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CFO



*Hanover, December 4*



# Group at a Glance - Outlook 2023



~€41-43

billion in sales



~5.5-6.5%

in adj. EBIT<sup>1</sup> margin



~€0.8-1.2

billion in adj. free cash flow<sup>2</sup>

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

<sup>1</sup> Before amortization of intangibles from PPA, changes in the scope of consolidation, and special effects. <sup>2</sup> 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

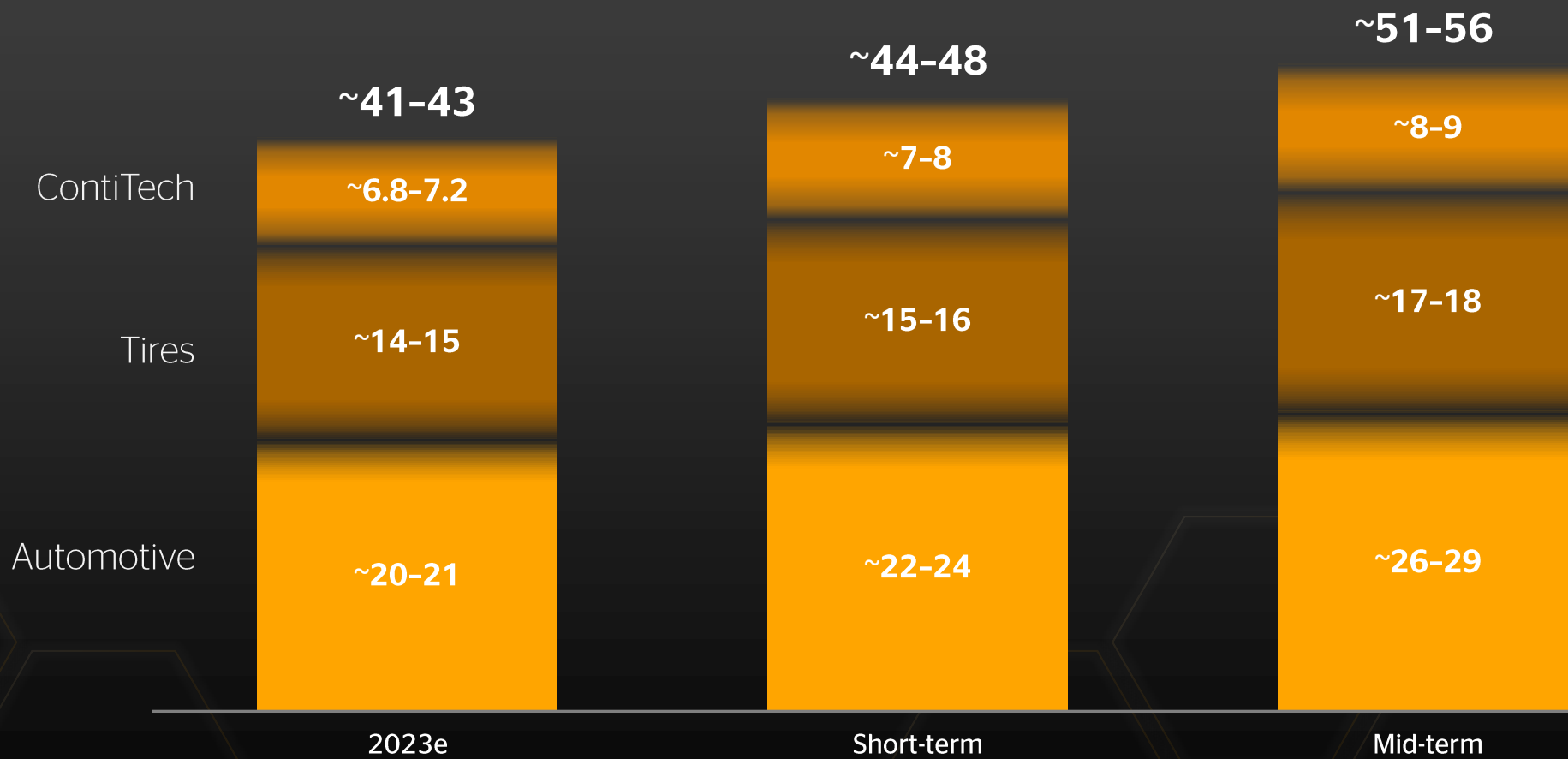
3

Clear short and  
mid-term targets

Our commitment

# Era of Execution Topline Development

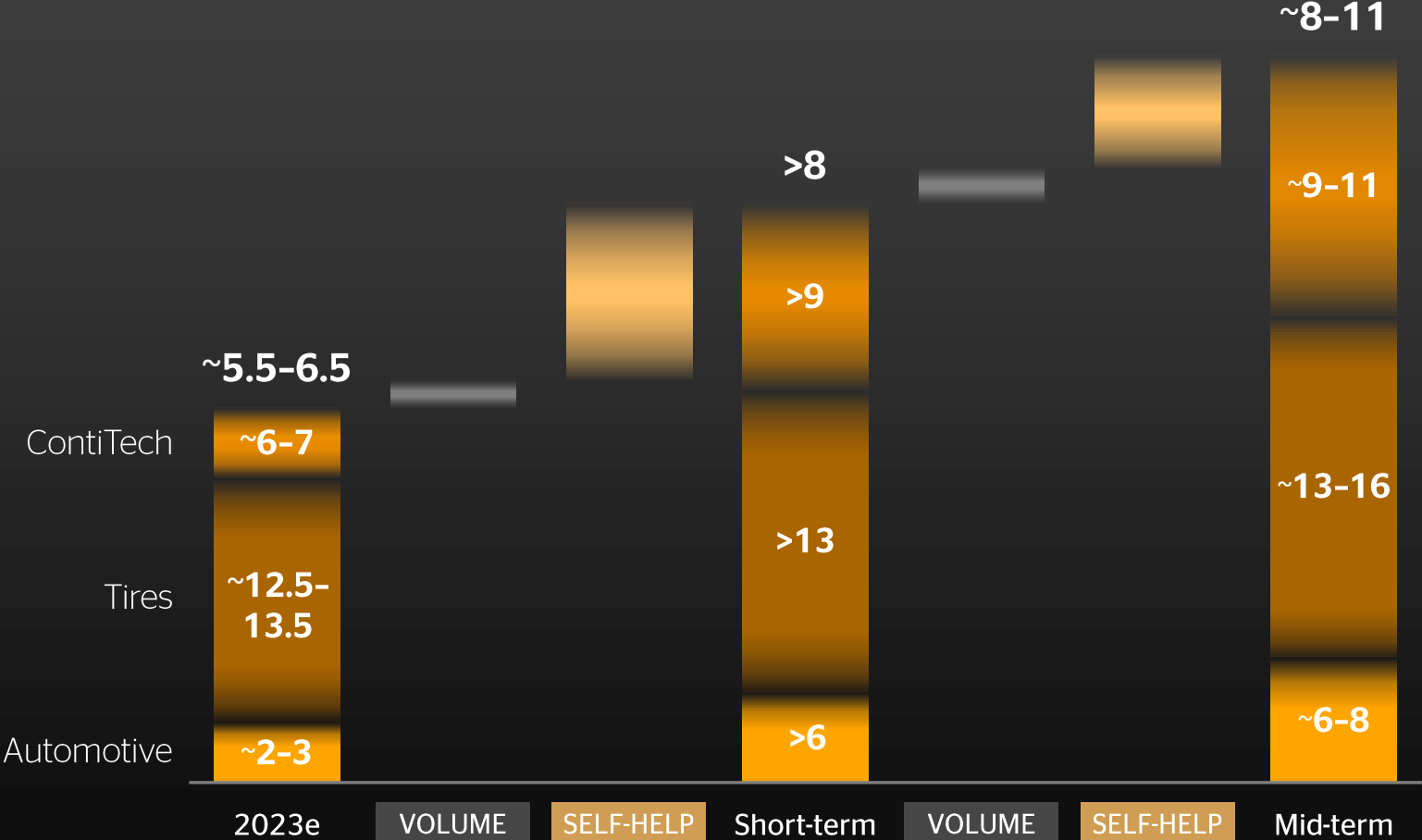
Sales (€ bn)



Considering current portfolio.

