



SCHAEFFLER

# Q1 2024 Schaeffler AG earnings

May 7, 2024  
Herzogenaurach

We pioneer motion

## Disclaimer

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

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

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

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

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

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

1

**Overview**

2

Business Highlights Q1 2024

3

Financial Results Q1 2024

4

Outlook

AGENDA

## Schaeffler Group – Strong Q1 results in a continued difficult market environment

### Key messages Q1 2024

- 1** Q1 Sales flat<sup>1</sup> on high comps – Automotive Technologies with positive outperformance, Vehicle Lifetime Solutions up strongly, weaker sales in Bearings & Industrial Solutions
- 2** Q1 Order Intake – Strong Order Intake of EUR 1.5 bn in E-Mobility, Orderbook Industrial gaining momentum
- 3** Q1 EBIT margin<sup>3</sup> 7.9% – Strong in Automotive Technologies, very strong in Vehicle Lifetime Solutions, solid in Bearings & Industrial Solutions
- 4** Q1 FCF<sup>4</sup> EUR -166 mn – Higher-than-expected working capital due to higher sales in inventory-intensive areas
- 5** FY 2024 Guidance – Confirmed for all metrics
- 6** Transaction update – Integration well on track, strong focus on business continuity and preparation for Day One

Sales growth<sup>1</sup> Q1

**flat**

EUR 4,085 mn

Gross Margin<sup>2</sup> Q1

**26.6%**

Q1 2023: 23.1%

EBIT margin<sup>3</sup> Q1

**7.9%**

Q1 2023: 8.1%

Free Cash Flow<sup>4</sup> Q1

**EUR -166 mn**

Q1 2023: EUR -73 mn

<sup>1</sup> FX-adjusted, yoy | <sup>2</sup> Gross profit includes extraordinary one-off gains of EUR 117 mn due to change in accounting estimate regarding the valuation of inventories, adjusted for in the EBIT margin | <sup>3</sup> Before special items | <sup>4</sup> Before cash in- and outflows for M&A activities

## Schaeffler Group Q1 2024 – Highlights and lowlights



### **Automotive Technologies**

Strong Order Intake driven by new business, strong EBIT margin<sup>2</sup> by mature business



### **Vehicle Lifetime Solutions**

Further strong growth<sup>1</sup> momentum, continued strong EBIT margin<sup>2</sup>



### **Bearings & Industrial Solutions**

Orderbook Industrial bottoming and signaling declining market pressure across multiple sectors



### **Bearings & Industrial Solutions**

Topline impacted by continued challenging market environment, in particular Wind in China

<sup>1</sup> FX-adjusted, yoy | <sup>2</sup> Before special items

1

Overview

2

**Business Highlights Q1 2024**

3

Financial Results Q1 2024

4

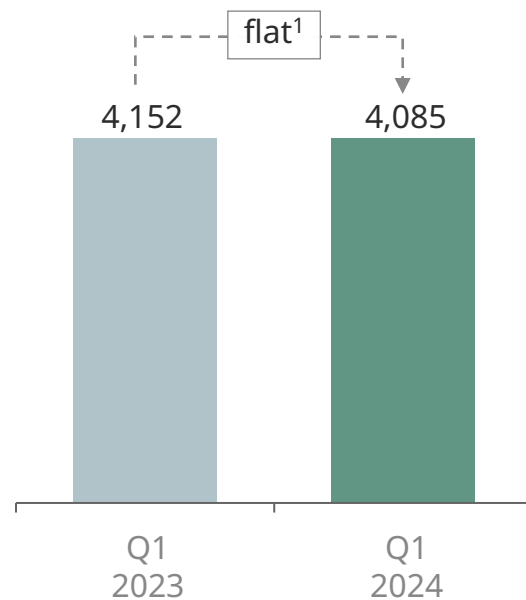
Outlook

AGENDA

## Group – Extraordinary impact in Gross Profit by new inventory valuation, not impacting our adj. EBIT margin

### Sales

in EUR mn



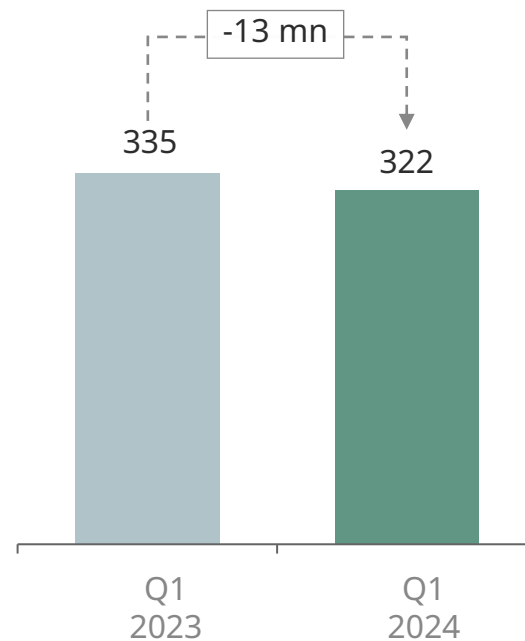
**Gross margin²**

23.1%

26.6%

### EBIT³

in EUR mn



**EBIT margin³**

8.1%

7.9%

### Key Aspects



Growth¹ driven by automotive divisions despite high comps; Americas growing¹ across all Divisions



Resilient Q1 EBIT margin³ in a challenging market environment

¹ FX-adjusted | ² Gross profit includes extraordinary one-off gains of EUR 117 mn due to change in accounting estimate regarding the valuation of inventories, adjusted for in the EBIT margin | ³ Before special items

## Sales Performance Q1 2024 – Flat sales, heterogeneous development vs. strong comps

Q1 2024 <sup>1</sup>	% of Group Sales	Automotive Technologies <sup>2</sup> 43%	Vehicle Lifetime Solutions <sup>2</sup> 15%	Bearings & Industrial Solutions <sup>2</sup> 41%	Region Growth
Europe	45%	+1.9%	+3.7%	-5.4%	-0.4%
Americas	23%	+0.7%	+17.7%	+4.1%	+4.2%
Greater China	19%	-0.4%	+29.4%	-9.8%	-3.6%
Asia/Pacific	13%	+0.1%	+11.7%	-2.6%	-0.5%
Division Growth		+0.8%	+8.6%	-4.1%	flat

 Q1 Sales growth<sup>1</sup>

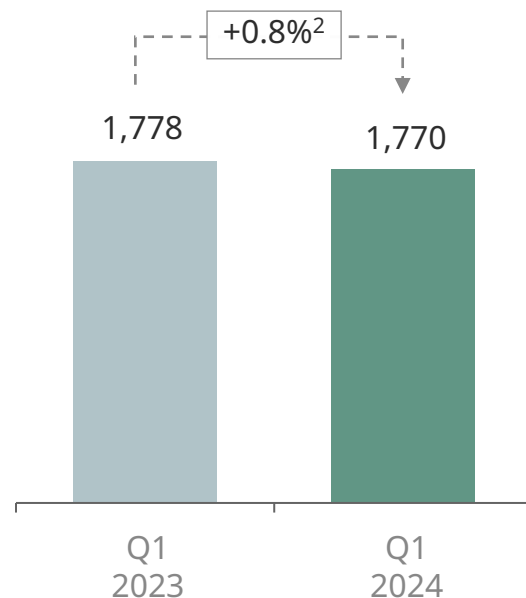
<sup>1</sup> Q1 FX-adjusted Sales growth, please refer to the Interim Report for further details | <sup>2</sup> Reclassification of Divisions as per slide 34; Divisions do not add up to 100% due to new "Others" segment



## Automotive Technologies<sup>1</sup> – Slight sales growth, EBIT margin<sup>4</sup> improving

### Sales

in EUR mn

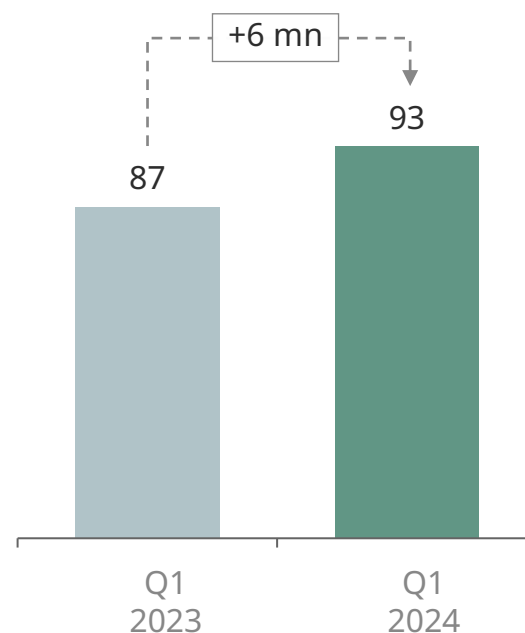


### Gross margin<sup>3</sup>

Period	Gross margin
Q1 2023	19.2%
Q1 2024	21.1%

### EBIT<sup>4</sup>

in EUR mn



### EBIT margin<sup>4</sup>

Period	EBIT margin
Q1 2023	4.9%
Q1 2024	5.3%

## Key Aspects



E-Mobility continues growth path in Europe and Americas, double-digit growth<sup>2</sup> in Chassis Systems



Strong Q1 EBIT margin of 5.3%<sup>4</sup> driven by favorable product mix in Engine & Transmission Systems

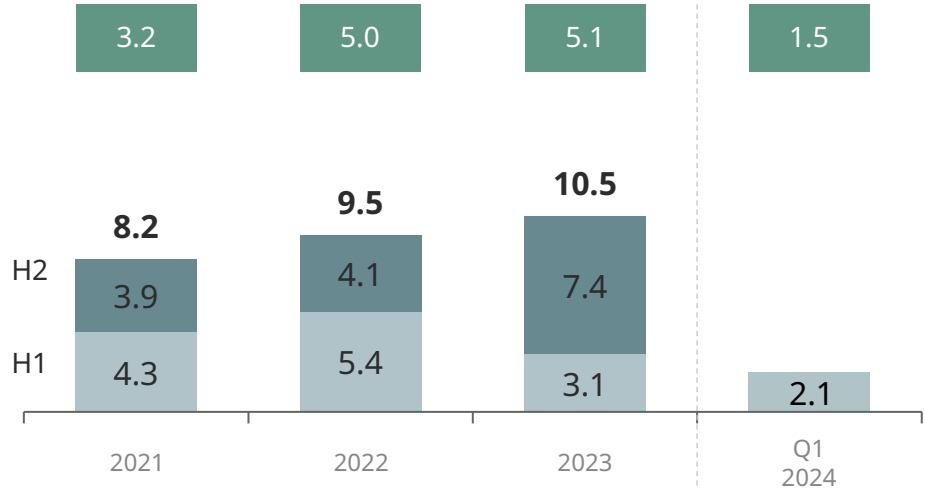
<sup>1</sup> Reclassification of Division and restated figures as per slide 34 | <sup>2</sup> FX-adjusted | <sup>3</sup> Gross profit includes extraordinary one-off gains of EUR 30 mn due to change in accounting estimate regarding the valuation of inventories, adjusted for in the EBIT margin | <sup>4</sup> Before special items

Automotive Technologies – Strong Q1 Order Intake of EUR 1.5 bn in E-Mobility

Order Intake<sup>1,2</sup>

in EUR bn

Thereof  
E-Mobility



Book-to-bill-ratio<sup>2,3</sup>

H2	1.4x	1.2x	2.1x	-
H1	1.4x	1.8x	0.9x	Q1 1.2x
FY	1.4x	1.5x	1.5x	-

Key aspects



New OEM nominations for E-Motor and Inverter in our strongly growing global E-Mobility Heavy Duty Business



New Order Intake by global OEM in the medium duty sector, proving the strength of our mature business

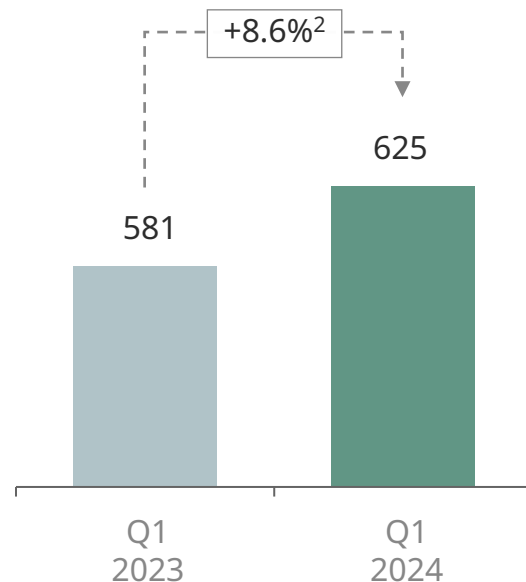
Strong start into the year with important orders in E-Mobility and a book-to-bill-ratio of 1.2x

