

Capital Market Days 2020

ContiTech: Smart Solutions Enabling Our Digital Transformation

Ticker: CON
ADR-Ticker: CTTAY
<http://www.continental-ir.com>

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December 11, 2020

From Rubber Products to Smart Solutions



German rubber
company

Past



Global leader in technical
rubber and plastic products

Present



Connected products
Our smart solutions

Future

Stairway to Our Future

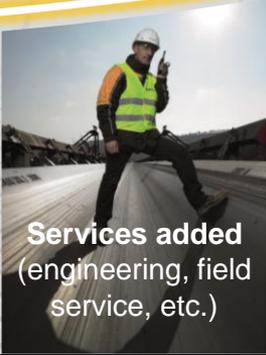
Constantly Enlarging Our Accessible Market



Pure rubber products



New materials (plastics, metals) allow new and better constructions



Services added (engineering, field service, etc.)



Product digitalization connectivity of our products



ContiTech engages in new business models

fleetmatch®

ContiTech Growth Fields

Well Positioned to Benefit from Megatrends

~ **30%**
of ContiTech business

Value Fields



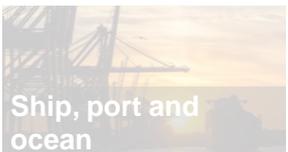
Aerospace



Printing technology



Material handling



Ship, port and ocean



ICE passenger vehicles



Mining



Occupational safety



Railway transport

We have started to develop **smart solutions** for these industries.

Growth Fields



Commercial vehicles



Construction, home and garden



Energy management



Off-highway mobility



Urban mobility



Food chain processing



Electric passenger vehicles



Recycling, wastewater and air treatment

~ **+0-2%**
CAGR

- › Limited growth due to structural changes
- › Continue to serve markets with existing portfolio

~ **+3-5%**
CAGR

- › Driven by the **megatrends** sustainability, population growth and urbanization
- › **Dedicated products** addressing customer needs
- › Deep **market penetration**

ContiTech Innovation Fields

Leveraging Existing Competencies within Continental



Looking Forward

Realizing Significant Growth Opportunities

Sales in growth fields (€)

Outperform by

~ +3%

+

Market growth

~ +3-5%
CAGR

Leverage strong market position

- › Leading position in many markets
- › Extensive **distribution network** and strong **customer relationships**
- › Dedicated **product portfolio**
- › Strong **global footprint and brand**

Smart Solutions –
Our competitive advantage

- › Unique combination of **material and digital expertise**
- › **Synergies** and short time to market benefit through one **common architecture** for all digital products
- › **Agile business** within strong Continental **network**

~ 30%
of ContiTech business

2020E

Mid-term

Innovation Network

Global Ecosystem, Smart Solutions, Strong Partners

5 innovation hubs
around the world
(DE, US, MX, IN, CH)

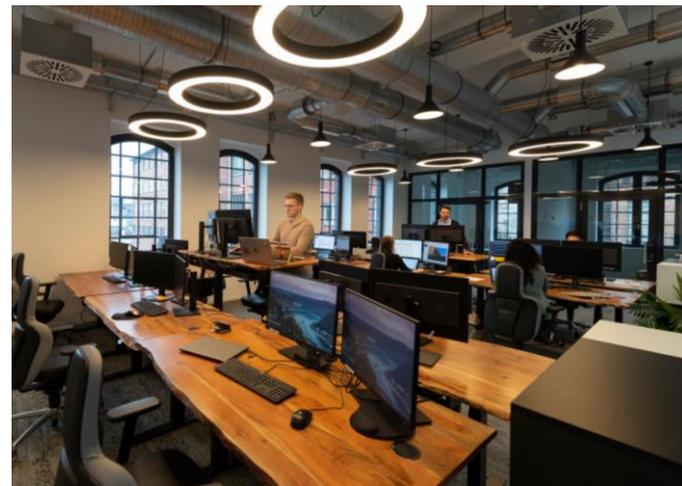
30% shorter development time
for key innovations

Over
80 new products, services
or business models
going to market each year

3 internal startups running
working on many more

From 0 to
40 dedicated software
engineers in 2 years
continuous ramp-up
in the next years

Over
15 digital products
in the pipeline



Smart Solutions Beyond Rubber

Drone Inspection



Construction and Mining



Problem:

- › Time consuming belt system inspection

Solution:

- › Inspection is done visually and acoustically with drones

Current offer:

- › Drone inspection
- › Repair and maintenance services

Revenue model:

- › Charged inspection service
- › Maintenance of belt system



Significant reduction of unplanned downtime
⇒ Cost for 1 hour downtime: €170 thousand¹

¹ Company estimate based on industry data and customer feedback

Smart Solutions Beyond Rubber

Virtual Covering



Automotive Original Equipment

Problem:

- › Long development cycles for new generations of interior design for cars

Solution:

- › Virtualizing all ContiTech surface materials, use of virtual reality

Current offer:

- › Virtual covering simulation and interior design configurator

Revenue model:

- › Engineering and consulting services



Savings of about €500 thousand per model and reduction of development time by up to 30%¹

¹ Company estimate based on industry data and customer feedback

ContiTech Is Extremely Well Positioned

Summary



ContiTech
SMART SOLUTIONS
BEYOND RUBBER



Significant market opportunities

- › Megatrends lead to **high growth rates**
- › **Leading** market position
- › **Clear focus**

Unique position

- › **Material and digital** know-how
- › Realize **significant growth**
- › Leverage **synergy** effects

Digital solutions

- › Our **pipeline is full**
- › Smart solutions targeting all **growth fields**
- › New innovative **business models**



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The Future in Motion