



Capital Market Days 2020

Tires

VISION
2030

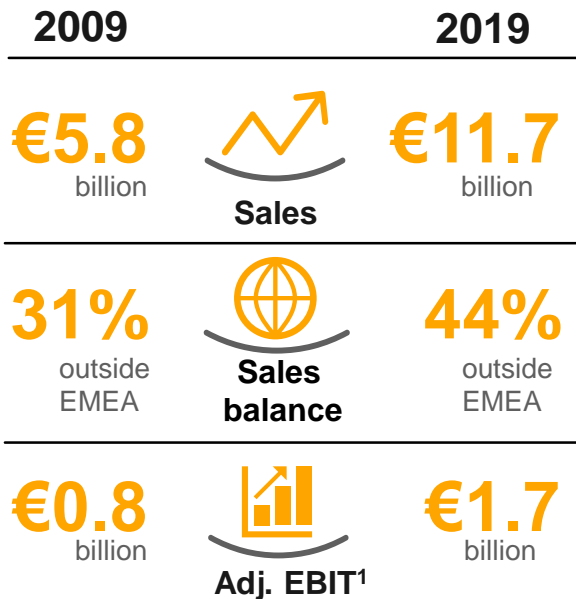
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<http://www.continental-ir.com>

Christian Kötz, Member of the Executive Board
December 16, 2020

Tires

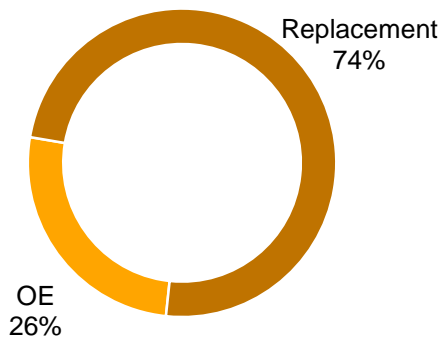
A Decade of Outstanding Profitable Growth – And There Is More to Come

