

BNP Paribas Exane MidCap CEO Conference

Klaus Rosenfeld, CEO Schaeffler Group
Claus Bauer, CFO Schaeffler Group
November 16-17, 2022
Paris

We pioneer motion

Disclaimer

This presentation contains forward-looking statements. The words “anticipate”, “assume”, “believe”, “estimate”, “expect”, “intend”, “may”, “plan”, “project”, “should” and similar expressions are used to identify forward-looking statements. Forward-looking statements are statements that are not historical facts; they include statements about Schaeffler Group’s beliefs and expectations and the assumptions underlying them. These statements are based on plans, estimates and projections as they are currently available to the management of Schaeffler AG. Forward-looking statements therefore speak only as of the date they are made, and Schaeffler Group undertakes no obligation to update any of them in light of new information or future events.

By their very nature, forward-looking statements involve risks and uncertainties. These statements are based on Schaeffler AG management’s current expectations and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Actual results may differ from those set forth in the forward-looking statements as a result of various factors (including, but not limited to, future global economic conditions, changed market conditions affecting the automotive industry, intense competition in the markets in which we operate and costs of compliance with applicable laws, regulations and standards, diverse political, legal, economic and other conditions affecting our markets, and other factors beyond our control).

This presentation is intended to provide a general overview of Schaeffler Group’s business and does not purport to deal with all aspects and details regarding Schaeffler Group. Accordingly, neither Schaeffler Group nor any of its directors, officers, employees or advisers nor any other person makes any representation or warranty, express or implied, as to, and accordingly no reliance should be placed on, the accuracy or completeness of the information contained in the presentation or of the views given or implied. Neither Schaeffler Group nor any of its directors, officers, employees or advisers nor any other person shall have any liability whatsoever for any errors or omissions or any loss howsoever arising, directly or indirectly, from any use of this information or its contents or otherwise arising in connection therewith.

The material contained in this presentation reflects current legislation and the business and financial affairs of Schaeffler Group which are subject to change.

The permission to use S&P Global Mobility copyrighted reports, data and information does not constitute an endorsement or approval by S&P Global Mobility of the manner, format, context, content, conclusion, opinion or viewpoint in which S&P Global Mobility reports, data and information or its derivations are used or referenced herein.

Agenda

- 1** Overview
- 2** Business Highlights Q3 and 9M 2022
- 3** Financial Results Q3 and 9M 2022
- 4** Outlook

Schaeffler Group with strong revenue growth and robust performance in Q3 2022

Key messages Q3 2022 at Group level

- 1 Q3 Sales¹ +20.2% – Strong revenues across all divisions and regions; 9M Sales growth¹ +8.7%
- 2 Q3 Gross margin – Still hampered by headwinds, but supported by strong volumes and price realization
- 3 Q3 EBIT margin² – Strong in Auto Aftermarket and Industrial; Auto Technologies sequentially improved by progressing price realization
- 4 Structural measures – Further reducing overcapacities and fixed costs, particularly in Auto Technologies
- 5 Q3 FCF³ – Strongly positive, increased EBITDA compensated Working Capital and Capex outflows; 9M FCF at EUR 35 mn
- 6 FY 2022 Guidance – Outlook for all metrics confirmed

¹ FX-adjusted, yoy | ² Before special items | ³ Before cash in- and outflows for M&A activities

Sales growth¹ Q3

+20.2%

EUR 4,242 mn

Gross Margin Q3

23.2%

Q3 2021: 23.8%

EBIT margin² Q3

8.4%

Q3 2021: 7.8%

Free Cash Flow³ Q3

EUR 240 mn

Q3 2021: EUR 225 mn

Schaeffler Group Q3 2022 – Highlights and lowlights



Automotive Technologies – Double-digit growth across all regions and business divisions; Strong Order Intake in E-Mobility continued in Q3



Automotive Aftermarket – Topline successfully harnessed positive market conditions; All regions growing in Q3, showing anti-cyclical resilience of Aftermarket business



Industrial – Double-digit growth in Q3, strong quality of earnings both at Gross Margin and EBIT Margin level



Driving our transformation further, successfully harnessing secular growth trends across our balanced portfolio while coping with external headwinds



Gross margin – Different dynamics among divisions; High gross margin protection in Auto Aftermarket & Industrial, sequentially improving in Auto Technologies

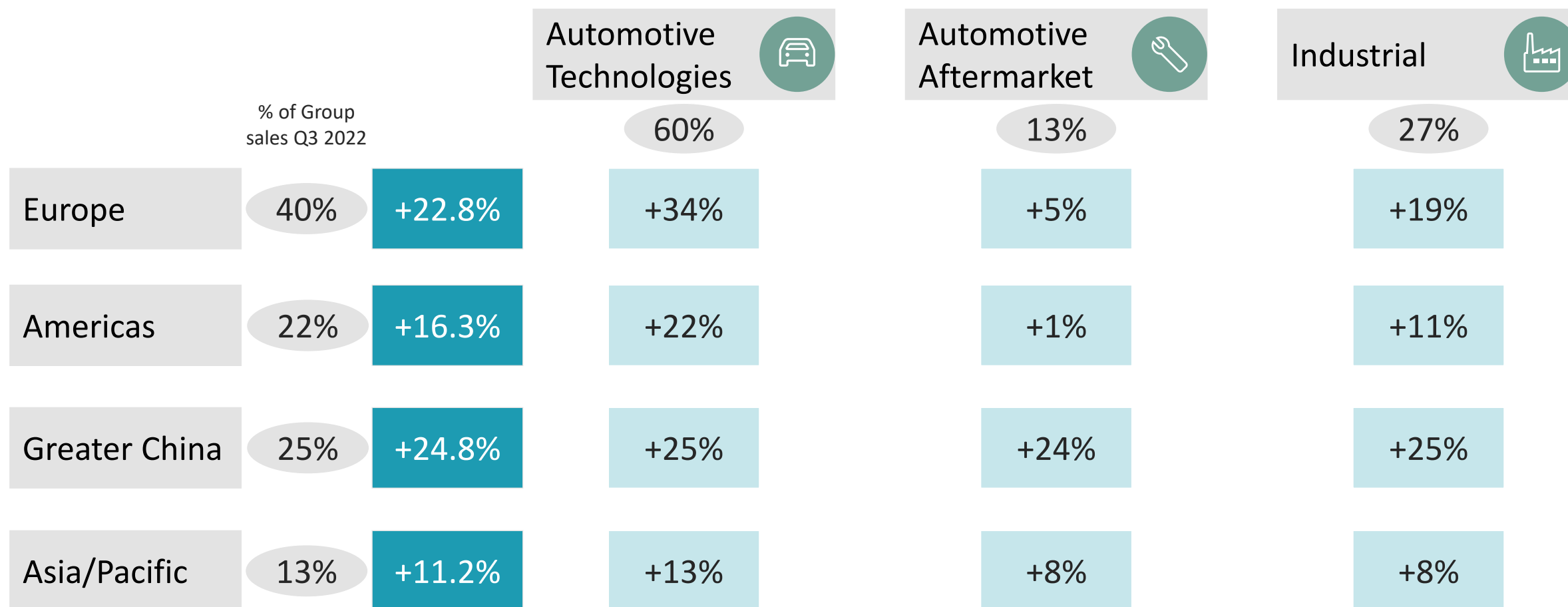


Cost inflation – Continued high input costs in Q3; Energy cost measures initiated for saving, reducing and substituting



Macroeconomic and geopolitical headwinds – We are further improving our resilience and preparedness to act in a highly volatile environment

Q3 2022 Sales¹ development – All regions and divisions contributed to the strong growth in Q3 2022



¹ Q3 FX-adjusted sales growth, please refer to the Interim Statement for further details

Q3 Sales growth¹

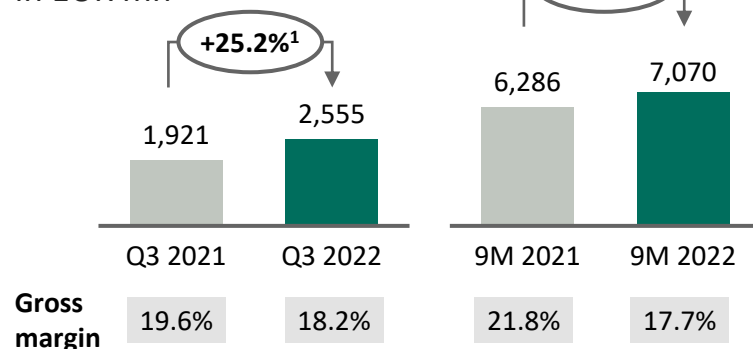
Agenda

- 1 Overview
- 2 Business Highlights Q3 and 9M 2022
- 3 Financial Results Q3 and 9M 2022
- 4 Outlook

Automotive Technologies – Double-digit sales growth, slight progress in EBIT² margin yoy

Sales

in EUR mn



Strong double-digit growth across all regions and business divisions driven by volume growth and price increases which came through in lump-sum mode; E-Mobility grew by 63%¹ driven by ramp-ups



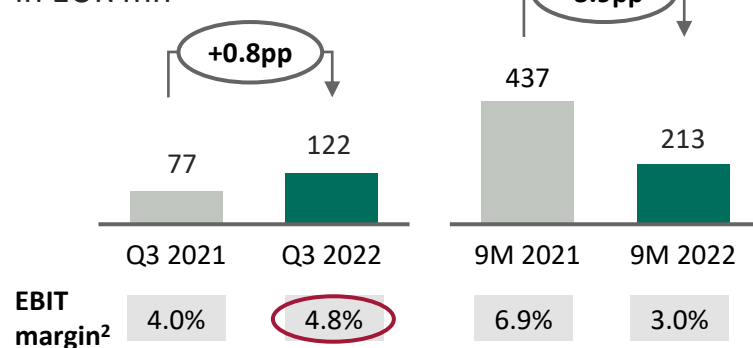
Strong development of Order Intake³ continued in Q3, leading to a 9M book-to-bill-ratio⁴ of 1.5x with significant share of E-Mobility



Despite successful price realization, gross margin was impacted by higher input costs, product mix, production stop-and-go complexity due to volatile call-offs and Covid-related absenteeism

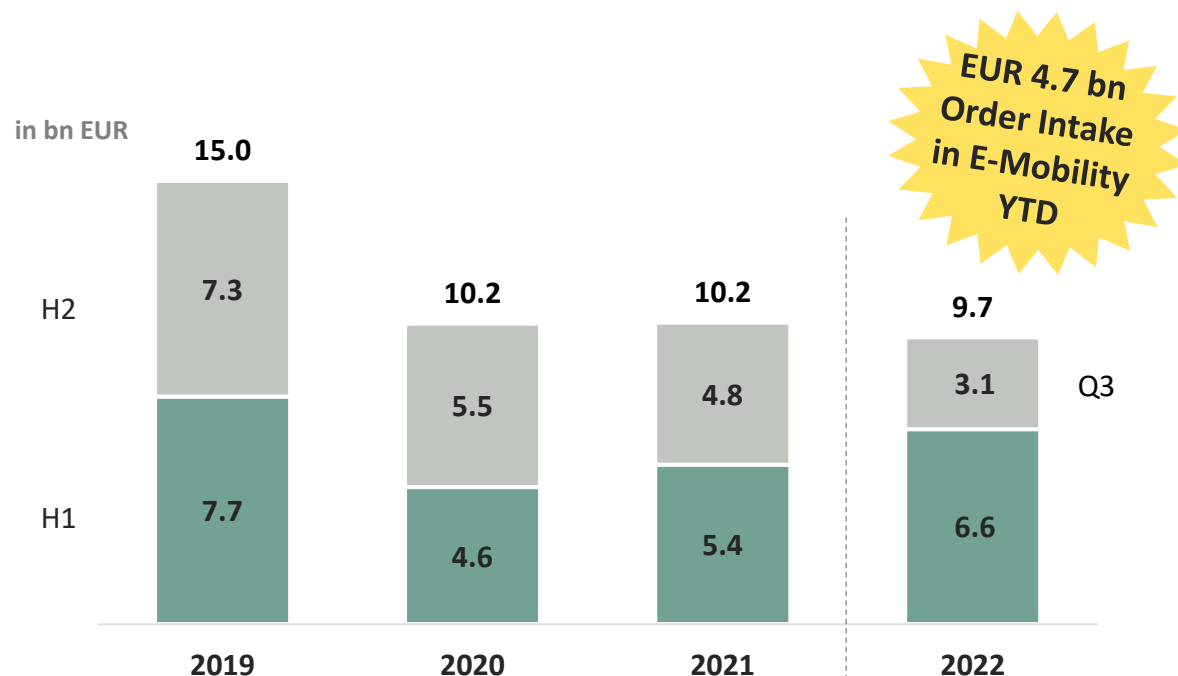
EBIT²

in EUR mn



¹ FX-adjusted | ² Before special items | ³ Nominations to customer projects | ⁴ Lifetime Sales / Current period revenue

Automotive Technologies – High Order Intake in E-Mobility continued in Q3

Order Intake¹Book-to-bill-ratio²

H2	1.7x	1.2x	1.2x	Q3	1.3x
H1	1.8x	1.4x	1.3x	H1	1.6x
FY	1.7x	1.3x	1.3x	9M	1.5x

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

Business Highlights E-Mobility

Market success for E-Axle transmissions with several new project nominations in China and Asia-Pacific



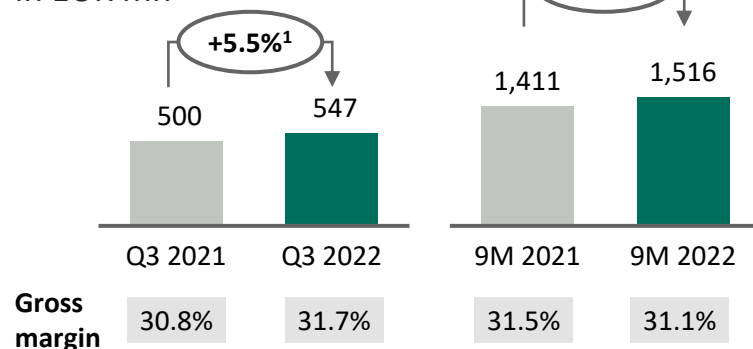
High-volume nomination in BEV Thermal Management as part of an Integrated Coolant System

EUR 4.7 bn Order Intake in business division E-Mobility achieved in 9M 2022

Automotive Aftermarket – Continued growth¹ across all regions, EBIT margin² slightly lower

Sales

in EUR mn



Sales growth showing successful harnessing of ongoing robust market demand – All regions grew in Q3, mainly driven by the Independent Aftermarket business; Growth in Europe supported by logistical performance



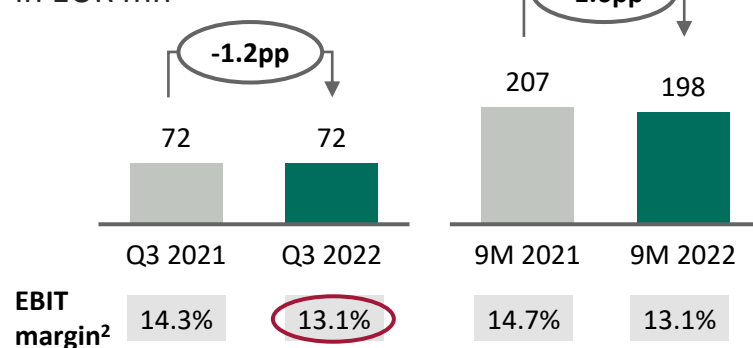
Gross margin increased in Q3, thanks to continued sales price adjustments to compensate for increased input costs



EBIT margin² slightly lower yoy, predominantly due to higher selling expenses for logistics and freights

EBIT²

in EUR mn



¹ FX-adjusted | ² Before special items

Automotive Aftermarket – First E-Axle repair solution launched at Automechanika



VW e-Golf VII



BEV/HEV transmission



Gearbox repair system

Key aspects

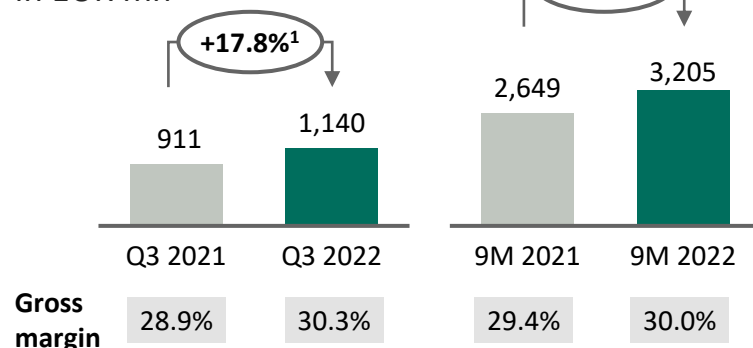
- **Repair system** for gearbox application of E-Axle (BEV/HEV)
- Pilot application for **Volkswagen e-Golf VII**
- **Unique solution** in the Aftermarket – First repair solution for E-Axles
- **Highly sustainable** – Repair instead of replace
- **Scalable solution** – Additional repair solutions already in preparation (e.g. E-motor)
- **Making the repair possible** – Rollout and garage training in preparation
- **Market availability in Q4 2022**

