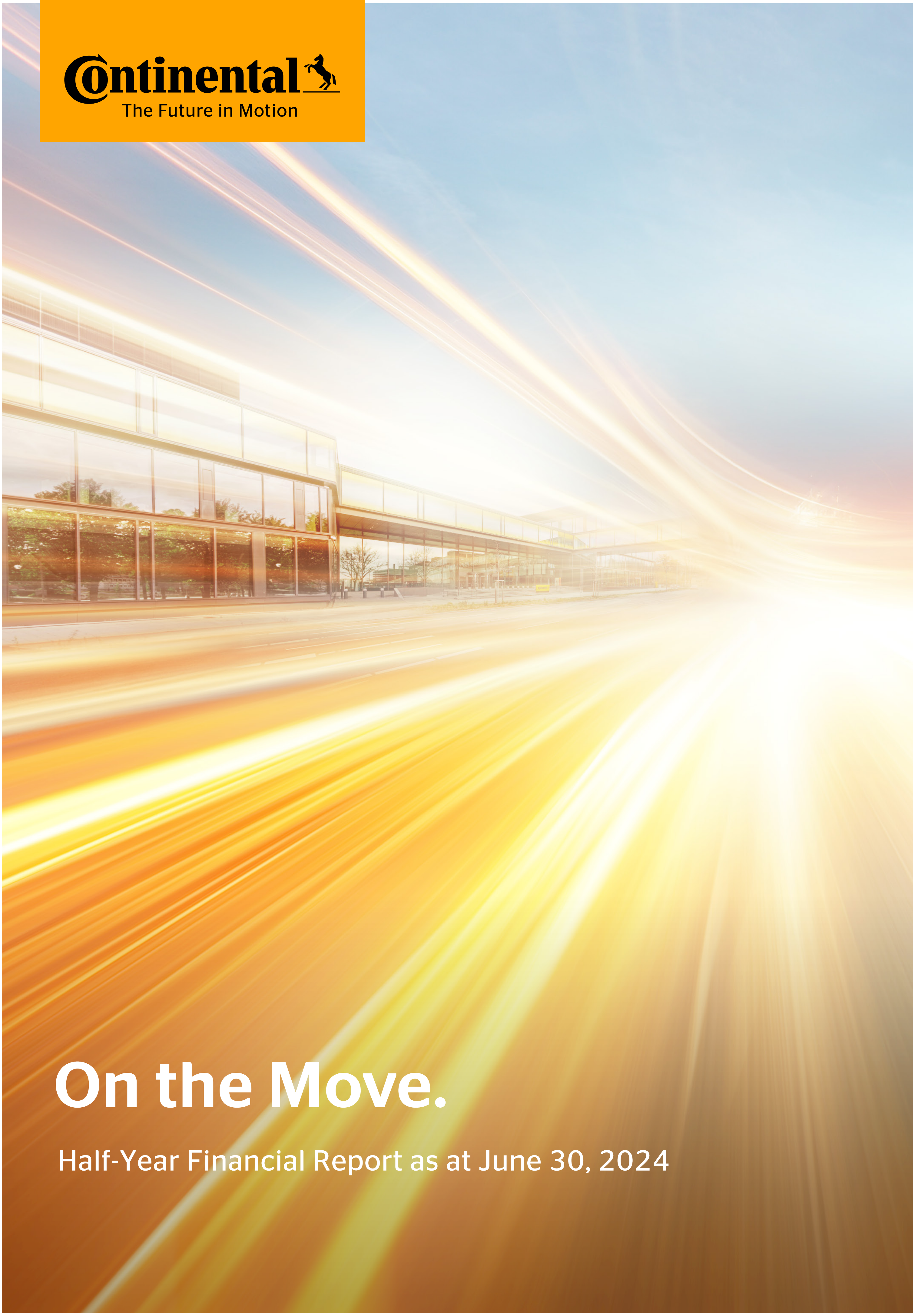


Continental
The Future in Motion

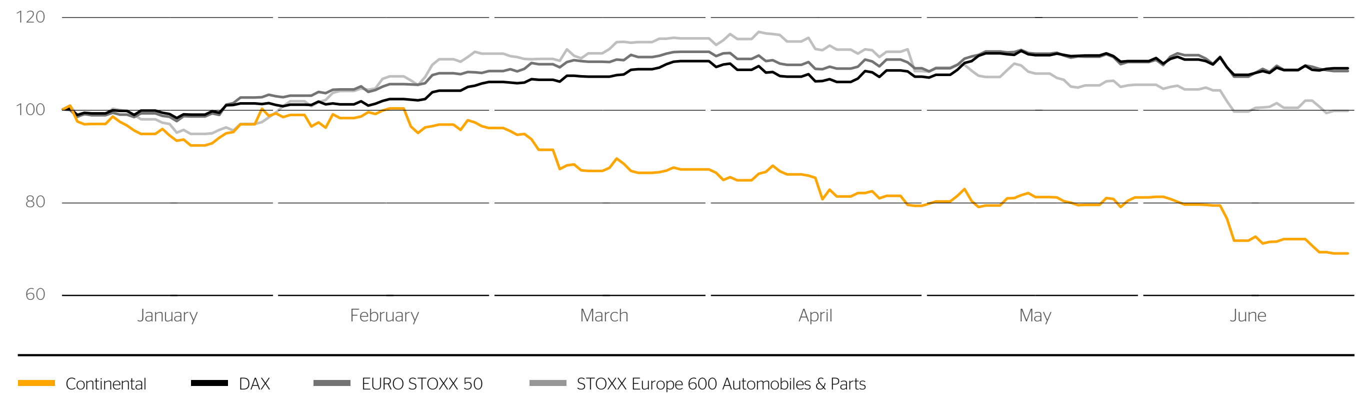
# On the Move.

Half-Year Financial Report as at June 30, 2024

# Continental Shares and Bonds

**Price performance of Continental shares in 2024 versus selected stock indexes**

Indexed to January 1, 2024




**Positive trend on the stock markets**

The trend on the stock markets was volatile but overall slightly positive in the first half of 2024, characterized in particular by macroeconomic changes. Following uncertainty at the start of the year due to geopolitical tensions and persistent fears of inflation, the markets stabilized thanks to robust corporate earnings and an easing of monetary policy in many major economies. Interest-rate hikes by the US Federal Reserve and the European Central Bank (ECB) introduced at the end of 2023 had a clear impact on inflation. This boosted investor confidence and led to a rise in share prices.

Technology stocks in the areas of artificial intelligence and semiconductors performed strongly, supported by more stable supply chains and lower costs of raw materials. The performance of financials, on the other hand, was mixed, influenced by interest-rate hikes and fears of a banking crisis. Overall, the most important indexes ended the first half of the year higher than at the start of the year. The recovery was uneven, however, with fears of a possible recession and international conflicts continuing to create uncertainty.

The DAX closed the first half of 2024 at 18,235.45 points, representing an increase of 8.9% compared with the end of 2023, when it was quoted at 16,751.64 points. The EURO STOXX 50 recorded a similar trend, rising by 8.2% in the same period to close at 4,894.02 points at the end of June.

**Mixed performance among automotive stocks**

The performance of automotive stocks was mixed in the first half of 2024. While certain companies benefited from an increase in demand for technological innovations and saw their share prices rise significantly in some cases, other manufacturers struggled with production issues and weak sales markets, which weighed on their share price performance.

The initial slight outperformance of automotive stocks compared with general market indexes diminished over the course of the second quarter due to the political discussions concerning punitive tariffs between China and Europe.

The STOXX Europe 600 Automobiles & Parts fell to 625.48 points in the first half of 2024, a slight decrease of 0.4% compared with the end of 2023.

**Inconsistent performance by Continental shares**

In the first quarter of 2024, Continental's share price was influenced by the negative overall trend in the automotive industry. After a fairly steady start to the year, the shares underperformed at the end of the first quarter. The share price continued to decline in the second quarter as a result of subdued expectations in the automotive industry and inflation effects, falling from €66.90 at the end of the first quarter to €52.90 at the end of the first half of the year. On April 29, 2024, the share price was marked down to reflect the dividend of €2.20 for fiscal 2023 resolved by the Annual Shareholders' Meeting.

At the end of June 2024, Continental's shares were listed at €52.90. Compared with the 2023 year-end price of €76.92, this represented a decline of 31.2%, or 29.6% when factoring in a reinvestment of the dividend paid out on the distribution date.

**Price gains for Continental bonds**

Interest rates for European corporate bonds remained high in the reporting period, which led to a positive trend in bond prices. At the end of June 2024, Continental's outstanding bonds with a term of more than two years were quoted at a slightly lower price than at the end of 2023, while those with a shorter term closed above their 2023 year-end price.

### Continental's key bonds outstanding as at June 30, 2024

| WKN/ISIN | Coupon p. a. | Maturity | Volume in € millions | Issue price | Price as at June 30, 2024 | Price as at Dec. 31, 2023 |
|---|---|---|---|---|---|---|
| A28YEC/XS2193657561 | 1.125% | September 25, 2024 | 625.0 | 99.589% | 99.334% | 98.016% |
| A2YPAE/XS2056430874 | 0.375% | June 27, 2025 | 600.0 | 99.802% | 96.856% | 96.117% |
| A28XTR/XS2178586157 | 2.500% | August 27, 2026 | 750.0 | 98.791% | 98.220% | 98.922% |
| A35138/XS2672452237 | 4.000% | March 1, 2027 | 500.0 | 99.658% | 101.381% | 102.347% |
| A30VQ4/XS2558972415 | 3.625% | November 30, 2027 | 625.0 | 100.000% | 100.468% | 101.708% |
| A351PU/XS2630117328 | 4.000% | June 1, 2028 | 750.0 | 99.445% | 101.634% | 103.346% |

### Credit rating for Continental AG

| | June 30, 2024 | Dec. 31, 2023 |
|---|---|---|
| **Standard & Poor's**[1] | | |
| Long-term | BBB | BBB |
| Short-term | A-2 | A-2 |
| Outlook | stable | stable |
| **Fitch**[2] | | |
| Long-term | BBB | BBB |
| Short-term | F2 | F2 |
| Outlook | stable | stable |
| **Moody's**[3] | | |
| Long-term | Baa2 | Baa2 |
| Short-term | P-2 | P-2 |
| Outlook | stable | stable |

*1 Contracted rating since May 19, 2000.*
*2 Contracted rating since November 7, 2013.*
*3 Contracted rating since January 1, 2019.*

**Credit rating for Continental AG unchanged**
The rating agencies Standard & Poor's, Fitch and Moody's left their respective credit ratings unchanged in the reporting period.

**Investor Relations online**
For more information about Continental shares, bonds and credit ratings, please visit www.continental-ir.com.

# Consolidated Management Report

**Olaf Schick appointed new Continental CFO**
The Supervisory Board of Continental AG appointed Olaf Schick as the company's new chief financial officer (CFO) effective July 1, 2024. In addition to Group Finance and Controlling, Olaf Schick will remain responsible for Group Law and Intellectual Property, Group Compliance, Group Internal Audit, Group Quality, Technical Compliance, Continental Business System and Environment, and Group Risks and Controls, all of which were previously part of the Integrity and Law function. Continental CEO Nikolai Setzer has assumed responsibility for Group Information Technology. Olaf Schick has taken over the Finance function from Katja Garcia Vila, who will not be seeking another term on the Executive Board – as announced by the company on March 11, 2024. Her contract will expire at the end of the year. The Continental Executive Board will thus be reduced from seven to six members.

**Continental implements pioneering cross-domain high-performance computer in a car**
Continental has implemented the first cross-domain high-performance computer in a car, which it unveiled as a prototype at the Consumer Electronics Show (CES) in Las Vegas. For the first time, it is possible to host cockpit and additional vehicle features such as driving safety and automated parking, including holistic motion control, in a real-life vehicle application. This was made possible by the technical collaboration with Qualcomm Technologies, Inc. and is an example of how software-defined vehicles are developing.

**Continental advances server-based vehicle architectures with zone control units**
With the production launch of zone control units (ZCUs), Continental has implemented another key component of server-based architectures in addition to its high-performance computers. The technology company has received multiple customer orders for ZCUs from automotive manufacturers worldwide. Continental's electronics specialists are thus driving the development of software-defined vehicles worldwide. ZCUs form the middle tier of the server-based electrical and electronic (E/E) architecture in software-defined vehicles. Between the levels of sensors and actuators as well as the high-performance computers, they redistribute the vehicle architecture and ensure the electronics interact smoothly across domains. They reduce complexity and are the key to over-the-air software updates in the vehicle.

**Continental and telematics provider Samsara partner for data-driven fleet solutions**
Continental has entered into a partnership with Samsara, a global telematics provider. The goal of this integration is to deliver comprehensive, data-driven fleet management solutions with a focus on truck trailers. To accomplish this, both companies will exchange data points, providing customers with access to a broad spectrum of trailer data. This includes in-tire sensor data from Continental, such as tire pressure and mileage. Samsara and Continental are committed to building an integration that enables fleets to improve safety, streamline productivity and maintenance intervals, optimize trailer allocation and planning, and gain a comprehensive overview of trailer assets.

**Investment of around $90 million in Mexico for Continental's new hydraulic hose production plant**
The ContiTech group sector has announced the construction of a new hydraulic hose plant for industrial applications in Aguascalientes, Mexico. The investment decision is one of the biggest for the ContiTech group sector in 2024. The construction of the plant is scheduled to begin in the second half of 2024, with operation expected to start in the second half of 2025.

**Surfaces from Continental – new door panel concept for the vehicle interior**
With its new door panel concept, Continental is making its diverse surface expertise visible and tangible in the form of a door panel consisting of five different functional surfaces. Its door panel concept has not only been well received by customers, but also won the 2023 CMF Design Award in Shenzhen, China. This award focuses on color, material, finish and pattern. Elements of the SPACE D design concept, which was unveiled at the IAA MOBILITY 2023, can also be found in this new technology. As part of SPACE D, the ContiTech group sector's surface specialists are developing the functions needed for the vehicle interior of the future, combining living, driving and working into one.

# Economic Report

## Macroeconomic Development

According to the latest forecast by the World Bank, global economic growth is expected to be 2.6% in 2024. Despite geopolitical tensions and high interest rates, growth is therefore projected to hold steady at the previous year's level. Central banks have begun to ease the restrictive monetary policies they put in place to combat inflation, supported by the gradual fall in inflation rates. In emerging and developing economies, inflation is moderating at a noticeably slower pace.