Key Achievements



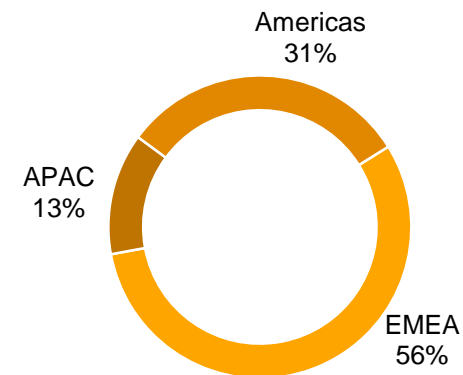
Business Split 2019

By Customer Segment



High share of non-OE business

By Region

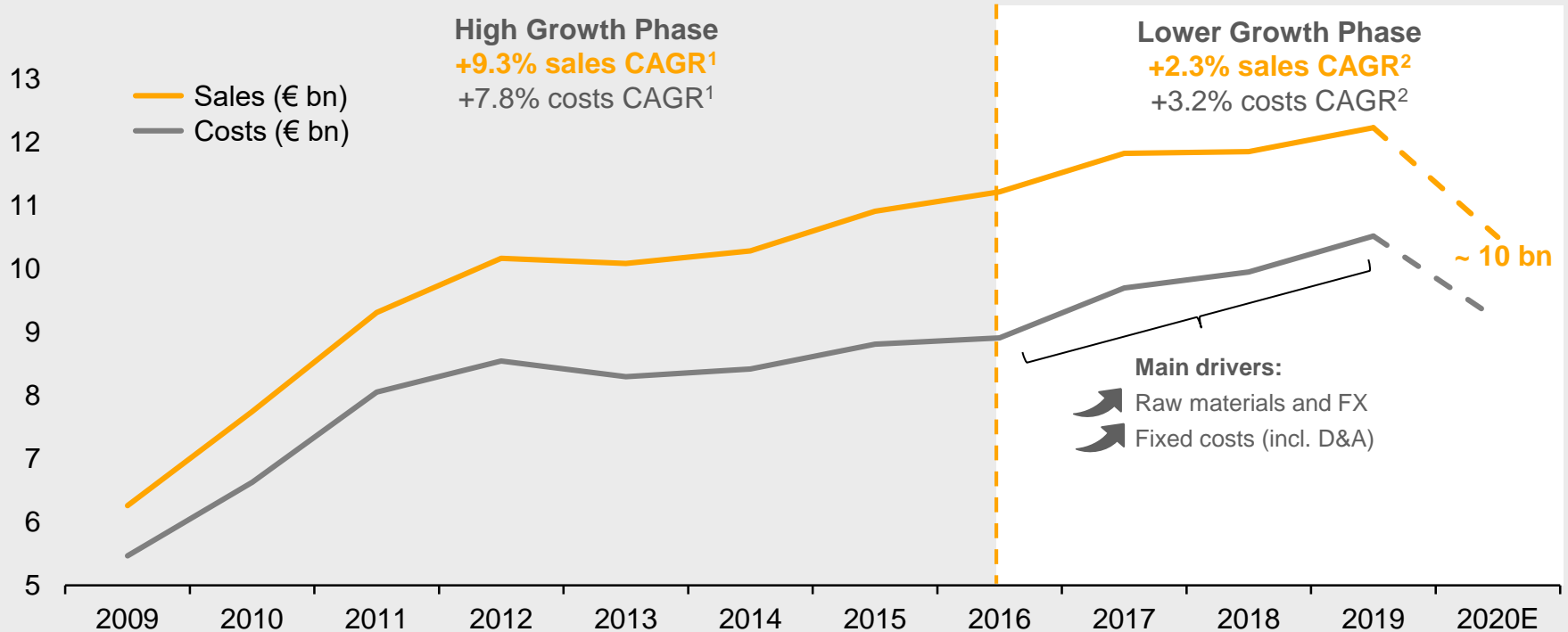


Significant growth opportunities outside EMEA

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

Business Development

Outstanding Growth Slowed Down While Costs Continued to Rise



¹ 2009-2016 CAGR of sales and costs in EUR

² 2016-2019 CAGR of sales and costs in EUR

Operational Agility

Short- and Mid-term Measures to Support Profitability and Cash Flow

Short-term

Fixed Costs
(absolute)

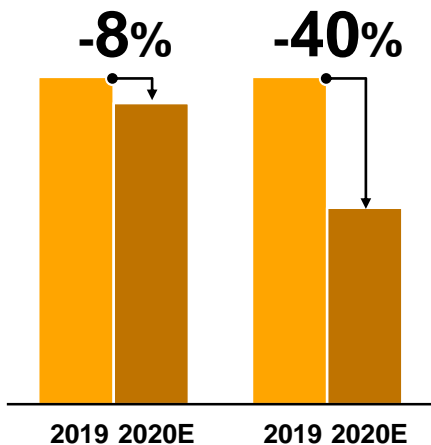
Capex

Fixed Costs

- › Fast and flexible production adjustment esp. in Q2
- › Fixed cost reduction
- › Temporarily reduced marketing spend

Capex

- › Significant reduction of investments
- › Strong focus on free cash flow



Mid-term

 **-0.5% p.a.**
Fixed costs / sales

Fixed Costs

- › Improved capacity utilization
- › Increase best-cost share in production
- › Restructuring in retail



Capex

- › Balance investment and depreciation to support free cash flow

Vision 2030

Focus on Differentiation, Growth and Operational Excellence



Vision 2030

We are inspired every day to make your mobility safer, smarter and more sustainable.

VISION
2030

OUR CORE

Excellent tires remain our DNA. We stand for profitable growth, establishing us among the top tire companies.

OUR OPPORTUNITY

We will be the #1 tire solution provider.

We put customers first.

OUR RESPONSIBILITY

We will be the most progressive tire company in terms of environmental and social responsibility.

OUR TEAM

We are Tires. Each and every one of us takes ownership. We will win as one global team.

