Welcome to the Continental Capital Market Day 2023

Hanover, December 4
## Capital Market Day 2023 Agenda

<table>
<thead>
<tr>
<th>Agenda</th>
<th>Speaker</th>
<th>Approx. duration</th>
<th>Start time</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Group Strategy Including</td>
<td>Nikolai Setzer Olaf Schick</td>
<td>30 mins</td>
<td>13:00</td>
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<tr>
<td>introduction Integrity and Law</td>
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<tr>
<td>2 ContiTech Strategy</td>
<td>Philip Nelles</td>
<td>30 mins</td>
<td>13:30</td>
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<tr>
<td>3 Tires Strategy</td>
<td>Christian Koetz</td>
<td>30 mins</td>
<td>14:00</td>
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<td>4 BREAK</td>
<td></td>
<td>30 mins</td>
<td>14:30</td>
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<tr>
<td>5 Automotive Strategy</td>
<td>Philipp von Hirschheydt</td>
<td>40 mins</td>
<td>15:00</td>
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<tr>
<td>6 Group Financials</td>
<td>Katja Garcia Vila</td>
<td>20 mins</td>
<td>15:40</td>
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<tr>
<td>7 Q&amp;A</td>
<td>ALL EBM</td>
<td>60 mins</td>
<td>16:00</td>
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Continental on the Move

2010-2018
Era of Success
Value accretive outperformance

2018-2020
Era of Decline
Deterioration of profitability

2020-2023
Era of Recalibration
Stabilization and laying foundation

2024+
Era of Execution
Excelling out of transformation
2010-18 Era of Success

Benchmark performance, premium valuation and investor trust

**ContiTech**
› Preferred provider of industry solutions with a balanced portfolio

**Automotive**
› Leading portfolio driving outperformance and order intake in a strongly growing market

**Tires**
› Operational excellence champion in favorable market conditions
2018–20 Era of Decline

Deterioration of share price performance

› Increased technological transformation dynamics
› Requirement for major upfront investments paired with higher margin pressure
› Significant decline in light-vehicle production

Our answer

Three strategic pillars
2020-23 Era of Recalibration

Implementing the right actions

1. Strengthen operational performance
   - Manage through crisis
   - Enhance operational efficiency
   - Focus on cost and re-pricing

2. Differentiate our portfolio
   - Spin off Powertrain
   - Perform best-ownership review
   - Targeted order intake and value over volume

3. Turn change into opportunity
   - Drive organizational robustness
   - Advance sustainability
   - Strengthen governance

Technological transformation dynamics
Diminishing light-vehicle production
Covid
Semiconductor shortage
Cost increases and inflation
Yet, unsatisfactory results

**ACTION**
- Re-organization
- Future-proof team
- Portfolio analysis & review

**OUTCOME**
- Organizational robustness
- Technological leadership
- Foundation for execution
2024+ Era of Execution

The triple play for future value

- **2024**
  - SHORT-TERM PERFORMANCE
    - Improve efficiency
    - Consistent delivery
  
  - MID-TERM STRATEGY
    - Execute portfolio strategy
    - Stepwise target achievement
  
  - LONG-TERM VISION
    - Create value for a better tomorrow
    - Our technologies. Your solutions.

Management focus:

- Clear targets
- Accountability
- Execution
  
- Prioritize
- Industrial logic
- Rigorous decisions
  
- Technology
- Transformational change
- Invest in people
2024+ Era of Execution

We are the mobility and material technology group for safe, smart and sustainable solutions
2024+ Era of Execution

- Execute best-ownership
- Portfolio execution team in place
- Effective capital allocation mechanism
- Exploit synergies and strategic capabilities

- Reliable profitability and upside potential through increased industry share

Group

ContiTech

- Strong cash generation and operational excellence through customer-centric solutions

Tires

Automotive

- Growth engine for safe, connected and convenient solutions, delivering performance improvement

Independent when necessary - united where purposeful
2024+ Era of Execution

ContiTech

› RELIABLE INCOME and upside potential through increased industry share
› Focus on margin-accretive industry business

› ENSURE SUCCESS by focusing strong margin-accretive INDUSTRY BUSINESS
› Legal and physical independence of OE Solutions business area
› Rightsizing while improving performance of AUTOMOTIVE BUSINESS
› Increase industry share to ~80%

› Convert strong industry OE position into profitable replacement business
› Leverage unmatched portfolio and material leadership to out-perform
2024+ Era of Execution

- **Strong resilience** across business cycles
- **Best-in-class value creation** and **cash generation** based on our **CORE** of
  - operational excellence
  - technology
  - brand power
- Realizing **OPPORTUNITIES** by tapping into **profit pools** and gaining traction: such as EVs, UHP, sustainability (**RESPONSIBILITY**) and APAC/AM regions
- Clear differentiation through **customer centricity** is key to continued outperformance
2024+ Era of Execution

› **Automotive**
  
  › Growth engine for safe, connected and convenient solutions
  
  › Upside via focus and performance

› **LEAD** – In all product groups in value creation and technological excellence

› **FOCUS** – Strict portfolio management along value-accrative principles

› **PERFORM** – Rigorous execution of cost reduction programs
  
  Top in operational and commercial excellence

› Conduct continuous portfolio reviews
  
  › User Experience business area carve-out and preparation of strategic options
  
  › Other businesses of combined annual sales of ~€1.4 bn under review
  
  › Streamlining business by dissolution of Smart Mobility business area
## Group Financial Outlook