<sup>1</sup> Nominations to customer projects | <sup>2</sup> Prior-year values restated | <sup>3</sup> Lifetime Sales / Current period revenue

## Vehicle Lifetime Solutions<sup>1</sup> – Q1 with strong sales growth<sup>2</sup> and very strong EBIT margin<sup>4</sup>

### Sales

in EUR mn



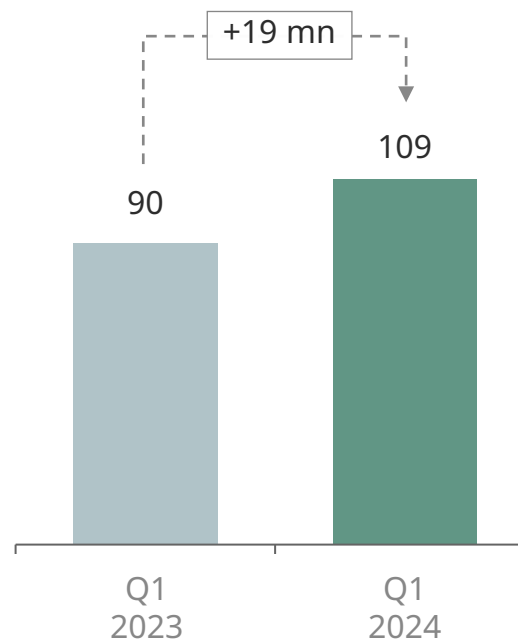
### Gross margin<sup>3</sup>

31.2%

34.8%

### EBIT<sup>4</sup>

in EUR mn



### EBIT margin<sup>4</sup>

15.4%

17.4%

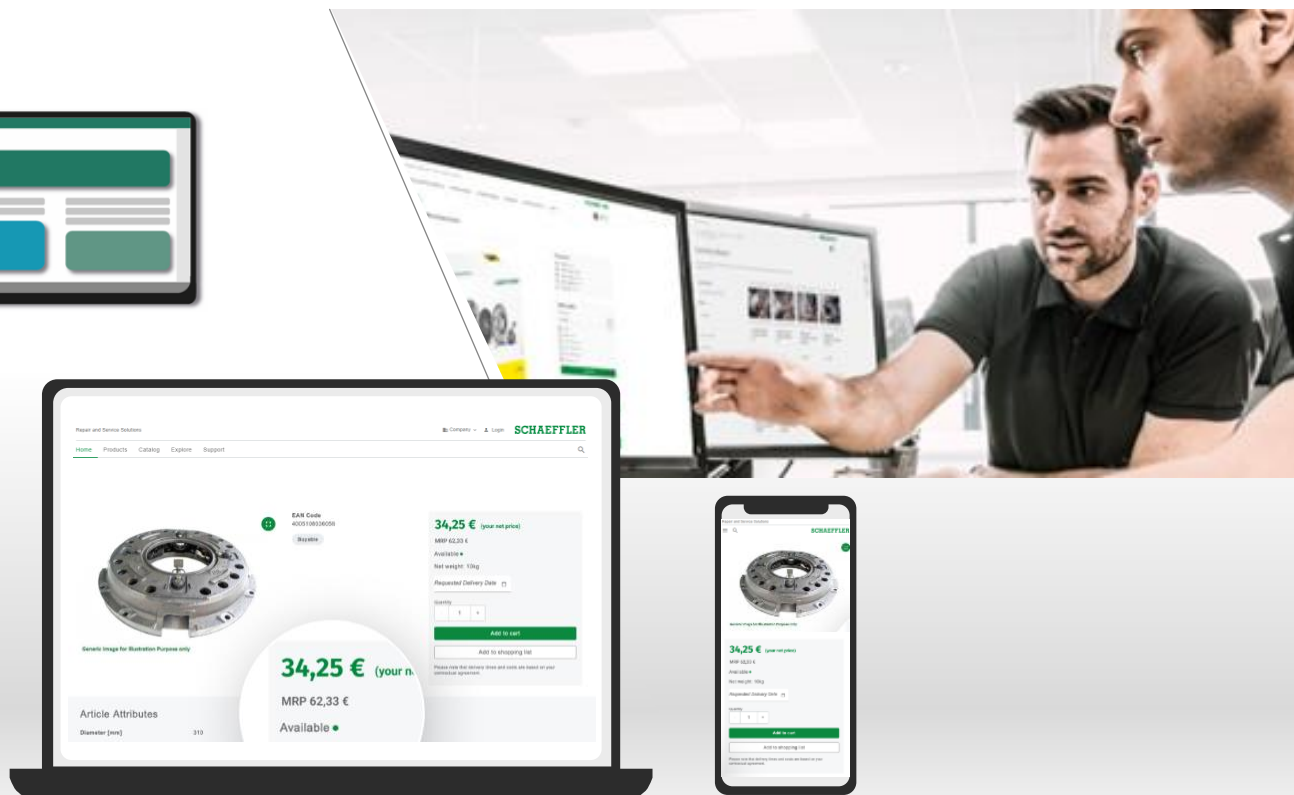
### Key Aspects

- High-single-digit sales growth<sup>2</sup> on strong comps driven by strong demand in ongoing favorable market environment
- All regions growing; sales growth<sup>2</sup> driven by both strong Independent Aftermarket and eCommerce platform business
- Strong EBIT margin<sup>4</sup> driven by both positive volume and pricing carry-over from last year

<sup>1</sup> Reclassification of Division and restated figures as per slide 34 | <sup>2</sup> FX-adjusted | <sup>3</sup> Gross profit includes extraordinary one-off gains of EUR 9 mn due to change in accounting estimate regarding the valuation of inventories, adjusted for in the EBIT margin | <sup>4</sup> Before special items

## Vehicle Lifetime Solutions – Customer Portal is setting new standards for customer interactions

Customer  
**Portal**  
be part of it.



**Pre-Sales  
Services**



**Order Interface &  
Order Status**



**After-Sales  
Services**

### Key Aspects

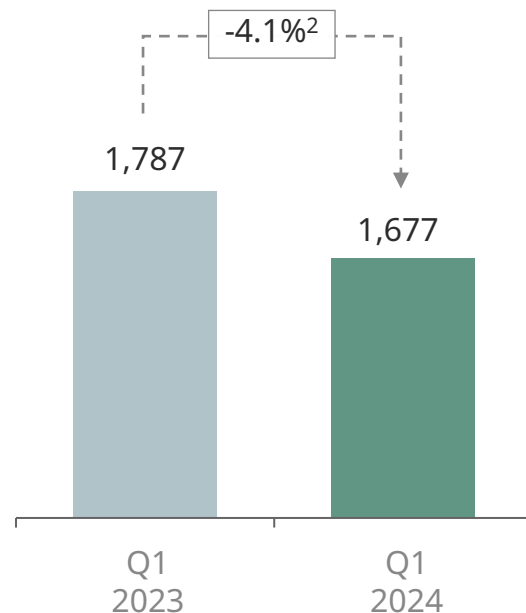
- Schaeffler Customer Portal is the new digital touchpoint for our distribution and retail customers
- Personalized user experience for pre-sales services, Order Intake and after-sales support
- Digitalization of phone and e-mail interactions and 24/7 availability of self-service functionalities

**Improvement of customer  
experience plays a major role in  
our digitalization strategy and  
increases efficiency on both  
ends**

# Bearings & Industrial Solutions<sup>1</sup> – Challenging market remains, Sales<sup>2</sup> and EBIT<sup>4</sup> driven by lower volume

## Sales

in EUR mn



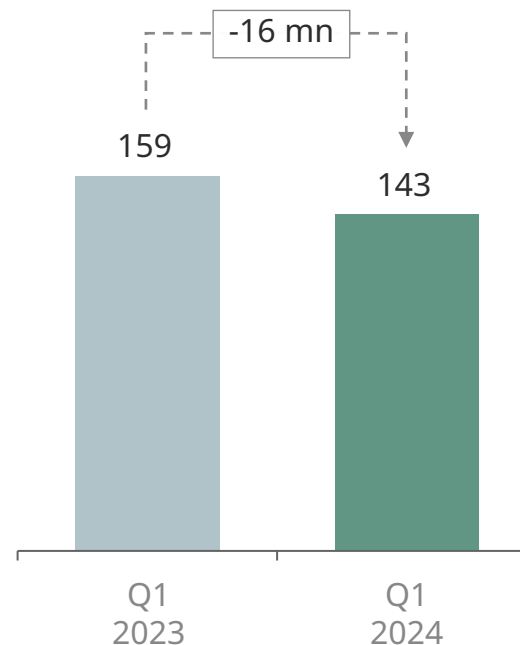
## Gross margin<sup>3</sup>

24.3%

30.3%

## EBIT<sup>4</sup>

in EUR mn



## EBIT margin<sup>4</sup>

8.9%

8.5%

## Key Aspects



Lower Q1 sales<sup>2</sup> on high comps impacted by continued weak market environment



Ongoing challenging Wind business in China and weak Industrial Automation in Europe could not be compensated by growing Automotive Bearings business



Good development in Region Americas driven by Aerospace and Automotive Bearings businesses



Gross margin improvement driven by positive one-time effects adjusted in EBIT<sup>4</sup>

<sup>1</sup> Reclassification of Division and restated figures as per slide 34 | <sup>2</sup> FX-adjusted | <sup>3</sup> Gross profit includes extraordinary one-off gains of EUR 78 mn due to change in accounting estimate regarding the valuation of inventories, adjusted for in the EBIT margin | <sup>4</sup> Before special items

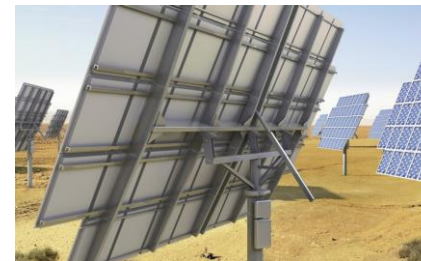
## Bearings & Industrial Solutions – Orderbook Industrial still below prior-year level, but gaining momentum



### Key aspects



New multi-year contract with key Aerospace gearbox manufacturer in Europe running until 2028, supported by joint development project



Equipment of two solar farms of leading wholesale energy provider in region Americas with customized solar tracker actuators

**Substantial customer orders reflecting promising business potentials across multiple sectors**

<sup>1</sup> The orderbook 3M measures the value of customer orders which are due in the next three months. It is presented as a relative, FX-adjusted yoy growth indicator which reflects the short-term business expectations. Developments in the distribution business have typically a shorter reach and are therefore only partially reflected by this indicator. Ewellix included in yoy growth calculation from January 2024. | <sup>2</sup> FX-adjusted product sales. Ewellix included in yoy growth calculation from January 2024.

