COMMENTED SLIDES / CONFERENCE CALL Q1 2024 EARNINGS

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Q1 2024 Schaeffler AG earnings

May 7, 2024
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Michael Punzet, *DZ Bank*

Renata Casaro

Thank you very much. Dear analysts and dear investors, welcome to the Q1 2024 Earnings Release and without further ado I pass the floor to Mr Klaus Rosenfeld, CEO of the Schaeffler Group. Klaus, the floor is yours.

Klaus Rosenfeld

Thank you very much, Renata. Ladies and gentlemen, welcome to our Q1 earnings call. We are ready to share that presentation with you that you should have on your screens or that you should have received this morning. As usual, the presentation is structured into two main parts. I will take the overview and the business highlights and Claus is going to go in detail through the numbers.

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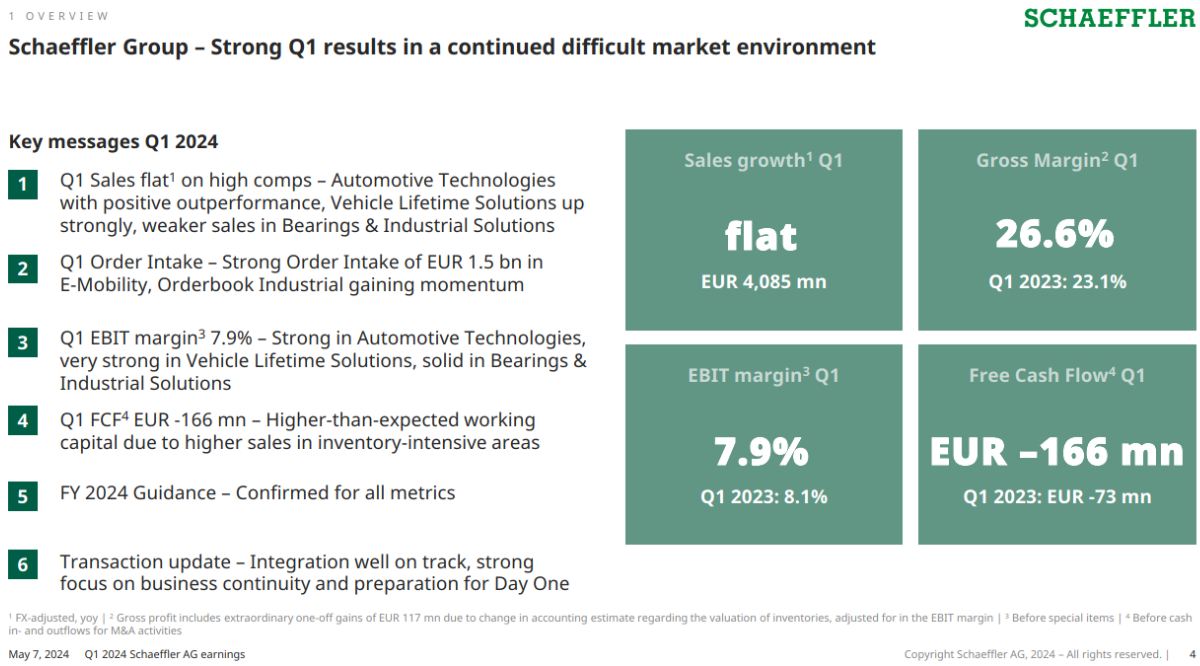
1 **Overview**

2 Business Highlights Q1 2024

3 Financial Results Q1 2024

4 Outlook



Let me start on page four with the key messages. We can present today a strong Q1 in a continued difficult market environment. I think the numbers speak for themselves. If you look at the top line, Q1 sales are flat but we have to look at that against the high comps of Q1 2023. Automotive Tech with a positive development, also positive outperformance. Vehicle Lifetime Solutions with a strong top line, good growth, very positive for us. And then weaker sales in Bearings & Industrial Solutions, as expected. A difficult market environment. You already see from the terms that we're using here that this is now the new segment reporting where Automotive Bearings has been transferred into the Bearings & Industrial Solutions division.

Second key message. Order Intake in Q1 strong. We are proud to say that we already booked in the first quarter EUR 1.5 billion in E-Mobility against our prudent target EUR 2.0-3.0 billion. That is half the way. And I will come back to that later, where that is coming from. Orderbook situation, Industrial. One of the key questions from the conversations we had with you, how is that going to develop? And we see that Q1 indicates that we see the trough in Q2, the Orderbook Industrial clearly gaining momentum.

Margin in Q1 nearly at the same level as in Q1 2023, 7.9% versus 8.1%. Strong in Automotive Tech. Very strong in Vehicle Lifetime Solutions, above 17%, and solid in

Bearings & Industrial Solutions. You see already from this first page, and Claus is going to explain that in detail, that there is a bigger delta in Gross Margin, 26.6% versus 23.1%. That is a one-off impact that comes from a technical change in how we value inventories. That effect is not included in the EBIT margin, so we're talking here about the adjusted version, so 8.1% versus 7.9% compares and does not include this 3% delta in Gross Profit.

Free cash flow, minus EUR 166 million. That is a number a little bit higher than expected. Working capital drove this and, sure, the higher sales in inventory-intensive areas have impacted this. We confirmed the Guidance for all metrics. You know the Guidance this year is only a Group Guidance.

And I can also report that our transaction is on track, not only from the deal execution but also from the integration. We continue with a strong focus on business continuity and preparation for Day One. And as I've said before, 2024 is an interim year where things are changing for us. We are preparing things where we're laying the ground for a successful combination that should then take off in 2025.

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Schaeffler Group Q1 2024 – Highlights and lowlights

Automotive Technologies
Strong Order Intake driven by new business, strong EBIT margin[2] by mature business

Vehicle Lifetime Solutions
Further strong growth[1] momentum, continued strong EBIT margin[2]

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

[1] FX-adjusted, yoy | [2] Before special items

The famous page five with a CEO judgement, highlights and lowlights. I think I said it all already. Automotive Tech, strong Order Intake, strong EBIT margin, certainly also driven by the mature business. Vehicle Lifetime Solutions with a record quarter. We also see that the trend that started end of last year continues, so strong growth momentum and continued strong EBIT margin. And in Bearings & Industrial Solutions it is a little bit mixed. We see, as I said before, the Orderbook Industrial bottoming, signalling that the market pressure across multiple sectors is declining. On the other hand, we are digesting a challenging situation in the Wind market in China, where there is increased price pressure and where we can, to some extent, compensate this with lower costs but not fully and that clearly leads to an impact on the margin.

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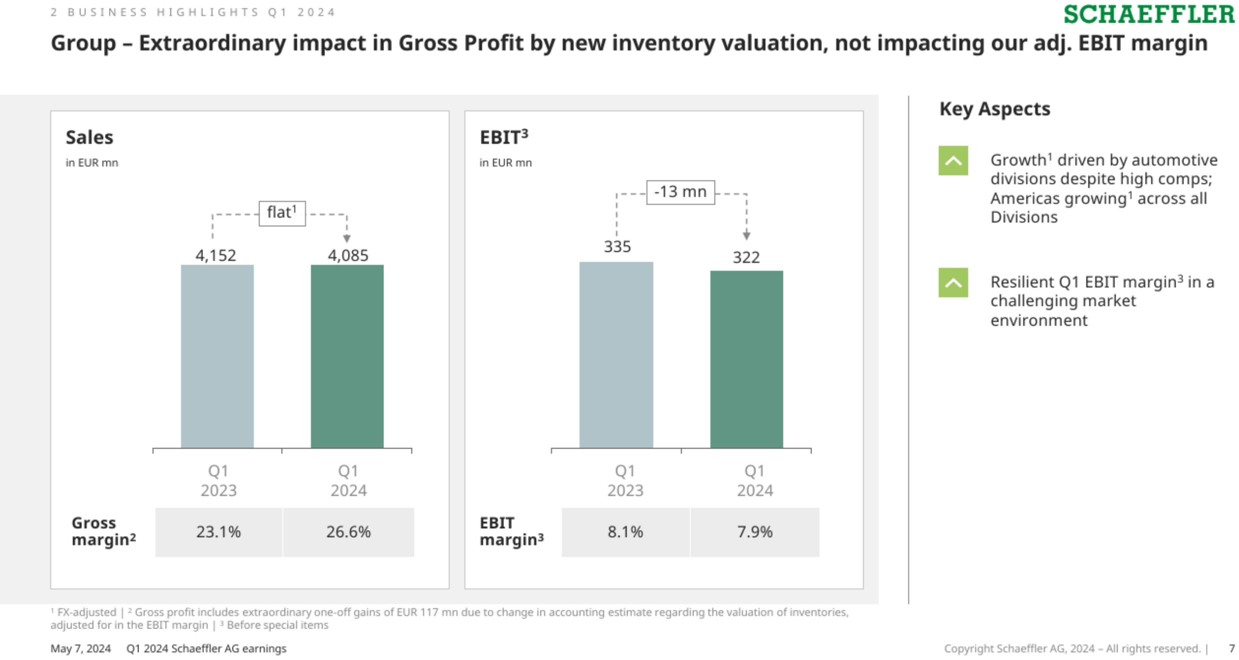

Let me go to page seven, briefly, on the numbers. You see here what I said before, Sales flat, EBIT margin slightly lower. That also includes an impact that Claus is going to explain from the At Equity consolidation of Vitesco that sits in this EUR 322 million, with minus EUR 8.0 million.

2 BUSINESS HIGHLIGHTS Q1 2024

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

Q1 2024[1]	% of Group Sales	Automotive Technologies[2] 43%	Vehicle Lifetime Solutions[2] 15%	Bearings & Industrial Solutions[2] 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[1]

