



Welcome

to the Continental
Capital Market Day 2023

2023
CapitalMarketDay 

Hanover, December 4

Capital Market Day 2023 **Agenda**

	Agenda	Speaker	Approx. duration	Start time
1	Group Strategy Including introduction Integrity and Law	Nikolai Setzer Olaf Schick	30 mins	13:00
2	ContiTech Strategy	Philip Nelles	30 mins	13:30
3	Tires Strategy	Christian Koetz	30 mins	14:00
4	BREAK		30 mins	14:30
5	Automotive Strategy	Philipp von Hirschheydt	40 mins	15:00
6	Group Financials	Katja Garcia Vila	20 mins	15:40
7	Q&A	ALL EBM	60 mins	16:00
	END			17:00



Nikolai Setzer

CEO

2023
CapitalMarketDay

Hanover, December 4

Continental

on the Move

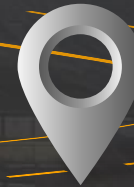
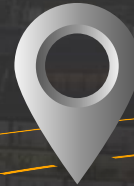
TechShow



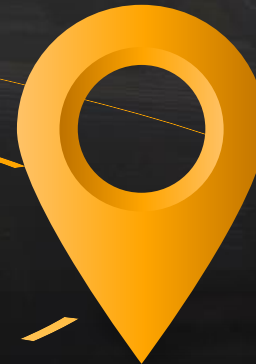
Governance Roadshow



Spotlight Sectors



Capital Market Day



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

Tires

- › Operational excellence champion in favorable market conditions

Automotive

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

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

2020-23 Era of Recalibration

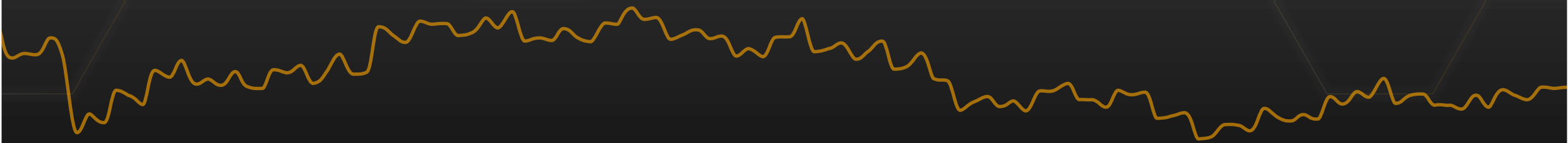
Yet, unsatisfactory results

ACTION

- › Re-organization
- › Future-proof team
- › Portfolio analysis & review

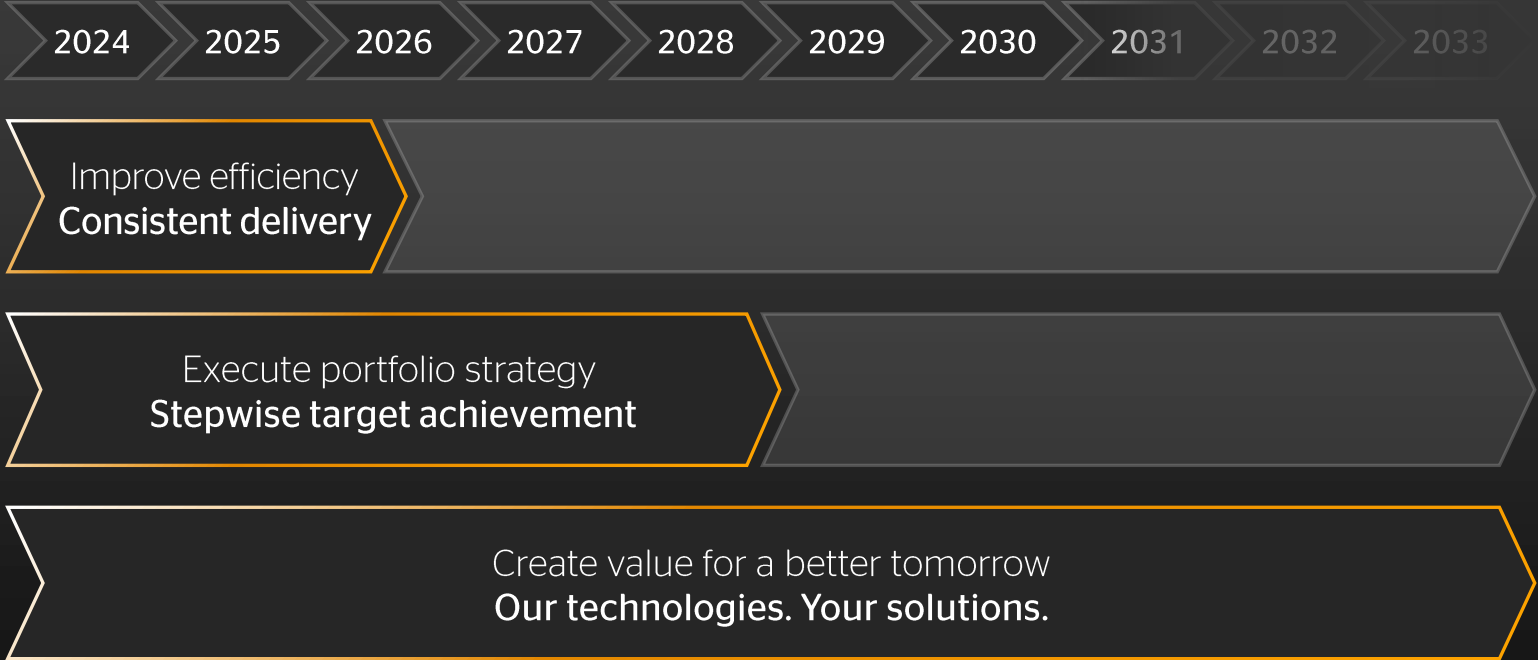
OUTCOME

- › Organizational robustness
- › Technological leadership
- › **Foundation for execution**



2024+ Era of Execution

The triple play for future value



Management focus:

- > Clear targets
- > Accountability
- > Execution

- > Prioritize
- > Industrial logic
- > Rigorous decisions

- > Technology
- > Transformational change
- > Invest in people

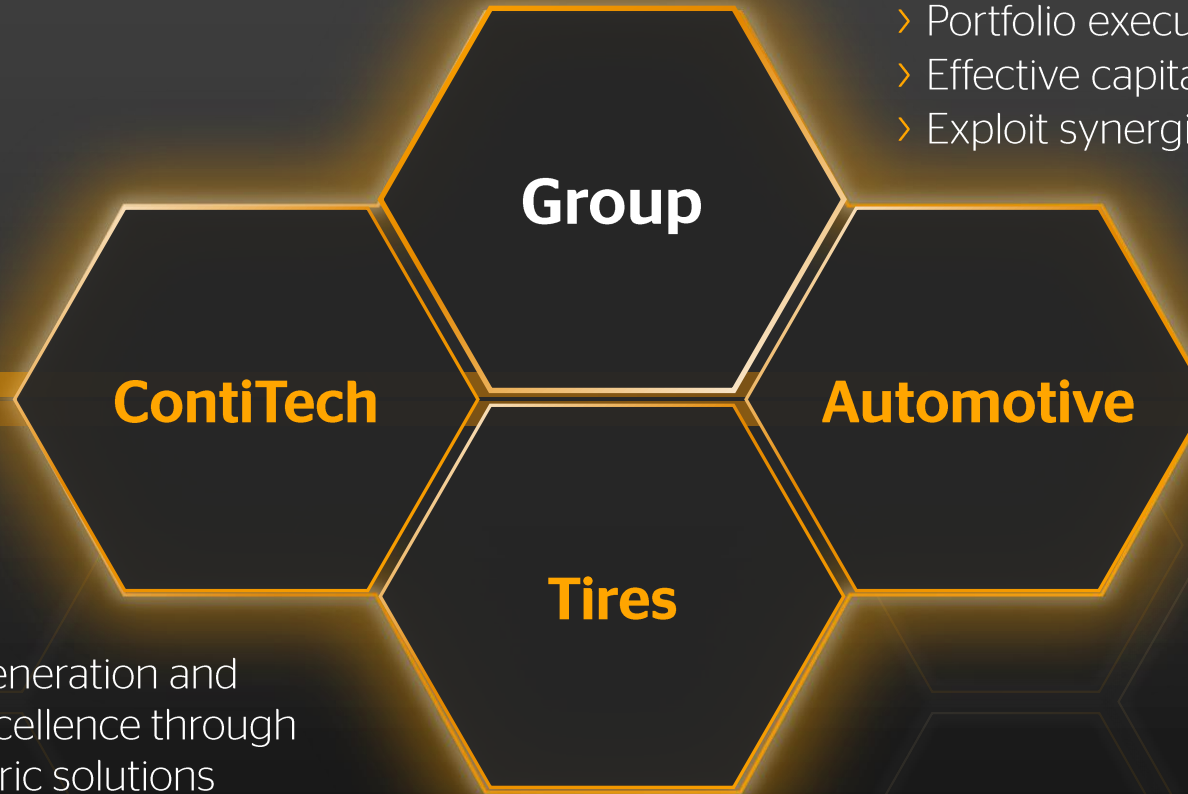
2024+ Era of Execution

We are the mobility and material technology group for safe, smart and sustainable solutions

2024+ Era of Execution

- › Reliable profitability and upside potential through increased industry share

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



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

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

Independent when necessary - **united** where purposeful

2024+ Era of Execution

ContiTech

- › Reliable profitability 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

Tires

- › Strong cash generation
- › Operational excellence through customer-centric solutions
- › **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-accretive 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



Sales¹

	2023e	Short-term	Mid-term
	~€41-43 bn	~€44-48 bn	~€51-56 bn
ContiTech	~€6.8-7.2 bn	~€7-8 bn	~€8-9 bn
Tires	~€14-15 bn	~€15-16 bn	~€17-18 bn
Automotive	~€20-21 bn	~€22-24 bn	~€26-29 bn



Adj. EBIT² margin¹

	2023e	Short-term	Mid-term
	~5.5-6.5%	>8%	~8-11%
ContiTech	~6-7%	>9%	~9-11%
Tires	~12.5-13.5%	>13%	~13-16%
Automotive	~2-3%	>6%	~6-8%

