

IR Release

Schaeffler continues to grow profitably

Schaeffler reports rapid revenue growth

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- Revenue increases to more than EUR 9 bn; growth of 9.0 % at constant currency for the first nine months
- Earnings quality improved significantly; EBIT margin of 13.5 %
- Capital expenditures significantly above prior year
- Free cash flow positive despite one-time charges

The Schaeffler Group is continuing along its growth path, increasing its revenue for the first nine months of 2014 by 7.1 % to EUR 9.0 bn. Excluding the impact of currency translation, the Group's revenue growth amounted to 9.0 %.

Once more, the Automotive business was key in driving the positive revenue trend. Automotive division revenue increased 8.8 % to approximately EUR 6.7 bn. At constant currency, the division achieved a growth rate of 10.5 %, again significantly higher than the growth in global vehicle production. The Group's Industrial division reported a 2.7 % increase in revenue to approximately EUR 2.4 bn in the first nine months of 2014. On an FX adjusted basis, Industrial division revenue rose by 4.9 %.

The Schaeffler Group's highest growth rate, 24.5 % compared to the first nine months of 2013, was generated by its Greater China region, followed by the Asia/Pacific region, where revenue was up 8.9 %. The Europe and Americas regions experienced revenue growth of 5.1 and 3.4 %, respectively, compared to the first nine months of 2013.

The Schaeffler Group's EBIT for the first nine months of 2014 increased by EUR 177 m to EUR 1.2 bn (prior year: EUR 1.0 bn) from the prior year period, raising the Group's EBIT margin by 1.2 percentage points to 13.5 % (prior year: 12.3 %). EBIT improved primarily due to the growth in Automotive division revenue and the consistent control of overheads.

Cash flows from operating activities for the first nine months of 2014 amounted to EUR 600 m (prior year: EUR 919 m), including a total of EUR 158 m in one-off

cash outflows related to the early redemption of bonds in the second quarter of 2014. In addition, the Group also paid the EU antitrust penalty of EUR 371 m in the second quarter of 2014.

Capital expenditures amounted to EUR 500 m, significantly more than in the prior year period (prior year: EUR 343 m). Capital expenditures were mainly focused on creating additional production capacity, with Schaeffler investing particularly heavily in the Greater China and Europe regions. At 5.5 %, capital expenditures as a percentage of consolidated revenue also exceeded those of the prior year (4.1 %), although they were still slightly below the annual target of 6 to 8 % of revenue.

These factors resulted in positive free cash flow of EUR 103 m (prior year: EUR 589 m) for the first nine months of 2014. Excluding the one-off items described above, free cash flow amounted to EUR 632 m.

The Group's net external financial debt (financial debt less cash excluding shareholder loans) amounted to EUR 5.8 bn as at September 30, 2014. The debt to EBITDA ratio, defined as the ratio of net financial debt to adjusted EBITDA, remained unchanged at 2.6 at September 30, 2014 (December 31, 2013: 2.6).

Based on the positive trend during the first nine months of 2014, the Schaeffler Group confirms its guidance on the course of business for the year 2014 as a whole, which it had raised in the first quarter. The company continues to expect to generate revenue growth above 7 % at constant currency for the year 2014. The Group's guidance regarding its EBIT margin remains at 12 to 13 %.

Klaus Rosenfeld, CEO of Schaeffler AG, said: "Despite the challenging environment in the third quarter of 2014, we again managed to continue along our growth path while also improving the quality of our earnings. With our 'Mobility for tomorrow' strategy, we are ideally positioned to maintain our profitable growth into the future."

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.

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.

9M Interim Financial Report 2014

9M Presentation 2014

9M Key Figures 2014

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