



# Investor Presentation April 2020 (Fact Book 2019)

[www.continental.com](http://www.continental.com)

Investor Relations

# Agenda

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# 1 | Continental at a Glance

One of the World's Leading Technology Companies for Mobility



**€44.5** billion

**2019 sales**

- › Continental develops pioneering **technologies and services** for sustainable and connected **mobility of people and their goods**.
- › We offer safe, efficient, intelligent, and affordable solutions for vehicles, machines, traffic and transportation.
- › Continental was founded in 1871 and is headquartered in Hanover, Germany.



**241,458**

employees

(December 31, 2019)



**595** Locations

in 59 countries

and markets

(December 31, 2019)

**2019 sales by group**



# 1 | Continental at a Glance

## Founded in 1871, Expanding into Automotive Electronics Since 1998

Continental-Caoutchouc- and Gutta-Percha Compagnie is founded in Hanover, Germany.

Acquisition of a US company's Automotive Brake & Chassis unit, the core of which is **Alfred Teves GmbH** in Frankfurt.

Continental reinforces its activities by acquiring **Temic**, the international electronics specialist.

Continental expands its activities in telematics and other fields by acquiring the **automotive electronics business from Motorola**.

Continental acquires **Siemens VDO Automotive AG** and advances to among the top five suppliers in the automotive industry worldwide.

Continental expands software and systems expertise through the acquisition of **Elektrobit**.

Continental expands its cyber security expertise through the acquisition of **Argus Cyber Security**.

Continental expands its expertise in vehicle antennas by acquiring **Kathrein Automotive GmbH**.

1871 1929 1987 1998 2001 2004 2006 2007 2015 2017 2018

Acquiring **General Tire** and changing the name to **Continental Aktiengesellschaft**.

Merger with major companies of the German rubber industry to form **Continental Gummi-Werke AG**.

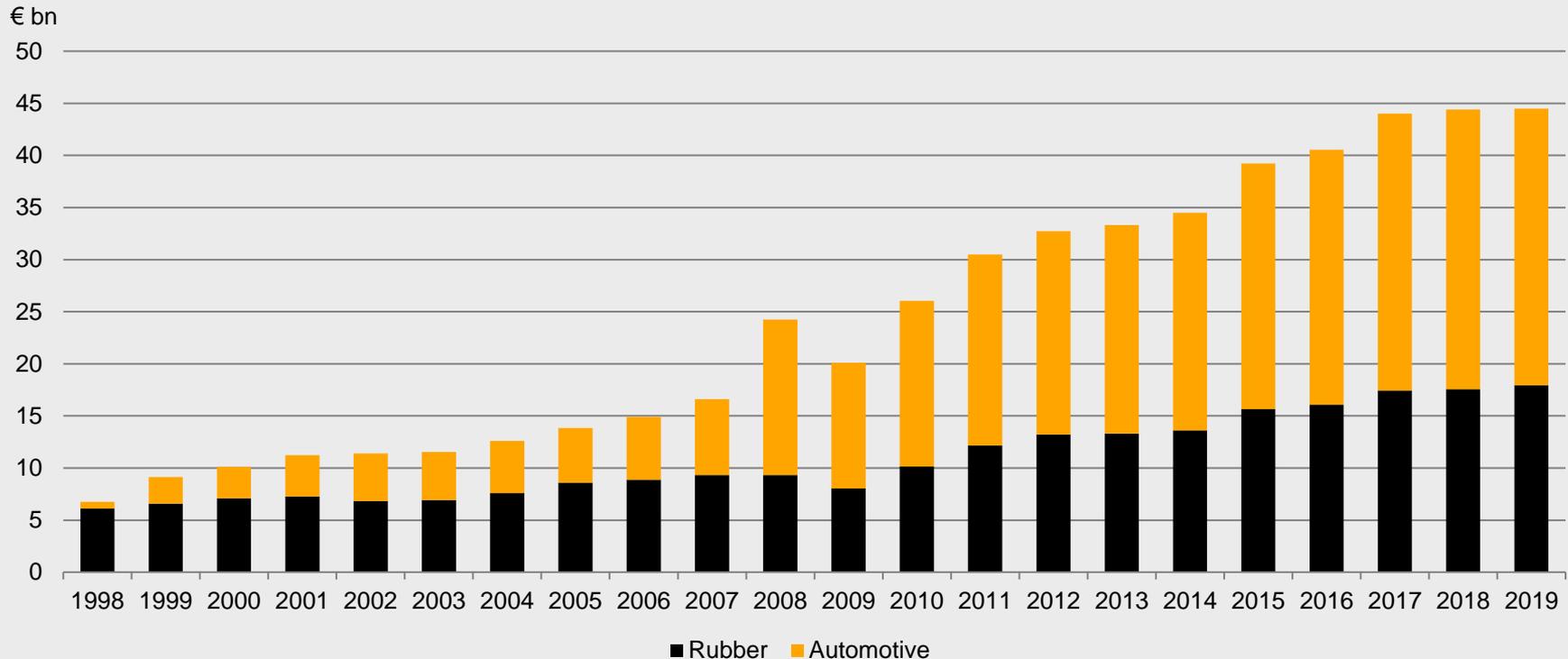
Acquiring **Phoenix** further specializes ContiTech in the field of rubber and plastics technology.

Continental strengthens its position in rubber and plastic technology by acquiring **Veyance Technologies**.

Continental reinforces ContiTech by acquiring **Hornschuch**.

# 1 | Continental at a Glance

## Strong Sales Expansion Due to Acquisitions and Organic Growth

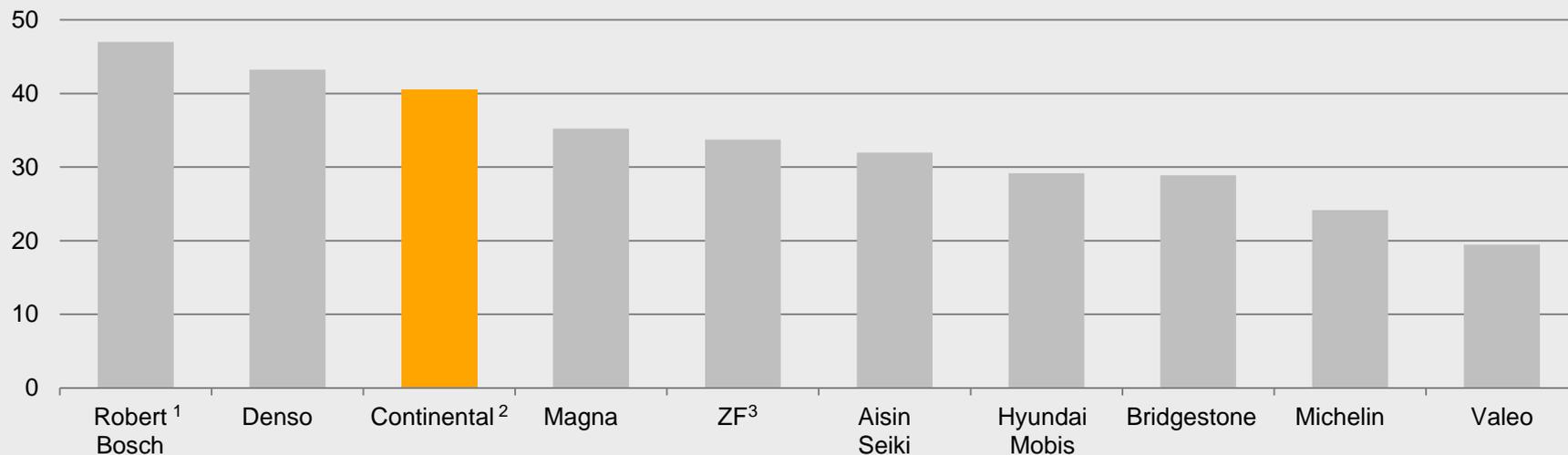


Sales as reported for the single fiscal year.

# 1 | Continental at a Glance

## Continental is No. 3 in Worldwide Supplier Ranking

Top 10 global automotive parts suppliers – 2019 sales (€ bn)



<sup>1</sup> Robert Bosch only includes Mobility Solutions division.

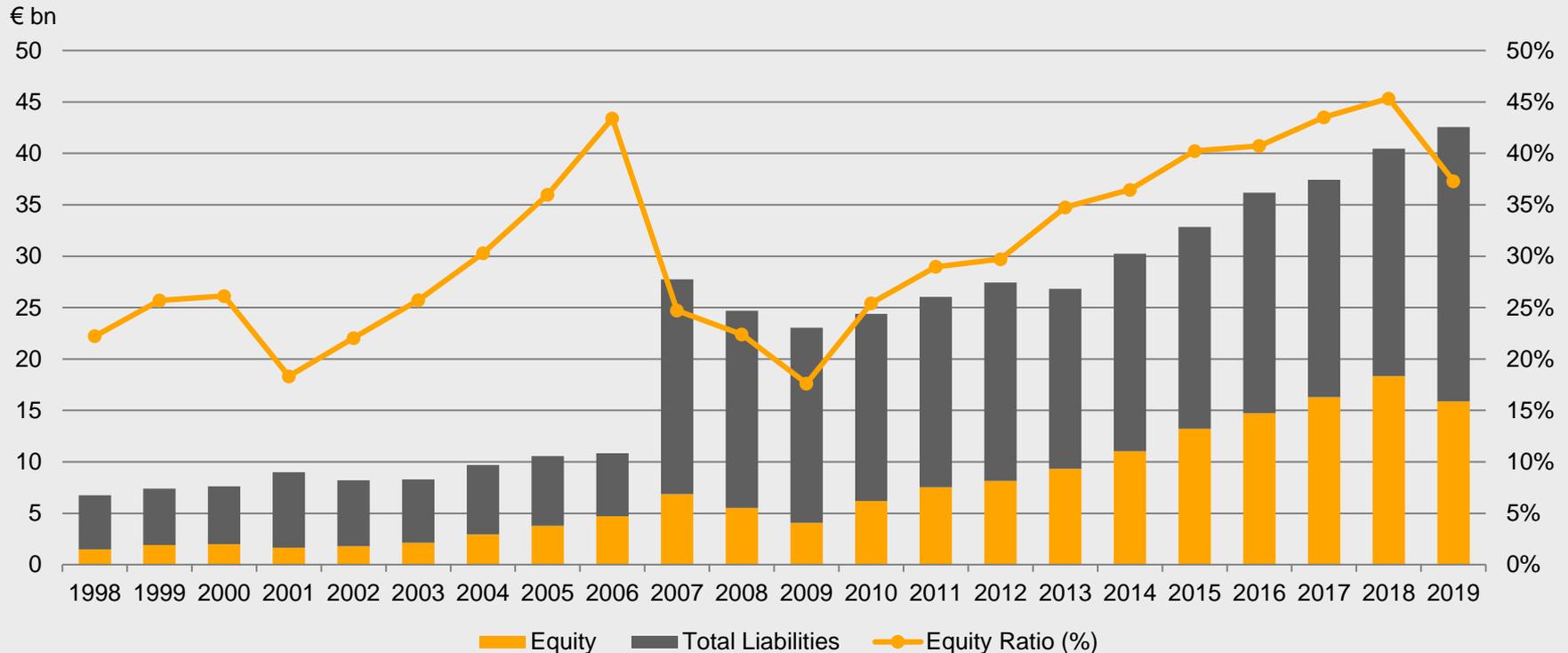
<sup>2</sup> Continental not including ContiTech industrial business and other non-OE automotive business.

<sup>3</sup> ZF excluding Industrial Technology business.

Sources: Company filings and estimates calendarized to December year-end. Based on average currency exchange rates 2019.

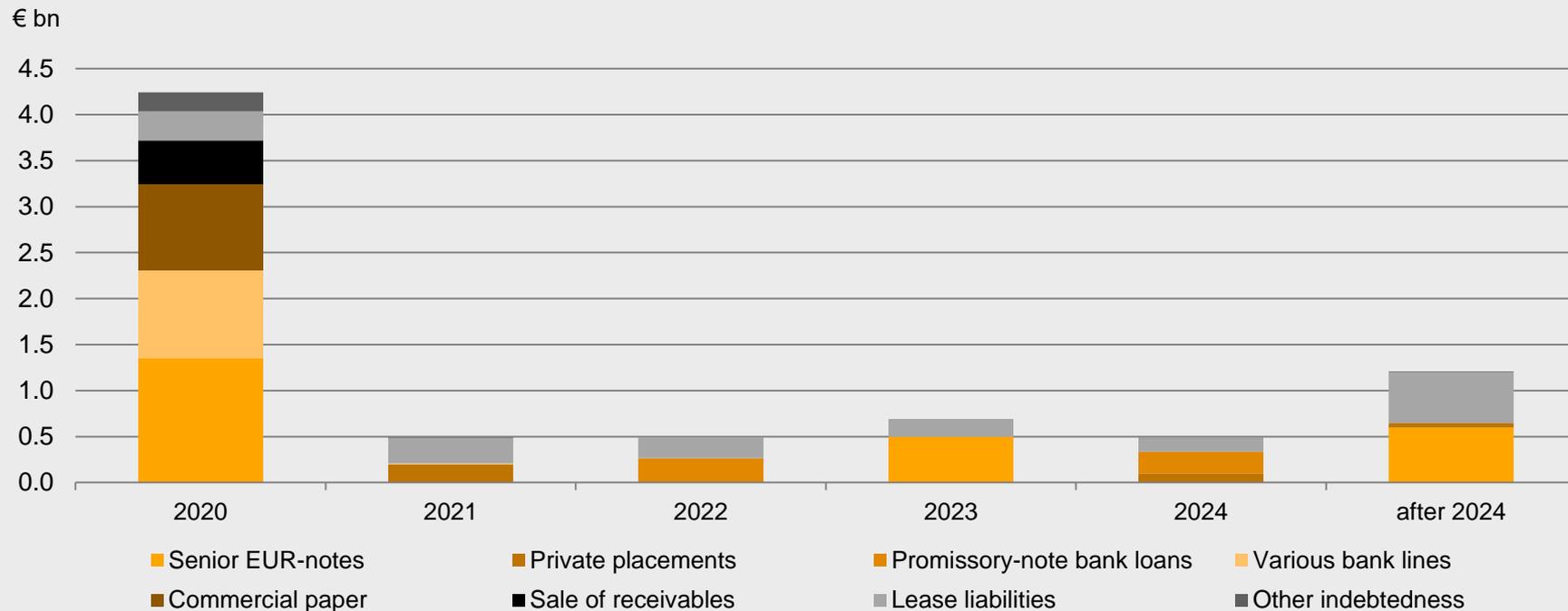
# 1 | Continental at a Glance

Strong Equity Ratio Regained Mainly Due to Growth of Retained Earnings



# 1 | Continental at a Glance

## Gross Indebtedness Maturity Scheme (YE2019: €7,619.0 mn)



# 1 | Continental at a Glance

## Net Indebtedness and Gearing Ratio

### › Gross indebtedness

YE2019: €7,619.0 mn<sup>1</sup>  
(PY: €4,606.9 mn)

### › Cash and cash equivalents

YE2019: €3,341.8 mn  
(PY: €2,761.4 mn)

### › Net indebtedness

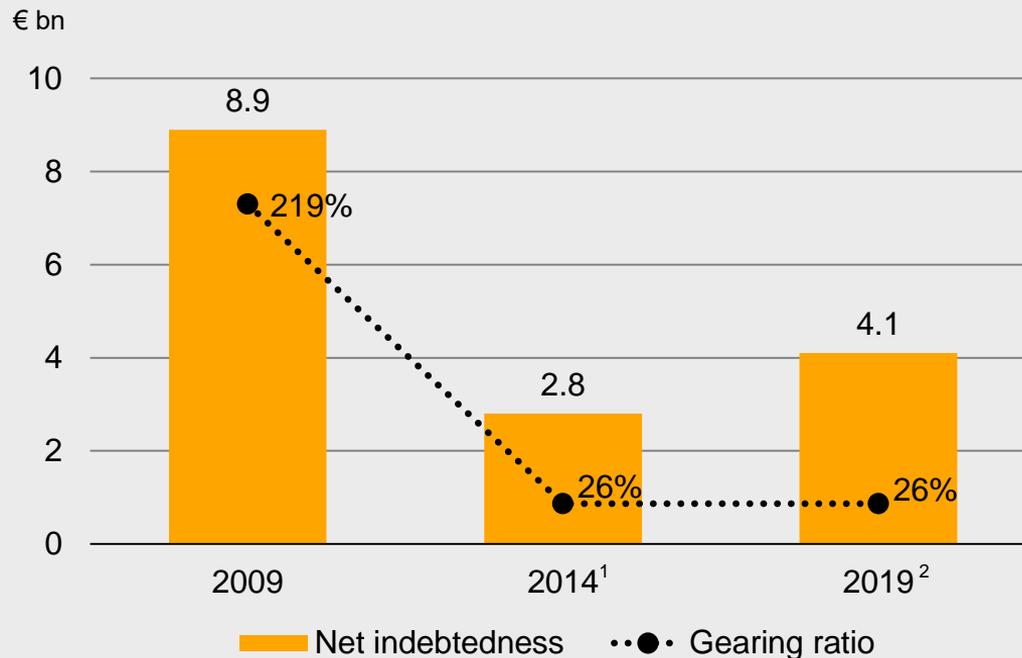
YE2019: €4,071.7 mn  
(PY: €1,661.3 mn)

### › Available and fully committed credit lines

YE2019: €4,702.2 mn  
(PY: €3,504.1 mn)

### › Total liquidity

YE2019: €8,044.0 mn  
(PY: €6,265,5 mn)

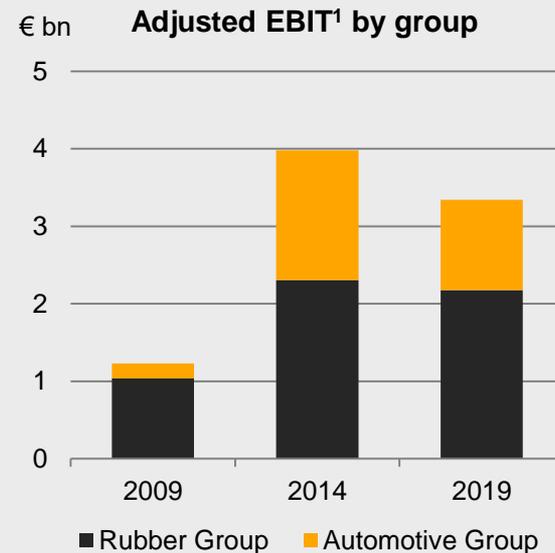
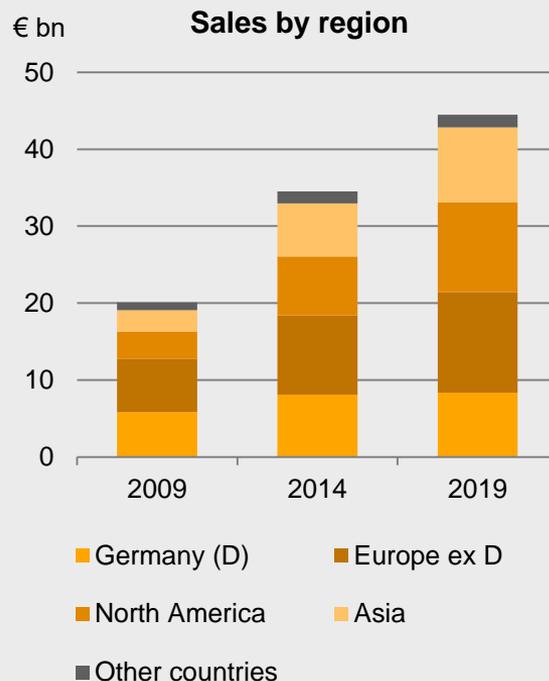
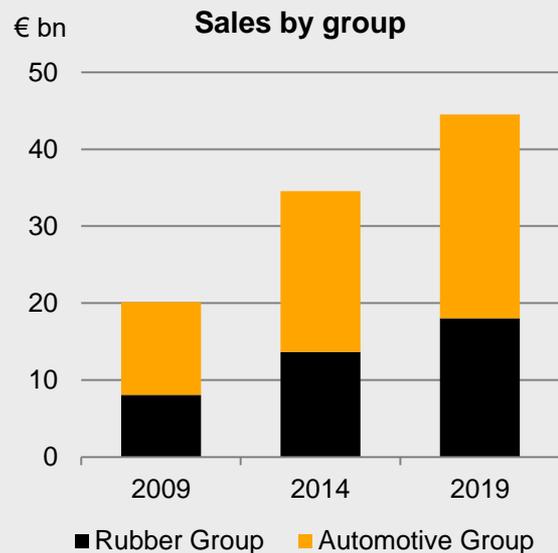


<sup>1</sup> IAS 19 applied starting 2012.

<sup>2</sup> IFRS 16 applied starting 2019.

# 1 | Continental at a Glance

## Development of Sales and Adjusted EBIT



<sup>1</sup> Before amortization of intangibles from PPA, consolidation and special effects.

# 1 | Continental at a Glance

## Key Figures

	2017		2018		2019	
Continental Corporation (€ mn)		% of sales		% of sales		% of sales
<b>Sales</b>	<b>44,009.5</b>	-	<b>44,404.4</b>	-	<b>44,478.4</b>	-
EBITDA	6,678.9	15.2	6,235.7	14.0	4,977.2	11.2
EBIT	4,561.5	10.4	4,027.7	9.1	-268.3	-0.6
Adjusted sales	-	-	44,374.2	-	43,867.7	-
<b>Adjusted EBIT<sup>1</sup></b>	<b>-</b>	<b>-</b>	<b>4,117.0</b>	<b>9.3</b>	<b>3,233.9</b>	<b>7.4</b>
Operating assets	22,172.4	-	23,640.5	-	26,178.5	-
Research and development expenses	3,103.7	7.1	3,209.0	7.2	3,364.2	7.6
CapEx <sup>2</sup>	2,854.4	6.5	3,124.4	7.0	3,308.6	7.4
Depreciation and amortization	2,117.4	-	2,208.0	-	5,245.5	-
- thereof impairment <sup>3,4</sup>	40.2	-	20.7	-	2,509.9	-

IFRS 9 and IFRS 15 applied starting 2018. IFRS 16 applied starting 2019.

<sup>1</sup> EBIT before amortization of intangible assets from PPA, consolidation and special effects; sales before changes in the scope of consolidation.

<sup>2</sup> Capital expenditure on property, plant and equipment, and software.

<sup>3</sup> Excluding impairment on financial investments.

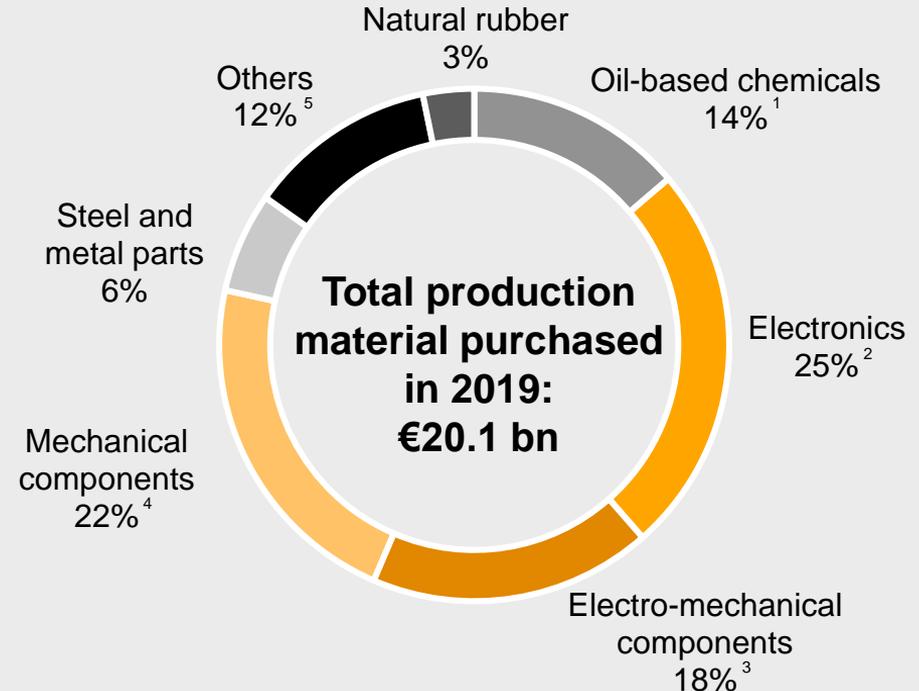
<sup>4</sup> Impairment also includes necessary reversals of impairment losses.

# 1 | Continental at a Glance

## Purchasing – Production Materials of Continental

### Purchasing contracts

- › Continental has a wide range of sources for production materials worldwide.
- › A specific strategy for each production material group is set up and the appropriate supplier panel is selected. This way we ensure the competitiveness and availability of the materials.
- › For some materials, prices might have a long lead time until they become fully reflected in the cost of our final products.



<sup>1</sup> E.g. synthetic rubber, carbon black, chemicals.

<sup>2</sup> E.g. discrete/ standards, microcontroller, LCDs.

<sup>3</sup> E.g. printed circuit boards, mechatronics, motors, components.

<sup>4</sup> E.g. stamped parts, engine system specific forgings, bearings, fasteners.

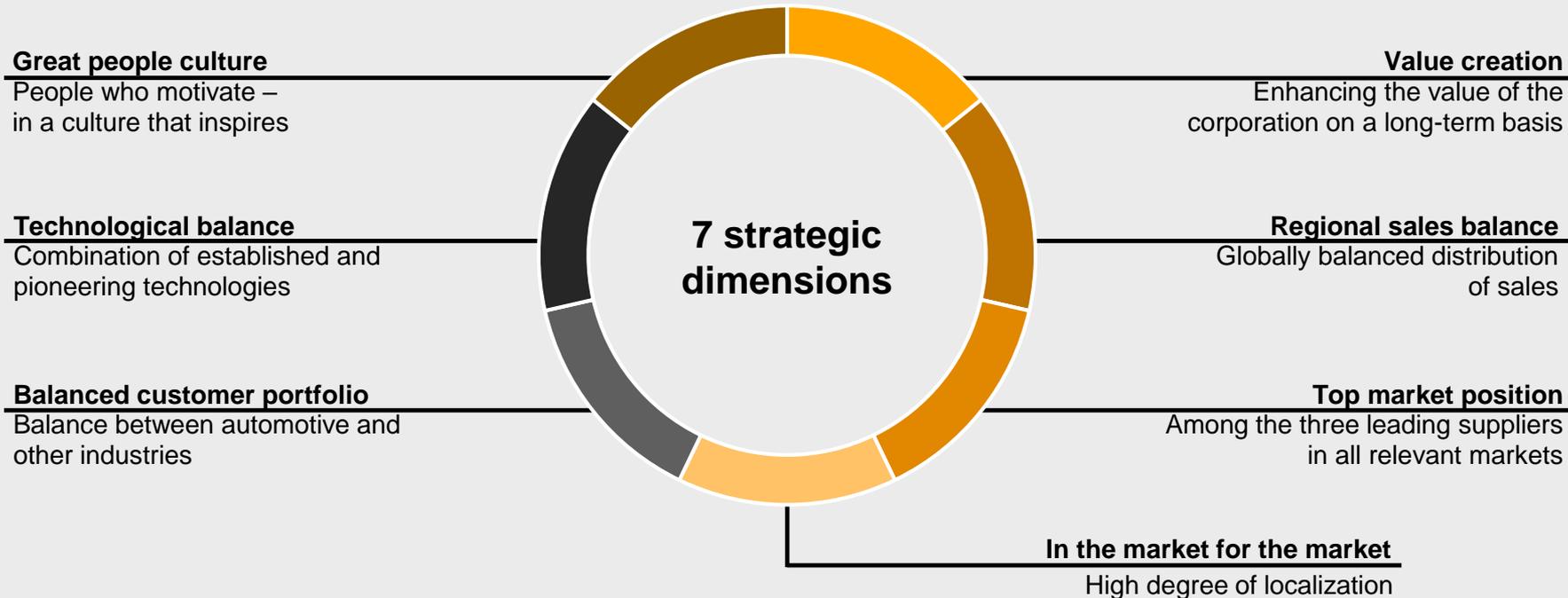
<sup>5</sup> E.g. textiles, plastics.

