Continental AG's Quarterly Reference Sheet

January 28th, 2025

This reference sheet is a quarterly summary of public information previously provided by Continental AG, or otherwise available in the market, which may support in assessing Continental AG's financial performance ahead of its FY 2024 results on March 4th, 2025. With this summary, Continental AG will not provide any new information or commentary on current trading.

Please note that this release and all information herein is unaudited. Our next quiet period starts on February 3rd, 2025.

Automotive Group Sector (Q4 2024 vs Q3 2024 – quarter on quarter)

Market / Macroeconomic Development

- Most recent global market updates for passenger car and light truck vehicle production expect Q4 to be up almost 13% sequentially: European production up more than 13%, North America down by around 3%. China up more than one third sequentially, with Chinese OEMs further strengthening their market share.
- Year over year, worldwide light vehicle production remained flat. European light vehicle production however declined by around 9%. Also, North American production decreased by more than 3%. China continued to be the main growth contributor.
- **Currency effects**: Not expected to significantly influence the sales development.

Latest Management Commentary on Continental's Development

- **Market impact:** Sales environment remained very challenging; we expect to come in around the very lower end of our sales guidance corridor.
- **Outperformance:** Continues to be burdened by delayed new product launches as well as product and customer mix.
- **Price negotiations:** No major effects from price negotiations expected sequentially.
- **Self-help programs**: Significant incremental positive results from our fixed-cost savings program expected in Q4, up to €200 mn coming from €100 mn by Q3. Further gains from our R&D efficiency programs were also supportive.
- **R&D reimbursements:** As expected, seasonally strong R&D reimbursements contributed to the profitability in Q4.
- **FCF:** A positive free cash flow in Automotive for the FY 2024 is within the reach.
- **Summary:** Due to the continuously challenging sales environment we expect to come in around the very lower end of the guided range for the full year.

Automotive Group Sector (FY 2025)

Market / Macroeconomic Development

- We expect the global passenger and light truck production to be slightly negative overall, particularly in Europe and North America, while the market in China is expected around the prior year's level.
- Weighted light vehicle production is expected to be negative in the low single digits. The environment will remain uncertain due to factors like tariffs, market developments in China or an increased pull for production localization.

Latest Management Commentary on Continental's Development

- **Self-help programs**: We expect incremental fixed cost savings of around €200 mn compared to 2024.
- Furthermore, we made a lot of progress in the sustainability of price agreements, and therefore expect Q1 2025 to look better than Q1 2024.
- We will continuously work on R&D improvements. Nevertheless, we are only expecting limited incremental contributions from R&D improvements.
- **Material costs:** A potential net effect from lower material costs is still being evaluated.
- **Summary:** Incremental margin improvement expected in 2025, mainly due to cost saving measures, partially offset by headwind from wage inflation. The challenging market environment will continue to burden the sales development.

Tires Group Sector (Q4 2024 vs Q4 2023 - year on year)

Market / Macroeconomic Development

- **Original equipment (OE) passenger car market developments:** Volumes in the OE passenger and light truck (PLT) segment remained on a low level.
- **Passenger car replacement markets:** PLT replacement markets further improved in Q4, mainly in EMEA.
- **Commercial vehicle tires:** The EMEA replacement markets in truck tires continued to stabilize while OE volumes remained weak.
- **Overall:** Slightly positive impact from volumes.

Latest Management Commentary on Continental's Development

- **Passenger car replacement:** Q4 was satisfactory in all markets. Good winter tire sell-out last year led to low inventories, supporting this year's sell-in. China was a value contributor in terms of market recovery.
- **Sales price/mix:** Expected to be positive.
- **Raw material cost development:** Negative effects from material expected.
- **Summary:** Quarterly performance in line with expectations. Overall, we are satisfied with Q4 – therefore, we expect to come in around the mid to upper end of the guidance for the full-year in terms of profitability.

Tires Group Sector (FY 2025)

Market / Macroeconomic Development

- Gradual recovery of OE and replacement markets across segments and regions, contributing to slight volume growth (moderate in passenger car tires, stronger in truck tires).
- The environment will remain uncertain due to factors like tariffs and political changes.

Latest Management Commentary on Continental's Development

- **Sales price/mix:** Further positive mix development (UHP, customer/channel) expected.
- **Cost development:** We will continuously work on our cost base to further improve profitability.
- Wage inflation will continue to burden profitability.
- Stronger and persistent headwind from raw material cost expected, particularly in the first half of 2025.
- **Capex** will be once more focused on US and APAC.
- **Summary:** The expected volume and mix improvements should help us to compensate the headwinds we are facing on the cost side.

ContiTech Group Sector (Q4 2024 vs Q4 2023 – year on year)

Market / Macroeconomic Development

- **Industry:** Industry volumes remained weak, especially in Europe but also in North America. However, minor signs of recovery in some industries visible.
- **Automotive:** Automotive market dynamics in Q4, see detailed description in Automotive market commentary.

Latest Management Commentary on Continental's Development

- **Performance:** Lower sales affected the EBIT performance as well. Our self-help measures were able to offset the effects from cost inflation.
- **OESL:** Continued to be positive with further improvements in Q4. Also, in terms of free cash flow we expect a positive contribution for the FY. We started to test the market for a potential transaction.
- **Summary:** Overall, we expect to land well within the guided range.

ContiTech Group Sector (FY 2025)

Market / Macroeconomic Development

- **Industry:** Weak industry production volumes are expected to continue at least within H1 2025.

- **Automotive:** We expect the global passenger and light truck production to be slightly negative overall, particularly in Europe and North America, while the market in China is expected to be around the prior year's level.
- Weighted LVP negative for ContiTech.

Latest Management Commentary on Continental's Development

- Coping with mid-single digit wage inflation in a continuously challenging market environment will require the investigation of further measures to safeguard profitability.
- We expect OESL to remain profitable and cash generating in 2025.
- **Summary:** Our self-help measures should support slight improvements in profitability despite ongoing market challenges.

Group Free Cash Flow

Latest Management Commentary 2024

- Positive FCF performance in Q4 driven by a stronger operating result, seasonally high R&D reimbursements, cash inflow from receivables and further improvements in inventories, despite burden through significant cash outs for restructuring measures in the Automotive group sector.
- **Overall:** Better free cash flow performance than expected in the FY 2024, particularly due to a strong winter tires season and a positive contribution from Automotive.

Latest Management Commentary 2025

- FY 2024 was burdened by multiple negative one-off items, such as the repurchase of shares in ContiTech AG, restructuring and carve-out costs. Changes in Contract Manufacturing payment terms however contributed positively. This needs to be considered for potential cash flow bridges.
- Operationally, we should continue to see further improvements in free cash flow.
- FY 2025 will continue to be burdened by one-off items such as restructuring and spin-off costs.

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