**Setting the industry standard for
E-Powertrain repair for BEVs / HEVs**

Industrial – Double-digit sales growth, strong Gross and EBIT margin²

Sales

in EUR mn



Double-digit growth¹ with contribution from all regions, again driven especially by strong demand in Industrial Automation and Industrial Distribution



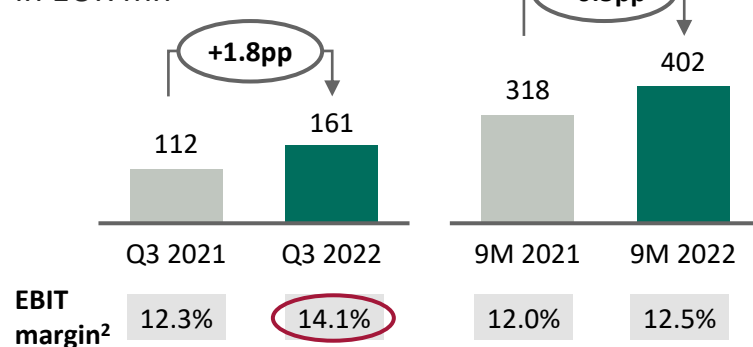
140 bps yoy gross margin progress driven by scale and continued price realization amid input cost headwinds, showing strong positioning across major markets



EBIT margin level of 14.1% in Q3 with strong increase yoy providing significantly improved contribution to Group EBIT

EBIT²

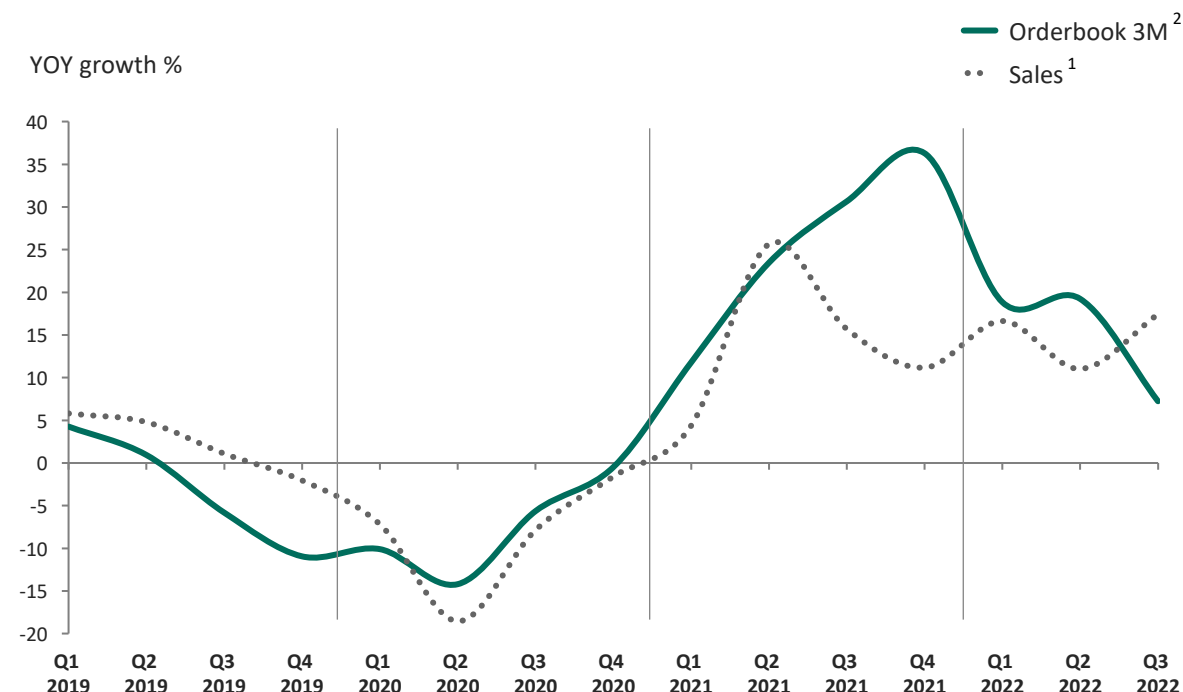
in EUR mn



¹ FX-adjusted | ² Before special items

Industrial – Orderbook for Q3 still indicating growth; Strong growth in future-oriented business fields

Orderbook 3-month



¹ FX-adjusted product sales

² The Orderbook 3M measures the value of customer orders which are due in the next three months. It is presented as a relative, FX-adjusted yoy growth indicator which reflects the short-term business expectations. Developments in the distribution business have typically a shorter reach and are therefore only partially reflected by this indicator.

Business Highlights

Lifetime Solutions
Roadshow presenting the entire portfolio of Schaeffler's digital and innovative maintenance services



Becoming a market leader in **electromechanical automation** thanks to the Ewellix acquisition

Increasing exposure in sizeable and attractive growth fields

Schaeffler Group to acquire CERASPIN – Extending our technology portfolio for production of ceramic rolling elements

CERASPIN

Manufacturer of **ceramic blanks** for **rolling elements** in **high-precision bearings**

>25 years of business experience

Approved Schaeffler supplier since 2004

~20 employees

Production site in Livange, Luxembourg



Transaction details

Acquisition of 100% of shares in **CERASPIN S.a.r.l.** (Subsidiary of CERATIZIT Group)

Closing¹ expected for **Q4 2022**

Strategic Rationale

Strengthening our **leading position** in **high-precision bearings**

Enhancing our **cost competitiveness** via insourcing of blank production

Advancing our **technological capabilities** for **ceramic rolling bearings**

Financing

100% cash financed from existing internal sources

Integration

CERASPIN to be **fully integrated** into Schaeffler Group's **Industrial Division** as internal supplier for existing rolling element production and connected to the Schaeffler plant Schweinfurt

¹ Closing of the deal is subject to customary closing conditions

Compelling acquisition – Further strengthening our Industrial business

- 1 **High market attractiveness** – Ceramic rolling bearings are used in a wide range of strategic growth areas, e.g. Wind, Rail, Aerospace, Medical Equipment, Electrical Engineering and Vacuum Pumps for Semiconductor applications

- 2 **Strategically important technology** – Leveraging CERAPSPIN's experience and expertise in development and production across all stages of the value chain, from raw material to finished component

- 3 **Securing supply** – Strengthening our supply chain, especially in Europe, with access to premium quality and sophisticated products

Excellent strategic fit
to further enhance
the ecosystem of our
Industrial division

Capital allocation – Capex prioritizing investments in growth business and regions, Capex ratio² of 5.2% in Q3

Investment¹ allocation | in EUR mn

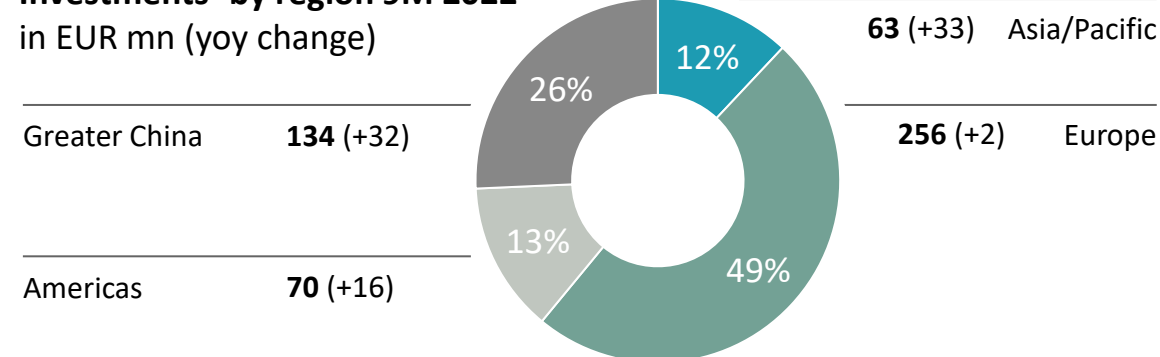
	FY 20	FY 21	Q3 21	Q3 22	9M 22
Automotive Technologies	378	428	126	147	345
Automotive Aftermarket	26	20	5	9	22
Industrial	234	223	67	62	156
Schaeffler Group	639	670	198	219	522
Capex	632	671	215	219	551
Capex ratio²	5.0%	4.8%	6.4%	5.2%	4.7%
Reinvestment Rate	0.7	0.7	0.9	1.0	0.8

¹ Additions to intangible assets and property, plant and equipment | ² Capex in % of sales

Key aspects Q3 2022

- Reinvestment Rate Target: Continued prioritization of Industrial division and BD E-Mobility; <0.5 in BD Bearings and Engine & Transmission
- Automotive Technologies: Investments in production machinery and tools for E-motor components in China
- Industrial: New production line large size bearings and logistics hall in Romania and capacity expansion ball bearings hall in Vietnam
- Capex FY 2022e: Around EUR 750 mn

Investments¹ by region 9M 2022 in EUR mn (yoy change)



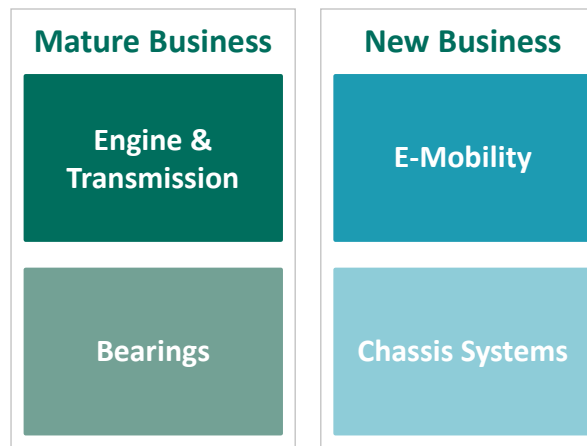
Structural measures – We drive our transformation in particular in Automotive Technologies

Footprint & Headcount



- **Rightsizing Footprint** – Consolidate the footprint of our Bearings and Engine & Transmission businesses
- **Streamlining Overhead** – Right-size Overhead in Engine & Transmission, E-Mobility, Corporate Functions

Executing our Strategy



- **Drive the transformation** – Extension of our structural measures introduced in September 2020
- **Manage the transition** – Improve the return of the Mature Business, fund growth & foster investment the New Business

Indicative Financial Impact

HCO Reduction: ~1,300 HCO globally, thereof ~1,000 HCO in Germany

Potential Annual Savings: EUR ~100 mn

One-off Transformation Costs: EUR ~130 mn

- **Savings** – EBIT impact EUR ~100 mn p.a. to be largely achieved by end of 2026
- **Transformation costs** – EUR ~130 mn EUR, provision will predominantly be booked in Q4 2022, majority of cash-out until 2025, ~90% of cost personnel related

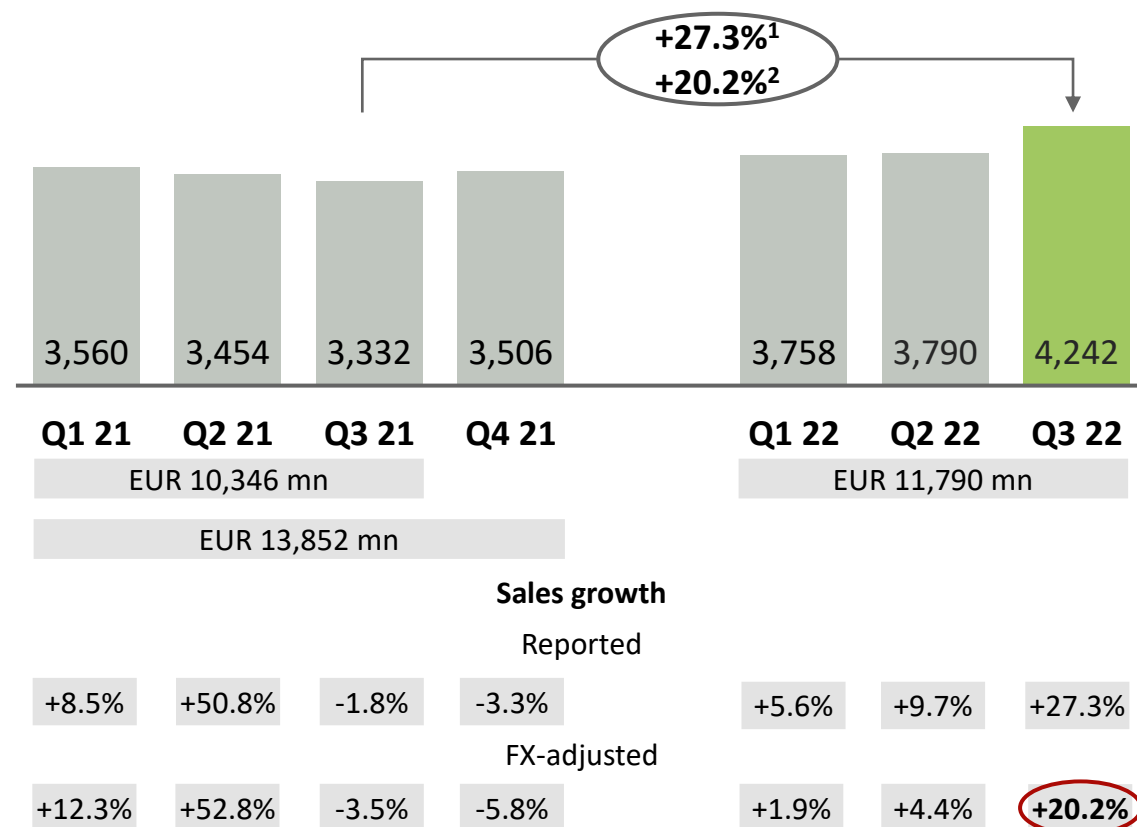
We adapt our structures further reducing overcapacities and fixed costs

Agenda

- 1 Overview
- 2 Business Highlights Q3 and 9M 2022
- 3 Financial Results Q3 and 9M 2022
- 4 Outlook

Sales – Strong growth in Q3 driven by all regions and divisions, all divisions achieving all-time high quarterly sales

Sales | in EUR mn



¹ Reported | ² FX-adjusted

Key aspects

- Auto Technologies: Double-digit growth² in all regions and business divisions on low comps
- Auto Aftermarket: Growth² in all regions
- Industrial: Sixth consecutive quarters with double-digit growth² rates

