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Global megatrends and resulting automotive trends

- **Environment**
  - Climate change
- **Society**
  - Demographic change
- **Economy**
  - Globalization
- **Technology**
  - Digitalization
- **Health**
  - Impact of pandemic on the global economy

- **CO₂ emissions**
- **Growth of emerging markets**
- **Comfort & safety**
- **New fields (autonomous vehicle, people mover, …)**
- **Higher xEV incentives and global supply chain**

**CO₂ emission as key driver**

Source = ICCT, June 2019

*China’s target reflects gasoline vehicles only. U.S. CO₂ emission values are derived from fuel economy standards set by NHTSA, reflecting tailpipe GHG emission (i.e., they exclude low-GWP refrigerant credits incorporated in the U.S. EPA GHG regulation). Gasoline in Brazil contains 22% ethanol (E22); all data in the chart has been converted to the gasoline (E00) equivalent. Supporting data can be found at www.theicct.org/info-tools/global-passenger-vehicle-standards*
The base of our E-Mobility strategy is our vision of the future automotive market.

Vision Powertrain 2030
Global Automotive Production [mn]

<table>
<thead>
<tr>
<th>Year</th>
<th>ICE</th>
<th>HEV</th>
<th>EV</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>89%</td>
<td>5%</td>
<td>93%</td>
</tr>
<tr>
<td>2020 e</td>
<td>88%</td>
<td>3%</td>
<td>88%</td>
</tr>
<tr>
<td>2025 e</td>
<td>12%</td>
<td>32%</td>
<td>56%</td>
</tr>
<tr>
<td>2030 e</td>
<td>30%</td>
<td>40%</td>
<td>30%</td>
</tr>
</tbody>
</table>

Before Covid

<table>
<thead>
<tr>
<th>Year</th>
<th>ICE</th>
<th>HEV</th>
<th>EV</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>93%</td>
<td>7%</td>
<td>100%</td>
</tr>
<tr>
<td>2020 e</td>
<td>88%</td>
<td>8%</td>
<td>93%</td>
</tr>
<tr>
<td>2025 e</td>
<td>56%</td>
<td>32%</td>
<td>30%</td>
</tr>
<tr>
<td>2030 e</td>
<td>30%</td>
<td>40%</td>
<td>30%</td>
</tr>
</tbody>
</table>

After Covid

Covid has a significant impact in 2020ff, however the relative growth of Hybrids and xEVs will continue.

Source of global automotive production from IHS (September 2020)
Source of separation of EV, HEV and ICE is identified by Schaeffler
# Major Milestones of E-Mobility at Schaeffler

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999 - 2017</td>
<td>E-Mobility history @ Schaeffler</td>
</tr>
<tr>
<td>Q1/2018</td>
<td>Business Division E-Mobility established</td>
</tr>
<tr>
<td>Q2/2018</td>
<td>SOP Audi eTron E-Axle Transmissions</td>
</tr>
<tr>
<td>Q1/2019</td>
<td>SOP Ford MHT Hybrid Module</td>
</tr>
<tr>
<td>Q1/2019</td>
<td>1st Nomination for E-Axe „2in1“ System</td>
</tr>
<tr>
<td>Q2/2019</td>
<td>1st E-Motor Nomination of a premium supplier</td>
</tr>
<tr>
<td>Q3/2019</td>
<td>Hybrid Module nomination incl. EM designed &amp; prod. @ Schaeffler</td>
</tr>
<tr>
<td>Q4/2019</td>
<td>1st nomination for a 3in1 (Dedicated Hybrid Transmission)</td>
</tr>
<tr>
<td>Q2/2020</td>
<td>Start of construction E-Mobility production plant Szombathely 2</td>
</tr>
<tr>
<td>Q2/2020</td>
<td>1st 800V „3in1“ E-Axe nomination of a performance application</td>
</tr>
</tbody>
</table>

LuK Expert Conference: E-Motor in the drive-train

Build-up of P2 Hybrid concept car on 42 V

SOP 1st Hybrid Module with integrated E-Motor

Compact Dynamics

Start of construction E-Mobility production plant Szombathely 2
The strength of Schaeffler USP covers both powertrain system integration and component manufacturing.
Schaeffler transformation is our key for success in E-Mobility

What do we stand for today:

- Customers trust since more than 50 years in automotive
- Highly innovative product portfolio
- Deep and profound powertrain know-how in:
  - Transmission systems and components
  - Engine systems and components
- Strong in manufacturing and high vertical integration

