

IR Release

Schaeffler with stable overall results in transition year 2024

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- Schaeffler Group consolidates Vitesco in the fourth quarter, increasing revenue by 12.9 percent at constant currency to 18.2 billion euros (prior year: 16.3 billion euros)
- EBIT before special items at 811 million euros (prior year: 1,187 million euros), EBIT margin before special items at 4.5 percent (prior year: 7.3 percent)
- Automotive Technologies reports growth at E-Mobility, Vehicle Lifetime Solutions increases revenue and profitability, Bearings & Industrial Solutions revenue declines due to market conditions
- Strong free cash flow before cash in- and outflows for M&A activities of 363 million euros
- Dividend proposal of 0.25 euros per common share
- Outlook for combined company with four divisions

The Schaeffler Group published its results for 2024 today. Revenue for the reporting period was 18.2 billion euros (prior year: 16.3 billion euros). Constant-currency revenue growth amounted to 12.9 percent and is attributable to the revenue contributed by the subsidiaries of Vitesco Technologies Group AG ("Vitesco"), which has ceased to exist as a result of the merger; these subsidiaries have been fully consolidated in the consolidated financial statements since October 1, 2024, and contributed 1,949 million euros in revenue that was recognized in the Others division.

Schaeffler AG generated 811 million euros in earnings before financial result, income taxes (EBIT) and special items during the reporting period (prior year: 1,187 million euros). This represents an EBIT margin before special items of 4.5 percent (prior year: 7.3 percent). The Schaeffler Group's free cash flow before cash in- and outflows for M&A activities for the reporting period amounted to 363 million euros (prior year: 421 million euros) and exceeded the guidance as adjusted on July 22, 2024 [200 to 300 million euros]. The net loss for 2024 of 632 million euros (prior year: net income of 309 million euros) was adversely affected by 725 million euros in special items partly resulting from restructuring costs. Earnings per share were -0.86 euros (prior year: 0.46 euros). Before special items, net income amounted to 93 million euros (prior year: 623 million euros).

“Despite an adverse environment, we have achieved important milestones for the future direction of the company this past year. Nevertheless, EBIT fell short of our expectations and the mixed performance of our divisions reflects this. While the Automotive Technologies division proved resilient and especially Vehicle Lifetime Solutions generated strong earnings once again, Bearings & Industrial Solutions reported declines in revenue and earnings. We are responding to these challenges with the structural measures to increase competitiveness for the long term that we presented on November 5, 2024. With our realigned structure with four product-oriented divisions, we look optimistically to the future. We will propose a dividend of 25 cents to the annual general meeting in April,” says Klaus Rosenfeld, CEO of Schaeffler AG.

Automotive Technologies – Growth at E-Mobility

Despite a weak automotive environment that was marked by a decline in vehicle production, Automotive Technologies division revenue fell only slightly short of the prior year, declining 0.1 percent at constant currency. The division generated total revenue of 6,955 million euros (prior year: 7,035 million euros), outperforming the decreased global production of passenger cars and light commercial vehicles (down 1.1 percent) by 1.0 percentage point. E-Mobility business division (BD) revenue grew in all regions – particularly strongly in the Europe and Americas regions – and generated 12.6 percent in additional revenue for the year, at constant currency. Order intake at the E-Mobility BD was once again encouraging as well. It amounted to 4.7 billion euros in 2024. The Engine & Transmission Systems and Chassis Systems BDs reported constant-currency revenue declines of 2.9 percent and 3.8 percent, respectively.

The division’s EBIT before special items for the year amounted to 294 million euros (prior year: 339 million euros), representing an EBIT margin before special items of 4.2 percent (prior year: 4.8 percent).

Vehicle Lifetime Solutions – Strong performance continued

The Vehicle Lifetime Solutions division generated considerable constant-currency revenue growth of 16.9 percent in 2024, increasing revenue to 2,579 million euros (prior year: 2,241 million euros). This was mainly attributable to the favorable impact of volumes.

During the reporting period, the division’s EBIT before special items rose by 30.1 percent to 427 million euros (prior year: 328 million euros), representing an EBIT margin before special items of 16.6 percent (prior year: 14.6 percent). The increase

in EBIT margin before special items resulted primarily from the favorable impact of volumes and sales prices.

Bearings & Industrial Solutions – Growth in two regions

In the Bearings & Industrial Solutions division, revenue for the reporting period declined by 4.5 percent at constant currency to 6,570 million euros (prior year: 6,960 million euros). The decrease was mainly due to the impact of volumes in the Europe region and of sales prices in the Greater China region. The Americas (3.0 percent) and Asia/Pacific (2.1 percent) regions reported constant-currency growth, however.