Sales by region Q3 2022

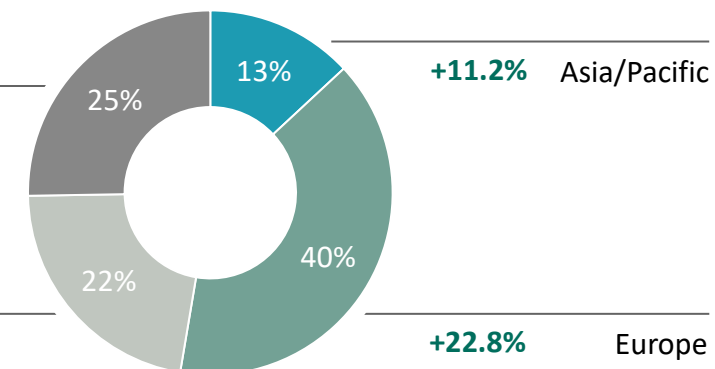
yoy growth²

Greater China

+24.8%

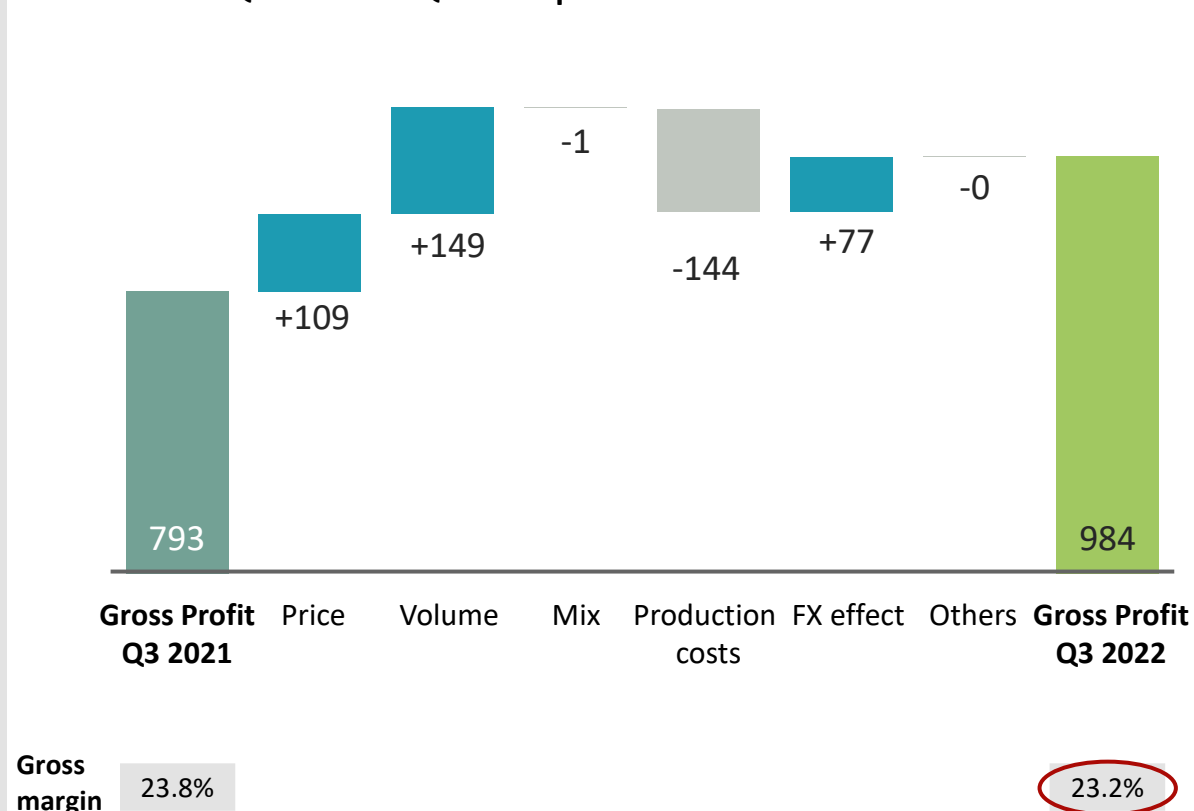
Americas

+16.3%



Gross Profit – Positive pricing and volumes compensating higher production costs

Gross Profit Q3 2021 vs. Q3 2022 | in EUR mn



Key aspects

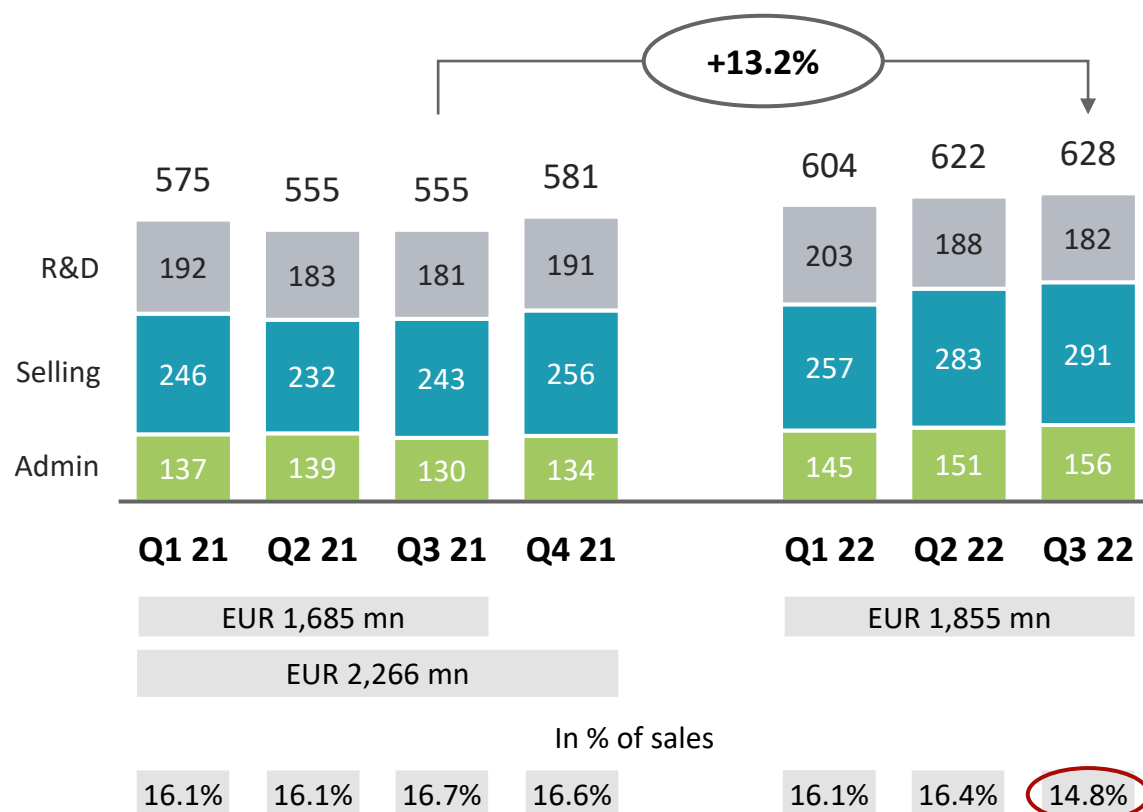
- Pricing: Sequentially improved in all divisions, price increases including retroactive lump sum payments in Auto Technologies in Q3
- Volumes: Strong increase in Auto Technologies and Industrial
- Production costs: Significantly higher yoy in all three divisions due to continued high input costs
- Energy costs: In 9M 2022 slightly above 2% of Group sales

Gross margin

in % of sales	Q3 21	Q3 22	Q3 22 vs. Q3 21	9M 21	9M 22	9M 22 vs. 9M 21
Automotive Technologies	19.6%	18.2%	-1.4pp	21.8%	17.7%	-4.0pp
Automotive Aftermarket	30.8%	31.7%	+0.9pp	31.5%	31.1%	-0.4pp
Industrial	28.9%	30.3%	+1.4pp	29.4%	30.0%	+0.5pp
Group	23.8%	23.2%	-0.6pp	25.1%	22.8%	-2.3pp

Overhead costs – Cost ratio below previous year, continued high costs for freight and logistics

Overhead costs | in EUR mn



Key aspects

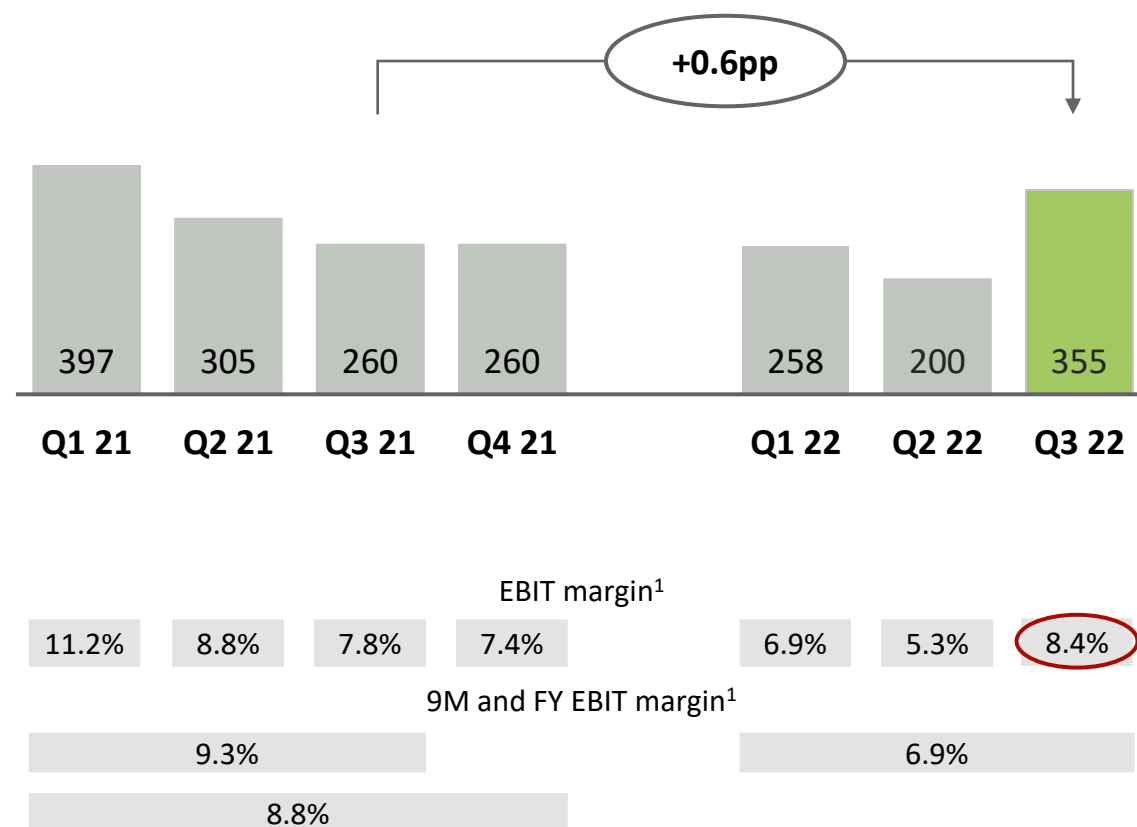
- R&D: In line with previous year
- Selling expenses: Increase yoy due to higher freight/logistics and warehousing costs due to volume and price; normalized marketing activities
- Admin cost: Rise yoy due to increased activities for IT & Digitalization

Overhead cost ratio

	Q3 21	Q3 22	Q3 22 vs. Q3 21	9M 21	9M 22	9M 22 vs. 9M 21
in % of sales						
Automotive Technologies	15.8%	12.8%	-3.0pp	15.1%	14.3%	-0.8pp
Automotive Aftermarket	17.2%	18.6%	+1.5pp	17.3%	18.4%	+1.2pp
Industrial	18.2%	17.5%	-0.7pp	18.5%	17.7%	-0.9pp
Group	16.7%	14.8%	-1.9pp	16.3%	15.7%	-0.6pp

Robust EBIT margin¹ – Strong margin in Industrial and Aftermarket, Automotive Technologies margin improved

EBIT¹ | in EUR mn



¹ Before special items

Key aspects

- Robust Q3 EBIT margin¹ of 8.4%
- Auto Technologies margin: Higher yoy and sequentially driven by positive volume and price effects, part of it related to retroactive price catch-up
- Auto Aftermarket margin: Sequentially improved but below prior year due to higher selling costs
- Industrial margin: Exceptionally strong Q3 margin, increase driven by positive scale and price effects

EBIT margin¹

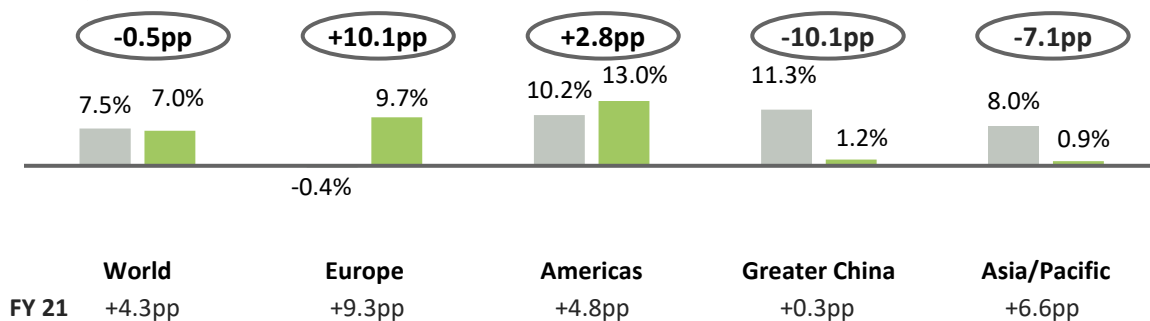
in % of sales	Q3 21	Q3 22	Q3 22 vs. Q3 21	9M 21	9M 22	9M 22 vs. 9M 21
Automotive Technologies	4.0%	4.8%	+0.8pp	6.9%	3.0%	-3.9pp
Automotive Aftermarket	14.3%	13.1%	-1.2pp	14.7%	13.1%	-1.6pp
Industrial	12.3%	14.1%	+1.8pp	12.0%	12.5%	+0.5pp
Group	7.8%	8.4%	+0.6pp	9.3%	6.9%	-2.4pp

Automotive Technologies – Continued strong growth¹ in New Business, EBIT margin² improved sequentially and yoy

Sales by business division | yoy growth

	Q3 2021	Q3 2022	Δ ¹
E-Mobility	226	391	+62.6%
Engine & Transmission	1,073	1,381	+20.4%
Bearings	554	681	+16.7%
Chassis Systems	67	102	+47.3%
Total	1,921	2,555	+25.2%

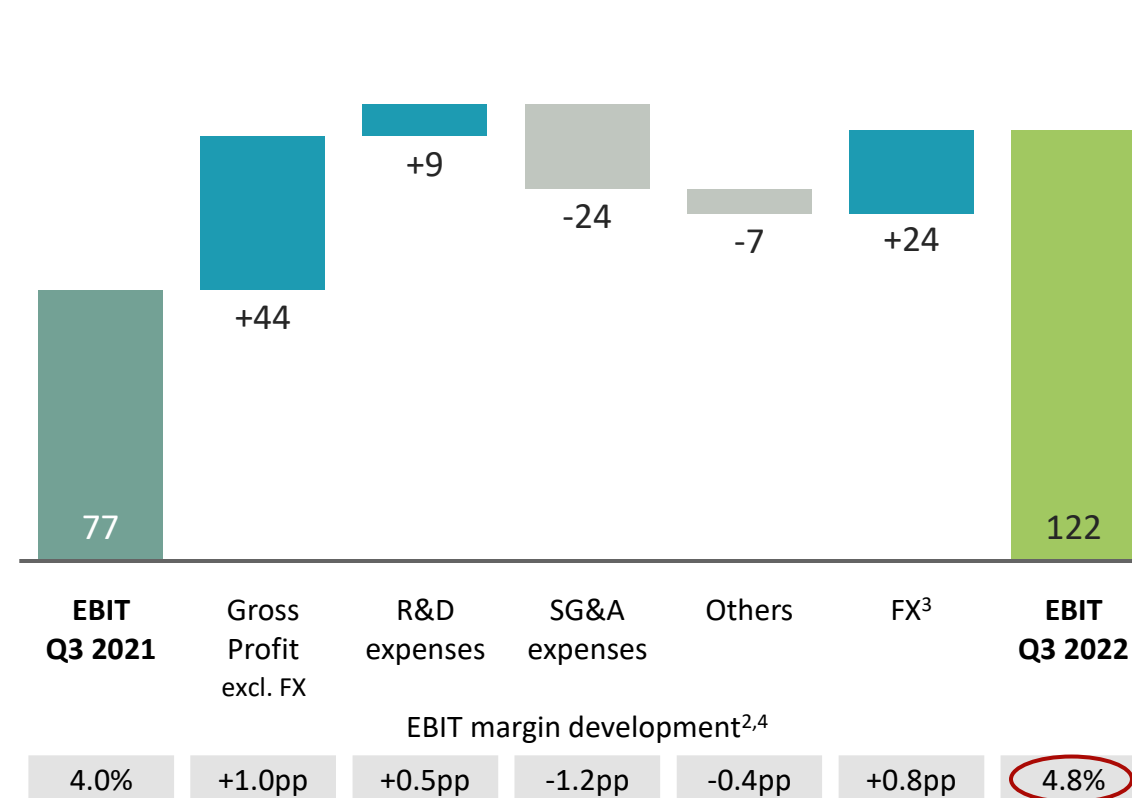
Outperformance: Sales¹ vs. market development in 9M



Grey bar: Production of light vehicles 9M 2022 vs. 9M 2021 (S&P Global Mobility ©, October 2022)

Green bar: Sales growth Schaeffler Automotive Technologies 9M 2022 vs. 9M 2021

EBIT² Q3 2021 vs. Q3 2022 | in EUR mn



¹ FX-adjusted | ² Before special items

³ Total FX effect including FX impact in Gross Profit, overhead and operative FX gains and losses

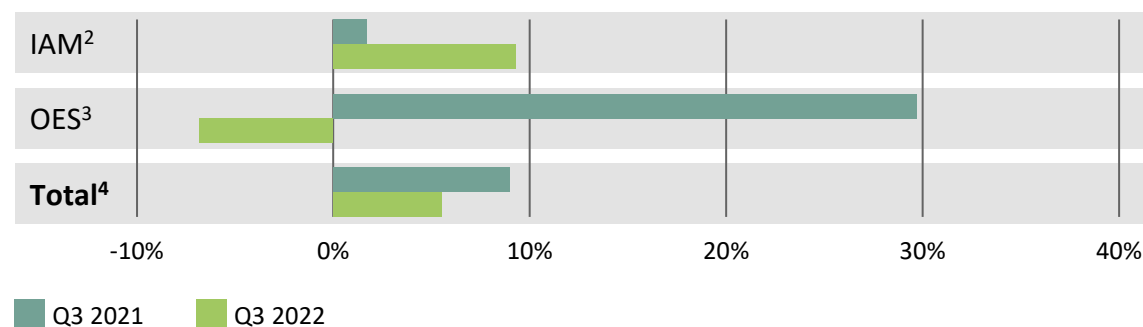
⁴ Percentage values do not sum up due to isolated calculation of each individual effect

