



Schaeffler Automotive Technologies – Harvesting the Mature, Growing the New Business

Bank of America European Autos Conference

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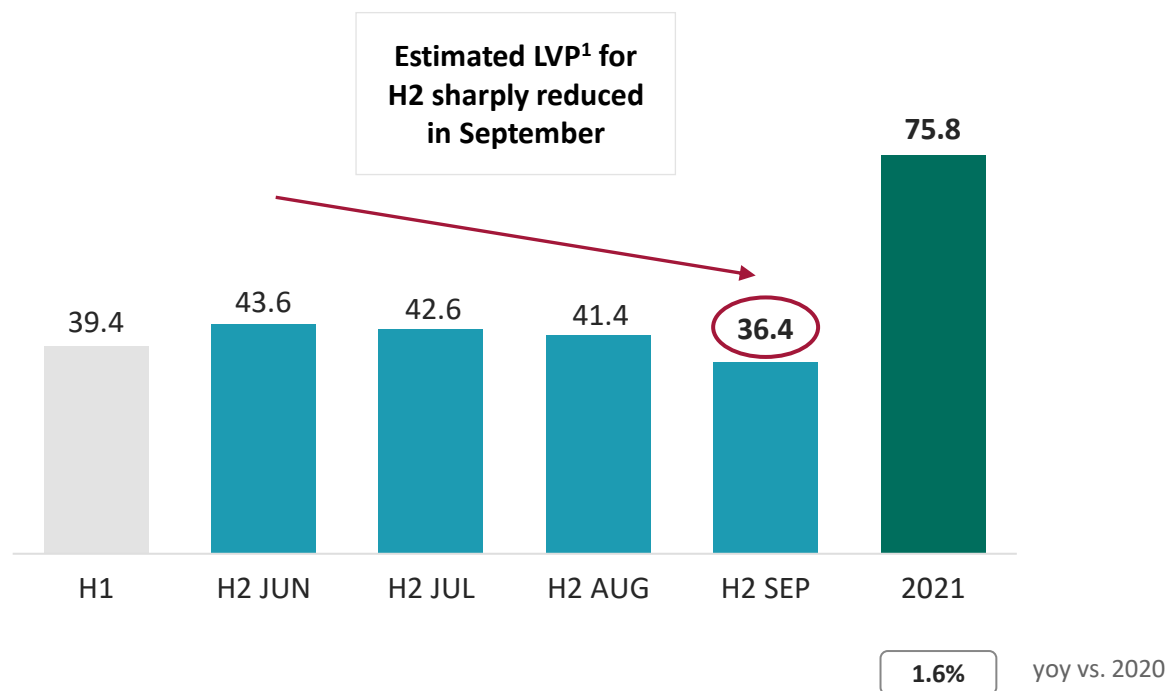
Agenda

- 1 Where we stand
- 2 Where we play
- 3 How we win
- 4 How we create value

1 Where we stand

Current Trading – While not immune to stronger headwinds on automotive volumes, we will outperform and we are confident on our FY guidance, protecting margins and FCF

Global LVP¹ 2021



¹ Light Vehicle Production (IHS Markit, JUN-SEP) | ² IHS Markit: Semiconductor Update; 20 Sep 2021

Automotive Market dynamics

- IHS sharply reduced its estimates for the Global LVP¹ in September, now expecting only 1.6 % Global LVP¹ growth vs. 11.4% back in June
 - IHS estimates on volume losses in 2021 due to global chip shortage²:
 - Q1: 1.4 mn
 - Q2: 2.6 mn
 - Q3: 3.4 to 3.8 mn
 - Q4: 2.0 to 3.2 mn
- FY: 9.5 to 11 mn**

Schaeffler Group and Automotive Technologies Division implications

- Automotive market external headwinds - stronger than the ones we already expected - may weigh on sales volumes for the AT division
- Although the estimated LVP¹ was materially reduced by IHS, we aim to outperform the market as per our FY Auto Technologies guidance
- Countermeasures were initiated – Reduction of flextime accounts, selected closing days in plants; short-time work is investigated for Q4
- Despite pressure on volumes, profit and FCF protection actions support our FY divisional and group guidance

Cautiousness expressed in our Q2 Earnings season proved to be right – Headwinds are persisting

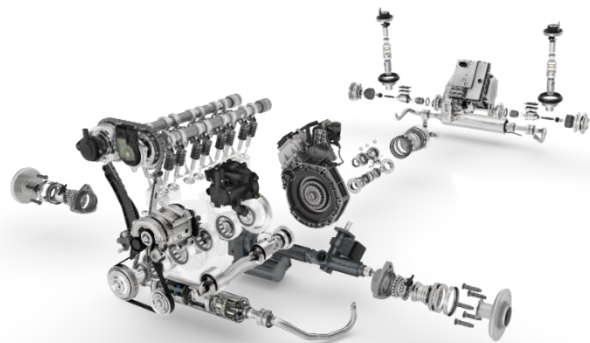
Automotive Technologies – Driving the transition to innovative Propulsion and Chassis Technologies

