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Press and IR Release

Schaeffler Group starts new year with good first quarter

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- Schaeffler Group revenue grows by 1.9 percent at constant currency despite challenging market conditions
- EBIT margin before special items at 6.9 percent following strong exceptional prior year quarter (11.2 percent)
- Positive free cash flow before M&A activities of 14 million euros (prior year: 130 million euros)
- Automotive Technologies with 2.0 billion euros in order intake in E Mobility BD
- Cautious FY 2022 guidance

Global automotive and industrial supplier Schaeffler published its interim statement for the first three months of 2022 today. The Schaeffler Group's revenue for the reporting period amounted to 3,758 million euros (prior year: 3,560 million euros). The constant-currency increase in revenue of 1.9 percent is mostly attributable to price increases as the company was increasingly successful in passing the sharp rises in input costs on to the market. The Schaeffler Group continued to benefit from its diversified set-up in the first quarter. While Automotive Technologies division revenue declined by 3.2 percent at constant currency, the Industrial division increased its revenue by 15.7 percent at constant currency. Automotive Aftermarket division revenue grew by 2.1 percent at constant currency.

Constant-currency revenue in the Europe and Americas regions rose by a noticeable 4.4 and 3.5 percent, respectively. In the Greater China region, revenue was down 3.4 percent at constant currency versus the high comparable prior year quarter challenged by the ongoing coronavirus pandemic. Asia/Pacific region revenue was up slightly, growing by 0.4 percent at constant currency.

The Schaeffler Group generated 258 million euros (prior year: 397 million euros) in EBIT before special items for the first three months, resulting in an EBIT margin before special items of 6.9 percent (prior year: 11.2 percent). This change from the extraordinarily strong first prior-year quarter, which was marked by considerable catch-up effects related to the coronavirus pandemic, is mainly attributable to sharp increases in input costs that were partly passed on to customers.

EBIT for the reporting period was adversely affected by 11 million euros (prior year: 15 million euros) in special items. EBIT amounted to 247 million euros (prior year: 382 million euros).

Automotive Technologies: 2 billion euros in order intake in E-Mobility BD

The Automotive Technologies division generated 2,293 million euros in revenue (prior year: 2,281 million euros) for the first three months. At constant currency, revenue decreased by 3.2 percent from the prior year. Besides the high base of comparison the decrease was primarily attributable to the persistently challenging environment in the automotive sector, with the decline in global automobile production caused by the sustained semiconductor shortages, the implications of the coronavirus pandemic, and the war in Ukraine resulting in decreasing customers' call-offs. The division outperformed global automobile production of passenger cars and light commercial vehicles by 1.3 percentage points. The division's order intake was driven by 2.0 billion euros for BEV system applications in the E Mobility business division (BD), which has thus already reached the lower end of the full-year target range (2.0 to 3.0 billion euros). The other business received a further 1.6 billion euros in orders for the division.

Additionally, the E-Mobility BD generated the highest year-on-year revenue growth rate of 18.4 percent at constant currency. The Engine & Transmission Systems and Bearings BDs experienced constant-currency revenue declines of 5.9 and 7.6 percent, respectively. The Chassis Systems BD expanded by 11.6 percent at constant currency.

While revenue changed only slightly in the Europe and Americas regions, which reported constant-currency growth of -1.9 and 0.3 percent, respectively, Greater China region revenue declined by 5.3 percent at constant-currency due to the still strained situation resulting from the coronavirus pandemic. The Asia/Pacific region reported a revenue decline of 8.3 percent at constant-currency.

The division earned 80 million euros (prior year: 240 million euros) in EBIT before special items in the first quarter. The EBIT margin before special items for the reporting period was 3.5 percent, considerably below the extraordinarily strong prior year level of 10.5 percent. The main reason for this decrease were significantly higher input costs that were only partially offset by adjustments to sales prices in the first quarter, as had been expected.

Automotive Aftermarket: EBIT margin before special items at 13.6 percent thanks to favorable one off items

The Automotive Aftermarket division reported 463 million euros (prior year: 444 million euros) in revenue for the reporting period, representing constant-currency

revenue growth of 2.1 percent. This growth was mainly attributable to a favorable impact from sales prices.

Revenue grew considerably in all regions except Europe – the region generating the highest revenue – where revenue was down slightly, declining by 2.0 percent at constant currency partly due to missed sales in Russia and Ukraine toward the end of the first quarter. The Americas and Asia/Pacific regions expanded their Independent Aftermarket business in particular, providing these regions with constant-currency growth rates of 11.3 and 15.6 percent, respectively. The 9.8 percent constant-currency revenue increase in the Greater China region was mainly due to strong growth in e commerce business.

These developments resulted in EBIT before special items of 63 million euros (prior year: 58 million euros). This represents an EBIT margin before special items of 13.6 percent (prior year: 13.1 percent). The slight increase from the prior year is primarily attributable to favorable one-off items. Increased input costs that were not fully compensated for by price adjustments had an offsetting effect.

Industrial: 15.7 percent constant-currency growth in first quarter
The Industrial division reported 1,002 million euros (prior year: 836 million euros) in first-quarter revenue, posting a very strong constant-currency revenue growth of 15.7 percent.

