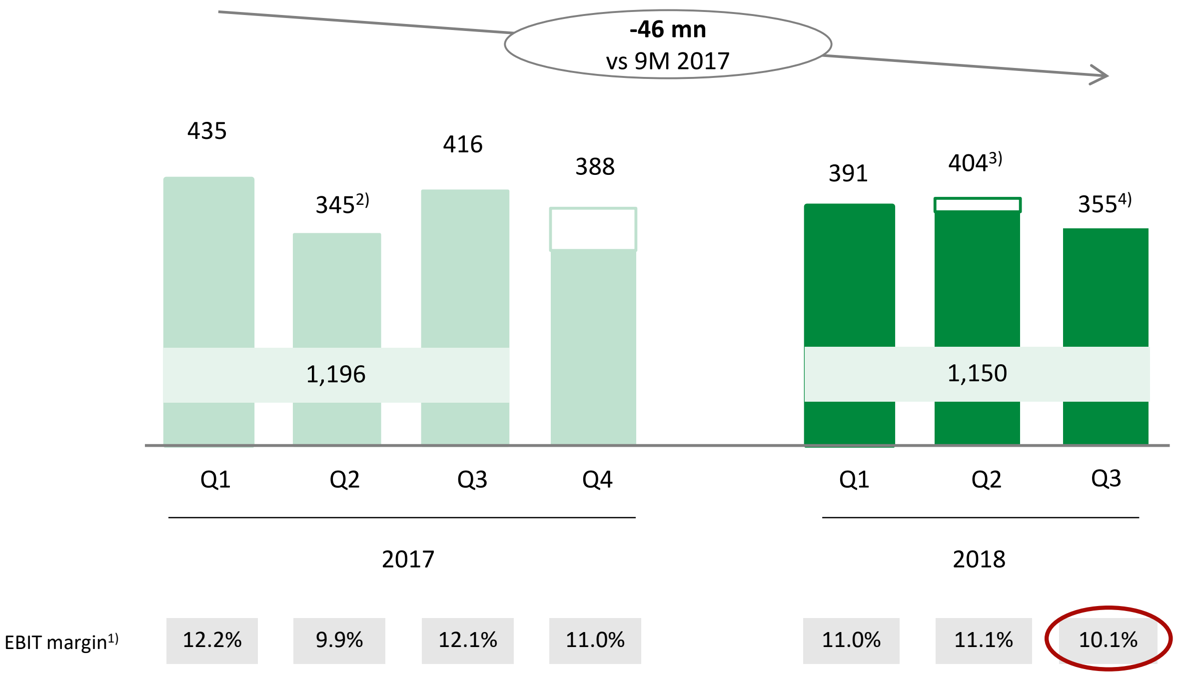
EBIT[1)]

in EUR mn



1) Before special items
2) Reported EBIT of EUR 358m including EUR 13m positive special item
3) Reported EBIT of EUR 382m including EUR 22m restructuring expenses related to the dissolution of the internal supplier BCT
4) Reported EBIT of EUR 358m including EUR 21m positive special item

Key aspects Q3'18

- Gross profit margin decreased from 28.1% to 26.5% mainly driven by ramp up costs, project delays in China and higher production costs (including higher raw material prices)
- Increase in administration expenses driven by Agenda 4 plus One initiatives
- Reported EBIT includes EUR 21 mn positive special item

EBIT margin[1)]

	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18
Automotive OEM	11.9%	9.4%	10.7%	11.2%	9.5%	9.0%	**7.9%**
Automotive Aftermarket	19.2%	15.3%	23.1%	17.9%	17.9%	20.0%	**16.8%**
Industrial	8.6%	8.5%	8.9%	6.1%	11.4%	11.8%	**12.1%**
Total	**12.2%**	**9.9%**	**12.1%**	**11.0%**	**11.0%**	**11.1%**	**10.1%**

A Automotive OEM – 5.2%-pts. outperformance versus market in Q3'18

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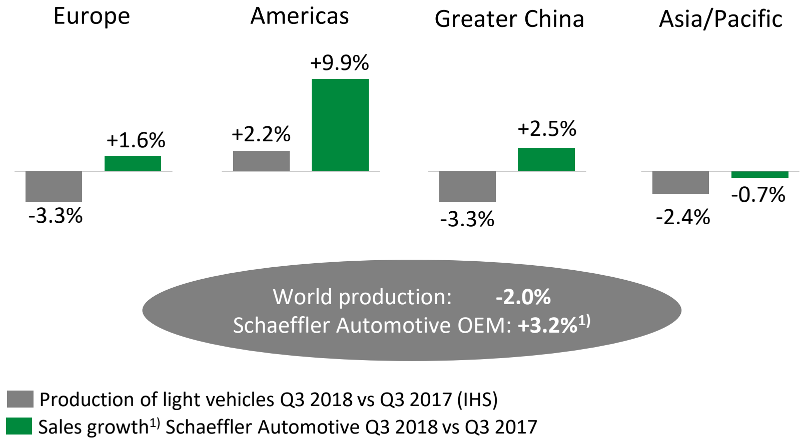
Automotive OEM sales and market development Q3

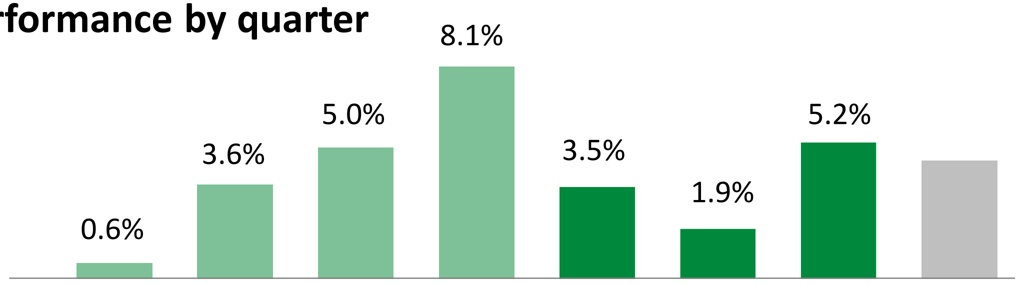


Sales by business division

in EUR mn

	Q3 2017	Q3 2018	Δ [1]
Engine Systems	669	691	+4.1%
Transmission Systems	992	996	+1.2%
E-Mobility	103	128	+25.3%
Chassis Systems	374	376	+1.3%
Total	**2,138**	**2,191**	**+3.2%**

