



SCHAEFFLER

# Q4 and FY 2023 Schaeffler AG earnings

March 5, 2024  
Herzogenaurach

We pioneer motion

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This presentation is with regard to the voluntary public tender offer of Schaeffler AG (“Schaeffler”) for all shares of Vitesco Technologies Group AG (“Vitesco”) and with regard to the business combination between Schaeffler and Vitesco for information purposes only.

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## Schaeffler Group with solid performance in FY 2023

### Key messages FY 2023

- 1** FY Sales<sup>1</sup> +5.8% – Good growth driven by positive volume and pricing
- 2** FY EBIT margin<sup>2</sup> 7.3% – Margin increase driven by Automotive Divisions performance
- 3** FY FCF<sup>3</sup> EUR 421 mn – Strong cash flow generation even with sustained investment
- 4** Dividend for FY 2023 EUR 45 cents<sup>4</sup> – Increase of dividend payout range to 40 - 60%<sup>5</sup>
- 5** FY 2023 Guidance achieved – In transitory FY 2024, Guidance is being given on Group level only
- 6** Deal execution on track, preliminary exchange ratio of 1:11.4 agreed – AGMs in April, Closing expected in Q4

Sales growth<sup>1</sup> FY

**+5.8%**

EUR 16,313 mn

EBIT margin<sup>2</sup> FY

**7.3%**

FY 2022: 6.6%

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

**EUR 421 mn**

FY 2022: EUR 280 mn

Dividend proposal<sup>4</sup>

**EUR 45 cents**

Payout Ratio 47%<sup>5</sup>

## Schaeffler Group FY 2023 – Highlights and lowlights

- ^ **Group performance**  
Strong portfolio management across all Divisions paying off, leading to resilient earnings, strong balance sheet and a self-financed transformation
- ^ **Cash generation**  
Good profitability and effective working capital management leading to strong FCF, enabling an attractive dividend payout to our shareholders
- ^ **Stronger together**  
Merger with Vitesco. Highly complementary portfolio to create a leading Motion Technology Company with 4 pure play Divisions
- v **Group Topline**  
Automotive Technologies temporarily lagging global vehicle production growth, whereas in Industrial topline under pressure due to overall weakening economic environment

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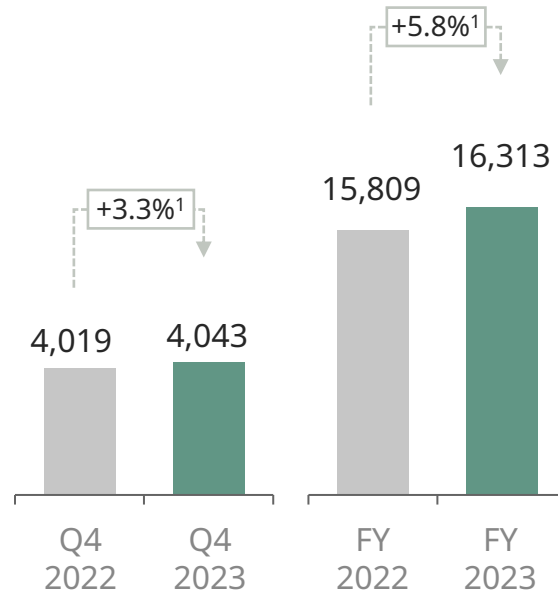
Outlook

AGENDA

## Group – Positive sales and EBIT development

### Sales

in EUR mn

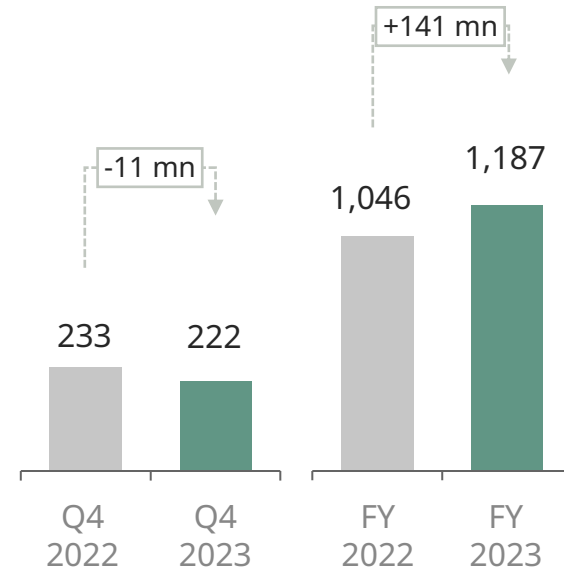


### Gross margin

Period	Q4 2022	Q4 2023	FY 2022	FY 2023
Gross margin	22.2%	20.3%	22.6%	22.0%

### EBIT²

in EUR mn



### EBIT margin²

Period	Q4 2022	Q4 2023	FY 2022	FY 2023
EBIT margin²	5.8%	5.5%	6.6%	7.3%

### KEY ASPECTS

- All Regions and Divisions growing in 2023, Europe and Automotive Aftermarket double-digit. Positive volume and pricing
- FY EBIT margin² above PY driven by both Automotive Divisions

## Sales Performance FY 2023 – All Divisions and Regions growing

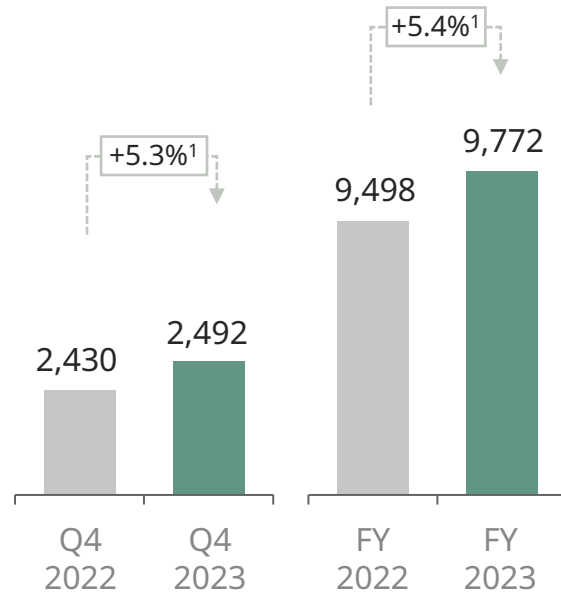
FY 2023 <sup>1</sup>	% of Group Sales	Automotive Technologies 60%	Automotive Aftermarket 14%	Industrial 26%	Region Growth
Europe	44%	+12.4%	+10.3%	+7.0%	+10.5%
Americas	22%	-2.8%	+12.0%	+11.3%	+2.0%
Greater China	21%	+2.0%	+28.7%	-6.3%	+0.2%
Asia/ Pacific	13%	+7.3%	+11.8%	+5.3%	+7.0%
Division Growth		+5.4%	+11.8%	+3.9%	+5.8%



## Automotive Technologies – Market growth and pricing continued to push profitability

### Sales

in EUR mn

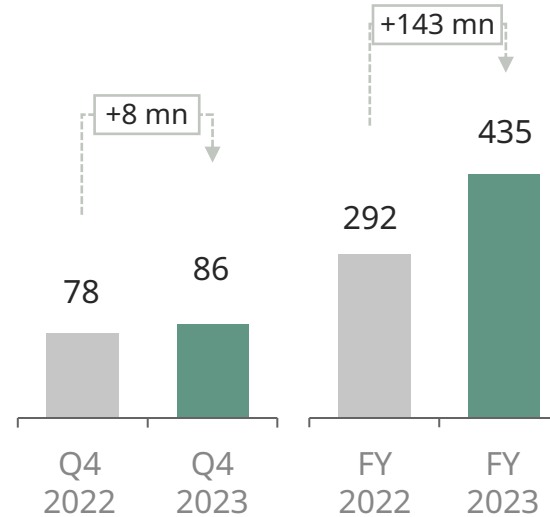


### Gross margin

Period	Gross margin
Q4 2022	17.6%
Q4 2023	15.4%
FY 2022	17.7%
FY 2023	17.1%

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

in EUR mn



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

Period	EBIT margin <sup>2</sup>
Q4 2022	3.2%
Q4 2023	3.5%
FY 2022	3.1%
FY 2023	4.5%

### KEY ASPECTS

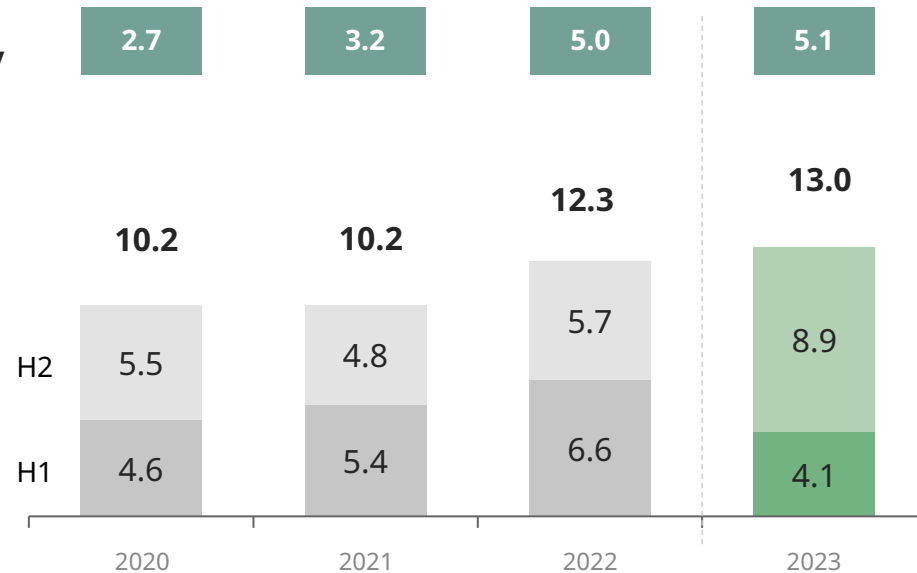
- ^ Performance driven by Mature Business in FY 2023. Very promising order intake, both in Mature and New business
- ^ Positive price effects resulting from successful negotiations with OEMs
- ^ Positive scale effects in Overhead costs, more than compensating negative impacts such as FX
- v Sales growth temporarily lagging market

## Automotive Technologies – E-Mobility Order Intake of EUR 5.1 bn in 2023, overachieving our EUR 2-3 bn target

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

in EUR bn

Thereof  
E-Mobility



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

H2	1.2x	1.2x	1.2x	1.8x
H1	1.4x	1.3x	1.6x	0.9x
FY	1.3x	1.3x	1.4x	1.3x

### Key aspects



Introducing our innovative DHT platform into the strongly growing China PHEV market for two Chinese OEMs



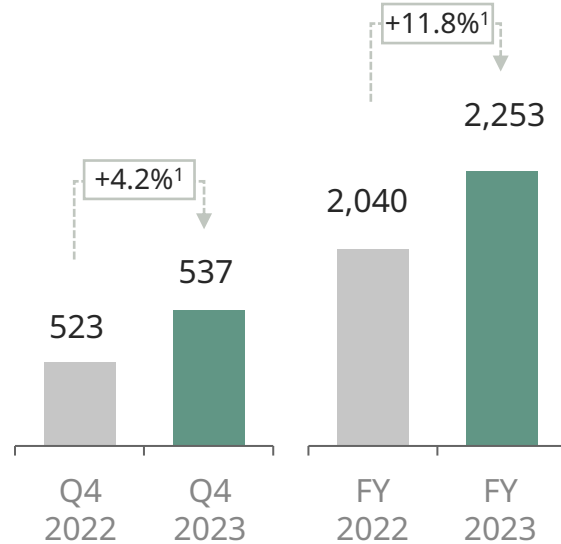
New order intake for Electric Cam Phaser supporting the emission limits for "Tier 4" US emission standards

**Strong order intake of EUR 13 bn in FY 2023, thereof EUR 5.1 bn in BD E-Mobility; Book-to-bill-ratio accelerated to 1.8x in H2 2023**

## Automotive Aftermarket – Q4 with further business growth and strong EBIT margin<sup>2</sup>

### Sales

in EUR mn

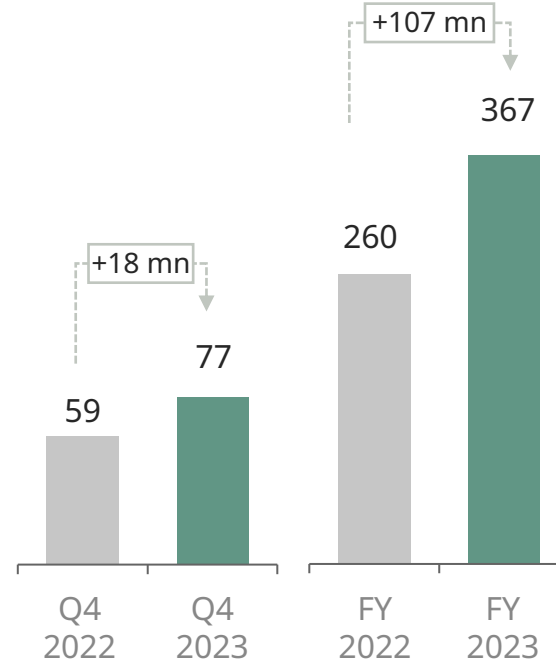


### Gross margin

Q4 2022	Q4 2023	FY 2022	FY 2023
32.5%	32.8%	31.5%	34.1%

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

in EUR mn



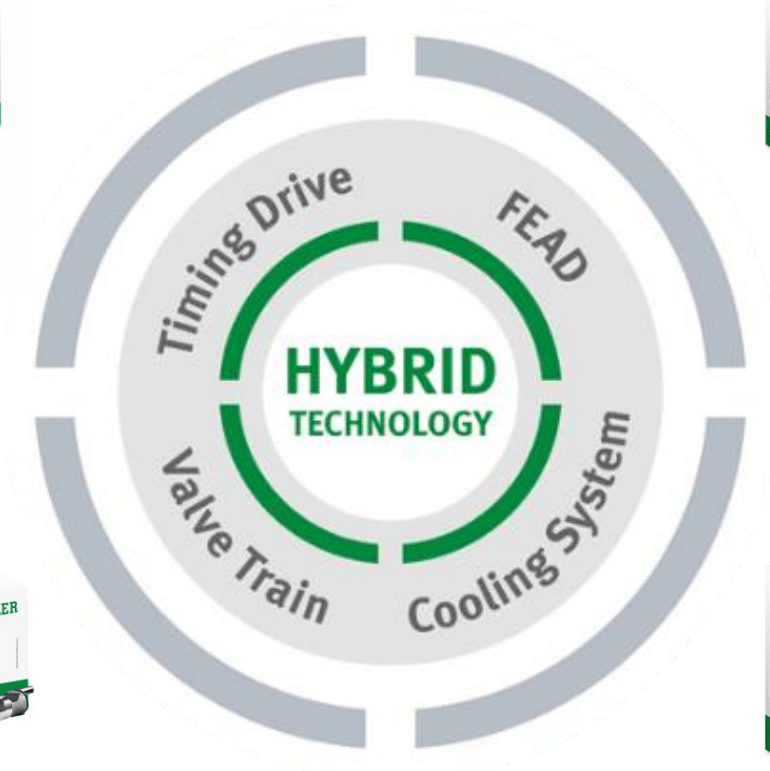
### EBIT margin<sup>2</sup>

Q4 2022	Q4 2023	FY 2022	FY 2023
11.2%	14.4%	12.8%	16.3%

### KEY ASPECTS

- Strong sales growth<sup>1</sup> on high comps, market environment remains favorable
- Sales growth<sup>1</sup> driven by eCommerce platform business and positive pricing
- Strong EBIT margin<sup>2</sup> also driven by positive pricing and favorable FX-effects

