



# Schaeffler Automotive Technologies

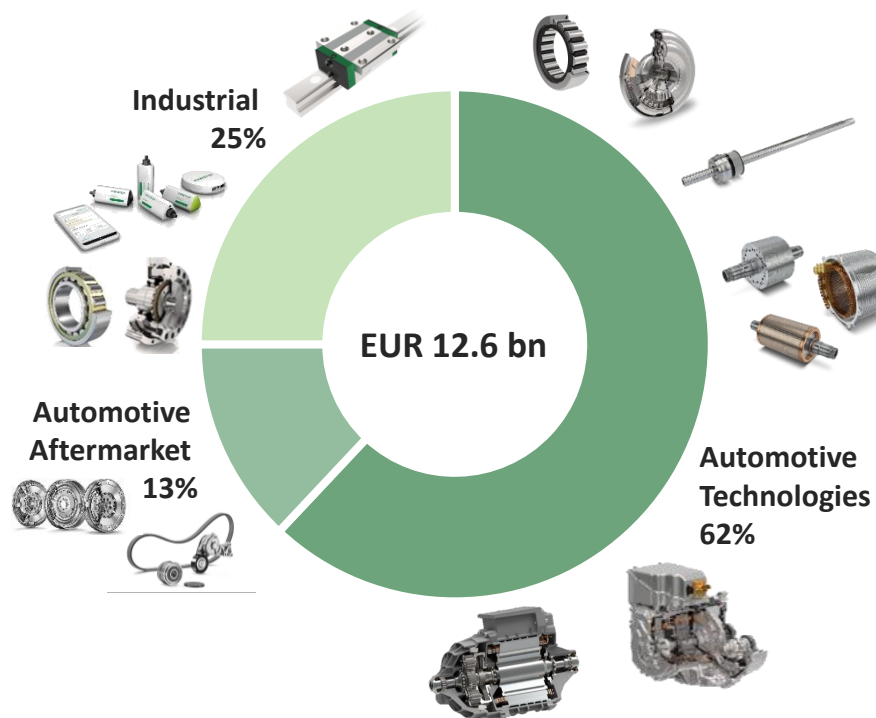
## 9<sup>th</sup> Annual J.P. Morgan EU Auto Field (virtual)

Matthias Zink  
CEO Automotive Technologies  
March 17, 2021

## Schaeffler Group at a glance – We are an Automotive and Industrial supplier

### 3 Divisions

In % of FY 2020

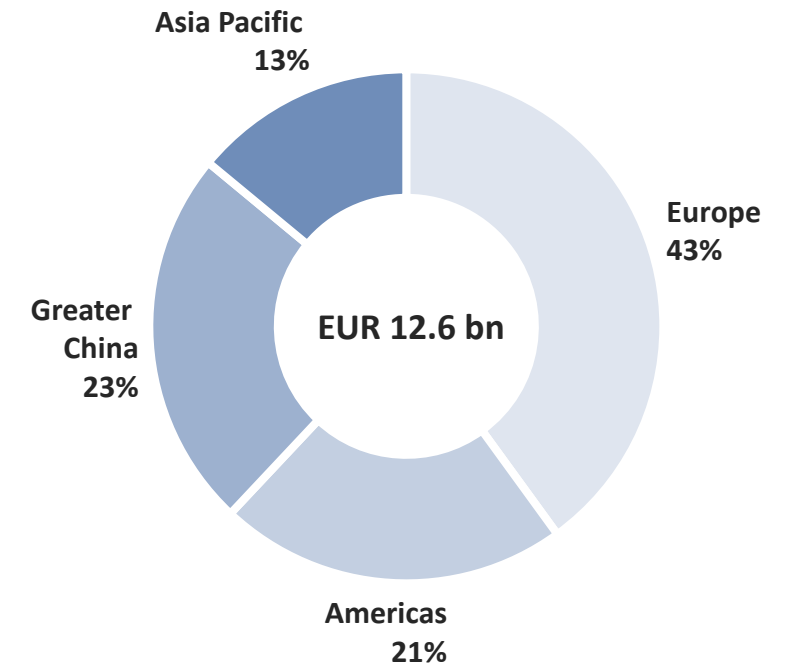


### Schaeffler Group

- Leading position in technology and innovation
- Diversified customer base serving 10 customer sectors
- Market leading product offering from components, systems to services
- Global footprint with 75 plants and 20 R&D centers
- ~83,000 employees in more than 50 countries
- Highly experienced leadership team with focus on execution

### 4 Regions

In % of FY 2020



**Well-diversified Automotive and Industrial supplier with global reach and synergistic businesses**

## Schaeffler Group – Sustainability Targets address the requirements of our customers

### Achievements



**Climate Rating: A-**



**50 CLIMATE LEADERS**  
SUSTAINABILITY A RACE WE CAN WIN



### CDP Rating

- Major improvement in CDP climate rating, moving up from B- to A-
- CDP target for 2021 already achieved in 2020

