



## H1 2018 Results

Hanover – August 2, 2018

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

Wolfgang Schaefer – CFO

## Agenda

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## 1) Realignment of Continental

At the Forefront to Capitalize on Rapidly Changing Market Environment

Continental pole positioned to capitalize on megatrends...

Leading large-scale global supplier



Pioneer in technological innovation



Diversification provides resilience through the economic cycles

Chassis & Safety  
Interior  
Powertrain  
Tires  
ContiTech

Strong cash generation capabilities to fund growth



...however, it faces challenges due to traditional structure

Complexity, agility



Hidden value of individual businesses



Funding flexibility



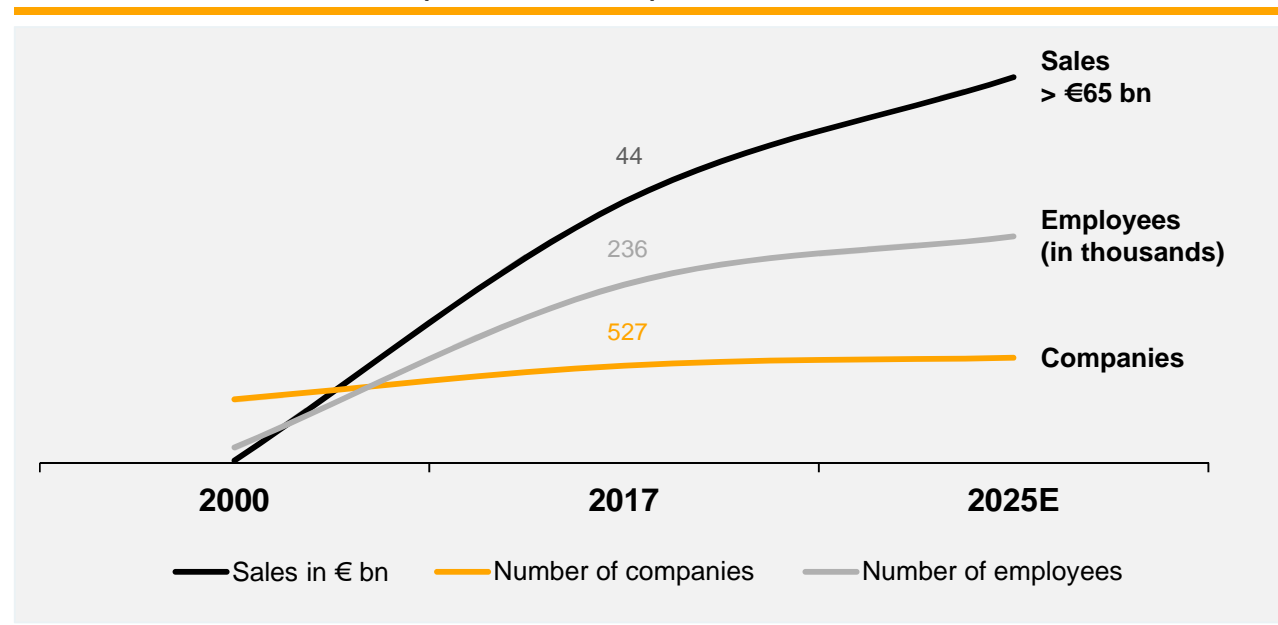
Competition for capital across divisions



## 1) Realignment of Continental

At the Forefront to Capitalize on Rapidly Changing Market Environment

Corporate development since 2000



Implementation of holding concept

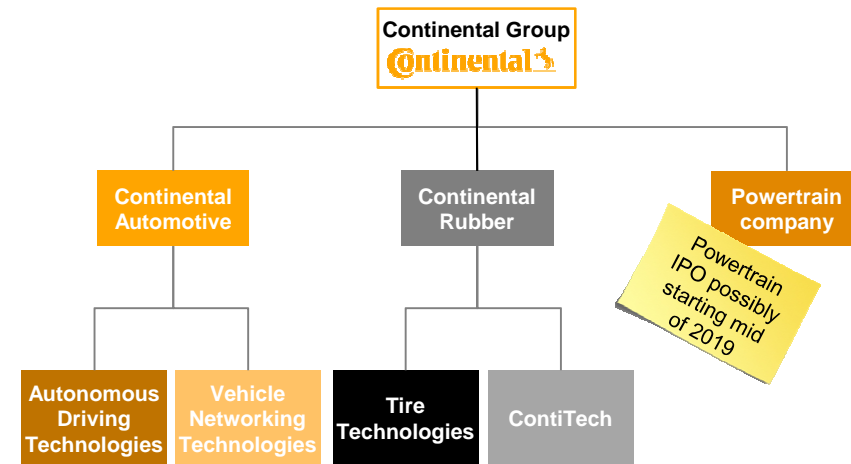
- › Create a more agile group of independent business sectors
- › Tackle different market challenges and technological disruption of Powertrain by transforming it into a group of independent legal entities and IPO
- › Reorganize Automotive Group with focus on further increase in knowledge sharing and leverage R&D capabilities

## 1) Realignment of Continental

### Transformation of Existing Organization – Holding Concept

- › Ensure **long-term competitiveness** and increase strategic flexibility
- › Maintain a **strong network with common values**
- › Maintain **focus on most efficient value creation**
- › Take into account **interests of all stakeholders**

From 2020 onwards



## 1) Realignment of Continental

### Transformation of Existing Organization – Powertrain IPO

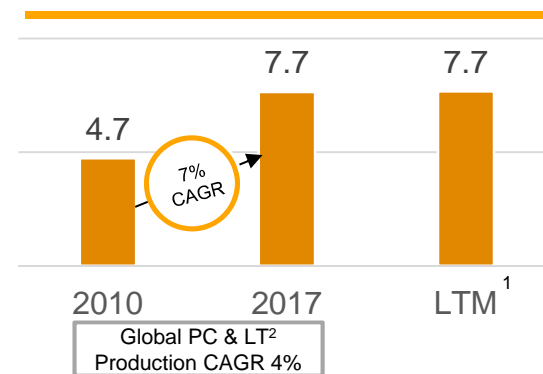
Industry challenges	Context	Advantages
<ul style="list-style-type: none"><li>› Over the next 15-20 years, <b>the transformation</b> of the automotive industry will cause <b>the biggest changes in the Powertrain</b> business</li><li>› Powertrain is most affected by the <b>uncertainties regarding when and to what extent those changes may occur</b></li><li>› Powertrain requires the <b>highest level of flexibility and responsiveness</b> to adapt to changing market demands</li></ul>	<ul style="list-style-type: none"><li>› <b>Expansion of strong position</b> as a leading global system supplier of drivetrain technologies for ICE, hybrid or full electric drivetrains</li><li>› <b>Future prospects</b> e.g. driven by <b>strong order book</b></li><li>› Allows investors a more <b>targeted capital allocation</b></li><li>› <b>Full support of employees</b> backed by the framework paper</li></ul>	<ul style="list-style-type: none"><li>› <b>More focused management</b></li><li>› <b>Adaptation of structure and processes</b> to the specific business needs</li><li>› <b>Generation of capital</b> beyond the operative cash flow of the division</li><li>› More tailored <b>investments into future technologies</b> in addition to the internal combustion engine</li><li>› Potential for suitable <b>powertrain co-operations projects beyond Continental</b></li></ul>

# 1) Realignment of Continental Powertrain

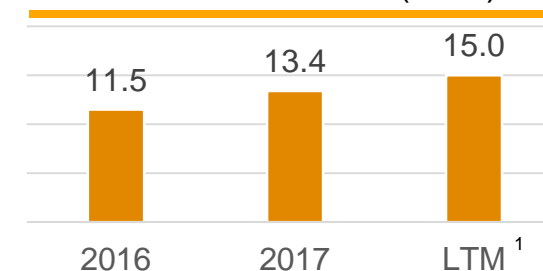
- › Transformation of the Powertrain division into an independent group of legal entities with new management by the start of 2019
- › Andreas Wolf is to assume responsibility as CEO starting 2019
- › New Powertrain will contain whole range of combustion engine business, all hybrid and electric drive systems as well as all current battery activities

Engine Systems	Transmission	Hybrid Electric Vehicle	Sensors & Actuators	Fuel & Exhaust Management
<b>Engine management passenger cars</b> <ul style="list-style-type: none"> <li>› Diesel piezo common rail injection</li> <li>› Gasoline direct and port fuel injection</li> <li>› Alternative fuels</li> <li>› Exhaust gas after-treatment</li> </ul>	<b>Transmission control units for automatic transmissions</b> <ul style="list-style-type: none"> <li>› Step-AT, DCT, CVT, DHT, AMT</li> </ul>	<b>Power electronics</b>	<b>Actuators for</b> <ul style="list-style-type: none"> <li>› Thermal management</li> <li>› Electric pumps</li> <li>› Electric throttle</li> <li>› Exhaust and emission</li> <li>› General purpose</li> </ul>	<b>Fuel delivery modules</b>
<b>Engine management commercial vehicles</b> <ul style="list-style-type: none"> <li>› Diesel piezo common rail injection</li> <li>› Exhaust gas after-treatment</li> </ul>	<b>Transmission actuators</b> <ul style="list-style-type: none"> <li>› Clutch, gearshift</li> </ul>	<b>Electric motors</b>	<b>Exhaust and emission sensors for</b> <ul style="list-style-type: none"> <li>› Exhaust gas</li> <li>› Fluids: Oil level, fuel, UREA</li> <li>› Temperature</li> </ul>	<b>Fuel level sensors</b>
<b>Engine management non-automotive</b>	<b>Transmission sensors</b> <ul style="list-style-type: none"> <li>› Sensorcluster</li> </ul>	<b>Electric axle drive</b>	<b>Engine and transmission sensors</b> <ul style="list-style-type: none"> <li>› Mass airflow</li> <li>› Combustion</li> <li>› Position</li> <li>› Pressure</li> </ul>	<b>Fuel pumps</b>
<b>Turbocharger</b>	<b>Electric transmission oil pumps</b>	<b>48V power electronics</b>	<b>Vehicle access sensors</b>	<b>Electronics for fuel pump control</b> <ul style="list-style-type: none"> <li>› Standalone &amp; flange integrated</li> </ul>
<b>Electrification and e-mobility</b> <ul style="list-style-type: none"> <li>› On-board high voltage battery charger</li> <li>› Wireless power transfer system</li> <li>› Electric vehicle control units</li> </ul>	<b>Shift-by-wire and ePark solutions</b>	<b>48V drives</b>	<b>Fluid level sensor with sealed contact system</b>	<b>Exhaust aftertreatment</b> <ul style="list-style-type: none"> <li>› Catalysts and filters</li> <li>› Electronics</li> <li>› SCR Urea extraction unit</li> </ul>
	<b>Micromobility electric drivetrains</b> <ul style="list-style-type: none"> <li>› Pedelec drive unit</li> </ul>	<b>Battery management systems</b>		<b>Water delivery module</b>
		<b>Power net systems</b>		

Sales (€ bn)



Order Intake LTS<sup>3</sup> (€ bn)



<sup>1</sup> LTM = Last twelve months

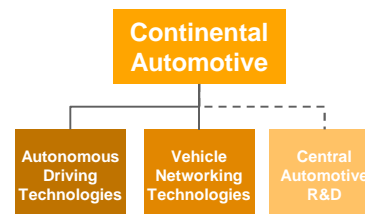
<sup>2</sup> Passenger car and light truck production

<sup>3</sup> LTS = Life time sales

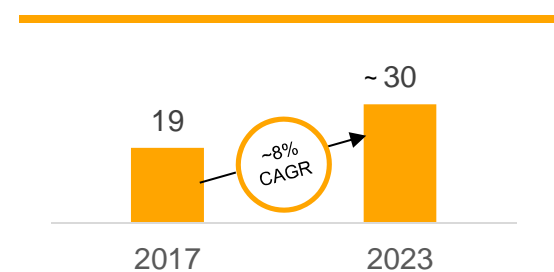
## 1) Realignment of Continental Automotive

- › Reorganize into business areas **Autonomous Driving Technologies** and **Vehicle Networking Technologies**
- › Create **strong central Automotive R&D** function with up to **15,000 engineers**
- › **Leverage R&D know-how** for all advanced development and application engineering and ensure the sharing of knowledge and best practices
- › Increase adoption of **best practice** standards
- › In total, ADT and VNT can rely on **more than 30,000 engineers** to drive the change in autonomous driving and holistic connectivity

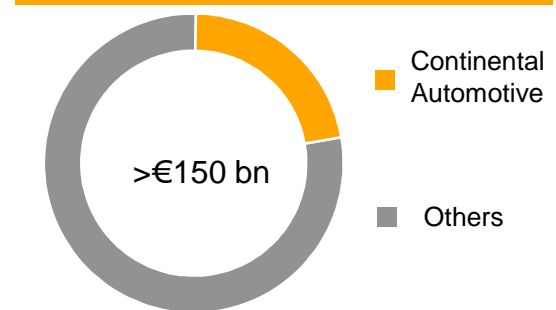
<sup>1</sup> TAM: Total addressable market for Automated Driving and Holistic Connectivity



Sales (€ bn)

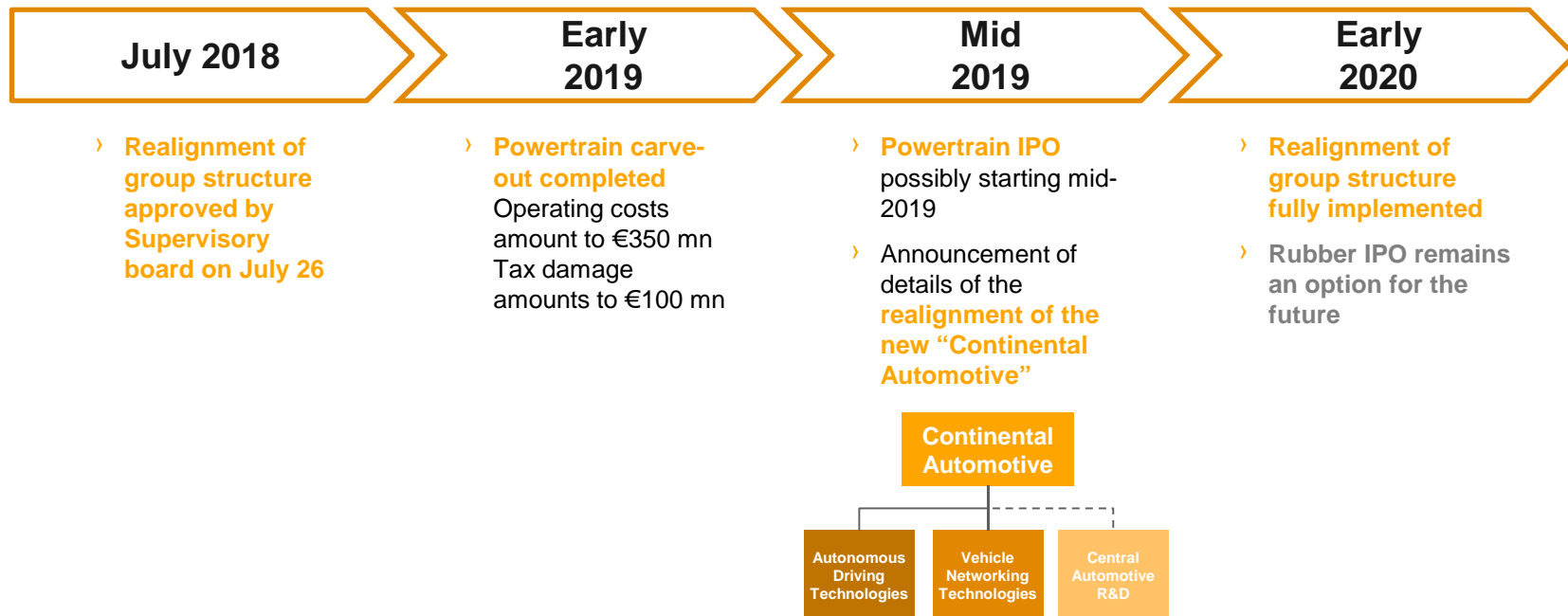


TAM<sup>1</sup> in 2025 (€ bn)





## 1) Realignment of Continental Target Timeline



## 2) Corporation Highlights

### Most Important KPIs for H1 2018

- › **Sales up to €22.4 bn**, organic sales growth at 5.4%; FX negative at €932 mn
- › **Adj. EBIT<sup>1</sup> down by 5% to €2.2 bn**, adj. EBIT<sup>1</sup> margin at 10.0% (PPA<sup>2</sup> -€85 mn and special effects -€1 mn)
- › **NIAT<sup>3</sup> amounted to €1.56 bn, up by 4%**
- › **Free cash flow amounted to €122 mn**  
Free cash flow before acquisitions amounted to €296 mn
- › **Gearing ratio at 17% and equity ratio at 43%**
- › Value creation: **trailing ROCE<sup>4</sup> down slightly to 19.4%**
- › **Other topics:**
  - › Order intake in the Automotive Group increased to more than €20 bn in H1 2018
  - › €750 mn bond with a coupon of 3.0% p.a. was meanwhile redeemed at maturity on July 16, 2018
  - › About €165 mn cash out net of taxes for funding most US pension plans
  - › Special effect 2018: About €160 mn positive in Interior, attributable to newly founded OSRAM Continental GmbH

## 2) Corporation Highlights

### Divisional Highlights for H1 2018

#### Automotive Group

- › **Automotive Group:** Organic sales increased by 6.6%; exceeding global car production by about 5%-points; adj. EBIT<sup>1</sup> margin at 8.1% (PY: 8.3%)
  - › **Chassis & Safety:** 9.5% adj. EBIT<sup>1</sup> margin (PY: 9.4%); organic sales at 5.0%; ADAS unit sales up by 36%
  - › **Powertrain:** 5.6% adj. EBIT<sup>1</sup> margin (PY: 6.1%); organic sales up by 4.1%; adj. EBIT<sup>1</sup> margin before HEV at >9%
  - › **Interior:** 8.7% adj. EBIT<sup>1</sup> margin (PY: 8.8%); organic sales increased by 10.4% still driven by strong demand for multimedia and connectivity products

#### Rubber Group

- › **Rubber Group:** Organic sales up by 3.6% and adj. EBIT<sup>1</sup> margin down to 13.6% (PY: 14.8%), negatively impacted by FX and some inventory revaluation effects
  - › **Tires:** Adj. EBIT<sup>1</sup> margin down to 16.5% (PY: 18.3%); volumes down by 1%; solid *price mix* at 3.5%; *FX* impacted tire sales negatively by 5%; organic sales up by 2.5%  
**Tire markets:** PC & LT tire replacement demand in Europe was up by 3% and in North America by 1%
  - › **ContiTech:** Adj. EBIT<sup>1</sup> margin 8.4% (PY: 8.4%); organic sales up by 5.9% with main contribution by the Conveyor Belt Group and Industrial Fluid Systems

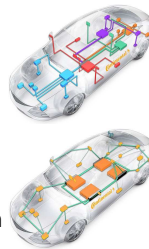
<sup>1</sup> Before amortization of intangibles from PPA, consolidation and special effects.

