TRANSCRIPT / CONFERENCE CALL Q3 AND 9M 2024 EARNINGS

SCHAEFFLER

Q3 and 9M 2024
Schaeffler AG
earnings

November 5, 2024
Herzogenaurach

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Company Representatives

Klaus Rosenfeld, CEO
Claus Bauer, CFO
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Akshat Kacker, *JP Morgan*
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Marc-René Tonn, *Warburg*
Oleksiy Soroka, *ING Bank*

Heiko Eber

Ladies and gentlemen, I'm very happy to welcome you to our today's call on the financial results of the third quarter 2024. The press release, the presentation and our nine-month report have been published today at 8:00 AM CET on our Investor Relations homepage. And for sure, we will provide a recording and a transcript of this call on our website afterwards.

Now, before we take a look at today's agenda, I'm sure that you have all taken notice of our well-known disclaimer. Looking at the agenda, Klaus Rosenfeld, our CEO, and Claus Bauer, our CFO, have joined the webcast to guide you through the key information in our presentation. Afterwards, both will be available for our Q&A session. And now, without further ado, let me hand over to our CEO, Klaus Rosenfeld.

Klaus Rosenfeld

Thank you, Heiko. Ladies and gentlemen, welcome also from my side.

1 **Overview**

2 Business Highlights Q3 and 9M 2024

3 Financial Results Q3 and 9M 2024

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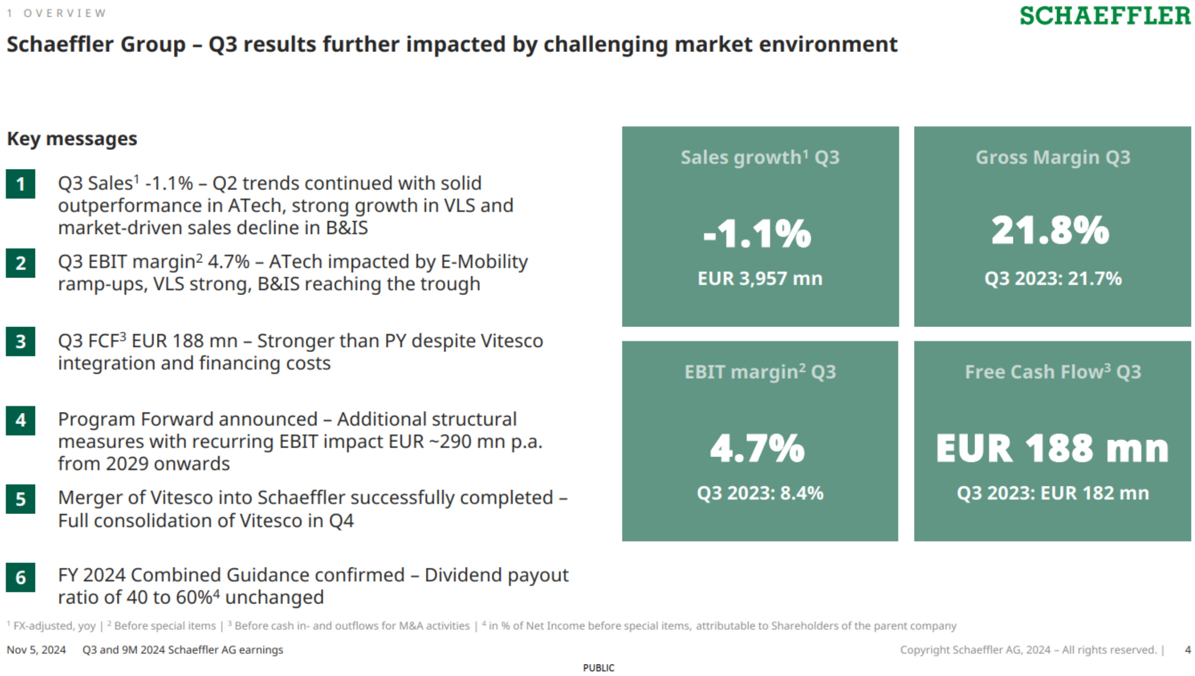
AGENDA



I would like to start immediately after the kind introduction of Heiko on page four of the presentation, where you have the key messages and some of the key numbers.

Six key messages. Sales, Q3 slightly below previous year. The trends that we already outlined in Q2 continued, with outperformance in ATech. Strong, I would even say remarkably strong growth in Vehicle Lifetime Solutions and a market-driven sales decline in Bearings & Industrial Solutions. Slightly below 4 billion, certainly not what we would like to see, but something that I think is an acceptable top line development.

Q3 overall, 4.7%, impacted by the E-Mobility ramp-ups. VLS continuously strong and B&IS disappointing, but hopefully now reaching the trough. On the positive side, Q3, Free Cash Flow, €188 million, once again testimony for the strong Free Cash Flow generation. And we can here clearly say, Claus is going to explain that in detail, stronger than previous year, despite the Vitesco integration, despite financing costs.

So, all in all, when you take these first three messages, an okay quarter. Certainly, we are on track, but also a quarter that shows there is need for action.

And that's key message number four. We announce today Program Forward, for me, the fifth program of self-help measures, consisting of three main buckets that we'll explain later on. The target here is to achieve a recurring EBIT impact of €290 million per annum that shall be 100% realized in the year 2029. That means more or less every measure fully implemented by 2027, and then the EBIT impact phasing in in 2028 and 2029.

The logic is, as I said, a function of the headwinds in Bearings & Industrial Solutions, the promised headcount-related cost synergies from the Vitesco merger, and on top of this, we have decided, with all that's going on in the global and, in particular, European Automotive industry, to also put additional measures in place to respond to the ongoing transformation and weaknesses, in particular, in Europe.

Let me also say here up front, we know how these programs are developed. We have done this again in a constructive dialogue with our workers' council. They know the logic. They are informed about this. All these programs are always as good as they are executed and implemented. And I'm very confident that we are very good and very well positioned to realize these benefits as promised.

Number five, the merger of Vitesco has been successfully completed. And that is something that we are really proud of, in time, also in line with budgets and expectations. It's now up to us to push the integration. And for sure, the strategic logic is absolutely right. We are believers that E-Mobility will come. It's only a question of how and how fast. But that trend is, from our point of view, not to be reversed.

Numbers are complex. Claus is going to explain this. Until the end of the third quarter still the usual logic with Vitesco consolidated at equity. From Q4 onwards, full consolidation. So, you will see a unique year, 2024. 25 will then be the first year where you have the full divisional setup. We'll come back to that in a moment.

Last but not least, we confirm our guidance, based on what we know today. And I would like to reiterate our promise that dividend payout ratio should be 40% to 60% for the year 2024. And that is unchanged, compared to what we said before.

1 OVERVIEW

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Schaeffler Group Q3 2024 – Highlights and lowlights

Automotive Technologies
Very strong Q3 order intake of EUR 2.4 bn in E-Mobility, ATech Book-to-bill-ratio 2.0x

Vehicle Lifetime Solutions
Continued strong sales growth and EBIT margin due to high demand

Free Cash Flow
Strong FCF in Q3 despite integration and financing costs for Vitesco, effective Working Capital Management

Market environment
Lower automotive production especially in Europe, ongoing weakness in various industrial sectors

Automotive Technologies
Earnings quality not satisfactory, impacted by volumes and E-Mobility ramp-ups

Bearings & Industrial Solutions
B&IS EBIT margin[2] below expectations, calling for additional self-help measures

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

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Page five has the highlights and lowlights. I will do that rather quickly. On the positive side, strong order intake in E-Mobility, €2.4 billion, a large transaction in the US that is, again, a proof point for our investment strategy in the US, also a proof point for the fact that we've always said hybrid will play a role in the next years to come.

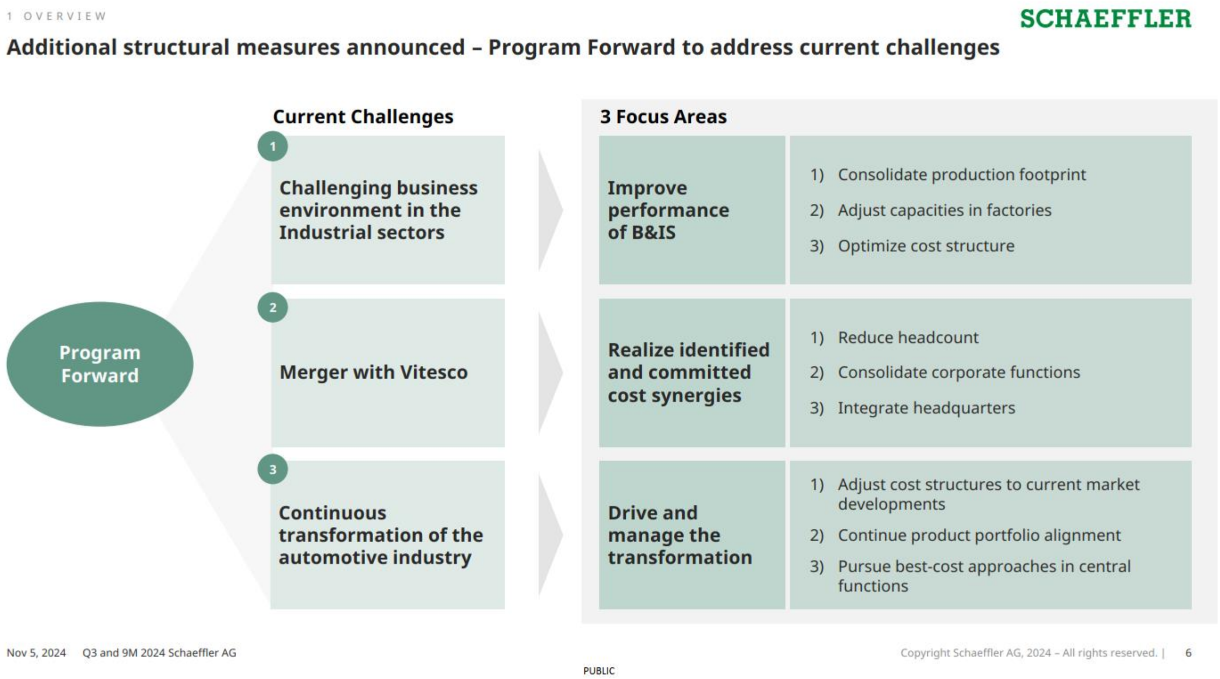
ATech book-to-bill ratio, and ATech being here all the automotive business in the existing setup, without Bearings, 2.0 times. Vehicle Lifetime Solutions continued strong sales growth, continued EBIT margin at a record level. We are really proud of that business. And when you compare that to competitors, I think we can say we are the leading company in terms of margin and also growth trajectory.

Free Cash Flow, strong again. I believe that in these challenging times, Free Cash Flow generation, ladies and gentlemen, is absolutely key as cost and capital discipline. And I think we have shown in the past that we are effective in managing these levers. The effective working capital management in the third quarter is once again a point that proves that we mean what we say.

On the weak side, the market environment is challenging, lower automotive production, especially in Europe, ongoing weakness in various industrial sectors. All that makes it not easier. I am unhappy with the earnings quality in Automotive Technologies. Still the old setup, as I said. It’s impacted by volumes and also by the E-Mobility ramp-ups.

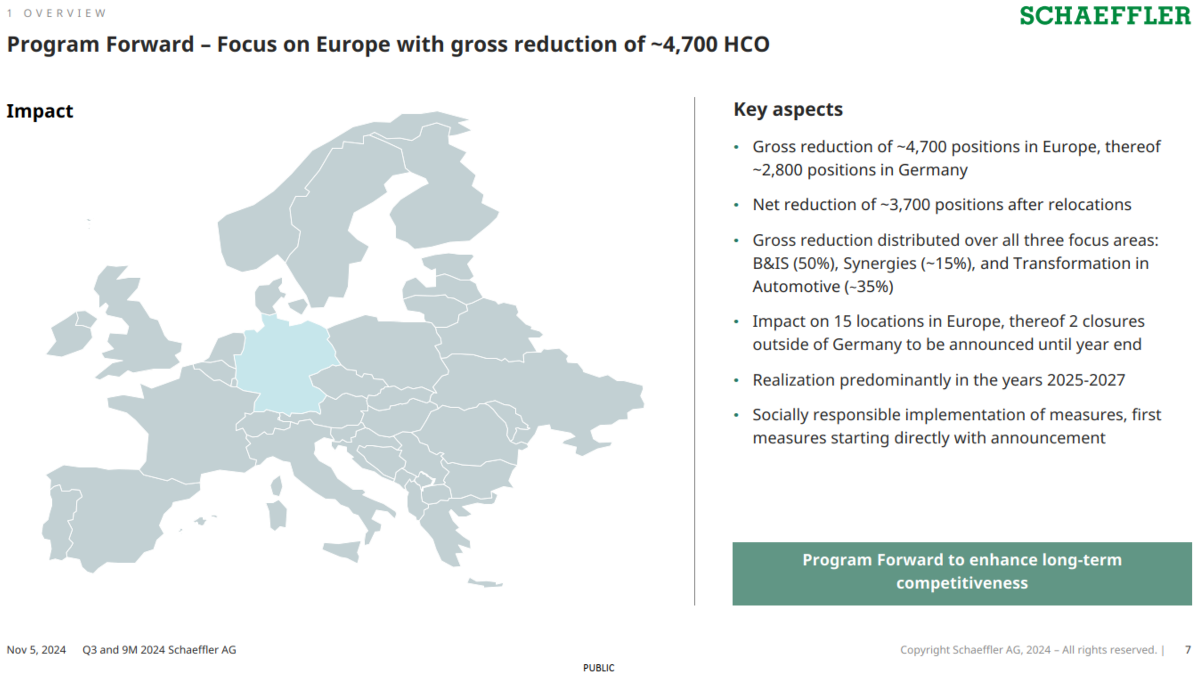
We have our issues there with all what's coming together here. Customers are demanding, in a sense, that we need to deliver what we promised. And with all what we have on the books, that's a challenge. We will go through some headwind there, but we are on the right track also to deal with the more critical projects.

In Bearings & Industrial Solutions, margin levels are below expectations. The call for self-help measures is absolutely necessary. The development is disappointing, and we need to respond and address that. That's why we announced Program Forward.



On the next page, you have the structure here. It's a threefold response to different challenges, as I said before, performance in B&IS, the promised and already indicated cost synergies that are headcount-related, and then the continuous need to drive and manage the transformation. You have the different levers there, from consolidating footprint, reducing capacities, to integrating headquarters.

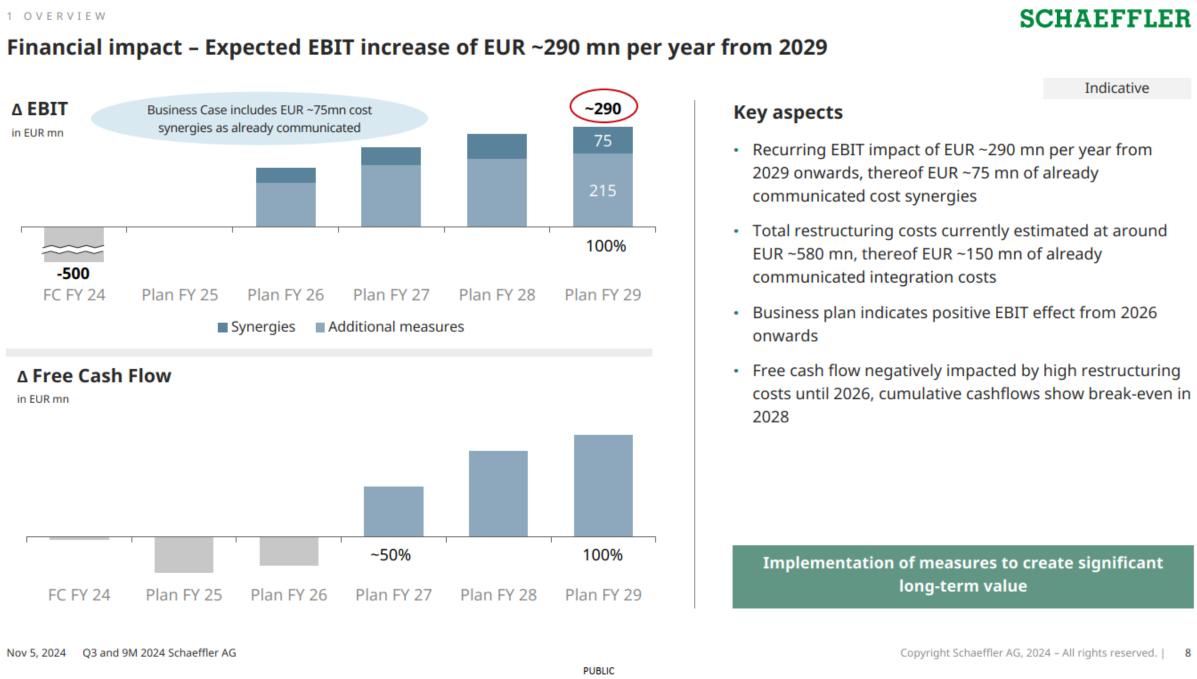
For sure, there is an element in the continuous transformation where we want to continue with the product portfolio alignment that Vitesco started. Think about the torque converter, for example. Or, where we can do more in terms of best cost approaches in central functions, nothing else than use of shared service center opportunities.



On page seven, the program is a European-focused program, with 4,700 gross positions to be reduced - in Europe. We have, on purpose, said we will focus this on Europe. We are not including the US. We are not including China. And for sure, within Europe, Germany has the biggest part.

If you include the transfers into that calculation, the gross reduction is reduced by 1,000 positions to 3,700. Just to put that into perspective, that is around 3% of the overall population that we have. Is that a program that is too large or too small? I believe it's exactly the right program now. And what is more important than size is proper execution. We know how to do that. And we announced something today that should be realized predominantly in the years 25 and 26.

It all works well if you can do it in a socially responsible manner and in good constructive dialogue with workers' council. We are known for that. We are addressing 15 locations in Europe, thereof ten in Germany. And we will announce in the next weeks to come two closures outside Germany to streamline our footprint.



The Financial impact is on page eight, ladies and gentlemen. Not too much to say here. €290 million is the target. And to be fair, that €290 million includes €75 million of already communicated cost synergies. You remember the €600 million. The €75 million that you see on page eight, left-hand side in dark blue, is exactly that part. So, €215 million on top of the synergies that have nothing to do with Vitesco directly.

