

Quarterly Statement as at September 30, 2023

Continental Increases Automotive Earnings and Adjusted Free Cash Flow

- › Consolidated sales of €10.2 billion (Q3 2022: €10.4 billion, -1.5 percent)
- › Adjusted EBIT of €637 million (Q3 2022: €595 million, +7.1 percent)
- › Adjusted EBIT margin of 6.2 percent (Q3 2022: 5.7 percent)
- › Net income of €299 million (Q3 2022: -€211 million)
- › Adjusted free cash flow of €466 million (Q3 2022: -€496 million)
- › Sales outlook for the Continental Group and the Automotive group sector slightly adjusted; adjusted EBIT margin outlook for the Tires group sector slightly improved

Continental ended the third quarter of 2023 in line with expectations. The technology company significantly improved the operating result in its Automotive group sector compared with the first half of the year. This was thanks to price adjustments, high cost discipline and stabilized supply chains. Continental generated good earnings in its Tires group sector and stable earnings in ContiTech, while making progress in Automotive. Furthermore, it increased its adjusted free cash flow year-on-year as well as compared with the first two quarters of 2023. This was due primarily to a reduction in inventories. The company has adjusted its sales outlook for the Automotive group sector – mainly because of ongoing negative exchange-rate effects – and its outlook for consolidated sales. It has also slightly raised its adjusted EBIT margin outlook for Tires due to the group sector's good earnings.

Consolidated sales of €10.2 billion in the third quarter; adjusted EBIT margin of 6.2 percent

In the third quarter of 2023, Continental achieved **consolidated sales** of €10.2 billion (Q3 2022: €10.4 billion, -1.5 percent). Its **adjusted operating result** was €637 million (Q3 2022: €595 million, +7.1 percent), corresponding to an **adjusted EBIT margin** of 6.2 percent (Q3 2022: 5.7 percent). **Net income** in the third quarter increased to €299 million (Q3 2022: -€211 million). **Adjusted free cash flow** was €466 million (Q3 2022: -€496 million).

Continental has therefore also made progress in terms of adjusted free cash flow. But, as in the previous year, it still has significant ground to gain in the fourth quarter. It is focusing on increasing earnings and further reducing inventories and receivables in order to achieve an adjusted free cash flow of around €0.8 billion to €1.2 billion by the end of the year.

Automotive production around same level as second quarter of 2023

According to preliminary figures, the global production of passenger cars and light commercial vehicles amounted to around 22.3 million units in the third quarter of 2023. This was around the same level as the previous quarter (Q2 2023: 22.2 million units) and around 4 percent higher year-on-year (Q3 2022: 21.5 million units).

Development of the group sectors

In the **Automotive** group sector, sales increased by 1.8 percent to €5.0 billion (Q3 2022: €4.9 billion). With its sales growing organically by 5.1 percent before exchange-rate effects and changes in the scope of consolidation, and global automotive production rising by around 4 percent, the group sector slightly outperformed the market. Automotive significantly increased its adjusted EBIT margin compared with the first two quarters of the year to 2.8 percent (Q3 2022: 2.5 percent). The improvement in earnings resulted in particular from the price adjustments made in response to inflation-related additional costs of around €1 billion for 2023 as a whole. High cost discipline and stabilized supply chains also had a positive impact on earnings.

The **Tires** group sector had another good quarter. Due to declining volumes in the tire-replacement business, sales in Tires were down year-on-year at €3.4 billion (Q3 2022: €3.6 billion, -5.4 percent). However, Tires increased its adjusted EBIT margin compared with the prior-year quarter to 13.2 percent (Q3 2022: 11.8 percent). The higher margin resulted primarily from the continued high share of premium tires as well as lower raw material costs.

The **ContiTech** group sector recorded another stable quarter, posting sales of €1.7 billion (Q3 2022: €1.7 billion, -1.0 percent) and an adjusted EBIT margin that was up slightly year-on-year at 6.6 percent (Q3 2022: 6.3 percent). This was thanks to inflation-related price adjustments in particular.

Sales in the **Contract Manufacturing** group sector were €114 million in the third quarter of 2023 (Q3 2022: €147 million), while the adjusted EBIT margin was -7.4 percent (Q3 2022: -3.3 percent).