## 2) Corporation Highlights

### Selected Recent Press Clippings

#### Tech & Automotive Leaders Join Forces on Next-Generation In-Vehicle Networking Technologies for Autonomous and Connected Vehicles

Autonomous driving is creating a need for a new breed of in-vehicle networking solutions that can transmit data between the increasing number of high-resolution sensors, cameras and processing engines at blazing-fast speeds. Aquantia, Bosch, Continental, NVIDIA, and Volkswagen Group of America announced the formation of the Networking for Autonomous Vehicles (NAV) Alliance, to drive the ecosystem development required for the next generation of Multi-Gig Ethernet networking in vehicles. [Go to press release](#)



#### Continental Constructs New Greenfield Facility in Wuhu China to Further Expand Powertrain Product Portfolio in the Market

Continental celebrates groundbreaking of its greenfield facility in Wuhu, China, dedicated to powertrain components. The new production facility is located in the Wuhu Economy and Technology Development Zone, and covers an area of 80,000 square meters. With an initial investment of close to 28 million Euro for land and building, project phase I will cover a total land of around 20,000 square meters. Construction will start in the second quarter of 2018 with production scheduled for the third quarter of 2019. [Go to press release](#)

#### Successful on Eight Fronts: Continental Wins at the German Innovation Award 2018

Continental was honored with a total of eight prizes for its innovative products at the German Innovation Award. Vehicle interior solutions were the recipients of three awards (3D Touch Surface Display and the two-finger touch gestures, Intelligent Glass Control, which darkens the vehicle glazing). Four awards went to pioneering surface materials (breathable upholstery material laif VyP, skai digital printing collection for individual designs, skai TransPORter collection used on vehicle floors and environmentally friendly Flightfloor Eco). The Trackman XP rubber crawler track impressed the panel with its innovative properties and user benefits, and received an award. [Go to press release](#)



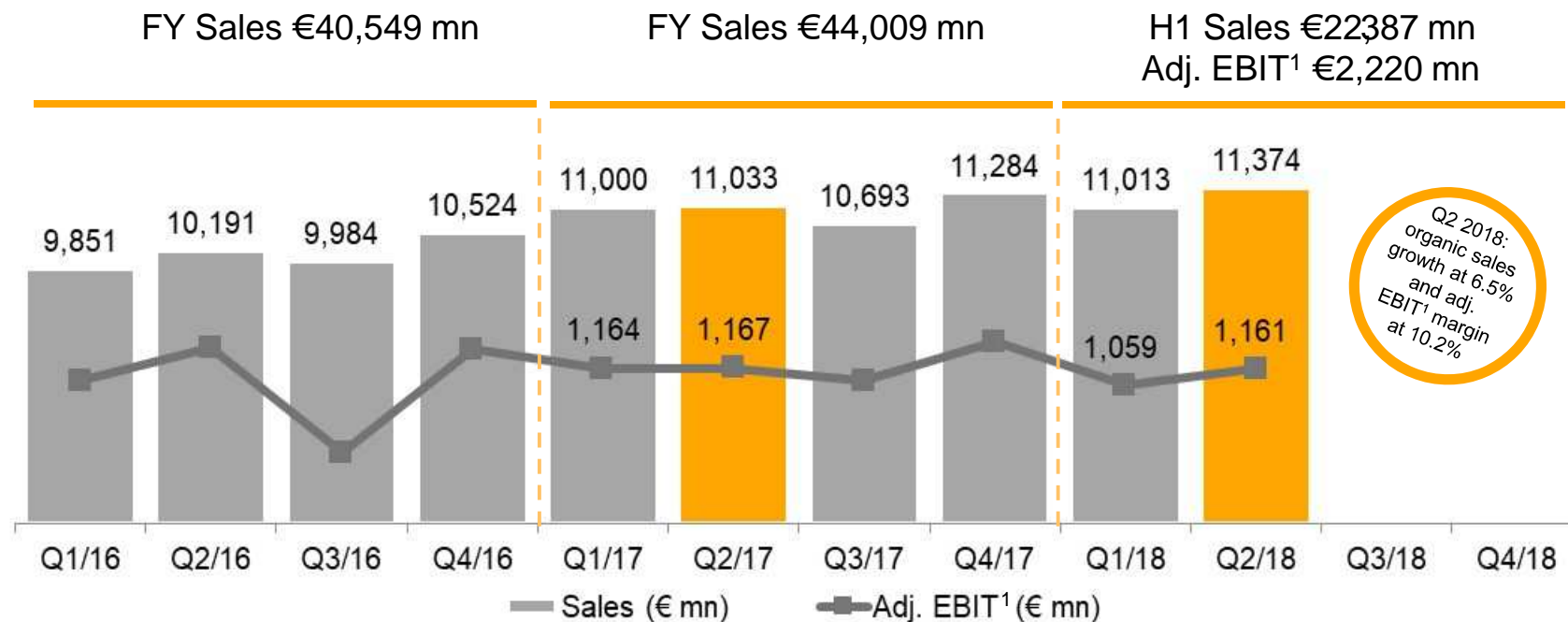
#### Continental Tires for the Tour de France – High-Tech Equipment for the World's Top Cyclists

The qualities that the Tour teams want most are the lowest possible rolling resistance, good puncture resistance and good grip for high-speed cornering. The Continental Competition is a tubular tire that is suitable for all weather conditions. [Go to press release](#)



## 2) Corporation Highlights

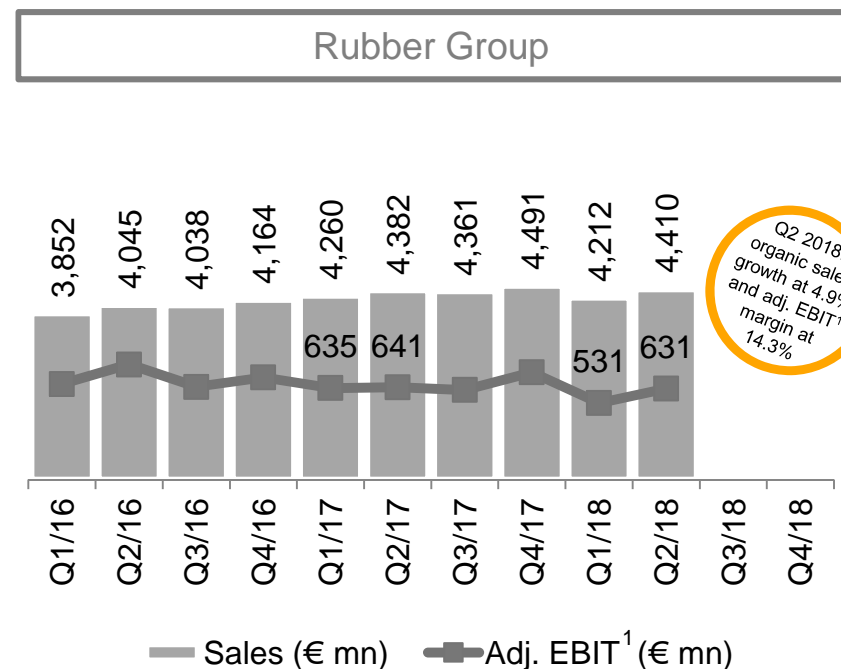
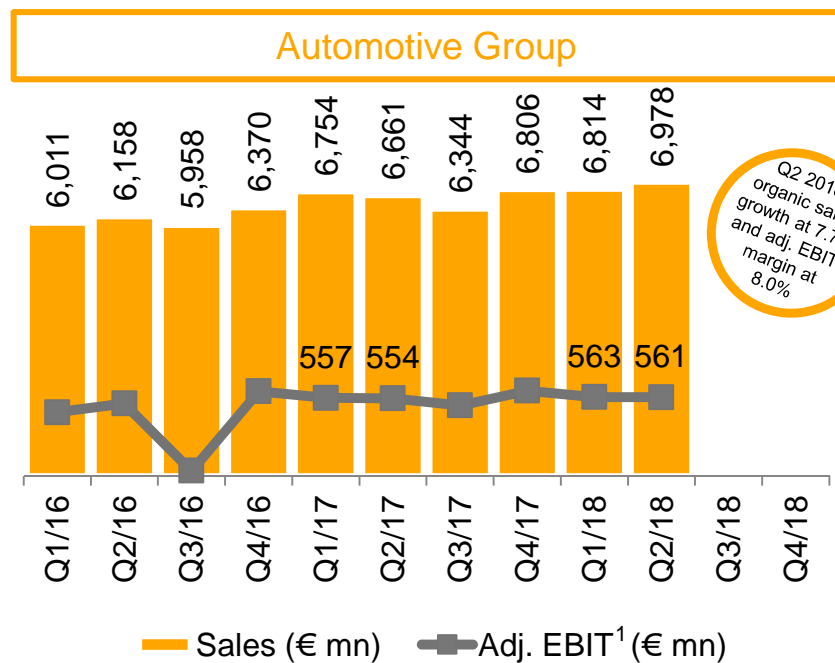
### Sales and Adjusted EBIT<sup>1</sup> by Quarter



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

## 2) Corporation Highlights

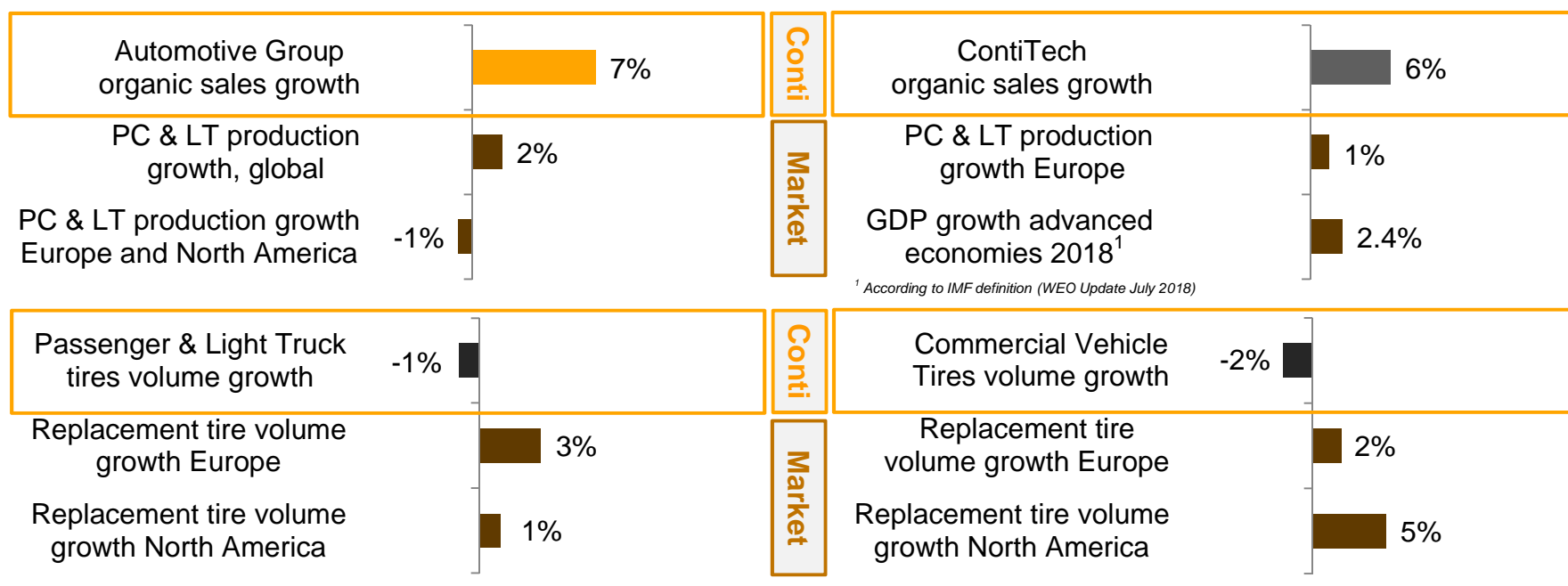
### Automotive Group and Rubber Group by Quarter



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

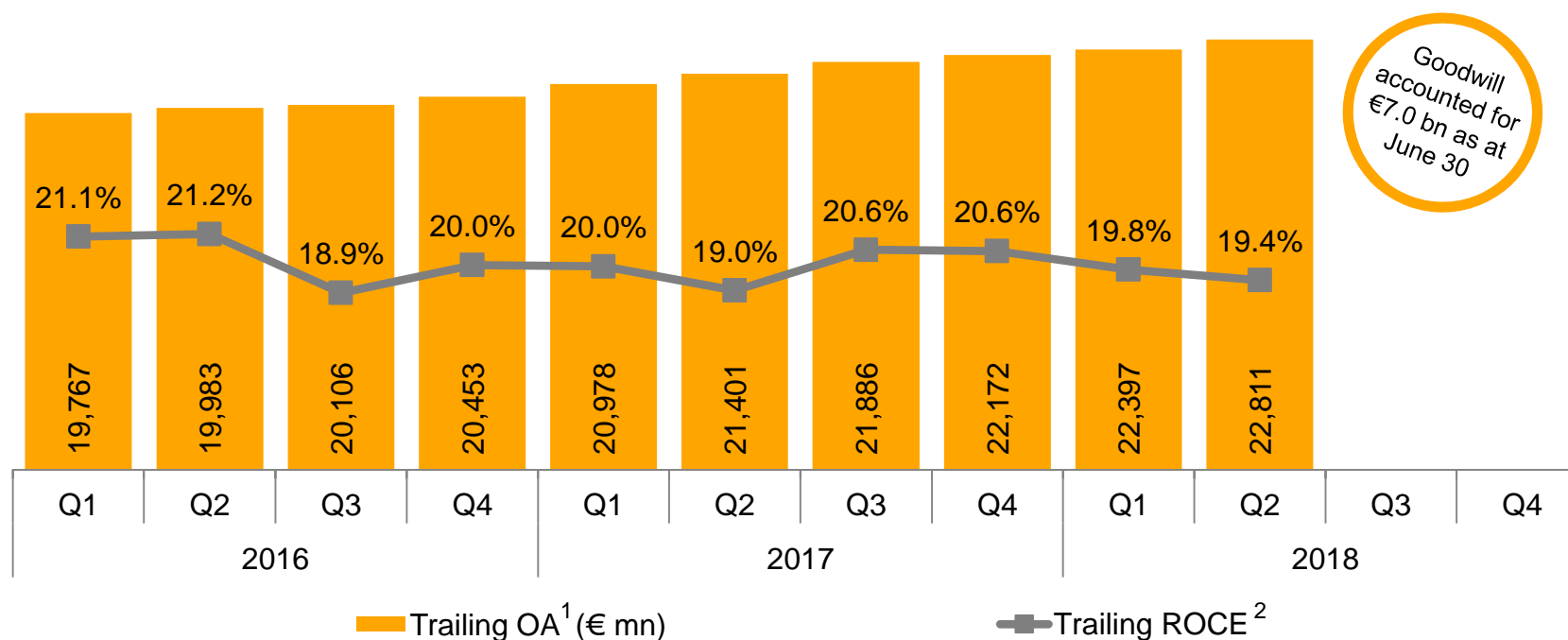
## 2) Corporation Highlights

### Growth Profile of the Corporation H1 2018



## 2) Corporation Highlights

### Sustainable Value Creation



<sup>1</sup> Trailing operating assets are calculated as assets for the last twelve months (LTM).

