

Quarterly Statement as at September 30, 2021

Third Quarter: Continental Sets Course for Next Successful Chapter in its History

- › Continental accelerates market-oriented realignment in its anniversary year
- › Semiconductor shortage likely peaked in the third quarter
- › Automotive Technologies particularly affected due to high share of electronics
- › Rubber Technologies posts robust earnings thanks to replacement and industrial businesses
- › Spin-off of Vitesco Technologies successfully completed
- › Consolidated sales of €8.0 billion (Q3 2020: €8.7 billion, -7.4 percent); organic growth of -8.5 percent
- › Adjusted EBIT of €419 million (Q3 2020: €727 million, -42.4 percent)
- › Adjusted EBIT margin of 5.2 percent (Q3 2020: 8.4 percent)
- › Net income of €309 million (Q3 2020: -€719 million, up €1.0 billion)
- › Free cash flow before acquisitions, divestments and carve-out effects for continuing and discontinued operations: €12 million (Q3 2020: €1.8 billion, down €1.8 billion)
- › Outlook for fiscal 2021: consolidated sales of around €32.5 billion to €33.5 billion; adjusted EBIT margin of around 5.2 to 5.6 percent

In the third quarter of its 2021 anniversary year, Continental set the strategic course for the next successful chapter in its history by making its previously announced structural adjustments. At the same time, the delivery situation for electronic components worsened. This had a significant impact on sales and earnings, which was only partially offset by the positive trend in sales volumes of replacement and industrial products.

The Rubber Technologies group sector achieved robust earnings despite the mounting burdens associated with rising raw material prices and energy and logistics costs, thanks primarily to the strong replacement-tire business and the industrial product business of ContiTech.

Though the global semiconductor shortage worsened in the third quarter due to the coronavirus crisis in Southeast Asia, it has likely reached its peak. The Automotive Technologies group sector, whose product portfolio comprises a high share of electronics, was the most affected. Although Continental expects the supply situation to improve in the coming months, the semiconductor shortage and rising procurement costs are likely to continue to have a negative impact on the automotive industry in the fourth quarter of this year and throughout 2022.

Continental successfully completed the spin-off of Vitesco Technologies in the past quarter. The carrying amount of the spun off net assets amounted to €2.8 billion. The disposal posting was made against the liability from non-cash dividends - updated to be equivalent to the carrying amounts - that was recognized pursuant to the resolution of the Annual Shareholders' Meeting on April 29, 2021. As a result, reporting is generally based on continuing operations.

As part of the new structure announced on September 30, 2021, the Tires and ContiTech business areas (currently consolidated in the Rubber Technologies group sector) will become independent group sectors with effect from January 1, 2022. At the same time, Continental will comprehensively realign the Automotive Technologies group sector (from 2022: Automotive) and create five dynamic, flexible business areas whose structure will be geared to the strategic action fields and market development of Automotive Technologies.

Consolidated sales down year-on-year in the third quarter

At €8.0 billion, **consolidated sales** were down year-on-year in the third quarter (Q3 2020: €8.7 billion, -7.4 percent) due to significantly lower vehicle production. Before changes in the scope of consolidation and exchange-rate effects, sales fell by 8.5 percent. **Adjusted EBIT** decreased year-on-year to €419 million (Q3 2020: €727 million, -42.4 percent). This resulted in an **adjusted EBIT margin** of 5.2 percent (Q3 2020: 8.4 percent). **Net income** totaled €309 million (Q3 2020: -€719 million). **Free cash flow before acquisitions, divestments and carve-out effects** for continuing and discontinued operations amounted to €12 million in the third quarter (Q3 2020: €1.8 billion).

Global automotive production lower than previous year's quarter

Global automotive production suffered from the shortage of semiconductors and therefore did not reach the level of the previous year's quarter. The supply of components was the limiting factor, with customer demand remaining very high. According to preliminary figures, global automotive production amounted to 16.5 million units from July to September 2021, down nearly 20 percent from the same period of the previous year (Q3 2020: 20.5 million units). In North America, production figures fell by around 25 percent to 3.0 million units (Q3 2020: 4.0 million units), in Europe by roughly 30 percent to 3.0 million units (Q3 2020: 4.3 million units) and in China by around 17 percent to 5.3 million units (Q3 2020: 6.4 million units).

Market outlook and forecast for fiscal 2021

As reported on October 22, 2021, Continental is adjusting its outlook for fiscal 2021 due to the following factors:

- › Given the ongoing shortages of semiconductor components as well as uncertainties in the supply chain and customer demand, Continental expects global production of passenger cars and light commercial vehicles to change by between -1 and +1 percent year-on-year in 2021. The outlook published on August 5, 2021, assumed that it would grow by between 8 and 10 percent.
- › Negative effects from cost inflation for key inputs including electronics and electromechanical components for Automotive Technologies, raw materials for Rubber Technologies as well as energy and logistics are becoming more material.

Assuming that exchange rates in the fourth quarter of 2021 do not materially differ to those of September 30, 2021, the aforementioned factors mean that the following changes have been made to the **2021 outlook** for continuing operations:

- › Consolidated sales are expected to be around €32.5 billion to €33.5 billion (previously: €33.5 billion to €34.5 billion), and the adjusted EBIT margin is expected to be between 5.2 and 5.6 percent (previously: 6.5 to 7.0 percent).
- › The tax rate is expected to be around 23 percent (previously: 27 percent).
- › Capital expenditure before financial investments is expected to total around 6 percent of sales (previously: 7 percent).
- › Free cash flow before acquisitions, divestments and carve-out effects for continuing and discontinued operations is expected to be around €800 million to €1.2 billion (previously: €1.1 billion to €1.5 billion for continuing operations).