The USA and Europe in particular are benefiting from stable domestic demand. In emerging and developing economies, as well as in China, the positive trend will diminish slightly in 2024. Nevertheless, many of these countries will continue to make a significant contribution to global growth. On this basis, it is expected that the global economy will be able to continue to grow at the same rate in the second half of the year. The effectiveness of geopolitical measures remains uncertain. Significant risks for economic growth still include geopolitical tensions, trade conflicts and political uncertainties around the world.

**Forecast economic growth (GDP) for 2024**

| | **June 2024[1]** | April 2024[2] | January 2024[3] |
|---|---|---|---|
| Europe | | | |
| Germany | 0.3%[4] | 0.2% | 0.5% |
| Eurozone | 0.7% | 0.8% | 0.9% |
| United Kingdom | 0.8%[5] | 0.5% | 0.6% |
| Russia | 2.9% | 3.2% | 2.6% |
| | | | |
| The Americas | | | |
| USA | 2.5% | 2.7% | 2.1% |
| Brazil | 2.0% | 2.2% | 1.7% |
| | | | |
| Asia | | | |
| China | 4.8% | 4.6% | 4.6% |
| Japan | 0.7% | 0.9% | 0.9% |
| India | 6.6% | 6.8% | 6.5% |
| | | | |
| **World** | **2.6%** | **3.2%** | **3.1%** |

*Sources:*
*1 World Bank, Global Economic Prospects, June 2024.*
*2 International Monetary Fund (IMF), World Economic Outlook, April 2024.*
*3 IMF, World Economic Outlook Update, January 2024.*
*4 Deutsche Bundesbank, June 2024.*
*5 BCC – British Chambers of Commerce, June 2024.*

## Development of Key Customer Sectors and Sales Regions

With a 63% share of consolidated sales (PY: 65%), the automotive industry – with the exception of the replacement business – was Continental's most important customer group in the first half of 2024. The Automotive group sector accounted for the lion's share, but the Tires and ContiTech group sectors also generated significant sales figures in this market segment.

The second-biggest market segment for Continental was the global replacement-tire business, with 25% of total sales in the first half of 2024 (PY: 24%). Because passenger cars and light commercial vehicles make up a considerably higher share of the replacement-tire business, their development is particularly important to our economic success.

The third-biggest market segment for Continental was the global business with industrial customers and spare parts from the ContiTech group sector, with around 9% of total sales in the first half of 2024 (PY: 9%).

**Development of production of passenger cars and light commercial vehicles**

| | **H1 2024** | 2024 |
|---|---|---|
| Europe | -4% | -6% to -4% |
| North America | 2% | 0% to 2% |
| China | 5% | 0% to 2% |
| Worldwide | 0% | -3% to -1% |

*Source: S&P Global (Europe with Western, Central and Eastern Europe incl. Russia and Türkiye). Preliminary figures and own estimates.*

The global production of passenger cars and light commercial vehicles was unchanged in the first half of 2024 compared with the first half of 2023. The main reasons for this were persistent weak demand, delayed production launches and uncertainty among consumers in some regions when it comes to selecting drive technologies. Europe's performance in particular was weak, with a year-on-year decline of 4%. By contrast, the production of passenger cars and light commercial vehicles increased by 2% in North America and by 5% in China.

For the year as a whole, Continental now expects global passenger car and light commercial vehicle production to develop by -3% to -1% year-on-year (previously: -1% to 1%) due to weaker-than-expected development in Europe and China.

### Development of production of medium and heavy commercial vehicles

| | H1 2024 | 2024 |
|---|---|---|
| Europe | 0% | –14% to –12% |
| North America | –4% | –4% to –2% |

*Source: S&P Global (Europe with Western, Central and Eastern Europe incl. Russia and Türkiye). Preliminary figures and own estimates.*

In the first half of 2024, production of medium and heavy commercial vehicles weighing more than 6 metric tons remained steady in Europe but declined in North America, our second core market. This was partly due to the weak economic outlook.

For the year as a whole, we currently expect production of medium and heavy commercial vehicles weighing more than 6 metric tons to slow down significantly in Europe compared with 2023. We also expect a decline in North America due to economic uncertainties and geopolitical tensions.

### Development of replacement-tire markets for passenger cars and light commercial vehicles

| | H1 2024 | 2024 |
|---|---|---|
| Europe | 3% | 0% to 3% |
| North America | 4% | –1% to 2% |
| China | 5% | 2% to 5% |
| **Worldwide** | **3%** | **0% to 3%** |

*Source: Preliminary figures and own estimates.*

Sales volumes of replacement tires for passenger cars and light commercial vehicles weighing less than 6 metric tons increased year-on-year in all three core regions in the reporting period. After a good first quarter of 2024, demand in Europe continued to recover in the second quarter, which was also attributable to the reduction in inventories in 2023. Following a strong first quarter, the market in North America saw only moderate development in the second quarter. The replacement-tire market in China remains buoyant after a strong year in 2023.

Over the remainder of the year, we expect a slight decline in demand compared with the first half of the year, as well as increasing sales uncertainty, particularly in the North American market. For the year as a whole, we continue to expect sales volumes to be slightly positive overall and up slightly year-on-year.

### Development of replacement-tire markets for medium and heavy commercial vehicles

| | H1 2024 | 2024 |
|---|---|---|
| Europe | –2% | –1% to 1% |
| North America | 16% | 2% to 4% |

*Source: Preliminary figures and own estimates.*

Due to the persistently weak market for replacement tires for medium and heavy commercial vehicles weighing more than 6 metric tons, demand remained below the previous year's level in our core market of Europe. The strong rise in demand in North America was mainly due to the high number of tire imports from Asia.

While we expect demand in the European market to improve slightly in the second half of the year, it is likely to normalize in North America. For 2024 as a whole, we expect sales volumes in Europe to be on par with the prior-year level. In North America, we expect an overall increase in demand of 2% to 4%.

### Development of industrial production

| | Q1 2024 | Q2 2024 | 2024 |
|---|---|---|---|
| Eurozone | –3.6% | –1.5% | –2% to 0% |
| USA | –0.5% | 0.0% | –1% to 1% |
| China | 4.5% | 6.2% | 4% to 6% |

*Source: Bloomberg, preliminary figures and own estimates.*

In addition to vehicle production and the replacement business for the automotive industry, the development of various other industries is crucial to the success of our ContiTech group sector. ContiTech products are used in particular in equipment, machinery and vehicles for railway transport, mining, agriculture and other key industries. As well as the general development of gross domestic product, the development of industrial production is therefore regarded as an important indicator for ContiTech's business with industrial customers.

Industrial production in the eurozone deteriorated in the first half of 2024. However, it improved in the second quarter compared with the first three months of the reporting year. In the USA, meanwhile, it remained constant in the first half of the year and was only slightly below the previous year's level. In China, industrial production was significantly higher than in the previous year.

In the second half of 2024, we expect a gradual improvement in industrial production in the eurozone, further positive growth in China and a steady trend in the USA, with slight growth potential toward the end of the year.

# Earnings, Financial and Net Assets Position of the Continental Group

| | January 1 to June 30 | | Second Quarter | |
|---|---|---|---|---|
| **Continental Group in € millions** | **2024** | 2023 | **2024** | 2023 |
| Sales | 19,791 | 20,732 | 10,003 | 10,426 |
| EBITDA | 1,756 | 1,990 | 1,095 | 920 |
| in % of sales | 8.9 | 9.6 | 10.9 | 8.8 |
| EBIT | 663 | 908 | 544 | 377 |
| in % of sales | 3.3 | 4.4 | 5.4 | 3.6 |
| | | | | |
| Net income attributable to the shareholders of the parent | 252 | 591 | 305 | 209 |
| Basic earnings per share in € | 1.26 | 2.95 | 1.52 | 1.04 |
| Diluted earnings per share in € | 1.26 | 2.95 | 1.52 | 1.04 |
| | | | | |
| Research and development expenses (net) | 1,628 | 1,548 | 803 | 757 |
| in % of sales | 8.2 | 7.5 | 8.0 | 7.3 |
| Depreciation and amortization[1] | 1,093 | 1,082 | 550 | 543 |
| thereof impairment[2] | 10 | 9 | 7 | 8 |
| Capital expenditure[3] | 909 | 940 | 477 | 511 |
| in % of sales | 4.6 | 4.5 | 4.8 | 4.9 |
| Operating assets as at June 30 | 20,216 | 21,265 | | |
| Number of employees as at June 30[4] | 197,622 | 203,746 | | |
| | | | | |
| Adjusted sales[5] | 19,753 | 20,697 | 9,991 | 10,411 |
| Adjusted operating result (adjusted EBIT)[6] | 900 | 1,075 | 704 | 501 |
| in % of adjusted sales | 4.6 | 5.2 | 7.0 | 4.8 |
| | | | | |
| Free cash flow | -940 | -1,089 | 143 | -137 |
| | | | | |
| Net indebtedness as at June 30 | 5,601 | 6,076 | | |
| Gearing ratio in % | 39.6 | 43.7 | | |

*The additional information relating to the second quarter was not part of the auditor's review.*

*1 Excluding impairment on financial investments.*
*2 Impairment also includes necessary reversals of impairment losses.*
*3 Capital expenditure on property, plant and equipment, and software.*
*4 Excluding trainees.*
*5 Before changes in the scope of consolidation.*
*6 Before amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation, and special effects.*

## Earnings Position

**Business and sales performance**
Consolidated sales for the first six months of 2024 fell by 4.5% year-on-year to €19,791 million (PY: €20,732 million). Before changes in the scope of consolidation and exchange-rate effects, sales declined by 3.2%. The main reason for the downward trend was the weak economic environment in the relevant automotive and industrial markets, particularly in the core market of Europe.

**Adjusted EBIT**
Adjusted EBIT for the Continental Group fell by €174 million or 16.2% year-on-year to €900 million (PY: €1,075 million) in the first six months of 2024, corresponding to 4.6% (PY: 5.2%) of adjusted sales.

**EBIT**
The Continental Group's EBIT decreased by €245 million or 27.0% year-on-year to €663 million (PY: €908 million) in the first six months of 2024, and the return on sales fell to 3.3% (PY: 4.4%). The cost of sales decreased by €662 million to €15,583 million (PY: €16,245 million). EBIT was negatively affected by the weak market environment, which was reflected in a decline in sales in all group sectors. In addition, the higher restructuring expenses in the first half of 2024 had a particularly negative impact.

**Special effects in the first half of 2024**
Total consolidated expense from special effects in the first six months of 2024 amounted to €183 million. Automotive accounted for €145 million of this, Tires for €18 million, ContiTech for €18 million and the holding for €2 million.

Impairment on property, plant and equipment resulted in expenses totaling €8 million in the Automotive group sector. These figures do not include impairment and reversals of impairment losses that arose in connection with restructuring.

Severance payments resulted in a negative special effect totaling €32 million (Automotive €17 million; Tires €4 million; ContiTech €10 million; holding €2 million).

The Automotive group sector incurred restructuring expenses of €136 million, mainly in the area of research and development expenses. These restructuring expenses included impairment on property, plant and equipment in the amount of €1 million. In addition, the reversal of restructuring provisions resulted in income of €4 million.

The Tires group sector incurred restructuring expenses of €1 million, which are entirely attributable to impairment on property, plant and equipment.

The ContiTech group sector incurred restructuring expenses of €10 million. In addition, the reversal of restructuring provisions resulted in income of €12 million.

Restructuring-related expenses resulted in an expense totaling €20 million (Automotive €8 million; Tires €12 million; ContiTech €1 million).

Loss of control over a participation and the subsequent change in consolidation method from full consolidation to the equity method resulted in income of €19 million in the Automotive group sector.

The sale of the Tires group sector's spikes operations resulted in expenses of €3 million.

A company acquisition in the Tires group sector resulted in income of €1 million.

In the ContiTech group sector, the Original Equipment Solutions (OESL) business area will be made organizationally independent. This resulted in expenses of €9 million.

**Special effects in the first half of 2023**
Total consolidated expense from special effects in the first six months of 2023 amounted to €114 million. Automotive accounted for €1 million of this, Tires for €109 million, ContiTech for €4 million and the holding for €1 million.

Impairment on property, plant and equipment resulted in expenses totaling €10 million (Automotive €5 million; Tires €5 million). These figures do not include impairment and reversals of impairment losses that arose in connection with restructuring.

Severance payments resulted in a negative special effect totaling €20 million (Automotive €6 million; Tires €8 million; ContiTech €5 million; holding €1 million).

The Automotive group sector incurred restructuring expenses of €1 million. In addition, the reversal of restructuring provisions resulted in income of €1 million, and the sale of a building in connection with a restructuring resulted in income of €18 million.

The Tires group sector incurred restructuring expenses of €1 million. There was also income in connection with restructuring of €2 million, which is entirely attributable to a reversal of impairment losses on property, plant and equipment.

The ContiTech group sector incurred restructuring expenses of €1 million.

Restructuring-related expenses resulted in an expense totaling €22 million (Automotive €8 million; Tires €13 million; ContiTech €1 million).

The sale of all Russian operations in the Tires group sector and some Russian operations in the ContiTech group sector resulted in expenses of €72 million for Tires and income of €6 million for ContiTech.

Loss allowances on accounts receivable and debt waivers in connection with the above-mentioned sale of Russian operations also led to expenses totaling €14 million (Tires €12 million; ContiTech €2 million).

**Research and development**
In the first six months of 2024, research and development expenses (net) rose by 5.2% compared with the same period of the previous year to €1,628 million (PY: €1,548 million), representing 8.2% (PY: 7.5%) of sales. The major portion of this (€1,363 million; PY: €1,291 million) related to Automotive, corresponding to 14.0% (PY: 12.7%) of sales.

**Financial result**
The negative financial result rose by €137 million year-on-year to €194 million (PY: €56 million) in the first half of 2024. The year-on-year increase was mainly due to the development of effects from currency translation.

Interest income rose by €4 million year-on-year to €51 million (PY: €47 million) in the first six months of 2024.

Interest expense totaled €214 million in the first half of 2024 and was thus €15 million higher than the previous year's figure of €199 million. Interest expense from long-term employee benefits and expected income from long-term employee benefits and from pension funds amounted to a net expense of €44 million in the first half of the year (PY: €42 million). These interest effects do not include the interest income from the plan assets of the pension contribution funds or the interest expense from the defined benefit obligations of the pension contribution funds. Interest expense, resulting mainly from bank borrowings, capital market transactions and other financing instruments, was €170 million (PY: €157 million).

