Press Release

Continental Raises Outlook After Good Third Quarter

- **Consolidated sales of €3.5 billion (Q3 2025: €3.9 billion, -1.5 percent organically)**
- **Adjusted EBIT of €514 million (Q3 2025: €482 million, +6.7 percent)**
- **Adjusted EBIT margin of 14.9 percent (Q3 2025: 13.9 percent)**
- **Net income (continuing and discontinued operations) of €349 million (Q3 2025: -€756 million)**
- **Adjusted free cash flow of €31 million (Q3 2025: €99 million, -69.0 percent)**
- **CEO Christian Kötz: "We delivered another very good quarter in the tire business. We have raised our outlook in line with these results and head into the challenging final stretch of the year in a strong position"**
- **CFO Roland Welzbacher: "Large, high-performance tires are a key driver of our business. However, higher raw-material prices are increasingly affecting our earnings and will impact us even more in the fourth quarter"**
- **Expansion of portfolio for ultra-high-performance tires**
- **Continental raises outlook (continuing operations) for 2026: adjusted EBIT margin of around 13.4 to 14.0 percent; adjusted free cash flow of around €1.0 billion to €1.3 billion; sales of around €13.5 billion to €13.9 billion**
- **Adjusted 2026 expectations for ContiTech (discontinued operations): sales of around €4.2 billion to €4.4 billion; adjusted EBIT margin of around 6.5 to 7.5 percent**

Hanover, Germany, November 4, 2026. Continental has raised its outlook for the adjusted EBIT margin and adjusted free cash flow for continuing operations after its tire business once again achieved very good results in the third quarter of 2026. This was primarily due to the strong earnings performance in Europe, where the tire manufacturer further improved on last year's good foundation. In Asia, Continental once again posted very good results. In North and South America, earnings were negatively impacted by weak replacement markets. Overall, higher sales of ultra-high-performance tires (UHP tires, 18 inches and above), slightly positive exchange-rate effects, lower tariff impacts and successful commercial measures taken in response to higher raw-material prices contributed to the positive performance. Weak automotive markets, however, weighed on the original-equipment business.

"We delivered another very good quarter in the tire business. We have raised our outlook in line with these results and head into the challenging final stretch of the year in a strong position. For the year as a whole, we now expect the earnings margin and free cash flow figures to exceed our initial projections," said Continental CEO Christian Kötz.

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As previously announced, from the third quarter onward Continental will report on the financial performance of its tire business at the level of the three Tires regions: EMEA (Europe, the Middle East and Africa), Americas (North and South America) and APAC (Asia-Pacific). In light of its planned sale, the ContiTech group sector has not been included in Continental's outlook for continuing operations since August 4, 2026.

Significantly improved profitability

In the past quarter, Continental achieved **consolidated sales** of €3.5 billion for continuing operations (Q3 2025: €3.9 billion). The decline in sales was mainly due to the sale of the Original Equipment Solutions (OESL) business area at the beginning of February 2026. Before exchange-rate effects and changes in the scope of consolidation, organic sales declined by 1.5 percent. Continental improved its **adjusted operating result** to €514 million (Q3 2025: €482 million, +6.7 percent). The **adjusted EBIT margin** increased to 14.9 percent compared with 13.9 percent in the prior-year quarter.

Net income for continuing and discontinued operations totaled €349 million in the third quarter (Q3 2025: -€756 million). In the same quarter of the previous year, special effects from the Aumovio spin-off and from the preparations for the OESL sale had a negative impact on net income. **Adjusted free cash flow** for continuing operations was €31 million (Q3 2025: €99 million, -69.0 percent).

"We once again increased our earnings year-on-year and remain highly profitable, particularly in Europe and Asia. By offering large, high-performance tires for SUVs and electric vehicles, we are catering to customers' demand. These tires are a key driver of our business. However, higher raw-material prices are increasingly affecting our earnings and will impact us even more in the fourth quarter," said Continental CFO Roland Welzbacher.

Global decline in automotive production

Global automotive production, which is key for the original-equipment market, declined by approximately 1.6 percent overall in the third quarter of 2026 compared with the prior-year quarter. While automotive production in Europe remained broadly in line with the previous year, it fell by 5 percent in North America and by 6 percent in China.

