

A close-up photograph of a robotic arm, with the word 'KUKA' visible on its joint, holding a large, polished metal ring. The background is a blurred industrial setting with various mechanical components and bright lighting.

**SCHAEFFLER**

# Q2 and H1 2023 Schaeffler AG earnings

August 2, 2023  
Herzogenaurach

We pioneer motion

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## Schaeffler Group – Robust Q2, Group guidance raised for FY 2023

### Key messages Q2 2023

- 1** Q2 Sales<sup>1</sup> +9.8% – All divisions and regions growing driven by volumes in the Automotive divisions and by continued favourable pricing in all
- 2** Q2 Gross margin 21.8% – Automotive Technologies and Automotive Aftermarket with yoy improvement, Industrial weaker in Q2
- 3** Q2 EBIT margin<sup>2</sup> 7.1% – Solid in Automotive Technologies, very strong in Automotive Aftermarket and weaker in Industrial
- 4** Q2 FCF<sup>3</sup> EUR 103 mn – Strong cash flow generation also driven by effective working capital management
- 5** FY 2023 Guidance updated – Group EBIT margin<sup>2</sup> and FCF<sup>3</sup> guidance raised; EBIT margin<sup>2</sup> guidance of both Automotive divisions raised, lowered for Industrial

Sales growth<sup>1</sup> Q2

**+9.8%**

EUR 4,056 mn

Gross Margin Q2

**21.8%**

Q2 2022: 22.0%

EBIT margin<sup>2</sup> Q2

**7.1%**

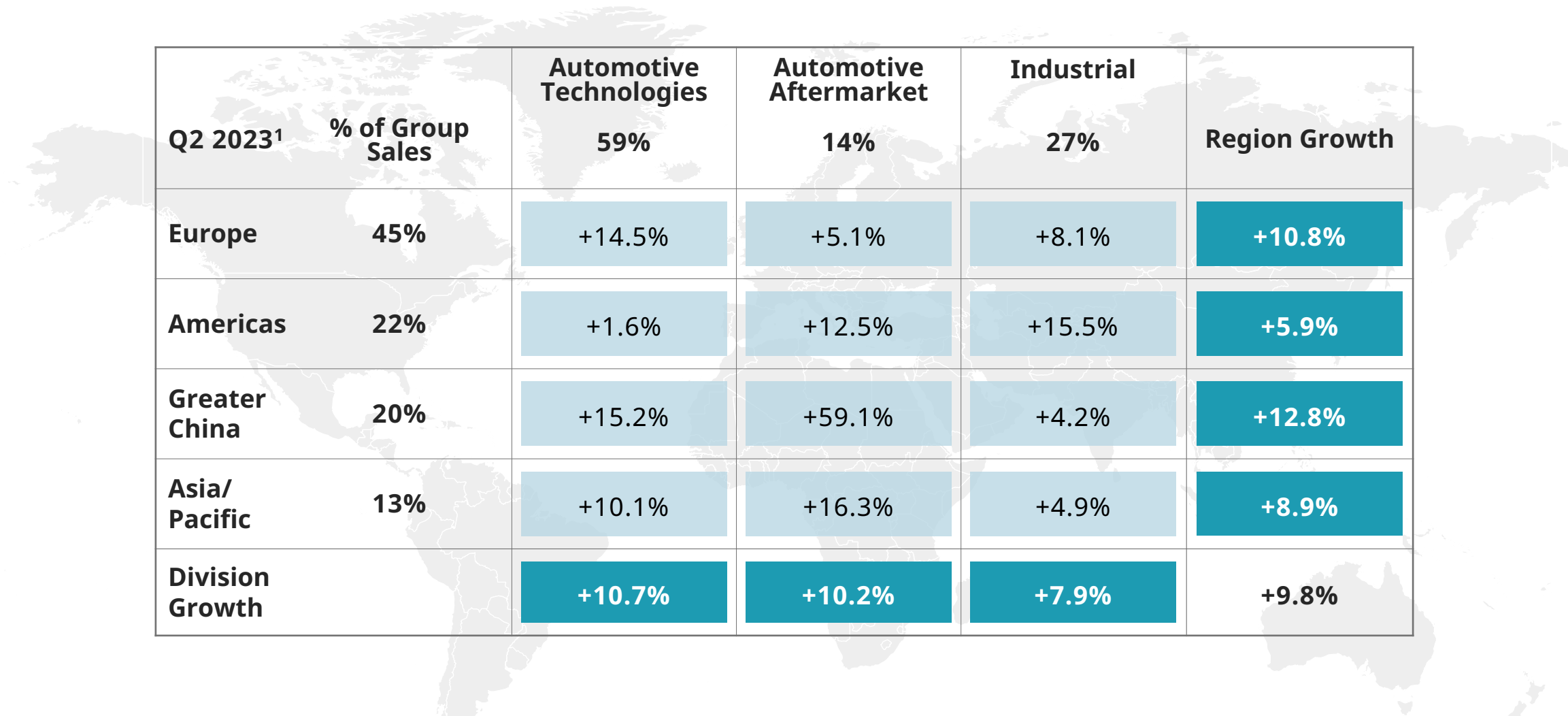
Q2 2022: 5.3%

Free Cash Flow<sup>3</sup> Q2

**EUR 103 mn**

Q2 2022: EUR -219 mn

## Sales Performance Q2 2023 – Growth across all divisions and regions



Q2 2023 <sup>1</sup>	% of Group Sales	Automotive Technologies 59%	Automotive Aftermarket 14%	Industrial 27%	Region Growth
Europe	45%	+14.5%	+5.1%	+8.1%	+10.8%
Americas	22%	+1.6%	+12.5%	+15.5%	+5.9%
Greater China	20%	+15.2%	+59.1%	+4.2%	+12.8%
Asia/ Pacific	13%	+10.1%	+16.3%	+4.9%	+8.9%
Division Growth		+10.7%	+10.2%	+7.9%	+9.8%

## Schaeffler Group Q2 2023 – Highlights and lowlights

- ^ **Automotive Technologies solid margin**  
Portfolio strategy paying off – Mature Business performance strength in H1 continues to fuel the transformation journey
- ^ **Automotive Aftermarket very strong margin**  
Continued strong demand supported by improved logistical performance and favourable pricing delivered high quality of earnings
- ^ **Strong Free Cash Flow<sup>1</sup>**  
Driven by overall profitability and effective working capital management; around 75% of expected restructuring cash-outs 2023 already paid in H1

- v **Automotive Technologies Outperformance**  
Sales growth in Americas and China below market due to project phasing; improvement in Outperformance expected in H2 driven by ramp-ups
- v **Industrial margin weaker**  
Due to lower volume, unfavorable regional/channel mix and inefficiencies. Tactical measures initiated

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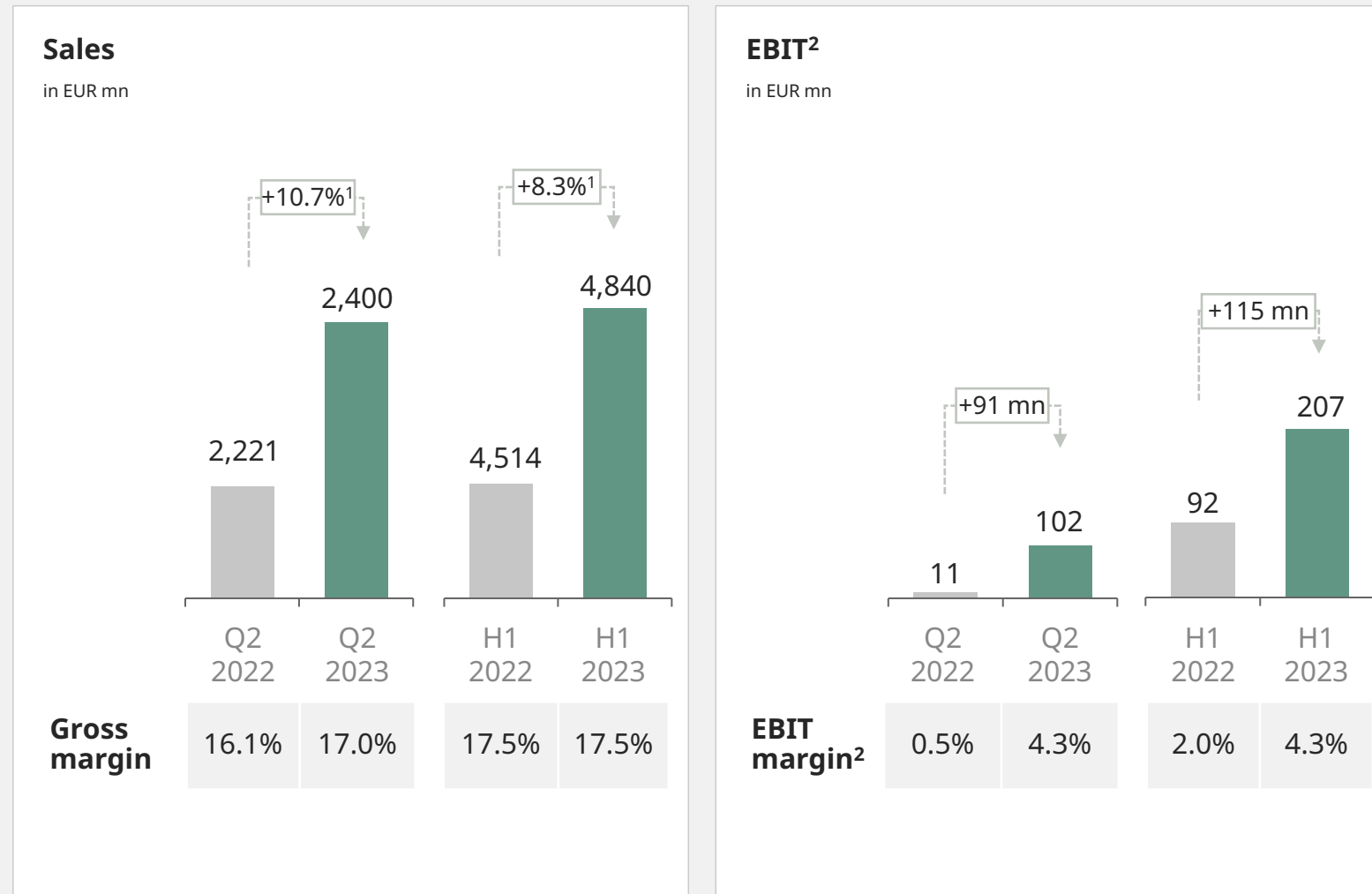
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## Automotive Technologies – Q2 with double-digit sales growth<sup>1</sup>, solid EBIT margin<sup>2</sup> driven by scale effects and structural improvements



### KEY ASPECTS

- ^ Sales growth<sup>1</sup> of +10.7% driven by all business divisions and regions; by price and volume
- v Sales growth in Americas and China below market due to project phasing; improvement in Outperformance expected in H2 driven by ramp-ups
- ^ Gross margin improvement also driven by continued price increases
- ^ EBIT margin reached again 4.3% sequentially, driven by scale effects and structural improvements

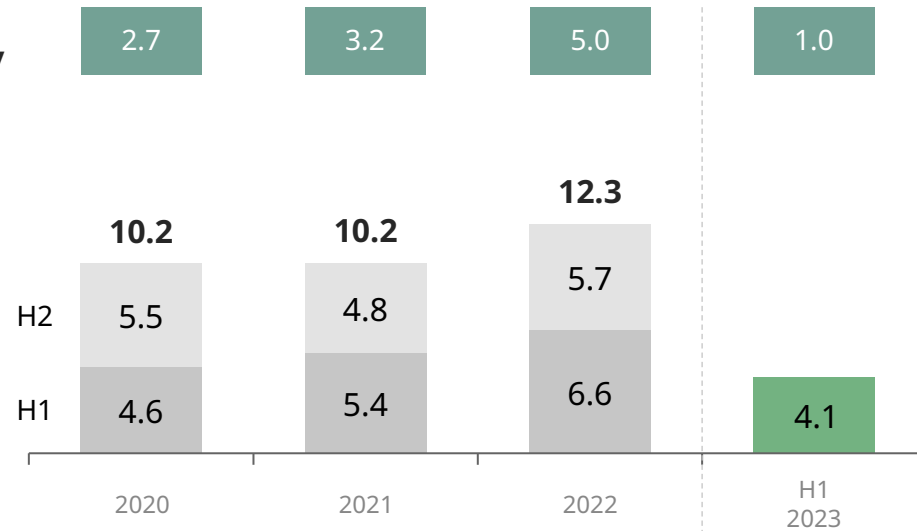


## Automotive Technologies – Confident on our EUR 2 - 3 bn E-Mobility FY Order intake target

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

in EUR bn

Thereof  
E-Mobility



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

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

### Business Highlights



New Order Intake for coolant mixing valve for fuel cell applications in the heavy-duty sector.



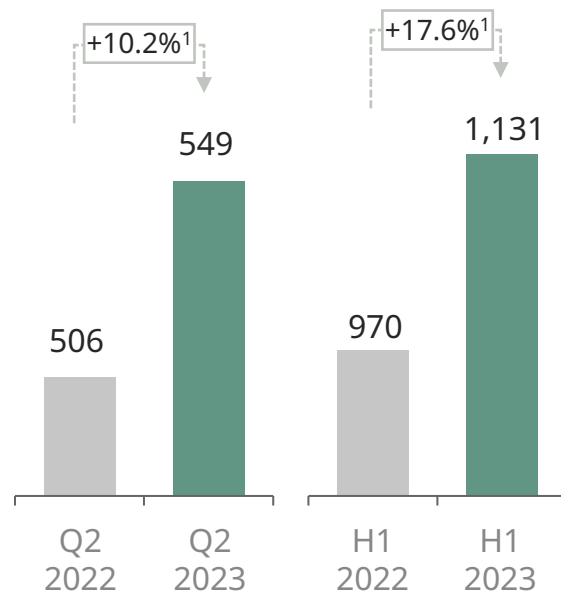
New Order Intake for rear wheel steering in Greater China.

