



Schaeffler Automotive Technologies

Harvesting the Mature, Growing the New Business & our Ecosystem

Matthias Zink
CEO Automotive Technologies Division
J.P. Morgan European Automotive Conference
June 8th, 2022

We pioneer motion

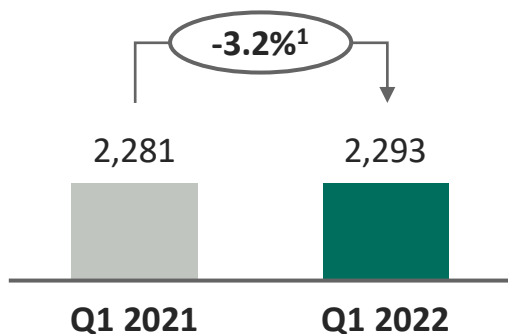
Agenda

- 1 Where we stand
- 2 Where we play – plus, the Innoplate JV
- 3 How we win
- 4 How we create value

1 Where we stand

Q1 2022 Automotive Technologies – Sales slightly decreased on high comps; margin² burdened by higher input costs

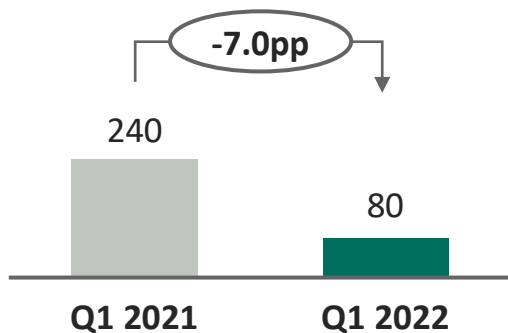
Sales
in EUR mn



Gross
margin

Quarter	Gross Margin
Q1 2021	24.5%
Q1 2022	18.9%

EBIT²
in EUR mn



EBIT margin²

Quarter	EBIT Margin ²
Q1 2021	10.5%
Q1 2022	3.5%



Sales¹ outperformed global LVP by 130 bps in an increasingly volatile and tougher market environment – Heterogeneous development across regions



Total Order Intake in Q1 EUR 3.6 bn driven by New Business – E-Mobility with EUR 2 bn Order Intake



Sales¹ drop in Q1 compared to exceptionally high Q1 2021 comps mainly due to declining LVP production – Ongoing semiconductor shortages, persistence of Covid-19 restrictions and war in Ukraine led to declining customer call-offs



Significant EBIT margin² decline vs. exceptionally high comps particularly due to lower gross margin, due to sharp rise in input costs that could only be partially offset by cost pass-throughs

¹ FX-adjusted | ² EBIT margin before special items

FY 2022 Guidance – Stagnation of global LVP⁵ expected

Group Guidance

	Actuals FY 2021	Guidance FY 2022 ¹
Sales growth ²	10.2%	6 - 8%
EBIT margin ³	8.8%	5 - 7%
Free Cash Flow ⁴	EUR 523 mn	> EUR 250 mn

¹ Please refer to the Interim Statement for further details | ² FX-adjusted | ³ Before special items

⁴ Before cash in- and outflows for M&A activities | ⁵ LVP (IHS Markit (part of S&P), April 2022)

Divisional Guidance

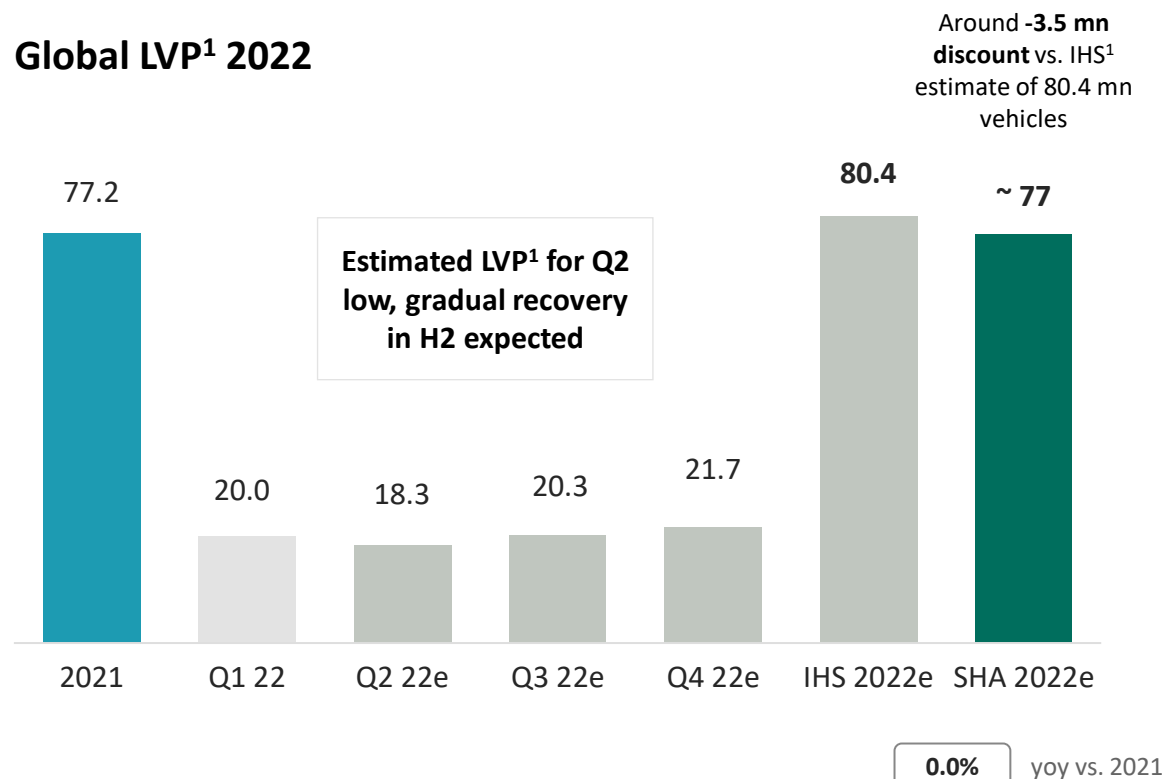
Automotive Technologies		Automotive Aftermarket		Industrial	
Actuals FY 2021	Guidance FY 2022	Actuals FY 2021	Guidance FY 2022	Actuals FY 2021	Guidance
Outperf. 430 bps	Out-performance 200 - 500 bps	13.9%	Moderate growth	14.2%	Considerable growth
6.4%	> 2.5%	13.9%	> 12%	11.8%	> 11%

New market assumptions for 2022

- Automotive Technologies: LVP growth stagnating yoy (~77 mn expected) vs. 4.4% growth in latest IHS estimate⁵
- Automotive Aftermarket: Increase of global GDP of 3% to 3.5%
- Industrial: Increase of relevant industrial production of 3.5% to 4%

Current Trading – Volumes remained hampered at start of Q2 as expected, FY guidance provided in May unchanged

Global LVP¹ 2022



¹ Light Vehicle Production (IHS Markit (part of S&P Global), May 2022)

