



Capital Market Days 2020

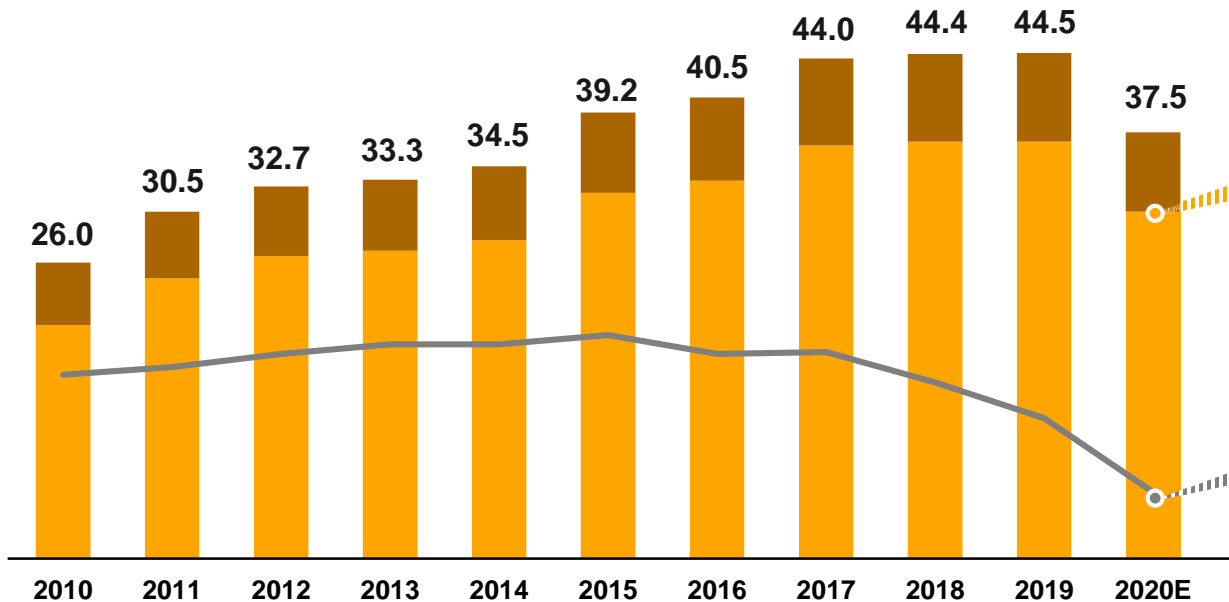
CFO Presentation

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

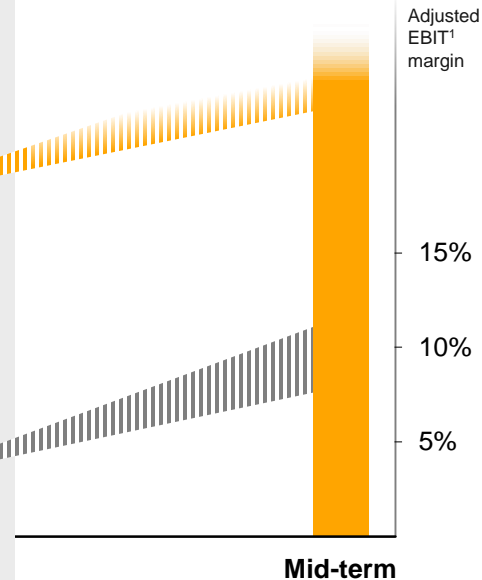
Wolfgang Schäfer, CFO Continental AG
December 16, 2020

Business Development

Continental (€ bn)



Continental excl. Powertrain Technologies



■ Sales Continental excl. Powertrain Technologies
 ■ Sales Powertrain Technologies
 — Adjusted EBIT¹ margin

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

Outlook: Continental Group 2020

	2019	2020E
Consolidated sales	€44.5 bn	Around €37.5 bn
Adj. EBIT ¹ margin	7.4%	Around 3.5%
Automotive sales	€26.5 bn	Around €22.0 bn
Adj. EBIT ¹ margin	4.4%	Around -1.5%
Rubber sales	€18.0 bn	Around €15.5 bn
Adj. EBIT ¹ margin	12.4%	Above 11.0%
Raw materials cost impact for Rubber	Headwind of €50 mn	9M: tailwind of €130 mn; further tailwind of about €70 mn expected in Q4
Special effects	-€3,312 mn	9M: -€1,563 mn; further expenses expected in Q4
Capex before financial investments in % of sales	7.4%	Around 6.0%
Free cash flow before acquisitions and excluding carve-out effects	€1.3 bn	Above €0.5 bn