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

Chief
Financial
Officer,
Mercedes-
Benz China

25+ years
professional
experience

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

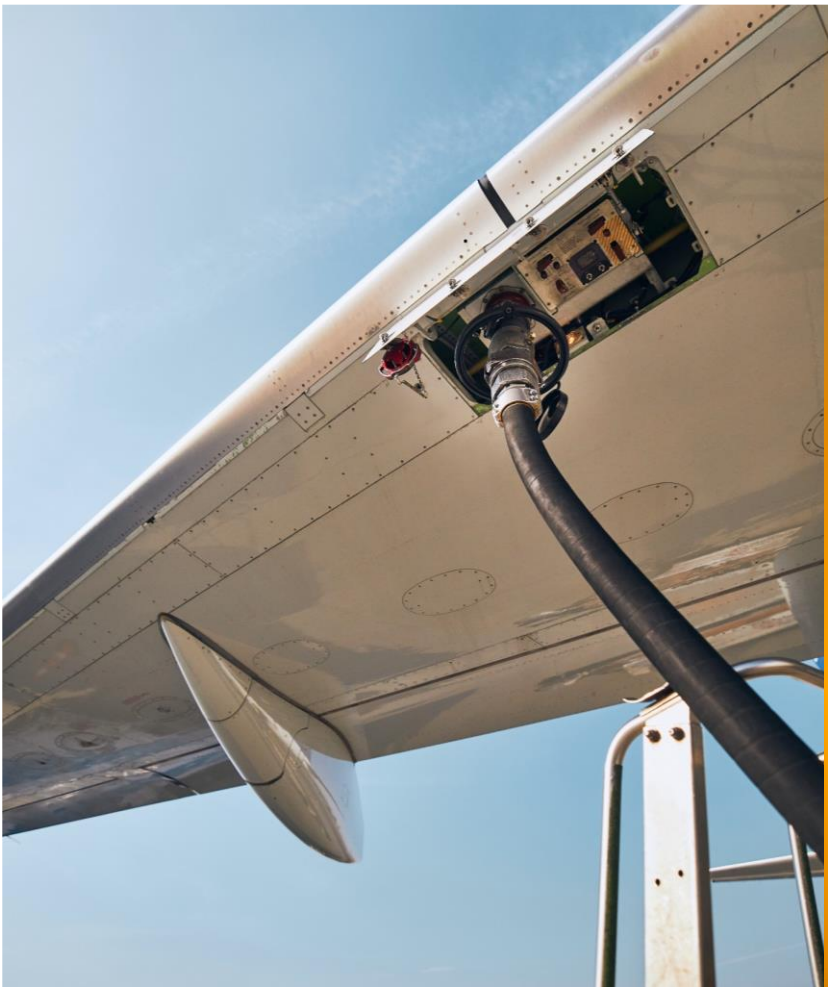
On the Road to Competitive Advantage

Philip Nelles
ContiTech

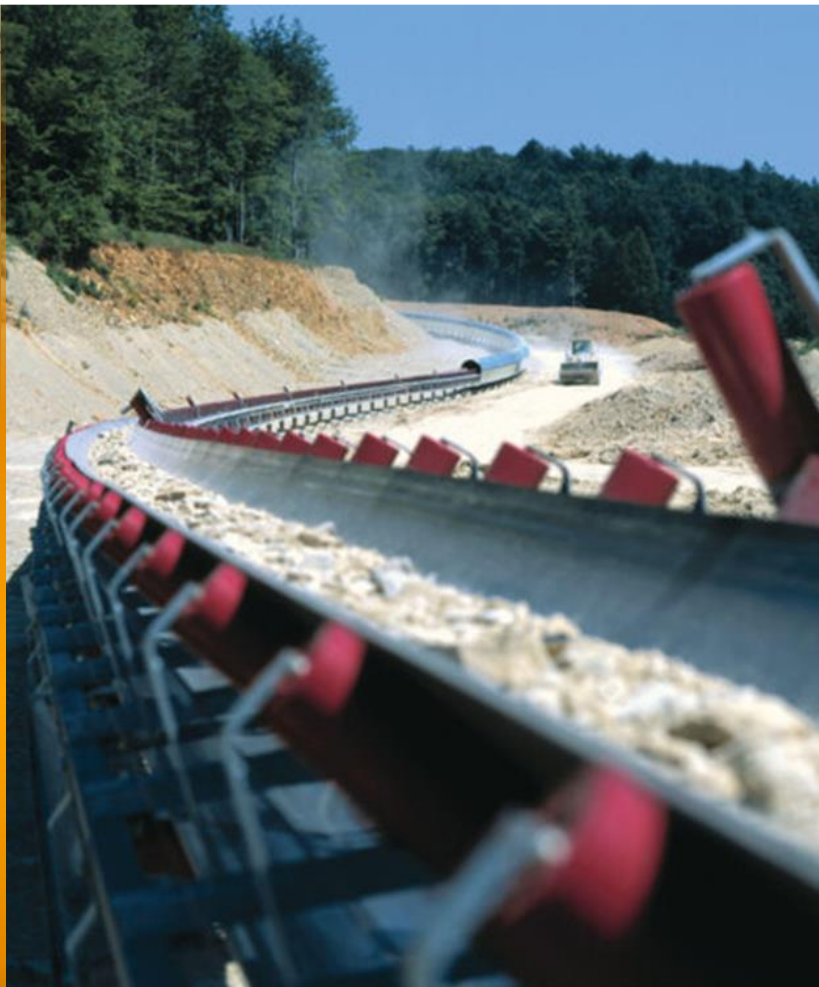
2023
CapitalMarketDay 

Hanover, December 4





We
CONNECT



We
CONVEY



We
COVER

ContiTech at a Glance



~€6.8-7.2
billion
in **sales**

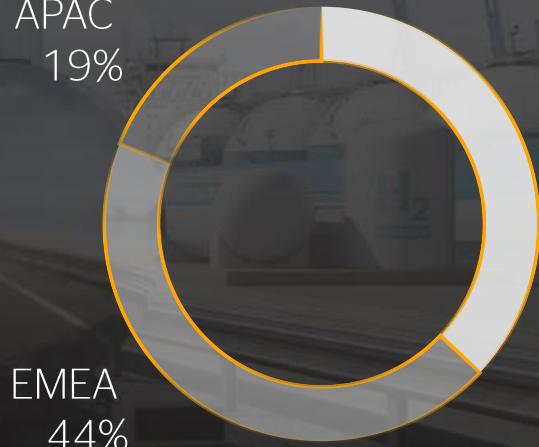


~42,500
employees

Mixed portfolio with significant growth potential in industry



Regional balance with significant growth potential in APAC



First choice for material-driven solutions

Figures shown as of FY2023e

What Makes Us Unique?

We turn materials
into solutions

**Global expertise in
rubber & thermoplastics**

We solve problems
for demanding
industries

We partner with
customers to drive
technological
progress

**Unmatched
product portfolio**

We are perfectly positioned to succeed in exciting markets

Our Exciting Markets

Industry 55%



Construction
& Home



Mining Industry &
Quarries



Energy
Management



Commercial
Vehicles



ICE Passenger
Vehicles



Electric Passenger
Vehicles



Off-Highway
Mobility



Material Handling &
Manufacturing



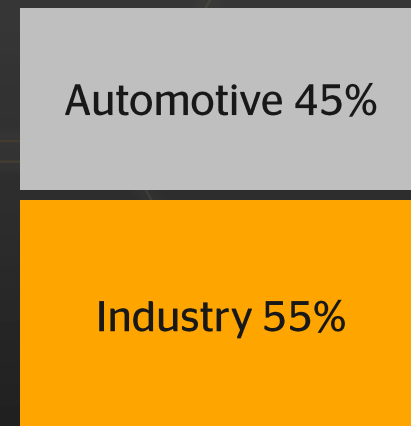
Printing & Packaging
Technology

Automotive 45%

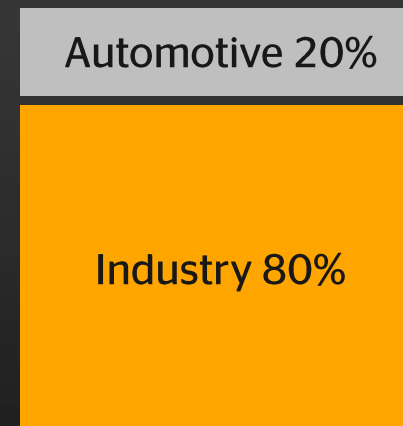
2024+ Era of Execution

Strengthening industry

2023e



Ambition



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

A composite image representing industry, featuring wind turbines, a construction site, a city skyline, and a truck. The word "INDUSTRY" is overlaid in the center in a bold, orange, sans-serif font. The background is a dark, semi-transparent overlay of these elements.

INDUSTRY

Industry Clear Strategic Direction

Strengthening industry

Ambition

Industry

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

Bal.On



Industry Growth Engines

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

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

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:

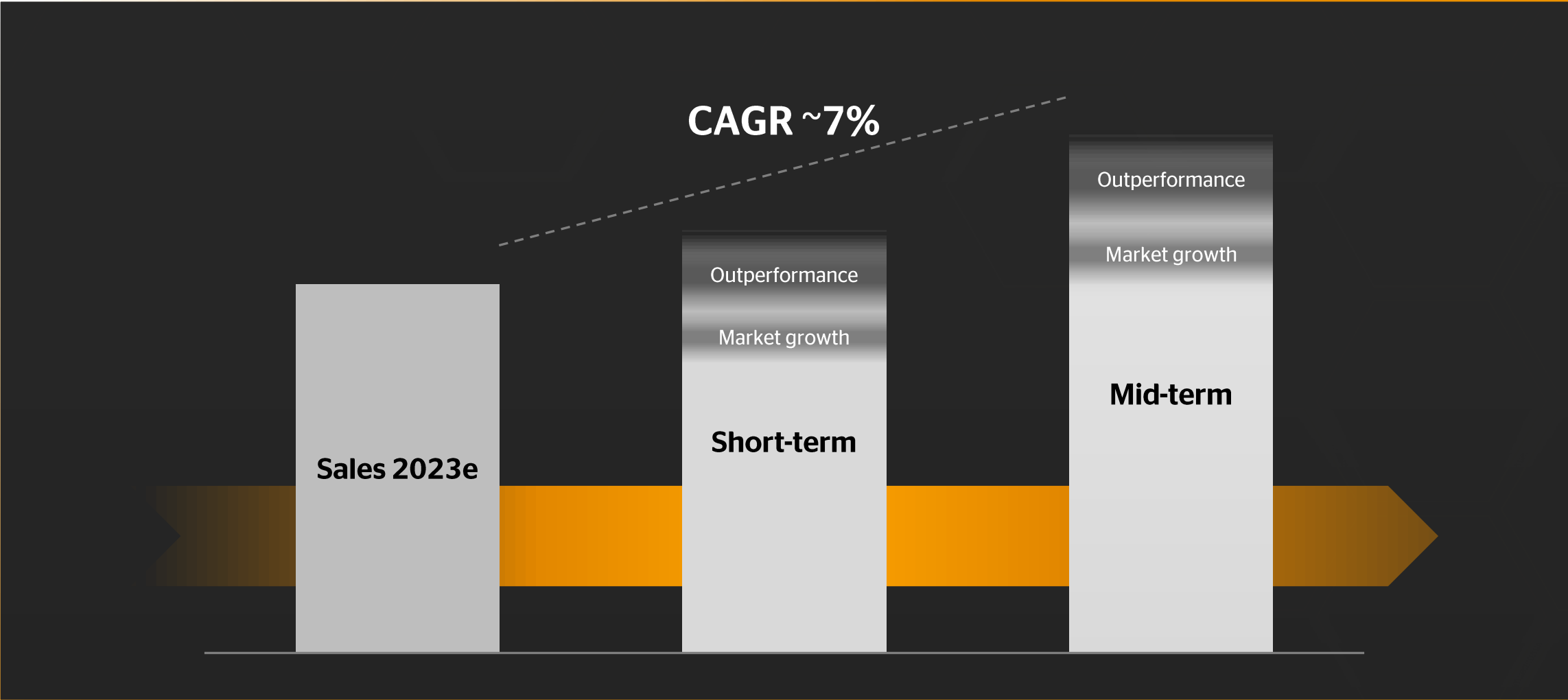
Strong demand for high-performance, long-lasting, easy-to-maintain, lightweight products



Our levers:

- > Partnering with OEs to set standards
- > Elevating technological progress via tech transfer from commercial vehicles

Industry Our Growth Ambition



CAGR: Compound annual growth rate

A collage of industrial and automotive images. The background is a dark, semi-transparent overlay over a collection of images. On the left, there are several wind turbines in a field. In the center, there's a construction site with cranes and a city skyline with tall buildings. On the right, there's a large truck and a train. The word "AUTOMOTIVE" is written in large, bold, yellow capital letters across the center of the collage.

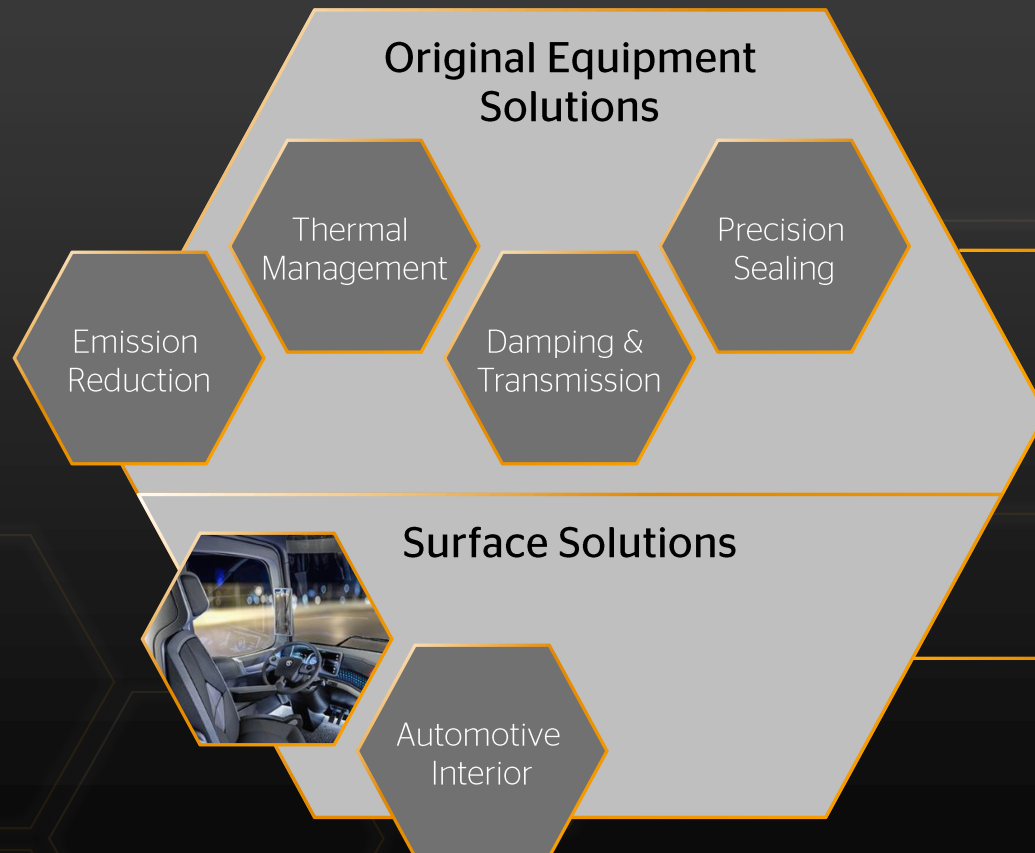
AUTOMOTIVE

Automotive Clear Strategic Direction

Ambition

Automotive

Increasing profits and selective growth



How will we do it?

