



H1 2019 Results

Hanover – August 7, 2019

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

Wolfgang Schaefer – CFO

Agenda

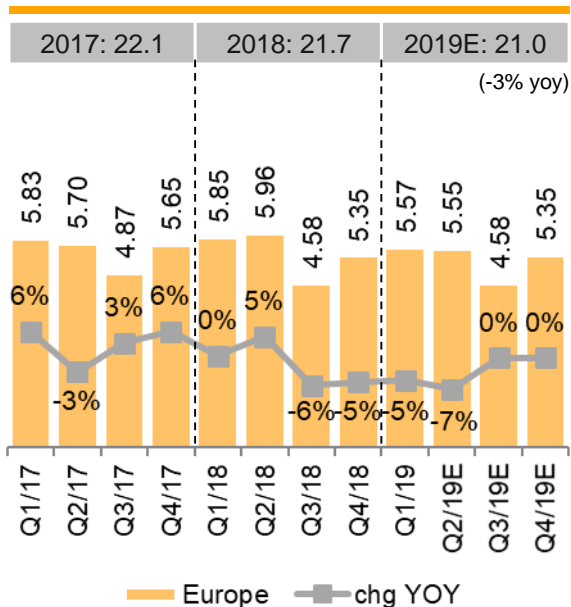
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1) Current Market Situation

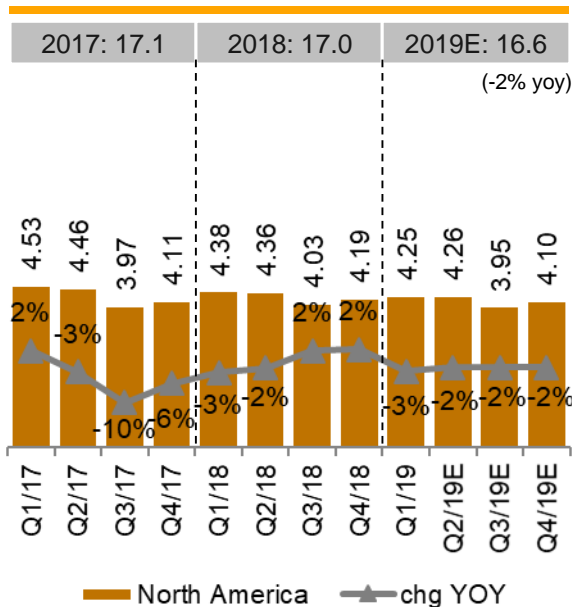
PC & LT¹ Production: H2 below H1 in Our Core Markets²

Revised PC & LT
global expectation
FY2019: -5%

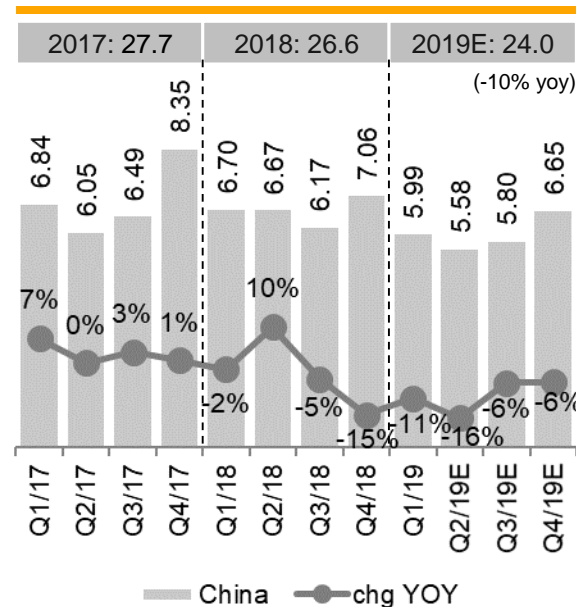
Europe (mn units)



North America (mn units)



China (mn units)



¹ Passenger car and light truck <6 metric tons

² Source: IHS and own estimates, Europe excluding Kazakhstan and Uzbekistan

1) Current Market Situation

Measures to Improve Competitiveness and Viability Already in Progress

Already Activated Levers

Performance & Cost Management

- ✓ Labor force adapted to lower volumes
- ✓ Tighter control of fixed and variable costs
- ✓ Reductions in capex spending
- ✓ Margin enhancement programs in Powertrain and ContiTech
- › Further adjustments in preparation



Further Fields of Actions

Footprint

- ✓ Capacity reduction in Tires and ContiTech announced
- › Preparing further adjustments to production, R&D and administrative footprints

Portfolio

- ✓ Stronger focus on electrified drive systems and e-mobility
- ✓ Stop activities investigating battery cell production
- › Further measures in preparation

2) Corporation Highlights

Most Important KPIs for H1 2019

	H1/2018	H1/2019	Delta	Comments
Sales	€22.4 bn	€22.3 bn	-0.3%	Organic growth -2.9%; FX +€333 mn
Adj. EBIT ¹	€2.2 bn	€1.8 bn	-21.1%	
Adj. EBIT ¹ margin	9.9%	8.0%	-190 bps	
PPA ²	-€85 mn	-€91 mn		
Special effects	-€1 mn	-€80 mn		Carve-out effects -€20 mn
NIAT ³	€1.6 bn	€1.1 bn	-32.0%	
Free cash flow before acquisitions excluding carve-out effects	€296 mn	-€609 mn		IFRS 16 impact on D&A ⁵ +€158 mn
Gearing ratio	17%	31%		IFRS 16 impact +960 bps
Equity ratio	43%	41%		
Trailing ROCE ⁴	19.4%	13.5%	-590 bps	IFRS 16 impact -50 bps

- › Order intake in the Automotive Group of about €16 bn lifetime sales (book-to-bill ratio of 1.2)
- › Business win for ADAS Domain Control Units worth >€500 mn lifetime sales, SOP 2022
- › Closing of the acquisition of the anti-vibration systems business of Cooper Standard, consolidation since April 1, 2019



¹ Before amortization of intangibles from PPA, consolidation and special effects

² Amortization of intangibles from PPA

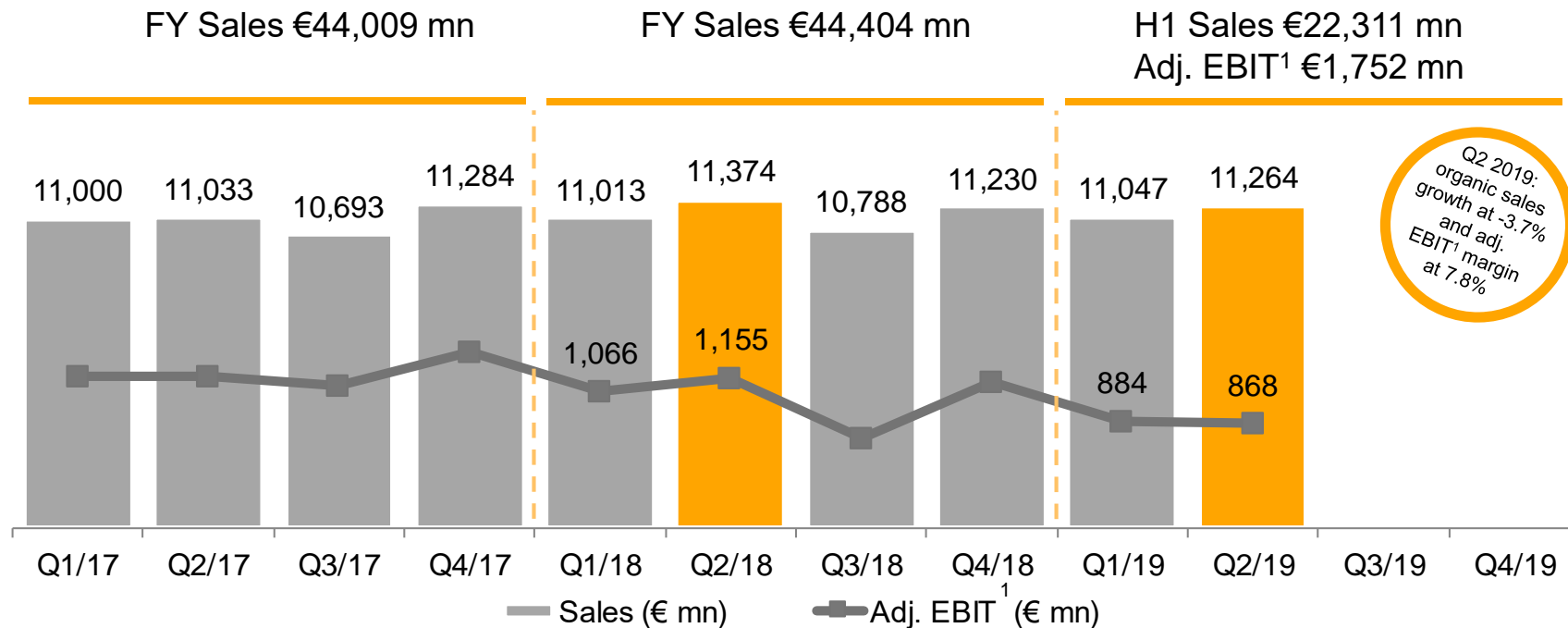
³ Attributable to the shareholders of the parent

⁴ Trailing ROCE is calculated as reported EBIT for the last twelve months (LTM) divided by average operating assets for the LTM

