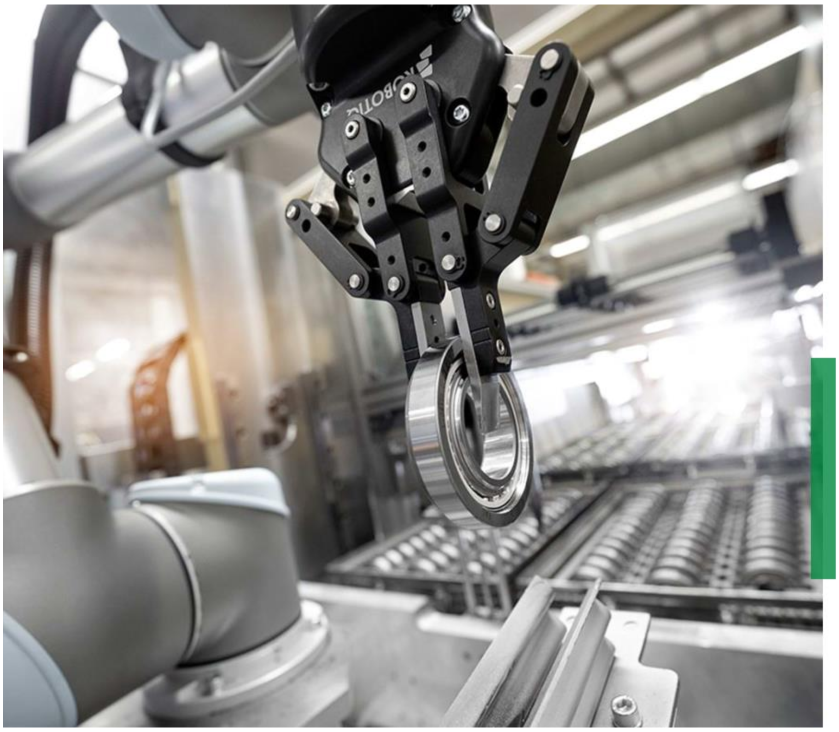
COMMENTED SLIDES / CONFERENCE CALL Q1 2023 EARNINGS



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Q1 2023
Schaeffler AG
earnings

May 9, 2023
Herzogenaurach

We pioneer motion

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Michael Punzet, *DZ Bank*

Renata Casaro

Dear investors and dear analysts, thank you for joining the Schaeffler Group first quarter 2023 earnings call. As usual, our call will be conducted under the disclaimer. Without further ado, I will pass the floor on to Mr. Klaus Rosenfeld, CEO of the Schaeffler Group, and to Mr. Claus Bauer, CFO. Klaus, the floor is yours.

Klaus Rosenfeld

Renata, thank you very much. Ladies and gentlemen, welcome to our quarterly earnings call for the first quarter. You have the presentation in front of you in a new refreshed format, and, I think, with some very encouraging numbers for the year 2023. If you follow me, please, to page number four, where you have the overview with the key messages.

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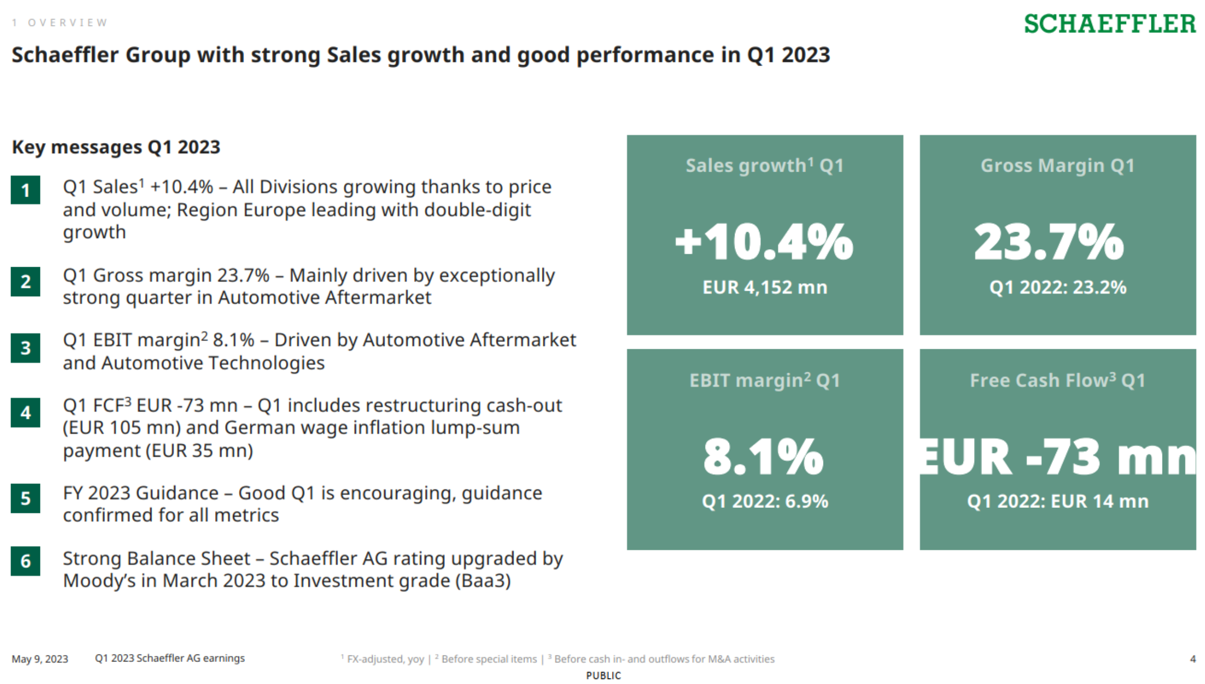

Klaus Rosenfeld

I think you saw the results already, 10.4% growth in the first quarter, all divisions contributing, and region Europe leading with double digit growth. An improvement in the Gross Profit margin of half a percentage point over the first quarter 2022, mainly driven by the exceptionally strong quarter in Automotive Aftermarket. And then an EBIT margin of 8.1%, certainly above the Guidance range.

Also here, we can say that the two Automotive Divisions contributed most of the improvement, first quarter 2022, 6.9%, so 1.2 percentage points better than previous year. Free cash flow, slightly negative, if you include the restructuring cash out, EUR 105 million, and the German wage inflation lump sum of EUR 35 million, you see that the underlying Free cash flow is positive. It's better than expected, and we see this, again, as a strong sign for the cash generation power of the organization

We have decided to keep the Guidance confirmed, although the first quarter is encouraging, and we'll clearly see and wait what the second quarter is going to develop. One other strong development is, from the Balance sheet point of view, despite the acquisition of Ewellix, our leverage ratio is definitely in the range where we want to have it, and we saw Moody's upgrading the rating to investment grade again. So, a strong support from the Balance sheet side.

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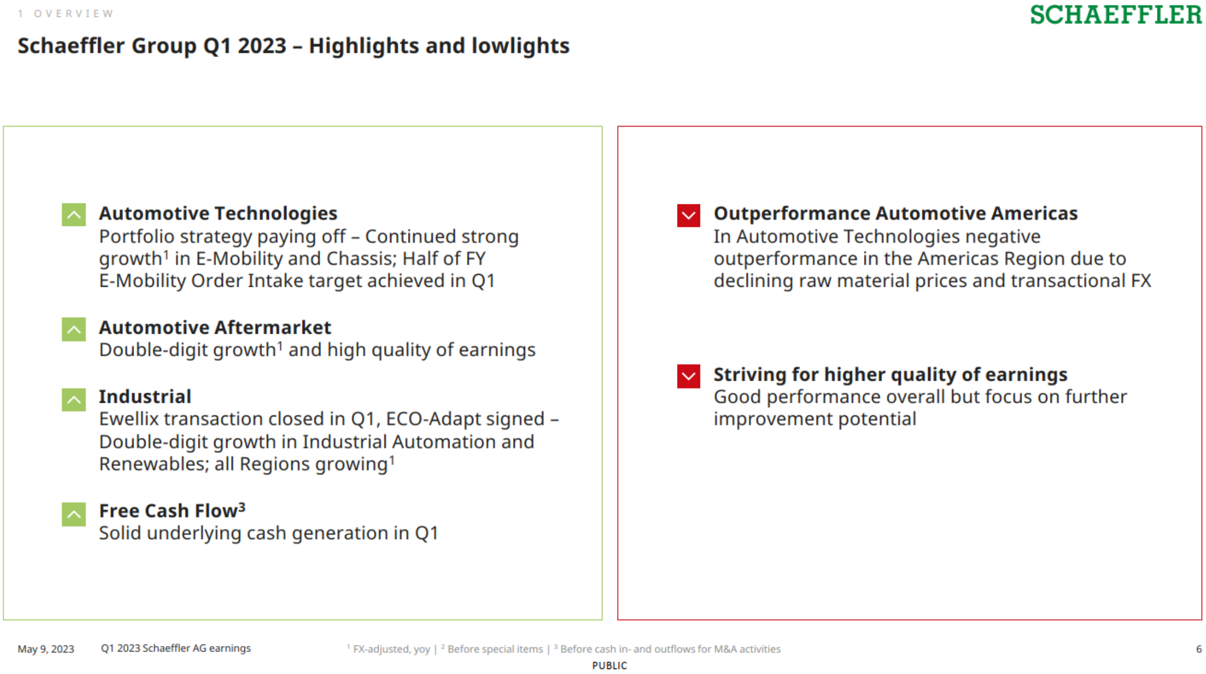
Sales Performance Q1 2023 – Growth across all Divisions and Regions

Q1 2023[1]	% of Group Sales	Automotive Technologies 59%	Automotive Aftermarket 14%	Industrial 27%	Region Growth
Europe	45%	+15.1%	+30.3%	+12.2%	+17.3%
Americas	22%	+0.8%	+15.9%	+14.4%	+5.4%
Greater China	20%	-8.2%	+17.2%	+19.1%	+1.0%
Asia/ Pacific	13%	+15.5%	+20.1%	+5.9%	+12.9%
Division Growth		+6.0%	+25.7%	+13.4%	+10.4%

[1] Q1 FX-adjusted Sales growth, please refer to the Interim Report for further details

Q1 Sales growth[1]

If you go to page number five, you'll see the breakdown that you're used to by division and by the different regions. And as I said, all the divisions and all the regions contributed.



Then on the next page, page number six, some highlights and lowlights. I think, on Automotive Technologies, we can say that our strategy, in terms of managing the portfolio of the transformation from mature to E-Mobility and new Chassis, is definitely paying off.

We saw continued strong growth in E-Mobility and Chassis, and that is, once again, exemplified by the Order Intake in Q1, nearly a billion in E-Mobility is half of what we promised for the year 2023. Aftermarket, I think, is the star in this quarter, not only with more than 25% growth, but also, with a superior quality of earnings. 17.7% speaks for itself. It's even above the range for our Mid-term Targets. And it tells us that the hard work that has been done to clean up some of the logistical issues starts to pay off.

There was definitely positive development from the demand side, because in these times, people tend to repair cars. Our solution offering is spot on, and with solid work on the fixed cost side, that then leads to margins like the one that you saw in this first quarter. Industrial is in a slightly different situation. As you know, we closed Ewellix in Q1, and that led to PPAs. You will see this later on, 0.6 percentage points for the divisional results.

Ewellix helped to fuel the growth, 13.4%, includes the inorganic portion, and that has also supported our Industrial Automation growth. All the other three market clusters also grew. What is remarkable here, and to some extent, not unexpected, is the growth in Renewables. All regions are growing, so we feel good about our Industrial business, and we will continue to build that forward.

The ECO-Adapt little acquisition that we signed and closed is one of the next examples why we will continue to invest into our Industrial division. Free cash flow, I already said this, solid, better than expected, underlying cash generation. And I'm confident that that continues over the rest of the year. On the negative side, what is a concern? To me, that's the outperformance in Automotive Americas, that was an outlier, you saw that in the table.

The negative outperformance here has to do with declining raw material prices in the US. We have more price adjustment clauses in the Americas and elsewhere, and also, had to do with transactional FX, Claus will explain this going forward. And for sure, I put this year in the negative, there is more room for improvement. Good performance overall, but we will continue to focus on our quality of earnings, and see that we execute, where possible, on further improvement potential.