Outperformance by quarter



	Q1 17	Q2 17	Q3 17	Q4 17	Q1 18	Q2 18	Q3 18	FY 18e
Growth rate Automotive OEM[1]	6.4%	3.5%	7.4%	8.7%	3.2%	6.5%	3.2%	3.5-4.5%
LVP growth[2]	5.8%	0.1%	2.4%	0.6%	-0.3%	4.6%	-2.0%	0.7%

Key aspects Q3'18

- Outperformance Q3'18 of 5.2%-pts. versus global production growth
- All Regions outperforming despite weak market environment
- Business division E-Mobility with over 25% growth in Q3

1) FX-adjusted 2) Source: HIS Markit, as of October 2018

A Automotive OEM – Q3 EBIT margin[2)] of 7.9% (Q3'17: 10.7%)

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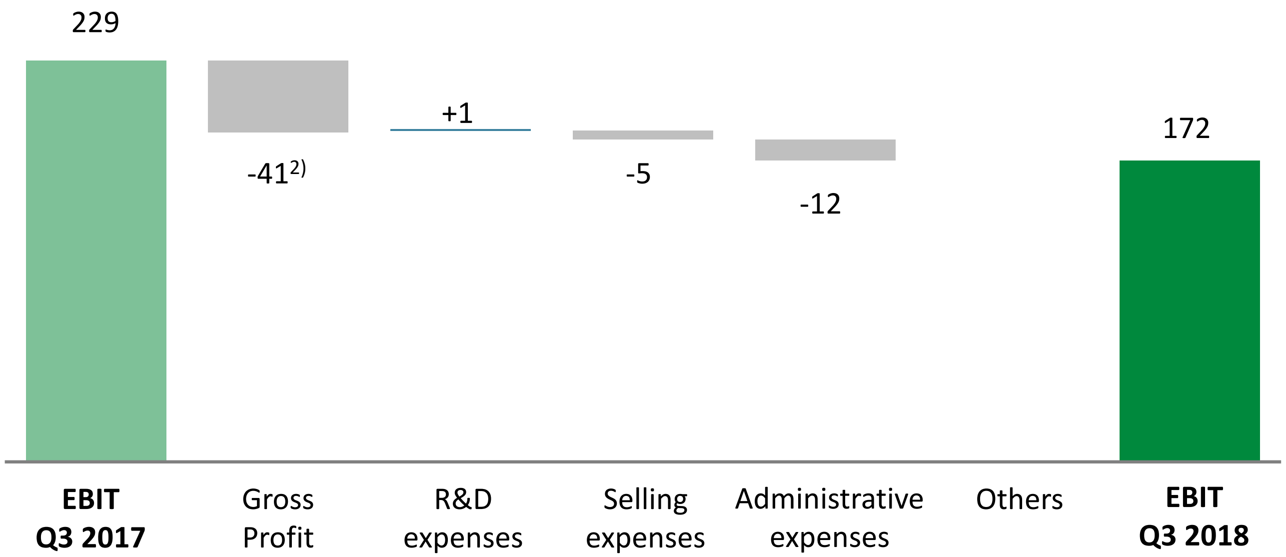
EBIT[1)] Q3 2017 vs. Q3 2018

in EUR mn



	EBIT Q3 2017	Gross Profit	R&D expenses	Selling expenses	Administrative expenses	Others	EBIT Q3 2018
EBIT margin development[1)]	10.7%	-2.5%-pts	+0.3%-pts	-0.2%-pts	-0.5%-pts	+0.1%-pts	7.9%

1) Before special items

2) Includes postive FX effects of EUR 4 mn

Key aspects

- Gross margin declined from 25.6% to 23.1% mainly driven by ramp up costs, project delays in China and higher production costs (including higher raw material prices)
- Increase in administration expenses driven by Agenda 4 plus One initiatives
- EBIT margin 7.9% in Q3'18 after 10.7% in Q3'17

B Automotive Aftermarket – High comps in Region Americas and temporary lower sales in Europe

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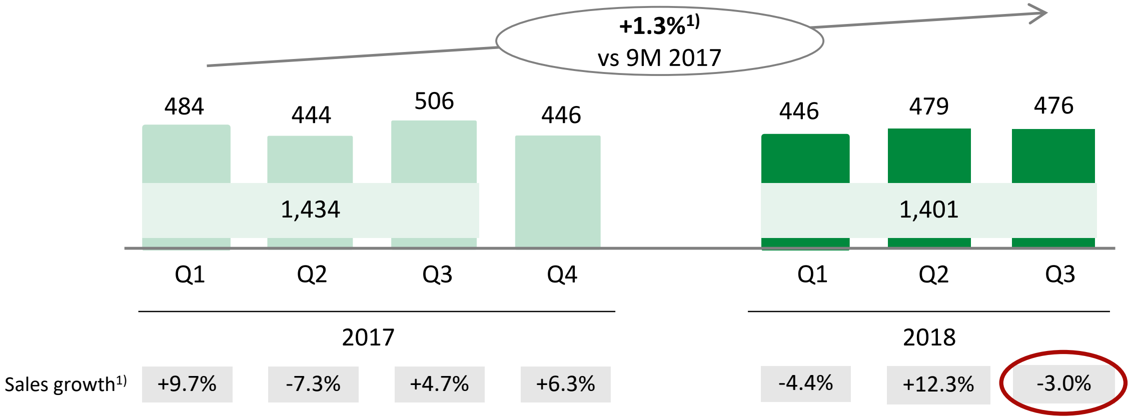
Automotive Aftermarket sales by quarter

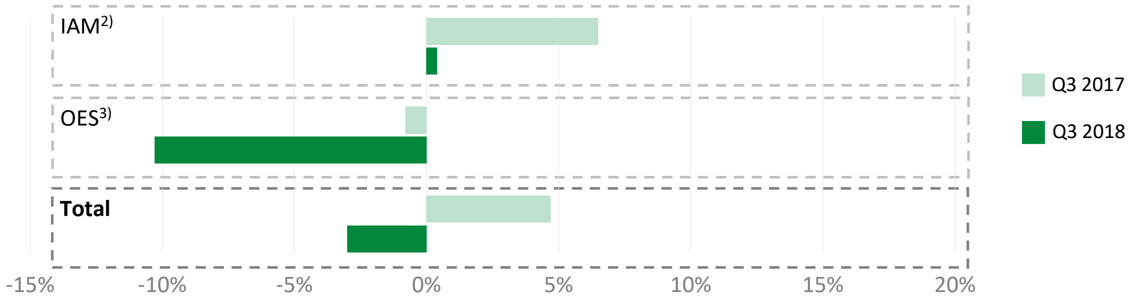
in EUR mn



Sales by region

y-o-y growth	Q3 2017	Q3 2018	Δ[1]
Europe	375	355	-4.3%
Americas	106	89	-6.3%
Greater China	14	19	+37.3%
Asia/Pacific	11	13	+16.3%
Total	**506**	**476**	**-3.0%**

