

We pioneer motion

Interim Statement Q1 2022

Highlights Q1 2022

Revenue increased slightly despite challenging market conditions

Revenue at **EUR 3.8 bn**
(up 1.9% at constant currency)

(prior year: EUR 3.6 bn)

Margin affected by sharp increase in procurement costs

EBIT margin before special items **6.9%**

(prior year: 11.2%)

Free cash flow positive

Free cash flow before cash in- and outflows
for M&A activities at **EUR 14 m**

(prior year: EUR 130 m)

Significant events – first quarter 2022

In a transaction that closed on February 1, 2022, the Schaeffler Group has acquired 100% of the shares of **Melior Motion GmbH**. The acquisition of this manufacturer of precision gearboxes for robotics and other applications in automation expands the robotics portfolio of the Schaeffler Group's Industrial division.

The geopolitical and economic uncertainty resulting from the **war in Ukraine** affects the Schaeffler Group's sales and procurement markets. While the direct implications for the Schaeffler Group's activities in Russia and Ukraine are limited, the military action between Russia and Ukraine impacts the global economy and, as a result, indirectly affects the Schaeffler Group.

Schaeffler Group earnings

The increase in **revenue**, excluding the impact of currency translation, in the first quarter was mostly attributable to a favorable impact from sales prices in all three divisions, especially since significant rises in procurement costs were increasingly passed on to the market. Sales volumes were slightly ahead of the prior year level, with the Automotive Technologies and Automotive Aftermarket divisions' lower volumes offset by higher volumes in the Industrial division. In the **Automotive Technologies division**, results of operations were significantly affected by the challenging sector environment, including a decline in global vehicle production that was partly due to bottlenecks in global supply chains. The decline in volumes in the **Automotive Aftermarket division** was driven by the Europe region, particularly as a result of the trend in the Independent Aftermarket business in the Central & Eastern Europe subregion. In the **Industrial division**, growth was mainly generated by encouraging business in the Europe region, including the Industrial Distribution business.

The considerable decrease in **EBIT margin before special items** from the strong first quarter 2021 was primarily due to the considerably lower gross profit margin for the reporting period. The main reason for this decrease were significantly higher procurement costs that were only partially offset by adjustments to sales prices.

in € millions	1 st three months		Change in %
	2022	2021	
Revenue	3,758	3,560	5.6
* at constant currency			1.9
Revenue by division			
Automotive Technologies	2,293	2,281	0.5
* at constant currency			-3.2
Automotive Aftermarket	463	444	4.4
* at constant currency			2.1
Industrial	1,002	836	19.9
* at constant currency			15.7
Revenue by region ¹⁾			
Europe	1,584	1,518	4.4
* at constant currency			4.4
Americas	833	754	10.5
* at constant currency			3.5
Greater China	842	800	5.3
* at constant currency			-3.4
Asia/Pacific	499	488	2.1
* at constant currency			0.4
Cost of sales	-2,887	-2,603	10.9
Gross profit	871	957	-9.0
* in % of revenue	23.2	26.9	-
Research and development expenses	-203	-192	5.3
Selling and administrative expenses	-402	-383	5.1
Other income and expense	-8	6	-
Income (loss) from equity-accounted investees	-11	-6	82.3
Earnings before financial result and income taxes (EBIT)	247	382	-35.2
* in % of revenue	6.6	10.7	-
Special items ²⁾	11	15	-30.0
EBIT before special items	258	397	-35.0
* in % of revenue	6.9	11.2	-
Financial result	-29	-34	-13.5
Income taxes	-75	-109	-31.0
Net income ³⁾	136	235	-42.0
Earnings per common non-voting share (basic/diluted, in €)	0.21	0.35	-40.0

¹⁾ Based on market (customer location).

²⁾ Please refer to the annual report 2021, pp. 33 et seq., for the definition of special items.

³⁾ Attributable to shareholders of the parent company.

Automotive Technologies division earnings

Until December 31, 2021, the division's business was organized into the four business divisions (BDs) E-Mobility, Engine Systems, Transmission Systems, and Chassis Systems. Starting January 1, 2022, the business is managed based on the four BDs E-Mobility, Engine & Transmission Systems, Bearings, and Chassis Systems.

The decline in **revenue**, excluding the impact of currency translation, in the first quarter of 2022 compared to the high-volume prior year quarter was primarily attributable to the persistently challenging environment in the automotive sector. The decline in global automobile production resulting from the sustained semiconductor shortages, the implications of the coronavirus pandemic, and the war in Ukraine reduced customers' call-offs. This reduction had an adverse impact on revenue, primarily at the **Engine & Transmission Systems** and **Bearings BDs**, that was partially offset by higher sales volumes at the **E-Mobility** and **Chassis Systems BDs** which were in part driven by product ramp-ups. The division successfully passed on part of the significant increase in procurement costs to customers, favorably impacting its revenue trend as well. On the whole, revenue outperformed global automobile production during the reporting period.

Outperformance Q1 2022

	Europe	Americas	Greater China	Asia/Pacific	Total
Revenue growth (in %) ¹⁾	-1.9	0.3	-5.3	-8.3	-3.2
LVP growth (in %) ²⁾	-15.4	-3.6	6.4	-6.5	-4.5
Outperformance (in percentage points)	13.5	3.9	-11.7	-1.8	1.3

The considerable decrease in **EBIT margin before special items** from the extraordinarily strong first quarter of 2021 – significantly influenced by the positive momentum in the market as well as the still limited impact on the global procurement markets – was primarily due to the considerably lower gross profit margin. The main reason for this decrease were significantly increased procurement costs that were only partly offset by adjustments to sales prices. The market-driven decline in volumes had an adverse impact as well.

in € millions	1 st three months		Change in %
	2022	2021	
Revenue	2,293	2,281	0.5
• at constant currency			-3.2
Revenue by business division			
E-Mobility BD	307	247	24.4
• at constant currency			18.4
Engine & Transmission Systems BD	1,257	1,283	-2.0
• at constant currency			-5.9
Bearings BD	643	676	-4.9
• at constant currency			-7.6
Chassis Systems BD	86	76	13.5
• at constant currency			11.6
Revenue by region ³⁾			
Europe	849	864	-1.7
• at constant currency			-1.9
Americas	567	532	6.6
• at constant currency			0.3
Greater China	557	541	3.0
• at constant currency			-5.3
Asia/Pacific	320	345	-7.1
• at constant currency			-8.3
Cost of sales	-1,859	-1,721	8.0
Gross profit	434	560	-22.5
• in % of revenue	18.9	24.5	-
Research and development expenses	-162	-154	4.7
Selling and administrative expenses	-183	-173	5.8
Other income and expense	0	6	-
Income (loss) from equity-accounted investees	-11	-6	-
EBIT	77	232	-66.7
• in % of revenue	3.4	10.2	-
Special items ⁴⁾	3	8	-65.3
EBIT before special items	80	240	-66.7
• in % of revenue	3.5	10.5	-

Prior year information presented based on 2022 segment structure.

