



Q1 2018 Results

Hanover – May 8, 2018

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

Wolfgang Schaefer – CFO

Agenda

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1) Corporation Highlights

Most Important KPIs for Q1 2018

- › **Sales slightly up to €11.0 bn**; organic sales growth at 4.3%; FX negative at €546 mn
- › **Adj. EBIT¹ down by 9% to €1.1 bn**; adj. EBIT¹ margin at 9.7% (PPA² -€42 mn and special effects -€6 mn)
- › **NIAT³ amounted to €738 mn, down by 2%**
- › **Free cash flow amounted to €41 mn**
Free cash flow before acquisitions amounted to €186 mn
- › **Gearing ratio improved to 12% and equity ratio to 44%**
- › Value creation: **trailing ROCE⁴ down to 19.8%**
- › **Other topics:**
 - › Order intake in the Automotive Group increased to €11 bn in Q1 2018
 - › Change in outlook announced on April 18, 2018

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

1) Corporation Highlights

Divisional Highlights for Q1 2018

Automotive Group

- › **Automotive Group:** Organic sales increased by 5.5%; exceeding global car production by about 7%-points; adj. EBIT¹ margin at 8.3% (PY: 8.3%)
 - › **Chassis & Safety:** 10.1% adj. EBIT¹ margin (PY: 9.6%); organic sales at 6.0%; ADAS unit sales up by 37%
 - › **Powertrain:** 5.5% adj. EBIT¹ margin (PY: 6.0%); organic sales up by 1.5%; adj. EBIT¹ margin before HEV at >9%
 - › **Interior:** 8.4% adj. EBIT¹ margin (PY: 8.6%); organic sales increased by 8.5% again driven by strong demand for multimedia and connectivity products

Rubber Group

- › **Rubber Group:** Organic sales up by 2.3% and adj. EBIT¹ margin down to 12.9% (PY: 14.9%), negatively impacted by FX and some inventory revaluation effects
 - › **Tires:** Adj. EBIT¹ margin down to 15.2% (PY: 18.0%); volumes down by 3%; solid *price mix* at 4%; *FX* impacted tire sales negatively by 5.5%; organic sales up by 1.0%
 - › **Tire markets:** PC & LT tire replacement demand in Europe was down by 1% and North America by 2%
 - › **ContiTech:** Adj. EBIT¹ margin decreased by 60 bps to 8.6% (PY: 9.2%); organic sales up by 5.1% driven by the Conveyor Belt Group and Industrial Fluid Systems which recovered from depressed levels

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

1) Corporation Highlights

Selected Recent Press Clippings



Continental and NVIDIA Partner to Enable Worldwide Production of Artificial Intelligence Self-Driving Cars

Continental and NVIDIA announced that they are partnering to create **Artificial Intelligence (AI) self-driving vehicle systems** based on the NVIDIA DRIVE™ platform, with a planned market introduction in 2021 for level 3 automated driving features.

[Go to press release](#)

Continental and GIZ Committed to Sustainability in the Natural Rubber Supply Chain

Continental and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH are joining forces in a development partnership to **improve the sustainability of the natural rubber supply chain** in Indonesia.



[Go to press release](#)



Continental Supplies System Solutions for Smooth Goods Turnover

Continental products are an indispensable part of its logistics centers. They range from conveyor belts and timing belts for automated storage and retrieval systems through to lines, power transmission technology and vibration dampers in forklift trucks.

[Go to press release](#)

Continental and CITC Establish Joint Venture for Production of 48-Volt Battery Systems

Continental and Chinese automotive supplier and battery manufacturer CITC (Sichuan Chengfei Integration Technology Co., Ltd.) will, through their respective subsidiaries, establish a **joint venture for the development and production of 48-volt battery systems** for the automotive industry.



[Go to press release](#)



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Continental Wins 2018 Automotive News PACE and Innovation Partnership Awards

Continental won a 2018 Automotive News PACE (Premier Automotive Suppliers' Contribution to Excellence) **Award for its Digital Micromirror Head-Up Display technology**. Audi and Continental were also presented with an Innovation Partnership Award for the Safety Domain Control Unit (SDCU).

Continental Scores Highest Rating Awarded in ADAC All-Season Tire Test

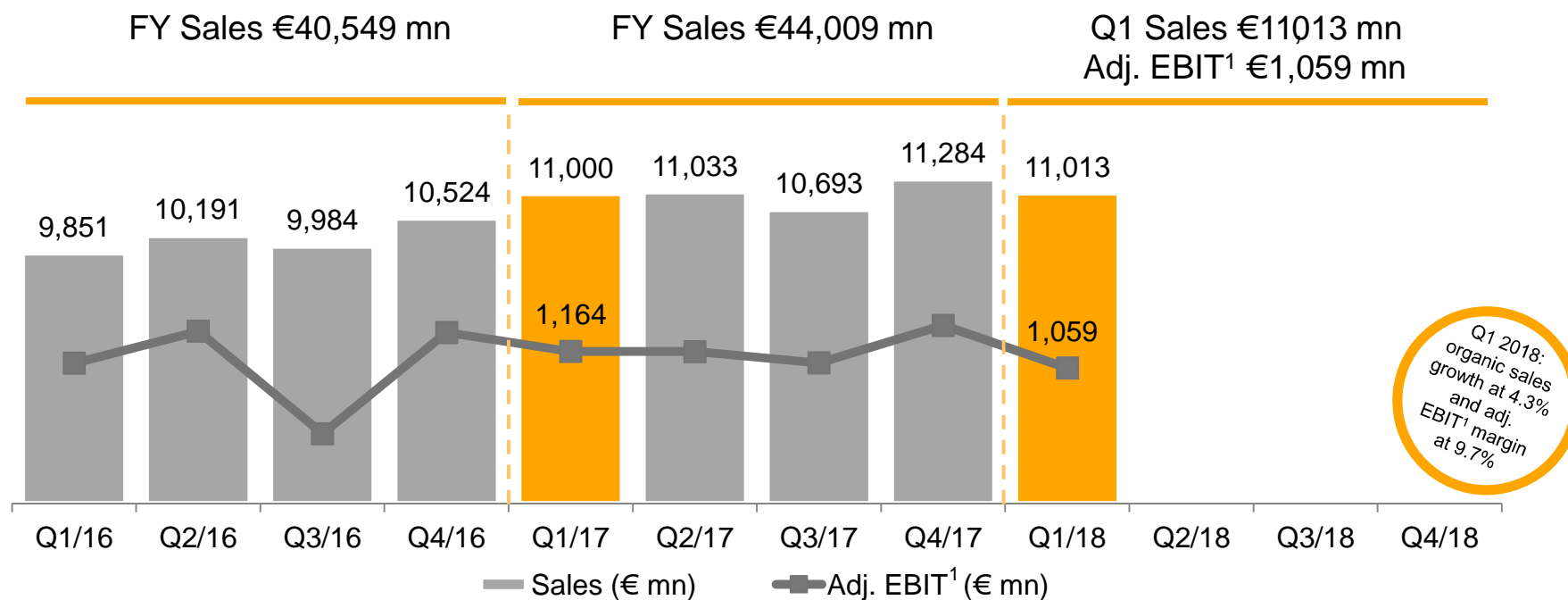
AllSeasonContact tire from Continental "good in the wet and on snow; top marks for fuel economy". ADAC: "Summer and winter tires are as important as ever in terms of safe driving"



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1) Corporation Highlights

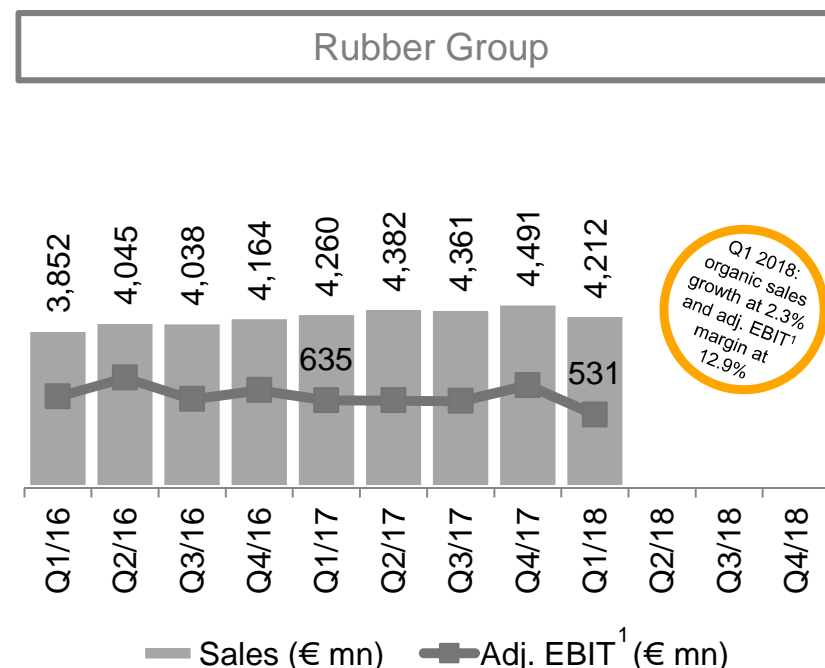
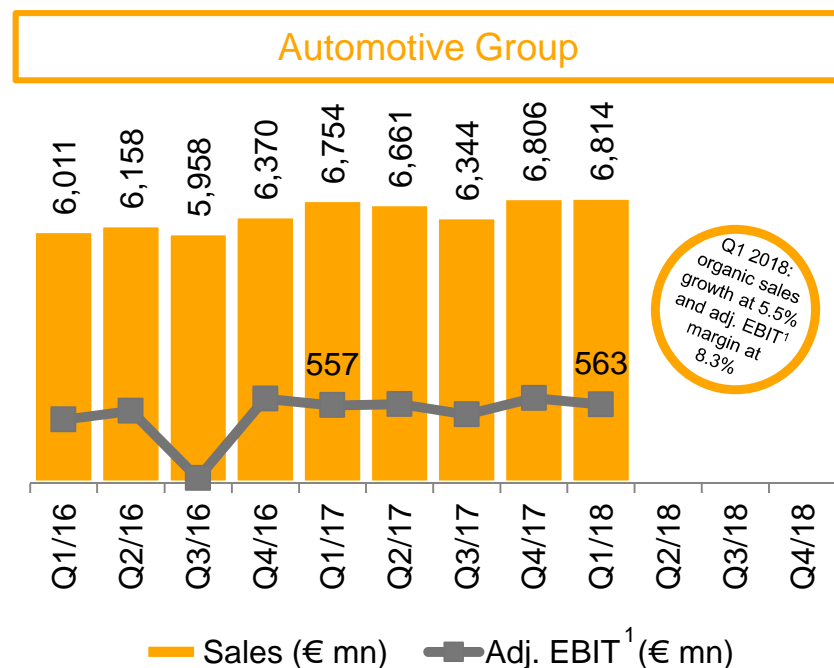
Sales and Adjusted EBIT¹ by Quarter



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

1) Corporation Highlights

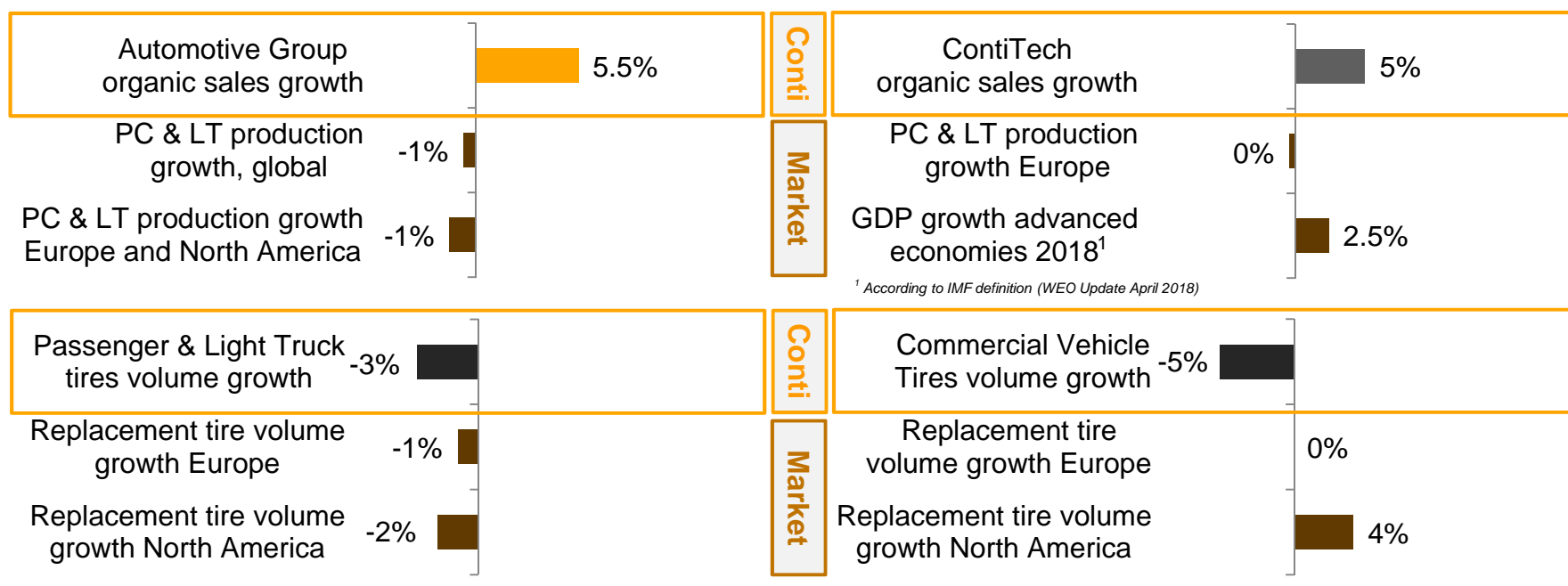
Automotive Group and Rubber Group by Quarter