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

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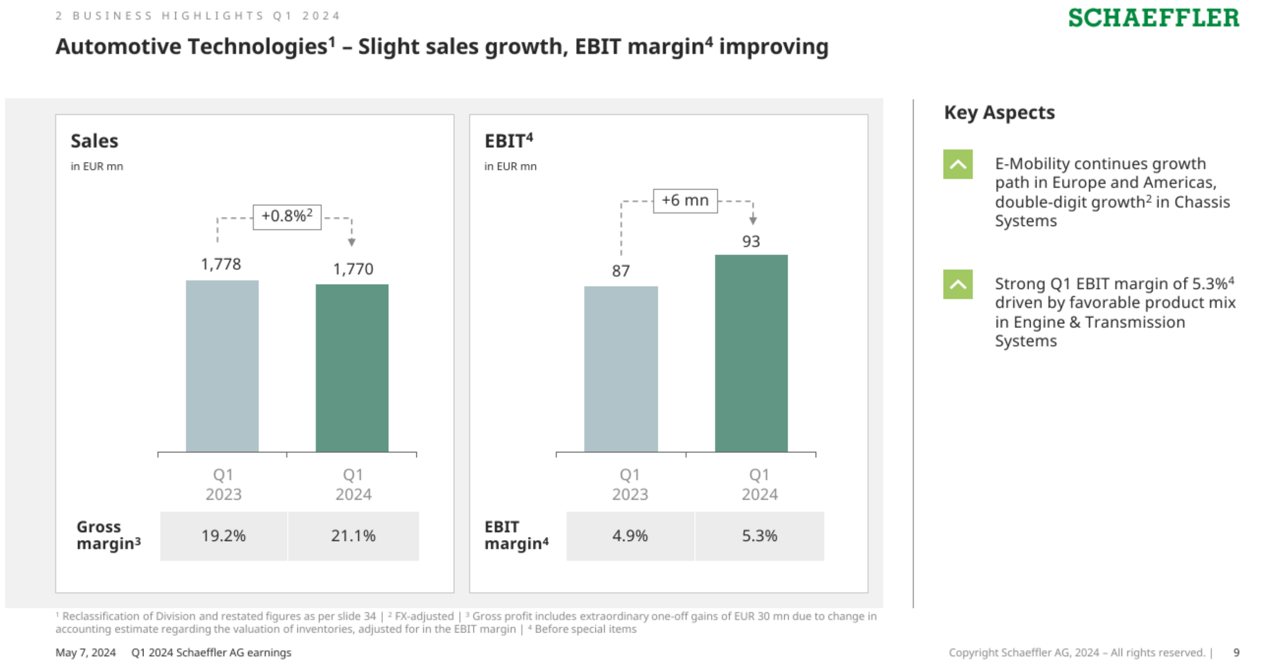
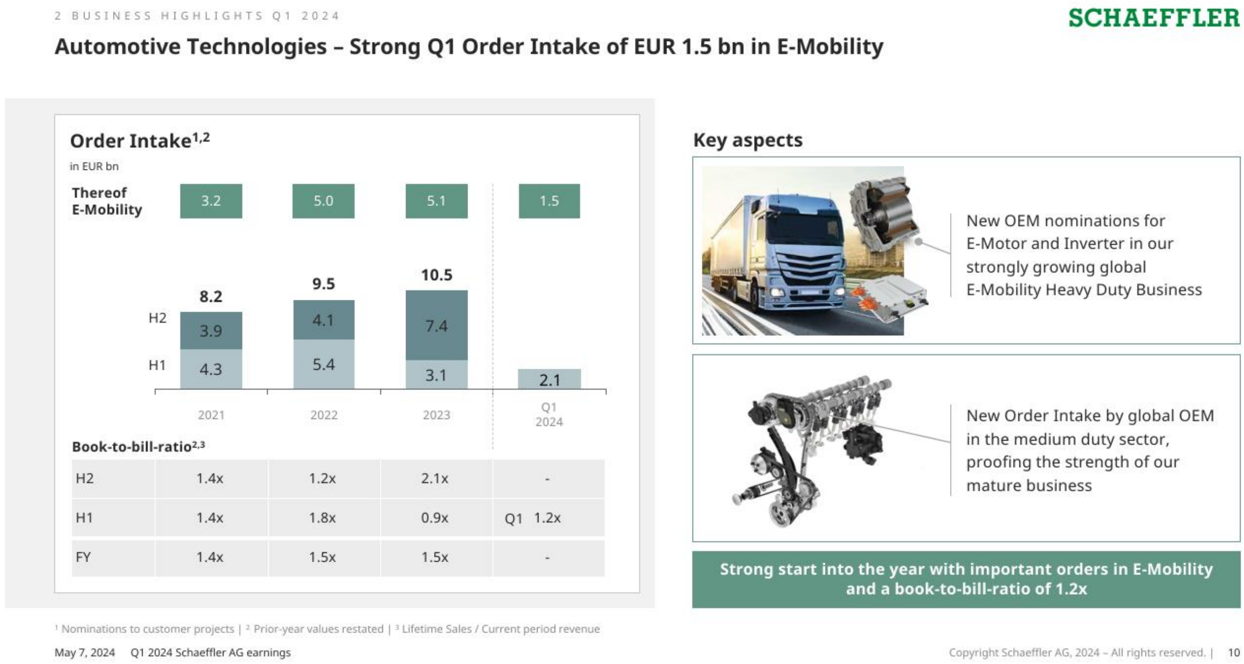
If you go to page number eight, you see what I said before. Top line performance flat and a little bit mixed. You see here that Americas was strong with 4.2%, Europe flat and China below Q1 2023. And if you look into the columns you see that that is more or less driven by the Bearings & Industrial Solutions division with minus 9.8%.

What is also interesting to see is how, in that first quarter, and that's just an indication for the rest of the year, the regional mix has rebalanced a little bit, 45% from Europe, 23% from Americas and 19% from China, 13% from Asia/Pacific. Typically, we have Americas and Greater China more or less on the same level and here you see that the impact of China also impacts the mix. That doesn't mean that we will reduce our Chinese business. The opposite is true. We are positive on China and this is, in particular, true for the Automotive business.

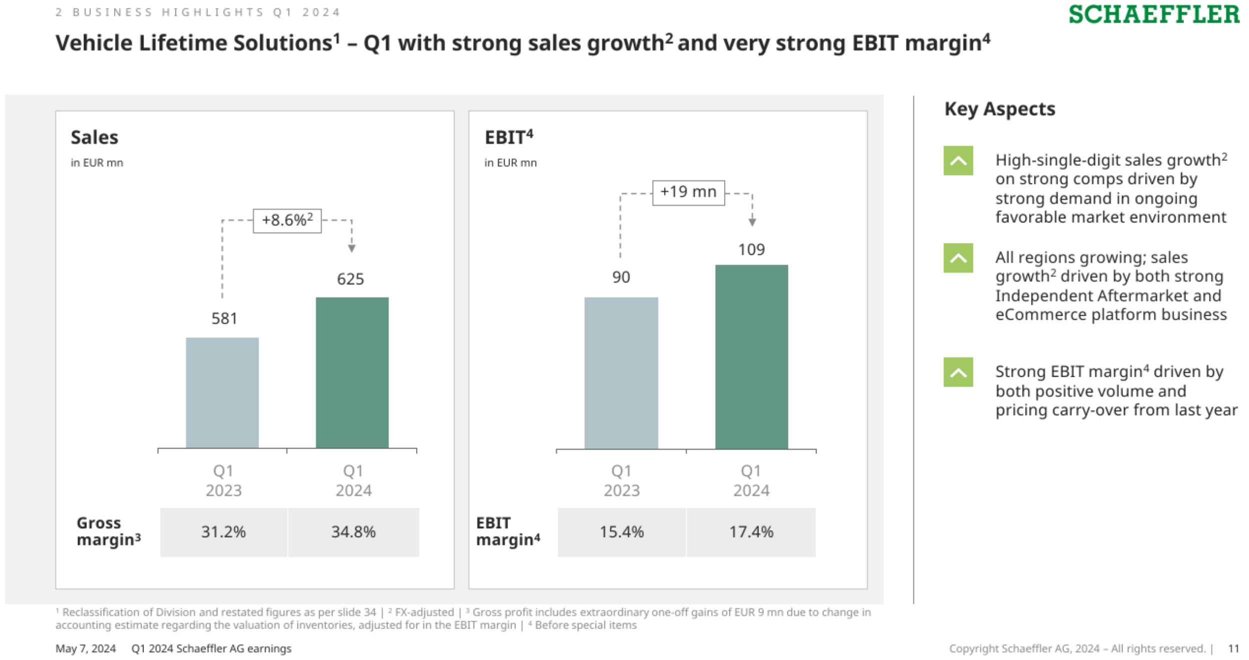


Quickly, on the divisions, I'm not going to say much here but the key numbers are Sales Automotive are more or less flat. On an FX-adjusted basis, slight growth. EBIT margin slightly up. 5.3% I think is better than what people expected and also above previous year.

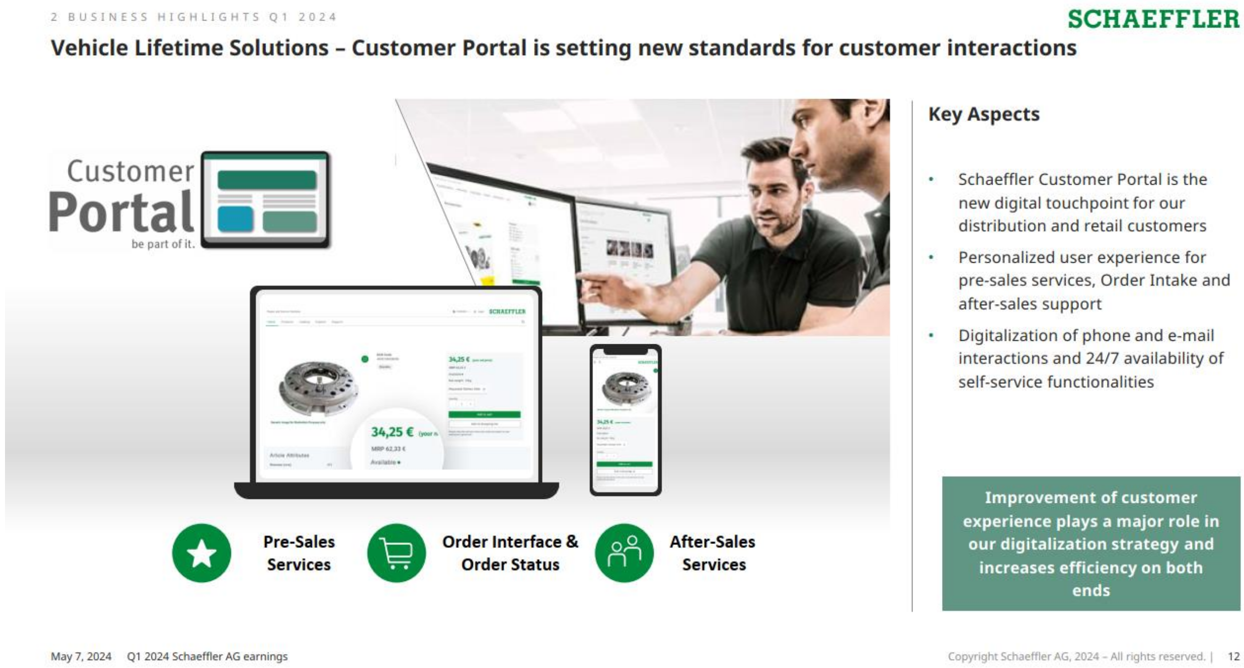


You see a little bit of detail on the Orderbook on page ten. EUR 2.1 billion is the overall Order Intake for Automotive Technologies without the bearings that are now part of Industrial, and 1.5 of that is from E-Mobility.

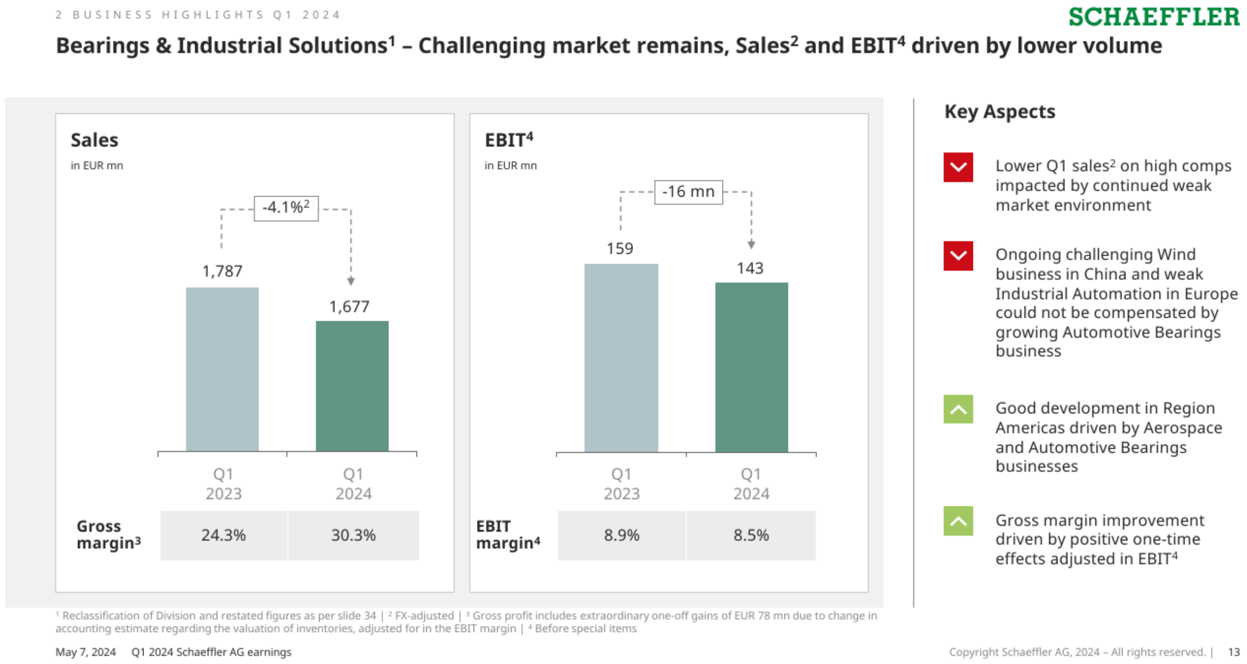
In E-Mobility, one of the interesting new orders that came in is an OEM nomination for an E-Motor, an Inverter for a Heavy Duty business. That is an area that is quite attractive and we are happy about this Order Intake. And certainly, as you would expect, it's not only E-Mobility but also in our mature business we see Order Intake. This is for the medium duty sector. And we are happy about this project because it shows again the strength of our mature business that will probably run longer than we expected sometime before.



