

**SCHAEFFLER**

Facts and figures  
First quarter 2017

# Schaeffler Group at a glance

Income statement (in € millions)	1 <sup>st</sup> three months		Change
	2017	2016	
Revenue	3,574	3,343	6.9 %
• at constant currency			5.4 %
EBIT	435	421	3.3 %
• in % of revenue	12.2	12.6	-0.4 %-pts.
EBIT before special items <sup>1)</sup>	435	421	3.3 %
• in % of revenue	12.2	12.6	-0.4 %-pts.
Net income <sup>2)</sup>	279	253	10.3 %
Earnings per common non-voting share (basic/diluted, in €)	0.42	0.38	10.5 %
Statement of financial position (in € millions)	03/31/2017	12/31/2016	Change
Total assets	11,941	11,564	3.3 %
Shareholders' equity <sup>3)</sup>	2,400	1,997	403 € millions
• in % of total assets	20.1	17.3	2.8 %-pts.
Net financial debt	2,742	2,636	4.0 %
• Net financial debt to EBITDA ratio before special items <sup>1) 4)</sup>	1.1	1.1	
• Gearing Ratio (Net financial debt to shareholders' equity, in %)	114.3	132.0	-17.7 %-pts.
Statement of cash flows (in € millions)	1 <sup>st</sup> three months		Change
EBITDA	624	598	4.3 %
• in % of revenue	17.5	17.9	-0.4 %-pts.
EBITDA before special items <sup>1)</sup>	624	598	4.3 %
• in % of revenue	17.5	17.9	-0.4 %-pts.
Cash flows from operating activities	186	206	-20 € millions
Capital expenditures (capex) <sup>5)</sup>	299	318	-19 € millions
• in % of revenue (capex ratio)	8.4	9.5	-1.1 %-pts.
Free cash flow	-130	-112	-18 € millions
Value Added	1 <sup>st</sup> three months		Change
ROCE before special items (in %) <sup>1) 4)</sup>	22.1	22.8	-0.7 %-pts.
Schaeffler Value Added before special items (in € millions) <sup>1) 4)</sup>	938	928	1.1 %
Employees	03/31/2017	12/31/2016	Change
Headcount	87,341	86,662	0.8 %

<sup>1)</sup> Please refer to page 16 of the interim financial report Q1 for the definition of special items.

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

<sup>3)</sup> Including non-controlling interests.

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

<sup>5)</sup> Capital expenditures on intangible assets and property, plant and equipment.

Automotive (in € millions)	1 <sup>st</sup> three months		Change
	2017	2016	
Revenue	2,791	2,578	8.3 %
• at constant currency			7.0 %
EBIT	367	367	0.0 %
• in % of revenue	13.1	14.2	-1.1 %-pts.
EBIT before special items <sup>1)</sup>	367	367	0.0 %
• in % of revenue	13.1	14.2	-1.1 %-pts.
Industrial (in € millions)	1 <sup>st</sup> three months		Change
Revenue	783	765	2.4 %
• at constant currency			0.2 %
EBIT	68	54	25.9 %
• in % of revenue	8.7	7.1	1.6 %-pts.
EBIT before special items <sup>1)</sup>	68	54	25.9 %
• in % of revenue	8.7	7.1	1.6 %-pts.

Prior year information presented based on 2017 segment structure.

<sup>1)</sup> Please refer to page 16 of the interim financial report Q1 for the definition of special items.

