

Press and IR Release

NOT FOR PUBLICATION OR DISTRIBUTION IN THE UNITED STATES OF AMERICA, AUSTRALIA, CANADA, SOUTH AFRICA OR JAPAN

## **Schaeffler to refinance upcoming debt maturities**

HERZOGENAURACH, 2020-10-05.

- Bond issue with total volume of EUR 1.5 billion
- Issuance proceeds to be used for refinancing of upcoming debt maturities
- Treasury management exercise results in enhanced debt maturity profile for the Schaeffler Group

The global automotive and industrial supplier Schaeffler today successfully placed corporate bonds with a total volume of EUR 1.5 billion with international investors. The bond placement was carried out under the debt issuance program of Schaeffler AG and comprises two tranches:

EUR 750 million 2.750 % bond, due 2025

EUR 750 million 3.375 % bond, due 2028

Because of strong investor demand, the bond placement was several times oversubscribed.

The proceeds from the new bond issue will be used for the proactive early refinancing of existing debt. In this context, holders of a EUR 750 million bond with maturity in 2022 have received a redemption offer. A bank loan of approximately EUR 238 million, maturing in December 2022, is also to be repaid. Finally, it is planned to call a EUR 600 million bond issued by Schaeffler Finance B.V. early.

"Today's bond issuance by the Schaeffler Group is a proactive treasury management exercise to refinance upcoming debt maturities," said Dr. Klaus Patzak, CFO of Schaeffler AG. "Full implementation of the transaction will enhance the company's debt maturity profile. The next major maturity will then not fall until 2024."

Settlement of the new bonds is planned for October 12, 2020. The bonds will be listed on the Luxembourg Stock Exchange. Schaeffler mandated Bank of America, BNP Paribas, Deutsche Bank and HSBC to manage the placement as active joint bookrunners.

### *Disclaimer*

*This release does not constitute an offer of securities for sale or a solicitation of an offer to purchase securities. Neither this announcement nor anything contained herein shall form the basis of, or be relied upon in connection with, any offer or commitment whatsoever in any jurisdiction.*

*This communication is an advertisement for the purposes of Regulation (EU) 2017/1129 and underlying legislation. It is not a prospectus. The base prospectus is available, and the Final Terms of the bonds when published will be available, on the website of the Luxembourg Stock Exchange at [\]\]><fo:basic-link external-destination="url\('https://www.bourse.lu/programme/Programme-Schaeffler/14509'\)"](https://www.bourse.lu/programme/Programme-Schaeffler/14509) color="blue" text-decoration="underline"><![CDATA[<https://www.bourse.lu/programme/Programme-Schaeffler/14509>]]></fo:basic-link><![CDATA[.*

### *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.*

### *Additional Information*

*This announcement does not constitute an offer to sell or a solicitation of an offer to purchase any securities in the United States. Any securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the laws of any state within the U.S., and may not be offered or sold in the United States absent registration or an applicable exemption from registration or in a transaction not subject to the registration requirements of the Securities Act. Any public offering of securities to be made in the United States will be made by means of*

*a prospectus that may be obtained from the issuer or the selling security holder and that will contain detailed information about the company and management, as well as financial statements. There will be no offering of the securities in the United States. This announcement and the information contained herein may not be distributed or sent into the United States, or in any other jurisdiction in which offers, or sales of the securities described herein would be prohibited by applicable laws and should not be distributed to publications with a general circulation in the United States. The bonds are being offered and sold outside the United States only in reliance on Regulation S under the Securities Act.*

*In the United Kingdom, this announcement is only being distributed to and is only directed at (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") and (ii) high net worth entities falling within Article 49(2) of the Order and (iii) persons to whom it would otherwise be lawful to distribute it (all such persons together being referred to as "relevant persons"). The bonds are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such bonds will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this announcement or any of its contents.*

*None of the Joint Bookrunners or any of their respective directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to Schaeffler or any of their subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith.*

*The Joint Bookrunners are acting exclusively for Schaeffler and no one else in connection with the transaction. They will not regard any other person as their respective clients in relation to the transaction and will not be responsible to anyone other than Schaeffler for providing the protections afforded to their respective clients, nor for providing advice in relation to the transaction, the contents of this announcement or any arrangement or other matter referred to herein.*

*In connection with the issue of the bonds, the Joint Bookrunners and any of their affiliates, acting as investors for their own accounts, may subscribe for or purchase the securities of Schaeffler and in that capacity may retain, purchase, sell, offer to sell or*

*otherwise deal for their own accounts in such securities and other securities of Schaeffler or related investments in connection with this securities offering or otherwise. The Joint Bookrunners do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.*

*MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the bonds has led to the conclusion that: (i) the target market for the bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the bonds (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.*

*PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS – The bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "EEA") or in the United Kingdom (the "UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive 2016/97/EU as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II or (iii) not a qualified investor as defined in Regulation (EU) No 2017/1129 of the European Parliament and of the Council of June 14, 2017 (as amended, the "Prospectus Regulation"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended or superseded, the "PRIIPs Regulation") for offering or selling the bonds or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the bonds or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.*

\*\*\*

Schaeffler Group – We pioneer motion The Schaeffler Group has been driving forward groundbreaking inventions and developments in the field of motion technology for over 75 years. With innovative technologies, products, and services for electric mobility, CO<sub>2</sub>-efficient drives, chassis solutions, Industry 4.0, digitalization, and renewable energies, the company is a reliable partner for making motion more efficient, intelligent, and sustainable – over the entire life cycle. The motion technology company manufactures high-precision components and systems for drive train and chassis applications as well as rolling and plain bearing solutions for a large number of industrial applications. The Schaeffler Group generated sales of EUR 15.8 billion in 2022. With around 84,000 employees, the Schaeffler Group is one of the world's largest family-owned companies. With more than 1,250 patent applications in 2022,

Schaeffler is Germany's fourth most innovative company according to the DPMA (German Patent and Trademark Office).

CONTACT:

**Thorsten Möllmann**

Senior Vice President Communications & Public Affairs Schaeffler Group  
Schaeffler AG  
Herzogenaurach  
Germany  
Tel. +49 9132 82-5000  
E-Mail: [presse@schaeffler.com](mailto:presse@schaeffler.com)

**Dr. Axel Lüdeke**

Vice President Business and Financial Communications & PR  
Communications & Public Affairs Schaeffler Group  
Schaeffler AG  
Herzogenaurach  
Germany  
Tel. +49 9132 82-5000  
E-Mail: [presse@schaeffler.com](mailto:presse@schaeffler.com)

**Renata Casaro**

Head of Investor Relations  
Schaeffler AG  
Herzogenaurach  
Germany  
Tel. +49 9132 82-4440  
E-Mail: [ir@schaeffler.com](mailto:ir@schaeffler.com)

**Susanne Sievers**

Manager Investor Relations  
Schaeffler AG  
Herzogenaurach  
Germany  
Tel. +49 9132 82-4440  
E-Mail: [ir@schaeffler.com](mailto:ir@schaeffler.com)