The bonds issued by Continental AG and Conti-Gummi Finance B.V., Maastricht, Netherlands, resulted in expenses of €54 million (PY: €40 million). The increase was primarily due to the issuance of two euro bonds by Continental AG in the second and third quarters of 2023 with a total volume of €1,250 million, both with a fixed interest rate of 4.000% p.a. An offsetting effect was attributable to the repayment of two euro bonds, also in the amount of €1,250 million, in the second half of 2023. The €500-million bond of Continental AG had a fixed interest rate of 0.000% p.a. and was repaid in the third quarter of 2023, while the €750-million bond of Conti-Gummi Finance B.V., Maastricht, Netherlands, had an interest rate of 2.125% p.a. and was repaid in the fourth quarter of 2023.

The effects from currency translation resulted in a negative contribution to earnings of €10 million (PY: positive contribution to earnings of €107 million) in the first half of 2024. Effects from changes in the fair value of derivative instruments, and other valuation effects resulted in a total expense of €21 million (PY: €11 million). Other valuation effects accounted for €10 million of this in the reporting period (PY: €13 million). Taking into account the sum of the effects from currency translation and changes in the fair value of derivative instruments, earnings in the first half of 2024 were negatively impacted by €21 million (PY: positively impacted by €109 million). The prior-year effect resulted primarily from the development of the Chinese renminbi in relation to the euro.

**Income tax expense**
Income tax expense in the first half of 2024 amounted to €207 million (PY: €238 million). The tax rate in the reporting period was 44.2% (PY: 28.0%). This was mainly due to the different mix of countries in relation to net income.

**Net income attributable to the shareholders of the parent**
Net income attributable to the shareholders of the parent fell by 57.4% to €252 million (PY: €591 million). After the first six months of 2024, basic earnings per share amounted to €1.26 (PY: €2.95), the same amount as diluted earnings per share.

## Financial Position

**Reconciliation of cash flow**
At €155 million as at June 30, 2024, cash outflow arising from operating activities was €41 million lower than the previous year's figure (PY: €195 million). As announced, cash outflow was heavily impacted in the first half of 2024 by the payment of €476 million for the buyback of shares in ContiTech AG (now operating under the name ContiTech Deutschland GmbH). The addition to plan assets in 2022, which was netted with the associated obligations to employees in accordance with IAS 19, *Employee Benefits*, was offset by a liability that was paid out in the first half of 2024 (for further details, please refer to Notes 29 and 34 to the consolidated financial statements in the 2022 annual report). As changes in employee benefits are allocated to cash flow arising from operating activities in the statement of cash flows, the payment of the liability was also allocated to cash flow arising from operating activities and presented in changes to other assets and liabilities and other non-cash effects.

EBIT fell by €245 million year-on-year to €663 million (PY: €908 million) in the first six months of 2024. The cash-effective increase in working capital led to a cash outflow of €641 million (PY: €1,540 million).

Interest payments increased by €60 million to €185 million (PY: €125 million). Income tax payments increased by €12 million to €363 million (PY: €351 million).

At €1,093 million, depreciation, amortization, impairment and reversal of impairment losses rose by €11 million from €1,082 million in the previous year.

In addition, the payment of fines led to a cash outflow of €100 million in the second quarter of the year.

Cash flow arising from investing activities amounted to an outflow of €785 million (PY: €894 million) in the first six months of 2024. Capital expenditure on property, plant and equipment, and software was down €14 million from €817 million to €803 million before leases and the capitalization of borrowing costs.

The acquisition and disposal of interests in companies resulted in a total cash outflow of €1 million (PY: €125 million).

Free cash flow amounted to -€940 million in the first half of 2024 (PY: -€1,089 million), thus increasing by €149 million.

**Financing and indebtedness**

As at June 30, 2024, the Continental Group's net indebtedness amounted to €5,601 million. This fell by €475 million compared with the year-on-year figure of €6,076 million and rose by €1,563 million compared with the figure of €4,038 million as at December 31, 2023. The increase compared with the end of 2023 is primarily attributable to the negative free cash flow of €940 million and to the dividend payment of €440 million in May 2024. Cash and cash equivalents as well as other financing instruments such as commercial paper issuances and the utilization of the syndicated loan were used to meet the financing requirements. The gearing ratio improved in the first half of 2024 to 39.6% (PY: 43.7%).

The syndicated loan that was renewed ahead of schedule in December 2019 consists of a revolving tranche of €4,000 million and has an original term of five years. In November 2021, Continental exercised the second and final option to extend the term by one year. The lending banks then extended this financing commitment until December 2026 at unchanged conditions. As at June 30, 2024, Continental AG had utilized €350 million of this revolving loan (PY: €300 million) and Continental Rubber of America, Corp., Wilmington, Delaware, USA, had utilized €374 million (PY: -). For further details regarding the syndicated loan, please refer to the comments in the 2023 annual report. Due to the amendments to IAS 1, *Presentation of Financial Statements*, which became mandatory from January 1, 2024, the syndicated loan utilized was reported under long-term indebtedness as at June 30, 2024. The comparative periods have been adjusted accordingly; for further details, please refer to the "Accounting principles" section in the consolidated interim financial statements.

Indebtedness included a carrying amount of €865 million (PY: €678 million) from commercial paper issuances.

Under the Debt Issuance Programme (DIP), Continental AG issued one listed euro bond on August 31, 2023, with an issue volume of €500 million. The issue price of this bond, which has a term of three and a half years and a fixed interest rate of 4.000% p.a., was 99.658%. In addition, the €500-million and €750-million euro bonds of Continental AG and Conti-Gummi Finance B.V., Maastricht, Netherlands, maturing on September 12 and November 27, 2023, were redeemed in the second half of 2023 at a rate of 100.000%. The €500-million bond had an interest rate of 0.000% p.a. and a term of four years. The €750-million bond had an interest rate of 2.125% p.a. and a term of three and a half years.

As at June 30, 2024, the Continental Group had liquidity reserves totaling €6,361 million (PY: €6,861 million), consisting of cash and cash equivalents of €2,167 million (PY: €2,272 million) and committed, unutilized credit lines of €4,194 million (PY: €4,589 million). As at June 30, 2024, a total of €1,905 million (PY: €1,772 million) of the cash and cash equivalents specified above were unrestricted. The assessment of any restrictions related to cash and cash equivalents is made on each respective reporting date. For the definition of unrestricted cash and cash equivalents, please refer to the glossary of the last annual report.

### Reconciliation of net indebtedness

| € millions | June 30, 2024 | Dec. 31, 2023 | June 30, 2023 |
|---|---|---|---|
| Long-term indebtedness[1] | 4,261 | 4,528 | 4,750 |
| Short-term indebtedness[1] | 3,731 | 2,642 | 3,824 |
| Long-term derivative instruments and interest-bearing investments | -81 | -89 | -100 |
| Short-term derivative instruments and interest-bearing investments | -144 | -120 | -127 |
| Cash and cash equivalents | -2,167 | -2,923 | -2,272 |
| **Net indebtedness** | **5,601** | **4,038** | **6,076** |

*1 Amendments to IAS 1, Presentation of Financial Statements, clarify the classification of current and non-current liabilities from the 2024 reporting year onward. The comparative periods have been adjusted accordingly.*

### Reconciliation of change in net indebtedness

| | January 1 to June 30 | | Second Quarter | |
|---|---|---|---|---|
| **€ millions** | **2024** | 2023 | **2024** | 2023 |
| **Net indebtedness at the beginning of the reporting period** | **4,038** | **4,499** | **5,205** | **5,539** |
| | | | | |
| Cash flow arising from operating activities | -155 | -195 | 557 | 399 |
| Cash flow arising from investing activities | -785 | -894 | -414 | -536 |
| **Cash flow before financing activities (free cash flow)** | **-940** | **-1,089** | **143** | **-137** |
| Dividends paid | -440 | -300 | -440 | -300 |
| Dividends paid to and cash changes from equity transactions with non-controlling interests | -16 | -20 | -16 | -16 |
| Non-cash changes | -126 | -137 | -41 | -60 |
| Other | -3 | -1 | -3 | -1 |
| Exchange-rate effects | -38 | -29 | -39 | -22 |
| **Change in net indebtedness** | **-1,563** | **-1,576** | **-396** | **-537** |
| | | | | |
| **Net indebtedness at the end of the reporting period** | **5,601** | **6,076** | **5,601** | **6,076** |

*The additional information relating to the second quarter was not part of the auditor's review.*

**Capital expenditure (additions)**
In the first half of 2024, capital expenditure on property, plant and equipment, and software amounted to €909 million (PY: €940 million). The Automotive group sector in particular contributed to the decrease of €31 million. The capital expenditure ratio after six months was 4.6% (PY: 4.5%).

A total of €436 million (PY: €515 million) of this capital expenditure was attributable to the Automotive group sector, representing 4.5% (PY: 5.1%) of sales. The capital expenditure was primarily attributable to production equipment for the manufacture of specific products and the implementation of new technologies. Investments were made primarily in production capacity at European best-cost locations as well as in Germany, Mexico, China and the USA. There were major additions related to the construction of new manufacturing plants for electronic brake systems, innovative display and operating solutions, radar and camera solutions, and vehicle electronics. Investments were made in the expansion of new production sites in Novi Sad, Serbia; and Kaunas, Lithuania.

The Tires group sector invested €355 million (PY: €324 million), equivalent to 5.3% (PY: 4.7%) of sales. Investments were made in the expansion of production capacity at existing plants in European best-cost locations and in the USA, China and Germany. There were major additions in connection with the expansion of the production site in Hefei, China. Quality assurance and cost-cutting measures were also implemented.

A total of €106 million (PY: €87 million) of this capital expenditure was attributable to the ContiTech group sector, representing 3.2% (PY: 2.5%) of sales. Production capacity was expanded in Germany, China, the USA and Brazil. There were major additions related to the expansion of production capacity in selected growth markets for the Surface Solutions, Industrial Solutions Americas, Industrial Solutions EMEA and Original Equipment Solutions business areas. In addition, investments were made in all business areas to rationalize existing production processes.

The Contract Manufacturing group sector invested €1 million (PY: €2 million), equivalent to 1.1% (PY: 0.8%) of sales.

## Net Assets Position

Compared with June 30, 2023, goodwill was down by €2 million at €3,202 million (PY: €3,204 million). Other intangible assets fell by €167 million to €740 million (PY: €906 million). Property, plant and equipment increased by €157 million to €11,580 million (PY: €11,423 million). Deferred tax assets were up €274 million at €2,485 million (PY: €2,212 million). Inventories decreased by €526 million to €6,539 million (PY: €7,065 million), and trade accounts receivable fell by €746 million to €7,524 million (PY: €8,270 million). At €2,167 million, cash and cash equivalents were down €105 million from €2,272 million on the same date in the previous year. At €37,224 million (PY: €38,256 million), total assets as at June 30, 2024, were €1,032 million lower than on the same date in the previous year.

Equity including non-controlling interests was up €226 million at €14,141 million compared with €13,914 million as at June 30, 2023. Other comprehensive income fell by €137 million to -€1,538 million (PY: -€1,400 million). This was offset by the rise in retained earnings of €377 million. At €2,762 million, long-term employee benefits were up €19 million from €2,743 million in the previous year. Short-term indebtedness fell by €92 million compared with the same date in the previous year to €3,731 million (PY: €3,824 million).

The gearing ratio changed from 43.7% as at June 30, 2023, to 39.6% as at June 30, 2024. The equity ratio increased to 38.0% (PY: 36.4%).

Compared with December 31, 2023, total assets fell by €529 million to €37,224 million (PY: €37,753 million). In relation to the individual items of the statement of financial position, this is primarily due to the decline in cash and cash equivalents of €757 million to €2,167 million (PY: €2,923 million) and the increase in inventories of €263 million to €6,539 million (PY: €6,276 million). Equity including non-controlling interests was up €16 million at €14,141 million compared with €14,125 million as at the end of 2023. Other comprehensive income rose by €221 million to -€1,538 million (PY: -€1,759 million). Net income attributable to the shareholders of the parent resulted in an increase of €252 million. The gearing ratio changed from 28.6% as at December 31, 2023, to 39.6% as at June 30, 2024.

### Employees

As at the end of the second quarter of 2024, the Continental Group had 197,622 employees, representing a decline of 5,141 in comparison to the end of 2023. Due to restructuring measures and capacity adjustments, the number of employees in the Automotive group sector fell by a total of 3,759. The number of employees in the Tires group sector rose by a total of 679 due to the adjustment to demand-driven production. Adjustments to the order volume and the implementation of structural changes led to a reduction in the number of employees by 1,412 in the ContiTech group sector. In the Contract Manufacturing group sector, the number of employees fell by 609.

Compared with the reporting date for the previous year, the number of employees in the Continental Group was down by a total of 6,124.