¹⁾ Compared to prior year; at constant currency.

²⁾ Growth in production of passenger cars and light commercial vehicles; source: IHS Markit (April 2022).

³⁾ Based on market (customer location).

⁴⁾ Please refer to the annual report 2021, pp. 33 et seq., for the definition of special items.

Automotive Aftermarket division earnings

The **revenue** growth, excluding the impact of currency translation, in the first quarter of 2022 was mainly attributable to a favorable impact from sales prices. A significant part of the considerable increase in procurement costs was passed on to the market via adjustments to sales prices. Higher volumes in the **Americas region**, especially in the Independent Aftermarket business in the Mexico and South America subregions, contributed significantly to the division's revenue growth. The Greater China and Asia/Pacific regions reported an increase in volumes for the first quarter of 2022 as well. The **Greater China region** expanded further, primarily its e-commerce business. The growth reported by the **Asia/Pacific region** resulted mainly from higher volumes in the Independent Aftermarket business in India. Sales volumes in the **Europe region** declined slightly, however. This decline was primarily attributable to the Independent Aftermarket in the Central & Eastern Europe subregion, partly driven by the slump in sales toward the end of the first quarter of 2022 in Russia and Ukraine due to the war in Ukraine. In contrast, the OES business in the Western Europe subregion grew during the reporting period.

The slight increase in **EBIT margin before special items** was mainly driven by favorable one-off items in selling expenses related to an agreement reached with a service provider on payment of damages to compensate for additional expenses incurred. Increased procurement costs that were not fully compensated for by adjustments to sales prices had an offsetting effect.

in € millions	1 st three months		Change in %
	2022	2021	
Revenue	463	444	4.4
• at constant currency			2.1
Revenue by region ¹⁾			
Europe	306	312	-2.0
• at constant currency			-2.0
Americas	99	83	19.4
• at constant currency			11.3
Greater China	30	25	20.3
• at constant currency			9.8
Asia/Pacific	29	24	18.7
• at constant currency			15.6
Cost of sales	-319	-300	6.1
Gross profit	144	143	0.7
• in % of revenue	31.2	32.3	-
Research and development expenses	-5	-4	6.5
Selling and administrative expenses	-76	-82	-6.8
Other income and expense	-2	0	> 100
EBIT	62	57	8.5
• in % of revenue	13.4	12.9	-
Special items ²⁾	1	1	-2.5
EBIT before special items	63	58	8.3
• in % of revenue	13.6	13.1	-

Prior year information presented based on 2022 segment structure.

¹⁾ Based on market (customer location).

²⁾ Please refer to the annual report 2021, pp. 33 et seq., for the definition of special items.

Industrial division earnings

The considerable increase in **revenue** during the first quarter of 2022 was largely attributable to the strong increase in volumes at Industrial Distribution and in the industrial automation sector cluster in the **Europe region**. The **Asia/Pacific** and **Americas regions'** high demand in Industrial Distribution, in particular, contributed to revenue growth as well. On the other hand, higher demand in the power transmission, raw materials, and industrial automation sector clusters in the **Greater China region** did not fully offset the decline in volumes in the wind sector cluster that was partly due to subsidies for offshore wind turbines ending at the end of 2021 as expected; as a result, the region as a whole experienced a slight decline in revenue for the period, excluding the impact of currency translation. Additionally, the Industrial division reported a favorable impact of sales prices on revenue growth, primarily since significant increases in procurement costs were partly passed on to the market via adjustments to sales prices.

The slightly lower **EBIT margin before special items** for the reporting period was due to a decrease in gross profit margin that was attributable to significantly higher procurement costs which were only partly offset by adjustments to sales prices. Economies of scale resulting from the increase in sales volumes had an offsetting effect on the margin trend.

	1 st three months		
in € millions	2022	2021	Change in %
Revenue	1,002	836	19.9
• at constant currency			15.7
Revenue by region ¹⁾			
Europe	429	342	25.6
• at constant currency			26.2
Americas	168	140	19.9
• at constant currency			11.0
Greater China	255	235	8.8
• at constant currency			-0.3
Asia/Pacific	150	119	25.6
• at constant currency			22.7
Cost of sales	-710	-582	22.0
Gross profit	292	254	15.2
• in % of revenue	29.2	30.4	-
Research and development expenses	-36	-34	7.6
Selling and administrative expenses	-142	-127	11.6
Other income and expense	-6	-1	> 100
EBIT	108	92	16.9
• in % of revenue	10.8	11.0	-
Special items ²⁾	7	6	12.0
EBIT before special items	115	98	16.6
• in % of revenue	11.4	11.8	-

Prior year information presented based on 2022 segment structure.

¹⁾ Based on market (customer location).

²⁾ Please refer to the annual report 2021, pp. 33 et seq., for the definition of special items.

Performance indicators and special items

Please refer to pp. 15 et seq. and 35 et seq. of the Schaeffler Group's annual report 2021 for a detailed discussion of performance indicators.

EBIT for the reporting period was impacted by **special items**, most of which were recognized in other expense. The **restructuring** category includes special items recognized in connection with the "Roadmap 2025" divisional subprograms, mostly related to consolidation of the footprint in Europe.

Reconciliation

	1 st three months		1 st three months		1 st three months		1 st three months	
	2022	2021	2022	2021 ¹⁾	2022	2021 ¹⁾	2022	2021 ¹⁾
Income statement (in € millions)	Total		Automotive Technologies		Automotive Aftermarket		Industrial	
EBIT	247	382	77	232	62	57	108	92
• in % of revenue	6.6	10.7	3.4	10.2	13.4	12.9	10.8	11.0
Special items	11	15	3	8	1	1	7	6
• Legal cases	0	10	0	6	0	1	0	3
• Restructuring	11	5	3	2	1	0	7	3
– including divisional Roadmap 2025 subprograms of	11	5	3	2	1	0	7	3
EBIT before special items	258	397	80	240	63	58	115	98
• in % of revenue	6.9	11.2	3.5	10.5	13.6	13.1	11.4	11.8

¹⁾ Prior year information presented based on 2022 segment structure.

Special items

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

Impact of currency translation/constant currency

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

Rounding differences may occur.