Vehicle Lifetime Solutions, as I said, the shining star in this Q1 report. 17.4% margin speaks for itself. At the same time 8.6% growth. That is all on the positive and I can already say here it looks like this trend continues also in the second quarter. It is clearly driven by the fact that there are more repairs but also we are gaining market share because people like to repair their cars with our repair solution. That is on page 12.



The heavy investment in the last years into modern customer portals, into the right product mix, into logistics, all of this is now paying off and we are optimistic that also the capital market will at some point recognize the strength of our Vehicle Lifetime Solutions business.



Now, let me come to the last Division, Bearings & Industrial solutions. As I said, challenging market environment, minus 4% and 8.5% is more or less the same margin, like last year. Claus is going to share with you the details. I talked already about the Wind business in China. That is a challenging situation because of the significant price pressure but we have decided to stay the course there and to try to counter this price pressure with further cost improvement. And we see some good development here but it’s not possible to compensate the price reduction completely.

2 BUSINESS HIGHLIGHTS Q1 2024

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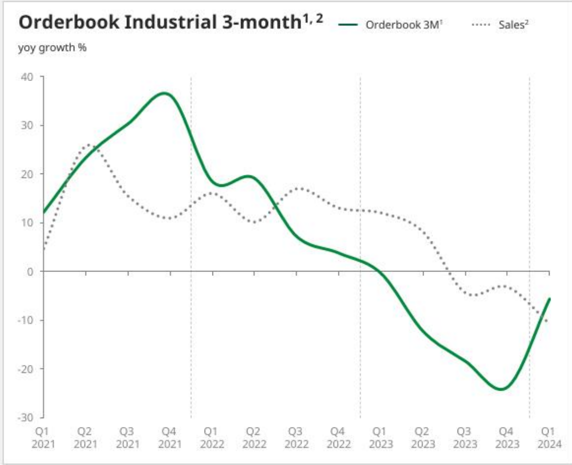
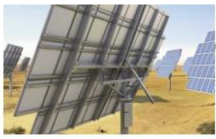
Bearings & Industrial Solutions – Orderbook Industrial still below prior-year level, but gaining momentum



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

[1] 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. | [2] FX-adjusted product sales. Ewellix included in yoy growth calculation from January 2024.

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In terms of Orderbook and how we see the next quarter. You know this famous chart with Orderbook Industrial for three months. Here, it is now the situation where the Order Intake, Orderbook development cuts from below into the sales curve. That’s typically an indicator that the development bottoms out, and let’s see how that develops. We are a little bit more cautious here but in the second half I think, hopefully the situation stabilizes. There are some good indicators here, like the Aerospace business, that is already on a positive track. And also, in some of the new businesses. We show you here a project for solar farms. We are seeing good growth, but the bulk of the business has clearly suffered from the difficult market environment.

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Capital allocation – Continued prioritization of Capex for growth business

Investment[1] allocation

in EUR mn

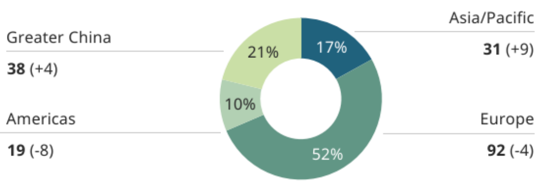
	FY 2022[2]	FY 2023	Q1 2023	Q1 2024
Automotive Technologies	545	443	67	69
Vehicle Lifetime Solutions	40	48	8	5
Bearings & Industrial Solutions	229	372	71	82
Schaeffler Group[3]	**814**	**932**	**179**	**180**
Capex	**791**	**938**	**221**	**222**
Capex ratio[4]	**5.0%**	**5.7%**	**5.3%**	**5.4%**
Reinvestment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

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[1] by region Q1 2024

in EUR mn (yoy change)



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

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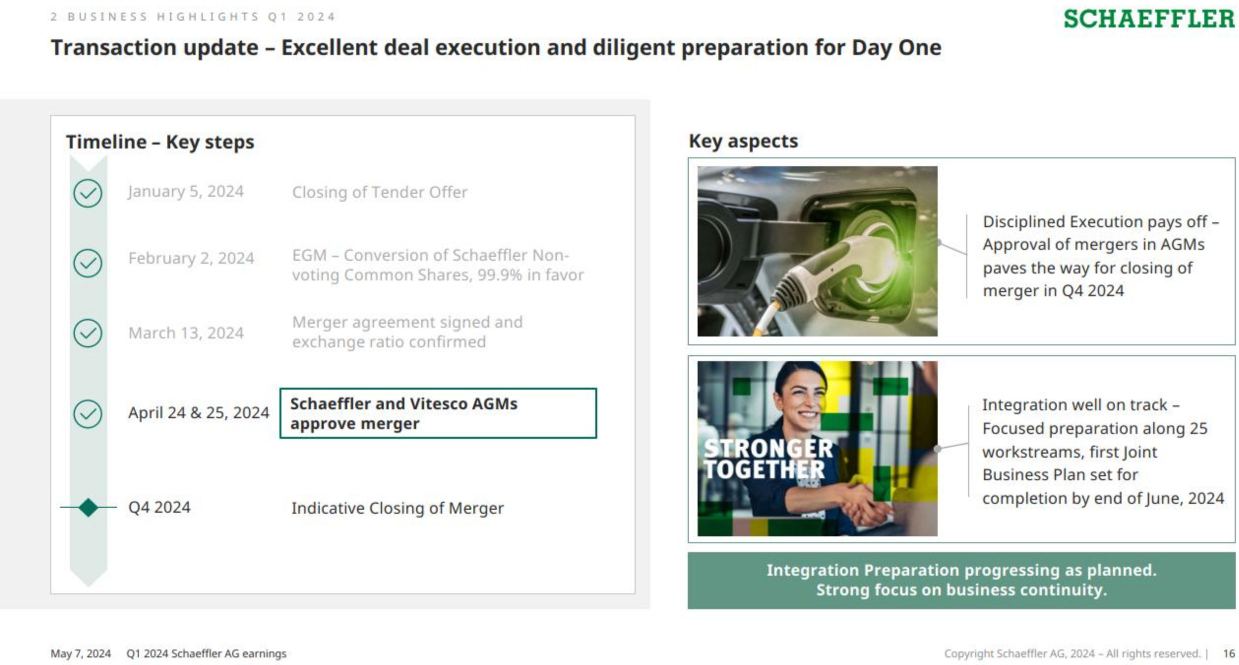
Last two pages. The famous one on Capital allocation. Not much to say here. We continue to be disciplined in how we invest. 5.4% capex ratio, reinvestment rate slightly below 1.0%. Very similar to Q1. No big changes here. Clearly important to follow up with the big Automotive Tech customers. We have enough manoeuvre room in our budgets to support customers and with the capacity we have overall, also in Bearings & Industrial Solutions, we feel quite good. That also leaves room for investments into sustainability. We are, as you know, a big believer in sustainability becoming a key quality indicator and Claus will continue to invest in that area to achieve our decarbonisation goals.



Last page from my side before Claus takes over is then on the transaction. I think you followed the Annual General Meetings. They have approved, Schaeffler with 100% and Vitesco also with a very dominant majority, above 90%, the transaction. We will now focus clearly on getting our preparation for Day One right. The disciplined execution clearly pays off. So far, everything perfectly on track.

And on the integration, I can say here, without going into too much detail, so far it is a constructive exercise. The teams are working very well together. The respect for each other grows, I would say, every day. And we will certainly meet the deadline for Day One. That is probably even earlier than what we thought so far, maybe already beginning of the fourth quarter. But the most important thing is that the investments into cooperation, into understanding each other, to understand the strong focus on business continuity, all of that lays the ground for 2025.

The same holds true for synergies where we're working heavily on the right numbers, on getting accountability for synergies right. All of that certainly requires a little bit of extra time but I'm optimistic that we will be able to present to you at the beginning of the year a good plan how this merger then starts to generate the synergies and also get to the value potential that we promised to you. With that, I hand over to Claus for more details on the numbers. Thank you very much.

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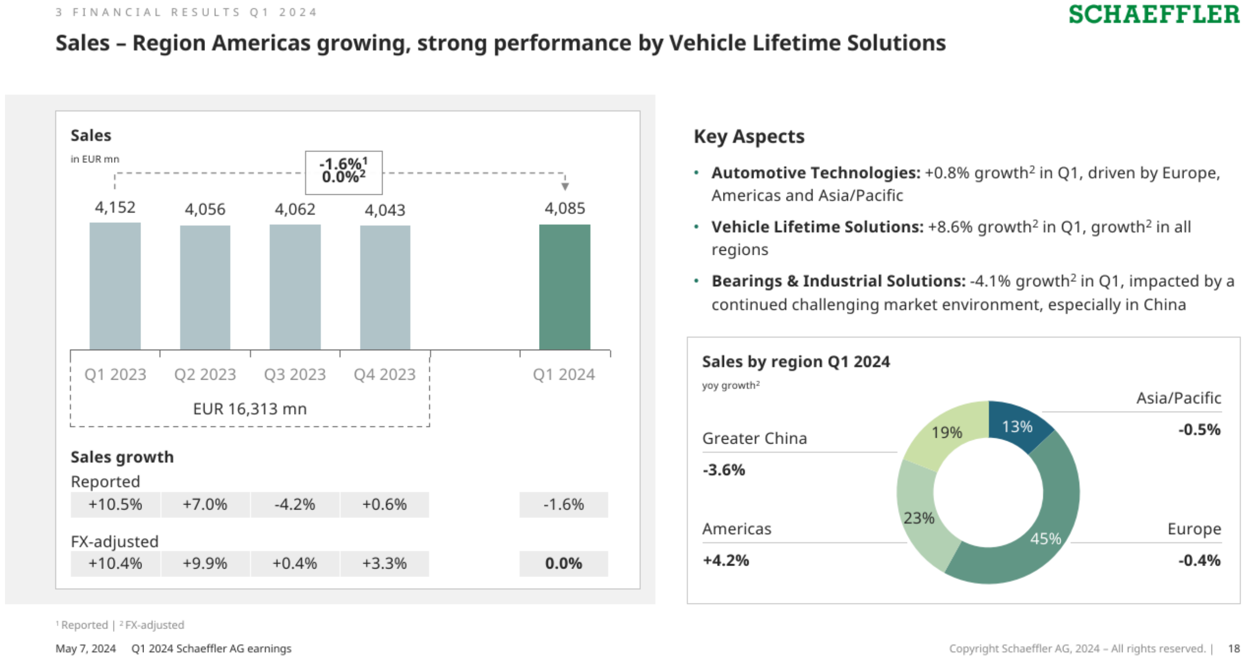

Claus Bauer

Thank you very much, Klaus. Ladies and gentlemen, good morning also from my side. Let’s now have a more detailed look into the numbers. Thank you. Sales at prior year level, as Klaus already alluded to, is a strong result based on the strong comps and the difficult circumstances that we are facing currently. And it's also testimony to our diversification and resilience. As you see on the page, this time it’s Vehicle Lifetime Solutions and Americas that are really offsetting some of the weaker areas in the other regions.

3 FINANCIAL RESULTS Q1 2024

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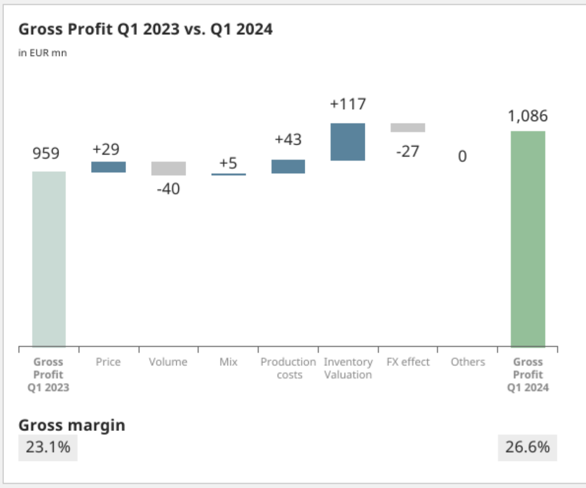
Gross Profit – Impacted by change of accounting estimates in inventory valuation



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
Schaeffler Group	**23.1%**	**26.6%**	**+3.5pp**	**+2.9pp**

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So, a good result and let’s jump into Gross Profit. I think that’s the exciting chart this time and, as Klaus already said, I will explain to you one special impact here and you see it best in the waterfall chart on the left side. The inventory valuation has a positive impact of EUR 117 million and that is still included in Gross Profit but adjusted in EBIT. What is it? We started to use new capabilities of our ERP system landscape and harmonized now our inventory valuation, especially finished good and unfinished goods globally. And, as shown here, that has a one-time impact of EUR 177 million. Now, going forward obviously that system is stable and will not cause any deterioration or distortion anymore.