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Key figures for the Continental Group (continuing operations)

	January 1 to September 30			Third Quarter		
€ millions	**2026**	2025	Δ in %	**2026**	2025	Δ in %
Sales	10,137	11,442	-11.4	3,454	3,898	-11.4
Adjusted sales[1]	10,135	10,276	-1.4	3,454	3,457	-0.1
Adjusted operating result (adjusted EBIT)[2]	1,441	1,223	17.8	514	482	6.7
in % of adjusted sales	14.2	11.9		14.9	13.9	
Net income attributable to the shareholders of the parent	823	-182		349	-756	
Basic earnings per share in €	4.12	-0.91		1.75	-3.78	
Diluted earnings per share in €	4.12	-0.91		1.75	-3.78	
Capital expenditure[3]	594	758	-21.7	236	264	-10.4
in % of sales	5.9	6.6		6.8	6.8	
Adjusted free cash flow	336	-153		31	99	-69.0
Net indebtedness as at Sep. 30	5,538	6,054	-8.5			
(Pro forma) leverage ratio[4]	2.0[6]	2.2[5]				

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

1 Before changes in the scope of consolidation.
2 Before amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation, and special effects.
3 Capital expenditure on property, plant and equipment, and software.
4 Net indebtedness / EBITDA over the past 12 months.
5 Pro forma leverage ratio: EBITDA adjusted for the impact of -€680 million from divestments relating to the Aumovio spin-off.
6 Pro forma leverage ratio: EBITDA adjusted for valuation effects relating to the sale of Original Equipment Solutions (-€156 million).

Continental adjusts outlook

Due to the positive performance of its tire business, Continental has adjusted its outlook for fiscal 2026. The outlook for the discontinued operations of ContiTech has also been updated. Based on assumptions regarding business development as well as average exchange rates in the current year, Continental expects the following key figures.

For continuing operations:

For the **Continental Group**, the company expects to achieve sales in the range of around €13.5 billion to €13.9 billion (previously: €13.2 billion to €14.2 billion) and an adjusted EBIT margin of around 13.4 to 14.0 percent (previously: 12.0 to 13.5 percent).

For the **EMEA (Tires) region**, Continental expects sales to be around the previous year's level (2025: €7.4 billion) and the adjusted EBIT margin to be slightly higher year-on-year (2025: 16.7 percent).

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For the **Americas (Tires) region**, the company expects sales to be slightly lower year-on-year (2025: €4.5 billion) and the adjusted EBIT margin to be around the previous year's level (2025: 8.0 percent).

For the **APAC (Tires) region**, Continental expects sales (2025: €1.9 billion) and the adjusted EBIT margin (2025: 16.9 percent) to be slightly higher year-on-year.

The **capital expenditure ratio** is expected to be around 7.0 to 8.0 percent of sales.

Adjusted free cash flow is expected to be around €1.0 billion to €1.3 billion (previously: €0.7 billion to €1.1 billion).

For the discontinued operations of the ContiTech group sector:

For **ContiTech**, the company expect sales of around €4.2 billion to €4.4 billion (previously: €4.2 billion to €4.8 billion) and an adjusted EBIT margin of around 6.5 to 7.5 percent (previously: 7.0 to 8.5 percent), operationally and excluding the effects of IFRS 5.

EMEA region: earnings backbone of the tire business

In the third quarter, the **EMEA (Tires) region** achieved sales of €1.9 billion (Q3 2025: €1.9 billion, +0.4 percent). The adjusted EBIT margin was higher year-on-year at 18.7 percent (Q3 2025: 17.7 percent). This improvement was attributable to higher sales of UHP tires, particularly in the winter-tire business, as well as truck tires.

The EMEA region is Continental's earnings backbone. In fiscal 2025, it posted sales of €7.4 billion, representing more than half of total Tires sales of €13.8 billion. Despite a challenging market environment, its adjusted EBIT margin was 16.7 percent. Key strengths include a high share of the replacement-tire business for passenger cars and light commercial vehicles, a broad customer-focused brand portfolio, long-standing partnerships, strong ties with automotive manufacturers and distribution partners, and a high level of service. This enables Continental to deliver more than 95 percent of tire orders to dealers in Europe within 24 hours. Although the structural share of UHP tires is lower than in the Americas and APAC regions, EMEA remains highly profitable, demonstrating the strength of the business. Future growth opportunities lie in UHP tires and in supplying Chinese vehicle manufacturers entering the European market. In this respect, the EMEA region is well positioned.

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Americas region: growth potential for the tire business

The **Americas (Tires) region** recorded sales of €1.1 billion in the third quarter (Q3 2025: €1.2 billion, -5.0 percent). The adjusted EBIT margin was slightly higher year-on-year at 8.7 percent (Q3 2025: 8.5 percent). Performance in the Americas was affected by weak replacement markets. However, thanks to a higher share of UHP tires and lower tariff impacts, Continental increased its profitability despite the continued market weakness, particularly in South America.