**Schaeffler Automotive Technologies on track with Program Execution and new Order Intake**

## Automotive Aftermarket – Q2 with double-digit sales growth<sup>1</sup>, very strong EBIT margin<sup>2</sup>

### Sales

in EUR mn

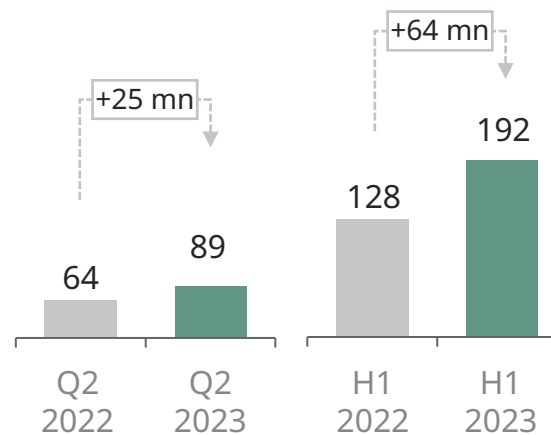


### Gross margin

Q2 2022	30.4%	Q2 2023	32.2%	H1 2022	30.8%	H1 2023	33.8%
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### EBIT<sup>2</sup>

in EUR mn



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

Q2 2022	12.7%	Q2 2023	16.3%	H1 2022	13.2%	H1 2023	17.0%
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### KEY ASPECTS

- Double-digit sales growth<sup>1</sup> driven by continued strong demand, further implementation of price measures and improved logistical performance
- All regions growing; double-digit growth rates in Americas (+12.5%<sup>1</sup>), Greater China (+59.1%<sup>1</sup>) and Asia/Pacific (+16.3%<sup>1</sup>)
- Significant EBIT margin<sup>2</sup> improvement driven by favorable sales mix, continuous price management, operating leverage and FX effects

## Automotive Aftermarket – Region Americas lays foundation for future success

### Strengthening of logistical footprint

- New state-of-the-art logistics center in Strongsville enables expansion of business in North America
- Investments into logistic infrastructure and continuous process improvements lead to improved delivery service



### Expansion of product portfolio

- First-to-market in North America: Schaeffler Torque Converter - efficient, innovative and unique:
  - 12 base designs covering 25 transmissions
  - Industry SKUs consolidated by >50%
  - Address 60% of the repair market

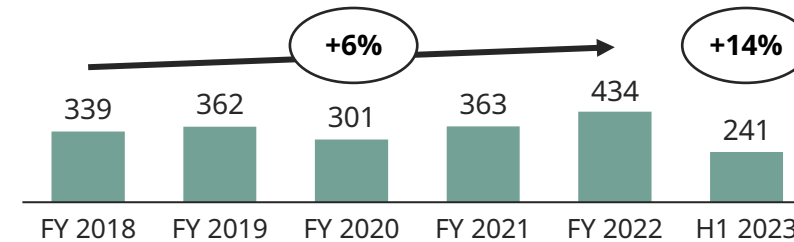


### Business opportunities in Central & South America

- Solidifying our leading market position with additional business opportunities with existing and new customers and introducing new product launches
- Lead the market in shifting from components to complex product solutions
- Business growth in developing markets (e. g. Argentina)

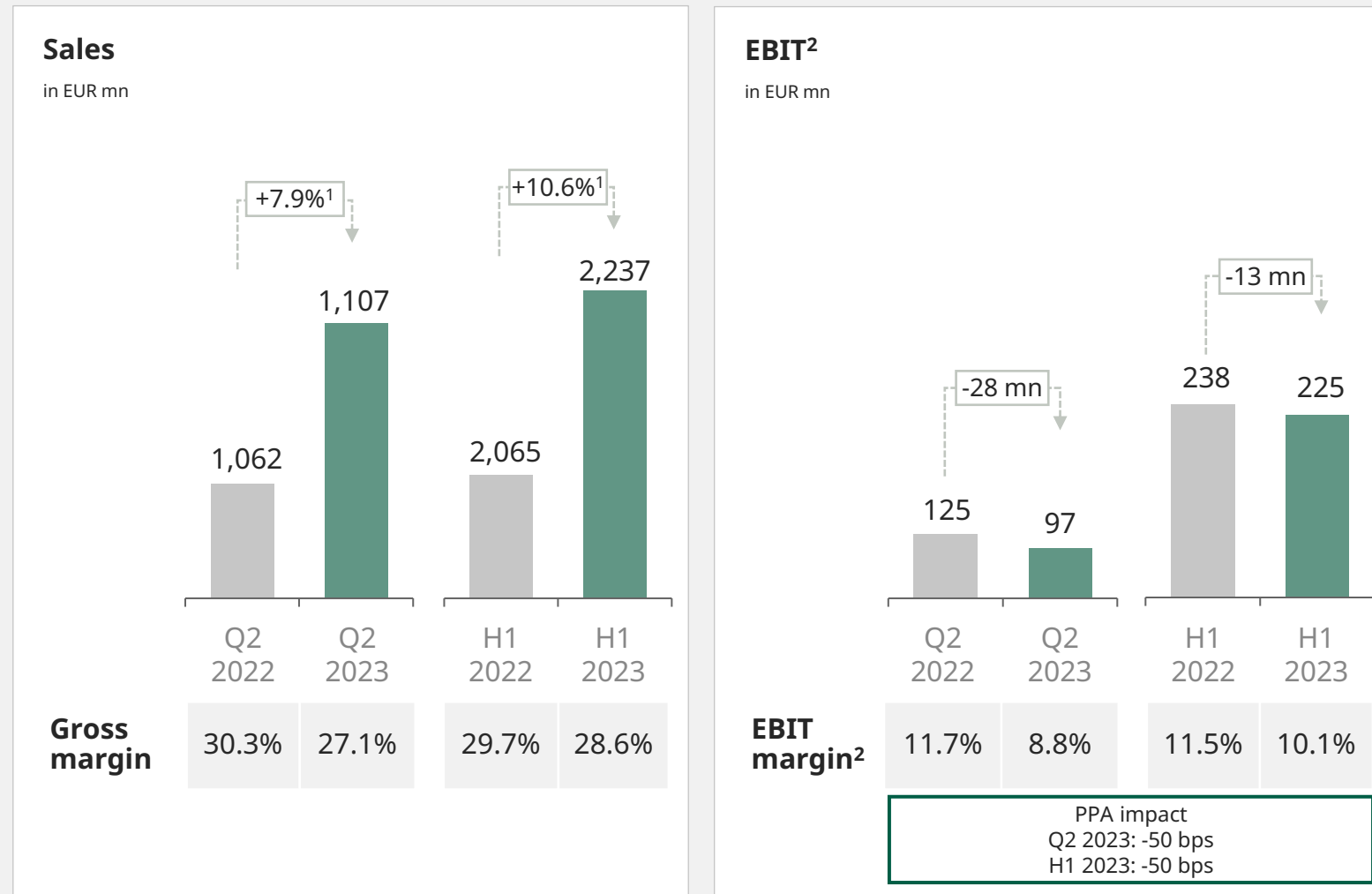


### Proven track record (Sales Development Americas<sup>1</sup>)



Schaeffler Automotive Aftermarket well positioned for future growth in promising markets

## Industrial – Q2 with positive sales growth<sup>1</sup>, EBIT margin<sup>2</sup> reduced – Countermeasures initiated



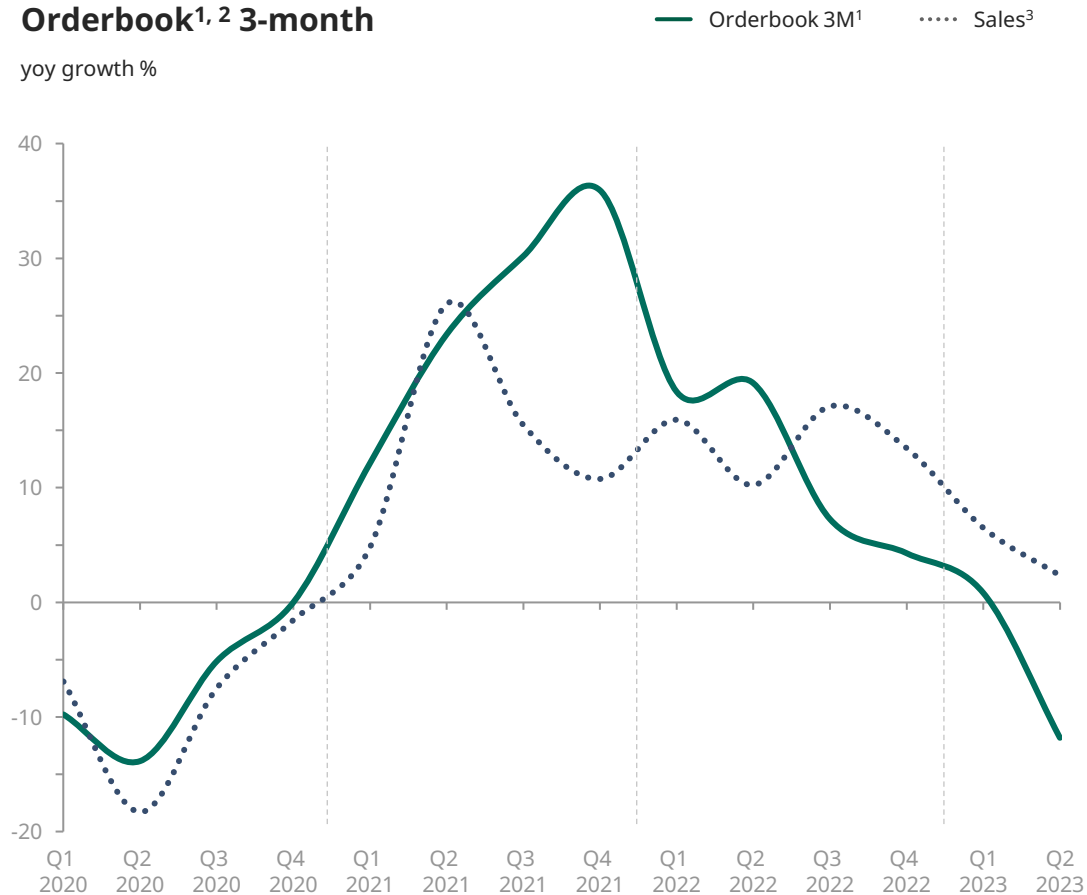
### KEY ASPECTS

- ^ Sales growth largely driven by Ewellix acquisition, organic growth in Q2 +2.3%<sup>1</sup>
- ^ All regions with positive growth led by Americas (+15.5%<sup>1</sup>) and Europe (+8.1%<sup>1</sup>)
- v Lower Q2 EBIT margin<sup>2</sup> yoy due to:
  - Negative FX and PPA impact
  - Lower volume, unfavourable regional mix and lower share of distribution business
  - Temporary relocation costs
- ^ Given expected headwinds in H2, tactical countermeasures initiated

## Industrial – Orderbook indicates headwinds in H2, investments in new business fields and growth areas continued

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

yoy growth %



### Business Highlights



Production extension for spherical roller bearings/spherical rollers and heat treatment at newly established state of the art manufacturing hall in Savli, India



New individually configurable precision drives for cobots, lightweight robots and medical applications presented for the first time at Automatica 2023 in Munich

**Portfolio enhancements for growing markets laying foundation for further profitable growth**

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

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

in EUR mn

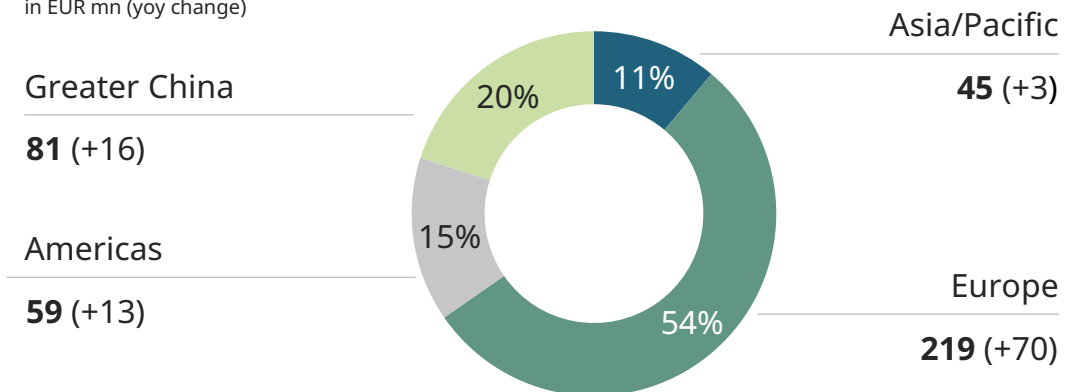
	FY 2021	FY 2022	Q2 2022	Q2 2023	H1 2023
<b>Automotive Technologies</b>	430	545	115	139	246
<b>Automotive Aftermarket</b>	20	40	9	13	24
<b>Industrial</b>	220	229	51	74	134
<b>Schaeffler Group</b>	<b>670</b>	<b>814</b>	<b>175</b>	<b>226</b>	<b>405</b>
<b>Capex</b>	<b>671</b>	<b>791</b>	<b>175</b>	<b>198</b>	<b>419</b>
<b>Capex ratio<sup>2</sup></b>	<b>4.8%</b>	<b>5.0%</b>	<b>4.6%</b>	<b>4.9%</b>	<b>5.1%</b>
<b>Reinvestment Rate</b>	<b>0.7</b>	<b>0.9</b>	<b>0.8</b>	<b>1.0</b>	<b>0.9</b>

### 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:** Investments in E-Mobility facilities in Eastern Europe, Greater China and Americas
- **Industrial:** Ongoing localization in China – Capacity expansion of large size bearings and localization of ball bearings in Nanjing

### Investments<sup>1</sup> by region H1 2023

in EUR mn (yoy change)