## Reconciliation to operating assets as at June 30, 2024

| € millions | Automotive | Tires | ContiTech | Contract Manufacturing | Other/ Holding/ Consolidation | Continental Group |
|---|---|---|---|---|---|---|
| **Total assets** | **15,669** | **10,601** | **4,694** | **151** | **6,109** | **37,224** |
| Cash and cash equivalents | – | – | – | – | 2,167 | 2,167 |
| Short- and long-term derivative instruments, interest-bearing investments | – | – | – | – | 224 | 224 |
| Other financial assets | 52 | 32 | 4 | 0 | 18 | 106 |
| **Less financial assets** | **52** | **32** | **4** | **0** | **2,409** | **2,497** |
| **Less other non-operating assets** | **-78** | **1** | **17** | **0** | **492** | **433** |
| Deferred tax assets | – | – | – | – | 2,485 | 2,485 |
| Income tax receivables | – | – | – | – | 383 | 383 |
| **Less income tax assets** | **–** | **–** | **–** | **–** | **2,869** | **2,869** |
| **Segment assets** | **15,695** | **10,568** | **4,673** | **151** | **339** | **31,426** |
| | | | | | | |
| **Total liabilities and provisions** | **8,243** | **3,797** | **1,944** | **122** | **8,977** | **23,083** |
| Short- and long-term indebtedness | – | – | – | – | 7,992 | 7,992 |
| Other financial liabilities | – | – | – | – | 11 | 11 |
| **Less financial liabilities** | **–** | **–** | **–** | **–** | **8,003** | **8,003** |
| Deferred tax liabilities | – | – | – | – | 99 | 99 |
| Income tax payables | – | – | – | – | 544 | 544 |
| **Less income tax liabilities** | **–** | **–** | **–** | **–** | **643** | **643** |
| **Less other non-operating liabilities** | **1,733** | **714** | **563** | **30** | **189** | **3,228** |
| **Segment liabilities** | **6,511** | **3,084** | **1,380** | **92** | **142** | **11,209** |
| | | | | | | |
| **Operating assets** | **9,185** | **7,484** | **3,292** | **58** | **197** | **20,216** |

## Reconciliation to operating assets as at June 30, 2023

| € millions | Automotive | Tires | ContiTech | Contract Manufacturing | Other/ Holding/ Consolidation | Continental Group |
|---|---|---|---|---|---|---|
| **Total assets** | **16,051** | **10,698** | **4,945** | **678** | **5,883** | **38,256** |
| Cash and cash equivalents | – | – | – | – | 2,272 | 2,272 |
| Short- and long-term derivative instruments, interest-bearing investments | – | – | – | – | 227 | 227 |
| Other financial assets | 55 | 32 | 9 | 0 | 19 | 116 |
| **Less financial assets** | **55** | **32** | **9** | **0** | **2,517** | **2,614** |
| **Less other non-operating assets** | **-102** | **13** | **10** | **0** | **529** | **451** |
| Deferred tax assets | – | – | – | – | 2,212 | 2,212 |
| Income tax receivables | – | – | – | – | 316 | 316 |
| **Less income tax assets** | **–** | **–** | **–** | **–** | **2,527** | **2,527** |
| **Segment assets** | **16,098** | **10,652** | **4,926** | **678** | **310** | **32,664** |
| | | | | | | |
| **Total liabilities and provisions** | **8,069** | **3,597** | **2,015** | **222** | **10,438** | **24,341** |
| Short- and long-term indebtedness | – | – | – | – | 8,574 | 8,574 |
| Other financial liabilities | – | – | – | – | 499 | 499 |
| **Less financial liabilities** | **–** | **–** | **–** | **–** | **9,073** | **9,073** |
| Deferred tax liabilities | – | – | – | – | 90 | 90 |
| Income tax payables | – | – | – | – | 497 | 497 |
| **Less income tax liabilities** | **–** | **–** | **–** | **–** | **587** | **587** |
| **Less other non-operating liabilities** | **1,425** | **655** | **523** | **43** | **636** | **3,282** |
| **Segment liabilities** | **6,644** | **2,942** | **1,492** | **179** | **142** | **11,399** |
| | | | | | | |
| **Operating assets** | **9,454** | **7,710** | **3,434** | **499** | **168** | **21,265** |

# Development of the Group Sectors

| | January 1 to June 30 | | Second Quarter | |
|---|---|---|---|---|
| **Automotive in € millions** | **2024** | 2023 | **2024** | 2023 |
| Sales | 9,770 | 10,148 | 4,956 | 5,133 |
| EBITDA | 293 | 487 | 281 | 218 |
| in % of sales | 3.0 | 4.8 | 5.7 | 4.2 |
| EBIT | -246 | -24 | 9 | -39 |
| in % of sales | -2.5 | -0.2 | 0.2 | -0.8 |
| Research and development expenses (net) | 1,363 | 1,291 | 675 | 629 |
| in % of sales | 14.0 | 12.7 | 13.6 | 12.2 |
| Depreciation and amortization[1] | 539 | 511 | 271 | 258 |
| thereof impairment[2] | 9 | 5 | 6 | 5 |
| Capital expenditure[3] | 436 | 515 | 206 | 294 |
| in % of sales | 4.5 | 5.1 | 4.2 | 5.7 |
| Operating assets as at June 30 | 9,185 | 9,454 | | |
| Number of employees as at June 30[4] | 98,654 | 102,106 | | |
| | | | | |
| Adjusted sales[5] | 9,770 | 10,148 | 4,956 | 5,133 |
| Adjusted operating result (adjusted EBIT)[6] | -72 | 11 | 133 | -28 |
| in % of adjusted sales | -0.7 | 0.1 | 2.7 | -0.5 |

*The additional information relating to the second quarter was not part of the auditor's review.*

*1 Excluding impairment on financial investments.*
*2 Impairment also includes necessary reversals of impairment losses.*
*3 Capital expenditure on property, plant and equipment, and software.*
*4 Excluding trainees.*
*5 Before changes in the scope of consolidation.*
*6 Before amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation, and special effects.*

## Automotive

### Business and sales performance

Sales for the Automotive group sector in the first six months of 2024 were slightly lower than in the same period of the previous year, mainly due to a decline in vehicle production in Europe. In the Safety and Motion business area, sales figures for brake systems and airbag control units decreased, while those for wheel sensors increased. In the Architecture and Networking business area as well as the Autonomous Mobility business area, sales volumes were up year-on-year for seamless connectivity technologies and high-performance computers as well as in the commercial vehicle sector. In the User Experience business area, sales figures for display solutions saw a significant decline due to the postponement of new models in particular.

Despite weak volume growth, agreements reached with customers on price adjustments and to offset inflation-related effects had a positive impact on sales performance. Sales in the Automotive group sector were down 3.7% at €9,770 million (PY: €10,148 million) in the first six months of 2024 compared with the same period of the previous year. Before changes in the scope of consolidation and exchange-rate effects, sales declined by 2.3%.

### Adjusted EBIT

Adjusted EBIT for the Automotive group sector fell by €83 million or 767.4% year-on-year to -€72 million (PY: €11 million) in the first six months of 2024, corresponding to -0.7% (PY: 0.1%) of adjusted sales.

### EBIT

Compared with the same period of the previous year, the Automotive group sector reported a decline in EBIT of €222 million or 931.3% to -€246 million (PY: -€24 million) in the first six months of 2024. The return on sales fell to -2.5% (PY: -0.2%).

### Special effects

Please see our comments on pages 7 and 8 regarding the special effects for 2024 and 2023.

| | January 1 to June 30 | | Second Quarter | |
|---|---|---|---|---|
| **Tires in € millions** | **2024** | 2023 | **2024** | 2023 |
| Sales | 6,689 | 6,922 | 3,399 | 3,459 |
| EBITDA | 1,257 | 1,236 | 687 | 576 |
| in % of sales | 18.8 | 17.9 | 20.2 | 16.7 |
| EBIT | 863 | 831 | 489 | 373 |
| in % of sales | 12.9 | 12.0 | 14.4 | 10.8 |
| Research and development expenses (net) | 176 | 168 | 88 | 84 |
| in % of sales | 2.6 | 2.4 | 2.6 | 2.4 |
| Depreciation and amortization[1] | 393 | 405 | 198 | 203 |
| thereof impairment[2] | 1 | 4 | 0 | 3 |
| Capital expenditure[3] | 355 | 324 | 216 | 163 |
| in % of sales | 5.3 | 4.7 | 6.4 | 4.7 |
| Operating assets as at June 30 | 7,484 | 7,710 | | |
| Number of employees as at June 30[4] | 57,028 | 56,727 | | |
| | | | | |
| Adjusted sales[5] | 6,689 | 6,887 | 3,399 | 3,445 |
| Adjusted operating result (adjusted EBIT)[6] | 884 | 931 | 498 | 471 |
| in % of adjusted sales | 13.2 | 13.5 | 14.7 | 13.7 |

*The additional information relating to the second quarter was not part of the auditor's review.*

*1 Excluding impairment on financial investments.*
*2 Impairment also includes necessary reversals of impairment losses.*
*3 Capital expenditure on property, plant and equipment, and software.*
*4 Excluding trainees.*
*5 Before changes in the scope of consolidation.*
*6 Before amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation, and special effects.*

## Tires

### Business and sales performance

Sales figures in the original-equipment business were considerably lower than in the previous year in the first six months of 2024 due to weak vehicle production. By contrast, sales in the passenger-car tire replacement business, particularly in Europe and the Asia-Pacific region, were up year-on-year. In the commercial-vehicle tire business, sales figures were lower in the reporting period than in the previous year.

Sales in the Tires group sector for the first six months of 2024 fell by 3.4% year-on-year to €6,689 million (PY: €6,922 million). Before changes in the scope of consolidation and exchange-rate effects, sales declined by 1.2%. This was primarily attributable to negative volume, price-mix and exchange-rate effects.

### Adjusted EBIT

Adjusted EBIT for the Tires group sector fell by €47 million or 5.0% year-on-year to €884 million (PY: €931 million) in the first six months of 2024, corresponding to 13.2% (PY: 13.5%) of adjusted sales.

### EBIT

Compared with the same period of the previous year, the Tires group sector reported a rise in EBIT of €32 million or 3.9% to €863 million (PY: €831 million) in the first six months of 2024. The return on sales rose to 12.9% (PY: 12.0%).

### Special effects

Please see our comments on pages 7 and 8 regarding the special effects for 2024 and 2023.

| | January 1 to June 30 | | Second Quarter | |
|---|---|---|---|---|
| **ContiTech in € millions** | **2024** | 2023 | **2024** | 2023 |
| Sales | 3,294 | 3,473 | 1,646 | 1,742 |
| EBITDA | 311 | 346 | 164 | 174 |
| in % of sales | 9.4 | 10.0 | 10.0 | 10.0 |
| EBIT | 162 | 194 | 89 | 98 |
| in % of sales | 4.9 | 5.6 | 5.4 | 5.6 |
| Research and development expenses (net) | 90 | 89 | 40 | 45 |
| in % of sales | 2.7 | 2.6 | 2.4 | 2.6 |
| Depreciation and amortization[1] | 149 | 152 | 75 | 76 |
| thereof impairment[2] | 0 | 0 | 0 | 0 |
| Capital expenditure[3] | 106 | 87 | 49 | 46 |
| in % of sales | 3.2 | 2.5 | 3.0 | 2.6 |
| Operating assets as at June 30 | 3,292 | 3,434 | | |
| Number of employees as at June 30[4] | 40,537 | 42,686 | | |
| | | | | |
| Adjusted sales[5] | 3,255 | 3,473 | 1,635 | 1,742 |
| Adjusted operating result (adjusted EBIT)[6] | 203 | 225 | 116 | 113 |
| in % of adjusted sales | 6.2 | 6.5 | 7.1 | 6.5 |

*The additional information relating to the second quarter was not part of the auditor's review.*

*1 Excluding impairment on financial investments.*
*2 Impairment also includes necessary reversals of impairment losses.*
*3 Capital expenditure on property, plant and equipment, and software.*
*4 Excluding trainees.*
*5 Before changes in the scope of consolidation.*
*6 Before amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation, and special effects.*

# ContiTech

### Business and sales performance
Sales in the ContiTech group sector for the first six months of 2024 fell by 5.2% year-on-year to €3,294 million (PY: €3,473 million). Before changes in the scope of consolidation and exchange-rate effects, sales declined by 5.5%. Sales in automotive original equipment fell year-on-year by 5.8%, while sales in the industrial and replacement business were 5.5% lower than in the previous year. The main reasons were the lower production volumes in the automotive original-equipment business as well as the targeted product portfolio measures in the OESL business area. The industrial and replacement business suffered in particular from weak demand in the off-highway, commercial vehicle, construction and printing industries, while the oil and gas business, along with the automotive replacement business, remained stable.

### Adjusted EBIT
Adjusted EBIT for the ContiTech group sector fell by €22 million or 9.7% year-on-year to €203 million (PY: €225 million) in the first six months of 2024, corresponding to 6.2% (PY: 6.5%) of adjusted sales.

### EBIT
Compared with the same period of the previous year, the ContiTech group sector reported a decline in EBIT of €32 million or 16.7% to €162 million (PY: €194 million) in the first six months of 2024. The return on sales fell to 4.9% (PY: 5.6%).

### Special effects
Please see our comments on pages 7 and 8 regarding the special effects for 2024 and 2023.

| | January 1 to June 30 | | Second Quarter | |
|---|---|---|---|---|
| **Contract Manufacturing in € millions** | **2024** | 2023 | **2024** | 2023 |
| Sales | 135 | 291 | 55 | 136 |
| EBITDA | 8 | 29 | 4 | 13 |
| in % of sales | 6.2 | 10.0 | 7.4 | 9.2 |
| EBIT | 2 | 15 | 1 | 6 |
| in % of sales | 1.5 | 5.3 | 2.5 | 4.3 |
| Research and development expenses (net) | 0 | 0 | 0 | 0 |
| in % of sales | 0.0 | 0.0 | 0.0 | 0.0 |
| Depreciation and amortization[1] | 6 | 14 | 3 | 7 |
| thereof impairment[2] | 0 | – | 0 | – |
| Capital expenditure[3] | 1 | 2 | 1 | 1 |
| in % of sales | 1.1 | 0.8 | 1.2 | 0.9 |
| Operating assets as at June 30 | 58 | 499 | | |
| Number of employees as at June 30[4] | 869 | 1,692 | | |
| | | | | |
| Adjusted sales[5] | 135 | 291 | 55 | 136 |
| Adjusted operating result (adjusted EBIT)[6] | 2 | 15 | 1 | 6 |
| in % of adjusted sales | 1.6 | 5.3 | 2.6 | 4.4 |

*The additional information relating to the second quarter was not part of the auditor's review.*

*1 Excluding impairment on financial investments.*
*2 Impairment also includes necessary reversals of impairment losses.*
*3 Capital expenditure on property, plant and equipment, and software.*
*4 Excluding trainees.*
*5 Before changes in the scope of consolidation.*
*6 Before amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation, and special effects.*

## Contract Manufacturing

### Business and sales performance

In the Contract Manufacturing group sector, sales volumes decreased year-on-year in the first six months of 2024. This corresponds to the contractually agreed procedure between Continental and Vitesco Technologies.

Sales in the Contract Manufacturing group sector for the first six months of 2024 fell by 53.5% year-on-year to €135 million (PY: €291 million). Before changes in the scope of consolidation and exchange-rate effects, sales declined by 53.0%.

### Adjusted EBIT

Adjusted EBIT for the Contract Manufacturing group sector fell by €13 million or 86.3% year-on-year to €2 million (PY: €15 million) in the first six months of 2024, corresponding to 1.6% (PY: 5.3%) of adjusted sales.

### EBIT

Compared with the same period of the previous year, the Contract Manufacturing group sector reported a decline in EBIT of €13 million or 86.8% to €2 million (PY: €15 million) in the first six months of 2024. The return on sales fell to 1.5% (PY: 5.3%).

### Special effects

Please see our comments on pages 7 and 8 regarding the special effects for 2024 and 2023.

# Report on Risks and Opportunities

Due to the continuing uncertainties in the macroeconomic environment, as well as the tense geopolitical situation, there is still a risk of significant negative effects on the Continental Group's sales and procurement markets. The expected economic consequences could negatively impact the earnings, financial and net assets position.

For details of the other main risks and opportunities, please refer to our comments in the 2023 annual report.