Automotive Aftermarket sales growth by channel Q3 2018[1]



1) FX-adjusted 2) Independent Aftermarket 3) Original Equipment Service

Key aspects

- Negative sales growth[1] of -3.0% in Q3'18
- Lower sales driven by lower demand from European key customers and high comps of OES business in Americas
- Unexpected weakness in Q3'18 cannot be compensated in Q4'18; FY sales growth[1] guidance adjusted to 1.5-2.5% (previously: 3-4%)

B Automotive Aftermarket – Q3 EBIT margin[2)] of 16.8% (Q3'17: 23.1%)

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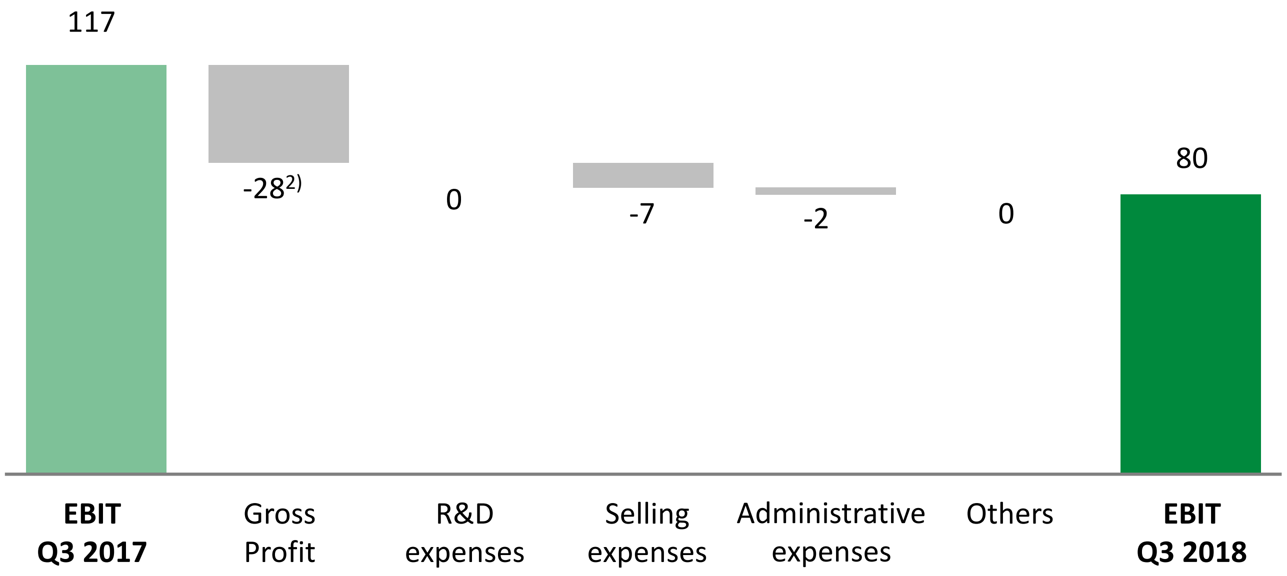
EBIT[1)] Q3 2017 vs. Q3 2018

in EUR mn



EBIT margin development[1)]	23.1%	-3.4%-pts	-0.1%-pts	-2.1%-pts	-0.6%-pts	-0.1%-pts	16.8%

1) Before special items 2) Includes negative FX effects of EUR -5 mn

Key aspects

- Gross margin decreased from 38.1% to 34.7% of sales, mainly driven by higher production costs and price pressure in some markets
- Selling expenses higher mainly driven by increased spending for logistics and temporary higher marketing activities
- EBIT margin 16.8% in Q3'18 after 23.1% in Q3’17

C Industrial Division – All sectors and regions growing in Q3

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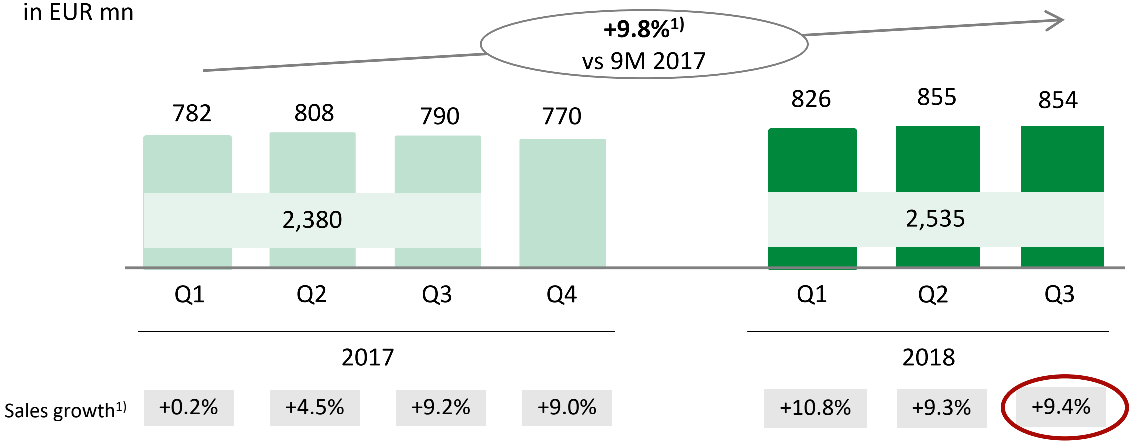
Industrial sales by quarter

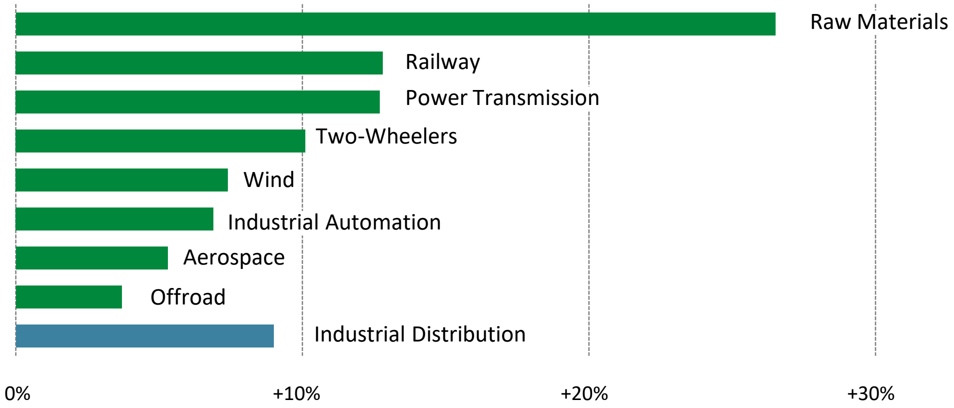
in EUR mn



Sales by region

y-o-y growth	Q3 2017	Q3 2018	Δ[1]
Europe	446	469	+6.3%
Americas	139	150	+10.1%
Greater China	130	151	+17.6%
Asia/Pacific	75	84	+12.4%
Total	**790**	**854**	+9.4%

