

Results Q2 and H1 2019 Schaeffler AG

Conference Call
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Herzogenaurach

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Agenda

- 1 Overview
- 2 Business Highlights Q2 and H1 2019
- 3 Financial Results Q2 and H1 2019
- 4 Outlook

Q2 2019 supported by stronger Industrial performance – Tough market environment in automotive businesses

Key messages Q2 2019

- 1 Group sales growth¹ Q2'19 of -2.0% (H1'19: -0.8%) impacted by weak Automotive end markets in Europe and Greater China
- 2 Gross margin 25.0% (Q2'18: 26.7%), down yoy in both Automotive divisions, up in Industrial
- 3 EBIT margin² 7.9% (Q2'18: 11.1%), sequential improvement driven by Aftermarket and Industrial division
- 4 Positive Free Cash Flow³ of EUR +6 mn (Q2'18: EUR -5 mn) due to lower Capex in Q2 (Capex to Sales Ratio 6.1%)
- 5 Self-help measures regarding cost and capital efficiency start to pay off – RACE program (Wave 1) in execution
- 6 Group Guidance 2019 adjusted – Lower market assumptions for Automotive OEM triggered lower Group and Auto OEM guidance

¹ FX-adjusted | ² Before special items | ³ Before cash in- and outflows for M&A activities

Sales growth¹ Q2

-2.0%

EUR 3,604 mn

Gross margin Q2

25.0%

EUR 899 mn

EBIT margin² Q2

7.9%

EUR 284 mn

Free Cash Flow³ Q2

EUR 6 mn

Schaeffler Group Q2 2019 – Highlights and lowlights



Automotive OEM: 330 bps LVP¹ Q2 outperformance driven by Americas and Greater China; E-Mobility Business Division grew more than 35% in Q2



Industrial division (Q2'19 +5.0%²; H1'19 +5.9%²) with strong growth, driven by double-digit growth in Greater China as well as Wind, Railway and Raw Materials sector clusters



Strong order intake in Automotive OEM: Book-to-Bill ratio of 1.8x, EUR 1.1 bn E-Mobility order (E-Motor)



Group Capex to Sales ratio down to 6.1% in Q2, following stricter Capex discipline

¹ Light Vehicle Production | ² FX-adjusted | ³ Before special items



Continued weakness of Automotive OEM business both in Greater China (-10.7%²) and Europe (-6.8%²)



Automotive Aftermarket sales impacted by destocking of certain customers in OES business and IAM in Europe

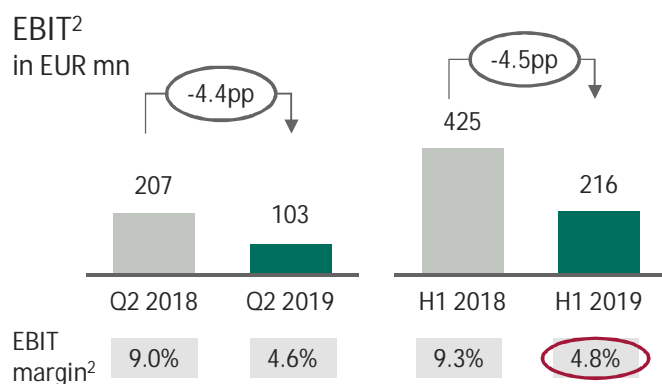
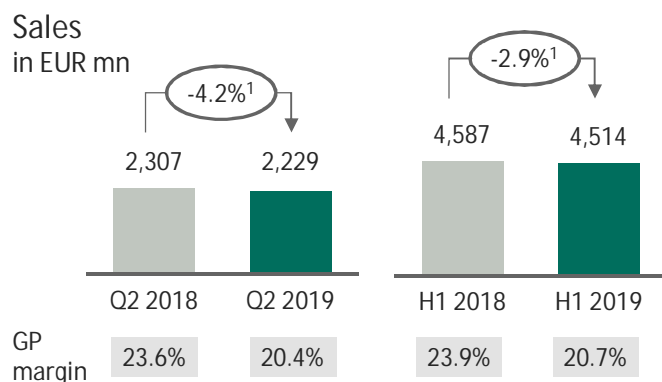


Group Gross margin mainly impacted by lower volumes and negative mix effects in division Automotive OEM



Flexing of cost base in European Automotive factories to be intensified

Automotive OEM – Earnings quality still low in a tough environment, more actions needed



↑ Q2 Outperformance of LVP³ by 330 bps, driven by strong growth in Americas and Outperformance in Greater China

↑ Strong order intake with a Book-to-Bill ratio of 1.8x and a sizeable first order win on E-Motors in E-Mobility business division

↑ Headcount further decreased in Q2, Overhead costs stabilized vs. prior year

↓ Weakness in Automotive OEM business in China (-10.7%¹) continued in Q2, and in Europe (-6.8%¹) even accelerated

↓ Gross Profit negatively impacted by lower volumes in high margin traditional business and ramp ups in systems business

↓ Good flexing of costs in China, but still insufficient absorption of fixed costs in European plants

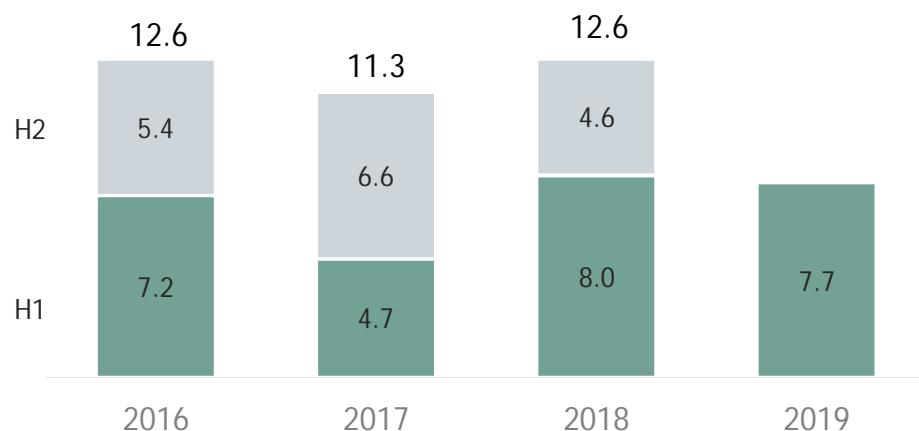
¹ FX-adjusted | ² Before special items

Automotive OEM – Book to Bill Ratio² at 1.8x in H1

Automotive OEM Order Intake¹

¹ Received orders in given time period | ² Lifetime Sales / Current period revenue

in bn EUR

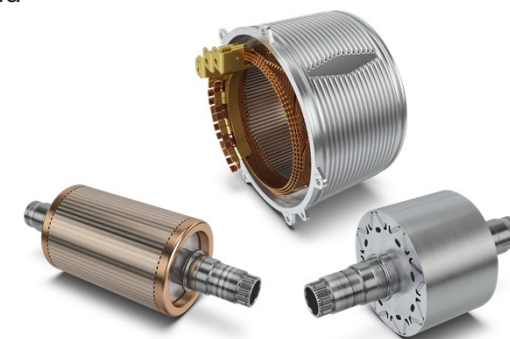


Book to Bill Ratio²

H2	1.3x	1.5x	1.1x	-
H1	1.6x	1.1x	1.7x	1.8x
FY	1.5x	1.3x	1.4x	-

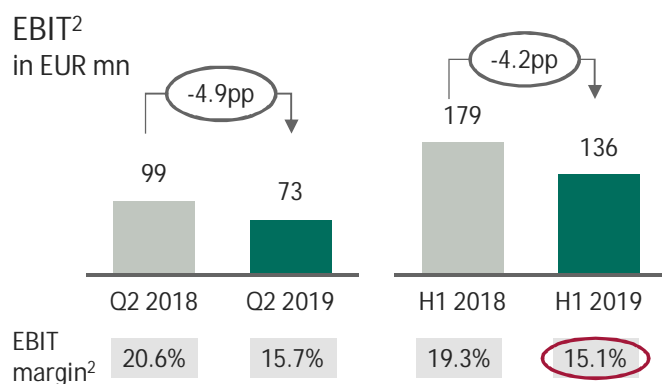
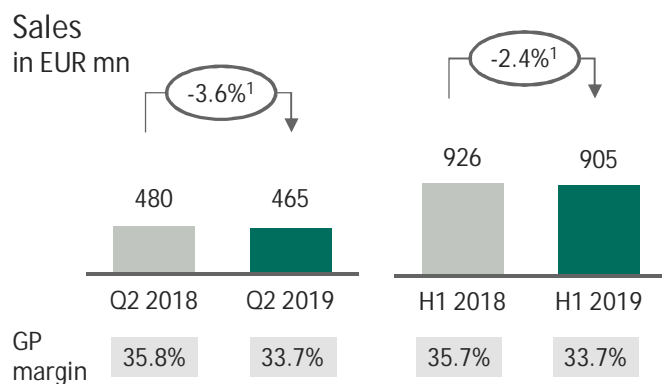
Business Highlights

