Press Release

Continental Enters Final Phase of Realignment with Strong Second Quarter

- **Consolidated sales of €4.4 billion (Q2 2025: €4.9 billion, organic growth: -0.3 percent)**
- **Adjusted EBIT of €570 million (Q2 2025: €422 million, +35.1 percent)**
- **Adjusted EBIT margin of 12.9 percent (Q2 2025: 9.6 percent)**
- **Net income of €274 million (Q2 2025: €506 million, -45.9 percent, mainly due to the spin-off of Aumovio)**
- **Adjusted free cash flow of €216 million (Q2 2025: -€46 million)**
- **Sale of ContiTech marks final step in realignment**
- **CEO Christian Kötz: "We continued our positive momentum. Now, we are in the final phase of our realignment as a pure-play tire manufacturer"**
- **CFO Roland Welzbacher: "We significantly increased our profitability and free cash flow. The main drivers for Tires were a higher share of tires measuring 18 inches and above, lower impacts from exchange rates and tariffs, and positive effects from raw-material prices"**
- **Outlook for Continental Group excludes ContiTech due to planned sale**

Hanover, Germany, August 4, 2026. Continental continued its positive momentum in the second quarter of 2026. The Tires group sector achieved good results with an adjusted EBIT margin exceeding the guidance for the current fiscal year. As expected, ContiTech ended the quarter with a solid performance. Adjusted free cash flow was also significantly higher than in the previous year. These improvements were driven primarily by a higher share of tires measuring 18 inches and above, continued positive effects from raw-material prices, lower impacts from exchange rates and tariffs as well as strict cost discipline. This was tempered, however, by a persistently weak global market environment, with replacement-tire markets in North America and global automotive production both declining in the second quarter. Sales performance was affected, in particular, by 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 were roughly in line with the previous year.

Continental also reached another important milestone in its strategic realignment: in early July, the DAX-listed company signed an agreement to sell its ContiTech group sector to Lone Star Funds. As a result, ContiTech will be reported as a discontinued operation going forward and will no longer be included in the consolidated outlook.

Your contact:
Marc Siedler, phone: +49 511 938-1278

“We continued our positive momentum. In the Tires group sector, we achieved a good earnings margin in the second quarter, exceeding our outlook for 2026. This puts us on track to meet our expectations for the year. In early July, we also signed an agreement to sell ContiTech. Now, we are in the final phase of our realignment as a pure-play tire manufacturer,” said Continental CEO Christian Kötz.

Significantly improved profitability

In the past quarter, Continental achieved **consolidated sales** of €4.4 billion (Q2 2025: €4.9 billion, -9.1 percent). This 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 0.3 percent. Continental increased its **adjusted operating result** to €570 million (Q2 2025: €422 million, +35.1 percent) and its **adjusted EBIT margin** to 12.9 percent (Q2 2025: 9.6 percent).

Net income in the second quarter amounted to €274 million (Q2 2025: €506 million, -45.9 percent). This decline was mainly attributable to the spin-off of Aumovio. **Adjusted free cash flow** rose to €216 million (Q2 2025: -€46 million).

“We significantly increased our profitability and free cash flow. The main drivers for Tires were a higher share of tires measuring 18 inches and above, lower impacts from exchange rates and tariffs, and positive effects from raw-material prices. For the second half of the year, however, we expect raw-material costs to increase substantially and have already taken steps to address this,” said Continental CFO Roland Welzbacher.

Subdued economic environment

Continental’s key markets continued to be affected by subdued global economic activity in the second quarter of 2026. While the European replacement-tire market for passenger cars and light commercial vehicles increased by 3 percent due to imports, the North American market declined by 1 percent. Global automotive production was also down approximately 1.0 percent year-on-year.

Your contact:
Marc Siedler, phone: +49 511 938-1278

Key figures for the Continental Group

	January 1 to June 30			Second Quarter		
€ millions	**2026**	2025	Δ in %	**2026**	2025	Δ in %
Sales	8,809	9,761	-9.7	4,413	4,856	-9.1
Adjusted sales[1]	8,808	9,036	-2.5	4,413	4,418	-0.1
Adjusted operating result (adjusted EBIT)[2]	1,093	914	+19.5	570	422	+35.1
in % of adjusted sales	12.4	10.1		12.9	9.6	
Net income attributable to the shareholders of the parent	474	574	-17.3	274	506	-45.9
Basic earnings per share in €	2.37	2.87	-17.3	1.37	2.53	-45.9
Diluted earnings per share in €	2.37	2.87	-17.3	1.37	2.53	-45.9
Capital expenditure[3]	437	585	-25.3	229	353	-35.3
in % of sales	5.0	6.0		5.2	7.3	
Adjusted free cash flow	251	-261		216	-46	
Net indebtedness as at June 30	5,514	6,316	-12.7			
(Pro forma) leverage ratio[4]	2.0	2.1				

The table shows the figures for the Continental Group's continuing operations and the discontinued operations of the ContiTech group sector in the reporting and comparative periods. Only net income attributable to the shareholders and the corresponding figures for earnings per share also include the discontinued operations of the former Automotive and Contract Manufacturing group sectors.