Development of the group sectors

Sales in the **Automotive Technologies** group sector decreased in the third quarter of 2021 by 15.9 percent to €3.5 billion (Q3 2020: €4.1 billion). This decline was due to lower vehicle production. The adjusted EBIT margin came to -2.3 percent (Q3 2020: 1.9 percent), and organic growth came to -17.3 percent. Despite the difficult environment, Continental generated further orders for display solutions, taking the sales volume associated with these orders to a total of around €5.5 billion. For Automotive Technologies, Continental expects sales of around €14.5 billion to €15.0 billion (previously: €16.0 billion to €16.5 billion) and, as a result of the lower sales expectations, an adjusted EBIT margin in the range of around -2.0 to -2.5 percent (previously: 0.5 to 1.0 percent) for the year as a whole. The outlook continues to include additional logistics expenses of around €200 million in connection with shortages of semiconductor components, while additional expenses for research and development in the Autonomous Mobility and Safety business area are now expected to total around €100 million to €150 million (previously: €150 million to €200 million).

Sales in the **Rubber Technologies** group sector increased by 1.2 percent to €4.4 billion in the third quarter of 2021 (Q3 2020: €4.3 billion). The adjusted EBIT margin fell to 11.3 percent (Q3 2020: 15.0 percent). Organic sales growth came to 0.5 percent. The Tires business area continued to benefit from the strong replacement-tire business for trucks and passenger cars, while ContiTech boosted its sales of industrial products, namely products for off-highway applications, surface materials for industrial use and window and pool films for home and garden. In addition, the sales volume of drive belts for the industrial replacement market also increased. At the same time, rising raw material costs are having an increasingly detrimental impact on business in Rubber Technologies. In the third quarter, the costs rose year-on-year by around €225 million. For the year as a whole, sales of around €17.2 billion to €17.5 billion (previously: €17.2 billion to €17.8 billion) are expected, with an adjusted EBIT margin of around 12.3 to 12.7 percent (previously: 12.5 to 13.0 percent). As part of our adjusted EBIT margin range, we assume a year-on-year rise in raw material costs of around €550 million (previously: €500 million) as well as price increases for energy and logistics. The higher costs relate primarily to the Tires business area.

Following the spin-off of Vitesco Technologies, the **Contract Manufacturing** group sector is being reported for the first time. It comprises the continuing operations of the former Powertrain Technologies group sector. Sales amounted to €203 million in the third quarter of 2021, and the adjusted EBIT margin was 11.9 percent; internal cost allocation had a positive effect on the latter. For the year as a whole, sales of around €800 million to €900 million and an adjusted EBIT margin of around 9 percent are expected.

Revised number of employees after spin-off

As a consequence of the spin-off of Vitesco Technologies, the number of employees decreased to around 192,000 at the end of the third quarter of 2021, of whom around 40,000 are engineers and around 17,000 are software and IT specialists. Prior to the spin-off, Continental employed approximately 233,000 people.

Key Figures for the Continental Group

The spin-off of parts of the Powertrain business area has resulted in the application of IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*. These parts make up most of the discontinued operations.

The following table shows the figures for continuing operations for the reporting and comparative periods. Only net income attributable to the shareholders of the parent and the corresponding figures for earnings per share refer to the Continental Group as a whole, comprising continuing and discontinued operations.

€ millions	January 1 to September 30		Third Quarter	
	2021	2020	2021	2020
Sales	24,970.2	22,743.9	8,040.5	8,679.1
EBITDA	3,221.1	1,655.3	975.2	605.1
in % of sales	12.9	7.3	12.1	7.0
EBIT	1,553.8	-779.6	418.5	-673.6
in % of sales	6.2	-3.4	5.2	-7.8
Net income attributable to the shareholders of the parent	1,302.0	-1,168.1	309.1	-719.3
Basic earnings per share in €	6.51	-5.84	1.55	-3.60
Diluted earnings per share in €	6.51	-5.84	1.55	-3.60
Research and development expenses (net)	1,987.7	2,010.4	657.2	638.5
in % of sales	8.0	8.8	8.2	7.4
Depreciation and amortization ¹	1,667.3	2,434.9	556.7	1,278.7
thereof impairment ²	13.1	734.2	3.3	726.3
Capital expenditure ³	1,107.2	1,130.2	484.0	368.2
in % of sales	4.4	5.0	6.0	4.2
Operating assets as at September 30	18,806.0	18,727.0		
Number of employees as at September 30 ⁴	192,495	194,443		
Adjusted sales ⁵	24,970.1	22,543.4	8,040.5	8,678.2
Adjusted operating result (adjusted EBIT) ⁶	1,676.1	721.1	419.1	727.3
in % of adjusted sales	6.7	3.2	5.2	8.4
Free cash flow	733.3	366.3	-31.1	1,516.5
Net indebtedness as at September 30	3,964.4	n. a.		
Gearing ratio in %	32.3	n. a.		

¹ Excluding impairment on financial investments.