Automotive Market dynamics

- IHS steadily reduced its estimates for the Global LVP¹ in the course of the year, now expecting Global LVP¹ of “only” 80.4 mn vs. 82.9 mn back in January
 - IHS quarterly estimates on volumes for China show high volatility:
 - Q1: 6.3 mn
 - Q2e: 4.7 mn
 - Q3e: 6.3 mn
 - Q4e: 7.1 mn
- FY: 24.5 mn**

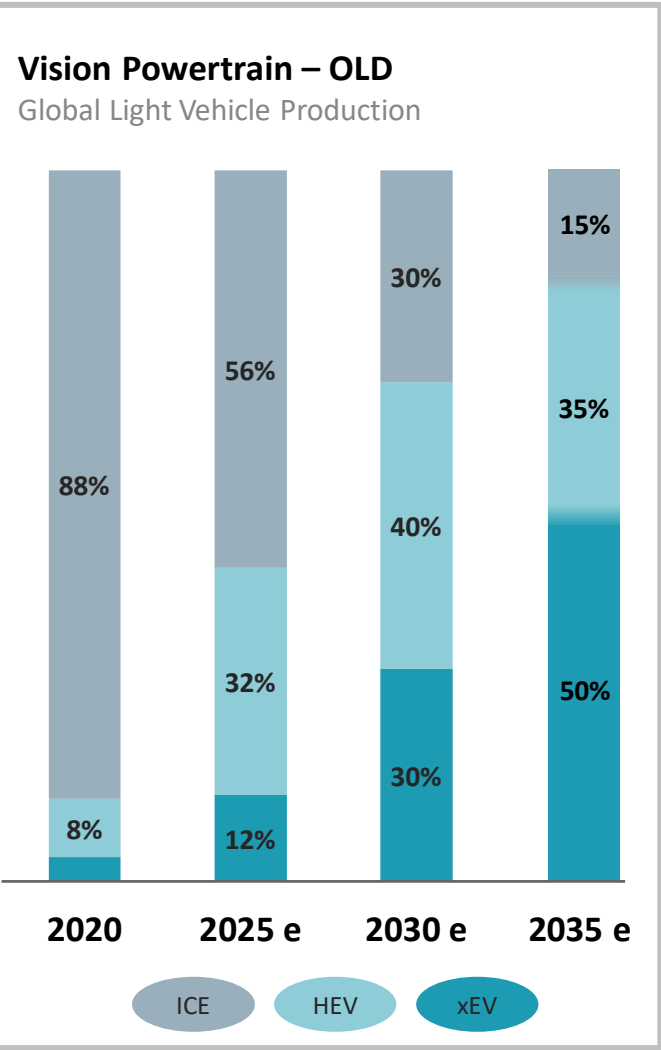
Schaeffler Group and Automotive Technologies Division implications

- Well-known external headwinds may weigh on sales volumes for the AT division, but we aim to outperform the market by 200 to 500 bps, targeting the upper end of the range as mentioned in Q1 release
- Should headwinds persist or even further increase, we may initiate countermeasures like reduction of flextime accounts or closing days
- Despite pressure on volumes, profit and FCF protection actions support our FY divisional and group guidance shared with Q1 release

Discount vs. May IHS driven by war in Ukraine and Covid lockdown in China – Headwinds are persisting

2 Where we play – plus, the Innoplate JV

Portfolio Management Automotive Technologies – Electrification is further accelerating



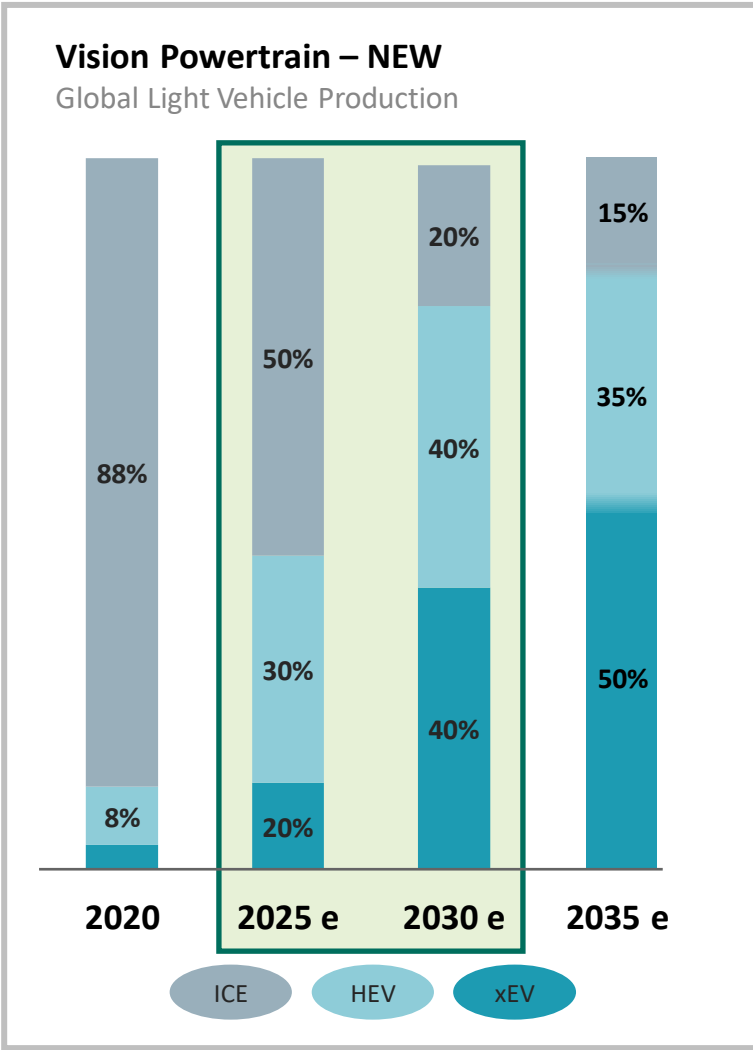
Climate targets towards zero emission in major markets



