

Q1 2024 Results

Hanover – May 8, 2024

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

Katja Garcia Vila – CFO

Agenda

1 [Group Highlights](#)

2 [Automotive](#)

3 [Tires](#)

4 [ContiTech](#)

5 [Cash Flow](#)

6 [2024 Outlook](#)

[Back-up and Fact Sheets 2023 – Q1 2024](#)

1 | Group Highlights

Most Important KPIs for Q1 2024

	Q1 2023	Q1 2024
Sales	€10.3 bn	€9.8 bn
Adjusted EBIT ¹	€574 mn	€196 mn
Adjusted EBIT ¹ margin	5.6%	2.0%
PPA ²	-€31 mn	-€28 mn
Special effects	-€20 mn	-€50 mn
Restructuring	-€0 mn	-€20 mn
Impairment	-€0 mn	-€2 mn
Other effects	-€19 mn	-€27 mn
NIAT ³	€382 mn	-€53 mn
Adjusted free cash flow ⁴	-€949 mn	-€1,086 mn
Gearing ratio	39.4%	36.4%
Equity ratio	36.6%	37.9%
Trailing ROCE ⁵	4.4%	7.0%
Net indebtedness	€5,539 mn	€5,205 mn

Executive Summary

- › Negative organic growth -3.3% due to weak markets at the beginning of the year
- › FX remain a burden in all group sectors
- › Working capital improvements partially mitigated purchase price payment for ContiTech AG shares
- › Automotive price negotiations in progress
- › Self-help measures on track; results expected in H2
- › Tires expected to have a significantly better second quarter
- › ContiTech expecting increasing demand in industry and support from OESL improvement during the year
- › Completion of diesel-related fine proceedings

¹ Before amortization of intangibles from PPA, changes in the scope of consolidation and special effects.

² Amortization of intangibles from PPA.

³ Net income attributable to the shareholders of the parent.

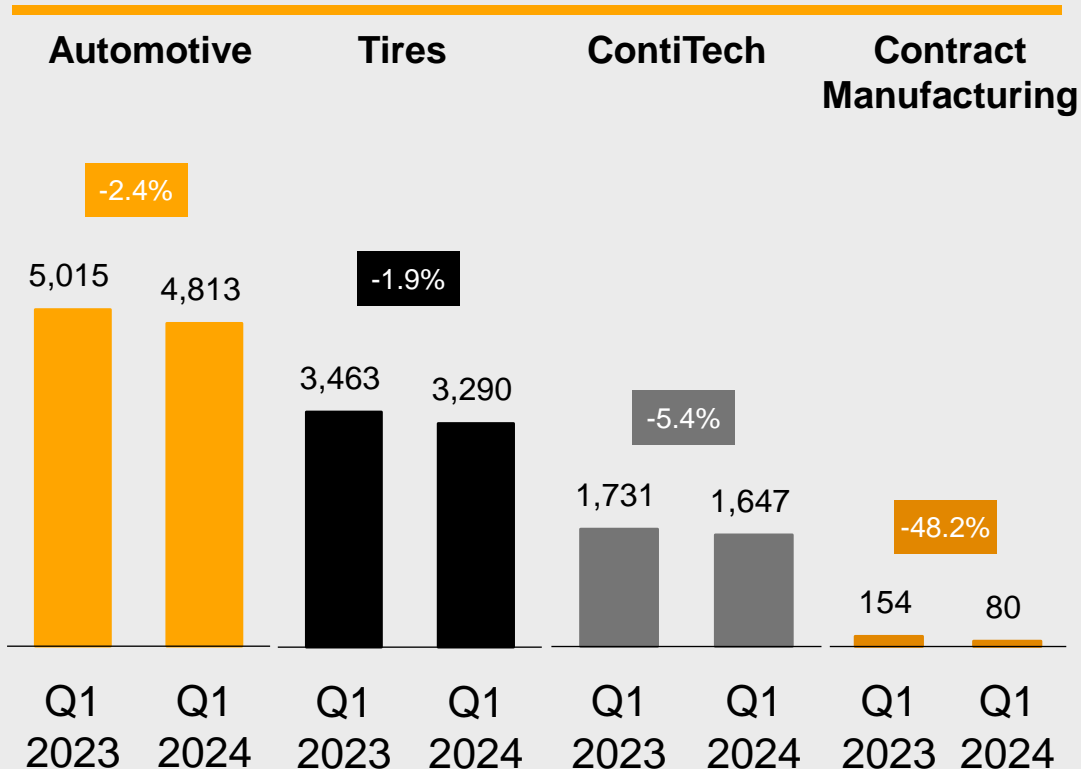
⁴ Free cash flow before acquisitions and divestments.

⁵ Calculated as reported EBIT for the last twelve months (LTM) divided by average operating assets for the LTM.

