

We pioneer motion

Interim Financial Report H1 2024

Key figures

Key figures

	1 st six months			
Income statement (in € millions)	2024	2023		Change
Revenue	8,276	8,208	0.8	%
• at constant currency			2.0	%
EBIT	593	526	12.6	%
• in % of revenue	7.2	6.4	0.7	%-pts.
EBIT before special items ¹⁾	525	624	-15.8	%
• in % of revenue	6.3	7.6	-1.3	%-pts.
Net income ²⁾	263	266	-1.1	%
Earnings per common non-voting share (basic/diluted, in €)	0.40	0.41	-2.4	%
Statement of financial position (in € millions)	06/30/2024	12/31/2023		Change
Total assets	16,433	15,016	9.4	%
Additions to intangible assets and property, plant and equipment ³⁾	383	405	-5.3	%
Amortization, depreciation, and impairment losses excluding depreciation of right-of-use assets under leases and impairments of goodwill ³⁾	451	461	-2.2	%
Reinvestment rate	0.85	0.88		
Shareholders' equity ⁴⁾	3,917	3,913	4	€ millions
• in % of total assets	23.8	26.1	-2.2	%-pts.
Net financial debt	4,920	3,189	54.3	%
• Net financial debt to EBITDA LTM ratio before special items ¹⁾	2.4	1.5		
• Gearing ratio (net financial debt to shareholders' equity ³⁾ , in %)	125.6	81.5	44.1	%-pts.
Statement of cash flows (in € millions)	2024	2023		Change
EBITDA	1,080	1,023	5.6	%
Cash flows from operating activities	362	463	-101	€ millions
Capital expenditures (capex) ⁵⁾	418	419	-1	€ millions
• in % of revenue (capex ratio)	5.0	5.1	-0.1	%-pts.
Free cash flow (FCF) before cash in- and outflows for M&A activities	-91	29	-120	€ millions
• FCF-conversion LTM (ratio of FCF before cash in- and outflows for M&A activities LTM to EBIT LTM) ⁶⁾	0.3	0.5		
Value-based management (LTM)				Change
ROCE (in %)	8.9	11.6	-2.7	%-pts.
ROCE before special items (in %) ¹⁾	10.7	13.2	-2.4	%-pts.
Schaeffler Value Added (in € millions)	-115	146	-	%
Schaeffler Value Added before special items (in € millions) ¹⁾	73	292	-74.9	%

	06/30/2024	12/31/2023		Change
Employees				
No. of employees	83,990	83,362	0.8	%
		1 st six months		
Automotive Technologies division ⁷⁾ (in € millions)	2024	2023		Change
Revenue	3,534	3,508	0.7	%
• at constant currency			1.5	%
EBIT	183	145	26.1	%
• in % of revenue	5.2	4.1	1.0	%-pts.
EBIT before special items ¹⁾	161	176	-8.6	%
• in % of revenue	4.6	5.0	-0.5	%-pts.
Vehicle Lifetime Solutions division ⁷⁾ (in € millions)				Change
Revenue	1,309	1,129	16.0	%
• at constant currency			17.6	%
EBIT	232	162	42.9	%
• in % of revenue	17.7	14.4	3.3	%-pts.
EBIT before special items ¹⁾	228	163	40.0	%
• in % of revenue	17.4	14.4	3.0	%-pts.
Bearings & Industrial Solutions division ⁷⁾ (in € millions)				Change
Revenue	3,367	3,556	-5.3	%
• at constant currency			-3.9	%
EBIT	236	224	5.0	%
• in % of revenue	7.0	6.3	0.7	%-pts.
EBIT before special items ¹⁾	185	290	-36.3	%
• in % of revenue	5.5	8.2	-2.7	%-pts.

¹⁾ Please refer to pp. 15 et seq. for the definition of special items.

²⁾ Attributable to shareholders of the parent company.

³⁾ Amounts for the first six months.

⁴⁾ Including non-controlling interests.

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

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

⁷⁾ Prior year information presented based on 2024 segment structure.

LTM = Financial indicator based on the last four quarters.

Highlights H1 2024

Revenue increased slightly in challenging market environment

Revenue at **EUR 8.3 bn**
(2.0% at constant currency)

(prior year: EUR 8.2 bn)

EBIT margin below prior year

EBIT margin before special items **6.3%**

(prior year: 7.6%)

Cash flow affected by integration of Vitesco

Free cash flow before cash in- and outflows
for M&A activities at **EUR -91 m**

(prior year: EUR 29 m)

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* Part of the group interim management report.

Significant events – first half 2024

Significant events – first half 2024

Planned business combination with Vitesco Technologies Group AG

The **planned business combination with Vitesco Technologies Group AG**, a key step of the transformation, is progressing on schedule. The overall transaction is structured in three steps and is designed to result in a merger of Vitesco Technologies Group AG into Schaeffler AG.

In the first step, the public tender offer was completed for all shares in Vitesco Technologies Group AG tendered and the cash consideration of EUR 94 per share paid on January 5, 2024. The cash consideration for all shares acquired (a total of approximately 12 million shares) amounted to approximately EUR 1.1 bn. The Schaeffler Group obtained significant influence upon closing of the public tender offer and payment of the consideration and accounts for Vitesco Technologies Group AG under the equity method as an associated company in the Schaeffler Group's consolidated financial statements. Additionally, Schaeffler AG entered into an agreement with BofA Securities Europe S.A. to acquire a stake of 3.6 million shares – approximately 9% of the share capital of Vitesco Technologies Group AG – on January 22, 2024, increasing Schaeffler AG's shareholding in Vitesco Technologies Group AG to approximately 38.9%.

As the second step, resolutions approving the conversion of the common non-voting shares of Schaeffler AG into common voting shares at a ratio of 1:1 were passed by an extraordinary general meeting and a separate general meeting of the common non-voting shareholders on February 2, 2024. The share conversion is conditional on the completion of the merger as part of the business combination.

In the third step of the overall transaction, Schaeffler AG and Vitesco Technologies Group AG entered into a merger agreement on March 13, 2024, following approval by their respective Supervisory Boards. The agreement sets out the legally binding terms and conditions for the merger of Vitesco Technologies Group AG into Schaeffler AG. The preliminary exchange ratio published on February 26, 2024, 11.4 voting common Schaeffler AG shares for each Vitesco Technologies Group AG share held, was agreed as binding in the merger agreement. As a result, shareholders of Vitesco Technologies Group AG will receive 57 common Schaeffler AG shares in exchange for 5 common Vitesco Technologies Group AG shares. On April 25, 2024, the annual general meeting of Schaeffler AG approved the merger of Vitesco Technologies Group AG into Schaeffler AG. The annual general meeting of Vitesco Technologies Group AG had previously approved the merger agreement on April 24, 2024. Effectiveness of the merger remains conditional on subsequent entry of the merger in both companies' commercial registers and is expected to occur in the fourth quarter of 2024. In this context, the company intends to have the common Schaeffler AG shares and the common non-voting Schaeffler AG shares that will be converted to common shares admitted for trading on the Frankfurt Stock Exchange (Prime Standard). This also applies to the common Schaeffler AG shares newly issued in the merger.



More information under: www.strongertogether24.com.

Financing transactions as part of the planned business combination

On January 2, 2024, Schaeffler AG drew down approximately EUR 1.1 bn under the existing **bridge facility** to finance the tender offer for all shares of Vitesco Technologies Group AG tendered on January 5, 2024.

Schaeffler AG issued a total of EUR 1.1 bn in bonds under its **debt issuance program** on January 15, 2024. The transaction consisted of two tranches (EUR 500 m with a coupon of 4.500%, due in August 2026, and EUR 600 m with a coupon of 4.750%, due in August 2029). The proceeds of the issuance were used to prepay in full the approximately EUR 1.1 bn drawn under the existing **bridge facility** for the acquisition of the shares in Vitesco Technologies Group AG on January 19, 2024. Simultaneously, the line of credit under one of the facilities was reduced from a total of EUR 2.2 bn to EUR 387 m.

Two unutilized lines of credit under the **bridge facility** totaling EUR 1.25 bn were terminated on February 16, 2024.

On March 4, 2024, Schaeffler AG made a final drawdown of EUR 370 m under the **bridge facility** and terminated the EUR 17 m line of credit subsequently remaining.

Significant events – first half 2024

On March 27, 2024, Schaeffler AG signed an **amendment agreement** for the existing syndicated **group credit agreement** with a group of international banks. The amendment agreement comprises an increase in the revolving credit facility from EUR 2.0 bn to EUR 3.0 bn as well as a five-year term with two renewal options of one year each. Effectiveness of the amendments agreed is subject to conditions precedent. These conditions include, in particular, the full completion of the merger of Vitesco Technologies Group AG into Schaeffler AG.

On March 28, 2024, Schaeffler AG issued another bond series with a principal of EUR 850 m and a coupon of 4.500% due in March 2030 under its **debt issuance program**. Schaeffler AG used part of the issuance proceeds to repay the EUR 370 m in drawings under the **bridge facility** on April 4, 2024. As a result, the bridge facility has been fully replaced and brought to an end.

During the second quarter of 2024, Schaeffler AG entered into **transfer agreements** with the investors of the Schuldschein loans of Vitesco Technologies GmbH. Under these agreements, Schaeffler AG, upon occurrence of the conditions agreed upon – particularly upon completion of the merger –, will become the borrower of such Schuldschein loans outstanding at that time.

Other financing transactions

On January 15, 2024, Schaeffler AG drew down in full the EUR 420 m loan with a six-year term under the **loan agreement** with the European Investment Bank **signed** in December 2023. The loan is primarily intended to support research and development for technologies in the fields of renewable energy, electric mobility, and hydrogen. Furthermore, the Schaeffler Group drew down approximately EUR 173 m under two additional lines of credit entered into in December 2023.

On March 26, 2024, Schaeffler AG redeemed an **outstanding bond** series of EUR 800 m upon maturity.

Other acquisitions during the period

On January 29, 2024, the Schaeffler Group increased its existing equity investment in Swedish **start-up H2GS AB** (“H2 Green Steel”) by a further EUR 28 m to a total of EUR 100 m as announced in September 2023.

Changes regarding the divisions

The Bearings business division (BD), which was previously the responsibility of the Automotive Technologies division, was assigned to the Industrial division effective 2024. Additionally, the Automotive Aftermarket and Industrial divisions were renamed Vehicle Lifetime Solutions and Bearings & Industrial Solutions, respectively. Additionally, primarily the external business of the Special Machinery operations and of the service companies was carved out of its previous divisions and combined in the newly established Others division. The equity-accounted investment in Vitesco Technologies Group AG is also reflected in this division.



More on the change in the divisions' organizational structure under “Segment reporting” on pp. 38 et seq.

Changes to Board of Managing Directors

At its meeting on February 23, 2024, the Supervisory Board of Schaeffler AG agreed to renew the contract of Matthias Zink, **CEO of the Automotive Technologies division**, for another five years effective January 1, 2025.

At its meeting on February 23, 2024, the Supervisory Board of Schaeffler AG also agreed to renew the contract of Jens Schüller, **CEO of the Vehicle Lifetime Solutions division**, by another five years effective January 1, 2025.

Sascha Zaps became the **CEO of the Bearings & Industrial Solutions division** and a **member of the Board of Managing Directors** effective May 1, 2024, succeeding Dr. Stefan Spindler.

Annual general meeting of Schaeffler AG

On April 25, 2024, the **annual general meeting of Schaeffler AG** approved the merger of Vitesco Technologies Group AG into Schaeffler AG. Additionally, the annual general meeting passed a resolution to pay a dividend of EUR 0.44 (prior year: EUR 0.44) per common share and EUR 0.45 (prior year: EUR 0.45) per common non-voting share to Schaeffler AG's shareholders for 2023. This represents a dividend payout ratio of 47.3% (prior year: 48.3%) of net income attributable to shareholders before special items. The dividend was paid by April 30, 2024. The Board of Managing Directors decided in consultation with the Supervisory Board to raise the range for the annual dividend from previously 30 to 50% to 40 to 60%.

Schaeffler on the capital markets

Schaeffler on the capital markets

Capital market trends

In the first half of 2024, the equity markets mostly trended upward in an environment of further abating inflation and anticipated interest rate reductions by central banks. During the first half of 2024, the DAX rose by up to approximately 15%, exceeding 18,000 for the first time. The new record high of 18,869 was achieved in mid-May.

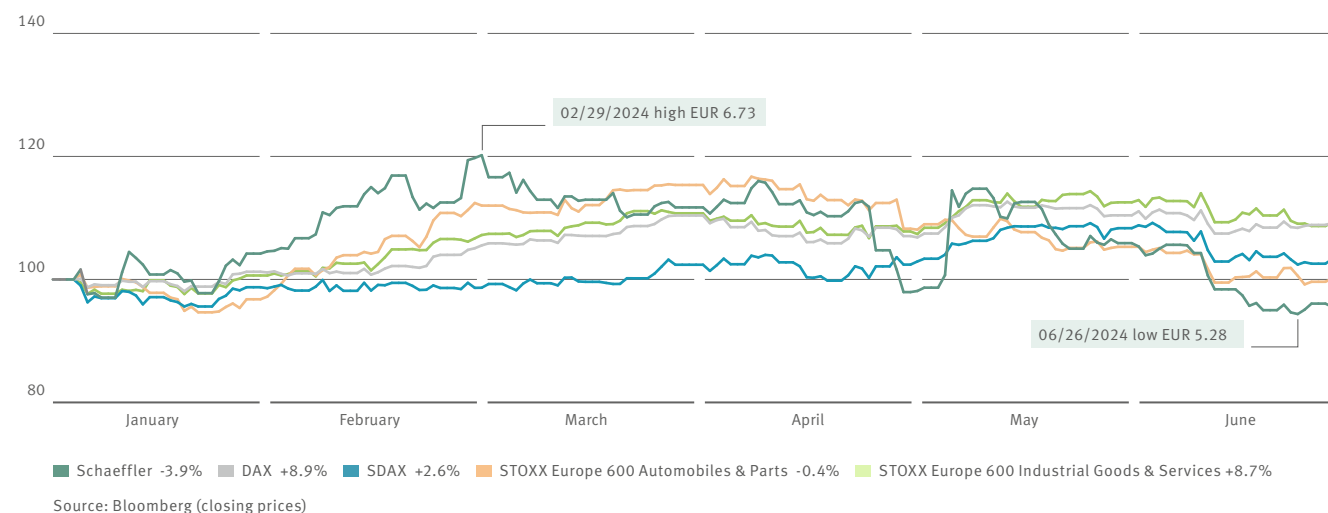
In the first half of the year, Schaeffler AG's common non-voting shares underperformed its benchmark indexes SDAX (+2.6% compared to December 31, 2023) and STOXX Europe 600 Automobiles & Parts (-0.4% compared to December 31, 2023). The STOXX Europe 600 Industrial Goods & Services performed considerably better at +8.7% compared to December 31, 2023.