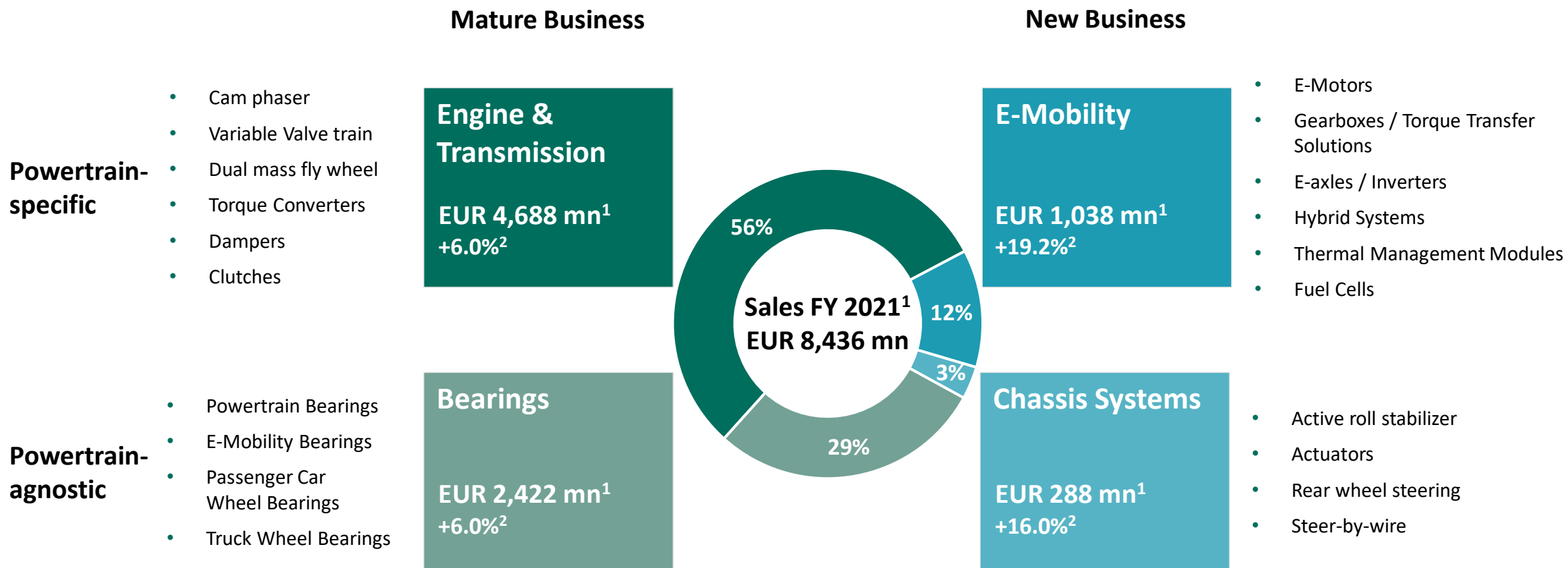
HEV as transition technology will reach tipping point in 2030



OEMs raise EV targets and accelerate electrification



Portfolio Management Automotive Technologies – Operating Model sharpened in 2021

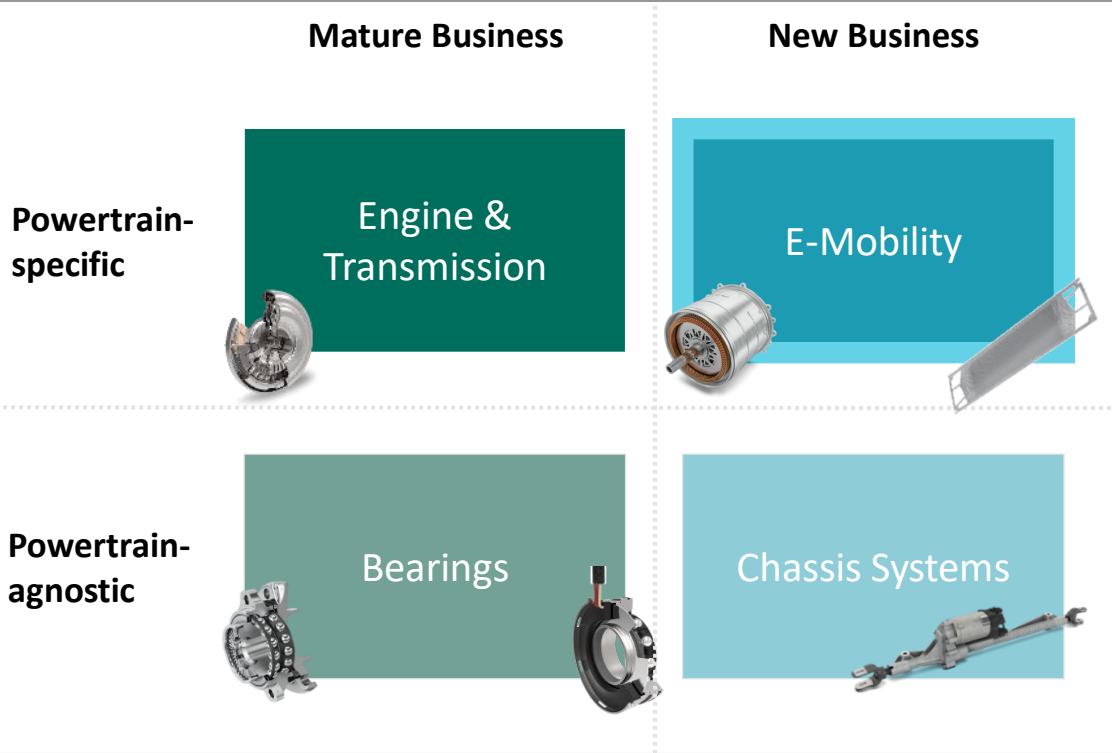


Further differentiating internal resource allocation and steering & further enhancing customer orientation

¹ Indicative sales split FY 2021 according to new business division structure | ² Indicative FX-adjusted sales growth FY 2021

Portfolio Management Automotive Technologies – Grow our New Business, foster our Ecosystem with the Innoplate JV

Hydrogen fuel cell bipolar plates are part of our New Business



The Ecosystem of Schaeffler Automotive Technologies is being further enriched with the Innoplate Joint Venture



A new step in the execution of our Automotive Technologies strategy

Innoplave JV - Schaeffler and Symbio¹ join forces for the production of strategic fuel cell components

Innoplave Joint Venture

Innoplave is a 50/50 JV between Schaeffler AG and Symbio S.A.S.¹ for the industrialization and manufacturing of fuel cell bipolar plates - BPPs

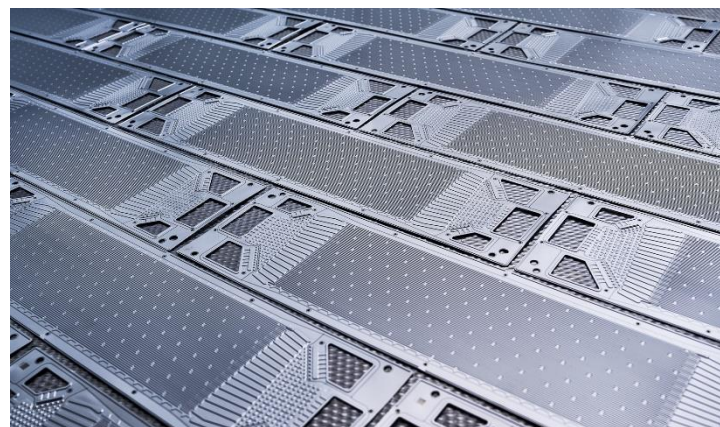


Scale production capacity

Target: Around 50 mn fuel cell bipolar plates by 2030

Innoplave JV scope

JV to serve the fuel cell BPPs production needs of Schaeffler and Symbio¹, covering a broad range of mobility and energy solutions globally