- 1 All Business divisions contributing with a Book to Bill Ratio² in H1 of > 1
- 2 Order intake for E-Motor components
 - ▶ Stator and rotor for induction and synchronous e-motors
 - ▶ Nomination by Premium OEM
 - ▶ EUR 1.1 bn order intake



- 3 Extension of production footprint in Eastern Europe

Automotive Aftermarket – Weak sales in Europe, lower quality of earnings on top of high comps



- ↑ Independent Aftermarket growing with +1.1%¹ in Q2, driven by double-digit growth¹ in Americas
- ↑ Realized price increases show first results; positive sales mix effect and cost discipline
- ↑ EBIT margin² above 15% despite reduced sales growth; Q2 18 margin impacted by favorable one-off of EUR 8 mn
- ↓ Customer consolidation in European Independent Aftermarket leading to further destocking at distributor level
- ↓ Weak demand in OES business in Europe impacted by continued destocking
- ↓ Increased product costs in comparison to the previous year

¹ FX-adjusted | ² Before special items

Automotive Aftermarket – Successful market launch and milestone achievement in AKO Europe

FAG steering parts launched in Europe in June, 2019

- ▶ Market-leading range of chassis components and repair solutions from a single source
- ▶ Steering and suspension parts, drive shafts and strut mountings now together with the wheel bearing program under the FAG brand
- ▶ Consistently high quality throughout the entire portfolio
- ▶ Continuous ramp-up of sales volume



FAG control arm repair solutions



FAG tie rod ends

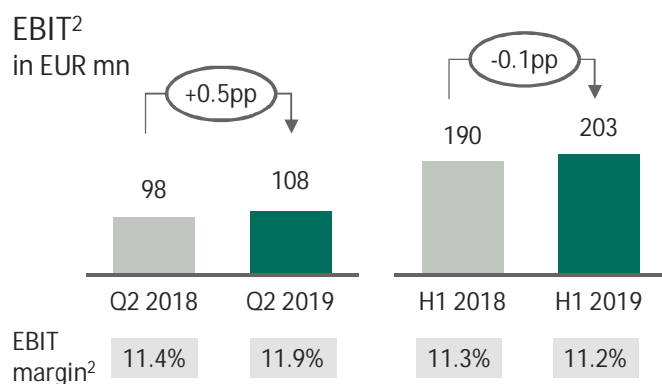
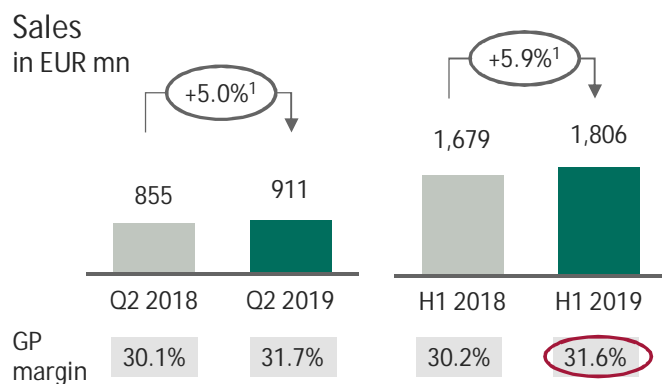
AKO Europe construction activities progressing

- ▶ Start of the installation of the advanced kitting technology
- ▶ In the Multi-Shuttle warehouse with integrated conveyor technology, up to 3,000 orders with more than 30,000 items per day will be processed in the future



- ▶ Good progress, start of operations planned for mid 2020

Industrial – Strong growth and further improved earnings quality



- Strong growth in Greater China in Q2 (+23.0%¹) mainly driven by sector cluster Wind with 39.1% growth; all regions growing except Asia/Pacific
- Continued double-digit growth in Railway, Wind and Raw Materials sector clusters
- Gross margin increased to 31.6% driven by positive volume development and favorable pricing, more than compensating the increases in production and overhead costs
- Growth momentum declining, order book indicates further growth potential in H2 2019, but at a slower pace

¹ FX-adjusted | ² Before special items

Industrial – Order book 3M² indicates further growth, but at slower pace

Business highlights



Railway

- Successful growth with axlebox bearings in Europe
- Industry 4.0: joint development project with Siemens for “intelligent axlebox generator” as a digital monitoring solution for efficient rail freight transport



Wind

- Global order book 2019 almost doubled compared to previous year
- Strong order intake from key Chinese OEMs for 2020, including an additional multi-year agreement

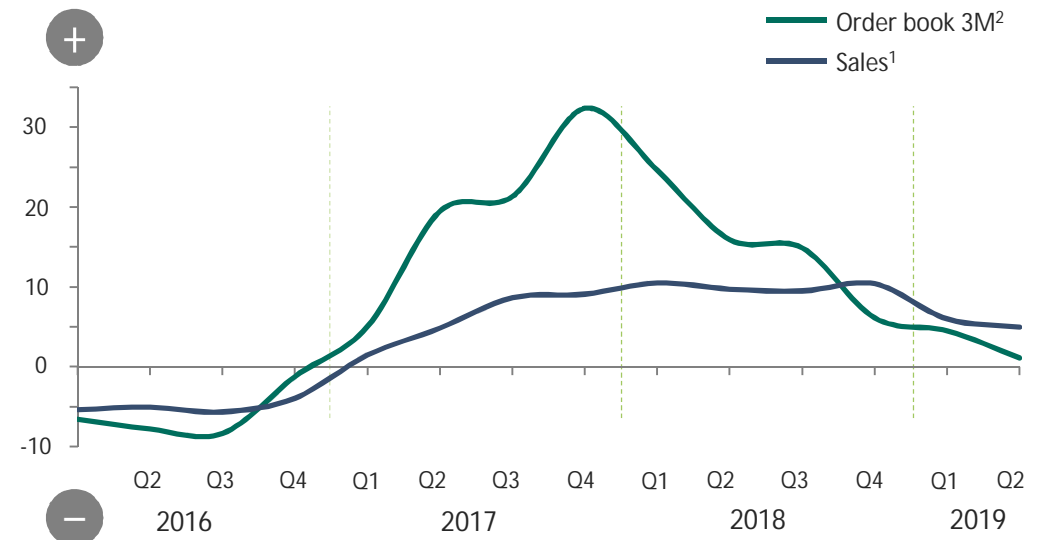


Raw Materials

- Strong two-digit sales growth in Oil & Gas in Europe due to strong project business
- Repeat orders for newly designed bearings for the mining application through US distribution

Orderbook 3M

yoy growth



¹ FX-adjusted product sales

² The order book 3M measures the amount of customer orders which are due in the next three months. It is presented as a relative, fx-adjusted year-over-year growth indicator which reflects the short-term business expectations. Developments in the distribution business have typically a shorter reach and are therefore only partially reflected by this indicator.

Capital allocation – Increased spending discipline in Q2 starting to gain traction

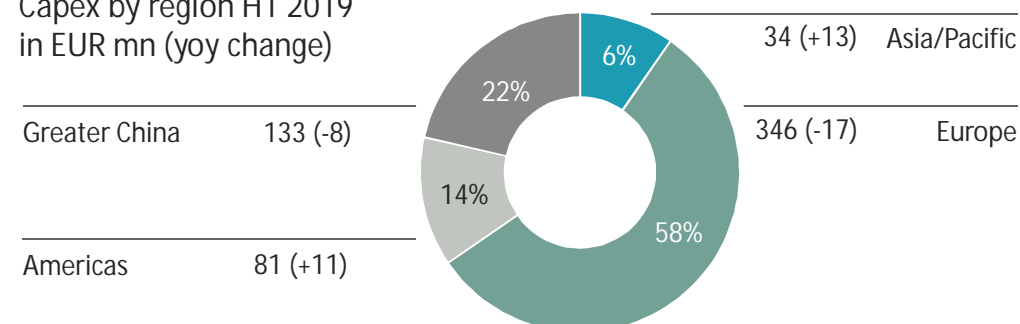
Investment¹ allocation | in EUR mn

	FY 17	FY 18	Q2 18	Q2 19	H1 19
Automotive OEM	1,006	970	255	174	399
Automotive Aftermarket	33	64	1	-3	38
Industrial	248	241	27	34	65
Schaeffler Group	1,287	1,275	283	205	501
Capex	1.273	1.232	289	221	594
Capex ratio ²⁾	9.1%	8.7%	7.9%	6.1%	8.2%