Vision 2030

Strategically Enhancing Our Successful Business Model

Differentiation / Growth

Balance global footprint and strengthen service network



Expanding value-adding digital solutions business



Sustainable solutions along the entire value chain



Above-average growth in high-value products



VISION
2030

Excellence / Efficiency

Industry-leading operational efficiency



Top-notch technology and product portfolio



Strong brand equity with effective application of multi brand portfolio



Excellent supply chain performance and flexibility



Our Core

We Stand for Industry-leading Operational Excellence

>80%



**Capacity in
mega plants
(>100kt p.a.)¹**

>75%



**Best-cost
locations¹**

>90%



**Capacity
utilization¹**

>6 inventory
turns



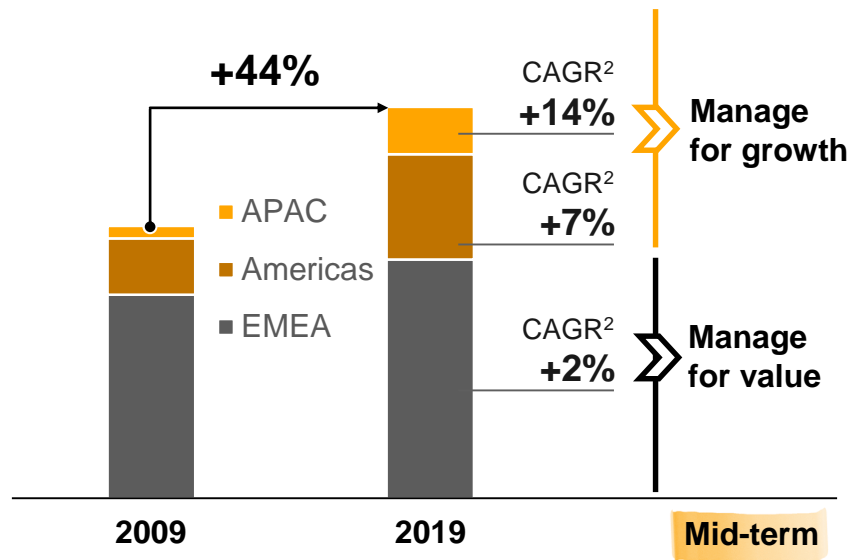
**Highly flexible
and efficient
supply chain**

¹ Expected by 2022. As of 2019 ~80% mega plant and ~70% in best-cost share and utilization slightly below 90%