² Impairment also includes necessary reversal of impairment losses. Expenses from derecognitions of brand values are likewise included in the comparative period.

³ Capital expenditure on property, plant and equipment, and software.

⁴ Excluding trainees.

⁵ Before changes in the scope of consolidation.

⁶ Before amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation, and special effects.

Key Figures for the Group Sectors

The spin-off of parts of the Powertrain business area has resulted in the application of IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*. These parts make up most of the discontinued operations.

The tables on the key figures for the group sectors show only the figures for continuing operations in the reporting and comparative periods for all group sectors. Following the spin-off of Vitesco Technologies, the Contract Manufacturing group sector is being reported for the first time. It comprises the continuing operations of the former Powertrain Technologies group sector. All key figures for the group sectors reflect this over the entire reporting period and are adjusted accordingly for the comparative period.

Automotive Technologies in € millions	January 1 to September 30		Third Quarter	
	2021	2020	2021	2020
Sales	11,386.8	10,939.0	3,476.6	4,132.2
EBITDA	558.8	146.5	106.4	59.2
in % of sales	4.9	1.3	3.1	1.4
EBIT	-200.9	-1,320.4	-153.1	-897.4
in % of sales	-1.8	-12.1	-4.4	-21.7
Depreciation and amortization ¹	759.7	1,466.9	259.5	956.6
thereof impairment ²	-2.1	717.2	-0.2	712.8
Capital expenditure ³	625.5	570.9	278.8	190.2
in % of sales	5.5	5.2	8.0	4.6
Operating assets as at September 30	8,086.3	8,243.0		
Number of employees as at September 30 ⁴	89,174	90,820		
Adjusted sales ⁵	11,386.8	10,745.9	3,476.6	4,132.2
Adjusted operating result (adjusted EBIT) ⁶	-70.6	-331.5	-81.5	77.2
in % of adjusted sales	-0.6	-3.1	-2.3	1.9

Rubber Technologies in € millions	January 1 to September 30		Third Quarter	
	2021	2020	2021	2020
Sales	12,969.6	11,266.5	4,385.0	4,333.3
EBITDA	2,512.8	1,580.0	743.3	637.7
in % of sales	19.4	14.0	17.0	14.7
EBIT	1,664.0	672.0	462.5	334.0
in % of sales	12.8	6.0	10.5	7.7
Depreciation and amortization ¹	848.8	908.0	280.8	303.7
thereof impairment ²	1.3	14.9	0.0	13.5
Capital expenditure ³	434.2	486.0	188.9	147.5
in % of sales	3.3	4.3	4.3	3.4
Operating assets as at September 30	9,790.8	10,029.5		
Number of employees as at September 30 ⁴	99,927	99,786		
Adjusted sales ⁵	12,969.5	11,259.1	4,385.0	4,332.4
Adjusted operating result (adjusted EBIT) ⁶	1,748.0	1,068.3	496.5	650.9
in % of adjusted sales	13.5	9.5	11.3	15.0

¹ Excluding impairment on financial investments.

² Impairment also includes necessary reversal of impairment losses. Expenses from derecognitions of brand values are likewise included in the comparative period.

³ Capital expenditure on property, plant and equipment, and software.

⁴ Excluding trainees.

⁵ Before changes in the scope of consolidation.

⁶ Before amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation, and special effects.

Contract Manufacturing in € millions	January 1 to September 30		Third Quarter	
	2021	2020	2021	2020
Sales	692.8	686.2	202.7	254.0
EBITDA	177.0	2.4	77.9	-71.4
in % of sales	25.5	0.3	38.4	-28.1
EBIT	124.6	-46.3	63.2	-86.6
in % of sales	18.0	-6.7	31.2	-34.1
Depreciation and amortization ¹	52.4	48.7	14.7	15.2
thereof impairment ²	13.7	2.1	3.3	0.0
Capital expenditure ³	10.8	21.3	4.2	9.1
in % of sales	1.6	3.1	2.1	3.6
Operating assets as at September 30	807.1	271.5		
Number of employees as at September 30 ⁴	2,944	3,432		
Adjusted sales ⁵	692.8	686.2	202.7	254.0
Adjusted operating result (adjusted EBIT) ⁶	97.4	66.3	24.1	22.4
in % of adjusted sales	14.1	9.7	11.9	8.8

¹ Excluding impairment on financial investments.

² Impairment also includes necessary reversal of impairment losses.

³ Capital expenditure on property, plant and equipment, and software.

⁴ Excluding trainees.

⁵ Before changes in the scope of consolidation.

⁶ Before amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation, and special effects.

Consolidated Statement of Income

The spin-off of parts of the Powertrain segment has resulted in the application of IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*. These parts make up most of the discontinued operations.

The items in the consolidated statement of income show the figures for continuing operations in the reporting and comparative periods. Net income comprises earnings after tax from continuing operations and discontinued operations.

