

Press and IR Release

## **Schaeffler off to a good start in 2024**

HERZOGENAURACH, 2024-05-07.

- Revenue of 4.1 billion euros at constant-currency and EBIT margin before special items of 7.9 percent at prior-year level
- Free cash flow before cash in- and outflows for M&A activities at -166 million euros due to seasonal factors (prior year: -73 million euros)
- Automotive Technologies reports growth, Vehicle Lifetime Solutions generates best quarterly earnings, Bearings & Industrial Solutions revenue declines
- Full-year guidance for 2024 confirmed
- Integration of Vitesco Technologies Group Aktiengesellschaft well on track

Schaeffler AG published its results for the first quarter of 2024 today. Revenue for the first three months was 4,085 million euros and thus remained approximately flat with prior year at constant currency (4,152 million euros). Revenue declines at the expanded and renamed Bearings & Industrial Solutions division were offset by growth at the Automotive Technologies division as well as at the Vehicle Lifetime Solutions division, the Automotive aftermarket business.

The Automotive Technologies division, which is shown for the first time without the Bearings business division (BD) that was transferred to the Bearings & Industrial Solutions (previously Industrial) division effective January 1, 2024, reported slight constant-currency revenue growth of 0.8 percent. This growth was primarily due to higher volumes from the ramp-up of projects in the E-Mobility and Chassis Systems BDs. The Vehicle Lifetime Solutions (previously Automotive Aftermarket) division increased its revenue by 8.6 percent at constant currency, while the Bearings & Industrial Solutions division reported a market-related constant-currency decline in revenue of 4.1 percent.

At group level, revenue in the Europe region fell by 0.4 percent at constant currency. The Americas region achieved constant-currency revenue growth of 4.2 percent, while revenue in the Greater China and Asia/Pacific regions was 3.6 percent and 0.5 percent below the prior year's figures at constant currency.

The Schaeffler Group generated 322 million euros (prior year: 335 million euros) in EBIT before special items in the first three months, representing an EBIT margin before special items of 7.9 percent (prior year: 8.1 percent). The slight decline in EBIT margin before special items in the first quarter of 2024 was partly due to

the impact of accounting for the 38.9 percent investment in Vitesco Technologies Group Aktiengesellschaft (“Vitesco”) under the equity method for the first time. Earnings for the reporting period were favorably affected by special items of 93 million euros net that relate mainly to a change in accounting estimate regarding the valuation of groupwide inventories. Including special items, EBIT amounted to 415 million euros (prior year: 244 million euros), which represents an increase of 70.3 percent compared to the prior year. Net income attributable to shareholders of the parent company, which totaled 231 million euros for the first quarter of 2024, improved considerably as well, increasing by 79.7 percent (prior year: 128 million euros).

Klaus Rosenfeld, CEO of Schaeffler AG: “The Schaeffler Group is off to a good start in 2024 despite the challenging environment. Our broad positioning remains a guarantee of success. The earnings of the Automotive Technologies and Vehicle Lifetime Solutions divisions successfully compensated for the market-related decline in the industrial business. We are confirming our full-year guidance unchanged.”

#### Key financials of the Schaeffler Group

|  | 01/01-03/31 (1 <sup>st</sup> quarter) |            |        |            |
|--|---------------------------------------|------------|--------|------------|
| in € millions  | 2024                                  | 2023       | Change |            |
| Revenue  | 4,085                                 | 4,152      | -1.6   | %          |
| • at constant currency   |                                       |            | 0.0    | %          |
| EBIT before special items <sup>1</sup>                               | 322                                   | 335        | -4.1   | %          |
| • in % of revenue  | 7.9                                   | 8.1        | -0.2   | %-pts.     |
| Free cash flow <sup>2</sup>  | -166                                  | -73        | -93    | € millions |
| Net income <sup>3</sup>  | 231                                   | 128        | 79,7   | %          |
|  | 03/31/2024                            | 12/31/2023 | Change |            |
| Shareholders' equity <sup>4</sup>                                    | 4,199                                 | 3,913      | 7.3    | %          |
| Net financial debt   | 4,613                                 | 3,189      | 44.6   | %          |
| Net financial debt to EBITDA ratio before special items <sup>5</sup> | 2.1                                   | 1.5        | -      | -          |
| Employees  | 83,793                                | 83,362     | 0.5    | %          |

<sup>1</sup> Please refer to the annual report 2023, pp. 27 et seq., for the definition of special items.

<sup>2</sup> Before cash in- and outflows for M&A activities.

<sup>3</sup> Net income attributable to shareholders of the parent company.

<sup>4</sup> Including non-controlling interests.

<sup>5</sup> Net financial debt to EBITDA ratio before special items (LTM).

