



Capital Market Days 2020

ContiTech

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

Hans-Jürgen Duensing, Member of the Executive Board
December 16, 2020

From Rubber Products to Smart Solutions



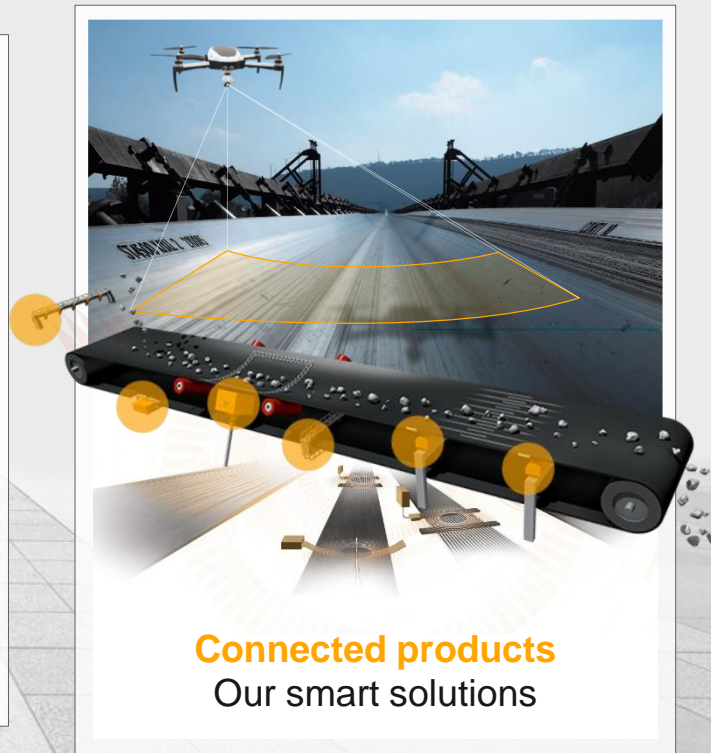
German rubber
company

Past



Global leader in technical
rubber and plastic products

Present



Connected products
Our smart solutions

Future

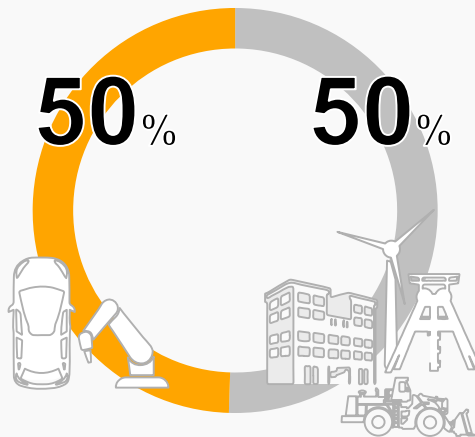
ContiTech

Global Leader in Technical Rubber and Plastic Products

Automotive original equipment



Our sales distribution (2019)

