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Thank you very much, operator. Dear investors, dear analysts, good morning from Berlin. Today, for the Q3 release of Schaeffler Group here in Berlin are present Mr Klaus Rosenfeld, the CEO of Schaeffler Group and Mr Claus Bauer, CFO of Schaeffler Group, together with the IR-Team. But, without further ado, let’s start the Call. Klaus, the floor is yours.

Klaus Rosenfeld
Thank you, Renata. Ladies and Gentlemen, welcome to our Q3 conference call that I will do for the first time together with our new CFO, Claus Bauer. As you just heard, there are many Klaus’. The CEO and CFO is pretty close, as it should be. The real distinction is my name starts with a K and his name starts with a C. So, Claus with a C, would you like to quickly introduce to this round?
Claus Bauer  
Thank you, Klaus. Also, welcome from my side. You already stole my entrance here. The most important message on the first slide is that I’m written with a C. I guess in the 60s there were a lot of Klauses in Germany but, again, my distinction is with a C. I’m very happy to be sitting here with you, Klaus, for my first call.

Let me introduce myself a little bit. I think you all read it in press releases before or on this slide, but I started my professional life in tax consulting and public accounting before I came to Schaeffler in 1998. I started there to create a new tax department and tax function and afterwards headed the Corporate Accounting function, which was also implemented newly at that time, especially to implement the first international accounting for the consolidated group financials. At that time IFRS was not as developed, so at that time it was the US GAAP.

Since 2002, then, I took over as a regional CFO, first for North America and then later for North and South America when the two regions were merged. After 19 years of doing that I now finally returned home. As you hear with my accent, I am born and raised in Bavaria, where our headquarters is. So, there is still after 19 years, I was told, some Franconian accent but I hope you still understand my English. As I said, I’m very happy to be sitting here and I’m excited to participate in this first call.
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Thank you, Klaus, and I think you will have, over the years, enough time to also meet investors personally and show your face and your strengths. Let me take over now in the usual sequence. I’ll start with the overview. I will then talk about the business development and then hand over back to you on the financials.

On page five you have the key messages for today. I think we can say, as Schaeffler Group, a solid Q3 2021 in a challenging environment, in particular in the Automotive Technologies business. Here, we clearly were impacted also by the market disruptions. On the other hand, you can clearly see from the numbers, strong growth in Automotive Aftermarket and double-digit growth in Industrial.

As a general statement also here, upfront, I think there is no better quarter than this one to demonstrate to the market and to the investors and analysts how much sense it makes to have Automotive Technologies and Industrial together, as they both complement each other and as diversification in such an environment really can pay off.

As you also see in the margin, Q3 EBIT margin 8.2%. We did quite a bit to protect our margin effectively in Automotive Technologies despite the lower volumes and had good margin progression in Automotive Aftermarket and in Industrial. Here again, I would like to praise the performance of the Industrial division, Stefan and his team.
have done since quarters, I can say since years that I’ve seen to bring this division back on track, 12.4% margin in Q3, I think speaks for itself. We are already at the low end of our mid-term guidance here and that’s clearly a success story.

Free cash flow in Q3, €225 million. If you go through the details, we are still seeing that Capex on average is lower than in previous years but it has increased in Q3 and we have, I would like to put emphasis on the word technically, built some inventories because we are convinced that at some point in time the disruption, in particular on the Automotive Technologies side, will go away and then it is good to have invested a little bit into capital for inventories and for delivery performance.

The nine months return on capital employed peaked clearly at a strong 18%. We are benefitting here from the strong first half and we know that this will, over time, then normalise but I can assure you again that capital management is top of our list and we want to be very proactive here and manage our capital but also our cost wisely and pay attention to the high need for flexibility.

Number five and number six are more forward-looking. Let me first comment on five. You all remember that our colleague, Matthias Zink, introduced some quarters ago the concept of mature and new to demonstrate our approach towards E-Mobility and how we cope with that transformation. I’m now happy to share with you the next step in further sharpening that model and boosting our execution and that is a second view, where we differentiate our Automotive Technologies business into powertrain-specific and powertrain-agnostic business. Nothing for today but an important step forward to give you also more insight how our transformation is going and how we are coping with the challenges in these different four areas.

Last but not least, we have already shared with you this morning, through our press and IR release, that we confirmed our guidance for margin and FCF. The Automotive Technologies outperformance guidance is also unchanged. A good third quarter with about 6% and we even raised the top line for Industrial. However, the market assumptions for Automotive Technologies have changed and that clearly means that we will not make the above 11%. That is also shown, then, later in the charts. All in all, as I said, a solid Q3 demonstrating our strengths, in particular when it comes to execution.
Page six, highlights and lowlights. I will do that quickly. I mentioned the outperformance in the nine months, 660 basis points and in Q3, 750 bps. Again, a quarter is a quarter but the trend is in our favour and we can show that all the regions we have in Automotive Technologies have been outperforming on the top line despite weaker markets.

In Automotive Aftermarket, also a good sales development, increasing demand from individual mobility solutions. Industrial, I already said the most important things. We are and our growth, in particular, is driven by this brisk economic recovery. We see broader growth across the sectors and, interestingly enough, Wind at the moment is not growing in that quarter and Railway still has to catch up. The Automotive and Industrial ecosystem and equation I mentioned before, and you all know strong Free cash flow is what we stand for.

On the lowlights, from my CEO perspective, yes, we are still suffering from the semiconductor shortage in Q3, more than in the previous quarters, and that is also a phenomenon that comes across all regions. This semiconductor shortage is just one element of general market headwinds that we’re dealing with. Clearly, the uncertainty around COVID, the supply chain situation also in other components and semiconductors and the low visibility. That situation is persisting, and it requires, clearly, our full attention.

On top of this a topic that we will clearly discuss also in your Q&A session, we see increasing costs of raw materials, energy, and transportation, as all our competitors do. The question is how does it impact our P&L and here we have always indicated

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1. Light vehicle Production

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Semiconductor shortage led to extremely low BVP\(^1\) in Q3, indirectly impacting volumes in Automotive Technologies across all regions

General market headwinds – Semiconductor shortage, Covid-19 variants and supply chain situation – are persisting with low visibility

Costs for raw materials, energy and transportation increasing in Q3 as flagged, impacting H2 2021 with a lag
that this comes with a time lag. So, H2 sees already some impact. Claus will explain
that in detail and this will also, that’s our expectation at the moment, impact 2022.
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Now, let me go to page eight. Here, you have a little bit more on Automotive and again I said most of the things, so I’m really keeping that slide short in the interest of time. Just to mention the highlights, in the nine months 16% growth, very much a function of the first half of the year. In the third quarter minus 12%. The margins stands at 7.4% for the nine-month period and 4.6% for this quarter. That is a good result compared to the strong headwinds we had experienced.
On page nine you see some of the achievements and why we are confident that we are well positioned to win. Some of you were participating at the IAA, a very successful event. We have opened meanwhile our new state-of-the-art sustainable E-Mobility plant, won the PACE Award for our E-Mobility offering and are also pursuing on the Chassis Mechatronics side a partnership with Mobileye, clearly a long shot but autonomous driving and everything that comes with that will be an important topic for the next years.
To come to Aftermarket very quickly on page ten. Not so much to report. We saw also here in the third quarter, good growth with 8.7%, margins slightly down. Don't forget, in Q3 2020 there were extraordinary items, so the high comps here should not deviate from the fact that 14.3% or 14.6% is well within the range that we think is a sustainable number for this year.
Also, here, good progress in terms of our offerings. We are showing you, on page 11, the REPXPERT Remote Support offering. Our continuous efforts to make our services more digital pays off and that is clearly an area where we also think that there is significant growth potential.
Industrial, page number 12. You also saw the numbers already nine months, 12.1%, 12.4% margin EBIT margin in Q3. From my point of view, it really speaks for itself. Stefan and his team are doing a great job in harvesting all the efforts from the past. There’s clearly more to come here because the SPACE program that is now – except for one location in Automotive – ready to go, will also roll in. On the other hand, clearly the headwinds are going forward on the steel side and Claus will also explain what that means in terms of pricing.
Here I would like to mention, on page 13, a business success that we're really proud of because it, on the one hand, shows our strength in Rail and, on the other hand, is a proof point for our commitment to become a player in particular when it comes to key sustainability aspects. Here we have won an award in the category Climate Change and Circular Economy, the prestigious Railway Supplier Award and we have used in particular the circular economy aspects here to present an offering, a product that is not only reducing CO2 but also allows for a 100% return service, something that we think it's not only attractive to customers but clearly a step ahead compared to our competitors.
Now, if you go to page 14, back to capital allocation, you see the key numbers here. One of the concerns in the first half was why is Capex so low? You see that the Capex ratio has increased to 6.4%, as we indicated. For 9M, it’s still subdued with 4.7%. We think it will continue to increase but again, as 6% this year is probably not achievable, what we are clearly committed to is to steer our Capex in a differentiated manner by looking at the reinvestment rate by the different categories.

As Industrial has earned its right to grow, it will clearly benefit from a higher reinvestment rate. In Auto, we will look at the growth areas and clearly spend what needs to be spent on E-Mobility, but in the other areas we will consistently steer the reinvestment rate below one and make sure that the capital is invested wisely. You also see that by regions and it’s one of my key topics to make sure that capital allocation works.

