



SCHAEFFLER

# Schaeffler AG

## Roadshow London

November 8-9, 2023

We pioneer motion

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- 1** **Overview Q3 and 9M 2023**
- 2** Business Highlights Q3 and 9M 2023
- 3** Financial Results Q3 and 9M 2023
- 4** Outlook

# AGENDA

## Schaeffler Group – Strong Q3 results driven by Automotive divisions

### Key messages Q3 2023

- 1** Q3 Sales<sup>1</sup> +0.5% – Good growth in Europe and Asia/Pacific. Greater China declining on very high comps
- 2** Q3 Gross margin 22.3% – Very strong contribution from Automotive Aftermarket
- 3** Q3 EBIT margin<sup>2</sup> 8.4% – Strong and growing yoy in both Automotive divisions, decreasing in Industrial
- 4** Q3 FCF<sup>3</sup> EUR 182 mn – Continued strong cash flow generation and effective Working Capital Management
- 5** FY 2023 Group Guidance confirmed – Top line reduction in Industrial, Automotive divisions confirmed and on track

Sales growth<sup>1</sup> Q3

**+0.5%**

EUR 4,062 mn

Gross Margin Q3

**22.3%**

Q3 2022: 23.2%

EBIT margin<sup>2</sup> Q3

**8.4%**

Q3 2022: 8.4%

Free Cash Flow<sup>3</sup> Q3

**EUR 182 mn**

Q3 2022: EUR 240 mn

## Sales Performance Q3 2023 – Flat sales, heterogeneous development vs. double-digit 2022 comps

Q3 2023 <sup>1</sup>	% of Group Sales	Automotive Technologies 60%	Automotive Aftermarket 14%	Industrial 26%	Region Growth
Europe	44%	+4.7%	+8.2%	+5.5%	+5.7%
Americas	22%	-3.8%	+11.8%	+5.3%	+0.1%
Greater China	21%	-4.1%	+6.5%	-22.2%	-9.6%
Asia/ Pacific	13%	+4.1%	+7.2%	+5.8%	+4.8%
Division Growth		+0.2%	+8.8%	-3.0%	+0.5%

## Schaeffler Group Q3 2023 – Highlights and lowlights

- ^ **Automotive Technologies**  
Strong margin driven by mature business, fueling the transformation journey; YTD Margin at the high-end of FY guidance
  - ^ **Automotive Aftermarket**  
Continued strong demand supported by improved logistical performance and favourable pricing delivered high quality of earnings
  - ^ **Free Cash Flow generation**  
Strong profitability and effective working capital management leading to strong FCF
- v **Automotive Technologies**  
Sales growth overall: below market in Americas and China in Q3; E-Mobility sales soft in Q3, however upside potential due to future ramp-ups
  - v **Industrial**  
YoY Sales and EBIT in Q3 with negative development due to weakening economic environment

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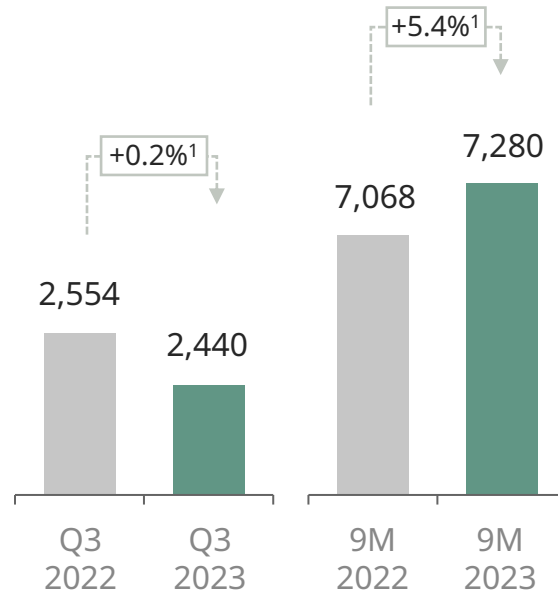
# AGENDA



## Automotive Technologies – Q3 with continued strong EBIT momentum

### Sales

in EUR mn

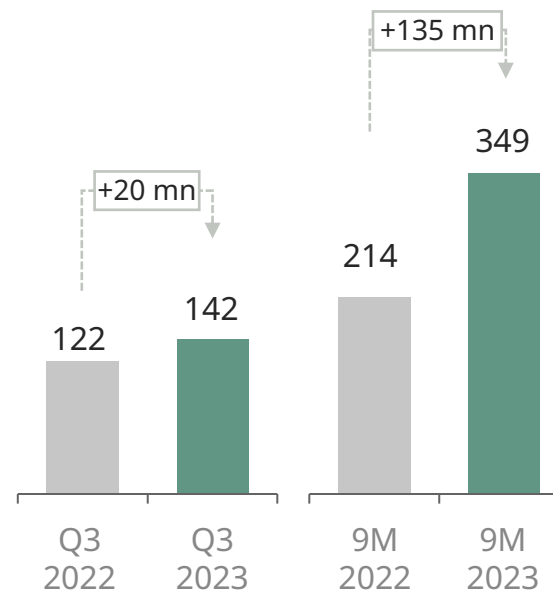


### Gross margin

Period	2022	2023
Q3	18.2%	17.8%
9M	17.8%	17.6%

### EBIT²

in EUR mn



### EBIT margin²

Period	2022	2023
Q3	4.8%	5.8%
9M	3.0%	4.8%

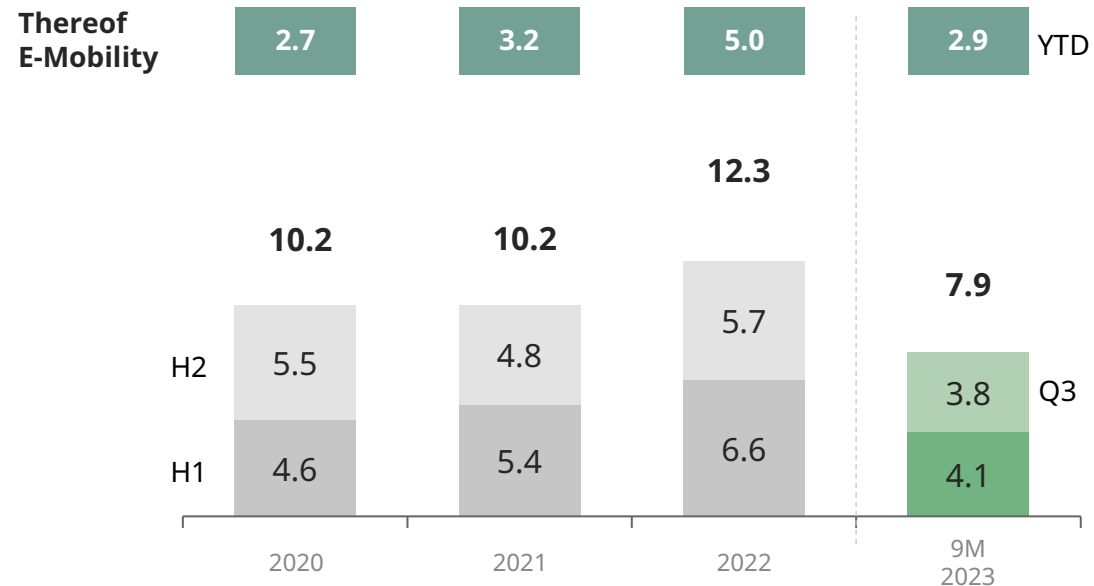
### KEY ASPECTS

- Flat sales yoy¹ on very strong comps (+25%). In 2022 our Q3 included also retroactive price compensation
- Chassis systems and Bearings with continued good growth
- Strong Q3 EBIT margin of 5.8%²
- Strong EBIT margin contribution in mature businesses driven by volumes

## Automotive Technologies – E-Mobility EUR 2-3 bn Order Intake annual target already achieved

### Order Intake<sup>1</sup>

in EUR bn



### Book-to-bill-ratio<sup>2</sup>

H2	1.2x	1.2x	1.2x	Q3: 1.6x
H1	1.4x	1.3x	1.6x	0.9x
FY	1.3x	1.3x	1.4x	YTD: 1.1x

### Business Highlights



#### Winning in the US Pick-Up market:

Extension of business with innovative powertrain solutions for electrified Pick-Ups with e-axles & range extenders



#### Innovation and commercial push in high-performance e-powertrains:

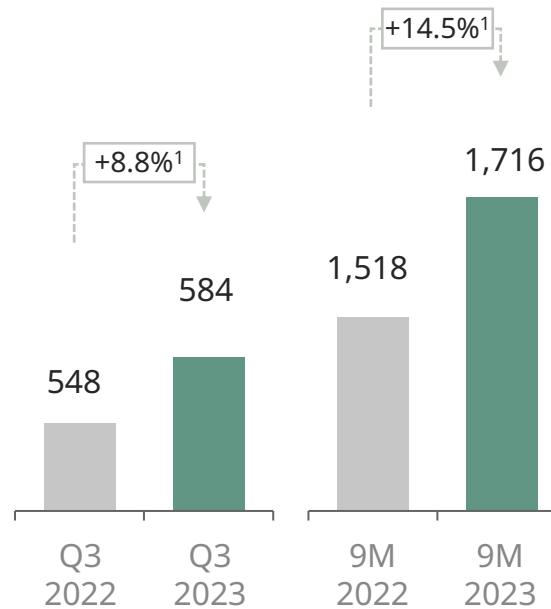
Q3 with significant order intake increase from high-ranking global performance car manufacturers

**Strong book-to-bill ratio of 1.6x in Q3 vs 1.3x comps**  
**YTD Order intake of EUR 7.9 bn, of which EUR 2.9 bn in E-Mob**

## Automotive Aftermarket – Q3 with strong sales growth<sup>1</sup> and very strong EBIT margin<sup>2</sup>

### Sales

in EUR mn

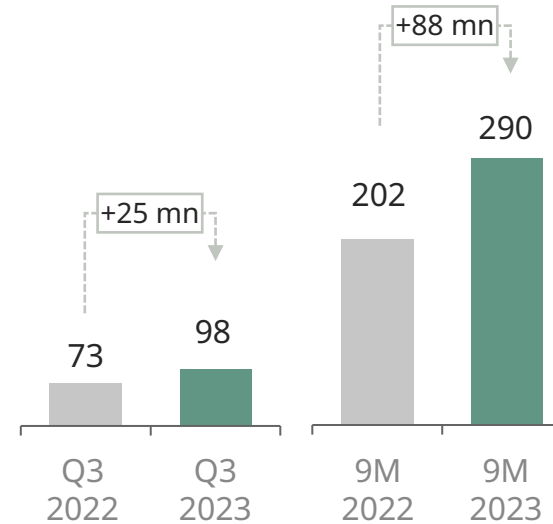


### Gross margin

Q3 2022	31.8%	Q3 2023	35.7%	9M 2022	31.2%	9M 2023	34.5%
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### EBIT<sup>2</sup>




in EUR mn



### EBIT margin<sup>2</sup>

Q3 2022	13.4%	Q3 2023	16.7%	9M 2022	13.3%	9M 2023	16.9%
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### KEY ASPECTS

-  High single-digit sales growth<sup>1</sup> on strong comps, driven by continued strong demand, improved logistical performance and favorable pricing
-  Strong growth in Independent Aftermarket (+9.6%)<sup>1</sup>; All regions growing, double-digit in Americas; Europe the top contributor in absolute terms
-  Very strong EBIT margin<sup>2</sup> improvement driven by favorable sales mix, continued price management

## Automotive Aftermarket – Acquisition in September of B2B e-commerce platform Koovers in India



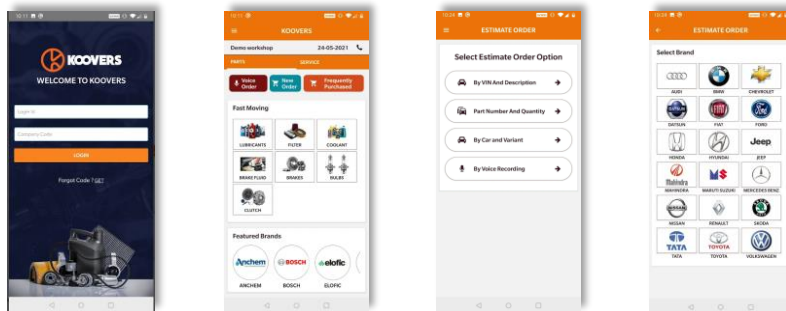
**7000**  
Workshops

**1.8 Million**  
Product SKU

**160K+**  
Orders Serviced

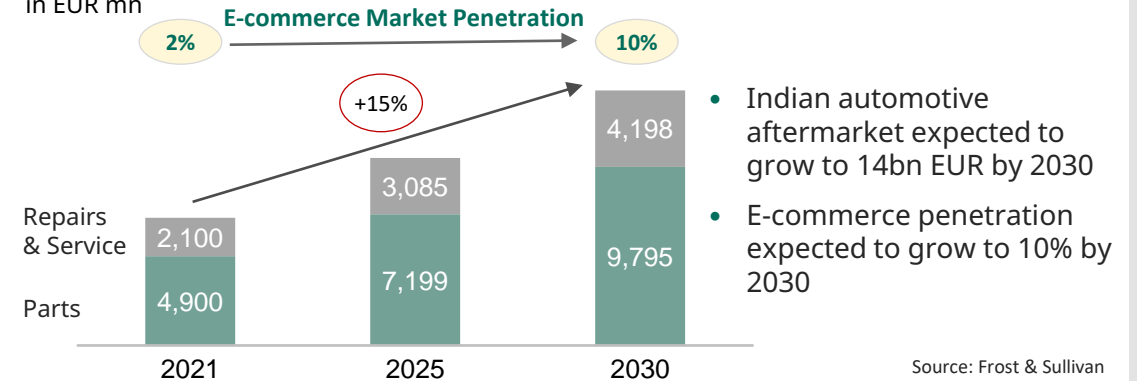
**125+ Towns**  
Presence in South India

### Compelling app-based B2B e-commerce platform



### Sizable and attractive Indian Automotive Aftermarket

in EUR mn

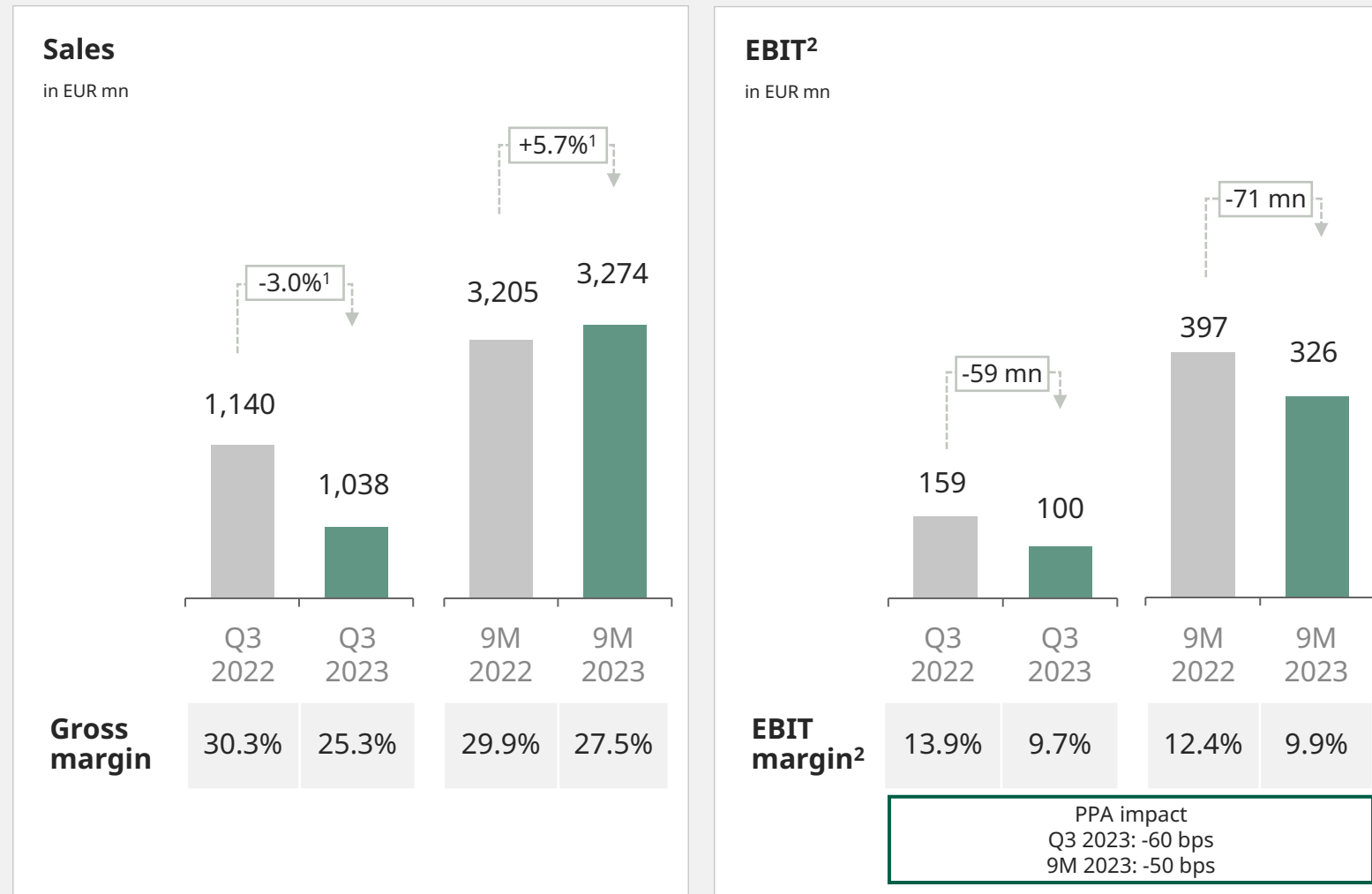


### Strategic rationale

- Scalable platform business with highest customer focus through convenient digital interfaces
- Wide spectrum of high-quality automotive spare parts, ensuring access and availability to independent workshops
- Fast and reliable supply chain through regional and local presence, close to the customers' doorstep and individual repair case

Further strengthening of Schaeffler's platform business in the attractive and fast-growing Indian market

## Industrial – Q3 sales<sup>1</sup> and EBIT development driven by market downturn



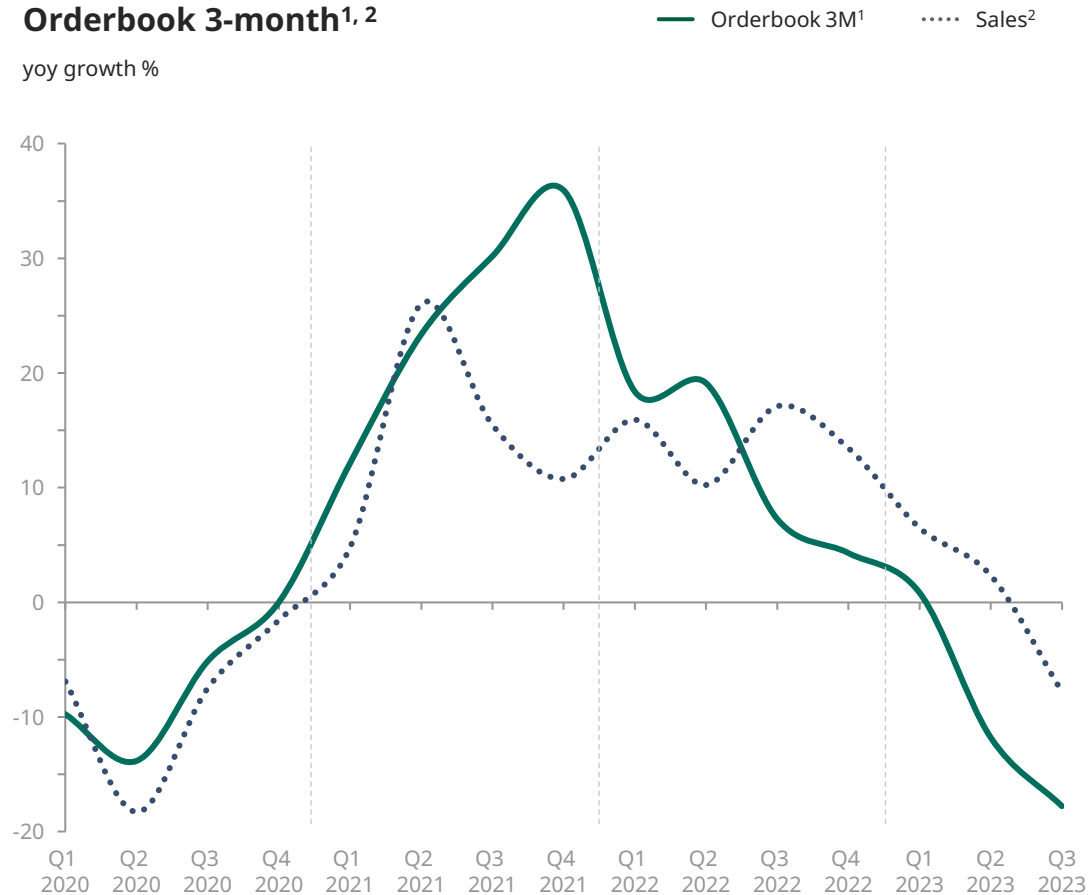
### KEY ASPECTS

- ✓ Volumes in all regions below strong Q3 2022 due to weakening economic environment and destocking
- ✓ EBIT margin in Q3 driven by negative sales development in China (-22%<sup>1</sup>) and higher fixed cost due to investments in growth areas
- ✓ Tactical cost savings measures in execution

