



SCHAEFFLER

Schaeffler AG – CEO update

**Kepler Cheuvreux German Corporate
Conference**
January 17, 2024

We pioneer motion

Disclaimer

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Investors and holders of securities of Vitesco are strongly advised to read the Offer Document and all other announcements relating to the Offer as soon as they have been made public, as they contain or will contain important information.

The Offer is being implemented solely in accordance with the applicable laws of the Federal Republic of Germany, in particular the German Securities Acquisition and Trading Act (Wertpapiererwerbs- und Übernahmegesetz) ("WpÜG") in conjunction with the German regulation on the contents of offer documents, considerations related to tender offers and compulsory offers, and exemptions from the obligation to publish and submit an offer (WpÜG-Angebotsverordnung), and with certain provisions of the securities laws of the United States of America applicable to cross-border tender offers.

The Offer is not made or intended to be made pursuant to the provisions of any other jurisdiction. Accordingly, no notifications, registrations admissions or approvals of the Offer or of the Offer Document have been or will be applied for or initiated by Schaeffler or the persons acting in conjunction with Schaeffler outside of the Federal Republic of Germany. Schaeffler and the persons acting in conjunction with Schaeffler therefore do not assume any responsibility for compliance with law other than the laws of the Federal Republic of Germany or applicable securities laws of the United States of America.

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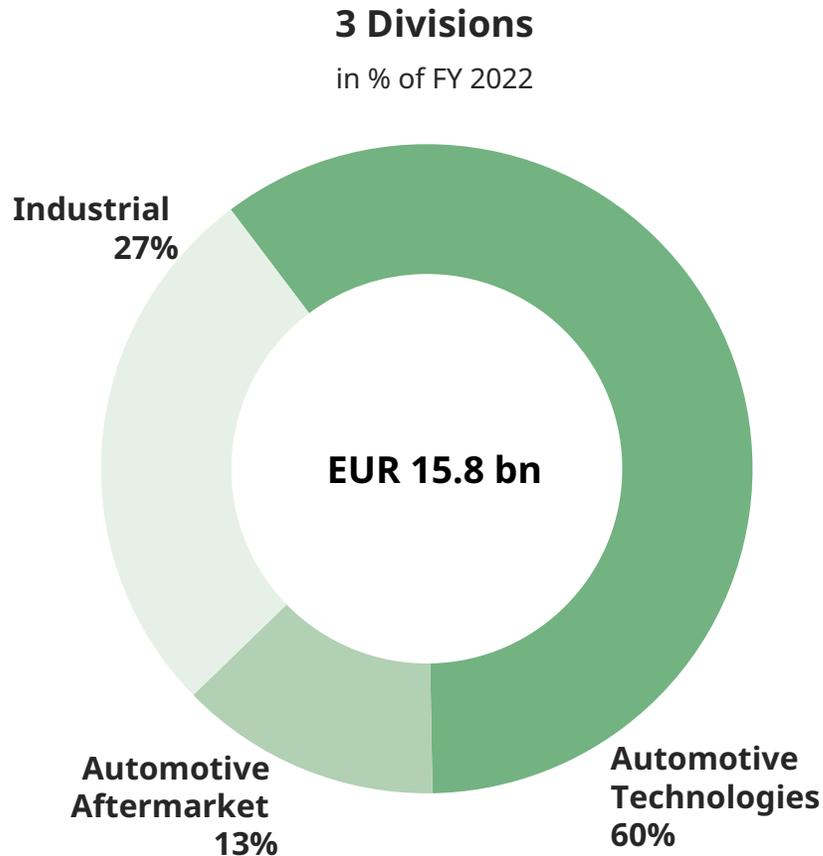
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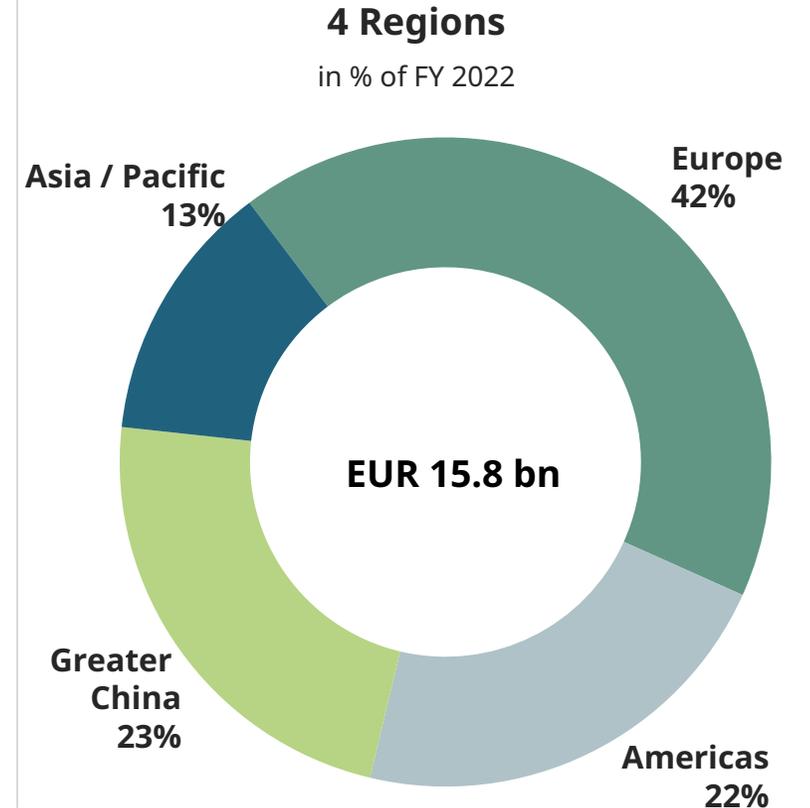
- 1** **Overview**
- 2** Transaction Update Vitesco
- 3** Q3 2023 results, Guidance, Current trading

AGENDA

Schaeffler Group at a glance – The Motion Technology Company

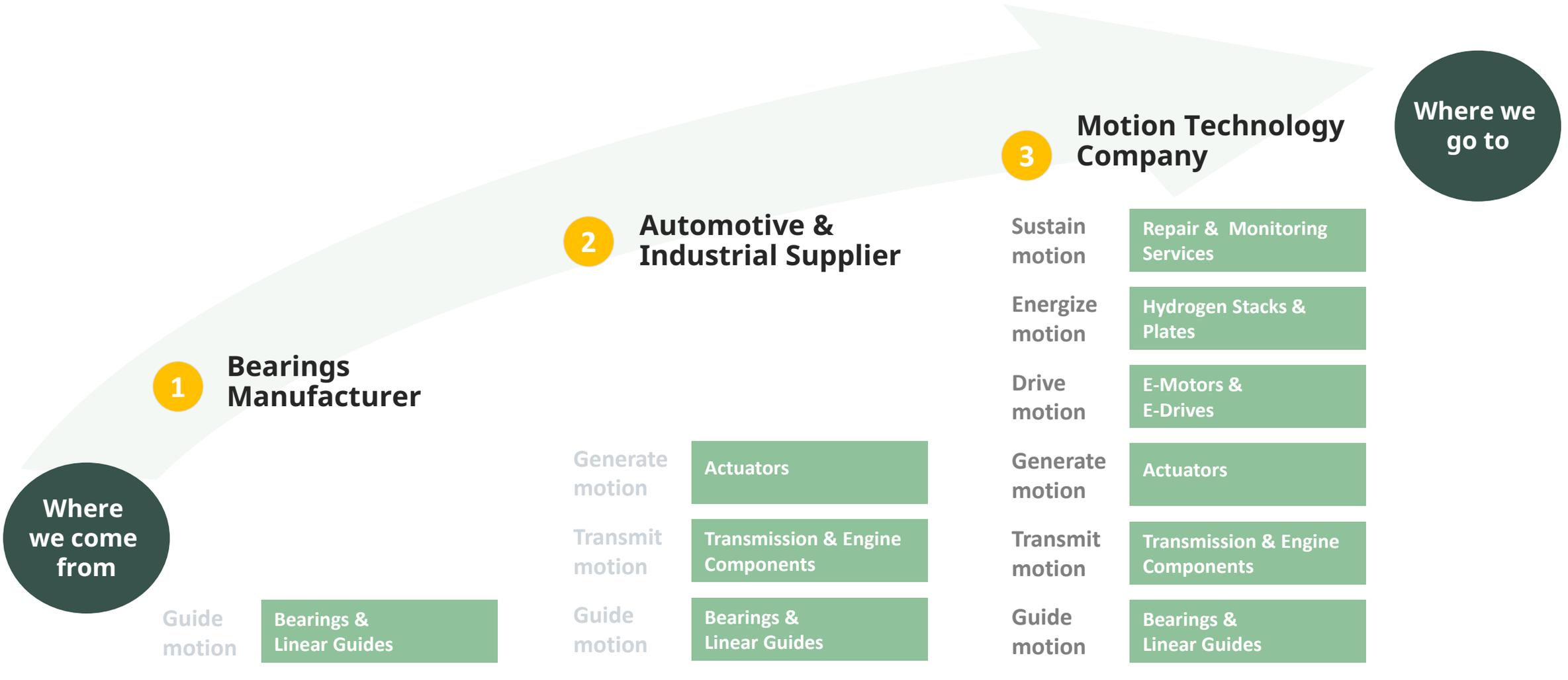


- 3 Divisions serving attractive, sizeable Automotive and Industrial markets with secular growth
- Diversified customer base across 10 sectors
- Market leading product offering across components, systems, services
- Global footprint, in the region for the region, high customer proximity
- Experienced leadership team with focus on execution
- Family owned and listed (25% non-voting)



Diversified exposure in attractive markets, synergistic businesses and global reach

Our Evolution – From our heritage as a Bearings Manufacturer to “The Motion Technology Company”



We are proud of our heritage in bearings and prepared for the future as The Motion Technology Company

- 1 Overview
- 2 **Transaction Update Vitesco**
- 3 Q3 2023 results, Guidance, Current trading

AGENDA

Public tender offer to Vitesco shareholders – The story in six highlights

Public tender offer

- Schaeffler AG Cash Offer¹ to acquire outstanding Vitesco Technologies Group AG shares (Step 1): Until the end of the acceptance period on December 15, 2023, 29.88% of the share capital and voting rights in Vitesco, have been tendered
- Around 23% premium on 3M VWAP

Simplified shareholding structure

- 30% Free Float envisaged post-transaction
- Higher liquidity, voting rights and more transparency

A 3-step transaction

- Schaeffler AG non-voting shares become voting common shares² (Step 2)
- Merger of Vitesco Technologies Group AG into Schaeffler AG (Step 3)

Significant value creation potential

- EUR 600 mn p.a. positive EBIT impact from revenue and cost synergies
- Leading E-Mobility offering across all dimensions

Leading Motion Technology Company

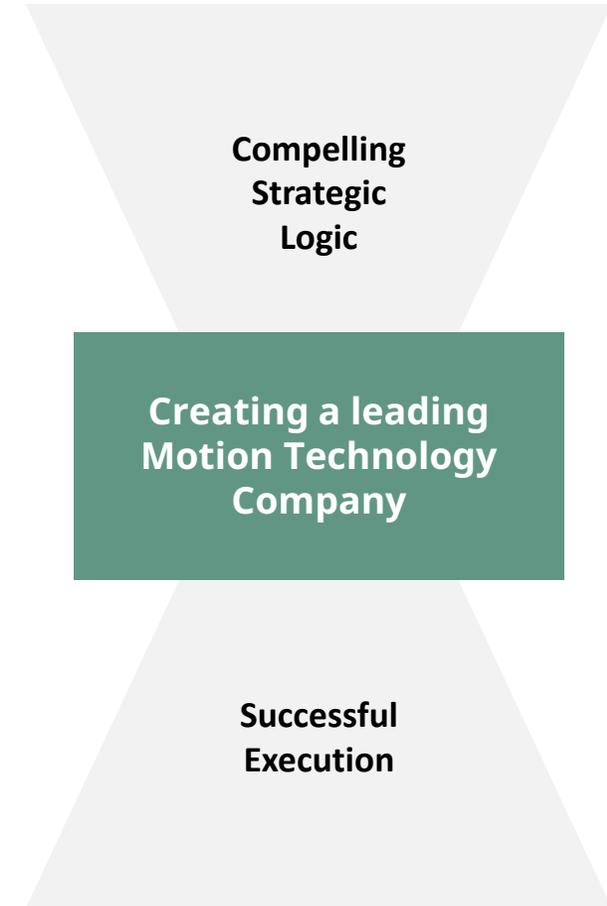
- Pro-forma Combined Revenues of EUR 25 bn
- 4 focused 'pure play' divisions

Stronger together

- Business combination agreement signed with Vitesco Technologies Group AG
- Strong cultural fit