Electric and Hybrid Propulsion

13% of sales² in 2020

Engine Components and Systems

26% of sales in 2020



Transmission Components and Systems

45% of sales in 2020

Chassis Applications

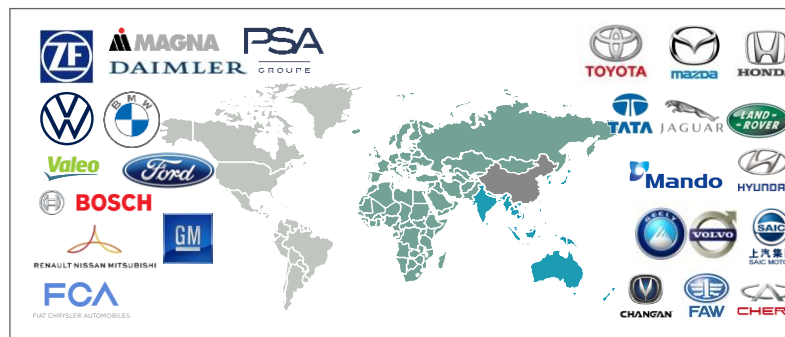
16% of sales in 2020

Europe

37% of sales in 2020

Greater China

26% of sales in 2020



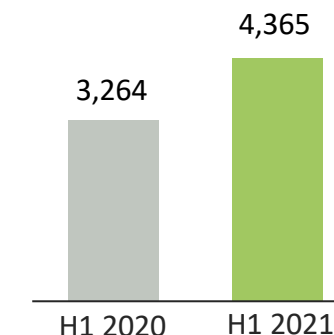
Americas

22% of sales in 2020

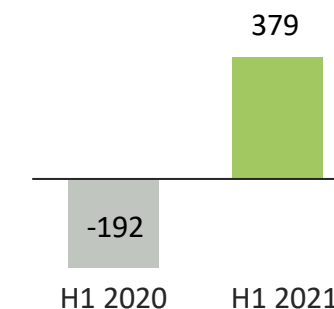
Asia / Pacific

15% of sales in 2020

Revenue in EUR mn



EBIT¹ in EUR mn



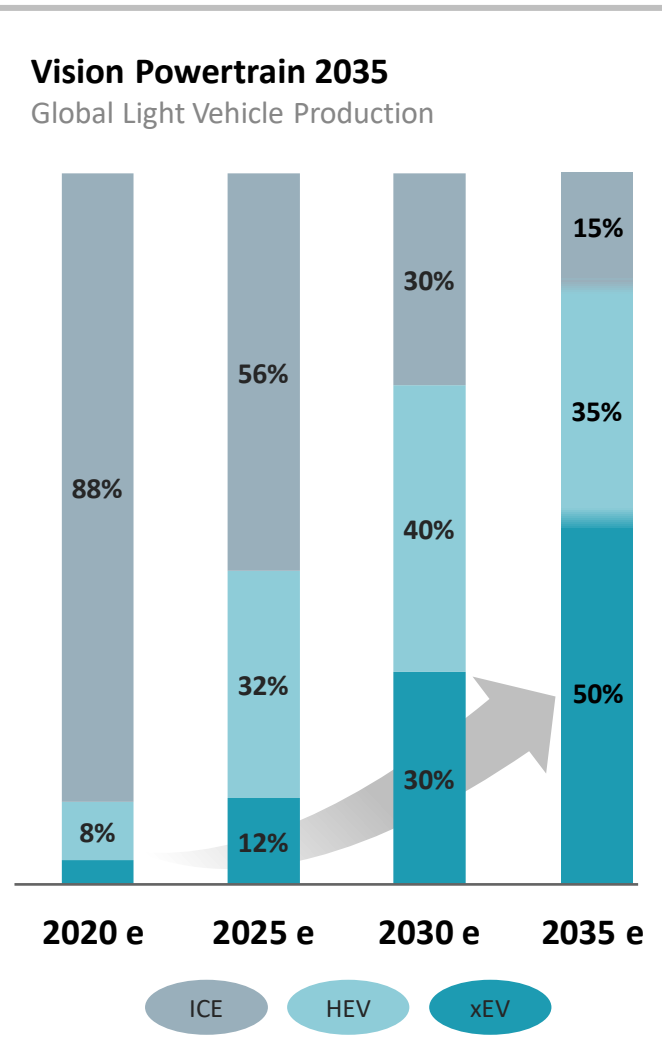
EBIT
margin¹

Period	EBIT margin ¹
H1 2020	-5.9%
H1 2021	8.7%

¹ Before special items

² Including Chassis Mechatronics Systems, Fuel Cell & Thermal Management Systems

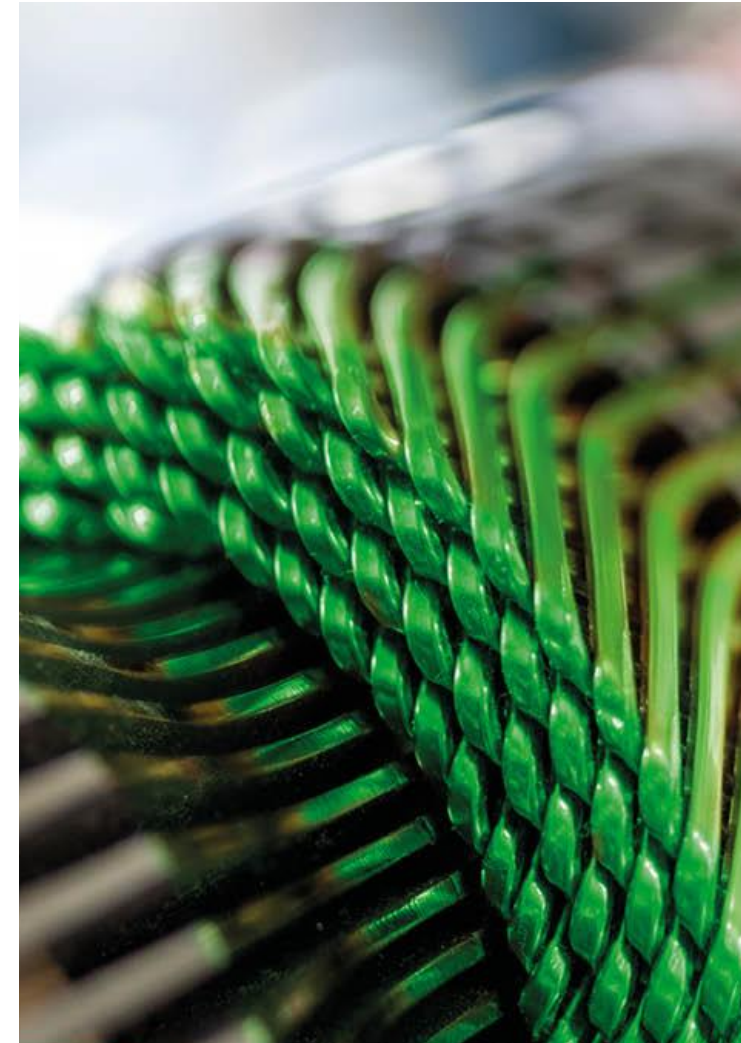
Vision Powertrain 2035 – Electrification is further accelerating



