

We pioneer motion

# Interim Statement 9M 2022

## Highlights 9M 2022

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Revenue increased year-on-year

Revenue at **EUR 11.8 bn**  
(up 8.7% at constant currency)

(prior year: EUR 10.3 bn)

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Margin affected by sharp increase in factor input costs

EBIT margin before special items **6.9%**

(prior year: 9.3%)

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Positive cash flow despite challenging market conditions

Free cash flow before cash in- and outflows  
for M&A activities at **EUR 35 m**

(prior year: EUR 468 m)

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# Significant events – first nine months 2022

## Schaeffler Group continues to push ahead with transformation under “Roadmap 2025”

### Progress with implementing the structural measures in Europe

Following the start of preparations for the construction of the central laboratory facility in Herzogenaurach in the prior year, its foundation stone was laid in early June 2022. Additionally, the tool technology center in Hoechstadt was opened in early May 2022. The new tool technology center will manufacture precision tools for the global Schaeffler production network, particularly for the strategic future-oriented fields of electric mobility and robotics. As part of the measures aimed at strengthening the capabilities of the Industrial division, production capacities at its headquarters in Schweinfurt were integrated and expanded in order to push ahead with consolidating and clustering as well as increasing vertical integration for classic bearing products.

 More on the **structural measures in Europe** in the annual report 2021 on page 19.

## Transformation of Special Machinery business continued

The **Special Machinery** unit realizes solutions worldwide – from the initial system concept through to stable volume production. The unit supplies turnkey production systems both for the Schaeffler Group’s plants and, since opening up to the market in 2019, also for external customers in areas such as the automotive sector including e-mobility, consumer goods, and medical technology. As part of the strategic opening, the Schaeffler Group plans to transform the Special Machinery unit into an independent unit within the company under its “Roadmap 2025”. This continues the Schaeffler Group’s transformation of its global Special Machinery business announced at the 2022 annual general meeting.

## Schaeffler Group and Symbio establish jointly managed company “Innoplatt”

The Schaeffler Group and Symbio, a Faurecia and Michelin hydrogen joint venture, signed an agreement on June 7, 2022, to establish a company with equal share ownership to be located in Haguenau, France. The company was established effective September 30, 2022. The objective of the company, which operates under the name **“Innoplatt”**, is the production of bipolar plates for fuel cell applications. Start of production is planned for early 2024. “Innoplatt” further expands the Schaeffler Group’s forward-looking technologies under its “Roadmap 2025”.

## Sale of global chain drive business

In a transaction that closed on July 1, 2022, the Schaeffler Group has sold **the global chain drive business** of the Automotive Technologies division to private equity fund Lenbach Equity Opportunities II. The transaction more closely aligns the Automotive Technologies division toward new business fields.

## Acquisition of Melior Motion GmbH

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.

## Changes in geopolitical and economic environment

The **geopolitical and economic uncertainty** resulting from the war in Ukraine affects the Schaeffler Group's sales and procurement markets. The Schaeffler Group's sales and procurement markets were additionally affected by renewed lockdown measures in China due to the coronavirus pandemic, especially in the second quarter of 2022.

## Schaeffler AG holds virtual annual general meeting

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 was paid on April 26, 2022.

## New outlook published

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.

On May 9, 2022, the Board of Managing Directors of Schaeffler AG agreed on a **new full-year outlook for 2022** for the Schaeffler Group and its divisions.

 More on the guidance for the Schaeffler Group and its divisions in the outlook on pp. 12 et seq.

## Contracts with Managing Directors extended

At its meeting on May 20, 2022, the Supervisory Board of Schaeffler AG decided to extend the contract with Claus Bauer, **Chief Financial Officer (CFO)** with responsibility for Finance and IT, until August 31, 2025.

Also at its meeting on May 20, 2022, the Supervisory Board decided to extend the contract with Dr. Stefan Spindler, **CEO of the Industrial division**, until April 30, 2024.

## Acquisition of Ewellix Group

On July 24, 2022, an agreement was signed for the acquisition of 100% of the shares of the **Ewellix Group**. The Ewellix Group is a leading global manufacturer and supplier of drive and linear motion solutions. Its core products include actuators, lifting columns, robot range extenders, ball and roller screws, and linear guides (monorail guidance systems and linear ball bearings). These products are used in a wide range of applications and equipment types, including medical technology, mobile machinery, assembly automation and robotics, and various other areas of industry. This step expands the Schaeffler Group's linear technology portfolio. The transaction is expected to close in the first quarter of 2023.

## Schaeffler Group earnings

The year-on-year growth in **revenue**, excluding the impact of currency translation, during the first nine months of 2022 was largely attributable to increased volumes. A favorable impact from sales prices in all three divisions further bolstered the revenue trend, especially since considerable rises in factor input costs were increasingly passed on to the market. The considerably higher volumes in the **Industrial division** were mainly due to the results of operations of the Europe region and, globally, Industrial Distribution and the industrial automation sector cluster. The **Automotive Technologies division** reported moderate growth for the reporting period, driven by significantly increased volumes in the third quarter of 2022 in particular. The moderate growth at the **Automotive Aftermarket division**, excluding the impact of currency translation, in the first nine months of 2022 was primarily the result of a favorable impact from sales prices. Additionally, the considerable decline in volumes in the Central & Eastern Europe subregion attributable to the war in Ukraine was almost entirely offset by volume growth in other markets.

The decline in **EBIT margin before special items** during the reporting period was mainly due to the lower gross margin. The primary reason for this decrease were considerably higher factor input costs that were not fully compensated for by successful adjustments to sales prices. The main additional adverse impact on the EBIT margin before special items came from high freight and logistics costs.

in € millions	1 <sup>st</sup> nine months			3 <sup>rd</sup> quarter		
	2022	2021	Change in %	2022	2021	Change in %
<b>Revenue</b>	<b>11,790</b>	<b>10,346</b>	<b>14.0</b>	<b>4,242</b>	<b>3,332</b>	<b>27.3</b>
• at constant currency			8.7			20.2
<b>Revenue by division</b>						
Automotive Technologies	7,070	6,286	12.5	2,555	1,921	33.0
• at constant currency			7.0			25.2
Automotive Aftermarket	1,516	1,411	7.4	547	500	9.4
• at constant currency			4.0			5.5
Industrial	3,205	2,649	21.0	1,140	911	25.2
• at constant currency			15.0			17.8
<b>Revenue by region <sup>1)</sup></b>						
Europe	4,883	4,393	11.2	1,679	1,374	22.2
• at constant currency			11.2			22.8
Americas	2,638	2,128	23.9	937	705	32.9
• at constant currency			11.8			16.3
Greater China	2,692	2,389	12.7	1,072	778	37.8
• at constant currency			2.7			24.8
Asia/Pacific	1,578	1,436	9.9	555	475	16.6
• at constant currency			6.0			11.2
Cost of sales	-9,104	-7,753	17.4	-3,258	-2,538	28.4
<b>Gross profit</b>	<b>2,687</b>	<b>2,593</b>	<b>3.6</b>	<b>984</b>	<b>793</b>	<b>24.0</b>
• in % of revenue	22.8	25.1	-	23.2	23.8	-
Research and development expenses	-572	-557	2.7	-182	-181	0.1
Selling and administrative expenses	-1,283	-1,127	13.8	-447	-374	19.6
Other income and expense	-49	113	-	-28	39	-
Income (loss) from equity-accounted investees	-33	-32	2.9	-11	-12	-4.8
<b>Earnings before financial result and income taxes (EBIT)</b>	<b>750</b>	<b>989</b>	<b>-24.2</b>	<b>316</b>	<b>266</b>	<b>19.0</b>
• in % of revenue	6.4	9.6	-	7.5	8.0	-
Special items <sup>2)</sup>	63	-27	-	39	-6	-
<b>EBIT before special items</b>	<b>813</b>	<b>962</b>	<b>-15.5</b>	<b>355</b>	<b>260</b>	<b>36.4</b>
• in % of revenue	6.9	9.3	-	8.4	7.8	-
Financial result	-104	-85	22.4	-37	-36	4.1
Income taxes	-208	-280	-25.6	-103	-75	37.3
Net income <sup>3)</sup>	417	611	-31.7	169	149	13.3
Earnings per common non-voting share (basic/diluted, in €)	0.63	0.92	-31.5	0.25	0.22	13.6

<sup>1)</sup> Based on market (customer location).

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

<sup>3)</sup> Attributable to shareholders of the parent company.

## Automotive Technologies division earnings

The moderate growth in **revenue**, excluding the impact of currency translation, during the first nine months was mainly driven by the strong increase in volumes in the third quarter of 2022. A favorable impact from sales prices further bolstered the revenue trend, especially since considerable rises in factor input costs were partly passed on to customers. In the first half of 2022, the decrease in global automobile production due to the challenging environment led to highly volatile customer call-offs and resulted in the division's volumes declining. This contrasted with considerable volume increases reported for the third quarter of 2022. Along with an expansion of automobile production, the increase in volumes was also attributable to the low basis for comparison due to growing supply shortages in the third quarter of 2021. The growth rate for the reporting period, excluding the impact of currency translation, was slightly lower than the increase in global automobile production.