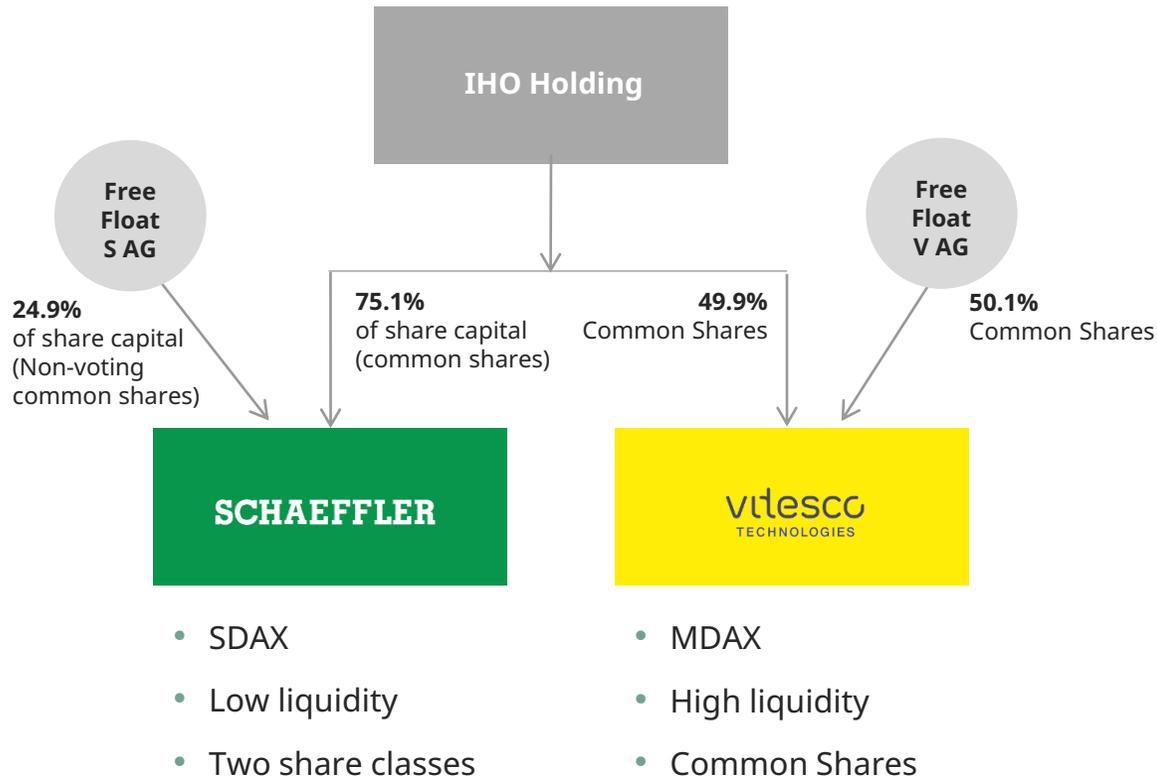
¹"Erwerbsangebot" | ²Conversion subject to merger completion

Next steps – Towards becoming a leading Motion Technology Company

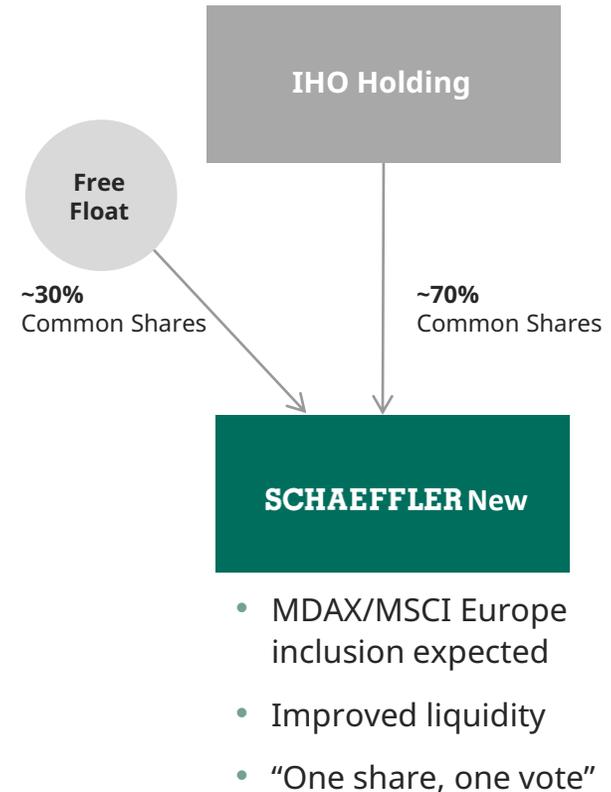


Simplified shareholding structure – Intention to achieve post-transaction free float of around 30%

Shareholding structure pre-transaction

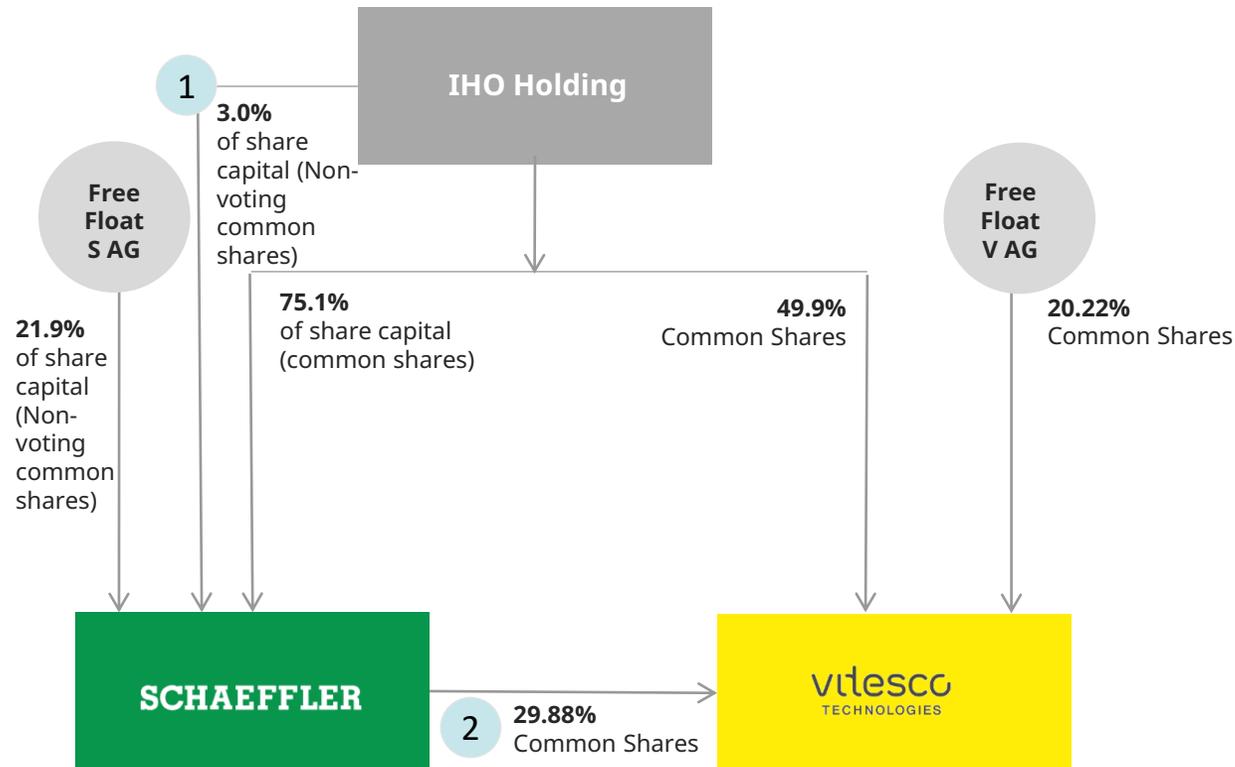


Shareholding structure post-transaction



Shareholding structure after completion of tender offer as an intermediate step

Shareholding structure as of December 20, 2023



Key Aspects

- 1 – On December 12, IHO Beteiligungs GmbH, a subsidiary company of IHO Holding, acquired a package of Schaeffler non-voting shares representing 3.0 percent of the outstanding non-voting common shares
 - The acquisition provides a stronger starting point for the planned business combination between Schaeffler AG and Vitesco Technologies Group AG.
- 2 – Until the end of the acceptance period of the public tender offer on December 15, 2023, 11,957,629 Vitesco shares have been tendered to Schaeffler
 - This corresponds to 29.88 percent of the share capital and voting rights in Vitesco.

Four focused, 'pure play' divisions – Creating a leading Motion Technology Company

SCHAEFFLER New

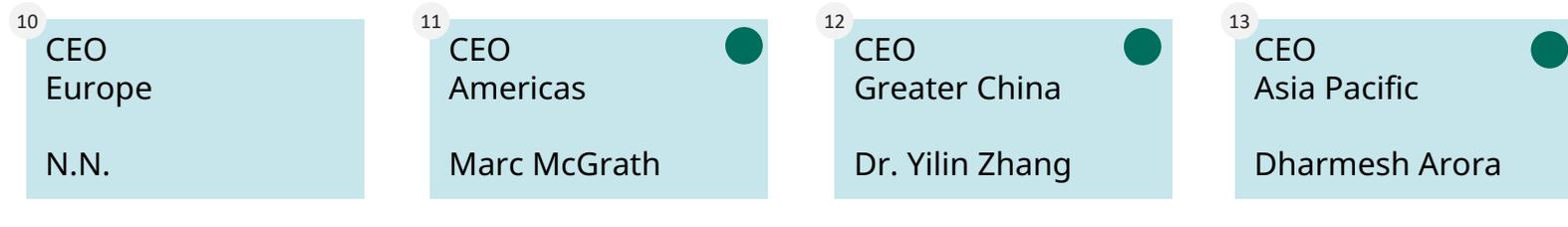
Divisions ¹	① E-Mobility	② Powertrain & Chassis	③ Vehicle Lifetime Solutions	④ Bearings & Industrial Solutions
Business units	E-Mobility Electrification	Engine & Transmission Chassis Powertrain	Automotive Aftermarket Aftermarket ²	Industrial Automotive Bearings
Value proposition	<ul style="list-style-type: none"> High-growth business supported by large orderbook Managed for profitable growth with margin improvement 	<ul style="list-style-type: none"> Mature powertrain business with declining market growth, plus chassis growth opportunities Managed for value generation, margin and free cash flow 	<ul style="list-style-type: none"> Growth business with high margins and low capital intensity Managed for profitable growth and free cash flow 	<ul style="list-style-type: none"> Growth business with clear margin improvement pathway Managed for value generation, margin and free cash flow
Sales development ⁵ in EUR bn	Sales share ⁴ : 9% (2022), ~31% (2030) 	Sales share ⁴ : 53% (2022), ~28% (2030) 13.1 	Sales share ⁴ : 10% (2022), ~12% (2030) 2.5 	Sales share ⁴ : 28% (2022), ~29% (2030) 6.9
Ambition	<ul style="list-style-type: none"> Establish leader in E-Mobility with best-in-class technologies and strong product portfolio 	<ul style="list-style-type: none"> Maximize value with conventional Powertrain and capture profitable Chassis growth 	<ul style="list-style-type: none"> Develop a global integrated platform provider addressing customer needs along the vehicle lifecycle 	<ul style="list-style-type: none"> Build the leading global Bearings & Industrial Solutions company operating in four market clusters

Executive Board – Targeted new structure in Schaeffler AG (combined company)

Board of Managing Directors of Schaeffler AG



Regional CEOs



9 Board of Managing Directors

4 Regional CEOs

Key Aspects

- Executive Board of Schaeffler AG New with 13 members, 4 divisional, 5 functional and 4 regional to come into place with closing of the merger (envisaged for Q4 2024)
- Of the 13 members of the Executive Board, 9 will be part of the Board of Managing Directors (“Vorstand”) of Schaeffler AG and 4 Regional CEOs
- Thomas Stierle from Vitesco will lead the E-Mobility Division
- Agreement on the composition of the Executive Board as a key prerequisite to start the integration preparation

Composition of the Executive Board of the future combined entity agreed

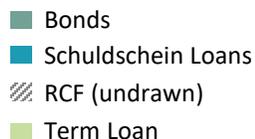
Debt Capital Markets – Schaeffler successfully issued bonds to finance the acquisition of Vitesco shares

Key terms of new issuance...