## Automotive Aftermarket – Tailormade repair solutions for HEVs from the leading expert of engine systems

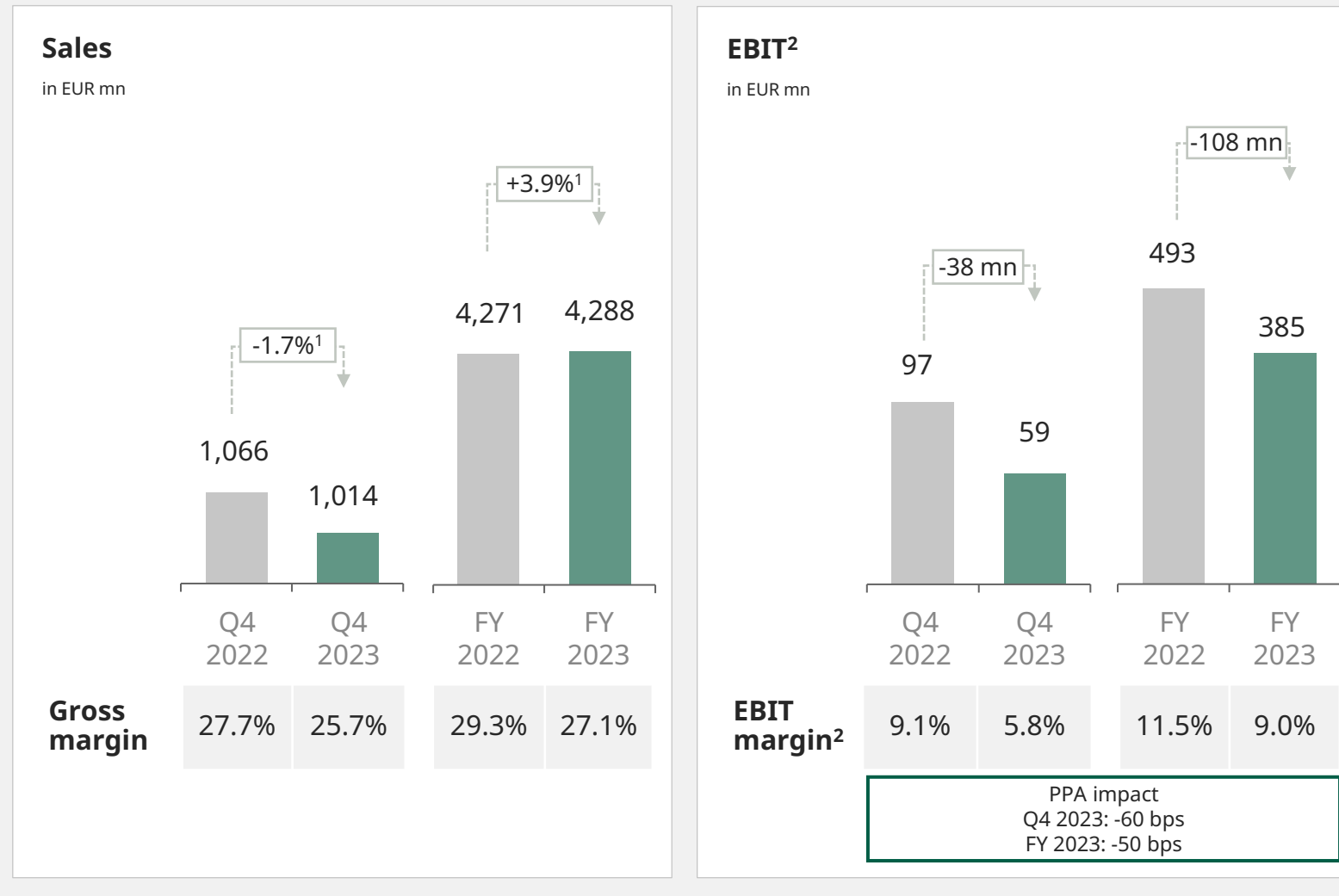


### KEY ASPECTS

- By 2025, 35% of new car registrations are expected to be HEVs
- We provide innovative repair solutions for workshops to handle the increasing complexity coming from higher performance requirements in engine technologies
- We offer a broad and attractive product range to fulfill market requirements also for HEVs

**Our state-of-the-art repair solutions anticipates customer needs and market developments**

## Industrial – FY EBIT margin<sup>2</sup> strongly impacted by market-driven volume decline



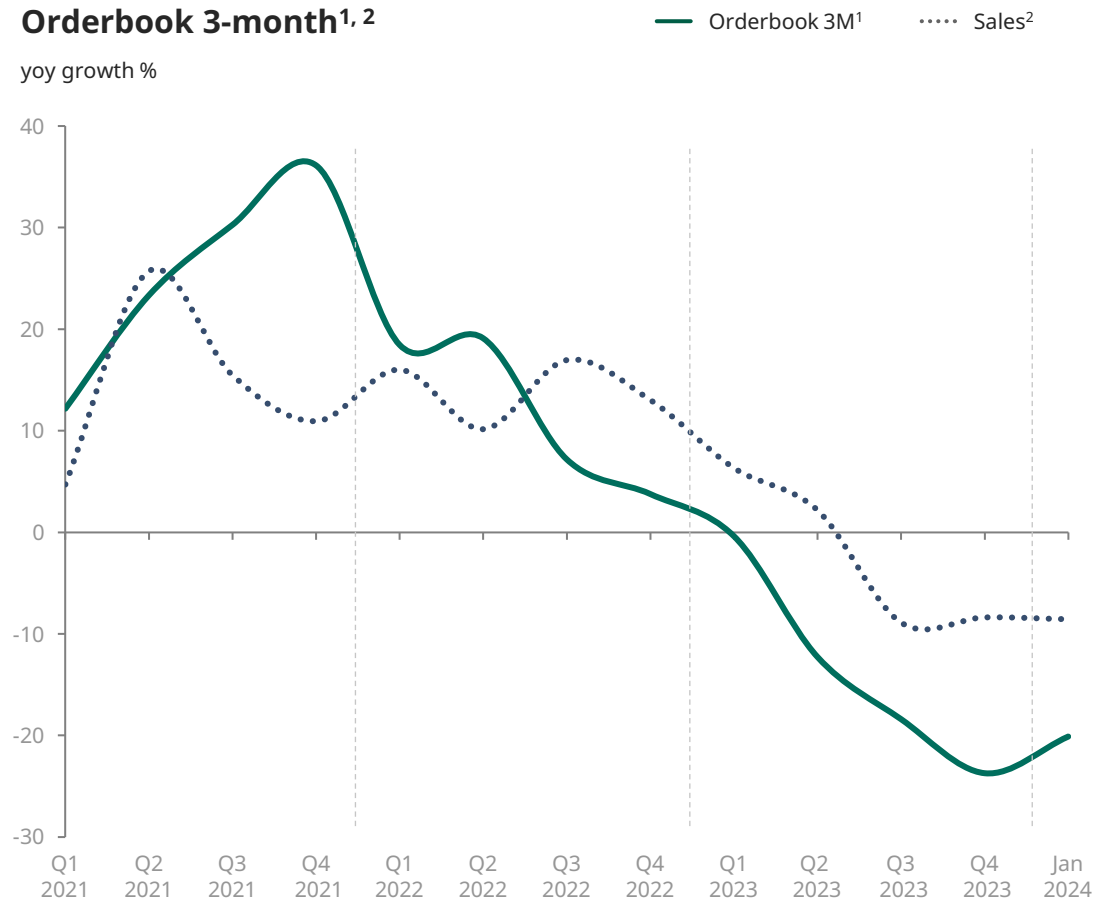
### KEY ASPECTS

- Q4 sales strongly impacted by economic slowdown; FY Sales increase driven by Ewellix
- Gross margin development driven by market-related lower production volumes and negative development in Greater China (e.g. Wind business)
- Investments in new business fields continued despite cyclical headwinds

## Industrial – Orderbook still below prior-year level, but market recovery slowly emerging

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

yoy growth %



### Key aspects



Record orderbook for Schaeffler's Aerospace sector by both market share wins, and improved fundamentals of passenger air traffic



Solid and promising order situation in sector Rail. Investments starting to pay off and support the growth in a continued positive market environment

**Aerospace and Rail sectors with continuing strong order intake**

## FY 2023 Guidance achieved – Delivering robust profitability and cash generation

FY 2023 Guidance<sup>1</sup>

	Schaeffler Group		Automotive Technologies		Automotive Aftermarket		Industrial	
	Guidance <sup>1</sup>	Actuals	Guidance <sup>1</sup>	Actuals	Guidance <sup>1</sup>	Actuals	Guidance <sup>1</sup>	Actuals
<b>Sales growth<sup>2</sup></b>	5 – 8%	5.8%	Outperf. 0 – 300 bps <sup>5</sup>	Outperf. -400 bps <sup>5</sup>	10 – 12%	11.8%	4.5 – 5.5%	3.9%
<b>EBIT margin<sup>3</sup></b>	6 – 8%	7.3%	3 – 5%	4.5%	14 – 16%	16.3%	9 – 11%	9.0%
<b>Free Cash Flow<sup>4</sup></b>	EUR 300 – 400 mn	EUR 421 mn	<b>Actual market development vs. assumptions:</b> <ul style="list-style-type: none"> <li><b>Automotive Technologies:</b> LVP 2023 reached 90.1 mn according to S&amp;P<sup>6</sup> (Assumption: up to 88.1 mn)</li> <li><b>Automotive Aftermarket:</b> Growth of Global LV Parc<sup>7</sup> of 2.4% (Assumption: around 2% )</li> <li><b>Industrial:</b> Growth of relevant industrial production<sup>8</sup> of 2.8% (Assumption: slight increase)</li> </ul>					

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

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

in EUR mn

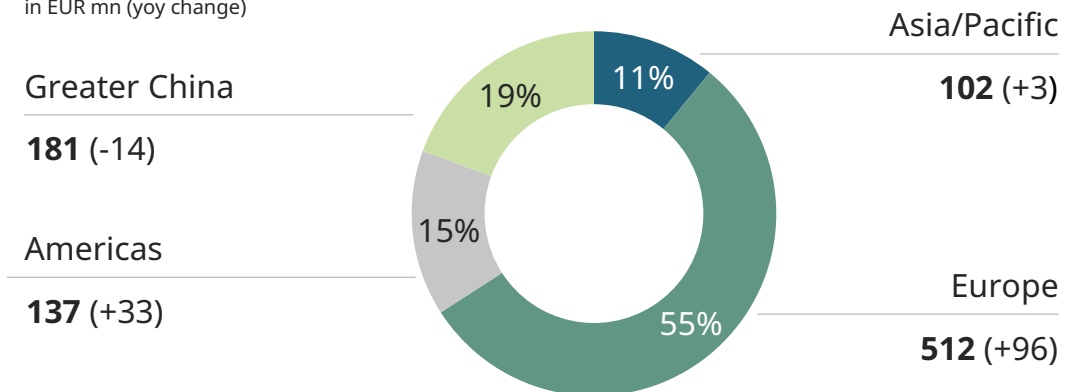
	FY 21	FY 22	Q4 22	Q4 23	FY 23
<b>Automotive Technologies</b>	428	545	206	212	614
<b>Automotive Aftermarket</b>	20	40	12	14	53
<b>Industrial</b>	223	229	74	65	266
<b>Schaeffler Group</b>	<b>670</b>	<b>814</b>	<b>292</b>	<b>291</b>	<b>932</b>
<b>Capex</b>	<b>671</b>	<b>791</b>	<b>240</b>	<b>273</b>	<b>938</b>
<b>Capex ratio<sup>2</sup></b>	<b>4.8%</b>	<b>5.0%</b>	<b>6.0%</b>	<b>6.7%</b>	<b>5.7%</b>
<b>Reinvestment Rate</b>	<b>0.7</b>	<b>0.9</b>	<b>1.2</b>	<b>1.2</b>	<b>1.0</b>

### KEY ASPECTS

- **Reinvestment Rate:** Continued prioritization of investments in Industrial division and New Business in Auto Tech leads to balanced Reinvestment Rate of 1.0
- **Automotive Technologies:** E-Motor production investments in the US and Eastern Europe continued
- **Industrial:** Further localization and capacity expansion of Roller Bearings for the Wind sector cluster in Nanjing, China

### Investments<sup>1</sup> by region FY 2023

in EUR mn (yoy change)





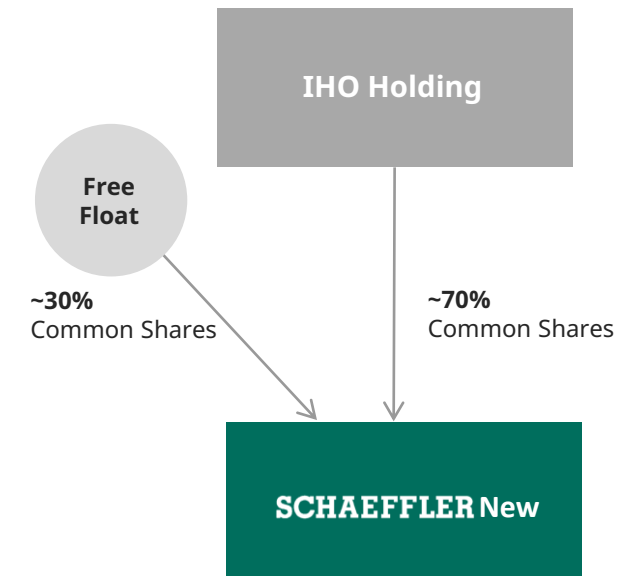
## Transaction update – Steps towards becoming a leading Motion Technology Company

### Exchange Ratio

# 1:11.4<sup>1</sup>

- Agreement reached between Schaeffler AG and Vitesco on a preliminary exchange ratio of 11.4 Schaeffler shares per Vitesco share
- The agreement is subject to the approval of the supervisory boards of Schaeffler and Vitesco, next to the condition that the joint valuation expert appointed by both parties and the court-appointed merger auditor confirm the exchange ratio as appropriate
- An increased free float of approximately 30 percent as our target remains unchanged

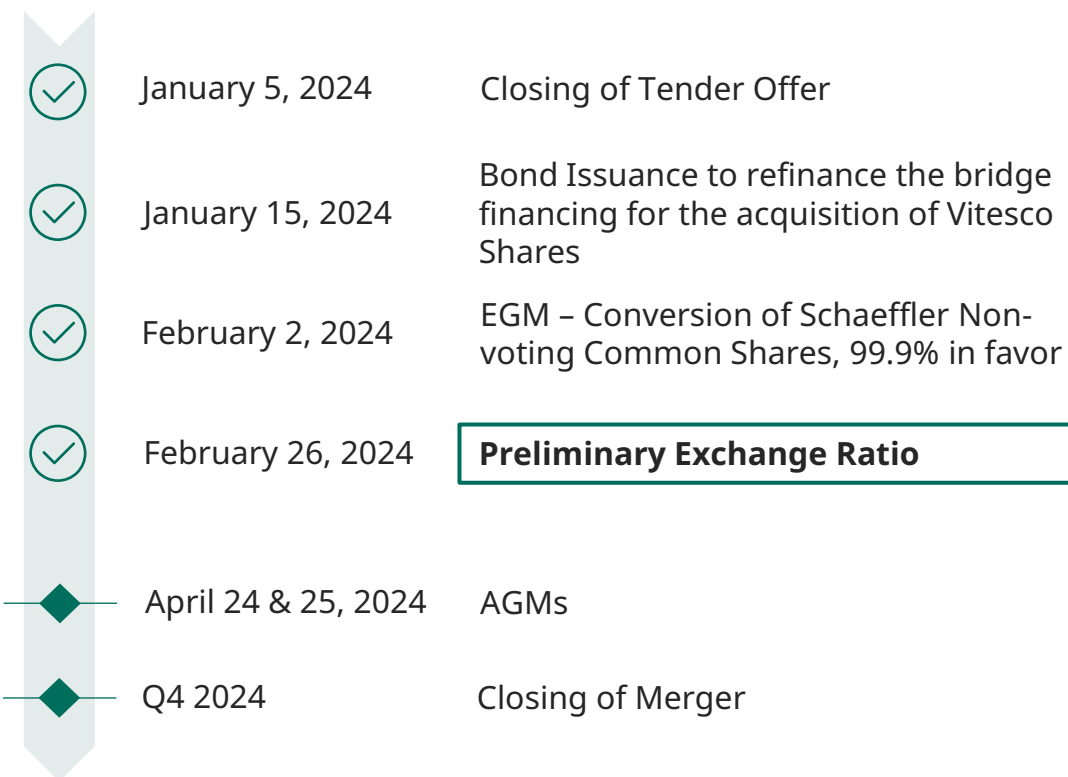
### Target shareholding structure post-transaction