Let me say one word on the dividend. We are not here today to comment on the final dividend. That's a decision that others have to take but I think it's fair to emphasise that we are clearly following our dividend pay-out policy with the 30-50%. Net income is back on track and we all appreciate and know how important dividend for some of you is. It’s also something that we will then consider in our decision-making towards the end of the year, and I can say here that we will definitely come with a higher dividend per share than the last year. Certainly, an element that we will consider also when it comes to dividend continuity.
Now, let me quickly go three strategic issues that I want to mention before I hand over to Claus. The first one is a little bit more insight on this portfolio management aspect. The new logic with the second view, Powertrain-agnostic and Powertrain-specific, that Matthias has designed with us. You remember Mature / New where we said Engine Transmission, on the one hand, and E-Mobility on the other hand.

Now we have taken it one step further and said one of the core elements in our mature business that is Powertrain-agnostic is our Bearings business and the Bearings business is clearly a core business. You see it on the left-hand side. That is mature because we’re doing it for many, many years but it’s also Powertrain-agnostic because you need bearings in cars that are driven by combustion engines and unique bearings in cars or engines that are electrified.

Therefore, this business is something that we want to separate in a sense that we put more focus on how we combine all our know-how, our technologies in the bearings side and, from there, consider how to best improve our products, be it for this type of powertrain solution or the other type of powertrain solution. There is clearly growth potential in this. These may not be the most expensive products, but these are the ones where we have expertise that others don’t have and that’s why we think that should be a separate business. It should be driven and managed by a person who is very experienced and should not be commingled with the other areas.

This having said, we will then do a similar thing on the Chassis Systems side. So far, our Chassis business was Chassis Bearings and Systems and now the bearings will move into the mature Powertrain-agnostic box while the Chassis Systems business
will be a very new business. It's more mechatronic than a mechanical business, something where we clearly need to grow and also need to invest further to build a proper book of business. We are making good steps here and I think those of you that participated in the IAA saw that.
If I then look at the Powertrain-specific parts, this separation gives us an even better view on how to dovetail our offering towards the mature businesses, in particular ICE versus the new business where we would have BEV and HEV. That’s the logic and it clearly helps us if we implement this. This will happen effective 1st of January 2022 onwards to differentiate our steering of resources, of allocating capital wisely, and also going for the different growth buckets in these areas. I hope that you will support this. It is a next step to manage the transformation and further gain traction.
Second point is synergies. Here I want to mention one example. The E-Motor is clearly something that has a broader application than just cars. Offroad is very important. We have large Offroad customers and the idea of cross-fertilization between Automotive and Industrial clearly comes from combining our product know-how with the customer access. In Offroad, we have a sector that is an Industrial sector. Stefan has the customer interface and Matthias has the product know-how and if you combine this wisely, if we make sure that the product know-how we have can be leveraged also towards the Industrial customers, then that can make a big difference and this example from a customer, that I cannot mention here, is one of the encouraging examples that there are more synergies to be harvested if the divisions work closely together.
Turning, then, to page number 17, what combines all divisions, and all functions and regions is our efforts to become a sustainable company. You saw this end of October. We have, for the first time, outlined and published our long-term sustainability targets. The headline here is we want to be a climate neutral company by 2040 and, as this is clearly something that requires a plan, we have articulated this against four major milestones looking at the different scopes. The key logic here is by 2030 we want to be basically in Scope 1 and 2 so on our own production climate neutral. You see minus 90% with an asterisk and that means we are realistic here and say some of this needs to come from compensation, the bulk needs to come from actual measures to avoid CO2. Then, the second element of the chart means by 2040 we want to be climate neutral when it comes to our own supply chain in here, the same logic applies, minus 90% and some compensation. The Scope 3 upstream, ladies and gentlemen, for us is a challenge because you all know steel is important for our business. It’s the main that we source and here I can say we announced this morning a significant offtake agreement with the well-known Swedish start-up H2greensteel and from 2025 onwards Schaeffler will have the ability to source one hundred thousand tons of green steel, what is a significant part of our overall sourcing volume from that H2greensteel start-up. That is one of the proof points that sustainability, for us, is clearly a top priority and with this, I would like to hand over to you Claus for the financial results in more detail. Thank you.
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Thank you, Klaus. Let's jump into some detail of what we already heard in the highlights section. As you heard, Q3 sales decreased, FX-adjusted, by 3%. That has two main drivers. We had obviously a very strong prior year quarter that was in V-shaped catch-up mode after the COVID shutdown in the second quarter of last year.

Secondly, obviously, as you heard from many others but also Claus already alluded to it, the semiconductor shortage which limited worldwide car production. Car production, as you know, was down almost 20% yoy and our Automotive division was down only by 12%, which obviously computes to the outperformance of almost 8% here.

You see also here a little bit what Klaus already mentioned. Automotive Aftermarket and Industrial compensated for the relative weakness in Automotive, with a very solid growth in almost all regions. From a regional split, you’ll see on the lower right that impact, mainly in Automotive, was felt in all our regions except Asia/Pacific.
Jump to the next slide and look at gross profit. Solid gross profit margin as you see on the lower right side due to the fact that the Industrial division balanced the relative weakness in Automotive. If we now go back to the left side and look at the waterfall chart a little bit more in detail, there’s some really interesting aspect that I want to touch on.

First, reconciliation items, here price with -8%. Price is a relatively low negative impact. We would normally see a much bigger year-over-year impact, mainly due to contractual pricing and price reductions in Automotive. However, we have some material price clauses in North American Automotive contracts which, with the escalating steel indices, obviously offset some of the normal contractual price reductions. Here, also, Automotive Aftermarket has phased in already some of the recovery actions regarding this steel price inflation and could already provide some positive pricing impacts here.

Next item with volume, plus EUR 38 million. That’s a little bit counterintuitive now that we explained to you that volume was down but on a gross profit level, due to our divisional mix, actually we see a positive impact, with Industrial and also Automotive Aftermarket with relatively stronger sales performances and much higher margins than our Automotive business, providing here a healthy positive volume impact to our gross profit line.

Lastly, production costs with minus 26 million. I will talk on the next slide in a little bit more detail but let me already say here that, as you are aware, we are in an almost dislocated steel price environment right now. That impact is hitting us from a
purchasing standpoint as we speak. From a cost standpoint we’re facing some time lag between procurement and consumption of steel, but you see the first impact here in the column of production cost and the other item and driver here obviously is the volume impact in our automotive plants due to lower production volumes.
Let me talk a little bit more in detail about the material price environment and when I say material, I mean mainly steel. As you see here, steel accounts for about 65% of our production material. Production material is about two thirds of our overall purchasing volume. The rest almost completely is logistics and energy, as you see below, which also make up for 30% of non-production material. All three categories, and that's not a surprise to you are very significant cost drivers right now. We have steel areas in cold-rolled steel and the flat product for example, where we are now facing price increases of over 100%. Logistics and energy, you have heard from others. I'm pretty sure that container costs have doubled from what we have seen in the first half of this year. These impacts, as I said, are now rolling and facing in. We already impacted in Q3 by these effects by around 100 basis points. If I take the baseline of the first half of this year, we expect that to double in Q4. Q4 then would, based on our prediction of the steel pricing, be close to the peak. We will see some more escalation in Q1 of 2022 and then, hopefully, throughout the rest of next year, see some relaxation of mainly the steel price environment. But, as of now, we are also expecting around 200 basis points of headwind due to material pricing all of next year. As I explained, a little bit more front-loaded, so more challenging in the first half, definitely in the first quarter of next year.

We mitigate the situation as you can imagine, first of all with some material price clauses in contracts, as I already mentioned, in North America but then really with the pricing actions on the sales side in all divisions, as you can imagine. In Industrial with a little bit more catalogue sales, catalogue product-related sales, it’s a matter of
adjusting the price list and we might see some effectivity in that regard a little bit earlier than in Automotive where it's really a one-on-one negotiation with each customer.
If we go to the next slide and look at functional cost, then you see an increase of 12% a quarter year-on-year. However, that is really driven by the low prior year comp, as you might remember at that time we still were, especially in Germany, in Europe, in a short-time work environment and that obviously is normalising now.

You see the different categories, R&D obviously is back to pre-pandemic levels. Selling costs increased a little bit also with the pricing impact based on the Logistics side, and Admin, and that's really also important for me as the CFO coming in here. Somebody said never waste a good crisis, so I'm really also trying to steer the entire company here to be conscious of increasing overhead expenses and you see in Admin, although we are now in a normalised environment, we are still significantly below the pre-pandemic levels if you look at Q1 2020.
Jumping to EBIT. Klaus already mentioned it with 8.2%. Considering the challenging environment, a very solid performance for the quarter. We have obviously Automotive Technologies, if you look at the table on the lower right, with a significant margin impact, mainly driven by the impacts that are already explained which are the production volumes and fixed cost, the under-absorption in that regard, and then, secondly, the material price say inflation that is facing in. Automotive Aftermarket, don’t get too set up with the margin development quarter compared to prior year quarter. There were some extraordinary impacts last year. If you look more at the nine-month average in Automotive Aftermarket, you see we are in the range of -1.0-1.5 percentage points of profitability here and that is clearly the facing-in, a material cost impact in that division. And our shining star, Industrial, with really a strong margin, broad cyclical recovery and offsetting most of the negative impacts that I have explained.
Looking on the next page a little bit more into the divisions, the next three pages here starting with Automotive Technologies. I already have mentioned it. Klaus has mentioned it in the highlights. A very solid outperformance but we cannot avoid being impacted by the global issue with reduced car production worldwide.