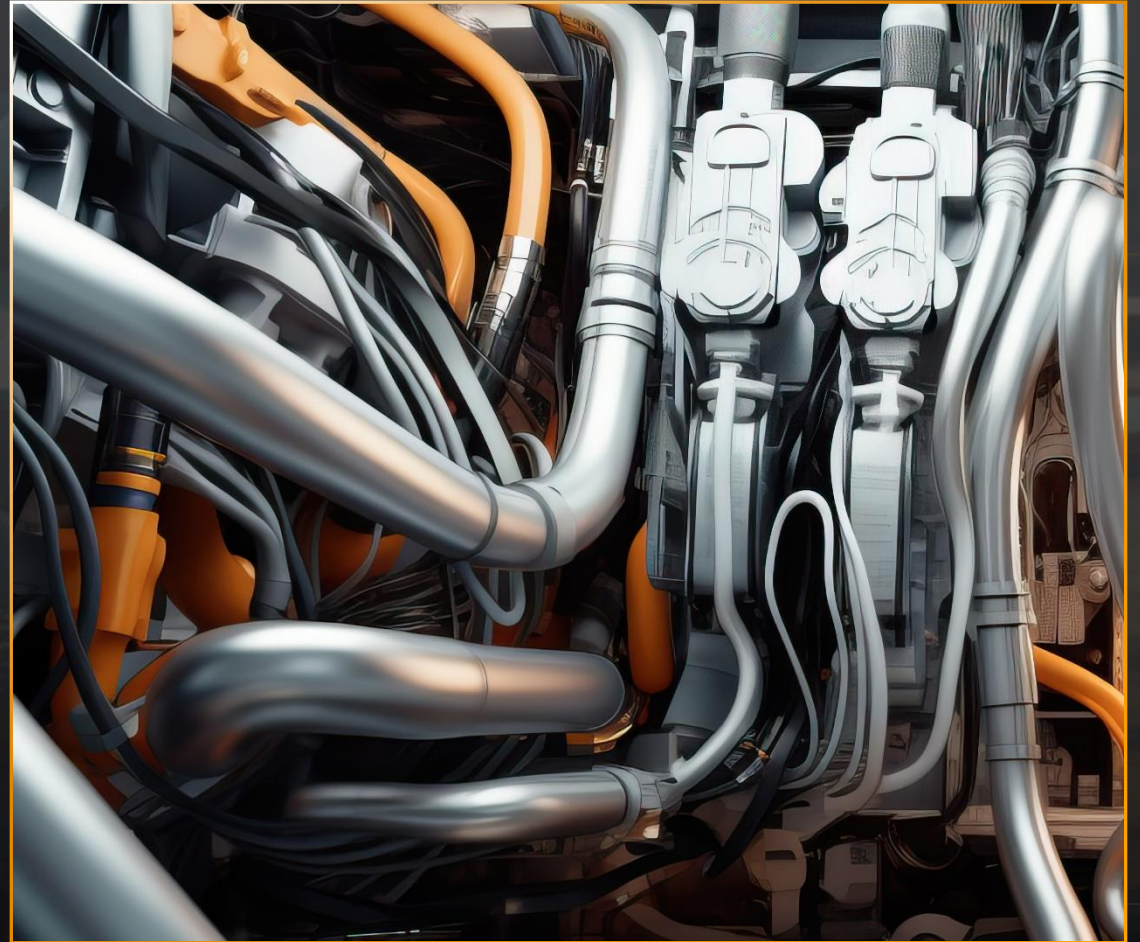
Short-term performance improvements

- › 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%

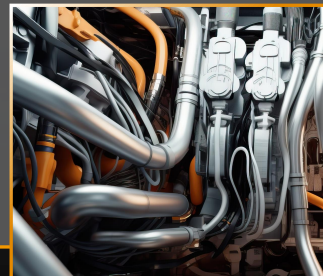
Growth CAGR 2023e-2028e

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

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

A collage of industrial and construction scenes. On the left, there are several wind turbines in a field. In the center, a city skyline with tall buildings is visible. To the right, there's a construction site with cranes and a large truck. The background is a mix of these elements, creating a sense of industrial activity and infrastructure development.

ENSURE SUCCESS

ContiTech Ensure Success

Consolidated

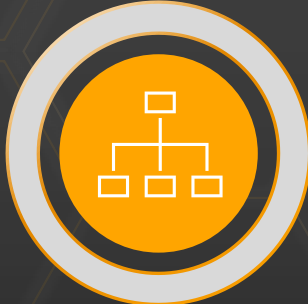
Smart

2023

Scaling size & expertise



Towards 4.0



Streamlined organization

Automated

Green

2024+

Efficiency & labor independency



Net zero 2040



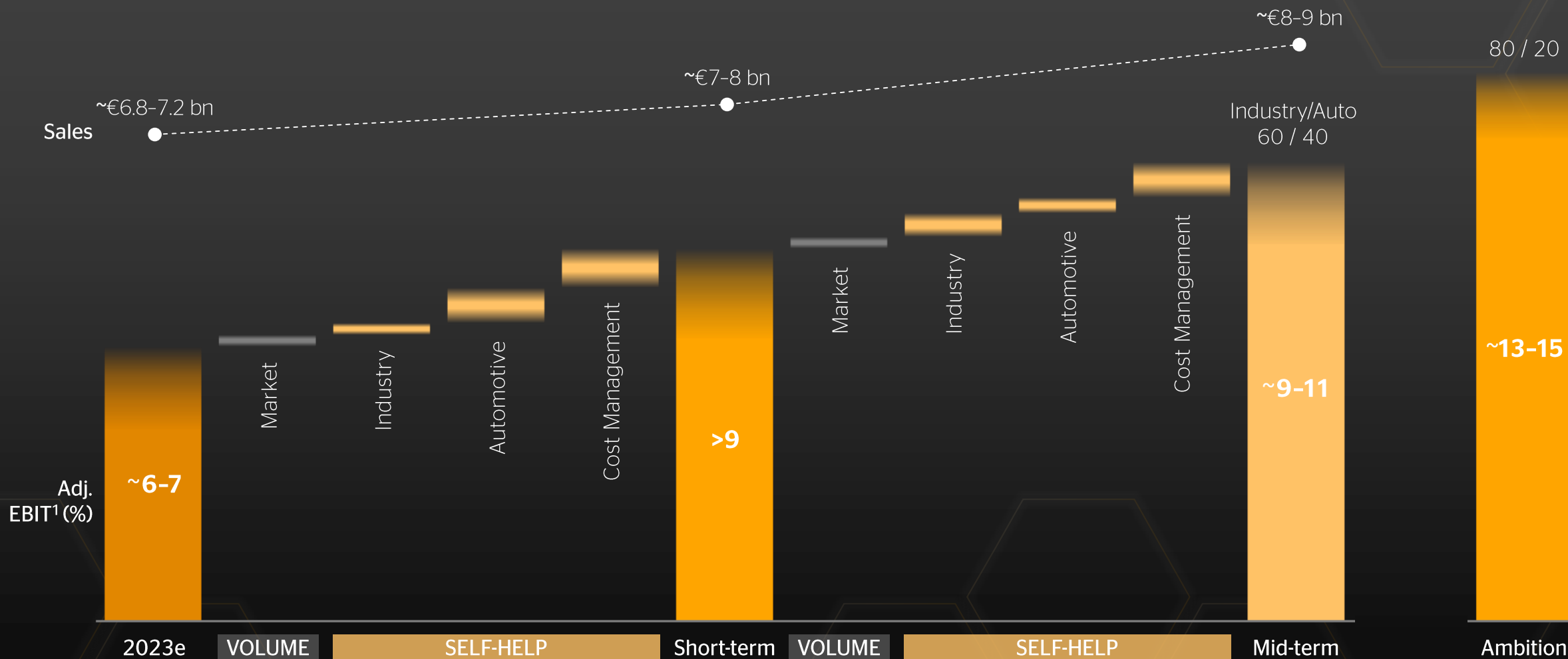
Best-cost business hubs

Operational excellence

Fixed-cost management

Reduce costs by ~2% of sales mid-term

ContiTech Financial Outlook - Mid-term Targets



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

ROCE²



>22%

Adj. EBIT¹ margin



~9-11%

Cash generation³



>65%

Strong ROCE and cash generation

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 as (EBITDA - Capex)/ EBITDA, potentially excluding major one-time items. Considering current portfolio.

ContiTech 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

Continental 
The Future in Motion

Christian Kötz

Tires

Continental 

2023
CapitalMarketDay 

Hanover, December 4

Tires at a Glance

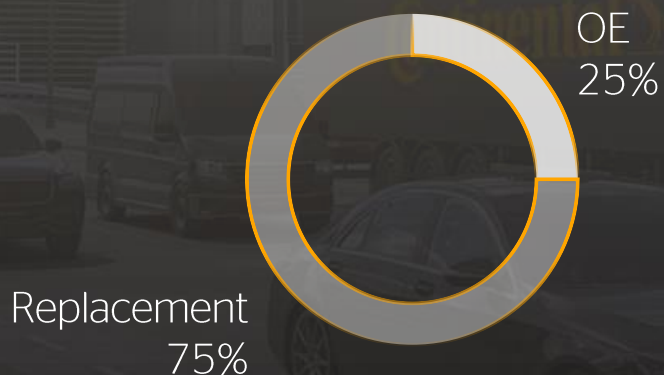


~€14-15
billion
in **sales**

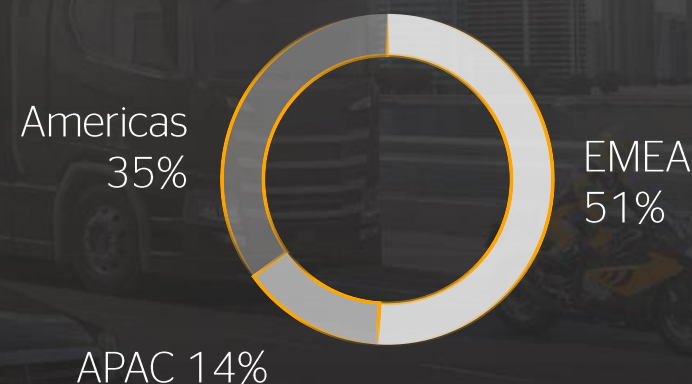


~56,900
employees

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

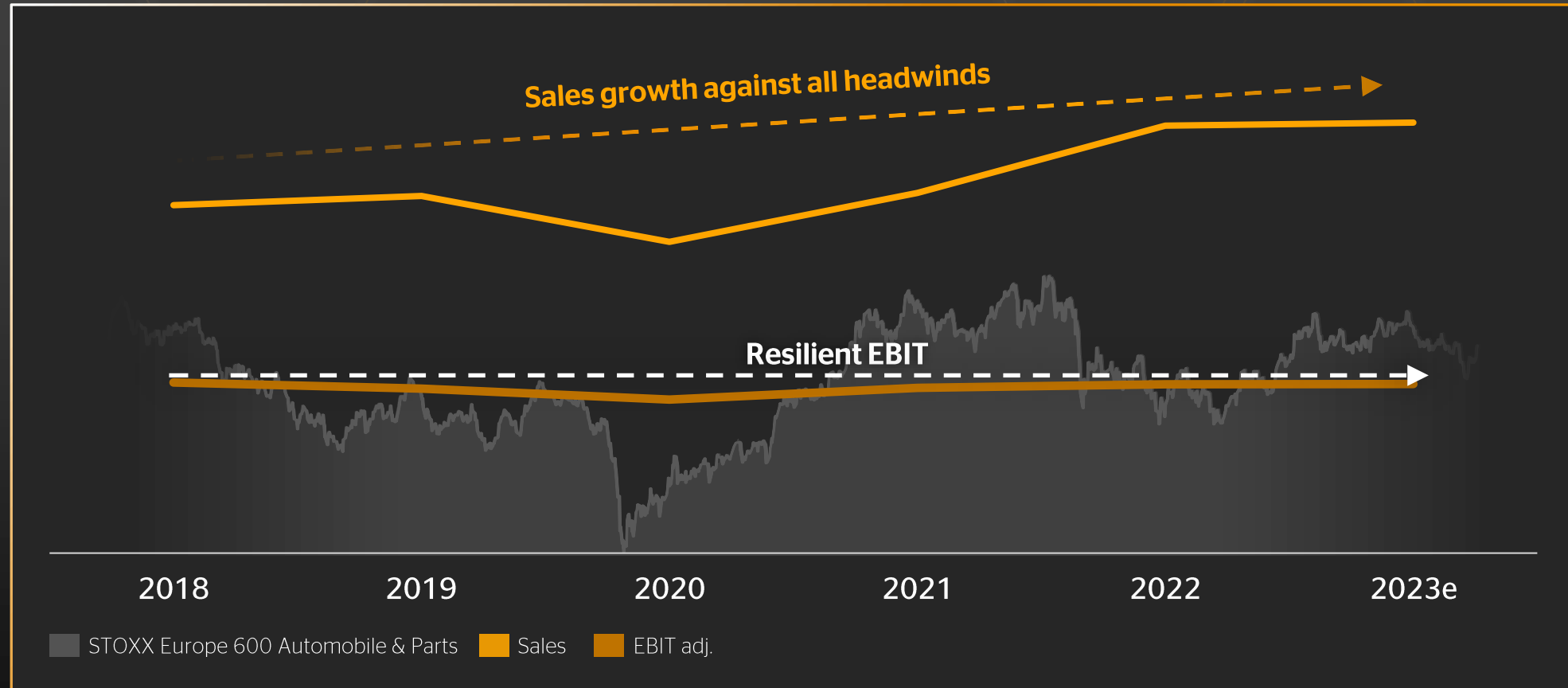


Regional balance with significant growth
opportunities in Americas and APAC



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

Resilience in Crises



Delivering profitable growth despite all headwinds

Financial Highlights

Sales growth



~4.3%

CAGR¹ (2018-2023e)

ROCE³



>20%

in each of the last 10 years⁵

Adj. EBIT²



~€1.7 bn

on average (2018-2023e)

Cash generation⁴



~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 (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 LODC¹

...we are turning change into profitable growth

¹ Lowest overall driving costs

2024+ Era of Execution

OUR CORE

OUR OPPORTUNITY

Our customers' ambitions are our driving force

OUR RESPONSIBILITY

OUR TEAM

A person wearing white gloves is working on a car tire. The image is dark and blurry, with a semi-transparent horizontal band across the middle. The text "OUR CORE" is centered in this band.