⁵ Depreciation and amortization

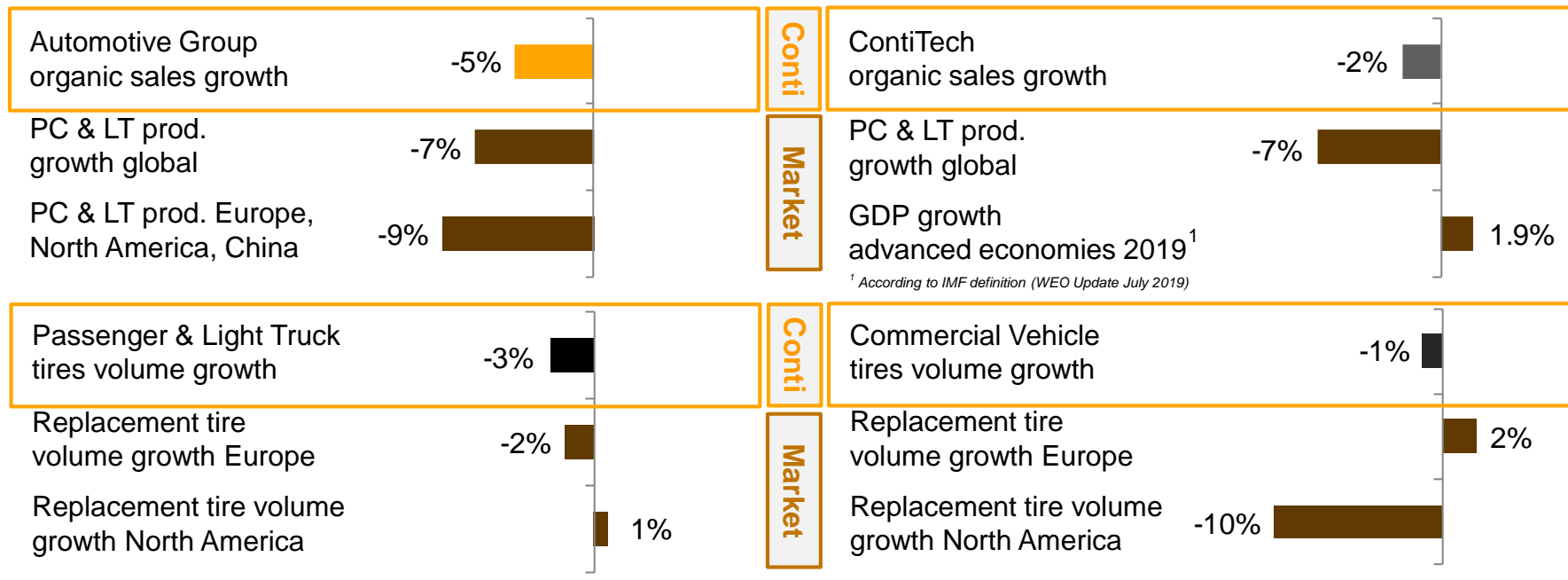
2) Corporation Highlights

Sales and Adjusted EBIT¹ by Quarter



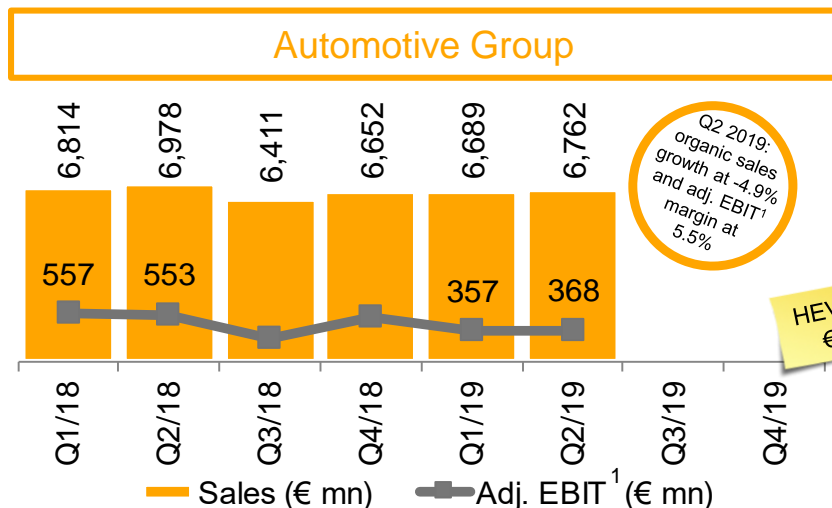
2) Corporation Highlights

Growth Profile of the Corporation Q2 2019



3) Automotive Group

Key Performance Indicators in Q2 2019



- › Reported EBIT: €333 mn (4.9% of sales)
- › R&D (net): €797 mn (11.8% of sales)
- › Capex: €480 mn (7.1% of sales)

Chassis & Safety		
Sales (€ mn)	Org. growth	Adj. EBIT ¹ margin
2,384	-4.6%	7.0% (-190 bps YoY)

- › Ramp up of our integrated and compact MK C1 brake system

Powertrain		
Sales (€ mn)	Org. growth	Adj. EBIT ¹ margin
1,961	-6.1%	3.7% (-210 bps YoY)

- › Weaker volume demand, especially in Europe and North America
- › Adj. EBIT¹ margin excluding HEV >7%

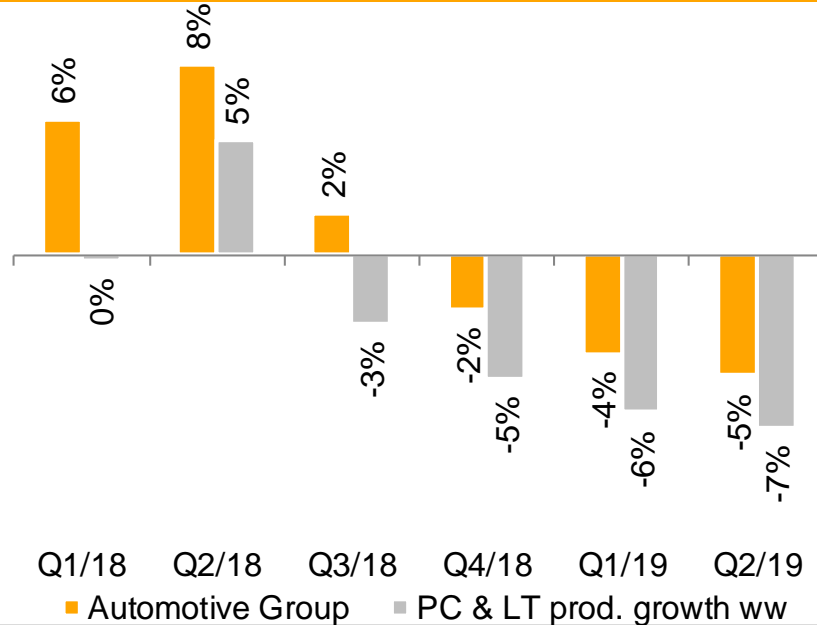
Interior		
Sales (€ mn)	Org. growth	Adj. EBIT ¹ margin
2,475	-3.7%	5.3% (-340 bps YoY)

- › Lower than anticipated demand in Europe and China for certain products, especially in the Instrumentation & Driver HMI business

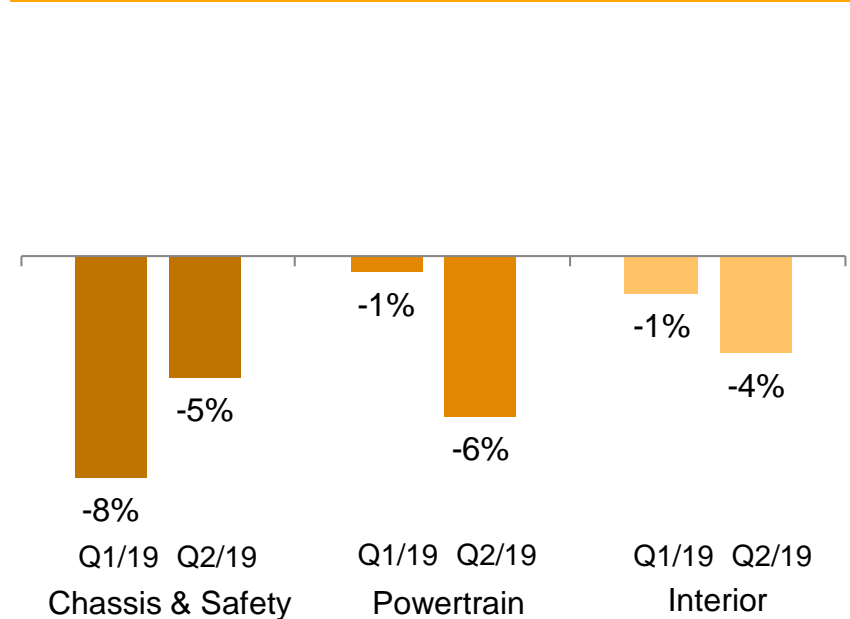
3) Automotive Group

Organic Sales Growth vs. PC & LT¹ Production

Growth of organic sales vs. PC & LT¹ production

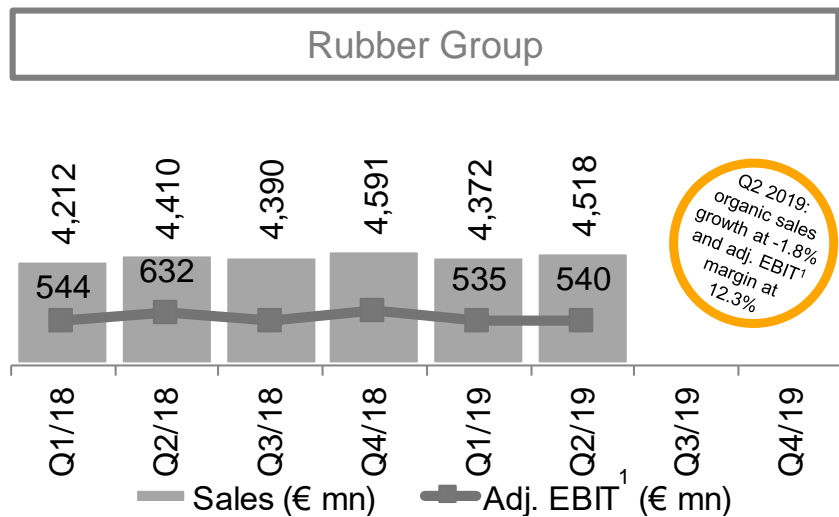


Organic sales growth by division



4) Rubber Group

Key Performance Indicators in Q2 2019



- › Reported EBIT: €463 mn (10.2% of sales)
- › R&D (net): €120 mn (2.7% of sales)
- › Capex: €288 mn (6.4% of sales)

Tires		
Sales (€ mn)	Org. growth	Adj. EBIT ¹ margin
2,871	-1.2%	14.7% (-310 bps YoY)

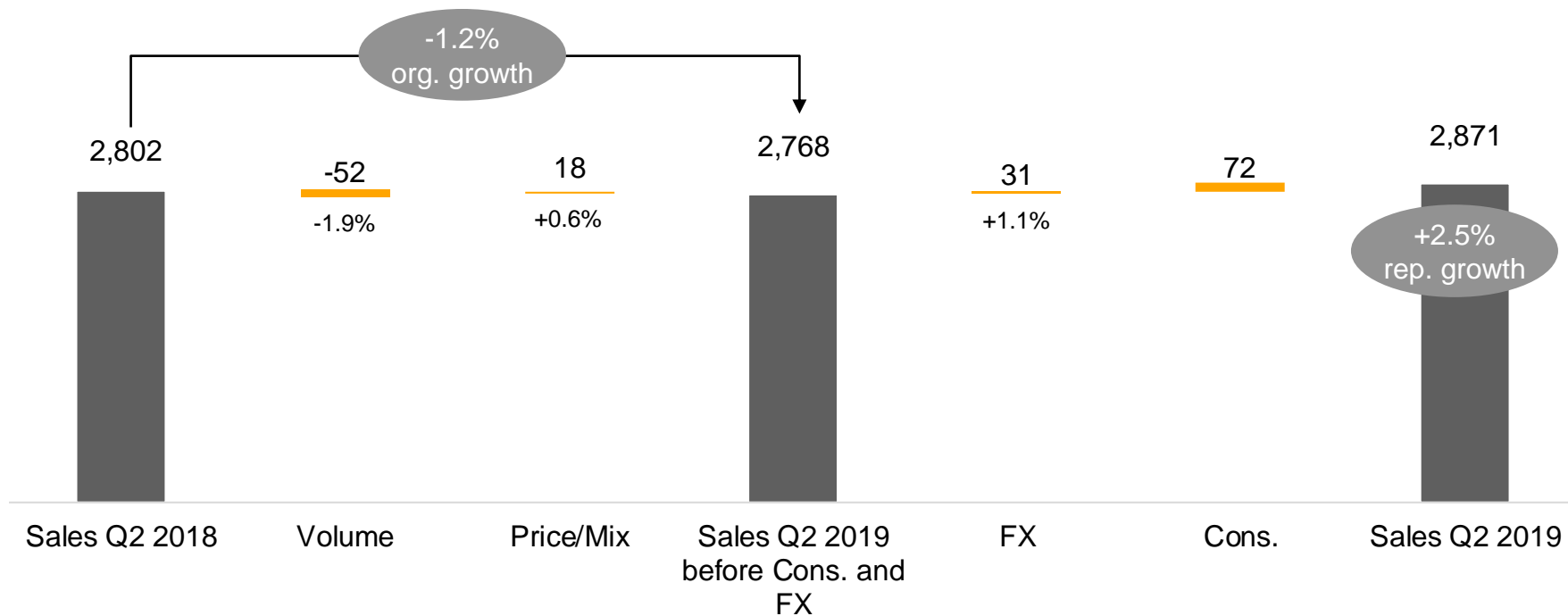
- › Volume -1.9%; Price/Mix +0.6%, FX +1.1%