### Energy efficiency

- In 2020, 100% of electricity in Germany was purchased from renewable sources
- Company-wide energy efficiency program with interdisciplinary team established

### 50 Sustainability & Climate Leaders

- Schaeffler selected as one of "50 Climate & Sustainability Leaders" by the United Nations
- Increases our commitment to deliver on sustainability at a sustained pace

### Goals

#### Energy efficiency:

100 GWh cumulated annual efficiency gains through implementation of energy efficiency measures until 2024

#### Renewable energy:

100% purchased power from renewable sources until 2024

#### CDP rating:

"A"-rating for CDP Climate Score 2021



#### Accident rate:

10% average annual reduction of accident rate until 2024

#### Sustainable suppliers:

90% of production material from suppliers with Sustainability self assessments until 2022



**Carbon neutral production in 2030**

Scope 1 and 2



**20% reduction of fresh water supply until 2030**

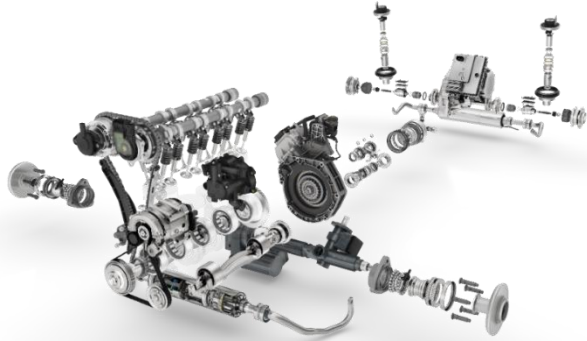
Automotive Technologies – Driving the transition to innovative propulsion and chassis technologies

