



Morgan Stanley & Continental - Electronics Webinar

Leading the Way toward Software-defined Vehicles

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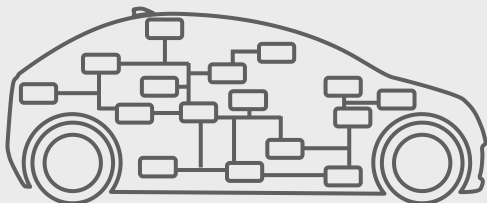
Michael Huelsewies, Head of Architecture and Software, Automotive Technologies
June 1, 2021

Leading the Way toward Software-defined Vehicles

Complexity and Functional Growth Is Limited by Current Approach



Up2now

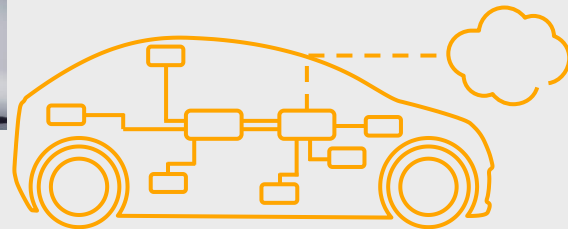


Patchwork architecture

- › Up to ~100 ECUs, limited computing power
- › Functionality isolated in ECUs
- › Lots of wires
- › Limited cloud-based functionality

User expectation: pleasure, safety and convenience

Going forward



Function-defined architecture

- › Few High-Performance Computers and Zone Control, significant computing power
- › Functions defined by SW (HW abstraction)
- › ~50% reduction of wires
- › Always connected

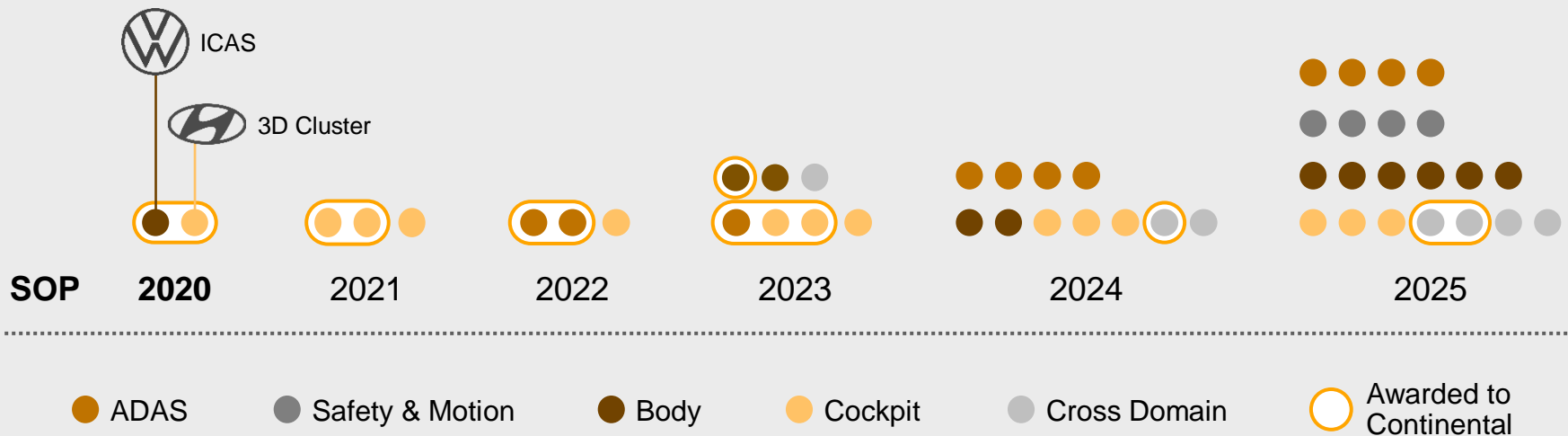
User expectation: smart IoT device

Leading the Way toward Software-defined Vehicles

New Product Wins for Continental

HPC projects won and in acquisition (#)