Market outlook and forecast for fiscal 2023 adjusted

For 2023, Continental now expects production of passenger cars and light commercial vehicles to increase by 5 to 7 percent year-on-year (previously: 3 to 5 percent). For the tire-replacement business, we continue to expect sales volumes to develop by -2 to 0 percent. The industrial business is currently showing signs of developing by -2 to 0 percent in the eurozone (we previously expected it to stabilize at the previous year's level); in the USA we anticipate a figure of between -1 and +1 percent (previously: -2 and 0 percent) for the year as a whole; and in China we expect a recovery in demand of 4 to 6 percent. Higher costs for materials, wages and salaries as well as energy and logistics – amounting to around €1.4 billion – are expected to weigh heavily on our earnings position in fiscal 2023.

Based on all of the assumptions mentioned as well as current exchange rates, Continental expects the following key financial figures for fiscal 2023:

- › We expect the **Continental Group** to achieve sales in the range of around €41.0 billion to €43.0 billion (previously: €41.5 billion to €44.5 billion) and achieve an adjusted EBIT margin of around 5.5 to 6.5 percent.
- › We expect our **Automotive** group sector to achieve sales of around €20.0 billion to €21.0 billion (previously: €20.5 billion to €21.5 billion) and an adjusted EBIT margin of around 2 to 3 percent. This includes higher costs for materials, wages and salaries as well as logistics of around €1 billion.
- › We expect our **Tires** group sector to achieve sales of around €14.0 billion to €15.0 billion and an adjusted EBIT margin of around 12.5 to 13.5 percent (previously: 12 to 13 percent). This includes the expected negative impact from higher costs, primarily for wages and salaries, of around €200 million.
- › We expect our **ContiTech** group sector to achieve sales of around €6.8 billion to €7.2 billion and an adjusted EBIT margin of around 6 to 7 percent. This includes the expected negative impact from higher costs for materials, wages and salaries as well as energy of around €200 million.
- › In our **Contract Manufacturing** group sector, we anticipate sales of around €400 million to €600 million and an adjusted EBIT margin of around 0 percent.
- › As in the previous year, consolidated **amortization from purchase price allocations** is again expected to be below €150 million and affect mainly the Automotive and ContiTech group sectors.
- › We also expect negative **special effects** of around €350 million for 2023.
- › In 2023, 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 percent.
- › The **capital expenditure ratio** is expected to be around 6 percent of sales in fiscal 2023.
- › In 2023, we are planning on **adjusted free cash flow** of around €0.8 billion to €1.2 billion.

This outlook takes into account the current anticipated impact of certain ongoing supply shortages for semiconductors on production volumes in 2023.

Key Figures for the Continental Group

Continental Group in € millions	January 1 to September 30		Third Quarter	
	2023	2022	2023	2022
Sales	30,972.2	29,118.0	10,240.1	10,395.6
EBITDA	2,990.0	2,859.5	1,000.0	1,078.7
in % of sales	9.7	9.8	9.8	10.4
EBIT	1,368.5	222.9	460.7	12.2
in % of sales	4.4	0.8	4.5	0.1
Net income attributable to the shareholders of the parent ¹	889.4	-222.0	298.6	-210.8
Basic earnings per share in € ¹	4.45	-1.11	1.49	-1.05
Diluted earnings per share in € ¹	4.45	-1.11	1.49	-1.05
Research and development expenses (net) ^{2,3}	2,271.4	2,188.9	723.5	734.9
in % of sales ^{2,3}	7.3	7.5	7.1	7.1
Depreciation and amortization ⁴	1,621.5	2,636.7	539.3	1,066.5
thereof impairment ⁵	10.8	947.0	2.1	503.1
Capital expenditure ⁶	1,526.0	1,545.2	585.7	557.7
in % of sales	4.9	5.3	5.7	5.4
Operating assets as at September 30	21,177.8	21,264.3		
Number of employees as at September 30 ⁷	203,593	197,442		
Adjusted sales ⁸	30,881.6	29,069.3	10,213.5	10,370.3
Adjusted operating result (adjusted EBIT) ⁹	1,712.9	1,424.4	637.4	595.3
in % of adjusted sales	5.5	4.9	6.2	5.7
Free cash flow	-622.3	-1,459.5	466.7	-588.9
Net indebtedness as at September 30	5,714.8	6,025.4		
Gearing ratio in % ¹	39.2	40.8		

1 The methodology used in the consolidated financial statements for the recognition of uncertain tax positions has been changed. For more information, see Note 2 (General Information and Accounting Principles) of the notes to the consolidated financial statements in the 2022 annual report. The comparative period has been adjusted accordingly.