- One-share-one-vote approved by shareholders
- MDAX/MSCI Europe inclusion expected
- Improved liquidity

## Transaction update – Structured and clear steering of integration preparation, milestones on track

### Indicative Timeline



### Integration

- Constructive steering of the integration process via joint weekly Integration Committee Meetings, productive discussions at eye-level
- Joint setup for Group, Divisional, Functional and Regional workstreams established, Day-1 readiness remains key priority
- Key elements of future organization structure defined. Outline of future joint business portfolio agreed
- Outside-in perspective on synergy potentials substantiated, clear focus areas agreed and quantified
- Development of joint business plan progressing well, finalization by July 2024 targeted
- Continuous tracking of operating performance ensured, strong execution of day-to-day operations and business continuity remain key

**Integration preparation on track –  
Full focus on ensuring business continuity and Day-1  
readiness**

## Sustainability – We successfully delivered on our targets in 2023

<b>-23.9%<sup>1</sup></b> vs. 2022	<b>Climate Neutral Production</b> <b>Target:</b> Climate neutral production (Scope 1+2) by 2030	<b>-12.9%</b> vs. base year	<b>Freshwater Withdrawal</b> <b>Target:</b> 20% reduction of freshwater withdrawal by 2030 (base year: 2019)
<b>+1.7%<sup>2</sup></b> vs. 2022	<b>Climate Neutral Supply Chain</b> <b>Target:</b> Climate neutral supply chain (Scope 3 upstream) by 2040	<b>-10.0%<sup>3</sup></b> vs. 2022	<b>Employee Safety</b> <b>Target:</b> 10% average annual reduction of accident rate (LTIR) by 2024 (base year: 2018)
<b>97.1 GWh</b> in 2023	<b>Energy Efficiency</b> <b>Target:</b> 100 GWh accumulated annual efficiency gains through implementation of energy efficiency measures by 2024 (base year: 2020)	<b>16.0%</b> in 2023	<b>Diversity in Top Management</b> <b>Target:</b> Increase in share of women in top management to 20% by 2025
<b>87.6%</b> in 2023	<b>Renewable Energy</b> <b>Target:</b> 100% of purchased power from renewable sources by 2024		

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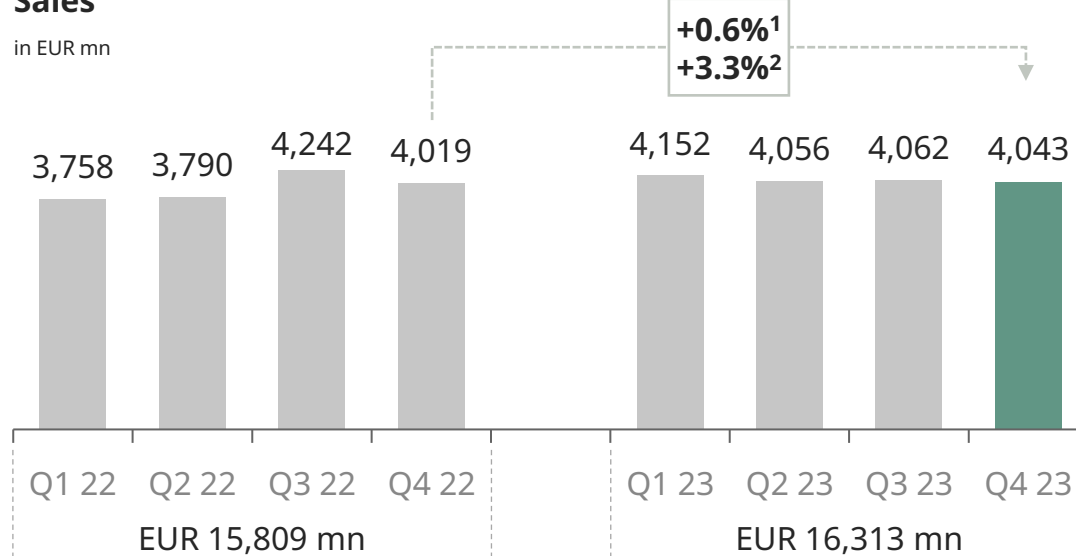
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## Sales – Growth in Q4 driven by Automotive divisions

### Sales

in EUR mn



### Sales growth

#### Reported

+5.6%	+9.7%	+27.3%	+14.6%
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+10.5%	+7.0%	-4.2%	+0.6%
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#### FX-adjusted

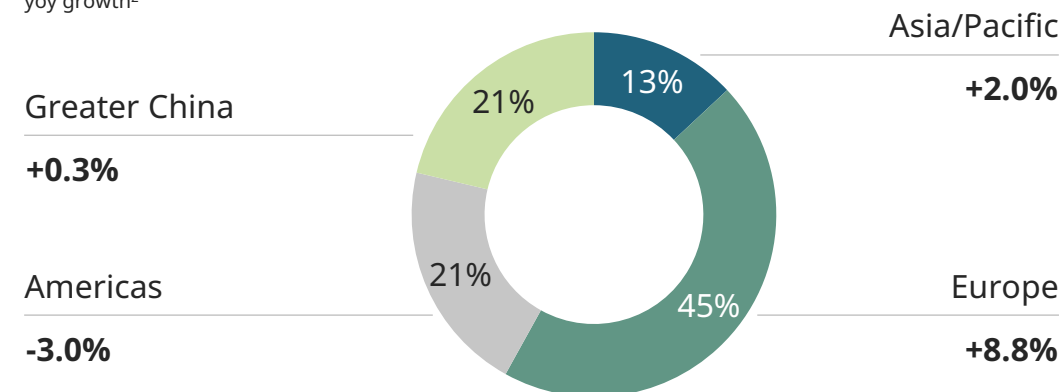
+1.9%	+4.4%	+20.2%	+11.8%
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+10.4%	+9.8%	+0.5%	+3.3%
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### KEY ASPECTS

- **Automotive Technologies:** 5.3%<sup>2</sup> growth in Q4 driven by strong growth in Europe and China
- **Automotive Aftermarket:** 4.2%<sup>2</sup> growth in Q4; China (+43.8%<sup>2</sup>) and Americas (+7.9%<sup>2</sup>) as main growth drivers
- **Industrial:** -1.7%<sup>2</sup> growth in Q4; the market-driven decline in Greater China could not be compensated by moderate growth in other Regions

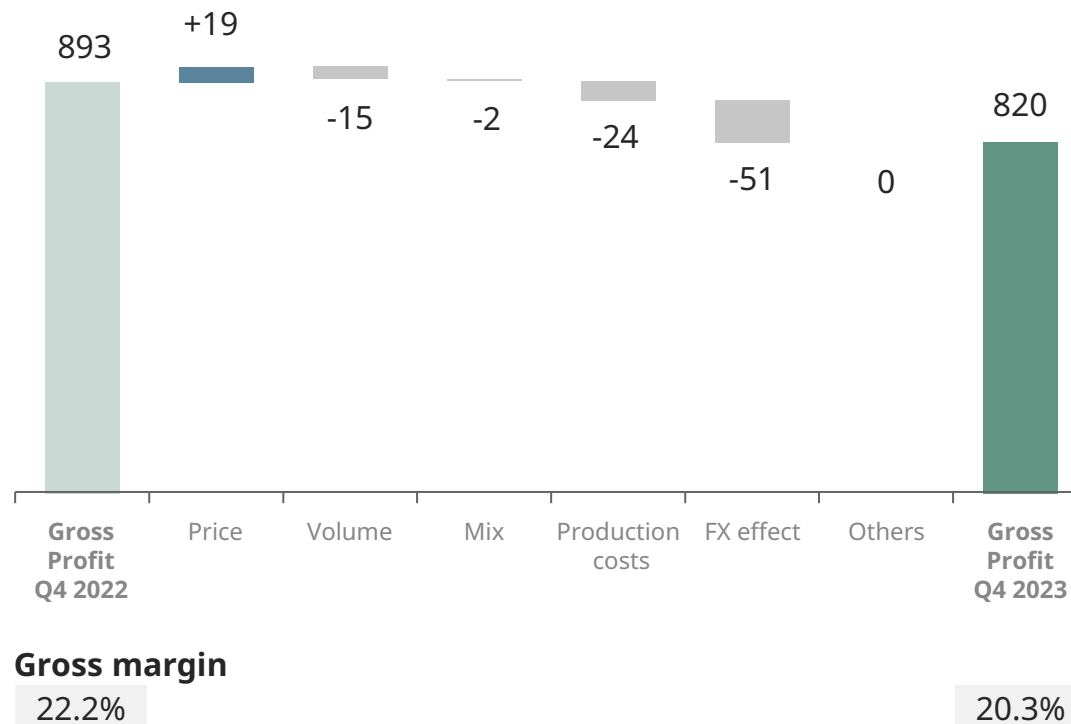
### Sales by region Q4 2023

yoy growth<sup>2</sup>

## Gross Profit – Positive pricing, unfavorable FX

### Gross Profit Q4 2022 vs. Q4 2023

in EUR mn



### KEY ASPECTS

- **Pricing:** Maintained pricing levels
- **Volumes:** Negative sales volume effects driven by Automotive Aftermarket and Industrial
- **Production Costs:** Volume-related fixed cost underabsorption and one-time expenses

### Gross margin

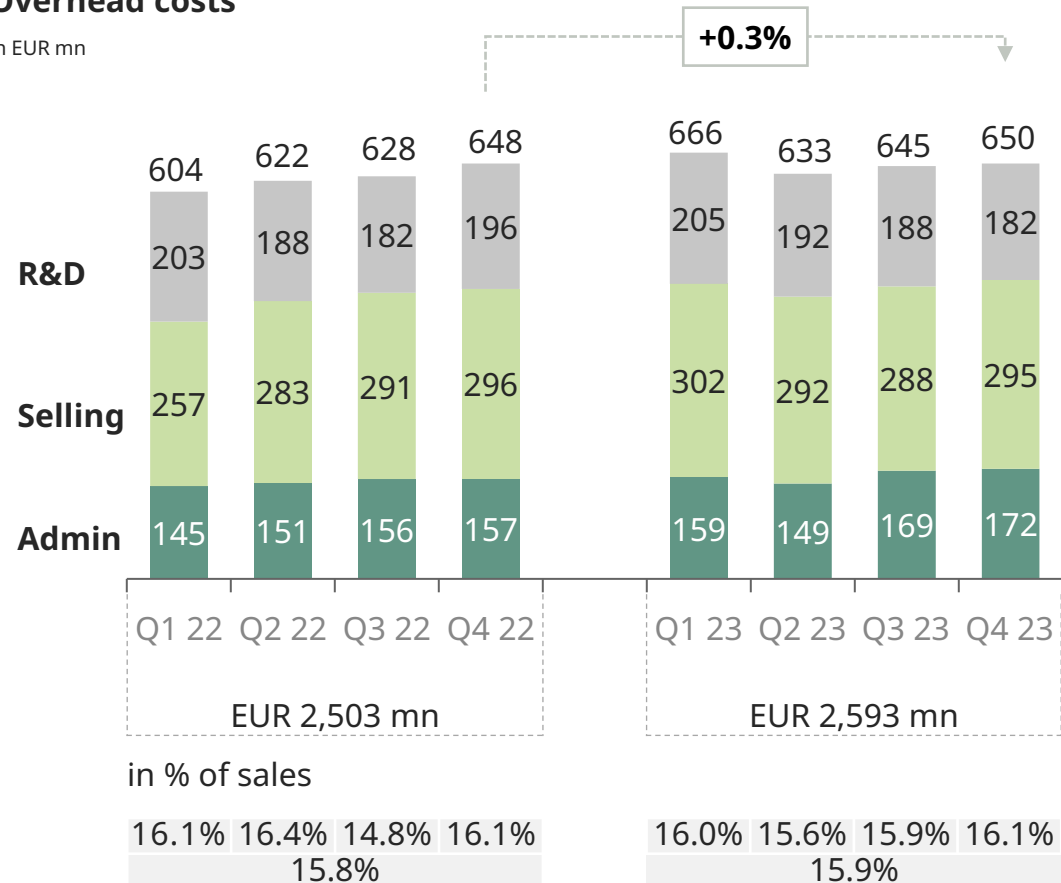
in % of Sales

	Q4 22	Q4 23	Q4 23 vs. Q4 22	FY 22	FY 23	FY 23 vs. FY 22
<b>Automotive Technologies</b>	17.6%	15.4%	-2.2pp	17.7%	17.1%	-0.6pp
<b>Automotive Aftermarket</b>	32.5%	32.8%	+0.3pp	31.5%	34.1%	+2.6pp
<b>Industrial</b>	27.7%	25.7%	-2.0pp	29.3%	27.1%	-2.2pp
<b>Group</b>	22.2%	20.3%	-1.9pp	22.6%	22.0%	-0.6pp

## Overhead costs – Overhead cost ratio flat vs 2022 despite M&A related expenses

### Overhead costs

in EUR mn



### KEY ASPECTS

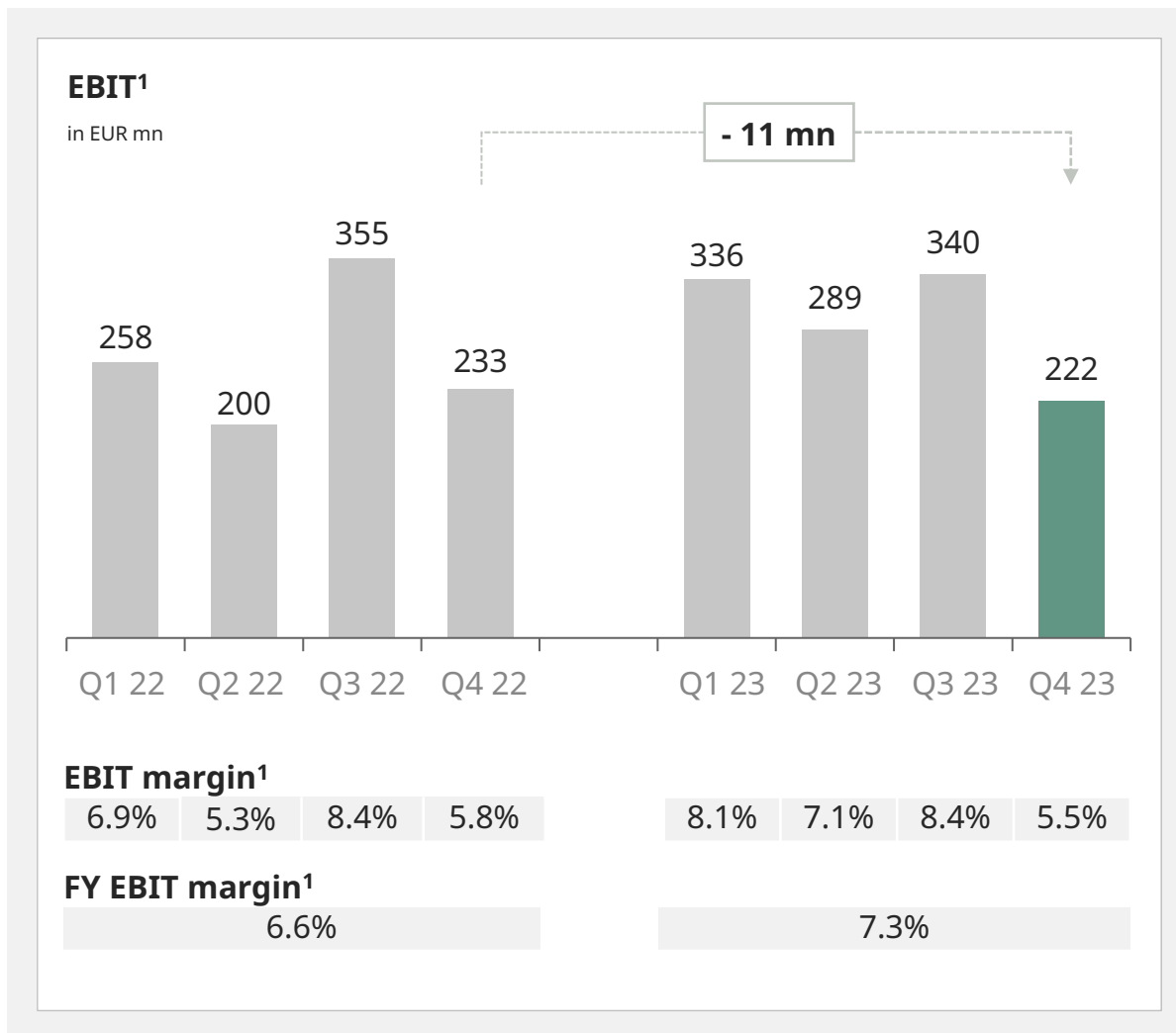
- **R&D:** Slightly lower R&D expenses due to higher capitalization with E-Mobility projects ramp-up
- **Selling expenses:** Stable development of selling expenses
- **Admin cost:** Higher Admin costs due to M&A consultancy expenses

