

Stuck in Neutral: Can Schaeffler Shift Gears by 2030?

“Schaeffler is more than automotive and more than bearings. We are thinking ahead and reinventing ourselves without giving up what we have been standing for, for decades.”

— Klaus Rosenfeld, CEO of Schaeffler AG



This case was written by Lea Stahl, Jaron Honolka, Nils Matthiesen, Daniel Schäffer and Luan Junuzi from the University of Münster Case Club e.V. The case was prepared to provide material for the University of Münster Case Challenge organized by the University of Münster Case Club e.V. and may not be copied or distributed in any way without permission of the authors. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. Certain names and other identifying information may have been disguised to protect confidentiality.

Introduction

When Klaus Rosenfeld studied business administration and economics at the University of Münster between 1989 and 1993, few would have guessed that he would go on to lead one of the world's largest family-owned industrial companies. Since joining Schaeffler as CFO in 2009 and taking over as CEO in 2014, he has steered the company through its 2015 IPO and, most recently, the 2024 acquisition and merger with Vitesco Technologies. Schaeffler itself traces its roots back to 1946, when brothers Wilhelm and Georg Schaeffler founded a small engineering workshop in Herzogenaurach, Bavaria. It has since grown into a global Motion Technology company with around 110,000 employees and revenue of over €23bn in 2025, organized today into four operating segments plus Others and increasingly expanding beyond its traditional automotive and industrial base into fields such as humanoid robotics, aerospace, and defense.

This transformation is unfolding against a backdrop of significant upheaval in Schaeffler's core markets. The global automotive industry is in the midst of a structural shift toward electrification, whose pace and profitability vary sharply by region and customer segment, while Chinese manufacturers have emerged as both major customers and increasingly capable competitors. At the same time, established industrial and automotive suppliers face mounting cost pressure, tighter margins, and a more demanding geopolitical and regulatory environment across their key markets.

Yet more than a decade into his tenure, Rosenfeld is facing what may be the most demanding chapter of his leadership. Schaeffler's profitability has come under sustained pressure: group EBIT margins have fallen well short of the double-digit levels the company once generated, weighed down by a challenging automotive market, uneven progress in the shift toward electrification, and a cost base that has struggled to keep pace with declining volumes. Rosenfeld has already launched a broad restructuring program under Schaeffler's Roadmap 2030 initiative, and it is beginning to take effect, yet not fast enough to close the gap to the company's own medium-term targets. This raises the central question of the case: whether, and in what form, Schaeffler can still restore its sustainable competitiveness by 2030.

Convinced of the value of an outside perspective in navigating major transformations, Rosenfeld and the Group Executive Board have asked your team to review the current restructuring path and put forward an updated concept.

History of Schaeffler & M&A with Vitesco

Schaeffler was founded in 1946 in Herzogenaurach, Germany, by the brothers Wilhelm and Georg Schaeffler as a small manufacturing business. Georg Schaeffler's development of the needle roller bearing established the company as a pioneer in bearing technology and laid the foundation for its development into a leading automotive and industrial supplier. Over the following decades, Schaeffler expanded organically and through acquisitions, building its portfolio around the established INA, LuK and FAG brands. Under its guiding claim, "We pioneer motion", Schaeffler increasingly positioned itself as a "Motion Technology Company", broadening its portfolio beyond its traditional bearing and mechanical-engineering roots.

To this day, Schaeffler remains majority family-owned, with around 79% of its shares held by the family shareholders Maria-Elisabeth Schaeffler-Thumann and Georg F. W. Schaeffler. The company's corporate values, "Sustainable, Innovative, Excellent, Passionate", are explicitly rooted in this family ownership and its long-term orientation. The family sees its role as embodying "balanced entrepreneurial action" that seeks to reconcile ecological and social objectives with competitiveness and profitability. This long-term and values-driven approach is presented by Schaeffler as an important source of stability and continuity.

A defining milestone in Schaeffler's recent history was its acquisition of Vitesco Technologies Group AG, completed in October 2024. Vitesco, based in Regensburg with 35,000 employees at around 50 locations worldwide, had been spun off from Continental AG in 2021 as an independently listed powertrain technology company, bringing deep expertise in power electronics, sensors and electronic control units to the combination. These capabilities complemented Schaeffler's traditionally strong mechanical and mechatronic product portfolio, strengthening the combined company's position in the electric vehicle field.

Integration work began immediately following the completion of the combination, with structural measures aimed at realizing headcount and cost synergies announced after the acquisition and carrying an expected one-off charge of roughly €580m. As of the FY2025 report, this integration was well advanced but not yet complete, and not all aspects of it have progressed as smoothly as originally hoped.

