

**Continental**   
The Future in Motion



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Tires

2023  
**CapitalMarketDay** 

*Hanover, December 4*



# Tires at a Glance

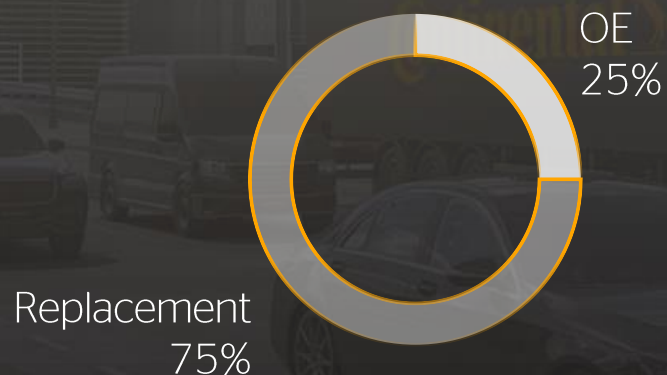


**~€14-15**  
billion  
in **sales**

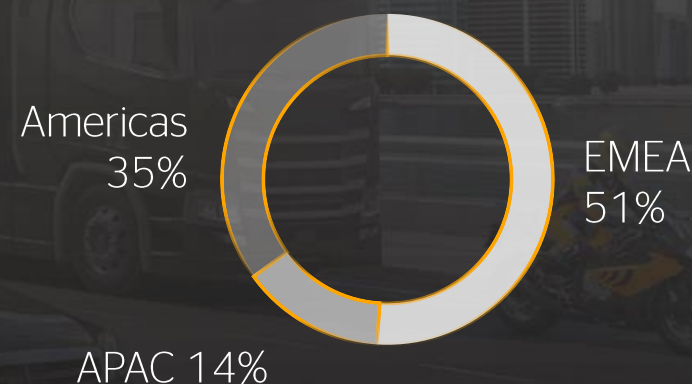


**~56,900**  
employees

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

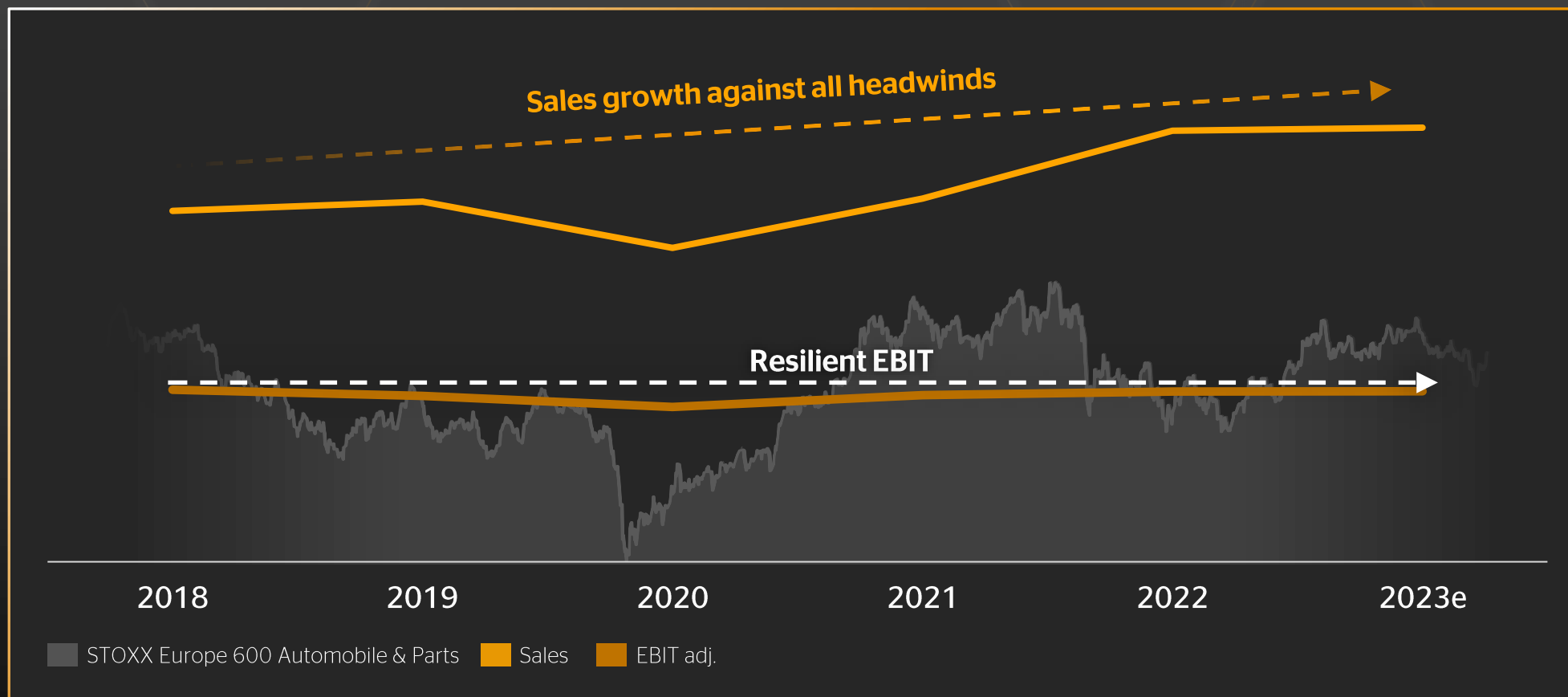


Regional balance with significant growth  
opportunities in Americas and APAC



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%**

CAGR<sup>1</sup> (2018-2023e)

## ROCE<sup>3</sup>



**>20%**

in each of the last 10 years<sup>5</sup>

## Adj. EBIT<sup>2</sup>



**~€1.7 bn**

on average (2018-2023e)

## Cash generation<sup>4</sup>



**~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 LODC<sup>1</sup>

...we are turning change into profitable growth

<sup>1</sup> 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 written in orange, sans-serif capital letters across this band.

# OUR CORE

# CORE Industry-Leading Operational Excellence

~80%



Capacity in mega plants (>100kt p.a.)<sup>1</sup>

~75%



Best-cost locations<sup>1</sup>

<8



Customer satisfaction (measured in OE ppm)<sup>2</sup>

Operational excellence is the foundation of our financial performance

<sup>1</sup> As of 2023e, in tonnage (total tires). <sup>2</sup> ppm - parts per million, average 2018-2023e.