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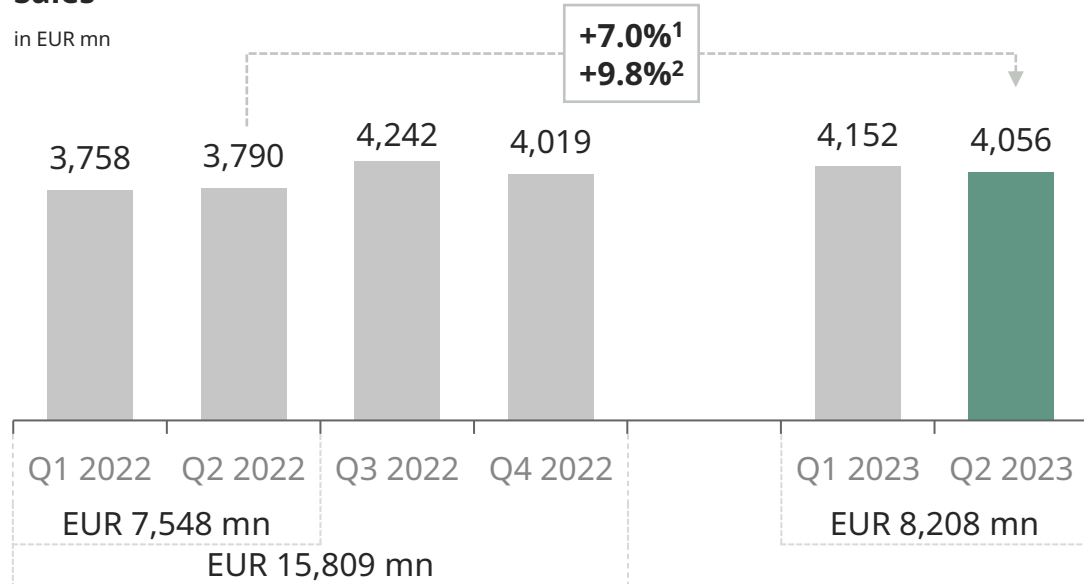
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## Sales – All regions and divisions growing in Q2, Europe and Greater China double-digit<sup>2</sup>

### Sales

in EUR mn



### Sales growth

Reported

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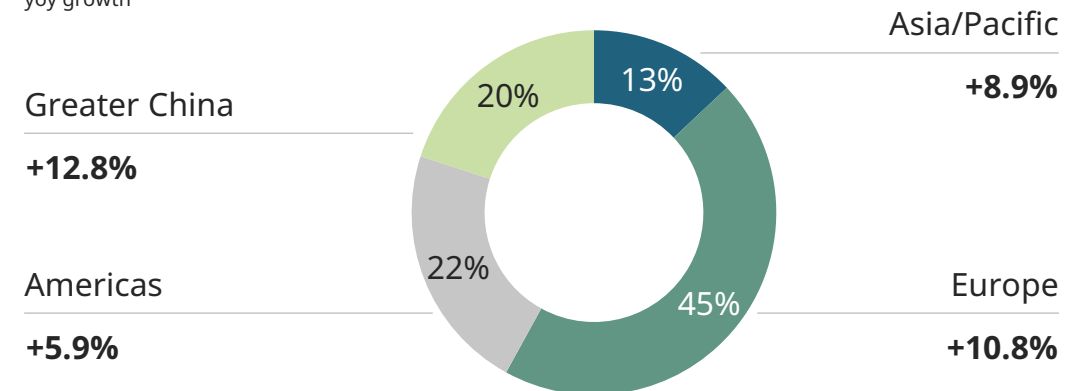
FX-adjusted

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

- **Automotive Technologies:** 10.7%<sup>2</sup> growth in Q2; double-digit sales growth in all regions except Americas
- **Automotive Aftermarket:** 10.2%<sup>2</sup> growth in Q2; all regions contributing
- **Industrial:** 7.9%<sup>2</sup> growth in Q2 driven by Ewellix; all regions growing, Americas double-digit

### Sales by region Q2 2023

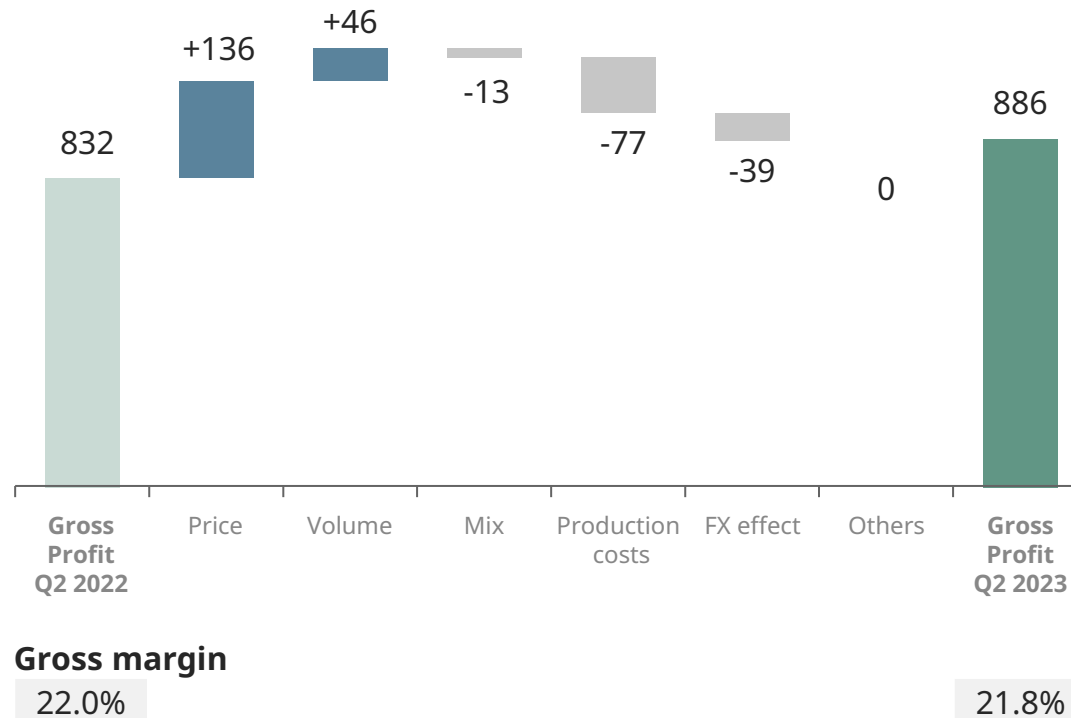
yoy growth<sup>2</sup>



## Gross Profit – Positive pricing and volume effects compensated higher productions costs and unfavourable FX

### Gross Profit Q2 2022 vs. Q2 2023

in EUR mn



### KEY ASPECTS

- **Pricing:** Sustained positive pricing effect across all divisions
- **Volumes:** Positive volume effects driven by Automotive divisions
- **Production Costs:** Higher input prices partly compensated by productivity and volume related fixed cost absorption

### Gross margin

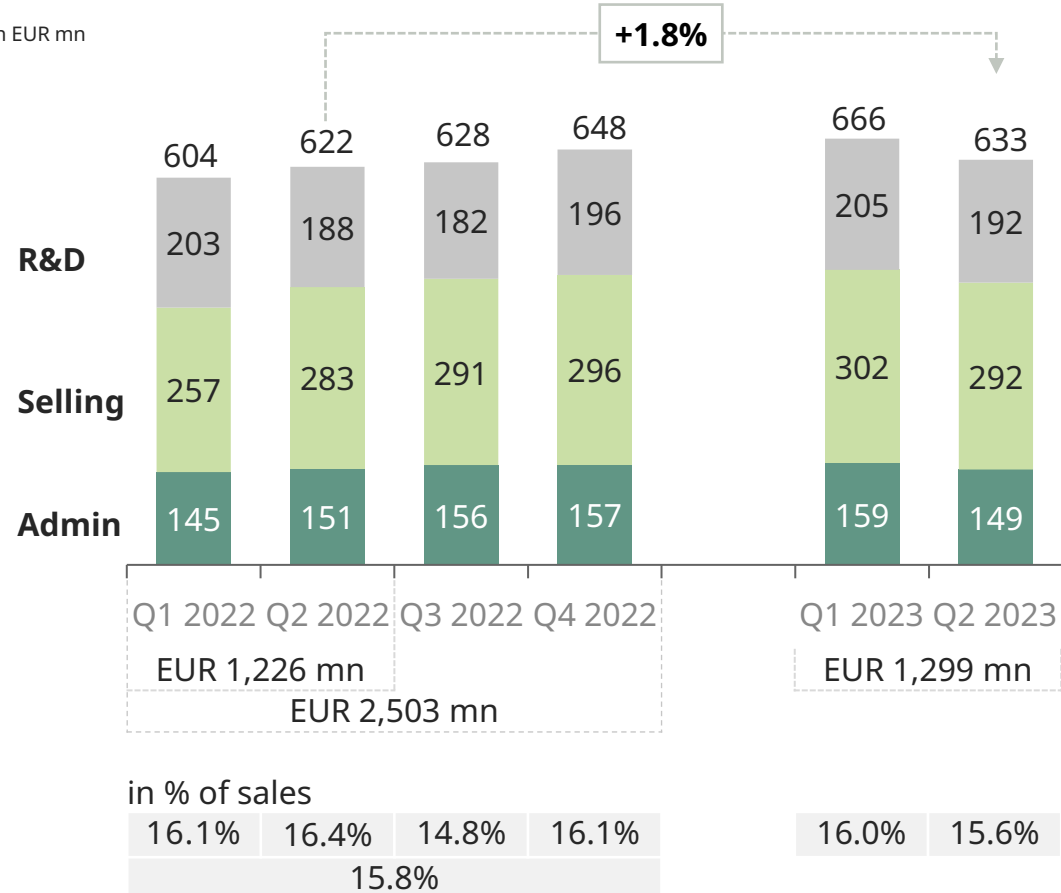
in % of Sales

	Q2 22	Q2 23	Q2 23 vs. Q2 22	H1 22	H1 23	H1 23 vs. H1 22
Automotive Technologies	16.1%	17.0%	+0.9pp	17.5%	17.5%	0.0pp
Automotive Aftermarket	30.4%	32.2%	+1.8pp	30.8%	33.8%	+3.0pp
Industrial	30.3%	27.1%	-3.2pp	29.7%	28.6%	-1.1pp
Group	22.0%	21.8%	-0.2pp	22.6%	22.8%	+0.2pp

## Overhead costs – Overhead cost ratio decreased based on volume related fixed cost absorption

### Overhead costs

in EUR mn



### KEY ASPECTS

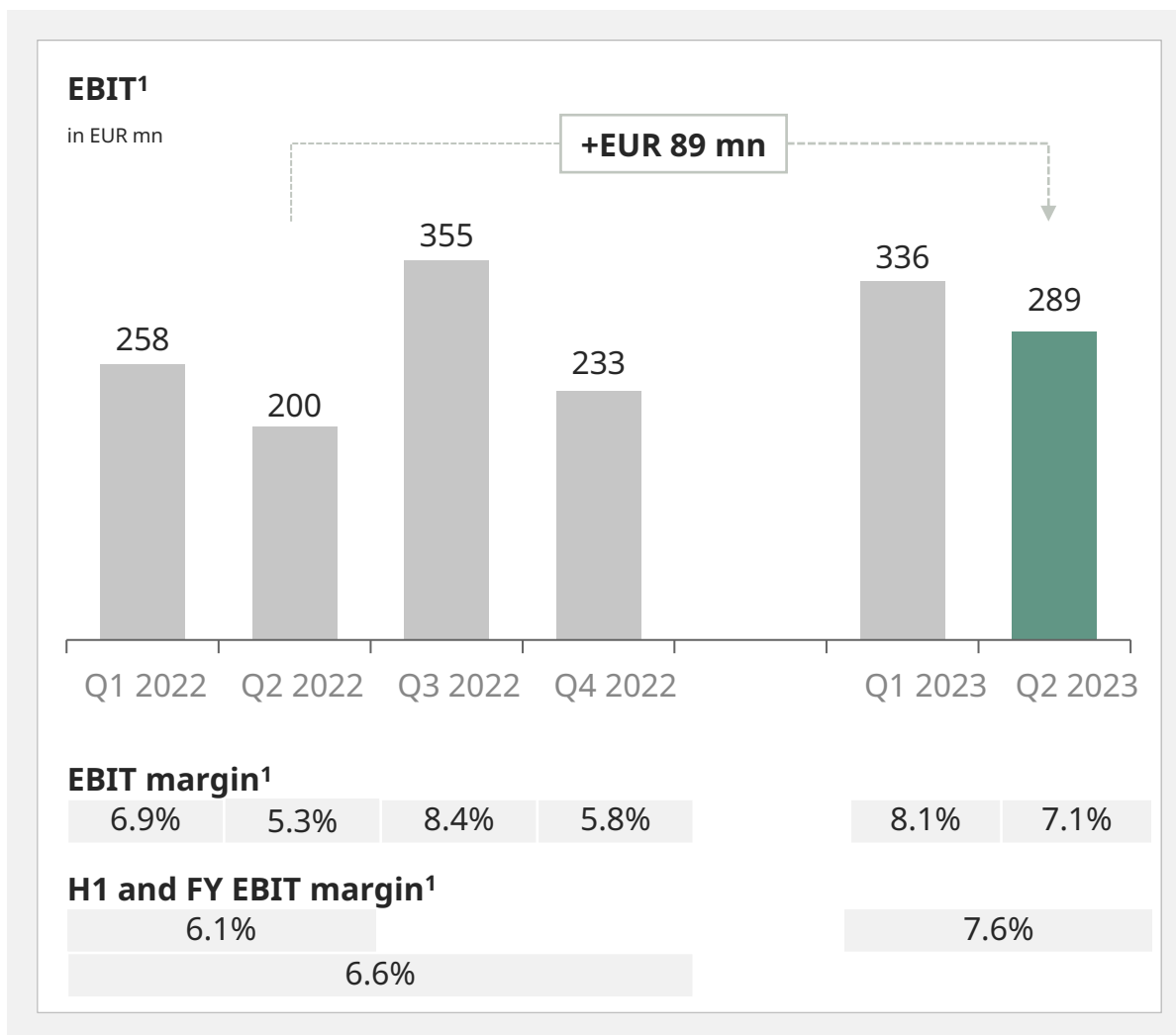
- **R&D:** Stable development of R&D expenses
- **Selling expenses:** Increase due to Ewellix and higher volumes particularly in Automotive Aftermarket
- **Admin cost:** On prior year level

### Overhead cost ratio

in % of Sales

	Q2 22	Q2 23	Q2 23 vs. Q2 22	H1 22	H1 23	H1 23 vs. H1 22
<b>Automotive Technologies</b>	15.2%	13.4%	-1.8pp	15.1%	13.7%	-1.4pp
<b>Automotive Aftermarket</b>	18.9%	18.3%	-0.6pp	18.1%	18.2%	+0.1pp
<b>Industrial</b>	17.8%	19.1%	+1.3pp	17.9%	19.2%	+1.3pp
<b>Group</b>	<b>16.4%</b>	<b>15.6%</b>	<b>-0.8pp</b>	<b>16.2%</b>	<b>15.8%</b>	<b>-0.4pp</b>