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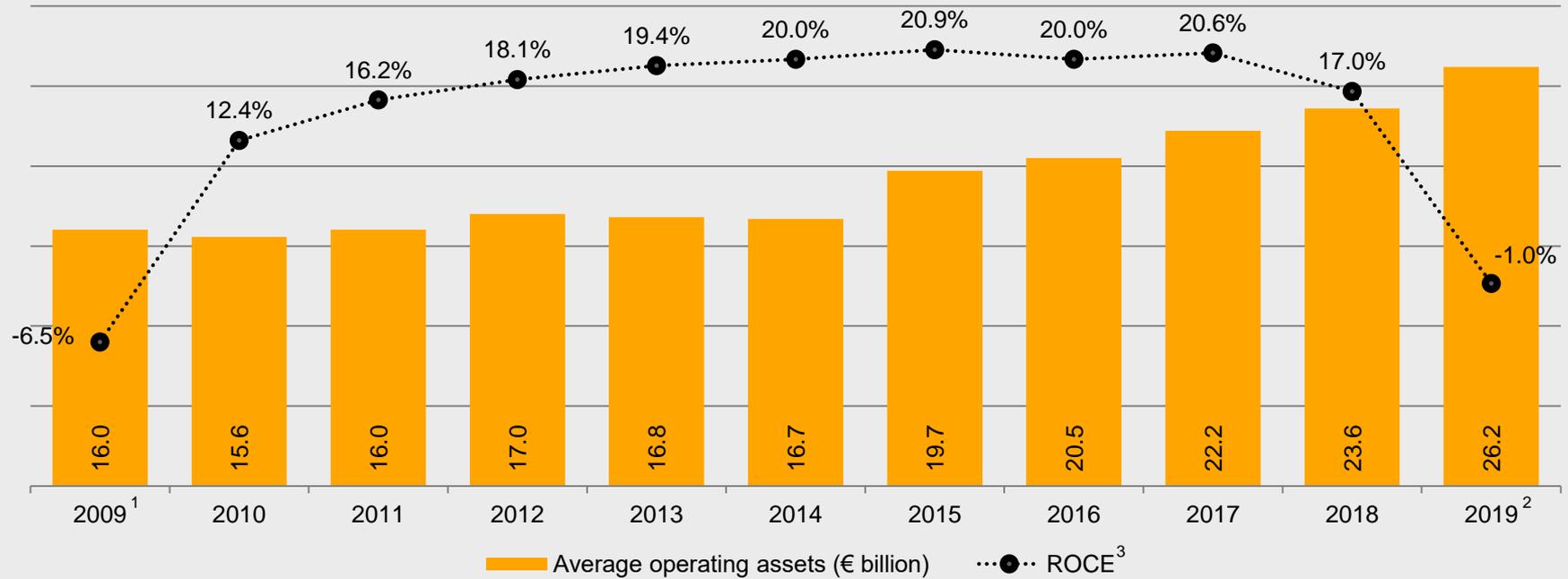
## 2 | Strategy

### Corporate Strategy at a Glance



## 2 | Strategy – Value Creation

Our Long-term Target is at Least 20% ROCE



<sup>1</sup> Reported EBIT 2009 impacted by -€1.8 bn special effects, thereof -€1.0 bn non-cash impairment effects and -€0.7 bn restructuring expenses.

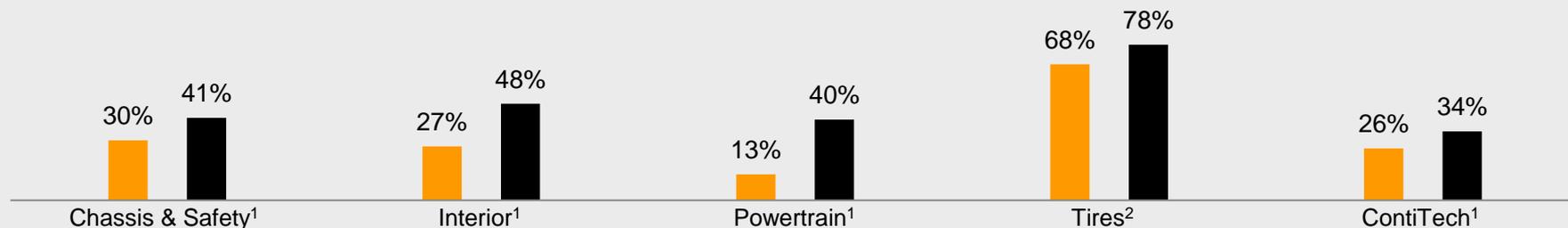
<sup>2</sup> Reported EBIT 2019 impacted by -€3.3 bn special effects, thereof -€2.5 bn non-cash impairment effects and -€0.7 bn restructuring expenses.

<sup>3</sup> ROCE is calculated as reported EBIT for the fiscal year divided by average operating assets for the fiscal year.

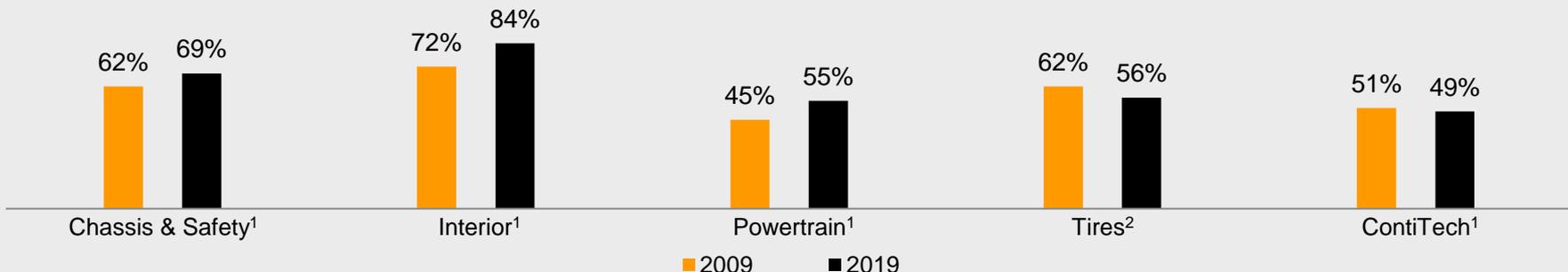
## 2 | Strategy – Value Creation

### Cost Consciousness – Rising Production in Best-Cost Countries

Share of Continental's European production in best-cost countries within Europe



Share of Continental's production (ex Europe) in best-cost countries outside Europe

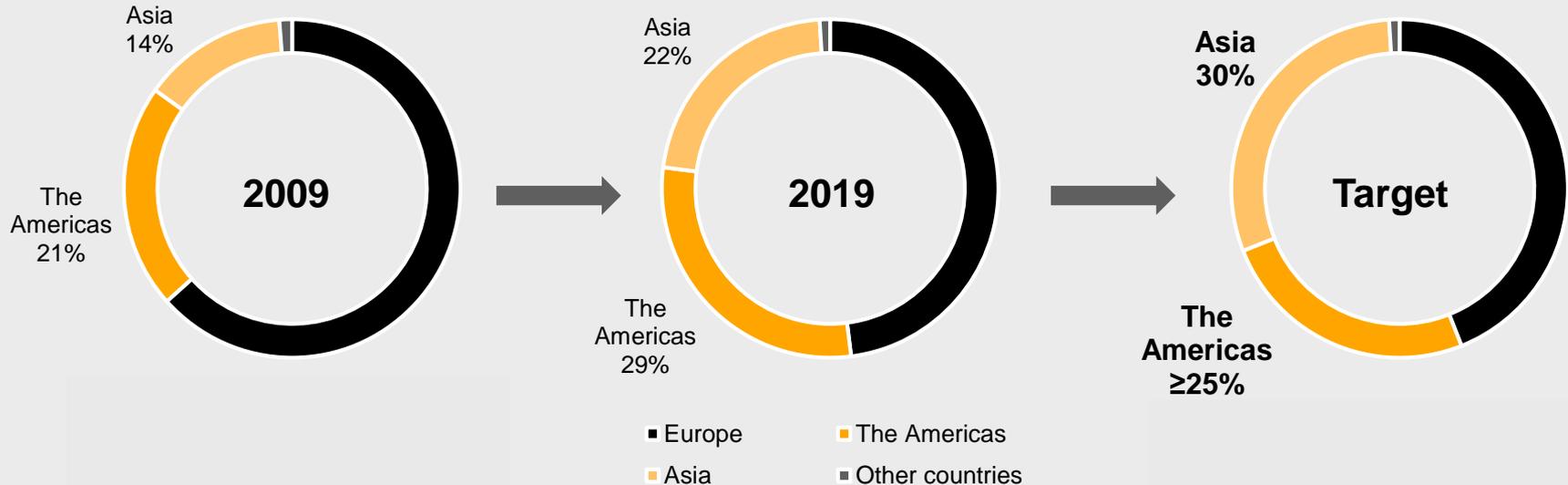


<sup>1</sup> Based on sales.

<sup>2</sup> Based on units.

## 2 | Strategy – Regional Sales Balance

### Globally Balanced Distribution of Sales



## 2 | Strategy – Top Market Position

### Among the Three Leading Suppliers in All Relevant Markets

› **Our Goal:**

To be among the world's three leading suppliers with regard to customer focus, quality and market share in the long term.

› How our business areas are positioned:

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› <b>Chassis &amp; Safety</b> → <b>Autonomous Mobility and Safety</b>	› Among the top three for Electronic Brake Systems, Foundation Brake Systems, Actuation, Airbag Electronics and Advanced Driver Assistance Systems worldwide
› <b>Interior</b> → <b>Vehicle Networking and Information</b>	› Among the top three for Body & Security, Instrumentation & Driver HMI, Infotainment & Connectivity and Commercial Vehicles worldwide
› <b>Powertrain</b> → <b>Vitesco Technologies</b>	› One of the world's leading suppliers for powertrain technologies
› <b>Tires</b>	› Number four tire manufacturer of the world, also in top positions in individual segments and markets
› <b>ContiTech</b>	› The world's leading supplier of technical elastomer products and a specialist in thermoplastics technology

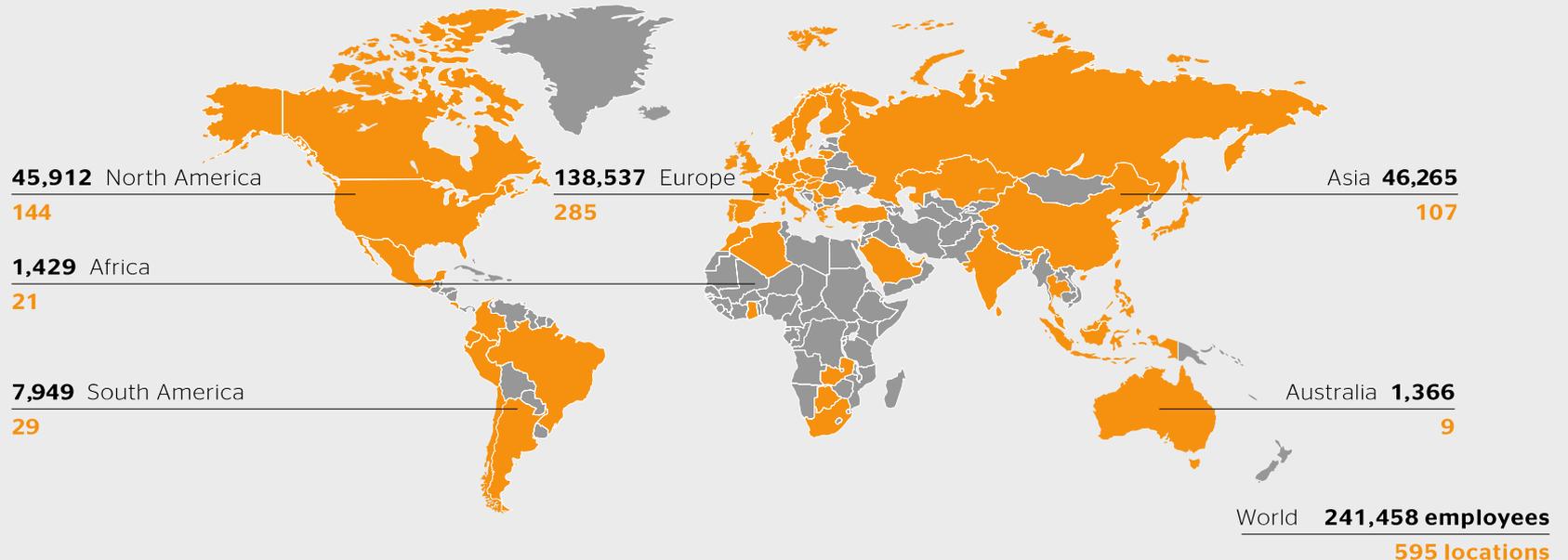
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## 2 | Strategy – In the Market for the Market

### High Degree of Localization

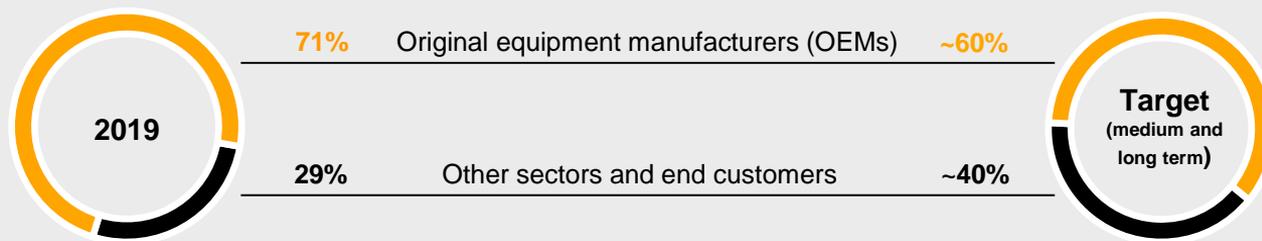
595 locations in 59 countries and markets

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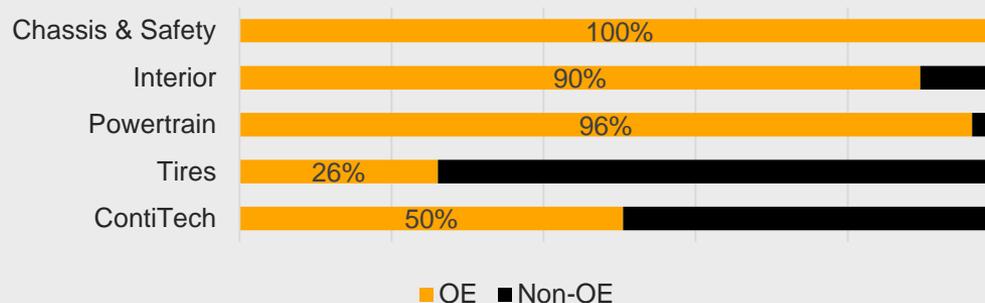


## 2 | Strategy – Balanced Customer Portfolio

### Balance Between Automotive and Other Industries

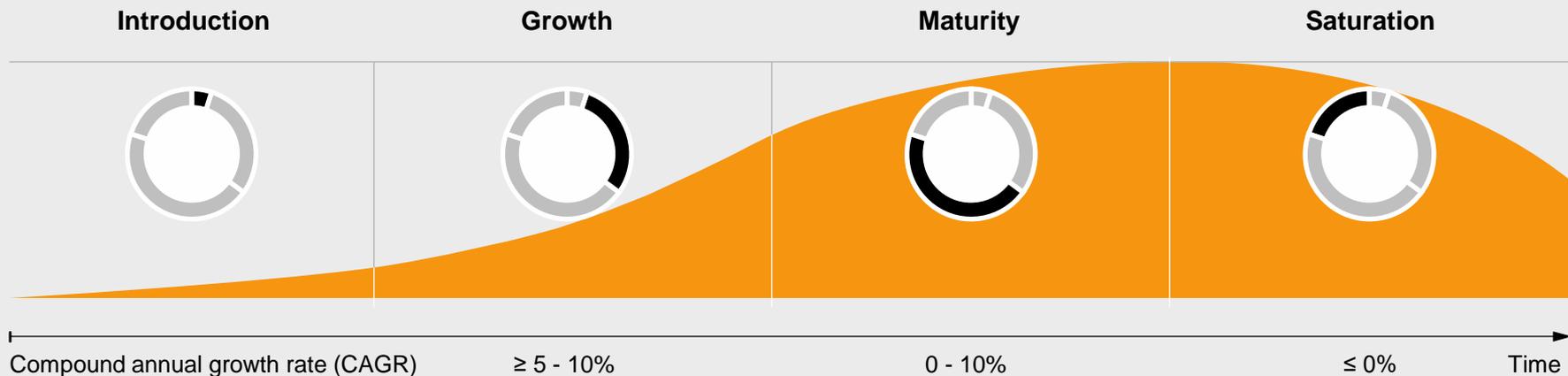


2019: Sales OE automotive/Non-OE automotive by division



## 2 | Strategy – Technological Balance

### Product Portfolio of Established and Pioneering Technologies



▲ Technology life cycle    ○ Technology portfolio share of sales in %<sup>1</sup>

<sup>1</sup>Simplified, schematic view.

## 2 | Strategy – Great People Culture

### A Culture of Inspiration – Based on Our Values

#### Trust

We both give and earn trust.



#### Passion To Win

We have the passion to win.



#### Freedom To Act

We grow through freedom toward responsibility.



#### For One Another

We attain top value with our team as one Continental



## 2 | Strategy

Transformation of Our Organization – New Structure Starting Jan. 1, 2020



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# 3 | Automotive Group

## One of the World's Leading Automotive Suppliers



€26.5 billion

2019 sales



138,295

employees

(December 31, 2019)



218 locations\*

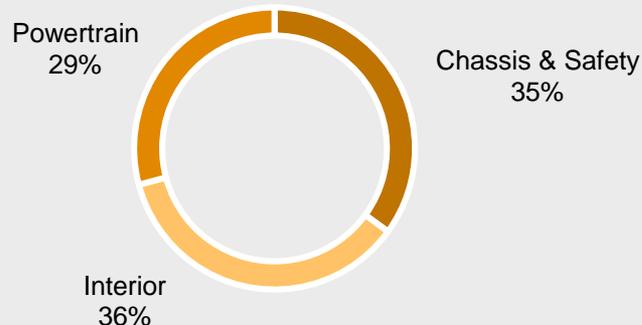
in 36 countries  
and markets

(December 31, 2019)

\* Headquartered in Frankfurt,  
Germany

- › The Automotive Group of Continental is one of the world's leading suppliers of automotive products, systems and solutions, especially in the area of electronics.
- › Until December 31, 2019, the Automotive Group comprised the divisions **Chassis & Safety**, **Interior** and **Powertrain**.
- › Since January 1, 2020, the Automotive Group has been organized into the group sectors **Automotive Technologies** and **Powertrain Technologies**.

2019 sales by division



# 3 | Automotive Group

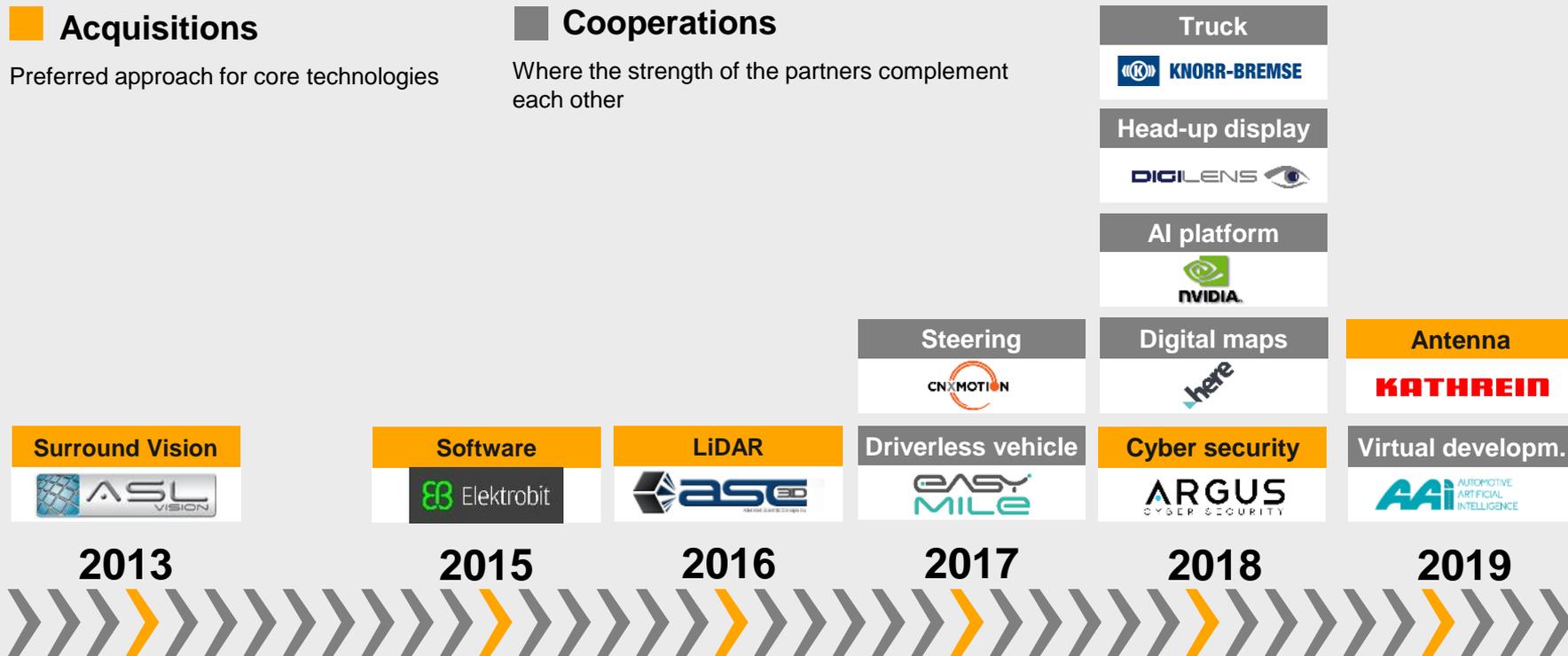
## Continuous Strategic Investments

### Acquisitions

Preferred approach for core technologies

### Cooperations

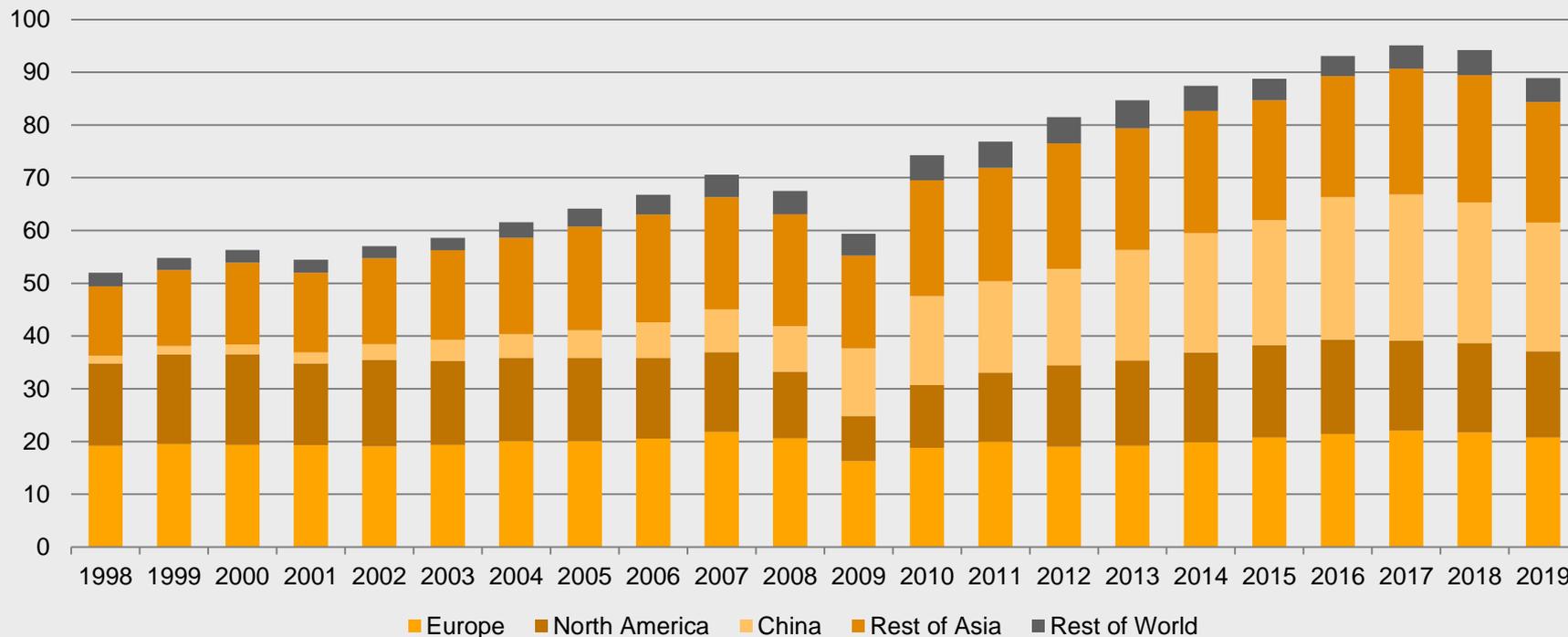
Where the strength of the partners complement each other



# 3 | Automotive Group

## Positive Development of Light Vehicle Production, Driven by China/Asia

Million units of PC and LCV<sup>1</sup>



Source: IHS.

<sup>1</sup> Passenger cars (PC) and light commercial vehicles < 6 metric tons (LCV).

# 3 | Automotive Group

## Megatrends in the Automotive Industry Drive our Business

### Safety



### Connectivity



### Electrification



### Automated Driving



### 3 | Automotive Group

Continental Provides Core Mobility Technologies

Unique know-how.