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# Highlights Q1 2017

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Revenue increased significantly in the first quarter

Revenue at **EUR 3.6 bn**  
(up 5.4 % at constant currency)

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Slight decline in earnings quality

EBIT margin before special items at **12.2 %**  
(prior year: 12.6 %)

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Free cash flow seasonally negative

Free cash flow at **EUR -130 m**  
(prior year: EUR -112 m)

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Net income increased by 10 %

Net income at **EUR 279 m**  
(prior year: EUR 253 m)

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# Schaeffler Group

Revenue EUR **3,574 m**

**21.9 %**

Industrial



**78.1 %**

Automotive

EBIT margin before special items **12.2 %**

Positive revenue trend continued in Q1 2017 – plus 5.4 % at constant currency // Largely driven by higher volumes in Automotive – Industrial division slightly above prior year // Revenue growth in all Schaeffler Group regions // Volume-driven increase in gross margin // Higher expenses for R&D – especially for electric mobility – and selling

## Schaeffler Group earnings

in € millions	1 <sup>st</sup> three months		Change in %
	2017	2016	
<b>Revenue</b>	<b>3,574</b>	<b>3,343</b>	<b>6.9</b>
• at constant currency			5.4
<b>Revenue by division</b>			
Automotive	2,791	2,578	8.3
• at constant currency			7.0
Industrial	783	765	2.4
• at constant currency			0.2
<b>Revenue by region <sup>1)</sup></b>			
Europe	1,868	1,816	2.9
• at constant currency			2.2
Americas	776	706	9.9
• at constant currency			5.5
Greater China	563	476	18.3
• at constant currency			19.0
Asia/Pacific	367	345	6.4
• at constant currency			2.2
Cost of sales	-2,542	-2,399	6.0
<b>Gross profit</b>	<b>1,032</b>	<b>944</b>	<b>9.3</b>
• in % of revenue	28.9	28.2	-
Research and development expenses	-212	-184	15.2
Selling and administrative expenses	-360	-332	8.4
<b>Earnings before financial result and income taxes (EBIT)</b>	<b>435</b>	<b>421</b>	<b>3.3</b>
• in % of revenue	12.2	12.6	-
Special items <sup>2)</sup>	0	0	0.0
<b>EBIT before special items</b>	<b>435</b>	<b>421</b>	<b>3.3</b>
• in % of revenue	12.2	12.6	-
Financial result	-48	-65	-26.2
Income taxes	-104	-100	4.0
<b>Net income <sup>3)</sup></b>	<b>279</b>	<b>253</b>	<b>10.3</b>
Earnings per common non-voting share (basic/diluted, in €)	0.42	0.38	10.5

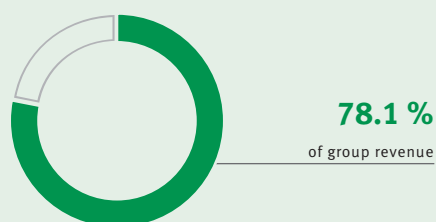
<sup>1)</sup> Based on market (customer location).

<sup>2)</sup> Please refer to page 16 of the interim financial report Q1 for the definition of special items.

<sup>3)</sup> Attributable to shareholders of the parent company.

## Automotive division

Revenue EUR **2,791** m



EBIT margin before special items **13.1 %**

Automotive division continues along growth path – growth rate of 7.0 % at constant currency // Additional revenue in all business divisions and regions – high momentum in the Aftermarket and China business // Earnings quality remains high: EBIT margin at 13.1 % // R&D activities for electric mobility expanded considerably

### Automotive division earnings

in € millions	1 <sup>st</sup> three months		Change in %
	2017	2016	
<b>Revenue</b>	<b>2,791</b>	<b>2,578</b>	<b>8.3</b>
• at constant currency			7.0
<b>Revenue by business division</b>			
BD Engine Systems	715	654	9.3
• at constant currency			8.1
BD Transmission Systems	1,185	1,106	7.1
• at constant currency			6.4
BD Chassis Systems	408	385	6.0
• at constant currency			4.2
BD Automotive Aftermarket	483	433	11.5
• at constant currency			9.9
<b>Revenue by region <sup>1)</sup></b>			
Europe	1,413	1,359	4.0
• at constant currency			3.5
Americas	623	562	10.9
• at constant currency			7.0
Greater China	461	384	20.1
• at constant currency			21.9
Asia/Pacific	294	273	7.7
• at constant currency			3.7
Cost of sales	-1,999	-1,847	8.2
<b>Gross profit</b>	<b>792</b>	<b>731</b>	<b>8.3</b>
• in % of revenue	28.4	28.4	-
Research and development expenses	-178	-151	17.9
Selling and administrative expenses	-233	-204	14.2
<b>EBIT</b>	<b>367</b>	<b>367</b>	<b>0.0</b>
• in % of revenue	13.1	14.2	-
Special items <sup>2)</sup>	0	0	0.0
<b>EBIT before special items</b>	<b>367</b>	<b>367</b>	<b>0.0</b>
• in % of revenue	13.1	14.2	-

Prior year information presented based on 2017 segment structure.