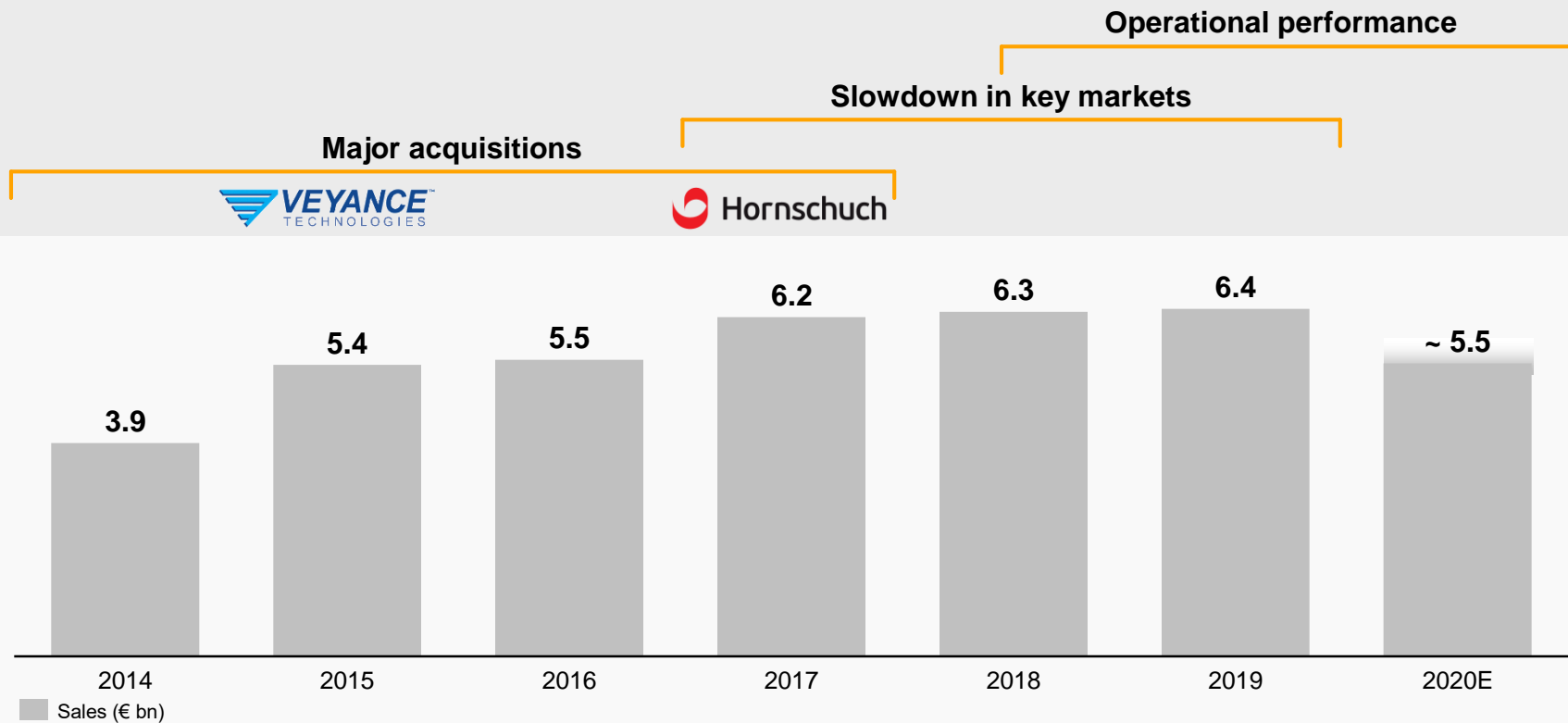


Industry and automotive aftermarket



Getting on Track

Fit For Success in a Challenging Environment



Markets Are Changing

We Seize the Opportunities

External conditions

Slowdown in key markets

Rapid commoditization of products

Declining importance of **ICE¹ technology**

Sustainability is becoming mission critical



Our answers

Focus on **operational performance**

Differentiation through material science and digitalization

Shifting gears to capture BEV² business

Innovation pipeline filled with sustainable solutions

¹ ICE: Internal combustion engine

² BEV: Battery electric vehicles

SMART SOLUTIONS

- › **Connecting our products, making them smart**
- › **Development of digital capabilities**

BEYOND RUBBER

- › **Expansion of rubber expertise**
- › **Development of innovative materials**

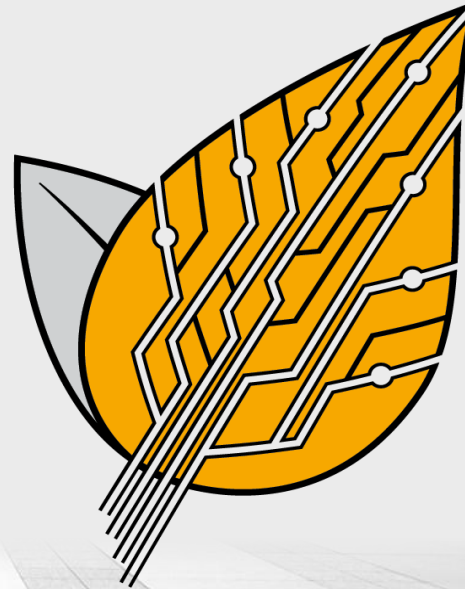


SMART SOLUTIONS

- › Connecting our products, making them smart
- › Development of digital capabilities

BEYOND RUBBER

- › Expansion of rubber expertise
- › Development of innovative materials



Perform!