€ millions	January 1 to September 30		Third Quarter	
	2021	2020	2021	2020
Sales	24,970.2	22,743.9	8,040.5	8,679.1
Cost of sales	-18,991.8	-17,525.9	-6,257.3	-6,375.6
Gross margin on sales	5,978.4	5,218.0	1,783.2	2,303.5
Research and development expenses	-2,546.5	-2,435.8	-845.6	-788.3
Selling and logistics expenses	-1,772.8	-1,694.0	-605.8	-546.4
Administrative expenses	-749.2	-684.1	-237.4	-220.9
Other income	1,232.0	897.6	479.7	265.8
Other expenses	-638.1	-2,087.9	-193.2	-1,690.4
Income from equity-accounted investees	49.6	6.1	37.6	3.0
Other income from investments	0.4	0.5	0.0	0.1
EBIT	1,553.8	-779.6	418.5	-673.6
Interest income	64.3	66.0	20.8	20.2
Interest expense	-171.2	-189.5	-52.9	-67.8
Effects from currency translation	-65.0	-40.1	-24.5	-60.4
Effects from changes in the fair value of derivative instruments, and other valuation effects	58.6	67.8	-34.1	34.1
Financial result	-113.3	-95.8	-90.7	-73.9
Earnings before tax from continuing operations	1,440.5	-875.4	327.8	-747.5
Income tax expense	-264.5	116.8	-64.8	110.6
Earnings after tax from continuing operations	1,176.0	-758.6	263.0	-636.9
Earnings after tax from discontinued operations	156.9	-389.8	54.7	-66.4
Net income	1,332.9	-1,148.4	317.7	-703.3
Non-controlling interests	-30.9	-19.7	-8.6	-16.0
Net income attributable to the shareholders of the parent	1,302.0	-1,168.1	309.1	-719.3
Earnings per share (in €) relating to				
Basic earnings per share from continuing operations	5.73	-3.86	1.27	-3.26
Consolidated basic earnings per share	6.51	-5.84	1.55	-3.60
Diluted earnings per share from continuing operations	5.73	-3.86	1.27	-3.26
Consolidated diluted earnings per share	6.51	-5.84	1.55	-3.60

Consolidated Statement of Comprehensive Income

The spin-off of parts of the Powertrain segment has resulted in the application of IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*. These parts make up most of the discontinued operations.

The items in the consolidated statement of comprehensive income show the figures for the Continental Group as a whole in the reporting and comparative periods. In addition, comprehensive income is shown separately for continuing operations and discontinued operations.

€ millions	January 1 to September 30		Third Quarter	
	2021	2020	2021	2020
Net income	1,332.9	-1,148.4	317.7	-703.3
Items that will not be reclassified to profit or loss				
Remeasurement of defined benefit plans ¹	849.9	-251.6	205.2	43.4
Fair value adjustments ¹	871.5	-272.8	212.4	30.9
Investments in equity-accounted investees ²	-0.1	0.0	-0.1	0.0
Currency translation ¹	-21.5	21.2	-7.1	12.5
Other investments	86.1	-3.2	-27.7	-3.2
Fair value adjustments	85.8	-0.3	-28.3	-0.3
Investments in equity-accounted investees	0.9	-2.9	0.9	-2.9
Currency translation ¹	-0.6	-	-0.3	-
Tax on other comprehensive income	-231.9	-28.0	-66.0	-4.1
Items that may be reclassified subsequently to profit or loss				
Currency translation ¹	459.4	-1,028.9	37.9	-356.4
Difference from currency translation ¹	398.2	-1,031.7	-24.9	-359.2
Reclassification adjustments to profit and loss	68.0	0.7	69.6	0.7
Investments in equity-accounted investees ²	-6.8	2.1	-6.8	2.1
Tax on other comprehensive income	-1.0	-	-1.0	-
Other comprehensive income	1,162.5	-1,311.7	148.4	-320.3
Comprehensive income	2,495.4	-2,460.1	466.1	-1,023.6
Attributable to non-controlling interests	-51.4	32.4	-16.9	20.1
Attributable to the shareholders of the parent	2,444.0	-2,427.7	449.2	-1,003.5
The share of comprehensive income attributable to the shareholders of the parent is as follows:				
Continuing operations	2,030.1	-1,796.4	273.5	-882.7
Discontinued operations	413.9	-631.3	175.7	-120.8

¹ Including non-controlling interests.

² Including taxes.

Consolidated Statement of Financial Position

The spin-off of parts of the Powertrain segment has resulted in the application of IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*. These parts make up most of the discontinued operations.

Following the deconsolidation of Vitesco Technologies, all items in the reporting period represent continuing operations. The figures for the comparative periods show continuing and discontinued operations.

Assets in € millions	September 30, 2021	<i>December 31, 2020</i>	September 30, 2020
Goodwill	3,616.7	4,361.6	4,373.8
Other intangible assets	1,062.0	1,346.9	1,516.4
Property, plant and equipment	10,988.4	13,760.6	13,698.7
Investment property	18.7	12.2	11.3
Investments in equity-accounted investees	309.3	351.3	389.7
Other investments	153.8	123.4	163.6
Deferred tax assets	2,610.9	2,751.4	2,558.1
Defined benefit assets	83.5	82.7	10.2
Long-term derivative instruments and interest-bearing investments	119.1	142.6	126.8
Long-term other financial assets	169.7	161.0	119.8
Long-term other assets	16.7	24.2	26.5
Non-current assets	19,148.8	23,117.9	22,994.9
Inventories	4,936.6	4,238.2	4,427.4
Trade accounts receivable	7,235.4	7,353.2	7,989.5
Short-term contract assets	96.8	119.1	118.4
Short-term other financial assets	123.4	146.8	148.7
Short-term other assets	1,067.9	1,352.5	1,371.4
Income tax receivables	297.8	234.8	239.5
Short-term derivative instruments and interest-bearing investments	199.5	114.0	141.6
Cash and cash equivalents	2,285.9	2,938.7	2,515.5
Assets held for sale	110.0	22.8	18.2
Current assets	16,353.3	16,520.1	16,970.2
Total assets	35,502.1	39,638.0	39,965.1