Issuer	Schaeffler AG	
Ratings	Baa3 (stable) / BB+ (stable) / BB+ (stable)	
Format	Senior Unsecured	
Issue Size	EUR 500mn	EUR 600mn
Settlement Date	15 January 2024	
Maturity Date	14 August 2026	14 August 2029
Coupon	4.500%	4.750%
Spread vs. Swap	182.1bps	232.4 bps

...with new bonds perfectly matching our well diversified maturity profile

As per 30.09.2023 with pro forma new bonds



Transaction Highlights

- Well-executed deal roadshow on January 05, 2024 in which we engaged with 80+ investor accounts
- Announcement of dual tranche bond transaction on January 08, 2024 on the back of constructive market open
- Transaction was the first senior bond transaction in over 3 years since our October 2020 transaction
- Strong investor participation across European key investors, bookbuilding characterized by outstanding momentum from the very beginning
- High quality orderbook with multiple EUR 100mn+ orders
- Also, shares in Schaeffler rose as much as 4% that day

Selected investor/analyst feedback

„We saw your transaction at really great terms for you!“

„Very good demand for the bonds with final pricing below initial pricing which should be seen positive“

„Great and smart transaction, also timing-wise“

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Schaeffler Group – Strong Q3 results driven by Automotive divisions

9M 2023 Financial Results¹

	Schaeffler Group	Automotive Technologies	Automotive Aftermarket	Industrial
	9M 2023	9M 2023	9M 2023	9M 2023
Sales growth ²	+6.6%	+5.4%	+14.5%	+5.7%
EBIT margin ³	7.9%	4.8%	16.9%	9.9%
Free Cash Flow ⁴	EUR 211 mn			

FY 2023 Guidance – Guidance confirmed on Group and divisional level

FY 2023 Guidance¹

	Schaeffler Group	Automotive Technologies	Automotive Aftermarket	Industrial
	Guidance FY 2023 ¹	Guidance FY 2023	Guidance FY 2023	Guidance FY 2023
Sales growth ²	5 – 8%	Outperformance 0 – 300 bps ⁵	10 – 12%	4.5 – 5.5% (prior: 6 – 8%)
EBIT margin ³	6 – 8%	3 – 5%	14 – 16%	9 – 11%
Free Cash Flow ⁴	EUR 300 – 400 mn	Market assumptions for 2023 <ul style="list-style-type: none"> • Automotive Technologies: Updated to LVP growth of 5 - 7% vs. 7.5% in latest S&P estimate⁶ for 2023 • Automotive Aftermarket: Growth of Global LV Parc⁷ of around 2% • Industrial: Slight increase of relevant industrial production⁸ 		

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 | ⁵ Moderate Sales growth | ⁶ Includes content supplied by S&P Global Mobility© [IHS Markit Light Vehicle Production Forecast (Base), October 2023]. All rights reserved | ⁷ Includes content supplied by S&P Global Mobility © [IHS Markit Vehicles in Operation (VIO) Forecast, July 2023]. All rights reserved. | ⁸ Includes content supplied by S&P Global Market Intelligence © [Comparative Industry Service Forecast, October 2023]. All rights reserved. Sectors considered: Mechanical Engineering (ISIC 28), Transport Equipment (ISIC 30), Electrical Equipment (ISIC 271)

Current Trading Update – Q4 in line with expectations

- 1 Automotive Technologies** – Solid market demand in specific Regions (Europe and Greater China). Q4 EBIT margin expected to be seasonally weaker, but FY EBIT margin trending comfortably within FY guidance range
- 2 Automotive Aftermarket** – Ongoing favorable market conditions - We are harnessing it by further enhancing our product offerings and improving our logistical capabilities. We are confident in comfortably achieving our guidance
- 3 Industrial** – Market uncertainties and risks remain on increased level, specifically in China. Most sectors with reduced demand, positive development in rail and aerospace. Our goal is to safeguard the floor of our EBIT margin guidance

**On track to achieve our
FY 2023 Guidance**

Business Update – We keep on delivering on Commercial Success Wins

Automotive Technologies – Presenting innovative solutions at CES 2024



- Under the theme “Making Next Possible” Schaeffler presents innovations to drive, energize and generate motion ranging from wheel bearings to e-axes and rear wheel steerings for electrified vehicles
- Over 450 registered contacts and more than 50 customer meetings with both established OEMs and New Mobility Players

Automotive Aftermarket – Customer-centricity well acknowledged in the market



- ATR International, one of the leading global trading groups in the Automotive Aftermarket, honors Schaeffler with the 'Excellence in Marketing' award for pioneering customer engagement and exceptional marketing competencies
- Customer proximity and customer service as key differentiators for Schaeffler Automotive Aftermarket

Industrial – Ramp-up of high-growth business fields



- Strategic orders received on Ewellix products in linear motion. The market for electrified components is expected to grow at a CAGR of >6% in the mid-term
- Lifetime Solutions trending with double-digit growth in 2023. Continued strong growth expected, along with ECO-Adapt portfolio expansion opportunity

Conclusion & Outlook – Transaction on track, while keeping our strong focus on the business

- 1 Transaction Update** – We are proceeding with diligence and momentum in our transaction. BCA signed and Integration Committee set up to prepare a smooth integration. Tender offer closed on January 5, Schaeffler owns ~30% of Vitesco
- 2 Financing**– Successful issuance of bonds to finance the acquisition of Vitesco shares; strong vote of confidence in Schaeffler’s financial stability and support of corporate merger with Vitesco
- 3 Business Update** – Strong focus by our Teams on driving purposefully our businesses in our Regions with strong innovation spirit, offering compelling solutions to our Customers
- 4 Current Trading and Outlook** – Guidance confirmed for FY 2023 on Group and divisional level; we will provide Guidance for 2024 at the FY Release in March

**Strong basis for further
building the leading
Motion Technology
company**

Thank you

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- Transaction Update Vitesco -

BACKUP

Key Transaction Steps – Clear path to business combination



1

Tender Offer to Vitesco’s shareholders

- Public cash tender offer¹ at EUR 91 per Vitesco share launched on November 15 with four-week offer period, offer price increased to EUR 94 on November 27
- Until the end of the acceptance period on December 15, 2023, 29.88% of the share capital and voting rights in Vitesco have been tendered to Schaeffler
- IHO Holding (owning 49.9% of Vitesco) has signed a Non-Tender commitment

2

Schaeffler Non-voting Common Share Conversion

- Resolution on the conversion of Schaeffler Non-voting Common Shares² into Common Shares
- 75% Non-voting Common shareholder approval required; conversion at ratio of 1:1
- Establishing one share class with enhanced liquidity and commitment to increased free float

3

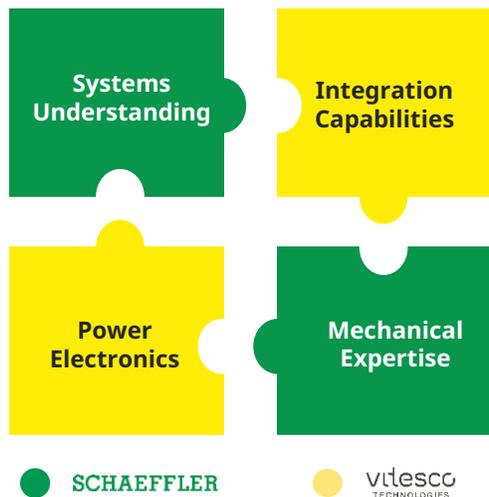
Merger of Vitesco into Schaeffler

- Merger of Vitesco into Schaeffler AG (no DPLTA³, no squeeze-out envisaged)
- No anti-trust clearance necessary for completion of the offer in the EU
- Final merger exchange ratio to be agreed between Schaeffler and Vitesco based on a statutory valuation process

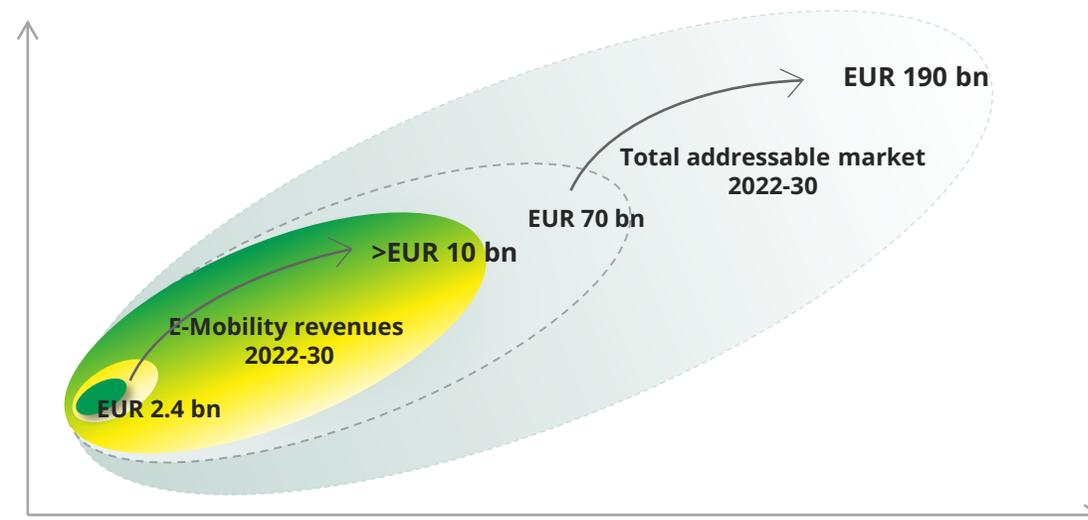
¹“Erwerbsangebot” | ²Conversion subject to merger completion | ³ DLTA: Domination and Profit and Loss Transfer Agreement

① E-Mobility – Combining highly complementary strengths and capabilities for future growth

Complementary strengths



Significant market growth potential¹



Key characteristics

- Enlarged product portfolio
- Coverage of all mission critical capabilities
- Increasing relevance for global OEMs
- Joint scale funds required investments in R&D to capture overall market growth

Combinational synergies

- Joint procurement and supply chain management
- Cross-selling opportunities and enhanced cost competitiveness

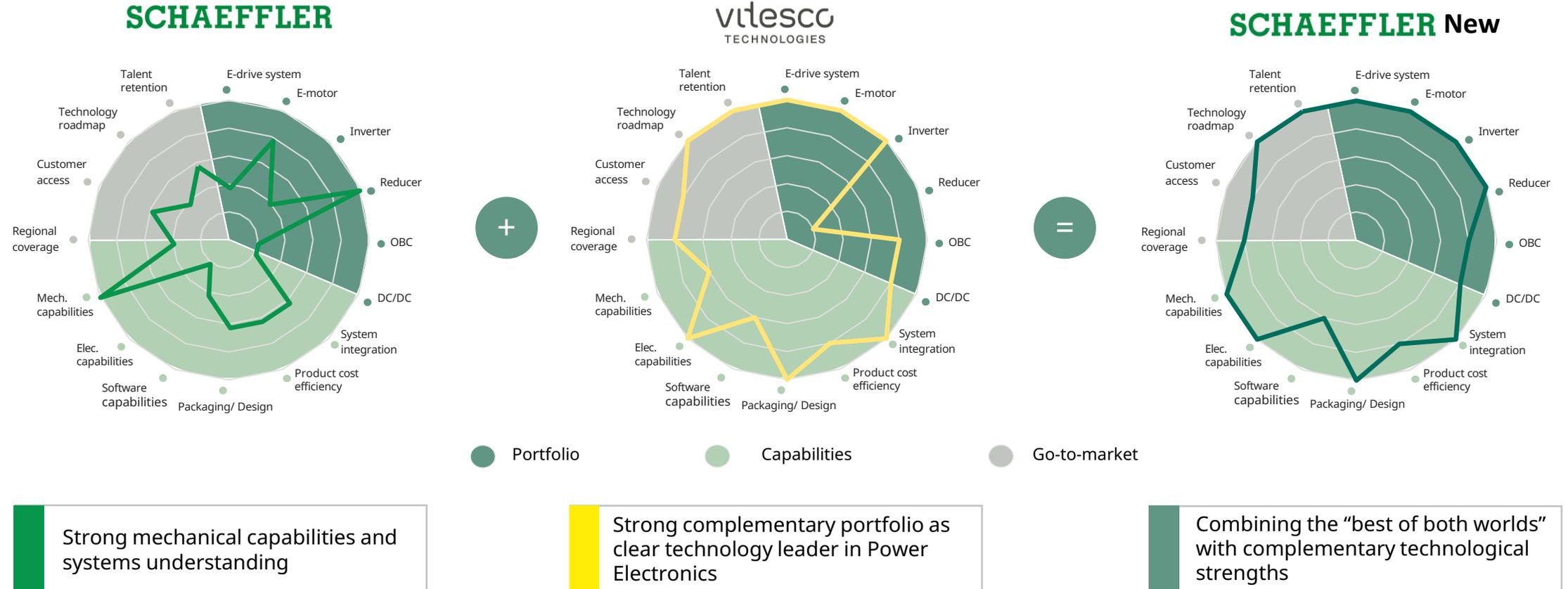
Outlook

- Combined orderbook of >EUR 40 bn²
- Revenue expected to grow ~4x by 2030e
- Reaching solid profitability in the medium term