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

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

in EUR mn

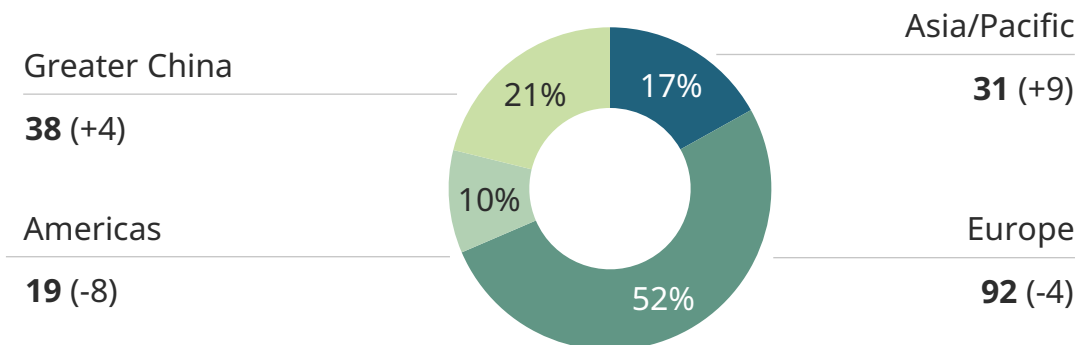
	FY 2022 <sup>2</sup>	FY 2023	Q1 2023	Q1 2024
<b>Automotive Technologies</b>	545	443	67	69
<b>Vehicle Lifetime Solutions</b>	40	48	8	5
<b>Bearings &amp; Industrial Solutions</b>	229	372	71	82
<b>Schaeffler Group<sup>3</sup></b>	<b>814</b>	<b>932</b>	<b>179</b>	<b>180</b>
<b>Capex</b>	<b>791</b>	<b>938</b>	<b>221</b>	<b>222</b>
<b>Capex ratio<sup>4</sup></b>	<b>5.0%</b>	<b>5.7%</b>	<b>5.3%</b>	<b>5.4%</b>
<b>Reinvestment Rate</b>	<b>0.9</b>	<b>1.0</b>	<b>0.8</b>	<b>0.8</b>

### Key Aspects

- **Reinvestment Rate Target:** Continued prioritization of E-Mobility and Bearings & Industrial Solutions businesses; clearly <1.0 in Mature business Engine & Transmission
- **Automotive Technologies:** Industrialization of big customer contracts in the US and Eastern Europe
- **Bearings & Industrial Solutions:** Investments into capacity expansions in India and Vietnam

### Investments<sup>1</sup> by region Q1 2024

in EUR mn (yoy change)



<sup>1</sup> Additions to intangible assets and property, plant and equipment | <sup>2</sup> Figures based on old divisional structure | <sup>3</sup> Divisions do not add up to Group due to new "Others" segment | <sup>4</sup> Capex in % of Sales

## Transaction update – Excellent deal execution and diligent preparation for Day One

### Timeline – Key steps



### Key aspects



Disciplined Execution pays off – Approval of mergers in AGMs paves the way for closing of merger in Q4 2024



Integration well on track – Focused preparation along 25 workstreams, first Joint Business Plan set for completion by end of June, 2024

**Integration Preparation progressing as planned.  
Strong focus on business continuity.**



1

Overview

2

Business Highlights Q1 2024

3

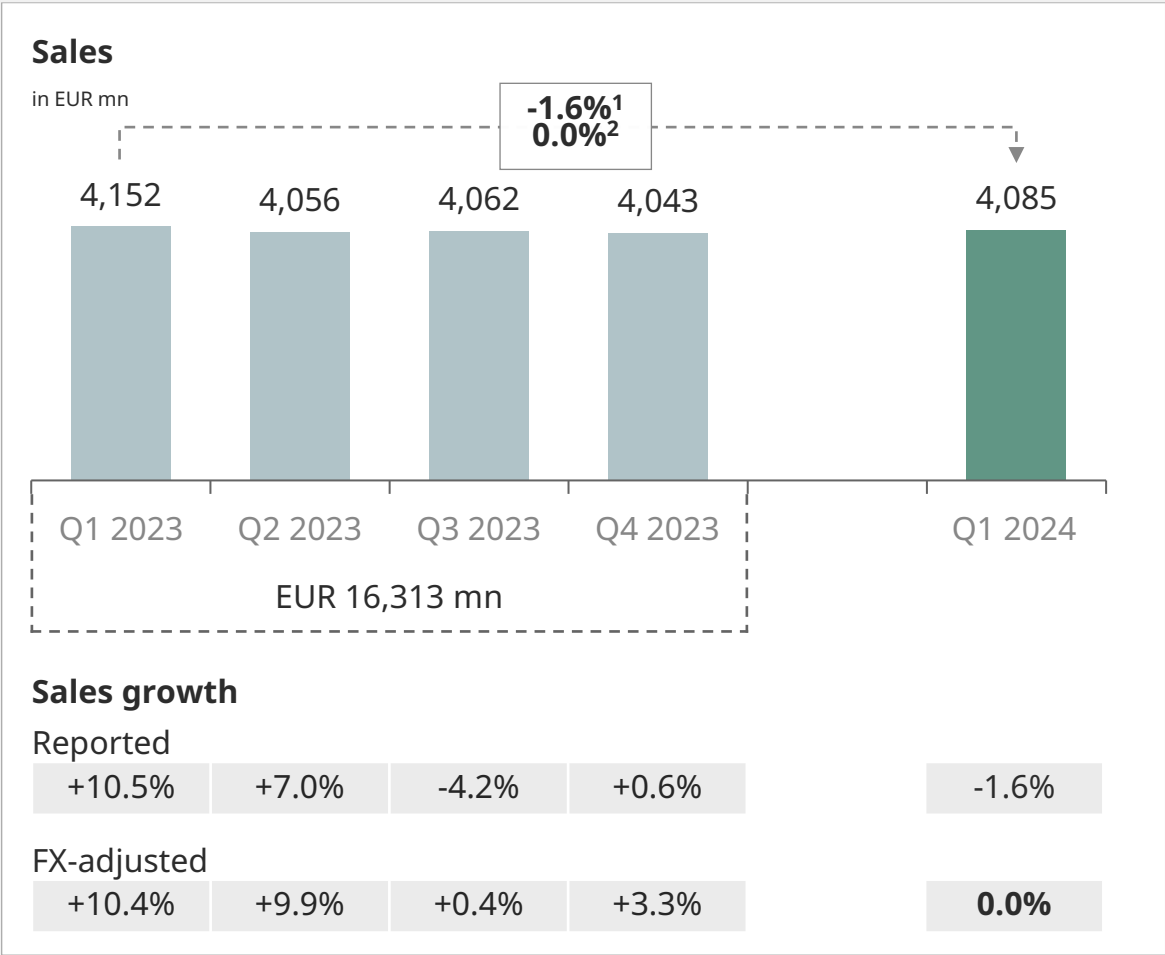
**Financial Results Q1 2024**

4

Outlook

AGENDA

Sales – Region Americas growing, strong performance by Vehicle Lifetime Solutions

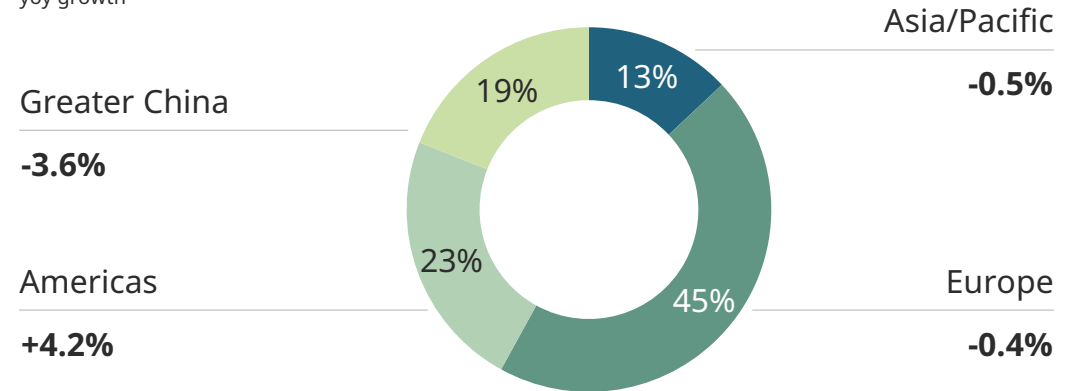


Key Aspects

- **Automotive Technologies:** +0.8% growth<sup>2</sup> in Q1, driven by Europe, Americas and Asia/Pacific
- **Vehicle Lifetime Solutions:** +8.6% growth<sup>2</sup> in Q1, growth<sup>2</sup> in all regions
- **Bearings & Industrial Solutions:** -4.1% growth<sup>2</sup> in Q1, impacted by a continued challenging market environment, especially in China