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

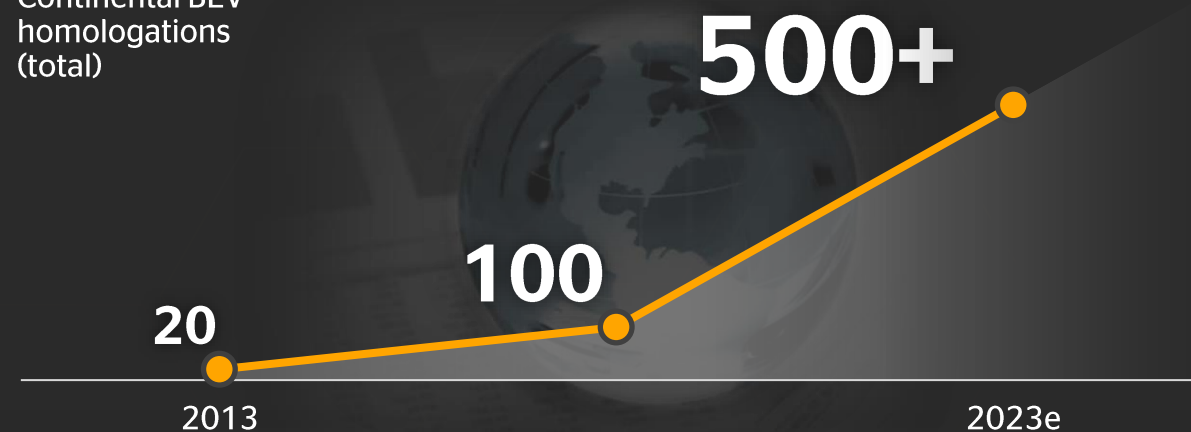
Accelerating opportunities from EVs

- › 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)

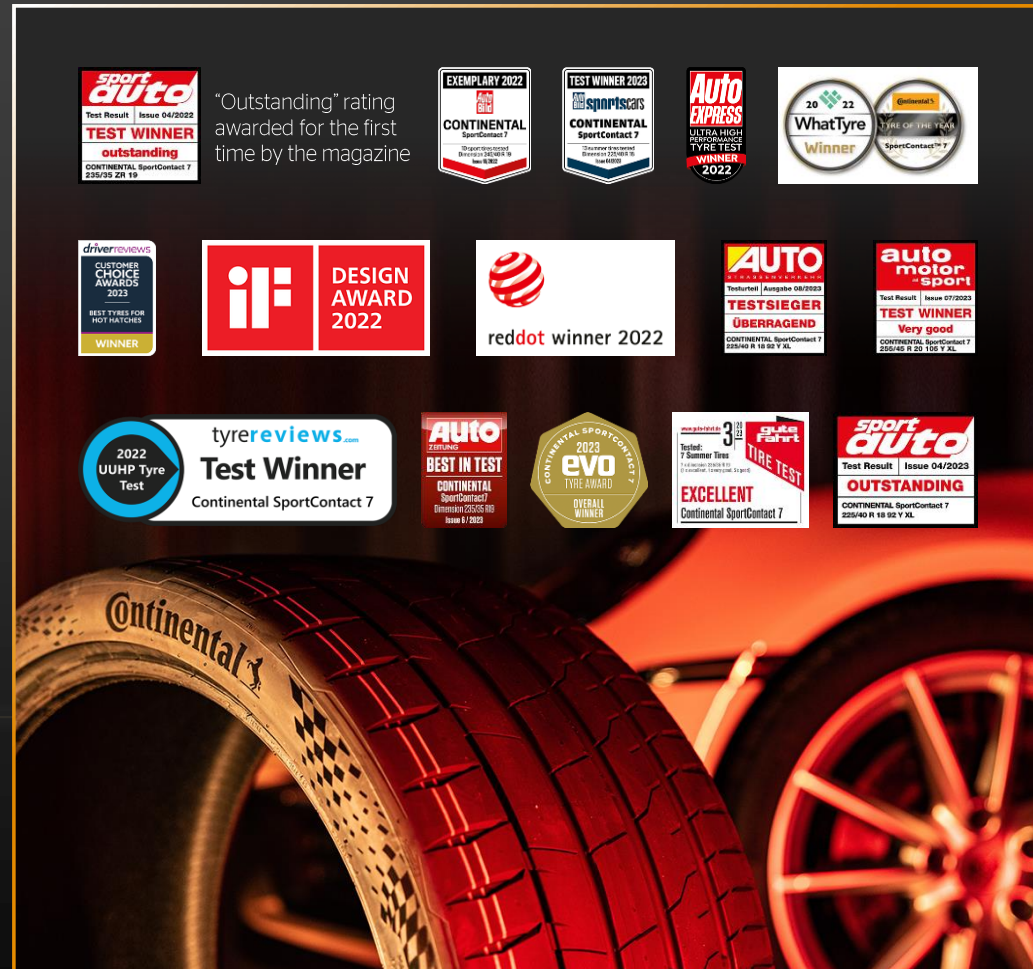


All the world's most successful BEV manufacturers trust Continental tires

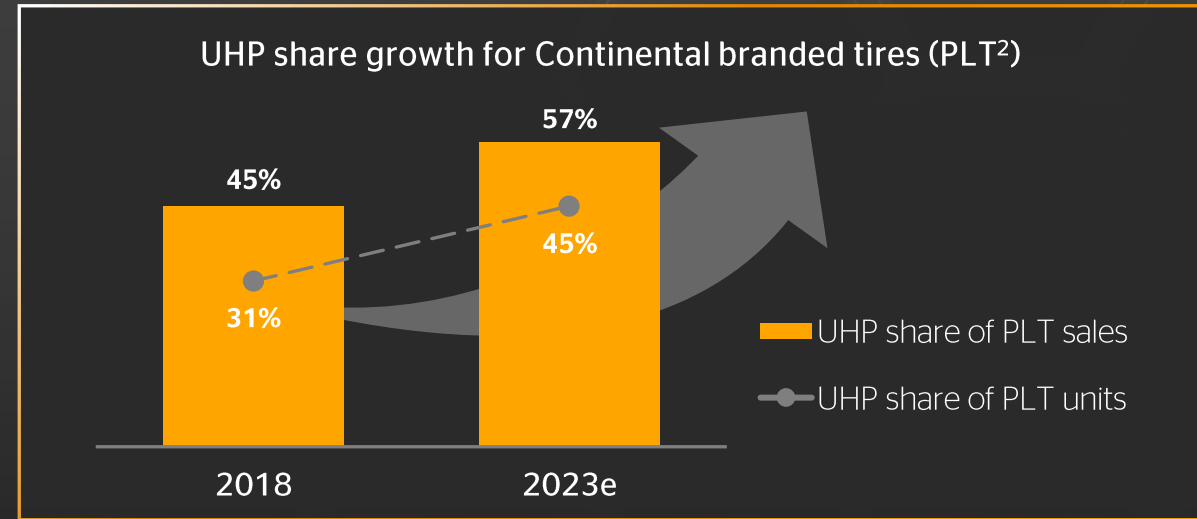


CORE Boosting Our Mix Through UHP¹ Growth

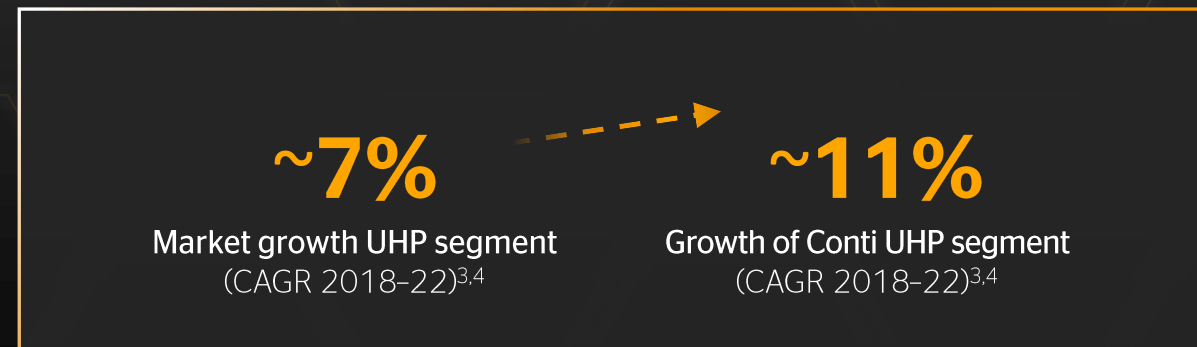
Our exceptional product line-up translates into



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



...outperforming the market

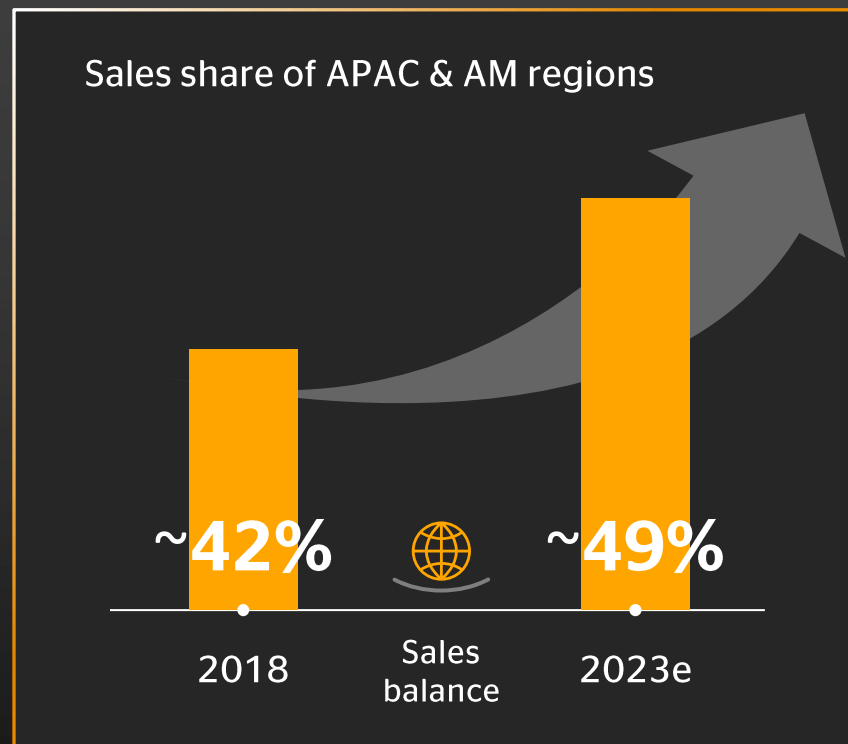


1 Ultra-high performance are tires ≥ 18". 2 PLT: Passenger car and light truck tires. 3 CAGR: Compound annual growth rate.

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



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)
- › Camacari (Brazil)



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

¹ Figures relating to 2018-2023e period.

CORE Manufacturing Footprint

Production plants¹

AMERICAS

7

EMEA

7

APAC

6

Tonnage²
(CAGR³ in %)

~8%



2023e 2028e

~3%



2023e

2028e

~6%



2023e

2028e

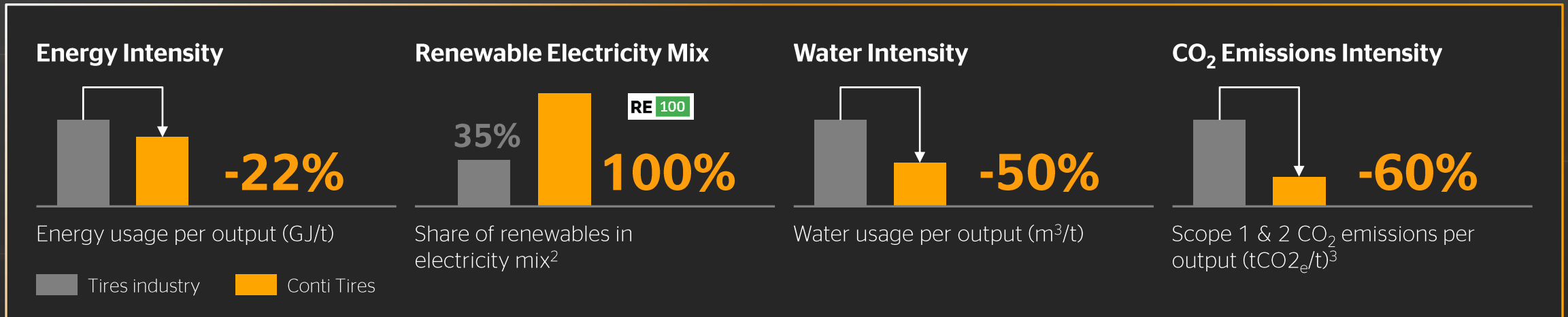
1 As of December 2023, excl. plants for semi products and retread production facilities. 2 Estimated production tonnage (in k ton for all tires). 3 CAGR: Compound annual growth rate.

A cyclist is seen from behind, riding a mountain bike on a dirt trail. The cyclist is wearing a helmet and a light-colored jersey. The background features a large, forested mountain under a cloudy sky. The overall scene is dimly lit, suggesting dusk or dawn. A semi-transparent horizontal band is overlaid across the middle of the image, containing the text.

OUR RESPONSIBILITY

RESPONSIBILITY Ambitious Sustainability Roadmap as Key Differentiator

Example: Industry benchmark 2022 – Operations¹



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

¹ Comparing to World Business Council for Sustainable Development (WBCSD) Tire Industry Project (TIP): average value of 10 leading tire companies.