2 In the year under review, the presentation of income and expenses in connection with specific warranties, restructuring measures, severance payments, as well as impairment and reversal of impairment losses on intangible assets and property, plant and equipment was changed. They are now assigned to the relevant functional areas. The comparative period has been adjusted accordingly.

3 The assignment of income and expenses from certain business activities within the functional areas has been adjusted. The comparative period has been adjusted accordingly.

4 Excluding impairment on financial investments.

5 Impairment also includes necessary reversals of impairment losses.

6 Capital expenditure on property, plant and equipment, and software.

7 Excluding trainees.

8 Before changes in the scope of consolidation.

9 Before amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation, and special effects.

Key Figures for the Group Sectors

Automotive in € millions	January 1 to September 30		Third Quarter	
	2023	2022	2023	2022
Sales	15,177.4	13,502.3	5,029.2	4,941.3
EBITDA	738.8	519.7	251.3	331.7
in % of sales	4.9	3.8	5.0	6.7
EBIT	-26.4	-1,140.4	-2.6	-426.2
in % of sales	-0.2	-8.4	-0.1	-8.6
Research and development expenses (net) ^{1,2}	1,884.8	1,827.2	593.8	614.9
in % of sales ^{1,2}	12.4	13.5	11.8	12.4
Depreciation and amortization ³	765.2	1,660.2	253.9	758.0
thereof impairment ⁴	6.2	866.9	1.3	495.2
Capital expenditure ⁵	837.2	887.4	322.3	315.7
in % of sales	5.5	6.6	6.4	6.4
Operating assets as at September 30	9,487.4	9,028.9		
Number of employees as at September 30 ⁶	102,574	95,644		
Adjusted sales ⁷	15,177.4	13,502.0	5,029.2	4,941.0
Adjusted operating result (adjusted EBIT) ⁸	146.3	-156.0	139.4	123.7
in % of adjusted sales	1.0	-1.2	2.8	2.5

Tires in € millions	January 1 to September 30		Third Quarter	
	2023	2022	2023	2022
Sales	10,350.8	10,302.2	3,429.1	3,626.0
EBITDA	1,873.0	2,066.0	637.0	629.1
in % of sales	18.1	20.1	18.6	17.3
EBIT	1,271.1	1,358.3	440.0	410.7
in % of sales	12.3	13.2	12.8	11.3
Research and development expenses (net) ¹	253.4	240.1	85.0	79.7
in % of sales ¹	2.4	2.3	2.5	2.2
Depreciation and amortization ³	601.9	707.6	197.0	218.3
thereof impairment ⁴	3.6	77.1	0.0	7.6
Capital expenditure ⁵	531.4	482.2	207.6	178.0
in % of sales	5.1	4.7	6.1	4.9
Operating assets as at September 30	7,793.5	8,057.5		
Number of employees as at September 30 ⁶	56,527	57,090		
Adjusted sales ⁷	10,350.8	10,254.6	3,429.1	3,601.4
Adjusted operating result (adjusted EBIT) ⁸	1,396.0	1,453.7	453.1	424.0
in % of adjusted sales	13.5	14.2	13.2	11.8

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4 Impairment also includes necessary reversals of impairment losses.

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ContiTech in € millions	January 1 to September 30		Third Quarter	
	2023	2022	2023	2022
Sales	5,183.2	4,912.2	1,710.5	1,728.5
EBITDA	516.2	391.0	170.3	170.4
in % of sales	10.0	8.0	10.0	9.9
EBIT	284.0	150.9	89.8	89.1
in % of sales	5.5	3.1	5.3	5.2
Research and development expenses (net) ¹	133.2	121.6	44.6	40.3
in % of sales ¹	2.6	2.5	2.6	2.3
Depreciation and amortization ²	232.3	240.1	80.4	81.3
thereof impairment ³	0.8	3.0	0.5	0.3
Capital expenditure ⁴	134.1	130.5	46.8	48.5
in % of sales	2.6	2.7	2.7	2.8
Operating assets as at September 30	3,315.8	3,451.2		
Number of employees as at September 30 ⁵	42,315	42,002		
Adjusted sales ⁶	5,092.6	4,911.3	1,683.9	1,728.1
Adjusted operating result (adjusted EBIT) ⁷	329.5	271.1	111.1	108.4
in % of adjusted sales	6.5	5.5	6.6	6.3