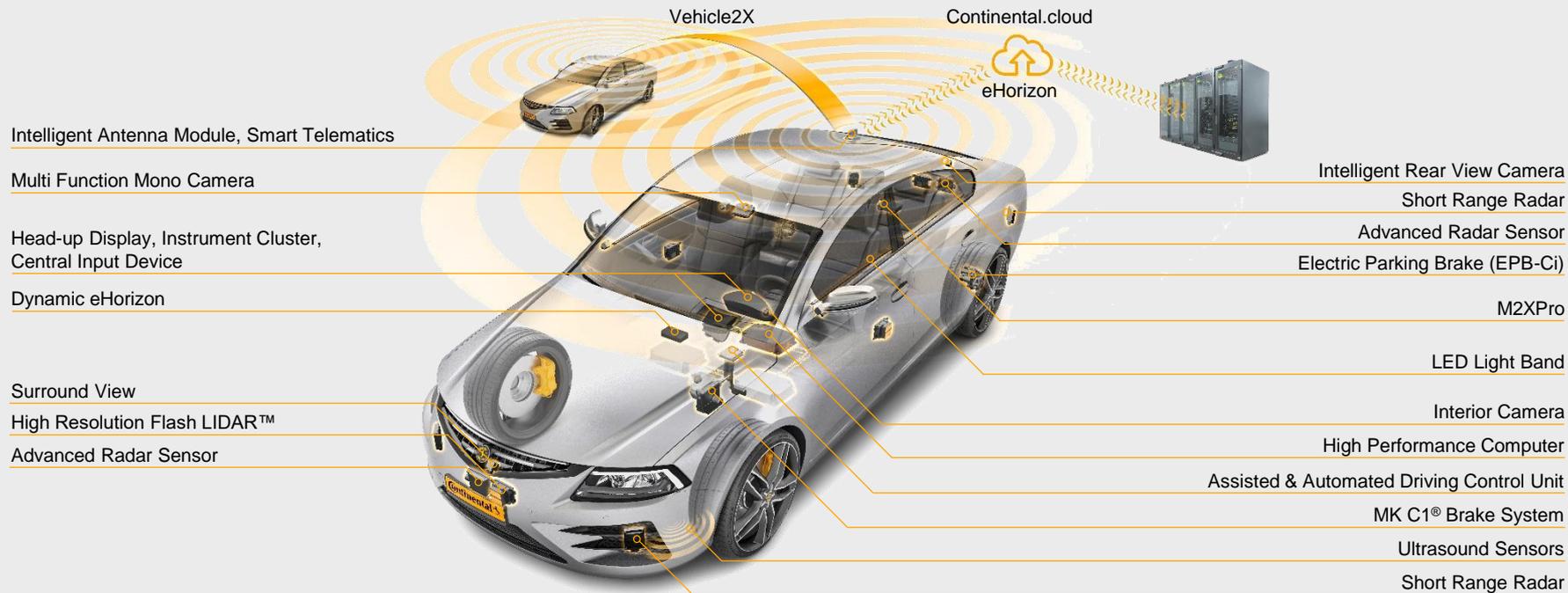
Unique products.

Unique systems.



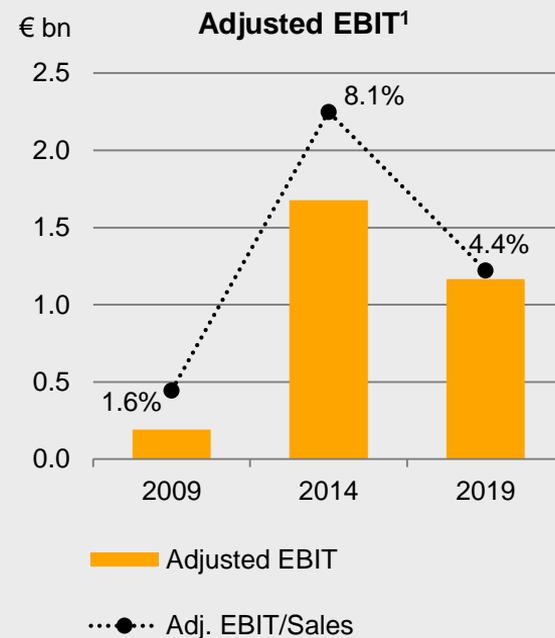
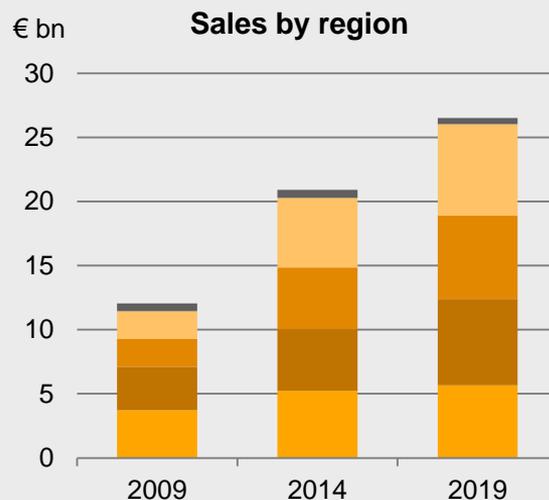
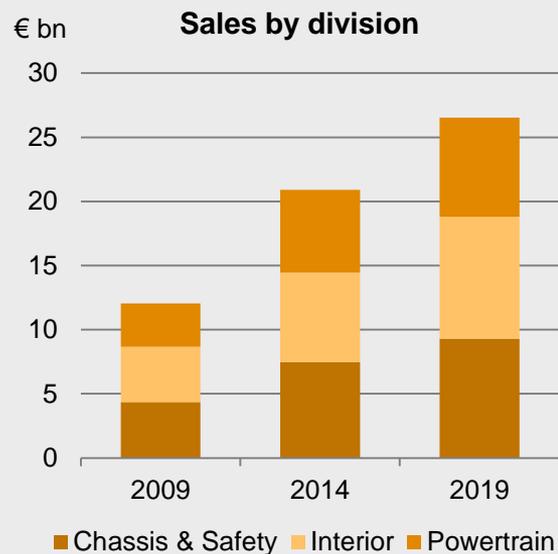
# 3 | Automotive Group

## Substantial Content Potential for Continental's Technologies



# 3 | Automotive Group

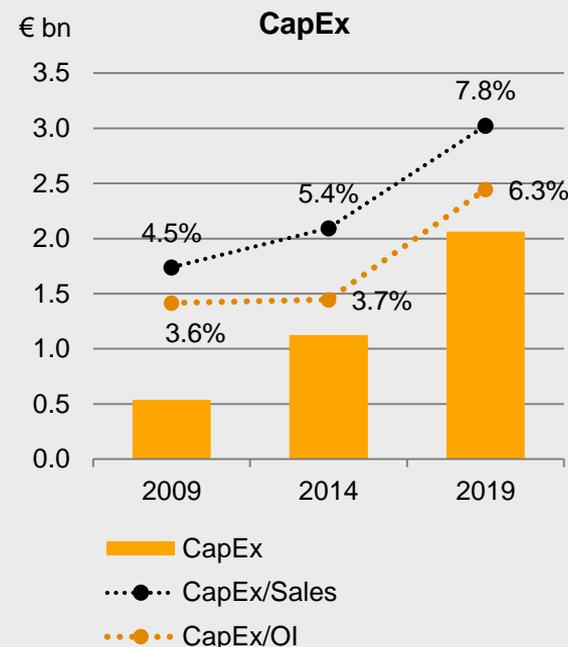
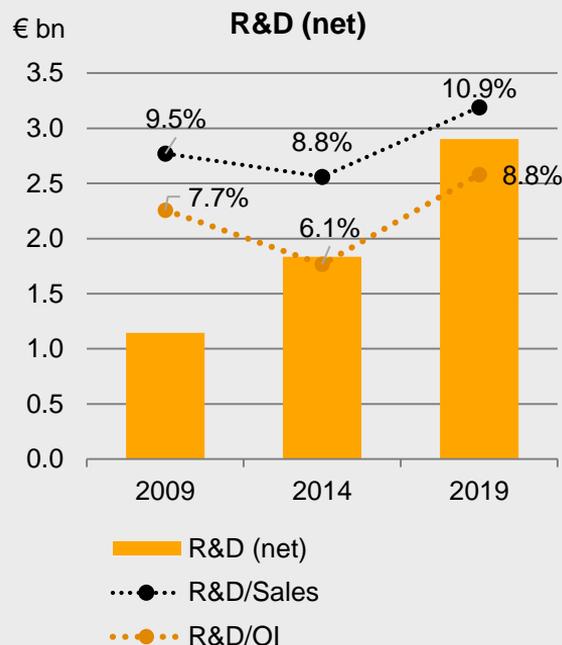
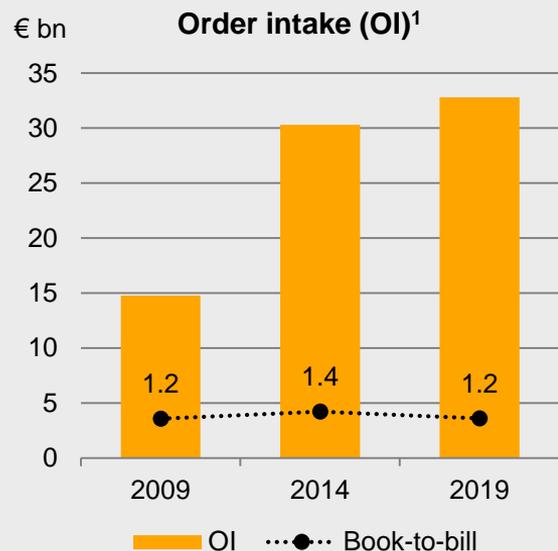
## Development of Sales and Adjusted EBIT



<sup>1</sup> Before amortization of intangibles from PPA, consolidation and special effects.

# 3 | Automotive Group

## Development of Order Intake, R&D, and CapEx



<sup>1</sup> Lifetime sales.

# 3 | Automotive Group

## Key Figures

	2017		2018		2019	
Automotive Group (€ mn)		% of sales		% of sales		% of sales
<b>Sales</b>	<b>26,565.4</b>	-	<b>26,855.8</b>	-	<b>26,523.3</b>	-
EBITDA	3,296.4	12.4	3,177.1	11.8	1,920.2	7.2
EBIT	2,086.8	7.9	1,890.4	7.0	-2,107.7	-7.9
Adjusted sales	-	-	26,833.4	-	26,376.3	-
<b>Adjusted EBIT<sup>1</sup></b>	<b>-</b>	<b>-</b>	<b>1,868.6</b>	<b>7.0</b>	<b>1,166.3</b>	<b>4.4</b>
Operating assets	12,874.1	-	14,095.6	-	14,826.4	-
Research and development expenses	2,675.5	10.1	2,760.5	10.3	2,902.0	10.9
CapEx <sup>2</sup>	1,789.5	6.7	2,019.1	7.5	2,062.0	7.8
Depreciation and amortization	1,209.6	-	1,286.7	-	4,027.9	-
- thereof impairment <sup>3,4</sup>	37.3	-	19.2	-	2,475.1	-

IFRS 9 and IFRS 15 applied starting 2018. IFRS 16 applied starting 2019.

<sup>1</sup> EBIT before amortization of intangible assets from PPA, consolidation and special effects; sales before changes in the scope of consolidation.

<sup>2</sup> Capital expenditure on property, plant and equipment, and software.

<sup>3</sup> Excluding impairment on financial investments.

<sup>4</sup> Impairment also includes necessary reversals of impairment losses.

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# 3.1 | Chassis & Safety → Autonomous Mobility and Safety

## A Leading Global Supplier for Active and Passive Safety Technologies



Safe and Dynamic Driving  
towards Vision Zero.

- › On January 1, 2020, Chassis & Safety transformed to **Autonomous Mobility and Safety (AMS)**.
- › The Autonomous Mobility and Safety business area develops, produces and integrates active and passive safety technologies and controls vehicle dynamics.
- › As AMS, we make driving safer and easier and pave the way for autonomous mobility.



**€9.4** billion  
**2019 sales**



**48,434**  
employees  
(December 31, 2019)



**72 locations\***  
in 17 countries  
and markets

\* Headquartered in Frankfurt/Main, Germany.

# 3.1 | Chassis & Safety → Autonomous Mobility and Safety

## Four Strong Business Units



### Hydraulic Brake Systems

- › Foundation brakes
- › Drum brakes
- › Electric parking brakes
- › Brake actuation
- › Brake hoses



### Vehicle Dynamics

- › Conventional electronic brake systems
- › Brake by wire systems
- › HAD<sup>1</sup> brake systems
- › Air suspension systems
- › Motorcycle –  
Electronic brake systems



### Passive Safety & Sensorics

- › Sensors for various applications
- › Passive and integrated safety
- › V2X-Communication
- › Safety engineering
- › Electronic control units
- › Washer Systems



### Advanced Driver Assistance Systems

- › Radar
- › Camera
- › Lidar
- › Assisted and automated driving control unit (ADCU)

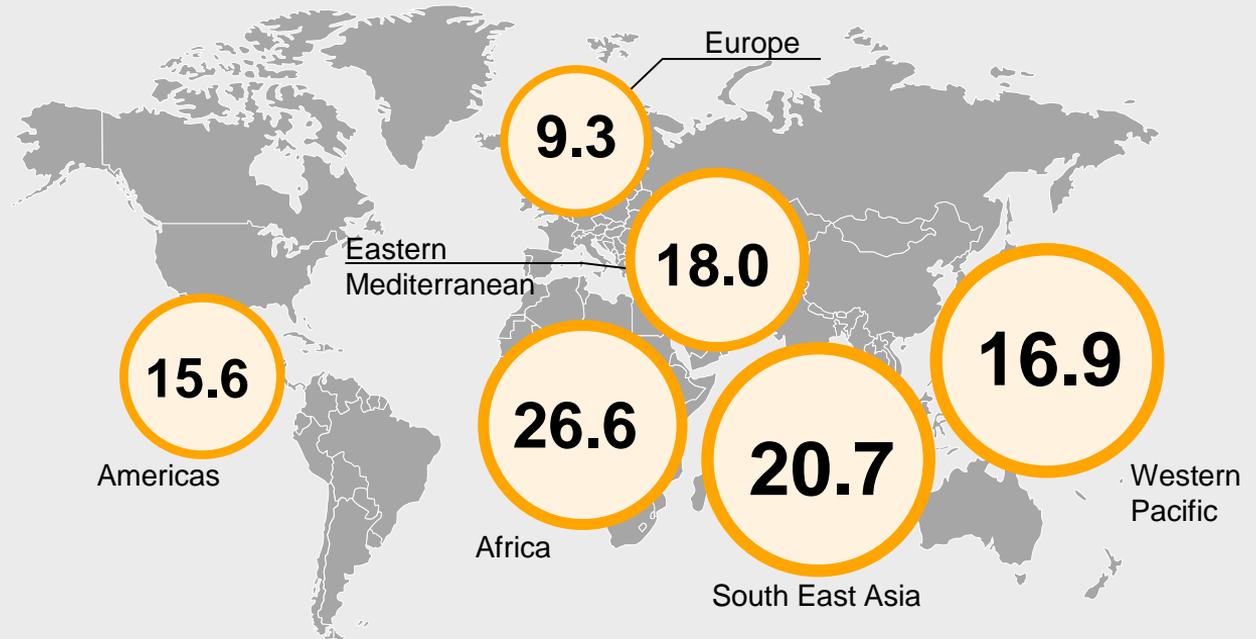
<sup>1</sup> Highly Automated Driving.

# 3.1 | Chassis & Safety → Autonomous Mobility and Safety

Our Mission: Reduce the Number of Fatalities and Those Injured

Over **1.35** million people die in road accidents every year.

A further **50** million are injured.



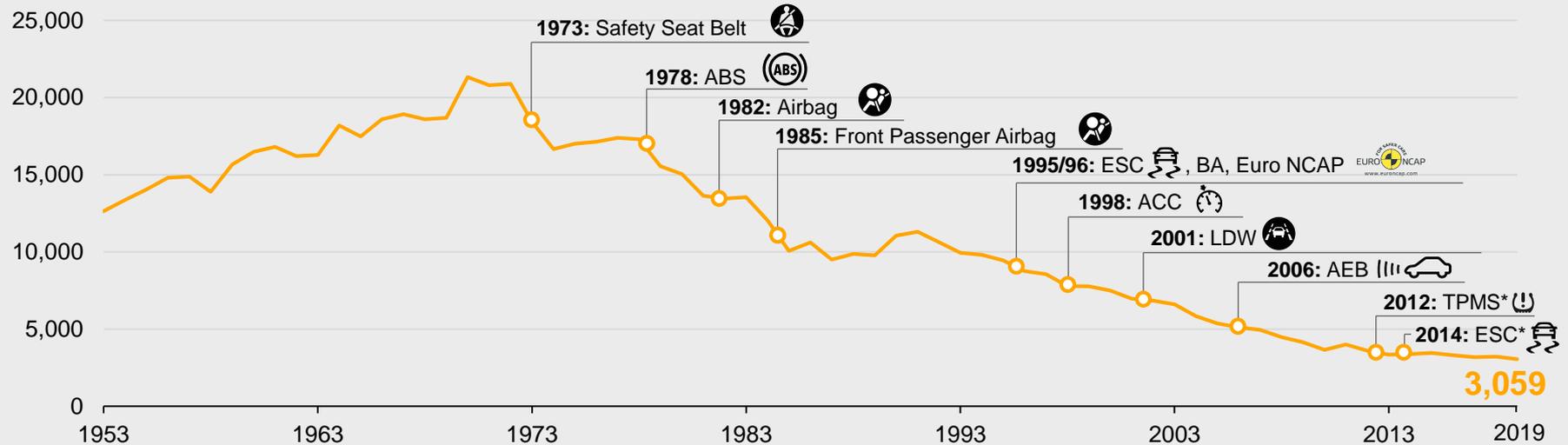
Data Source:  
Global Status Report on Road Safety 2018  
World Health Organization  
Road traffic fatality rates per 100,000 population by WHO region.

○ per 100,000 population

# 3.1 | Chassis & Safety → Autonomous Mobility and Safety

## Passive and Active Safety Systems Save Lives!

### Traffic fatalities and introduction of safety applications in Germany 1953 – 2019



Source: Federal Statistics Office, Germany (Destatis); \* Utilization mandatory by EU-regulation for passenger cars; AEB and LDW mandatory as of 2013 for commercial vehicles and buses.

ABS = Anti-lock Brake System, ESC = Electronic Stability Control, BA = Brake Assist, ACC = Adaptive Cruise Control, LDW = Lane Departure Warning, AEB = Autonomous Emergency Braking, TPMS = Tire Pressure Monitoring System.

# 3.1 | Chassis & Safety → Autonomous Mobility and Safety

## Further Active Safety Content Driven by Legislation (e.g. EU)

“General Safety Regulation” of the EU (simplified view)		Implementation (New Vehicles 2 years after New Types)												Division			Product (component only one time)
Cluster	Name	2022				2024				2026				C&S	Interior	Tires	Components
		M1	M2&M3	N1	N2&N3	M1	M2&M3	N1	N2&N3	M1	M2&M3	N1	N2&N3				
Emergency Braking	Advanced emergency braking for vehicles	■		■										■			ARS and/or MFC
Emergency Braking	Advanced emergency braking for VRU					■		■						■			ARS and MFC
Lane Keeping	Emergency lane keeping	■		■										■			MFC
Reverse Maneuvering	Reversing safety - with intervention	■	■	■	■									■			2*SRR
Traffic Sign Recognition	Intelligent speed assistance	■	■	■	■									■			MFC
Right Turn Assist	Blind spot information system (Turning Assist CV)			■	■									■			SRR or SVC
Event Data Recording	Event (accident) data recorder	■		■										■	■		ADCU or Infotainment HPC
Event Data Recording	Event (accident) data recorder									■				■	■		ADCU or Infotainment HPC
Driver Monitoring	Alcohol interlock installation facilitation	■	■	■	■										□		t.b.d.
Driver Monitoring	Drowsiness and attention detection	■	■	■	■										■		in-cabin cam
Driver Monitoring	Driver readiness monitoring	■	■	■	■										■		in-cabin cam
Driver Monitoring	Advanced distraction recognition					■	■	■	■						■		in-cabin cam
Tire Monitoring	Tyre pressure monitoring for heavy duty		■		■											■	TPMS

As confirmed by EU on March 25th 2019: - On the Parliament's side, the IMCO committee should vote on April 2, 2020. The final, formal vote is expected to take place under the new Parliament in the autumn, after the EU elections.  
- All timing proposals based on the assumption that GSR enters into force in November 2019. (Application date = +30 months | A = on application date | B = +24 months | C = +48 months).

# 3.1 | Chassis & Safety → Autonomous Mobility and Safety

## From Advanced Driver Assistance Systems to Autonomous Mobility

### Automated parking SAE L0 – L4

- › Back-up assist
- › Entering / leaving lots
- › Trailer maneuvering
- › Remote parking
- › Valet parking



### Assisted & partly automated driving SAE L1 – L2

- › Adaptive cruise control
- › Emergency brake assist
- › Lane keeping support
- › Traffic jam / highway assist
- › Hands-off optional



### Highly automated driving SAE L3

- › Traffic jam chauffeur
- › Highway chauffeur



### Geo-fenced / autonomous driving (shared mobility) SAE L4

- › Urban pilot



### Fully automated / autonomous driving (individual mobility) SAE L4/5

- › Traffic jam pilot
- › Highway pilot
- › Urban pilot



In the market

2021

2023

2025+

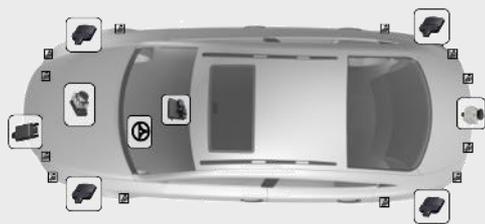
# 3.1 | Chassis & Safety → Autonomous Mobility and Safety

## Assisted and Partially Automated Driving Today

- › L1 is powered by new legal regulations (e.g. EU “General Safety Regulation”) and increasing requirements of NCAP\* globally
- › L2 is the fastest growing market segment
- › Continuous evolution of L2 content and performance

### Expansion of L2 “Base”

- › Great driver support and good affordability pushing deeper penetration down to lower vehicle segments.



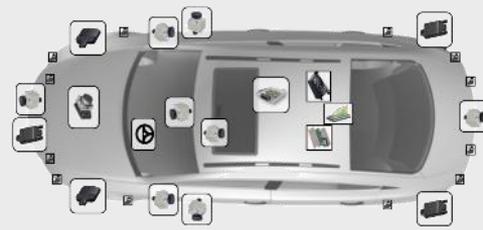
### Boost of L2 “Performance”

- › Predictive, efficient and comfortable
- › “Humanized” driving style
- › Enabled by backend information



### Leap to L2 “Premium”

- › Continuously increasing coverage of use cases
- › Better availability (weather, light conditions, etc.)
- › Extended “operational design domain” (from highway to urban environment)
- › Bridge on the way to L3 – High customer value for more affordable costs



\* New Car Assessment Programme. For more information visit: <http://www.globalncap.org/>

# 3.1 | Chassis & Safety → Autonomous Mobility and Safety

## Highly Automated Driving (AD) and Autonomous Mobility Tomorrow

- › High system costs limit penetration in the next years to early adopters (high vehicle segments, RoboCabs)
- › Social acceptance of residual risks and special behavior of AD vehicles (e.g. strict compliance with traffic rules, etc.) will take time
- › Challenge: system maturity (performance and safety) for deployment on public roads

### Highly Automated L3

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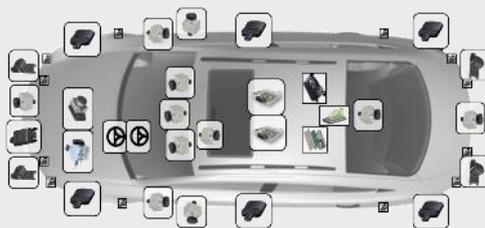
- › Hand-over procedure (case-to-case) from system to driver under intensive discussion (e.g. liability).
- › Implementation based on field experience and data of L2 Premium



### Autonomous Driving L4 – Shared Mobility

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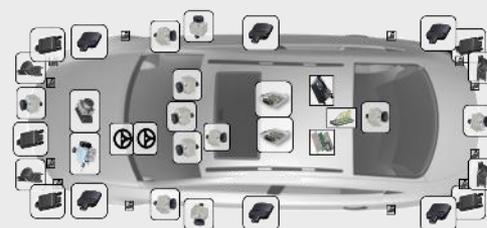
- › Makes a business case for mobility providers as high system costs amortize in a short period



### Fully Automated Driving L4/5 – Individual Mobility

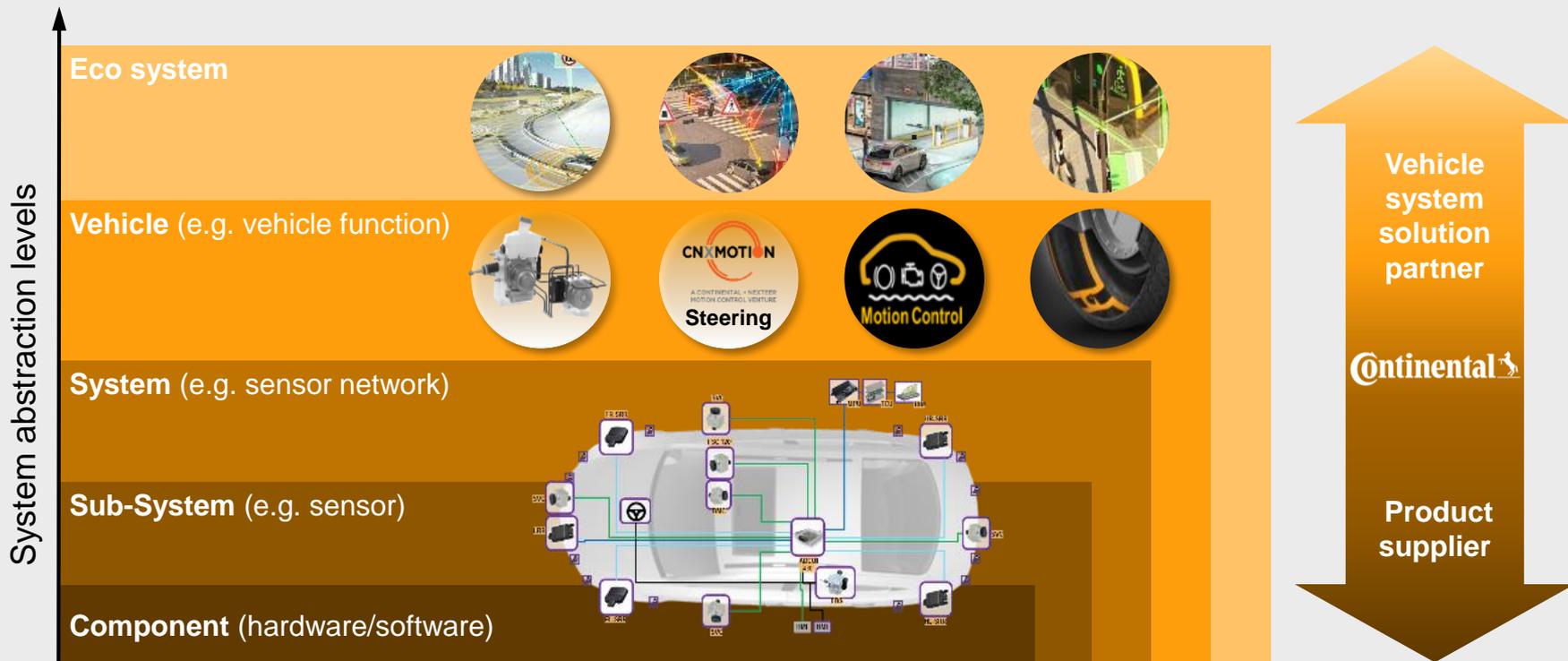
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- › Initial deployment on highways (ramp-to-ramp)
- › Deployment in urban environment (door-to-door) - same challenge as for robotaxis.



# 3.1 | Chassis & Safety → Autonomous Mobility and Safety

## Know-how at all System Levels



# 3.1 | Chassis & Safety → Autonomous Mobility and Safety

## The Future: Our Driverless Vehicle Experimental Platform CUbE

### Multi modal mobility

Explore driverless mobility as part of future mobility concepts and eco-systems.

### CUbE as experimental platform

Develop viable components, software and system solutions for driverless vehicles. Demonstrate Continental's leading driverless technology.

### Collect driverless experience worldwide

Roll-out CUbE vehicles in China, North America and Japan to identify regional specifics.