## EBIT margin<sup>1</sup> – Robust Group margin with heterogenous development across divisions



### KEY ASPECTS

- **Automotive Technologies:** EBIT margin<sup>1</sup> improved yoy, driven by scale effects and structural improvements
- **Automotive Aftermarket:** EBIT margin<sup>1</sup> continued to be at very high level, driven by strong demand, positive pricing and improved logistical performance
- **Industrial:** Lower EBIT margin<sup>1</sup> mainly due to Ewellix PPA, FX and region/customer mix

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

in % of Sales

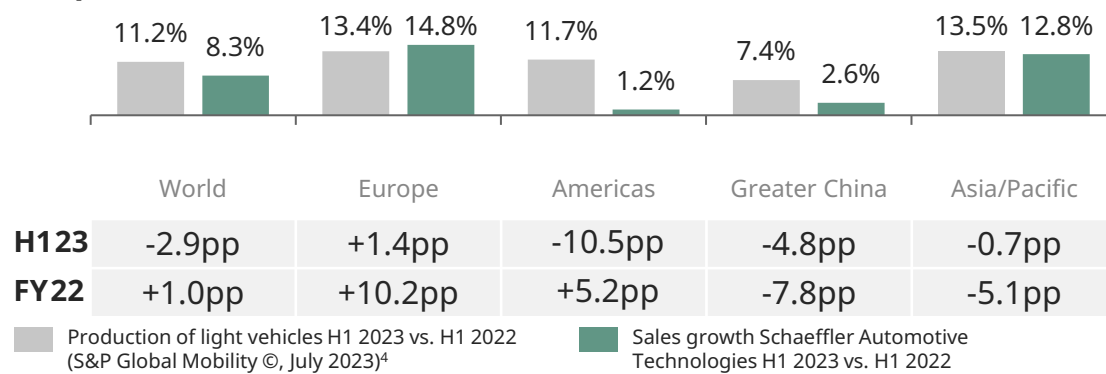
	Q2 22	Q2 23	Q2 23 vs. Q2 22	H1 22	H1 23	H1 23 vs. H1 22
<b>Automotive Technologies</b>	0.5%	4.3%	+3.8pp	2.0%	4.3%	+2.2pp
<b>Automotive Aftermarket</b>	12.7%	16.3%	+3.6pp	13.2%	17.0%	+3.8pp
<b>Industrial</b>	11.7%	8.8%	-2.9pp	11.5%	10.1%	-1.4pp
<b>Group</b>	5.3%	7.1%	+1.8pp	6.1%	7.6%	+1.5pp

## Automotive Technologies – Double-digit sales growth<sup>1</sup>, EBIT margin<sup>2</sup> significantly up

### Sales by business division yoy growth

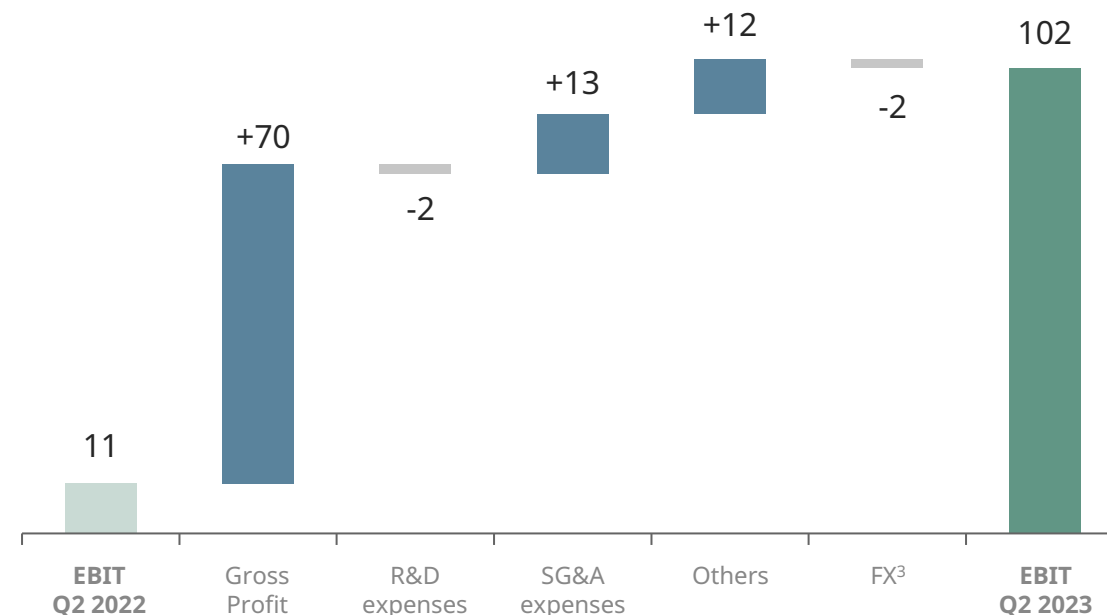
	Q2 2022	Q2 2023	Δ <sup>1</sup>
<b>E-Mobility</b>	293	296	+3.6%
<b>Engine &amp; Transmission</b>	1,212	1,318	+11.2%
<b>Bearings</b>	631	664	+8.5%
<b>Chassis Systems</b>	86	121	+44.1%
<b>Total</b>	<b>2,221</b>	<b>2,400</b>	<b>+10.7%</b>

### Outperformance H1 Sales<sup>1</sup> vs. market development



### EBIT<sup>2</sup> Q2 2022 vs. Q2 2023

in EUR mn



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

0.5%

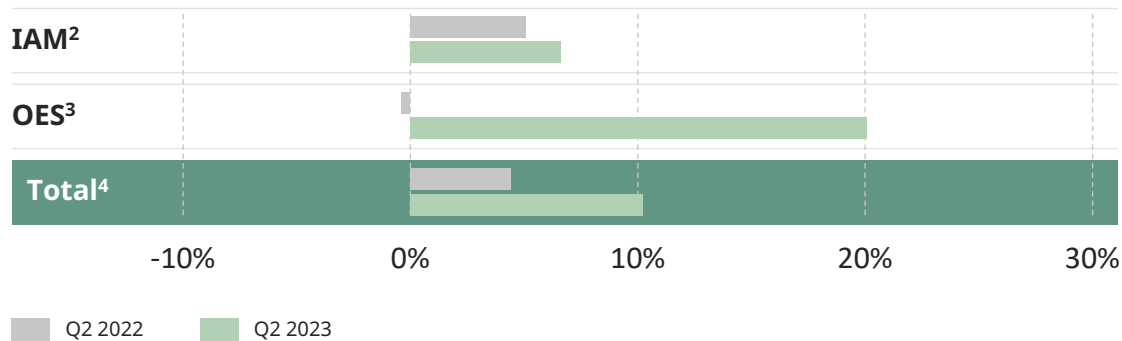
4.3%

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

### Sales by region yoy growth

	Q2 2022	Q2 2023	$\Delta^1$
Europe	337	354	+5.1%
Americas	110	121	+12.5%
Greater China	26	38	+59.1%
Asia/Pacific	34	37	+16.3%
<b>Total</b>	<b>506</b>	<b>549</b>	<b>+10.2%</b>

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



### EBIT<sup>5</sup> Q2 2022 vs. Q2 2023

in EUR mn



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

12.7%

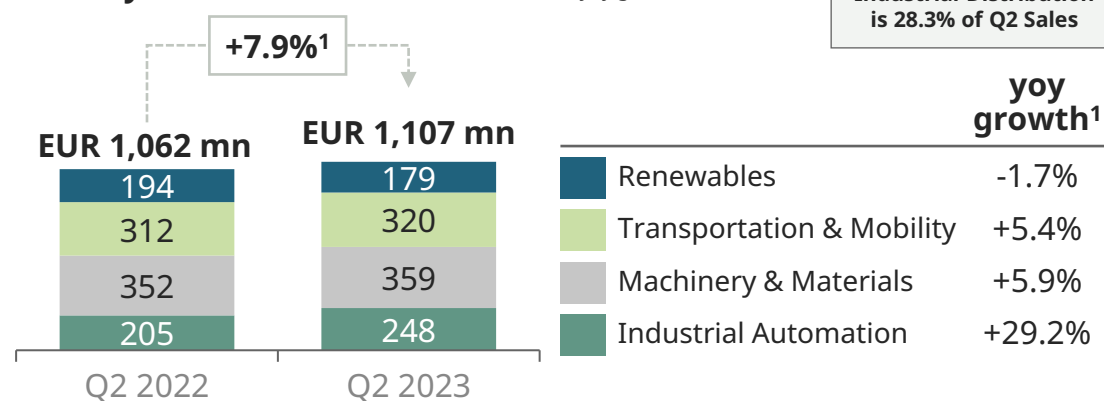
16.3%

## Industrial – Organic growth slowing, EBIT margin<sup>2</sup> significantly lower yoy

### Sales by region yoy growth

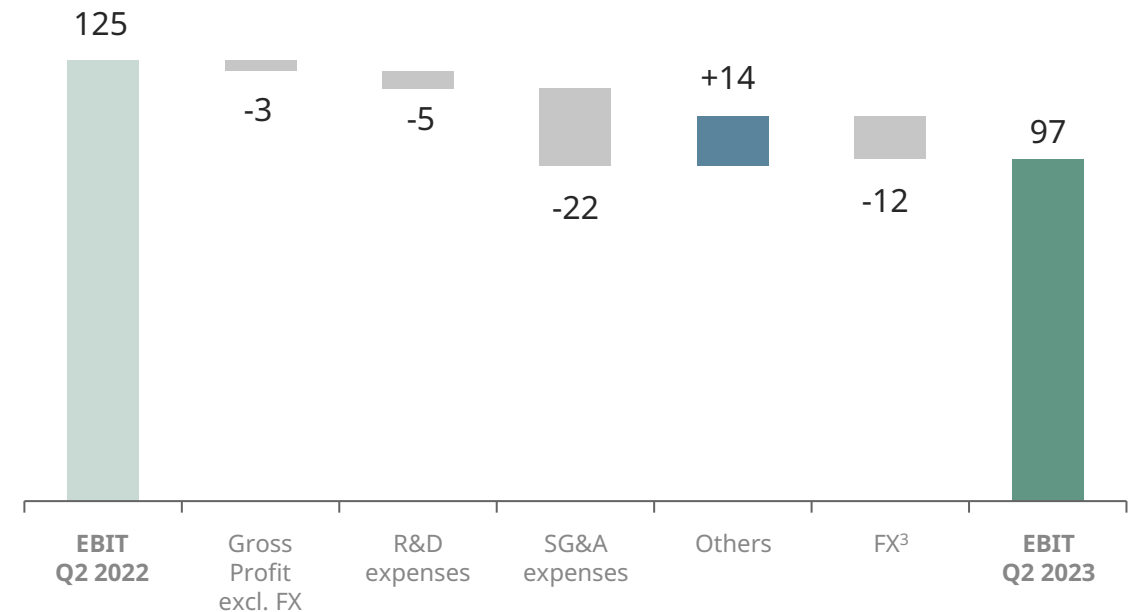
	Q2 2022	Q2 2023	Δ <sup>1</sup>
Europe	445	481	+8.1%
Americas	182	203	+15.5%
Greater China	275	265	+4.2%
Asia/Pacific	160	157	+4.9%
<b>Total</b>	<b>1,062</b>	<b>1,107</b>	<b>+7.9%</b>

### Sales by Industrial market cluster yoy growth



### EBIT<sup>2</sup> Q2 2022 vs. Q2 2023

in EUR mn



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

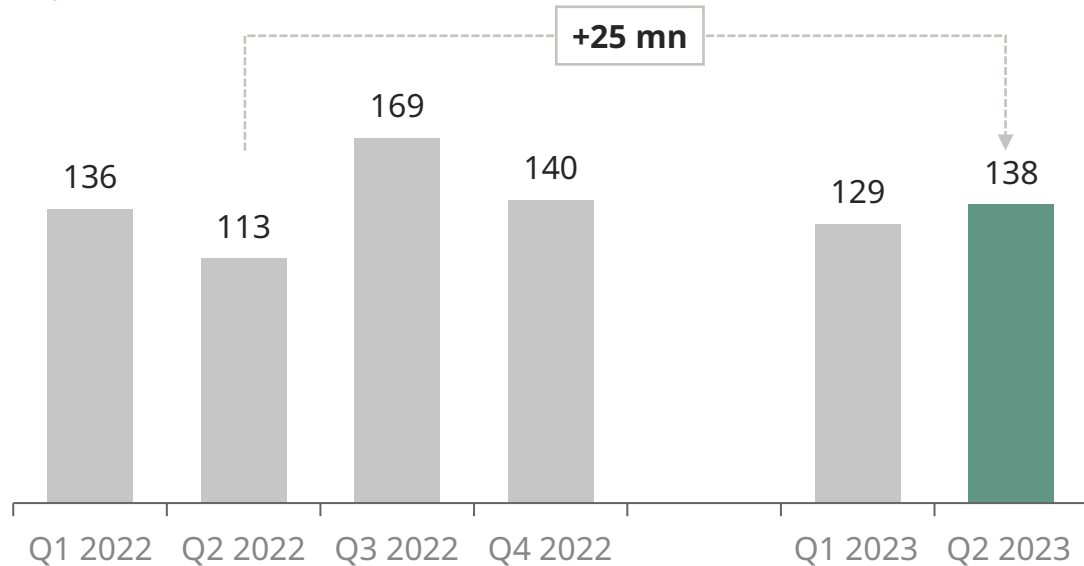
11.7%

8.8%

## Net Income<sup>1</sup> – EPS<sup>2</sup> at EUR 0.22, ROCE<sup>3</sup> reached 13.2%

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

in EUR mn



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

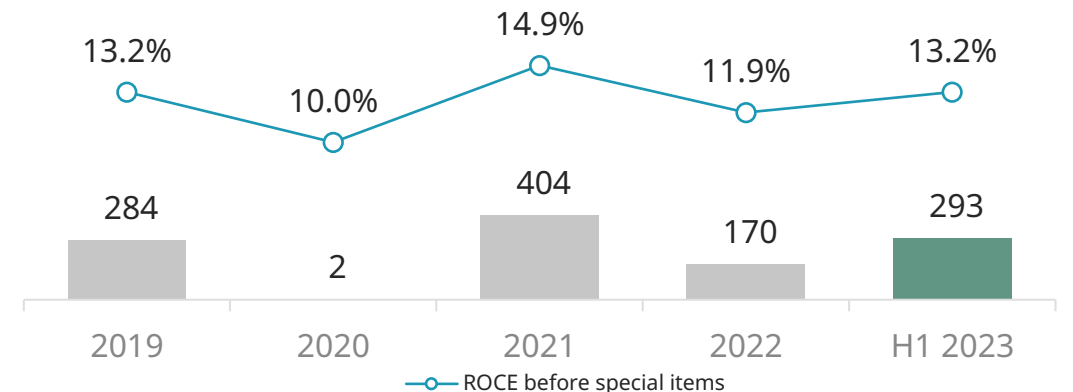


### KEY ASPECTS

- Q2 2023 Net income<sup>1</sup> higher driven by better EBIT, but impacted by higher interest on financial debt from Ewellix acquisition
- ROCE<sup>3</sup> and Schaeffler Value Added<sup>4</sup> sequentially improved