Reconciliation

	1 st three months	
	2022	2021
Income statement (in € millions)		Total
EBIT	247	382
• in % of revenue	6.6	10.7
Special items	11	15
• Legal cases	0	10
• Restructuring	11	5
– including divisional Roadmap 2025 subprograms of	11	5
EBIT before special items	258	397
• in % of revenue	6.9	11.2
Net income ¹⁾	136	235
Special items	10	15
• Legal cases	-1	10
• Restructuring	11	5
• Other	0	0
– Tax effect ²⁾	-3	-4
Net income before special items ¹⁾	144	247
Statement of financial position (in € millions)	03/31/2022	12/31/2021
Net financial debt	1,992	1,954
/ EBITDA LTM	2,059	2,186
Net financial debt to EBITDA ratio	1.0	0.9
Net financial debt	1,992	1,954
/ EBITDA before special items LTM	2,049	2,180
Net financial debt to EBITDA ratio before special items	1.0	0.9

	1 st three months	
	2022	2021
Statement of cash flows (in € millions)		
EBITDA	493	619
Special items	11	15
• Legal cases	0	10
• Restructuring	11	5
EBITDA before special items	503	635
Free cash flow (FCF)	-47	126
-/+ Cash in- and outflows for M&A activities	62	4
FCF before cash in- and outflows for M&A activities	14	130
/ EBIT	247	382
FCF-conversion	0.1	0.3
FCF before cash in- and outflows for M&A activities	14	130
Special items	158	157
• Legal cases	-2	3
• Restructuring	160	155
• Other	0	0
• Financing	0	0
FCF before cash in- and outflows for M&A activities and before special items	172	287
Value-based management (in € millions)		
EBIT LTM	1,086	296
/ Average capital employed	8,271	8,295
ROCE (in %)	13.1	3.6
EBIT before special items LTM	1,083	955
/ Average capital employed	8,271	8,295
ROCE before special items (in %)	13.1	11.5
EBIT LTM	1,086	296
– Cost of capital	827	829
Schaeffler Value Added (SVA)	259	-533
EBIT before special items LTM	1,083	955
– Cost of capital	827	829
SVA before special items	256	126

¹⁾ Attributable to shareholders of the parent company.

²⁾ Based on each entity's specific tax rate and country-specific tax environment.
LTM = Based on the last twelve months.

Financial position

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

for the reporting period amounted to EUR 14 m (prior year: EUR 130 m). The decline in EBITDA and increase in capital expenditures compared to the prior year were not fully offset by the reduction in working capital.

The group's net financial debt increased slightly, rising by EUR 38 m to EUR 1,992 m as at March 31, 2022 (December 31, 2021: EUR 1,954 m).

Net financial debt

in € millions	03/31/2022	12/31/2021	Change in %
Bonds	2,937	3,480	-15.6
Schuldschein loans	297	297	0.0
Revolving Credit Facility	-1	-1	-24.5
Other financial debt	3	0	> 100
Total financial debt	3,235	3,776	-14.3
Cash and cash equivalents	1,243	1,822	-31.8
Net financial debt	1,992	1,954	2.0

Cash and cash equivalents amounted to EUR 1,243 m as at March 31, 2022 (December 31, 2021: EUR 1,822 m). EUR 248 m (December 31, 2021: EUR 221 m) of this amount related to countries with foreign exchange restrictions and other legal and contractual restrictions. In addition, the Schaeffler Group has committed revolving credit facilities of EUR 1.9 bn (December 31, 2021: EUR 1.9 bn) of which EUR 37 m (December 31, 2021: EUR 33 m) were utilized as at March 31, 2022, mainly in the form of letters of credit. Deducting bank balances in countries with foreign exchange restrictions results in available liquidity of EUR 2,809 m (December 31, 2021: EUR 3,418 m).

On March 1, 2022, Schaeffler AG prepaid the bond series (ISIN DE000A2YB699) with an outstanding principal of EUR 545 m and an original due date of March 26, 2022.

Schaeffler AG is rated by the three rating agencies Fitch, Moody's, and Standard & Poor's. All ratings are unchanged from those presented in the consolidated financial statements 2021.

Opportunities and risks

Please refer to pp. 44 et seq. of the Schaeffler Group's annual report 2021 for a discussion of the Schaeffler Group's risk management system and potential opportunities and risks.

The Schaeffler Group's business is exposed to risks arising from international conflicts, such as the war in Ukraine, and other uncertainties caused by external influences. Particularly the war in Ukraine is having a noticeable effect on the economic environment and the business of the Schaeffler Group and its customers.

The Schaeffler Group's direct activities in Russia and Ukraine are limited. Indirectly, the military action between Russia and Ukraine and the dynamic related development of stricter economic sanctions and export controls have significantly hampered global economic activity. This results, in particular, in interrupted supply chains, significant price increases in the procurement markets, especially for commodities and energy, rising freight costs, and higher volatility due to increased uncertainty in the international financial markets. These developments give rise to risks that could damage future global economic growth. A medium adverse impact on the Schaeffler Group's net assets, financial position, and results of operations is currently expected.

Further economic sanctions or potential counteraction on the part of the Russian government, such as a possible gas embargo, or an expansion of military action could give rise to significant market and procurement risks and, therefore, could have significant additional implications for the Schaeffler Group.

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

Expected economic and sales market trends

The outbreak of the war in Ukraine and the related economic disruption have led to a noticeable deterioration of the economic outlook. Taking into account the forecast by Oxford Economics (April 2022), the Schaeffler Group now expects global gross domestic product to grow by 3 to 3.5% in 2022.

For further risks beyond the war in Ukraine that may adversely affect global economic growth please refer to the discussion in the section on opportunities and risks.

Taking into account the forecasts by IHS Markit (April 2022), the Schaeffler Group now expects global automobile production, measured as the number of vehicles up to six tons in weight produced, to stagnate in 2022 (2021: 77.2 million).

In light of the IHS Markit forecast (February 2022), the Schaeffler Group continues to anticipate growth in global vehicle population in 2022, measured as the number of passenger cars and light commercial vehicles less than 3.5 tons in weight, to be similar to prior year, with the average vehicle age rising slightly (2021: growth of 2.2%, average age 10.1 years).

Taking into account the forecasts by Oxford Economics (April 2022), the Schaeffler Group now expects global industrial production to grow by 3.5 to 4% in 2022, and production in the sectors particularly relevant to the company – mechanical engineering, transport equipment, and electrical equipment – is similarly anticipated to increase by a total of 3.5 to 4%.

Schaeffler Group outlook

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, based on current information, 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 current extent of economic sanctions, impacts on supply chains, as well as the implications for both commodities and energy prices and the cost of transportation until year-end.

The impact of the coronavirus pandemic on the Schaeffler Group's value chain is reflected at its current level 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 macro-economic and geopolitical environment, in particular due to the course of the war in Ukraine and the future course of the coronavirus pandemic.

The **Schaeffler Group** now expects its revenue to grow by 6 to 8% excluding the impact of currency translation in 2022. In addition, the company expects to generate an EBIT margin before special items of 5 to 7% in 2022.

Moreover, the Schaeffler Group anticipates free cash flow before cash in- and outflows for M&A activities for 2022 of more than EUR 250 m and less than in the prior year.

The group anticipates that its **Automotive Technologies division** will grow by 2 to 5 percentage points more than global automobile production of passenger cars and light commercial vehicles in 2022. On that basis, the company expects the Automotive Technologies division to generate moderate revenue growth, excluding the impact of currency translation, and an EBIT margin before special items of more than 2.5% and less than in the prior year.