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

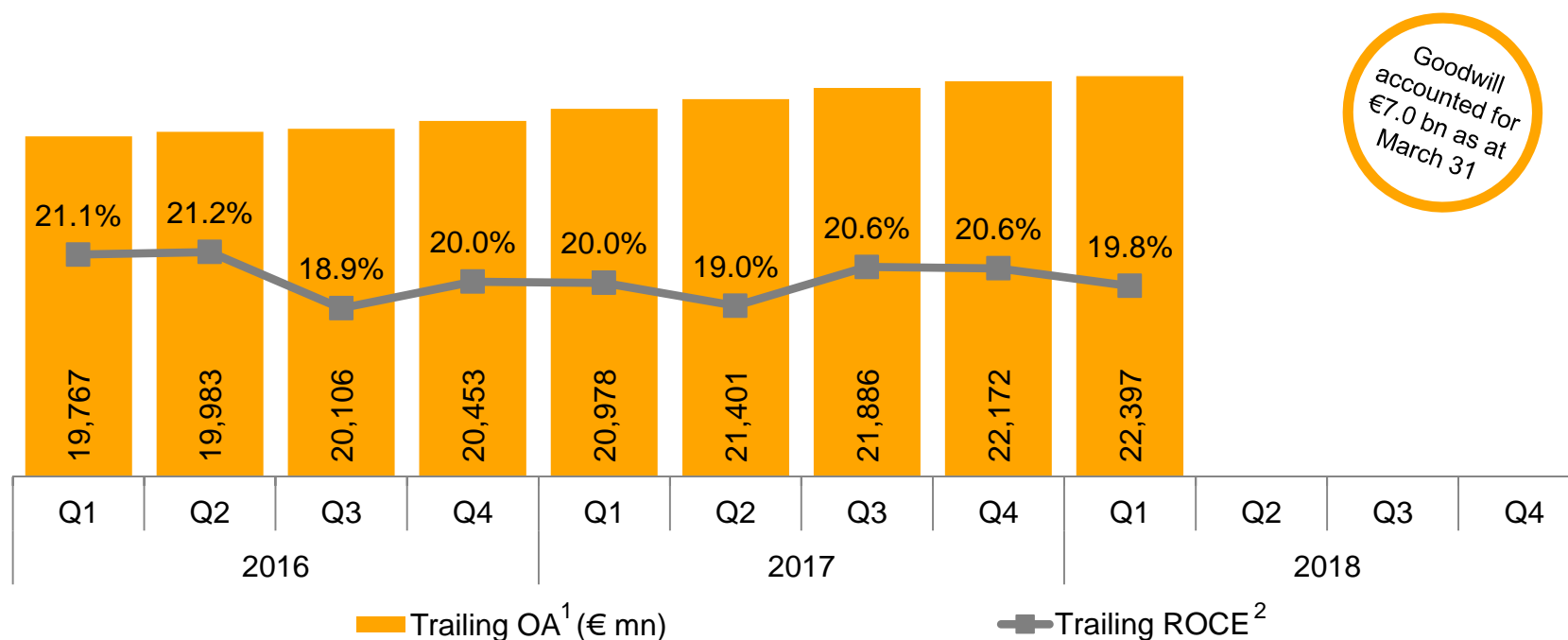
1) Corporation Highlights

Growth Profile of the Corporation Q1 2018



1) Corporation Highlights

Sustainable Value Creation



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

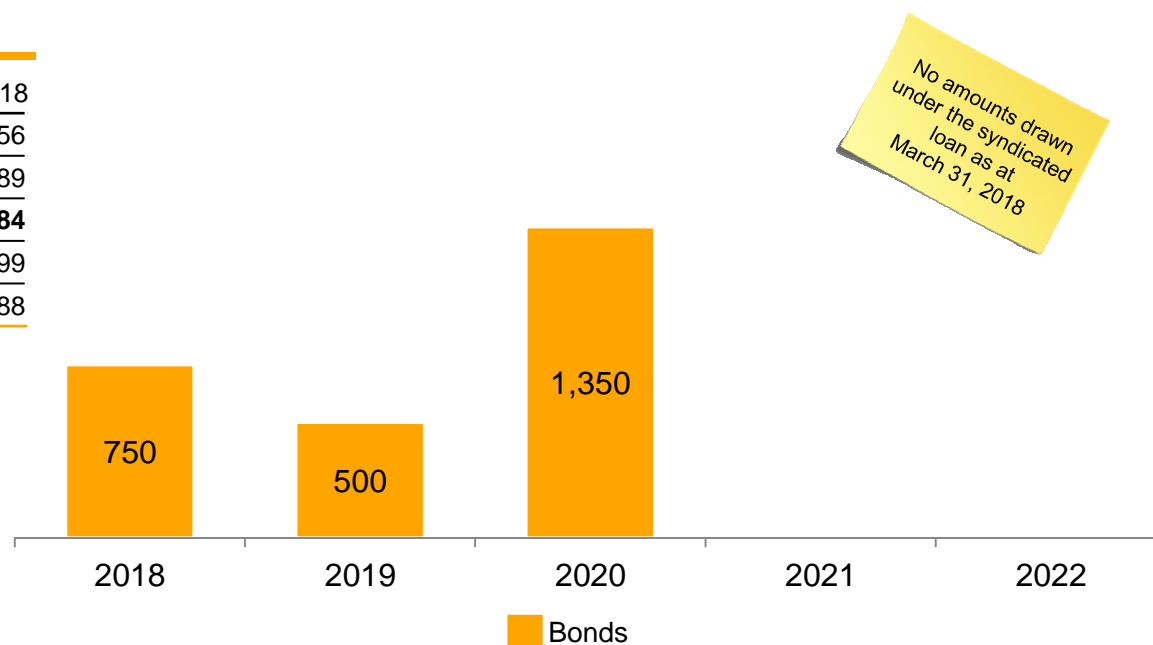
² Trailing ROCE is calculated as reported EBIT for the last twelve months (LTM) divided by trailing operating assets

1) Corporation Highlights

Maturities for Bonds¹ (€ mn)

As at March 31, 2018

(€ mn)	FY 17	Q1 18
Gross indebtedness	4,090	4,456
Cash	1,882	2,289
Net indebtedness	2,048	1,984
Available credit lines	3,687	3,599
Total liquidity	5,568	5,888

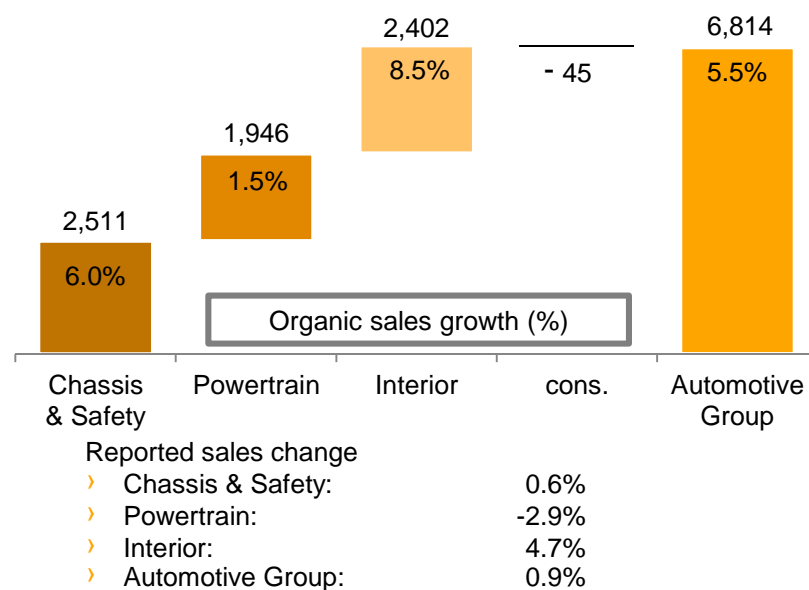


¹ All amounts shown are nominal values

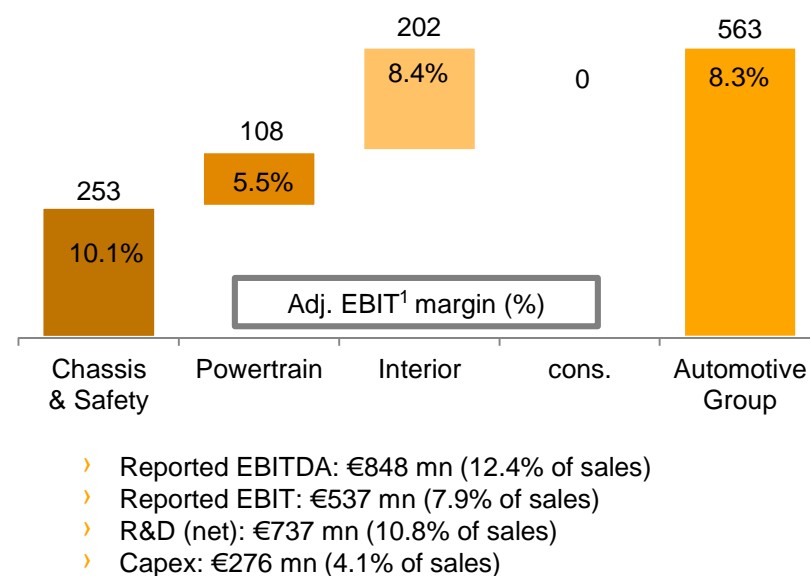
2) Automotive Group

Sales and Adjusted EBIT¹ by Division

Automotive Group Sales (€ mn) Q1 2018



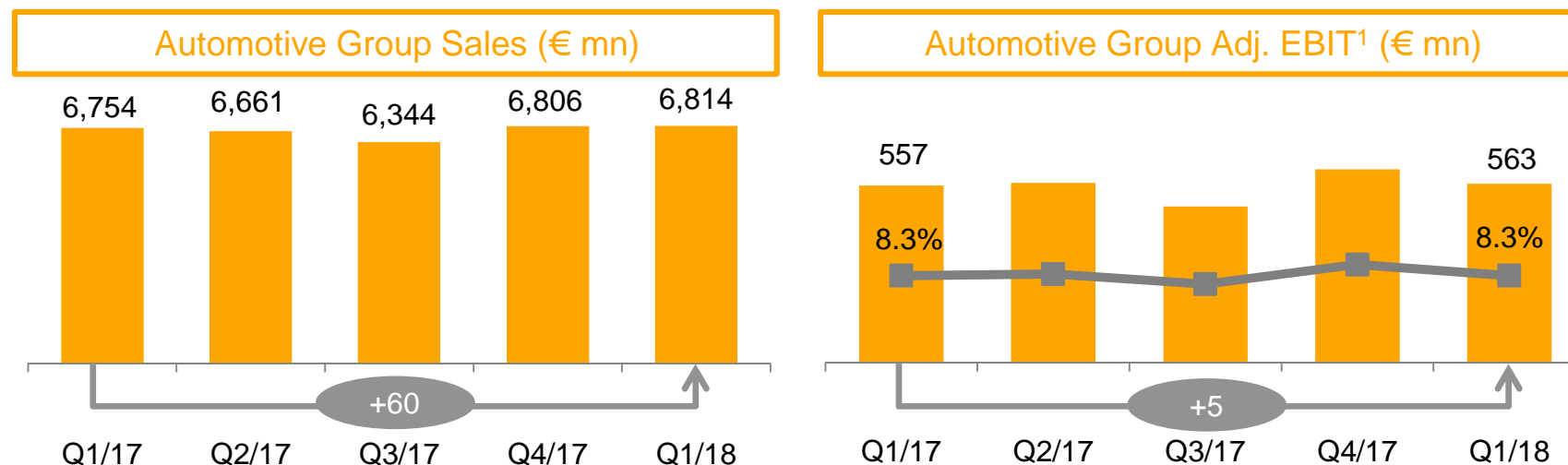
Automotive Group Adj. EBIT¹ (€ mn) Q1 2018