We'll need, for these numbers, €580 million restructuring costs. Not everything will go into restructuring provisions. Claus is going to explain that. And also here, if you break that out, €150 million of that is already communicated integration cost under the €650 million.

What is important here to note, we expect, at the moment, that the first positive impact on EBIT will come in the year 2026. 25 remains to be seen, but it's expected at the moment to be without any major EBIT impact. Cash flow will take a little bit longer because the restructuring payouts typically come upfront. So, in 2027, the new program should also yield positive Free Cash Flow contribution.

It's very important not only how big these measures are, but how they're implemented. And there, I can say we are experienced. We have done this before, numerous times. And I see today that there is, on every front that we have looked at today, support, support from customers, support also internally. And we'll now see that we get all of that on track.

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Sales Performance Q3 2024 – Heterogeneous regional development

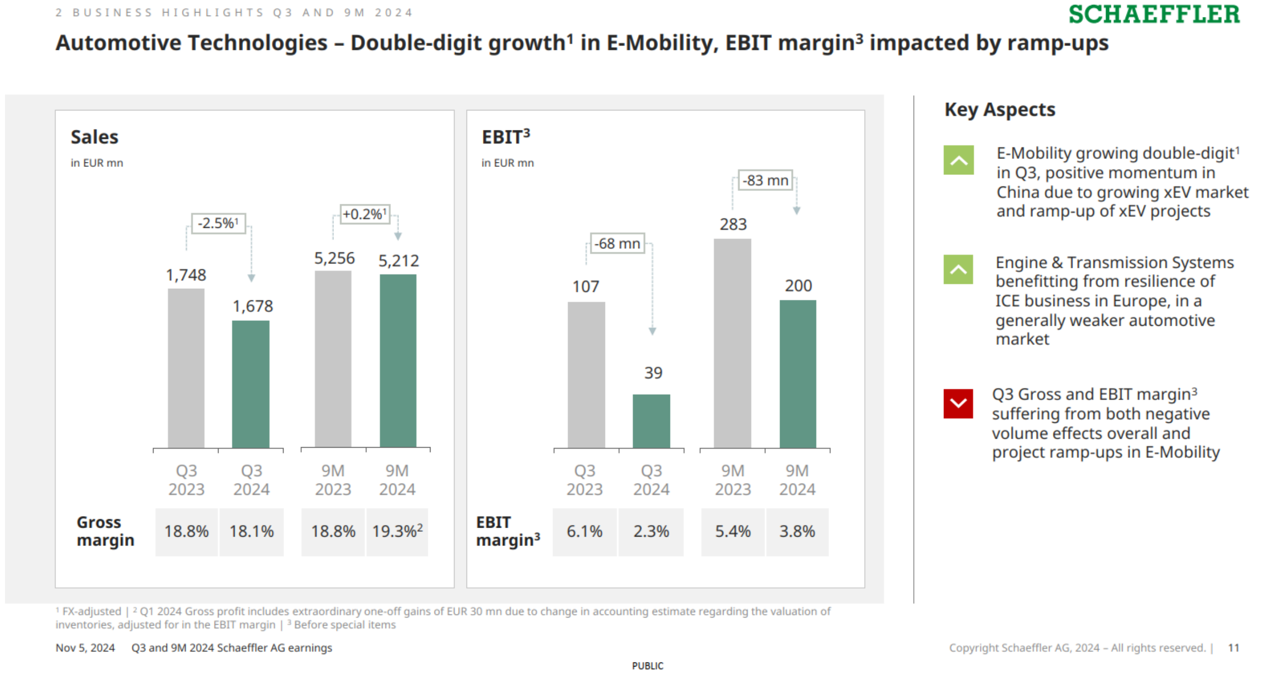
Q3 2024[1]	% of Group sales	Automotive Technologies[2] 42%	Vehicle Lifetime Solutions[2] 16%	Bearings & Industrial Solutions[2] 41%	Region Growth
Europe	43%	-2.9%	+11.8%	-12.8%	-2.9%
Americas	23%	+3.7%	+10.2%	+2.4%	+4.2%
Greater China	20%	-10.8%	+29.6%	-1.3%	-6.2%
Asia/ Pacific	14%	+2.4%	+23.7%	+2.4%	+3.7%
Division Growth		-2.5%	+13.2%	-5.0%	-1.1%

Q3 Sales growth[1]

[1] Q3 FX-adjusted sales growth, please refer to the Interim Statement for further details | [2] Divisions do not add up to 100% due to new "Others" segment

Back to the numbers. Page ten gives you the normal page in terms of Sales Performance. That's, I think, a nice reflection of what's going on in our markets. You'll see our Auto Tech in Q3, minus 2.5% for Schaeffler as a whole. Except for Americas, and except for the smaller Asia/Pacific region, the main regions, Europe, minus 2.9%, China, even 10.8% down.

What you also see is the Americas is the only region that grew across all three divisions in their current setup. And if you look at Vehicle Lifetime Solutions, 13.2% growth in that environment, I think, speaks for itself. Superb business that we will continue to grow, going forward.



Very quickly on the divisions, Claus will give you more, Automotive Technologies, Q3 2024, 2.3% margin, clearly disappointing. However, there is positive momentum on the top line. And I think it's fair to say to deliver something that is more or less flattish over nine months and slightly down in Q3 is not a bad result.
We are benefiting from the diversification. Engine & Transmission Systems is a resilient contributor in a generally weaker automotive market. And for sure, the ramp-up of E-Mobility will remain challenging. But in terms of growth opportunity, what we see here, we're definitely very well on track.

2 BUSINESS HIGHLIGHTS Q3 AND 9M 2024

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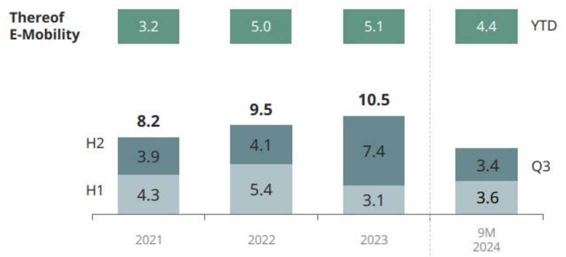
Automotive Technologies – Very strong Q3 order intake of EUR 2.4 bn in E-Mobility

Order intake[1,2]

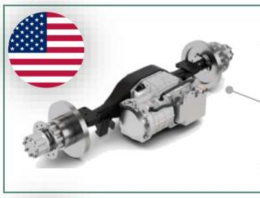
in EUR bn



Book-to-bill-ratio[2,3]

	2021	2022	2023	9M 2024
H2	1.4x	1.2x	2.1x	Q3: 2.0x
H1	1.4x	1.8x	0.9x	1.0x
FY	1.4x	1.5x	1.5x	YTD: 1.3x

Key aspects



E-Mobility: Strong performance in the US market with programs for our innovative rigid 3in1 Beam E-Axles, which can be flexibly used for both pure BEV and range extender applications

Chassis Systems: Order received for rear wheel steering from a new mobility player. Further expansion into Chinese customer base to increase Schaeffler's presence in the steering system segment

Strong Q3 order intake with important orders in E-Mobility and a Book-to-bill-ratio of 2.0x

[1] Nominations to customer projects | [2] Prior-year values restated | [3] Lifetime sales / current period revenue

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Page 12 supports what I said before. Strong Order intake in Q3, €2.4 billion in E-Mobility. One big, remarkable transaction here in the US market, a program for a three-in-one Beam E-Axle for a prominent customer that is the main driver of the Order intake in E-Mobility.

But also on the Chassis side, that is part of, as you know, PTC, also a growth business going forward, a very nice order from a new mobility player in China, a Chinese top name, for a rear wheel steering product. So, we are definitely fine with our Order intake and also the quality of our Orderbook.

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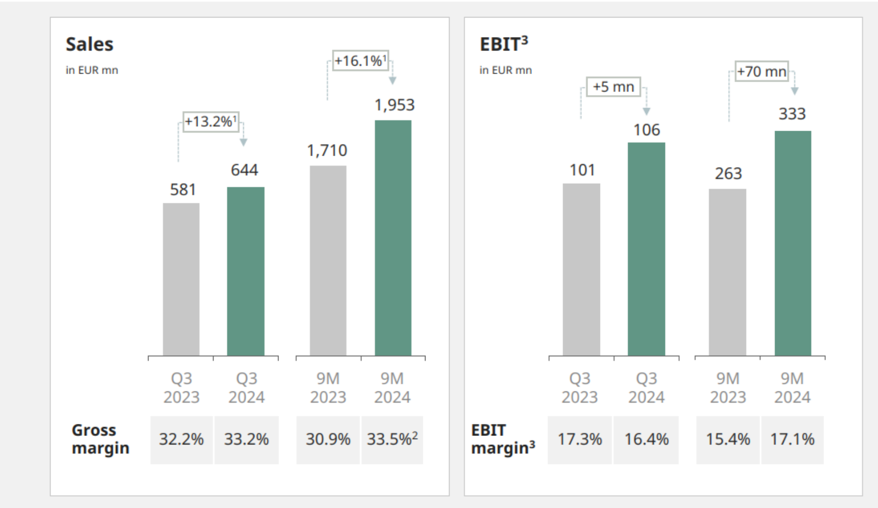
Vehicle Lifetime Solutions – Q3 with double-digit sales growth[1] and strong EBIT margin[3]

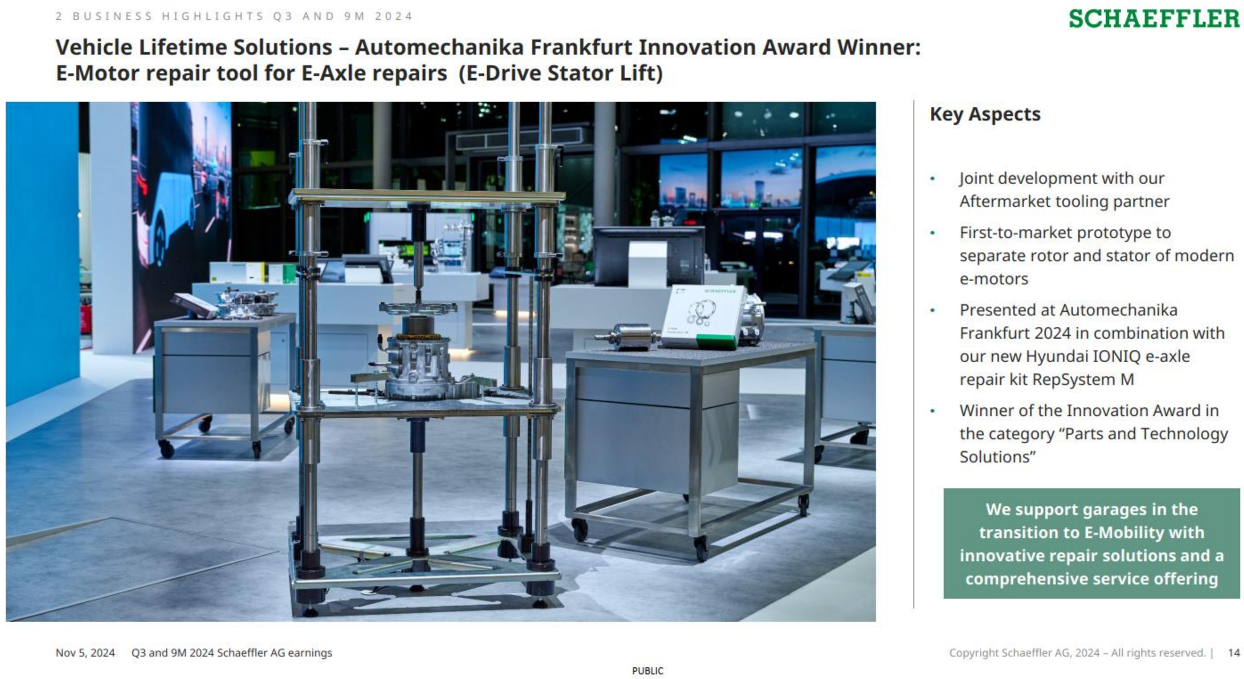


Key Aspects

- Double-digit sales growth[1] in all regions confirming strong market position
- Sales growth[1] primarily driven by Independent Aftermarket business in Europe and Americas as well as E-Commerce platform business in China and Asia/Pacific
- Continuous strong EBIT margin[3] supported by both positive volume and pricing carry-over

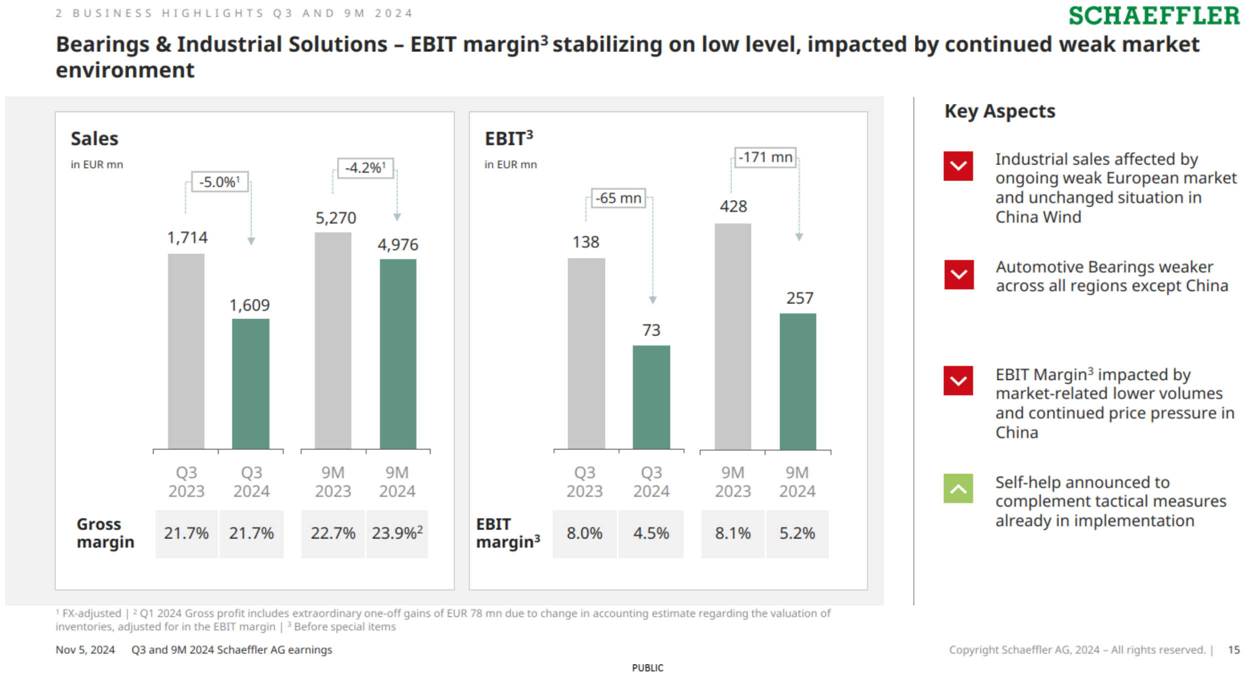
[1] FX-adjusted | [2] Q1 2024 Gross profit includes extraordinary one-off gains of EUR 9 mn due to change in accounting estimate regarding the valuation of inventories, adjusted for in the EBIT margin | [3] Before special items

Vehicle Lifetime Solutions, I've said it already before, page 13. I can do that very briefly. The numbers speak for themselves. 17% margin in the first nine months, 16% growth. I don't know what I should say here else, other than a superb result that proves that this is a perfect hedge and a very good diversification element of our portfolio, where we beat competition.

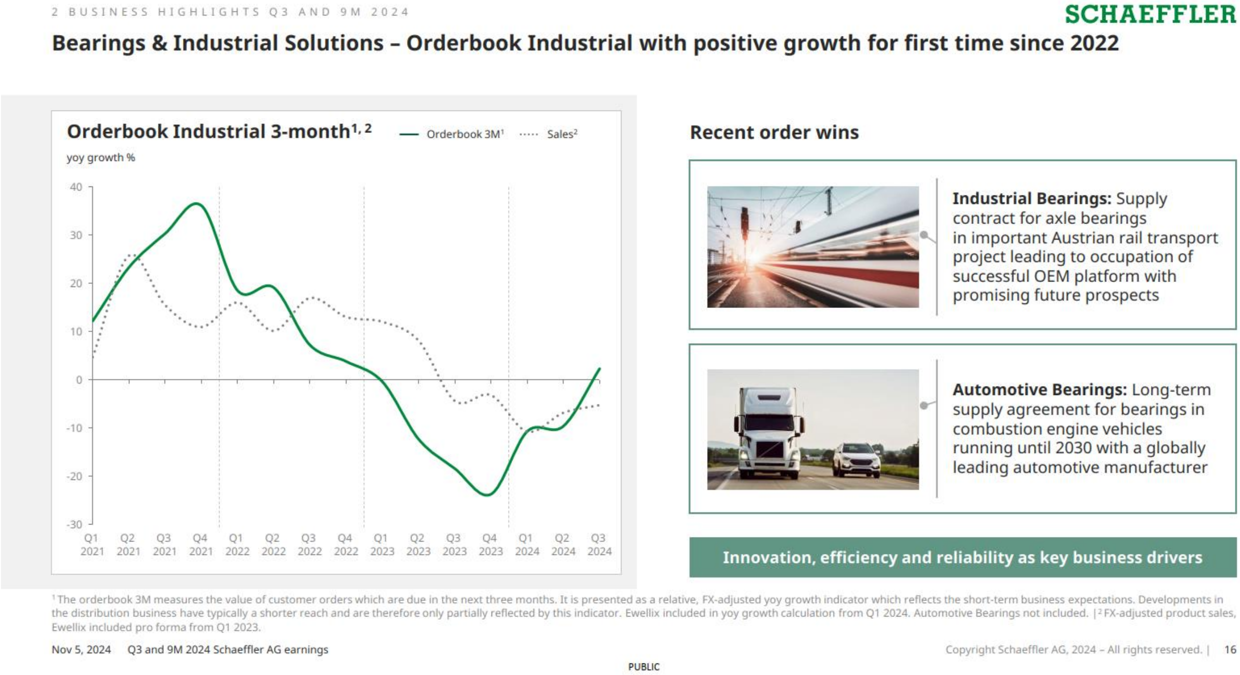


And that has to do, page 14, with the way this business has been set up. It's not what you sometimes hear, just selling some spare parts. It's a solutions business. It's a business that is forward-looking in terms of technology, not only in an extension of combustion engine, but clearly, the transition to E-Mobility is ongoing.