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 and valuation effects relating to the sale of Original Equipment Solutions (-€156 million).

Outlook: Continental Group guidance excludes ContiTech

Following the signing of the agreement to sell ContiTech, Continental's outlook at the group sector level now only includes its tire business. The consolidated outlook has been adjusted accordingly. ContiTech is reported separately as a discontinued operation. The forecasts for sales and adjusted EBIT margin for the Tires and ContiTech group sectors remain unchanged.

Based on assumptions regarding business development as well as average exchange rates in the first half of the year, Continental expects the following key figures.

For continuing operations:

For the **Continental Group** as a whole, Continental expects sales in the range of around €13.2 billion to €14.2 billion and an adjusted EBIT margin of around 12.0 to 13.5 percent.

For the **Tires** group sector, Continental forecasts sales of around €13.2 billion to €14.2 billion and an adjusted EBIT margin of around 13.0 to 14.5 percent.

Your contact:
Marc Siedler, phone: +49 511 938-1278

Capital expenditure before financial investments is forecast to be around 7.0 to 8.0 percent of sales.

Adjusted free cash flow is expected to be around €0.7 billion to €1.1 billion.

For the discontinued operations of the **ContiTech** group sector, Continental expects sales of around €4.2 billion to €4.8 billion and an adjusted EBIT margin of around 7.0 to 8.5 percent, operationally and excluding the effects of IFRS 5.

Tires: earnings margin above full-year guidance

In the second quarter, the Tires group sector achieved sales of €3.3 billion (Q2 2025: €3.3 billion, -0.2 percent). Before exchange-rate effects and changes in the scope of consolidation, its organic sales increased by 0.3 percent. The adjusted EBIT margin was 15.3 percent, significantly exceeding the figure for the prior-year quarter (Q2 2025: 12.1 percent). This improvement was driven primarily by a higher share of tires measuring 18 inches and above, positive effects from raw-material prices, and lower impacts from exchange rates and tariffs.

In the bicycle segment, Continental once again demonstrated its technological expertise and close ties to elite sports. At this year's Tour de France, six teams – making up more than a quarter of the peloton – competed on road bike tires manufactured at its Korbach plant in Germany. More than 1,000 Continental tires were used throughout the race. This year's Tour de France winner, Tadej Pogačar, also completed the more than 3,000-kilometer event on Continental tires. The tires used are identical to those available to consumers through specialist retailers.

In Korbach, Continental is also investing in its first company-owned wind farm. Together with existing photovoltaic systems, three wind turbines will cover around two-thirds of the tire plant's electricity demand. The turbines are expected to generate around 55 gigawatt-hours of electricity per year. Continental plans to invest a mid-double-digit million-euro amount in the project. Through this initiative, the company is boosting local energy supply, ensuring more predictable energy costs and reducing its exposure to volatile energy markets.

Your contact:
Marc Siedler, phone: +49 511 938-1278

Continental is also strengthening its North American distribution network with the construction of a new highly automated finished-goods warehouse in Mount Vernon, Illinois. The company plans to invest approximately $76 million in the project. The warehouse is scheduled to go into operation in 2027 and will have capacity for around 500,000 passenger-car tires. With this move, Continental aims to serve customers with greater speed, improve customer support and further modernize logistics at the company's largest tire plant in the United States.

In Rayong, Thailand, the company has started manufacturing radial motorcycle tires and is expanding its annual production capacity by around 3 million tires for passenger cars and light commercial vehicles. The investment amounts to more than €300 million. At the Rayong plant, Continental also employs state-of-the-art manufacturing technology and a particularly high level of automation.

ContiTech: solid second quarter

Despite a persistently weak market environment, ContiTech achieved solid results, with sales of €1.1 billion (Q2 2025: €1.6 billion, -29.5 percent). This decline 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 declined by 3.7 percent. The adjusted EBIT margin was 6.9 percent (Q2 2025: 8.0 percent). Sales and the earnings margin were impacted by the slower-than-expected market recovery. In addition, orders from certain high-margin segments will not contribute to sales and earnings figures until the second half of the year. The implemented cost-cutting and operational improvement measures only partially offset these negative effects.

With the sale of ContiTech to Lone Star Funds, Continental reached another important milestone in its strategic realignment. The closing of the transaction remains subject to regulatory approval, including by the relevant antitrust authorities, as well as other market-standard closing conditions. The transaction could still be completed by the turn of the year.

Continental is a leading tire manufacturer and industry specialist that develops and produces sustainable, 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.

Your contact:
Marc Siedler, phone: +49 511 938-1278

Press contact

Marc Siedler
Spokesman, Business & Finance
Continental
Phone: +49 511 938-1278
Cell: +49 151 24506041
E-mail: marc.siedler@conti.de

Henry Schniewind
Head of External Communications
Continental
Phone: +49 511 938-21810
Cell: +49 151 68864262
E-mail: henry.schniewind@conti.de

Press portal: www.continental-press.com
Media center: www.continental.com/media-center