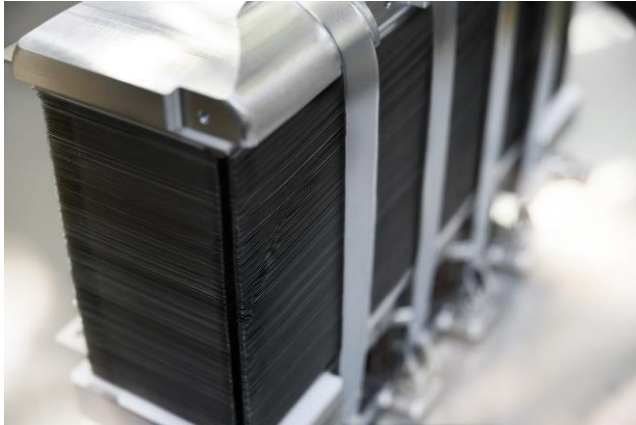
Site & Employees

First plant to be located in Haguenau, France, start of production in early 2024

Headcount: 40 employees initially, targeting > 120 in 2030

¹ Symbio S.A.S. is a joint venture between Faurecia and Michelin

Innoplate JV – Combining Schaeffler’s industrialization, forming and coating expertise for metallic bipolar plate manufacturing



- 1** Strong expertise and proven excellence in the area of precise forming and stamping technologies

- 2** Highly sophisticated bipolar plate coating system tailor made for hydrogen-specific applications

- 3** Deep process know-how for large scale production of bipolar plates

Highest quality and time-to-market standards to support future volume ramp-up to serve European and global automotive OEMs

Innoplate JV – A compelling Franco-German cooperation, fostering the hydrogen economy growth

- 1 **Joint acceleration** – The Innoplate JV will advance the mass-production of the next generation of bipolar plates, with enhanced performance and cost competitiveness for the entire proton exchange membrane (PEM) fuel cell market
- 2 **High complementarity** – Schaeffler's process know-how in industrialization and manufacturing of bipolar plates and Symbio's longstanding experience in fuel cell systems development, design and performance are both leveraged in this JV
- 3 **Compelling business potential** – For the first Symbio nomination from a leading European automotive OEM, the JV plans to supply the BPPs with start of production scheduled for early 2024
- 4 **Strategic cooperation** – Combine the know-how of leading European automotive suppliers – Symbio with its parents Faurecia and Michelin, and Schaeffler – who see vast potential in the developing hydrogen economy. Create one of the strongest European group of companies in the fuel cell components production

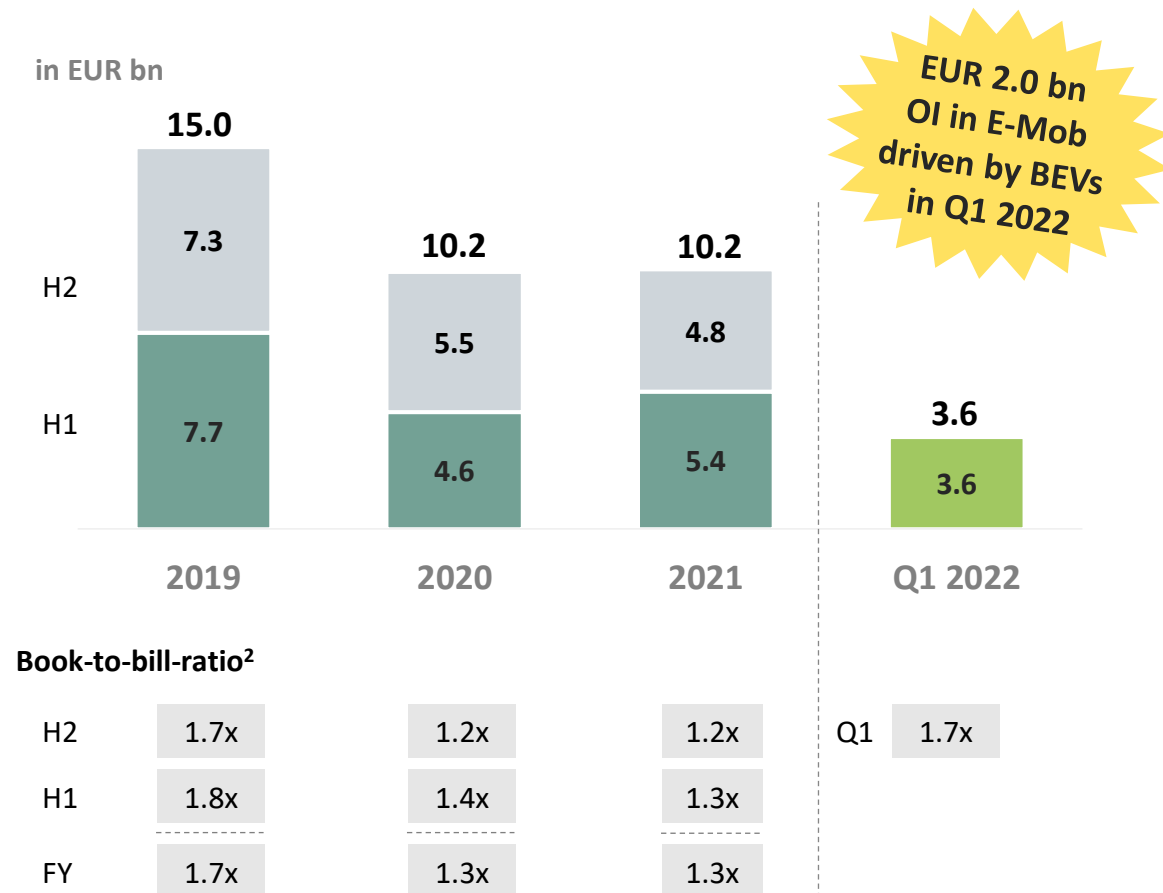
With Innoplate, we
advance together
the future
hydrogen economy

3

How we win

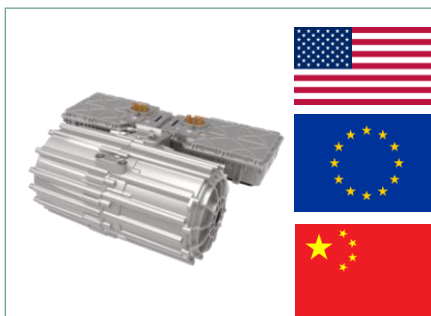
High Order Intake¹ delivered in Q1 – E-Mobility EUR 2 bn driven by BEV system business