What you see on this little table is a little development from the tooling side that we showed at Automechanika, where we won the Frankfurt Innovation Award. It's a repair tool for E-Axle repairs, where you can basically lift the stator out of the rotor without any damage. That is something that gives us an edge. Our customers are thrilled by these types of solutions, because they help customers to do their business in a more efficient and better way.



Bearings & Industrial Solutions, I said it before, a disappointing result, need for self-help. Obvious, tactical measures are announced. It's something where we need to continue to be straight and fix the problems.



What page 16 tells you is that, at least from these indicators that you know over years, Orderbook Industrial three-month and sales, there is some light at the end of the tunnel. It looks like that we're seeing a situation where Orderbook, for the first time since several quarters, now cuts the sales line from below. And that's typically an indicator that the situation will stabilize. We are also here okay with certain order wins, but that should not say that we are not focused on the right issues. The right issues are on the cost side, and they need to be addressed.

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Capital allocation – Differentiated steering, prioritization of Capex for growth business

Investment[1] allocation

in EUR mn

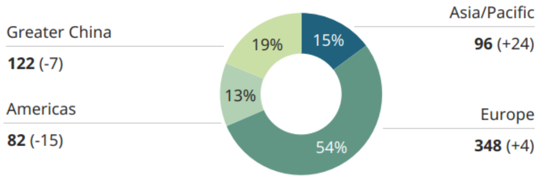
	FY 2023	Q3 2023	Q3 2024[4]	9M 2024[4]
Automotive Technologies	443	117	161	324
Vehicle Lifetime Solutions	48	14	15	28
Bearings & Industrial Solutions	372	90	102	271
Schaeffler Group[2]	**932**	**237**	**264**	**648**
Capex	**938**	**247**	**227**	**645**
Capex ratio[3]	**5.7%**	**6.1%**	**5.7%**	**5.3%**
Reinvestment Rate	**1.0**	**1.0**	**1.2**	**1.0**

Key Aspects

- **Reinvestment Rate Target:** Continued prioritization of E-Mobility business with a Reinvestment Rate clearly > 1.0
- **Automotive Technologies:** Industrialization of several large customer projects in E-Mobility, across all regions
- **Bearings & Industrial Solutions:** Capacity expansion in India in Industrial business continued, whereas Automotive Bearings investments focus on rationalization and automation

Investments[1,4] by region 9M 2024

in EUR mn (yoy change)



[1] Additions to intangible assets and property, plant and equipment | [2] Divisions do not add up to Group due to new "Others" segment | [3] Capex in % of Sales | [4] w/o Vitesco transfer to Schaeffler Immobilien Gesellschaft in Q3

Capital allocation, last page before I hand over to Claus, is a continuation of what we've done before. Capex ratio in Q3, 5.7%. Reinvestment rate slightly above 1. That's absolutely within the range for the nine-month period, 1.0. We invested, so far, €648 million, and that is certainly below the plan. It shows you that capital discipline is also part of our toolbox, how to make sure that we get to the results that we promised. With that, I hand over to Claus before I come back for the outlook. Claus.

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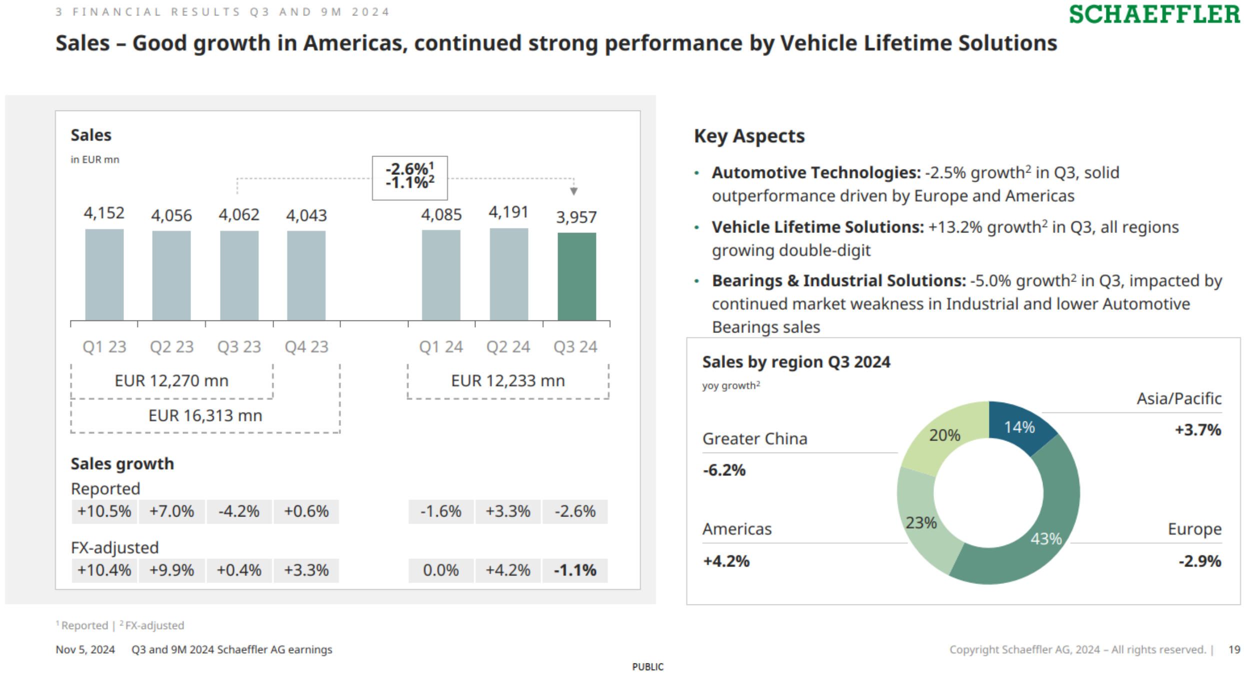
Claus Bauer

Thank you very much, Klaus. Ladies and gentlemen, also a good morning from my side. I start this out, because it's a special financial information call this time, and we have a one-timer, as Klaus already alluded to, this is the last time that we will report Schaeffler standalone.
You know that the merger happened beginning of October, and therefore, we have this special situation that you will not be listening to a standalone call of Vitesco. So, therefore, I added a few slides to just bridge for you the information gap. It's a few minutes of time, but I think it's important for you to understand this story.



Let's start out with Sales. Klaus already said it, a slight sales decline, foreign exchange adjusted. On the right side, the divisional aspects Klaus already talked about, and I will obviously then dive into more detail on later slides. And the information here that will not be repeated on detailed slides is the regional setup. You'll see that we have continuing weakness of sales development in China, with a sales decline of 6.2%, but also Europe is now weakening. That is, I think, the well-understood current market environment in Automotive and Industrial, with minus 2.9%. But on the positive side, the two other regions, especially Americas, show significant sales growth, Americas here with 4.2% in the lead.

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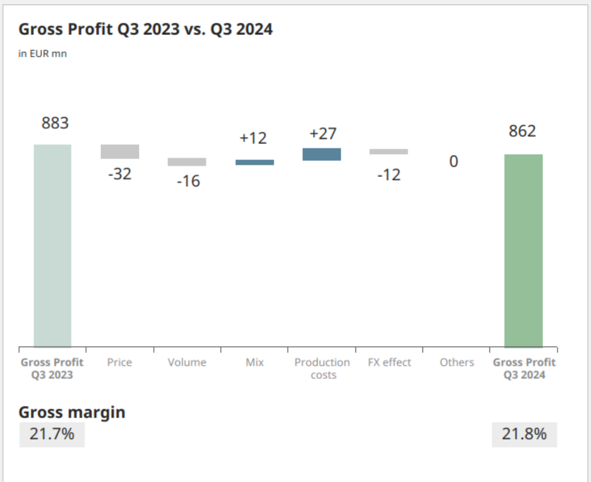
Gross Profit – Stable gross margin despite challenging market environment



Key Aspects

- **Pricing:** Negative pricing driven by continued price pressure in B&IS
- **Mix:** Positive mix effect driven by higher share of VLS
- **Production Costs:** Positive impact driven by productivity gains

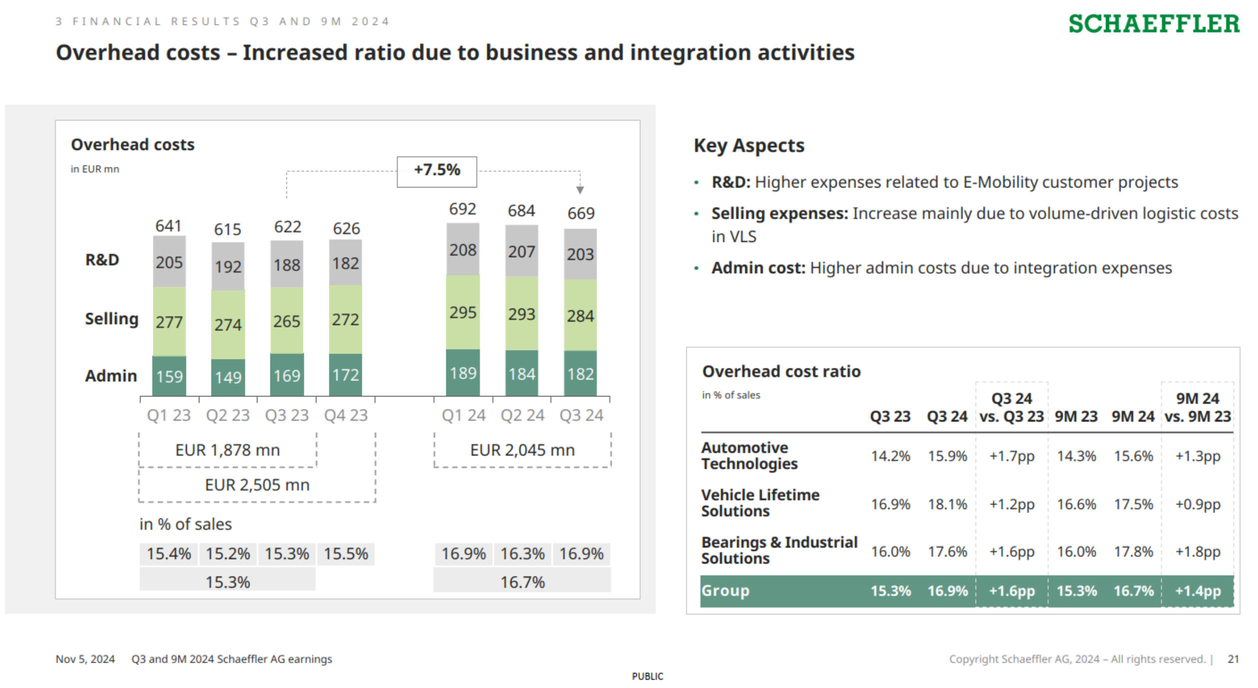
Gross margin
in % of sales

	Q3 23	Q3 24	Q3 24 vs. Q3 23	9M 23	9M 24[1]	9M 24 vs. 9M 23
Automotive Technologies	18.8%	18.1%	-0.7pp	18.8%	19.3%	+0.5pp
Vehicle Lifetime Solutions	32.2%	33.2%	+1.0pp	30.9%	33.5%	+2.6pp
Bearings & Industrial Solutions	21.7%	21.7%	+0.0pp	22.7%	23.9%	+1.2pp
Group	**21.7%**	**21.8%**	**+0.1pp**	**22.1%**	**23.1%**	**+1.0pp**

[1] Q1 2024 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

When we look at Gross Profit on the next slide, then we see also the good message. Despite the sales volume challenges, we keep the Gross Profit margin stable at around 21.8%. And if you look at the bottom right, you see, even on a nine-month basis in all three divisions, we were able to improve the margin for the nine-month period over last year, one percentage point in total for the group.

But please also be reminded that that also includes the one-time impact of our change in inventory evaluation that we adjusted then in EBIT, but it's still included in Gross Profit. But in total, I think from an operational standpoint, with the sales volume and production volume challenges we are facing, a result that can be accepted and satisfactory.



But on the next slide, we look at Overhead costs. And there, you see the topic right now. We are not, at the moment, flexing our overhead cost according to the sales volumes. Therefore, we have some work in front of us. The Program Forward that Klaus introduced and was also introduced to the public in the morning with the press release, is obviously addressing these structural issues. And we cannot be satisfied, if we have a sales stagnating level, that we increase our overhead expenses year over year by 7.5%.

However, just to give you a little bit more color to that, the administration cost, I'll start from the bottom here, is really driven by the integration cost. If you take that out, then administration costs are flat year over year. And that is already a good first sign. You know that we are facing significant merit increases for our personnel costs, but currently, we are able, except of course, the integration cost, to offset that with productivity in these areas.

In regard to Selling expenses, I explained that in the last quarter already a little bit, and that continues. But it's clear when we have our strongest contributor to sales, and especially now, the only division that has sales growth in the third quarter is Vehicle Lifetime Solutions, that's coming with a heavy load of Selling expenses. So, nothing to worry about here. It's obviously, as you saw in Klaus's charts already, still a very significant EBIT margin that we are gaining there. But from a Group standpoint, you have this mix impact in Selling expenses. So that is explainable.

And then R&D, Klaus already alluded to a little bit. But the R&D expenses are higher, especially in our Automotive division, and especially relating to E-Mobility, where we have significant start-ups in Schaeffler, in Vitesco as well, but we are talking about Schaeffler standalone here. And these are just now represented in higher R&D quotas for that division. I will obviously talk to the details for the divisions then in the later slides.

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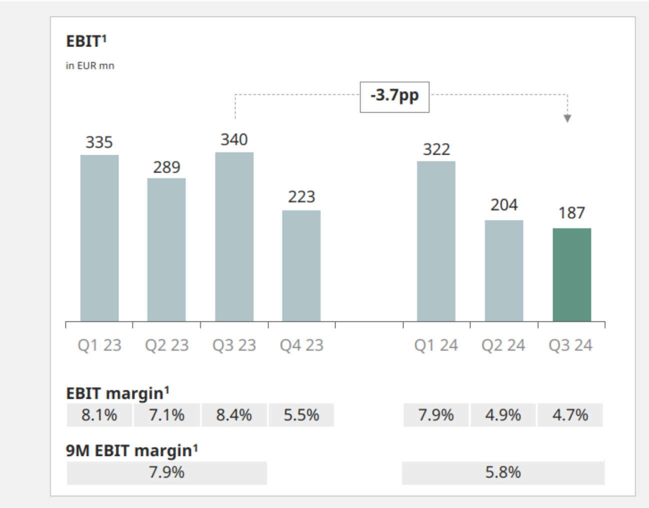
EBIT margin[1] – Lower EBIT margin driven by Automotive Technologies and Bearings & Industrial Solutions



Key Aspects

- **Automotive Technologies:** EBIT margin[1] suffering from both negative volume effects overall and project ramp-ups in E-Mobility
- **Vehicle Lifetime Solutions:** Strong EBIT margin[1] driven by positive volume and pricing carry-over from last year
- **Bearings & Industrial Solutions:** EBIT margin[1] stabilizing, impacted by market-related lower volumes and price pressure in China
- **Vitesco at equity impact Q3:** EUR -24 mn (-0.6 pp)[2]; full harmonization of accounting policy

EBIT margin[1]
in % of sales

	Q3 23	Q3 24	Q3 24 vs. Q3 23	9M 23	9M 24	9M 24 vs. 9M 23
Automotive Technologies	6.1%	2.3%	-3.8pp	5.4%	3.8%	-1.6pp
Vehicle Lifetime Solutions	17.3%	16.4%	-0.9pp	15.4%	17.1%	+1.7pp
Bearings & Industrial Solutions	8.0%	4.5%	-3.5pp	8.1%	5.2%	-2.9pp
Group	**8.4%**	**4.7%**	**-3.7pp**	**7.9%**	**5.8%**	**-2.1pp**

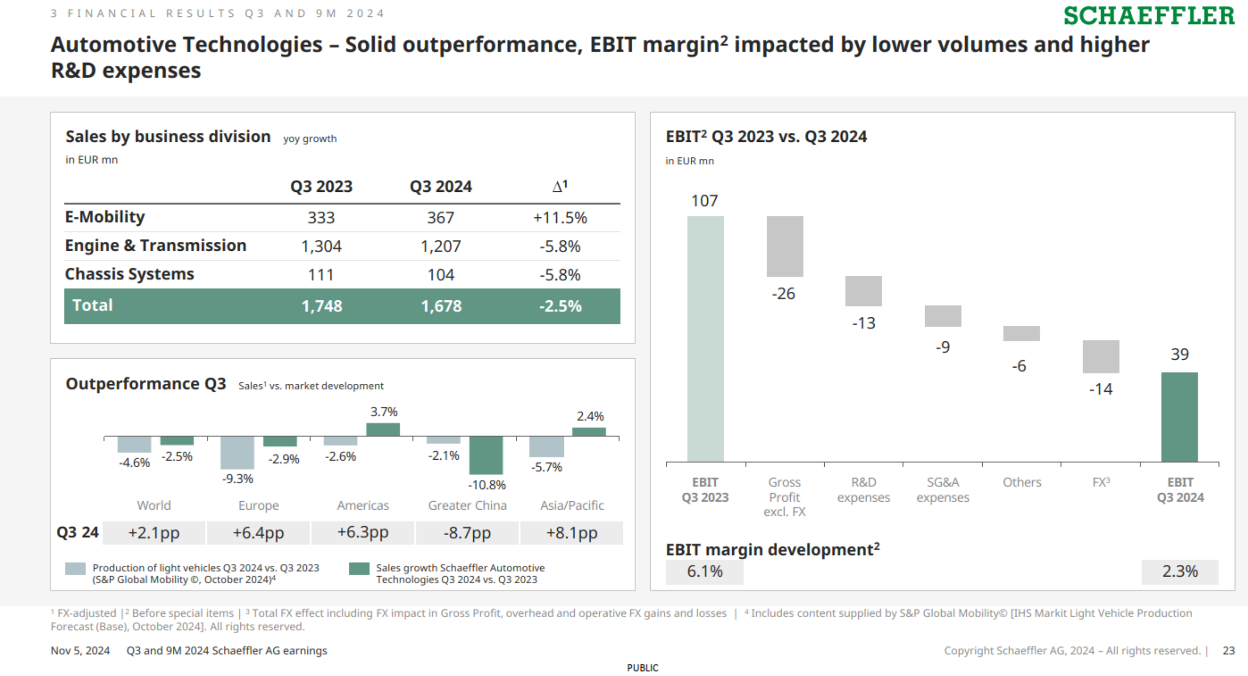
[1] Before special items | [2] EBIT adj. at-equity effect Q3

When we come to EBIT for the group, then again, I will talk to the detail by division in the following slides. But only one comment on this slide is on the fourth bullet point on the right side. And that's the same, it's continuing what I already explained in the last quarter. We have Vitesco in our standalone Schaeffler financials at equity.