Contract Manufacturing in € millions	January 1 to September 30		Third Quarter	
	2023	2022	2023	2022
Sales	405.3	536.3	114.7	147.4
EBITDA	25.8	37.0	-3.2	3.2
in % of sales	6.4	6.9	-2.8	2.2
EBIT	6.6	10.0	-8.8	-5.3
in % of sales	1.6	1.9	-7.7	-3.6
Research and development expenses (net) ¹	0.0	0.0	0.0	0.0
in % of sales ¹	0.0	0.0	0.0	0.0
Depreciation and amortization ²	19.2	27.0	5.6	8.5
thereof impairment ³	0.3	0.0	0.3	0.0
Capital expenditure ⁴	3.7	7.1	1.5	1.8
in % of sales	0.9	1.3	1.3	1.2
Operating assets as at September 30	447.5	644.9		
Number of employees as at September 30 ⁵	1,619	2,227		
Adjusted sales ⁶	405.3	536.3	114.7	147.4
Adjusted operating result (adjusted EBIT) ⁷	7.0	11.4	-8.5	-4.8
in % of adjusted sales	1.7	2.1	-7.4	-3.3

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Consolidated Statement of Income

This quarterly statement was prepared in accordance with the accounting and measurement methods described in the International Financial Reporting Standards (IFRS) for interim reporting applicable at the end of the reporting period and endorsed by the European Union.

€ millions	January 1 to September 30		Third Quarter	
	2023	2022	2023	2022
Sales	30,972.2	29,118.0	10,240.1	10,395.6
Cost of sales ^{1,2}	-24,375.0	-23,519.3	-8,129.8	-8,259.8
Gross margin on sales^{1,2}	6,597.2	5,598.7	2,110.3	2,135.9
Research and development expenses ^{1,2}	-3,067.8	-2,985.5	-1,035.4	-1,043.2
Selling and logistics expenses ^{1,2}	-1,872.0	-1,790.5	-618.8	-616.4
Administrative expenses ¹	-922.1	-806.9	-295.4	-255.4
Other income ¹	1,171.8	1,163.2	438.1	430.7
Other expenses ¹	-562.3	-968.3	-148.4	-647.9
Income from equity-accounted investees	22.8	11.5	10.1	8.4
Other income from investments	1.0	0.7	0.2	0.2
EBIT	1,368.5	222.9	460.7	12.2
Interest income ³	74.0	67.9	27.1	16.7
Interest expense	-300.3	-174.5	-101.4	-63.6
Effects from currency translation	93.9	-10.7	-13.2	-11.1
Effects from changes in the fair value of derivative instruments, and other valuation effects	-38.6	-83.6	-27.4	-38.0
Financial result³	-171.0	-201.0	-114.8	-96.1
Earnings before tax³	1,197.5	21.8	345.9	-83.9
Income tax expense	-276.6	-213.5	-38.3	-114.1
Net income³	920.9	-191.7	307.6	-198.0
Non-controlling interests	-31.5	-30.3	-9.0	-12.8
Net income attributable to the shareholders of the parent ³	889.4	-222.0	298.6	-210.8
Basic earnings per share in €³	4.45	-1.11	1.49	-1.05
Diluted earnings per share in €³	4.45	-1.11	1.49	-1.05

¹ In the year under review, the presentation of income and expenses in connection with specific warranties, restructuring measures, severance payments, as well as impairment and reversal of impairment losses on intangible assets and property, plant and equipment was changed. They are now assigned to the relevant functional areas. The comparative period has been adjusted accordingly.

² The assignment of income and expenses from certain business activities within the functional areas has been adjusted. The comparative period has been adjusted accordingly.

³ The methodology used in the consolidated financial statements for the recognition of uncertain tax positions has been changed. For more information, see Note 2 (General Information and Accounting Principles) of the notes to the consolidated financial statements in the 2022 annual report. The comparative period has been adjusted accordingly.

Consolidated Statement of Comprehensive Income

€ millions	January 1 to September 30		Third Quarter	
	2023	2022	2023	2022
Net income¹	920.9	-191.7	307.6	-198.0
Items that will not be reclassified to profit or loss				
Remeasurement of defined benefit plans ²	301.7	2,627.8	361.5	317.3
Fair value adjustments ²	304.2	2,667.5	367.3	334.9
Investment in equity-accounted investees ³	0.1	0.1	0.1	0.1
Currency translation ²	-2.6	-39.8	-5.9	-17.7
Other investments	-51.8	-13.8	-0.5	-12.6
Fair value adjustments ²	-51.9	-8.5	-0.3	-7.7
Investment in equity-accounted investees ³	0.2	-3.9	0.2	-3.9
Currency translation ²	-0.1	-1.4	-0.4	-1.0
Tax on other comprehensive income	-82.0	-777.9	-104.1	-89.4
Items that may be reclassified subsequently to profit or loss				
Currency translation ²	74.6	910.9	98.9	349.6
Effects from currency translation ²	-6.1	910.4	89.4	349.1
Reclassification adjustments to profit or loss	81.1	–	9.9	–
Investment in equity-accounted investees ³	-0.4	0.5	-0.4	0.5
Other comprehensive income	242.5	2,747.0	355.8	564.9
Comprehensive income¹	1,163.4	2,555.3	663.4	366.9
Attributable to non-controlling interests	-0.9	-37.6	-10.3	-17.9
Attributable to the shareholders of the parent ¹	1,162.5	2,517.7	653.1	349.0