Our current transformation process

- We transformed more than 1,150 specialists\(^1\) internally from transmission & engine business divisions
- We hired more than 350 new specialists\(^2\) externally
- More than 100 Fit4Mechantronic training programs set-up running with over 1,200 participants
- Strategic acquisitions to accelerate filling remaining competence gaps

Where do we move to tomorrow:

- Further development of customers trust in automotive
- Continue innovating our component portfolio
  + Become the preferred supplier of electrified drivetrains & components
  + Manufacturing of whole electric drivetrain systems
  + E-Motors supplier
  + Mechatronic & Electronic component supplier
  + Customers trust as major E-Mobility system supplier

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\(^1\)since 2018
Start of production of our E-Mobility products in the next years

With our growing product portfolio and number of customer programs we will increasingly drive the E-Mobility growth

Order intake target corridor of EUR 1.5 - 2.0 bn per year with products for HEV and BEV

1 Nominated before 2018
Business division E-Mobility in key figures – strong position and continuous growth

What do we stand for **today:**

- **Sales growth YoY of ~30% in 2019**
- **680 mn EUR Net Sales 2019**
- **14 locations worldwide**
- **More than 1,500 specialists worldwide in E-Mobility**

**BD E-Mobility**

Where do we move to **tomorrow?**

- **CAGR >15% from 2020 till 2025**
- **>1,500 mn EUR Net Sales 2025**
- **Consistent growth of our global footprint**
- **More than 1,800 specialists worldwide in E-Mobility**

Our growth expectation is based on our powertrain scenario and our order intake annual target corridor
Our E-Motors are key components for our system products and convince customers also on component level.
New E-Mobility plant in Hungary – a sustainable factory for tomorrow

Overview:

- E-Mobility competence center for manufacturing of systems & components
- First product SOP in 2021
- Highly efficient production processes
- 18,000 m³ thereof 15,000 m³ production space (30 hectares area)
- DGNB^1 Gold certification
- Nearly CO₂ neutral

Features:

- Energy-saving (LED) and intelligent lighting
- Heat recovery compressors
- Photovoltaic system
- Green service-, rain- and wastewater treatment
- and much more

Our first pure E-Mobility plant in Szombathely is the next milestone in our E-Mobility transformation. It gives us space to grow and is a major step towards our sustainable production footprint of tomorrow

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^1 Deutsche Gesellschaft für Nachhaltiges Bauen e.V.
We delivered on our promise - Schaeffler achieved the target to become a 3in1 E-Axle supplier

**3in1 Performance E-Axle**

**Strategic relevance:**
- High volume application for 3in1 E-Axle system for Schaeffler
- Highly innovative 800V performance E-Axle
- Modular kit with 5 variants for medium premium and sportscars

**USPs:**
- Development of a complete 3in1 powertrain portfolio for E-Axle
- Fully functional, integrated system of the E-Axle and components
- Best in class efficiency
- Outstanding power density supported by integrated cooling concept
- Innovative 800 V Inverter with complete system control
- Novel E-Motor technology with outstanding performance and efficiency

With our new 3in1 E-Axle we will step forward technologically in performance application, set a new benchmark in the market and enter with highly innovative concepts into future E-Axles
„Race to road“ at Schaeffler E-Mobility – Leveraging our race track experience

- Off road sport cars
- Full Hybrid drivetrain (P3) 3in1 E-Axle and battery integration
- Start: 2022

- High performance drivetrain based on battery
- E-Motor, PEU & gearbox parts
- Start: 2014

- Almost zero emission racing league - highly innovative
- Hydrogen powertrain development
- Start: 2023

- Inhouse concept with over 1000 PS
- Platform for further predevelopments
- Start: 2018

- Our racing experience go directly into our development departments
- We have a broad spread represented with our different products

With our “Race to road” strategy we innovate on the racetrack and shape our revolutionary future products
We successfully shape our E-Mobility business

1. Our powertrain vision 30-40-30 remains our strategic guideline and we are fully prepared with our expanding product portfolio for the future mobility.

2. We produce highly innovative E-Mobility components and systems in a sustainable production network.

3. With our new innovative high performance 3in1 E-Axle project we delivered on our promises. We further complete and grow our product portfolio.

4. With our wide range of products and deep process know-how we have a strong position in the market, and we will continue to grow.

September 2020 | Schaeffler E-Mobility