Automotive Aftermarket – Moderate growth¹ driven by Europe and Greater China, EBIT margin⁵ slightly lower in Q3 due to higher selling expenses

Sales by region | yoy growth

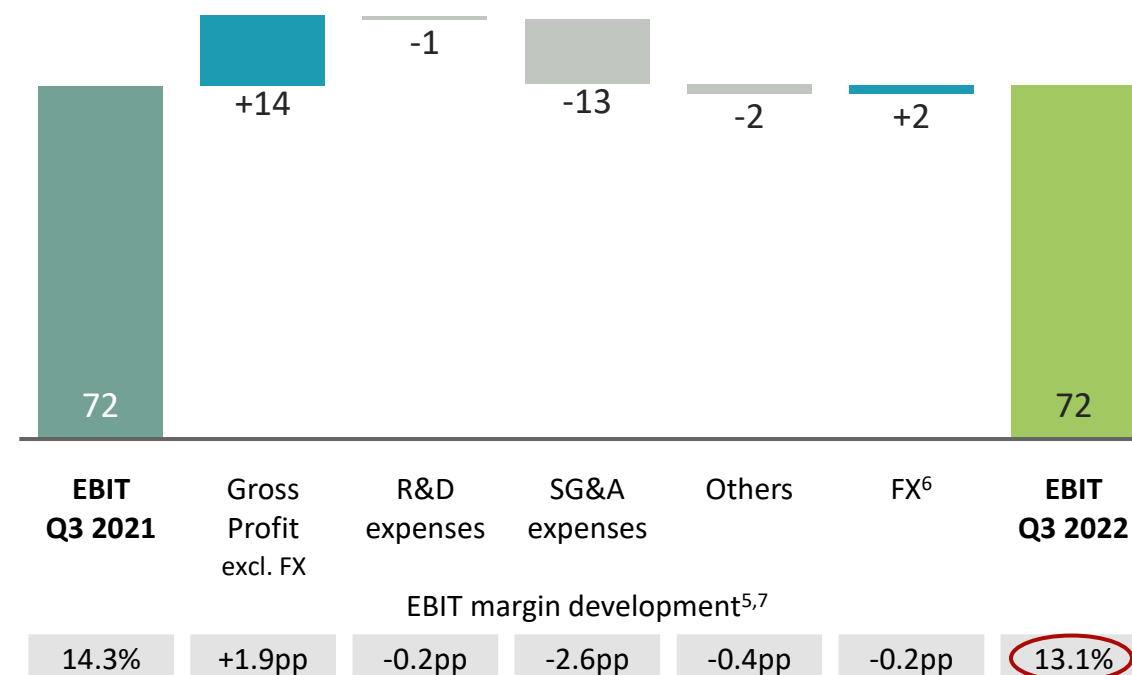
	Q3 2021	Q3 2022	Δ ¹
Europe	341	358	+5.4%
Americas	102	118	+0.6%
Greater China	27	37	+23.8%
Asia/Pacific	30	34	+7.6%
Total	500	547	+5.5%

Automotive Aftermarket sales growth by channel¹



¹ FX-adjusted | ² Independent Aftermarket | ³ Original Equipment Service | ⁴ Contains E-Commerce sales and sales to Automotive suppliers in addition to IAM and OES | ⁵ Before special items

EBIT⁵ Q3 2021 vs. Q3 2022 | in EUR mn



⁶ Total FX effect including FX impact in Gross Profit, overhead and operative FX gains and losses

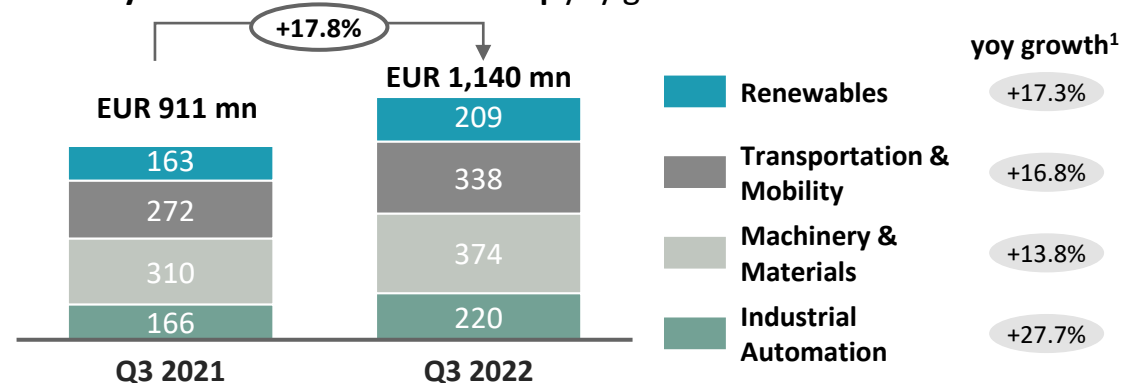
⁷ Percentage values do not sum up due to isolated calculation of each individual effect

Industrial – Strong growth¹ continued, EBIT margin² increase driven by both price and volume effects

Sales by region | yoy growth

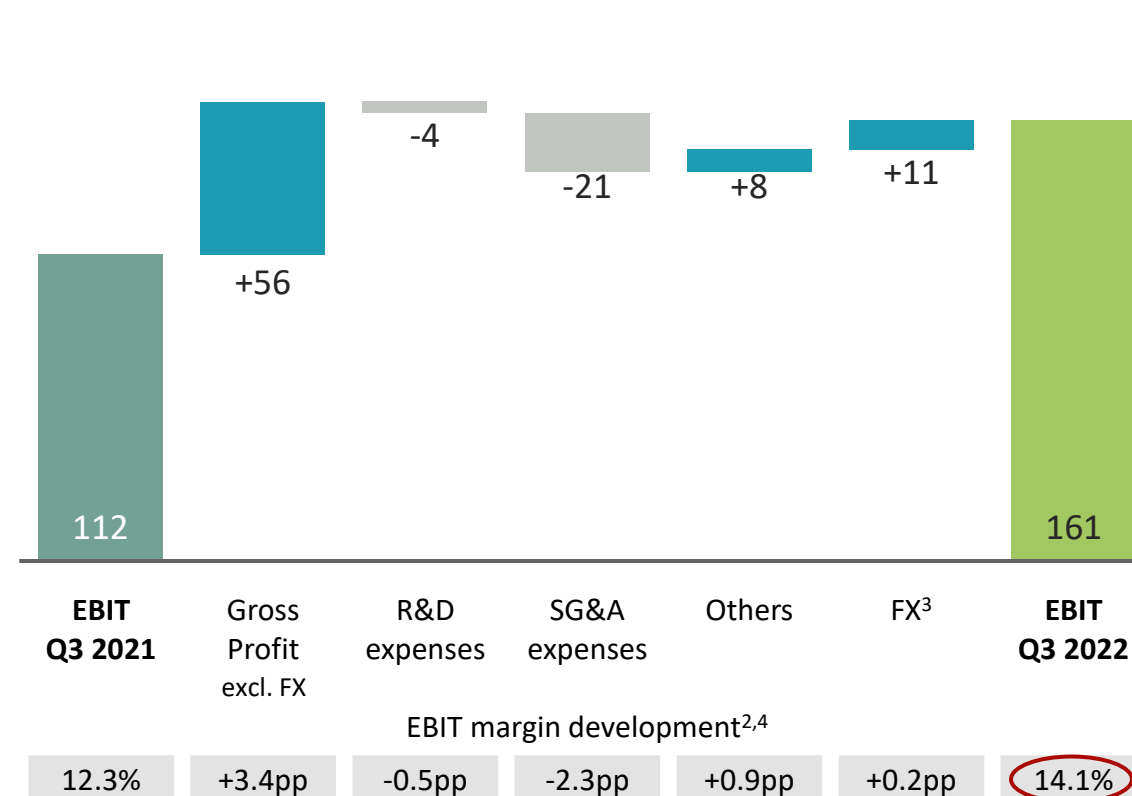
	Q3 2021	Q3 2022	Δ ¹
Europe	372	438	+19.1%
Americas	151	194	+10.9%
Greater China	250	348	+25.3%
Asia/Pacific	138	160	+8.3%
Total	911	1,140	+17.8%

Sales by Industrial market cluster | yoy growth



¹ FX-adjusted | ² Before special items

EBIT² Q3 2021 vs. Q3 2022 | in EUR mn

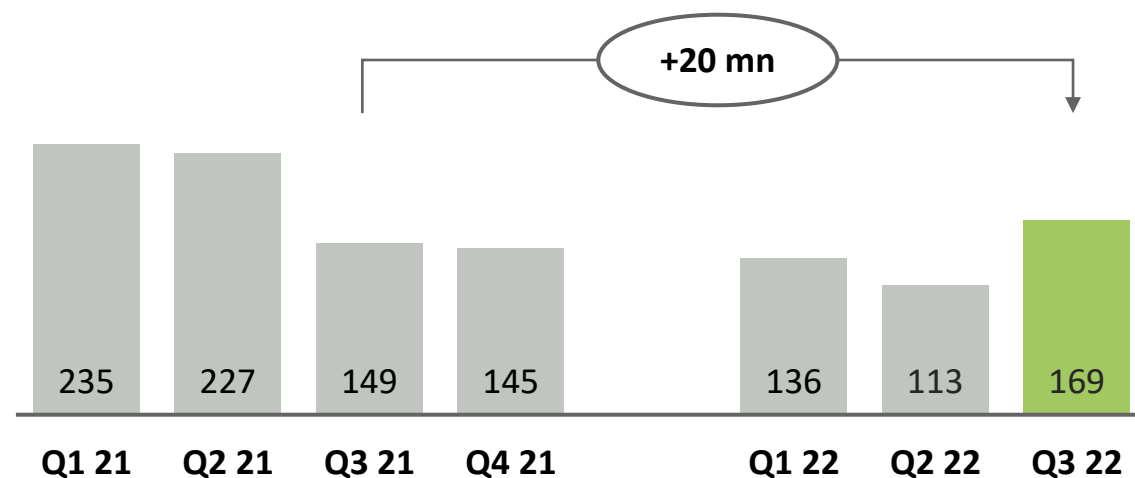


³ Total FX effect including FX impact in Gross Profit, overhead and operative FX gains and losses

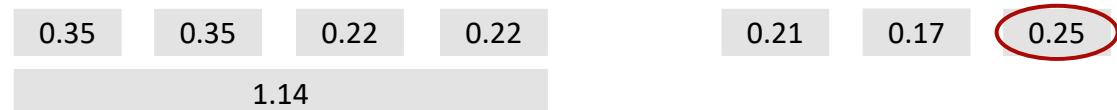
⁴ Percentage values do not sum up due to isolated calculation of each individual effect

Net Income¹ – EPS² at EUR 0.25, ROCE³ reached 12.4%

Net income¹ | in EUR mn



EPS² | in EUR

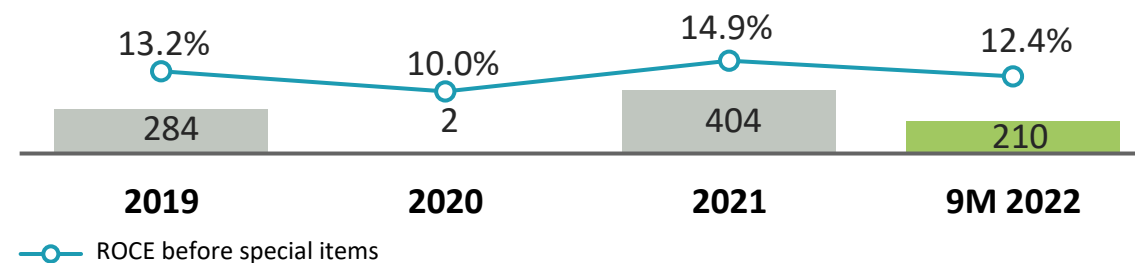


¹ Attributable to the shareholders of the parent company | ² Earnings per common non-voting share

Key aspects

- Q3 2022 Net income¹ follows higher EBIT
- 9M ROCE³ improved vs. H1 2022 by 0.8pp
- SVA⁴ approaching 2019 pre-Covid levels

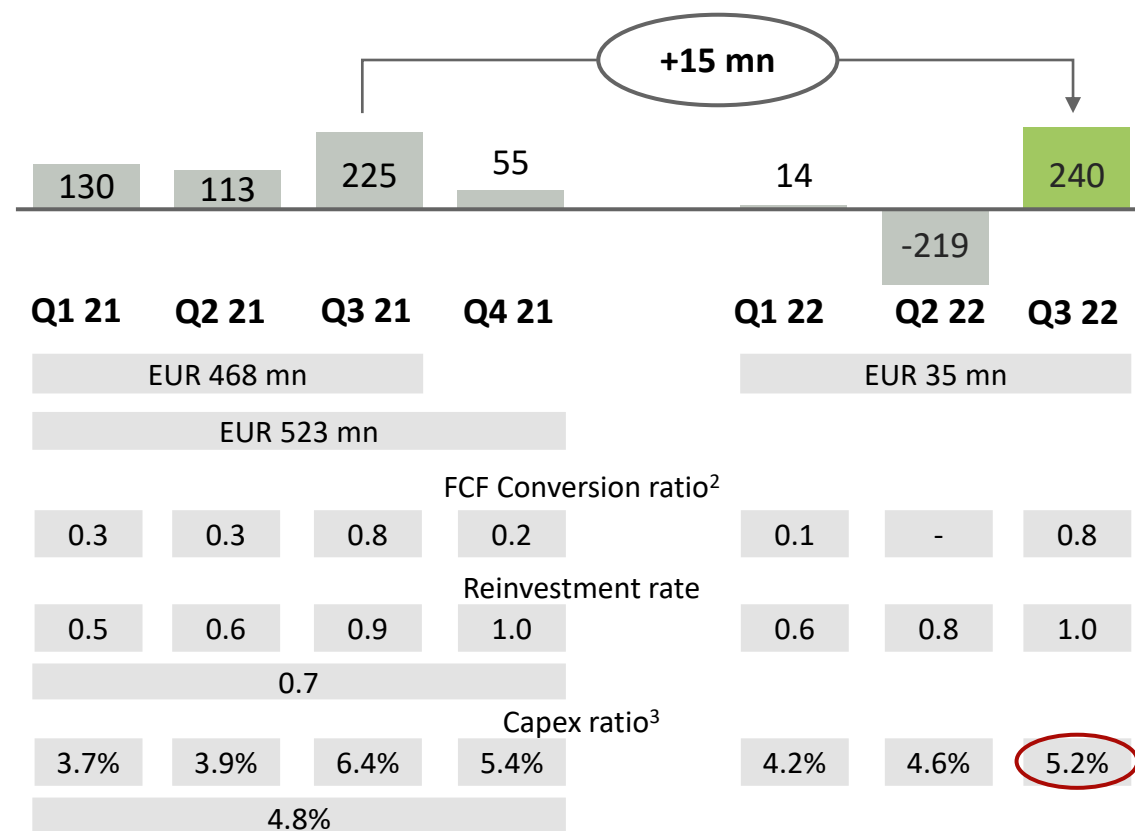
ROCE³ and Schaeffler Value Added⁴ | in EUR mn



³ Before special items | ⁴ LTM EBIT before special items minus Cost of Capital (10% × Ø Capital Employed)

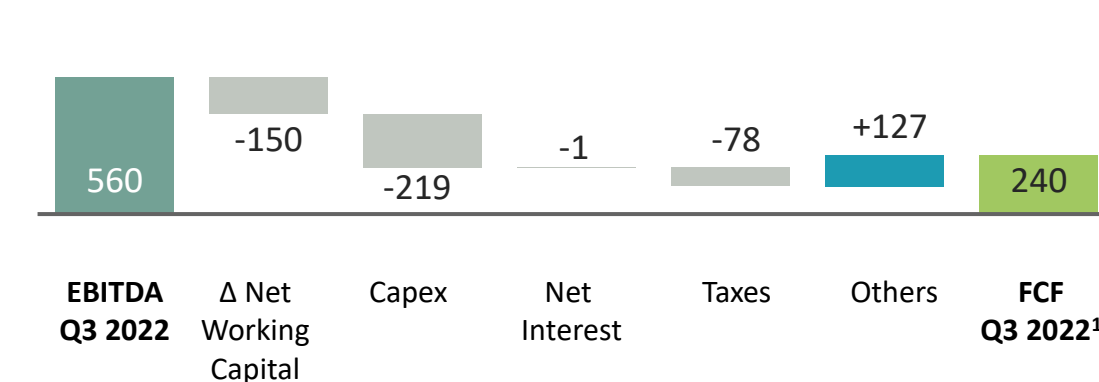
Free Cash Flow – Strongly positive in Q3, increased EBITDA compensated outflows for Working Capital and Capex