Following publication of the quarterly results on May 7, 2024, the shares initially trended up. Subsequently, Schaeffler AG's common non-voting shares were quoted at EUR 5.38 as at June 30, 2024, down 3.9% from December 31, 2023.

The company was covered by analysts representing a total of 14 banks as at July 23, 2024, with eight of them issuing recommendations of either "buy" or "overweight" on Schaeffler AG's common non-voting shares. Their average upside target was EUR 7.25.

Schaeffler share price trend 2024

in percent (12/31/2023 = 100)



Schaeffler share performance

	1 st six months	
	2024	2023
Schaeffler share closing price 06/30 (in €) ¹⁾	5.38	5.65
Average trading volume (number of shares) ¹⁾	508,780	503,653
Market capitalization 06/30 (in € millions) ¹⁾	893	938
Earnings per share (in €)		
• Common shares	0.39	0.40
• Common non-voting shares	0.40	0.41

¹⁾ Source: Bloomberg

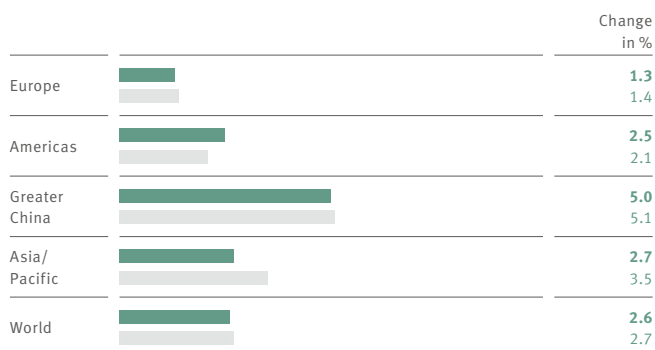
Information on the Schaeffler Group's bonds and ratings on pp. 19 et seq.

See page 45 for financial calendar.

1. Report on the economic position

1.1 Economic environment

Gross domestic product



■ H1 2024 ■ H1 2023

Source: S&P Global Market Intelligence (July 2024).¹
Regions reflect the regional structure of the Schaeffler Group.

Macroeconomic environment

At the beginning of the reporting period, the **global economy** showed signs of recovering. The rate of growth in gross domestic product achieved in the first quarter exceeded expectations in a number of countries, including China. However, the first half of 2024 remained marked by growth-inhibiting factors, including increased uncertainty due to geopolitical tensions and a continued restrictive monetary policy overall. Additionally, short-term indicators suggest a weakening of the global economic momentum toward the end of the reporting period.

In the euro zone, the overall increase in economic activity seen during the reporting period was primarily driven by the service sector. In China, the real estate market showed initial signs of stabilizing. However, domestic demand remained sluggish in the first half of 2024, and growth in gross domestic product reported for the second quarter of 2024 was weaker than expected. The U.S. economy proved consistently robust during the reporting period.

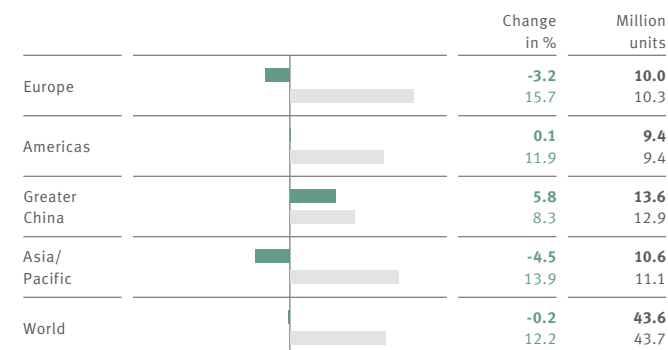
Consumer price inflation continued to decline throughout the reporting period. However, the pace of disinflation has slowed recently and the rate of inflation remained higher than the central banks' targets, particularly in many industrialized nations. While the European Central Bank lowered its key interest rates in early June 2024, the U.S. Federal Reserve maintained its high key interest rate level during the reporting period.

In the **currency markets**, the euro rose against the Chinese renminbi while remaining unchanged against the U.S. dollar. On average, the euro was valued at CNY 7.80 and USD 1.08, respectively, during the reporting period (prior year: CNY 7.49 and USD 1.08, respectively; European Central Bank).

Further information on foreign currency translation on page 33.

Sector-specific environment

Automobile production



■ H1 2024 ■ H1 2023

Source: S&P Global Mobility (July 2024).
Regions reflect the regional structure of the Schaeffler Group.

The stagnation in global **automobile production**² during the reporting period is partly due to consumer restraint. Increased vehicle prices and interest rates as well as more restrictive lending guidelines curbed demand for vehicles.

Additionally, country-specific factors weighed on growth as well. In Japan, for instance, a natural disaster disrupted supply chains at the beginning of the year and problems with vehicle certification led to noticeable production losses for some manufacturers. In this context, automobile production in this country declined by 9.5% during the reporting period. Other major production countries such as Germany, France, Brazil, South Korea, and Thailand reported declining production levels as well. In the

¹ Gross domestic product based on market exchange rates (S&P Global Market Intelligence [July 2024]). Includes content supplied by S&P Global Market Intelligence © [World Economic Service Forecast, July 2024]. All rights reserved.

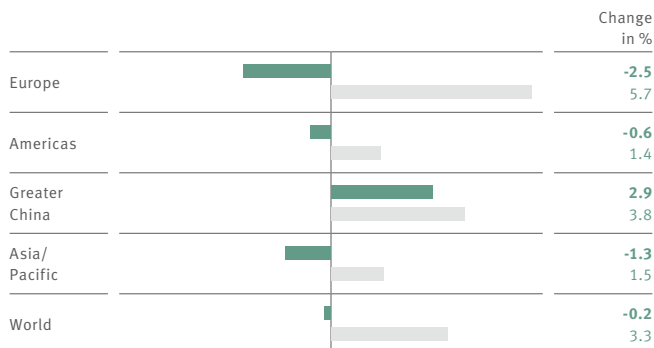
² Measured as the number of vehicles up to six tons in weight produced (S&P Global Mobility [July 2024]). Includes content supplied by S&P Global © [IHS Markit Light Vehicle Production Forecast (Base), July 2024].

U.S., on the other hand, automobile production increased by 2.1% during the reporting period. Clearly the largest contribution to the global trend was made by China, which grew by 5.7%, mainly driven by strong exports.

Business conditions in the global manufacturing industry improved overall during the reporting period. In June, however, procurement prices increased noticeably and companies looked to the future with less confidence than in the previous months. Against this background, **global industrial production** expanded by 2.0% during the first half of 2024 (S&P Global Market Intelligence, July 2024).³ This expansion was largely driven by strong growth in the Greater China region; the remaining regions reported only slight growth or, in the case of Europe, even a decline.

The stagnation in industrial production in the sectors particularly relevant to the Schaeffler Group – mechanical engineering, transport equipment, and electrical equipment⁴ – is primarily due to a decline throughout mechanical engineering, the largest of the three sectors by far. Except for Greater China, all of the Schaeffler Group’s regions reported decreases here. Similarly, the electrical equipment sector trended downward during the reporting period as growth in Americas and especially in Greater China was more than offset by noticeable declines in Asia/Pacific and Europe. The only sector growing across the board was transport equipment.

Industrial production in the mechanical engineering, transport equipment, and electrical equipment sectors



■ H1 2024 ■ H1 2023
 Source: S&P Global Market Intelligence (April 2024).
 Regions reflect the regional structure of the Schaeffler Group.

Procurement markets

In the **procurement markets**, trends for the commodities and input materials significant to the Schaeffler Group (including energy) varied (International Monetary Fund; S&P Global Commodity Insights). While average prices of materials such as aluminum and copper rose, prices in other markets were down from the prior year period, especially those of natural gas in Europe (-33%). The price of steel strip also declined throughout the procurement regions significant to the Schaeffler Group, although this decrease was significantly smaller in comparison. Commodity and energy market price trends affect the Schaeffler Group’s cost to varying degrees and normally with some delay, depending on the terms of the relevant supplier contracts. Especially in steel purchasing, most contracts are signed with terms of six or twelve months.

³ Includes content supplied by S&P Global Market Intelligence® [Comparative Industry Service Forecast, July 2024]. All rights reserved.

⁴ Divisions 28 and 30 as well as group 271 of the ISIC Rev. 4 classification.

1.2 Earnings

Schaeffler Group earnings

The increase in **revenue**, excluding the impact of currency translation, in the first half of 2024 was primarily attributable to higher volumes at the Vehicle Lifetime Solutions division. The Automotive Technologies division contributed slight growth as well. The trend at the Bearings & Industrial Solutions division had an offsetting impact.

 More on the change in the divisions' organizational structure under "Segment reporting" on pp. 38 et seq.

The growth at the **Automotive Technologies division** was mainly attributable to higher volumes of the E-Mobility BD in the Europe and Americas regions. The increase at the **Vehicle Lifetime Solutions division** resulted particularly from the impact of volumes in the Independent Aftermarket business in the Europe and Americas regions. The offsetting trend at the **Bearings & Industrial Solutions division** was largely due to the impact of volumes at the Industrial Automation sector cluster in the Europe region as well as the impact of volumes at the Wind sector cluster in the Greater China region. The **Others division** primarily contains the revenue of the Special Machinery unit.

The decrease in the **EBIT margin before special items** in the first half of 2024 was due in particular to the performance of the Bearings & Industrial Solutions division as well as the income (loss) from equity-accounted investee Vitesco Technologies Group AG which has been assigned to the Others division. Adjustments to conform with the group's uniform accounting policies reduced the income (loss) from equity-accounted investee Vitesco Technologies Group AG. During the period, the change in accounting estimate regarding the valuation of inventories in the first quarter of 2024 resulted in EUR 117 m in gains included in gross profit. These gains were treated as special items in EBIT in the first quarter of 2024. Additionally, administrative expenses for the first half of 2024 included EUR 31 m in integration expenses. These expenses were also treated as special items in EBIT. See page 15 for further information.

in € millions	1 st six months			2 nd quarter		
	2024	2023	Change in %	2024	2023	Change in %
Revenue	8,276	8,208	0.8	4,191	4,056	3.3
• at constant currency			2.0			4.2
Revenue by division						
Automotive Technologies	3,534	3,508	0.7	1,764	1,730	1.9
• at constant currency			1.5			2.2
Vehicle Lifetime Solutions	1,309	1,129	16.0	684	548	24.8
• at constant currency			17.6			27.1
Bearings & Industrial Solutions	3,367	3,556	-5.3	1,690	1,769	-4.5
• at constant currency			-3.9			-3.6
Others	66	15	> 100	54	9	> 100
• at constant currency			> 100			> 100
Revenue by region ¹⁾						
Europe	3,727	3,639	2.4	1,881	1,790	5.0
• at constant currency			2.2			4.8
Americas	1,918	1,832	4.7	966	911	6.0
• at constant currency			5.7			7.2
Greater China	1,552	1,642	-5.4	799	813	-1.7
• at constant currency			-1.7			0.2
Asia/Pacific	1,079	1,096	-1.5	547	542	0.8
• at constant currency			1.1			2.7
Cost of sales	-6,311	-6,381	-1.1	-3,311	-3,189	3.8
Gross profit	1,966	1,826	7.6	880	867	1.4
• in % of revenue	23.8	22.2	-	21.0	21.4	-
Research and development expenses	-415	-397	4.4	-207	-192	7.8
Selling and administrative expenses	-962	-859	12.0	-477	-423	12.8
Other income and expense	37	-44	-	8	30	-72.0
Income (loss) from equity-accounted investees	-34	0	-	-26	0	-
Earnings before financial result and income taxes (EBIT)	593	526	12.6	178	283	-37.1
• in % of revenue	7.2	6.4	-	4.2	7.0	-
Special items ²⁾	-67	98	-	26	6	> 100
EBIT before special items	525	624	-15.8	204	289	-29.4
• in % of revenue	6.3	7.6	-	4.9	7.1	-
Financial result	-147	-91	61.0	-75	-45	66.4
Income taxes	-169	-156	8.5	-64	-93	-31.7
Net income ³⁾	263	266	-1.1	33	138	-76.3
Earnings per common non-voting share (basic/diluted, in €)	0.40	0.41	-2.4	0.05	0.22	-77.3

¹⁾ Based on market (customer location).

²⁾ Please refer to pp. 15 et seq. for the definition of special items.

³⁾ Attributable to shareholders of the parent company.

Report on the economic position > Earnings

The **financial result** changed by EUR -56 m compared to the prior year period.

Schaeffler Group financial result

in € millions	1 st six months	
	2024	2023
Interest expense on financial debt ¹⁾	-149	-64
Gains and losses on derivatives and foreign exchange	9	7
Interest income and expense on pensions and partial retirement obligations	-29	-29
Other	22	-5
Total	-147	-91

¹⁾ Incl. amortization of transaction costs.