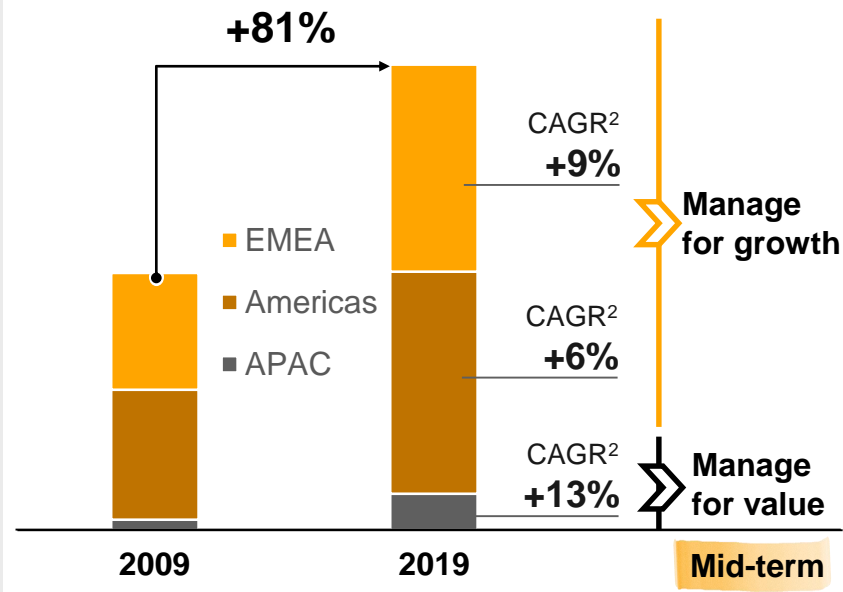
Our Core

Continuing to Grow, Diversify and Improve Our Global Sales Portfolio

Passenger & Light Truck Tires¹



Truck Tires¹



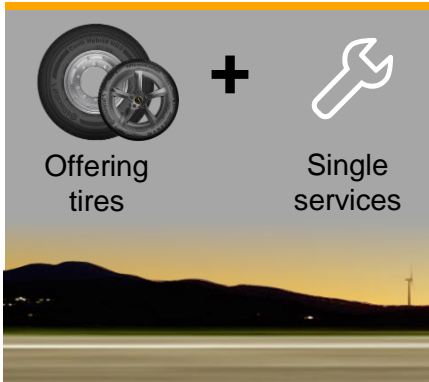
¹ Unit sales based

² CAGR 2009-2019, unit sales based

Our Opportunity

From Tires and Services to Integrated Solutions Provider

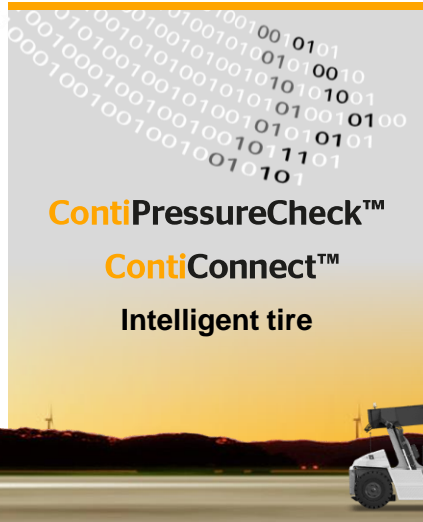
Coming from tires



Moving to selling value



Embracing digitalization

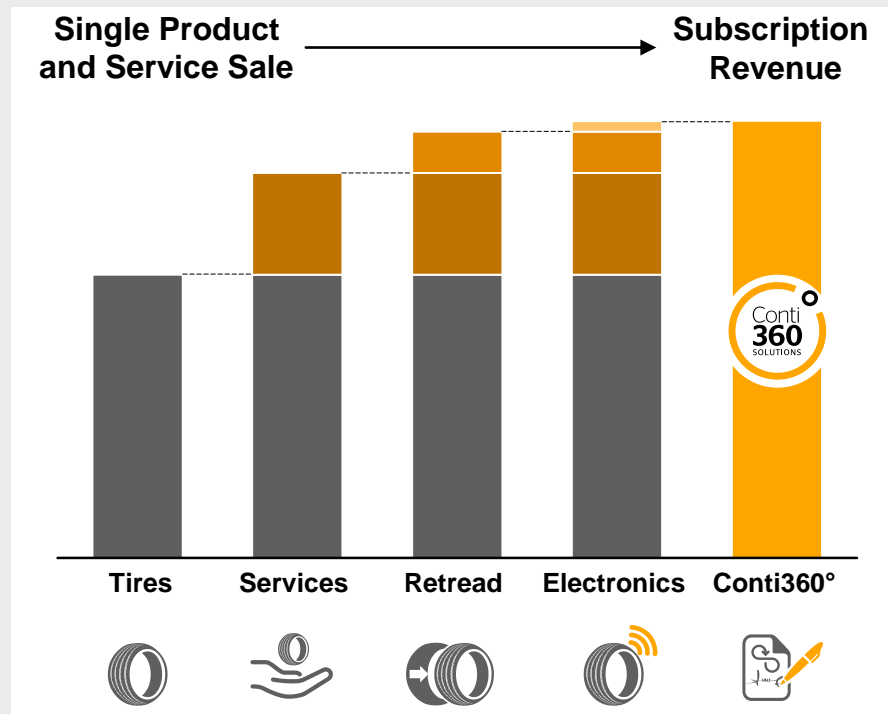


Heading toward



Our Opportunity

Increasing Value Creation and Customer Retention



Growth

through new revenue streams

Margins

through increased services

Stability

through subscription models

Returns

through low capital intensity

Our Responsibility