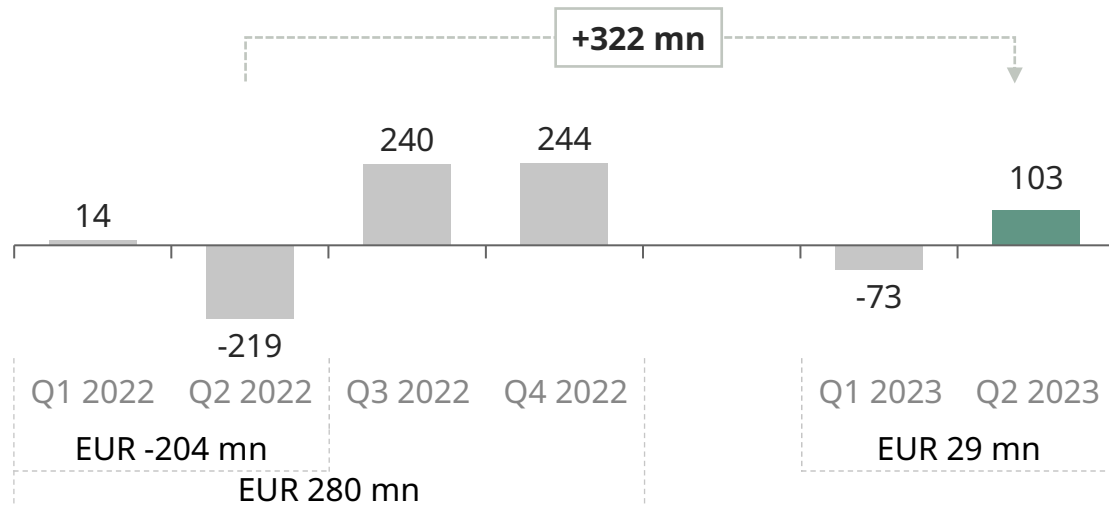
### ROCE<sup>3</sup> and Schaeffler Value Added<sup>4</sup>

in EUR mn



## FCF – Positive Q2 development driven by higher EBITDA and effective Working Capital management

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



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

0.1	-	0.8	1.1	-	0.4
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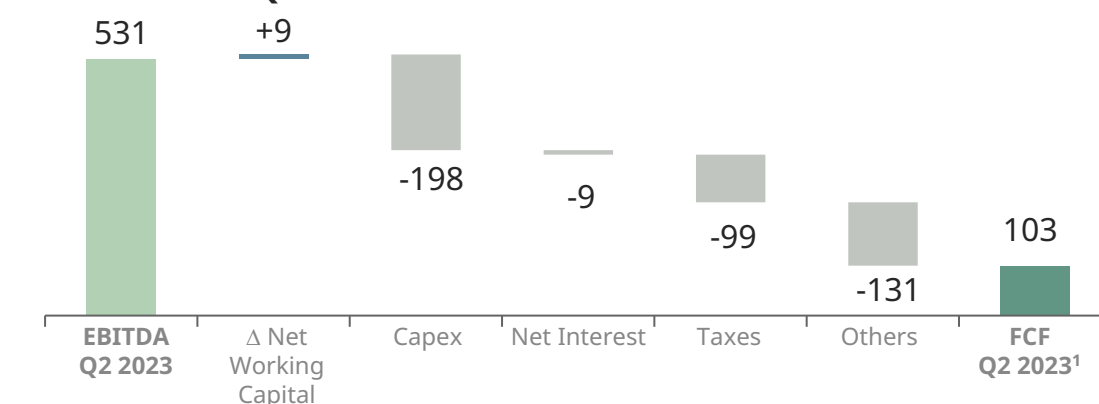
### Reinvestment rate

0.6	0.8	1.0	1.2	0.8	1.0
0.9					

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

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

### Reconciliation Q2 2023 in EUR mn



### FCF Details

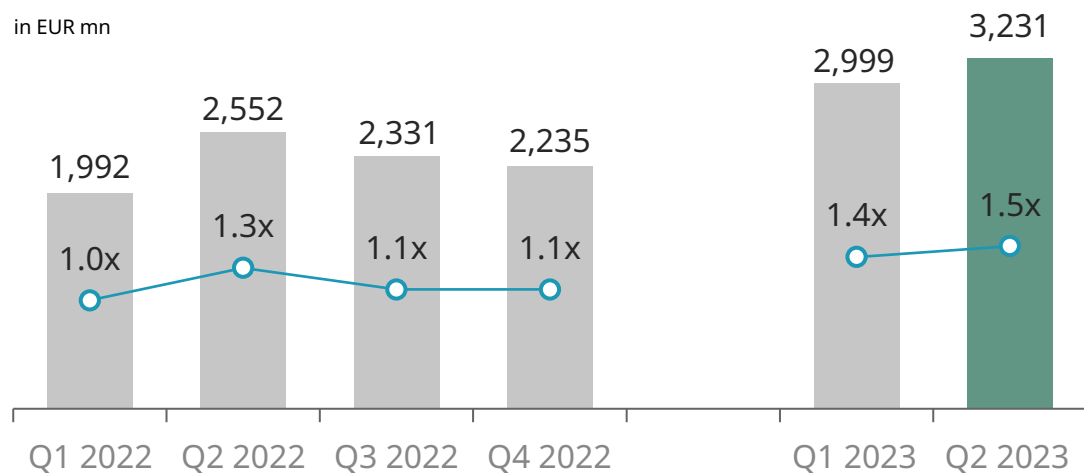
in EUR mn	Q2 22	Q2 23	Δ Q2 23/22	H1 22	H1 23	Δ H1 23/22
<b>FCF as reported</b>	<b>-218</b>	<b>84</b>	<b>+302</b>	<b>-265</b>	<b>-670</b>	<b>-405</b>
M&A	-1	+19	+20	+61	+700	+639
<b>FCF before M&amp;A</b>	<b>-219</b>	<b>103</b>	<b>+322</b>	<b>-204</b>	<b>29</b>	<b>+234</b>
Legal Cases	-7	-23	-16	-9	-27	-18
Restructuring	+44	+52	+8	+204	+157	-47
Others	0	+1	+1	0	+7	+7
<b>FCF bef. M&amp;A and sp. Items</b>	<b>-181</b>	<b>133</b>	<b>+314</b>	<b>-9</b>	<b>167</b>	<b>+176</b>



## Net debt of EUR 3.2 bn – Leverage ratio at 1.5x, EUR 295 mn dividends paid in Q2

### 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
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### Cash & cash equivalents

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

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

### KEY ASPECTS

- In Q2 2023 dividend payment of EUR 295 mn for FY 2022 (payout ratio 48%)
- Leverage ratio increase in Q1 due to the Ewellix acquisition

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

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Overview

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Business Highlights Q2 and H1 2023

3

Financial Results Q2 and H1 2023

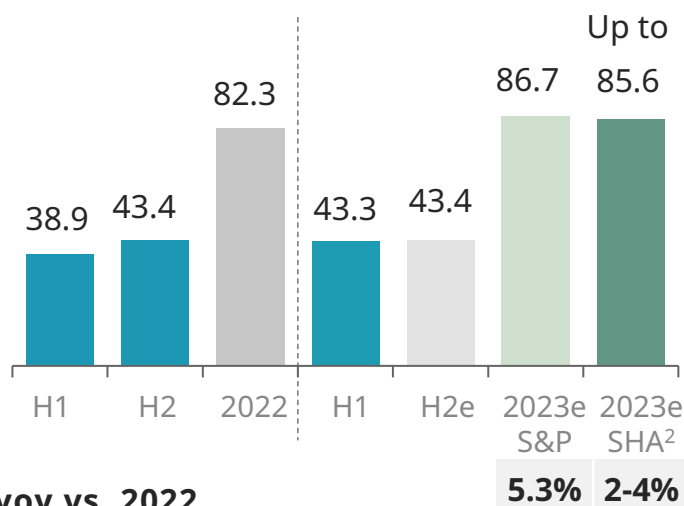
4

**Outlook**

AGENDA

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

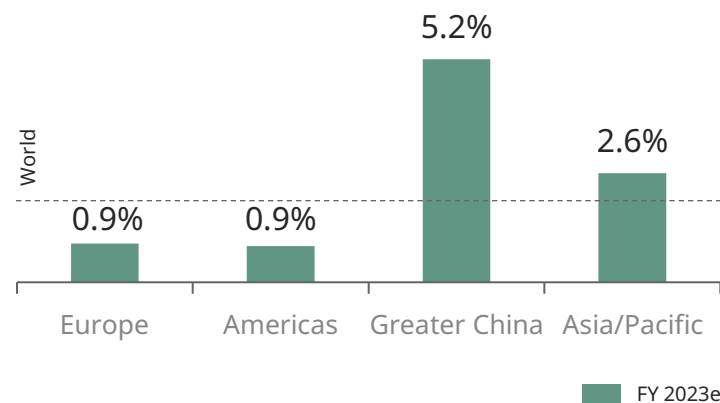
### Automotive Technologies – Global LVP<sup>1</sup> 2023



#### yoy vs. 2022

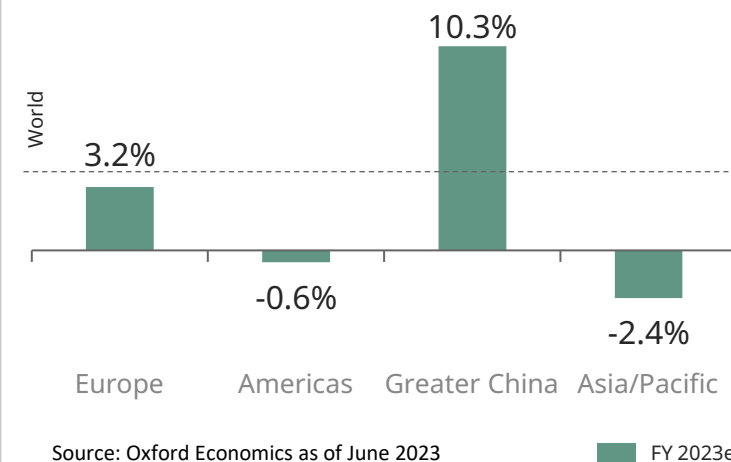
- Schaeffler market assumptions increased to 2-4% LVP growth in 2023 (up to 85.6 mn vehicles) vs. 0-2% expected in May (up to 83.9 mn vehicles), but still follows a more conservative approach than S&P
- Challenges for the development of the car markets in the US, Europe and China are still substantial

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



- Growth of Global LV Parc<sup>3</sup> with 2.0% for 2023 slightly lower than in 2022 (2.2%). The average age for 2023 is set to increase to 11.0 years (2022: 10.7 years) due to lower sales of new cars, in conjunction with lower replacement rate of vehicles in operation
- Highest growth is expected for region Greater China (5.2%); lowest for Europe and Americas (0.9% each) due to stagnation of new car registrations

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



- Industrial production<sup>4</sup> expected to grow by 4% in 2023 according to Oxford Economics (June 2023)
- Schaeffler's market outlook, meanwhile, assuming only slight growth for 2023 based on recently dampened business climate for the manufacturing sector
- Weakened demand in multiple industries as key obstacle for higher growth

## FY 2023 Guidance updated – Increased for Group and Automotive divisions, reduced for Industrial

## FY 2023 Guidance

	Schaeffler Group	Automotive Technologies	Automotive Aftermarket	Industrial
	Guidance FY 2023 <sup>1</sup>	Guidance FY 2023	Guidance FY 2023	Guidance FY 2023
Sales growth <sup>2</sup>	5 – 8% (unchanged)	Outperformance 0 – 300 bps <sup>5</sup> (prior: 200 – 500 bps)	10 – 12% (prior: 5 – 7%)	6 – 8% (prior: 9 – 11%)
EBIT margin <sup>3</sup>	6 – 8% (prior: 5.5 – 7.5%)	3 – 5% (prior: 2 – 4%)	14 – 16% (prior: 12 – 14%)	9 – 11% (prior: 11 – 13%)
Free Cash Flow <sup>4</sup>	EUR 300 – 400 mn (prior: EUR 250 – 350mn)	Market assumptions for 2023 <ul style="list-style-type: none"> <li>• <b>Automotive Technologies:</b> LVP growth of 2 - 4% vs. 5.3% in latest S&amp;P estimate<sup>6</sup> for 2023</li> <li>• <b>Automotive Aftermarket:</b> Growth of Global LV Parc<sup>7</sup> of around 2%</li> <li>• <b>Industrial:</b> Slight increase of relevant industrial production<sup>8</sup></li> </ul>		

## Conclusion & Outlook – Robust Q2, Group guidance raised for FY 2023

- 1 Automotive Technologies** – Double-digit growth, good quality of earnings driven by both Gross and EBIT margin. Promising E-Mobility development expected for H2
- 2 Automotive Aftermarket** – Double-digit growth, high quality of earnings driven by both Gross and EBIT margin. Region Americas leveraging investments and product offer
- 3 Industrial** – Organic growth slowing, weak profitability in Q2. Self-help measures initiated
- 4 Free Cash Flow** – Strong cash generation in Q2, supported by overall robust Group profitability and effective working capital management