The increase in interest expense on financial debt during the first half of 2024 was primarily due to two bond issuances totaling EUR 1.1 bn in January 2024 and a further EUR 850 m bond issuance in March 2024, partly offset by redemption of an outstanding EUR 800 m bond series by Schaeffler AG upon maturity in March 2024. In January 2024, Schaeffler AG drew down in full the EUR 420 m loan with a six-year term under the loan agreement with the European Investment Bank signed in December 2023. Furthermore, the Schaeffler Group drew down approximately EUR 173 m under two additional lines of credit entered into in December 2023.

In addition, interest expense on financial debt for the first half of 2024 also include EUR 30 m in amortization of transaction costs incurred in connection with the bridge facility.

 Further information on financial debt on pp. 18 et seq.

EUR 22 m in income (prior year: EUR 5 m in expenses) were included in Other during the reporting period, consisting primarily of EUR 23 m resulting from recognizing at fair value derivatives embedded in a total return swap that was terminated in the first quarter of 2024.

Income tax expense amounted to EUR 169 m in 2024 (prior year: EUR 156 m), resulting in an effective tax rate of 37.9% (prior year: 35.7%). The change in the effective tax rate compared to the prior year was primarily the result of a change in the mix of taxable income with respect to higher- and lower-tax countries, higher non-deductible expenses, and the income (loss) from equity-accounted investees related to the business combination with Vitesco Technologies Group AG. An increase in recognized deferred taxes on loss and interest carry-forwards had an offsetting impact.

Net income attributable to shareholders of the parent company was EUR 263 m (prior year: EUR 266 m) in the first six months of 2024. **Net income before special items** amounted to EUR 209 m (prior year: EUR 337 m).

Basic and diluted earnings per common share were EUR 0.39 during the reporting period (prior year: EUR 0.40). Basic and diluted **earnings per common non-voting share** amounted to EUR 0.40 (prior year: EUR 0.41). The number of shares used to calculate earnings per common share and earnings per common non-voting share was 500 million (prior year: 500 million) and 166 million (prior year: 166 million), respectively.

ROCE before special items for the the first half of 2024 was 10.7% (prior year: 13.2%), **Schaeffler Value Added before special items (SVA)** EUR 73 m (prior year: EUR 292 m). Along with lower EBIT before special items, this decline was also attributable to an increase in average capital employed as a result of the acquisition of the shares in Vitesco Technologies Group AG.

Report on the economic position > Earnings

Automotive Technologies division earnings

The Bearings BD, which was previously the responsibility of the Automotive Technologies division, was assigned to the Bearings & Industrial Solutions division effective 2024.

Revenue growth, excluding the impact of currency translation, for the first half of 2024 exceeded global automobile production and was generated in the Europe and Americas regions. Structural changes in the Greater China region reduced local demand from foreign automobile manufacturers with operations in China and were partly offset by additional growth with local automobile manufacturers.

Outperformance H1 2024

	Europe	Americas	Greater China	Asia/Pacific	Total
Revenue growth (in %) ¹⁾	2.5	2.5	-0.3	0.0	1.5
LVP growth (in %) ²⁾	-3.2	0.1	5.8	-4.5	-0.2
Outperformance (in percentage points)	5.7	2.4	-6.1	4.5	1.7

The **E-Mobility BD** reported double-digit growth rates in the Europe and Americas regions despite the delays in the ramp-up of the electric mobility market. In the **Engine & Transmission Systems BD**, revenue increases in the Europe and Asia/Pacific regions did not fully offset the declines in the other regions. The slight decrease in **Chassis Systems BD** revenue resulted from the trend in the Europe, Greater China, and Asia/Pacific regions with the Americas region reporting growth driven mainly by product ramp-ups.

The decline in **EBIT margin before special items** was partly due to higher costs of customer projects, predominantly in research and development, as well as higher selling and administrative expenses. During the period, the change in accounting estimate

regarding the valuation of inventories in the first quarter of 2024 resulted in EUR 30 m in gains included in gross profit. These gains were treated as special items in EBIT in the first quarter of

2024. Additionally, administrative expenses for the first half of 2024 included EUR 10 m in integration expenses. These expenses were also treated as special items in EBIT.

	1 st six months			2 nd quarter		
in € millions	2024	2023	Change in %	2024	2023	Change in %
Revenue	3,534	3,508	0.7	1,764	1,730	1.9
• at constant currency			1.5			2.2
Revenue by business division						
E-Mobility BD	687	630	9.1	350	294	18.9
• at constant currency			10.3			19.5
Engine & Transmission Systems BD	2,616	2,646	-1.1	1,299	1,311	-0.8
• at constant currency			-0.4			-0.6
Chassis Systems BD	231	232	-0.7	114	126	-9.1
• at constant currency			-0.3			-9.0
Revenue by region ³⁾						
Europe	1,357	1,325	2.4	670	651	3.0
• at constant currency			2.5			3.1
Americas	930	894	4.0	466	441	5.9
• at constant currency			2.5			4.4
Greater China	755	788	-4.1	386	394	-2.2
• at constant currency			-0.3			-0.2
Asia/Pacific	491	501	-1.9	241	245	-1.5
• at constant currency			0.0			-0.1
Cost of sales	-2,831	-2,847	-0.6	-1,434	-1,411	1.6
Gross profit	703	661	6.4	330	319	3.5
• in % of revenue	19.9	18.8	-	18.7	18.4	-
Research and development expenses	-275	-266	3.6	-139	-129	7.4
Selling and administrative expenses	-268	-236	13.8	-133	-113	18.2
Other income and expense	24	-14	-	7	21	-66.7
EBIT	183	145	26.1	65	98	-33.6
• in % of revenue	5.2	4.1	-	3.7	5.7	-
Special items ⁴⁾	-22	32	-	3	-9	-
EBIT before special items	161	176	-8.6	68	90	-24.1
• in % of revenue	4.6	5.0	-	3.9	5.2	-

Prior year information presented based on 2024 segment structure.

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

²⁾ Includes content supplied by S&P Global Mobility® [IHS Markit Light Vehicle Production Forecast (Base), July 2024]. All rights reserved.

³⁾ Based on market (customer location).

⁴⁾ Please refer to pp. 15 et seq. for the definition of special items.

Report on the economic position > Earnings

Vehicle Lifetime Solutions division earnings

The Automotive Aftermarket division was renamed Vehicle Lifetime Solutions effective 2024.

The considerable growth in revenue, excluding the impact of currency translation, in the first half of 2024 was primarily attributable to a favorable impact of volumes. The prior year's adjustments to sales prices continued to favorably impact the revenue trend as well.

Revenue growth in the **Europe** and **Americas regions**, excluding the impact of currency translation, was primarily driven by the considerable increase in the Independent Aftermarket business. Revenue growth, excluding the impact of currency translation, in the **Greater China region** resulted mainly from the increase in e-commerce business. The Independent Aftermarket business grew considerably as well. The revenue trend in the **Asia/Pacific region** was mainly attributable to the contribution made by the Koovers e-commerce platform that was acquired late in 2023.

The increase in **EBIT margin before special items** in the first half of 2024 resulted predominantly from the favorable impact of volumes and sales prices. During the period, the change in accounting estimate regarding the valuation of inventories in the first quarter of 2024 resulted in EUR 9 m in gains included in gross profit. These gains were treated as special items in EBIT in the first quarter of 2024. Additionally, administrative expenses for the first half of 2024 included EUR 11 m in integration expenses. These expenses were also treated as special items in EBIT.

in € millions	1 st six months			2 nd quarter		
	2024	2023	Change in %	2024	2023	Change in %
Revenue	1,309	1,129	16.0	684	548	24.8
• at constant currency			17.6			27.1
Revenue by region ¹⁾						
Europe	869	746	16.5	454	353	28.8
• at constant currency			14.7			27.1
Americas	273	241	13.5	141	121	16.7
• at constant currency			24.2			30.6
Greater China	88	72	22.4	47	38	22.9
• at constant currency			27.4			25.7
Asia/Pacific	79	70	12.0	42	37	15.6
• at constant currency			14.5			17.1
Cost of sales	-869	-787	10.4	-461	-388	19.0
Gross profit	440	342	28.8	223	160	38.9
• in % of revenue	33.6	30.3	-	32.5	29.2	-
Research and development expenses	-11	-9	22.9	-5	-4	25.6
Selling and administrative expenses	-215	-176	22.0	-108	-88	21.8
Other income and expense	17	5	> 100	3	6	-41.4
EBIT	232	162	42.9	113	74	53.7
• in % of revenue	17.7	14.4	-	16.5	13.4	-
Special items ²⁾	-4	1	-	6	-1	-
EBIT before special items	228	163	40.0	119	73	63.3
• in % of revenue	17.4	14.4	-	17.4	13.3	-

Prior year information presented based on 2024 segment structure.

¹⁾ Based on market (customer location).

²⁾ Please refer to pp. 15 et seq. for the definition of special items.

Report on the economic position > Earnings

Bearings & Industrial Solutions division earnings

The Bearings business division (BD), referred to as Automotive Bearings below, which was previously the responsibility of the Automotive Technologies division, was assigned to the Industrial division effective 2024. In light of this, the Industrial division was renamed Bearings & Industrial Solutions. Automotive Bearings contributed EUR 1,354 m to the division's revenue during the reporting period.

The decrease in **revenue**, excluding the impact of currency translation, in the first half of 2024 was mainly attributable to the impact of volumes in the Europe and Greater China regions.

The trend in the **Europe region** was primarily due to the market-driven decline in revenue in the Industrial Automation sector cluster. Further, revenue declined primarily in the Wind and Power Transmission sector clusters while improving in the Aerospace sector cluster and at Industrial Distribution. The **Americas region's** revenue increased mainly due to growth in the Aerospace sector cluster as well as at Industrial Distribution and Automotive Bearings. The trend at the Industrial Automation sector cluster had the main offsetting impact. In the **Greater China region**, the weak market environment as well as the local competitive situation primarily in the Wind sector cluster had an adverse impact on the revenue trend. Automotive Bearings and the Rail sector cluster generated additional revenue, however. **Asia/Pacific region** revenue remained at the prior year level, excluding the impact of currency translation. Declines at Industrial Distribution were offset by growth at the Wind sector cluster.

The decrease in **EBIT margin before special items** in the first half of 2024 was mainly attributable to the impact of volumes and sales prices. This reporting period, Automotive Bearings contributed only insignificantly to the EBIT margin before special items of the Bearings & Industrial Solutions division. During the period, the change in accounting estimate regarding the valuation of inventories in the first quarter of 2024 resulted in

EUR 78 m in gains included in gross profit. These gains were treated as special items in EBIT in the first quarter of 2024. Additionally, administrative expenses for the first half of 2024 included EUR 10 m in integration expenses. These expenses were also treated as special items in EBIT.

in € millions	1 st six months		Change in %	2 nd quarter		Change in %
	2024	2023		2024	2023	
Revenue	3,367	3,556	-5.3	1,690	1,769	-4.5
• at constant currency			-3.9			-3.6
Revenue by region ¹⁾						
Europe	1,451	1,554	-6.6	718	779	-7.8
• at constant currency			-6.5			-7.6
Americas	715	696	2.6	358	349	2.5
• at constant currency			3.4			2.7
Greater China	693	782	-11.4	351	380	-7.7
• at constant currency			-7.9			-6.0
Asia/Pacific	509	525	-3.0	263	261	0.8
• at constant currency			0.3			3.3
Cost of sales	-2,525	-2,731	-7.5	-1,357	-1,377	-1.5
Gross profit	842	825	2.0	333	392	-15.0
• in % of revenue	25.0	23.2	-	19.7	22.2	-
Research and development expenses	-126	-120	4.8	-62	-58	6.3
Selling and administrative expenses	-477	-446	7.2	-236	-222	6.4
Other income and expense	-3	-35	-90.5	-2	3	-
Income (loss) from equity-accounted investees	1	0	> 100	0	0	> 100
EBIT	236	224	5.0	34	115	-70.5
• in % of revenue	7.0	6.3	-	2.0	6.5	-
Special items ²⁾	-51	66	-	8	15	-47.0
EBIT before special items	185	290	-36.3	42	131	-67.7
• in % of revenue	5.5	8.2	-	2.5	7.4	-

Prior year information presented based on 2024 segment structure.

¹⁾ Based on market (customer location).

²⁾ Please refer to pp. 15 et seq. for the definition of special items.

Performance indicators and special items

Please refer to pp. 13 et seq. and 27 et seq. of the Schaeffler Group's annual report 2023 for a detailed discussion of performance indicators and special items. Additionally, cash in- and outflows for M&A activities for the reporting period reflect, for the first time, loans to joint ventures, associated companies, and other equity investees in preparation for an acquisition.

EBIT for the first half of 2024 was impacted by **special items**, most of which were recognized in cost of sales during the reporting period.

The **restructuring** category includes special items recognized in connection with the "Roadmap 2025" divisional subprograms, mainly related to consolidation of the footprint in Europe.

The **M&A** category primarily includes integration expenses incurred in connection with the planned merger of Vitesco Technologies Group AG into Schaeffler AG. Measuring at fair value the obligation to acquire the shares tendered under the public tender offer to the shareholders of Vitesco Technologies Group AG had an offsetting impact.

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 financial debt to EBITDA ratio, ROCE, and Schaeffler Value Added before special items (= adjusted).

Impact of currency translation/constant-currency

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

Rounding differences may occur.