<table>
<thead>
<tr>
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<th>2023e</th>
<th>Short-term</th>
<th>Mid-term</th>
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<tbody>
<tr>
<td><strong>Sales</strong></td>
<td></td>
<td></td>
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<tr>
<td>ContiTech</td>
<td>~€41-43 bn</td>
<td>~€44-48 bn</td>
<td>~€51-56 bn</td>
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<tr>
<td>Tires</td>
<td>~€6.8-7.2 bn</td>
<td>~€7-8 bn</td>
<td>~€8-9 bn</td>
</tr>
<tr>
<td>Automotive</td>
<td>~€20-21 bn</td>
<td>~€15-16 bn</td>
<td>~€17-18 bn</td>
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<tr>
<td><strong>Adj. EBIT</strong></td>
<td>~5.5-6.5%</td>
<td>&gt;8%</td>
<td>~8-11%</td>
</tr>
<tr>
<td>ContiTech</td>
<td>~6-7%</td>
<td>&gt;9%</td>
<td>~9-11%</td>
</tr>
<tr>
<td>Tires</td>
<td>~12.5-13.5%</td>
<td>&gt;13%</td>
<td>~13-16%</td>
</tr>
<tr>
<td>Automotive</td>
<td>~2-3%</td>
<td>&gt;6%</td>
<td>~6-8%</td>
</tr>
</tbody>
</table>

1. Without portfolio measures. 2. Before amortization of intangibles from PPA, changes in the scope of consolidation and special effects, considering current portfolio.
Reasons to Invest in Continental

Top in tech where it counts

Value creation upside generated by tangible performance improvements

Determined team - decisive, execution and performance driven

Powered by the passion of our people
Experienced Governance Expert on Board

Olaf Schick – Executive Board Member Integrity and Law

- Lawyer, Head of M&A
- Chief Compliance Officer, Daimler
- 25+ years professional experience
- Chief Financial Officer, Mercedes-Benz China
State of the Art Governance

- Integrated holistic risk, control and compliance management to cope with increasing regulatory requirements
- Robust processes and systems
- Proactive, effective and efficient
- Embedded in our transformation and sustainability strategy

On the Road to Competitive Advantage
**ContiTech at a Glance**

- **~€6.8–7.2 billion in sales**
- **~42,500 employees**

**Mixed portfolio with significant growth potential in industry**
- Industry: 55%
- Automotive: 45%

**Regional balance with significant growth potential in APAC**
- APAC: 19%
- Americas: 37%
- EMEA: 44%

First choice for material-driven solutions

Figures shown as of FY2023e
What Makes Us Unique?

- We turn materials into solutions
- We solve problems for demanding industries
- We partner with customers to drive technological progress

Global expertise in rubber & thermoplastics
Unmatched product portfolio

We are perfectly positioned to succeed in exciting markets
Our Exciting Markets

Industry 55%

- Construction & Home
- Mining Industry & Quarries
- Energy Management
- Off-Highway Mobility
- Material Handling & Manufacturing
- Printing & Packaging Technology
- Commercial Vehicles
- ICE Passenger Vehicles
- Electric Passenger Vehicles

Automotive 45%
2024+ Era of Execution

Strengthening industry

2023e

- Automotive 45%
- Industry 55%

Ambition

- Automotive 20%
- Industry 80%

Why do we shift to industry?

- High-quality business
- Broader revenue streams
- Longer product life cycles
- Less cyclical
- Seizing new growth opportunities

Enhancing value creation through targeted capital allocation
Industry Clear Strategic Direction

Strengthening industry

Ambition

How will we do it?

Continue to grow

› Organically
  › Increasing market penetration
  › Expansion of product portfolio
  › Developing market presence
  › Diversifying through venture units

› Inorganically through M&A

- Ramping up hydraulic greenfield in Mexico
- Capturing share in replacement
- Growing APAC sales
- BalOn
Trends drive technological progress while fueling growth for our industries.

- Resource scarcity
- Circular economy
- Smart materials
- Urbanization
- Localization
- Digitalization
- Industry 4.0
- Sustainability

Great potential for high-quality business through increasing demand for material-driven solutions.
Industry Growth Engine Construction & Home
**Industry** Growth Engine Construction & Home

**Total addressable market:**
Value 2023e–2028e
€6.5–7 bn
Growth CAGR 2%

**ContiTech sales:**
Sales share 2023e 8%
Growth CAGR 2023e–2028e 6%

**Expansion, renewal and upgrade of residential, commercial and infrastructure**

**Our advantage:**
High demand for efficient material handling solutions and advanced materials

**Our levers:**
- Extremely compatible with existing solution portfolio
- Leading position in surface solutions such as sustainable coverings with great functions in awarded designs

Total addressable market: Based on internal research. CAGR: Compound annual growth rate.
Industry Growth Engine Energy Management
Industry Growth Engine Energy Management

Total addressable market:
Value 2023e–2028e
€2–2.5 bn
Growth CAGR 5%

ContiTech sales:
Sales share 2023e 7%
Growth CAGR 2023e–2028e 5%

Transformation towards efficiency, decarbonization and localization

Our advantage:
High demand for collaboration to develop game-changing solutions fast

Our levers:
› Partnering with key players gives us a speed-to-market advantage
› Elevating technological progress via adapted solution portfolio