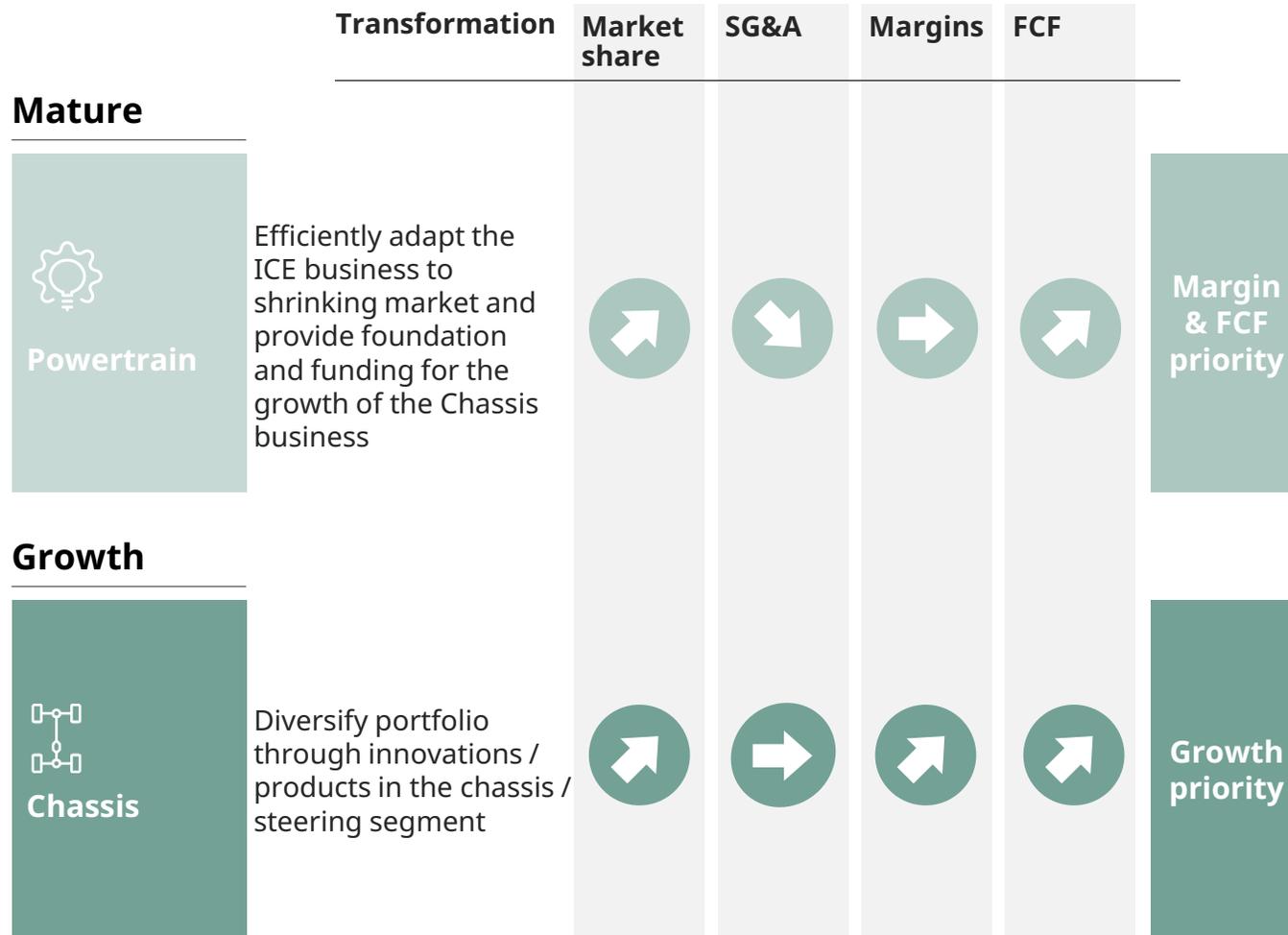
Key Peers

BORGWARNER

① **Combining complementary strengths – Leading E-Mobility offering across all dimensions**



② **Powertrain & Chassis – Maximize value with a broad Powertrain portfolio and grow Chassis**



 **Key characteristics**

- Leveraging joint scale to optimize profitability with capacity consolidation
- Broad product portfolio through combination
- Sharing of best practice and joint R&D
- Value-accretive ramp-down of components offering

 **Combinational synergies**

- High profitability strengthened by combination
- Synergies from procurement, rationalisation of production footprint and SG&A

 **Outlook**

- Market share gains and growth businesses help mitigate conventional powertrain gradual decline¹
- Chassis with strong growth potential in new products
- Manage for stable margin & high cash generation

 **Key Peers**



③ Vehicle Lifetime Solutions – Becoming a leading integrated platform

Growth drivers

 <p>Share of Wallet</p>	<ul style="list-style-type: none"> • Increased relevance due to enlarged future-ready product portfolio • Further transition from parts to solutions provider
 <p>Solutions & Service Offer</p>	<ul style="list-style-type: none"> • Increased electronics and sensor capabilities • Additional scale for lifecycle solutions
 <p>Way to Market</p>	<ul style="list-style-type: none"> • Higher relevance and scale for new distributors and digital sales channels • Joint expansion in Americas and Asia

Growth enablers

 <p>Digital Competence</p>	<ul style="list-style-type: none"> • Best-in-class practice sharing • Increased scale allows for accelerated investment
 <p>Operational Excellence</p>	<ul style="list-style-type: none"> • State of the art global operations • Efficient and scalable structures

	<p>Key characteristics</p> <ul style="list-style-type: none"> • Integrated multi-vendor service platform enhanced by Vitesco • Future-relevant portfolio irrespective of drive technology • Resilient, counter-cyclical growth • Low capital intensity 												
	<p>Combinational synergies</p> <ul style="list-style-type: none"> • Combined scale drives revenue synergies and enhances competitiveness • Enlarged product range and sales volume allows for further logistics optimization 												
	<p>Outlook</p> <ul style="list-style-type: none"> • Growth driven by aging car parc • Margin expansion potential • Strong free cash flow 												
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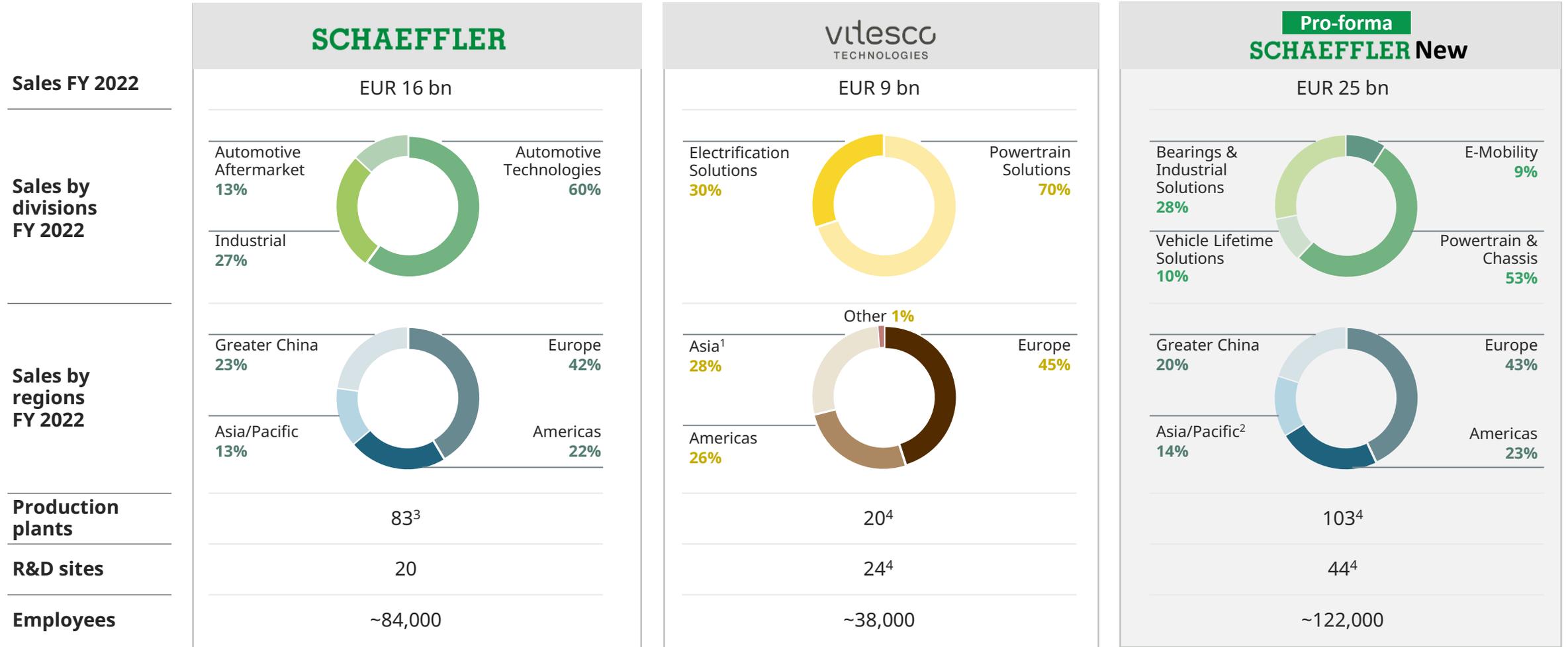
④ **Bearings & Industrial Solutions – Building a global market leader**

Well-diversified portfolio focused on 4 market clusters

56% ¹	Transportation & Mobility	 Two-Wheeler	 Cars & LCVs	 Truck & Bus	 Offroad	 Rail	 Aerospace
21% ¹	Machinery & Materials	 Raw Materials	 Power Transmission				
12% ¹	Industrial Automation	 Industrial Automation					
11% ¹	Renewables	 Wind	 Hydrogen as strategic business field				

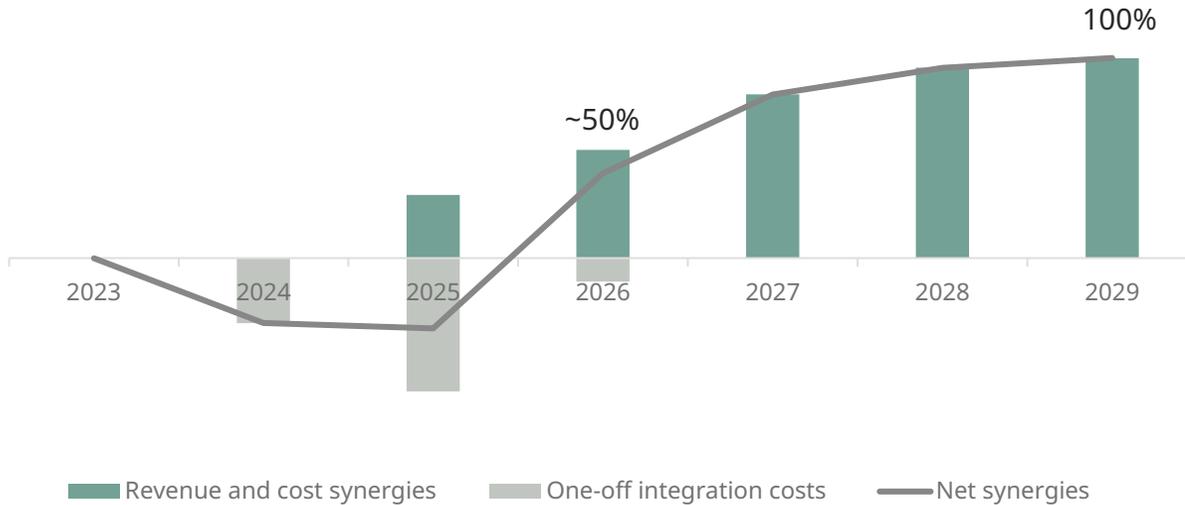
	<p>Key characteristics</p> <ul style="list-style-type: none"> • Secular growth markets • Addressing full spectrum of bearings and linear motion solutions • Over-proportional growth with service solutions • Entering emerging hydrogen business
	<p>Transformational impact</p> <ul style="list-style-type: none"> • Sizable benefits from economies of scale • Strengthening technology and innovation power in bearings across all sectors
	<p>Outlook</p> <ul style="list-style-type: none"> • Revenue growth potential ahead of market • Further accelerated growth through M&A
	<p>Key Peers</p> <p>        </p>

Strong combined portfolio – Positioned for maximum value with enlarged global footprint in key markets



Significant synergy potential – EUR 600 mn p.a. revenue and cost synergies identified

Revenue and cost synergies¹ FCF impact in EUR mn



Key cost levers

- Economies of scale in procurement
- R&D and SG&A efficiencies
- Supply chain efficiencies
- Best practice sharing

Synergy breakdown EBIT impact



Revenue synergies

EUR 100 mn



Cost synergies

EUR 500 mn

Integration costs



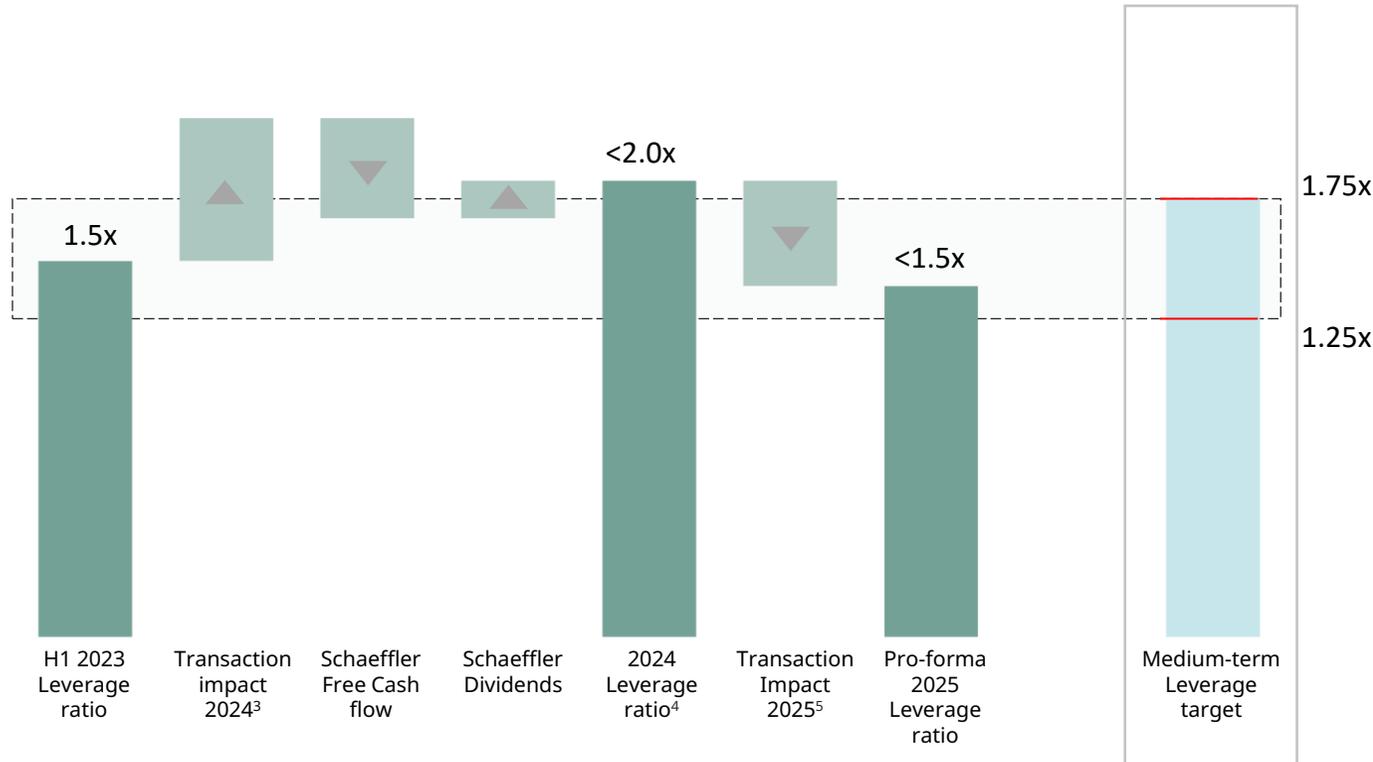
Total one-time integration costs

EUR 665 mn

Driving long-term value creation

Financial impact – Earnings per share accretive in 2026 and leverage positive in 2025