Free Cash Flow before M&A¹ | in EUR mn



¹ Before cash in- and outflows for M&A activities | ² Ratio FCF before M&A to EBIT reported – Only applicable if FCF and EBIT positive | ³ Capex in % of sales

Reconciliation Q3 2022 | in EUR mn



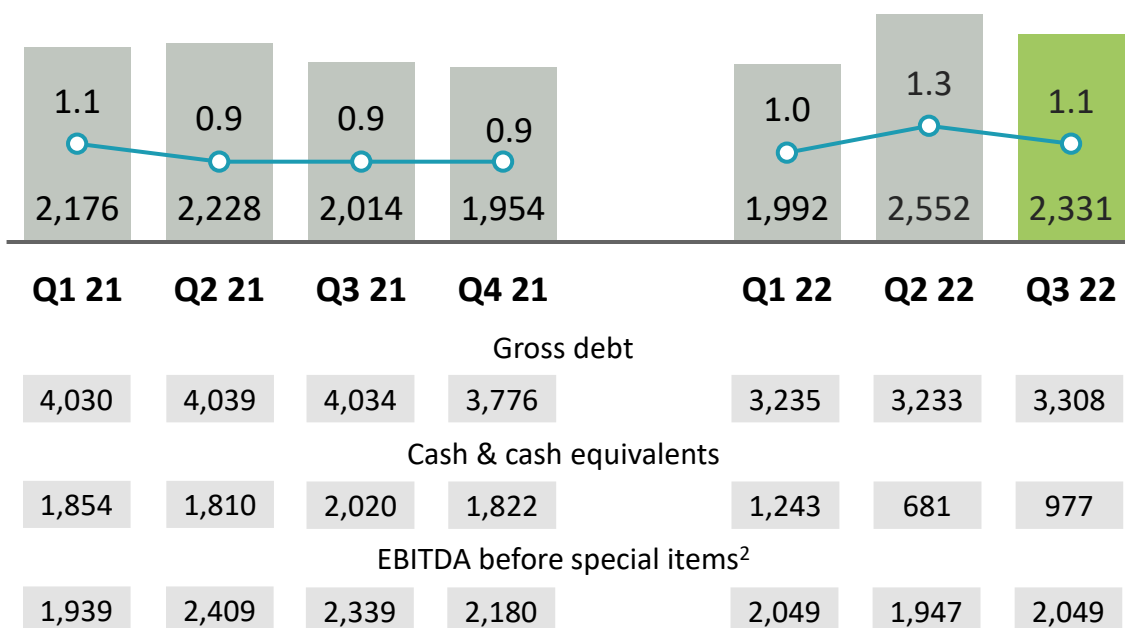
FCF Details | in EUR mn

	Q3 2021	Q3 2022	Δ Q3 22/21	9M 2021	9M 2022	Δ 9M 22/21
FCF as reported	215	197	-18	457	-68	-525
M&A	10	43	+33	11	104	+93
FCF before M&A	225	240	+15	468	35	-433
Legal cases	-2	-8	-6	-4	-17	-13
Restructuring	75	45	-30	276	249	-27
Others	3	0	-3	9	0	-9
Financing	0	-15	-15	0	-31	-31
FCF bef. M&A and sp. items	301	262	-39	749	237	-512

Net debt of EUR 2.3 bn – Leverage ratio¹ at 1.1x and solid liquidity position

Net financial debt and Leverage ratio¹ | in EUR mn

—○— Leverage ratio¹



¹ Net financial debt to EBITDA ratio before special items | ² LTM | ³ Excluding restricted cash

Key aspects

- Increased Revolving Credit Facility from EUR 1.8 bn to EUR 2.0 bn with maturity earliest in November 2027
- Secured EUR 500 mn 5-year Term Loan to finance Ewellix acquisition
- No maturities until March 2024

Solid liquidity situation

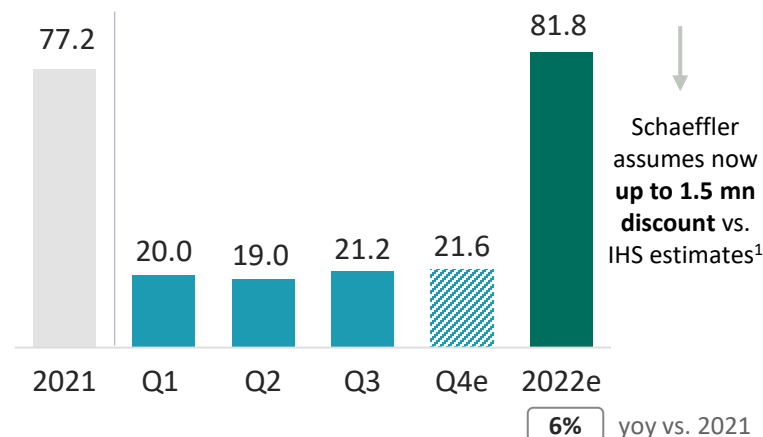
- Cash and unused committed credit lines on Group level of around EUR 1.9 bn as per end of September, available liquidity³ 17% of LTM Net Sales

Agenda

- 1 Overview
- 2 Business Highlights Q2 and H1 2022
- 3 Financial Results Q2 and H1 2022
- 4 Outlook

Market assumptions – What changed in our market assumptions since August

Automotive Technologies – Global LVP¹ 2022

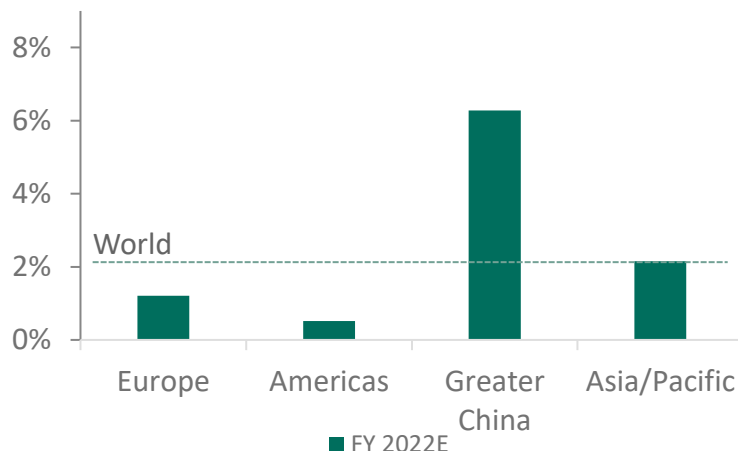


- Schaeffler market assumption at the Q2 release was ~77 mn vehicles (-3.8 mn discount to IHS, July 2022)
- Based on solid Q3 market development, Schaeffler expects a growth of 4-6% (80.3 to 81.8 mn for 2022). Lower discount vs. latest IHS¹, now up to 1.5 mn
- Market risks due to supply disruptions, market uncertainties still remain. However, now impact clearly limited for the remainder of 2022

¹ Light Vehicle Production (S&P Global Mobility ©, October 2022)

² S&P Global Mobility ©

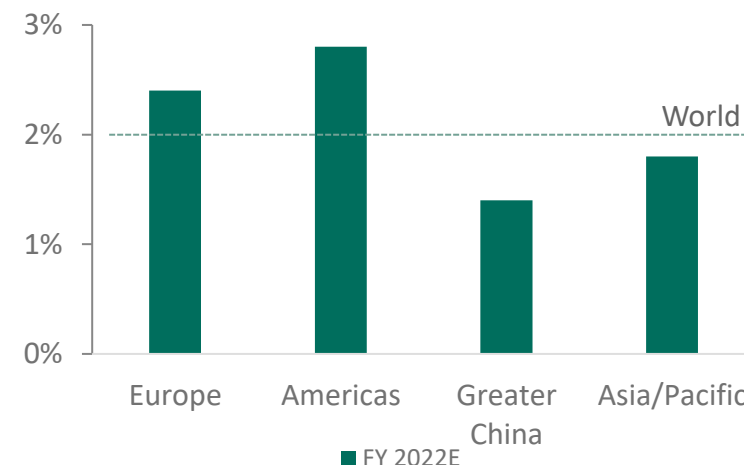
Automotive Aftermarket – Global LV Parc³



- Growth of Global LV Parc³ with 2.1% for 2022 slightly lower than 2021 (2.4%) at slightly higher average age of 10.3 (2021: average age of 10.1 years) due to lower sales of new cars, in conjunction with lower replacement rate of vehicles in operation
- Highest growth is expected for region Greater China (6.3%); lowest for Americas (0.5%) due to the stagnation of new car registrations

³ Light Vehicle Parc for Passenger Cars and Light Commercial Vehicle <3.5t (S&P Global Mobility ©, June 2022)

Industrial – Industrial Production⁴



- Growth of **Global Industrial Production⁴** set to slow sharply to ~**2.0% in 2022** (2021: 11.9%) against backdrop of fallout from war in Ukraine (incl. soaring energy prices) and renewed lockdowns in China
- All regions face marked deceleration of growth in 2022, especially **Greater China (1.4%)**

⁴ Industrial Production (Oxford Economics, Sept 2022)

Sectors considered: Mechanical Engineering (NACE 28), Transport Equipment (NACE 30), Electrical Equipment (NACE 27.1)

FY 2022 Guidance – Outlook for all metrics confirmed, confident in reaching the upper end of Group ranges

Group Guidance

	Actuals FY 2021	Guidance FY 2022
Sales growth¹	10.2%	6 - 8%
EBIT margin²	8.8%	5 - 7%
Free Cash Flow³	EUR 523 mn	> EUR 250 mn

¹ FX-adjusted | ² Before special items | ³ Before cash in- and outflows for M&A activities

⁴ LVP (S&P Global Mobility ©, October 2022)

⁵ LV Parc for PC and LCV <3.5t (S&P Global Mobility ©, June 2022)

Divisional Guidance

Automotive Technologies		Automotive Aftermarket		Industrial	
Actuals FY 2021	Guidance FY 2022	Actuals FY 2021	Guidance FY 2022	Actuals FY 2021	Guidance FY 2022
Out-performance 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%

Market assumptions for 2022

- Automotive Technologies: LVP 2022 with up to 1.5 mn discount vs. latest S&P estimate⁴ of 81.8 mn LVP's
- Automotive Aftermarket: Growth of Global LV Parc⁵ of 2.1%
- Industrial: Increase of relevant industrial production of ~2%

Conclusion & Outlook

- 1 Strong Q3 performance across all key metrics – Strongest quality of earnings in Industrial, followed by Automotive Aftermarket and Automotive Technologies

- 2 While managing the current headwinds, we actively manage our portfolio – Growing the New and harvesting the Mature Business in Auto Technologies and capturing external growth opportunities in Industrial

- 3 We manage our costs in the short-term and with additional structural measures – Strong cash generation and robust balance sheet are key to weather the complex environment

- 4 Guidance confirmed for FY 2022 – Good performance in current trading points to the upper end of FY 2022 Group Guidance

- 5 Macroeconomic and geopolitical headwinds dominate the picture heading into 2023 – We focus on efficiency and step-up preparedness to navigate complex environment and drive execution



**We drive our
transformation and
execute our strategy**

Financial calendar and selected IR events

Roadshows & Conferences – With Top Management participation

Nov 9	Roadshow – <i>Frankfurt, DACH, Deutsche Bank</i>
Nov 16-17	Conference – <i>Paris, BNPP Exane, MidCap CEO</i>
Jan 12	Conference – <i>London, C-Suite SMD, BofA</i>
Jan 17	Conference – <i>Frankfurt, Kepler German Corporate</i>

Financial calendar 2022/2023

Nov 8	9M 2022 Earnings Release
Mar 7	FY 2022 Earnings Release
Apr 20	AGM
May 9	Q1 2023 Earnings Release
Aug 2	H1 2023 Earnings Release
Nov 8	9M 2023 Earnings Release

IR Contact

Investor Relations

Phone: + 49 9132 82-4440

Email: ir@schaeffler.com

Web: www.schaeffler.com/ir

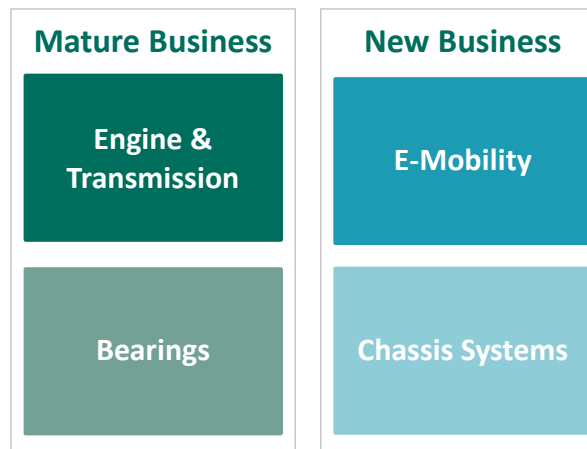
We pioneer motion

Automotive Technologies – Schaeffler AG has acquired the remaining 10% stake in Schaeffler Paravan

Where we stand

- In June 2018 the Joint Venture Schaeffler Paravan Technologie GmbH und Co. KG was established
- Its goal was the further development of Paravan's SPACE DRIVE drive-by-wire technology and the development and sale of mobility systems
- The JV agreement included a clause allowing Schaeffler to take full ownership of the company at a later date by acquiring Roland Arnold's 10% stake
- On October 13, 2022, Schaeffler signed an agreement to acquire the remaining 10% of the shares in Schaeffler Paravan Technologie GmbH & Co. KG
- Upon closing of the transaction on October 14, 2022, the former JV will be fully acquired by the Schaeffler Group

We execute our Strategy



- Investing in our New Business with E-Mobility in CO₂-efficient drives, and also increasingly in Chassis with innovative applications
- Continuing to build its Chassis Business division into a key center for integrating chassis systems for automotive volume production and new forms of mobility

Financial Impact¹

- As part of the transaction, the ~70 employees will join Schaeffler Group. Cooperation with existing customers and partners will continue
- Consideration payable amounts to EUR 74 mn
- Furthermore, there are conditional purchase price payment obligations depending on the sales development in the years 2028-2030
- Purchase price allocation not yet available

¹ For further details, please refer to Events after the reporting period of the Q3 Interim Statement

External headwinds

- The macroeconomic, geopolitical and political situation remains exceptionally severe, complex and unprecedented
- Supply chain constraints may change, but still impact on the availability and price developments of raw materials, logistics and energy
- Inflationary pressures on companies and households, interest rates developments, GDP contraction phasing in the different regions may compress purchasing power of end consumers and hence distort demand in the value chain also for BTB goods and services
- Lastly, the still lingering pandemic risk adds to the uncertainties for the remainder of the year