¹ Additions to intangible assets and property, plant and equipment | ² Capex in % of sales

Key aspects

- ▶ Measures to improve capital efficiency start to gain momentum; Q2 Capex ratio² at 6.1%
- ▶ Stricter approval levels, tougher hurdle rates and new Capex Committee process will be continued
- ▶ Full focus on spending discipline in H2 to meet target of below 8% Capex ratio² (Mid-term target: 6-8%)

Capex by region H1 2019
in EUR mn (yoy change)

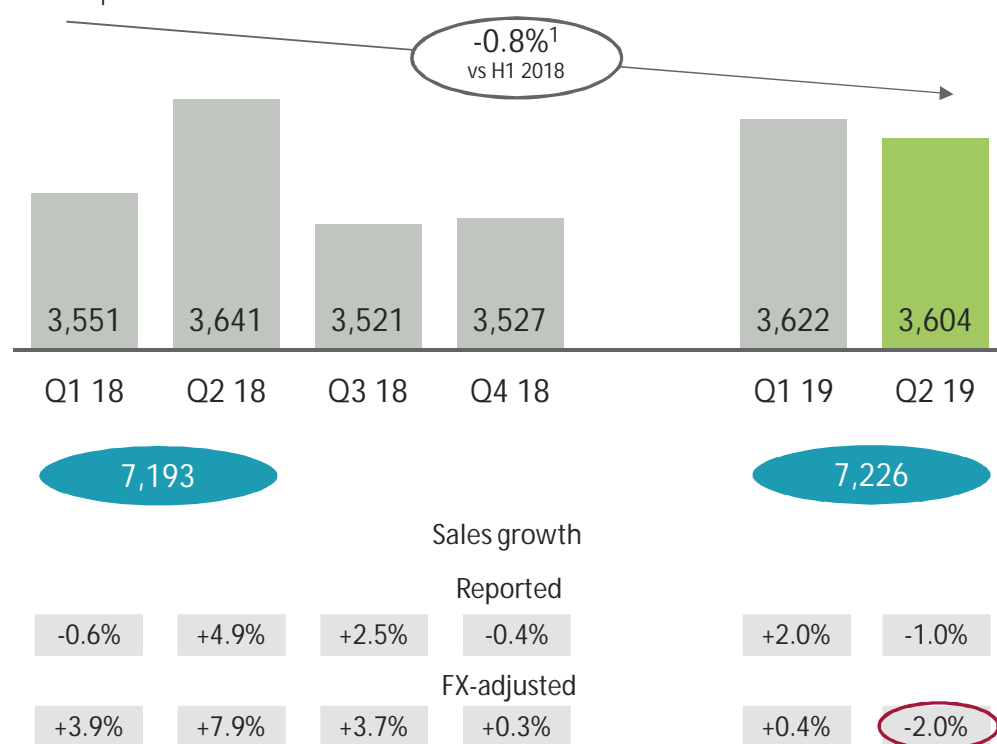
Key figures Q2 and H1 2019

in EUR mn		Q2 2018	Q2 2019	Q2 2019 vs. Q2 2018	H1 2018	H1 2019	H1 2019 vs. H1 2018
Sales	1	3,641	3,604	-1.0% -2.0% ¹	7,193	7,226	+0.5% -0.8% ¹
Gross Profit <i>Gross Margin</i>	2	973 26.7%	899 25.0%	-74 mn -1.7pp	1,933 26.9%	1,813 25.1%	-120 mn -1.8pp
EBIT ² <i>EBIT Margin</i> ²	3	404 11.1%	284 7.9%	-120 mn -3.2pp	794 11.0%	556 7.7%	-238 mn -3.3pp
Net income ³	4	268	136	-132 mn	506	273	-233 mn
EPS ⁴ (in EUR)	4	0.41	0.21	-0.20	0.77	0.42	-0.35
Schaeffler Value Added ⁵	4	791	289	-502 mn	791	289	-502 mn
ROCE ⁶	4	19.8%	13.4%	-6.4pp	19.8%	13.4%	-6.4pp
Free Cash Flow ⁷	5	-5	6	+11 mn	-75	-229	-154 mn
Capex	6	289	221	-68 mn	595	594	-1 mn
Net financial debt	7	2,834	3,167	+333 mn	2,834	3,167	+333 mn
Gearing ratio ⁸	7	106.6%	115.7%	+9.1pp	106.6%	115.7%	+9.1pp

¹ FX-adjusted | ² Before special items | ³ Attributable to shareholders of the parent company | ⁴ Earnings per common non-voting share | ⁵ Defined as EBIT before special items minus Cost of Capital (10% × Ø Capital Employed) | ⁶ Before special items and based on LTM | ⁷ Before cash in-and outflows for M&A activities | ⁸ Ratio of net financial debt to equity incl. non-controlling interests

1 Sales growth – Weak sales development in Europe and China in Q2, strong in Americas

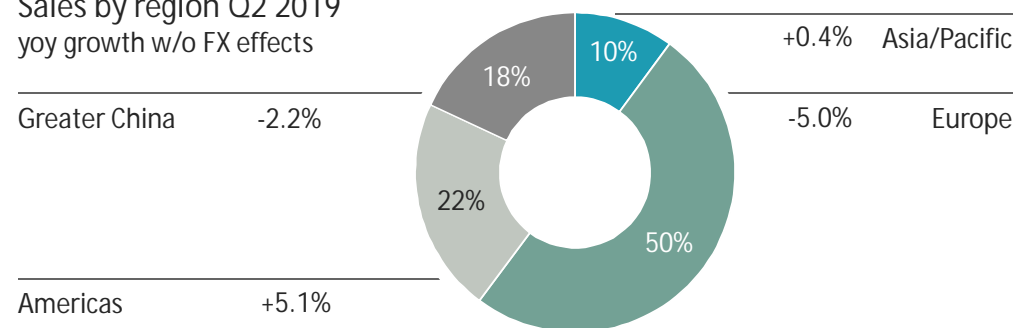
Sales | in EUR mn



Key aspects Q2

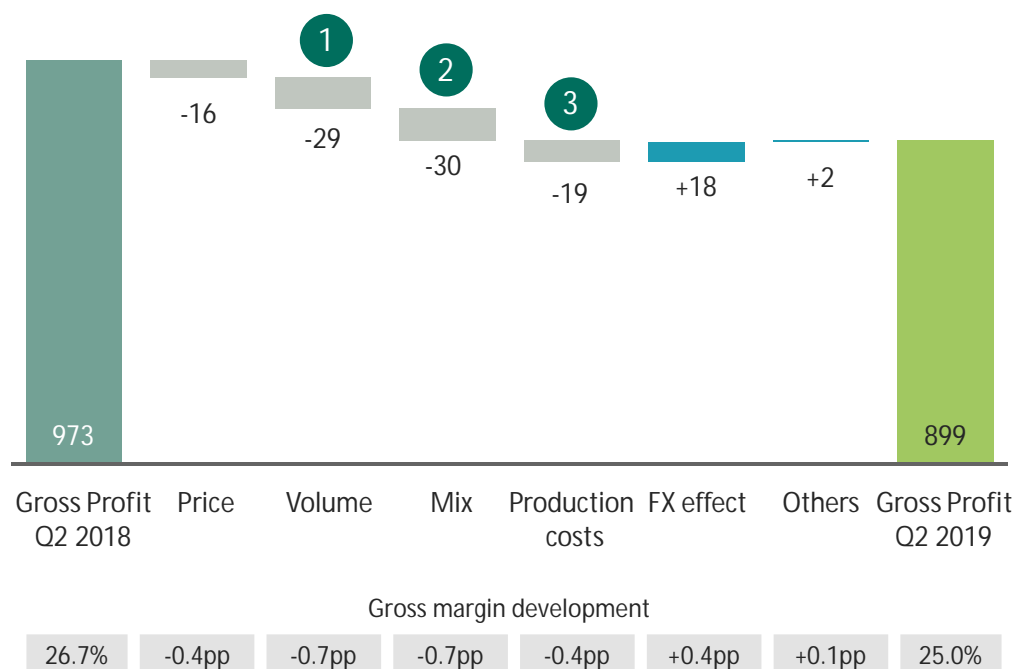
- ▶ Group sales down by 2.0%¹
- ▶ Negative sales development driven by Europe (-5.0%¹) and Greater China (-2.2%¹)
- ▶ Mixed sales development in China continued: Automotive OEM sales down 10.7%¹, Industrial sales up by 23%¹