Beyond these integration challenges, the merger also marked a broader organizational transformation: alongside absorbing Vitesco, Schaeffler introduced a new organizational structure and a new reporting structure comprising four operating segments plus Others effective January 1, 2025.

Overview of Segments

Schaeffler's core competitive advantage lies in combining deep mechanical and mechatronic engineering expertise, including its own electric-motor and power-electronics know-how built up over more than a decade, with the electronic control unit and vehicle-level sensor expertise added through the Vitesco merger. This breadth of technology capability, spanning combustion and electrified applications alike, is hard to match under one roof for most automotive and industrial suppliers, and it reduces Schaeffler's dependence on any single technology cycle or customer sector.

Schaeffler's value chain runs from global raw-material sourcing through a multi-tier supplier base into the company's global network of more than 260 locations across four regions, including 104 production locations. A broad base of shared core manufacturing technologies gives Schaeffler a high degree of vertical integration. The company deliberately leverages these technologies across products, customer sectors and segments, which allows it to generate synergies instead of depending on a single end-market. This integration of technologies and sites creates significant cross-segment synergies, but also interdependencies: any portfolio measure therefore needs to consider its impact on shared plants, technologies and economies of scale. The resulting products are sold through the four operating segments to a broad base of automotive and industrial customers. These

customers integrate Schaeffler's components into a wide range of end products, from vehicles to industrial machinery and renewable energy equipment, where they enter their respective use phase. At end-of-life, Schaeffler aims to recycle or otherwise sustainably dispose of both its own products and the end products containing them, reflecting its circular-economy ambitions.

Since January 1, 2025, the Schaeffler Group has reported along four product-oriented operating segments, plus a fifth, non-core segment called "Others". This structure replaced the former three-segment setup (Automotive Technologies, Automotive Aftermarket, Industrial) after the acquisition of Vitesco.

First, the Powertrain & Chassis segment develops and sells components for combustion and electrified drivetrains as well as chassis and steering technology, independent of drive type. The technology can be used in trucks, cars and two-wheeled vehicles. At €8,900m revenue in FY2025, it is still Schaeffler's largest segment by revenue, generating a solid 10.5% EBIT margin before special items, but it is structurally exposed to the ongoing decline of combustion-engine volumes.

Secondly, the Bearings & Industrial Solutions segment develops, manufactures and sells rotary and linear bearing solutions and drivetrain components for industrial and automotive applications. These products are complemented by tailored service offerings that support the use phase. Revenue reached €6,368m in FY2025 with an EBIT margin before special items of 7.5%.

Next, the E-Mobility segment develops, produces and sells a full portfolio of mechanical, mechatronic and electronic components for electrified powertrains in passenger cars and commercial vehicles. As the customers are mostly internationally operating car manufacturers, the demand is coupled to the vehicle production itself. With €5,015m revenue in FY2025 and an EBIT margin before special items of -16.0%, E-Mobility remains Schaeffler's clearest growth bet but is still in a heavily loss-making ramp-up phase.

Then, the Vehicle Lifetime Solutions segment manages Schaeffler's global aftermarket business, providing repair solutions and replacement components for passenger cars, light and heavy commercial vehicles, tractors, and two-wheelers. The segment operates in a highly dynamic market, with demand supported by the growing number and average age of vehicles in operation worldwide, which drives the need for maintenance and repair services. With revenue of €3,038m in FY2025 and the Group's highest profitability, reflected in an EBIT margin before special items of 14.8%, the segment provides a stable, high-margin counterweight to the more cyclical segments serving automotive manufacturers.

Lastly, the Others segment bundles portfolio elements outside the four core operating segments, primarily new growth fields such as humanoid robotics, defense and electrified aviation (eAviation), built as standalone units or start-ups, alongside externally facing functional units and discontinuing businesses. "Others" contributed a small share of group revenue in FY2025 and remains loss-making, reflecting its early-stage, investment character. Schaeffler's ambition is to generate up to 10% of group revenue from these new fields by 2035.

Motion Technology Market & Key Competitors

Schaeffler operates in a highly competitive and increasingly fragmented global market for automotive and industrial technologies. Historically, the company has built a strong position as a Tier-1 supplier based on its expertise in bearings, mechanical components and mechatronic systems. Following the combination with Vitesco Technologies in 2024, Schaeffler has significantly broadened its technological capabilities and portfolio. This transformation has strengthened Schaeffler's ambition to position itself as a global Motion Technology Company rather than a traditional automotive supplier. At the same time, it has increased the complexity of the business and exposed the company to several markets with fundamentally different competitive dynamics.