ContiTech		
Sales (€ mn)	Org. growth	Adj. EBIT ¹ margin
1,677	-2.3%	8.1% (-10 bps YoY)

- › Tepid vehicle production but supported by its industrial businesses

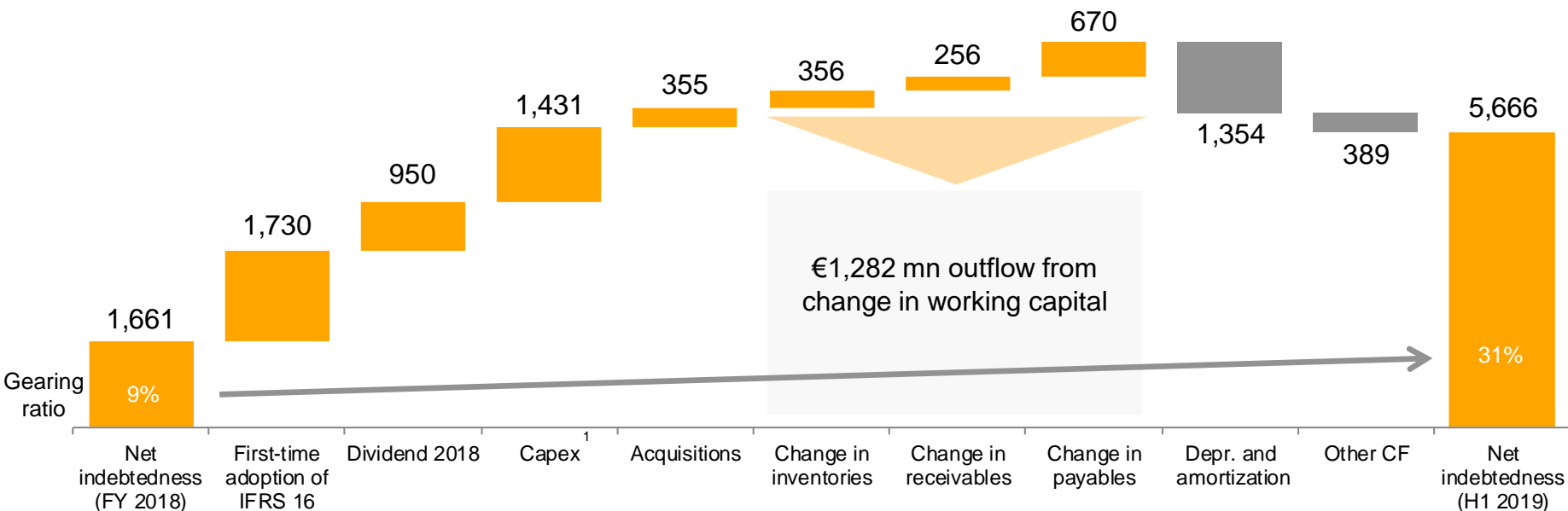
4) Rubber Group

Tires Sales Transition (€ mn) Q2 2019



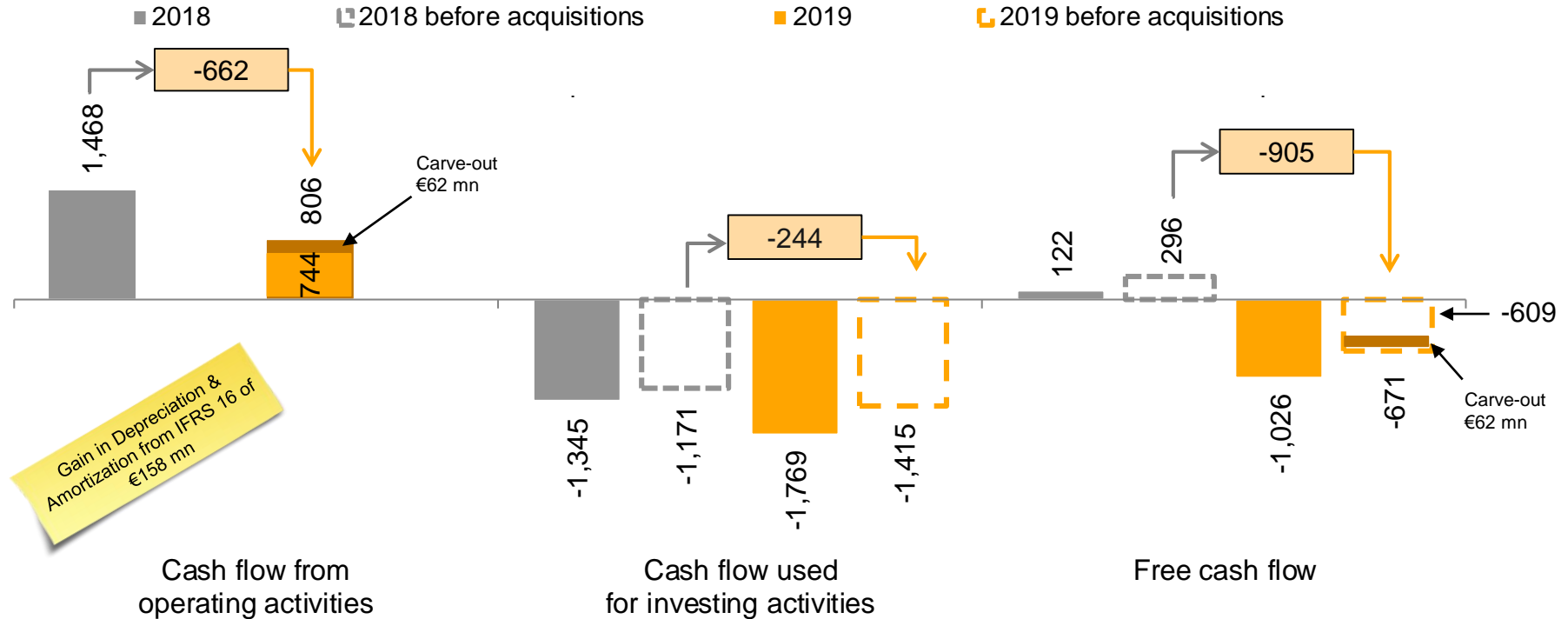
5) Indebtedness and Cash Flow

Net Indebtedness Bridge (€ mn)



5) Indebtedness and Cash Flow

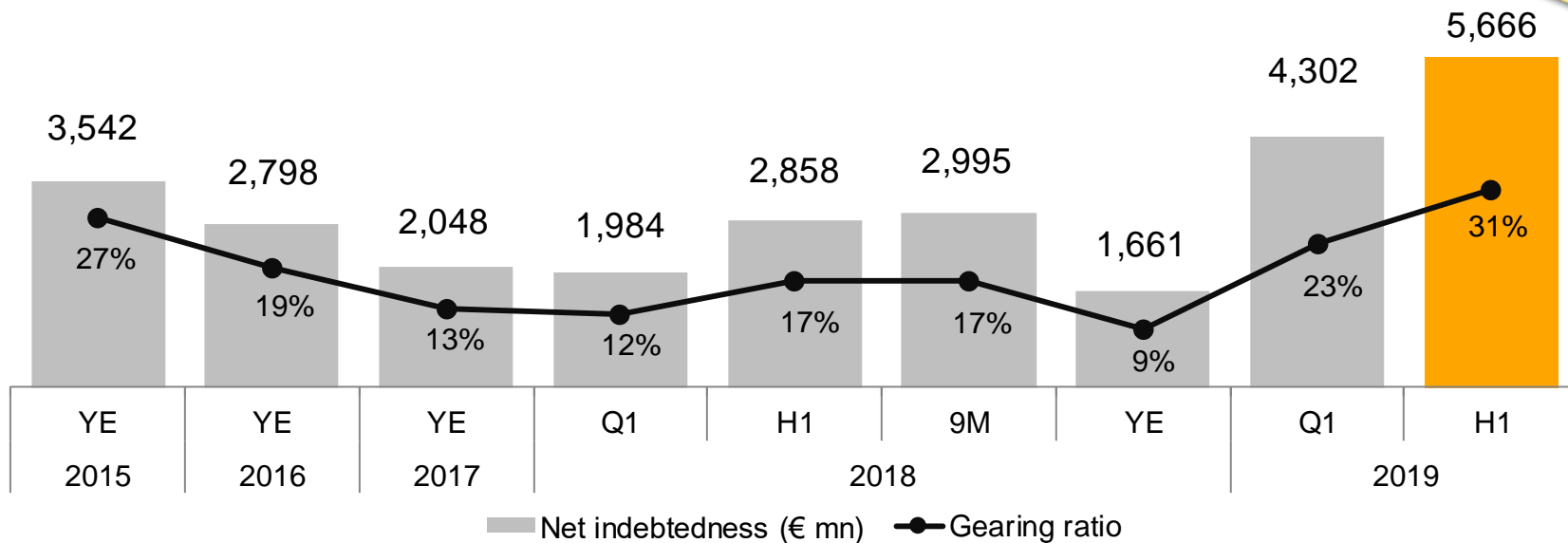
Free Cash Flow Before Acquisitions Excluding Carve-Out Effects (€ mn) in H1 2019



5) Indebtedness and Cash Flow

Net Indebtedness and Gearing Ratio

Increase in net indebtedness vs. FY 2018 mainly due to the first-time adoption of IFRS 16 and the dividend payment of €950 mn



6) 2019 Outlook

Market Outlook

PC & LT¹ Production (mn units)

	2018E	2019E	Chg.
Worldwide production to decrease about 5%			
Europe	21.7	21.0	-3%
North America	17.0	16.6	-2%
South America	3.4	3.4	-1%
Asia	50.8	47.3	-7%

IHS and own estimates

Commercial Vehicle² Production (k units)

	2018E	2019E	Chg.
Worldwide production to decrease about 2%			
Europe	652	639	-2%
North America	634	653	+3%
South America	142	170	+20%
Asia	2,220	2,100	-5%

IHS and own estimates

PC & LT¹ Replacement Tire Market (mn units)

	2018E	2019E	Chg.
Worldwide replacement tire market to increase about 1%			
Europe	366	364	0%
North America	297	302	+2%
South America	68	68	0%
Asia	455	467	+3%

LMC and own estimates

Commercial Vehicle Replacement³ Tire Market (mn units)

	2018E	2019E	Chg.
Worldwide replacement tire market to remain stable			
Europe	25.5	25.5	0%
North America	27.1	25.0	-8%
South America	14.8	14.8	0%
Asia	91.0	93.0	+2%

LMC and own estimates

¹ Passenger car and light truck <6 metric tons

² Medium and heavy vehicles >6 metric tons

³ Radial and bias

6) 2019 Outlook

Continental Corporation

IFRS 16 impacts all 2019 financial statements

	2018	2019E
Consolidated sales	€44.4 bn	About €44 bn – €45 bn
adj. EBIT ¹ margin	9.3%	About 7.0% – 7.5% adj. EBIT ¹ margin
Automotive Group	€26.9 bn	About €26 bn – €26.5 bn
adj. EBIT ¹	€1.9 bn	About 4.2% – 4.8% adj. EBIT ¹ margin
Rubber Group	€17.6 bn	About €18 bn – €18.5 bn
adj. EBIT ¹	€2.4 bn	About 12.0% – 12.5% adj. EBIT ¹ margin
Raw materials cost impact	More than €130 mn for the Rubber Group	About €50 mn burden for the Rubber Group Based on latest assumptions
Special effects	€80 mn	About -€200 mn including carve-out effects
Financial result	-€178 mn	About -€220 mn at constant FX ² including IFRS 16
Tax rate	23%	About 27% including carve-out effects
Capex before financial investments	€3.1 bn	Below 8% of sales including IFRS 16
PPA amortization	€173 mn	About €200 mn
Free cash flow before acquisitions	€1.9 bn excluding net effect of U.S. pension funding	About €1.2 bn to €1.4 bn including IFRS 16, excluding carve-out effects

¹ Before amortization of intangibles from PPA, consolidation and special effects

² Before effects of currency translation and effects from changes in the fair value of derivative instruments and other valuation effects

Thank you!