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

2) Automotive Group

Q1 2018: Sales and Profits Up



- › Sales increased by €60 mn; organic sales growth in Q1 2018 at 5.5%
- › Adj. EBIT¹ increased by €5 mn; operating leverage² amounted to 9%
- › Adj. EBIT¹ margin at 8.3% (PY: 8.3%)

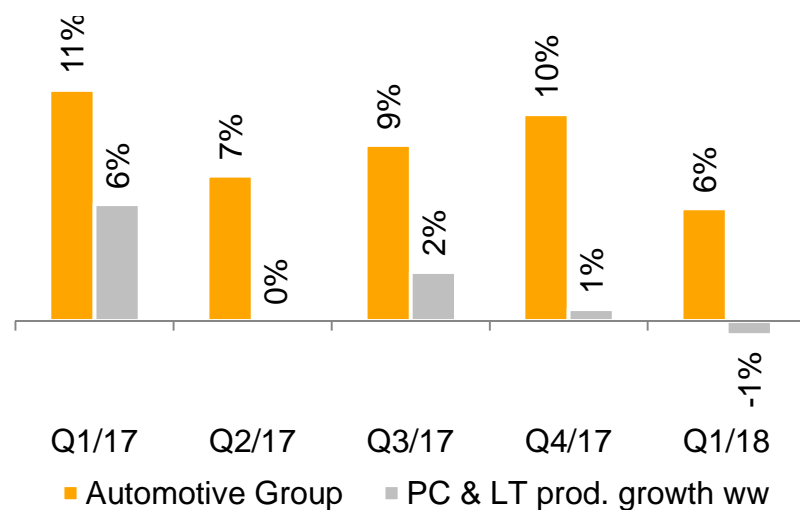
¹ Before amortization of intangibles from PPA, consolidation and special effects

² Operating leverage is defined as delta adj. EBIT¹ divided by delta adjusted sales

2) Automotive Group

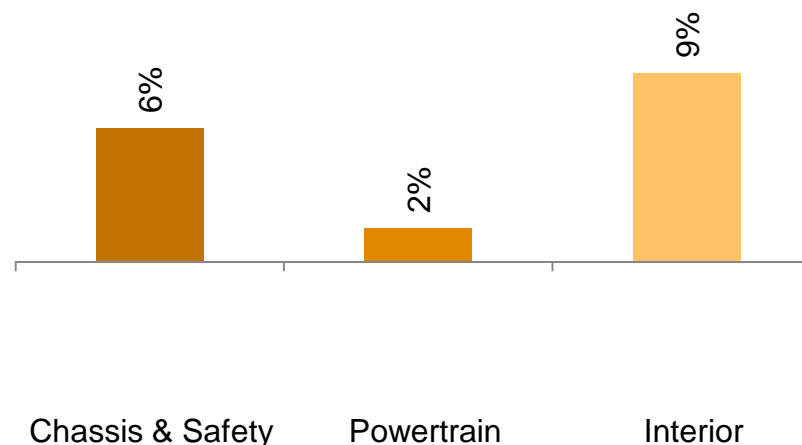
7%-Points Growth above Market in Q1 2018

Growth of organic sales vs. PC & LT¹ production



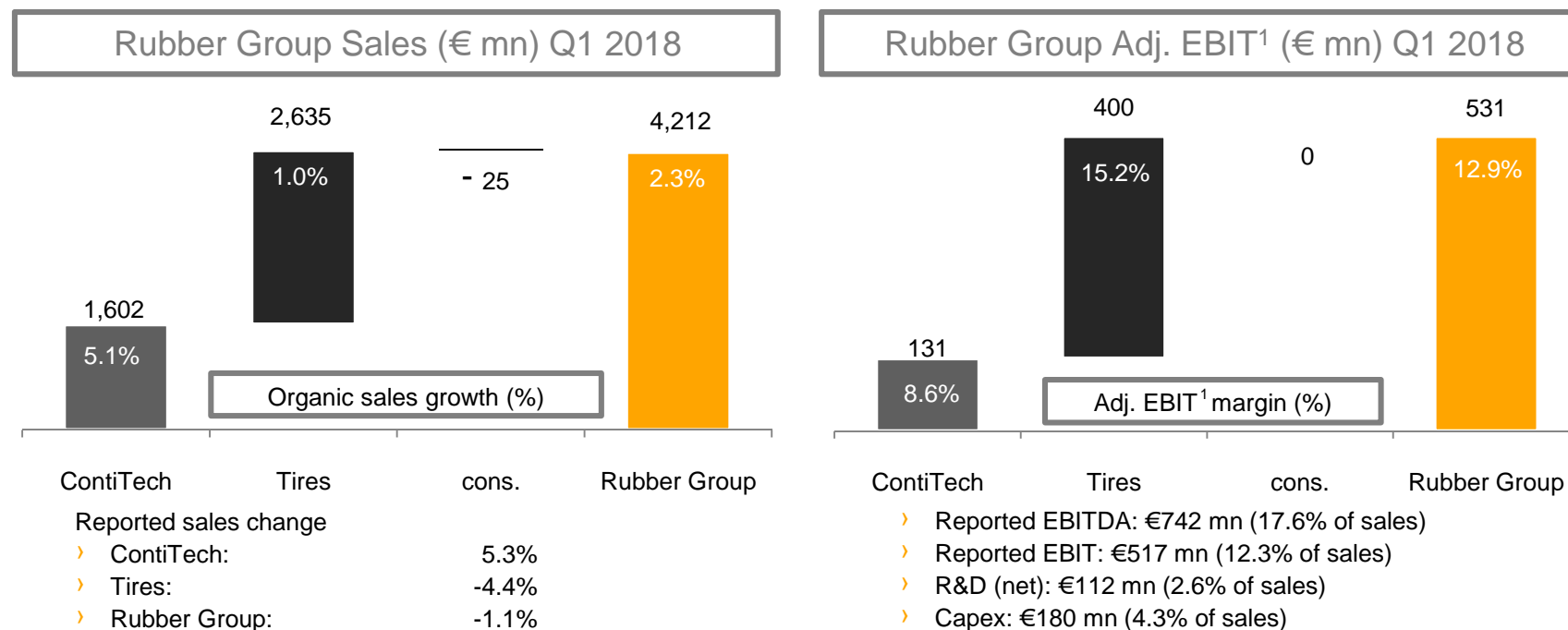
¹ Passenger car and light truck <6t

Organic sales growth by division in Q1 2018



3) Rubber Group

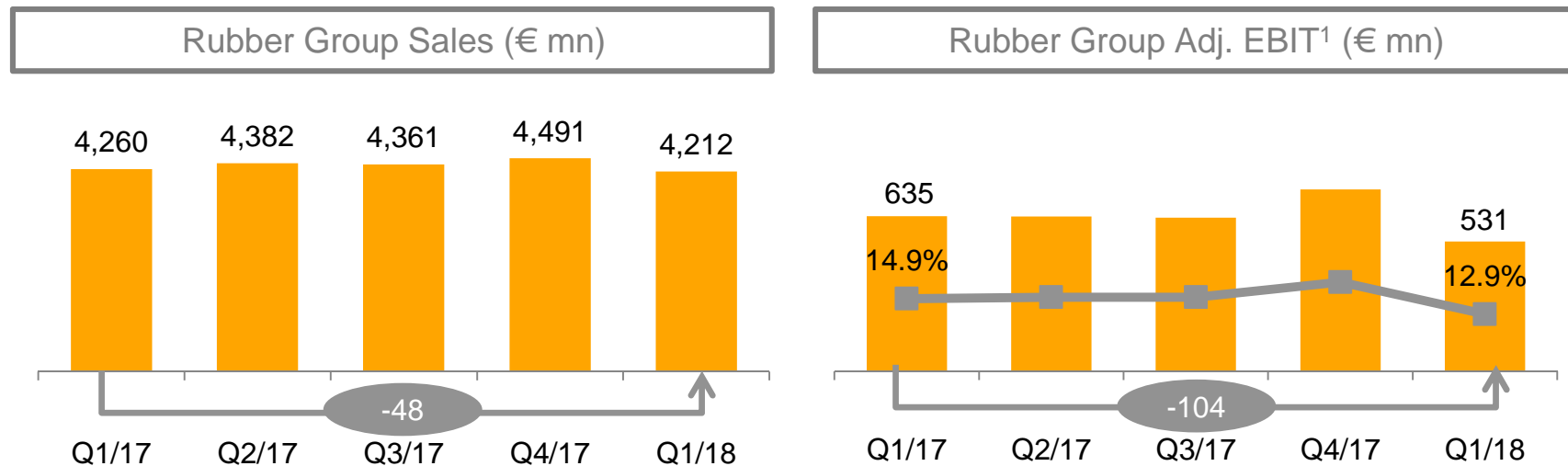
Sales and Adjusted EBIT¹ by Division



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

3) Rubber Group

Q1 2018 Impacted by FX and Inventory Revaluation

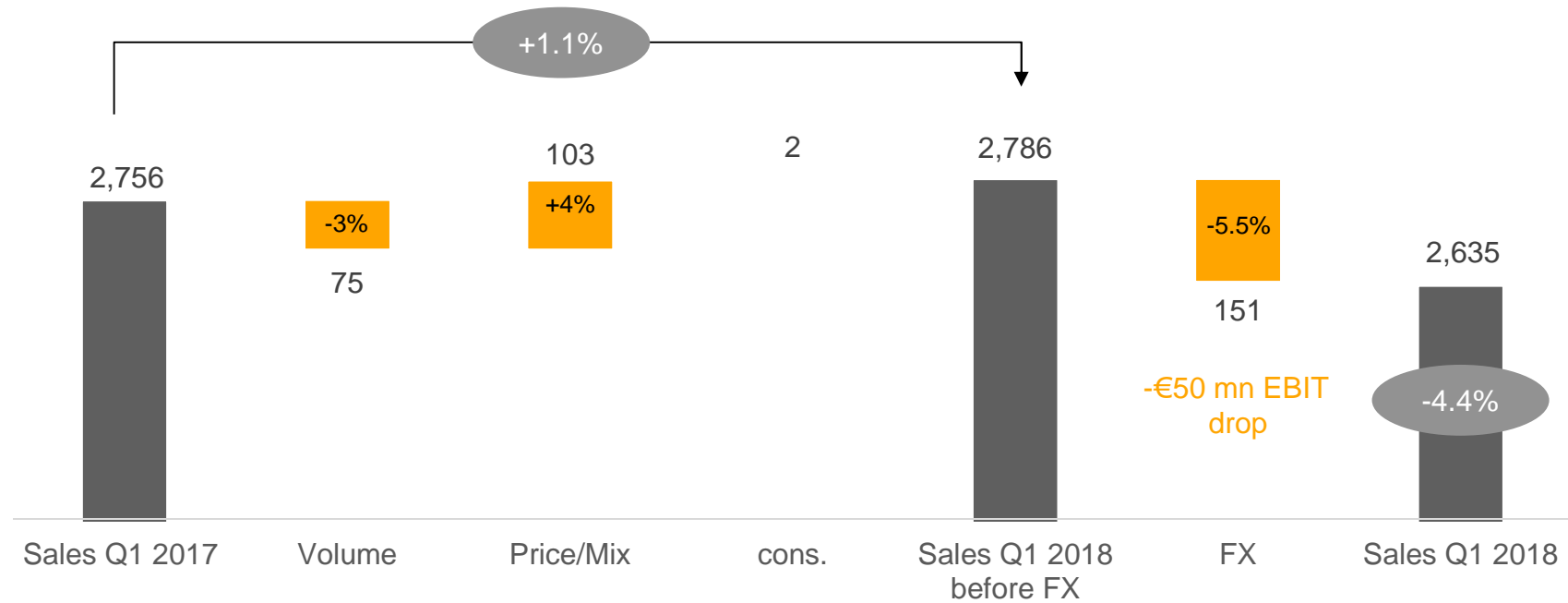


- › Sales decreased by €48 mn mainly due to unfavorable FX development; organic sales growth in Q1 2018 at 2.3%
- › Adj. EBIT¹ decreased by €104 mn mainly due to negative FX effects and some inventory revaluation
- › Adj. EBIT¹ margin at 12.9% (PY: 14.9%)

