Capital Market Days 2020
Automotive Technologies

Ticker: CON
ADR-Ticker: CTTAY
www.continental-corporation.com

Nikolai Setzer, CEO Continental AG
and Chairman of the Automotive Board
December 16, 2020
Transformation of the Automotive Industry
Six Dominating Trends Will Define the Future of Mobility

- Autonomous Mobility
- Smart Mobility
- Architecture and Networking
- User Experience
- Safety
- Software
Transformation of the Automotive Industry
Expanding Value Creation Opportunities in All Trends

Old World: Defined by Hardware

New World: Defined by Hardware and Software

Trends
Autonomous Mobility
Smart Mobility
Architecture and Networking
Software
User Experience
Safety

Assisted
Concepts
Distributed
Emerging
Analog
Stand-alone

Automated
Islands
Domain
Critical
Digital
Integrated

Value creation opportunities

Evolution of Trends

2000
2020
2030
Transformation into Automotive Technologies
New Organization Built Upon Strong and Established Pillars

Autonomous Mobility and Safety
› Sensors
› Hydraulic Brake Systems
› Electronic Brake Systems
› Restraint Systems
› AD and Safety & Motion HPC
› Cameras
› Radar
› LiDAR

Vehicle Networking and Information
› Connectivity & V2X
› Body and Cockpit HPCs
› Access Solutions
› Display & Projection Solutions
› Body & Network Controls
› Cabin sensing
› Tachographs, Fleet Management & Services
› OES & Aftermarket

Employees¹: ~ 47,000
Sales¹: ~ €7.5 bn

Employees¹: ~ 48,000
Sales¹: ~ €7.8 bn

¹ Expectation for 2020E
Transformation into Automotive Technologies
Realigning Our Activities into Action Fields to Better Serve Trends

We Drive the Future of Mobility.
Transformation into Automotive Technologies
Realignment Leverages Synergies Across Multiple Dimensions

**Project management**
Managing **highest complexity** across action fields and parties

**Horizontal integration**
- Combining **functions across domains**
- **Standardized** hardware and software platforms to realize **better economies of scale and scope**

**Vertical integration**
Capable of providing **fully functional system stacks**
- Cloud
- Functions/services/apps
- Middleware/OS
- Basic software
- Hardware

**Scalability across OEs and platforms**
- Most competitive **cost position**, fastest **time to market** and attractive **value proposition**
- Unique portfolio **breadth and depth**
Differentiate Our Portfolio
Action Fields to be Managed as “Growth” or “Value”

Expected outperformance¹

<table>
<thead>
<tr>
<th>Action Field</th>
<th>Outperformance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autonomous Mobility</td>
<td>~ +10%-pts</td>
</tr>
<tr>
<td>Smart Mobility</td>
<td>~ +10%-pts</td>
</tr>
<tr>
<td>Architecture and Networking</td>
<td>~ +3%-pts</td>
</tr>
<tr>
<td>SW and Systems Excellence</td>
<td>~ +10%-pts</td>
</tr>
<tr>
<td>User Experience</td>
<td>~ +1%-pts</td>
</tr>
<tr>
<td>Safety</td>
<td>~ +1%-pts</td>
</tr>
</tbody>
</table>

Sales 2020E: €15.3 bn

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

¹ Mid-term organic sales growth above IHS LVP
Strengthen Operational Performance
Adjust Our Cost Structure to Deliver Targeted Cost Savings

Annual gross cost savings target

<table>
<thead>
<tr>
<th>Total &gt; €1 bn by 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Powertrain Technologies</td>
</tr>
<tr>
<td>Automotive Technologies</td>
</tr>
<tr>
<td>Rubber Technologies</td>
</tr>
</tbody>
</table>

Contribution from Automotive Technologies

<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>~85%</td>
</tr>
<tr>
<td>Best-cost share in R&amp;D</td>
<td>~50%</td>
<td>~60%</td>
</tr>
</tbody>
</table>
Adjusted EBIT\(^1\) Margin Bridge

We Strive for an Adjusted EBIT\(^1\) 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.
Summary
Emerge as a Winner of the Automotive Transformation

One of the most comprehensive, future-oriented portfolios

Synergy realization through integration of action fields

Clear differentiation between growth and value

Emphasis on operational performance to deliver targeted cost savings

Mid-term targets: market outperformance of ~ +2 to +4%-pts and adjusted EBIT margin of ~ 6% to 8%
Disclaimer

› This presentation has been prepared by Continental Aktiengesellschaft solely in connection for the Capital Market Days in December 2020, and the subsequent analyst and investor meetings. It has not been independently verified. It does not constitute an offer, invitation or recommendation to purchase or subscribe for any shares or other securities issued or to be issued by Continental AG or any subsidiary and neither shall any part of it form the basis of, or be relied upon in connection with, any contract or commitment concerning the purchase or sale of such shares or other securities whatsoever.

› Neither Continental Aktiengesellschaft nor any of its affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss that may arise from any use of this presentation or its contents or otherwise arising in connection with this presentation.

› This presentation includes assumptions, estimates, forecasts and other forward-looking statements, including statements about our beliefs and expectations regarding future developments as well as their effect on the results of Continental. These statements are based on plans, estimates and projections as they are currently available to the management of Continental. Therefore, these statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events. Furthermore, although the management is of the opinion that these statements, and their underlying beliefs and expectations, are realistic as of the date they are made, no assurance can be given that the expected developments and effects will actually occur. Many factors may cause the actual development to be materially different from the expectations expressed here. Such factors include, for example and without limitation, changes in general economic and business conditions, fluctuations in currency exchange rates or interest rates, the introduction of competing products, the lack of acceptance for new products or services and changes in business strategy.

› All statements with regard to markets or market position(s) of Continental or any of its competitors are estimates of Continental based on data available to Continental. Such data are neither comprehensive nor independently verified. Consequently, the data used are not adequate for and the statements based on such data are not meant to be an accurate or proper definition of regional and/or product markets or market shares of Continental and any of the participants in any market.