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² Including non-controlling interests.

³ Including taxes.

Consolidated Statement of Financial Position

Assets

€ millions	September 30, 2023	December 31, 2022	September 30, 2022
Goodwill	3,216.9	3,218.2	3,285.8
Other intangible assets	865.3	973.7	1,037.0
Property, plant and equipment	11,535.6	11,467.2	11,440.2
Investment property	11.5	11.5	11.8
Investments in equity-accounted investees	302.2	305.1	321.1
Other investments	132.2	170.0	178.0
Deferred tax assets ¹	2,234.2	2,059.2	1,922.3
Defined benefit assets	105.5	93.1	118.9
Long-term derivative instruments and interest-bearing investments	80.1	105.8	128.7
Long-term other financial assets	268.8	270.0	264.6
Long-term other assets	48.0	114.8	109.2
Non-current assets¹	18,800.4	18,788.7	18,817.7
Inventories	6,881.2	6,729.6	6,947.1
Trade accounts receivable	8,596.4	7,767.7	9,227.8
Short-term contract assets	154.5	99.8	128.8
Short-term other financial assets	138.1	140.0	137.8
Short-term other assets	1,182.0	1,034.0	1,164.5
Income tax receivables	358.6	277.6	345.0
Short-term derivative instruments and interest-bearing investments	107.2	101.5	94.2
Cash and cash equivalents	2,227.9	2,988.0	2,257.2
Assets held for sale	–	–	43.7
Current assets	19,646.0	19,138.0	20,346.0
Total assets¹	38,446.4	37,926.7	39,163.7

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Equity and liabilities

€ millions	September 30, 2023	December 31, 2022	September 30, 2022
Issued/subscribed capital	512.0	512.0	512.0
Capital reserves	4,155.6	4,155.6	4,155.6
Retained earnings ¹	10,499.9	9,910.5	9,621.9
Other comprehensive income	-1,045.7	-1,319.0	4.3
Equity attributable to the shareholders of the parent¹	14,121.7	13,259.1	14,293.7
Non-controlling interests	452.0	475.8	468.4
Total equity¹	14,573.8	13,735.0	14,762.2
Long-term employee benefits	2,413.0	2,623.5	1,713.5
Deferred tax liabilities	90.1	57.5	104.9
Long-term provisions for other risks and obligations	702.0	624.1	848.2
Long-term indebtedness	4,311.3	4,006.0	4,199.1
Long-term other financial liabilities	9.8	10.0	11.2
Long-term contract liabilities	7.1	7.8	9.6
Long-term other liabilities	23.9	31.0	21.2
Non-current liabilities	7,557.2	7,359.9	6,907.7
Short-term employee benefits	1,439.2	1,274.7	1,328.0
Trade accounts payable	6,753.2	7,637.0	7,184.3
Short-term contract liabilities	207.1	232.4	251.0
Income tax payables ¹	491.4	525.7	530.0
Short-term provisions for other risks and obligations ¹	979.2	1,036.8	1,056.0
Short-term indebtedness	3,818.7	3,688.7	4,306.4
Short-term other financial liabilities	1,731.1	1,763.8	1,874.8
Short-term other liabilities	895.5	672.8	946.7
Liabilities held for sale	–	–	16.7
Current liabilities¹	16,315.4	16,831.8	17,493.8
Total equity and liabilities¹	38,446.4	37,926.7	39,163.7

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Consolidated Statement of Cash Flows