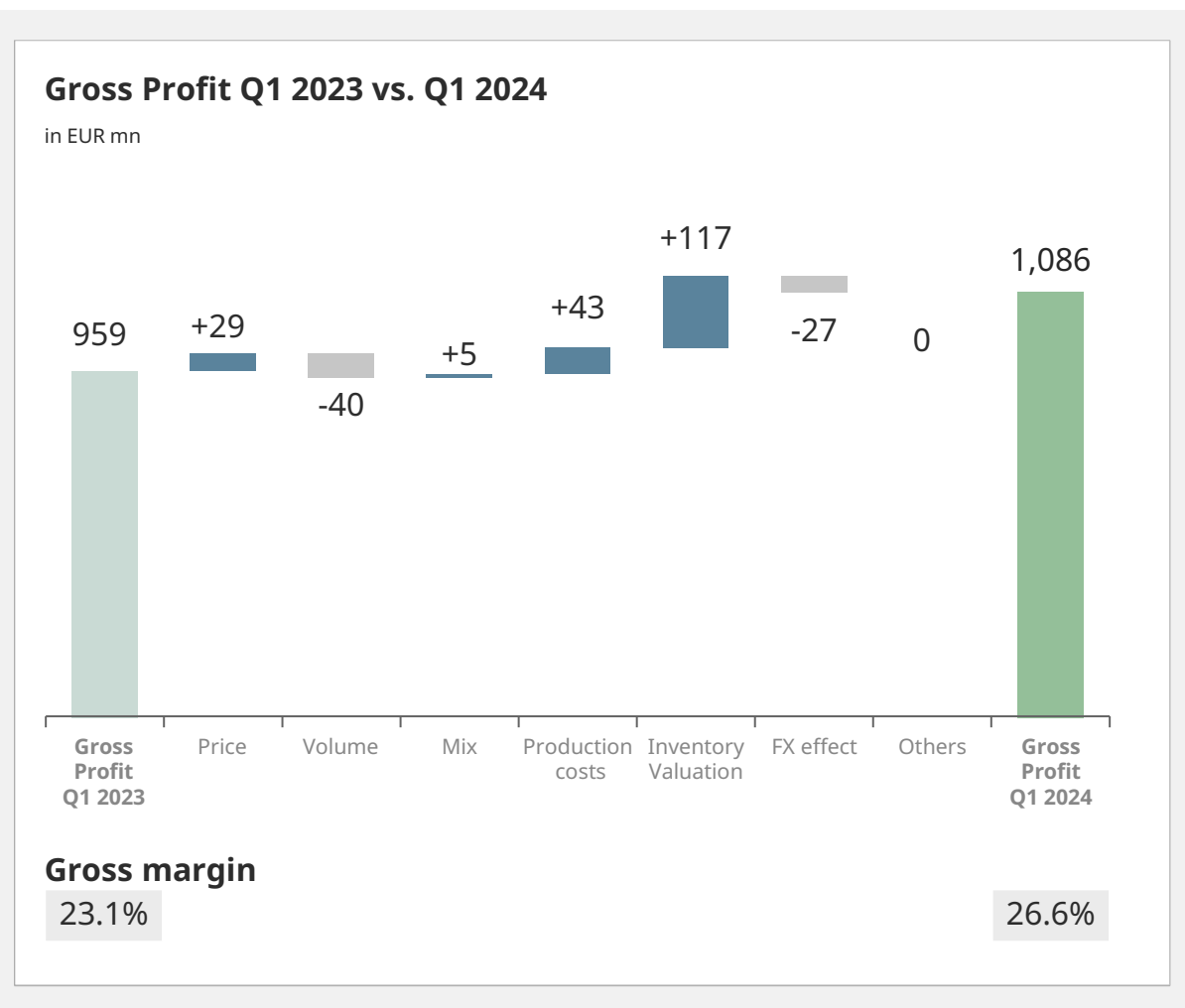
Sales by region Q1 2024

yoy growth<sup>2</sup>



<sup>1</sup> Reported | <sup>2</sup> FX-adjusted

## Gross Profit – Impacted by change of accounting estimates in inventory valuation

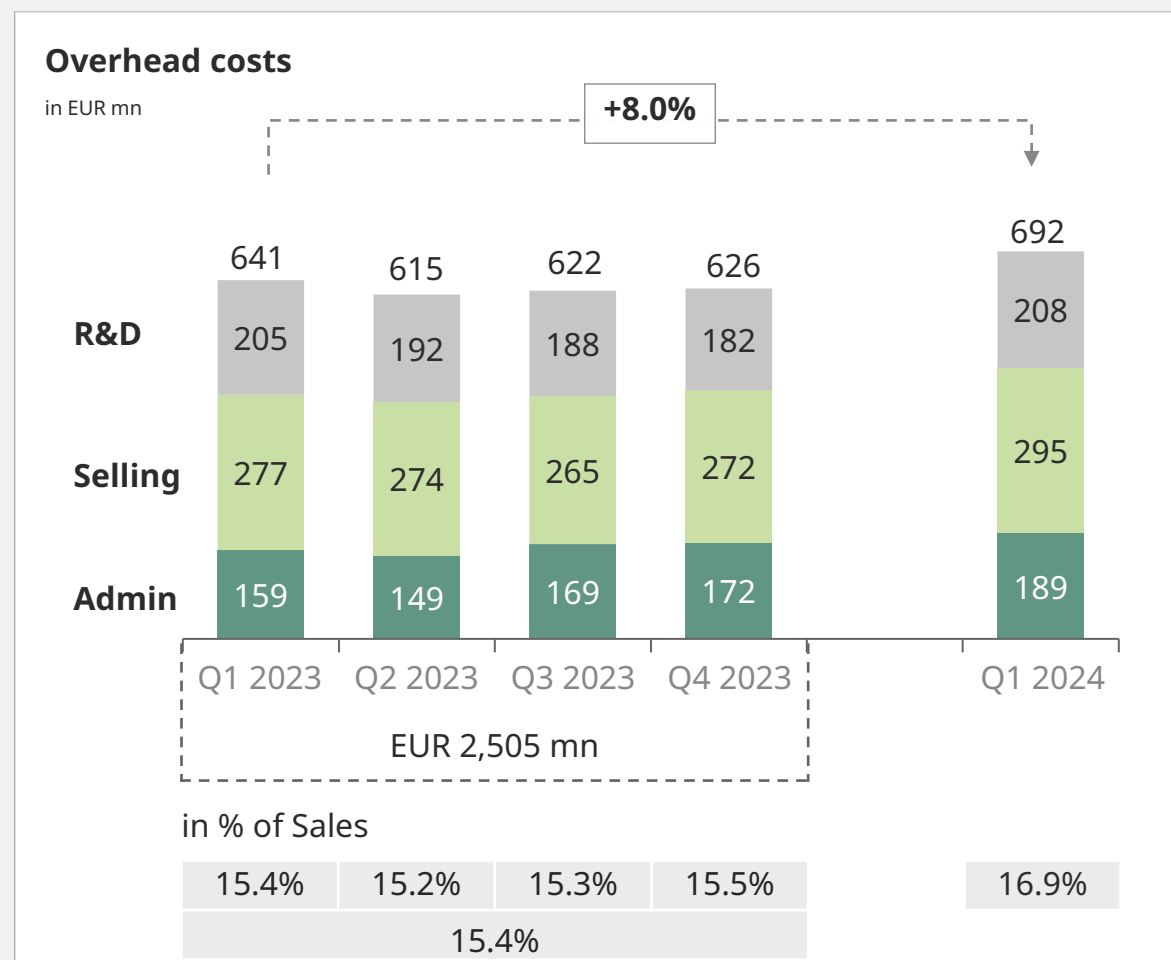


### Key Aspects

- **Pricing:** Maintained pricing levels driven by Vehicle Lifetime Solutions and Bearings & Industrial Solutions
- **Volumes:** Market-driven volume effects in Bearings & Industrial Solutions
- **Inventory Valuation:** Change of accounting estimates in inventory valuation; determination of actual cost of inventory adjusted to enhance harmonization

Gross margin in % of Sales	Q1 2023	Q1 2024	Q1 2024 vs. Q1 2023	Thereof inventory valuation
Automotive Technologies	19.2%	21.1%	+1.9pp	+1.7pp
Vehicle Lifetime Solutions	31.2%	34.8%	+3.6pp	+1.4pp
Bearings & Industrial Solutions	24.3%	30.3%	+6.0pp	+4.7pp
<b>Schaeffler Group</b>	<b>23.1%</b>	<b>26.6%</b>	<b>+3.5pp</b>	<b>+2.9pp</b>

## Overhead costs – Increased ratio due to business & M&A activities



### Key Aspects

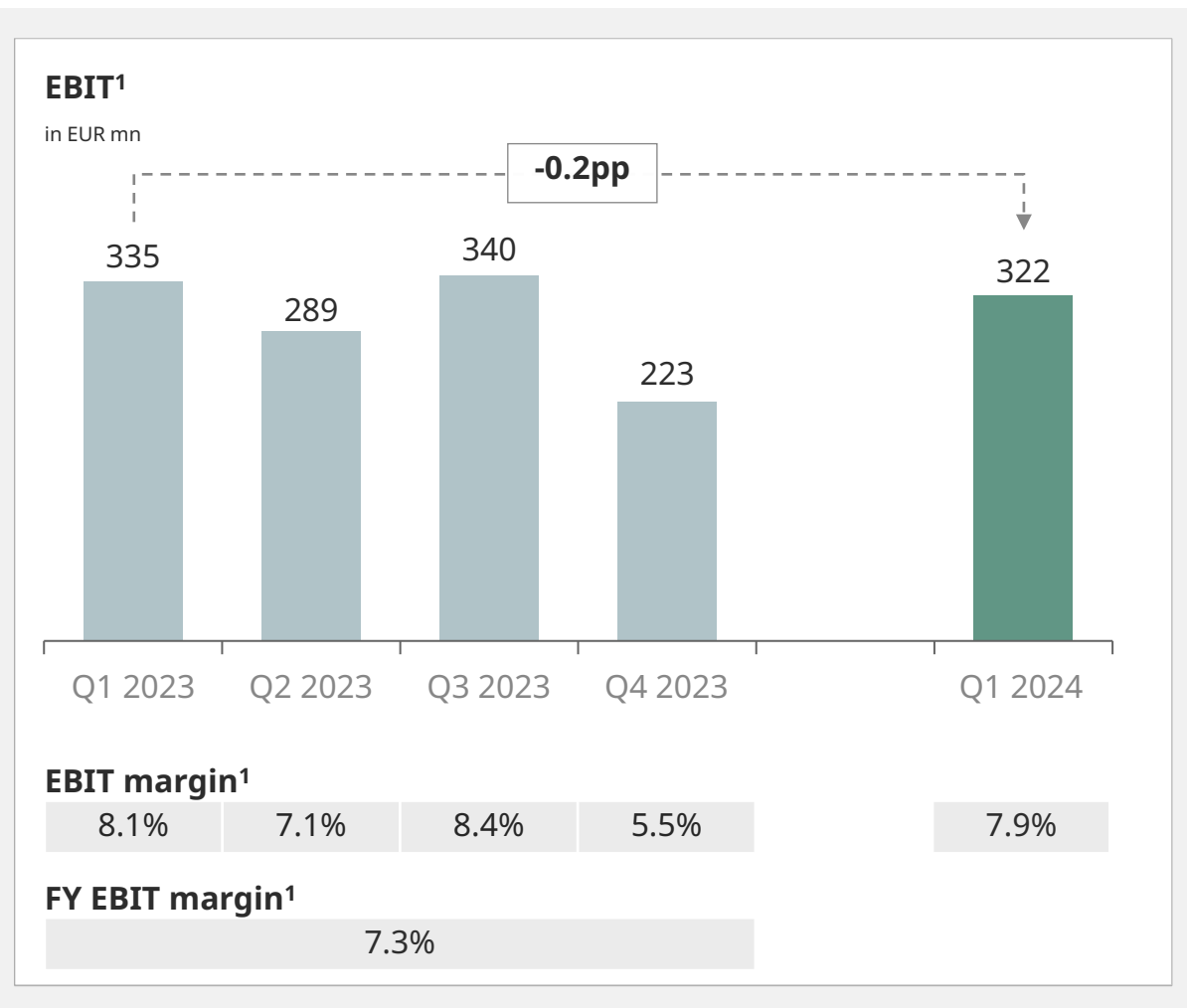
- **R&D:** R&D expenses at prior-year level
- **Selling expenses:** Increase due to volume-driven logistic costs in Vehicle Lifetime Solutions
- **Admin cost:** Higher admin costs due to M&A consultancy expenses

### Overhead cost ratio

in % of Sales

	Q1 2023	Q1 2024	Q1 2024 vs. Q1 2023
<b>Automotive Technologies</b>	14.6%	15.4%	+0.8pp
<b>Vehicle Lifetime Solutions</b>	15.9%	18.1%	+2.2pp
<b>Bearings &amp; Industrial Solutions</b>	16.0%	18.2%	+2.2pp
<b>Schaeffler Group</b>	<b>15.4%</b>	<b>16.9%</b>	<b>+1.5pp</b>

## EBIT margin<sup>1</sup> – Strong EBIT margin<sup>1</sup>, almost at prior year level despite challenging environment



### Key Aspects

- **Automotive Technologies:** EBIT margin<sup>1</sup> up yoy driven by volume and favorable product mix
- **Vehicle Lifetime Solutions:** Strong EBIT margin<sup>1</sup> driven by positive volume and pricing carry-over from last year
- **Bearings & Industrial Solutions:** EBIT margin<sup>1</sup> impacted by lower volumes almost compensated by countermeasures

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

in % of Sales

	Q1 2023	Q1 2024	Q1 2024 vs. Q1 2023
<b>Automotive Technologies</b>	4.9%	5.3%	+0.4pp
<b>Vehicle Lifetime Solutions</b>	15.4%	17.4%	+2.0pp
<b>Bearings &amp; Industrial Solutions</b>	8.9%	8.5%	-0.4pp
<b>Schaeffler Group</b>	8.1%	7.9%	-0.2pp

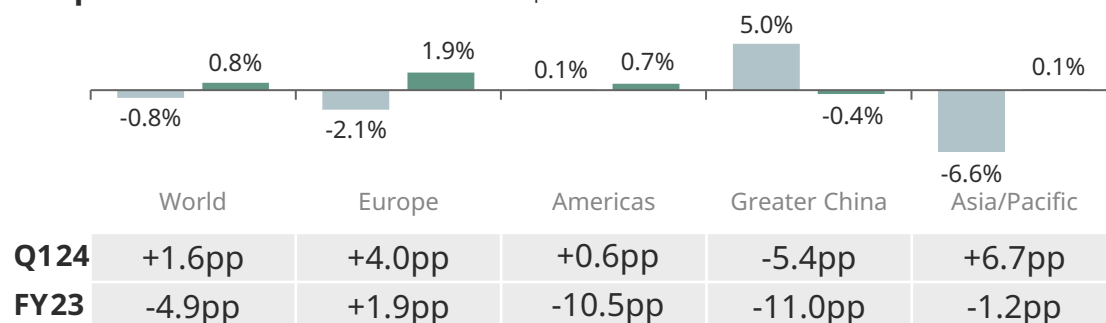
<sup>1</sup> Before special items

# Automotive Technologies<sup>1</sup> – New Business growing, EBIT margin<sup>3</sup> up yoy driven by volume and mix

## Sales by business division yoy growth

	Q1 2023	Q1 2024	$\Delta^2$
<b>E-Mobility</b>	335	337	+2.2%
<b>Engine &amp; Transmission</b>	1,335	1,317	-0.3%
<b>Chassis Systems</b>	107	117	+10.0%
<b>Total</b>	<b>1,778</b>	<b>1,770</b>	<b>+0.8%</b>

## Outperformance Sales<sup>2</sup> vs. market development

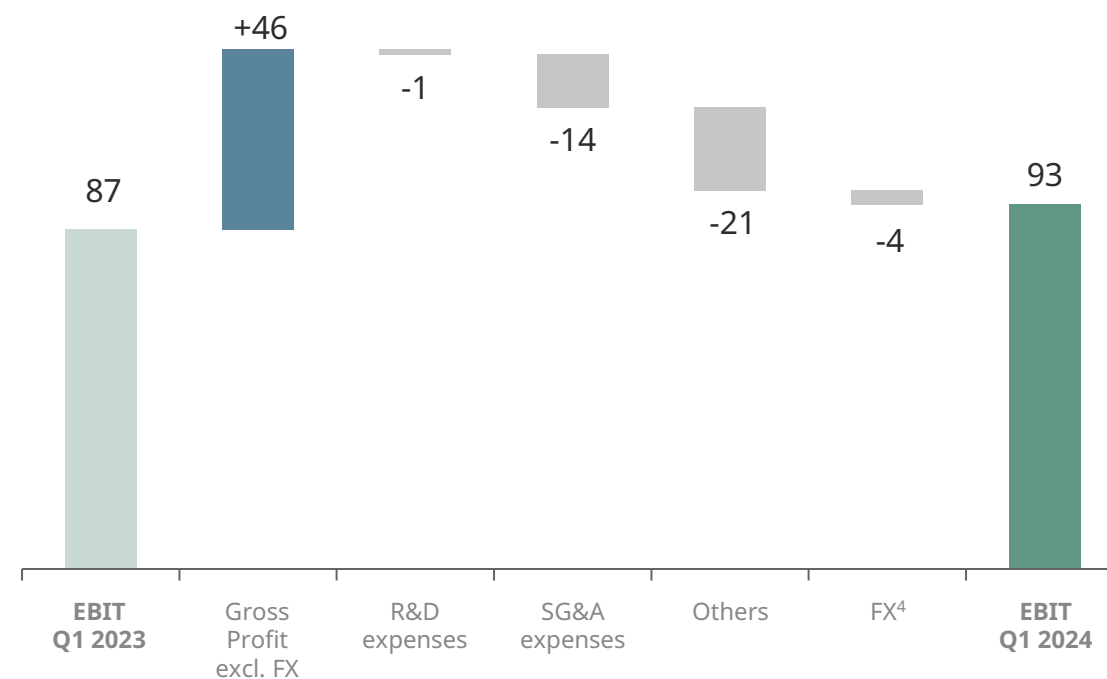


■ Production of light vehicles Q1 2024 vs. Q1 2023 (S&P Global Mobility ©, April 2024)<sup>5</sup>

