

Preliminary Consolidated Financial Statements 2020

The following results and amounts are preliminary statements that have not yet been approved or adopted by the Supervisory Board.

Continental Group

Continental Group in € millions	2020	2019	Δ in %
Sales	37,722.3	44,478.4	-15.2
EBITDA	3,033.8	4,977.2	-39.0
in % of sales	8.0	11.2	
EBIT	-718.1	-268.3	-167.6
in % of sales	-1.9	-0.6	
Net income attributable to the shareholders of the parent	-961.9	-1,225.0	21.5
Basic earnings per share in €	-4.81	-6.13	21.5
Diluted earnings per share in €	-4.81	-6.13	21.5
Research and development expenses (net)	3,381.8	3,364.2	0.5
in % of sales	9.0	7.6	
Depreciation and amortization ¹	3,751.9	5,245.5	-28.5
thereof impairment ²	876.8	2,509.9	-65.1
Operating assets as at December 31	20,471.0	23,991.0	-14.7
Operating assets (average)	22,536.6	26,178.5	-13.9
ROCE in %	-3.2	-1.0	
Capital expenditure ³	2,232.2	3,308.6	-32.5
in % of sales	5.9	7.4	
Number of employees as at December 31 ⁴	236,386	241,458	-2.1
Adjusted sales ⁵	37,573.9	44,214.2	-15.0
Adjusted operating result (adjusted EBIT) ⁶	1,332.7	3,225.5	-58.7
in % of adjusted sales	3.5	7.3	

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.

Development of the Group Sector: Automotive Technologies

Automotive Technologies in € millions	2020	2019	Δ in %
Sales	15,316.9	18,904.7	-19.0
EBITDA	498.3	1,727.7	-71.2
in % of sales	3.3	9.1	
EBIT	-1,440.6	-1,445.6	0.3
in % of sales	-9.4	-7.6	
Research and development expenses (net)	2,293.6	2,237.9	2.5
in % of sales	15.0	11.8	
Depreciation and amortization ¹	1,938.9	3,173.3	-38.9
thereof impairment ²	753.6	2,123.2	-64.5
Operating assets as at December 31	7,832.8	9,474.0	-17.3
Operating assets (average)	8,859.0	10,920.1	-18.9
ROCE in %	-16.3	-13.2	
Capital expenditure ³	979.3	1,404.3	-30.3
in % of sales	6.4	7.4	
Number of employees as at December 31 ⁴	95,551	96,551	-1.0
Adjusted sales ⁵	15,303.1	18,648.3	-17.9
Adjusted operating result (adjusted EBIT) ⁶	-280.2	1,115.3	-125.1
in % of adjusted sales	-1.8	6.0	

¹ Excluding impairment on financial investments.

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

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.

Development of the Group Sector: Rubber Technologies

Rubber Technologies in € millions	2020	2019	Δ in %
Sales	15,639.5	18,012.9	-13.2
EBITDA	2,493.6	3,168.2	-21.3
in % of sales	15.9	17.6	
EBIT	1,266.4	1,957.5	-35.3
in % of sales	8.1	10.9	
Research and development expenses (net)	417.7	462.2	-9.6
in % of sales	2.7	2.6	
Depreciation and amortization ¹	1,227.2	1,210.7	1.4
thereof impairment ²	36.9	34.8	6.0
Operating assets as at December 31	9,455.8	11,046.5	-14.4
Operating assets (average)	10,361.9	11,317.3	-8.4
ROCE in %	12.2	17.3	
Capital expenditure ³	715.0	1,187.9	-39.8
in % of sales	4.6	6.6	
Number of employees as at December 31 ⁴	100,327	102,685	-2.3
Adjusted sales ⁵	15,504.9	18,005.1	-13.9
Adjusted operating result (adjusted EBIT) ⁶	1,756.3	2,160.8	-18.7
in % of adjusted sales	11.3	12.0	

1 Excluding impairment on financial investments.

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

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

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5 Before changes in the scope of consolidation.