Electric and Hybrid Propulsion

8% of sales in 2020

Engine Components and Systems

30% of sales in 2020



Transmission Components and Systems

45% of sales in 2020

Chassis Applications

17% of sales in 2020

Europe

37% of sales in 2020

Greater China

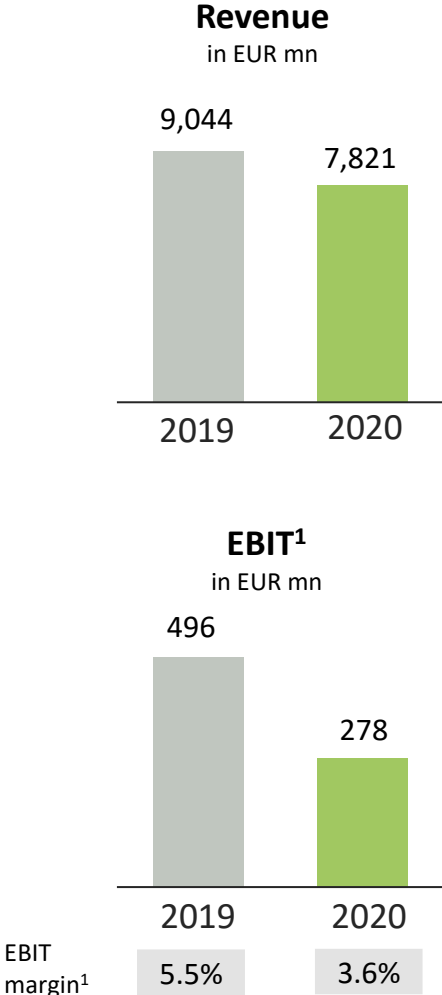
26% of sales in 2020

Americas

22% of sales in 2020

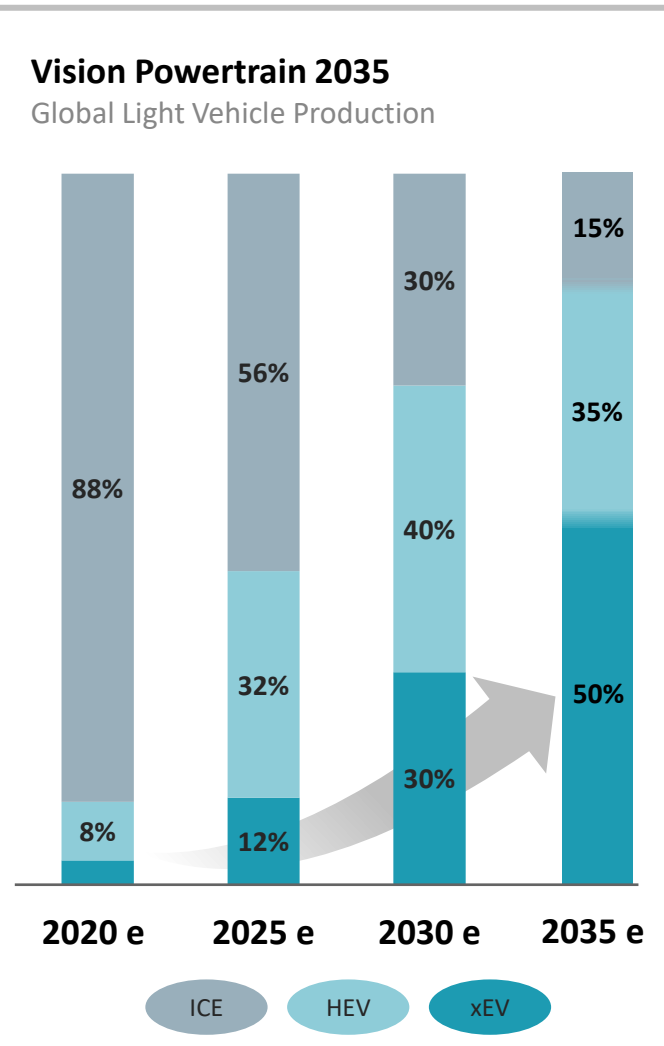
Asia / Pacific

15% of sales in 2020

A world map with a grid overlay, showing the global distribution of Schaeffler's sales. The map is color-coded by region: Europe (teal), Greater China (grey), Americas (grey), and Asia/Pacific (blue). Surrounding the map are logos of major automotive OEMs, including ZF, Magna, PSA, Daimler, Toyota, Mazda, Honda, VW, BMW, Volvo, Land Rover, Tata, Jaguar, Mando, Hyundai, Bosch, GM, Renault, Nissan, Mitsubishi, FCA, Fiat, Chrysler, Saab, Volvo, SAIC, Changan, FAW, and Chery.

<sup>1</sup> Before special items

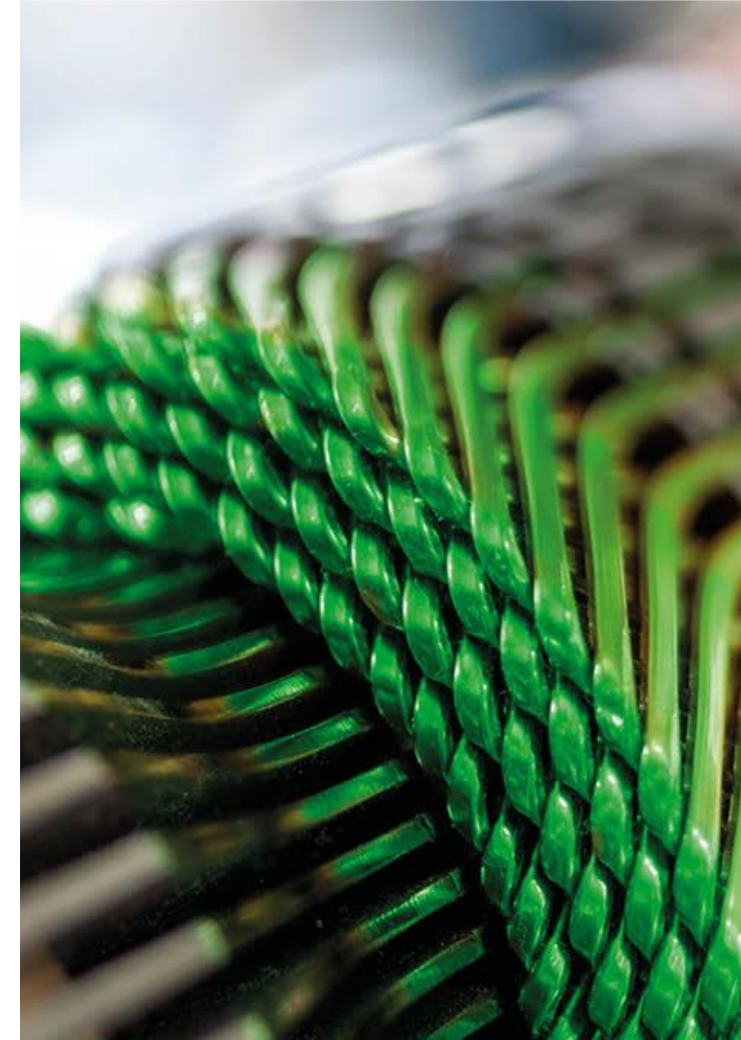
## Vision Powertrain 2035 – Electrification is further accelerating