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- › Unless otherwise stated, all amounts are shown in millions of euro. Please note that differences may arise as a result of the use of rounded amounts and percentages.
- › Note: Due to the application of the modified retrospective approach during first time adoption of IFRS 9, *Financial Instruments*, and IFRS 15, *Revenues from Contracts with Customers*, as at January 1, 2018, all the figures from comparative periods are shown unadjusted. Due to the application of the modified retrospective approach during first-time adoption of IFRS 16, *Leases*, as at January 1, 2019, all the figures from comparative periods are shown unadjusted.

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Financial Calendar

2019

Preliminary figures for fiscal 2018	January 14, 2019
Annual Financial Press Conference	March 7, 2019
Annual Shareholders' Meeting (incl. key data for Q1 2019)	April 26, 2019
Q1 Financial Report	May 9, 2019
Half-Year Financial Report	August 7, 2019
Nine-Month Financial Report	November 12, 2019

2020

Annual Financial Press Conference	March 2020
Annual Shareholders' Meeting (incl. key data for Q1 2020)	April 30, 2020
Q1 Financial Report	May 2020
Half-Year Financial Report	August 2020
Nine-Month Financial Report	November 2020

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Share Data/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 June 30, 2019	200,005,983

ADR Data

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

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Bond Data

Issuer	Continental AG	Continental AG
Issue	Senior Notes	Senior Notes
Principal amount	€600 mn	€750 mn
Offering price	99.410%	99.228%
Rating at issuance date	BBB+ (S&P) BBB+ (Fitch)	Ba1 (Moody's) BB (S&P) BBB (Fitch ¹)
Current corporation ratings	BBB+ (S&P²), BBB+ (Fitch³), Baa1 (Moody's⁴)	
Coupon	0.0% p.a.	3.125% p.a.
Issue date	December 5, 2016	September 9, 2013
Maturity	February 5, 2020	September 9, 2020
Interest payment	Not applicable	Annual September 9
WKN	A2DARM	A1X3B7
ISIN	XS1529561182	XS0969344083
Denomination	€1,000 with minimum tradable amount €1,000	



¹ Non-contracted rating at date of issuance

² Contracted rating since May 19, 2000

³ Contracted rating since November 7, 2013

⁴ Contracted rating retroactively since January 1, 2019

Back-up

7) Back-up

Changes from the adoption of IFRS 16, Leases, as at June 30, 2019¹

Area	Value	Explanation
Consolidated Statement of Income	+€17 mn -€17 mn	Positive impact on EBIT Negative impact on financial result
Consolidated Statement of Financial Position		As of June 30, 2019
Assets	+€1,723 mn	Property, plant and equipment
Liabilities	+€1,745 mn	Long-term and short-term indebtedness
Consolidated Statement of Cash Flow	+€158 mn	Positive impact on D&A² causes a higher cash flow arising from operating activities and therefore a higher free cash flow
Trailing ROCE ³	-50 bps	Negative impact on trailing ROCE ³
Capital expenditure (additions)	+€133 mn	Increase of capex (thereof €89 mn in the Rubber Group)

7) Back-up

Corporation Highlights H1 2019

› Sales	Decrease of 0.3% to €22,310.7 mn (PY: €22,386.5 mn); organic sales down 2.9%
› EBITDA	Decrease of 8.8% to €2,930.6 mn (PY: €3,212.4 mn)
› EBIT	Decrease of 26.3% to €1,576.6 mn (PY: €2,138.2 mn); Adj. EBIT ¹ decrease to €1,752.3 mn (8.0% adj. EBIT ¹ margin); PPA ² effect -€91.1 mn; consolidation effects -€4.3 mn; total special effects -€80.3 mn
› NIAT ³	Decrease of 32.0% to €1,060.0 mn (PY: €1,559.7 mn)
› EPS ³	EPS of €5.30 (PY: €7.80); EPS excl. PPA ² €5.63 (PY: €8.12 excl. PPA ²)
› Capex	Capex increased to €1,426.3 mn (PY: €1,174.4 mn); capex ratio 6.4% of sales; capex to depreciation coverage 1.1x (1.1x ex PPA ²)
› R&D (net)	Expenses increased by 6.2% to €1,819.4 mn (PY: €1,712.9 mn); R&D ratio 8.2% of sales (PY: 7.7%)
› Cash flow	Operating cash flow down by €723.6 mn to €743.9 mn; free cash flow -€1,025.5 mn
› Net indebtedness	Net indebtedness up by €4,004.5 mn to €5,665.8 mn vs. FY 2018; Liquidity and undrawn credit lines amounted to €4,758.9 mn
› Pension and similar obligations	Long-term provisions for pension and similar obligations amounted to €4,910.9 mn (PY: €4,162.1 mn)

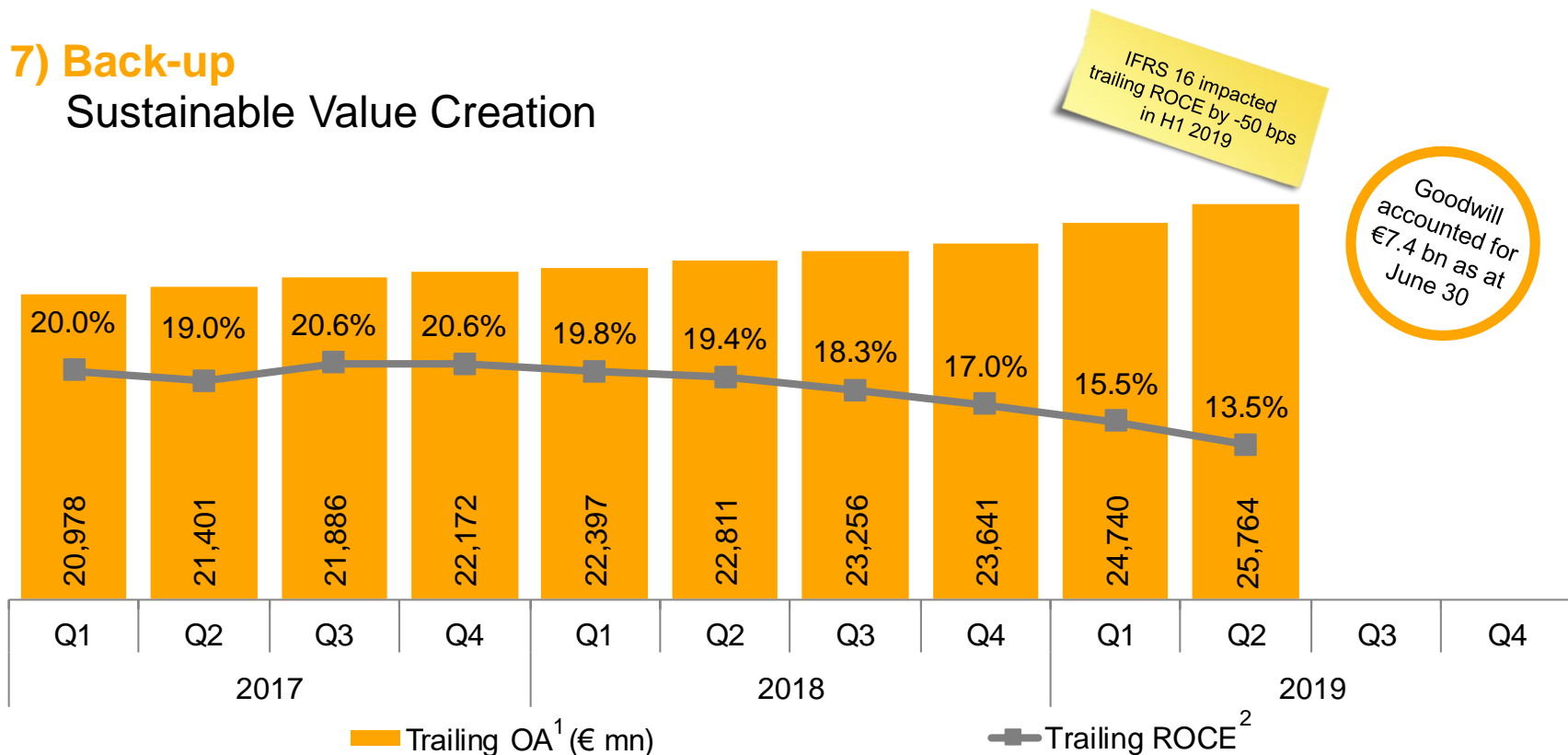
¹ Before amortization of intangibles from PPA, consolidation and special effects

² Amortization of intangibles from PPA, tax rate of 25% applied for EPS calculation for 2018, 28% for 2019

³ Attributable to the shareholders of the parent

7) Back-up

Sustainable Value Creation



¹ Trailing operating assets are calculated as assets for the last twelve months (LTM)

² Trailing ROCE is calculated as reported EBIT for the last twelve months (LTM) divided by trailing operating assets

7) Back-up

Key Historical Credit Metrics

(€ mn) ¹	2015	2016	2017	2018 ⁶	LTM
Statement of Cash Flows					
Adjusted EBITDA ²	6,094	6,125	6,701	6,190	5,978
Reported EBITDA	6,001	6,057	6,679	6,236	5,954
Net cash interest paid	-174	-112	-105	-91	-64
Tax paid	-1,015	-1,047	-1,122	-848	-881
Change in net working capital ³	-107	-210	-484	60	-334
Other ⁴	210	250	253	-379	-421
Cash flow arising from operating activities	4,916	4,938	5,221	4,977	4,254
Cash flow arising from investing activities	-3,472	-3,167	-3,468	-3,626	-4,051
- thereof acquisitions	-1,257	-516	-596	-418	-599
- thereof capex in PPE and intangibles	-2,265	-2,708	-2,951	-3,285	-3,510
Cash flow before financing activities	1,444	1,771	1,753	1,351	203
Cash flow before acquisitions	2,701	2,288	2,349	1,769	802
Statement of Financial Position					
Cash and cash equivalents	1,622	2,107	1,882	2,761	1,786
Derivative instruments and interest-bearing investments	81	48	161	184	217
Total indebtedness	5,245	4,952	4,090	4,607	7,669
Net indebtedness	3,542	2,798	2,048	1,661	5,666
Credit Ratios					
Net indebtedness / adjusted EBITDA²	0.6x	0.5x	0.3x	0.3x	0.9x
Net cash interest paid coverage (ratio)⁵	35.1x	54.8x	63.6x	67.8x	93.1x

¹ Amounts shown may contain rounding differences

² Adjusted EBITDA as defined in syndicated loan

³ Includes changes in inventories, trade accounts receivable, trade accounts payable and discounted notes

⁴ Includes dividends received, income from equity-accounted and other investments, includes impairment and reversal of impairment losses, gains/losses from the disposal of assets, companies and business operations, as well as changes in employee benefits and other provisions and in other assets and liabilities

