Bitte decken Sie die schraffierte Fläche mit einem Bild ab.

Capital Market Days 2020
Vehicle Networking and Information
Always On

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

Helmut Matschi, Member of the Executive Board
December 16, 2020
This Is Vehicle Networking and Information

Our Vision and Mission

Always On

We care for information management in the vehicle and beyond

Connect

Connect drivers and passengers

Inform

User experience for superior and safe joy of use

Integrate

Full stack integration

Key Facts

Sales 2020E:

~ €7.8 billion

Employees:

~ 47,000 worldwide

Customers:

Major OEMs, fleets, Tier1 suppliers, aftermarket

globally

1 Year-end 2020E
This Is Vehicle Networking and Information

Connected Car Networking

Networked mobility starts with us

- Telematics and antennas
- Access
- Body control modules
- Body HPC²

Top positions in Connectivity and body control

Human Machine Interface

Driving the trend

- Instrument cluster
- Full digital cluster
- Display solutions
- Cockpit HPC²

Top position in Instrumentation

Commercial Vehicles and Services

Shaping smart solutions and services

- Instrumentation and control units
- Tachographs
- CV³ and PV⁴ services
- Aftermarket

1 Excerpt of product portfolio  ² High-performance computer  ³ Commercial vehicles  ⁴ Passenger vehicles
This Is Vehicle Networking and Information
Our Comprehensive Portfolio Contributes to the Strategic Action Fields

Central engineering and key projects organization

Cabin sensing, Automated Driving for CV\(^1\)

Services incl. fleet management, Tachographs and tolling

Optical, haptic and audio solutions, Smart access

Aftermarket incl. OES spare parts

Autonomous Mobility

Smart Mobility

User Experience

Safety

Software and Systems Excellence

Architecture and Networking

E/E\(^2\) architecture, Body and Cockpit HPC\(^3\) and Zone ECUs\(^4\), Telematics and antennas

\(^1\) Commercial vehicles \(^2\) Electric/Electronic \(^3\) High-performance computer \(^4\) Electronic control unit
This Is Vehicle Networking and Information
We Focus on Architecture and Networking, UX³ and Smart Mobility

VNI Sales in Action Fields¹ (€)

<table>
<thead>
<tr>
<th>Category</th>
<th>2020E</th>
<th>Mid-term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety</td>
<td>~ 7.8 bn</td>
<td></td>
</tr>
<tr>
<td>Smart mobility</td>
<td>~ +1% -pts</td>
<td></td>
</tr>
<tr>
<td>Safety</td>
<td>~ +3% -pts</td>
<td></td>
</tr>
<tr>
<td>Autonomous mobility</td>
<td>~ +10% -pts</td>
<td></td>
</tr>
<tr>
<td>Architecture and networking</td>
<td></td>
<td></td>
</tr>
<tr>
<td>User experience</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Safety</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Expected outperformance²

∑ ~ +2 to +4% -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

¹ Based on mid-term IHS light vehicle production (LVP) forecast from November 2020
² Mid-term organic sales growth above IHS LVP forecast
³ User Experience
Growth Driver: Architecture and Networking
We Won All First 3 Supplier Awards for Central Electronics

Why Continental will win

- **We master** the whole architecture and integration from the vehicle component to the cloud
- **We transform the collaboration** with customers and partners and **shape** the E/E A\(^1\) **integration**
- **We accomplish project management** on highest complexity level

Unique position due to outstanding capabilities in vertical and horizontal integration;

**2 out of 3** solutions already in production

We self-disrupt our traditional business towards Body and Cockpit HPCs\(^2\);
Now **ready to scale**

---

\(^1\) E/E A: Electric/Electronic architecture
\(^2\) HPC: High-performance computer
Growth Driver: Architecture and Networking
New Architectures and HPCs Are a Must for Fully Connected Vehicles

### VNI Sales in Action Field

<table>
<thead>
<tr>
<th></th>
<th>2020E</th>
<th>Mid-term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expected outperformance</td>
<td>$\sum \approx +3%-pts$</td>
<td>~ +5%-pts</td>
</tr>
<tr>
<td></td>
<td>~ +100%-pts</td>
<td>~ -2%-pts</td>
</tr>
<tr>
<td></td>
<td>~ -35%-pts</td>
<td></td>
</tr>
</tbody>
</table>

#### Connectivity
- Highest relevance for fully connected eco-systems, latest technologies (IAM⁶, 5G …)

#### Body and Cockpit HPCs³/Zone ECUs⁵
- Target product group; strongly growing portfolio segment
- More than 50% share of sales long-term

#### BCM, gateways
- Product transformation towards Body HPC³ and Zone ECUs⁵

#### In-vehicle infotainment
- Product transformation towards Cockpit HPC³ and holistic UX⁴ with display solutions

#### Other products
- Power closures, seat control, other ECUs⁵

---

1 Based on mid-term IHS light vehicle production (LVP) forecast from November 2020
2 Mid-term organic sales growth above IHS LVP forecast
3 High-performance computer
4 User experience
5 Electronic control unit
6 Intelligent antenna module

Total order intake for Body and Cockpit HPCs³:

> €3 bn lifetime sales
Value Contributor: User Experience
Key Driver for End Customers’ and OEMs’ Decisions

Why Continental will win

We are leading in all core competencies

We create value and leverage the steadily increasing content per car

We scale with variants and business models across customers

New customer brand differentiator, benefiting from high-value interior

We optimize our asset structure with technology and production platforms
Value Contributor: User Experience
Perfectly Positioned to Benefit from Fast Transition