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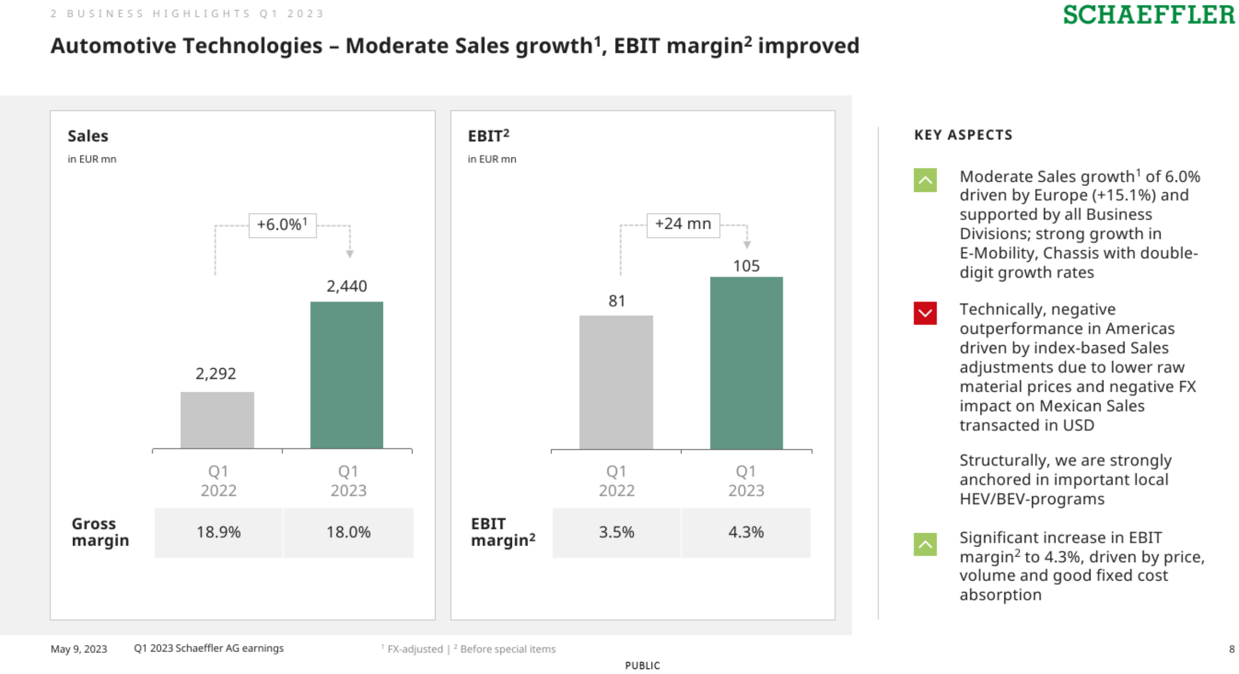
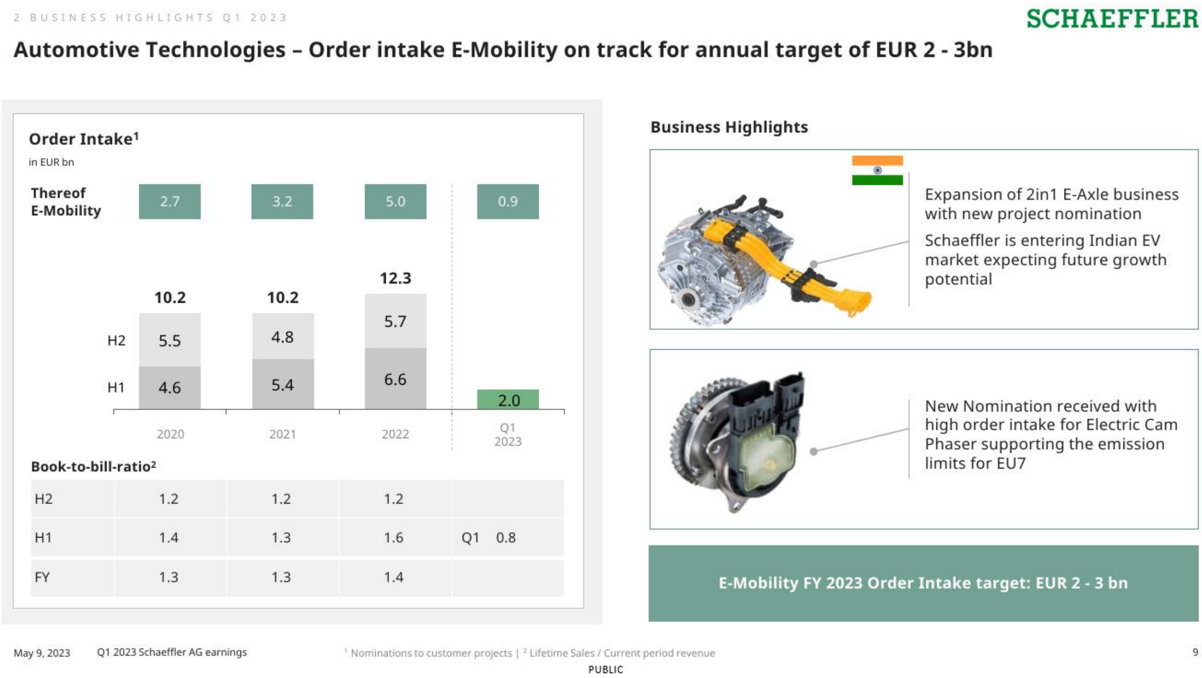


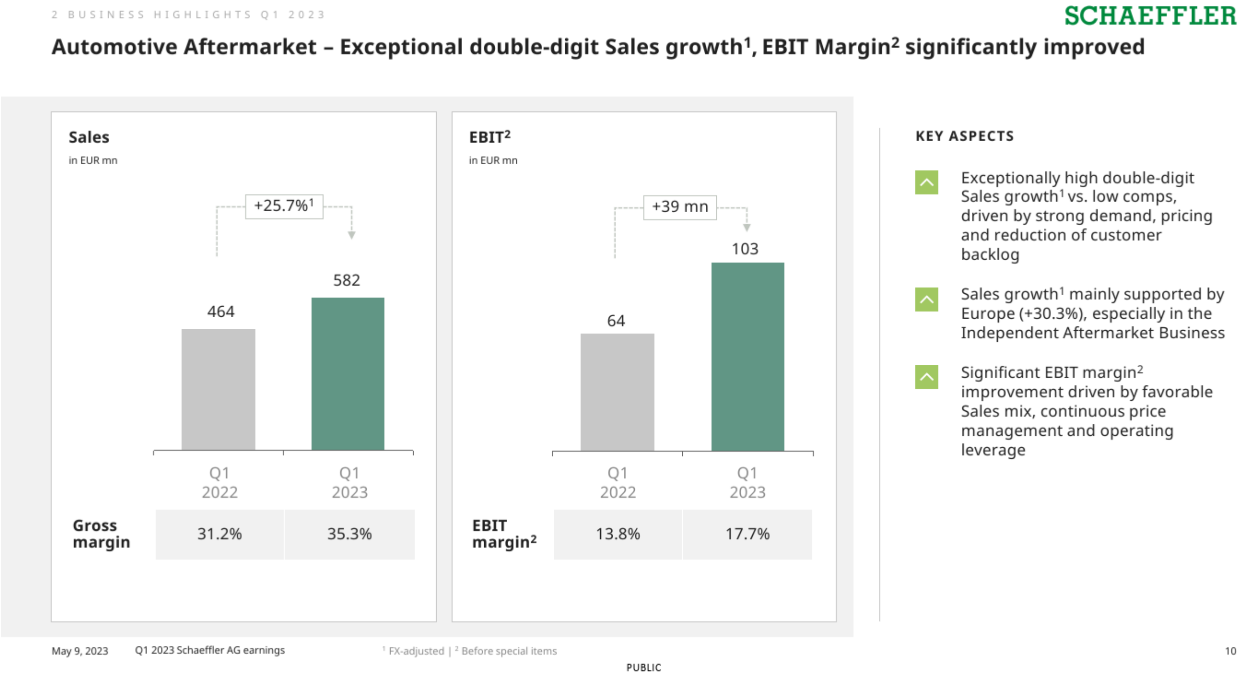
Let me go to page eight, and you see the new format is a little lighter than what you had in the past. You have all the key numbers on here. Automotive Technologies 4.3% margin. The sales growth was with 6%, rather moderate, driven by Europe. As I said, there is a negative outperformance in the Americas that Claus will explain in more detail. What we can say, and that's more the mid-term view, we feel that our position in the US, from a strategic point of view, is very good.

In particular, when it comes to the local HEV and BEV programs. One example is the quality award we got from GM, where we see significant future business on their new platforms. Increase in margins, as I said, is driven by the work that we have done in the past, all the restructuring steps, but also, by price, volume, and better fixed cost absorption.



You see the Order Intake on the next page, number nine, as I said, around a billion for E-Mobility, on track to achieve our annual target. You see two of the interesting Order Intakes, one for E-Mobility, one for the more Mature business. The one for E-Mobility is truly something exciting. We are entering, as one of the first foreign suppliers, the Indian EV market with a two in one E-Axle, where we got nominated for that project by one of the big players in India.

So, the EV business is also becoming part of the Indian market. On the other side, the second example, a new nomination received with high Order Intake for an Electric Cam Phaser. That tells you that also, in that situation that we have, with all the EU regulations, car makers are still coming to us for mature business. This is a lucrative one, and we are proud that we can support our customers with that technical innovation.



Aftermarket, I think I said it already, three greens, exceptionally high double-digit sales growth, clearly driven by the low comps, but also, by strong demand. Then sales growth across the board, but in particular, driven by Europe, where we have the Independent Aftermarket business, as you know, and that has been the key driver here. And then the margin, again, several things that come together to the positive.

We saw a favorable sales mix. Our price management was exceptionally good, and also, the operating leverage with keeping fixed costs under control started to drive the margin. I can, once again, say the hard work in the past that Jens and predecessors have done to clean up, in particular, here, the logistical footprint in Europe starts to pay off.

2 BUSINESS HIGHLIGHTS Q1 2023

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Automotive Aftermarket – Leading market position and enhanced logistical performance

Leading market position

- Innovative repair solutions for Transmission, Engine and Chassis applications for wide car parc range in OE quality
- Excellent customer service and technical support as differentiator in the market
- Intelligent pricing allows to offset increased input costs

Logistical performance

- Strong regional footprint as growth enabler
- Investments into logistic infrastructure and continuous process improvements lead to improved delivery service
- State-of-the-art kitting and distribution centers

Schaeffler Automotive Aftermarket well positioned for future growth

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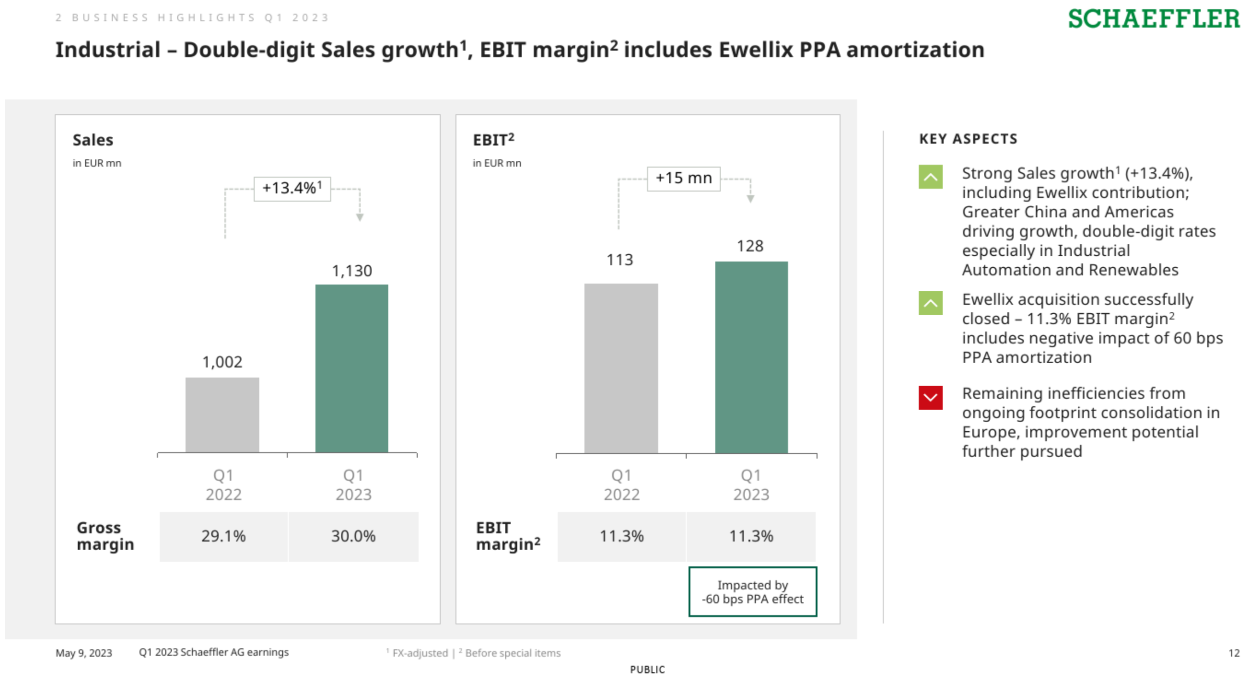
11 is then a little bit more business detail. We think we can claim a leading market position, in particular in Europe. When it comes to innovative Repair Solutions, we have said this on and on, and that is exemplified by a variety of different customer awards. The technical support is seen as a differentiator, and also, an intelligent pricing allows us to offset, or more than offset, input costs. Logistical performance, we have said this on and on, and it's just here to show again, AKO is definitely on the right track.