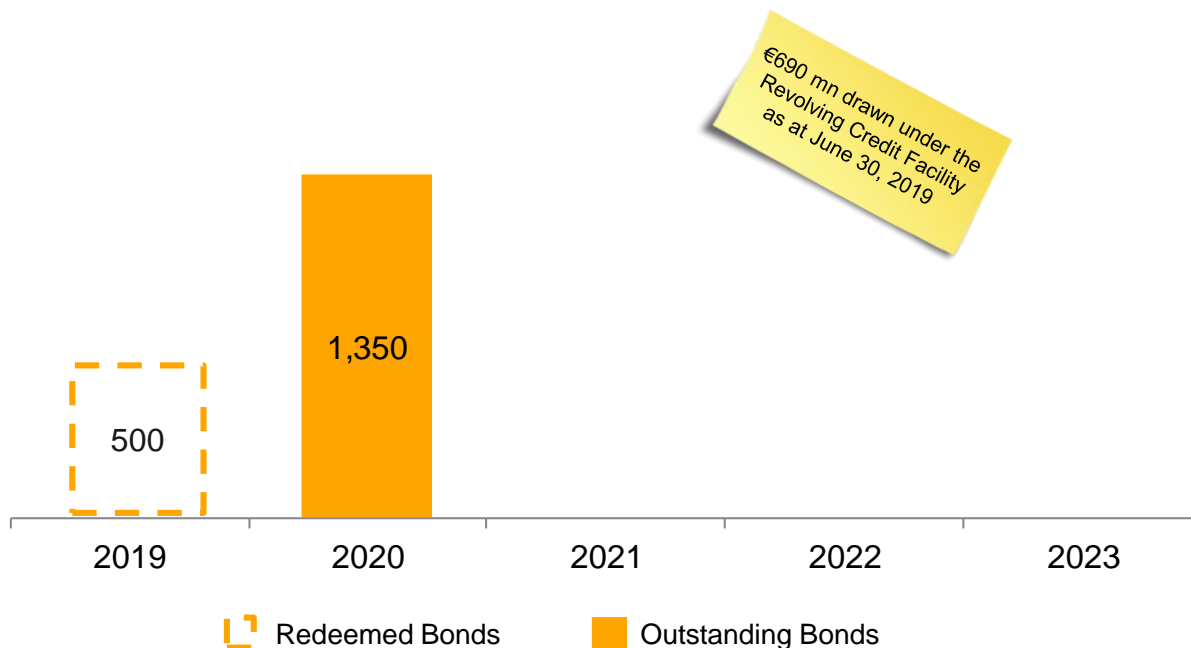
⁵ Adjusted EBITDA to net cash interest paid

⁶ The previous year's figures have been adjusted due to the change in recognition of interest and penalties on income taxes. To increase transparency, receivables from and liabilities to related parties have been reclassified from changes in other assets and liabilities to changes from trade accounts receivable and payable, starting from the 2019 reporting year. The figures from the comparative period have been adjusted accordingly

IFRS 16 impacts all 2019 financial statements

7) Back-up

Maturities for Bonds¹ (€ mn)



¹ All amounts shown are nominal values

As at June 30, 2019

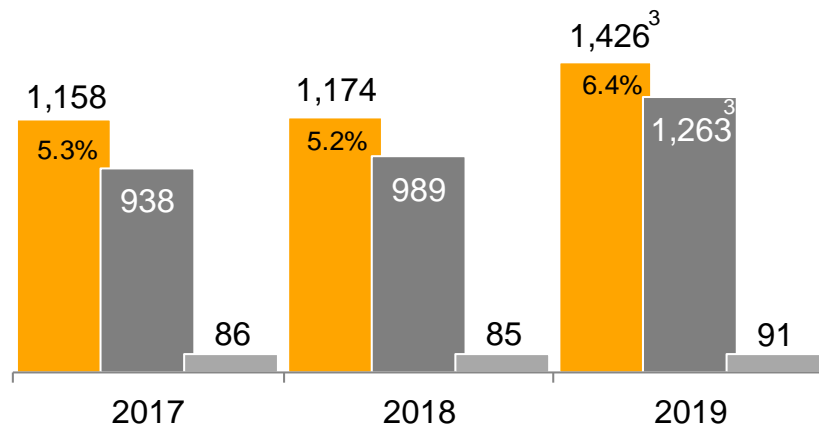
(€ mn)	FY 18	H1 19
Gross indebtedness	4,607	7,669
Cash	2,761	1,786
Net indebtedness	1,661	5,666
Available credit lines	3,504	2,973
Total liquidity	6,266	4,759

Increase in net indebtedness vs. FY 2018 mainly due to the first-time adoption of IFRS 16 and the dividend payment of €950 mn

7) Back-up

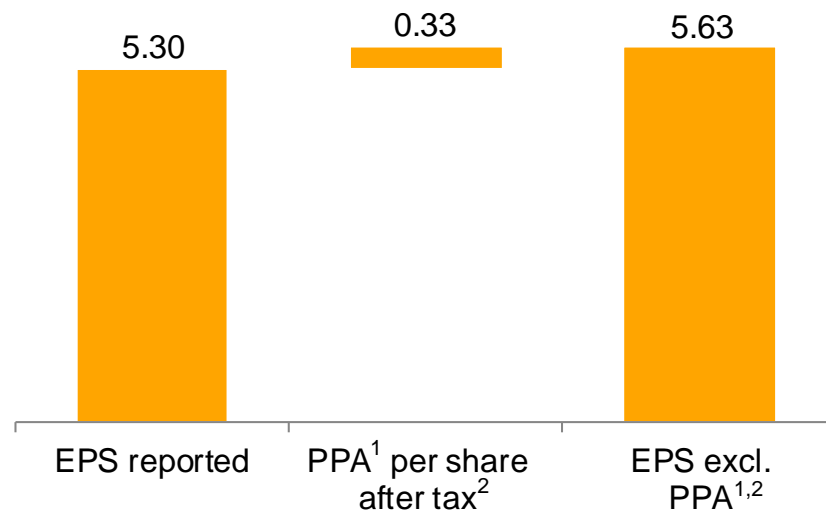
Capex, Depreciation and Earnings per Share – Breakdown for H1 2019

Capex, Depreciation and PPA¹ (€ mn)



- Capex (PPE), percentage of sales
- Depreciation, w/o PPA¹
- PPA¹

EPS excl. PPA^{1,2} (€)

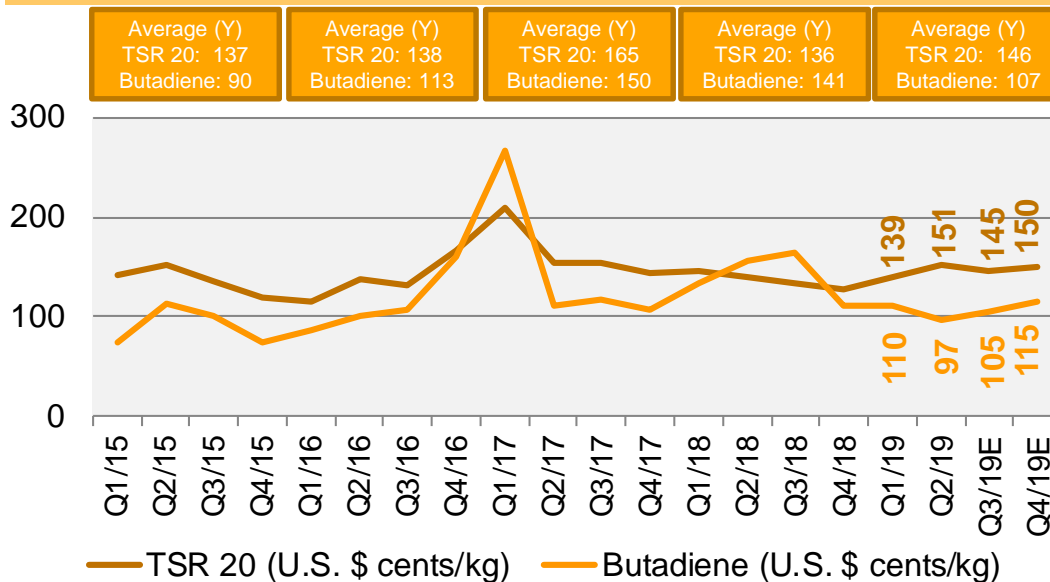


7) Back-up

Expected Raw Material Price Development in 2019

- Natural rubber moving upwards again recently, expected to rise 7% (yearly-average) in 2019
- Synthetic rubber stabilized in Q2 2019 on a low level, but should recover slightly during H2, roughly covers natural rubber headwind
- Carbon black, chemicals, steel cord and textiles above prior year average
- Based on these assumptions, raw materials are expected to have an effect of about -€50 million in 2019

Raw material price development¹ 2015 - 2019E (U.S. \$ cents/kg)



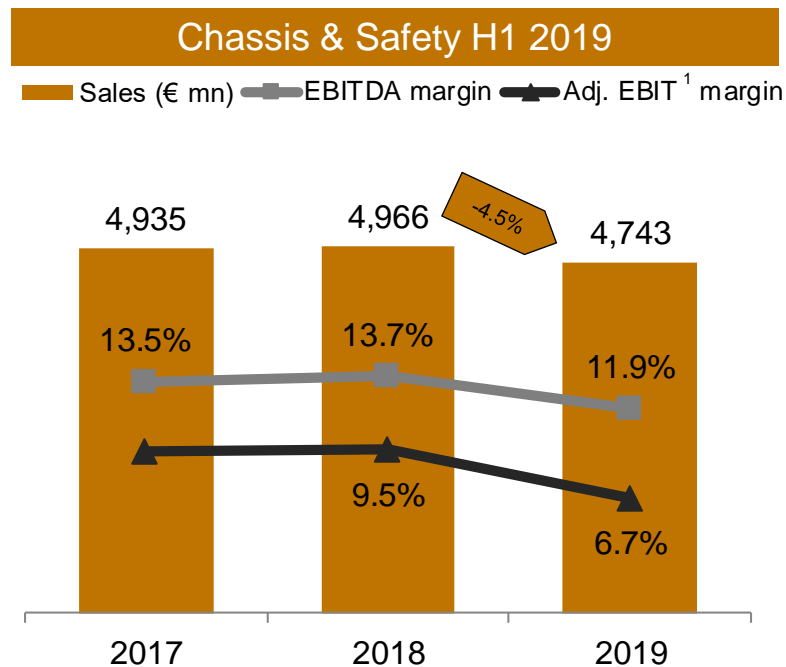
¹ Source: Bloomberg and Continental estimates for 2019

7) Back-up

Automotive Group Financials – Chassis & Safety

- › Sales decreased by 6.5% before consolidation and FX effects
- › EBITDA decreased by €118.7 mn to €562.7 mn (-17.4%)
- › Adj. EBIT¹ decreased by €154.7 mn to €316.4 mn (adj. EBIT¹ margin 6.7%)
- › EBIT decreased by €159.5 mn to €311.6 mn (EBIT margin 6.6%)
- › No PPA effect in H1 2019
- › Special effects in H1 2019: -€4.7 mn

¹ Before amortization of intangibles from PPA, consolidation and special effects
Refer to Fact Sheets for further details