Industrial sales by sector cluster Q3 2018[1]



Key aspects

- Sales growth[1] of 9.4% in Q3'18
- Very strong growth driven by all sectors as well as Industrial Distribution
- Sector Wind back on growth path on behalf of stronger demand in China

1) FX-adjusted

C Industrial Division – Q3 EBIT margin[2] of 12.1% (Q3'17: 8.9%)

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EBIT[1] Q3 2017 vs. Q3 2018

in EUR mn

EBIT margin development[1]	8.9%	+2.4%-pts	+0.2%-pts	+0.6%-pts	+0.2%-pts	-0.2%-pts	12.1%

1) Before special items
2) Includes negative FX effects of EUR -4 mn
3) Cost efficiency initiative

Key aspects

- Gross margin increased to 30.8% (Q3'17: 28.4%) driven by positive volume effects and favourable pricing
- Successful execution on CORE[3] – CORE I program completed, CORE II program well on track (Completion ratio of 40%)
- EBIT margin 12.1% in Q3’18 vs. 8.9% in Q3'17

3 Net income Q3 2018 EUR 257 mn – EPS at 1.16 EUR in 9M 2018

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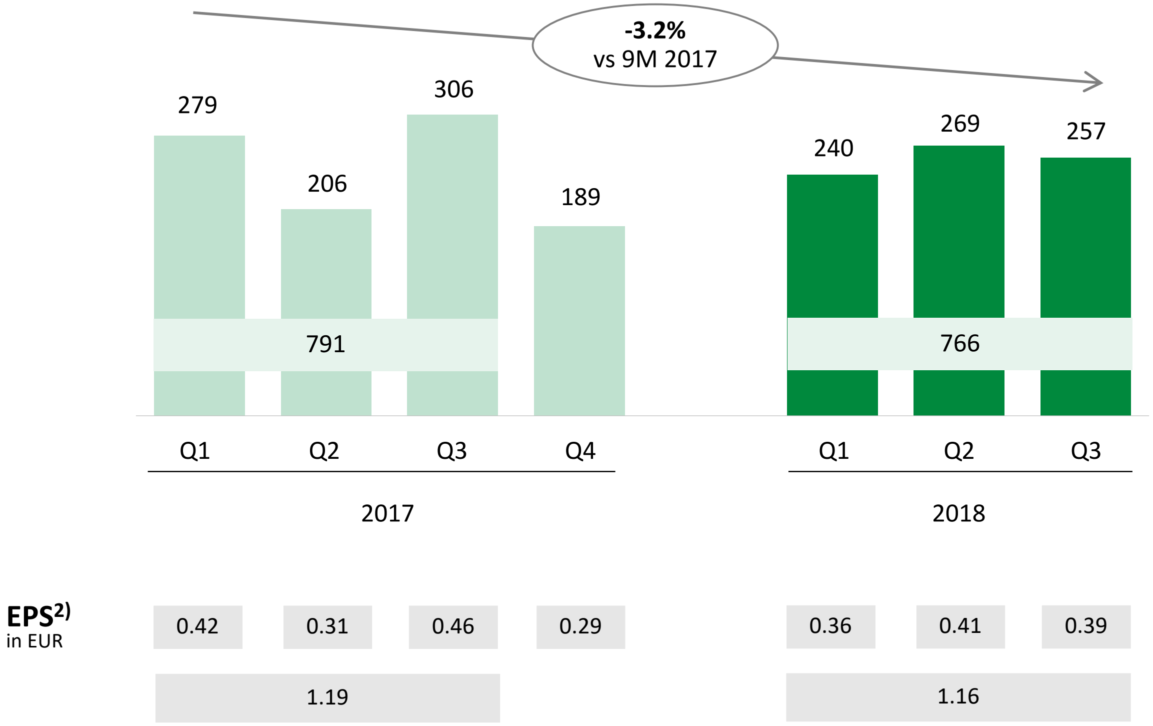
Net income[1)]

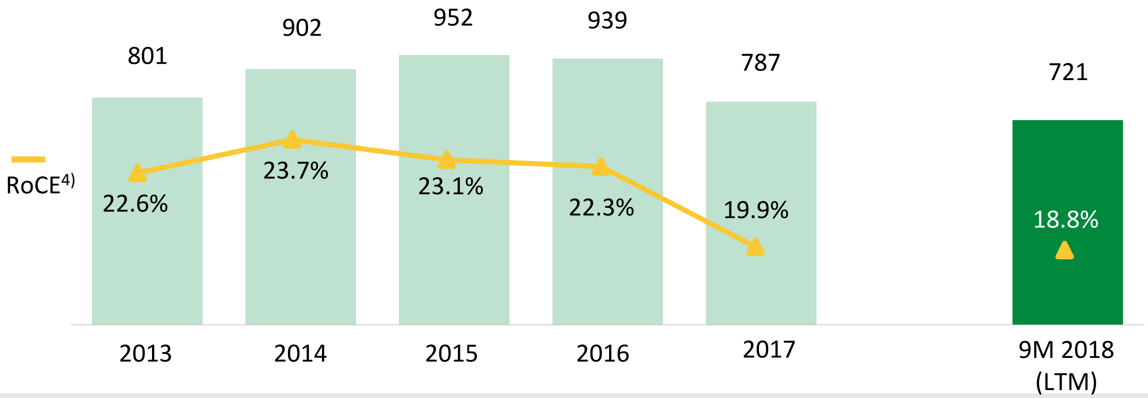
in EUR mn



1) Attributable to the shareholders of the parent company
2) Earnings per common non-voting share
3) Defined as LTM EBIT before special items minus Cost of Capital (10% * Ø Capital Employed)

Schaeffler Value Added[3)]

in EUR mn



Key aspects

- Net income decreased to EUR 257 mn (Q3'17: EUR 306 mn)
- Decrease driven by lower EBIT
- EPS decreased to EUR 0.39 (Q3'17: EUR 0.46)