Development of Leverage ratio over transaction^{1,2}



Earnings per share

- Only marginally dilutive in 2025 and increasingly accretive from 2026
- Accelerating EPS growth from 2025

Leverage ratio

- Acquisition financing increases leverage in 2024 above 1.5x
- Consolidation of Vitesco reduces leverage to a level below 1.5x in 2025

Financial strength and flexibility

Strict Financial Performance Management – 30-50% dividend payout ratio

Strong Cash Flow

- Rigorous financial discipline, throughout the transformation phase and beyond
 - Efficient working capital management
 - Strong resilience through the cycle with steady improvement in FCF expected
-

Disciplined Capital Allocation

- Clear Portfolio Steering based on Build/Grow/Harvest/Exit-logic
 - Focused investment in strategic growth areas
 - Strengthening of Digitalization and Sustainability
-

Operational Excellence

- Operational efficiency driving optimized production costs
 - Leveraging economies of scale in procurement
 - Harmonization of supply chains
-

Dividends

- Maintaining medium-term leverage target
- Significant FCF improvement
- Unchanged dividend policy: 30-50% payout ratio

Summary – Creating a leading Motion Technology Company

Key highlights

- Attractive Public Tender Offer for all outstanding shares of Vitesco Technologies Group AG
- Clear 3-step overall transaction to merge Vitesco Technologies Group AG into Schaeffler AG
- Compelling strategic rationale for creating a leading Motion Technology company with 4 focused, 'pure play' divisions
- Simplified shareholding structure post transaction with envisaged free float of 30% and higher liquidity, voting shares
- Significant value creation potential through high level of revenue and cost synergies
- Stronger together cultural fit and friendly business combination envisaged



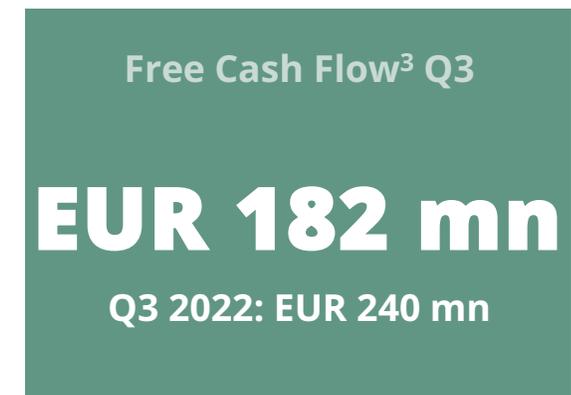
- Financials -

BACKUP

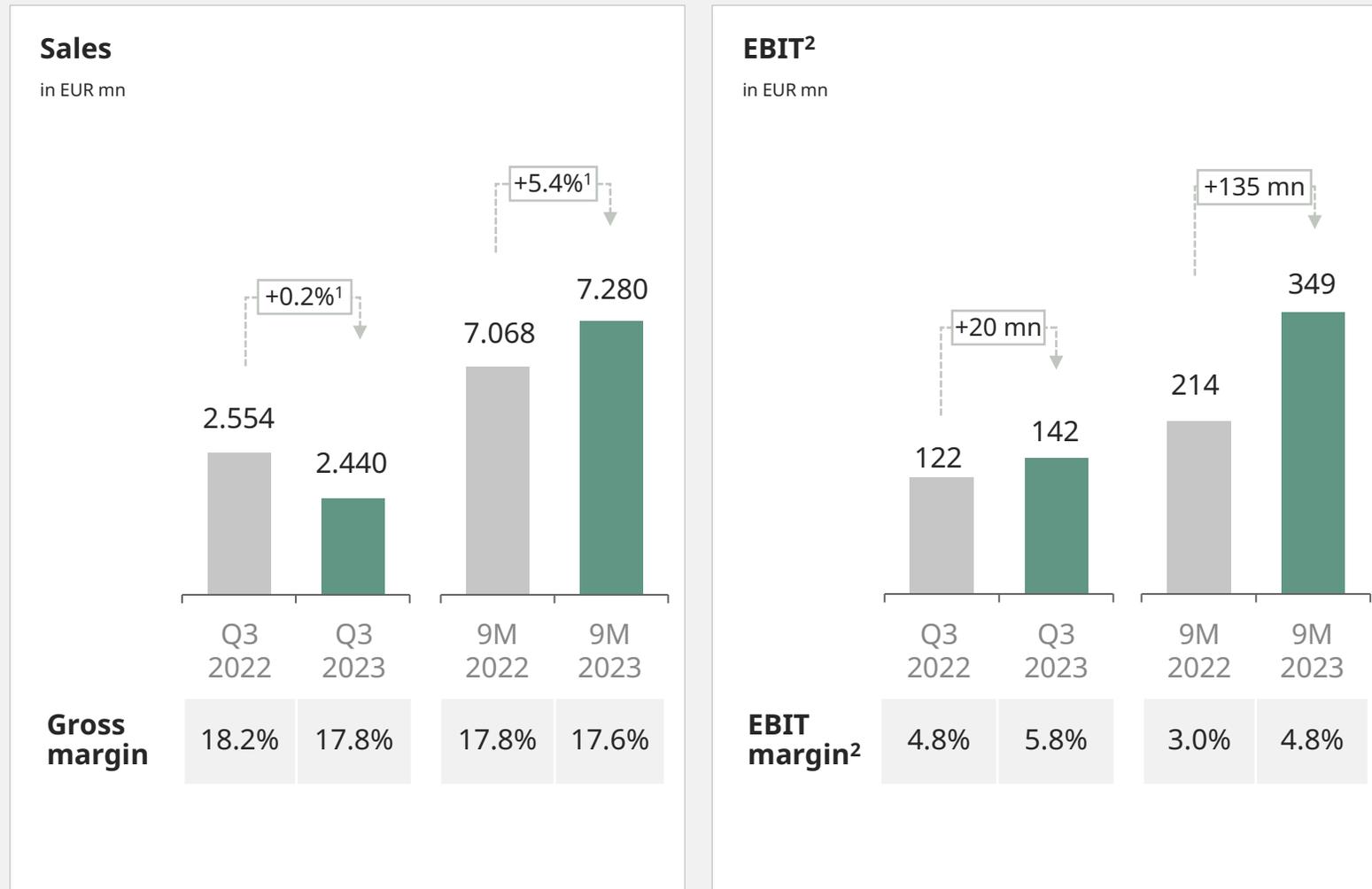
Schaeffler Group – Strong Q3 results driven by Automotive divisions

Key messages Q3 2023

- 1** Q3 Sales¹ +0.5% – Good growth in Europe and Asia/Pacific. Greater China declining on very high comps
- 2** Q3 Gross margin 22.3% – Very strong contribution from Automotive Aftermarket
- 3** Q3 EBIT margin² 8.4% – Strong and growing yoy in both Automotive divisions, decreasing in Industrial
- 4** Q3 FCF³ EUR 182 mn – Continued strong cash flow generation and effective Working Capital Management
- 5** FY 2023 Group Guidance confirmed – Top line reduction in Industrial, Automotive divisions confirmed and on track



Automotive Technologies – Q3 with continued strong EBIT momentum



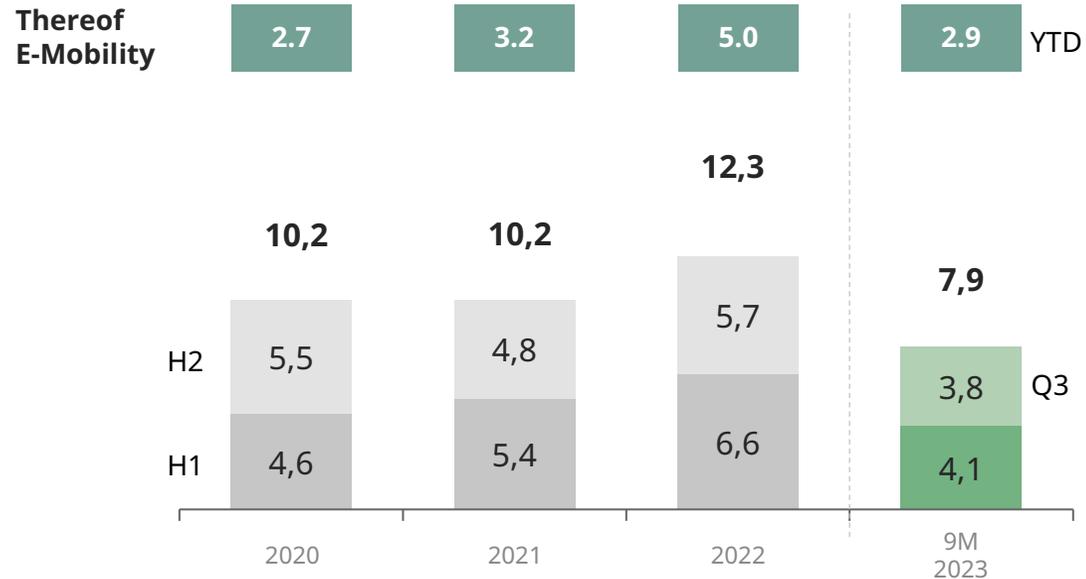
KEY ASPECTS

- ^ Flat sales yoy¹ on very strong comps (+25%). In 2022 our Q3 included also retroactive price compensation
- ^ Chassis systems and Bearings with continued good growth
- ^ Strong Q3 EBIT margin of 5.8%²
- ^ Strong EBIT margin contribution in mature businesses driven by volumes
- ^ E-Mobility EUR 2-3 bn Order Intake annual target already achieved

Automotive Technologies – E-Mobility EUR 2-3 bn Order Intake annual target already achieved

Order Intake¹

in EUR bn



Book-to-bill-ratio²

H2	1.2x	1.2x	1.2x	Q3: 1.6x
H1	1.4x	1.3x	1.6x	0.9x
FY	1.3x	1.3x	1.4x	YTD: 1.1x

Business Highlights



Winning in the US Pick-Up market:

Extension of business with innovative powertrain solutions for electrified Pick-Ups with e-axles & range extenders

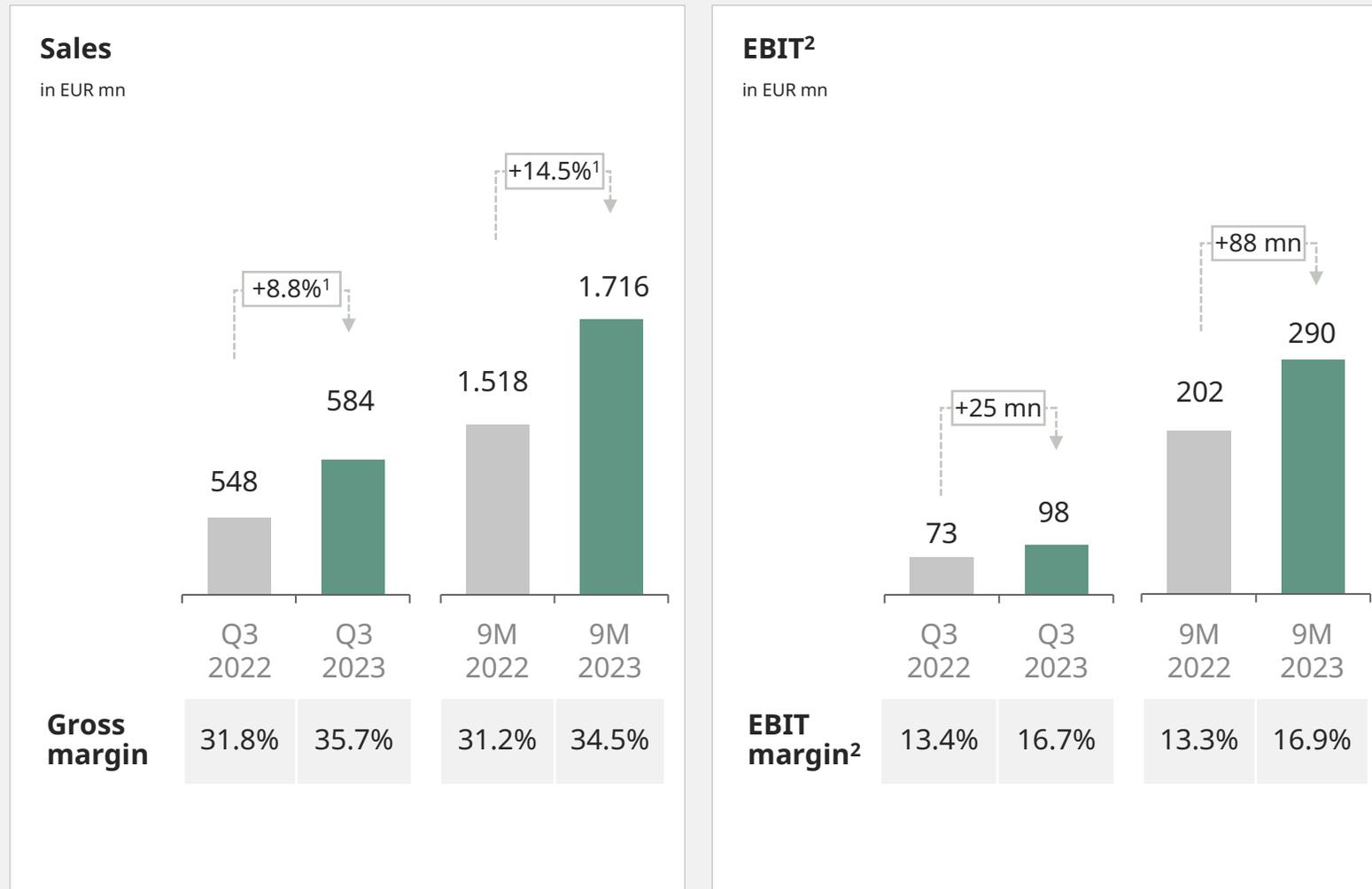


Innovation and commercial push in high-performance e-powertrains:

Q3 with significant order intake increase from high-ranking global performance car manufacturers

**Strong book-to-bill ratio of 1.6x in Q3 vs 1.3x comps
YTD Order intake of EUR 7.9 bn, of which EUR 2.9 bn in E-Mob**

Automotive Aftermarket – Q3 with strong sales growth¹ and very strong EBIT margin²



KEY ASPECTS

- ^ High single-digit sales growth¹ on strong comps, driven by continued strong demand, improved logistical performance and favorable pricing
- ^ Strong growth in Independent Aftermarket (+9.6%)¹; All regions growing, double-digit in Americas; Europe the top contributor in absolute terms
- ^ Very strong EBIT margin² improvement driven by favorable sales mix, continued price management

Automotive Aftermarket – Acquisition in September of B2B e-commerce platform Koovers in India

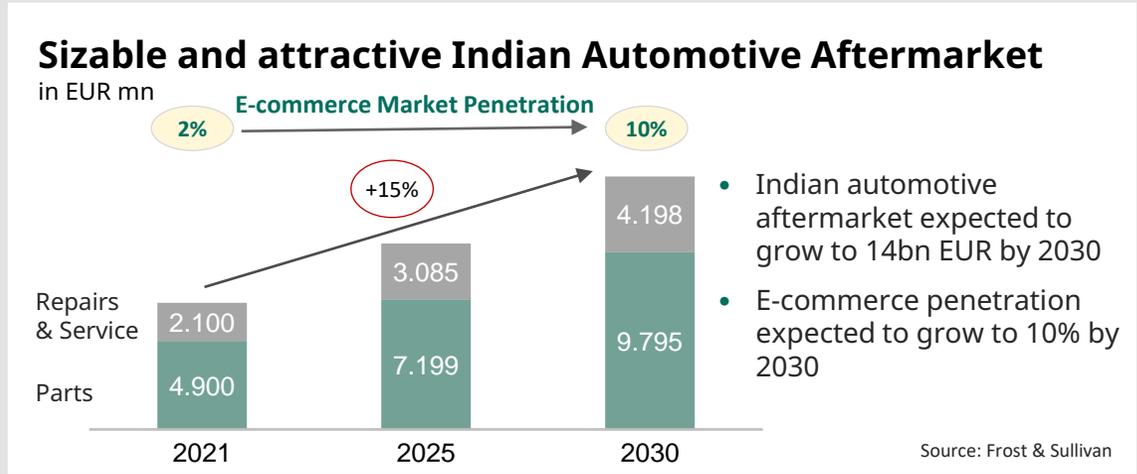


7000 Workshops

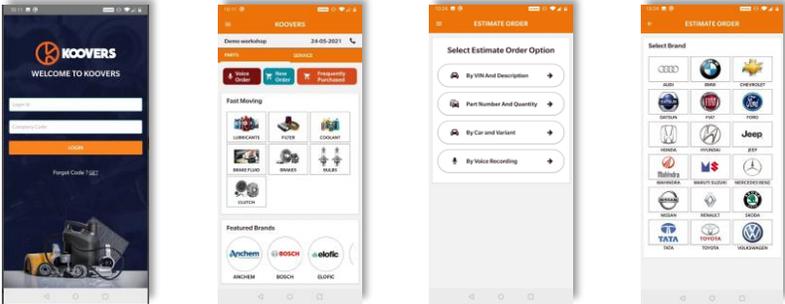
1.8 Million Product SKU

160K+ Orders Serviced

125+ Towns Presence in South India



Compelling app-based B2B e-commerce platform

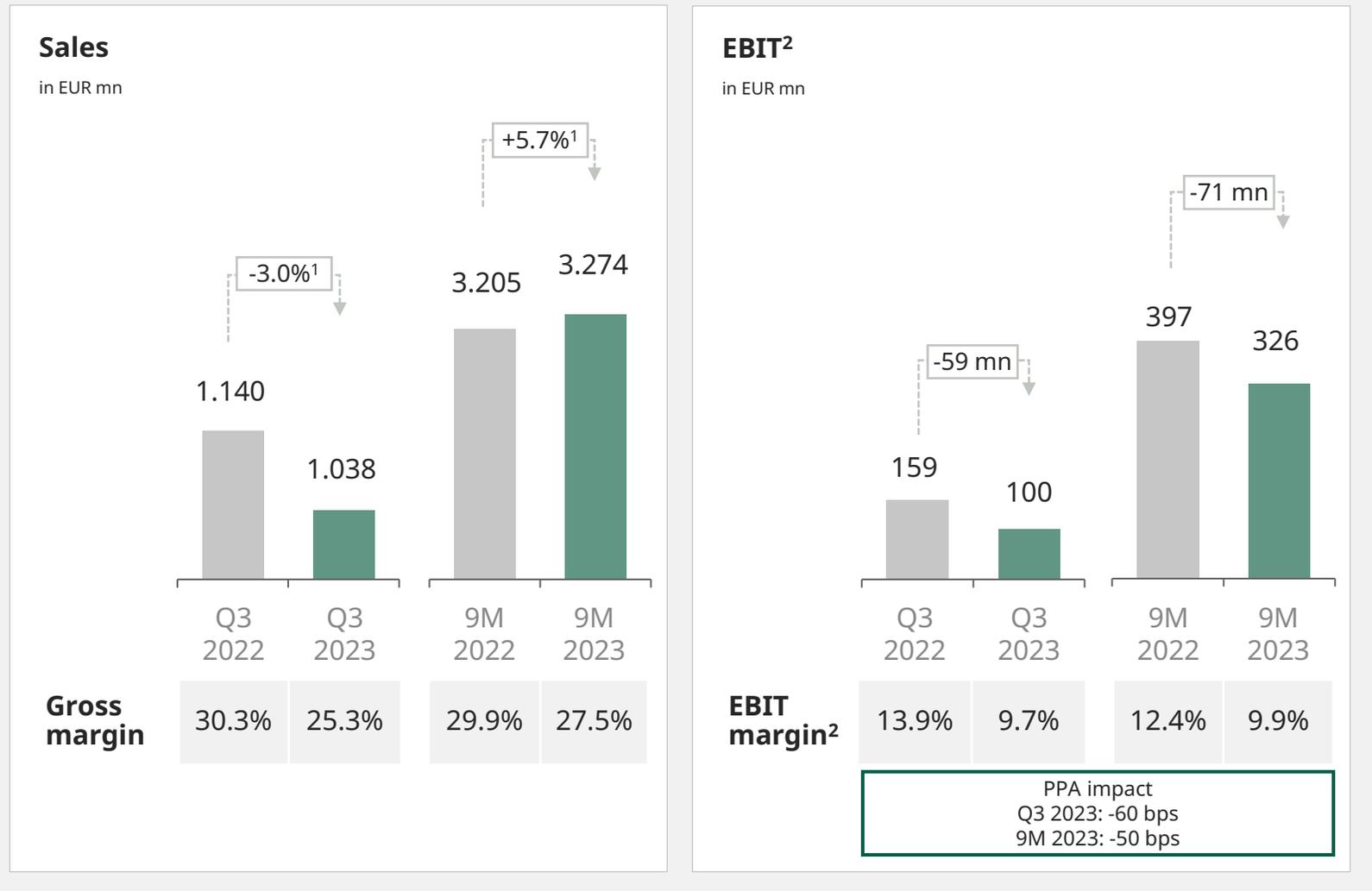


Strategic rationale

- Scalable platform business with highest customer focus through convenient digital interfaces
- Wide spectrum of high-quality automotive spare parts, ensuring access and availability to independent workshops
- Fast and reliable supply chain through regional and local presence, close to the customers' doorstep and individual repair case

Further strengthening of Schaeffler's platform business in the attractive and fast-growing Indian market

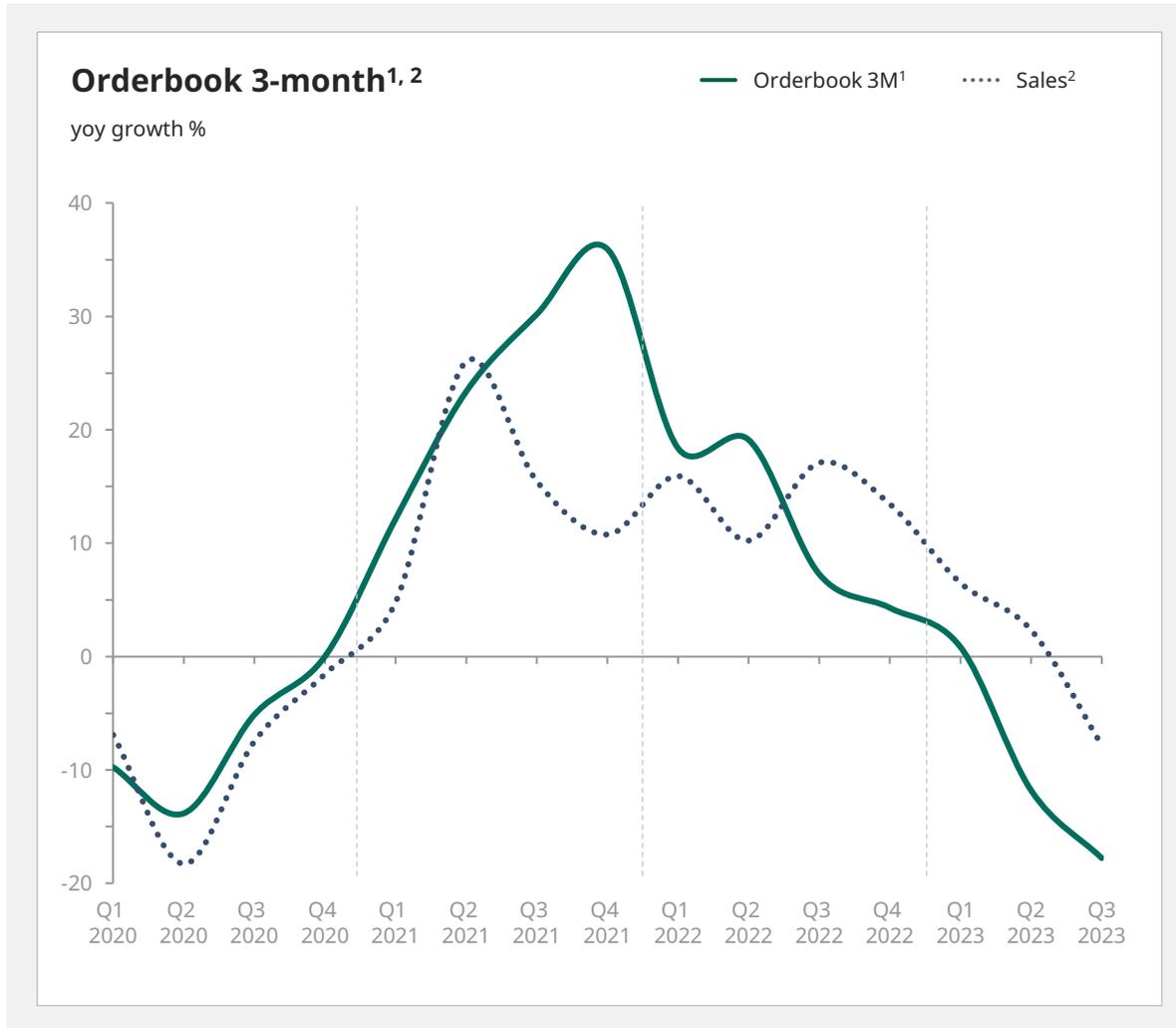
Industrial – Q3 sales¹ and EBIT development driven by market downturn



KEY ASPECTS

- ▼ Volumes in all regions below strong Q3 2022 due to weakening economic environment and destocking
- ▼ EBIT margin in Q3 driven by negative sales development in China (-22%¹) and higher fixed cost due to investments in growth areas
- ▲ Tactical cost savings measures in execution