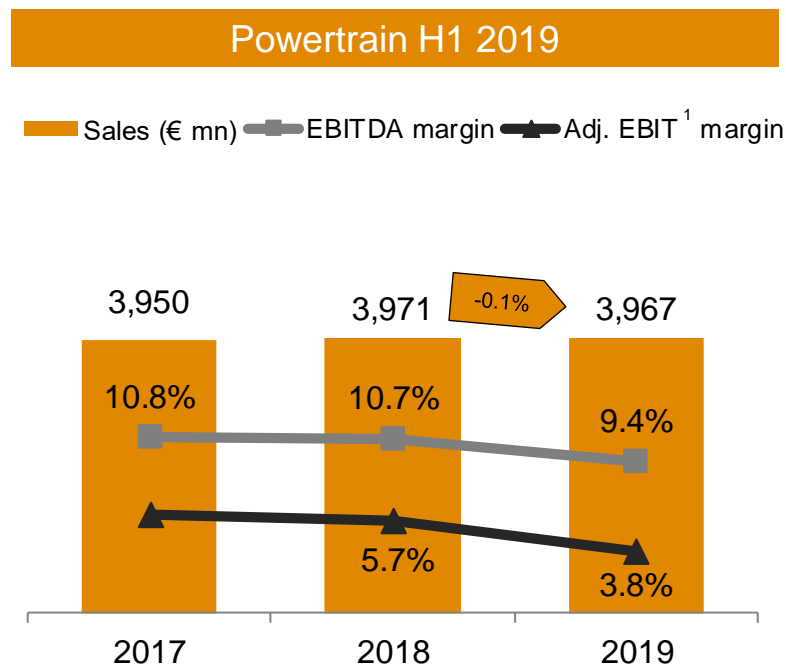


7) Back-up

Automotive Group Financials – Powertrain

- › Sales decreased by 3.4% before consolidation and FX effects
- › EBITDA decreased by €55.1 mn to €371.4 mn (-12.9%)
- › Adj. EBIT¹ decreased by €79.7 mn to €151.4 mn (adj. EBIT¹ margin 3.8%)
- › EBIT decreased by €92.9 mn to €117.2 mn (EBIT margin 3.0%)
- › PPA effect in H1 2019: -€5.4 mn
- › Special effects in H1 2019: -€28.8 mn

¹ Before amortization of intangibles from PPA, consolidation and special effects
Refer to Fact Sheets for further details

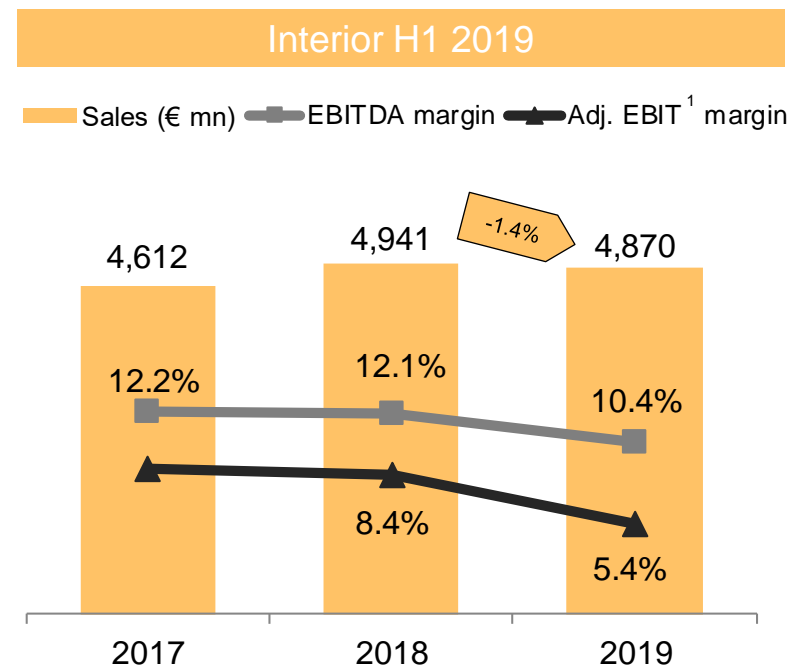


7) Back-up

Automotive Group Financials – Interior

- › Sales decreased by 2.6% before consolidation and FX effects
- › EBITDA decreased by €90.4 mn to €505.1 mn (-15.2%)
- › Adj. EBIT¹ decreased by €150.4 mn to €257.8 mn (adj. EBIT¹ margin 5.4%)
- › EBIT decreased by €175.4 mn to €224.7 mn (EBIT margin 4.6%)
- › PPA effect in H1 2019: -€30.4 mn
- › Special effects in H1 2019: -€3.3 mn

¹ Before amortization of intangibles from PPA, consolidation and special effects
Refer to Fact Sheets for further details

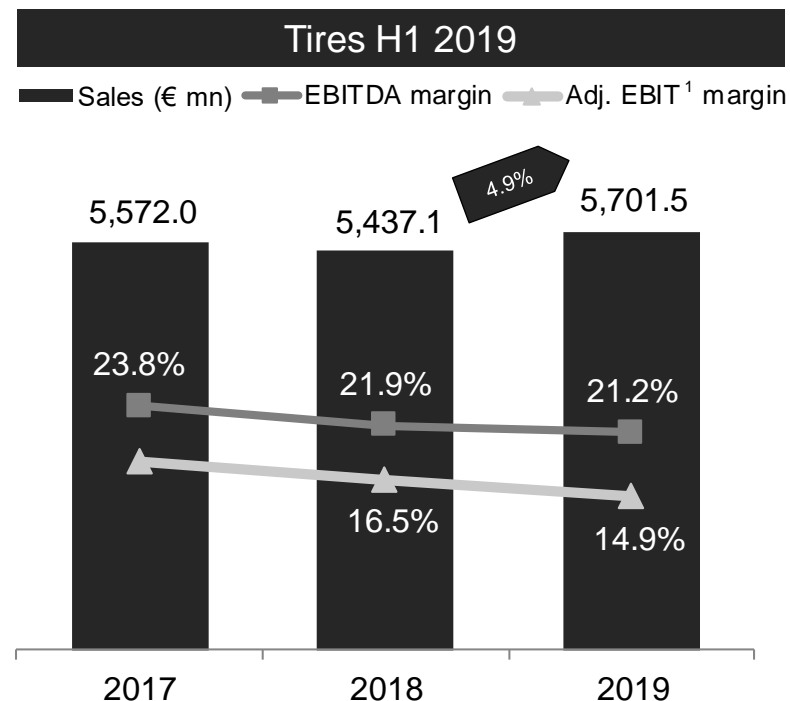


7) Back-up

Rubber Group Financials – Tires

- › Sales increased by 1.2% before consolidation and FX effects
- › EBITDA increased by €17.0 mn to €1,207.8 mn (+1.4%)
- › Adj. EBIT¹ decreased by €70.6 mn to €827.3 mn (adj. EBIT¹ margin 14.9%)
- › EBIT decreased by €76.9 mn to €812.2 mn (EBIT margin 14.2%)
- › PPA effect in H1 2019: -€10.3 mn
- › Special effects in H1 2019: -€4.3 mn

¹ Before amortization of intangibles from PPA, consolidation and special effects
Refer to Fact Sheets for further details

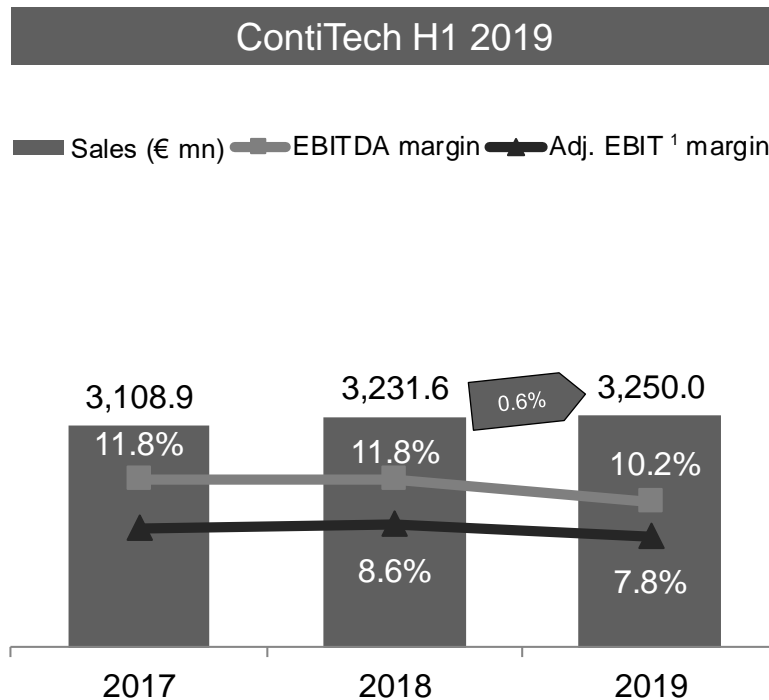


7) Back-up

Rubber Group Financials – ContiTech

- › Sales decreased by 2.8% before consolidation and FX effects
- › EBITDA decreased by €50.7 mn to €331.7 mn (-13.3%)
- › Adj. EBIT¹ decreased by €30.5 mn to €247.7 mn (adj. EBIT¹ margin 7.8%)
- › EBIT decreased by €72.6 mn to €160.8 mn (EBIT margin 4.9%)
- › PPA effect in H1 2019: -€45.0 mn
- › Special effects in H1 2019: -€37.6 mn

¹ Before amortization of intangibles from PPA, consolidation and special effects
Refer to Fact Sheets for further details



2017 – H1 2019 Fact Sheets

7) Fact Sheets

Sales by Quarter

Sales (€ mn)	2017					2018					2019				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Chassis & Safety	2,497.4	2,437.8	2,307.8	2,524.8	9,767.8	2,511.2	2,455.2	2,247.6	2,374.0	9,588.0	2,359.0	2,384.0			
Powertrain	2,003.1	1,947.2	1,810.5	1,900.1	7,660.9	1,945.6	2,025.2	1,853.2	1,917.0	7,741.0	2,005.6	1,961.4			
Interior	2,293.9	2,318.4	2,269.0	2,423.9	9,305.2	2,401.7	2,539.3	2,351.9	2,414.3	9,707.2	2,395.2	2,474.7			
Tires	2,756.3	2,815.7	2,815.4	2,938.4	11,325.8	2,635.5	2,801.6	2,851.9	3,063.2	11,352.2	2,830.5	2,871.0			
ContiTech	1,521.4	1,587.5	1,568.3	1,569.2	6,246.4	1,601.7	1,629.9	1,558.4	1,554.7	6,344.7	1,572.9	1,677.1			
Other / Consolidation	-72.2	-73.6	-78.3	-72.5	-296.6	-83.0	-77.4	-75.2	-93.1	-328.7	-116.5	-104.2			
Continental Corporation	10,999.9	11,033.0	10,692.7	11,283.9	44,009.5	11,012.7	11,373.8	10,787.8	11,230.1	44,404.4	11,046.7	11,264.0			

Changes Y-o-Y in %	2018					2019				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Chassis & Safety	0.6	0.7	-2.6	-6.0	-1.8	-6.1	-2.9			
Powertrain	-2.9	4.0	2.4	0.9	1.0	3.1	-3.2			
Interior	4.7	9.5	3.7	-0.4	4.3	-0.3	-2.5			
Tires	-4.4	-0.5	1.3	4.2	0.2	7.4	2.5			
ContiTech	5.3	2.7	-0.6	-0.9	1.6	-1.8	2.9			
Continental Corporation	0.1	3.1	0.9	-0.5	0.9	0.3	-1.0			

7) Fact Sheets

EBITDA by Quarter

EBITDA (€ mn)	2017					2018					2019				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Chassis & Safety	336.9	326.9	300.3	337.5	1,301.6	356.8	324.6	219.7	312.2	1,213.3	270.0	292.7			
Powertrain	213.9	214.4	187.4	239.1	854.8	207.3	219.2	30.7	117.4	574.6	186.0	185.4			
Interior	273.6	288.1	287.0	291.3	1,140.0	283.4	312.1	442.3	351.4	1,389.2	235.4	269.7			
Tires	651.3	674.8	661.7	760.9	2,748.7	545.8	645.0	603.6	700.8	2,495.2	610.0	597.8			
ContiTech	191.3	175.6	184.0	200.0	750.9	195.9	186.5	146.6	172.4	701.4	178.8	152.9			
Other / Consolidation	-28.5	-27.4	-38.2	-23.0	-117.1	-34.2	-30.0	-31.1	-42.7	-138.0	-6.5	-41.6			
Continental Corporation	1,638.5	1,652.4	1,582.2	1,805.8	6,678.9	1,555.0	1,657.4	1,411.8	1,611.5	6,235.7	1,473.7	1,456.9			

