Capital Market Days 2020
Autonomous Mobility and Safety
Safe and Dynamic Driving Toward Vision Zero

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

Frank Jourdan, Member of the Executive Board
December 16, 2020
Our Vision and Mission

Safe and Dynamic Driving Toward Vision Zero – SensePlanAct
Safe Mobility Is Our Passion – Saving Lives Our Devotion.

- We integrate safety technologies and master vehicle dynamics to realize safe and enjoyable driving.
- With our components and system competencies we pave the way toward autonomous mobility.

Key Facts

Sales 2020E:
~ €7.5 billion

Employees¹:
~ 47,000 worldwide

Customers:
Major OEMs in all regions

¹ Year-end 2020E
This Is Autonomous Mobility and Safety
We Make Vision Zero Happen

Traffic Fatalities

Twofold Approach

Increase performance and automation to reduce human error

Increase installation rates of established safety systems

1 Sources: Data for 2019, Federal Statistics Office, Germany (Destatis) | Global Status Report on Road Safety 2018, World Health Organization

Over 1.35 million people worldwide die in road accidents every year
Another 50 million are injured.
This Is Autonomous Mobility and Safety
Comprehensive Product Portfolio Along the Chain of Effects

**Autonomous Mobility**
- Radar
- Camera
- Lidar
- AD¹ HPC²/AD control units

**Safety**
- Sensors
- Hydraulic brake systems
- Electronic brake systems
- Restraint systems

**Functions**
- Assisted and Automated Driving
- Safety and Motion Control

1 Assisted/automated Driving | 2 High-performance computer
This Is Autonomous Mobility and Safety
Embedded in Automotive Strategic Framework

Standard Processes, Methods & Tools, SW Factory, Agile Development

AD Sensors, AD HPC, AD Systems, AD Vehicle Functions

Mobile Robots, Intelligent Intersection

Air Suspension Systems

Sensors, Brake Systems, Restraint Systems, Safety & Motion HPC

Autonomous Mobility

Smart Mobility

User Experience

Safety

Software and Systems Excellence

Architecture and Networking

E/E Architecture, HPC Platform, Microprocessor roadmap

1 Assisted/automated Driving | 2 Software | 3 High-performance computer | 4 Electric/electronic
This Is Autonomous Mobility and Safety (AMS)  
Our Sales Contribution to the Action Fields

AMS Sales in Action Fields\(^1\) (€)

<table>
<thead>
<tr>
<th>2020E</th>
<th>Mid-term</th>
</tr>
</thead>
<tbody>
<tr>
<td>~ 7.5 bn</td>
<td>~ 7.5 bn</td>
</tr>
<tr>
<td>~ +1% pts</td>
<td>~ +8% pts</td>
</tr>
<tr>
<td>~ +10% pts</td>
<td>~ +2 to +4% pts</td>
</tr>
</tbody>
</table>

\(\sum ~ +2 \text{ to } +4\% \text{-pts}\)

### Growth
- Fast-growing markets
- Outperformance driven by technological innovation
- Focus: market position, growth and long-term profitability

### Value
- Stable, mature markets
- Profitable business
- Focus: profitability and cash conversion

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\(^1\) Based on mid-term IHS light vehicle production (LVP) forecast from November 2020  
\(^2\) Mid-term organic sales growth above IHS LVP forecast
Value Contributor: Safety
Strong and Solid Business

AMS Sales in Action Field¹ (€)

Expected outperformance²

\[ \sum \sim +1\text{-pts} \]

\[ \sim +0\text{-pts} \]

\[ \sim +1\text{-pts} \]

\[ \sim +3\text{-pts} \]

<table>
<thead>
<tr>
<th>Others³</th>
<th>2020E</th>
<th>Mid-term</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

Safety & Motion High-performance Computer
› Offers new opportunities. With our extensive safety expertise & understanding of systems we are the partner of choice

Restraint Systems
› Become anticipatory and connected. Continued top market position. Leverage in-house portfolio & competencies