As you see, then, on the bottom right side, we showed to you the Gross Profit development in the three Divisions but also then the positive impact of the inventory valuation and, as you easily can see, based on the numbers shown every single Division also, excluding this extraordinary impact, improved its margin above prior year. In total, we see an improvement of 60 basis points excluding this special impact.

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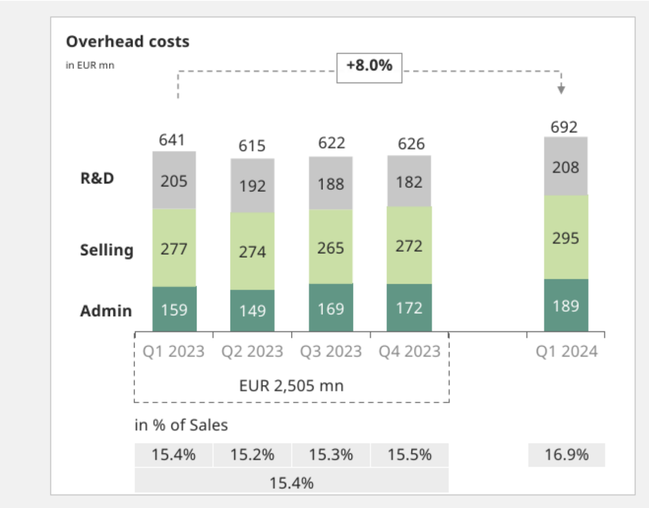
Overhead costs – Increased ratio due to business & M&A activities



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

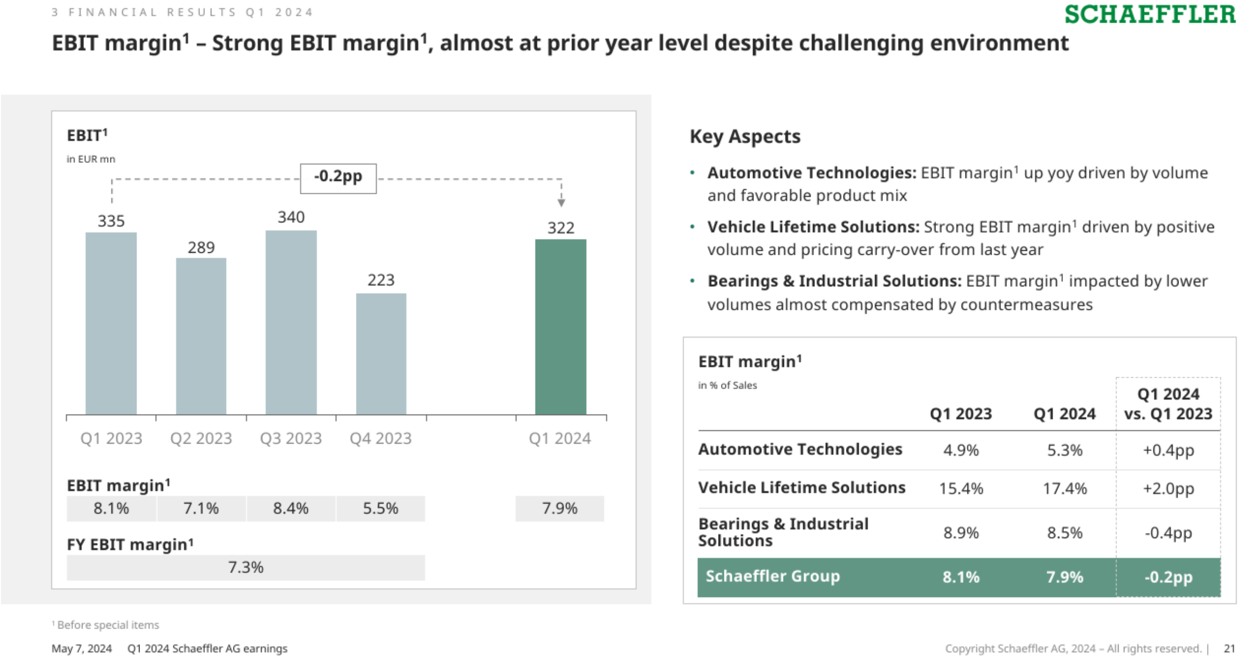
Overhead cost ratio
in % of Sales

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

Overhead costs on the next slide is a little bit higher than you used to see and, as we have seen in the last year, that has some obvious reasons and some reasons that I'm happy to explain. In Admin you see, obviously, an increase in the level based on the M&A-related services that we are absorbing currently due to the Vitesco transaction. That is completely explaining the difference to the level that we have seen in the second half of last year.

And in the Selling Expenses, Klaus already alluded a little bit to it. Obviously, with the strong sales development in areas where we have higher selling costs, especially Vehicle Lifetime Solutions, you'll see then a little bit of a mix impact also in the amount of Selling Expenses.

Now, if you look at Vehicle Lifetime Solutions in the table on the right bottom, you see also for Vehicle Lifetime Solutions a little bit of an increase of the also relative level of the Overhead expenses. Half of that in Vehicle Lifetime Solutions is also the allocated M&A-related cost increase in Admin but there's also some fixed step cost in Selling, and Klaus said it already, logistics, digitalisation, everything that we are doing to exploit market opportunities and gain market share. And, as you see in the top line, we are pretty successful in that with a significant sales increase in Automotive Aftermarket business or how we call it now, Vehicle Lifetime Solutions.



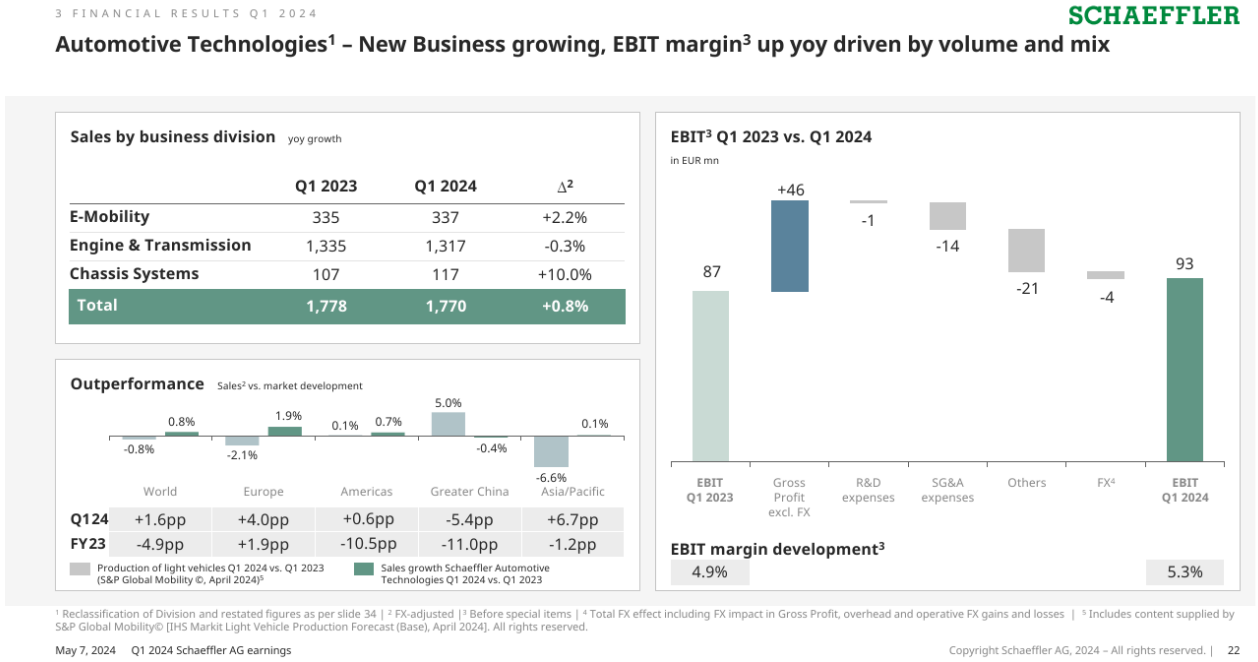
	Q1 2023	Q1 2024	Q1 2024 vs. Q1 2023
Automotive Technologies	4.9%	5.3%	+0.4pp
Vehicle Lifetime Solutions	15.4%	17.4%	+2.0pp
Bearings & Industrial Solutions	8.9%	8.5%	-0.4pp
Schaeffler Group	8.1%	7.9%	-0.2pp

If we then go to the next slide. As reminder, in EBIT you see like-for-like there's no inventory valuation impact on Gross Profit, and we think maintaining the level is a very strong result. Klaus said it already. There is also a minor impact in there of the At Equity valuation of our shareholding in Vitesco. Now, please don't confuse that with the full consolidation that will start with the merger registration, so sometime in the fourth quarter.

Here, it's only the At Equity inclusion. At Equity means that proportional net income after taxes will be recognized here in our P&L. You know that we hold around 39.9% of the shares in Vitesco. So, what you see here is the impact of the proportional Net Income after taxes of Vitesco, plus a purchase price allocation.

You might remember that we said we will continue with the book values once we fully consolidate Vitesco but in the At Equity space we have to also include a purchase price allocation effect. With that effect, the amount that is now included in our EBIT is slightly negative, with minus EUR 8.0 million. You see that also in our new division, if you will, in our new column in our reporting, in the so-called Others category. There is the minus EUR 8.0 million of proportional Net Income after PPA from Vitesco included. As I said, at an amount of minus EUR 8.0 million. Interestingly enough, if you now correct and adjust the EBIT by this At Equity impact, then you are exactly at the prior year margin with 8.1%. So, again, I cannot emphasize enough, in the environment, in the circumstances and with the first quarter of last year being the strongest quarter of last year, a very strong result, especially as we go forward and have some optimism still of improvement in the second half of the year. I think that is a very good start into the year.

Maybe on the table on the bottom right you see it. Also, obviously Klaus said it, the shining star, Vehicle Lifetime Solutions with an EBIT improvement of 2% but also Automotive Technologies on relatively strong prior year quarter, even an improvement of 40 basis points. I think should be something that we should be proud of. Bearings & Industrial Solutions, considering the volume impact that you see in sales here with the loss of only 40 basis points, also a strong result and I think testimony of the countermeasures that we reported on over the last few quarters now really taking effect also in that division.



Now, let’s get into more detail regarding the Divisions. First, I start with Automotive Technologies. You see the new businesses, E-Mobility and Chassis, are the growing businesses but Engine & Transmission year-over-year almost flat, so that is obviously driving the sales and margin mix.

Also important is the information on the bottom left. I think that is what I indicated to you throughout the second half of last year when we had to report underperformance in our Automotive business globally, I said because it’s mainly technically driven. Especially in the Americas, you now see the technical impacts phasing out and we are back into a solid outperformance with 160 basis points on a global level. And you see that this is happening in all regions except Greater China but also Greater China is seeing significant improvement over the performance of last year.

Please be also aware that the outperformance that we are showing here is now tailored to the division and the mix of the division. That means that Automotive Bearings, which are not reported in this division anymore but in the Bearings & Industrial Division, is not included in the outperformance calculation anymore.

And you might remember that I reported in some of the prior calls that especially, for example, with BYD in China we are very strong in the bearings business and are growing significantly with these players. And if we would include bearings in China, which had a significant outperformance, then it would look even better.

So, on the right side, in the EBIT waterfall chart it’s displayed, also the big adjustment for the inventory evaluation, you see it in the column Others, with minus EUR 21 million. That is the portion of the EUR 117 million that is allocated to this division, Automotive Technologies and you will see similar numbers in the other two divisions.