Operational excellence

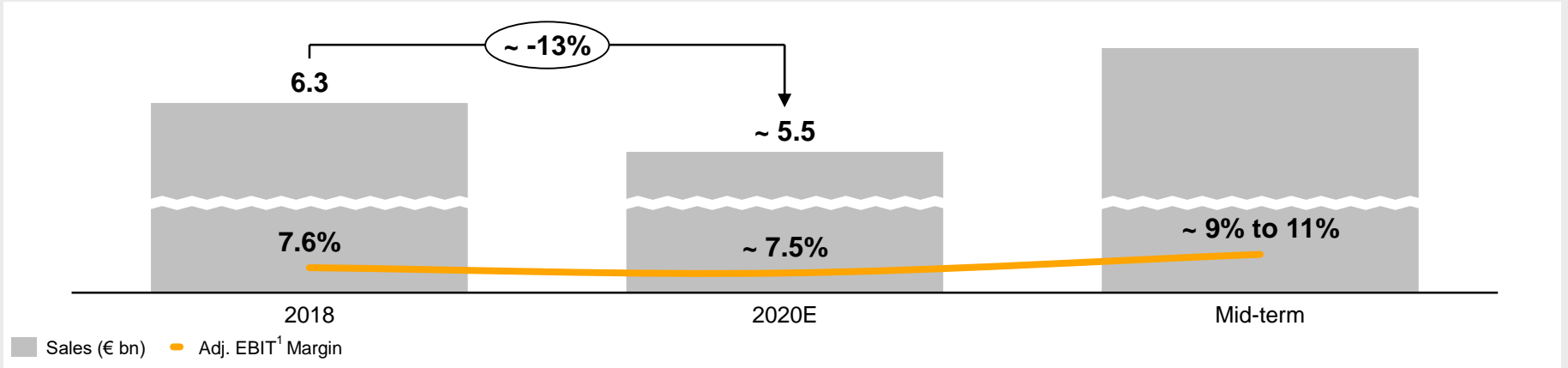
Transform!

Accelerate growth and capture value

Innovate!

Perform!

Strong Focus on Operational Performance Since 2018



Performance measures

1. Structural improvements

- > Capacity alignment
- > Organizational adaptation
- > Portfolio transformation

2. Operational excellence

- > Manufacturing performance
- > Quality improvement
- > Labor-cost agility
- > Value selling

**Improved cost structure
for profitable growth**

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

ContiTech
SMART **SOLUTIONS**
BEYOND RUBBER



Perform!

Transform!

Innovate!

Accelerate growth and capture value

Transform and Innovate!