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

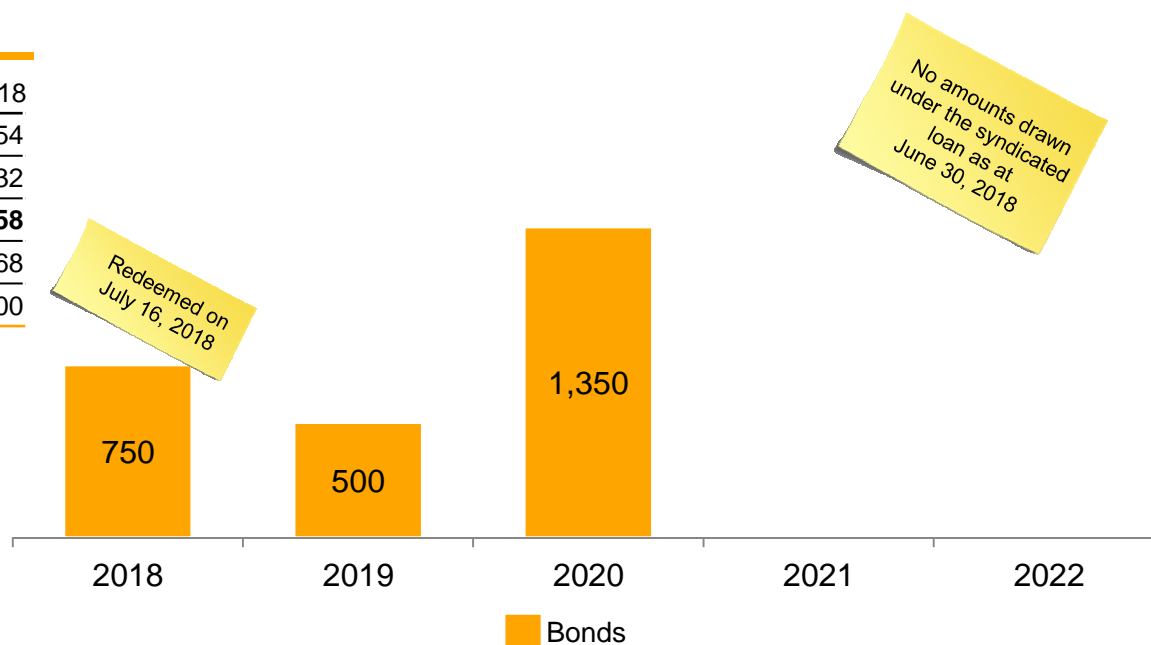


## 2) Corporation Highlights

### Maturities for Bonds<sup>1</sup> (€ mn)

As at June 30, 2018

(€ mn)	FY 17	H1 18
Gross indebtedness	4,090	5,154
Cash	1,882	2,132
<b>Net indebtedness</b>	<b>2,048</b>	<b>2,858</b>
Available credit lines	3,687	3,668
Total liquidity	5,568	5,800

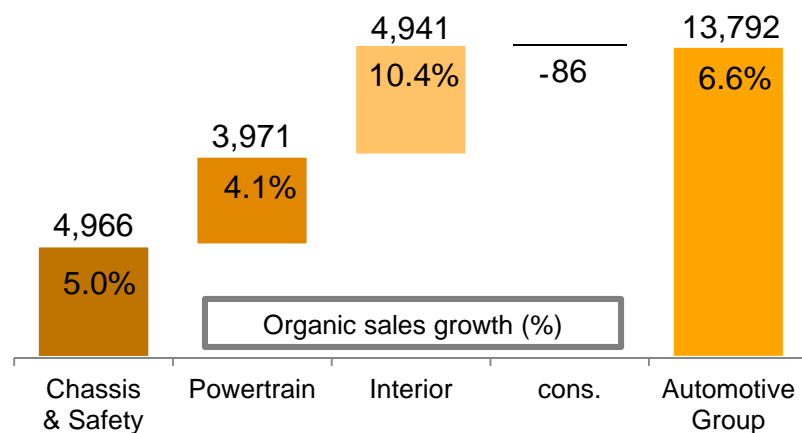


<sup>1</sup> All amounts shown are nominal values.

### 3) Automotive Group

#### Sales and Adjusted EBIT<sup>1</sup> by Division

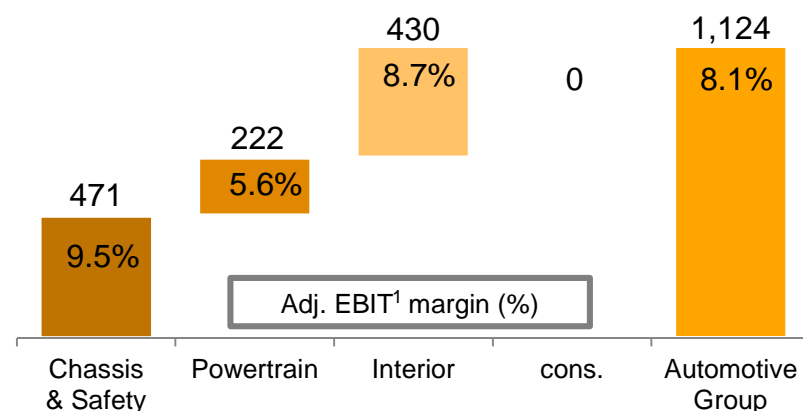
Automotive Group Sales (€ mn) H1 2018



Reported change in sales

- › Chassis & Safety: 0.6%
- › Powertrain: 0.5%
- › Interior: 7.1%
- › Automotive Group: 2.8%

Automotive Group Adj. EBIT<sup>1</sup> (€ mn) H1 2018



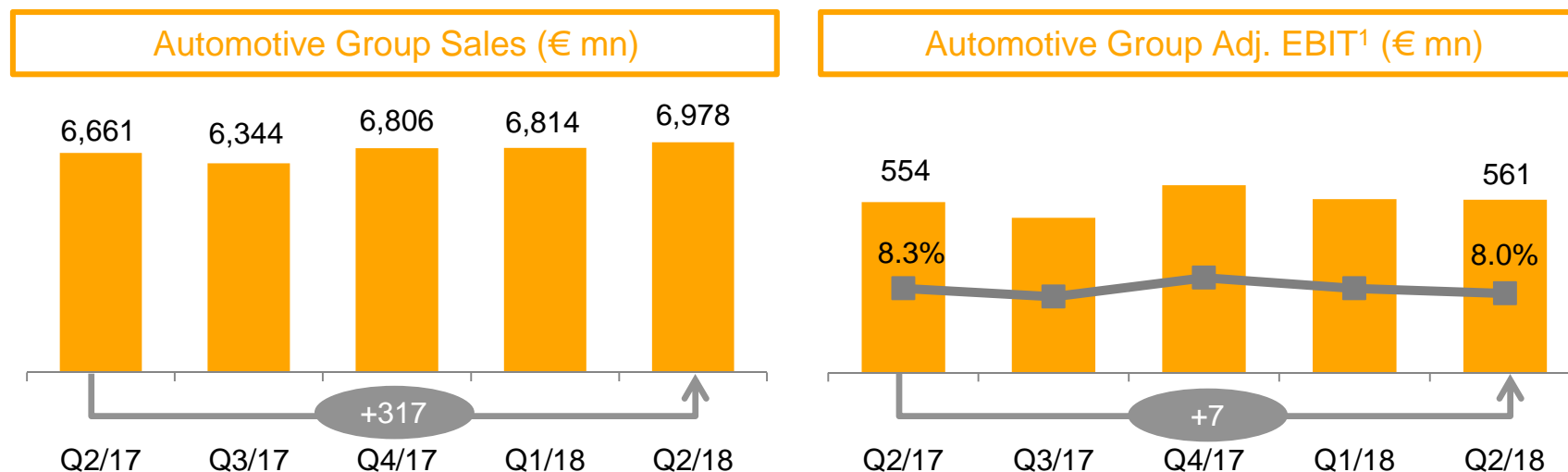
Adj. EBIT<sup>1</sup> margin (%)

- › Reported EBITDA: €1,703 mn (12.4% of sales)
- › Reported EBIT: €1,081 mn (7.8% of sales)
- › R&D (net): €1,487 mn (10.8% of sales)
- › Capex: €706 mn (5.1% of sales)

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

### 3) Automotive Group

Q2 2018: Sales Up and EBIT Stable Despite Rising R&D Costs



- › Sales increased by €317 mn; organic sales growth in Q2 2018 at 7.7%
- › Adj. EBIT<sup>1</sup> increased by €7 mn; operating leverage<sup>2</sup> amounted to 2% as R&D increased by 8% in Q2
- › Adj. EBIT<sup>1</sup> margin at 8.0% (PY: 8.3%)

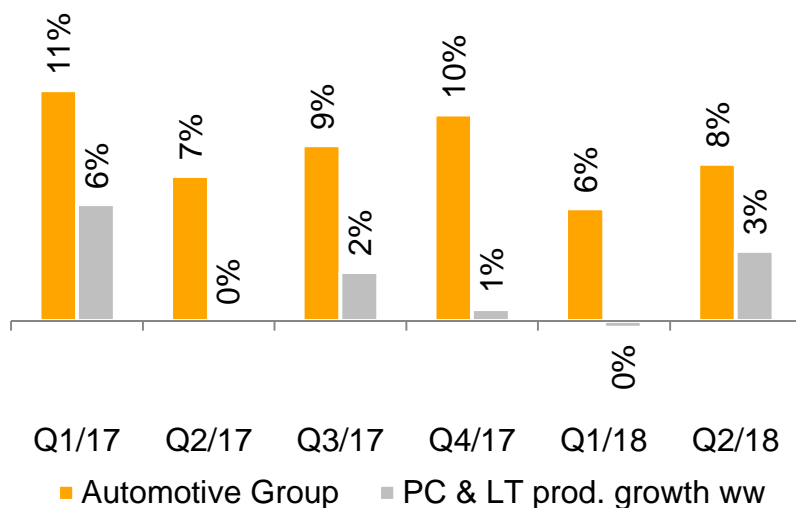
<sup>1</sup> Before amortization of intangibles from PPA, consolidation and special effects.

<sup>2</sup> Operating leverage is defined as delta adj. EBIT<sup>1</sup> divided by delta adjusted sales.

### 3) Automotive Group

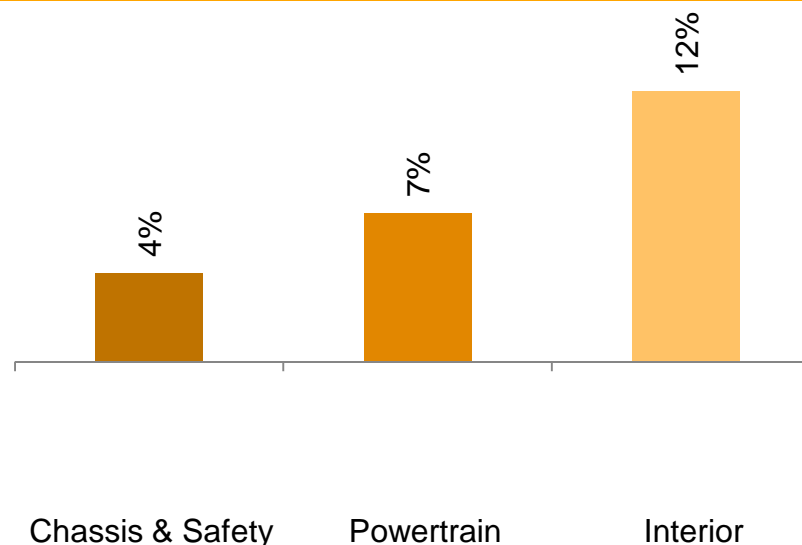
5%-Points Growth above Market in Q2 2018

Growth of organic sales vs. PC & LT<sup>1</sup> production



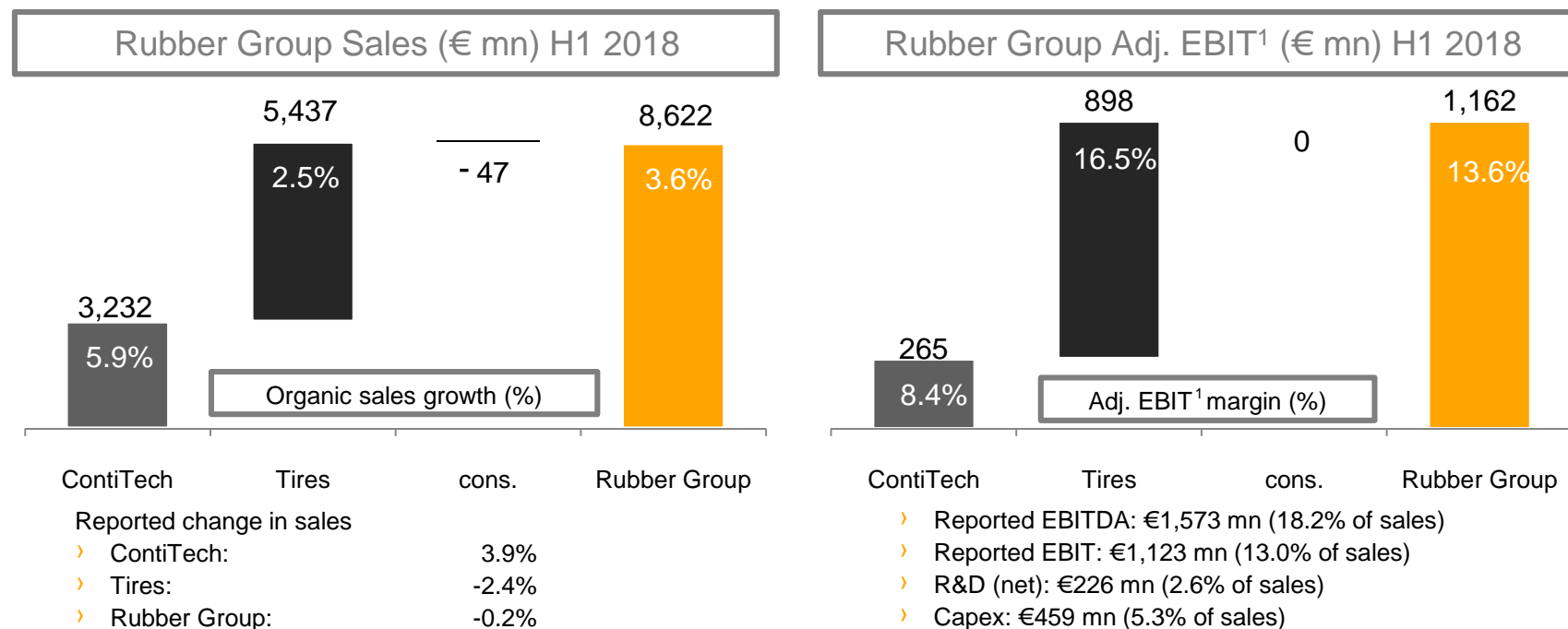
<sup>1</sup> Passenger car and light truck <6t.

Organic sales growth by division in Q2 2018



## 4) Rubber Group

### Sales and Adjusted EBIT<sup>1</sup> by Division

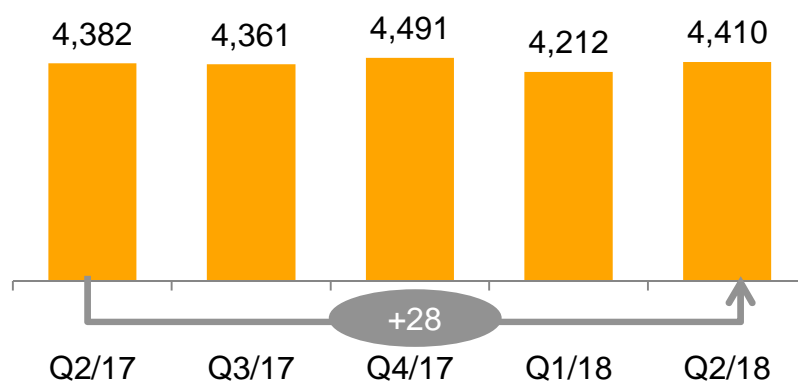


<sup>1</sup> Before amortization of intangibles from PPA, consolidation and special effects.