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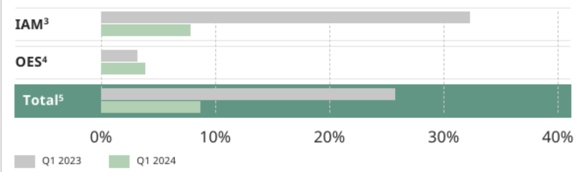
Vehicle Lifetime Solutions[1] – Strong EBIT margin[6] driven by both volume and pricing carry-over

Sales by region yoy growth

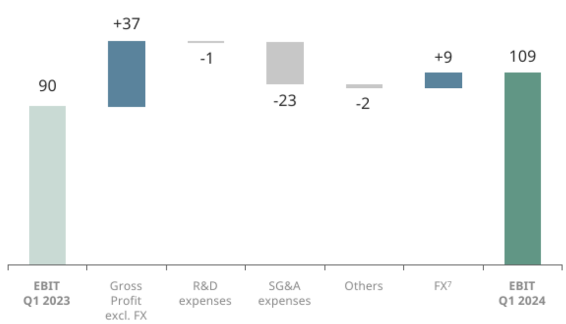
	Q1 2023	Q1 2024	Δ[2]
Europe	393	415	+3.7%
Americas	120	132	+17.7%
Greater China	34	41	+29.4%
Asia/Pacific	34	36	+11.7%
Total	**581**	**625**	**+8.6%**

Sales growth Vehicle Lifetime Solutions by channel[2]



EBIT[6] Q1 2023 vs. Q1 2024

in EUR mn



EBIT margin development[6]

15.4% | 17.4%

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

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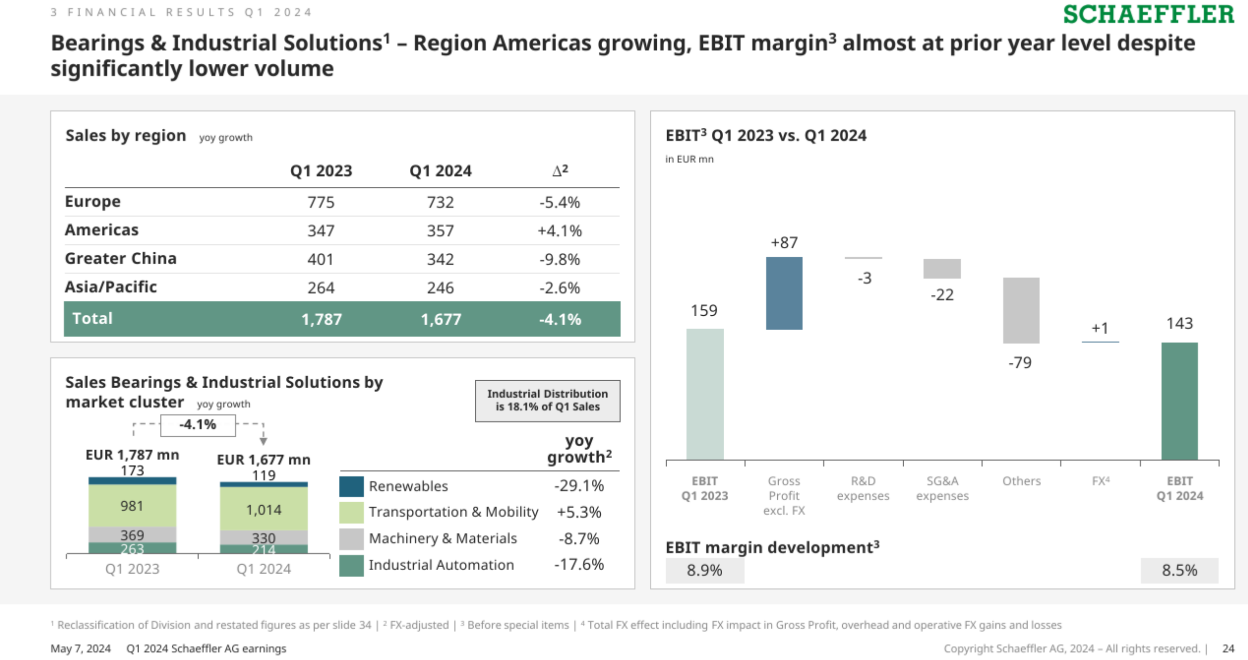
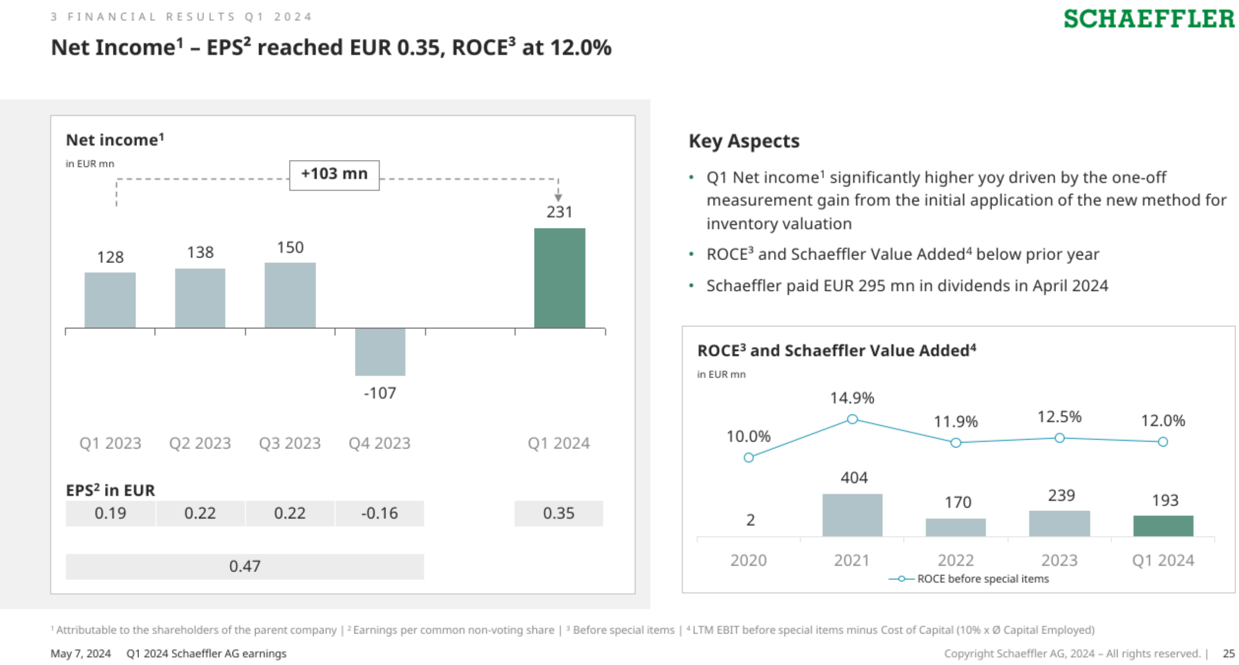
Let's then jump to Vehicle Lifetime Solutions. Not much to add to what Klaus already said. Shining star. Sales up in all regions. A strong EBIT margin driven by volume and also positive pricing carryover from last year. And you see in the waterfall chart, in Others, only a slight inventory valuation effect here in this division. The reason is because there we are talking about repair kits and in the repair kits we already had our valuation logic that we have now extended to other areas predominantly included in the past.

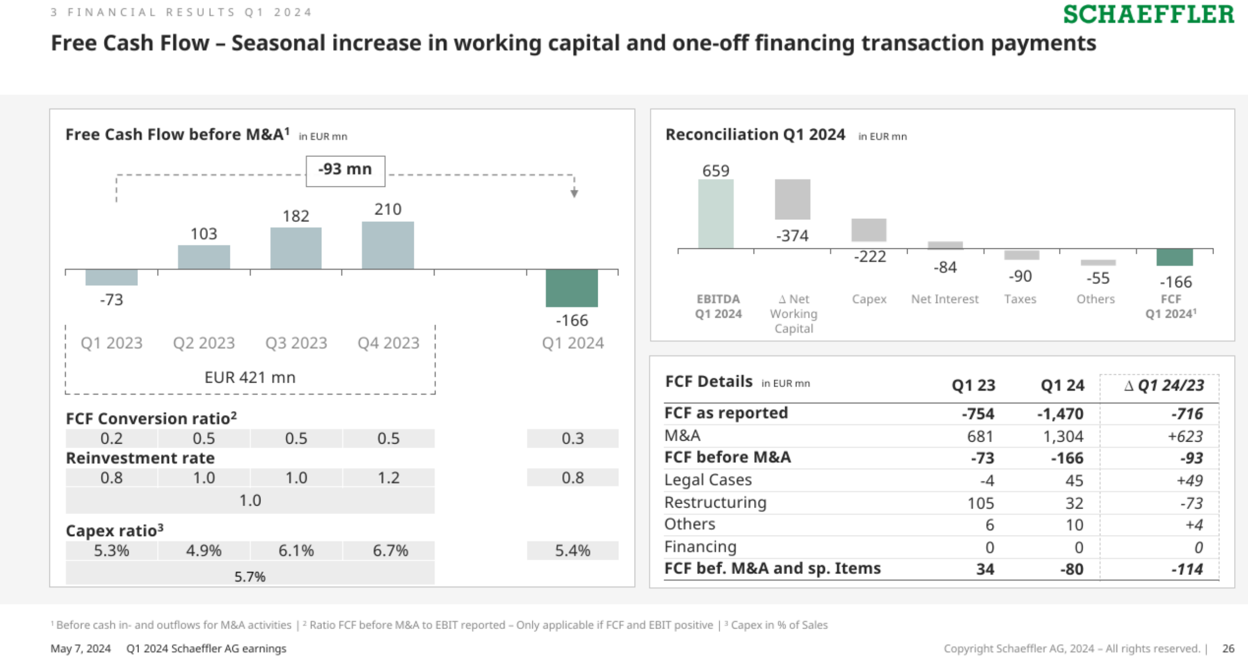


And last but not least from a divisional side, Bearings & Industrial Solutions. I think the sales development in all regions except Americas reflect the difficult market circumstances. Klaus said it, especially China Wind is also reflected here with minus 9.8% for all of China. And then on the bottom left with minus 29% for Renewables.

But the good news is and also a little piece of resilience through diversification is Americas with a positive trend. Klaus said it already, that’s mainly driven by the very strong Aerospace sector that is mainly reflected in the region Americas. On the right side, same as in the other divisions. In the Others column, with minus EUR 79 million, you see the correction, the adjustment of the positive impact of the one-time inventory valuation change.



Net income on the next slide. Obviously, as you see, significantly increased over prior year. ROCE and Value Added in a good range, with 12% in the corridor of our standalone Mid-term Targets that will be discussed on a later point.