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

<sup>2)</sup> Please refer to page 16 of the interim financial report Q1 for the definition of special items.

## Industrial division

Revenue EUR **783** m

**21.9 %**  
of group revenue



EBIT margin before special items **8.7 %**

Revenue trend stabilized – slight increase in revenue at constant currency // Significant additional revenue in the Greater China region – especially in the power transmission and industrial automation sectors // EBIT margin increased considerably // Efficiency and cost savings measures continue to proceed as planned

### Industrial division earnings

in € millions	1 <sup>st</sup> three months		Change in %
	2017	2016	
<b>Revenue</b>	<b>783</b>	<b>765</b>	<b>2.4</b>
• at constant currency			0.2
<b>Revenue by region <sup>1)</sup></b>			
Europe	455	457	-0.4
• at constant currency			-1.6
Americas	153	144	6.3
• at constant currency			0.1
Greater China	102	92	10.9
• at constant currency			10.8
Asia/Pacific	73	72	1.4
• at constant currency			-3.5
Cost of sales	-543	-552	-1.6
<b>Gross profit</b>	<b>240</b>	<b>213</b>	<b>12.7</b>
• in % of revenue	30.7	27.8	-
Research and development expenses	-34	-33	3.0
Selling and administrative expenses	-127	-128	-0.8
<b>EBIT</b>	<b>68</b>	<b>54</b>	<b>25.9</b>
• in % of revenue	8.7	7.1	-
Special items <sup>2)</sup>	0	0	0.0
<b>EBIT before special items</b>	<b>68</b>	<b>54</b>	<b>25.9</b>
• in % of revenue	8.7	7.1	-

Prior year information presented based on 2017 segment structure.

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

<sup>2)</sup> Please refer to page 16 of the interim financial report Q1 for the definition of special items.

# Consolidated income statement

in € millions	1 <sup>st</sup> three months		Change in %
	2017	2016	
Revenue	3,574	3,343	6.9
Cost of sales	-2,542	-2,399	6.0
<b>Gross profit</b>	<b>1,032</b>	<b>944</b>	<b>9.3</b>
Research and development expenses	-212	-184	15.2
Selling expenses	-243	-222	9.5
Administrative expenses	-117	-110	6.4
Other income	12	4	> 100
Other expenses	-37	-11	> 100
<b>Earnings before financial result and income taxes (EBIT)</b>	<b>435</b>	<b>421</b>	<b>3.3</b>
Financial income	1	102	-99.0
Financial expenses	-49	-167	-70.7
<b>Financial result</b>	<b>-48</b>	<b>-65</b>	<b>-26.2</b>
<b>Earnings before income taxes</b>	<b>387</b>	<b>356</b>	<b>8.7</b>
Income taxes	-104	-100	4.0
<b>Net income</b>	<b>283</b>	<b>256</b>	<b>10.5</b>
Attributable to shareholders of the parent company	279	253	10.3
Attributable to non-controlling interests	4	3	33.3
Earnings per common share (basic/diluted, in €)	0.42	0.38	10.5
Earnings per common non-voting share (basic/diluted, in €)	0.42	0.38	10.5