You see on the bottom left, we have around 20%, 19.7% reduced volumes versus prior year quarter. In our sales performance in that area is 12.2%. You see also the regional split, which is pretty close. China with a smaller outperformance than the other regions for this quarter but if you look at last year, which are the numbers in the bottom line here, then China clearly outperformed everybody else.

Now, we have a little bit the reverse impact and you also might have read and seen that few of our top customers, global customers, mainly Volkswagen, also experienced relative weakness this quarter from production and sales volume in China and that is impacting us as well.

The waterfall chart on the right side shows the EBIT bridge of last year’s quarter to this year. In Automotive, you obviously see the significant margin drop that we already talked about. Most of that you see is included in the first reconciliation item. It’s coming from gross profit, which I already explained. It’s really two impacts, production cost due to a lower fixed cost absorption, as well as material price that is starting to impact us.

Maybe you see a relatively significant item on the right side here with Others. This is the recovery of some indirect taxes in Europe which we could successfully complete at a positive impact in that range.
Jumping to Automotive Aftermarket, you see solid growth here with almost 9% and you see it on the left side in the lower area, it’s mainly due to the OES business that recovered here. There’s also some special impacts in OES of prior years and, since I’m coming from the Americas, I know very well what it is. It’s one specific product that had a repair bulletin in the Americas and that was driving this very significant change and fluctuation in that specific segment.

If we look at the reconciliation item or waterfall chart here, then I already said don’t get too much distracted by the significant margin change year-on-year, look more on the average nine months margin, which is in the Guidance range. It reduces from this 4% here to around 1% and you see it clearly on the waterfall. It’s also due to higher input costs.

But then, in the selling expense category, you see also not an insignificant cost increase, which is mainly due to our kitting operation that is now ramping up in Halle, in Germany. That still requires some parallel operation in the old warehouses while we are ramping up and also the investments and costs coming with it that we put into our digital sales platform in China.
Last but not least, in Industrial, next slide, you see 15.8% sales growth quarter-over-quarter and you also see on the lower right, actually what Klaus already mentioned, Wind and Rail a little bit are the sectors, that are not performing to the other sectors. Every other sector is close to or significantly over 20%. Wind we see obviously with normalising demand level, mainly in China, in relation to the subsidies policies there.

And then we reconcile the EBIT year-over-year. You see a very significant gross profit impact that we already explained and then some of the cost areas in the Selling expenses, the -10 is mainly driven by our project Mountain that I think you're aware. There was the attempt to acquire Dodge in the US and the costs are now flowing or have been flowing in, in this last quarter. On the Others line, with -10 million here, we have almost completely a negative foreign exchange impact from China between the Euro and Renminbi.

In total, just to conclude, you see the 12.4% marked and, as Klaus said, we are very well in the direction of our mid-term ambitions there already.
I’ll come back a little bit more to the legal side and you’re now looking at nine months reported EBIT and net income. Then you see, first of all, that our EBIT reported is higher by 27 million than our EBIT before special items. That is a positive impact from a reversal of accruals in relationship to our Roadmap 2025. You might remember last year, obviously that was a special item when we built the accruals, now the reversal is a special item as well. So, that is explaining the EBIT reported.

Then, if you follow the waterfall to net income, there’s really nothing that is concerning here. The income tax rate is in the range of our average tax rate and the financial result actually is a little bit better than what you would have expected based on our interest-bearing debt, due to the fact that we had some interest income from an indirect tax case in Brazil that we won and the interest portion of that, because it was a very long running case, this also worked into the financial result.
Next slide, please. The net income of €149 million translates into earnings per share of €0.22. It follows exactly what was explained in the prior slides, so nothing really to explain on top of that. Klaus already mentioned the strong ROCE of 18%. That is mathematically obviously driven by four very good quarters over the last twelve months, especially the last quarter of last year and the first two quarters of this year, with still relatively low capital employed due to our investment activity in the first half. So, we would expect ROCE peaks for the next few quarters at that level but, nevertheless, I don’t want to take anything away from the very good result for this nine month period.
Maybe now coming to Free cash flow. This is something that I think we should go into a little bit more detail. Very strong cashflow in the third quarter, actually our best quarter this year. You see cash flow conversion ratio was close to one, also good, and that is despite the fact that we, as Klaus already alluded to, increased Capex this quarter significantly.

If you look at the top right, you see there's a little bit of working capital increase and Klaus already mentioned that as well. We are intentionally managing our inventory to not get caught in supply chain disruptions once our customers can build cars again in the Automotive area and, as well, as you can imagine, we don’t want to jeopardise any sales on the Industrial and Automotive Aftermarket side with shorting inventory there. So, we are very conscious in maintaining and improving our delivery capabilities in these two areas.

Capex we mentioned, with €215 million, a high spending quarter with 6.4% for the single quarter, a little bit above our normal guiding level. Offsetting some of this lower Capex of the prior quarters where you see we have been below 4%. From an outlook standpoint I would expect Q4 Capex a little bit lower but directionally in the same area.

And then taxes, as I already mentioned, in all the levels, and the other impacts actually relatively are smaller here as a net number. But that other column already includes, as you see in the bottom table, €75 million of cash outflow for our various restructuring programs that you are very well aware of.
That is also the main reconciling item between our Free cash flow before M&A and our Free cash flow before M&A and special items. You see here, that is even better in the range of €300 million for the quarter. And if you look a little bit right of that, if you look at the nine months, then you see a total restructuring pay-out year-to-date of €276 million which would bring our adjusted Free cash flow to almost €750 million, which I think is an exceptional result.
If we then go to the next page, you see our net debt and our leverage ratio. Our leverage ratio is now better than what our normal guiding corridor would be in the range of 1 to 1.2. That is obviously also a mathematical function of our very strong EBITDA that is based on very strong four quarters in the last 12 months. Obviously, that maths will normalise a little bit going forward. And the other factor in that calculation, as you all know, is the increasing cash reserves due to our strong cash flow profile.

It’s worth to mention that, as you are aware, we cancelled some of our Schuldscheine that we issued last year. They will be paid back in the range of €260 million, actually the day after tomorrow. And with that we then have no further maturities until March of 2024. The available liquidity, as you can read, is also a very healthy 27% of last 12 months' sales. And with that, I am through and would then transfer back to Klaus for the conclusion.
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4 Outlook
Thank you very much. Let’s focus on Page 32, ladies and gentlemen. That’s our outlook going forward. As we go into the market assumptions, clearly changes here on the Auto side. You all remember the sharp cut that IHS took. IHS is now expecting 74.8 million cars being built, which means 18.9 in Q4. We are up to 75.3. That is slightly higher than the IHS forecast and we’ll see how the year is going to end.

Clearly, when you think about where we started, we were cautious when we started. You remember we talked about around 80 million cars with a 5 million discount in February 21. It clearly shows how challenging this year was. Let’s wait for next year. There are various different views on what could happen next year and how this dislocation will disappear. Aftermarket, you know the GDP growth, and also the Industrial production growth. Not much more to say here.
On the guidance, page 33, again, as we said, we have confirmed EBIT margin of 8% to 9.5%. We have confirmed our above €400 million Free cash flow guidance. And let me emphasise here, the word is above 400. No one said that it’s 400 as a point guidance. That also may tackle one of your questions, whether we assume a negative Free cash flow for the fourth quarter.

Then we also confirmed the divisional margin guidance to be above 6% in Auto with Auto clearly one of the most important cornerstones of our guidance, and Aftermarket and Industrial. And in Industrial we even moved the topline guidance up while at the same time confirming the outperformance guidance in Auto.

You all know what that is. But the market developments, if we add it all up, in Auto Tech does not confirm the above 11%. So, we have brought it down here to above 7%. And I think that is fair and consequential as our guidance was always market plus outperformance.
Let me finish the presentation, and before we go into Q&A, with the final page, 34, and I’m not going to read that page to you. Let me quickly again say there is a lot of operational challenges, I think for all companies, not only for ours. And the focus must be on tactical mitigation actions, all hands on deck. With Claus, we clearly have someone who knows how important the management of the plan is to manage our performance.

I think we have shown to you over the last quarters that we are clearly dedicated to relentless execution and to delivering a solid operating result and strong Free cash flow. We also shared with you the more strategic aspect, sustainability, the whole question of further sharpening our model in Automotive Technologies to manage the transformation. And you know that we want to pay a decent dividend but also stay a strong Free cash flow company.

What the third quarter clearly demonstrated, how positive it is that we have Automotive Tech and Industrial. It starts to really pay off the big investment into the Industrial restructuring. And the 12% margin, from my point of view, at that stage here, in this environment, is a very solid success, at the end of the day.

And I want to extend that to everybody involved on our side. It’s always a function of teamwork. And in this environment, it is a privilege to have a team that works so seamlessly together in divisions, regions and functions, also to the board colleagues. And I really want to say thank you here to all of you. In this environment, that’s not easy. It will stay challenging. We are sure that the environment will not clear up on 1st January. So, the dynamic environment that requires all this flexibility will be a
challenge going forward. But those that are able to manage that will also be successful going forward. With that, thank you very much. I hand back to Renata for your Q&A.
Renata Casaro
Thank you very much, Klaus. I will just remind that we have some roadshows coming up, and you have the financial calendar, that’s all on page 35. And now, for sure, let’s hand over to the operator for the Q&A.
Q&A SESSION

Gabriel Adler, Citi
Thank you for taking my questions. It's Gabriel from Citi. My first question is on semiconductors. Can you comment, please, on what you’re seeing that gives you confidence, auto production could be a half million units higher than IHS expectation in Q4? Do you have any view at this point on how you expect Auto production to develop into 2022 and if you think IHS estimates also look a little cautious for next year?
And then my second question is on the Automotive price recovery. Can you update us on any progress that’s been already with the one-to-one customer negotiations that you referenced in the presentation around price recovery for the Auto business? And are there any examples you can provide where you’ve successfully achieved meaningful price recovery from your Auto customers in the past? Because generally, investors we speak to are quite sceptical how successful Auto suppliers can be in these discussions. So, any update on this topic as well would be really helpful. Thank you.