Sustainable and Value-creating Solutions Along the Entire Value Chain



Pioneering in sustainable materials



Benchmark in water and energy usage



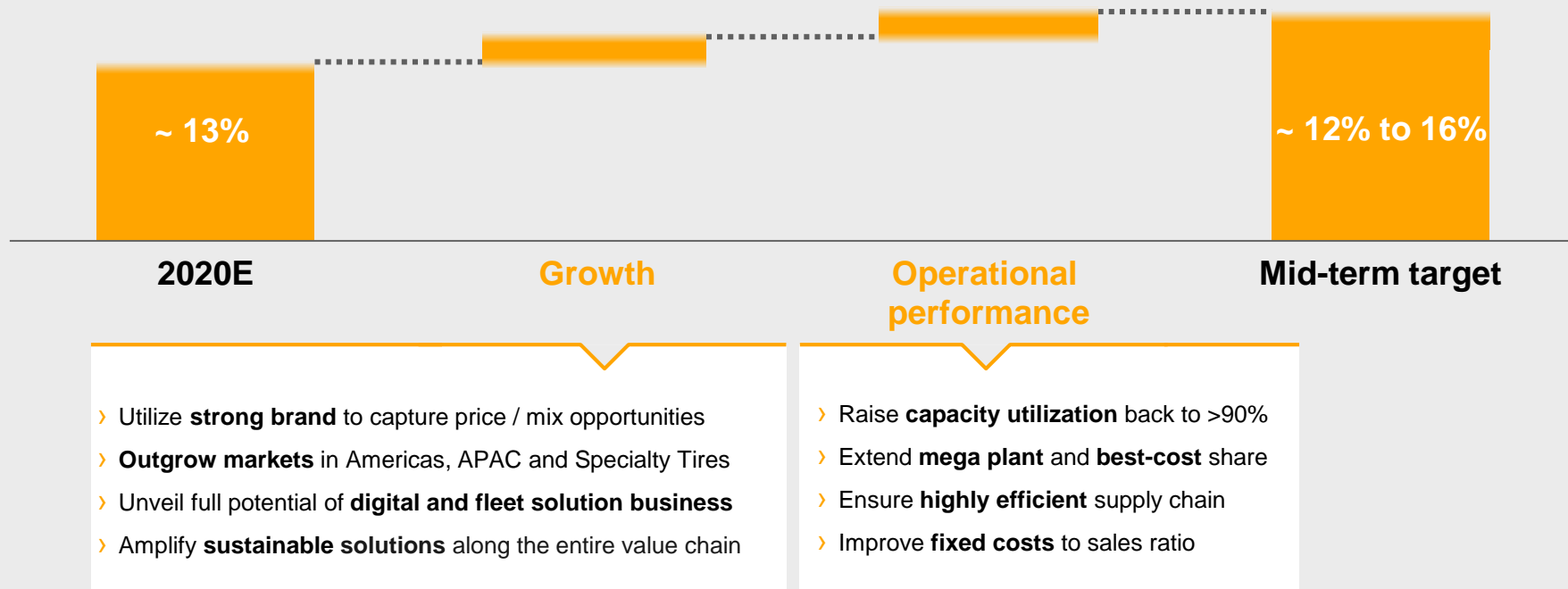
~ 25% avg. rolling resistance improvement in last years



Strongly growing profitable business

Adjusted EBIT¹ Margin Bridge

Industry-leading Profitability



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

Summary

Vision 2030: The Strategic Navigator for Our Future Success

VISION 2030

Excellence

We stand for industry-leading operational excellence.

Growth

We continue to profitably grow our successful global tire business.

Differentiation

Front-runner in value-adding digital and sustainable solutions.

Team

We will win as one global team.



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The Future in Motion