

Schaeffler Group – CEO and CFO update, January 2022

Kepler Cheuvreux German Corporate Conference
January 19th, 2022

We pioneer motion

Disclaimer

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

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Agenda

- 1 Where we stand – Current trading and Key Q3 2021 messages
- 2 Divisional Business Highlights
- 3 Targets

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- 1** Where we stand – Current trading and Key Q3 2021 messages
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Solid Q3 2021 – Automotive Technologies sales hampered by market, EBIT margin² and FCF³ successfully protected

Key messages

- 1 Q3 Group sales¹ -3.0% – Automotive Technologies sales realization hampered by market disruptions, strong growth in Automotive Aftermarket and double-digit in Industrial
- 2 Q3 EBIT margin² 8.2% – Effective margin protection in Automotive Technologies despite lower volumes, strong margin in Automotive Aftermarket and Industrial
- 3 Q3 FCF³ EUR 225 mn – Supported by higher EBITDA; counter-balanced by increased Capex and tactically higher inventories
- 4 9M ROCE⁴ peaked at a strong 18.0% (9M 20: 8.0%) – Supported by above average LTM earnings and proactive capital management
- 5 Automotive Technologies Operating Model sharpened to boost execution of our “Mature and New” approach – Further differentiating powertrain-specific and powertrain-agnostic businesses
- 6 FY 2021 Guidance confirmed for Group and divisional margins and FCF – Auto Technologies Outperformance guidance unchanged, Industrial top line raised

¹ FX-adjusted | ² Before special items | ³ Before cash in- and outflows for M&A activities | ⁴ Before special items, LTM

Sales growth¹ Q3

-3.0%

EUR 3,332 mn

Gross margin Q3

23.8%

Q3 2020: 23.5%

EBIT margin² Q3

8.2%

EUR 272 mn

Free Cash Flow³ Q3

EUR 225 mn

Q3 2020: EUR 333 mn

Schaeffler Group Q3 2021 – Highlights and lowlights



Automotive Technologies once again with strong Outperformance of 750 bps in Q3 (9M: 660 bps); all regions outperforming despite weaker markets



Automotive Aftermarket sales profiting from increasing demand for individual mobility solutions



Industrial growth in Q3 driven by brisk economic recovery, all sector clusters growing except Wind and Railway



Being an Automotive and Industrial supplier pays off, and leads to margin resilience; strong FCF for each division and the whole Group, despite persisting high uncertainty

¹ Light Vehicle Production



Semiconductor shortage led to extremely low LVP¹ in Q3, indirectly impacting volumes in Automotive Technologies across all regions



General market headwinds – Semiconductor shortage, Covid-19 variants and supply chain situation – are persisting with low visibility

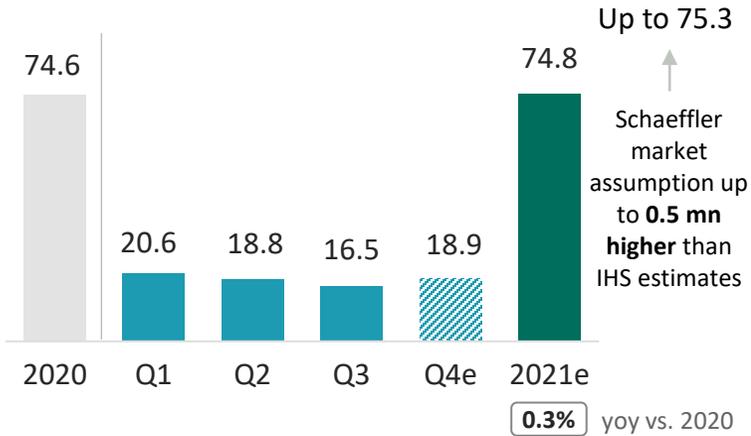


Costs for raw materials, energy and transportation increasing in Q3 as flagged, impacting H2 2021 with a lag

Our Outlook going forward – What changed in our market assumptions since August

As shown on
November 9, 2021

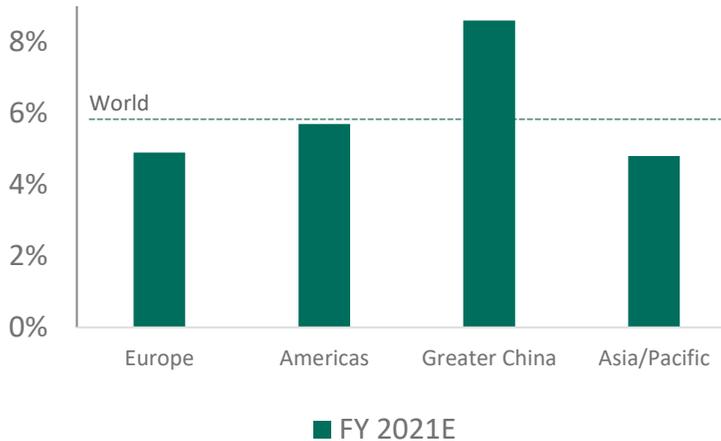
Automotive Technologies – Global LVP¹ 2021



- Schaeffler market assumption at the FY release was ~ 80 mn vehicles (5 mn discount to IHS, Feb. 2021)
- After a strong Q1, the LVP¹ in Q2 and even more in Q3 was strongly impacted by the semiconductor shortage
- For Q4, Schaeffler anticipates a moderate upside of up to 0.5 mn vehicles vs. IHS estimates

¹ Light Vehicle Production (IHS Markit, October 2021)

Automotive Aftermarket – GDP²



- World GDP expected to reach 5.9% growth in 2021 (2020: -3.4%) fueled by economic recovery after the Coronavirus crisis
- Global GDP growth expectation for FY 2021 slightly reduced compared to the previous prognosis from June 2021 (6.3%)

² GDP (Oxford Economics, September 2021)

Industrial – Industrial Production³



- Global industrial production expected to grow by 12.0% in 2021 (last release: 11.9%)
- Strong market development across all regions, mainly driven by Greater China and Americas; fastest growing sector was the mechanical engineering sector (~ 13%)

³ Industrial Production (Oxford Economics, Sept. 2021)
Sectors: Mechanical Engineering (NACE 28), Transport Equipment (NACE 30), Electrical Equipment (NACE 27.1)

FY 2021 Guidance – Group and divisional margins and FCF confirmed

As shown on
November 9, 2021

Group Guidance

	Guidance Aug 4 ⁴ FY 2021	Guidance Nov 9 ⁴ FY 2021
Sales growth¹	> 11%	> 7%
EBIT margin²	8 - 9.5%	8 - 9.5%
Free Cash Flow³	> EUR 400 mn	> EUR 400 mn

¹ FX-adjusted | ² Before special items | ³ Before cash in- and outflows for M&A activities | ⁴ Release Date
⁵ Light Vehicle Production (IHS Markit, October 2021)

Divisional Guidance

Automotive Technologies		Automotive Aftermarket		Industrial	
Aug 4 ⁴	Nov 9 ⁴	Aug 4 ⁴	Nov 9 ⁴	Aug 4 ⁴	Nov 9 ⁴
Outperf. 200 - 500 bps	Outperf. 200 - 500 bps	>10%	> 10%	9 - 11%	11 - 13%
> 6%	> 6%	> 12.5%	> 12.5%	> 10.5%	> 10.5%

New market assumptions for Fiscal Year 2021

- Automotive Technologies: LVP 2021 up to 0.5 mn vehicles higher than latest IHS estimate⁵ of 74.8 mn vehicles
- Automotive Aftermarket: Increase of global GDP by around 6%
- Industrial: Increase of relevant industrial production of around 12%

Current Trading

NEW

- 1 Good finish of FY 2021 – December sales better than expected, helped by sequential improvement in global LVP in Q4
- 2 Guidance for FY 2021 confirmed – Outperformance in Automotive Technologies expected at the upper end of the guidance range
- 3 Cost inflation / Raw Materials – More severe impact in 2022, unsurprisingly it will be the key earnings headwind going forward
Automotive Technology margin guidance for 2022 will be below guidance 2021, and consistent with AT Mid Term Targets
- 4 Execution – Restructuring program successfully closed, FCF to absorb the payouts in 2022, benefits expected in 2023/2024 as hinted
- 5 Outlook – Decent start into 2022, Guidance will be announced in March. Both our financial 2025 Mid-term Targets and our climate neutrality Sustainability Targets remain our reference in measuring the success of our Roadmap

- **FY 2021 guidance confirmed for Group and Divisions**
- **FY 2022 guidance will be announced in March – Divisional margins to be expressed as floors**

Gross margin – Managing input cost inflation

Impact of input cost inflation (Gross effect)

- As flagged in roadshows in November and December, input prices continued to increase in Q4
 - Steel accounts for 65% of our production material
 - Logistics and energy cost follow the same trend
- In Q3 2021, 100 bps¹ gross margin impact from Raw Materials, Energy and Logistics, increase to 200 bps¹ in Q4 2021, as flagged
- In Q4 2021, material price indices stabilized on a higher-than-expected level; we now forecast between 350 and 450 bps¹ of headwind on average in FY 2022, (before: 200 bps¹ with front-loaded phasing)

How we mitigate (Net effect)

- Pricing dynamics is different among divisions and businesses, and price recovery is in most cases partial, and with a time lag
 - In Automotive Technologies, price recovery mostly relies on one-to-one customer negotiations, which differ among customers and regions; overall positive feedback, constructive conversations and negotiations with Customers regarding input cost; we expect the process to be concretized by end of March
 - In Industrial, pricing initiatives are showing positive effects and mix is favorably developing

¹ On a gross basis vs. H1 2021

Conclusion & Outlook

- 1 Automotive Technologies strongly outperformed a weaker market, strong Aftermarket and Industrial sales support evidence of “Automotive & Industrial Supplier” resilience paying off

- 2 Margins and FCF solid, also supported by tactical mitigating actions, as external headwinds - raw materials, energy, freight - continue to be challenging

- 3 Underlying cash flow remains strong – Dividend policy unchanged; strong focus on M&A pipeline

- 4 Sustainability focus intensifying – Strategically with Scope 3 upstream targets. Operationally, increasingly embedded in product innovation, investments and operations, and sourcing

- 5 FY 2021 Margins and FCF guidance confirmed – Preparedness to face increased input costs for longer, related to raw materials, energy and transportation costs; high confidence in sustainably growing our business and leveraging Automotive and Industrial competitive edge

**Relentless focus on execution –
Delivering solid operating performance and cash generation**

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Roadmap 2025 – Building on our strong foundations and innovating as diversified Automotive and Industrial Group

Automotive Technologies

Mature

We **HARVEST** with our enabler-Technologies

We **EXIT/DIVEST** expiring businesses & consolidate our footprint

New

We **BUILD** Competencies in Power Electronics & Hydrogen

We **GROW** in Electrified Powertrains

We drive the transition to innovative propulsion and chassis technologies, to conquer leadership positions in New Business

Automotive Aftermarket



Platform business

- One-stop-shop
- Consolidated distribution



Advanced repair solutions & services

- Plug & Play solutions
- Also available for hybrids



Wheel bearings for passenger cars

- Independent of drive train
- High-performance parts

We capture growth opportunities in new markets and maintain a high margin level

Industrial

Driving innovation with systems and services

Robotics solutions



Wireless condition monitoring



Hydrogen solutions



Pushing growth in our core business

Large-size wind bearings



Rail bearings



Agricultural technologies

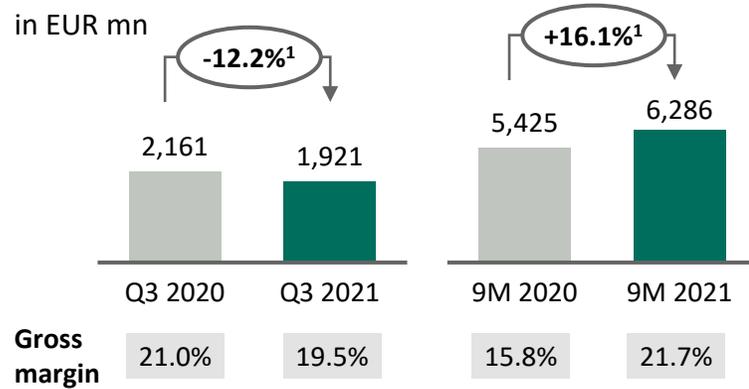


We further build on our profitability track record, while entering in promising new technologies