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



Sustainability advantage

Customer benefits

Business opportunities

Innovation leader in a dynamic environment



OUR OPPORTUNITY

OPPORTUNITY Gaining Traction in Profit Pools

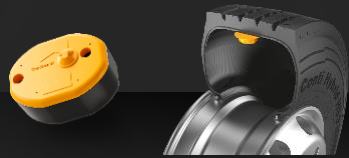
- Electrification and UHP growth propelling favorable mix development
- Significant regional growth opportunities in APAC and Americas
- Sustainability as key differentiator through premium positioning and technology expertise

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

Electronics & sensors portfolio



Fleet management solutions



Remote vehicle diagnostics



Growing our data-driven services

~45% year-on-year

Active ContiConnect customers

~45% p.a.

Active yard readers installed¹

~50% p.a.

Connected vehicles¹

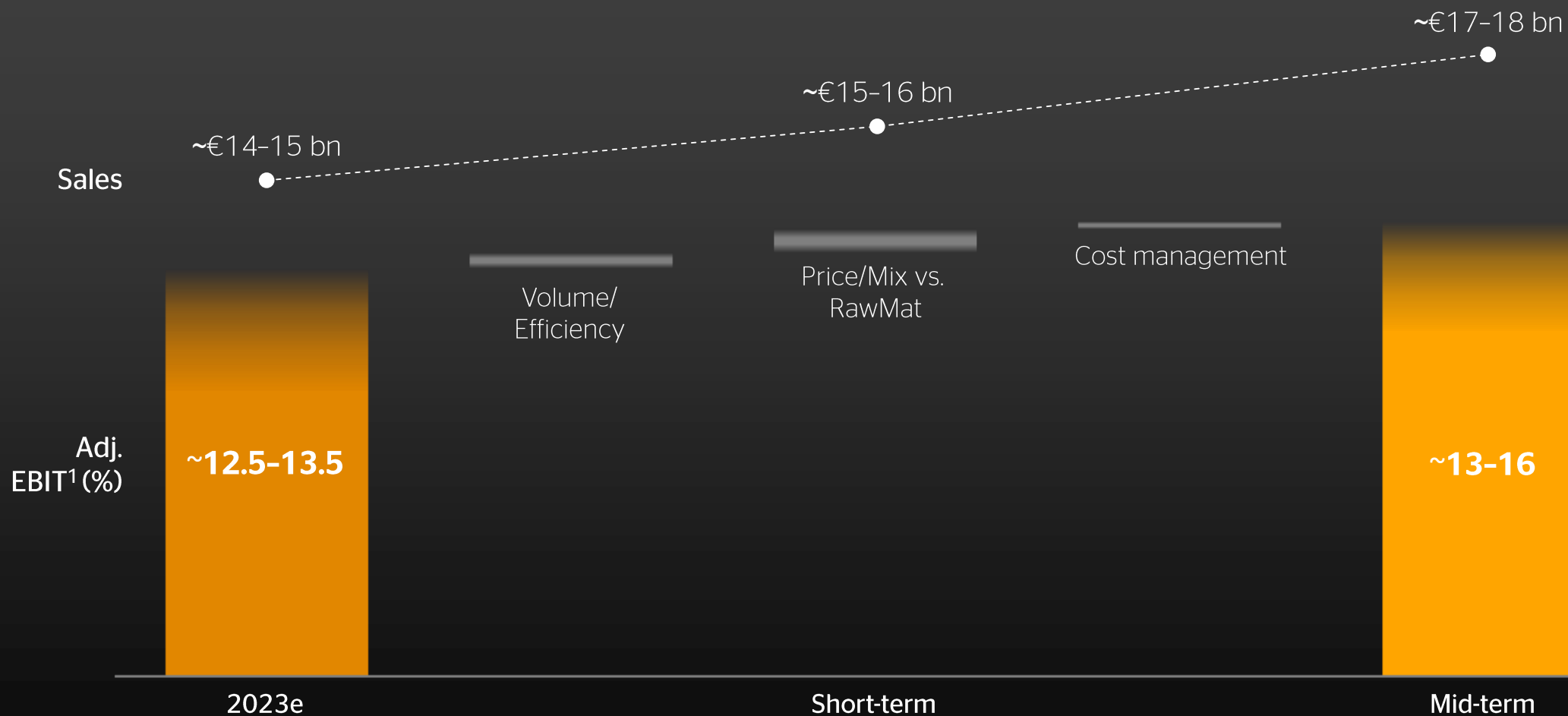


Holistic data-driven fleet management solutions for commercial customers



- › Achieving LODC² for our customers
- › Creates pull effects for our business

Tires Financial Outlook - Updated Mid-term Targets



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

ROCE²



>23%

Adj. EBIT¹ margin



~13-16%

Cash generation³



>60%

We will continue to outperform in value creation and cash generation

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

2023
CapitalMarketDay 

Hanover, December 4

Automotive at a Glance



~€20-21 billion
in sales




Adj. EBIT¹ margin
~2-3%



Global footprint
**56 plants in
21 countries**



~102,500
employees

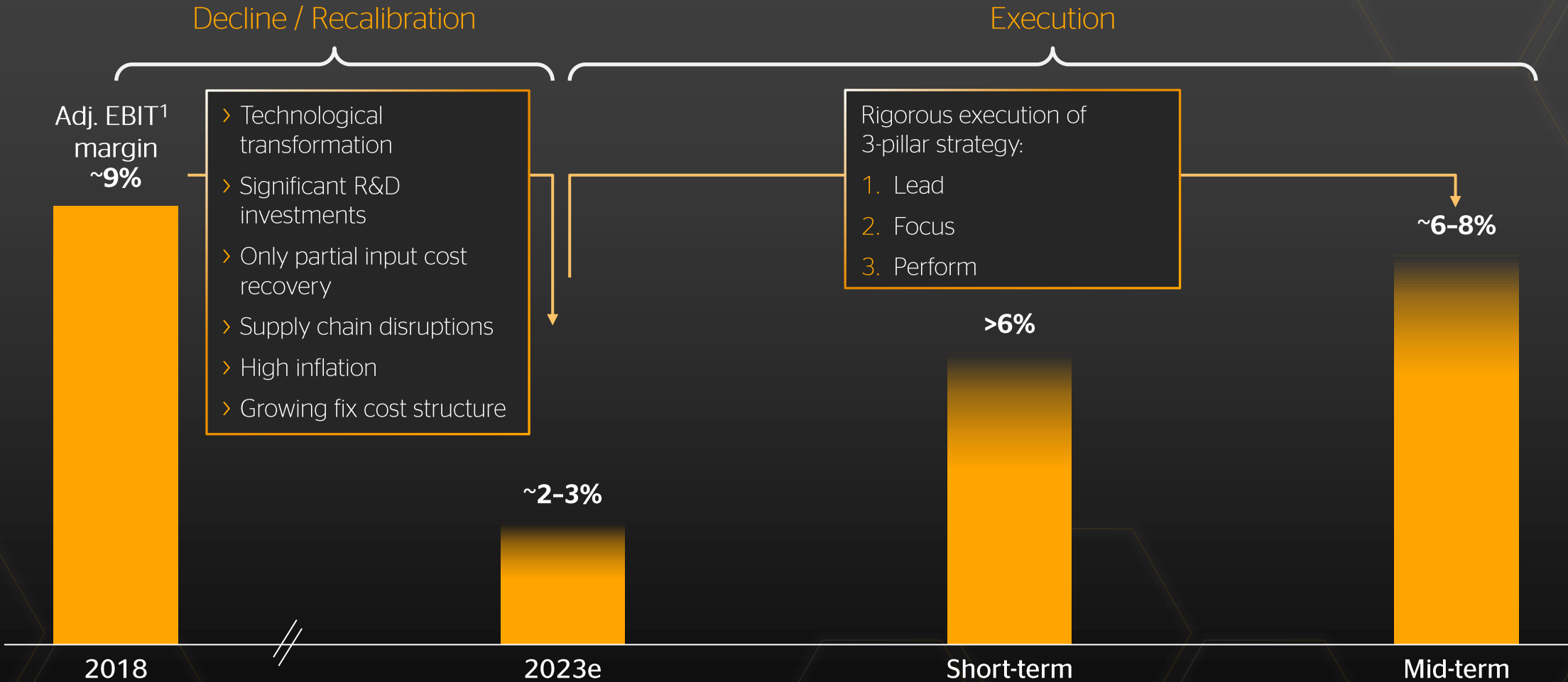


Product clusters
>50

**82 R&D locations
in 18 countries**

Creating value while driving the future of mobility

Disruptive Changes and a Clear Path Ahead



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

LEAD In Our Focus Areas - or Exit



Safe
~4%

Market CAGR 2023e-2028e

SAM

~100 bps
OUTPERFORMANCE

Main sales drivers

- > Wheel Brake
- > EBS and One-Box
- > Sensor System
- > Airbag Systems



Exciting
~16%

Market CAGR 2023e-2028e

AN ~300 bps
OUTPERFORMANCE

UX ~400 bps
OUTPERFORMANCE

SCT ~1,000 bps
OUTPERFORMANCE

- > Display Solutions
- > Digital Cluster
- > Access Systems
- > Instrument Cluster