The automotive business remains at the core of Schaeffler's market exposure and the most important source of both opportunity and risk. According to industry forecasts, global demand for pure internal combustion engine (ICE) powertrain components is projected to decline at roughly 3% annually between 2025 and 2030, accelerating to an approximate 8% annual contraction thereafter. Vehicle production growth has largely decoupled geographically: while Europe and North America remain below pre-2020 peaks, growth is predominantly driven by China and emerging economies in the Global South. Escalating energy and labor costs, alongside customer pricing pressure, make operating leverage difficult to maintain. Western suppliers face high restructuring expenses as they manage the wind-down of legacy manufacturing capacity while reallocating capital to next-generation chassis-by-wire (electronically controlled steering and braking without mechanical linkage) and hybrid systems.

Unlike the concentrated automotive OE market, the Bearings and Industrial Technologies market is defined by extensive customer diversification, spanning heavy machinery, rail, wind energy, robotics, and medical devices. The sector is tied to capital expenditure (CapEx) cycles and macro trade patterns. Industrial production has faced headwind conditions, particularly in Europe. There are indications of near-stagnant machinery output across central Europe, offset primarily by selective demand in Asia. Traditional mechanical demand is increasingly supplemented by secular transformation trends, including renewable energy (wind turbine drivetrains), factory automation, high-speed rail, and cooling/power transmission systems for data centers. Value capture is shifting from standardized catalog components to application-tailored, condition-monitored mechatronic assemblies. Pricing power is structurally higher than in automotive Tier-1 manufacturing because customer switching costs are elevated, and component failure in industrial equipment entails severe downtime costs.

The electric mobility market is characterized by rapid volume expansion combined with severe price competition and volatile volume forecasts. Global demand for electrified powertrain components (electric drives, silicon carbide inverters, battery management systems) is growing at approximately 13% annually. However, consumer adoption has been volatile: pure BEV adoption has faced regulatory and consumer headwinds in Western markets, prompting OEMs to repeatedly revise platform rollout schedules and extend the lifecycle of plug-in hybrid (PHEV) models. Additionally, suppliers must commit billions in R&D and specialized production tooling years before vehicle volumes reach break-even scale, exposing participants to high underutilization risks. Rivalry in this space is intense, fought across three distinct fronts: traditional Tier-1s, electric drive specialists, and vertically

integrated OEMs. Chinese manufacturers like BYD, Geely and Chery structurally alter the competitive landscape as they develop powertrain, battery, and electronic systems completely in-house at cost points Western suppliers struggle to match. Furthermore, major Western OEMs (notably BMW, Volkswagen and Tesla) selectively in-source motor design and battery integration, compressing the addressable market for independent suppliers and driving fierce price competition for remaining merchant business.

The global automotive aftermarket and repair services segment provides high margins and anti-cyclical resilience against broader automotive downturns. Demand is anchored by the growing and aging global operating vehicle fleet. The aftermarket faces growing technical complexity. The proliferation of Advanced Driver Assistance Systems (ADAS), embedded telematics, and electrified drivetrains requires workshops to access specialized diagnostic software, calibration tools, and component repair kits. Distribution channels are also consolidating rapidly, with large e-commerce platforms and distribution conglomerates challenging traditional regional parts wholesalers. Competition focuses on catalog breadth, parts availability, brand trust, and workshop enablement rather than raw piece-price manufacturing costs. Major OE suppliers lead the competition, operating dedicated aftermarket units. As the end-repair customer prioritizes vehicle uptime over minor part price differences, the competitive moat lies in distribution network density and repair intelligence. Suppliers that package physical components with step-by-step diagnostic software and technical training retain commanding pricing leverage over low-cost generic component producers.

Finally, the “Others” segment aggregates emerging venture fields beyond established industrial and automotive supply chains, primarily targeting humanoid robotics, defense applications, and electrified aviation (eAviation). These target segments represent frontier technologies characterized by long development cycles, strict regulatory certification (aerospace, defense), and low immediate revenue realization relative to heavy front-loaded R&D requirements. The competitive landscape is fragmented and fluid, lacking fixed Tier-1 supply relationships. Participants range from defense contractors and aerospace conglomerates to specialized high-precision motion-control suppliers and venture-backed robotics start-ups. Driven by escalating geopolitical tensions, demand in markets such as defense and aerospace is expanding rapidly, yet standardized high-volume manufacturing capabilities offer limited advantage here, as success hinges instead on high-precision engineering, rapid-iteration prototyping and the agility to deliver customized, low-volume solutions.

Across all five segments, Schaeffler must navigate the structural decline of its profitable legacy combustion business while financing capital-intensive growth in E-Mobility and frontier technologies amid aggressive global competition. This polarization underscores that cyclical cost-cutting alone is insufficient to protect long-term margins. Consequently, Schaeffler’s ongoing restructuring is essential to consolidate overlapping post-merger capacities, reallocate capital, and realign the Group’s operating model for sustainable competitiveness.