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Development of the Group Sector: Powertrain Technologies

Powertrain Technologies in € millions	2020	2019	Δ in %
Sales	6,967.7	7,802.3	-10.7
EBITDA	122.5	192.5	-36.4
in % of sales	1.8	2.5	
EBIT	-450.8	-662.1	31.9
in % of sales	-6.5	-8.5	
Research and development expenses (net)	670.5	664.1	1.0
in % of sales	9.6	8.5	
Depreciation and amortization ¹	573.3	854.6	-32.9
thereof impairment ²	86.3	351.9	-75.5
Operating assets as at December 31	2,995.9	3,347.3	-10.5
Operating assets (average)	3,191.5	3,906.3	-18.3
ROCE in %	-14.1	-16.9	
Capital expenditure ³	466.0	657.7	-29.1
in % of sales	6.7	8.4	
Number of employees as at December 31 ⁴	40,102	41,744	-3.9
Adjusted sales ⁵	6,967.7	7,802.3	-10.7
Adjusted operating result (adjusted EBIT) ⁶	-55.6	57.0	-197.5
in % of adjusted sales	-0.8	0.7	

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.

EBITDA

EBITDA	€ millions		in % of sales	
	2020	2019	2020	2019
Autonomous Mobility and Safety	472.9	1,145.3	6.3	12.2
Vehicle Networking and Information	26.2	582.4	0.3	6.1
Tires	1,864.9	2,497.7	18.4	21.3
ContiTech	628.7	670.5	11.3	10.5
Powertrain	122.5	192.5	1.8	2.5
Other/holding/consolidation	-81.4	-111.2		
Continental Group	3,033.8	4,977.2	8.0	11.2

EBIT

EBIT	€ millions		in % of sales	
	2020	2019	2020	2019
Autonomous Mobility and Safety	-97.7	-120.3	-1.3	-1.3
Vehicle Networking and Information	-1,342.5	-1,325.3	-17.1	-13.8
Tires	1,012.3	1,651.6	10.0	14.1
ContiTech	254.1	305.9	4.6	4.8
Powertrain	-450.8	-662.1	-6.5	-8.5
Other/holding/consolidation	-93.5	-118.1		
Continental Group	-718.1	-268.3	-1.9	-0.6

Adjusted EBIT¹

Adjusted operating result (adjusted EBIT) ¹	€ millions		% of adjusted sales ²	
	2020	2019	2020	2019
Autonomous Mobility and Safety	94.9	672.9	1.3	7.4
Vehicle Networking and Information	-374.7	442.4	-4.8	4.6
Tires	1,344.1	1,705.4	13.2	14.5
ContiTech	412.2	455.4	7.6	7.1
Powertrain	-55.6	57.0	-0.8	0.7
Other/holding/consolidation	-88.2	-107.6		
Continental Group	1,332.7	3,225.5	3.5	7.3

¹ Before amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation, and special effects.

² Before changes in the scope of consolidation.

Key Figures of the Continental Share¹

€ (unless otherwise specified)	2020	2019
Basic earnings per share	-4.81	-6.13
Diluted earnings per share	-4.81	-6.13
Dividend per share	— ²	3.00
Dividend payout ratio (%)	n. a.	n. a.
Dividend yield ³ (%)	0.0 ²	2.4
Annual average price-earnings ratio (P/E ratio) ⁴	n. a.	n. a.
Share price at year end	121.25	115.26
Annual average share price	93.36	127.58
Share price at year high	126.50	157.40
Share price at year low	51.45	103.62
Number of outstanding shares, average (in millions)	200.0	200.0
Number of outstanding shares as at December 31 (in millions)	200.0	200.0

¹ All market prices are quotations of the Continental share in the Xetra system of Deutsche Börse AG.

² Subject to the approval of the Annual Shareholders' Meeting on April 29, 2021.

³ Dividend per share at the annual average share price.

⁴ Net income (per share) attributable to the shareholders of the parent at the average rate for the year.

Consolidated Statement of Income

€ millions	2020	2019
Sales	37,722.3	44,478.4
Cost of sales	-29,133.6	-33,893.4
Gross margin on sales	8,588.7	10,585.0
Research and development expenses	-4,330.6	-4,471.8
Selling and logistics expenses	-2,417.3	-2,718.9
Administrative expenses	-1,156.9	-1,110.2
Other income	1,711.2	1,774.6
Other expenses	-3,045.3	-4,203.2
Income from equity-accounted investees	-68.5	-124.3
Other income from investments	0.6	0.5
EBIT	-718.1	-268.3
Interest income	98.5	147.2
Interest expense	-282.2	-317.3
Effects from currency translation	-97.4	-30.5
Effects from changes in the fair value of derivative instruments, and other valuation effects	69.1	-119.7
Financial result	-212.0	-320.3
Earnings before tax	-930.1	-588.6
Income tax expense	11.3	-582.4
Net income	-918.8	-1,171.0
Non-controlling interests	-43.1	-54.0
Net income attributable to the shareholders of the parent	-961.9	-1,225.0
Basic earnings per share in €	-4.81	-6.13
Diluted earnings per share in €	-4.81	-6.13