Autonomous
~12%

Market CAGR 2023e-2028e

AM

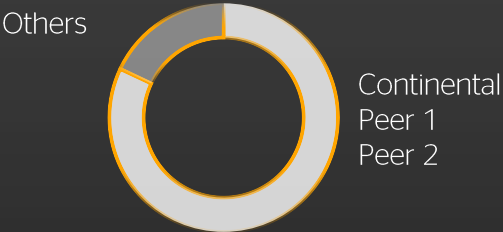
~1,000 bps
OUTPERFORMANCE

- > Radar
- > Smart Camera
- > Satellite Camera
- > AD/ADAS ECU

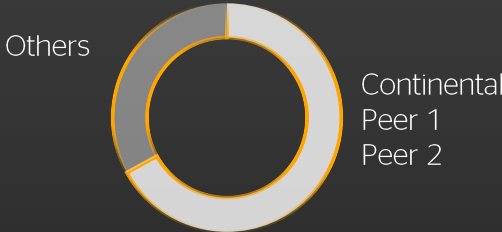
LEAD One of the Largest Suppliers

Example areas - around 50% of Automotive sales

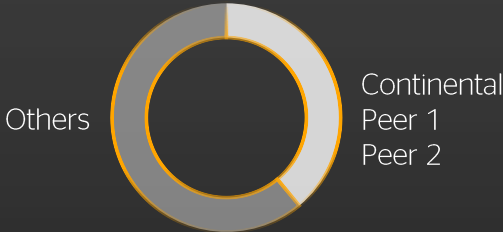
Electronic Brake System



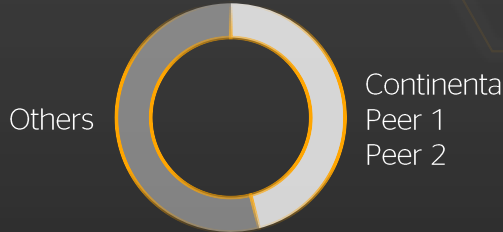
Radar



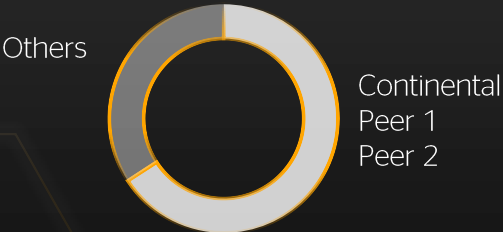
Display Solutions



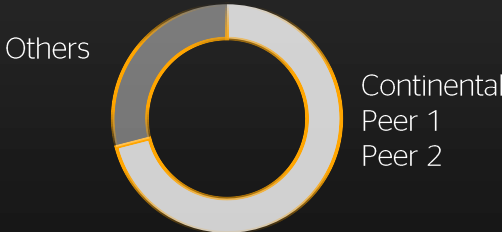
Wheel Brake



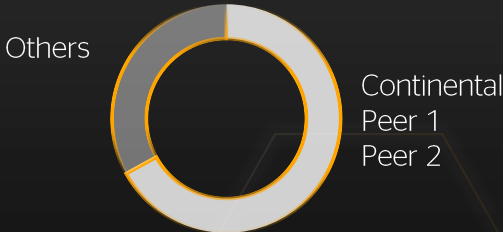
Airbag Systems



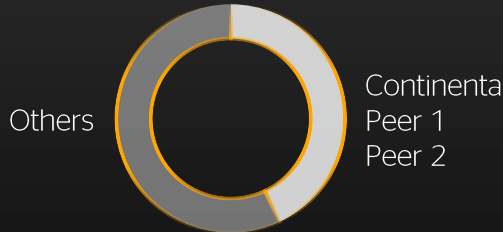
Access Systems



Digital Cluster



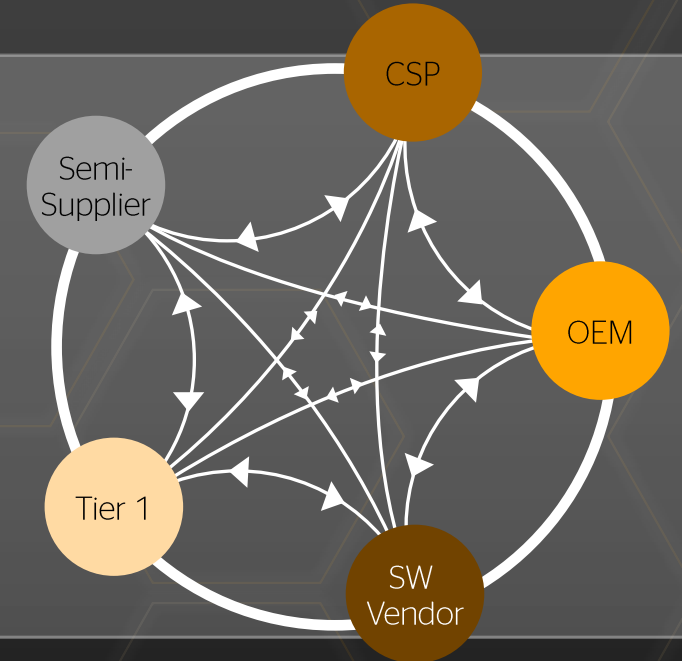
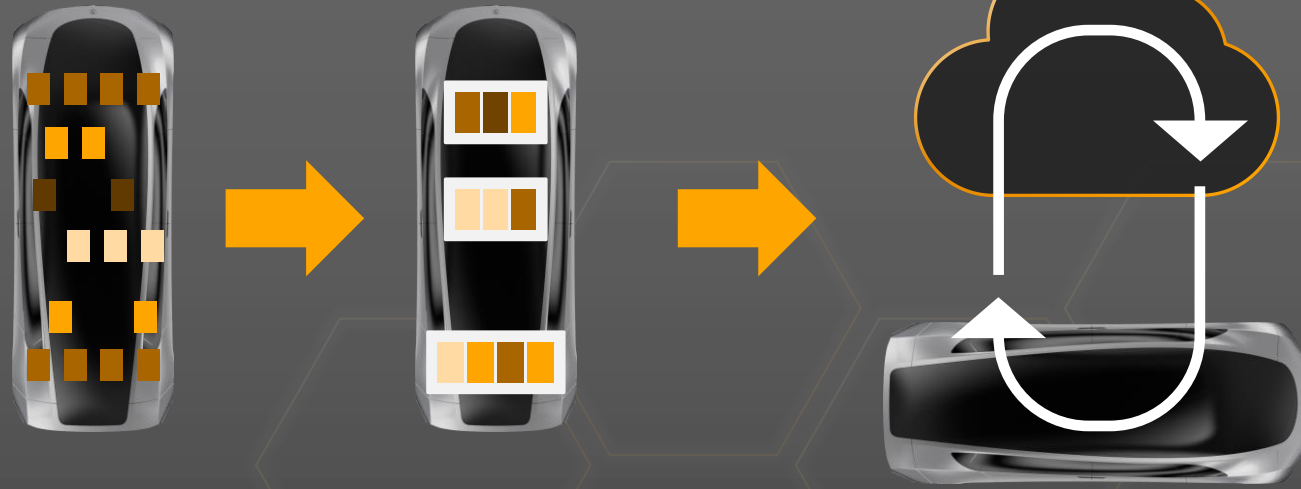
Sensor Systems



Market share of top 3 suppliers Market share of other suppliers

Data shown as per 2024e.

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

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

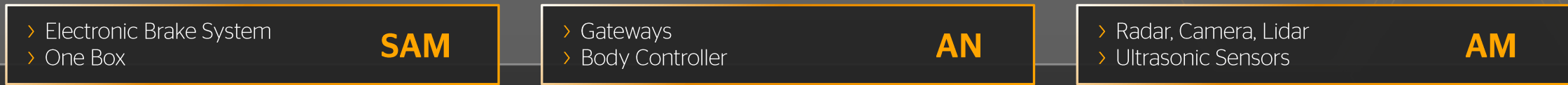
Realizing autonomous driving systems at scale, together with our strategic partner



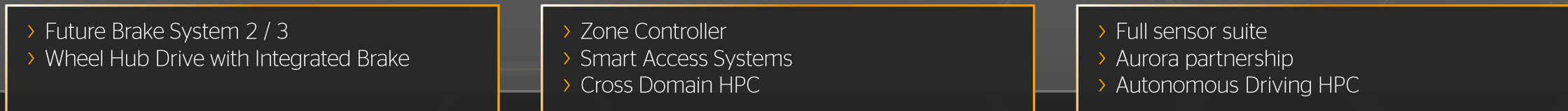
LEAD Combining Hardware and Software

Selected examples

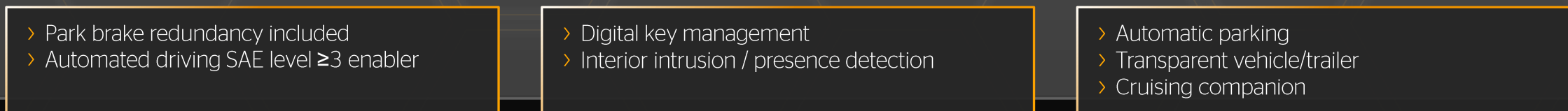
Today: **Outstanding technology platform**



Step 1: Enhanced products – **Higher content per vehicle**



Step 2: Addition of features – **New sources of revenue**





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

I User Experience

II Smart Mobility

~€1.4 bn sales to
improve, sell or close

~€3.5 bn sales: carve-out
to be conducted

Dissolution of SMY

Target structure

Autonomous Mobility

Safety and Motion

Architecture & Networking

Software & Central Technologies

UX (agility, accessibility, speed)

AM

AN

SCT

I 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

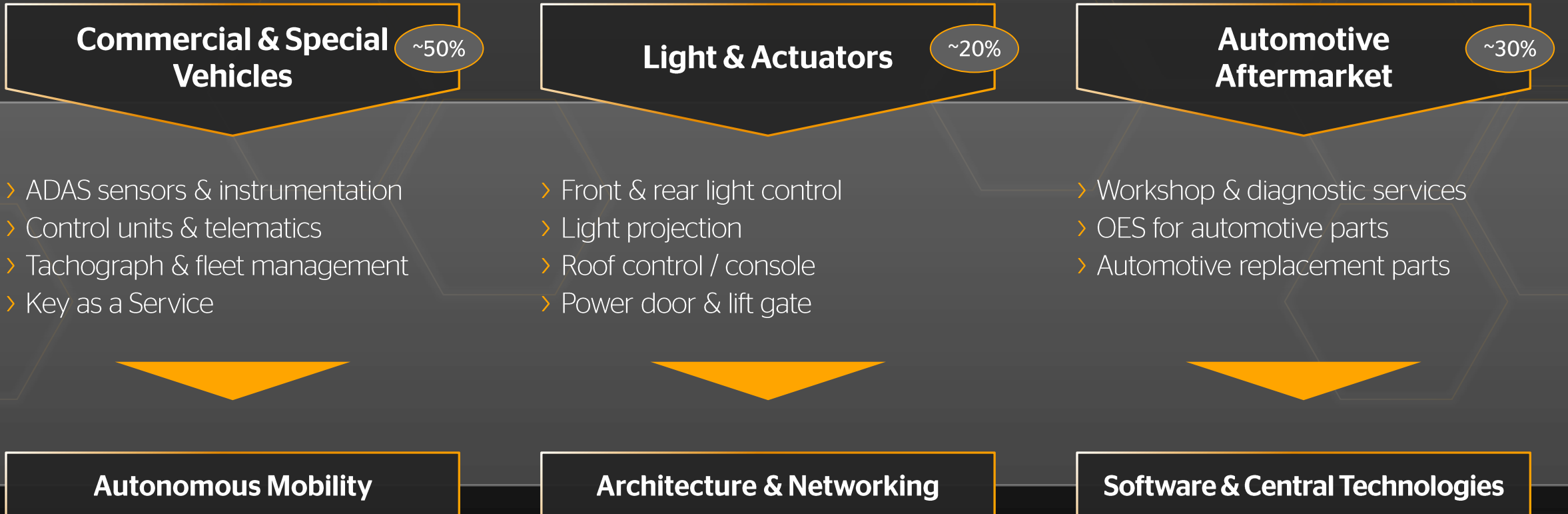


Not an integral part of our software-defined-vehicle strategy

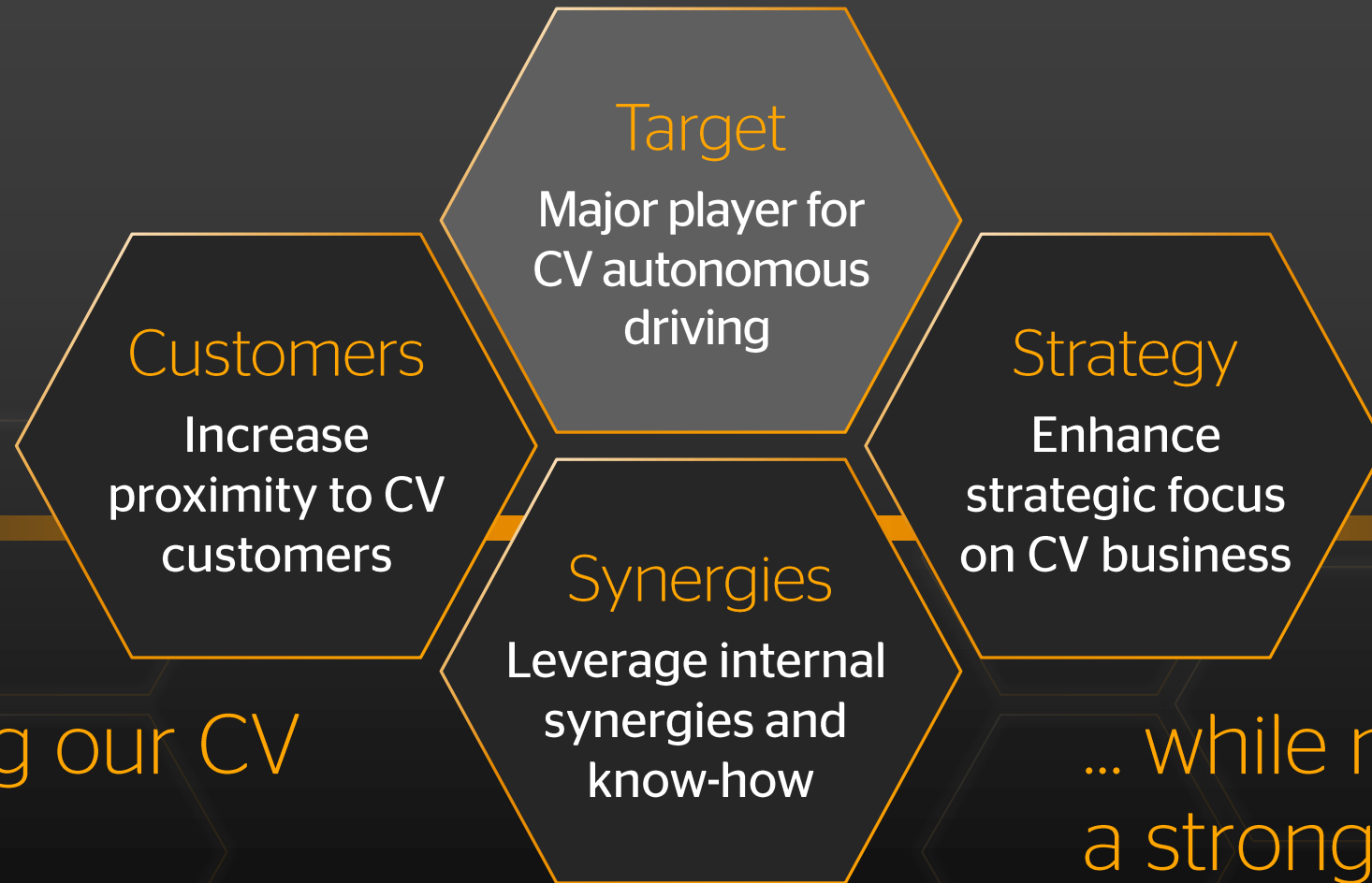


II FOCUS Smart Mobility – Leveraging Synergies

SMY sales of ~€2.6 bn integrated into business areas



II FOCUS Strong Commercial Vehicle Business in AM



Leveraging our CV expertise...