Total addressable market: Based on internal research. CAGR: Compound annual growth rate
Industry Growth Engine Off-Highway Mobility
**Industry Growth Engine Off-Highway Mobility**

**Total addressable market:**
Value 2023e–2028e
€15.5–18 bn
Growth CAGR 3%

**ContiTech sales:**
Sales share 2023e 5%
Growth CAGR 2023e–2028e 9%

Demand for technological upgrades, increasing efficiency and new materials drives growth

**Our advantage:**
- Strong demand for high-performance, long-lasting, easy-to-maintain, lightweight products

**Our levers:**
- Partnering with OEs to set standards
- Elevating technological progress via tech transfer from commercial vehicles

Total addressable market: Based on internal research. CAGR: Compound annual growth rate.
Industry Our Growth Ambition

CAGR ~7%

Sales 2023e
Outperformance
Market growth
Short-term
Outperformance
Market growth
Mid-term

CAGR: Compound annual growth rate
AUTOMOTIVE
Automotive Clear Strategic Direction

Increasing profits and selective growth

How will we do it?

Short-term performance improvements

- Customer and product portfolio measures
- Strict cost management
- Limited capital allocation on selective growth areas
- Legal and physical independence in 2025

Increasing market penetration

- Growth with established and emerging players
Automotive Growth Engine Electric Vehicles
Automotive Growth Engine Electric Vehicles

**Total addressable market:**
Value 2023e–2028e
€5.5–18 bn
Growth CAGR 27%

**ContiTech sales:**
Sales share 2023e 5%
Growth CAGR 2023e–2028e 21%

Transition to batteries, new materials and net zero components

**Our advantage:**
Strong demand for customized technical solutions and unique designs

**Our levers:**
› Technical expertise to offer lightweight multi-material and multi-component solutions and stunning interior designs with unique functionality

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Total addressable market: Based on internal research. CAGR: Compound annual growth rate.
Automotive Strong Portfolio Management

CAGR ~2%

- Sales 2023e
- Growth in selected businesses
  - Product & customer portfolio
- Short-term
- Growth in selected businesses
  - Product & customer portfolio
- Mid-term

CAGR: Compound annual growth rate
ENSURE SUCCESS
ContiTech Ensure Success

- Consolidated: Scaling size & expertise
- Smart: Towards 4.0
- Automated: Efficiency & labor independency
- Green: Net zero 2040
- 2023: Streamlined organization
- 2024+: Best-cost business hubs

Operational excellence
Fixed-cost management

Reduce costs by ~2% of sales mid-term
ContiTech Financial Outlook – Mid-term Targets

Sales

~€6.8–7.2 bn

~€7–8 bn

~€8–9 bn

Adj. EBIT\(^1\) (%)

~6–7

VOLUME

SELF-HELP

Short-term

VOLUME

SELF-HELP

Cost Management

Market

Industry

Automotive

Cost Management

Industry/Auto

80 / 20

60 / 40

~9–11

~13–15

2023e

Mid-term

Ambition

1 Before amortization of intangibles from PPA, changes in the scope of consolidation (only 2023e), and special effects.

Considering current portfolio.
ContiTech Mid-term Financial Outlook

Sales

~€8–9 bn

ROCE\(^2\)

\(\uparrow \div \$\) >22%

Adj. EBIT\(^1\) margin

~9–11%

Cash generation\(^3\)

\(\uparrow \downarrow \$\) >65%

Strong ROCE and cash generation

---

1 Before amortization of intangibles from PPA, changes in the scope of consolidation (only 2023\(e\)), and special effects.
2 Ratio of EBIT to average operating assets for a fiscal year.
3 Cash generation defined as (EBITDA – Capex)/EBITDA, potentially excluding major one-time items. Considering current portfolio.
Continuing Value Creation

- Strategic capital allocation towards high-quality industry business
- Stronger industry OE position translates further into profitable replacement business
- Long-term value creation through market and customer focus

Reliable profitability and upside potential through increased industry share
Tires at a Glance

High share of RE business on the back of a strong OE business

~€14–15 billion in sales

(~56,900 employees)

Regional balance with significant growth opportunities in Americas and APAC

OE 25%

Replacement 75%

Americas 35%

APAC 14%

EMEA 51%

Tires are our passion. We outperform the industry with customer-centric solutions and operational excellence.

Shown figures as of FY2023e
Resilience in Crises

Sales growth against all headwinds

Resilient EBIT

Delivering profitable growth despite all headwinds
Financial Highlights

Sales growth

- \(~4.3\%\)
  - CAGR\(^1\) (2018-2023e)

Adj. EBIT\(^2\)

- \(~€1.7\) bn
  - on average (2018-2023e)

ROCE\(^3\)

- >20%
  - in each of the last 10 years\(^5\)

Cash generation\(^4\)

- ~67%
  - on average (2018-2023e)

Best-in-class value creation and cash generation

---

1 CAGR: Compound annual growth rate. 2 Before amortization of intangibles from PPA, changes in the scope of consolidation (only 2023e), and special effects. 3 Ratio of EBIT to average operating assets for a fiscal year. 4 Cash generation defined as (EBITDA - Capex) / EBITDA, potentially excluding major one-time items. 5 Excluding FY2020.
While the Industry Continues to Transform...