Reconciliation

	1 st six months		1 st six months		1 st six months		1 st six months		1 st six months	
	2024	2023	2024	2023 ¹⁾	2024	2023 ¹⁾	2024	2023 ¹⁾	2024	2023 ¹⁾
Income statement (in € millions)	Total		Automotive Technologies		Vehicle Lifetime Solutions		Bearings & Industrial Solutions		Others	
EBIT	593	526	183	145	232	162	236	224	-57	-5
• in % of revenue	7.2	6.4	5.2	4.1	17.7	14.4	7.0	6.3	-86.4	-35.0
Special items	-67	98	-22	32	-4	1	-51	66	9	0
• Legal cases	0	-7	0	-3	0	-0	0	-4	0	0
• Restructuring	14	4	1	-10	0	-1	13	15	0	0
– including divisional Roadmap 2025 subprograms of	14	10	1	-8	0	0	13	17	0	0
• M&A	20	2	3	0	4	0	4	2	9	0
• Energy derivatives and forward exchange contracts	15	98	4	44	1	2	10	52	0	0
• Other	-117	0	-30	0	-9	0	-78	0	0	0
EBIT before special items	525	624	161	176	228	163	185	290	-48	-5
• in % of revenue	6.3	7.6	4.6	5.0	17.4	14.4	5.5	8.2	-73.0	-35.0

The **energy derivatives and forward exchange contracts** category comprises fair value losses on forward contracts for electricity and gas prices and on short-, medium-, and long-term price and supply agreements (power purchase agreements) held to secure the Schaeffler Group's energy supply. Unrealized fair value losses incurred on forward exchange contracts that are not subject to cash flow hedge accounting and are used to hedge currency risk related to operations were recognized in this category as well.

The **Other** category comprises special items resulting from a change in accounting estimates regarding the valuation of group-wide inventories effective January 1, 2024. The process of determining the actual cost of inventories was adjusted to increase parameter granularity and enhance harmonization with internal management instruments throughout the group. The resulting changes in estimate resulted in a one-off EUR 117 m measurement gain on inventories that impacted earnings via cost of sales and was treated as a special item.

Report on the economic position > Earnings

Reconciliation

	1 st six months	
	2024	2023
Income statement (in € millions)		Total
EBIT	593	526
• in % of revenue	7.2	6.4
Special items	-67	98
• Legal cases	0	-7
• Restructuring	14	4
– including divisional Roadmap 2025 subprograms of	14	10
• M&A	20	2
• Energy derivatives and forward exchange contracts	15	98
• Other	-117	0
EBIT before special items	525	624
• in % of revenue	6.3	7.6
Net income ²⁾	263	266
Special items	-54	71
• Legal cases	0	-8
• Restructuring	14	7
• M&A	20	2
• Energy derivatives and forward exchange contracts	15	98
• Other	-116	0
– Tax effect ³⁾	12	-28
Net income before special items ²⁾	209	337
Statement of financial position (in € millions)	06/30/2024	12/31/2023
Net financial debt	4,920	3,189
/ EBITDA LTM	1,893	1,836
Net financial debt to EBITDA ratio LTM	2.6	1.7
Net financial debt	4,920	3,189
/ EBITDA before special items LTM	2,081	2,189
Net financial debt to EBITDA ratio before special items LTM	2.4	1.5

	1 st six months	
	2024	2023
Statement of cash flows (in € millions)		
EBITDA	1,080	1,023
Special items	-67	98
• Legal cases	0	-7
• Restructuring	14	4
• M&A	20	2
• Energy derivatives and forward exchange contracts	15	98
• Other	-116	0
EBITDA before special items	1,013	1,121
Free cash flow (FCF)	-1,460	-670
-/+ Cash in- and outflows for M&A activities	1,369	700
FCF before cash in- and outflows for M&A activities	-91	29
FCF before cash in- and outflows for M&A activities LTM	301	513
/ EBIT LTM	900	1,066
FCF-conversion LTM ⁴⁾	0.3	0.5
FCF before cash in- and outflows for M&A activities	-91	29
Special items	111	137
• Legal cases	45	-27
• Restructuring	45	157
• Other	21	7
FCF before cash in- and outflows for M&A activities and before special items	21	167
Value-based management LTM (in € millions)		
EBIT	900	1,066
/ Average capital employed	10,149	9,205
ROCE (in %)	8.9	11.6
EBIT before special items	1,088	1,212
/ Average capital employed	10,149	9,205
ROCE before special items (in %)	10.7	13.2
EBIT	900	1,066
– Cost of capital	1,015	920
Schaeffler Value Added (SVA)	-115	146
EBIT before special items	1,088	1,212
– Cost of capital	1,015	920
SVA before special items	73	292

¹⁾ Prior year information presented based on 2024 segment structure.

²⁾ Attributable to shareholders of the parent company.

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

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

LTM = Financial indicator based on the last four quarters.

1.3 Financial position

Cash flow and liquidity

Cash flow

in € millions	1 st six months			2 nd quarter		
	2024	2023	Change in %	2024	2023	Change in %
Cash flows from operating activities	362	463	-21.9	283	307	-7.9
Cash used in investing activities	-1,787	-1,097	62.8	-256	-205	24.8
• including acquisition of subsidiaries	-1	-690	-99.8	-1	-9	-88.1
• including acquisition of interests in joint ventures, associated companies, and other equity investments	-1,229	-13	> 100	-5	-9	-44.5
• including disposal of subsidiaries	0	4	-100	0		-
• including loans to joint ventures, associated companies, and other equity investees	-139		-	-59		-
Cash provided by (used in) financing activities	1,251	158	> 100	-892	-322	> 100
• including principal repayments on lease liabilities	-35	-36	-4.3	-17	-18	-7.6
Net increase (decrease) in cash and cash equivalents	-174	-476	-63.4	-865	-220	> 100
Effect of foreign exchange rate changes on cash and cash equivalents	2	-17	-	-2	-9	-76.3
Cash and cash equivalents as at beginning of period	769	1,069	-28.1	1,463	805	81.7
Cash and cash equivalents as at June 30	596	576	3.5	596	576	3.5
Less cash and cash equivalents classified as assets held for sale as at June 30	0	4	-100	0	4	-100
Cash and cash equivalents as at June 30 (consolidated statement of financial position)	596	572	4.2	596	572	4.2
Free cash flow (FCF)	-1,460	-670	> 100	10	84	-87.7
Free cash flow (FCF) before cash in- and outflows for M&A activities	-91	29	-	75	103	-26.7


The decrease in **cash flows from operating activities** was partly due to cash outflows for integration activities and interest payments for the financing transactions related to the merger. Cash outflows for legal cases affected the change as well. Lower restructuring-related cash outflows had an offsetting impact.

Capital expenditures on property, plant and equipment and intangible assets (capex) included in **cash used in investing activities** amounted to EUR 418 m, remaining flat with the prior year period (prior year: EUR 419 m). Capital expenditures amounted to 5.0% (prior year: 5.1%) of revenue (capex ratio).

Cash outflows for the acquisition of interests in joint ventures, associated companies, and other equity investments related primarily to the acquisition of the shares in Vitesco Technologies Group AG.

 More on investing activities on page 18.

Cash provided by (used in) financing activities includes the dividends of EUR 306 m (prior year: EUR 306 m) paid in the second quarter of 2024. Changes in financial debt resulted in EUR 1,596 m in net cash inflows during the reporting period (prior year: net cash inflows of EUR 500 m).

 More on changes in financial debt on pp. 18 et seq.

The decrease in **free cash flow before cash in- and outflows for M&A activities** compared to the first half of 2023 was primarily attributable to the decline in cash flows from operating activities.

Cash and cash equivalents decreased by EUR 172 m during the first six months of 2024.

Cash and cash equivalents amounted to EUR 596 m as at June 30, 2024 (December 31, 2023: EUR 769 m) and consisted primarily of bank balances and short-term deposits. EUR 218 m (December 31, 2023: EUR 258 m) of this amount related to countries with foreign exchange restrictions and other legal and contractual restrictions. In addition, the Schaeffler Group has a revolving credit facility of EUR 2.0 bn (December 31, 2023: EUR 2.0 bn) of which EUR 85 m (December 31, 2023: EUR 79 m) were utilized in the form of letters of credit as at June 30, 2024. The Schaeffler Group also has additional bilateral lines of credit totaling EUR 114 m (December 31, 2023: EUR 286 m), of which EUR 12 m was drawn as at June 30, 2024. Deducting bank balances in countries with foreign exchange restrictions and other legal and contractual restrictions results in total available liquidity of EUR 2,343 m (December 31, 2023: EUR 2,902 m).

Investing activities

The majority of additions to intangible assets and property, plant and equipment were made in the **Automotive Technologies division**. These additions related mainly to new product start-ups and expanding production capacities in the E-Mobility BD in the Europe and Greater China regions. Additionally, the division invested in projects including the ongoing campus expansion in Taicang, China, and the ongoing expansion of the development and manufacturing campus for electric mobility in Buehl. The **Vehicle Lifetime Solutions division** focused on investing in the Europe region. The **Bearings & Industrial Solutions division** invested primarily in further expanding production capacities in the Asia/Pacific, Europe, and Greater China regions.


Additions to intangible assets and property, plant and equipment by division

in € millions	1 st six months	
	2024	2023
Additions to intangible assets and property, plant and equipment ¹⁾ – Schaeffler Group	383	405
Automotive Technologies	163	171
Vehicle Lifetime Solutions	14	20
Bearings & Industrial Solutions	169	170
Others	38	44
Reinvestment rate ²⁾ – Schaeffler Group	0.85	0.88
Automotive Technologies	0.72	0.72
Vehicle Lifetime Solutions	0.80	1.43
Bearings & Industrial Solutions	0.83	0.81

¹⁾ Translated at the relevant average exchange rate.

²⁾ The reinvestment rate is the ratio of additions to intangible assets and property, plant and equipment to depreciation, amortization, and impairment losses (excluding depreciation of right-of-use assets under leases and impairments of goodwill).

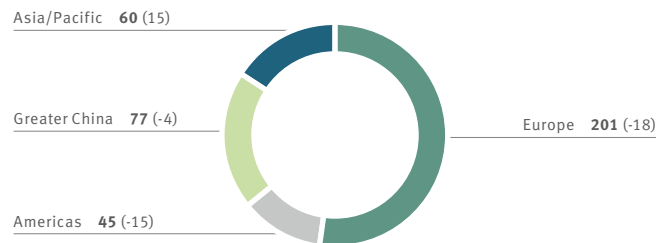
The company also invested in the two key strategic topics of sustainability and digitalization under the “Roadmap 2025”. Under the “Sustainability & Engagement” subprogram, for instance, the Schaeffler Group continued construction of the new cross-divisional central laboratory complex at its corporate headquarters in Herzogenaurach and invested in further stepping up in-house power generation using photovoltaic systems in all divisions. Activities related to the key topic of digitalization included pushing forward with the implementation of SAP S/4HANA.

 More on the “Roadmap 2025” and the two key strategic topics of sustainability and digitalization in the annual report 2023 on pp. 9 et seq.

Open commitments under fixed contracts to purchase property, plant and equipment amounted to EUR 248 m as at June 30, 2024 (December 31, 2023: EUR 237 m).

Schaeffler Group capital expenditures ¹⁾ H1 2024 by region

in € millions (change from prior year in € millions)



¹⁾ Additions to intangible assets and property, plant and equipment.

Financial debt

The group’s net financial debt increased by EUR 1,731 m to EUR 4,920 m (prior year: EUR 3,189 m) in the first half of 2024.

Net financial debt

in € millions	06/30/2024	12/31/2023	Change in %
Bonds	4,067	2,943	38.2
Schuldschein loans	242	292	-17.0
Term loans	1,198	624	91.9
Commercial paper	0	90	-100
Other financial debt	9	9	0.6
Total financial debt	5,516	3,958	39.4
Cash and cash equivalents	596	769	-22.4
Net financial debt	4,920	3,189	54.3

The increase in financial debt compared to December 31, 2023, is largely due to a loan from the European Investment Bank being drawn down in full and to the issuance of new bonds.

On January 2, 2024, Schaeffler AG drew down approximately EUR 1.1 bn under the existing bridge facility to finance the tender offer for all shares of Vitesco Technologies Group AG tendered on January 5, 2024.

Schaeffler AG issued a total of EUR 1.1 bn in bonds under its debt issuance program on January 15, 2024. The transaction consisted of two tranches (EUR 500 m with a coupon of 4.500%, due in August 2026, and EUR 600 m with a coupon of 4.750%, due in August 2029). The proceeds of the issuance were used to prepay in full the approximately EUR 1.1 bn drawn under the existing bridge facility for the acquisition of the shares in Vitesco Technologies Group AG on January 19, 2024. Simultaneously, the line of credit under one of the facilities was reduced from a total of EUR 2.2 bn to EUR 387 m.

On January 15, 2024, Schaeffler AG drew down in full the EUR 420 m loan with a six-year term under the loan agreement with the European Investment Bank signed in December 2023. The loan is primarily intended to support research and development for technologies in the fields of renewable energy, electric mobility, and hydrogen. Furthermore, the Schaeffler Group drew down approximately EUR 173 m under two additional lines of credit entered into in December 2023.

Two unutilized lines of credit under the bridge facility totaling EUR 1.25 bn were terminated on February 16, 2024.

On March 4, 2024, Schaeffler AG made a final drawdown of EUR 370 m under the bridge facility and terminated the EUR 17 m line of credit subsequently remaining.

On March 26, 2024, Schaeffler AG redeemed an outstanding bond series of EUR 800 m upon maturity.

On March 28, 2024, Schaeffler AG issued another bond series with a principal of EUR 850 m and a coupon of 4.500% due in March 2030 under its debt issuance program. Schaeffler AG used part of the issuance proceeds to repay the EUR 370 m in drawings under the bridge facility on April 4, 2024. As a result, the bridge facility has been fully replaced and brought to an end.

On May 13, 2024, Schaeffler AG prepaid a EUR 50 m variable-interest Schuldschein tranche originally due May 13, 2030.

During the second quarter of 2024, Schaeffler AG additionally entered into transfer agreements with the investors of the Schuldschein loans of Vitesco Technologies GmbH. Under these agreements, Schaeffler AG, upon occurrence of the conditions agreed upon – particularly upon completion of the merger –, will become the borrower of such Schuldschein loans outstanding at that time.

The EUR 90 m in short-term commercial paper outstanding as at December 31, 2023, were repaid in full by June 30, 2024.