Sales by region Q2 2019
yoy growth w/o FX effects



2 Gross Profit – Gross margin impacted by weak volumes and negative mix effects

Gross Profit¹ Q2 2018 vs. Q2 2019 | in EUR mn



¹ Gross Profit Bridge not comparable to previous quarters as calculation logic was modified for improved understanding of mix and volume effects

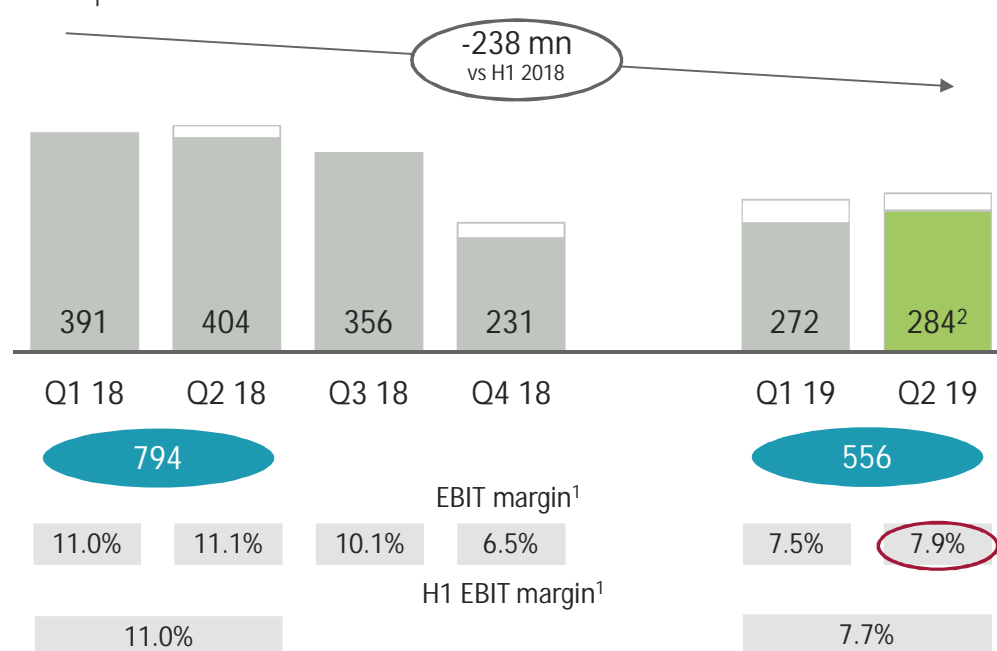
Key aspects Q2

- 1 Negative volume effect mainly in transmission systems business division and related to Greater China
- 2 Negative mix effect driven by AOEM due to lower volumes in high margin traditional business and ramp ups in systems business
- 3 Higher production costs also related to buoyant demand in Industrial

Gross Margin

in EUR mn	Q2 18	Q2 19	Q2 19 vs. Q2 18	H1 18	H1 19	H1 19 vs. H1 18
Auto OEM	23.6%	20.4%	-3.2pp	23.9%	20.7%	-3.2pp
Aftermarket	35.8%	33.7%	-2.1pp	35.7%	33.7%	-2.0pp
Industrial	30.1%	31.7%	+1.6pp	30.2%	31.6%	+1.4pp
Group	26.7%	25.0%	-1.7pp	26.9%	25.1%	-1.8pp

3 EBIT margin – Sequential improvement, however lower earnings quality due to Automotive OEM

EBIT¹ | in EUR mn

¹ Before special items – for more information on Reported EBIT in prior quarters, please see Interim Reports | ² Reported EBIT of EUR 253 mn including EUR 18 mn restr. expenses RACE and EUR 13 mn restr. expenses for UK reorganization

Key aspects Q2

- ▶ Automotive OEM division's EBIT margin was the main reason of the Group's EBIT margin yoy erosion
- ▶ Automotive Aftermarket EBIT margin sequentially improved despite weak sales development; stricter overhead cost control
- ▶ Industrial EBIT margin remained strong thanks to good growth and positive price development

EBIT margin¹

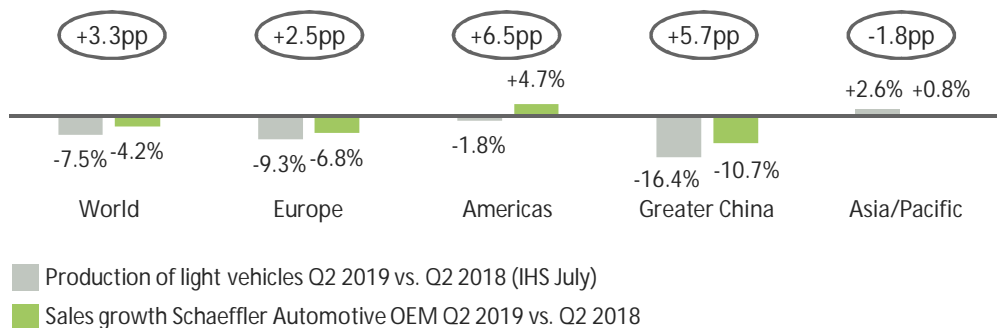
in EUR mn	Q2 18	Q2 19	Q2 19 vs. Q2 18	H1 18	H1 19	H1 19 vs. H1 18
Auto OEM	9.0%	4.6%	-4.4pp	9.3%	4.8%	-4.5pp
Aftermarket	20.6%	15.7%	-4.9pp	19.3%	15.1%	-4.2pp
Industrial	11.4%	11.9%	+0.5pp	11.3%	11.2%	-0.1pp
Group	11.1%	7.9%	-3.2pp	11.0%	7.7%	-3.3pp

Automotive OEM – Good outperformance, but lower quality of earnings

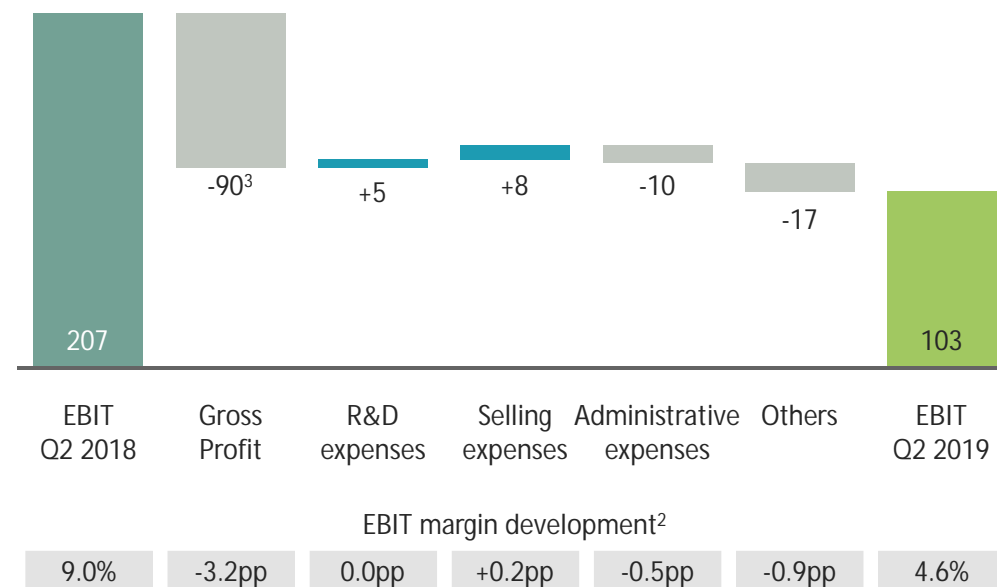
Sales by business division | yoy growth

	Q2 2018	Q2 2019	Δ^1
Engine Systems	713	688	-4.4%
Transmission Systems	1,075	976	-10.4%
E-Mobility	119	160	+37.6%
Chassis Systems	401	404	+0.3%
Total	2,307	2,229	-4.2%