Automotive Technologies – Strong Outperformance, effective margin protection

Sales

in EUR mn

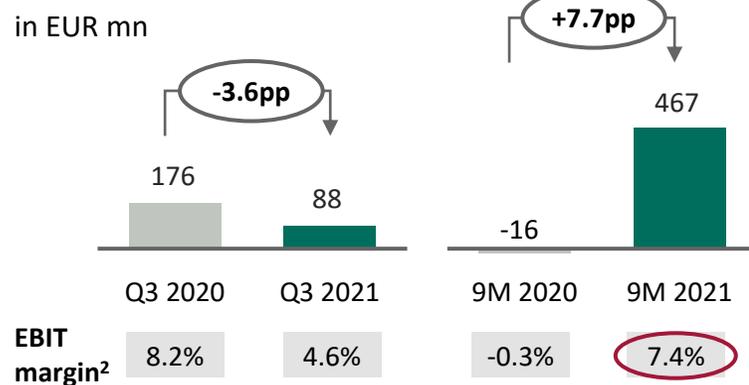


Sales by business division | yoy growth

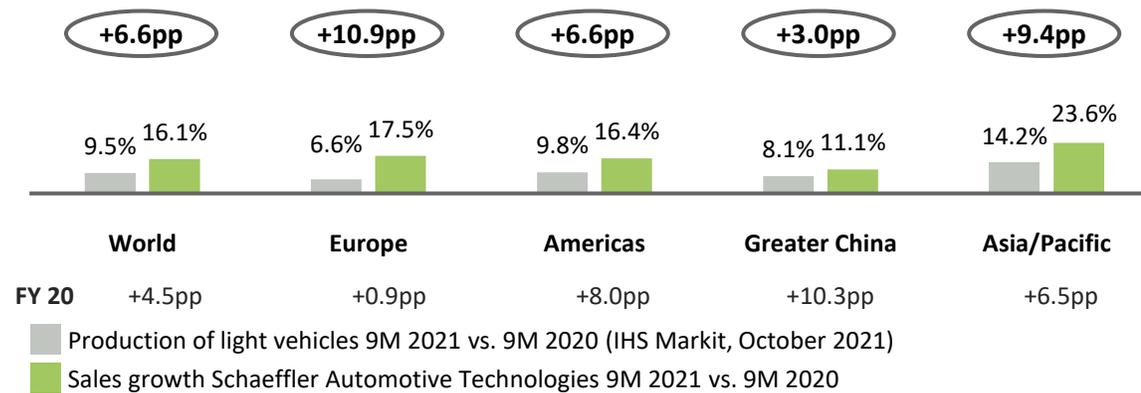
	9M 2020	9M 2021	Δ ¹
E-Mobility	719	883	+22.4%
Engine Systems	1,425	1,603	+13.5%
Transmission Systems	2,439	2,819	+16.5%
Chassis Systems	842	982	+16.8%
Total	5,425	6,286	+16.1%

EBIT²

in EUR mn



Outperformance: Sales¹ vs. market development in 9M

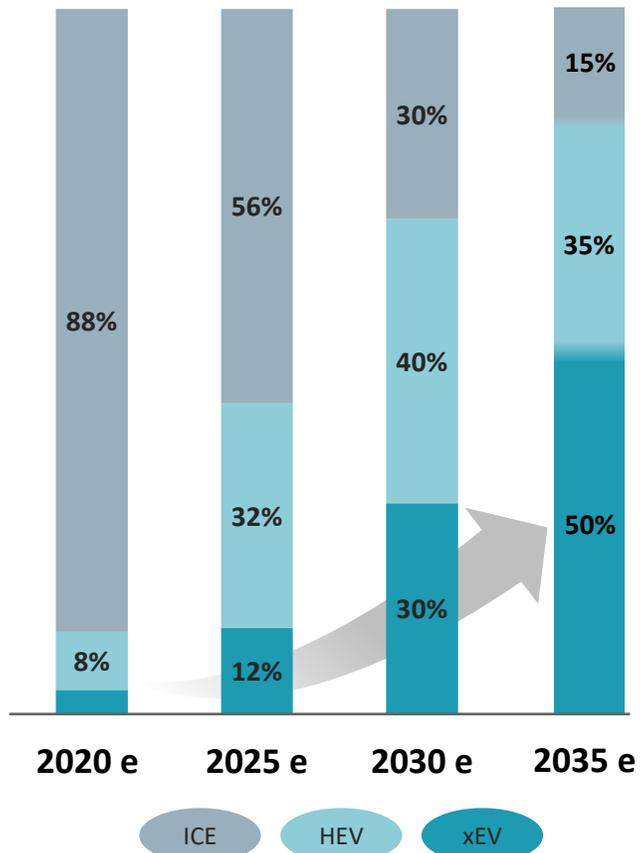


¹ FX-adjusted | ² Before special items

Vision Powertrain 2035 – Electrification is further accelerating

Vision Powertrain 2035

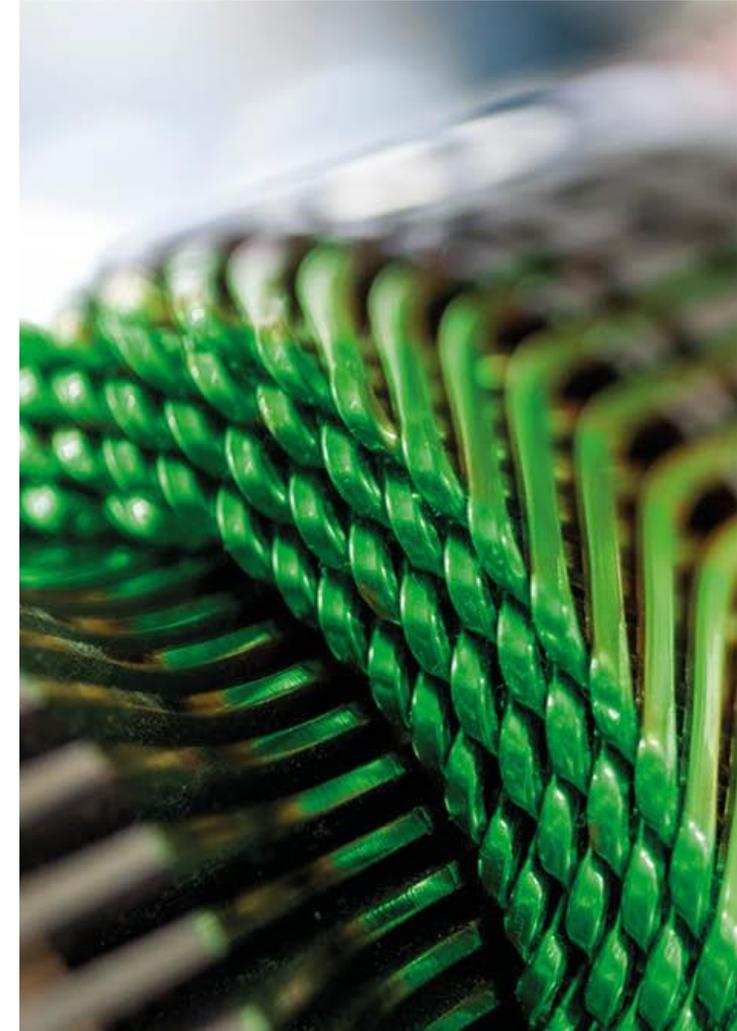
Global Light Vehicle Production



We drive the transition to innovative propulsion systems

HEV as transition technology will reach tipping point in 2030

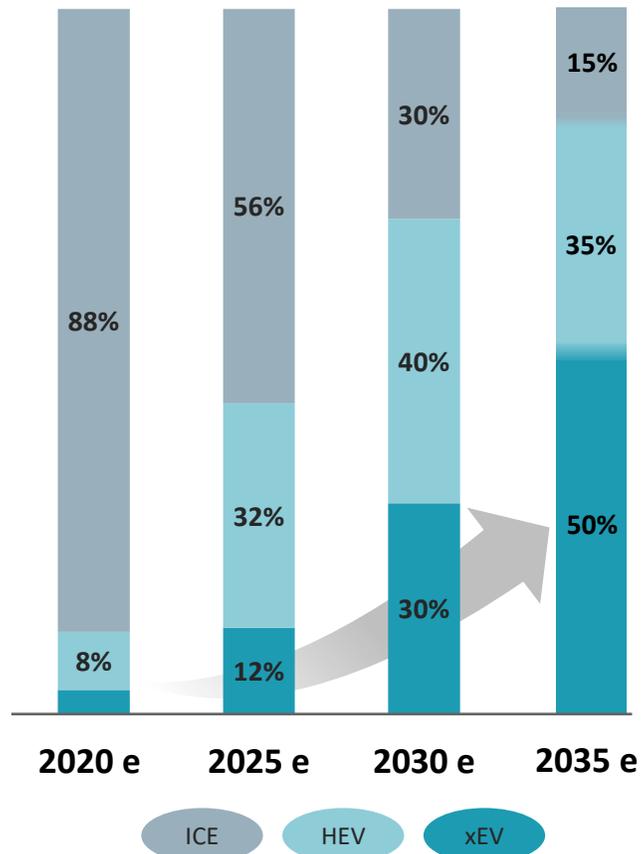
Electrification is further accelerating

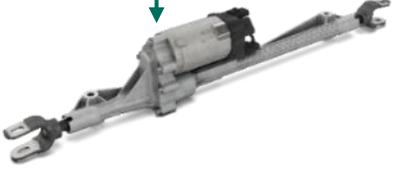


We actively manage our Product Portfolio – Harvesting the Mature, Growing the New Business

Vision Powertrain 2035

Global Light Vehicle Production



	Mature Business		New Business	
	Products for ICE and HEV	Powertrain agnostic ¹ products	Powertrain agnostic ¹ products	Products for Electrified Powertrains
ICE	↘	↘	↗	
HEV	↗	↗	↗	↑
xEV		↑	↑	↑
Example		 <p>Ball Screw Drive for Steering</p>	 <p>Rear Wheel Steering</p>	 <p>3in1 e-Axle</p>

¹ Independent from powertrain type

↘ Decreasing potential
 ↗ Increasing potential
 ↑ Strongly increasing potential

Eco-system – Optimizing our leading technological platform, leveraging our strong industrialization capabilities

Mature Business

We
HARVEST
with our
Enabler-Technologies

We
EXIT/DIVEST
expiring businesses &
consolidate our footprint

New Business

We
BUILD
Competencies in
Power Electronics &
Hydrogen

We
GROW
in Electrified
Powertrains

How we harvest Mature Business

- We right-size investments and resource allocation in our Mature business by consequently reducing investments in ICE technologies (Reinvestment Rate <1)
- We leverage our synergies in Mature even more, by combining the Engine and Transmission business
- We aim to become the market leader in the powertrain agnostic Automotive Bearings market
- We EXIT/DIVEST expiring businesses like chain drive systems and further consolidate our European footprint

Our Mature business provides the foundation and industrialization scale and funds our New business

Eco-system – Creating a leading technological platform with strong industrialization capabilities

Mature Business

We
HARVEST
with our
Enabler-Technologies

We
EXIT/DIVEST
expiring businesses &
consolidate our footprint

New Business

We
BUILD
Competencies in
Power Electronics &
Hydrogen

We
GROW
in Electrified
Powertrains

Growing our New Business

- We continuously leverage our Automotive + Industrial supplier eco-system – Our New Business thrives on the strong foundations of the Mature
- We harness synergies between Automotive Technologies, Automotive Aftermarket and Industrial, even more in New Business fields like E-Motors or Hydrogen
- We complement our portfolio organically but also inorganically by acquisitions, JVs or cooperations
- We remain open to new collaborations in our future growth fields E-Mobility, Fuel Cells and Chassis Mechatronics

Compact
Dynamics

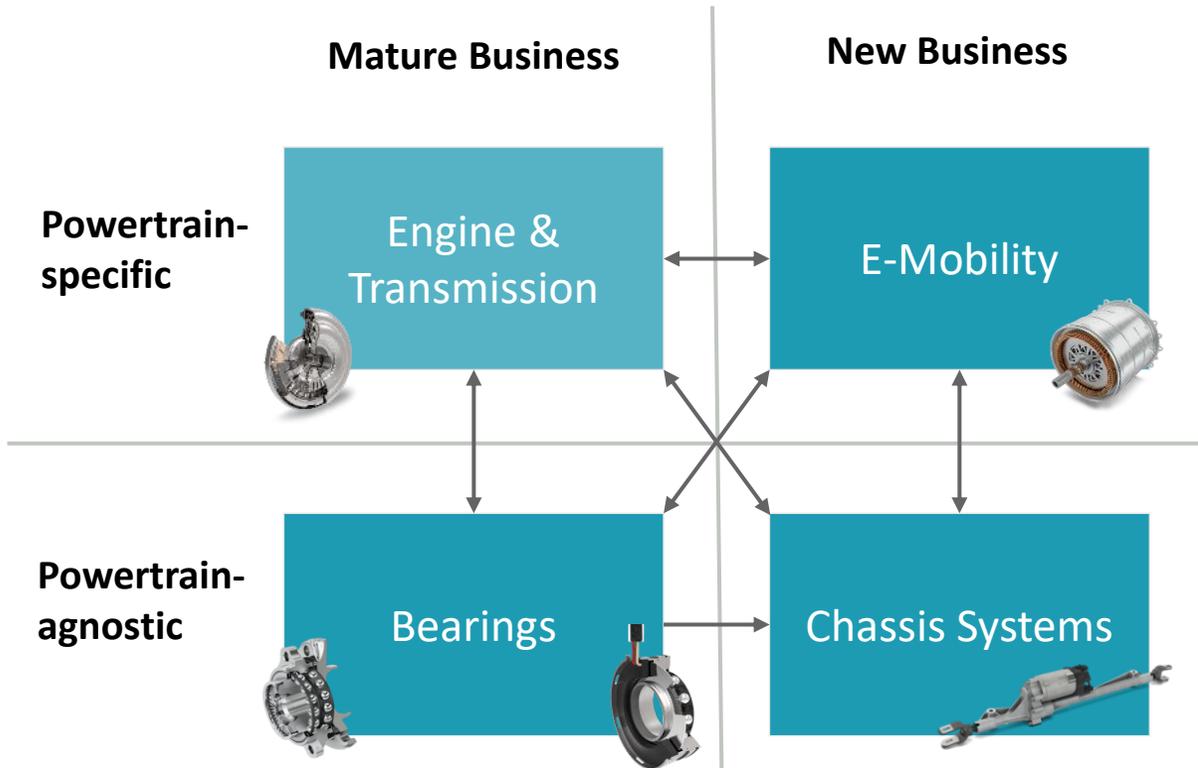


ELMOTEC STATOMAT



Strong manufacturing and technological platform works like an eco-system, integrating collaborations