Fundamentals of Corporate Restructuring

A corporate crisis is characterized by the fact that, triggered by internal and external factors, the company's going concern may be at risk. To determine the exact state of the company and the nature of the crisis, various crisis stages have been defined that a company goes through during a typical crisis. As the company progresses through these stages, its room for action decreases, while the need for action increases. As the crisis progresses, it becomes increasingly easier to recognize it. The stages of a crisis are: stakeholder crisis, strategic crisis, product and sales crisis, profitability crisis, and liquidity crisis. If no measures are taken to address the crisis, it ultimately leads to insolvency.

A stakeholder crisis is characterized by conflicts between different stakeholder groups. This can lead to deadlocks in strategic decision-making, including supervisory boards. Such a stakeholder crisis often leads to a strategic crisis. Failing to keep pace with market developments and customer needs results, among other things, in a loss of market share.

These losses in market share can develop into a product and sales crisis. Sales decline due to ineffective marketing and sales strategies, as well as falling demand. At the same time, inventories often rise, leading to increased capital tied up in inventory and underutilization of capacity. If capacity cannot be reduced in a timely manner in parallel with the decline in sales, a profitability crisis arises. Profitability declines or even turns negative. This can initially result in the company no longer covering its cost of equity. At this point, at the latest, the crisis becomes visible to the outside world through profitability metrics. This also makes it considerably more difficult to raise debt capital.

The longer and more severe the crisis of declining performance is, the more likely a liquidity crisis becomes. Ongoing losses also erode equity and can lead to an inability to meet debt service obligations. If no immediate measures are taken at this stage to secure liquidity, the end result will be insolvency.

To overcome the crisis, appropriate packages of measures must be developed that address, one by one, the individual stages of the crisis that the company has already gone through. In the event of a liquidity crisis, measures to secure liquidity must be taken first, even if these may have a negative impact on profitability. This liquidity must be maintained throughout the entire restructuring period to prevent insolvency. The goal of restructuring is for the restructured company to achieve sustainable competitiveness. The key metric for this is profitability, which the company must have achieved by the end of the restructuring process. It is important that there is a high probability of success for all measures to be taken and the final goals of the restructuring.

Ongoing Restructuring of Schaeffler

Schaeffler has announced its "Roadmap 2030" initiative. It is intended to outline the path toward the Group's transformation. Financially, the EBIT margin before special items is targeted to rise to 6.0-8.0% by 2028 and up to 10% by 2030. Various measures have already been taken to achieve this goal. After the closing of the acquisition of Vitesco, Schaeffler planned to reduce the headcount by 4,700 jobs in Europe, 2,800 of them in Germany. In August 2026, Schaeffler announced a further reduction of 1,300 jobs in Germany.

Following the merger with Vitesco, the company began consolidating locations and streamlining duplicate structures in administration, sales, and R&D. The goal was to achieve the targeted headcount reductions and lower costs.

In addition, the production network was adjusted to account for the decline in the traditional internal combustion engine segment by closing, selling, or consolidating unprofitable sites. Investments in research and development for the internal combustion engine segment were also reduced. Instead, investments were redirected toward the Group's growth segments. There was a ramp-up in the E-Mobility segment. In addition, the humanoid robotics and defense activities were established to position the company for these future markets as well.

The measures taken are beginning to take effect, but the financial picture for FY2025 remained strained. The Group's EBIT margin before special items was 4.0%, still far below the target of 10% by 2030, and improved to 4.7% in the first half of 2026. Special items of €640m, including restructuring and Vitesco integration costs, contributed to a net loss of €424m in 2025. The pace of transformation varies from segment to segment. In the E-Mobility segment, profitability is on the rise, but Schaeffler had to revise the profitability targets downwards. The Powertrain & Chassis segment also continues to face challenges. Profitability is thus trending positively, but not enough to reach the target set for 2030. Schaeffler also faces the problem that the restructuring measures are triggering a significant outflow of cash in the short term, which cannot be offset by the other segments.