EBIT before special items for the same period fell by 48.2 percent to 273 million euros (prior year: 527 million euros). The EBIT margin before special items amounted to 4.2 percent (prior year: 7.6 percent).

Others – Consolidation of Vitesco

The Others division includes the equity-method earnings from Vitesco Technologies Group AG (approximately 38.9 percent) for the first nine months as well as the activities of the subsidiaries of Vitesco Technologies Group AG, which has ceased to exist as a result of the merger; these subsidiaries have been fully consolidated in the consolidated financial statements since October 1, 2024, and contributed 1,949 million euros in revenue in the fourth quarter of 2024. In total, the new division introduced in 2024 generated revenue of 2,084 million euros, EBIT before special items of -183 million euros, and an EBIT margin before special items of -8.8 percent.

Strong Free cash flow – Capital expenditures at prior-year level

Free cash flow before cash in- and outflows for M&A activities for the year was 363 million euros (prior year: 421 million euros).

Capital expenditures on intangible assets and property, plant and equipment (capex) of 956 million euros were 18 million euros higher than in the prior year (prior year: 938 million euros). This represents a capex ratio of 5.3 percent (prior year: 5.7 percent). The reinvestment rate was 1.08 (prior year: 1.00).

The Schaeffler Group's net financial debt amounted to 4,834 million euros as at December 31, 2024 (December 31, 2023: 3,189 million euros). The ratio of net financial debt to shareholders' equity (gearing ratio) as at that date was 121.8 percent (December 31, 2023: 81.5 percent).

The Schaeffler Group's total assets amounted to 21,370 million euros as at December 31, 2024 (December 31, 2023: 15,016 million euros). The number of employees as at the same date was 115,055.

"We have generated strong free cash flow before cash in- and outflows for M&A activities despite the cash outflows for the integration of Vitesco. This shows the company's resilience and is partly due to our continued discipline in managing inventories. In this way, we are laying the foundations for aligning the Schaeffler Group toward the future and positioning it for long-term success, even under the current challenging circumstances," says Claus Bauer, CFO of Schaeffler AG.

Dividend proposal – 0.25 euros per common share

The Board of Managing Directors and the Supervisory Board will propose to the annual general meeting a dividend of 0.25 euros per common share for 2024 (prior year: 0.45 euros per common non-voting share and 0.44 euros per common share) to allow shareholders to participate appropriately in the company's performance in 2024.

Outlook – New structure with four divisions

Along with group-level earnings, Schaeffler AG will present earnings for the four divisions – E-Mobility, Powertrain & Chassis, Vehicle Lifetime Solutions, and Bearings & Industrial Solutions – and Others starting January 1, 2025. The Vitesco business consolidated in the Others division in 2024 will be transferred to the other divisions. The Others division combines the presentation of various business activities that can be divided into the following three main components: start-up businesses, external business of selected functional entities, and business activities the Schaeffler Group will normally exit within 12 to 18 months.

"Following the successful merger with Vitesco Technologies, Schaeffler is in a strong position to overcome the challenges ahead. Of course, 2025 will continue to be characterized by volatility. Our cautiously optimistic outlook reflects that. At the same time, I am convinced that, with our eight product families and our manufacturing technologies, we will succeed in becoming the leading Motion Technology Company," states Klaus Rosenfeld, CEO of Schaeffler AG.

The Schaeffler Group anticipates 23 to 25 billion euros in revenue in 2025. At the same time, the company expects to generate an EBIT margin before special items for 2025 of 3 to 5 percent.

The Schaeffler Group anticipates free cash flow before cash in- and outflows for M&A activities of -200 to 0 million euros for 2025. This expectation reflects significant cash outflows for integration activities and restructurings.

1 Includes content supplied by S&P Global Mobility© [IHS Markit Light Vehicle Production Forecast (Base), January 2025]. All rights reserved.

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

Forward-looking statements and projections

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

Schaeffler Group – We pioneer motion: The Schaeffler Group has been driving forward groundbreaking inventions and developments in the field of motion technology for 80 years. With innovative technologies, products, and services for electric mobility, CO₂-efficient drives, chassis solutions and renewable energies, the company is a reliable partner for making motion more efficient, intelligent, and sustainable – over the entire life cycle. Schaeffler describes its comprehensive range of products and services by means of eight product families: From bearing solutions and all types of linear guidance systems through to repair and monitoring services. Schaeffler is with around 110,000 employees and more than 250 locations in 55 countries, one of the world's largest family-owned companies and one of Germany's most innovative companies.

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