Total order intake so far: ~€5 bn LTS

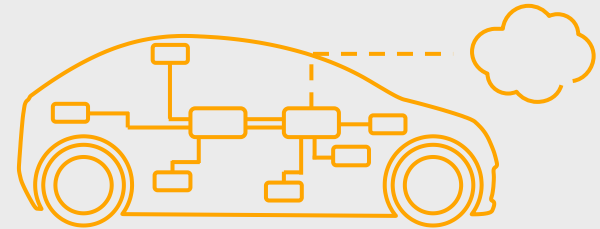
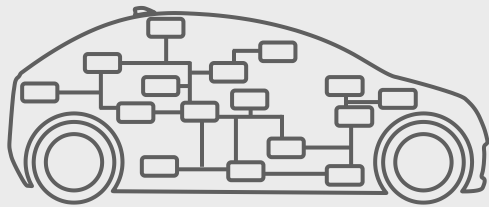


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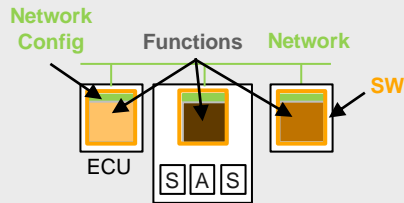
Scalable Compute Platforms – Enabler for Smart IoT Mobility

Up2now

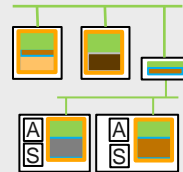
Going forward



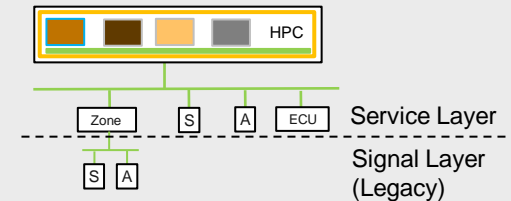
Distributed



Domain-Centralized



Scalable Compute Platform



ADAS

Safety & Motion

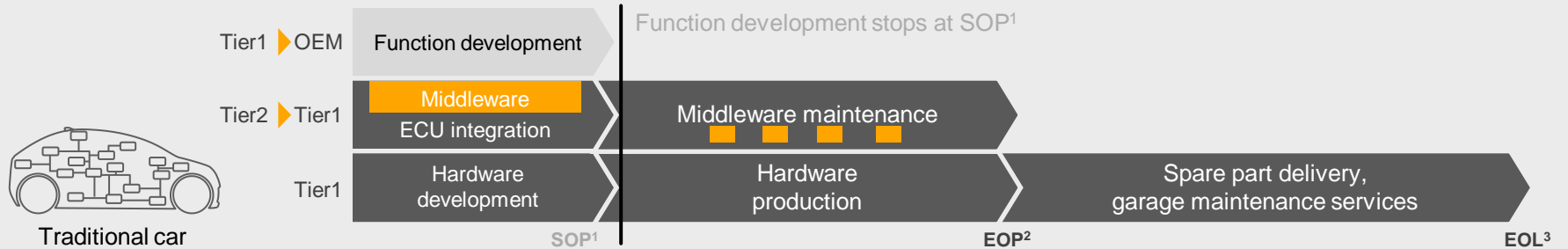
Cockpit

Body

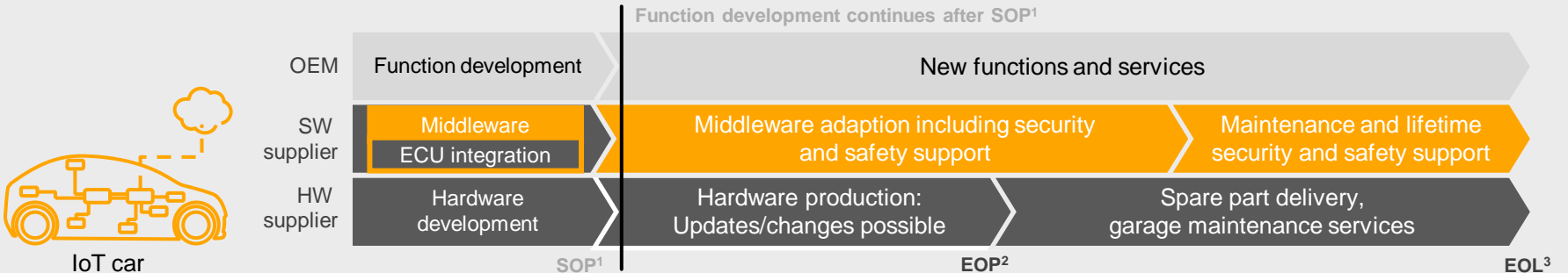
Leading the Way toward Software-defined Vehicles