## Industrial – Orderbook reduction mainly due to downturn in China and Wind

### Orderbook 3-month<sup>1, 2</sup>

yoy growth %



### Business Highlights



New order gains in Aerospace by long-term agreements with key OEMs covering roller bearings for high volume applications



Strong business development including order intake in Rail supported by increased localization rate of production and even higher customer proximity

**Aerospace and Rail sector clusters growing**

## Capital allocation – Continued prioritization of Capex for growth business

### Investment<sup>1</sup> allocation

in EUR mn

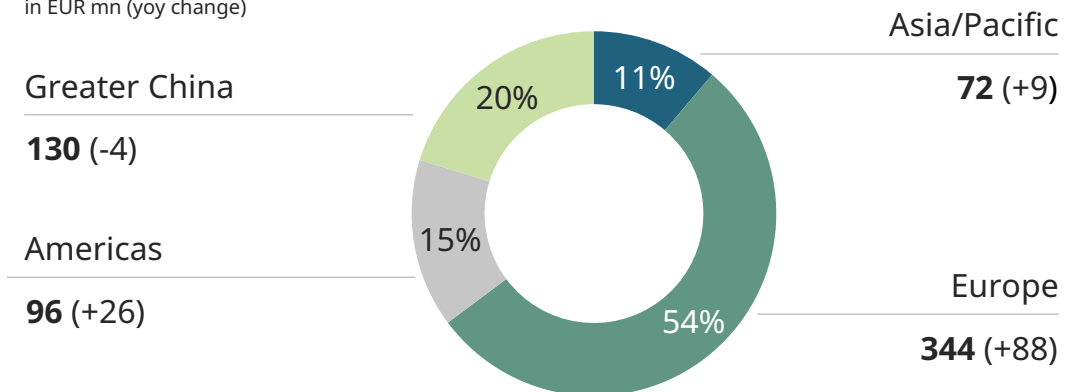
	FY 2021	FY 2022	Q3 2022	Q3 2023	9M 2023
<b>Automotive Technologies</b>	430	545	146	155	402
<b>Automotive Aftermarket</b>	20	40	11	15	39
<b>Industrial</b>	220	229	62	66	200
<b>Schaeffler Group</b>	<b>670</b>	<b>814</b>	<b>219</b>	<b>237</b>	<b>641</b>
<b>Capex</b>	<b>671</b>	<b>791</b>	<b>219</b>	<b>247</b>	<b>665</b>
<b>Capex ratio<sup>2</sup></b>	<b>4.8%</b>	<b>5.0%</b>	<b>5.2%</b>	<b>6.1%</b>	<b>5.4%</b>
<b>Reinvestment Rate</b>	<b>0.7</b>	<b>0.9</b>	<b>1.0</b>	<b>1.0</b>	<b>0.9</b>

### KEY ASPECTS

- **Automotive Technologies:** E-Motor production investments in the US and Eastern Europe as well as Chassis rear-wheel steering projects in Eastern Europe, Mexico and China
- **Industrial:** Further localization and capacity expansion of Roller Bearings for the Wind sector cluster in Nanjing, China

### Investments<sup>1</sup> by region 9M 2023

in EUR mn (yoy change)



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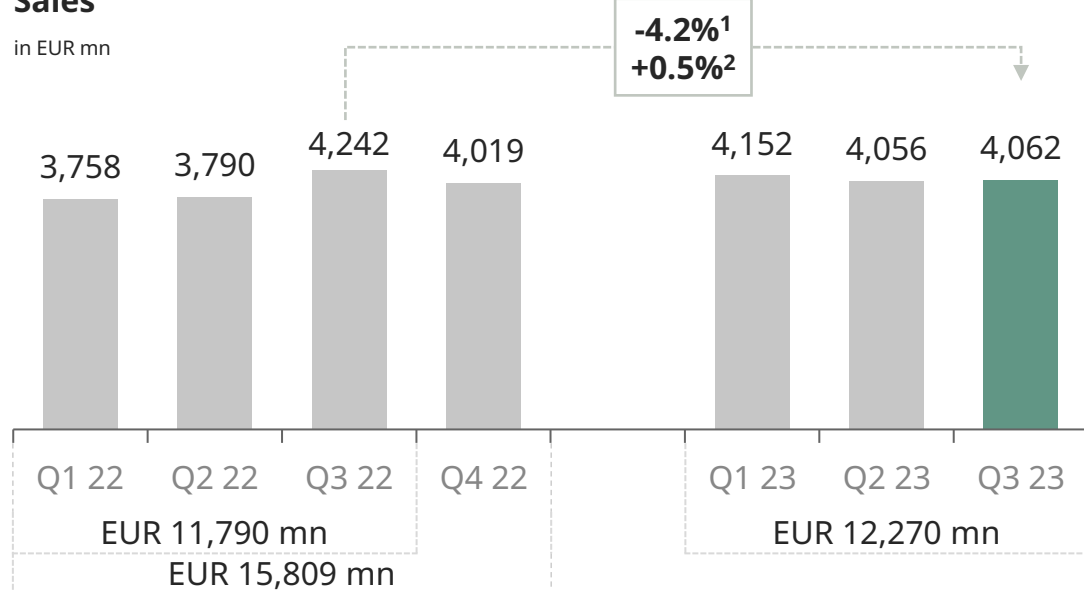
# AGENDA



## Sales – Europe and Asia/Pacific with good growth in Q3, China declining

### Sales

in EUR mn



### Sales growth

Reported

+5.6%	+9.7%	+27.3%	+14.6%	+10.5%	+7.0%	-4.2%
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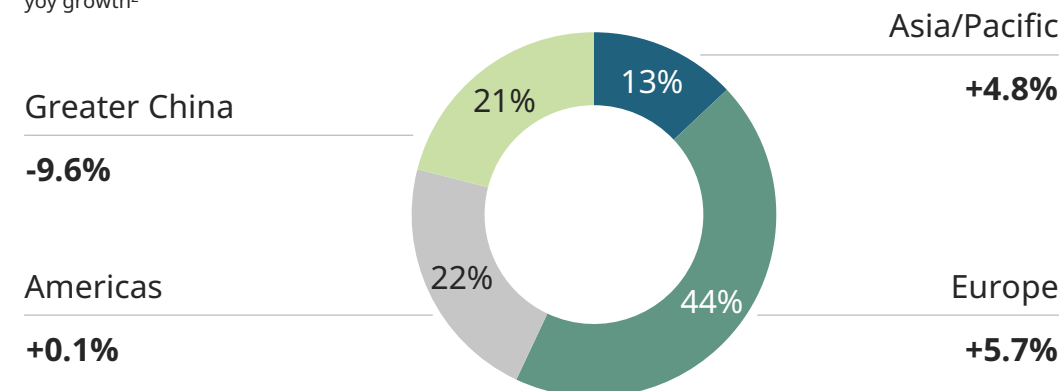
FX-adjusted

+1.9%	+4.4%	+20.2%	+11.8%	+10.4%	+9.8%	+0.5%
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### KEY ASPECTS

- **Automotive Technologies:** 0.2%<sup>2</sup> growth in Q3; good growth in Europe and Asia/Pacific, whereas Americas and China declining
- **Automotive Aftermarket:** 8.8%<sup>2</sup> growth in Q3; all regions contributing
- **Industrial:** -3.0%<sup>2</sup> growth in Q3 incl. Ewellix; more than 22% decline in China could not be compensated by good growth in all other regions

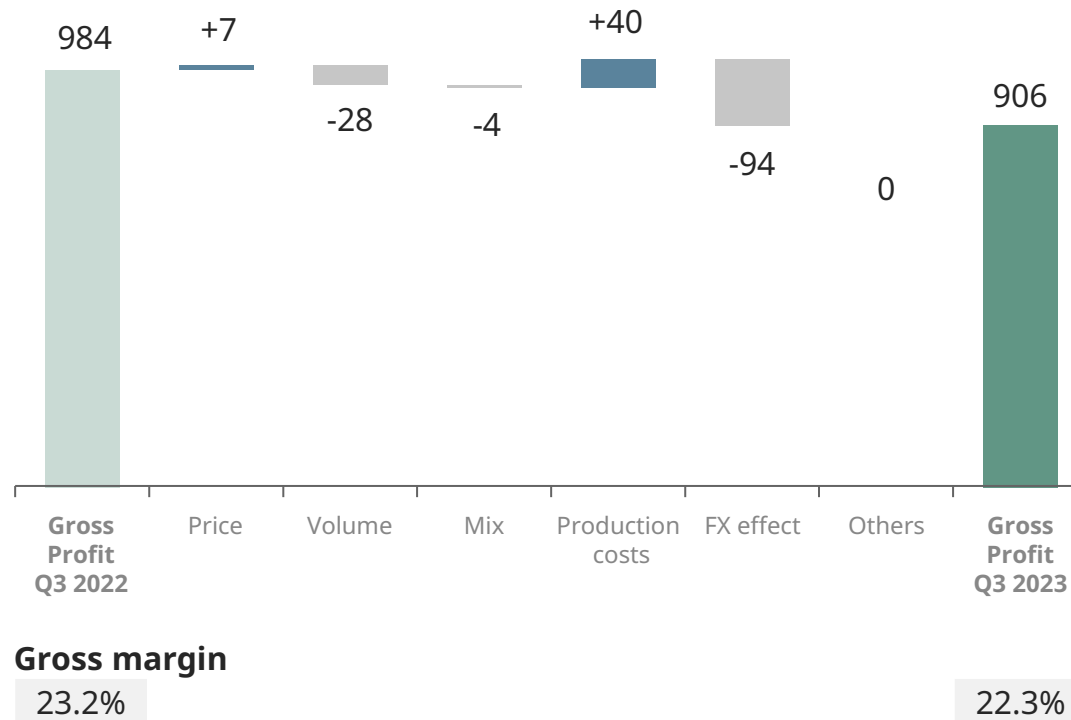
### Sales by region Q3 2023

yoy growth<sup>2</sup>

## Gross Profit – Positive development of production costs, unfavourable FX

### Gross Profit Q3 2022 vs. Q3 2023

in EUR mn



### KEY ASPECTS

- **Pricing:** Maintained pricing levels
- **Volumes:** Negative sales volume effects driven by Industrial
- **Production Costs:** Increased productivity while input factor costs are stable

### Gross margin

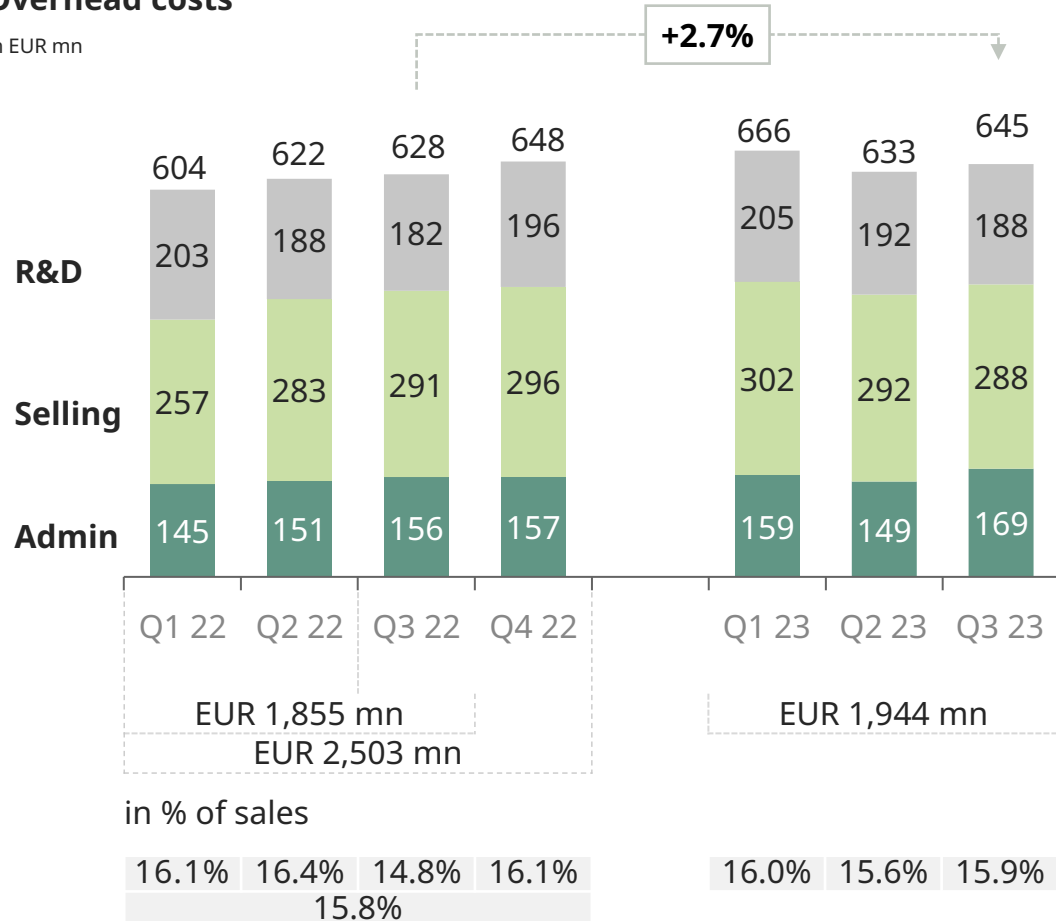
in % of Sales

	Q3 22	Q3 23	Q3 23 vs. Q3 22	9M 22	9M 23	9M 23 vs. 9M 22
<b>Automotive Technologies</b>	18.2%	17.8%	-0.4pp	17.8%	17.6%	-0.2pp
<b>Automotive Aftermarket</b>	31.8%	35.7%	+3.9pp	31.2%	34.5%	+3.3pp
<b>Industrial</b>	30.3%	25.3%	-5.0pp	29.9%	27.5%	-2.4pp
<b>Group</b>	23.2%	22.3%	-0.9pp	22.8%	22.6%	-0.2pp

## Overhead costs – Overhead cost ratio stays below 16%

### Overhead costs

in EUR mn



### KEY ASPECTS

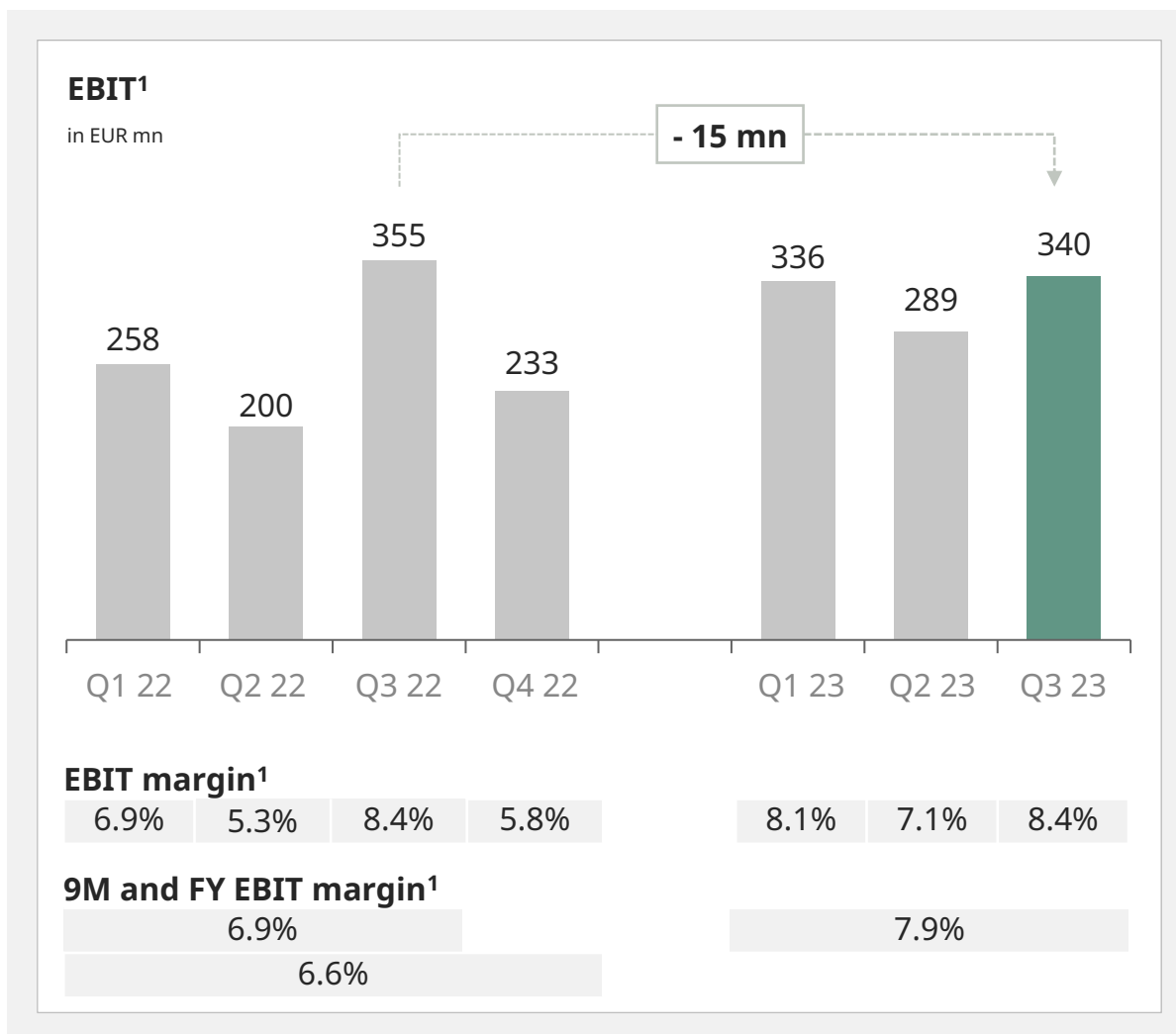
- **R&D:** Continued stable development of R&D expenses
- **Selling expenses:** Slightly lower due to lower volumes in Industrial
- **Admin cost:** Adjustment of accrual level for variable compensation due to higher expected target achievement

### Overhead cost ratio

in % of Sales

	Q3 22	Q3 23	Q3 23 vs. Q3 22	9M 22	9M 23	9M 23 vs. 9M 22
<b>Automotive Technologies</b>	12.8%	13.4%	+0.6pp	14.3%	13.6%	-0.7pp
<b>Automotive Aftermarket</b>	18.5%	18.5%	+0.0pp	18.2%	18.3%	+0.1pp
<b>Industrial</b>	17.6%	20.2%	+2.6pp	17.8%	19.5%	+1.7pp
<b>Group</b>	<b>14.8%</b>	<b>15.9%</b>	<b>+1.1pp</b>	<b>15.7%</b>	<b>15.8%</b>	<b>+0.1pp</b>

## EBIT margin<sup>1</sup> – Strong group margin driven by Automotive divisions



### KEY ASPECTS

- **Automotive Technologies:** EBIT margin<sup>1</sup> improved yoy and sequentially, driven by cost efficiencies
- **Automotive Aftermarket:** EBIT margin<sup>1</sup> continued to be at very high level, driven by strong demand, positive pricing and improved logistical performance
- **Industrial:** Lower EBIT margin<sup>1</sup> mainly due to weak market in China (especially Wind, volume, mix)