For the **Automotive Aftermarket division**, the group anticipates moderate revenue growth in 2022, excluding the impact of currency translation, and an EBIT margin before special items of more than 12% and less than in the prior year.

The company expects its **Industrial division** to generate considerable revenue growth in 2022, excluding the impact of currency translation, and an EBIT margin before special items of more than 11% and less than in the prior year.

Herzogenaurach, May 9, 2022

The Board of Managing Directors

Outlook 2022

	Actual 2021		Outlook 2022	Actual Q1 2022
	adjusted comparative figure	issued 02/22/2022; suspended 03/08/2022	issued 05/09/2022	
Schaeffler Group				
Revenue growth ¹⁾	10.2%	7 to 9%	6 to 8%	1.9%
EBIT margin before special items ²⁾	8.8%	6 to 8%	5 to 7%	6.9%
Free cash flow ³⁾	EUR 523 m	> EUR 300 m; below prior year	> EUR 250 m; below prior year	EUR 14 m
Automotive Technologies division				
Revenue growth ¹⁾	7.8%	considerable revenue growth; (2 to 5%-age points above LVP growth) ⁴⁾	moderate revenue growth; (2 to 5%-age points above LVP growth) ⁴⁾	-3.2%
EBIT margin before special items ²⁾	6.4%	> 4%; below prior year	> 2.5%; below prior year	3.5%
Automotive Aftermarket division				
Revenue growth ¹⁾	13.9%	slight revenue growth	moderate revenue growth	2.1%
EBIT margin before special items ²⁾	13.9%	> 12%; below prior year	> 12%; below prior year	13.6%
Industrial division				
Revenue growth ¹⁾	14.2%	considerable revenue growth	considerable revenue growth	15.7%
EBIT margin before special items ²⁾	11.8%	> 11%; below prior year	> 11%; below prior year	11.4%

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

²⁾ Please refer to the annual report 2021, pp. 33 et seq., for the definition of special items.

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

⁴⁾ LVP growth: global growth in production of passenger cars and light commercial vehicles.

Consolidated income statement

in € millions	1 st three months		Change in %
	2022	2021 ¹⁾	
Revenue	3,758	3,560	5.6
Cost of sales	-2,887	-2,603	10.9
Gross profit	871	957	-9.0
Research and development expenses	-203	-192	5.3
Selling expenses	-257	-246	4.4
Administrative expenses	-145	-137	6.1
Other income	8	37	-78.3
Other expenses	-16	-31	-48.0
Income (loss) from equity-accounted investees	-11	-6	82.3
Earnings before financial result and income taxes (EBIT)	247	382	-35.2
Financial income	12	7	71.9
Financial expenses	-41	-40	0.8
Financial result	-29	-34	-13.5
Earnings before income taxes	218	348	-37.3
Income taxes	-75	-109	-31.0
Net income	143	239	-40.2
Attributable to shareholders of the parent company	136	235	-42.0
Attributable to non-controlling interests	6	4	75.0
Earnings per common share (basic/diluted, in €)	0.21	0.35	-40.0
Earnings per common non-voting share (basic/diluted, in €)	0.21	0.35	-40.0

¹⁾ See "Change in accounting policy" section for further details.

Consolidated statement of comprehensive income

	1 st three months	
in € millions	2022	2021
Net income	143	239
Items that will not be reclassified to profit or loss		
Remeasurement of net defined benefit liability	307	270
Tax effect	-86	-76
Total other comprehensive income that will not be reclassified to profit or loss	221	194
Items that have been or may be reclassified subsequently to profit or loss		
Foreign currency translation differences for foreign operations	120	136
Effective portion of changes in fair value of cash flow hedges	14	-58
Tax effect	-4	17
Total other comprehensive income that has been or may be subsequently reclassified to profit or loss	130	95
Total other comprehensive income	351	289
Total comprehensive income	494	527
Total comprehensive income attributable to shareholders of the parent company	487	521
Total comprehensive income attributable to non-controlling interests	6	6

Consolidated statement of financial position

in € millions	03/31/2022	12/31/2021	03/31/2021	Change in %
ASSETS				
Intangible assets	629	497	467	26.5
Right-of-use assets under leases	210	208	182	1.1
Property, plant and equipment	4,692	4,748	4,830	-1.2
Investments in joint ventures and associated companies	59	70	108	-15.4
Costs to fulfill a contract	367	367	377	0.1
Other financial assets	231	209	110	10.3
Other assets	253	244	143	3.7
Income tax receivables	11	9	1	18.0
Deferred tax assets	775	842	814	-8.0
Total non-current assets	7,227	7,194	7,032	0.4
Inventories	2,795	2,495	2,107	12.0
Contract assets	57	52	61	8.8
Trade receivables	2,390	2,274	2,303	5.1
Other financial assets	119	80	122	49.9
Other assets	388	324	330	19.6
Income tax receivables	52	46	55	13.5
Cash and cash equivalents	1,243	1,822	1,854	-31.8
Assets held for sale	83	77	8	7.3
Total current assets	7,127	7,170	6,840	-0.6
Total assets	14,354	14,364	13,872	-0.1

in € millions	03/31/2022	12/31/2021	03/31/2021	Change in %
SHAREHOLDERS' EQUITY AND LIABILITIES				
Share capital	666	666	666	0.0
Capital reserves	2,348	2,348	2,348	0.0
Other reserves	1,124	988	628	13.8
Accumulated other comprehensive income (loss)	-598	-949	-1,193	-37.0
Equity attributable to shareholders of the parent company	3,540	3,053	2,449	16.0
Non-controlling interests	119	112	100	5.8
Total shareholders' equity	3,659	3,165	2,549	15.6
Provisions for pensions and similar obligations	2,174	2,454	2,562	-11.4
Provisions	298	304	527	-2.0
Financial debt	3,235	3,231	4,028	0.1
Contract liabilities	124	118	101	5.2
Income tax payables	38	36	10	7.8
Other financial liabilities	79	35	17	> 100
Lease liabilities	160	159	135	0.3
Other liabilities	9	11	16	-23.8
Deferred tax liabilities	204	169	130	20.5
Total non-current liabilities	6,320	6,516	7,524	-3.0
Provisions	427	492	539	-13.2
Financial debt	0	545	2	-100.0
Contract liabilities	108	94	96	15.1
Trade payables	2,382	2,068	1,866	15.2
Income tax payables	124	118	172	4.7
Other financial liabilities	548	724	507	-24.3
Lease liabilities	54	52	49	3.7
Refund liabilities	261	274	174	-4.8
Other liabilities	439	286	393	53.3
Liabilities associated with assets held for sale	32	30	0	6.6
Total current liabilities	4,375	4,683	3,799	-6.6
Total shareholders' equity and liabilities	14,354	14,364	13,872	-0.1

Consolidated statement of changes in equity

	Share capital	Capital reserves	Other reserves	Accumulated other comprehensive income (loss)				Equity attributable to shareholders ¹⁾	Non-controlling interests	Total	
				Translation reserve	Hedging reserve	Fair value reserve	Defined benefit plan remeasurement reserve				Total
in € millions											
Balance as at January 01, 2021	666	2,348	393	-517	31	-2	-991	-1,479	1,928	93	2,022
Net income			235					0	235	4	239
Other comprehensive income (loss)				133	-41	0	194	286	286	3	289
Total comprehensive income (loss)	0	0	235	133	-41	0	194	286	521	6	527
Balance as at March 31, 2021	666	2,348	628	-383	-10	-2	-797	-1,193	2,449	100	2,549
Balance as at January 01, 2022	666	2,348	988	-208	-40	-2	-698	-949	3,053	112	3,165
Net income			136					0	136	6	143
Other comprehensive income				120	10	0	221	351	351	0	351
Total comprehensive income			136	120	10	0	221	351	487	6	494
Balance as at March 31, 2022	666	2,348	1,124	-89	-30	-2	-477	-598	3,540	119	3,659

¹⁾ Equity attributable to shareholders of the parent company.

