

IR Release

1st quarter 2015

Schaeffler off to a successful start in 2015

HERZOGENAURACH, 2015-05-21.

- **1st quarter revenue at EUR 3.3 billion**
(+12.4 percent compared to prior year, +5.3 percent at constant currency)
- **EBIT margin remains high at 13.0 percent**
- **Capital expenditures well above prior year level**
- **Outlook for 2015 confirmed**

Global automotive and industrial supplier Schaeffler has had a good start to its 2015 business year. In terms of both revenue and EBIT (earnings before interest and taxes), the company continued along its growth path in the 1st quarter of 2015. "We started the new year off successfully, continuing along our charted course of growth with record levels of revenue and EBIT," Klaus Rosenfeld, CEO of Schaeffler AG, said on Thursday in Herzogenaurach.

The Schaeffler Group generated first quarter **revenue** of EUR 3.3 billion. This represents a 12.4 percent growth rate compared to the prior year, 5.3 percent excluding the impact of currency translation.

The favorable revenue trend was once more driven by the company's Automotive business. With its growth rate of 13.5 percent compared to the prior year (+6.7 percent at constant currency), Schaeffler's Automotive division again clearly outpaced the production volumes of passenger cars and light commercial vehicles in terms of growth (+0.6 percent). The Automotive division benefitted from the continuing high demand for its products, especially in the key sales markets of China and the U.S. Industrial business revenue rose by 9.3 percent (+1.3 percent at constant currency). Growth was strongest in Schaeffler's Greater China region, where high demand in the rail vehicles and wind power sectors favorably affected revenue.

"Currency translation made a significant favorable impact on our revenue in the 1st quarter of 2015. However, all business divisions increased their revenue on a constant currency basis, as well," CFO Dr. Ulrich Hauck explained. Revenue grew fastest in the Schaeffler Group's Greater China region, rising by 40 percent

(+17 percent at constant currency) over prior year there, followed by the group's Americas region, where revenue increased by 26 percent (+12 percent at constant currency). The Asia/Pacific region experienced revenue growth of 7 percent (-5 percent at constant currency), while the Europe region grew its revenue by 4 percent (+3 percent at constant currency).

The Schaeffler Group's **EBIT (earnings before interest and taxes)** increased to EUR 434 million for the first three months of 2015 from the prior year period (prior year: EUR 418 million). The company's EBIT margin measured in terms of revenue remained high and amounted to 13.0 percent for the first quarter of 2015 (prior year: 14.0 percent).

The Schaeffler Group significantly increased its cash flows from operating activities to EUR 184 million for the first three months of 2015 (prior year: EUR 134 million) while consistently expanding capacity. Capital expenditures of EUR 244 million were significantly higher than in the prior year period (prior year: EUR 155 million). The **capex ratio** (capital expenditures as a percentage of consolidated revenue) amounted to 7.3 percent (prior year: 5.2 percent). The increase in capital expenditures and the seasonal expansion of working capital led to negative **free cash flow** of EUR 60 million for the first three months of 2015 (prior year: negative free cash flow of EUR 19 million).

The number of employees has increased by more than 1,000 staff from the end of 2014, rising to approximately 83,300 at the end of the first quarter. The company recruited skilled personnel primarily in production and production-related areas, mainly in its Europe and Greater China regions.

In light of the encouraging start to the year the company is confirming its guidance for 2015 as a whole. "Our strategic concept '**Mobility for tomorrow**' has been very well received. The measures we have taken under our 'ONE Schaeffler' program are starting to pay off. Despite the demanding environment, we are optimistic that we will be able to achieve our annual targets – revenue growth of 5 to 7 percent at constant currency and an EBIT margin of 12 to 13 percent," Rosenfeld said.

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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 84,000 employees, Schaeffler is one of the world's largest family-owned companies and one of Germany's most innovative companies.

Press picture

Key Figures Q1 2015

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