Schaeffler Automotive Technologies
Harvesting the Mature, Growing the New Business & our Ecosystem

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

1 Where we stand

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 LVP$^5$ expected

**Where we stand**

#### New market assumptions for 2022

- **Automotive Technologies**: LVP growth stagnating yoy (~77 mn expected) vs. 4.4% growth in latest IHS estimate$^5$
- **Automotive Aftermarket**: Increase of global GDP of 3% to 3.5%
- **Industrial**: Increase of relevant industrial production of 3.5% to 4%

### Group Guidance

<table>
<thead>
<tr>
<th></th>
<th>Actuals FY 2021</th>
<th>Guidance FY 2022$^1$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales growth$^2$</strong></td>
<td>10.2%</td>
<td>6 - 8%</td>
</tr>
<tr>
<td><strong>EBIT margin$^3$</strong></td>
<td>8.8%</td>
<td>5 - 7%</td>
</tr>
<tr>
<td><strong>Free Cash Flow$^4$</strong></td>
<td>EUR 523 mn</td>
<td>&gt; EUR 250 mn</td>
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### Divisional Guidance

<table>
<thead>
<tr>
<th></th>
<th>Automotive Technologies</th>
<th>Automotive Aftermarket</th>
<th>Industrial</th>
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<tbody>
<tr>
<td></td>
<td>Actuals FY 2021</td>
<td>Guidance FY 2022</td>
<td>Actuals FY 2021</td>
</tr>
<tr>
<td><strong>Outperf.</strong> 430 bps</td>
<td>Out-performance 200 - 500 bps</td>
<td>13.9%</td>
<td>Moderate growth</td>
</tr>
<tr>
<td><strong>6.4%</strong></td>
<td>&gt; 2.5%</td>
<td>13.9%</td>
<td>&gt; 12%</td>
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<tr>
<td></td>
<td></td>
<td>11.8%</td>
<td>&gt; 11%</td>
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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)
Current Trading – Volumes remained hampered at start of Q2 as expected, FY guidance provided in May unchanged

Automotive Market dynamics

- IHS steadily reduced its estimates for the Global LVP\(^1\) in the course of the year, now expecting Global LVP\(^1\) 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

\(^1\) Light Vehicle Production (IHS Markit (part of S&P Global), May 2022)
Where we play – plus, the Innoplate JV
Portfolio Management Automotive Technologies – Electrification is further accelerating

- HEV as transition technology will reach tipping point in 2030
- Climate targets towards zero emission in major markets
- OEMs raise EV targets and accelerate electrification

Vision Powertrain – OLD
Global Light Vehicle Production

- 2020: 88%
- 2025 e: 56%
- 2030 e: 30%
- 2035 e: 15%

Vision Powertrain – NEW
Global Light Vehicle Production

- 2020: 8%
- 2025 e: 20%
- 2030 e: 30%
- 2035 e: 50%
2 Where we play

Portfolio Management Automotive Technologies – Operating Model sharpened in 2021

**Engine & Transmission**
- **Mature Business**
  - Cam phaser
  - Variable Valve train
  - Dual mass fly wheel
  - Torque Converters
  - Dampers
  - Clutches
  - Indicative sales split FY 2021 according to new business division structure
  - Indicative FX-adjusted sales growth FY 2021
  - EUR 4,688 mn\(^1\) +6.0%\(^2\)

- **New Business**
  - EUR 1,038 mn\(^1\) +19.2%\(^2\)

**Bearings**
- **Mature Business**
  - Powertrain Bearings
  - E-Mobility Bearings
  - Passenger Car Wheel Bearings
  - Truck Wheel Bearings
  - EUR 2,422 mn\(^1\) +6.0%\(^2\)

- **New Business**
  - EUR 288 mn\(^1\) +16.0%\(^2\)

**E-Mobility**
- **New Business**
  - E-Motors
  - Gearboxes / Torque Transfer Solutions
  - E-axes / Inverters
  - Hybrid Systems
  - Thermal Management Modules
  - Fuel Cells

**Chassis Systems**
- **New Business**
  - Active roll stabilizer
  - Actuators
  - Rear wheel steering
  - Steer-by-wire

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

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\(^1\) Indicative sales split FY 2021 according to new business division structure  
\(^2\) Indicative FX-adjusted sales growth FY 2021
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
Innoplate JV - Schaeffler and Symbio join forces for the production of strategic fuel cell components

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

**Innoplate JV scope**
JV to serve the fuel cell BPPs production needs of Schaeffler and Symbio, covering a broad range of mobility and energy solutions globally.

**Scale production capacity**
Target: Around 50 mn fuel cell bipolar plates by 2030.

**Site & Employees**
First plant to be located in Haguenau, France, start of production in early 2024.
Headcount: 40 employees initially, targeting > 120 in 2030.