■ Sales growth Schaeffler Automotive Technologies Q1 2024 vs. Q1 2023

## EBIT<sup>3</sup> Q1 2023 vs. Q1 2024

in EUR mn



## EBIT margin development<sup>3</sup>

4.9%

5.3%

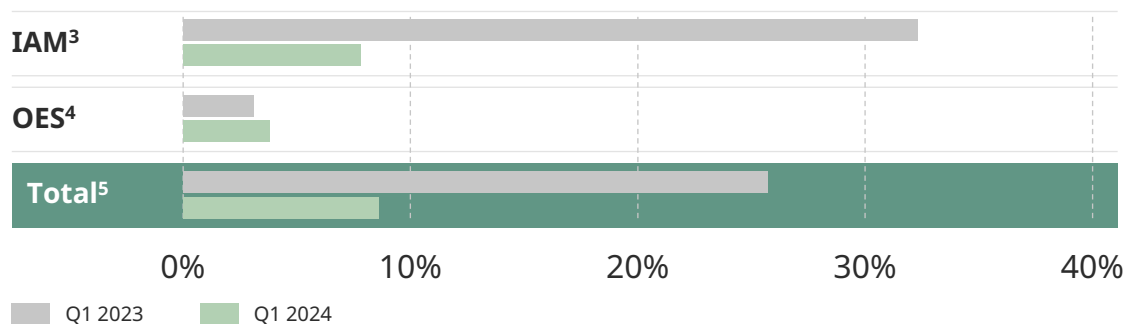
<sup>1</sup> Reclassification of Division and restated figures as per slide 34 | <sup>2</sup> FX-adjusted | <sup>3</sup> Before special items | <sup>4</sup> Total FX effect including FX impact in Gross Profit, overhead and operative FX gains and losses | <sup>5</sup> Includes content supplied by S&P Global Mobility© [IHS Markit Light Vehicle Production Forecast (Base), April 2024]. All rights reserved.

## Vehicle Lifetime Solutions<sup>1</sup> – Strong EBIT margin<sup>6</sup> driven by both volume and pricing carry-over

### Sales by region yoy growth

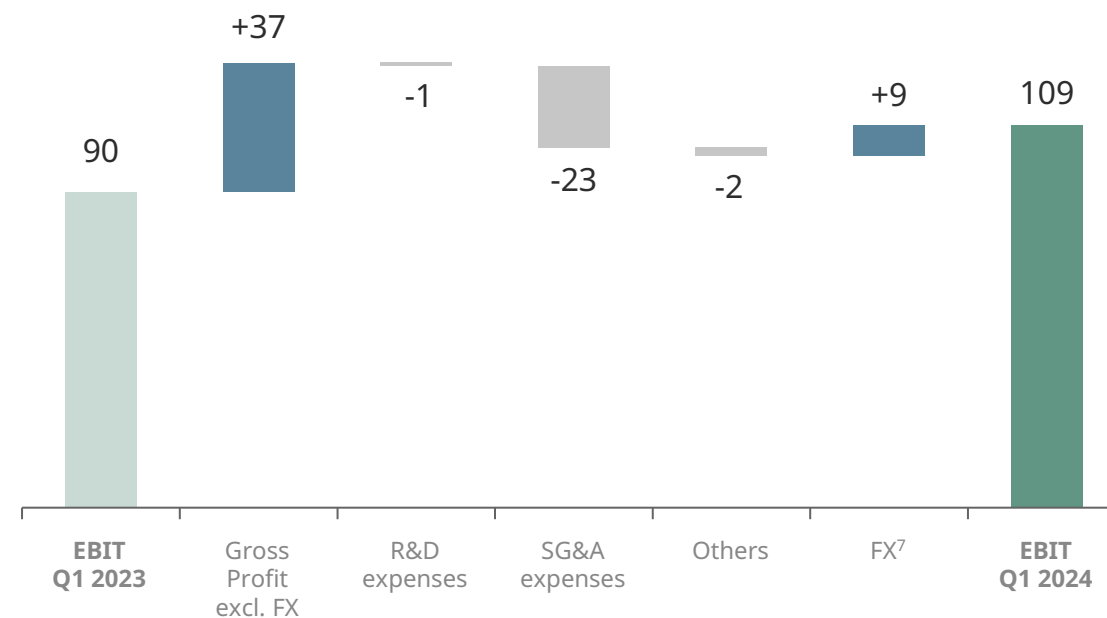
	Q1 2023	Q1 2024	$\Delta^2$
Europe	393	415	+3.7%
Americas	120	132	+17.7%
Greater China	34	41	+29.4%
Asia/Pacific	34	36	+11.7%
<b>Total</b>	<b>581</b>	<b>625</b>	<b>+8.6%</b>

### Sales growth Vehicle Lifetime Solutions by channel<sup>2</sup>



### EBIT<sup>6</sup> Q1 2023 vs. Q1 2024

in EUR mn



### EBIT margin development<sup>6</sup>

15.4%

17.4%

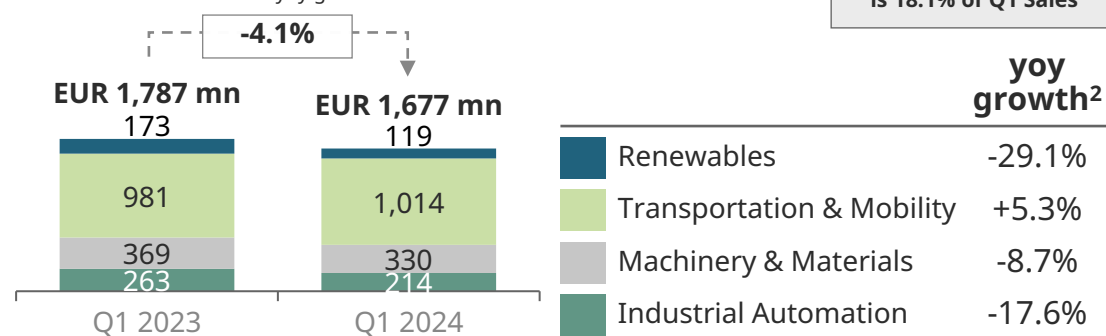
<sup>1</sup> Reclassification of Division and restated figures as per slide 34 | <sup>2</sup> FX-adjusted | <sup>3</sup> Independent Aftermarket | <sup>4</sup> Original Equipment Service | <sup>5</sup> Contains E-Commerce sales and sales to Automotive suppliers in addition to IAM and OES  
<sup>6</sup> Before special items | <sup>7</sup> Total FX effect including FX impact in Gross Profit, overhead and operative FX gains and losses

## Bearings & Industrial Solutions<sup>1</sup> – Region Americas growing, EBIT margin<sup>3</sup> almost at prior year level despite significantly lower volume

### Sales by region yoy growth

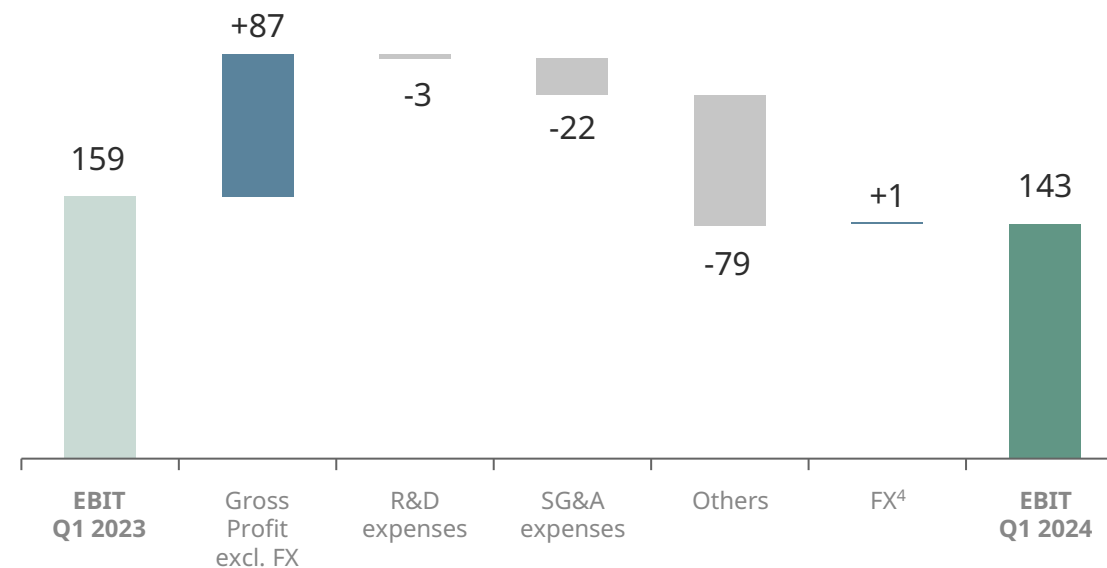
	Q1 2023	Q1 2024	$\Delta^2$
Europe	775	732	-5.4%
Americas	347	357	+4.1%
Greater China	401	342	-9.8%
Asia/Pacific	264	246	-2.6%
<b>Total</b>	<b>1,787</b>	<b>1,677</b>	<b>-4.1%</b>

### Sales Bearings & Industrial Solutions by market cluster yoy growth



### EBIT<sup>3</sup> Q1 2023 vs. Q1 2024

in EUR mn



### EBIT margin development<sup>3</sup>

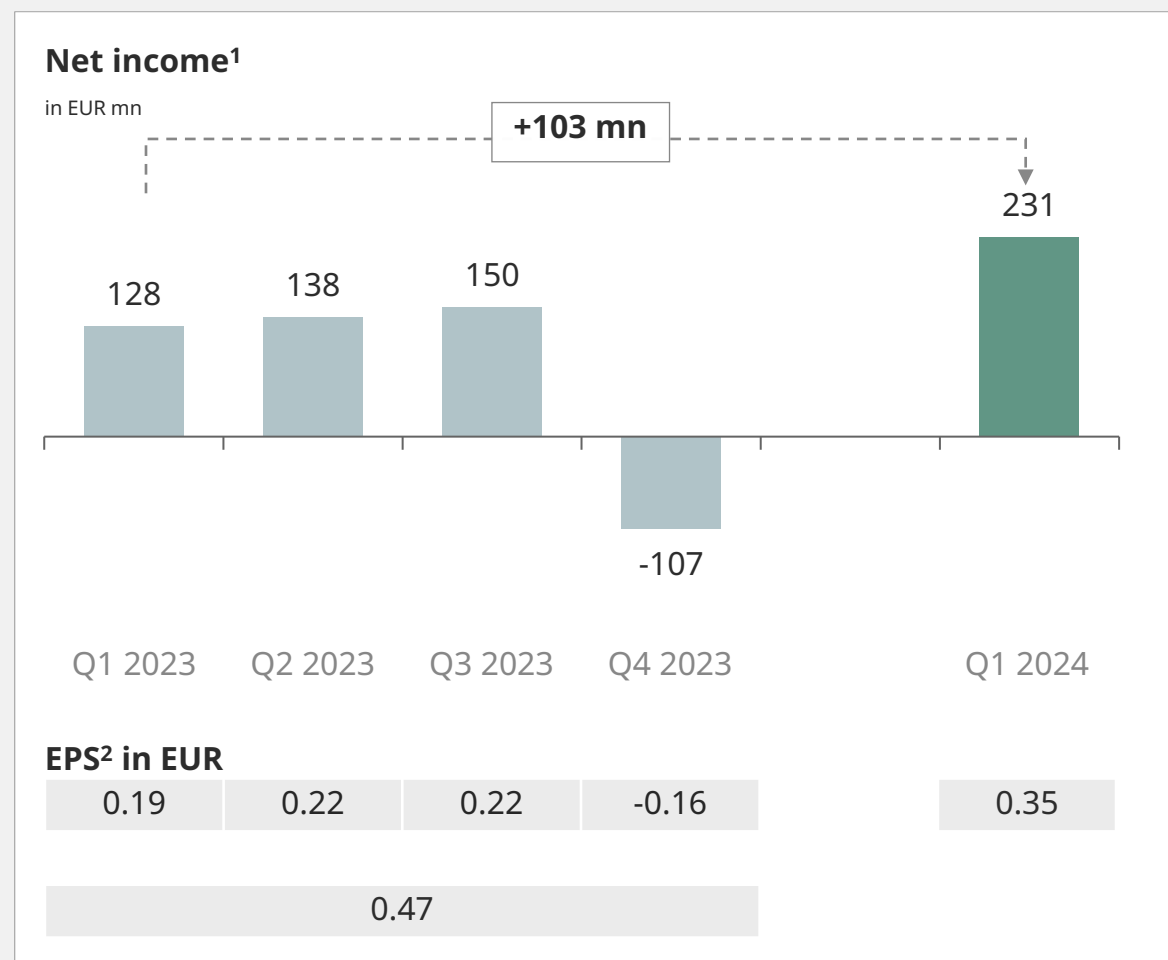
8.9%

8.5%

<sup>1</sup> Reclassification of Division and restated figures as per slide 34 | <sup>2</sup> FX-adjusted | <sup>3</sup> Before special items | <sup>4</sup> Total FX effect including FX impact in Gross Profit, overhead and operative FX gains and losses