### Overhead cost ratio

in % of Sales

	Q4 22	Q4 23	Q4 23 vs. Q4 22	FY 22	FY 23	FY 23 vs. FY 22
<b>Automotive Technologies</b>	14.1%	13.0%	-1.1pp	14.2%	13.5%	-0.7pp
<b>Automotive Aftermarket</b>	21.4%	20.5%	-0.9pp	19.0%	18.8%	-0.2pp
<b>Industrial</b>	18.1%	21.2%	+3.1pp	17.8%	19.9%	+2.1pp
<b>Group</b>	<b>16.1%</b>	<b>16.1%</b>	<b>+0.0pp</b>	<b>15.8%</b>	<b>15.9%</b>	<b>+0.1pp</b>

## EBIT margin<sup>1</sup> – Seasonality pattern broadly in line with 2022, higher FY margin



### KEY ASPECTS

- **Automotive Technologies:** EBIT margin<sup>1</sup> sequentially lower – but improved yoy – supported by good momentum in mature business
- **Automotive Aftermarket:** EBIT margin<sup>1</sup> strongly improved yoy, continued strong demand, volume-related overhead absorption, maintained pricing and improved logistical performance
- **Industrial:** Lower EBIT margin<sup>1</sup> mainly volume-related, particularly due to ongoing weak Wind market in China

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

in % of Sales

	Q4 22	Q4 23	Q4 23 vs. Q4 22	FY 22	FY 23	FY 23 vs. FY 22
<b>Automotive Technologies</b>	3.2%	3.5%	+0.3pp	3.1%	4.5%	+1.4pp
<b>Automotive Aftermarket</b>	11.2%	14.4%	+3.2pp	12.8%	16.3%	+3.5pp
<b>Industrial</b>	9.1%	5.8%	-3.3pp	11.5%	9.0%	-2.5pp
<b>Group</b>	5.8%	5.5%	-0.3pp	6.6%	7.3%	+0.7pp

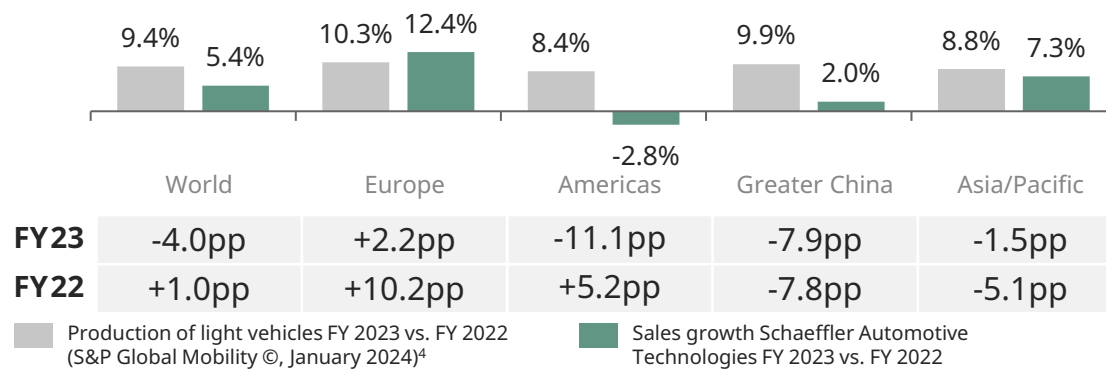


## Automotive Technologies – Strong support by Mature Business

### Sales by business division yoy growth

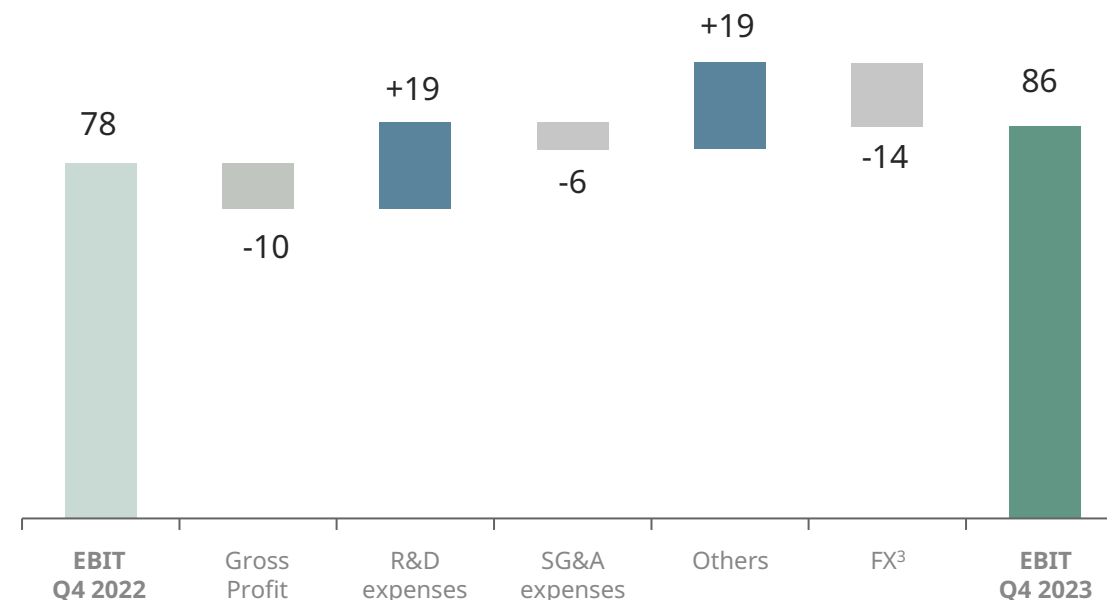
	Q4 2022	Q4 2023	$\Delta^1$
<b>E-Mobility</b>	356	345	-0.8%
<b>Engine &amp; Transmission</b>	1,302	1,333	+5.2%
<b>Bearings</b>	670	692	+6.3%
<b>Chassis Systems</b>	101	122	+23.0%
<b>Total</b>	<b>2,430</b>	<b>2,492</b>	<b>+5.3%</b>

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



### EBIT<sup>2</sup> Q4 2022 vs. Q4 2023

in EUR mn



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

3.2%

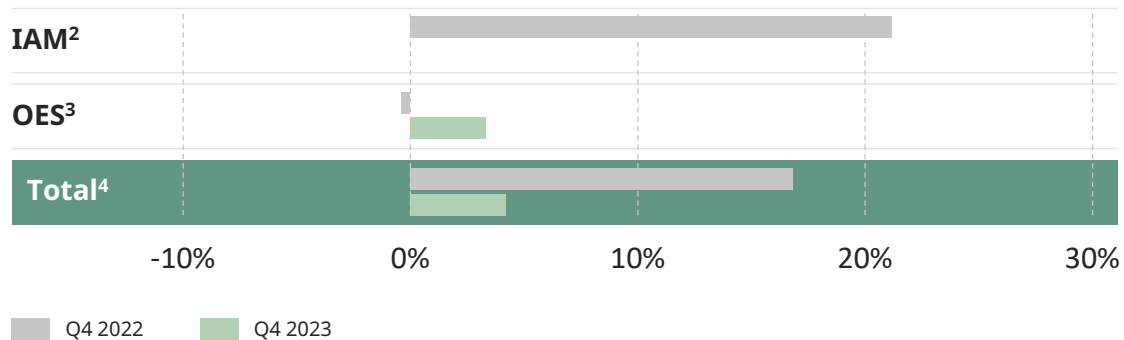
3.5%

## Automotive Aftermarket – Continued strong performance

### Sales by region yoy growth

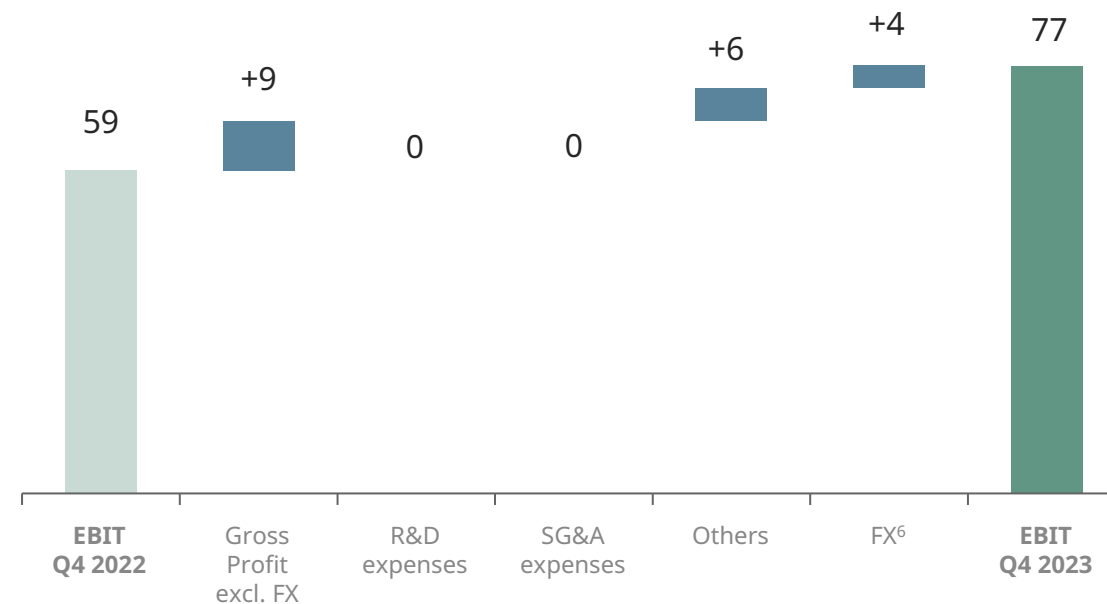
	Q4 2022	Q4 2023	$\Delta^1$
Europe	356	359	+0.2%
Americas	107	110	+7.9%
Greater China	24	33	+43.8%
Asia/Pacific	36	35	+5.3%
<b>Total</b>	<b>523</b>	<b>537</b>	<b>+4.2%</b>

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



### EBIT<sup>5</sup> Q4 2022 vs. Q4 2023

in EUR mn



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

11.2%

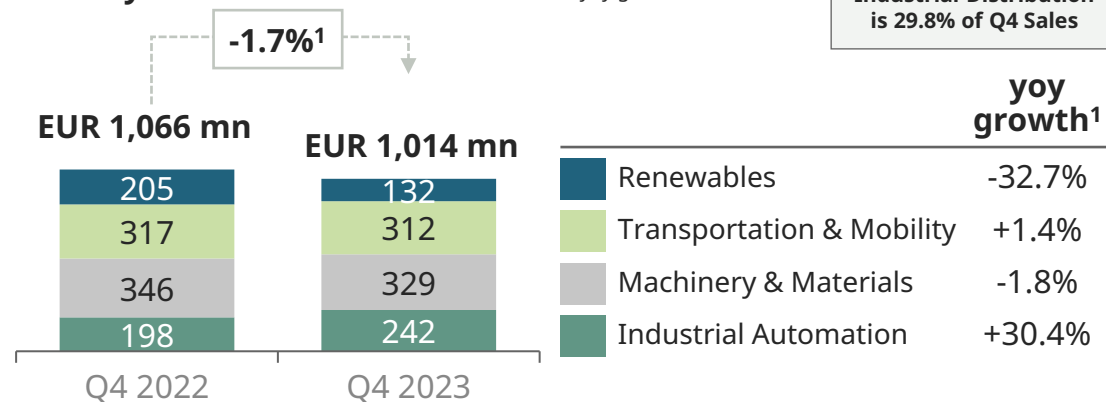
14.4%

## Industrial – Double-digit sales decline<sup>1</sup> in Wind and China continued

### Sales by region yoy growth

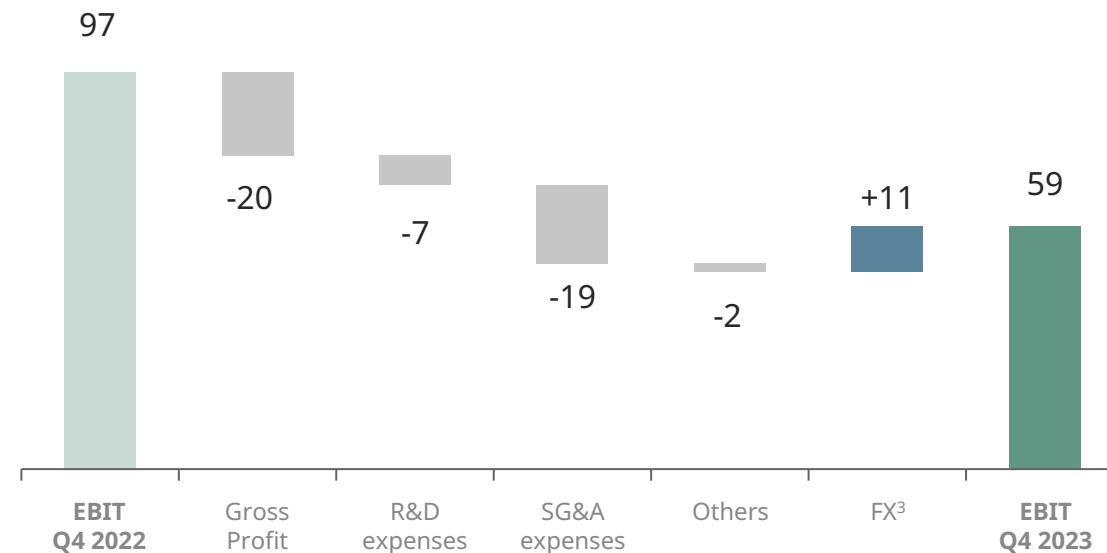
	Q4 2022	Q4 2023	Δ <sup>1</sup>
Europe	448	455	+2.2%
Americas	194	204	+10.6%
Greater China	277	209	-20.1%
Asia/Pacific	147	146	+4.8%
<b>Total</b>	<b>1,066</b>	<b>1,014</b>	<b>-1.7%</b>