**On track to deliver our  
2025 Roadmap  
Mid-term Targets**

## Financial calendar and selected IR events

### Roadshows & Conferences with Top Management participation

**Aug 3**

Roadshow – Virtual, UK, Stifel

**Aug 4**

Roadshow – Virtual, DACH, Metzler

**Sep 4 - 5**

IAA Cars Conference &amp; booth tour – Munich, DB

**Sep 13 - 15**

Roadshow – US, Bank of America

**Sep 27**

European Autos Conference – Virtual, Bank of America

### Financial calendar 2023

**Aug 2**

H1 2023 Earnings Release

**Nov 8**

9M 2023 Earnings Release

**Nov 16**

Capital Market Update – Virtual

# Thank you

## Investor Relations Contact

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BACKUP



## Equity Story – Positioning Schaeffler for long-term value creation

- 1 Roadmap 2025 in execution** – Focus on capital allocation, portfolio management and FCF generation
- 2 Automotive Technologies** – Conquer leadership positions in New Business for electrified Powertrains and Chassis applications
- 3 Automotive Aftermarket** – Maintain a high margin level, expand our share of wallet and reach
- 4 Industrial** – Enter attractive growth fields, further enhance profitability
- 5 Financial Framework** – Strict performance orientation based on Mid-term Targets
- 6 Sustainability** – Fully committed to activate all impact levers to achieve sustainability goals

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

## Ancillary comments to support the Equity Story

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 <sup>2</sup> , payout ratio 48% <sup>3</sup>
Leverage ratio <sup>1</sup>	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

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

### Mid-term targets 2025

Automotive Technologies	Automotive Aftermarket	Industrial
Outperformance <sup>1</sup> <b>200 to 500 bps</b> on average <sup>2</sup>	Constant-currency revenue growth <b>&gt; GDP growth</b> on average <sup>2</sup>	Constant-currency revenue growth <b>&gt; Ind. Prod. growth</b> on average <sup>2,3</sup>
<b>4 to 6%</b> EBIT margin before special items	<b>13 to 15%</b> EBIT margin before special items	<b>12 to 14%</b> EBIT margin before special items

Schaeffler Group	
ROCE <b>12 to 15%</b> based on EBIT reported	FCF-conversion <sup>4</sup> <b>0.3 to 0.5</b> based on EBIT reported

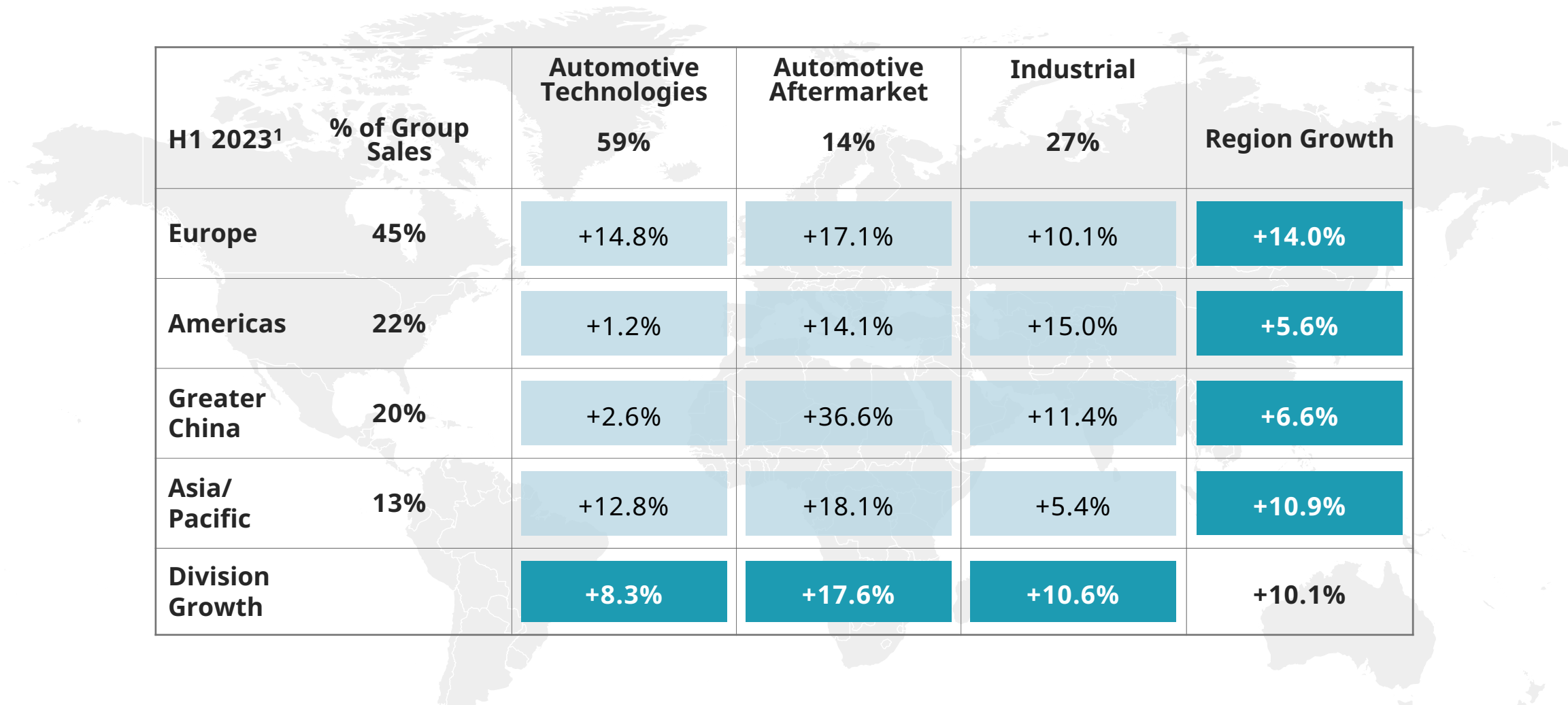
### Group parameters

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

## Key figures Q2 and H1 2023

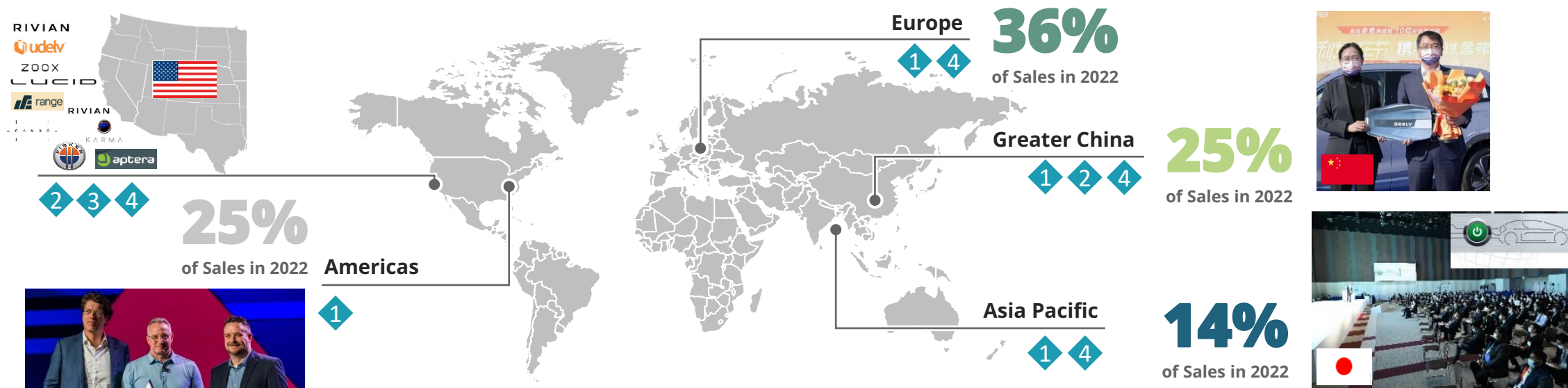
in EUR mn	Q2 2022	Q2 2023	Q2 2023 vs. Q2 2022	H1 2022	H1 2023	H1 2023 vs. H2 2022
<b>Sales</b>	3,790	4,056	+7.0% +9.8% <sup>1</sup>	7,548	8,208	+8.7% +10.1% <sup>1</sup>
<b>Gross Profit</b>	832	886	+54 mn	1,703	1,870	+167 mn
<b>Gross margin</b>	22.0%	21.8%	-0.2pp	22.6%	22.8%	+0.2pp
<b>EBIT<sup>2</sup></b>	200	289	+89 mn	458	625	+167 mn
<b>EBIT margin<sup>2</sup></b>	5.3%	7.1%	+1.8pp	6.1%	7.6%	+1.5pp
<b>Net income<sup>3</sup></b>	113	138	+25 mn	249	267	+18 mn
<b>EPS<sup>4</sup> (in EUR)</b>	0.17	0.22	+0.05	0.38	0.41	+0.03
<b>Schaeffler Value Added<sup>5</sup></b>	136	293	+157 mn	136	293	+157 mn
<b>ROCE<sup>6</sup></b>	11.6%	13.2%	+1.6pp	11.6%	13.2%	+1.6pp
<b>Free Cash Flow<sup>7</sup></b>	-219	103	+322 mn	-204	29	+233 mn
<b>Capex</b>	175	198	+23 mn	331	419	+88 mn
<b>Net financial debt</b>	2,552	3,231	+679 mn	2,552	3,231	+679 mn
<b>Leverage ratio<sup>8</sup></b>	1.3x	1.5x	+0.2x	1.3x	1.5x	+0.2x
<b>Headcount</b>	82,790	83,705	+1.1%	82,790	83,705	+1.1%

## Sales Performance H1 2023 – Growth across all divisions and regions



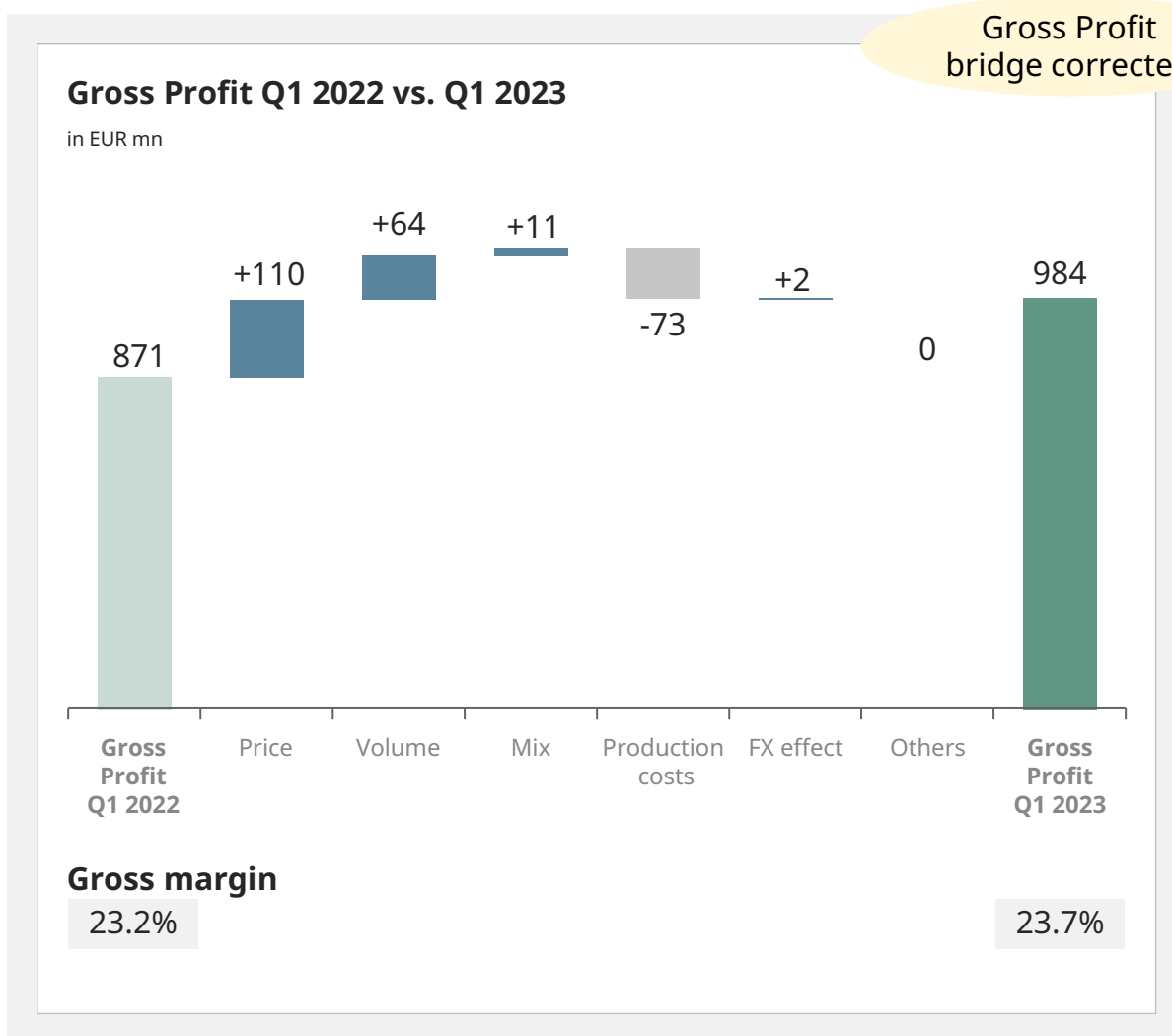
H1 2023 <sup>1</sup>	% of Group Sales	Automotive Technologies 59%	Automotive Aftermarket 14%	Industrial 27%	Region Growth
Europe	45%	+14.8%	+17.1%	+10.1%	+14.0%
Americas	22%	+1.2%	+14.1%	+15.0%	+5.6%
Greater China	20%	+2.6%	+36.6%	+11.4%	+6.6%
Asia/ Pacific	13%	+12.8%	+18.1%	+5.4%	+10.9%
Division Growth		+8.3%	+17.6%	+10.6%	+10.1%