### Outperformance 9M 2022

	Europe	Americas	Greater China	Asia/Pacific	Total
Revenue growth (in %) <sup>1)</sup>	9.7	13.0	1.2	0.9	7.0
LVP growth (in %) <sup>2)</sup>	-0.4	10.2	11.3	8.0	7.5
<b>Outperformance (in percentage points)</b>	<b>10.1</b>	<b>2.8</b>	<b>-10.1</b>	<b>-7.1</b>	<b>-0.5</b>

The **E-Mobility** and **Chassis Systems BDs**, which had already grown considerably – against the market trend – during the first half of 2022, continued to considerably increase their sales volumes in almost all regions during the reporting period. Along with growth in automobile production and increased demand for electric vehicles, the growth trend was mainly supported by product ramp-ups. The **Engine & Transmission Systems** and **Bearings BDs** grew as well during the reporting period as a result of the considerable rise in volumes in the third quarter of 2022.

The decline in **EBIT margin before special items** was especially due to the lower gross margin. The main reason for the decreased gross margin were considerably higher factor input costs that

were only partly compensated for by adjustments to sales prices. Further, volatility resulting from short-notice adjustments to customer call-offs hampered production efficiency and, as a

result, the gross margin. The main additional adverse impact on the EBIT margin before special items came from high freight and logistics costs.

in € millions	1 <sup>st</sup> nine months		Change in %	3 <sup>rd</sup> quarter		Change in %
	2022	2021		2022	2021	
<b>Revenue</b>	<b>7,070</b>	<b>6,286</b>	<b>12.5</b>	<b>2,555</b>	<b>1,921</b>	<b>33.0</b>
• at constant currency			7.0			25.2
<b>Revenue by business division</b>						
E-Mobility BD	991	732	35.4	391	226	72.7
• at constant currency			28.4			62.6
Engine & Transmission Systems BD	3,849	3,499	10.0	1,381	1,073	28.7
• at constant currency			4.0			20.4
Bearings BD	1,955	1,845	5.9	681	554	22.9
• at constant currency			1.7			16.7
Chassis Systems BD	274	210	30.7	102	67	51.2
• at constant currency			28.1			47.3
<b>Revenue by region<sup>3)</sup></b>						
Europe	2,567	2,337	9.8	883	661	33.5
• at constant currency			9.7			33.9
Americas	1,770	1,421	24.6	625	452	38.4
• at constant currency			13.0			21.7
Greater China	1,721	1,555	10.7	687	501	37.1
• at constant currency			1.2			24.7
Asia/Pacific	1,011	973	3.9	360	307	17.3
• at constant currency			0.9			12.8
Cost of sales	-5,815	-4,917	18.3	-2,091	-1,545	35.3
<b>Gross profit</b>	<b>1,255</b>	<b>1,369</b>	<b>-8.4</b>	<b>464</b>	<b>376</b>	<b>23.4</b>
• in % of revenue	17.7	21.8	-	18.2	19.6	-
Research and development expenses	-449	-448	0.2	-141	-147	-3.9
Selling and administrative expenses	-560	-502	11.6	-186	-157	19.0
Other income and expense	-26	82	-	-17	35	-
Income (loss) from equity-accounted investees	-33	-32	3.9	-12	-12	-2.1
<b>EBIT</b>	<b>186</b>	<b>469</b>	<b>-60.3</b>	<b>108</b>	<b>96</b>	<b>12.3</b>
• in % of revenue	2.6	7.5	-	4.2	5.0	-
Special items <sup>4)</sup>	27	-33	-	14	-20	-
<b>EBIT before special items</b>	<b>213</b>	<b>437</b>	<b>-51.2</b>	<b>122</b>	<b>77</b>	<b>58.9</b>
• in % of revenue	3.0	6.9	-	4.8	4.0	-

Prior year information presented based on 2022 segment structure.

<sup>1)</sup> Constant-currency revenue growth compared to prior year.

<sup>2)</sup> Growth in production of passenger cars and light commercial vehicles; S&P Global Mobility (October 2022). Includes content supplied by S&P Global<sup>®</sup> [IHS Markit Light Vehicle Production Forecast (Base), October 2022]. All rights reserved.

<sup>3)</sup> Based on market (customer location).

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

## Automotive Aftermarket division earnings

The moderate **revenue** growth, excluding the impact of currency translation, in the first nine months 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. Additionally, higher volumes in the Independent Aftermarket business in the **Americas region** in the Mexico and South America subregions contributed significantly to the division's revenue growth. The Asia/Pacific and Greater China regions increased their sales volumes for the first nine months of 2022 as well. The growth reported by the **Asia/Pacific region** was primarily attributable to the Independent Aftermarket business in India. The favorable trend in the **Greater China region** was mainly driven by growth in e-commerce business. Sales volumes in the **Europe region** declined slightly, however. This decline was primarily attributable to the Independent Aftermarket in the Central & Eastern Europe subregion, that was affected considerably by the slump in sales – mainly in Russia, Belarus, and Ukraine – due to the war in Ukraine. The revenue growth reported by the Western Europe and Middle East & Africa subregions largely offset this decline, however.

The decrease in **EBIT margin before special items** from the first nine months of 2021 was primarily due to higher selling expenses, mainly attributable to favorable one-off items related to a reimbursement of expenses by a service provider in the prior year period. As adjustments made to sales prices largely offset the increase in procurement costs, the gross margin was only slightly less than in the prior year period.

in € millions	1 <sup>st</sup> nine months			3 <sup>rd</sup> quarter		
	2022	2021	Change in %	2022	2021	Change in %
<b>Revenue</b>	<b>1,516</b>	<b>1,411</b>	<b>7.4</b>	<b>547</b>	<b>500</b>	<b>9.4</b>
• at constant currency			4.0			5.5
<b>Revenue by region <sup>1)</sup></b>						
Europe	1,000	985	1.6	358	341	5.0
• at constant currency			1.6			5.4
Americas	327	271	20.5	118	102	15.2
• at constant currency			7.6			0.6
Greater China	92	78	19.1	37	27	37.4
• at constant currency			8.1			23.8
Asia/Pacific	97	78	24.1	34	30	15.5
• at constant currency			17.8			7.6
Cost of sales	-1,044	-967	8.0	-373	-346	7.9
<b>Gross profit</b>	<b>472</b>	<b>444</b>	<b>6.2</b>	<b>174</b>	<b>154</b>	<b>12.8</b>
• in % of revenue	31.1	31.5	-	31.7	30.8	-
Research and development expenses	-13	-12	14.5	-4	-4	23.4
Selling and administrative expenses	-266	-232	14.8	-98	-82	19.6
Other income and expense	4	26	-84.0	-0	12	-
<b>EBIT</b>	<b>197</b>	<b>226</b>	<b>-13.2</b>	<b>72</b>	<b>80</b>	<b>-11.1</b>
• in % of revenue	13.0	16.1	-	13.1	16.1	-
Special items <sup>2)</sup>	1	-19	-	0	-9	-
<b>EBIT before special items</b>	<b>198</b>	<b>207</b>	<b>-4.6</b>	<b>72</b>	<b>72</b>	<b>0.3</b>
• in % of revenue	13.1	14.7	-	13.1	14.3	-

Prior year information presented based on 2022 segment structure.

<sup>1)</sup> Based on market (customer location).

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

## Industrial division earnings

The considerable growth in **revenue**, excluding the impact of currency translation, during the reporting period was especially attributable to the strong increase in volumes. The impact of sales prices had an additional favorable effect on revenue growth, primarily since the majority of the significant increases in procurement costs were passed on to the market via adjustments to sales prices. The increase in volumes was mainly driven by the **Europe region**, which saw demand expand considerably compared to the prior year period, primarily in Industrial Distribution and in the industrial automation sector cluster. The raw materials, offroad, and power transmission sector clusters generated double-digit revenue growth rates as well. The **Asia/Pacific region** increased its sales volumes mainly on the back of business growth in Industrial Distribution and the wind sector cluster. Higher volumes in the **Americas region** were largely attributable to Industrial Distribution and the offroad sector cluster. The additional revenue generated by the **Greater China region**, excluding the impact of currency translation, during the reporting period resulted primarily from increased volumes in the raw materials and industrial automation sector clusters. Revenue for the reporting period in the wind sector cluster – the sector cluster generating the highest revenue – was slightly below the prior year level, however, despite a very strong third quarter of 2022. The reasons were subsidies for offshore wind turbines ending at the end of 2021 and the local lockdown measures in the second quarter of 2022.