V2X communication



Automated driving control unit (ADCU)



Radar



Camera



Lidar



Steering



Brake system

# 3.1 | Chassis & Safety → Autonomous Mobility and Safety

## We Are Successfully Working on Automated Driving for Decades

**1999** W/w First Automotive Long Range Radar Sensor in Series Production (MB S Class)



**2005-2007** Winner of the DARPA (Urban) Challenge



**2012** First Supplier with AD Number Plate in Nevada



**2019** IAA in Frankfurt/Main - CuBE in Public

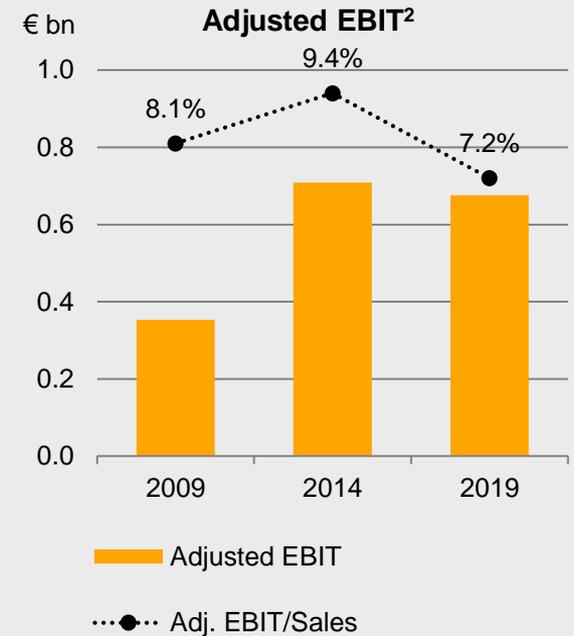
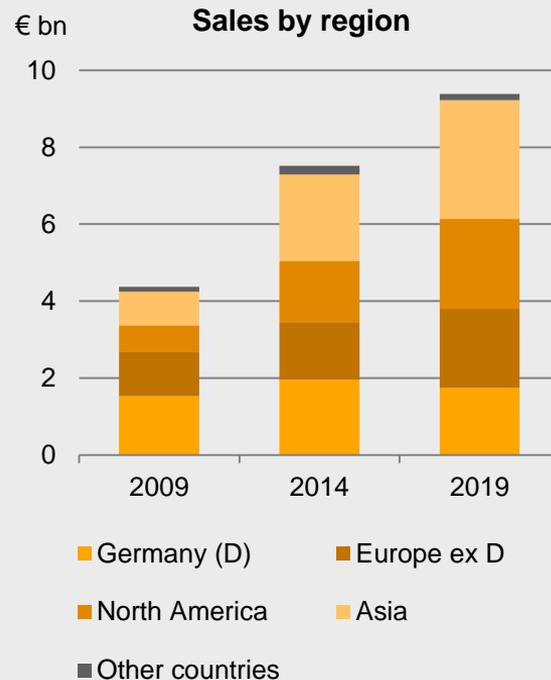
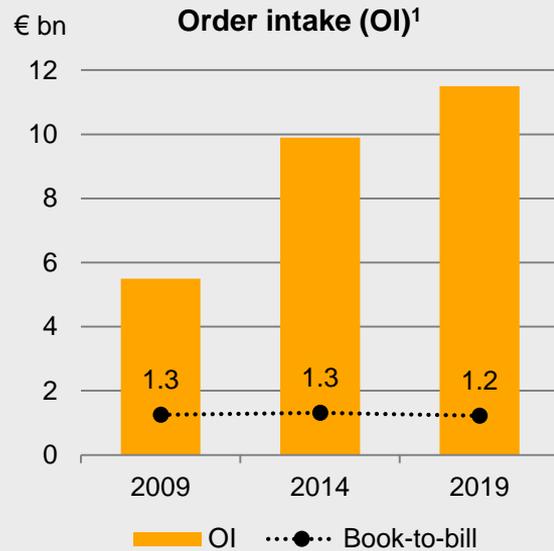


**>50 million**

long-range and short-range  
radar sensors produced  
since 1999

# 3.1 | Chassis & Safety

## Development of Order Intake, Sales, and Adjusted EBIT



<sup>1</sup> Lifetime sales.

<sup>2</sup> Before amortization of intangibles from PPA, consolidation and special effects.

## 3.1 | Chassis & Safety

### Key Figures

	2017		2018		2019	
Chassis & Safety (€ mn)		% of sales		% of sales		% of sales
<b>Sales</b>	<b>9,767.8</b>	-	<b>9,588.0</b>	-	<b>9,381.6</b>	-
EBITDA	1,301.6	13.3	1,213.3	12.7	1,145.3	12.2
EBIT	897.7	9.2	782.5	8.2	-120.3	-1.3
Adjusted sales	-	-	9,588.0	-	9,381.6	-
<b>Adjusted EBIT<sup>1</sup></b>	<b>-</b>	<b>-</b>	<b>785.3</b>	<b>8.2</b>	<b>675.9</b>	<b>7.2</b>
Operating assets	4,519.6	-	4,887.1	-	5,159.9	-
Research and development expenses	913.8	9.4	1,023.1	10.7	1,048.7	11.2
CapEx <sup>2</sup>	682.5	7.0	749.7	7.8	720.6	7.7
Depreciation and amortization	403.9	-	430.8	-	1,265.6	-
- thereof impairment <sup>3,4</sup>	0.5	-	1.5	-	750.0	-

IFRS 9 and IFRS 15 applied starting 2018. IFRS 16 applied starting 2019.

<sup>1</sup> EBIT before amortization of intangible assets from PPA, consolidation and special effects; sales before changes in the scope of consolidation.

<sup>2</sup> Capital expenditure on property, plant and equipment, and software.

<sup>3</sup> Excluding impairment on financial investments.

<sup>4</sup> Impairment also includes necessary reversals of impairment losses.

# Agenda

1	Continental at a Glance	2
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4	Rubber Group	63
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4.2	ContiTech	83
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## 3.2 | Interior → Vehicle Networking and Information

A Leading Supplier for Connectivity, Information Management, and Integration



- › On January 1, 2020, Interior transformed to **Vehicle Networking and Information (VNI)**.
- › As VNI, we are focusing on the right solutions for next-level connectivity, innovative user experience and systems up to high performance computers.
- › We bundle competencies across business units and established a platform-centric development organization (“Central Engineering”).
- › We make networked mobility happen.



**€9.6** billion  
**2019 sales**



**48,117**  
employees  
(December 31, 2019)



**131 locations\***  
in 27 countries  
and markets

\* Headquartered in Regensburg,  
Germany.

## 3.2 | Interior → Vehicle Networking and Information

### Three Business Units Since January 1, 2020



#### Connected Car Networking

- › Body high performance computers
- › Body control modules
- › Connectivity
- › Access control systems<sup>1</sup>
- › Power closures
- › Door control units
- › Intelligent glass control
- › Seat comfort systems
- › Gateways
- › Power stabilization
- › Advanced antenna electronics
- › Smart device integration

<sup>1</sup> Includes receiving functions of Tire Pressure Monitoring and Tire Information Systems.



#### Human Machine Interface

- › Instrument clusters
- › Full digital clusters
- › Cross domain hubs
- › Multimedia
- › Radios
- › Display solutions
- › Head-up displays
- › Haptic controls
- › Interior cameras



#### Commercial Vehicles and Services

- › Instrument clusters and full digital clusters for commercial vehicles, off-highway vehicles, two-wheeled vehicles, driver working places
- › Chassis, body and transmission electronics, sensorics and HAD components for commercial vehicles and off-highway vehicles
- › Tachographs, ELD<sup>2</sup>, tolling and connectivity
- › Fleet management services
- › Spare parts, wear parts and tools
- › Original equipment services
- › Independent aftermarket: Services, components and diagnostics for fleets and vehicle manufacturers
- › Key as a service
- › In-car data as a service
- › Maps as a service
- › City-data as a service

<sup>2</sup> Electronic logging device.

## 3.2 | Interior → Vehicle Networking and Information Management is Key for Mobility Solutions and Services

With our holistic, intuitive and ergonomic human-machine interface, we capture commands from drivers and passengers while prioritizing and presenting information.

### Driver and passengers



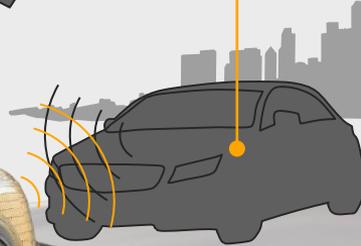
### Devices



### Infrastructure



### Other vehicles



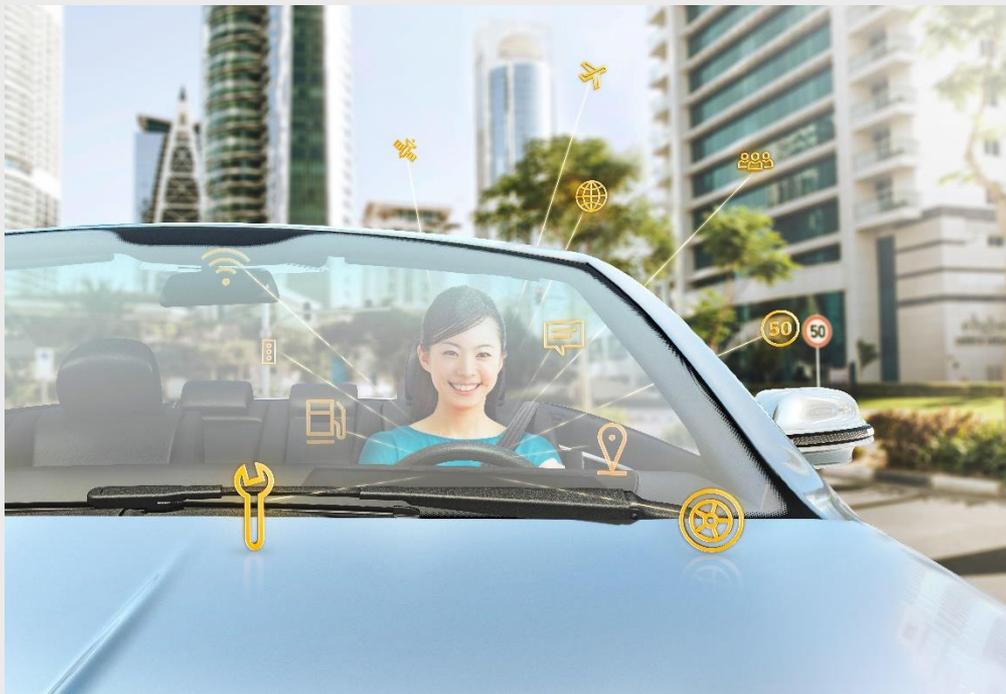
Vehicle

We add new functions as well as value-adding mobility services by providing a holistic connection to the outside world.

We manage and optimize the information flow by integrating cost competitive systems

## 3.2 | Interior → Vehicle Networking and Information

### Holistic Connectivity



**>33 million<sup>1</sup>**  
vehicles connected by

**Continental** 

**2019: >50%**  
of produced vehicles are  
**connected**

**2020: >250 million**  
of the vehicles on the road will be  
**connected**

<sup>1</sup> Since 1996.

## 3.2 | Interior → Vehicle Networking and Information

### Product Highlights for Networked Mobility

**Connect**



#### **Holistic Connectivity**

We provide technologies for vehicle networking to connect drivers and passengers with vehicles, the cloud and the infrastructure. From products to services, protected by advanced Cyber Security solutions.

**Inform**



#### **Holistic Human-Machine Interface**

By knowing the needs of drivers and passengers we provide the expertise for superior comfort, ergonomics, and intuitive ease-of-use.

**Integrate**



#### **Cost Competitive Systems Solutions**

We integrate components, functions and services into cost competitive systems serving our customers including the aftermarket.

## 3.2 | Interior → Vehicle Networking and Information

### Examples of Market-Specific Initiatives and Projects

#### Connect



#### Ultra-wide band (UWB) technology for keyless vehicle access

UWB makes keyless vehicle access more secure by preventing unauthorized access via relay (man-in-the-middle) attacks.

#### Inform



#### Natural 3D centerstack display

Enjoying 3D experience without special glasses and, for the first time, with touch function.

#### Integrate



#### First automotive security operations center with T-Systems

Vehicle manufacturers and fleet operators can continuously monitor the IT security of their vehicles on the road, detect attacks and react as quickly as possible.

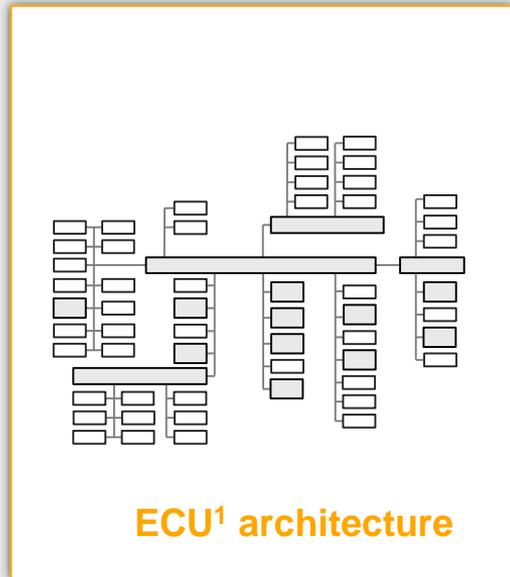
## 3.2 | Interior → Vehicle Networking and Information

### Portfolio Extension Towards Systems and Services

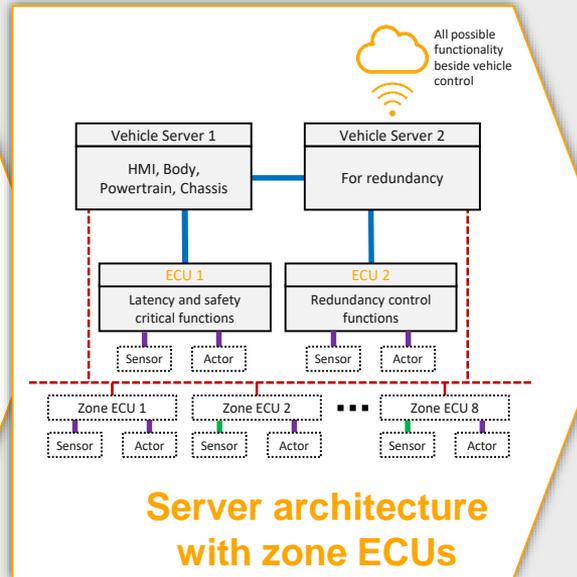


## 3.2 | Interior → Vehicle Networking and Information

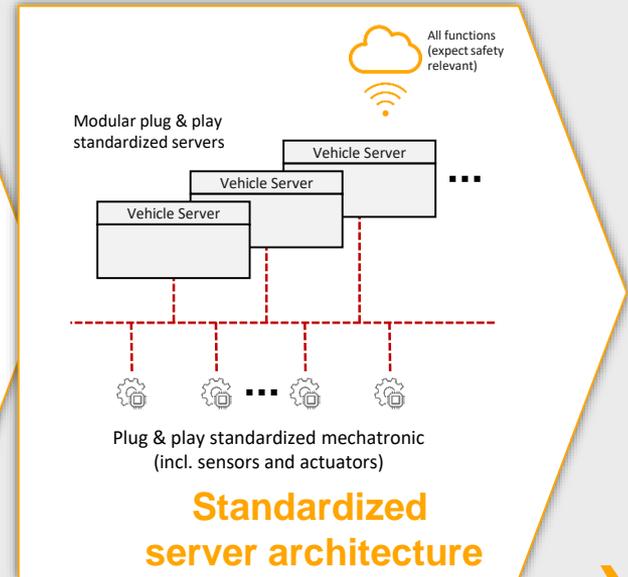
From Specific ECU Architecture to High Performance Computing



State-of-the-art



2025



2030

<sup>1</sup> Electronic Control Unit.

## 3.2 | Interior → Vehicle Networking and Information

### Megatrends Require New Approaches in E/E Architecture

Automated driving



Electrification



Connectivity



New mobility



SW defined car



Digitalization



Internet of Everything



- › Increasing number of functions and higher performance require new approaches in electric and electronic (E/E) architecture.
- › Move towards structures known from IT industry supporting functions in vehicle and cloud with high flexibility.
- › The in-vehicle server is a cornerstone of modern vehicle architectures.



- › In-vehicle servers offer a hardware / software (SW) platform realizing individual use cases:

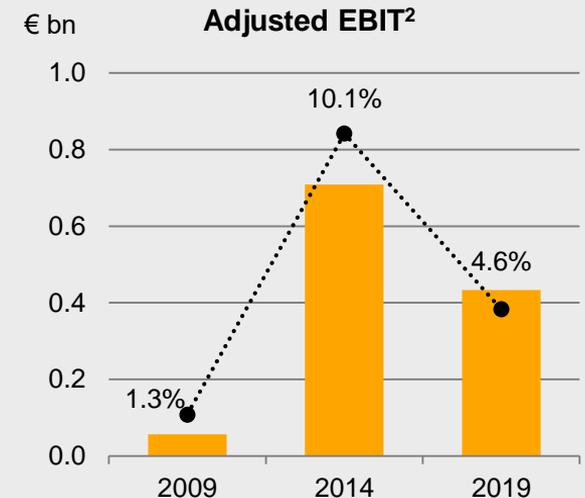
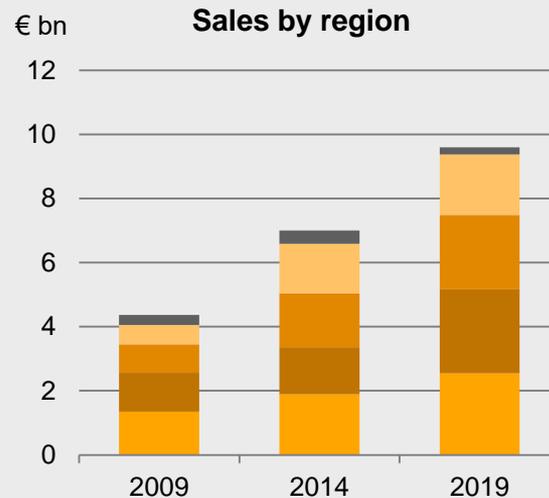
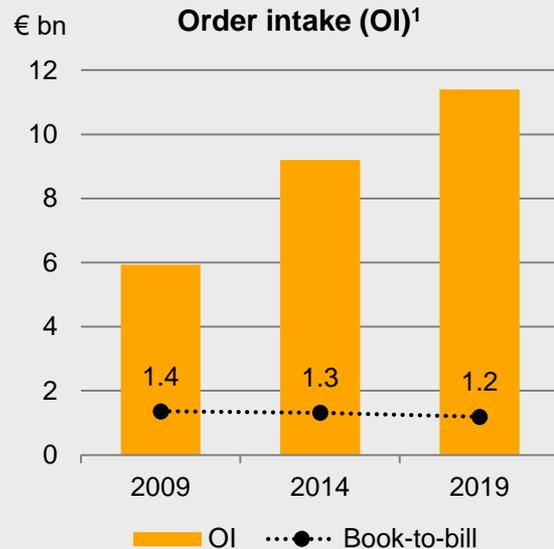
Internal  
Gateway

Function  
Host

Master for  
over-the-air  
updates and  
Cyber Security

## 3.2 | Interior → Vehicle Networking and Information

### Development of Order Intake, Sales, and Adjusted EBIT



<sup>1</sup> Lifetime sales.

<sup>2</sup> Before amortization of intangibles from PPA, consolidation and special effects.

## 3.2 | Interior

### Key Figures

	2017		2018		2019	
Interior (€ mn)		% of sales		% of sales		% of sales
<b>Sales</b>	<b>9,305.2</b>	-	<b>9,707.2</b>	-	<b>9,595.5</b>	-
EBITDA	1,140.0	12.3	1,389.2	14.3	582.4	6.1
EBIT	749.2	8.1	988.1	10.2	-1,325.3	-13.8
Adjusted sales	-	-	9,566.8	-	9,448.5	-
<b>Adjusted EBIT<sup>1</sup></b>	<b>-</b>	<b>-</b>	<b>863.2</b>	<b>9.0</b>	<b>433.4</b>	<b>4.6</b>
Operating assets	5,028.9	-	5,626.3	-	5,760.2	-
Research and development expenses	1,062.7	11.4	1,064.7	11.0	1,189.2	12.4
CapEx <sup>2</sup>	453.3	4.9	578.4	6.0	683.7	7.1
Depreciation and amortization	390.8	-	401.1	-	1,907.7	-
- thereof impairment <sup>3,4</sup>	18.2	-	-1.6	-	1,373.2	-

IFRS 9 and IFRS 15 applied starting 2018. IFRS 16 applied starting 2019.

<sup>1</sup> EBIT before amortization of intangible assets from PPA, consolidation and special effects; sales before changes in the scope of consolidation.

<sup>2</sup> Capital expenditure on property, plant and equipment, and software.

<sup>3</sup> Excluding impairment on financial investments.

<sup>4</sup> Impairment also includes necessary reversals of impairment losses.

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3.3	<b>Powertrain → Vitesco Technologies</b>	<b>60</b>
4	Rubber Group	63
4.1	Tires	69
4.2	ContiTech	83
5	Corporate Governance	91
6	Sustainability	101
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## 3.3 | Powertrain → Vitesco Technologies

One of the World's Leading Suppliers for Powertrain Technologies



- › We are a leading international developer and manufacturer of state-of-the-art powertrain technologies for sustainable mobility. With smart system solutions and components for electric, hybrid and internal combustion vehicles, we make mobility clean, efficient and affordable.
- › For more details visit: [www.vitesco-technologies.com](http://www.vitesco-technologies.com)
- › In 2019, Vitesco Technologies, a division of the Continental AG, had the following key data:



**€7.8** billion  
**2019 sales**



**41,744**  
employees  
(December 31, 2019)



**Headquartered  
in Regensburg,  
Germany**

## 3.3 | Powertrain

### Key Figures

	2017		2018		2019	
Powertrain (€ mn)		% of sales		% of sales		% of sales
<b>Sales</b>	<b>7,660.9</b>	-	<b>7,741.0</b>	-	<b>7,802.3</b>	-
EBITDA	854.8	11.2	574.6	7.4	192.5	2.5
EBIT	439.9	5.7	119.8	1.5	-662.1	-8.5
Adjusted sales	-	-	7,888.0	-	7,802.3	-
<b>Adjusted EBIT<sup>1</sup></b>	<b>-</b>	<b>-</b>	<b>220.1</b>	<b>2.8</b>	<b>57.0</b>	<b>0.7</b>
Operating assets	3,325.6	-	3,582.2	-	3,906.3	-
Research and development expenses	699.0	9.1	672.6	8.7	664.1	8.5
CapEx <sup>2</sup>	653.7	8.5	691.0	8.9	657.7	8.4
Depreciation and amortization	414.9	-	454.8	-	854.6	-
- thereof impairment <sup>3,4</sup>	18.6	-	19.3	-	351.9	-

IFRS 9 and IFRS 15 applied starting 2018. IFRS 16 applied starting 2019.

<sup>1</sup> EBIT before amortization of intangible assets from PPA, consolidation and special effects; sales before changes in the scope of consolidation.

<sup>2</sup> Capital expenditure on property, plant and equipment, and software.

<sup>3</sup> Excluding impairment on financial investments.

<sup>4</sup> Impairment also includes necessary reversals of impairment losses.

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# 4 | Rubber Group

One of the Leading Global Suppliers of Rubber Products



**€18.0** billion

**2019 sales**



**102,685**

employees

(December 31, 2019)



**385 locations**

in 55 countries  
and markets

(December 31, 2019)

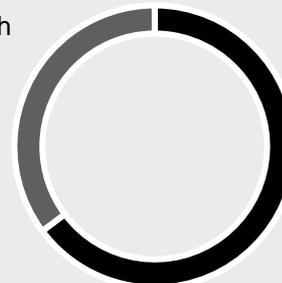
› On January 1, 2020, the former Rubber Group of Continental was renamed the **Rubber Technologies** group sector, comprising the business areas Tires and ContiTech.

› Continental tires business area ranks number four among the world's leading tire manufacturers.

› The ContiTech business area is the world's leading supplier of technical elastomer products and is a specialist in thermoplastics technology.

**2019 sales by division**

ContiTech  
35%



Tires  
65%

# 4 | Rubber Group

## Overview of Business Areas and Business Units

### Tires

Passenger and Light Truck Tires (PLT)		Commercial Vehicle Tires (CVT)
<b>Markets</b>		
› EMEA <sup>1</sup>	› The Americas	› APAC <sup>2</sup>
<b>Products</b>		
› Original equipment › Replacement › Summer tires, winter tires, high-performance tires		› Original equipment › Replacement › Commercial specialty tires

<b>2019 sales</b>	<b>€11,728 mn</b>
% of total	26%
<b>Adj. EBIT<sup>3</sup></b>	<b>€1,708 mn</b>
Adj. EBIT margin	14.9%

Sales breakdown

**74%** Replacement      **26%** OE



### ContiTech

- › Air springs for railway, trucks and buses
- › Automotive hoses and hose lines
- › Automotive interior trim
- › Conveyor belts
- › Elastomer coatings
- › Industrial hoses
- › Multiple V-ribbed belts and timing belts
- › Vibration absorbers

<b>2019 sales</b>	<b>€6,402 mn</b>
% of total	14%
<b>Adj. EBIT<sup>1</sup></b>	<b>€467 mn</b>
Adj. EBIT margin	7.5%

Sales breakdown

**50%** Industrial      **50%** OE



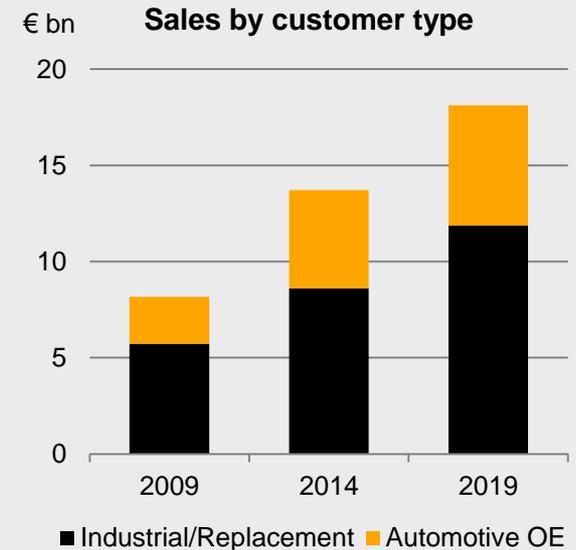
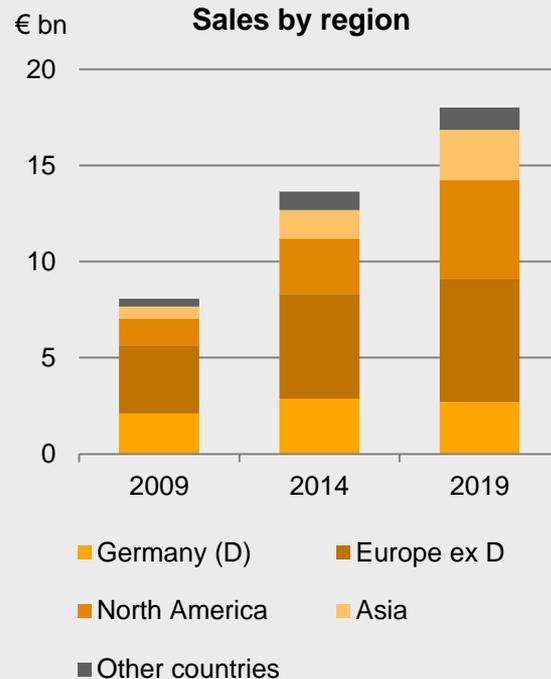
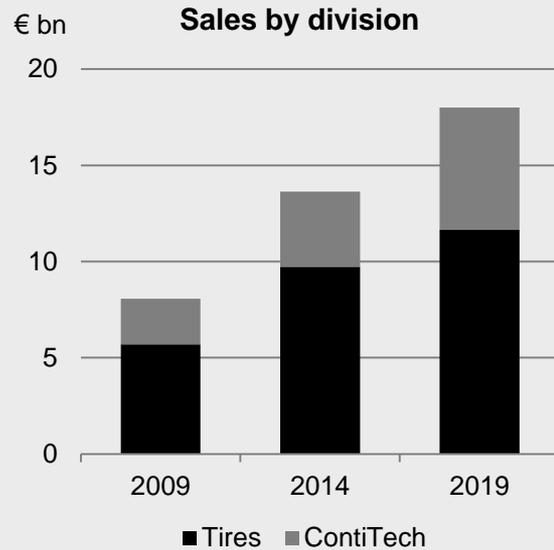
<sup>1</sup> Europe, Middle East, and Africa.