### Sales by Industrial market cluster yoy growth



### EBIT<sup>2</sup> Q4 2022 vs. Q4 2023

in EUR mn



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

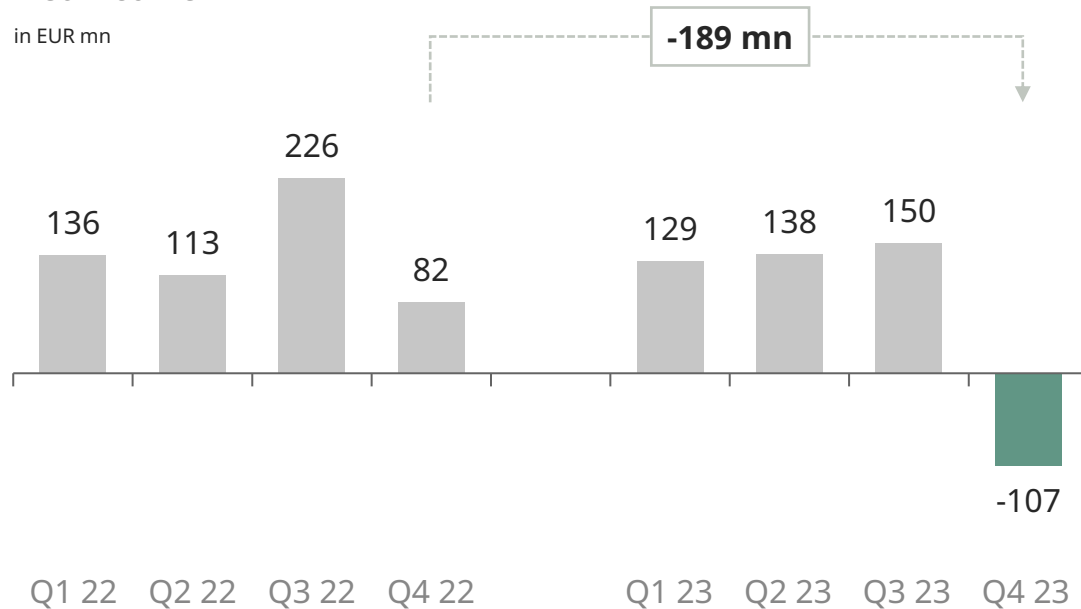
9.1%

5.8%

## Net Income<sup>1</sup> – FY EPS<sup>2</sup> at EUR 0.47 technically, impacted by accounting related to Vitesco transaction

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

in EUR mn



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

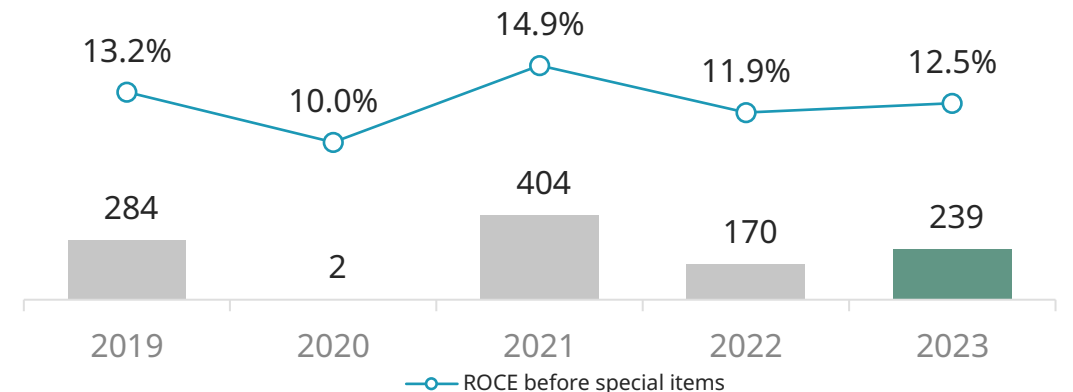
0.21	0.17	0.34	0.12	0.19	0.22	0.22	-0.16
0.84				0.47			

### KEY ASPECTS

- Q4 2023 Net income<sup>1</sup> lower yoy on higher special items from Vitesco transaction
- Negative tender offer (EUR -188 mn) and TRS (EUR -47 mn) impact from fair value accounting at year-end
- ROCE<sup>3</sup> and Schaeffler Value Added<sup>4</sup> above prior year

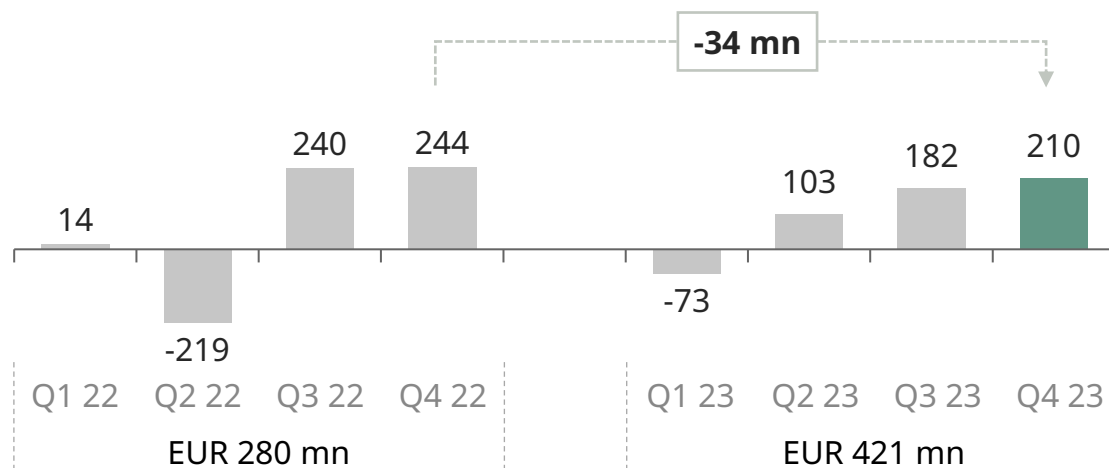
### ROCE<sup>3</sup> and Schaeffler Value Added<sup>4</sup>

in EUR mn



## Free Cash Flow – FY guidance beat with EUR 421 mn in 2023 despite increasing Capex

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



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

0.4	0.1	0.1	0.3
-----	-----	-----	-----

### Reinvestment rate

0.6	0.8	1.0	1.2
0.9			

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

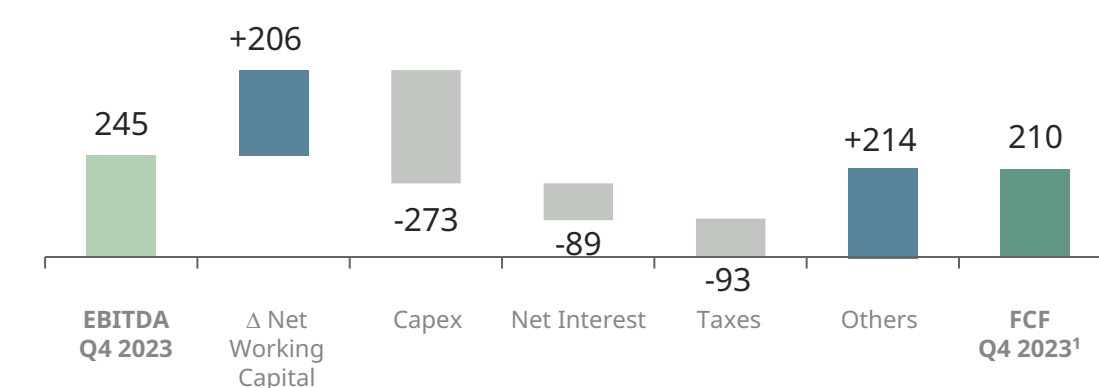
4.2%	4.6%	5.2%	6.0%
5.0%			

0.2	0.5	0.5	0.5
-----	-----	-----	-----

0.8	1.0	1.0	1.2
1.0			

5.3%	4.9%	6.1%	6.7%
5.7%			

### Reconciliation Q4 2023 in EUR mn



### FCF Details

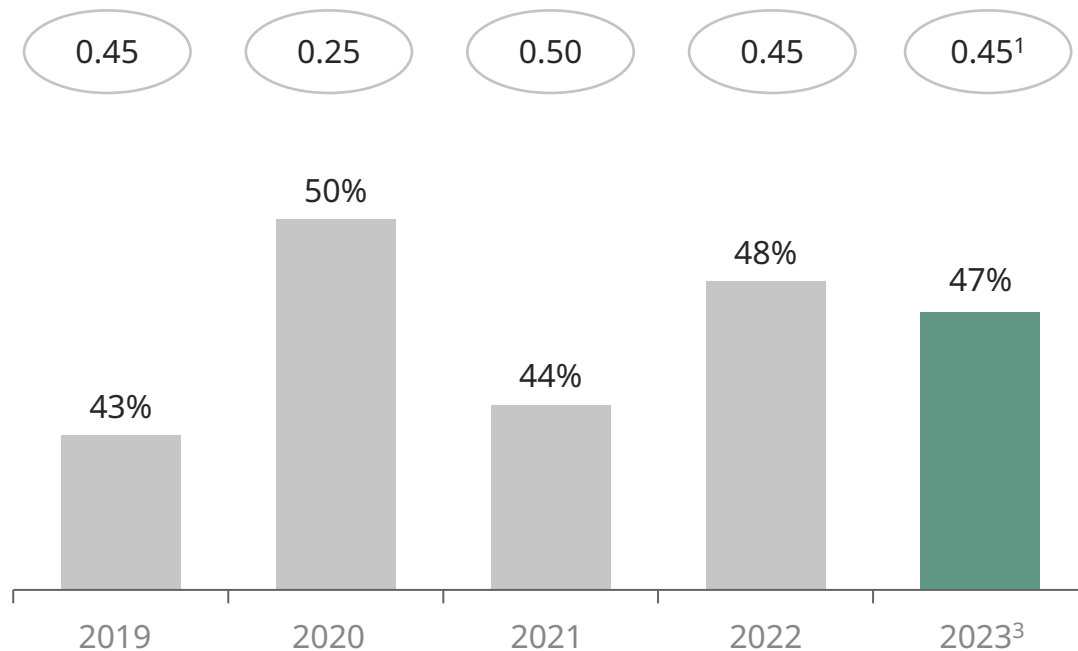
in EUR mn

	Q4 22	Q4 23	Δ Q4 23/22	FY 22	FY 23	Δ FY 23/22
<b>FCF as reported</b>	<b>153</b>	<b>-109</b>	<b>-262</b>	<b>84</b>	<b>-624</b>	<b>-708</b>
M&A	+92	+319	+228	+195	+1,045	+850
<b>FCF before M&amp;A</b>	<b>244</b>	<b>210</b>	<b>-35</b>	<b>280</b>	<b>421</b>	<b>+141</b>
Legal Cases	-13	-1	+12	-30	-40	-9
Restructuring	+38	+27	-11	+287	+208	-79
Others	+4	+4	0	+4	+12	+8
<b>FCF bef. M&amp;A and sp. Items</b>	<b>273</b>	<b>239</b>	<b>-34</b>	<b>541</b>	<b>601</b>	<b>+60</b>

## Dividend – Proposed dividend EUR 45 cents<sup>1</sup>, Payout Ratio at 47%<sup>2</sup>

### Dividend and payout ratio<sup>2</sup> | in %

EUR per common non-voting share



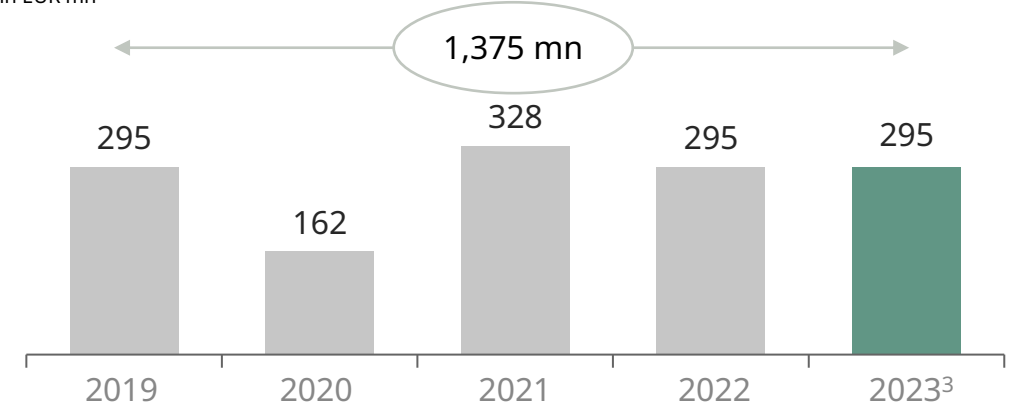
<sup>1</sup> Proposed dividend to AGM per common non-voting share | <sup>2</sup> In % of Net Income before special items, attributable to Shareholders of the parent company | <sup>3</sup> Dividend proposal to AGM

### KEY ASPECTS

- EUR 45 cents<sup>1</sup> dividend proposed, payout ratio 47%<sup>2</sup>
- Future payout policy corridor of 40 to 60% of Net Income before special items
- In total EUR 1,375 mn in dividends were paid out to shareholders over the past 5 years

### Dividend Payout

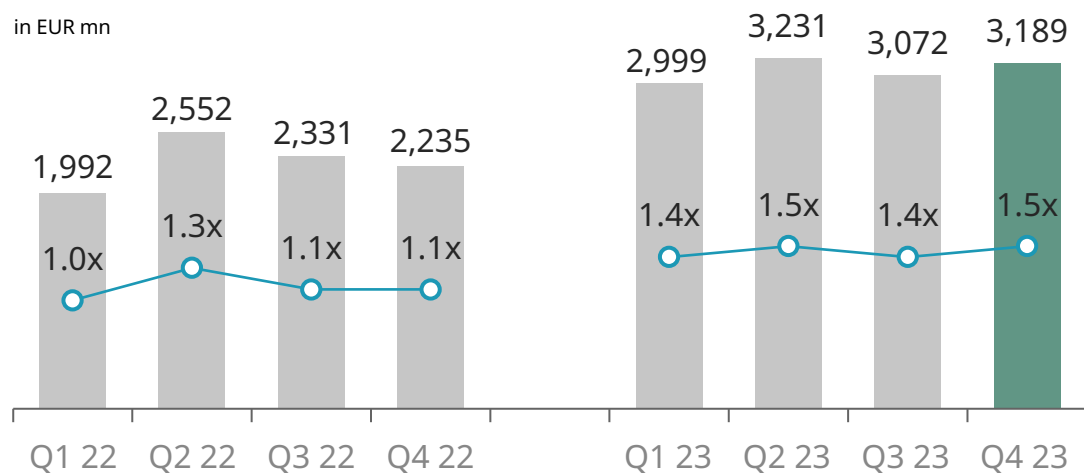
in EUR mn



## Net debt of EUR 3.2 bn – Leverage ratio at 1.5x

### 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	3,958
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### Cash & cash equivalents

1,243	681	977	1,063	799	572	796	769
-------	-----	-----	-------	-----	-----	-----	-----

### EBITDA before special items<sup>2</sup>

2,056	1,954	2,051	2,030	2,111	2,203	2,190	2,189
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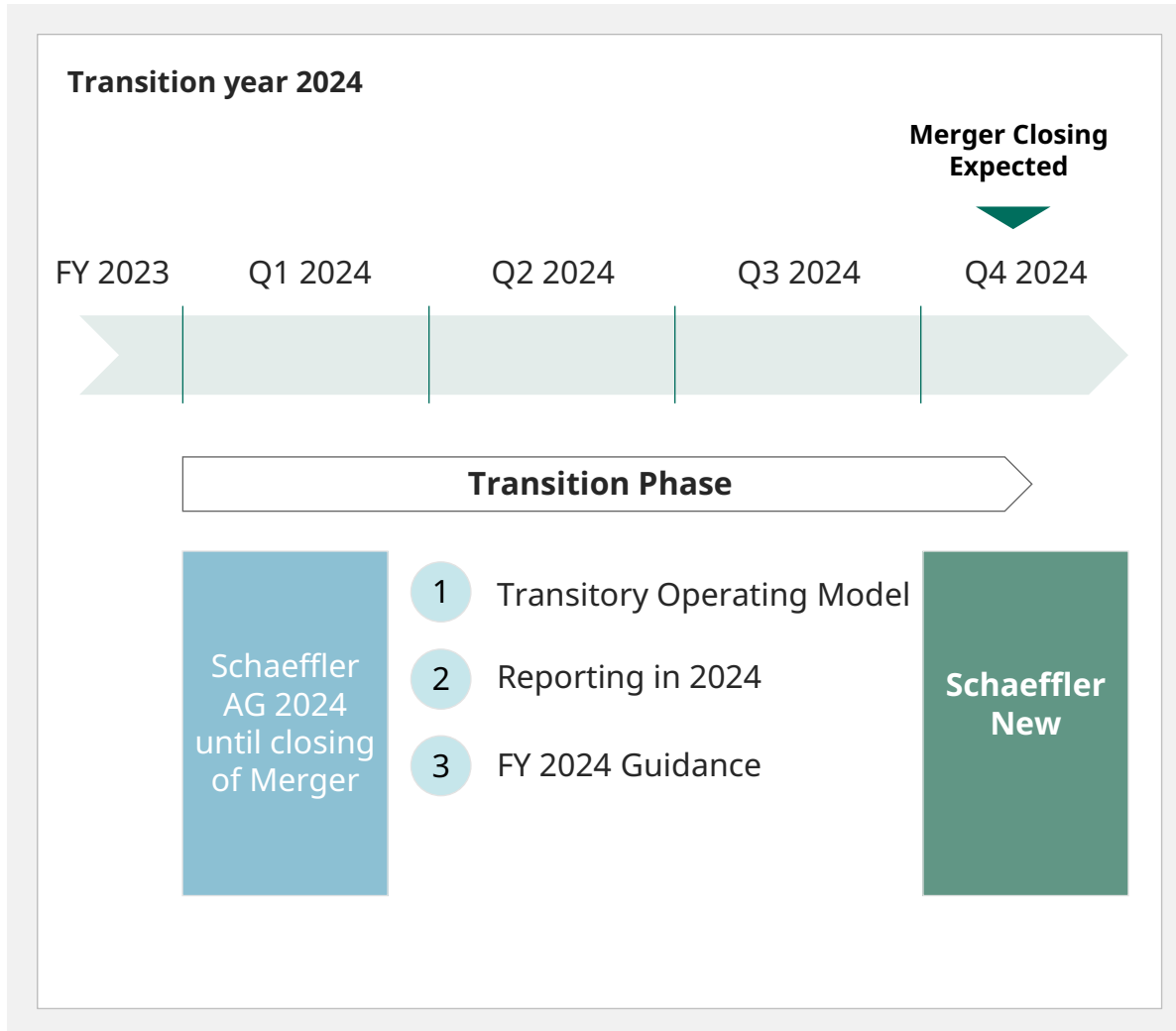
—○— Leverage ratio<sup>1</sup>