Equity and liabilities in € millions	September 30, 2021	<i>December 31, 2020</i>	September 30, 2020
Subscribed capital	512.0	512.0	512.0
Capital reserves	4,155.6	4,155.6	4,155.6
Retained earnings	10,105.6	11,960.2	11,753.9
Other comprehensive income	-2,895.8	-4,365.4	-4,168.6
Equity attributable to the shareholders of the parent	11,877.4	12,262.4	12,252.9
Non-controlling interests	413.9	376.7	381.3
Total equity	12,291.3	12,639.1	12,634.2
Long-term employee benefits	4,499.3	6,109.9	5,837.1
Deferred tax liabilities	358.6	168.6	211.8
Long-term provisions for other risks and obligations	829.9	1,242.6	1,467.8
Long-term indebtedness	4,593.3	5,144.4	5,138.5
Long-term other financial liabilities	7.0	6.7	31.0
Long-term contract liabilities	7.3	7.0	12.7
Long-term other liabilities	63.0	63.9	47.2
Non-current liabilities	10,358.4	12,743.1	12,746.1
Short-term employee benefits	1,270.0	1,236.5	1,351.6
Trade accounts payable	5,376.2	5,933.1	6,008.7
Short-term contract liabilities	205.9	291.0	279.6
Income tax payables	614.3	790.1	930.2
Short-term provisions for other risks and obligations	1,168.8	1,725.4	1,356.6
Short-term indebtedness	1,975.6	2,190.0	2,568.8
Short-term other financial liabilities	1,289.2	1,287.9	1,114.5
Short-term other liabilities	914.8	801.8	974.8
Liabilities held for sale	37.6	–	–
Current liabilities	12,852.4	14,255.8	14,584.8
Total equity and liabilities	35,502.1	39,638.0	39,965.1

Consolidated Statement of Cash Flows

The spin-off of parts of the Powertrain segment has resulted in the application of IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*. These parts make up most of the discontinued operations.

The items in the consolidated statement of cash flows show the figures for the Continental Group as a whole in the reporting and comparative periods. In addition, cash flow arising from operating activities, investing activities and financing activities is shown separately for continuing operations and discontinued operations.

€ millions	January 1 to September 30		Third Quarter	
	2021	2020	2021	2020
Net income	1,332.9	-1,148.4	317.7	-703.3
Income tax expense	427.0	-60.6	118.5	-49.9
Financial result	108.0	142.8	93.4	79.8
EBIT	1,867.9	-1,066.2	529.6	-673.4
Interest paid	-130.6	-120.5	-43.7	-49.6
Interest received	29.3	25.5	3.5	7.3
Income tax paid	-615.8	-555.4	-190.8	-185.4
Dividends received	13.2	19.0	12.3	8.1
Depreciation, amortization, impairment and reversal of impairment losses	1,824.0	2,843.4 ¹	556.7	1,398.3 ¹
Income from equity-accounted investees and other investments, incl. impairment and reversal of impairment losses	-5.4	-6.6	-5.4	-3.2
Gains/losses from the disposal of assets, companies and business operations	-90.6	-183.2	-79.2	-11.4
Changes in				
inventories	-1,415.4	40.8	-460.5	334.4
trade accounts receivable	-224.2	-483.4	-213.0	-1,694.4
trade accounts payable	530.5	-846.8	218.4	1,602.0
employee benefits and other provisions	187.5	1,125.4	10.8	966.0
other assets and liabilities	79.7	223.6	139.0	490.9
Cash flow arising from operating activities	2,050.1	1,015.6	477.7	2,189.6
Cash flow arising from operating activities - continuing operations	1,586.2	1,177.8	277.7	1,866.4
Cash flow arising from operating activities - discontinued operations	463.9	-162.2	200.0	323.2
Cash flow from the disposal of assets	48.1	46.6	11.5	15.2
Capital expenditure on property, plant and equipment, and software	-1,112.2	-1,235.9	-486.2	-425.3
Capital expenditure on intangible assets from development projects and miscellaneous	-46.3	-153.0	-10.8	-33.9
Cash flow from the disposal of companies and business operations	143.1	301.9	140.3	17.4
Acquisition of companies and business operations	-43.6	-26.8	-12.5	-12.3
Cash flow arising from investing activities	-1,010.9	-1,067.2	-357.7	-438.9
Cash flow arising from investing activities - continuing operations	-852.9	-811.5	-308.8	-349.9
Cash flow arising from investing activities - discontinued operations	-158.0	-255.7	-48.9	-89.0

¹ Includes expenses from derecognitions of brand values.