Consolidated Statement of Financial Position

Assets

€ millions	December 31, 2020	December 31, 2019
Goodwill	4,361.6	5,113.5
Other intangible assets	1,346.9	1,691.8
Property, plant and equipment	13,760.6	14,932.7
Investment property	12.2	11.7
Investments in equity-accounted investees	351.3	397.7
Other investments	123.4	197.6
Deferred tax assets	2,751.4	2,174.4
Defined benefit assets	82.7	7.8
Long-term contract assets	–	0.1
Long-term derivative instruments and interest-bearing investments	142.6	54.0
Long-term other financial assets	161.0	114.6
Long-term other assets	24.2	28.6
Non-current assets	23,117.9	24,724.5
Inventories	4,238.2	4,694.4
Trade accounts receivable	7,353.2	7,711.6
Short-term contract assets	119.1	89.1
Short-term other financial assets	146.8	118.5
Short-term other assets	1,352.5	1,406.7
Income tax receivables	234.8	240.5
Short-term derivative instruments and interest-bearing investments	114.0	151.5
Cash and cash equivalents	2,938.7	3,341.8
Assets held for sale	22.8	89.6
Current assets	16,520.1	17,843.7
Total assets	39,638.0	42,568.2

Equity and liabilities

€ millions	December 31, 2020	December 31, 2019
Subscribed capital	512.0	512.0
Capital reserves	4,155.6	4,155.6
Retained earnings	11,960.2	13,522.1
Other comprehensive income	-4,365.4	-2,794.4
Equity attributable to the shareholders of the parent	12,262.4	15,395.3
Non-controlling interests	376.7	480.4
Total equity	12,639.1	15,875.7
Long-term employee benefits	6,109.9	5,406.3
Deferred tax liabilities	168.6	305.4
Long-term provisions for other risks and obligations	1,242.6	666.1
Long-term indebtedness	5,144.4	3,375.2
Long-term other financial liabilities	6.7	31.7
Long-term contract liabilities	7.0	16.7
Long-term other liabilities	63.9	20.0
Non-current liabilities	12,743.1	9,821.4
Short-term employee benefits	1,236.5	1,368.7
Trade accounts payable	5,933.1	7,111.0
Short-term contract liabilities	291.0	234.9
Income tax payables	790.1	938.6
Short-term provisions for other risks and obligations	1,725.4	1,261.6
Short-term indebtedness	2,190.0	4,243.8
Short-term other financial liabilities	1,287.9	1,046.3
Short-term other liabilities	801.8	666.2
Current liabilities	14,255.8	16,871.1
Total equity and liabilities	39,638.0	42,568.2

Consolidated Statement of Cash Flows

€ millions	2020	2019
Net income	-918.8	-1,171.0
Income tax expense	-11.3	582.4
Financial result	212.0	320.3
EBIT	-718.1	-268.3
Interest paid	-169.4	-157.9
Interest received	32.8	75.0
Income tax paid	-885.5	-866.0
Dividends received	31.3	67.3
Depreciation, amortization, impairment and reversal of impairment losses	3,751.9	5,245.5
Income from equity-accounted investees and other investments, incl. impairment and reversal of impairment losses	22.9	123.8
Gains/losses from the disposal of assets, companies and business operations	-187.7	-15.5
Changes in		
inventories	205.6	-49.1
trade accounts receivable	140.2	337.8
trade accounts payable	-925.0	-544.7
employee benefits and other provisions	1,121.5	658.3
other assets and liabilities	293.5	-191.8
Cash flow arising from operating activities	2,714.0	4,414.4
Cash flow from the disposal of assets	57.6	53.9
Capital expenditure on property, plant and equipment, and software	-1,942.4	-2,977.5
Capital expenditure on intangible assets from development projects and miscellaneous	-183.7	-242.8
Cash flow from the disposal of companies and business operations	304.3	1.3
Acquisition of companies and business operations	-71.1	-487.6
Cash flow arising from investing activities	-1,835.3	-3,652.7
Cash flow before financing activities (free cash flow)	878.7	761.7
Net change in short-term indebtedness	-2,557.7	-1,049.5
Net change in long-term indebtedness	2,160.7	1,907.5
Other cash changes	81.9	-24.9
Successive purchases	-172.8	-71.0
Dividends paid	-600.0	-950.0
Dividends paid to and cash changes from equity transactions with non-controlling interests	-52.7	-32.5
Cash and cash equivalents arising from the first-time consolidation of subsidiaries	-	0.4
Cash flow arising from financing activities	-1,140.6	-220.0
Change in cash and cash equivalents	-261.9	541.7
Cash and cash equivalents as at January 1	3,341.8	2,761.4
Effect of exchange-rate changes on cash and cash equivalents	-141.2	38.7
Cash and cash equivalents as at December 31	2,938.7	3,341.8

