

We pioneer motion

Interim Statement Q1 2024

Highlights Q1 2024

Revenue at prior year level

Revenue at **EUR 4.1 bn**
(0.0% at constant currency)

(prior year: EUR 4.2 bn)

Slight decrease in EBIT margin

EBIT margin before special items **7.9%**

(prior year: 8.1%)

Cash flow negative due to seasonal factors

Free cash flow before cash in- and outflows
for M&A activities at **EUR -166 m**

(prior year: EUR -73 m)

Significant events – first quarter 2024

Planned business combination with Vitesco Technologies Group AG

The **planned business combination with Vitesco Technologies Group AG**, a key step of the transformation, is progressing on schedule. The overall transaction is structured in three steps and is designed to result in a merger of Vitesco Technologies Group AG into Schaeffler AG.

In the first step, the public tender offer was completed for all shares in Vitesco Technologies Group AG tendered and the cash consideration of EUR 94 per share paid on January 5, 2024. The cash consideration for all shares acquired (a total of approximately 12 million shares) amounted to approximately EUR 1.1 bn. Upon closing of the public tender offer and payment of the consideration, the Schaeffler Group obtained significant influence and has been accounting for Vitesco Technologies Group AG under the equity method as an associated company in the Schaeffler Group's consolidated financial statements since January 5, 2024. Additionally, Schaeffler AG entered into an agreement with BofA Securities Europe S.A. to acquire a stake of 3.6 million shares – approximately 9% of the share capital of Vitesco Technologies Group AG – on January 22, 2024, increasing Schaeffler AG's shareholding in Vitesco Technologies Group AG to approximately 38.9%.

As the second step, resolutions approving the conversion of the common non-voting shares of Schaeffler AG into common voting shares at a ratio of 1:1 were passed by an extraordinary general meeting and a separate general meeting of the common

non-voting shareholders on February 2, 2024. The share conversion is conditional on the completion of the merger as part of the business combination.

In the third step of the overall transaction, Schaeffler AG and Vitesco Technologies Group AG entered into a merger agreement on March 13, 2024, following approval by their respective Supervisory Boards. The agreement sets out the legally binding terms and conditions for the merger of Vitesco Technologies Group AG into Schaeffler AG. The preliminary exchange ratio published on February 26, 2024, 11.4 voting common Schaeffler AG shares for each Vitesco Technologies Group AG share held, was agreed as binding in the merger agreement. As a result, shareholders of Vitesco Technologies Group AG will receive 57 common Schaeffler AG shares in exchange for 5 common Vitesco Technologies Group AG shares. To become effective, the merger agreement requires the approval of the annual general meetings of both companies, which are scheduled for late April 2024. Effectiveness of the merger is conditional on subsequent entry of the merger in both companies' commercial registers and is still expected to occur in the fourth quarter of 2024. In this context, the company intends to have the common Schaeffler AG shares and the common non-voting Schaeffler AG shares that will be converted to common shares admitted for trading on the Frankfurt Stock Exchange (Prime Standard). This also applies to the common Schaeffler AG shares newly issued in the merger.

 More information under: www.strongertogether24.com.

Financing transactions as part of the planned business combination

On January 2, 2024, Schaeffler AG drew down approximately EUR 1.1 bn under the existing **bridge facility** to finance the tender offer for all shares of Vitesco Technologies Group AG tendered on January 5, 2024.

Schaeffler AG issued a total of EUR 1.1 bn in bonds under its **debt issuance program** on January 15, 2024. The transaction consisted of two tranches (EUR 500 m with a coupon of 4.500%, due in August 2026, and EUR 600 m with a coupon of 4.750%, due in August 2029). The proceeds of the issuance were used to prepay in full the EUR 1.1 bn drawn under the existing **bridge facility** for the acquisition of the shares in Vitesco Technologies Group AG on January 19, 2024. Simultaneously, the line of credit under one of the facilities was reduced from a total of EUR 2.2 bn to EUR 387 m.

Two unutilized lines of credit under the **bridge facility** totaling EUR 1.25 bn were terminated on February 16, 2024.

On March 4, 2024, Schaeffler AG made a final drawdown of EUR 370 m under the **bridge facility** and terminated the remaining EUR 17 m line of credit.

On March 27, 2024, Schaeffler AG signed an **amendment agreement** for the existing syndicated **group credit agreement** with a group of international banks. The amendment agreement comprises an increase in the revolving credit facility from EUR 2.0 bn to EUR 3.0 bn as well as a five-year term with two renewal options of one year each. The amendments agreed become effective upon completion of the business combination of Schaeffler AG and Vitesco Technologies Group AG.

On March 28, 2024, Schaeffler AG issued another bond series with a principal of EUR 850 m and a coupon of 4.500% due in March 2030 under its **debt issuance program**. Schaeffler AG used part of the issuance proceeds to repay the EUR 370 m in drawings under the **bridge facility** on April 4, 2024. As a result, the bridge facility has been fully replaced and brought to an end.

Other financing transactions

On January 15, 2024, Schaeffler AG drew down in full the EUR 420 m loan with a six-year term under the **loan agreement** with the European Investment Bank **signed** in December 2023. The loan is primarily intended to support research and development for technologies in the fields of renewable energy, electric mobility, and hydrogen. Furthermore, the Schaeffler Group drew down approximately EUR 173 m under two additional lines of credit entered into in December 2023.

On March 26, 2024, Schaeffler AG redeemed an **outstanding bond** series of EUR 800 m upon maturity.

Other acquisitions during the period

On January 29, 2024, the Schaeffler Group increased its existing equity investment in Swedish **start-up H2GS AB** (“H2 Green Steel”) by a further EUR 28 m to a total of EUR 100 m as announced in September 2023.

Changes regarding the divisions

The Bearings business division (BD), which was previously the responsibility of the Automotive Technologies division, was assigned to the Industrial division effective 2024. Additionally, the Automotive Aftermarket and Industrial divisions were renamed Vehicle Lifetime Solutions and Bearings & Industrial Solutions, respectively. Additionally, primarily the external business of the Special Machinery operations and of the service companies were carved out of their previous divisions and combined in the Others division. The equity-accounted investment in Vitesco Technologies Group AG is also reflected in this division.


Managing Directors' contracts renewed

At its meeting on February 23, 2024, the Supervisory Board of Schaeffler AG agreed to renew the contract of Matthias Zink, **CEO of the Automotive Technologies division**, for another five years effective January 1, 2025.

At its meeting on February 23, 2024, the Supervisory Board of Schaeffler AG also agreed to renew the contract of Jens Schüler, **CEO of the Vehicle Lifetime Solutions division**, by another five years effective January 1, 2025.

Schaeffler Group earnings

Revenue for the first quarter of 2024 was at the prior year level, excluding the impact of currency translation. Revenue declines at the Bearings & Industrial Solutions division were offset by growth at the Automotive Technologies and Vehicle Lifetime Solutions divisions.

 More on the change in the divisions' organizational structure under "Significant events – first quarter 2024" on page 4.

The slight growth at the **Automotive Technologies division** was mainly attributable to higher volumes of the E-Mobility and Chassis Systems BDs. The increase at the **Vehicle Lifetime Solutions division** was primarily the result of the impact of volumes in the Europe and Americas regions, especially in the Independent Aftermarket business. The trend at the **Bearings & Industrial Solutions division** was largely due to the impact of volumes at the Industrial Automation sector cluster in the Europe region as well as the impact of volumes at the Wind sector cluster in the Greater China region. The **Others division** primarily contains the revenue of the Special Machinery unit.

The slight decrease in the **EBIT margin before special items** in the first quarter of 2024 was mainly attributable to the impact of volumes as well as the income (loss) from the equity-accounted investee Vitesco Technologies Group AG. During the period, the change in accounting estimate regarding the valuation of inventories resulted in EUR 117 m in gains included in gross profit. These gains were treated as special items in EBIT. See page 9 for further information. Income (loss) from equity-accounted investees includes the equity-accounted investment in Vitesco Technologies Group AG. At EUR -23 m, the Others division's EBIT before special items had a slightly dilutive effect on the Schaeffler Group's EBIT margin before special items.

in € millions	1 st three months		Change in %
	2024	2023	
Revenue	4,085	4,152	-1.6
• at constant currency			0.0
Revenue by division			
Automotive Technologies	1,770	1,778	-0.4
• at constant currency			0.8
Vehicle Lifetime Solutions	625	581	7.6
• at constant currency			8.6
Bearings & Industrial Solutions	1,677	1,787	-6.2
• at constant currency			-4.1
Others	13	6	> 100
• at constant currency			> 100
Revenue by region ¹⁾			
Europe	1,846	1,848	-0.1
• at constant currency			-0.4
Americas	952	920	3.5
• at constant currency			4.2
Greater China	754	829	-9.1
• at constant currency			-3.6
Asia/Pacific	533	554	-3.8
• at constant currency			-0.5
Cost of sales	-2,999	-3,193	-6.1
Gross profit	1,086	959	13.2
• in % of revenue	26.6	23.1	-
Research and development expenses	-208	-205	1.2
Selling and administrative expenses	-485	-435	11.3
Other income and expense	29	-75	-
Income (loss) from equity-accounted investees	-8	0	-
Earnings before financial result and income taxes (EBIT)	415	244	70.3
• in % of revenue	10.2	5.9	-
Special items ²⁾	-93	92	-
EBIT before special items	322	335	-4.1
• in % of revenue	7.9	8.1	-
Financial result	-73	-47	55.7
Income taxes	-105	-62	68.7
Net income ³⁾	231	128	79.7
Earnings per common non-voting share (basic/diluted, in €)	0.35	0.19	84.2

¹⁾ Based on market (customer location).