€ millions	January 1 to September 30		Third Quarter	
	2021	2020	2021	2020
Cash flow before financing activities (free cash flow)	1,039.2	-51.6	120.0	1,750.7
Change in indebtedness	-741.6	157.1	10.3	-847.1
Successive purchases	–	-172.8	–	-170.0
Dividends paid	–	-600.0	–	-600.0
Dividends paid to and cash changes from equity transactions with non-controlling interests	-27.0	-21.9	-0.2	-2.2
Cash flow arising from financing activities	-768.6	-637.6	10.1	-1,619.3
Cash flow arising from financing activities - continuing operations	-745.9	-639.5	20.7	-1,626.0
Cash flow arising from financing activities - discontinued operations	-22.7	1.9	-10.6	6.7
Change in cash and cash equivalents	270.6	-689.2	130.1	131.4
Cash and cash equivalents at the beginning of the reporting period	2,938.7	3,341.8	3,134.6	2,455.6
Effect of exchange-rate changes on cash and cash equivalents	61.9	-137.1	6.5	-71.5
Cash and cash equivalents from continuing and discontinued operations	3,271.2	2,515.5	3,271.2	2,515.5
Less cash and cash equivalents from discontinued operations at the time of the disposal	-985.3	n. a.	-985.3	n. a.
Cash and cash equivalents from continuing operations at the end of the reporting period	2,285.9	n. a.	2,285.9	n. a.

Consolidated Statement of Changes in Equity

€ millions	Subscribed capital ¹	Capital reserves	Retained earnings	Successive purchases ²	Difference from			Subtotal	Non-controlling interests	Total
					remeasurement of defined benefit plans	currency translation	financial instruments ³			
As at January 1, 2020	512.0	4,155.6	13,522.1	-187.4	-2,366.4	-233.1	-7.5	15,395.3	480.4	15,875.7
Net income	–	–	-1,168.1	–	–	–	–	-1,168.1	19.7	-1,148.4
Comprehensive income	–	–	-0.1	–	-280.2	-976.1	-3.2	-1,259.6	-52.1	-1,311.7
Net profit for the period	–	–	-1,168.2	–	-280.2	-976.1	-3.2	-2,427.7	-32.4	-2,460.1
Dividends paid/resolved	–	–	-600.0	–	–	–	–	-600.0	-33.2	-633.2
Successive purchases	–	–	–	-114.8	–	–	–	-114.8	-33.5	-148.3
Other changes	–	–	–	0.1	–	–	–	0.1	–	0.1
As at September 30, 2020	512.0	4,155.6	11,753.9	-302.1	-2,646.6	-1,209.2	-10.7	12,252.9	381.3	12,634.2
As at January 1, 2021	512.0	4,155.6	11,960.2	-302.1	-2,817.0	-1,232.7	-13.6	12,262.4	376.7	12,639.1
Net income	–	–	1,302.0	–	–	–	–	1,302.0	30.9	1,332.9
Comprehensive income	–	–	–	–	617.7	438.2	86.1	1,142.0	20.5	1,162.5
Net profit for the period	–	–	1,302.0	–	617.7	438.2	86.1	2,444.0	51.4	2,495.4
Dividends paid/resolved	–	–	–	–	–	–	–	–	-14.4	-14.4
Non-cash dividends due to the completed spin-off	–	–	-2,824.8	–	–	–	–	-2,824.8	–	-2,824.8
Successive purchases	–	–	–	–	–	–	–	–	–	–
Other changes ⁴	–	–	-331.8	-4.2	331.8	–	–	-4.2	0.2	-4.0
As at September 30, 2021	512.0	4,155.6	10,105.6	-306.3	-1,867.5	-794.5	72.5	11,877.4	413.9	12,291.3

¹ Divided into 200,005,983 shares outstanding.

² Includes, in the previous year, an amount of -€114.8 million from successive purchases of shares in fully consolidated companies and an amount of -€4.2 million (PY: €0.1 million) relating to effects from the first-time consolidation of previously non-consolidated subsidiaries.

³ The change in the difference arising from financial instruments, including deferred taxes, was due to other investments of €86.1 million (PY: -€3.2 million).

⁴ Other changes in relation to the retained earnings of €331.8 million resulted from reclassifications to retained earnings not recognized in profit or loss. Of these, €331.4 million was attributable to the spin-off of Vitesco Technologies and €0.4 million resulted from changes in the scope of consolidation. Other changes in non-controlling interests took place due to changes in the scope of consolidation and capital increases.

Segment Reporting

The spin-off of parts of the Powertrain segment has resulted in the application of IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*. These parts make up most of the discontinued operations.

All segment report tables show only the figures for continuing operations in the reporting and comparative periods for all segments. Following the spin-off of Vitesco Technologies, the Contract Manufacturing segment is being reported for the first time. It comprises the continuing operations of the former Powertrain segment. All key figures for the segments reflect the resegmentation over the entire reporting period and are adjusted accordingly for the comparative period.