Consolidated statement of cash flows

in € millions	1 st three months		Change in %
	2022	2021 ¹⁾	
Operating activities			
EBIT	247	382	-35.2
Interest paid	-44	-43	3.8
Interest received	4	4	6.3
Income taxes paid	-74	-66	12.2
Amortization, depreciation, and impairment losses	245	238	3.3
(Gains) losses on disposal of assets	0	0	45.9
Changes in:			
• Inventories	-262	-193	35.4
• Trade receivables	-142	-138	2.9
• Trade payables	308	156	97.6
• Provisions for pensions and similar obligations	18	25	-28.3
• Other assets, liabilities, and provisions	-101	-82	22.3
Cash flows from operating activities	199	281	-29.1
Investing activities			
Proceeds from disposals of property, plant and equipment	3	1	83.5
Capital expenditures on intangible assets	-13	-2	> 100
Capital expenditures on property, plant and equipment	-143	-130	10.6
Acquisition of subsidiaries, interests in joint ventures, and other equity investments	-62	-4	> 100
Other investing activities	-16	-7	> 100
Cash used in investing activities	-231	-141	64.5
Financing activities			
Receipts from bond issuances and loans	0	1	-99.3
Redemptions of bonds and repayments of loans	-544	-43	> 100
Principal repayments on lease liabilities	-15	-15	4.6
Cash provided used in financing activities	-559	-56	> 100
Net increase (decrease) in cash and cash equivalents	-591	85	-
Effects of foreign exchange rate changes on cash and cash equivalents	12	11	5.3
Cash and cash equivalents as at beginning of period	1,822	1,758	3.6
Cash and cash equivalents as at March 31	1,243	1,854	-33.0

¹⁾ See "Change in accounting policy" section for further details.

Consolidated segment information

(Part of the condensed notes to the consolidated financial statements)

	1 st three months		1 st three months		1 st three months		1 st three months	
	2022	2021 ¹⁾	2022	2021 ¹⁾	2022	2021 ¹⁾	2022	2021 ¹⁾
in € millions	Automotive Technologies		Automotive Aftermarket		Industrial		Total	
Revenue	2,293	2,281	463	444	1,002	836	3,758	3,560
EBIT	77	232	62	57	108	92	247	382
• in % of revenue	3.4	10.2	13.4	12.9	10.8	11.0	6.6	10.7
EBIT before special items ²⁾	80	240	63	58	115	98	258	397
• in % of revenue	3.5	10.5	13.6	13.1	11.4	11.8	6.9	11.2
Amortization, depreciation, and impairment losses	186	186	10	9	50	43	245	238
Working capital ^{3) 4)}	1,116	1,236	537	383	1,150	924	2,803	2,543
Additions to intangible assets and property, plant and equipment	81	61	5	3	43	46	128	110

Prior year information presented based on 2022 segment structure.

¹⁾ See "Change in accounting policy" section for further details.

²⁾ EBIT before special items for legal cases, restructuring, and other.

³⁾ Working capital defined as inventories plus trade receivables less trade payables.

⁴⁾ Amounts as at March 31.

Condensed notes to the consolidated financial statements

Reporting entity

Schaeffler AG, Herzogenaurach, is a publicly listed stock corporation domiciled in Germany with its registered office located at Industriestraße 1–3, 91074 Herzogenaurach. The company was founded on April 19, 1982, and is registered in the Commercial Register of the Fürth Local Court (HRB No. 14738). The interim statement of Schaeffler AG as at March 31, 2022, comprises Schaeffler AG and its subsidiaries, investments in associated companies, and joint ventures (together referred to as the “Schaeffler Group”). The Schaeffler Group is a global automotive and industrial supplier.

Basis of preparation

The consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows, and condensed notes to these statements comprising this interim statement are largely based on the accounting policies used in the 2021 consolidated financial statements, where the latter are discussed in detail. These accounting policies have been applied consistently in this interim statement.

In compiling financial statements in accordance with IFRS, management exercises judgment in making estimates and assumptions. Such estimates and judgments are unchanged

from the matters described in the consolidated financial statements of Schaeffler AG as at, and for the year ended, December 31, 2021. An exception to this is an adjustment to the assumption regarding the discount rate used to measure the company’s pension obligations that was made to reflect current market trends. The increase in the discount rate has led to a decrease in pension obligations and an increase in shareholders’ equity. Please refer to “Provisions for pensions and similar obligations” below for more detailed information.

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

Income taxes were determined based on best estimate.

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

Foreign currency translation

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

Selected foreign exchange rates

Currencies	03/31/2022	12/31/2021	03/31/2021	1 st three months	
				2022	2021
1 € in	Closing rates			Average rates	
CNY China	7.04	7.19	7.68	7.13	7.81
INR India	84.13	84.23	85.81	84.42	87.91
	South				
KRW Korea	1,347.37	1,346.38	1,324.19	1,352.60	1,343.09
MXN Mexico	22.09	23.14	24.05	23.01	24.52
USD U.S.	1.11	1.13	1.17	1.12	1.21

Change in accounting policy

Effective January 1, 2022, management of capital employed via the indicator ROCE has been operationalized. In order to reflect all significant operating assets, the scope of average capital employed has been amended – starting in 2022 – to include investments in joint ventures and associated companies as well as right-of-use assets under leases. In this context, earnings before financial result and income taxes (EBIT) have correspondingly been expanded to include income (loss) from equity-accounted investees starting January 1, 2022. This change in policy was made by a retrospective adjustment to the comparative figures for the period presented. Earnings before financial result and income taxes (EBIT) for the comparative period in 2021 was reduced by EUR 6 m to EUR 382 m (before adjustment: earnings before financial result, income (loss) from equity-accounted investees, and income taxes (EBIT) EUR 388 m).

Scope of consolidation

The interim statement of Schaeffler AG as at March 31, 2022, covers, in addition to Schaeffler AG, 149 (December 31, 2021: 148) subsidiaries; 47 (December 31, 2021: 46) entities are domiciled in Germany and 102 (December 31, 2021: 102) in other countries.