Klaus Rosenfeld
Let me check on the first one, and then I will share the second one with Claus. The 500,000 more cars, is at the moment, our best estimate. It’s slightly more positive than IHS, but that should not say that we think the crisis on the semiconductor side is over.
We are rather conservative when we look into the next year. We have the privilege to assemble all sorts of data points from various customers. And what we are seeing at the moment in October sounds a little bit like we are through the worst. But it doesn’t mean that the picture clears up dramatically and very quickly. But don’t put too much weight on this 500,000 more cars. The 75 million is more or less also what IHS says. So, that’s the answer here.
On Auto Tech price recovery, clearly one of the most difficult topics. You will understand we cannot share with you our customer names. What I can share and what I can stress is that our sales teams on Auto Tech are clearly not only asked but also driven and moved forward into going into these hard negotiations. That is customer name by customer name, a discussion. It depends on the contractual relationship. It depends on the negotiation power we have in certain areas. That is different by nature. If you have a broad customer portfolio, like we have, to some extent it’s easier. You can imagine that a very large customer, where you’re competing with on new business, behaves differently than in another situation. The fact that we have New and Mature may help us here in that respect.
And maybe Claus can say something on the one example where, not in Europe, but outside Europe, we have contractual relationships where that works quite different than you would assume here in Europe. Again, we cannot mention the name, but maybe you want to say something as a positive how that could be structured or how it is handled in the US.

Claus Bauer
Before I come to that, maybe, because you also asked from past experience. And obviously in my prior function at that time as the Regional CFO for North America, I still remember the last steel price inflation that, by the way, was nothing as severe as we are seeing right now, nothing was seen like this dislocation of steel prices we are seeing currently.
Nevertheless, in 2006, 2007, we had the last steel price inflation, and it was exactly as Klaus described. I mean, it was customer by customer, sometimes customer across product or product line, depending on where the negotiation leverage and power laid. And then it was an assessment what can be achieved and not. The most important point in that is, I think, that I, in my function as the CFO, will provide the transparency, what the impacts are on the cost side, and then also provide the transparency and reasonable targets for the recovery.

And so, now, coming to what Klaus indicated in North America, and I said it in my part of the presentation. We were successful, and that’s actually also going back to 2006 and 7, that we have been successful in implementing and sustaining some material price clauses in our contracts with our customers. So, that pricing is automatically bound by indices. And there’s also a significant portion of our business that we entered into a so-called “Steel Buy Program” where actually the risk of the steel price is transferred to the OEM. And we are actually freed of any impact and fluctuation. Obviously, you are also giving up opportunities in that regard, but it’s a risk mitigation and that is not insignificant.
I mean, it’s a model that may be the current situation - let Auto OEMs think about it. We see Auto OEMs increasing their prices, or at least not offering price reductions to the end-consumer. That’s, obviously, not just owed to the material price environment, but also to the dislocation of the demand versus the supply due to the chip shortage in car production. But, anyways, we see pricing action in the market along the supply chain, and we will and have to try to recover as much as possible.
Gabriel Adler, Citi
That’s great. Thank you, and congratulations on the strong set of results.

Klaus Rosenfeld
Thank you.

Claus Bauer
Thank you.

Christoph Laskawi, Deutsche Bank
Good morning. Christoph Laskawi from Deutsche. Thank you for taking my question. The first one will be a bit of a follow up to Gabriel, just on the Industrial business. Can you remind us of the structure there and how easy you can do price measures? It feels like it might be better situated than for the Auto Technologies business which seems to be managed fairly robust in that sense, as you just elaborated on. And then, the second question will be - even might be a bit too early to ask - on the split that you’ve shown for the Auto Technologies business. If you could comment just roughly on the size of the bearings and chassis systems in revenue share or absolute revenues? And the last one, also on Auto Technologies. You highlighted tactical cost savings that helped you showing the solid margins in Q3. Should we expect part of those costs that you took out in Q3 to come back in Q4 and early 2022? Or would those measures be sticky for longer term? Thank you.

Klaus Rosenfeld
Well, let’s maybe start with the Industrial question first, and Claus, if you want to add to this. I have more a strategic point again. The customer negotiation power in Automotive Tech is a function of the nature of the business, where you have more or less global customers with the top ten customers accounting for around 60% of revenues. It’s quite different than if you operate in an environment with eight different sector, with different dynamics. So, here, also, the product is quite different. It’s less development driven. And some of our product just comes through a catalogue. So, by the nature of that business, we have a completely different ability to recover higher cost or increased prices. We’re doing that on a regular basis. Certainly, you also have, here and there, development businesses. But I would say, in that respect, the Industrial part, and I would also include the Automotive Aftermarket part, helps us to get through this challenging situation. Again, here, diversification counts. Claus, I’m not sure whether you want to
add a little bit of flavour to the Industrial side in terms of what we do in terms of price increases, but it’s a more regular thing than a one-to-one customer-based price increase.

Claus Bauer
It’s maybe worth to mention that one third of our Industrial business is Industrial distribution. So, through the distribution channels, and that’s a pricelist catalogue program-based activity - and I don’t want to say it’s easy - but you adjust your price list, and then the typical question is how effective is your price increase in the price list. Because normally you’re not impacting existing orders and give the customer price protection in that regard. So, it takes some time until price increases phase in.
But I think in these, and I would also include Automotive Aftermarket in all price list-oriented business models, there’s no question that this is a normal exercise. The extent to which it might be necessary now, with 100% more expensive steel, might be a little bit extraordinary. But it’s actually a pretty normal activity per se.

Klaus Rosenfeld
And then, Chris, help me... I think you had put three questions. What was the other question? One was on the measures, whether they are sticky or not. Let me answer a little bit broader. On the one hand, we have done our strategic homework with the large restructuring programs. And you see from the restructuring pay-out that this is going well. But it will roll in over the year 2022-2023. And we have said we want to finish one program before we start a new one. And with the existing program, we feel quite good about this.
In terms of the tactical measures, the tactical measures have to do with how to react on lower volume in particular in the plants. And if volume increases again, if we see significant capacity needs, then we will react accordingly. So, that flexibility, again, has to be valued. And I feel strongly that we have shown in the past that we can operate in this environment.
In terms of restating numbers, and I think that was, if I remember correctly, the third question, on Chassis Mechatronics and Chassis and how much bearings is in there. Please, again, understand, we have highlighted today the logic of this, highlighted why we want these four buckets.
And I want to stress again, the reception in the market sometimes that Schaeffler is only a combustion engine-driven company that has no future, is, from my point of view, and not only conceptually wrong, but it’s also not a differentiated enough view on our portfolio. Because the bearings business is powertrain agnostic, and that’s what we wanted to bring across.
We don’t have the numbers right yet. We will come up in the new year and give you information about how these four buckets look like. We have done this in the past for the top line. And I think that’s also expected going forward. So, please understand, I cannot disclose something now. It will be premature, but in March we’ll come to you on that.

**Christoph Laskawi, Deutsche Bank**

Thank you. That’s well understood. Just one follow up, if I may.

**Klaus Rosenfeld**

Sure. Please.

**Christoph Laskawi, Deutsche Bank**

On the comments that you made on the tactical cost savings and the volumes. So, in Q4, when volumes pick up again, we should see just the regular operating leverage on that, and the costs coming back that you took out because of the low volumes, but nothing extraordinary on top when volumes would be more flattish or so. So rather, the usual in the near term?

**Klaus Rosenfeld**

I would not expect. I mean, there is the steel price impact. That’s what Claus described. That clearly has an impact. But I can’t see anything that would dramatically change the picture if now there’s a big volume increase. Let me say one more word here. You heard this loud and clear. We have invested in working capital. And we feel that our Free cash flow allows for this. So, that can make a difference. Because delivery reliability, in particular in Industrial and in Automotive Aftermarket, but also, to some extent, in the Auto Tech business, is critical.

**Claus Bauer**

Let me also add that was actually what I wanted to add before. Our profitability is not just a function of effective cost management. I think we are doing that, there's no question about it. But, as I tried to explain, it's really also a function of what Klaus just explained, the positive margin mix in our volume. The volume in total is reduced, but the margin mix is better because the relative weight of Industrial and Automotive Aftermarket is higher. And therefore, obviously, mathematically, you also come to a higher profitability number. So, it’s really both. And that actually is, I think, another demonstration of our resilience due to our multidivisional setup.
Christoph Laskawi, Deutsche Bank
Thank you for the detail. Very clear.

Antoine Brégeaut, Exane BNP Paribas
Thank you very much for taking my questions. I had a couple. The first one would be on e-powertrains and what has been the recent performance. We've seen some of your peers downgrade their expectations or guidance for the full year. And I see that you still had a year-on-year decline despite the very fast acceleration of the sector. And then, the second question would be on the consolidation of the market. In Europe, particularly, there are a lot of powertrain players. It’s a difficult environment. Any view that you would have on the short to mid-term consolidation of the market? Thank you.