²⁾ Please refer to pp. 9 et seq. for the definition of special items.

³⁾ Attributable to shareholders of the parent company.

Automotive Technologies division earnings

The Bearings BD, which was previously the responsibility of the Automotive Technologies division, was assigned to the Bearings & Industrial Solutions division effective 2024.

The slight **revenue** growth, excluding the impact of currency translation, for the first quarter of 2024 mainly resulted from projects ramping up and outperformed global automobile production overall.

Outperformance Q1 2024

	Europe	Americas	Greater China	Asia/Pacific	Total
Revenue growth (in %) ¹⁾	1.9	0.7	-0.4	0.1	0.8
LVP growth (in %) ²⁾	-2.1	0.1	5.0	-6.6	-0.8
Outperformance (in percentage points)	4.0	0.6	-5.4	6.7	1.6

In the **E-Mobility BD**, the decline in revenue, excluding the impact of currency translation, in the Greater China region was offset by growth in the Europe region. Structural changes in the Greater China region reduced local demand from foreign automobile manufacturers with operations in China. This reduction was only partly offset by additional growth with local automobile manufacturers. The **Engine & Transmission Systems BD** revenue trend was largely based on growth in the Europe region. In the Americas region, demand-driven declines in revenue early in the year were partly made good by catch-up effects following the strike in the industry in the fourth quarter of 2023. The revenue trend of the **Chassis Systems BD** was primarily attributable to additional volumes due to project start-ups in the Americas and Greater China regions.

The **EBIT margin before special items** in the first quarter of 2024 rose primarily as a result of a favorable impact of volumes. During the period, the change in accounting estimate regarding

the valuation of inventories resulted in EUR 30 m in gains included in gross profit. These gains were treated as special items in EBIT.

	1 st three months		Change in %
in € millions	2024	2023	
Revenue	1,770	1,778	-0.4
• at constant currency			0.8
Revenue by business division			
E-Mobility BD	337	335	0.4
• at constant currency			2.2
Engine & Transmission Systems BD	1,317	1,335	-1.4
• at constant currency			-0.3
Chassis Systems BD	117	107	9.2
• at constant currency			10.0
Revenue by region ³⁾			
Europe	687	675	1.8
• at constant currency			1.9
Americas	463	453	2.3
• at constant currency			0.7
Greater China	370	394	-6.1
• at constant currency			-0.4
Asia/Pacific	250	256	-2.3
• at constant currency			0.1
Cost of sales	-1,397	-1,436	-2.7
Gross profit	373	342	9.1
• in % of revenue	21.1	19.2	-
Research and development expenses	-137	-137	0.1
Selling and administrative expenses	-135	-123	9.7
Other income and expense	17	-35	-
EBIT	117	47	> 100
• in % of revenue	6.6	2.6	-
Special items ⁴⁾	-24	40	-
EBIT before special items	93	87	7.4
• in % of revenue	5.3	4.9	-

Prior year information presented based on 2024 segment structure.

¹⁾ Constant-currency revenue growth compared to prior year.

²⁾ Includes content supplied by S&P Global Mobility © [IHS Markit Light Vehicle Production Forecast (Base), April 2024]. All rights reserved.

³⁾ Based on market (customer location).

⁴⁾ Please refer to pp. 9 et seq. for the definition of special items.

Vehicle Lifetime Solutions division earnings

The Automotive Aftermarket division was renamed Vehicle Lifetime Solutions effective 2024.

The increase in **revenue**, excluding the impact of currency translation, in the first quarter of 2024 was primarily attributable to a favorable impact of volumes. The prior year's adjustments to sales prices favorably impacted the revenue trend as well.

Revenue growth in the **Europe** and **Americas regions**, excluding the impact of currency translation, was primarily driven by the considerable increase in the Independent Aftermarket business. Revenue growth, excluding the impact of currency translation, in the **Greater China region** resulted mainly from the increase in e-commerce business. The Independent Aftermarket business also grew considerably. The revenue trend in the **Asia/Pacific region** was partly attributable to the contribution made by the Koovers e-commerce platform that was acquired late in 2023.

The increase in **EBIT margin before special items** in the first quarter of 2024 resulted predominantly from the favorable impact of volumes and sales prices. During the period, the change in accounting estimate regarding the valuation of inventories resulted in EUR 9 m in gains included in gross profit. These gains were treated as special items in EBIT.

	1 st three months		
in € millions	2024	2023	Change in %
Revenue	625	581	7.6
• at constant currency			8.6
Revenue by region ¹⁾			
Europe	415	393	5.5
• at constant currency			3.7
Americas	132	120	10.2
• at constant currency			17.7
Greater China	41	34	21.7
• at constant currency			29.4
Asia/Pacific	36	34	8.0
• at constant currency			11.7
Cost of sales	-407	-399	2.0
Gross profit	218	182	19.9
• in % of revenue	34.8	31.2	-
Research and development expenses	-6	-5	20.5
Selling and administrative expenses	-107	-88	22.3
Other income and expense	14	-1	-
EBIT	118	88	33.9
• in % of revenue	18.9	15.2	-
Special items ²⁾	-10	1	-
EBIT before special items	109	90	21.1
• in % of revenue	17.4	15.4	-

Prior year information presented based on 2024 segment structure.

¹⁾ Based on market (customer location).

²⁾ Please refer to pp. 9 et seq. for the definition of special items.

Bearings & Industrial Solutions division earnings

The Bearings business division (BD), referred to as Automotive Bearings below, which was previously the responsibility of the Automotive Technologies division, was assigned to the Industrial division effective 2024. In light of this, the Industrial division was renamed Bearings & Industrial Solutions.

The decrease in **revenue**, excluding the impact of currency translation, in the first quarter of 2024 was mainly attributable to the impact of volumes.

The trend in the **Europe region** was primarily due to the market-driven decline in revenue in the Industrial Automation sector cluster. The increase in Automotive Bearings revenue had an offsetting impact. The **Americas region's** revenue increased mainly due to the revenue increase in the Aerospace sector cluster and at Automotive Bearings. In the **Greater China region**, the weak market environment had a considerable adverse impact on the revenue trend. Lower revenue was primarily reported by the Wind sector clusters, while Automotive Bearings generated additional revenue. Revenue at the **Asia/Pacific region** declined, excluding the impact of currency translation, mainly due to Industrial Distribution, while the Wind sector cluster considerably expanded its revenue.

The slight decrease in the **EBIT margin before special items** in the first quarter of 2024 was primarily attributable to the impact of volumes. During the period, the change in accounting estimate regarding the valuation of inventories resulted in EUR 78 m in gains included in gross profit. These gains were treated as special items in EBIT.

	1 st three months		
in € millions	2024	2023	Change in %
Revenue	1,677	1,787	-6.2
• at constant currency			-4.1
Revenue by region ¹⁾			
Europe	732	775	-5.5
• at constant currency			-5.4
Americas	357	347	2.8
• at constant currency			4.1
Greater China	342	401	-14.8
• at constant currency			-9.8
Asia/Pacific	246	264	-6.8
• at constant currency			-2.6
Cost of sales	-1,168	-1,354	-13.7
Gross profit	509	433	17.4
• in % of revenue	30.3	24.3	-
Research and development expenses	-64	-62	3.4
Selling and administrative expenses	-241	-224	7.9
Other income and expense	-1	-38	-96.3
EBIT	202	109	84.9
• in % of revenue	12.0	6.1	-
Special items ²⁾	-59	50	-
EBIT before special items	143	159	-10.5
• in % of revenue	8.5	8.9	-

Prior year information presented based on 2024 segment structure.

¹⁾ Based on market (customer location).

²⁾ Please refer to pp. 9 et seq. for the definition of special items.

Performance indicators and special items

Please refer to pp. 13 et seq. and 27 et seq. of the Schaeffler Group's annual report 2023 for a detailed discussion of performance indicators and special items. Additionally, cash in- and outflows for M&A activities for the reporting period reflect, for the first time, loans to joint ventures and other equity investees in preparation for an acquisition.