Outperformance: Sales¹ vs. market development in Q2



EBIT² Q2 2018 vs. Q2 2019 | in EUR mn



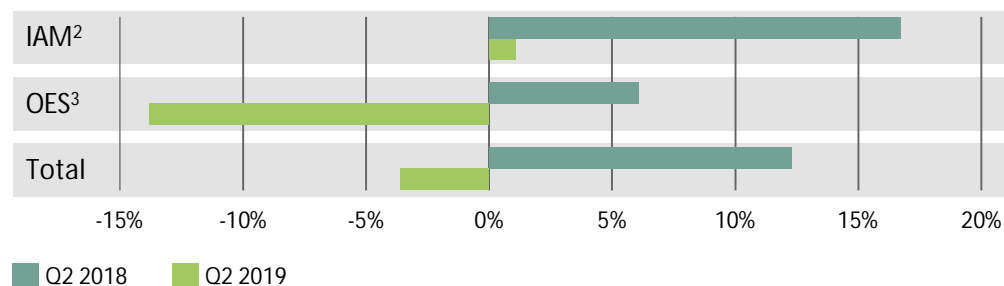
¹ FX-adjusted | ² Before special items | ³ Includes positive FX effects of EUR 7 mn

Automotive Aftermarket – Weak European market, lower quality of earnings on top of high comps

Sales by region | yoy growth

	Q2 2018	Q2 2019	Δ ¹
Europe	363	335	-7.7%
Americas	84	95	+12.1%
Greater China	20	22	+9.6%
Asia/Pacific	13	13	-4.1%
Total	480	465	-3.6%

Automotive Aftermarket sales growth by channel¹



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

EBIT⁴ Q2 2018 vs. Q2 2019 | in EUR mn



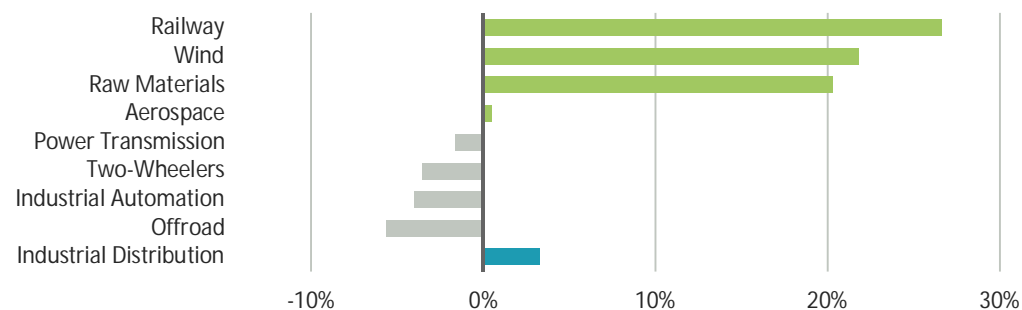
⁴ Before special items | ⁵ Includes favorable one-off of EUR 8 mn in Q2 18 | ⁶ Includes positive FX effect of EUR 1 mn

Industrial – Strong growth, further improved earnings quality

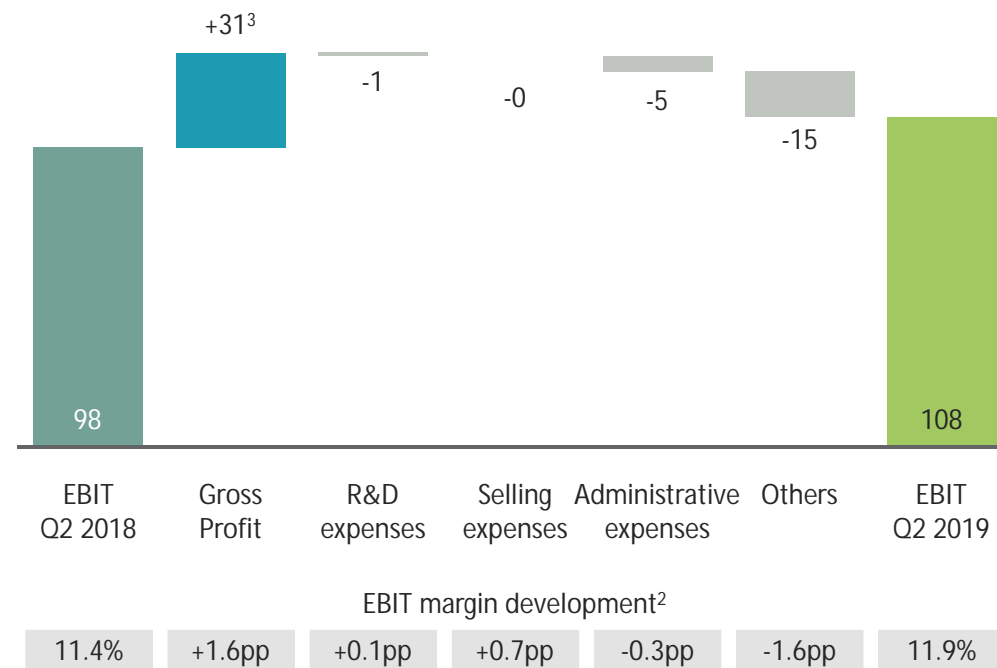
Sales by region | yoy growth

	Q2 2018	Q2 2019	Δ^1
Europe	473	480	+0.9%
Americas	149	160	+2.8%
Greater China	154	191	+23.0%
Asia/Pacific	79	80	-0.2%
Total	855	911	+5.0%

Industrial sales growth by sector cluster Q2 2019¹



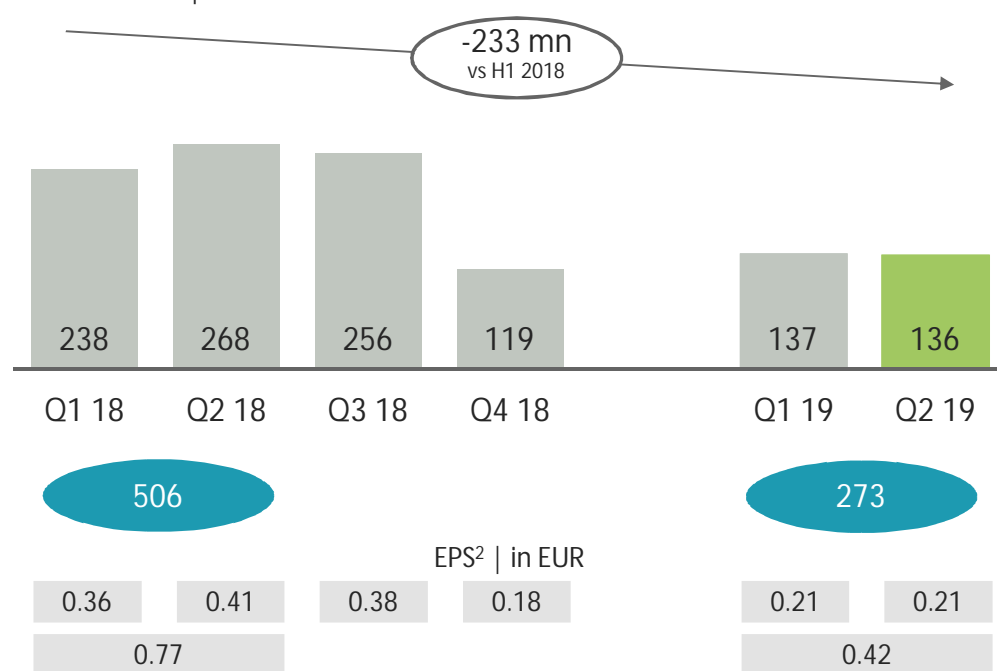
EBIT² Q2 2018 vs. Q2 2019 | in EUR mn



¹ FX-adjusted | ² Before special items | ³ Includes positive FX effects of EUR 10 mn

4 Net income¹ Q2 2019 EUR 136 mn – EPS Q2 2019 at EUR 0.21 (PY: EUR 0.41)

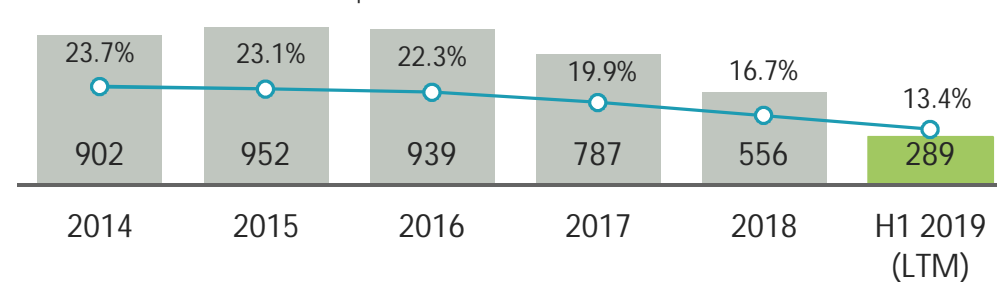
Net income¹ | in EUR mn



Key aspects Q2

- ▶ Net income decreased to EUR 136 mn (Q2'18: EUR 268 mn)
- ▶ Decrease driven by lower EBIT
- ▶ EPS decreased to EUR 0.21 (Q2'18: EUR 0.41)