We drive the transition to innovative propulsion systems

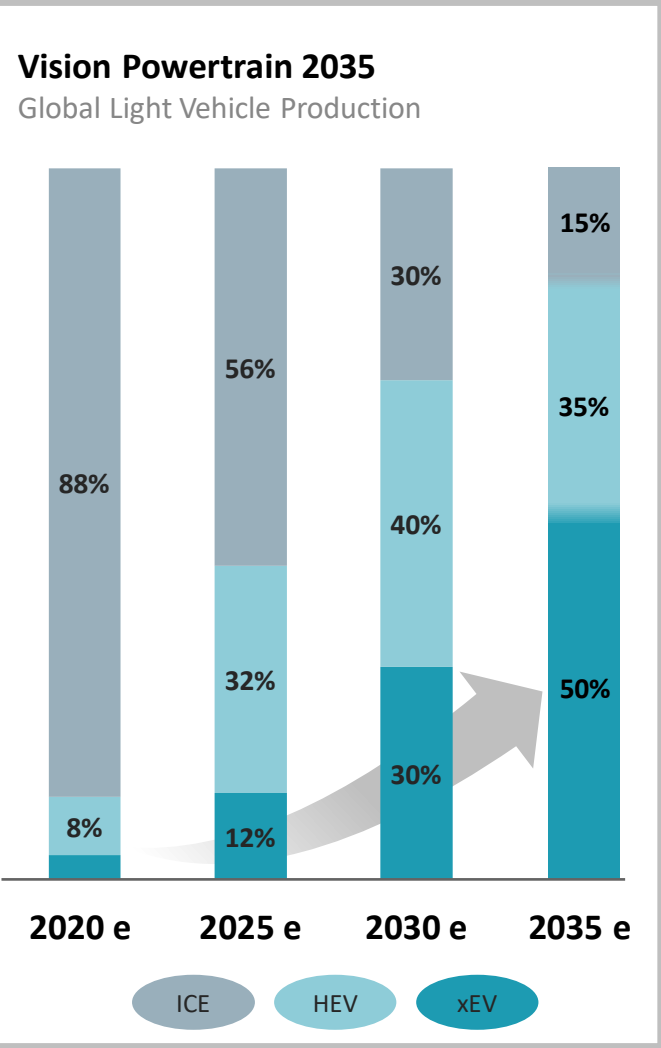
HEV as transition technology will reach tipping point in 2030


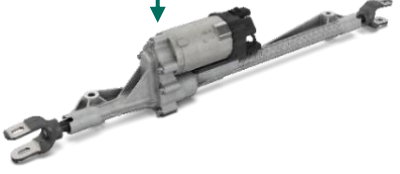

Electrification is further accelerating



2 Where we play

We actively manage our Product Portfolio – Harvesting the Mature, Growing the New Business



	Mature Business		New Business	
	Products for ICE and HEV	Powertrain agnostic ¹ products	Powertrain agnostic ¹ products	Products for Electrified Powertrains
ICE	Decreasing potential	Decreasing potential	Increasing potential	
HEV	Increasing potential	Increasing potential	Increasing potential	Strongly increasing potential
xEV		Strongly increasing potential	Strongly increasing potential	Strongly increasing potential
Example	 Ball Screw Drive for Steering		 Rear Wheel Steering	 3in1 e-Axle

¹ Independent from powertrain type

Decreasing potential Increasing potential Strongly increasing potential

Transforming Automotive Technologies – We want to be the preferred technology partner for our customers

Automotive Focus Areas

1

CO₂-efficient Drives

Powertrain related

Mature Business

New Business

Engine & Transmission



E-Mobility

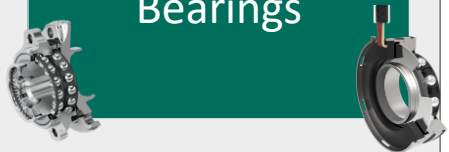


2

Chassis Applications

Powertrain agnostic

Bearings



Chassis Systems



Key aspects

- ▶ Lead in E-Mobility, technological edge and innovation
- ▶ Strengthen Chassis business as second pillar of the Division
- ▶ Leverage our automotive bearings business, powertrain agnostic
- ▶ Extract higher synergies with business for conventional powertrains (Engine & Transmission Systems)

We offer our customers the full matrix of solutions

Roadmap 2025 – Operating Model sharpened to further boost execution of “Mature & New” milestones