# Report on Expected Developments and Outlook

As mentioned on pages 4 and 5 of the economic report, Continental expects the production of passenger cars and light commercial vehicles to decline year-on-year in 2024. For the tire-replacement business, we expect demand to decline slightly in the second half of 2024 compared with the first half of the year. For the industrial business, we expect a gradual recovery worldwide over the remainder of the fiscal year.

Based on all of the assumptions mentioned as well as current exchange rates, Continental now expects the following key financial figures for fiscal 2024:

- We expect the **Continental Group** to achieve sales in the range of around €40.0 billion to €42.5 billion (previously: around €41.0 billion to €44.0 billion) and an adjusted EBIT margin of around 6.0% to 7.0%.
- We expect our **Automotive** group sector to achieve sales of around €19.5 billion to €21.0 billion (previously: around €20.0 billion to €22.0 billion) and an adjusted EBIT margin of around 2.5% to 3.5% (previously: 3.0% to 4.0%).
- We expect our **Tires** group sector to achieve sales of around €13.5 billion to €14.5 billion (previously: around €14.0 billion to €15.0 billion) and an adjusted EBIT margin of around 13.0% to 14.0%.
- We expect our **ContiTech** group sector to achieve sales of around €6.6 billion to €7.0 billion and an adjusted EBIT margin of around 6.5% to 7.0% (previously: around 6.5% to 7.5%).
- In our **Contract Manufacturing** group sector, we anticipate sales of around €200 million to €300 million and an adjusted EBIT margin of around 0%.
- Consolidated **amortization from purchase price allocations** is expected to be around €100 million and affect mainly the Automotive and ContiTech group sectors.
- In addition, we expect negative **special effects** of around €350 million (previously: around €450 million).
- In 2024, we expect the negative **financial result** to be around €350 million before effects from currency translation, effects from changes in the fair value of derivative instruments, and other valuation effects.
- The **tax rate** is expected to be around 27%.
- The **capital expenditure ratio** is expected to be around 6.0% to 7.0% of sales in fiscal 2024.
- In 2024, we are planning on **adjusted free cash flow** of approximately €0.6 billion to €1.0 billion (previously: approximately €0.7 billion to €1.1 billion).

# Consolidated Financial Statements

## Consolidated Statement of Income

| | January 1 to June 30 | | Second Quarter | |
|---|---|---|---|---|
| **€ millions** | **2024** | 2023 | **2024** | 2023 |
| **Sales** | **19,791** | **20,732** | **10,003** | **10,426** |
| Cost of sales | -15,583 | -16,245 | -7,732 | -8,209 |
| **Gross margin on sales** | **4,208** | **4,487** | **2,271** | **2,217** |
| Research and development expenses | -2,104 | -2,032 | -1,065 | -1,003 |
| Selling and logistics expenses | -1,323 | -1,253 | -669 | -630 |
| Administrative expenses | -637 | -627 | -320 | -322 |
| Other income | 815 | 734 | 454 | 373 |
| Other expenses | -318 | -414 | -140 | -268 |
| Income from equity-accounted investees | 22 | 13 | 13 | 9 |
| Other income from investments | 0 | 1 | 0 | 1 |
| **EBIT** | **663** | **908** | **544** | **377** |
| Interest income | 51 | 47 | 27 | 24 |
| Interest expense | -214 | -199 | -110 | -113 |
| Effects from currency translation | -10 | 107 | -3 | 78 |
| Effects from changes in the fair value of derivative instruments, and other valuation effects | -21 | -11 | -8 | -11 |
| **Financial result** | **-194** | **-56** | **-95** | **-22** |
| **Earnings before tax** | **469** | **852** | **450** | **355** |
| Income tax expense | -207 | -238 | -137 | -134 |
| **Net income** | **262** | **613** | **313** | **221** |
| Non-controlling interests | -10 | -23 | -8 | -12 |
| Net income attributable to the shareholders of the parent | 252 | 591 | 305 | 209 |
| | | | | |
| Basic earnings per share in € | 1.26 | 2.95 | 1.52 | 1.04 |
| Diluted earnings per share in € | 1.26 | 2.95 | 1.52 | 1.04 |

*The additional information relating to the second quarter was not part of the auditor’s review.*

# Consolidated Statement of Comprehensive Income

| | January 1 to June 30 | | Second Quarter | |
|---|---|---|---|---|
| **€ millions** | **2024** | 2023 | **2024** | 2023 |
| **Net income** | **262** | **613** | **313** | **221** |
| **Items that will not be reclassified to profit or loss** | | | | |
| Remeasurement of defined benefit plans[1] | 384 | -60 | 255 | -33 |
| Fair value adjustments[1] | 395 | -63 | 258 | -31 |
| Currency translation[1] | -11 | 3 | -3 | -2 |
| Other investments | 0 | -51 | 0 | -2 |
| Fair value adjustments[1] | 1 | -52 | 0 | -2 |
| Currency translation[1] | 0 | 0 | 0 | 0 |
| Tax on other comprehensive income | -112 | 22 | -72 | 9 |
| **Items that may be reclassified subsequently to profit or loss** | | | | |
| Currency translation[1] | -58 | -24 | -217 | -29 |
| Effects from currency translation[1] | -63 | -95 | -222 | -100 |
| Reclassification adjustments to profit or loss | 5 | 71 | 5 | 71 |
| **Other comprehensive income** | **214** | **-113** | **-34** | **-55** |
| **Comprehensive income** | **475** | **500** | **278** | **166** |
| Attributable to non-controlling interests | -3 | 9 | -7 | 15 |
| Attributable to the shareholders of the parent | 473 | 509 | 272 | 181 |

*The additional information relating to the second quarter was not part of the auditor's review.*

*1 Including non-controlling interests.*

# Consolidated Statement of Financial Position

## Assets

| € millions | June 30, 2024 | Dec. 31, 2023 | June 30, 2023 |
|---|---|---|---|
| Goodwill | 3,202 | 3,187 | 3,204 |
| Other intangible assets | 740 | 820 | 906 |
| Property, plant and equipment | 11,580 | 11,722 | 11,423 |
| Investment property | 13 | 11 | 11 |
| Investments in equity-accounted investees | 348 | 299 | 313 |
| Other investments | 124 | 118 | 131 |
| Deferred tax assets | 2,485 | 2,512 | 2,212 |
| Defined benefit assets | 119 | 111 | 97 |
| Long-term derivative instruments and interest-bearing investments | 81 | 89 | 100 |
| Long-term other financial assets | 259 | 272 | 256 |
| Long-term other assets | 19 | 24 | 68 |
| **Non-current assets** | **18,971** | **19,165** | **18,722** |
| Inventories | 6,539 | 6,276 | 7,065 |
| Trade accounts receivable | 7,524 | 7,569 | 8,270 |
| Short-term contract assets | 144 | 103 | 142 |
| Short-term other financial assets | 130 | 136 | 143 |
| Short-term other assets | 1,214 | 1,144 | 1,200 |
| Income tax receivables | 383 | 305 | 316 |
| Short-term derivative instruments and interest-bearing investments | 144 | 120 | 127 |
| Cash and cash equivalents | 2,167 | 2,923 | 2,272 |
| Assets held for sale | 9 | 11 | – |
| **Current assets** | **18,253** | **18,588** | **19,534** |
| **Total assets** | **37,224** | **37,753** | **38,256** |

## Equity and liabilities

| **€ millions** | **June 30, 2024** | *Dec. 31, 2023* | June 30, 2023 |
|---|---|---|---|
| Subscribed capital | 512 | *512* | 512 |
| Capital reserves | 4,156 | *4,156* | 4,156 |
| Retained earnings | 10,579 | *10,767* | 10,201 |
| Other comprehensive income | -1,538 | *-1,759* | -1,400 |
| **Equity attributable to the shareholders of the parent** | **13,708** | ***13,676*** | **13,468** |
| Non-controlling interests | 432 | *449* | 446 |
| **Total equity** | **14,141** | ***14,125*** | **13,914** |
| Long-term employee benefits | 2,762 | *3,148* | 2,743 |
| Deferred tax liabilities | 99 | *72* | 90 |
| Long-term provisions for other risks and obligations | 679 | *703* | 616 |
| Long-term indebtedness[1] | 4,261 | *4,528* | 4,750 |
| Long-term other financial liabilities | 9 | *8* | 10 |
| Long-term contract liabilities | 10 | *6* | 7 |
| Long-term other liabilities | 24 | *28* | 25 |
| **Non-current liabilities[1]** | **7,843** | ***8,494*** | **8,242** |
| Short-term employee benefits | 1,387 | *1,391* | 1,273 |
| Trade accounts payable | 6,386 | *6,875* | 6,941 |
| Short-term contract liabilities | 176 | *195* | 189 |
| Income tax payables | 544 | *541* | 497 |
| Short-term provisions for other risks and obligations | 1,003 | *1,081* | 963 |
| Short-term indebtedness[1] | 3,731 | *2,642* | 3,824 |
| Short-term other financial liabilities | 1,130 | *1,670* | 1,604 |
| Short-term other liabilities | 883 | *739* | 810 |
| **Current liabilities[1]** | **15,240** | ***15,134*** | **16,099** |
| **Total equity and liabilities** | **37,224** | ***37,753*** | **38,256** |

*1 Amendments to IAS 1, Presentation of Financial Statements, clarify the classification of current and non-current liabilities from the 2024 reporting year onward. The comparative periods have been adjusted accordingly.*

# Consolidated Statement of Cash Flows

| | January 1 to June 30 | | Second Quarter | |
|---|---|---|---|---|
| **€ millions** | **2024** | 2023 | **2024** | 2023 |
| **Net income** | **262** | **613** | **313** | **221** |
| Income tax expense | 207 | 238 | 137 | 134 |
| Financial result | 194 | 56 | 95 | 22 |
| **EBIT** | **663** | **908** | **544** | **377** |
| Interest paid | -185 | -125 | -96 | -71 |
| Interest received | 55 | 56 | 27 | 24 |
| Income tax paid | -363 | -351 | -175 | -183 |
| Dividends received | 2 | 1 | 1 | 1 |
| Depreciation, amortization, impairment and reversal of impairment losses | 1,093 | 1,082 | 550 | 543 |
| Income from equity-accounted investees and other investments, incl. impairment and reversal of impairment losses | -22 | -14 | -13 | -9 |
| Gains/losses from the disposal of assets, companies and business operations | -28 | 39 | -28 | 42 |
| Changes in | | | | |
| inventories | -274 | -342 | -135 | 125 |
| trade accounts receivable | 105 | -507 | 301 | 126 |
| trade accounts payable | -472 | -692 | -152 | -401 |
| employee benefits and other provisions | -149 | -75 | -305 | -216 |
| other assets and liabilities as well as other non-cash effects[1] | -579 | -178 | 37 | 42 |
| **Cash flow arising from operating activities** | **-155** | **-195** | **557** | **399** |
| | | | | |
| Capital expenditure on property, plant and equipment, and software | -803 | -817 | -427 | -456 |
| Capital expenditure on intangible assets from development projects and miscellaneous | -11 | -13 | -3 | -6 |
| Disposal of property, plant and equipment, and intangible assets | 30 | 62 | 21 | 48 |
| Acquisition of companies and business operations | -5 | -165 | -4 | -163 |
| Disposal of companies and business operations | 4 | 40 | – | 40 |
| **Cash flow arising from investing activities** | **-785** | **-894** | **-414** | **-536** |
| | | | | |
| **Cash flow before financing activities (free cash flow)** | **-940** | **-1,089** | **143** | **-137** |
| Issuance of bonds | – | 750 | – | 750 |
| Repayment of lease liabilities | -157 | -154 | -76 | -77 |
| Change in other indebtedness | 848 | 182 | 231 | -160 |
| Change in derivative instruments and interest-bearing investments | -20 | -23 | 13 | 2 |
| Other cash changes | -3 | -7 | -1 | -3 |
| Dividends paid | -440 | -300 | -440 | -300 |
| Dividends paid to and cash changes from equity transactions with non-controlling interests | -16 | -20 | -16 | -16 |
| **Cash flow arising from financing activities** | **211** | **428** | **-288** | **196** |
| | | | | |
| **Change in cash and cash equivalents** | **-729** | **-661** | **-145** | **59** |
| Cash and cash equivalents at the beginning of the reporting period | 2,923 | 2,988 | 2,349 | 2,252 |
| Disposal of cash and cash equivalents through changes in the scope of consolidation | -3 | – | -3 | – |
| Effect of exchange-rate changes on cash and cash equivalents | -25 | -56 | -34 | -40 |
| **Cash and cash equivalents at the end of the reporting period** | **2,167** | **2,272** | **2,167** | **2,272** |

*The additional information relating to the second quarter was not part of the auditor’s review.*

*1 Mainly includes the cash outflow from the payment of €476 million for the buyback of shares in ContiTech AG (now operating under the name ContiTech Deutschland GmbH). The addition to plan assets in 2022, which was netted with the associated obligations to employees, was offset by a liability that was paid out in the first half of 2024 (please refer to Notes 29 and 34 to the consolidated financial statements in the 2022 annual report). As changes in employee benefits are allocated to cash flow arising from operating activities in the statement of cash flows, the payment of the liability was also allocated to this item and presented in changes to other assets and liabilities and other non-cash effects.*

# Consolidated Statement of Changes in Equity

| | | | | | Difference from | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **€ millions** | Subscribed capital[1] | Capital reserves | Retained earnings | Successive purchases | remeasurement of defined benefit plans | currency translation | financial instruments[2] | Total | Non-controlling interests | **Total** |
| **As at January 1, 2023** | **512** | **4,156** | **9,911** | **-312** | **-774** | **-296** | **63** | **13,259** | **476** | **13,735** |
| Net income | – | – | 591 | – | – | – | – | 591 | 23 | **613** |
| Other comprehensive income | – | – | – | – | -41 | 8 | -48 | -81 | -32 | **-113** |
| **Net profit for the period** | **–** | **–** | **591** | **–** | **-41** | **8** | **-48** | **509** | **-9** | **500** |
| Dividends paid/resolved | – | – | -300 | – | – | – | – | -300 | -20 | **-321** |
| Other changes[3] | – | – | – | 0 | – | – | – | 0 | – | **0** |
| **As at June 30, 2023** | **512** | **4,156** | **10,201** | **-312** | **-815** | **-288** | **14** | **13,468** | **446** | **13,914** |
| | | | | | | | | | | |
| **As at January 1, 2024** | **512** | **4,156** | **10,767** | **-311** | **-993** | **-456** | **1** | **13,676** | **449** | **14,125** |
| Net income | – | – | 252 | – | – | – | – | 252 | 10 | **262** |
| Other comprehensive income | – | – | – | – | 271 | -51 | 0 | 221 | -7 | **214** |
| **Net profit for the period** | **–** | **–** | **252** | **–** | **271** | **-51** | **0** | **473** | **3** | **475** |
| Dividends paid/resolved | – | – | -440 | – | – | – | – | -440 | -21 | **-461** |
| Other changes[3] | – | – | – | – | – | – | – | – | 1 | **1** |
| **As at June 30, 2024** | **512** | **4,156** | **10,579** | **-311** | **-722** | **-507** | **1** | **13,708** | **432** | **14,141** |