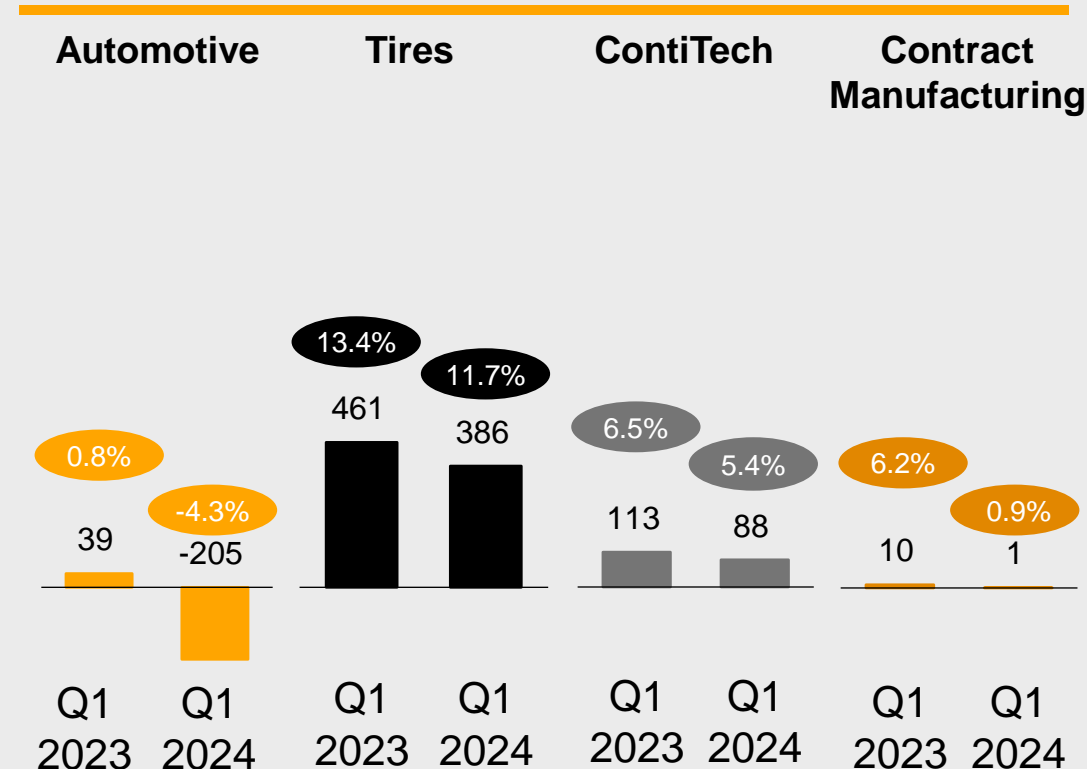
1 | Group Highlights

Q1 2024 – Sales and Adjusted EBIT

Sales (€ mn)



Adjusted EBIT¹ (€ mn)



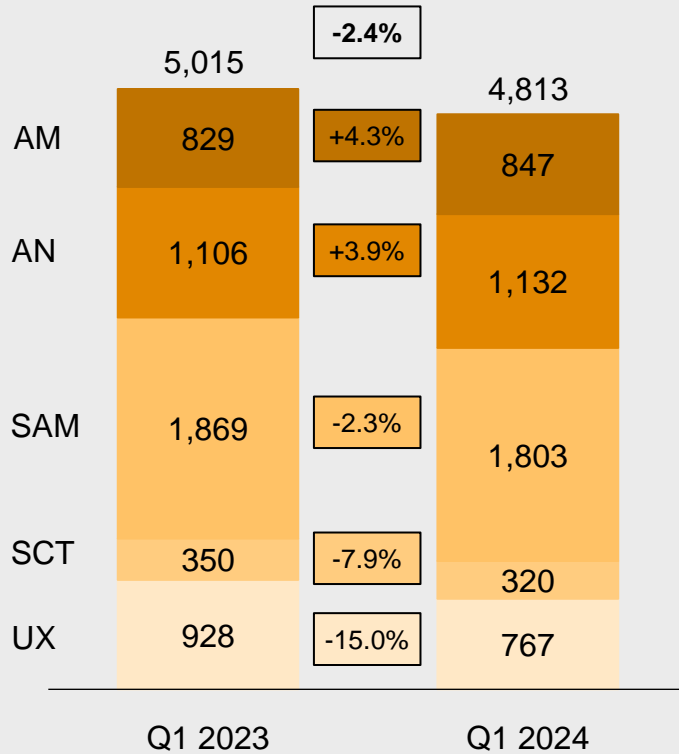
□ Organic growth² | ○ Adj. EBIT¹ margin

¹ Before amortization of intangibles from PPA, changes in the scope of consolidation and special effects.
² Before changes in the scope of consolidation and exchange-rate effects.

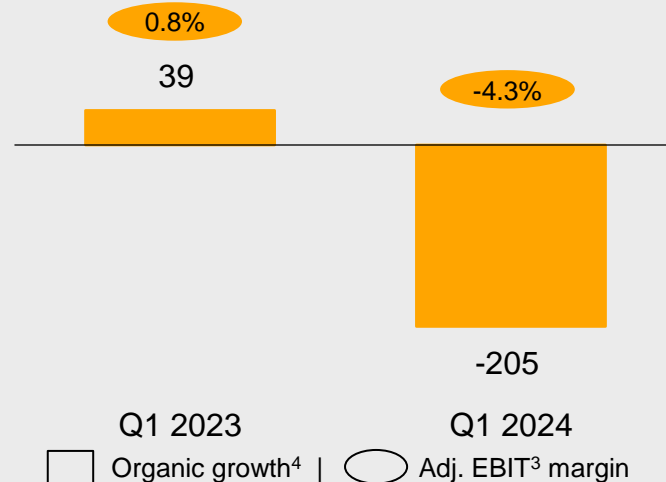
2 | Automotive

Q1 2024 – Sales and Adjusted EBIT

Sales^{1, 2} (€ mn)



Adjusted EBIT³ (€ mn)



Sales

- › Sales impact from FX: -1.6%
- › Negative volume development mainly driven by weak European market, delayed ramp-ups and unfavorable product mix
- › Significant part of customer contract renegotiation ongoing

Adjusted EBIT³

- › Introduction of new product generations temporarily impacting operational efficiency
- › Inflation continuously increases labor costs
- › Slight support from lower premium freight

¹ January 1, 2024, the former SMY business area was dissolved into AM, AN and SCT. The 2023 figures are displayed accordingly on a pro-forma basis.