#### Automotive Technologies – 1.5 billion euros in E-Mobility order intake

The Automotive Technologies division generated revenue of 1,770 million euros in the first three months of the year (prior year: 1,778 million euros), on an adjusted basis. The slight revenue growth of 0.8 percent at constant currency was primarily

due to projects ramping up and outperformed global automobile production overall.

With production volumes declining worldwide (-0.8 percent), this represents an outperformance compared to global production of passenger cars and light commercial vehicles of 1.6 percentage points.<sup>1</sup>

The E-Mobility and Chassis Systems BDs increased their revenue by 2.2 percent and 10.0 percent, respectively, at constant currency during the reporting period. The Engine & Transmission Systems BD reported a constant-currency decline in revenue of 0.3 percent.

Total order intake for the first quarter amounted to 2.1 billion euros and included 1.5 billion euros at the E-Mobility BD.

The Automotive Technologies division generated 93 million euros (prior year: 87 million euros) in EBIT before special items in the first three months. The EBIT margin before special items amounted to 5.3 percent (prior year: 4.9 percent). The increase in the EBIT margin before special items was mainly attributable to the favorable impact of volumes.

#### **Vehicle Lifetime Solutions – very strong quarterly earnings**

The Vehicle Lifetime Solutions division reported revenue of 625 million euros for the period (prior year: 581 million euros), which represents a constant-currency increase of 8.6 percent that was mainly due to a favorable impact of volumes. The prior year's adjustments to sales prices favorably impacted the revenue trend as well.

All regions contributed to the division's revenue growth in the first three months of the year. While Europe, the region with the highest revenue, reported constant-currency revenue growth of 3.7 percent, revenue in the Americas and Greater China regions was up 17.7 percent and 29.4 percent, respectively, on the prior year's figure at constant currency. Constant-currency revenue growth in the Asia/Pacific region amounted to 11.7 percent, partly due to the contribution of the Koovers e-commerce platform that was acquired late in 2023.

The division generated 109 million euros (prior year: 90 million euros) in EBIT before special items during the reporting period, resulting in an EBIT margin before special items for the first quarter of 17.4 percent (prior year: 15.4 percent). The increase in the EBIT margin before special items was mainly due to the favorable impact of volumes and sales prices.

#### **Bearings & Industrial Solutions – EBIT margin before special items at 8.5 percent**

The Bearings & Industrial Solutions division, which will comprise the Schaeffler Group's entire bearing business going forward, generated revenue of 1,677 million

euros in the first quarter of 2024 (adjusted prior-year revenue: 1,787 million euros). The constant-currency decline in revenue of 4.1 percent was largely due to the impact of volumes.

While the Europe region reported a constant-currency decline in revenue of 5.4 percent, revenue in the Americas region rose by 4.1 percent at constant currency in the reporting period, mainly due to the increase in revenue in the Aerospace sector cluster and at Automotive Bearings. In the Greater China region, revenue for the first three months was 9.8 percent below the prior year's figure at constant currency. The weak market environment had a considerable adverse impact on the revenue trend. The Wind sector cluster in particular reported declines. The Asia/Pacific region reported a constant-currency decline in revenue of 2.6 percent for the reporting period.

In the first quarter, the Bearings & Industrial Solutions division generated EBIT before special items of 143 million euros (prior year: 159 million euros). The EBIT margin before special items amounted to 8.5 percent (prior year: 8.9 percent). The slight decrease in the EBIT margin before special items was primarily attributable to the impact of volumes.

#### Key financials by division

|  | 01/01-03/31 (1 <sup>st</sup> quarter) |                   |        |        |
|--|---------------------------------------|-------------------|--------|--------|
| in € millions                              | 2024                                  | 2023 <sup>1</sup> | Change |        |
| <b>Automotive Technologies</b>             |                                       |                   |        |        |
| Revenue                                    | 1,770                                 | 1,778             | -0.4   | %      |
| • at constant currency                     |                                       |                   | 0.8    | %      |
| EBIT before special items <sup>2</sup>     | 93                                    | 87                | 7.4    | %      |
| • in % of revenue                          | 5.3                                   | 4.9               | 0.4    | %-pts. |
| <b>Vehicle Lifetime Solutions</b>          |                                       |                   |        |        |
| Revenue                                    | 625                                   | 581               | 7.6    | %      |
| • at constant currency                     |                                       |                   | 8.6    | %      |
| EBIT before special items <sup>2</sup>     | 109                                   | 90                | 21.1   | %      |
| • in % of revenue                          | 17.4                                  | 15.4              | 2.0    | %-pts. |
| <b>Bearings &amp; Industrial Solutions</b> |                                       |                   |        |        |
| Revenue                                    | 1,677                                 | 1,787             | -6.2   | %      |
| • at constant currency                     |                                       |                   | -4.1   | %      |
| EBIT before special items <sup>2</sup>     | 143                                   | 159               | -10.5  | %      |
| • in % of revenue                          | 8.5                                   | 8.9               | -0.4   | %-pts. |

<sup>1</sup> Prior-year information presented based on 2024 segment structure.