We drive the transition to innovative propulsion systems

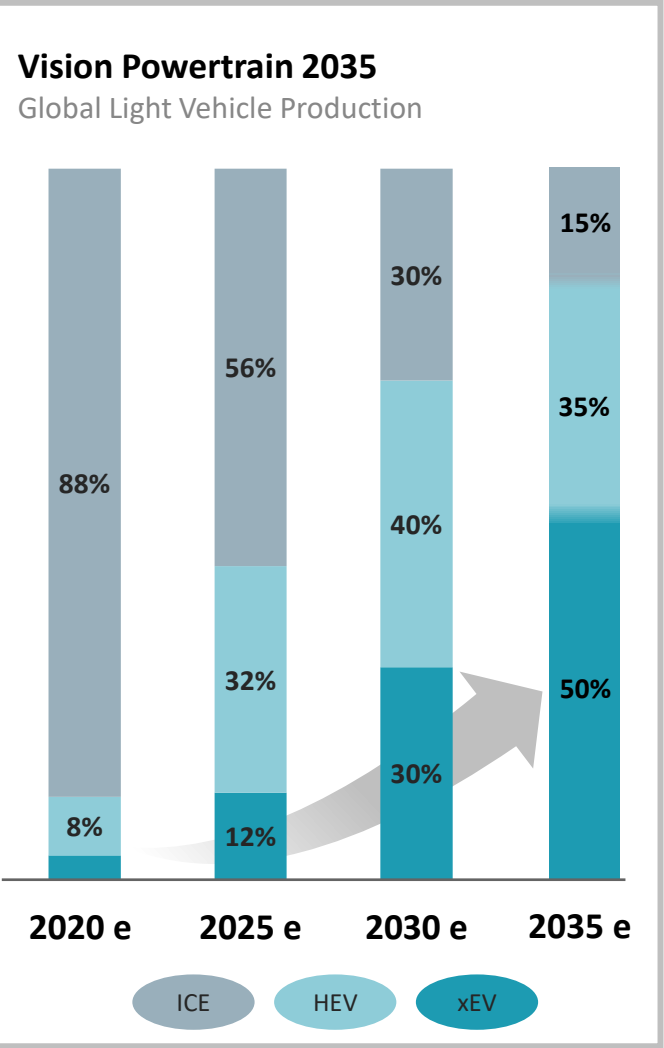
HEV as transition technology will reach tipping point in 2030

Electrification is further accelerating





We actively manage our Product Portfolio



|         | Mature Business                   |   | New Business                              |                                      |
|---------|-----------------------------------|---|---|--------------------------------------|
|         | Products for ICE and HEV          | Powertrain agnostic <sup>1</sup> products | Powertrain agnostic <sup>1</sup> products | Products for Electrified Powertrains |
| ICE     |                                   |   |   |                                      |
| HEV     |                                   |   |   |                                      |
| xEV     |                                   |   |   |                                      |
| Example | <br>Ball Screw Drive for Steering |   | <br>Rear Wheel Steering                   | <br>3in1 e-Axle                      |

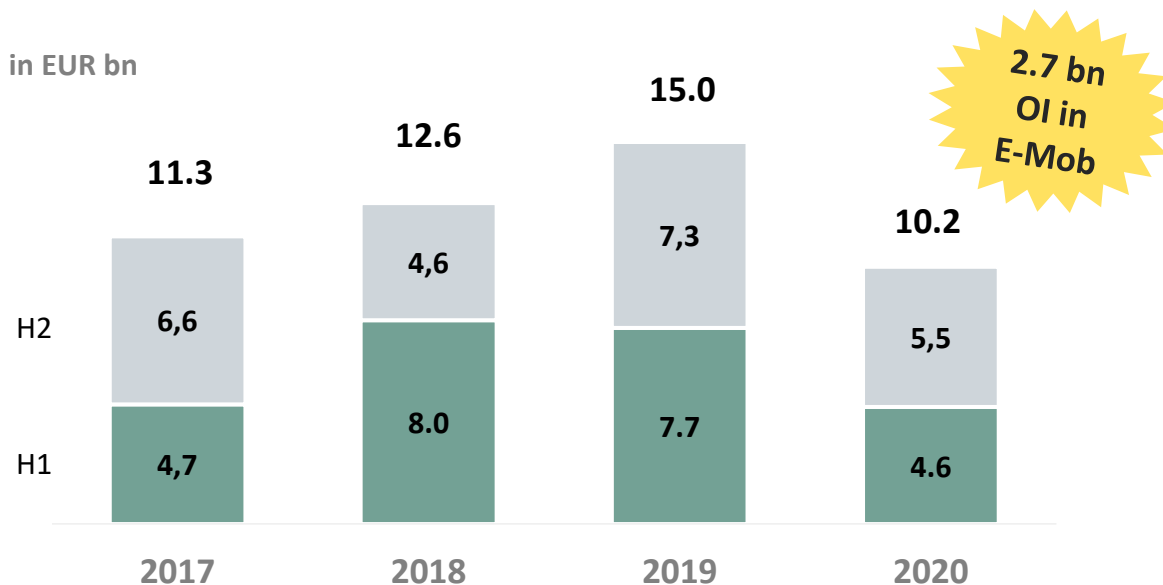
<sup>1</sup> Independent from powertrain type

Decreasing potential    Increasing potential    Strongly increasing potential

## How we win: e-Mobility Order Intake goal overachieved

Order Intake<sup>1</sup>

in EUR bn

Book-to-bill-ratio<sup>2</sup>

|    |      |      |      |      |
|----|------|------|------|------|
| H2 | 1.5x | 1.1x | 1.7x | 1.2x |
| H1 | 1.1x | 1.7x | 1.8x | 1.4x |
| FY | 1.3x | 1.4x | 1.7x | 1.3x |