# Consolidated statement of financial position

in € millions	03/31/2017	12/31/2016	03/31/2016	Change in %
<b>ASSETS</b>				
Intangible assets	634	632	587	0.3
Property, plant and equipment	4,622	4,507	4,159	2.6
Other financial assets	210	217	1,993	-3.2
Other assets	59	51	52	15.7
Income tax receivables	0	0	4	0.0
Deferred tax assets	557	572	544	-2.6
<b>Total non-current assets</b>	<b>6,082</b>	<b>5,979</b>	<b>7,339</b>	<b>1.7</b>
Inventories	2,011	1,905	1,861	5.6
Trade receivables	2,462	2,218	2,215	11.0
Other financial assets	54	55	194	-1.8
Other assets	271	218	230	24.3
Income tax receivables	90	93	75	-3.2
Cash and cash equivalents	947	1,071	693	-11.6
Assets held for sale	24	25	0	-4.0
<b>Total current assets</b>	<b>5,859</b>	<b>5,585</b>	<b>5,268</b>	<b>4.9</b>
<b>Total assets</b>	<b>11,941</b>	<b>11,564</b>	<b>12,607</b>	<b>3.3</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
Share capital	666	666	666	0.0
Capital reserves	2,348	2,348	2,348	0.0
Other reserves	-125	-404	-682	-69.1
Accumulated other comprehensive income (loss)	-597	-713	-810	-16.3
<b>Equity attributable to shareholders of the parent company</b>	<b>2,292</b>	<b>1,897</b>	<b>1,522</b>	<b>20.8</b>
Non-controlling interests	108	100	87	8.0
<b>Total shareholders' equity</b>	<b>2,400</b>	<b>1,997</b>	<b>1,609</b>	<b>20.2</b>
Provisions for pensions and similar obligations	2,107	2,182	2,187	-3.4
Provisions	97	96	185	1.0
Financial debt	3,687	3,704	5,584	-0.5
Income tax payables	137	163	215	-16.0
Other financial liabilities	76	86	9	-11.6
Other liabilities	6	6	5	0.0
Deferred tax liabilities	123	124	121	-0.8
<b>Total non-current liabilities</b>	<b>6,233</b>	<b>6,361</b>	<b>8,306</b>	<b>-2.0</b>
Provisions	341	354	396	-3.7
Financial debt	2	3	18	-33.3
Trade payables	1,653	1,625	1,336	1.7
Income tax payables	232	176	102	31.8
Other financial liabilities	654	696	459	-6.0
Other liabilities	418	344	381	21.5
Liabilities held for sale	8	8	0	0.0
<b>Total current liabilities</b>	<b>3,308</b>	<b>3,206</b>	<b>2,692</b>	<b>3.2</b>
<b>Total shareholders' equity and liabilities</b>	<b>11,941</b>	<b>11,564</b>	<b>12,607</b>	<b>3.3</b>

# Consolidated statement of cash flows

in € millions	1 <sup>st</sup> three months		Change in %
	2017	2016	
<b>Operating activities</b>			
EBIT	435	421	3.3
Interest paid	-30	-35	-14.3
Interest received	3	3	0.0
Income taxes paid	-81	-99	-18.2
Depreciation, amortization and impairments	189	177	6.8
(Gains) losses on disposal of assets	0	1	-100
Changes in:			
• Inventories	-93	-76	22.4
• Trade receivables	-231	-226	2.2
• Trade payables	40	52	-23.1
• Provisions for pensions and similar obligations	17	-8	-
• Other assets, liabilities and provisions	-63	-4	> 100
<b>Cash flows from operating activities</b>	<b>186</b>	<b>206</b>	<b>-9.7</b>
<b>Investing activities</b>			
Proceeds from disposals of property, plant and equipment	2	1	100
Capital expenditures on intangible assets	-7	-5	40.0
Capital expenditures on property, plant and equipment	-292	-313	-6.7
Acquisition of subsidiaries	-23	0	-
Proceeds from disposal of subsidiaries	4	0	-
Other investing activities	0	-1	-100
<b>Cash used in investing activities</b>	<b>-316</b>	<b>-318</b>	<b>-0.6</b>
<b>Financing activities</b>			
Receipts from loans	0	15	-100
Repayments of loans	-2	-1	100
Other financing activities	0	0	0.0
<b>Cash used in financing activities</b>	<b>-2</b>	<b>14</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-132</b>	<b>-98</b>	<b>34.7</b>
Effects of foreign exchange rate changes on cash and cash equivalents	8	-8	-
Cash and cash equivalents as at beginning of period	1,071	799	34.0
<b>Cash and cash equivalents as at March 31</b>	<b>947</b>	<b>693</b>	<b>36.7</b>

