Deep Dive Asia / Pacific

Schaeffler AG Investor Presentation

August 5, 2021
A diverse region with long term growth opportunities

18 Countries

Spread across 16.5 million square kilometers

2.21 billion total inhabitants

Collective GDP 15 trillion $

17% of global economy

18 currencies

6 time zones

Map for representation purpose only

August 2021 Investor Presentation - Focus Asia/Pacific Region
Schaeffler has a wide-spread presence in Asia / Pacific

Six decades of presence in the region, strong customer relationships and regional footprint

Headquartered in Singapore

- 9 Plants
- 8 R&D / engineering centers
- 13.3% contribution to global turnover in 2020
- 5,860 employees as at December 2020

Map for representation purpose only
Region learning to live with COVID-19

Sharp economic recovery despite ongoing restrictions. Focus on health & safety yields results.


Robust sales recovery

Sales development 2015-2021 | In mn EUR

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (mn EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>1,763</td>
</tr>
<tr>
<td>2016</td>
<td>1,839</td>
</tr>
<tr>
<td>2017</td>
<td>1,955</td>
</tr>
<tr>
<td>2018</td>
<td>2,004</td>
</tr>
<tr>
<td>2019</td>
<td>2,001</td>
</tr>
<tr>
<td>2020</td>
<td>1,668</td>
</tr>
<tr>
<td>2021</td>
<td>911</td>
</tr>
</tbody>
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Share of sales by Division 2020

- Auto Tech: 68%
- Industrial: 27%
- AAM: 5%

Share of sales by Sub-region 2020

- SEA: 11%
- India: 24%
- Korea: 43%
- Japan: 22%

Share of sales by customer sector 2020

- Two-wheelers: 4%
- Cars & Light Comm. Vehicles: 66%
- Truck & Bus: 4%
- Off-road: 7%
- Rail: 2%
- Aerospace: 1%
- Raw Materials: 5%
- Industrial Automation: 4%
- Power Transmission: 5%
- Wind: 2%

Market view at Actual Rate  Note 1 – Light Vehicle production dropped in 2019 by 4% (from 23 mn PCs to 22 mn PCs)

Faster than anticipated recovery, supported by well diversified business
Key regional developments and trends

- **Largest Trade deal** 'Regional Comprehensive Economic Partnership' under ratification
- **India, Southeast Asia** focus on infrastructure with projects worth 1.7tn EUR in next five years
- **Sustainability receives new push by policy makers and acceleration of electrification**
- **Strong demand drives investments into semiconductor and automation**
Automotive - Solutions customers want

Powertrain solutions from combustion engines to hybrids and beyond

Contributing to agricultural development in India and Southeast Asia as market leader for clutches

Aftermarket product portfolio that leverages strong distribution and E-Commerce platforms

Powertrain, Chassis or Aftermarket. We have a wide portfolio.
Industrial – Key sectors in the region

60% of global motorcycle production is in Asia-Pacific

Local development and manufacturing for optimum product performance and cost

Wind Energy **gaining traction** in countries across the region

Capacity installed for customized large size TRB, CRB and SSRB for Wind Turbines and Gear Boxes

Mining, Cement and Steel as key growth drivers in the region

Wide range of products and service solutions, including Industry 4.0

A sector-focused approach with local development, manufacturing and service solutions
Building new capabilities

Global Mechatronics Hub in India. Strengthening Group capability with 250 software engineers by 2023

Strategic partnerships. Order secured for innovative components for cobots in Japan and Korea

Advanced digitalization concepts piloted at our production hub in Vietnam

Regional competencies leveraged towards building new capabilities for the Group
Committed towards sustainability

Focus Asia/Pacific Region

Focus on water conservation and energy efficiency (annual saving of 2 GWh implemented in 2020)

Rooftop solar panels and renewable energy

Focus on safety with zero LTIR* target

Extending support and relief to communities around us

* Lost Time Incident Rate
We pioneer motion