- Volatile macro environment
- Geopolitical conflicts and trade barriers
- Sustainability
- Electrification
- Digital transformation / AI
- Increasing regulation

- Customers seek greater collaboration
- OEMs require superior technical expertise
- Shift to higher rim sizes
- Greater importance of brand trust and tire performance
- Ever increasing demand for sustainable products & solutions
- Continuously increasing road freight transportation
- Rising demand for data-driven & connected solutions to achieve LODC\(^1\)

...we are turning change into profitable growth

\(^1\) Lowest overall driving costs
Our customers’ ambitions are our driving force
OUR CORE
CORE Industry-Leading Operational Excellence

~80%
Capacity in mega plants (>100kt p.a.)¹

~75%
Best-cost locations¹

<8
Customer satisfaction (measured in OE ppm)²

Operational excellence is the foundation of our financial performance

¹ As of 2023e, in tonnage (total tires). 2 ppm = parts per million, average 2018-2023e.
CORE Major Benefits of Electrification

Accelerating opportunities from EVs

› BEV characteristics drive higher demand for UHP tires
› OE favor premium tires meeting quality and technology requirements
› “OE to replacement” consumer brand loyalty higher for BEV

Driven by our strong OE market position

Continental BEV homologations (total)

All the world’s most successful BEV manufacturers trust Continental tires
CORE Boosting Our Mix Through UHP\(^1\) Growth

Our exceptional product line-up translates into...

...an increasing share of our ultra-high-performance tires

UHP share growth for Continental branded tires (PLT\(^2\))

- 2018: 31%
- 2023e: 45%

- UHP share of PLT sales
- UHP share of PLT units

...outperforming the market

- Market growth UHP segment (CAGR 2018-22)\(^3\,^4\)
  - \(~7\%\)

- Growth of Conti UHP segment (CAGR 2018-22)\(^3\,^4\)
  - \(~11\%\)

1. Ultra-high performance are tires \(\geq 18"\). 2. PLT: Passenger car and light truck tires. 3. CAGR: Compound annual growth rate. 4. Based on external data providers and internal estimates for markets in Western & Central Europe (incl. Türkiye), China, USA and Canada.
CORE Seizing Growth Opportunities in APAC and Americas

Increasing global presence

Sales share of APAC & AM regions

- 2018: ~42%
- 2023e: ~49%

Supported by continued investment in our manufacturing and supply chain set-up

~€1.6 bn
invested in APAC/AM plants¹

Plant expansions
- Hefei (China)
- Rayong (Thailand)
- Clinton (USA)
- Campinas (Brazil)

Greater manufacturing responsiveness and solutions tailored to local requirements underpinning our customer centricity

¹ Figures relating to 2018-2023e period.
CORE Manufacturing Footprint

**AMERICAS**
- Production plants: 7
- Tonnage:
  - 2023e: ~8%
  - 2028e: ~3%

**EMEA**
- Production plants: 7
- Tonnage:
  - 2023e: ~3%
  - 2028e: ~6%

**APAC**
- Production plants: 6
- Tonnage:
  - 2023e: ~6%
  - 2028e: ~6%

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1. As of December 2023, excl. plants for semi products and retread production facilities.
2. Estimated production tonnage (in k ton for all tires).
3. CAGR: Compound annual growth rate.
OUR RESPONSIBILITY
RESPONSIBILITY Ambitious Sustainability Roadmap as Key Differentiator

Example: Industry benchmark 2022 - Operations

- Energy Intensity: -22% (Energy usage per output (GJ/t))
- Renewable Electricity Mix: 35% (Share of renewables in electricity mix)
- Water Intensity: -50% (Water usage per output (m³/t))
- CO₂ Emissions Intensity: -60% (Scope 1 & 2 CO₂ emissions per output (tCO₂eq/t))

Our aim is to be the most environmentally and socially responsible tire company

- Leveraging global economies of scale
- Differentiating through technological leadership
- Increasing efficiency gains
- Actively turning challenges into opportunities

2. Member of RE100 initiative that fosters the use of renewable energy. Use of energy attribute certificates starting 2020 leading to carbon neutral electricity supply.
3. Driven by RE100 electricity mix.
RESPONSIBILITY Business Opportunities Arising From Sustainability

Sustainable tire innovations
UltraContact NXT, Conti EcoPlus HT3+

Retreading & renewing
ContiLifeCycle

Circular solutions

Sustainability advantage

Customer benefits

Business opportunities

Innovation leader in a dynamic environment
OUR OPPORTUNITY
OPPORTUNITY Gaining Traction in Profit Pools

- Electrification and UHP growth propelling favorable mix development
- Significant regional growth opportunities in APAC and Americas
- Sustainability as key differentiator through premium positioning and technology expertise

Our CORE and our RESPONSIBILITY result in attractive opportunities for profitable growth – with more to come
OPPORTUNITY Integrated Solutions for Fleets

In-house automotive expertise as unique differentiator in tires industry

Growing our data-driven services

~45% year-on-year
Active ContiConnect customers

~45% p.a.
Active yard readers installed

~50% p.a.
Connected vehicles

Holistic data-driven fleet management solutions for commercial customers

- Achieving LODC\(^2\) for our customers
- Creates pull effects for our business

Data as of October 2023. 1 CAGR compared to 2018. 2 Lowest Overall Driving Costs.
**Tires Financial Outlook - Updated Mid-term Targets**