EBIT for the first quarter of 2024 was impacted by **special items**, most of which were recognized in cost of sales during the reporting period.

The **restructuring** category includes special items recognized in connection with the "Roadmap 2025" divisional subprograms, mainly related to consolidation of the footprint in Europe.

During the reporting period, the **M&A** category includes gains from measuring at fair value the obligation to acquire the shares tendered under the public tender offer to the shareholders of Vitesco Technologies Group AG. Consulting expenses incurred in connection with the planned merger of Vitesco Technologies Group AG into Schaeffler AG had an offsetting impact.

The **energy derivatives and forward exchange contracts** category primarily comprises fair value losses on forward contracts for electricity and gas prices and on short-, medium-, and long-term price and supply agreements (power purchase agreements) held to secure the Schaeffler Group's energy supply. The offsetting impact of unrealized fair value gains incurred on forward exchange contracts that are not subject to cash flow hedge accounting and are used to hedge currency risk related to operations was also recognized in this category.

Reconciliation

	1 st three months		1 st three months		1 st three months		1 st three months		1 st three months	
	2024	2023	2024	2023 ¹⁾	2024	2023 ¹⁾	2024	2023 ¹⁾	2024	2023 ¹⁾
Income statement (in € millions)	Total		Automotive Technologies		Vehicle Lifetime Solutions		Bearings & Industrial Solutions		Others	
EBIT	415	244	117	47	118	88	202	109	-23	-1
• in % of revenue	10.2	5.9	6.6	2.6	18.9	15.2	12.0	6.1	-179.7	-8.5
Special items	-93	92	-24	40	-10	1	-59	50	0	0
• Restructuring	8	12	1	3	0	0	8	8	0	0
– including divisional Roadmap 2025 subprograms of	8	12	1	3	0	0	8	8	0	0
• M&A	-4	2	-2	0	-1	0	-1	2	0	0
• Energy derivatives and forward exchange contracts	19	78	6	37	-0	1	13	40	0	0
• Other	-117	0	-30	0	-9	0	-78	0	0	0
EBIT before special items	322	335	93	87	109	90	143	159	-23	-0
• in % of revenue	7.9	8.1	5.3	4.9	17.4	15.4	8.5	8.9	-179.5	-8.4

The **Other** category comprises special items resulting from a change in accounting estimates regarding the valuation of group-wide inventories effective January 1, 2024. The process of determining the actual cost of inventories was adjusted to increase parameter granularity and enhance harmonization with internal management instruments throughout the group. The resulting changes in estimate resulted in a one-off EUR 117 m measurement gain on inventories that impacted earnings via cost of sales and was treated as a special item.

Special items

In order to facilitate a transparent evaluation of the company's results of operations, the Schaeffler Group reports EBIT, EBITDA, net income, net financial debt to EBITDA ratio, ROCE, and Schaeffler Value Added before special items (= adjusted).

Impact of currency translation/constant-currency

Constant-currency revenue figures, i.e., excluding the impact of currency translation, are calculated by translating revenue using the same exchange rate for both the current and the prior year or comparison reporting period.

Rounding differences may occur.

Reconciliation

	1 st three months	
	2024	2023
Income statement (in € millions)		Total
EBIT	415	244
• in % of revenue	10.2	5.9
Special items	-93	92
• Restructuring	8	12
– including divisional Roadmap 2025 subprograms of	8	12
• M&A	-4	2
• Energy derivatives and forward exchange contracts	19	78
• Other	-117	0
EBIT before special items	322	335
• in % of revenue	7.9	8.1
Net income ²⁾	231	128
Special items	-76	66
• Legal cases	0	-1
• Restructuring	8	13
• M&A	-4	2
• Energy derivatives and forward exchange contracts	19	78
• Other	-117	0
– Tax effect ³⁾	17	-26
Net income before special items ²⁾	155	195
Statement of financial position (in € millions)	03/31/2024	12/31/2023
Net financial debt	4,613	3,189
/ EBITDA LTM	2,002	1,836
Net financial debt to EBITDA ratio LTM	2.3	1.7
Net financial debt	4,613	3,189
/ EBITDA before special items LTM	2,171	2,189
Net financial debt to EBITDA ratio before special items LTM	2.1	1.5

	1 st three months	
	2024	2023
Statement of cash flows (in € millions)		
EBITDA	659	492
Special items	-93	92
• Restructuring	8	12
• M&A	-4	2
• Energy derivatives and forward exchange contracts	19	78
• Other	-117	0
EBITDA before special items	566	584
Free cash flow (FCF)	-1,470	-754
-/+ Cash in- and outflows for M&A activities	1,304	681
FCF before cash in- and outflows for M&A activities	-166	-73
FCF before cash in- and outflows for M&A activities LTM	328	192
/ EBIT LTM	1,005	969
FCF-conversion LTM ⁴⁾	0.3	0.2
FCF before cash in- and outflows for M&A activities	-166	-73
Special items	86	107
• Legal cases	45	-4
• Restructuring	32	105
• Other	10	6
FCF before cash in- and outflows for M&A activities and before special items	-80	34
Value-based management LTM (in € millions)		
EBIT	1,005	969
/ Average capital employed	9,801	9,026
ROCE (in %)	10.3	10.7
EBIT before special items	1,173	1,123
/ Average capital employed	9,801	9,026
ROCE before special items (in %)	12.0	12.4
EBIT	1,005	969
– Cost of capital	980	903
Schaeffler Value Added (SVA)	25	67
EBIT before special items	1,173	1,123
– Cost of capital	980	903
SVA before special items	193	220

¹⁾ Prior year information presented based on 2024 segment structure.

²⁾ Attributable to shareholders of the parent company.

³⁾ Based on each entity's specific tax rate and country-specific tax environment.

⁴⁾ Only reported if free cash flow before cash in- and outflows for M&A activities and EBIT positive.

LTM = Financial indicator based on the last four quarters.

Financial position

Free cash flow before cash in- and outflows for M&A activities

for the first quarter of 2024 amounted to EUR -166 m (prior year: EUR -73 m). The decrease was partly due to higher interest payments resulting from the financing transactions related to the planned business combination and the change in trade payables. Capital expenditures on property, plant and equipment and intangible assets of EUR 222 m were in line with the prior year level (prior year: EUR 221 m).

The group's net financial debt changed as follows:

Net financial debt

in € millions	03/31/2024	12/31/2023	Change in %
Bonds	4,065	2,943	38.1
Schuldschein loans	292	292	0.0
Term loans	1,566	624	> 100
Commercial paper	145	90	60.5
Other financial debt	9	9	0
Total financial debt	6,077	3,958	53.5
Cash and cash equivalents	1,463	769	90.3
Net financial debt	4,613	3,189	44.6

On January 2, 2024, Schaeffler AG drew down approximately EUR 1.1 bn under the existing bridge facility to finance the tender offer for all shares of Vitesco Technologies Group AG tendered on January 5, 2024.

Schaeffler AG issued a total of EUR 1.1 bn in bonds under its debt issuance program on January 15, 2024. The transaction consisted of two tranches (EUR 500 m with a coupon of 4.500%, due in

August 2026, and EUR 600 m with a coupon of 4.750%, due in August 2029). The proceeds of the issuance were used to prepay in full the EUR 1.1 bn drawn under the existing bridge facility for the acquisition of the shares in Vitesco Technologies Group AG on January 19, 2024. Simultaneously, the line of credit under one of the facilities was reduced from a total of EUR 2.2 bn to EUR 387 m.

On January 15, 2024, Schaeffler AG drew down in full the EUR 420 m loan with a six-year term under the loan agreement with the European Investment Bank signed in December 2023. The loan is primarily intended to support research and development for technologies in the fields of renewable energy, electric mobility, and hydrogen. Furthermore, the Schaeffler Group drew down approximately EUR 173 m under two additional lines of credit entered into in December 2023.

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On March 27, 2024, Schaeffler AG signed an amendment agreement for the existing syndicated group credit agreement with a group of international banks. The amendment agreement comprises an increase in the revolving credit facility from EUR 2.0 bn to EUR 3.0 bn as well as a five-year term with two renewal options of one year each. The amendments agreed become effective upon completion of the business combination of Schaeffler AG and Vitesco Technologies Group AG.

On March 28, 2024, Schaeffler AG issued another bond series with a principal of EUR 850 m and a coupon of 4.500% due in March 2030 under its debt issuance program.

Moreover, EUR 145 m in short-term commercial paper was outstanding as at March 31, 2024.