Order Intake¹



Business Highlights E-Mobility

Successful nominations for high volume system business in US, China and Europe

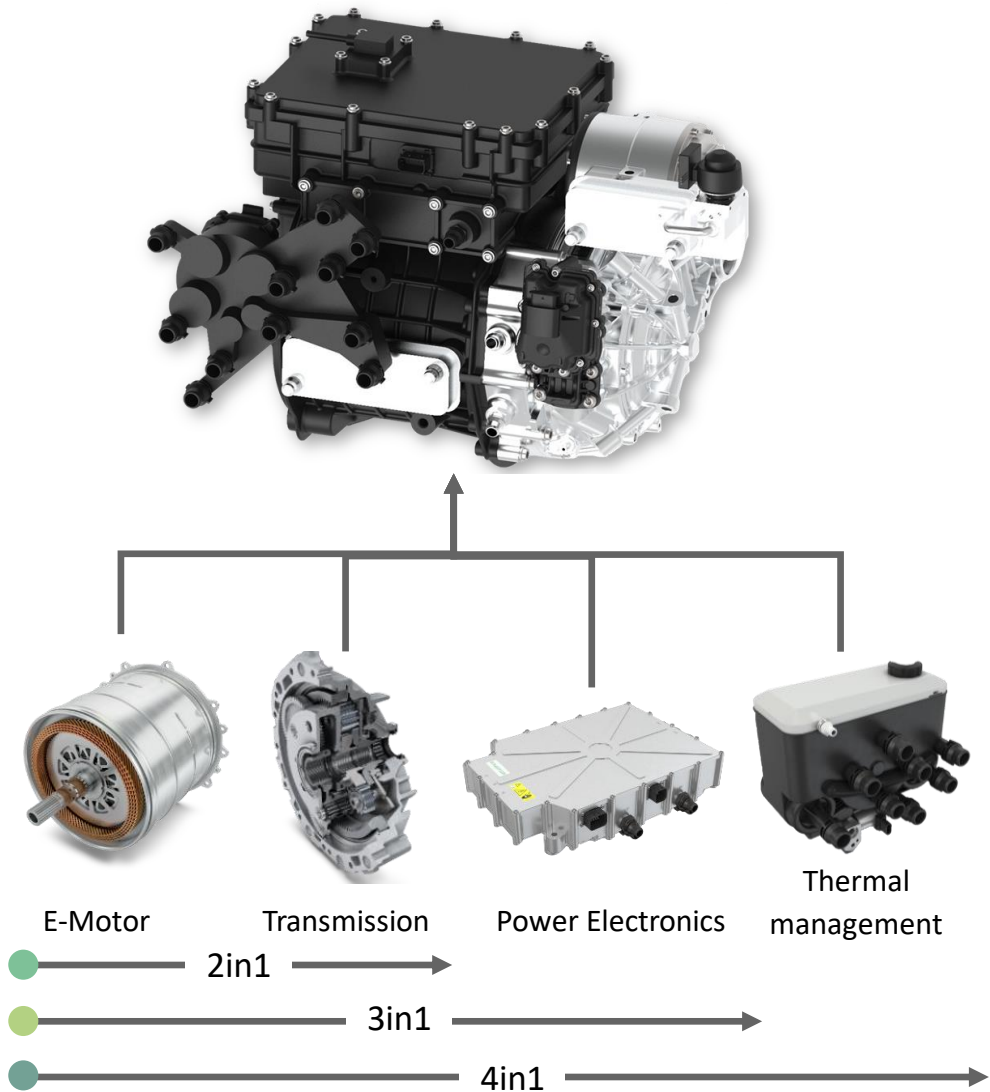
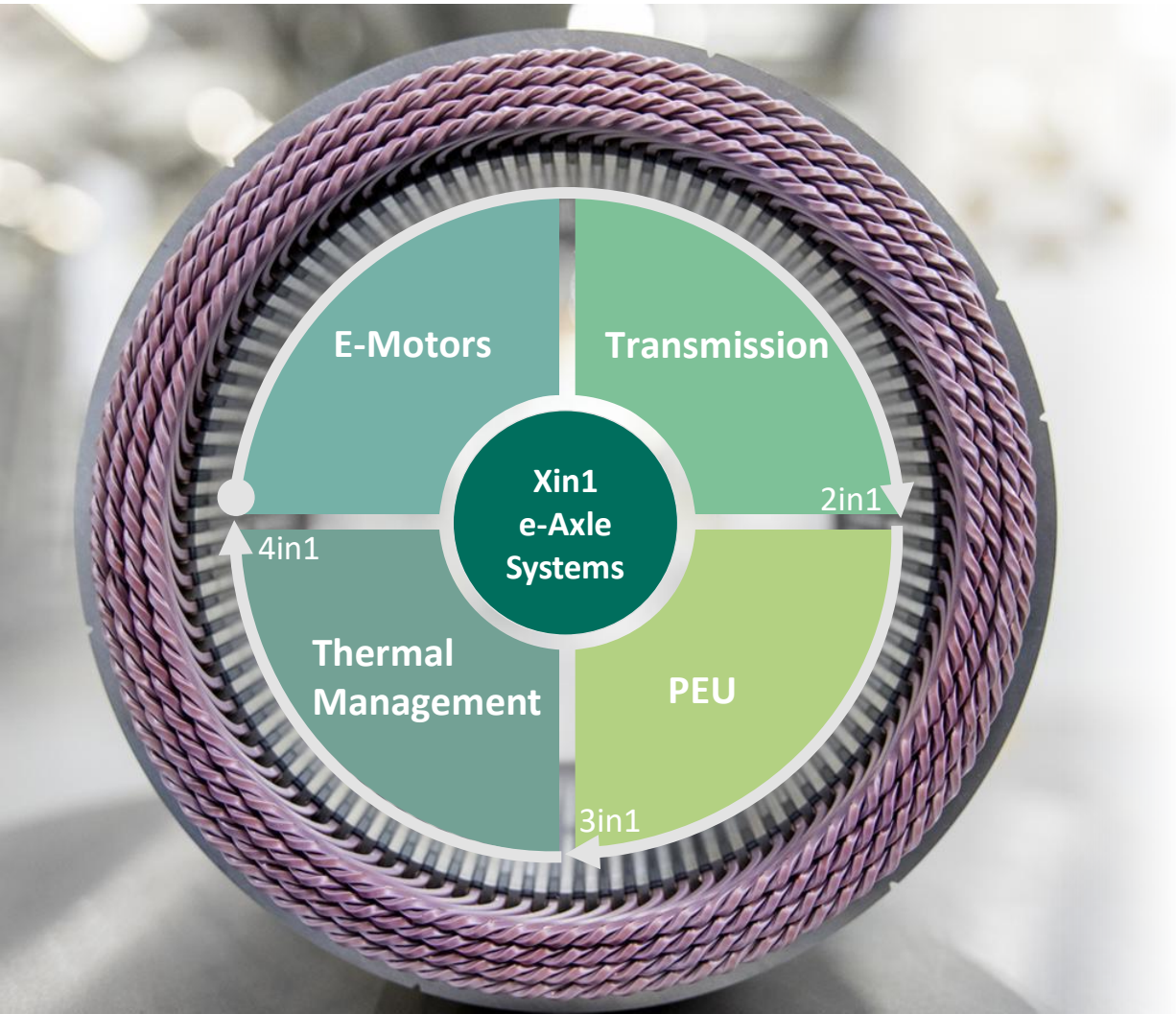