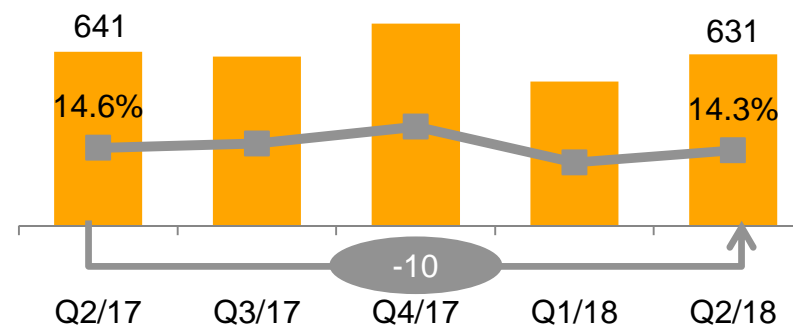
#### 4) Rubber Group

##### Q2 2018 Impacted by FX

Rubber Group Sales (€ mn)



Rubber Group Adj. EBIT<sup>1</sup> (€ mn)

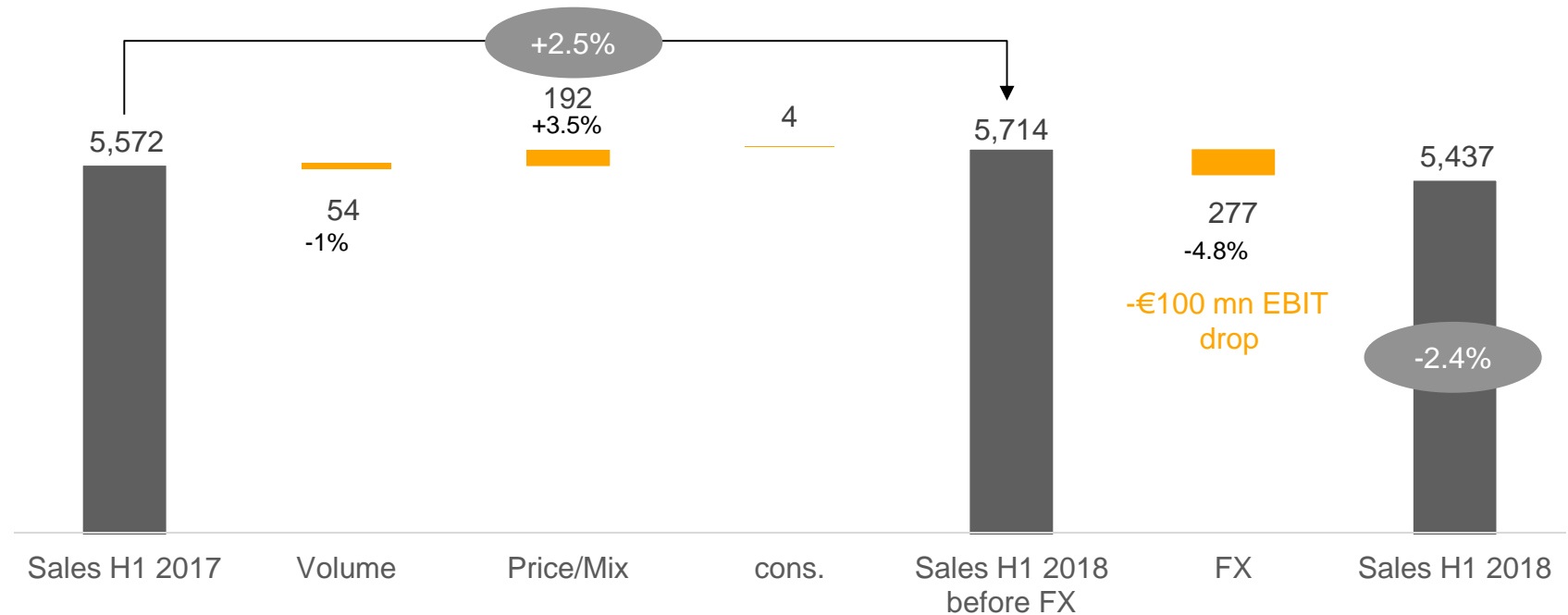


- › Sales increased by €28 mn only mainly due to unfavorable FX development; organic sales growth in Q2 2018 at 4.9%
- › Adj. EBIT<sup>1</sup> decreased by €10 mn mainly due to negative FX effects amounting to more than €50 mn
- › Adj. EBIT<sup>1</sup> margin at 14.3% (PY: 14.6%)

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

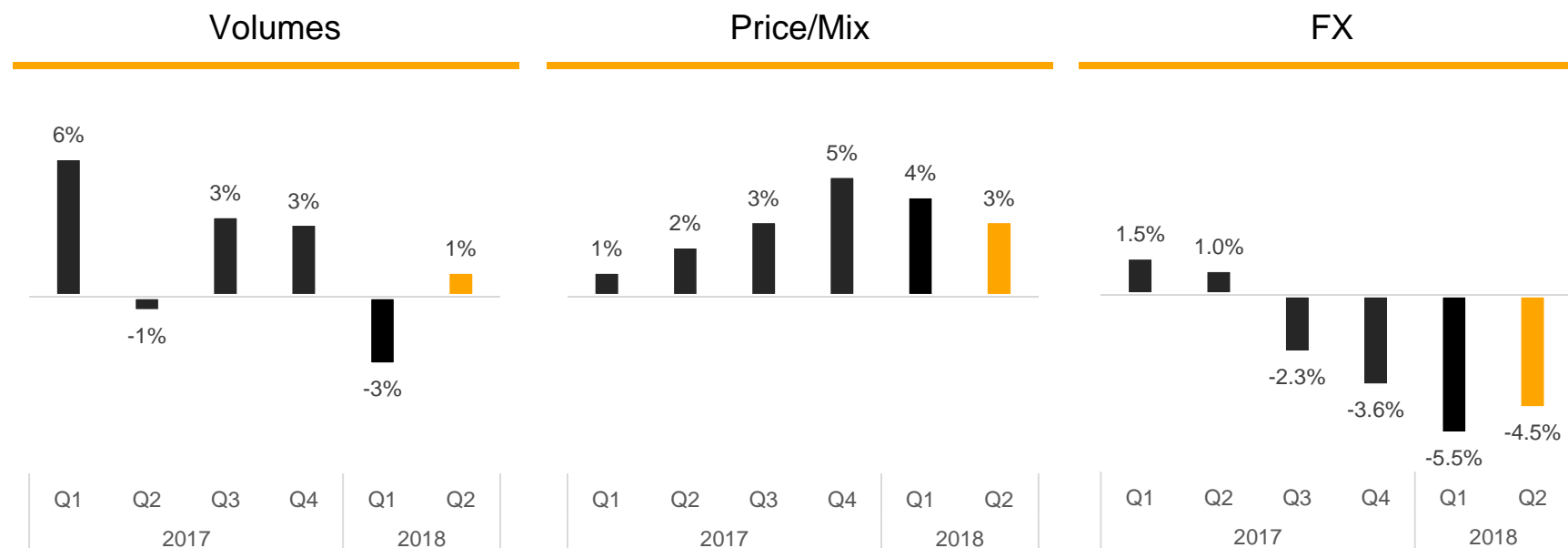
#### 4) Rubber Group

##### Tires Sales Bridge (€ mn) H1 2018



## 4) Rubber Group

Tires: Price/Mix Still Solid



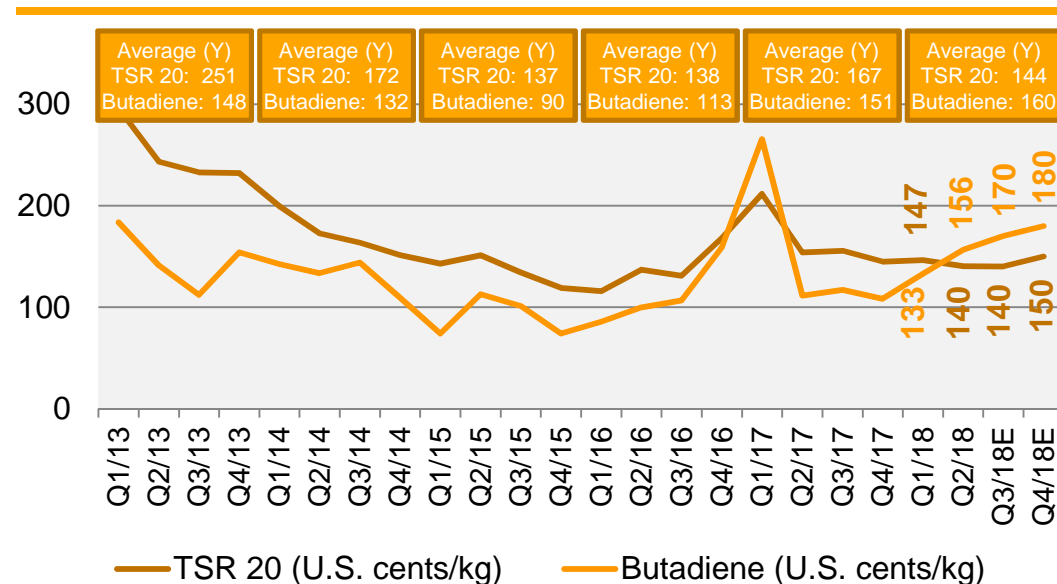


## 4) Rubber Group

### Expected Raw Material Price Development in 2018

- › Natural rubber price (TSR 20) is expected to decline by 13% (before: decline by 4%)
- › Synthetic rubber price (butadiene feedstock) is forecast to rise by 6% (before: stable)
- › Prices for carbon black and chemicals are forecast to rise by more than 10% (before: at least 10%)
- › Based on these assumptions, costs of raw materials are expected to have a negative effect of more than €50 mn in 2018

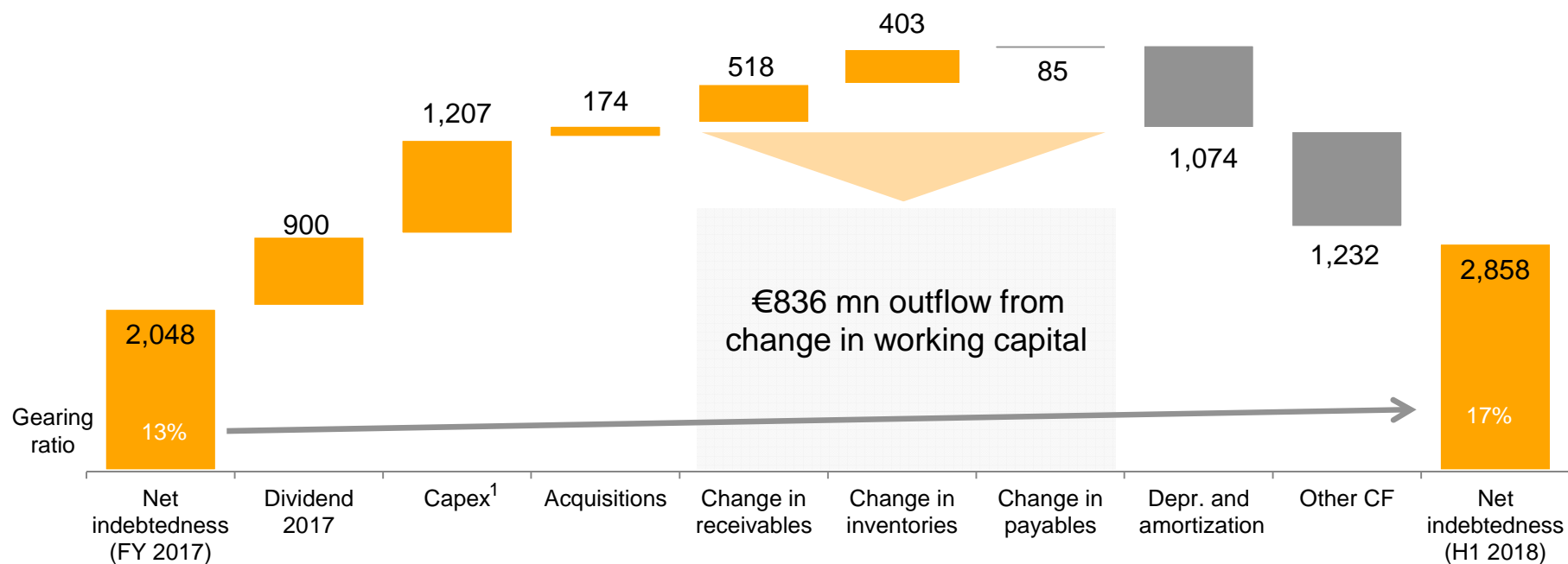
Raw material price development<sup>1</sup> 2013 - 2018E (U.S. cents/kg)



<sup>1</sup> Source: Bloomberg and Continental estimates for 2018.

## 5) Indebtedness and Cash Flow

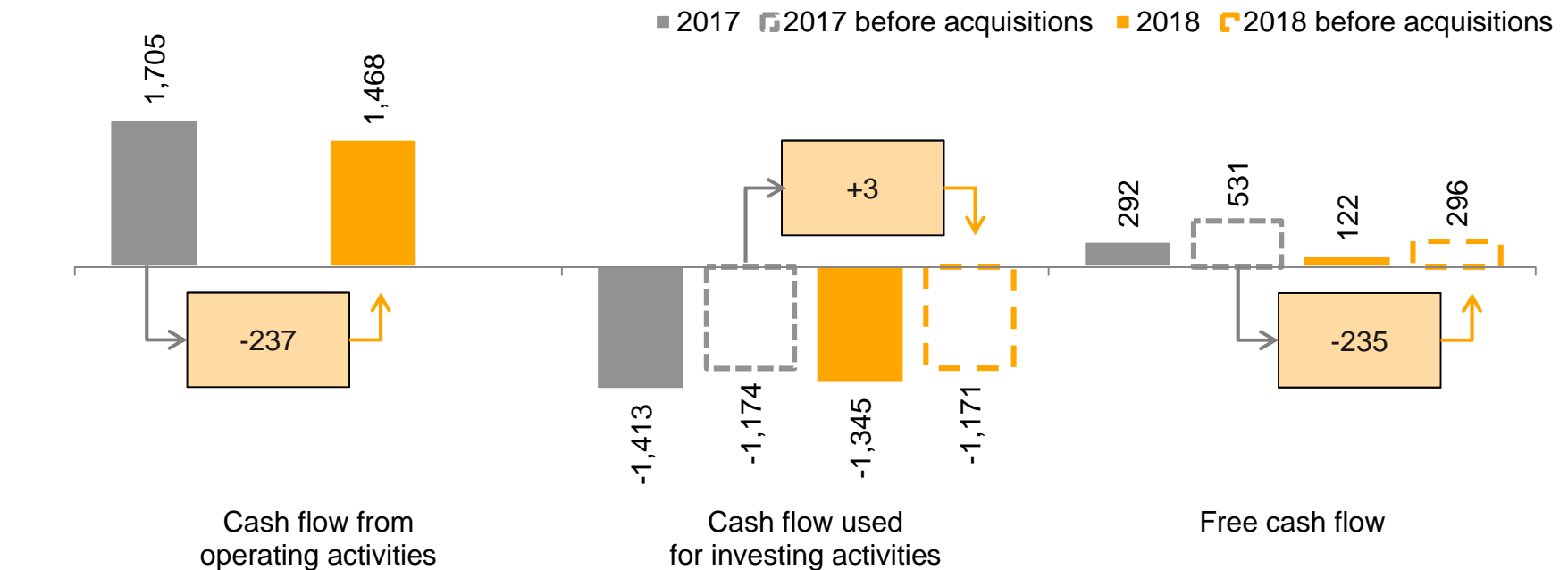
### Net Indebtedness Bridge (€ mn)



<sup>1</sup> According to cash flow statement including intangible assets.