Focus on Highly Attractive Growth Opportunities

ContiTech value fields

~ +0-2% CAGR

Limited growth due to structural changes within industries



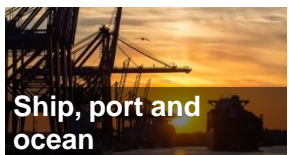
Aerospace



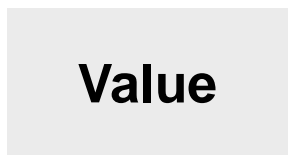
Printing technology



Material handling



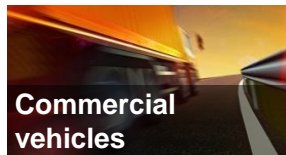
Ship, port and ocean



Value



ICE passenger vehicles



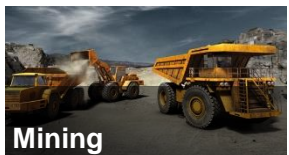
Commercial vehicles



Construction, home and garden



Energy management



Mining



Occupational safety



Railway transport



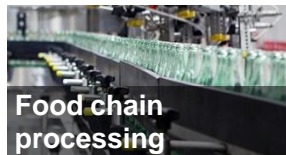
Off-highway mobility



Growth



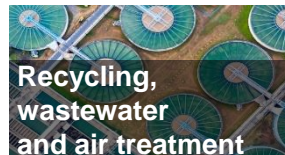
Urban mobility



Food chain processing



Electric passenger vehicles



Recycling, wastewater and air treatment

ContiTech growth fields

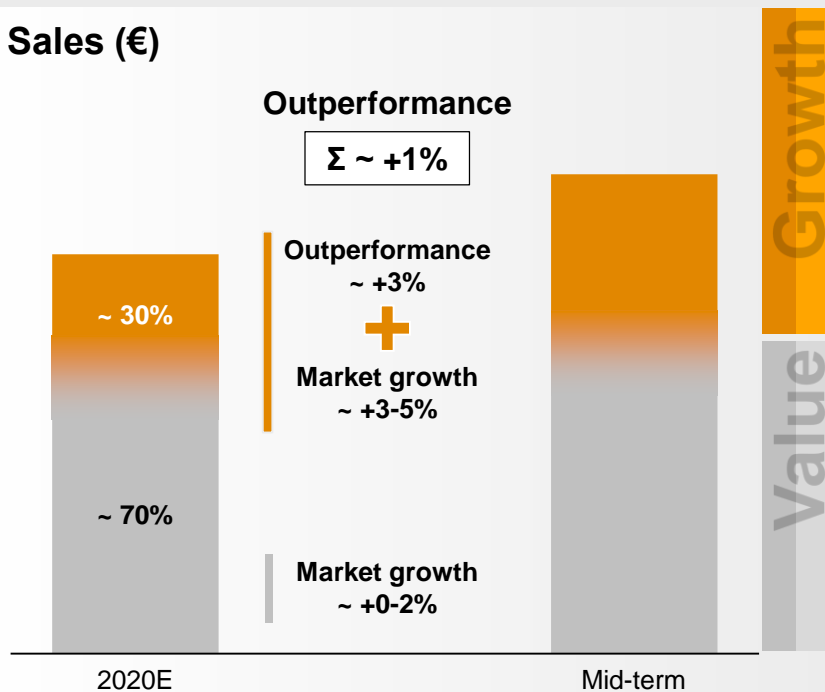
~ +3-5% CAGR

Market growth driven by the **megatrends** sustainability, population growth and urbanization

Transform and Innovate!

Well Positioned to Accelerate Growth and Capture Value

Sales (€)



Growth fields

- › Focus on **outperformance** of market development
- › **Differentiate** through material and digital expertise
- › **Capture organic and inorganic** growth opportunities

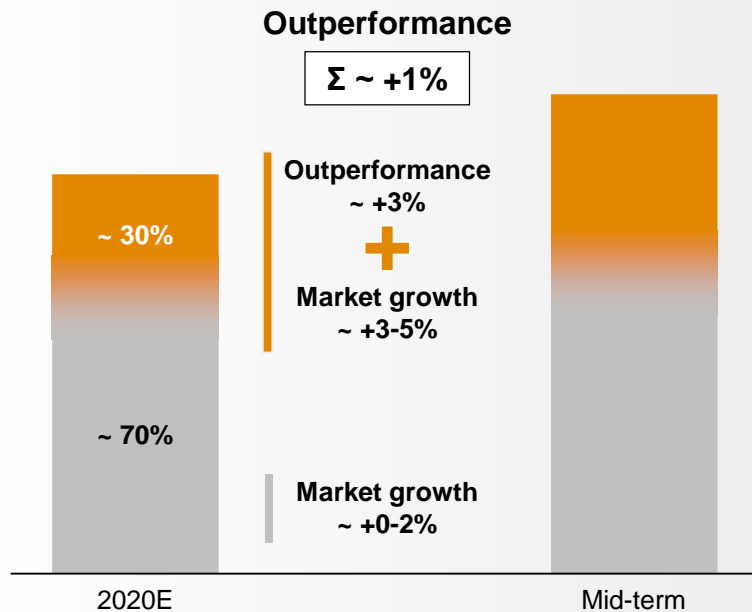
Value fields

- › **Maximize profitability**
- › **Deliver growth** in line with market performance
- › **Optimize** costs, processes and capital allocations
- › **Divest and phase out** selected businesses

Transform and Innovate!

Conducting Active Business Portfolio Management

Sales (€)



Growth

MERLETT



- › Acquisition for thermoplastics expertise

Value

Drive belts for ICE¹ vehicles

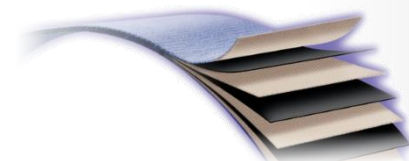


- › Focus on profitability and cash generation



- › Joint venture for thermal flow solution

Lightweight conveyor belts



- › Divestment of low-margin business

¹ ICE: Internal combustion engine

Transform and Innovate!