The **EBIT margin before special items** for the first nine months was slightly ahead of the prior year period mainly due to the gross margin. Along with the successful adjustment of sales prices, the division realized economies of scale arising from the sharp increase in sales volumes in particular. Together, these factors more than compensated for offsetting adverse impacts such as higher procurement, as well as freight and logistics costs.

in € millions	1 <sup>st</sup> nine months			3 <sup>rd</sup> quarter		
	2022	2021	Change in %	2022	2021	Change in %
<b>Revenue</b>	<b>3,205</b>	<b>2,649</b>	<b>21.0</b>	<b>1,140</b>	<b>911</b>	<b>25.2</b>
• at constant currency			15.0			17.8
<b>Revenue by region <sup>1)</sup></b>						
Europe	1,315	1,071	22.8	438	372	17.9
• at constant currency			23.4			19.1
Americas	541	436	24.0	194	151	28.5
• at constant currency			10.3			10.9
Greater China	879	757	16.1	348	250	39.3
• at constant currency			5.3			25.3
Asia/Pacific	470	385	22.1	160	138	15.5
• at constant currency			16.4			8.3
Cost of sales	-2,245	-1,869	20.1	-795	-648	22.7
<b>Gross profit</b>	<b>960</b>	<b>780</b>	<b>23.2</b>	<b>346</b>	<b>263</b>	<b>31.3</b>
• in % of revenue	30.0	29.4	-	30.3	28.9	-
Research and development expenses	-110	-97	12.7	-37	-31	16.6
Selling and administrative expenses	-456	-394	16.0	-163	-135	20.1
Other income and expense	-28	5	-	-10	-8	38.5
<b>EBIT</b>	<b>367</b>	<b>293</b>	<b>25.2</b>	<b>136</b>	<b>89</b>	<b>53.3</b>
• in % of revenue	11.4	11.1	-	12.0	9.8	-
Special items <sup>2)</sup>	35	24	42.2	24	23	7.5
<b>EBIT before special items</b>	<b>402</b>	<b>318</b>	<b>26.5</b>	<b>161</b>	<b>112</b>	<b>44.0</b>
• in % of revenue	12.5	12.0	-	14.1	12.3	-

Prior year information presented based on 2022 segment structure.

<sup>1)</sup> Based on market (customer location).

<sup>2)</sup> 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 33 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, mainly related to consolidation of the footprint in Europe.

### Reconciliation

	1 <sup>st</sup> nine months		1 <sup>st</sup> nine months		1 <sup>st</sup> nine months		1 <sup>st</sup> nine months	
	2022	2021	2022	2021 <sup>1)</sup>	2022	2021 <sup>1)</sup>	2022	2021 <sup>1)</sup>
<b>Income statement</b>								
<b>(in € millions)</b>		Total	Automotive Technologies		Automotive Aftermarket		Industrial	
<b>EBIT</b>	<b>750</b>	<b>989</b>	<b>186</b>	<b>469</b>	<b>197</b>	<b>226</b>	<b>367</b>	<b>293</b>
• in % of revenue	6.4	9.6	2.6	7.5	13.0	16.1	11.4	11.1
<b>Special items</b>	<b>63</b>	<b>-27</b>	<b>27</b>	<b>-33</b>	<b>1</b>	<b>-19</b>	<b>35</b>	<b>24</b>
• Legal cases	0	-29	0	-8	0	-16	0	-4
• Restructuring	54	-17	27	-24	1	-3	26	10
– including divisional Roadmap 2025 subprograms of	54	-4	27	-15	1	-1	26	12
– including indirect areas shared service center of	0	-13	0	-9	0	-2	0	-2
• Other	9	19	0	0	0	0	9	19
<b>EBIT before special items</b>	<b>813</b>	<b>962</b>	<b>213</b>	<b>437</b>	<b>198</b>	<b>207</b>	<b>402</b>	<b>318</b>
• in % of revenue	6.9	9.3	3.0	6.9	13.1	14.7	12.5	12.0

#### 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 <sup>st</sup> nine months	
	2022	2021
<b>Income statement (in € millions)</b>		Total
<b>EBIT</b>	<b>750</b>	<b>989</b>
• in % of revenue	6.4	9.6
<b>Special items</b>	<b>63</b>	<b>-27</b>
• Legal cases	0	-29
• Restructuring	54	-17
– including divisional Roadmap 2025 subprograms of	54	-4
– including indirect areas shared service center of	0	-13
• Other	9	19
<b>EBIT before special items</b>	<b>813</b>	<b>962</b>
• in % of revenue	6.9	9.3
<b>Net income <sup>2)</sup></b>	<b>417</b>	<b>611</b>
<b>Special items</b>	<b>59</b>	<b>-50</b>
• Legal cases	-3	-52
• Restructuring	54	-17
• Other	9	19
– Tax effect <sup>3)</sup>	-13	21
<b>Net income before special items <sup>2)</sup></b>	<b>464</b>	<b>583</b>
<b>Statement of financial position (in € millions)</b>	<b>09/30/2022</b>	<b>12/31/2021</b>
Net financial debt	2,331	1,954
/ EBITDA LTM	1,957	2,186
<b>Net financial debt to EBITDA ratio</b>	<b>1.2</b>	<b>0.9</b>
Net financial debt	2,331	1,954
/ EBITDA before special items LTM	2,049	2,180
<b>Net financial debt to EBITDA ratio before special items</b>	<b>1.1</b>	<b>0.9</b>

	1 <sup>st</sup> nine months	
	2022	2021
<b>Statement of cash flows (in € millions)</b>		
<b>EBITDA</b>	<b>1,481</b>	<b>1,710</b>
<b>Special items</b>	<b>65</b>	<b>-32</b>
• Legal cases	0	-29
• Restructuring	56	-22
• Other	9	19
<b>EBITDA before special items</b>	<b>1,547</b>	<b>1,678</b>
<b>Free cash flow (FCF)</b>	<b>-68</b>	457
-/+ Cash in- and outflows for M&A activities	104	11
<b>FCF before cash in- and outflows for M&amp;A activities</b>	<b>35</b>	<b>468</b>
/ EBIT	750	989
<b>FCF-conversion <sup>4)</sup></b>	<b>0.0</b>	<b>0.5</b>
FCF before cash in- and outflows for M&A activities	35	468
<b>Special items</b>	<b>232</b>	<b>281</b>
• Legal cases	-17	-4
• Restructuring	249	276
• Other	0	9
<b>FCF before cash in- and outflows for M&amp;A activities and before special items</b>	<b>267</b>	<b>749</b>
<b>Value-based management LTM (in € millions)</b>		
EBIT	981	1,252
/ Average capital employed	8,625	8,157
<b>ROCE (in %)</b>	<b>11.4</b>	<b>15.3</b>
EBIT before special items	1,073	1,373
/ Average capital employed	8,625	8,157
<b>ROCE before special items (in %)</b>	<b>12.4</b>	<b>16.8</b>
EBIT	981	1,252
– Cost of capital	863	816
<b>Schaeffler Value Added (SVA)</b>	<b>119</b>	<b>436</b>
EBIT before special items	1,073	1,373
– Cost of capital	863	816
<b>SVA before special items</b>	<b>210</b>	<b>557</b>

<sup>1)</sup> Prior year information presented based on 2022 segment structure.

<sup>2)</sup> Attributable to shareholders of the parent company.

<sup>3)</sup> Based on each entity's specific tax rate and country-specific tax environment.

<sup>4)</sup> Only reported if free cash flow before cash in- and outflows for M&A activities and EBIT positive.

LTM = Based on the last twelve months.

## Financial position

The Schaeffler Group generated positive **free cash flow before cash in- and outflows for M&A activities** for the reporting period of EUR 35 m (prior year: EUR 468 m). The decline compared to the prior year period was mainly due to a decrease in EBITDA by EUR 229 m and an expansion of working capital that was EUR 222 m more extensive than in the prior year. EUR 500 m of the more extensive expansion year-on-year was related to trade receivables and resulted from the sharp increase in sales volumes in the third quarter of 2022. Trade payables and inventories had an offsetting impact of EUR 162 m and EUR 116 m, respectively. Capital expenditures on property, plant and equipment and intangible assets of EUR 551 m were EUR 68 m higher than in the prior year period (prior year: EUR 482 m).

The group's net financial debt changed as follows:

### Net financial debt

in € millions	09/30/2022	12/31/2021	Change in %
Bonds	2,938	3,480	-15.6
Schuldschein loans	297	297	0.0
Revolving Credit Facility	-1	-1	-39.6
Commercial paper	63	0	-
Other financial debt	11	0	> 100
<b>Total financial debt</b>	<b>3,308</b>	<b>3,776</b>	<b>-12.4</b>
Cash and cash equivalents	977	1,822	-46.4
<b>Net financial debt</b>	<b>2,331</b>	<b>1,954</b>	<b>19.3</b>

EUR 251 m (December 31, 2021: EUR 221 m) of cash and cash-equivalents on hand as at September 30, 2022, related to countries with foreign exchange restrictions and other legal and contractual restrictions. In addition, Schaeffler AG has committed revolving credit facilities of EUR 1.9 bn (December 31, 2021: EUR 1.9 bn), of which EUR 40 m (December 31, 2021: EUR 33 m) were utilized as at September 30, 2022, mainly in the form of letters of credit. Deducting bank balances in countries with

foreign exchange restrictions and other legal and contractual restrictions results in total available liquidity of EUR 2,537 m (December 31, 2021: EUR 3,418 m).

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 and other external uncertainties. Particularly the implications of the war in Ukraine and the continuing coronavirus pandemic are affecting the economic environment and are resulting in increased risks for the Schaeffler Group's business compared to the discussion in the annual report 2021.