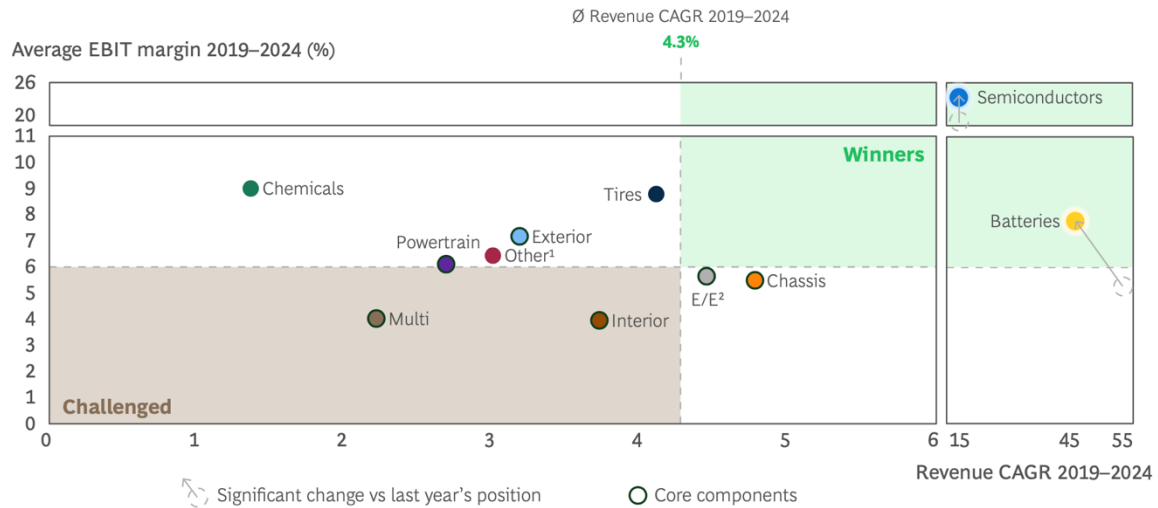
Question of the Case

For Klaus Rosenfeld, the early results of Schaeffler's Roadmap 2030 initiative are a source of cautious optimism. Headcount and costs have been reduced, the portfolio realigned across segments, and selective investments made in new growth areas such as humanoid robotics and defense. The Group's EBIT margin before special items improved from 4.0% in 2025 to 4.7% in the first half of 2026, most notably in E-Mobility and Bearings & Industrial Solutions. Powertrain & Chassis declined from 11.6% to 11.1%, while Vehicle Lifetime Solutions improved from 14.7% to 15.5%, reinforcing its role as a stable, high-margin counterweight. Yet the improvement has come at a price: restructuring-related charges of €640m kept the 2025 net result negative, and cash flow came under renewed strain in early 2026 as restructuring payouts fell due. While Rosenfeld stands by the chosen path, he acknowledges that progress will need to accelerate if Schaeffler is to close the gap to its own medium-term target of a 10% EBIT margin before special items by 2030.

As newly appointed restructuring advisors, your team has been asked by Klaus Rosenfeld and Schaeffler's Group Executive Board to answer exactly this question: whether, and in what form, Schaeffler can restore its sustainable competitiveness by 2030. Your objective is to identify the **underlying causes** and **current crisis stage** of Schaeffler's situation, develop a guiding vision for the restructured company including the future development of its business segments and market activities, and outline a **restructuring roadmap until the end of 2030** that **quantifies the proposed measures** and their implementation timeline, showing how Schaeffler can close the gap to its own medium-term target of an **EBIT margin before special items of 10% by 2030**. Your recommendation should also include an assessment of the **key risks** associated with the proposed restructuring path and show how the measures safeguard Schaeffler's ability to continue as a going concern throughout the restructuring period.

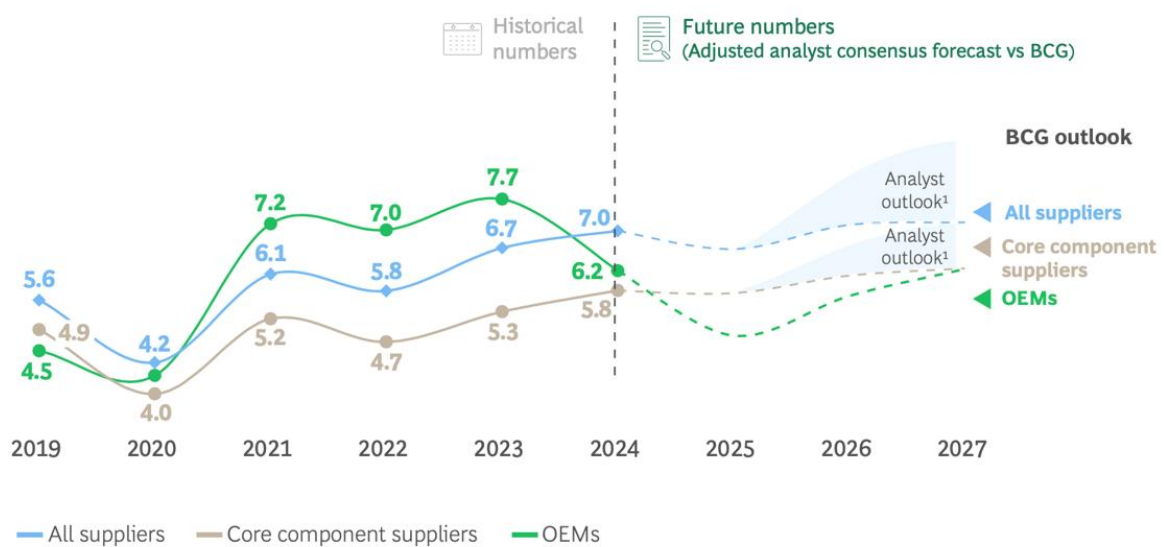
Appendix

Appendix 1: Average EBIT margin and revenue CAGR of global suppliers by subsectors 2019-2024 (%)