² Due to consolidation effects, the sum of numbers shown in the columns does not match the total sum.

³ Before amortization of intangibles from PPA, changes in the scope of consolidation and special effects.

⁴ Before changes in the scope of consolidation and exchange-rate effects.

AM: Autonomous Mobility. AN: Architecture and Networking. SAM: Safety and Motion. SCT: Software and Central Technologies. UX: User Experience

2 | Automotive

Regional Production vs. Sales Growth in Q1 2024

Europe¹

Δ Y-o-Y in %

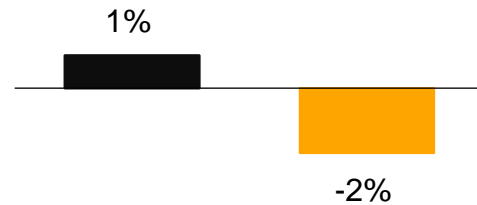


Europe: share of sales¹

Q1 2023	50%
Q1 2024	50%

North America¹

Δ Y-o-Y in %

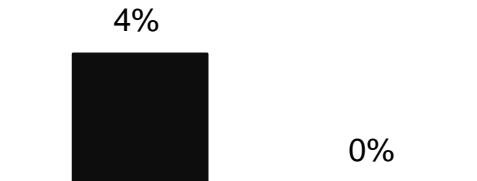


North America: share of sales¹

Q1 2023	22%
Q1 2024	22%

China¹

Δ Y-o-Y in %

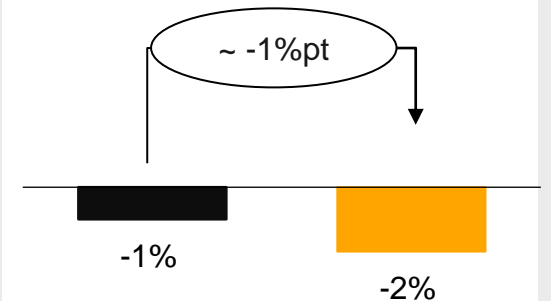


China: share of sales¹

Q1 2023	13%
Q1 2024	13%

Worldwide¹

Δ Y-o-Y in %



■ PC< production weighted by regional sales share

○ Outperformance

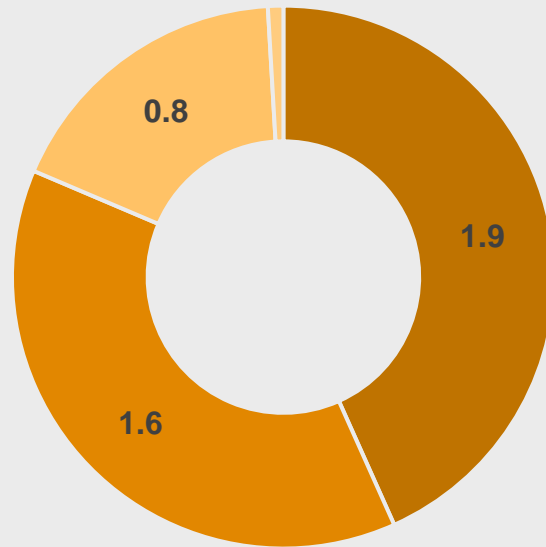
■ PC< production by region ■ Automotive sales

¹ Shown as change in organic sales Y-o-Y (adjusted for FX and consolidation effects).

2 | Automotive

Q1 2024 – Order Intake of €4.6 bn Lifetime Sales

Order Intake Q1 2024¹ (€ bn)



■ AM ■ AN ■ SAM ■ UX

Highlights

Autonomous Mobility: €1.9 bn

- › Next generation of surround radars for a North American customer



Architecture and Networking: €1.6 bn

- › Continental smart device-based access and start solution for multiple customers



Safety and Motion: €0.8 bn

- › Airbag control units
- › Latest generation of brake systems

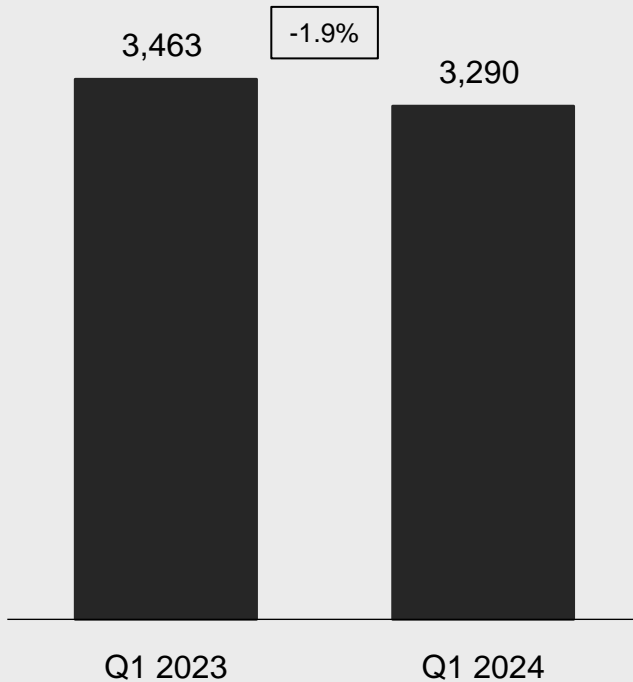


¹ Without Software and Central Technologies.