<sup>2</sup> Asia and Pacific.

<sup>3</sup> Before amortization of intangibles from PPA, consolidation and special effects.

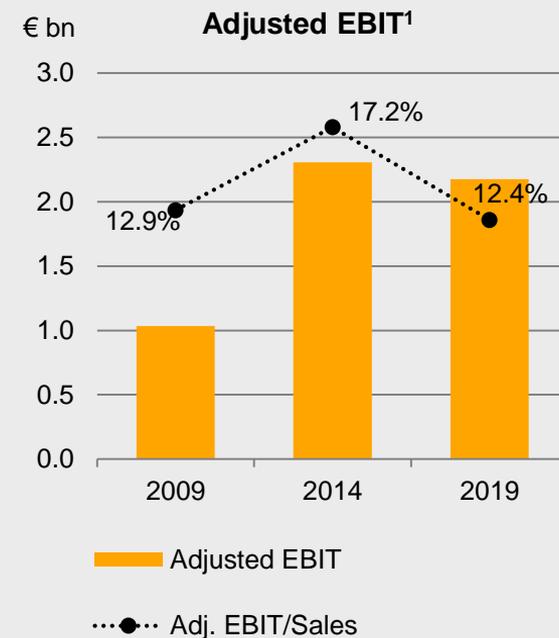
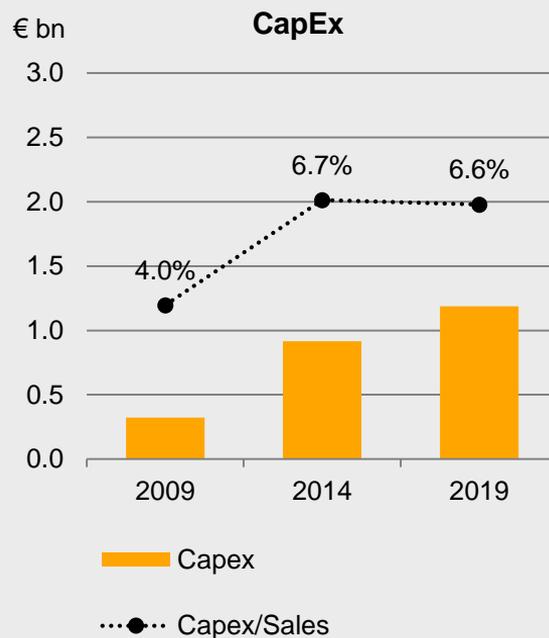
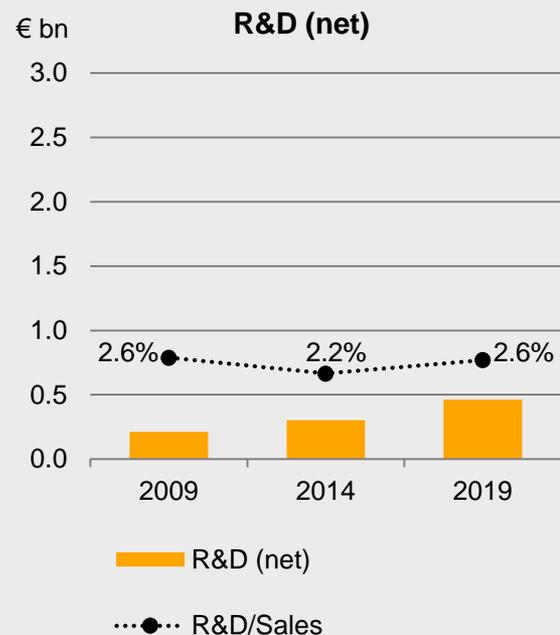
# 4 | Rubber Group

## Development of Sales



# 4 | Rubber Group

## Development of R&D, CapEx, and Adjusted EBIT



<sup>1</sup> Before amortization of intangibles from PPA, consolidation and special effects.

# 4 | Rubber Group

## Key Figures

	2017		2018		2019	
Rubber Group (€ mn)		% of sales		% of sales		% of sales
<b>Sales</b>	<b>17,494.7</b>	-	<b>17,603.1</b>	-	<b>18,012.9</b>	-
EBITDA	3,499.6	20.0	3,196.6	18.2	3,168.2	17.6
EBIT	2,593.5	14.8	2,278.3	12.9	1,957.5	10.9
Adjusted sales	-	-	17,595.1	-	17,549.2	-
<b>Adjusted EBIT<sup>1</sup></b>	<b>-</b>	<b>-</b>	<b>2,389.4</b>	<b>13.6</b>	<b>2,175.2</b>	<b>12.4</b>
Operating assets	9,325.1	-	9,618.1	-	11,317.3	-
Research and development expenses	428.2	2.4	448.5	2.5	462.2	2.6
CapEx <sup>2</sup>	1,060.2	6.1	1,087.3	6.2	1,187.9	6.6
Depreciation and amortization	906.1	-	918.3	-	1,210.7	-
- thereof impairment <sup>3,4</sup>	2.9	-	1.5	-	34.8	-

IFRS 9 and IFRS 15 applied starting 2018. IFRS 16 applied starting 2019.

<sup>1</sup> EBIT before amortization of intangible assets from PPA, consolidation and special effects; sales before changes in the scope of consolidation.

<sup>2</sup> Capital expenditure on property, plant and equipment, and software.

<sup>3</sup> Excluding impairment on financial investments.

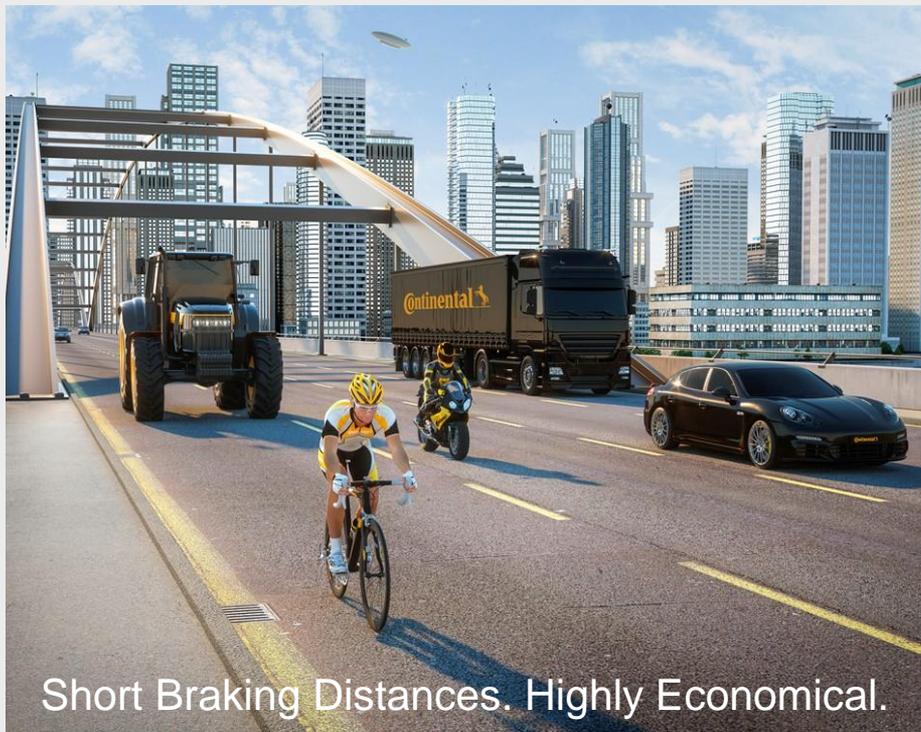
<sup>4</sup> Impairment also includes necessary reversals of impairment losses.

# Agenda

1	Continental at a Glance	2
2	Strategy	13
3	Automotive Group	24
3.1	Chassis & Safety → Autonomous Mobility and Safety	34
3.2	Interior → Vehicle Networking and Information	48
3.3	Powertrain → Vitesco Technologies	60
4	Rubber Group	63
4.1	<b>Tires</b>	<b>69</b>
4.2	ContiTech	83
5	Corporate Governance	91
6	Sustainability	101
7	Shares and Bonds	113
8	Glossary	120

## 4.1 | Tires

### Number Four Tire Manufacturer of the World



- › Continental tires business ranks number four among the world's leading tire manufacturers.
- › The business area offers a broad product range for cars, commercial vehicles and two-wheeled vehicles. This also includes services for trade and fleet applications as well as digital management systems for commercial vehicle tires.
- › Continuous investment in R&D makes a significant contribution toward safe, cost-effective and ecologically efficient mobility.



**€11.7** billion  
**2019 sales**



**56,884**  
employees  
(December 31, 2019)



**193 locations\***  
in 49 countries  
and markets

\* Headquartered in Hanover,  
Germany.

# 4.1 | Tires

## Business Units and Tire Brands

Passenger and Light Truck Tires (PLT)				Commercial Vehicle Tires (CVT)			Two Wheel Tires	
Original Equipment	Replacement			Truck Tires			Commercial Specialty Tires	
	EMEA <sup>1</sup>	The Americas	APAC <sup>2</sup>	EMEA <sup>1</sup>	The Americas	APAC <sup>2</sup>		
   	          <div style="border: 1px solid orange; padding: 2px; display: inline-block;">           Racing:  </div>	      	     	     	    	  	     	
Tires for: <ul style="list-style-type: none"> <li>› Compact, medium-size and full-size cars</li> <li>› 4x4 and SUVs</li> <li>› Vans, light trucks and recreational vehicles</li> </ul>				Tires, services and solutions for customer segments: <ul style="list-style-type: none"> <li>› Goods</li> <li>› People</li> <li>› Construction</li> </ul>			Tires, services and solutions for the applications: material handling, agriculture and earthmoving	Tires and tubes for bicycles and motorcycles
Tire technology solutions: Self Supporting Runflat tire (SSR), Minispare, Conti MobilityKit, ContiSeal, ContiSilent								

<sup>1</sup> Europe, Middle East and Africa.

<sup>3</sup> Not including North America, Columbia and Peru.

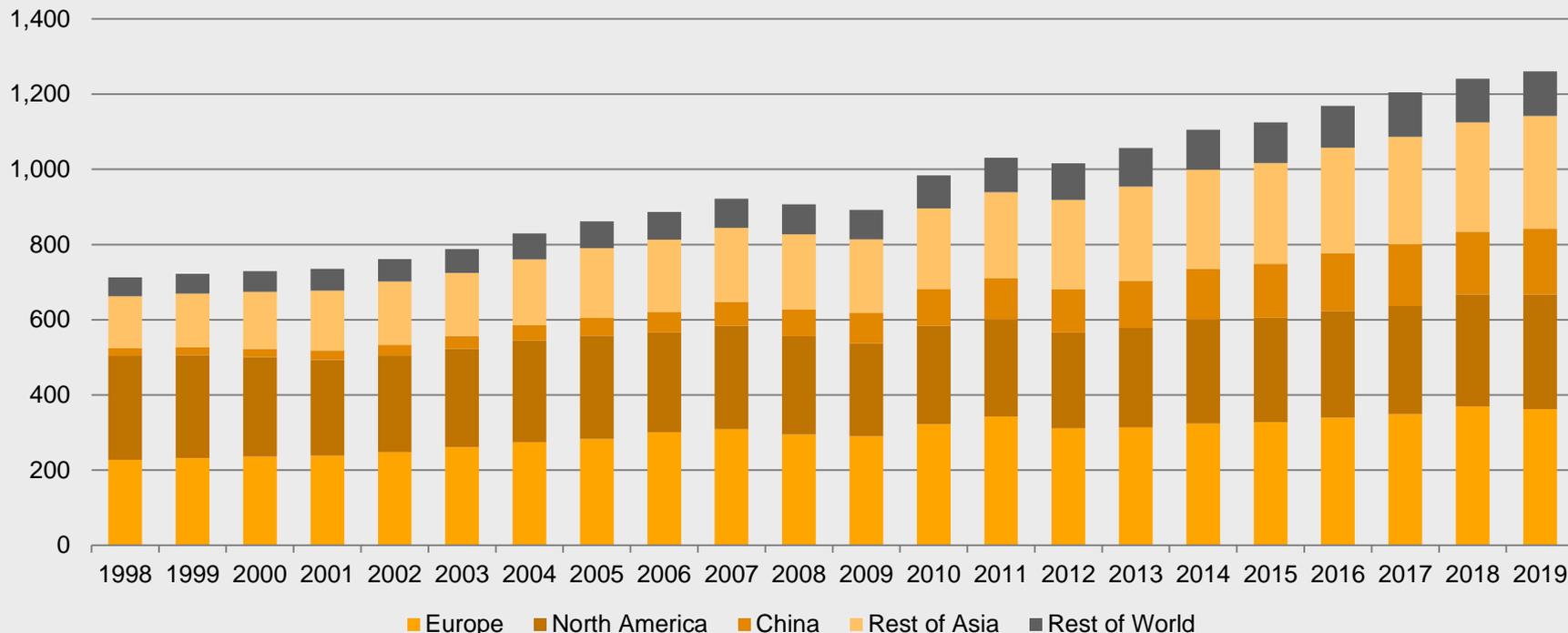
<sup>2</sup> Asia and Pacific.

<sup>4</sup> Trademark rights for Malaysia, Singapore and Brunei.

# 4.1 | Tires

## Rising Global Replacement Tire Demand

Million units of replacement tires for PC and LCV<sup>1</sup>



Source: LMC.

<sup>1</sup> Passenger cars (PC) and light commercial vehicles < 6 metric tons (LCV).

# 4.1 | Tires

## Update on Vision 2025



### Stage 1: 2001–2010

#### Create Value

- › Global footprint and business optimized
- › Strong cost focus
- › Global presence of Commercial Vehicle Tires sustained (South Africa/Asia and Pacific)
- › Turnaround of Passenger and Light Truck Tires business in North America region succeeded
- › Worldwide technology gap to competition closed



### Stage 2: 2011–2015

#### Sustain Value

- › Accelerated global growth (focus on Brazil, Russia, India, and China)
- › Leverage cost position
- › Improved technology position to establish among “Best In Class”



### Stage 3: 2016–2025

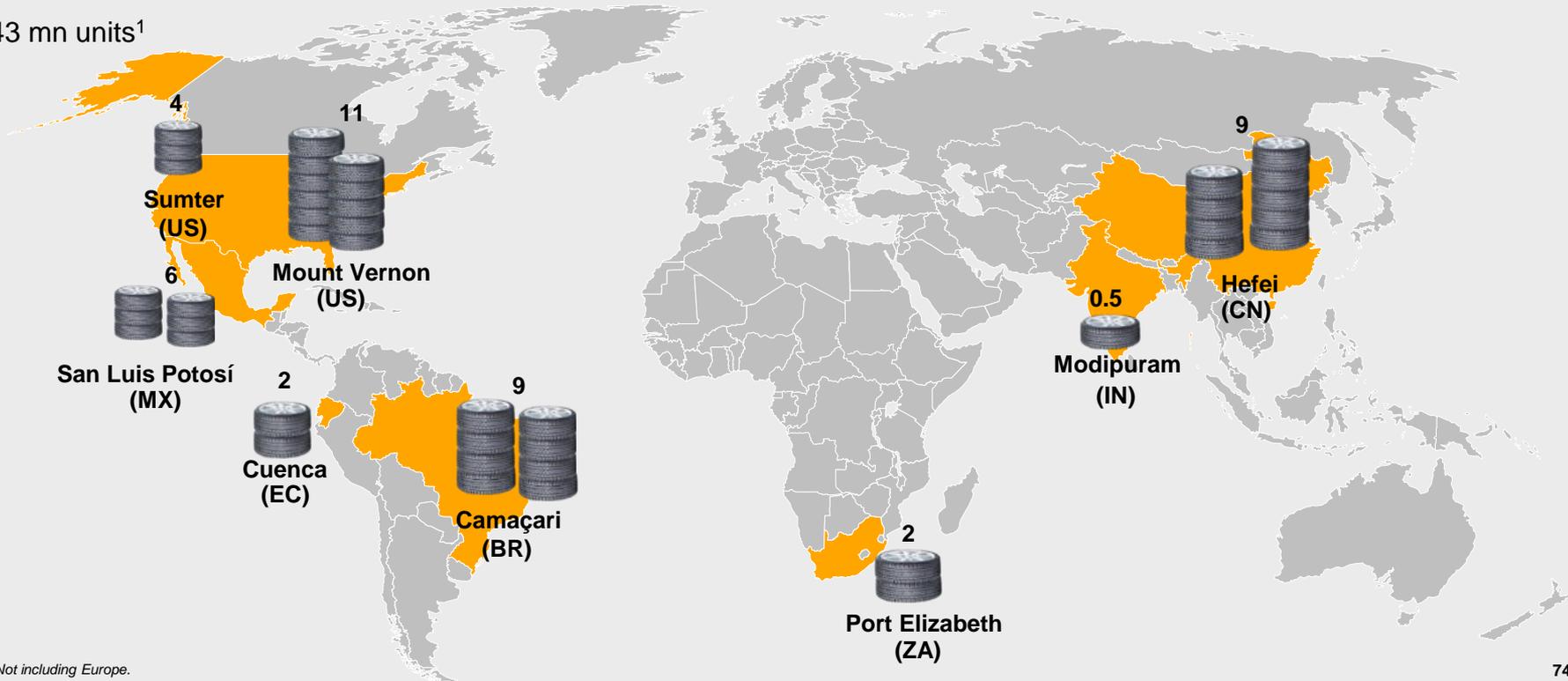
#### Enhance Value

- › Balance the global footprint
- › Benefit from excellent cost position
- › Achieve podium position in technology worldwide
- › Improve brand awareness further
- › One of the top 3 globally

# 4.1 | Tires

## Passenger and Light Truck Tire Production Volume 2019 Worldwide ex Europe

43 mn units<sup>1</sup>

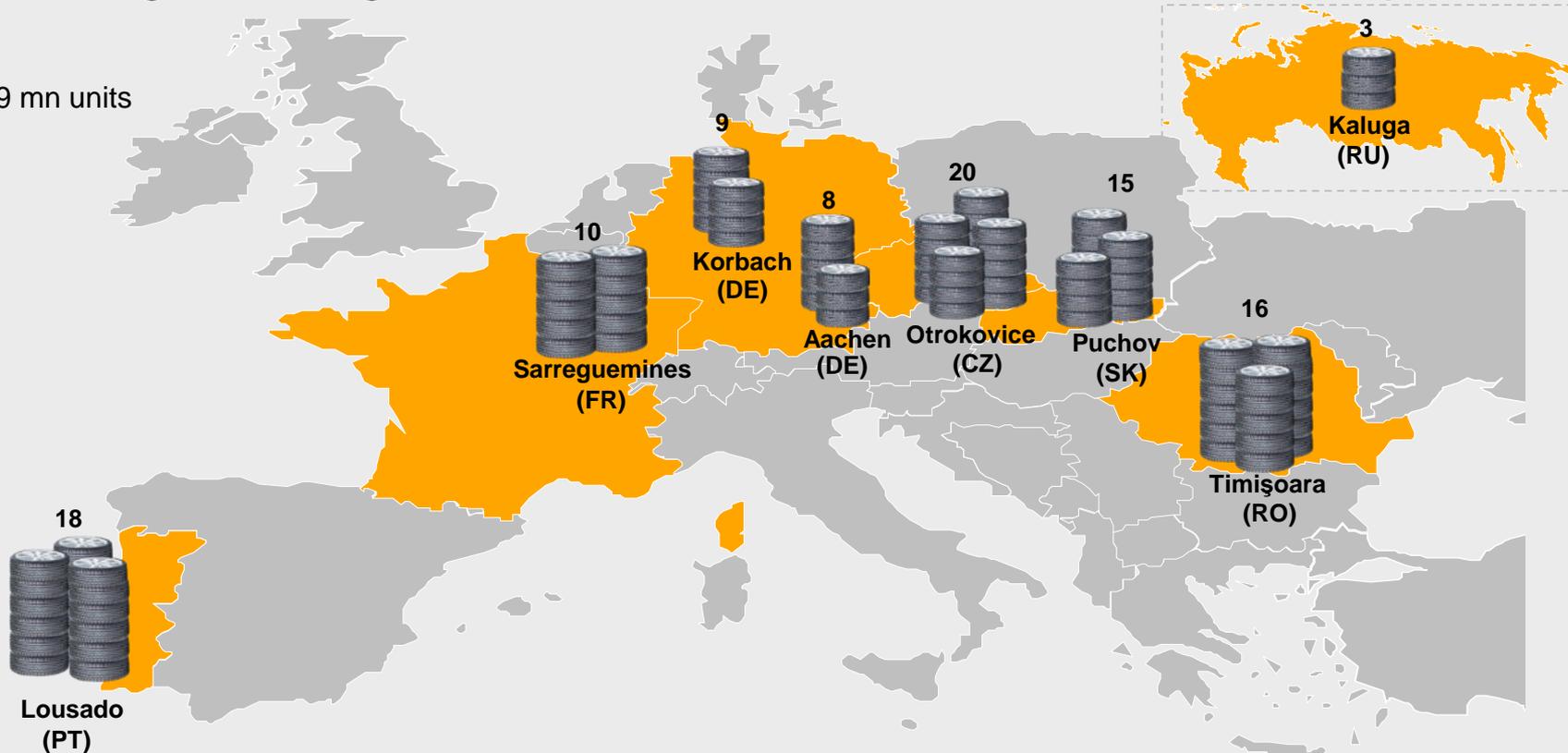


<sup>1</sup> Not including Europe.

## 4.1 | Tires

### Passenger and Light Truck Tire Production Volume 2019 in Europe

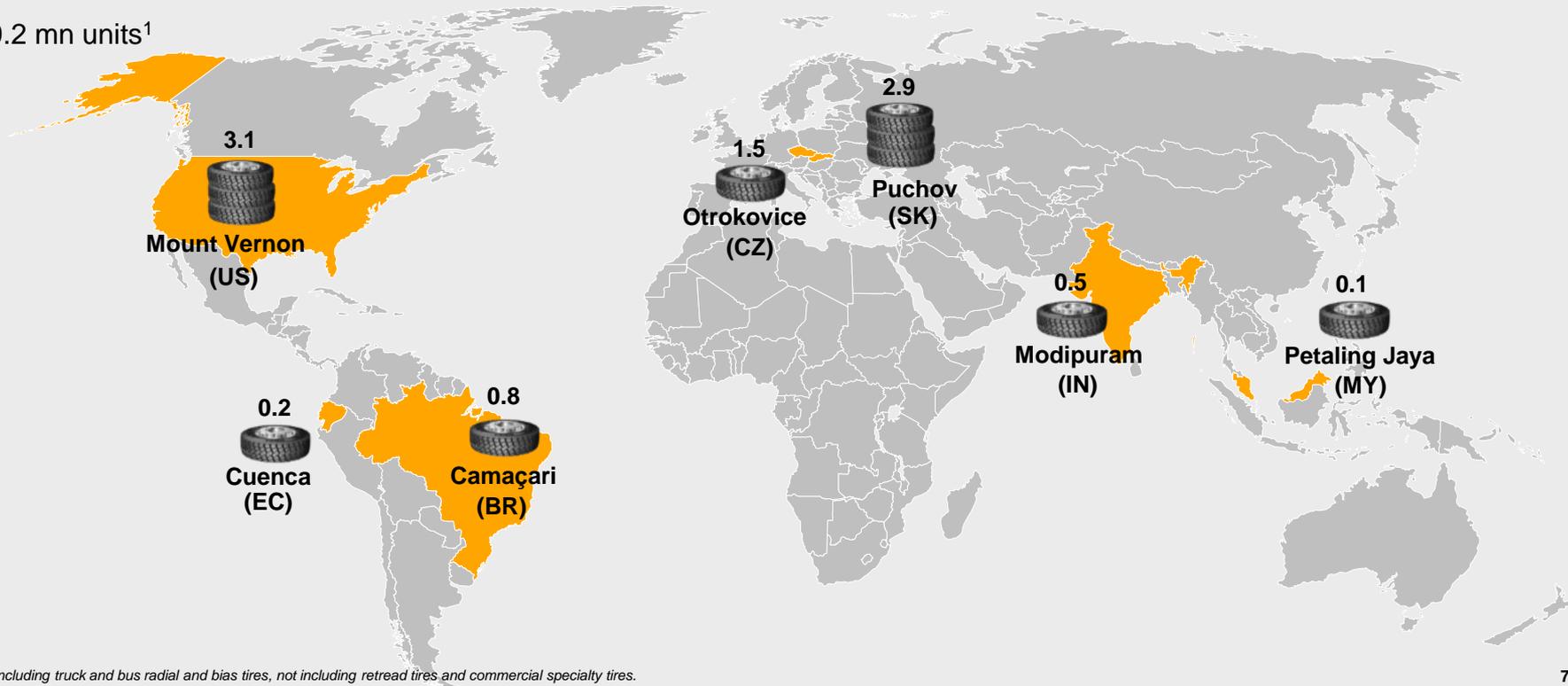
99 mn units



## 4.1 | Tires

### Commercial Vehicle Tire Production Volume<sup>1</sup> 2019 Worldwide

9.2 mn units<sup>1</sup>

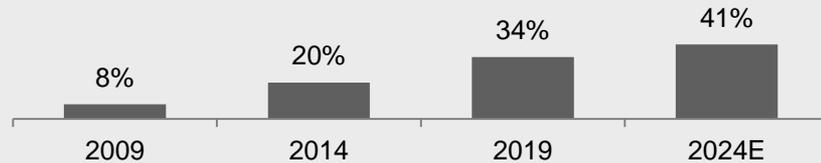


<sup>1</sup> Including truck and bus radial and bias tires, not including retread tires and commercial specialty tires.