# Summary – 1<sup>st</sup> quarter 2016 to 1<sup>st</sup> quarter 2017

	2016				2017
	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
<b>Income statement (in € millions)</b>					
Revenue	3,343	3,369	3,265	3,361	3,574
EBIT	421	438	417	280	435
• in % of revenue	12.6	13.0	12.8	8.3	12.2
EBIT before special items <sup>1)</sup>	421	438	417	424	435
• in % of revenue	12.6	13.0	12.8	12.6	12.2
Net income <sup>2)</sup>	253	241	178	187	279
Earnings per common non-voting share (basic/diluted, in €)	0.38	0.37	0.27	0.28	0.42
<b>Statement of financial position (in € millions)</b>					
Total assets	12,607	12,554	12,862	11,564	11,941
Shareholders' equity <sup>3)</sup>	1,609	1,425	1,554	1,997	2,400
• in % of total assets	12.8	11.4	12.1	17.3	20.1
Net financial debt	4,909	4,874	2,876	2,636	2,742
• Net financial debt to EBITDA ratio before special items <sup>1) 4)</sup>	2.1	2.0	1.2	1.1	1.1
• Gearing Ratio (Net financial debt to shareholders' equity, in %)	305.1	342.0	185.1	132.0	114.3
<b>Statement of cash flows (in € millions)</b>					
EBITDA	598	619	600	476	624
• in % of revenue	17.9	18.4	18.4	14.2	17.5
EBITDA before special items <sup>1)</sup>	598	619	600	620	624
• in % of revenue	17.9	18.4	18.4	18.4	17.5
Cash flows from operating activities	206	571	528	571	186
Capital expenditures (capex) <sup>5)</sup>	318	243	268	317	299
• in % of revenue (capex ratio)	9.5	7.2	8.2	9.4	-8.4
Free cash flow	-112	328	263	256	-130
<b>Value Added</b>					
ROCE before special items (in %) <sup>1) 4)</sup>	22.8	23.2	22.6	22.3	22.1
Schaeffler Value Added before special items (in € millions) <sup>1) 4)</sup>	928	973	944	939	938
<b>Employees</b>					
Headcount (at end of reporting period)	85,016	85,225	86,029	86,662	87,341

<sup>1)</sup> Please refer to page 16 of the interim financial report Q1 for the definition of special items.

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

<sup>3)</sup> Including non-controlling interests.

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

<sup>5)</sup> Capital expenditures on intangible assets and property, plant and equipment.

	2016				2017
	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
<b>Automotive (in € millions)</b>					
Revenue	2,578	2,604	2,525	2,631	2,791
EBIT	367	367	362	276	367
• in % of revenue	14.2	14.1	14.3	10.5	13.1
EBIT before special items <sup>1)</sup>	367	367	362	384	367
• in % of revenue	14.2	14.1	14.3	14.6	13.1
<b>Industrial (in € millions)</b>					
Revenue	765	765	740	730	783
EBIT	54	71	55	4	68
• in % of revenue	7.1	9.3	7.4	0.5	8.7
EBIT before special items <sup>1)</sup>	54	71	55	40	68
• in % of revenue	7.1	9.3	7.4	5.5	8.7

Prior year information presented based on 2017 segment structure.

<sup>1)</sup> Please refer to page 16 of the interim financial report Q1 for the definition of special items.

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# Financial calendar

**May 11, 2017**

Publication of results for the first three months 2017

**August 08, 2017**

Publication of results for the first six months 2017

**November 08, 2017**

Publication of results for the first nine months 2017

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

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