Segment report for the period from January 1 to September 30, 2021

€ millions	Autonomous Mobility and Safety	Vehicle Networking and Information	Tires	ContiTech	Contract Manufacturing	Other/ Holding/ Consolidation	Continental Group
External sales	5,466.3	5,871.0	8,541.6	4,399.8	691.5	–	24,970.2
Intercompany sales	70.3	52.1	66.1	47.7	1.3	-237.5	–
Sales (total)	5,536.6	5,923.1	8,607.7	4,447.5	692.8	-237.5	24,970.2
EBIT (segment result)	-82.4	-118.2	1,362.9	301.1	124.6	-34.2	1,553.8
in % of sales	-1.5	-2.0	15.8	6.8	18.0	–	6.2
Depreciation and amortization ¹	388.1	371.9	608.8	240.0	52.4	6.1	1,667.3
thereof impairment ²	-2.8	0.8	1.0	0.3	13.7	0.1	13.1
Capital expenditure ³	301.6	323.9	302.3	131.9	10.8	36.7	1,107.2
in % of sales	5.4	5.5	3.5	3.0	1.6	–	4.4
Operating assets as at September 30	4,514.1	3,575.5	6,727.1	3,063.7	807.1	118.5	18,806.0
Number of employees as at September 30 ⁴	44,809	44,365	57,137	42,790	2,944	450	192,495
Adjusted sales ⁵	5,536.6	5,923.1	8,607.6	4,447.5	692.8	-237.5	24,970.1
Adjusted operating result (adjusted EBIT) ⁶	-11.2	-59.1	1,377.0	371.0	97.4	-99.0	1,676.1
in % of adjusted sales	-0.2	-1.0	16.0	8.3	14.1	–	6.7

With the application of IFRS 5, the external sales of Vitesco Technologies resulting from supply and service relationships between the Contract Manufacturing segment and Vitesco Technologies have been shown as external sales of the Contract Manufacturing segment due to the continuation of the supply and service relationships. The external sales of discontinued operations have been reduced by this amount.

¹ Excluding impairment on financial investments.

² Impairment also includes necessary reversal of impairment losses.

³ Capital expenditure on property, plant and equipment, and software.

⁴ Excluding trainees.

⁵ Before changes in the scope of consolidation.

⁶ Before amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation, and special effects.

Segment report for the period from January 1 to September 30, 2020

€ millions	Autonomous Mobility and Safety	Vehicle Networking and Information	Tires	ContiTech	Contract Manufacturing	Other/ Holding/ Consolidation	Continental Group
External sales	5,279.9	5,536.0	7,238.2	4,005.6	684.2	–	22,743.9
Intercompany sales	46.3	117.1	46.2	48.7	2.0	-260.3	–
Sales (total)	5,326.2	5,653.1	7,284.4	4,054.3	686.2	-260.3	22,743.9
EBIT (segment result)	-159.3	-1,160.2	518.9	153.1	-46.3	-85.8	-779.6
in % of sales	-3.0	-20.5	7.1	3.8	-6.7	–	-3.4
Depreciation and amortization ¹	373.1	1,094.1	630.3	277.7	48.7	11.0	2,434.9
thereof impairment ²	-3.0	720.2	-0.7	15.6	2.1	0.0	734.2
Capital expenditure ³	267.0	303.9	360.8	125.2	21.3	52.0	1,130.2
in % of sales	5.0	5.4	5.0	3.1	3.1	–	5.0
Operating assets as at September 30	4,550.6	3,695.7	6,837.4	3,192.1	271.5	179.7	18,727.0
Number of employees as at September 30 ⁴	45,684	45,136	56,679	43,107	3,432	405	194,443
Adjusted sales ⁵	5,261.3	5,524.9	7,284.4	4,046.9	686.2	-260.3	22,543.4
Adjusted operating result (adjusted EBIT) ⁶	-19.3	-311.3	794.2	274.1	66.3	-82.9	721.1
in % of adjusted sales	-0.4	-5.6	10.9	6.8	9.7	–	3.2

With the application of IFRS 5, the external sales of Vitesco Technologies resulting from supply and service relationships between the Contract Manufacturing segment and Vitesco Technologies have been shown as external sales of the Contract Manufacturing segment due to the continuation of the supply and service relationships. The external sales of discontinued operations have been reduced by this amount.

¹ Excluding impairment on financial investments.

² Impairment also includes necessary reversal of impairment losses. Expenses from derecognitions of brand values are likewise included.

³ Capital expenditure on property, plant and equipment, and software.

⁴ Excluding trainees.

⁵ Before changes in the scope of consolidation.

⁶ Before amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation, and special effects.

**Reconciliation of sales to adjusted sales and of EBITDA to adjusted operating result (adjusted EBIT)
from January 1 to September 30, 2021**

€ millions	Autonomous Mobility and Safety	Vehicle Networking and Information	Tires	ContiTech	Contract Manufacturing	Other/ Holding/ Consolidation	Continental Group
Sales	5,536.6	5,923.1	8,607.7	4,447.5	692.8	-237.5	24,970.2
Changes in the scope of consolidation ¹	–	–	-0.1	–	–	–	-0.1
Adjusted sales	5,536.6	5,923.1	8,607.6	4,447.5	692.8	-237.5	24,970.1
EBITDA	305.7	253.7	1,971.7	541.1	177.0	-28.1	3,221.1
Depreciation and amortization ²	-388.1	-371.9	-608.8	-240.0	-52.4	-6.1	-1,667.3
EBIT	-82.4	-118.2	1,362.9	301.1	124.6	-34.2	1,553.8
Amortization of intangible assets from purchase price allocation (PPA)	0.8	48.6	13.1	54.6	–	–	117.1
Changes in the scope of consolidation ¹	–	–	0.1	–	–	–	0.1
Special effects							
Impairment on goodwill	–	–	–	–	–	–	–
Impairment ³	-2.8	0.8	0.1	–	10.4	0.1	8.6
Restructuring ⁴	-25.0	-26.1	-17.3	0.7	-39.6	–	-107.3
Restructuring-related expenses	22.6	11.6	–	3.3	0.4	–	37.9
Severance payments	29.3	13.1	18.1	11.3	1.6	0.7	74.1
Gains and losses from disposals of companies and business operations	–	-0.3	–	–	–	-69.6	-69.9
Other ⁵	46.3	11.4	–	–	–	4.0	61.7
Adjusted operating result (adjusted EBIT)	-11.2	-59.1	1,377.0	371.0	97.4	-99.0	1,676.1

¹ Changes in the scope of consolidation include additions and disposals as part of share and asset deals. Adjustments were made for additions in the reporting year and for disposals in the comparative period of the prior year.