Brake Systems
› Will be needed in all future cars. Portfolio adaptation, extension to cover automotive trends & increase content

Sensors
› Are the base of each vehicle function. Strong position today. Extending portfolio to tackle tomorrow’s opportunities

<table>
<thead>
<tr>
<th>2019</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Speed, inertial, battery, position, satellites, …</td>
<td>Airbag control unit, electronic brake system</td>
</tr>
</tbody>
</table>

† Based on mid-term IHS light vehicle production (LVP) forecast from November 2020 | ²Mid-term organic sales growth above IHS LVP forecast | ³Others: washer systems, build to print
Value Contributor: Safety
Integration Increases Content per Car

Conventional = different components

One Box = integration into one unit

› Superior performance
› Full recuperation
› HAD\(^1\) ready
› Better packaging

One Box Installation Rates\(^3\)

- Today: ~5%
- Long-term: ~30%

Typical content per car

Trends:
› CO\(_2\) efficiency
› Recuperation
› Automated driving

1\(^{st}\) to market in 2016

<table>
<thead>
<tr>
<th>Conventional</th>
<th>One Box</th>
<th>One Box redundant</th>
<th>Dry Brake System(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>180%</td>
<td>290%</td>
<td>~5%</td>
</tr>
</tbody>
</table>

6 OEM, 53 SOPs\(^4\) to date

~1 mn units delivered in 2019

37 awards in backlog

All platforms of a premium OEM (recent award with additional €1.8 bn LTS\(^5\))

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\(^1\) HAD: Highly Automated Driving
\(^2\) Feasibility Study
\(^3\) Internal outlook based on customer awards and request for quotation
\(^4\) SOP: Start of Production
\(^5\) LTS: lifetime sales
Value Contributor: Safety
Well Prepared for Vertical and Horizontal Function Integration

Comprehensive Portfolio
- Sensors
- Brake Systems
- Restraint Systems
- Safety & Motion HPC

Complete Chain of Effects
- Sense
- Plan
- Act

All Driving Situations
- Normal Driving
- Hazardous Situations
- Crash

Extensive knowledge and understanding of the system – from the individual components up to the whole vehicle

- We create value by translating market trends into tangible solutions
- We increase content by vertical and horizontal integration
- Manage for profitability and cash conversion
Growth Driver: Autonomous Mobility
Sustainable Growth Through Our Increasing Content per Vehicle

AMS Sales in Action Field¹ (€)

- **High Resolution Lidars**
  - Complete portfolio from short to long range. Leverage experience with strong partner. Introduction in ≥ L3 systems, additional integration in ≥ L2 Plus systems

- **AD Control Units / AD High-Performance Computer (AD HPC)**
  - Scalable software and high-performance computing platforms guarantee future readiness

- **Radar**
  - Securing technology leadership with next generation (4D). Fusion with camera enables outstanding perception. Rising number of radars in ≥ L2 Plus systems (“radar belt”)

- **Camera**
  - Leading surround view systems. Work together with partners to improve. Leveraging 360° vision for automated driving. High quantity of satellite cameras in ≥ L2 Plus

- **Expected outperformance²**
  - ~ +10%-pts
  - ~ +80%-pts
  - ~ +7%-pts
  - ~ +5%-pts

<table>
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- **AMS Sales in Action Field**
  - > 100 mn units delivered
  - 2017 – 2019
    - Radars, cameras, lidars, AD control units
  - > 15 % sales CAGR
  - 2017 – 2019

1 Based on mid-term IHS light vehicle production (LVP) forecast from November 2020 ² Mid-term organic sales growth above IHS LVP forecast

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December 16, 2020
# Growth Driver: Autonomous Mobility

Our Level 2 Plus Solutions Addressing Significant Growth

<table>
<thead>
<tr>
<th>Continental Technology</th>
<th>in series</th>
<th>in series</th>
<th>from 2021</th>
<th>from 2021/22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partly Automated Driving (SAE L2)</td>
<td>“L2 Plus”</td>
<td>L2 “Performance”</td>
<td>L2 “Premium”</td>
<td>HAD ready</td>
</tr>
<tr>
<td>Highly Automated Driving (HAD) (SAE L3)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Software