12 is then Industrial, double-digit sales growth. That is, more or less half and half, organic and inorganic. Ewellix consolidated for the first quarter, and that has led, as we indicated, to a PPA effect on the margin. We have decided not to retroactively adjust the margin for 2022, so if you compare 11.3%, last year’s quarter with this year quarter, that's not comparing apples with apples.

You need to consider that there is a 60-basis points reduction, due to this PPA effect in Q1 that was not there in Q1 2022. That shows that the margin is also on the right track. In any case, it is in line with our Guidance. What we've seen in Industrial is apart from managing the acquisitions, and consolidating and integrating all of that, that there is still room for improvement.

We have explained that to you already for the full year, the work, in terms of finally integrating the different steps from the 2020 - 2021 program, and the footprint consolidation Europe, are still underway, and we see that there are some of these natural inefficiencies that we can tackle. So, that should tell you we are positive on making our margin range.

In terms of outlook, for sure, you see this on page 13. If you look at the Orderbook, the growth dynamic is coming down a little bit, but we are still positive in terms of growth. The environment is certainly getting a little bit more difficult here. You saw what happened with the German manufacturing indices, the numbers, but in terms of Schaeffler, we are positive that we can continue to outgrow the market.

Why? Because we are definitely sitting at the right spots, when it comes to the different industries, and when it comes to the growth potential, that is, in particular, Renewables, but also, Industrial Automation. So, that should help us to continue to grow, and the first figures from April point definitely in that direction.

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Capital allocation – Continued prioritization of Capex for growth business

Investment[1] allocation
in EUR mn

	FY 2021	FY 2022	Q1 2022	Q1 2023
Automotive Technologies	430	545	78	108
Automotive Aftermarket	20	40	8	11
Industrial	220	229	42	60
Schaeffler Group	**670**	**814**	**128**	**179**
Capex	**671**	**791**	**156**	**221**
Capex ratio[2]	**4.8%**	**5.0%**	**4.2%**	**5.3%**
Reinvestment Rate	**0.7**	**0.9**	**0.6**	**0.8**

KEY ASPECTS

- **Reinvestment Rate Target:** Continued prioritization of Industrial division and BD E-Mobility; clearly <1.0 in BD Bearings and Engine & Transmission
- **Automotive Technologies:** Investment in E-Mobility facilities in Greater China and Americas; Investments in Mature Business rationalization
- **Industrial:** Investment into capacity expansions in Savli (India)

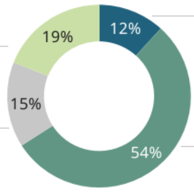
Investments[1] by region Q1 2023
in EUR mn (yoy change)

Greater China
34 (+7)

Americas
27 (+10)

Asia/Pacific
21 (+6)

Europe
97 (+27)



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

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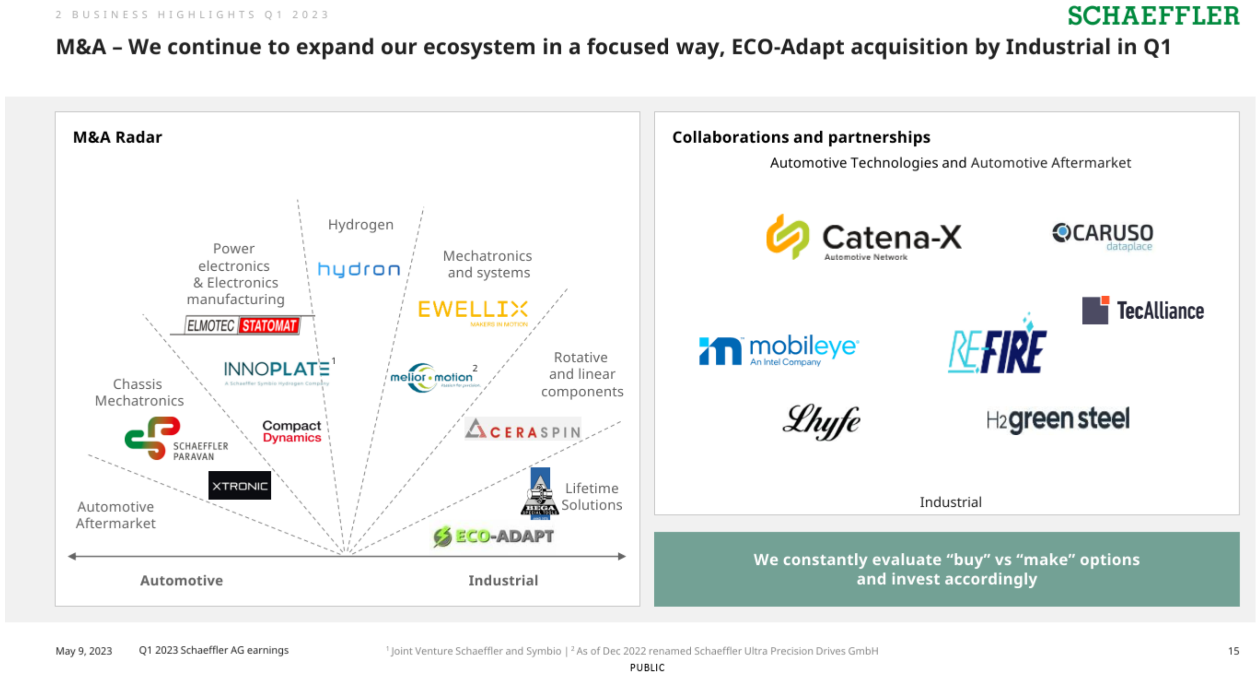
14 is a page that you know. I'm not going to say much more than what is on this page here. We continue to be disciplined on Capex, 221 million Capex, and the investment allocation, 179 million. The ratios are all in line, Reinvestment Rate below one, and we continue with our strategic capital allocation framework, and that is paying off, and you also see that the regional allocation becomes more balanced.



The last page from my side, before I hand over to Claus, is on M&A. We have done now with Ewellix, and also, with Melior Motion and the other smaller things, enough in the year 2022. It's now time to make sure that all of that gets integrated in a very careful manner. And we signed ECO-Adapt, a small deal, just something to mention here.

What is more important, from my point of view, is that we will keep looking for interesting, additive M&A opportunities. We will continue to work on collaborations and partnerships, but we will, in all that we do, be very careful to make sure that we fully understand risk, and only invest where we get the necessary returns. With that, I hand over to Claus, for more details on the financials.

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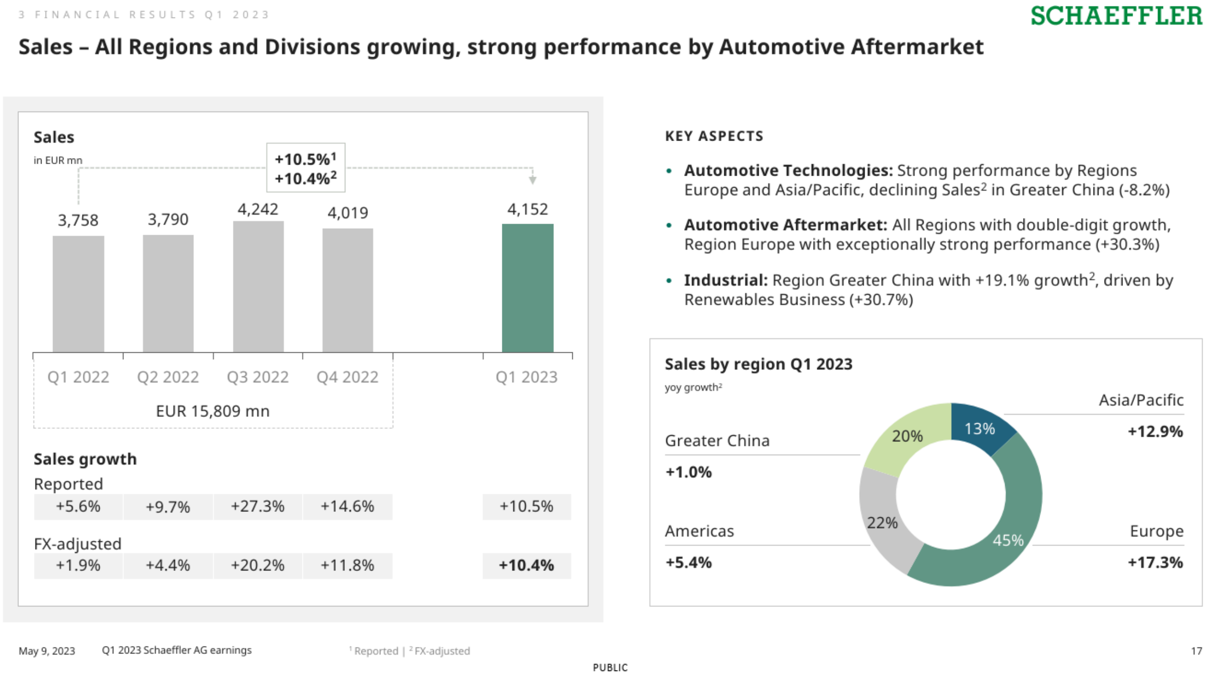

Claus Bauer

Thank you very much, Klaus. Ladies and gentlemen, on page 17, we are looking at sales. And you see it's the third quarter in a row now with sales above EUR 4 billion. That translates, as Klaus has already said, to a foreign exchange adjusted growth, versus prior year, of 10.4%. And Klaus already alluded to the Ewellix consolidation, which was consolidated for the first time in Q1 of this year, and that has about an inorganic impact on this 10.4% of about two percentage points.

All regions and divisions have been growing, and Klaus already said, particularly Automotive Aftermarket. I will touch on that, when we talk about the divisions in more detail.

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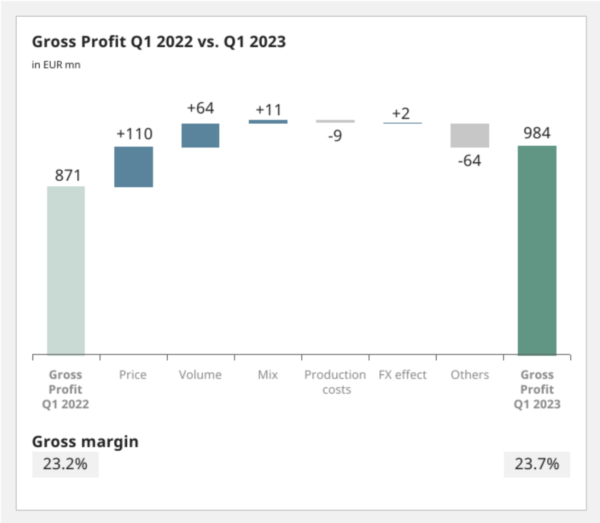
Gross Profit – Positive Pricing, Volume and Mix effects in Q1 2023



KEY ASPECTS

- **Pricing:** Sustained positive pricing effect across all Divisions
- **Volumes:** Increased volumes, particularly in the Automotive Aftermarket

Gross margin
in % of Sales

	Q1 2022	Q1 2023	Q1 2023 vs. Q1 2022
Automotive Technologies	18.9%	18.0%	-0.9pp
Automotive Aftermarket	31.2%	35.3%	+4.1pp
Industrial	29.1%	30.0%	+0.9pp
Schaeffler Group	**23.2%**	**23.7%**	**+0.5pp**

On the next slide, you'll see the Gross Profit, definitely a good Gross Profit margin development, with sustained positive pricing across all regions.

You see, then, on the bottom part of the right side, the development by division, which I will talk a little bit more, when we talk about the divisions. Especially, obviously, the Automotive Technologies looks a little strange with a reduction, and I will explain that and Automotive Aftermarket with the volume fixed cost absorption impact, and also, good pricing in the market, very good margin performance, as Klaus already said.