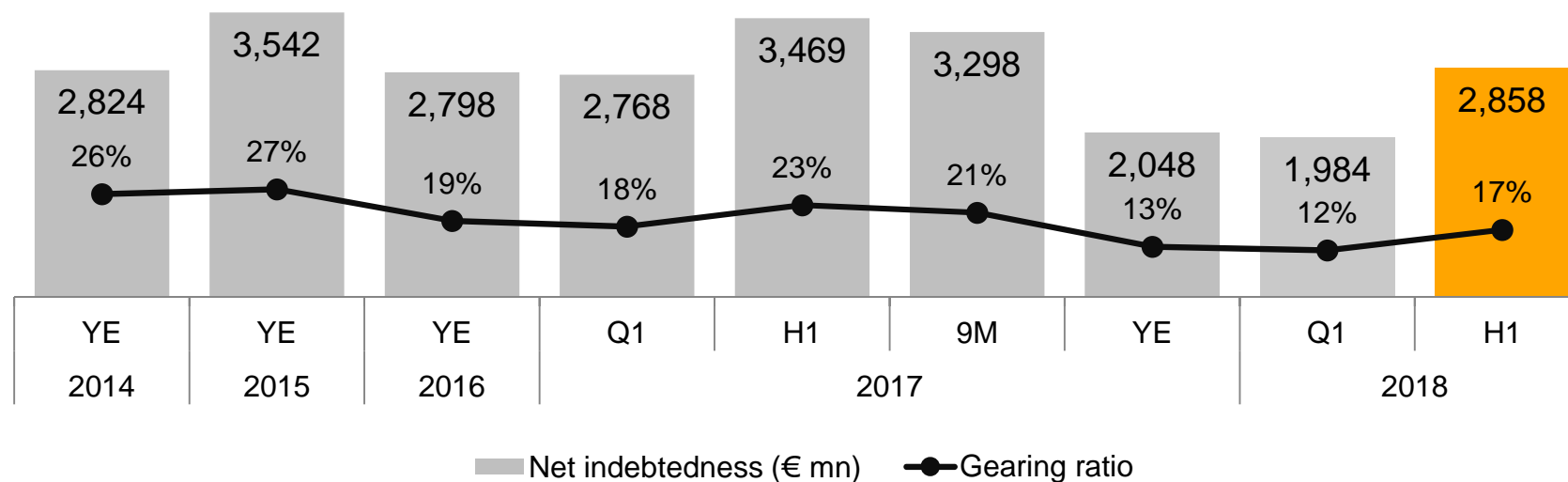
## 5) Indebtedness and Cash Flow

Free Cash Flow Before Acquisitions (€ mn) in H1 2017 and H1 2018



## 5) Indebtedness and Cash Flow

### Net Indebtedness and Gearing Ratio

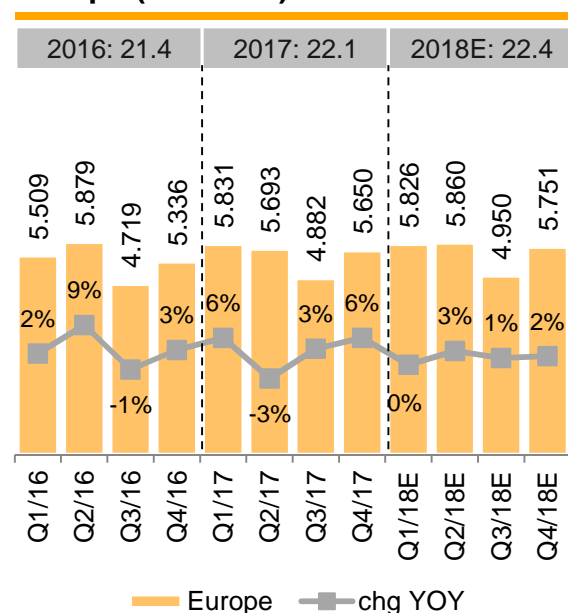


## 6) Outlook 2018

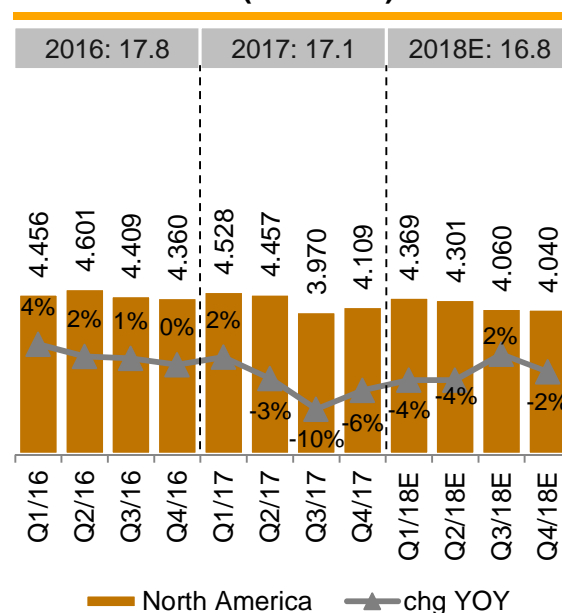
### PC & LT Production by Quarter<sup>1</sup>

Global car production was up by about 2% in H1 2018; we expect global car production to increase by about 1% in Q3 2018

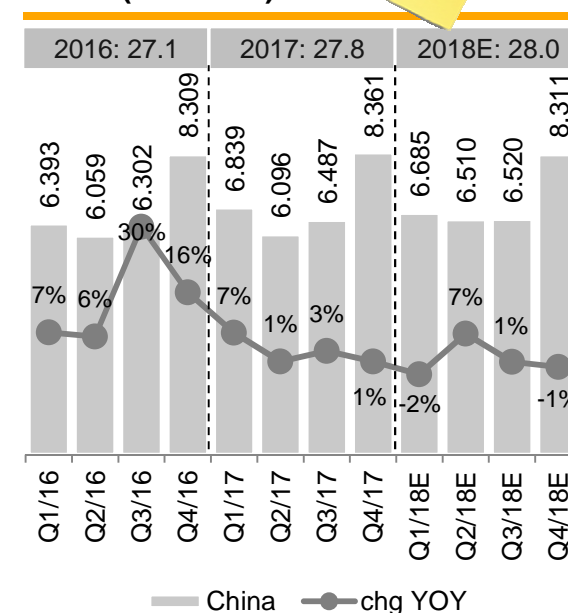
Europe (mn units)



North America (mn units)



China (mn units)



<sup>1</sup> Source: IHS until 2017 and own estimates, Europe excluding Kazakhstan and Uzbekistan.

## 6) Outlook 2018 Market Outlook

Changes in comparison to the Q1 2018 presentation are outlined in red boxes

### PC & LT<sup>1</sup> Production (mn units)

Worldwide production to increase more than 1%

IHS and own estimates

	2017	2018E	Chg.
Europe	22.1	<b>22.4</b>	<b>+2%</b>
North America	17.1	<b>16.8</b>	<b>-2%</b>
South America	3.3	<b>3.6</b>	<b>+10%</b>
Asia	51.5	<b>52.5</b>	<b>+2%</b>

### Commercial Vehicle<sup>2</sup> Production (k units)

Worldwide production to **stay flat**

IHS and own estimates

	2017	2018E	Chg.
Europe	660	<b>673</b>	<b>+2%</b>
North America	513	<b>559</b>	<b>+9%</b>
South America	102	<b>117</b>	<b>+15%</b>
Asia	2,140	<b>2,075</b>	<b>-3%</b>

### PC & LT<sup>1</sup> Replacement Tire Market (mn units)

Worldwide replacement tire market to increase **by 2%**

LMC and own estimates

	2017	2018E	Chg.
Europe	351	<b>358</b>	<b>+2%</b>
North America	285	<b>290</b>	<b>+2%</b>
South America	73	<b>76</b>	<b>+4%</b>
Asia	453	<b>467</b>	<b>+3%</b>

### Commercial Vehicle Replacement<sup>3</sup> Tire Market (mn units)

Worldwide replacement market to increase by 2%

LMC and own estimates

	2017	2018E	Chg.
Europe	25.3	<b>25.8</b>	<b>+2%</b>
North America	24.5	<b>25.5</b>	<b>+4%</b>
South America	15.7	<b>16.3</b>	<b>+4%</b>
Asia	89.2	<b>90.1</b>	<b>+1%</b>

<sup>1</sup> Passenger cars and light trucks <6t.

<sup>2</sup> Medium and heavy vehicles >6t.

<sup>3</sup> Radial and bias.

## 6) Outlook 2018

### Continental Corporation

>€1 bn negative FX translation effect on sales if current exchange rates represent the average for 2018. Changes in comparison to the Q1 2018 presentation are underlined

	2017	2018E
Consolidated sales	€44.0 bn	To increase to ~€47 bn at constant FX rates
adj. EBIT <sup>1</sup> margin	10.9 %	>10% adj. EBIT <sup>1</sup> margin
Automotive Group	€26.6 bn	To increase to ~€28.5 bn at constant FX rates
adj. EBIT <sup>1</sup>	€2.2 bn	~8.5% adj. EBIT <sup>1</sup> margin
Rubber Group	€17.5 bn	To increase to ~€18.5 bn at constant FX rates
adj. EBIT <sup>1</sup>	€2.6 bn	>14% adj. EBIT <sup>1</sup> margin
Raw materials cost impact	More than €450 mn for the Rubber Group	Raw materials to have a <u>negative impact of more than €50 mn</u> on Rubber Group based on current estimates
Special effects	-€14 mn	<u>-€50 mn</u>
Financial result	-€187 mn at constant FX <sup>2</sup>	<-€180 mn at constant FX rates
Tax rate	29%	<u>~25%</u>
Capex	€2.9 bn	Capex at around 7% of sales
PPA amortization	€171 mn	~€180 mn
Free cash flow before acquisitions	€2.3 bn	~€2 bn <u>excluding net effect of US pension funding</u>

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

<sup>2</sup> 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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- › 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.

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## Continental Financial Calendar

### 2018

Preliminary figures for fiscal 2017	January 9, 2018
Annual Financial Press Conference	March 8, 2018
Annual Shareholders' Meeting (incl. key data for Q1 2018)	April 27, 2018
Q1 Financial Report	May 8, 2018
Half-Year Financial Report	August 2, 2018
Nine-Month Financial Report	November 8, 2018

### 2019

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

## Continental

### 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, 2018	200,005,983

#### ADR Data

Ratio	1:5 (ordinary share : ADRs)
Bloomberg Ticker	CTTAY
Reuters Ticker	CTTAY.PK
ISIN	US2107712000
ADR Level	Level 1
Exchange	OTC
Sponsor	Deutsche Bank Trust Company Americas

## Continental Bond Data

Issuer	Continental Rubber of America, Corp. <sup>1</sup>	Continental AG	Continental AG
<b>Issue</b>	Senior Notes	Senior Notes	Senior Notes
<b>Principal amount</b>	€500 mn	€600 mn	€750 mn
<b>Offering price</b>	99.739%	99.410%	99.228%
<b>Rating at issuance date</b>	BBB (S&P) BBB (Fitch)	BBB+ (S&P) BBB+ (Fitch)	Ba1 (Moody's <sup>4</sup> ) BB (S&P) BBB (Fitch <sup>2</sup> )
<b>Current corporation and bond ratings<sup>3</sup></b>	<b>BBB+ (Fitch), BBB+ (S&amp;P), Baa1 (Moody's<sup>4</sup>)</b>		
<b>Coupon</b>	0.5% p.a.	0.0% p.a.	3.125% p.a.
<b>Issue date</b>	November 19, 2015	December 5, 2016	September 9, 2013
<b>Maturity</b>	<b>February 19, 2019</b>	<b>February 5, 2020</b>	<b>September 9, 2020</b>
<b>Interest payment</b>	Annual February 19, Commenced February 20, 2017	Not applicable	Annual September 9
<b>WKN</b>	A1Z7C3	A2DARM	A1X3B7
<b>ISIN</b>	DE000A1Z7C39	XS1529561182	XS0969344083
<b>Denomination</b>	€1,000 with minimum tradable amount €1,000		



<sup>1</sup> Guaranteed by Continental AG.

<sup>2</sup> Non-contracted rating at date of issuance.

<sup>3</sup> Fitch since October 24, 2016; S&P since May 11, 2016; Moody's since June 30, 2015.

<sup>4</sup> Non-contracted rating since February 1, 2014.

# Back-up

## 7) Back-up

### Corporation Highlights H1 2018

› Sales	Increase of 1.6% to €22,386.5 mn (PY: €22,032.9 mn); organic sales up 5.4%
› EBITDA	Decrease of 2.4% to €3,212.4 mn (PY: €3,290.9 mn)
› EBIT	Decrease of 5.7% to €2,138.2 mn (PY: €2,267.4 mn); Adj. EBIT <sup>1</sup> decrease to €2,220.2 mn (10.0% adj. EBIT <sup>1</sup> margin); PPA <sup>2</sup> effect -€84.9 mn; consolidation effects €3.9 mn; total special effects -€1.0 mn
› NIAT <sup>3</sup>	Increase of 4.3% to €1,559.7 mn (PY: €1,495.0 mn)
› EPS <sup>3</sup>	EPS of €7.80 (PY: €7.48); EPS before PPA <sup>2</sup> €8.12 (PY: €7.79 before PPA <sup>2</sup> )
› Capex	Capex increased to €1,174.4 mn (PY: €1,158.1 mn); capex ratio 5.2% of sales; capex to depreciation coverage 1.1x (1.2x ex PPA <sup>2</sup> )
› R&D (net)	Expenses increased by 8.5% to €1,712.9 mn (PY: €1,579.4 mn); R&D ratio 7.7% of sales (PY: 7.2%)
› Cash flow	Operating cash flow down by €237.3 mn to €1,467.5 mn; free cash flow €122.4 mn
› Net indebtedness	Net indebtedness up by €810.5 mn to €2,858.1 mn vs. FY 2017; Liquidity and undrawn credit lines amounted to €5,799.8 mn
› Pension and similar obligation	Long-term provisions for pension and similar obligations amounted to €4,162.1 mn (PY: €4,051.3 mn)



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

<sup>2</sup> Amortization of intangibles from PPA, tax rate of 25% applied for EPS calculation for 2018, 28% for 2017.

<sup>3</sup> Attributable to the shareholders of the parent.

## 7) Back-up

### Overview of Volume Development

Units (YOY change)	Q1/16	H1/16	9M/16	FY 16	Q1/17	H1/17	9M/17	FY 17	Q1/18	H1/18
<b>Market data for PC and LT production</b>										
Europe	2%	6%	3%	3%	6%	1%	2%	3%	0%	1%
North America	4%	3%	2%	2%	2%	-1%	-4%	-4%	-4%	-4%
Europe and North America combined	3%	4%	3%	3%	4%	0%	-1%	0%	-2%	-1%
Worldwide	2%	3%	3%	4%	6%	3%	3%	2%	0%	2%
<b>Continental</b>										
Organic sales growth Automotive Group				5%	11%	9%	9%	9%	6%	7%
Electronic brake systems (EBS)	0%	4%	6%	6%	13%	10%	9%	9%	3%	4%
Boosters	-3%	-3%	4%	1%	3%	3%	4%	6%	6%	5%
EPB-Systems	38%	48%	51%	48%	47%	39%	35%	33%	25%	23%
Advanced driver assistance systems (ADAS)	51%	45%	38%	36%	40%	40%	41%	41%	37%	36%
Engine electronic control units (ECUs)	-2%	3%	6%	8%	12%	9%	7%	7%	2%	4%
Injectors	-5%	-5%	2%	7%	19%	17%	15%	11%	8%	5%
Transmission control units (TCUs)	-1%	-1%	1%	1%	-2%	-3%	-5%	-4%	-2%	1%
Turbochargers	23%	24%	18%	17%	45%	44%	50%	56%	50%	47%
<b>Market data tires</b>										
PC and LT replacement tires Europe	2%	2%	2%	2%	6%	2%	2%	3%	-1%	3%
PC and LT replacement tires North America	5%	2%	2%	2%	2%	1%	-1%	0%	-2%	1%
Commercial vehicle tires OE Europe	6%	5%	3%	3%	9%	6%	7%	10%	6%	4%
Commercial vehicle tires OE North America	-12%	-9%	-16%	-13%	-8%	-1%	10%	8%	20%	16%
Commercial vehicle replacement tires Europe	2%	3%	3%	3%	11%	6%	6%	4%	0%	2%
Commercial vehicle replacement tires North America	4%	3%	3%	2%	12%	-1%	4%	4%	4%	5%
<b>Continental</b>										
Organic sales growth Rubber Group				4%	7%	5%	6%	6%	2%	4%
PC and LT tires	9%	8%	6%	6%	5%	2%	2%	3%	-3%	-1%
Commercial vehicle tires	7%	8%	4%	4%	15%	10%	8%	5%	-5%	-2%
ContiTech organic sales growth	3%	2%	2%	2%	8%	7%	8%	8%	5%	6%



## 7) Back-up

### Key Historical Credit Metrics

(€ mn) <sup>1</sup>	2014	2015	2016	2017	LTM
<b>Statement of Cash Flows</b>					
<b>Adjusted EBITDA<sup>2</sup></b>	<b>5,318</b>	<b>6,094</b>	<b>6,125</b>	<b>6,701</b>	<b>6,651</b>
<b>Reported EBITDA</b>	<b>5,134</b>	<b>6,001</b>	<b>6,057</b>	<b>6,679</b>	<b>6,600</b>
Net cash interest paid	-158	-174	-112	-105	-83
Tax paid	-775	-1,015	-1,047	-1,122	-974
Change in net working capital <sup>3</sup>	-207	-107	-210	-484	-551
Other <sup>4</sup>	175	210	250	253	-9
<b>Cash flow arising from operating activities</b>	<b>4,168</b>	<b>4,916</b>	<b>4,938</b>	<b>5,221</b>	<b>4,983</b>
<b>Cash flow arising from investing activities</b>	<b>-2,153</b>	<b>-3,472</b>	<b>-3,167</b>	<b>-3,468</b>	<b>-3,400</b>
- thereof acquisitions	-129	-1,257	-516	-596	-531
- thereof capex in PPE and intangibles	-2,110	-2,265	-2,708	-2,951	-2,940
<b>Cash flow before financing activities</b>	<b>2,015</b>	<b>1,444</b>	<b>1,771</b>	<b>1,753</b>	<b>1,583</b>
<b>Cash flow before acquisitions</b>	<b>2,144</b>	<b>2,701</b>	<b>2,288</b>	<b>2,349</b>	<b>2,115</b>
<b>Statement of Financial Position</b>					
Cash and cash equivalents	3,244	1,622	2,107	1,882	2,132
Derivative instruments and interest-bearing investments	364	81	48	161	164
Total indebtedness	6,432	5,245	4,952	4,090	5,154
<b>Net indebtedness</b>	<b>2,824</b>	<b>3,542</b>	<b>2,798</b>	<b>2,048</b>	<b>2,858</b>
<b>Credit Ratios</b>					
<b>Net indebtedness / adjusted EBITDA<sup>2</sup></b>	<b>0.5x</b>	<b>0.6x</b>	<b>0.5x</b>	<b>0.3x</b>	<b>0.4x</b>
<b>Net cash interest paid coverage (ratio)<sup>5</sup></b>	<b>33.7x</b>	<b>35.1x</b>	<b>54.8x</b>	<b>63.6x</b>	<b>80.4x</b>



<sup>1</sup> Amounts shown may contain rounding differences.