3

How we win

E-Mobility – Promised and delivered: Order Intake and Footprint

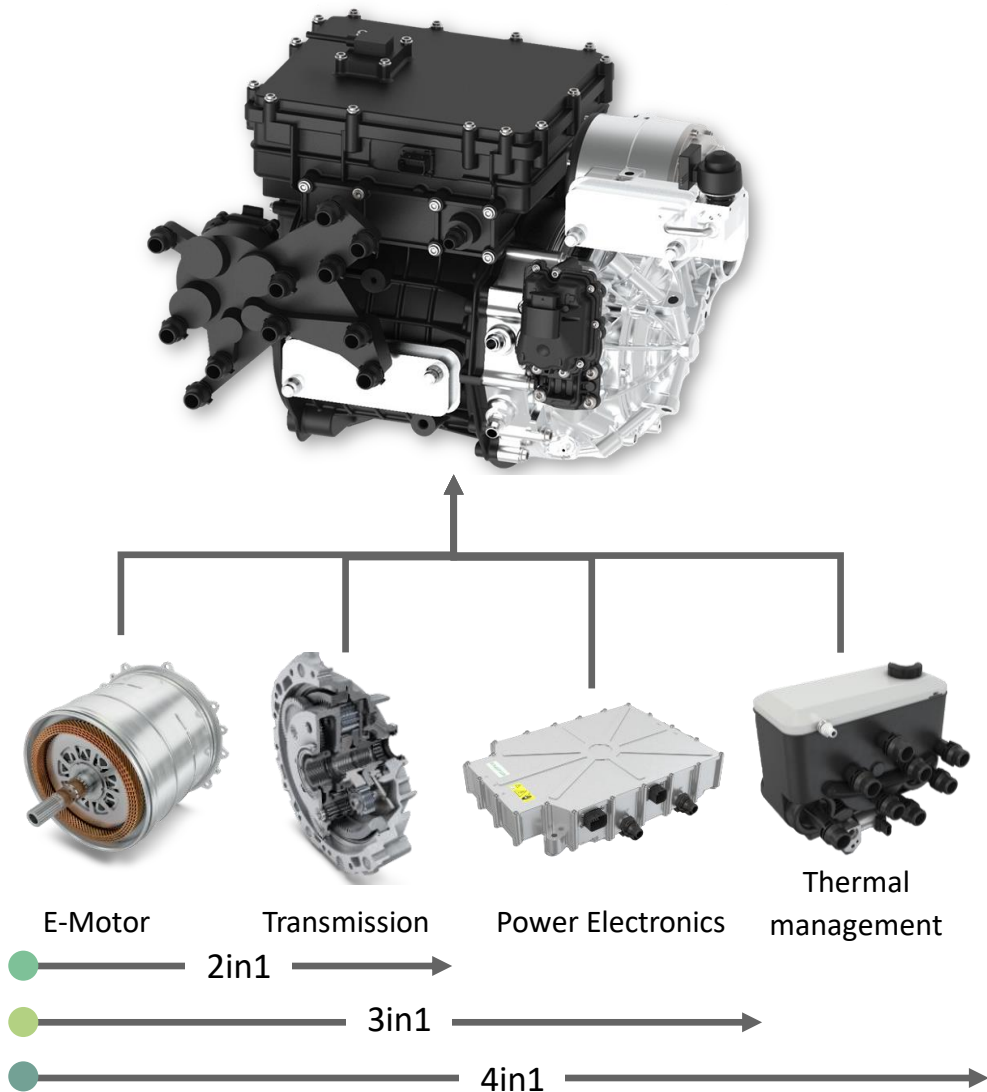
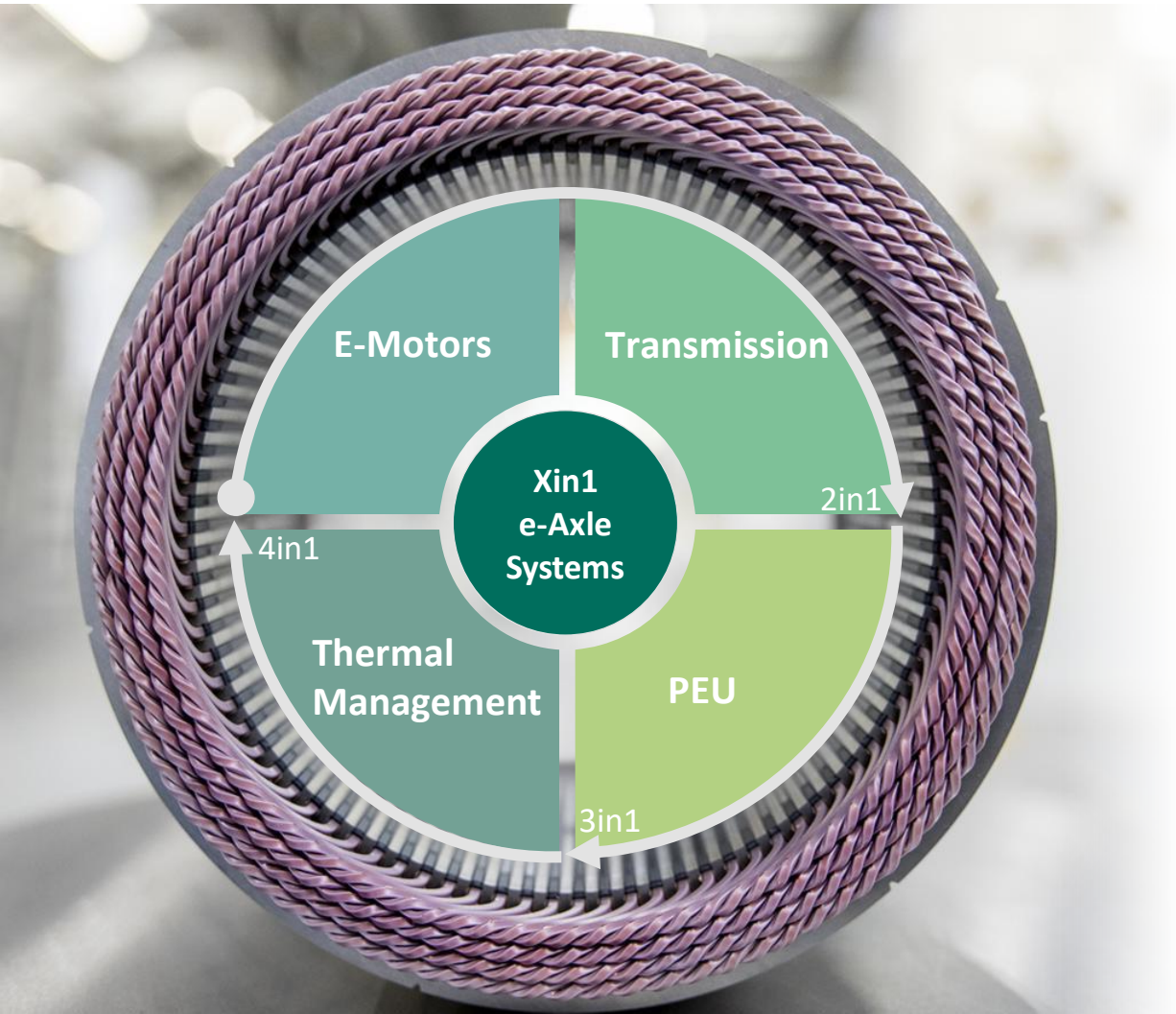