The war in 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 to 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, as well as an expansion of military action or any potential rationing of the gas supply to industry in Europe, could give rise to significant market, production, 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

A number of factors – the war in Ukraine, persistently high inflationary pressure, and the related tightening of monetary policy, as well as renewed pandemic-related lockdowns in China in the second quarter of 2022 – have led to a noticeable deterioration of the growth outlook. Taking into account the forecast by Oxford Economics (October 2022), the Schaeffler Group expects global gross domestic product to grow by 3 to 3.5% in 2022.

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

Taking into account the forecast by S&P Global Mobility (October 2022)<sup>1</sup> and based on internal estimates, the Schaeffler Group now expects global automobile production, measured as the number of vehicles up to six tons in weight produced, to grow by 4 to 6% in 2022.

Taking into account the forecast by S&P Global Mobility (June 2022)<sup>2</sup>, the Schaeffler Group now anticipates 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 decrease slightly from the prior year, with the average vehicle age rising slightly (2021: growth of 2.4%, average age 10.1 years; S&P Global Mobility [June 2022]).

Taking into account the forecast by Oxford Economics (September 2022), the Schaeffler Group now expects global industrial production to grow by approximately 2.5% in 2022, and production in the sectors particularly relevant to the company – mechanical engineering, transport equipment, and electrical equipment – is anticipated to increase by approximately 2%.

<sup>1</sup> Includes content supplied by S&P Global © [IHS Markit Light Vehicle Production Forecast (Base), October 2022]. All rights reserved.

<sup>2</sup> Includes content supplied by S&P Global © [IHS Markit Vehicles in Operation (VIO), June 2022]. All rights reserved.

## Schaeffler Group outlook

The **Schaeffler Group** continues to expect 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 continues to anticipate 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 continues to anticipate 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 continues to expect 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, November 2, 2022

The Board of Managing Directors

### Outlook 2022

	Actual 2021		Outlook 2022	Actual 9M 2022
	adjusted comparative figure	issued 02/22/2022; suspended 03/08/2022	issued 05/09/2022	
<b>Schaeffler Group</b>				
Revenue growth <sup>1)</sup>	10.2%	7 to 9%	6 to 8%	8.7%
EBIT margin before special items <sup>2)</sup>	8.8%	6 to 8%	5 to 7%	6.9%
Free cash flow <sup>3)</sup>	EUR 523 m	> EUR 300 m; below prior year	> EUR 250 m; below prior year	EUR 35 m
<b>Automotive Technologies</b>				
Revenue growth <sup>1)</sup>	7.8%	considerable revenue growth; (2 to 5%-age points above LVP growth) <sup>4)</sup>	moderate revenue growth; (2 to 5%-age points above LVP growth) <sup>4)</sup>	7.0%
EBIT margin before special items <sup>2)</sup>	6.4%	> 4%; below prior year	> 2.5%; below prior year	3.0%
<b>Automotive Aftermarket</b>				
Revenue growth <sup>1)</sup>	13.9%	slight revenue growth	moderate revenue growth	4.0%
EBIT margin before special items <sup>2)</sup>	13.9%	> 12%; below prior year	> 12%; below prior year	13.1%
<b>Industrial</b>				
Revenue growth <sup>1)</sup>	14.2%	considerable revenue growth	considerable revenue growth	15.0%
EBIT margin before special items <sup>2)</sup>	11.8%	> 11%; below prior year	> 11%; below prior year	12.5%

<sup>1)</sup> Constant-currency revenue growth compared to prior year.

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

<sup>3)</sup> Before cash in- and outflows for M&A activities.

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

## Consolidated income statement

in € millions	1 <sup>st</sup> nine months			3 <sup>rd</sup> quarter		
	2022	2021 <sup>1)</sup>	Change in %	2022	2021 <sup>1)</sup>	Change in %
Revenue	11,790	10,346	14.0	4,242	3,332	27.3
Cost of sales	-9,104	-7,753	17.4	-3,258	-2,538	28.4
<b>Gross profit</b>	<b>2,687</b>	<b>2,593</b>	<b>3.6</b>	<b>984</b>	<b>793</b>	<b>24.0</b>
Research and development expenses	-572	-557	2.7	-182	-181	0.1
Selling expenses	-830	-721	15.1	-291	-243	19.5
Administrative expenses	-452	-406	11.3	-156	-130	19.7
Other income	45	206	-78.4	18	64	-71.2
Other expenses	-94	-94	-0.0	-46	-24	88.3
Income (loss) from equity-accounted investees	-33	-32	2.9	-11	-12	-4.8
<b>Earnings before financial result and income taxes (EBIT)</b>	<b>750</b>	<b>989</b>	<b>-24.2</b>	<b>316</b>	<b>266</b>	<b>19.0</b>
Financial income	29	46	-36.6	8	15	-47.3
Financial expenses	-133	-131	1.6	-45	-51	-11.3
<b>Financial result</b>	<b>-104</b>	<b>-85</b>	<b>22.4</b>	<b>-37</b>	<b>-36</b>	<b>4.1</b>
<b>Earnings before income taxes</b>	<b>646</b>	<b>904</b>	<b>-28.5</b>	<b>279</b>	<b>230</b>	<b>21.2</b>
Income taxes	-208	-280	-25.6	-103	-75	37.3
<b>Net income</b>	<b>438</b>	<b>625</b>	<b>-29.8</b>	<b>176</b>	<b>155</b>	<b>13.4</b>
Attributable to shareholders of the parent company	417	611	-31.7	169	149	13.3
Attributable to non-controlling interests	21	13	58.3	7	6	17.9
Earnings per common share (basic/diluted, in €)	0.62	0.91	-31.9	0.25	0.22	13.6
Earnings per common non-voting share (basic/diluted, in €)	0.63	0.92	-31.5	0.25	0.22	13.6

<sup>1)</sup> See "Change in accounting policy" section for further details.

## Consolidated statement of comprehensive income

	1 <sup>st</sup> nine months		3 <sup>rd</sup> quarter	
in € millions	2022	2021	2022	2021
<b>Net income</b>	<b>438</b>	<b>625</b>	<b>176</b>	<b>155</b>
<b>Items that will not be reclassified to profit or loss</b>				
Remeasurement of net defined benefit liability	918	309	122	12
Changes in the scope of consolidation – defined benefit plans	-1		-1	
Tax effect	-255	-87	-34	-4
<b>Total other comprehensive income that will not be reclassified to profit or loss</b>	<b>661</b>	<b>222</b>	<b>86</b>	<b>8</b>
<b>Items that have been or may be reclassified subsequently to profit or loss</b>				
Foreign currency translation differences for foreign operations	358	205	114	63
Effective portion of changes in fair value of cash flow hedges	-34	-84	-19	-23
Tax effect	10	24	5	7
<b>Total other comprehensive income that has been or may be subsequently reclassified to profit or loss</b>	<b>334</b>	<b>145</b>	<b>101</b>	<b>46</b>
<b>Total other comprehensive income</b>	<b>996</b>	<b>367</b>	<b>187</b>	<b>54</b>
<b>Total comprehensive income</b>	<b>1,434</b>	<b>992</b>	<b>363</b>	<b>209</b>
Total comprehensive income attributable to shareholders of the parent company	1,406	975	351	199
Total comprehensive income attributable to non-controlling interests	28	17	11	10

## Consolidated statement of financial position

in € millions	09/30/2022	12/31/2021	09/30/2021	Change in %
<b>ASSETS</b>				
Intangible assets	651	497	490	30.9
Right-of-use assets under leases	237	208	203	13.9
Property, plant and equipment	4,681	4,748	4,693	-1.4
Investments in joint ventures and associated companies	38	70	82	-46.0
Costs to fulfill a contract	369	367	371	0.6
Other financial assets	308	209	181	47.5
Other assets	227	244	221	-6.8
Income tax receivables	11	9	1	19.2
Deferred tax assets	668	842	881	-20.7
<b>Total non-current assets</b>	<b>7,190</b>	<b>7,194</b>	<b>7,122</b>	<b>-0.1</b>
Inventories	3,005	2,495	2,428	20.4
Contract assets	56	52	63	8.3
Trade receivables	2,866	2,274	2,215	26.1
Other financial assets	180	80	70	> 100
Other assets	396	324	323	22.2
Income tax receivables	49	46	60	6.6
Cash and cash equivalents	977	1,822	2,020	-46.4
Assets held for sale	21	77	72	-72.9
<b>Total current assets</b>	<b>7,552</b>	<b>7,170</b>	<b>7,251</b>	<b>5.3</b>
<b>Total assets</b>	<b>14,742</b>	<b>14,364</b>	<b>14,373</b>	<b>2.6</b>

in € millions	09/30/2022	12/31/2021	09/30/2021	Change in %
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
Share capital	666	666	666	0.0
Capital reserves	2,348	2,348	2,348	0.0
Other reserves	1,078	988	843	9.1
Accumulated other comprehensive income (loss)	39	-949	-1,116	-
<b>Equity attributable to shareholders of the parent company</b>	<b>4,131</b>	<b>3,053</b>	<b>2,742</b>	<b>35.3</b>
Non-controlling interests	132	112	106	17.7
<b>Total shareholders' equity</b>	<b>4,264</b>	<b>3,165</b>	<b>2,848</b>	<b>34.7</b>
Provisions for pensions and similar obligations	1,556	2,454	2,570	-36.6
Provisions	281	304	407	-7.8
Financial debt	3,229	3,231	3,489	-0.1
Contract liabilities	134	118	102	14.4
Income tax payables	45	36	32	27.5
Other financial liabilities	98	35	34	> 100
Lease liabilities	174	159	156	9.6
Other liabilities	8	11	16	-30.3
Deferred tax liabilities	191	169	172	13.0
<b>Total non-current liabilities</b>	<b>5,717</b>	<b>6,516</b>	<b>6,979</b>	<b>-12.3</b>
Provisions	385	492	501	-21.7
Financial debt	79	545	545	-85.5
Contract liabilities	147	94	85	56.6
Trade payables	2,503	2,068	1,891	21.0
Income tax payables	130	118	167	10.0
Other financial liabilities	770	724	692	6.4
Lease liabilities	60	52	49	14.9
Refund liabilities	264	274	257	-3.6
Other liabilities	423	286	335	47.7
Liabilities associated with assets held for sale	0	30	26	- 100
<b>Total current liabilities</b>	<b>4,761</b>	<b>4,683</b>	<b>4,547</b>	<b>1.7</b>
<b>Total shareholders' equity and liabilities</b>	<b>14,742</b>	<b>14,364</b>	<b>14,373</b>	<b>2.6</b>