### EBIT margin<sup>1</sup>

in % of Sales

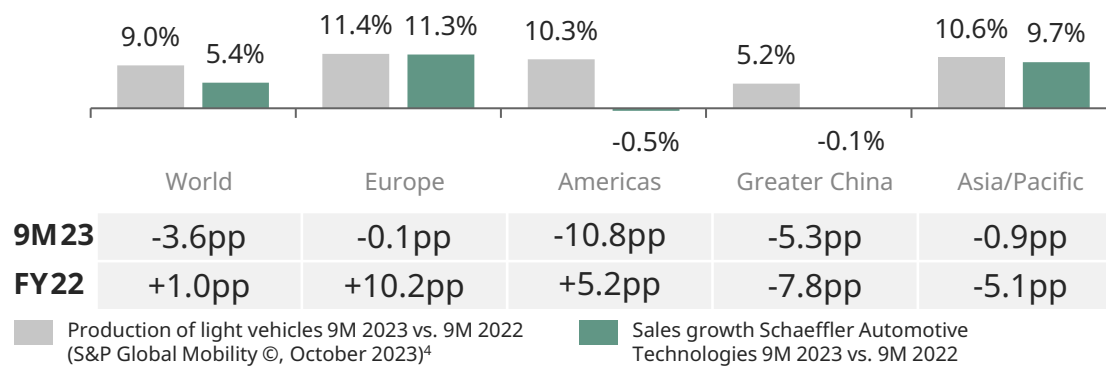
	Q3 22	Q3 23	Q3 23 vs. Q3 22	9M 22	9M 23	9M 23 vs. 9M 22
<b>Automotive Technologies</b>	4.8%	5.8%	+1.0pp	3.0%	4.8%	+1.8pp
<b>Automotive Aftermarket</b>	13.4%	16.7%	+3.3pp	13.3%	16.9%	+3.6pp
<b>Industrial</b>	13.9%	9.7%	-4.2pp	12.4%	9.9%	-2.5pp
<b>Group</b>	8.4%	8.4%	0.0pp	6.9%	7.9%	+1.0pp

## Automotive Technologies – Despite flat sales growth<sup>1</sup>, EBIT margin<sup>2</sup> up yoy

### Sales by business division yoy growth

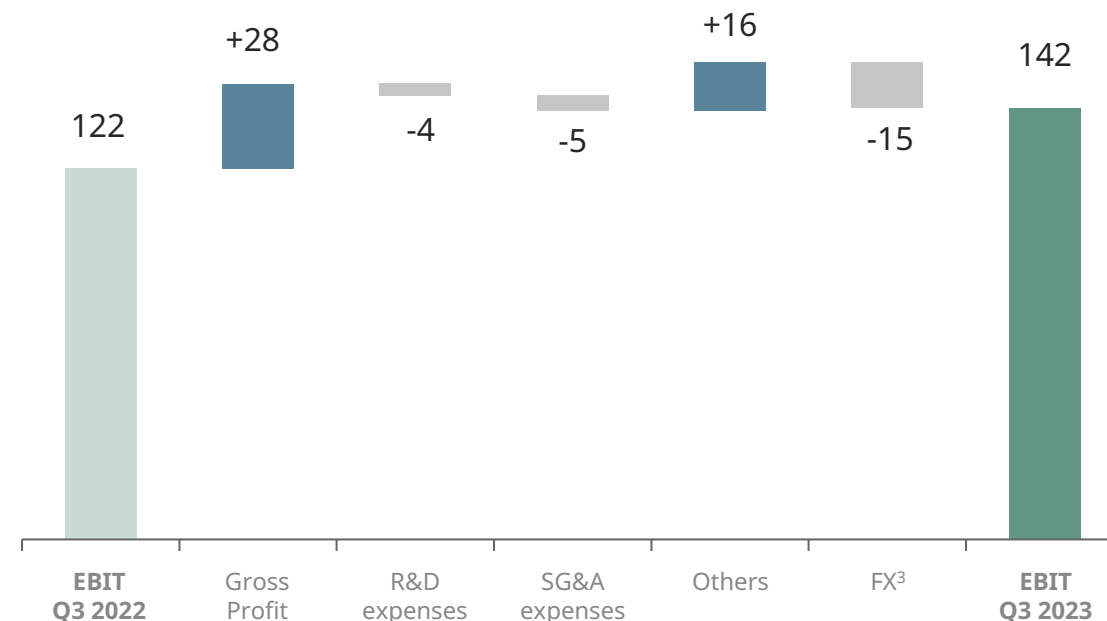
	Q3 2022	Q3 2023	Δ <sup>1</sup>
<b>E-Mobility</b>	390	335	-9.4%
<b>Engine &amp; Transmission</b>	1,381	1,315	-0.3%
<b>Bearings</b>	682	682	+5.0%
<b>Chassis Systems</b>	102	109	+10.6%
<b>Total</b>	<b>2,554</b>	<b>2,440</b>	<b>+0.2%</b>

### Outperformance 9M Sales<sup>1</sup> vs. market development



### EBIT<sup>2</sup> Q3 2022 vs. Q3 2023

in EUR mn



### EBIT margin development<sup>2</sup>

4.8%

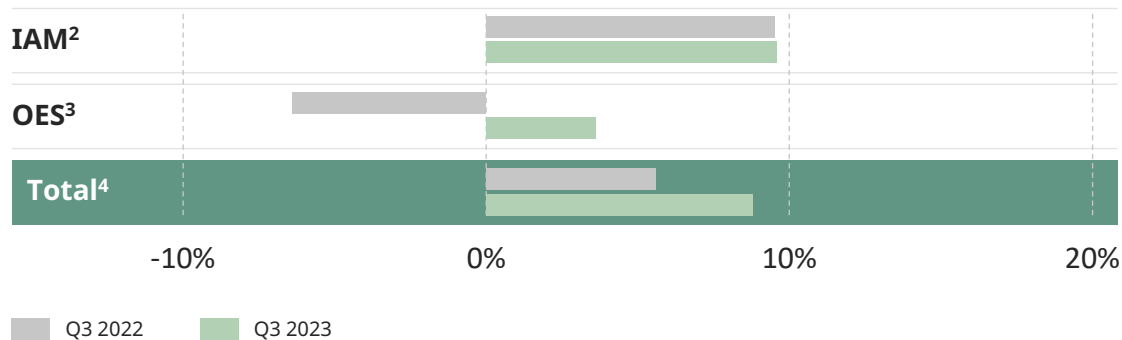
5.8%

## Automotive Aftermarket – Strong sales growth<sup>1</sup>, very strong EBIT margin<sup>5</sup>

### Sales by region yoy growth

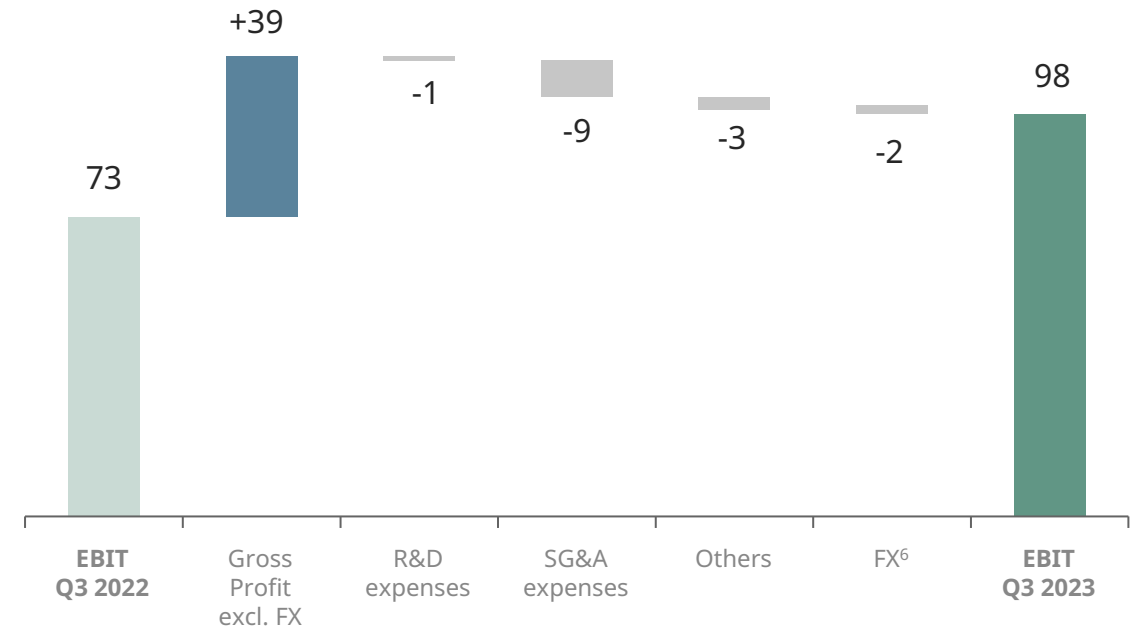
	Q3 2022	Q3 2023	Δ <sup>1</sup>
Europe	359	389	+8.2%
Americas	118	127	+11.8%
Greater China	37	34	+6.5%
Asia/Pacific	35	34	+7.2%
<b>Total</b>	<b>548</b>	<b>584</b>	<b>+8.8%</b>

### Automotive Aftermarket Sales growth by channel<sup>1</sup>



### EBIT<sup>5</sup> Q3 2022 vs. Q3 2023

in EUR mn



### EBIT margin development<sup>5</sup>

13.4%

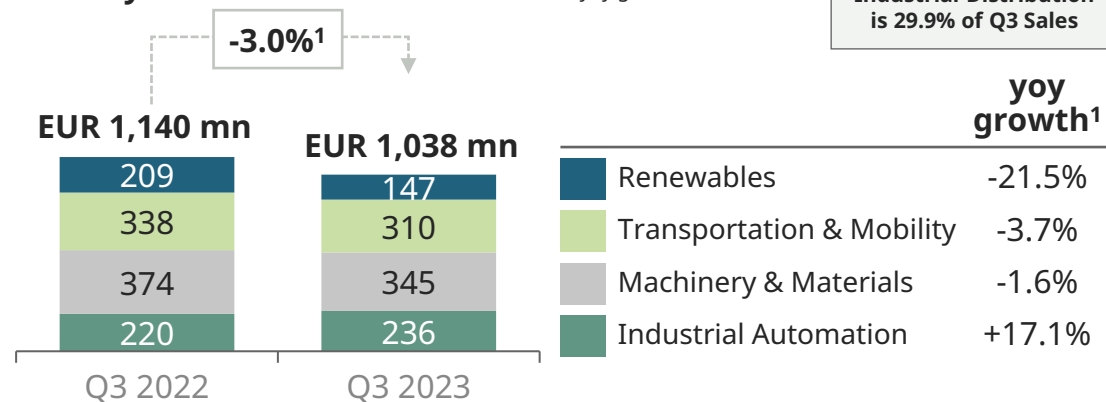
16.7%

## Industrial – Double-digit sales decline<sup>1</sup> in China, EBIT margin<sup>2</sup> within guidance range

### Sales by region yoy growth

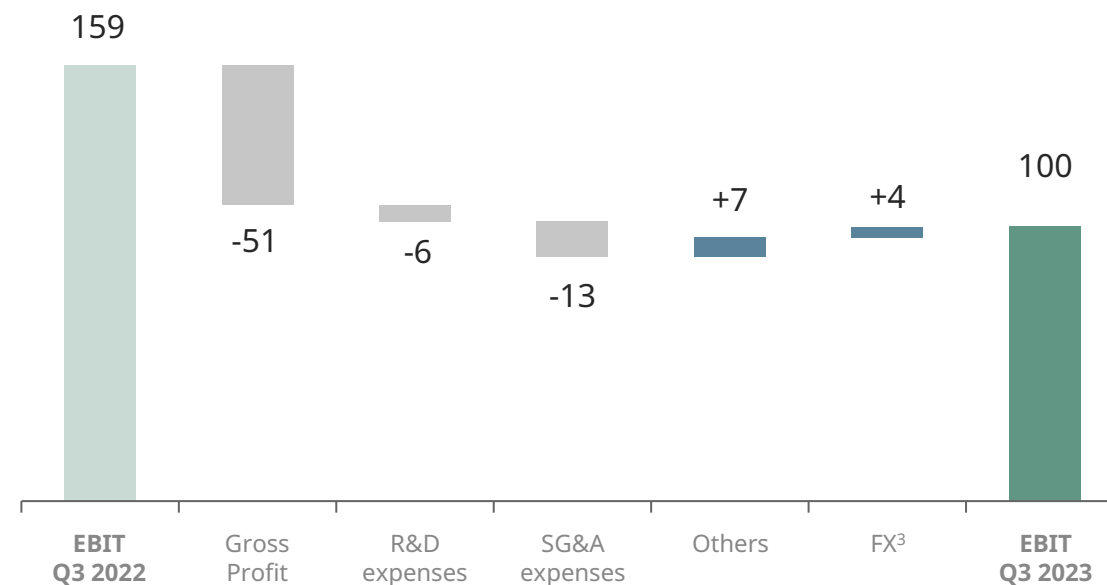
	Q3 2022	Q3 2023	Δ <sup>1</sup>
Europe	436	454	+5.5%
Americas	196	191	+5.3%
Greater China	348	238	-22.2%
Asia/Pacific	160	154	+5.8%
<b>Total</b>	<b>1,140</b>	<b>1,038</b>	<b>-3.0%</b>

### Sales by Industrial market cluster yoy growth



### EBIT<sup>2</sup> Q3 2022 vs. Q3 2023

in EUR mn



### EBIT margin development<sup>2</sup>

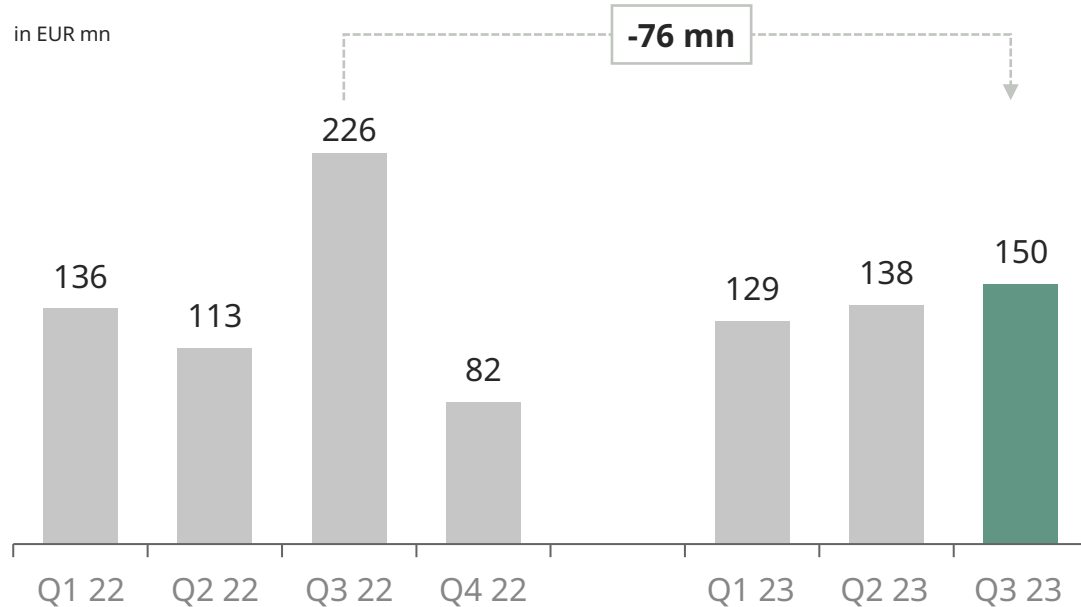
13.9%

9.7%

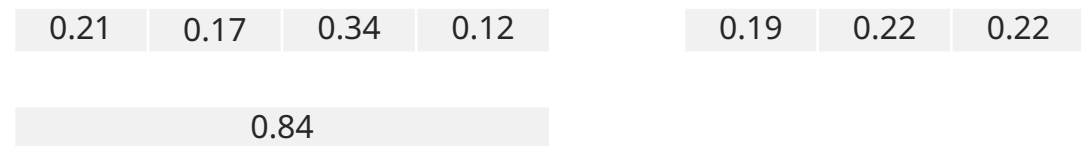
## Net Income<sup>1</sup> – EPS<sup>2</sup> at EUR 0.22, ROCE<sup>3</sup> reached 12.8%

### Net income<sup>1</sup>

in EUR mn



### EPS<sup>2</sup> in EUR

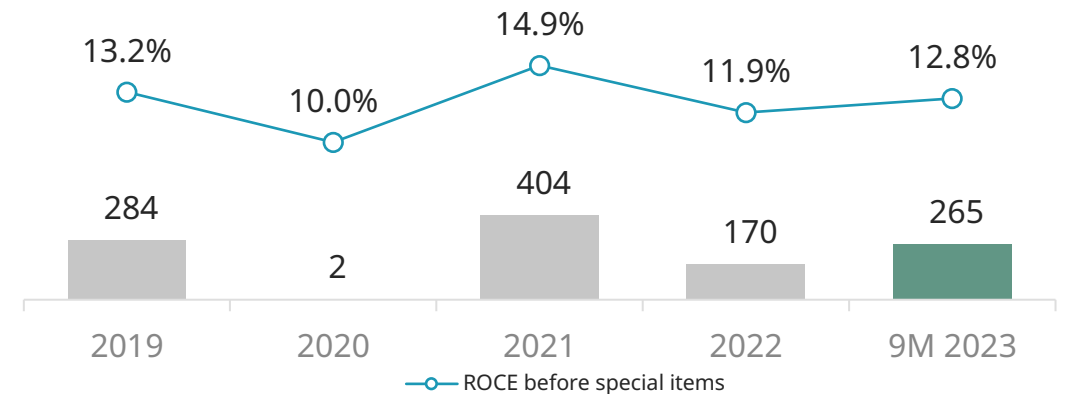


### KEY ASPECTS

- Q3 2023 Net income<sup>1</sup> lower yoy on strong comps; sequentially up
- ROCE<sup>3</sup> and Schaeffler Value Added<sup>4</sup> above prior year

### ROCE<sup>3</sup> and Schaeffler Value Added<sup>4</sup>

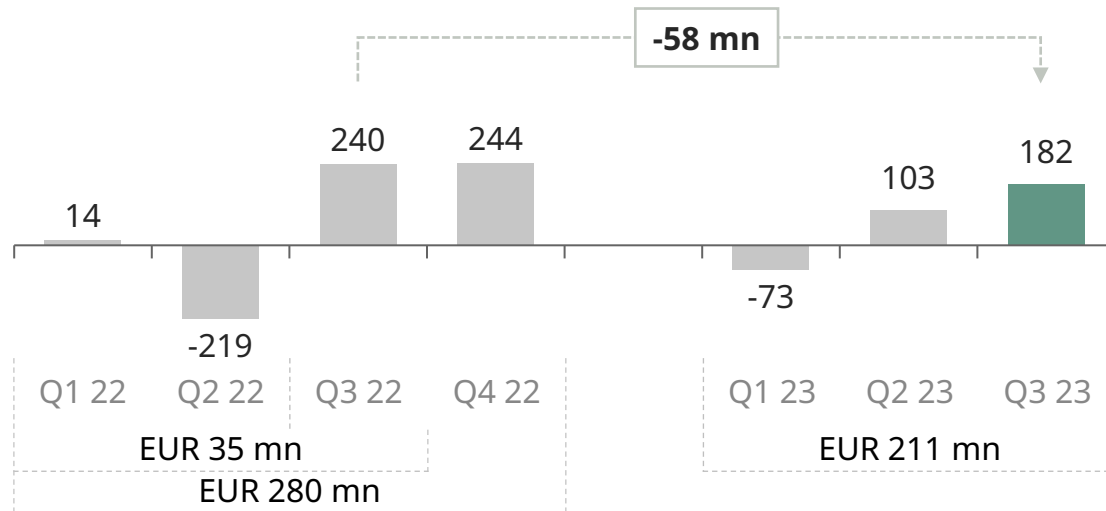
in EUR mn





## FCF – Strong Q3 FCF, effective Working Capital management

### Free Cash Flow before M&A<sup>1</sup> in EUR mn



### FCF Conversion ratio<sup>2</sup>

0.1	-	0.6	1.7
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### Reinvestment rate

0.6	0.8	1.0	1.2
0.9			

### Capex ratio<sup>3</sup>

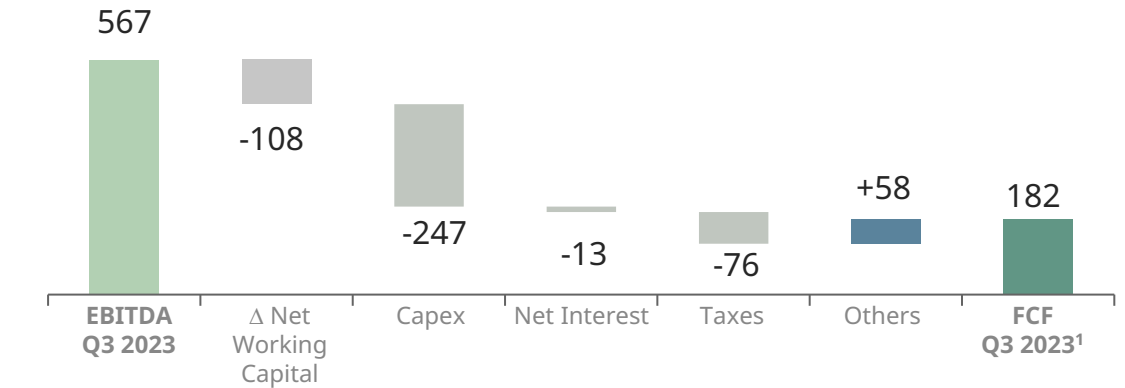
4.2%	4.6%	5.2%	6.0%
5.0%			

-	0.4	0.6
---	-----	-----

0.8	1.0	1.0
-----	-----	-----

5.3%	4.9%	6.1%
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### Reconciliation Q3 2023 in EUR mn