That at equity consolidation obviously concerns only our shareholding, Schaeffler AG's shareholding in Vitesco AG before the merger. That was 39.8%. So around 40% of the net result of Vitesco is now absorbed, as in the past quarters, in the Schaeffler AG standalone financials.

And we started also to fully harmonize these numbers with the Schaeffler accounting policy, as I explained in our last call. That is obviously also continuing. The big difference between Vitesco accounting policy and Schaeffler accounting policy is the treatment of R&D expenses and its reimbursements from customers. And therefore, you have, despite Vitesco, slightly positive net income.

You have an at equity impact at Schaeffler for the quarter, for the 39.8% shareholding, of minus €24 million. As represented in this bullet point, that is around 60 basis points of margin that that causes.



Now, let's dive into the details by division. We’ll start with Automotive Technologies. And the first message is strong - continuing growth in E-Mobility. That's what you would expect because of the start-up of significant projects. You'll see it here, with 11.5%, another double-digit growth in this area, not the biggest number on the page, but obviously significantly contributing to the total picture.

And then on the other side, you’ll see the two other business divisions, Engine & Transmission and Chassis Systems, with each minus 5.8%. And that now is already the reason for some of the margin impact that's depicted in the waterfall chart on the right side, because these are the mature businesses where we have dedicated capital in our plans, production capital.

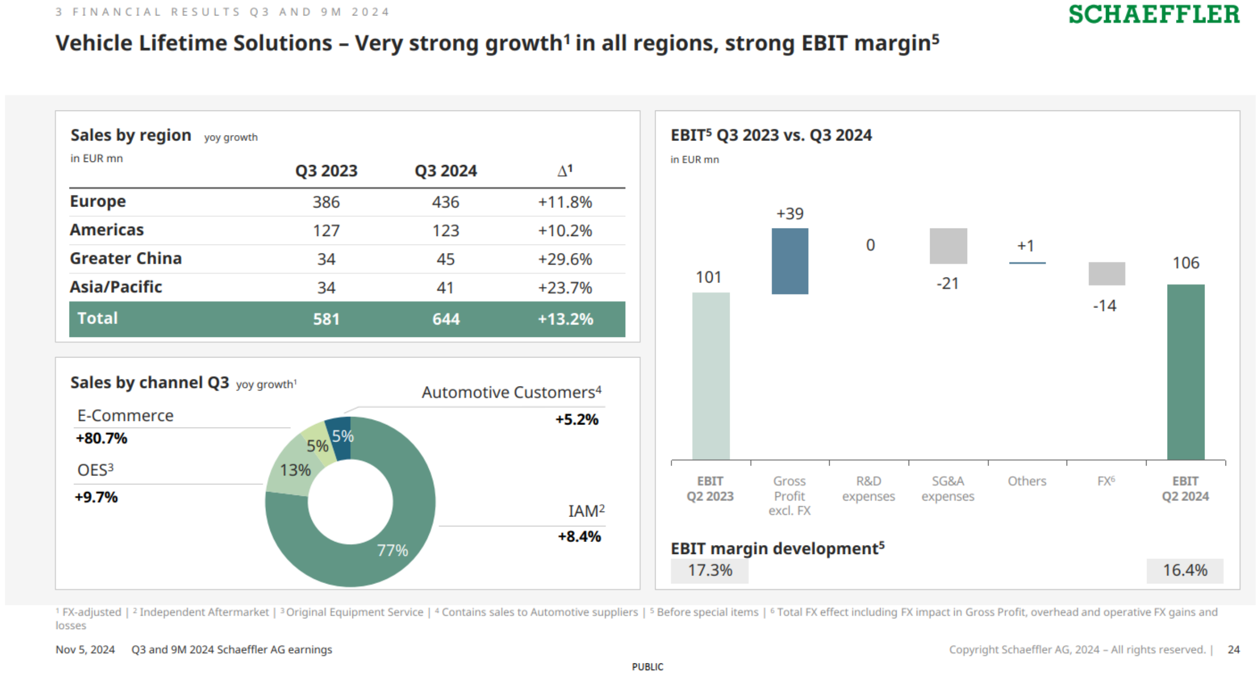
You know that our vertical integration is very high. And if we have a volume decrease of around 6%, that is obviously then driving fixed cost under-absorption in our production capital, and therefore a margin impact. If I look at that, that's all included in the first column here, Gross Profit excluding FX. If I translate that to an EBIT impact, then this is driving around 150 basis points of margin deterioration in this quarter.

I can also tell you that we had a very weak July and August, but then a decent, I would almost say a strong, recovery then in September into October. So, we expect

October and November being strong months. Then December, you always have the phenomena in front of you to anticipate what will be the closure days of your customers. But we expect a strong continuation of the volume recovery that we saw in September, now also in October and November.

Outperformance, on the left bottom, a solid 210 basis points. And when you look at the regional detail, it's clear that’s driven by all regions, but Greater China, Asia/Pacific is from a volume standpoint not such a big contributor. But you see solid outperformance in Europe and Americas. Although, against a negative market, it's still not increasing our sales in absolute numbers, but it's definitely performing better than the market around us.

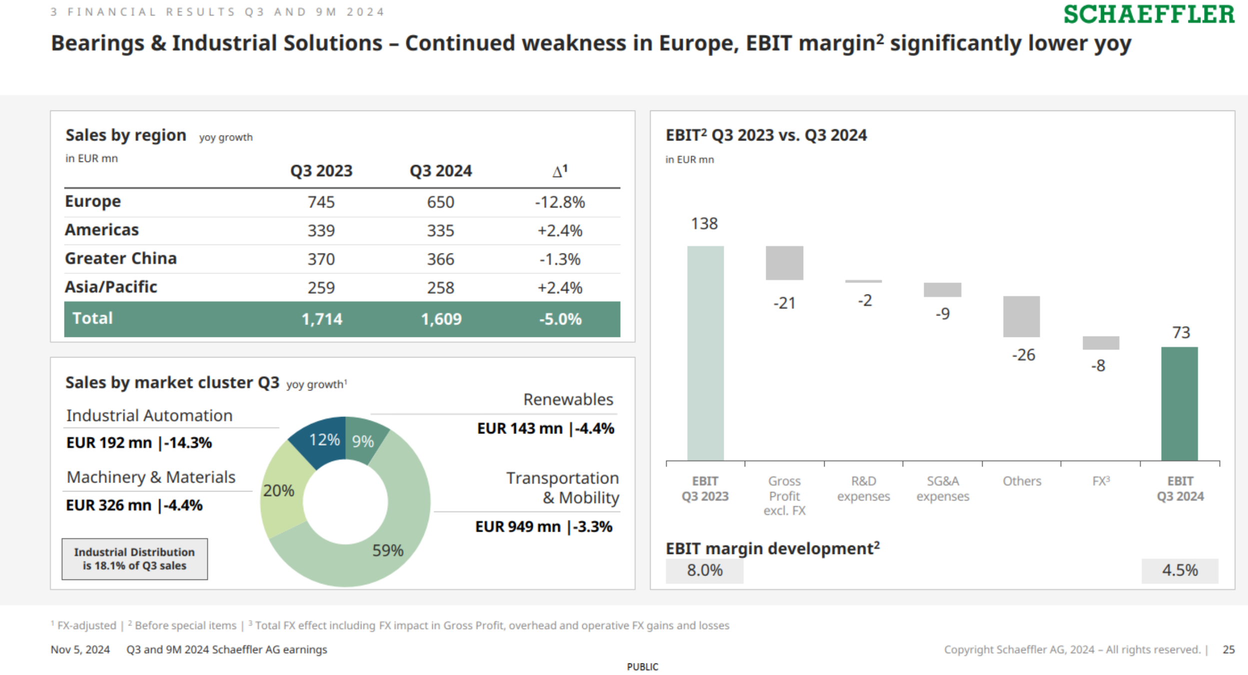
And the continuing weakness in comparative performance in China, which, as explained in the past, has mainly to do with the Chinese domestics, our portion there is around 50% and growing of our domestic sales to automotive customers in China. But it's only 50%, if you will. 50% is with the European and Western imports in that market. Therefore, as we increase our weight with the Chinese OEMs, that relative underperformance should get better and hopefully catch up.



And Klaus said it, I would like to obviously spend much more time on this slide, but I think it's much more important to understand also the weaknesses. But Klaus said it all. 13.2% growth, significantly above any of the markets. You see especially Greater China and Asia/Pacific with over 20% sales growth.

And now I lead your attention to the pie chart on the bottom [left], where you'll see E-Commerce plus 80% in sales. And that is one of the components that drives the sales growth in Greater China and Asia/Pacific. I think we explained in the past our platform business strategy in these markets, especially China and India, where we have internet platforms to deal with our own aftermarket solutions, but also the solutions of third-party suppliers, therefore a big growth engine on the top line.

But I'll give you also a little bit, also, a view going forward. As this business grows further, and it will grow further, there's also a little bit of a margin dilution effect, because as you can imagine, the online business, especially as it relates to third-party sales, is not coming with the same margin than our own independent Aftermarket business. I think Klaus said it, 16.4%, a very solid and satisfactory EBIT margin.



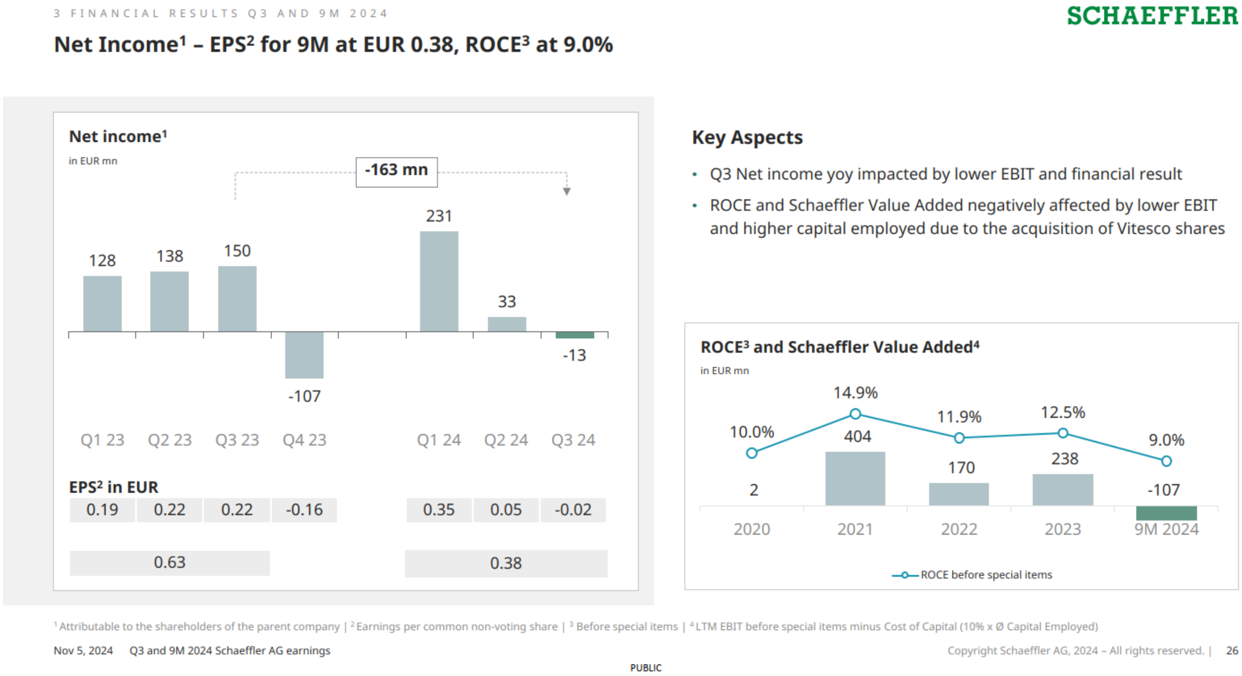
That brings me to Bearings & Industrial Solutions. Klaus said it, minus 5% foreign exchange-adjusted sales development. It's also here detailed down in the regions. Two comments from my side. Greater China with sales development of minus 1.3%, that's a much smaller number than we have seen in the last few quarters. So, it seems to reach the trough and stabilize here. You understand, I think, from prior calls, that drivers here are the Wind volumes and also the Wind pricing in that market you see.

But then, in Europe, with minus 12.8%, a significant sales decrease, which is also depicted in the pie chart, especially in the Industrial Automation market cluster, with minus 14.3%. That's definitely the current economic weak point, which, as we have seen in the Order intake chart, might also have reached somewhat of a trough.

But let's also be careful to interpret the Order intake chart here. There's some impact from still very strong Order intake for Aerospace. The realization cycle of Aerospace is not a quarter, not two quarters, but close to a year. So, I think we have to be really patient with that division.

With the 4.5% of EBIT margin that you see on the waterfall chart on the right side, it's definitely an improvement over our second quarter. And I would say it's about the natural performance level that we can expect at the current volumes and the current market environment.

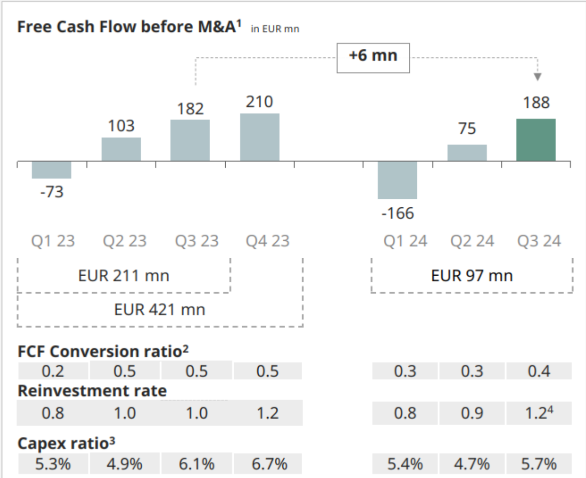
But as Klaus said, that is definitely not satisfactory. And therefore, as you have seen in Klaus's part, we initiated our Program Forward, with a significant part dedicated to adjusting the structures and this division to the market environment, not only short term, because we might be at a very low point, but also anticipating maybe slower recoveries in the future than we formerly have hoped for.

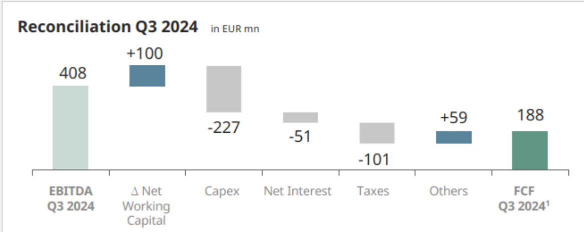


Now back to the Group level. And I think I don't need to talk to these KPIs. They are all indications of what I already said and are also a good indicator, why we need a program like Forward to improve on these performance indicators.

SCHAEFFLER

Free Cash Flow – Strong FCF despite integration and financing costs, effective Working Capital management





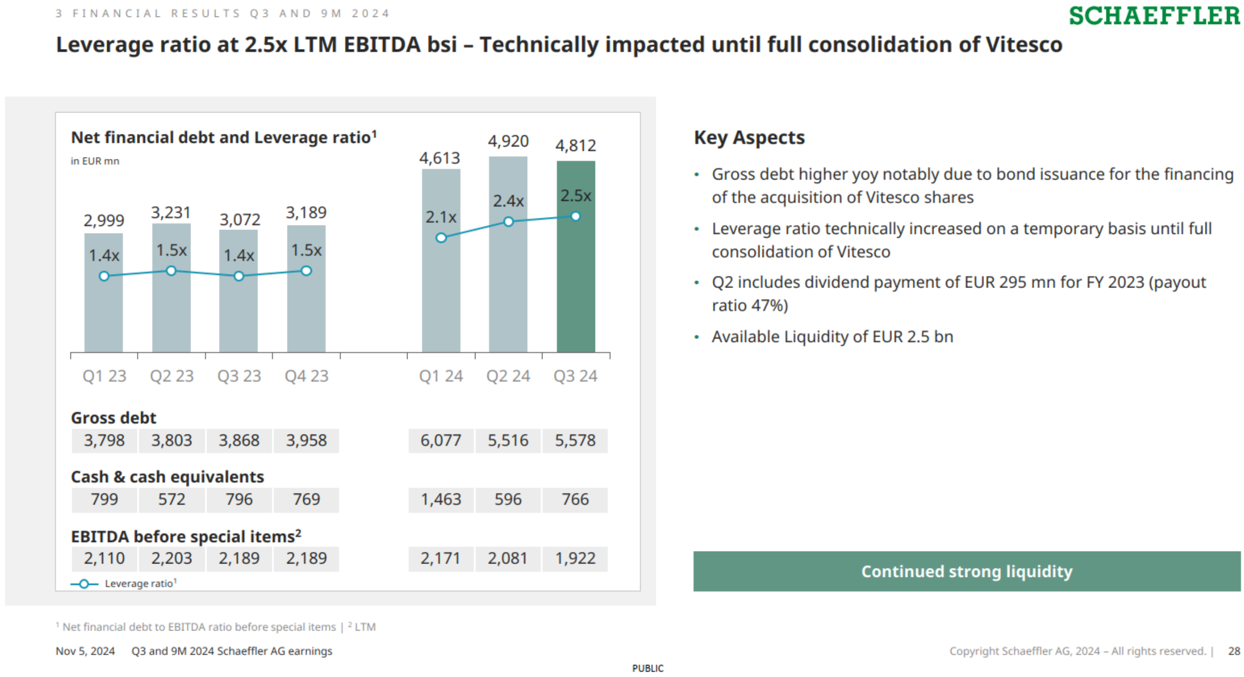
FCF Details in EUR mn

	Q3 23	Q3 24	Δ Q3 24/23	9M 23	9M 24	Δ 9M 24/23
FCF as reported	**156**	**124**	***-32***	**-515**	**-1,336**	***-821***
M&A	+26	+64	*+38*	+726	+1,433	*+707*
FCF before M&A	**182**	**188**	***+6***	**211**	**97**	***-114***
Legal Cases	-12	0	*+12*	-38	+45	*+83*
Restructuring	+24	+11	*-13*	+181	+57	*-124*
Others	+1	+15	*+14*	+8	+36	*+28*
FCF bef. M&A and special items	**195**	**214**	***+19***	**362**	**234**	***-128***

[1] Before cash in- and outflows for M&A activities | [2] Ratio FCF before M&A LTM to EBIT LTM – Only applicable if FCF and EBIT positive | [3] Capex in % of sales | [4] w/o Vitesco transfer to Schaeffler Immobilien Gesellschaft in Q3

Free Cash Flow. Klaus said it already, strong Free Cash Flow, even stronger than last year, and that despite the fact that we have higher integration cost and higher financing cost. That is about an increment over last year's Q3 of €30 million to €35 million. So, if you add that back, then that performance is even more impressive under the current difficult circumstances.