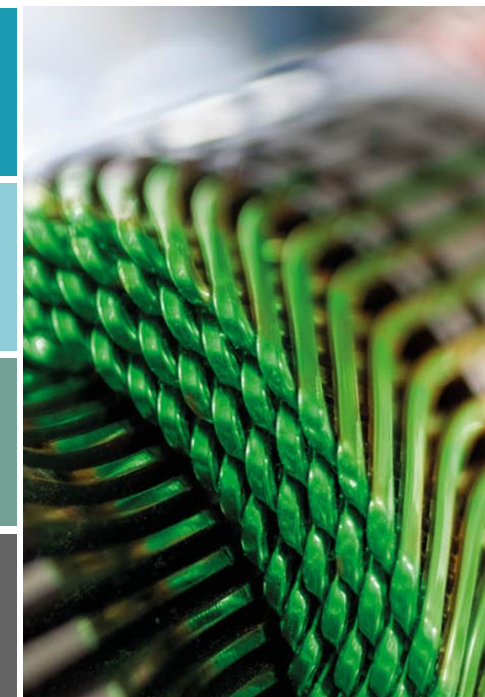
<sup>1</sup> Received orders in given time period | <sup>2</sup> Lifetime Sales / Current period revenue

March 17, 2021 9th Annual J.P. Morgan EU Auto Field (virtual)



## Business Highlights E-Mobility

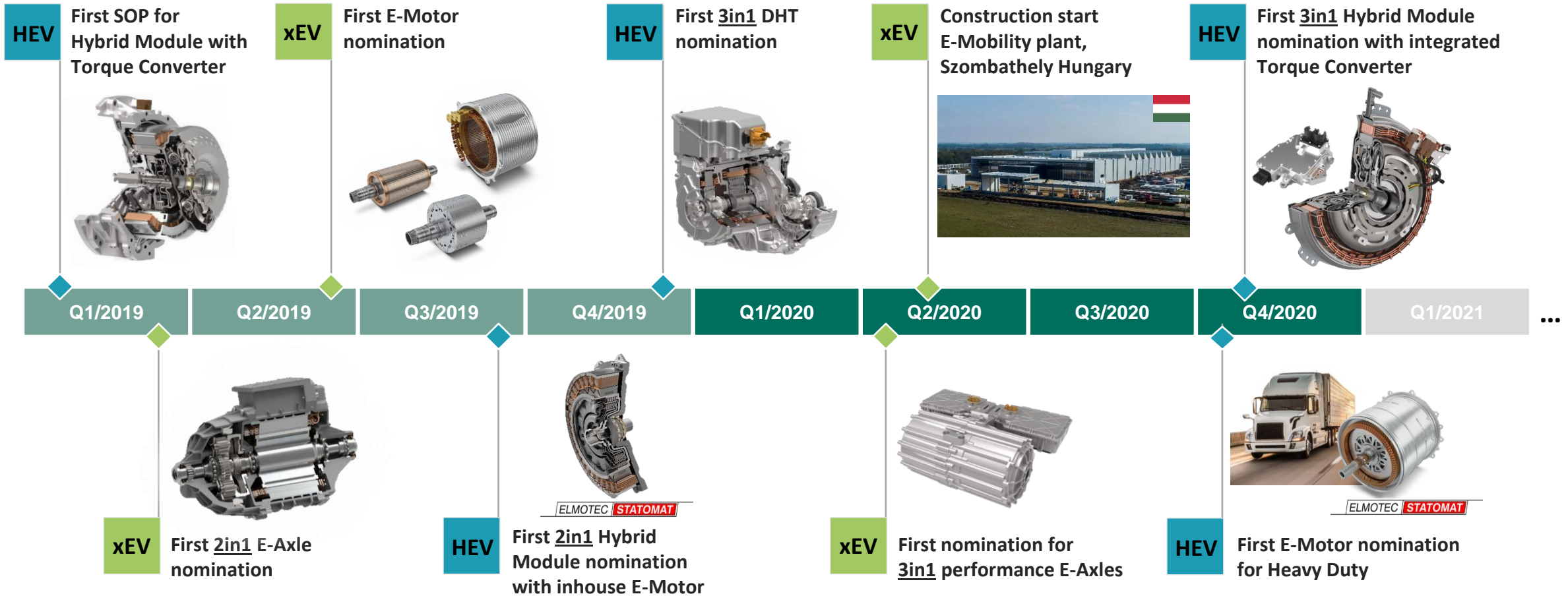
GROW

Major Order Intakes in  
3in1 System BusinessNumber of E-Mobility  
projects increased by  
more than 30% vs. 2019Product portfolio  
expanded and new  
market segments enteredMass production of  
E-Motors in preparation