4 Working Capital ratio 18.7% of sales – Capex ratio 7.4% of sales in Q3

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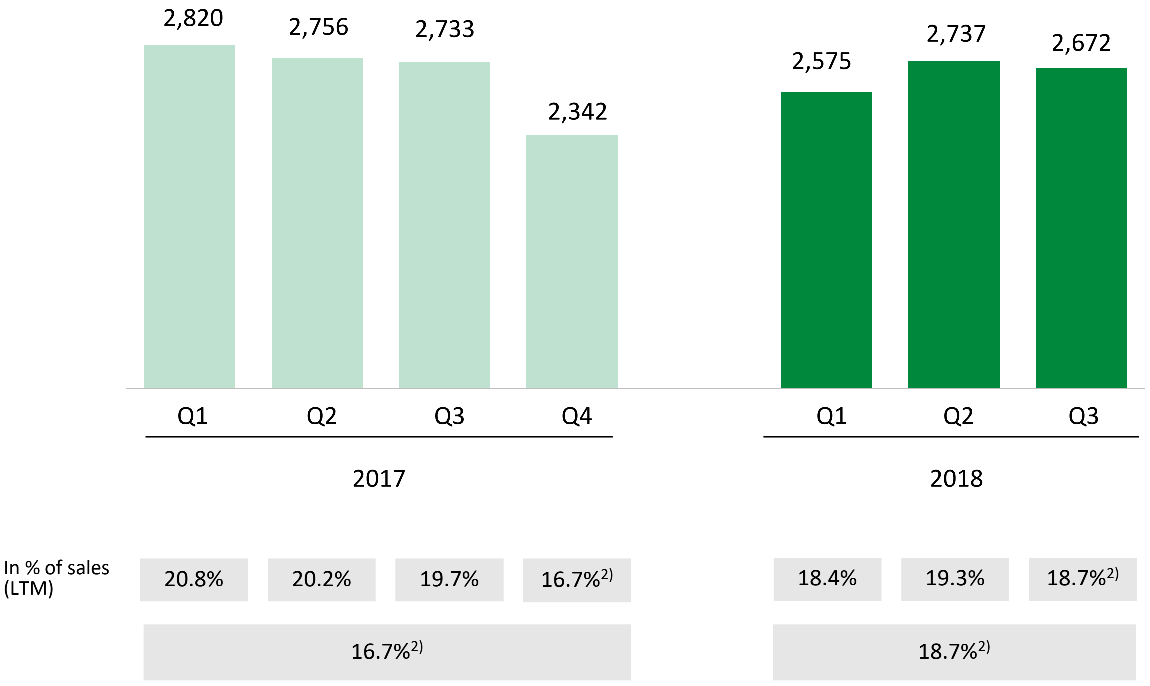
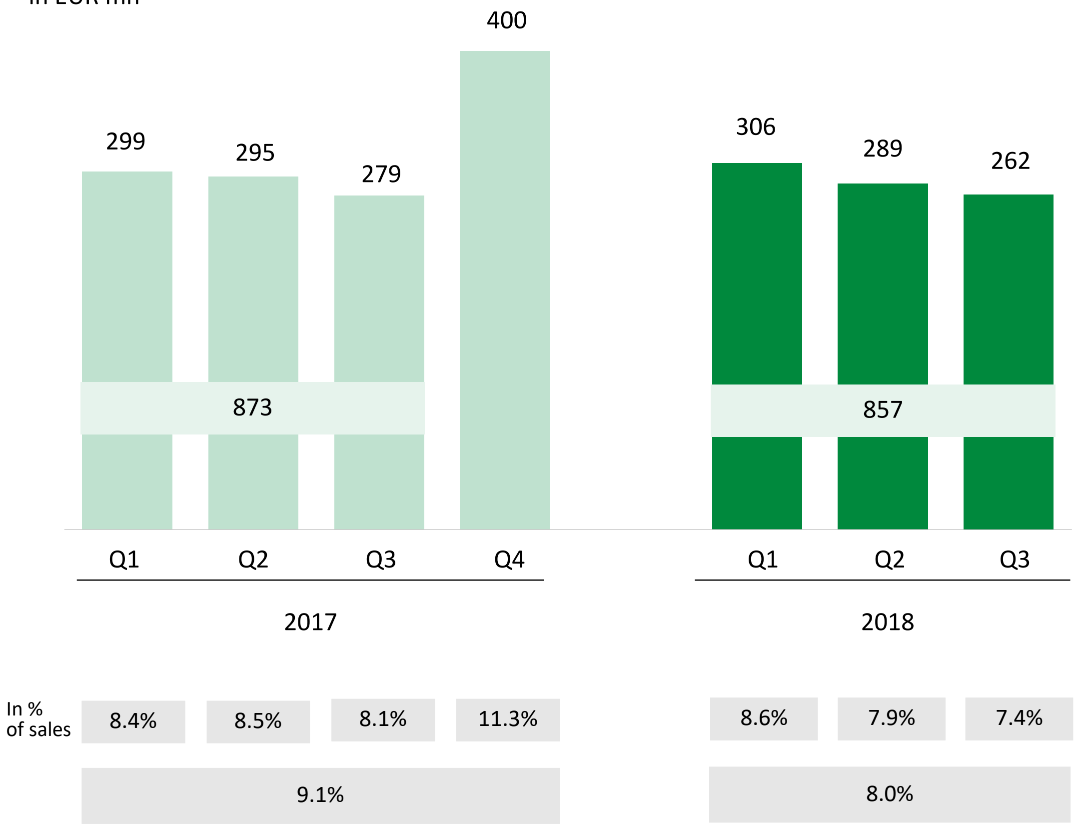
Working capital[1)]

in EUR mn



Capex[2)]

in EUR mn



1) According to balance sheet; figures as per the end of period
2) At September 30, 2018, trade receivables with a carrying amount of EUR 168 mn (December 31, 2017: EUR 123 mn) net of retained default risks had been sold under the ABCP program