And the waterfall chart on the right top side clearly explains what Klaus already also said. It's the effective working capital management that supported our Free Cash Flow generation. You see a relatively big Others column here in the waterfall chart. The main portion is actually the at equity consolidation of Vitesco that is going into our EBITDA, but is not a cash generating element, so therefore, it has to be corrected here.

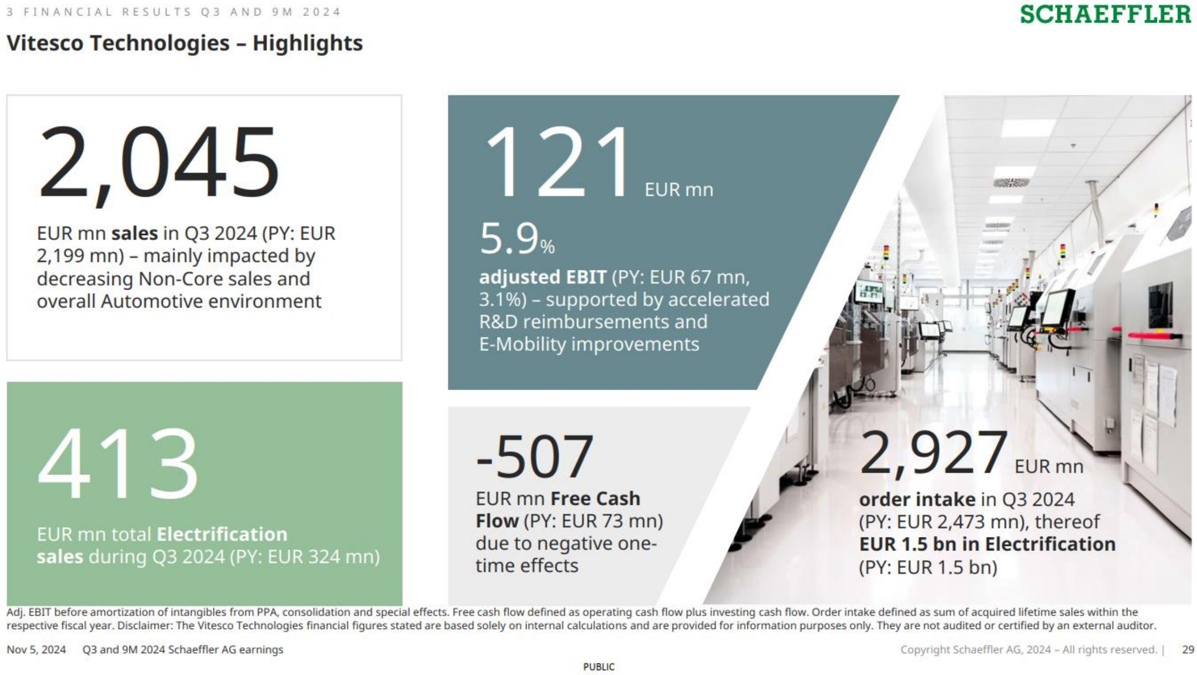


The Leverage ratio is the last Schaeffler standalone page before I then come to the Vitesco standalone. We are at 2.5 times in our Leverage ratio, which is clearly higher than we would have anticipated, even before full consolidation. I think you understand the impact of at equity versus full consolidation, the first time that we have a full 12-month period fully consolidated with Vitesco, we have the full EBITDA impact from that merger, and then the mathematics normalize.

Right now, you have the full debt on the books of Schaeffler, but you do not have any EBITDA contribution, other than the relatively small and actually negative impact of the at equity portion. So therefore, 2.5 clearly technically impacted, but still higher than we have anticipated.

If you look at the formula of the Leverage ratio, it's clear where it is. It's the rather weak EBIT contribution that we have seen in Q3 of this year replacing a strong Q3 of last year. And therefore, the last 12 months of EBITDA is suffering, and therefore impacting that ratio.

The good news is nothing changes in regard to our strong liquidity position with €2.5 billion. And again, that's also a standalone number at this point. We'll get even stronger together with Vitesco then.



So now the novelty in this call. And it's a one-time event, because the next quarter, we will report a fully consolidated set of financials. Klaus will explain a little bit later how that reporting will be for the Q4 of next year, and then especially going forward in 2025.

But these are the slides that you are used to from the Vitesco quarterly calls, and I just go through the headlines here. The sales for the quarter is lower than last year, but there is an impact of around €200 million in there of the reduction of the non-core sales, and these are running as anticipated. We ramped down the non-core sales from around €580 million to around €380 million, so clearly according to the plan.

The Electrification sales, with €413 million for the quarter, significantly higher than last year, 27%, showing the strong ramp-up and start-up of the projects on the Vitesco side. You see a strong adjusted EBIT of 5.9%.

Now, if you remember the Vitesco normal timing pattern, I would say, based on their accounting policies, then you know that the R&D reimbursements, based on the accounting policies on the Vitesco side, always have been realised immediately in the P&L as a reduction of the R&D expenses, so therefore an EBIT improvement.

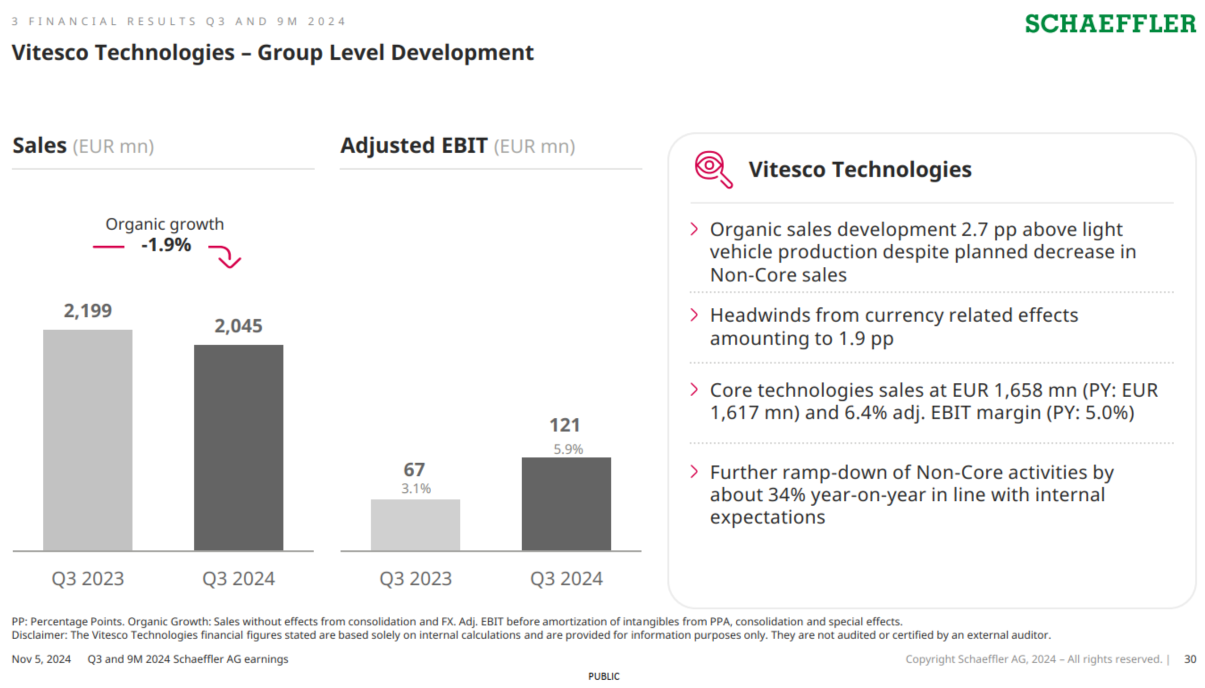
And these normally were heavily loaded in Q4 because negotiations with the customers had been taking some time. It was possible that a majority of these reimbursements now already have been realized in Q3. That's the good side of the news.

Maybe the counterside of that is that we are not expecting a similar recovery ratio in Q4 as Vitesco has shown in the past. So it's an acceleration of R&D reimbursement hitting now Q3 instead of Q4. Just to give you an amount, that's around €155 million that are positively impacting Q3.

Free Cash Flow, surely a big negative number, but that is also according to our expectations. You remember that Vitesco did adjust its guidance in September, based on a significant payment to Continental, going back to the separation agreement with them. And that is now the result in numbers, mainly driven by this one-time impact, but not obviously something that we expect going forward.

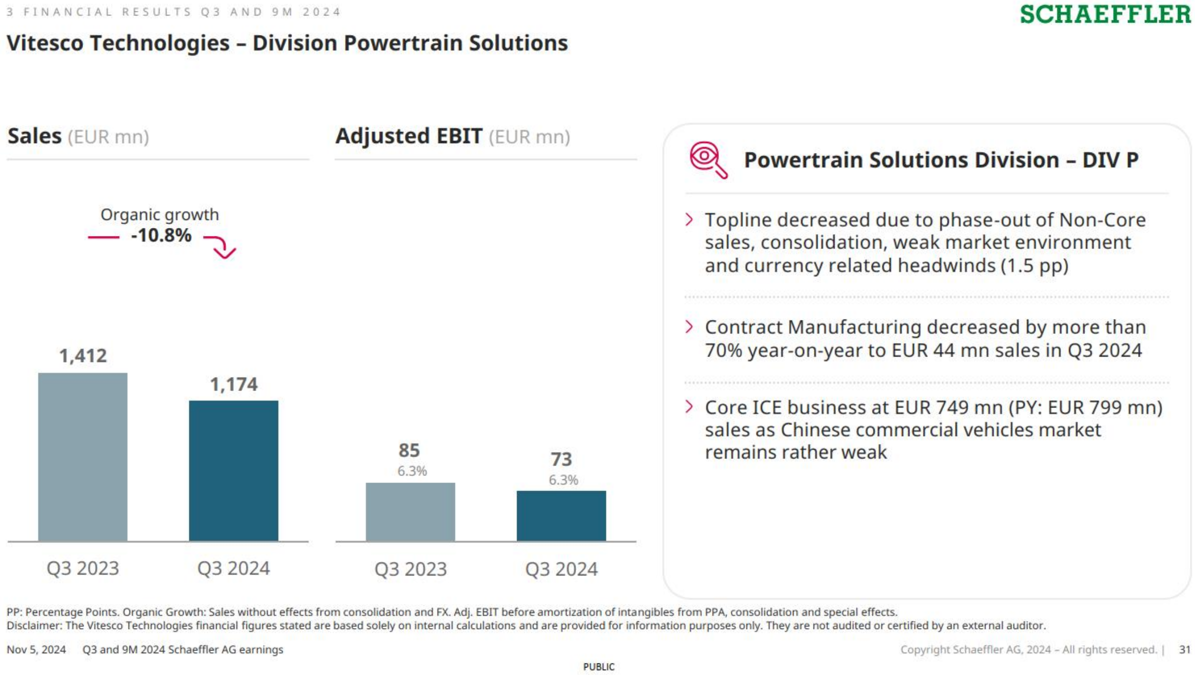
And then Order intake, also a robust quarter, I would say. Interesting is the Order intake in Electrification. I think more and more customers are not and have not been separating anymore between Schaeffler and Vitesco already in the third quarter. Obviously, going forward, starting with the fourth quarter, there's no separation possible because it's only the merged entity that exists.

So therefore, I would see that number almost in combination with the Order intake on the Schaeffler side. And it's interesting that in the €1.5 billion here, there's actually also a significant portion in the Beam E-Axle that Klaus showed, where the inverter is coming from Vitesco, if you will, a first testimony of the industrial logic of this merger.

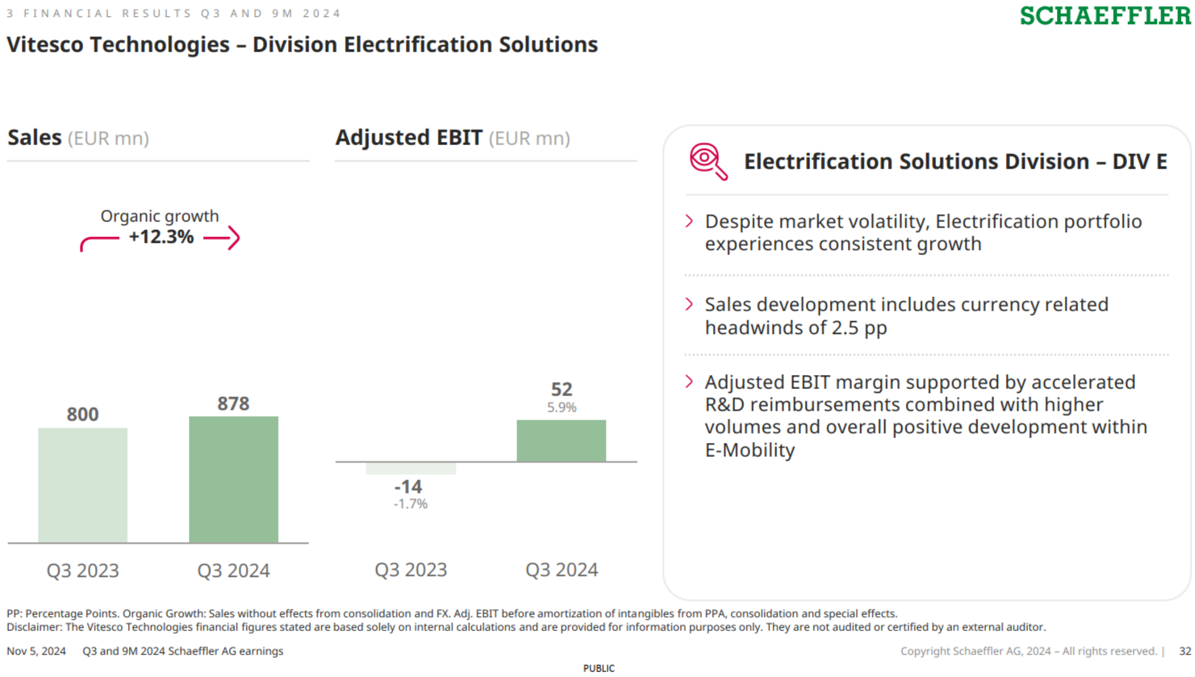


Quickly going through a little bit more detail, but I'll do that rather quick because I mentioned the most important points on the first slide. On Group level, we have a sales decline of minus 1.9%. As used, that is always at actual currencies, not foreign exchange adjusted.

The second bullet point tells you that that's almost completely driven by currency impacts, and as I already mentioned, of course, then offsetting the impact of the reduction of the non-core business. So, I think in the current market environment, also a pretty robust message here. Again, last bullet point here also mentions again the reduction of the non-core business. I already told you the numbers in that regard.



The division, Powertrain, looks more severe. As you know, the non-core business is all in the division Powertrain. So, the entire reduction of €200 million in these sales, as we planned, is part of the minus 10.8% decline in sales. If we correct that, then you will find that the organic sales development of our core business in that division is in line with the Light Vehicle Production development. And so there's a performance according to the market environment.



On the Electrification side, the reflection of what I said already on the first page, very strong sales growth in our Electrification business that is part of this division Electrification. As you know from the past, there's other components in there. But I think 27% growth in Electrification sales speaks for itself and is reflected in these numbers.

The EBIT margin is also visible here. The main impact, as I just mentioned, is the accelerated R&D and reimbursement as compared to prior year numbers. Now, this effect will swing around a little bit in Q4, because last year, we had a very strong recovery and reimbursement in Q4. That will not repeat itself now in Q4 of 2024. I hope that closes the information gap for you due to the missing Vitesco standalone call for Q3. And with that, Klaus, back to you.