€ millions	January 1 to September 30		Third Quarter	
	2023	2022	2023	2022
Net income¹	920.9	-191.7	307.6	-198.0
Income tax expense	276.6	213.5	38.3	114.1
Financial result ¹	171.0	201.0	114.8	96.1
EBIT	1,368.5	222.9	460.7	12.2
Interest paid	-195.8	-94.6	-71.3	-48.0
Interest received	83.6	40.9	27.6	16.0
Income tax paid	-550.1	-427.4	-199.6	-151.6
Dividends received	22.9	2.3	21.4	0.2
Depreciation, amortization, impairment and reversal of impairment losses	1,621.5	2,636.7	539.3	1,066.5
Income from equity-accounted investees and other investments, incl. impairment and reversal of impairment losses	-23.8	-12.2	-10.3	-8.6
Gains/losses from the disposal of assets, companies and business operations	62.7	-9.5	23.6	-2.9
Changes in				
inventories	-142.3	-1,639.1	199.4	-528.5
trade accounts receivable	-804.8	-1,849.8	-297.6	-1,016.7
trade accounts payable	-886.3	1,104.4	-194.7	346.3
employee benefits and other provisions	186.7	-8.8	262.1	120.2
other assets and liabilities	46.9	-7.1	224.6	308.0
Cash flow arising from operating activities	789.8	-41.4	985.3	113.1
Cash flow from the disposal of assets	71.2	47.6	9.3	10.6
Capital expenditure on property, plant and equipment, and software	-1,343.1	-1,340.4	-526.0	-616.0
Capital expenditure on intangible assets from development projects and miscellaneous	-15.2	-22.5	-2.3	-3.7
Cash flow from the disposal of companies and business operations	40.4	-0.7	0.7	-0.1
Acquisition of companies and business operations	-165.4	-102.2	-0.3	-92.8
Cash flow arising from investing activities	-1,412.2	-1,418.1	-518.6	-702.1
Cash flow before financing activities (free cash flow)	-622.3	-1,459.5	466.7	-588.9
Issuance of bonds ²	1,250.0	-	500.0	-
Redemption of bonds ²	-500.0	-	-500.0	-
Repayment of lease liabilities ²	-228.9	-246.2	-74.5	-92.0
Change in other indebtedness ²	-267.5	2,089.1	-449.7	1,003.9
Change in derivative instruments and interest-bearing investments ²	-6.6	1.1	16.2	13.6
Other cash changes	-8.3	-30.1	-1.8	-5.9
Dividends paid	-300.0	-440.0	-	-
Addition of cash and cash equivalents from the first-time consolidation of subsidiaries	0.0	-	0.0	-
Dividends paid to and cash changes from equity transactions with non-controlling interests	-22.7	-23.8	-2.6	-1.9
Cash flow arising from financing activities	-84.0	1,350.1	-512.4	917.7
Change in cash and cash equivalents	-706.3	-109.4	-45.7	328.8
Cash and cash equivalents at the beginning of the reporting period	2,988.0	2,269.1	2,271.5	1,907.4
Effect of exchange-rate changes on cash and cash equivalents	-53.7	97.4	2.1	20.9
Cash and cash equivalents at the end of the reporting period	2,227.9	2,257.2	2,227.9	2,257.2

1 The methodology used in the consolidated financial statements for the recognition of uncertain tax positions has been changed. For more information, see Note 2 (General Information and Accounting Principles) of the notes to the consolidated financial statements in the 2022 annual report. The comparative period has been adjusted accordingly.
2 The presentation of the change in indebtedness was revised in the 2022 annual report. The previous year's figures have been adjusted accordingly.

Consolidated Statement of Changes in Equity

€ millions	Issued/ subscribed capital ¹	Capital reserves	Retained earnings ²	Successive purchases ³	Difference from			Subtotal ²	Non- controlling interests	Total ²
					remeasurement of defined benefit plans ⁴	currency translation ⁵	financial instruments ⁶			
As at January 1, 2022²	512.0	4,155.6	10,283.9	-311.8	-1,994.9	-507.8	79.0	12,216.0	452.5	12,668.5
Net income ²	–	–	-222.0	–	–	–	–	-222.0	30.3	-191.7
Other comprehensive income	–	–	–	–	1,848.3	904.8	-13.3	2,739.7	7.3	2,747.0
Net profit for the period²	–	–	-222.0	–	1,848.3	904.8	-13.3	2,517.7	37.6	2,555.3
Dividends paid/resolved	–	–	-440.0	–	–	–	–	-440.0	-27.3	-467.3
Other changes ⁷	–	–	–	–	–	–	–	–	5.6	5.6
As at September 30, 2022²	512.0	4,155.6	9,621.9	-311.8	-146.6	397.0	65.7	14,293.7	468.4	14,762.2
As at January 1, 2023	512.0	4,155.6	9,910.5	-311.8	-773.9	-295.9	62.7	13,259.1	475.8	13,735.0
Net income	–	–	889.4	–	–	–	–	889.4	31.5	920.9
Other comprehensive income	–	–	–	–	216.5	105.3	-48.7	273.1	-30.6	242.5
Net profit for the period	–	–	889.4	–	216.5	105.3	-48.7	1,162.5	0.9	1,163.4
Dividends paid/resolved	–	–	-300.0	–	–	–	–	-300.0	-22.6	-322.6
Other changes ⁷	–	–	–	0.1	–	–	–	0.1	-2.1	-2.0
As at September 30, 2023	512.0	4,155.6	10,499.9	-311.7	-557.4	-190.6	14.0	14,121.7	452.0	14,573.8