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

Powertrain Technologies

Vitesco Technologies Ready for Independence

Well positioned in electrification

- › Full-range supplier for all electrification types: from battery management to electric drive systems
- › Sales share of electrification technology doubled in 2020E to 6%
- › Already supplying numerous xEV platforms from VW, Audi, Daimler, PSA, FCA, Renault and Jaguar Land Rover

Current status of spin-off

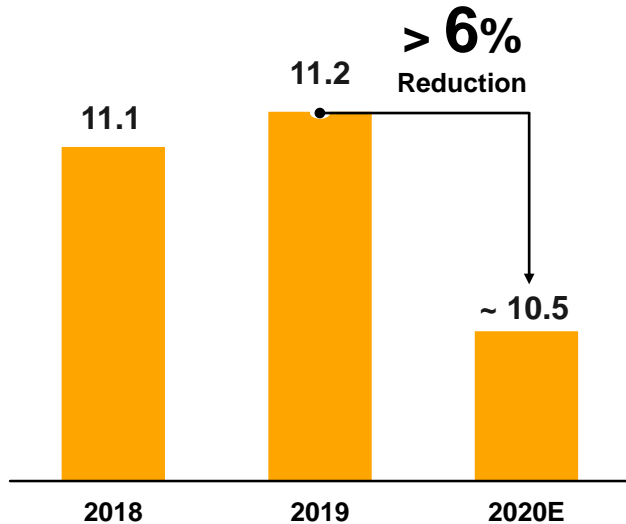
- Legal carve-out**
- Operational readiness on track**
- Improved market conditions**
- AGM approval**
April 29, 2021
- Listing**
H2 2021

Short-term Measures

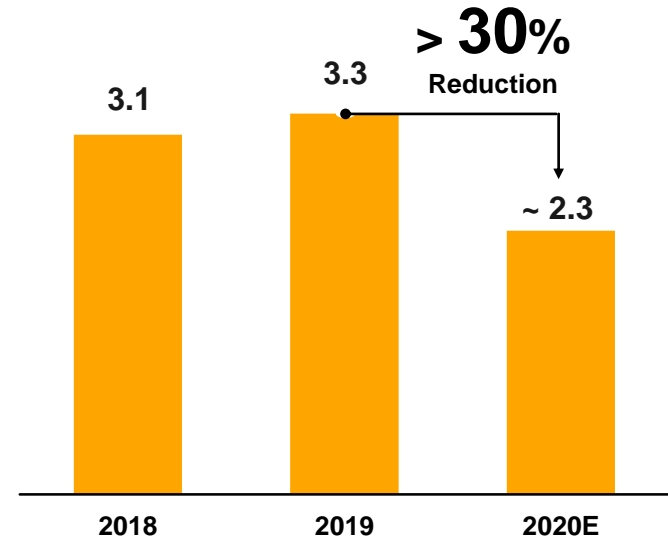
Sharp Adjustments in Costs and Capital Expenditures

Fixed costs (€ bn)

excl. depreciation and amortization



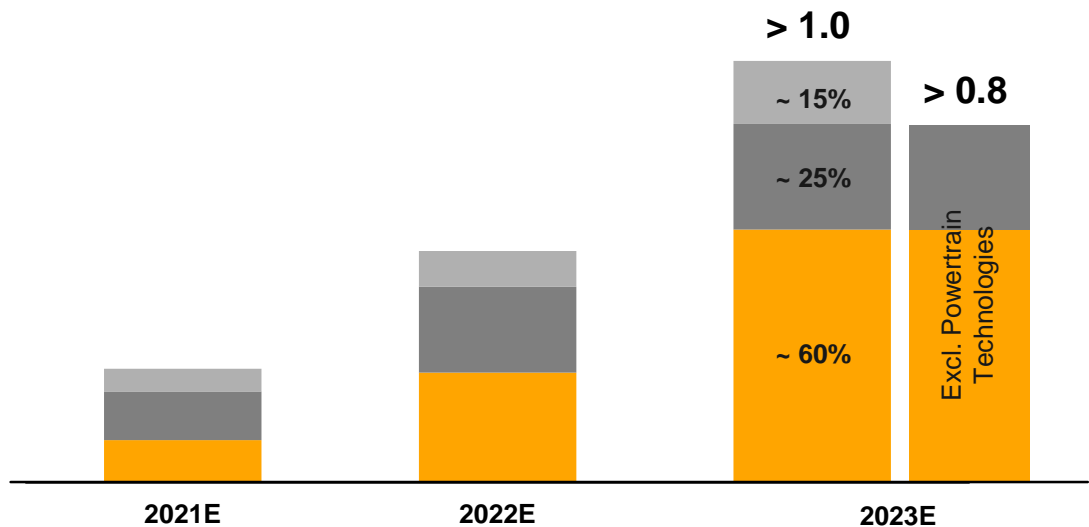
Capital expenditures (€ bn)