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

**Creating long-term
value and generating
Free Cash Flow**

Ancillary comments to support the Equity Story

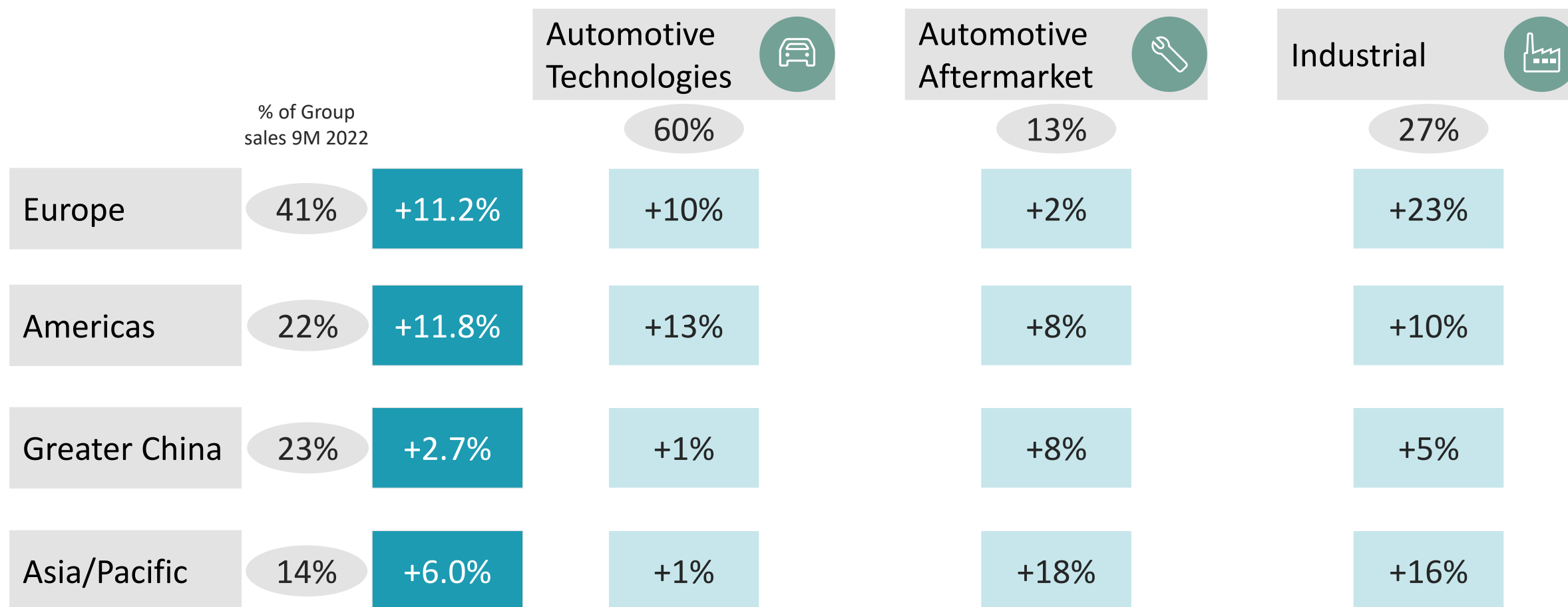
Additional KPIs	FY 2022	Comments
Order Intake E-Mobility	EUR 2 - 3 bn	Starting from 2022 the new target of EUR 2 - 3 bn applies
Capex	Around EUR 750 mn	Focus areas include Digitalization, Sustainability, Innovation & Technology and investments in New Business
Restructuring cash-out	Up to EUR 300 mn	Significant portion of extraordinary restructuring expenses in 2022 expected leading to prudent FCF guidance
Dividend Payout Policy	30 - 50%	Dividend payout ratio ² ; In April 2022 dividend payment of EUR 328 mn for FY 2021 (44% payout ratio)
Leverage ratio ¹	1.25x - 1.75x	Leverage ratio 2022 in line with Mid-term Targets
Average Tax rate	28 - 32%	Overall effective tax rate in line with pre-Covid years
FX rates		US Dollar, Chinese Renminbi and Mexican Peso are the main exposures

¹ Net financial debt to EBITDA ratio before special items | ² in % of Net income attributable to shareholders before special items

Key figures Q3 and 9M 2022

in EUR mn	Q3 2021	Q3 2022	Q3 2022 vs. Q3 2021	9M 2021	9M 2022	9M 2022 vs. 9M 2021
Sales	3,332	4,242	+27.3% +20.2% ¹	10,346	11,790	+14.0% +8.7% ¹
Gross Profit	793	984	+191 mn	2,593	2,687	+94 mn
Gross margin	23.8%	23.2%	-0.6pp	25.1%	22.8%	-2.3pp
EBIT²	260	355	+95 mn	962	813	-149 mn
EBIT margin²	7.8%	8.4%	+0.6pp	9.3%	6.9%	-2.4pp
Net income³	149	169	+20 mn	611	417	-194 mn
EPS⁴ (in EUR)	0.22	0.25	+0.03	0.92	0.63	-0.29
Schaeffler Value Added⁵	557	210	-347 mn	557	210	-347 mn
ROCE⁶	16.8%	12.4%	-4.4pp	16.8%	12.4%	-4.4pp
Free Cash Flow⁷	225	240	+15 mn	468	35	-433 mn
Capex	215	219	+4 mn	482	551	+69 mn
Net financial debt	2,014	2,331	+317 mn	2,014	2,331	+317 mn
Leverage ratio⁸	0.9x	1.1x	+0.2x	0.9x	1.1x	+0.2x
Headcount	83,935	82,702	-1.5%	83,935	82,702	-1.5%

¹ FX-adjusted | ² Before special items | ³ Attributable to shareholders of the parent company | ⁴ Earnings per common non-voting share | ⁵ Defined as EBIT before special items LTM minus Cost of Capital (10% × Ø Capital Employed) | ⁶ Before special items, LTM | ⁷ Before cash in- and outflows for M&A activities | ⁸ Net financial debt to EBITDA ratio before special items

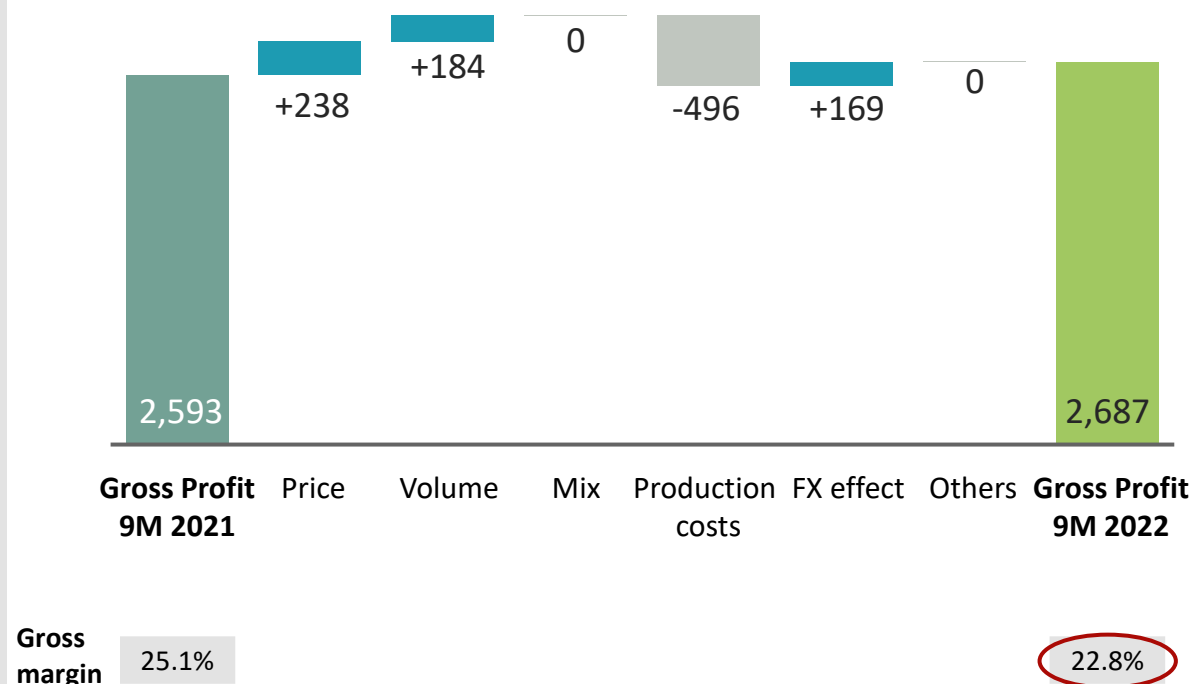
9M 2022 Sales¹ development – All regions and divisions contributed to growth

¹ 9M FX-adjusted sales growth, please refer to the Interim Statement for further details

9M Sales growth¹

Gross Profit – Positive pricing and increased volumes partially compensating higher production costs

Gross Profit 9M 2021 vs. 9M 2022 | in EUR mn



Key aspects

- Pricing: Sequentially further improved in all divisions during 2022
- Volumes: Strong increase in Q3 in Auto Technologies and Industrial
- Production costs: Significantly higher yoy in all three divisions due to continued high input costs

Gross margin

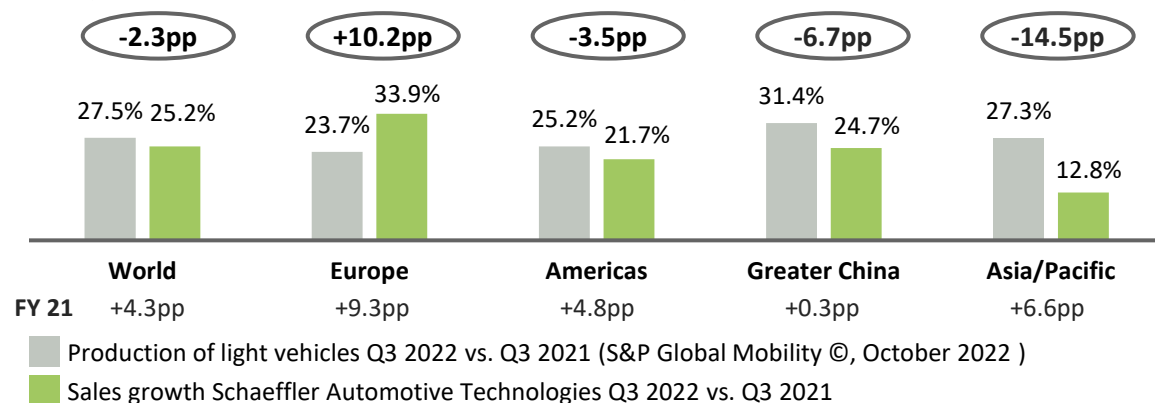
in % of sales	Q3 21	Q3 22	Q3 22 vs. Q3 21	9M 21	9M 22	9M 22 vs. 9M 21
Automotive Technologies	19.6%	18.2%	-1.4pp	21.8%	17.7%	-4.0pp
Automotive Aftermarket	30.8%	31.7%	+0.9pp	31.5%	31.1%	-0.4pp
Industrial	28.9%	30.3%	+1.4pp	29.4%	30.0%	+0.5pp
Group	23.8%	23.2%	-0.6pp	25.1%	22.8%	-2.3pp

Automotive Technologies – Continued growth¹ in New Business, EBIT margin² down yoy due to higher input costs

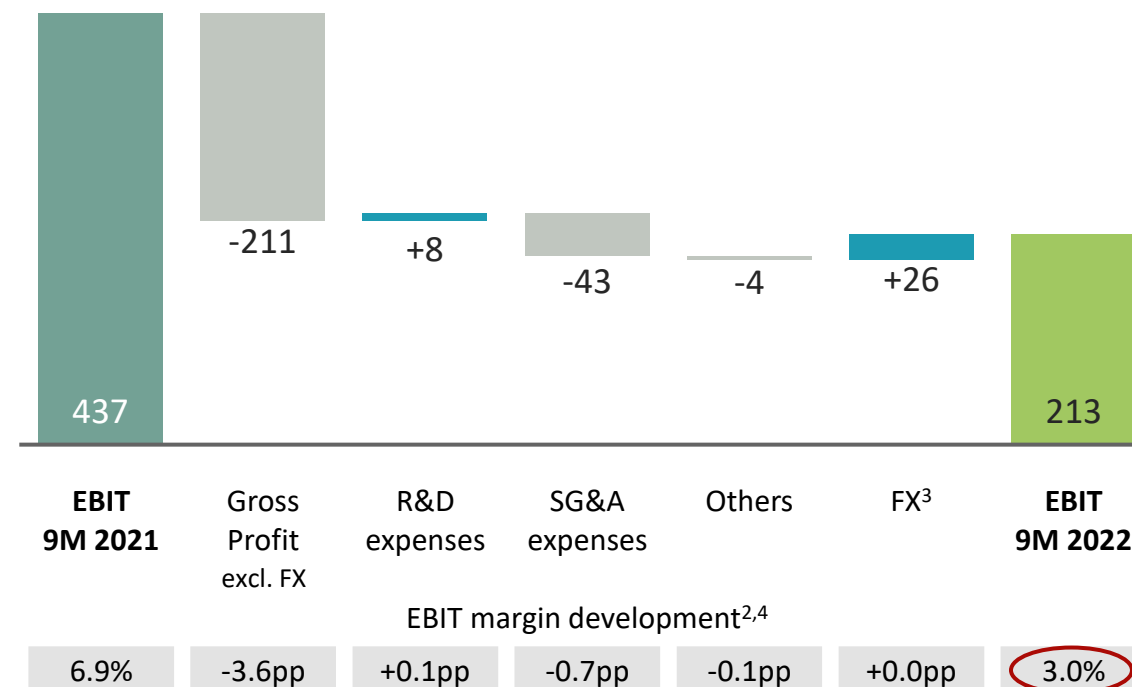
Sales by business division | yoy growth

	9M 2021	9M 2022	Δ ¹
E-Mobility	732	991	+28.4%
Engine & Transmission	3,499	3,849	+4.0%
Bearings	1,845	1,955	+1.7%
Chassis Systems	210	274	+28.1%
Total	6,286	7,070	+7.0%

Outperformance: Sales¹ vs. market development in Q3



EBIT² 9M 2021 vs. 9M 2022 | in EUR mn



¹ FX-adjusted | ² Before special items

³ Total FX effect including FX impact in Gross Profit, overhead and operative FX gains and losses

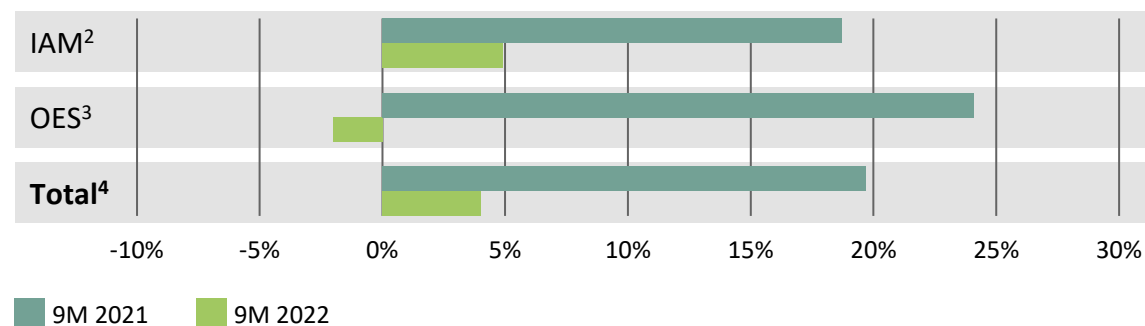
⁴ Percentage values do not sum up due to isolated calculation of each individual effect

Automotive Aftermarket – Moderate growth¹, EBIT margin⁵ down yoy due to higher selling costs

Sales by region | yoy growth

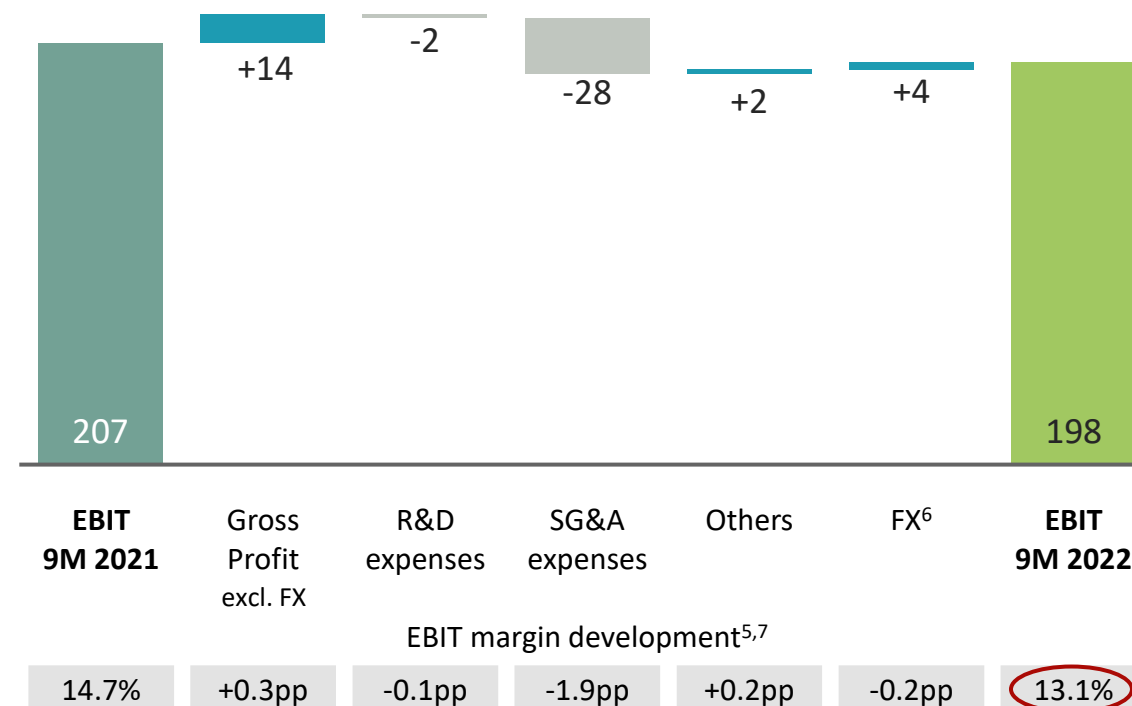
	9M 2021	9M 2022	Δ ¹
Europe	985	1,000	+1.6%
Americas	271	327	+7.6%
Greater China	78	92	+8.1%
Asia/Pacific	78	97	+17.8%
Total	1,411	1,516	+4.0%