Digital Solutions and New Materials Offer Sizable Business Potential

SMART SOLUTIONS



BEYOND RUBBER

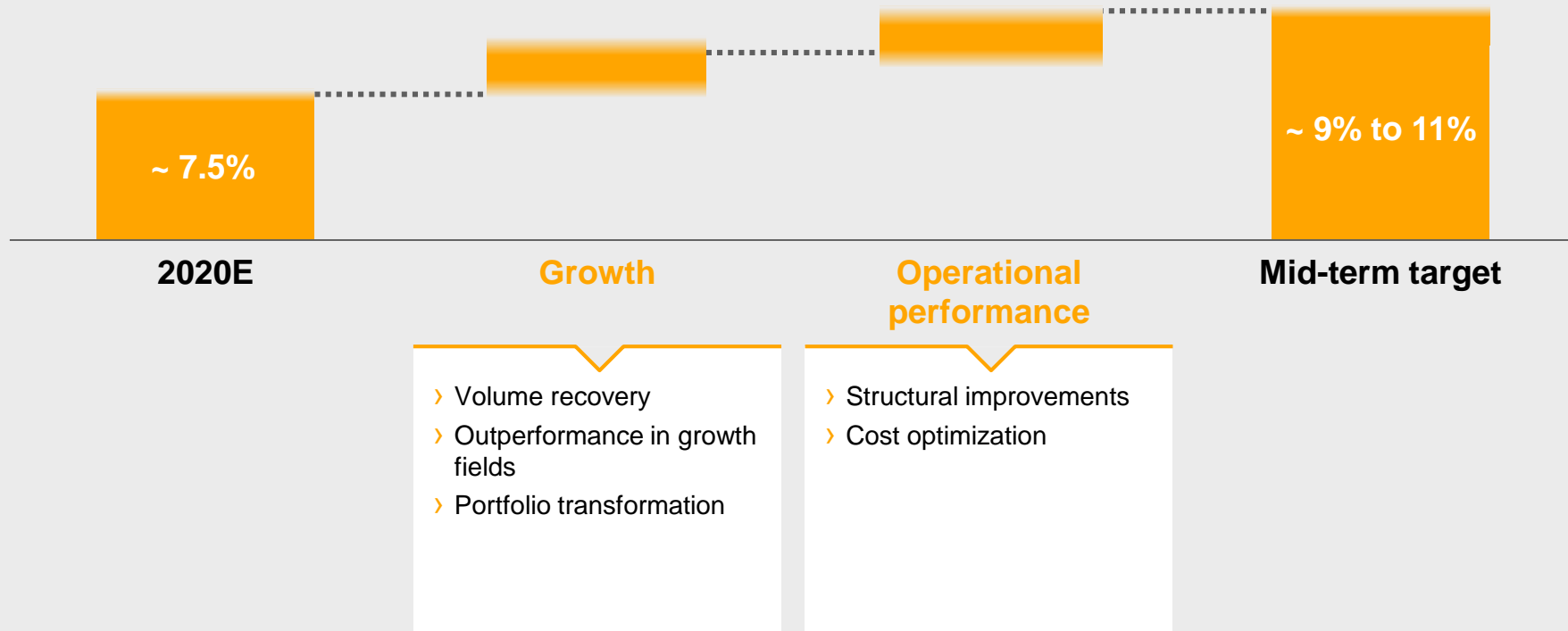


¹ BEV: Battery electric vehicles

² Content in electric vehicle versus in a same sized internal combustion engine vehicle

Adjusted EBIT¹ Margin Bridge

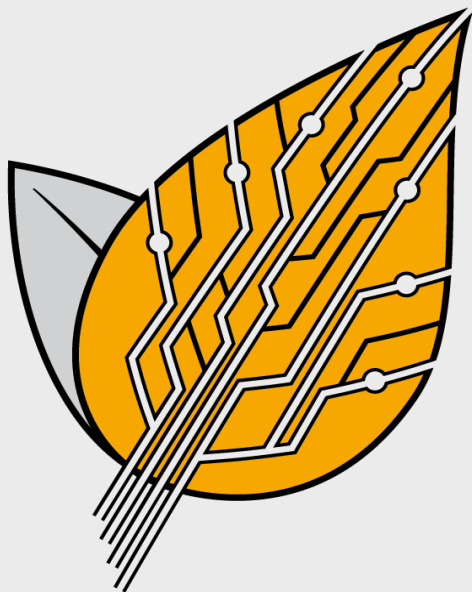
We Strive For ~ 9% to 11% in the Mid-term



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

Summary

ContiTech: Smart Solutions Beyond Rubber



ContiTech
SMART **SOLUTIONS**
BEYOND RUBBER

Strong foundation

Well-balanced portfolio and strong positions in key markets

Portfolio transformation

Capture growth and create value

Perform!

Improve profitability through operational excellence

Transform and Innovate!

Differentiate through digital and material expertise

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.

Continental 

The Future in Motion