The net financial debt to EBITDA ratio, defined as the ratio of net financial debt to earnings before financial result and income taxes (EBIT) and depreciation, amortization, and impairment losses (EBITDA), amounted to 2.6 as at June 30, 2024 (December 31, 2023: 1.7). The net financial debt to EBITDA ratio before special items was 2.4 (December 31, 2023: 1.5).

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 2023. The following summary shows the credit ratings as at June 30, 2024:

Schaeffler Group ratings

as at June 30

	2024	2023	2024	2023
	Company		Bonds	
Rating agency	Rating/Outlook		Ratings	
Fitch	BB+/stable	BB+/stable	BB+	BB+
Moody's	Baa3/stable	Baa3/stable	Baa3	Baa3
Standard & Poor's	BB+/stable	BB+/stable	BB+	BB+

Schaeffler AG has a revolving credit facility of EUR 2.0 bn that was unutilized as at June 30, 2024, except for EUR 85 m (December 31, 2023: EUR 79 m) in the form of letters of credit. The revolving credit facility is due in November 2027.

On March 27, 2024, Schaeffler AG signed an amendment agreement for the existing syndicated group credit agreement with a group of international banks. The amendment agreement comprises an increase in the revolving credit facility from EUR 2.0 bn to EUR 3.0 bn as well as a five-year term with two renewal options of one year each. Effectiveness of the amendments agreed is subject to conditions precedent. These conditions include, in particular, the full completion of the merger of Vitesco Technologies Group AG into Schaeffler AG.

Report on the economic position > Financial position

Schaeffler AG had the following bonds outstanding under its debt issuance program as at June 30, 2024:

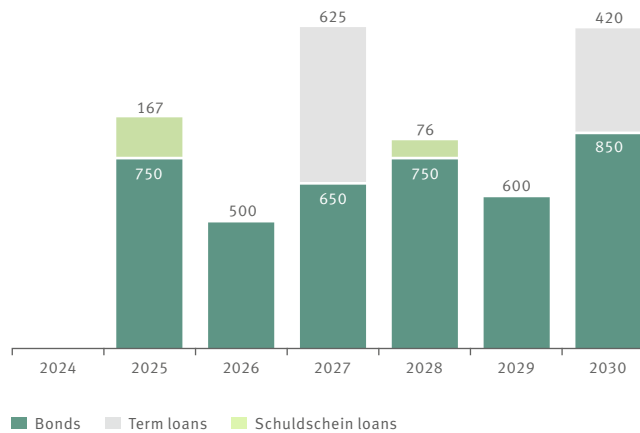
Schaeffler Group bonds

ISIN	Currency	Principal in millions		Carrying amount in € millions		Coupon	Maturity
		06/30/2024	12/31/2023	06/30/2024	12/31/2023		
DE000A2YB7A7	EUR	0	800	0	800	1.875%	03/26/2024
DE000A289Q91	EUR	750	750	749	749	2.750%	10/12/2025
DE000A2YB7B5	EUR	650	650	648	647	2.875%	03/26/2027
DE000A3H2TA0	EUR	750	750	748	747	3.375%	10/12/2028
DE000A3823R3	EUR	500	0	495	0	4.500%	08/14/2026
DE000A3823S1	EUR	600	0	591	0	4.750%	08/14/2029
DE000A383HC1	EUR	850	0	837	0	4.500%	03/28/2030
Total		4,100	2,950	4,067	2,943		

The company’s maturity profile, which consists of fully drawn term loans, Schuldschein loans, and the bonds issued by Schaeffler AG, was as follows as at June 30, 2024:

Maturity profile

Principal outstanding as at June 30, 2024, in € millions




1.4 Net assets and capital structure

Consolidated statement of financial position (abbreviated)


in € millions	06/30/2024	12/31/2023	06/30/2023	Change in %
ASSETS				
Non-current assets	9,171	7,971	7,853	15.1
Current assets	7,262	7,046	6,955	3.1
Total assets	16,433	15,016	14,808	9.4
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity	3,917	3,913	3,989	0.1
Non-current liabilities	8,039	5,816	5,640	38.2
Current liabilities	4,478	5,287	5,179	-15.3
Total shareholders' equity and liabilities	16,433	15,016	14,808	9.4

The increase in **non-current assets** was primarily attributable to the acquisition of approximately 38.9% of the shares in Vitesco Technologies Group AG.


 More on investments in joint ventures and associated companies on page 34.

The increase in **current assets** was partly due to an increase in inventories and trade receivables. The decrease in other financial assets and in cash and cash equivalents had an offsetting

impact. Other financial assets declined since a financial asset related to the acquisition of shares in Vitesco Technologies Group AG under a total return swap was derecognized and reflected in the acquisition cost of the associated company.

 More on cash flow and liquidity on page 17.

The change in **shareholders' equity** including non-controlling interests was partly due to the dividends paid to Schaeffler AG's shareholders. Net income and items in accumulated other comprehensive income had an offsetting favorable impact. The equity ratio was 23.8% as at June 30, 2024 (December 31, 2023: 26.0%).

 More on the consolidated statement of changes in equity on page 30.

Non-current liabilities increased largely due to three bond issuances totaling approximately EUR 2.0 bn and the drawdown of a EUR 420 m loan.

Current liabilities declined mainly because an EUR 800 m bond series was redeemed. Additionally, other financial liabilities declined since a financial liability arising from the obligation to acquire the shares tendered under the public tender offer to the shareholders of Vitesco Technologies Group AG was derecognized and reflected in the acquisition cost of the associated company.

Supplementary report

2. Supplementary report

The Schaeffler Group entered into a further bilateral line of credit of EUR 64 m on July 5, 2024. The loan was drawn down in full in July 2024.

On July 11, 2024, Schaeffler AG signed an amendment agreement for the existing EUR 420 m loan agreement with the European Investment Bank. Effectiveness of the amendments agreed is subject to conditions precedent. These conditions include, in particular, the full completion of the merger of Vitesco Technologies Group AG into Schaeffler AG.

On July 16, 2024, the Schaeffler Group signed an agreement to sell an unconsolidated equity investment. The transaction resulted in a measurement loss of EUR 18 m during the year that was recognized in other comprehensive income. The sale is expected to close in the second half of this year.

On July 19, 2024, Schaeffler AG entered into a transfer agreement with the European Investment Bank regarding the EUR 250 m loan agreement of Vitesco Technologies Group AG. Upon occurrence of the conditions agreed upon – particularly upon completion of the merger –, Schaeffler AG will become the debtor under the loan agreement.

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 June 30, 2024.

Report on opportunities and risks

3. Report on opportunities and risks

Please refer to pp. 38 et seq. of the Schaeffler Group's annual report 2023 for a discussion of the Schaeffler Group's risk management system and potential opportunities and risks. The statements made there with respect to opportunities and risks are largely unchanged.

Vitesco Technologies Group AG is currently accounted for under the equity method as an associated company in the consolidated financial statements of Schaeffler AG due to significant influence. As the merger of Vitesco Technologies Group AG into Schaeffler AG will result in control, further risks may arise starting at that time.

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.

4. Report on expected developments

4.1 Expected economic and sales market trends

Based on the forecast by S&P Global Market Intelligence (July 2024) ¹, the Schaeffler Group now expects global **gross domestic product** ² to grow at a rate similar to the prior year's in 2024 (2023: 2.7%).

Please refer to the discussion in the report on opportunities and risks for potential risks to global economic growth.

Taking into account the forecast by S&P Global Mobility (July 2024) ³ and based on internal assessments, the Schaeffler Group now expects the **global automobile production** ⁴ market to decline slightly to approximately 89 million vehicles in 2024 (2023: 90.5 million vehicles).


Based on the forecast by S&P Global Mobility (May 2024) ⁵, the Schaeffler Group continues to anticipate growth in **global vehicle population** ⁶ for 2024 of approximately 2%, with the average vehicle age rising slightly (2023: growth of 2.6%, average age 11.1 years).

Based on the forecast by S&P Global Market Intelligence (July 2024) ⁷, the Schaeffler Group now expects **global industrial production** ⁸ to grow by approximately 2.5% (2023: 1.7%) in 2024, while production in the sectors particularly relevant to the company – mechanical engineering, transport equipment, and electrical equipment ⁹ – is now anticipated to increase by a total of approximately 2% (2023: 2.8%).

4.2 Schaeffler Group outlook

On July 22, 2024, the Board of Managing Directors of Schaeffler AG decided to adjust the full-year outlook for 2024.

The adjusted outlook for 2024 reflects the updated expected impact of the consolidation of Vitesco Technologies Group AG in the fourth quarter of 2024 (following adjustment of the forecast of Vitesco Technologies Group AG on July 22, 2024) as well as the weak market environment affecting particularly the performance of the Bearings & Industrial Solutions division.

 More on the guidance for the Schaeffler Group issued on February 20, 2024, in the annual report 2023 on pp. 50 et seq.

The **Schaeffler Group** continues to anticipate considerable revenue growth, excluding the impact of currency translation, in 2024. In addition, the company now expects to generate an EBIT margin before special items of 5 to 8% in 2024.

¹ Includes content supplied by S&P Global Market Intelligence® [World Economic Service Forecast, July 2024]. All rights reserved.

² Measured as gross domestic product in real terms based on market exchange rates.

³ Includes content supplied by S&P Global Mobility® [IHS Markit Light Vehicle Production Forecast (Base), July 2024]. All rights reserved.

⁴ Measured as the number of vehicles up to six tons in weight produced.

⁵ Includes content supplied by S&P Global Mobility® [IHS Markit Vehicles in Operation (VIO) Forecast, May 2024]. All rights reserved.

⁶ Measured as the number of passenger cars and light commercial vehicles less than 3.5 tons in weight.

⁷ Includes content supplied by S&P Global Market Intelligence® [Comparative Industry Service Forecast, July 2024]. All rights reserved.

⁸ Measured as value added in real terms.

⁹ Divisions 28 and 30 as well as group 271 of the ISIC Rev. 4 classification.

Report on expected developments > Schaeffler Group outlook

The Schaeffler Group now anticipates free cash flow before cash in- and outflows for M&A activities of EUR 200 to 300 m for 2024.

The outlook for 2024 reflects the acquisitions and disposals of subsidiaries, joint ventures, and other equity investments set out in the consolidated financial statements for 2023 (particularly the expected consolidation of Vitesco Technologies Group AG starting in the fourth quarter of 2024).

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

Herzogenaurach, July 29, 2024

The Board of Managing Directors

Outlook 2024

	Actual 2023	Outlook 2024	Outlook 2024	Actual H1 2024
Schaeffler Group		issued 02/20/2024 ⁴⁾	issued 07/22/2024	
Revenue growth ¹⁾	5.8%	considerable revenue growth	considerable revenue growth	2.0%
EBIT margin before special items ²⁾	7.3%	6 to 9%	5 to 8%	6.3%
Free cash flow ³⁾	EUR 421 m	EUR 300 to 400 m	EUR 200 to 300 m	EUR -91 m

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

²⁾ Please refer to pp. 15 et seq. for the definition of special items.

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

⁴⁾ Confirmed on April 23, 2024.

Consolidated income statement

Consolidated income statement

in € millions	1 st six months			2 nd quarter		
	2024	2023 ¹⁾	Change in %	2024	2023 ¹⁾	Change in %
Revenue	8,276	8,208	0.8	4,191	4,056	3.3
Cost of sales	-6,311	-6,381	-1.1	-3,311	-3,189	3.8
Gross profit	1,966	1,826	7.6	880	867	1.4
Research and development expenses	-415	-397	4.4	-207	-192	7.8
Selling expenses	-588	-551	6.8	-293	-274	7.1
Administrative expenses	-374	-308	21.4	-184	-149	23.3
Other income	64	78	-18.3	8	58	-86.6
Other expenses	-27	-123	-78.2	1	-28	-
Income (loss) from equity-accounted investees	-34	0	-	-26	0	-
Earnings before financial result and income taxes (EBIT)	593	526	12.6	178	283	-37.1
Financial income	48	20	> 100	10	10	-3.4
Financial expenses	-195	-111	75.4	-85	-55	53.3
Financial result	-147	-91	61.0	-75	-45	66.4
Earnings before income taxes	445	435	2.4	103	238	-56.6
Income taxes	-169	-156	8.5	-64	-93	-31.7
Net income	277	279	-0.9	40	145	-72.6
Attributable to shareholders of the parent company	263	266	-1.1	33	138	-76.3
Attributable to non-controlling interests	13	13	2.4	7	7	2.4
Earnings per common share (basic/diluted, in €)	0.39	0.40	-2.5	0.04	0.21	-81.0
Earnings per common non-voting share (basic/diluted, in €)	0.40	0.41	-2.4	0.05	0.22	-77.3

¹⁾ Prior year amounts amended, see "Change in accounting policy and change in accounting estimates" section for further details.

Consolidated statement of comprehensive income

Consolidated statement of comprehensive income

in € millions	1 st six months		2 nd quarter	
	2024	2023 ¹⁾	2024	2023 ¹⁾
Net income	277	279	40	145
Items that will not be reclassified to profit or loss				
Remeasurement of net defined benefit liability	86	-61	47	-40
Net change in fair value of financial assets at fair value through other comprehensive income	-7	1	1	1
Share of other comprehensive income of equity-accounted investees	6	0	1	0
Tax effect	-26	16	-14	10
Total other comprehensive income (loss) that will not be reclassified to profit or loss	58	-44	35	-29
Items that have been or may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	9	-113	-36	-57
Effective portion of changes in fair value of cash flow hedges	-45	33	-9	11
Share of other comprehensive income of equity-accounted investees	-1	0	-6	0
Tax effect	13	-9	3	-3
Total other comprehensive income (loss) that has been or may be subsequently reclassified to profit or loss	-23	-90	-49	-49
Total other comprehensive income (loss)	35	-134	-14	-78
Total comprehensive income	312	145	26	66
Total comprehensive income attributable to shareholders of the parent company	294	134	17	59
Total comprehensive income attributable to non-controlling interests	17	12	8	7

¹⁾ Prior year amounts amended, see "Change in accounting policy and change in accounting estimates" section for further details.