Trust-based Collaboration Models required

Hardware and function coupling – Software treated like hardware



Software-defined vehicle needs a software platform partner throughout vehicle lifecycle



¹ SOP: Start of production, ² EOP: End of production, ³ EOL: End of life

Leading the Way toward Software-defined Vehicles

We Cover the **Entire Spectrum** of Customer Needs

60%

**Non-differentiating
software**

Customer needs:
Economies of scale for most
competitive cost position



40%

**Differentiating
software**

Customer needs:
Economies of scope to provide
best support/expertise

Continental offers best-in-class
**software and systems
excellence** based on:



Competence



Technology



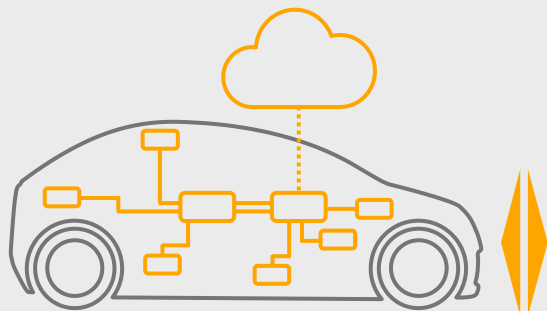
Workflow



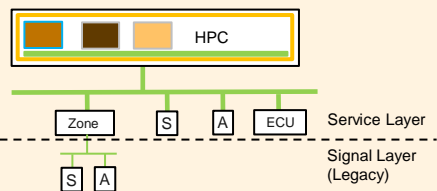
Collaboration

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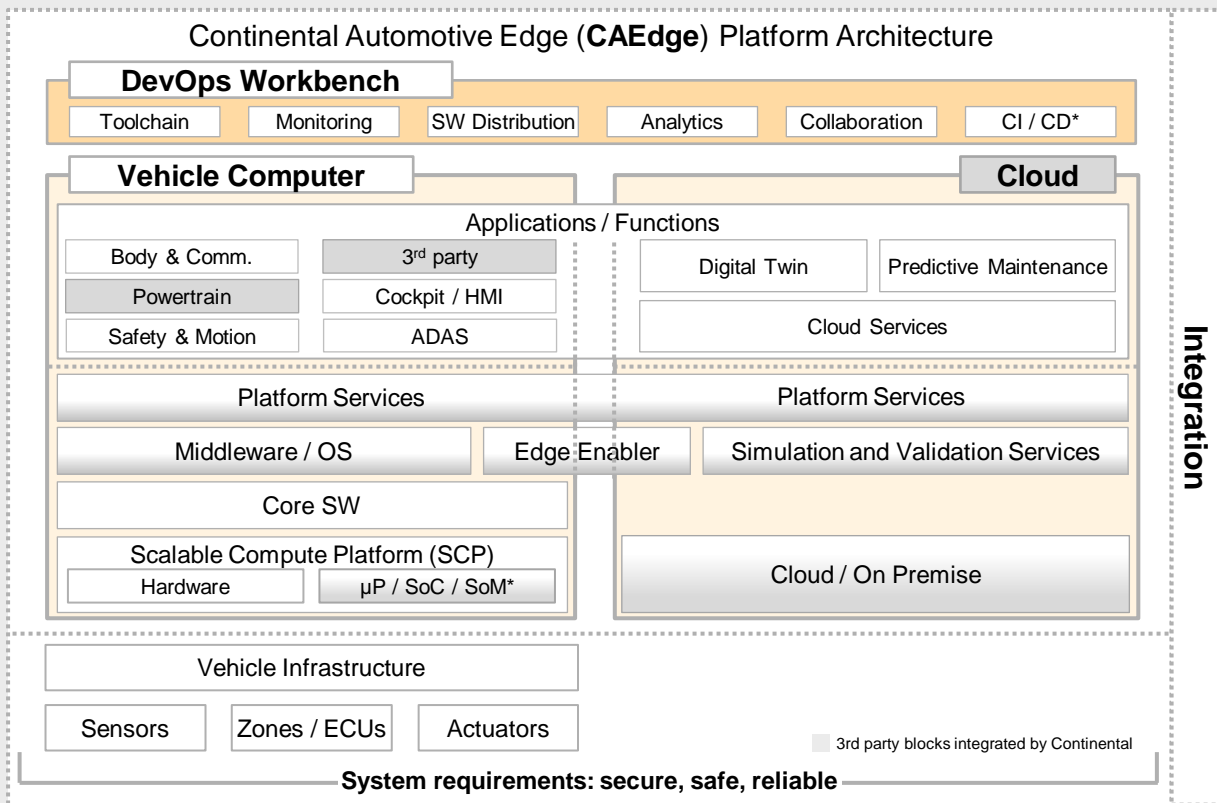
CAEdge - our full-stack IoT platform architecture solution