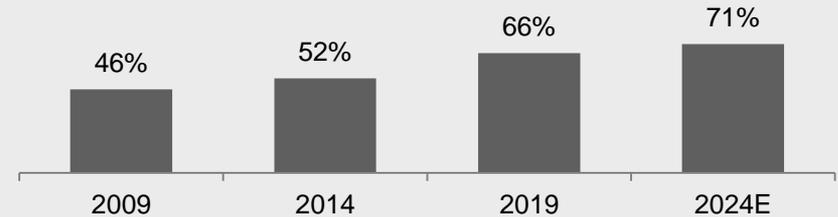
## 4.1 | Tires

### Improving Tire Mix Due to Rising SUV and Pickup Share

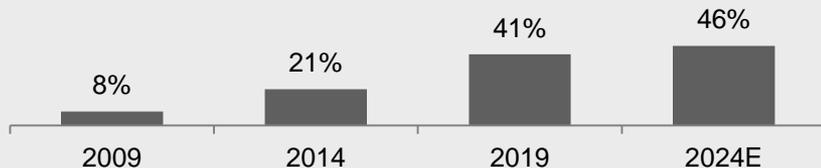
PC&LCV<sup>1</sup> production in Europe



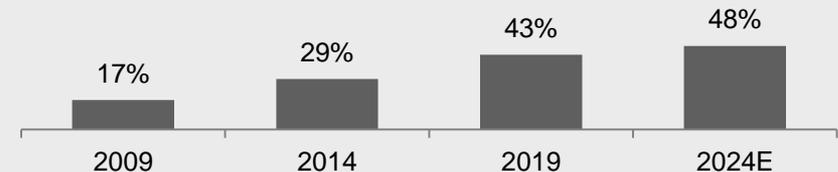
PC&LCV<sup>1</sup> production in North America



PC&LCV<sup>1</sup> production in China



PC&LCV<sup>1</sup> production worldwide

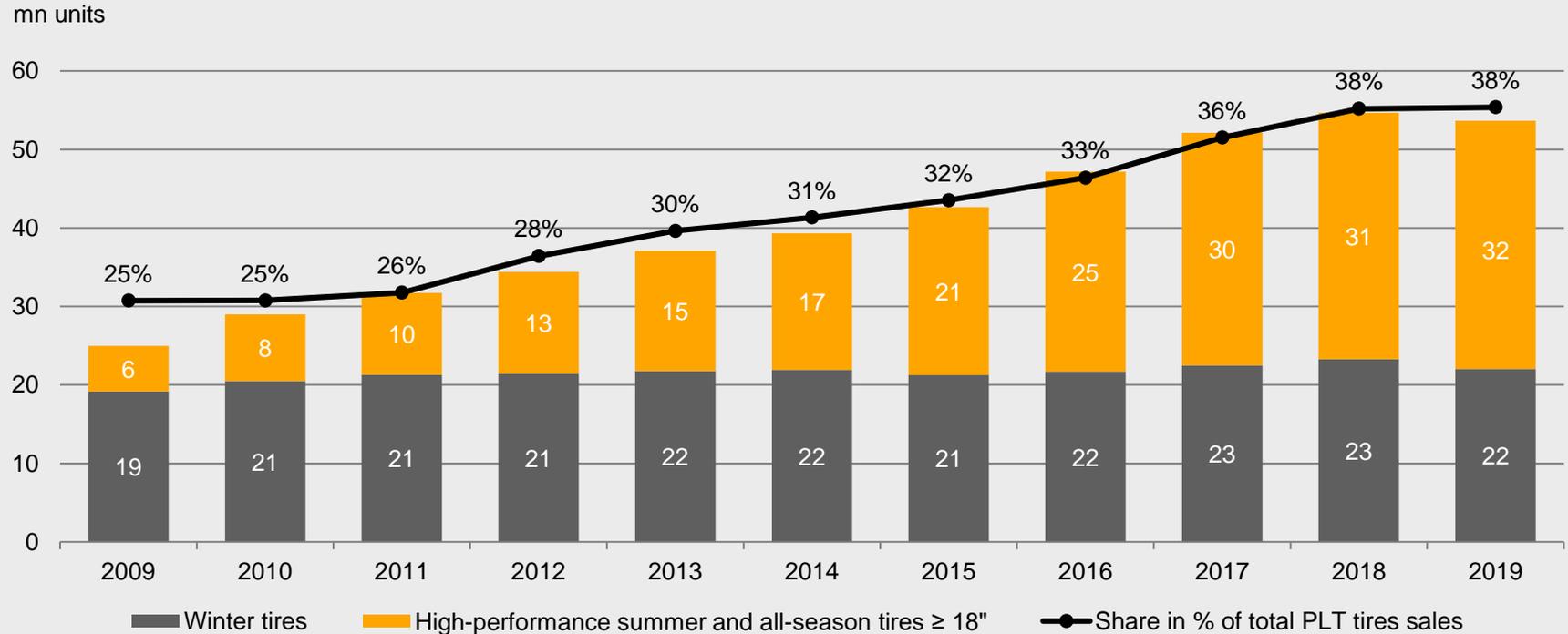


Source: IHS.

<sup>1</sup> Passenger cars (PC) and light commercial vehicles < 6 metric tons (LCV).

## 4.1 | Tires

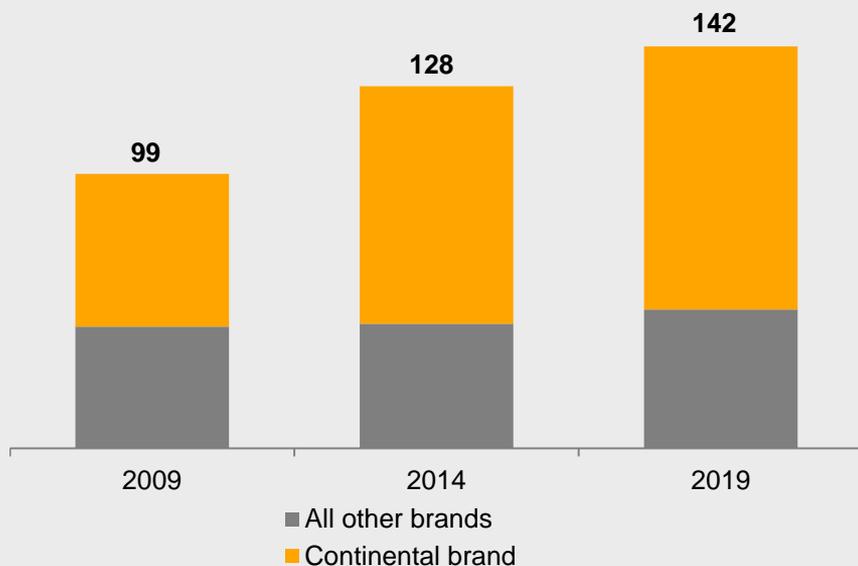
### Passenger and Light Truck Tires (PLT) – Mix Improvement Driven by $\geq 18$ "



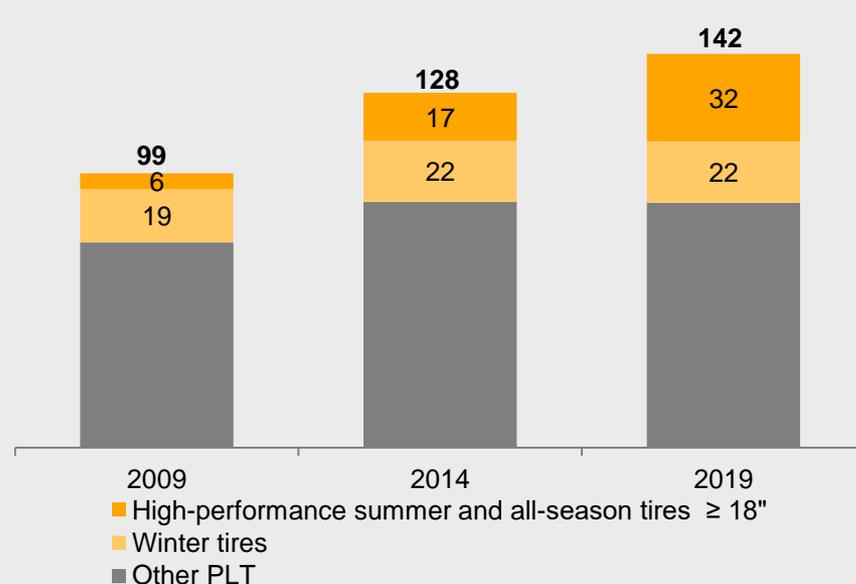
## 4.1 | Tires

### Passenger and Light Truck Tires – Brand & Product Mix Improvement

Brand mix  
passenger and light truck tires sales  
(mn units)



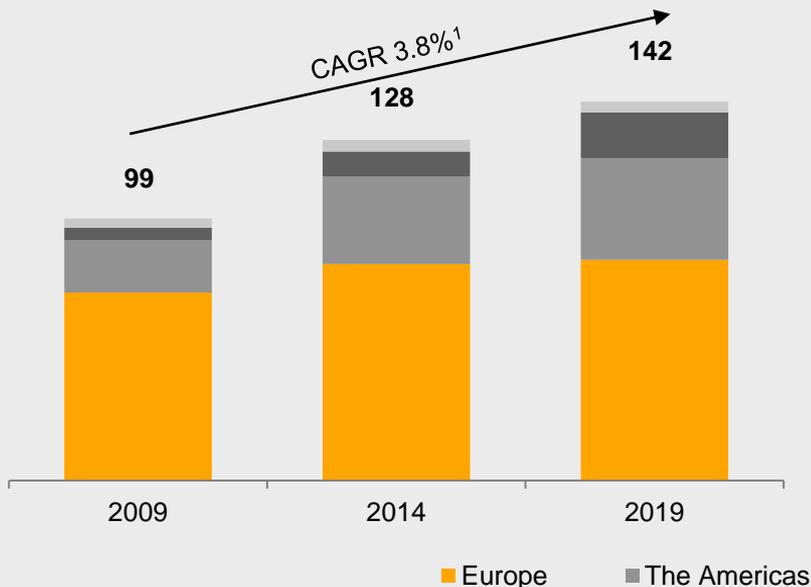
Product category mix  
passenger car and light truck sales  
(mn units)



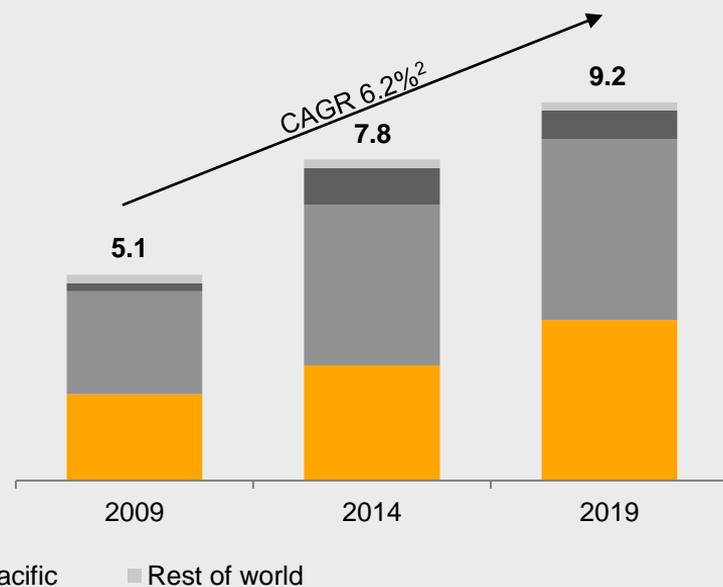
## 4.1 | Tires

### Balancing Global Presence While Outperforming Underlying Markets

Passenger and light truck tires (PLT) sales  
(mn units)



Commercial vehicle tires (CVT) sales  
(mn units)

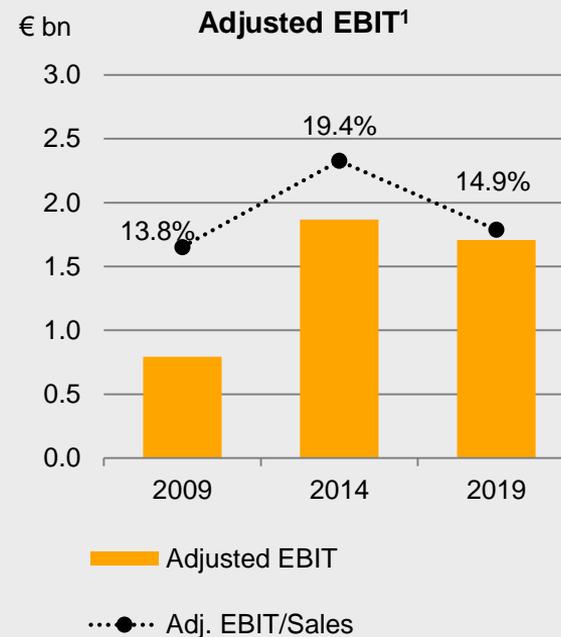
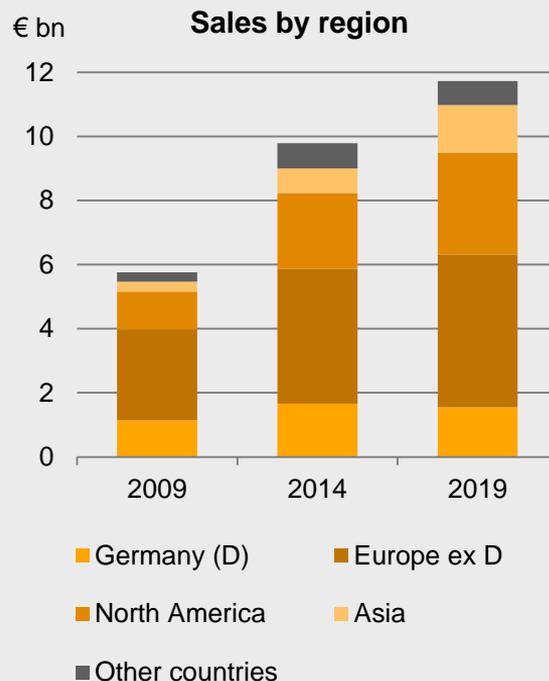
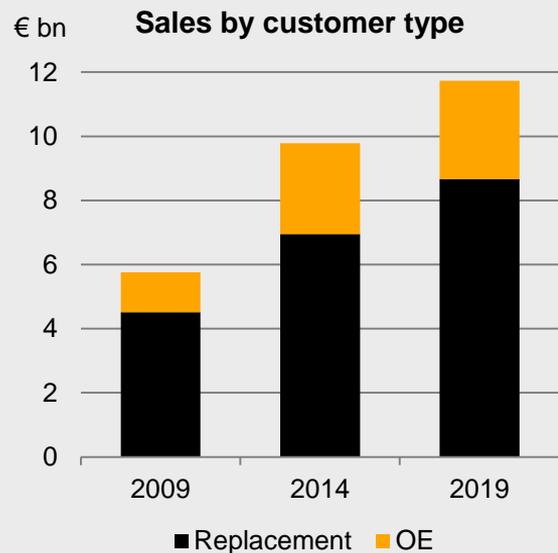


<sup>1</sup> Global passenger car and light truck tires sales market CAGR 2009-2019: 3.5% (LMC).

<sup>2</sup> Global truck tire sales market CAGR 2009-2019: 3.6% (LMC).

# 4.1 | Tires

## Development of Sales and Adjusted EBIT



<sup>1</sup> Before amortization of intangibles from PPA, consolidation and special effects.

# 4.1 | Tires

## Key Figures

	2017		2018		2019	
<b>Tires (€ mn)</b>		% of sales		% of sales		% of sales
<b>Sales</b>	<b>11,325.8</b>	-	<b>11,352.2</b>	-	<b>11,728.0</b>	-
EBITDA	2,748.7	24.3	2,495.2	22.0	2,497.7	21.3
EBIT	2,151.3	19.0	1,882.1	16.6	1,651.6	14.1
Adjusted sales	-	-	11,352.2	-	11,468.7	-
<b>Adjusted EBIT<sup>1</sup></b>	<b>-</b>	<b>-</b>	<b>1,902.6</b>	<b>16.8</b>	<b>1,708.2</b>	<b>14.9</b>
Operating assets	6,143.0	-	6,471.2	-	7,797.5	-
Research and development expenses	289.8	2.6	299.4	2.6	299.4	2.6
CapEx <sup>2</sup>	847.0	7.5	837.1	7.4	926.2	7.9
Depreciation and amortization	597.4	-	613.1	-	846.1	-
- thereof impairment <sup>3,4</sup>	0.5	-	1.2	-	22.5	-

IFRS 9 and IFRS 15 applied starting 2018. IFRS 16 applied starting 2019.

<sup>1</sup> EBIT before amortization of intangible assets from PPA, consolidation and special effects; sales before changes in the scope of consolidation.

<sup>2</sup> Capital expenditure on property, plant and equipment, and software.

<sup>3</sup> Excluding impairment on financial investments.

<sup>4</sup> Impairment also includes necessary reversals of impairment losses.

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## 4.2 | ContiTech

# The World's Leading Supplier of Technical Elastomers and Thermoplastics

### Smart Solutions Beyond Rubber



- › We move the industries, in which we are active.
- › As an industry partner we are developing, manufacturing and marketing environmentally friendly, multi-material smart industrial and service solutions that make mining, railway engineering, the automotive industry and other important industries safer and more convenient.



**€6.4** billion  
**2019 sales**



**45,801**  
employees  
(December 31, 2019)

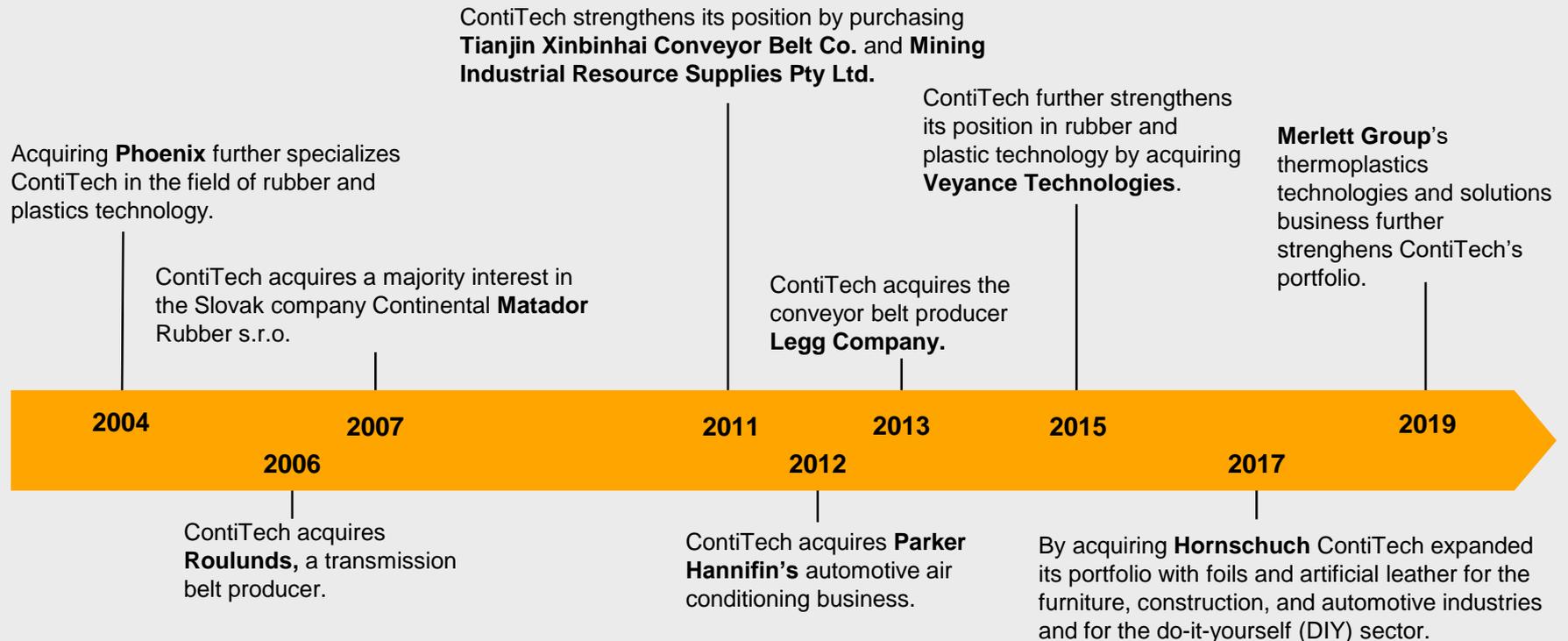


**202 locations\***  
in 43 countries  
and markets

\* Headquartered in Hanover,  
Germany.

## 4.2 | ContiTech

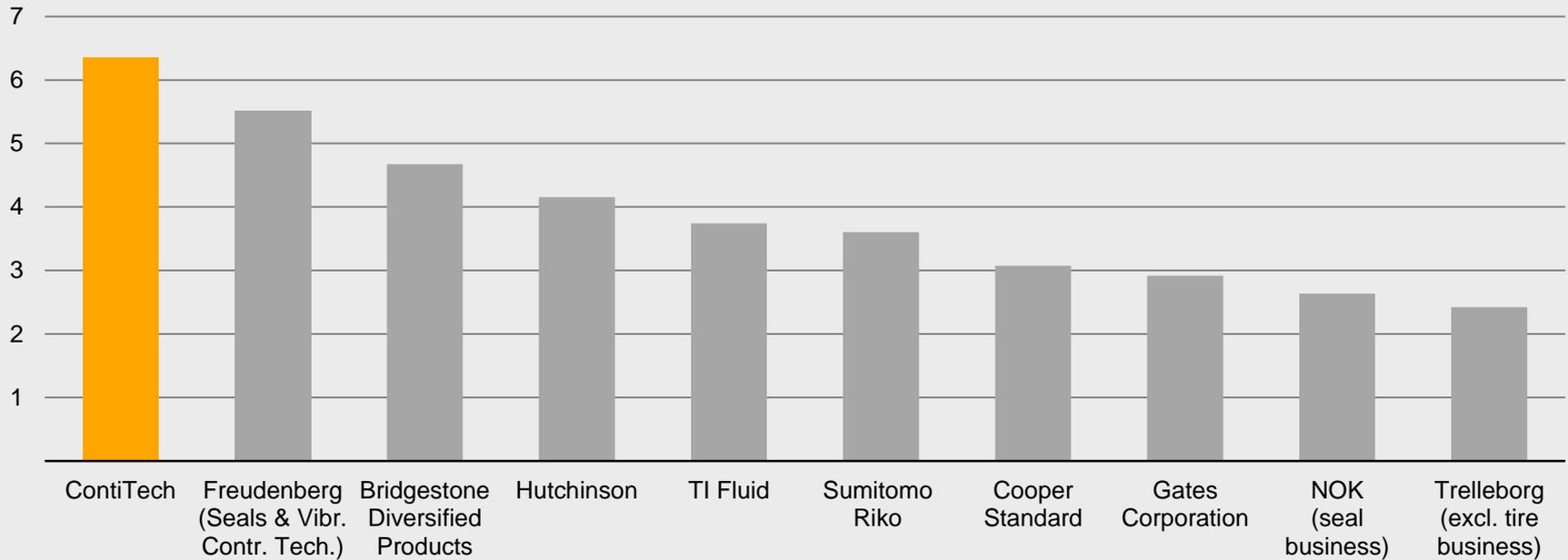
### History/Development Since 2004



## 4.2 | ContiTech

The World's Leading Supplier of Technical Elastomers and Thermoplastics

Top 10 suppliers of technical elastomers and thermoplastics – 2018 sales (€ bn)



## 4.2 | ContiTech

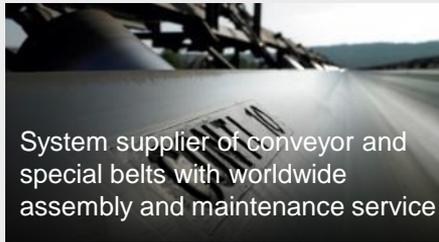
### Business Units and Key Products

#### Air Spring Systems



Air Spring Systems in commercial, industrial and rail vehicles, machinery and equipment

#### Conveying Solutions



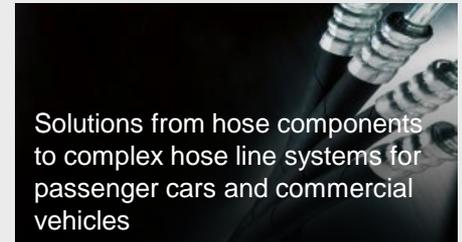
System supplier of conveyor and special belts with worldwide assembly and maintenance service

#### Industrial Fluid Solutions



Hoses for almost every industrial application and industrial vehicles

#### Mobile Fluid Systems



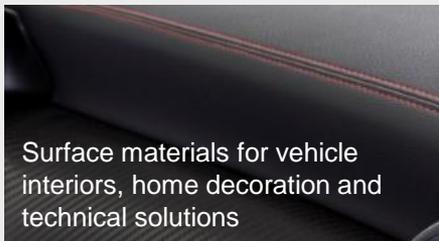
Solutions from hose components to complex hose line systems for passenger cars and commercial vehicles

#### Power Transmission Group



Belts, components and systems for vehicles and many other industries

#### Surface Solutions



Surface materials for vehicle interiors, home decoration and technical solutions

#### Vibration Control



Vibration technology and noise insulation in automobiles and many other industries

**As a technology partner,  
we offer intelligent  
solutions made of rubber  
and plastic  
in combination with  
metal,  
fabric and electronics.**

## 4.2 | ContiTech

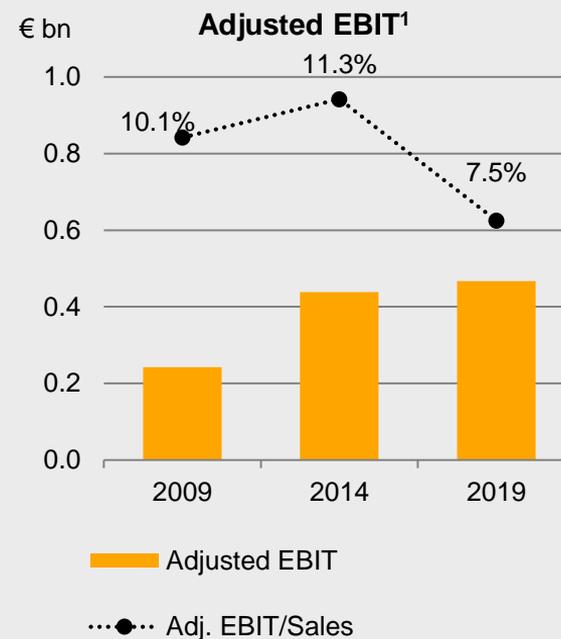
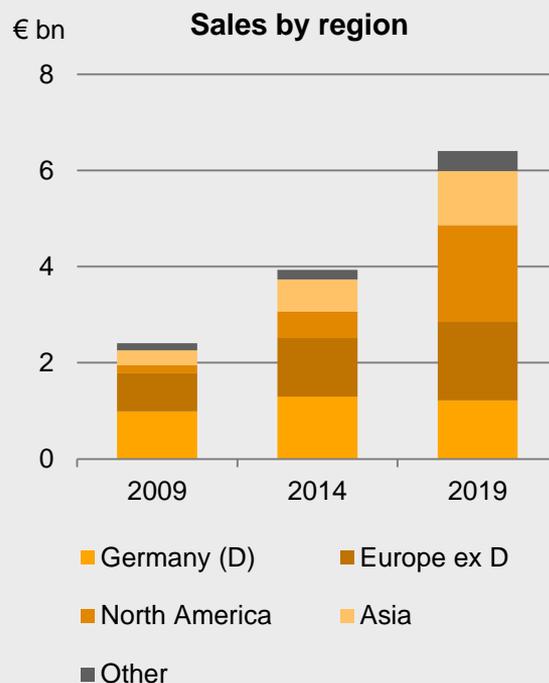
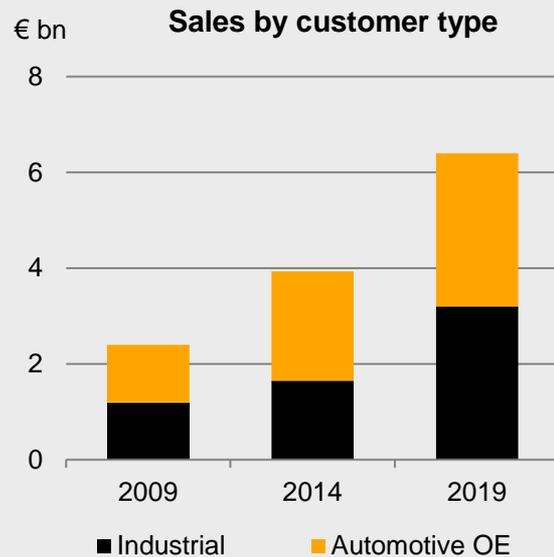
### Customer and Competence Fields



We are experts in a large variety of industries with an understanding for the opportunities of digitalization.

## 4.2 | ContiTech

### Development of Sales and Adjusted EBIT



<sup>1</sup> Before amortization of intangibles from PPA, consolidation and special effects.