With sales of €4.5 billion in fiscal 2025, the Americas region is Continental's second-largest region in its tire business and offers potential for growth. Continental holds a solid position in the premium segment (tires bearing the Continental brand), particularly for passenger-car tires. However, profitability continued to lag behind EMEA and APAC in 2025, with an adjusted EBIT margin of 8.0 percent. Factors weighing on performance included geopolitical developments, tariff-related uncertainties, exchange-rate effects, subdued demand and underutilization in the truck-tire business. Continental aims to return the region to double-digit margins by increasing the sales share of UHP and premium tires, improving its utilization of production capacity and strengthening its market position in the USA and Canada. New products will further enhance its presence in the 4x4 and light-truck tire segments.

APAC region: growth region for the tire business

In the **APAC (Tires) region**, sales increased in the third quarter to €476 million (Q3 2025: €454 million, +4.7 percent). The adjusted EBIT margin was 18.6 percent (Q3 2025: 19.0 percent). Sales growth was fueled by the strong original-equipment business with automotive manufacturers and positive exchange-rate effects. Sales of UHP tires were the main driver of the region's high overall profitability.

With sales of €1.9 billion in fiscal 2025, the APAC region is Continental's smallest but fastest-growing region in its tire business. With an adjusted EBIT margin of 16.9 percent, it was the most profitable of the three regions last year. Factors driving this include a premium-focused product mix in the passenger-car tire business, a strong brand and long-standing relationships with vehicle manufacturers and retailers.

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Asia-Pacific remains a growth region in which Continental plans to further expand its presence, particularly in China. The focus here is on close collaboration with established original-equipment customers and rapidly growing Chinese vehicle manufacturers, whose global expansion is opening up opportunities in other regions as well. Further potential exists in the Association of Southeast Asian Nations (ASEAN) countries, Japan and India. Continental is pursuing disciplined, selective growth focused on the attractive premium segment for UHP tires, where its technology, product quality, brand and local production form the foundation for growth and competitiveness.

Expansion of UHP tire portfolio

To support its continued profitable growth, Continental is further expanding its global portfolio of ultra-high-performance (UHP) tires measuring 18 inches and above. By the end of 2027, the company plans to add more than 650 new tire specifications for both original equipment and the replacement market. This expansion addresses the growing demand for tires designed for larger, heavier and more powerful vehicles, as well as electrified drive systems. The segment is becoming increasingly important, with UHP tires accounting for 62 percent of Continental brand passenger-car tire sales in 2025, up from 49 percent in 2020. In 2025, UHP tires represented 70 percent of passenger-car tire sales in the Asia-Pacific region and 66 percent in the Americas, compared with 43 percent in the EMEA region.

Quality is the key to success in the premium and UHP tire segments, and independent tire tests underscore the company's high level of product expertise in this area. At the start of the winter season, the WinterContact TS 870 ranked first among 16 products in ADAC's 2026 winter-tire test. The WinterContact TS 870 P won the sport auto winter-tire test with a rating of "outstanding," while in Scandinavia the VikingContact 8 was named test winner in the winter-tire tests conducted by Swedish automotive magazines Vi Bilägare and Teknikens Värld. The AllSeasonContact 2 all-season tire won both the auto motor und sport and AvD tests, each with a rating of "very good," and was rated "highly recommended" by Auto Zeitung. In the van-tire segment, the VanContact 4Season came out on top in promobil's all-season tire test.

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ContiTech: encouraging order intake in the trading business

The ContiTech group sector recorded sales of €1.1 billion in the third quarter (Q3 2025: €1.5 billion). The decline in sales was mainly due to the sale of the Original Equipment Solutions (OESL) business area at the beginning of February 2026. Before exchange-rate effects and changes in the scope of consolidation, sales fell by 1.7 percent. The adjusted EBIT margin amounted to 8.5 percent. Due to the planned sale of the ContiTech group sector, the accounting standard IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations) has been applied as required. Without the application of IFRS 5, the adjusted EBIT margin would have been 4.4 percent (Q3 2025: 8.5 percent). Sales and the earnings margin were impacted by weak demand, a slower-than-expected market recovery and higher raw-material costs. Implemented cost-cutting measures, operational improvements and commercial initiatives partially offset these negative effects. In addition, the recent increase in order intake, particularly in the trading business, is encouraging.

Continental is a leading tire manufacturer and industry specialist that develops and produces safe and convenient solutions for automotive manufacturers as well as industrial and end customers worldwide. Founded in 1871, the company generated sales of around €19.7 billion in 2025 and currently employs around 76,000 people in 54 countries and markets.

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