### FCF Details

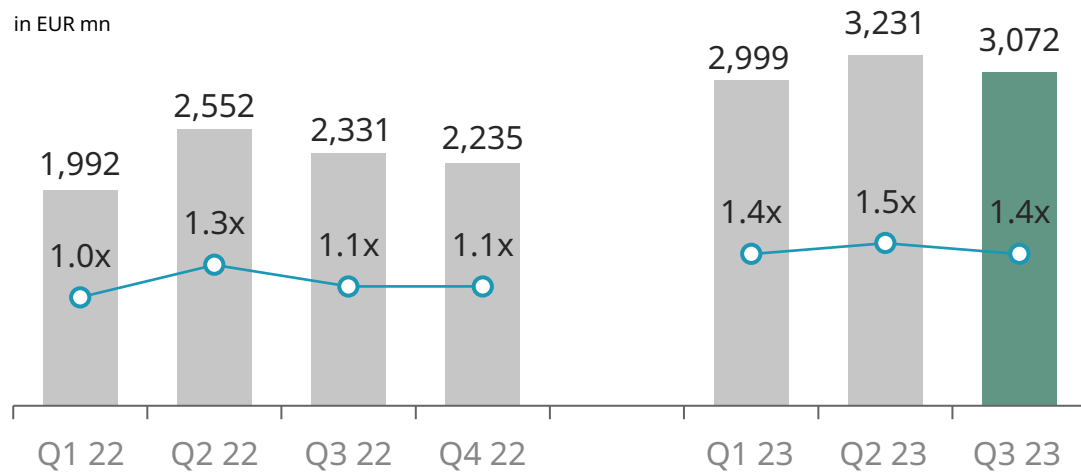
in EUR mn

	Q3 22	Q3 23	Δ Q2 23/22	9M 22	9M 23	Δ 9M 23/22
<b>FCF as reported</b>	<b>197</b>	<b>156</b>	<b>-41</b>	<b>-68</b>	<b>-515</b>	<b>-447</b>
M&A	+43	+26	-17	+104	+726	+622
<b>FCF before M&amp;A</b>	<b>240</b>	<b>182</b>	<b>-58</b>	<b>35</b>	<b>211</b>	<b>+176</b>
Legal Cases	-8	-12	-4	-17	-38	-21
Restructuring	+45	+24	-19	+249	+181	-68
Others	0	+1	+1	0	+8	+8
<b>FCF bef. M&amp;A and sp. Items</b>	<b>276</b>	<b>195</b>	<b>-81</b>	<b>267</b>	<b>362</b>	<b>+95</b>

## Net debt of EUR 3.1 bn – Leverage ratio at 1.4x

### Net financial debt and Leverage ratio<sup>1</sup>

in EUR mn



#### Gross debt

3,235	3,233	3,308	3,298	3,798	3,803	3,868
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#### Cash & cash equivalents

1,243	681	977	1,063	799	572	796
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#### EBITDA before special items<sup>2</sup>

2,056	1,954	2,051	2,030	2,111	2,203	2,190
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—○— Leverage ratio<sup>1</sup>

### KEY ASPECTS

- Q2 2023 included a dividend payment of EUR 295 mn for FY 2022 (payout ratio 48%)
- Leverage ratio increased in Q1 due to the Ewellix acquisition
- Ratings confirmed

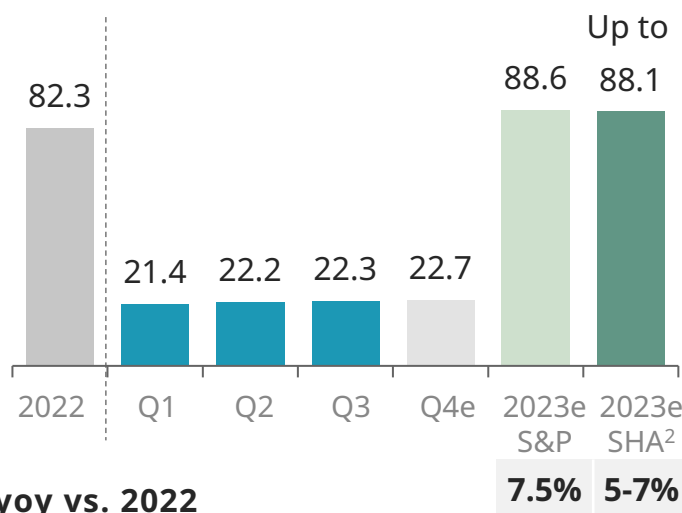
**Strong liquidity situation – Continued strong balance sheet**

- 1 Overview Q3 and 9M 2023
- 2 Business Highlights Q3 and 9M 2023
- 3 Financial Results Q3 and 9M 2023
- 4 **Outlook**

# AGENDA

## Market assumptions updated – Automotive Technologies market expectations raised, Industrial lowered

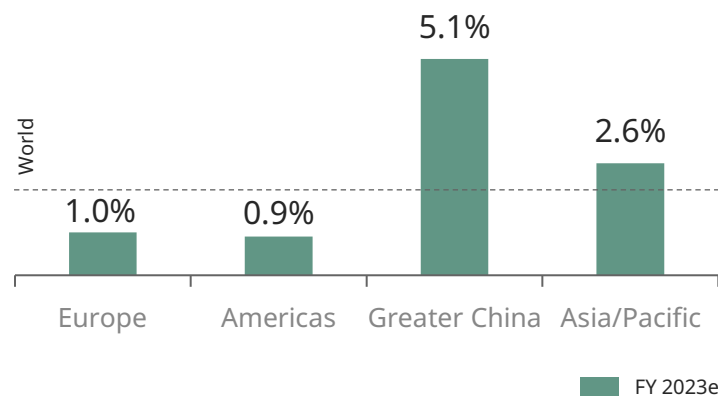
### Automotive Technologies – Global LVP<sup>1</sup> 2023



#### yoy vs. 2022

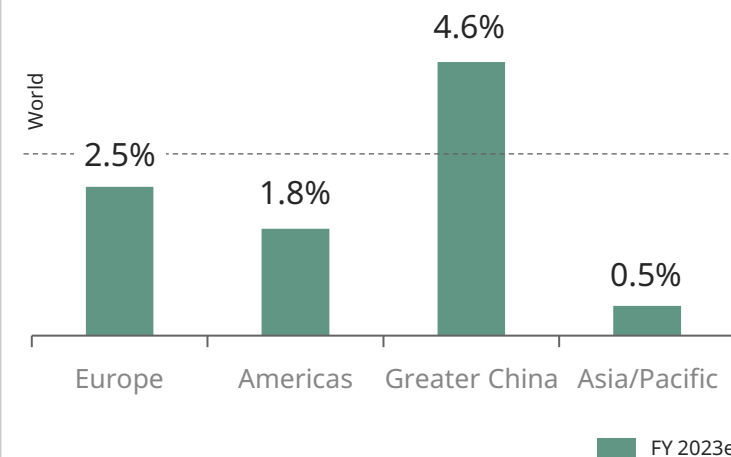
- Schaeffler market assumptions increased to 5-7% LVP growth in 2023 (up to 88.1 mn vehicles) vs. 2-4% expected in August (up to 85.6 mn vehicles), but still follows a more conservative approach than S&P
- Challenges for the development of the car markets in the US, Europe and China are still substantial

### Automotive Aftermarket – Global LV Parc<sup>3</sup>



- Growth of Global LV Parc<sup>3</sup> with 2.1% for 2023 slightly lower than in 2022 (2.3%). The average age for 2023 is set to increase to 11.0 years (2022: 10.7 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 (5.1%); lowest for Europe and Americas (~1.0% each) due to stagnation of new car registrations

### Industrial – Industrial Production<sup>4</sup>



- Industrial Production<sup>4</sup> expected to grow by 2.8% in 2023 according to S&P Global Market Intelligence (October 2023)
- Schaeffler with more cautious market outlook assuming only slight growth for 2023 given strained environment in multiple industrial sectors and strong trend of declining demand especially in Greater China

## FY 2023 Guidance updated – Confirmed and on track for all KPIs, except Industrial sales growth now reduced

### FY 2023 Guidance<sup>1</sup>

	Schaeffler Group	Automotive Technologies	Automotive Aftermarket	Industrial
	Guidance FY 2023 <sup>1</sup>	Guidance FY 2023	Guidance FY 2023	Guidance FY 2023
Sales growth <sup>2</sup>	5 – 8%	Outperformance 0 – 300 bps <sup>5</sup>	10 – 12%	4.5 – 5.5% (prior: 6 – 8%)
EBIT margin <sup>3</sup>	6 – 8%	3 – 5%	14 – 16%	9 – 11%
Free Cash Flow <sup>4</sup>	EUR 300 – 400 mn	<b>Market assumptions for 2023</b> <ul style="list-style-type: none"> <li><b>Automotive Technologies:</b> Updated to LVP growth of 5 - 7% vs. 7.5% in latest S&amp;P estimate<sup>6</sup> for 2023</li> <li><b>Automotive Aftermarket:</b> Growth of Global LV Parc<sup>7</sup> of around 2%</li> <li><b>Industrial:</b> Slight increase of relevant industrial production<sup>8</sup></li> </ul>		

## Conclusion & Outlook – Strong Q3, Group guidance confirmed for FY 2023

- 1 Automotive Technologies** – Despite flat sales, strong earnings in Q3. Good E-Mobility Order intake momentum, full year target already achieved at the high end of range
- 2 Automotive Aftermarket** – High single-digit growth, continued strong earnings quality driven by improved Gross margin. Strong performance in the biggest market Europe and other regions
- 3 Industrial** – Lower sales due to market downturn, especially in China. Solid profitability in Q3. Self-help measures in execution and FY EBIT margin guidance confirmed
- 4 Free Cash Flow** – Strong cash generation in Q3. Overall strong Group profitability and effective working capital management
- 5 Balance Sheet** – Robust balance sheet and strong liquidity are key assets in the current uncertain macro environment

**Strong basis for further  
building the leading  
Motion Technology  
company**

## Financial calendar and selected IR events

### Roadshows & Conferences with Top Management participation

**Nov 8/9**

Roadshow – London, BNP Paribas

**Dec 6**

Auto/Ind. Conference – London, Goldman Sachs

**Jan 17**

German Corporate Conference – Frankfurt, Kepler

### Financial calendar 2023/2024

**Nov 7**

9M 2023 Earnings Release

**Feb**

EGM (exact date to come)

**Mar 6**

FY 2023 Earnings Release

**Apr 25**

AGM

**May 7**

Q1 2024 Earnings Release

**Thank you**

**Investor Relations Contact**

Phone +49 9132 82-4440

Email [ir@schaeffler.com](mailto:ir@schaeffler.com)

Web [www.schaeffler.com.ir](http://www.schaeffler.com.ir)



**BACKUP**

## 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**

- Financials -

BACKUP

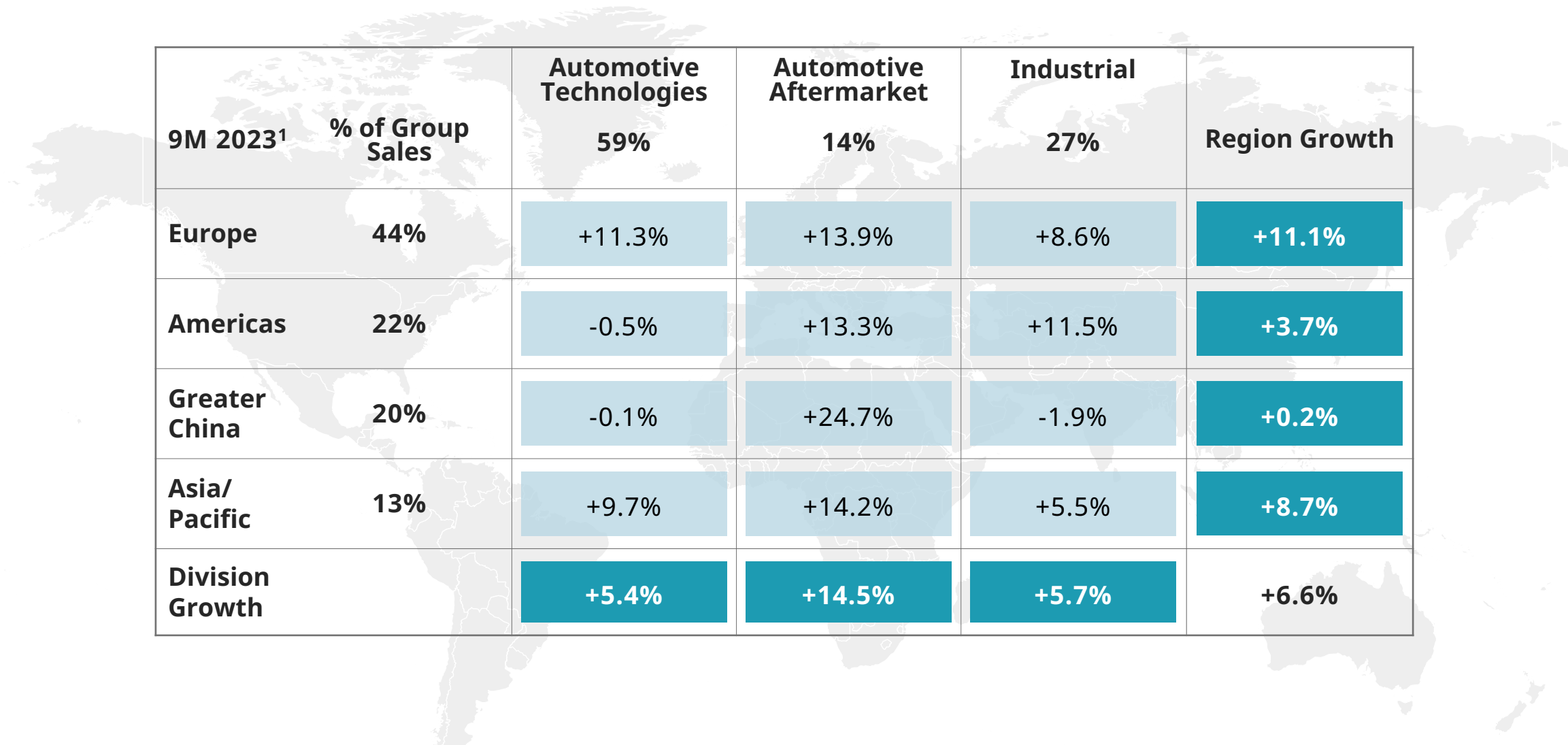
## Ancillary comments to support the Equity Story

Additional KPIs	FY 2023	Comments
<b>Order Intake E-Mobility</b>	<b>EUR 2 – 3 bn</b>	Starting from 2022 onwards the new target of EUR 2 - 3 bn applied
<b>Capex</b>	<b>Around EUR 900 mn</b>	Focus areas include Digitalization, Sustainability, Innovation & Technology and investments in New Business
<b>Restructuring cash-out</b>	<b>Up to EUR 200 mn</b>	Significant portion of extraordinary restructuring expenses as in 2022 expected leading to prudent FCF guidance
<b>Dividend Payout Policy</b>	<b>30 – 50%</b>	Dividend paid EUR 45 cents <sup>2</sup> , payout ratio 48% <sup>3</sup>
<b>Leverage ratio<sup>1</sup></b>	<b>1.25x – 1.75x</b>	Leverage ratio 2023
<b>Average Tax rate</b>	<b>28 – 32%</b>	Overall effective tax rate in line with pre-Covid years
<b>FX rates</b>		US Dollar, Chinese Renminbi and Mexican Peso are the main sales exposures

## Key figures Q3 and 9M 2023

in EUR mn	Q3 2022	Q3 2023	Q3 2023 vs. Q3 2022	9M 2022	9M 2023	9M 2023 vs. 9M 2022
<b>Sales</b>	4,242	4,062	-4.2% +0.5% <sup>1</sup>	11,790	12,270	+4.1% +6.6% <sup>1</sup>
<b>Gross Profit</b>	984	906	-78 mn	2,687	2,776	+89 mn
<b>Gross margin</b>	23.2%	22.3%	-0.9pp	22.8%	22.6%	-0.2pp
<b>EBIT<sup>2</sup></b>	355	340	-15 mn	813	965	+152 mn
<b>EBIT margin<sup>2</sup></b>	8.4%	8.4%	+0.0pp	6.9%	7.9%	+1.0pp
<b>Net income<sup>3</sup></b>	226	150	-76 mn	475	417	-58 mn
<b>EPS<sup>4</sup> (in EUR)</b>	0.34	0.22	-0.12	0.72	0.63	-0.09
<b>Schaeffler Value Added<sup>5</sup></b>	210	265	+55 mn	210	265	+55 mn
<b>ROCE<sup>6</sup></b>	12.4%	12.8%	+0.4pp	12.4%	12.8%	+0.4pp
<b>Free Cash Flow<sup>7</sup></b>	240	182	-58 mn	35	211	+176 mn
<b>Capex</b>	219	247	+28 mn	550	665	+115 mn
<b>Net financial debt</b>	2,331	3,072	+741 mn	2,331	3,072	+741 mn
<b>Leverage ratio<sup>8</sup></b>	1.1x	1.4x	+0.3x	1.1x	1.4x	+0.3x
<b>Headcount</b>	82,702	83,600	+1.1%	82,702	83,600	+1.1%

## Sales Performance 9M 2023 – Growth across all divisions and regions



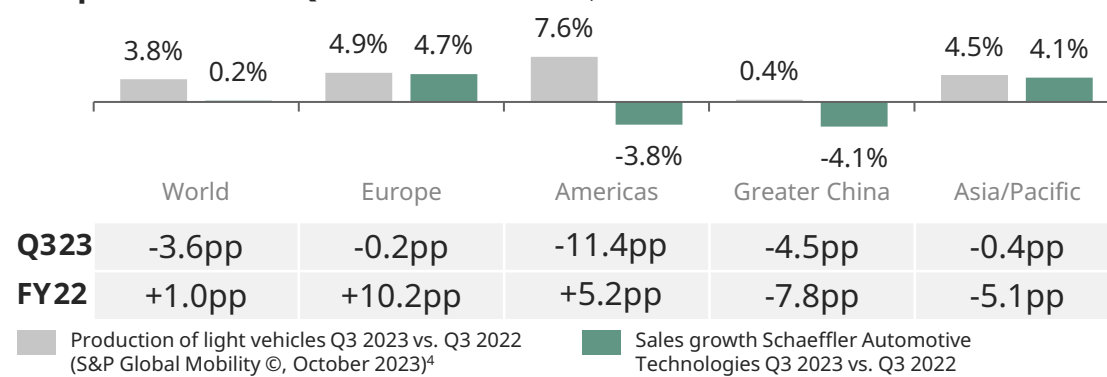
9M 2023 <sup>1</sup>	% of Group Sales	Automotive Technologies 59%	Automotive Aftermarket 14%	Industrial 27%	Region Growth
Europe	44%	+11.3%	+13.9%	+8.6%	+11.1%
Americas	22%	-0.5%	+13.3%	+11.5%	+3.7%
Greater China	20%	-0.1%	+24.7%	-1.9%	+0.2%
Asia/ Pacific	13%	+9.7%	+14.2%	+5.5%	+8.7%
Division Growth		+5.4%	+14.5%	+5.7%	+6.6%