11.4 bn EUR
Total Order Intake
for E-Mobility
since 2018

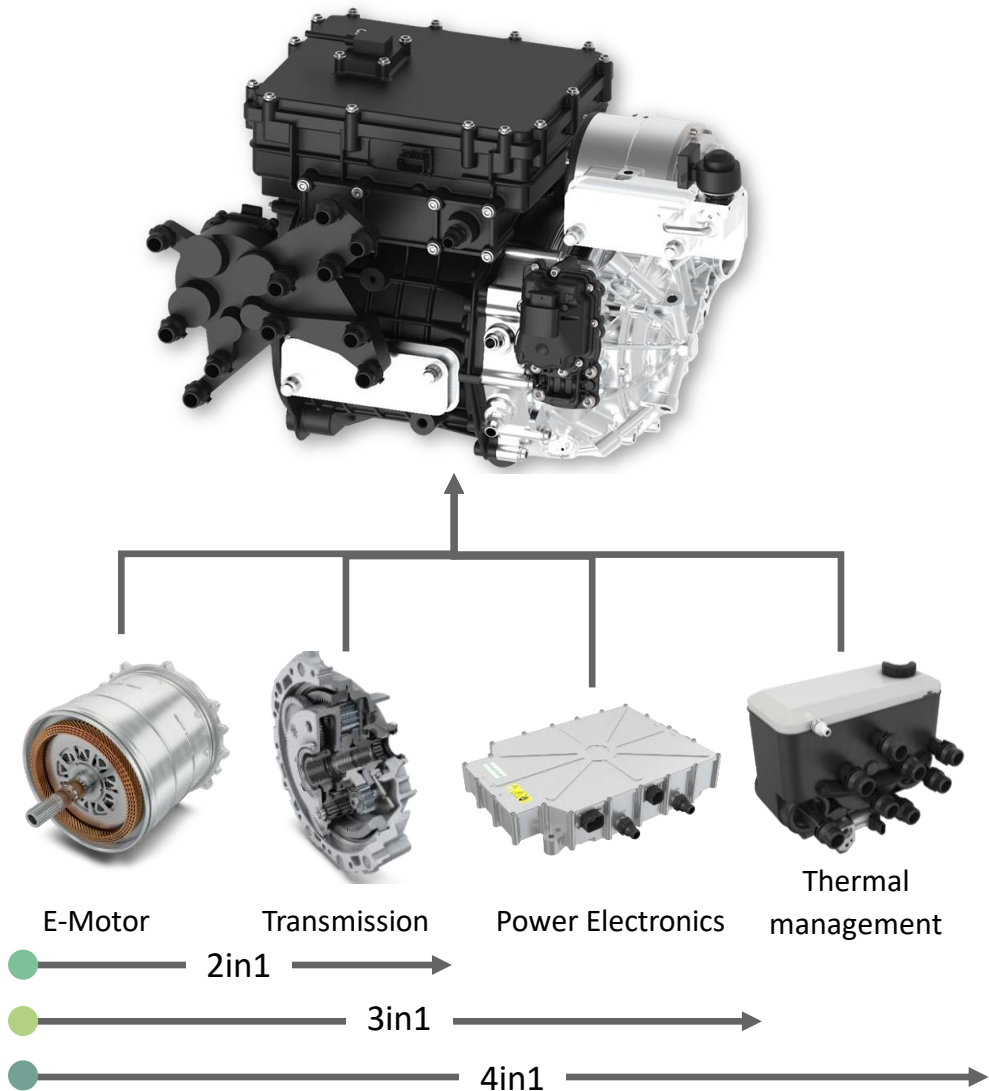
2.1 bn EUR
Order Intake for
E-Mobility
achieved in H1 2021



E-Mobility – Unlimited innovation potential



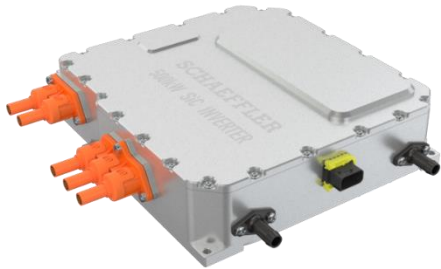
Schaeffler e-Axle – Performant, efficient and innovative



800-volt electrical system



Passenger Cars

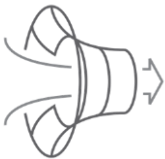


Commercial Vehicles

180 kW	Range of performance	500 kW
350 A	Phase current (Effective value)	700 A



1200 V SiC semiconductor technology



High power density up to 70 kW / litre



Efficiency reaches above 99%

Our Vision: Autonomous New Mobility



mobileye
An Intel Company

+



Our Vision: Autonomous New Mobility: We pioneer motion



**Flexible
Vehicle Topology**

**Schaeffler Chassis
Control Unit**

**Scalable
Platform**

**Conductive
Charging System**



IAA 2021 – Key takeaways

- Transformation: in full swing – We are actively positioning Schaeffler for future opportunities
- Operating Model: its sharpening strengthens our innovation power and execution of our strategy in E-Mobility and Chassis systems
- Innovation in E-Mobility: 3in1 electric axle systems, thermal management and 800 V power electronics for maximum power density are proving commercially successful
- Rolling Chassis: an innovative mobility concept for urban spaces, partnership with Mobileye
- Hydrogen technology: key to a carbon-neutral future – From electrolyzers to fuel cells
- Order book: keeps showing good momentum and great quality



**On Track to
Sustainable Mobility**

Eco-system – Optimizing our leading technological platform, leveraging our strong industrialization capabilities

Mature Business

We
HARVEST
with our
Enabler-Technologies

We
EXIT/DIVEST
expiring businesses &
consolidate our footprint

New Business

We
BUILD
Competencies in
Power Electronics &
Hydrogen

We
GROW
in Electrified
Powertrains

How we harvest Mature Business

- We right-size investments and resource allocation in our Mature business by consequently reducing investments in ICE technologies (Reinvestment Rate <1)
- We leverage our synergies in Mature even more, by combining the Engine and Transmission business
- We aim to become the market leader in the powertrain agnostic Automotive Bearings market
- We EXIT/DIVEST expiring businesses like chain drive systems and further consolidate our European footprint