VNI Sales in Action Field\(^1\) (€)

<table>
<thead>
<tr>
<th>Expected outperformance(^2)</th>
<th>Access/Continental Smart Access</th>
</tr>
</thead>
<tbody>
<tr>
<td>(\sum \approx +1\text{-}pts)</td>
<td>› Next generation of secure digital car access – from key to smartphone</td>
</tr>
</tbody>
</table>

| ~ +5\%-pts | Head-up display |
| ~ +15\%-pts | › Enhanced interaction, improved safety and trust through augmented reality |
| > +30\%-pts | Display solutions |
| ~ 0\%-pts | › Target product group; additional value through integration of innovative features like 3D lightfield |
| ~ -30\%-pts | › Ease and joy of use by leading all core competencies |

<table>
<thead>
<tr>
<th>2020E</th>
<th>Mid-term</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Full digital clusters</td>
</tr>
<tr>
<td></td>
<td>› Transition product, driven by digitalization</td>
</tr>
<tr>
<td></td>
<td>Instrument clusters</td>
</tr>
<tr>
<td></td>
<td>› Product transformation towards display solutions; transition via full digital clusters</td>
</tr>
</tbody>
</table>

We deliver >120 mn UX products per year

One in 4 cars is equipped with our HMI solutions

---

\(^1\) Based on mid-term IHS light vehicle production (LVP) forecast from November 2020
\(^2\) Mid-term organic sales growth above IHS LVP forecast
Growth Driver: Smart Mobility
Ability to Offer End-to-end Solutions for Diverse Customer Groups

Why Continental will win

Leading in **data technologies**
Big data and knowledge to provide insights for smart solutions

<table>
<thead>
<tr>
<th>Use data for biz:</th>
<th>Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transmit data:</td>
<td>Telematics</td>
</tr>
<tr>
<td>Measure data:</td>
<td>Sensor/actuator</td>
</tr>
</tbody>
</table>

**Services commercialization**
Covering the need from converging demands from CV\(^1\) and PV\(^2\) worlds

- Fleet Management
- eHorizon
- Key as a Service
- Remote Vehicle Data

**Diverse customer groups**
Serving OEMs, fleets, institutions and aftermarket

Customer benefits in TCO\(^3\) management and regulation compliance

- Modular **full stack solutions** and integrated systems from sensor to service;
- Superior understanding of the vehicle and data

---
\(^1\) Commercial vehicles  \(^2\) Passenger vehicles  \(^3\) Total cost of ownership
Growth Driver: Smart Mobility
Strong Position in CV Services and Telematics Primes Continental to Scale Up

VNI Sales in Action Field\(^1\) (€)

<table>
<thead>
<tr>
<th>Period</th>
<th>Remote vehicle data</th>
<th>Key as a service</th>
<th>eHorizon</th>
<th>Fleet management and legislation services</th>
<th>Digital tachograph</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cross-brand vehicle data access solution</td>
<td>Access integrated into smartphones; established in fleets &amp; rollout in execution (CV(^3) and PV(^4))</td>
<td>Proven OE integrated solution in market enables reliable CO(_2) and fuel reductions</td>
<td>Strong market position in fleet management for EU and NA with Zonar brand</td>
<td>Highly established business in tachographs in EU and future trust center for trucks</td>
</tr>
</tbody>
</table>

\(\sum \sim +10\%-pts\)

- \(\sim +50\%-pts\)
- \(\sim +50\%-pts\)
- \(\sim +20\%-pts\)
- \(\sim +10\%-pts\)
- \(\sim +5\%-pts\)

\(^1\) Based on mid-term IHS light vehicle production (LVP) forecast from November 2020

\(^2\) Mid-term organic sales growth above IHS LVP forecast

\(^3\) Commercial vehicles

\(^4\) Passenger vehicles
Strengthen Operational Performance
Right-sized Cost Structure Via Reductions and Shift to Best Cost

Annual gross cost savings target

<table>
<thead>
<tr>
<th>Powertrain Technologies</th>
<th>VNI</th>
<th>Rubber Technologies</th>
<th>AMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>~15%</td>
<td>~45%</td>
<td>~25%</td>
<td>~15%</td>
</tr>
</tbody>
</table>

Total > €1 bn by 2023

Contribution from VNI

- **Best cost share in manufacturing**
  - 2019: ~80%
  - Mid-term: ~90%

- **Best cost share in R&D**
  - 2019: ~55%
  - Mid-term: ~65%
Adjusted EBIT\(^1\) Margin Bridge

We Strive for an Adjusted EBIT\(^1\) Margin of ~ 6% to 8% in the Mid-term

2020E

Growth

Operational performance

Mid-term target

› Based on mid-term IHS light-vehicle production forecast from November 2020
› **Outperformance** in attractive growth market segments
› Further expand in growth areas by **active product transformation**

~ -5%

~ 6% to 8%

› Improved cost position, adjusted **cost structure**
› Initiatives for **fair sales price** and redesign to cost
› Optimized **footprint**
› Potentially affected: ~10,000 jobs worldwide, thereof 5,000 in Germany

\(^1\) Before amortization of intangible assets from purchase price allocation, changes in the scope of consolidation and special effects
VNI – The Transformer
Growth in Networking and Services; Value in User Experience

First in market to realize shift to new E/E and SW architecture with HPCs – ready to scale

Perfectly positioned in User Experience to benefit from fast transformation

We offer integrated solutions for Smart Mobility – full stack

Targeted market outperformance of ~ +2 to +4%-pts and adjusted EBIT margin of ~ 6% to 8% mid-term
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.