EBITDA margin in %	2017					2018					2019				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Chassis & Safety	13.5	13.4	13.0	13.4	13.3	14.2	13.2	9.8	13.2	12.7	11.4	12.3			
Powertrain	10.7	11.0	10.4	12.6	11.2	10.7	10.8	1.7	6.1	7.4	9.3	9.5			
Interior	11.9	12.4	12.6	12.0	12.3	11.8	12.3	18.8	14.6	14.3	9.8	10.9			
Tires	23.6	24.0	23.5	25.9	24.3	20.7	23.0	21.2	22.9	22.0	21.6	20.8			
ContiTech	12.6	11.1	11.7	12.7	12.0	12.2	11.4	9.4	11.1	11.1	11.4	9.1			
Continental Corporation	14.9	15.0	14.8	16.0	15.2	14.1	14.6	13.1	14.3	14.0	13.3	12.9			

Changes Y-o-Y in %	2018					2019				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Chassis & Safety	5.9	-0.7	-26.8	-7.5	-6.8	-24.3	-9.8			
Powertrain	-3.1	2.2	-83.6	-50.9	-32.8	-10.3	-15.4			
Interior	3.6	8.3	54.1	20.6	21.9	-16.9	-13.6			
Tires	-16.2	-4.4	-8.8	-7.9	-9.2	11.8	-7.3			
ContiTech	2.4	6.2	-20.3	-13.8	-6.6	-8.7	-18.0			
Continental Corporation	-5.1	0.3	-10.8	-10.8	-6.6	-5.2	-12.1			

7) Fact Sheets

EBIT by Quarter

EBIT (€ mn)	2017					2018					2019				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Chassis & Safety	238.9	227.4	200.0	231.4	897.7	252.9	218.2	110.6	200.8	782.5	147.2	164.4			
Powertrain	117.1	114.1	83.1	125.6	439.9	99.4	110.7	-87.1	-3.2	119.8	60.9	56.3			
Interior	185.7	196.3	168.5	198.7	749.2	184.5	215.6	340.7	247.3	988.1	112.9	111.8			
Tires	505.1	526.9	515.0	604.3	2,151.3	395.5	493.6	450.0	543.0	1,882.1	414.0	398.2			
ContiTech	117.1	95.4	109.5	120.2	442.2	121.9	111.5	69.4	93.4	396.2	96.0	64.8			
Other / Consolidation	-28.8	-27.8	-38.6	-23.6	-118.8	-35.0	-30.6	-32.0	-43.4	-141.0	-7.7	-42.2			
Continental Corporation	1,135.1	1,132.3	1,037.5	1,256.6	4,561.5	1,019.2	1,119.0	851.6	1,037.9	4,027.7	823.3	753.3			

EBIT margin in %	2017					2018					2019				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Chassis & Safety	9.6	9.3	8.7	9.2	9.2	10.1	8.9	4.9	8.5	8.2	6.2	6.9			
Powertrain	5.8	5.9	4.6	6.6	5.7	5.1	5.5	-4.7	-0.2	1.5	3.0	2.9			
Interior	8.1	8.5	7.4	8.2	8.1	7.7	8.5	14.5	10.2	10.2	4.7	4.5			
Tires	18.3	18.7	18.3	20.6	19.0	15.0	17.6	15.8	17.7	16.6	14.6	13.9			
ContiTech	7.7	6.0	7.0	7.7	7.1	7.6	6.8	4.5	6.0	6.2	6.1	3.9			
Continental Corporation	10.3	10.3	9.7	11.1	10.4	9.3	9.8	7.9	9.2	9.1	7.5	6.7			

Changes Y-o-Y in %	2018					2019				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Chassis & Safety	5.9	-4.0	-44.7	-13.2	-12.8	-41.8	-24.7			
Powertrain	-15.1	-3.0	-204.8	-102.5	-72.8	-38.7	-49.1			
Interior	-0.6	9.8	102.2	24.5	31.9	-38.8	-48.1			
Tires	-21.7	-6.3	-12.6	-10.1	-12.5	4.7	-19.3			
ContiTech	4.1	16.9	-36.6	-22.3	-10.4	-21.2	-41.9			
Continental Corporation	-10.2	-1.2	-17.9	-17.4	-11.7	-19.2	-32.7			

7) Fact Sheets

Adjusted EBIT¹ by Quarter

Adj. EBIT ¹ (€ mn)
Chassis & Safety
Powertrain
Interior
Tires
ContiTech
Other / Consolidation
Continental Corporation

2018				
Q1	Q2	Q3	Q4	Year
252.9	218.2			
112.2	118.9			
191.9	216.3			
400.0	497.9			
144.2	134.0			
-35.0	-30.6			
1,066.2	1,154.7			

2019				
Q1	Q2	Q3	Q4	Year
148.8	167.6			
78.9	72.5			
129.5	128.3			
416.7	410.6			
118.0	129.7			
-7.7	-40.6			
884.2	868.1			

Adj. EBIT ¹ margin in %
Chassis & Safety
Powertrain
Interior
Tires
ContiTech
Continental Corporation

2018				
Q1	Q2	Q3	Q4	Year
10.1	8.9			
5.7	5.8			
8.1	8.7			
15.2	17.8			
9.0	8.2			
9.7	10.2			

2019				
Q1	Q2	Q3	Q4	Year
6.3	7.0			
3.9	3.7			
5.5	5.3			
15.1	14.7			
7.5	8.1			
8.1	7.8			

Changes Y-o-Y in %
Chassis & Safety
Powertrain
Interior
Tires
ContiTech
Continental Corporation

2019				
Q1	Q2	Q3	Q4	Year
-41.2	-23.2			
-29.7	-39.0			
-32.5	-40.7			
4.2	-17.5			
-18.2	-3.2			
-17.1	-24.8			

7) Fact Sheets

Consolidated Statement of Income

(€ mn)	2019 1 - 6	2018 1 - 6	2017 1 - 6	2019 Q2	2018 Q2	2017 Q2
Sales	22,310.7	22,386.5	22,032.9	11,264.0	11,373.8	11,033.0
Cost of sales	-16,878.1	-16,656.8	-16,338.3	-8,523.5	-8,435.0	-8,203.1
Gross margin on sales	5,432.6	5,729.7	5,694.6	2,740.5	2,938.8	2,829.9
Research and development expenses ¹	-2,232.9	-2,103.9	-1,579.4	-1,150.0	-1,077.4	-798.7
Selling and logistics expenses	-1,346.7	-1,235.2	-1,208.9	-679.4	-627.0	-608.4
Administrative expenses	-585.9	-574.1	-596.4	-294.6	-287.0	-298.6
Other expenses and income ¹	297.6	280.6	-78.8	131.6	145.7	-14.4
Income from at-equity accounted investees	11.4	40.6	36.1	4.7	25.5	22.3
Other income from investments	0.5	0.5	0.2	0.5	0.4	0.2
Earnings before interest and tax	1,576.6	2,138.2	2,267.4	753.3	1,119.0	1,132.3
Interest income	59.1	44.6	46.6	29.5	22.6	23.2
Interest expense	-157.1	-155.7	-210.4	-74.0	-85.4	-103.4
Financial result	-98.0	-111.1	-163.8	-44.5	-62.8	-80.2
Earnings before tax	1,478.6	2,027.1	2,103.6	708.8	1,056.2	1,052.1
Income tax expense	-396.3	-439.8	-577.7	-213.9	-220.4	-290.7
Net income	1,082.3	1,587.3	1,525.9	494.9	835.8	761.4
Non-controlling interests	-22.3	-27.6	-30.9	-10.1	-13.7	-16.0
Net income attributable to the shareholders of the parent	1,060.0	1,559.7	1,495.0	484.8	822.1	745.4
Basic earnings per share in €	5.30	7.80	7.48	2.42	4.11	3.73
Diluted earnings per share in €	5.30	7.80	7.48	2.42	4.11	3.73

7) Fact Sheets

Consolidated Statement of Financial Position – Assets¹

Assets (€ mn)	June 30, 2019	Dec. 31, 2018	June 30, 2018
Goodwill	7,351.5	7,233.4	7,019.2
Other intangible assets	1,700.7	1,566.3	1,510.3
Property, plant and equipment	14,513.1	12,375.5	11,423.9
Investment property	11.8	12.0	10.4
Investments in equity-accounted investees	663.2	644.9	461.0
Other investments	195.9	192.9	197.2
Deferred tax assets	1,792.2	1,464.4	1,531.2
Defined benefit assets	39.9	27.8	27.0
Long-term contract assets	0.1	0.1	0.0
Long-term derivative instruments and interest-bearing investments	51.9	32.4	21.5
Long-term other financial assets	116.3	81.4	85.5
Long-term other assets	27.0	27.6	25.3
Non-current assets	26,463.6	23,658.7	22,312.5
Inventories	4,944.8	4,521.1	4,547.2
Trade accounts receivable ¹	8,409.9	7,858.2	8,560.0
Short-term contract assets	97.3	67.4	72.1
Short-term other financial assets ¹	119.3	94.4	147.5
Short-term other assets	1,562.6	1,124.2	1,293.9 ²
Income tax receivables	377.3	208.2	171.0 ²
Short-term derivative instruments and interest-bearing investments	165.0	151.8	142.6
Cash and cash equivalents	1,786.3	2,761.4	2,131.5
Assets held for sale	—	—	2.0
Current assets	17,462.5	16,786.7	17,067.8²
Total assets	43,926.1	40,445.4	39,380.3²



¹ From the 2019 reporting year, the presentation of receivables from related parties is made more transparent by reclassifying receivables from operating service business from short-term other financial assets to trade accounts receivable among these items of the statement of financial position. The figures from the comparative periods have been adjusted accordingly

² The previous year's figures have been adjusted due to the change in recognition of interest and penalties on income taxes

Note: IFRS 9 and IFRS 15 applied starting 2018; IFRS 16 applied starting 2019

7) Fact Sheets

Consolidated Statement of Financial Position – Total Equity and Liabilities¹

Equity and liabilities (€ mn)	June 30, 2019	Dec. 31, 2018	June 30, 2018
Subscribed capital	512.0	512.0	512.0
Capital reserves	4,155.6	4,155.6	4,155.6
Retained earnings	15,807.2	15,697.2	14,359.7
Other comprehensive income	-2,820.9	-2,514.4	-2,455.7
Equity attributable to the shareholders of the parent	17,653.9	17,850.4	16,571.6
Non-controlling interests	454.5	482.9	466.0
Total equity	18,108.4	18,333.3	17,037.6
Long-term employee benefits	5,243.2	4,407.0	4,451.2
Deferred tax liabilities	410.5	315.7	354.0
Long-term provisions for other risks and obligations	214.0	163.7	163.9
Long-term indebtedness	2,793.2	1,449.0	1,460.8
Long-term other financial liabilities	31.8	38.4	35.3
Long-term contract liabilities	11.0	11.0	15.0
Long-term other liabilities	21.8	13.4	15.1
Non-current liabilities	8,725.5	6,398.2	6,495.3
Short-term employee benefits	1,377.3	1,454.2	1,364.9
Trade accounts payable ¹	6,956.3	7,525.6	7,123.3
Short-term contract liabilities	167.8	150.2	139.9 ²
Income tax payables	871.4	750.7	784.6 ³
Short-term provisions for other risks and obligations	993.7	1,066.1	977.3 ³
Short-term indebtedness	4,875.8	3,157.9	3,692.9
Short-term other financial liabilities ¹	916.5	1,042.6	1,043.4 ²
Short-term other liabilities	933.4	566.6	721.1 ³
Current liabilities	17,092.2	15,713.9	15,847.4³
Total equity and liabilities	43,926.1	40,445.4	39,380.3³