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

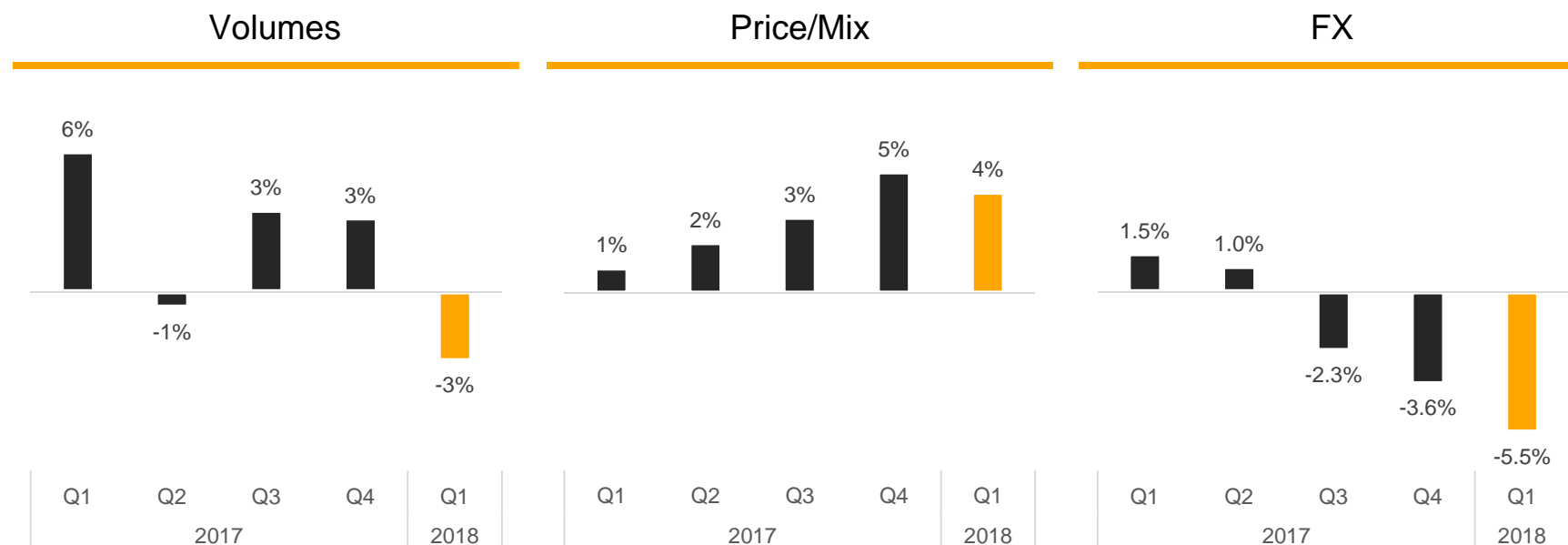
3) Rubber Group

Tires Sales Bridge (€ mn) Q1 2018



3) Rubber Group

Tires: Q1 2018 Solid Price/Mix Development Continued in 2018

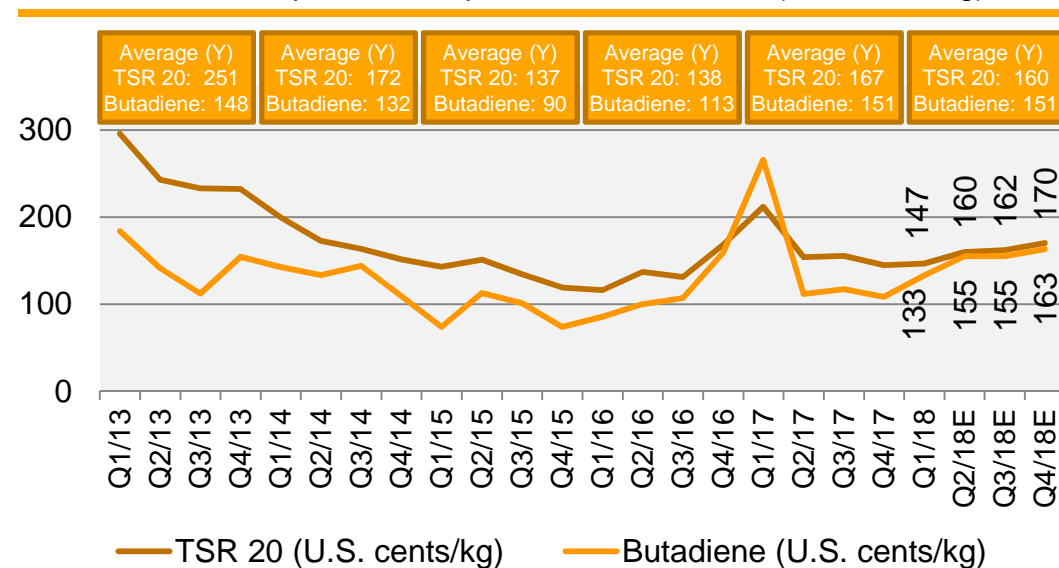


3) Rubber Group

Expected Raw Material Price Development in 2018

- › Natural rubber price (TSR 20) is expected to decline by 4%
- › Synthetic rubber price (butadiene feedstock) is forecast to stay stable
- › Prices for carbon black and chemicals are forecast to rise by at least 10%
- › Based on these assumptions, costs of raw materials are expected to have limited impact in 2018

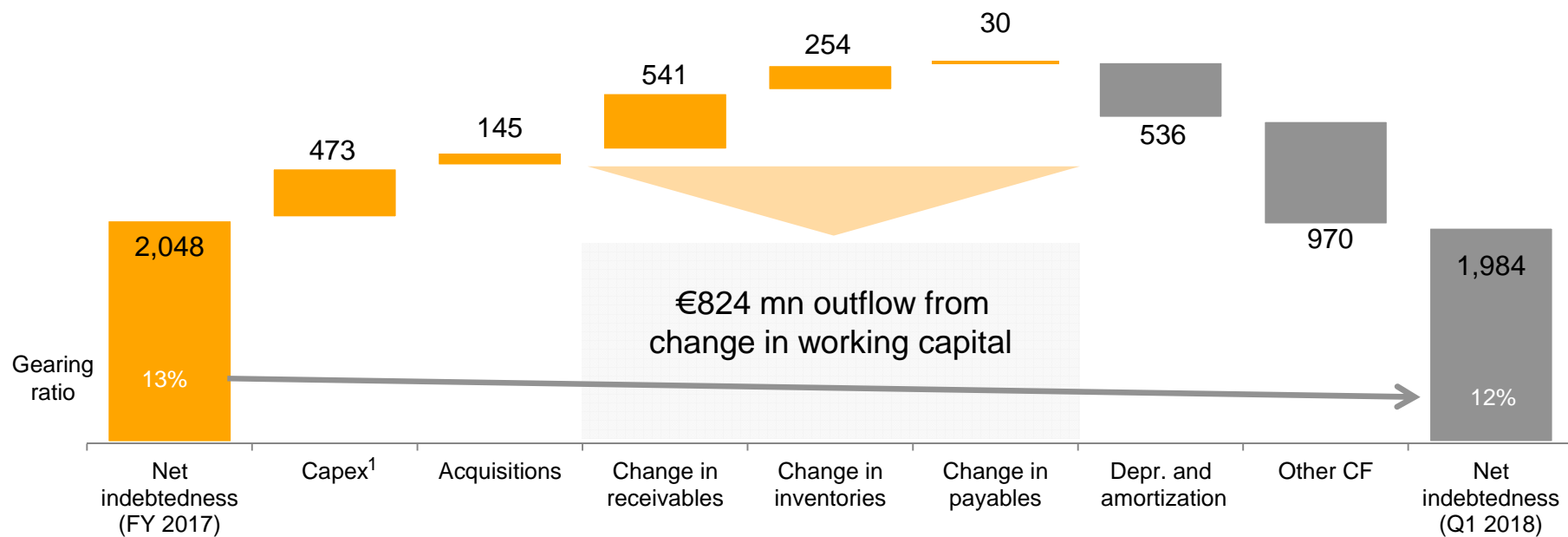
Raw material price development¹ 2013 - 2018E (U.S. cents/kg)



¹ Source: Bloomberg and Continental estimates for 2018

4) Indebtedness and Cash Flow

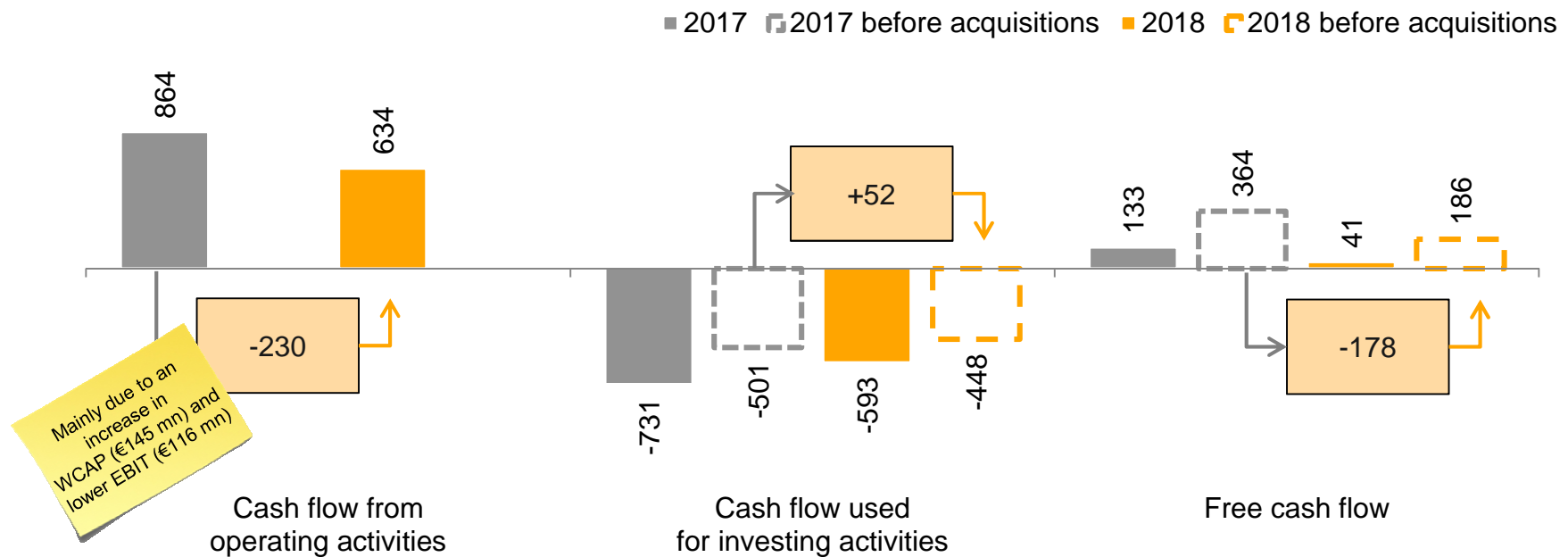
Net Indebtedness Bridge (€ mn)