² Excluding impairment on financial investments.

³ Impairment also includes necessary reversal of impairment losses. It does not include impairment that arose in connection with a restructuring and impairment on financial investments.

⁴ In addition to adjustments to restructuring measures, this includes impairment losses totaling €4.5 million (Tires €0.9 million; ContiTech €0.3 million; Contract Manufacturing €3.3 million).

⁵ Mainly includes expenses of €90.8 million in connection with the spin-off of parts of the Powertrain segment. It also includes expenses totaling €3.2 million in connection with preparations for the repatriation of the business from associate OSRAM CONTINENTAL GmbH, Munich, Germany, and income of €32.5 million from the reversal of provisions for capital commitments to this associate.

Reconciliation of sales to adjusted sales and of EBITDA to adjusted operating result (adjusted EBIT) from January 1 to September 30, 2020

€ millions	Autonomous Mobility and Safety	Vehicle Networking and Information	Tires	ContiTech	Contract Manufacturing	Other/Holding/Consolidation	Continental Group
Sales	5,326.2	5,653.1	7,284.4	4,054.3	686.2	-260.3	22,743.9
Changes in the scope of consolidation ¹	-64.9	-128.2	–	-7.4	–	–	-200.5
Adjusted sales	5,261.3	5,524.9	7,284.4	4,046.9	686.2	-260.3	22,543.4
EBITDA	213.8	-66.1	1,149.2	430.8	2.4	-74.8	1,655.3
Depreciation and amortization ²	-373.1	-1,094.1	-630.3	-277.7	-48.7	-11.0	-2,434.9
EBIT	-159.3	-1,160.2	518.9	153.1	-46.3	-85.8	-779.6
Amortization of intangible assets from purchase price allocation (PPA)	–	49.4	14.2	67.7	–	–	131.3
Changes in the scope of consolidation ¹	12.4	-13.4	–	0.2	–	–	-0.8
Special effects							
Impairment on goodwill	–	649.3	–	–	–	–	649.3
Impairment ³	-3.2	70.9	–	14.5	2.1	0.0	84.3
Restructuring ⁴	108.9	231.0	254.6	26.8	109.2	–	730.5
Restructuring-related expenses	7.0	1.4	–	0.3	–	–	8.7
Severance payments	5.4	7.2	6.3	9.2	1.3	0.2	29.6
Gains and losses from disposals of companies and business operations	0.0	-157.0	0.2	2.3	–	–	-154.5
Other ⁵	9.5	10.1	–	–	–	2.7	22.3
Adjusted operating result (adjusted EBIT)	-19.3	-311.3	794.2	274.1	66.3	-82.9	721.1

¹ Changes in the scope of consolidation include additions and disposals as part of share and asset deals. Adjustments were made for additions in the reporting year and for disposals in the comparative period of the prior year.

² Excluding impairment on financial investments.

³ Impairment also includes necessary reversal of impairment losses. It does not include impairment that arose in connection with a restructuring and impairment on financial investments. It does include expenses from derecognitions of brand values of €71.2 million in the Vehicle Networking and Information segment and of €14.5 million in the ContiTech segment.

⁴ In addition to adjustments to restructuring measures, this includes impairment losses totaling €1.3 million (Autonomous Mobility and Safety €0.2 million; ContiTech €1.1 million) and a reversal of impairment losses of €0.7 million in the Tires segment.

⁵ Includes expenses of €22.3 million in connection with the spin-off of parts of the Powertrain segment.

Reconciliation of sales and EBIT from continuing operations in accordance with the consolidated statement of income to sales and EBIT from continuing and discontinued operations

€ millions	January 1 to September 30	
	2021	2020
Sales from continuing operations in accordance with the consolidated statement of income	24,970.2	22,743.9
Plus sales from discontinued operations	4,432.6	4,083.8
Consolidated sales (continuing and discontinued operations)	29,402.8	26,827.7
EBIT from continuing operations in accordance with the consolidated statement of income	1,553.8	-779.6
Plus EBIT from discontinued operations	314.1	-286.6
Consolidated EBIT (continuing and discontinued operations)	1,867.9	-1,066.2

Hanover, October 22, 2021

Continental Aktiengesellschaft
The Executive Board

Financial Calendar

2021	
Annual Financial Press Conference	March 9
Analyst and Investor Conference Call	March 9
Annual Shareholders' Meeting	April 29
Quarterly Statement as at March 31, 2021	May 6
Half-Year Financial Report as at June 30, 2021	August 5
Quarterly Statement as at September 30, 2021	November 10

2022	
Annual Financial Press Conference	March 9
Analyst and Investor Conference Call	March 9
Annual Shareholders' Meeting	April 29
Quarterly Statement as at March 31, 2022	May 11
Half-Year Financial Report as at June 30, 2022	August 9
Quarterly Statement as at September 30, 2022	November 10

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