Our Mature business provides the foundation and industrialization scale and funds our New business

Eco-system – Creating a leading technological platform with strong industrialization capabilities

Mature Business

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New Business

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Growing our New Business

- We continuously leverage our Automotive + Industrial supplier eco-system – Our New Business thrives on the strong foundations of the Mature
- We harness synergies between Automotive Technologies, Automotive Aftermarket and Industrial, even more in New Business fields like E-Motors or Hydrogen
- We complement our portfolio organically but also inorganically by acquisitions, JVs or cooperations
- We remain open to new collaborations in our future growth fields E-Mobility, Fuel Cells and Chassis Mechatronics

**Compact
Dynamics**



mobileye
An Intel Company

ELMOTEC **STATOMAT**

XTRONIC

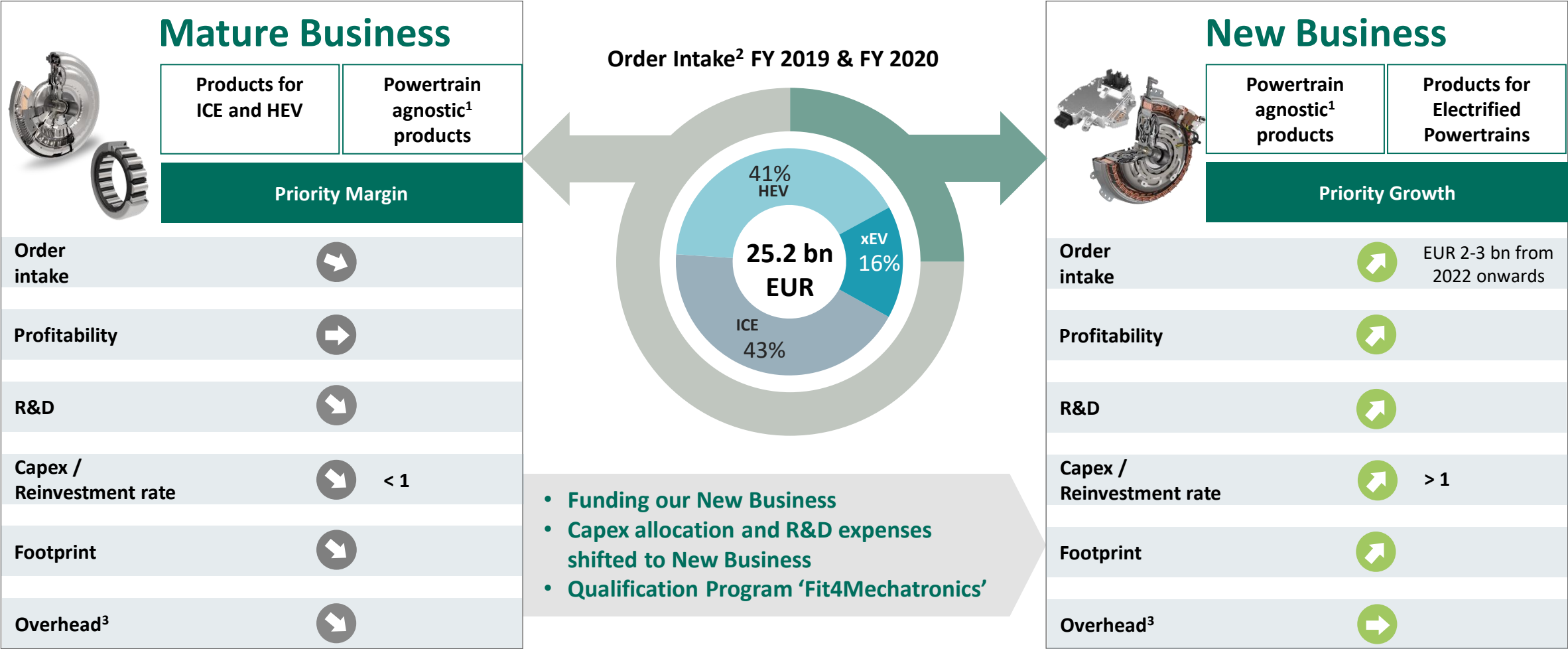
REFIRE

Strong manufacturing and technological platform works like an eco-system, integrating collaborations

4

How we create value

How we fund our own growth and create value



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

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

- 3 We actively manage the transition by ensuring profitability in Mature Business, leveraging our Powertrain-Agnostic business and fostering strong growth in New Business

