Continental on the Move

Spotlight Sectors

Capital Market Day

TechShow

Governance Roadshow
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
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

**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

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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

- ContiTech
- Group

- Automotive

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

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

ContiTech

› 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 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>
<th></th>
<th>2023e</th>
<th>Short-term</th>
<th>Mid-term</th>
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</thead>
<tbody>
<tr>
<td><strong>Sales¹</strong></td>
<td>~€41-43 bn</td>
<td>~€44-48 bn</td>
<td>~€51-56 bn</td>
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<tr>
<td>ContiTech</td>
<td>~€6.8-7.2 bn</td>
<td>~€7-8 bn</td>
<td>~€8-9 bn</td>
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<tr>
<td>Tires</td>
<td>~€14-15 bn</td>
<td>~€15-16 bn</td>
<td>~€17-18 bn</td>
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<tr>
<td>Automotive</td>
<td>~€20-21 bn</td>
<td>~€22-24 bn</td>
<td>~€26-29 bn</td>
</tr>
<tr>
<td><strong>Adj. EBIT² margin¹</strong></td>
<td>~5.5-6.5%</td>
<td>&gt;8%</td>
<td>~8-11%</td>
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<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
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