## Targets for Order Intake E-Mobility

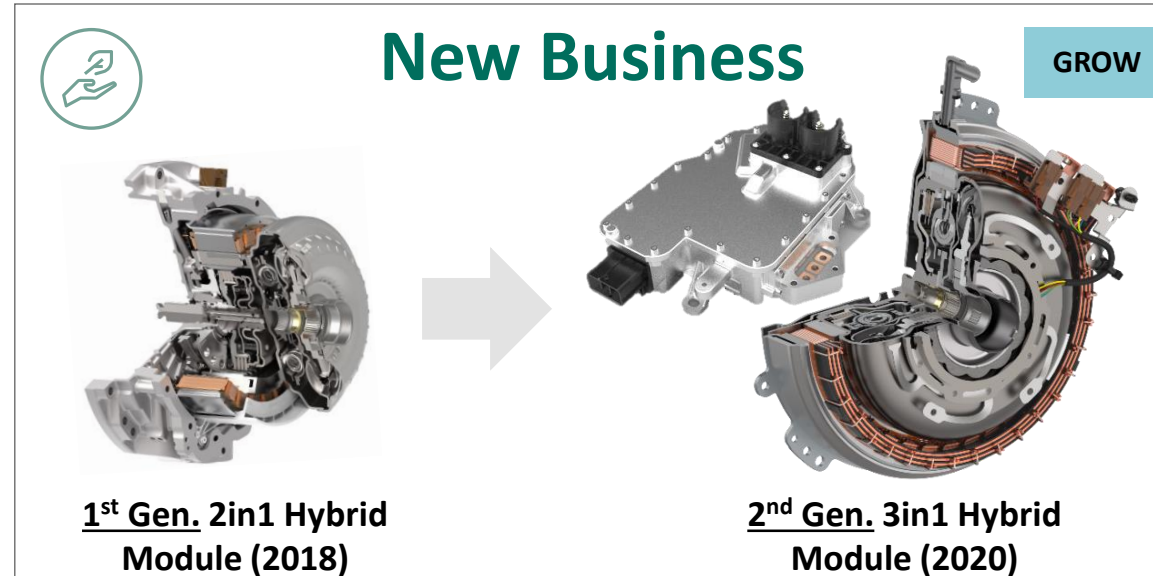
- until 2021: EUR 1.5-2 bn
- from 2022: EUR 2-3 bn

## E-Mobility 2019 and 2020 overview - Our accelerated transformation to electrified powertrain solutions pays off





## E-Mobility deep-dive – Our new Hybrid Module solution is extending our 3in1 powertrain portfolio



### Key Aspects



Hybrid Module



Torque Converter

- Ground-breaking package with a Torque Converter
- Integration of E-Motor and Torque Converter greatly reduces the overall length
- Inhouse E-Motor and Torque Converter
- Efficient 48V PEU integrated

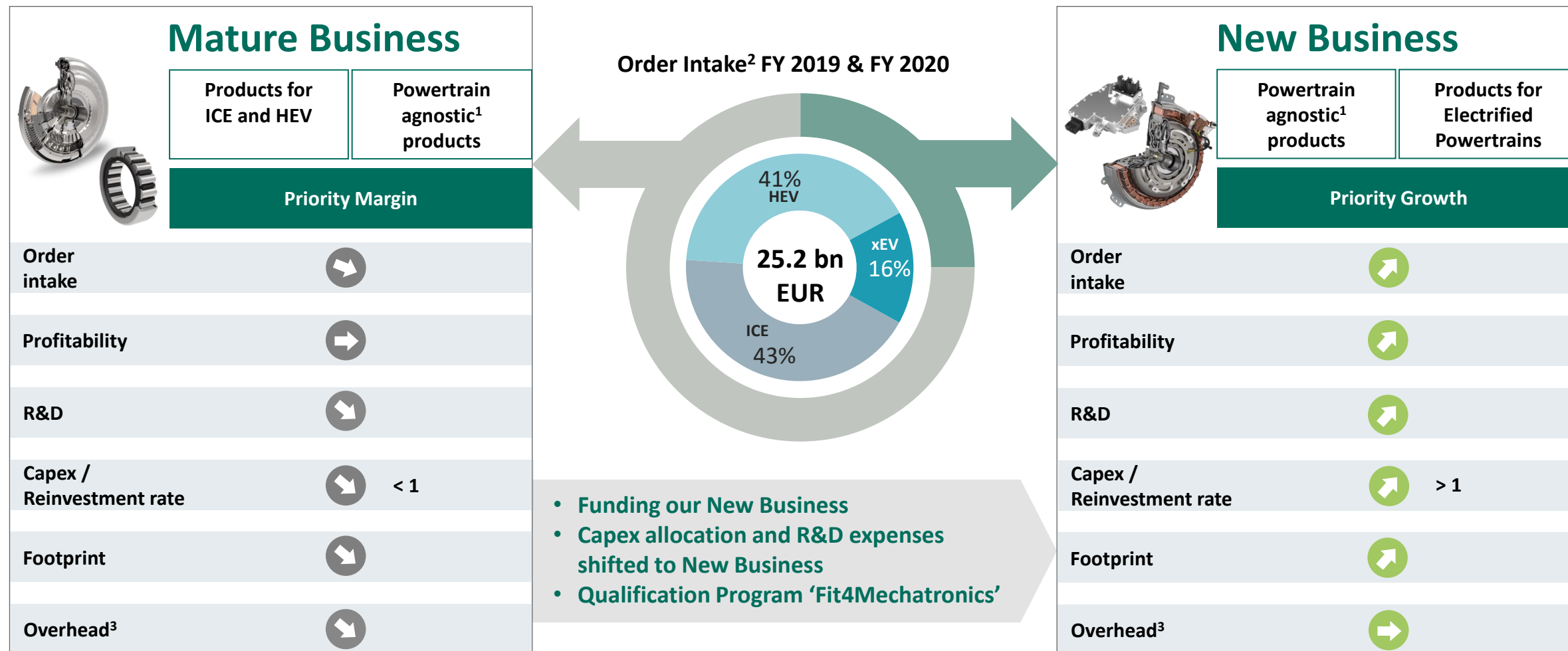
**Integrated  
Micro Torque  
Converter**