Consolidated statement of financial position

Consolidated statement of financial position

in € millions	06/30/2024	12/31/2023 ¹⁾	06/30/2023 ¹⁾	Change in %
ASSETS				
Intangible assets	1,612	1,617	1,592	-0.3
Right-of-use assets under leases	246	236	227	4.3
Property, plant and equipment	4,486	4,555	4,544	-1.5
Investments in joint ventures and associated companies	1,243	7	7	> 100
Costs to fulfill a contract	327	330	340	-1.0
Other financial assets	255	192	201	32.9
Other assets	142	174	195	-18.3
Income tax receivables	73	75	12	-2.9
Deferred tax assets	786	783	736	0.4
Total non-current assets	9,171	7,971	7,853	15.1
Inventories	3,096	2,822	2,987	9.7
Contract assets	63	65	58	-3.7
Trade receivables	2,766	2,575	2,605	7.4
Other financial assets	284	389	208	-26.9
Other assets	416	363	430	14.6
Income tax receivables	30	38	33	-19.4
Cash and cash equivalents	596	769	572	-22.4
Assets held for sale	10	25	61	-60.5
Total current assets	7,262	7,046	6,955	3.1
Total assets	16,433	15,016	14,808	9.4

in € millions	06/30/2024	12/31/2023 ¹⁾	06/30/2023 ¹⁾	Change in %
SHAREHOLDERS' EQUITY AND LIABILITIES				
Share capital	666	666	666	0.0
Capital reserves	2,348	2,348	2,348	0.0
Other reserves	1,207	1,240	1,197	-2.7
Accumulated other comprehensive income (loss)	-445	-476	-349	-6.5
Equity attributable to shareholders of the parent company	3,776	3,778	3,862	-0.1
Non-controlling interests	141	135	126	4.5
Total shareholders' equity	3,917	3,913	3,989	0.1
Provisions for pensions and similar obligations	1,755	1,832	1,707	-4.2
Provisions	195	208	266	-6.3
Financial debt	5,349	3,068	2,944	74.3
Contract liabilities	180	173	138	3.9
Income tax payables	58	62	57	-5.5
Other financial liabilities	99	91	107	9.4
Lease liabilities	182	175	166	3.9
Other liabilities	25	6	5	> 100
Deferred tax liabilities	195	201	251	-2.9
Total non-current liabilities	8,039	5,816	5,640	38.2
Provisions	299	313	374	-4.5
Financial debt	167	890	859	-81.3
Contract liabilities	134	136	170	-1.8
Trade payables	2,460	2,357	2,418	4.4
Income tax payables	106	114	110	-6.9
Other financial liabilities	551	811	535	-32.1
Lease liabilities	67	63	62	6.2
Refund liabilities	271	282	222	-3.8
Other liabilities	422	320	429	31.9
Liabilities associated with assets held for sale	0	0	1	0.0
Total current liabilities	4,478	5,287	5,179	-15.3
Total shareholders' equity and liabilities	16,433	15,016	14,808	9.4

¹⁾ Prior year amounts amended, see "Change in accounting policy and change in accounting estimates" section for further details.

Consolidated statement of cash flows

Consolidated statement of cash flows

in € millions	1 st six months			2 nd quarter		
	2024	2023 ¹⁾	Change in %	2024	2023 ¹⁾	Change in %
Operating activities						
EBIT	593	526	12.6	178	283	-37.1
Interest paid	-122	-53	> 100	-29	-12	> 100
Interest received	14	7	90.1	5	3	50.3
Income taxes paid	-201	-191	5.2	-111	-99	11.8
Dividends received	3	0	> 100	3	0	> 100
Amortization, depreciation, and impairment losses	488	497	-1.9	243	248	-2.0
(Gains) losses on disposal of assets	-2	-12	-84.7	-2	-7	-71.6
Changes in:						
• Inventories	-276	-164	68.2	18	-13	-
• Trade receivables	-247	-150	64.9	-45	90	-
• Trade payables	139	113	23.0	17	-68	-
• Provisions for pensions and similar obligations	-21	-18	19.4	-17	-17	0.8
• Other assets, liabilities, and provisions	-6	-92	-94.0	23	-100	-
Cash flows from operating activities	362	463	-21.9	283	307	-7.9
Investing activities						
Proceeds from disposals of property, plant and equipment	6	22	-73.2	5	12	-61.8
Capital expenditures on intangible assets	-30	-39	-21.2	-13	-20	-32.0
Capital expenditures on property, plant and equipment	-388	-380	1.9	-182	-179	2.0
Acquisition of subsidiaries	-1	-690	-99.8	-1	-9	-88.1
Acquisition of interests in joint ventures, associated companies, and other equity investments	-1,229	-13	> 100	-5	-9	-45
Disposal of subsidiaries	0	4	-100	0	0	0.0
Loans to joint ventures, associated companies, and other equity investees	-139	0	-	-59	0	-

in € millions	1 st six months			2 nd quarter		
	2024	2023 ¹⁾	Change in %	2024	2023 ¹⁾	Change in %
Other investing activities	-6	-1	> 100	0	0	0.0
Cash used in investing activities	-1,787	-1,097	62.8	-256	-205	24.8
Financing activities						
Dividends paid to shareholders and non-controlling interests	-306	-306	0.2	-306	-306	0.2
Receipts from bond issuances and loans	2,533	510	> 100	-515	10	-
Redemptions of bonds and repayments of loans	-937	-11	> 100	-51	-9	> 100
Principal repayments on lease liabilities	-35	-36	-4.3	-17	-18	-7.6
Acquisition of non-controlling interests	-1	0	-	-1	0	-
Other financing activities	-3	0	-	-2	0	-
Cash provided by (used in) financing activities	1,251	158	> 100	-892	-322	> 100
Net increase (decrease) in cash and cash equivalents	-174	-476	-63.4	-865	-220	> 100
Effects of foreign exchange rate changes on cash and cash equivalents	2	-17	-	-2	-9	-76.3
Cash and cash equivalents as at beginning of period	769	1,069	-28.1	1,463	805	81.7
Cash and cash equivalents as at June 30	596	576	3.5	596	576	3.5
Less cash and cash equivalents classified as assets held for sale as at June 30	0	4	-100.0	0	4	-100.0
Cash and cash equivalents as at June 30 (consolidated statement of financial position)	596	572	4.2	596	572	4.2

¹⁾ Prior year amounts amended, see "Change in accounting policy and change in accounting estimates" section for further details.

Consolidated statement of changes in equity

Consolidated statement of changes in equity

	Share capital	Capital reserves	Other reserves	Accumulated other comprehensive income (loss)					Equity attributable to shareholders ¹⁾	Non-controlling interests	Total
				Translation reserve	Hedging reserve	Fair value reserve	Defined benefit plan remeasurement reserve	Total			
in € millions											
Balance as at January 01, 2023, before change in accounting policy IAS 8	666	2,348	1,218	-148	22	-5	-85	-216	4,016	125	4,141
Change in accounting policy IAS 8			8						8		8
Balance as at January 01, 2023	666	2,348	1,226	-148	22	5	-85	-216	4,023	125	4,149
Net income ²⁾			266						266	13	279
Other comprehensive income (loss)				-112	23	1	-45	-132	-132	-2	-134
Total comprehensive income (loss)			266	-112	23	1	-45	-132	134	12	145
Dividends			-295						-295	-11	-305
Total amount of transactions with shareholders			-295						-295	-11	-305
Balance as at June 30, 2023	666	2,348	1,197	-259	45	-4	-130	-349	3,863	126	3,989
Balance as at January 01, 2024, before change in accounting policy IAS 8	666	2,348	1,233	-283	28	-3	-218	-476	3,771	135	3,905
Change in accounting policy IAS 8			7						7		7
Balance as at January 01, 2024	666	2,348	1,240	-283	28	-3	-218	-476	3,778	135	3,913
Net income			263						263	14	277
Other comprehensive income (loss)				5	-32	-12	70	31	31	4	35
Total comprehensive income (loss)			263	5	-32	-12	70	31	294	17	312
Dividends			-295						-295	-12	-306
Transactions with non-controlling interests			-2						-2	1	-1
Total amount of transactions with shareholders			-297						-297	-11	-308
Balance as at June 30, 2024	666	2,348	1,207	-278	-4	-15	-148	-445	3,776	141	3,917

¹⁾ Equity attributable to shareholders of the parent company.²⁾ Prior year amounts amended, see "Change in accounting policy and change in accounting estimates" section for further details.

Consolidated segment information

Consolidated segment information

(Part of the notes to the consolidated financial statements)

	1 st six months		1 st six months		1 st six months		1 st six months		1 st six months	
	2024	2023	2024	2023 ¹⁾	2024	2023	2024	2023	2024	2023 ¹⁾
in € millions	Automotive Technologies		Vehicle Lifetime Solutions		Bearings & Industrial Solutions		Others		Total	
Revenue	3,534	3,508	1,309	1,129	3,367	3,556	66	15	8,276	8,208
EBIT	183	145	232	162	236	224	-57	-5	593	526
• in % of revenue	5.2	4.1	17.7	14.4	7.0	6.3	-86.4	-35.0	7	6
EBIT before special items ²⁾	161	176	228	163	185	290	-48	-5	525	624
• in % of revenue	4.6	5.0	17.4	14.4	5.5	8.2	-73.0	-35.0	6	8
Amortization, depreciation, and impairment losses	238	250	25	20	221	225	4	1	488	497
Working capital ^{3) 4)}	842	806	670	526	1,804	1,735	86	107	3,402	3,175
Additions to intangible assets and property, plant and equipment ⁵⁾	163	171	14	20	169	170	38	44	383	405

	2 nd quarter		2 nd quarter		2 nd quarter		2 nd quarter		2 nd quarter	
	2024	2023	2024	2023 ¹⁾	2024	2023	2024	2023	2024	2023 ¹⁾
in € millions	Automotive Technologies		Vehicle Lifetime Solutions		Bearings & Industrial Solutions		Others		Total	
Revenue	1,764	1,730	684	548	1,690	1,769	54	9	4,191	4,056
EBIT	65	98	113	74	34	115	-35	-5	178	283
• in % of revenue	3.7	5.7	16.5	13.4	2.0	6.5	-64.3	-53.2	4	7
EBIT before special items ²⁾	68	90	119	73	42	131	-26	-5	204	289
• in % of revenue	3.9	5.2	17.4	13.3	2.5	7.4	-47.8	-53.2	5	7
Amortization, depreciation, and impairment losses	118	125	13	10	111	112	1	1	243	248
Working capital ^{3) 4)}	842	806	670	526	1,804	1,735	86	107	3,402	3,175
Additions to intangible assets and property, plant and equipment ⁵⁾	94	104	8	12	87	99	15	11	203	226

Prior year information presented based on 2024 segment structure.

¹⁾ Prior year amounts amended, see "Change in accounting policy and change in accounting estimates" section for further details.

²⁾ Please refer to pp. 15 et seq. for the definition of special items.

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

⁴⁾ Amounts as at June 30.

⁵⁾ Translated at the relevant average exchange rate.

Condensed notes to the consolidated interim financial statements

Condensed notes to the consolidated interim 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 consolidated interim financial statements of Schaeffler AG as at June 30, 2024, comprise 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

These consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as applicable in the European Union and effective at the end of the reporting period and in accordance with the interpretations by the International Financial Reporting Interpretations Committee (IFRIC).

The consolidated interim financial statements of Schaeffler AG, Herzogenaurach, for the reporting period ended June 30, 2024, have been compiled in accordance with International Accounting Standard (IAS) 34 “Interim Financial Reporting”. They do not include all information necessary for a complete set of consolidated financial statements.

The accounting policies used in these consolidated interim financial statements are largely based on the accounting policies used in the 2023 consolidated financial statements, where the

latter are discussed in detail. These accounting policies have been applied consistently except for the change in determination of manufacturing cost at the Vehicle Lifetime Solutions division described below. Adoption of the new standards and amendments to standards that are effective January 1, 2024, did not have any significant impact on the consolidated interim financial statements.

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, 2023. 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. Additionally, the company changed its accounting estimates regarding the valuation of groupwide inventories as at January 1, 2024, as described below.

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.

Change in accounting policy and change in accounting estimates

Effective January 1, 2024, the company changed its accounting policy for determining production cost with respect to the value added by the Vehicle Lifetime Solutions division. The cost of packaging and kitting – previously expensed – is now capitalized in inventories. The change is designed to more accurately reflect the business processes of the kitting operations of the Vehicle Lifetime Solutions division in the financial information.

The policy change retrospectively increased the value of inventories by EUR 10 m as at January 1, 2023, with a credit to other reserves in shareholders’ equity, and also by EUR 9 m and EUR 10 m as at June 30, 2023, and December 31, 2023, respectively. As a result of the policy change, selling expenses of EUR 44 m were retrospectively reclassified to cost of sales during the period from January 1 to June 30, 2023. The net impact of the change on the consolidated income statement and earnings per share for this period was insignificant. In the current reporting period, the policy change resulted in an increase in the value of inventories by EUR 7 m as at June 30, 2024, and a reclassification of selling expenses of EUR 47 m to cost of sales. The policy change reduced net income for the period from January 1 to June 30, 2024, by EUR 2 m. The impact on earnings per share was insignificant.

Condensed notes to the consolidated interim financial statements

Additionally, the company changed its accounting estimates regarding the valuation of groupwide inventories effective January 1, 2024. The process of determining the actual cost of inventories was adjusted to increase parameter granularity and enhance harmonization with internal management instruments throughout the group. The resulting changes in estimate resulted in a one-off EUR 117 m measurement gain on inventories that was recognized in cost of sales and was treated as a special item.