- **Sales**
  - 2023e ~14-15 bn
  - Short-term ~15-16 bn
  - Mid-term ~17-18 bn

- **Adjusted EBIT**
  - 2023e ~12.5-13.5%
  - Mid-term ~13-16%

1. Before amortization of intangibles from PPA, changes in the scope of consolidation (only 2023e), and special effects. Considering current portfolio.
Tires Mid-term Financial Outlook

Sales

~€17-18 bn

ROCE\(^2\)

>23%

Adj. EBIT\(^1\) margin

~13-16%

Cash generation\(^3\)

>60%

We will continue to outperform in value creation and cash generation

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1 Before amortization of intangibles from PPA, changes in the scope of consolidation (only 2023e), and special effects. 2 Ratio of EBIT to average operating assets for a fiscal year. 3 Cash generation defined (EBITDA - Capex) / EBITDA, potentially excluding major one-time items. Considering current portfolio.
Tires Clear Path of Continued Value Creation

- Highly resilient business outperforming regardless of the circumstances
- Industry benchmark in value creation and cash generation performance
- Effective capital allocation in strategic profit pools

Well-positioned industry leader to continue reliable outperformance in the future
Philipp von Hirschheydt
Automotive

Hanover, December 4
Automotive at a Glance

- €20–21 billion in sales
- ~102,500 employees
- Adj. EBIT\(^1\) margin ~2–3%
- Product clusters >50
- Global footprint: 56 plants in 21 countries, 82 R&D locations in 18 countries

Creating value while driving the future of mobility

Data shown as of 2023e. 1 Before amortization of intangibles from PPA, changes in the scope of consolidation (only 2023e), and special effects.
Disruptive Changes and a Clear Path Ahead

Decline / Recalibration
- Technological transformation
- Significant R&D investments
- Only partial input cost recovery
- Supply chain disruptions
- High inflation
- Growing fix cost structure

Execution
- Rigorous execution of 3-pillar strategy:
  1. Lead
  2. Focus
  3. Perform

Adj. EBIT\(^1\) margin
- 2018: ~9%
- 2023e: ~2-3%
- Short-term: >6%
- Mid-term: ~6-8%

1 Before amortization of intangibles from PPA, changes in the scope of consolidation (only 2023e), and special effects. Considering current portfolio.
A Leading Systems Supplier

World-class portfolio

High-tech and high-quality electronic hardware

Substantial software expertise paired with partnerships

Leading automotive systems supplier

Focused execution required to ensure future commercial success
Clear Execution Of Our 3-Pillar Strategy

**LEAD**
- Hardware excellence: largest electronics player
- Software competence: we shape the software-defined vehicle
- System expertise: superior electronics system integrator

**FOCUS**
- Structure: optimized organizational setup
- Capital allocation: focus on value-accretive outperformance through product lifecycle
- Portfolio: improve, sell or close

**PERFORM**
- Strategy with target of cost reduction initiated
  - Fixed-cost reduction
  - Operational excellence
  - R&D efficiency
  - Operating leverage

- Technology and leadership position
- Strict execution along value principles
- Strict profitability management

Comprehensive self-help program
# LEAD In Our Focus Areas - or Exit

<table>
<thead>
<tr>
<th>Area</th>
<th>Market CAGR 2023e-2028e</th>
<th>SAM</th>
<th>Main sales drivers</th>
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<tbody>
<tr>
<td>Safe</td>
<td>~4%</td>
<td>~100 bps OUTPERFORMANCE</td>
<td>Wheel Brake, EBS and One-Box, Sensor System, Airbag Systems</td>
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<tr>
<td>Exciting</td>
<td>~16%</td>
<td>~300 bps OUTPERFORMANCE</td>
<td>Display Solutions, Digital Cluster, Access Systems, Instrument Cluster</td>
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<tr>
<td>Autonomous</td>
<td>~12%</td>
<td>~1,000 bps OUTPERFORMANCE</td>
<td>Radar, Smart Camera, Satellite Camera, AD/ADAS ECU</td>
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CAGR: Compound annual growth rate. Outperformance: Sales growth compared to PC&LT production, average from 2023e-2028e.
LEAD One of the Largest Suppliers

Example areas - around 50% of Automotive sales

- **Electronic Brake System**
  - Others
  - Continental
  - Peer 1
  - Peer 2

- **Radar**
  - Others
  - Continental
  - Peer 1
  - Peer 2

- **Display Solutions**
  - Others
  - Continental
  - Peer 1
  - Peer 2

- **Wheel Brake**
  - Others
  - Continental
  - Peer 1
  - Peer 2

- **Airbag Systems**
  - Others
  - Continental
  - Peer 1
  - Peer 2

- **Access Systems**
  - Others
  - Continental
  - Peer 1
  - Peer 2

- **Digital Cluster**
  - Others
  - Continental
  - Peer 1
  - Peer 2

- **Sensor Systems**
  - Others
  - Continental
  - Peer 1
  - Peer 2

Data shown as per 2024.
LEAD Changing Technology Requirements

- Evolving system architectures
  - Multiple functions consolidation
  - Specialized and high computing power

- Cloud services
  - Functions on demand
  - Speed: “Code to road” in 1 day

- Evolving technology stacks
  - Evolving value chain
  - Increased complexity

CSP: Communications service provider.
LEAD Mastering all Fields: System Integrator of Choice

Our foundation
High-quality hardware paired with software experience

Our technology
Purpose-built artificial intelligence
SoCs from our strategic partner