2) Cash view

5 Net debt of EUR 2,644 mn – Gearing ratio at 91%

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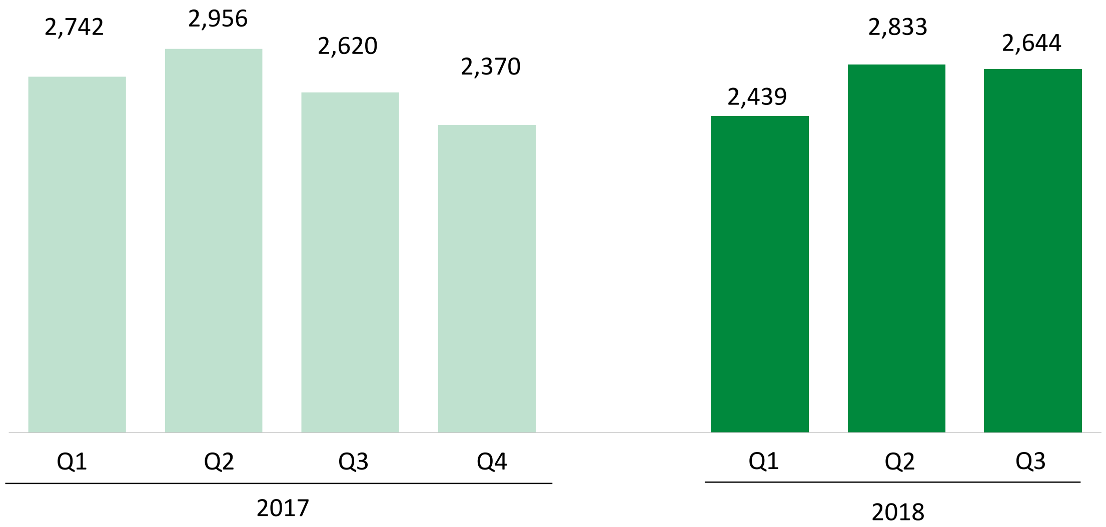
Net financial debt and Gearing ratio

in EUR mn



	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2018 Q3
Gross debt	3,689	3,355	3,339	3,068	3,111	3,340	3,375
Cash & cash equivalents	947	399	719	698	672	507	731
Gearing ratio[1)]	114%	136%	109%	93%	89%	107%	91%

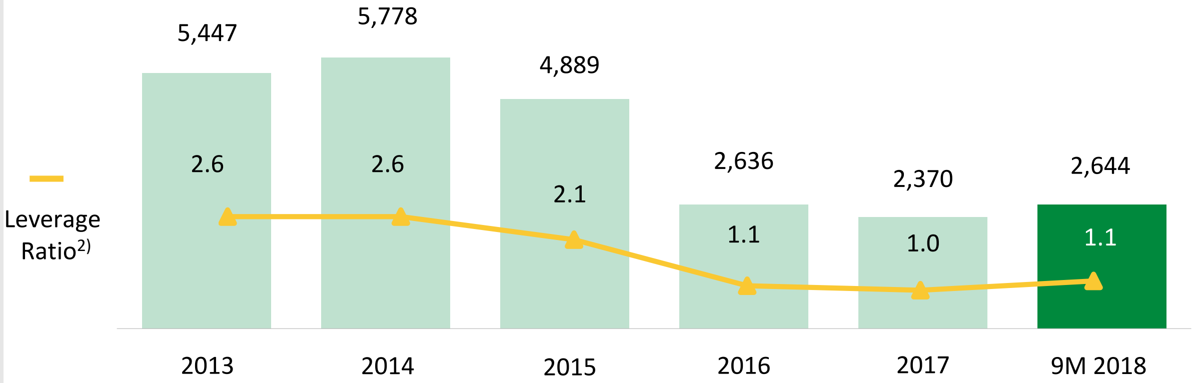
1) Gearing ratio: Ratio of net financial debt to equity incl. non-controlling interests in %
2) Leverage Ratio: Net financial debt to LTM EBITDA ratio before special items

Key aspects

- Net debt increased to EUR 2,644 mn (FY'17: EUR 2,370 mn) mainly driven by a partly draw of the Revolving Credit Facility (EUR 160 mn)
- Gearing ratio down to 91%
- Net leverage ratio[2)] decreased to 1.1x sequentially

Net debt development

in EUR mn



Guidance FY 2018[5)] – Adjustment triggered by Automotive OEM business in China

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Group Guidance

	Old[4)]	New[5)]
Sales growth[1)] (in %)	+5-6%	+4-5%
EBIT margin[2)] (in %)	10.5-11.5%	9.5-10.5%
Free Cash Flow[3)] (in EUR mn)	EUR ~450 mn	EUR ~300 mn

Divisional Guidance

Automotive OEM	Automotive AM	Industrial
+3.5-4.5% (before 4.5-5.5%)	+1.5-2.5% (before 3-4%)	+8-9%
8-8.5% (before 8.5-9.5%)	17-17.5% (before 16.5-17.5%)	10.5-11.0% (before 10-11%)

Market assumptions[5)]

- Automotive: Global Light Vehicle production growth **revised down from around 2% to around 0.5%**
- Automotive Aftermarket: Stable growth in the global vehicle population and a nearly unchanged average vehicle age
- Industrial: Similar growth rate of industrial production in 2018 compared to 2017

1) FX adjusted
2) Before special items
3) Before cash in- and outflows for M&A activities
4) As of September 19, 2018
5) As of October 30, 2018

Guidance FY 2018 – Adapting execution to a more complex market environment

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1. Sharp expected market decline of China Light Vehicle Production/Sales is the key catalyst for reducing FY 2018 Group and Automotive OEM Guidance for sales and EBIT margin
2. Softness in Automotive Aftermarket Q3 sales due to lower demand from European customers cannot be compensated in Q4, FY 2018 margin guidance at 17-17.5%
3. Industrial Division on track, favorable development of Industrial sales continues, FY 2018 margin guidance at 10.5-11%
4. Further short-term cost discipline measures initiated, while preserving our flexibility
5. Increased focus on cash generation (stronger inventory reduction, stricter capex allocation), dividend policy unchanged (30-40% payout ratio)

Adapting execution to a more complex market environment

Financial calendar 2018 / 2019

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Roadshows and conferences

Nov 7	**9M 2018 Earnings Release**
Nov 8	Citigroup Roadshow, London
Nov 9	Warburg Roadshow, Frankfurt
Nov 20	Jefferies Roadshow, Chicago
Nov 28	GS European Industrials Conference, London
Nov 30	GS Global Automotive Conference, London
Jan 8	CES, Las Vegas
Jan 15	Deutsche Bank NAIAS, Detroit
Jan 22	Kepler Global Corporates Conference, Frankfurt

Regular capital market communication

Nov 7	**9M 2018 Earnings Release**
Mar 6	**FY 2018 Earnings Release**
Apr 24	Annual General Meeting
May 8	Q1 2019 Earnings Release
Aug 6	Q2 2019 Earnings Release
Sep 19	**Capital Markets Day 2019**
Nov 5	Q3 2019 Earnings Release