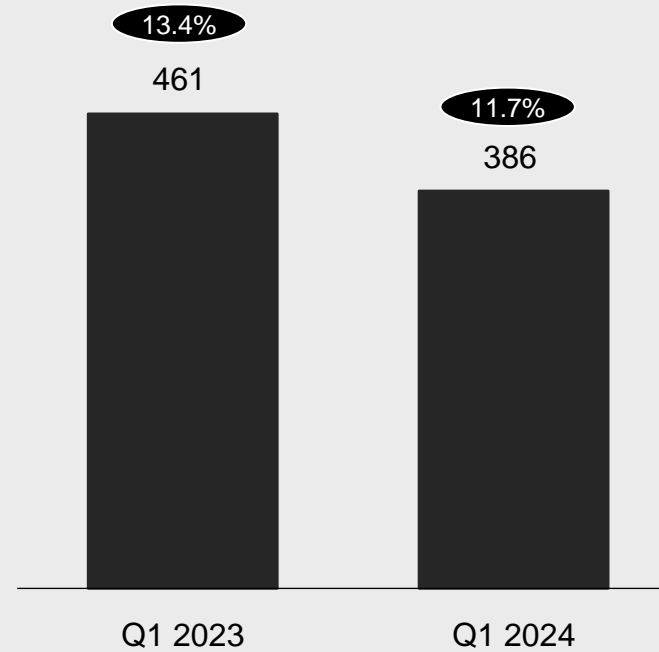
3 | Tires

Q1 2024 – Sales and Adjusted EBIT

Sales (€ mn)



Adjusted EBIT¹ (€ mn)



□ Organic growth² | ● Adj. EBIT¹ margin

¹ Before amortization of intangibles from PPA, changes in the scope of consolidation and special effects.
² Before changes in the scope of consolidation and exchange-rate effects.

Sales

- › Impact from FX: -2.5%
- › Volumes: -1.6%, mainly due to weak OE and continuing muted truck markets, particularly in Europe
- › Price/mix: -0.3%, negative effect from cost indexation and persisting unfavorable mix effect due to weak truck tire sales

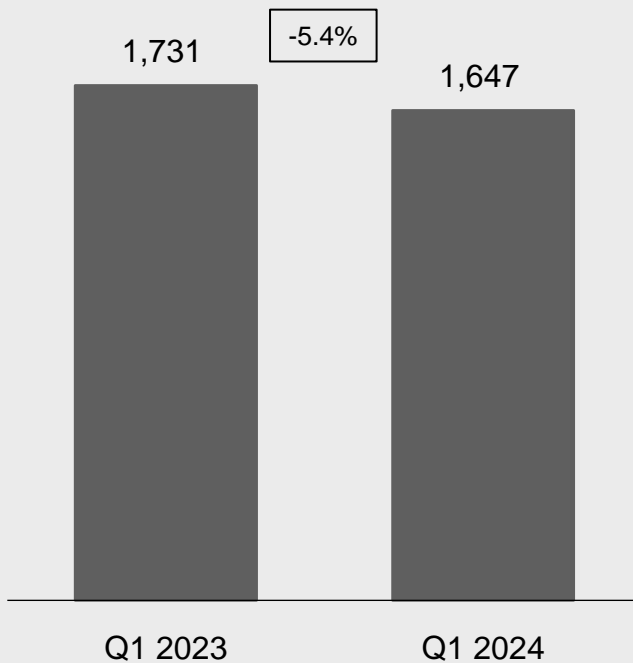
Adjusted EBIT¹

- › FX and volumes also a burden on profitability
- › Negative effect from cost indexation
- › Positive contribution from raw materials
- › Labor cost inflation headwind

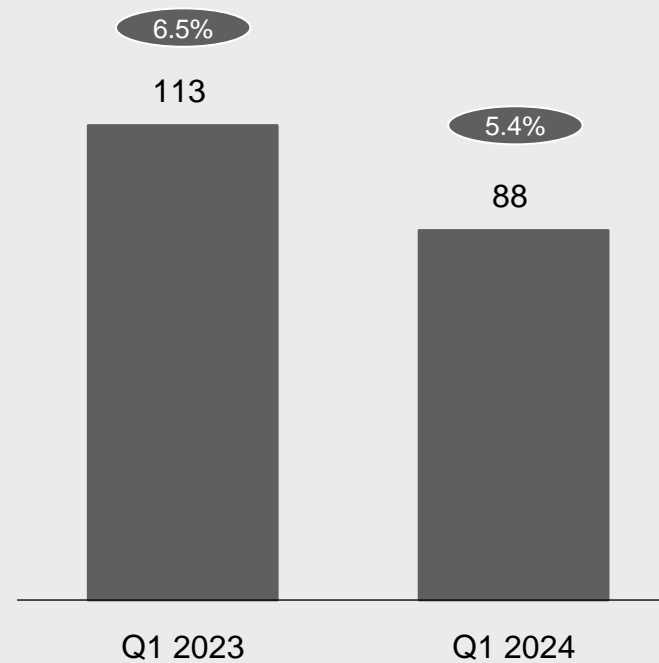
4 | ContiTech

Q1 2024 – Sales and Adjusted EBIT

Sales (€ mn)



Adjusted EBIT¹ (€ mn)



□ Organic growth² | ● Adj. EBIT¹ margin

¹ Before amortization of intangibles from PPA, changes in the scope of consolidation and special effects.
² Before changes in the scope of consolidation and exchange-rate effects.