We are THE system integrator
› We combine software capabilities and automotive competence
   Multiple party SW integration ensuring automotive requirements and automation: Continental Cooperation Portal (CCP)

› We master data
   Large data processing, artificial intelligence, machine to machine communication

› We manage the entire tech stack
   From SoCs, hardware, middleware and functions to cloud services

› We manage complexity
   In-house competence in cross-domain and autonomous driving high-performance computers

Our offering
Realizing autonomous driving systems at scale, together with our strategic partner

SoC: System on chip.
LEAD Combining Hardware and Software

Selected examples

Today: Outstanding technology platform

SAM
- Electronic Brake System
- One Box

AN
- Gateways
- Body Controller

AM
- Radar, Camera, Lidar
- Ultrasonic Sensors

Step 1: Enhanced products - Higher content per vehicle

- Future Brake System 2 / 3
- Wheel Hub Drive with Integrated Brake

- Zone Controller
- Smart Access Systems
- Cross Domain HPC

- Full sensor suite
- Aurora partnership
- Autonomous Driving HPC

Step 2: Addition of features - New sources of revenue

- Park brake redundancy included
- Automated driving SAE level ≥3 enabler

- Digital key management
- Interior intrusion / presence detection

- Automatic parking
- Transparent vehicle/trailer
- Cruising companion
FOCUS
FOCUS Active Portfolio Management

Decision criteria

- Value creation
- System expertise
- Technology focus
- Growth potential

Execution Plan

- Review of entire portfolio
- Improve, sell or close
- ~25% of total business will change
FOCUS Streamlining the Business

Today’s structure:
- Autonomous Mobility
- Safety and Motion
- Architecture & Networking
- Software & Central Technologies
- User Experience
- Smart Mobility

Target structure:
- Autonomous Mobility
- Safety and Motion
- Architecture & Networking
- Software & Central Technologies
- UX (agility, accessibility, speed)
- AM
- AN
- SCT

~€1.4 bn sales to improve, sell or close
~€3.5 bn sales: carve-out to be conducted
Dissolution of SMY
**FOCUS** User Experience - Continental as Best Owner?

- Highly attractive business ✓
- Strong order intake momentum ✓
- Leading market position in display solutions, head-up and digital cluster ✓
- Highly innovative ✓
- Carve-out initiated to create strategic options ×
- Hardware focused business ×
- Significant investment needs ×
- Not an integral part of our software-defined-vehicle strategy ×
FOCUS Smart Mobility - Leveraging Synergies

SMY sales of ~€2.6 bn integrated into business areas

- **Commercial & Special Vehicles (~50%)**
  - ADAS sensors & instrumentation
  - Control units & telematics
  - Tachograph & fleet management
  - Key as a Service

- **Light & Actuators (~20%)**
  - Front & rear light control
  - Light projection
  - Roof control / console
  - Power door & lift gate

- **Automotive Aftermarket (~30%)**
  - Workshop & diagnostic services
  - OES for automotive parts
  - Automotive replacement parts

Data shown as of 2023e
FOCUS Strong Commercial Vehicle Business in AM

- **Target**: Major player for CV autonomous driving
- **Strategy**: Enhance strategic focus on CV business
- **Synergies**: Leverage internal synergies and know-how
- **Customers**: Increase proximity to CV customers

Leveraging our CV expertise... ...while maintaining a strong passenger car focus
**PERFORM**

**Strict Profitability Management**

- **Operating leverage**
  - Increase content per vehicle and new business models
  - Commercial excellence

- **Operational excellence**
  - Manufacturing improvements

- **Fixed-cost reduction**
  - Organizational delayering
  - Bundling of activities

- **R&D efficiency**
  - Consolidation
  - Best-cost locations
  - Raise software development synergies

- **Up to 1% of sales short-term**
- **Up to 1% of sales short-term**
- **Up to 1% of sales short-term**
- **€400 mn by 2025e**
PERFORM Profitability Target

Sales (€ bn) | Adjusted EBIT\(^1\) margin (%)

Sales | ~€20-21 bn

Market growth | ~€22-24 bn

Other measures | ~€26-29 bn

Adjusted EBIT\(^1\) (%)

~2-3

2023e

VOLUME

SELF-HELP

Short-term

VOLUME

SELF-HELP

Mid-term

A: Operating leverage

B: Operational excellence

C: Fixed-cost reduction

D: R&D efficiency

\(^1\) Before amortization of intangibles from PPA, changes in the scope of consolidation (only 2023e), and special effects.

Considering current portfolio.
PERFORM Operating Leverage

Volume
- Market growth
- Around 1% average worldwide light-vehicle production growth assumed mid-term

Self-help
- Outperformance
- Increase worldwide share at over-proportionally growing customers such as COEMs
- Increase content per vehicle and leverage new business models
- Commercial excellence
- Repricing actions to ensure profitability

Target: Realize average market outperformance of 3-5%

Outperformance: Sales growth compared to PC&LT production, average from 2023e-2028e.
PERFORM Operational Excellence

Cost focus
- Premium freight reduction
- Improve efficiency in electronics manufacturing

Cash flow focus
- Improve line utilization to reach capex to sales of less than 7%
- Increase inventory turn rate with smart inventory management

Targets:
- Cost reduction of up to 1% of sales expected short-term
- Working capital reduction of ~300 bps expected short-term
PERFORM Fixed-Cost Reduction Program

Recurring cost savings effective in 2025 (~€400 mn)

