

IR Release

Results for the first nine months of 2015

Schaeffler AG reports strong revenue growth

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- **Revenue for first nine months of 2015 increased by 10.6 percent to EUR 10.0 billion**
- **EBIT margin for the first nine months remains high at 12.5 percent**
- **Free cash flow at EUR 264 million in the third quarter**
- **Outlook 2015 unchanged – revenue growth of 4 to 5 percent at constant currency, EBIT margin 12 to 13 percent**

Global automotive and industrial supplier Schaeffler has maintained its successful business trend. The company increased its revenue for the first nine months of 2015 by 10.6 percent to EUR 10.0 billion. Excluding the impact of currency translation, the growth rate was 4.2 percent.

The Automotive business reported **revenue growth** of 12.6 percent compared to the prior year (+6.5 percent at constant currency), once more clearly outpacing the increase in global production volumes of passenger cars and light commercial vehicles (+1.2 percent). Product ramp-ups, new customer projects, and capacity expansions at manufacturing locations in the growth regions were the drivers behind this growth. Revenue for the Industrial business was up 5.0 percent. Excluding the favorable impact of currency translation, Industrial division revenue declined by 2.2 %.

Klaus Rosenfeld, CEO of Schaeffler AG, stated: “Our Automotive division continues to perform very well. We were able to once more generate above-average revenue growth in a challenging market environment. The realignment of our Industrial division is on track. We are optimistic that with our program CORE we will be able to gradually improve the profitability in our industrial business”.

In August of this year, Schaeffler AG had announced a realignment aimed at improving the efficiency and competitive position of its Industrial business for the long term. The key elements of this realignment are increased sales growth, enhanced delivery performance and service quality, stronger customer orientation as well as cost savings and efficiency improvements.

All four of the Schaeffler Group's regions reported revenue increases during the first nine months of 2015, with currency translation having a favorable impact on non-Euro region revenue. The growth dynamic varied widely across regions. Revenue grew fastest in the Schaeffler Group's Greater China region, rising by 26.3 percent (+5.8 percent at constant currency) over prior year there, followed by the Americas region, where revenue increased by 21.2 percent (+9.8 percent at constant currency). The Asia/Pacific region reported revenue growth of 12.1 percent (+2.4 percent at constant currency), while the Europe region grew its revenue by 3.4 percent (+2.2 percent at constant currency).

The Schaeffler Group's **EBIT** (earnings before interest and taxes) increased by 1.7 percent to EUR 1.3 billion for the first nine months of 2015 from the prior year period. The company's EBIT margin measured in terms of revenue remained high at 12.5 percent. CFO Dr. Ulrich Hauck explained: "Thanks to our strong Automotive business and good cost discipline we were able to raise our margin compared to the first six months of 2015".

The Schaeffler Group generated cash flows from operating activities of EUR 912 m (prior year: EUR 410 m) for the first nine months of 2015. Capital expenditures were EUR 743 million (prior year: EUR 500 million). The **capex ratio** (capital expenditures as a percentage of consolidated revenue) amounted to 7.4 percent (prior year: 5.5 percent). The result was positive free cash flow of EUR 192 million, significantly higher than the prior year amount of negative EUR 87 million.

The number of **employees** has increased by approximately 2,100 staff since the end of 2014, rising to approximately 84,400 at the end of the third quarter of 2015. The Schaeffler Group recruited skilled personnel primarily in production and production-related areas.

Schaeffler AG confirmed its guidance for 2015 as a whole, which it had adjusted on September 21, 2015. "Despite the weaker market trend in the Automotive business in China and worldwide in the Industrial business, we continue to anticipate revenue growth of 4 to 5 percent at constant currency. Our objective of achieving an EBIT margin of 12 to 13 percent before special items remains unchanged," said Rosenfeld.

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, CO₂-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 16.3 billion in 2023. With around 83,400 employees, Schaeffler is one of the world's largest family-owned companies and one of Germany's most innovative companies.

Key figures

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