EUR 278 m (December 31, 2023: EUR 258 m) of cash and cash equivalents on hand as at March 31, 2024, related to countries with foreign exchange restrictions and other legal and contractual restrictions. In addition, Schaeffler AG has committed revolving credit facilities of EUR 2.1 bn (December 31, 2023: EUR 2.1 bn), of which EUR 72 m (December 31, 2023: EUR 79 m) were utilized as at March 31, 2024, mainly in the form of letters of credit. Deducting bank balances in countries with foreign exchange restrictions and other legal and contractual restrictions results in total available liquidity of EUR 3,163 m (December 31, 2023: EUR 2,902 m).

Schaeffler AG is rated by the three rating agencies Fitch, Moody's, and Standard & Poor's. All ratings are unchanged from those presented in the consolidated financial statements 2023.

Net assets and capital structure

Consolidated statement of financial position (abbreviated)

in € millions	03/31/2024	12/31/2023	Change in %
ASSETS			
Non-current assets	9,222	7,971	15.7
Current assets	8,106	7,046	15.1
Total assets	17,328	15,016	15.4
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	4,199	3,913	7.3
Non-current liabilities	8,315	5,816	43.0
Current liabilities	4,815	5,287	-8.9
Total shareholders' equity and liabilities	17,328	15,016	15.4

The increase in **non-current assets** was primarily attributable to the acquisition of 38.87% of the shares in Vitesco Technologies Group AG. **Non-current liabilities** increased largely due to three bond issuances totaling EUR 1,950 m. **Current liabilities** declined mainly because a bond series with a principal of EUR 800 m was redeemed.



More on the financial position on page 11.

Opportunities and risks


Please refer to pp. 38 et seq. of the Schaeffler Group's annual report 2023 for a discussion of the Schaeffler Group's risk management system and potential opportunities and risks. The statements made there with respect to opportunities and risks are largely unchanged.

The fact that additional risks may arise from accounting for Vitesco Technologies Group AG under the equity method as an associated company in the consolidated financial statements and from the planned merger of Vitesco Technologies Group AG into Schaeffler AG remains unchanged.

The Schaeffler Group's risks are limited, both individually and in combination with other risks, and do not jeopardize the continued existence of the company.

Schaeffler Group outlook

At its meeting on April 23, 2024, the Board of Managing Directors of Schaeffler AG confirmed the outlook issued on February 20, 2024.

 More on the guidance for the Schaeffler Group issued on February 20, 2024, in the annual report 2023 on pp. 50 et seq.

The **Schaeffler Group** continues to anticipate considerable revenue growth, excluding the impact of currency translation, in 2024. In addition, the company expects to generate an EBIT margin before special items of 6 to 9% in 2024. This expectation reflects, in particular, a higher cost of labor compared to the prior year, partly offset by a lower cost of materials and energy than in the prior year.

The Schaeffler Group continues to anticipate free cash flow before cash in- and outflows for M&A activities of EUR 300 to 400 m for 2024.

The outlook for 2024 reflects the acquisitions and disposals of subsidiaries, joint ventures, and other equity investments set out in the consolidated financial statements for 2023 (particularly the expected consolidation of Vitesco Technologies Group AG starting in the fourth quarter of 2024).

A voluntary outlook on the performance of the divisions is still omitted in light of the structural adjustments planned in 2024 in connection with the merger of Vitesco Technologies Group AG into Schaeffler AG.

Herzogenaurach, April 23, 2024

The Board of Managing Directors

Outlook 2024

	Actual 2023	Outlook 2024	Actual Q1 2024
Schaeffler Group		issued 02/20/2024	
Revenue growth ¹⁾	5.8%	considerable revenue growth	0.0%
EBIT margin before special items ²⁾	7.3%	6 to 9%	7.9%
Free cash flow ³⁾	EUR 421 m	EUR 300 to 400 m	EUR -166 m

¹⁾ Constant-currency revenue growth compared to prior year.

²⁾ Please refer to pp. 9 et seq. for the definition of special items.

³⁾ Before cash in- and outflows for M&A activities.

Consolidated income statement

in € millions	1 st three months		Change in %
	2024	2023	
Revenue	4,085	4,152	-1.6
Cost of sales	-2,999	-3,193	-6.1
Gross profit	1,086	959	13.2
Research and development expenses	-208	-205	1.2
Selling expenses	-295	-277	6.6
Administrative expenses	-189	-159	19.5
Other income	56	21	> 100
Other expenses	-27	-95	-71.1
Income (loss) from equity-accounted investees	-8	0	-
Earnings before financial result and income taxes (EBIT)	415	244	70.3
Financial income	38	10	> 100
Financial expenses	-111	-56	97.1
Financial result	-73	-47	55.7
Earnings before income taxes	342	197	73.7
Income taxes	-105	-62	68.7
Net income	237	135	76.1
Attributable to shareholders of the parent company	231	128	79.7
Attributable to non-controlling interests	6	6	2.5
Earnings per common share (basic/diluted, in €)	0.35	0.19	84.2
Earnings per common non-voting share (basic/diluted, in €)	0.35	0.19	84.2

Consolidated statement of comprehensive income

	1 st three months	
in € millions	2024	2023
Net income	237	135
Items that will not be reclassified to profit or loss		
Remeasurement of net defined benefit liability	38	-21
Net change in fair value of financial assets at fair value through other comprehensive income	-8	0
Share of other comprehensive income of equity-accounted investees	5	0
Tax effect	-12	6
Total other comprehensive income (loss) that will not be reclassified to profit or loss	23	-15
Items that have been or may be reclassified subsequently to profit or loss		
Foreign currency translation differences for foreign operations	46	-56
Effective portion of changes in fair value of cash flow hedges	-36	22
Share of other comprehensive income of equity-accounted investees	6	0
Tax effect	10	-6
Total other comprehensive income (loss) that has been or may be subsequently reclassified to profit or loss	26	-40
Total other comprehensive income (loss)	49	-55
Total comprehensive income	286	79
Total comprehensive income attributable to shareholders of the parent company	277	75
Total comprehensive income attributable to non-controlling interests	9	5

Consolidated statement of financial position

in € millions	03/31/2024	12/31/2023	03/31/2023	Change in %
ASSETS				
Intangible assets	1,615	1,617	1,592	-0.1
Right-of-use assets under leases	240	236	232	1.8
Property, plant and equipment	4,522	4,555	4,593	-0.7
Investments in joint ventures and associated companies	1,279	7	7	> 100
Costs to fulfill a contract	328	330	346	-0.8
Other financial assets	232	192	198	20.8
Other assets	152	174	195	-12.6
Income tax receivables	74	75	11	-1.8
Deferred tax assets	780	783	739	-0.5
Total non-current assets	9,222	7,971	7,911	15.7
Inventories	3,127	2,822	2,992	10.8
Contract assets	56	65	55	-14.5
Trade receivables	2,730	2,575	2,725	6.0
Other financial assets	214	389	195	-44.9
Other assets	432	363	424	19.1
Income tax receivables	61	38	42	61.3
Cash and cash equivalents	1,463	769	799	90.3
Assets held for sale	22	25	63	-11.0
Total current assets	8,106	7,046	7,296	15.1
Total assets	17,328	15,016	15,207	15.4

in € millions	03/31/2024	12/31/2023	03/31/2023	Change in %
SHAREHOLDERS' EQUITY AND LIABILITIES				
Share capital	666	666	666	0.0
Capital reserves	2,348	2,348	2,348	0.0
Other reserves	1,471	1,240	1,354	18.6
Accumulated other comprehensive income (loss)	-430	-476	-270	-9.8
Equity attributable to shareholders of the parent company	4,055	3,778	4,098	7.3
Non-controlling interests	144	135	130	6.6
Total shareholders' equity	4,199	3,913	4,228	7.3
Provisions for pensions and similar obligations	1,805	1,832	1,668	-1.5
Provisions	200	208	300	-3.8
Financial debt	5,562	3,068	2,942	81.3
Contract liabilities	178	173	141	2.8
Income tax payables	57	62	65	-7.3
Other financial liabilities	103	91	105	14.2
Lease liabilities	176	175	168	0.8
Other liabilities	24	6	5	> 100
Deferred tax liabilities	208	201	266	3.4
Total non-current liabilities	8,315	5,816	5,660	43.0
Provisions	303	313	402	-3.2
Financial debt	514	890	856	-42.2
Contract liabilities	153	136	170	12.6
Trade payables	2,445	2,357	2,485	3.7
Income tax payables	157	114	150	37.3
Other financial liabilities	519	811	473	-36.1
Lease liabilities	66	63	64	4.2
Refund liabilities	217	282	260	-23.0
Other liabilities	440	320	458	37.8
Total current liabilities	4,815	5,287	5,319	-8.9
Total shareholders' equity and liabilities	17,328	15,016	15,207	15.4