# CORE Major Benefits of Electrification

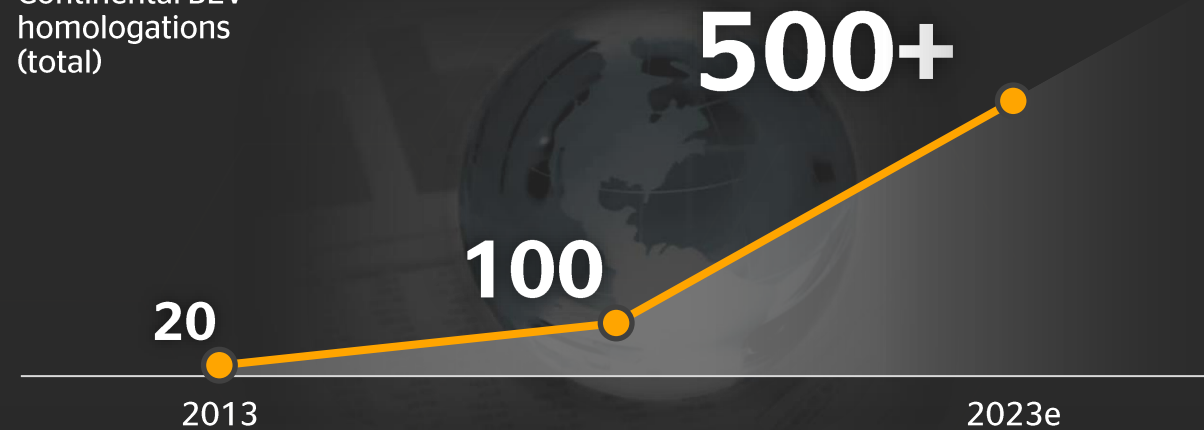
## Accelerating opportunities from EVs

- > 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



BYD



Ford

KIA