# Automotive Technologies<sup>1</sup> – Competitive landscape increasingly dynamic and offering great opportunities



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

## Gross Profit Q1 – 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

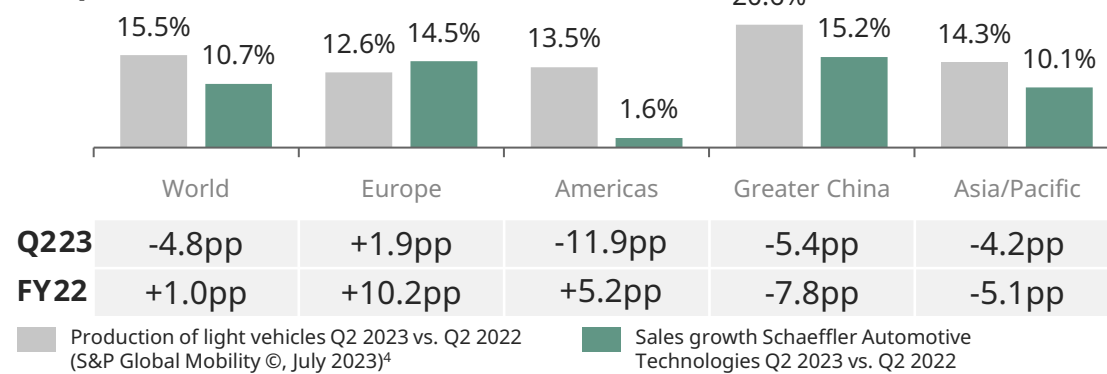
	Q1 2022	Q1 2023	Q1 2023 vs. Q1 2022
<b>Automotive Technologies</b>	18.9%	18.0%	-0.9pp
<b>Automotive Aftermarket</b>	31.2%	35.3%	+4.1pp
<b>Industrial</b>	29.1%	30.0%	+0.9pp
<b>Schaeffler Group</b>	<b>23.2%</b>	<b>23.7%</b>	<b>+0.5pp</b>

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

### Sales by business division yoy growth

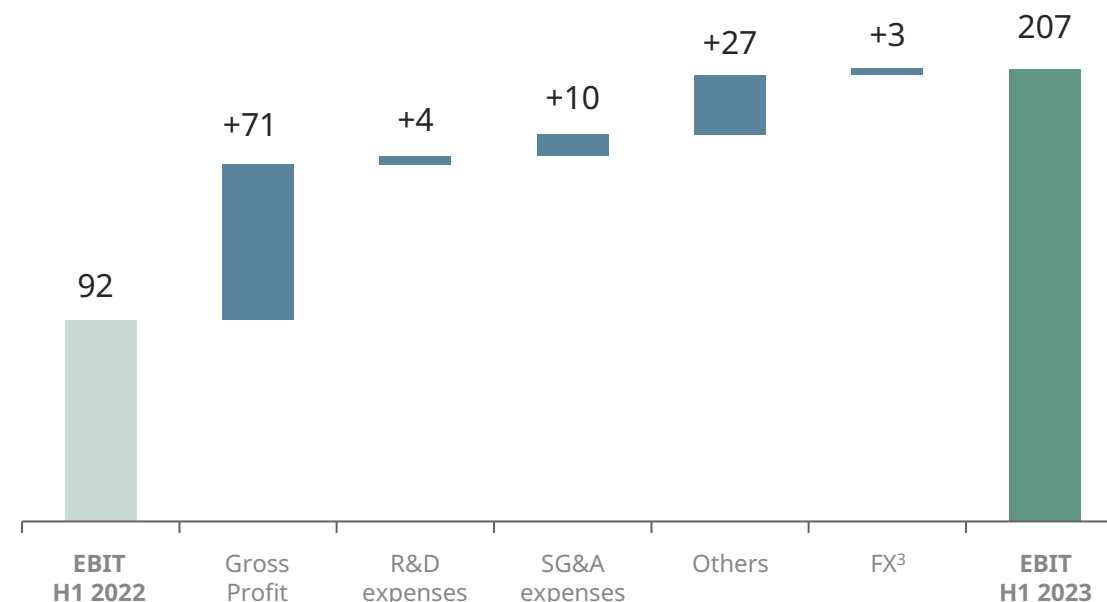
	H1 2022	H1 2023	Δ <sup>1</sup>
<b>E-Mobility</b>	600	632	+6.6%
<b>Engine &amp; Transmission</b>	2,469	2,658	+8.4%
<b>Bearings</b>	1,273	1,323	+5.5%
<b>Chassis Systems</b>	172	226	+32.6%
<b>Total</b>	<b>4,514</b>	<b>4,840</b>	<b>+8.3%</b>

### Outperformance Q2 Sales<sup>1</sup> vs. market development



### EBIT<sup>2</sup> H1 2022 vs. H1 2023

in EUR mn



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

2.0%

4.3%

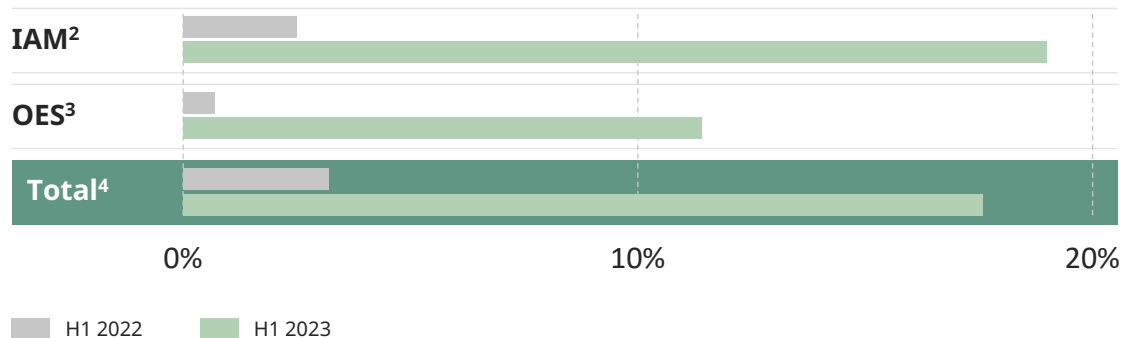


## Automotive Aftermarket – Double-digit sales growth<sup>1</sup>, very strong EBIT margin<sup>5</sup>

### Sales by region yoy growth

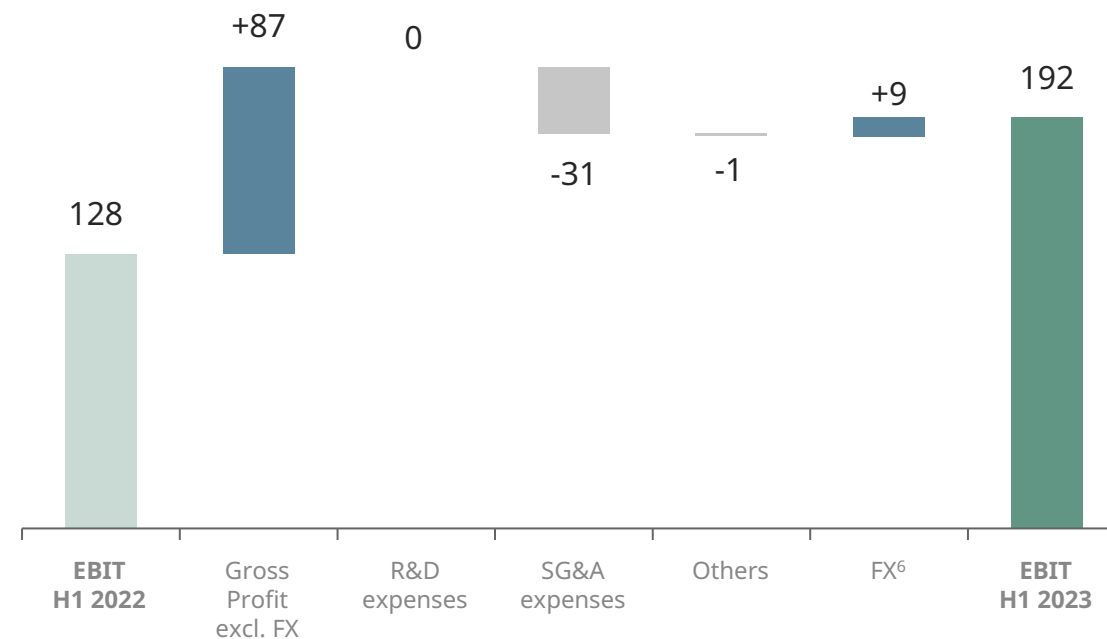
	H1 2022	H1 2023	$\Delta^1$
Europe	643	748	+17.1%
Americas	209	241	+14.1%
Greater China	56	72	+36.6%
Asia/Pacific	62	70	+18.1%
<b>Total</b>	<b>970</b>	<b>1,131</b>	<b>+17.6%</b>

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



### EBIT<sup>5</sup> H1 2022 vs. H1 2023

in EUR mn



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

13.2%

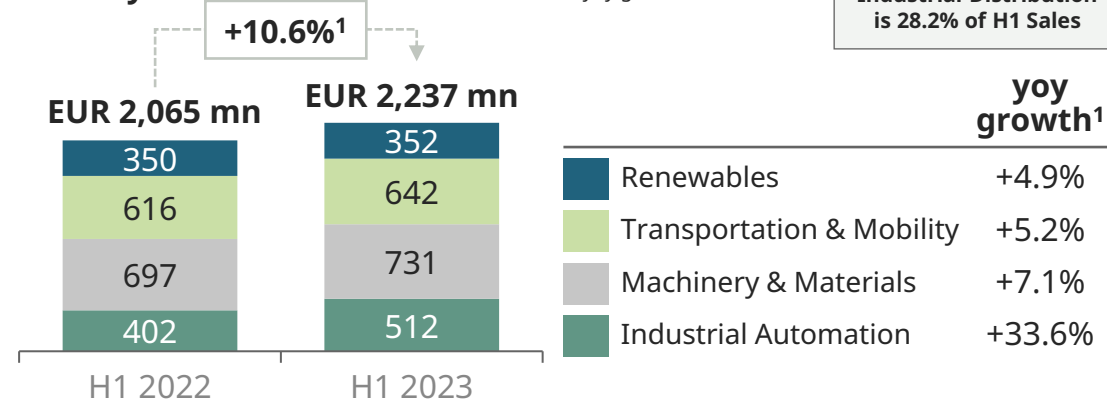
17.0%

## Industrial – All regions and market cluster growing, EBIT margin<sup>2</sup> below prior year

### Sales by region yoy growth

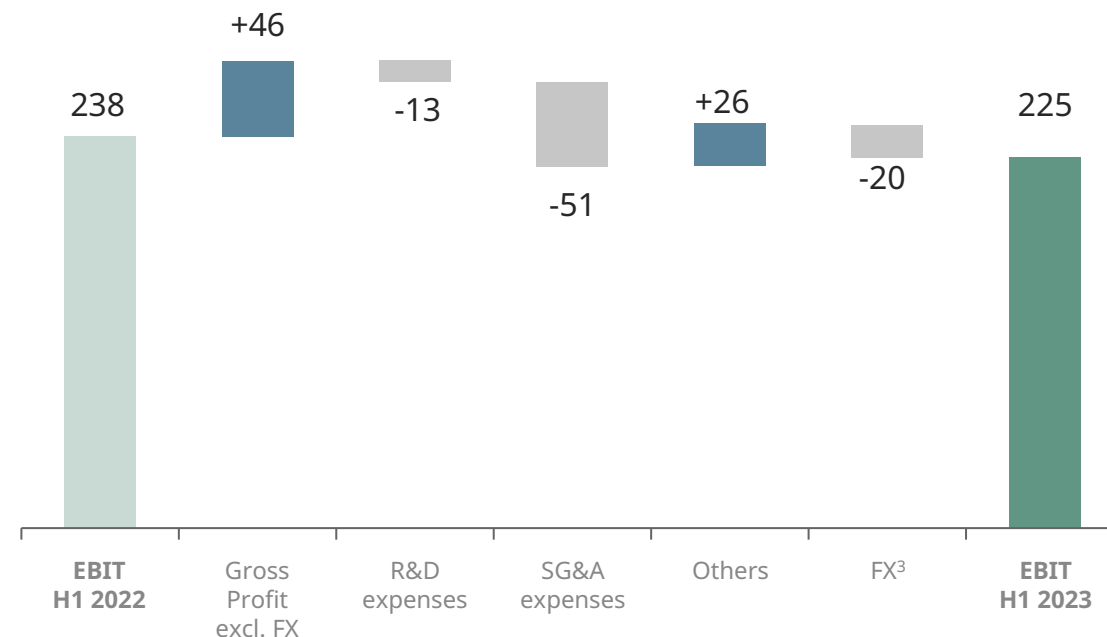
	H1 2022	H1 2023	$\Delta^1$
Europe	872	958	+10.1%
Americas	352	405	+15.0%
Greater China	531	562	+11.4%
Asia/Pacific	310	312	+5.4%
<b>Total</b>	<b>2,065</b>	<b>2,237</b>	<b>+10.6%</b>

### Sales by Industrial market cluster yoy growth



### EBIT<sup>2</sup> H1 2022 vs. H1 2023

in EUR mn



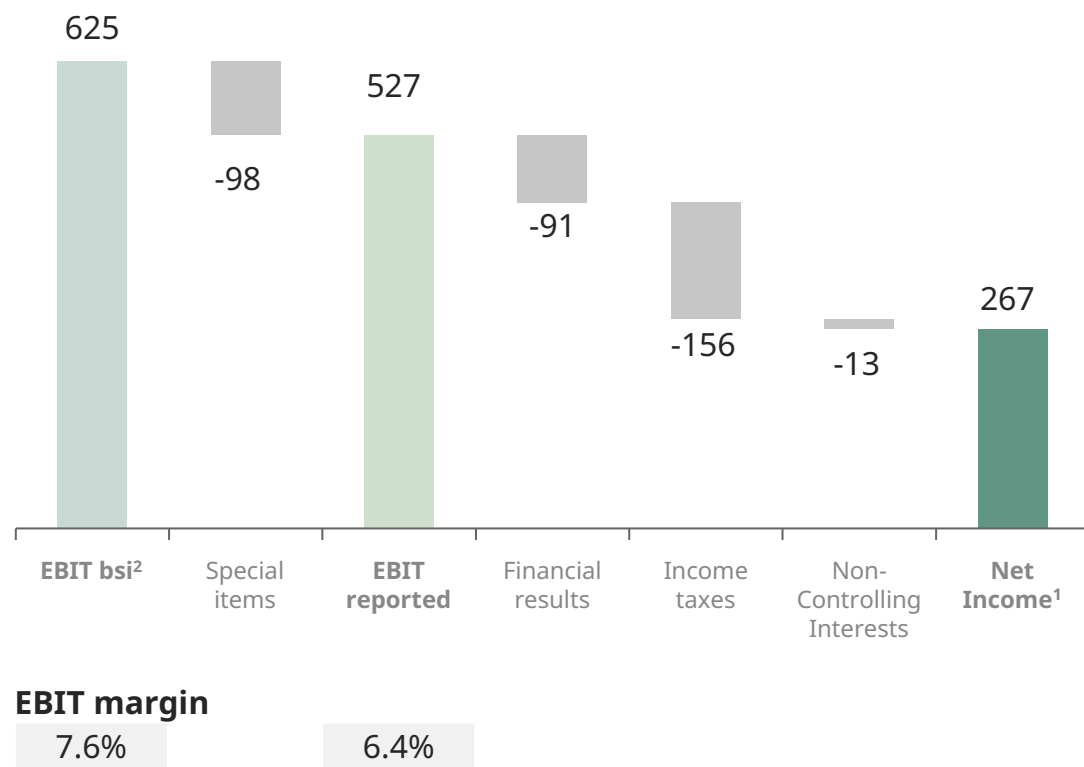
### EBIT margin development<sup>2</sup>

11.5%

10.1%

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

### Reconciliation H1 2023 in EUR mn



### KEY ASPECTS

- Special items amounted to EUR 98 mn in H1, mainly related to valuation of energy forward contracts
- Financial Result lower yoy due to higher interest payments and higher expenses for interests on pensions