Mid-term Measures

Implementation of Structural Measures On Track

Targeted annual gross cost savings (€ bn)



■ Automotive Technologies ■ Rubber Technologies ■ Powertrain Technologies

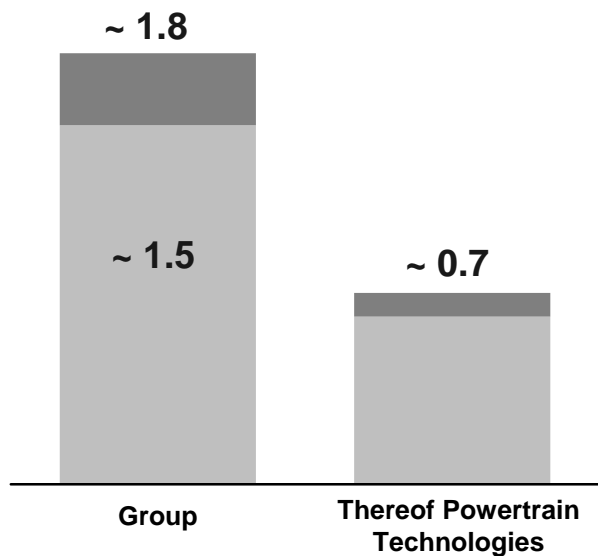
Program details

- › Includes footprint, structures and processes
- › Contributions from central functions and business units
- › Around 30,000 jobs worldwide affected
 - › Major portion in high-cost countries
 - › Negotiations with employee representatives ongoing

Mid-term Measures

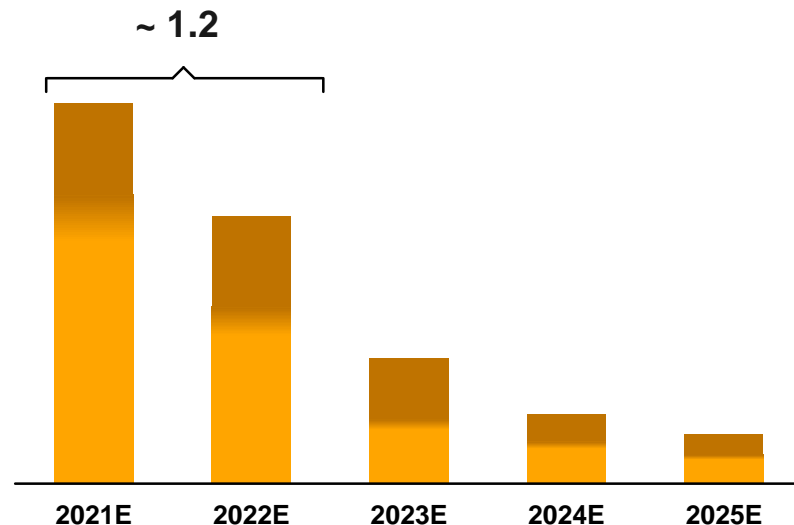
Cash Outflow for Restructuring Predominantly in 2021-22

Restructuring costs (€ bn)



■ Booked as of Sep. 30, 2020 ■ To be booked

Cash outflow for restructuring (€ bn)