Klaus Rosenfeld
Antoine, thank you very much for the more strategic question. Let me tackle the second one first. Yes, you see a lot of movement at the moment. We have, as Schaeffler, always said for us it’s important that we focus on our core business, on our operational challenges. And we have our strategy. We have, to some extent, this peculiar situation with Automotive and Industrial. And for us, also making all the strong inroads on the E-Mobility side with a really strong E-Motor business with good Order Intake. You remember the first half. I don’t see, at the moment, any need to do something on the consolidation side. We are rather focused on getting our businesses further improved. So, the market may see further moves in other areas, but we think we are well-positioned for future organic growth in that area and delivering on our promises. As you all know, the Dodge transaction was clearly something where we said, maybe there is M&A growth, excellent growth opportunities for Industrial that would further balance our portfolio. In terms of the powertrain business, again, I'm not 100% sure whether I really understood your question. We confirmed our guidance here. We confirmed the above 6%. We have been cautious, as you know. And, let’s also be very clear, this above 6%, with the 4.6% in the third quarter, shows either function of the very strong first quarter. And that’s not coming back. The Order Intake, as the other indicator, is continuing well. 2.1 in the first half speaks for itself. And also, the fact that we established this new plan with the more efficient footprint gives me some optimism there. But, again, this whole transformation is still ongoing, and it will last for quite some time. And the best companies will win. That’s for sure.
Antoine Brégeaut, Exane BNP Paribas
Thank you very much. Thank you.

Klaus Rosenfeld
You’re welcome.

Akshat Kacker, JP Morgan Chase
Thank you for taking my question. This is Akshat from JP Morgan. The first one on Automotive Technology in 2022. I know it might be too early, and there are a lot of uncertainties in the market today. But it would be really helpful if you could lay out the big moving parts for earnings into 2022. Obviously, volumes will be a positive. Mix and cost inflation will be negative. But how should we put all of these elements together? Do you think you can still do the more than 6% margin level, or even more than 6.5% margin that you will deliver this year? That’s the first question.
The second question is on working capital management and especially the inventory situation. You mentioned you have tactically built inventories. Can you help us with what kind of levels do you want to normalise inventories or total net working capital, probably, as a percentage of sales by the end of this year, or if you have a target for 2022? Thank you.

Klaus Rosenfeld
You will not be surprised that I’m not going to give more insight on 2022. We first have to finish the year 2021 in this environment. To come out too early with an estimate is, I think, not right. And I fully understand what you’re saying. We have these different levers and drivers. And we will come back to you at the March conference, and volume, mix and price will clearly play an important role.
But please, also take with you, we guide on the divisions. We’ll stay with our guidance logic. The idea that we started with this year was, I think, the right thing. And it’s clearly a function that the divisions have to be looked at differently on.
On working capital, yes, I think it’s the right thing to do, when you have a supply shock, to be on the safe side when demand could come back. No one knows how the situation unfolds. Therefore, the tactical inventory building, from my point of view, should be a good investment. We don’t guide for working capital ratios, but, Claus, if you want to give some flavour on how you see it, with your long-term experience, then that’s fine. Please go ahead.
Claus Bauer
A working capital ratio is interesting in a stable environment. And then you can actually steer towards that, if you do exactly what Klaus described. And want to strategically position yourself with working capital, especially inventory, then, obviously, it's getting a little bit meaningless. Because in an area where you have maybe a lower sales level you want to have a little bit higher inventory to be ready for the recovery boom.
So, I would question a little bit the working capital ratio as a steering KPI, especially in a volatile environment. From an absolute level, I think we are at the absolute level that we would wish and desire. There is still optimisation potential that we will exploit. There are opportunities, maybe, that we still want to take advantage of. For example, if we are still locked into steel price contracts with relatively attractive prices, then we would like to, maybe, procure as much steel from that source as possible, still before year end, until new prices kick in. So, there's still some tactical fine tuning, but I would say from a big picture, from an absolute standpoint and not as a percent of sale, I think I would feel comfortable where we are at the end of Q3.

Akshat Kacker, JP Morgan Chase
Understood. Thank you so much.

Klaus Rosenfeld
You're welcome.

Horst Schneider, BofA Merrill Lynch
Hey, good morning. Thanks for taking my questions. It’s Horst here from Bank of America. I want to ask them, if possible, one by one. The first one relates to your great outperformance figure that you achieved in Q3. I mean, already Q2 was excellent. I'm just wondering if you can maybe provide some more details what has triggered this outperformance?
As far as I can see it, it was more driven by a higher premium business probably. And while that is good at the moment, maybe, I'm getting a little bit concerned, then, about 2022, because maybe a higher outperformance this year means a lower outperformance next year just because the comp base is getting so high. Would you agree to that or not?
Klaus Rosenfeld

Horst, thanks for the question. You have a little bit more insight on page 24. And we all know outperformance is a measure that we have to look at on average. 7.5% for the world in Q3. In full year 2020, 4.5%. And then you see something that is a little bit an indicator why Q3 here was also special. You see a strong outperformance in Europe, while you have little outperformance in China. And Europe was 12.1% in Q3. Clearly, 2020 was a crisis year. It was 0.9% in Europe, and the opposite in China. Asia-Pacific is our smallest region. Clearly here that can be an effect from one or the other large customers. But what drove the outperformance in Q3 is the stronger situation in Europe. And now there are a variety of reasons for this. Some of them are customer related. Some of them are product related. Some of them are timing related.

I think, again, let’s not look at this one quarter and build the strength. We have always said 2% to 5% is doable. We have this over the various quarters, more or less seamlessly, that within or slightly above this range we will perform. But there’s no reason now to say the outperformance potential is exhausted, and next year that’s not possible anymore. Clearly that is a more strategic issue. Wherever you have very strong market positions, outperformance is easier to achieve than where you have very limited market positions. But without saying too much for the new year, this outperformance that we shared with you is part of our mid-term target thinking, and it’s a more long-term band, 2% to 5% where we are confident that we can achieve this also over the next years.

Horst Schneider, BofA Merrill Lynch

Excellent. And before I ask the next question, I just want to say I also like the numbers. Great result. So, therefore, don’t get me wrong now. But when I look at the sales by business division, it strikes me that E-Mobility year-on-year is down, less down than engine systems, transmission systems, chassis systems. But nevertheless, when I look at the big EV sales globally in total, and EV sales have more doubled globally in Q3, if I’m right. And also, the PHEVs are up by, I don’t know, 30%, 40% globally. I’m surprised that your E-Mobility sales are down while the overall market seems to be up double digit. Or am I reading something wrong in this observation?

Klaus Rosenfeld

Well, I think here you need to make sure that we understand the difference between the sales levels, where customers buy cars, and our production levels, the production levels that are key to us. Again, it’s in a market where the whole division Q3 over Q3 is down 12%. It’s still the one that has the lowest downward trend. Q3 2020 was
already a quarter after the very bad quarter, Q2, that was up, and in particular China was up. Now, the situation in China is slightly different. That explains this delta. But, again, we don’t see this as a trend. We see this as an outlier in a difficult Q3 2021 with all the hickups in supply chains. And we are confident that our E-Mobility will grow and outgrow the other divisions over time.

**Horst Schneider, BofA Merrill Lynch**
Great. And the last question, if I have the opportunity, I still like your rolling chassis concept that you presented at the IAA in Munich. Have you got already any first feedback from customers? In your speech, Klaus, you mentioned that it’s more a long-term story, nothing with immediate impact. But any feedback so far from the industry?

**Klaus Rosenfeld**
Well, definitely, as I said at the IAA, Horst, and I think you were there as well, was well received. And our corporation with Mobileye is also well taken. For someone like us, who is normally associated with bearings and clutches and combustion engines, this is a step forward. You all remember that we acquired in 2018 the steer-by-wire or drive-by-wire technology that plays an important role here. We’re not a software company, but we see that there’s ample opportunity in this area. So, yes, there are conversations. It’s premature to talk about an order book in that rolling chassis area. But I can tell you that our chief engineers, the R&D colleagues are looking at this. And, as usual, the fact that we have a large presence in China, where people sometimes move faster than elsewhere around the globe, helps us here. And we will pursue this. This is a strategic topic and nothing for a quarter. And we’ll see how we can differentiate ourselves.

You all know this Corner Modules, the hub wheel motors, things that we have shown for several years now on fairs. And that’s the basis for also building this full rolling chassis and hopefully make a difference in five to ten years.

**Horst Schneider, BofA Merrill Lynch**
But if you talk to customers, you mainly talk to the EV start-ups, right? It’s a typical start-up product.

**Klaus Rosenfeld**
Well, Horst, now, we’re getting into something that really becomes very interesting because there’s a whole new world of new players. I can tell you, we have just established a separate GCAM, GCAM means a global customer and account manager,
for the small start-ups. There's so much request from these areas where people want to test certain things or ask for new things. So, this whole world, with the new EV players, is interesting, not only from powertrain, but also from chassis mechatronics. Just think about weight and how important weight reduction and light materials are if we want to make EV cars more successful. And from this very much narrow focus on – oh, this is a combustion engine versus an electricity-driven car – now, the more holistic view on who can contribute what to the car of the future is much broader. And that’s, I think, a positive for us.

Horst Schneider, BofA Merrill Lynch
Excellent. Thanks very much.

Klaus Rosenfeld
You're welcome.