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

- 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

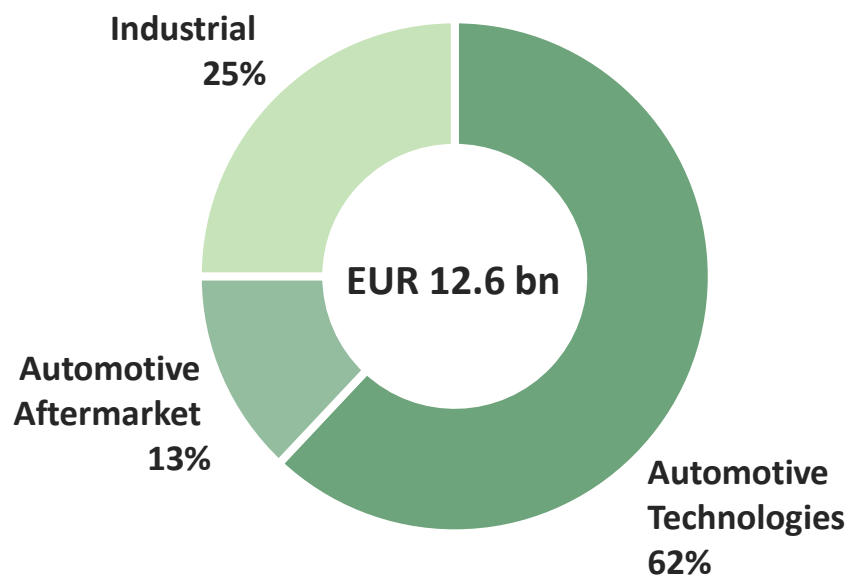


Backup

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

3 Divisions

In % of FY 2020

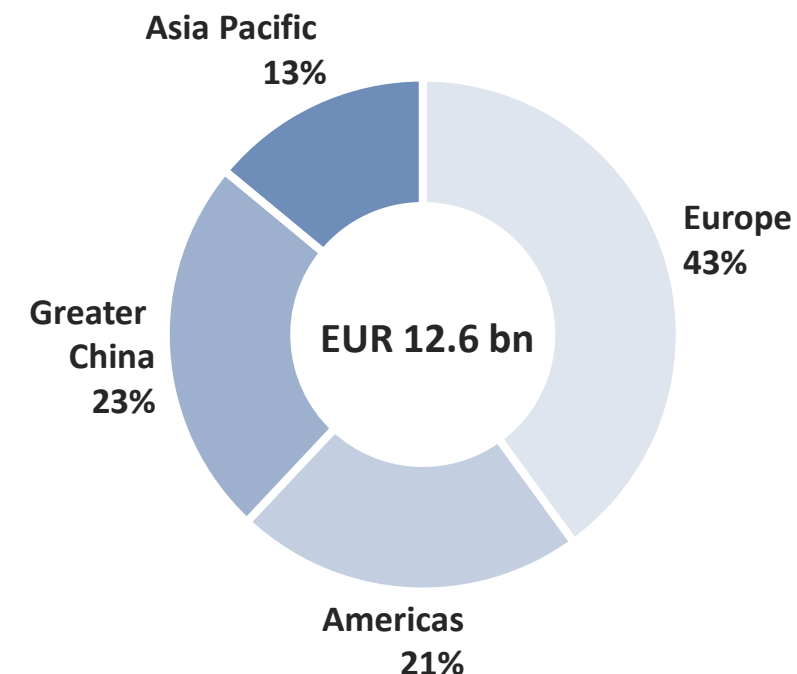


Schaeffler Group

- **Leading positions in technology and innovation**
- **10 customer sectors**
- **Market leading offering from components and systems to services**
- **75 plants and 20 R&D centers**
- **~83,000 employees in more than 50 countries**