Cost reduction measures

- Reduction of two organizational layers
- Bundling of activities
- Streamlining processes

Target: Cost reduction of ~€400 mn to be achieved by 2025
PERFORM R&D Efficiency

Optimize R&D footprint

R&D re-organization

- Increase best-cost share from ~60% of employees in 2023e to ~70% by 2028e
- Transfer and strengthening of R&D in Asia / China
- Consolidate R&D locations to reach calculated average >700 headcount per location
- Leverage reusable software modules

Target: Reduction of R&D net from ~12% of sales in 2023e to high single digits mid-term
Automotive Mid-term Financial Outlook

Sales

~€26–29 bn

Adj. EBIT\(^1\) margin

~6–8%

ROCE

\(\uparrow \div \downarrow\) >20%

Cash generation\(^2\)

\(\uparrow \downarrow\) >45%

Creating value through market focus and technological leadership

1. Before amortization of intangibles from PPA, changes in the scope of consolidation (only 2023e), and special effects.
2. Cash generation defined as (EBITDA – Capex) / EBITDA, potentially excluding major one-time items. Considering current portfolio.
Automotive Clear Path to Value Creation

- We are the technology provider and system integrator of choice for the software-defined vehicle
- We are in the market for the market
- We strictly execute our 3-pillar strategy to drive profitable growth

We drive the future of mobility
Group at a Glance - Outlook 2023

~€41–43 billion in sales
~5.5–6.5% in adj. EBIT\textsuperscript{1} margin
~€0.8–1.2 billion in adj. free cash flow\textsuperscript{2}

- ContiTech: ~€6.8–7.2 bn, ~6–7%
- Tires: ~€14–15 bn, ~12.5–13.5%
- Automotive: ~€20–21 bn, ~2–3%

We confirm our guidance

\textsuperscript{1} Before amortization of intangibles from PPA, changes in the scope of consolidation, and special effects. \textsuperscript{2} Free cash flow adjusted for acquisitions and divestments of companies and business operations.
2024+ Era of Execution

Our commitment

1. Expansion of visibility and level of disclosure
2. Regular reporting on our measures and progress
3. Clear short and mid-term targets
Era of Execution Topline Development

Sales (€ bn)

- **ContiTech**
  - 2023e: ~41-43
  - Short-term: ~7-8
  - Mid-term: ~8-9

- **Tires**
  - 2023e: ~6.8-7.2
  - Short-term: ~15-16
  - Mid-term: ~17-18

- **Automotive**
  - 2023e: ~14-15
  - Short-term: ~22-24
  - Mid-term: ~26-29

Considering current portfolio.
Era of Execution Path of Profitability

Adjusted EBIT\(^1\) margin (%)

<table>
<thead>
<tr>
<th></th>
<th>2023e VOLUME</th>
<th>2023e SELF-HELP</th>
<th>Short-term</th>
<th>Mid-term</th>
</tr>
</thead>
<tbody>
<tr>
<td>ContiTech</td>
<td>~6-7</td>
<td></td>
<td>&gt;8</td>
<td>~8-11</td>
</tr>
<tr>
<td></td>
<td>~5.5-6.5</td>
<td></td>
<td>&gt;9</td>
<td>~9-11</td>
</tr>
<tr>
<td>Tires</td>
<td>~12.5-13.5</td>
<td></td>
<td>&gt;13</td>
<td>~13-16</td>
</tr>
<tr>
<td>Automotive</td>
<td>~2-3</td>
<td></td>
<td>&gt;6</td>
<td>~6-8</td>
</tr>
</tbody>
</table>

**Main drivers:**
- Volume
- Selfhelp
  - Commercial excellence
  - Outperformance in targeted profit pools
  - Operational excellence
  - Footprint rightsizing

---

1 Before amortization of intangibles from PPA, changes in the scope of consolidation (only 2023e), and special effects. Considering current portfolio.
Era of Execution Effective Capital Allocation

- Value creation
  - Capex
  - R&D

- Financing operations

- Portfolio management
  - Best ownership reviews
  - M&A

- Strong balance sheet
  - Debt
  - Dividend
  - Equity

Strategic capital allocation to strengthen total shareholder return
Era of Execution Updated Dividend Policy

Dividend policy

Dividend per share\(^1\) (€)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2.50</td>
<td>3.25</td>
<td>3.75</td>
<td>4.25</td>
<td>4.50</td>
<td>4.75</td>
<td>3.00</td>
<td>0.00</td>
<td>2.20</td>
<td>1.50</td>
</tr>
</tbody>
</table>

2023 onwards payout ratio\(^2\)

~20% to ~40%

(Previously ~15% to ~30%)

Payout ratio\(^2\):

26% 27% 28% 30% 30% 33% n. a. n. a. 31% Not applied

1. Dividend paid for the respective fiscal year, payout in the subsequent year. 2. The ratio between the dividend for the fiscal year and the earnings per share. 3. In the year under review, the Continental Group changed the methodology used for the recognition of uncertain tax positions. The comparative period has been adjusted accordingly. For more information, see note 2 (General information and accounting principles) of the notes to the consolidated financial statements.
## Era of Execution: Committed to Investment Grade