Stephanie Vincent, JP Morgan Chase
Hi. Thank you so much for taking my questions. Just a couple from me. You guys have been very active in the high-yield market with green bonds. Thank you so much for the disclosures today. But just wondering what disclosures you're planning on doing next year in terms of this new EU taxonomy. And if there's any additional disclosures we can expect for investors next year. Then, just very quickly, on Schaeffler Finance B.V.. We know that you don't really plan on doing any issuance. Just wondering if there's anything new happening with that entity. If that’s still a subsidiary of Schaeffler AG. And then, finally, if you can allow me one more question, just any differences in contracts with this new transitory for longer inflation or energy pricing picking up. That would be super useful. Thank you so much.

Klaus Rosenfeld
Let me take the first one, and then Claus can talk about any plans on the issuance side. And I think you saw from the balance sheet information, we are in a situation where we are sitting on significant cash and need to think how we further optimise without any immediate maturities becoming due. So, Claus is going to talk about this. In terms of EU taxonomy, that is clearly an interesting debate. And you will understand, I cannot tell you at the moment what we want to do, simply because the regulations are so unclear at the moment. In particular, for suppliers like ours, I think you know this, there is still a debate with the accountants, the Big Four. Are Auto
suppliers excluded from this? Are they not excluded? Do they come in through a specific rule? What are critical components? There's a lot of uncertainty here.
From our side, we have done our internal homework. We have tried to apply the standards to our business when it comes to green top line, green Capex, green Opex. And we have also set our own ideas and said, how much of our, let’s say, five-year Capex plans should be devoted to improving on the sustainability side.
You saw the targets. I can only stress again, we are 100% committed to make these targets step by step. It’s a long-term exercise. And I do believe the regulations will develop, hopefully with more insight than a first shot. The fact that the new board will be established in Europe and in Frankfurt, where all the big regulators are teaming up, is a good sign from the COP.
We were part of the discussions at the COP on this. And, again, for our business, that is more than just an auto business, it is even more challenging to make sure that we get our information right. In general, Stephanie, I can say the whole question of nonfinancial reporting will become much more important in the future. It will be merged with the financial reporting.
And again, I see this as a, at least, three to five-year task until all of this is properly settled. Like we have with IFRS and US GAAP conversions, there's a lot to do here. And I can assure you we will do our best here to be at the forefront of proper reporting, on the one hand, but also, at explaining how different business models can be.
What counts is really the ambition to deliver step by step. And here again, I can say we are 100% determined to pay what we need to pay on the compliance side. On the other hand, to go for the opportunities for all businesses that come from there. Claus, would you take the other question on the financial side?

Claus Bauer
Yes. So, as I presented, we have an available liquidity of 27% of last 12 months' sales right now. Klaus and I also presented our very comfortable cash position. I presented that we are now more in the mode of cancelling Schuld scheine whenever we can and paying back. So, an issuance under normal circumstances, right now, also with no further maturities until 2024 is not very likely.
When I say under normal circumstances, of course, if you remember back the Dodge discussion, if something like that would happen, that, obviously, is also going along with a significant financing exercise. But under normal circumstances, as I said, nothing is planned in the near future.

Klaus Rosenfeld
Ok, I think that’s it. If there are no further questions, I would just like to conclude. Thanks for the interest and all the support. Let me just outline at the end three things
that I think are important for Auto and Industrial as a competitive advantage for us. Cash generation remains key. We want to pay a decent dividend, and we will continue to put all our focus on proper Free cash flow.
And it goes hand in hand. You all know this better than I do with a focused and differentiated capital allocation across the portfolio, going in the right directions in Auto. And on the other hand, realising synergies and growing where possible in the Industrial side.
With that, thanks for your interest, and bear with us. It will be an interesting end of the year and great opportunities to meet with us during the next conferences. Thanks a lot, and bye-bye.
## Ancillary comments to support the Equity Story

### Additional KPIs

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<tr>
<th>KPI</th>
<th>FY 2021</th>
<th>Comments</th>
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</thead>
<tbody>
<tr>
<td>E-Mobility perimeter</td>
<td>Incl. TAM, Fuel Cells and Chassis Mechatronics</td>
<td>Starting from FY 2021, the business division E-Mobility includes thermal management modules, fuel cell components, as well as mechatronic chassis systems</td>
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<tr>
<td>Order Intake E-Mobility</td>
<td>EUR 1.5 - 2.0 bn</td>
<td>Starting from FY 2022, the new target of EUR 2.0 bn applies</td>
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<tr>
<td>Capex</td>
<td>Up to EUR 700 mn</td>
<td>Focus areas include Digitalization, Sustainability, Innovation &amp; Technology and Investments in New Business</td>
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<tr>
<td>Restructuring cash-out</td>
<td>Up to EUR 250 mn</td>
<td>Significant portion of extraordinary restructuring expenses in FY 2021, expected to lead to prudent IFRS guidance</td>
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<tr>
<td>Payout Ratio</td>
<td>30 - 50%</td>
<td>Dividend payout ratio 50% within our range of 30 - 50%</td>
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<td>Leverage ratio(^1)</td>
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<td>Average Tax rate</td>
<td>28 - 32%</td>
<td>Overall effective tax rate in line with pre-Covid years</td>
</tr>
<tr>
<td>FX rate EUR/USD</td>
<td>1.25</td>
<td>Next to EUR/USD, also the Chinese Renminbi and Mexican Peso are of specific importance</td>
</tr>
</tbody>
</table>

\(^1\) Net financial debt to EBITDA ratio before special items | \(^2\) In N. of Post income attributable to shareholdings before special items
Key figures Q3 and 9M 2021

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>3,591</td>
<td>3,332</td>
<td>-1.8%</td>
<td>8,964</td>
<td>10,346</td>
<td>+15.4%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>23.5%</td>
<td>23.8%</td>
<td>+0.3pp</td>
<td>21.3%</td>
<td>25.1%</td>
<td>+3.8pp</td>
</tr>
<tr>
<td>Gross margin</td>
<td>9%</td>
<td>9%</td>
<td>0%</td>
<td>9%</td>
<td>9%</td>
<td>0%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>322</td>
<td>222</td>
<td>-50%</td>
<td>376</td>
<td>594</td>
<td>+66%</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>2.5%</td>
<td>8.2%</td>
<td>-5.7pp</td>
<td>4.2%</td>
<td>6.6%</td>
<td>+2.4%</td>
</tr>
<tr>
<td>Net Income</td>
<td>371</td>
<td>149</td>
<td>-60%</td>
<td>521</td>
<td>614</td>
<td>+1.3%</td>
</tr>
<tr>
<td>EPS (in EUR)</td>
<td>0.26</td>
<td>0.22</td>
<td>-6.48</td>
<td>-0.29</td>
<td>0.92</td>
<td>+1.71</td>
</tr>
<tr>
<td>Schaeffler Value Added</td>
<td>264</td>
<td>281</td>
<td>+7.9%</td>
<td>281</td>
<td>631</td>
<td>+705%</td>
</tr>
<tr>
<td>ROCE</td>
<td>8.0%</td>
<td>18.0%</td>
<td>+10.0pp</td>
<td>9.9%</td>
<td>15.9%</td>
<td>+6.0pp</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>318</td>
<td>121</td>
<td>-108%</td>
<td>185</td>
<td>485</td>
<td>+283%</td>
</tr>
<tr>
<td>Capex</td>
<td>781</td>
<td>215</td>
<td>+174%</td>
<td>401</td>
<td>482</td>
<td>+21%</td>
</tr>
<tr>
<td>Net Financial Debt</td>
<td>2,688</td>
<td>2,014</td>
<td>-524%</td>
<td>2,688</td>
<td>2,014</td>
<td>-64%</td>
</tr>
<tr>
<td>Leverage ratio</td>
<td>1.6x</td>
<td>0.8x</td>
<td>-8.6x</td>
<td>1.6x</td>
<td>0.8x</td>
<td>-8.6x</td>
</tr>
<tr>
<td>Headcount</td>
<td>81,711</td>
<td>81,405</td>
<td>-0.3%</td>
<td>81,711</td>
<td>81,405</td>
<td>-0.3%</td>
</tr>
</tbody>
</table>

1: Preaudited | 2: Before special items | 3: Attributable to shareholders of the parent company | 4: Earnings per common voting share | 5: Defined as EBIT before special items (1) minus Cost of Capital (1) x Share of Equity | 6: Defined as EBIT before special items (1) minus Interest Expense | 7: Defined as EBIT minus all special items | 8: Net financial debt | 9: Defined as EBITDA after Net Financial Debt as % of EBITDA

FY 2021 Guidance – Group and divisional margins and FCF confirmed

<table>
<thead>
<tr>
<th>Group Guidance</th>
<th>Actuals 9M 2021</th>
<th>Guidance Nov 9th FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales growth</td>
<td>15.9%</td>
<td>&gt; 7%</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>9.6%</td>
<td>8 - 9.5%</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>EUR 468 mn</td>
<td>&gt; EUR 400 mn</td>
</tr>
</tbody>
</table>

1: Preaudited | 2: Before special items | 3: Before cash and outflows for M&A activities | 4: Release Date

Divisional Guidance

<table>
<thead>
<tr>
<th>Automotive Technologies</th>
<th>Actuals 9M 2021</th>
<th>Guidance Nov 9th</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outperformed</td>
<td>660 bps</td>
<td>200 - 500 bps</td>
</tr>
<tr>
<td>7.4%</td>
<td>&gt; 0%</td>
<td>14.6%</td>
</tr>
</tbody>
</table>