<sup>2</sup> Adjusted EBITDA as defined in syndicated loan.

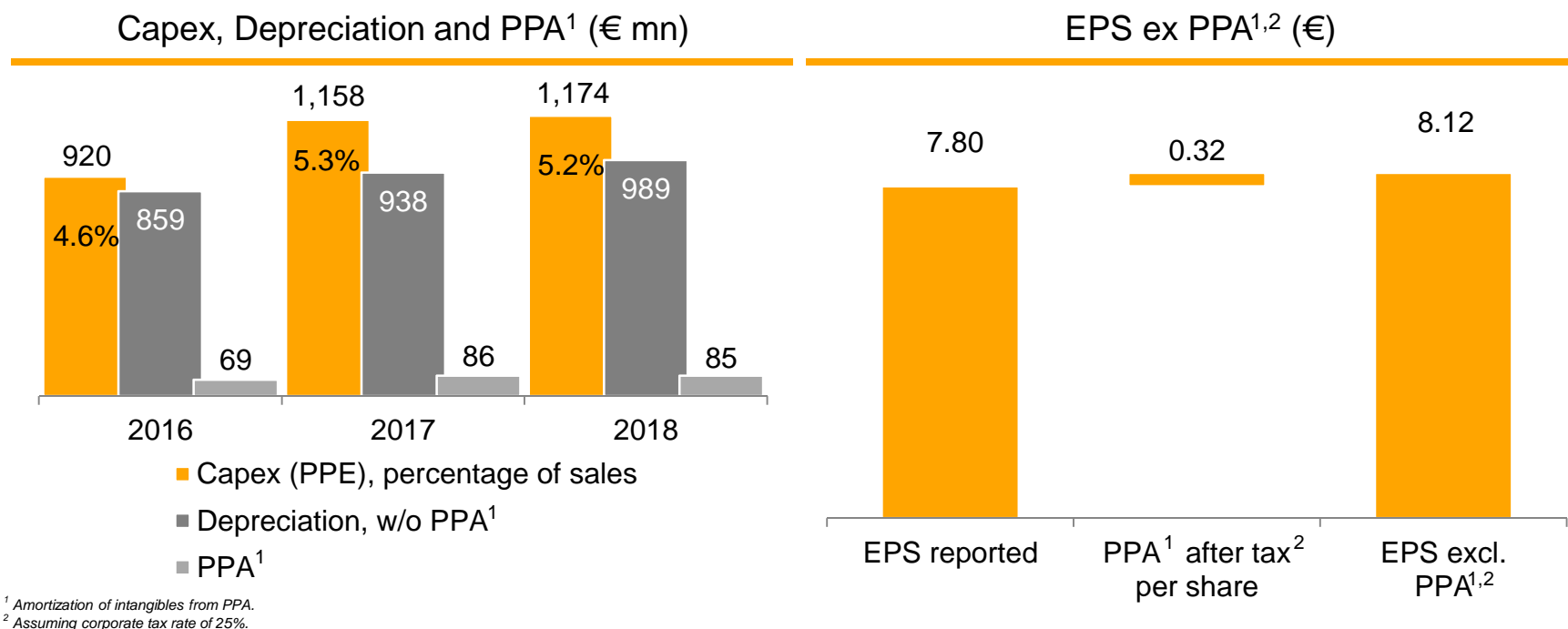
<sup>3</sup> Includes changes in inventories, trade accounts receivable, trade accounts payable and discounted notes.

<sup>4</sup> Includes dividends received, income from equity-accounted and other investments, incl. impairment and reversal of items as well as changes in employee benefits and other provisions and in other assets and liabilities.

<sup>5</sup> Adjusted EBITDA to net cash interest paid.

## 7) Back-up

### Capex, Depreciation and Earnings per Share Breakdown for H1 2018



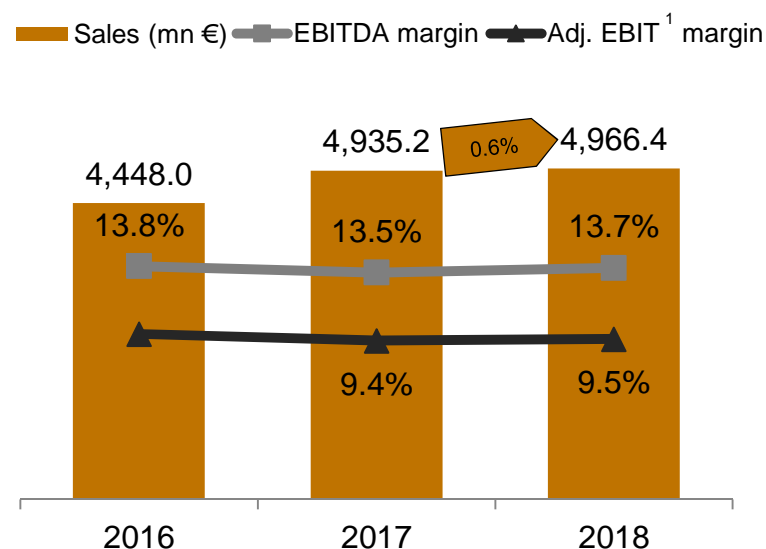
## 7) Back-up

### Automotive Group Financials – Chassis & Safety

- › Sales increased by 5.0% before consolidation and FX effects
- › EBITDA increased by €17.6 mn to €681.4 mn (+2.7%)
- › Adj. EBIT<sup>1</sup> increased by €4.8 mn to €471.1 mn (adj. EBIT<sup>1</sup> margin 9.5%)
- › EBIT increased by €4.8 mn to €471.1 mn (EBIT margin 9.5%)
- › PPA effect in H1 2018: €0.0 mn
- › Special effects in H1 2018: no special effects

<sup>1</sup> Before amortization of intangibles from PPA, consolidation and special effects.  
Refer to Fact Sheets for further details.

#### Chassis & Safety H1 2018

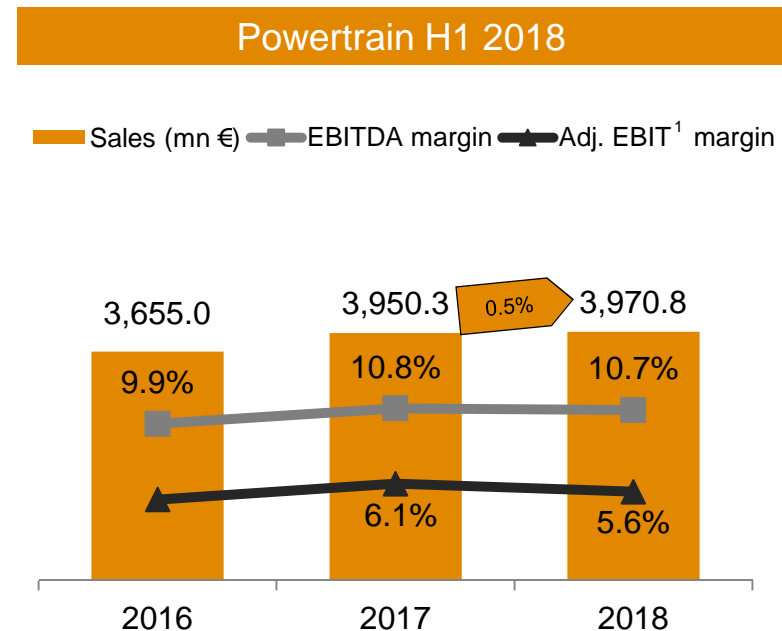


## 7) Back-up

### Automotive Group Financials – Powertrain

- › Sales increased by 4.1% before consolidation and FX effects
- › EBITDA decreased by €1.8 mn to €426.5 mn (-0.4%)
- › Adj. EBIT<sup>1</sup> decreased by €17.2 mn to €222.4 mn (adj. EBIT<sup>1</sup> margin 5.6%)
- › EBIT decreased by €21.1 mn to €210.1 mn (EBIT margin 5.3%)
- › PPA effect in H1 2018: -€5.9 mn
- › Special effects in H1 2018: -€6.4 mn

<sup>1</sup> Before amortization of intangibles from PPA, consolidation and special effects.  
Refer to Fact Sheets for further details.

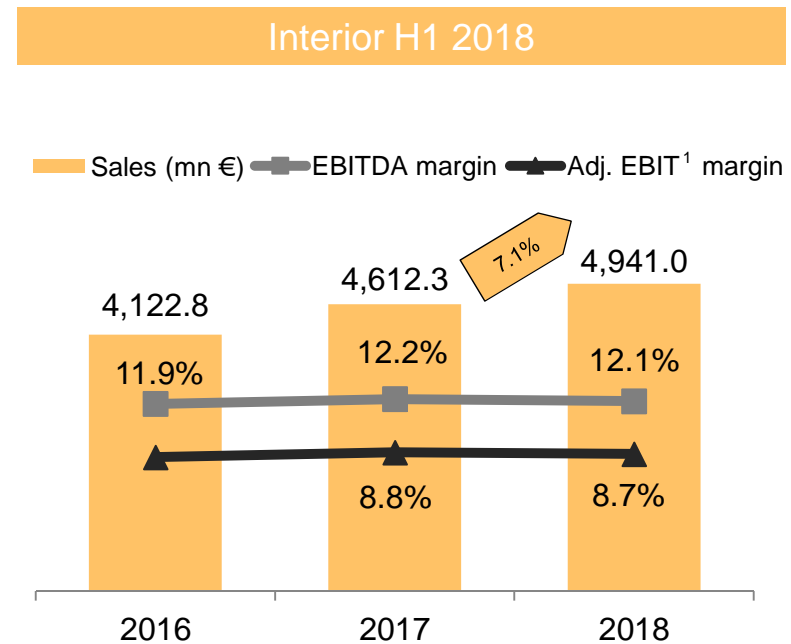


## 7) Back-up

### Automotive Group Financials – Interior

- › Sales increased by 10.4% before consolidation and FX effects
- › EBITDA increased by €33.8 mn to €595.5 mn (+6.0%)
- › Adj. EBIT<sup>1</sup> increased by €25.1 mn to €430.1 mn (adj. EBIT<sup>1</sup> margin 8.7%)
- › EBIT increased by €18.1 mn to €400.1 mn (EBIT margin 8.1%)
- › PPA effect in H1 2018: -€25.4 mn
- › Special effects in H1 2018: €5.6 mn

<sup>1</sup> Before amortization of intangibles from PPA, consolidation and special effects.  
Refer to Fact Sheets for further details.

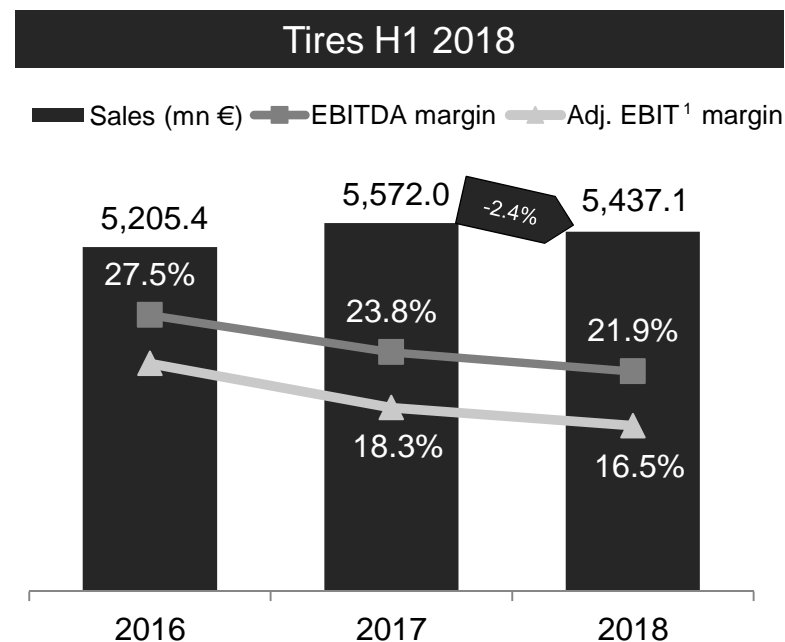


## 7) Back-up

### Rubber Group Financials – Tires

- › Sales increased by 2.5% before consolidation and FX effects
- › EBITDA decreased by €135.3 mn to €1,190.8 mn (-10.2%)
- › Adj. EBIT<sup>1</sup> decreased by €119.6 mn to €897.5 mn (adj. EBIT<sup>1</sup> margin 16.5%)
- › EBIT decreased by €142.9 mn to €889.1 mn (EBIT margin 16.4%)
- › PPA effect in H1 2018: -€8.8 mn
- › Special effects in H1 2018: no special effects

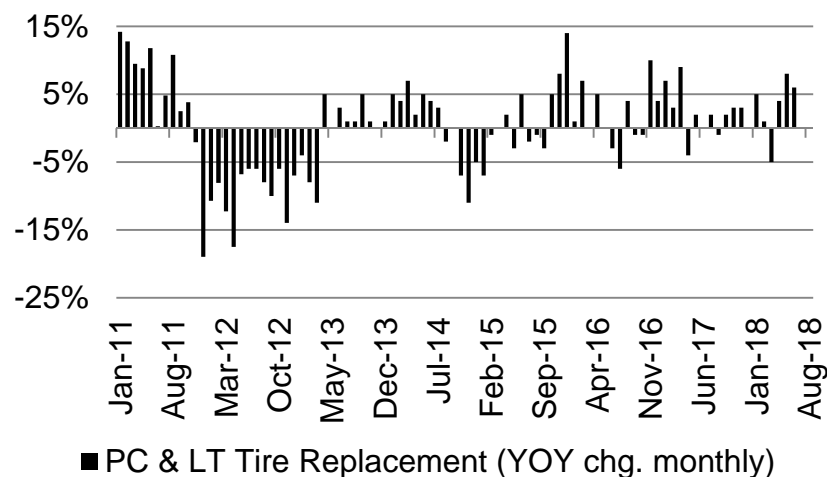
<sup>1</sup> Before amortization of intangibles from PPA, consolidation and special effects.  
Refer to Fact Sheets for further details.



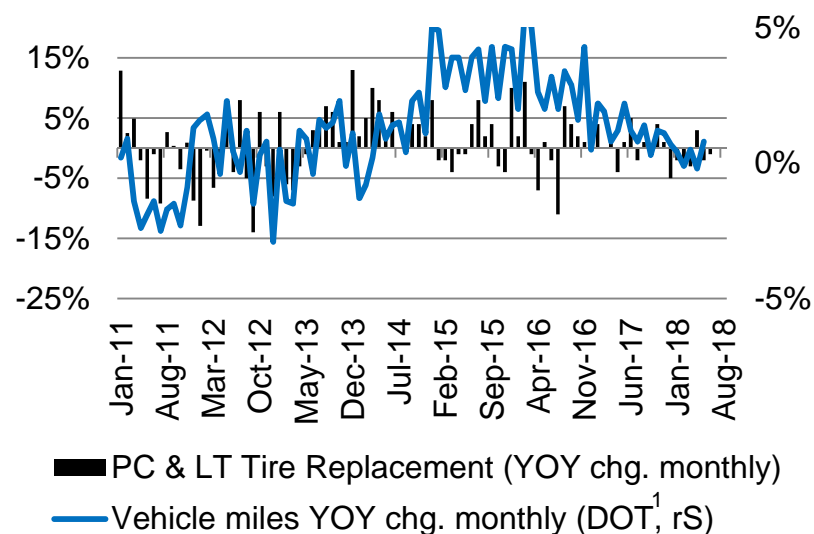
## 7) Back-up

### Tires – Demand for Passenger Car and Light Truck Tires

Replacement Tire Demand for PC & LT in Europe



Replacement Tire Demand for PC & LT in North America

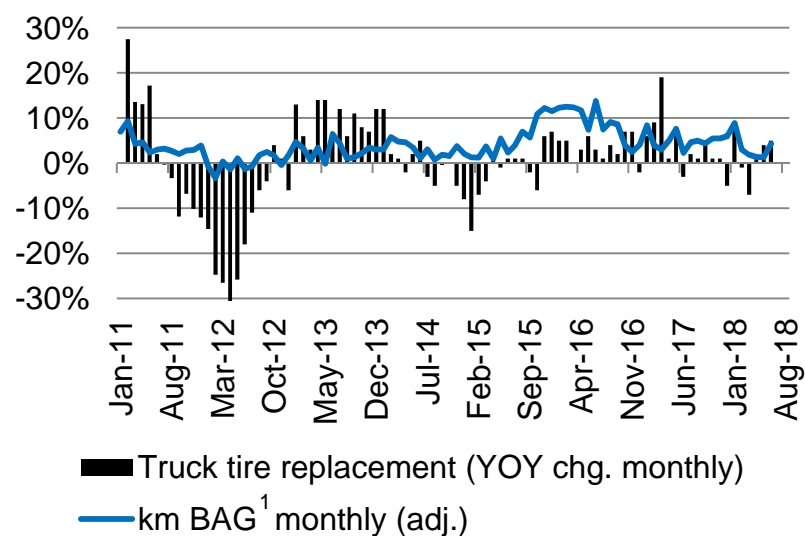


<sup>1</sup> U.S. Department of Transportation, right Scale.