Sales

- › Impact from FX: -1.0%
- › Demand significantly down in both industrial and automotive businesses, especially in Europe

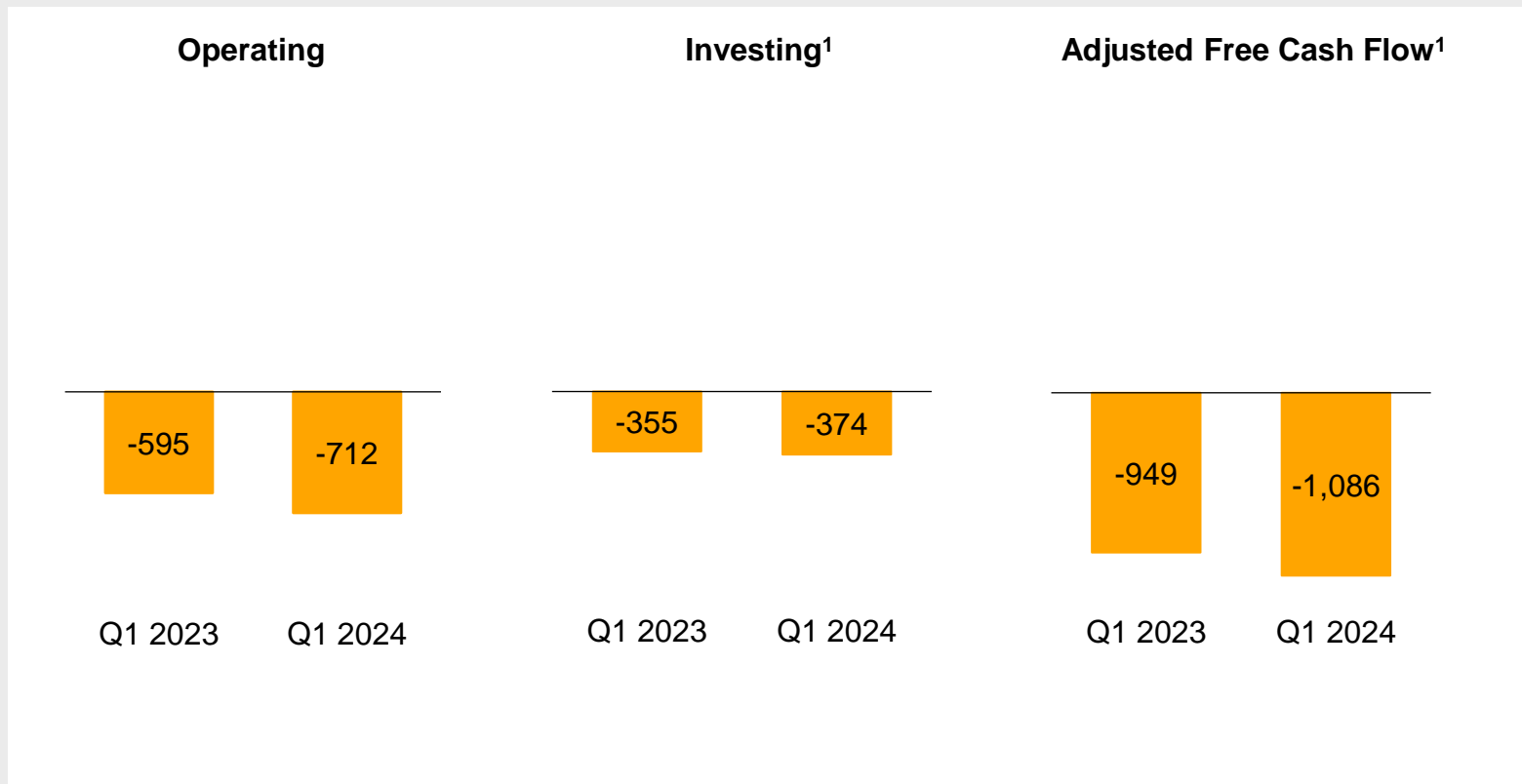
Adjusted EBIT¹

- › Negative volumes, particularly in industry causing unfavorable mix effects
- › Labor cost inflation an additional burden

5 | Cash Flow

Adjusted Free Cash Flow Operationally Improved

Cash Flow Q1 2024 (€ mn)



Operating Cash Flow










- › Weaker operational result
- › Improvements in working capital
- › Extraordinary burden of around €500 mn from reacquisition of ContiTech AG shares

Investing Cash Flow¹

- › Capex on prior year level, focused on Automotive order intake and capacity expansions at Tires

¹ Before acquisitions and divestments.

6 | 2024 Outlook – Main Markets

	Vehicle Production		Replacement Tires ¹		Industrial Production	
	Q1 2024	2024E	Q1 2024	2024E	Q1 2024	2024E
Passenger Cars & Light Trucks 						
Europe	-3%	-3% to -1%	+1%	0% to +3%	Eurozone  -3.1%	-2% to 0%
North America 	+1%	0% to +2%	+7%	0% to +3%	USA  -0.3%	-1% to +1%
China 	+4%	+1% to +3%	+7%	+2% to +5%	China  +4.5%	+4% to +6%
Worldwide 	-1%	-1% to +1%	+3%	0% to +3%		
Commercial Vehicles 						
Europe	+3%	-10% to -8% -9% to -7%	-3%	-1% to +1%		
North America 	+15%	-1% to +1% -6% to -4%	+16%	+2% to +4%		

New estimate
Prev. estimate

¹ Europe excluding Russia.

Calculated against the corresponding period of prior year. E = Estimates.

Sources: S&P Global, Bloomberg, preliminary data and own estimates.

6 | 2024 Outlook Confirmed

2024E

Continental Group consolidated sales	Around €41.0 bn – €44.0 bn
Adj. EBIT ¹ margin	Around 6.0% – 7.0%
Automotive sales	Around €20.0 bn – €22.0 bn
Adj. EBIT ¹ margin	Around 3.0% – 4.0%
Tires sales	Around €14.0 bn – €15.0 bn
Adj. EBIT ¹ margin	Around 13.0% – 14.0%
ContiTech sales	Around €6.6 bn – €7.0 bn
Adj. EBIT ¹ margin	Around 6.5% – 7.5%
Contract Manufacturing sales	Around €200 mn – €300 mn
Adj. EBIT ¹ margin	Around 0%
Adjusted free cash flow ²	Around €0.7 bn – €1.1 bn
PPA amortization	Around -€100 mn
Special effects	Around -€450 mn
Financial result	Around -€350 mn ³
Tax rate	Around 27%
Capex before financial investments in % of sales	Around 6.0% - 7.0%

Outlook is based on current FX rates.