### Special items by Division

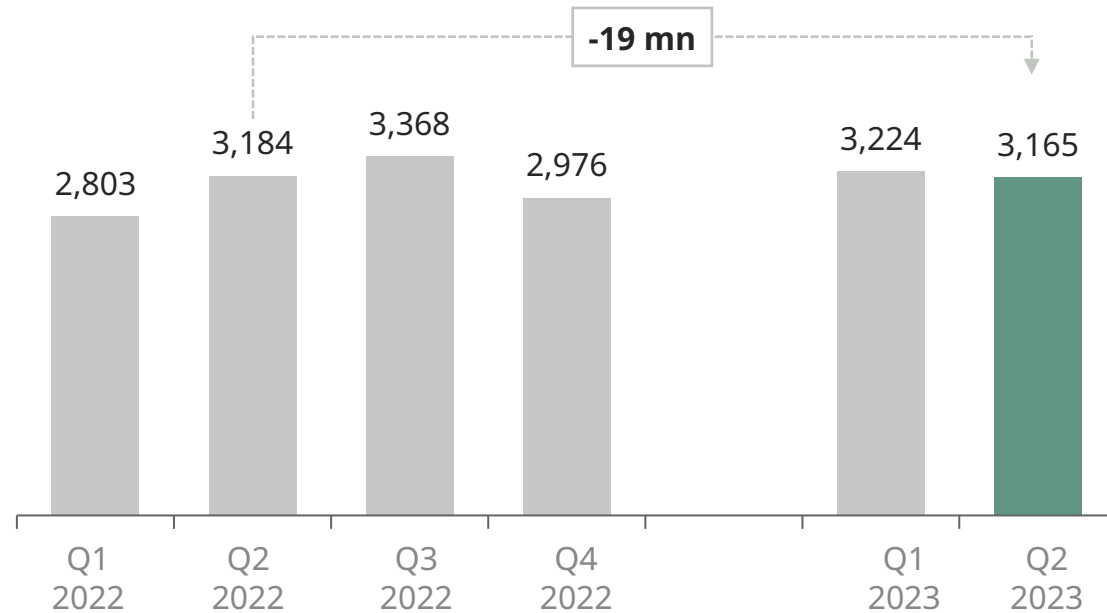
in EUR mn

	Q2 22	Q2 23	Q2 23 vs. Q2 22	H1 22	H1 23	H1 23 vs. H1 22
<b>EBIT reported</b>	<b>186</b>	<b>283</b>	<b>+97</b>	<b>434</b>	<b>527</b>	<b>+93</b>
Automotive Technologies	+10	-4	-14	+13	+56	+43
Automotive Aftermarket	0	+3	+3	+1	+4	+3
Industrial	+3	+8	+5	+10	+38	+28
<b>Group</b>	<b>+14</b>	<b>+6</b>	<b>-8</b>	<b>+24</b>	<b>+98</b>	<b>+74</b>
<b>EBIT bsi<sup>2</sup></b>	<b>200</b>	<b>289</b>	<b>+89</b>	<b>458</b>	<b>625</b>	<b>+167</b>

## Working Capital ratio 19.2% – Capex ratio 4.9% in Q2

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

in EUR mn

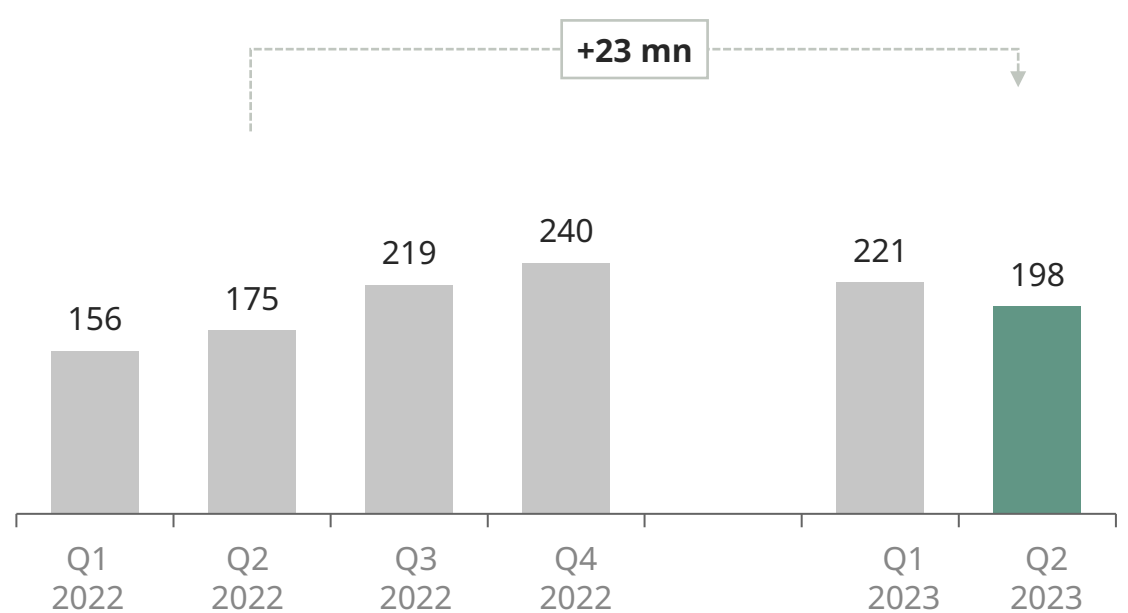


in % of Sales (LTM)

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

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

in EUR mn



in % of Sales

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

## Automotive Technologies (AT) outperformance by quarters

Adjusted comparative figures 2022

YTD Outperformance: -2.9pp			Q1 23			Q2 23		
	S&P <sup>1</sup>	AT <sup>2</sup>	Outper- formance	S&P <sup>1</sup>	AT <sup>2</sup>	Outper- formance		
World	+7.1%	+6.0%	<b>-1.1pp</b>	+15.5%	+10.7%	<b>-4.8pp</b>		
Europe	+14.2%	+15.1%	<b>+0.9pp</b>	+12.6%	+14.5%	<b>+1.9pp</b>		
Americas	+9.9%	+0.8%	<b>-9.1pp</b>	+13.5%	+1.6%	<b>-11.9pp</b>		
Greater China	-4.4%	-8.2%	<b>-3.8pp</b>	+20.6%	+15.2%	<b>-5.4pp</b>		
Asia/Pacific	+12.7%	+15.5%	<b>+2.8pp</b>	+14.3%	+10.1%	<b>-4.2pp</b>		

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	-14.8%	-2.0%	+12.8pp	-1.9%	+2.4%	+4.3pp	+25.3%	+33.6%	+8.3pp	+5.5%	+18.0%	+12.5pp		
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	-5.3%	-7.4%	-2.1pp		
Asia/Pacific	-3.8%	-8.3%	-4.5pp	+3.8%	-0.5%	-4.3pp	+30.6%	+12.9%	-17.7pp	+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
<b>Sales</b>	3,758	3,790	4,242	4,019	4,152	<b>4,056</b>
<b>Sales Growth<sup>1</sup></b>	+1.9%	+4.4%	+20.2%	+11.8%	+10.4%	<b>+9.8%</b>
<b>EBIT reported</b>	247	186	316	224	244	<b>283</b>
<b>EBIT bsi</b>	258	200	355	233	336	<b>289</b>
<b>EBIT bsi margin</b>	6.9%	5.3%	8.4%	5.8%	8.1%	<b>7.1%</b>

## Automotive Aftermarket in EUR mn

	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23
<b>Sales</b>	464	506	548	523	582	<b>549</b>
<b>Sales Growth<sup>1</sup></b>	+2.1%	+4.4%	+5.6%	+16.8%	+25.7%	<b>+10.2%</b>
<b>EBIT reported</b>	63	64	73	55	102	<b>87</b>
<b>EBIT bsi</b>	64	64	73	59	103	<b>89</b>
<b>EBIT bsi margin</b>	13.8%	12.7%	13.4%	11.2%	17.7%	<b>16.3%</b>

## Automotive Technologies in EUR mn

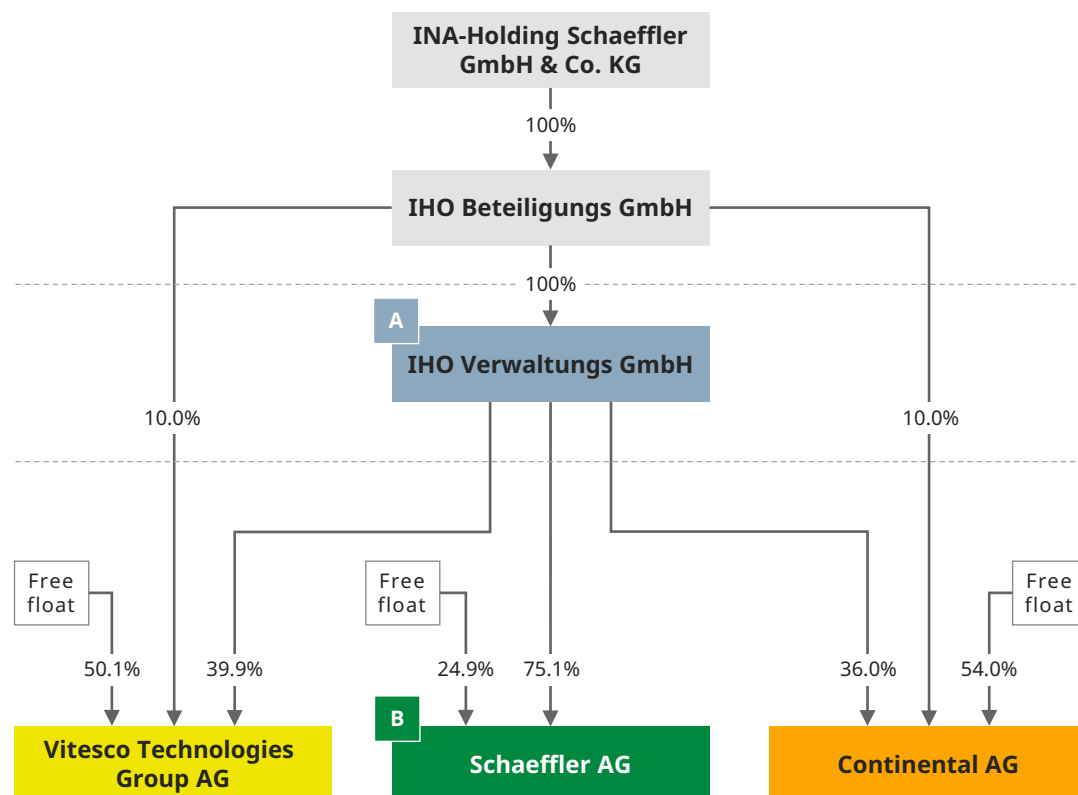
	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23
<b>Sales</b>	2,292	2,221	2,554	2,430	2,440	<b>2,400</b>
<b>Sales Growth<sup>1</sup></b>	-3.2%	+1.3%	+25.2%	+9.9%	+6.0%	<b>+10.7%</b>
<b>EBIT reported</b>	78	1	109	66	44	<b>107</b>
<b>EBIT bsi</b>	81	11	122	78	105	<b>102</b>
<b>EBIT bsi margin</b>	3.5%	0.5%	4.8%	3.2%	4.3%	<b>4.3%</b>

## Industrial in EUR mn

	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23
<b>Sales</b>	1,002	1,062	1,140	1,066	1,130	<b>1,107</b>
<b>Sales Growth<sup>1</sup></b>	+15.7%	+11.7%	+17.8%	+13.7%	+13.4%	<b>+7.9%</b>
<b>EBIT reported</b>	106	121	135	103	98	<b>89</b>
<b>EBIT bsi</b>	113	125	159	97	128	<b>97</b>
<b>EBIT bsi margin</b>	11.3%	11.7%	13.9%	9.1%	11.3%	<b>8.8%</b>

## Overview Corporate and Financing Structure

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



### Financing structure as of June 30, 2023

A	IHO Verwaltungs GmbH Debt instrument	Nominal USD mn	Nominal EUR <sup>1</sup> mn	Interest	Maturity	Rating Fitch/Moody's/S&P
Loans	RCF (EUR 800 mn)	-	0	E+3.25%	Dec-24	Not rated
Bonds	3.75% SSNs 2026 (EUR)	-	750	3.750%	Sep-26	BB/Ba2/BB-
	4.75% SSNs 2026 (USD)	500	460	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-
	8.75% SSNs 2028 (EUR)	-	800	8.750%	May-28	BB/Ba2/BB-
	6.375% SSNs 2029 (USD)	400	368	6.375%	May-29	BB/Ba2/BB-
Total	IHO Verwaltungs GmbH		3,292	Ø 5.37% <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
	Schuldschein Loans (EUR)	-	293	Ø 4.150%	May 25, 28 & 30	Not rated
CP	Commercial Paper (EUR)	-	60	Ø 3.350%	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		3,803	Ø 3.20% <sup>3</sup>		