1 Divided into 200,005,983 (PY: 200,005,983) outstanding shares with dividend and voting rights.

2 The methodology used in the consolidated financial statements for the recognition of uncertain tax positions has been changed. For more information, see Note 2 (General Information and Accounting Principles) of the notes to the consolidated financial statements in the 2022 annual report. The comparative period has been adjusted accordingly.

3 Includes an amount of €0.1 million (PY: –) relating to effects from the first-time consolidation of previously non-consolidated subsidiaries.

4 Includes shareholder's portion of €0.1 million (PY: €0.1 million) in non-realized gains and losses from pension obligations of equity-accounted investees.

5 Includes shareholder's portion of -€0.4 million (PY: €0.5 million) in the currency translation of equity-accounted investees.

6 The change in the difference arising from financial instruments, including deferred taxes, was due to other investments of -€48.7 million (PY: -€13.3 million).

7 Other changes in non-controlling interests due to changes in the scope of consolidation and capital increases.

Segment Reporting

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

€ millions	Automotive	Tires	ContiTech	Contract Manufacturing	Other/Holding/Consolidation	Continental Group
External sales	15,171.6	10,271.2	5,125.0	404.3	–	30,972.2
Intercompany sales	5.7	79.5	58.2	0.9	-144.4	–
Sales (total)	15,177.4	10,350.8	5,183.2	405.3	-144.4	30,972.2
EBIT (segment result)	-26.4	1,271.1	284.0	6.6	-166.8	1,368.5
in % of sales	-0.2	12.3	5.5	1.6	–	4.4
Depreciation and amortization ¹	765.2	601.9	232.3	19.2	3.0	1,621.5
thereof impairment ²	6.2	3.6	0.8	0.3	–	10.8
Capital expenditure ³	837.2	531.4	134.1	3.7	19.6	1,526.0
in % of sales	5.5	5.1	2.6	0.9	–	4.9
Operating assets as at September 30	9,487.4	7,793.5	3,315.8	447.5	133.5	21,177.8
Number of employees as at September 30 ⁴	102,574	56,527	42,315	1,619	558	203,593
Adjusted sales ⁵	15,177.4	10,350.8	5,092.6	405.3	-144.4	30,881.6
Adjusted operating result (adjusted EBIT) ⁶	146.3	1,396.0	329.5	7.0	-165.9	1,712.9
in % of adjusted sales	1.0	13.5	6.5	1.7	–	5.5

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 September 30, 2022

€ millions	Automotive	Tires	ContiTech	Contract Manufacturing	Other/Holding/Consolidation	Continental Group
External sales	13,499.0	10,225.4	4,857.7	536.0	–	29,118.0
Intercompany sales	3.3	76.8	54.6	0.3	-135.0	–
Sales (total)	13,502.3	10,302.2	4,912.2	536.3	-135.0	29,118.0
EBIT (segment result)	-1,140.4	1,358.3	150.9	10.0	-156.0	222.9
in % of sales	-8.4	13.2	3.1	1.9	–	0.8
Depreciation and amortization ¹	1,660.2	707.6	240.1	27.0	1.9	2,636.7
thereof impairment ²	866.9	77.1	3.0	0.0	–	947.0
Capital expenditure ³	887.4	482.2	130.5	7.1	38.1	1,545.2
in % of sales	6.6	4.7	2.7	1.3	–	5.3
Operating assets as at September 30	9,028.9	8,057.5	3,451.2	644.9	81.9	21,264.3
Number of employees as at September 30 ⁴	95,644	57,090	42,002	2,227	479	197,442
Adjusted sales ⁵	13,502.0	10,254.6	4,911.3	536.3	-135.0	29,069.3
Adjusted operating result (adjusted EBIT) ⁶	-156.0	1,453.7	271.1	11.4	-155.8	1,424.4
in % of adjusted sales	-1.2	14.2	5.5	2.1	–	4.9