Automotive Technologies Operating Model sharpened



Key aspects

- We sharpen our Operating Model in Automotive Technologies, consistent with our goals to:
 - Lead in E-Mobility, technological edge and innovation
 - Strengthen Chassis system business as second pillar of the Division
 - Extract higher synergies with business for conventional powertrains (Engine & Transmission Systems)
 - Leverage our powertrain agnostic automotive bearings business and our synergies with the Industrial division
- We increasingly differentiate our steering of resources, capital and growth

Operating Model sharpened to further boost execution of “Mature & New” and “Powertrain-agnostic & -specific” approach

Automotive Technologies – How we win: Driving the transition to innovative Powertrain and Chassis Technologies



Investment in state-of-the-art sustainable E-Mobility plant



Schaeffler & Mobileye are advancing the industrialization of autonomous vehicles

Schaeffler at IAA 2021: Showcasing our technology competencies



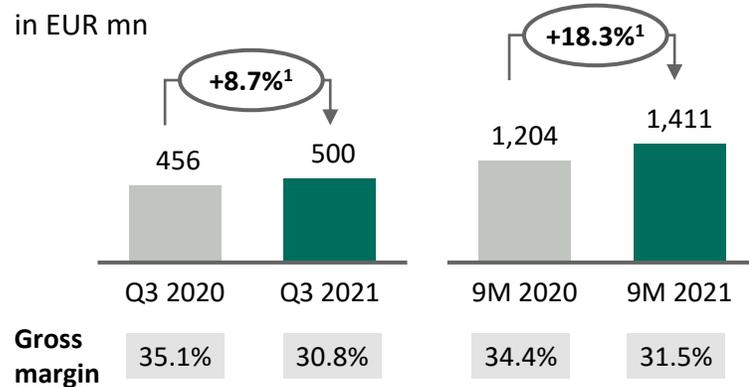
Schaeffler wins prestigious 2021 Automotive News PACE Awards for E-Mobility



Automotive Aftermarket – Strong sales development in Q3, good margin on high comps

Sales

in EUR mn

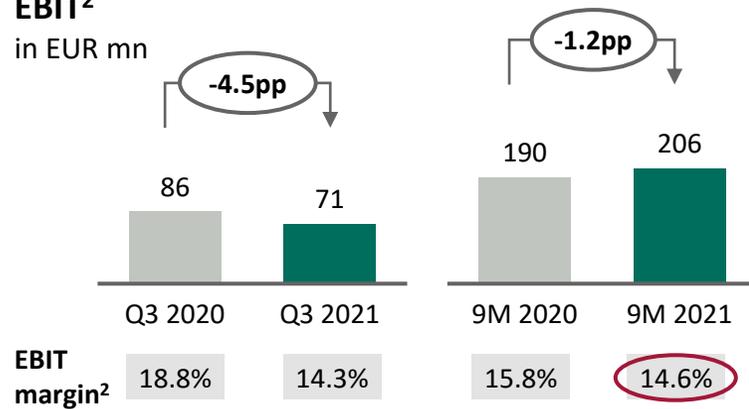


Sales by region | yoy growth

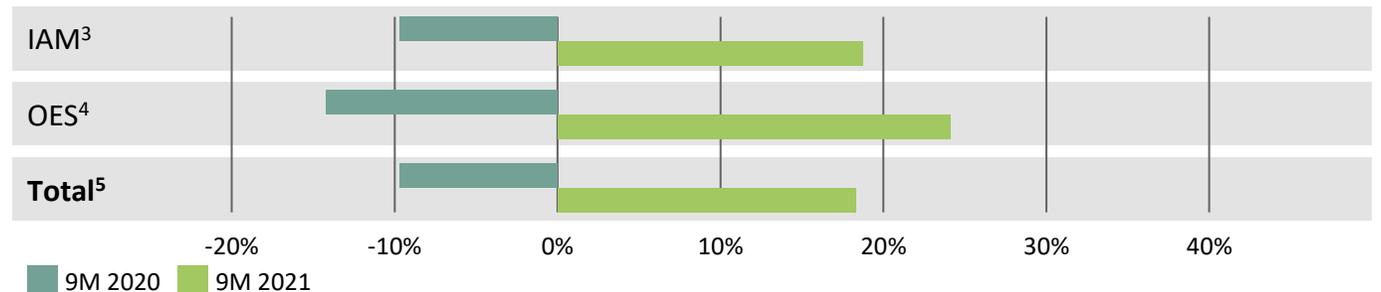
	9M 2020	9M 2021	Δ ¹
Europe	875	985	+13.2%
Americas	216	271	+34.0%
Greater China	57	78	+34.8%
Asia/Pacific	56	78	+44.0%
Total	1,204	1,411	+18.3%

EBIT²

in EUR mn



Automotive Aftermarket sales growth by channel¹



³ Independent Aftermarket | ⁴ Original Equipment Service | ⁵ Contains E-Commerce sales and sales to Automotive suppliers in addition to IAM and OES

¹ FX-adjusted | ² Before special items

Automotive Aftermarket – How we win: REPERT Remote Support is the next level digital service for garages



Conventional technical support methods reach their limitations when it comes to complex, demanding vehicle repairs

- Service technicians increasingly report difficulties in resolving technical inquiries via telephone or email

Schaeffler launches a Microsoft Dynamics 365 based technical support solution for smartphones, tablets or HoloLens

- Images and sound transmitted in real time
- Mixed reality to accurately visualize positions and rotational directions
- No access barriers or licenses cost for garages

Free of charge
for garages

Fast login via
QR code

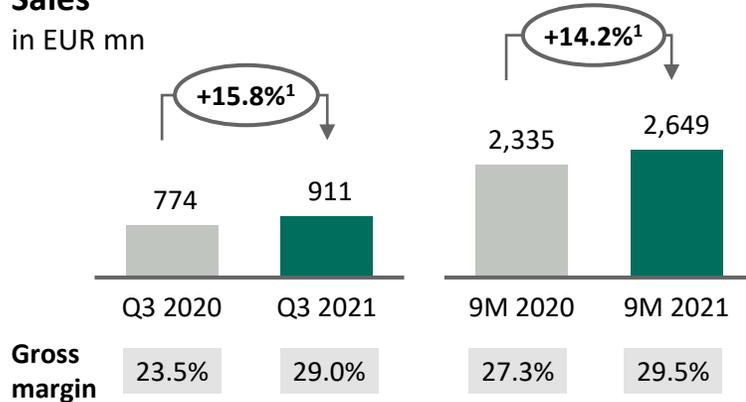
Available in
Europe already in
2021

REPERT Remote Support enables complex technical repairs and promotes direct contact to garages

Industrial – Double-digit sales growth, EBIT margin² above 12%

Sales

in EUR mn

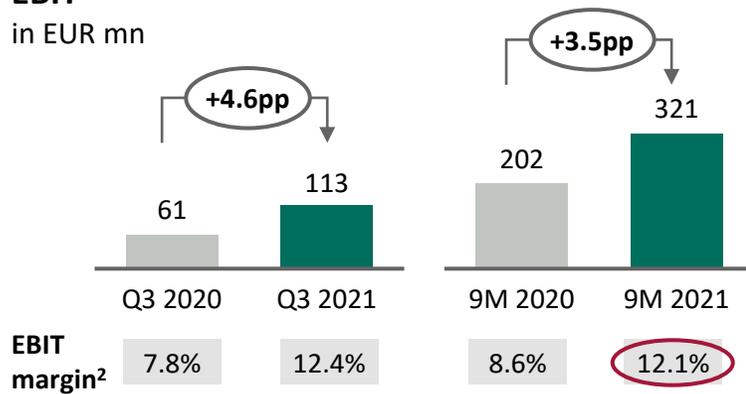


Sales by region | yoy growth

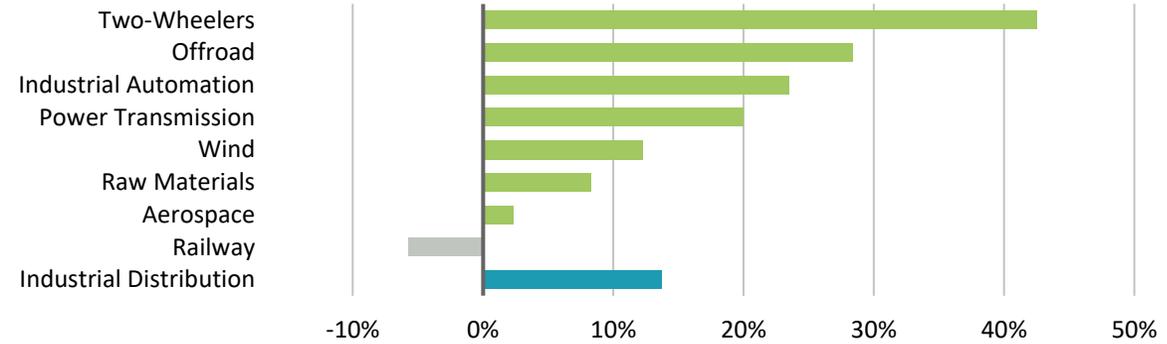
	9M 2020	9M 2021	Δ ¹
Europe	973	1,071	+10.5%
Americas	396	436	+15.3%
Greater China	639	756	+17.7%
Asia/Pacific	328	385	+20.4%
Total	2,335	2,649	+14.2%

EBIT²

in EUR mn



Industrial sales growth by sector cluster 9M 2021¹



¹ FX-adjusted | ² Before special items

Industrial – How we win: Railsponsible Supplier Award 2021 in the category “Climate Change and Circular Economy”



Railway Supplier
Award

- Supply model with **direct availability** and **100 percent return service**
- Circular approach **reducing CO₂ emissions**, energy and water consumption **by approx. 95 percent**
- Combining **customer value** with **key sustainability aspects**



Synergies – Automotive and Industrial cross-fertilization leveraging Offroad & E-Motor



- **New E-Mobility business for Offroad applications** based on close cooperation between divisions
- Customer intimacy and application knowledge of the **Industrial Division**
- **Automotive** E-motor technology know-how



Capital allocation – Capex ratio increased to 6.4% in Q3, investments in growth business

Investment¹ allocation | in EUR mn

	FY 19	FY 20	Q3 20	Q3 21	9M 21
Automotive Technologies	672	378	86	127	273
Automotive Aftermarket	67	26	13	5	12
Industrial	193	235	72	66	154
Schaeffler Group	933	639	171	198	439
Capex	1,045	632	181	215	482
Capex ratio²	7.2%	5.0%	5.3%	6.4%	4.7%
Reinvestment Rate	1.0	0.7	0.7	0.9	0.7

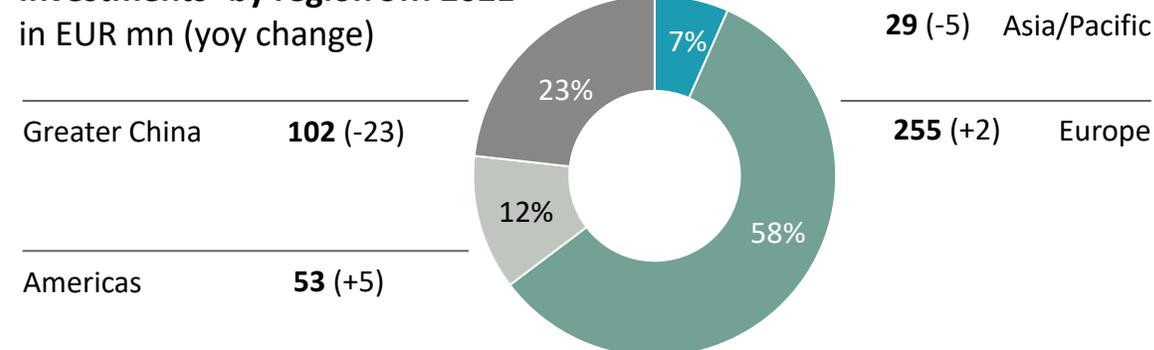
¹ Additions to intangible assets and property, plant and equipment | ² Capex in % of sales

Key aspects Q3

- Reinvestment rate: clearly >1 in Industrial division and BD E-Mobility; consistently <1 in BD Transmission Systems and Engine Systems
- Automotive Technologies: continued prioritization drives investments; machinery investments for E-Motor production in Hungary
- Industrial: investments for capacity expansion of large size bearings in Nanjing, China; new hall for Railway bearings in Brasov, Romania

Investments¹ by region 9M 2021

in EUR mn (yoy change)

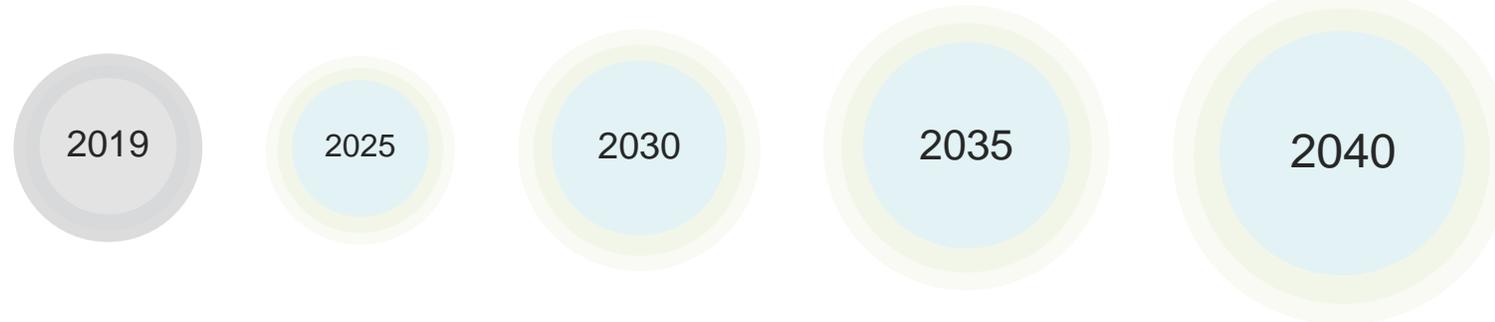


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Sustainability – New step on our path to Climate Neutrality