<table>
<thead>
<tr>
<th>Feature</th>
<th>Content per Vehicle</th>
</tr>
</thead>
<tbody>
<tr>
<td>AD High Performance Computer</td>
<td>optional</td>
</tr>
<tr>
<td>Radars</td>
<td>1 – 5</td>
</tr>
<tr>
<td>Cameras</td>
<td>1 – 2</td>
</tr>
<tr>
<td>Lidars</td>
<td>1 – 2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>&gt; 200 EUR</th>
<th>&gt; 2x L2</th>
<th>&gt; 4x L2</th>
<th>&gt; 10x L2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Content per vehicle</td>
<td>optional</td>
<td></td>
<td></td>
<td>≥ 2</td>
</tr>
</tbody>
</table>

1 NCAP: New Car Assessment Program | 2 HAD: Highly automated driving
Growth Driver: Autonomous Mobility
Modular Software & Hardware Platforms to Manage High Complexity

Full Stack Capability

- Driving and Parking Functions
- Perception
- Operating System and Middleware

Software components from
- Continental
- Continental subsidiary
- Continental subsidiary
- 3rd party

Scalable Computing Platform

- From combinable surround view and assisted driving up to integrated automated driving and parking HPCs
- Ready for over-the-air software updates

- Partly Automated Driving (SAE L2)
- “L2 Plus” Performance Premium
- Highly Automated Driving (SAE L3)
- Fully Automated Driving (SAE L4)

Computing Power
Growth Driver: Autonomous Mobility
Enabling the Monetization of Software

Data & AI-driven Software Stack Development

- Global Test Vehicle Fleet
- Validation & Simulation
- Neural Network Development
- Industry Leading Supercomputer
- Synthetic Data Generation

Leading Edge Software Integration Processes

- Driving & Parking Functions
- Perception
- Operating System and Middleware

Business Model Licenses & Update fees for Software Stacks

Business Model Engineering Service for „Integration & Validation“
Strengthen Operational Performance
Right-size Cost Structure Via Reductions and Shift to Best Cost

**Annual gross cost savings target**
- Total > €1 bn by 2023

**Contribution from AMS**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>Mid-term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Best cost share in manufacturing</td>
<td>~75%</td>
<td>~80%</td>
</tr>
<tr>
<td>Best cost share in R&amp;D</td>
<td>~50%</td>
<td>~60%</td>
</tr>
</tbody>
</table>

- **Powertrain Technologies**
  - AMS: ~15%
  - Rubber Technologies: ~25%
  - VNI: ~45%
Adjusted EBIT\(^1\) Margin Bridge AMS
We Strive for an Adjusted EBIT Margin of ~ 6% to 8% in the Mid-term

\(^1\) Before amortization of intangible assets from purchase price allocation, changes in the scope of consolidation and special effects

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**2020E**  
**Growth**  
› Based on mid-term IHS light vehicle production forecast from November 2020  
› **Strong outperformance** of the action field autonomous mobility

**Operational Performance**  
› **Right-size cost structure** in terms of manufacturing and R&D  
› **Best cost share optimization**  
› Focus on operational excellence, quality excellence and standardization

**Mid-term target**  
~ 6% to 8%
Summary
Growth in Autonomous Mobility; Value in Safety

This is Autonomous Mobility and Safety:
Sense, plan and act in Safety and Autonomous Mobility together
to reach our Vision Zero

Value Contributor – Safety:
New products to secure the solid business

Growth Driver – Autonomous Mobility:
Technology leadership and scalable solutions ensure
over-proportional growth

Recovery of Adjusted EBIT Margin Profile:
Outperform the market with ~ +2 to +4%-pts mid-term;
improved operational performance to increase profitability
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