

SCHAEFFLER

Facts and figures
9M 2017

Schaeffler Group at a glance

	1 st nine months		Change
	2017	2016	
Income statement (in € millions)			
Revenue	10,480	9,977	5.0 %
• at constant currency			5.0 %
EBIT	1,209	1,276	-5.3 %
• in % of revenue	11.5	12.8	-1.3 %-pts.
EBIT before special items ¹⁾	1,196	1,276	-6.3 %
• in % of revenue	11.4	12.8	-1.4 %-pts.
Net income ²⁾	791	672	17.7 %
Earnings per common non-voting share (basic/diluted, in €)	1.19	1.02	16.7 %
Statement of financial position (in € millions)	09/30/2017	12/31/2016	Change
Total assets	11,536	11,564	-0.2 %
Shareholders' equity ³⁾	2,401	1,997	404 € millions
• in % of total assets	20.8	17.3	3.5 %-pts.
Net financial debt	2,620	2,636	-0.6 %
• Net financial debt to EBITDA ratio before special items ^{1) 4)}	1.1	1.1	
• Gearing Ratio (Net financial debt to shareholders' equity, in %)	109.1	132.0	-22.9 %-pts.
	1 st nine months		
Statement of cash flows (in € millions)	2017	2016	Change
EBITDA	1,780	1,817	-2.0 %
• in % of revenue	17.0	18.2	-1.2 %-pts.
EBITDA before special items ¹⁾	1,767	1,817	-2.8 %
• in % of revenue	16.9	18.2	-1.3 %-pts.
Cash flows from operating activities	1,116	1,305	-189 € millions
Capital expenditures (capex) ⁵⁾	873	829	44 € millions
• in % of revenue (capex ratio)	8.3	8.3	0.0 %-pts.
Free cash flow	244	479	-235 € millions
	1 st nine months		
Value Added	2017	2016	Change
ROCE before special items (in %) ^{1) 4)}	20.5	22.6	-2.1 %-pts.
Schaeffler Value Added before special items (in € millions) ^{1) 4)}	829	944	-12.2 %
Employees	09/30/2017	12/31/2016	Change
Headcount	89,359	86,662	3.1 %

¹⁾ Please refer to pp. 18 et seq. of the interim financial report 9M for the definition of special items.

²⁾ Attributable to shareholders of the parent company.

³⁾ Including non-controlling interests.

⁴⁾ EBIT/EBITDA based on the last twelve months.

⁵⁾ Capital expenditures on intangible assets and property, plant and equipment.

	1 st nine months		Change
	2017	2016	
Automotive (in € millions)			
Revenue	8,098	7,707	5.1 %
• at constant currency			5.1 %
EBIT	1,002	1,097	-8.7 %
• in % of revenue	12.4	14.2	-1.8 %-pts.
EBIT before special items ¹⁾	989	1,097	-9.8 %
• in % of revenue	12.2	14.2	-2.0 %-pts.
	1 st nine months		
Industrial (in € millions)	2017	2016	Change
Revenue	2,382	2,270	4.9 %
• at constant currency			4.6 %
EBIT	207	179	15.6 %
• in % of revenue	8.7	7.9	0.8 %-pts.
EBIT before special items ¹⁾	207	179	15.6 %
• in % of revenue	8.7	7.9	0.8 %-pts.

Prior year information presented based on 2017 segment structure.

¹⁾ Please refer to pp. 18 et seq. of the interim financial report 9M for the definition of special items.