¹ Before amortization of intangibles from PPA, changes in the scope of consolidation and special effects.

² Free cash flow before acquisitions and divestments.

³ Before effects of currency translation, effects from changes in the fair value of derivative instruments, and other valuation effects.

Thank you!



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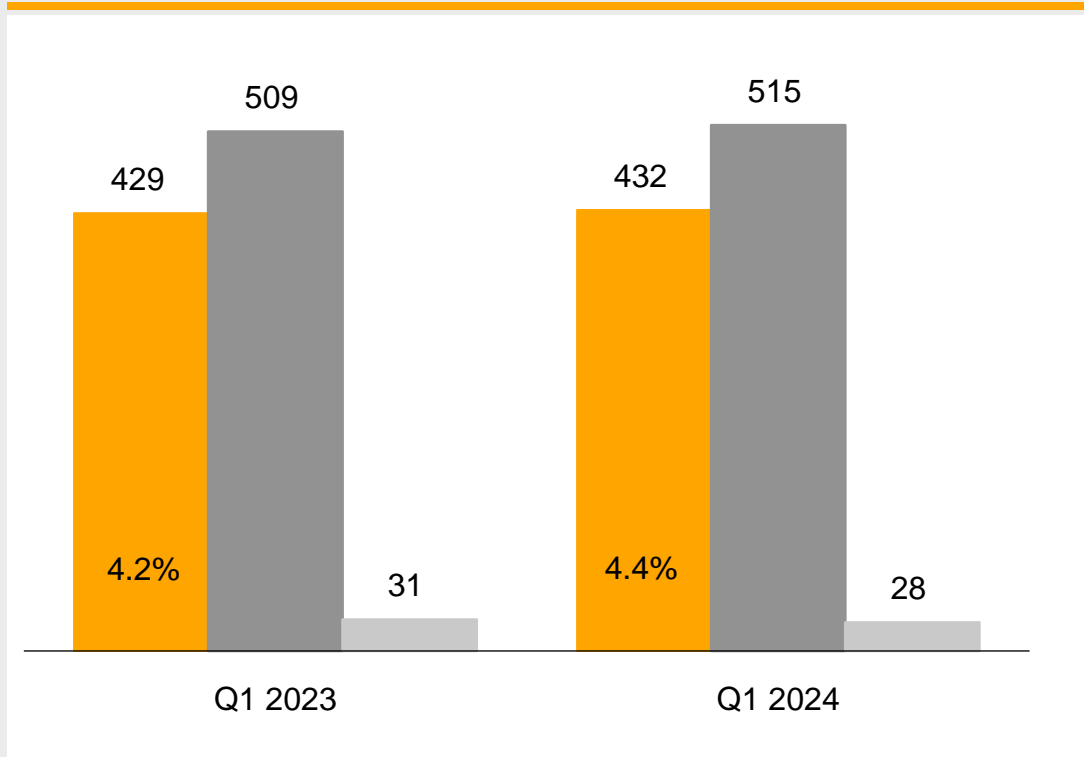
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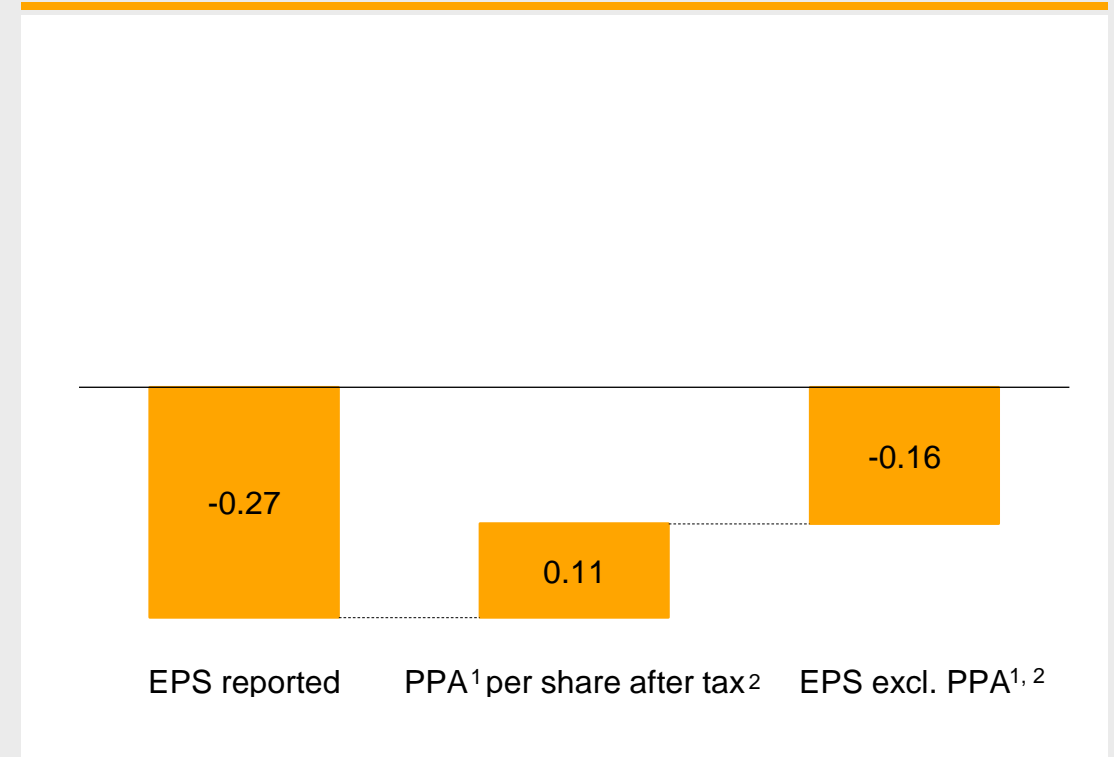
Back-up