Consolidated statement of cash flows

in € millions	1 st three months		Change in %
	2024	2023	
Operating activities			
EBIT	415	244	70.3
Interest paid	-93	-41	> 100
Interest received	9	4	> 100
Income taxes paid	-90	-92	-1.9
Amortization, depreciation, and impairment losses	245	249	-1.7
(Gains) losses on disposal of assets	0	-5	-
Changes in:			
• Inventories	-293	-151	94.7
• Trade receivables	-202	-240	-15.7
• Trade payables	121	180	-32.8
• Provisions for pensions and similar obligations	-4	-1	> 100
• Other assets, liabilities, and provisions	-28	8	-
Cash flows from operating activities	79	156	-49
Investing activities			
Proceeds from disposals of property, plant and equipment	1	10	-86.7
Capital expenditures on intangible assets	-17	-19	-10.2
Capital expenditures on property, plant and equipment	-205	-202	1.9
Acquisition of subsidiaries	0	-681	-100
Acquisition of interests in joint ventures and other equity investments	-1,224	-4	> 100
Disposal of subsidiaries	0	4	-100
Loans to joint ventures and other equity investees in preparation for an acquisition	-80	0	0.0
Other investing activities	-6	-1	> 100
Cash used in investing activities	-1,531	-893	71.6
Financing activities			
Receipts from bond issuances and loans	3,048	500	> 100
Redemptions of bonds and repayments of loans	-886	-2	> 100
Principal repayments on lease liabilities	-18	-18	-0.9
Other financing activities	-1	0	> 100
Cash provided by financing activities	2,143	480	> 100

in € millions	1 st three months		Change in %
	2024	2023	
Net increase (decrease) in cash and cash equivalents	691	-257	-
Effects of foreign exchange rate changes on cash and cash equivalents	4	-7	-
Cash and cash equivalents as at beginning of period	769	1,069	-28.1
Cash and cash equivalents as at March 31	1,463	805	81.7
Less cash and cash equivalents classified as assets held for sale as at March 31	0	6	-100.0
Cash and cash equivalents as at March 31 (consolidated statement of financial position)	1,463	799	83.1

Consolidated statement of changes in equity

	Share capital	Capital reserves	Other reserves	Accumulated other comprehensive income (loss)					Equity attributable to shareholders ¹⁾	Non-controlling interests	Total
				Translation reserve	Hedging reserve	Fair value reserve	Defined benefit plan remeasurement reserve	Total			
in € millions											
Balance as at January 01, 2023, before change in accounting policy IAS 8	666	2,348	1,218	-148	22	-5	-85	-216	4,016	125	4,141
Change in accounting policy IAS 8			8						8		8
Balance as at January 01, 2023	666	2,348	1,226	-148	22	-5	-85	-216	4,023	125	4,149
Net income			128						128	6	135
Other comprehensive income (loss)				-54	16	0	-15	-54	-54	-2	-55
Total comprehensive income (loss)			128	-54	16	0	-15	-54	75	5	79
Balance as at March 31, 2023	666	2,348	1,354	-202	37	-5	-100	-270	4,098	130	4,228
Balance as at January 01, 2024, before change in accounting policy IAS 8	666	2,348	1,233	-283	28	-3	-218	-476	3,771	135	3,906
Change in accounting policy IAS 8			7						7	0	7
Balance as at January 01, 2024	666	2,348	1,240	-283	28	-3	-218	-476	3,778	135	3,913
Net income			231						231	6	237
Other comprehensive income (loss)				49	-25	-8	31	47	47	2	49
Total comprehensive income (loss)			231	49	-25	-8	31	47	277	9	286
Balance as at March 31, 2024	666	2,348	1,471	-234	3	-11	-187	-430	4,055	144	4,199

¹⁾ Equity attributable to shareholders of the parent company.

Consolidated segment information

(Part of the notes to the consolidated financial statements)

	1 st three months		1 st three months		1 st three months		1 st three months		1 st three months	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
in € millions	Automotive Technologies		Vehicle Lifetime Solutions		Bearings & Industrial Solutions		Others		Total	
Revenue	1,770	1,778	625	581	1,677	1,787	13	6	4,085	4,152
EBIT	117	47	118	88	202	109	-23	-1	415	244
• in % of revenue	6.6	2.6	18.9	15.2	12.0	6.1	-179.7	-8.5	10.2	5.9
EBIT before special items ¹⁾	93	87	109	90	143	159	-23	0	322	335
• in % of revenue	5.3	4.9	17.4	15.4	8.5	8.9	-179.5	-8.4	7.9	8.1
Amortization, depreciation, and impairment losses	120	125	12	10	110	113	3	1	245	249
Working capital ^{2) 3)}	874	826	612	546	1,818	1,773	109	88	3,413	3,233
Additions to intangible assets and property, plant and equipment ⁴⁾	69	67	5	8	82	71	23	33	180	179

Prior year information presented based on 2024 segment structure.

¹⁾ Please refer to pp. 9 et seq. for the definition of special items.

²⁾ Working capital defined as inventories plus trade receivables less trade payables.

³⁾ Amounts as at March 31.

⁴⁾ Translated at the relevant average exchange rate.

Condensed notes to the consolidated interim financial statements

Reporting entity

Schaeffler AG, Herzogenaurach, is a publicly listed stock corporation domiciled in Germany, with its registered office located at Industriestraße 1–3, 91074 Herzogenaurach. The company was founded on April 19, 1982, and is registered in the Commercial Register of the Fürth Local Court (HRB No. 14738). The interim statement of Schaeffler AG as at March 31, 2024, comprises Schaeffler AG and its subsidiaries, investments in associated companies, and joint ventures (together referred to as the “Schaeffler Group”). The Schaeffler Group is a global automotive and industrial supplier.

Basis of preparation

The consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, and condensed notes to these statements comprising this interim statement are largely based on the accounting policies used in the 2023 consolidated financial statements, where the latter are discussed in detail. These accounting policies have been applied consistently in this interim statement.

In compiling financial statements in accordance with IFRS, management exercises judgment in making estimates and assumptions. Such estimates and judgments are unchanged from the matters described in the consolidated financial statements of Schaeffler AG as at and for the year ended December 31, 2023. One exception to this is an adjustment to the assumption regarding the discount rate used to measure the company’s pension obligations. The increase in the discount rate has led to a decrease in pension obligations and an increase in shareholders’ equity. Please refer to “Provisions for pensions and similar obligations” below for more detailed information.

Processes and systems of group companies ensure appropriate recognition of income and expenses on the accrual basis. The Schaeffler Group’s business is not significantly affected by seasonality.

Income taxes were determined based on best estimate.

As amounts (in EUR m) and percentages have been rounded, rounding differences may occur.

Change in accounting policy and change in accounting estimates

Effective January 1, 2024, the company changed its accounting policy for determining production cost with respect to the value added by the Vehicle Lifetime Solutions division. The cost of packaging and kitting – previously expensed – is now capitalized in inventories. The change is designed to more accurately reflect the business processes of the kitting operations of the Vehicle Lifetime Solutions division in the financial information. The policy change retrospectively increased the value of inventories by EUR 10 m as at January 1, 2023, with a credit to other reserves in shareholders’ equity, and also by EUR 10 m at both March 31, 2023, and December 31, 2023. As a result of the policy change, selling expenses of EUR 26 m were reclassified to cost of sales during the period from January 1 to March 31, 2023. The net impact of the change on the consolidated income statement and earnings per share for this period was insignificant.

Additionally, the company changed its accounting estimates regarding the valuation of groupwide inventories effective January 1, 2024. The process of determining the actual cost of inventories was adjusted to increase parameter granularity and enhance harmonization with internal management instruments throughout the group. The resulting changes in estimate resulted in a one-off EUR 117 m measurement gain on inventories that was recognized in cost of sales and was treated as a special item.

Foreign currency translation

The exchange rates between the group's most significant currencies and the euro are as follows:

Selected foreign exchange rates

Currencies	03/31/2024	12/31/2023	03/31/2023	1 st three months	
				2024	2023
1 € in	Closing rates			Average rates	
CNY China	7.81	7.85	7.48	7.80	7.34
INR India	90.14	91.90	89.4	90.15	88.25
	South				
KRW Korea	1,458.67	1,433.66	1,420.26	1,444.23	1,369.47
MXN Mexico	17.92	18.72	19.64	18.44	20.05
USD U.S.	1.08	1.11	1.09	1.09	1.07

Scope of consolidation

The consolidated interim financial statements of Schaeffler AG as at March 31, 2024, cover, in addition to Schaeffler AG, 179 (December 31, 2023: 177) subsidiaries; 51 (December 31, 2023: 51) entities are domiciled in Germany and 128 (December 31, 2023: 126) in other countries. In the consolidated interim financial statements as at March 31, 2024, four (December 31, 2023: four) joint ventures and four associated companies (December 31, 2023: three) are accounted for at equity.