Automotive Aftermarket sales growth by channel¹



¹ FX-adjusted | ² Independent Aftermarket | ³ Original Equipment Service | ⁴ Contains E-Commerce sales and sales to Automotive suppliers in addition to IAM and OES | ⁵ Before special items

EBIT⁵ 9M 2021 vs. 9M 2022 | in EUR mn



⁶ Total FX effect including FX impact in Gross Profit, overhead and operative FX gains and losses

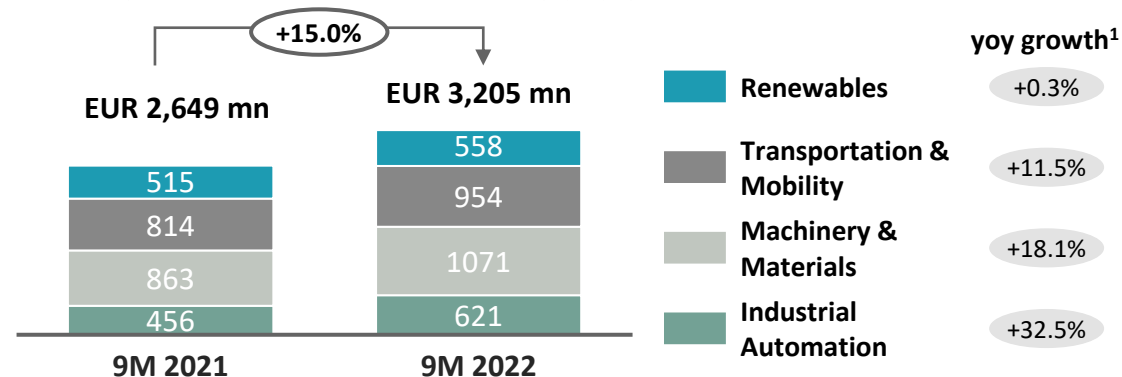
⁷ Percentage values do not sum up due to isolated calculation of each individual effect

Industrial – Double-digit¹ top line growth, EBIT margin² increased despite input cost headwinds

Sales by region | yoy growth

	9M 2021	9M 2022	Δ ¹
Europe	1,071	1,315	+23.4%
Americas	436	541	+10.3%
Greater China	757	879	+5.3%
Asia/Pacific	385	470	+16.4%
Total	2,649	3,205	+15.0%

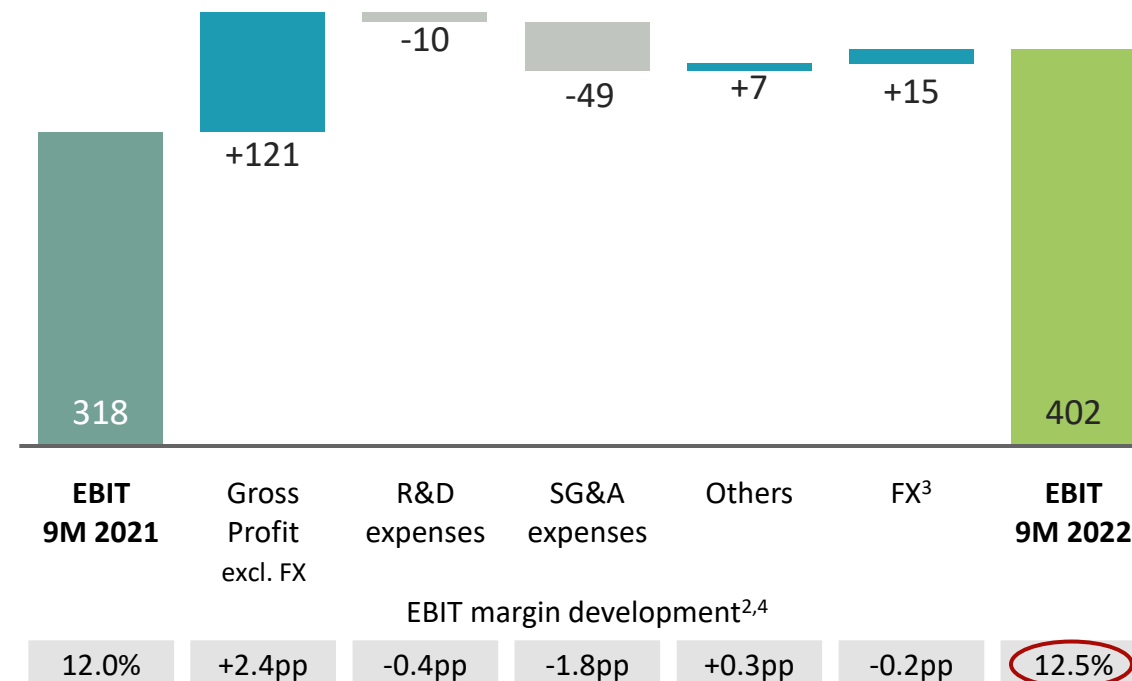
Sales by Industrial market cluster | yoy growth



Industrial Distribution is 29.8% of 9M sales

¹ FX-adjusted | ² Before special items

EBIT² 9M 2021 vs. 9M 2022 | in EUR mn

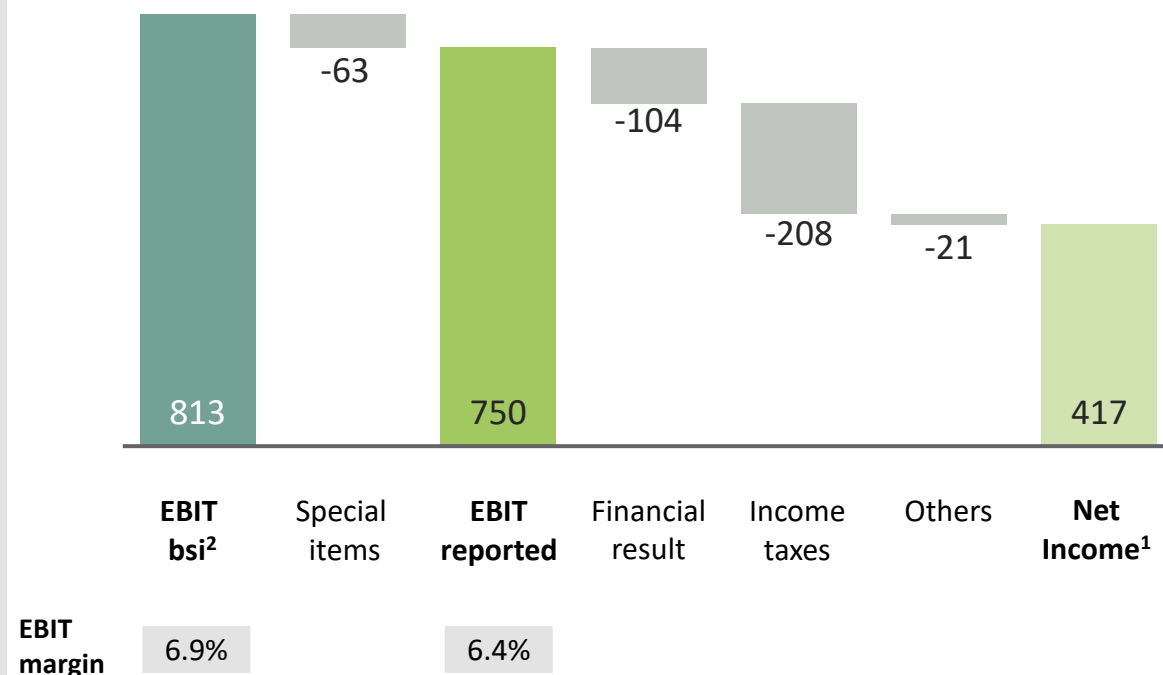


³ Total FX effect including FX impact in Gross Profit, overhead and operative FX gains and losses

⁴ Percentage values do not sum up due to isolated calculation of each individual effect

Net Income¹ – EBIT reconciliation and special items

Reconciliation 9M 2022 | in EUR mn



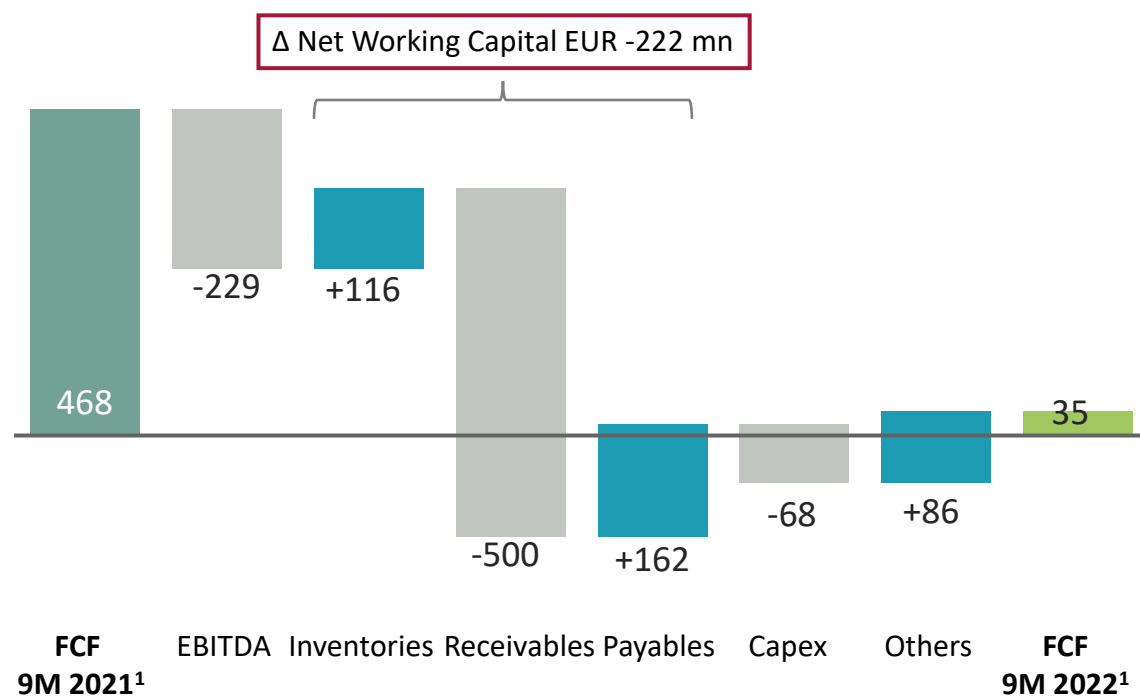
¹ Attributable to the shareholders of the parent company | ² Before special items

Key aspects

- Special items amounted to EUR 63 mn in 9M 2022, mainly related to the consolidation of the Footprint in Europe within “Roadmap 2025”
- Financial Result has increased by 19 mn to -104 mn yoy mainly due to expenses for FX effects (Devaluation EUR vs. USD) and pensions (interest on pensions slightly increased due to rise in discount rates).
- Higher income tax expense is mainly due to an increase in EBT yoy and an increase in tax expenses relating to prior years

Special items by division | in EUR mn

	Q3 21	Q3 22	Q3 22 vs. Q3 21	9M 21	9M 22	9M 22 vs. 9M 21
EBIT Reported	266	316	+50	989	750	-239
Automotive Technologies	-20	+14	+34	-33	27	+60
Automotive Aftermarket	-9	0	+9	-19	1	+20
Industrial	+23	+24	+1	24	35	+11
Group	-6	+39	+45	-27	63	+90
EBIT bsi²	260	355	+95	962	813	-149

Free Cash Flow¹ details 9M 2022 – FCF at EUR 35 mnFCF¹ 9M 2021 vs. 9M 2022 | in EUR mn¹ Before cash in- and outflows for M&A activities

Key aspects

- EBITDA lower yoy, negatively impacted by weaker first and second quarters of 2022
- Net Working Capital negative mainly due to increased receivables as a result of the sharp increase in sales volume in Q3
- Others included cash outs for the Restructuring Program announced in September 2020

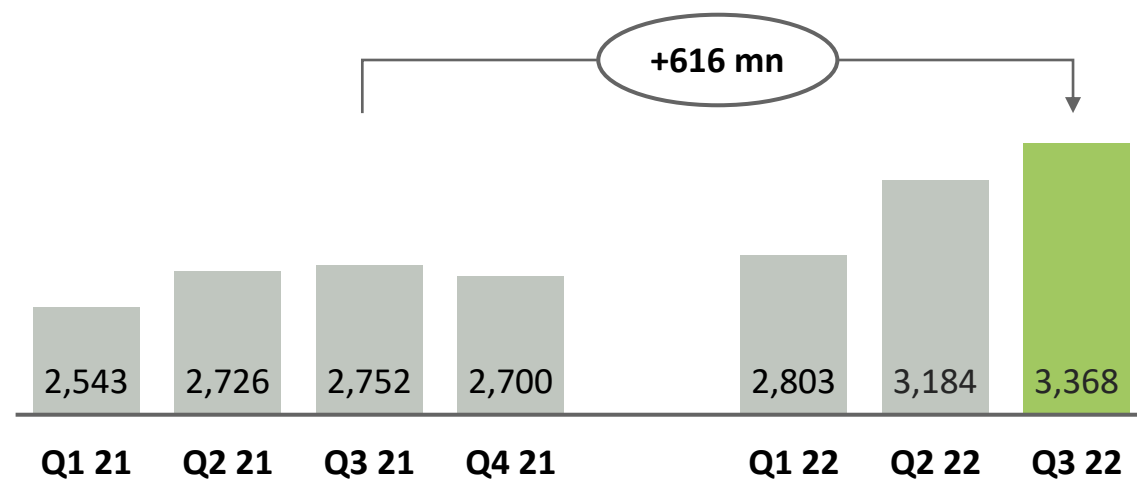
Net Working Capital details | in EUR mn

Change in	Q3 2021	Q3 2022	Δ Q3 22/21	9M 2021	9M 2022	Δ 9M 22/21
Inventories	-145	+22	+167	-512	-396	+116
Receivables	+65	-265	-330	-33	-532	-500
Payables	+95	+93	-2	+205	+367	+162
Δ Net Working Capital	+15	-150	-165	-340	-561	-222
Working Capital ratio ²	19.7%	22.0%	-	19.7%	22.0%	-

² in % of sales (LTM)

Working Capital¹ ratio 22.0% – Capex ratio² 5.2% in Q3

Working capital¹ | in EUR mn



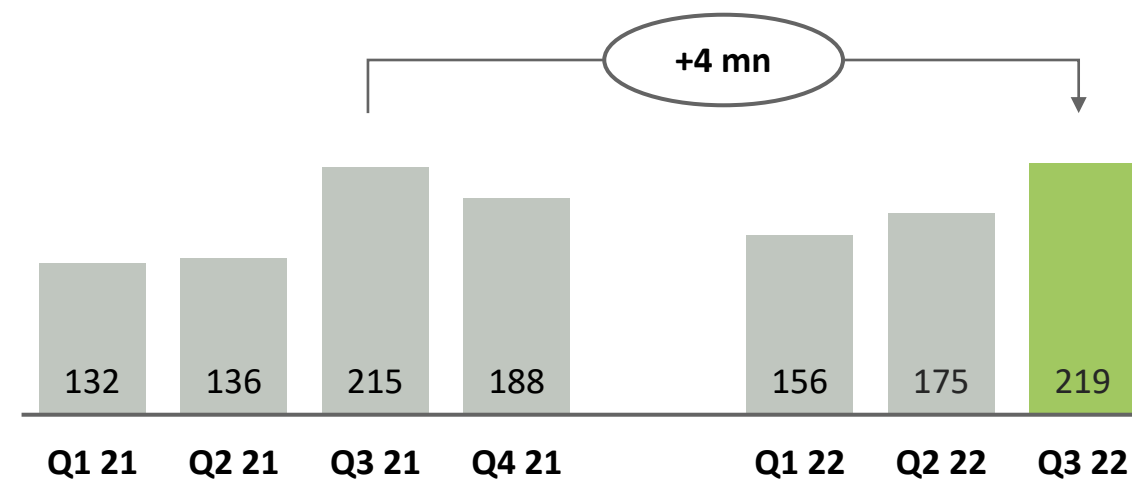
in % of sales (LTM)

19.8%	19.4%	19.7%	19.5%	20.0%	22.1%	22.0%
-------	-------	-------	-------	-------	-------	-------

19.5%

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

Capex² | in EUR mn



in % of sales

3.7%	3.9%	6.4%	5.4%	4.2%	4.6%	5.2%
------	------	------	------	------	------	------