**First 48V  
application for  
3in1 Systems**

**Improved  
Power density**

**Our innovative strength makes us a qualified partner for modular and highly integrated 3in1 systems**

## How we fund our own growth and create value

<sup>1</sup> Independent from powertrain type | <sup>2</sup> Powertrain split of Order Intake without Heavy Duty | <sup>3</sup> Selling & Admin expenses

#### 4 How we create value

We turn business opportunities into award-winning partnerships

SCHAEFFLER



## We drive the transition to innovative propulsion and chassis technologies, to conquer leadership positions in New Business

- 1 We plan conservatively with a disciplined view on costs in a highly uncertain market environment

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- 2 We aim to outperform the market thanks to our system understanding and our excellence in industrialization

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- 3 We actively manage the transition by ensuring profitability in Mature Business and fostering strong growth in New Business

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- 4 We implement our efficiency measures, reduce complexity and manage our portfolio to fund our own growth while securing a dependable margin range

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- 5 We prioritize growth and aim for leadership positions in our New Business, leveraging both our organic capabilities and external growth



**Conquer leadership  
positions in  
New Business  
for electrified  
Powertrains and  
Chassis applications**

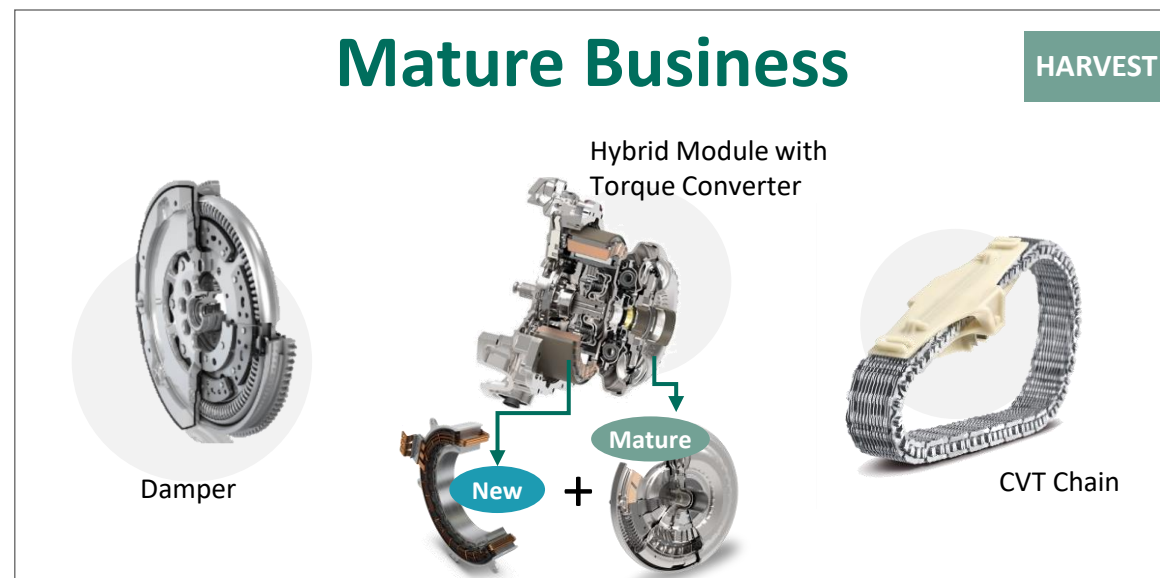
# We pioneer motion





**Backup**

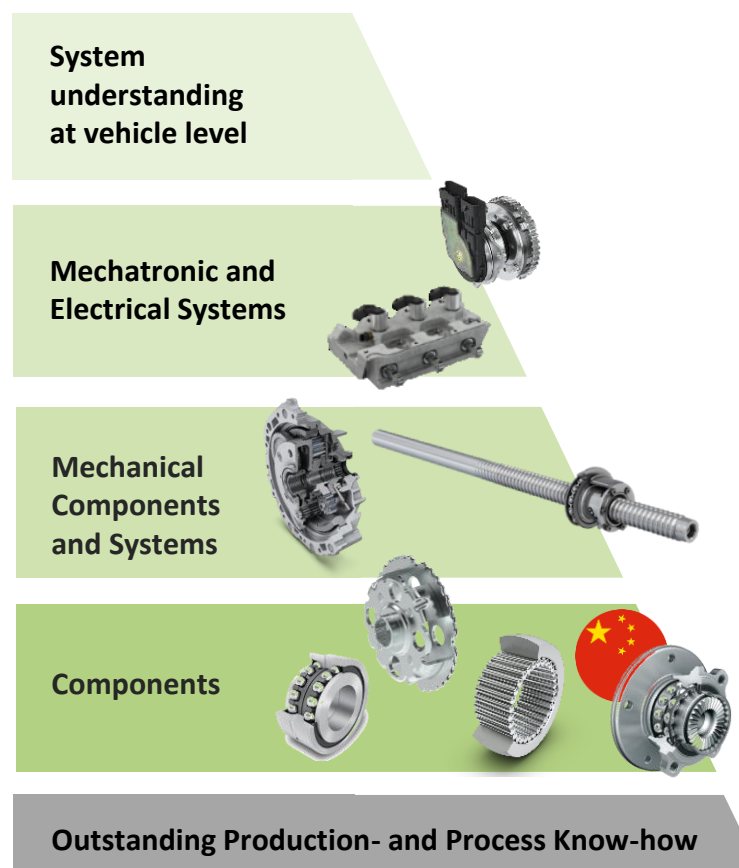
We will capture further market potential with high quality components and systems



We deliver  
**Components  
and Systems**  
to OEMs and Tiers

Significant  
**Content**  
of Mature Business Products  
in all Powertrain types

We benefit from our  
**Production-  
and Process**  
Know-How



By complexity reduction and active portfolio management we will harvest our mature business

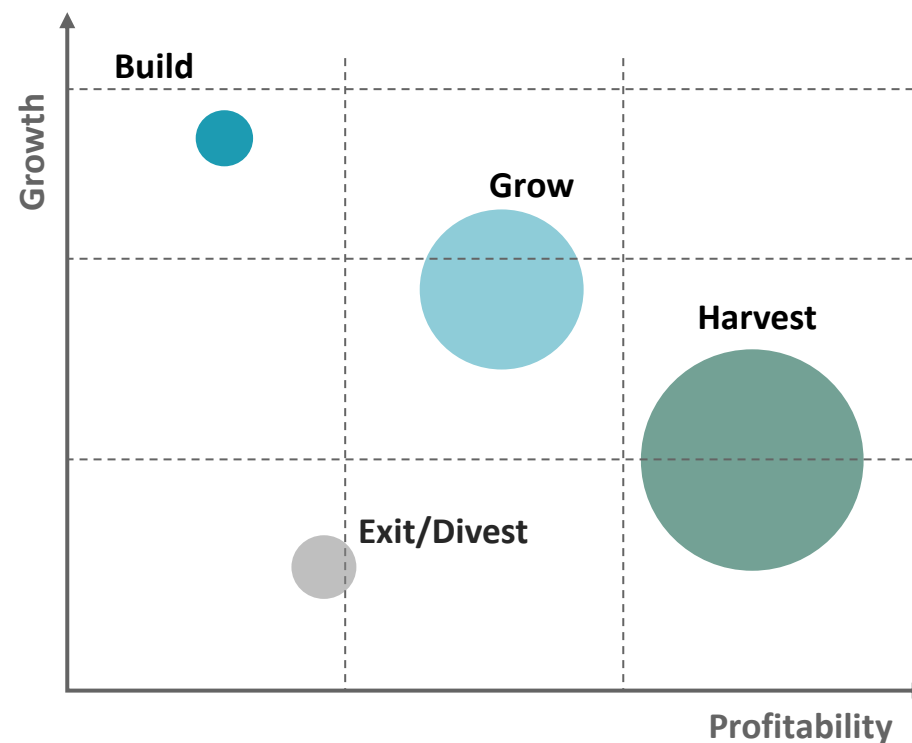
We actively manage the transition by ensuring profitability in Mature Business and a strong growth in New Business

## Mature Business

We  
**HARVEST**  
with our  
Enabler-Technologies

We  
**EXIT/DIVEST**  
expiring businesses &  
consolidate our footprint

Automotive Technologies –  
*Driving the transition to innovative propulsion and  
chassis technologies*



## New Business

We  
**BUILD**  
Competencies in  
Power Electronics & Hydrogen

We  
**GROW**  
in Electrified  
Powertrains