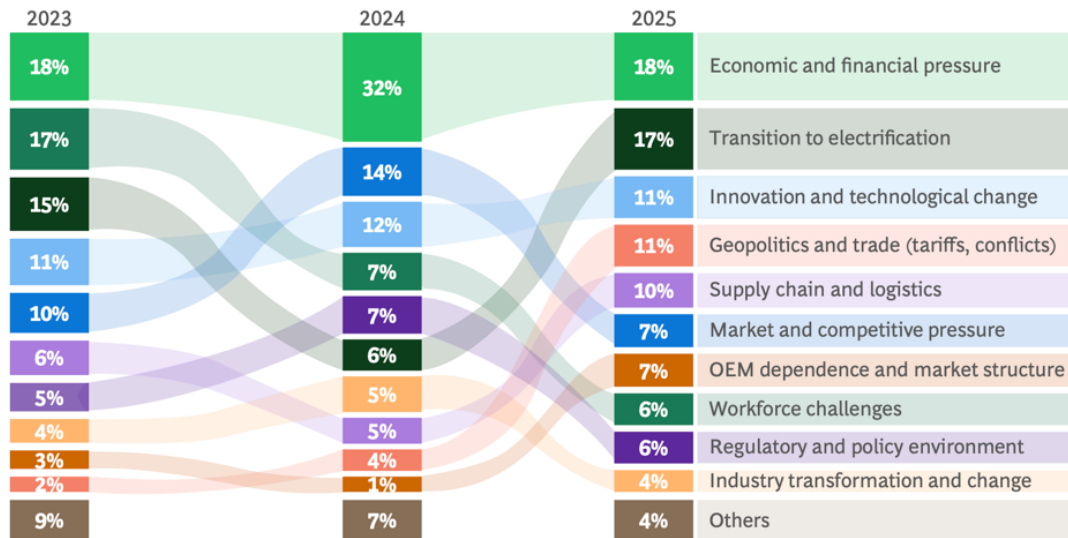
(Source: Boston Consulting Group, The 2026 Global Automotive Supplier Study, 2026)

Appendix 2: Average EBIT margin for auto OEMs and suppliers globally 2019-2027 (%)



(Source: Boston Consulting Group, The 2026 Global Automotive Supplier Study, 2026)

Appendix 3: Topics named by automotive supplier executives as keeping them awake at night

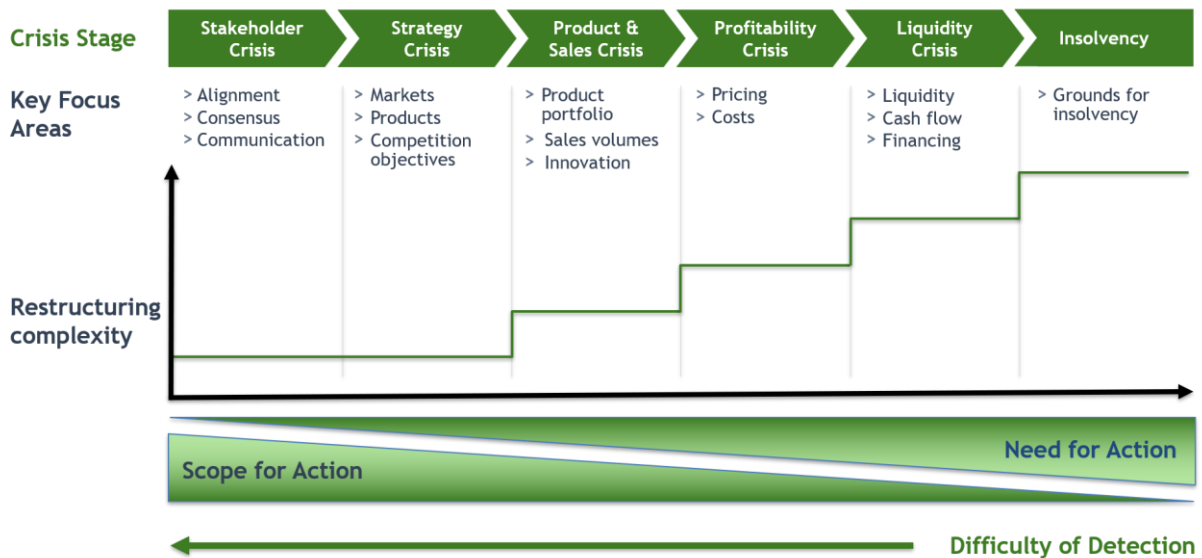


(Source: Boston Consulting Group, The 2026 Global Automotive Supplier Study, 2026)