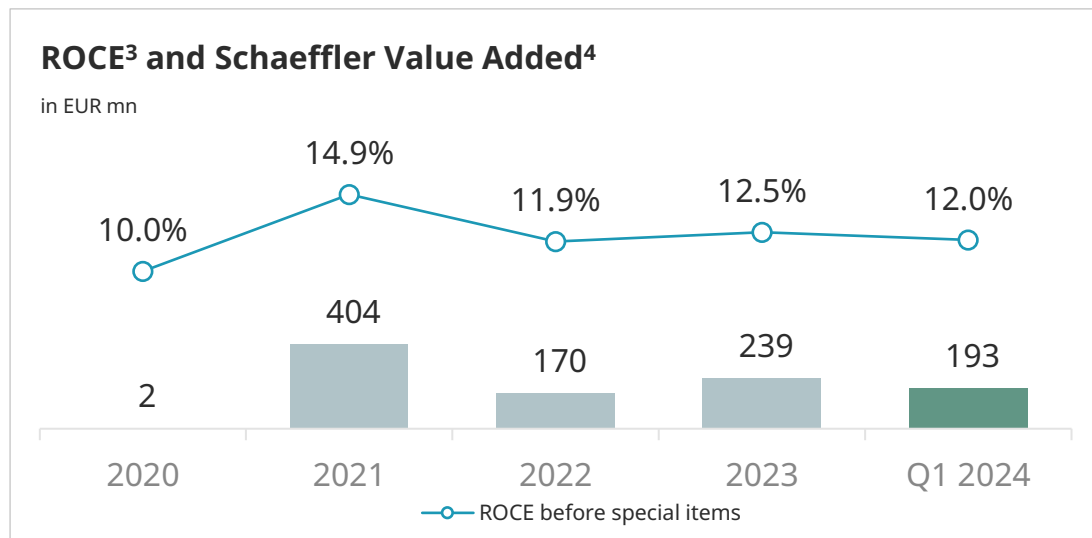


## Net Income<sup>1</sup> – EPS<sup>2</sup> reached EUR 0.35, ROCE<sup>3</sup> at 12.0%



### Key Aspects

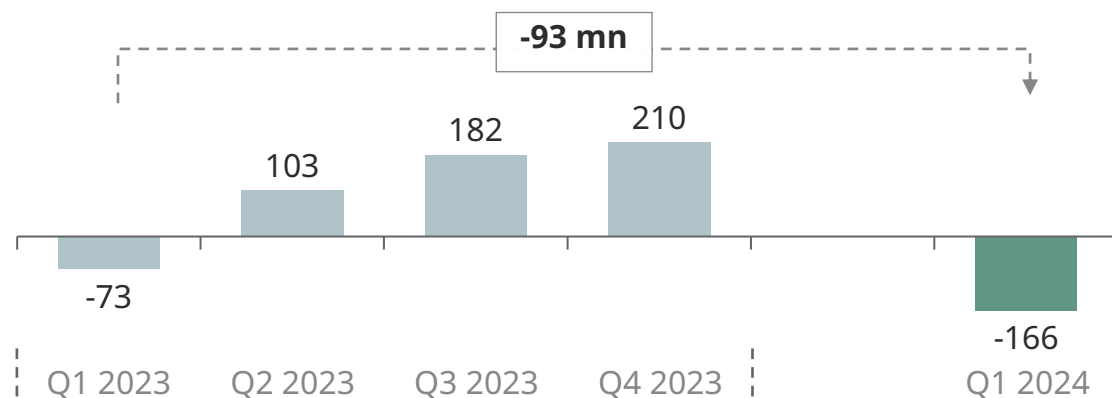
- Q1 Net income<sup>1</sup> significantly higher yoy driven by the one-off measurement gain from the initial application of the new method for inventory valuation
- ROCE<sup>3</sup> and Schaeffler Value Added<sup>4</sup> below prior year
- Schaeffler paid EUR 295 mn in dividends in April 2024



<sup>1</sup> Attributable to the shareholders of the parent company | <sup>2</sup> Earnings per common non-voting share | <sup>3</sup> Before special items | <sup>4</sup> LTM EBIT before special items minus Cost of Capital (10% x Ø Capital Employed)

## Free Cash Flow – Seasonal increase in working capital and one-off financing transaction payments

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



EUR 421 mn

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

0.2	0.5	0.5	0.5	0.3
-----	-----	-----	-----	-----

### Reinvestment rate

0.8	1.0	1.0	1.2	0.8
-----	-----	-----	-----	-----

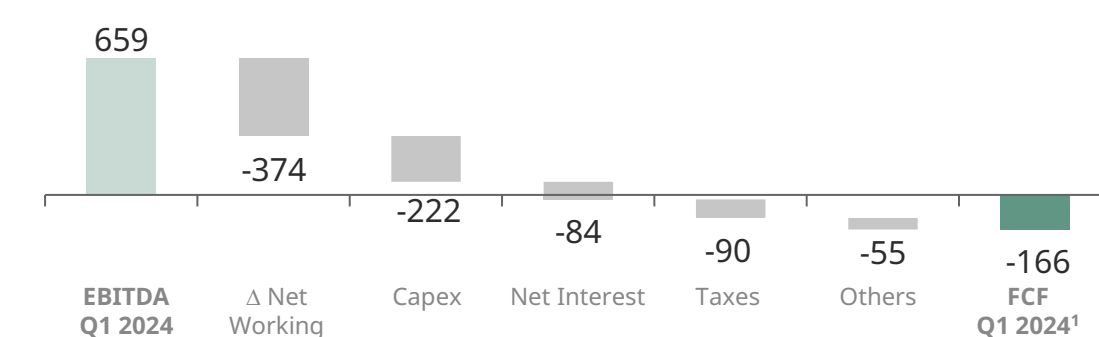
1.0

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

5.3%	4.9%	6.1%	6.7%	5.4%
------	------	------	------	------

5.7%

### Reconciliation Q1 2024 in EUR mn



### FCF Details in EUR mn

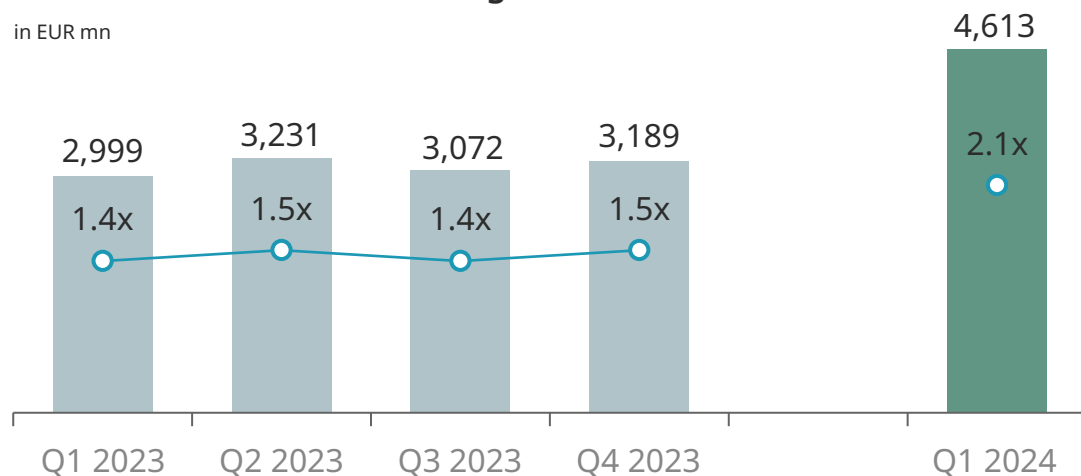
	Q1 23	Q1 24	Δ Q1 24/23
<b>FCF as reported</b>	<b>-754</b>	<b>-1,470</b>	<b>-716</b>
M&A	681	1,304	+623
<b>FCF before M&amp;A</b>	<b>-73</b>	<b>-166</b>	<b>-93</b>
Legal Cases	-4	45	+49
Restructuring	105	32	-73
Others	6	10	+4
Financing	0	0	0
<b>FCF bef. M&amp;A and sp. Items</b>	<b>34</b>	<b>-80</b>	<b>-114</b>

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

## Leverage ratio at 2.1x LTM EBITDA bsi – Technically impacted until consolidation of Vitesco

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

in EUR mn



### Gross debt

3,798	3,803	3,868	3,958	6,077
-------	-------	-------	-------	-------

### Cash & cash equivalents

799	572	796	769	1,463
-----	-----	-----	-----	-------

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

2,111	2,203	2,190	2,189	2,171
-------	-------	-------	-------	-------

—○— Leverage ratio<sup>1</sup>

### Key Aspects

- Gross debt sequentially higher in Q1 2024 notably due to bond issuance for the financing of the acquisition of Vitesco shares
- Leverage ratio technically increased on a temporary basis until full consolidation of Vitesco

Continued strong balance sheet

<sup>1</sup> Net financial debt to EBITDA ratio before special items | <sup>2</sup> LTM

1

Overview

2

Business Highlights Q1 2024

3

Financial Results Q1 2024

4

**Outlook**

AGENDA

## FY 2024 Guidance – Confirmed for all metrics

FY 2024 Guidance<sup>1</sup>

	Schaeffler Group		
	FY 2023 Actuals	Q1 2024 Actuals	FY 2024 Guidance <sup>1</sup>
<b>Sales growth<sup>2</sup></b>	<b>5.8%</b>	<b>0.0%</b>	<b>Considerable sales growth</b>
<b>EBIT margin<sup>3</sup></b>	<b>7.3%</b>	<b>7.9%</b>	<b>6 – 9%</b>
<b>Free Cash Flow<sup>4</sup></b>	<b>EUR 421 mn</b>	<b>EUR -166 mn</b>	<b>EUR 300 – 400 mn</b>

## KEY ASPECTS

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

**Transition Year 2024 has a simpler Guidance format**

<sup>1</sup> Please refer to the Annual Report for further details | <sup>2</sup> FX-adjusted | <sup>3</sup> Before special items | <sup>4</sup> Before cash in- and outflows for M&A activities

## Conclusion & Outlook – Strong Q1 results, Guidance confirmed for transition year 2024

- 1 Financial performance** – Strong Q1 earnings quality despite high comps thanks to our diversified and resilient portfolio across regions and businesses
- 2 Strong Balance Sheet** – Full focus on Free Cash Flow, disciplined capital allocation and attractive dividend of EUR 295 mn (Payout ratio 47%) paid in April
- 3 Outlook** – FY 2024 confirmed for all metrics; environment expected to remain challenging in 2024
- 4 Transaction update** – Major deal execution milestones successfully completed, full focus on business continuity and Day One readiness

**On track to build the  
leading Motion  
Technology Company**

## Financial calendar and selected IR events

### Roadshows & Conferences with Top Management participation

**May 15**

Citi Virtual Autos Trip – Citi

**May 22**European Champions Conference –  
Frankfurt, Deutsche Bank**Jun 4**

JPM Auto Conference – London, J. P. Morgan

**Jun 6**Warburg Highlights Conference – Hamburg,  
M.M. Warburg**Jun 11-13**DB Global Auto Industry Conference, NY &  
BNP US Roadshow