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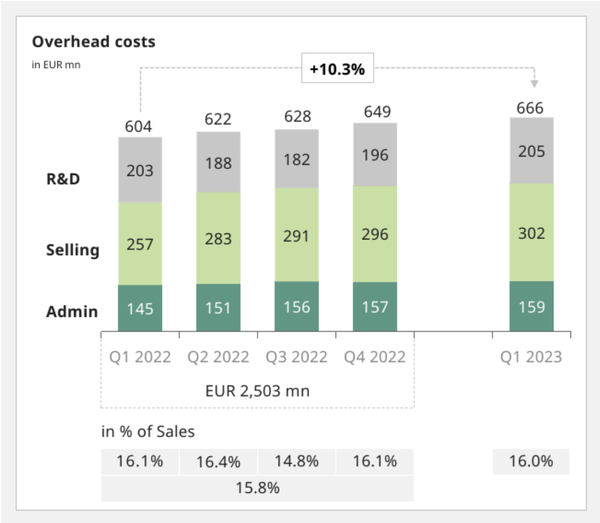
Overhead costs – Overhead cost increased yoy, driven by higher Selling expenses



KEY ASPECTS

- **R&D:** Slight increase in R&D cost driven by innovation projects in the Industrial division
- **Selling expenses:** Higher Selling expenses, predominantly due to volume driven increased cost of warehousing
- **Admin cost:** Higher admin costs are mainly related to the consolidation of Ewellix

Overhead cost ratio
in % of Sales

	Q1 2022	Q1 2023	Q1 2023 vs. Q1 2022
Automotive Technologies	15.1%	14.0%	-1.1pp
Automotive Aftermarket	17.2%	18.1%	+0.9pp
Industrial	17.9%	19.3%	+1.4pp
Schaeffler Group	**16.1%**	**16.0%**	**-0.1pp**

On the next page, we look at the overhead. The overhead cost increase was in line with sales with 10.3%. As you see, if you look at the table on the right side, you'll see a little bit more detail, and see that it's especially driven by the two divisions that had significant volume growth, Automotive Aftermarket, Industrial. And that is, obviously, then the big impact of selling expenses that are highly variable, especially in these two divisions.

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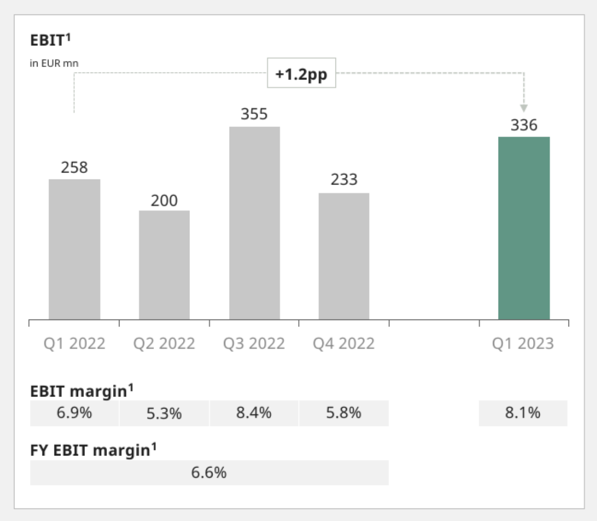
EBIT margin[1] – Good margin level driven by extraordinary strong Automotive Aftermarket



KEY ASPECTS

- **Automotive Technologies:** EBIT margin[1] improved sequentially and yoy, driven by price and volume effects
- **Automotive Aftermarket:** EBIT margin[1] very strong, supported by mix and price effects as well as temporary volume effects (reduction of backlog)
- **Industrial:** EBIT margin[1] on prior year level

EBIT margin[1]
in % of Sales

	Q1 2022	Q1 2023	Q1 2023 vs. Q1 2022
Automotive Technologies	3.5%	4.3%	+0.8pp
Automotive Aftermarket	13.8%	17.7%	+3.9pp
Industrial	11.3%	11.3%	0.0pp
Schaeffler Group	**6.9%**	**8.1%**	**+1.2pp**

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[1] Before special items

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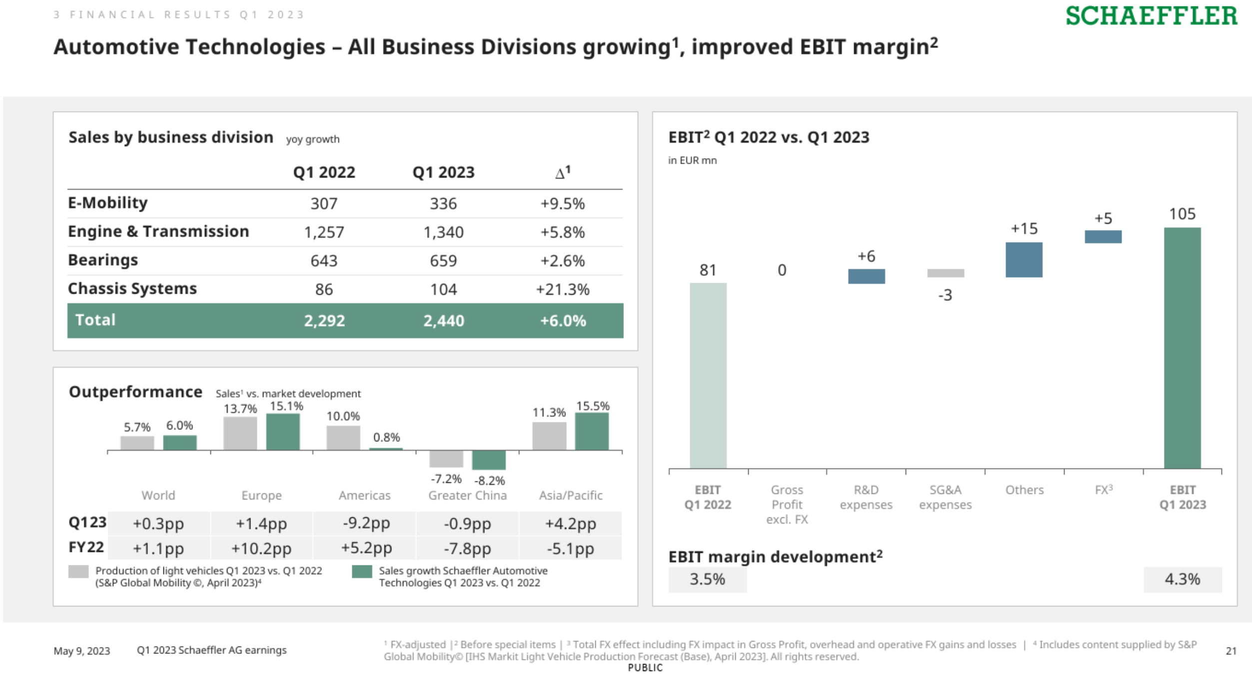
EBIT margin, on the next slide, pretty much follows the Gross Profit development. And, again, I will talk a little bit more into the detail by division, which leads me to the next slide, already diving into the Automotive Technologies division.



Here, you see, on the left, top side, the sales growth by business division. All business divisions grew year over year, including Engine and Transmission.

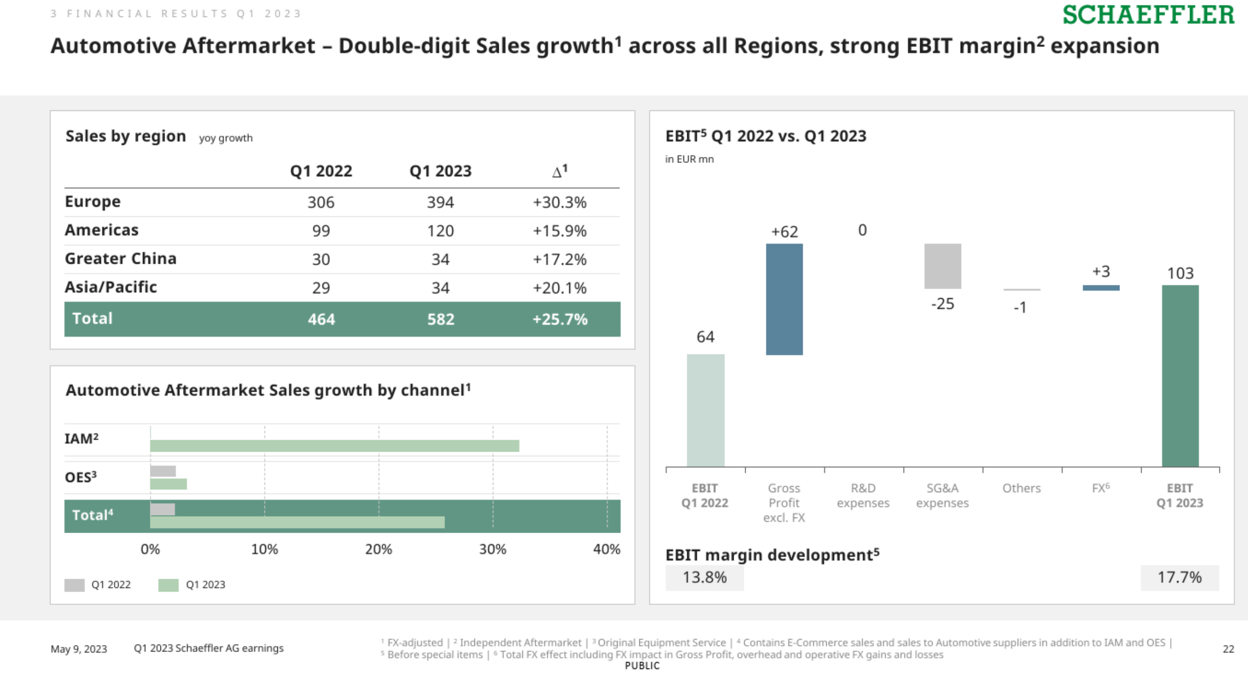
You might remember that wasn't necessarily the trend of last year. E-Mobility significantly outgrew the other divisions, and Engine and Transmission actually deteriorated a little bit. So, that is already something that you have to consider. It's not unexpected. I think I talked to many of you about the potential mix impact, also due to affordability of cars, being more important, maybe this year, than it was last year.

If you look down on the left side, then you will see the outperformance. And what's definitely catching the eye here, besides the outperformance globally of 30 basis points, clearly, below our target range, between 200 and 500 basis points, and what's catching the eye is obviously, the negative outperformance in Americas. That has a few explanations.

First of all, as always, it's not so easy to interpret this number really on a quarter-by-quarter basis. You can also see the significant outperformance for the entire year 2022, with 520 basis points in that region. And therefore, you have to see the quarterly volatile single datapoint, maybe more in connection with a longer term last 12 months period.