Long-Term Sustainability Targets



	<i>Base Year</i>	Climate Neutral Production	Climate Neutral Company
Scope 3 upstream		-25%	-90%*
Scope 1 + 2	-75%	-90%*	
Scope 3 downstream	<i>Not included</i>		

* Residual emissions are to be compensated

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

Mid-term Targets until 2025

Mid-term Targets

Automotive Technologies

Outperformance¹

200 to 500 bps

on average²

4 to 6%

EBIT margin before special items⁴

Automotive Aftermarket

FX-adj. sales growth

> GDP growth

on average²

13 to 15%

EBIT margin before special items⁴

Industrial

FX-adj. sales growth

> IP growth

on average^{2 3}

12 to 14%

EBIT margin before special items⁴

Schaeffler Group

ROCE

12 to 15%

based on EBIT reported⁴

FCF conversion

0.3 to 0.5

based on EBIT reported^{4 5}

¹ FX-adj. sales growth above Light Vehicle Production (IHS) | ² from 2021 to 2025 | ³ Industrial Production (Oxford Economics) | ⁴ latest in 2023 | ⁵ before cash in- and outflows for M&A

Equity Story – Positioning Schaeffler for long-term value creation

- 1 Roadmap 2025 in execution – Focus on capital allocation, portfolio management and FCF generation

- 2 Automotive Technologies – Conquer leadership positions in New Business for electrified Powertrains and Chassis applications

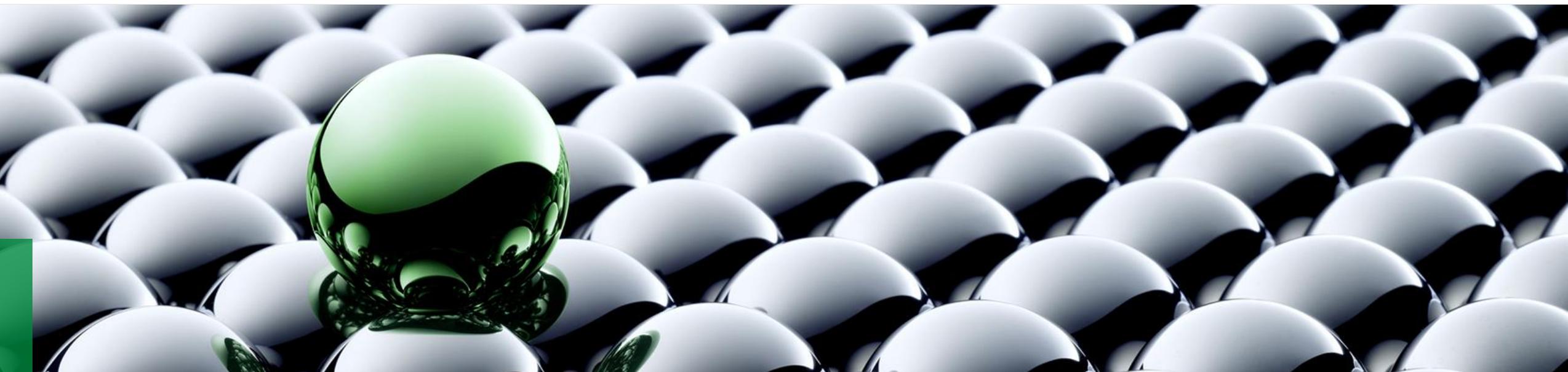
- 3 Automotive Aftermarket – Maintain a high margin level, expand our share of wallet and reach

- 4 Industrial – Enter attractive growth fields, further enhance profitability

- 5 Financial Framework – Strict performance orientation based on Mid-term Targets

- 6 Sustainability – Fully committed to activate all impact levers to achieve sustainability goals

Creating long-term
value and generating
Free Cash Flow



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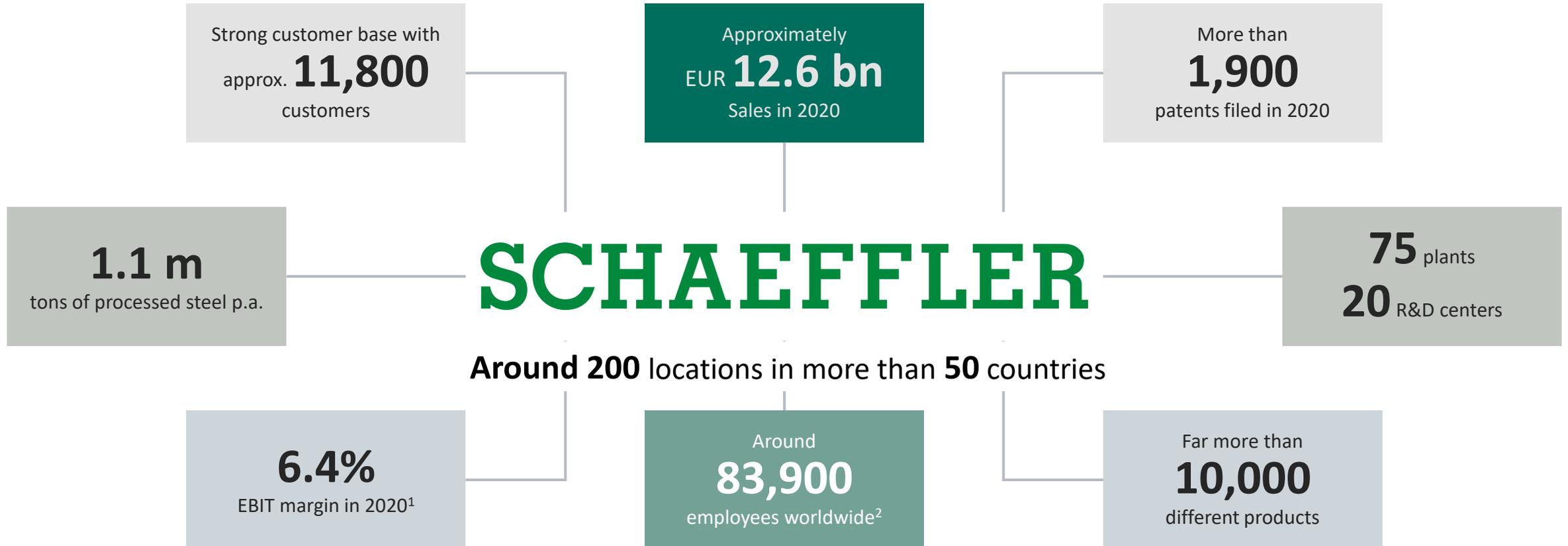
We pioneer motion

Back up

1 Schaeffler Group overview

2 Q3 2021 details

Schaeffler in facts – strong starting point

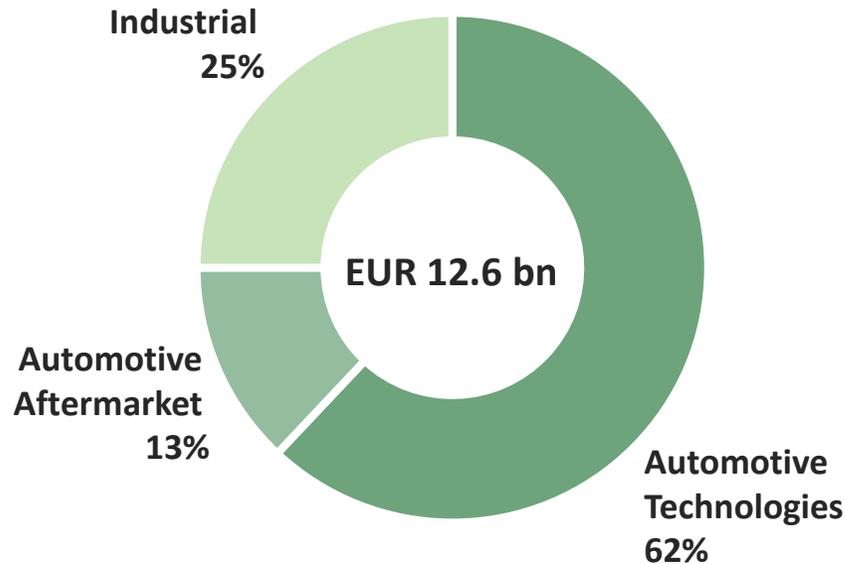


¹ Before special items | ² As at September 30, 2021

Schaeffler Group at a glance – We are an Automotive and Industrial supplier

3 Divisions

In % of FY 2020

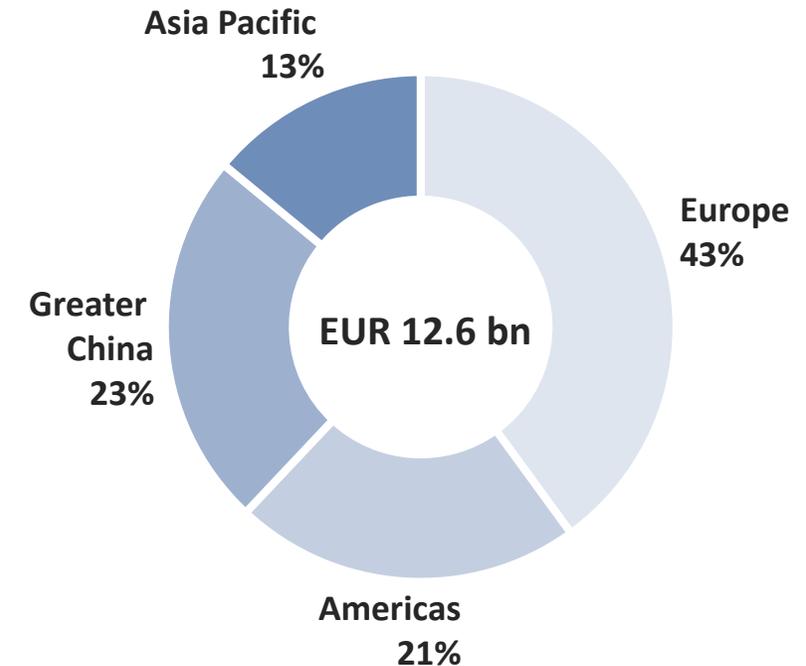


Schaeffler Group

- **Leading positions in technology and innovation**
- **10 customer sectors**
- **Market leading offering from components and systems to services**
- **75 plants and 20 R&D centers**
- **~83,000 employees in more than 50 countries**

4 Regions

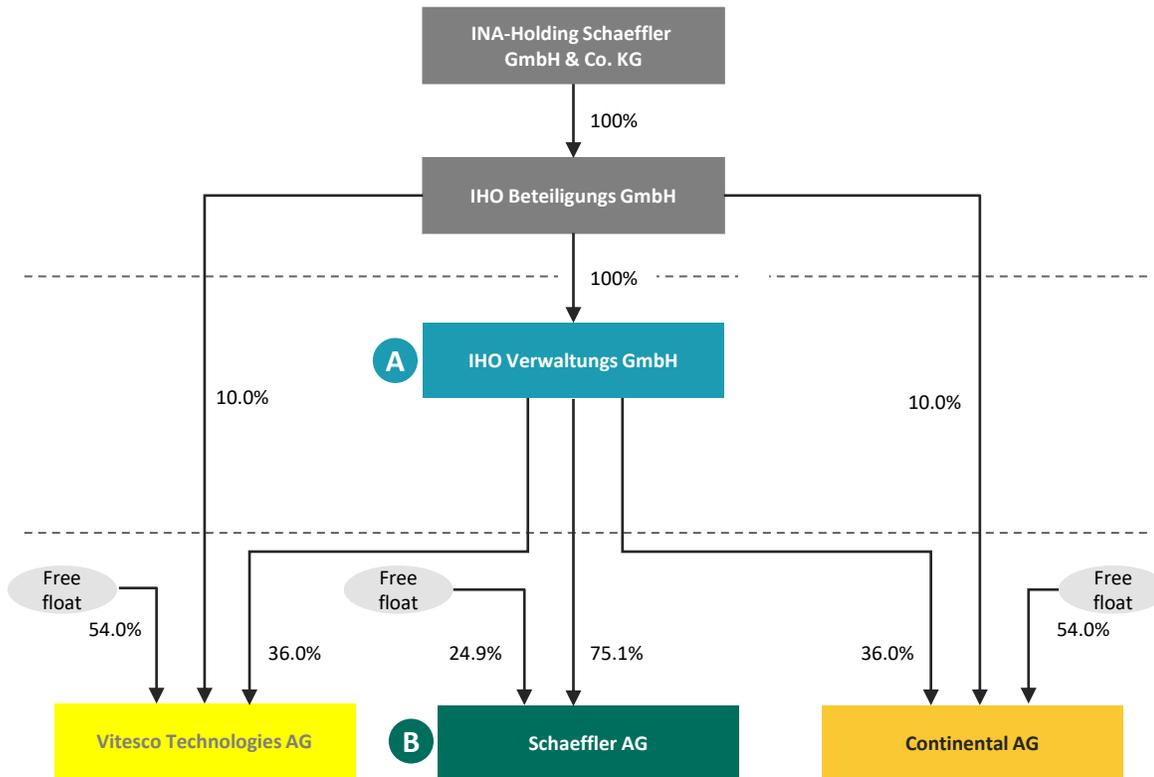
In % of FY 2020



Well-diversified Automotive and Industrial supplier with global reach and synergistic businesses