4.8%

² Cash view

Automotive Technologies (AT) outperformance by quarters

YTD Outperformance: -0.5pp				Q1 22			Q2 22			Q3 22		
	S&P ¹	AT ²	Outper- formance		S&P ¹	AT ²	Outper- formance		S&P ¹	AT ²	Outper- formance	
World	-3.3%	-3.2%	+0.1pp		+1.7%	+1.3%	-0.4pp		+27.5%	+25.2%	-2.3pp	
Europe	-14.8%	-1.9%	+12.9pp		-1.8%	+2.4%	+4.2pp		+23.7%	+33.9%	+10.2pp	
Americas	-3.4%	+0.3%	+3.7pp		+11.4%	+19.5%	+8.1pp		+25.2%	+21.7%	-3.5pp	
Greater China	+7.3%	-5.3%	-12.6pp		-3.9%	-14.9%	-10.6pp		+31.4%	+24.7%	-6.7pp	
Asia/Pacific	-3.9%	-8.3%	-4.4pp		+4.1%	-0.5%	-4.6pp		+27.3%	+12.8%	-14.5pp	

FY 21 Outperformance: +4.3pp				Q1 21			Q2 21			Q3 21			Q4 21		
	S&P ¹	AT ²	Outper- formance		S&P ¹	AT ²	Outper- formance		S&P ¹	AT ²	Outper- formance		S&P ¹	AT ²	Outper- formance
World	+15.9%	+17.0%	+1.1pp		+48.2%	+67.5%	+19.3pp		-19.1%	-13.1%	+6.0%		-10.2%	-12.5%	-2.3%
Europe	+2.3%	+3.3%	+1.0pp		+81.1%	+120.4%	+39.3pp		-28.7%	-16.3%	+12.4%		-21.7%	-16.4%	+5.3%
Americas	-2.8%	+6.7%	+9.5pp		+146.9%	+137.2%	-9.7pp		-24.5%	-16.0%	+8.5%		-13.4%	-16.0%	-2.6%
Greater China	+78.0%	+74.8%	-3.2pp		-4.3%	+3.1%	+7.4pp		-13.9%	-16.1%	-2.2%		-1.1%	-6.0%	-4.9%
Asia/Pacific	+5.2%	+14.0%	+8.8pp		+82.1%	+63.9%	-18.2pp		-10.8%	+7.3%	+18.1%		-8.7%	-9.3%	-0.6%

¹ Light Vehicle production growth according to S&P Global Mobility ©, October 2022 | ² FX-adjusted sales growth of Automotive Technologies division

Key figures by Group and division

Group | in EUR mn

	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22
Sales	3,560	3,454	3,332	3,506	3,758	3,790	4.242
Sales Growth¹	+12.3%	+52.8%	-3.5%	-5.8%	+1.9%	+4.4%	+20.2%
EBIT Reported	382	341	266	231	247	186	316
EBIT bsi	397	305	260	260	258	200	355
EBIT bsi margin	11.2%	8.8%	7.8%	7.4%	6.9%	5.3%	8.4%

Automotive Aftermarket | in EUR mn

	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22
Sales	444	467	500	437	463	506	547
Sales Growth¹	+4.9%	+57.9%	+9.0%	-2.1%	+2.1%	+4.3%	+5.5%
EBIT Reported	57	89	80	48	62	63	72
EBIT bsi	58	78	72	49	63	63	72
EBIT bsi margin	13.1%	16.6%	14.3%	11.2%	13.6%	12.5%	13.1%

Adjusted comparative
figures 2021

Automotive Technologies | in EUR mn

	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22
Sales	2,281	2,084	1,921	2,150	2,293	2,222	2.555
Sales Growth¹	+17.0%	+67.5%	-13.1%	-12.5%	-3.2%	+1.3%	+25.2%
EBIT Reported	232	141	96	110	77	1	108
EBIT bsi	240	119	77	107	80	11	122
EBIT bsi margin	10.5%	5.7%	4.0%	5.0%	3.5%	0.5%	4.8%

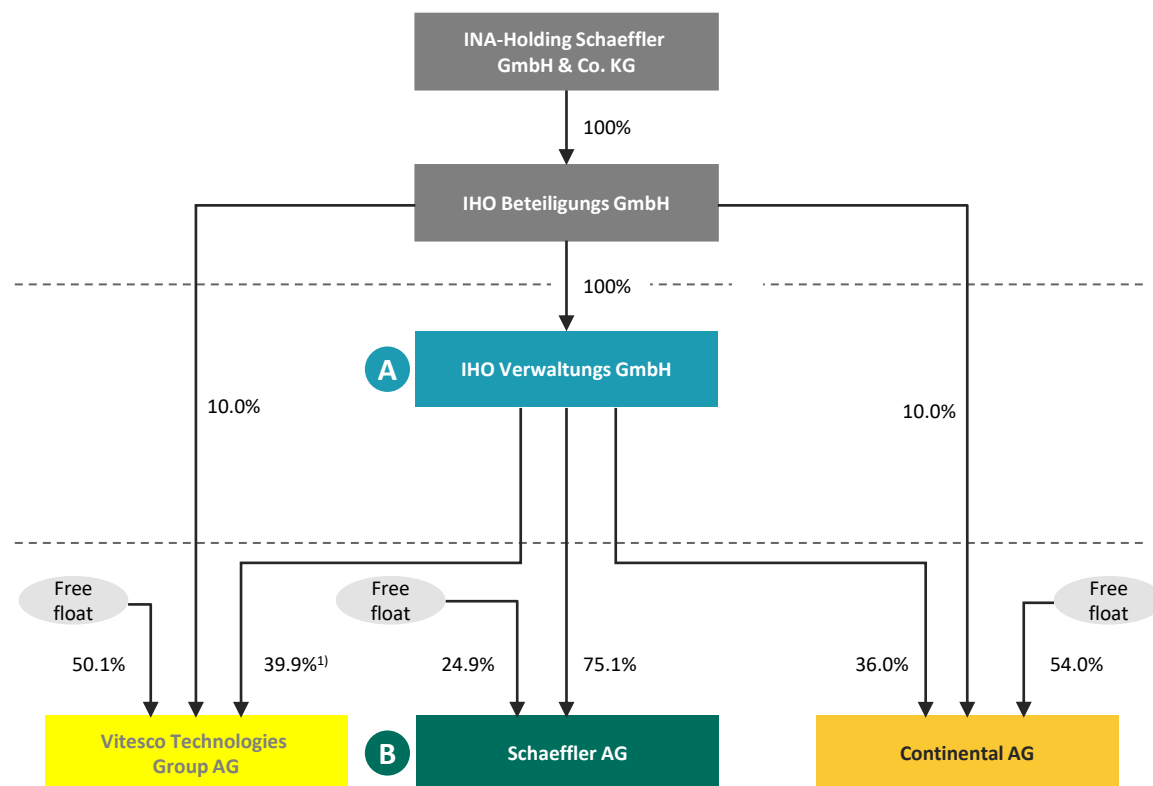
Industrial | in EUR mn

	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22
Sales	836	902	911	919	1,002	1,063	1,140
Sales Growth¹	+4.7%	+25.4%	+15.8%	+12.0%	+15.7%	+11.7%	+17.8%
EBIT Reported	92	112	89	74	108	123	136
EBIT bsi	98	108	112	104	115	126	161
EBIT bsi margin	11.8%	11.9%	12.3%	11.3%	11.4%	11.9%	14.1%

¹ FX-adjusted

Overview Corporate and Financing Structure

Corporate structure (simplified) | as of September 30, 2022



¹ On August 18, 2022, IHO Verwaltungs GmbH increased its stake in Vitesco Technologies Group AG to 39.9% from 36.0%.

Financing structure | as of September 30, 2022

A IHO Verwaltungs GmbH

	Debt instrument	Nominal (USD m)	Nominal (EUR ¹ m)	Interest	Maturity	Rating (Fitch/Moody's/S&P)
Loans	RCF (EUR 800 m)	-	160	E+3.25%	Dec-24	Not rated
Bonds	3.625% SSNs 2025 (EUR)	-	800	3.625%	May-25	BB/Ba2/BB-
	3.75% SSNs 2026 (EUR)	-	750	3.750%	Sep-26	BB/Ba2/BB-
	4.75% SSNs 2026 (USD)	500	513	4.750%	Sep-26	BB/Ba2/BB-
	3.875% SSNs 2027 (EUR)	-	500	3.875%	May-27	BB/Ba2/BB-
	6.00% SSNs 2027 (USD)	450	462	6.000%	May-27	BB/Ba2/BB-
	6.375% SSNs 2029 (USD)	400	410	6.375%	May-29	BB/Ba2/BB-
Total IHO Verwaltungs GmbH		3,595		Ø 4.03%^{2,3}		

B Schaeffler AG

	Debt instrument	Nominal (USD m)	Nominal (EUR m)	Interest	Maturity	Rating (Fitch/Moody's/S&P)
Loans	RCF (EUR 1,800 m)	-	-	E+0.80%	Sep-24	Not rated
	Schuldschein Loans (EUR)	-	298	Ø 2.13%	May-23, 25, 28 & 30	Not rated
CP	Commercial Paper Program (EUR)	-	63-	Ø 0.75%	Oct-22-	Not rated
Bonds	1.875% SNs 2024 (EUR)	-	800	1.875%	Mar-24	BB+/Ba1/BB+
	2.750% SNs 2025 (EUR)	-	750	2.750%	Oct-25	BB+/Ba1/BB+
	2.875% SNs 2027 (EUR)	-	650	2.875%	Mar-27	BB+/Ba1/BB+
	3.375% SNs 2028 (EUR)	-	750	3.375%	Oct-28	BB+/Ba1/BB+
Total Schaeffler Group		3,311		Ø 2.76%³		

¹ EUR/USD = 0.9748 | ² After cross currency swaps | ³ Incl. commitment and utilization fees

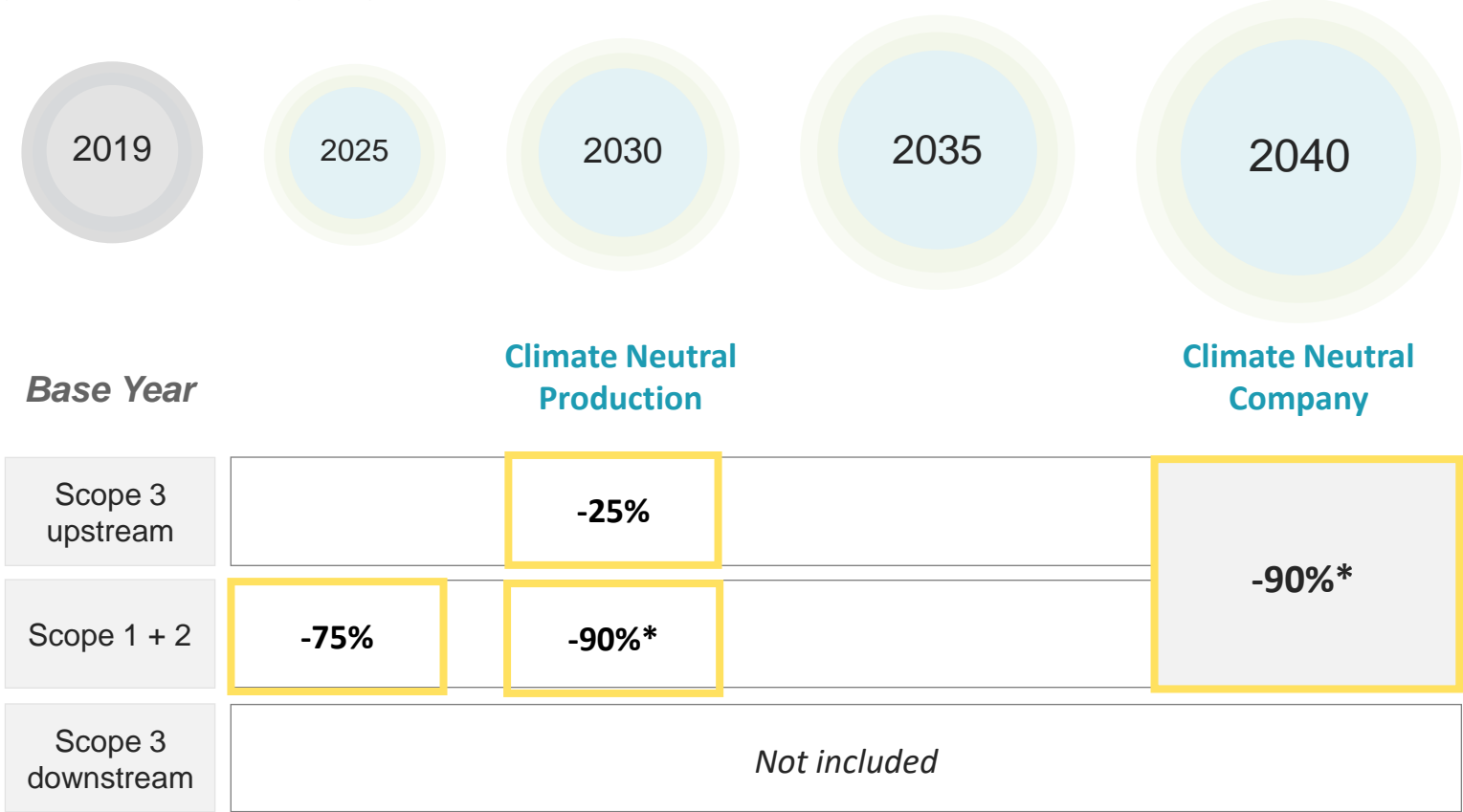
Sustainability – Eight non-financial targets underline clear commitment to sustainability



Sustainability targets were integrated into the variable remuneration of upper management

Path to Climate Neutrality – Ambitious Scope targets defined

Long-Term Sustainability Targets



* Residual emissions are to be compensated

Key aspects

- Decarbonization as top priority
- Emissions occurring in the supply chain (Scope 3 upstream):
 - Climate neutral from 2040
 - Emission reduction of 25% until 2030
 - From 2025, Schaeffler will source 100,000 tons of green steel on an annual basis from Swedish start-up H2greensteel
- Production facilities (Scope 1&2):
 - Climate neutral from 2030
 - Emission reduction of 75% until 2025
- Clear strategy with specific measures being defined and implemented across the company

Sustainability – Fundamental key building block of our transformation

Schaeffler to become climate neutral until 2040

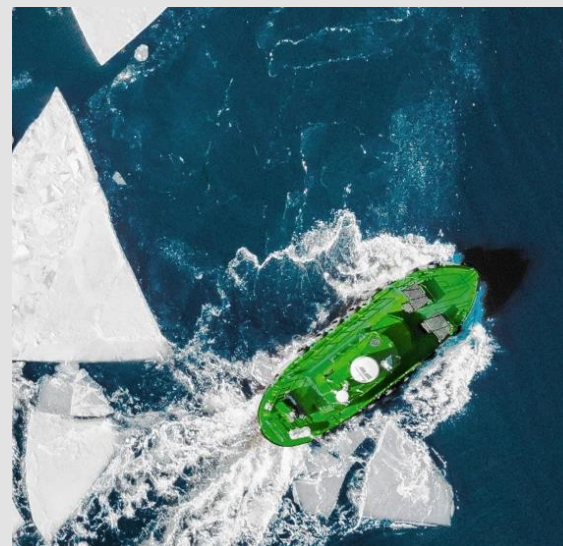


Sustainability targets integrated into management compensation



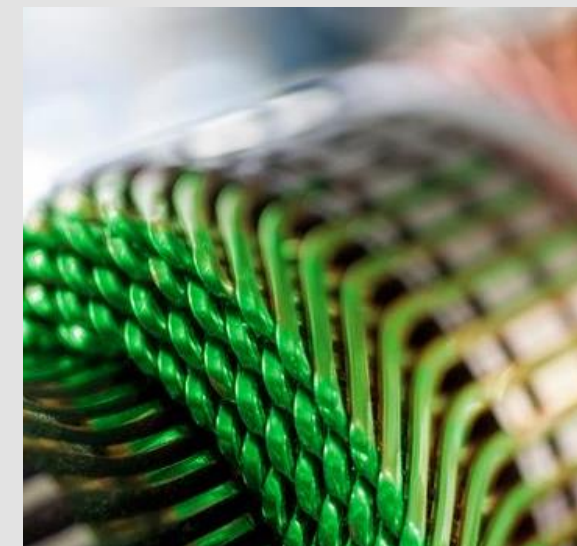
Sustainable materials

- New target of climate neutrality by 2040 in the supply chain
- Purchasing agreement with H2GreenSteel



Sustainable production

- 46 plants are purchasing 100% of their electricity from renewable sources
- 20% reduction of freshwater supply by 2030



Sustainable products

- Sustainability in focus of product development
- TriFinity: Triple-row wheel bearing with up to 50% friction reduction