But the technical impacts that we experience in the Americas right now is, first of all, as I have explained in many prior calls, the Americas is the region where we have predominantly material price clauses in our contracts with the Automotive OEMs. That is different than in other regions, and it is actually, also, a long-term

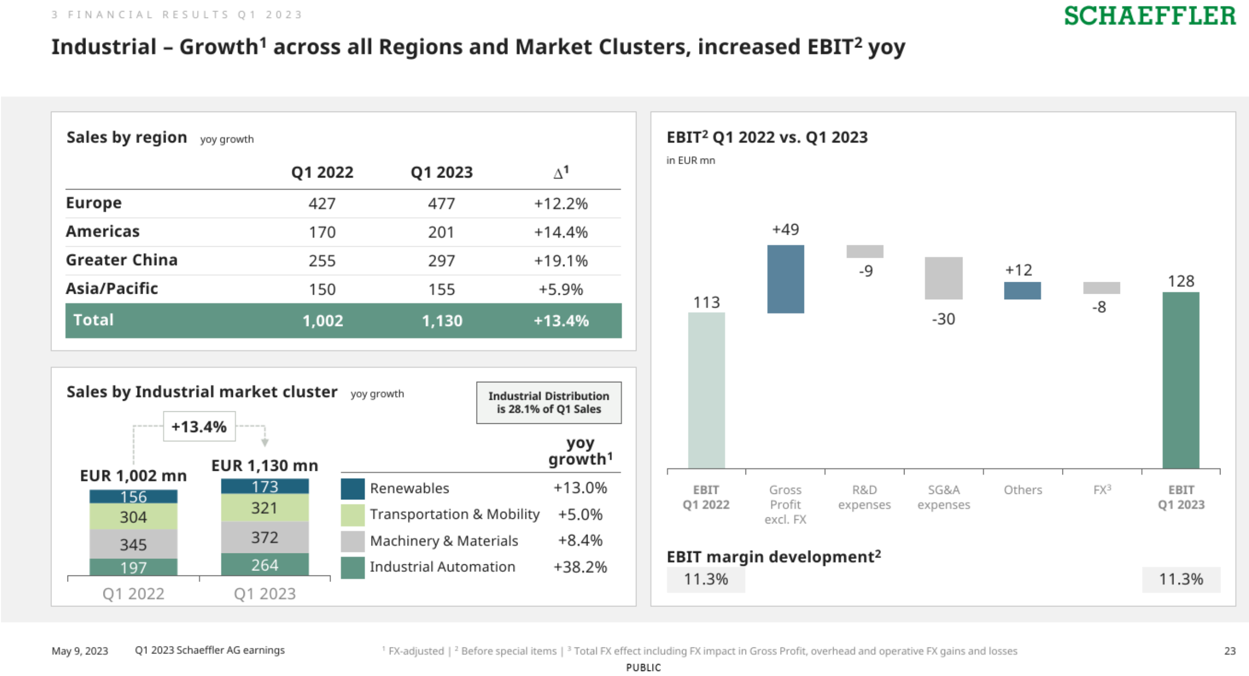
implementation, not just because of the inflation that we have seen in the last two years.
And obviously, you all know that material prices are relaxing significantly, and that then has, now for the first time in a long time, a negative pricing impact on our sales numbers in the Americas, because now, based on these indexes, sales prices are adjusted down. And the second major impact that we see, and that will most likely also continue for the rest of the year, although maybe on a slightly lower level, is we transact a big portion of our sales out of our Mexican facilities into the region in US dollars.
And you might know that the Mexican peso significantly strengthened versus the US dollar, and therefore, we have a transactional impact on these transactions that is also negative. If we look now at the EBIT bridge on the right side, then obviously, you see despite all what I just said, that there seems to be almost no Gross Profit impact on the EBIT line.
First of all, the transactional foreign exchange impact of US dollar transactions out of Mexico is impacting that column here negatively. But much more important is, and you see in the others column, you have a very significant positive impact, and you have to look at these two columns in connection, because you might also remember last year, we started to include our at equity shareholdings in our divisional EBITs.
And one of the at equity shareholdings that was significant is Schaeffler Paravan, the steering company. And this, as we also said in preparation of last year, will have a negative margin impact, because it's a company that had a negative result. So, now we acquired, at the end of last year, the remaining 10% of this company, and now we are fully consolidating and not consolidating at equity.
And that means that the negative result now wanders from the others column, because it was in other income and expenses, into the full blown, fully consolidated P&L structure. And therefore, now you have this positive impact in the others category, and a hidden negative impact, if you will, in the Gross Profit area, because now you're fully consolidating this company. From an EBIT standpoint, it's neutral, because we included it already last year.
The only additional impact is obviously that we are now including 100%, and not just 90%, of the EBIT impact, but that explains. So, what looks a little strange in this bridge is that there's no structural impact on the EBIT, it comes out of other others, and it's really explained by this reclassification of Schaeffler Paravan, and therefore, the 0.8% clearly comes out of the much better Gross Profit in operational performance, mainly driven by volume and price.



Let's go to the next slide, Automotive Aftermarket. Much was said already, and the numbers are doing the talking here. Double-digit sales growth across all regions. And you see, especially in Europe, it's even more significant with over 30% of sales growth year over year. Klaus said it a little bit due to the low comps of the prior year, but there's also a catch-up effect.

And I think we already prepared you for that, when we talked about our annual result last year. We explained that there was a relatively weak sales month in December for Automotive Aftermarket, especially in Europe. And now you have the catch-up effect here in the first quarter of 2023. And on top of that, as Klaus already said, we have a significant reduction of our backlog, due to further optimized logistics. Both of these effects will normalize some going forward, but we still expect, as you see also with the other regions, which are not impacted as much by these extraordinary impacts, we still expect significant growth in this division. You see it then in the EBIT bridge, the volume drives with fixed cost absorption, also the EBIT.

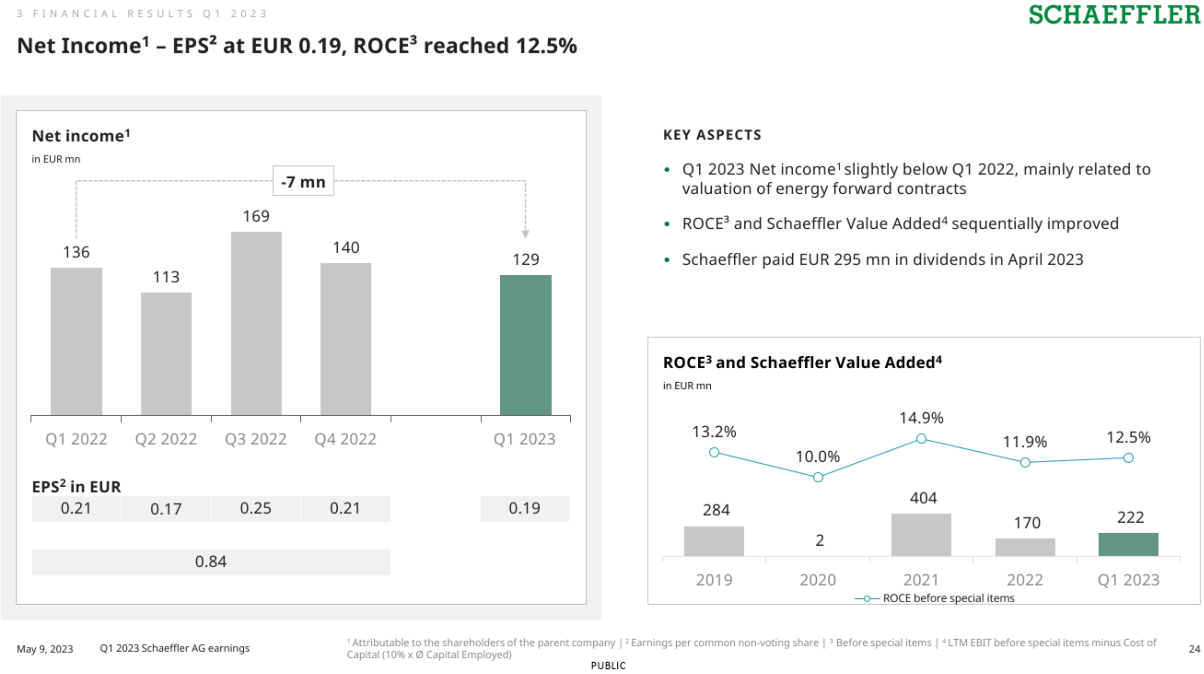
Besides volume, there's also, as Klaus already said, significant positive price impact in there. And you see, then, as the negative number, not surprisingly, a higher selling expense position, since obviously, you have to ship the higher volume to the customers.



On the next slide. I will talk to Industrial. You can see that we have growth across all regions, and also, market clusters. About half of the growth, a little bit less, actually, is related inorganically to the first consolidation of Ewellix. And you see that also somewhat reflected in the lower table with the extraordinary growth in Industrial Automation of 38.2%. A significant portion of that is inorganically based on Ewellix.

However, also, you see now with 264 million quarterly sales in that, for us, very strategic and important area, we are clearly delivering on our target and objective to strengthen, as I said, that very strategically important cluster for us.

If you look at the right side to the EBIT development, then in the first column, you see the healthy price and volume impact. That's, unfortunately, as Klaus already said, with the purchase price allocation amortization impact of the Ewellix acquisition of around 60 basis points, not translating visibly, but definitely operationally into an improved EBIT of, if I compare apples to apples, from 11.3% to 11.9%. But again, it is somewhat not as transparent here, in this bridge.



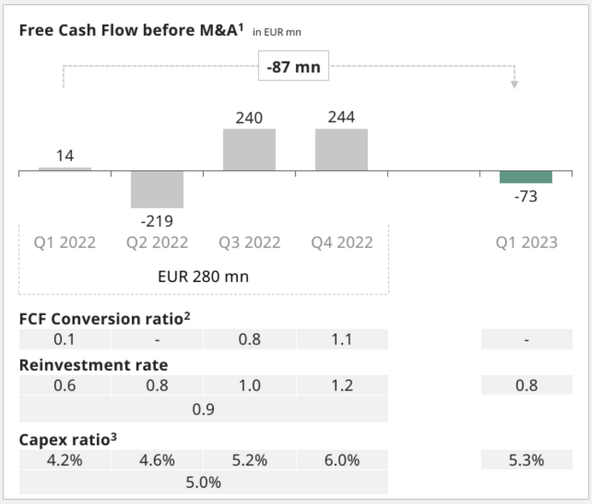
That leads me away from the divisions and back to the Group, and the consolidated financial statements, Net Income stands at 129 million for the quarter. Normally, that follows closely EBIT, however, we have one volatile component that we also talked a little bit about already for the full year. We have a very significant hedging portfolio for our energy demand in Germany, and we have to evaluate this at fair value. And this fair value book has now had a negative impact in the first quarter of 2023 of around 75 million. That is just bookkeeping. We are intending to completely use all hedged energy, and not sell it on the markets. So, we will settle all these hedging contracts, which will go out up to three years, actually. We will settle the maturity of that entire portfolio at the hedged price, which is still favorable to current market prices.

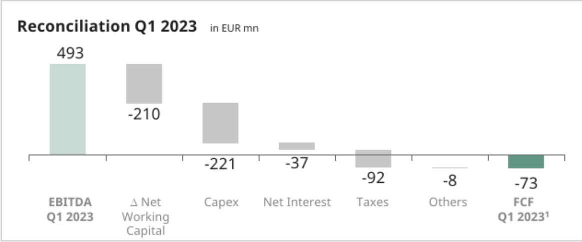
And the minus 75 million of the bookkeeping impact of the quarter only indicates that from the last evaluation at the end of last year to now the end of March, the market price reduced and came closer to our hedging rate. You see then the ROCE is sequentially improved at 12.5%, and you also are pretty much aware that we paid, in April, a dividend of 45 cents per preferred share, which we calculated to EUR 295 million in dividends paid in April.

3 FINANCIAL RESULTS Q1 2023

SCHAEFFLER

FCF – Q1 2023 impacted by front-loaded cash-outs for restructuring, German inflation compensation bonus





FCF Details in EUR mn	Q1 22	Q1 23	Δ Q1 23/22
FCF as reported	**-47**	**-754**	***-707***
M&A	62	681	*+619*
FCF before M&A	**14**	**-73**	***-87***
Legal Cases	-2	-4	*-2*
Restructuring	160	105	*-55*
Others	0	6	*+6*
Financing	-35	0	*+35*
FCF bef. M&A and sp. Items	**137**	**34**	***-103***

May 9, 2023 Q1 2023 Schaeffler AG earnings [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 25

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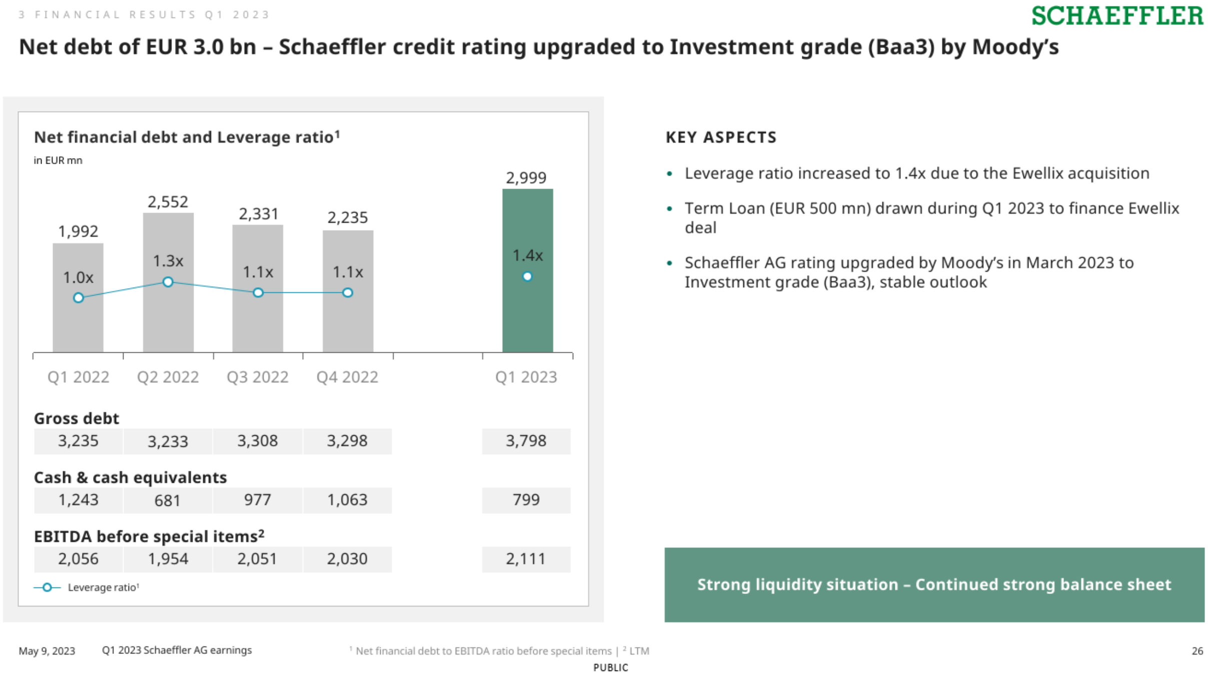
That leads me to Free cash flow. I start on the right side, minus 73 million. You can see the development. There's some seasonal normal significant investment in working capital. I think we also prepared you already for that in our year-end conference call. You see also and that was also anticipated higher than last year's Capex ratio. We expected it to be much more equally allocated throughout the year, instead of backloaded, like last year.