Segment Reporting

Segment report by business area for 2020

€ millions	Autonomous Mobility and Safety	Vehicle Networking and Information	Tires	ContiTech	Powertrain	Other/ Holding/ Consolidation	Continental Group
External sales	7,490.6	7,818.6	10,093.7	5,513.3	6,806.1	–	37,722.3
Intercompany sales	38.6	37.5	64.9	65.3	161.6	-367.9	–
Sales (total)	7,529.2	7,856.1	10,158.6	5,578.6	6,967.7	-367.9	37,722.3
EBIT (segment result)	-97.7	-1,342.5	1,012.3	254.1	-450.8	-93.5	-718.1
in % of sales	-1.3	-17.1	10.0	4.6	-6.5	–	-1.9
thereof income from equity-accounted investees	5.3	-38.4	-1.5	0.4	-34.9	0.6	-68.5
Capital expenditure ¹	498.7	480.6	535.5	179.6	466.0	71.8	2,232.2
in % of sales	6.6	6.1	5.3	3.2	6.7	–	5.9
Depreciation and amortization ²	570.6	1,368.7	852.6	374.6	573.3	12.1	3,751.9
thereof impairment ³	9.5	744.1	11.8	25.1	86.3	0.0	876.8
Internally generated intangible assets	20.0	75.0	0.0	0.0	35.4	–	130.4
Significant non-cash expenses/income	-18.2	-30.9	-24.0	-23.2	-90.1	6.3	-180.1
Segment assets	7,145.8	6,395.1	8,906.7	4,251.7	5,675.7	206.4	32,581.4
thereof investments in equity-accounted investees	124.5	57.6	94.1	20.0	46.1	9.0	351.3
Segment liabilities	2,745.7	2,959.6	2,504.4	1,198.2	2,679.8	22.7	12,110.4
Operating assets as at December 31	4,400.1	3,435.5	6,402.3	3,053.5	2,995.9	183.7	20,471.0
Operating assets (average)	4,658.8	4,203.4	7,080.7	3,281.2	3,191.5	121.0	22,536.6
ROCE in %	-2.1	-31.9	14.3	7.7	-14.1	–	-3.2
Number of employees as at December 31 ⁴	47,762	47,789	56,864	43,463	40,102	406	236,386
Adjusted sales ⁵	7,529.2	7,842.3	10,154.4	5,448.2	6,967.7	-367.9	37,573.9
Adjusted operating result (adjusted EBIT) ⁶	94.9	-374.7	1,344.1	412.2	-55.6	-88.2	1,332.7
in % of adjusted sales	1.3	-4.8	13.2	7.6	-0.8	–	3.5

¹ Capital expenditure on property, plant and equipment, and software.

² Excluding impairment on financial investments.

³ Impairment also includes necessary reversal of impairment losses. Expenses from derecognitions of brand values are likewise included.

