

Press and IR Release

Schaeffler intends to sell global chain drive business.

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- Private equity fund advised by the DUBAG Group commits to take over nine sites with 560 employees
- New owner intends to use growth potential and expand market position
- Previous Schaeffler management team will move to the new company
- Intended sale underlines focus on new technologies in Schaeffler's Automotive Technologies division

The global automotive and industrial supplier Schaeffler has signed a contract through which the global business with chain drive systems is sold to the private equity fund Lenbach Equity Opportunities II. GmbH & Co. KG (LEO II fund) from Munich. The DUBAG Group advised and represented the fund comprehensively at the closing of the transaction. Behind the fund are institutional investors with a long-term investment horizon. The aim of the transaction is to further expand its market position as the world's leading system supplier and partner for OEMs for high-quality drive chains in international competition. With its many years of management experience, the DUBAG Group will provide long-term advisory support to the chain business as a permanent partner.

The transaction is expected to close in the first half of 2022 and is subject to all regulatory approvals being granted and fulfilment of other customary closing conditions. As regards to the French business of Schaeffler Chain Drive Systems SAS, the decision to sell can only be made after completion of the legally required consultations with the works council. The parties have agreed not to disclose the financial details of the transaction.

Chain drive systems are installed as part of the drive system in the internal combustion engines of passenger cars and other vehicles such as motorcycles. In addition to drive chains, the systems include sprockets guide rails, tensioning systems and other components. In the medium term, Schaeffler will cease to include the components business with chain drive systems as part of its core business.

Commercial activities in chain drive systems have been expanding within the Schaeffler Group since 1986 and today, with around 560 employees, the business

ranks among the leading global suppliers. Research and development as well as production take place at nine different locations in Europe, Asia and North and South America. In recent years, Schaeffler has strengthened its business through targeted efficiency improvements, for example by optimizing the global footprint of its plants and through investments. At Schaeffler, chain drive systems were produced for the automotive original equipment business (Automotive Technologies) and for the spare parts business (Automotive Aftermarket).

DUBAG Group is a Munich-based private equity advisory firm, exclusively advising among others LEO II fund. In their position as exclusive advisor, DUBAG Group manages the acquisition and strategic realignment of companies with significant potential for value creation and long-term development across various industries. DUBAG Group supports the management of LEO II fund portfolio companies with a hands-on team of operational specialists and the experience of more than 20 years in the repositioning of carve-out entities.

"We are delighted to welcome the employees and pleased to support the management, led by Dr. Markus Ottmüller and his team, on its future path to become a leading independent partner for automotive OEMs in the development and production of best-in-class chain drive systems. In particular, the outstanding knowledge in the field of R&D, the global production footprint in close proximity to its customers, and the highly trained and motivated workforce of approx. 560 employees, have convinced us to partner with the Schaeffler Group and to invest in the chain drive business," says Dr. Michael Schumann, founder and partner of the DUBAG Group.

Matthias Zink, CEO of the Automotive Technologies division, said: "The chain drive systems business finds an ideal and customer-oriented partner in the DUBAG Group and its private equity fund. The business can be managed and further developed more purposefully and convincingly by the new owner than by the Schaeffler Group, where it is no longer the focus. At the same time, we will continue to drive forward the transformation towards e-mobility with this step."

Schaeffler Group – We pioneer motion: The Schaeffler Group has been driving forward groundbreaking inventions and developments in the field of motion technology for 80 years. With innovative technologies, products, and services for electric mobility, CO₂-efficient drives, chassis solutions and renewable energies, the company is a reliable partner for making motion more efficient, intelligent, and sustainable – over the entire life cycle. Schaeffler describes its comprehensive range of products and services by means of eight product families: From bearing solutions and all types of linear guidance systems through to repair and monitoring services. Schaeffler is with around 110,000 employees and more than 250 locations in 55 countries, one of the world's largest family-owned companies and one of Germany's most innovative companies.

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