And then you see on the table below, we have already paid out restructuring expenses of 105 million. That's more than half of our planned payout for the entire year. So, you clearly have a frontloading here as well. And you might remember, when we talked about Q4 that the German bargaining agreement with the unions had a significant lump sum component, which was partly accrued last year already, but was then fully paid out in Q1 of 2023. That's another frontloaded one-time impact, if you will, of EUR 30 million.

So, if I now look at restructuring, and this lump sum impact of EUR 135 million, then I come back to what Klaus has already said, cash generating power is intact, and clearly, positive here, in a quarter where we significantly invested in fixed assets, and also, net working capital. I said it in our last call, net working capital will come down. It will stay stable for Q2, almost stable, and then sequentially come down in the second half of the year. So, this financing impact then will be partly reversed later this year.



That brings me to my last slide. Klaus already said it, leverage ratio of 1.4. Clearly, due to the Ewellix acquisition, we have drawn the term loan with EUR 500 million, and that is the consequence. Klaus already said it too, but I think we have been upgraded by Moody's, and Moody's, especially, explicitly confirmed our excellent liquidity position. So, I think that's encouraging going with this strong Balance sheet into the endeavors that lay in front of us. And with that, Klaus, back to you.

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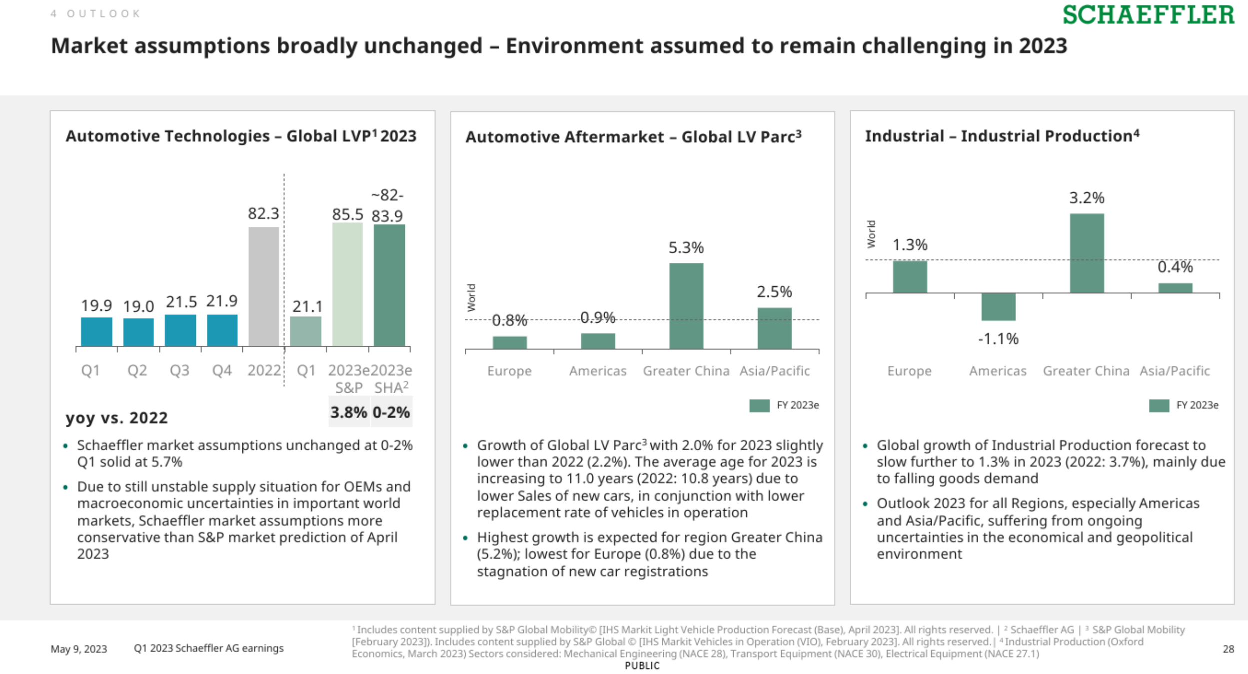
AGENDA

May 9, 2023



Klaus Rosenfeld

Thank you. Page 28, ladies and gentlemen, is the usual page on market assumptions. They are, from our point of view, broadly unchanged. Yes, we saw a Q1, in terms of production volumes and auto, with 21.1 million cars. That showed some growth, 5.7%. However, we have decided to stay with our assumptions that are, as you know, more conservative, I think for good reason. 82 to 84 million is what we have behind our Guidance.

Let's see how the year develops. There are clearly signs that the second half of the year could be more difficult than the first half. Automotive Aftermarket Global car park growth is projected with 2%. And again, we'll definitely outperform this significantly. And also on the Industrial side, this is a broad indicator of Industrial production. That is, rather, slowing down, 1.3% expected, after 3.7% in 2022. We will definitely, also without inorganic growth, outperform that, because we are invested and operating in the right areas, like Renewables, and also, Industrial Automation.

4 OUTLOOK

SCHAEFFLER

FY 2023 Guidance confirmed – Good Q1 but we remain cautious on market development

FY 2023 Guidance

	Schaeffler Group	Automotive Technologies	Automotive Aftermarket	Industrial
	Guidance FY 2023[1]	Guidance FY 2023	Guidance FY 2023	Guidance FY 2023
Sales growth[2]	5 – 8%	Outperformance 200 – 500 bps[5]	5 – 7%	9 – 11%
EBIT margin[3]	5.5 – 7.5 %	2 – 4%	12 – 14%	11 – 13%
Free Cash Flow[4]	EUR 250 – 350 mn			

Market assumptions for 2023

- **Automotive Technologies:** LVP growth of 0 - 2% vs. 3.8% in latest S&P estimate[6] for 2023
- **Automotive Aftermarket:** Growth of Global LV Parc[7] of around 2%
- **Industrial:** Increase of relevant industrial production[8] around 1.3%

May 9, 2023 Q1 2023 Schaeffler AG earnings

[1] Please refer to the Annual Report for further details | [2] FX-adjusted | [3] Before special items | [4] Before cash in- and outflows for M&A activities | [5] Moderate Sales growth | [6] Includes content supplied by S&P Global Mobility© [IHS Markit Light Vehicle Production Forecast (Base), April 2023]. All rights reserved | [7] S&P Global Mobility [February 2023]). Includes content supplied by S&P Global © [IHS Markit Vehicles in Operation (VIO), February 2023]. All rights reserved. | [8] Industrial Production (Oxford Economics, March 2023) Sectors considered: Mechanical Engineering (NACE 28), Transport Equipment (NACE 30), Electrical Equipment (NACE 27.1)

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29

Against that backdrop, 29, we have decided to confirm the Guidance for 2023, despite the strong and encouraging first quarter. You have this on the table here, and let's see what the second quarter brings and what that means, then, for the rest of the year.

Let me summarize on 30 very briefly. Good Q1 performance. The hard work from the past starts to pay off. Also, in terms of cash generation, Claus explained this, and we will continue to proactively execute on what our strategy says. The roadmap is our framework, and it has proven to be exactly right, when it comes to all the projects that are necessary to make Schaeffler stronger.

We will give more color on the progress of execution, when we invite you for the Capital Market Update in November. In between, we have the strategy dialogue in the summer, as you know, and also, a strategy meeting with the Supervisory Board. Very interesting things going on, so please feel already invited for that Capital Market Update, Guidance confirmed. And again, in a complex environment, where there are sunshine and clouds at the same time, where there is inflation, and also, to some extent, recession risk, we feel that a strong Balance sheet is positive.

Let me finalize the presentation with a statement on the more mid-term. You know our Mid-term Targets, you know what the roadmap says, and we feel that we are on track to deliver exactly these Mid-term Targets to you. And that would then give rise to the next five-year plan, that should drive us, then, into the second half of the decade.

SCHAEFFLER

Financial calendar and selected IR events

Roadshows & Conferences with Top Management participation

May 10	Roadshow – Frankfurt, DACH, ODDO
May 11	Roadshow – London, J. P. Morgan
May 12	Credit Conference – Virtual, J. P. Morgan
Jun 6	Auto Conference – London, J. P. Morgan

Financial calendar 2023

May 9	Q1 2023 Earnings Release
Aug 2	H1 2023 Earnings Release
Nov 8	9M 2023 Earnings Release
Nov 16	Capital Market Update

What is more near term is on 31, ladies and gentlemen, that's the calendar. The colleagues, Renata and the team, will go on roadshow tomorrow in Frankfurt, then in London, also do a credit conference, and will also be available at the June 6th Auto Conference JP Morgan. That's it for today, thanks for listening. The floor is open to your questions.

Q&A SESSION

Christoph Laskawi, Deutsche Bank

Good morning, and thank you for taking my question. The first one will be on the auto margin and how we should think about the shape of the year going forward. I'd say in general, the perception in the market is that Q1 should be the weakest quarter for the suppliers, also related to the pass throughs, which are seen to kick in, more or less, with H2.

Is there any reason to think that it should be different for you as a Group? And if you could comment on any pass throughs that you've already signed so far? That's the first question, thank you.

Klaus Rosenfeld

Christoph, it was a little bit difficult to understand, but if I understood correctly, you said the expectation is that the margins will go further up towards the end of the year?

Christoph Laskawi, Deutsche Bank

It's now a bit clearer. Yes, the question was on the seasonality of the margin. In general, I would say that the expectation would be that Q1 should be the weakest quarter. Now you already printed a 4.3% margin. Is there anything outside of volumes and potential volume risk in H2 that you highlighted before that we should have in mind that is a risk to margins, for example, in Q2 or the next quarter ahead?

Klaus Rosenfeld

Claus, why don't you do it?

Claus Bauer

I'm not so sure why the expectation would be that it's the weakest quarter. What we clearly see differently than last year, and we also said that our pricing that we had to negotiate throughout last year, and the biggest impacts, then, with retroactive price adjustments, only came in the second half of last year, now are sustained, and are also already effective in Q1. And therefore, I'm not so sure whether we see the same seasonal, or should expect the same seasonality, as we have seen last year.

I would say, from a volume standpoint, if I look at IHS, then the growth rates are difficult to judge. But from an absolute production volume standpoint, IHS still expects the fourth quarter to be the highest production quarter, therefore, also depending on the product mix, we would benefit from a positive volume development.

As Klaus just said, what is our assumption is for the total year's volume, we are not quite following yet in our Guidance this volume profile, and we would rather see the rest of the year being at similar volumes than Q1. But definitely, if there's a volume tailwind, then we would benefit. As you have seen, in the first quarter also, which was a volume uptick towards what we saw in Q1 of last year, especially as it relates to Engine and Transmission.

There's no question that we have available capacity, especially in that segment, and any volume uptick in that segment that would not just contribute the normal Gross Profit, but also, the fixed cost absorption effect, and therefore, have a contribution margin that's significant. So, I'm not so sure whether I have completely answered your question, but I have, at least, shared what my view is.

Klaus Rosenfeld

Maybe, Christoph, last year, just to remind every one of the figures in Automotive. 3.5% in the first quarter, then a challenging second quarter, because of the lockdown situation in China, 0.5%, that's an outlier. 4.8%, Q3, and then Q4, 3.2%. I'm not sure how you would interpret that seasonality, but what we can say is that, typically, over the years, Claus, is that the fourth quarter is normally a little bit of a weaker quarter. And that, I think, is the answer that I would stress. We have promised two to four, we have now printed 4.3%, and we have confirmed Guidance. I will leave it up to you to interpret this, but I can tell you that our Mid-term Target is four to six, and that's why the four is a very important cornerstone in where we want to be.