<table>
<thead>
<tr>
<th>Current credit rating</th>
<th>Mid-term targets</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Moody’s</strong></td>
<td>Rating</td>
<td>BBB/BBB+</td>
</tr>
<tr>
<td>(since August 23, 2022)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Baa2</td>
<td>Gearing ratio¹</td>
<td>&lt;40%</td>
</tr>
<tr>
<td>Stable outlook</td>
<td>Equity ratio</td>
<td>&gt;30%</td>
</tr>
<tr>
<td><strong>Standard &amp; Poor’s</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(since March 22, 2023)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BBB</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stable outlook</td>
<td></td>
<td></td>
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<tr>
<td><strong>Fitch</strong></td>
<td></td>
<td></td>
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<tr>
<td>(since October 17, 2022)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BBB</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stable outlook</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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¹ Net indebtedness divided by equity. ² IFRS 16, Leases, has been applied since 2019. ³ The spinoff of Vitesco Technologies on September 15, 2021, resulted in the application of IFRS 5, Noncurrent Held for Sale and Discontinued Operations.
### Era of Execution: Expectations on Cash Flow

<table>
<thead>
<tr>
<th>Capital expenditure</th>
<th>Sectors</th>
<th>Cash generation</th>
<th>Sectors</th>
</tr>
</thead>
<tbody>
<tr>
<td>ContiTech</td>
<td>~4–5%</td>
<td>ContiTech</td>
<td>&gt;65%</td>
</tr>
<tr>
<td>Tires</td>
<td>~7–8%</td>
<td>Tires</td>
<td>&gt;60%</td>
</tr>
<tr>
<td>Automotive</td>
<td>~6–7%</td>
<td>Automotive</td>
<td>&gt;45%</td>
</tr>
</tbody>
</table>

#### Capital expenditure | Group

~6–7%

#### Cash conversion | Group

>70%

---

All figures mid-term

---

1. Cash Generation (EBITDA - CAPEX) / EBITDA, potentially excluding major onetime items.
2. Ratio of free cash flow adjusted for acquisitions and divestments of companies and business operations to net income attributable to the shareholders of the parent. Considering current portfolio.
## Era of Execution: Our Commitment

<table>
<thead>
<tr>
<th></th>
<th><strong>ContiTech</strong></th>
<th></th>
<th><strong>Tires</strong></th>
<th></th>
<th><strong>Automotive</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Short-term</strong></td>
<td>~€7-8 bn</td>
<td>~€8-9 bn</td>
<td>~€15-16 bn</td>
<td>~€17-18 bn</td>
<td>~€22-24 bn</td>
</tr>
<tr>
<td><strong>Mid-term</strong></td>
<td>~9-11%</td>
<td></td>
<td>~13-16%</td>
<td></td>
<td>~6-8%</td>
</tr>
<tr>
<td><strong>Sales</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>~6%</td>
</tr>
<tr>
<td><strong>Adjusted EBIT(^1)</strong></td>
<td>&gt;9%</td>
<td>~9-11%</td>
<td>&gt;13%</td>
<td>~13-16%</td>
<td>&gt;15%</td>
</tr>
<tr>
<td><strong>Adjusted EBIT margin</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>&gt;20%</td>
</tr>
<tr>
<td><strong>Return on capital employed(^2)</strong></td>
<td>&gt;20%</td>
<td>&gt;22%</td>
<td>&gt;20%</td>
<td>&gt;23%</td>
<td>&gt;15%</td>
</tr>
<tr>
<td><strong>Cash generation(^3)</strong></td>
<td></td>
<td>&gt;65%</td>
<td></td>
<td>&gt;60%</td>
<td>&gt;45%</td>
</tr>
<tr>
<td><strong>Outperformance(^4)</strong></td>
<td></td>
<td></td>
<td></td>
<td>~3-5%</td>
<td>~3-5%</td>
</tr>
<tr>
<td><strong>R&amp;D to sales ratio(^5)</strong></td>
<td></td>
<td></td>
<td></td>
<td>~11%</td>
<td>High-single digits</td>
</tr>
</tbody>
</table>

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1. Before amortization of intangibles from PPA, changes in the scope of consolidation (only 2023), and special effects.
2. ROCE = Ratio of EBIT to average operating assets for a fiscal year.
3. Cash generation (EBITDA - CAPEX) / EBITDA, potentially excluding major one-time items.
4. Outperformance: sales growth compared to PC&L T production.
5. Research and development expenses (net) in % of sales. Considering current portfolio.
## Era of Execution Our Commitment

<table>
<thead>
<tr>
<th></th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Short-term</td>
</tr>
<tr>
<td>~€44-48 bn</td>
<td>~€51-56 bn</td>
</tr>
<tr>
<td><strong>Adjusted EBIT(^1) margin</strong></td>
<td>&gt;8%</td>
</tr>
<tr>
<td><strong>Return on capital employed(^2)</strong></td>
<td>&gt;15%</td>
</tr>
<tr>
<td><strong>Cash conversion(^3)</strong></td>
<td>&gt;70%</td>
</tr>
</tbody>
</table>

---

1. Before amortization of intangibles from PPA changes in the scope of consolidation (only 2023e), and special effects.  
2. ROCE - Ratio of EBIT to average operating assets for a fiscal year.  
3. Ratio of free cash flow adjusted for acquisitions and divestments of companies and business operations to net income attributable to the shareholders of the parent, assuming a tax rate of ~27%. Considering current portfolio.
Group Clear Path to Value Creation

- Foundations laid for sustainable profitable growth
- Sharpened capital allocation in place
- Committed financially driven organization

Welcome to our era of execution
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