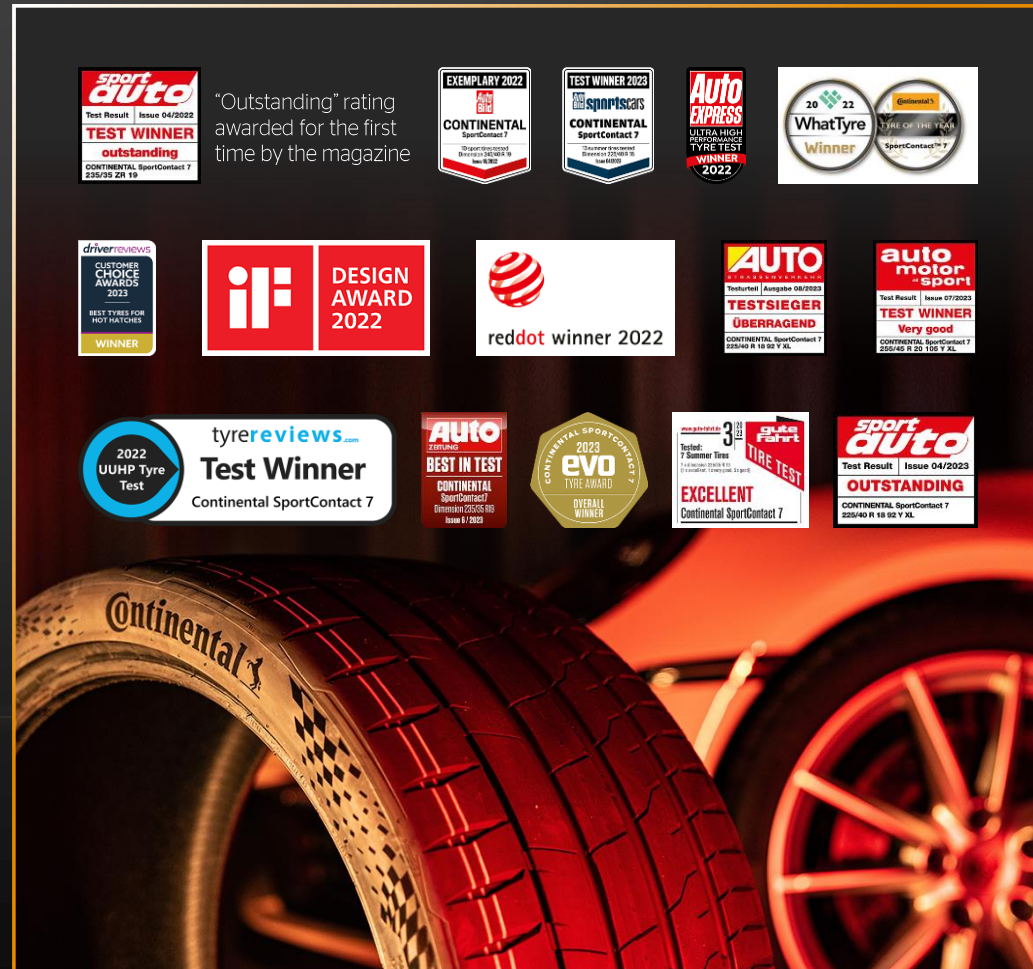
NIO



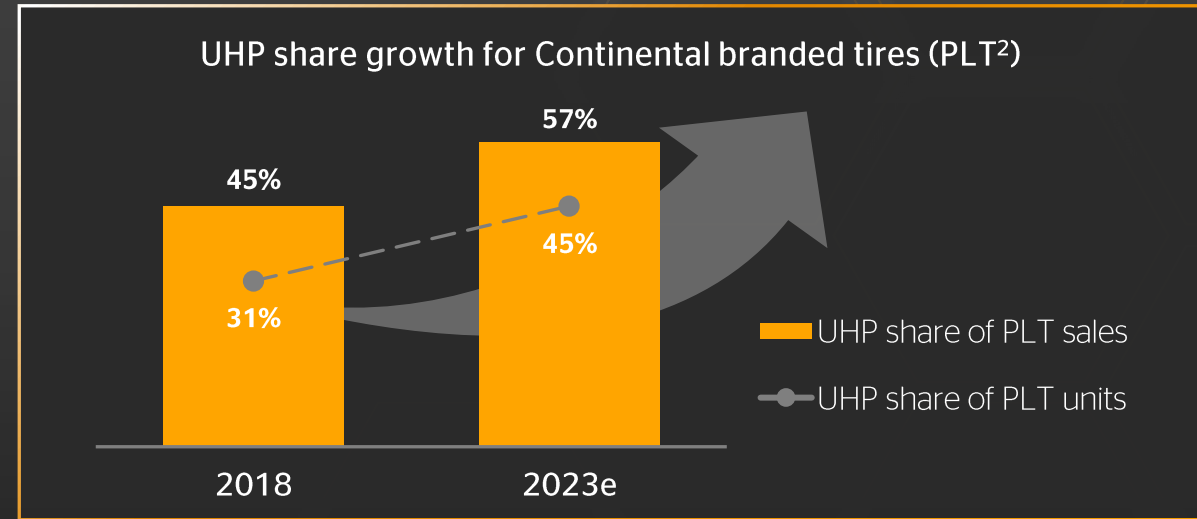
ZEEKR

# CORE Boosting Our Mix Through UHP<sup>1</sup> Growth

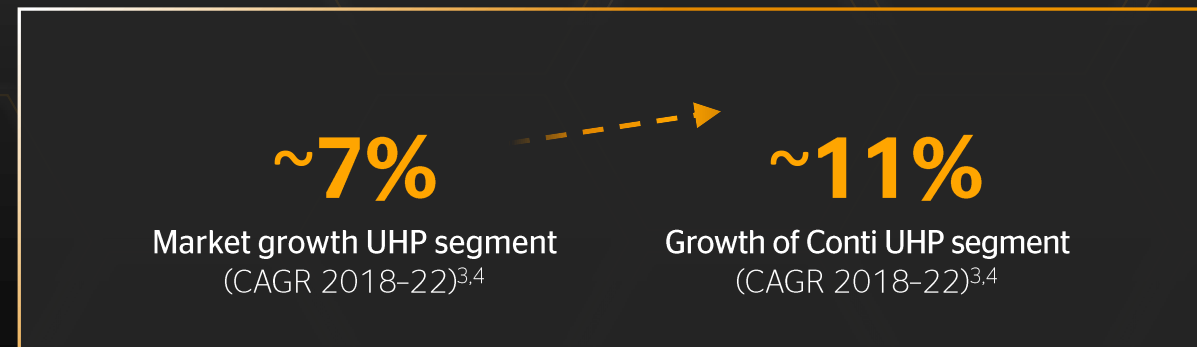
Our exceptional product line-up translates into