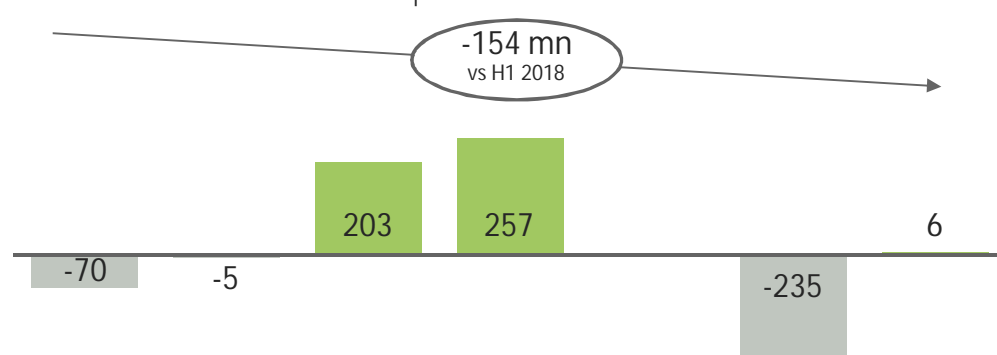
Schaeffler Value Added³ | in EUR mn



— ROCE before special items

³ Defined as EBIT before special items minus Cost of Capital (10% × Ø Capital Employed)

5 Free Cash Flow before M&A¹ FY at EUR -229 mn (PY: EUR -75 mn)

Free Cash Flow before M&A¹ | in EUR mn

Q1 18	Q2 18	Q3 18	Q4 18	Q1 19	Q2 19
FCF reported					
-71	-5	203	96	-300	10
FCF Conversion ratio ²					
24%	22%	17%	18%	10%	11%
Capex ratio ³					
8.6%	7.9%	7.4%	10.6%	10.3%	6.1%

¹ Before cash in- and outflows for M&A activities² LTM FCF before M&A divided by EBITDA before special items | ³ Capex in % of sales

Key aspects

- ▶ FCF¹ in H1 decreased to EUR -229 mn (PY: EUR -75 mn)
- ▶ FCF¹ in H1 negatively impacted by strategic investments, e.g. AKO Europe – Underlying FCF¹ at EUR -138 mn
- ▶ Positive FCF¹ in Q2 thanks to stricter Capex discipline; Capex Ratio Q2 19 at 6.1%

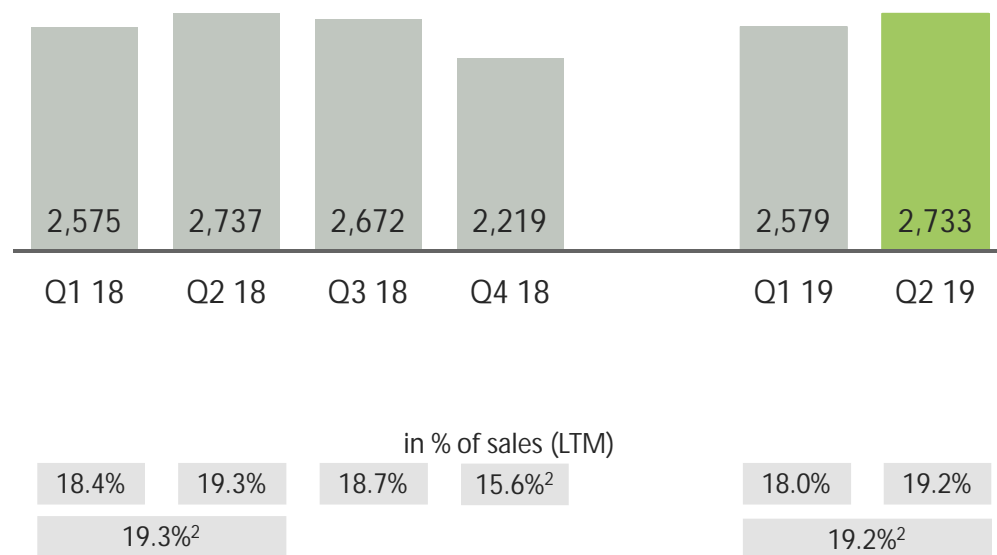
FCF Details | in EUR mn

	Q2 2018	Q2 2019	Δ Q2 18/19	H1 2018	H1 2019	Δ H1 18/19
FCF as reported	(5)	10	15	(77)	(290)	(213)
Non recurring items ⁴	59	29	(30)	92	40	(52)
Investments ⁵	7	0	(7)	26	51	25
M&A	0	(4)	(4)	2	61	59
Receivable Sale Program	0	0	0	0	0	0
	61	35	(26)	43	(138)	(181)

⁴ Including payments for legal cases and restructuring measures | ⁵ Capex in major strategic projects, e.g. Agenda 4 plus One (AKO Europe, EDC, Focus)

6 Working Capital ratio 19.2% – Capex ratio 6.1% in Q2

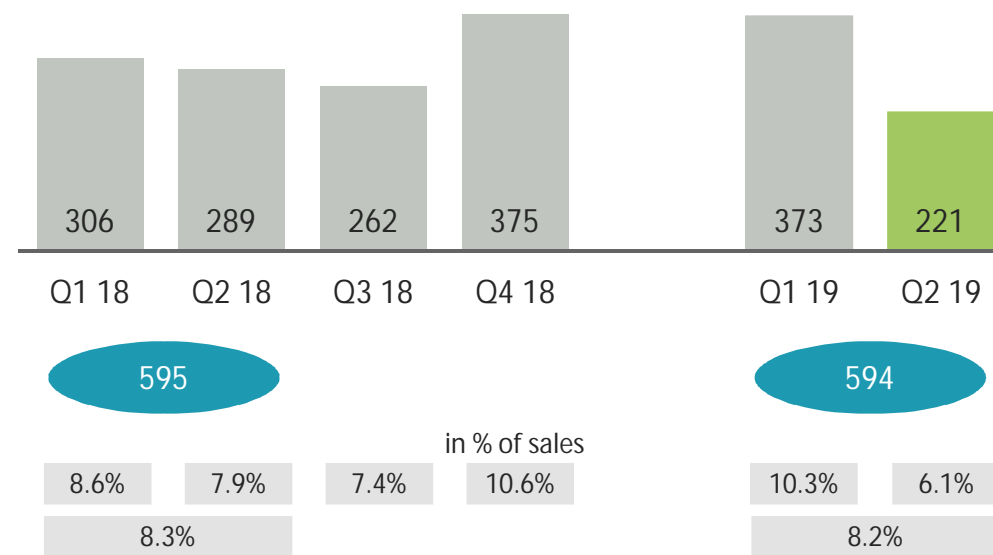
Working capital¹ | in EUR mn



¹ According to balance sheet; figures as per the end of period

² At 31st December 2018, trade receivables with a carrying amount of EUR 166 mn net of retained default risks had been sold under the ABCP program