## Automotive Technologies – All business divisions growing, strong EBIT margin<sup>2</sup>

### Sales by business division yoy growth

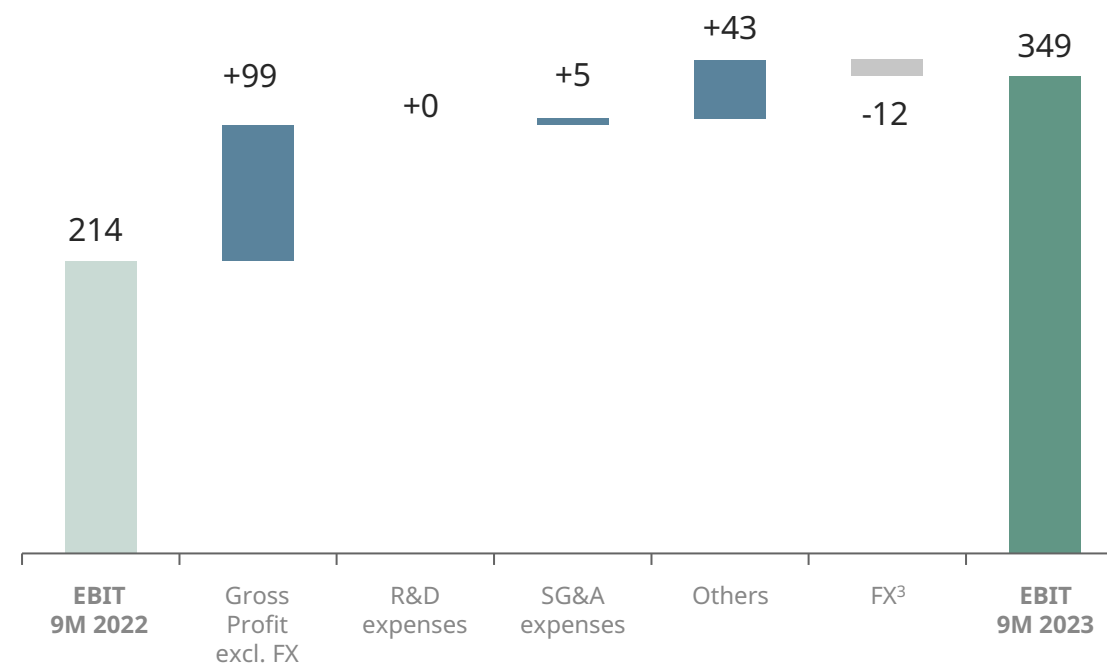
	9M 2022	9M 2023	Δ <sup>1</sup>
<b>E-Mobility</b>	990	967	+0.3%
<b>Engine &amp; Transmission</b>	3,850	3,973	+5.3%
<b>Bearings</b>	1,955	2,005	+5.3%
<b>Chassis Systems</b>	273	335	+24.5%
<b>Total</b>	<b>7,068</b>	<b>7,280</b>	<b>+5.4%</b>

### Outperformance Q3 Sales<sup>1</sup> vs. market development



### EBIT<sup>2</sup> 9M 2022 vs. 9M 2023

in EUR mn



### EBIT margin development<sup>2</sup>

3.0%

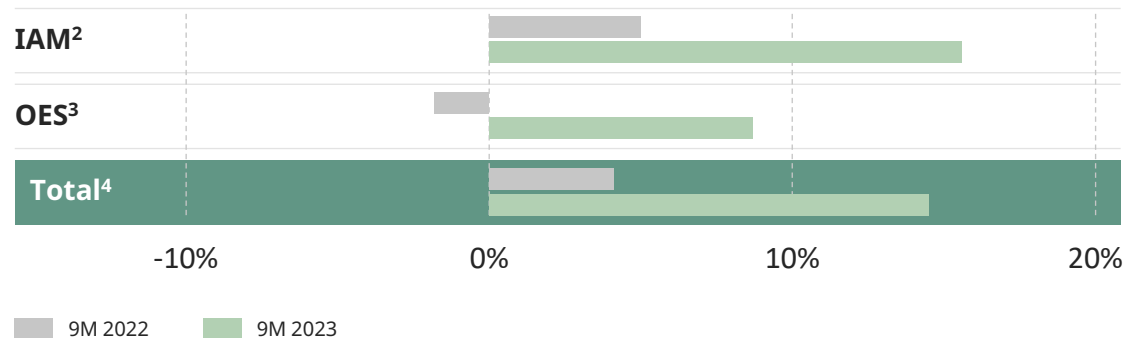
4.8%

## Automotive Aftermarket – Double-digit sales growth<sup>1</sup>, very strong EBIT margin<sup>5</sup>

### Sales by region yoy growth

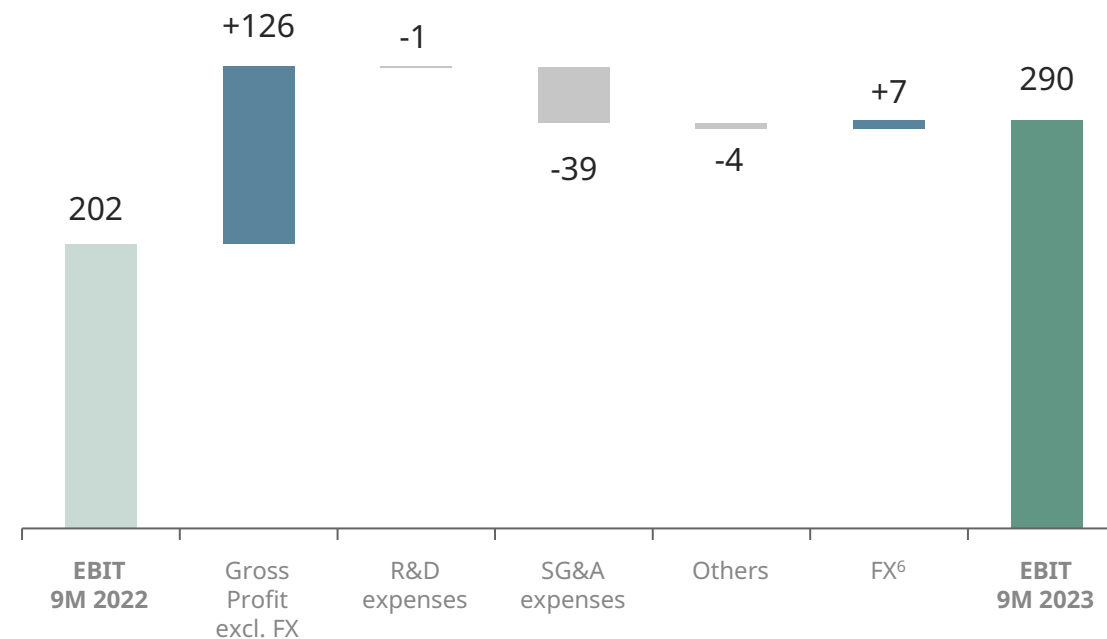
	9M 2022	9M 2023	Δ <sup>1</sup>
Europe	1,002	1,137	+13.9%
Americas	327	368	+13.3%
Greater China	92	106	+24.7%
Asia/Pacific	97	104	+14.2%
<b>Total</b>	<b>1,518</b>	<b>1,716</b>	<b>+14.5%</b>

### Automotive Aftermarket Sales growth by channel<sup>1</sup>



### EBIT<sup>5</sup> 9M 2022 vs. 9M 2023

in EUR mn



### EBIT margin development<sup>5</sup>

13.3%

16.9%

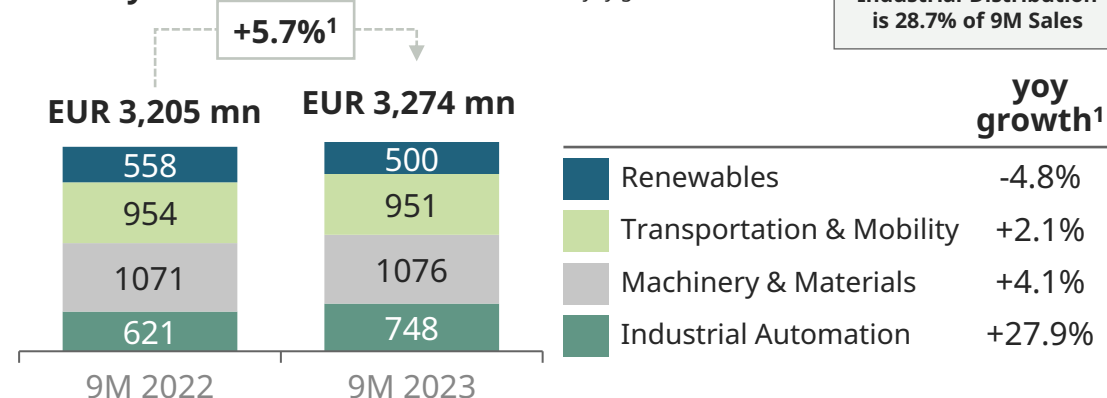


# Industrial – All regions growing except China, EBIT margin<sup>2</sup> below prior year

## Sales by region yoy growth

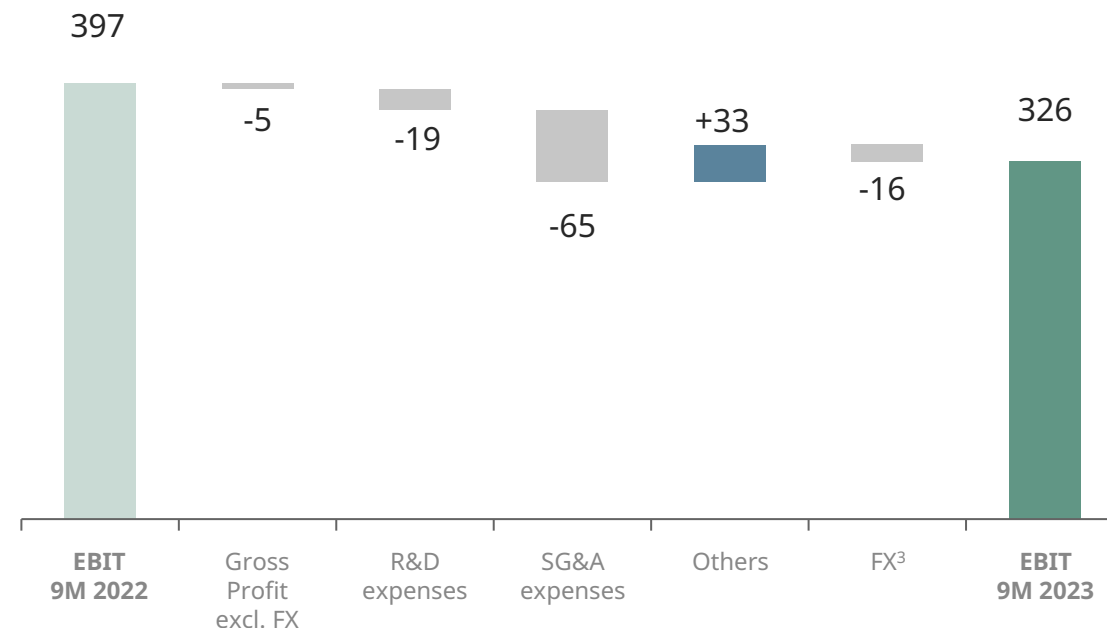
	9M 2022	9M 2023	Δ <sup>1</sup>
Europe	1,308	1,412	+8.6%
Americas	548	595	+11.5%
Greater China	879	800	-1.9%
Asia/Pacific	470	466	+5.5%
<b>Total</b>	<b>3,205</b>	<b>3,274</b>	<b>+5.7%</b>

## Sales by Industrial market cluster yoy growth



## EBIT<sup>2</sup> 9M 2022 vs. 9M 2023

in EUR mn



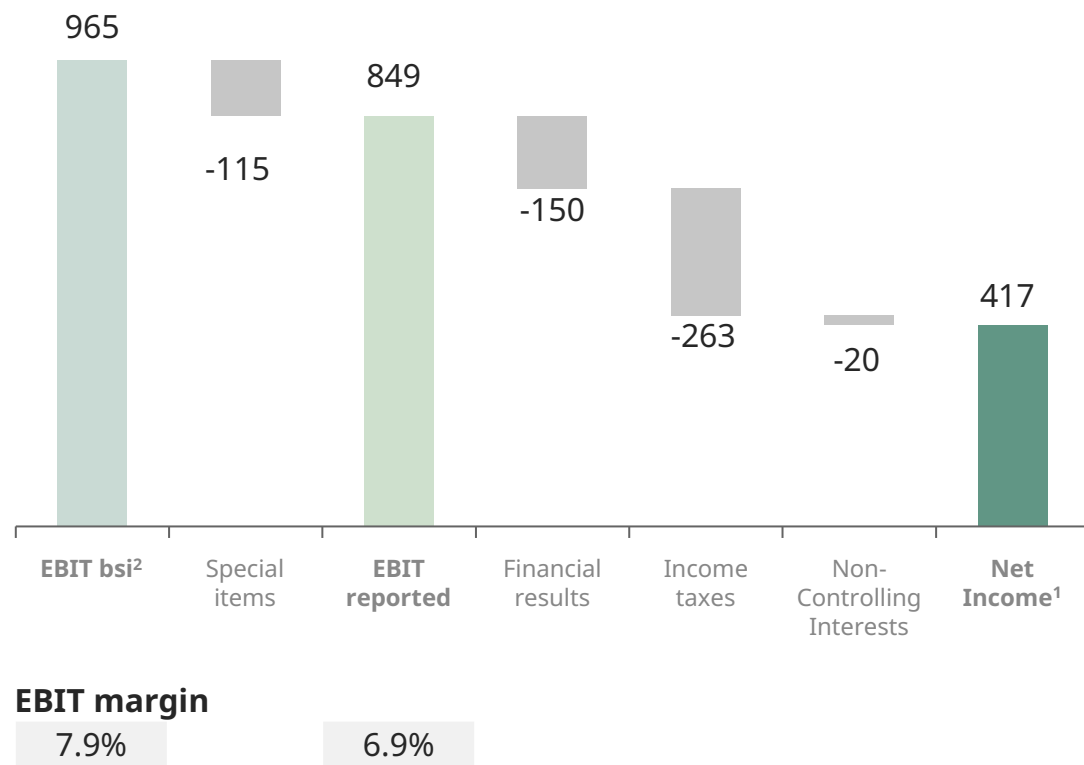
## EBIT margin development<sup>2</sup>

12.4%

9.9%

## Net Income<sup>1</sup> – EBIT reconciliation and special items

### Reconciliation 9M 2023 in EUR mn



### KEY ASPECTS

- Special items amounted to EUR 115 mn in 9M, mainly related to valuation of energy forward contracts
- Financial Result lower yoy due to higher interest payments and higher expenses for interests on pensions

### Special items by Division

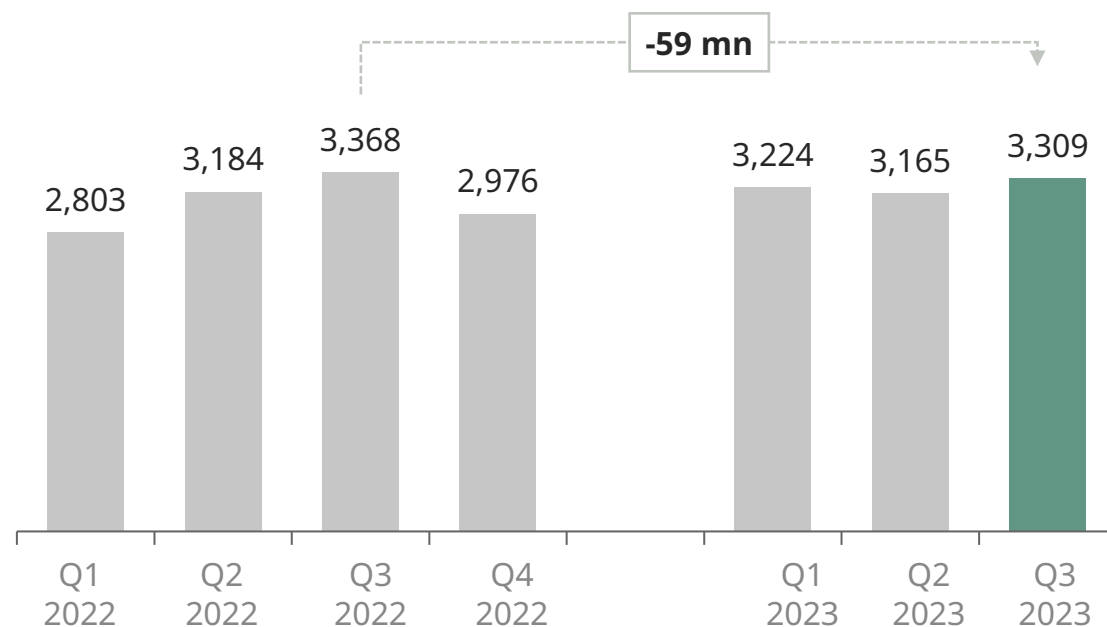
in EUR mn

	Q3 22	Q3 23	Q3 23 vs. Q3 22	9M 22	9M 23	9M 23 vs. 9M 22
<b>EBIT reported</b>	<b>395</b>	<b>322</b>	<b>-73</b>	<b>828</b>	<b>849</b>	<b>+21</b>
Automotive Technologies	-43	-1	+42	-30	+55	+85
Automotive Aftermarket	-1	-2	-1	0	+2	+2
Industrial	+4	+21	+17	+14	+58	+44
<b>Group</b>	<b>-40</b>	<b>+18</b>	<b>+58</b>	<b>-16</b>	<b>+115</b>	<b>+131</b>
<b>EBIT bsi<sup>2</sup></b>	<b>355</b>	<b>340</b>	<b>-15</b>	<b>813</b>	<b>965</b>	<b>+152</b>

# Working Capital ratio 20.3% – Capex ratio 6.1% in Q3

## Working capital<sup>1</sup>

in EUR mn

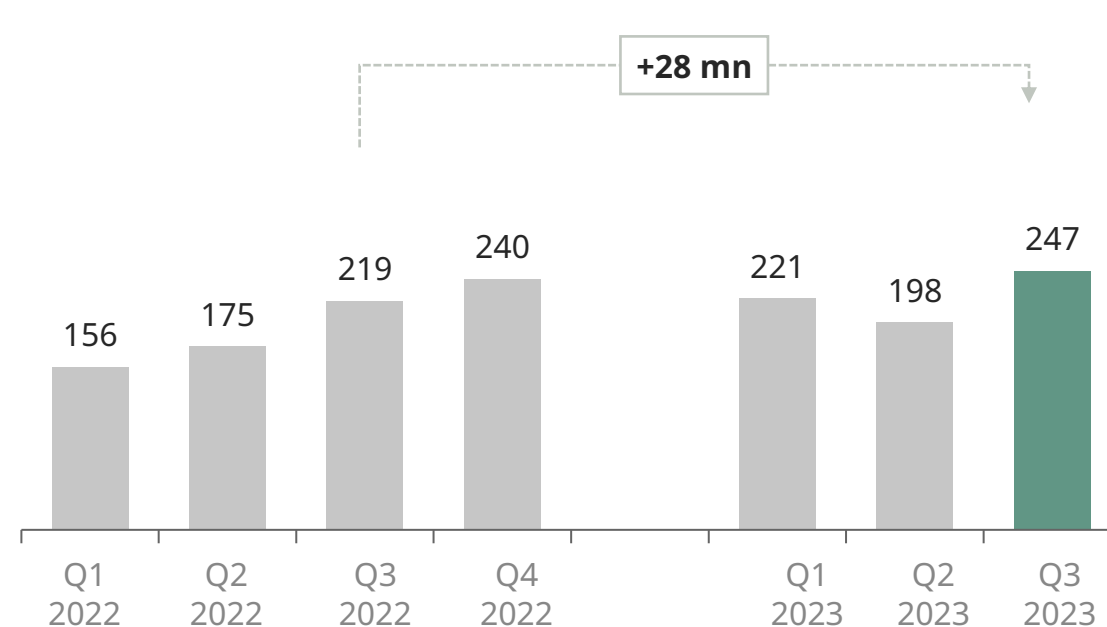


in % of Sales (LTM)

20.0%	22.1%	22.0%	18.8%			
				19.9%	19.2%	20.3%
18.8%						

## Capex<sup>2</sup>

in EUR mn



in % of Sales

4.2%	4.6%	5.2%	6.0%			
				5.3%	4.9%	6.1%
5.0%						

## Automotive Technologies (AT) outperformance by quarters

Adjusted comparative figures 2022

YTD Outperformance: -3.6pp			Q1 23			Q2 23			Q3 23		
	S&P <sup>1</sup>	AT <sup>2</sup>	Outper- formance	S&P <sup>1</sup>	AT <sup>2</sup>	Outper- formance	S&P <sup>1</sup>	AT <sup>2</sup>	Outper- formance		
World	+7.1%	+6.0%	-1.1pp	+16.8%	+10.7%	-6.1pp	+3.8%	+0.2%	-3.6pp		
Europe	+14.2%	+15.1%	+0.9pp	+14.9%	+14.5%	-0.4pp	+4.9%	+4.7%	-0.2pp		
Americas	+9.9%	+0.8%	-9.1pp	+13.6%	+1.6%	-12.0pp	+7.6%	-3.8%	-11.4pp		
Greater China	-4.3%	-8.2%	-3.9pp	+22.5%	+15.2%	-7.3pp	+0.4%	-4.1%	-4.5pp		
Asia/Pacific	+12.9%	+15.5%	+2.6pp	+14.9%	+10.1%	-4.8pp	+4.5%	+4.1%	-0.4pp		