Highlights 9M 2017

Growth accelerated significantly in the 3rd quarter

Revenue at **EUR 10.5 bn**
(up 5.0 % at constant currency)

EBIT margin stabilized in the 3rd quarter

EBIT margin before special items at **11.4 %**
(prior year: 12.8 %)

Free cash flow clearly positive in the 3rd quarter

Free cash flow at **EUR 244 m**
(prior year: EUR 479 m)

Net income up significantly from prior year

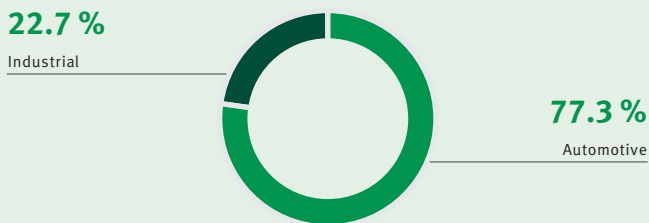
Net income at **EUR 791 m**
(prior year: EUR 672 m)

Contents

Schaeffler Group at a glance	2
Highlights 9M 2017	3
Schaeffler Group earnings	5
Automotive division earnings	6
Industrial division earnings	7
Consolidated income statement	8
Consolidated statement of financial position	9
Consolidated statement of cash flows	10
Summary – 1 st quarter 2016 to 3 rd quarter 2017	11
Financial calendar	12

Schaeffler Group

Revenue **EUR 10,480 m**



EBIT margin before special items **11.4 %**

Positive revenue trend continued – revenue growth at 5.0 % at constant currency; revenue increase in Q3 2017 plus 7.4 % at constant currency // Temporary adverse earnings impacts in Q2 2017 were partially recovered in Q3 2017 // Business growth in the Automotive division in Q3 2017 // Positive revenue and earnings development in the Industrial division continued – encouraging Q3 2017 // Double-digit growth in the Greater China region // R&D activities expanded considerably // Earnings per common non-voting share increased to EUR 1.19 (prior year: EUR 1.02).

Schaeffler Group earnings

in € millions	1 st nine months			3 rd quarter		
	2017	2016	Change in %	2017	2016	Change in %
Revenue	10,480	9,977	5.0	3,434	3,265	5.2
• at constant currency			5.0			7.4
Revenue by division						
Automotive	8,098	7,707	5.1	2,643	2,525	4.7
• at constant currency			5.1			6.9
Industrial	2,382	2,270	4.9	791	740	6.9
• at constant currency			4.6			9.2
Revenue by region ¹⁾						
Europe	5,424	5,402	0.4	1,760	1,723	2.1
• at constant currency			0.2			2.5
Americas	2,225	2,120	5.0	702	702	0.0
• at constant currency			3.8			3.4
Greater China	1,735	1,430	21.3	610	491	24.2
• at constant currency			24.7			30.3
Asia/Pacific	1,096	1,025	6.9	362	349	3.7
• at constant currency			6.2			8.7
Cost of sales	-7,563	-7,125	6.1	-2,470	-2,333	5.9
Gross profit	2,917	2,852	2.3	964	932	3.4
• in % of revenue	27.8	28.6	-	28.1	28.5	-
Research and development expenses	-637	-566	12.5	-209	-188	11.2
Selling and administrative expenses	-1,052	-999	5.3	-337	-331	1.8
Earnings before financial result and income taxes (EBIT)	1,209	1,276	-5.3	416	417	-0.2
• in % of revenue	11.5	12.8	-	12.1	12.8	-
Special items ²⁾	-13	0	-	0	0	0.0
EBIT before special items	1,196	1,276	-6.3	416	417	-0.2
• in % of revenue	11.4	12.8	-	12.1	12.8	-
Financial result	-104	-320	-67.5	-1	-167	-99.4
Income taxes	-301	-275	9.5	-105	-69	52.2
Net income ³⁾	791	672	17.7	306	178	71.9
Earnings per common non-voting share (basic/diluted, in €)	1.19	1.02	16.7	0.46	0.27	70.4

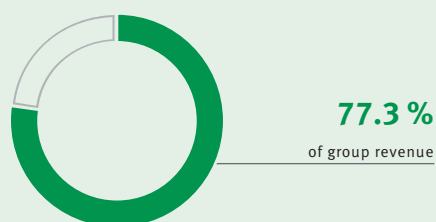
¹⁾ Based on market (customer location).

