Bitte decken Sie die schraffierte Fläche mit einem Bild ab.

(24,4 x 7,6 cm)

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

Past
German rubber company

Present
Global leader in technical rubber and plastic products

Future
Connected products
Our smart solutions
ContiTech
Global Leader in Technical Rubber and Plastic Products

Our sales distribution (2019)

50% 50%

Automotive original equipment
Industry and automotive aftermarket
Getting on Track
Fit For Success in a Challenging Environment

Operational performance
Slowdown in key markets
Major acquisitions

Sales (€ bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>3.9</td>
</tr>
<tr>
<td>2015</td>
<td>5.4</td>
</tr>
<tr>
<td>2016</td>
<td>5.5</td>
</tr>
<tr>
<td>2017</td>
<td>6.2</td>
</tr>
<tr>
<td>2018</td>
<td>6.3</td>
</tr>
<tr>
<td>2019</td>
<td>6.4</td>
</tr>
<tr>
<td>2020E</td>
<td>~ 5.5</td>
</tr>
</tbody>
</table>
Markets Are Changing
We Seize the Opportunities

External conditions

- **Slowdown** in key markets
- **Rapid commoditization** of products
- Declining importance of *ICE*\(^1\) technology
- **Sustainability** is becoming mission critical

Our answers

- Focus on *operational performance*
- **Differentiation** through material science and digitalization
- Shifting gears to capture *BEV*\(^2\) 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

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

Performance measures

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

ContiTech growth fields
~ +3-5% CAGR
Market growth driven by the megatrends sustainability, population growth and urbanization

Transform and Innovate!
Focus on Highly Attractive Growth Opportunities

ContiTech value fields
~ +0-2% CAGR
Limited growth due to structural changes within industries

ContiTech growth fields
~ +3-5% CAGR
Market growth driven by the megatrends sustainability, population growth and urbanization

Aerospace  Printing technology  Material handling
Ship, port and ocean  Value  ICE passenger vehicles
Mining  Occupational safety  Railway transport
Commercial vehicles  Construction, home and garden  Energy management

Value
Growth

Off-highway mobility  Food chain processing  Electric passenger vehicles
Urban mobility
Recycling, wastewater and air treatment
Transform and Innovate!
Well Positioned to Accelerate Growth and Capture Value

Sales (€)

Outperformance

Σ ~ +1%

Outperformance
~ +3%

Market growth
~ +3-5%

~ 30%

~ 70%

2020E

Mid-term

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

Value

Growth

~ +0-2%

Market growth

~ +3-5%

~ +3%

~ +0-2%

~ +3-5%

~ +0-2%

~ +3%

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~ +0-2%

~ +3%

~ +0-2%

~ +3-5%

~ +0-2%
Transform and Innovate!
Conducting Active Business Portfolio Management

Sales (€)

<table>
<thead>
<tr>
<th>Value Growth</th>
<th>Sales (€)</th>
<th>Outperformance</th>
<th>Market growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020E</td>
<td>~ 30%</td>
<td>~ +3%</td>
<td>~ +0-2%</td>
</tr>
<tr>
<td>~ 70%</td>
<td>~ 30%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mid-term</td>
<td>~ +1%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Outperformance $\Sigma \sim +1\%$

- Outperformance $~ +3\%$
- Market growth $~ +3-5\%$
- Market growth $~ +0-2\%$

MERLETT
- Acquisition for thermoplastics expertise
- Joint venture for thermal flow solution
- Drive belts for ICE$^1$ vehicles
- Focus on profitability and cash generation
- 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
- Drone Inspection
  - Up to €170 thousand cost saving per hour by preventing downtimes

BEYOND RUBBER
- BEV hose lines
  - Up to 800% increased content per vehicle

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1. BEV: Battery electric vehicles
2. Content in electric vehicle versus in a same sized internal combustion engine vehicle

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Hans-Jürgen Duensing © Continental AG
December 16, 2020
Adjusted EBIT\(^1\) Margin Bridge
We Strive For ~ 9% to 11% in the Mid-term

\(~ 7.5\%\)  \rightarrow  \~ 9\% to 11\%

2020E  Growth  Operational performance  Mid-term target

› Volume recovery
› Outperformance in growth fields
› Portfolio transformation

› Structural improvements
› Cost optimization

\(^1\) Before amortization of intangible assets from purchase price allocation, changes in the scope of consolidation, and special effects
Summary
ContiTech: Smart Solutions Beyond Rubber

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
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