*1 Divided into 200,005,983 (PY: 200,005,983) outstanding shares with dividend and voting rights.*
*2 The change in the difference arising from financial instruments, including deferred taxes, was due to other investments of around €0 million (PY: -€48 million).*
*3 Other changes in non-controlling interests due to changes in the scope of consolidation and capital increases.*

# Explanatory Notes to the Consolidated Financial Statements

## Segment report for the period from January 1 to June 30, 2024

| € millions | Automotive | Tires | ContiTech | Contract Manufacturing | Other/ Holding/ Consolidation | Continental Group |
|---|---|---|---|---|---|---|
| External sales | 9,761 | 6,642 | 3,253 | 135 | – | 19,791 |
| Intercompany sales | 8 | 47 | 40 | 0 | -96 | 0 |
| **Sales (total)** | **9,770** | **6,689** | **3,294** | **135** | **-96** | **19,791** |
| EBIT (segment result) | -246 | 863 | 162 | 2 | -119 | 663 |
| in % of sales | -2.5 | 12.9 | 4.9 | 1.5 | – | 3.3 |
| Depreciation and amortization[1] | 539 | 393 | 149 | 6 | 6 | 1,093 |
| thereof impairment[2] | 9 | 1 | 0 | 0 | – | 10 |
| Capital expenditure[3] | 436 | 355 | 106 | 1 | 10 | 909 |
| in % of sales | 4.5 | 5.3 | 3.2 | 1.1 | – | 4.6 |
| Operating assets as at June 30 | 9,185 | 7,484 | 3,292 | 58 | 197 | 20,216 |
| Number of employees as at June 30[4] | 98,654 | 57,028 | 40,537 | 869 | 534 | 197,622 |
| | | | | | | |
| Adjusted sales[5] | 9,770 | 6,689 | 3,255 | 135 | -96 | 19,753 |
| Adjusted operating result (adjusted EBIT)[6] | -72 | 884 | 203 | 2 | -117 | 900 |
| in % of adjusted sales | -0.7 | 13.2 | 6.2 | 1.6 | – | 4.6 |

*1 Excluding impairment on financial investments.*
*2 Impairment also includes necessary reversals of impairment losses.*
*3 Capital expenditure on property, plant and equipment, and software.*
*4 Excluding trainees.*
*5 Before changes in the scope of consolidation.*
*6 Before amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation, and special effects.*

## Segment report for the period from January 1 to June 30, 2023

| € millions | Automotive | Tires | ContiTech | Contract Manufacturing | Other/ Holding/ Consolidation | Continental Group |
|---|---|---|---|---|---|---|
| External sales | 10,144 | 6,867 | 3,431 | 290 | – | 20,732 |
| Intercompany sales | 4 | 55 | 42 | 1 | -101 | 0 |
| **Sales (total)** | **10,148** | **6,922** | **3,473** | **291** | **-101** | **20,732** |
| EBIT (segment result) | -24 | 831 | 194 | 15 | -109 | 908 |
| in % of sales | -0.2 | 12.0 | 5.6 | 5.3 | – | 4.4 |
| Depreciation and amortization[1] | 511 | 405 | 152 | 14 | 1 | 1,082 |
| thereof impairment[2] | 5 | 4 | 0 | – | – | 9 |
| Capital expenditure[3] | 515 | 324 | 87 | 2 | 12 | 940 |
| in % of sales | 5.1 | 4.7 | 2.5 | 0.8 | – | 4.5 |
| Operating assets as at June 30 | 9,454 | 7,710 | 3,434 | 499 | 168 | 21,265 |
| Number of employees as at June 30[4] | 102,106 | 56,727 | 42,686 | 1,692 | 535 | 203,746 |
| | | | | | | |
| Adjusted sales[5] | 10,148 | 6,887 | 3,473 | 291 | -101 | 20,697 |
| Adjusted operating result (adjusted EBIT)[6] | 11 | 931 | 225 | 15 | -108 | 1,075 |
| in % of adjusted sales | 0.1 | 13.5 | 6.5 | 5.3 | – | 5.2 |

*1 Excluding impairment on financial investments.*
*2 Impairment also includes necessary reversals of impairment losses.*
*3 Capital expenditure on property, plant and equipment, and software.*
*4 Excluding trainees.*
*5 Before changes in the scope of consolidation.*
*6 Before amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation, and special effects.*

## Reconciliation of sales to adjusted sales and of EBITDA to adjusted operating result (adjusted EBIT) from January 1 to June 30, 2024

| € millions | Automotive | Tires | ContiTech | Contract Manufacturing | Other/ Holding/ Consolidation | Continental Group |
|---|---|---|---|---|---|---|
| **Sales** | **9,770** | **6,689** | **3,294** | **135** | **–96** | **19,791** |
| Changes in the scope of consolidation[1] | – | – | -38 | – | – | -38 |
| **Adjusted sales** | **9,770** | **6,689** | **3,255** | **135** | **–96** | **19,753** |
| | | | | | | |
| **EBITDA** | **293** | **1,257** | **311** | **8** | **–113** | **1,756** |
| Depreciation and amortization[2] | –539 | –393 | –149 | –6 | –6 | –1,093 |
| **EBIT** | **–246** | **863** | **162** | **2** | **–119** | **663** |
| Amortization of intangible assets from purchase price allocation (PPA) | 28 | 3 | 24 | – | – | 55 |
| Changes in the scope of consolidation[1] | – | 0 | 0 | – | – | 0 |
| Special effects | | | | | | |
| Impairment on goodwill | – | – | – | – | – | – |
| Impairment[3] | 8 | – | 0 | 0 | – | 8 |
| Restructuring[4] | 132 | 1 | -2 | 0 | – | 130 |
| Restructuring-related expenses | 8 | 12 | 1 | – | – | 20 |
| Severance payments | 17 | 4 | 10 | 0 | 2 | 32 |
| Gains and losses from disposals of companies and business operations[5] | –19 | 3 | – | – | – | -16 |
| Other[6] | 0 | –1 | 9 | – | – | 8 |
| **Adjusted operating result (adjusted EBIT)** | **–72** | **884** | **203** | **2** | **–117** | **900** |

*1 Changes in the scope of consolidation include additions and disposals as part of share and asset deals. Adjustments were made for additions in the reporting year and for disposals in the comparative period of the prior year.*
*2 Excluding impairment on financial investments.*
*3 Impairment also includes necessary reversals of impairment losses. It does not include impairment that arose in connection with a restructuring and impairment on financial investments and goodwill.*
*4 Also includes restructuring-related impairment losses totaling €2 million (Automotive €1 million; Tires €1 million).*
*5 This also includes income of €19 million due to loss of control over a participation and the subsequent change in consolidation method from full consolidation to the equity method in the Automotive group sector.*
*6 Mainly includes expenses in connection with the Original Equipment Solutions business area being made organizationally independent.*

**Reconciliation of sales to adjusted sales and of EBITDA to adjusted operating result (adjusted EBIT) from January 1 to June 30, 2023**

| € millions | Automotive | Tires | ContiTech | Contract Manufacturing | Other/ Holding/ Consolidation | Continental Group |
|---|---|---|---|---|---|---|
| **Sales** | **10,148** | **6,922** | **3,473** | **291** | **-101** | **20,732** |
| Changes in the scope of consolidation[1] | 0 | -34 | 0 | – | – | -35 |
| **Adjusted sales** | **10,148** | **6,887** | **3,473** | **291** | **-101** | **20,697** |
| | | | | | | |
| **EBITDA** | **487** | **1,236** | **346** | **29** | **-108** | **1,990** |
| Depreciation and amortization[2] | -511 | -405 | -152 | -14 | -1 | -1,082 |
| **EBIT** | **-24** | **831** | **194** | **15** | **-109** | **908** |
| Amortization of intangible assets from purchase price allocation (PPA) | 30 | 3 | 27 | – | – | 60 |
| Changes in the scope of consolidation[1] | 4 | -12 | 1 | – | – | -7 |
| Special effects | | | | | | |
| Impairment on goodwill | – | – | – | – | – | – |
| Impairment[3] | 5 | 5 | – | – | – | 10 |
| Restructuring[4] | -18 | -1 | 1 | – | – | -18 |
| Restructuring-related expenses | 8 | 13 | 1 | – | – | 22 |
| Severance payments | 6 | 8 | 5 | 0 | 1 | 20 |
| Gains and losses from disposals of companies and business operations | – | 72 | -6 | – | – | 66 |
| Other[5] | – | 12 | 2 | – | – | 14 |
| **Adjusted operating result (adjusted EBIT)** | **11** | **931** | **225** | **15** | **-108** | **1,075** |

*1 Changes in the scope of consolidation include additions and disposals as part of share and asset deals. Adjustments were made for additions in the reporting year and for disposals in the comparative period of the prior year.*
*2 Excluding impairment on financial investments.*
*3 Impairment also includes necessary reversals of impairment losses. It does not include impairment that arose in connection with a restructuring and impairment on financial investments and goodwill.*
*4 Includes restructuring-related reversals of impairment losses in the Tires segment in the amount of €2 million.*
*5 Includes loss allowances on accounts receivable as well as debt waivers from the sale of all Russian operations in the Tires segment and some operations in the ContiTech segment in Russia.*

## Reconciliation of EBIT to net income

| | January 1 to June 30 | | Second Quarter | |
|---|---|---|---|---|
| **€ millions** | **2024** | 2023 | **2024** | 2023 |
| Automotive | -246 | -24 | 9 | -39 |
| Tires | 863 | 831 | 489 | 373 |
| ContiTech | 162 | 194 | 89 | 98 |
| Contract Manufacturing | 2 | 15 | 1 | 6 |
| Other/Holding/Consolidation | -119 | -109 | -44 | -61 |
| **EBIT** | **663** | **908** | **544** | **377** |
| Financial result | -194 | -56 | -95 | -22 |
| **Earnings before tax** | **469** | **852** | **450** | **355** |
| Income tax expense | -207 | -238 | -137 | -134 |
| **Net income** | **262** | **613** | **313** | **221** |
| Non-controlling interests | -10 | -23 | -8 | -12 |
| **Net income attributable to the shareholders of the parent** | **252** | **591** | **305** | **209** |

*The additional information relating to the second quarter was not part of the auditor's review.*

### Segment reporting
Information on the development of the Continental Group's four segments or group sectors can be found in the consolidated management report as at June 30, 2024.

### Accounting principles
These interim financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) applicable at the end of the reporting period and endorsed by the European Union. These also include the International Accounting Standards (IAS) and the interpretations issued by the International Financial Reporting Standards Interpretations Committee or its predecessor, the International Financial Reporting Interpretations Committee (IFRIC), and the former Standing Interpretations Committee (SIC). The interim financial statements were prepared in condensed form in compliance with IAS 34, *Interim Financial Reporting*. The same accounting policies have been applied in the interim financial statements as in the consolidated financial statements for 2023. These accounting policies are described in detail in the 2023 annual report. In addition, the IFRS amendments and new regulations effective as at June 30, 2024, have also been applied in the interim financial statements. A detailed description of these mandatory IFRS amendments and new regulations can be found in the 2023 annual report.

The first-time application of the amendments to IAS 1, *Presentation of Financial Statements*, had an impact in the reporting period. The amendments to IAS 1, which became mandatory from January 1, 2024, are described in detail in the 2023 annual report. These amendments resulted in the following material impact on the 2024 consolidated interim financial statements and the disclosed comparative periods: The syndicated loan utilized in the amount of €724 million was reported under long-term indebtedness as at June 30, 2024. Without the amendments to IAS 1, this would have been reported under short-term indebtedness. As the amendments to IAS 1 are to be applied retrospectively with regard to a comparable presentation of the comparative periods, the disclosure of the utilization of the syndicated loan was adjusted in the comparative period as at December 31, 2023, and June 30, 2023. In the comparative period as at December 31, 2023, compared with the published 2023 consolidated financial statements, the utilization of the syndicated loan in the amount of €316 million was reclassified from short-term indebtedness to long-term indebtedness. In the comparative period as at June 30, 2023, compared with the published 2023 consolidated interim financial statements, the utilization of the syndicated loan in the amount of €300 million was reclassified from short-term indebtedness to long-term indebtedness. All other IFRS amendments and new regulations effective as at June 30, 2024, had no material effect on the reporting of the Continental Group.

Income tax expense is calculated based on the estimated, weighted average tax rate expected for the year as a whole. Tax effects of specific significant items that can only be allocated to the respective period under review are taken into account.

Although certain elements of the Continental Group's business are seasonal, the overall comparability of the consolidated financial reports is not compromised. All significant effects in the current period are shown in this report. Changes in the recognition or measurement of assets and liabilities within the scope of company acquisitions are presented retrospectively once the final purchase price allocation has been determined.

The consolidated financial statements have been prepared in euros. Unless otherwise stated, all amounts are shown in millions of euros (€ millions). Please note that differences may arise as a result of the use of rounded amounts and percentages.

**Impact of the geopolitical situation on accounting in the reporting period**
During the reporting period, Continental continuously reviewed the effects of the ongoing war in Ukraine, the conflict in the Middle East and the unclear development of the geopolitical situation based on available information. This review had no material effect on the reporting of the Continental Group in the reporting period.

**Impact of the macroeconomic environment and climate-related aspects on accounting in the reporting period**
Based on available information, the effects of the current macroeconomic environment on the accounting of the Continental Group were continuously reviewed in the reporting period. The macroeconomic environment was shaped in particular by continued high inflation and high interest rates in the reporting period. This had no material effect on the reporting of the Continental Group in the reporting period.

No significant effects of climate-related risk factors on reporting were identified in the reporting period. There were also no significant effects on individual items in the reporting period. For a detailed description of the areas identified on which climate-related issues could have an effect, please refer to the 2023 annual report.

**Companies consolidated**
In addition to the parent company, the number of companies consolidated includes 457 (PY: 478) domestic and foreign companies that Continental Aktiengesellschaft incorporates according to the regulations of IFRS 10, *Consolidated Financial Statements*, or that are classified as joint arrangements or associates. Of these, 384 (PY: 402) are fully consolidated and 73 (PY: 76) are accounted for using the equity method.