In the interim statement as at March 31, 2022, five (December 31, 2021: five) joint ventures and three associated companies (December 31, 2021: three) are accounted for at equity.

Acquisitions and disposals of companies

In a transaction that closed on February 1, 2022, the Schaeffler Group has acquired 100% of the shares of Melior Motion GmbH. Melior Motion GmbH manufactures precision gears for applications in robotics and automation. The acquisition expands the Schaeffler Group's technological expertise in the field of mechatronics and systems. The purchase price of EUR 61 m was paid in cash upon closing. In addition, the transaction calls for up to EUR 60 m in contingent purchase price payments that are contingent on the revenue trend in 2023 and 2024. As at the acquisition date, the contingent purchase price payments were expected to amount to EUR 57 m undiscounted. The transaction results in intangible assets of EUR 66 m. The provisional goodwill of EUR 56 m, which cannot be recognized for tax purposes and is therefore not tax-deductible, represents synergies as well as the value of the planned enhancement of the technology portfolio. The following table summarizes the assets acquired and liabilities assumed at their fair value. Melior Motion GmbH has generated EUR 5 m in revenue since the acquisition date. If the acquisition had closed as at January 1, 2022, consolidated revenue would have increased by a further EUR 2 m. There was no significant impact on consolidated net income.

Assets acquired and liabilities assumed

in € millions	Melior Motion GmbH
Intangible assets	66
Right-of-use assets under leases	2
Property, plant and equipment	4
Total non-current assets	72
Inventories	5
Trade receivables	1
Cash and cash equivalents	1
Total current assets	7
Financial debt	3
Lease liabilities	2
Deferred tax liabilities	15
Total non-current liabilities	20
Provisions	1
Trade payables	3
Total current liabilities	4
Net assets acquired	56
Purchase price	112
Goodwill	56

Revenue

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

IFRS 15 – analysis of revenue by category

in € millions	1 st three months		1 st three months		1 st three months		1 st three months	
	2022	2021 ¹⁾	2022	2021 ¹⁾	2022	2021 ¹⁾	2022	2021 ¹⁾
	Automotive Technologies		Automotive Aftermarket		Industrial		Total	
Revenue by type								
• Revenue from the sale of goods	2,271	2,252	463	444	991	826	3,726	3,521
• Revenue from the sale of tools	9	14	0	0	0	1	10	15
• Revenue from services	12	15	0	0	10	9	22	24
Total	2,293	2,281	463	444	1,002	836	3,758	3,560
Revenue by region ²⁾								
• Europe	849	864	306	312	429	342	1,584	1,518
• Americas	567	532	99	83	168	140	833	754
• Greater China	557	541	30	25	255	235	842	800
• Asia/Pacific	320	345	29	24	150	119	499	488
Total	2,293	2,281	463	444	1,002	836	3,758	3,560

¹⁾ Prior year information presented based on 2022 segment structure.

²⁾ Based on market (customer location).

Trade receivables

The amount of financing available from revolving sales of trade receivables was increased to EUR 185 m during the first quarter of 2022 (December 31, 2021: EUR 150 m).

Other financial assets and other assets

In connection with an agreement reached with a service provider on payment of damages to compensate for additional expenses incurred, the company had other financial assets in the form of claims and additional receivables of EUR 28 m as at March 31, 2022 (December 31, 2021: EUR 5 m). An impairment loss of EUR 9 m was recognized on these claims and additional receivables during the reporting period.

Current and non-current financial debt

Financial debt (current/non-current)

in € millions	03/31/2022			12/31/2021		
	Due in up to 1 year	Due in more than 1 year	Total	Due in up to 1 year	Due in more than 1 year	Total
Bonds	0	2,937	2,937	544	2,936	3,480
Schuldschein loans	0	297	297	0	297	297
Revolving Credit Facility	0	-1	-1	0	-1	-1
Other financial debt	0	3	3	0	0	0
Total	0	3,235	3,235	545	3,231	3,776

The decrease in financial debt compared to December 31, 2021, was mainly due to the repayment of the bond series (ISIN DE000A2YB699) with an outstanding principal of EUR 545 m on March 1, 2022.

Provisions for pensions and similar obligations

Interest rate levels as at March 31, 2022, have increased compared to December 31, 2021. On this basis, the Schaeffler Group has adjusted the discount rate used to value its key pension plans as at the reporting date. The Schaeffler Group's average discount rate as at March 31, 2022, amounted to 2.3% (December 31, 2021: 1.5%). As at March 31, 2022, the resulting remeasurement of the company's obligations under defined benefit pension plans resulted in actuarial gains of EUR 368 m and losses on plan assets of EUR 58 m as well as an unfavorable impact of the asset ceiling of EUR 2 m which were recognized in other comprehensive income and are reported under accumulated other comprehensive income net of deferred taxes.

Financial instruments

The carrying amounts and fair values of financial instruments by class of the consolidated statement of financial position and by category per IFRS 7.8 are summarized below. Derivatives designated as hedging instruments are shown as well.

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

Other investments included unconsolidated equity investments representing interests held by the group of less than 20% (shares in incorporated companies and cooperatives). These are generally of a strategic long-term nature. For measurement purposes, unconsolidated equity investments were designated, at initial recognition, as either at fair value through other comprehensive income or at fair value through profit or loss. Fair value is partly measured by applying an EBIT multiple methodology using sector- and size-specific EBIT multiples.

Marketable securities consist primarily of debt instruments in the form of money market fund units. These are measured at fair value through profit or loss.

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

- Level 1: Exchange-quoted prices as at the reporting date are used for marketable securities as well as bonds payable included in financial debt.
- Level 2: Cross-currency swaps and foreign exchange contracts are measured using discounted cash flow valuation models and the exchange rates in effect at the end of the reporting period, as well as risk-adjusted interest and discount rates appropriate to the instruments' terms. These models take into account counterparty credit risk via credit value adjustments. Derivatives embedded in bond agreements are measured using a Hull-White model. Key inputs to this model are interest rates, volatilities, and credit default swap rates. The fair value of financial debt (except for the publicly listed bonds payable) is the present value of expected cash in- or outflows discounted using risk-adjusted discount rates that are appropriate to the term of the item being valued and that are in effect at the end of the reporting period.
- Level 3: The derivatives embedded in a convertible loan and the loan issued with a conversion right are measured based on option pricing models. Inputs to the models include data from the company's plans and budgets, market information, and management expectations.