### KEY ASPECTS

- Gross debt sequentially higher in Q4 2023 due to cash securitization of Total Return Swap (EUR 261 mn)
- Q2 2023 included a dividend payment of EUR 295 mn for FY 2022
- Leverage ratio increased in Q1 2023 due to the Ewellix acquisition
- Ratings confirmed

Strong liquidity situation – Continued strong balance sheet

## Transition year 2024 – We will adapt our operating model and reporting in the transition to Schaeffler New



### KEY ASPECTS

- 1 Schaeffler transitory operating model from Q1 2024:
  - Automotive Aftermarket and Industrial already renamed in “Vehicle Lifetime Solutions” and “Bearings & Industrial Solutions”
  - Business division Bearings moves from “Automotive Technologies” to “Bearings & Industrial Solutions”
  - Allocation of Global Corporate Center costs equally between Divisions rather than in % of sales
  - No margin impact on Group level, financial figures for adapted divisional structure will be reported with Q1 2024; 2023 Actuals will be restated accordingly
- 2 Reporting in 2024 adapted to transitory operating model, including Vitesco shares held by Schaeffler AG accounted at equity until merger
- 3 For 2024 we will guide on Group level, only

**For FY 2024, we will guide exclusively on Group level.  
Starting 2025, we will guide on Group and Divisional level**



1

Overview

2

Business Highlights Q4 and FY 2023

3

Financial Results Q4 and FY 2023

4

**Outlook**

AGENDA

## FY 2024 Guidance – Until the merger closes, we will guide only on Group level

### FY 2024 Guidance<sup>1</sup>

	Schaeffler Group	
	FY 2023 Actuals	FY 2024 Guidance <sup>1</sup>
<b>Sales growth<sup>2</sup></b>	<b>5.8%</b>	<b>Strong sales growth</b>
<b>EBIT margin<sup>3</sup></b>	<b>7.3%</b>	<b>6 – 9%</b>
<b>Free Cash Flow<sup>4</sup></b>	<b>EUR 421 mn</b>	<b>EUR 300 – 400 mn</b>

### KEY ASPECTS

- In transition year 2024 we will only guide on Group level
- FY 2024 Group Guidance is based on:
  - Vitesco accounted for „at equity“ from acquisition in January until Q3 2024 included
  - Vitesco to be fully consolidated in Q4 2024, following closing of the merger
- In 2024, we will continue to report on Group and Divisions. However, Automotive Bearings moves already in Q1 2024 from the Automotive Technologies division to Bearings and Industrial Solutions division

**Transition Year 2024 calls for simpler Guidance format**

## Conclusion & Outlook

- 1 Financial Performance** – Good execution in FY 2023, strong cash generation and robust balance sheet. Our balanced business across Divisions and Regions proving its resilience
- 2 Outlook** – 2024 expected to remain a challenging year from a macroeconomic perspective
- 3 Transition year 2024** – All hands on deck for our important ramp-ups, full focus on delivering our Group guidance. Deal execution and integration run according to plan
- 4 Sustainability** – On track to deliver on our comprehensive, measurable and ambitious targets

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

## Financial calendar and selected IR events

### Roadshows & Conferences with Top Management participation

<b>Mar 6</b>	Roadshow – Hamburg, Warburg
<b>Mar 7</b>	Roadshow – Frankfurt, Oddo BHF
<b>Mar 19</b>	Auto Conference – Paris, BNP Paribas
<b>Mar 20</b>	Sell-side Breakfast – London Pan-European Mid-Cap Conf. – London, Jefferies
<b>May 15</b>	Virtual Auto Trip – Online, Citi
<b>May 22</b>	European Champions Conf. – Frankfurt, DB
<b>Jun 4</b>	European Autos Conference – London, J.P. Morgan

### Financial calendar 2024

<b>Apr 25</b>	Virtual AGM
<b>May 7</b>	Q1 2024 Earnings Release
<b>Aug 6</b>	Q2 2024 Earnings Release
<b>Nov 5</b>	Q3 2024 Earnings Release

**Thank you**

**Investor Relations Contact**

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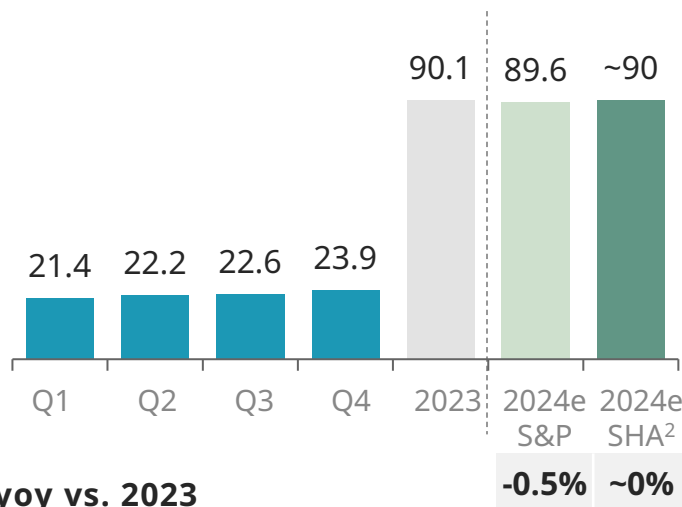
Email [ir@schaeffler.com](mailto:ir@schaeffler.com)

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

BACKUP

## Market assumptions and implications – Environment to remain challenging in 2024

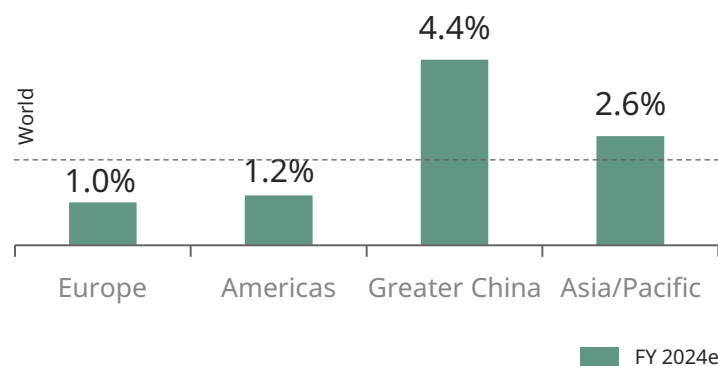
### Automotive Technologies – Global LVP<sup>1</sup> 2024



#### yoy vs. 2023

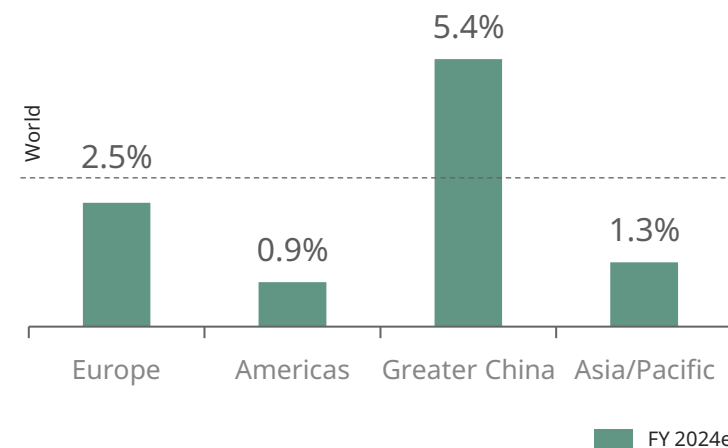
- Schaeffler expects a similar LVP of around 90 mn in 2024 vs. 2023, taking into account the Forecast of S&P Global Mobility and own considerations
- Generally, due to uncertainties (e.g., political and economic environment, customer behaviour), we see challenges for the car markets in all major Regions

### Vehicle Lifetime Solutions – Global LV Parc<sup>3</sup>



- Growth rate of Global LV Parc<sup>3</sup> with 2.0% for 2024 slightly lower than in 2023 (2.4%). The average age will increase in 2024 to 11.3 years (2023: 11.1 years) due to lower sales of new cars, in conjunction with lower replacement rate of vehicles in operation
- Like in previous years, the highest growth rate is expected for region Greater China (4.4%)

### Bearings & Industrial Solutions – Industrial Production<sup>4</sup>



- Global Industrial Production<sup>4</sup> expected to grow by 3.0% in 2024 (2023: 2.8%) according to S&P Global Market Intelligence (January 2024)
- Gradual market recovery across multiple sectors expected especially for the second half of 2024, for example in Greater China, but still subject to uncertainties

## Key figures Q4 and FY 2023

in EUR mn	Q4 2022	Q4 2023	Q4 2023 vs. Q4 2022	FY 2022	FY 2023	FY 2023 vs. FY 2022
<b>Sales</b>	4,019	4,043	+0.6% +3.3% <sup>1</sup>	15,809	16,313	+3.2% + 5.8% <sup>1</sup>
<b>Gross Profit</b>	893	820	-72 mn	3,579	3,596	+17 mn
<b>Gross margin</b>	22.2%	20.3%	-1.9pp	22.6%	22.0%	-0.6pp
<b>EBIT<sup>2</sup></b>	233	222	-11 mn	1,046	1,187	+141 mn
<b>EBIT margin<sup>2</sup></b>	5.8%	5.5%	-0.3pp	6.6%	7.3%	+0.7pp
<b>Net income<sup>3</sup></b>	82	-107	-189 mn	557	310	-248 mn
<b>EPS<sup>4</sup> (in EUR)</b>	0.12	-0.16	-0.28	0.84	0.47	-0.37
<b>Schaeffler Value Added<sup>5</sup></b>	170	239	+70 mn	170	239	+70 mn
<b>ROCE<sup>6</sup></b>	11.9%	12.5%	+0.6pp	11.9%	12.5%	+0.6pp
<b>Free Cash Flow<sup>7</sup></b>	244	210	-35 mn	280	421	+141 mn
<b>Capex</b>	240	273	+33 mn	791	938	+147 mn
<b>Net financial debt</b>	2,235	3,189	+954 mn	2,235	3,189	+954 mn
<b>Leverage ratio<sup>8</sup></b>	1.1x	1.5x	+0.4x	1.1x	1.5x	+0.4x
<b>Headcount</b>	82,773	83,362	+0.7%	82,773	83,362	+0.7%



## Sales Performance Q4 2023 – Strong polarization across Regions and Divisions

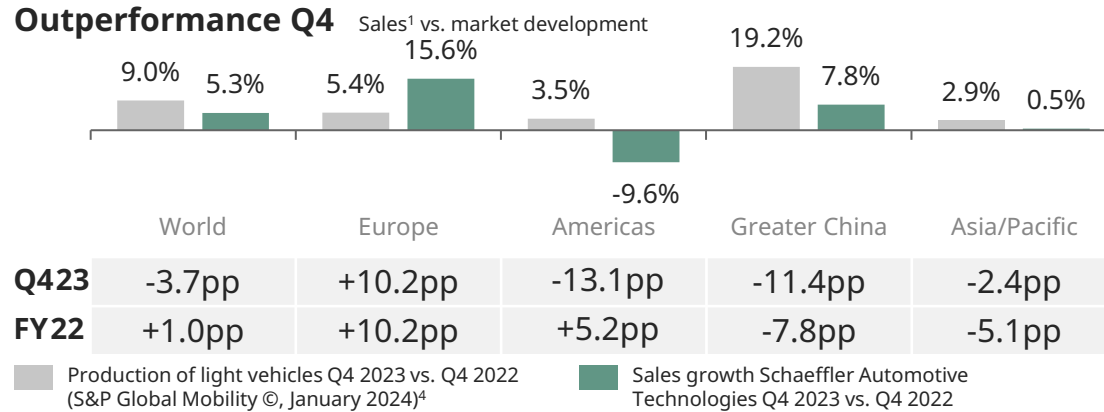
Q4 2023 <sup>1</sup>	% of Group Sales	Automotive Technologies 62%	Automotive Aftermarket 13%	Industrial 25%	Region Growth
Europe	45%	+15.6%	+0.2%	+2.2%	+8.8%
Americas	21%	-9.6%	+7.9%	+10.6%	-3.0%
Greater China	21%	+7.8%	+43.8%	-20.1%	+0.3%
Asia/ Pacific	13%	+0.5%	+5.3%	+4.8%	+2.0%
Division Growth		+5.3%	+4.2%	-1.7%	+3.3%

## Automotive Technologies – Strong margin<sup>2</sup> driven by good momentum in mature business

### Sales by business division yoy growth

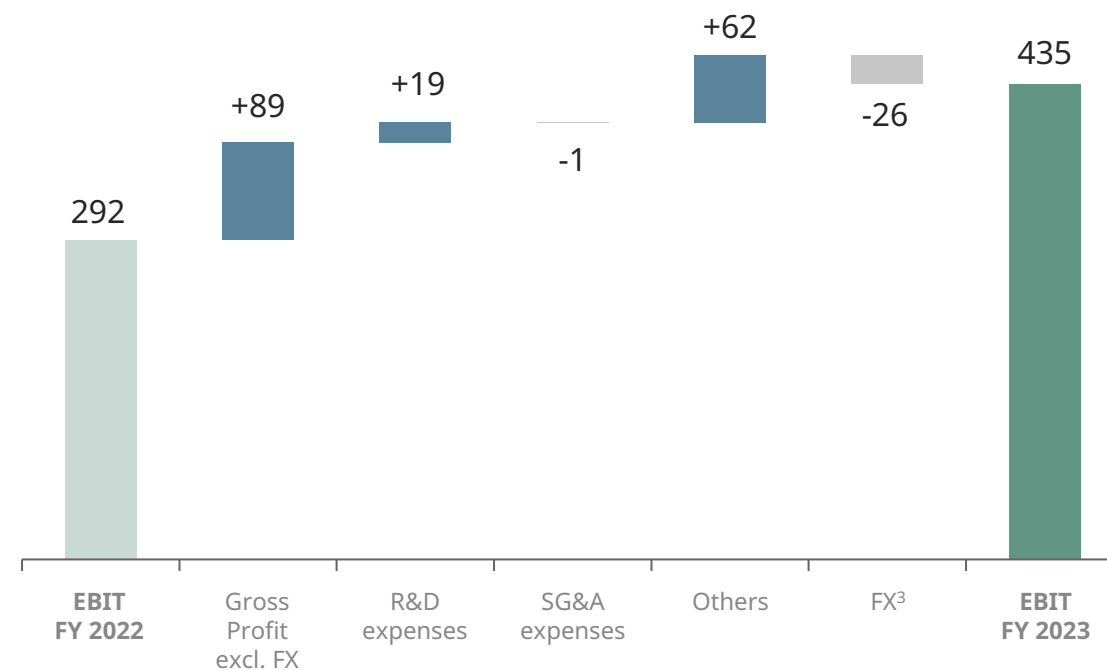
	FY 2022	FY 2023	$\Delta^1$
<b>E-Mobility</b>	1,346	1,312	+0.0%
<b>Engine &amp; Transmission</b>	5,153	5,306	+5.3%
<b>Bearings</b>	2,625	2,697	+5.6%
<b>Chassis Systems</b>	374	457	+24.1%
<b>Total</b>	<b>9,498</b>	<b>9,772</b>	<b>+5.4%</b>