■ Continental excl. Powertrain Technologies ■ Powertrain Technologies

Mid-term Growth Expectations

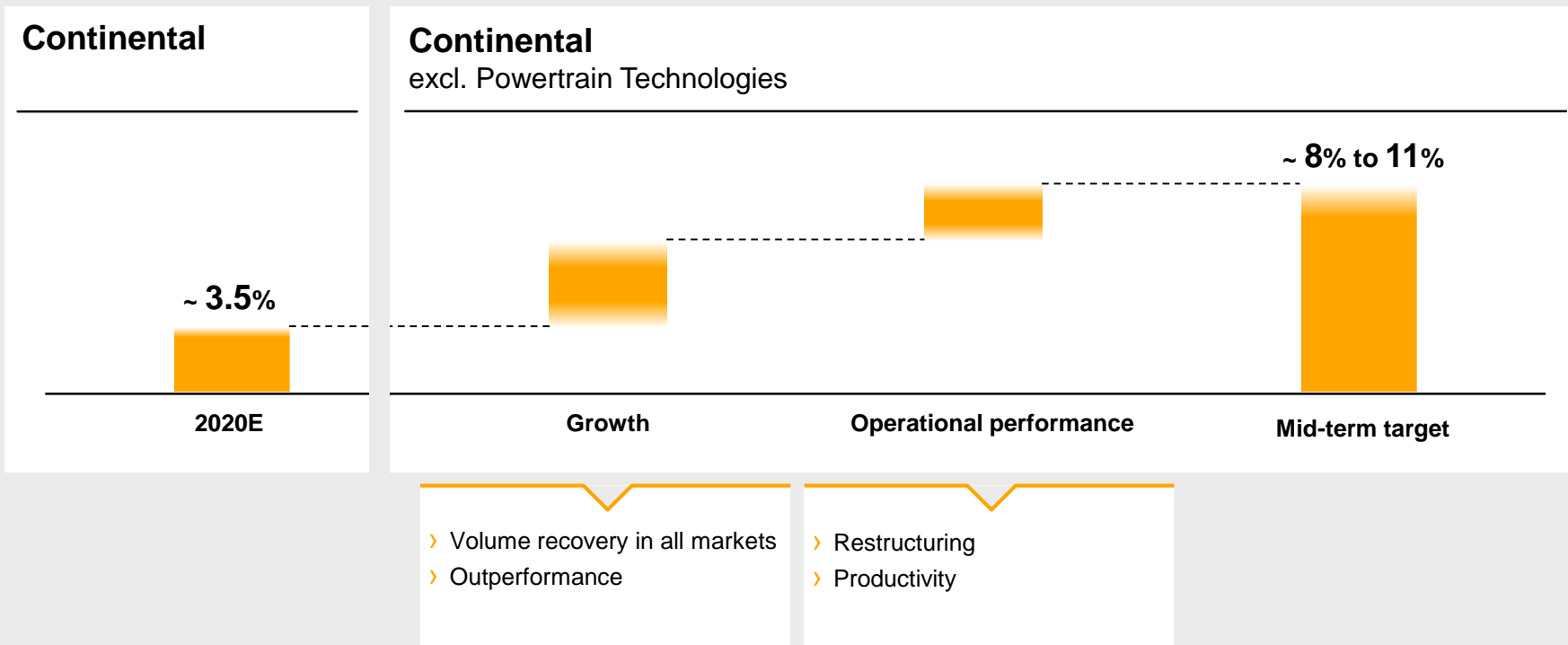
Top Line to Benefit From Recovering Markets and Outperformance

	Expected market development		Expected outperformance and main drivers		Expected growth	
Automotive	~ 5 to 7% › LV production ¹	+	~ 2 to 4% › Autonomous Mobility › Smart Mobility › Architecture and Networking › SW and Systems Excellence	=	~ 7 to 11%	} Continental Group ² ~ 5 to 8%
Tires	~ 3 to 4% › LV production ¹ › Replacement › Truck tires	+	~ 1% › Fleet solutions › North America › Asia	=	~ 4 to 5%	
ContiTech	~ 2 to 3% › Value fields › Growth fields	+	~ 1% › Smart Solutions Beyond Rubber	=	~ 3 to 4%	

¹ Based on mid-term IHS light vehicle production (LVP) forecast from November 2020 ² Excluding Powertrain Technologies