²⁾ Please refer to pp. 18 et seq. of the interim financial report 9M for the definition of special items.

³⁾ Attributable to shareholders of the parent company.

Automotive division

Revenue EUR **8,098 m**



EBIT margin before special items **12.2 %**

Revenue up 5.1 % at constant currency // Strong Q3 2017: Revenue at constant currency up 6.9 % over prior year // Growth once again exceeds global automobile production // China business maintains highly dynamic growth // Earnings quality increasing in Q3 – adverse earnings impacts in Q2 were partially offset in the third quarter // Expansion of R&D activities aimed at optimizing the drive train based on an internal combustion engine and in the field of E-mobility

Automotive division earnings

in € millions	1 st nine months		Change in %	3 rd quarter		Change in %
	2017	2016		2017	2016	
Revenue	8,098	7,707	5.1	2,643	2,525	4.7
• at constant currency			5.1			6.9
Revenue by business division						
BD Engine Systems	2,069	1,960	5.6	670	636	5.3
• at constant currency			5.9			8.3
BD Transmission Systems	3,428	3,216	6.6	1,095	1,037	5.6
• at constant currency			6.9			8.1
BD Chassis Systems	1,173	1,143	2.6	375	368	1.9
• at constant currency			2.5			4.2
BD Automotive Aftermarket	1,428	1,388	2.9	503	484	3.9
• at constant currency			2.2			4.8
Revenue by region¹⁾						
Europe	4,056	4,050	0.1	1,313	1,287	2.0
• at constant currency			0.0			2.3
Americas	1,785	1,698	5.1	563	563	0.0
• at constant currency			4.1			3.3
Greater China	1,385	1,151	20.3	480	398	20.6
• at constant currency			23.8			26.3
Asia/Pacific	872	808	7.9	287	277	3.6
• at constant currency			7.4			8.5
Cost of sales	-5,874	-5,509	6.6	-1,904	-1,808	5.3
Gross profit	2,224	2,198	1.2	739	717	3.1
• in % of revenue	27.5	28.5	-	28.0	28.4	-
Research and development expenses	-537	-462	16.2	-177	-151	17.2
Selling and administrative expenses	-677	-616	9.9	-216	-203	6.4
EBIT	1,002	1,097	-8.7	345	362	-4.7
• in % of revenue	12.4	14.2	-	13.1	14.3	-
Special items ²⁾	-13	0	-	0	0	-
EBIT before special items	989	1,097	-9.8	345	362	-4.7
• in % of revenue	12.2	14.2	-	13.1	14.3	-

Prior year information presented based on 2017 segment structure.

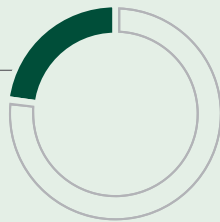
¹⁾ Based on market (customer location).

²⁾ Please refer to pp. 18 et seq. of the interim financial report 9M for the definition of special items.

Industrial division

Revenue **EUR 2,382 m**

22.7 %
of group revenue



EBIT margin before special items **8.7 %**

Revenue increases by 4.6 % at constant currency // Growth continued and strengthened in Q3 2017 // Largely driven by higher volumes in the power transmission, industrial automation, and offroad sectors // Significant additional revenue in the Greater China region // Margins stabilized further – gross and EBIT margins increased over prior year // Cost and efficiency measures are consistently executed and proving effective