Overview Corporate and Financing Structure

Corporate structure (simplified) | as of September 30, 2021



Financing structure | as of September 30, 2021

A IHO Verwaltungs GmbH

	Debt instrument	Nominal (USD m)	Nominal (EUR ¹ m)	Interest	Maturity	Rating (Fitch/Moody's/S&P)
Loans	RCF (EUR 800 m)	-	200	E+2.25%	Dec-24	Not rated
	Bridge Facility (EUR 400 m)	-	0	E+3.00%	Feb-22	Not rated
Bonds	3.625% SSNs 2025 (EUR)	-	800	3.625%	May-25	BB/Ba2/BB-
	3.75% SSNs 2026 (EUR)	-	750	3.75%	Sep-26	BB/Ba2/BB-
	4.75% SSNs 2026 (USD)	500	432	4.75%	Sep-26	BB/Ba2/BB-
	3.875% SSNs 2027 (EUR)	-	500	3.875%	May-27	BB/Ba2/BB-
	6.00% SSNs 2027 (USD)	450	389	6.00%	May-27	BB/Ba2/BB-
	6.375% SSNs 2029 (USD)	400	345	6.375%	May-29	BB/Ba2/BB-
Total IHO Verwaltungs GmbH			3,416	Ø 3.75%^{2,3}		

B Schaeffler AG

	Debt instrument	Nominal (USD m)	Nominal (EUR ¹ m)	Interest	Maturity	Rating (Fitch/Moody's/S&P)
Loans	RCF (EUR 1,800 m)	-	-	E+0.80%	Sep-24	Not rated
	Schuldschein Loans (EUR)	-	557 ⁴	Ø 1.65%	May-23, 25, 28 & 30	Not rated
CP	Commercial Paper Program (EUR)	-	-	-	-	Not rated
Bonds	1.125% SNs 2022 (EUR)	-	545	1.125%	Mar-22	BB+/Ba1/BB+
	1.875% SNs 2024 (EUR)	-	800	1.875%	Mar-24	BB+/Ba1/BB+
	2.750% SNs 2025 (EUR)	-	750	2.750%	Oct-25	BB+/Ba1/BB+
	2.875% SNs 2027 (EUR)	-	650	2.875%	Mar-27	BB+/Ba1/BB+
	3.375% SNs 2028 (EUR)	-	750	3.375%	Oct-28	BB+/Ba1/BB+
Total Schaeffler Group			4,052	Ø 2.47%³		

¹ EUR/USD = 1.1579 | ² After cross currency swaps | ³ Incl. commitment and utilization fees | ⁴ On October 4, 2021, Schaeffler AG has terminated variable SSD tranches in the amount of EUR 259 m. The early repayment will be made on November 11, 2021.

Back up

1 Schaeffler Group overview

2 Q3 2021 details

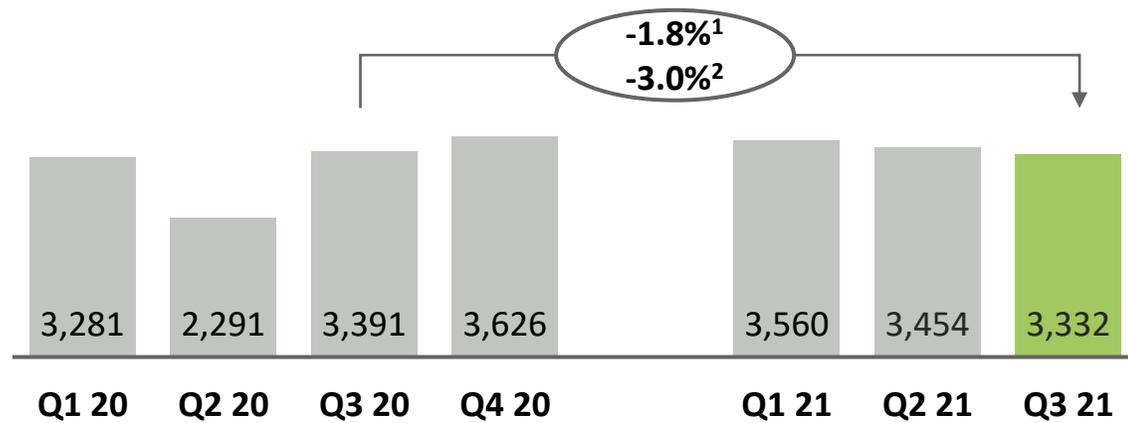
Key figures Q3 and 9M 2021

in EUR mn	Q3 2020	Q3 2021	Q3 2021 vs. Q3 2020	9M 2020	9M 2021	9M 2021 vs. 9M 2020
Sales	3,391	3,332	-1.8% -3.0% ¹	8,964	10,346	+15.4% +15.9% ¹
Gross Profit	796	793	-3 mn	1,907	2,593	+686 mn
Gross margin	23.5%	23.8%	+0.3pp	21.3%	25.1%	+3.8pp
EBIT²	322	272	-50 mn	376	994	+618 mn
EBIT margin²	9.5%	8.2%	-1.3pp	4.2%	9.6%	+5.4pp
Net income³	-171	149	+320 mn	-531	611	+1,142 mn
EPS⁴ (in EUR)	-0.26	0.22	+0.48	-0.79	0.92	+1.71
Schaeffler Value Added⁵	-164	631	+795 mn	-164	631	+795 mn
ROCE⁶	8.0%	18.0%	+10.0pp	8.0%	18.0%	+10.0pp
Free Cash Flow⁷	333	225	-108 mn	185	468	+283 mn
Capex	181	215	+34 mn	481	482	+1 mn
Net financial debt	2,688	2,014	-674 mn	2,688	2,014	-674 mn
Leverage ratio⁸	1.6x	0.8x	-0.8x	1.6x	0.8x	-0.8x
Headcount	83,711	83,935	+0.3%	83,711	83,935	+0.3%

¹ FX-adjusted | ² Before special items | ³ Attributable to shareholders of the parent company | ⁴ Earnings per common non-voting share | ⁵ Defined as EBIT before special items LTM minus Cost of Capital (10% × Ø Capital Employed) | ⁶ Before special items, LTM | ⁷ Before cash in- and outflows for M&A activities | ⁸ Net financial debt to EBITDA ratio before special items

Sales – Mixed regional sales development, China with weakest growth on tough comps

Sales | in EUR mn



Sales growth

Reported

-9.4%	-36.4%	-6.1%	+1.1%	+8.5%	+50.8%	-1.8%
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FX-adjusted

-9.3%	-34.5%	-2.8%	+4.5%	+11.2%	+50.6%	-3.0%
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¹ Reported | ² FX-adjusted

Key aspects Q3

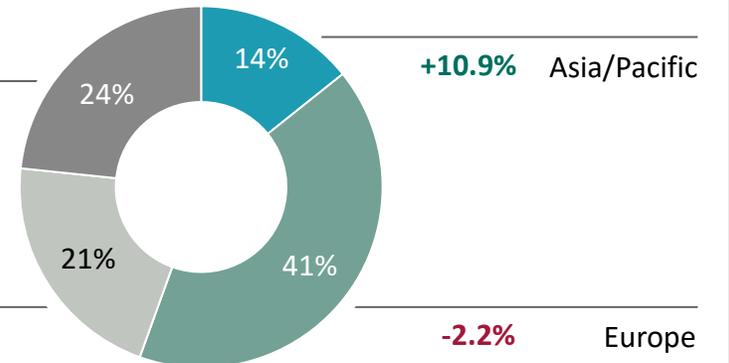
- Slightly negative growth development yoy, driven by lower production levels in Automotive Technologies and V-shape recovery in prior year
- Automotive Technologies with lower sales in Europe, Americas and Greater China; Asia/Pacific with +7%²
- AAM with double-digit growth in all regions, except Europe
- Industrial with double-digit growth in all regions, except China; China affected by normalizing demand in Wind business

Sales by region Q3 2021

yoy growth²

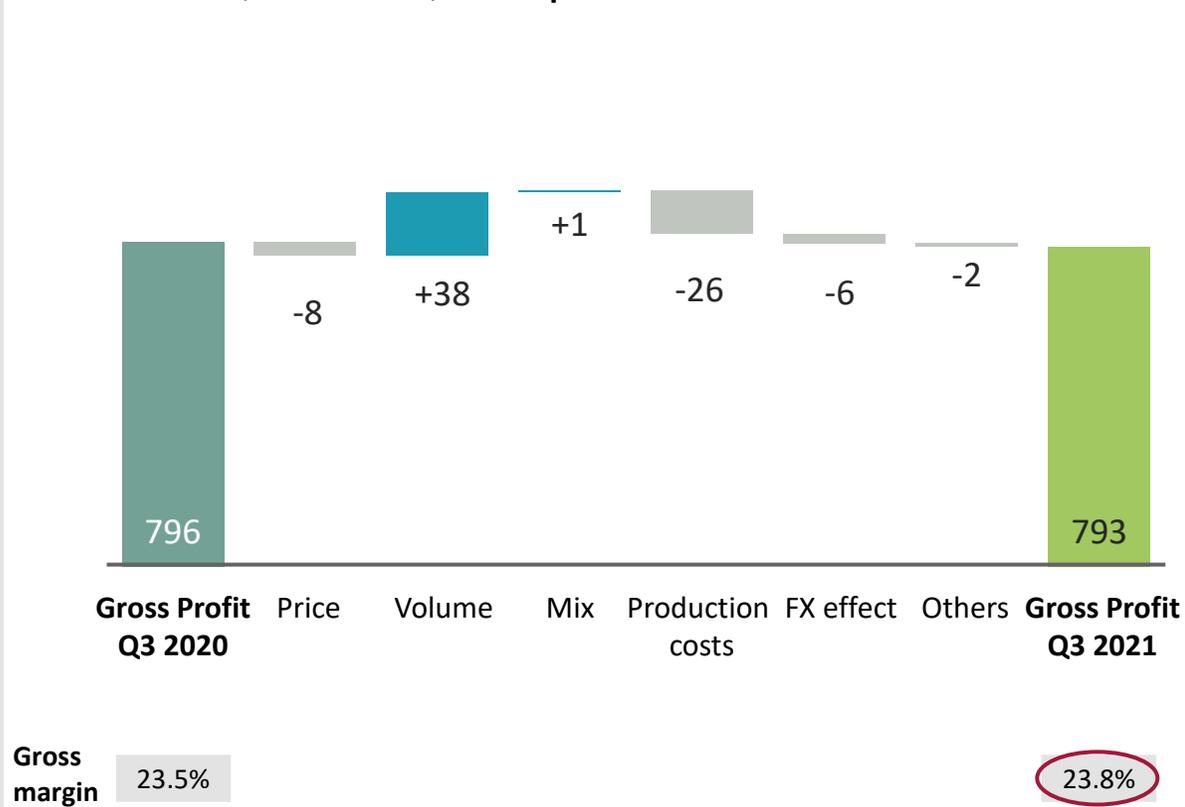
Greater China **-9.7%**

Americas **-5.5%**



Gross Profit – Stable gross margin yoy, production costs increasing

Gross Profit Q3 2020 vs. Q3 2021 | in EUR mn



Key aspects

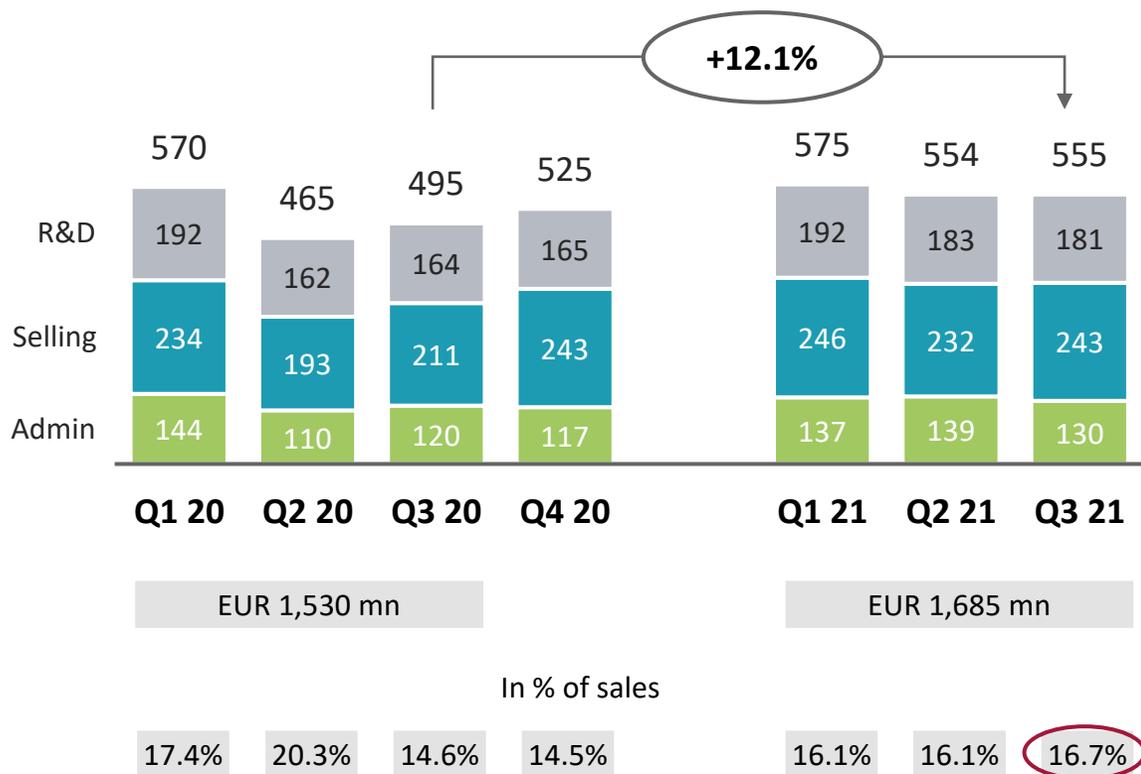
- Negative price effect in Auto Technologies lower than PY, due to some material price clauses in North America; Aftermarket with positive pricing
- Volume impact driven by divisional mix (higher relative volume for Aftermarket and Industrial division)
- Production costs slightly higher yoy due to higher input costs phasing in (e. g. raw materials and energy)