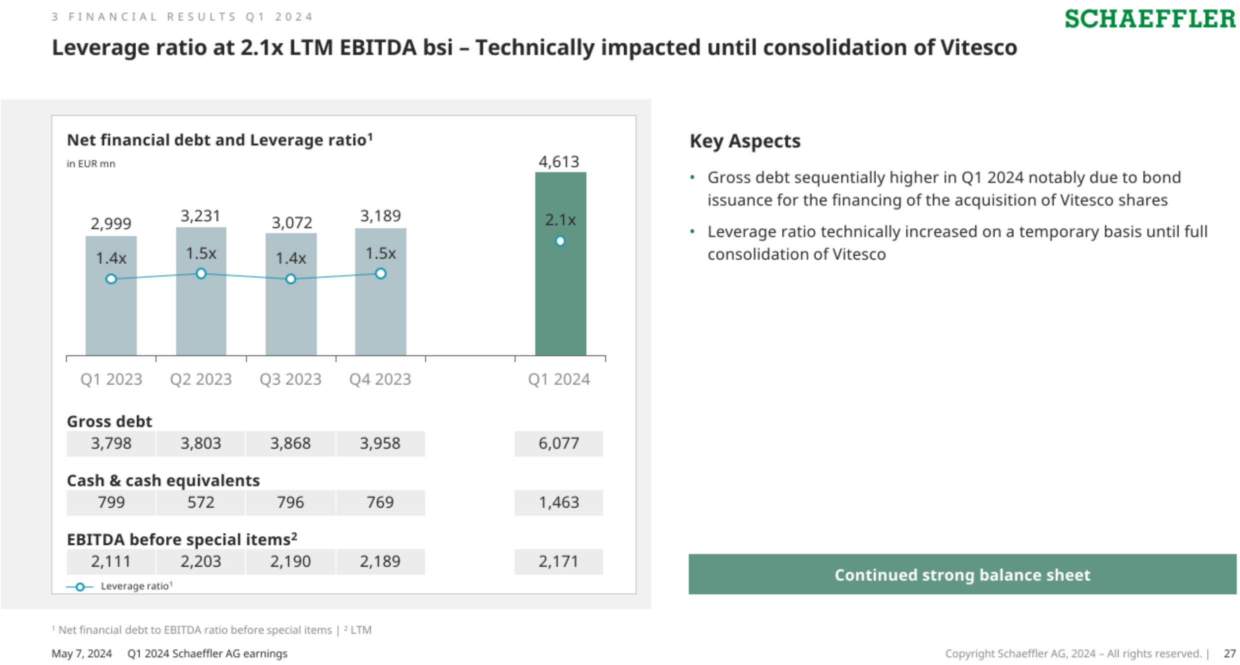


FCF Details in EUR mn	Q1 23	Q1 24	Δ Q1 24/23
FCF as reported	**-754**	**-1,470**	***-716***
M&A	681	1,304	*+623*
FCF before M&A	**-73**	**-166**	***-93***
Legal Cases	-4	45	*+49*
Restructuring	105	32	*-73*
Others	6	10	*+4*
Financing	0	0	*0*
FCF bef. M&A and sp. Items	**34**	**-80**	***-114***

And that leads me into Free cash flow. Free cash flow is negative, as expected, due to seasonal increase in the working capital, also a strong sales development in Vehicle Lifetime Solutions. Vehicle Lifetime Solutions always carries relatively more inventory than, for example, Automotive OEM. I think that's natural, so therefore you would also have a little bit of a mix impact in the level of working capital.

And please also remember that we have in the first quarter refinanced all our bridge financing for the Vitesco transaction and therefore there's a significant amount of one-off financing, transaction payments in this cash flow number. It's around EUR 30 million. You see it also in the waterfall chart on the top right. Net interest compared to prior year, that includes the one-off financing transaction cost, is therefore EUR 84 million higher than last year.

As I said, EUR 30 million is about one-off transaction costs and the other remainder is then increased financing costs due to the increase in net debt. That comes until we fully consolidate Vitesco, obviously without the positive impact on our cash flow contribution by Vitesco. So, it's now going against the standalone Free cash flow of Schaeffler and therefore a little bit of a distortion until we fully consolidate Vitesco.



This brings me to my last page. I pretty much explained it already in explaining the interest development. On the prior page you see Gross debt increased significantly. That is EUR 1.4 billion for the acquisition of Vitesco shares and also if I look to prior years, there's also some of the Ewellix financing that we started in Q1 of last year but didn't quite draw in completeness until April of last year. So, there's a little bit of an effect there too, but I think very well explainable.

And, as we explained, the leverage ratio of 2.1. Now, you have Gross debt increase due to the acquisition of Vitesco but you don't get the EBITDA benefit of the Vitesco consolidation that will start with the full consolidation and then this leverage ratio will technically correct itself. And it is our view that latest 2026 we will be significantly below the level that you see here before the effect of the acquisition of the Vitesco shares. With that, Klaus, back to you.

AGENDA

4 OUTLOOK

SCHAEFFLER

FY 2024 Guidance – Confirmed for all metrics

FY 2024 Guidance[1]

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

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

[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

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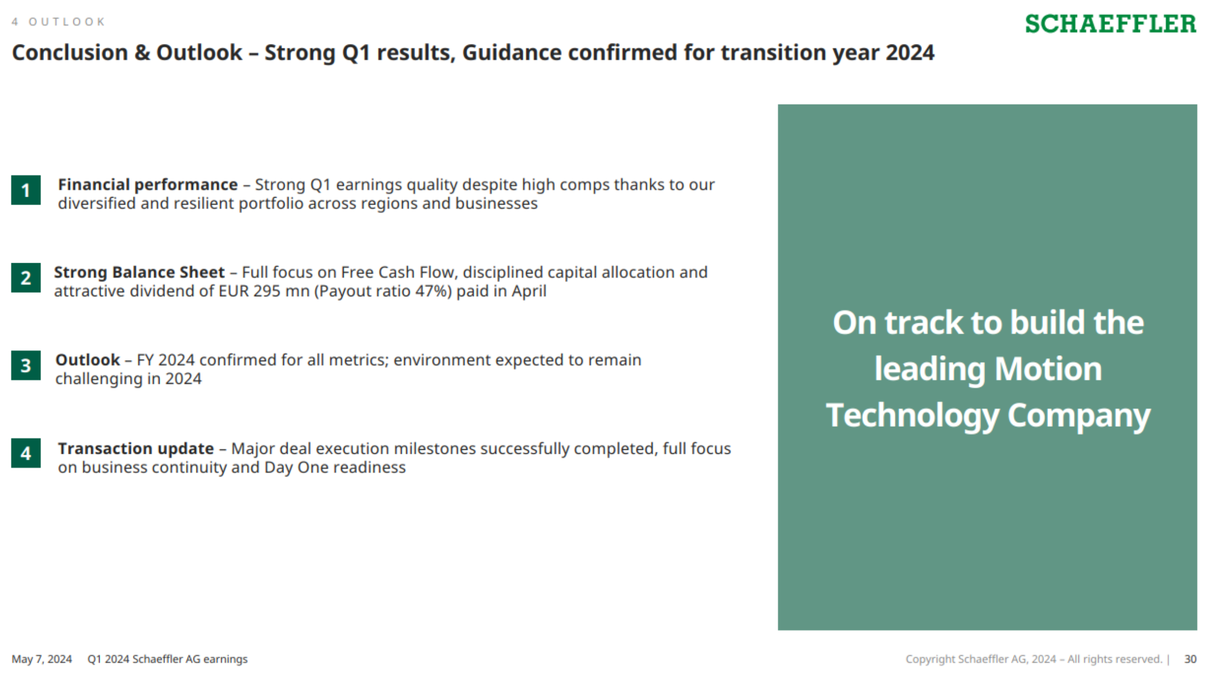
Klaus Rosenfeld

Thank you, Claus. Claus is always a little bit humble when it comes to his own achievements. I would like to add that the Finance team, led by the CFO, has done a fantastic job here to refinance everything. We are done with that. From my point of view, really a great example how you execute deals like this. So, the whole thing is safe with the long-term refinancing of all the acquisition that we had to take out and that comes at terms that are better than what we originally planned. That is something that I can say better than [Claus] himself.

Now, let me continue with the last pages. Guidance is confirmed for all metrics. You know that this year's guidance is a consolidated guidance because we need to follow here the rules from the accounting side. Consolidated sales growth includes the external growth through the acquisition of Vitesco. A 6-9% margin is confirmed and also the Free cash flow number. There's a little bit of a way to go here to get this right but we feel we are clearly able to cope with that challenge if you look at patterns, how Free cash flow developed for Schaeffler standalone and we clearly need to include here then, for the fourth quarter, also the impact from Vitesco. So, guidance is safe.



You have a summary page on 30. I am not going to repeat all of this. The only thing I want to say here, the idea and the strategic logic of the transaction clearly is intact. Yes, there may be a little bit of a different dynamic in terms of how fast E-Mobility is going to come. That does not change our view that E-Mobility is the future. We think long-term, as you all know, and we are, with the Vitesco acquisition, perfectly equipped to be one of the winners of that transformation.

To say it a little bit differently, we will continue to realize our vision of building a leading Motion Technology Company. The focus is on technology, and we are thrilled by the opportunities here. The more we dig into the different areas and the more we understand what Vitesco brings to the table, we more feel that our idea of cross-selling potential, not only for cars but also for other application areas will come true. So, a Motion Technology Company will drive us forward.

4 OUTLOOK

SCHAEFFLER

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 2023 Earnings Release
Nov 5	9M 2023 Earnings Release

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On 31 you have the next dates. May 15th, a Virtual Autos Trip with Citi. Then, on May 22nd the European Champions Conference in Frankfurt, from Deutsche Bank. J.P. Morgan on the 4th, where Matthias is going. 6th is Claus in Hamburg. And then on June 11-13th, I will participate in the Deutsche Bank Global Auto Industry Conference in New York. Next date is then, 6th August, before the summer break. It will remain interesting. And, with that, I close my part and hand back to Renata for one more important news and the Q&A session.

Renata Casaro

Thank you, Klaus. Just a quick word from myself here, dear portfolio managers and analysts. I just would like to say goodbye and thank you. This, the Q1 2024, is my last quarterly earnings. It’s actually quarterly earnings number 101 in my 25 years of my IR career after banking. I would like to thank you for the always inspiring conversations we had over the years and the valuable exchange since 2017.

I leave you in the very good hands of my colleague, Heiko, and the whole IR team. And they will take you through the exciting journey in the capital markets of the leading Motion Technology Company. From my side, I will head the Global Risk & Macroeconomic Analysis team in Berlin here at Schaeffler. And I look forward to continuing to contribute proudly to the success of Schaeffler. Thank you very much and let’s hand over to the Q&A session.

Q&A SESSION

Akshat Kacker, JP Morgan

Good morning. Akshat, from J.P. Morgan. Three from my side, please, the first one on Industrial Solutions. You mentioned that the Orderbook is bottoming and that the market pressure is declining. Could you just talk about your expectations for organic growth in the coming quarters, please? And then, specifically, other than Wind in China you have called out Industrial Automation in Europe. Could you just talk about sentiment or market signals in that specific sector? That would be helpful.

The second question is on Automotive. When I look at the profit bridge on page 22, the Gross Margin tailwind is quite high for roughly a flat top line in the quarter. Could you just talk about the main drivers here, please?

And the third one, again on Automotive. Is it possible to talk about your expectations around different cost elements on the P&L for the full year 2024, please? If you could just quantify gross headwinds across labour, logistics, freight on one side but also tailwinds from raw materials and energy. Those are the three questions.

And finally, Renata, thank you so much for all the interesting dialogue over the years. I really appreciate it. Thank you.

Klaus Rosenfeld

Akshat, let me start with the first one. I think you asked about the sectors. We are looking – when we divide our top line into growth drivers – into ten different sectors, starting with Two-Wheelers, Cars, Trucks and buses, Offroad, Rail and Aerospace. These are the six, as we call them internally, Mobility Sectors. I just give you a year-to-date indication how these sectors develop.

Two-Wheelers is slightly in the positive. Cars and Light Commercial Vehicles is positive. Trucks and buses is slightly below. And Offroad is an area that has not grown in the first quarter. Rail is an area that is definitely in the green and also Aerospace is in the green when you look at sales growth for the whole company.

Raw materials, that is again very much linked to the economy and Industrial Automation is below, as also Power Transmission, and Wind has the biggest setback in terms of growth, as we explained by the China development.

We could now go through the different areas, and I think Claus said it. If you just look at the overall growth numbers, Americas has been supportive in this quarter. Europe is, more or less, flattish overall and that means Europe in Industrial is clearly also, as a whole, when you look at the sectors, negative. China, negative. Asia/Pacific more or less stable. There, interestingly, we have significant growth in Wind. So, Wind, let's say that again, is a China issue at the moment. It is not a global issue. In the other markets we're making good progress and if you regard Wind, 50% top line China, 50% the rest of the world, that is something that we will continue to drive forward with our competence in the other markets also outside China. Hopefully, that explains it.

There are no plans for external growth at the moment. That would be certainly too much. We need to keep our eyes on the integration of Vitesco and organically we'll see as soon as the economy turns, as soon as all these sectors start to see more potential, I think we'll benefit from this.

On the Orderbook, yes, the statistical thing indicates a bottoming out. We always said Q2 will be decisive but, in general, we hope that the development continues in a positive manner. And for the second and third question I'll hand over to Claus. Maybe you need to repeat the third question to us because we were a little bit distracted here and we were not 100% sure whether we understood everything right.

Claus Bauer

Let me start with the second question and then if you can please repeat your third question. If we go to page 22, I think that is the bridge that you were referring to. Then, as I said and explained, in the Others column you see a negative amount of minus EUR 21 million. There, the inventory valuation effect, the one-off effect that we adjusted for EBIT is minus EUR 29 million and as we, I think, also explained, we did not adjust because that's not the adjustment logic, we did not adjust Gross profit.