## 7) Back-up

### Tires – Demand for Commercial Vehicle Tires

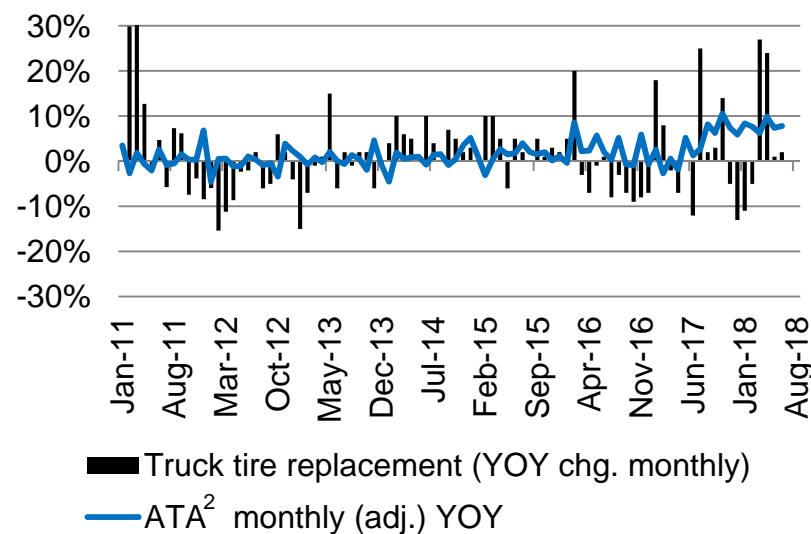
Replacement Tire Demand for Trucks in Europe



<sup>1</sup> BAG = Bundesamt für Güterverkehr.

<sup>2</sup> ATA = American Trucking Association (miles traveled).

Replacement Tire Demand for Trucks in North America



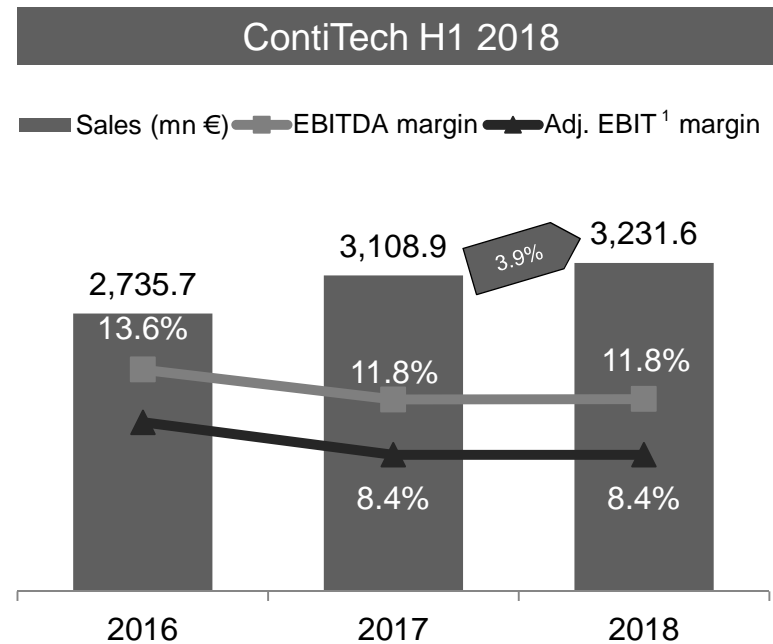


## 7) Back-up

### Rubber Group Financials – ContiTech

- › Sales increased by 5.9% before consolidation and FX effects
- › EBITDA increased by €15.5 mn to €382.4 mn (+4.2%)
- › Adj. EBIT<sup>1</sup> increased by €5.4 mn to €264.7 mn (adj. EBIT<sup>1</sup> margin 8.4%)
- › EBIT increased by €20.9 mn to €233.4 mn (EBIT margin 7.2%)
- › PPA effect in H1 2018: -€44.8 mn
- › Special effects in H1 2018: -€0.2 mn

<sup>1</sup> Before amortization of intangibles from PPA, consolidation and special effects.  
Refer to Fact Sheets for further details.



# 2016 – H1 2018 Fact Sheets

## 7) Fact Sheets

### Sales by Quarter

Sales (€ mn)	2016					2017					2018				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Chassis & Safety	2,201.8	2,246.2	2,176.8	2,352.8	8,977.6	2,497.4	2,437.8	2,307.8	2,524.8	9,767.8	2,511.2	2,455.2			
Powertrain	1,813.5	1,841.5	1,775.4	1,889.1	7,319.5	2,003.1	1,947.2	1,810.5	1,900.1	7,660.9	1,945.6	2,025.2			
Interior	2,023.0	2,099.8	2,041.2	2,160.7	8,324.7	2,293.9	2,318.4	2,269.0	2,423.9	9,305.2	2,401.7	2,539.3			
Tires	2,512.7	2,692.7	2,708.7	2,803.3	10,717.4	2,756.3	2,815.7	2,815.4	2,938.4	11,325.8	2,635.5	2,801.6			
ContiTech	1,359.1	1,376.6	1,350.5	1,376.3	5,462.5	1,521.4	1,587.5	1,568.3	1,569.2	6,246.4	1,601.7	1,629.9			
Other / Consolidation	-59.4	-65.8	-68.8	-58.2	-252.2	-72.2	-73.6	-78.3	-72.5	-296.6	-83.0	-77.4			
<b>Continental Corporation</b>	<b>9,850.7</b>	<b>10,191.0</b>	<b>9,983.8</b>	<b>10,524.0</b>	<b>40,549.5</b>	<b>10,999.9</b>	<b>11,033.0</b>	<b>10,692.7</b>	<b>11,283.9</b>	<b>44,009.5</b>	<b>11,012.7</b>	<b>11,373.8</b>			

Changes Y-o-Y in %	2017					2018				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Chassis & Safety	13.4	8.5	6.0	7.3	8.8	0.6	0.7			
Powertrain	10.5	5.7	2.0	0.6	4.7	-2.9	4.0			
Interior	13.4	10.4	11.2	12.2	11.8	4.7	9.5			
Tires	9.7	4.6	3.9	4.8	5.7	-4.4	-0.5			
ContiTech	11.9	15.3	16.1	14.0	14.4	5.3	2.7			
<b>Continental Corporation</b>	<b>11.7</b>	<b>8.3</b>	<b>7.1</b>	<b>7.2</b>	<b>8.5</b>	<b>0.1</b>	<b>3.1</b>			

Note: IFRS 9 and IFRS 15 applied starting 2018.

## 7) Fact Sheets

### EBITDA by Quarter

EBITDA (€ mn)	2016					2017					2018				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Chassis & Safety	302.8	312.0	-14.4	354.2	954.6	336.9	326.9	300.3	337.5	1,301.6	356.8	324.6			
Powertrain	158.8	201.8	175.5	220.1	756.2	213.9	214.4	187.4	239.1	854.8	207.3	219.2			
Interior	237.4	252.2	132.5	282.1	904.2	273.6	288.1	287.0	291.3	1,140.0	283.4	312.1			
Tires	658.1	773.4	658.0	739.2	2,828.7	651.3	674.8	661.7	760.9	2,748.7	545.8	645.0			
ContiTech	176.1	197.2	163.5	194.1	730.9	191.3	175.6	184.0	200.0	750.9	195.9	186.5			
Other / Consolidation	-27.7	-23.5	-37.7	-28.3	-117.2	-28.5	-27.4	-38.2	-23.0	-117.1	-34.2	-30.0			
<b>Continental Corporation</b>	<b>1,505.5</b>	<b>1,713.1</b>	<b>1,077.4</b>	<b>1,761.4</b>	<b>6,057.4</b>	<b>1,638.5</b>	<b>1,652.4</b>	<b>1,582.2</b>	<b>1,805.8</b>	<b>6,678.9</b>	<b>1,555.0</b>	<b>1,657.4</b>			

EBITDA margin in %	2016					2017					2018				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Chassis & Safety	13.8	13.9	-0.7	15.1	10.6	13.5	13.4	13.0	13.4	13.3	14.2	13.2			
Powertrain	8.8	11.0	9.9	11.7	10.3	10.7	11.0	10.4	12.6	11.2	10.7	10.8			
Interior	11.7	12.0	6.5	13.1	10.9	11.9	12.4	12.6	12.0	12.3	11.8	12.3			
Tires	26.2	28.7	24.3	26.4	26.4	23.6	24.0	23.5	25.9	24.3	20.7	23.0			
ContiTech	13.0	14.3	12.1	14.1	13.4	12.6	11.1	11.7	12.7	12.0	12.2	11.4			
<b>Continental Corporation</b>	<b>15.3</b>	<b>16.8</b>	<b>10.8</b>	<b>16.7</b>	<b>14.9</b>	<b>14.9</b>	<b>15.0</b>	<b>14.8</b>	<b>16.0</b>	<b>15.2</b>	<b>14.1</b>	<b>14.6</b>			

Changes Y-o-Y in %	2017					2018				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Chassis & Safety	11.3	4.8	2,185.4	-4.7	36.4	5.9	-0.7			
Powertrain	34.7	6.2	6.8	8.6	13.0	-3.1	2.2			
Interior	15.2	14.2	116.6	3.3	26.1	3.6	8.3			
Tires	-1.0	-12.7	0.6	2.9	-2.8	-16.2	-4.4			
ContiTech	8.6	-11.0	12.5	3.0	2.7	2.4	6.2			
<b>Continental Corporation</b>	<b>8.8</b>	<b>-3.5</b>	<b>46.9</b>	<b>2.5</b>	<b>10.3</b>	<b>-5.1</b>	<b>0.3</b>			

Note: IFRS 9 and IFRS 15 applied starting 2018.

## 7) Fact Sheets

### EBIT by Quarter

EBIT (€ mn)	2016					2017					2018				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Chassis & Safety	213.2	220.3	-107.4	254.7	580.8	238.9	227.4	200.0	231.4	897.7	252.9	218.2			
Powertrain	66.5	108.8	80.3	122.4	378.0	117.1	114.1	83.1	125.6	439.9	99.4	110.7			
Interior	160.1	172.9	51.3	183.5	567.8	185.7	196.3	168.5	198.7	749.2	184.5	215.6			
Tires	530.0	645.4	522.3	591.7	2,289.4	505.1	526.9	515.0	604.3	2,151.3	395.5	493.6			
ContiTech	98.7	126.7	88.0	85.8	399.2	117.1	95.4	109.5	120.2	442.2	121.9	111.5			
Other / Consolidation	-27.8	-24.5	-38.2	-28.9	-119.4	-28.8	-27.8	-38.6	-23.6	-118.8	-35.0	-30.6			
<b>Continental Corporation</b>	<b>1,040.7</b>	<b>1,249.6</b>	<b>596.3</b>	<b>1,209.2</b>	<b>4,095.8</b>	<b>1,135.1</b>	<b>1,132.3</b>	<b>1,037.5</b>	<b>1,256.6</b>	<b>4,561.5</b>	<b>1,019.2</b>	<b>1,119.0</b>			

EBIT margin in %	2016					2017					2018				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Chassis & Safety	9.7	9.8	-4.9	10.8	6.5	9.6	9.3	8.7	9.2	9.2	10.1	8.9			
Powertrain	3.7	5.9	4.5	6.5	5.2	5.8	5.9	4.6	6.6	5.7	5.1	5.5			
Interior	7.9	8.2	2.5	8.5	6.8	8.1	8.5	7.4	8.2	8.1	7.7	8.5			
Tires	21.1	24.0	19.3	21.1	21.4	18.3	18.7	18.3	20.6	19.0	15.0	17.6			
ContiTech	7.3	9.2	6.5	6.2	7.3	7.7	6.0	7.0	7.7	7.1	7.6	6.8			
<b>Continental Corporation</b>	<b>10.6</b>	<b>12.3</b>	<b>6.0</b>	<b>11.5</b>	<b>10.1</b>	<b>10.3</b>	<b>10.3</b>	<b>9.7</b>	<b>11.1</b>	<b>10.4</b>	<b>9.3</b>	<b>9.8</b>			

Changes Y-o-Y in %	2017					2018				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Chassis & Safety	12.1	3.2	286.2	-9.1	54.6	5.9	-4.0			
Powertrain	76.1	4.9	3.5	2.6	16.4	-15.1	-3.0			
Interior	16.0	13.5	228.5	8.3	31.9	-0.6	9.8			
Tires	-4.7	-18.4	-1.4	2.1	-6.0	-21.7	-6.3			
ContiTech	18.6	-24.7	24.4	40.1	10.8	4.1	16.9			
<b>Continental Corporation</b>	<b>9.1</b>	<b>-9.4</b>	<b>74.0</b>	<b>3.9</b>	<b>11.4</b>	<b>-10.2</b>	<b>-1.2</b>			

Note: IFRS 9 and IFRS 15 applied starting 2018.

## 7) Fact Sheets

### Adjusted EBIT<sup>1</sup> by Quarter

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

Adj. EBIT <sup>1</sup> margin in %
Chassis & Safety
Powertrain
Interior
Tires
ContiTech
<b>Continental Corporation</b>

Changes Y-o-Y in %
Chassis & Safety
Powertrain
Interior
Tires
ContiTech
<b>Continental Corporation</b>

2017					2018				
Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
238.9	227.4				252.9	218.2			
121.1	118.5				107.7	114.7			
197.3	207.7				202.1	228.0			
496.4	520.7				400.2	497.3			
139.0	120.3				131.0	133.7			
-28.8	-27.8				-35.0	-30.6			
<b>1,163.9</b>	<b>1,166.8</b>				<b>1,058.9</b>	<b>1,161.3</b>			

2017					2018				
Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
9.6	9.3				10.1	8.9			
6.0	6.1				5.5	5.7			
8.6	9.0				8.4	9.0			
18.0	18.5				15.2	17.8			
9.2	7.6				8.6	8.2			
<b>10.6</b>	<b>10.6</b>				<b>9.7</b>	<b>10.2</b>			

2018				
Q1	Q2	Q3	Q4	Year
5.9	-4.0			
-11.1	-3.2			
2.4	9.8			
-19.4	-4.5			
-5.8	11.1			
<b>-9.0</b>	<b>-0.5</b>			

<sup>1</sup> Before amortization of intangibles from PPA, consolidation and special effects.  
Note: IFRS 9 and IFRS 15 applied starting 2018.

## 7) Fact Sheets

### Consolidated Statement of Income

(€ mn)	2018 1 - 6	2017 1 - 6	2016 1 - 6	2018 Q2	2017 Q2	2016 Q2
<b>Sales</b>	<b>22,386.5</b>	<b>22,032.9</b>	<b>20,041.7</b>	<b>11,373.8</b>	<b>11,033.0</b>	<b>10,191.0</b>
Cost of sales	-16,656.8	-16,338.3	-14,609.2	-8,435.0	-8,203.1	-7,359.6
<b>Gross margin on sales</b>	<b>5,729.7</b>	<b>5,694.6</b>	<b>5,432.5</b>	<b>2,938.8</b>	<b>2,829.9</b>	<b>2,831.4</b>
Research and development expenses <sup>1</sup>	-2,103.9	-1,579.4	-1,442.9	-1,077.4	-798.7	-726.8
Selling and logistics expenses	-1,235.2	-1,208.9	-1,109.2	-627.0	-608.4	-561.2
Administrative expenses	-574.1	-596.4	-498.1	-287.0	-298.6	-254.4
Other expenses and income <sup>1</sup>	280.6	-78.8	-128.9	145.7	-14.4	-59.9
Income from at-equity accounted investees	40.6	36.1	36.6	25.5	22.3	20.2
Other income from investments	0.5	0.2	0.3	0.4	0.2	0.3
<b>Earnings before interest and tax</b>	<b>2,138.2</b>	<b>2,267.4</b>	<b>2,290.3</b>	<b>1,119.0</b>	<b>1,132.3</b>	<b>1,249.6</b>
Interest income	44.6	46.6	49.6	22.6	23.2	24.8
Interest expense	-155.7	-210.4	-98.2	-85.4	-103.4	-39.6
<b>Financial result</b>	<b>-111.1</b>	<b>-163.8</b>	<b>-48.6</b>	<b>-62.8</b>	<b>-80.2</b>	<b>-14.8</b>
<b>Earnings before tax</b>	<b>2,027.1</b>	<b>2,103.6</b>	<b>2,241.7</b>	<b>1,056.2</b>	<b>1,052.1</b>	<b>1,234.8</b>
Income tax expense	-439.8	-577.7	-567.1	-220.4	-290.7	-311.3
<b>Net income</b>	<b>1,587.3</b>	<b>1,525.9</b>	<b>1,674.6</b>	<b>835.8</b>	<b>761.4</b>	<b>923.5</b>
Non-controlling interests	-27.6	-30.9	-35.8	-13.7	-16.0	-18.6
<b>Net income attributable to the shareholders of the parent</b>	<b>1,559.7</b>	<b>1,495.0</b>	<b>1,638.8</b>	<b>822.1</b>	<b>745.4</b>	<b>904.9</b>
Basic earnings per share (in €)	7.80	7.48	8.19	4.11	3.73	4.52
Diluted earnings per share (in €)	7.80	7.48	8.19	4.11	3.73	4.52

<sup>1</sup> 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.