### Financial calendar 2024

**Aug 6**

H1 2024 Earnings Release

**Nov 5**

9M 2024 Earnings Release

# Thank you

## Investor Relations Contact

Phone +49 9132 82-4440

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

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



BACKUP

## Transition year 2024 – Schaeffler transitory operating model and reporting

### Adjusted comparative figures 2023

Automotive Technologies in EUR mn						
	Q1 23	Q2 23	Q3 23	Q4 23	FY 23	Q1 24
<b>Sales</b>	1,778	1,730	1,748	1,780	7,035	<b>1,770</b>
<b>Sales Growth<sup>1</sup></b>	+7.2%	+11.3%	-2.0%	+3.9%	+4.8%	<b>+0.8%</b>
<b>EBIT bsi</b>	87	90	107	56	339	<b>93</b>
<b>EBIT bsi margin</b>	4.9%	5.2%	6.1%	3.1%	4.8%	<b>5.3%</b>

Vehicle Lifetime Solutions in EUR mn						
	Q1 23	Q2 23	Q3 23	Q4 23	FY 23	Q1 24
<b>Sales</b>	581	548	581	531	2,241	<b>625</b>
<b>Sales Growth<sup>1</sup></b>	+25.7%	+10.0%	+8.4%	+3.1%	+11.4%	<b>+8.6%</b>
<b>EBIT bsi</b>	90	73	101	65	328	<b>109</b>
<b>EBIT bsi margin</b>	15.4%	13.3%	17.3%	12.2%	14.6%	<b>17.4%</b>

Bearings & Industrial Solutions in EUR mn						
	Q1 23	Q2 23	Q3 23	Q4 23	FY 23	Q1 24
<b>Sales</b>	1,787	1,769	1,714	1,690	6,960	<b>1,677</b>
<b>Sales Growth<sup>1</sup></b>	+9.2%	+8.3%	-0.1%	+0.9%	+4.4%	<b>-4.1%</b>
<b>EBIT bsi</b>	159	131	138	99	527	<b>143</b>
<b>EBIT bsi margin</b>	8.9%	7.4%	8.0%	5.9%	7.6%	<b>8.5%</b>

Others in EUR mn						
	Q1 23	Q2 23	Q3 23	Q4 23	FY 23	Q1 24
<b>Sales</b>	6	9	19	42	76	<b>13</b>
<b>Sales Growth<sup>1,2</sup></b>	-	-	-	-	-	<b>-</b>
<b>EBIT bsi</b>	0	-5	-5	3	-7	<b>-23</b>
<b>EBIT bsi margin<sup>2</sup></b>	-	-	-	-	-	<b>-</b>

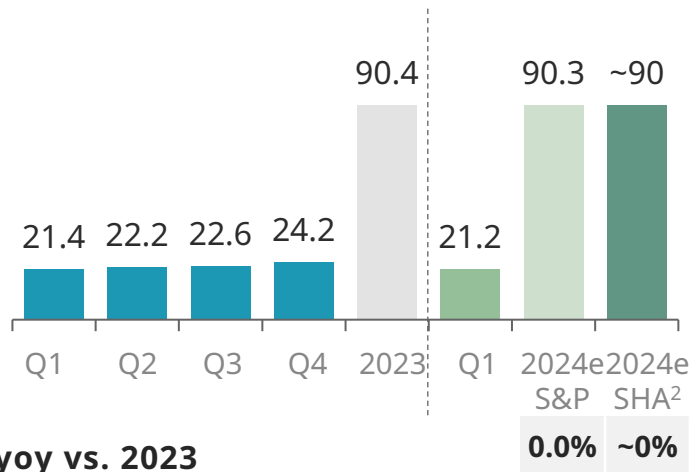
### Key Aspects

- Automotive Aftermarket and Industrial divisions are renamed Vehicle Lifetime Solutions and Bearings & Industrial Solutions
- Business division Automotive Bearings moves from Automotive Technologies to Bearings & Industrial Solutions
- Global Corporate Center costs equally allocated across divisions rather than in % of sales
- New “Others” line includes “at equity” accounting of notably Vitesco Technologies Group AG until merger, together with special machinery and other service activities

<sup>1</sup> FX-adjusted | <sup>2</sup> Values not provided as not meaningful

## Market assumptions

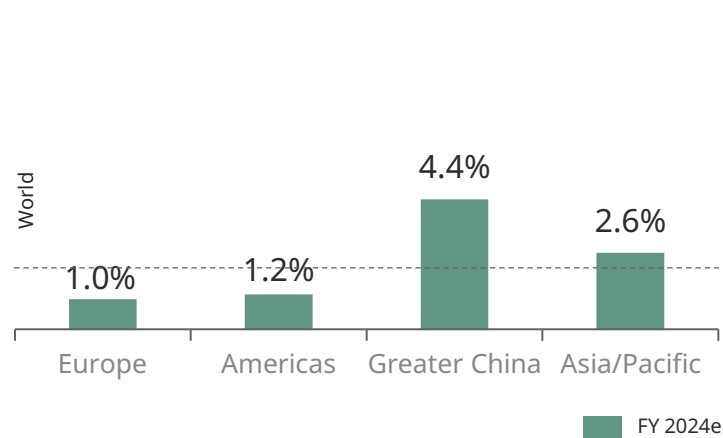
### Global LVP<sup>1</sup> 2024



#### yoy vs. 2023

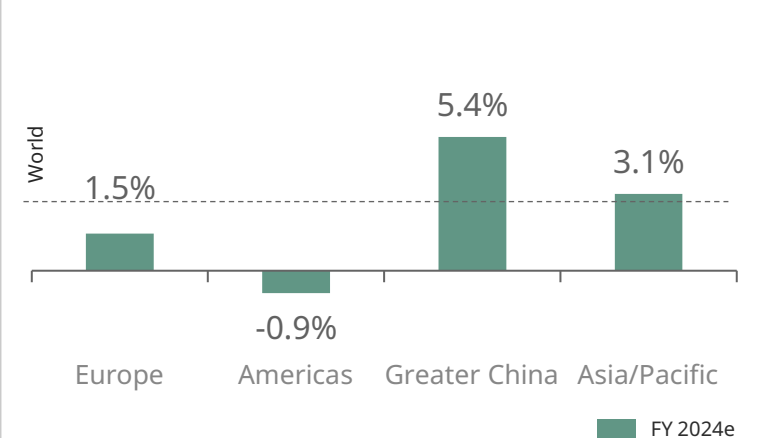
- Schaeffler expects a flat LVP development of 90 mn vehicles in 2024 vs. 2023, based on the forecast of S&P Global Mobility and own considerations
- Generally, due to market uncertainties (e.g., political and economic environment), we see challenges for the car markets in all major regions

### Global LV Parc<sup>3</sup>



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

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



- Global Industrial Production<sup>4</sup> forecasted to grow by around 3% in 2024 (2023: 2.6%) according to S&P Global Market Intelligence (April 2024)
- Strong growth expected for Greater China, robust expansion for Asia/Pacific. In contrast, weak momentum predicted for Europe and especially Americas
- Automotive Bearings not included in the Indicator

<sup>1</sup> Includes content supplied by S&P Global Mobility© [IHS Markit Light Vehicle Production Forecast (Base), April 2024]. All rights reserved. | <sup>2</sup> Schaeffler AG | <sup>3</sup> Includes content supplied by S&P Global Mobility © [IHS Markit Vehicles in Operation (VIO) Forecast, Feb 2024]. All rights reserved. | <sup>4</sup> Includes content supplied by S&P Global Market Intelligence © [Comparative Industry Service Forecast, April 2024]. All rights reserved. Sectors considered: Mechanical Engineering (ISIC 28), Transport Equipment (ISIC 30), Electrical Equipment (ISIC 271)

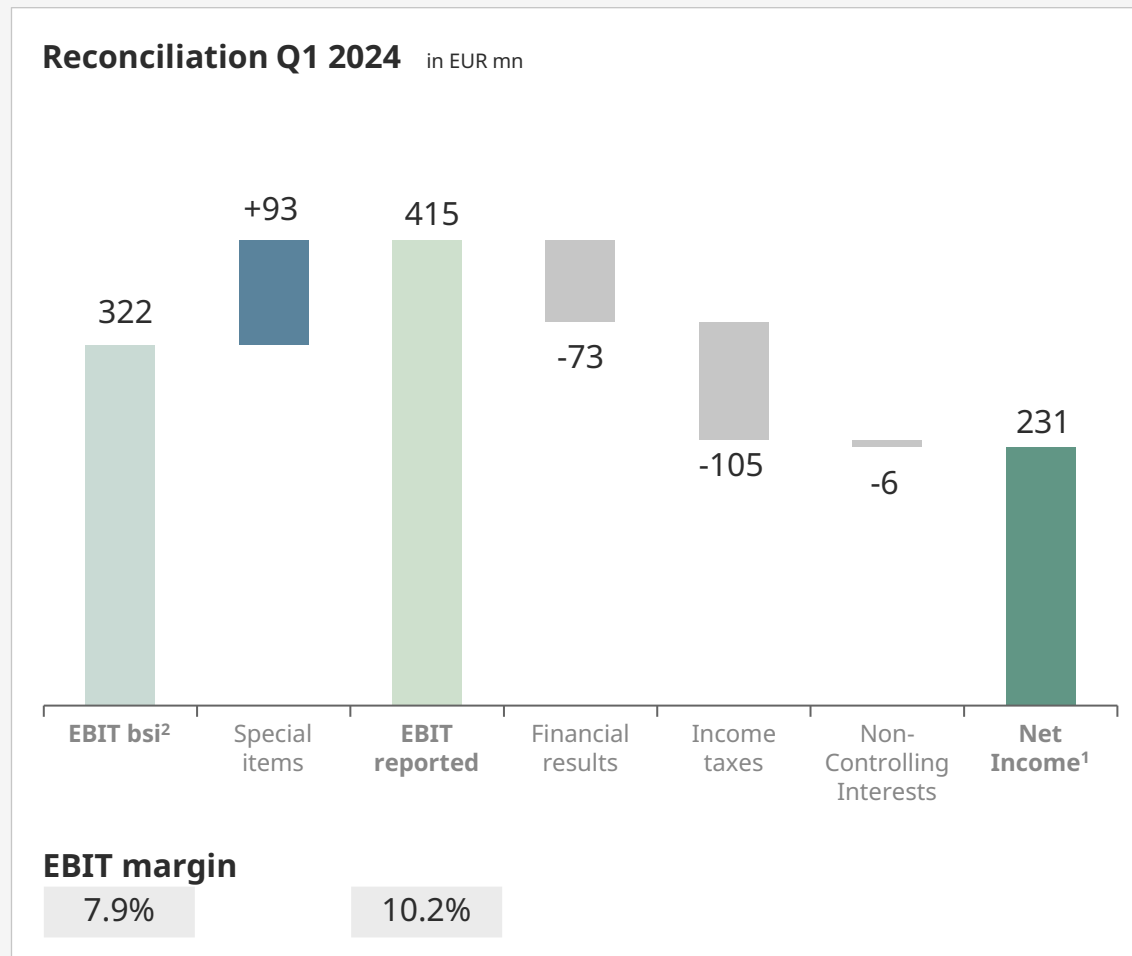
## Key figures Q1 2024

in EUR mn	Q1 2023	Q1 2024	Q1 2024 vs. Q1 2023
<b>Sales</b>	4,152	4,085	-1.6% 0.0% <sup>1</sup>
<b>Gross Profit</b>	959	1,086	+127 mn
<b>Gross margin</b>	23.1%	26.6%	+3.5pp
<b>EBIT<sup>2</sup></b>	335	322	-13 mn
<b>EBIT margin<sup>2</sup></b>	8.1%	7.9%	-0.2pp
<b>Net income<sup>3</sup></b>	128	231	+103 mn
<b>EPS<sup>4</sup> (in EUR)</b>	0.19	0.35	+0.16
<b>Schaeffler Value Added<sup>5</sup></b>	220	193	-27 mn
<b>ROCE<sup>6</sup></b>	12.4%	12.0%	-0.4pp
<b>Free Cash Flow<sup>7</sup></b>	-73	-166	-93 mn
<b>Capex</b>	221	222	+1 mn
<b>Net financial debt</b>	2,999	4,613	+1,614 mn
<b>Leverage ratio<sup>8</sup></b>	1.4x	2.1x	+0.7x
<b>Headcount</b>	84,060	83,793	-0.3%

<sup>1</sup> FX-adjusted | <sup>2</sup> Before special items | <sup>3</sup> Attributable to shareholders of the parent company | <sup>4</sup> Earnings per common non-voting share | <sup>5</sup> Defined as EBIT before special items LTM minus Cost of Capital (10% × Ø Capital Employed)

| <sup>6</sup> Before special items, LTM | <sup>7</sup> Before cash in- and outflows for M&A activities | <sup>8</sup> Net financial debt to EBITDA ratio before special items