¹ From the 2019 reporting year, the presentation of liabilities to related parties is made more transparent by reclassifying liabilities from operating service business from short-term other financial liabilities to trade accounts payable among these items of the statement of financial position. The figures from the comparative periods have been adjusted accordingly

² The presentation of short-term contract liabilities was made more transparent by reclassifying liabilities for selling expenses to short-term other financial liabilities. The figures from the comparative period have been adjusted accordingly

³ The previous year's figures have been adjusted due to the change in recognition of interest and penalties on income taxes

Note: IFRS 9 and IFRS 15 applied starting 2018; IFRS 16 applied starting 2019

7) Fact Sheets

Consolidated Statement of Cash Flows

	(€ mn)		January 1 to June 30		Second Quarter	
	2019	2018	2019	2018	2019	2018
Net income	1,082.3	1,587.3	494.9	835.8		
Income tax expense	396.3	439.8	213.9	220.4		
Financial result	98.0	111.1	44.5	62.8		
EBIT	1,576.6	2,138.2	753.3	1,119.0		
Interest paid	-53.4	-50.8	-24.7	-16.7 ¹		
Interest received	42.2	12.5 ¹	12.3	5.6 ¹		
Income tax paid	-470.1	-436.9 ¹	-261.4	-253.1 ¹		
Dividends received	16.0	15.6	16.0	0.4		
Depreciation, amortization, impairment and reversal of impairment losses	1,354.0	1,074.2	703.6	538.4		
Income from equity-accounted investees and other investments, incl. impairment and reversal of impairment losses	-11.9	-41.1	-5.2	-25.9		
Gains/losses from the disposal of assets, companies and business operations	-4.3	-8.9	-2.9	-2.2		
Changes in inventories	-355.6	-402.5	-71.3	-148.2		
trade accounts receivable	-255.9	-540.8	183.8	15.5 ¹		
trade accounts payable	-670.1	55.8	-205.2	102.5 ¹		
employee benefits and other provisions	-14.1	-154.8	-290.5	-426.9		
other assets and liabilities	-409.5	-193.0 ¹	-61.7	-75.0 ¹		
Cash flow arising from operating activities	743.9	1,467.5	746.1	833.4		
Cash flow from the disposal of assets	15.5	35.8	8.1	10.9		
Capital expenditure on property, plant and equipment, and software	-1,293.7	-1,174.4	-728.7	-715.0		
Capital expenditure on intangible assets from development projects and miscellaneous	-137.4	-32.5	-62.4	-18.8		
Cash flow from the disposal of companies and business operations	0.8	-0.2	0.7	-0.2		
Acquisition of companies and business operations	-354.6	-173.8	-226.0	-28.8		
Cash flow arising from investing activities	-1,769.4	-1,345.1	-1,008.3	-751.9		
Cash flow before financing activities (free cash flow)	-1,025.5	122.4	-262.2	81.5		
Change in indebtedness	1,066.7	1,064.2	1,294.5	676.5		
Successive purchases	-70.5	-2.6	-70.5	0.0		
Dividends paid	-950.0	-900.0	-950.0	-900.0		
Dividends paid to and cash changes from equity transactions with non-controlling interests	-24.8	-27.5	-24.4	-21.1		
Cash and cash equivalents arising from first-time consolidation of subsidiaries	0.4	0.5	0.0	0.5		
Cash flow arising from financing activities	21.8	134.6	249.6	-244.1		
Change in cash and cash equivalents	-1,003.7	257.0	-12.6	-162.6		
Cash and cash equivalents at the beginning of the reporting period	2,761.4	1,881.5	1,816.6	2,288.6		
Effect of exchange-rate changes on cash and cash equivalents	28.6	-7.0	-17.7	5.5		
Cash and cash equivalents at the end of the reporting period	1,786.3	2,131.5	1,786.3	2,131.5		

¹ The previous year's figures have been adjusted due to the change in recognition of interest and penalties on income taxes. To increase transparency, receivables from and liabilities to related parties have been reclassified from changes in other assets and liabilities to changes from trade accounts receivable and payable, starting from the 2019 reporting year. The figures from the comparative period have been adjusted accordingly.

Note: IFRS 9 and IFRS 15 applied starting 2018; IFRS 16 applied starting 2019

7) Fact Sheets

Reported and Adjusted H1 2019 Results (€ mn) – by Division

	Chassis & Safety		Powertrain		Interior		Tires		ContiTech		Cons. / Corr.		Corporation	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
Sales	4,966.4	4,743.0	3,970.8	3,967.0	4,941.0	4,869.9	5,437.1	5,701.5	3,231.6	3,250.0	-160.4	-220.7	22,386.5	22,310.7
EBIT	471.1	311.6	210.1	117.2	400.1	224.7	889.1	812.2	233.4	160.8	-65.6	-49.9	2,138.2	1,576.6
in % of sales	9.5%	6.6%	5.3%	3.0%	8.1%	4.6%	16.4%	14.2%	7.2%	4.9%			9.6%	7.1%
Amortization of intangible assets from PPA	0.0		5.9	5.4	25.4	30.4	8.8	10.3	44.8	45.0			84.9	91.1
Total special effects		4.7	6.4	28.8	-5.6	3.3		4.3	0.2	37.6		1.6	1.0	80.3
Total consolidation effects		0.1	8.7		-11.7	-0.6		0.5	-0.2	4.3			-3.2	4.3
Total consolidation and special effects		4.8	15.1	28.8	-17.3	2.7		4.8		41.9		1.6	-2.2	84.6
Adjusted operating result (adj. EBIT) ¹	471.1	316.4	231.1	151.4	408.2	257.8	897.9	827.3	278.2	247.7	-65.6	-48.3	2,220.9	1,752.3
in % of adjusted sales	9.5%	6.7%	5.7%	3.8%	8.4%	5.4%	16.5%	14.9%	8.6%	7.8%			9.9%	8.0%

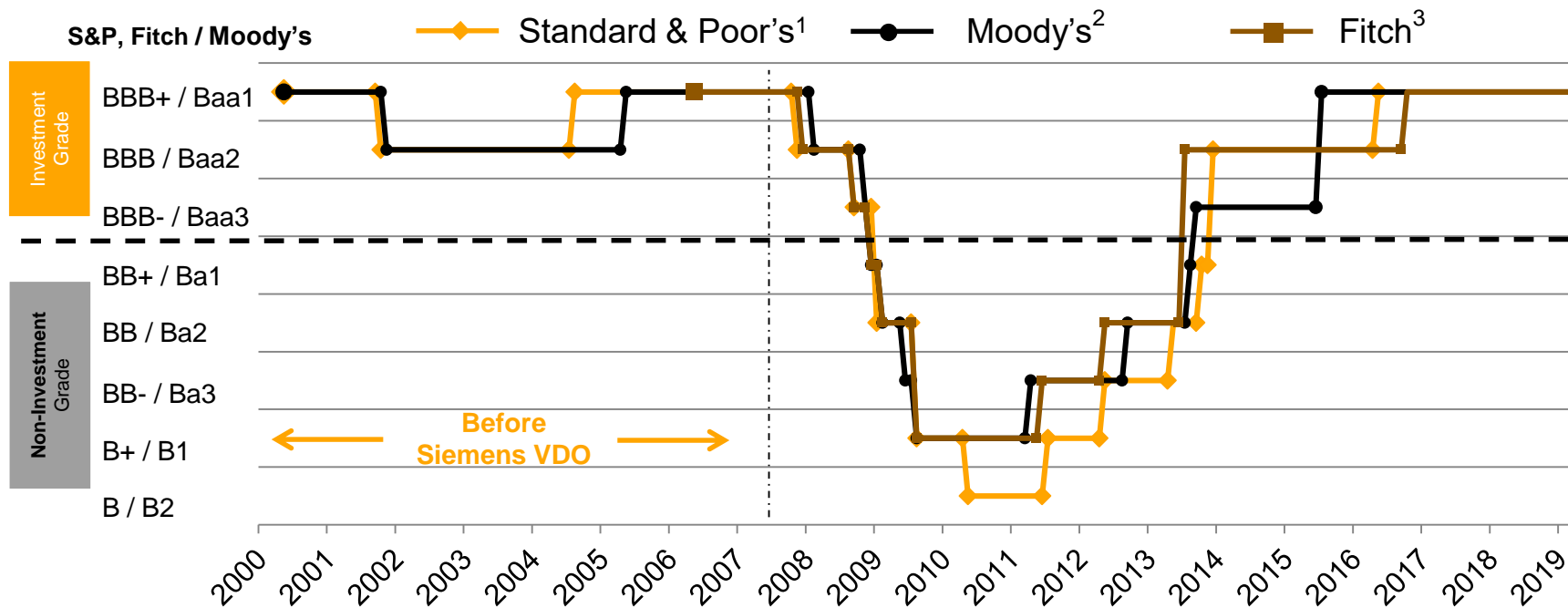
7) Fact Sheets

Reported and Adjusted H1 2019 Results (€ mn) – by Group

	Automotive		Rubber		Cons. / Corr.		Corporation	
	2018	2019	2018	2019	2018	2019	2018	2019
Sales	13,792.2	13,450.9	8,621.8	8,889.3	-27.5	-29.5	22,386.5	22,310.7
EBIT	1,081.3	653.5	1,122.5	973.0	-65.6	-49.9	2,138.2	1,576.6
in % of sales	7.8%	4.9%	13.0%	10.9%			9.6%	7.1%
Amortization of intangible assets from PPA	31.3	35.8	53.6	55.3			84.9	91.1
Total special effects	0.8	36.8	0.2	41.9		1.6	1.0	80.3
Total consolidation effects	-3.0	-0.5	-0.2	4.8			-3.2	4.3
Total consolidation and special effects	-2.2	36.3		46.7		1.6	-2.2	84.6
Adjusted operating result (adj. EBIT) ¹	1,110.4	725.6	1,176.1	1,075.0	-65.6	-48.3	2,220.9	1,752.3
in % of adjusted sales	8.1%	5.4%	13.6%	12.4%			9.9%	8.0%

7) Fact Sheets

Continental's Credit Rating



¹ Contracted rating since May 19, 2000

² Contracted rating retroactive since January 1, 2019

³ Contracted rating since November 7, 2013

References

Useful Links

Continental Investor Relations website	www.continental-ir.com
Annual and interim reports	www.continental-corporation.com/en/investors/reports
2018 Fact Book (Investor presentation)	www.continental-corporation.com/en/investors/reports
Investor Relations events and presentations	https://www.continental-corporation.com/en/investors/events---presentations/presentations
Sustainability at Continental (presentation and fact sheet for investors)	https://www.continental-corporation.com/en/sustainability/sustainability
Corporate Social Responsibility	www.continental-sustainability.com
Corporate Governance Principles	www.continental-corporation.com/en/company/corporate-governance/principles-and-declarations
Continental shares	https://www.continental-corporation.com/en/investors/about-us/why-invest-in-continental--61978
Continental bonds and rating	www.continental-corporation.com/en/investors/debt-and-rating
Continental IR on Twitter	twitter.com/Continental_IR