And whether that unfolds in three quarters, or in two quarters, we will see. But what is important to take away is that we have done significant work in the last years to stabilize the margin and to make sure that we can defend this 4% to 6% on the mid-term.

Christoph Laskawi, Deutsche Bank

Very clear. My second question will be as a follow-up to the other part of the bridge. Given that it's a consolidation impact that we see, should we expect that to be positive in the coming quarters as well? Not commenting on the size, but just technically speaking.

Claus Bauer

So, on an EBIT level, again, it was included last year. It was just included in one position in the other expense line, and not allocated throughout the P&L positions. Therefore, the bridges will look similar throughout the year with that impact. Maybe we displayed it a little bit differently, because we already saw before the conference call that many people have been questioning what's going on. So, maybe we think a little bit to make that impact operationally more transparent.

Christoph Laskawi, Deutsche Bank
Thank you. And then lastly, if you could just quickly comment on North America with regards to customer and product exposure that you have. You stressed that the underperformance was basically driven by the indexed pricing, and do you see anything which is related to the customer or product mix, or is that all trending fine? Thank you.

Claus Bauer
That is actually all trending fine, and that's what we wanted to express with the second portion of that bullet point in Klaus' part of the presentation. So, we wanted to indicate that there is no structural problem. It's really an evaluation problem. Of course, you never mention it, when it's positive, because you don't have the need to explain something. But it clearly is structurally in line. We are strong with all three Detroit companies. We are, in the new Mobility space, very active.
Of course, new Mobility space will come to volumes, not this year and not next year, but definitely, for the future, we are gaining. And I think we reported on that last year, we gained with two of the three Detroit, three very significant E-Mobility projects in very significant platforms that might also come to fruition, maybe only next year, and then create sales.
But structurally, we have a strong footprint in the classical power train, and we also have set ourselves up to continue the successes with all major tier one, and especially, the OEMs.

Christoph Laskawi, Deutsche Bank
Thank you.

Akshat Kacker, J.P. Morgan
Thank you. Morning from J.P. Morgan. Three from my side, as well, please. The first one, coming back on the underperformance in the Americas. Could you please quantify the technical elements that drove the slightly lesser growth in Americas this quarter, as you mentioned, on raw material indexation, and the FX movement. Some amount of numbers here will help us in understanding that trend going forward, please. So, that's the first question.

The second one is on overall pricing in the quarter. So, you have reported 110 million positive pricing for the Group. Could you please just provide us with more detail on how that is split between Automotive, Industrial, and Aftermarket? And finally, on the Industrial division. I know the Orderbook is normalizing, which is completely expected. Across geographies, across your different regions, could you also please comment on the overall inventory situation in the Industrial business, and if the price levels are holding up? Thank you.

Klaus Rosenfeld

Would you take the two first ones? Let me start with the last one. I think you said it completely correctly, the Orderbook was expected to come down, and I would like to point out it’s a growth dynamic. It’s not turning to the negative. Inventory levels are, I would say, okay. There is, to some extent, room for optimization. We don't see a situation, where we can’t place the products where we want to place them. Our Distribution Business is clearly one of the drivers of this.

And there's always room to operationally improve inventory levels, and the work that has been done on price adjustment is clearly supported, but I can also say that it has not been overdone. So, we are optimizing step-by-step, but I don't see any risk here that we are sitting on a bigger inventory problem because of market demand. The Division is strong enough to adjust that carefully to the current situation.

Claus Bauer

I try to be as clear as possible, but still want to be a little bit opaque here in answering the other two questions. Without the two effects, the evaluation FX, one Mexican US dollar driven, the other one, the price development, based on indexed material price classes, is significantly negative and would bring us to still not an outperformance in the range of 2% to 5% for that quarter in that region, but clearly, at the 0% line.

So, that gives you some orientation about that. And, again, for the price impact by division, I would stick with our approach of last year, to not lose leverage also in the public space, and especially, with our customers, to achieve also our negotiation targets. This year, you can imagine that especially in Automotive Technologies, with material prices where they are, and energy prices in Europe not as escalated as we might have anticipated at the beginning of the year, that negotiations are ongoing.

As I said, we sustained all the prices that have been negotiated, but it's still an ongoing negotiation. Now we don't have to start from zero and achieve a price increase. Now we have to support our prices with other cost factors. Labor is still very much a cost driver impact, and therefore, I would be as transparent as possible, but also stay as intransparent as possible, just to not lose leverage.

Klaus Rosenfeld

Maybe I will add one more sentence. The guys have done a terrific job in 2022. They have gained a lot of experience in how to do this, find the right balance between a customer and our interest. What is most important to me is that the price increases from last year are sustainable. They’re not one-offs. They're not gained by some sort of payment terms adjustments whatsoever, and that is critical for us. So, I feel good about 2022, and yes, there are always debates with customers in this situation, but on that basis, I'm optimistic that also, the year 2023 will come to a solid result there.

Akshat Kacker, J.P. Morgan

That's helpful, thank you so much.

Klaus Rosenfeld

You are welcome.

Sanjay Bhagwani, Citi

Hello. Thank you very much for taking my question, also. I have got three questions as well, and my first one is a bit more of a strategic question that's on one of the hidden and less discussed opportunities within the Group. If I look at the market cap of Schaeffler India, this is, I think, on the back of the envelope calculation, I see that this market cap is higher than what we have for the operating company, here, in Europe, and Schaeffler owns significant part of this business.

So, I've just been trying to understand if there is a possibility where you can monetize some of this value in any way, potential disposals, or something like that. That is my first question.

Klaus Rosenfeld

Well, you know that what I can say here is that we like our Indian entity. We merged at some time ago and formed Schaeffler India out of three different entities. It is very well run, it has an external board that overlooks it, and there are no plans to change the shareholder structure. For sure, the valuation environment and the way Indian investors look at that entity is different than overall, we see that gap.

But I think we cannot judge the Indian capital market with the same logic as we are judging the whole thing. Again, no plans underway to change what we have there. Rather, on the opposite, I would think India is a growth area for us. We are doing work there to better understand whether we can further build our operations.

This is also just to make that remark, an interesting Aftermarket place, you saw the order that we won on E-Mobility. So, we are proud of what we have there, and we don't have any plans to change that shareholding.

Sanjay Bhagwani, Citi

Thank you, that's very helpful. And then coming back on North America. I think you mentioned that, so, let's say if the commodity prices stay where they are, then these technical effects of, let's say, indexed commodity price downs enhance negative rising, this will continue to stay for the rest of the year, in terms of the underperformance in North America? Basically, how should we think about this for the coming quarters, based on your assumptions on the commodity prices?

Claus Bauer

So, it's obviously just a technical exercise. As long as your indices are lower than the prior year's quarter, then obviously, that adjustment mechanism leads to a negative pricing impact in your sales number. I would be happy if I could forecast the steel prices, but it's conceivable that throughout the most part of the year, indices will be lower than last year. So, I could say that the technical impact is continuing.

Klaus Rosenfeld

May I add maybe one word on quarterly outperformance. You have, in the deck, on page 40, the quarterly outperformance by region Automotive Technologies, and you see that there are significant swings between quarters. Americas Q1 2022, 3.9%, 8.4% in Q2, minus 2.7% in Q3, plus 11% in Q4. So, don't get nervous about a quarter. Look at this more long-term.

Yes, there are technical factors, as explained, but that doesn't change our view that Americas is a very interesting market for us. You also know this from our statement at the beginning of the year, that we're looking to expand there. There are lots of positive things going on in the IRA, you all know this, in particular when you look at the electrification potential of cars and trucks.

So, don't get this wrong, we're not negative in the US. We are very well positioned there, and that there is a situation where a quarter deviates from a long-term trend, it may be the case, but don't extrapolate on this. Let's see what the second and the third quarters bring. The Guidance is 2% to 5% for the Group, and we confirmed this today, we are positive on what's going to happen in the Americas.

Sanjay Bhagwani, Citi

Thank you, that's very clear. And my last question is on the cost inflation. I understand you may not want to provide all the numbers here, but maybe just a rough idea of what's been the cost inflation in quarter one. Is it going to be, let’s say, a similar pattern throughout the year? And then composition of inflation, maybe this quarter was largely, let's say, raw materials, and the next one will maybe be the wages and energy. So, if you could provide a little bit of detail on that. Thank you.

Claus Bauer

We were very outspoken about that in the last year. And then I was tested every quarter on what I said, and I don’t think I was too far away, even at the beginning of last year, but our approach this year is to be a little bit more restrictive in that. We said it very clearly in our annual conference that the cost drivers are different. The cost drivers are not always as transparently drivable from a market spot price, especially in steel.

Steel, in very low quantities, buying at spot prices, it's the price that we agreed on a contractual contract with most of our suppliers. And therefore, especially in Automotive Technologies, we have to go to our customers with a very detailed cost breakdown, where we're not arguing about indices and spot prices, but really, what did we pay last year, and what are we paying this year?

And that might differ significantly from what the spot price would indicate. So, for example, we never bought steel at the peak spot prices last year, because we were fixed in contracts. And we also will not pay this year for steel at the lowest end of the index development. And again, the exception, and I have said that all along, is the price, or the index classes in the US, which have been implemented since 2007 and 2008, so not a recent development. But other than that, it's really something that you cannot necessarily derive from a spot pricing. And the second component to that, and we have also been clear, energy prices will be a cost driver, especially in Europe. And labor will be a cost driver. The good thing about labor is that it's very predictable. We know now exactly how much and what the cost impact is.

And it's also very transparent to our customers. It's difficult, because normally, it's a cost type that is not necessarily agreeable between the parties that it’s the basis of any kind of a price reduction. That's the normal assumption in a normal market environment, where you maybe have 2% or 2.5% labor inflation. Once you hit 5% and 6%, obviously, the discussion has to begin, and that understanding is clearly existent along the supply chain.

And coming back to energy, energy, for sure, I have to say, currently does not have the severe inflationary impact, even in Europe, that we anticipated. It still has a significant impact, but not as severe. But at some point, we are approaching the next winter, and let's see how the geopolitical situation develops at that point, and how that might than impact, again, energy prices.

So, I hope you're satisfied with a more qualitative answer to your question, but I think that is more the strategic approach. We are very agile. We are going for the same recovery rates for different inflationary factors this year, as we have last year.

Klaus Rosenfeld

And maybe I add two sentences. I think the company has shown that it's able to manage its cost structure. So, the strategic cost management is proven over years now, and you see this also, when you look at FTE figures. And the company showed last year that it's able to manage costs operationally, if there are situations, like last year, where energy prices or material prices increase significantly.

We focus on margin, the margin this quarter is at 8.1%. We have already told you that our attempt is to do it on a sustainable basis, no one-offs whatsoever, so let's see what the next quarter is going to bring. But I'm positive on the strategic cost management, and I'm very proud of what the guys have done last year, and what they continue to do this year on the operational cost management.

Sanjay Bhagwani, Citi

Thank you, that is very, very helpful.

Michael Punzet, DZ Bank

Michael Punzet, good morning. I have one question with regard to your energy hedges. Are you able to pass through the hedged price to your customers? Or are there also some index clauses in the contracts, where you might have to book some losses on your books? That’s the question from my side.

Claus Bauer

Yes. And that’s why we also adjust it for EBIT. Normally, this wouldn't actually hit your books, because if you know the IFRS standard, then there's a so-called exemption to your fair value, or fair evaluation. That's the only use exemption. And therefore, it wouldn't even be visible to anybody. But since we have settled some of the contracts last year, we are now in the fair value evaluation. And why did we settle some last year?

Because obviously, the desire to hedge was very high in that volatile environment. And then also, the desire to reduce consumption was very high, because it had a big savings impact. So, these are two contradictory trends that then caused some over hedging, and the over hedging was then settled beneficially, obviously, and therefore, we now have to evaluate it at fair value. That's a little bit the technical background, but it stays technical for us.

It has volatility in the Net Income, and obviously, the EBIT unadjusted reported. But it's not how we operationally steer the company, and it’s also not how we would now engage with customers. As I said, we are settling close to 100% of all these forwards at the hedged price, and not settling them financially. And therefore, what we would enter into very transparently with our customers is, indeed, the hedged price, and not some artificial market price.