So, what you have in Gross Profit, in the plus EUR 46 million, is still the positive inventory valuation effect. You really should, to see the real operational effect, net the two columns, Gross Profit and Others, and then you see and come up with a net tailwind. It's still a significant tailwind in the range of EUR 20 million out of Gross Profit and that EUR 20 million is a little bit of product mix.

The product mix is leaning a little bit stronger towards Engine & Transmission in this quarter than a year ago. You might remember that changed throughout last year and our product mix in this first quarter is about the same as in the second half of last year and a little bit positive contribution. But the main contribution is really production cost improvements on the shop floor and that should obviously be ongoing.

Akshat Kacker, JP Morgan

Thank you. That's very clear. The third question was again on Automotive. I just wanted some more detail around the different cost elements on P&L for 2024, if it's possible to quantify the gross headwinds across labor, logistics, freight, but also the tailwinds across raw materials and energy. That would be helpful, please. Thank you.

Claus Bauer

That is obviously included in what I just explained, the tailwind of plus EUR 20 million. It's about efficiency, more calmness, more stable call-ups by our customers on the shop floor. You mentioned other cost drivers like inflationary impact on Energy and Raw materials. That is, I would say, better than we expected when we planned for the year but year-over-year it's not a big tailwind, it's a rather smaller tailwind.

And we have, of course, the labor cost inflation also pretty much in Germany and Europe that is a headwind and I would say if you now take all input costs, that is not in any means as significant an impact on our cost structure as it was in the last three years. I don't want to now say it too simply it is offsetting each other but it's not something that goes in one or the other direction in total as compared to prior year.

I will say, though, that another accomplishment, and we said that a little bit already in our full-year release and I think also the quarter before. I called it we are now playing defence instead of offence. We are trying to defend the price levels that we have achieved. Input costs are not going down. They are not going up as much as in the past but they are also not relaxing. So, therefore, we have to keep the pricing.

And we did not see in the first quarter the normal contractual price reductions that you normally see in Automotive Technologies. So, we are playing defence. We plan to keep playing defence. It's not a price increase, definitely, as in the last years, but we also have to be a consequent and avoid price reductions as much as possible.

Klaus Rosenfeld

I can only echo what Claus said. The focus is on being defensive and straight with our customers and avoiding price reduction, for sure. There's a change in sentiment there. If you now want to increase prices, I think that is a significant uphill battle, but to keep them where they are is our intention. We are, more or less, closed with every customer on price negotiations and what Claus said on the other factors is absolutely right.

One thing, just to mention that we are in a situation where there is still significant uncertainty, just look into the Middle East, and that can have impact on logistical cost. We know this. We plan for this. We have already changed direction for the incoming material in the auto side. It is inbound logistics where it counts. Typically, the customer takes care of the outbound logistics.

But the overall environment is something where diversification is important, where a management approach that is very down to earth is helpful and I think we have, so far, coped with that environment quite well. But we also are cautious when it comes to how we need to move forward in certain areas and that is, I think, also reflected in this result.

Marc-René Tonn

Good morning and thank you for taking my questions. The first one would be on Industrial and the price pressure you mentioned on the Wind business. Is this something you expect to vanish once demand is returning or do you expect, perhaps also on your side, some more structural measures, if any, to improve efficiency as needed to reach the profitability there for the mid-term? Are you expecting some of that business? That would be the first question.

The second question, coming back on pricing in Automotive Technologies and with ICE and PHEV platforms probably running for longer than perhaps had been expected half a year ago or one year ago. Is this something where you see opportunity for you to improve pricing when customers approach you, that some platforms may run for longer in these type of platforms, an additional positive to the mix improvement you are expecting from that?

That would be my two questions and, Renata, also from my side, thank you very much for the cooperation in the last years.

Klaus Rosenfeld

Well, it would be a little bit unusual to increase prices on existing products simply because there's a little bit more demand. That's unusual. You cannot just go to a customer and say because he is ordering more ask for a different price. At least in the traditional OEM business, that is nothing that we have seen so far and it's also not how we see long-term customer relationships.

You develop the product, you agree on a price. You typically have some sort of price-downs over time. So, the impact here is a volume impact on existing capacity and let's see how long that will be there. For us, it's certainly positive and our strategic decision not to throw away the ICE business, that was also scrutinized, I think starts to pay off here.

Don't get this wrong. That doesn't mean that we are turning around. We have also had, Renata also thanks to your guidance, the idea of the Mature and the Growing businesses and the strict logic and the capital discipline behind this now pays off. I say this with a smile. The father of Mr Schaeffler always said you earn your money on the written-off machines and that's what is happening now.

Winds is, again, from our latest assessment and Stefan, who left us end of April and handed over to Sascha, was in his last weeks, two weeks two times in China. The Wind situation in China is, as we see it today – again, being cautious – a structural and not a temporary issue. The pressure here comes from others entering that market with significant price discounts.

We have decided to stay in that market. We know that we can compensate a part of this but not all. We have a very strong market position, as one of the international players there, with our large customers, and that's why Stefan was there. We know that they want to have at least one European or international player as an alternative. And think that's the position that we want to take.

So, we are not going to leave it. Others have decided, on our competitors' side, to leave that market. We think that is wrong. And we know and trust our Chinese colleagues that are very good with cost reduction programmes, that they will keep this. But it's, I think, also fair to assume that the given profitability of the last years was clearly outstanding, it will not easily be regained, but that doesn't mean we're leaving the market.

Horst Schneider

Good morning and thanks for taking my questions. I only have got a few left. Regarding your Order Intake in E-Mobility. I know you do not split that up, the split between PHEV and BEV. What we see at the moment in the market is that PHEV sales clearly outperformed BEV growth and BEV sales. Going forward is it, for you, rather a benefit or is it something that makes you nervously basically, that the BEV sales, they tend to underperform or respectively that the penetration rates are not as great as expected? That's question number one.

Question number two relates, I could imagine it is difficult for you to answer and you don't have to answer if you don't want to, of course, but nevertheless I'll give it a try. It is this dreadful Audi margin in Q1, which is due to the starter belt generator delivered by Vitesco. Are you also involved in these talks with Audi? Has the issue been resolved? Is there anything you can say about that or that's more something for the Vitesco call tomorrow? Thank you.

Klaus Rosenfeld

Well, let me do the last one. For sure, in a situation – and you know that I'm a Supervisory Board member – we are somewhat involved in this, but we are certainly not going to talk about this in this call here. So, I think you should direct your question tomorrow and ask the colleagues from Vitesco.

We're not only representatives at their Supervisory Board, we are also now a direct investor from a Schaeffler AG point of view. So, you can be rest assured that we are very interested that that situation is resolved and, again, ask the question tomorrow and you will hear probably more about this.

In terms of Order Intake details. No, we are not splitting it up into BEV and plug-in hybrids. You know that we include the plug-in hybrids in our E-Mobility side. If you go into detail, I said this before, Horst, there is a trend at the moment for more plug-in hybrids. It's particularly driven through the US. There we see significant requests from customers, can you do this, can you do that? How that materializes remains to be seen.

The other market where that plays an important role is China. Also, there, maybe a little bit as a surprise, but those that don't buy a full electric vehicle think about the plug-in hybrids. That's also a positive for us at the moment. Does it mean that we are concerned about BEVs? No, we are not. We have, together with Vitesco, and it's only a matter of time until these Orderbooks come together.

We have a significant Orderbook. It's very well balanced. It makes a lot of sense from a logistics point of view. So, my concern at the moment is not growth in this area. The concern is that we can deliver all of that properly. That's what we said before and that's why I also keep saying here internally the year is an interim year. We need to understand what we have in full detail and then see how we place our bets for the next year to come.

So far, business continuity, also conversations with customers are all on the positive. That doesn't mean that there aren't issues. There are, for sure, issues but so far, we can deal with them well and the constructive cooperation with our Vitesco colleagues helps here a lot.

Horst Schneider
Just a small follow-up. Since you rightly said nicely, in your comment before, you make the money on written-off machines but that means that E-Mobility, of course, because it's a business that is ramping up is still rather diluting the margin, right, that's fair to say?

Klaus Rosenfeld
Horst, one of the beauties of this merger and we may scratch our heads in some quarters, but we will give you in future, when the companies are fully merged, four

divisions, E-Mobility, Powertrain & Chassis, Vehicle Lifetime Solutions. You will get not only top line, you will also get margins for this. Maybe we'll regret this move at some point in time, I don't know, but there will be more transparency on the drivers of that business and then you can also see what is earned in the mature and what is earned in the growing business.

Horst Schneider

That is, of course, appreciated. Thank you so much and good luck.

Klaus Rosenfeld

And don't get me wrong. We are long BEVs. We are positive on this. Claus said something that is very important. BEV is not only powertrain, BEV is also bearings. There are chassis products. I've spent time in Mexico and saw what is done there. So, it's not only powertrain ICE versus electric. There are also other products that count and the positive trend with the Chinese newcomers on bearings, even if these are components from their point of view, it's something that we will continue to drive forward.

Edoardo Spina, HSBC

Good morning. Thank you for taking my three questions. I wanted to ask, to clarify for the E-Mobility orders, if they include the mild and full hybrids and, if not, what is the trend in those orders compared to your previous expectations.

And I wanted to ask, since the last CMDs for Schaeffler and Vitesco there have been several updates, I think, in the electrification path. Do you believe the current trends in powertrain mix and orders are in line with the EV mix forecast that you shared with investors lastly or are you starting to operate on different assumptions and maybe it's time to review these assumptions?

And finally, just to clarify the last point on the different powertrain profitability or profit really in terms of EBIT or Gross profit, if you prefer, just to say a word on how different they are for you, if we're talking about a BEV or a plug-in hybrids or just mild or full hybrids. Is there something that we should note on the difference here? Thank you very much.

Klaus Rosenfeld

Let me start with the first one. The EUR 1.5 billion Order Intake, you have it on ten, includes a nomination from a new OEM for an e-motor and an inverter in our Heavy Duty business. We have so far not differentiated this in BEV and plug-in hybrids. If I may, Edoardo, I would also leave it there at the moment to avoid confusion.

I can say in future we'll keep the plug-in HEV hybrid and BEV together, and this leads to your second question. What we're doing at the moment or what Matthias is doing with Mr Stierle at the moment, they're doing a portfolio review. They're going through every little business line, trying to clarify what is in here, what is in there. How do we put that best together? And that also includes, clearly, a review of the assumptions in terms of powertrain mix.

We have our strategic dialogue, as you know, in the summer, sometime in the beginning of July. We'll discuss it there and then see how do we build the joint business plan on that basis, but it would be premature now to share directions and say it requires a very detailed analysis across the different regions.

And how this then unfolds and how the dynamic is in the next years remains to be seen. In general, I can say we believe that the significant growth of BEV is going to continue. It's more the shape of the curve that needs to be discussed and what that means for the near-term but in the mid and long-term our assumption will probably not change dramatically.

In terms of powertrain profitability, it's a very fair question that I understand but there is not the one profitability for BEV and the one profitability for plug-in and the one profitability for an ICE product. It depends by region, it depends by customer, it depends by how mature is the product.

There is maybe a direction that you can say, an established product where we have significant market share. Take a dual-mass flywheel. For sure, it has a different profitability level simply because the negotiation power that that gives you compared to something new.

I can also say when we put together, and we have done a first analysis on this, a Vitesco product together with one of ours, that is typically earnings accretive in a positive sense. Also, here, please take this as indications but we are not in a position today to give you more detail and what we will disclose in the future is then part of a discussion for 2025.

Edoardo Spina, HSBC

Thank you very much. Maybe a very, very quick follow-up. It seems that, of course, there is a lot of volatility in the forecast figures just in the industry. The question is are the OEMs starting to recognize and acknowledge the volatility and risk for you when you sit down for negotiations? Has this been part of something that is like we need to be more flexible basically to help us on this from their side? Thank you very much.

Klaus Rosenfeld

I think what I can say here, and you will interpret that answer right, I think the OEMs are looking for long-term, reliable partners, in particular in Europe, that support them in their global competition. And that’s exactly where we want to be and that also means that you should be able to somehow share information, share assessments, share expectations and also deal with volatility.