# Era of Execution Path of Profitability

Adjusted EBIT<sup>1</sup> margin (%)

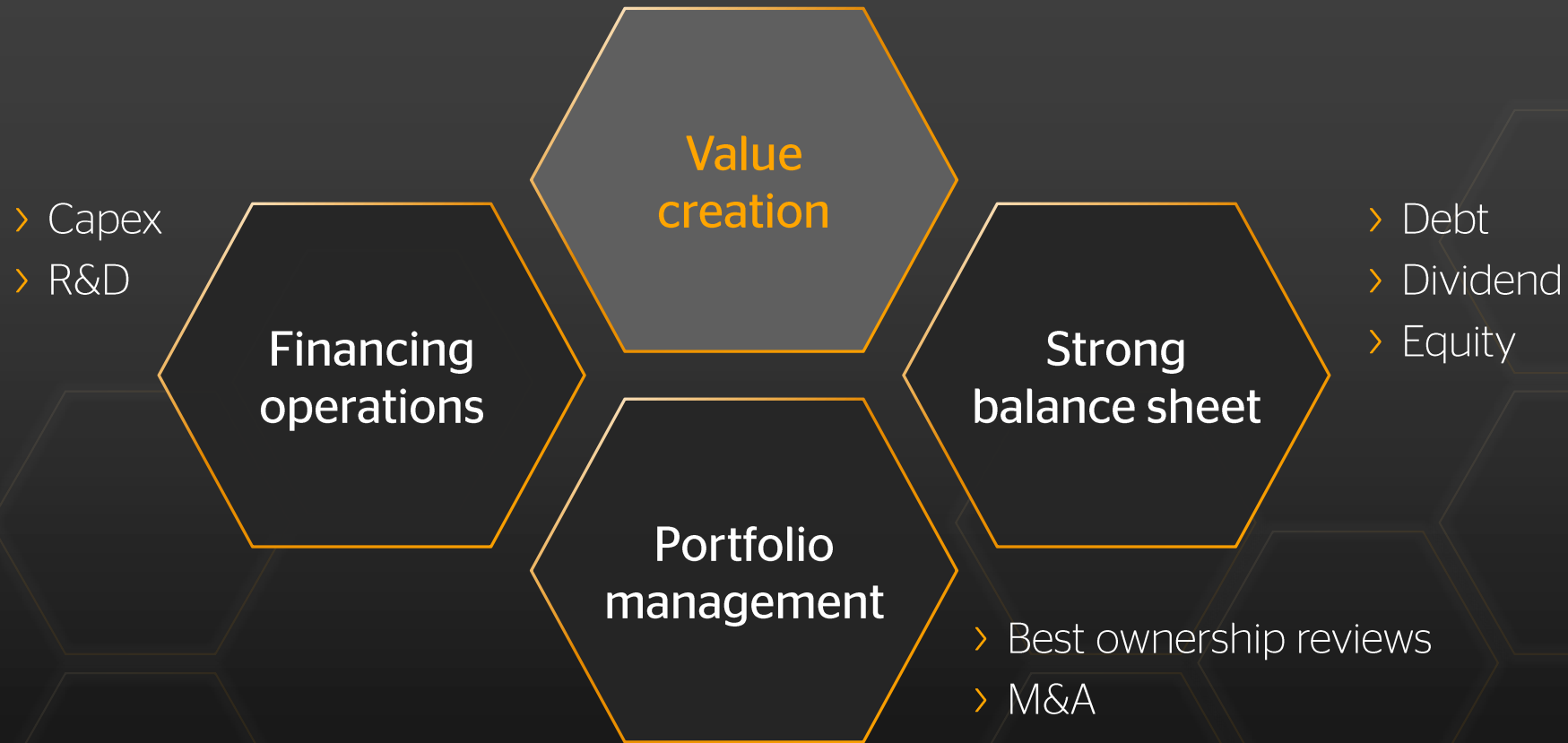


**Main drivers:**

- Volume
- Self-help
  - > Commercial excellence
  - > Outperformance in targeted profit pools
  - > Operational excellence
  - > Footprint rightsizing

<sup>1</sup> 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 share<sup>1</sup> (€)



### Payout ratio<sup>2</sup>:

26%	27%	28%	30%	30%	33%	n. a.	n. a.	31%	Not applied
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2023 onwards payout ratio<sup>2</sup>

**~20% to ~40%**

(Previously ~15% to ~30%)

<sup>1</sup> Dividend paid for the respective fiscal year, payout in the subsequent year. <sup>2</sup> The ratio between the dividend for the fiscal year and the earnings per share. <sup>3</sup> 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.