Appendix 4: Corporate crisis stages and restructuring complexity according to IDW S 6

Corporate Crisis Stages

Progression of crisis severity, focus areas, and restructuring complexity (IDW S6 Standard)



Appendix 5: Top 5 European competitors of Schaeffler by revenue, adj. EBIT margin and core overlap

Company	Revenue	Adj. EBIT Margin	Core Activities vs. Schaeffler
Robert Bosch GmbH (Germany)	€90.3bn (Mobility: €56bn)	3.5%	Direct Tier-1 rival in electric powertrains, sensors, electronic steering, chassis control, and industrial drives.
ZF Friedrichshafen (Germany)	€41.4bn	3.6%	Direct automotive competitor in driveline and chassis tech, e-axes, power electronics, and commercial vehicle systems.
Continental AG (Germany)	€39.7bn (Auto: €19.4bn)	6.8% (Auto: 2.3%)	Direct rival in vehicle architectures, brake/motion systems, sensors, smart chassis, and aftermarket solutions.
Valeo SE (France)	€21.5bn	4.1%	Overlaps heavily with Schaeffler/Vitesco in e-motors, inverters, power electronics, thermal management, and ADAS.
SKF Group (Sweden)	€8.7bn	11.5%	Schaeffler's fiercest rival in precision bearings, industrial condition monitoring, linear motion, and vehicle wheel bearings.

Appendix 6: Top 5 international competitors of Schaeffler by revenue, adj. EBIT margin and core overlap

Company	Revenue	Adj. EBIT Margin	Core Activities vs. Schaeffler
DENSO Corporation (Japan)	€44.0bn	5.3%	Direct automotive competitor in electrification (inverters, motors), thermal management, and powertrain components.
Magna International (Canada)	€39.5bn	5.3%	Competes directly with Schaeffler's driveline/chassis units via Magna Powertrain (e-drives, 4WD/AWD systems, transmissions).
Aisin Corporation (Japan)	€30.5bn	3.6%	Overlaps in transmission systems, e-axes, drivetrain modules, and brake/chassis actuators.
NSK Ltd. (Japan)	€4.9bn	3.0%	Direct competitor in both bearing pillars: industrial precision bearings/linear guides and automotive electric power steering.
The Timken Company (USA)	€4.4bn	12.8%	Industrial peer competing directly with Schaeffler's Industrial Solutions segment in tapered roller bearings and motion drives.

Appendix 7: Schaeffler Group Consolidated Income Statement, in € millions

Line item	2021	2022	2023	2024	2025
Revenue	13.852	15.809	16.313	18.188	23.492
Cost of sales	(10.412)	(12.230)	(12.717)	(14.356)	(19.170)
Gross profit	3.440	3.579	3.596	3.832	4.322
<i>Gross margin (% of revenue)</i>	24,8%	22,6%	22,0%	21,1%	18,4%
Research and development expenses	(748)	(768)	(768)	(987)	(1.582)
Selling and administrative expenses (combined)	(1.517)	(1.735)	(1.825)	(2.007)	(2.466)
Other income and expense, net	91	(67)	(170)	(452)	19
Income (loss) from equity-accounted investees	(44)	(36)	1	(93)	2
EBIT (reported)	1.222	973	834	293	295
<i>EBIT margin, reported (% of revenue)</i>	8,8%	6,2%	5,1%	1,6%	1,3%
Special items	1	72	353	517	640
EBIT before special items	1.223	1.045	1.187	810	935
<i>EBIT margin before special items (% of revenue)</i>	8,8%	6,6%	7,3%	4,5%	4,0%
Financial result	(98)	(121)	(259)	(291)	(315)
Income taxes	(348)	(268)	(240)	(608)	(372)
Net income (loss) attributable to shareholders	756	557	310	(632)	(424)
Earnings per share, basic/diluted (€); 2021–2023 non-voting share	1,14	0,84	0,47	(0,86)	(0,45)