Gross margin

in % of sales	Q3 20	Q3 21	Q3 21 vs. Q3 20	9M 20	9M 21	9M 21 vs. 9M 20
Automotive Technologies	21.0%	19.5%	-1.5pp	15.8%	21.7%	+5.9pp
Automotive Aftermarket	35.1%	30.8%	-4.3pp	34.4%	31.5%	-2.9pp
Industrial	23.5%	29.0%	+5.5pp	27.3%	29.5%	+2.2pp
Group	23.5%	23.8%	+0.3pp	21.3%	25.1%	+3.8pp

Functional costs – Increase yoy due to low comps, cost discipline keeps functional cost ratio sequentially stable

Functional costs | in EUR mn



Key aspects

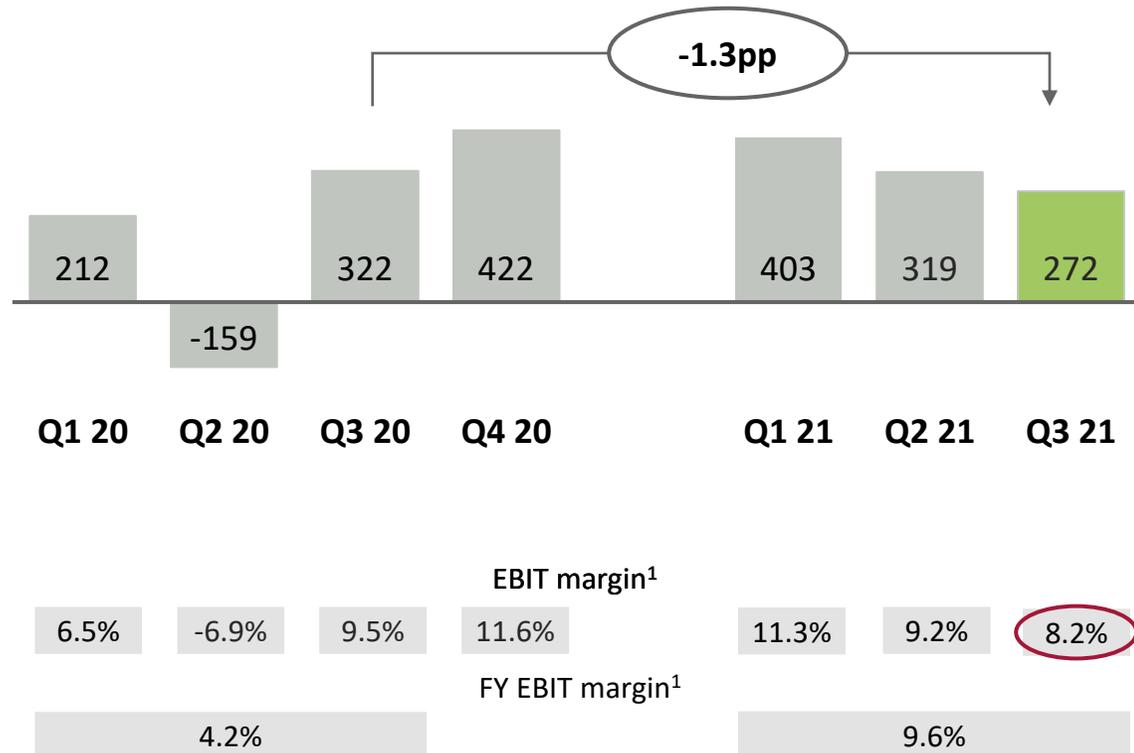
- Functional costs increased by 12% in Q3 yoy on very low comps due to short-term work and other pandemic measures still in place
- R&D normalizing to pre-pandemic levels
- Selling costs increased yoy due to higher storage and logistic costs as well as revamping marketing efforts
- Admin costs increased by EUR 10 mn; still lower than pre-pandemic levels

Functional cost ratio

in % of sales	Q3 20	Q3 21	Q3 21 vs. Q3 20	9M 20	9M 21	9M 21 vs. 9M 20
Automotive Technologies	12.7%	15.8%	+3.1pp	15.9%	15.1%	-0.8pp
Automotive Aftermarket	16.6%	17.1%	+0.5pp	18.1%	17.4%	-0.7pp
Industrial	18.9%	18.3%	-0.6pp	19.2%	18.5%	-0.7pp
Group	14.6%	16.7%	+2.1pp	17.1%	16.3%	-0.8pp

Solid EBIT margin¹ – Strong margin in Industrial, Automotive Technologies indirectly impacted by semi shortage

EBIT¹ | in EUR mn



Key aspects

- Solid Q3 EBIT margin¹ of 8.2%, however input price effects phasing in
- Automotive Technologies with lower margin, driven by negative volume impact and temporary cost savings in prior year quarter
- Automotive Aftermarket with good margin, extraordinary margin prior year
- Industrial margin strong, supported by broad cyclical recovery and good cost control

EBIT margin¹

	Q3 20	Q3 21	Q3 21 vs. Q3 20	9M 20	9M 21	9M 21 vs. 9M 20
Automotive Technologies	8.2%	4.6%	-3.6pp	-0.3%	7.4%	+7.7pp
Automotive Aftermarket	18.8%	14.3%	-4.5pp	15.8%	14.6%	-1.2pp
Industrial	7.8%	12.4%	+4.6pp	8.6%	12.1%	+3.5pp
Group	9.5%	8.2%	-1.3pp	4.2%	9.6%	+5.4pp

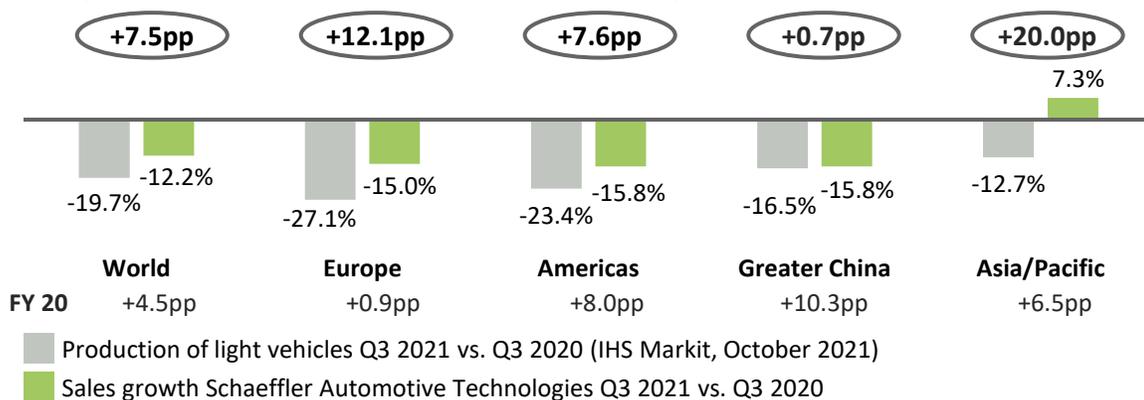
¹ Before special items

Automotive Technologies – Outperformance driven by double-digit Europe and Asia/Pacific, Americas strong, effective margin protection

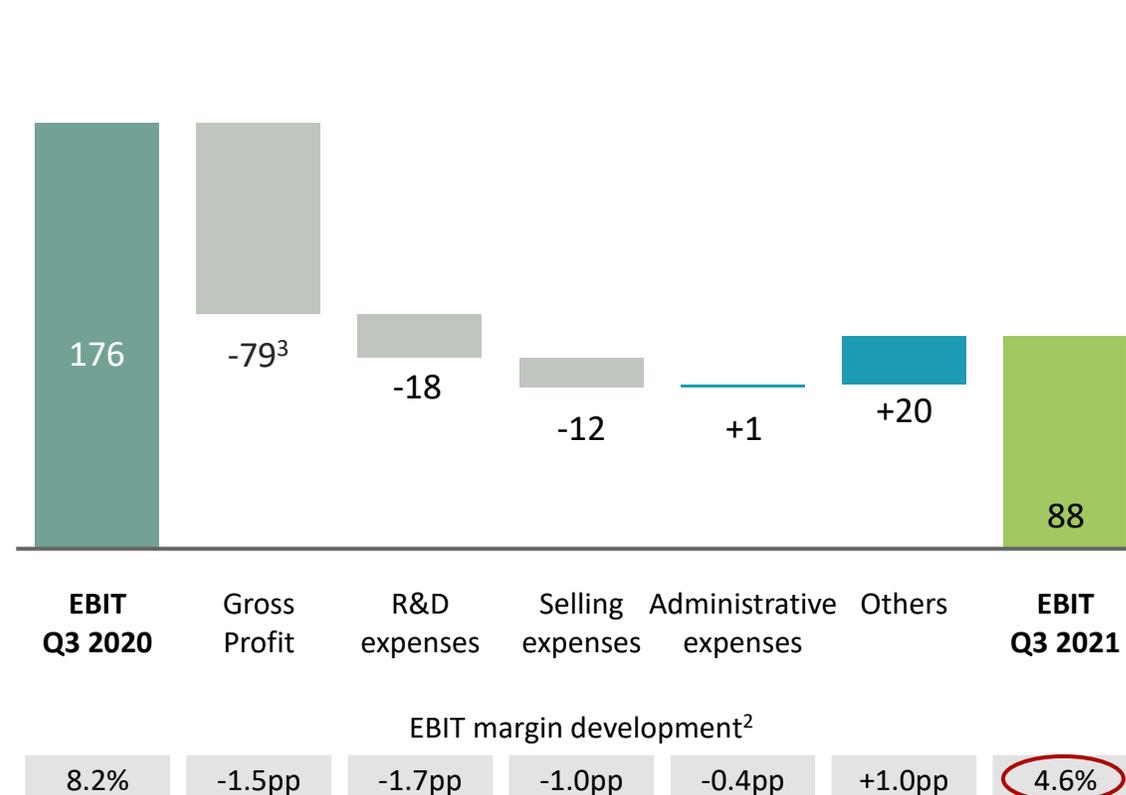
Sales by business division | yoy growth

	Q3 2020	Q3 2021	Δ ¹
E-Mobility	284	272	-6.0%
Engine Systems	566	486	-15.2%
Transmission Systems	989	861	-14.3%
Chassis Systems	322	302	-7.8%
Total	2,161	1,921	-12.2%

Outperformance: Sales¹ vs. market development in Q3



EBIT² Q3 2020 vs. Q3 2021 | in EUR mn



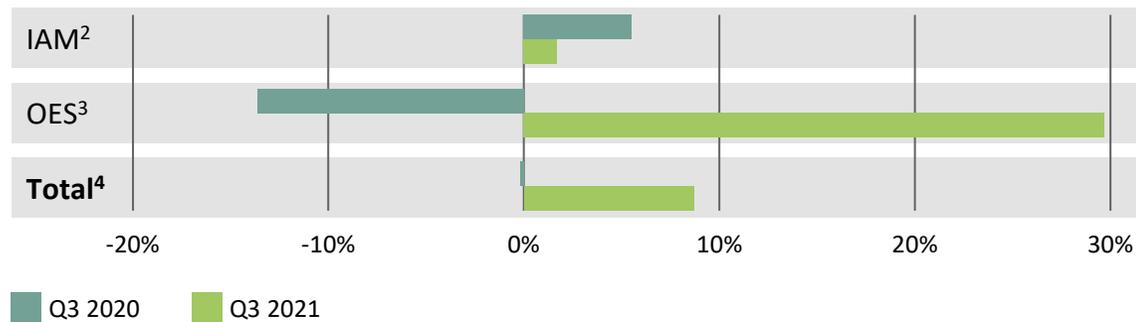
¹ FX-adjusted | ² Before special items | ³ Includes negative FX effects of EUR 15 mn

Automotive Aftermarket – Strong sales development, EBIT margin⁵ impacted by higher input costs