### Outperformance Q4



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

in EUR mn



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

3.1%

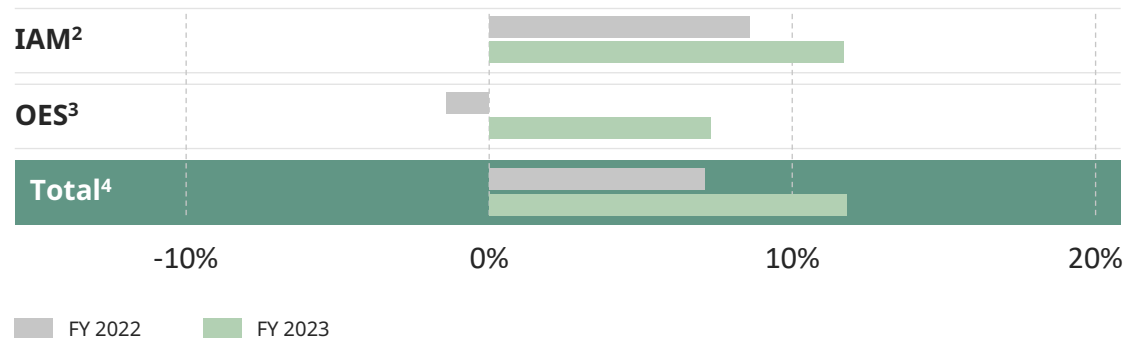
4.5%

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

### Sales by region yoy growth

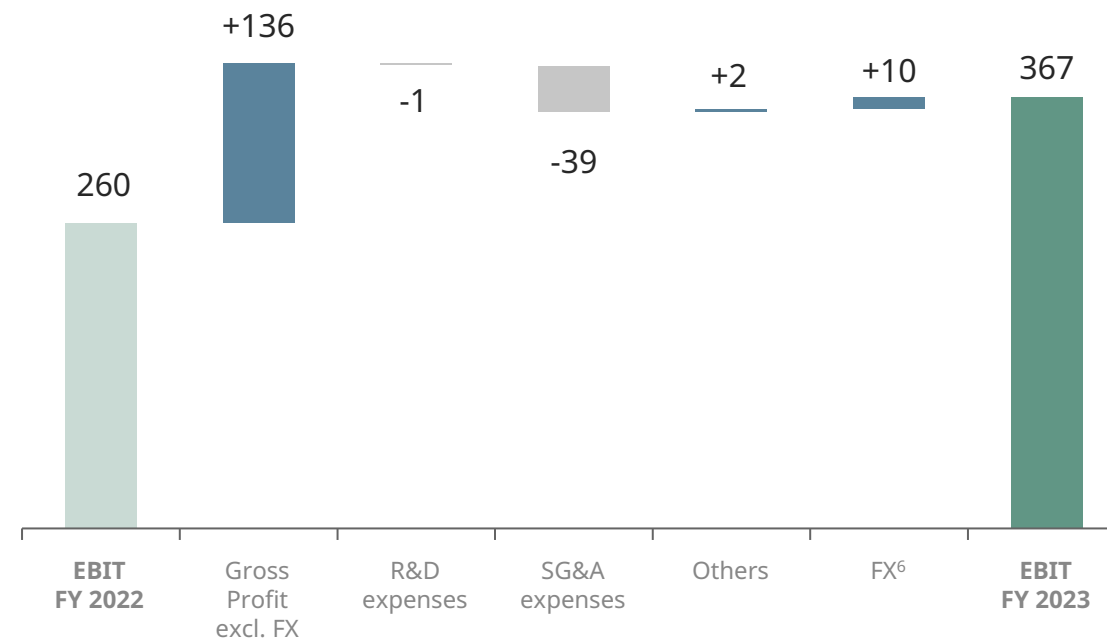
	FY 2022	FY 2023	$\Delta^1$
Europe	1,358	1,497	+10.3%
Americas	434	478	+12.0%
Greater China	117	139	+28.7%
Asia/Pacific	132	139	+11.8%
<b>Total</b>	<b>2,040</b>	<b>2,253</b>	<b>11.8%</b>

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



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

in EUR mn



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

12.8%

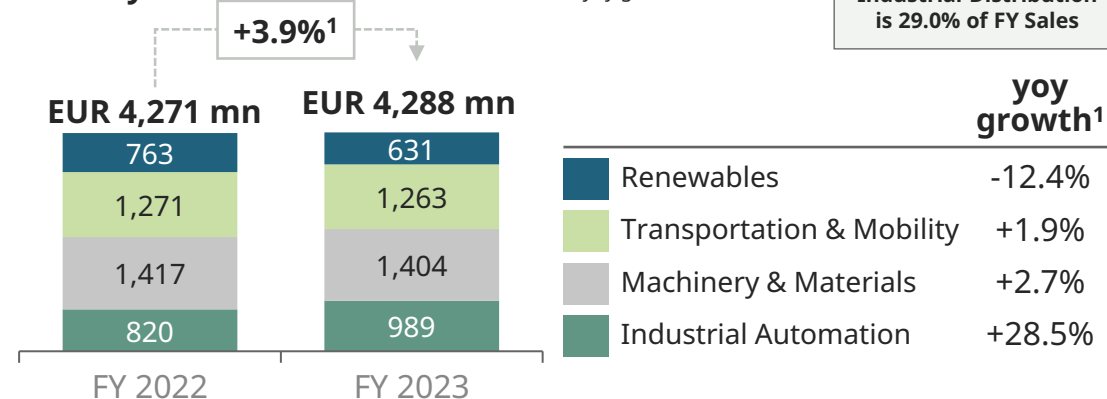
16.3%

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

### Sales by region yoy growth

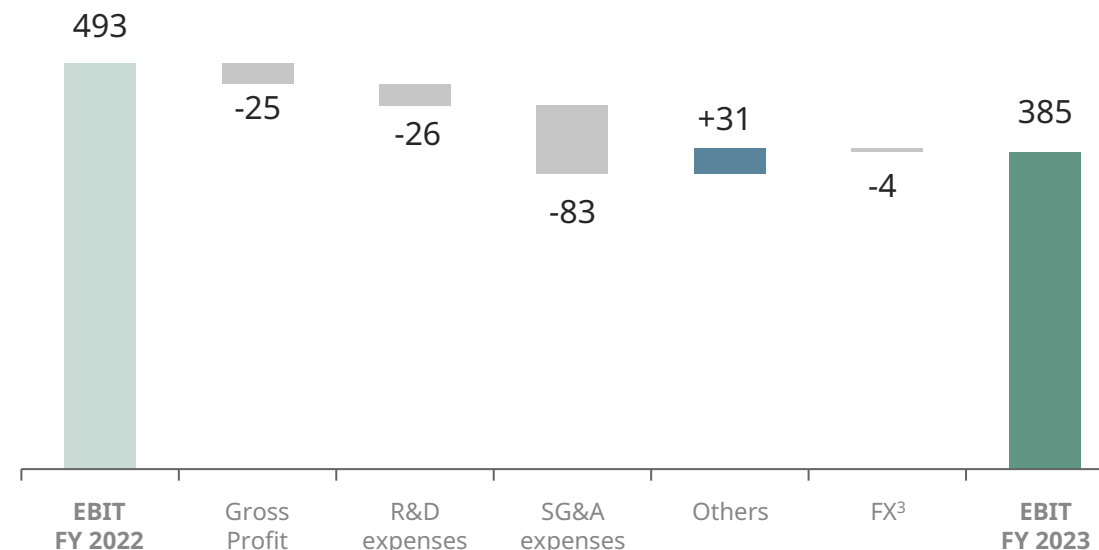
	FY 2022	FY 2023	Δ <sup>1</sup>
Europe	1,756	1,867	+7.0%
Americas	742	800	+11.3%
Greater China	1,156	1,009	-6.3%
Asia/Pacific	617	612	+5.3%
<b>Total</b>	<b>4,271</b>	<b>4,288</b>	<b>+3.9%</b>

### Sales by Industrial market cluster yoy growth



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

in EUR mn



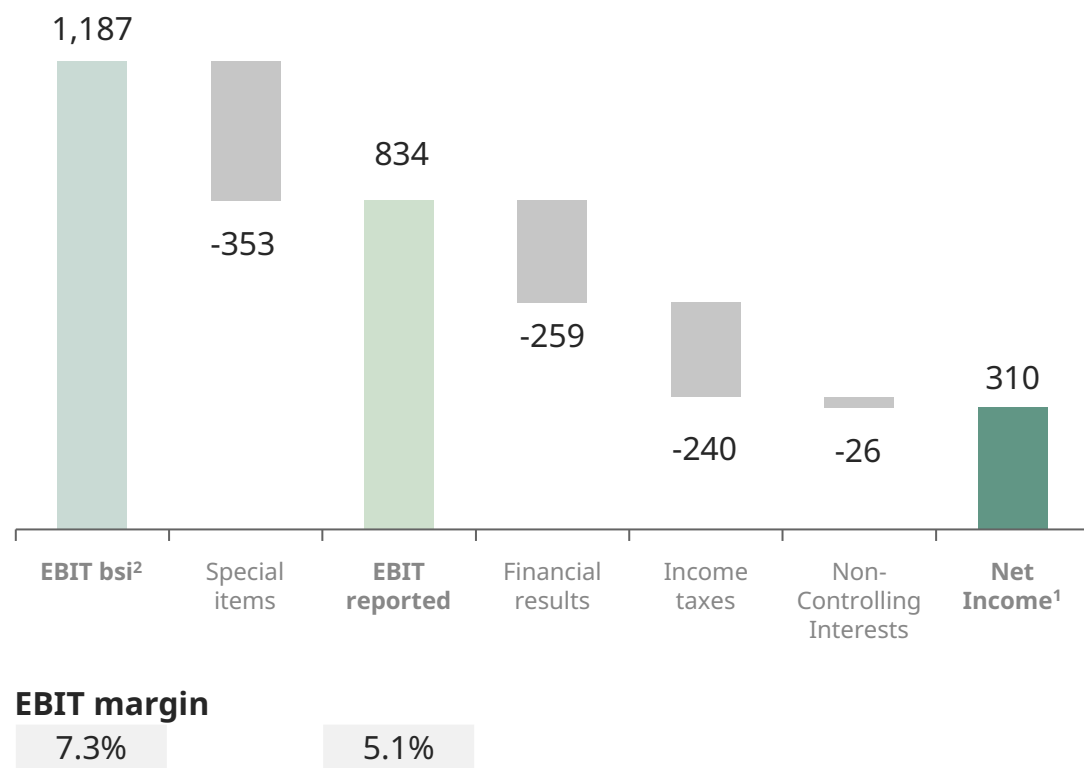
### EBIT margin development<sup>2</sup>

11.5%

9.0%

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

### Reconciliation FY 2023 in EUR mn



### KEY ASPECTS

- Special items amounted to EUR 353 mn in FY, mainly related to valuation of energy forward contracts and expenses from recognizing the obligation to acquire Vitesco shares tendered under the public Tender Offer
- Financial Result lower yoy due to higher interest payments and higher expenses for interests on pensions

### Special items by Division

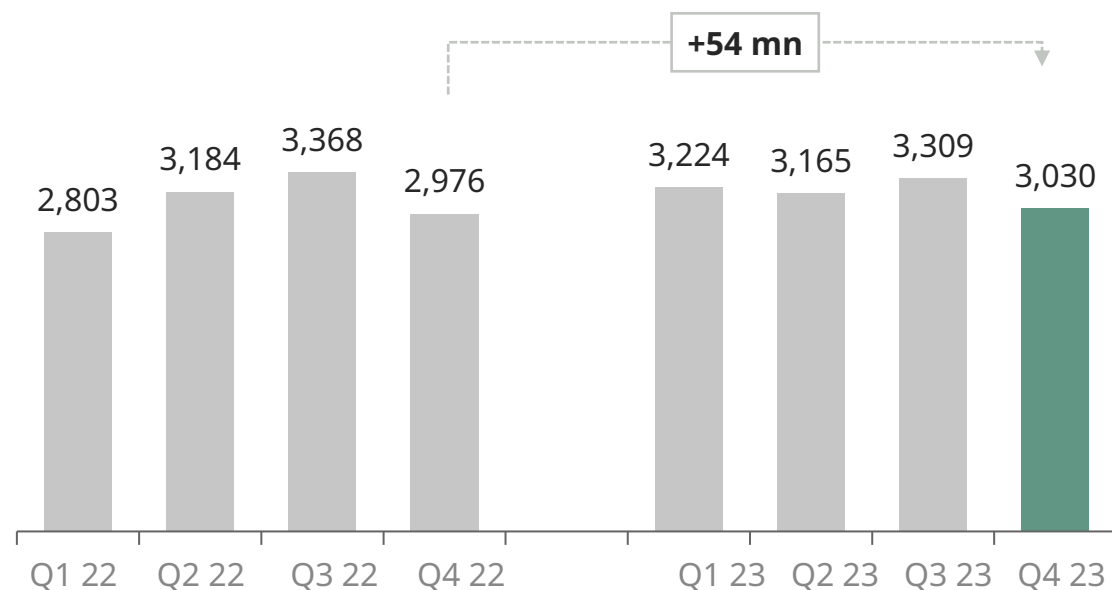
in EUR mn

	Q4 22	Q4 23	Q4 23 vs. Q4 22	FY 22	FY 23	FY 23 vs. FY 22
<b>EBIT reported</b>	<b>145</b>	<b>-15</b>	<b>-160</b>	<b>974</b>	<b>834</b>	<b>-140</b>
Automotive Technologies	+69	+149	+80	+39	+204	+165
Automotive Aftermarket	+5	+29	+24	+5	+31	+26
Industrial	+14	+60	+46	+28	+118	+90
<b>Group</b>	<b>+88</b>	<b>+238</b>	<b>+150</b>	<b>+72</b>	<b>+353</b>	<b>+281</b>
<b>EBIT bsi<sup>2</sup></b>	<b>233</b>	<b>222</b>	<b>-11</b>	<b>1,046</b>	<b>1,187</b>	<b>+141</b>