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



...outperforming the market

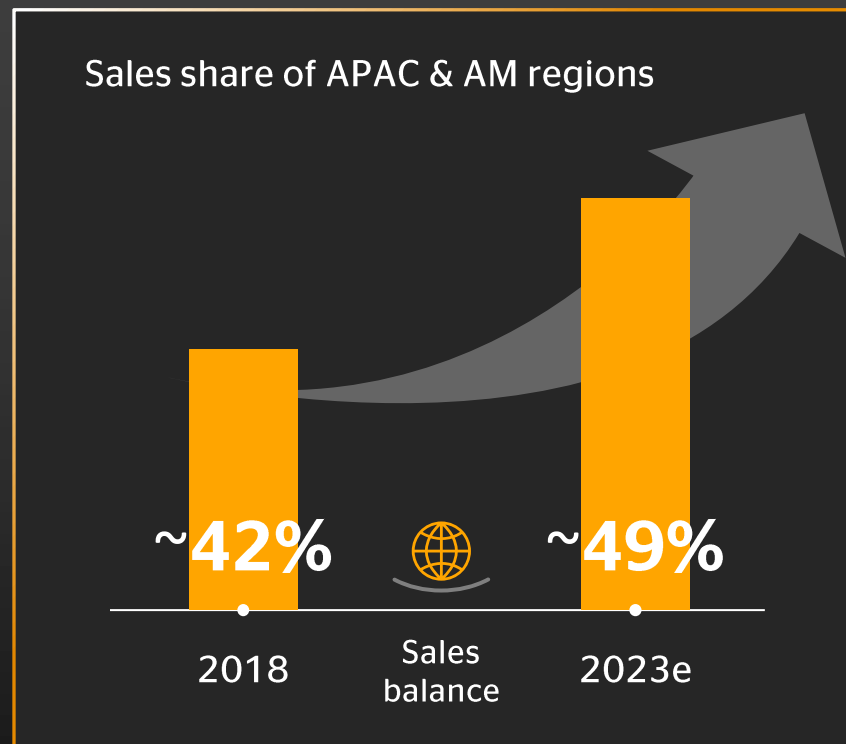


1 Ultra-high performance are tires  $\geq 18"$ . 2 PLT: Passenger car and light truck tires. 3 CAGR: Compound annual growth rate.

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



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



~€1.6 bn

invested in APAC/AM plants<sup>1</sup>

## Plant expansions

- › Hefei (China)
- › Rayong (Thailand)
- › Clinton (USA)
- › Camacari (Brazil)



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

<sup>1</sup> Figures relating to 2018-2023e period.

# CORE Manufacturing Footprint

Production plants<sup>1</sup>

AMERICAS

7

EMEA

7

APAC

6

Tonnage<sup>2</sup>  
(CAGR<sup>3</sup> in %)

~8%



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.

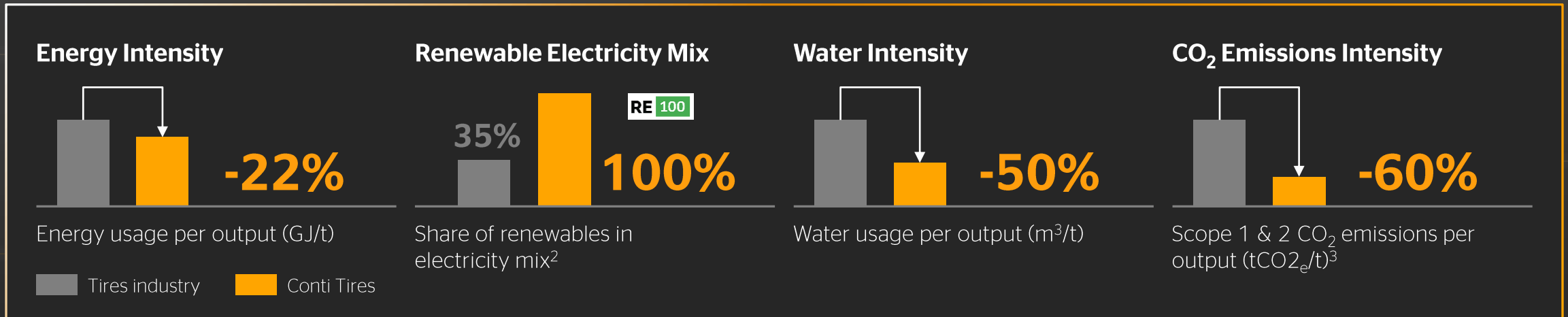


A cyclist is seen from behind, riding a mountain bike on a dirt trail. The cyclist is wearing a helmet and a light-colored jersey. The background features a steep, rocky mountain slope under a cloudy sky. The overall scene is dimly lit, suggesting dusk or dawn. A semi-transparent horizontal band is overlaid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

# OUR RESPONSIBILITY

# RESPONSIBILITY Ambitious Sustainability Roadmap as Key Differentiator

Example: Industry benchmark 2022 – Operations<sup>1</sup>



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

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

<sup>2</sup> Member of RE100 initiative that fosters the use of renewable energy. Use of energy attribute certificates starting 2020 leading to carbon neutral electricity supply. <sup>3</sup> 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

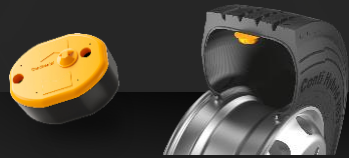
- Electrification and UHP growth propelling favorable mix development
- Significant regional growth opportunities in APAC and Americas
- Sustainability as key differentiator through premium positioning and technology expertise