New market assumptions for Fiscal Year 2021

- Automotive Technologies: LVP 2021 up to 0.5 mm vehicles higher than latest IHS estimate of 74.8 mm vehicles
- Automotive Aftermarket: Increase of global GDP by around 6%
- Industrial: Increase of relevant Industrial production of around 12%
**Equity Story – Positioning Schaeffler for long-term value creation**

1. **Roadmap 2025 in execution** – Focus on capital allocation, portfolio management and FCF generation

2. **Automotive Technologies** – Conquer leadership positions in New Business for electrified Powertrains and Chassis applications

3. **Automotive Aftermarket** – Maintain a high margin level, expand our share of wallet and reach

4. **Industrial** – Enter attractive growth fields, further enhance profitability

5. **Financial Framework** – Strict performance orientation based on Mid-term Targets

6. **Sustainability** – Fully committed to activate all impact levers to achieve sustainability goals

---

**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

---

[Image and text related to E-Mobility and Schaeffler's contributions]
Free Cash Flow details 9M 2021 – FCF supported by good operational performance

Key aspects
- Positive EBITDA development yoy due to good operating performance
- Net Working Capital negative with EUR -151 mn driven by normalization of working capital structure and levels (prior year impacted by V-shape recovery in Q3 2020)
- Others included non-cash relevant provisions for restructuring program in Q3 2020

Net Working Capital details in EUR mn

<table>
<thead>
<tr>
<th>Change in</th>
<th>03</th>
<th>02</th>
<th>Δ Q3</th>
<th>21/20</th>
<th>2020</th>
<th>02</th>
<th>21/20</th>
<th>2020</th>
<th>02</th>
<th>21/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inc/eq.</td>
<td>184</td>
<td>-15</td>
<td>-329</td>
<td>37</td>
<td>-512</td>
<td>-549</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>-179</td>
<td>0.5</td>
<td>-354</td>
<td>-1.8</td>
<td>-39</td>
<td>-3.3</td>
<td>+325</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>184</td>
<td>-15</td>
<td>-329</td>
<td>37</td>
<td>-512</td>
<td>-549</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>After Working Capital</td>
<td>-41</td>
<td>-15</td>
<td>-56</td>
<td>-1.9</td>
<td>-540</td>
<td>-131</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working Capital</td>
<td>20.4</td>
<td>19.7</td>
<td>0.7</td>
<td>19.7</td>
<td>19.7</td>
<td>0.7</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. In % of sales (H1 2021)

Automotive Technologies – Strong Outperformance across all regions, good EBIT margin

Sales by business division yoy growth

<table>
<thead>
<tr>
<th></th>
<th>9M 2020</th>
<th>9M 2021</th>
<th>Δ/</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electrification</td>
<td>793</td>
<td>883</td>
<td>+22.4%</td>
</tr>
<tr>
<td>Engine Systems</td>
<td>1,425</td>
<td>1,603</td>
<td>+13.5%</td>
</tr>
<tr>
<td>Transmission Systems</td>
<td>2,439</td>
<td>2,813</td>
<td>+16.5%</td>
</tr>
<tr>
<td>Chassis Systems</td>
<td>842</td>
<td>982</td>
<td>+16.8%</td>
</tr>
<tr>
<td>Total</td>
<td>5,353</td>
<td>6,286</td>
<td>+16.1%</td>
</tr>
</tbody>
</table>

Outperformance: Sales vs. market development in %

<table>
<thead>
<tr>
<th></th>
<th>FY 20</th>
<th>Europe</th>
<th>Americas</th>
<th>Greater China</th>
<th>Asia/Pacific</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 20</td>
<td>+5.5pp</td>
<td>10.1%</td>
<td>17.5%</td>
<td>8.6%</td>
<td>11.1%</td>
</tr>
<tr>
<td>9M 20</td>
<td>+6.0pp</td>
<td>10.6%</td>
<td>17.5%</td>
<td>8.6%</td>
<td>11.1%</td>
</tr>
<tr>
<td>9M 2021</td>
<td>-6.6pp</td>
<td>10.6%</td>
<td>17.5%</td>
<td>8.6%</td>
<td>11.1%</td>
</tr>
</tbody>
</table>

EBIT 9M 2020 vs. 9M 2021 in EUR mn

<table>
<thead>
<tr>
<th></th>
<th>9M 2020</th>
<th>9M 2021</th>
<th>Δ/</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT</td>
<td>-19.7</td>
<td>-19.7</td>
<td>0.0%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>10</td>
<td>10</td>
<td>0.0%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>-9.2</td>
<td>-9.2</td>
<td>0.0%</td>
</tr>
<tr>
<td>Selling</td>
<td>-6.4</td>
<td>-6.4</td>
<td>0.0%</td>
</tr>
<tr>
<td>Administrative</td>
<td>-1.9</td>
<td>-1.9</td>
<td>0.0%</td>
</tr>
<tr>
<td>Others</td>
<td>-0.6</td>
<td>-0.6</td>
<td>0.0%</td>
</tr>
<tr>
<td>EBIT</td>
<td>+5.2</td>
<td>+5.2</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

EBIT margin development

<table>
<thead>
<tr>
<th></th>
<th>9M 2020</th>
<th>9M 2021</th>
<th>Δ/</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT</td>
<td>-19.7</td>
<td>-19.7</td>
<td>0.0%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>10</td>
<td>10</td>
<td>0.0%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>-9.2</td>
<td>-9.2</td>
<td>0.0%</td>
</tr>
<tr>
<td>Selling</td>
<td>-6.4</td>
<td>-6.4</td>
<td>0.0%</td>
</tr>
<tr>
<td>Administrative</td>
<td>-1.9</td>
<td>-1.9</td>
<td>0.0%</td>
</tr>
<tr>
<td>Others</td>
<td>-0.6</td>
<td>-0.6</td>
<td>0.0%</td>
</tr>
<tr>
<td>EBIT</td>
<td>+5.2</td>
<td>+5.2</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

1. Adjusted | B: Before special items | N: Includes negative €/effects of EUR -29mn
### Automotive Aftermarket – Positive sales development, stable EBIT margin

#### Sales by region | yoy growth

<table>
<thead>
<tr>
<th>Region</th>
<th>9M 2020</th>
<th>9M 2021</th>
<th>Δ (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>875</td>
<td>985</td>
<td>+13.2%</td>
</tr>
<tr>
<td>Americas</td>
<td>216</td>
<td>271</td>
<td>+26.0%</td>
</tr>
<tr>
<td>Greater China</td>
<td>57</td>
<td>78</td>
<td>+34.8%</td>
</tr>
<tr>
<td>Asia/Pacific</td>
<td>56</td>
<td>76</td>
<td>+46.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,214</td>
<td>1,413</td>
<td>+16.3%</td>
</tr>
</tbody>
</table>

#### Automotive Aftermarket sales growth by channel

<table>
<thead>
<tr>
<th>Channel</th>
<th>9M 2020</th>
<th>9M 2021</th>
<th>Δ (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>OEM</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D&amp;F</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

1) FY indicates fiscal year
2) OE includes Aftermarket, O ES includes Commercial Sales and sales to Automotive suppliers in addition to OEM and OES.
Working Capital ratio 19.7% – Capex ratio 6.4% in Q3

Working capital \(|\) in EUR mn

<table>
<thead>
<tr>
<th>Period</th>
<th>Working Capital</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 20</td>
<td>2.427</td>
<td></td>
</tr>
<tr>
<td>Q2 20</td>
<td>2.555</td>
<td>+193 mn</td>
</tr>
<tr>
<td>Q3 20</td>
<td>2.559</td>
<td></td>
</tr>
<tr>
<td>Q4 20</td>
<td>2.338</td>
<td></td>
</tr>
<tr>
<td>Q1 21</td>
<td>2.543</td>
<td></td>
</tr>
<tr>
<td>Q2 21</td>
<td>2.720</td>
<td></td>
</tr>
<tr>
<td>Q3 21</td>
<td>2.752</td>
<td></td>
</tr>
</tbody>
</table>

Capex \(|\) in EUR mn

<table>
<thead>
<tr>
<th>Period</th>
<th>Capex</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 20</td>
<td>164</td>
<td>+34 mn</td>
</tr>
<tr>
<td>Q2 20</td>
<td>136</td>
<td></td>
</tr>
<tr>
<td>Q3 20</td>
<td>181</td>
<td></td>
</tr>
<tr>
<td>Q4 20</td>
<td>151</td>
<td></td>
</tr>
<tr>
<td>Q1 21</td>
<td>132</td>
<td></td>
</tr>
<tr>
<td>Q2 21</td>
<td>130</td>
<td></td>
</tr>
<tr>
<td>Q3 21</td>
<td>215</td>
<td></td>
</tr>
</tbody>
</table>

In % of sales (I.FR)

<table>
<thead>
<tr>
<th>Period</th>
<th>In % of Sales</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 20</td>
<td>20.2%</td>
<td></td>
</tr>
<tr>
<td>Q2 20</td>
<td>20.0%</td>
<td></td>
</tr>
<tr>
<td>Q3 20</td>
<td>19.8%</td>
<td></td>
</tr>
<tr>
<td>Q4 20</td>
<td>19.4%</td>
<td></td>
</tr>
<tr>
<td>Q1 21</td>
<td>19.7%</td>
<td></td>
</tr>
<tr>
<td>Q2 21</td>
<td>19.5%</td>
<td></td>
</tr>
<tr>
<td>Q3 21</td>
<td>19.4%</td>
<td></td>
</tr>
</tbody>
</table>