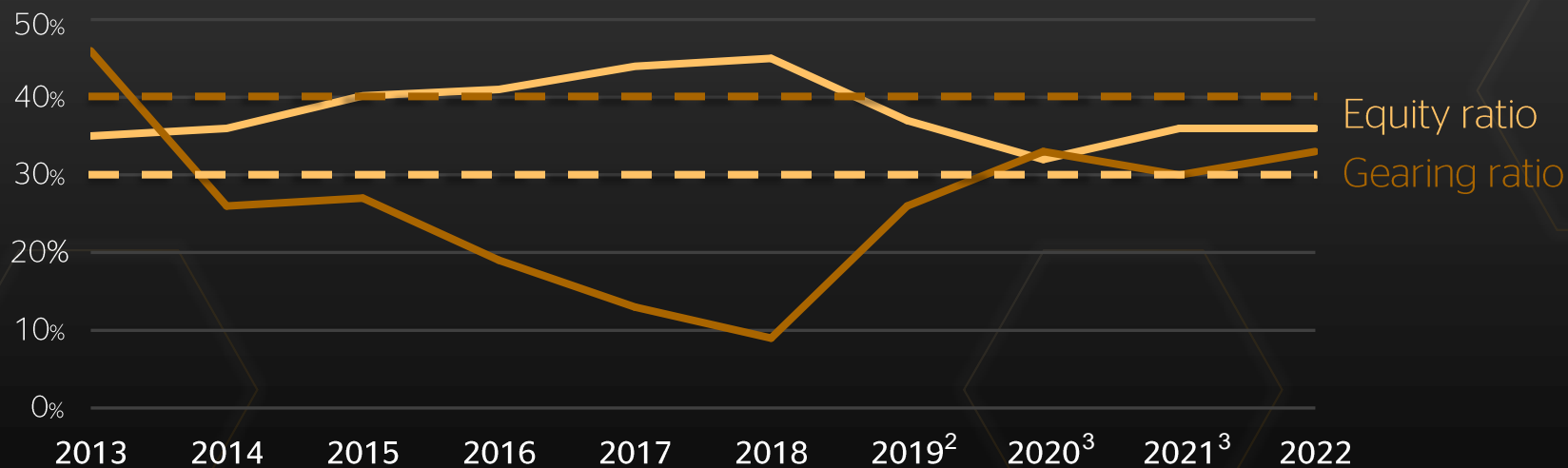
# Era of Execution Committed to Investment Grade

## 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 <sup>1</sup>	<40%
Equity ratio	>30%



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

<sup>3</sup> 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 generation<sup>1</sup> | Sectors

ContiTech >65%

Tires >60%

Automotive >45%

## Capital expenditure | Group

**~6-7%**

## Cash conversion<sup>2</sup> | 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 <sup>1</sup> margin	>9%	~9-11%	>13%	~13-16%	>6%	~6-8%
Return on capital employed <sup>2</sup>	>20%	>22%	>20%	>23%	>15%	>20%
Cash generation <sup>3</sup>		>65%		>60%		>45%
Outperformance <sup>4</sup>					~3-5%	~3-5%
R&D to sales ratio <sup>5</sup>					~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&LT 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 <sup>1</sup> margin	>8%	~8-11%
Return on capital employed <sup>2</sup>	>15%	>20%
Cash conversion <sup>3</sup>	>70%	>70%

<sup>1</sup> Before amortization of intangibles from PPA, changes in the scope of consolidation (only 2023e), and special effects. <sup>2</sup> ROCE - Ratio of EBIT to average operating assets for a fiscal year.

<sup>3</sup> 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

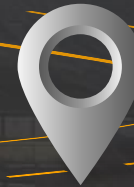
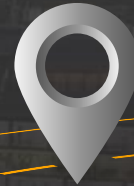
*TechShow*



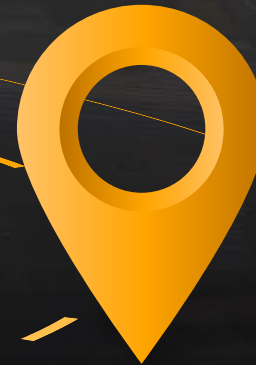
*Governance Roadshow*



Spotlight Sectors



*Capital Market Day*



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