Reporting a constant-currency increase of 26.2 percent, the Europe region generated very strong volume-driven growth, and the Americas and Asia/Pacific regions similarly generated considerable constant-currency revenue growth rates of 11.0 and 22.7 percent, respectively. The Greater China region experienced a heterogeneous trend resulting in a slight constant-currency revenue decline of 0.3 percent overall. Sales prices led to overall revenue increases at the Industrial division as well, as higher input costs were partly passed on to the market.

Although the Industrial division was impacted by significantly higher input costs as well, it earned 115 million euros (prior year: 98 million euros) in EBIT before special items in the first three months. This represents an EBIT margin before special items of 11.4 percent (prior year: 11.8 percent).

Positive free cash flow
Due to lower EBITDA and an increase in working capital, first-quarter free cash flow before cash in- and outflows for M&A activities totaled 14 million euros (prior year: 130 million euros). Free cash flow conversion was 0.1, and the reinvestment rate for the first three months amounted to 0.56.

Net income attributable to shareholders before special items decreased during the first three months of 2022 compared to the prior year period, amounting

to 144 million euros (prior year: 247 million euros). Net income attributable to shareholders was 136 million euros (prior year: 235 million euros), representing earnings per common non-voting share of 0.21 euros (prior year: 0.35 euros).

The group's net financial debt amounted to 1,992 million euros as at March 31, 2022. The net debt to EBITDA ratio was 1.0x as at the end of March 2022 (end of December 2021: 0.9x). The gearing ratio, i.e. the ratio of net financial debt to shareholders' equity, decreased to approximately 54.4 percent (December 31, 2021: approximately 61.7 percent). The group employed a workforce of 83,089 as at the March 31, 2022, reporting date.

Claus Bauer, CFO of Schaeffler AG, said: "The Schaeffler Group has once again demonstrated its resilience in the first quarter of 2022 and responded flexibly to the challenging environment. With our broad portfolio and our robust balance sheet structure, we can cope with the more complex external headwinds, while continuing to invest in our business and especially in our growth segments."

Cautious FY 2022 guidance

The Board of Managing Directors of Schaeffler AG has suspended the full-year guidance for 2022 for the Schaeffler Group and its divisions published on March 8, 2022, due to the developments in Ukraine and the resulting implications for the global economy since neither the future course of events nor their economic implications for the Schaeffler Group were reliably predictable.

On May 9, 2022, the Board of Managing Directors of Schaeffler AG has agreed on a new full-year outlook for 2022 based on information currently available.

The outlook is based on the assumption that global economic growth will slow down noticeably and that this will affect the Schaeffler Group's sales and procurement markets.

In its guidance for 2022, the Schaeffler Group expects the war in Ukraine and its significant economic consequences to adversely affect the Schaeffler Group's business over the course of the year. The Schaeffler Group's outlook reflects the extent of economic sanctions, impacts on supply chains, as well as the implications for both commodities and energy prices and the cost of transportation.

The impact of the coronavirus pandemic on the Schaeffler Group's value chain is based on the assumption that economic activity in China will normalize by the end of June 2022.

The Schaeffler Group anticipates that its further development will be characterized by extraordinary uncertainty in the macroeconomic and geopolitical environment, in particular due to the course of the war in Ukraine and the future course of the coronavirus pandemic.

Schaeffler Group	Outlook
Revenue growth[1)]	6 to 8%
EBIT margin[2)]	5 to 7%
Free cash flow [3)]	> EUR 250 mn; below prior year

The guidance for the three divisions is as follows:

Division (guidance)	Autom. Technologies	Autom. Aftermarket	Industrial
Revenue growth[1)]	Moderate revenue growth; 2 to 5%-age points above LVP growth[4)]	Moderate revenue growth	Considerable revenue growth
EBIT margin[2)]	> 2.5%; below prior year	> 12%; below prior year	> 11%; below prior year

Current market assumptions for 2022

- Automotive Technologies: LVP[4)] around prior year level (previous year: 77.2 million)
- Automotive Aftermarket: Increase of global GDP by 3 to 3.5%
- Industrial: Increase in relevant industrial production of 3.5 to 4%

Klaus Rosenfeld, CEO of Schaeffler AG, stated: "The Schaeffler Group has generated good results for the first quarter of 2022. The strong order intake in the E-Mobility business division of 2 billion euros is particularly pleasing. It means we have already reached our full-year target in the first quarter. The high contribution to earnings our Industrial division has made demonstrates once again that our diversified set-up is paying off. We are consequently executing our strategy as planned, despite the challenging environment. This fiscal year, we continue to remain cautious with respect to the macroeconomic and geopolitical uncertainties. The guidance we published yesterday reflects this."

You can find press photos of the Board of Managing Directors here: www.schaeffler.com/en/executive-board

[1)] at constant currency; [2)] before special items; [3)] before cash in- and outflows for M&A activities; [4)] LVP: global production of passenger cars and light commercial vehicles.

Forward-looking statements and projections

Certain statements in this press release are forward-looking statements. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions

that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial consequences of the plans and events described herein. No one undertakes any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. You should not place any undue reliance on forward-looking statements which speak only as of the date of this press release. Statements contained in this press release regarding past trends or events should not be taken as representation that such trends or events will continue in the future. The cautionary statements set out above should be considered in connection with any subsequent written or oral forward-looking statements that Schaeffler, or persons acting on its behalf, may issue.

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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, 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. With around 110,000 employees and more than 250 locations in 55 countries, Schaeffler is one of the world's largest family-owned companies and ranks among Germany's most innovative organizations.

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