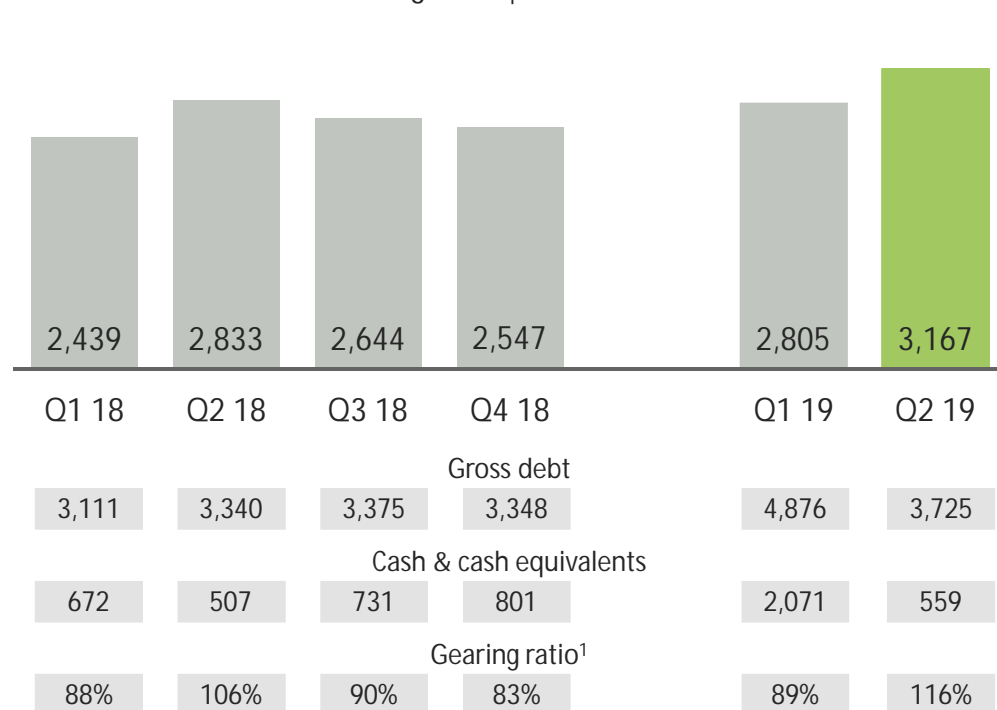
Capex³ | in EUR mn



³ Cash view

7 Net debt of EUR 3,167 mn – Gearing ratio¹ at 116%

Net financial debt and Gearing ratio | in EUR mn

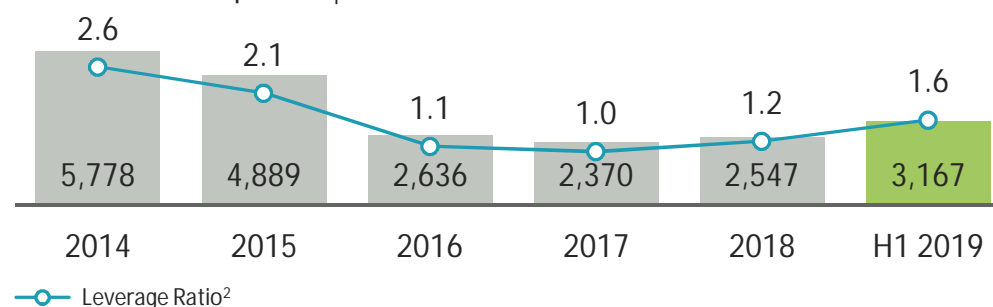


¹ Gearing ratio: Ratio of net financial debt to equity incl. non-controlling interests in %

Key aspects

- ▶ Net Debt increased seasonally to EUR 3,167 mn due to dividend payment; Net leverage ratio² at 1.6x
- ▶ Gearing Ratio at 116%
- ▶ Lower cash position due to early repayment of the three Schaeffler Finance B.V. bonds at May 15, 2019

Net debt development | in EUR mn



² Leverage Ratio: Net financial debt to EBITDA ratio before special items

FY 2019 Guidance – As adjusted in the July 29th pre-release

Group Guidance

	Previous Guidance FY 2019	New Guidance FY 2019
Sales growth ¹	1 - 3%	-1 - +1%
EBIT margin ²	8 - 9%	7 - 8%
Free Cash Flow ³	~ EUR 400 mn	EUR 350 - 400 mn

¹ FX-adjusted | ² Before special items³ Before cash in- and outflows for M&A activities

Divisional Guidance

Automotive OEM		Automotive Aftermarket		Industrial	
Previous	New	Previous	New	Previous	New
1 - 3%	-2 - 0%	1 - 3%	-2 - 0%	1 - 3%	2 - 4%
6 - 7%	5 - 6%	15 - 16%	15 - 16%	10 - 11%	10 - 11%

Market assumptions 2019

- ▶ Automotive OEM: Decrease of global passenger car production of around - 4% (Previously⁴: -1%)
- ▶ Automotive Aftermarket: Slower growth in the global vehicle population and a nearly unchanged average vehicle age
- ▶ Industrial: Growth of industrial production of approximately 2%

⁴ As of March 6th, 2019

Conclusion & Outlook – Full focus on structural self-help measures and cash generation

- 1 Automotive OEM: Promising strong Order Intake (Book-to-Bill ratio 1.8x) including 1.1 bn EUR E-Motor order; market conditions remain subdued, full focus on short-term measures and RACE execution going forward
- 2 Automotive Aftermarket: European end markets triggered lower sales guidance; earnings quality improvement to be supported by cost actions of program GRIP
- 3 Industrial: Strong earnings quality to be supported in the coming quarters also by implementation of program FIT
- 4 Positive FCF¹ in Q2, supported by stricter Capex discipline (Capex to Sales ratio 6.1%); clear focus on selectiveness without jeopardizing growth business and Working Capital management
- 5 FY 2019 Guidance adjusted – Realistic assessment of market environment triggers even higher cost and capital discipline in the organization



Adapting execution
to a more complex
market environment

¹ Before cash in- and outflows for M&A activities

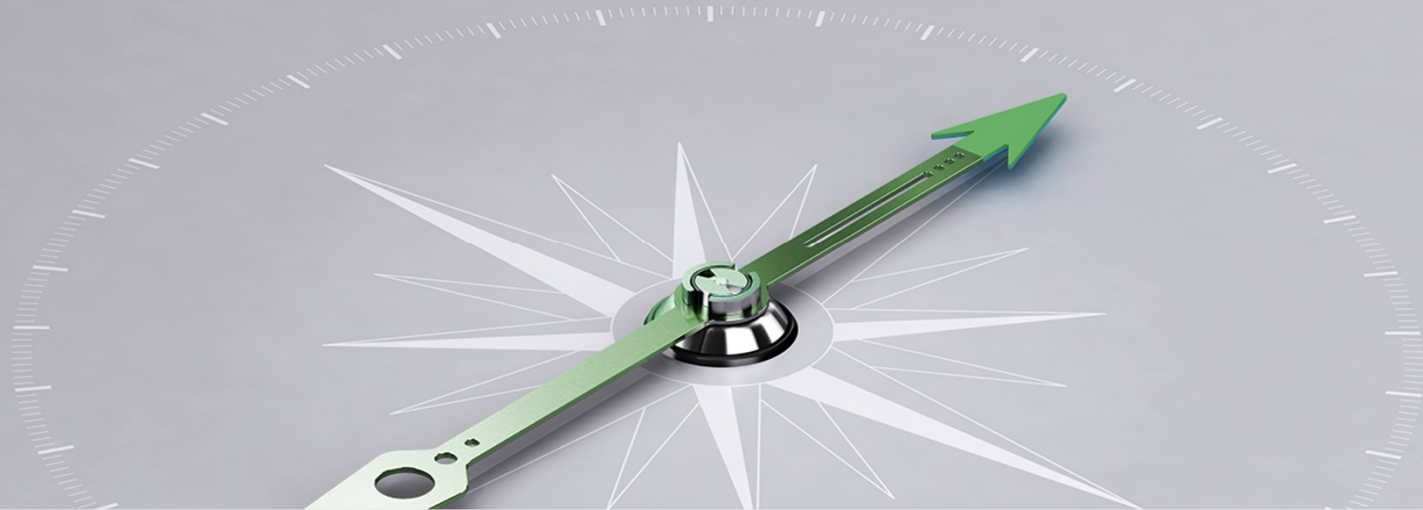
Financial calendar 2019 / 2020 – CMD on September 11th 2019 in Frankfurt

Roadshows

Aug 7 th	London
Aug 8 th	Frankfurt
Oct 8 th	Helsinki

Regular capital market communication

Jul 29 th	H1 Pre-Release – FY 2019 Guidance Adjustment
Aug 6 th	H1 2019 Earnings Release
Sep 11 th	CMD 2019, Deutsche Bank IAA Conference - Frankfurt
Nov 5 th	9M 2019 Earnings Release
Mar 10 th	FY 2019 Earnings Release
Mar 24 th	Strategy CMD 2020, Herzogenaurach



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Key figures by Group and division

Adjusted comparative
figures 2018

Group | in EUR mn

	Q1'18	Q2'18	H1'18	Q3'18	Q4'18	Q1'19	Q2'19	H1'19
Sales	3,551	3,641	7,193	3,521	3,527	3,622	3,604	7,226
<i>Sales Growth¹</i>	+3.9%	+7.9%	+5.8%	+3.7%	+0.3%	+0.4%	-2.0%	-0.8%
EBIT Reported	391	382	773	376	204	230	253	483
EBIT bsi	391	404	794	356	231	272	284	556
EBIT bsi margin	11.0%	11.1%	11.0%	10.1%	6.5%	7.5%	7.9%	7.7%

