Capital Market Days 2020
ContiTech: Smart Solutions
Enabling Our Digital Transformation

Ticker: CON
ADR-Ticker: CTTAY
http://www.continental-ir.com

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From Rubber Products to Smart Solutions

Past
- German rubber company

Present
- Global leader in technical rubber and plastic products

Future
- Connected products
  - Our smart solutions
Stairway to Our Future
Constantly Enlarging Our Accessible Market

Pure rubber products

New materials (plastics, metals) allow new and better constructions

Services added (engineering, field service, etc.)

Product digitalization connectivity of our products

ContiTech engages in new business models
ContiTech Growth Fields
Well Positioned to Benefit from Megatrends

Value Fields
- Aerospace
- Printing technology
- Material handling
- Ship, port and ocean
- ICE passenger vehicles
- Mining
- Occupational safety
- Railway transport

Growth Fields
- Commercial vehicles
- Construction, home and garden
- Energy management
- Off-highway mobility
- Urban mobility
- Recycling, wastewater and air treatment

We have started to develop smart solutions for these industries.

- Limited growth due to structural changes
- Continue to serve markets with existing portfolio

~ +0-2% CAGR

- Driven by the megatrends sustainability, population growth and urbanization
- Dedicated products addressing customer needs
- Deep market penetration

~ +3-5% CAGR
ContiTech Innovation Fields
Leveraging Existing Competencies within Continental
Looking Forward
Realizing Significant Growth Opportunities

Sales in growth fields (€)

Outperform by

~ +3%

Leverage strong market position

› Leading position in many markets
› Extensive distribution network and strong customer relationships
› Dedicated product portfolio
› Strong global footprint and brand

Smart Solutions – Our competitive advantage

› Unique combination of material and digital expertise
› Synergies and short time to market benefit through one common architecture for all digital products
› Agile business within strong Continental network

Market growth

~ +3-5% CAGR

2020E

Mid-term

~ 30% of ContiTech business
Innovation Network
Global Ecosystem, Smart Solutions, Strong Partners

5 innovation hubs around the world (DE, US, MX, IN, CH)

30% shorter development time for key innovations

Over 80 new products, services or business models going to market each year

3 internal startups running working on many more

From 0 to 40 dedicated software engineers in 2 years continuous ramp-up in the next years

Over 15 digital products in the pipeline
**Smart Solutions Beyond Rubber**

**Drone Inspection**

**Construction and Mining**

**Problem:**
- Time consuming belt system inspection

**Solution:**
- Inspection is done visually and acoustically with drones

**Current offer:**
- Drone inspection
- Repair and maintenance services

**Revenue model:**
- Charged inspection service
- Maintenance of belt system

**Significant reduction of unplanned downtime**

⇒ Cost for 1 hour downtime: €170 thousand

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1 Company estimate based on industry data and customer feedback
Smart Solutions Beyond Rubber
Virtual Covering

Automotive Original Equipment

Problem:
› Long development cycles for new generations of interior design for cars

Solution:
› Virtualizing all ContiTech surface materials, use of virtual reality

Current offer:
› Virtual covering simulation and interior design configurator

Revenue model:
› Engineering and consulting services

Savings of about €500 thousand per model and reduction of development time by up to 30%\(^1\)

\(^1\) Company estimate based on industry data and customer feedback
ContiTech Is Extremely Well Positioned

Summary

Significant market opportunities
- Megatrends lead to high growth rates
- Leading market position
- Clear focus

Unique position
- Material and digital know-how
- Realize significant growth
- Leverage synergy effects

Digital solutions
- Our pipeline is full
- Smart solutions targeting all growth fields
- New innovative business models
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