FY 22 Outperformance: +1.0pp			Q1 22			Q2 22			Q3 22			Q4 22		
	S&P <sup>1</sup>	AT <sup>2</sup>	Outper- formance	S&P <sup>1</sup>	AT <sup>2</sup>	Outper- formance	S&P <sup>1</sup>	AT <sup>2</sup>	Outper- formance	S&P <sup>1</sup>	AT <sup>2</sup>	Outper- formance		
World	-3.5%	-3.2%	+0.3pp	+1.4%	+1.3%	-0.1pp	+29.5%	+25.2%	-4.3pp	+3.4%	+9.9%	+6.5pp		
Europe	-14.7%	-2.0%	+12.7pp	-2.0%	+2.4%	+4.4pp	+25.1%	+33.6%	+8.5pp	+5.6%	+18.0%	+12.4pp		
Americas	-3.6%	+0.3%	+3.9pp	+11.2%	+19.6%	+8.4pp	+24.9%	+22.0%	-2.9pp	+7.0%	+17.9%	+10.9pp		
Greater China	+6.9%	-5.3%	-12.2pp	-4.3%	-14.8%	-10.5pp	+34.3%	+24.7%	-9.6pp	-5.3%	-7.4%	-2.1pp		
Asia/Pacific	-4.0%	-8.3%	-4.3pp	+3.7%	-0.5%	-4.2pp	+30.5%	+12.9%	-17.6pp	+12.4%	+15.8%	+3.4pp		

## Key figures by Group and Division

Adjusted comparative figures 2022

## Group in EUR mn

	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23
<b>Sales</b>	3,758	3,790	4,242	4,019	4,152	4,056	<b>4,062</b>
<b>Sales Growth<sup>1</sup></b>	+1.9%	+4.4%	+20.2%	+11.8%	+10.4%	+9.8%	<b>+0.5%</b>
<b>EBIT reported</b>	247	186	395	145	244	283	<b>322</b>
<b>EBIT bsi</b>	258	200	355	233	336	289	<b>340</b>
<b>EBIT bsi margin</b>	6.9%	5.3%	8.4%	5.8%	8.1%	7.1%	<b>8.4%</b>

## Automotive Aftermarket in EUR mn

	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23
<b>Sales</b>	464	506	548	523	582	549	<b>584</b>
<b>Sales Growth<sup>1</sup></b>	+2.1%	+4.4%	+5.6%	+16.8%	+25.7%	+10.2%	<b>+8.8%</b>
<b>EBIT reported</b>	63	64	74	54	102	87	<b>99</b>
<b>EBIT bsi</b>	64	64	73	59	103	89	<b>98</b>
<b>EBIT bsi margin</b>	13.8%	12.7%	13.4%	11.2%	17.7%	16.3%	<b>16.7%</b>

## Automotive Technologies in EUR mn

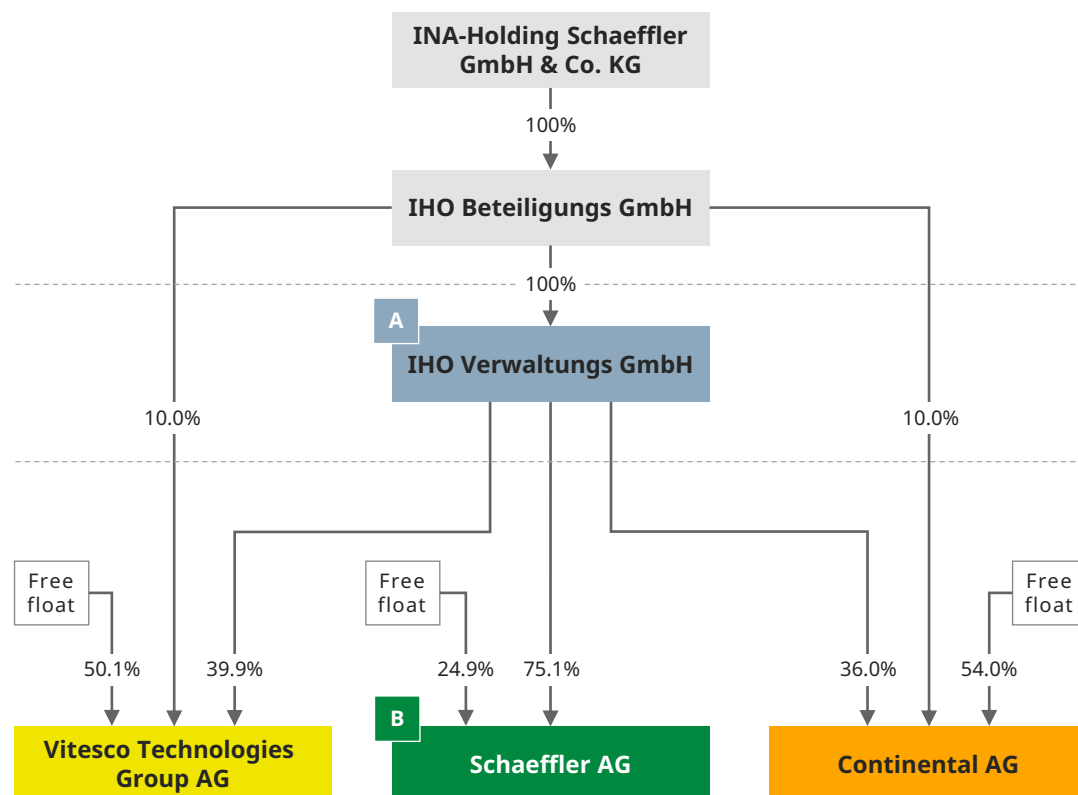
	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23
<b>Sales</b>	2,292	2,221	2,554	2,430	2,440	2,400	<b>2,440</b>
<b>Sales Growth<sup>1</sup></b>	-3.2%	+1.3%	+25.2%	+9.9%	+6.0%	+10.7%	<b>+0.2%</b>
<b>EBIT reported</b>	78	1	165	9	44	107	<b>143</b>
<b>EBIT bsi</b>	81	11	122	78	105	102	<b>142</b>
<b>EBIT bsi margin</b>	3.5%	0.5%	4.8%	3.2%	4.3%	4.3%	<b>5.8%</b>

## Industrial in EUR mn

	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23
<b>Sales</b>	1,002	1,062	1,140	1,066	1,130	1,107	<b>1,038</b>
<b>Sales Growth<sup>1</sup></b>	+15.7%	+11.7%	+17.8%	+13.7%	+13.4%	+7.9%	<b>-3.0%</b>
<b>EBIT reported</b>	106	121	155	82	98	89	<b>80</b>
<b>EBIT bsi</b>	113	125	159	97	128	97	<b>100</b>
<b>EBIT bsi margin</b>	11.3%	11.7%	13.9%	9.1%	11.3%	8.8%	<b>9.7%</b>

## Overview Corporate and Financing Structure

### Corporate structure (simplified) as of September 30, 2023



### Financing structure as of September 30, 2023

A	IHO Verwaltungs GmbH Debt instrument	Nominal USD mn	Nominal EUR <sup>1</sup> mn	Interest	Maturity	Rating Fitch/Moody's/S&P
Loans	RCF (EUR 800 mn)	-	0	E+3.25%	Dec-24	Not rated
	3.75% SSNs 2026 (EUR)	-	750	3.750%	Sep-26	BB/Ba2/BB-
Bonds	4.75% SSNs 2026 (USD)	500	472	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	425	6.000%	May-27	BB/Ba2/BB-
	8.75% SSNs 2028 (EUR)	-	800	8.750%	May-28	BB/Ba2/BB-
	6.375% SSNs 2029 (USD)	400	377	6.375%	May-29	BB/Ba2/BB-
Total IHO Verwaltungs GmbH		3,324	Ø 5.36% <sup>2,3</sup>			

B	Schaeffler AG Debt instrument	Nominal USD mn	Nominal EUR <sup>1</sup> mn	Interest	Maturity	Rating Fitch/Moody's/S&P
Loans	RCF (EUR 2,000 mn)	-	-	E+0.725%	Nov-27	Not rated
	Term Loan (EUR)	-	500	E+1.650%	Nov-27	Not rated
	Term Loan (EUR)	-	125	undisclosed	Aug-27	Not rated
	Schuldschein Loans (EUR)	-	293	Ø 4.150%	May 25, 28 & 30	Not rated
CP	Commercial Paper (EUR)	-	-	-	-	Not rated
Bonds	1.875% SNs 2024 (EUR)	-	800	1.875%	Mar-24	BB+/Baa3/BB+
	2.750% SNs 2025 (EUR)	-	750	2.750%	Oct-25	BB+/Baa3/BB+
	2.875% SNs 2027 (EUR)	-	650	2.875%	Mar-27	BB+/Baa3/BB+
	3.375% SNs 2028 (EUR)	-	750	3.375%	Oct-28	BB+/Baa3/BB+
Total Schaeffler AG		3,868	Ø 3.38% <sup>3</sup>			

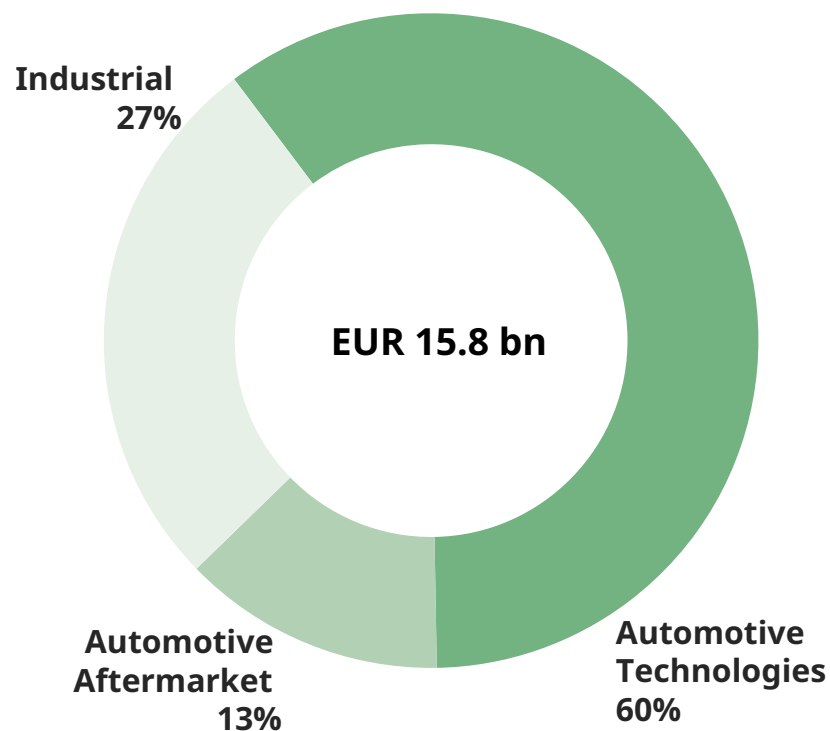
- Group -

BACKUP

## Schaeffler Group at a glance – The Motion Technology Company

### 3 Divisions

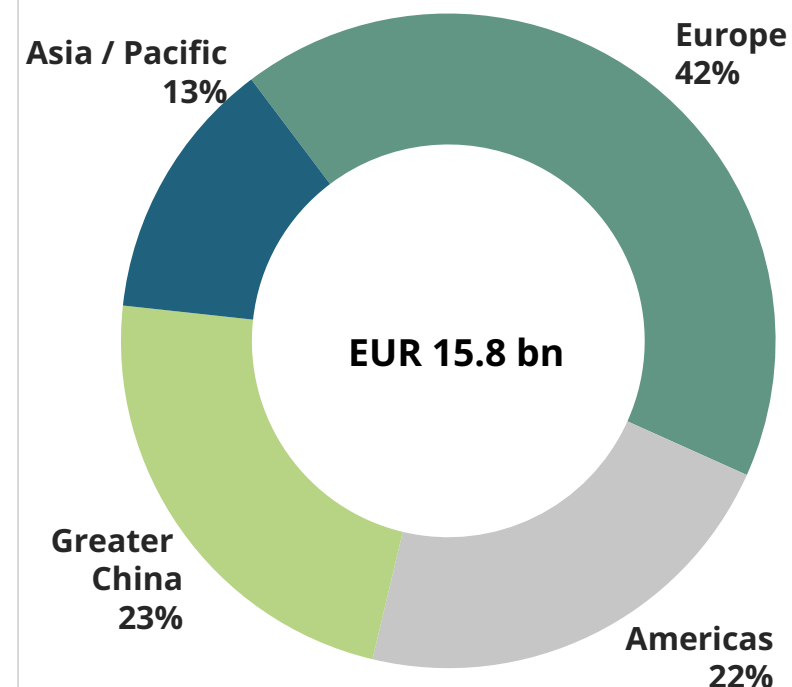
in % of FY 2022



- 3 Divisions serving attractive, sizeable Automotive and Industrial markets with secular growth
- Diversified customer base across 10 sectors
- Market leading product offering across components, systems, services
- Global footprint, in the region for the region, high customer proximity
- Experienced leadership team with focus on execution
- Family owned and listed (25% non-voting)

### 4 Regions

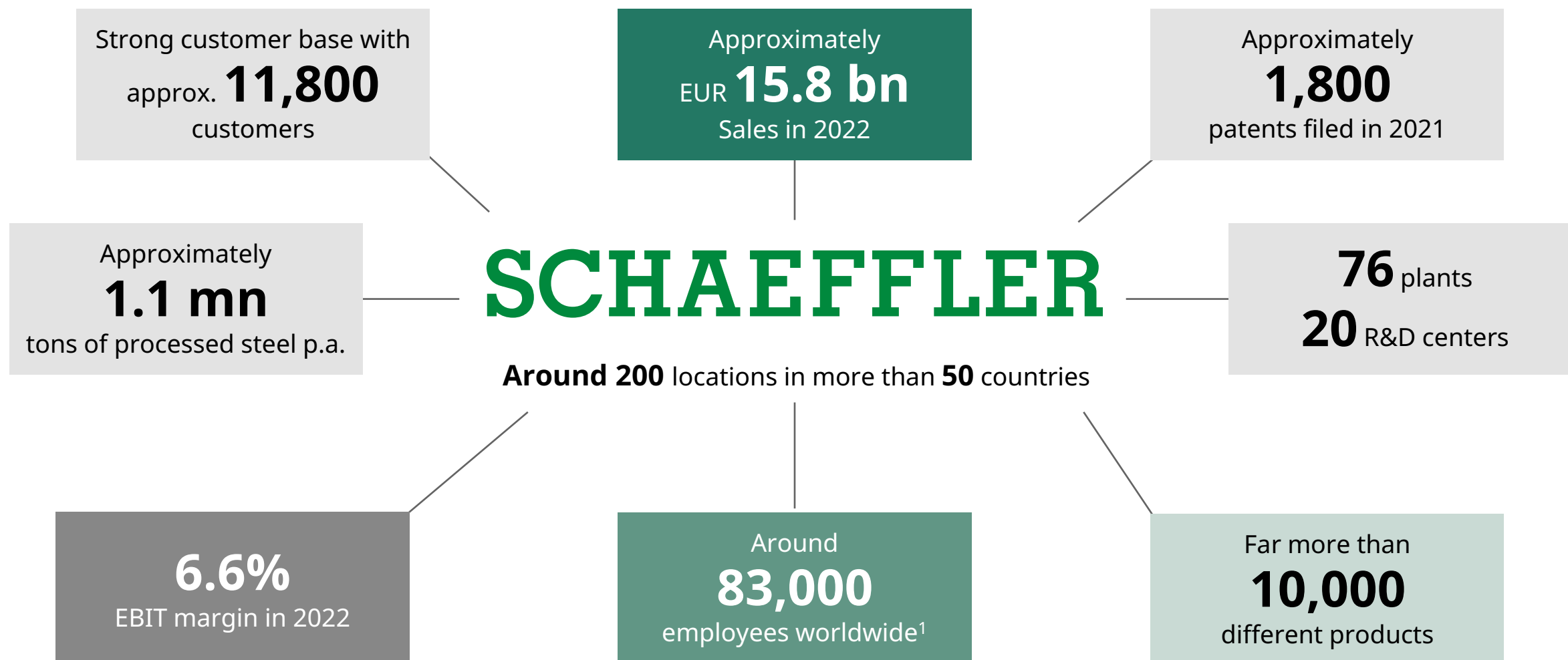
in % of FY 2022



Diversified exposure in attractive markets, synergistic businesses and global reach