Sales by region | yoy growth

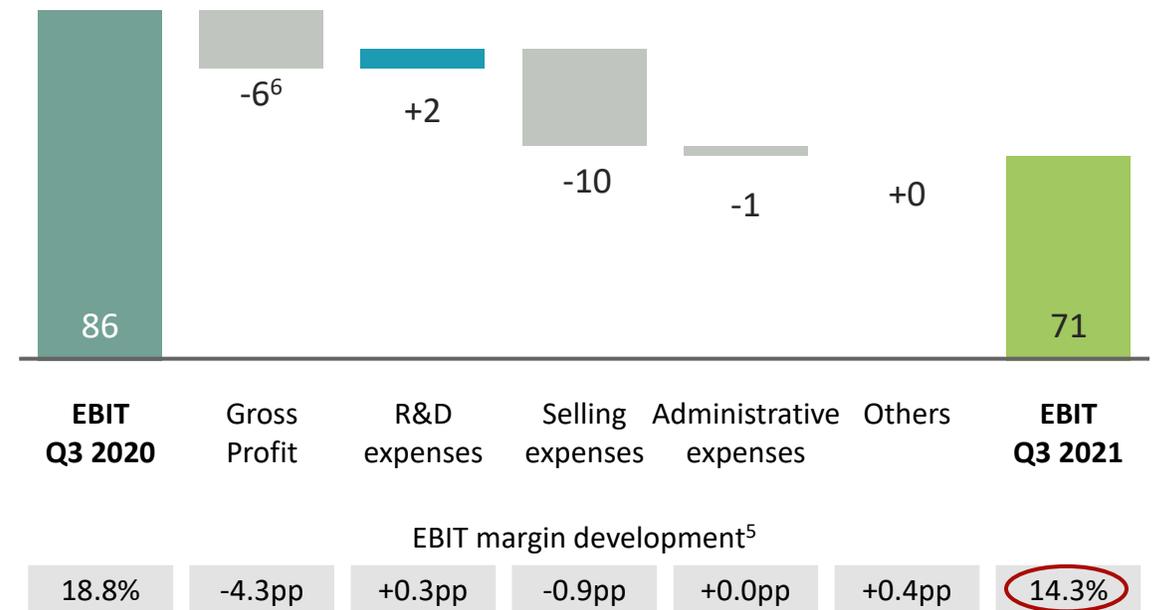
	Q3 2020	Q3 2021	Δ ¹
Europe	334	341	+2.3%
Americas	80	102	+26.5%
Greater China	21	27	+18.9%
Asia/Pacific	21	30	+40.5%
Total	456	500	+8.7%

Automotive Aftermarket sales growth by channel¹



¹ FX-adjusted | ² Independent Aftermarket | ³ Original Equipment Service | ⁴ Contains E-Commerce sales and sales to Automotive suppliers in addition to IAM and OES

EBIT⁵ Q3 2020 vs. Q3 2021 | in EUR mn



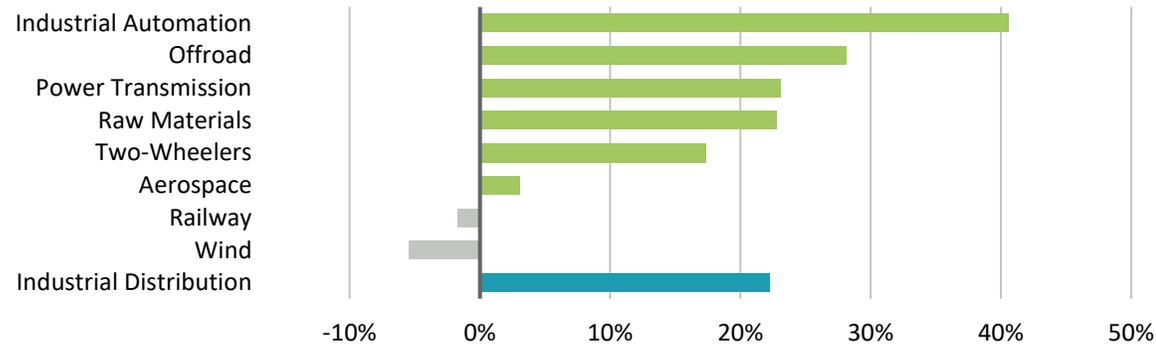
⁵ Before special items | ⁶ Includes positive FX effects of EUR 1 mn

Industrial – Most sector clusters with double-digit growth, strong EBIT² margin

Sales by region | yoy growth

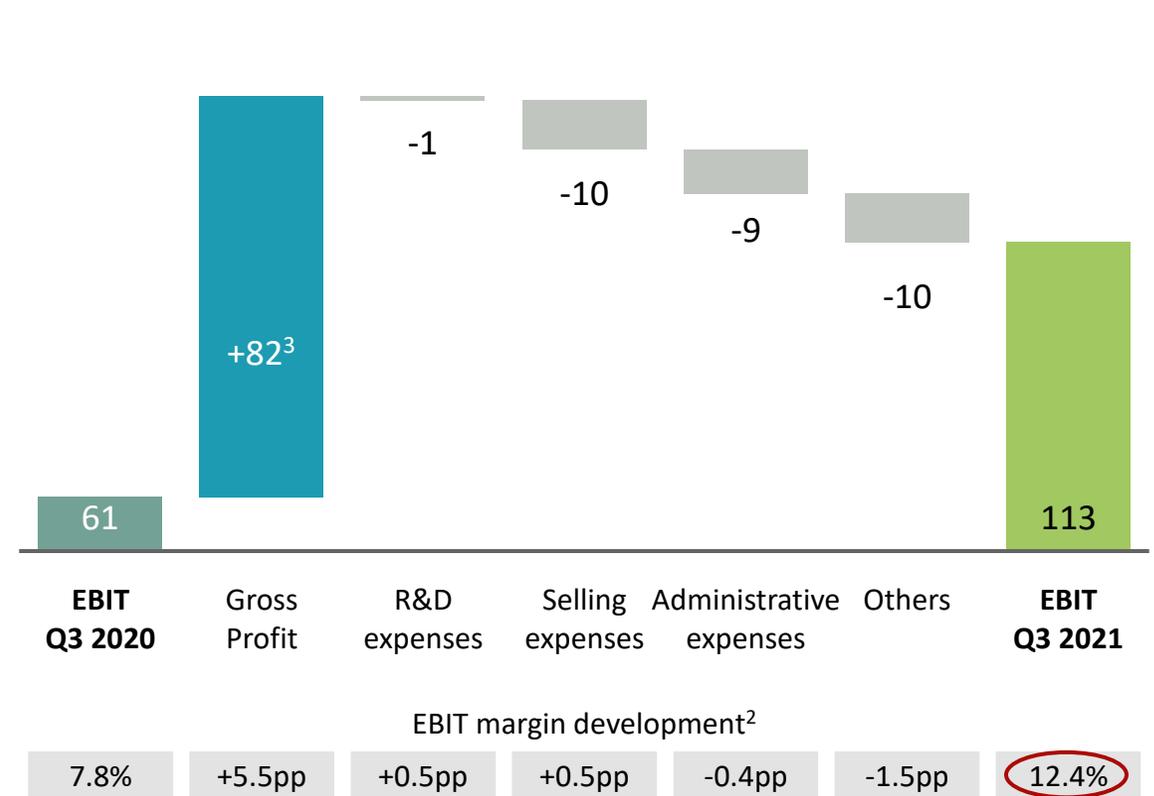
	Q3 2020	Q3 2021	Δ ¹
Europe	295	372	+26.7%
Americas	127	151	+17.6%
Greater China	231	250	+2.5%
Asia/Pacific	121	138	+14.2%
Total	774	911	+15.8%

Industrial sales growth by sector cluster Q3 2021¹



¹ FX-adjusted

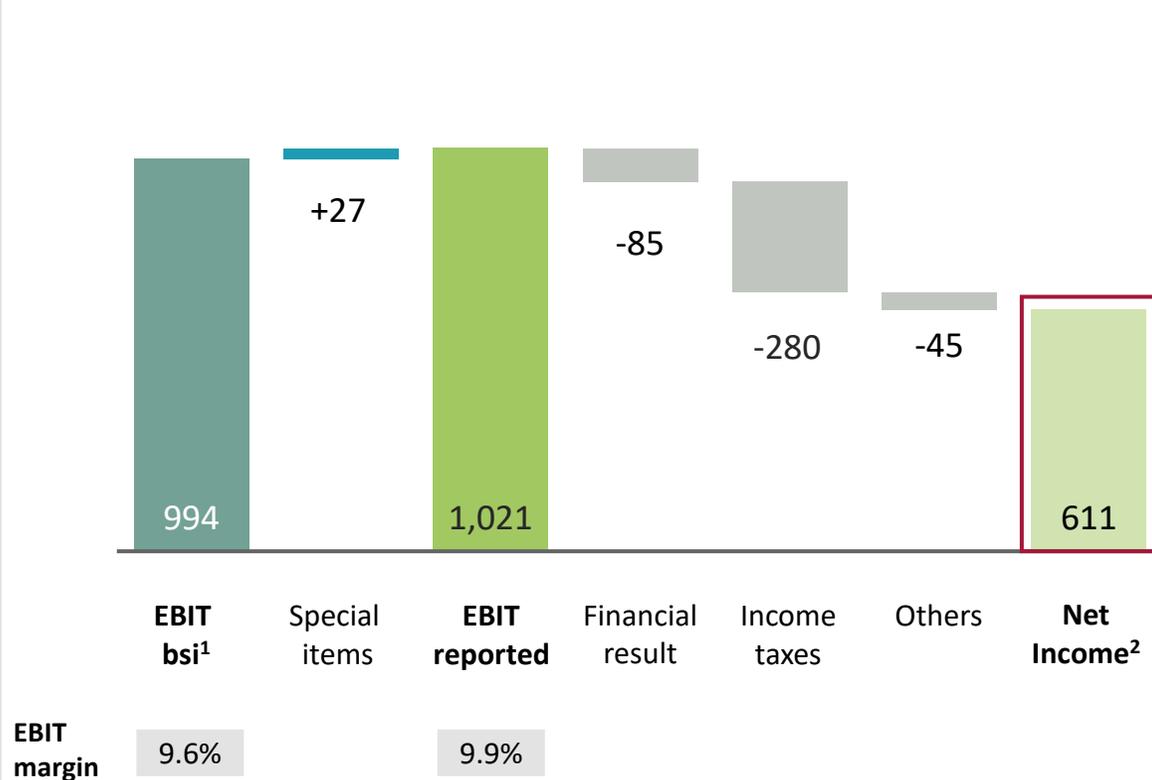
EBIT² Q3 2020 vs. Q3 2021 | in EUR mn



² Before special items | ³ Includes positive FX effects of EUR 8 mn

EBIT before special items – Reconciliation

Reconciliation 9M 2021 | in EUR mn



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

Key aspects

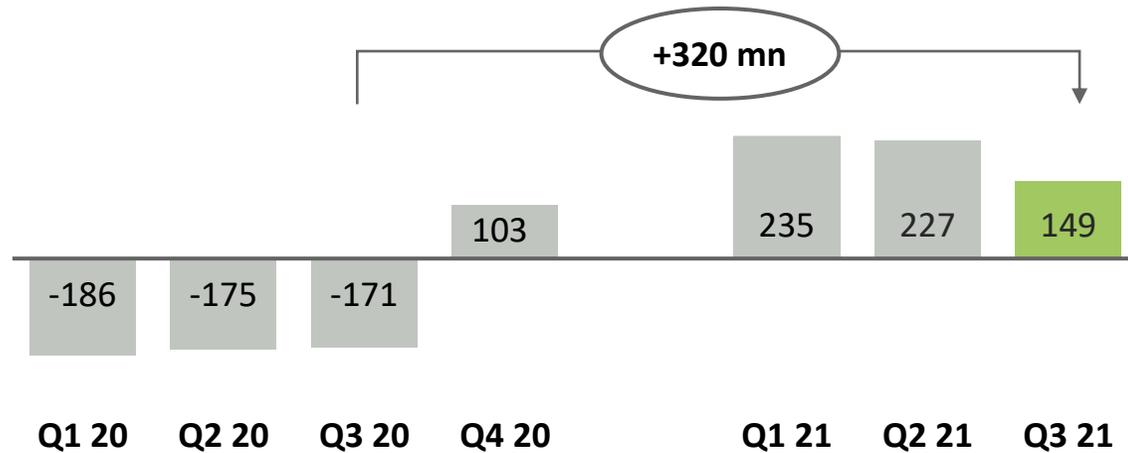
- Special items amounted to positive EUR 27 mn in 9M, mainly related to a partial reversal of provisions for the Roadmap 2025
- Financial Result of EUR -85 mn (PY: EUR -114 mn); positively impacted from interest income on concluded tax case in Brazil
- Income taxes in line with expected average tax rate

Special items by division | in EUR mn

	Q3 20	Q3 21	Q3 21 vs. Q3 20	9M 20	9M 21	9M 21 vs. 9M 20
EBIT Reported	-188	278	+466	-422	1,021	+1,443
Automotive Technologies	+252	-20	-272	+517	-33	-549
Automotive Aftermarket	+23	-9	-31	+23	-19	-42
Industrial	+236	+23	-213	+258	+24	-234
Group	511	-6	-517	+798	-27	-825
EBIT bsi¹	322	272	-50	376	994	+618

Net Income¹ EUR 149 mn, EPS² EUR 0.22 – ROCE³ reached a strong 18.0%

Net income¹ | in EUR mn

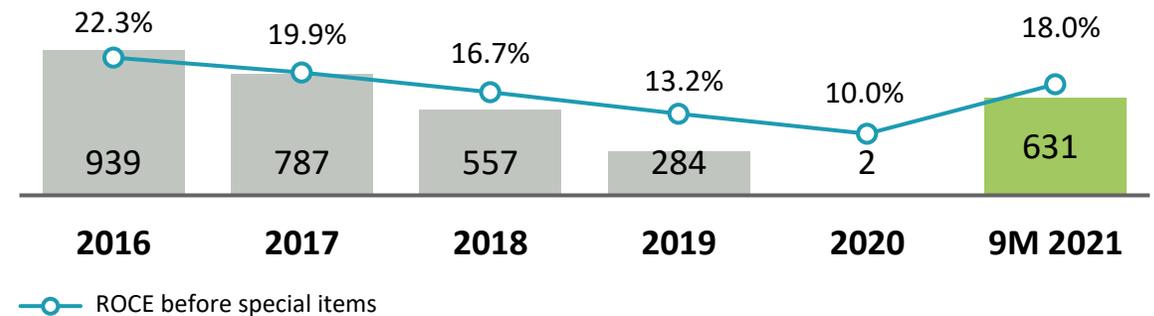


¹ Attributable to the shareholders of the parent company | ² Earnings per common non-voting share

