

**SCHAEFFLER**

Facts and figures  
First half 2016

# Schaeffler Group at a glance

## Key figures

Income statement (in € millions)	1 <sup>st</sup> six months		Change	
	2016	2015		
Revenue	6,712	6,721	-0.1	%
• at constant currency			2.9	%
EBIT	859	818	5.0	%
• in % of revenue	12.8	12.2	0.6	%-pts.
EBIT before special items <sup>1)</sup>	859	825	4.1	%
• in % of revenue	12.8	12.3	0.5	%-pts.
Net income <sup>2)</sup>	494	309	59.9	%
Earnings per common non-voting share (basic/diluted, in €) <sup>3)</sup>	0.75	0.78	-3.8	%
Statement of financial position (in € millions)	06/30/2016	12/31/2015	Change	
Total assets	12,554	12,480	0.6	%
Shareholders' equity <sup>4)</sup>	1,425	1,568	-143	€ millions
• in % of total assets	11.4	12.6	-1.2	%-pts.
Net financial debt	4,874	4,889	-0.3	%
• Net financial debt to EBITDA ratio before special items <sup>1)5)</sup>	2.0	2.1		
Statement of cash flows (in € millions)	1 <sup>st</sup> six months		Change	
EBITDA	1,217	1,161	4.8	%
• in % of revenue	18.1	17.3	0.8	%-pts.
EBITDA before special items <sup>1)</sup>	1,217	1,168	4.2	%
• in % of revenue	18.1	17.4	0.7	%-pts.
Cash flows from operating activities	777	422	355	€ millions
Capital expenditures (capex) <sup>6)</sup>	561	501	60	€ millions
• in % of revenue (capex ratio)	8.4	7.5	0.9	%-pts.
Free cash flow	216	-72	288	€ millions
Value added	1 <sup>st</sup> six months		Change	
ROCE (return on capital employed, in %) <sup>5)</sup>	19.0	21.4	-2.4	%-pts.
ROCE before special items (in %) <sup>1)5)</sup>	22.5	22.2	0.3	%-pts.
Schaeffler Value Added <sup>5)</sup>	684	821	-16.7	%
Schaeffler Value Added before special items <sup>1)5)</sup>	951	878	8.3	%
Employees	06/30/2016	06/30/2015	Change	
Headcount	85,225	83,774	1.7	%

<sup>1)</sup> EBIT, debt to EBITDA ratio, EBITDA, ROCE, and Schaeffler Value Added before special items for legal cases and restructuring.

<sup>2)</sup> Attributable to shareholders of the parent company.

<sup>3)</sup> Earnings per share were calculated in accordance with IAS 33.

<sup>4)</sup> Including non-controlling interests.

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

<sup>6)</sup> Capital expenditures on intangible assets and property, plant and equipment.

Automotive (in € millions)	1 <sup>st</sup> six months		Change	
	2016	2015		
Revenue	5,179	5,069	2.2	%
• at constant currency			5.4	%
EBIT	739	651	13.5	%
• in % of revenue	14.3	12.8	1.5	%-pts.
EBIT before special items <sup>1)</sup>	739	658	12.3	%
• in % of revenue	14.3	13.0	1.3	%-pts.
Industrie (in € millions)	1 <sup>st</sup> six months		Change	
Revenue	1,533	1,652	-7.2	%
• at constant currency			-4.9	%
EBIT	120	167	-28.1	%
• in % of revenue	7.8	10.1	-2.3	%-pts.
EBIT before special items <sup>1)</sup>	120	167	-28.1	%
• in % of revenue	7.8	10.1	-2.3	%-pts.

Prior year information presented based on 2016 segment structure.

<sup>1)</sup> EBIT before special items for legal cases and restructuring.

# Highlights H1 2016

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Revenue increased slightly

Revenue at **EUR 6.7 bn**  
(2.9 % at constant currency)

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Earnings quality strong

EBIT margin at **12.8 %**  
(prior year: 12.3 % before special items)

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Free cash flow raised considerably

Free cash flow at **EUR 216 m**  
(prior year: EUR -72 m)

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Implementation of CORE project on schedule

Industrial EBIT margin for 2<sup>nd</sup> quarter  
improved to **9.3 %** (1<sup>st</sup> quarter: 6.4 %)

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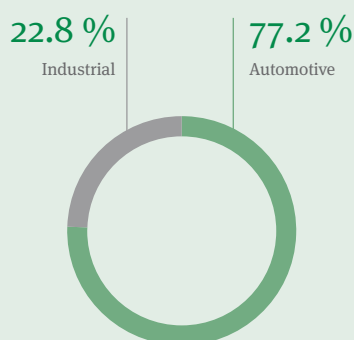
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# Earnings