## Consolidated statement of cash flows

in € millions	1 <sup>st</sup> nine months			3 <sup>rd</sup> quarter		
	2022	2021 <sup>1)</sup>	Change in %	2022	2021 <sup>1)</sup>	Change in %
<b>Operating activities</b>						
EBIT	750	989	-24.2	316	266	19.0
Interest paid	-54	-54	-0.1	-3	-2	17.3
Interest received	10	9	14.7	2	3	-12.0
Income taxes paid	-240	-251	-4.3	-78	-97	-20.1
Amortization, depreciation, and impairment losses	731	721	1.4	244	241	1.0
(Gains) losses on disposal of assets	-4	2	-	-1	-0	> 100
Changes in:						
• Inventories	-396	-512	-22.6	22	-145	-
• Trade receivables	-532	-33	> 100	-265	65	-
• Trade payables	367	205	78.8	93	95	-1.9
• Provisions for pensions and similar obligations	-7	67	-	-8	13	-
• Other assets, liabilities, and provisions	21	-138	-	154	21	> 100
<b>Cash flows from operating activities</b>	<b>646</b>	<b>1,006</b>	<b>-35.7</b>	<b>477</b>	<b>458</b>	<b>4.0</b>
<b>Investing activities</b>						
Proceeds from disposals of property, plant and equipment	16	13	30.1	6	2	> 100
Capital expenditures on intangible assets	-46	-21	> 100	-17	-14	20.5
Capital expenditures on property, plant and equipment	-504	-462	9.3	-202	-200	0.9
Acquisition of subsidiaries, interests in joint ventures, and other equity investments	-99	-12	> 100	-37	-10	> 100
Disposal of subsidiaries, interests in joint ventures, and other equity investments	-5	1	-	-6	1	-
Other investing activities	-29	-24	19.6	-7	-6	20.2
<b>Cash used in investing activities</b>	<b>-667</b>	<b>-506</b>	<b>32.0</b>	<b>-264</b>	<b>-229</b>	<b>15.3</b>

in € millions	1 <sup>st</sup> nine months			3 <sup>rd</sup> quarter		
	2022	2021 <sup>1)</sup>	Change in %	2022	2021 <sup>1)</sup>	Change in %
<b>Financing activities</b>						
Dividends paid to shareholders and non-controlling interests	-336	-165	> 100	-0	0	-
Receipts from bond issuances and loans	74	0	> 100	74	-8	-
Redemptions of bonds and repayments of loans	-546	-43	> 100	0	-0	-
Principal repayments on lease liabilities	-47	-43	8.6	-16	-14	11.9
<b>Cash provided by (used in) financing activities</b>	<b>-855</b>	<b>-251</b>	<b>&gt; 100</b>	<b>58</b>	<b>-23</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-877</b>	<b>249</b>	<b>-</b>	<b>271</b>	<b>206</b>	<b>31.1</b>
Effects of foreign exchange rate changes on cash and cash equivalents	32	14	> 100	12	4	> 100
Change in cash and cash equivalents due to changes in the scope of consolidation	0	-1	- 100	0	-1	- 100
Cash and cash equivalents as at beginning of period <sup>2)</sup>	1,822	1,758	3.6	694	1,810	-61.6
<b>Cash and cash equivalents as at September 30</b>	<b>977</b>	<b>2,020</b>	<b>-51.6</b>	<b>977</b>	<b>2,020</b>	<b>-51.6</b>

<sup>1)</sup> See "Change in accounting policy" section for further details.

<sup>2)</sup> Cash and cash equivalents at the beginning of the period, the 3<sup>rd</sup> quarter of 2022, include EUR 13 m classified as "Assets held for sale" in the statement of financial position as at June 30, 2022.

## Consolidated statement of changes in equity

	Share capital	Capital reserves	Other reserves	Accumulated other comprehensive income (loss)				Equity attributable to shareholders <sup>1)</sup>	Non-controlling interests	Total	
				Translation reserve	Hedging reserve	Fair value reserve	Defined benefit plan remeasurement reserve				Total
in € millions											
<b>Balance as at January 01, 2021</b>	<b>666</b>	<b>2,348</b>	<b>393</b>	<b>-517</b>	<b>31</b>	<b>-2</b>	<b>-991</b>	<b>-1,479</b>	<b>1,928</b>	<b>93</b>	<b>2,022</b>
Net income			611						611	13	625
Other comprehensive income (loss)				201	-60	-0	222	363	363	4	367
<b>Total comprehensive income (loss)</b>			<b>611</b>	<b>201</b>	<b>-60</b>	<b>-0</b>	<b>222</b>	<b>363</b>	<b>975</b>	<b>17</b>	<b>992</b>
Dividends			-162						-162	-3	-165
<b>Total amount of transactions with shareholders</b>			<b>-162</b>						<b>-162</b>	<b>-3</b>	<b>-165</b>
Changes in the scope of consolidation										-1	-1
<b>Balance as at September 30, 2021</b>	<b>666</b>	<b>2,348</b>	<b>843</b>	<b>-316</b>	<b>-28</b>	<b>-2</b>	<b>-769</b>	<b>-1,116</b>	<b>2,742</b>	<b>106</b>	<b>2,848</b>
<b>Balance as at January 01, 2022</b>	<b>666</b>	<b>2,348</b>	<b>988</b>	<b>-208</b>	<b>-40</b>	<b>-2</b>	<b>-698</b>	<b>-949</b>	<b>3,053</b>	<b>112</b>	<b>3,165</b>
Net income			417						417	21	438
Other comprehensive income (loss)				351	-24	-0	662	988	988	7	996
<b>Total comprehensive income (loss)</b>			<b>417</b>	<b>351</b>	<b>-24</b>	<b>-0</b>	<b>662</b>	<b>988</b>	<b>1,406</b>	<b>28</b>	<b>1,434</b>
Dividends			-328						-328	-8	-336
<b>Total amount of transactions with shareholders</b>			<b>-328</b>						<b>-328</b>	<b>-8</b>	<b>-336</b>
Changes in the scope of consolidation			1						1		1
<b>Balance as at September 30, 2022</b>	<b>666</b>	<b>2,348</b>	<b>1,078</b>	<b>143</b>	<b>-64</b>	<b>-2</b>	<b>-37</b>	<b>39</b>	<b>4,131</b>	<b>132</b>	<b>4,264</b>

<sup>1)</sup> Equity attributable to shareholders of the parent company.

## Consolidated segment information

(Part of the notes to the consolidated financial statements)

in € millions	1 <sup>st</sup> nine months							
	2022	2021 <sup>1)</sup>						
	Automotive Technologies		Automotive Aftermarket		Industrial		Total	
Revenue	7,070	6,286	1,516	1,411	3,205	2,649	11,790	10,346
EBIT	186	469	197	226	367	293	750	989
• in % of revenue	2.6	7.5	13.0	16.1	11.4	11.1	6.4	9.6
EBIT before special items <sup>2)</sup>	213	437	198	207	402	318	813	962
• in % of revenue	3.0	6.9	13.1	14.7	12.5	12.0	6.9	9.3
Amortization, depreciation, and impairment losses	552	560	29	28	151	132	731	721
Working capital <sup>3) 4)</sup>	1,431	1,247	621	509	1,316	995	3,368	2,752
Additions to intangible assets and property, plant and equipment	345	271	22	12	156	156	522	439

in € millions	3 <sup>rd</sup> quarter							
	2022	2021 <sup>1)</sup>						
	Automotive Technologies		Automotive Aftermarket		Industrial		Total	
Revenue	2,555	1,921	547	500	1,140	911	4,242	3,332
EBIT	108	96	72	80	136	89	316	266
• in % of revenue	4.2	5.0	13.1	16.1	12.0	9.8	7.5	8.0
EBIT before special items <sup>2)</sup>	122	77	72	72	161	112	355	260
• in % of revenue	4.8	4.0	13.1	14.3	14.1	12.3	8.4	7.8
Amortization, depreciation, and impairment losses	182	186	10	10	52	45	244	241
Working capital <sup>3) 4)</sup>	1,431	1,247	621	509	1,316	995	3,368	2,752
Additions to intangible assets and property, plant and equipment	147	126	9	5	62	67	219	198

Prior year information presented based on 2022 segment structure.