<sup>2</sup> Please refer to the annual report 2023, pp. 27 et seq., for the definition of special items.

**Free cash flow negative due to seasonal factors – capex flat with prior year**

In the first quarter of 2024, free cash flow before cash in- and outflows for M&A activities was -166 million euros (prior year: -73 million euros) due to seasonal factors. The decline was partly attributable to higher interest payments resulting from the financing transactions related to the planned business combination with Vitesco and the change in trade payables. Capital expenditures on property, plant and equipment and intangible assets (capex) amounted to 222 million euros, in line with the prior-year level (prior year: 221 million euros).

Net income attributable to shareholders of the parent company increased by 79.7 percent to 231 million euros in the first quarter of 2024 (prior year: 128 million euros). Net income before special items amounted to 155 million euros (prior year: 195 million euros). Earnings per common non-voting share were 0.35 euros (prior year: 0.19 euros), representing an increase of 84.2 percent.

As at March 31, 2024, net financial debt amounted to 4,613 million euros (December 31, 2023: 3,189 million euros). This change is mainly due to the successful financing of the acquisition of the Vitesco shares in the first quarter of 2024. At 2.1, the net financial debt to EBITDA ratio before special items as at March 31, 2024, increased from December 31, 2023 (1.5). The ratio of net financial debt to shareholders' equity (gearing ratio) rose to 109.9 percent (December 31, 2023: 81.5). The Schaeffler Group employed a workforce of 83,793 worldwide as at March 31, 2024.

Claus Bauer, CFO of Schaeffler AG: "In a persistently challenging environment, Schaeffler has once again demonstrated its solid profitability in the first quarter. We also succeeded in promptly financing the acquisition of the Vitesco shares on a long-term basis and at attractive terms. We are contributing this financial strength to the combined company."

**Full-year guidance for 2024 confirmed**

At its meeting on April 23, 2024, the Board of Managing Directors of Schaeffler AG confirmed the outlook issued on February 20, 2024.

The Schaeffler Group continues to anticipate considerable revenue growth at constant currency in 2024. At the same time, the company expects to generate an EBIT margin before special items of 6 to 9 percent in 2024 and continues to anticipate free cash flow before cash in- and outflows for M&A activities of 300 million to 400 million euros.

A voluntary outlook on the performance of the divisions is still omitted in light of the organizational adjustments planned in 2024 in connection with the merger of Vitesco into Schaeffler AG.

**Business combination with Vitesco – integration well on track**

The planned business combination with Vitesco, a key step in the transformation process, is progressing on schedule and is being prepared for in detail at both companies. More than 1,200 colleagues are now working on the preparations for the integration that were kicked off in January of this year. A significant milestone was reached in mid-March when the planned organizational structure at the first level below the Executive Board was determined. The focus is currently on developing the structure for the second level of management as well as the divisional and functional strategies and structures and on preparing the joint business plan.

In addition, financing for the acquisition of shares in Vitesco was put on a solid footing and secured for the long term in the first quarter of 2024. Moreover, Schaeffler AG and Vitesco entered into a merger agreement with the approval of their respective Supervisory Boards on March 13, 2024. The annual general meetings of both companies on April 24 (Vitesco) and April 25, 2024 (Schaeffler AG) approved the merger agreement with Vitesco. Thanks to the approval by the annual general meetings, implementation of the actual merger of Vitesco into Schaeffler AG can move forward. Effectiveness of the merger is conditional on subsequent entry of the merger in both companies' commercial registers which is still expected to occur in the fourth quarter of 2024.

Klaus Rosenfeld: "2024 is a year of transition. Preparations for the integration of Vitesco are making good headway. We are now laying the foundation in order to realize the significant potential provided by the merger with Vitesco and jointly establish the leading Motion Technology Company starting in 2025."

You can find press photos of the Board of Managing Directors here:

[www.schaeffler.com/en/executive-board](http://www.schaeffler.com/en/executive-board)

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*Voluntary public tender offer of Schaeffler AG to the shareholders of Vitesco Technologies AG*

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Schaeffler Group – We pioneer motion The Schaeffler Group has been driving forward groundbreaking inventions and developments in the field of motion technology for over 75 years. With innovative technologies, products, and services for electric mobility, CO<sub>2</sub>-efficient drives, chassis solutions, Industry 4.0, digitalization, and renewable energies, the company is a reliable partner for making motion more efficient, intelligent, and sustainable – over the entire life cycle. The Motion Technology Company manufactures high-precision components and systems for drive train and chassis applications as well as rolling and plain bearing solutions for a large number of industrial applications. The Schaeffler Group generated sales of EUR 16.3 billion in 2023. With around 84,000 employees, Schaeffler is one of the world's largest family-owned companies and one of Germany's most innovative companies.

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