Industrial division earnings

in € millions	1 st nine months			3 rd quarter		
	2017	2016	Change in %	2017	2016	Change in %
Revenue	2,382	2,270	4.9	791	740	6.9
• at constant currency			4.6			9.2
Revenue by region ¹⁾						
Europe	1,368	1,352	1.2	447	436	2.5
• at constant currency			0.8			3.1
Americas	440	422	4.3	139	139	0.0
• at constant currency			2.9			3.4
Greater China	350	279	25.4	130	93	39.8
• at constant currency			28.3			47.5
Asia/Pacific	224	217	3.2	75	72	4.2
• at constant currency			1.9			9.3
Cost of sales	-1,689	-1,616	4.5	-566	-525	7.8
Gross profit	693	654	6.0	225	215	4.7
• in % of revenue	29.1	28.8	-	28.4	29.1	-
Research and development expenses	-100	-104	-3.8	-32	-37	-13.5
Selling and administrative expenses	-375	-383	-2.1	-121	-128	-5.5
EBIT	207	179	15.6	71	55	29.1
• in % of revenue	8.7	7.9	-	9.0	7.4	-
Special items ²⁾	0	0	0.0	0	0	0.0
EBIT before special items	207	179	15.6	71	55	29.1
• in % of revenue	8.7	7.9	-	9.0	7.4	-

Prior year information presented based on 2017 segment structure.

¹⁾ Based on market (customer location).

²⁾ Please refer to pp. 18 et seq. of the interim financial report 9M for the definition of special items.

Consolidated income statement

in € millions	1 st nine months			3 rd quarter		
	2017	2016	Change in %	2017	2016	Change in %
Revenue	10,480	9,977	5.0	3,434	3,265	5.2
Cost of sales	-7,563	-7,125	6.1	-2,470	-2,333	5.9
Gross profit	2,917	2,852	2.3	964	932	3.4
Research and development expenses	-637	-566	12.5	-209	-188	11.2
Selling expenses	-719	-677	6.2	-234	-227	3.1
Administrative expenses	-333	-322	3.4	-103	-104	-1.0
Other income	47	20	> 100	5	5	0.0
Other expenses	-66	-31	> 100	-7	-1	> 100
Earnings before financial result and income taxes (EBIT)	1,209	1,276	-5.3	416	417	-0.2
Financial income	125	230	-45.7	38	118	-67.8
Financial expenses	-229	-550	-58.4	-39	-285	-86.3
Financial result	-104	-320	-67.5	-1	-167	-99.4
Earnings before income taxes	1,105	956	15.6	415	250	66.0
Income taxes	-301	-275	9.5	-105	-69	52.2
Net income	804	681	18.1	310	181	71.3
Attributable to shareholders of the parent company	791	672	17.7	306	178	71.9
Attributable to non-controlling interests	13	9	44.4	4	3	33.3
Earnings per common share (basic/diluted, in €)	1.18	1.01	16.8	0.46	0.27	70.4
Earnings per common non-voting share (basic/diluted, in €)	1.19	1.02	16.7	0.46	0.27	70.4

Consolidated statement of financial position

in € millions	09/30/2017	12/31/2016	09/30/2016	Change in %
ASSETS				
Intangible assets	629	632	584	-0.5
Property, plant and equipment	4,625	4,507	4,319	2.6
Other financial assets	165	217	169	-24.0
Other assets	66	51	29	29.4
Income tax receivables	0	0	0	0.0
Deferred tax assets	492	572	610	-14.0
Total non-current assets	5,977	5,979	5,711	0.0
Inventories	2,061	1,905	1,958	8.2
Trade receivables	2,323	2,218	2,250	4.7
Other financial assets	96	55	97	74.5
Other assets	254	218	203	16.5
Income tax receivables	106	93	78	14.0
Cash and cash equivalents	719	1,071	2,565	-32.9
Assets held for sale	0	25	0	-100
Total current assets	5,559	5,585	7,151	-0.5
Total assets	11,536	11,564	12,862	-0.2
SHAREHOLDERS' EQUITY AND LIABILITIES				
Share capital	666	666	666	0.0
Capital reserves	2,348	2,348	2,348	0.0
Other reserves	60	-404	-591	-
Accumulated other comprehensive income (loss)	-775	-713	-962	8.7
Equity attributable to shareholders of the parent company	2,299	1,897	1,461	21.2
Non-controlling interests	102	100	93	2.0
Total shareholders' equity	2,401	1,997	1,554	20.2
Provisions for pensions and similar obligations	2,083	2,182	2,471	-4.5
Provisions	88	96	114	-8.3
Financial debt	2,985	3,704	3,636	-19.4
Income tax payables	145	163	224	-11.0
Other financial liabilities	33	86	11	-61.6
Other liabilities	5	6	5	-16.7
Deferred tax liabilities	164	124	108	32.3
Total non-current liabilities	5,503	6,361	6,569	-13.5
Provisions	281	354	421	-20.6
Financial debt	354	3	1,805	>100
Trade payables	1,651	1,625	1,406	1.6
Income tax payables	210	176	127	19.3
Other financial liabilities	720	696	607	3.4
Other liabilities	416	344	373	20.9
Liabilities held for sale	0	8	0	-100
Total current liabilities	3,632	3,206	4,739	13.3
Total shareholders' equity and liabilities	11,536	11,564	12,862	-0.2