¹ According to cash flow statement including intangible assets

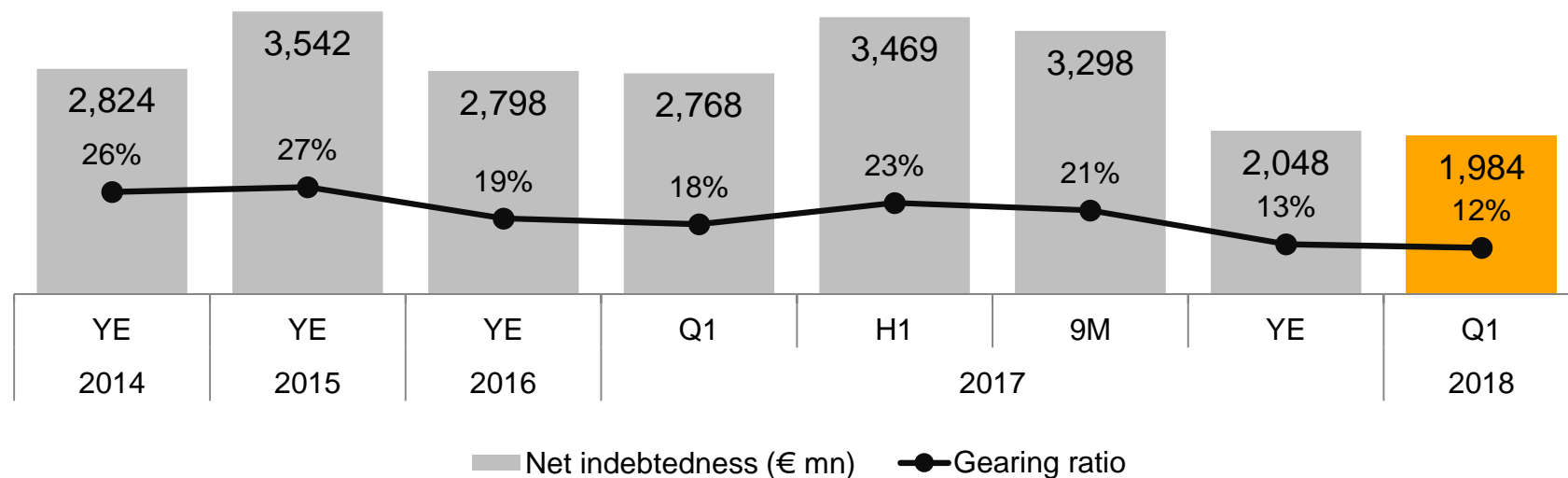
4) Indebtedness and Cash Flow

Free Cash Flow Before Acquisitions (€ mn) in Q1 2018



4) Indebtedness and Cash Flow

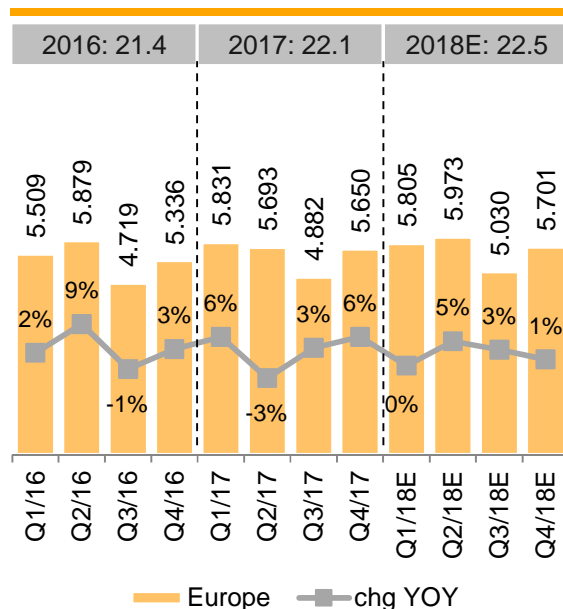
Net Indebtedness and Gearing Ratio



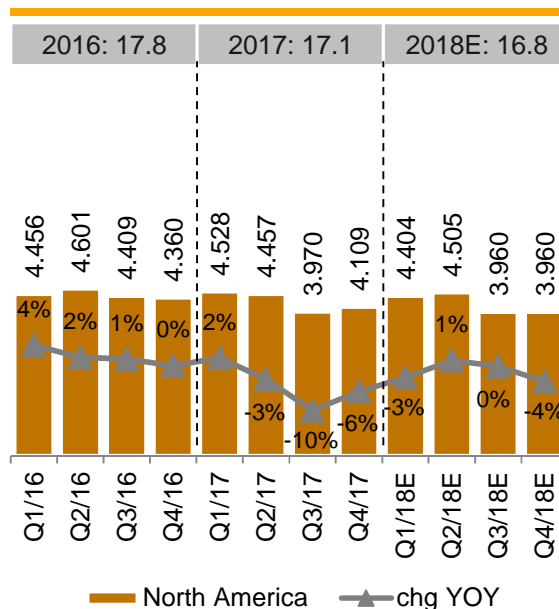
5) Outlook 2018

PC & LT Production by Quarter¹

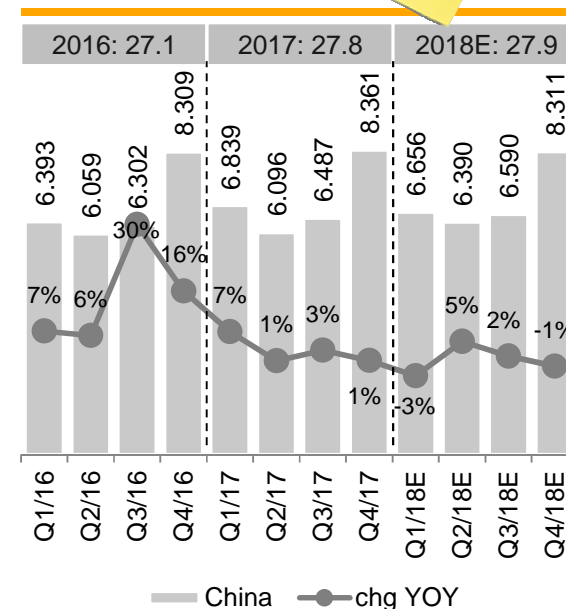
Europe (mn units)



North America (mn units)



China (mn units)



Global car production was down **1%** in Q1 2018
We expect global car production to increase by **about 4%** in Q2 2018

¹ Source: IHS until 2017 and own estimates, Europe excluding Kazakhstan and Uzbekistan

5) Outlook 2018

Market Outlook

PC & LT¹ Production (mn units)

Worldwide production to increase more than 1%		2017	2018E	Chg.
	Europe	22.1	22.5	+2%
	North America	17.1	16.8	-2%
	South America	3.3	3.6	+8%
	Asia	51.5	52.5	+2%

IHS and own estimates

PC & LT¹ Replacement Tire Market (mn units)

Worldwide replacement tire market to increase by 3%		2017	2018E	Chg.
	Europe	351	358	+2%
	North America	285	290	+2%
	South America	73	76	+4%
	Asia	453	475	+5%

LMC and own estimates

¹ Passenger cars and light trucks <6t

² Medium and heavy vehicles >6t

³ Radial and bias

Commercial Vehicle² Production (k units)

Worldwide production to decrease by 1%		2017	2018E	Chg.
	Europe	660	673	+2%
	North America	513	559	+9%
	South America	102	112	+10%
	Asia	2,140	2,033	-5%

IHS and own estimates

Commercial Vehicle Replacement³ Tire Market (mn units)

Worldwide replacement market to increase by 2%		2017	2018E	Chg.
	Europe	25.3	25.8	+2%
	North America	24.5	25.3	+3%
	South America	15.7	16.4	+5%
	Asia	89.2	91.0	+2%

LMC and own estimates

5) 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 FY 2017 presentation are underlined

	2017	2018E
Consolidated sales	€44.0 bn	To increase to ~€47 bn at constant FX rates
adj. EBIT ¹ margin	10.9 %	<u>>10% adj. EBIT¹ margin</u>
Automotive Group	€26.6 bn	To increase to ~€28.5 bn at constant FX rates
adj. EBIT ¹	€2.2 bn	<u>~8.5% adj. EBIT¹ margin</u>
Rubber Group	€17.5 bn	To increase to ~€18.5 bn at constant FX rates
adj. EBIT ¹	€2.6 bn	<u>>14% adj. EBIT¹ margin</u>
Raw materials cost impact	More than €450 mn for the Rubber Group	Raw materials to have <u>limited impact</u> on Rubber Group based on current estimates
Special effects	-€14 mn	-€100 mn
Financial result	-€187 mn at constant FX ²	<-€180 mn at constant FX rates
Tax rate	29%	<30%
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

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.

Contact

Equity and Debt Markets Relations

Vahrenwalder Str. 9
30165 Hanover
Germany

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

Rolf Woller
Head of IR

Phone: +49 511 938 1068
e-mail: rolf.woller@conti.de

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

Phone: +49 511 938 1163
e-mail: jana.cross@conti.de



visit us
online

Michael Saemann
*Analysts, Institutional Investors and
Sustainability Investors*

Phone: +49 511 938 1307
e-mail: michael.saemann@conti.de

Marvin Kalberlah
*Analysts, Institutional Investors and
Social Media*

Phone: +49 511 938 14034
e-mail: marvin.kalberlah@conti.de

Christopher Macke
Analysts and Institutional Investors

Phone: +49 511 938 1062
e-mail: christopher.macke@conti.de

Klaus Paesler
*Analysts, Institutional Investors, ADR
and Private Investors*

Phone: +49 511 938 1316
e-mail: klaus.paesler@conti.de

Sabine Reese
*Sustainability, ASM, CMD
Organization, IR Website, Capital
Market Disclosure Requirements*

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

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 March 31, 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 AG	Continental Rubber of America, Corp. ¹	Continental AG	Continental AG
Issue	Senior Notes	Senior Notes	Senior Notes	Senior Notes
Principal amount	€750 mn	€500 mn	€600 mn	€750 mn
Offering price	98.950%	99.739%	99.410%	99.228%
Rating at issuance date	Ba2 (Moody's ⁴) BB (S&P) BB (Fitch ²)	BBB (S&P) BBB (Fitch)	BBB+ (S&P) BBB+ (Fitch)	Ba1 (Moody's ⁴) BB (S&P) BBB (Fitch ²)
Current corporation and bond ratings³	BBB+ (Fitch), BBB+ (S&P), Baa1 (Moody's⁴)			
Coupon	3.0% p.a.	0.5% p.a.	0.0% p.a.	3.125% p.a.
Issue date	July 16, 2013	November 19, 2015	December 5, 2016	September 9, 2013
Maturity	July 16, 2018	February 19, 2019	February 5, 2020	September 9, 2020
Interest payment	Semi annual January 16/July 16	Annual February 19, Commenced February 20, 2017	Not applicable	Annual September 9
WKN	A1X24V	A1Z7C3	A2DARM	A1X3B7
ISIN	XS0953199634	DE000A1Z7C39	XS1529561182	XS0969344083
Denomination	€1,000 with minimum tradable amount €1,000			



¹ Guaranteed by Continental AG

² Non-contracted rating at date of issuance

³ Fitch since October 24, 2016; S&P since May 11, 2016; Moody's since June 30, 2015

⁴ Non-contracted rating since February 1, 2014

Back-up

6) Back-up

Corporation Highlights Q1 2018

› Sales	Increase of 0.1% to €11,012.7 mn (PY: €10,999.9 mn); organic sales up 4.3%
› EBITDA	Decrease of 5.1% to €1,555.0 mn (PY: €1,638.5 mn)
› EBIT	Decrease of 10.2% to €1,019.2 mn (PY: €1,135.1 mn); Adj. EBIT ¹ decrease to €1,058.9 mn (9.7% adj. EBIT ¹ margin); PPA ² effect -€42.2 mn; consolidation effects €8.1 mn; total special effects -€5.6 mn
› NIAT ³	Decrease of 1.6% to €737.6 mn (PY: €749.6 mn)
› EPS ³	EPS of €3.69 (PY: €3.75); EPS before PPA ² €3.84 (PY: €3.90 before PPA ²)
› Capex	Capex decreased to €459.4 mn (PY: €502.7 mn); capex ratio 4.2% of sales; capex to depreciation coverage 0.9x (0.9x ex PPA ²)
› R&D (net)	Expenses increased by 8.6% to €848.0 mn (PY: €780.7 mn); R&D ratio 7.7% of sales (PY: 7.1%)
› Cash flow	Operating cash flow down by €230.2 mn to €634.1 mn; free cash flow €40.9 mn
› Net indebtedness	Net indebtedness down by €63.8 mn to €1,983.8 mn vs. FY 2017; Liquidity and undrawn credit lines amounted to €5,887.7 mn
› Pension and similar obligation	Long-term provisions for pension and similar obligations amounted to €4,111.1 mn (PY: €4,092.8 mn)



¹ Before amortization of intangibles from PPA, consolidation and special effects
² Amortization of intangibles from PPA, tax rate of 28% applied for EPS calculation
³ Attributable to the shareholders of the parent

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

6) Back-up

Key Historical Credit Metrics

(€ mn) ¹	2014	2015	2016	2017	LTM
Statement of Cash Flows					
Adjusted EBITDA²	5,318	6,094	6,125	6,701	6,631
Reported EBITDA	5,134	6,001	6,057	6,679	6,595
Net cash interest paid	-158	-174	-112	-105	-85
Tax paid	-775	-1,015	-1,047	-1,122	-1,052
Change in net working capital ³	-207	-107	-210	-484	-628
Other ⁴	175	210	250	253	161
Cash flow arising from operating activities	4,168	4,916	4,938	5,221	4,990
Cash flow arising from investing activities	-2,153	-3,472	-3,167	-3,468	-3,330
- thereof acquisitions	-129	-1,257	-516	-596	-511
- thereof capex in PPE and intangibles	-2,110	-2,265	-2,708	-2,951	-2,891
Cash flow before financing activities	2,015	1,444	1,771	1,753	1,661
Cash flow before acquisitions	2,144	2,701	2,288	2,349	2,171
Statement of Financial Position					
Cash and cash equivalents	3,244	1,622	2,107	1,882	2,289
Derivative instruments and interest-bearing investments	364	81	48	161	184
Total indebtedness	6,432	5,245	4,952	4,090	4,456
Net indebtedness	2,824	3,542	2,798	2,048	1,984
Credit Ratios					
Net indebtedness / adjusted EBITDA²	0.5x	0.6x	0.5x	0.3x	0.3x
Net cash interest paid coverage (ratio)⁵	33.7x	35.1x	54.8x	63.6x	77.8x