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 st six months				
	06/30/2024	12/31/2023	06/30/2023	2024	2023
1 € in	Closing rates			Average rates	
CNY China	7.77	7.85	7.90	7.80	7.49
INR India	89.25	91.90	89.21	89.97	88.88
	South				
KRW Korea	1,474.86	1,433.66	1,435.88	1,460.31	1,401.66
MXN Mexico	19.57	18.72	18.56	18.52	19.66
USD U.S.	1.07	1.11	1.09	1.08	1.09

Scope of consolidation

The consolidated interim financial statements of Schaeffler AG as at June 30, 2024, cover, in addition to Schaeffler AG, 181 (December 31, 2023: 177) subsidiaries; 51 (December 31, 2023: 51) entities are domiciled in Germany and 130 (December 31, 2023: 126) in other countries. In the consolidated interim financial statements as at June 30, 2024, four (December 31, 2023: four) joint ventures and four associated companies (December 31, 2023: three) are accounted for at equity.

Revenue

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

IFRS 15 – analysis of revenue by category

in € millions	1 st six months		1 st six months		1 st six months		1 st six months		1 st six months	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	Automotive Technologies		Vehicle Lifetime Solutions		Bearings & Industrial Solutions		Others		Total	
Revenue by type										
• Revenue from the sale of goods	3,506	3,473	1,309	1,129	3,321	3,518	3	2	8,139	8,121
• Revenue from the sale of tools	15	22	0	0	7	5	56	6	77	33
• Revenue from services	13	13	0	0	39	33	8	7	60	53
• Other revenue	0	0	0	0	1	0	0	0	1	0
Total	3,534	3,508	1,309	1,129	3,367	3,556	66	15	8,276	8,208
Revenue by region ¹⁾										
• Europe	1,357	1,325	869	746	1,451	1,554	49	14	3,727	3,639
• Americas	930	894	273	241	715	696	0	0	1,918	1,832
• Greater China	755	788	88	72	693	782	16	0	1,552	1,642
• Asia/Pacific	491	501	79	70	509	525	1	0	1,079	1,096
Total	3,534	3,508	1,309	1,129	3,367	3,556	66	15	8,276	8,208

Prior year information presented based on 2024 segment structure.

¹⁾ Based on market (customer location).

Intangible assets

Effective January 1, 2024, the Schaeffler Group's reporting and management structure was reorganized; as part of this process, the Bearings business division, which was previously the responsibility of the Automotive Technologies division, was assigned to the Bearings & Industrial Solutions division. This change in the organizational and reporting structure represents a reorganization of the reporting system pursuant to IAS 36.87, including a change in the manner in which goodwill is monitored. Therefore, as a result of the reorganization, goodwill was reallocated on the basis of the relative values of the Automotive Technologies

division's cash-generating units. Additionally, goodwill was tested for impairment both under the structure in place until 2023 and under the new structure. The reorganization affects the carrying amount of goodwill of the (groups of) cash-generating units to which goodwill has been allocated as at June 30, 2024, by transferring EUR 35 m in goodwill from the Automotive Technologies division to the Bearings & Industrial Solutions division. As a result, Automotive Technologies division goodwill decreased to EUR 151 m while goodwill of the Bearings & Industrial Solutions division increased to EUR 744 m effective June 30, 2024.

Condensed notes to the consolidated interim financial statements

The Schaeffler Group's market capitalization had once more fallen below the carrying amount of its net assets as at June 30, 2024. In accordance with IAS 36.12(d), this again represented an indication that the assets were potentially impaired (triggering event). The causes of the triggering events identified as at year-end in the Bearings & Industrial Solutions segment continued to exist as at June 30, 2024, based on similar issues arising for the Industrial cash-generating unit, primarily from the medium-term deterioration of the market environment.

The company then performed analytical assessments based on which extensive impairment testing was omitted. The company continues to consider its goodwill recoverable.

Investments in joint ventures and associated companies

On January 5, 2024, Schaeffler AG acquired 11,957,629 shares of Vitesco Technologies Group AG tendered under the public tender offer; this corresponds to approximately 29.88% of share capital. The cumulative purchase price of the shares acquired amounted to approximately EUR 1.1 bn. Upon closing of the public tender offer for all shares of Vitesco Technologies Group AG tendered and payment of the consideration, the Schaeffler Group obtained significant influence and has been accounting for Vitesco Technologies Group AG under the equity method as an associated company in the Schaeffler Group's consolidated financial statements since that date. On January 22, 2024, Schaeffler AG entered into an agreement with BofA Securities Europe S.A. to acquire a stake of 3.6 million shares, approximately 9% of the share capital of Vitesco Technologies Group AG. BofA Securities Europe S.A. had acquired the shares in connection with the total return swap. The collateral posted when the shares were purchased by BofA Securities Europe S.A. in 2023 was offset against the agreed cash settlement when the purchase price was paid. This resulted in a further cash outflow of EUR 65 m on January 24, 2024. The acquisition increases Schaeffler AG's shareholding in Vitesco Technologies Group AG to 38.87%.

During the year, the company recognized EUR 21 m in other income on remeasuring at fair value the obligation to acquire the shares tendered under the public tender offer to the shareholders of Vitesco Technologies Group AG. Additionally, remeasurement at fair value of a derivative related to a total return swap during the period up to the closing date resulted in financial income of EUR 23 m. The acquisition resulted in recognition of an equity investment under the equity method at a carrying amount of EUR 1,269 m. The purchase price allocation and harmonization of the investee's accounting policies with those of the Schaeffler Group (including estimates and judgments) were not yet final as at June 30, 2024; as a result, the carrying amount of the equity investment as at June 30, 2024, is still provisional as well.

As part of the planned merger, Schaeffler Group USA, Inc., signed a USD 220 m loan agreement with Vitesco Technologies USA LLC on March 19, 2024. The loan agreement was entered into in preparation for the acquisition. A total of USD 150 m had been disbursed by June 30, 2024. In the consolidated statement of cash flows, this outflow is presented under cash used in investing activities.

Condensed notes to the consolidated interim financial statements

Current and non-current financial debt

Financial debt (current/non-current)

in € millions	06/30/2024			12/31/2023		
	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	4,067	4,067	800	2,143	2,943
Schuldschein loans	167	76	242	0	292	292
Term loans	0	1,198	1,198	0	624	624
Commercial paper	0	0	0	90	0	90
Other financial debt	0	9	9	0	9	9
Total	167	5,349	5,516	890	3,068	3,958

The increase in financial debt compared to December 31, 2023, was primarily due to two bond issuances totaling EUR 1.1 bn in January 2024 and a further EUR 850 m bond issuance in March 2024, partly offset by redemption of an outstanding EUR 800 m bond series by Schaeffler AG upon maturity in March 2024.

In January 2024, Schaeffler AG drew down in full the EUR 420 m loan with a six-year term under the loan agreement with the European Investment Bank signed in December 2023. Furthermore, the Schaeffler Group drew down approximately EUR 173 m under two additional lines of credit entered into in December 2023.

On May 13, 2023, Schaeffler AG prepaid a EUR 50 m variable-interest Schuldschein tranche originally due May 13, 2030.

The EUR 90 m in short-term commercial paper outstanding as at December 31, 2023, were repaid in full by June 30, 2024.

Provisions for pensions and similar obligations

Interest rate levels as at June 30, 2024, have increased compared to December 31, 2023. 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 June 30, 2024, amounted to 3.9% (December 31, 2023: 3.6%). As at June 30, 2024, the resulting remeasurement of the company's obligations under defined benefit pension plans resulted in actuarial gains of EUR 105 m, losses on plan assets of EUR 20 m, and a favorable impact of the asset ceiling of EUR 1 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). Marketable securities consist primarily of investment fund units. These are measured at fair value through profit or loss.

Hedge accounting is only applied to derivatives designated as hedges of currency risk in cash flow hedges. The Schaeffler Group uses cross-currency swaps and forward exchange contracts as hedging instruments here.

Derivatives not designated as hedging instruments include forward exchange contracts that are not designated as cash flow hedges. Additionally, this line item includes forward purchase contracts for electricity and gas as well as short-, medium-, and long-term price and supply agreements for renewable energy (known as power purchase agreements). Since some of these agreements did not qualify for the own-use exemption, all similar agreements were treated as derivatives in accordance with IFRS 9.

Condensed notes to the consolidated interim financial statements

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 forward 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.
- Level 3: This level contains measurement of the fair value of unconsolidated equity investments 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 category also comprises measurement of contingent purchase prices payable and receivable. Measurement of the fair value of power purchase agreements falls in level 3 as well.

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.

Condensed notes to the consolidated interim financial statements

Financial instruments by class and category in accordance with IFRS 7.8

in € millions	Category per IFRS 7.8	Level per IFRS 13	06/30/2024		12/31/2023		06/30/2023	
			Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets, by class								
Trade receivables	Amortized cost		2,446	2,446	2,255	2,255	2,344	2,344
Trade receivables – receivable sale program	FVTPL	2	153	153	167	167	175	175
Trade receivables – customer receivables and notes receivable available for sale	FVOCI	2	167	167	154	154	86	86
Other financial assets								
• Other investments – FVOCI	FVOCI	3	132	132	91	91	46	46
• Other investments – FVTPL	FVTPL	3	36	36	28	28	23	23
• Marketable securities	FVTPL	1	30	30	27	27	27	27
• Derivatives designated as hedging instruments	n.a.	2	10	10	44	44	69	69
• Derivatives not designated as hedging instruments	FVTPL	2	32	32	25	25	75	75
• Miscellaneous other financial assets – amortized cost	Amortized cost		298	298	151	151	168	168
• Miscellaneous other financial assets – FVTPL	FVTPL	2,3 ⁴⁾	2	2	215	215	0	0
Cash and cash equivalents	Amortized cost		596	596	769	769	572	572
Financial liabilities, by class								
Financial debt	FLAC	1,2 ¹⁾	5,516	5,523	3,958	3,935	3,803	3,698
Trade payables	FLAC		2,460	2,460	2,357	2,357	2,418	2,418
Refund liabilities	n.a.		271	271	282	282	222	222
Lease liabilities ²⁾	n.a.		249	-	238	-	227	-
Other financial liabilities								
• Derivatives designated as hedging instruments	n.a.	2	15	15	4	4	6	6
• Derivatives not designated as hedging instruments	FVTPL	2,3 ³⁾	83	83	267	267	105	105
• Miscellaneous other financial liabilities – FVTPL	FVTPL	3	36	36	36	36	56	56
• Miscellaneous other financial liabilities – FLAC	FLAC		516	516	595	595	475	475
Summary by category								
Financial assets at amortized cost (Amortized cost)			3,340	3,340	3,174	3,174	3,085	3,085
Financial assets at fair value through profit or loss (FVTPL)			251	251	461	461	301	301
Financial assets at fair value through other comprehensive income (FVOCI)			298	298	245	245	132	132
Financial liabilities at amortized cost (FLAC)			8,492	8,499	6,911	6,887	6,696	6,591
Financial liabilities at fair value through profit or loss (FVTPL)			119	119	303	303	160	160

¹⁾ Level 1: EUR 4,057 m (December 31, 2023: EUR 2,903 m; June 30, 2023: EUR 2,813 m). Level 2: EUR 2,028 m (December 31, 2023: EUR 1,032 m; June 30, 2023: EUR 884 m).

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

³⁾ Level 2: EUR 39 m (December 31, 2023: EUR 228 m; June 30, 2023: EUR 73 m). Level 3: EUR 44 m (December 31, 2023: EUR 39 m; June 30, 2023: EUR 31 m).

⁴⁾ Level 2: EUR 0 m (December 31, 2023: EUR 215 m; June 30, 2023: EUR 0 m). Level 3: EUR 2 m (December 31, 2023: EUR 0 m; June 30, 2023: EUR 0 m).

Condensed notes to the consolidated interim financial statements

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

	2024			
in € millions	Other investments	Miscellaneous other financial assets – FVTPL	Miscellaneous other financial liabilities – FVTPL	Derivative financial liabilities
Balance as at January 01	120	0	36	39
Additions	37	0	0	0
Gains or losses recognized in other comprehensive income	11	0	0	0
Gains or losses recognized in profit or loss	1	2	0	-5
• Other expenses	0	0	0	-5
• Financial income	1	2	0	0
• Financial expenses	0	0	0	0
Disposals	0	0	0	0
Foreign currency translation	-2	0	0	0
Balance as at June 30	168	2	36	44

Other investments included unconsolidated equity investments representing interests held by the group of less than 20%. 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 part of these equity investments (with a carrying amount of EUR 12 m) was 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 June 30, 2024, varied from 6.7 to 11.3 and resulted in a range of values for these investees of EUR 12 m to EUR 14 m that could potentially lead to an increase in accumulated other comprehensive income by up to EUR 2 m.

The EUR 36 m in other financial liabilities assigned to level 3 largely represented the fair value of contingent purchase price payment obligations for acquisitions made in previous years. The liability was measured using an option pricing model based on the multi-year forecast of the company's revenue, representing a significant input unobservable in the market.

The derivatives assigned to level 3 represent the fair value of power purchase agreements that are not designated as hedging instruments. The fair value of the power purchase agreements is measured using a valuation model based on the present value of the difference between the agreed fixed price and expected market prices. Since significant inputs unobservable in the market are used in the valuation – mainly electricity prices and expected quantities – the resulting fair values represent level 3 measurements. The company performed a sensitivity analysis by modeling fluctuations in the price of electricity as at June 30, 2024. Had the price of electricity been 10% higher (lower), earnings before income taxes would have been higher (lower) by EUR 3 m. There is no impact on other comprehensive income.

Contingent liabilities and other obligations

The statements made in the annual report 2023 with respect to contingent liabilities continue to apply largely unchanged.

Open commitments under fixed contracts to purchase property, plant and equipment amounted to EUR 248 m as at June 30, 2024 (December 31, 2023: EUR 237 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

	1 st six months	
in € millions	2024	2023 ¹⁾
EBIT Automotive Technologies	183	145
EBIT Vehicle Lifetime Solutions	232	162
EBIT Bearings & Industrial Solutions	236	224
EBIT Others	-57	-5
EBIT	593	526
Financial result	-147	-91
Earnings before income taxes	445	435

Prior year information presented based on 2024 segment structure.