Capex, Depreciation and Earnings per Share – Q1 2024

Capex, Depreciation and PPA¹ (€ mn)



EPS excl. PPA^{1,2} (€)



■ Capex (PPE & software), percentage of sales | ■ Depreciation, w/o PPA¹ | ■ PPA¹

¹ Amortization of intangibles from PPA.

² Assuming corporate tax rate of 28%.

Back-up

Relevant Bonds

Issuer	Conti-Gummi Finance B.V., Netherlands ¹	Continental AG	Continental AG	Continental AG	Continental AG	Continental AG
Issue	Senior Notes					
Principal amount	€625 mn	€600 mn	€750 mn	€500 mn	€625 mn	€750 mn
Offering price	99.589%	99.802%	98.791%	99.658%	100.000%	99.445%
Rating at issue date	Baa2 (Moody's) BBB (Fitch)	Baa1 (Moody's) BBB+ (Fitch)	Baa2 (Moody's) BBB (Fitch)	Baa2 (Moody's) BBB (Fitch) BBB (S&P)	Baa2 (Moody's) BBB (Fitch) BBB (S&P)	Baa2 (Moody's) BBB (Fitch) BBB (S&P)
Current rating (Group)	BBB (S&P²), BBB (Fitch³), Baa2 (Moody's⁴)					
Coupon	1.125% p.a.	0.375% p.a.	2.500% p.a.	4.000% p.a.	3.625% p.a.	4.000% p.a.
Issue date	June 25, 2020	Sept. 27, 2019	May 27, 2020	Aug. 31, 2023	Nov. 30, 2022	June 1, 2023
Maturity	Sept. 25, 2024	June 27, 2025	Aug. 27, 2026	Mar. 1, 2027	Nov. 30, 2027	June 1, 2028
Interest payment	Annual Sept. 25	Annual June 27	Annual Aug. 27	Annual Mar. 1	Annual Nov. 30	Annual June 1
WKN	A28YEC	A2YPAE	A28XTR	A35138	A30VQ4	A351PU
ISIN	XS2193657561	XS2056430874	XS2178586157	XS2672452237	XS2558972415	XS2630117328
Denomination	€1,000 with minimum tradable amount €1,000					

¹ Guaranteed by Continental AG.

² Contracted rating since May 19, 2000.

³ Contracted rating since November 7, 2013.

⁴ Contracted rating since January 1, 2019.

Fact Sheets

2023 – Q1 2024

Fact Sheets

Sales and Adjusted EBIT¹ by Quarter

Sales in € millions	2023					2024				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Automotive	5,015	5,133	5,029	5,118	20,295	4,813				
Tires	3,463	3,459	3,429	3,607	13,958	3,290				
ContiTech	1,731	1,742	1,711	1,658	6,842	1,647				
Contract Manufacturing	154	136	115	107	512	80				
Other/ Hold./ Cons.	-57	-44	-43	-42	-187	-43				
Group	10,306	10,426	10,240	10,448	41,421	9,788				

adj. EBIT ¹ in € millions	2023					2024				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Automotive	39	-31	139	242	389	-205				
Tires	461	471	454	491	1,877	386				
ContiTech	113	113	111	118	455	88				
Contract Manufacturing	10	6	-8	1	8	1				
Other/ Hold./ Cons.	-47	-61	-58	-48	-214	-73				
Group	574	497	639	804	2,514	196				

Changes Y-o-Y in %	2023					2024				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Automotive	18.1	19.0	1.8	6.2	10.8	-4.0				
Tires	5.1	2.3	-5.4	-2.6	-0.3	-5.0				
ContiTech	10.2	8.0	-1.0	-1.4	3.7	-4.8				
Contract Manufacturing	-26.5	-23.9	-22.2	-17.1	-23.0	-48.0				
Group	11.1	10.4	-1.5	1.5	5.1	-5.0				

adj. EBIT ¹ margin in %	2023					2024				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Automotive	0.8	-0.6	2.8	4.7	1.9	-4.3				
Tires	13.4	13.7	13.3	13.6	13.5	11.7				
ContiTech	6.5	6.5	6.5	7.1	6.7	5.4				
Contract Manufacturing	6.2	4.4	-7.4	0.9	1.6	0.9				
Group	5.6	4.8	6.2	7.7	6.1	2.0				

Changes Y-o-Y in %	2024				
	Q1	Q2	Q3	Q4	Year
Automotive	-629.6				
Tires	-16.2				
ContiTech	-22.2				
Contract Manufacturing	-92.7				
Group	-65.8				

¹ Before amortization of intangibles from PPA, changes in the scope of consolidation and special effects.