¹ Amounts shown may contain rounding differences

² Adjusted EBITDA as defined in syndicated loan

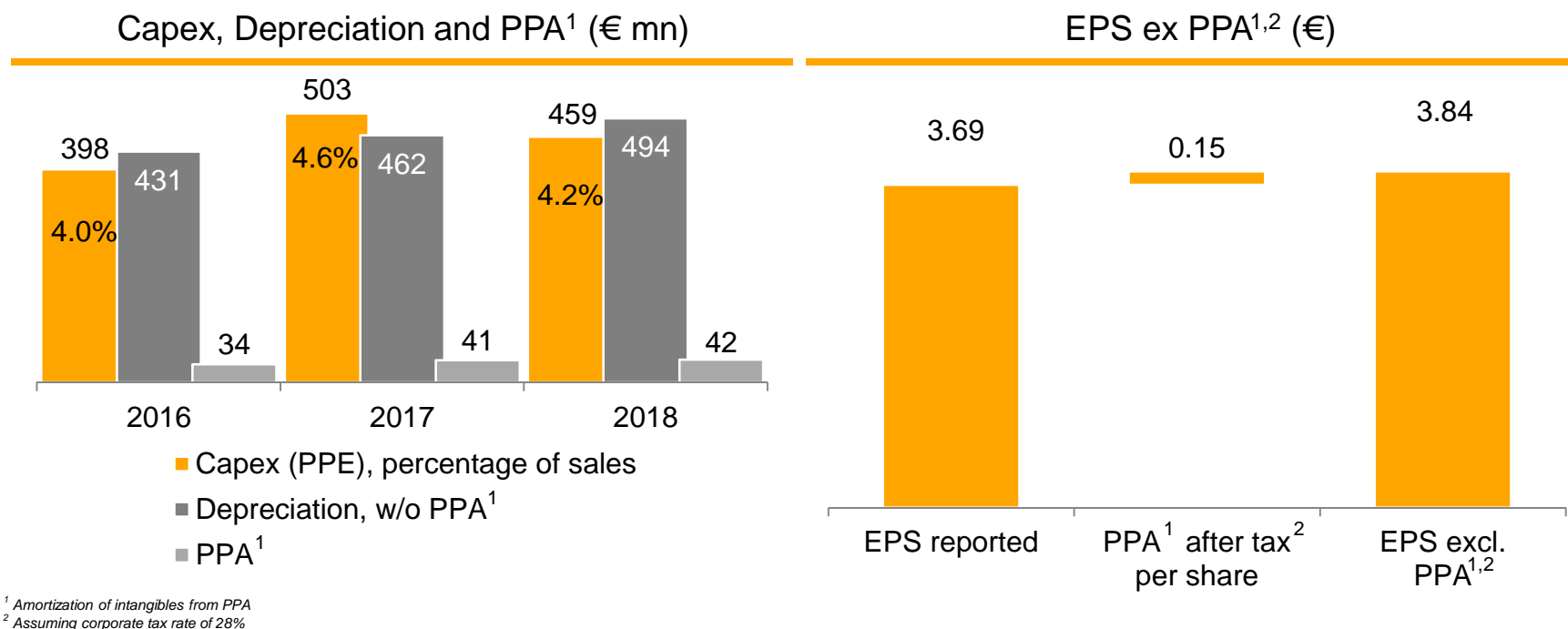
³ Includes changes in inventories, trade accounts receivable, trade accounts payable and discounted notes

⁴ Includes dividends received, income from equity-accounted and other investments, incl. impairment and reversal of items 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) Back-up

Capex, Depreciation and Earnings per Share Breakdown for Q1 2018

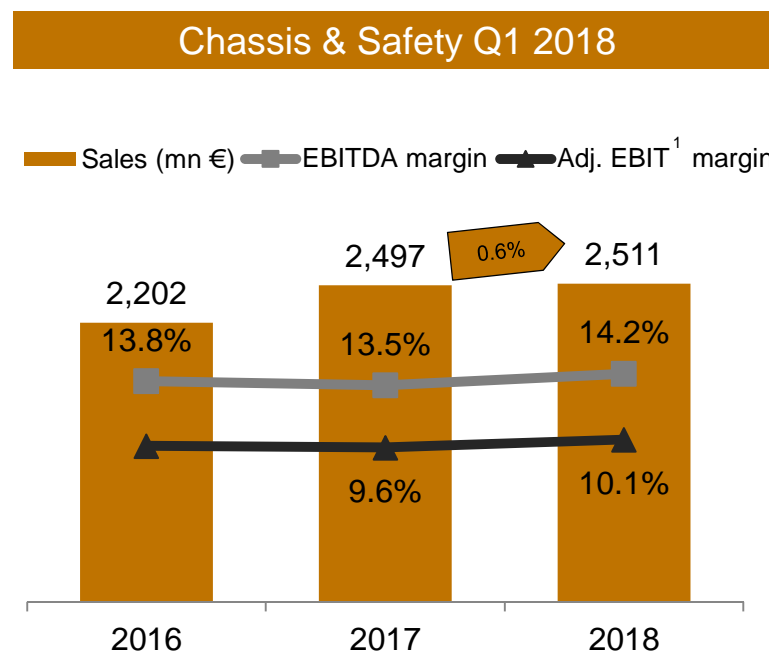


6) Back-up

Automotive Group Financials – Chassis & Safety

- › Sales increased by 6.0% before consolidation and FX effects
- › EBITDA increased by €19.9 mn to €356.8 mn (+5.9%)
- › Adj. EBIT¹ increased by €14.0 mn to €252.9 mn (adj. EBIT¹ margin 10.1%)
- › EBIT increased by €14.0 mn to €252.9 mn (EBIT margin 10.1%)
- › PPA effect in Q1 2018: €0.0 mn
- › No special effects in Q1 2018

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

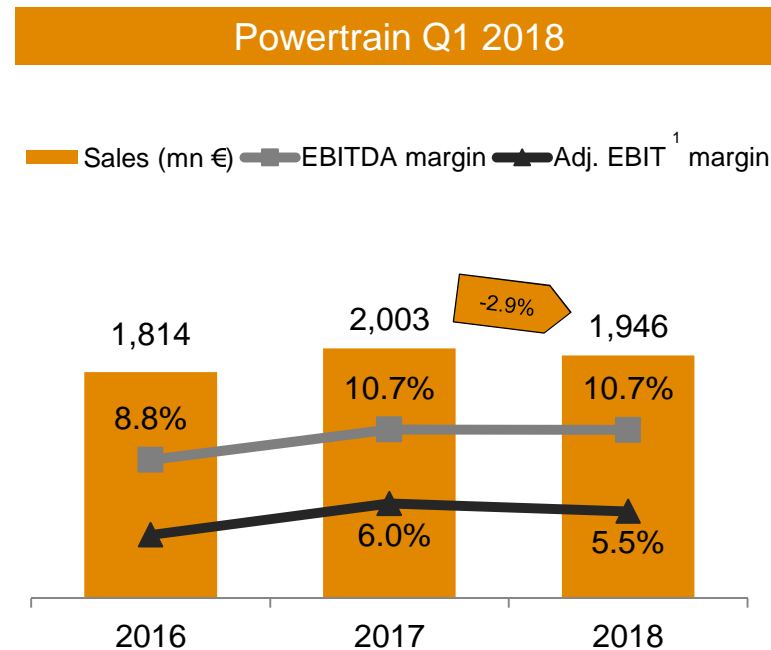


6) Back-up

Automotive Group Financials – Powertrain

- › Sales increased by 1.5% before consolidation and FX effects
- › EBITDA decreased by €6.6 mn to €207.3 mn (-3.1%)
- › Adj. EBIT¹ decreased by €13.4 mn to €107.7 mn (adj. EBIT¹ margin 5.5%)
- › EBIT decreased by €17.7 mn to €99.4 mn (EBIT margin 5.1%)
- › PPA effect in Q1 2018: -€2.9 mn
- › Special effects in Q1 2018: -€5.4 mn

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

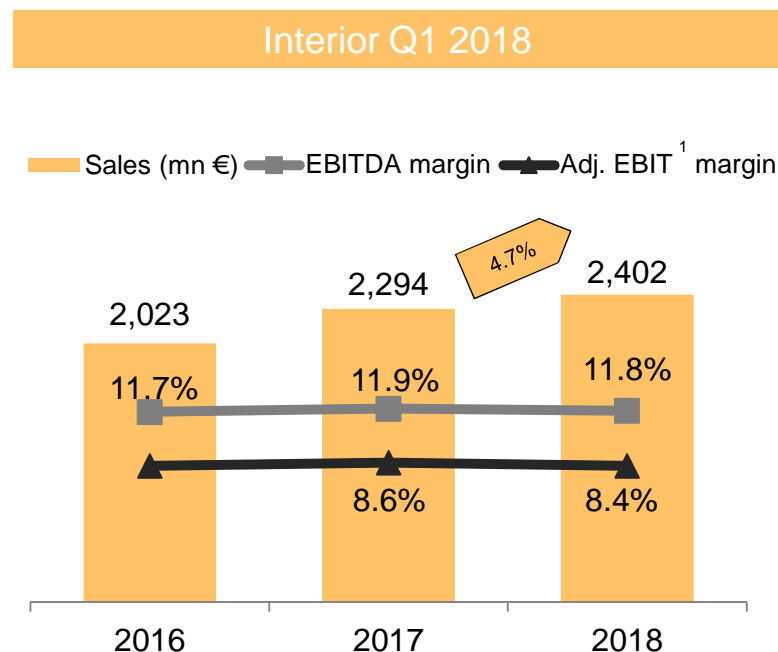


6) Back-up

Automotive Group Financials – Interior

- › Sales increased by 8.5% before consolidation and FX effects
- › EBITDA increased by €9.8 mn to €283.4 mn (+3.6%)
- › Adj. EBIT¹ increased by €4.8 mn to €202.1 mn (adj. EBIT¹ margin 8.4%)
- › EBIT decreased by €1.2 mn to €184.5 mn (EBIT margin 7.7%)
- › PPA effect in Q1 2018: -€12.6 mn
- › Special effects in Q1 2018: -€0.2 mn

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

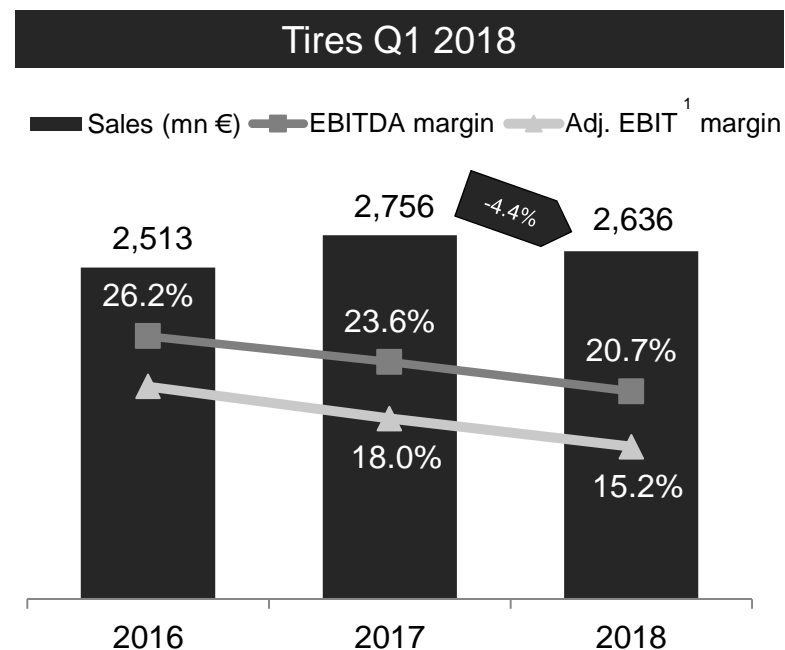


6) Back-up

Rubber Group Financials – Tires

- › Sales increased by 1.0% before consolidation and FX effects
- › EBITDA decreased by €105.5 mn to €545.8 mn (-16.2%)
- › Adj. EBIT¹ decreased by €96.2 mn to €400.2 mn (adj. EBIT¹ margin 15.2%)
- › EBIT decreased by €109.6 mn to €395.5 mn (EBIT margin 15.0%)
- › PPA effect in Q1 2018: -€4.5 mn
- › Special effects in Q1 2018: €0.0 mn