IR Contact

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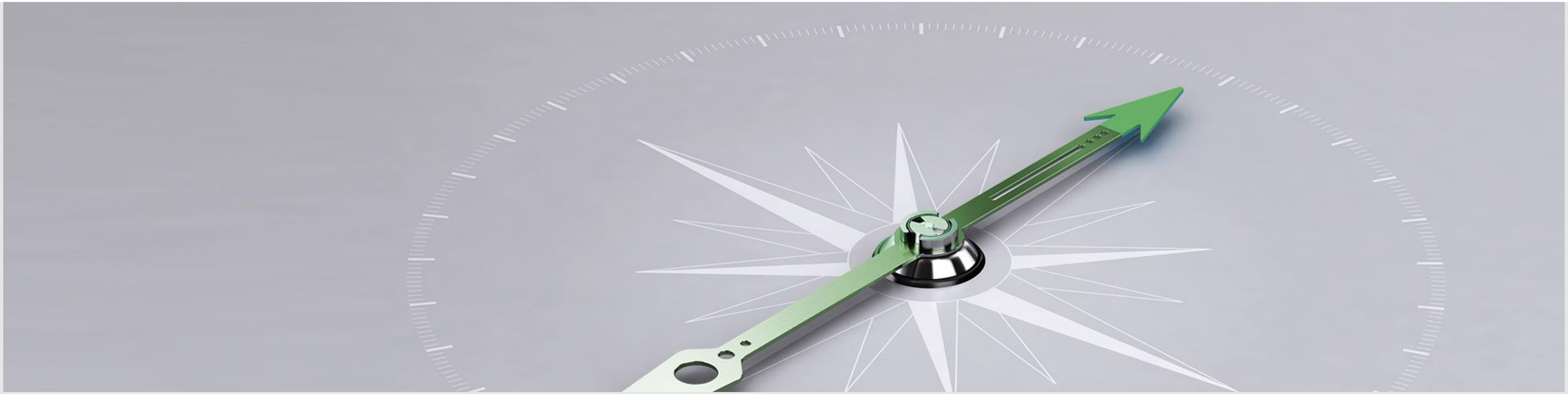

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Automotive OEM – Challenging market environment in China and Europe (WLTP) in Q3

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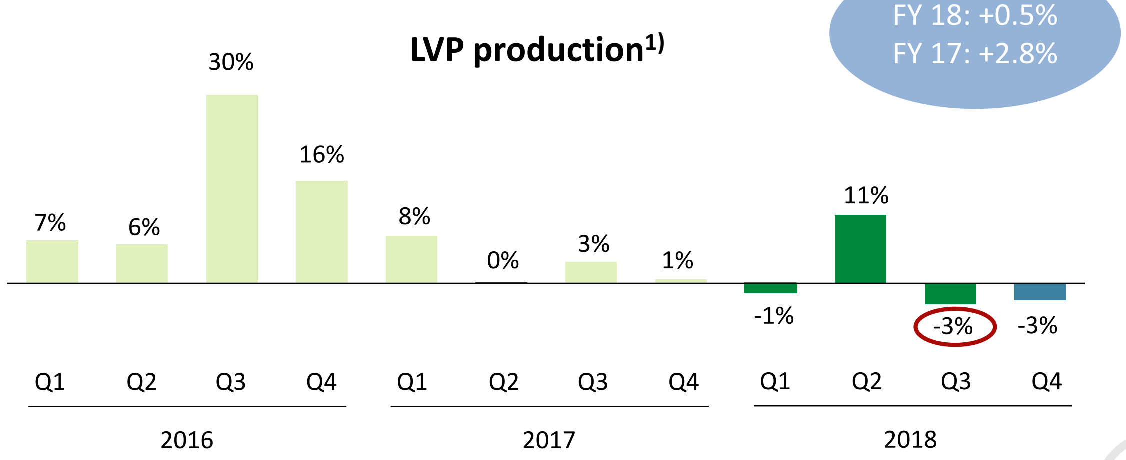
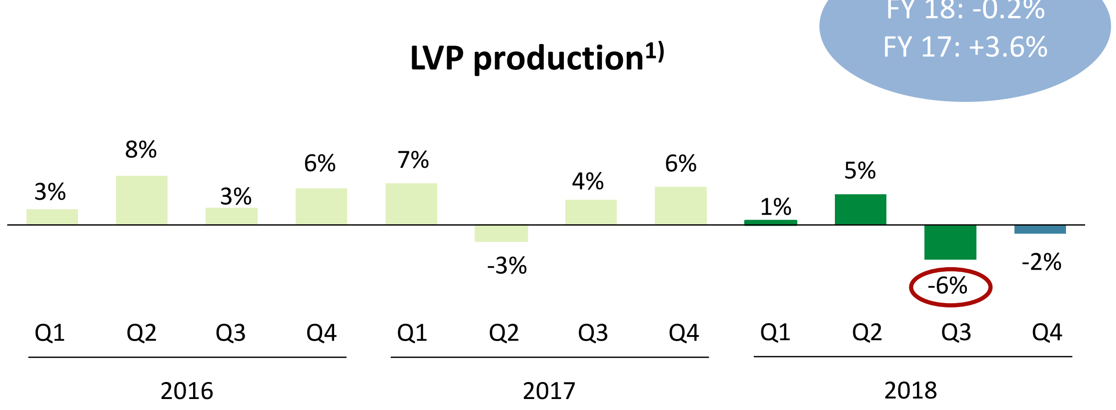
Region Greater China



Region Europe (WLTP)[2]



1) Based on IHS Markit October 2018 2) Europe without India

Region Greater China

- China market weakness only partly reflected in the latest IHS figures, other indicators pointing to an even sharper deterioration (China PV retail sales, stocks at car dealers)
- Main reason is the lower consumer confidence mainly driven by higher oil and housing prices and the acceleration of the trade war

Region Europe (WLTP)

- New test procedure WLTP became effective in September 2018
- VW the most affected OEM with clearly lower sales in Q3 and a shift of volumes into Q4 18 and Q1 19; LVP[1] in Germany down 17% in Q3
- Other OEMs only indireclty affected through the increased competition as a result of pre-produced cars

Accelerated Outperformance in Q3, but market outlook Q4 worsened

Backup

Key figures[1)] by Group and division – new structure

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Group
in EUR mn

	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18
Sales	3,574	3,472	3,434	3,541	3,551	3,642	**3,521**
Sales Growth[2)]	*+5.4%*	*+2.2%*	*+7.4%*	*+8.5%*	*+3.9%*	*+7.9%*	***+3.7%***
EBIT	435	358	416	319	391	382	**376**
EBIT Adjusted[3)]	435	345	416	388	391	404	**355**
EBIT Margin[3)]	12.2%	9.9%	12.1%	11.0%	11.0%	11.1%	**10.1%**