Fact Sheets

EBITDA and EBIT by Quarter

EBITDA in € millions	2023					2024				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Automotive	269	218	251	243	982	12				
Tires	660	576	637	713	2,586	570				
ContiTech	172	174	170	177	693	147				
Contract Manufacturing	16	13	-3	3	29	4				
Other/ Hold./ Cons.	-47	-61	-55	-47	-211	-72				
Group	1,070	920	1,000	1,089	4,079	661				

EBITDA margin in %	2023					2024				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Automotive	5.4	4.2	5.0	4.8	4.8	0.3				
Tires	19.1	16.7	18.6	19.8	18.5	17.3				
ContiTech	9.9	10.0	10.0	10.7	10.1	8.9				
Contract Manufacturing	10.6	9.2	-2.8	2.9	5.6	5.3				
Group	10.4	8.8	9.8	10.4	9.8	6.8				

Changes Y-o-Y in %	2023					2024				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Automotive	348.2	70.5	-24.2	-45.1	2.0	-95.5				
Tires	-13.8	-14.2	1.3	23.1	-2.2	-13.7				
ContiTech	19.2	128.0	-0.1	85.3	42.5	-14.7				
Contract Manufacturing	-22.8	0.2	-199.1	-59.9	-35.4	-74.0				
Group	14.8	8.4	-7.3	-1.6	2.8	-38.2				

EBIT in € millions	2023					2024				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Automotive	16	-39	-3	-31	-57	-255				
Tires	458	373	440	471	1,743	374				
ContiTech	96	98	90	96	380	73				
Contract Manufacturing	9	6	-9	-1	5	1				
Other/ Hold./ Cons.	-48	-61	-58	-50	-217	-74				
Group	531	377	461	485	1,854	118				

EBIT margin in %	2023					2024				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Automotive	0.3	-0.8	-0.1	-0.6	-0.3	-5.3				
Tires	13.2	10.8	12.8	13.1	12.5	11.4				
ContiTech	5.6	5.6	5.3	5.8	5.6	4.4				
Contract Manufacturing	6.1	4.3	-7.7	-1.4	1.0	0.8				
Group	5.2	3.6	4.5	4.6	4.5	1.2				

Changes Y-o-Y in %	2023					2024				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Automotive	107.6	92.3	99.4	-118.2	94.1	-1,733.6				
Tires	-18.0	-4.2	7.1	29.1	1.1	-18.2				
ContiTech	39.1	1,413.1	0.9	519.5	128.3	-24.6				
Contract Manufacturing	-19.4	65.1	-65.4	-179.0	-46.0	-93.1				
Group	41.5	328.8	3,676.1	-8.8	145.6	-77.7				

Fact Sheets

Reported and Adjusted Q1 2024 Results

€ millions	Automotive		Tires		ContiTech		Contract Manufacturing		Other/ Hold./ Cons.		Group	
	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024
Sales	5,015	4,813	3,463	3,290	1,731	1,647	154	80	-57	-43	10,306	9,788
EBIT	16	-255	458	374	96	73	9	1	-48	-74	531	118
in % of sales	0.3%	-5.3%	13.2%	11.4%	5.6%	4.4%	6.1%	0.8%			5.2%	1.2%
Amortization of intangible assets from PPA	15	14	2	1	14	12					31	28
Total special effects	8	36	9	10	2	2	0	0	1	1	20	50
Total consolidation effects	0		-8		0	1					-7	1
Total consolidation and special effects	8	36	1	10	2	3	0	0	1	1	12	51
Adjusted operating result (adj. EBIT) ¹	39	-205	461	386	113	88	10	1	-47	-73	574	196
in % of adjusted sales	0.8%	-4.3%	13.4%	11.7%	6.5%	5.4%	6.2%	0.9%			5.6%	2.0%

¹ Before amortization of intangibles from PPA, changes in the scope of consolidation and special effects.

Financial Calendar and Upcoming Investor Meetings

2024

Full-Year Results	March 7, 2024
Annual Shareholders' Meeting	April 26, 2024
Q1 Quarterly Statement	May 8, 2024
Half-Year Financial Report	August 7, 2024
Nine-Month Quarterly Statement	November 11, 2024

Upcoming Roadshows and Conferences

- › **Q1 2024 Roadshow** (CFO)
 - › May 9-10, London
- › **Citi Auto Field Trip** (CFO)
 - › May 15, virtual
- › **UBS Best of Europe Virtual Conference** (CFO)
 - › May 16, virtual
- › **Canada / US Roadshow** (CEO)
 - › May 21-22, Toronto / Boston
- › **Berenberg Conference** (CEO)
 - › May 23, New York
- › **Deutsche Bank European Champions Conference** (CEO Tires)
 - › May 22-23, Frankfurt
- › **J.P. Morgan Autos Conference** (CFO)
 - › June 3-4, London
- › **Exane CEO Conference** (CEO)
 - › June 5, Paris
- › **Deutsche Bank DB Global Auto Industry Conference**
 - › June 11-12, New York

References

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Contact

Investor Relations

Continental-Plaza 1
30175 Hanover
Germany

e-mail: ir@conti.de
fax: +49 511 938 1080
www.continental-ir.com

Anna-Maria Fischer
Head of Investor Relations (IR)

phone: +49 511 938 12203
e-mail: anna-maria.fischer@conti.de

Jana Maddison
*Assistant to the Head of IR,
Roadshow and Conference
Organization*

phone: +49 511 938 1163
e-mail: jana.maddison@conti.de



visit us
online

Rachel Arellano
Analysts and Institutional Investors

phone: +49 511 938 10478
e-mail: rachel.arellano@continental.com

Andrea Kraft
Analysts and Institutional Investors

phone: +49 511 938 1880
e-mail: andrea.kraft@conti.de

Marcus Lieberum
Analysts and Institutional Investors

phone: +49 511 938 1787
e-mail: marcus.lieberum@conti.de

Sabine Reese
*AGM, Disclosure Requirements,
Sustainability*

phone: +49 511 938 1027
e-mail: sabine.reese@conti.de

Max Westmeyer
Analysts and Institutional Investors

phone: +49 511 938 13650
e-mail: max.2.westmeyer@conti.de