<sup>1)</sup> See "Change in accounting policy" section for further details.

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

<sup>3)</sup> Working capital defined as inventories plus trade receivables less trade payables.

<sup>4)</sup> Amounts as at September 30.

# 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 September 30, 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. One exception to this is an adjustment to the assumption regarding the discount rate used to measure the company’s pension obligations. 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			1 <sup>st</sup> nine months		
	09/30/2022	12/31/2021	09/30/2021	2022	2021
1 € in	Closing rates		Average rates		
CNY China	6.94	7.19	7.48	7.02	7.74
INR India	79.43	84.23	86.08	82.33	88.06
	South				
KRW Korea	1,400.69	1,346.38	1,371.58	1,348.69	1,353.93
MXN Mexico	19.64	23.14	23.74	21.58	24.08
USD U.S.	0.97	1.13	1.16	1.06	1.20

## 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 32 m to EUR 989 m (before adjustment: earnings before financial result, income (loss) from equity-accounted investees, and income taxes (EBIT) EUR 1,021 m).

## Scope of consolidation

The consolidated interim financial statements of Schaeffler AG as at September 30, 2022, cover, in addition to Schaeffler AG, 143 (December 31, 2021: 148) subsidiaries; 45 (December 31, 2021: 46) entities are domiciled in Germany and 98 (December 31, 2021: 102) in other countries. In the interim statement as at September 30, 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 payment obligations that are contingent on the revenue trend in 2023 and 2024. As at the acquisition date, the contingent purchase price payment obligations were expected to amount to EUR 57 m undiscounted. The transaction results in intangible assets of EUR 63 m. The goodwill of EUR 62 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 21 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	63
Right-of-use assets under leases	2
Property, plant and equipment	5
<b>Total non-current assets</b>	<b>70</b>
Inventories	5
Trade receivables	1
Cash and cash equivalents	1
<b>Total current assets</b>	<b>7</b>
Financial debt	3
Lease liabilities	2
Deferred tax liabilities	18
<b>Total non-current liabilities</b>	<b>23</b>
Other current liabilities	2
Trade payables	2
<b>Total current liabilities</b>	<b>4</b>
<b>Net assets acquired</b>	<b>50</b>
Purchase price	112
<b>Goodwill</b>	<b>62</b>

In a transaction that closed on July 1, 2022, the global chain drive business of the Automotive Technologies division was sold to private equity fund Lenbach Equity Opportunities II. The disposal resulted in a loss on disposal of EUR 12 m that has been recognized in other expenses. The remaining purchase price of EUR 44 m was partly financed by Schaeffler and will be paid by the acquirer in fixed and variable payments.

On July 24, 2022, an agreement was signed for the acquisition of 100% of the shares of the Ewellix Group. The transaction is expected to close in the first quarter of 2023. The Ewellix Group is a leading global manufacturer and supplier of drive and linear motion solutions. Its core products include actuators, lifting columns, robot range extenders, ball and roller screws, and linear guides (monorail guidance systems and linear ball bearings).

These products are used in a wide range of applications and equipment types, including medical technology, mobile machinery, assembly automation and robotics, and various other areas of industry. This step significantly expands the Schaeffler Group's linear technology portfolio. The consideration to be transferred for the acquisition is payable in cash and is expected to amount to approximately EUR 582 m depending on the closing date. A purchase price allocation is not yet available as at the date of preparation of the consolidated interim financial statements.

## Revenue

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

### IFRS 15 – analysis of revenue by category

	1 <sup>st</sup> nine months		1 <sup>st</sup> nine months		1 <sup>st</sup> nine months		1 <sup>st</sup> nine months	
	2022	2021	2022	2021	2022	2021	2022	2021
in € millions	Automotive Technologies		Automotive Aftermarket		Industrial		Total	
<b>Revenue by type</b>								
• Revenue from the sale of goods	6,992	6,204	1,516	1,411	3,168	2,618	11,676	10,233
• Revenue from the sale of tools	46	44	0	0	4	3	50	47
• Revenue from services	31	38	0	0	34	27	65	65
<b>Total</b>	<b>7,070</b>	<b>6,286</b>	<b>1,516</b>	<b>1,411</b>	<b>3,205</b>	<b>2,649</b>	<b>11,790</b>	<b>10,346</b>
<b>Revenue by region <sup>1)</sup></b>								
• Europe	2,567	2,337	1,000	985	1,315	1,071	4,883	4,393
• Americas	1,770	1,421	327	271	541	436	2,638	2,128
• Greater China	1,721	1,555	92	78	879	757	2,692	2,389
• Asia/Pacific	1,011	973	97	78	470	385	1,578	1,436
<b>Total</b>	<b>7,070</b>	<b>6,286</b>	<b>1,516</b>	<b>1,411</b>	<b>3,205</b>	<b>2,649</b>	<b>11,790</b>	<b>10,346</b>

Prior year information presented based on 2022 segment structure.

<sup>1)</sup> Based on market (customer location).

## Intangible assets

A rise in market interest rates and market yields, which had the effect of increasing equity, and a decline in the price of Schaeffler shares have resulted in the carrying amount of the net assets (consolidated equity) exceeding the market capitalization of Schaeffler AG as at June 30, 2022, for the first time. This represented a triggering event in accordance with IAS 36.12 (d), which mandatorily required the performance of an impairment test of all cash-generating units under IAS 36. As a result, the Schaeffler Group has tested the cash-generating units of the Automotive Technologies segment (group of cash-generating units to which goodwill has been allocated) as well as the Automotive Aftermarket and Industrial cash-generating units for impairment as at June 30, 2022. The impairment test performed by comparing the carrying amount of the group of cash-generating units with its recoverable amount resulted in a recoverable amount determined, based on the assumptions made, for all cash-generating units within the Schaeffler Group that exceeds their carrying amount. Therefore, no impairment loss was recognized on assets or goodwill during the reporting period.

The carrying amounts of goodwill allocated to the groups of cash-generating units to which goodwill has been allocated were EUR 70 m for the Automotive Technologies segment (December 31, 2021: EUR 70 m), EUR 76 m for the Automotive Aftermarket segment (December 31, 2021: EUR 76 m), and EUR 281 m (December 31, 2021: EUR 219 m) for the Industrial segment as at June 30, 2022.

The impairment test of the segments' goodwill as at June 30, 2022, was performed by comparing the carrying amount of the group of cash-generating units with its recoverable amount. The recoverable amount was at least equal to fair value less costs of disposal and was determined based on unobservable inputs (level 3). In performing the impairment test, the company identified eight cash-generating units based on existing production, sales, and management relationships. The cash flows used to determine fair value less costs of disposal reflect a detailed forecast for the period up to 2027 for the Industrial and

Automotive Aftermarket segments and for the period up to 2035 for the Automotive Technologies segment. This extended detailed forecasting period reflects the transformation the Automotive Technologies segment will be subject to in the coming years as a result of the transition from the internal combustion engine to the electric motor (“Schaeffler Vision Powertrain 2035”). In addition to the assumptions set out in the 2021 consolidated financial statements, the underlying detailed forecast reflects new economic conditions such as the direct and indirect implications of the war in Ukraine and rising materials prices.

The perpetuity for the cash-generating units was determined based on an annual long-term growth rate of 0.0% to 1.5% (December 31, 2021: 1.0%). Depending on the underlying business and its country of operation, the Schaeffler Group used an assumed pre-tax interest rate of 10.8% (December 31, 2021: 10.1%) as the weighted average discount rate for the Automotive Technologies segment and 12.0% (December 31, 2021: 10.6%) for the Automotive Aftermarket segment, as well as 11.1% (December 31, 2021: 10.0%) for the Industrial segment. This corresponds to a post-tax interest rate of 8.0% (December 31, 2021: 7.5%) for the Automotive Technologies segment and 9.1% (December 31, 2021: 8.2%) for the Automotive Aftermarket segment, as well as 8.2% (December 31, 2021: 7.6%) for the Industrial segment.

As at September 30, 2022, Schaeffler AG's market capitalization remained less than the carrying amount of consolidated equity. This represented a triggering event, similar to the one at June 30, 2022, potentially leading to recognition of an impairment loss on assets or goodwill. The valuation was updated as at September 30, 2022, based on the impairment tests performed as at June 30, 2022. The results of this test confirm the recoverability of the intangible assets for the reporting period.

The carrying amounts of goodwill allocated to the groups of cash-generating units to which goodwill has been allocated were EUR 70 m for the Automotive Technologies segment (December 31, 2021: EUR 70 m), EUR 76 m for the Automotive

Aftermarket segment (December 31, 2021: EUR 76 m), and EUR 281 m (December 31, 2021: EUR 219 m) for the Industrial segment as at September 30, 2022.

The impairment test of the segments' goodwill as at September 30, 2022, was performed using the same approach as at June 30, 2022, and reflects the assumptions and economic conditions set out in the underlying detailed forecast, such as the direct and indirect implications of the war in Ukraine and rising materials prices, as well as new geopolitical influences and changes in the cost of capital.