Consolidated statement of cash flows

in € millions	1 st nine months			3 rd quarter		
	2017	2016	Change in %	2017	2016	Change in %
Operating activities						
EBIT	1,209	1,276	-5.3	416	417	-0.2
Interest paid	-106	-181	-41.4	-29	-74	-60.8
Interest received	7	94	-92.6	3	21	-85.7
Income taxes paid	-247	-234	5.6	-66	-73	-9.6
Depreciation, amortization and impairments	571	541	5.5	189	183	3.3
(Gains) losses on disposal of assets	1	2	-50.0	0	1	-100
Changes in:						
• Inventories	-242	-161	50.3	-81	-49	65.3
• Trade receivables	-203	-256	-20.7	-29	8	-
• Trade payables	105	114	-7.9	67	25	>100
• Provisions for pensions and similar obligations	37	-37	-	11	-18	-
• Other assets, liabilities and provisions	-16	147	-	129	87	48.3
Cash flows from operating activities	1,116	1,305	-14.5	610	528	15.5
Investing activities						
Proceeds from disposals of property, plant and equipment	4	4	0.0	1	3	-66.7
Capital expenditures on intangible assets	-19	-16	18.8	-5	-6	-16.7
Capital expenditures on property, plant and equipment	-854	-813	5.0	-274	-262	4.6
Acquisition of subsidiaries	-23	0	-	0	0	0.0
Proceeds from disposal of subsidiaries	20	0	-	0	0	0.0
Other investing activities	0	-1	-100	1	0	-
Cash used in investing activities	-872	-826	5.6	-277	-265	4.5
Financing activities						
Dividends paid to shareholders and non-controlling interests	-330	-329	0.3	0	0	0.0
Receipts from loans	351	1,001	-64.9	1	1,000	-99.9
Repayments of loans ¹⁾	-588	-1,153	-49.0	0	-945	-100
Other financing activities	0	1,772	-100	0	1,674	-100
Cash used in financing activities	-567	1,291	-	1	1,729	-99.9
Net increase (decrease) in cash and cash equivalents	-323	1,770	-	334	1,992	-83.2
Effects of foreign exchange rate changes on cash and cash equivalents	-29	-4	>100	-14	1	-
Cash and cash equivalents as at beginning of period	1,071	799	34.0	399	572	-30.2
Cash and cash equivalents as at September 30	719	2,565	-72.0	719	2,565	-72.0

¹⁾ Incl. EUR 38 m in cash inflows from cross-currency derivatives terminated early in connection with the redemption of the USD bonds.