## 4.2 | ContiTech

### Key Figures

	2017		2018		2019	
ContiTech (€ mn)		% of sales		% of sales		% of sales
<b>Sales</b>	<b>6,246.4</b>	-	<b>6,344.7</b>	-	<b>6,401.5</b>	-
EBITDA	750.9	12.0	701.4	11.1	670.5	10.5
EBIT	442.2	7.1	396.2	6.2	305.9	4.8
Adjusted sales	-	-	6,336.7	-	6,197.1	-
<b>Adjusted EBIT<sup>1</sup></b>	<b>-</b>	<b>-</b>	<b>486.8</b>	<b>7.7</b>	<b>466.9</b>	<b>7.5</b>
Operating assets	3,182.1	-	3,146.9	-	3,519.8	-
Research and development expenses	138.4	2.2	149.1	2.3	162.8	2.5
CapEx <sup>2</sup>	213.2	3.4	250.2	3.9	261.7	4.1
Depreciation and amortization	308.7	-	305.2	-	364.6	-
- thereof impairment <sup>3,4</sup>	2.4	-	0.3	-	12.3	-

IFRS 9 and IFRS 15 applied starting 2018. IFRS 16 applied starting 2019.

<sup>1</sup> EBIT before amortization of intangible assets from PPA, consolidation and special effects; sales before changes in the scope of consolidation.

<sup>2</sup> Capital expenditure on property, plant and equipment, and software.

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5	<b>Corporate Governance</b>	<b>91</b>
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# 5 | Corporate Governance

## Two-Tier Board System – Corporate Bodies

Corporate bodies of the company

### Shareholders' Meeting

Shareholders exercise their rights of participation and control

Elects shareholder representatives  
 Discharges Reports

Discharges Reports

### Supervisory Board

Chairman's Committee <

20 members

Audit Committee <

10 shareholder representatives  
10 employee representatives

Nomination Committee <

Mediation Committee <

Involvement in decisions of fundamental significance to the company

Appoints, monitors and advises >

< Reports

### Executive Board

8 members

Responsible for managing the company in accordance with the law, the Articles of Incorporation, and the By-Laws of the Supervisory and Executive Boards, while taking into account the resolutions of the Shareholders' Meeting

# 5 | Corporate Governance

## Executive Board of Continental AG



**Dr. Elmar Degenhart**

born in 1959;  
Chairman of the Executive Board;  
appointed in 2009 until August 2024



**Hans-Jürgen Duensing**

born in 1958;  
ContiTech business area;  
appointed in 2015 until April 2023



**Frank Jourdan**

born in 1960;  
Autonomous Mobility and Safety business area;  
appointed in 2013 until March 2024



**Christian Kötz**

born in 1970;  
Tires business area;  
appointed in 2019 until March 2022



**Helmut Matschi**

born in 1963;  
Vehicle Networking and Information business area;  
appointed in 2009 until March 2024



**Dr. Ariane Reinhart**

born in 1969;  
Human Relations and Sustainability,  
Director of Labor Relations;  
appointed in 2014 until September 2022



**Wolfgang Schäfer**

born in 1959;  
Chief Financial Officer;  
appointed in 2010 until December 2024



**Nikolai Setzer**

born in 1971;  
Spokesman of the Automotive Board,  
Automotive Central Functions;  
appointed in 2009 until March 2024

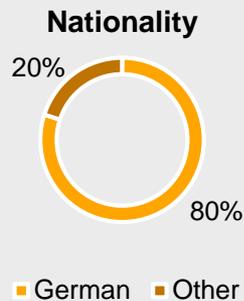
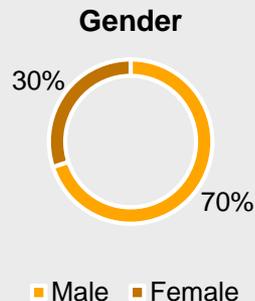
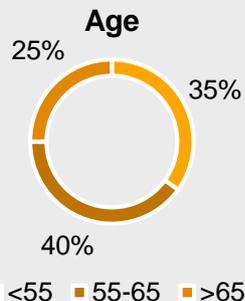
# 5 | Corporate Governance

## Supervisory Board – Key Facts

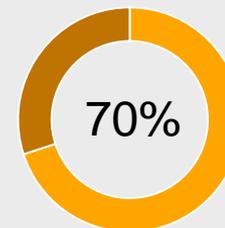
20 board members



Supervisory board tenure



Independence of shareholder representatives<sup>1</sup>



<sup>1</sup> Independence definition acc. to German Corporate Governance Code (GCGC).

# 5 | Corporate Governance

## Supervisory Board of Continental AG

### Shareholder representatives

**Prof. Dr.-Ing. Wolfgang Reitzle**, born 1949  
Chairman of the Supervisory Board  
Elected 2009 until the end of the 2024 ASM

**Dr. Gunter Dunkel**, born 1953, elected in 2009 until 2024

**Satish Khatu**, born 1952, elected in 2019 until 2024

**Isabel Corinna Knauf**, born 1972, elected in 2019 until 2024

**Sabine Neuß**, born 1968, elected in 2014 until 2024

**Prof. Dr. Rolf Nonnenmacher**, born 1954, elected in 2014 until 2024

**Klaus Rosenfeld**, born 1966, elected in 2009 until 2024

**Georg F. W. Schaeffler**, born 1964, elected in 2009 until 2024

**Maria-Elisabeth Schaeffler-Thumann**, born 1941, el. in 2009 until 2024

**Prof. KR Ing. Siegfried Wolf**, born 1957, elected in 2010 until 2024

### Employee representatives

**Christiane Benner\***, born 1968  
Deputy Chairwoman of the Supervisory Board  
Elected in 2018 until the end of the 2024 ASM

**Hasan Allak**, born 1970, elected in 2019 until 2024

**Francesco Grioli**, born 1972, elected in 2018 until 2024

**Michael Iglhaut**, born 1964, elected in 2006 until 2024

**Dirk Nordmann**, born 1960, elected in 2004 until 2024

**Lorenz Pfau**, born 1961, elected in 2019 until 2024

**Jörg Schönfelder**, born 1966, elected in 2004 until 2024

**Stefan Scholz**, born 1965, elected in 2015 until 2024

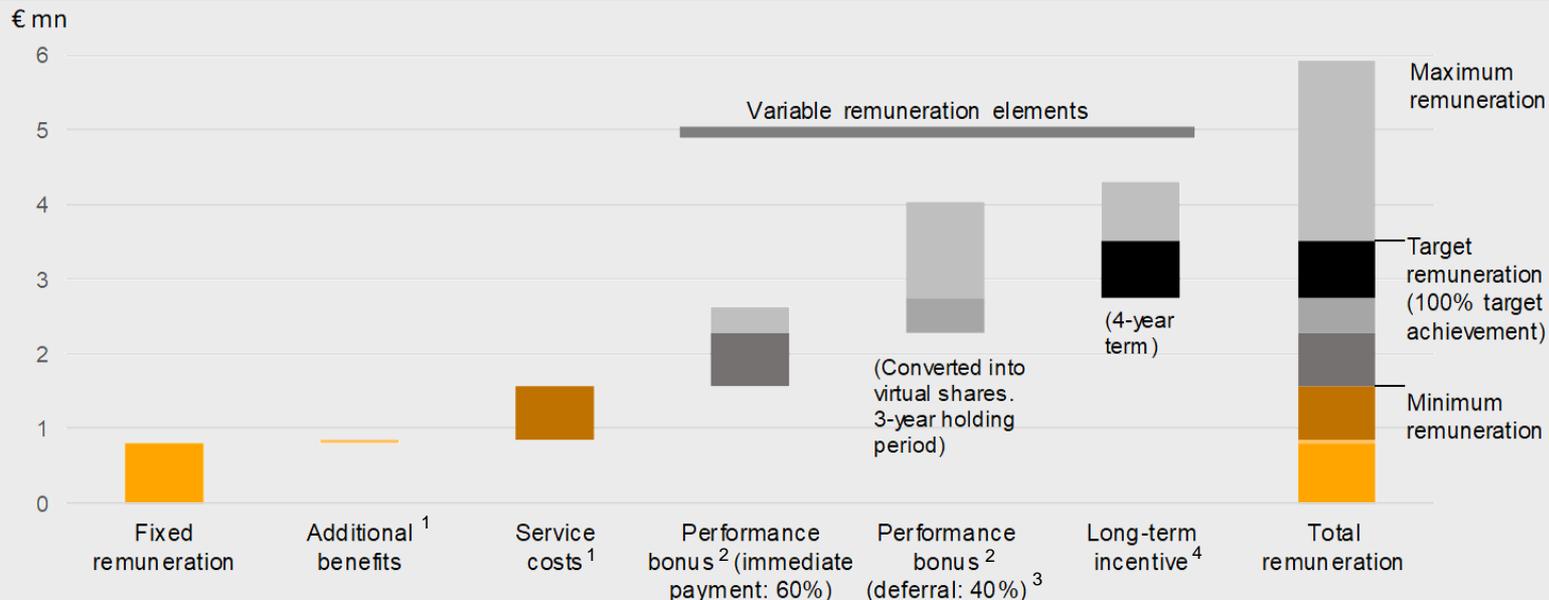
**Kirsten Vörkel**, born 1965, elected in 2014 until 2024

**Elke Volkmann**, born 1959, elected in 2014 until 2024

# 5 | Corporate Governance

## Remuneration of an Executive Board Member 2019 (Example)

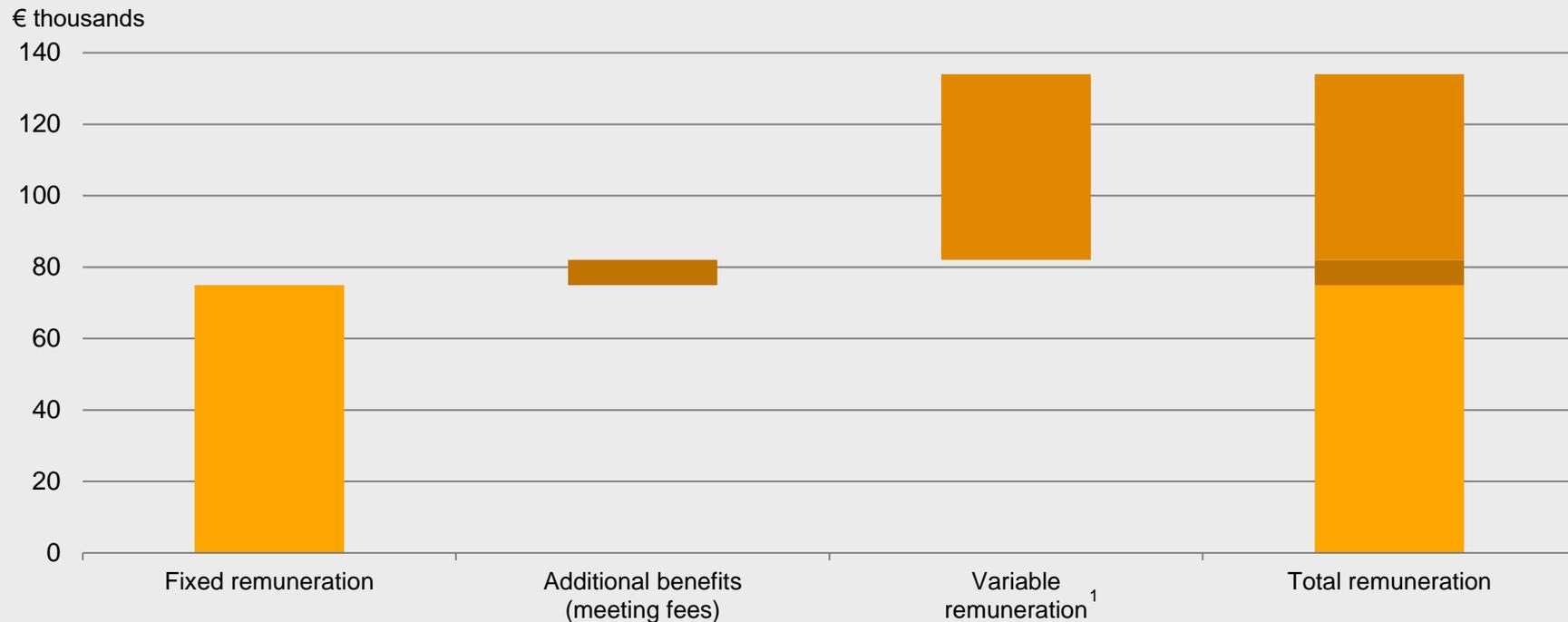
Remuneration of an Executive Board member responsible for a division



<sup>1</sup> Average.  
<sup>2</sup> Based on a target bonus (here: €1.167 million), for 100% achievement of defined CVC and ROCE targets, maximum of 150% of the target bonus (including achieving any additional strategic targets as well as any correction of the target achievement of +/- 20% by the Supervisory Board), divided into an immediate payment (60%) and deferral (40%).  
<sup>3</sup> The possible increase in the value of the deferral is capped at 250% of the initial value. The maximum amount shown relates to the maximum payment in the performance bonus at 150% target achievement.  
<sup>4</sup> Based on achieving average CVC versus planned CVC (max. 200%), multiplied by the degree of achieving the total shareholder return, maximum payment of 200%.

## 5 | Corporate Governance

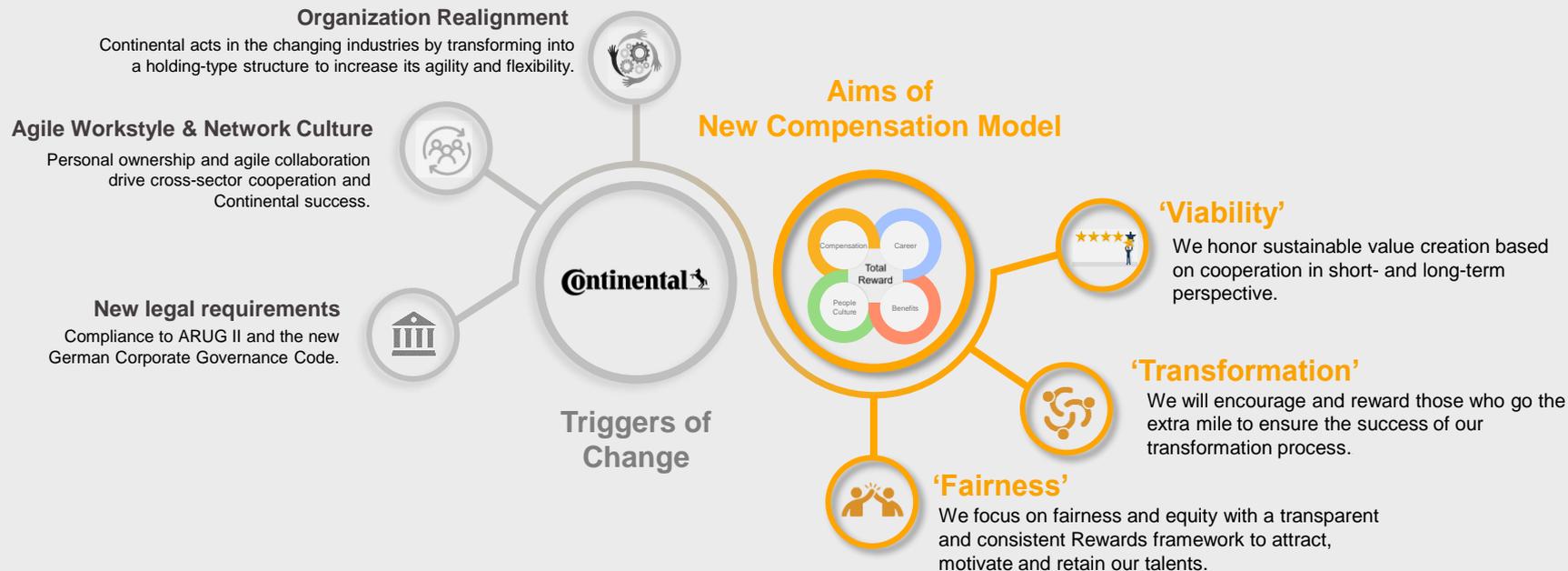
### Remuneration of a Supervisory Board Member 2019 (Example)



<sup>1</sup> Basis for calculation: €90 for each cent of earnings per share over €2, calculated as an average of the last three years.

# 5 | Corporate Governance

## New Remuneration System for the Executive Board 2020 Onwards<sup>1</sup>



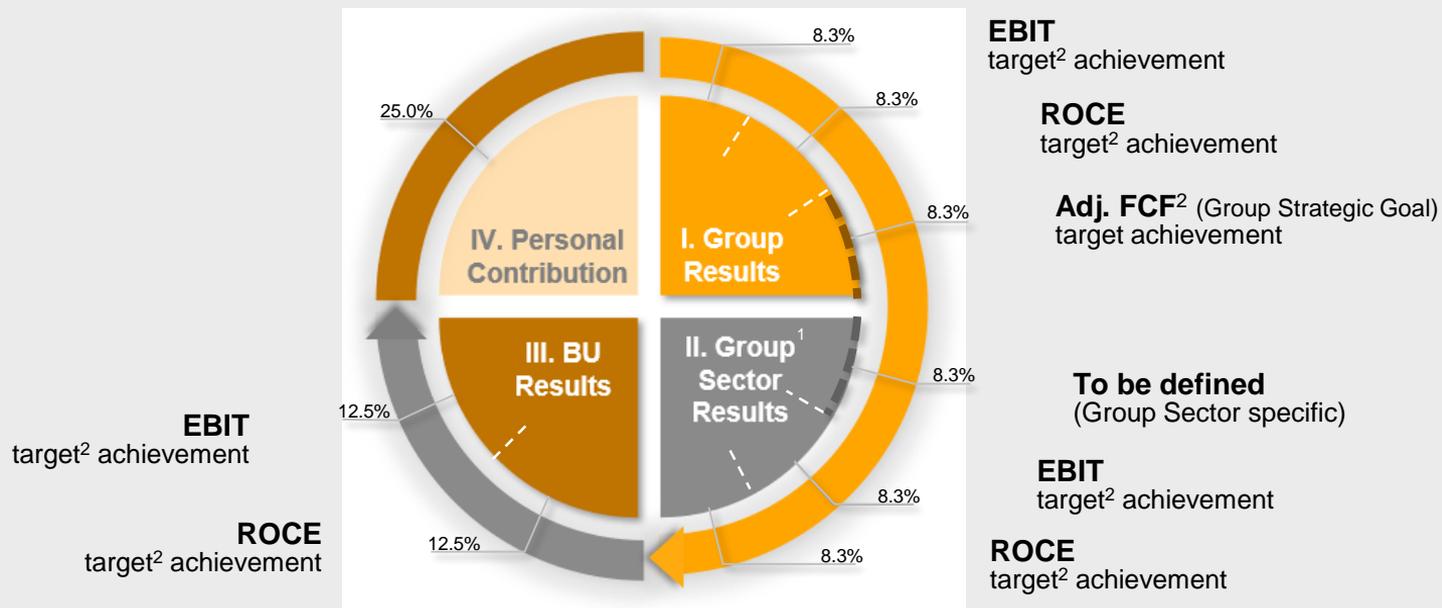
**With a fair compensation model we drive our transformation to shape a successful future**

<sup>1</sup> Approved by the supervisory board on February 19, 2020.

# 5 | Corporate Governance

## New Remuneration System for the Executive Board – KPIs

KPIs reward achievement of performance goals and motivate operational excellence



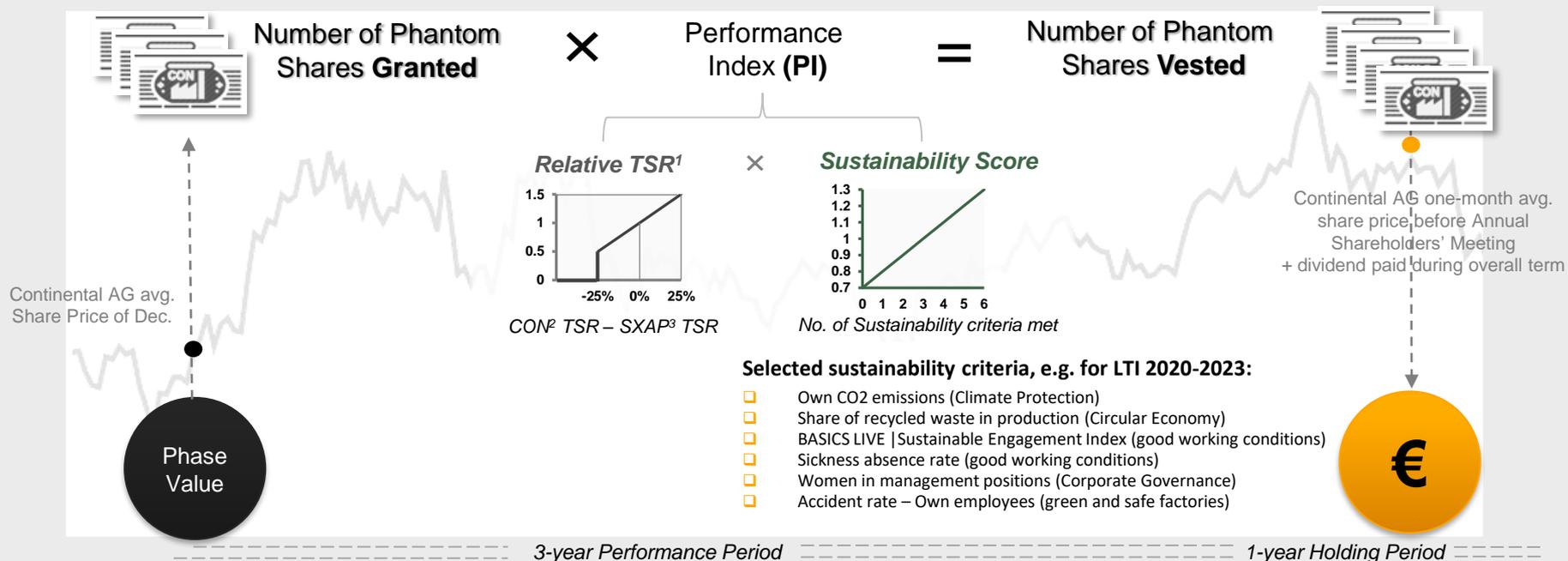
<sup>1</sup> And/or Business Area.

<sup>2</sup> Being reviewed annually to reflect respective business/industry cycle.

# 5 | Corporate Governance

## New Remuneration System for the Executive Board – LTI

Adjusted to fulfill the DCGK-E legal requirements and investor's expectations



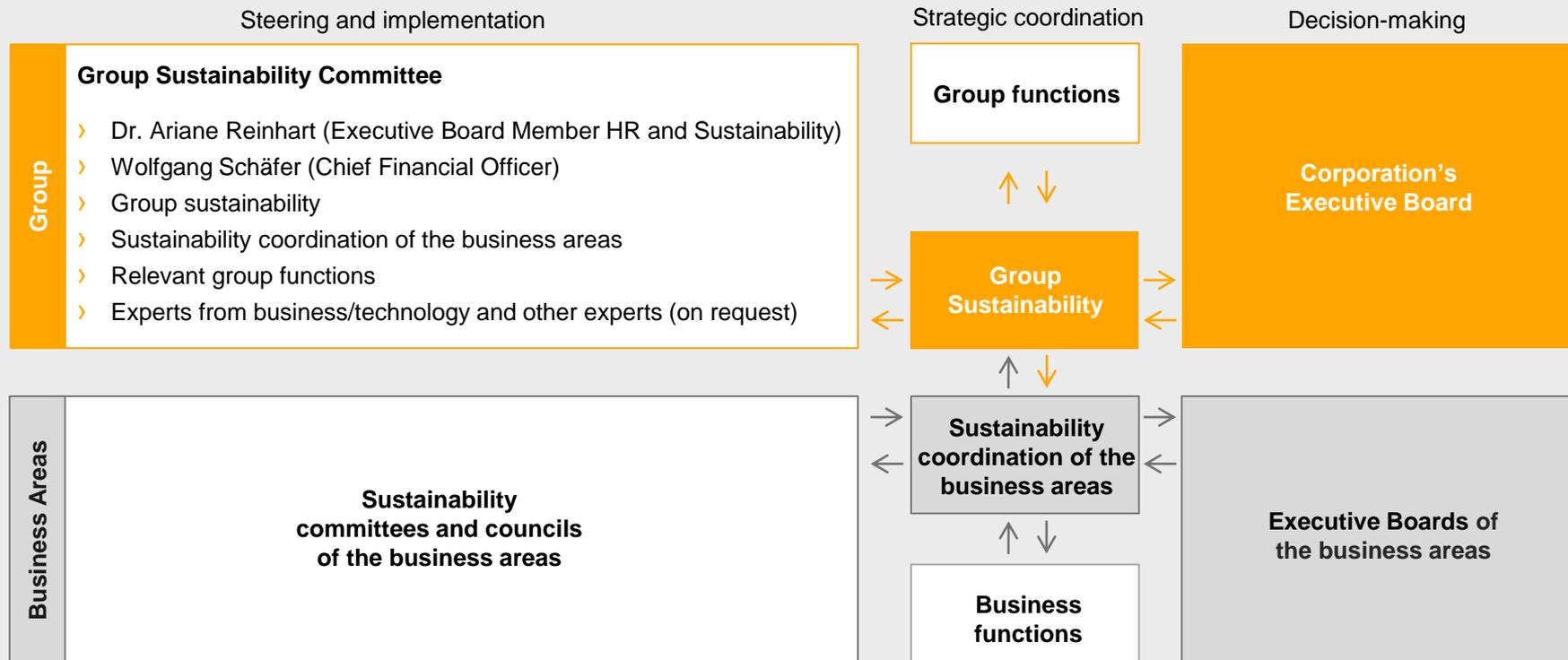
<sup>1</sup> TSR = Total Shareholder Return = Share price appreciation + Dividends paid. <sup>2</sup> "CON" = Continental AG. <sup>3</sup> "SXAP" = STOXX® Europe 600 Automobiles & Parts.

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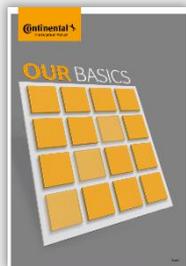
# 6 | Sustainability

## Sustainability Governance Structure



# 6 | Sustainability

## Key Principles and Policies



**Our BASICS** describe how we want to work together based on our four values: Trust, Passion To Win, Freedom To Act and For One Another.



The **Corporate Governance Principles** describe in detail the corporation's managerial and supervisory tasks and processes.



The **ESH Policy** defines the basic rules regarding environmental protection and safety & health in our production processes.



The **Business Partner Code of Conduct** describe ethical standards and requirements regarding supplier behavior.



The **Continental Code of Conduct** describes the ethical standards and requirements regarding employee behavior.



The **Corporate Social Responsibility Principles** are our commitment to freedom, democracy and human rights as essentials in our business activities.



The **Quality Policy** describe our approach towards a quality-driven culture.



The **Sustainable Natural Rubber Policy** defines our detailed requirements in our natural rubber sourcing.