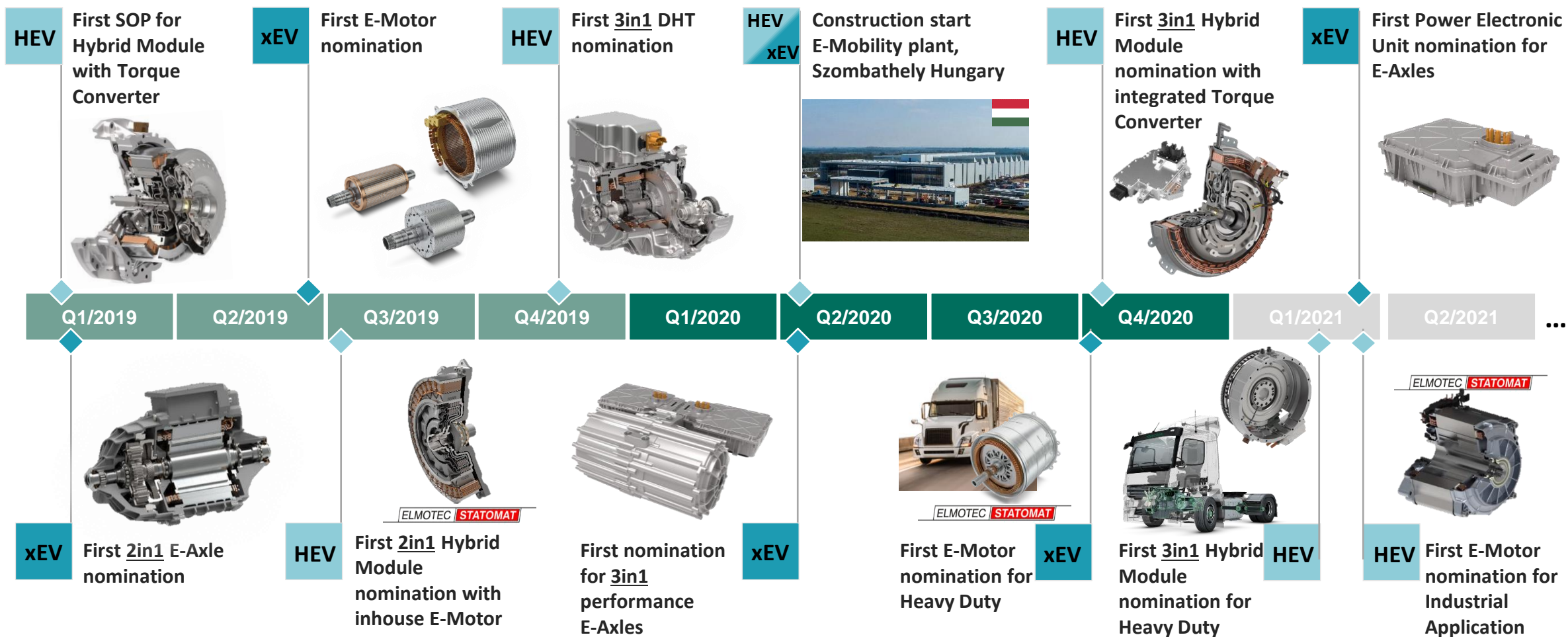
4 Regions

In % of FY 2020



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

Focused and fast-paced E-Mobility portfolio expansion since 2019



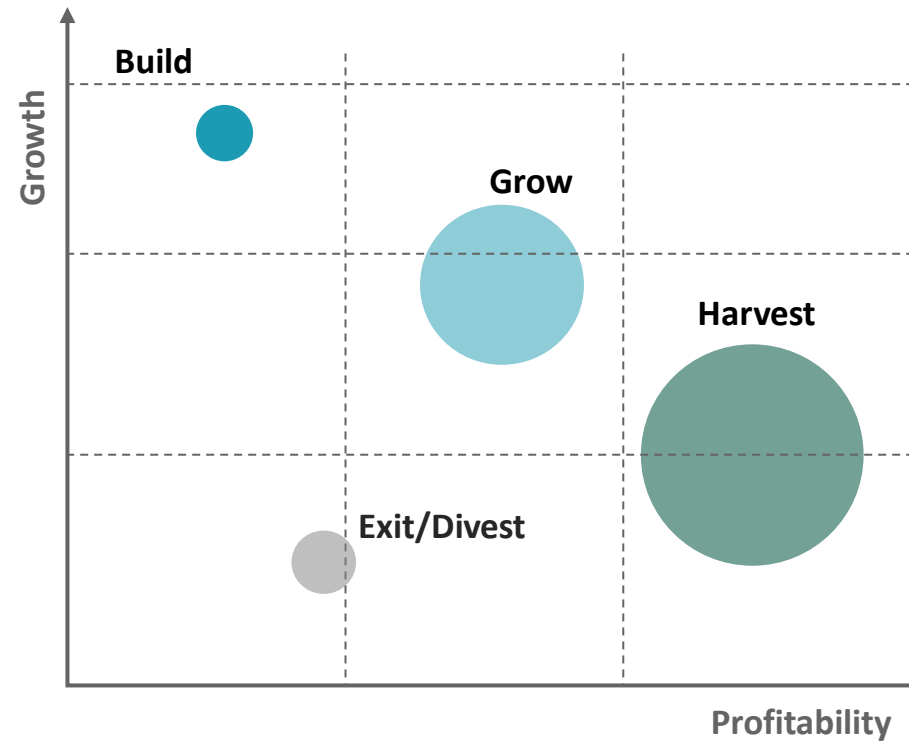
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Mature Business

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expiring businesses &
consolidate our footprint

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

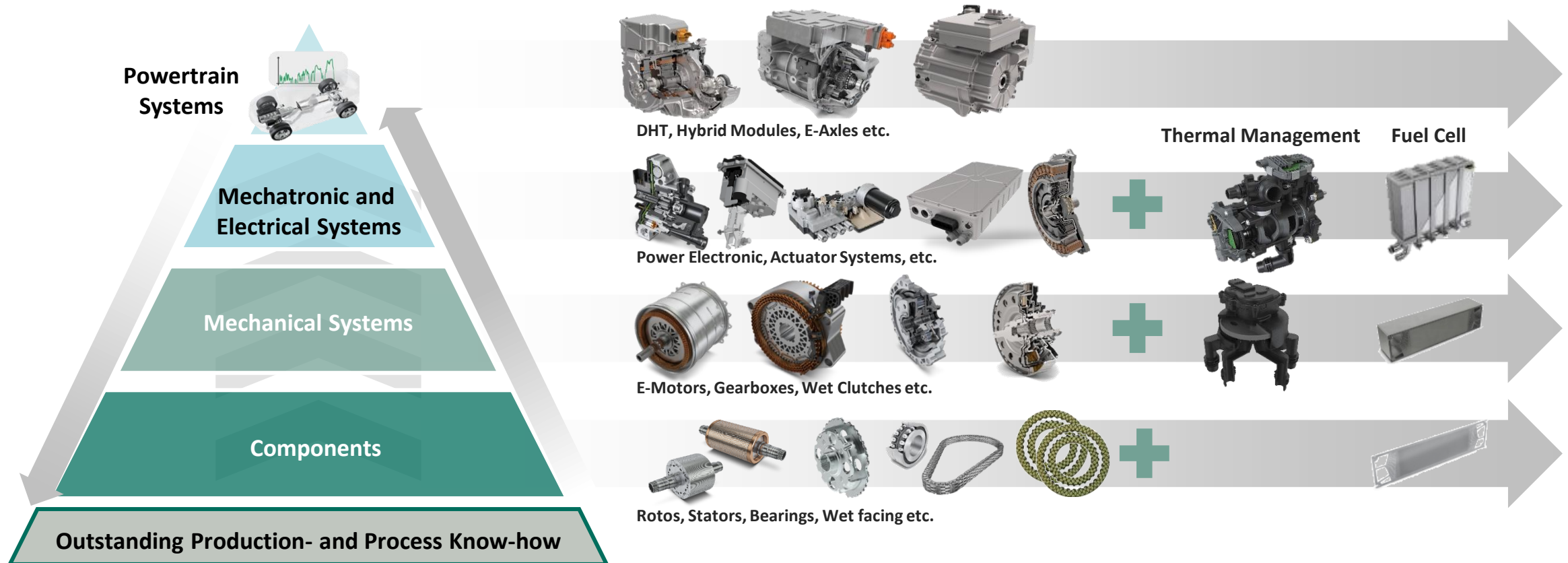


New Business

We
BUILD
Competencies in
Power Electronics & Hydrogen

We
GROW
in Electrified
Powertrains

E-Mobility Propulsion portfolio today – Components and Systems



We are extending our portfolio of E-Mobility due to high relevance for future powertrain systems

Automotive Technologies (AT) outperformance by quarters

YTD 21 Outperformance: +5.7pp			Q1 21			Q2 21		
	IHS ¹	AT ²	Outper- formance					
World	+15.5%	+15.8%	+0.3pp					
Europe	+1.0%	+3.4%	+2.4pp					
Americas	-2.9%	+6.0%	+8.9pp					
Greater China	+79.0%	+74.3%	-4.7pp					
Asia/Pacific	+4.9%	+13.6%	+8.7pp					

FY 20 Outperformance: +4.5pp			Q1 20			Q2 20			Q3 20			Q4 20		
	IHS ¹	AT ²	Outper- formance											
World	-22.2%	-12.1%	+10.1pp											
Europe	-15.7%	-13.5%	+2.2pp											
Americas	-11.6%	-5.2%	+6.4pp											
Greater China	-45.7%	-22.8%	+22.9pp											
Asia/Pacific	-13.5%	-7.3%	+6.2pp											

¹ Light Vehicle production growth according to IHS Markit, July 2021 | ² FX-adjusted sales growth of Automotive Technologies division

Seven non-financial targets underline clear commitment to sustainability