Since December 31, 2023, the total number of companies consolidated has not changed. One company was acquired, while four companies were founded. Five companies no longer included in the scope of consolidation are attributable to mergers, disposals and liquidations.

Since June 30, 2023, the number of companies consolidated has decreased by a total of 21. Four new companies were founded, and three companies were acquired. Four companies were sold, and 19 companies were merged. Five liquidations also led to a reduction in the number of companies consolidated.

For one company, a loss of control meant that the consolidation method was changed from full consolidation to the equity method. This resulted in an equity investment at fair value of €27 million and income of €19 million, which was recognized under other income.

**Acquisition and disposal of companies and business operations**
A share deal took place in the Tires segment. The purchase price of around €0 million was paid in cash. The purchase price allocation resulted in a provisional negative difference of €1 million, which was recognized in profit or less under other income. Other than this, there was no material effect on the earnings, financial and net assets position of the Continental Group as at June 30, 2024.

In the ContiTech segment, the final purchase allocation for the acquisition of Printing Solutions Sweden Holding AB, Trelleborg, Sweden, in 2023 led to a reduction in the purchase price of €1 million. The final purchase price allocation resulted in a reduction in goodwill of €1 million. Other than this, there was no material effect on the earnings, financial and net assets position of the Continental Group as at June 30, 2024.

In the Tires segment, some operations were sold in the Replacement Tires EMEA business area. The transaction resulted in expenses of €3 million. Other than this, there was no material effect on the earnings, financial and net assets position of the Continental Group as at June 30, 2024.

### Revenue from contracts with customers

The following tables show the breakdown of sales in accordance with IFRS 15, *Revenue from Contracts with Customers*, into main geographical markets, segments, customer groups and product types:

#### Sales from contracts with customers from January 1 to June 30, 2024

| € millions | Automotive | Tires | ContiTech | Contract Manufacturing | Other/ Holding/ Consolidation | Continental Group |
|---|---|---|---|---|---|---|
| Germany | 2,464 | 857 | 564 | 42 | –43 | 3,884 |
| Europe excluding Germany | 2,470 | 2,563 | 872 | 84 | –24 | 5,965 |
| North America | 2,235 | 1,996 | 1,022 | 7 | –23 | 5,237 |
| Asia-Pacific | 2,353 | 936 | 614 | 2 | –3 | 3,901 |
| Other countries | 248 | 338 | 222 | 0 | –4 | 804 |
| **Sales by region** | **9,770** | **6,689** | **3,294** | **135** | **-96** | **19,791** |
| | | | | | | |
| Automotive original-equipment business | 9,148 | 1,701 | 1,452 | 133 | –28 | 12,407 |
| Industrial/replacement business | 621 | 4,988 | 1,841 | 2 | –68 | 7,384 |
| **Sales by customer type** | **9,770** | **6,689** | **3,294** | **135** | **-96** | **19,791** |
| | | | | | | |
| Goods | 9,603 | 6,277 | 3,237 | 135 | –91 | 19,160 |
| Services | 73 | 411 | 51 | – | –4 | 531 |
| Project business | 94 | – | 6 | – | 0 | 100 |
| **Sales by product type** | **9,770** | **6,689** | **3,294** | **135** | **-96** | **19,791** |

#### Sales from contracts with customers from January 1 to June 30, 2023

| € millions | Automotive | Tires | ContiTech | Contract Manufacturing | Other/ Holding/ Consolidation | Continental Group |
|---|---|---|---|---|---|---|
| Germany | 2,493 | 856 | 637 | 83 | –47 | 4,023 |
| Europe excluding Germany | 2,585 | 2,638 | 895 | 124 | –20 | 6,223 |
| North America | 2,264 | 2,067 | 1,104 | 74 | –23 | 5,485 |
| Asia-Pacific | 2,567 | 953 | 604 | 9 | –4 | 4,129 |
| Other countries | 240 | 408 | 232 | 0 | –8 | 872 |
| **Sales by region** | **10,148** | **6,922** | **3,473** | **291** | **-101** | **20,732** |
| | | | | | | |
| Automotive original-equipment business | 9,574 | 1,927 | 1,662 | 280 | –27 | 13,416 |
| Industrial/replacement business | 574 | 4,995 | 1,811 | 11 | –75 | 7,316 |
| **Sales by customer type** | **10,148** | **6,922** | **3,473** | **291** | **-101** | **20,732** |
| | | | | | | |
| Goods | 9,949 | 6,534 | 3,334 | 291 | –95 | 20,012 |
| Services | 120 | 388 | 65 | 0 | –5 | 568 |
| Project business | 79 | – | 73 | – | 0 | 152 |
| **Sales by product type** | **10,148** | **6,922** | **3,473** | **291** | **-101** | **20,732** |

**Impairment**
The Continental Group immediately reviews intangible assets and property, plant and equipment, investment property and goodwill as soon as there is an indication of impairment (triggering event).

As part of the dissolution of the Smart Mobility cash-generating unit (CGU) as at January 1, 2024, goodwill of €784 million was allocated to the Autonomous Mobility (€420 million) and Architecture and Networking (€111 million) CGUs and to the newly identified Automotive Aftermarket CGU (€254 million).

If the carrying amount of net assets is consistently higher than market capitalization, this is an indication of possible impairment and represents a triggering event. Due to this triggering event and other significant assumptions made when calculating the value in use of a CGU – such as free cash flows, discount rates and their parameters, and long-term growth rates – no requirements for impairment were determined.

The expected cash flows of the CGUs are derived from long-term planning that covers the next five years. For this impairment test carried out during the course of the year, the cash flows of the CGUs of the Automotive and Contract Manufacturing segments were discounted with an interest rate before tax of 12.6% (December 31, 2023: 13.1%), those of the Tires segment with an interest rate of 11.4% (December 31, 2023: 11.5%) and those of the ContiTech segment with an interest rate of 11.7% (December 31, 2023: 11.9%). This pre-tax WACC was based on the capital structure of the respective relevant peer group on average over the last five years at the time of implementation. The risk-free interest rate was 2.59% (December 31, 2023: 2.62%) and the market risk premium 7.0% (December 31, 2023: 7.0%). Borrowing costs were calculated as the sum of the risk-free interest rate plus the credit spreads of the peer group companies rated by Standard & Poor's, Moody's or Fitch.

The average growth rate in the detailed planning period was 11.1% (December 31, 2023: 8.8%) for the CGUs of the Automotive segment, 7.0% (December 31, 2023: 5.6%) for those of the Tires segment and 6.6% (December 31, 2023: 4.9%) for those of the ContiTech segment. Contract manufacturing for Vitesco Technologies is reported in the Contract Manufacturing segment and will conclude by the end of the detailed planning period. The long-term growth rate was 1.0% (December 31, 2023: 1.0%) for the CGUs of the Automotive segment, 0.5% (December 31, 2023: 0.5%) for those of the Tires and ContiTech segments and 0.0% (December 31, 2023: 0.0%) for those of the Contract Manufacturing segment. These growth rates do not exceed the long-term average growth rates for the markets in which the CGUs operate.

Assuming a 0.5-percentage-point increase in the discount rate would not lead to any goodwill impairment or asset impairment. Reducing the long-term growth rate by 0.5 percentage points would not lead to any goodwill impairment. No asset impairment would result. If sales in perpetuity would decline by 5.0%, consequently reducing free cash flow as a key planning parameter, this would not lead to any goodwill impairment. No asset impairment would result.

**Income tax expense**
Income tax expense in the first half of 2024 amounted to €207 million (PY: €238 million). The tax rate in the reporting period was 44.2% (PY: 28.0%). This was mainly due to the different mix of countries in relation to net income.

**Leases**

The following table shows the right-of-use assets as at June 30, 2024:

| € millions | June 30, 2024 | Dec. 31, 2023 |
|---|---|---|
| Land and buildings | 975 | 1,044 |
| Technical equipment and machinery | 3 | 4 |
| Other equipment, factory and office equipment | 83 | 77 |
| **Total right-of-use assets** | **1,061** | **1,124** |

The lease liabilities as at June 30, 2024, are shown in the following table:

| € millions | June 30, 2024 | Dec. 31, 2023 |
|---|---|---|
| **Lease liabilities** | **1,147** | **1,202** |
| Short-term | 285 | 286 |
| Long-term | 863 | 916 |

**Long-term employee benefits**

Compared with December 31, 2023, the remeasurement of defined benefit plans as at June 30, 2024, led to a €269 million increase (PY: €44 million decline) in other comprehensive income, including deferred taxes, which resulted from a rise in discount rates. The corresponding increase in equity contrasted with a decline in long-term employee benefits of €376 million (PY: rise of €64 million). The discount rates used for the remeasurement for the key countries as at June 30, 2024, were 3.59% in Germany (December 31, 2023: 3.14%), 5.64% in the USA (December 31, 2023: 5.15%), 5.25% in the United Kingdom (December 31, 2023: 4.68%) and 3.60% in France (December 31, 2023: 3.17%).

**Cash changes in pension and similar obligations**

Pension funds exist solely for pension obligations – particularly in Germany, the USA, Canada and the UK – and not for other benefit obligations. These pension funds qualify as plan assets. In the period from January 1 to June 30, 2024, the companies of the Continental Group made regular payments totaling €22 million (PY: €11 million) into these pension funds.

Payments for pension obligations totaled €131 million (PY: €123 million) in the period from January 1 to June 30, 2024. Payments for obligations similar to pensions totaled €7 million (PY: €7 million).

Net pension cost in the reporting period can be summarized as follows:

| | January 1 to June 30, 2024 | | | | | | January 1 to June 30, 2023 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| € millions | Germany | USA | Canada | UK | Other | Total | Germany | USA | Canada | UK | Other | Total |
| Current service cost | 59 | 1 | 0 | 1 | 11 | **72** | 53 | 1 | 1 | 1 | 10 | 65 |
| Interest on defined benefit obligations | 65 | 20 | 1 | 7 | 10 | **101** | 66 | 22 | 1 | 6 | 9 | 104 |
| Expected return on the pension funds | -27 | -20 | -1 | -8 | -4 | **-60** | -31 | -23 | -1 | -7 | -4 | -66 |
| Effect of change of asset ceiling | – | – | – | – | 0 | **0** | – | – | – | – | 0 | 0 |
| Other pension income and expenses | – | 1 | 0 | – | 0 | **1** | – | 1 | 0 | – | 0 | 1 |
| **Net pension cost** | **96** | **1** | **0** | **0** | **17** | **114** | **88** | **1** | **1** | **-1** | **15** | **105** |

The net cost of healthcare and life insurance benefit obligations for the Continental Group in the USA and Canada can be broken down as follows:

| | January 1 to June 30 | |
|---|---|---|
| **€ millions** | **2024** | 2023 |
| Current service cost | 0 | 0 |
| Interest on healthcare and life insurance benefit obligations | 3 | 3 |
| **Net cost** | **3** | **4** |

### Restructuring

For the restructuring measure communicated in the report on subsequent events in the 2023 annual report, additions to personnel restructuring provisions amounting to €117 million were made within the Automotive segment. These mainly relate to locations in Germany, France, Mexico and the USA. The aim of this program is to increase the efficiency of research and development activities by reducing complexity. To this end, research and development locations will be streamlined, existing infrastructures better utilized through the pooling of development units, and synergies in work processes leveraged. The program is to be implemented gradually by the end of 2025.

### Financing and indebtedness

As at June 30, 2024, the Continental Group's net indebtedness amounted to €5,601 million. This fell by €475 million compared with the year-on-year figure of €6,076 million and rose by €1,563 million compared with the figure of €4,038 million as at December 31, 2023. The increase compared with the end of 2023 is primarily attributable to the negative free cash flow of €940 million and to the dividend payment of €440 million in May 2024. Cash and cash equivalents as well as other financing instruments such as commercial paper issuances and the utilization of the syndicated loan were used to meet the financing requirements. The gearing ratio improved in the first half of 2024 to 39.6% (PY: 43.7%).

The syndicated loan that was renewed ahead of schedule in December 2019 consists of a revolving tranche of €4,000 million and has an original term of five years. In November 2021, Continental exercised the second and final option to extend the term by one year. The lending banks then extended this financing commitment until December 2026 at unchanged conditions. As at June 30, 2024, Continental AG had utilized €350 million of this revolving loan (PY: €300 million) and Continental Rubber of America, Corp., Wilmington, Delaware, USA, had utilized €374 million (PY: -). For further details regarding the syndicated loan, please refer to the comments in the 2023 annual report. Due to the amendments to IAS 1, *Presentation of Financial Statements*, which became mandatory from January 1, 2024, the syndicated loan utilized was reported under long-term indebtedness as at June 30, 2024. The comparative periods have been adjusted accordingly; for further details, please refer to the "Accounting principles" section in the consolidated interim financial statements.

Indebtedness included a carrying amount of €865 million (PY: €678 million) from commercial paper issuances.

Under the Debt Issuance Programme (DIP), Continental AG issued one listed euro bond on August 31, 2023, with an issue volume of €500 million. The issue price of this bond, which has a term of three and a half years and a fixed interest rate of 4.000% p.a., was 99.658%. In addition, the €500-million and €750-million euro bonds of Continental AG and Conti-Gummi Finance B.V., Maastricht, Netherlands, maturing on September 12 and November 27, 2023, were redeemed in the second half of 2023 at a rate of 100.000%. The €500-million bond had an interest rate of 0.000% p.a. and a term of four years. The €750-million bond had an interest rate of 2.125% p.a. and a term of three and a half years.

As at June 30, 2024, the Continental Group had liquidity reserves totaling €6,361 million (PY: €6,861 million), consisting of cash and cash equivalents of €2,167 million (PY: €2,272 million) and committed, unutilized credit lines of €4,194 million (PY: €4,589 million). As at June 30, 2024, a total of €1,905 million (PY: €1,772 million) of the cash and cash equivalents specified above were unrestricted. The assessment of any restrictions related to cash and cash equivalents is made on each respective reporting date. For the definition of unrestricted cash and cash equivalents, please refer to the glossary of the last annual report.