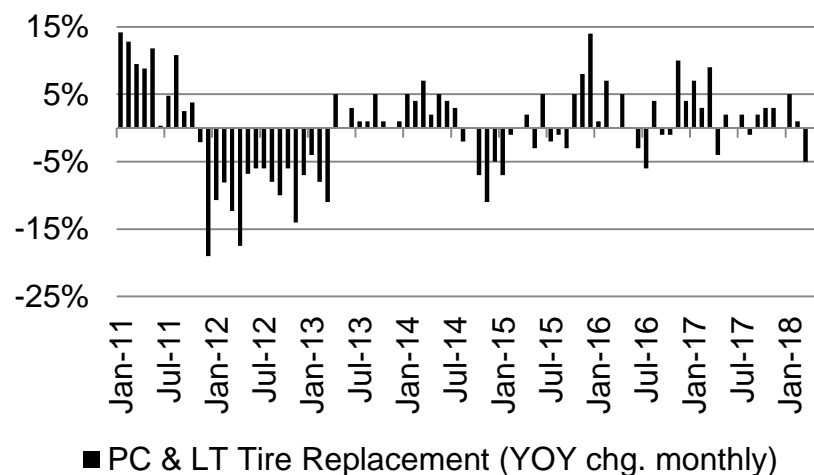
¹ Before amortization of intangibles from PPA, consolidation and special effects.
Refer to Fact Sheets for further details



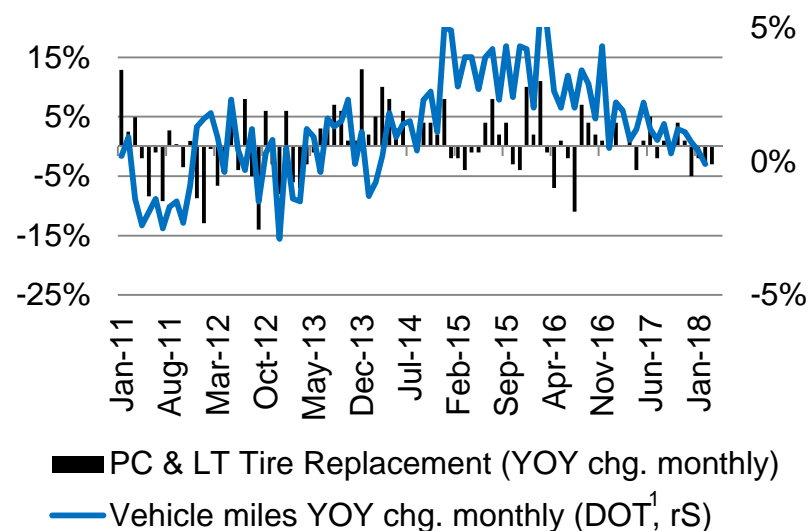
6) Back-up

Tires – Demand for Passenger Car and Light Truck Tires

Replacement Tire Demand for PC & LT Europe



Replacement Tire Demand for PC & LT North America

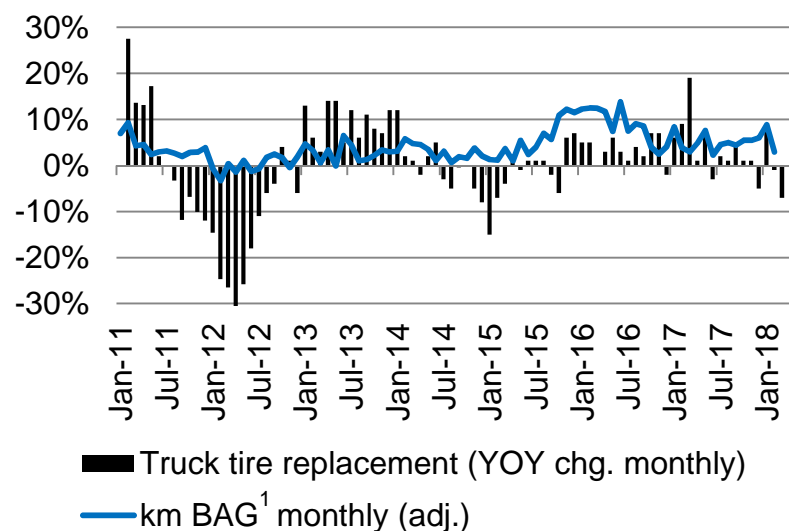


¹ U.S. Department of Transportation, right Scale

6) Back-up

Tires – Demand for Commercial Vehicle Tires

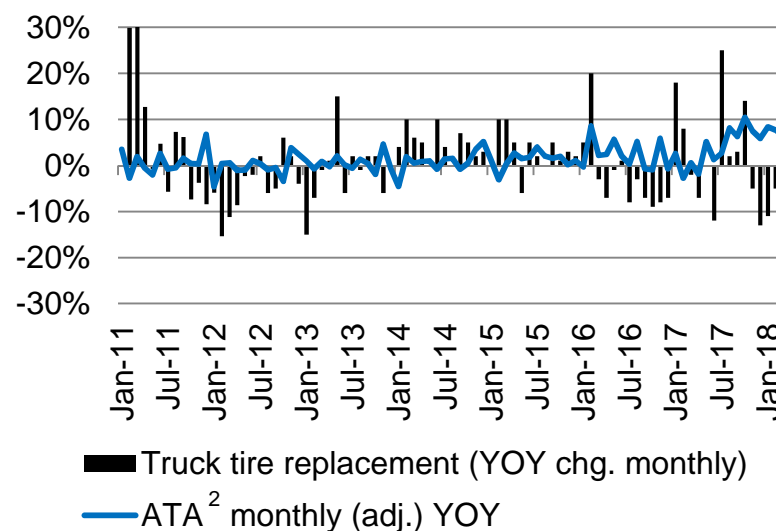
Replacement Tire Demand for Truck Tires Europe



¹ BAG = Bundesamt für Güterverkehr

² ATA = American Trucking Association (miles traveled)

Replacement Tire Demand for Truck Tires North America

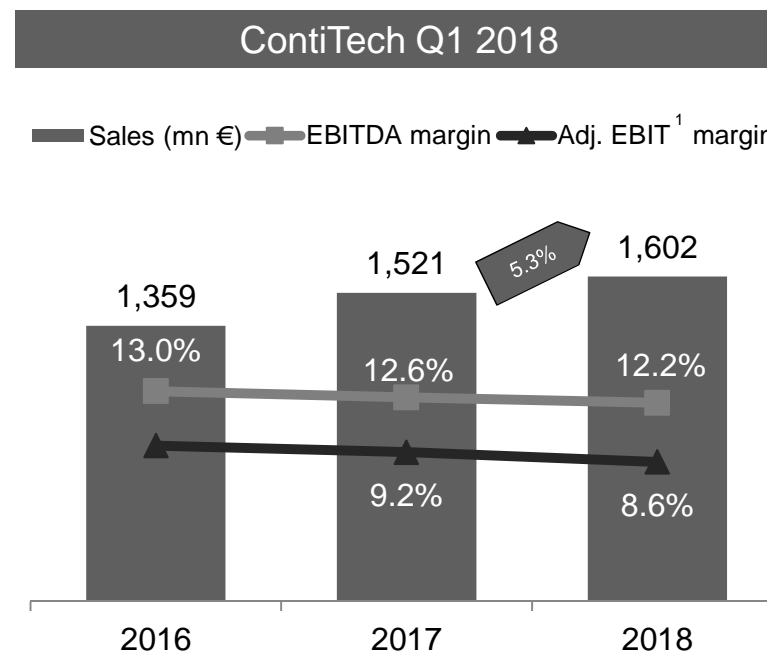


6) Back-up

Rubber Group Financials – ContiTech

- › Sales increased by 5.1% before consolidation and FX effects
- › EBITDA increased by €4.6 mn to €195.9 mn (+2.4%)
- › Adj. EBIT¹ decreased by €8.0 mn to €131.0 mn (adj. EBIT¹ margin 8.6%)
- › EBIT increased by €4.8 mn to €121.9 mn (EBIT margin 7.6%)
- › PPA effect in Q1 2018: -€22.2 mn
- › No special effects in Q1 2018

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



2016 – Q1 2018 Fact Sheets

6) 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				
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				
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				
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				
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				
Other / Consolidation	-59.4	-65.8	-68.8	-58.2	-252.2	-72.2	-73.6	-78.3	-72.5	-296.6	-83.0				
Continental Corporation	9,850.7	10,191.0	9,983.8	10,524.0	40,549.5	10,999.9	11,033.0	10,692.7	11,283.9	44,009.5	11,012.7				

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				
Powertrain	10.5	5.7	2.0	0.6	4.7	-2.9				
Interior	13.4	10.4	11.2	12.2	11.8	4.7				
Tires	9.7	4.6	3.9	4.8	5.7	-4.4				
ContiTech	11.9	15.3	16.1	14.0	14.4	5.3				
Continental Corporation	11.7	8.3	7.1	7.2	8.5	0.1				

6) 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				
Powertrain	158.8	201.8	175.5	220.1	756.2	213.9	214.4	187.4	239.1	854.8	207.3				
Interior	237.4	252.2	132.5	282.1	904.2	273.6	288.1	287.0	291.3	1,140.0	283.4				
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				
ContiTech	176.1	197.2	163.5	194.1	730.9	191.3	175.6	184.0	200.0	750.9	195.9				
Other / Consolidation	-27.7	-23.5	-37.7	-28.3	-117.2	-28.5	-27.4	-38.2	-23.0	-117.1	-34.2				
Continental Corporation	1,505.5	1,713.1	1,077.4	1,761.4	6,057.4	1,638.5	1,652.4	1,582.2	1,805.8	6,678.9	1,555.0				

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				
Powertrain	8.8	11.0	9.9	11.7	10.3	10.7	11.0	10.4	12.6	11.2	10.7				
Interior	11.7	12.0	6.5	13.1	10.9	11.9	12.4	12.6	12.0	12.3	11.8				
Tires	26.2	28.7	24.3	26.4	26.4	23.6	24.0	23.5	25.9	24.3	20.7				
ContiTech	13.0	14.3	12.1	14.1	13.4	12.6	11.1	11.7	12.7	12.0	12.2				
Continental Corporation	15.3	16.8	10.8	16.7	14.9	14.9	15.0	14.8	16.0	15.2	14.1				

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				
Powertrain	34.7	6.2	6.8	8.6	13.0	-3.1				
Interior	15.2	14.2	116.6	3.3	26.1	3.6				
Tires	-1.0	-12.7	0.6	2.9	-2.8	-16.2				
ContiTech	8.6	-11.0	12.5	3.0	2.7	2.4				
Continental Corporation	8.8	-3.5	46.9	2.5	10.3	-5.1				

6) 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				
Powertrain	66.5	108.8	80.3	122.4	378.0	117.1	114.1	83.1	125.6	439.9	99.4				
Interior	160.1	172.9	51.3	183.5	567.8	185.7	196.3	168.5	198.7	749.2	184.5				
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				
ContiTech	98.7	126.7	88.0	85.8	399.2	117.1	95.4	109.5	120.2	442.2	121.9				
Other / Consolidation	-27.8	-24.5	-38.2	-28.9	-119.4	-28.8	-27.8	-38.6	-23.6	-118.8	-35.0				
Continental Corporation	1,040.7	1,249.6	596.3	1,209.2	4,095.8	1,135.1	1,132.3	1,037.5	1,256.6	4,561.5	1,019.2				

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				
Powertrain	3.7	5.9	4.5	6.5	5.2	5.8	5.9	4.6	6.6	5.7	5.1				
Interior	7.9	8.2	2.5	8.5	6.8	8.1	8.5	7.4	8.2	8.1	7.7				
Tires	21.1	24.0	19.3	21.1	21.4	18.3	18.7	18.3	20.6	19.0	15.0				
ContiTech	7.3	9.2	6.5	6.2	7.3	7.7	6.0	7.0	7.7	7.1	7.6				
Continental Corporation	10.6	12.3	6.0	11.5	10.1	10.3	10.3	9.7	11.1	10.4	9.3				

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				
Powertrain	76.1	4.9	3.5	2.6	16.4	-15.1				
Interior	16.0	13.5	228.5	8.3	31.9	-0.6				
Tires	-4.7	-18.4	-1.4	2.1	-6.0	-21.7				
ContiTech	18.6	-24.7	24.4	40.1	10.8	4.1				
Continental Corporation	9.1	-9.4	74.0	3.9	11.4	-10.2				

6) Fact Sheets

Adjusted EBIT¹ by Quarter

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

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

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

2017				
Q1	Q2	Q3	Q4	Year
238.9				
121.1				
197.3				
496.4				
139.0				
-28.8				
1,163.9				

2017				
Q1	Q2	Q3	Q4	Year
9.6				
6.0				
8.6				
18.0				
9.2				
10.6				

2018				
Q1	Q2	Q3	Q4	Year
252.9				
107.7				
202.1				
400.2				
131.0				
-35.0				
1,058.9				

2018				
Q1	Q2	Q3	Q4	Year
10.1				
5.5				
8.4				
15.2				
8.6				
9.7				

2018				
Q1	Q2	Q3	Q4	Year
5.9				
-11.1				
2.4				
-19.4				
-5.8				
-9.0				

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

6) Fact Sheets

Consolidated Statement of Income

(€ mn)	2018 Q1	2017 Q1	2016 Q1
Sales	11,012.7	10,999.9	9,850.7
Cost of sales	-8,221.8	-8,135.2	-7,249.6
Gross margin on sales	2,790.9	2,864.7	2,601.1
Research and development expenses ¹	-1,026.5	-780.7	-716.1
Selling and logistics expenses	-608.2	-600.5	-548.0
Administrative expenses	-287.1	-297.8	-243.7
Other expenses and income ¹	134.9	-64.4	-69.0
Income from equity-accounted investees	15.1	13.8	16.4
Other income from investments	0.1		
Earnings before interest and tax	1,019.2	1,135.1	1,040.7
Interest income	22.0	23.4	24.8
Interest expense	-70.3	-107.0	-58.6
Financial result	-48.3	-83.6	-33.8
Earnings before tax	970.9	1,051.5	1,006.9
Income tax expense	-219.4	-287.0	-255.8
Net income	751.5	764.5	751.1
Non-controlling interests	-13.9	-14.9	-17.2
Net income attributable to the shareholders of the parent	737.6	749.6	733.9
Basic earnings per share (in €)	3.69	3.75	3.67
Diluted earnings per share (in €)	3.69	3.75	3.67

¹ 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.