## Working Capital ratio 18.6% – Capex ratio 6.7% in Q4

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

in EUR mn

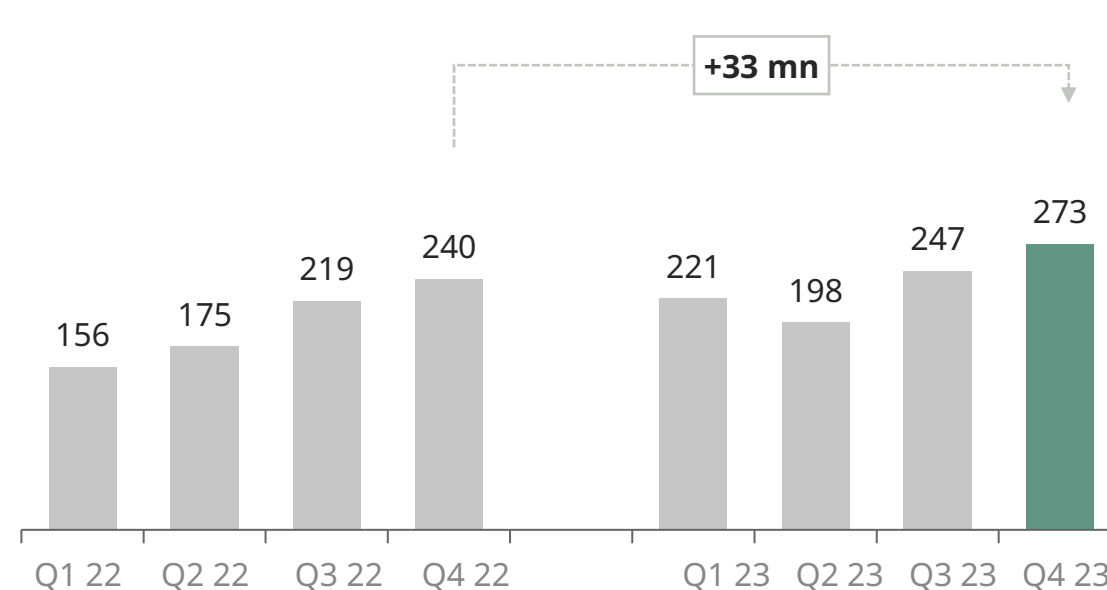


in % of Sales (LTM)

20.0%	22.1%	22.0%	18.8%	19.9%	19.2%	20.3%	18.6%
18.8%				18.6%			

### Capex<sup>2</sup>

in EUR mn



in % of Sales

4.2%	4.6%	5.2%	6.0%	5.3%	4.9%	6.1%	6.7%
5.0%				5.7%			

## Automotive Technologies (AT) outperformance by quarters

Adjusted comparative figures 2022

FY 23 Outperformance: -4.0pp			Q1 23			Q2 23			Q3 23			Q4 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	S&P <sup>1</sup>	AT <sup>2</sup>	Outper- formance		
World	+7.4%	+6.0%	-1.4pp	+16.8%	+10.7%	-6.1pp	+5.1%	+0.2%	-4.9pp	+9.0%	+5.3%	-3.7pp		
Europe	+14.9%	+15.1%	+0.2pp	+14.7%	+14.5%	-0.2pp	+6.3%	+4.7%	-1.6pp	+5.4%	+15.6%	+10.2pp		
Americas	+9.9%	+0.8%	-9.1pp	+13.6%	+1.6%	-12.0pp	+6.5%	-3.8%	-10.3pp	+3.5%	-9.6%	-13.1pp		
Greater China	-4.1%	-8.2%	-4.1pp	+22.6%	+15.2%	-7.4pp	+3.1%	-4.1%	-7.2pp	+19.2%	+7.8%	-11.4pp		
Asia/Pacific	+13.0%	+15.5%	+2.5pp	+14.6%	+10.1%	-4.5pp	+5.7%	+4.1%	-1.6pp	+2.9%	-3.0%	-2.4pp		

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	Q4 23
<b>Sales</b>	3,758	3,790	4,242	4,019	4,152	4,056	4,062	<b>4,043</b>
<b>Sales Growth<sup>1</sup></b>	+1.9%	+4.4%	+20.2%	+11.8%	+10.4%	+9.8%	+0.5%	<b>+3.3%</b>
<b>EBIT reported</b>	247	186	395	145	244	283	322	<b>-15</b>
<b>EBIT bsi</b>	258	200	355	233	336	289	340	<b>222</b>
<b>EBIT bsi margin</b>	6.9%	5.3%	8.4%	5.8%	8.1%	7.1%	8.4%	<b>5.5%</b>

## Automotive Aftermarket in EUR mn

	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23
<b>Sales</b>	464	506	548	523	582	549	584	<b>537</b>
<b>Sales Growth<sup>1</sup></b>	+2.1%	+4.4%	+5.6%	+16.8%	+25.7%	+10.2%	+8.8%	<b>+4.2%</b>
<b>EBIT reported</b>	63	64	74	54	102	87	99	<b>49</b>
<b>EBIT bsi</b>	64	64	73	59	103	89	98	<b>77</b>
<b>EBIT bsi margin</b>	13.8%	12.7%	13.4%	11.2%	17.7%	16.3%	16.7%	<b>14.4%</b>

## Automotive Technologies in EUR mn

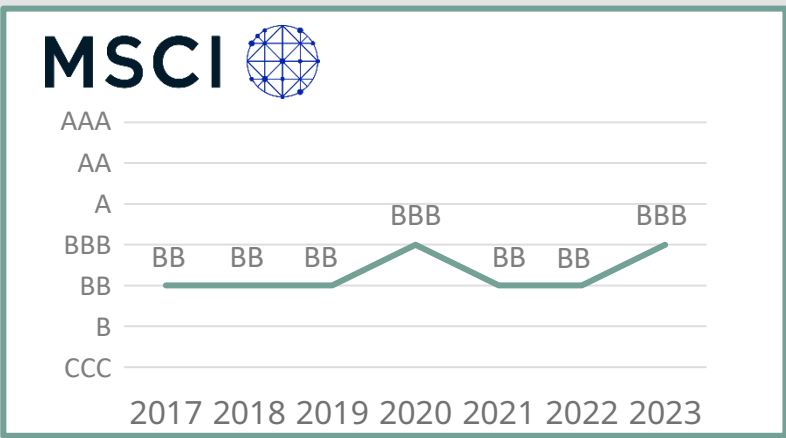
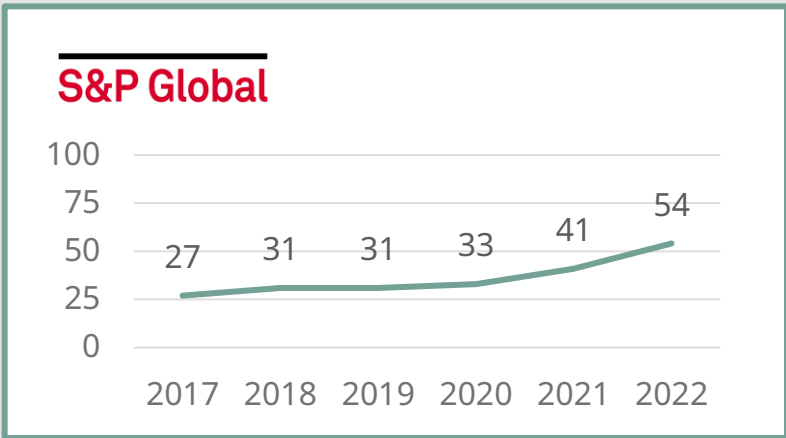
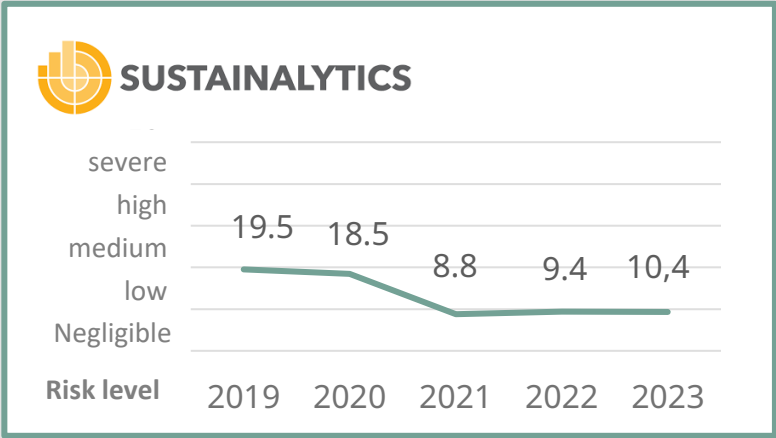
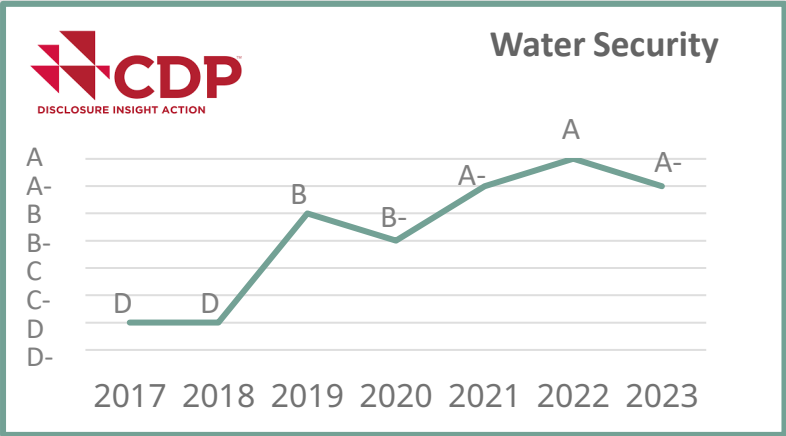
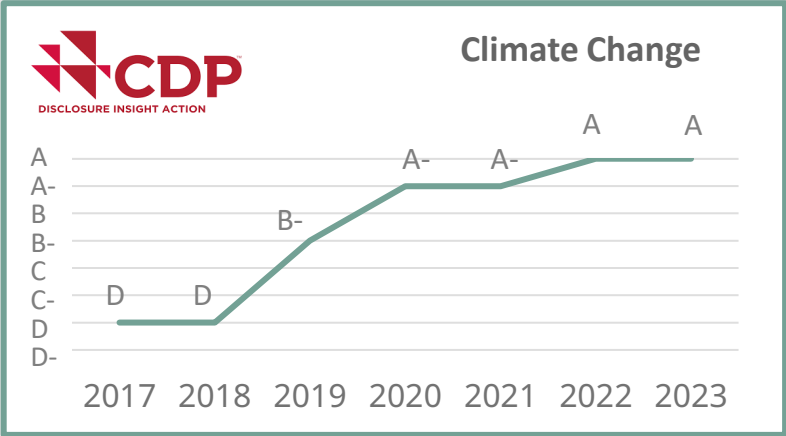
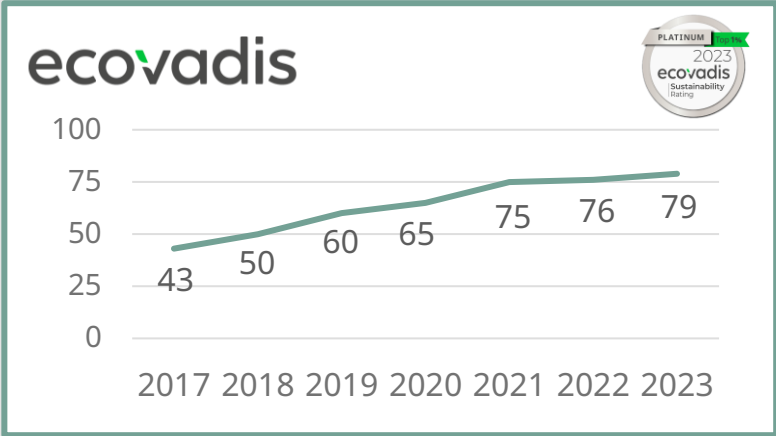
	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23
<b>Sales</b>	2,292	2,221	2,554	2,430	2,440	2,400	2,440	<b>2,492</b>
<b>Sales Growth<sup>1</sup></b>	-3.2%	+1.3%	+25.2%	+9.9%	+6.0%	+10.7%	+0.2%	<b>+5.3%</b>
<b>EBIT reported</b>	78	1	165	9	44	107	143	<b>-63</b>
<b>EBIT bsi</b>	81	11	122	78	105	102	142	<b>86</b>
<b>EBIT bsi margin</b>	3.5%	0.5%	4.8%	3.2%	4.3%	4.3%	5.8%	<b>3.5%</b>

## Industrial in EUR mn

	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23
<b>Sales</b>	1,002	1,062	1,140	1,066	1,130	1,107	1,038	<b>1,014</b>
<b>Sales Growth<sup>1</sup></b>	+15.7%	+11.7%	+17.8%	+13.7%	+13.4%	+7.9%	-3.0%	<b>-1.7%</b>
<b>EBIT reported</b>	106	121	155	82	98	89	80	<b>-1</b>
<b>EBIT bsi</b>	113	125	159	97	128	97	100	<b>59</b>
<b>EBIT bsi margin</b>	11.3%	11.7%	13.9%	9.1%	11.3%	8.8%	9.7%	<b>5.8%</b>

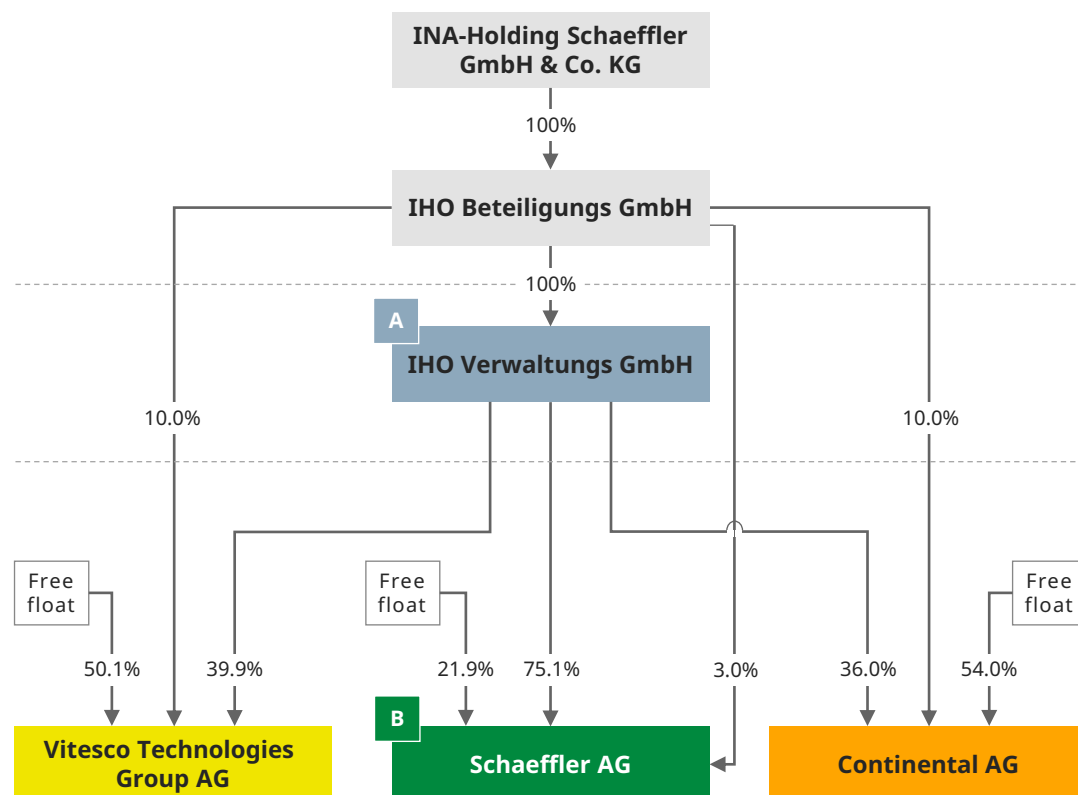


Overview Sustainability Ratings – Strong track record



# Overview Corporate and Financing Structure

## Corporate structure (simplified) as of December 31, 2023



## Financing structure as of December 31, 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)	-	120	E+3.25%	Jun-26	Not rated
	3.75% SSNs 2026 (EUR)	-	750	3.750%	Sep-26	BB/Ba2/BB-
	4.75% SSNs 2026 (USD)	500	453	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	407	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	362	6.375%	May-29	BB/Ba2/BB-
<b>Total IHO Verwaltungs GmbH</b>			<b>3,392</b>	<b>Ø 5.40%</b> <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
	EIB loan (EUR 420 mn)	-	-	undisclosed	undisclosed	Not rated
	Schuldschein Loans (EUR)	-	293	Ø 4.150%	May 25, 28 & 30	Not rated
	Bridge facilities (EUR 3,450 mn) <sup>4</sup>	-	-	E+2.00%	Oct-24	Not rated
CP	Commercial Paper (EUR)	-	90	4.15%	Jan-24	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+
<b>Total Schaeffler AG</b>			<b>3,958</b>	<b>Ø 3.66%</b> <sup>3</sup>		