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 by business area for 2019

€ millions	Autonomous Mobility and Safety	Vehicle Networking and Information	Tires	ContiTech	Powertrain	Other/ Holding/ Consolidation	Continental Group
External sales	9,348.2	9,540.6	11,671.3	6,303.4	7,614.9	–	44,478.4
Intercompany sales	33.4	54.9	56.7	98.1	187.4	-430.5	–
Sales (total)	9,381.6	9,595.5	11,728.0	6,401.5	7,802.3	-430.5	44,478.4
EBIT (segment result)	-120.3	-1,325.3	1,651.6	305.9	-662.1	-118.1	-268.3
in % of sales	-1.3	-13.8	14.1	4.8	-8.5	–	-0.6
thereof income from equity-accounted investees	9.6	-147.0	6.2	0.5	6.7	-0.3	-124.3
Capital expenditure ¹	720.6	683.7	926.2	261.7	657.7	58.7	3,308.6
in % of sales	7.7	7.1	7.9	4.1	8.4	–	7.4
Depreciation and amortization ²	1,265.6	1,907.7	846.1	364.6	854.6	6.9	5,245.5
thereof impairment ³	750.0	1,373.2	22.5	12.3	351.9	–	2,509.9
Internally generated intangible assets	2.0	130.5	0.0	0.0	67.9	–	200.4
Significant non-cash expenses/income	-0.1	-179.4	-16.4	-21.9	-40.3	6.5	-251.6
Segment assets	7,379.2	7,521.6	10,073.9	4,776.8	6,063.6	162.0	35,977.1
thereof investments in equity-accounted investees	128.5	63.4	109.2	19.9	68.4	8.3	397.7
Segment liabilities	2,662.4	2,764.4	2,518.7	1,285.5	2,716.3	38.8	11,986.1
Operating assets as at December 31	4,716.8	4,757.2	7,555.2	3,491.3	3,347.3	123.2	23,991.0
Operating assets (average)	5,159.9	5,760.2	7,797.5	3,519.8	3,906.3	34.8	26,178.5
ROCE in %	-2.3	-23.0	21.2	8.7	-16.9	–	-1.0
Number of employees as at December 31 ⁴	48,434	48,117	56,884	45,801	41,744	478	241,458
Adjusted sales ⁵	9,126.8	9,593.9	11,728.0	6,393.7	7,802.3	-430.5	44,214.2
Adjusted operating result (adjusted EBIT) ⁶	672.9	442.4	1,705.4	455.4	57.0	-107.6	3,225.5
in % of adjusted sales	7.4	4.6	14.5	7.1	0.7	–	7.3

¹ Capital expenditure on property, plant and equipment, and software.

² Excluding impairment on financial investments.

³ Impairment also includes necessary reversal of impairment losses.

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 EBIT to Net Income

€ millions	2020	2019	Δ in %
Autonomous Mobility and Safety	-97.7	-120.3	18.8
Vehicle Networking and Information	-1,342.5	-1,325.3	-1.3
Tires	1,012.3	1,651.6	-38.7
ContiTech	254.1	305.9	-16.9
Powertrain	-450.8	-662.1	31.9
Other/holding/consolidation	-93.5	-118.1	
EBIT	-718.1	-268.3	-167.6
Financial result	-212.0	-320.3	33.8
Earnings before tax	-930.1	-588.6	-58.0
Income tax expense	11.3	-582.4	101.9
Net income	-918.8	-1,171.0	21.5
Non-controlling interests	-43.1	-54.0	20.2
Net income attributable to the shareholders of the parent	-961.9	-1,225.0	21.5
Basic earnings per share in €	-4.81	-6.13	21.5
Diluted earnings per share in €	-4.81	-6.13	21.5

Continental AG

€ millions	2020	2019
Net income	782.9	5,047.5
Accumulated profits brought forward from the previous year	5,256.0	808.5
Retained earnings	6,038.9	5,856.0

The Supervisory Board and Executive Board will propose a suspension of the dividend for fiscal 2020 to the Annual Shareholders' Meeting on April 29, 2021.

Financial Calendar

2021	
Annual Financial Press Conference	March 9
Analyst and Investor Conference Call	March 9
Annual Shareholders' Meeting (including key figures for the first quarter of 2021)	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
Analyst and Investor Conference Call	March
Annual Shareholders' Meeting (including key figures for the first quarter of 2022)	April 29
Quarterly Statement as at March 31, 2022	May
Half-Year Financial Report as at June 30, 2022	August
Quarterly Statement as at September 30, 2022	November

Continental Aktiengesellschaft
P.O. Box 1 69, 30001 Hanover, Germany
Vahrenwalder Strasse 9, 30165 Hanover, Germany
Phone: +49 511 938-01, Fax: +49 511 938-81770
mailservice@conti.de
www.continental.com