The perpetuity for the cash-generating units was determined based on an annual long-term growth rate of 0.0% to 1.5% (December 31, 2021: 1.0%). Depending on the underlying business and its country of operation, the Schaeffler Group used an assumed pre-tax interest rate of 10.1% (December 31, 2021: 10.1%) as the weighted average discount rate for the Automotive Technologies segment and 11.4% (December 31, 2021: 10.6%) for the Automotive Aftermarket segment, as well as 10.4% (December 31, 2021: 10.0%) for the Industrial segment. This corresponds to a post-tax interest rate of 7.7% (December 31, 2021: 7.5%) for the Automotive Technologies segment and 8.7% (December 31, 2021: 8.2%) for the Automotive Aftermarket segment, as well as 7.7% (December 31, 2021: 7.6%) for the Industrial segment.

## Investments in joint ventures and associated companies

### Joint operations

The Schaeffler Group and Symbio, a Faurecia and Michelin hydrogen joint venture, signed an agreement on June 7, 2022, to establish a company with equal share ownership to be located in Haguenau, France. The company was established effective September 30, 2022. The objective of the company, which operates under the name “Innoplata”, is the production of bipolar plates for fuel cell applications. Start of production is planned for early 2024.

### Trade receivables

The amount of financing available from revolving sales of trade receivables was increased to EUR 181 m during the first nine months 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 15 m as at September 30, 2022 (December 31, 2021: EUR 5 m). An impairment loss of EUR 8 m was recognized on these claims and additional receivables during the first nine months of 2022.

## Current and non-current financial debt

### Financial debt (current/non-current)

in € millions	09/30/2022			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	2,938	2,938	544	2,936	3,480
Schuldschein loans	5	292	297	0	297	297
Revolving Credit Facility	0	-1	-1	0	-1	-1
Commercial paper	63	0	63	0	0	0
Other financial debt	11	-0	11	0	0	0
<b>Total</b>	<b>79</b>	<b>3,229</b>	<b>3,308</b>	<b>545</b>	<b>3,231</b>	<b>3,776</b>

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. The issuance of new commercial paper had an offsetting impact of EUR 63 m as at September 30, 2022.

## Provisions for pensions and similar obligations

Interest rate levels as at September 30, 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 September 30, 2022, amounted to 4.2% (December 31, 2021: 1.5%). As at September 30, 2022, the resulting remeasurement of the company's obligations under defined benefit pension plans resulted in actuarial gains of EUR 1,139 m and losses on plan assets of EUR 223 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.

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). The company is currently not planning to sell these investments. Marketable securities consist primarily of investment 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 fair value of unconsolidated equity investments is measured using various recognized valuation methodologies such as the EBIT multiple method, the discounted cash flow method, as well as valuation at net asset value.

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	09/30/2022		12/31/2021		09/30/2021	
			Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets, by class</b>								
Trade receivables	Amortized cost		2,573	2,573	2,037	2,037	1,985	1,985
Trade receivables – receivable sale program	FVTPL	2	149	149	96	96	88	88
Trade receivables – customer receivables and notes receivable available for sale	FVOCI	2	145	145	140	140	142	142
<b>Other financial assets</b>								
• Other investments	FVOCI	3 <sup>3)</sup>	70	70	36	36	36	36
• Other investments	FVTPL	3 <sup>3)</sup>	8	8	7	7	0	0
• Marketable securities	FVTPL	1	25	25	28	28	26	26
• Derivatives designated as hedging instruments	n.a.	2	14	14	7	7	9	9
• Derivatives not designated as hedging instruments	FVTPL	2	91	91	17	17	19	19
• Miscellaneous other financial assets	Amortized cost, FVTPL	3 <sup>4)</sup>	279	279	194	194	161	161
Cash and cash equivalents	Amortized cost		977	977	1,822	1,822	2,020	2,020
<b>Financial liabilities, by class</b>								
Financial debt	FLAC	1,2 <sup>1)</sup>	3,308	2,998	3,776	4,008	4,034	4,277
Trade payables	FLAC		2,503	2,503	2,068	2,068	1,891	1,891
Refund liabilities	n.a.		264	264	274	274	257	257
Lease liabilities <sup>2)</sup>	n.a.		234	-	210	-	205	-
<b>Other financial liabilities</b>								
• Derivatives designated as hedging instruments	n.a.	2	85	85	63	63	49	49
• Derivatives not designated as hedging instruments	FVTPL	2	116	116	33	33	23	23
• Miscellaneous other financial liabilities	FLAC		666	666	662	662	655	655
<b>Summary by category</b>								
Financial assets at amortized cost (Amortized cost)			3,830	3,830	4,053	4,053	4,166	4,166
Financial assets at fair value through profit or loss (FVTPL)			274	274	148	148	133	133
Financial assets at fair value through other comprehensive income (FVOCI)			214	214	176	176	178	178
Financial liabilities at amortized cost (FLAC)			6,478	6,167	6,506	6,738	6,580	6,823
Financial liabilities at fair value through profit or loss (FVTPL)			116	116	33	33	23	23

<sup>1)</sup> Level 1: EUR 2,621 m (December 31, 2021: EUR 3,709 m; September 30, 2021: EUR 3,718 m). Level 2: EUR 377 m (December 31, 2021: EUR 299 m; September 30, 2021: EUR 562 m).

<sup>2)</sup> Disclosure of fair value omitted in accordance with IFRS 7.29 (d).

<sup>3)</sup> The level within the FV hierarchy has been adjusted from level 2 to level 3 due to a change in the assessment regarding the classification of the inputs.

<sup>4)</sup> Miscellaneous other financial assets included a fully impaired convertible loan as at December 31, 2021, and September 30, 2021.

## Change in assets and liabilities measured at fair value in level 3

in € millions	2022	
	Other investments	Miscellaneous other financial assets
<b>Balance as at January 01</b>	<b>43</b>	<b>0</b>
Additions	37	0
Gains or losses recognized in profit or loss	0	3
• Financial income (impairment reversal)	0	3
• Financial expenses	0	0
Disposals	0	-3
Foreign currency translation	-1	0
<b>Balance as at September 30</b>	<b>78</b>	<b>0</b>

Other investments included unconsolidated equity investments representing interests held by the group of less than 20%. Additions comprised primarily the acquisition of an interest of EUR 35 m in H2GS AB. Unconsolidated equity investments for which fair value is determined based on inputs unobservable in the market (level 3) are continually monitored and reviewed for changes in value. The fair value of these equity investments is partly measured by applying an EBIT multiple methodology using sector- and size-specific EBIT multiples that are publicly available. The EBIT multiples used to measure fair value as at September 30, 2022, ranged from 6.2 to 11.5.

## 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 313 m as at September 30, 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 <sup>st</sup> nine months	
	2022	2021 <sup>1)</sup>
EBIT Automotive Technologies	186	469
EBIT Automotive Aftermarket	197	226
EBIT Industrial	367	293
<b>EBIT</b>	<b>750</b>	<b>989</b>
Financial result	-104	-85
<b>Earnings before income taxes</b>	<b>646</b>	<b>904</b>

Prior year information presented based on 2022 segment structure.  
<sup>1)</sup> See "Change in accounting policy" section for further details.

**Reconciliation of EBIT to EBIT before special items**

	1 <sup>st</sup> nine months		1 <sup>st</sup> nine months		1 <sup>st</sup> nine months		1 <sup>st</sup> nine months	
	2022	2021 <sup>1)</sup>						
in € millions	Automotive Technologies		Automotive Aftermarket		Industrial		Total	
<b>EBIT</b>	<b>186</b>	<b>469</b>	<b>197</b>	<b>226</b>	<b>367</b>	<b>293</b>	<b>750</b>	<b>989</b>
• in % of revenue	2.6	7.5	13.0	16.1	11.4	11.1	6.4	9.6
<b>Special items</b>	<b>27</b>	<b>-33</b>	<b>1</b>	<b>-19</b>	<b>35</b>	<b>24</b>	<b>63</b>	<b>-27</b>
• Legal cases	0	-8	0	-16	0	-4	0	-29
• Restructuring	27	-24	1	-3	26	10	54	-17
• Other	0	0	0	0	9	19	9	19
<b>EBIT before special items</b>	<b>213</b>	<b>437</b>	<b>198</b>	<b>207</b>	<b>402</b>	<b>318</b>	<b>813</b>	<b>962</b>
• in % of revenue	3.0	6.9	13.1	14.7	12.5	12.0	6.9	9.3

Prior year information presented based on 2022 segment structure.

<sup>1)</sup> See "Change in accounting policy" section for further details.

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 were 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 29 m in interest-bearing loans to a joint venture during the first nine months, bringing the total amount of the loan to EUR 110 m.

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

## Events after the reporting period

On October 13, 2022, an agreement was signed for the acquisition of the remaining 10% of the shares of Schaeffler Paravan Technologie GmbH & Co. KG. Upon closing of the transaction on October 14, 2022, the former joint venture became wholly owned by the Schaeffler Group. Under the transaction, the Schaeffler Group has taken on Schaeffler Paravan's approximately 70 employees and operates the company under Schaeffler management. The Schaeffler Group is also maintaining Schaeffler Paravan's relationships with its existing customers and partners. The consideration payable in cash amounts to EUR 74 m. In addition, the transaction calls for contingent purchase price payment obligations that are contingent on the revenue trend in the years 2028 to 2030. The Schaeffler Group expects these purchase price obligations to be valued at an amount in the single-digit millions at a maximum. A purchase price allocation is not yet available as at the date of preparation of the Schaeffler Group's consolidated interim financial statements.

