

Press Release

Half year results 2017

Schaeffler Confirms Preliminary Results for the First Half of 2017

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- Schaeffler Group revenue increases by 3.8 percent at constant currency in the first half of 2017; EBIT margin before special items at 11.1 percent
- Weak performance of the Automotive division impacts earnings in the second quarter, Industrial margin stabilized
- Net income stable at EUR 485 million
- Free cash flow at EUR -89 million
- Revenue growth of 4-5 percent at constant currency and increase in EBIT margin before special items of 11-12 percent expected for 2017

Global automotive and industrial supplier Schaeffler published its interim financial report as at June 30, 2017 today, confirming the preliminary key figures it had announced on July 18, 2017.

The company grew its **revenue** by 3.8 percent to approximately EUR 7.0 billion at constant currency (prior year: around EUR 6.7 billion), and generated EBIT before special items of EUR 780 million (prior year: EUR 859 million).

The **Automotive division** increased its revenue by 4.2 percent at constant currency in the first half of 2017, once again outpacing global production of passenger cars and light commercial vehicles, which rose by 2.6 percent during the reporting period. The increase was largely driven by the Greater China region, which experienced a growth rate of over 20 percent. As a result of slower growth in global automobile production and temporary supply chain shortages in the Aftermarket business, the second quarter was less dynamic than the first.

The **Industrial division** experienced an encouraging second quarter, reporting revenue growth of 2.3 percent at constant currency for the first six months. The power transmission and industrial automation sectors and the Americas and Greater China regions showed a particularly positive trend.

On this basis, the company generated an **EBIT margin before special items** of 11.1 percent (prior year: 12.8 percent). Following a good start to the year with

compelling results for the first quarter of 2017, the decline in second quarter earnings was largely attributable to the weak performance of the Automotive division. The Automotive EBIT margin before special items amounted to 11.8 percent during the first half of 2017 (prior year: 14.2 percent). In contrast, the Industrial division further stabilized its earnings in the second quarter. The EBIT margin of the Industrial business rose to 8.5 percent during the first six months (prior year: 8.1 percent).

Net income for the first half of 2017 remained stable compared to the prior year period, amounting to EUR 485 million (prior year: EUR 494 million). Earnings per common non-voting share were EUR 0.73 (prior year: EUR 0.75).

Free cash flow for the first six months of minus EUR 89 million was below the prior year amount of EUR 216 million. The decrease was primarily due to lower cash flow from operating activities for the first half of 2017, which was affected by factors including the decline in earnings in the second quarter of 2017 and additional cash outflows.

For 2017, the Schaeffler Group anticipates revenue growth of 4 to 5 percent at constant currency, an EBIT margin of 11 to 12 percent before special items, and free cash flow of approximately EUR 500 million before external growth.

Forward-looking statements and projections

Certain statements in this press release are forward-looking statements. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial consequences of the plans and events described herein. No one undertakes any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. You should not place any undue reliance on forward-looking statements which speak only as of the date of this press release. Statements contained in this press release regarding past trends or events should not be taken as representation that such trends or events will continue in the future. The cautionary statements set out above should be considered in connection with any subsequent written or oral forward-looking statements that Schaeffler, or persons acting on its behalf, may issue.

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sustainable – over the entire life cycle. Schaeffler describes its comprehensive range of products and services by means of eight product families: From bearing solutions and all types of linear guidance systems through to repair and monitoring services. Schaeffler is with around 110,000 employees and more than 250 locations in 55 countries, one of the world's largest family-owned companies and one of Germany's most innovative companies.

Interim Financial Report as at June 30, 2017

Facts and figures first half 2017

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