Revenue

Revenue from contracts with customers can be analyzed by category and segment as follows:

IFRS 15 – analysis of revenue by category

in € millions	1 st three months		1 st three months		1 st three months		1 st three months		1 st three months	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	Automotive Technologies		Vehicle Lifetime Solutions		Bearings & Industrial Solutions		Others		Total	
Revenue by type										
• Revenue from the sale of goods	1,755	1,759	625	581	1,655	1,769	1	2	4,036	4,112
• Revenue from the sale of tools	6	12	0	0	3	2	8	2	17	15
• Revenue from services	9	6	0	0	18	16	4	3	31	25
• Other revenue	0	0	0	0	1	0	0	0	1	0
Total	1,770	1,778	625	581	1,677	1,787	13	6	4,085	4,152
Revenue by region ¹⁾										
• Europe	687	675	415	393	732	775	12	5	1,846	1,848
• Americas	463	453	132	120	357	347	0	0	952	920
• Greater China	370	394	41	34	342	401	1	0	754	829
• Asia/Pacific	250	256	36	34	246	264	0	0	533	554
Total	1,770	1,778	625	581	1,677	1,787	13	6	4,085	4,152

Prior year information presented based on 2024 segment structure.

¹⁾ Based on market (customer location).

Other expenses

Other expenses included EUR 21 m (prior year: EUR 80 m) in losses on measuring at fair value through profit or loss financial instruments held to hedge energy price risk arising on energy purchases for the company's own use.

Intangible assets

Effective January 1, 2024, the Schaeffler Group's reporting and management structure was reorganized; as part of this process, the Bearings business division, which was previously the responsibility of the Automotive Technologies division, was assigned to the Bearings & Industrial Solutions division. This change in the organizational and reporting structure represents

a reorganization of the reporting system pursuant to IAS 36.87, including a change in the manner in which goodwill is monitored. Therefore, as a result of the reorganization, goodwill was reallocated on the basis of the relative values of the Automotive Technologies division's cash-generating units. Additionally, goodwill was tested for impairment both under the structure in place until 2023 and under the new structure. The reorganization affects the carrying amount of goodwill of the (groups of) cash-generating units to which goodwill has been allocated as at March 31, 2024, by transferring EUR 35 m in goodwill from the Automotive Technologies division to the Bearings & Industrial Solutions division. As a result, Automotive Technologies division goodwill decreased to EUR 151 m while goodwill of the Bearings & Industrial Solutions division increased to EUR 744 m effective March 31, 2024.

The Schaeffler Group's market capitalization had once more fallen below the carrying amount of its net assets as at March 31, 2024. In accordance with IAS 36.12(d), this again represented an indication that the assets were potentially impaired (triggering event). The analysis of further internal and external triggers showed that a cash-generating unit within the Bearings & Industrial Solutions segment experienced a significant decline in orders on hand, providing a further indication that the assets of the Industrial cash-generating unit were potentially impaired.

The company then performed analytical assessments based on which extensive impairment testing was omitted. The company continues to consider its goodwill recoverable.

Investments in joint ventures and associated companies

On January 5, 2024, Schaeffler AG acquired 11,957,629 shares of Vitesco Technologies Group AG tendered under the public tender offer; this corresponds to approximately 29.88% of share capital. The cumulative purchase price of the shares acquired amounted to approximately EUR 1.1 bn. Upon closing of the public tender offer for all shares of Vitesco Technologies Group AG tendered and payment of the consideration, the Schaeffler Group obtained significant influence and has been accounting for Vitesco Technologies Group AG under the equity method as an associated company in the Schaeffler Group's consolidated financial statements since that date. On January 22, 2024, Schaeffler AG entered into an agreement with BofA Securities Europe S.A. to acquire a stake of 3.6 million shares, approximately 9% of the share capital of Vitesco Technologies Group AG. BofA Securities Europe S.A. had acquired the shares in connection with the total return swap. The collateral posted when the shares were purchased by BofA Securities Europe S.A. in 2023 was offset against the agreed cash settlement when the purchase price was paid. This resulted in a further cash outflow of EUR 65 m on January 24, 2024. The acquisition increases Schaeffler AG's shareholding in Vitesco Technologies Group AG to 38.87%.

During the year, the company recognized EUR 21 m in other income on remeasuring at fair value the obligation to acquire the shares tendered under the public tender offer to the shareholders of Vitesco Technologies Group AG during the period up to the closing date. Additionally, remeasurement at fair value of a derivative related to a total return swap during the period up to the closing date resulted in financial income of EUR 23 m. The acquisition resulted in recognition of an equity investment under

the equity method at a carrying amount of EUR 1,269 m. Due to the limited amount of time between the acquisition and compilation of the financial statements, the purchase price allocation and harmonization of the investee's accounting policies with those of the Schaeffler Group (including estimates and judgments) had not yet been completed as at March 31, 2024; as a result, the carrying amount of the equity investment as at March 31, 2024, is still provisional.

As part of the planned merger, Schaeffler Group USA, Inc., signed a USD 220 m loan agreement with Vitesco Technologies USA LLC on March 19, 2024. The loan agreement was entered into in preparation for the acquisition. USD 87 m were disbursed in March 2024. In the consolidated statement of cash flows, this outflow is presented under cash used in investing activities.

Current and non-current financial debt

Financial debt (current/non-current)

in € millions	03/31/2024			12/31/2023		
	Due in up to 1 year	Due in more than 1 year	Total	Due in up to 1 year	Due in more than 1 year	Total
Bonds	0	4,065	4,065	800	2,143	2,943
Schuldschein loans	0	292	292	0	292	292
Term loans	370	1,196	1,566	0	624	624
Commercial paper	145	0	145	90	0	90
Other financial debt	0	9	9	0	9	9
Total	514	5,562	6,077	890	3,068	3,958

The increase in financial debt compared to December 31, 2023, was primarily due to two bond issuances totaling EUR 1.1 bn in January 2024 and a further EUR 850 m bond issuance in March 2024, partly offset by redemption of an outstanding EUR 800 m bond series by Schaeffler AG upon maturity in March 2024.

In January 2024, Schaeffler AG drew down in full the EUR 420 m loan with a six-year term under the loan agreement with the European Investment Bank signed in December 2023. Furthermore, the Schaeffler Group drew down approximately EUR 173 m under two additional lines of credit entered into in December 2023.

As at March 31, 2024, EUR 370 m was drawn under the remaining line of credit of the bridge facility.

An additional EUR 145 m in short-term commercial paper was outstanding as at March 31, 2024.

Provisions for pensions and similar obligations

Interest rate levels as at March 31, 2024, have increased compared to December 31, 2023. On this basis, the Schaeffler Group has adjusted the discount rate used to value its key pension plans as at the reporting date. The Schaeffler Group's average discount rate as at March 31, 2024, amounted to 3.7% (December 31, 2023: 3.6%). As at March 31, 2024, the resulting remeasurement of the company's obligations under defined benefit pension plans resulted in actuarial gains of EUR 39 m, gains on plan assets of EUR 1 m, and an adverse impact of the asset ceiling of EUR 1 m, which were recognized in other comprehensive income and are reported under accumulated other comprehensive income net of deferred taxes.

Financial instruments

The carrying amounts and fair values of financial instruments by class of the consolidated statement of financial position and by category per IFRS 7.8 are summarized below.

The carrying amounts of trade receivables, including the receivables available for sale under the receivable sale program, as well as other customer receivables and notes receivable available for sale, miscellaneous other financial assets, cash and cash equivalents, trade payables, refund liabilities, as well as miscellaneous other financial liabilities are assumed to equal their fair value due to the short maturities of these instruments.

Other investments included unconsolidated equity investments representing interests held by the group of less than 20% (shares in incorporated companies and cooperatives). Marketable securities consist primarily of investment fund units. These are measured at fair value through profit or loss.

Hedge accounting is only applied to derivatives designated as hedges of currency risk in cash flow hedges. The Schaeffler Group uses cross-currency swaps and forward exchange contracts as hedging instruments here.

Derivatives not designated as hedging instruments include forward exchange contracts that are not designated as cash flow hedges. Additionally, this line item includes forward purchase contracts for electricity and gas as well as short-, medium-, and long-term price and supply agreements for renewable energy (known as power purchase agreements). Since some of these agreements did not qualify for the own-use exemption, all similar agreements were treated as derivatives in accordance with IFRS 9.