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 September 30, 2023**

€ millions	Automotive	Tires	ContiTech	Contract Manufacturing	Other/ Holding/ Consolidation	Continental Group
Sales	15,177.4	10,350.8	5,183.2	405.3	-144.4	30,972.2
Changes in the scope of consolidation ¹	–	–	-90.6	–	–	-90.6
Adjusted sales	15,177.4	10,350.8	5,092.6	405.3	-144.4	30,881.6
EBITDA	738.8	1,873.0	516.2	25.8	-163.8	2,990.0
Depreciation and amortization ²	-765.2	-601.9	-232.3	-19.2	-3.0	-1,621.5
EBIT	-26.4	1,271.1	284.0	6.6	-166.8	1,368.5
Amortization of intangible assets from purchase price allocation (PPA)	43.6	4.8	40.2	–	–	88.6
Changes in the scope of consolidation ¹	–	–	-6.8	–	–	-6.8
Special effects						
Impairment on goodwill	–	–	–	–	–	–
Impairment ³	6.2	5.3	0.5	0.3	–	12.3
Restructuring ⁴	71.5	-1.0	1.3	0.0	–	71.9
Restructuring-related expenses	13.3	17.8	1.5	–	–	32.6
Severance payments	11.5	13.3	12.7	0.1	0.9	38.5
Gains and losses from disposals of companies and business operations	26.6	72.8	-6.3	0.0	–	93.2
Other ⁵	–	11.8	2.2	–	–	14.0
Adjusted operating result (adjusted EBIT)	146.3	1,396.0	329.5	7.0	-165.9	1,712.9

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 reversals of impairment losses of €1.8 million in the Tires segment and impairments of €0.3 million in the ContiTech segment.

⁵ Includes allowances for doubtful accounts on accounts receivable and debt waivers from the sale of all Russian operations in the Tires segment and some operations in the ContiTech segment in Russia.

**Reconciliation of sales to adjusted sales and of EBITDA to adjusted operating result (adjusted EBIT)
from January 1 to September 30, 2022**

€ millions	Automotive	Tires	ContiTech	Contract Manufacturing	Other/ Holding/ Consolidation	Continental Group
Sales	13,502.3	10,302.2	4,912.2	536.3	-135.0	29,118.0
Changes in the scope of consolidation ¹	-0.2	-47.6	-0.9	–	–	-48.8
Adjusted sales	13,502.0	10,254.6	4,911.3	536.3	-135.0	29,069.3
EBITDA	519.7	2,066.0	391.0	37.0	-154.1	2,859.5
Depreciation and amortization ²	-1,660.2	-707.6	-240.1	-27.0	-1.9	-2,636.7
EBIT	-1,140.4	1,358.3	150.9	10.0	-156.0	222.9
Amortization of intangible assets from purchase price allocation (PPA)	53.8	10.8	48.7	–	–	113.3
Changes in the scope of consolidation ¹	-0.4	-6.5	-1.2	–	–	-8.1
Special effects						
Impairment on goodwill	555.3	–	–	–	–	555.3
Impairment ³	310.1	77.1	5.6	0.0	–	392.8
Restructuring ⁴	-3.0	0.5	57.9	-0.2	–	55.2
Restructuring-related expenses	31.1	6.8	3.4	1.4	–	42.6
Severance payments	14.8	7.2	6.4	0.1	0.2	28.8
Gains and losses from disposals of companies and business operations	–	-0.4	-0.7	–	–	-1.1
Other ⁵	22.6	–	–	–	–	22.6
Adjusted operating result (adjusted EBIT)	-156.0	1,453.7	271.1	11.4	-155.8	1,424.4

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 €3.2 million (Automotive €1.5 million; Tires €0.0 million; ContiTech €1.7 million) and a reversal of impairment losses of €4.3 million in the ContiTech segment.

⁵ Includes expenses of €22.6 million in connection with the valuation of the Washer Systems disposal group.

Hanover, October 23, 2023

Continental Aktiengesellschaft
The Executive Board

This quarterly statement has 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.

Financial Calendar

2023	
Annual Press Conference	March 8
Analyst and Investor Conference Call	March 8
Annual Shareholders' Meeting	April 27
Quarterly Statement as at March 31, 2023	May 10
Half-Year Financial Report as at June 30, 2023	August 9
Quarterly Statement as at September 30, 2023	November 8

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

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