

Continental AG's Quarterly Reference Sheet

October 8th, 2024

This reference sheet is a quarterly summary of public information previously provided by Continental AG, or otherwise available in the market, which may support in assessing Continental AG's financial performance ahead of its Q3 2024 results on November 11th, 2024. With this summary, Continental AG will not provide any new information or commentary on current trading.

Please note that this release and all information herein is unaudited. Our next quiet period starts on October 12th, 2024.

Group Sector Automotive (Q3 2024 vs Q2 2024 – quarter on quarter)

Market / Macroeconomic Development

- **Markets Q3:** Most recent global market updates for passenger cars and light trucks expect Q3 to be down more than 3% sequentially: Europe down more than 18%, North America down almost 10%. China continues to grow at around 4%, with Chinese OEMs further strengthening their market share.
- **Markets FY24:** We still expect the global passenger and light truck market to land within our guidance range (-3% to -1%), assuming that there is a significant increase in production in the fourth quarter.
- **Currency effects:** Not expected to significantly influence the sales development.

Latest Management Commentary on Continental's development

- **Market impact:** Global production volumes, regionally weighted for Continental, down more than 10% given our strong European exposure.
- The very weak quarter, however, was generally in line with our lowered expectations, except for a further deterioration in the North American vehicle production.
- **Outperformance:** Some progress made from new product launches that had been delayed in H1, supporting sequential operational improvements in the quarter.
- **Price negotiations:** Continuous progress on price negotiations achieved. Majority of open topics expected to be closed within Q3.
- **Self-help programs:** Incremental positive results expected in Q3 through our fixed-cost savings program, further gains from our R&D efficiency programs, as well as contributions from R&D reimbursements.
- **Summary:** Overall, Q3 profitability expected to be above Q2, despite expected lower sales.
- **FY24:** Continuous fixed-cost savings, seasonally strong R&D reimbursements, and operating leverage from higher sales volume in Q4 will be the main contributors for meeting our guidance corridor for the year.

Group Sector Tires (Q3 2024 vs Q3 2023 - year on year)

Market / Macroeconomic Development

- **OE passenger car market developments:** Weak global OE market combined with increased competition from Asian players resulted in a negative development.
- **Passenger car replacement markets:** Satisfactory July and August in all regions. September volumes expected to be in line with the development of previous months.
- **Commercial vehicle tires:** Replacement and OE volumes weak in Europe and North America, with replacement volumes showing continued signs of stabilization lately.
- **Overall:** Volume development should be positive in a low to maybe even mid-single digit percentage area.

Latest Management Commentary on Continental's development

- **Passenger car replacement inventories:** Normalization of market dynamics in Europe. Good winter tire sell-out last year led to low inventories, supporting this year's sell-in. China as a strong value contributor in terms of market recovery.
- **Winter tires season:** Winter tire orders look promising. However, call-offs depend on first signs of winter. Base stocking expected to a certain degree due to strong sell-out last year.
- **Sales price/mix:** Expected to be flat.
- **Raw material cost development:** No longer a tailwind in Q3, especially due to the developments in natural and synthetic rubber procurement, headwind expected for Q4.
- **Summary:** Quarterly development in line with expectations.
- **FY24:** Margins in the second half of FY24 expected to be in line with the first half of the year.

Group Sector ContiTech (Q3 2024 vs Q3 2023 – year on year)

Market / Macroeconomic Development

- **Industry:** Continuously very low industry volumes, especially in Europe but also in North America – with limited upside anticipated in the upcoming months.
- **Automotive:** Automotive production weak in Q3, see detailed description in Automotive market commentary.
- **Overall:** Volumes presumably down in a high single digit area on the back of very challenging end markets.

Latest Management Commentary on Continental's development

- **Performance:** Lower sales will affect the EBIT performance as well. Our self-help measures and slightly positive material development are offsetting effects from cost inflation.
- **Summary:** EBIT margin in Q3 might come in below the guided full year range.
- **FY24:** Very weak volumes continuously weighing on full year results.

Group Free Cash Flow

Latest Management Commentary

- €125 million cash inflow from Vitesco Technologies in Q3 from agreement on allocation of investigation cost. This amount will also be recognized in the income statement at holding level in Q3.
- Continuous improvements in working capital expected.
- H2 we will see the majority of cash outs relating to the restructuring measures, particularly in the Automotive Sector.
- **Summary:** Positive adjusted free cash flow expected in Q3.

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