The fair values of financial assets and liabilities that are either measured at fair value or for which fair value is disclosed in these condensed notes were determined using the following valuation methods and inputs:

- Level 1: Exchange-quoted prices as at the reporting date are used for marketable securities, as well as bonds payable included in financial debt.
- Level 2: Cross-currency swaps and forward contracts are measured using discounted cash flow valuation models and the exchange rates in effect at the end of the reporting period, as well as risk-adjusted interest and discount rates appropriate to the instruments' terms. These models take into account counterparty credit risk via credit value adjustments.
- Level 3: This level contains measurement of the fair value of unconsolidated equity investments using various recognized valuation methodologies such as the EBIT multiple method, the discounted cash flow method, as well as valuation at net asset value. The category also comprises measurement of contingent purchase prices payable and receivable. Measurement of the fair value of power purchase agreements falls in level 3 as well.

The company reviews its financial instruments at the end of each reporting period for any required transfers between levels. No transfers between levels were made during the period.

Financial instruments by class and category in accordance with IFRS 7.8

in € millions	Category per IFRS 7.8	Level per IFRS 13	03/31/2024		12/31/2023		03/31/2023	
			Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets, by class								
Trade receivables	Amortized cost		2,411	2,411	2,255	2,255	2,409	2,409
Trade receivables – receivable sale program	FVTPL	2	153	153	167	167	158	158
Trade receivables – customer receivables and notes receivable available for sale	FVOCI	2	165	165	154	154	158	158
Other financial assets								
• Other investments – FVOCI	FVOCI	3	116	116	91	91	47	47
• Other investments – FVTPL	FVTPL	3	36	36	28	28	13	13
• Marketable securities	FVTPL	1	30	30	27	27	26	26
• Derivatives designated as hedging instruments	n.a.	2	16	16	44	44	56	56
• Derivatives not designated as hedging instruments	FVTPL	2	30	30	25	25	74	74
• Miscellaneous other financial assets – amortized cost	Amortized cost		219	219	151	151	177	177
• Miscellaneous other financial assets – FVTPL	FVTPL	2	0	0	215	215	0	0
Cash and cash equivalents	Amortized cost		1,463	1,463	769	769	799	799
Financial liabilities, by class								
Financial debt	FLAC	1,2 ¹⁾	6,077	6,085	3,958	3,935	3,798	3,711
Trade payables	FLAC		2,445	2,445	2,357	2,357	2,485	2,485
Refund liabilities	n.a.		217	217	282	282	260	260
Lease liabilities ²⁾	n.a.		242	-	238	-	232	-
Other financial liabilities								
• Derivatives designated as hedging instruments	n.a.	2	12	12	4	4	3	3
• Derivatives not designated as hedging instruments	FVTPL	2,3 ³⁾	88	88	267	267	95	95
• Miscellaneous other financial liabilities – FVTPL	FVTPL	3	36	36	36	36	56	56
• Miscellaneous other financial liabilities – FLAC	FLAC		486	486	595	595	425	425
Summary by category								
Financial assets at amortized cost (Amortized cost)			4,093	4,093	3,174	3,174	3,386	3,386
Financial assets at fair value through profit or loss (FVTPL)			249	249	461	461	271	271
Financial assets at fair value through other comprehensive income (FVOCI)			281	281	245	245	205	205
Financial liabilities at amortized cost (FLAC)			9,007	9,016	6,911	6,887	6,707	6,620
Financial liabilities at fair value through profit or loss (FVTPL)			124	124	303	303	150	150

¹⁾ Level 1: EUR 4,057 m (December 31, 2023: EUR 2,903 m; March 31, 2023: EUR 2,832 m). Level 2: EUR 2,028 m (December 31, 2023: EUR 1,032 m; March 31, 2023: EUR 2,879 m).

²⁾ Disclosure of fair value omitted in accordance with IFRS 7.29 (d).

³⁾ Level 2: EUR 40 m (December 31, 2023: EUR 228 m; March 31, 2023: EUR 68 m). Level 3: EUR 48 m (December 31, 2023: EUR 39 m; March 31, 2023: EUR 27 m).

Change in assets and liabilities measured at fair value in level 3

in € millions	2024		
	Other investments	Miscellaneous other financial liabilities	Derivative financial liabilities
Balance as at January 01	120	36	39
Additions	34	0	0
Gains or losses recognized in other comprehensive income	0	0	0
Gains or losses recognized in profit or loss	1	0	-9
• Other expenses	0	0	-9
• Financial income	1	0	0
• Financial expenses	0	0	0
Disposals	0	0	0
Foreign currency translation	-3	0	0
Balance as at March 31	152	36	48

Other investments included unconsolidated equity investments representing interests held by the group of less than 20%. Unconsolidated equity investments for which fair value is determined based on inputs unobservable in the market (level 3) are continually monitored and reviewed for changes in value. The fair value of part of these equity investments (with a carrying amount of EUR 10 m) was measured by applying an EBIT multiple methodology using sector- and size-specific EBIT multiples that are publicly available. The EBIT multiples used to measure fair value as at March 31, 2024, varied from 6.7 to 11.3 and resulted in a range of values for these investees of EUR 10 m to EUR 12 m that could potentially lead to an increase in accumulated other comprehensive income by up to EUR 2 m.

The EUR 36 m in other financial liabilities assigned to level 3 largely represented the fair value of contingent purchase price payment obligations for acquisitions made in previous years. The liability was measured using an option pricing model based on the multi-year forecast of the company's revenue, representing a significant input unobservable in the market.

The derivatives assigned to level 3 represent the fair value of power purchase agreements that are not designated as hedging instruments. The fair value of the power purchase agreements is measured using a valuation model based on the present value of the difference between the agreed fixed price and expected market prices. Since significant inputs unobservable in the market are used in the valuation – mainly electricity prices and expected quantities – the resulting fair values represent level 3 measurements. The company performed a sensitivity analysis by modeling fluctuations in the price of electricity as at March 31, 2024. Had the price of electricity been 10% higher (lower), earnings before income taxes would have been higher (lower) by EUR 3 m. There is no impact on other comprehensive income.

Contingent liabilities and other obligations

The statements made in the annual report 2023 with respect to contingent liabilities continue to apply largely unchanged.

Open commitments under fixed contracts to purchase property, plant and equipment amounted to EUR 303 m as at March 31, 2024 (December 31, 2023: EUR 237 m).

Segment information

In accordance with IFRS 8, segment information is reported under the management approach, reflecting the internal organizational and management structure including the internal reporting system to the Schaeffler AG Board of Managing Directors. The Schaeffler Group engages in business activities (1) from which it may earn revenues and incur expenses, (2) whose EBIT is regularly reviewed by the Schaeffler Group's Board of Managing Directors and used as a basis for future decisions on how to allocate resources to the segments and to assess their performance, and (3) for which discrete financial information is available.

Reconciliation to earnings before income taxes

in € millions	1 st three months	
	2024	2023
EBIT Automotive Technologies	117	47
EBIT Vehicle Lifetime Solutions	118	88
EBIT Bearings & Industrial Solutions	202	109
EBIT Others	-23	-1
EBIT	415	244
Financial result	-73	-47
Earnings before income taxes	342	197

Prior year information presented based on 2024 segment structure.

Reconciliation of EBIT to EBIT before special items

	1 st three months		1 st three months		1 st three months		1 st three months		1 st three months	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
in € millions										
	Automotive Technologies		Vehicle Lifetime Solutions		Bearings & Industrial Solutions		Others		Total	
EBIT	117	47	118	88	202	109	-23	-1	415	244
• in % of revenue	6.6	2.6	18.9	15.2	12.0	6.1	-179.7	-8.5	10.2	5.9
Special items	-24	40	-10	1	-59	50	0	0	-93	92
• Restructuring	1	3	0	0	8	8	0	0	8	12
• M&A	-2	0	-1	0	-1	2	0	0	-4	2
• Energy derivatives and forward exchange contracts	6	37	0	1	13	40	0	0	19	78
• Other	-30	0	-9	0	-78	0	0	0	-117	0
EBIT before special items	93	87	109	90	143	159	-23	0	322	335
• in % of revenue	5.3	4.9	17.4	15.4	8.5	8.9	-179.5	-8.4	7.9	8.1

Prior year information presented based on 2024 segment structure.

As part of the reorganization, the Bearings business division (BD), which was previously the responsibility of the Automotive Technologies division, was assigned to the Industrial division effective January 1, 2024. In light of this, the Industrial division was renamed Bearings & Industrial Solutions. Moreover, the Automotive Aftermarket division was renamed Vehicle Lifetime Solutions. Additionally, various business activities that cannot be clearly assigned to one division were combined in the newly established Others division in order to streamline the previous business segments. These activities are the external business of the Special Machinery, engineering services, and development of production-related software solutions operations. Minority investments in innovative business models and income (loss) from the equity-accounted investee Vitesco Technologies Group AG are included as well. Prior year information was presented based on the new segment structure.