## Schaeffler Group – A strong starting point



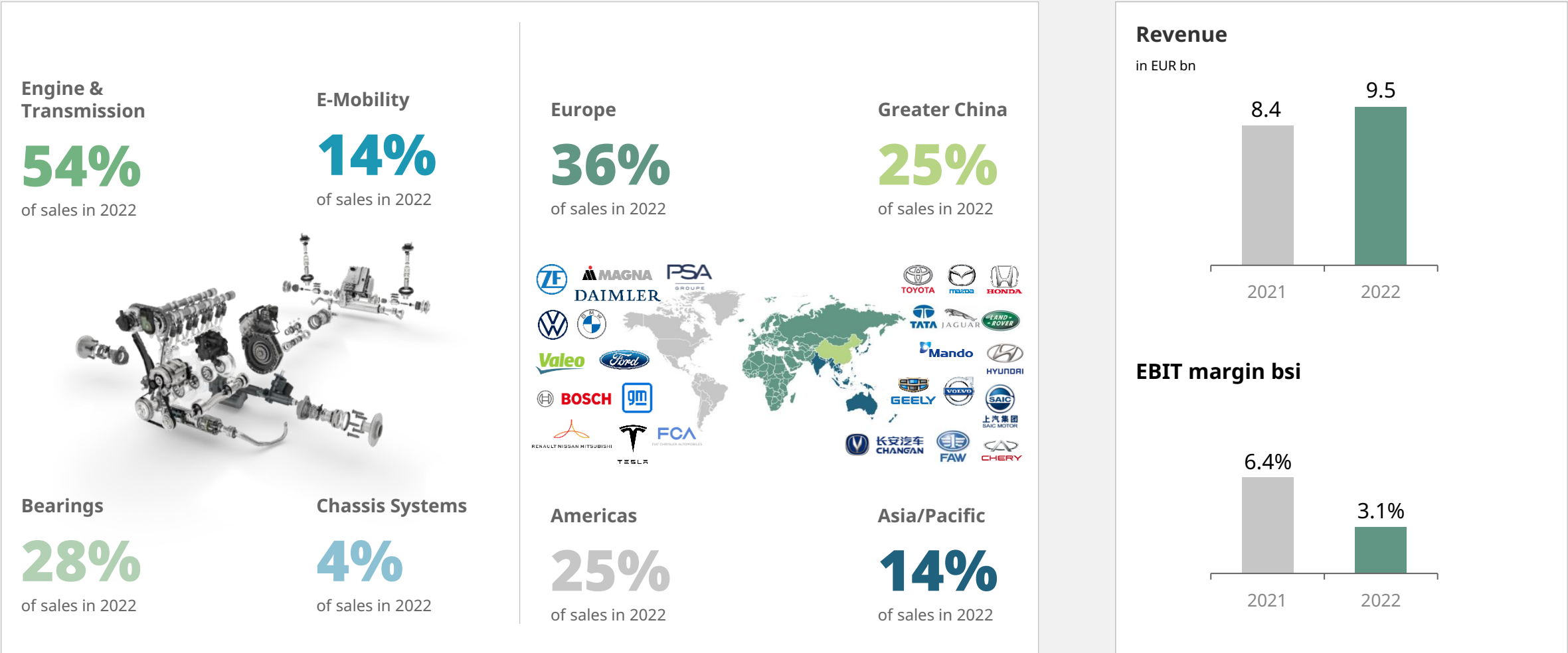
## Schaeffler Group – Our Customers



- Divisions -

BACKUP

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



Europe

36%

of sales in 2022



Greater China

25%

of sales in 2022



Americas

25%

of sales in 2022

Asia/Pacific

14%

of sales in 2022

Revenue

in EUR bn

8.4

9.5

2021

2022

EBIT margin bsi

6.4%

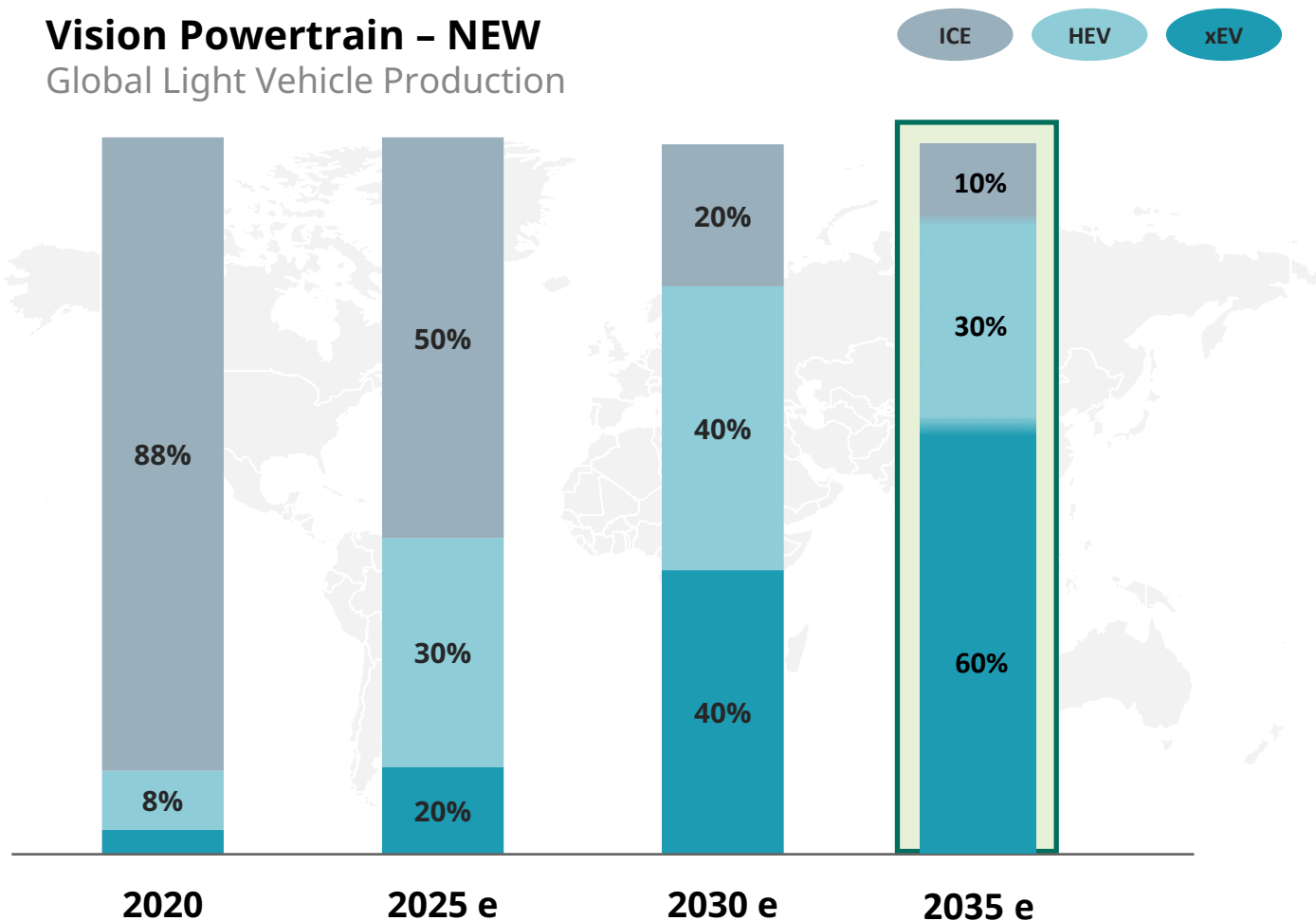
3.1%

2021

2022

## Market & Customers – Electrification is further accelerating

### Vision Powertrain – NEW Global Light Vehicle Production

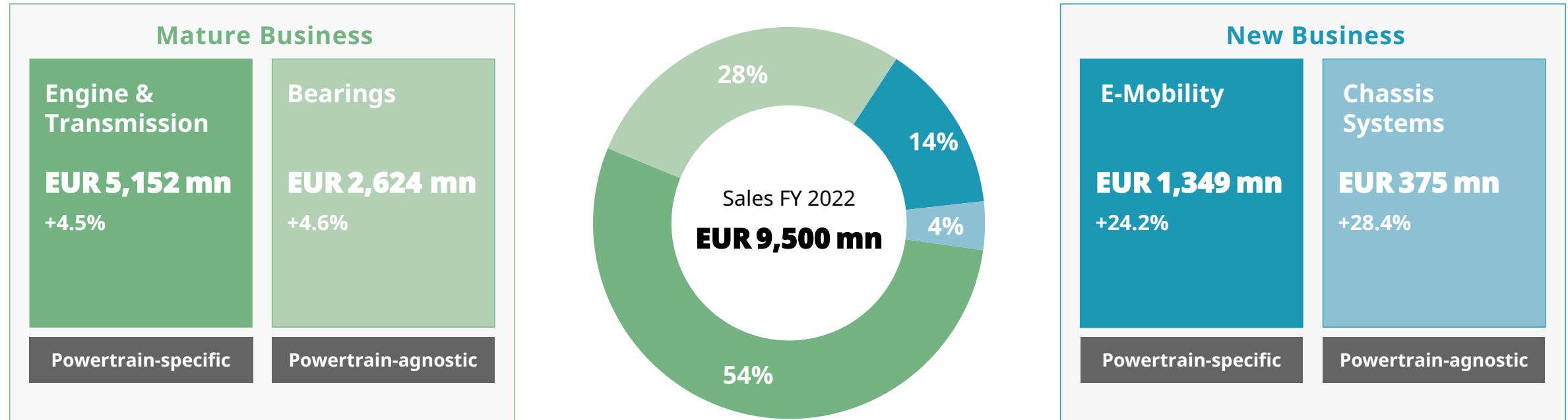


Climate targets towards zero emission in major markets

HEV as transition technology will reach tipping point in 2030

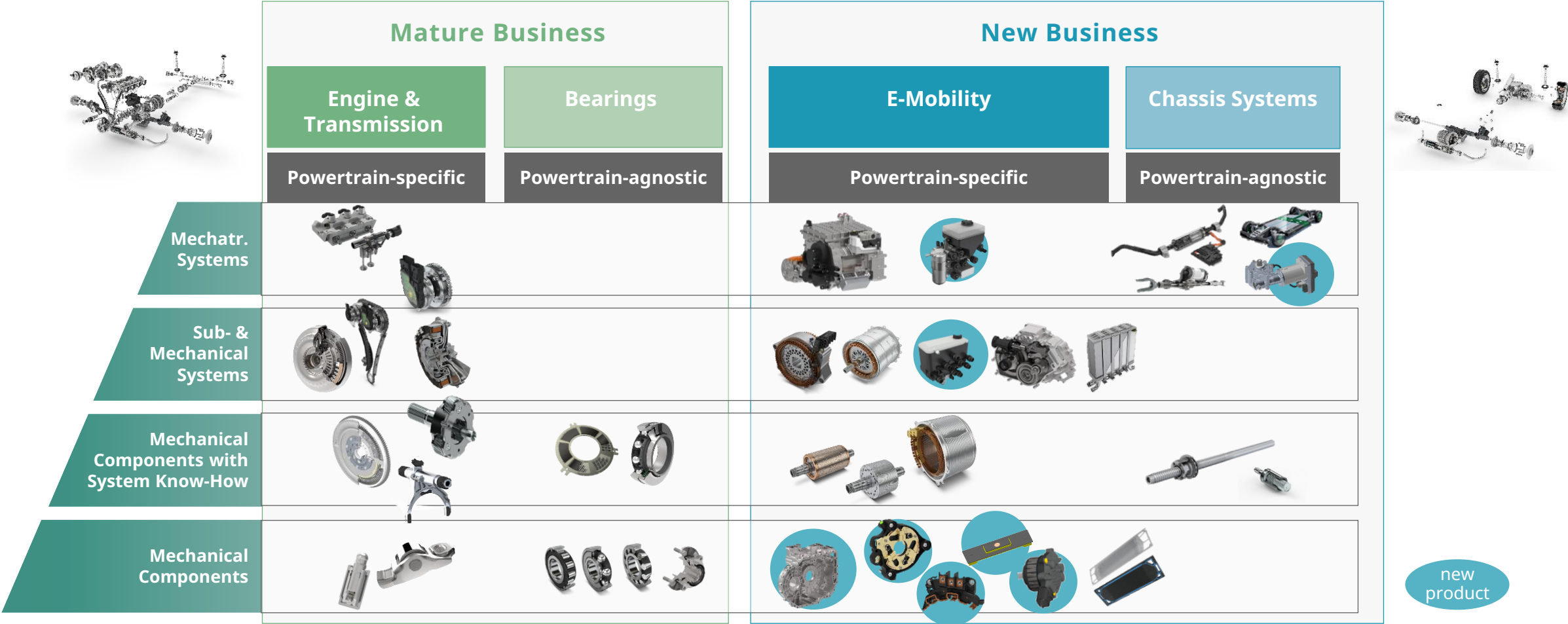
OEMs raise EV targets and accelerate electrification

## Portfolio Management – Operating model proving its steering effectiveness with clear results



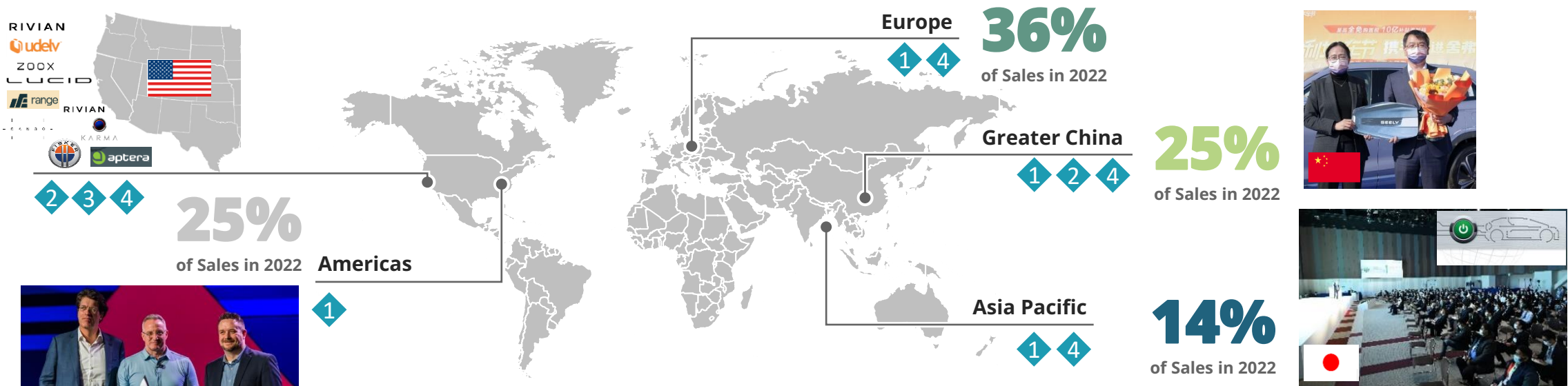
Further differentiating internal resource allocation and steering & further enhancing customer orientation

Product Portfolio expanded – We deliver both innovative components & systems for powertrain & chassis





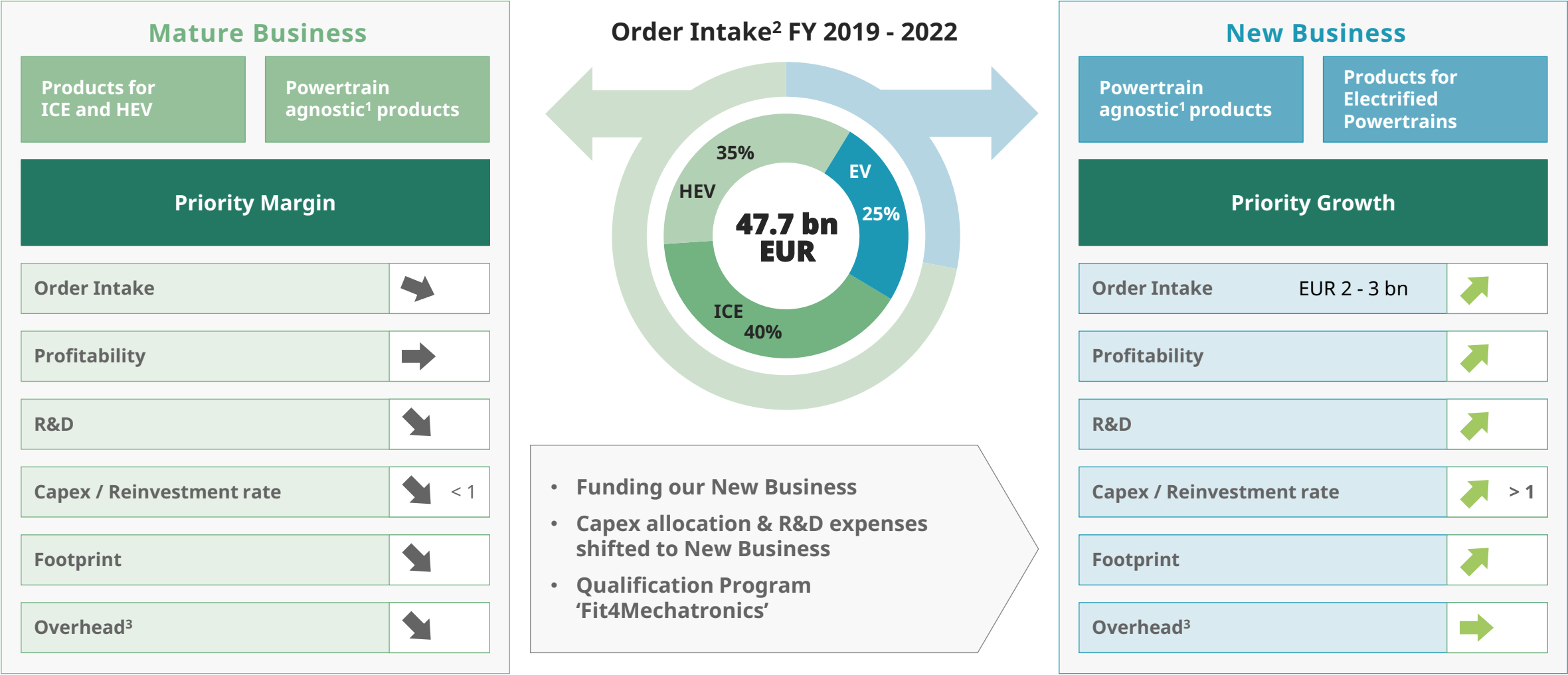
Market & Customers – Competitive landscape increasingly dynamic and offering great opportunities



			Market penetration	Financial power	Automotive as today's core business
Established OEMs	1	Traditional, with both ICE and EV		✓ →	✓
	2	EV natives, with high growth	Customers undisclosed	✓ →	✓
New Players	3	Well financed and successful in other ventures	Customers undisclosed	✗ →	✗
	4	New Entrants (e. g. with new mobility approaches & MaaS)	ZOOX Customers undisclosed	✗	✗



How we fund our own growth and create value

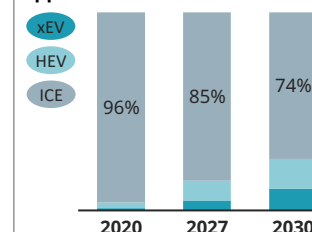


# Portfolio Automotive Technologies as enabler for further business in other sectors / divisions



## Example: Schaeffler Aftermarket

Car Parc<sup>1</sup>  
approx. 1.5 bn vehicles



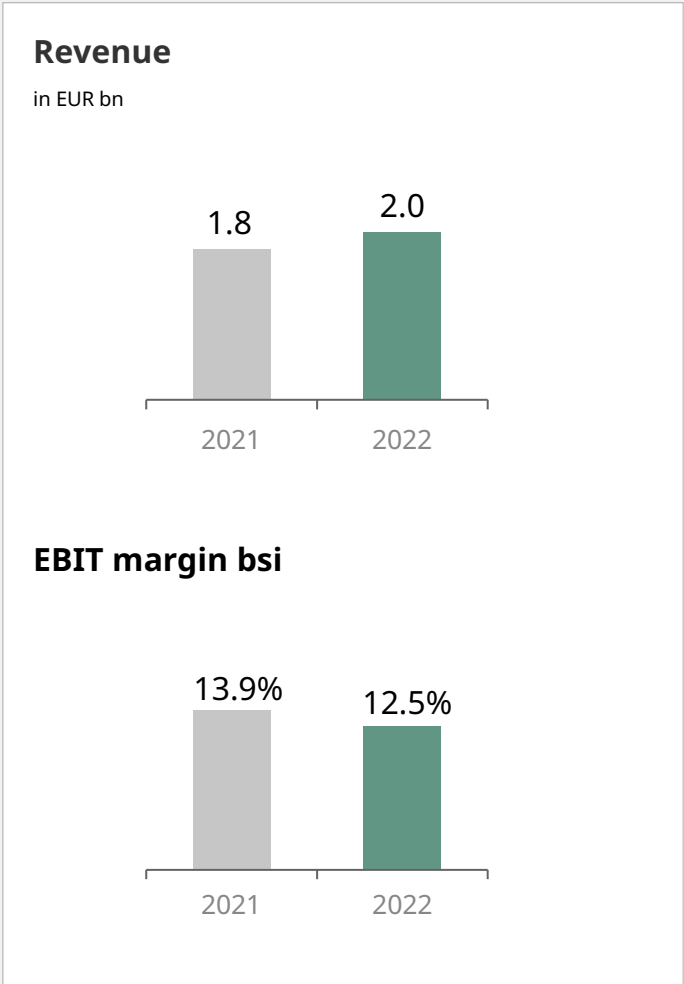
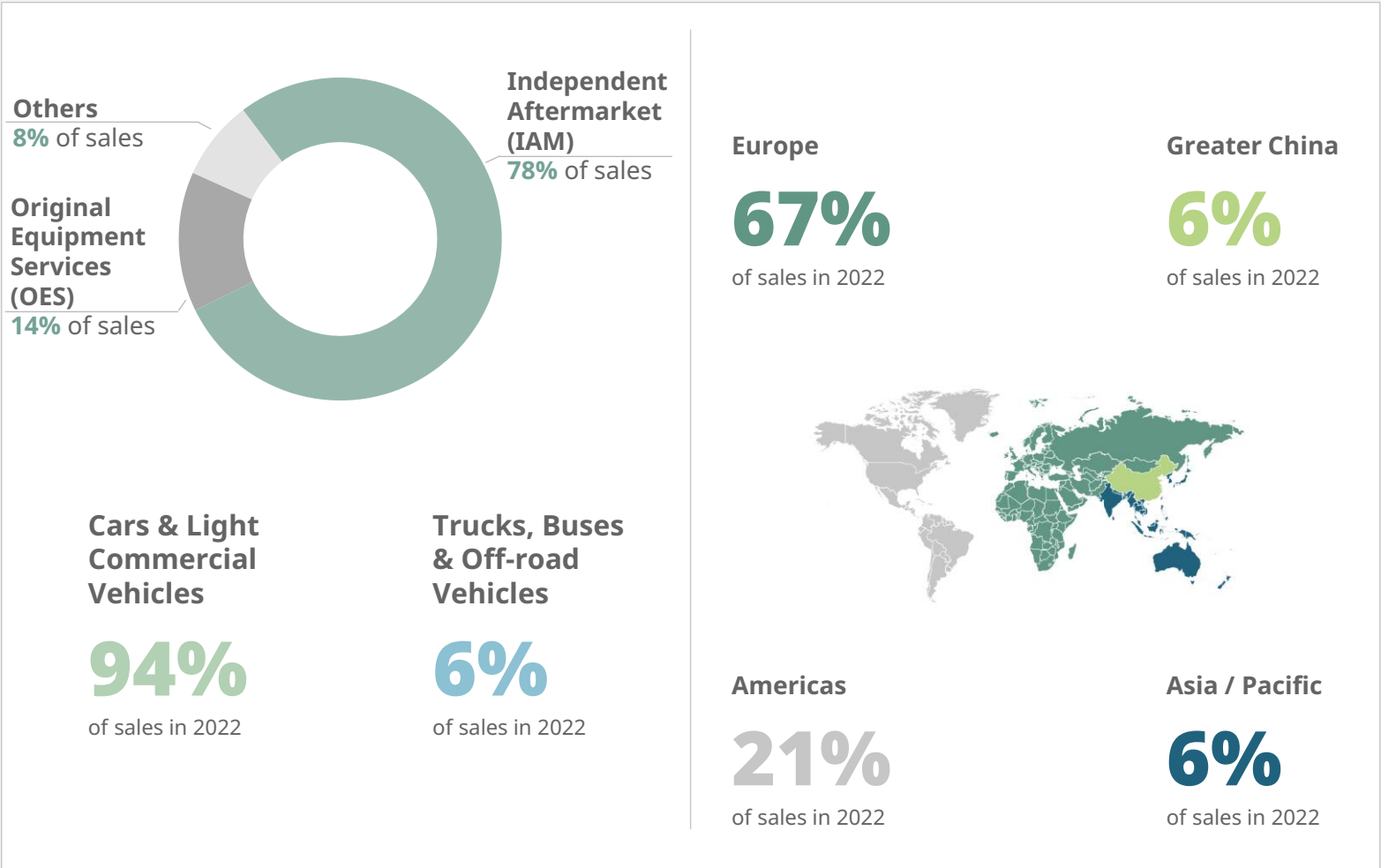
## Example: Schaeffler Free Drive