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



### Key aspects

- Special items amounted to EUR 93 mn in Q1, mainly related to a one-off EUR 117 m measurement gain from the initial application of the new method for the actual cost valuation of inventories
- Financial Result lower yoy due to higher interest payments

### Special items by Division

in EUR mn

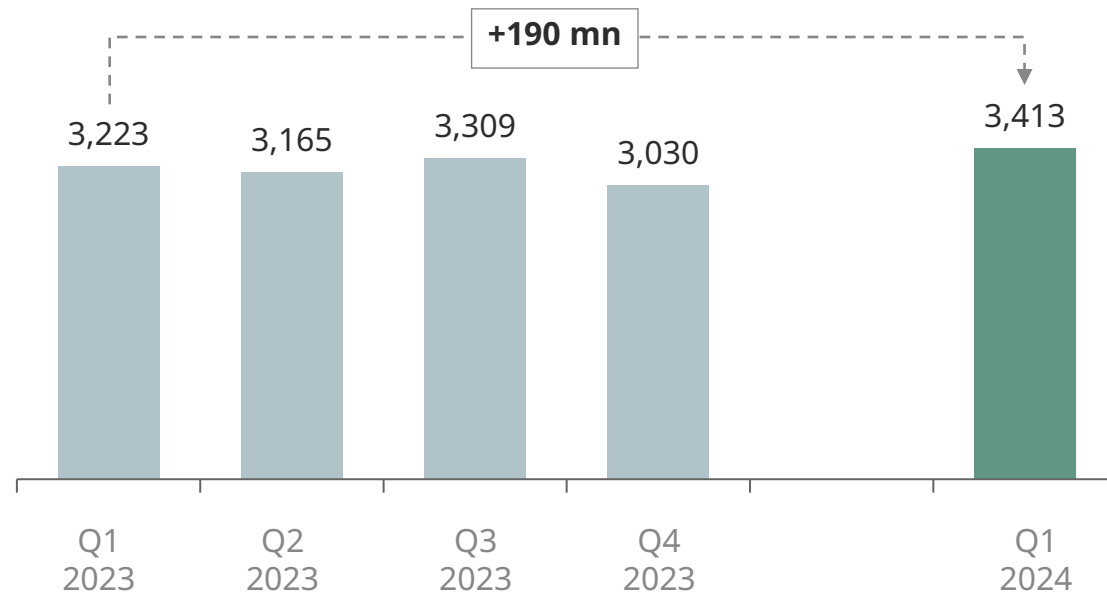
	Q1 23	Q1 24	Δ Q1 24/23
<b>EBIT reported</b>	<b>244</b>	<b>415</b>	<b>+171</b>
Automotive Technologies	+40	-24	-64
Vehicle Lifetime Solutions	+1	-10	-11
Bearings & Industrial Solutions	+50	-59	-109
<b>Group</b>	<b>+92</b>	<b>-93</b>	<b>-185</b>
<b>EBIT bsi<sup>2</sup></b>	<b>335</b>	<b>322</b>	<b>-13</b>

<sup>1</sup> Attributable to the shareholders of the parent company | <sup>2</sup> Before special items

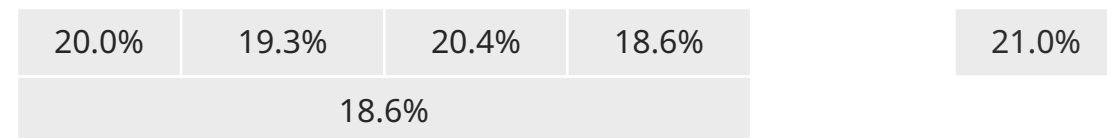
## Working Capital ratio 21.0% – Capex ratio 5.4% in Q1

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

in EUR mn

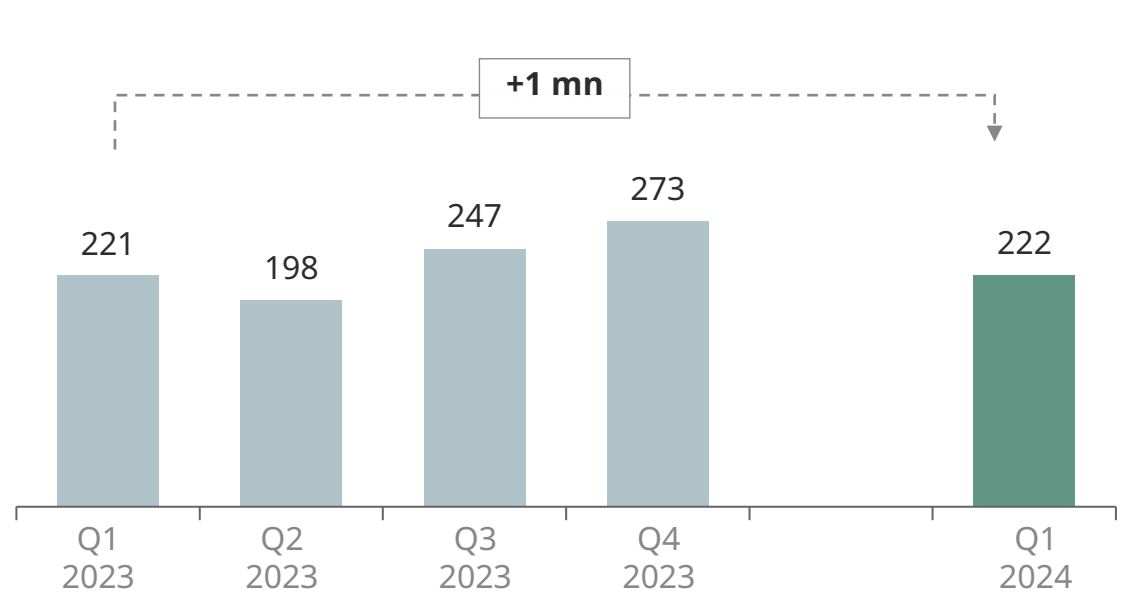


in % of Sales (LTM)

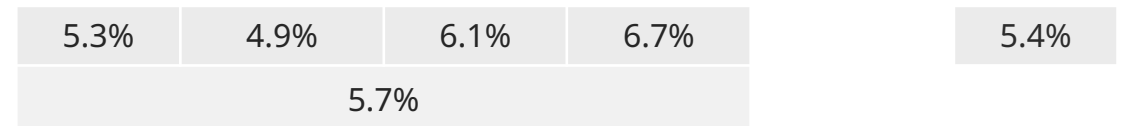


### Capex<sup>2</sup>

in EUR mn

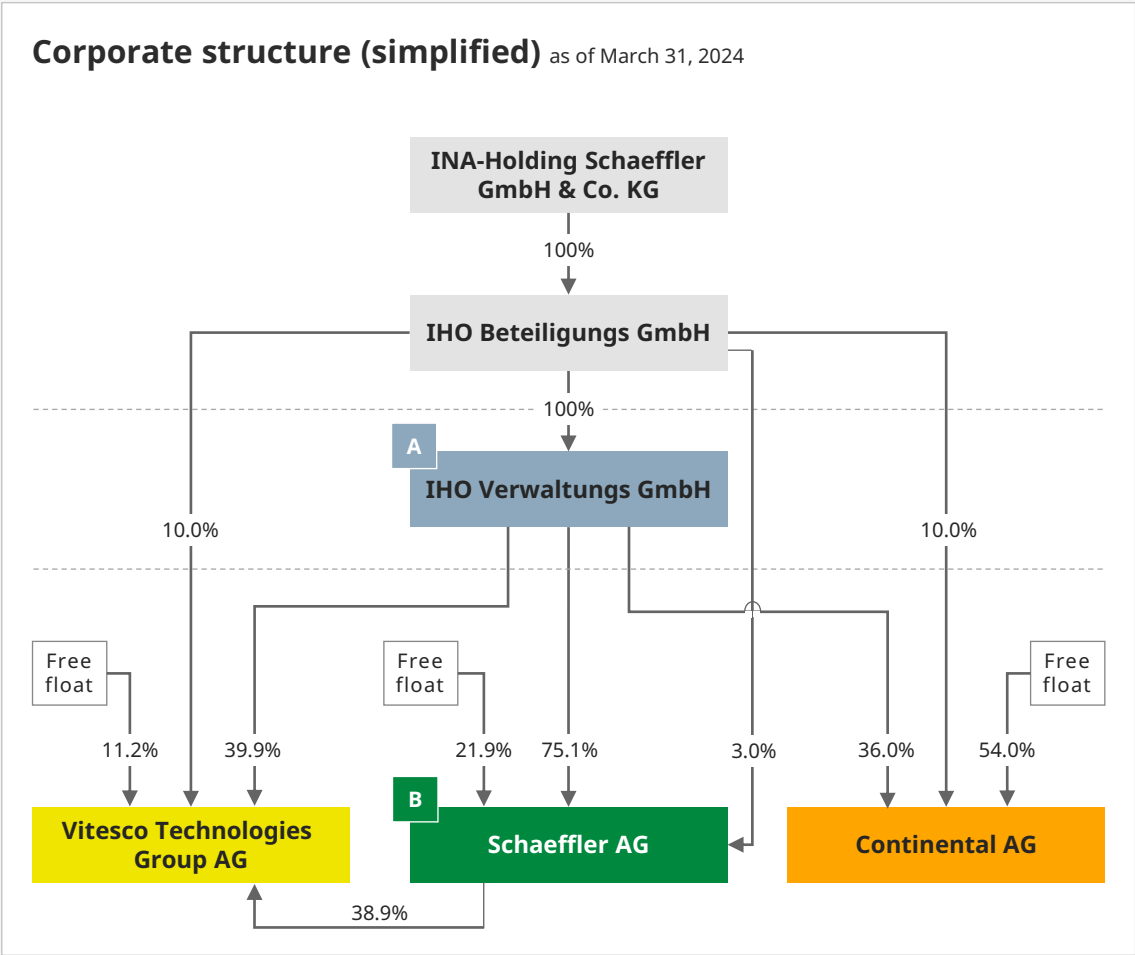


in % of Sales



<sup>1</sup> According to balance sheet; figures as per the end of period | <sup>2</sup> Cash view

Overview Corporate and Financing Structure



Financing structure as of March 31, 2024

A	IHO Verwaltungs GmbH					
	Debt instrument	Nominal USD mn	Nominal EUR <sup>1</sup> mn	Interest	Maturity	Rating Fitch/Moody's/S&P
Loans	RCF (EUR 800 mn)	-	120	E+3.25%	Jun-26	Not rated
Bonds	3.75% SSNs 2026 (EUR)	-	750	3.750%	Sep-26	BB/Ba2/BB-
	4.75% SSNs 2026 (USD)	500	463	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	416	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	370	6.375%	May-29	BB/Ba2/BB-
Total	IHO Verwaltungs GmbH		3,419	Ø 5.39% <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) <sup>4</sup>	-	-	E+0.725%	Nov-27	Not rated
	Term Loan (EUR)	-	500	E+1.650%	Nov-27	Not rated
	Term Loan (EUR)	-	125	undisclosed	Aug-27	Not rated
	Schuldschein Loans (EUR)	-	293	Ø 5.623%	May 25, 28 & 30	Not rated
	Bridge Facility (EUR 370 mn)	-	370	E+2.25%	Oct-24	Not rated
	EIB loan (EUR 420 mn)	-	420	3.703%	Jan-30	Not rated
CP	Commercial Paper (EUR)	-	145	Ø 4.182%	Jun-24	Not rated
Bonds	2.750% SNs 2025 (EUR)	-	750	2.750%	Oct-25	BB+/Baa3/BB+
	4.500% SNs 2026 (EUR)	-	500	4.500%	Aug-26	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+
	4.750% SNs 2029 (EUR)	-	600	4.750%	Aug-29	BB+/Baa3/BB+
	4.500% SNs 2030 (EUR)	-	850	4.500%	March-30	BB+/Baa3/BB+
Total	Schaeffler AG		5,953	Ø 4.26% <sup>3</sup>		

<sup>1</sup> EUR/USD = 1.0811 | <sup>2</sup> After cross currency swaps | <sup>3</sup> Incl. commitment and utilization fees | <sup>4</sup> On 27 March 2024, Schaeffler signed an amendment agreement to its RCF. Effective upon closing of the merger, RCF amount will be increase to EUR 3.0 bn with a new tenor of 5+1+1 years  
May 7, 2024    Q1 2024 Schaeffler AG earnings

Copyright Schaeffler AG, 2024 – All rights reserved. | 39