The Schaeffler Group's business is managed based on the three divisions – **Automotive Technologies, Vehicle Lifetime Solutions, and Bearings & Industrial Solutions** – which also represent the reportable segments. The Automotive Technologies division business is organized into the three **BDs E-Mobility, Engine & Transmission Systems, and Chassis Systems**. The Vehicle Lifetime Solutions division is managed regionally, based on the **regions Europe, Americas, Greater China, and Asia/Pacific**. Additionally, the Bearings & Industrial Solutions division has assumed responsibility for Automotive Bearings (previously Bearings BD of the Automotive Technologies division) effective at the beginning of 2024. For its previous business, the division has maintained the regional management approach based on the **regions Europe, Americas, Greater China, and Asia/Pacific**.

The segments offer different products and services and are managed separately because they require different technology and marketing strategies. Each segment is responsible for a specific business worldwide. Consequently, the amounts for revenue, EBIT, assets, additions to intangible assets and property, plant and equipment, as well as amortization, depreciation, and impairment losses, are reported using the current allocation of responsibility for the various businesses. The allocation of responsibility for the various businesses to segments and the allocation of indirect expenses were reviewed and adjusted during the year. To ensure that the information on the Automotive Technologies division, Vehicle Lifetime Solutions division, and Bearings & Industrial Solutions division segments is comparable, prior year information was also presented using the current year's responsibility for the various businesses. Revenue related to transactions between operating segments is not included.

Related parties

As part of the planned merger, Schaeffler Group USA, Inc., signed a USD 220 m loan agreement with Vitesco Technologies USA LLC on March 19, 2024. The loan agreement was entered into in preparation for the acquisition. USD 87 m were disbursed in March 2024.

The extent of any other transactions with related persons and entities remained largely unchanged compared to the 2023 consolidated financial statements.

Events after the reporting period

On April 4, 2024, Schaeffler AG used part of the proceeds of a bond series issued under its debt issuance program to repay the EUR 370 m in drawings under the bridge facility. As a result, the bridge facility has been fully replaced and brought to an end.

On April 9, 2024, Schaeffler AG terminated a EUR 50 m variable-interest Schuldschein tranche originally due May 13, 2030, with prepayment scheduled for May 13, 2024.

No other material events expected to have a significant impact on the net assets, financial position, or results of operations of the Schaeffler Group occurred after March 31, 2024.

Herzogenaurach, April 23, 2024

The Board of Managing Directors

Summary 1st quarter 2023 to 1st quarter 2024

in € millions	2023				2024
	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	1 st quarter
Income statement					
Revenue	4,152	4,056	4,062	4,043	4,085
• Europe	1,848	1,790	1,763	1,820	1,846
• Americas	920	911	903	835	952
• Greater China	829	813	855	861	754
• Asia/Pacific	554	542	543	527	533
Cost of sales	-3,193	-3,189	-3,179	-3,244	-2,999
Gross profit	959	867	883	798	1,086
• in % of revenue	23.1	21.4	21.7	19.7	26.6
Research and development expenses	-205	-192	-188	-182	-208
Selling and administrative expenses	-435	-423	-434	-445	-485
EBIT	244	283	322	-15	415
• in % of revenue	5.9	7.0	7.9	-0.4	10.2
Special items ¹⁾	92	6	18	238	-93
EBIT before special items	335	289	340	223	322
• in % of revenue	8.1	7.1	8.4	5.5	7.9
Net income (loss) ²⁾	128	138	150	-107	231
Earnings per common non-voting share (basic/diluted, in €)	0.19	0.22	0.22	-0.16	0.35
Statement of financial position					
Total assets	15,207	14,808	15,085	15,016	17,328
Additions to intangible assets and property, plant and equipment	179	226	237	291	180
Amortization, depreciation, and impairment losses excluding depreciation of right-of-use assets under leases and impairments of goodwill	231	230	227	242	227
• Reinvestment rate	0.78	0.98	1.04	1.20	0.79
Shareholders' equity ³⁾	4,228	3,989	4,270	3,913	4,199
• in % of total assets	27.8	26.9	28.3	26.1	24.2
Net financial debt	2,999	3,231	3,072	3,189	4,613
• Net financial debt to EBITDA LTM ratio before special items ¹⁾	1.4	1.5	1.4	1.5	2.1
• Gearing ratio (net financial debt to shareholders' equity, in %)	70.9	81.0	72.0	81.5	109.9

in € millions	2023				2024
	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	1 st quarter
Statement of cash flows					
EBITDA	492	531	567	245	659
Cash flows from operating activities	156	307	428	457	79
Capital expenditures (capex) ⁴⁾	221	198	247	273	222
• in % of revenue (capex ratio)	5.3	4.9	6.1	6.7	5.4
Free cash flow (FCF) before cash in- and outflows for M&A activities	-73	103	182	210	-166
• FCF-conversion LTM (ratio of FCF before cash in- and outflows for M&A activities LTM to EBIT LTM) ⁵⁾	0.2	0.5	0.5	0.5	0.3
Value-based management (LTM)					
ROCE (in %)	10.7	11.6	10.6	8.8	10.3
ROCE before special items (in %) ¹⁾	12.4	13.2	12.8	12.5	12.0
Schaeffler Value Added (in € millions)	67	146	60	-115	25
Schaeffler Value Added before special items (in € millions) ¹⁾	220	292	264	238	193
Employees					
Headcount (at end of reporting period)	84,060	83,705	83,600	83,362	83,793

¹⁾ Please refer to pp. 9 et seq. for the definition of special items.

²⁾ Attributable to shareholders of the parent company.

³⁾ Including non-controlling interests.

⁴⁾ Capital expenditures on intangible assets and property, plant and equipment.

⁵⁾ Only reported if FCF before cash in- and outflows for M&A activities and EBIT positive.

LTM = Financial indicator based on the last four quarters.

in € millions	2023				2024
	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	1 st quarter
Automotive Technologies division					
Revenue	1,778	1,730	1,748	1,780	1,770
• E-Mobility BD	335	294	333	340	337
• Engine & Transmission Systems BD	1,335	1,311	1,304	1,313	1,317
• Chassis Systems BD	107	126	111	127	117
• Europe	675	651	623	695	687
• Americas	453	441	436	388	463
• Greater China	394	394	439	456	370
• Asia/Pacific	256	245	250	240	250
Cost of sales	-1,436	-1,411	-1,420	-1,504	-1,397
Gross profit	342	319	328	276	373
• in % of revenue	19.2	18.4	18.8	15.5	21.1
Research and development expenses	-137	-129	-124	-115	-137
Selling and administrative expenses	-123	-113	-124	-126	-135
EBIT	47	98	88	-22	117
• in % of revenue	2.6	5.7	5.0	-1.2	6.6
Special items ¹⁾	40	-9	18	78	-24
EBIT before special items	87	90	107	56	93
• in % of revenue	4.9	5.2	6.1	3.1	5.3

Vehicle Lifetime Solutions division					
Revenue	581	548	581	531	625
• Europe	393	353	386	353	415
• Americas	120	121	127	110	132
• Greater China	34	38	34	33	41
• Asia/Pacific	34	37	34	35	36
Cost of sales	-399	-388	-394	-377	-407
Gross profit	182	160	187	154	218
• in % of revenue	31.2	29.2	32.2	29.0	34.8
Research and development expenses	-5	-4	-5	-6	-6
Selling and administrative expenses	-88	-88	-93	-95	-107
EBIT	88	74	98	-2	118
• in % of revenue	15.2	13.4	16.8	-0.3	18.9
Special items ¹⁾	1	-1	3	66	-10
EBIT before special items	90	73	101	65	109
• in % of revenue	15.4	13.3	17.3	12.2	17.4

in € millions	2023				2024
	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	1 st quarter
Bearings & Industrial Solutions division					
Revenue	1,787	1,769	1,714	1,690	1,677
• Europe	775	779	745	744	732
• Americas	347	349	339	336	357
• Greater China	401	380	370	358	342
• Asia/Pacific	264	261	259	251	246
Cost of sales	-1,354	-1,377	-1,342	-1,324	-1,168
Gross profit	433	392	372	366	509
• in % of revenue	24.3	22.2	21.7	21.6	30.3
Research and development expenses	-62	-58	-58	-61	-64
Selling and administrative expenses	-224	-222	-216	-223	-241
EBIT	109	115	142	6	202
• in % of revenue	6.1	6.5	8.3	0.3	12.0
Special items ¹⁾	50	15	-4	93	-59
EBIT before special items	159	131	138	99	143
• in % of revenue	8.9	7.4	8.0	5.9	8.5

Prior year information presented based on 2024 segment structure.

¹⁾ Please refer to pp. 9 et seq. for the definition of special items.

Financial calendar

May 7, 2024

Publication of results for the first three months 2024

August 6, 2024

Publication of results for the first six months 2024

November 5, 2024

Publication of results for the first nine months 2024

All information is subject to correction and may be changed at short notice.

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