High customer demands & successful product launches for E-Mobility in China

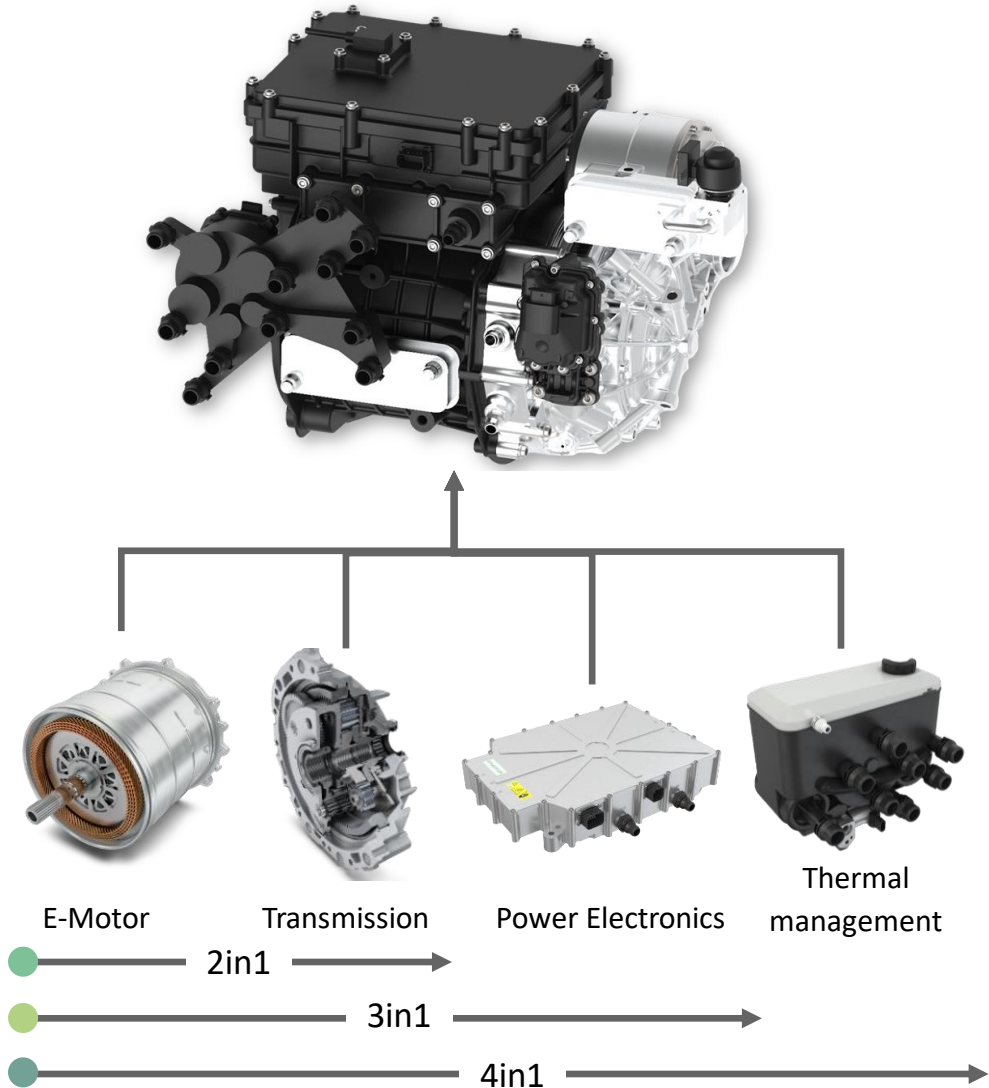
EUR 2.0 bn Order Intake¹ in BD E-Mobility driven by BEV system business in Q1 2022. Target 2022 EUR 2 - 3 bn.

¹ Nominations to customer projects | ² Lifetime Sales / Current period revenue

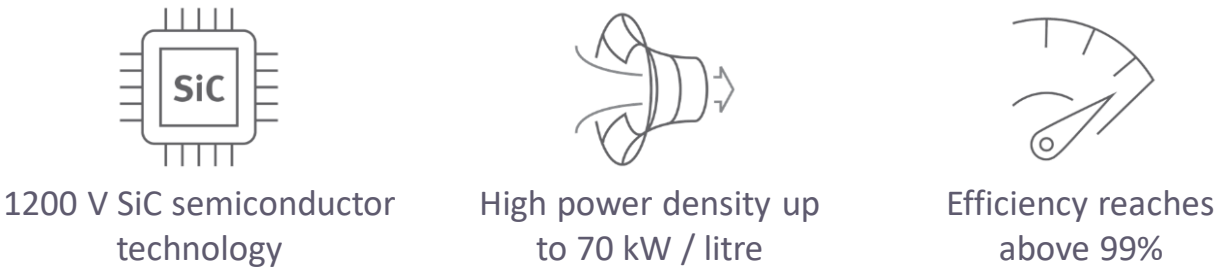
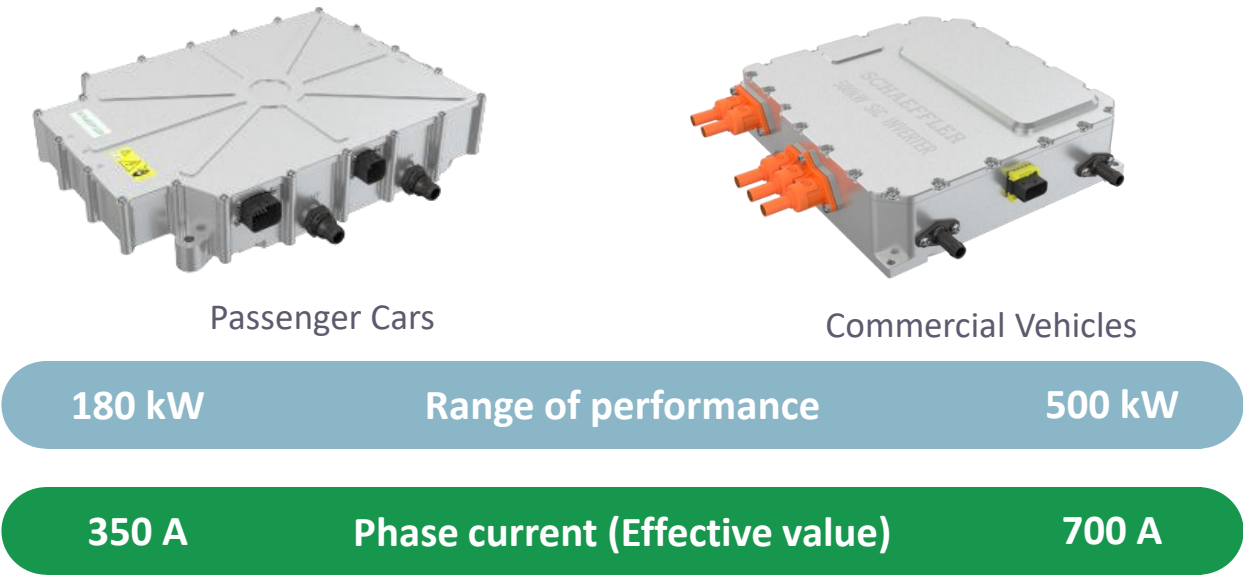
Our E-Mobility USP – Unlimited innovation potential