... while maintaining a strong passenger car focus



PERFORM

PERFORM Strict Profitability Management

Operating leverage

A

- › Increase content per vehicle and new business models
- › Commercial excellence

Up to 1% of sales short-term

Operational excellence

B

- › Manufacturing improvements

Up to 1% of sales short-term

Fixed-cost reduction

C

- › Organizational delayering
- › Bundling of activities

~€400 mn by 2025e

R&D efficiency

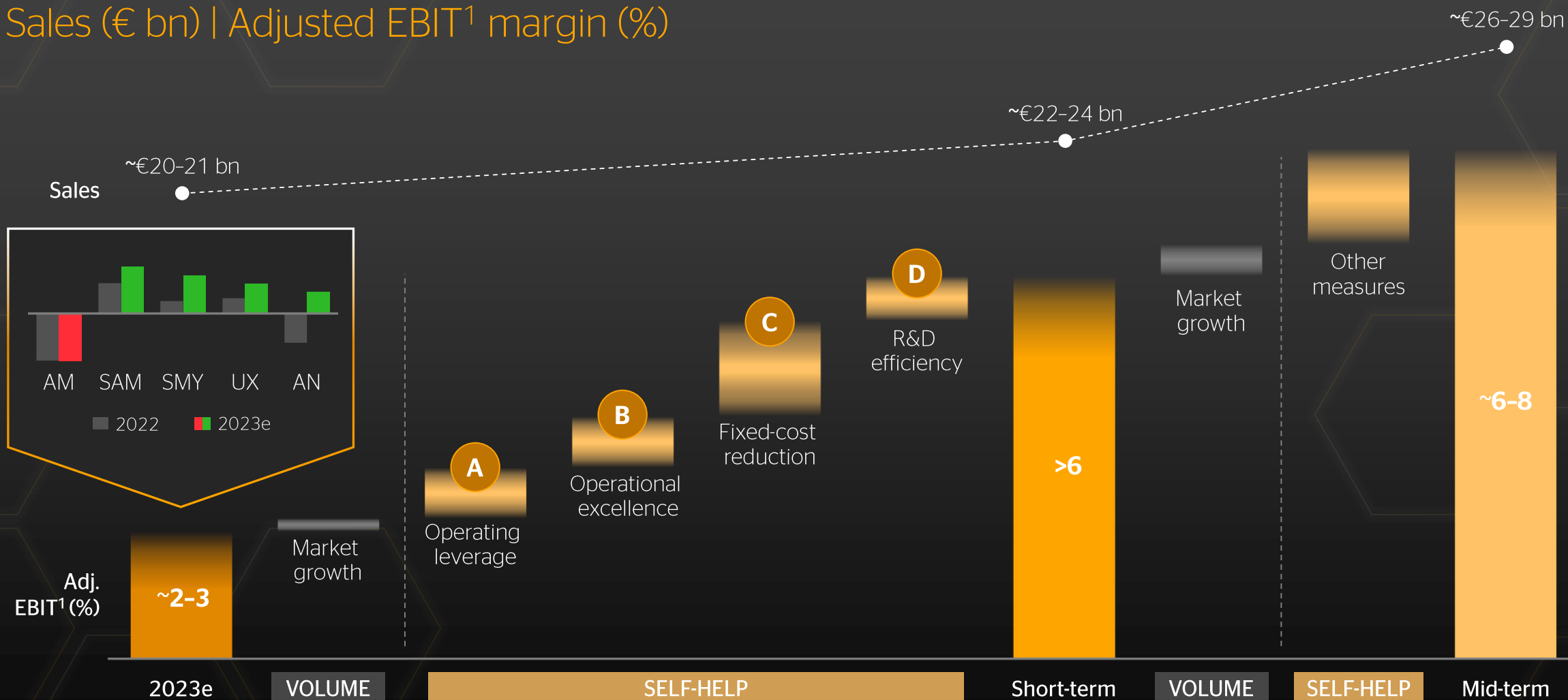
D

- › Consolidation
- › Best-cost locations
- › Raise software development synergies

Up to 1% of sales short-term

PERFORM Profitability Target

Sales (€ bn) | Adjusted EBIT¹ margin (%)



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

A **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%

B **PERFORM** Operational Excellence

Cost focus

Premium freight reduction

Improve efficiency in electronics manufacturing

Lower manufacturing cost per unit

Minimize obsolescence costs

Cash flow focus

Improve line utilization to reach capex to sales of less than 7%

Increase inventory turn rate with smart inventory management

Effective investment strategy

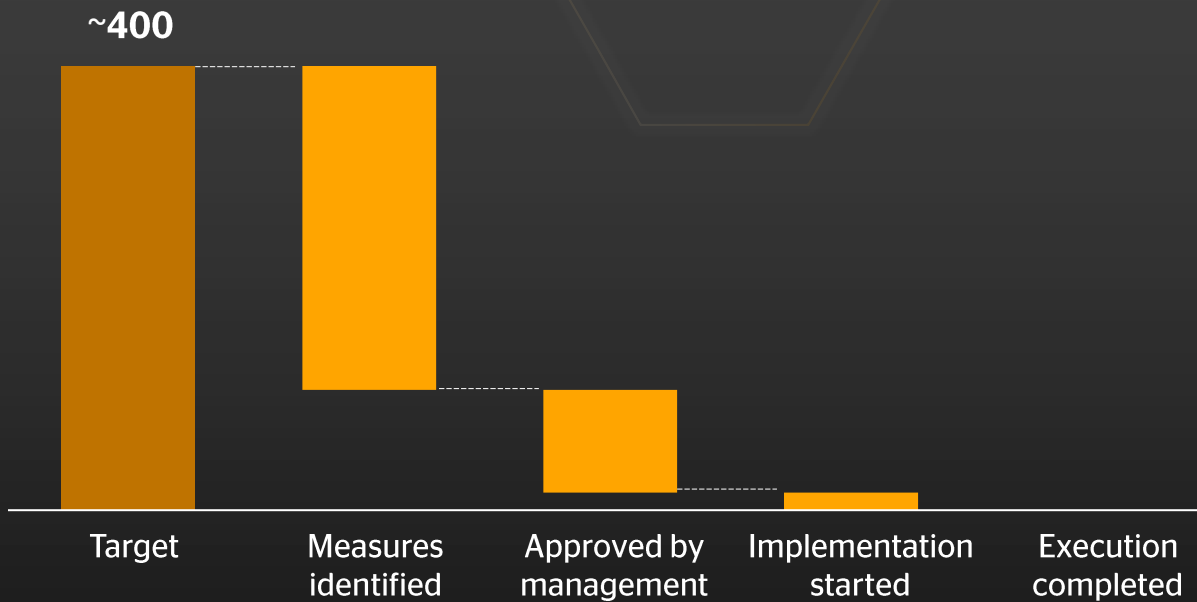
Working capital reduction

- Targets:**
- › Cost reduction of up to **1% of sales** expected short-term
 - › Working capital reduction of **~300 bps** expected short-term

C **PERFORM** Fixed-Cost Reduction Program

Recurring cost savings effective in 2025 (€ mn)

Cost reduction measures

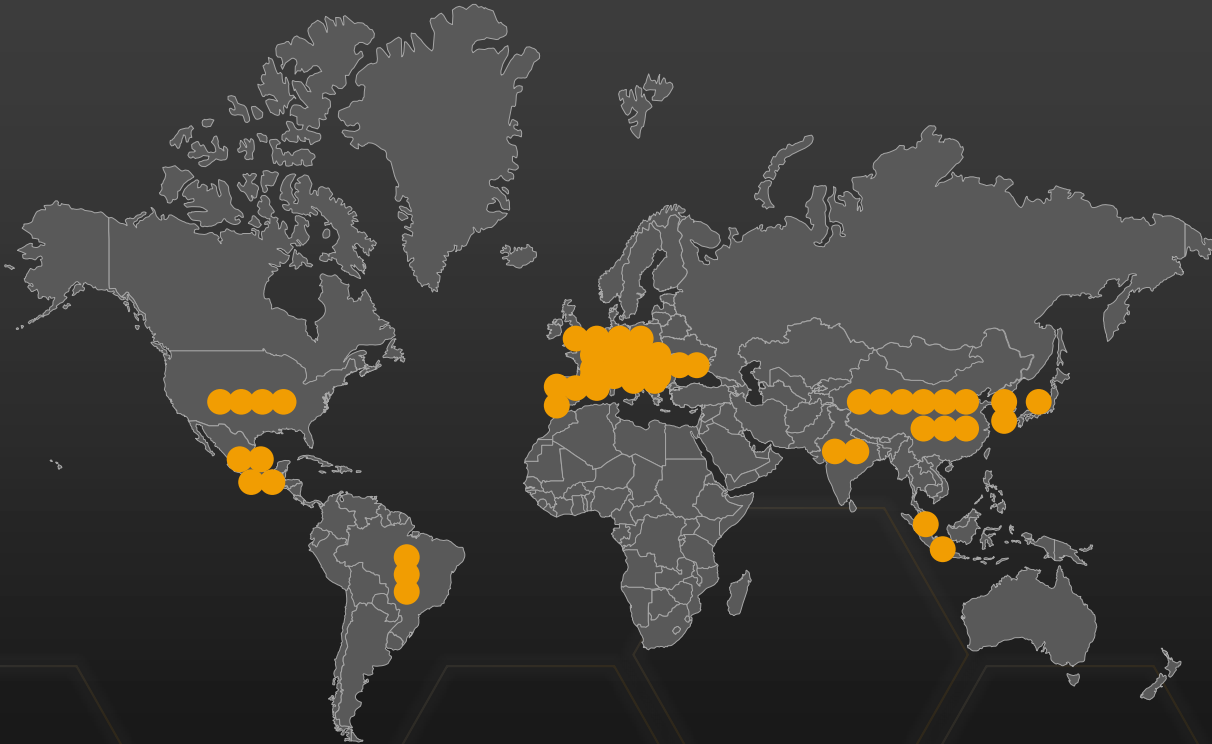


- Reduction of two organizational layers
- Bundling of activities
- Streamlining processes

Target: Cost reduction of ~€400 mn to be achieved by 2025

D **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

ROCE



>20%

Adj. EBIT¹ margin



~6-8%

Cash generation²



>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

Katja Garcia Vila

CFO



2023
CapitalMarketDay

Hanover, December 4

Group at a Glance - Outlook 2023



~€41-43

billion in sales



~5.5-6.5%

in adj. EBIT¹ margin



~€0.8-1.2

billion in adj. free cash flow²

ContiTech	~€6.8-7.2 bn
Tires	~€14-15 bn
Automotive	~€20-21 bn

~6-7%

~12.5-13.5%

~2-3%

We confirm our guidance

¹ Before amortization of intangibles from PPA, changes in the scope of consolidation, and special effects. ² Free cash flow adjusted for acquisitions and divestments of companies and business operations.