Appendix 8: Schaeffler Group Consolidated Balance Sheet, in € millions

Line item	2021	2022	2023	2024	2025
ASSETS					
Intangible assets	497	916	1.617	2.383	1.999
Property, plant & equipment (incl. right-of-use assets)	4.956	4.829	4.791	7.224	6.633
Other non-current assets	1.741	1.437	1.561	1.962	1.770
Total non-current assets	7.194	7.182	7.969	11.569	10.402
Inventories	2.495	2.796	2.812	3.570	3.503
Trade receivables	2.274	2.519	2.575	3.909	3.671
Cash and cash equivalents	1.822	1.063	769	1.281	2.371
Other current assets	580	727	880	1.041	1.082
Total current assets	7.171	7.105	7.036	9.801	10.627
TOTAL ASSETS	14.365	14.287	15.005	21.370	21.029
SHAREHOLDERS' EQUITY AND LIABILITIES					
Total shareholders' equity (incl. non-controlling interests)	3.165	4.141	3.905	3.969	3.054
<i>Equity ratio (% of total assets)</i>	22,0%	29,0%	26,0%	18,6%	14,5%
Pensions and similar obligations	2.454	1.606	1.832	2.355	2.120
Financial debt, non-current	3.231	3.238	3.068	5.137	6.551
Other non-current liabilities	832	929	914	2.237	1.988
Total non-current liabilities	6.517	5.773	5.814	9.729	10.659
Financial debt, current	545	60	890	979	735
Trade payables	2.068	2.339	2.357	3.707	3.402
Other current liabilities	2.070	1.974	2.039	2.986	3.179
Total current liabilities	4.683	4.373	5.286	7.672	7.316
Total liabilities	11.200	10.146	11.100	17.401	17.975
TOTAL EQUITY AND LIABILITIES	14.365	14.287	15.005	21.370	21.029
MEMO ITEMS					
Net financial debt	1.954	2.235	3.189	4.835	4.915
<i>Gearing ratio (net financial debt / equity)</i>	61,7%	54,0%	81,7%	121,8%	160,9%
Net working capital (Inventories + Trade receivables - Trade payables)	2.701	2.976	3.030	3.772	3.772

Appendix 9: Schaeffler Group Consolidated Statement of Cash Flows, in € millions

Line item	2021	2022	2023	2024	2025
OPERATING ACTIVITIES					
EBIT	1.220	974	834	294	295
Amortization, depreciation, and impairment losses	966	990	1.002	1.125	1.776
Change in net working capital (Inventories + Trade receivables + Trade payables)	(287)	(341)	(103)	80	(245)
Other operating items, net (interest, taxes, pensions, other)	(623)	(484)	(385)	(109)	(471)
Cash flows from operating activities	1.276	1.139	1.348	1.390	1.355
INVESTING ACTIVITIES					
Capital expenditures (intangible assets + PP&E)	(671)	(791)	(938)	(957)	(974)
M&A and equity investments, net	(23)	(195)	(1.045)	(1.141)	(30)
Other investing activities	(23)	(4)	83	14	16
Cash used in investing activities	(717)	(990)	(1.900)	(2.084)	(988)
FREE CASH FLOW					
Free cash flow before M&A activities	523	280	421	363	266
Free cash flow after M&A activities	500	85	(624)	(778)	236
FINANCING ACTIVITIES					
Dividends paid	(165)	(336)	(306)	(306)	(248)
Net debt issuance / (repayment)	(302)	(492)	654	1.584	1.191
Principal repayments on lease liabilities	(59)	(64)	(72)	(84)	(131)
Other financing activities	-	-	-	(7)	-
Cash provided by (used in) financing activities	(526)	(892)	276	1.187	812
NET CASH MOVEMENT					
Net cash movement before FX effects	33	(743)	(276)	493	1.179
FX and other effects	31	(10)	(24)	19	(88)
Cash and cash equivalents, beginning of period	1.758	1.822	1.069	769	1.281
Cash and cash equivalents, end of period	1.822	1.069	769	1.281	2.372

Appendix 10: Schaeffler Group Segment Split, in € millions

E-Mobility	FY 2024 pro forma*	FY 2025
Revenue	4.816	5.015
EBIT (before special items)	(1.066)	(805)
EBIT margin (% of revenue)	(22,1%)	(16,0%)

Powertrain & Chassis	FY 2024 pro forma*	FY 2025
Revenue	9.656	8.900
EBIT (before special items)	1.101	933
EBIT margin (% of revenue)	11,4%	10,5%

Vehicle Lifetime Solutions	FY 2024 pro forma*	FY 2025
Revenue	2.961	3.038
EBIT (before special items)	440	450
EBIT margin (% of revenue)	14,8%	14,8%

Bearings & Industrial Solutions	FY 2024 pro forma*	FY 2025
Revenue	6.525	6.368
EBIT (before special items)	435	475
EBIT margin (% of revenue)	6,7%	7,5%

Others*	FY 2024 pro forma*	FY 2025
Revenue	355	171
EBIT (before special items)	(67)	(117)
EBIT margin (% of revenue)	(18,9%)	(68,7%)

*Others bundles new growth fields (humanoid robotics, defense, eAviation) and discontinuing businesses

*FY 2024 pro forma: figures shown as if the merger with Vitesco Technologies (closed 1 Oct 2024) had been effective from 1 Jan 2024, and restated to the new divisional structure introduced in 2025.