1 Overview

2 Business Highlights Q3 and 9M 2024

3 Financial Results Q3 and 9M 2024

4 **Outlook**

AGENDA

SCHAEFFLER

Guidance FY 2024 confirmed for all metrics

FY 2024 Combined Guidance[1]

	Schaeffler Group		
	FY 2023 Actuals	9M 2024 Actuals	FY 2024 Guidance[1]
Sales growth[2]	+5.8%	+1.0%	**Considerable sales growth**
EBIT margin[3]	7.3%	5.8%	**5 – 8%**
Free Cash Flow[4]	EUR 421 mn	EUR 97 mn	**EUR 200 – 300 mn**

KEY ASPECTS

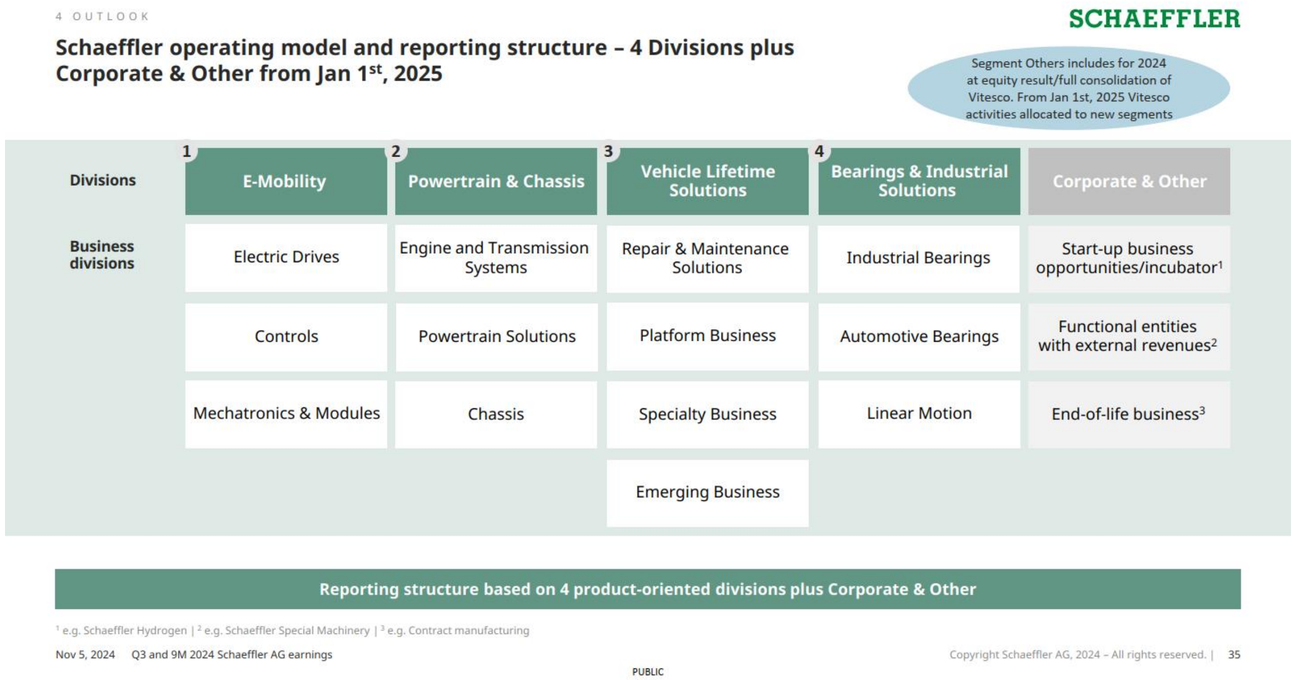
- FY 2024 Group Guidance is based on:
  - Vitesco accounted for „at equity" from acquisition in January until Q3 2024 included
  - Vitesco to be fully consolidated in Q4 2024, following closing of the merger on October 1, 2024
- In 2024, we continue to report on Group and Divisions. Automotive Bearings moved already in Q1 2024 from the ATech division to B&IS division

In transition year 2024 we only guide on Group level

[1] Please refer to the Interim Statement for further details | [2] FX-adjusted | [3] Before special items | [4] Before cash in- and outflows for M&A activities

Klaus Rosenfeld

Yes. Thank you, Claus. I continue on page 34 with the last, final slides. Guidance, as I said, confirmed for all metrics on this peculiar, combined guidance logic. That will change then for 2025. Claus said it.



On page 35, the reporting structure will change then from 1 January onwards. We will report four product-oriented divisions in future, plus Corporate and Other.

You see on this page how the four product-orientated divisions are set up. E-Mobility, Powertrain & Chassis and Vehicle Lifetime Solutions, Bearings & Industrial Solutions, will all have separate business divisions underneath that we manage end-to-end.

E-Mobility is Electric Drives, Controls, Mechatronics & Modules. And Powertrain & Chassis is Engine and Transmission Systems and Powertrain Solutions, typically the pure combustion engine business. Hybrid stays with E-Mobility, and Chassis is Powertrain agnostic.

In Vehicle Lifetime Solutions, you will have four business divisions, Repair & Maintenance Solutions, Platform Business, Speciality Business, a business that we inherit from Vitesco, and then Emerging Businesses, or let's call them new growth businesses.

And in Bearings & Industrial Solutions, you will have underneath the divisions three business divisions, Industrial Bearings, Automotive Bearings and Linear Motion.

That's the new setup, how we manage the portfolio. We will be transparent on the divisional side. And the business division structure is there to show you how we look at the overall portfolio, but we're not going to report full P&Ls or even balance sheet cash flows on business divisional level.

Compared to the past, there's one other important change. The Corporate & Other column is not, as in the past, a column that, at the end of the day, is leading to a zero sales and some zero costs or just an allocation logic. So, in that Corporate & Other column, we'll have, in future, three separate activities.

I start with the end here, the so-called end-of-life businesses. This is what we typically call discontinued. That is the famous contract manufacturing that we inherit from Vitesco. That is a run-off business. And also, some of the businesses of B&IS, parts of Linear Motion, will be included here as discontinued businesses that should run off in 12 to 18 months.

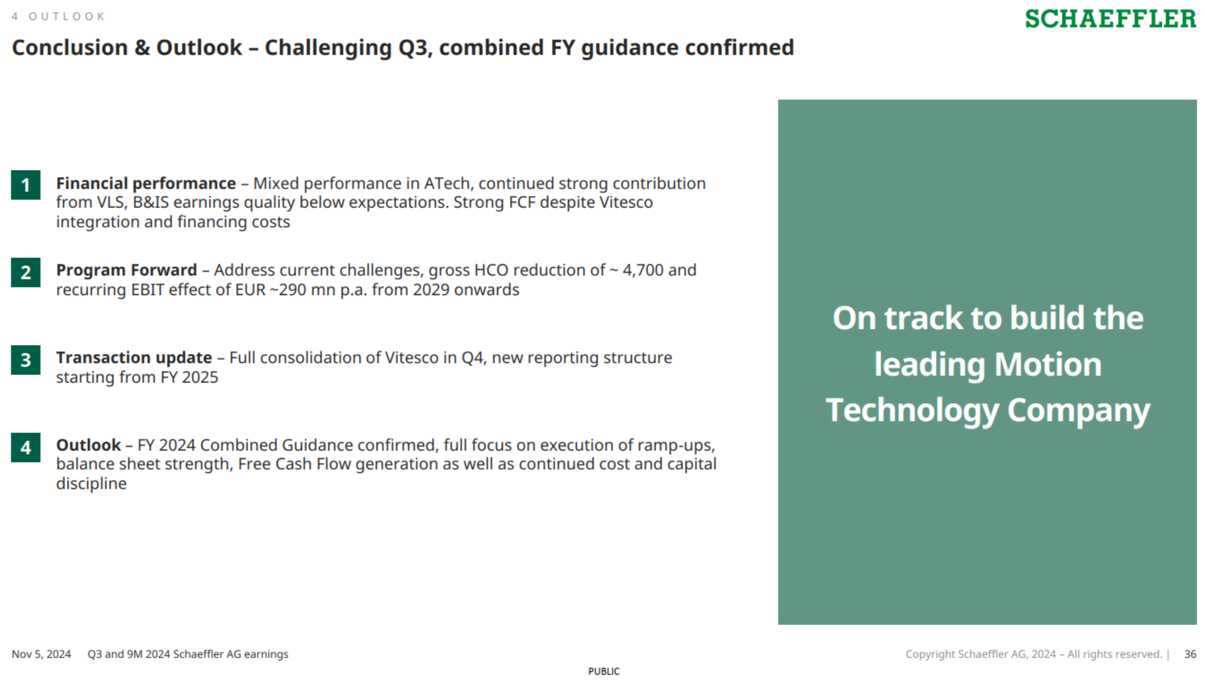
We have today already separate in that Other column, but allocated out to the divisions, what we call the Functional entities with external revenues. This is, in particular, our special machinery operations, something that is peculiar to Schaeffler. It's Schaeffler Engineering. These entities have a separate market approach. And in future, we will not commingle that with operating results from the divisions but leave that separate only for the external revenues and the related benefit from that.

And then, last but not least, we have decided that certain selected and exclusively defined start-up businesses would go there. Three examples. In future, we would have the Electrolyzer business for hydrogen in there that we run for quite a while.

We would put our battery cell activities that are brand new, it's more a research and development project at the moment, but very promising. And we would also consolidate in that area everything that has to do with humanoids. Not the full robotics, but humanoids is definitely an area where we feel very well equipped with our high competence in high-precision metal-sheet forming and everything we do in actuation.

So, this is the new setup. This will come in place, as the blue bubble says, 1 January 2025 as the new setup. That also means that the annual report, ladies and gentlemen, will not have that structure. It will still have the existing structure, whereas you get Automotive Technologies, basically one and two division together, you’ll get three and you get four. And in Corporate and Other, you will have all the Vitesco impact, Claus, which makes the annual report an interesting animal.

But what is more important is that the way going forward is well structured, you understand what's where, and we'll for sure give you then, in the first quarter 2025, the comparable quarterly figures for the year 2024. Hopefully, that is something that helps you then to get the necessary transparency, that you can follow the performance of these businesses. And for sure, for the first time since many years, you will have an EBIT margin and a Cash flow development for our E-Mobility business.



Now, let me conclude with my page 36 before we end up with the next meetings. I just want to conclude some numbers, as explained, certainly solid, with a mixed performance across the various businesses and a continued stellar performance from VLS.

Program Forward is necessary to address the current challenges. We are well equipped to execute this as promised. Transaction with Vitesco exactly executed according to plan. It's now up to us to force the integration. The hard work begins now, with all the necessary things that need to be done.

And on the outlook, we confirm the guidance. We confirm dividend payout ratio. We are fully focused on the execution of ramp-ups. Balance sheet strength counts, Free Cash Flow generation and continued cost and capital discipline. With that, I'm at the end of my part again, and I leave the financial calendar and selected IR events to Heiko.

SCHAEFFLER

Financial calendar and selected IR events

Roadshows & Conferences with Top Management participation

Nov 19	BNP Paribas Midcap CEO Conference – Paris
Nov 20	DZ Bank Equity Conference – Frankfurt
Dec 4	Goldman Sachs Auto Conference – London
Dec 5	Berenberg Pennyhill Conference – London
Jan 13/14	Commerzbank and ODDO BHF German Investment Seminar – New York
Jan 22	Kepler German Corporate Conference – Frankfurt

Financial calendar 2024/2025

Mar 5	FY 2024 Earnings Release
Apr 24	AGM
May 7	Q1 2025 Earnings Release
Aug 6	Q2 2025 Earnings Release
Sep	Capital Markets Day
Nov 4	Q3 2025 Earnings Release

Heiko Eber

Thank you very much. So, I guess you have all had the chance to read through the upcoming events. So, in the interests of time, I would directly propose to jump into the Q&A.

Klaus Rosenfeld

Do you want to say one word on the Capital Markets Day?

Heiko Eber

Oh yes, very important. We received a lot of questions on when is the exact timing of our Capital Markets Day. So, we can be more precise now. It will take place in the calendar week 38, 2025. So that's next year, middle of September.

And with this, I would hand back over to the operator for the first questions.

Q&A SESSION

Akshat Kacker, JP Morgan

Good morning. Thank you for taking my questions. Akshat from JPMorgan. I have three, please, and would appreciate if I could take them one by one. The first one is on your capital allocation priorities.

Just considering the overarching structural initiatives across business lines and the ongoing transformation obviously within the automotive sector, what do you think is the optimal structure for the balance sheet going forward? Do today's announcements impact your leverage ratio targets? And is it still feasible to distribute dividends at the higher end of the payout ratio for 2025? That's the first one.

Klaus Rosenfeld

Oh, okay, let me address it, and Claus, if you want to add. Capital allocation, strategic logic stays in place. You know our reinvestment ratio logic that we successfully apply now since some years. So key investments, going forward, will go into E-Mobility and some of the other growth businesses. And those that are not growing need to also consider reinvestment ratio targets below 1.

In terms of balance sheet and leverage, for sure, cash generation is absolutely key. We now created a program that will need, as you all know, some investment up front in the form of restructuring costs. Whether they are accrued as reserves or not, it’s a different story, but there will be cash-out here that will impact that.

Our logic that we have always applied is net income before restructuring costs as a basis for dividend. We want to make sure that we can pay dividend without lending money, and that remains the target. Whether we can achieve the upper end of the ratio remains to be seen. Don't forget we have also a higher number of shares now, and therefore the overall number is at the moment not ready for communication.

But what I can commit is that we very well know how important, for a stock like ours, a continuous dividend policy is. Therefore, let's give us a little bit more time to digest what we have at the moment. Then we'll come out with a decent number.

Is it possible to do that? Absolutely, because the AG of Schaeffler, as the main entity that needs to provide the dividend, is in good shape. We have, in any case, enough reserves to also go through a period of headwinds. So continuous dividend payment, a continuous commitment to dividend, is absolutely part of our logic going forward.

And leverage ratio. Yes, you should not be distracted by end of September. There, the leverage ratio does not include the EBITDA from Vitesco. If that would be done on a fully consolidated basis, the ratio would go below 2. Our target to operate somewhere between 1.25 to 1.75 of EBITDA is intact and will not be changed. That's where we want to go, and that's why Free Cash Flow generation is so important for us.

Akshat Kacker, JP Morgan

Thank you. The second question is on Automotive Technologies, and specifically the Powertrain and Chassis business. So, one of the main reasons cited for the 2% margin in Q3 is reduced volumes and uncertainty. Could you just elaborate on the negative operating leverage resulting from these low volumes in this business segment at present?

And also, moving forward, when you think about what you are targeting as a business for decremental, once the cost actions planned under Program Forward are implemented, how do you expect these decrementals on low volumes to improve, specifically for Powertrain and Chassis, please?

Claus Bauer

Yes, Akshat, this is Claus. Again, as I said during my presentation, especially in Powertrain & Chassis, where we have established production capacity and a high vertical integration on the Schaeffler side, the operating leverage is in both directions significant, unfortunately also on the way down.

We have had a very weak quarter, as I also said, especially in July and August. That was counteracted a little bit by the relatively strong September. So, the impact, as I said, was in the 1.5 percentage range on EBIT. Now, any volume change to the positive going forward will contribute then positively what we lost in Q3. And on top of that, with the transformation piece of our Program Forward, we are also adjusting then capacity to our longer-term view in this area.

So therefore, volume is an important driver for PTC. We try to manage that. You cannot manage that quarter to quarter. You have to have a longer-term view and then manage towards the longer-term view. But any volume will then also have the positive effect on that side.

Interestingly enough, when we now talk about the combined entity going forward, then the operating leverage, and maybe you have seen that a little bit also in the EBIT development on my Vitesco slides, the operating leverage will decrease because the vertical integration for the Powertrain Solutions on the Vitesco side is not as high. And therefore, you can obviously flex much quicker with procured cost elements.

Akshat Kacker, JP Morgan

And just the last question on E-Mobility, please. Is it possible to quantify the extent of losses anticipated within Schaeffler's E-Mobility business for 2024? And how do you foresee these improving in 2025, please? Thank you so much.

Klaus Rosenfeld

Look, we have acquired Vitesco, and we’re not going to separate out in the future what comes from green and what comes from yellow, also because we will now use one Schaeffler accounting logic for the two businesses. And that has an important impact.

And as you all know, we have always said we refrain, as much as possible under IFRS, from capitalization of R&D costs. Vitesco has chosen another way. We'll continue with the Schaeffler way. That's more conservative, and that means that profitability at the beginning of a large project is lower than over the cycle.

And it would be completely against the idea of bringing two companies together to make them stronger together, now to say this is from there and this is from that. That means you will get one number on E-Mobility from Schaeffler and Vitesco together, based on the Schaeffler more conservative accounting logic.

And therefore, forget all the promises of the past. That is history. What we now need is a decent plan going forward. And whatever that means in terms of breakeven will come when we give guidance and mid-term targets.

Akshat Kacker, JP Morgan
All right, thank you.

Klaus Rosenfeld
You're welcome. And again, don't forget, we are managing this business for value, in a sense that we say businesses need to earn their cost of capital over the cycle, and we manage it for Cash flow. These are the predominant drivers of how we steer these businesses. That has always paid off. And that also applies for everything that is now acquired through Vitesco.

Christoph Laskawi, Deutsche Bank
The first one is more or less a clarification question on what was said on Vitesco. Could you give us just a rough indication of the like-for-like accounting treatment with Schaeffler? You highlighted R&D capitalization, etc. Where would the adjusted EBIT for Vitesco stand in Q3? And considering what you said, in basically the R&D reimbursement being allocated to Q3 this year, should we expect a positive or negative contribution of Vitesco on adjusted EBIT in Q4?

The second question would be on Auto Tech. Peers of you have highlighted the deteriorating environment in Q4. Could you share your view on what you're currently seeing in current trading and if you are seeing sequential volume actually versus your numbers being better or worse in Q4?

And I know it's pretty early, but just in the absence of positives or benefits from the restructuring measures that you have announced today, your thoughts on 25. Outside of volume, is there any other drivers which will be helpful on the margins in Auto Tech?

And then last question, just on the Orderbook in B&IS, you highlighted that A&D *[IR comment: Aerospace]* obviously was a positive contributor. If you strip that out, did you also see a stabilization in the rest of the business, or was that still slightly down? Thank you.

Klaus Rosenfeld
Again, Christoph, I fully understand your question on the like-for-like accounting, but again, we can only at the moment say we are merging these businesses. We are merging the accounting standards in a way that there is one for everybody. And in any case, we can't answer that question here out of the top of our…

Claus Bauer
May I, Klaus?

Klaus Rosenfeld
You can add something in terms of tendency. But again, it's a year of transition at the moment. And we need to, in 2025, when we set guidance, be clearer how it came together. But for today, I think we can't give that number, no.

Claus Bauer
Klaus, maybe if we go to, or if you look at in terms of at page 40 of our backup, then you'll see the at equity accounting. That accounts for 40% of our shareholding, Schaeffler AG's shareholding. So therefore, you can at least get a flavor of what the EBIT would be. I cannot tell you, as Klaus said, on top of my head in absolute numbers or percentages, but I could definitely derive it from that chart here.

Of course, the OCI impacts are not hitting EBIT, the last column. But the other four adjustment columns, or actually, it starts with the net income, the proportional net income, and then the three following, two, three, and four, is the adjustment impact for 40%, for the 39.8% shareholding, not 100%. So there, you have an indication. Okay?

Klaus Rosenfeld
Would you go, Q4 and then the other ones?

Claus Bauer
Yes. Christoph, are you hearing us, or?

Christoph Laskawi, Deutsche Bank

Yes, I'm hearing you. Thank you.

Claus Bauer

Yes, okay. Then, Q4. I would like to have the glass ball and definitely would also look at a positive EBIT contribution in Q4 provided by Vitesco. However, it depends on many things. I mentioned one parameter. That's the R&D reimbursement, which actually will not repeat itself at the same level as Q4.