Scalable Compute Platform



Continental Automotive Edge (CAEdge) Platform Architecture



Transformation into Automotive Technologies

Realignment **Leverages Synergies** Across Multiple Dimensions

Project management

Managing **highest complexity** across action fields and parties

Horizontal integration

- › Combining **functions across domains**
- › **Standardized** hardware and software platforms to realize **better economies of scale and scope**

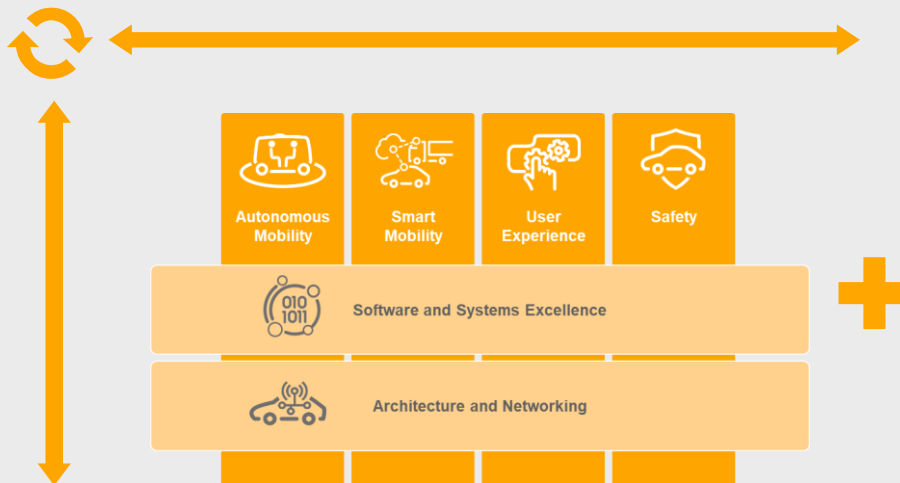
Vertical integration

Capable of providing **fully functional system stacks**

- › Cloud
- › Functions/services/apps
- › Middleware/OS
- › Basic software
- › Hardware

Scalability across OEs and platforms

- › Most competitive **cost position**, fastest **time to market** and attractive **value proposition**
- › Unique portfolio **breadth and depth**



Summary

Emerge as a Winner of the Automotive Transformation



First in market to realize paradigm shift to new E/E and SW architecture

Monetizing new business models and recurring revenue streams with **major growth potential**

Competency, technology & workflows enable efficient design, integration & partner across the **full stack**

Synergies through vertical and horizontal **integration**

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