# 6 | Sustainability

## Sustainability Strategy: 12 (4+8) Areas of Materiality, Challenges and Targets

### Climate Protection

- Carbon-neutral purchased electricity by end of 2020
- Carbon-neutral production by 2040
- Carbon-neutral value chain by 2050



### Clean Mobility

- Zero Tailpipe Emission Vehicles (ZTEV)
- Reduction of other road emissions
- Supporting EU sustainable finance taxonomy

### Circular Economy

- Closed resource cycles
- Use of renewable and degradable resources
- 95% recycled waste by 2030



### Sustainable Supply Chains

- Minimizing negative social and environmental impacts in our supply chains
- Traceability and risk-based due diligence



**Good working conditions**  
Inspiring, motivating and fair working conditions (incl. human rights in our own operations)



**Green and safe factories**  
Sound operations not harming people or the environment; with solid management systems



**Innovations and Digitalization**  
Innovational strength and new business models; shaping digital transformation and ethics



**Product quality**  
High quality products based on product integrity and quality management



**Safe mobility**  
Enhanced road safety with technological solutions to minimize severe road accidents and fatalities



**Sustainable profits**  
Value generation in the long-term and responsible distribution of the value



**Corporate Governance**  
Responsible management and fair business practices with balanced view of different perspectives (diversity)



**Corporate citizenship**  
Community engagement, donations and volunteering; engagement campaign "Sustainability Heroes"

## 6 | Sustainability

### Clean Mobility – Paving the Way for Zero-Emission Driving (ZTEV)



**Electrified powertrain**



**Light-weight construction**



**Automated driving solutions**



**New traffic concepts**

*(Examples)*



**Tires with lower rolling resistance**



**Bridging technologies:  
clean fuel-powered vehicles**

**Percentage of products that demonstrably contribute to energy efficiency or to the reduction of pollutant or carbon dioxide emissions from sales 2019**

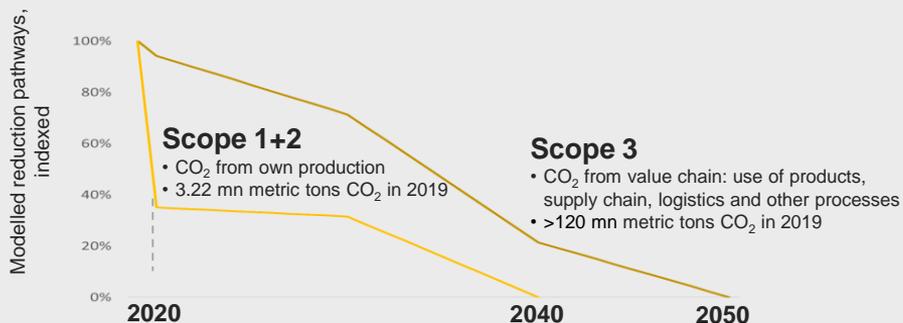
**42%**

# 6 | Sustainability

## Climate Protection – Our Clear Pathway Towards Carbon Neutrality

### Our 3 climate action targets

1. Carbon-neutral purchased electricity by end of 2020
2. Carbon-neutral production by 2040 (Scope 1+2)
3. Carbon-neutral value chain by 2050 (Scope 3)



### Our levers



**Radically increased use of renewables**  
Continental will join the RE100 campaign



**Technological game changers**  
e.g. electric/fuel cell cars, recycled and renewable materials



**Innovative efficiency improvements**  
for own production, logistics, existing products and supply chains

# 6 | Sustainability

## Circular Economy – Current Implementation Examples

### Product design / R&D



Use of recycling material



Tire retreading

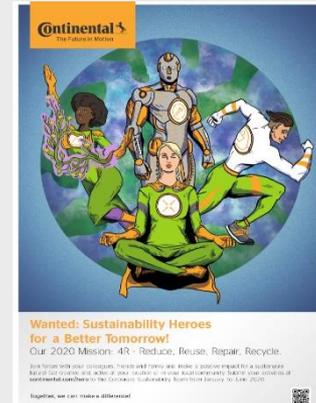
### Production



Recycled waste

80% 2019 → 95% 2030

### Cultural mindset change



Employee engagement campaign: “Sustainability Heroes”

Examples

# 6 | Sustainability

## Sustainable Supply Chains – Risk-Based Due-Diligence Approach

- › **Business Partner Code of Conduct** defines general sustainability standards for suppliers:
  - › Human rights
  - › Labor standards
  - › Environmental protection
  - › Combatting corruption
- › **Dedicated initiatives on sustainable natural rubber** in cooperation with GIZ<sup>1</sup> and participation in a global industry platform (GPSNR<sup>2</sup>)
- › **Supplier self assessments** to evaluate compliance with standards (670 supplier self assessments via service providers NQC and EcoVadis as at December 31, 2019)
- › **24/7 global compliance hotline** to report violations against our standards



<sup>1</sup> Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (German Corporation for International Cooperation).

<sup>2</sup> Global Platform for Sustainable Natural Rubber.

# 6 | Sustainability ESG-Syndicated Loan

## New credit line for Continental:

### Better conditions for a more sustainable business

- Revolving bank credit line refinanced ahead of schedule (amount: €4 bn, term: five years)
- Syndication clearly oversubscribed; better credit conditions for Continental
- **Breaking new ground in the German automotive industry:** interest payments will now also depend on concrete improvements in the company's sustainability performance
- These include procuring electricity externally from renewable sources, increasing the proportion of women in management positions, reducing the accident and sickness absence rates, and increasing the proportion of recycled waste.



# 6 | Sustainability

## Development of Sustainability Performance Indicators<sup>1</sup>

Sustainability Topic	Key Performance Indicator	2018	2019
Clean Mobility	Percentage of products of consolidated sales that demonstrably contribute to energy efficiency or to the reduction of pollutant or carbon dioxide emissions	~40 <sup>2</sup>	42
Climate Protection	Direct CO <sub>2</sub> emissions (Scope 1) in millions of metric tons of CO <sub>2</sub> <sup>3,4</sup> Indirect CO <sub>2</sub> emissions (Scope 2) in millions of metric tons of CO <sub>2</sub> <sup>3,4</sup>	0.88 2.47 <sup>5</sup>	0.84 2.38
Circular Economy	Waste recycling rate in % <sup>6</sup>	78	80
Sustainable Supply Chains	Number of available, valid supplier self-assessment questionnaires <sup>7,8</sup>	>750	670
Innovations and Digitalization	R&D expenses in € millions in % of sales	3,209.0 7.2	3,364.2 7.6
Green and Safe Factories	Environmental protection management system certifications (ISO 14001 or similar), employees covered in % <sup>8</sup> Energy management system certifications (ISO 50001 or similar), employees covered in % <sup>8</sup> Occupational safety management system certifications (ISO 45001 or similar), employees covered in % <sup>8</sup> Number of accidents per million working hours <sup>9,10,11</sup>	>80 <sup>2</sup> ~50 <sup>2</sup> ~67 <sup>2</sup> 3.41	82 49 69 3.03
Good Working Conditions	OUR BASICS live sustainable engagement index in % Sickness absence rate in % <sup>9</sup> Unforced fluctuation in % <sup>9</sup>	80 3.27 6.25	81 3.37 6.00
Product Quality	Quality management system certifications (ISO 9001 or similar), employees covered in % <sup>8</sup>	~90 <sup>2</sup>	86
Corporate Governance	Proportion of women in management positions in % <sup>8,12,13</sup>	14.8	15.8

<sup>1</sup> All data externally assured by KPMG.

<sup>2</sup> In 2018, not reported as key figures but as indicative, rounded statement in the text.

<sup>3</sup> Based on the reporting on the environmental data collection system that includes the relevant production and research and development locations (not including fleet consumption). Definitions based on the standards of the Global Reporting Initiative (GRI) and in accordance with the Greenhouse Gas (GHG) Protocol.

<sup>4</sup> Scope 2 emissions are calculated on the basis of reported energy use using the location-based method of the GHG Protocol and largely by applying emission factors from Defra (January 2019) and IEA (May 2018).

<sup>5</sup> Figure for 2018 was recalculated due to an adjustment in the application of the location-based method of the GHG Protocol.

<sup>6</sup> Based on the reporting on the environmental data collection system that includes the relevant production and research and development locations. Definitions based on the standards of the Global Reporting Initiative (GRI).

<sup>7</sup> Based on the self-assessment questionnaires via EcoVadis and NQC.

<sup>8</sup> As at December 31.

<sup>9</sup> Permanent staff only (own employees).

<sup>10</sup> Counted from more than one lost day, i.e. with at least one lost day beyond the day of the accident.

<sup>11</sup> Excluding Continental tire sales (approx. 2% of the total workforce).

<sup>12</sup> Based on the employees recorded in the HR data system (approx. 97%).

<sup>13</sup> Relates to executives and senior executives.

# 6 | Sustainability

## Memberships and Initiatives



In support of

**WOMEN'S  
EMPOWERMENT  
PRINCIPLES**

Established by UN Women and the  
UN Global Compact Office



Global Platform for Sustainable Natural Rubber

**econsense**

Forum Nachhaltige Entwicklung  
der Deutschen Wirtschaft

**LUXEMBURGER  
DEKLARATION**

ZUR BETRIEBLICHEN  
GESUNDHEITSFÖRDERUNG



charta der vielfalt

UNTERZEICHNET



# 6 | Sustainability

## Ratings and Indexes

› Continental is listed in the following indexes:



# DAX® 50 ESG

› Ratings:



› Prime (C+) (2020)

› Climate: Score B (2019)  
 › Water: Score B (2019)  
 › Supply chain: Score A;  
 Supplier engagement leader board (2019)

› Gold Status (2019)  
 › 65/100  
 › Best 5% of companies

› BBB (January 2020)

› Outperformer (2019)  
 73/100

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# 7 | Shares and Bonds

## Share Data / American Depositary Receipt (ADR) Data

### Share Data

Type of share	No-par value share
Bloomberg Ticker	CON
Reuters Ticker	CONG
German Security Identification Number (WKN)	543 900
ISIN	DE0005439004
Shares outstanding as at December 31, 2019	200,005,983

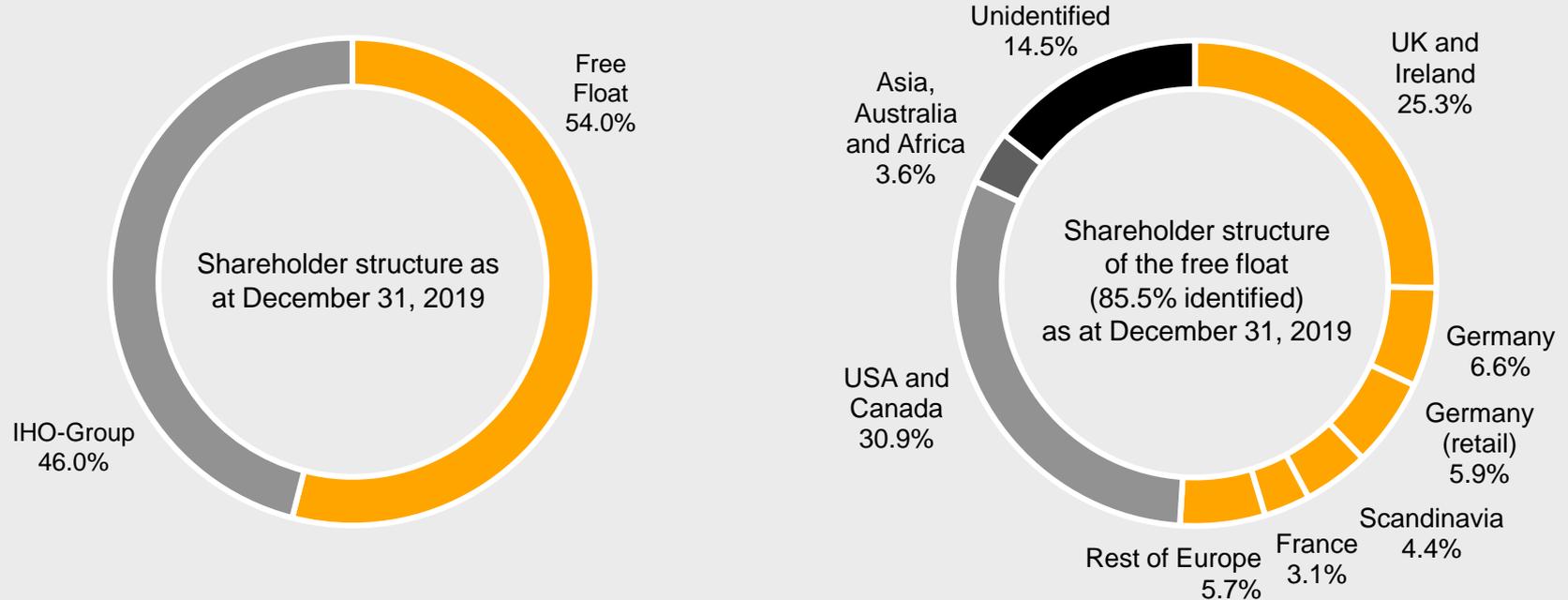
### ADR Data

Ratio	1:10 (ordinary share : ADRs) <sup>1</sup>
Bloomberg Ticker	CTTAY
Reuters Ticker	CTTAY.PK
ISIN	US2107712000
ADR Level	Level 1
Exchange	OTC
Sponsor	Deutsche Bank Trust Company Americas

<sup>1</sup> Before October 29, 2018 split was 1:5.

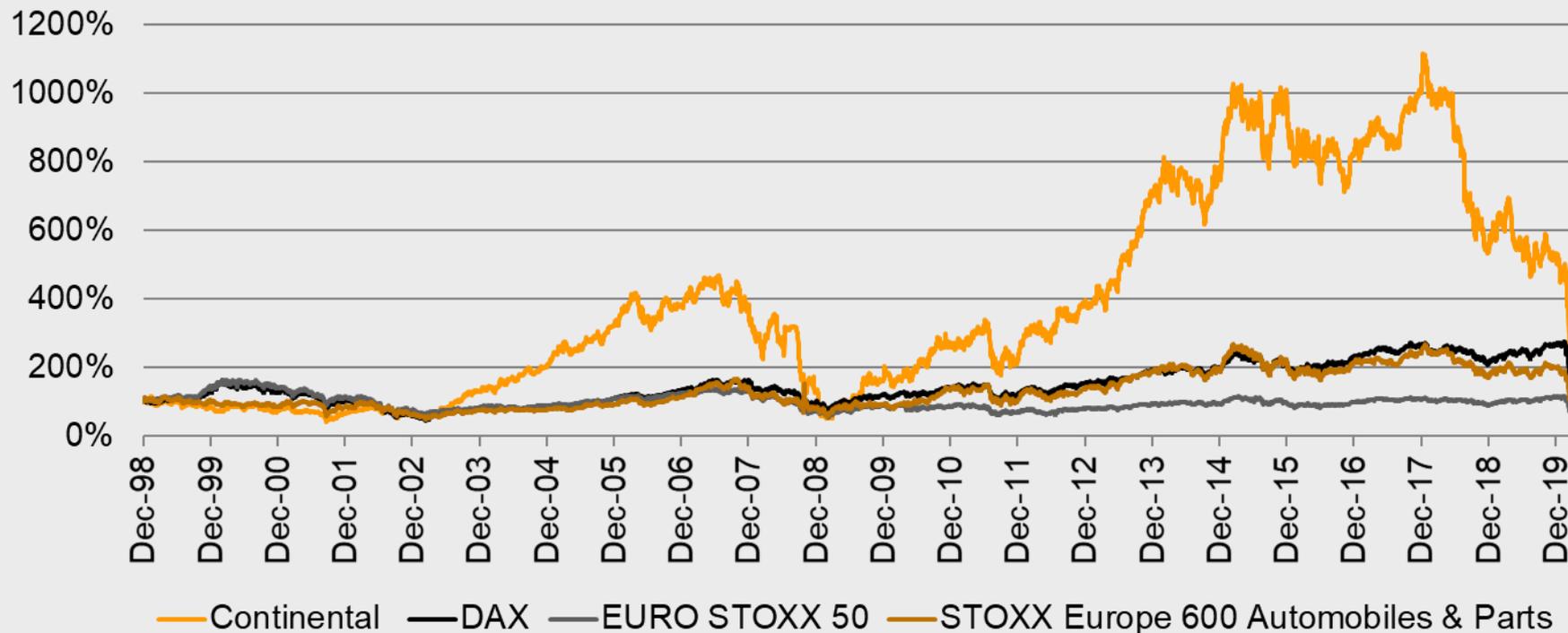
# 7 | Shares and Bonds

## Shareholder Structure



# 7 | Shares and Bonds

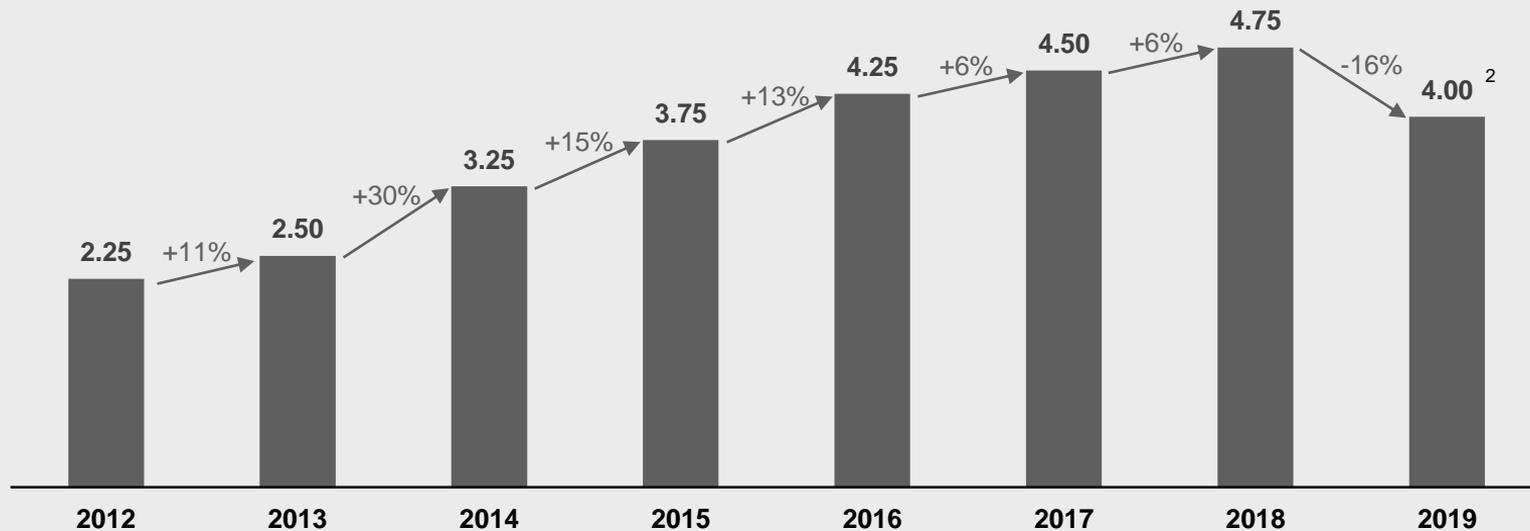
## Share Price Development vs. Major Stock Indexes



Based on December 31, 1998 = 100% (Continental shares: € 22.52).

# 7 | Shares and Bonds

## History of Dividend Per Share (€)<sup>1</sup>



Payout ratio<sup>2</sup>

24%

26%

27%

28%

30%

30%

33%

n.a.

<sup>1</sup> Dividend paid for the respective fiscal year, payout in the subsequent year.

<sup>2</sup> Dividend for FY 2019 subject to Supervisory Board approval and the approval of the [next Annual Shareholders' Meeting](#).

# 7 | Shares and Bonds

## Bond Data as of March 31, 2020

Issuer		Continental AG			
Issue		Senior Notes			
<b>Principal amount</b>	€750 mn	€200 mn	€500 mn	€100 mn	€600 mn
<b>Offering price</b>	99.228%	100.1524%	99.804%	100%	99.802%
<b>Rating at issue date</b>	Ba1 (Moody's) BB (S&P) BBB (Fitch <sup>1</sup> )	Baa1 (Moody's) BBB+ (Fitch)	Baa1 (Moody's) BBB+ (Fitch)	Baa1 (Moody's) BBB+ (Fitch)	Baa1 (Moody's) BBB+ (Fitch)
<b>Current rating (corporation)</b>	<b>BBB (S&amp;P<sup>2</sup>), BBB+ (Fitch<sup>3</sup>), Baa2 (Moody's<sup>4</sup>)</b>				
<b>Coupon</b>	3.125% p.a.	Floating quarterly EURIBOR +0.50%	0.0% p.a.	0.231% p.a.	0.375% p.a.
<b>Issue date</b>	Sept. 9, 2013	Oct. 11, 2019	Sept. 12, 2019	Oct. 16, 2019	Sept. 27, 2019
<b>Maturity</b>	<b>Sept. 9, 2020</b>	<b>Apr. 11, 2021</b>	<b>Sept. 12, 2023</b>	<b>Oct. 16, 2024</b>	<b>June 27, 2025</b>
<b>Interest payment</b>	Annual Sept. 9	Quarterly, first on Jan. 13	Not applicable	Annual Oct. 16	Annual June 27
<b>WKN</b>	A1X3B7	A255C0	A2YPE5	A255C1	A2YPAE
<b>ISIN</b>	XS0969344083	XS2063572825	XS2051667181	XS2066366290	XS2056430874
<b>Denomination</b>	€1,000 with minimum tradable amount €1,000	€100,000 with increments of €100,000 thereafter	€1,000 with minimum tradable amount €1,000	€100,000 with increments of €100,000 thereafter	€1,000 with minimum tradable amount €1,000

<sup>1</sup> Non-contracted rating at issue date.

<sup>2</sup> Contracted rating since May 19, 2000.

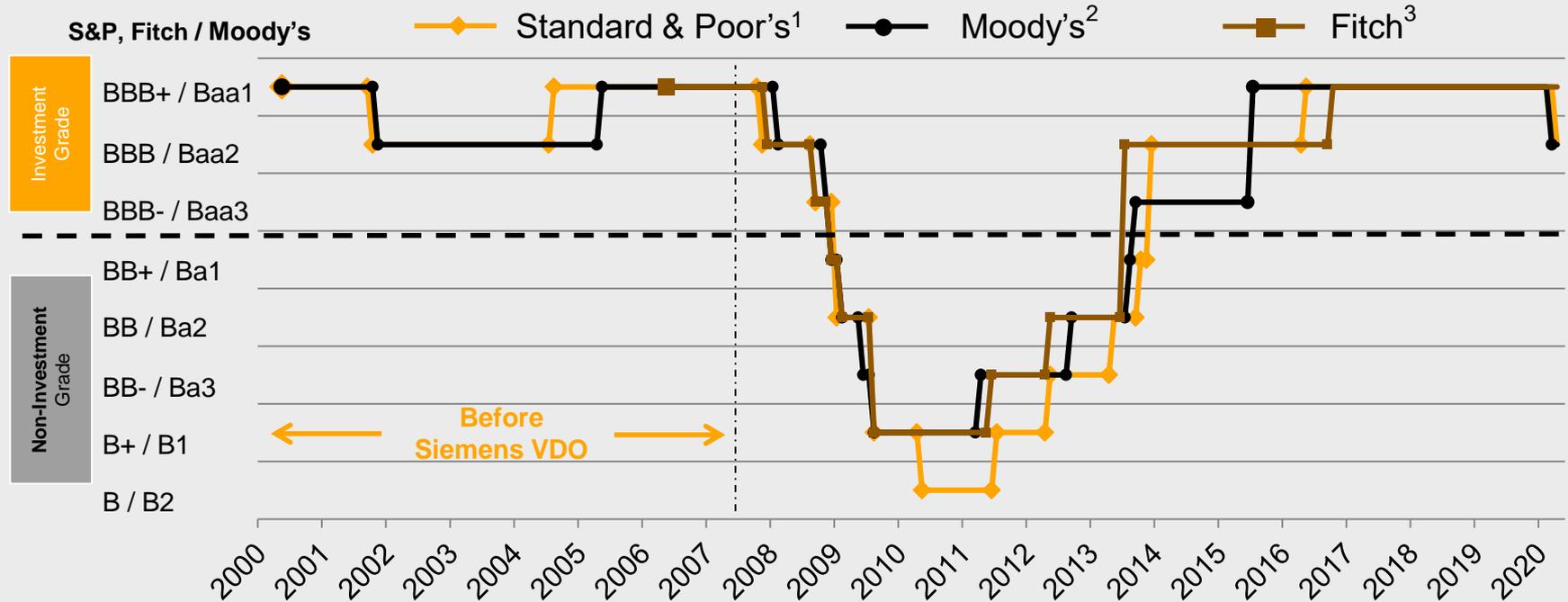
<sup>3</sup> Contracted rating since November 7, 2013.

<sup>4</sup> Contracted rating retroactively since January 1, 2019.

<sup>5</sup> Publicly traded.

# 7 | Shares and Bonds

## Development of Continental's Credit Rating



<sup>1</sup> Contracted rating since May 19, 2000.

<sup>2</sup> Contracted rating retroactive since January 1, 2019.

<sup>3</sup> Contracted rating since November 7, 2013.

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## 8 | Glossary

<b>Adjusted EBIT</b>	EBIT before amortization of intangibles from PPA, consolidation and special effects
<b>ADR</b>	American Depositary Receipt
<b>CapEx</b>	Capital expenditure on property, plant and equipment, and software
<b>EBIT</b>	Earnings Before Interest and Taxes
<b>EBITDA</b>	EBIT before Depreciation and Amortization
<b>EBIT margin</b>	EBIT as a percentage of sales
<b>FCF</b>	The sum of cash flow arising from operating activities and cash flow arising from investing activities. Also referred to as cash flow before financing activities.
<b>Gearing ratio</b>	Net indebtedness divided by equity. Also known as the debt to equity ratio.
<b>ISIN</b>	International Securities Identification Number
<b>Net indebtedness</b>	The net amount of interest-bearing financial liabilities as recognized in the statement of financial position, the positive fair values of the derivative instruments, cash and cash equivalents, as well as other interest-bearing investments.
<b>Operating assets</b>	The assets less liabilities as reported in the balance sheet, without recognizing the net indebtedness, sales of accounts receivable, deferred tax assets, income tax receivables and payables, as well as other financial assets and debts. Average operating assets are calculated as at the end of the quarterly periods and, according to our definition, correspond to the capital employed.
<b>PPA</b>	Purchase Price Allocation
<b>R&amp;D</b>	Research and Development Expenses
<b>ROCE (average)</b>	Return On Capital Employed. We define ROCE as the ratio of EBIT to average operating assets for the fiscal year.

## 8 | Glossary

<b>ABS</b>	Anti-Lock Brake System	<b>LCV</b>	Light Commercial Vehicle
<b>ACC</b>	Adaptive Cruise Control	<b>LIDAR</b>	Light Detection And Ranging
<b>AD</b>	Automated Driving	<b>LTi</b>	Long Term Incentive
<b>ADAS</b>	Advanced Driver Assistance Systems	<b>KPI</b>	Key Performance Indicator
<b>ADCU</b>	Assisted and automated driving control unit	<b>MFC</b>	Multi Function Camera
<b>ARS</b>	Advanced Radar Sensor	<b>M2XPro</b>	Motion Information to X Provider
<b>CAGR</b>	Compound Annual Growth Rate	<b>OE, OEM</b>	Original Equipment Manufacturer
<b>C&amp;S</b>	Chassis & Safety Division	<b>PC</b>	Passenger Car
<b>CV</b>	Commercial Vehicle	<b>PLT</b>	Passenger and Light Truck Tires
<b>CVT</b>	Commercial Vehicle Tires	<b>SRR</b>	Short Range Radar
<b>ECU</b>	Electronic Control Unit	<b>SSR</b>	Self-Supporting Runflat Tires
<b>ELD</b>	Electronic Logging Device	<b>SUV</b>	Sport Utility Vehicle
<b>ESC</b>	Electronic Stability Control	<b>SVC</b>	Surround View Camera
<b>ESG</b>	Environment, Social, Governance	<b>TPMS</b>	Tire Pressure Monitoring System
<b>EU</b>	European Union	<b>V2X</b>	Vehicle-to-everything
<b>HAD</b>	Highly Automated Driving	<b>VRU</b>	Vulnerable Road Users
<b>HMI</b>	Human Machine Interface	<b>ZTEV</b>	Zero Tailpipe Emission Vehicles
<b>HPC</b>	High Performance Computer		

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