The other impacts are, how is the dynamic of the IFRS conversion that we just talked about? For what projects does it turn around? That will not happen in Q4. So, there is a continued negative impact, applying Schaeffler accounting policies. So, in total, I'm not expecting a different Q4 contribution than actually we have seen in Q3.

In its components, the obvious component that remains to be seen is then the base performance of Vitesco. And there, we have, of course, the expectation that the positive development in E-Mobility continues. And that's also carrying our guidance. As you see, we have not adjusted our guidance, and that also is expecting significant contribution of the full consolidation.

Current trading. Your next question is… I think the restructuring measures that we announced today obviously will have very little impact yet on Q4. Especially in Bearings & Industrial Solutions, we are continuing with our tactical measures, closing days, flexible work times where possible. That already is happening since Q2, as we reported, and was more successful in Q3 than in Q2. But again, from Program Forward, there's not much impact expected currently. That will come, as we have shown, then as a positive net impact, starting 2026.

And R&D as a positive contributor, to your last question, yes, as long as we are not in a balanced state, especially in E-Mobility, that means as long as we have to ramp up business, then you will have the impact that your R&D expenses are upfront investments. And there, you have the impact of the Schaeffler policy that tends to recognize these R&D upfront investments in the P&L, rather than Vitesco which rather capitalized them and then amortized over the lifetime.

So, in the ramp-up phase, and we are clearly still in the ramp-up phase over the next few years, I don't think that we can expect R&D as a positive contributor. It will stay at the increased level that we are seeing currently. I hope that answered all your questions, Christoph.

Christoph Laskawi, Deutsche Bank

Thank you. I had one also on B&IS and the Orderbook, ex Aerospace. If you leave the Aerospace contribution out that you highlighted as being quite strong, the rest of the Orderbook and the rest of the end markets, did they stabilize as well, or still slightly deteriorating?

Claus Bauer

So, I mean, let me clarify. You asked about the Bearings & Industrial Orderbook?

Christoph Laskawi, Deutsche Bank

Yes, the Orderbook, correct.

Claus Bauer

Yes, okay, this curve where we now see a positive trend. So, first of all, again, we didn't combine that yet. It's just the Industrial Orderbook. There's no Automotive bearings part in it. And that is clearly a positive sign. Although we are now with the Orderbook slightly above zero, so it's now growing, as you'll see, in the past six quarters, we significantly decreased our Orderbook. So, the baseline is now pretty low, and we are starting to not decrease the baseline anymore. So that's the positive sign. But don't interpret now in the shape of the curve too much optimism. It just slides through the x-axis, as you see. And now, if we would have to break down this Orderbook even further to see when is an impact really expected from the change of orders, is it a rather quick realization cycle, like in distribution, in the distribution channels, so are distributors restocking, or is it really Aerospace driven?

And these are the two extremes. Because Aerospace, if you have an order intake today, then you're delivering in nine to 12 months, so the realization cycle is much longer. And I'm afraid to say that this shape of the curve is much more driven right now by Aerospace than by distribution. So, you will see a rather longer-term realization, even of the positive trend.

I think you will not see a lot of deterioration anymore, but also not the quick and steep turnaround. And therefore, I think it's even more important that we are not just talking about tactical measures for this division, but now also structural adjustments. Therefore, Program Forward.

Christoph Laskawi, Deutsche Bank
Thank you.

Horst Schneider, Bank of America
Thank you for taking also my questions. I just have got a few follow-up questions. Most of my questions have been answered already. On Vitesco, I understand that you want to stay tight-lipped regarding targets. But just for my understanding, we should better ignore from now all targets that have been communicated by Vitesco before? We still have got this 2026 E-Mobility target, for example, in mind.

And then regarding this purchase price allocation that you show on page 40, is that something I can just annualize, or does that come quickly down for the years after 2024? That would be question number one. And then I'll go ahead with the others.

Klaus Rosenfeld
Yes, let me answer the first part of the question. And the purchase price allocation expert sits next to me. We will give targets for the Schaeffler Group including Vitesco. And as the measurement, as the accounting standards need to be aligned and change, we're not going to do anything in terms of following up on old targets. That would simply confuse everybody.

You need, and rightly ask for, a new target for Schaeffler AG in the structure that I just mentioned. That will come at the beginning of the year, as normal, with the full year result and that new setup. And then we will hopefully make sure that these targets are all met. But it would be overly complicated now to try to do a historic alignment of Vitesco targets, Schaeffler targets, with & without accounting logic, with different volumes and all of that. That's not value creative. So, we will focus only on the new targets.

Horst Schneider, Bank of America
Okay.

Claus Bauer
You asked… As it relates to purchase price allocation, it gets a little crazy now. The purchase price allocation will stop with the at equity consolidation. We will continue with the book values, starting with the full consolidation. So, it's crazy because it's only an impact for the at equity portion of this year, but it completely stops.

Horst Schneider, Bank of America
Oh, okay. That sounds not complicated. That's completely understandable.

Claus Bauer
Yes, okay. I find it crazy, but…

Horst Schneider, Bank of America
All right. Okay.

Klaus Rosenfeld
It would be easier if it stops at the end of the year, because we have this in-between quarter where it's fully consolidated now and makes all the comparisons to next year quarters more difficult.

So, it's up to us now to provide you then in the first quarter with proper historical, comparable, fully consolidated data. That makes this whole transaction a little bit challenging for the accounting and reporting colleagues. But we'll get through this. And hopefully next year at this time, we are in full swing to show you that we can overachieve our targets.

Horst Schneider, Bank of America

Yes. No, that's great. Thanks for that. That helps. On the leverage ratio again, I remember you were guiding, when this whole transaction was announced basically in Q4 last year, you were talking that you expect the leverage ratio post-transaction to decline below 1.5 times in 25. So, you said before that you are still going for 1.25 to 1.75 times leverage ratio, but you haven’t said by when. So, should we still expect that for 2025, or will that be achieved later now?

Klaus Rosenfeld

Well, again, it's the same problem here. This is our overall logic. Can I give you exactly when we are going to achieve what in this environment where I don't have parallel full consolidation, quality consolidation whatsoever? I can only say our target is that we should run this whole overall group on a solid leverage ratio that circles somewhere around 1.5 times.

When I do a back-of-the-envelope calculation that we did when we announced the transaction, say, at the moment what you have is debt of Schaeffler, debt for the acquisition, no real debt from Vitesco and then only the EBITDA from us, then that is, with the 2.5 times, too high.

If I would do a pro forma calculation, it clearly points that we will get below 2 towards the end of the year. And I'm optimistic that for 2025, we will cruise in the range somewhere between 1.25 and 1.75 if we exclude the restructuring payout that we have. And then again, it's a function of the Free Cash Flow generation in 25.

But again, don't nail us down at the moment on something for 25. It's a combination of various factors. And the most important thing will be Cash flow contribution next year. How that develops is a function of the overall performance in a year that obviously looks to be again a difficult year, similar like 2024.

Horst Schneider, Bank of America

Yes, that's great. Last one that I have is a follow-up on the synergies target, because I had always the impression that it was calculated in a very conservative way. So, can you maybe explain again what's included, what's not, and where's maybe more potential on these synergies?

Klaus Rosenfeld
Well, Horst, if you start a transaction like we did, and are brave enough at the beginning of the transaction, in October 23, to indicate synergies, you are well advised not to be overly optimistic. And the €600 million is clearly driven by that logic.

What I can say today is that we definitely confirm these €600 million. I already said, when we presented now the impact from Forward, that €75 million of that is part of the chart with Forward. So, there is €200 million-something on top. Will we be more successful than the €600 million? Remains to be seen. At the moment, that's the number we think that we are able to achieve.

And is there more potential? That's a function of how fast the E-Mobility is developing. That's where the main revenue potential sits. But it's also a function of how good we do our job on the cost side, also on the non-HR-related cost elements. But for the time being, we'll remain at €600 million. And there, I'm confident that we will be able to deliver that in time.

Horst Schneider, Bank of America
Okay. That's great. Thank you so much.

Klaus Rosenfeld
You're welcome.

Marc-Rene Tonn, Warburg
Thank you for taking my questions. The first one would be on China and the underperformance we have seen, probably reflecting, as you mentioned, still your dependency on more the German OEMs or European OEMs.

From your Orderbook, and you mentioned that you had been successful in the past in gaining business with local players as well, could you give us some indication on when you would expect your development in China more aligned with the market overall, when this may happen in the future? That would be the first question.

Second question. Looking at the Program Forward and the building blocks, I think probably the synergies with Vitesco are very much SG&A-driven cost savings. Just give us some kind of split for what you expect in Automotive Technologies and Bearings & Industrial Solutions, and how we should think about the split in savings between gross profit-related, so more direct costs, and indirect costs in SG&A. That would also be helpful.

And the third question, I think probably a very tricky one. But when we look at the Q3 tax rate, which is probably pretty high, and given the importance of the net profit for the dividend estimate for the year, could you give us some indication on what you would expect for the full year here?

Should we expect Q4 more in a positive result, or is it too early to say because there's so many moving parts which will at the end of the day define on where you would end up with regard to net income, or adjusted net income in that case?

Claus Bauer

Yes, maybe I start with the last question. And you opened the door for me. There's too many moving parts to really make that. But we don't see really the run rate of taxes changing much. That has also to do with a loss situation in Germany, and therefore, I don't see that turning around quickly.

And if I then continue with your first question, then it's true, and it's not… And I think I explained that in the past. And I'm talking about Schaeffler standalone here. That is also important to understand. Quite frankly, I cannot yet say too much about the dynamics for Vitesco. But my gut feel is that actually our exposure to the Chinese, as a starting point, would be slightly reduced now in the combined entity, because the starting point for Vitesco is their lower market penetration with the Chinese OEMs.

But it's a clear strategic target. It has been a clear strategic target of both companies to increase the penetration in that market segment. So, I think it will be a phasing in, and approaching then the Chinese domestic market performance, as you see it, rather over a handful of quarters, if not two or three years, where you then translate the orders that you have on hand into really deliveries and sales. So, it's not a quick win.

Of course, if now all of the sudden market share shifts and the Chinese markets also would, yes, at least slow down or turn around at some point because of new products from European OEMs, especially German OEMs in that market, that also would impact that proximity to the market performance. But if everything would be the same as now, it's a slow phasing in and approaching of the domestic market performance, not a quick one.

Klaus Rosenfeld
Will you do the taxes, or should I go?

Claus Bauer
No, I already did the taxes.

Klaus Rosenfeld
Okay, good. So in terms of how the impact from the Program Forward, that's how I understood what you said, Marc, would be allocated to the divisions, you can basically use as an indicator, if you take the 4,700 gross reduction and say that is about 54% related to Bearings & Industrial, you can also from there basically say a little bit more than 50% of the benefit would go to Bearings & Industrial Solutions.

That also means the rest then splits somehow between E-Mobility division and Powertrain & Chassis. And there, you can basically say the impact on E-Mobility is probably higher than on Powertrain & Chassis. So, I would say the logic is around 50%-plus to Bearings & Industrial Solutions, and of the remaining 50%, with all the allocations and what has shifted in between, two-thirds of that number then goes to E-Mobility, and the other third goes to Powertrain & Chassis.

Marc-Rene Tonn, Warburg
All right. The question was actually… Thanks for the answer, but the question was a bit more related to the proportion of direct cost savings, so basically, on the shop floor versus indirect costs and overhead, whether you could provide split there with regard to the segments at Bearings & Industrial Solutions as well as for *[01:29:16 overtalking]*.

Klaus Rosenfeld

Oh, okay. I can't give you that split at the moment. I can say, if you look at the three buckets, in synergies, it is very much indirect cost related. There is nothing that goes to the plants, because Vitesco and Schaeffler is not a merger where we consolidate plants. In BI&S, the vast majority is somehow related to capacity. It is related to consolidating of locations. But again, that split I can't deliver at the moment.

And on the transformation side, it’s also both impacting direct operations and also admin, but the actual split, I need to work that out in more detail. Out of the top of my head, I would say, in those areas, it's probably half-half.

Marc-Rene Tonn, Warburg

Thank you very much.

Klaus Rosenfeld

You're welcome.

Oleksiy Soroka, ING Bank

Thank you for holding a long call and finding time. Just really follow-ups, because obviously you've answered a lot of questions. On some of the housekeeping things, in terms of charges related to the new Program, the headcount reduction Program, can you clarify, I know there was the bars on the slide, what you have in mind in terms of cash charges in 2025 and in 2026, if possible?

Also, there was a question before, and I didn't quite get an answer in terms of the current trading environment, how it is performing relative to Q3 or September Q3, how things are going right now. And lastly, just for my understanding, in terms of the current range of the adjusted EBIT margin, whether you are still comfortable or there is an element of uncertainty like it will depend how things will go in Q4?

Klaus Rosenfeld

Your first question was a little bit difficult to understand. You said something about China and the program. Program Forward…

Oleksiy Soroka, ING Bank
No. Yes. So, sorry, let me clarify. The restructuring charges, cash restructuring charges related to the initiative announced this morning.

Klaus Rosenfeld
The cash restructuring charges? Can you go to that page, please? This one?

Oleksiy Soroka, ING Bank
Yes, just how much it's going to be in 2025 in cash terms.

Klaus Rosenfeld
The absolute number for the cash out for restructuring costs in that year, again, we have decided not to disclose that number at the moment, because that's a function of how fast we are to get the restructuring right. You can basically say that the €500 million that we are putting in as a provision with the announcement today will be consumed over, let's say, two and a half years. But how that exactly phases is a function of how fast we are with getting the right contracts with our employees, with finding the right measures.

Here, at the moment, this is a rather conservative number. We assume that most of the people will go, based on contractual arrangements, but it could well be that we find more people because of natural fluctuation. So that mix is unclear. Therefore, every number I give you at the moment would be a premature number.

We think that we will be able to have all the restructuring payout more or less done by the year 2027. So, when you see the Free Cash Flow number in 2027, that is the benefit already overcompensating the last final step of the payout that we need to get the people off-board. Does that answer your question?

Oleksiy Soroka, ING Bank
Okay. Yes, that’s good enough. And then 500 is all cash over two and a half years, basically.

Klaus Rosenfeld
Yes. It says here, we said 580. And not everything is able to be put as a provision. So, there's a little bit of cash-out that comes not out of release of provisions, but by a normal cash-out. That's typically coming rather upfront than at the end of the period.

The 500 there at the top is a 500 million provision that we are building. And the delta to the 80 is then payouts that you cannot provision for.

Oleksiy Soroka, ING Bank
Understood.

Klaus Rosenfeld
Okay. Then the current range of EBIT margin, depending on Q4, we said 5% to 8%, with this peculiar composite or combined ratio. For sure, Q4 will not be an easy quarter. It's always the same in the car industry. It's a quarter where, at least in Europe, certain time falls off because people are not producing at that time. China is different, but it's always a quarter that is more challenging.

In this environment, with everything that’s going on, I think it’s fair to assume or it’s better to assume on the conservative side. As we said, we confirm our guidance. With all the internal challenges we have, we are confident that we'll end up somewhere between 5%, or let's say above 5%.

Oleksiy Soroka, ING Bank
Understood. And the trading, qualitatively, versus September, are things stabilizing, improving, getting worse?

Claus Bauer
That's what I thought I indicated in my presentation. We had a very weak July and August. September was strong, and we see that continuing into October, and so far, as far as transparency and visibility goes, also for November.

Oleksiy Soroka, ING Bank

Understood. Thank you very much.

Klaus Rosenfeld

You're welcome.

Operator

Ladies and gentlemen, that was the last question. I would now like to turn the conference back over to Heiko Eber for any closing remarks.

Heiko Eber

Thank you very much. So, first of all, thanks to Klaus and to Claus. I think it's good to see that after the last couple of quarterly releases where we only had a handful of questions, the interest is back. That's why also thank you to everyone dialing in today for your interest in our company. I know we were not able to answer all your questions. So, for sure, we will reach out to you afterwards to catch up.

With this having said, thank you very much for your time. Thank you very much for you interest. Big thanks to the team for the preparation. Have a good day and talk to you soon. Goodbye.