Industrial – Orderbook reduction mainly due to downturn in China and Wind



Business Highlights



New order gains in Aerospace by long-term agreements with key OEMs covering roller bearings for high volume applications



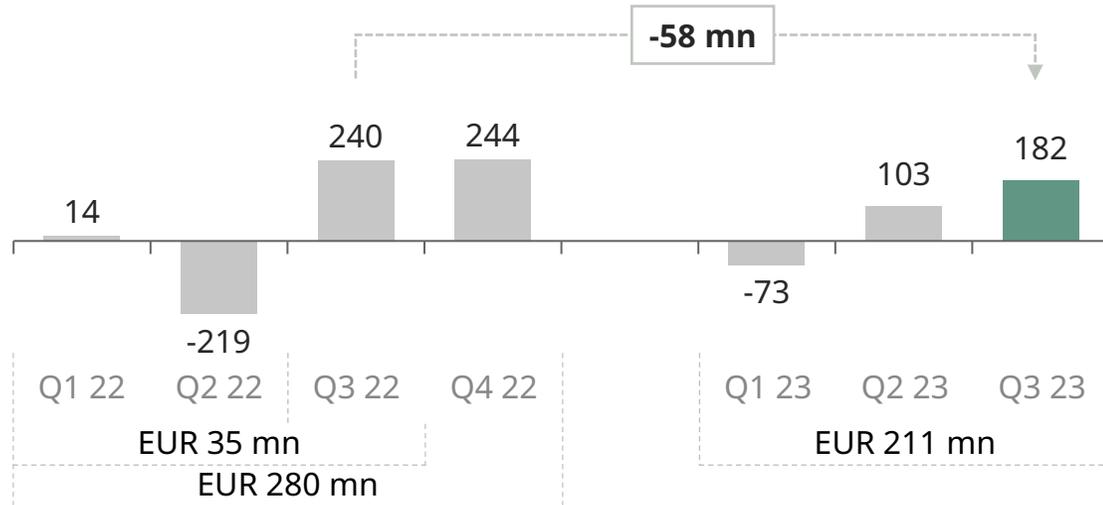
Strong business development including order intake in Rail supported by increased localization rate of production and even higher customer proximity

Aerospace and Rail sector clusters growing

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

FCF – Strong Q3 FCF, effective Working Capital management

Free Cash Flow before M&A¹ in EUR mn



FCF Conversion ratio²

Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23
0.1	-	0.6	1.7	-	0.4	0.6

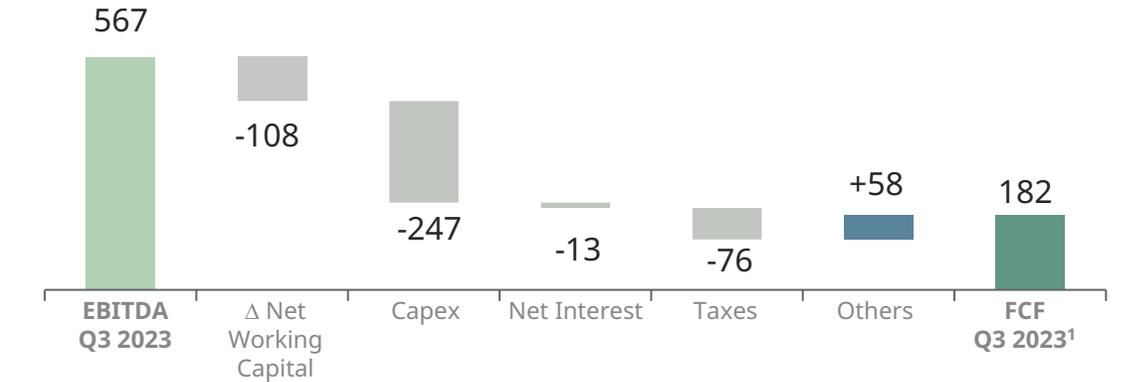
Reinvestment rate

Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23
0.6	0.8	1.0	1.2	0.8	1.0	1.0
0.9						

Capex ratio³

Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23
4.2%	4.6%	5.2%	6.0%	5.3%	4.9%	6.1%
5.0%						

Reconciliation Q3 2023 in EUR mn



FCF Details

in EUR mn	Q3 22	Q3 23	Δ Q2 23/22	9M 22	9M 23	Δ 9M 23/22
FCF as reported	197	156	-41	-68	-515	-447
M&A	+43	+26	-17	+104	+726	+622
FCF before M&A	240	182	-58	35	211	+176
Legal Cases	-8	-12	-4	-17	-38	-21
Restructuring	+45	+24	-19	+249	+181	-68
Others	0	+1	+1	0	+8	+8
FCF bef. M&A and sp. Items	276	195	-81	267	362	+95

Capital allocation – Continued prioritization of Capex for growth business

Investment¹ allocation

in EUR mn

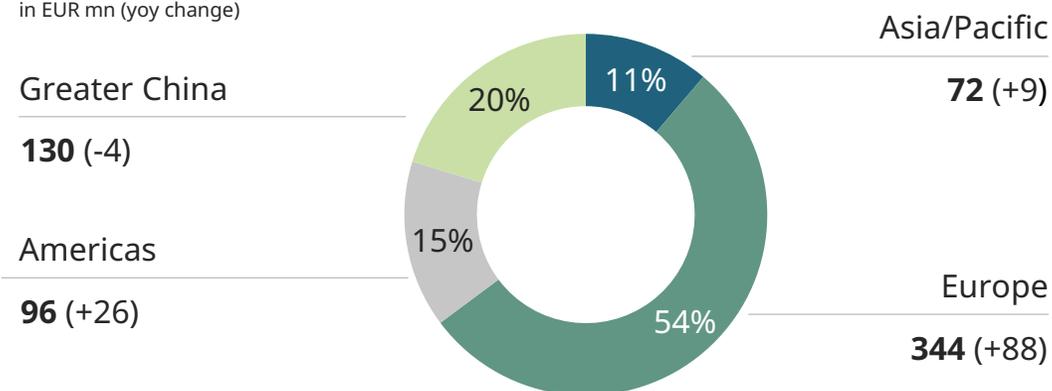
	FY 2021	FY 2022	Q3 2022	Q3 2023	9M 2023
Automotive Technologies	430	545	146	155	402
Automotive Aftermarket	20	40	11	15	39
Industrial	220	229	62	66	200
Schaeffler Group	670	814	219	237	641
Capex	671	791	219	247	665
Capex ratio²	4.8%	5.0%	5.2%	6.1%	5.4%
Reinvestment Rate	0.7	0.9	1.0	1.0	0.9

KEY ASPECTS

- **Automotive Technologies:** E-Motor production investments in the US and Eastern Europe as well as Chassis rear-wheel steering projects in Eastern Europe, Mexico and China
- **Industrial:** Further localization and capacity expansion of Roller Bearings for the Wind sector cluster in Nanjing, China

Investments¹ by region 9M 2023

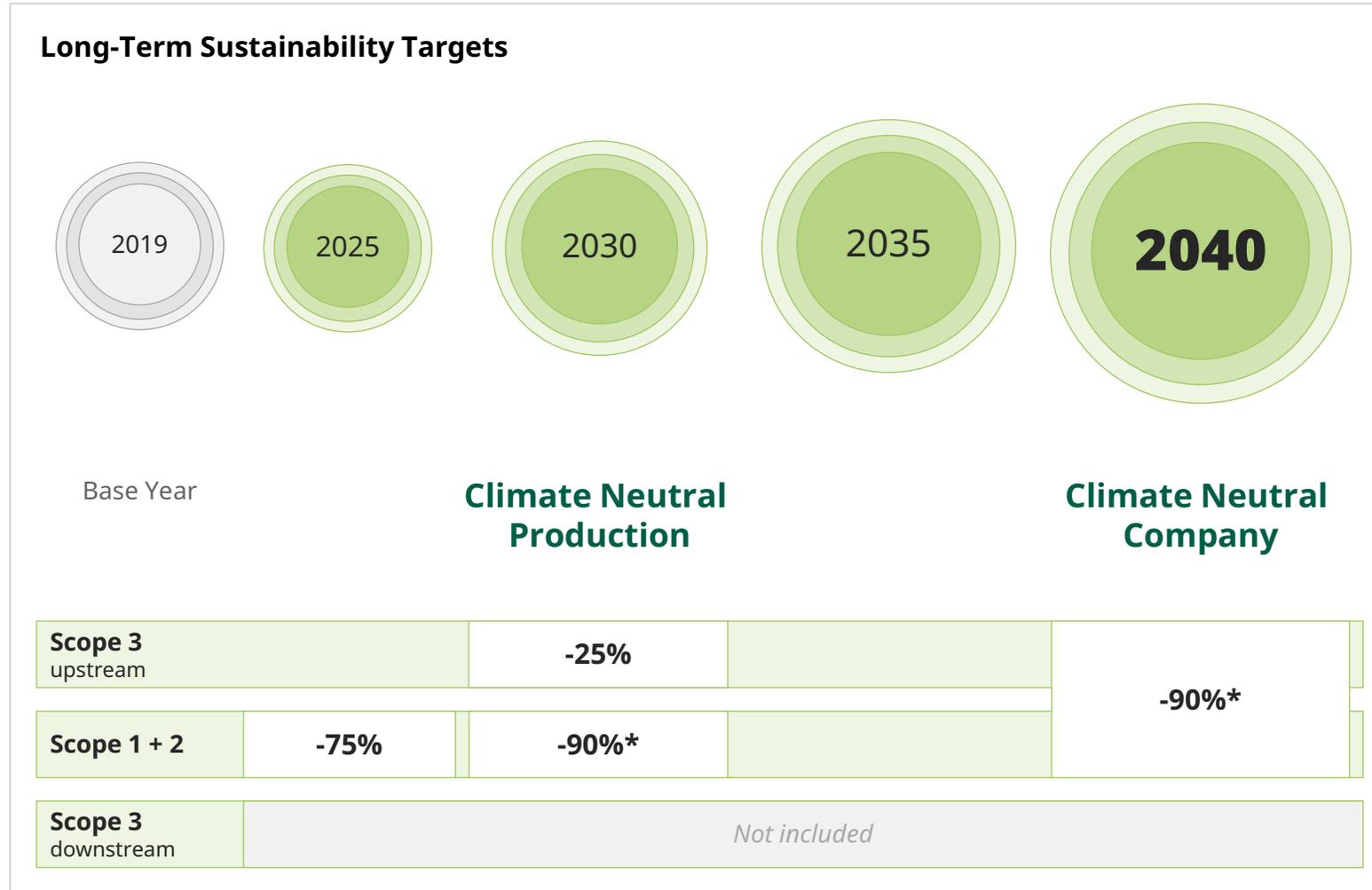
in EUR mn (yoy change)



- Sustainability -

BACKUP

Path to Climate Neutrality – Ambitious Scope targets defined



KEY ASPECTS

- Decarbonization as top priority
- Emissions occurring in the supply chain (Scope 3 upstream):
 - Climate neutral from 2040
 - Emission reduction of 25% until 2030
 - From 2025, Schaeffler will source 100,000 tons of green steel on an annual basis from Swedish start-up H2greensteel
- Production facilities (Scope 1+2):
 - Climate neutral from 2030
 - Emission reduction of 75% until 2025
- Clear strategy with specific measures being defined and implemented across the company

Sustainability – Our goal is to be climate-neutral from 2040 onwards



Ten Action Fields: In order to achieve the goal of climate neutrality by 2040, we have refined our sustainability strategy in a holistic approach and designed it along the three ESG* dimensions.