Michael Punzet, DZ Bank
Do you think you are able to pass through the hedged prices to your customers?

Claus Bauer
That comes back to the question what costs are customers willing even to engage in negotiation? In the past, it was clearly the hidden assumption that labor and non-production material operating supplies is the problem of the supplier or producer of parts, and has to be offset with productivity. Last year has shown that clearly, with gas and energy prices tripling and quadrupling, and also wage inflation clearly above a normal productivity level, these need to be included in the negotiation.
And I can report that we already included that non-production material in last year's negotiation. So, we prepared the ground, and I'm very confident that we will get to the same recovery ratios with, as I said, different underlying cost drivers, but the result will be the same.

Michael Punzet, DZ Bank
Maybe a follow-up. You mentioned that some of the contracts run for up to three years. Can you give us any idea of which part of the contracts will run through this year?

Claus Bauer
It's about 55%.

Michael Punzet, DZ Bank
Okay, thank you.

Klaus Rosenfeld
Well, ladies and gentlemen, if there are no further questions, then we will stop here. Thanks for listening. Our colleagues are than available for further explanations, if necessary. Thanks for your support, and we'll see you again soon. Thank you. Bye, bye.

Backup

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Equity Story – Positioning Schaeffler for long-term value creation

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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

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Ancillary comments to support the Equity Story

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Additional KPIs	FY 2023	Comments
Order Intake E-Mobility	**EUR 2 – 3 bn**	Starting from 2022 onwards the new target of EUR 2 - 3 bn applied
Capex	**Around EUR 900 mn**	Focus areas include Digitalization, Sustainability, Innovation & Technology and investments in New Business
Restructuring cash-out	**Up to EUR 200 mn**	Significant portion of extraordinary restructuring expenses as in 2022 expected leading to prudent FCF guidance
Dividend Payout Policy	**30 – 50%**	Dividend paid EUR 45 cents[2], payout ratio 48%[3]
Leverage ratio[1]	**1.25x – 1.75x**	Leverage ratio 2023
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] Concluded dividend per common non-voting share | [3] In % of Net Income before special items, attributable to Shareholders of the parent company

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Road to 2025 – Mid-term targets are reflected in Schaeffler's comprehensive Financial Framework

Mid-term targets 2025

Automotive Technologies	Automotive Aftermarket	Industrial
Outperformance[1] **200** to **500 bps** on average[2]	Constant-currency revenue growth **> GDP growth** on average[2]	Constant-currency revenue growth **> Ind. Prod. growth** on average[2 3]
4 to **6%** EBIT margin before special items[4]	**13** to **15%** EBIT margin before special items[4]	**12** to **14%** EBIT margin before special items[4]

Schaeffler Group

ROCE	FCF-conversion
12 to **15%** based on EBIT reported[4]	**0.3** to **0.5** based on EBIT reported[4 5]

Group parameters

Capital structure	Dividend policy
1.2x to **1.7x** Net debt/EBITDA before special items	**30** to **50%** of net Income before special items

[1] FX-adj. Sales growth above S&P Global Mobility© [IHS Markit Light Vehicle Production Forecast] | [2] From 2021 to 2025 | [3] Industrial Production (Oxford Economics) | [4] Latest in 2023 | [5] Before cash in- and outflows for M&A

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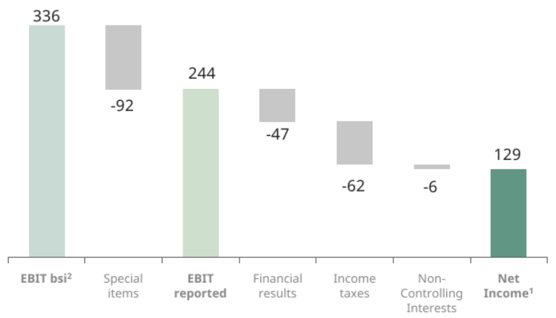
Key figures Q1 2023

in EUR mn	Q1 2022	Q1 2023	Q1 2023 vs. Q1 2022
Sales	3,758	4,152	+10.5% / +10.4%[1]
Gross Profit ***Gross margin***	871 *23.2%*	984 *23.7%*	+113 mn *+0.5pp*
EBIT[2] ***EBIT margin***[2]	258 *6.9%*	336 *8.1%*	+78 mn *+1.2pp*
Net income[3]	136	129	-7 mn
EPS[4] **(in EUR)**	0.21	0.19	-0.02
Schaeffler Value Added[5]	256	222	-34 mn
ROCE[6]	13.1%	12.5%	-0.6pp
Free Cash Flow[7]	14	-73	+87 mn
Capex	156	221	+65 mn
Net financial debt	1,992	2,999	+1,007 mn
Leverage ratio[8]	1.0x	1.4x	+0.4x
Headcount	83,089	84,060	+1.2%

[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

Net Income[1] – EBIT reconciliation and special items

Reconciliation Q1 2023 in EUR mn



EBIT margin

EBIT bsi	EBIT reported
8.1%	5.9%

KEY ASPECTS

- Special items amounted to EUR 92 mn in Q1, mainly related to valuation of energy forward contracts
- Financial Result lower yoy due to higher interest payments and higher expenses for interest on pensions

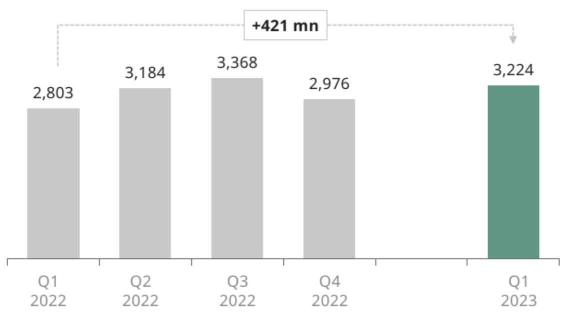
Special items by Division
in EUR mn

	Q1 22	Q1 23	Δ Q1 23/22
EBIT reported	**247**	**244**	***-3***
Automotive Technologies	+3	+61	*+58*
Automotive Aftermarket	+1	+1	*0*
Industrial	+7	+30	*+23*
Group	**+11**	**+92**	***+81***
EBIT bsi[2]	**258**	**336**	***+78***

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

Working Capital ratio 19.9% – Capex ratio 5.3% in Q1

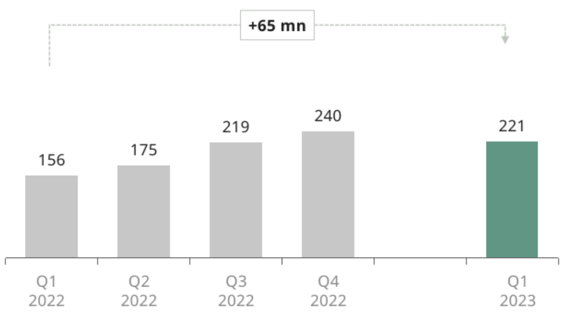
Working capital[1]
in EUR mn



in % of Sales (LTM)

Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
20.0%	22.1%	22.0%	18.8%	19.9%
18.8%				

Capex[2]
in EUR mn



in % of Sales

Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
4.2%	4.6%	5.2%	6.0%	5.3%
5.0%				

[1] According to balance sheet; figures as per the end of period | [2] Cash view

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Automotive Technologies (AT) outperformance by quarters

Adjusted comparative figures 2022

YTD Outperformance: +0.3pp	S&P[1]	AT[2]	Q1 23 Outper-formance
World	+5.7%	+6.0%	+0.3pp
Europe	+13.7%	+15.1%	+1.4pp
Americas	+10.0%	+0.8%	-9.2pp
Greater China	-7.2%	-8.2%	-0.9pp
Asia/Pacific	+11.3%	+15.5%	+4.2pp

FY 22 Outperformance: +1.1pp	S&P[1]	AT[2]	Q1 22 Outper-formance	S&P[1]	AT[2]	Q2 22 Outper-formance	S&P[1]	AT[2]	Q3 22 Outper-formance	S&P[1]	AT[2]	Q4 22 Outper-formance
World	-3.6%	-3.2%	+0.4pp	+1.3%	+1.3%	0.0pp	+29.5%	+25.2%	-4.3pp	+3.4%	+9.9%	+6.5pp
Europe	-14.8%	-2.0%	+12.8pp	-1.9%	+2.4%	+4.3pp	+25.3%	+33.6%	+8.3pp	+5.4%	+18.0%	+12.6pp
Americas	-3.6%	+0.3%	+3.9pp	+11.2%	+19.6%	+8.4pp	+24.7%	+22.0%	-2.7pp	+6.9%	+17.9%	+11.0pp
Greater China	+6.7%	-5.3%	-12.0pp	-4.4%	-14.8%	-10.4pp	+34.3%	+24.7%	-9.6pp	-5.2%	-7.4%	-2.2pp
Asia/Pacific	-3.9%	-8.3%	-4.4pp	+3.7%	-0.5%	-4.2pp	+30.4%	+12.9%	-17.5pp	+12.1%	+15.8%	+3.7pp

[1] Includes content supplied by S&P Global Mobility© [IHS Markit Light Vehicle Production Forecast (Base), April 2023]. All rights reserved | [2] FX-adjusted growth of Automotive Technologies Division Sales

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Key figures by Group and Division

Adjusted comparative figures 2022

Group in EUR mn

	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23
Sales	3,758	3,790	4,242	4,019	4,152
Sales Growth[1]	*+1.9%*	*+4.4%*	*+20.2%*	*+11.8%*	*+10.4%*
EBIT reported	247	186	316	224	244
EBIT bsi	258	200	355	233	336
EBIT bsi margin	6.9%	5.3%	8.4%	5.8%	8.1%

Automotive Aftermarket in EUR mn

	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23
Sales	464	506	548	523	582
Sales Growth[1]	*+2.1%*	*+4.4%*	*+5.6%*	*+16.8%*	*+25.7%*
EBIT reported	63	64	73	55	102
EBIT bsi	64	64	73	59	103
EBIT bsi margin	13.8%	12.7%	13.4%	11.2%	17.7%

Automotive Technologies in EUR mn

	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23
Sales	2,292	2,221	2,554	2,430	2,440
Sales Growth[1]	*-3.2%*	*+1.3%*	*+25.2%*	*+9.9%*	*+6.0%*
EBIT reported	78	1	109	66	44
EBIT bsi	81	11	122	78	105
EBIT bsi margin	3.5%	0.5%	4.8%	3.2%	4.3%

Industrial in EUR mn

	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23
Sales	1,002	1,062	1,140	1,066	1,130
Sales Growth[1]	*+15.7%*	*+11.7%*	*+17.8%*	*+13.7%*	*+13.4%*
EBIT reported	106	121	135	103	98
EBIT bsi	113	125	159	97	128
EBIT bsi margin	11.3%	11.7%	13.9%	9.1%	11.3%

[1] FX-adjusted

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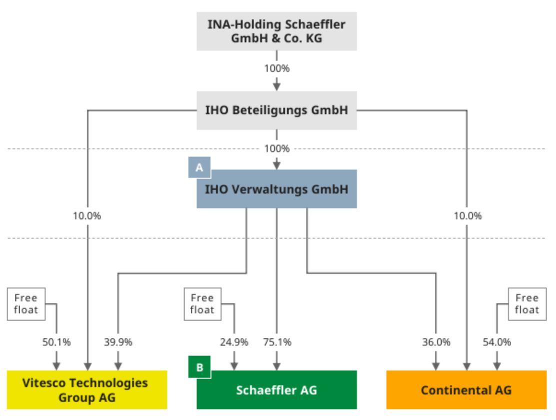
Overview Corporate and Financing Structure

Corporate structure (simplified) as of March 31, 2023



Financing structure as of March 31, 2023

A IHO Verwaltungs GmbH

	Debt instrument	Nominal USD mn	Nominal EUR[1] mn	Interest	Maturity	Rating Fitch/Moody's/S&P
Loans	RCF (EUR 800 mn)	-	160	E+2.75%	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	459	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	414	6.000%	May-27	BB/Ba2/BB-
	6.375% SSNs 2029 (USD)	400	368	6.375%	May-29	BB/Ba2/BB-
Total	**IHO Verwaltungs GmbH**		**3,451**	**Ø 4.11%[2,3]**		

B Schaeffler AG

	Debt instrument	Nominal USD mn	Nominal EUR[1] 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
	Schuldschein Loans (EUR)	-	298	Ø 4.100%	May-23, 25, 28 & 30	Not rated
CP	Commercial Paper (EUR)	-	50	Ø 2.912%	Apr-23	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**		**3,798**	**Ø 3.19%[3]**		

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

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