Schaeffler e-Axle – Performant, efficient and innovative



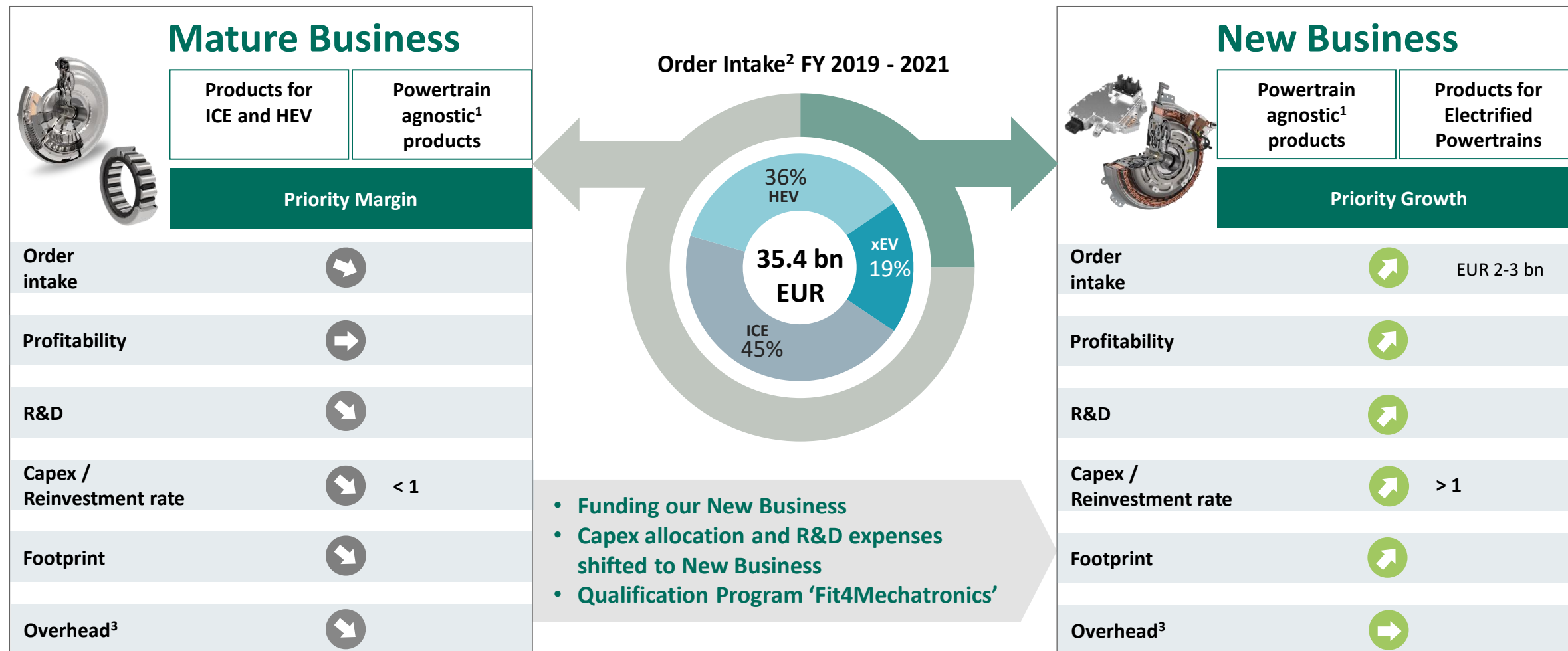
800-volt electrical system



4

How we create value

How we fund our own growth and create value



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

Conclusion – 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



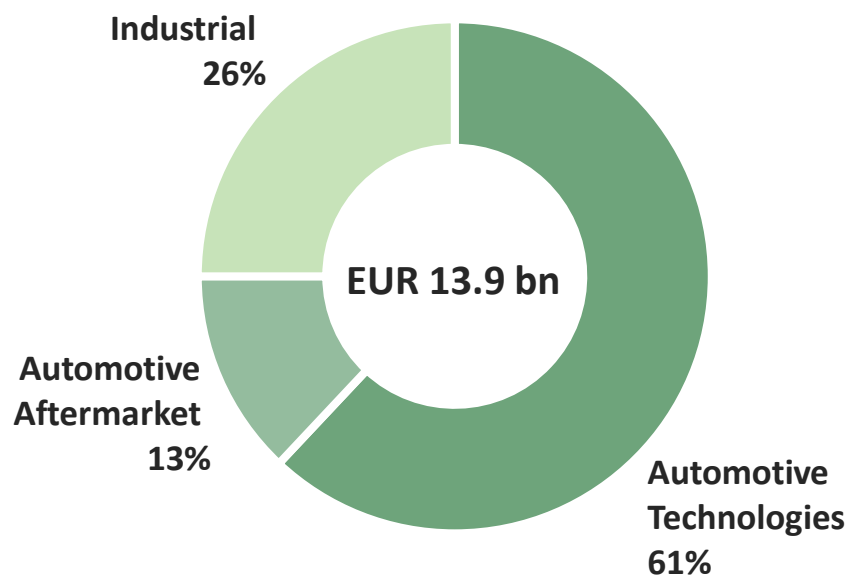
Backup

We pioneer motion

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

3 Divisions

In % of FY 2021

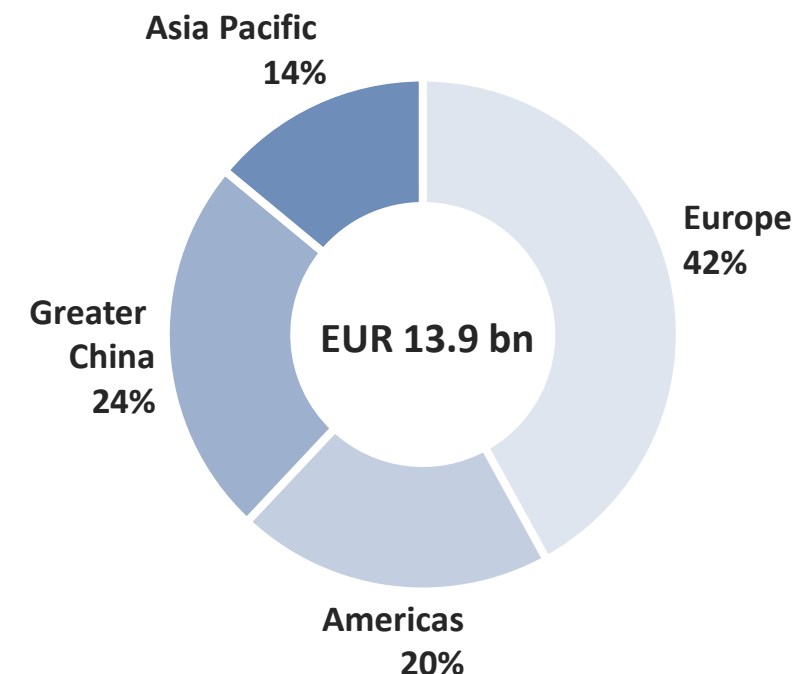


Schaeffler Group

- **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 2021



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

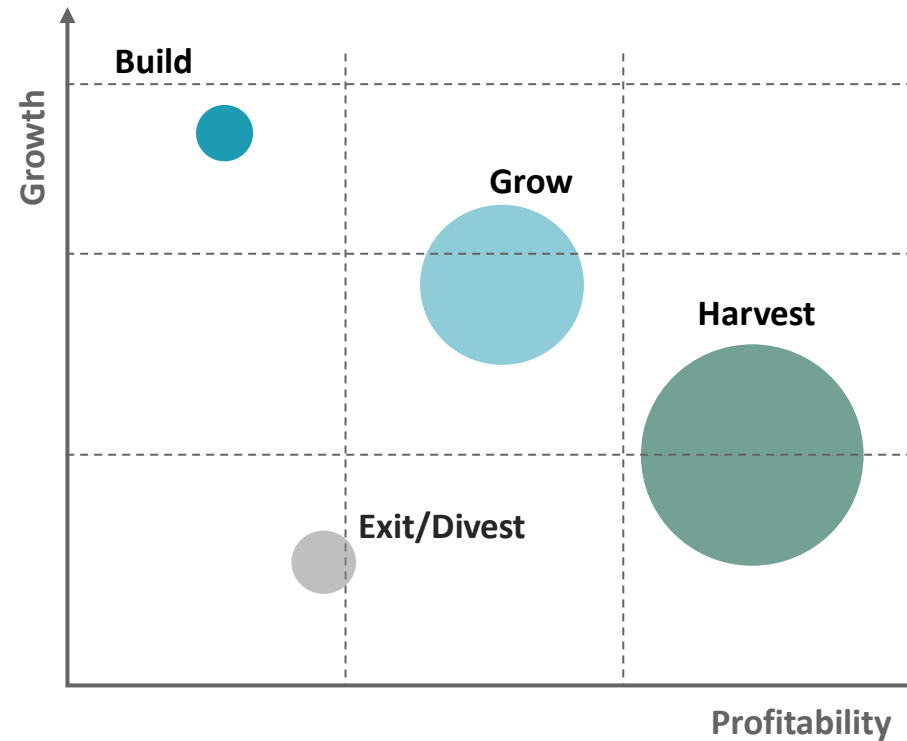
We actively manage the transition by ensuring profitability in Mature Business and a strong growth in New Business

Mature Business

We
HARVEST
with our
Enabler-Technologies

We
EXIT/DIVEST
expiring businesses &
consolidate our footprint

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



New Business

We
BUILD
Competencies in
Power Electronics & Hydrogen

We
GROW
in Electrified
Powertrains

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



14.5 bn EUR
Total Order Intake
for E-Mobility
2018 – Q1/2022

2.0 bn EUR
Order Intake for
E-Mobility
achieved in Q1 2022

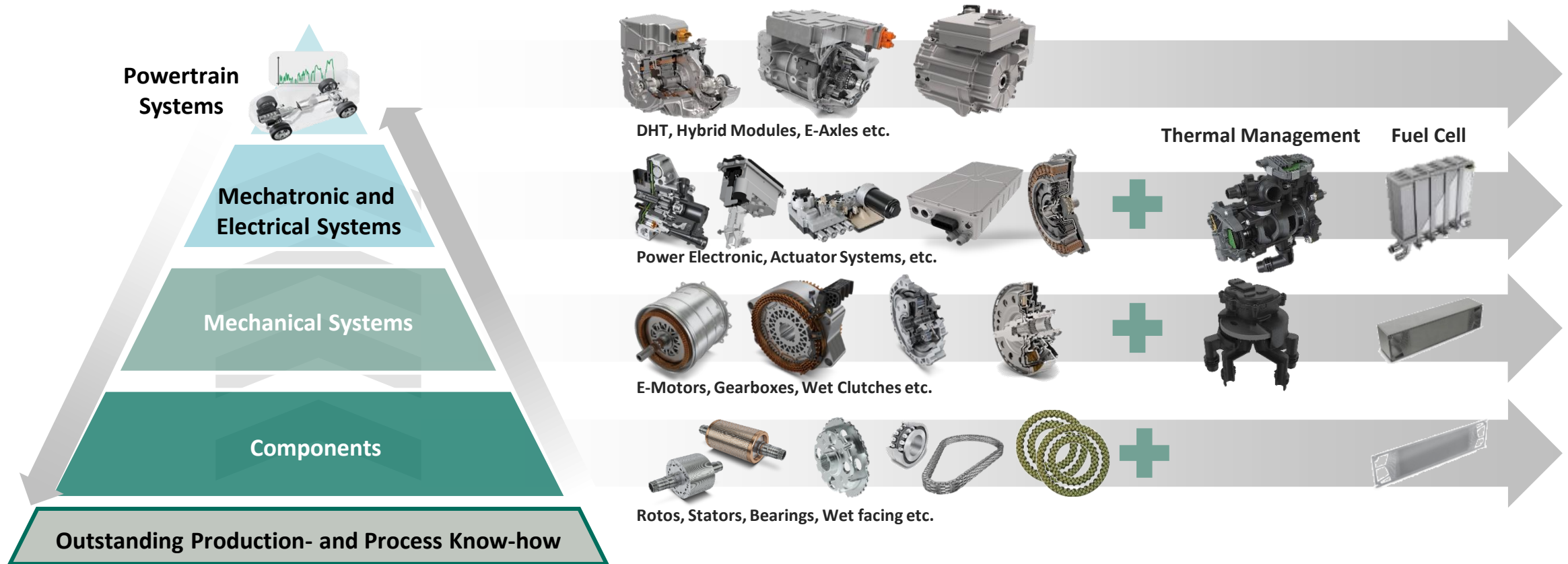


New E-Mobility plant
in Szombathely,
Hungary



New E-Mobility
Competence Center
in Bühl, Germany

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 Outperformance: +1.3pp				Q1 22											
	IHS ¹	AT ²	Outper- formance												
World	-4.5%	-3.2%	+1.3pp												