ENVIRONMENT

- 1 Climate neutrality
- 2 Circularity
- 3 Resource efficiency and environmental protection
- 4 Green products

SOCIAL

- 5 Diversity, employees and people development
- 6 Occupational health and safety
- 7 Responsibility in society and supply chain
- 8 Product safety and integrity

GOVERNANCE

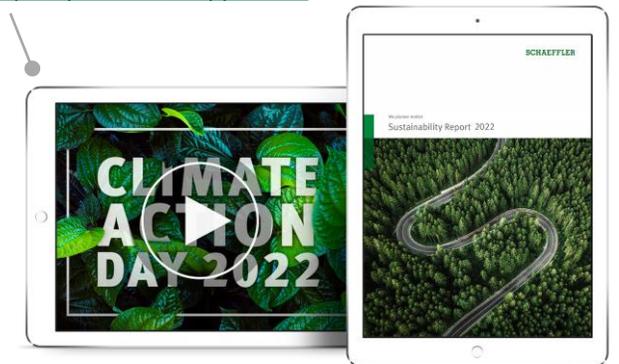
- 9 Corporate governance
- 10 Business integrity

Key Aspects

- Successful sustainability management through cross-functional and cross-divisional activities
- Structure of the sustainability management approach reflected in internal & external reporting

The online version of the Sustainability Report is available at:
<https://www.schaeffler-sustainability-report.com>

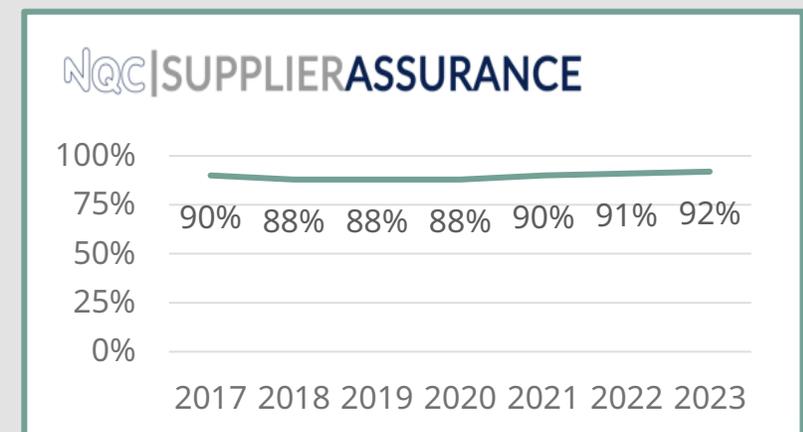
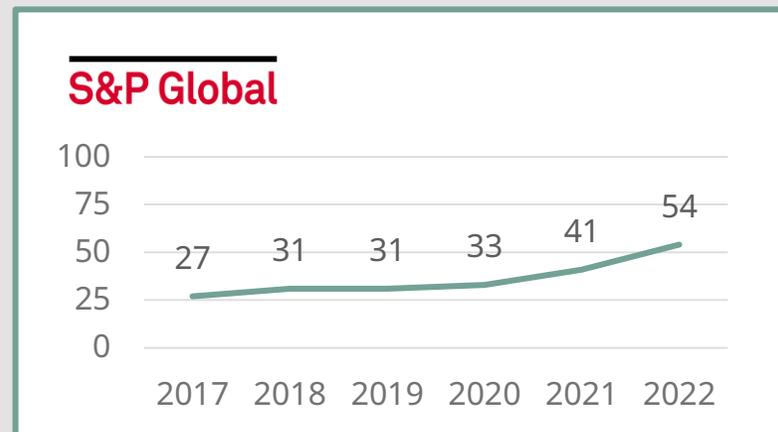
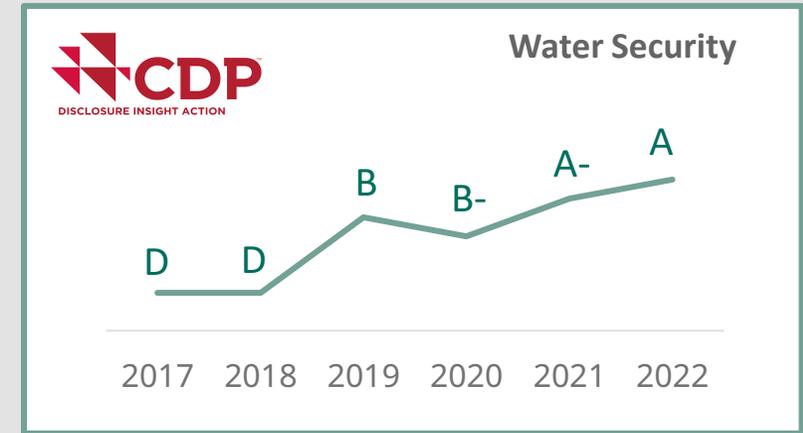
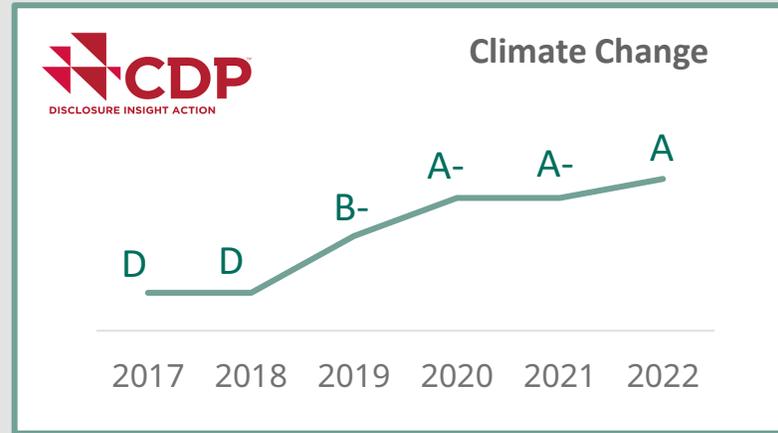
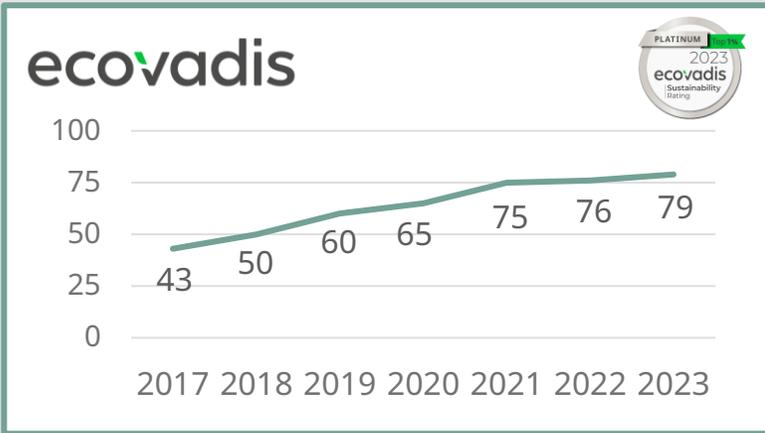
Some highlights of our global Climate Action Day can be viewed at:
<https://youtu.be/VIBpp-3fAYA>



Sustainability Targets – We set clear ESG related targets



Overview Sustainability Ratings – strong track record

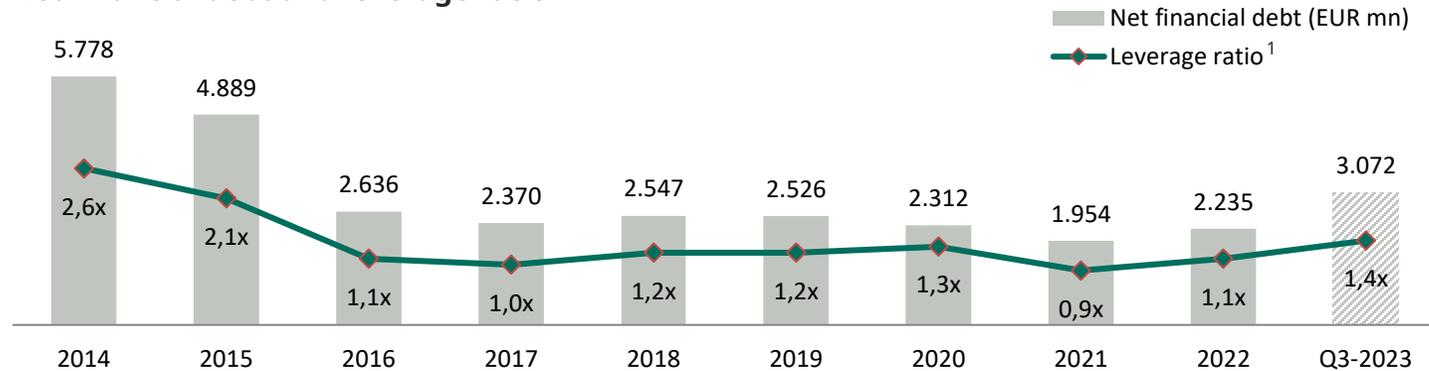


- Credit -

BACKUP

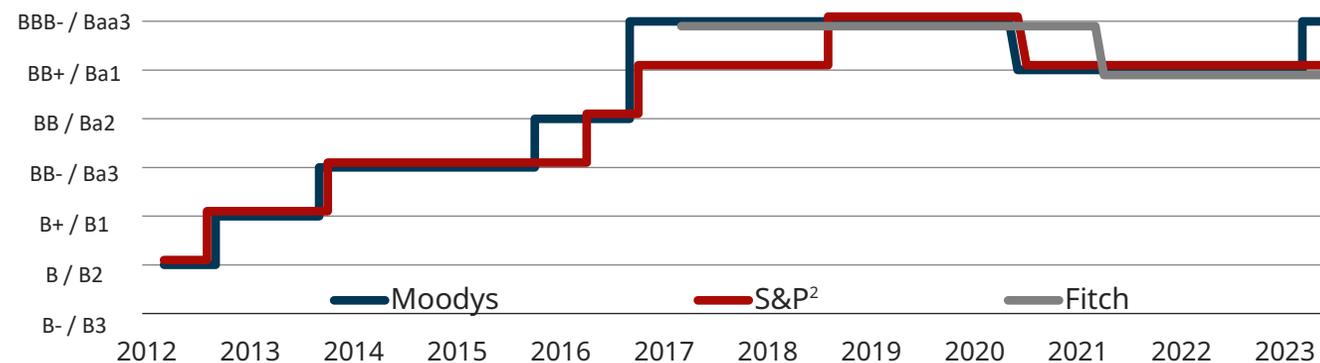
Schaeffler maintains prudent leverage metrics with stable leverage development despite global volatility – Moody’s upgraded Schaeffler’s ratings in March 2023 to Baa3

Net financial debt and leverage ratio



¹ Leverage ratio: Net financial debt to LTM EBITDA before special items

Rating Development Schaeffler AG



² Rating based on combined Schaeffler Group and IHO Group metrics

Key aspects

- Schaeffler’s leverage ratio stood solidly around 1.0x on a full year basis in recent years despite the ongoing transformation in the industry, the corona pandemic and the economic and geopolitical challenges of 2022.
- Leverage ratio increased to 1.4x in Q1 2023 due to the Ewellix acquisition. Schaeffler aims for a leverage ratio in a corridor of 1.25x – 1.75x in line with its Mid-term Targets.
- In its upgrade in March, Moody’s highlighted among others Schaeffler’s solid operating performance despite a challenging global environment as well as its consistently strong credit metrics and excellent liquidity.
- Schaeffler aims to regain investment grade ratings from all rating agencies in the medium to long term.

Current Ratings Schaeffler Group

	FitchRatings	MOODY'S	STANDARD & POOR'S
Corporate Rating	BB+	Baa3	BB+ ²
Outlook	stable	stable	stable
Bond Rating	BB+	Baa3	BB+

² Rating based on combined Schaeffler Group and IHO Group metrics

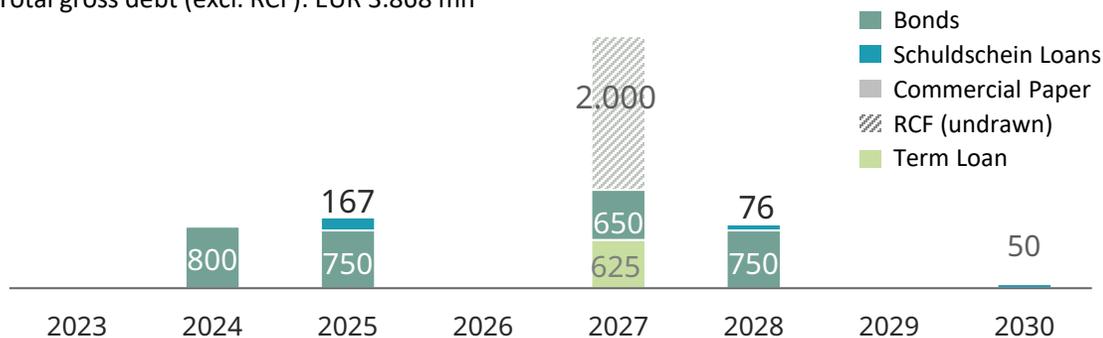
Well balanced financing structure with diversified debt instruments and no maturity in 2023

Finance structure Schaeffler AG | as of September 30, 2023

	Debt Instrument	Nominal (EUR m)	Interest	Maturity	Rating (Fitch/Moody's/S&P)
Loans	RCF (EUR 2,000 m)	-	E+0.725%	Nov-27	Not rated
	Term Loan (EUR)	500	E+1.650%	Nov-27	Not rated
	Term Loan (EUR)	125	undisclosed	Aug-27	Not rated
	Schuldschein Loans (EUR)	293	Ø 4.150%	May-25, 28 & 30	Not rated
CPs	Commercial Paper (EUR)	-	-	-	Not rated
Bonds	1.875% SNs 2024 (EUR)	800	1.875%	Mar-24	BB+/Baa3/BB+
	2.750% SNs 2025 (EUR)	750	2.750%	Oct-25	BB+/Baa3/BB+
	2.875% SNs 2027 (EUR)	650	2.875%	Mar-27	BB+/Baa3/BB+
	3.375% SNs 2028 (EUR)	750	3.375%	Oct-28	BB+/Baa3/BB+
Total Schaeffler Group		3,868	Ø 3.38%		

Maturity Profile Schaeffler AG | as of September 30, 2023 (EUR mn)

Total gross debt (excl. RCF): EUR 3.868 mn



Key aspects

- Schaeffler AG maintains a strong liquidity position with no major maturities in 2023.
- In November 2022 executed early refinancing and increased **RCF to EUR 2.0 bn** to address maturity proactively and prepare liquidity for expected growth in the coming years.
- Signing of new **EUR 500 mn Term Loan** with 5-year maturity to refinance purchase price for Ewellix acquisition alongside November 2022 RCF refinancing as well as a new **EUR 125 mn Term Loan** in August 2023.
- All three facilities **incorporate ESG-linkage of margin** to underline Schaeffler's ESG commitment.
- Schaeffler is regularly updating its **EUR 7.5 bn Debt Issuance Program** in order to be able to enter the bond markets quickly, flexibly and efficiently.
- Since its **Green Schuldschein** debut in 2020, Schaeffler maintained a Green Finance Framework and has published a new **Green & Sustainability-Linked Financing Framework** in August 2023. Schaeffler will continue to reflect its commitment to sustainability in upcoming financings where feasible.