Key aspects

- Q3 2021 Net Income¹ reached EUR 149 mn, Net income before special items¹ amounted to EUR 146 mn
- 9M 2021 Net Income¹ of EUR 611 mn a strong basis to pay into our dividend policy
- ROCE³ peaked at a strong 18.0%; Schaeffler Value Added⁴ increased to EUR 631 mn due to higher EBIT LTM and lower average Capital Employed

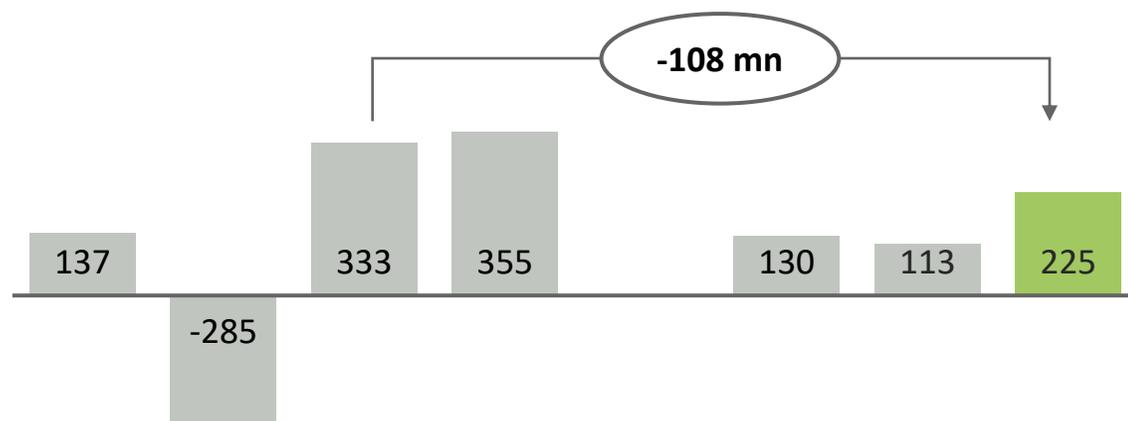
ROCE³ and Schaeffler Value Added⁴ | in EUR mn



³ Before special items | ⁴ LTM EBIT before special items minus Cost of Capital (10% × Ø Capital Employed)

Free Cash Flow – Strong EBITDA compensated outflows for Capex

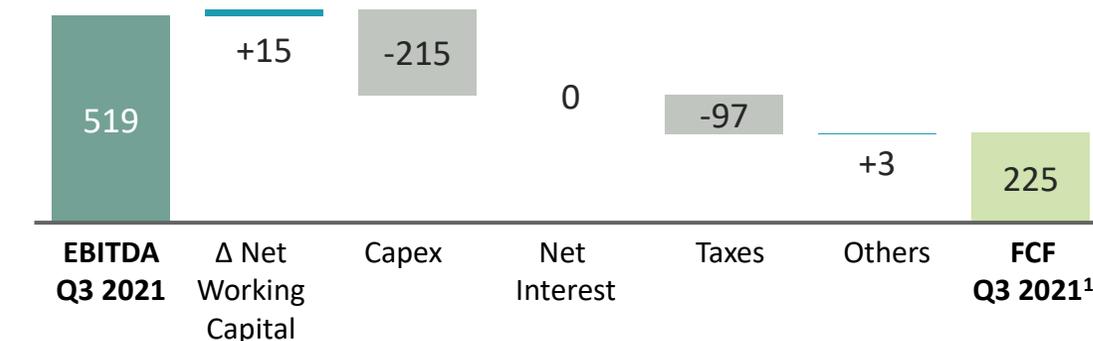
Free Cash Flow before M&A¹ | in EUR mn



Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21
-	-	-	1.3	0.3	0.3	0.8
FCF Conversion ratio ²						
0.7	0.6	0.7	0.8	0.5	0.6	0.9
Reinvestment rate						
5.0%	5.9%	5.3%	4.2%	3.7%	3.9%	6.4%
Capex ratio ³						

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

Reconciliation Q3 2021 | in EUR mn



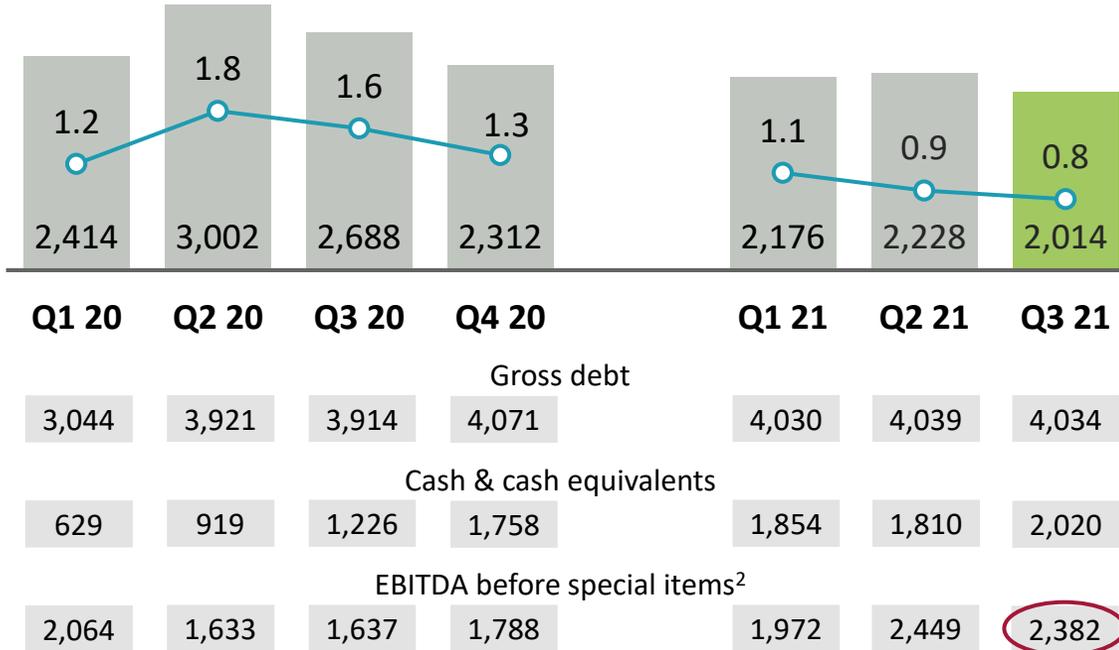
FCF Details | in EUR mn

	Q3 2020	Q3 2021	Δ Q3 21/20	9M 2020	9M 2021	Δ 9M 21/20
FCF as reported	333	215	-118	185	457	+272
M&A	0	+10	+10	0	+11	+11
FCF before M&A	333	225	-108	185	468	+283
Legal cases	0	-2	-2	6	-4	-10
Restructuring	45	75	+30	152	276	+124
Others	0	3	+3	0	9	+9
Financing	0	0	0	50	0	-50
FCF bef. M&A and sp. items	377	301	-76	393	749	+356

Net debt decreased to EUR 2.0 bn – Leverage ratio¹ at 0.8x

Net financial debt and Leverage ratio¹ | in EUR mn

—○— Leverage ratio¹



¹ Net financial debt to EBITDA ratio before special items | ² LTM | ³ Excluding restricted cash

Key aspects

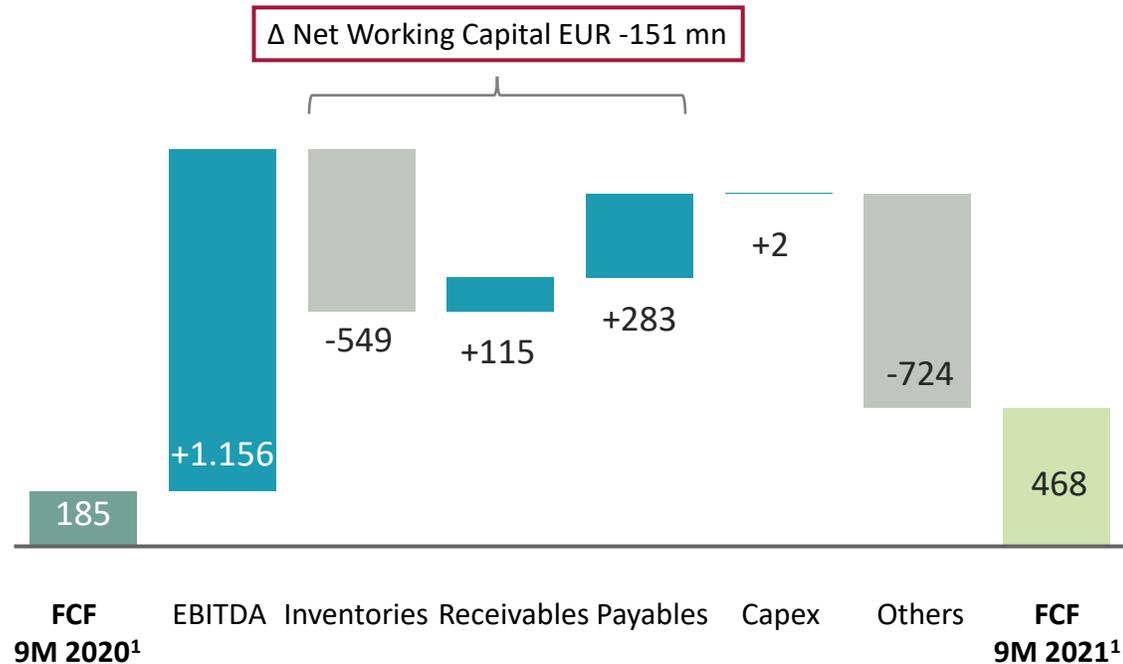
- Net financial debt decreased to EUR 2.0 bn, Leverage ratio¹ 0.8x
- No maturities until March 2024 after announced prepayment of 2023 Schuldschein tranches and pre-funded bond maturity in March 2022

Strong liquidity situation

- Cash balance Schaeffler Group as per end of September 2021 EUR 2,020 mn (December 2020: EUR 1,758 mn)
- Committed unused credit lines on Group level of almost EUR 2.0 bn as per end of September, available liquidity³ 27% of LTM Net Sales

Free Cash Flow details 9M 2021 – FCF supported by good operational performance

FCF¹ 9M 2020 vs. 9M 2021 | in EUR mn



¹ Before cash in- and outflows for M&A activities

Key aspects

- Positive EBITDA development yoy due to good operating performance
- Net Working Capital negative with EUR -151 mn driven by normalization of working capital structure and levels (prior year impacted by V-shape recovery in Q3 2020)
- Others included non-cash relevant provisions for restructuring program in Q3 2020

Net Working Capital details | in EUR mn

Change in	Q3 2020	Q3 2021	Δ Q3 21/20	9M 2020	9M 2021	Δ 9M 21/20
Inventories	184	-145	-329	37	-512	-549
Receivables	-479	65	+544	-148	-33	+115
<i>thereof R. Sale Program</i>	0	0	0	0	0	0
Payables	254	95	-159	-78	205	+283
Δ Net Working Capital	-41	+15	+56	-189	-340	-151
<i>Working Capital ratio¹</i>	<i>20.4</i>	<i>19.7</i>	<i>-</i>	<i>20.4</i>	<i>19.7</i>	<i>-</i>

¹ in % of sales (LTM)

As shown on
November 9, 2021

Ancillary comments

Additional KPIs	FY 2021	Comments
E-Mobility perimeter	Incl. TMM, Fuel Cells and Chassis Mechatronics	Starting from 2021, the business division E-Mobility includes Thermal management modules, fuel cell components as well as mechatronic chassis systems
Order Intake E-Mobility	EUR 1.5 - 2.0 bn	Starting from 2022 the new target of EUR 2 - 3 bn applies
Capex	Up to EUR 700 mn	Focus areas include Digitalization, Sustainability, Innovation & Technology and investments in New Business
Restructuring cash-out	Up to EUR 350 mn	Significant portion of extraordinary restructuring expenses in 2021 expected leading to prudent FCF guidance
Payout Ratio	30 - 50%	Dividend payout ratio ² 50% within our range of 30 - 50%
Leverage ratio ¹	0.75x - 1.25x	Leverage ratio 2021 below mid-term range
Average Tax rate	28 - 32%	Overall effective tax rate in line with pre-Covid years
FX rate EUR/USD	1.25	Next to EUR/USD, also the Chinese Renminbi and Mexican Peso are of specific importance

¹ Net financial debt to EBITDA ratio before special items | ² in % of Net income attributable to shareholders before special items

2022 Capital market activities

Roadshows & Conferences – Next CEO & CFO IR events

Jan 19	Conference – <i>Kepler, German Corporates (virtual)</i>
Jan. 25	Roadshow – <i>HSBC, Italy/Spain/France (virtual)</i>
Jan. 27	Roadshow – <i>J.P. Morgan, US (virtual)</i>
March 9	Conference – <i>Exane/Jefferies (London)</i>

Financial calendar 2022

Mar 8	FY 2021 Earnings Release
Apr 6	Symposium Baden-Baden, Automotive Technologies
Apr 21	Annual General Meeting
Apr 25 - 29	Hanover Fair, Industrial
May 10	Q1 2022 Earnings Release
Aug 4	H1 2022 Earnings Release