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 installed<sup>1</sup>

**~50% p.a.**

Connected vehicles<sup>1</sup>

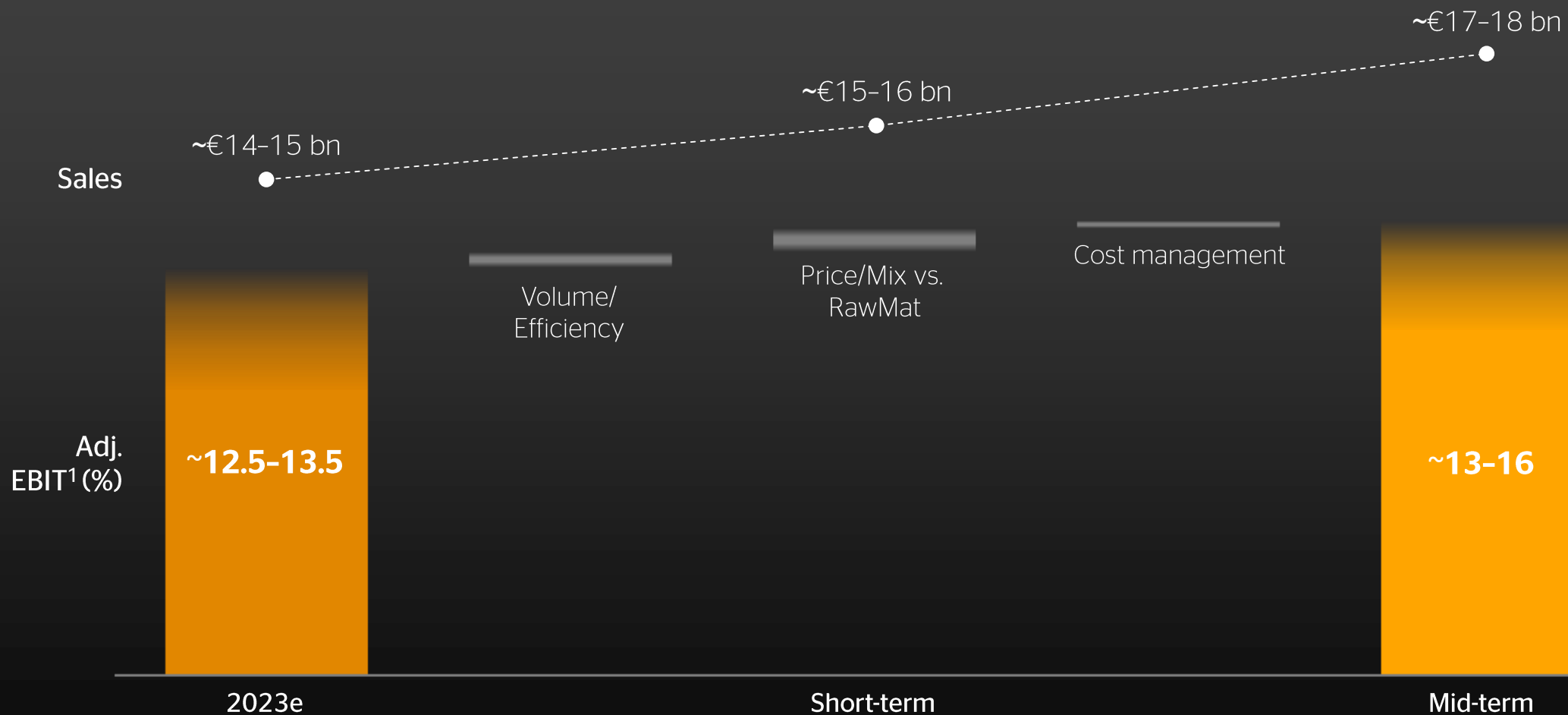


Holistic data-driven fleet management solutions for commercial customers



- › Achieving LODC<sup>2</sup> for our customers
- › Creates pull effects for our business

# Tires Financial Outlook - Updated Mid-term Targets



<sup>1</sup> 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<sup>2</sup>



>23%

Adj. EBIT<sup>1</sup> margin



~13-16%

Cash generation<sup>3</sup>



>60%

We will continue to outperform in value creation and cash generation

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

<sup>3</sup> 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

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