Automotive Aftermarket | in EUR mn

	Q1'18	Q2'18	H1'18	Q3'18	Q4'18	Q1'19	Q2'19	H1'19
Sales	447	480	926	476	459	441	465	905
<i>Sales Growth¹</i>	-4.4%	+12.3%	+3.6%	-3.0%	+5.0%	-1.1%	-3.6%	-2.4%
EBIT Reported	80	99	179	89	73	64	73	136
EBIT bsi	80	99	179	86	73	64	73	136
EBIT bsi margin	18.0%	20.6%	19.3%	18.2%	15.9%	14.4%	15.7%	15.1%

Automotive OEM | in EUR mn

	Q1'18	Q2'18	H1'18	Q3'18	Q4'18	Q1'19	Q2'19	H1'19
Sales	2,280	2,307	4,587	2,191	2,218	2,286	2,229	4,514
<i>Sales Growth¹</i>	+3.2%	+6.5%	+4.8%	+3.2%	-4.2%	-1.7%	-4.2%	-2.9%
EBIT Reported	218	197	415	180	66	59	85	144
EBIT bsi	218	207	425	167	81	113	103	216
EBIT bsi margin	9.6%	9.0%	9.3%	7.6%	3.6%	5.0%	4.6%	4.8%

¹ FX-adjusted

Industrial | in EUR mn

	Q1'18	Q2'18	H1'18	Q3'18	Q4'18	Q1'19	Q2'19	H1'19
Sales	824	855	1,679	854	850	895	911	1,806
<i>Sales Growth¹</i>	+10.8%	+9.3%	+10.0%	+9.4%	+11.0%	+6.9%	+5.0%	+5.9%
EBIT Reported	92	86	179	107	66	108	95	203
EBIT bsi	92	98	190	102	77	95	108	203
EBIT bsi margin	11.2%	11.4%	11.3%	12.0%	9.1%	10.6%	11.9%	11.2%

Automotive OEM Outperformance by quarters

FY 19 (YTD)
Outperformance: +3.8pp

	IHS ¹	Auto OEM ²	Outper- formance
World	-5.8%	-1.7%	+4.1pp
Europe	-6.5%	-3.3%	+3.2pp
Americas	-3.2%	+12.4%	+15.6pp
Greater China	-11.0%	-14.5%	-3.5pp
Asia/Pacific	0.0%	+2.4%	+2.4pp

	IHS ¹	Auto OEM ²	Outper- formance
	-7.5%	-4.2%	+3.3pp
	-9.3%	-6.8%	+2.5pp
	-1.8%	+4.7%	+6.5pp
	-16.4%	-10.7%	+5.7pp
	+2.6%	+0.8%	-1.8pp

FY 18
Outperformance: +3.1pp

	IHS ¹	Auto OEM ²	Outper- formance
World	-0.1%	+3.2%	+3.3pp
Europe	+2.4%	+0.4%	-2.0pp
Americas	-1.4%	+3.7%	+5.1pp
Greater China	-1.6%	+12.4%	+14.0pp
Asia/Pacific	-0.7%	+0.5%	+1.2pp

	IHS ¹	Auto OEM ²	Outper- formance
	+4.7%	+6.5%	+1.8pp
	+6.6%	+4.6%	-2.0pp
	-0.7%	+3.7%	+4.4pp
	+10.5%	+14.5%	+4.0pp
	-0.4%	+7.6%	+8.0pp

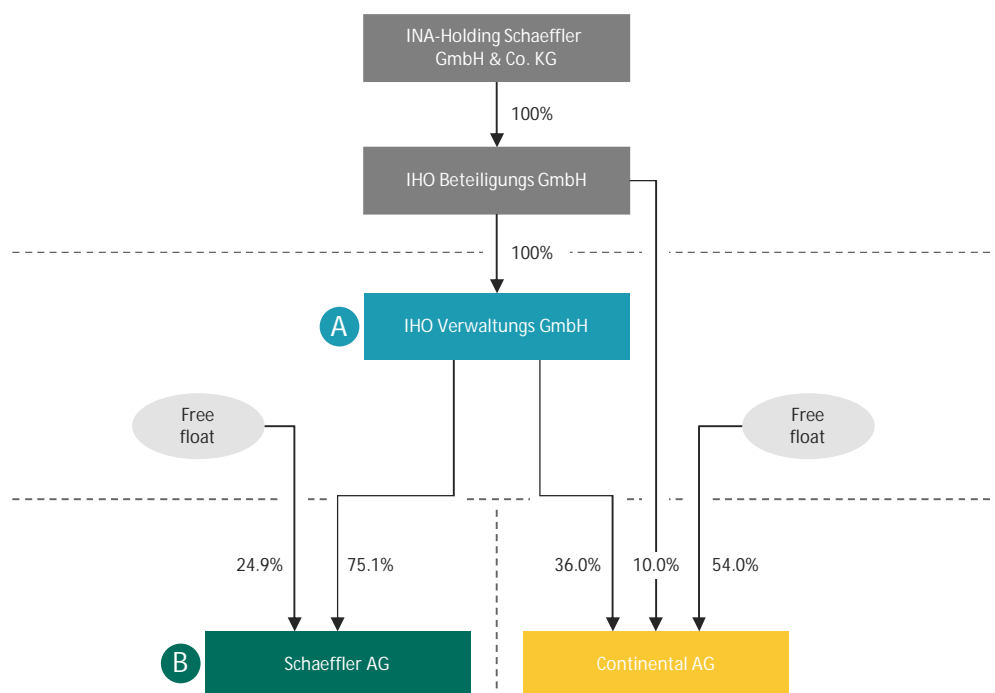
	IHS ¹	Auto OEM ²	Outper- formance
	-2.7%	+3.2%	+5.9pp
	-4.0%	+1.6%	+5.6pp
	+1.9%	+9.9%	+8.0pp
	-4.5%	+2.5%	+7.0pp
	-3.0%	-0.7%	+2.3pp

	IHS ¹	Auto OEM ²	Outper- formance
	-5.6%	-4.2%	+1.4pp
	-6.7%	-2.7%	+4.0pp
	+1.0%	+5.1%	+4.1pp
	-15.5%	-17.4%	-1.9pp
	+8.0%	+2.1%	-5.9pp

¹ LVP Growth according to IHS Markit (July 2019) | ² FX-adjusted Sales Growth Automotive OEM division

Overview Corporate and Financing Structure

Corporate structure (simplified) | as of June 30, 2019



Financing structure | as of June 30, 2019

A IHO Verwaltungs GmbH		Nominal (USD mn)	Nominal (EUR ¹ mn)	Interest	Maturity	Rating (Fitch/Moody's/S&P)
Debt instrument						
Loans	Term loan (EUR)	-	600	E+2.75%	May-24	Not rated
	RCF (EUR 400 mn)	-	-	E+2.75%	May-24	Not rated
Bonds	3.625% SSNs 2025 (EUR)	-	800	3.625%	May-25	BB+/Ba1/BB+
	3.75% SSNs 2026 (EUR)	-	750	3.75%	Sep-26	BB+/Ba1/BB+
	4.75% SSNs 2026 (USD)	500	439	4.75%	Sep-26	BB+/Ba1/BB+
	3.875% SSNs 2027 (EUR)	-	500	3.75%	May-27	BB+/Ba1/BB+
	6.00% SSNs 2027 (USD)	450	395	6.00%	May-27	BB+/Ba1/BB+
	6.375% SSNs 2029 (USD)	400	351	6.375%	May-29	BB+/Ba1/BB+
Total IHO Verwaltungs GmbH			3,836	Ø 3.67% ^{2,3}		

B Schaeffler AG		Nominal (USD mn)	Nominal (EUR ¹ mn)	Interest	Maturity	Rating (Fitch/Moody's/S&P)
Debt instrument						
Loans	Term loan (EUR)	-	500	E+0.80%	Sep-23	Not rated
	RCF (EUR 1,500 mn)	-	225	E+0.50%	Sep-23	Not rated
	Investment Facility (EUR 250 mn)	-	219	E+1.00%	Dec-22	Not rated
Bonds	1.125% SNs 2022 (EUR)	-	750	1.125%	Mar-22	BBB-/Baa3/BBB-
	1.875% SNs 2024 (EUR)	-	800	1.875%	Mar-24	BBB-/Baa3/BBB-
	3.25% SNs 2025 (EUR) - SFBV ⁴	-	600	3.25%	May-25	BBB-/Baa3/BBB-
	2.875% SNs 2027 (EUR)	-	650	2.875%	Mar-27	BBB-/Baa3/BBB-
Total Schaeffler Group			3,744	Ø 1.91% ³		

¹ EUR/USD = 1.1380 | ² After cross currency swaps | ³ Incl. commitment and utilization fees.

⁴ Bond issued by Schaeffler Finance B.V., guaranteed by Schaeffler AG.