In % of sales

<table>
<thead>
<tr>
<th>Period</th>
<th>In % of Sales</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 20</td>
<td>5.6%</td>
<td></td>
</tr>
<tr>
<td>Q2 20</td>
<td>5.3%</td>
<td></td>
</tr>
<tr>
<td>Q3 20</td>
<td>4.2%</td>
<td></td>
</tr>
<tr>
<td>Q4 20</td>
<td>3.9%</td>
<td></td>
</tr>
<tr>
<td>Q1 21</td>
<td>4.7%</td>
<td></td>
</tr>
<tr>
<td>Q2 21</td>
<td>4.0%</td>
<td></td>
</tr>
<tr>
<td>Q3 21</td>
<td>4.7%</td>
<td></td>
</tr>
</tbody>
</table>

1 According to balance sheet; figures as per the end of period

SCHAEFFLER

Automotive Technologies (AT) outperformance by quarters

Q1 21

<table>
<thead>
<tr>
<th>Region</th>
<th>Outperformance</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>+16.1%</td>
</tr>
<tr>
<td>Europe</td>
<td>-1.5%</td>
</tr>
<tr>
<td>Americas</td>
<td>-2.3%</td>
</tr>
<tr>
<td>Greater China</td>
<td>+14.2%</td>
</tr>
<tr>
<td>Asia/Pacific</td>
<td>+13.9%</td>
</tr>
</tbody>
</table>

Q2 21

<table>
<thead>
<tr>
<th>Region</th>
<th>Outperformance</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>+16.1%</td>
</tr>
<tr>
<td>Europe</td>
<td>-1.5%</td>
</tr>
<tr>
<td>Americas</td>
<td>-2.3%</td>
</tr>
<tr>
<td>Greater China</td>
<td>+14.2%</td>
</tr>
<tr>
<td>Asia/Pacific</td>
<td>+13.9%</td>
</tr>
</tbody>
</table>

Q3 21

<table>
<thead>
<tr>
<th>Region</th>
<th>Outperformance</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>+16.1%</td>
</tr>
<tr>
<td>Europe</td>
<td>-1.5%</td>
</tr>
<tr>
<td>Americas</td>
<td>-2.3%</td>
</tr>
<tr>
<td>Greater China</td>
<td>+14.2%</td>
</tr>
<tr>
<td>Asia/Pacific</td>
<td>+13.9%</td>
</tr>
</tbody>
</table>

Q4 20

<table>
<thead>
<tr>
<th>Region</th>
<th>Outperformance</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>+16.1%</td>
</tr>
<tr>
<td>Europe</td>
<td>-1.5%</td>
</tr>
<tr>
<td>Americas</td>
<td>-2.3%</td>
</tr>
<tr>
<td>Greater China</td>
<td>+14.2%</td>
</tr>
<tr>
<td>Asia/Pacific</td>
<td>+13.9%</td>
</tr>
</tbody>
</table>

1 Light Vehicle production growth according to IHS Markit, October 2021 | 13A adjusted sales growth of Automotive Technologies division
Backup

Key figures by Group and division

<table>
<thead>
<tr>
<th>Group</th>
<th>in EUR mn</th>
<th>Q1 20</th>
<th>Q2 20</th>
<th>Q3 20</th>
<th>Q4 20</th>
<th>Q1 21</th>
<th>Q2 21</th>
<th>Q3 21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>3,232</td>
<td>2,295</td>
<td>3,351</td>
<td>3,626</td>
<td>3,560</td>
<td>3,454</td>
<td>3,332</td>
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</tr>
<tr>
<td>Sales Growth²</td>
<td>-9.2%</td>
<td>-4.6%</td>
<td>1.8%</td>
<td>-6.0%</td>
<td>-12.2%</td>
<td>-22.3%</td>
<td>-20.8%</td>
<td></td>
</tr>
<tr>
<td>EBIT Reported</td>
<td>-602</td>
<td>-866</td>
<td>-1,288</td>
<td>-1,714</td>
<td>-1,888</td>
<td>-1,645</td>
<td>-2,070</td>
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</tr>
<tr>
<td>EBIT</td>
<td>-232</td>
<td>-159</td>
<td>-921</td>
<td>-621</td>
<td>-1,013</td>
<td>-310</td>
<td>-272</td>
<td></td>
</tr>
<tr>
<td>EPS EBIT margin</td>
<td>6.5%</td>
<td>-5.6%</td>
<td>9.1%</td>
<td>11.0%</td>
<td>11.3%</td>
<td>6.2%</td>
<td>8.3%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Automotive Aftermarket</th>
<th>in EUR mn</th>
<th>Q1 20</th>
<th>Q2 20</th>
<th>Q3 20</th>
<th>Q4 20</th>
<th>Q1 21</th>
<th>Q2 21</th>
<th>Q3 21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>446</td>
<td>301</td>
<td>456</td>
<td>428</td>
<td>444</td>
<td>467</td>
<td>590</td>
<td></td>
</tr>
<tr>
<td>Sales Growth²</td>
<td>-1.6%</td>
<td>-3.5%</td>
<td>-0.2%</td>
<td>-2.3%</td>
<td>-4.0%</td>
<td>-6.1%</td>
<td>+2.2%</td>
<td></td>
</tr>
<tr>
<td>EBIT Reported</td>
<td>93</td>
<td>28</td>
<td>62</td>
<td>81</td>
<td>57</td>
<td>86</td>
<td>82</td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td>72</td>
<td>20</td>
<td>86</td>
<td>87</td>
<td>5.7</td>
<td>7.7</td>
<td>7.1</td>
<td></td>
</tr>
<tr>
<td>EPS EBIT margin</td>
<td>17.2%</td>
<td>9.3%</td>
<td>14.8%</td>
<td>15.4%</td>
<td>4.8%</td>
<td>10.5%</td>
<td>14.9%</td>
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<table>
<thead>
<tr>
<th>Automotive Technologies</th>
<th>in EUR mn</th>
<th>Q1 20</th>
<th>Q2 20</th>
<th>Q3 20</th>
<th>Q4 20</th>
<th>Q1 21</th>
<th>Q2 21</th>
<th>Q3 21</th>
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</thead>
<tbody>
<tr>
<td>Sales</td>
<td>2,006</td>
<td>1,536</td>
<td>2,411</td>
<td>2,051</td>
<td>2,281</td>
<td>2,384</td>
<td>1,932</td>
<td></td>
</tr>
<tr>
<td>Sales Growth²</td>
<td>-22.1%</td>
<td>-41.0%</td>
<td>-2.4%</td>
<td>-6.0%</td>
<td>-15.8%</td>
<td>-65.3%</td>
<td>-22.2%</td>
<td></td>
</tr>
<tr>
<td>EBIT Reported</td>
<td>-226</td>
<td>-275</td>
<td>-75</td>
<td>389</td>
<td>218</td>
<td>156</td>
<td>128</td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td>47</td>
<td>-150</td>
<td>176</td>
<td>280</td>
<td>246</td>
<td>133</td>
<td>87</td>
<td></td>
</tr>
<tr>
<td>EPS EBIT margin</td>
<td>2.3%</td>
<td>-19.1%</td>
<td>8.1%</td>
<td>11.7%</td>
<td>10.5%</td>
<td>6.4%</td>
<td>4.6%</td>
<td></td>
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<table>
<thead>
<tr>
<th>Industrial</th>
<th>in EUR mn</th>
<th>Q1 20</th>
<th>Q2 20</th>
<th>Q3 20</th>
<th>Q4 20</th>
<th>Q1 21</th>
<th>Q2 21</th>
<th>Q3 21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>837</td>
<td>734</td>
<td>774</td>
<td>757</td>
<td>836</td>
<td>592</td>
<td>813</td>
<td></td>
</tr>
<tr>
<td>Sales Growth²</td>
<td>-7.3%</td>
<td>-12.2%</td>
<td>-6.2%</td>
<td>-3.4%</td>
<td>-3.0%</td>
<td>-3.4%</td>
<td>+2.4%</td>
<td></td>
</tr>
<tr>
<td>EBIT Reported</td>
<td>56</td>
<td>61</td>
<td>67</td>
<td>46</td>
<td>91</td>
<td>118</td>
<td>92</td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td>88</td>
<td>53</td>
<td>71</td>
<td>49</td>
<td>99</td>
<td>159</td>
<td>119</td>
<td></td>
</tr>
<tr>
<td>EPS EBIT margin</td>
<td>17.2%</td>
<td>7.3%</td>
<td>7.8%</td>
<td>3.9%</td>
<td>9.0%</td>
<td>9.6%</td>
<td>12.4%</td>
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| SCHAEFFLER | | | | | | | | |

*DK adjusted*

Overview Corporate and Financing Structure

Corporate structure (simplified) as of September 30, 2021

SCHAEFFLER

IHO Verwaltungs GmbH

IMD Holding, Schaeffler Holding AG

100%

IMD Holding, Schaeffler Holding AG

100%

Schaeffler KG

100%

Industrial Technologies AG

52.0%

SCHAEFFLER AG

24.9%

Schaeffler AG

14.1%

FTE Technologies AG

10.0%

Schaeffler KG

7.0%

Industrial Technologies AG

6.2%

FTE Technologies AG

5.4%

Imperial Financial Group AG

4.2%

SCHAEFFLER AG

3.3%

SCHAEFFLER AG

1.9%

SCHAEFFLER AG

1.2%

SCHAEFFLER AG

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