Financial Targets

Mid-term Adjusted EBIT¹ Margin

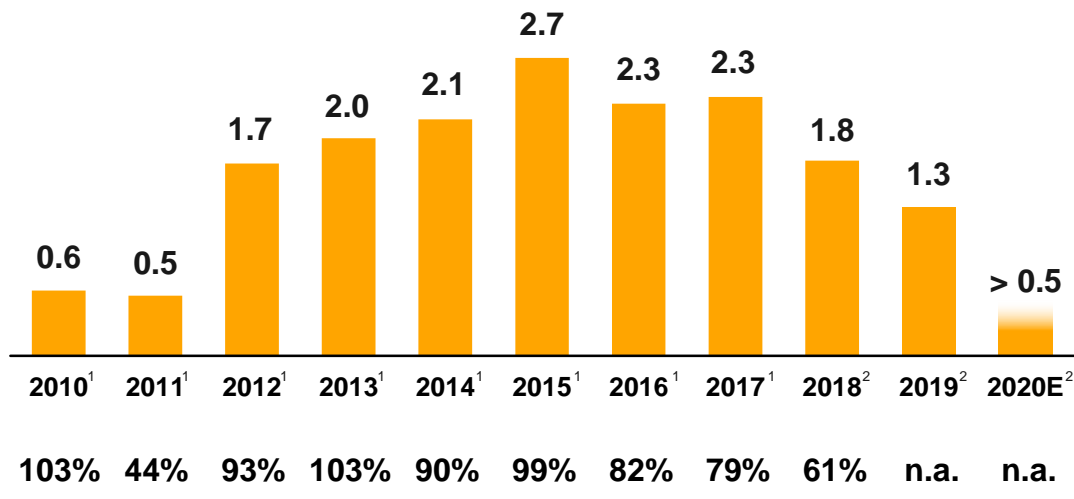


¹ Before amortization of intangible assets from purchase price allocation, changes in the scope of consolidation, and special effects

Cash Flow Development

Cash Conversion Supported by Cost Improvements

Continental (€ bn)



Cash conversion

Continental

excl. Powertrain Technologies

Mid-term target:
Cash conversion⁴
> 70%

Mid-term³

■ Cash flow^{1,2,3}

¹ Cash flow before financing activities and acquisitions

² Cash flow before financing activities, acquisitions and carve-out effects

³ Cash flow before financing activities, M&A, restructuring and restructuring-related effects and carve-out effects

⁴ Ratio of cash flow as defined above to net income attributable to the shareholders of the parent

Committed to Investment Grade Credit Profile

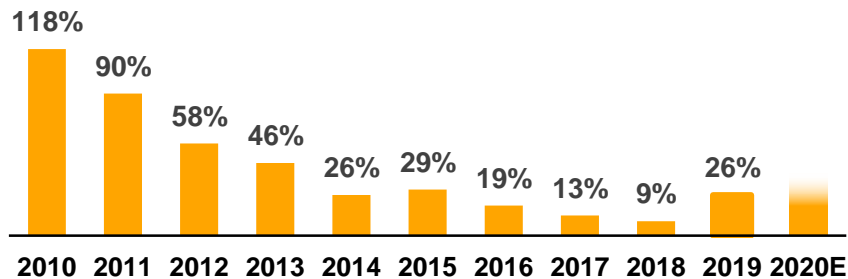
Continental's mid-term targets:

› Rating	BBB / BBB+
› Gearing ratio ¹	below 40%
› Equity ratio ²	above 30%
› Cash conversion ³	above 70%

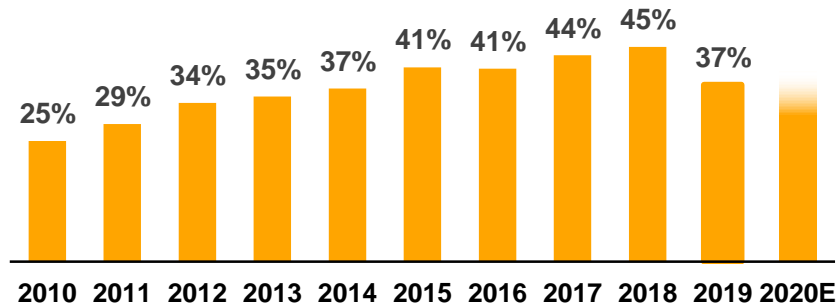
Continental's current credit rating:

› Fitch (since April 20, 2020)	BBB, outlook stable
› S&P (since March 30, 2020)	BBB, outlook negative
› Moody's (since March 13, 2020)	Baa2, outlook negative