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

Financial instruments by class and category in accordance with IFRS 7.8

in € millions	Category per IFRS 7.8	Level per IFRS 13	03/31/2022		12/31/2021		03/31/2021	
			Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets, by class								
Trade receivables	Amortized cost		2,207	2,207	2,037	2,037	2,062	2,062
Trade receivables – ABCP program	FVTPL	2	-	-	-	-	98	98
Trade receivables – receivable sale program	FVTPL	2	89	89	96	96	-	-
Trade receivables – customer receivables and notes receivable available for sale	FVOCI	2	94	94	140	140	143	143
Other financial assets								
• Other investments	FVOCI	2	36	36	36	36	36	36
• Other investments	FVTPL	2	8	8	7	7	-	-
• Marketable securities	FVTPL	1	27	27	28	28	26	26
• Derivatives designated as hedging instruments	n.a.	2	7	7	7	7	18	18
• Derivatives not designated as hedging instruments	FVTPL	2	44	44	17	17	28	28
• Miscellaneous other financial assets	Amortized cost, FVTPL		228	228	194	194	124	124
Cash and cash equivalents	Amortized cost, FVTPL		1,243	1,243	1,822	1,822	1,854	1,854
Financial liabilities, by class								
Financial debt	FLAC	1,2 ¹⁾	3,235	3,243	3,776	4,008	4,030	4,251
Trade payables	FLAC		2,382	2,382	2,068	2,068	1,866	1,866
Refund liabilities	n.a.		261	261	274	274	174	174
Lease liabilities ²⁾	n.a.		214	-	210	-	184	-
Other financial liabilities								
• Derivatives designated as hedging instruments	n.a.	2	63	63	63	63	32	32
• Derivatives not designated as hedging instruments	FVTPL	2	46	46	33	33	24	24
• Miscellaneous other financial liabilities	FLAC		518	518	662	662	467	467
Summary by category								
Financial assets at amortized cost (Amortized cost)			3,678	3,678	4,053	4,053	4,040	4,040
Financial assets at fair value through profit or loss (FVTPL)			168	168	148	148	152	152
Financial assets at fair value through other comprehensive income (FVOCI)			130	130	176	176	179	179
Financial liabilities at amortized cost (FLAC)			6,135	6,143	6,506	6,738	6,363	6,584
Financial liabilities at fair value through profit or loss (FVTPL)			46	46	33	33	24	24

¹⁾ Level 1: EUR 2,940 m (December 31, 2021: EUR 3,709 m; March 31, 2021: EUR 3,689 m). Level 2: EUR 304 m (December 31, 2021: EUR 299 m; March 31, 2021: EUR 562 m).

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

Contingent liabilities and other obligations

The statements made in the annual report 2021 with respect to contingent liabilities are largely unchanged.

Open commitments under fixed contracts to purchase property, plant and equipment amounted to EUR 201 m as at March 31, 2022 (December 31, 2021: EUR 147 m).

Segment information

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

Reconciliation to earnings before income taxes

in € millions	1 st three months	
	2022	2021 ¹⁾
EBIT Automotive Technologies ²⁾	77	232
EBIT Automotive Aftermarket ²⁾	62	57
EBIT Industrial ²⁾	108	92
EBIT	247	382
Financial result	-29	-34
Earnings before income taxes	218	348

¹⁾ See "Change in accounting policy" section for further details.

²⁾ Prior year information presented based on 2022 segment structure.

Reconciliation of EBIT to EBIT before special items

in € millions	1 st three months		1 st three months		1 st three months		1 st three months	
	2022	2021 ^{1) 2)}	2022	2021 ^{1) 2)}	2022	2021 ^{1) 2)}	2022	2021 ¹⁾
	Automotive Technologies		Automotive Aftermarket		Industrial		Total	
EBIT	77	232	62	57	108	92	247	382
* in % of revenue	3.4	10.2	13.4	12.9	10.8	11.0	6.6	10.7
Special items	3	8	1	1	7	6	11	15
* Legal cases	0	6	0	1	0	3	0	10
* Restructuring	3	2	1	0	7	3	11	5
* Other	0	0	0	0	0	0	0	0
EBIT before special items	80	240	63	58	115	98	258	397
* in % of revenue	3.5	10.5	13.6	13.1	11.4	11.8	6.9	11.2

¹⁾ See "Change in accounting policy" section for further details.

²⁾ Prior year information presented based on 2022 segment structure.

The Schaeffler Group's business is managed based on the three divisions – **Automotive Technologies, Automotive Aftermarket, and Industrial** – which also represent the reportable segments. Until December 31, 2021, the Automotive Technologies division business was organized into the four business divisions (BDs) E-Mobility, Engine Systems, Transmission Systems, and Chassis Systems. In order to even more closely align the Schaeffler Group toward future-oriented technologies and the transition in the automotive industry, the Board of Managing Directors of Schaeffler AG approved an amendment to enhance the **organizational structure of the Automotive Technologies division**. Starting January 1, 2022, the division manages its business based on the four **BDs E-Mobility, Engine & Transmission Systems, Bearings, as well as Chassis Systems**. This organizational change separates the powertrain-specific business from the powertrain-agnostic business more clearly than before. The largely powertrain-agnostic range of rolling bearing applications and products was previously part of the Transmission Systems and Chassis Systems BDs within the Automotive Technologies division. Starting January 1, 2022, it is housed in the new Bearings BD in order to access new markets in a highly competitive environment and increase the visibility of the bearing business as well as enhance it with a focus on applications and customers. Additionally, the company plans to more

closely focus the E-Mobility and Chassis Systems BDs on their future core business. For instance, with the bearing business combined and consolidated in a separate business division, the Chassis Systems BD will be able to concentrate on developing mechatronic chassis systems and technologies for automated driving. Combining the Engine & Transmission Systems BDs is aimed at realizing additional synergies in the business with powertrains based on an internal combustion engine.

The Automotive Aftermarket and Industrial divisions are managed regionally, based on the **regions Europe, Americas, Greater China, and Asia/Pacific**.

The segments offer different products and services and are managed separately because they require different technology and marketing strategies. Each segment focuses on a specific worldwide group of customers, with the spare parts business with automobile manufacturers located in the Automotive Aftermarket segment. Consequently, the amounts for revenue, EBIT, assets, additions to intangible assets and property, plant and equipment, as well as amortization, depreciation, and impairment losses are reported based on the current allocation of customers to divisions. The allocation of customers to segments and the allocation of indirect expenses was reviewed and

adjusted during the year. To ensure that the information on the Automotive Technologies division, Automotive Aftermarket division, and Industrial division segments is comparable, prior year information was also presented using the current year's customer structure. Revenue related to transactions between operating segments is not included.

Related parties

The extent of transactions with related persons and entities remained largely unchanged compared to the 2021 consolidated financial statements.

The company has granted an additional EUR 13 m in interest-bearing loans to a joint venture, bringing the total amount of the loan to EUR 95 m.

Further transactions with associated companies and joint ventures during this period were insignificant.

Events after the reporting period

On April 21, 2022, Schaeffler AG's annual general meeting passed a resolution to pay a dividend of EUR 0.49 (prior year: EUR 0.24) per common share and EUR 0.50 (prior year: EUR 0.25) per common non-voting share to Schaeffler AG's shareholders for 2021. This represents a dividend payout ratio of 43.9% (prior year: 49.7%) of net income attributable to shareholders before special items. The dividend will be paid on April 26, 2022.