## Schaeffler Group earnings

Revenue EUR 6,712 m

EBIT before special items EUR 859 m



Revenue up 2.9 % at constant currency // Revenue growth largely driven by higher volumes in Automotive // Increased R&D activities to create new technologies and innovations

### Schaeffler Group earnings

in € millions	1 <sup>st</sup> six months			2 <sup>nd</sup> quarter		
	2016	2015	Change in %	2016	2015	Change in %
<b>Revenue</b>	<b>6,712</b>	<b>6,721</b>	<b>-0.1</b>	<b>3,369</b>	<b>3,382</b>	<b>-0.4</b>
• at constant currency			2.9			3.3
<b>Revenue by division</b>						
Automotive	5,179	5,069	2.2	2,603	2,554	1.9
• Share of revenue in %	77.2	75.4		77.3	75.5	
Industrial	1,533	1,652	-7.2	766	828	-7.5
• Share of revenue in %	22.8	24.6		22.7	24.5	
<b>Revenue by region <sup>1)</sup></b>						
Europe	3,679	3,627	1.4	1,863	1,801	3.4
• Share of revenue in %	54.8	54.0		55.3	53.3	
Americas	1,417	1,499	-5.5	711	751	-5.3
• Share of revenue in %	21.1	22.3		21.1	22.2	
Greater China	939	931	0.9	463	480	-3.5
• Share of revenue in %	14.0	13.8		13.7	14.2	
Asia/Pacific	677	664	2.0	332	350	-5.1
• Share of revenue in %	10.1	9.9		9.9	10.3	
Cost of sales	-4,792	-4,837	-0.9	-2,393	-2,439	-1.9
Gross profit	1,920	1,884	1.9	976	943	3.5
Functional expenses <sup>2)</sup>	-1,046	-1,019	2.6	-530	-517	2.5
<b>Earnings before financial result and income taxes (EBIT)</b>	<b>859</b>	<b>818</b>	<b>5.0</b>	<b>438</b>	<b>384</b>	<b>14.1</b>
• in % of revenue	12.8	12.2	-	13.0	11.4	-
<b>EBIT before special items <sup>3)</sup></b>	<b>859</b>	<b>825</b>	<b>4.1</b>	<b>438</b>	<b>384</b>	<b>14.1</b>
• in % of revenue	12.8	12.3	-	13.0	11.4	-
Financial result	-153	-337	-54.6	-88	-161	-45.3
Income taxes	-206	-165	24.8	-106	-76	39.5
Net income <sup>4)</sup>	494	309	59.9	241	142	69.7
Earnings per common non-voting share (basic/diluted, in €)	0.75	0.78	-3.8	0.37	0.36	2.8

<sup>1)</sup> Based on market (customer location).

<sup>2)</sup> Research and development, selling and administration.

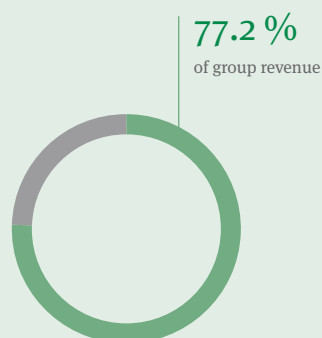
<sup>3)</sup> EBIT before special items for legal cases and restructuring.

<sup>4)</sup> Attributable to shareholders of the parent company.

## Automotive division

Revenue EUR 5,179 m

EBIT before special items EUR 739 m



Revenue growth outpaced increase in global automobile production // Above-average increase in Aftermarket revenue // Higher gross margin reflects profitable growth // Increased R&D activities to create new technologies and innovations