Europe	-15.4%	-1.9%	+13.5pp												
Americas	-3.6%	0.3%	+3.9pp												
Greater China	6.4%	-5.3%	-11.7pp												
Asia/Pacific	-6.5%	-8.3%	-1.8pp												

FY 21 Outperformance: +4.3pp				Q1 21			Q2 21			Q3 21			Q4 21		
	IHS ¹	AT ²	Outper- formance												
World	+15.9%	+17.0%	+1.1pp												
Europe	+2.3%	+3.3%	+1.0pp												
Americas	-2.8%	+6.7%	+9.5pp												
Greater China	+78.0%	+74.8%	-3.2pp												
Asia/Pacific	+5.2%	+14.0%	+8.8pp												

	IHS ¹	AT ²	Outper- formance												
World	+48.2%	+67.5%	+19.3pp												
Europe	+81.0%	+120.4%	+39.4pp												
Americas	+147.0%	+137.2%	-9.8pp												
Greater China	-4.3%	+3.1%	+7.4pp												
Asia/Pacific	+82.2%	+63.9%	-18.3pp												

	IHS ¹	AT ²	Outper- formance												
World	-19.1%	-13.1%	+6.0%												
Europe	-28.7%	-16.3%	+12.4%												
Americas	-24.6%	-16.0%	+8.6%												
Greater China	-13.9%	-16.1%	-2.2%												
Asia/Pacific	-10.7%	+7.3%	+18.0%												

	IHS ¹	AT ²	Outper- formance												
World	-10.2%	-12.5%	-2.3%												
Europe	-21.6%	-16.4%	+5.2%												
Americas	-13.4%	-16.0%	-2.6%												
Greater China	-1.0%	-6.0%	-5.0%												
Asia/Pacific	-8.8%	-9.3%	-0.5%												

¹ Light Vehicle production growth according to IHS Markit (part of S&P Global), April 2022 | ² FX-adjusted sales growth of Automotive Technologies division

Sustainability – Eight non-financial targets underline clear commitment to sustainability



Sustainability targets were integrated into the variable remuneration of upper management