¹⁾ Prior year amounts amended, see "Change in accounting policy and change in accounting estimates" section for further details.

Condensed notes to the consolidated interim financial statements

Reconciliation of EBIT to EBIT before special items

	1 st six months		1 st six months		1 st six months		1 st six months		1 st six months	
	2024	2023	2024	2023 ¹⁾	2024	2023	2024	2023	2024	2023 ¹⁾
in € millions	Automotive Technologies		Vehicle Lifetime Solutions		Bearings & Industrial Solutions		Others		Total	
EBIT	183	145	232	162	236	224	-57	-5	593	526
• in % of revenue	5.2	4.1	17.7	14.4	7.0	6.3	-86.4	-35.0	7.2	6.4
Special items	-22	32	-4	1	-51	66	9	0	-67	98
• Legal cases	0	-3	0	-0	0	-4	0	0	0	-7
• Restructuring	1	-10	0	-1	13	15	0	0	14	4
• M&A	3	0	4	0	4	2	9	0	20	2
• Energy derivatives and forward exchange contracts	4	44	1	2	10	52	0	0	15	98
• Other	-30	0	-9	0	-78	0	0	0	-117	0
EBIT before special items	161	176	228	163	185	290	-48	-5	525	624
• in % of revenue	4.6	5.0	17.4	14.4	5.5	8.2	-73.0	-35.0	6.3	7.6

Prior year information presented based on 2024 segment structure.

¹⁾ Prior year amounts amended, see "Change in accounting policy and change in accounting estimates" section for further details.

As part of the reorganization, the Bearings business division (BD), which was previously the responsibility of the Automotive Technologies division, was assigned to the Industrial division effective January 1, 2024. In light of this, the Industrial division was renamed Bearings & Industrial Solutions. Moreover, the Automotive Aftermarket division was renamed Vehicle Lifetime Solutions. Additionally, various business activities that cannot be clearly assigned to one division were combined in the newly established Others division in order to streamline the previous business segments. These activities are the external business of the Special Machinery, engineering services, and development of production-related software solutions operations. Minority investments in innovative business models and income (loss) from the equity-accounted investee Vitesco Technologies Group AG are included as well. Prior year information was presented based on the new segment structure.

The Schaeffler Group's business is managed based on the three divisions – **Automotive Technologies, Vehicle Lifetime Solutions, and Bearings & Industrial Solutions** – which also represent the reportable segments. The Automotive Technologies division business is organized into the three **BDs E-Mobility, Engine & Transmission Systems, and Chassis Systems**. The Vehicle Lifetime Solutions division is managed regionally, based on the **regions Europe, Americas, Greater China, and Asia/Pacific**. The Bearings & Industrial Solutions division has additionally assumed responsibility for Automotive Bearings (previously Bearings BD of the Automotive Technologies division) effective at the beginning of 2024. For its previous business, the division has maintained the regional management approach 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 is responsible for a specific business worldwide. 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 using the current allocation of responsibility for the various businesses. The allocation of responsibility for the various businesses 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, Vehicle Lifetime Solutions division, and Bearings & Industrial Solutions division segments is comparable, prior year information was also presented using the current year's responsibility for the various businesses. Revenue related to transactions between operating segments is not included.

Related parties

As part of the planned merger, Schaeffler Group USA, Inc., signed a USD 220 m loan agreement with Vitesco Technologies USA LLC on March 19, 2024. The loan agreement was entered into in preparation for the acquisition. USD 150 m had been disbursed by the end of June 2024.

The extent of any other transactions with related persons and entities remained largely unchanged compared to the 2023 consolidated financial statements.

Condensed notes to the consolidated interim financial statements

Events after the reporting period

The Schaeffler Group entered into a further bilateral line of credit of EUR 64 m on July 5, 2024. The loan was drawn down in full in July 2024.

On July 11, 2024, Schaeffler AG signed an amendment agreement for the existing EUR 420 m loan agreement with the European Investment Bank. Effectiveness of the amendments agreed is subject to conditions precedent. These conditions include, in particular, the full completion of the merger of Vitesco Technologies Group AG into Schaeffler AG.

On July 16, 2024, the Schaeffler Group signed an agreement to sell an unconsolidated equity investment. The transaction resulted in a measurement loss of EUR 18 m during the year that was recognized in other comprehensive income. The sale is expected to close in the second half of this year.

On July 19, 2024, Schaeffler AG entered into a transfer agreement with the European Investment Bank regarding the EUR 250 m loan agreement of Vitesco Technologies Group AG. Upon occurrence of the conditions agreed upon – particularly upon completion of the merger –, Schaeffler AG will become the debtor under the loan agreement.

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 June 30, 2024.

Herzogenaurach, July 29, 2024

The Board of Managing Directors

Review report

Review report

To Schaeffler AG, Herzogenaurach

We have reviewed the condensed interim consolidated financial statements of Schaeffler AG – comprising the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, and the condensed notes to the consolidated interim financial statements – together with the group interim management report of Schaeffler AG, Herzogenaurach, for the period from January 1 to June 30, 2024, that are part of the semi-annual financial report in accordance with section 115 WpHG [“Wertpapierhandelsgesetz”: “German Securities Trading Act”]. The preparation of the condensed interim consolidated financial statements in accordance with International Accounting Standard IAS 34 “Interim Financial Reporting” as adopted by the EU, and of the group interim management report in accordance with the requirements of the WpHG applicable to group interim management reports, is the responsibility of the Company’s management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the group interim management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the group interim management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with IAS 34

“Interim Financial Reporting” as adopted by the EU, and that the group interim management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to group interim management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor’s report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU, or that the group interim management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to group interim management reports.

Nuremberg, July 30, 2024

KPMG AG
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Grottel
Wirtschaftsprüfer
[German Public Auditor]

Schieler
Wirtschaftsprüfer
[German Public Auditor]

Responsibility statement by the company's legal representatives

Responsibility statement by the company's legal representatives

To the best of our knowledge, and in accordance with the applicable interim reporting principles, the consolidated interim financial statements provide a true and fair view of the assets, liabilities, financial position, and profit or loss of the group, and the group interim management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group during the remainder of the year.

Herzogenaurach, July 29, 2024

Schaeffler Aktiengesellschaft
The Board of Managing Directors

Klaus Rosenfeld
Chief Executive Officer

Dr. Astrid Fontaine

Jens Schüler

Sascha Zaps

Claus Bauer

Andreas Schick

Uwe Wagner

Matthias Zink

Summary 1st quarter 2023 to 2nd quarter 2024

Summary 1st quarter 2023 to 2nd quarter 2024

Schaeffler Group

in € millions	2023				2024	
	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	1 st quarter	2 nd quarter
Income statement						
Revenue	4,152	4,056	4,062	4,043	4,085	4,191
• Europe	1,848	1,790	1,763	1,820	1,846	1,881
• Americas	920	911	903	835	952	966
• Greater China	829	813	855	861	754	799
• Asia/Pacific	554	542	543	527	533	547
Cost of sales	-3,193	-3,189	-3,179	-3,244	-2,999	-3,311
Gross profit	959	867	883	798	1,086	880
• in % of revenue	23.1	21.4	21.7	19.7	26.6	21.0
Research and development expenses	-205	-192	-188	-182	-208	-207
Selling and administrative expenses	-435	-423	-434	-445	-485	-477
EBIT	244	283	322	-15	415	178
• in % of revenue	5.9	7.0	7.9	-0.4	10.2	4.2
Special items ¹⁾	92	6	18	238	-93	26
EBIT before special items	335	289	340	223	322	204
• in % of revenue	8.1	7.1	8.4	5.5	7.9	4.9
Net income (loss) ²⁾	128	138	150	-107	231	33
Earnings per common non-voting share (basic/diluted, in €)	0.19	0.22	0.22	-0.16	0.35	0.05
Statement of financial position						
Total assets	15,207	14,808	15,085	15,016	17,328	16,433
Additions to intangible assets and property, plant and equipment	179	226	237	291	180	203
Amortization, depreciation, and impairment losses excluding depreciation of right-of-use assets under leases and impairments of goodwill	231	230	227	242	227	224
• Reinvestment rate	0.78	0.98	1.04	1.20	0.79	0.91
Shareholders' equity ³⁾	4,228	3,989	4,270	3,913	4,199	3,917
• in % of total assets	27.8	26.9	28.3	26.1	24.2	23.8
Net financial debt	2,999	3,231	3,072	3,189	4,613	4,920
• Net financial debt to EBITDA LTM ratio before special items ¹⁾	1.4	1.5	1.4	1.5	2.1	2.4
• Gearing ratio (net financial debt to shareholders' equity, in %)	70.9	81.0	72.0	81.5	109.9	125.6

in € millions	2023				2024	
	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	1 st quarter	2 nd quarter
Statement of cash flows						
EBITDA	492	531	567	245	659	421
Cash flows from operating activities	156	307	428	457	79	283
Capital expenditures (capex) ⁴⁾	221	198	247	273	222	195
• in % of revenue (capex ratio)	5.3	4.9	6.1	6.7	5.4	4.7
Free cash flow (FCF) before cash in- and outflows for M&A activities	-73	103	182	210	-166	75
• FCF-conversion LTM (ratio of FCF before cash in- and outflows for M&A activities LTM to EBIT LTM) ⁵⁾	0.2	0.5	0.5	0.5	0.3	0.3
Value-based management (LTM)						
ROCE (in %)	10.7	11.6	10.6	8.8	10.3	8.9
ROCE before special items (in %) ¹⁾	12.4	13.2	12.8	12.5	12.0	10.7
Schaeffler Value Added (in € millions)	67	146	60	-115	25	-115
Schaeffler Value Added before special items (in € millions) ¹⁾	220	292	264	238	193	73
Employees						
Headcount (at end of reporting period)	84,060	83,705	83,600	83,362	83,793	83,990

¹⁾ Please refer to pp. 15 et seq. for the definition of special items.

²⁾ Attributable to shareholders of the parent company.

³⁾ Including non-controlling interests.

⁴⁾ Capital expenditures on intangible assets and property, plant and equipment.

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

LTM = Financial indicator based on the last four quarters.

Summary 1st quarter 2023 to 2nd quarter 2024

in € millions	2023				2024	
	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	1 st quarter	2 nd quarter
Automotive Technologies division						
Revenue	1,778	1,730	1,748	1,780	1,770	1,764
• E-Mobility BD	335	294	333	340	337	350
• Engine & Transmission Systems BD	1,335	1,311	1,304	1,313	1,317	1,299
• Chassis Systems BD	107	126	111	127	117	114
• Europe	675	651	623	695	687	670
• Americas	453	441	436	388	463	466
• Greater China	394	394	439	456	370	386
• Asia/Pacific	256	245	250	240	250	241
Cost of sales	-1,436	-1,411	-1,420	-1,504	-1,397	-1,434
Gross profit	342	319	328	276	373	330
• in % of revenue	19.2	18.4	18.8	15.5	21.1	18.7
Research and development expenses	-137	-129	-124	-115	-137	-139
Selling and administrative expenses	-123	-113	-124	-126	-135	-133
EBIT	47	98	88	-22	117	65
• in % of revenue	2.6	5.7	5.0	-1.2	6.6	3.7
Special items ¹⁾	40	-9	18	78	-24	3
EBIT before special items	87	90	107	56	93	68
• in % of revenue	4.9	5.2	6.1	3.1	5.3	3.9

in € millions	2023				2024	
	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	1 st quarter	2 nd quarter
Vehicle Lifetime Solutions division						
Revenue	581	548	581	531	625	684
• Europe	393	353	386	353	415	454
• Americas	120	121	127	110	132	141
• Greater China	34	38	34	33	41	47
• Asia/Pacific	34	37	34	35	36	42
Cost of sales	-399	-388	-394	-377	-407	-461
Gross profit	182	160	187	154	218	223
• in % of revenue	31.2	29.2	32.2	29.0	34.8	32.5
Research and development expenses	-5	-4	-5	-6	-6	-5
Selling and administrative expenses	-88	-88	-93	-95	-107	-108
EBIT	88	74	98	-2	118	113
• in % of revenue	15.2	13.4	16.8	-0.3	18.9	16.5
Special items ¹⁾	1	-1	3	66	-10	6
EBIT before special items	90	73	101	65	109	119
• in % of revenue	15.4	13.3	17.3	12.2	17.4	17.4
Bearings & Industrial Solutions division						
Revenue	1,787	1,769	1,714	1,690	1,677	1,690
• Europe	775	779	745	744	732	718
• Americas	347	349	339	336	357	358
• Greater China	401	380	370	358	342	351
• Asia/Pacific	264	261	259	251	246	263
Cost of sales	-1,354	-1,377	-1,342	-1,324	-1,168	-1,357
Gross profit	433	392	372	366	509	333
• in % of revenue	24.3	22.2	21.7	21.6	30.3	19.7
Research and development expenses	-62	-58	-58	-61	-64	-62
Selling and administrative expenses	-224	-222	-216	-223	-241	-236
EBIT	109	115	142	6	202	34
• in % of revenue	6.1	6.5	8.3	0.3	12.0	2.0
Special items ¹⁾	50	15	-4	93	-59	8
EBIT before special items	159	131	138	99	143	42
• in % of revenue	8.9	7.4	8.0	5.9	8.5	2.5

Prior year information presented based on 2024 segment structure.

¹⁾ Please refer to pp. 15 et seq. for the definition of special items.

Financial calendar

August 6, 2024

Publication of results for the first six months 2024

November 5, 2024

Publication of results for the first nine months 2024

March 5, 2025

Publication of annual results 2024

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

Imprint

Published by
Schaeffler AG, Industriestr. 1–3,
91074 Herzogenaurach, Germany

Responsible for content
Corporate Accounting, Schaeffler AG

Date of publication
Tuesday, August 6, 2024

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