### Automotive division earnings

in € millions	1 <sup>st</sup> six months			2 <sup>nd</sup> quarter		
	2016	2015	Change in %	2016	2015	Change in %
<b>Revenue</b>	<b>5,179</b>	<b>5,069</b>	<b>2.2</b>	<b>2,603</b>	<b>2,554</b>	<b>1.9</b>
• at constant currency			5.4			5.8
Revenue by business division						
BD Engine Systems	1,324	1,321	0.2	671	661	1.5
• Share of revenue in %	25.6	26.1		25.8	25.9	
BD Transmission Systems	2,180	2,141	1.8	1,074	1,076	-0.2
• Share of revenue in %	42.1	42.2		41.3	42.1	
BD Chassis Systems	774	746	3.8	389	369	5.4
• Share of revenue in %	14.9	14.7		14.9	14.5	
BD Automotive Aftermarket	901	861	4.6	469	448	4.7
• Share of revenue in %	17.4	17.0		18.0	17.5	
Revenue by region <sup>1)</sup>						
Europe	2,762	2,696	2.4	1,404	1,340	4.8
• Share of revenue in %	53.3	53.2		53.9	52.4	
Americas	1,133	1,179	-3.9	572	594	-3.7
• Share of revenue in %	21.9	23.3		22.0	23.3	
Greater China	753	692	8.8	369	354	4.2
• Share of revenue in %	14.5	13.6		14.2	13.9	
Asia/Pacific	531	502	5.8	258	266	-3.0
• Share of revenue in %	10.3	9.9		9.9	10.4	
Cost of sales	-3,698	-3,687	0.3	-1,853	-1,862	-0.5
Gross profit	1,481	1,382	7.2	750	692	8.4
<b>EBIT</b>	<b>739</b>	<b>651</b>	<b>13.5</b>	<b>367</b>	<b>308</b>	<b>19.2</b>
• in % of revenue	14.3	12.8	-	14.1	12.1	-
<b>EBIT before special items <sup>2)</sup></b>	<b>739</b>	<b>658</b>	<b>12.3</b>	<b>367</b>	<b>308</b>	<b>19.2</b>
• in % of revenue	14.3	13.0	-	14.1	12.1	-

Prior year information presented based on 2016 segment structure.

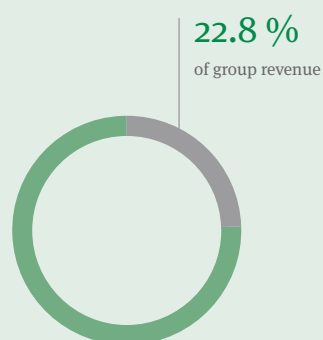
<sup>1)</sup> Based on market (customer location).

<sup>2)</sup> EBIT before special items for legal cases and restructuring.

## Industrial division

Revenue EUR 1,533 m

EBIT before special items EUR 120 m



Revenue at constant currency decreased in all regions // Margin decline mainly driven by lower sales volumes and less profitable revenue mix

### Industrial division earnings

in € millions	1 <sup>st</sup> six months			2 <sup>nd</sup> quarter		
	2016	2015	Change in %	2016	2015	Change in %
<b>Revenue</b>	<b>1,533</b>	<b>1,652</b>	<b>-7.2</b>	<b>766</b>	<b>828</b>	<b>-7.5</b>
• at constant currency			-4.9			-4.3
Revenue by region <sup>1)</sup>						
Europe	917	931	-1.5	459	461	-0.4
• Share of revenue in %	59.8	56.3		59.9	55.7	
Americas	284	320	-11.3	139	157	-11.5
• Share of revenue in %	18.6	19.4		18.1	19.0	
Greater China	186	239	-22.2	94	126	-25.4
• Share of revenue in %	12.1	14.5		12.3	15.2	
Asia/Pacific	146	162	-9.9	74	84	-11.9
• Share of revenue in %	9.5	9.8		9.7	10.1	
Cost of sales	-1,094	-1,150	-4.9	-540	-577	-6.4
Gross profit	439	502	-12.5	226	251	-10.0
<b>EBIT</b>	<b>120</b>	<b>167</b>	<b>-28.1</b>	<b>71</b>	<b>76</b>	<b>-6.6</b>
• in % of revenue	7.8	10.1	-	9.3	9.2	-
<b>EBIT before special items <sup>2)</sup></b>	<b>120</b>	<b>167</b>	<b>-28.1</b>	<b>71</b>	<b>76</b>	<b>-6.6</b>
• in % of revenue	7.8	10.1	-	9.3	9.2	-

Prior year information presented based on 2016 segment structure.

<sup>1)</sup> Based on market (customer location).

<sup>2)</sup> EBIT before special items for legal cases and restructuring.