No other material events expected to have a significant impact on the net assets, financial position, or results of operations of the Schaeffler Group occurred after March 31, 2022.

Herzogenaurach, May 9, 2022

The Board of Managing Directors

Summary 1st quarter 2021 to 1st quarter 2022

Schaeffler Group

	2021				2022
in € millions	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	1 st quarter
Income statement					
Revenue	3,560	3,454	3,332	3,506	3,758
• Europe	1,518	1,501	1,374	1,430	1,584
• Americas	754	669	705	692	833
• Greater China	800	812	778	904	842
• Asia/Pacific	488	472	475	479	499
Cost of sales	-2,603	-2,611	-2,538	-2,659	-2,887
Gross profit	957	843	793	846	871
• in % of revenue	26.9	24.4	23.8	24.1	23.2
Research and development expenses	-192	-183	-181	-191	-203
Selling and administrative expenses	-383	-371	-374	-390	-402
EBIT	382	341	266	231	247
• in % of revenue	10.7	9.9	8.0	6.6	6.6
Special items	15	-37	-6	29	11
EBIT before special items ¹⁾	397	305	260	260	258
• in % of revenue	11.2	8.8	7.8	7.4	6.9
Net income ²⁾	235	227	149	145	136
Earnings per common non-voting share (basic/diluted, in €)	0.35	0.35	0.22	0.22	0.21
Statement of financial position					
Total assets	13,872	13,959	14,373	14,364	14,354
Additions to intangible assets and property, plant and equipment	110	131	198	232	128
Amortization, depreciation, and impairment losses excluding depreciation of right-of-use assets under leases and impairments of goodwill	223	228	226	229	231
• Reinvestment rate	0.49	0.57	0.87	1.01	0.56
Shareholders' equity ³⁾	2,549	2,640	2,848	3,165	3,659
• in % of total assets	18.4	18.9	19.8	22.0	25.5
Net financial debt	2,176	2,228	2,014	1,954	1,992
• Net financial debt to EBITDA ratio before special items ^{1) 4)}	1.1	0.9	0.9	0.9	1.0
• Gearing ratio (Net financial debt to shareholders' equity ³⁾ , in %)	85.3	84.4	70.7	61.7	54.4

	2021				2022
in € millions	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	1 st quarter
Statement of cash flows					
EBITDA	619	584	507	476	493
Cash flows from operating activities	281	266	458	271	199
Capital expenditures (capex) ⁵⁾	132	136	215	188	156
• in % of revenue (capex ratio)	3.7	3.9	6.4	5.4	4.2
Free cash flow (FCF) before cash in- and outflows for M&A activities	130	113	225	55	14
• FCF-conversion (ratio of FCF before cash in- and outflows for M&A activities to EBIT) ⁶⁾	0.3	0.3	0.8	0.2	0.1
Value-based management					
ROCE (in %) ⁴⁾	3.6	9.6	15.3	14.9	13.1
ROCE before special items (in %) ^{1) 4)}	11.5	17.4	16.8	14.9	13.1
Schaeffler Value Added (in € millions) ⁴⁾	-533	-31	436	403	259
Schaeffler Value Added before special items (in € millions) ^{1) 4)}	126	606	557	404	256
Employees					
Headcount (at end of reporting period)	83,937	83,945	83,935	82,981	83,089

¹⁾ Please refer to the annual report 2021, pp. 33 et seq., for the definition of special items.

²⁾ Attributable to shareholders of the parent company.

³⁾ Including non-controlling interests.

⁴⁾ EBIT/EBITDA based on the last twelve months.

⁵⁾ Capital expenditures on intangible assets and property, plant and equipment.

⁶⁾ Only reported if FCF before cash in- and outflows for M&A activities and EBIT positive.

in € millions	2021				2022
	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	1 st quarter
Automotive Technologies division					
Revenue	2,281	2,084	1,921	2,150	2,293
• E-Mobility BD	247	259	226	306	307
• Engine & Transmission Systems BD	1,283	1,143	1,073	1,189	1,257
• Bearings BD	676	615	554	577	643
• Chassis Systems BD	76	66	67	78	86
• Europe	864	812	661	738	849
• Americas	532	438	452	449	567
• Greater China	541	513	501	655	557
• Asia/Pacific	345	321	307	308	320
Cost of sales	-1,721	-1,651	-1,545	-1,712	-1,859
Gross profit	560	433	376	437	434
• in % of revenue	24.5	20.8	19.6	20.3	18.9
Research and development expenses	-154	-147	-147	-154	-162
Selling and administrative expenses	-173	-172	-157	-170	-183
EBIT	232	141	96	110	77
• in % of revenue	10.2	6.7	5.0	5.1	3.4
Special items	8	-21	-20	-3	3
EBIT before special items ¹⁾	240	119	77	107	80
• in % of revenue	10.5	5.7	4.0	5.0	3.5

Automotive Aftermarket division

Revenue	444	467	500	437	463
• Europe	312	332	341	291	306
• Americas	83	86	102	92	99
• Greater China	25	26	27	24	30
• Asia/Pacific	24	24	30	31	29
Cost of sales	-300	-321	-346	-296	-319
Gross profit	143	147	154	141	144
• in % of revenue	32.3	31.4	30.8	32.2	31.2
Research and development expenses	-4	-4	-4	-4	-5
Selling and administrative expenses	-82	-68	-82	-88	-76
EBIT	57	89	80	48	62
• in % of revenue	12.9	19.0	16.1	10.9	13.4
Special items	1	-11	-9	1	1
EBIT before special items ¹⁾	58	78	72	49	63
• in % of revenue	13.1	16.6	14.3	11.2	13.6

in € millions	2021				2022
	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	1 st quarter
Industrial division					
Revenue	836	902	911	919	1,002
• Europe	342	357	372	401	429
• Americas	140	146	151	151	168
• Greater China	235	272	250	226	255
• Asia/Pacific	119	127	138	140	150
Cost of sales	-582	-640	-648	-650	-710
Gross profit	254	262	263	268	292
• in % of revenue	30.4	29.1	28.9	29.2	29.2
Research and development expenses	-34	-32	-31	-33	-36
Selling and administrative expenses	-127	-131	-135	-133	-142
EBIT	92	112	89	74	108
• in % of revenue	11.0	12.4	9.8	8.0	10.8
Special items	6	-4	23	30	7
EBIT before special items ¹⁾	98	108	112	104	115
• in % of revenue	11.8	11.9	12.3	11.3	11.4

Prior year information presented based on 2022 segment structure.

¹⁾ Please refer to the annual report 2021, pp. 33 et seq., for the definition of special items.

Financial calendar

May 10, 2022

Publication of results for the first three months 2022

August 4, 2022

Publication of results for the first six months 2022

November 8, 2022

Publication of results for the first nine months 2022

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