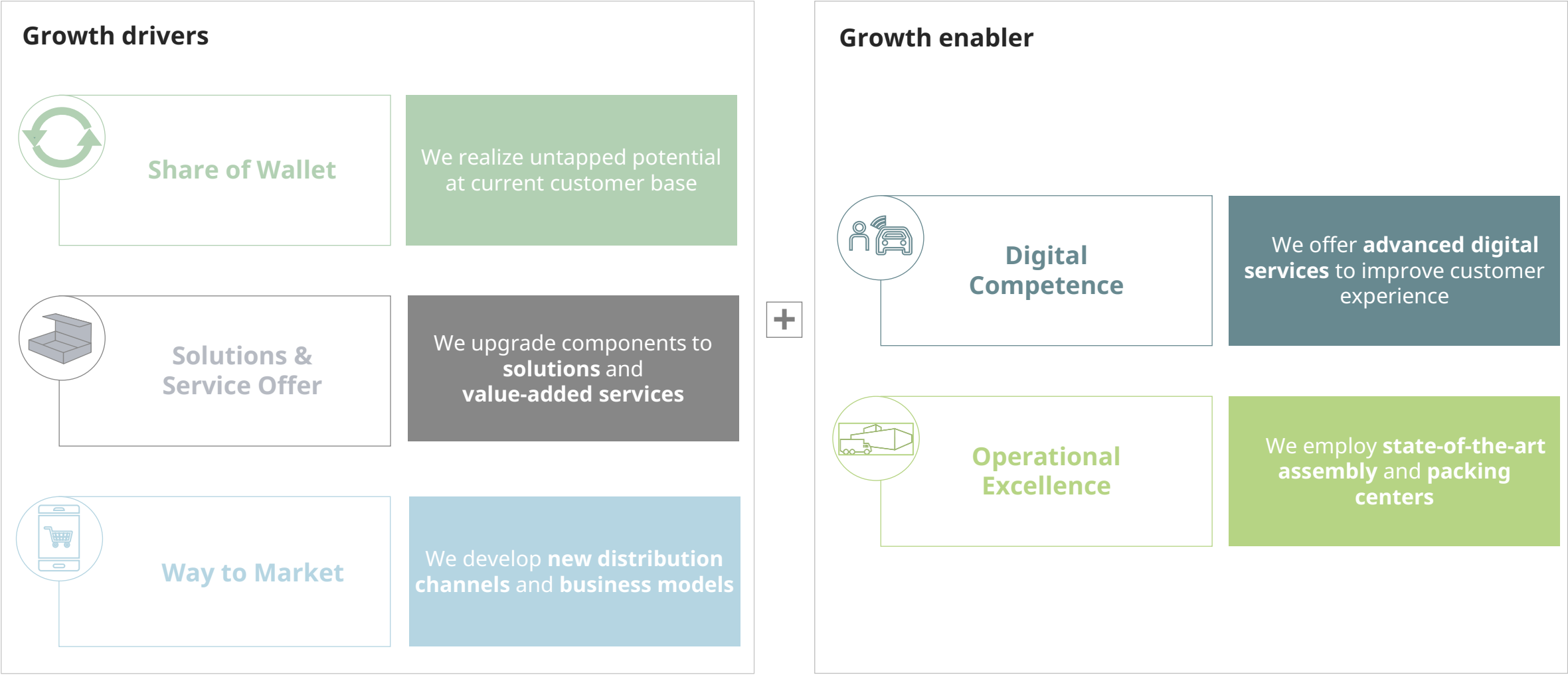
## Example: E-Motor for agricultural applications



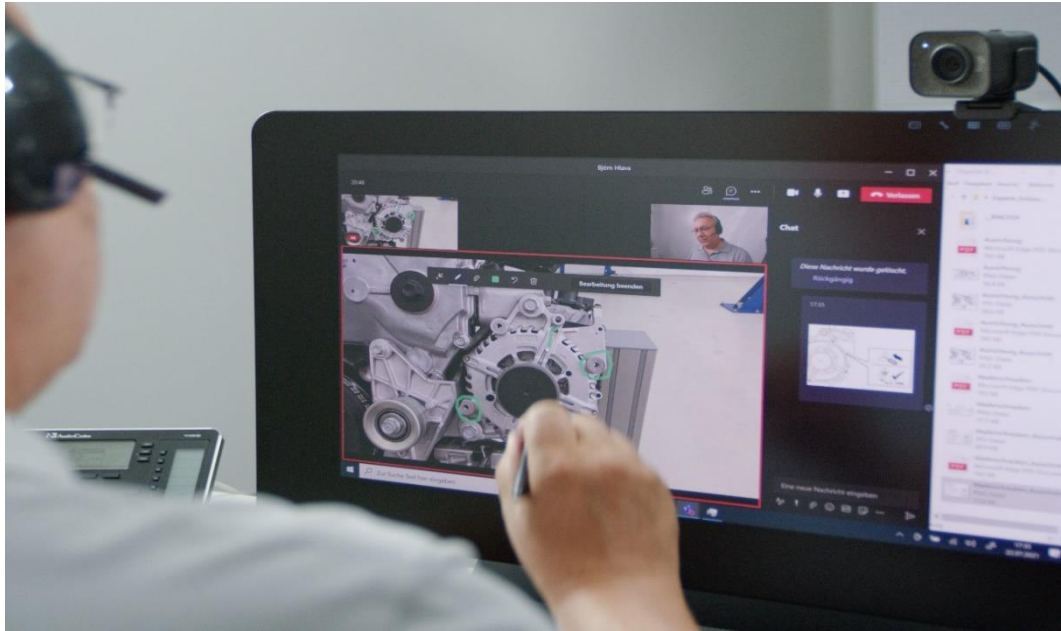
Automotive Aftermarket – Leading supplier of Aftermarket components and systems



Automotive Aftermarket – Capturing new growth opportunities



## Automotive Aftermarket – REPERT Remote Support is the next level digital service for garages



**Free of charge**  
for garages

Fast login via  
**QR code**

**Available in**  
**Europe** already in  
2021

**Conventional technical support methods reach their limitations when it comes to complex, demanding vehicle repairs**

- Service technicians increasingly report difficulties in resolving technical inquiries via telephone or email

**Schaeffler launches a Microsoft Dynamics 365 based technical support solution for smartphones, tablets or HoloLens**

- Images and sound transmitted in real time
- Mixed reality to accurately visualize positions and rotational directions
- No access barriers or licenses cost for garages

**REPERT Remote Support enables complex technical repairs and promotes direct contact to garages**

## Industrial – Leading global component and system supplier

Europe

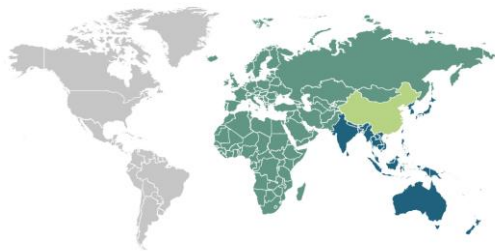
**41%**

of sales in 2022

Greater China

**27%**

of sales in 2022



Americas

**17%**

of sales in 2022

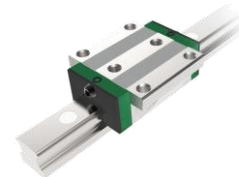
Asia/Pacific

**15%**

of sales in 2022



**Bearings**



**Linear Technology**



**Mechanical Systems**

**Broad range of products**



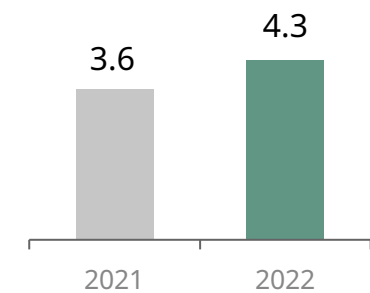
**Mechatronic Systems**



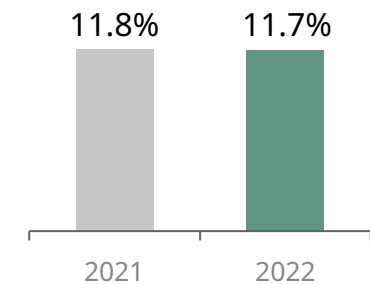
**Service Solutions**

### Revenue

in EUR bn



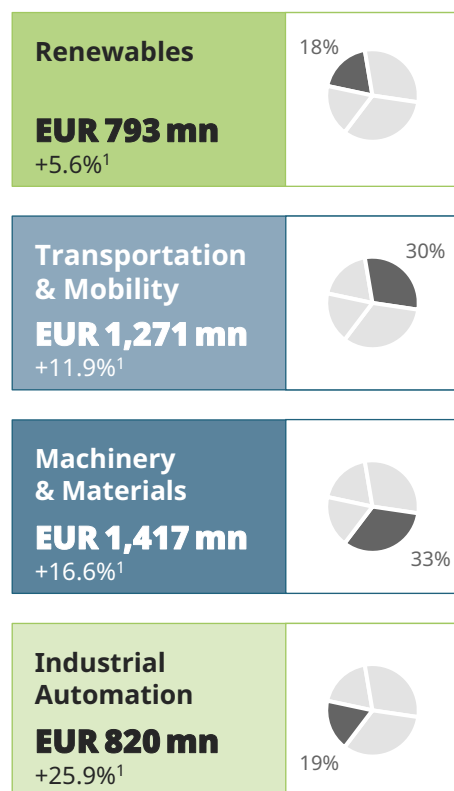
### EBIT margin bsi



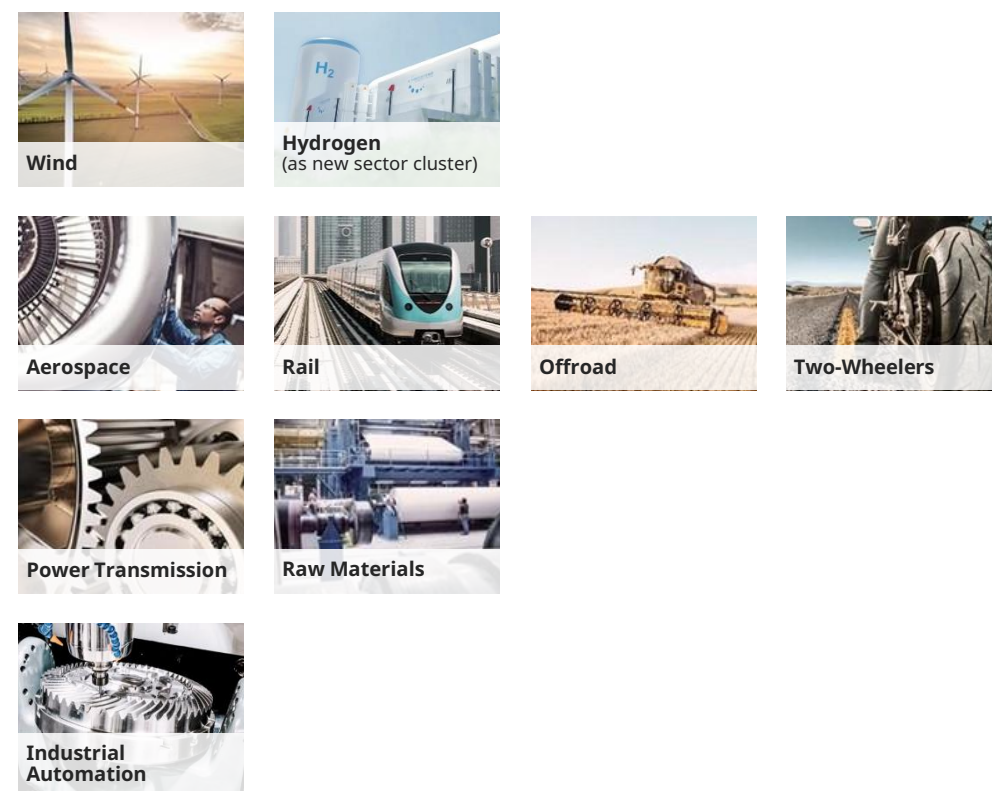


# Industrial – Diversified portfolio with significant growth potential

## Market clusters



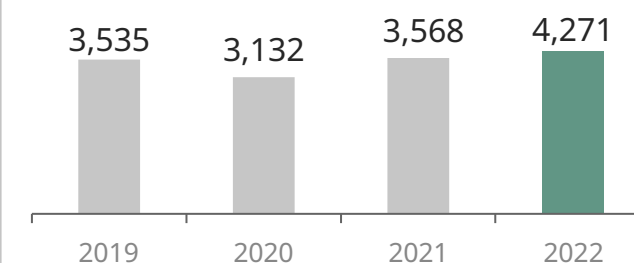
## Sector clusters



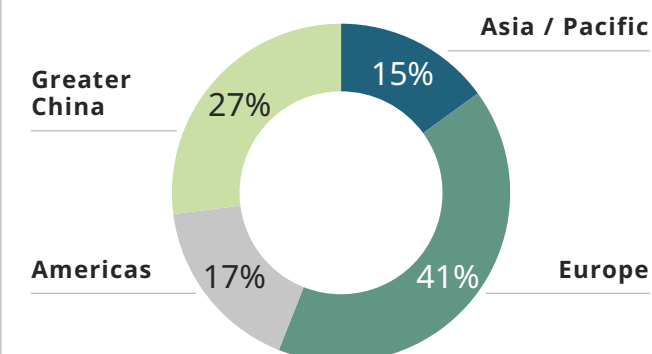
Industrial Distribution  
share of total sales: ~30%

## Industrial sales development

in EUR mn



## Industrial sales by region 2022



# 1 Market Cluster Renewables – Strong fundamentals of the market, confirming growth potential

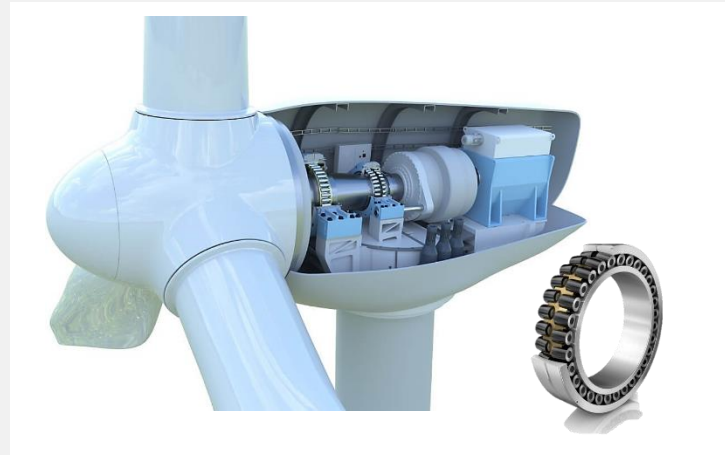
## Market Drivers Renewables

Growing demand for electricity and local energy resources

Ambitious Climate Targets combined with rising CO2-cost

New production technologies

Increasing cost competitiveness



### Wind energy

- Schaeffler bearings in every ~2nd wind turbine globally
- Core business portfolio complemented by Condition Monitoring offerings



### Hydrogen

- Launch of Electrolyzer Stacks as “heart of electrolysis” in 2022
- Consortium lead for sub-project “Stack Scale up – Industrializing PEM Electrolysis” of the H2Giga hydrogen flagship project



## 2 Market Cluster Transportation & Mobility – Well positioned with diversified products and services

### Market Drivers Transportation & Mobility

Increasing passenger mobility and freight transportation

Transformation to E-Mobility and electrification

Automation and digitalization of high-end mobile machinery

Rising life cycle management



### Comprehensive portfolio

- Strong growth with standardized bearings, specialized bearings and sensorized modules
- Portfolio extension with new products for E-Mobility and electrification



### Circular economy

- 100% return service for Rail wheelset bearings
- Certified reconditioning processes for Aerospace engine bearings

### 3 Market Cluster Machinery & Materials – Growing demand for sustainable, resource-saving solutions

#### Market Drivers Machinery & Materials

Growing demand for aggregates used for renewable energies

Ongoing infrastructure expansion

Increasing spreading of electric motors with improved efficiency

Rising agriculture and construction machinery



#### Serving multiple industries

- Engagement in diverse sectors with leading market positions
- Bearing solutions across all requirements, from standard to high-performance products

#### Value-adding service solutions

- Holistic services over the entire product lifecycle to increase uptime, efficiency and sustainability of operations
- Globally available expert team supporting customers in performance optimization

## 4 Market Cluster Industrial Automation – Harnessing the rapidly increasing digitization and automatization

### Market Drivers Industrial Automation

Increasing digitization and automatization of production

Increasing cost pressure

Platform strategies and standardization for autonomous production

Higher safety and sustainability requirements



### Innovative products

- Expansion of mechatronic solutions such as highly efficient rotary drives
- Innovative recirculating roller bearing and guideway assembly with low stroke pulsation and low friction for high positioning accuracy



### Robotics

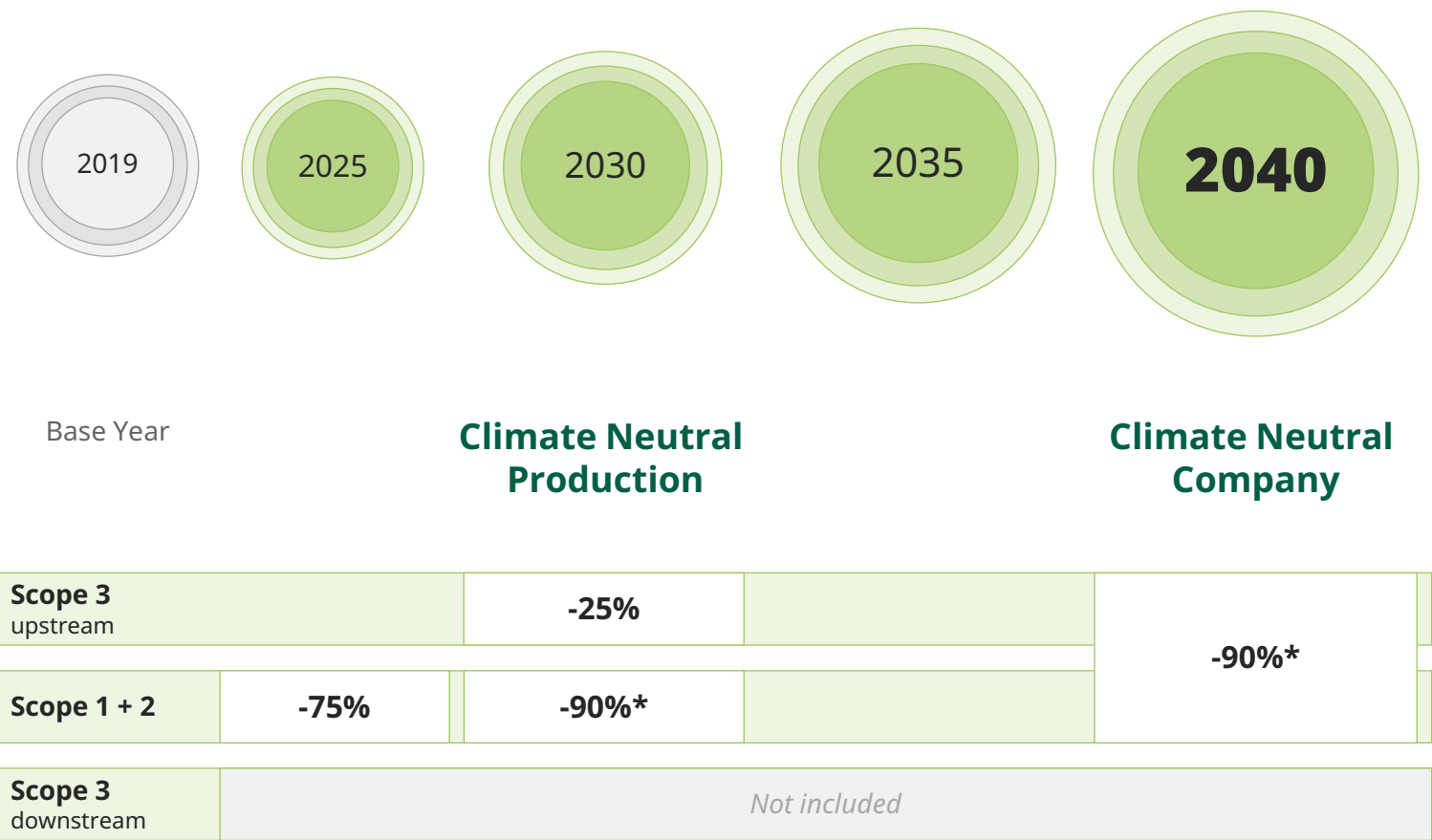
- High-performance components and system assemblies, focusing on applications in lightweight robots and cobots
- Portfolio extension by planetary gearboxes from strategic acquisition of Melior Motion<sup>1</sup>

- Sustainability -

BACKUP

Path to Climate Neutrality – Ambitious Scope targets defined

Long-Term Sustainability Targets



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 Targets – We set clear ESG related targets



Overview Sustainability Ratings – strong track record