2024+ Era of Execution

1

Expansion of
visibility and level
of disclosure

2

Regular reporting
on our measures
and progress

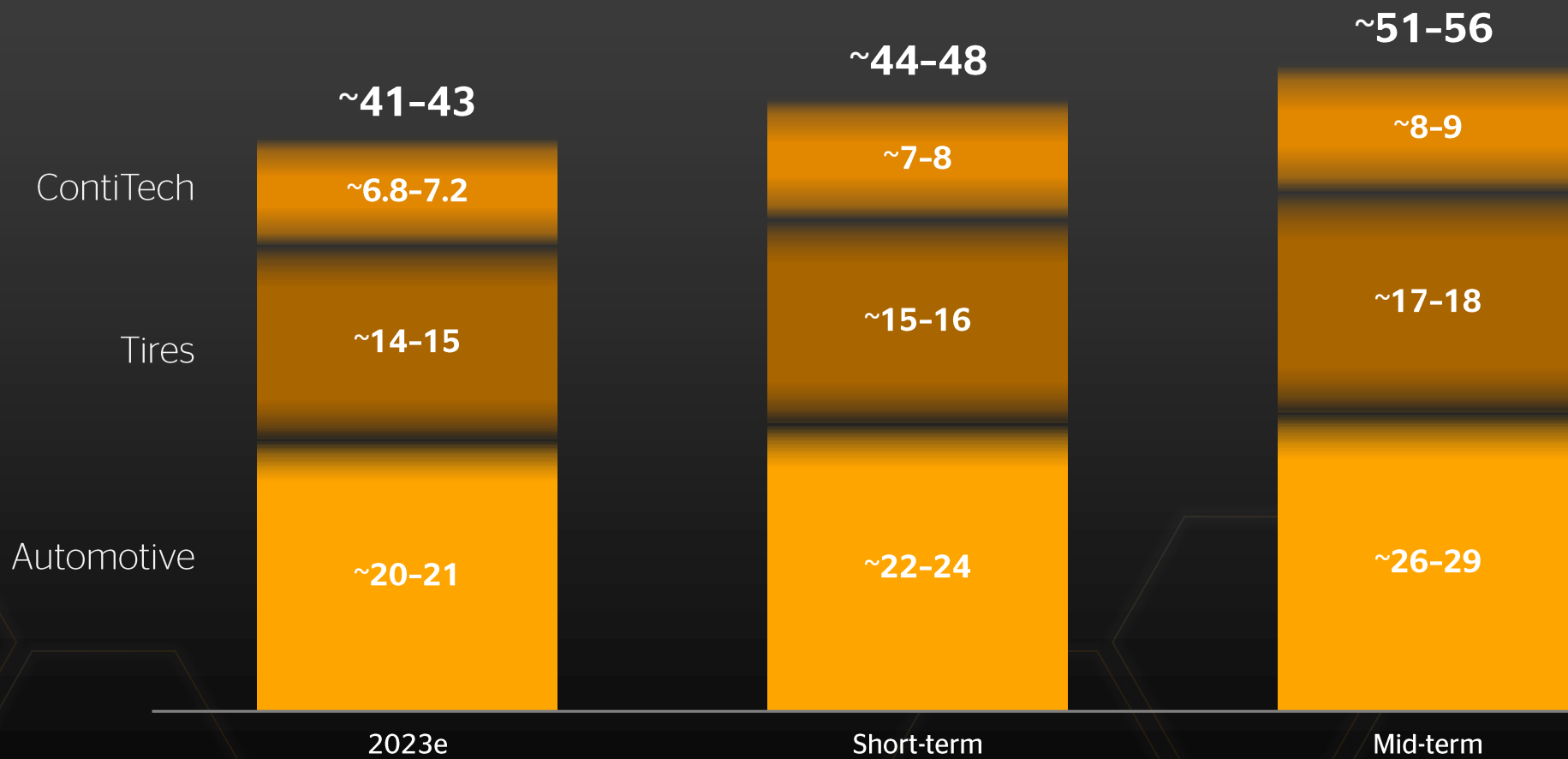
3

Clear short and
mid-term targets

Our commitment

Era of Execution Topline Development

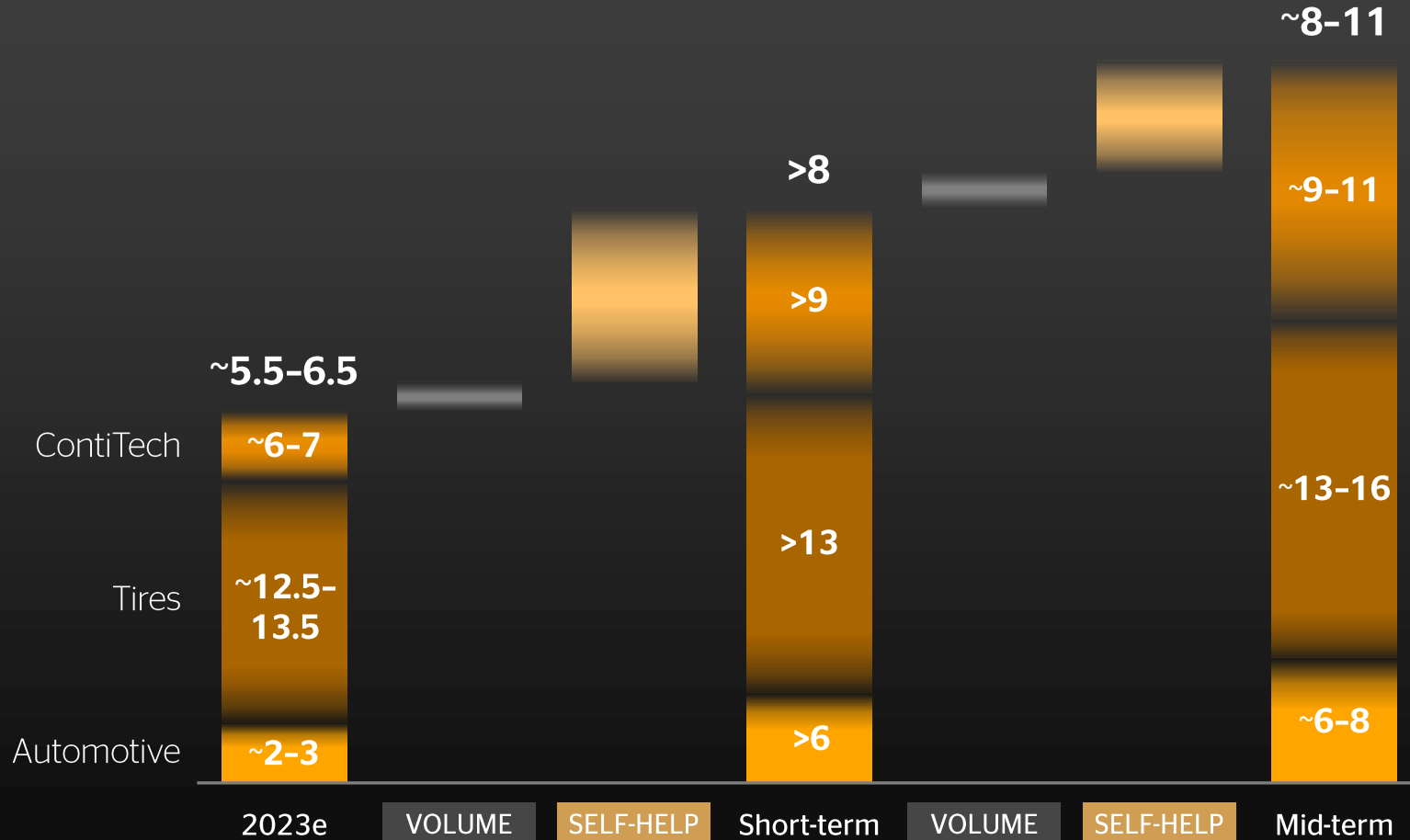
Sales (€ bn)



Considering current portfolio.

Era of Execution Path of Profitability

Adjusted EBIT¹ margin (%)

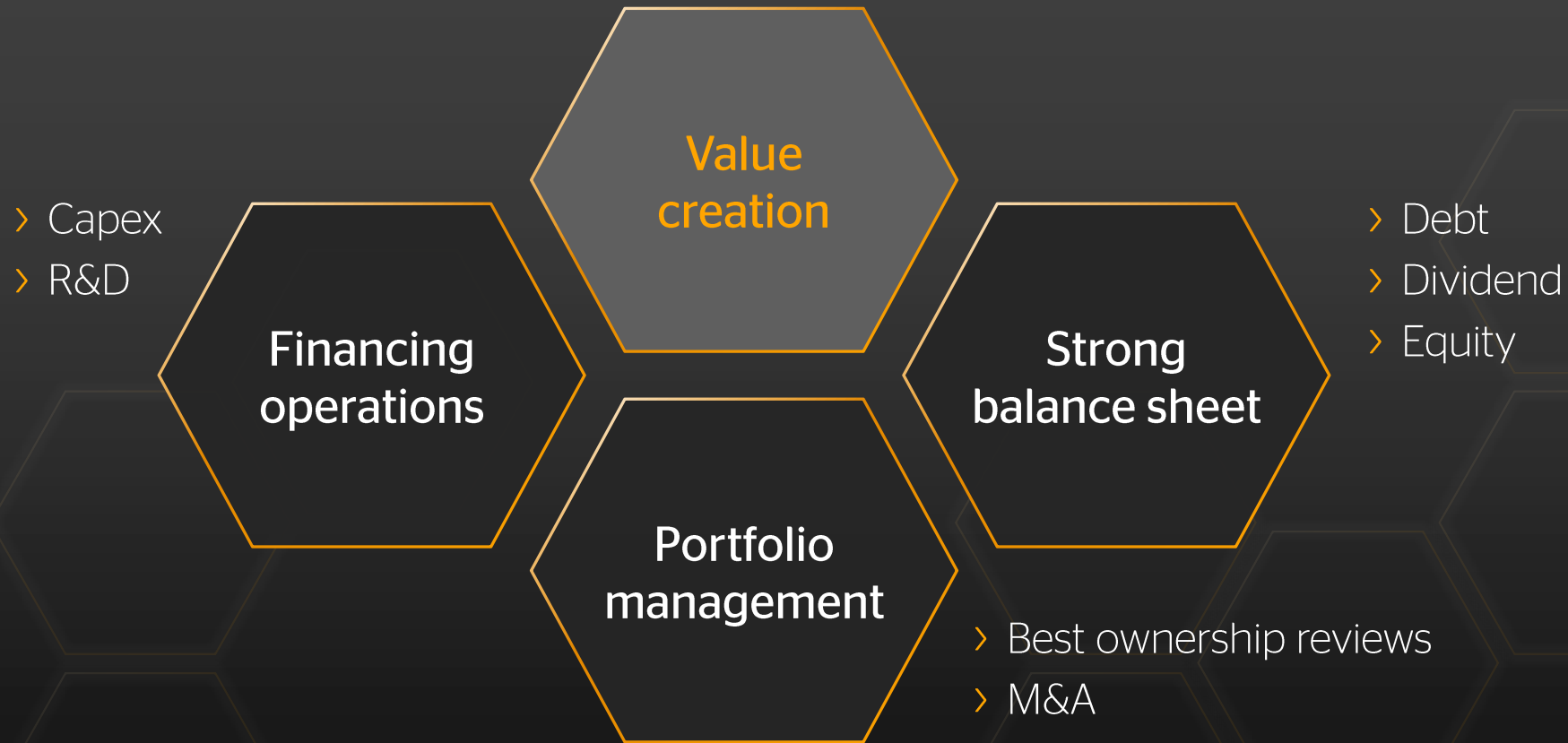


Main drivers:

- Volume
- Self-help
 - > 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



Strategic capital allocation to strengthen total shareholder return

Era of Execution Updated Dividend Policy

Dividend policy

Dividend per share¹ (€)



Payout ratio²:

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

2023 onwards payout ratio²

~20% to ~40%

(Previously ~15% to ~30%)

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.

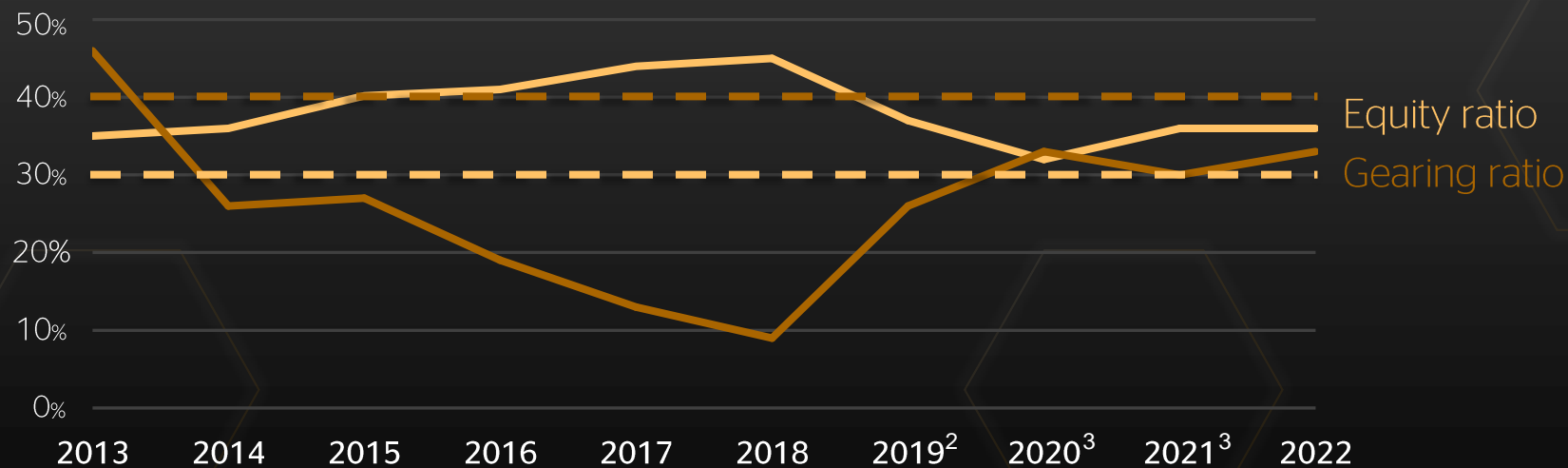
Era of Execution Committed to Investment Grade

Current credit rating

Moody's (since August 23, 2022)	Baa2 Stable outlook
Standard & Poor's (since March 22, 2023)	BBB Stable outlook
Fitch (since October 17, 2022)	BBB Stable outlook

Mid-term targets | Group

Rating	BBB/BBB+
Gearing ratio ¹	<40%
Equity ratio	>30%



¹ Net indebtedness divided by equity. ² IFRS 16, Leases, has been applied since 2019.

³ The spin-off of Vitesco Technologies on September 15, 2021, resulted in the application of IFRS 5, Non-current Held for Sale and Discontinued Operations.

Era of Execution Expectations on Cash Flow

Capital expenditure | Sectors

ContiTech ~4-5%

Tires ~7-8%

Automotive ~6-7%

Cash generation¹ | Sectors

ContiTech >65%

Tires >60%

Automotive >45%

Capital expenditure | Group

~6-7%

Cash conversion² | Group

>70%

All figures mid-term

1 Cash Generation: (EBITDA - CAPEX) / EBITDA, potentially excluding major one-time 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

	ContiTech		Tires		Automotive	
	Short-term	Mid-term	Short-term	Mid-term	Short-term	Mid-term
Sales	~€7-8 bn	~€8-9 bn	~€15-16 bn	~€17-18 bn	~€22-24 bn	~€26-29 bn
Adjusted EBIT ¹ margin	>9%	~9-11%	>13%	~13-16%	>6%	~6-8%
Return on capital employed ²	>20%	>22%	>20%	>23%	>15%	>20%
Cash generation ³		>65%		>60%		>45%
Outperformance ⁴					~3-5%	~3-5%
R&D to sales ratio ⁵					~11%	High-single digits

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 Cash generation: (EBITDA - CAPEX) / EBITDA, potentially excluding major onetime items. 4 Outperformance: sales growth compared to PC< production. 5 Research and development expenses (net) in % of sales. Considering current portfolio.

Era of Execution Our Commitment

	Group	
	Short-term	Mid-term
Sales	~€44-48 bn	~€51-56 bn
Adjusted EBIT ¹ margin	>8%	~8-11%
Return on capital employed ²	>15%	>20%
Cash conversion ³	>70%	>70%

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

Continental

on the Move

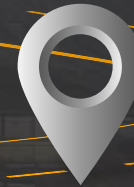
TechShow



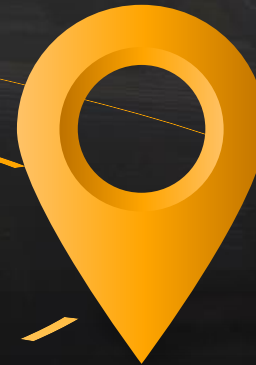
Governance Roadshow



Spotlight Sectors



Capital Market Day



Disclaimer **Capital Market Day 2023**

This presentation has been prepared by Continental Aktiengesellschaft solely in connection for the Capital Market Day on December 4, 2023, and the subsequent analyst and investor meetings . It has not been independently verified. This presentation as well as remarks/comments and explanations in this context do not constitute an offer, invitation or recommendation to purchase or subscribe for any shares or other securities issued or to be issued by Continental Aktiengesellschaft or any subsidiary (hereinafter jointly called “**Continental**”) 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, as well as remarks/comments and explanations in this context, 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