Summary – 1st quarter 2016 to 3rd quarter 2017

Income statement (in € millions)	2016				2017		
	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	1 st quarter	2 nd quarter	3 rd quarter
Revenue	3,343	3,369	3,265	3,361	3,574	3,472	3,434
EBIT	421	438	417	280	435	358	416
• in % of revenue	12.6	13.0	12.8	8.3	12.2	10.3	12.1
EBIT before special items ¹⁾	421	438	417	424	435	345	416
• in % of revenue	12.6	13.0	12.8	12.6	12.2	9.9	12.1
Net income ²⁾	253	241	178	187	279	206	306
Earnings per common non-voting share (basic/diluted, in €)	0.38	0.37	0.27	0.28	0.42	0.31	0.46
Statement of financial position (in € millions)							
Total assets	12,607	12,554	12,862	11,564	11,941	11,120	11,536
Shareholders' equity ³⁾	1,609	1,425	1,554	1,997	2,400	2,168	2,401
• in % of total assets	12.8	11.4	12.1	17.3	20.1	19.5	20.8
Net financial debt	4,909	4,874	2,876	2,636	2,742	2,956	2,620
• Net financial debt to EBITDA ratio before special items ¹⁾⁴⁾	2.1	2.0	1.2	1.1	1.1	1.2	1.1
• Gearing Ratio (Net financial debt to shareholders' equity, in %)	305.1	342.0	185.1	132.0	114.3	136.3	109.1
Statement of cash flows (in € millions)							
EBITDA	598	619	600	476	624	551	605
• in % of revenue	17.9	18.4	18.4	14.2	17.5	15.9	17.6
EBITDA before special items ¹⁾	598	619	600	620	624	538	605
• in % of revenue	17.9	18.4	18.4	18.4	17.5	15.5	17.6
Cash flows from operating activities	206	571	528	571	186	320	610
Capital expenditures (capex) ⁵⁾	318	243	268	317	299	295	279
• in % of revenue (capex ratio)	9.5	7.2	8.2	9.4	8.4	8.5	8.1
Free cash flow	-112	328	263	256	-130	41	333
Value Added							
ROCE before special items (in %) ¹⁾⁴⁾	22.8	23.2	22.6	22.3	22.1	20.7	20.5
Schaeffler Value Added before special items (in € millions) ¹⁾⁴⁾	928	973	944	939	938	837	829
Employees							
Headcount (at end of reporting period)	85,016	85,225	86,029	86,662	87,341	87,937	89,359

¹⁾ Please refer to pp. 18 et seq. of the interim financial report 9M for the definition of special items.

²⁾ Attributable to shareholders of the parent company.

³⁾ Including non-controlling interests.

⁴⁾ EBIT/EBITDA based on the last twelve months.

⁵⁾ Capital expenditures on intangible assets and property, plant and equipment.

Automotive (in € millions)	2016				2017		
	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	1 st quarter	2 nd quarter	3 rd quarter
Revenue	2,578	2,604	2,525	2,631	2,791	2,664	2,643
EBIT	367	368	362	276	367	290	345
• in % of revenue	14.2	14.1	14.3	10.5	13.1	10.9	13.1
EBIT before special items ¹⁾	367	368	362	384	367	277	345
• in % of revenue	14.2	14.1	14.3	14.6	13.1	10.4	13.1
Industrial (in € millions)							
Revenue	765	765	740	730	783	808	791
EBIT	54	70	55	4	68	68	71
• in % of revenue	7.1	9.2	7.4	0.5	8.7	8.4	9.0
EBIT before special items ¹⁾	54	70	55	40	68	68	71
• in % of revenue	7.1	9.2	7.4	5.5	8.7	8.4	9.0

Prior year information presented based on 2017 segment structure.

¹⁾ Please refer to pp. 18 et seq. of the interim financial report 9M for the definition of special items.

Financial calendar

November 08, 2017

Publication of results for the first nine months 2017

March 07, 2018

Publication of annual results 2017

May 07, 2018

Publication of results for the first three months 2018

All information is subject to correction and may be changed at short notice.

Schaeffler AG

Industriestr. 1-3
91074 Herzogenaurach
Germany

www.schaeffler.com

SCHAEFFLER