**Financial instruments**
The tables below show the carrying amounts and fair values of financial assets and liabilities, whereby non-current and current items are presented together. In addition, the relevant measurement categories are shown according to IFRS 9, *Financial Instruments*, and the levels of the fair value hierarchy relevant for calculating fair value according to IFRS 13, *Fair Value Measurement*.

| **€ millions** | Measurement category in acc. with IFRS 9 | **Carrying amount as at June 30, 2024** | **Fair value as at June 30, 2024** | thereof Level 1 | thereof Level 2 | thereof Level 3 |
|---|---|---|---|---|---|---|
| Other investments[1] | FVOCIwoR | 101 | 101 | 2 | – | 100 |
| Derivative instruments and interest-bearing investments | | | | | | |
| Derivative instruments not accounted for as effective hedging instruments | FVPL | 11 | 11 | – | 11 | – |
| Debt instruments | FVPL | 87 | 87 | 87 | – | – |
| Debt instruments | at cost | 127 | 127 | – | – | – |
| Trade accounts receivable without lease receivables | | | | | | |
| Trade accounts receivable | at cost | 7,328 | 7,328 | – | – | – |
| Bank drafts | FVOCIwR | 179 | 179 | – | 179 | – |
| Trade accounts receivable | FVPL | 14 | 14 | – | 14 | – |
| Other financial assets without lease receivables | | | | | | |
| Other financial assets | FVPL | 121 | 121 | 0 | 120 | – |
| Other financial assets | at cost | 257 | 257 | – | – | – |
| Cash and cash equivalents | | | | | | |
| Cash and cash equivalents | at cost | 2,089 | 2,089 | – | – | – |
| Cash and cash equivalents | FVPL | 78 | 78 | 78 | – | – |
| **Financial assets without lease receivables** | | **10,390** | **10,390** | **167** | **324** | **100** |
| Indebtedness without lease liabilities | | | | | | |
| Derivative instruments not accounted for as effective hedging instruments | FVPL | 10 | 10 | – | 10 | – |
| Other indebtedness | at cost | 6,835 | 6,832 | 3,836 | 902 | – |
| Trade accounts payable | at cost | 6,386 | 6,386 | – | – | – |
| Other financial liabilities | at cost | 1,138 | 1,138 | – | – | – |
| **Financial liabilities without lease liabilities** | | **14,369** | **14,366** | **3,836** | **911** | **–** |
| | | | | | | |
| Aggregated according to categories as defined in IFRS 9: | | | | | | |
| Financial assets (FVOCIwR) | | 179 | | | | |
| Financial assets (FVOCIwoR) | | 101 | | | | |
| Financial assets (FVPL) | | 310 | | | | |
| Financial assets (at cost) | | 9,800 | | | | |
| Financial liabilities (FVPL) | | 10 | | | | |
| Financial liabilities (at cost) | | 14,359 | | | | |

*1 Excluding investments in unconsolidated affiliated companies.*

| **€ millions** | Measurement category in acc. with IFRS 9 | Carrying amount as at Dec. 31, 2023 | Fair value as at Dec. 31, 2023 | thereof Level 1 | thereof Level 2 | thereof Level 3 |
|---|---|---|---|---|---|---|
| Other investments[1] | FVOCIwoR | 95 | 95 | 1 | – | 93 |
| Derivative instruments and interest-bearing investments | | | | | | |
| Derivative instruments not accounted for as effective hedging instruments | FVPL | 19 | 19 | – | 19 | – |
| Debt instruments | FVPL | 78 | 78 | 78 | – | – |
| Debt instruments | at cost | 112 | 112 | – | – | – |
| Trade accounts receivable without lease receivables | | | | | | |
| Trade accounts receivable | at cost | 7,388 | 7,388 | – | – | – |
| Bank drafts | FVOCIwR | 166 | 166 | – | 166 | – |
| Trade accounts receivable | FVPL | 12 | 12 | – | 12 | – |
| Other financial assets without lease receivables | | | | | | |
| Other financial assets | FVPL | 132 | 132 | 1 | 131 | – |
| Other financial assets | at cost | 265 | 265 | – | – | – |
| Cash and cash equivalents | | | | | | |
| Cash and cash equivalents | at cost | 2,560 | 2,560 | – | – | – |
| Cash and cash equivalents | FVPL | 363 | 363 | 363 | – | – |
| **Financial assets without lease receivables** | | **11,189** | **11,189** | **443** | **328** | **93** |
| Indebtedness without lease liabilities | | | | | | |
| Derivative instruments not accounted for as effective hedging instruments | FVPL | 8 | 8 | – | 8 | – |
| Other indebtedness | at cost | 5,960 | 5,978 | 3,854 | 519 | – |
| Trade accounts payable | at cost | 6,875 | 6,875 | – | – | – |
| Other financial liabilities | at cost | 1,678 | 1,678 | – | – | – |
| **Financial liabilities without lease liabilities** | | **14,522** | **14,540** | **3,854** | **528** | **–** |
| | | | | | | |
| Aggregated according to categories as defined in IFRS 9: | | | | | | |
| Financial assets (FVOCIwR) | | 166 | | | | |
| Financial assets (FVOCIwoR) | | 95 | | | | |
| Financial assets (FVPL) | | 603 | | | | |
| Financial assets (at cost) | | 10,325 | | | | |
| Financial liabilities (FVPL) | | 8 | | | | |
| Financial liabilities (at cost) | | 14,514 | | | | |

*1 Excluding investments in unconsolidated affiliated companies.*

**Abbreviations:**
- at cost: measured at amortized cost
- FVOCIwR: fair value through other comprehensive income with reclassification
- FVOCIwoR: fair value through other comprehensive income without reclassification
- FVPL: fair value through profit or loss

**Levels of the fair value hierarchy according to IFRS 13, *Fair Value Measurement*:**
- Level 1: quoted prices in active markets for identical instruments
- Level 2: quoted prices in active markets for similar instruments or measurement methods for which all major input factors are based on observable market data
- Level 3: measurement methods for which the major input factors are not based on observable market data

For financial instruments accounted for at FVOCIwoR for which there are no quoted prices in active markets for identical instruments (Level 1) or for similar instruments, or for which there are no applicable measurement methods in which all major input factors are based on observable market data (Level 2), the fair value must be calculated using a measurement method for which the major input factors are based on non-observable market data (Level 3). If external valuation reports or information from other financing rounds is available, these are used. If such information is not available, the measurement is performed according to the measurement method that is deemed appropriate and realizable in each case: for example, according to the discounted cash flow method or by valuation according to multiples using ratios based on purchase prices for comparable transactions. Measurement at amortized cost is only considered the best estimate of the fair value of financial assets if the most recent information available for fair value measurement is insufficient. Financial instruments accounted for at FVOCIwoR are centrally monitored with regard to any changes to the major non-observable input factors and continuously checked for changes in value.

The following table shows the changes to financial instruments at Level 3:

| € millions | Other investments |
|---|---|
| **As at January 1, 2023** | **156** |
| Valuation effects recognized in other comprehensive income | –50 |
| Additions | 2 |
| Exchange-rate effects | –1 |
| **As at June 30, 2023** | **106** |
| **As at January 1, 2024** | **93** |
| Valuation effects recognized in other comprehensive income | 1 |
| Additions | 4 |
| Reclassification | 1 |
| Exchange-rate effects | 1 |
| **As at June 30, 2024** | **100** |

Of the financial instruments remaining at Level 3, there were no indications of any significant change in the value of the financial investments as at the reporting date. For reasons of materiality, a sensitivity analysis is not required.

**Litigation and compensation claims**

Since 2020, the public prosecutor's office in Hanover has been conducting investigative proceedings against former employees as well as former board members of Continental AG suspected of committing criminal acts and breaches of supervisory duties in connection with the development and use of illegal defeat devices in diesel and gasoline engines of multiple automotive manufacturers. The fine proceedings conducted by the public prosecutor's office in Hanover against Continental AG and other group companies in this regard were legally concluded in the second quarter of 2024 by payment of a fine totaling €100 million. The company had already made appropriate provisions.

Vitesco Technologies Group AG is obligated on the basis of and in accordance with contractual provisions arising in particular from the corporate separation agreement concluded in the context of the spin-off to indemnify Continental AG and any individual companies of the Continental Group against the ensuing costs and liabilities. This is consistent with the agreement between the parties that all opportunities as well as all risks arising from the transferred business shall pass to Vitesco Technologies Group AG and the companies of Vitesco Technologies. In accordance with IAS 37.92 and GAS 20.154, no further disclosures will be made with regard to the proceedings and the related measures and any potential claims against Vitesco Technologies Group AG so as not to adversely affect the company's interests.

As a result of investigations that came to light in 2014, the European Commission imposed a fine of €44 million on Continental AG; Continental Teves AG & Co. oHG, Frankfurt am Main, Germany; and Continental Automotive GmbH, Hanover, Germany; on February 21, 2018, for the unlawful exchange of information. This involved specific brake components. Continental has paid this fine. Customers have since approached Continental to claim for damages, in some cases for specific amounts. Mercedes-Benz Group AG filed for declaratory judgment action with the Hanover District Court against Continental AG and two other companies of the Continental Group in December 2022, which initially related only to claims from remuneration in 2008/09. This declaratory judgment action was converted to an action for performance in April 2024. In April 2023, several companies of the Stellantis Group as well as several companies of the Renault Group filed a civil lawsuit in each case against Continental AG and two other companies of the Continental Group as well as several ZF and Bosch companies before the High Court in London, United Kingdom. Both the Stellantis Group and the Renault Group are yet to attach any specific amount to their claims, and these are also yet to be delivered in consultation with Continental. In addition, two class action lawsuits have been filed in

Canada against Continental AG and several of its subsidiaries. Continental believes that these claims and lawsuits are without merit. However, should the lawsuits lead to a judgment against Continental, the resulting expenses could be substantial and exceed the provision set aside for this purpose. In accordance with IAS 37.92 and GAS 20.154, no further disclosures will be made with regard to the proceedings and the related measures so as not to adversely affect the company's interests.

As part of industry-wide searches, the European Commission began conducting a search of the premises of Continental AG on January 30, 2024, due to alleged antitrust violations. On the same day, Germany's Federal Cartel Office (Bundeskartellamt) searched the premises of TON Tyres Over Night Trading GmbH, Schondra-Schildeck, Germany, a subsidiary of Continental, also due to alleged industry-wide antitrust violations. Both proceedings are at an early stage. In the event that Continental is responsible for any such violation, the European Commission and the Bundeskartellamt could each impose substantial fines. Furthermore, customers allegedly affected by the alleged exchange of information could claim for damages. In this context, class action lawsuits have already been filed in the USA and Canada against Continental and other tire manufacturers. In accordance with IAS 37.92 and GAS 20.154, no further disclosures will be made with regard to the proceedings and the related measures so as not to adversely affect the company's interests.

An as yet undetermined number of group companies are being investigated by Italian authorities due to the possible failure to submit tax returns for tax periods from 2016 onwards. Continental is cooperating with the investigating authorities and is currently clarifying this matter internally. At this point in time, it is not possible to provide any reliable information on possible financial charges. In accordance with IAS 37.92 and GAS 20.154, no further disclosures will be made so as not to adversely affect the company's interests.

Other than this, there were no significant new findings or developments in the reporting period with regard to the litigation and compensation claims described in the 2023 annual report.

**Contingent liabilities and other financial obligations**
As at June 30, 2024, there were no material changes in the contingent liabilities and other financial obligations described in the 2023 annual report.

**Appropriation of net income**
As at December 31, 2023, Continental AG reported net retained earnings of €2,412 million (PY: €3,135 million). On April 26, 2024, the Annual Shareholders' Meeting resolved to pay out a dividend of €2.20 per share to the shareholders of Continental AG for the past fiscal year. The total distribution is therefore €440,013,162.60 for 200,005,983 shares entitled to dividends. The remaining retained earnings were carried forward to new account.

**Earnings per share**
Basic earnings per share were €1.26 (PY: €2.95) in the first half of 2024 and €1.52 (PY: €1.04) for the period from April 1 to June 30, 2024. The figures for basic earnings per share were the same as for diluted earnings per share.

**Transactions with related parties**
In the period under review, there were no material changes with regard to content in transactions with related parties compared with December 31, 2023. For further information, please refer to the comments in the 2023 annual report.

**German Corporate Governance Code**
The annual declaration by the Executive Board and Supervisory Board of Continental AG on the German Corporate Governance Code, pursuant to Section 161 of the German Stock Corporation Act *(Aktiengesetz – AktG)*, is made permanently available to shareholders on the Continental Group's website. Earlier declarations pursuant to Section 161 *AktG* can also be found there.

## Significant Events after June 30, 2024

There were no significant events after June 30, 2024.

Hanover, July 26, 2024

Continental Aktiengesellschaft
The Executive Board

# Responsibility Statement by the Company's Legal Representatives

To the best of our knowledge, and in accordance with the applicable accounting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the earnings, financial and net assets position of the Continental Group, and the interim consolidated 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 for the remaining months of the fiscal year.

Hanover, July 26, 2024

Continental Aktiengesellschaft
The Executive Board

# Review Report

To Continental Aktiengesellschaft, Hanover

We have reviewed the condensed consolidated interim financial statements – comprising the consolidated statement of financial position, consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of cash flows, consolidated statement of changes in equity and the explanatory notes to the consolidated interim financial statements – and the interim consolidated management report of Continental Aktiengesellschaft, Hanover, for the period from January 1 to June 30, 2024, which are part of the half-year financial report pursuant to § (Article) 115 *WpHG* (“*Wertpapierhandelsgesetz*”: German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim consolidated management report in accordance with the provisions of the German Securities Trading Act applicable to interim consolidated management reports is the responsibility of the parent company’s Executive Board. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim consolidated management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim consolidated management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW).

Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim consolidated management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim consolidated management reports. A review is limited primarily to inquiries of company personnel and analytical procedures 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 express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim consolidated management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim consolidated management reports.

Hanover, August 1, 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

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|---|---|
| Harald Wimmer | Dr. Arne Jacobi |
| *Wirtschaftsprüfer* | *Wirtschaftsprüfer* |
| (German Public Auditor) | (German Public Auditor) |

# Financial Calendar

| 2024 | |
|---|---|
| Annual Press Conference | March 7 |
| Analyst and Investor Conference Call | March 7 |
| Annual Shareholders' Meeting | April 26 |
| Quarterly Statement as at March 31, 2024 | May 8 |
| Half-Year Financial Report as at June 30, 2024 | August 7 |
| Quarterly Statement as at September 30, 2024 | November 11 |

| 2025 | |
|---|---|
| Annual Press Conference | March |
| Analyst and Investor Conference Call | March |
| Annual Shareholders' Meeting | April 25 |
| Quarterly Statement as at March 31, 2025 | May |
| Half-Year Financial Report as at June 30, 2025 | August |
| Quarterly Statement as at September 30, 2025 | November |

## Publication Details

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