## 7) Fact Sheets

### Consolidated Statement of Financial Position – Assets

Assets in € millions	June 30, 2018	Dec. 31, 2017	June 30, 2017
Goodwill	7,019.2	7,010.1	6,865.9
Other intangible assets	1,510.3	1,607.3	1,550.4
Property, plant and equipment	11,423.9	11,202.1	10,674.2
Investment property	10.4	10.5	10.8
Investments in equity-accounted investees	461.0	414.8	392.9
Other investments	197.2	51.0	44.9
Deferred tax assets	1,531.2	1,517.2	1,762.1
Defined benefit assets	27.0	16.0	36.0
Long-term contract assets	0.0	n. a.	n. a.
Long-term derivative instruments and interest-bearing investments	21.5	113.3	42.8
Long-term other financial assets	85.5	68.8	65.0
Long-term other assets	25.3	27.3	25.3
<b>Non-current assets</b>	<b>22,312.5</b>	<b>22,038.4</b>	<b>21,470.3</b>
Inventories	4,547.2	4,128.2	4,238.6
Trade accounts receivable	8,359.4	7,669.3	7,926.4
Short-term contract assets	72.1	n. a.	n. a.
Short-term other financial assets <sup>1</sup>	348.1	297.0	295.1
Short-term other assets <sup>1</sup>	1,288.4	1,186.8	1,300.9
Income tax receivables	175.5	178.2	195.5
Short-term derivative instruments and interest-bearing investments	142.6	47.6	40.2
Cash and cash equivalents	2,131.5	1,881.5	1,806.4
Assets held for sale	2.0	13.5	3.0
<b>Current assets</b>	<b>17,066.8</b>	<b>15,402.1</b>	<b>15,806.1</b>
<b>Total assets</b>	<b>39,379.3</b>	<b>37,440.5</b>	<b>37,276.4</b>



<sup>1</sup> From the 2018 reporting year, the presentation of financial assets is made more transparent by reclassifying deferred costs from the sale of customer tooling from short-term other financial assets to short-term other assets among these items of the statement of financial position. The figures from the comparative periods have been adjusted accordingly.



## 7) Fact Sheets

### Consolidated Statement of Financial Position – Total Equity and Liabilities

Equity and liabilities in € millions	June 30, 2018	Dec. 31, 2017	June 30, 2017
Subscribed capital	512.0	512.0	512.0
Capital reserves	4,155.6	4,155.6	4,155.6
Retained earnings	14,359.7	13,669.3	12,179.7
Other comprehensive income	-2,455.7	-2,508.5	-2,110.4
<b>Equity attributable to the shareholders of the parent</b>	<b>16,571.6</b>	<b>15,828.4</b>	<b>14,736.9</b>
Non-controlling interests	466.0	461.9	447.8
<b>Total equity</b>	<b>17,037.6</b>	<b>16,290.3</b>	<b>15,184.7</b>
Long-term employee benefits	4,451.2	4,394.1	4,327.4
Deferred tax liabilities	354.0	348.5	430.9
Long-term provisions for other risks and obligations	163.9	139.6	189.3
Long-term indebtedness	1,460.8	2,017.8	2,762.4
Long-term other financial liabilities	35.3	36.1	40.5
Long-term contract liabilities	15.0	n. a.	n. a.
Long-term other liabilities	15.1	25.4	15.0
<b>Non-current liabilities</b>	<b>6,495.3</b>	<b>6,961.5</b>	<b>7,765.5</b>
Short-term employee benefits	1,364.9	1,490.6	1,292.1
Trade accounts payable	6,889.4	6,798.5	6,608.6
Short-term contract liabilities	1,081.5	n. a.	n. a.
Income tax payables	899.9	889.7	835.7
Short-term provisions for other risks and obligations	866.3	943.0	976.7
Short-term indebtedness	3,692.9	2,072.2	2,595.6
Short-term other financial liabilities	335.7	1,276.8	1,208.3
Short-term other liabilities	715.8	717.9	809.2
<b>Current liabilities</b>	<b>15,846.4</b>	<b>14,188.7</b>	<b>14,326.2</b>
<b>Total equity and liabilities</b>	<b>39,379.3</b>	<b>37,440.5</b>	<b>37,276.4</b>

## 7) Fact Sheets

### Consolidated Statement of Cash Flows

Consolidated Statement of Cash Flows in € millions	January 1 to June 30		Second Quarter	
	2018	2017	2018	2017
<b>Net income</b>	<b>1,587.3</b>	<b>1,525.9</b>	<b>835.8</b>	<b>761.4</b>
Income tax expense	439.8	577.7	220.4	290.7
Financial result	111.1	163.8	62.8	80.2
<b>EBIT</b>	<b>2,138.2</b>	<b>2,267.4</b>	<b>1,119.0</b>	<b>1,132.3</b>
Interest paid	-41.0	-61.3	-12.8	-13.7
Interest received	15.9	13.5	8.3	6.7
Income tax paid	-450.1	-597.9	-259.8	-337.6
Dividends received	15.6	21.0	0.4	10.8
Depreciation, amortization, impairment and reversal of impairment losses	1,074.2	1,023.5	538.4	520.1
Income from equity-accounted investees and other investments, incl. impairment and reversal of impairment losses	-41.1	-36.3	-25.9	-22.5
Gains/losses from the disposal of assets, companies and business operations	-8.9	-23.5	-2.2	-5.4
Changes in				
inventories	-402.5	-505.1	-148.2	-256.5
trade accounts receivable	-518.4	-703.1	22.1	176.4
trade accounts payable	85.2	439.6	114.7	-8.8
employee benefits and other provisions	-154.8	-93.6	-426.9	-432.1
other assets and liabilities	-244.8	-39.4	-93.7	70.8
<b>Cash flow arising from operating activities</b>	<b>1,467.5</b>	<b>1,704.8</b>	<b>833.4</b>	<b>840.5</b>
Cash flow from the disposal of property, plant and equipment, and intangible assets	35.8	23.7	10.9	10.3
Capital expenditure on property, plant and equipment, and software	-1,174.4	-1,158.1	-715.0	-655.4
Capital expenditure on intangible assets from development projects and miscellaneous	-32.5	-59.9	-18.8	-29.6
Cash flow from the disposal of companies and business operations	-0.2	20.2	-0.2	1.1
Acquisition of companies and business operations	-173.8	-238.9	-28.8	-8.1
<b>Cash flow arising from investing activities</b>	<b>-1,345.1</b>	<b>-1,413.0</b>	<b>-751.9</b>	<b>-681.7</b>
<b>Cash flow before financing activities (free cash flow)</b>	<b>122.4</b>	<b>291.8</b>	<b>81.5</b>	<b>158.8</b>
Change in indebtedness	1,064.2	345.6	676.5	707.3
Successive purchases	-2.6	-0.8	0.0	-0.2
Dividends paid	-900.0	-850.0	-900.0	-850.0
Dividends paid to and cash changes from equity transactions with non-controlling interests	-27.5	-26.9	-21.1	-26.5
Cash and cash equivalents arising from first-time consolidation of subsidiaries	0.5	0.6	0.5	—
<b>Cash flow arising from financing activities</b>	<b>134.6</b>	<b>-531.5</b>	<b>-244.1</b>	<b>-169.4</b>
<b>Change in cash and cash equivalents</b>	<b>257.0</b>	<b>-239.7</b>	<b>-162.6</b>	<b>-10.6</b>
Cash and cash equivalents at the beginning of the reporting period	1,881.5	2,107.0	2,288.6	1,895.7
Effect of exchange-rate changes on cash and cash equivalents	-7.0	-60.9	5.5	-78.7
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>2,131.5</b>	<b>1,806.4</b>	<b>2,131.5</b>	<b>1,806.4</b>

## 7) Fact Sheets

### H1 2018 Results Reported and Adjusted (€ mn) – by Division

	Chassis & Safety		Powertrain		Interior		Tires		ContiTech		Cons./Corr.		Corporation	
	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
<b>Sales</b>	4,935.2	4,966.4	3,950.3	3,970.8	4,612.3	4,941.0	5,572.0	5,437.1	3,108.9	3,231.6	-145.8	-160.4	22,032.9	22,386.5
<b>EBIT</b> in % of sales	466.3 9.4%	471.1 9.5%	231.2 5.9%	210.1 5.3%	382.0 8.3%	400.1 8.1%	1,032.0 18.5%	889.1 16.4%	212.5 6.8%	233.4 7.2%	-56.6	-65.6	2,267.4 10.3%	2,138.2 9.6%
<b>Amortization of intangible assets from PPA</b>	0.0	0.0	6.0	5.9	23.0	25.4	9.6	8.8	46.9	44.8	0.0	0.0	85.5	84.9
<b>Total special effects</b>	0.0	0.0	2.4	6.4	0.0	-5.6	-24.5	0.0	0.0	0.2	0.0	0.0	-22.1	1.0
<b>Total consolidation effects</b>	0.0	0.0	0.0	0.0	0.0	10.2	0.0	-0.4	-0.1	-13.7	0.0	0.0	-0.1	-3.9
<b>Total consolidation &amp; special effects</b>	0.0	0.0	2.4	6.4	0.0	4.6	-24.5	-0.4	-0.1	-13.5	0.0	0.0	-22.2	-2.9
<b>Adjusted operating result (adj. EBIT) <sup>1</sup></b> in % of adjusted sales	466.3 9.4%	471.1 9.5%	239.6 6.1%	222.4 5.6%	405.0 8.8%	430.1 8.7%	1,017.1 18.3%	897.5 16.5%	259.3 8.4%	264.7 8.4%	-56.6	-65.6	2,330.7 10.6%	2,220.2 10.0%

<sup>1</sup> Before amortization of intangibles from PPA, consolidation and special effects.  
Note: IFRS 9 and IFRS 15 applied starting 2018.

## 7) Fact Sheets

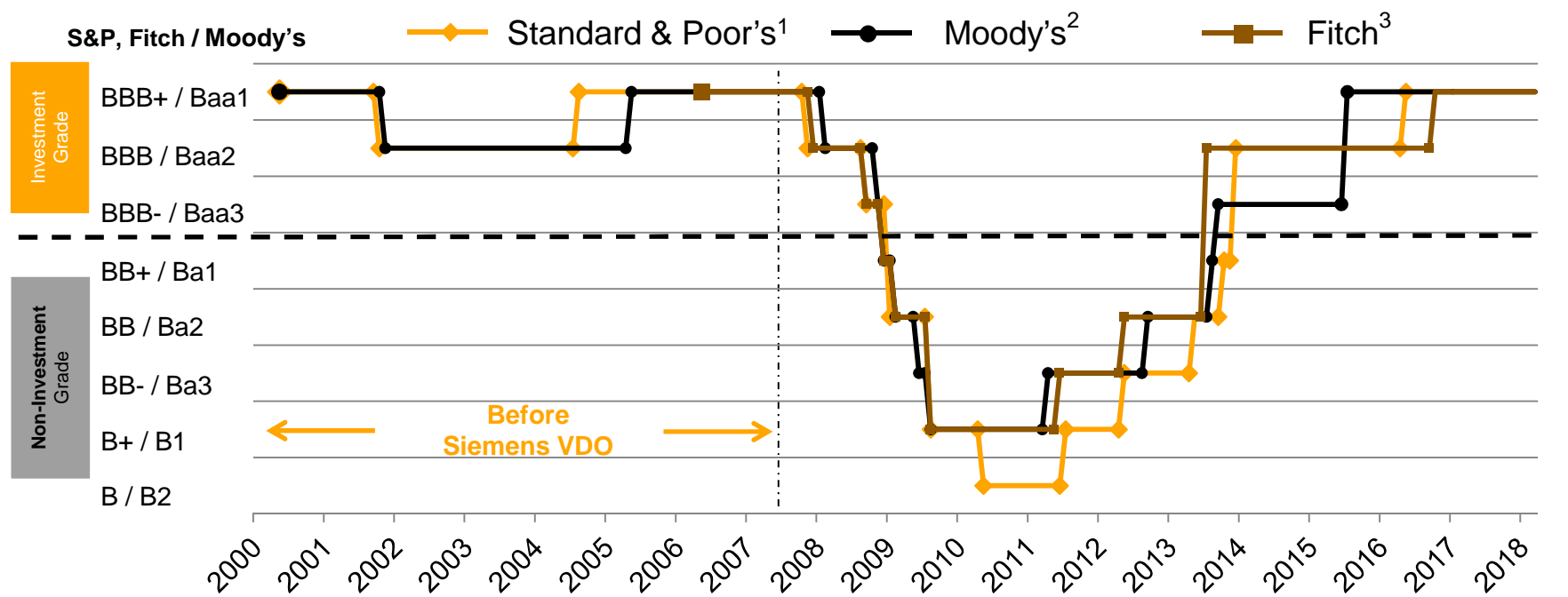
### H1 2018 Results Reported and Adjusted (€ mn) – by Group

	Q2 2017/2018								YTD January - June 2017/2018							
	Automotive		Rubber		Cons./Corr.		Corporation		Automotive		Rubber		Cons./Corr.		Corporation	
	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
<b>Sales</b>	6,661.4	6,978.3	4,381.8	4,409.6	-10.2	-14.1	11,033.0	11,373.8	13,415.4	13,792.2	8,642.2	8,621.8	-24.7	-27.5	22,032.9	22,386.5
<b>EBIT</b>	537.8	544.5	622.3	605.1	-27.8	-30.6	1,132.3	1,119.0	1,079.5	1,081.3	1,244.5	1,122.5	-56.6	-65.6	2,267.4	2,138.2
in % of sales	8.1%	7.8%	14.2%	13.7%			10.3%	9.8%	8.0%	7.8%	14.4%	13.0%			10.3%	9.6%
<b>Amortization of intangible assets from PPA</b>	14.4	15.8	29.9	26.9	0.0	0.0	44.3	42.7	29.0	31.3	56.5	53.6	0.0	0.0	85.5	84.9
<b>Total special effects</b>	1.4	-4.8	-11.1	0.2	0.0	0.0	-9.7	-4.6	2.4	0.8	-24.5	0.2	0.0	0.0	-22.1	1.0
<b>Total consolidation effects</b>	0.0	5.4	-0.1	-1.2	0.0	0.0	-0.1	4.2	0.0	10.2	-0.1	-14.1	0.0	0.0	-0.1	-3.9
<b>Total consolidation &amp; special effects</b>	1.4	0.6	-11.2	-1.0	0.0	0.0	-9.8	-0.4	2.4	11.0	-24.6	-13.9	0.0	0.0	-22.2	-2.9
<b>Adjusted operating result (adj. EBIT) <sup>1</sup></b>	553.6	560.9	641.0	631.0	-27.8	-30.6	1,166.8	1,161.3	1,110.9	1,123.6	1,276.4	1,162.2	-56.6	-65.6	2,330.7	2,220.2
in % of adjusted sales	8.3%	8.0%	14.6%	14.3%			10.6%	10.2%	8.3%	8.1%	14.8%	13.6%			10.6%	10.0%

<sup>1</sup> Before amortization of intangibles from PPA, consolidation and special effects.  
Note: IFRS 9 and IFRS 15 applied starting 2018.

## 7) Fact Sheets

### Continental's Credit Rating



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

<sup>2</sup> Non-contracted rating since February 1, 2014.

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

## References

### Useful Links

Continental Investor Relations website	<a href="http://www.continental-ir.com">www.continental-ir.com</a>
Annual and interim reports	<a href="http://www.continental-corporation.com/en/investors/reports">www.continental-corporation.com/en/investors/reports</a>
2017 Fact Book (Investor presentation)	<a href="http://www.continental-corporation.com/en/investors/reports">www.continental-corporation.com/en/investors/reports</a>
Investor Relations events and presentations	<a href="http://www.continental-corporation.com/en/investors/events/presentations">www.continental-corporation.com/en/investors/events/presentations</a>
Sustainability at Continental (presentations for investors)	<a href="http://www.continental-corporation.com/en/sustainability/downloads">www.continental-corporation.com/en/sustainability/downloads</a>
Corporate Social Responsibility	<a href="http://www.continental-sustainability.com">www.continental-sustainability.com</a>
Corporate Governance Principles	<a href="http://www.continental-corporation.com/en/company/corporate-governance/principles-and-declarations">www.continental-corporation.com/en/company/corporate-governance/principles-and-declarations</a>
Continental shares	<a href="http://www.continental-corporation.com/en/investors/share">www.continental-corporation.com/en/investors/share</a>
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