Automotive Aftermarket
in EUR mn

	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18
Sales	484	444	506	446	446	479	**476**
Sales Growth[2)]	*+9.7%*	*-7.3%*	*+4.7%*	*+6.3%*	*-4.4%*	*+12.3%*	***-3.0%***
EBIT	93	68	117	55	80	96	**83**
EBIT Adjusted[3)]	93	68	117	80	80	96	**80**
EBIT Margin[3)]	19.2%	15.3%	23.1%	17.9%	17.9%	20.0%	**16.8%**

Automotive OEM
in EUR mn

	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18
Sales	2,308	2,220	2,138	2,325	2,279	2,308	**2,191**
Sales Growth[2)]	*+6.4%*	*+3.5%*	*+7.4%*	*+8.7%*	*+3.2%*	*+6.5%*	***+3.2%***
EBIT	275	221	229	226	217	197	**185**
EBIT Adjusted[3)]	275	208	229	261	217	207	**172**
EBIT Margin[3)]	11.9%	9.4%	10.7%	11.2%	9.5%	9.0%	**7.9%**

Industrial
in EUR mn

	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18
Sales	782	808	790	770	826	855	**854**
Sales Growth[2)]	*+0.2%*	*+4.5%*	*+9.2%*	*+9.0%*	*+10.8%*	*+9.3%*	***+9.4%***
EBIT	67	69	70	38	94	89	**108**
EBIT Adjusted[3)]	67	69	70	47	94	101	**103**
EBIT Margin[3)]	8.6%	8.5%	8.9%	6.1%	11.4%	11.8%	**12.1%**

1) Proforma figures
2) FX-adjusted
3) EBIT before special items

Overview Corporate and Financing Structure

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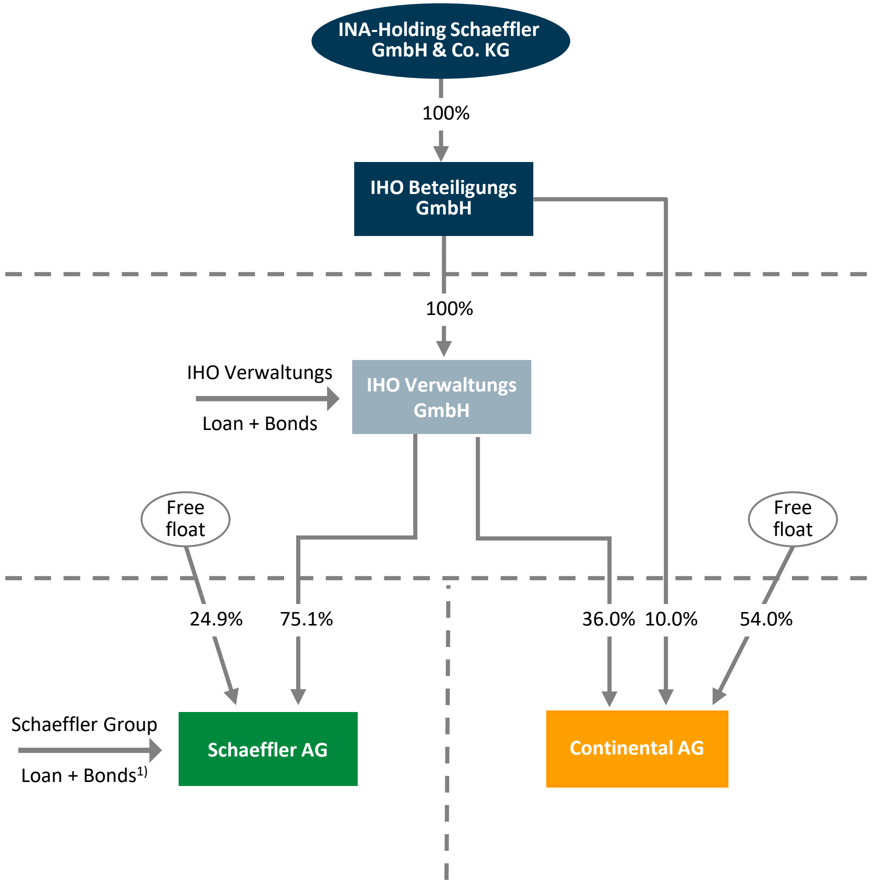
Corporate structure (simplified)

as of September 30, 2018



1) All outstanding bonds are issued by Schaeffler Finance B.V., a 100% subsidiary of Schaeffler AG.

Financing structure

in EUR[2] mn, as of September 30, 2018

IHO Verwaltungs GmbH

	Debt instrument	Nominal (USD mn)	Nominal (EUR mn)	Interest	Maturity	Rating (F/M/S)[4]
Loans	Term loan (EUR)	-	750	E+2.75%	Dec-22	not rated
Loans	RCF (EUR 250 mn)	-	-	E+2.75%	Dec-22	not rated
Bonds	2.75% SSNs 2021 (EUR)	-	750	2.75%	Sep-21	BB+/Ba1/BB+
Bonds	4.125% SSNs 2021 (USD)	500	432[2]	4.125%	Sep-21	BB+/Ba1/BB+
Bonds	3.25% SSNs 2023 (EUR)	-	750	3.25%	Sep-23	BB+/Ba1/BB+
Bonds	4.50% SSNs 2023 (USD)	500	432[2]	4.50%	Sep-23	BB+/Ba1/BB+
Bonds	3.75% SSNs 2026 (EUR)	-	750	3.75%	Sep-26	BB+/Ba1/BB+
Bonds	4.75% SSNs 2026 (USD)	500	432[2]	4.75%	Sep-26	BB+/Ba1/BB+
	Total		**4,287**	**Ø 3.47%**[3]		

Schaeffler Group

	Debt instrument	Nominal (USD mn)	Nominal (EUR mn)	Interest	Maturity	Rating (F/M/S)[4]
Loans	Term loan (EUR)	-	1,000	E+1.20%	Sep-23	not rated
Loans	RCF (EUR 1,300 mn)	-	160	E+0.90%	Sep-23	not rated
Loans	Investment Facility (EUR 250 mn)	-	140	E+1.00%	Dec-22	not rated
Bonds	2.50% SSNs 2020 (EUR)	-	400	2.50%	May-20	BBB-/Baa3/BBB-
Bonds	3.50% SSNs 2022 (EUR)	-	500	3.50%	May-22	BBB-/Baa3/BBB-
Bonds	4.75% SSNs 2023 (USD)	600	518[2]	4.75%	May-23	BBB-/Baa3/BBB-
Bonds	3.25% SSNs 2025 (EUR)	-	600	3.25%	May-25	BBB-/Baa3/BBB-
	Total		**3,318**	**Ø 2.71%**[3]		

2) EUR/USD = 1.1576.
3) Incl. commitment fees.
4) Fitch Ratings / Moody's Investor Services / Standard & Poor's.