I said last time, as you remember, and I also said it mildly in my annual general speech. At least the German but I think also the global car industry has always succeeded if supplier relationships are fairly balanced against OEM expectations and also their own ambitions. And as long as we turn back to the situation where burdens are sometimes shared but also benefits are shared, then I think we in the right spot and we, as Schaeffler, definitely want to be part of a long-term relationship with all our customers. And I think with the size that we now get with Vitesco it will be much easier also to negotiate with customers and make sure that we come to an equal sharing of benefits and, to some extent, also risks.

Edoardo Spina, HSBC

Many thanks and a big thank you and good luck to Renata and the IR team. Thanks.

Michael Punzet, DZ Bank

Good morning. I have one clarification question for E-Mobility. You mentioned that bearings might also be part of an E-Mobility order. Is that included in the figures you posted for the Order Intake of E-Mobility or is that only included in the Order Intake for Industrials?

Claus Bauer

Bearings are not included in the Automotive Technologies Order Intake anymore because these are KPIs that are division-specific and with the re-definition of the composition of the division. So, last year Automotive Bearings was in there but from now on it's not in there, so Automotive Bearings would not be included in the Order Intake for Automotive Technologies.

Michael Punzet, DZ Bank

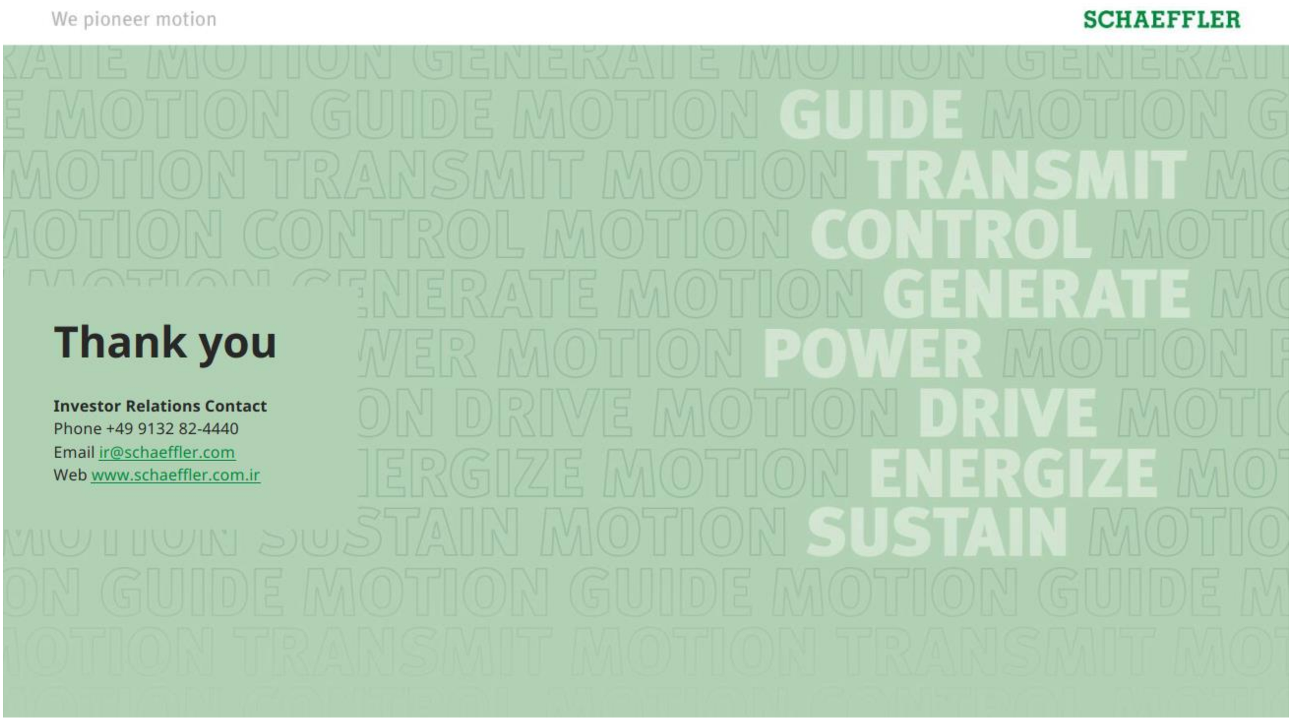
Thank you.

Klaus Rosenfeld

Thank you. Ladies and gentlemen, if there are no more questions, I want to finish this call with a big thank you very much to Renata from our side. We have worked on not 100 quarterly results earnings releases together but many. We have gone through difficult times, as you all know, and I can say whole-heartedly, not only from my side but also for the whole Executive Board and also speaking for Mr Schaeffler, you have done a superb job here.

You have guided us through all the crises of the last years. Your intellectual support and your experience was outstanding and therefore a big thank you very much, Renata, for all you've done for Schaeffler AG, for our story. We are glad that you're not leaving Schaeffler. You will overlook some of the most important areas for the future and continue to give us guidance. Thank you very much. All the best to you. And, with that, we close the call and hope to see you soon, either in conferences or on the next conference call.

Backup



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Transition year 2024 – Schaeffler transitory operating model and reporting

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Adjusted comparative figures 2023

Automotive Technologies in EUR mn

	Q1 23	Q2 23	Q3 23	Q4 23	FY 23	Q1 24
Sales	1,778	1,730	1,748	1,780	7,035	**1,770**
***Sales Growth*[1]**	*+7.2%*	*+11.3%*	*-2.0%*	*+3.9%*	*+4.8%*	***+0.8%***
EBIT bsi	87	90	107	56	339	**93**
EBIT bsi margin	4.9%	5.2%	6.1%	3.1%	4.8%	**5.3%**

Bearings & Industrial Solutions in EUR mn

	Q1 23	Q2 23	Q3 23	Q4 23	FY 23	Q1 24
Sales	1,787	1,769	1,714	1,690	6,960	**1,677**
***Sales Growth*[1]**	*+9.2%*	*+8.3%*	*-0.1%*	*+0.9%*	*+4.4%*	***-4.1%***
EBIT bsi	159	131	138	99	527	**143**
EBIT bsi margin	8.9%	7.4%	8.0%	5.9%	7.6%	**8.5%**

Vehicle Lifetime Solutions in EUR mn

	Q1 23	Q2 23	Q3 23	Q4 23	FY 23	Q1 24
Sales	581	548	581	531	2,241	**625**
***Sales Growth*[1]**	*+25.7%*	*+10.0%*	*+8.4%*	*+3.1%*	*+11.4%*	***+8.6%***
EBIT bsi	90	73	101	65	328	**109**
EBIT bsi margin	15.4%	13.3%	17.3%	12.2%	14.6%	**17.4%**

Others in EUR mn

	Q1 23	Q2 23	Q3 23	Q4 23	FY 23	Q1 24
Sales	6	9	19	42	76	**13**
***Sales Growth*[1,2]**	-	-	-	-	-	**-**
EBIT bsi	0	-5	-5	3	-7	**-23**
EBIT bsi margin[2]	-	-	-	-	-	**-**

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

[1] FX-adjusted | [2] Values not provided as not meaningful

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Market assumptions

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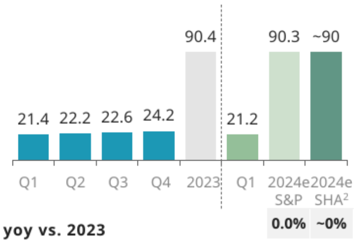
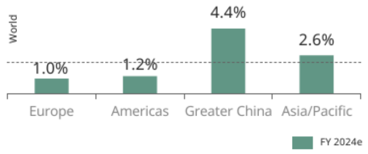
Global LVP[1] 2024



yoy vs. 2023

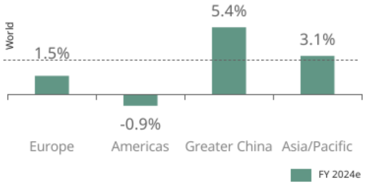
- Schaeffler expects a flat LVP development of 90 mn vehicles in 2024 vs. 2023, based on the forecast of S&P Global Mobility and own considerations
- Generally, due to market uncertainties (e.g., political and economic environment), we see challenges for the car markets in all major regions

Global LV Parc[3]



- Growth rate of Global LV Parc[3] 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[4]



- Global Industrial Production[4] 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

[1] Includes content supplied by S&P Global Mobility© [IHS Markit Light Vehicle Production Forecast (Base), April 2024]. All rights reserved. | [2] Schaeffler AG | [3] Includes content supplied by S&P Global Mobility © [IHS Markit Vehicles in Operation (VIO) Forecast, Feb 2024]. All rights reserved. | [4] 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)

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Key figures Q1 2024

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

[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

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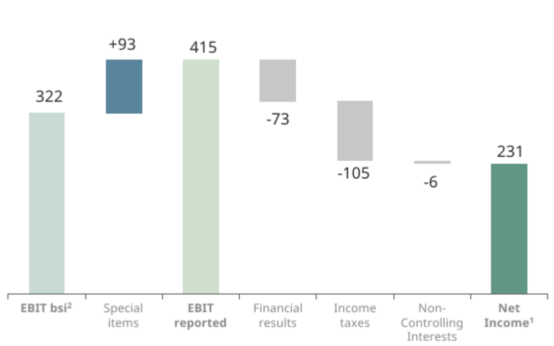
Net Income[1] – EBIT reconciliation and special items

Reconciliation Q1 2024 in EUR mn



EBIT margin

7.9%	10.2%

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

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

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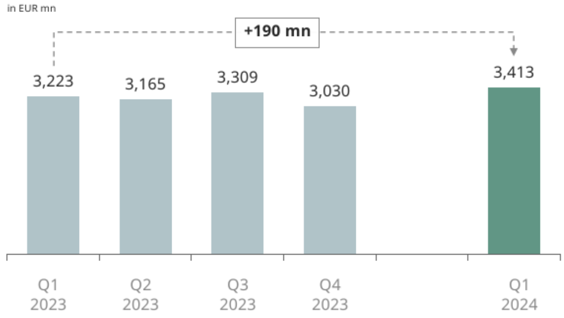
Working Capital ratio 21.0% – Capex ratio 5.4% in Q1

Working capital[1]

in EUR mn

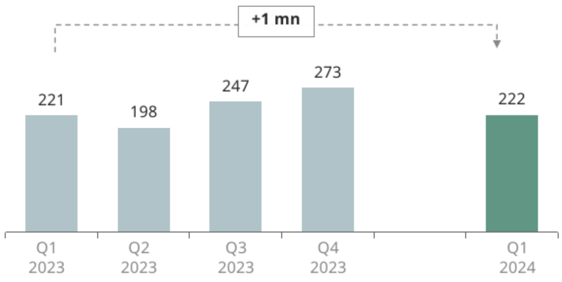


in % of Sales (LTM)

Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
20.0%	19.3%	20.4%	18.6%	21.0%
18.6%				

Capex[2]

in EUR mn



in % of Sales

Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
5.3%	4.9%	6.1%	6.7%	5.4%
5.7%				

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

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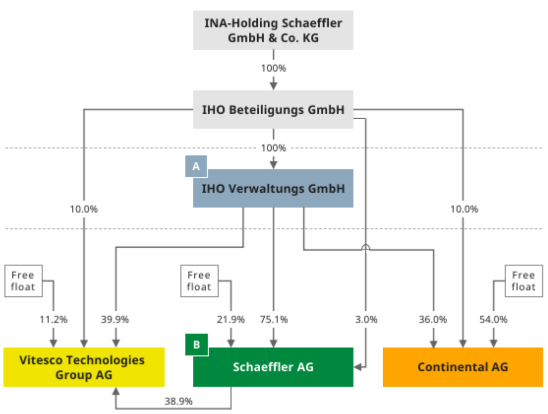
Overview Corporate and Financing Structure

Corporate structure (simplified) as of March 31, 2024



Financing structure as of March 31, 2024

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)	-	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%[2,3]**		

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	Debt instrument	Nominal USD mn	Nominal EUR[1] mn	Interest	Maturity	Rating Fitch/Moody's/S&P
Loans	RCF (EUR 2,000 mn)[4]	-	-	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%[3]**		

[1] EUR/USD = 1.0811 | [2] After cross currency swaps | [3] Incl. commitment and utilization fees | [4] On 27 March 2024, Schaeffler singed 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

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