# Consolidated statement of financial position

in € millions	06/30/2016	12/31/2015	06/30/2015	Change in %
<b>ASSETS</b>				
Intangible assets	585	589	566	-0.7
Property, plant and equipment	4,242	4,180	3,942	1.5
Other financial assets	1,922	2,123	2,064	-9.5
Other assets	41	57	56	-28.1
Income tax receivables	4	4	8	0.0
Deferred tax assets	603	485	493	24.3
<b>Total non-current assets</b>	<b>7,397</b>	<b>7,438</b>	<b>7,129</b>	<b>-0.6</b>
Inventories	1,914	1,812	1,810	5.6
Trade receivables	2,266	2,023	2,215	12.0
Other financial assets	119	123	362	-3.3
Other assets	222	211	228	5.2
Income tax receivables	64	74	57	-13.5
Cash and cash equivalents	572	799	420	-28.4
<b>Total current assets</b>	<b>5,157</b>	<b>5,042</b>	<b>5,092</b>	<b>2.3</b>
<b>Total assets</b>	<b>12,554</b>	<b>12,480</b>	<b>12,221</b>	<b>0.6</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
Share capital	666	666	600	0.0
Capital reserves	2,348	2,348	1,600	0.0
Other reserves	-769	-935	-1,217	-17.8
Accumulated other comprehensive income (loss)	-909	-599	-533	51.8
<b>Equity attributable to shareholders of the parent company</b>	<b>1,336</b>	<b>1,480</b>	<b>450</b>	<b>-9.7</b>
Non-controlling interests	89	88	82	1.1
<b>Total shareholders' equity</b>	<b>1,425</b>	<b>1,568</b>	<b>532</b>	<b>-9.1</b>
Provisions for pensions and similar obligations	2,358	1,942	1,945	21.4
Provisions	138	182	72	-24.2
Financial debt	5,442	5,685	6,653	-4.3
Income tax payables	219	210	254	4.3
Other financial liabilities	7	12	13	-41.7
Other liabilities	6	6	7	0.0
Deferred tax liabilities	116	107	95	8.4
<b>Total non-current liabilities</b>	<b>8,286</b>	<b>8,144</b>	<b>9,039</b>	<b>1.7</b>
Provisions	419	431	289	-2.8
Financial debt	4	3	12	33.3
Trade payables	1,384	1,405	1,287	-1.5
Income tax payables	135	112	203	20.5
Other financial liabilities	506	512	476	-1.2
Other liabilities	395	305	383	29.5
<b>Total current liabilities</b>	<b>2,843</b>	<b>2,768</b>	<b>2,650</b>	<b>2.7</b>
<b>Total shareholders' equity and liabilities</b>	<b>12,554</b>	<b>12,480</b>	<b>12,221</b>	<b>0.6</b>



# Consolidated statement of cash flows

in € millions	1 <sup>st</sup> six months			2 <sup>nd</sup> quarter		
	2016	2015	Change in %	2016	2015	Change in %
<b>Operating activities</b>						
EBIT	859	818	5.0	438	384	14.1
Interest paid	-107	-379	-71.8	-72	-304	-76.3
Interest received	73	40	82.5	70	38	84.2
Income taxes paid	-161	-158	1.9	-62	-73	-15.1
Depreciation, amortization and impairments	358	343	4.4	181	173	4.6
(Gains) losses on disposal of assets	1	0	-	0	-1	-100
Changes in:						
• Inventories	-112	-41	> 100	-36	-27	33.3
• Trade receivables	-264	-245	7.8	-38	24	-
• Trade payables	89	53	67.9	37	16	> 100
• Provisions for pensions and similar obligations	-19	6	-	-11	12	-
• Other assets, liabilities and provisions	60	-15	-	64	-4	-
<b>Cash flows from operating activities <sup>1)</sup></b>	<b>777</b>	<b>422</b>	<b>84.1</b>	<b>571</b>	<b>238</b>	<b>&gt; 100</b>
<b>Investing activities</b>						
Proceeds from disposals of property, plant and equipment	1	8	-87.5	0	7	-100
Capital expenditures on intangible assets	-10	-18	-44.4	-5	-11	-54.5
Capital expenditures on property, plant and equipment	-551	-483	14.1	-238	-246	-3.3
Other investing activities	-1	-1	0.0	0	0	0.0
<b>Cash used in investing activities</b>	<b>-561</b>	<b>-494</b>	<b>13.6</b>	<b>-243</b>	<b>-250</b>	<b>-2.8</b>
<b>Financing activities</b>						
Dividends paid to shareholders and non-controlling interests	-329	-251	31.1	-329	-251	31.1
Receipts from loans	1	215	-99.5	-14	207	-
Repayments of loans <sup>2)</sup>	-208	-209	-0.5	-207	-209	-1.0
Other financing activities	98	85	15.3	98	85	15.3
<b>Cash provided by financing activities</b>	<b>-438</b>	<b>-160</b>	<b>&gt; 100</b>	<b>-452</b>	<b>-168</b>	<b>&gt; 100</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-222</b>	<b>-232</b>	<b>-4.3</b>	<b>-124</b>	<b>-180</b>	<b>-31.1</b>
Effects of foreign exchange rate changes on cash and cash equivalents	-5	16	-	3	-9	-
Cash and cash equivalents as at beginning of period	799	636	25.6	693	609	13.8
<b>Cash and cash equivalents as at end of period</b>	<b>572</b>	<b>420</b>	<b>36.2</b>	<b>572</b>	<b>420</b>	<b>36.2</b>

<sup>1)</sup> Excluding interest payments, cash flows from operating activities for the period from 01/01 to 06/30/2016 amount to EUR 884 m (prior year: EUR 801 m).