Gearing ratio^{1,2}



Equity ratio²



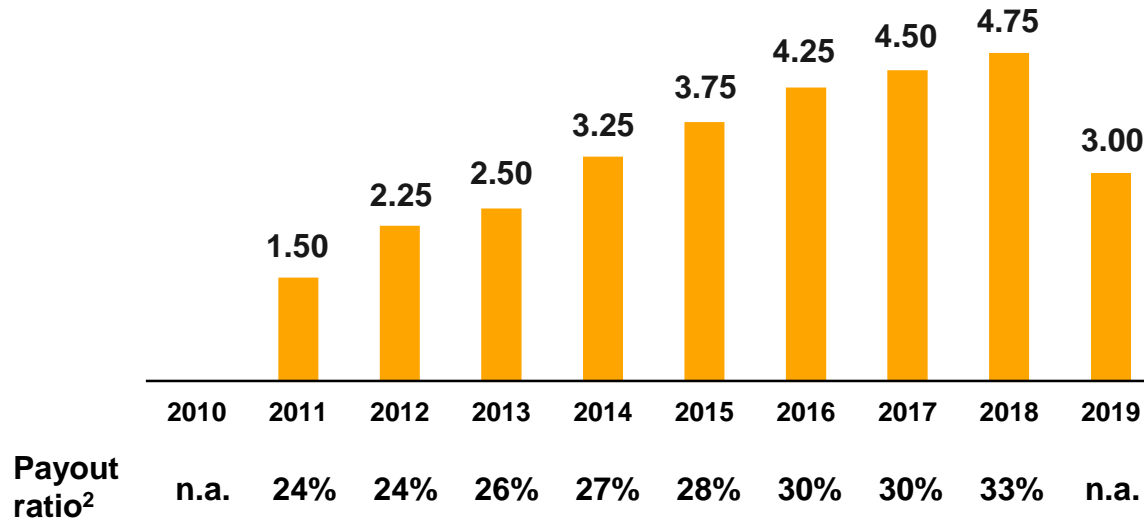
¹ Net indebtedness divided by equity

² IFRS 16 applied starting 2019

³ Ratio of cash flow before financing activities, M&A, restructuring and restructuring-related effects and carve-out effects to net income attributable to the shareholders of the parent

Dividend

Dividend per share¹ (€)



Payout ratio²

Year	Payout ratio ²
2010	n.a.
2011	24%
2012	24%
2013	26%
2014	27%
2015	28%
2016	30%
2017	30%
2018	33%
2019	n.a.

Payout ratio
~ 15% to ~ 30%

Mid-term

¹ Dividend paid for the respective fiscal year, payout in the subsequent year

² Ratio of dividend for the fiscal year to net income attributable to the shareholders of the parent

Mid-term Targets

Automotive Technologies

Outperformance²	~ +2 to +4%-pts
AMS	~ +2 to +4%-pts
VNI	~ +2 to +4%-pts

Adjusted EBIT³ margin	~ 6% to 8%
AMS	~ 6% to 8%
VNI	~ 6% to 8%

Return on capital employed⁴	> 15%
AMS	> 15%
VNI	> 15%

Rubber Technologies

Adjusted EBIT³ margin	~ 11% to 14%
Tires	~ 12% to 16%
ContiTech	~ 9% to 11%

Return on capital employed⁴	> 20%
Tires	> 20%
ContiTech	> 20%

Continental Group¹

Adjusted EBIT³ margin	~ 8% to 11%
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Return on capital employed⁴	~ 15% to 20%
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Cash conversion⁵	> 70%
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¹ Excluding Powertrain Technologies

² Organic sales growth above IHS light-vehicle production

³ Before amortization of intangibles from PPA, consolidation and special effects

⁴ Ratio of EBIT to average operating assets for a fiscal year

⁵ Ratio of cash flow before financing activities, M&A, restructuring and restructuring-related effects and carve-out effects to net income attributable to the shareholders of the parent

Summary

Invest in a Winner of the Transformation

Mid-term targets¹

~ 8 to 11%

Adj. EBIT² margin

~ 15 to 20%

Return on capital employed³

≥ 70%

Cash conversion⁴

Benefit from market recovery + outperformance + cost savings

Realize embedded value from technology leadership

**Team with “Passion to Win” and
committed to “Transparency and Ownership”**

¹ Excluding Powertrain Technologies

² Before amortization of intangibles from PPA, consolidation and special effects

³ Ratio of EBIT to average operating assets for a fiscal year

⁴ Ratio of cash flow before financing activities, M&A, restructuring and restructuring-related effects and carve-out effects to net income attributable to the shareholders of the parent

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Continental



The Future in Motion