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1 Symbio S.A.S. is a joint venture between Faurecia and Michelin.
2 Where we play

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.
3 How we win
**High Order Intake\(^1\) delivered in Q1 – E-Mobility EUR 2 bn driven by BEV system business**

### Order Intake\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>H1</th>
<th>H2</th>
<th>Q1 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>7.7</td>
<td>7.3</td>
<td>15.0</td>
</tr>
<tr>
<td>2020</td>
<td>4.6</td>
<td>5.5</td>
<td>10.2</td>
</tr>
<tr>
<td>2021</td>
<td>5.4</td>
<td>4.8</td>
<td>10.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3.6</td>
</tr>
</tbody>
</table>

### Book-to-bill-ratio\(^2\)

<table>
<thead>
<tr>
<th>Year</th>
<th>H2</th>
<th>H1</th>
<th>FY</th>
<th>Q1 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>1.8x</td>
<td>1.7x</td>
<td>1.7x</td>
<td>1.7x</td>
</tr>
<tr>
<td>2020</td>
<td>1.4x</td>
<td>1.2x</td>
<td>1.3x</td>
<td>1.2x</td>
</tr>
<tr>
<td>2021</td>
<td>1.3x</td>
<td>1.3x</td>
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<td>1.3x</td>
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\(^1\)Nominations to customer projects | \(^2\)Lifetime Sales / Current period revenue

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**Business Highlights E-Mobility**

- **EUR 2.0 bn Order Intake\(^1\) in BD E-Mobility driven by BEVs in Q1 2022. Target 2022 EUR 2 - 3 bn.**
- Successful nominations for high volume system business in US, China and Europe.
- High customer demands & successful product launches for E-Mobility in China.

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Our E-Mobility USP – Unlimited innovation potential

- E-Motors
- Transmission
- Thermal Management
- PEU

Xin1
e-Axle Systems

2in1
3in1
4in1
3 How we win

**Schaeffler e-Axle – Performant, efficient and innovative**

- **3 in 1**
  - E-Motor
  - Transmission
  - Power Electronics
  - Thermal management

- **2 in 1**

**800-volt electrical system**

- **Passenger Cars**
  - 1200 V SiC semiconductor technology
  - High power density up to 70 kW / litre
  - Efficiency reaches above 99%

- **Commercial Vehicles**
  - 180 kW
  - Range of performance: 500 kW
  - 350 A
  - Phase current (Effective value): 700 A

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4 How we create value
How we fund our own growth and create value

**Mature Business**

<table>
<thead>
<tr>
<th>Products for ICE and HEV</th>
<th>Powertrain agnostic¹ products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Priority Margin</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Order intake</th>
<th>Profitability</th>
<th>R&amp;D</th>
<th>Capex / Reinvestment rate</th>
<th>Footprint</th>
<th>Overhead³</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>&lt; 1</td>
<td></td>
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**New Business**

<table>
<thead>
<tr>
<th>Powertrain agnostic¹ products</th>
<th>Products for Electrified Powertrains</th>
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</thead>
<tbody>
<tr>
<td>Priority Growth</td>
<td></td>
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</tbody>
</table>

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<th>Footprint</th>
<th>Overhead³</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR 2-3 bn</td>
<td></td>
<td></td>
<td>&gt; 1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Funding our New Business
- Capex allocation and R&D expenses shifted to New Business
- Qualification Program ‘Fit4Mechatronics’

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

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

3 Divisions

- Automotive Technologies 61%
- Industrial 26%
- Automotive Aftermarket 13%

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

- Europe 42%
- Americas 20%
- Greater China 24%
- Asia Pacific 14%

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

**New Business**
- **We BUILD**
  - Competencies in Power Electronics & Hydrogen
- **We GROW**
  - in Electrified Powertrains

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

- **Build**
- **Grow**
- **Exit/Divest**
- **Harvest**
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
We are extending our portfolio of E-Mobility due to high relevance for future powertrain systems.
## Automotive Technologies (AT) outperformance by quarters

<table>
<thead>
<tr>
<th></th>
<th>FY 21</th>
<th>Q1 21</th>
<th>Q2 21</th>
<th>Q3 21</th>
<th>Q4 21</th>
</tr>
</thead>
<tbody>
<tr>
<td>IHSt</td>
<td>ATt</td>
<td>Outperformance</td>
<td>IHSt</td>
<td>ATt</td>
<td>Outperformance</td>
</tr>
<tr>
<td>World</td>
<td>+15.9%</td>
<td>+17.0%</td>
<td>+1.1pp</td>
<td>+48.2%</td>
<td>+67.5%</td>
</tr>
<tr>
<td>Europe</td>
<td>+2.3%</td>
<td>+3.3%</td>
<td>+1.0pp</td>
<td>+81.0%</td>
<td>+120.4%</td>
</tr>
<tr>
<td>Americas</td>
<td>-2.8%</td>
<td>+6.7%</td>
<td>+9.5pp</td>
<td>+147.0%</td>
<td>+137.2%</td>
</tr>
<tr>
<td>Greater China</td>
<td>+78.0%</td>
<td>+74.8%</td>
<td>-3.2pp</td>
<td>-4.3%</td>
<td>+3.1%</td>
</tr>
<tr>
<td>Asia/Pacific</td>
<td>+5.2%</td>
<td>+14.0%</td>
<td>+8.8pp</td>
<td>+82.2%</td>
<td>+63.9%</td>
</tr>
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</table>

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

**Climate Neutral Supply Chain**
Climate Neutral Supply Chain until 2040

**Climate Neutral Production**
at all Schaeffler production locations until 2030

**Renewable Energy**
100% purchased power from renewable sources until 2024

**Energy Efficiency**
100 GWh cumulated annual efficiency gains until 2024

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

**Sustainable Suppliers**
90% of the purchasing volume of production materials will be sourced from suppliers with self-assessments on sustainability by 2022

**Women in Leadership**
20% women in top-management positions by 2025

**Employee Safety**
10% average annual reduction in the accident rate (LTIR) by 2024

**Sustainability targets were integrated into the variable remuneration of upper management**