



**Nikolai Setzer**

CEO

2023  
**CapitalMarketDay**

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# Continental

on the Move

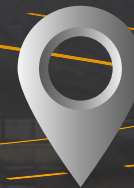
*TechShow*



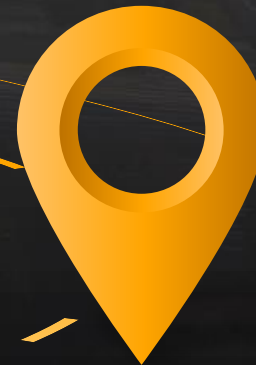
*Governance Roadshow*



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

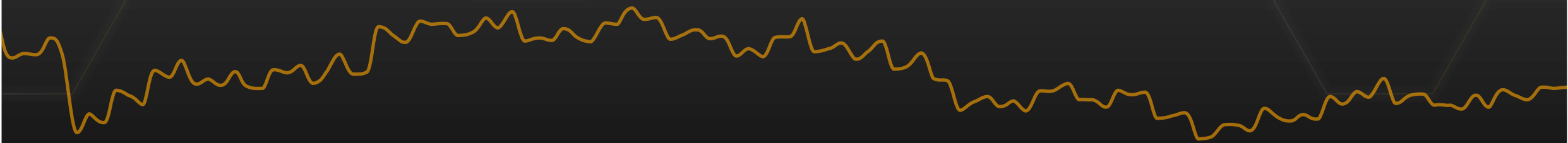
Yet, unsatisfactory results

## ACTION

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

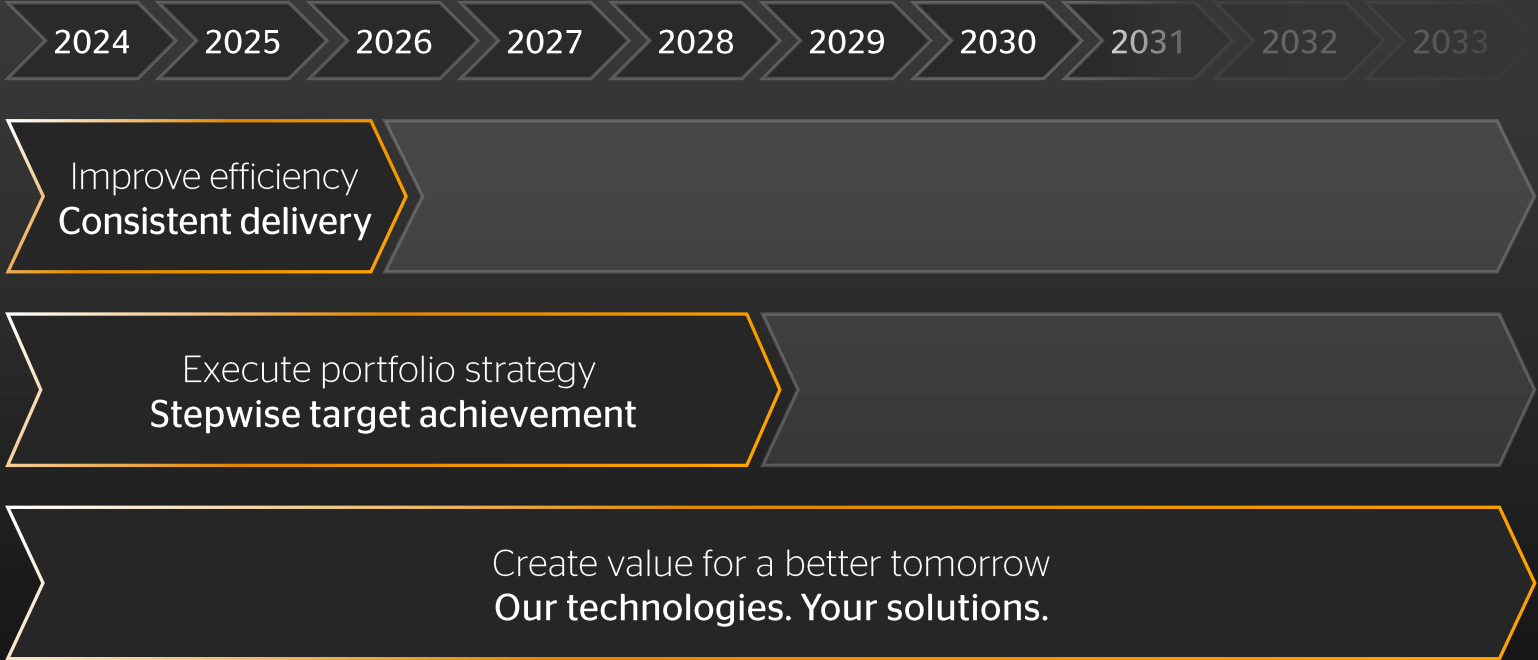
## OUTCOME

- › 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



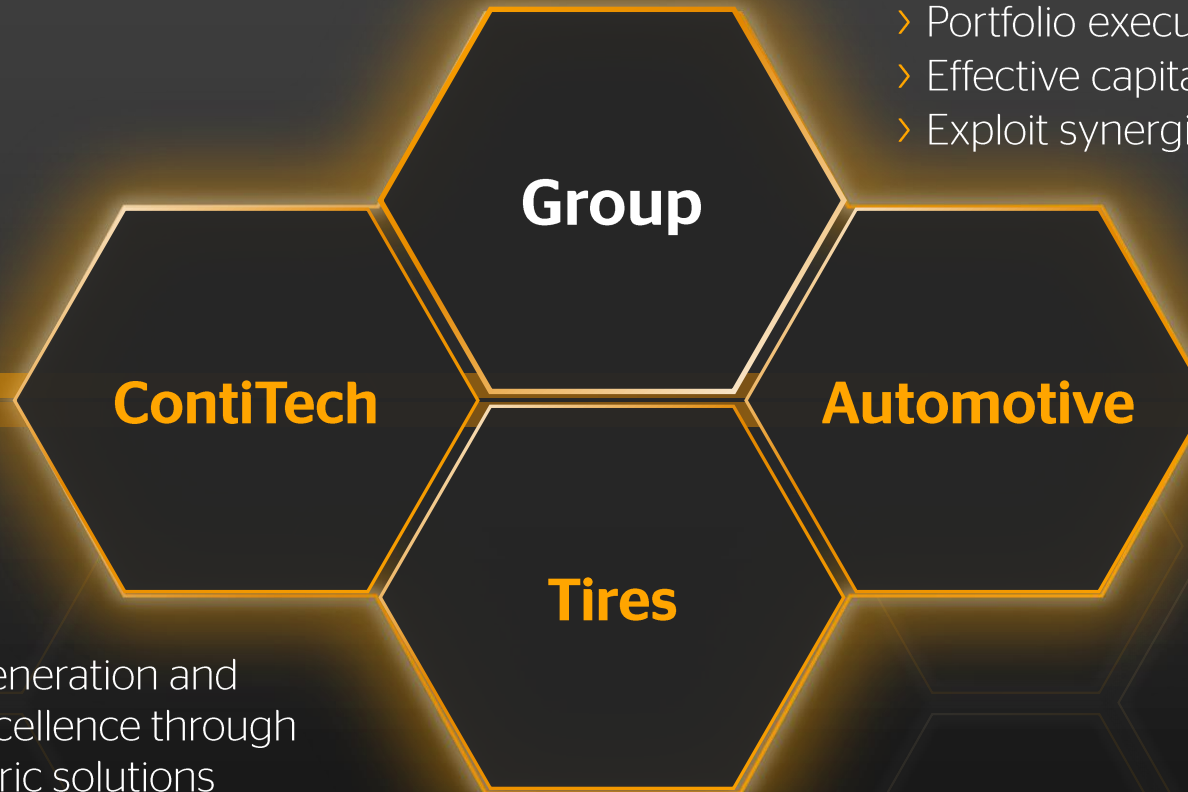
# 2024+ Era of Execution

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

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



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

- › 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



## Sales<sup>1</sup>

	2023e	Short-term	Mid-term
	<b>~€41-43 bn</b>	<b>~€44-48 bn</b>	<b>~€51-56 bn</b>
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. EBIT<sup>2</sup> margin<sup>1</sup>

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

<sup>1</sup> Without portfolio measures. <sup>2</sup> 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

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**Continental** 

The Future in Motion