3.2 Deep-dive – Unlocking Value

Dr. Robert Felger
President Product & Research and Development Automotive Aftermarket

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Berlin
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Dr. Robert Felger

President Product & Research and Development Automotive Aftermarket

- **1989**
  Mechanical Engineering degree Dipl., University of Stuttgart

- **1989 – 1994**
  LUK: Design Engineer, Bühl / Wooster, OH

- **1994 – 2005**
  LUK: Project Manager Ford Group, Bühl

- **2004**
  Master of Business Administration, Kellogg-WHU

- **2005 – 2008**
  LUK: Product Line Director, Bühl

- **2008**
  Ph.D. Business Administration, Comenius University of Bratislava

- **2008 – 2017**
  Schaeffler, Langen: Senior Vice President – Product, AAM

- **2017 – Today**
  Schaeffler, Langen: President Product Management and R&D, AAM
Deep-dive - Unlocking Value

Everything we do is geared at unlocking the value at the workshop level

7 Levels – aftermarket value chain

<table>
<thead>
<tr>
<th>Levels</th>
<th>Lead Times</th>
<th>Value to be captured</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>3 months</td>
<td>Parts</td>
</tr>
<tr>
<td>Repair</td>
<td>7 days</td>
<td>Labor</td>
</tr>
<tr>
<td>Solutions</td>
<td>2 days</td>
<td>Tax</td>
</tr>
<tr>
<td>National</td>
<td>1 day</td>
<td></td>
</tr>
<tr>
<td>Regional</td>
<td>1 h</td>
<td>Highest share of value to be captured is at workshop level. Billable hours are key for profitability. Our services &amp; products help maximize the value captured.</td>
</tr>
<tr>
<td>Local</td>
<td>4–8h</td>
<td>Set # of billable hours</td>
</tr>
<tr>
<td>Workshop</td>
<td>same day</td>
<td>€</td>
</tr>
<tr>
<td>Motorist</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Over the next slides, we will illustrate to you our operational excellence, using the example of a double clutch transmission repair.
Starting Point: Vehicle trouble when you need it the least. The initial error message occurs as displayed below.

Gearbox malfunction: you can continue driving
The diagnostics tool is pointing out a worn clutch

**Error Count 3**

- **P1898** clutch 1
  - function restriction intermittent

- **P177B** clutch 1
  - tolerance limit reached

- **P1899** clutch 2
  - function restriction intermittent

**Diagnosis**: First step at the workshop is the error identification, using diagnosis tools. After this step, a workshop decides whether to accept or reject the job.
**Deep-dive - Unlocking Value**

**Technical products – Each time is the first time**

**Complexity due to technical variety:**
The reality of an independent workshops is, that a clutch repair of any given car type is extremely rare. But with Schaeffler’s Product & Service offer, workshops can be sure to have a reliable partner at their side.

**Car Parc Diversity**
- 20,000 annual repairs
- 1,000 annual repairs
- 100 annual repairs

**Product Diversity**

- A mechanic will do this repair every *
  - 1 year
  - 20 years
  - 200 years

**Complexity**
- 1 of 20,000 IAM Workshops in Germany
- 4 – 8h

**SCHAEFFLER Solutions help manage complexity**

- Parts Identification
- Digital Support Platform
- Service Center Support
- Instructional Videos
- Technical Trainings

*Frequency of clutch-vehicle combinations at workshop level: Based on an equal distribution of estimated market volume across all independent aftermarket workshops in Germany.*
Schaeffler REPXPERT - Technical Support:
With our Service Brand REPXPERT workshops have access to full support, online and offline. With our unique offer, the workshop is enabled to accept any job related to our product portfolio.
While the ordered parts are being shipped, work on the vehicle begins.

Physical Work: some 100 kg to be lifted – at the same time precision required.
All You need in a single Box
– One Stop Shopping

**Product Solutions**: We create value by offering all replacement parts necessary for a professional & safe repair in a single box. This helps workshops to save time and avoid potential errors.
Special tools save time and make repairs simple and robust

Deep-dive - Unlocking Value

Special Tooling reduces time & potential for errors

Tools: In addition, we support the workshop, simplifying the repair process with our special tools and step by step repair instructions.
The ultimate goal: repeat business with happy customers

Our Goal: We want the customers of the workshops to be happy and come back because they have confidence and trust.
1. **Workshops** add the most absolute value in the aftermarket value chain, with empowered mechanics, by eliminating waste and by pushing quality.

2. We provide solutions with **everything needed in a single box** along with best-in-class support – offline and online – through Schaeffler REPXPERT.

3. **Intelligent solutions** with ease of use and convenience allow for above average margins.
Automotive Aftermarket

Michael Söding
CEO Automotive Aftermarket

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We have laid the foundation to thrive in a world of digitalization and growing logistical complexity.

Our growth is driven by global expansion, cross-selling, and increasing coverage of our product portfolio.

We will continue our track record of delivering highly profitable growth.