<sup>2)</sup> Including EUR 21 m in cash inflows from cross-currency swaps terminated early in connection with the voluntary prepayment of the loan tranches.

# Summary 1<sup>st</sup> quarter 2015 to 2<sup>nd</sup> quarter 2016

	2015				2016	
	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	4 <sup>th</sup> quarter	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter
<b>Income statement (in € millions)</b>						
Revenue	3,339	3,382	3,237	3,221	3,343	3,369
EBIT	434	384	433	151	421	438
• in % of revenue	13.0	11.4	13.4	4.7	12.6	13.0
EBIT before special items <sup>1)</sup>	441	384	433	418	421	438
• in % of revenue	13.2	11.4	13.4	13.0	12.6	13.0
Net income <sup>2)</sup>	167	142	212	70	253	241
Earnings per common non-voting share (basic/diluted, in €) <sup>3)</sup>	0.42	0.36	0.53	0.11	0.38	0.37
<b>Statement of financial position (in € millions)</b>						
Total assets	12,844	12,221	12,450	12,480	12,607	12,554
Shareholders' equity <sup>4)</sup>	418	532	631	1,568	1,609	1,425
• in % of total assets	3.3	4.4	5.1	12.6	12.8	11.4
Net financial debt	6,190	6,245	5,950	4,889	4,909	4,874
• Net financial debt to EBITDA ratio before special items <sup>1)5)</sup>	2.7	2.7	2.6	2.1	2.1	2.0
<b>Statement of cash flows (in € millions)</b>						
EBITDA	604	557	604	331	598	619
• in % of revenue	18.1	16.5	18.7	10.3	17.9	18.4
EBITDA before special item <sup>1)</sup>	611	557	604	598	598	619
• in % of revenue	18.3	16.5	18.7	18.6	17.9	18.4
Cash flows from operating activities	184	238	490	460	206	571
Capital expenditures (capex) <sup>6)</sup>	244	257	242	282	318	243
• in % of revenue (capex ratio)	7.3	7.6	7.5	8.8	9.5	7.2
Free cash flow	-60	-12	264	178	-112	328
<b>Value added</b>						
ROCE (return on capital employed, in %) <sup>5)</sup>	22.0	21.4	21.1	18.8	18.5	19.0
ROCE before special items (in %) <sup>1)5)</sup>	22.8	22.2	21.9	22.5	22.1	22.5
Schaeffler Value Added <sup>5)</sup>	839	821	813	657	639	684
Schaeffler Value Added before special items <sup>1)5)</sup>	896	878	870	931	906	951
<b>Employees</b>						
Headcount (at end of reporting period)	83,331	83,774	84,414	84,198	85,016	85,225
<b>Automotive (in € millions) <sup>7)</sup></b>						
Revenue	2,515	2,554	2,442	2,466	2,576	2,603
EBIT	343	308	356	128	372	367
• in % of revenue	13.6	12.1	14.6	5.2	14.4	14.1
EBIT before special items <sup>1)</sup>	350	308	356	359	372	367
• in % of revenue	13.9	12.1	14.6	14.6	14.4	14.1
<b>Industrial (in € millions) <sup>7)</sup></b>						
Revenue	824	828	795	755	767	766
EBIT	91	76	77	23	49	71
• in % of revenue	11.0	9.2	9.7	3.0	6.4	9.3
EBIT before special items <sup>1)</sup>	91	76	77	59	49	71
• in % of revenue	11.0	9.2	9.7	7.8	6.4	9.3

<sup>1)</sup> EBIT, debt to EBITDA ratio, EBITDA, ROCE, and Schaeffler Value Added before special items for legal cases and restructuring.

<sup>2)</sup> Attributable to shareholders of the parent company.

<sup>3)</sup> Earnings per share were calculated in accordance with IAS 33.

<sup>4)</sup> Including non-controlling interests.

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

<sup>6)</sup> Capital expenditures on intangible assets and property, plant and equipment.

<sup>7)</sup> Prior year information presented based on 2016 segment structure.

# Financial calendar

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Publication of results for the first six months 2016

**August 11, 2016**

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Publication of results for the first nine months 2016

**November 10, 2016**

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Publication of annual results 2016

**March 08, 2017**

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