Schaeffler AG signed an ESG-linked syndicated credit agreement on November 2, 2022. The new credit agreement includes a EUR 0.5 bn term loan and a EUR 2.0 bn Revolving Credit Facility. The existing EUR 1.8 bn Revolving Credit Facility maturing in September 2024 will be prepaid with the new revolving credit facility, increasing the volume by EUR 200 m. The term loan will be used to fund the acquisition of the Ewellix Group. Both lines have a five-year maturity (plus certain extension options for the Revolving Credit Facility) and were provided by a consortium of 14 banks. The two lines are the first with credit margins that are linked to achievement of two selected Schaeffler Group sustainability targets.

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 September 30, 2022.

Herzogenaurach, November 2, 2022

The Board of Managing Directors

## Summary 1<sup>st</sup> quarter 2021 to 3<sup>rd</sup> quarter 2022

### Schaeffler Group

in € millions	2021				2022		
	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	4 <sup>th</sup> quarter	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter
<b>Income statement</b>							
Revenue	3,560	3,454	3,332	3,506	3,758	3,790	4,242
• Europe	1,518	1,501	1,374	1,430	1,584	1,620	1,679
• Americas	754	669	705	692	833	868	937
• Greater China	800	812	778	904	842	778	1,072
• Asia/Pacific	488	472	475	479	499	524	555
Cost of sales	-2,603	-2,611	-2,538	-2,659	-2,887	-2,958	-3,258
Gross profit	957	843	793	846	871	832	984
• in % of revenue	26.9	24.4	23.8	24.1	23.2	22.0	23.2
Research and development expenses	-192	-183	-181	-191	-203	-188	-182
Selling and administrative expenses	-383	-371	-374	-390	-402	-434	-447
EBIT	382	341	266	231	247	186	316
• in % of revenue	10.7	9.9	8.0	6.6	6.6	4.9	7.5
Special items	15	-37	-6	29	11	14	39
EBIT before special items <sup>1)</sup>	397	305	260	260	258	200	355
• in % of revenue	11.2	8.8	7.8	7.4	6.9	5.3	8.4
Net income <sup>2)</sup>	235	227	149	145	136	113	169
Earnings per common non-voting share (basic/diluted, in €)	0.35	0.35	0.22	0.22	0.21	0.17	0.25
<b>Statement of financial position</b>							
Total assets	13,872	13,959	14,373	14,364	14,354	14,105	14,742
Additions to intangible assets and property, plant and equipment	110	131	198	232	128	175	219
Amortization, depreciation, and impairment losses excluding depreciation of right-of-use assets under leases and impairments of goodwill	223	228	226	229	231	227	227
• Reinvestment rate	0.49	0.57	0.87	1.01	0.56	0.77	0.96
Shareholders' equity <sup>3)</sup>	2,549	2,640	2,848	3,165	3,659	3,900	4,264
• in % of total assets	18.4	18.9	19.8	22.0	25.5	27.7	28.9
Net financial debt	2,176	2,228	2,014	1,954	1,992	2,552	2,331
• Net financial debt to EBITDA ratio before special items LTM <sup>4)</sup>	1.1	0.9	0.9	0.9	1.0	1.3	1.1
• Gearing ratio (Net financial debt to shareholders' equity, in %)	85.3	84.4	70.7	61.7	54.4	65.4	54.7

in € millions	2021				2022		
	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	4 <sup>th</sup> quarter	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter
<b>Statement of cash flows</b>							
EBITDA	619	584	507	476	493	429	560
Cash flows from operating activities	281	266	458	270	199	-30	477
Capital expenditures (capex) <sup>4)</sup>	132	136	215	188	156	175	219
• in % of revenue (capex ratio)	3.7	3.9	6.4	5.4	4.2	4.6	5.2
Free cash flow (FCF) before cash in- and outflows for M&A activities	130	113	225	55	14	-219	240
• FCF-conversion (ratio of FCF before cash in- and outflows for M&A activities to EBIT) <sup>5)</sup>	0.3	0.3	0.8	0.2	0.1	-	0.8
<b>Value-based management (LTM)</b>							
ROCE (in %)	3.6	9.6	15.3	14.9	13.1	11.1	11.4
ROCE before special items (in %) <sup>1)</sup>	11.5	17.4	16.8	14.9	13.1	11.6	12.4
Schaeffler Value Added (in € millions)	-533	-31	436	403	259	89	119
Schaeffler Value Added before special items (in € millions) <sup>1)</sup>	126	606	557	404	256	136	210
<b>Employees</b>							
Headcount (at end of reporting period)	83,937	83,945	83,935	82,981	83,089	82,790	82,702

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

<sup>2)</sup> Attributable to shareholders of the parent company.

<sup>3)</sup> Including non-controlling interests.

<sup>4)</sup> Capital expenditures on intangible assets and property, plant and equipment.

<sup>5)</sup> Only reported if FCF before cash in- and outflows for M&A activities and EBIT positive.

LTM = Based on the last twelve months.

in € millions	2021				2022		
	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	4 <sup>th</sup> quarter	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter
<b>Automotive Technologies division</b>							
Revenue	2,281	2,084	1,921	2,150	2,293	2,222	2,555
• E-Mobility BD	247	259	226	306	307	294	391
• Engine & Transmission Systems BD	1,283	1,143	1,073	1,189	1,257	1,211	1,381
• Bearings BD	676	615	554	577	643	631	681
• Chassis Systems BD	76	66	67	78	86	86	102
• Europe	864	812	661	738	849	836	883
• Americas	532	438	452	449	567	578	625
• Greater China	541	513	501	655	557	477	687
• Asia/Pacific	345	321	307	308	320	331	360
Cost of sales	-1,721	-1,651	-1,545	-1,712	-1,859	-1,865	-2,091
Gross profit	560	433	376	437	434	356	464
• in % of revenue	24.5	20.8	19.6	20.3	18.9	16.0	18.2
Research and development expenses	-154	-147	-147	-154	-162	-147	-141
Selling and administrative expenses	-173	-172	-157	-170	-183	-190	-186
EBIT	232	141	96	110	77	1	108
• in % of revenue	10.2	6.7	5.0	5.1	3.4	0.0	4.2
Special items	8	-21	-20	-3	3	10	14
EBIT before special items <sup>1)</sup>	240	119	77	107	80	11	122
• in % of revenue	10.5	5.7	4.0	5.0	3.5	0.5	4.8

**Automotive Aftermarket division**

Revenue	444	467	500	437	463	506	547
• Europe	312	332	341	291	306	337	358
• Americas	83	86	102	92	99	110	118
• Greater China	25	26	27	24	30	26	37
• Asia/Pacific	24	24	30	31	29	33	34
Cost of sales	-300	-321	-346	-296	-319	-352	-373
Gross profit	143	147	154	141	144	154	174
• in % of revenue	32.3	31.4	30.8	32.2	31.2	30.4	31.7
Research and development expenses	-4	-4	-4	-4	-5	-4	-4
Selling and administrative expenses	-82	-68	-82	-88	-76	-92	-98
EBIT	57	89	80	48	62	63	72
• in % of revenue	12.9	19.0	16.1	10.9	13.4	12.5	13.1
Special items	1	-11	-9	1	1	0	0
EBIT before special items <sup>1)</sup>	58	78	72	49	63	63	72
• in % of revenue	13.1	16.6	14.3	11.2	13.6	12.5	13.1

in € millions	2021				2022		
	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	4 <sup>th</sup> quarter	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter
<b>Industrial division</b>							
Revenue	836	902	911	919	1,002	1,063	1,140
• Europe	342	357	372	401	429	448	438
• Americas	140	146	151	151	168	179	194
• Greater China	235	272	250	226	255	275	348
• Asia/Pacific	119	127	138	140	150	160	160
Cost of sales	-582	-640	-648	-650	-710	-740	-795
Gross profit	254	262	263	268	292	322	346
• in % of revenue	30.4	29.1	28.9	29.2	29.2	30.3	30.3
Research and development expenses	-34	-32	-31	-33	-36	-37	-37
Selling and administrative expenses	-127	-131	-135	-133	-142	-151	-163
EBIT	92	112	89	74	108	123	136
• in % of revenue	11.0	12.4	9.8	8.0	10.8	11.6	12.0
Special items	6	-4	23	30	7	3	24
EBIT before special items <sup>1)</sup>	98	108	112	104	115	126	161
• in % of revenue	11.8	11.9	12.3	11.3	11.4	11.9	14.1

Prior year information presented based on 2022 segment structure.

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

## Financial calendar

### November 8, 2022

Publication of results for the first nine months 2022

### March 7, 2023

Publication of annual results 2022

### April 20, 2023

Annual general meeting 2023

### May 9, 2023

Publication of results for the first three months 2023

All information is subject to correction and may be changed at short notice.

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