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Thank you

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At equity accounting Vitesco Technologies Group AG until September 30th 2024

Subsequent measurement in Q3 2024[1]

in EUR mn

Key aspects

- Accounting driven by 1 Vitesco earnings, 2 IFRS conversion, 3 PPA effects, 4 adjustments and 5 OCI effects
- Effects shown represent 38.9% (shareholding) share, after taxes
- Accounting policy harmonization required to account for differences in accounting of
  - Development costs (IAS 38)
  - Application engineering (IFRS 15)
  - Customer-specific products
  - Pensions and Inventories
- With full consolidation as of Oct 1st, PPA effects will be abandoned

[1] Based on 38.87% shareholding of Schaeffler AG in Vitesco Technologies Group AG | [2] P&L effect from group separation agreement and elimination of intercompany profits from transfer of Vitesco property to Schaeffler | [3] Pensions, hedges, currency translation

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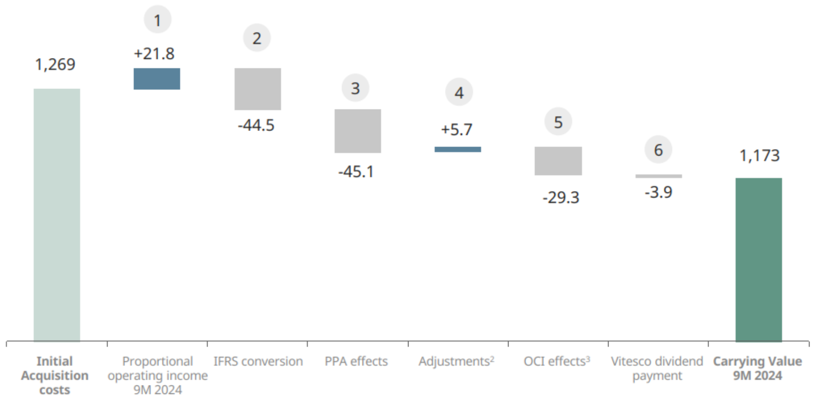
At equity accounting Vitesco Technologies Group AG until September 30th 2024

Subsequent measurement in 9M 2024[1]

in EUR mn



Key aspects

- Accounting driven by 1 Vitesco earnings, 2 IFRS conversion, 3 PPA effects, 4 adjustments, 5 OCI effects and 6 Vitesco dividend payment
- Effects shown represent 38.9% (shareholding) share, after taxes
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Key figures by Division

Adjusted comparative figures 2023

Automotive Technologies in EUR mn

	Q1 23	Q2 23	Q3 23	Q4 23	FY 23	Q1 24	Q2 24	Q3 24
Sales	1,778	1,730	1,748	1,780	7,035	1,770	1,764	**1,678**
Sales Growth[1]	*+7.2%*	*+11.3%*	*-2.0%*	*+3.9%*	*+4.8%*	*+0.8%*	*+2.2%*	***-2.5%***
EBIT bsi	87	90	107	56	339	93	68	**39**
EBIT bsi margin	4.9%	5.2%	6.1%	3.1%	4.8%	5.3%	3.9%	**2.3%**

Bearings & Industrial Solutions in EUR mn

	Q1 23	Q2 23	Q3 23	Q4 23	FY 23	Q1 24	Q2 24	Q3 24
Sales	1,787	1,769	1,714	1,690	6,960	1,677	1,690	**1,609**
Sales Growth[1]	*+9.2%*	*+8.3%*	*-0.1%*	*+0.9%*	*+4.4%*	*-4.1%*	*-3.6%*	***-5.0%***
EBIT bsi	159	131	138	99	527	143	42	**73**
EBIT bsi margin	8.9%	7.4%	8.0%	5.9%	7.6%	8.5%	2.5%	**4.5%**

Vehicle Lifetime Solutions in EUR mn

	Q1 23	Q2 23	Q3 23	Q4 23	FY 23	Q1 24	Q2 24	Q3 24
Sales	581	548	581	531	2,241	625	684	**644**
Sales Growth[1]	*+25.7%*	*+10.0%*	*+8.4%*	*+3.1%*	*+11.4%*	*+8.6%*	+27.1%	***+13.2%***
EBIT bsi	90	73	101	65	328	109	119	**106**
EBIT bsi margin	15.4%	13.3%	17.3%	12.2%	14.6%	17.4%	17.4%	**16.4%**

Others in EUR mn

	Q1 23	Q2 23	Q3 23	Q4 23	FY 23	Q1 24	Q2 24	Q3 24
Sales	6	9	19	42	76	13	54	**26**
Sales Growth[1,2]	-	-	-	-	-	-	-	**-**
EBIT bsi	0	-5	-5	3	-7	-23	-26	**-29**
EBIT bsi margin[2]	-	-	-	-	-	-	-	**-**

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

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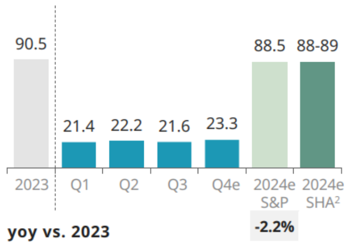
Market assumptions

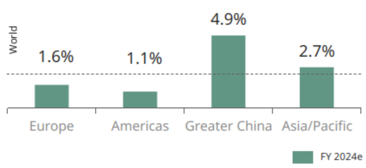
Global LVP[1] 2024



yoy vs. 2023

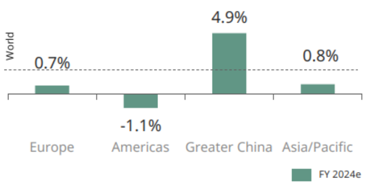
- Schaeffler expects a slightly declining LVP development of 88 to 89 mn vehicles in 2024, based on the forecast of S&P Global Mobility and own considerations
- Generally, due to market uncertainties (e.g. political and economic environment), we see challenges for the car markets in all major regions

Global LV Parc[3]



- Growth rate of Global LV Parc[3] with 2.3% for 2024 slightly lower than in 2023 (2.6%). 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 (4.9%)

Industrial Production[4]



- Global Industrial Production[4] forecasted to increase by around 2% in 2024 (2023: 2.8%) according to S&P Global Market Intelligence (July 2024)
- Greater China is expected to see solid growth, Asia/Pacific, Europe and especially Americas are projected to experience a weak development

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

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Key figures Q3 and 9M 2024

in EUR mn	Q3 2023	Q3 2024	Q3 2024 vs. Q3 2023	9M 2023	9M 2024	9M 2024 vs. 9M 2023
Sales	4,062	3,957	-2.6% / -1.1%[1]	12,270	12,233	-0.3% / +1.0%[1]
Gross Profit ***Gross margin***	883 *21.7%*	862 *21.8%*	-21 mn *+0.1pp*	2,709 *22.1%*	2,828 *23.1%*	+119 mn *+1.0pp*
EBIT[2] ***EBIT margin[2]***	340 *8.4%*	187 *4.7%*	-153 mn *-3.7pp*	964 *7.9%*	713 *5.8%*	-251 mn *-2.1pp*
Net income[3]	150	-13	-163 mn	416	250	-166 mn
EPS[4] (in EUR)	0.22	-0.02	-0.24	0.63	0.38	-0.25
Schaeffler Value Added[5]	264	-107	-371 mn	264	-107	-371 mn
ROCE[6]	12.8%	9.0%	-3.8pp	12.8%	9.0%	-3.8pp
Free Cash Flow[7]	182	188	+6 mn	211	97	-114 mn
Capex	247	227	-20 mn	665	645	-20 mn
Net financial debt	3,072	4,812	+1,740 mn	3,072	4,812	+1,740 mn
Leverage ratio[8]	1.4x	2.5x	+1.1x	1.4x	2.5x	+1.1x
Headcount	83,600	82,074[9]	-1.8%	83,600	82,074[9]	-1.8%

[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 | [9] The headcount determined as at the end of the reporting period was reduced by 1,591 permanent employees who were impacted by temporary closures and were therefore not included in the count.

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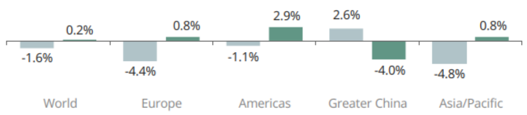
Automotive Technologies – Solid outperformance, EBIT margin[2] lower yoy

Sales by business division yoy growth

in EUR mn

	9M 2023	9M 2024	Δ[1]
E-Mobility	962	1,054	+10.7%
Engine & Transmission	3,950	3,824	-2.2%
Chassis Systems	343	334	-2.0%
Total	**5,256**	**5,212**	**+0.2%**

Outperformance 9M Sales[1] vs. market development

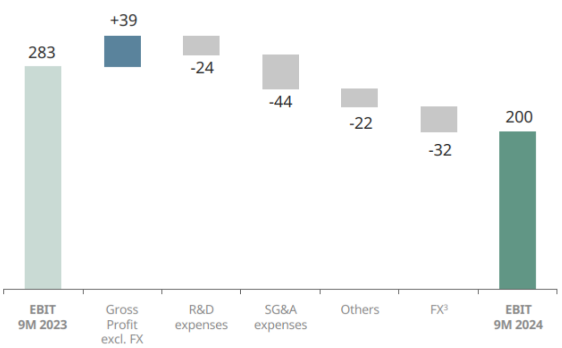


	World	Europe	Americas	Greater China	Asia/Pacific
9M24	+1.8pp	+5.2pp	+4.0pp	-6.6pp	+5.6pp

Production of light vehicles 9M 2024 vs. 9M 2023 (S&P Global Mobility ©, October 2024)[4]
Sales growth Schaeffler Automotive Technologies 9M 2024 vs. 9M 2023

EBIT[2] 9M 2023 vs. 9M 2024

in EUR mn



EBIT margin development[2]

5.4% 3.8%

[1] FX-adjusted | [2] Before special items | [3] Total FX effect including FX impact in Gross Profit, overhead and operative FX gains and losses | [4] Includes content supplied by S&P Global Mobility© [IHS Markit Light Vehicle Production Forecast (Base), October 2024]. All rights reserved.

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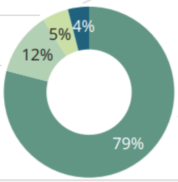
Vehicle Lifetime Solutions – Strong growth[1] in all regions, EBIT margin[5] clearly above PY

Sales by region yoy growth

in EUR mn

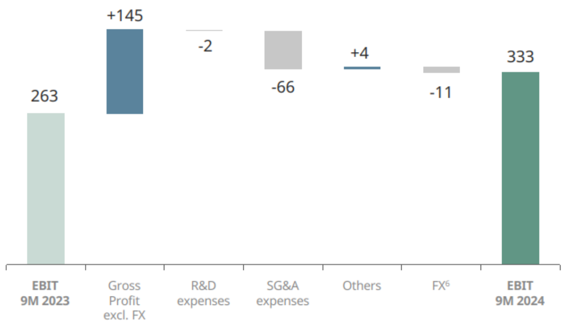
	9M 2023	9M 2024	Δ[1]
Europe	1,132	1,305	+13.7%
Americas	368	396	+19.4%
Greater China	106	132	+28.1%
Asia/Pacific	104	120	+17.5%
Total	**1,710**	**1,953**	**+16.1%**

Sales by channel 9M yoy growth[1]



EBIT[5] 9M 2023 vs. 9M 2024

in EUR mn



EBIT margin development[5]

15.4% 17.1%

[1] FX-adjusted | [2] Independent Aftermarket | [3] Original Equipment Service | [4] Contains sales to Automotive suppliers | [5] Before special items | [6] Total FX effect including FX impact in Gross Profit, overhead and operative FX gains and losses

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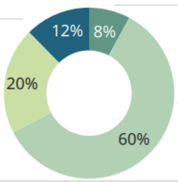
Bearings & Industrial Solutions – Negative growth[1] in Europe and China, EBIT margin[2] below PY

Sales by region yoy growth

in EUR mn

	9M 2023	9M 2024	Δ[1]
Europe	2,299	2,101	-8.5%
Americas	1,035	1,050	+3.1%
Greater China	1,152	1,059	-5.8%
Asia/Pacific	784	767	+1.0%
Total	**5,270**	**4,976**	**-4.2%**

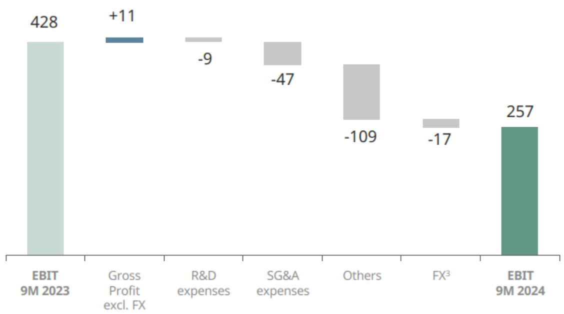
Sales by market cluster 9M yoy growth[1]



Industrial Distribution is 18.4% of 9M sales

EBIT[2] 9M 2023 vs. 9M 2024

in EUR mn



EBIT margin development[2]

8.1% 5.2%

[1] FX-adjusted | [2] Before special items | [3] Total FX effect including FX impact in Gross Profit, overhead and operative FX gains and losses

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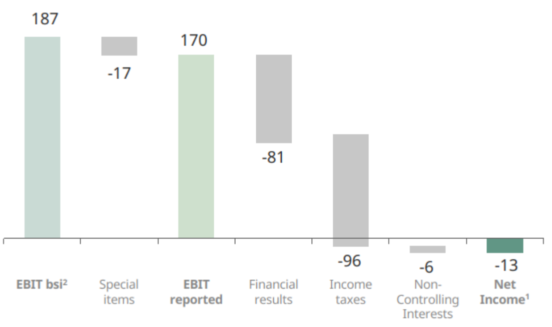
Net Income[1] – EBIT reconciliation and special items

Reconciliation Q3 2024 in EUR mn



EBIT margin

EBIT bsi	EBIT reported
4.7%	4.3%

Key aspects

- Special items in Q3 mainly include integration costs for the Vitesco acquisition
- Financial result lower yoy due to higher interest payments

Special items by Division[3]
in EUR mn

	Q3 23	Q3 24	Δ Q3 24/23	9M 23	9M 24	Δ 9M 24/23
EBIT reported	**322**	**170**	**-152**	**849**	**763**	**-86**
Automotive Technologies	+18	+4	-14	+50	-17	-67
Vehicle Lifetime Solutions	+3	+5	+2	+4	+1	-3
Bearings & Industrial Solutions	-4	+5	+9	+62	-46	-108
Group	**+18**	**+17**	**-1**	**+115**	**-50**	**-165**
EBIT bsi[2]	**340**	**187**	**-153**	**964**	**713**	**-251**

[1] Attributable to the shareholders of the parent company | [2] Before special items | [3] Divisions do not add up to 100% due to new "Others" segment

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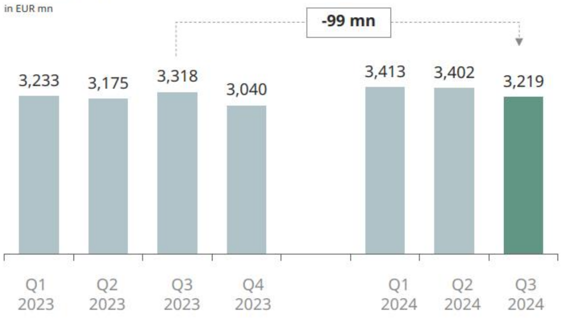
Working Capital ratio 19.8% – Capex ratio 5.7% in Q3

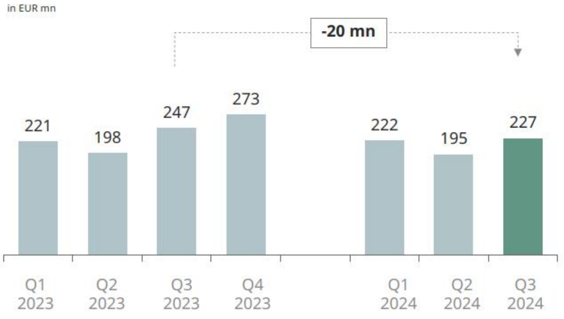
Working capital[1]
in EUR mn



in % of sales (LTM)

Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
20.0%	19.3%	20.4%	18.6%	21.0%	20.8%	19.8%
18.6% (2023)						

Capex[2]
in EUR mn



in % of sales

Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
5.3%	4.9%	6.1%	6.7%	5.4%	4.7%	5.7%
5.7% (2023)						

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

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Vitesco Technologies – Financial KPIs

Vitesco Technologies Group (EUR mn)

	Q3 2023	Q3 2024	Delta
Sales % growth	2,199.4	2,045.1	-154.3 -7.0%
Adj. EBIT % margin	66.6 3.1%	120.7 5.9%	54.1 2.8pp
EBIT % margin	67.7 3.1%	25.1 1.2%	-42.6 -1.9pp
Capex % of sales	141.8 6.4%	189.6 9.3%	47.8 2.9pp
Free Cash Flow % margin	73.4 3.3%	-507.3 -24.8%	-580.7 -28.1pp
Equity Ratio	40.6%	40.1%	-0.5pp

Highlights and Recent Developments

Sales
- Sales impacted by decreased Non-Core sales and negative FX effects (1.9 pp)

Adjusted EBIT
- Increase in profitability supported by accelerated R&D reimbursements and E-Mobility improvements

Capex
- Capex driven by increased investments into Electrification business

Free Cash Flow
- FCF burdened by a settlement on the Group separation agreement between Continental and Vitesco Technologies as well as higher working capital intensity and one-time effects

Adj. EBIT before amortization of intangibles from PPA, consolidation and special effects. | Capex excluding right of use assets (IFRS 16).
Disclaimer: The Vitesco Technologies financial figures stated are based solely on internal calculations and are provided for information purposes only. They are not audited or certified by an external auditor.

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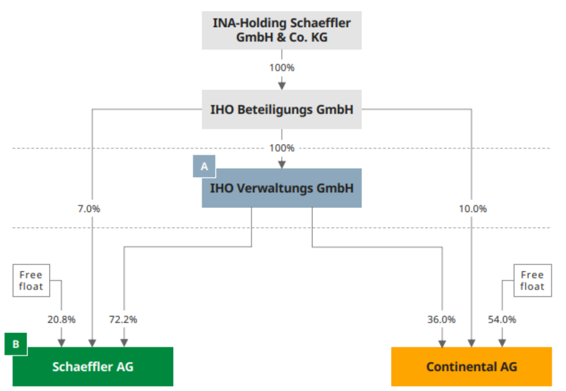
Overview Corporate and Financing Structure

Corporate structure (simplified) as of October 31, 2024



Financing structure

A IHO Verwaltungs GmbH as of October 31, 2024

	Debt instrument	Nominal USD mn	Nominal EUR[1] mn	Interest	Maturity	Rating Fitch/Moody's/S&P
Loans	RCF (EUR 1,000 mn)	-	300	E+3.75%	Feb-28	Not rated
Bonds	8.75% SSNs 2028 (EUR)	-	800	8.750%	May-28	BB/Ba2/BB-
	6.375% SSNs 2029 (USD)	400	368	6.375%	May-29	BB/Ba2/BB-
	6.75% SSNs 2029 (EUR)	-	600	6.750%	Nov-29	BB/Ba2/BB-
	7.75% SSNs 2030 (USD)	500	459	7.750%	Nov-30	BB/Ba2/BB-
	7.00% SSNs 2031 (EUR)	-	400	7.000%	Nov-31	BB/Ba2/BB-
	8.00% SSNs 2032 (USD)	450	414	8.000%	Nov-32	BB/Ba2/BB-
Total	**IHO Verwaltungs GmbH**		**3,341**	**Ø 7.39%[2,3]**		

B Schaeffler AG as of September 30, 2024

	Debt instrument[4]	Nominal USD mn	Nominal EUR mn	Interest	Maturity	Rating Fitch/Moody's/S&P
Loans	RCF (EUR 2,000 mn)[5]	-	-	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)	-	243	Ø 5.113%	May 25 & 28	Not rated
	EIB loan (EUR)	-	420	3.703%	Jan-30	Not rated
CP	Commercial Paper (EUR)	-	-	-	-	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%	Mar-30	BB+/Baa3/BB+
Total	**Schaeffler AG**		**5,388**	**Ø 4.07%[3]**		

[1] EUR/USD = 1.0882 | [2] After cross currency swaps | [3] Incl. commitment and utilization fees | [4] Table displays Schaeffler AG related instruments only. For the overall indebtedness of the Schaeffler Group, reference is made to the respective financial statements of the Schaeffler Group | [5] On 27 March 2024, Schaeffler signed an amendment agreement to its RCF. Effective upon closing of the merger, RCF amount will be increased to EUR 3.0 bn with a new tenor of 5+1+1 years

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