6) Fact Sheets

Consolidated Statement of Financial Position – Assets

Assets in € millions	March 31, 2018	Dec. 31, 2017	March 31, 2017
Goodwill	6,967.8	7,010.1	6,977.1
Other intangible assets	1,522.8	1,607.3	1,620.5
Property, plant and equipment	11,152.1	11,202.1	10,766.8
Investment property	10.5	10.5	10.3
Investments in equity-accounted investees	428.9	414.8	382.8
Other investments	179.4	51.0	44.0
Deferred tax assets	1,529.2	1,517.2	1,819.5
Defined benefit assets	14.7	16.0	36.8
Long-term contract assets	—	n. a.	n. a.
Long-term derivative instruments and interest-bearing investments	40.6	113.3	17.3
Long-term other financial assets	69.4	68.8	68.0
Long-term other assets	26.9	27.3	27.1
Non-current assets	21,942.3	22,038.4	21,770.2
Inventories	4,367.0	4,128.2	4,116.5
Trade accounts receivable	8,294.8	7,669.3	8,351.9
Short-term contract assets	35.3	n. a.	n. a.
Short-term other financial assets ¹	324.3	297.0	254.4
Short-term other assets ¹	1,269.2	1,186.8	1,333.3
Income tax receivables	177.3	178.2	145.8
Short-term derivative instruments and interest-bearing investments	143.4	47.6	42.0
Cash and cash equivalents	2,288.6	1,881.5	1,895.7
Assets held for sale	2.0	13.5	2.0
Current assets	16,901.9	15,402.1	16,141.6
Total assets	38,844.2	37,440.5	37,911.8



¹ 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.

6) Fact Sheets

Consolidated Statement of Financial Position – Total Equity and Liabilities

Equity and liabilities in € millions	March 31, 2018	Dec. 31, 2017	March 31, 2017
Subscribed capital	512.0	512.0	512.0
Capital reserves	4,155.6	4,155.6	4,155.6
Retained earnings	14,437.7	13,669.3	12,284.3
Other comprehensive income	-2,552.0	-2,508.5	-1,700.6
Equity attributable to the shareholders of the parent	16,553.3	15,828.4	15,251.3
Non-controlling interests	458.1	461.9	471.1
Total equity	17,011.4	16,290.3	15,722.4
Long-term employee benefits	4,410.4	4,394.1	4,356.1
Deferred tax liabilities	352.3	348.5	444.7
Long-term provisions for other risks and obligations	133.5	139.6	205.5
Long-term indebtedness	1,459.7	2,017.8	2,783.2
Long-term other financial liabilities	35.5	36.1	106.2
Long-term contract liabilities	11.3	n. a.	n. a.
Long-term other liabilities	16.6	25.4	16.0
Non-current liabilities	6,419.3	6,961.5	7,911.7
Short-term employee benefits	1,745.0	1,490.6	1,596.1
Trade accounts payable	6,757.0	6,798.5	6,760.1
Short-term contract liabilities	1,002.1	n. a.	n. a.
Income tax payables	934.7	889.7	829.0
Short-term provisions for other risks and obligations	919.4	943.0	1,198.2
Short-term indebtedness	2,996.7	2,072.2	1,939.4
Short-term other financial liabilities	345.9	1,276.8	1,111.0
Short-term other liabilities	712.7	717.9	843.9
Current liabilities	15,413.5	14,188.7	14,277.7
Total equity and liabilities	38,844.2	37,440.5	37,911.8

6) Fact Sheets

Consolidated Statement of Cash Flows

In € millions	January 1 to March 31	
	2018	2017
Net income	751.5	764.5
Income tax expense	219.4	287.0
Financial result	48.3	83.6
EBIT	1,019.2	1,135.1
Interest paid	-28.2	-47.6
Interest received	7.6	6.8
Income tax paid	-190.3	-260.3
Dividends received	15.2	10.2
Depreciation, amortization, impairment and reversal of impairment losses	535.8	503.4
Income from equity-accounted investees and other investments, incl. impairment and reversal of impairment losses	-15.2	-13.8
Gains/losses from the disposal of assets, companies and business operations	-6.7	-18.1
Changes in		
inventories	-254.3	-248.6
trade accounts receivable	-540.5	-879.5
trade accounts payable	-29.5	448.4
employee benefits and other provisions	272.1	338.5
other assets and liabilities	-151.1	-110.2
Cash flow arising from operating activities	634.1	864.3
Cash flow from the disposal of property, plant and equipment, and intangible assets	24.9	13.4
Capital expenditure on property, plant and equipment, and software	-459.4	-502.7
Capital expenditure on intangible assets from development projects and miscellaneous	-13.7	-30.3
Cash flow from the disposal of companies and business operations	0.0	19.1
Acquisition of companies and business operations	-145.0	-230.8
Cash flow arising from investing activities	-593.2	-731.3
Cash flow before financing activities (free cash flow)	40.9	133.0
Change in indebtedness	387.7	-361.7
Successive purchases	-2.6	-0.6
Dividends paid to and cash changes from equity transactions with non-controlling interests	-6.4	-0.4
Cash and cash equivalents arising from first-time consolidation of subsidiaries	—	0.6
Cash flow arising from financing activities	378.7	-362.1
Change in cash and cash equivalents	419.6	-229.1
Cash and cash equivalents at the beginning of the reporting period	1,881.5	2,107.0
Effect of exchange-rate changes on cash and cash equivalents	-12.5	17.8
Cash and cash equivalents at the end of the reporting period	2,288.6	1,895.7

6) Fact Sheets

Q1 2018 Results Reported and Adjusted (€ mn) – by Division

	<u>Chassis & Safety</u>		<u>Powertrain</u>		<u>Interior</u>		<u>Tires</u>		<u>ContiTech</u>		<u>Cons./Corr.</u>		<u>Corporation</u>	
	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
Sales	2,497.4	2,511.2	2,003.1	1,945.6	2,293.9	2,401.7	2,756.3	2,635.5	1,521.4	1,601.7	-72.2	-83.0	10,999.9	11,012.7
EBIT in % of sales	238.9 9.6%	252.9 10.1%	117.1 5.8%	99.4 5.1%	185.7 8.1%	184.5 7.7%	505.1 18.3%	395.5 15.0%	117.1 7.7%	121.9 7.6%	-28.8	-35.0	1,135.1 10.3%	1,019.2 9.3%
Amortization of intangible assets from PPA	0.0	0.0	3.0	2.9	11.6	12.6	4.8	4.5	21.8	22.2	0.0	0.0	41.2	42.2
Total special effects	0.0	0.0	1.0	5.4	0.0	0.2	-13.5	0.0	0.1	0.0	0.0	0.0	-12.4	5.6
Total consolidation effects	0.0	0.0	0.0	0.0	0.0	4.8	0.0	0.2	0.0	-13.1	0.0	0.0	0.0	-8.1
Total consolidation and special effects	0.0	0.0	1.0	5.4	0.0	5.0	-13.5	0.2	0.1	-13.1	0.0	0.0	-12.4	-2.5
Adjusted operating result (adj. EBIT) ¹ in % of adjusted sales	238.9 9.6%	252.9 10.1%	121.1 6.0%	107.7 5.5%	197.3 8.6%	202.1 8.4%	496.4 18.0%	400.2 15.2%	139.0 9.2%	131.0 8.6%	-28.8	-35.0	1,163.9 10.6%	1,058.9 9.7%

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

6) Fact Sheets

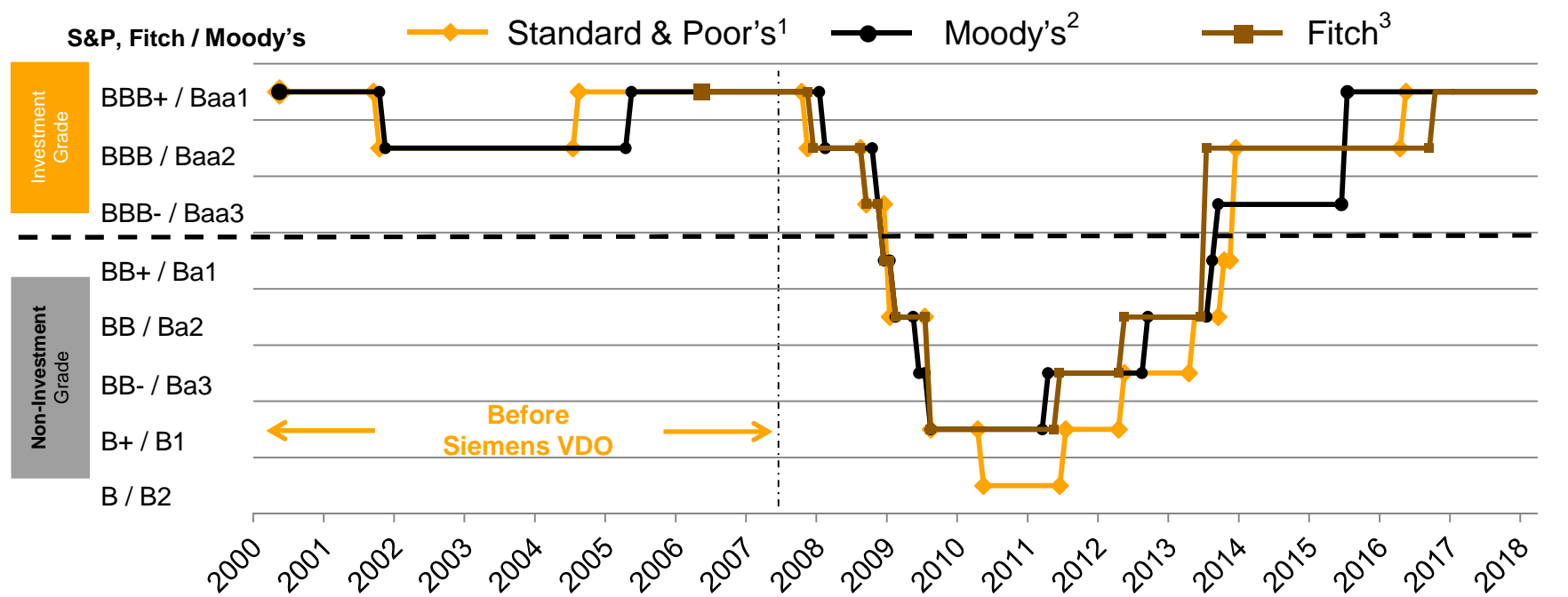
Q1 2018 Results Reported and Adjusted (€ mn) – by Group

	<u>Automotive</u>		<u>Rubber</u>		<u>Cons./Corr.</u>		<u>Corporation</u>	
	2017	2018	2017	2018	2017	2018	2017	2018
Sales	6,754.0	6,813.9	4,260.4	4,212.2	-14.5	-13.4	10,999.9	11,012.7
EBIT	541.7	536.8	622.2	517.4	-28.8	-35.0	1,135.1	1,019.2
in % of sales	8.0%	7.9%	14.6%	12.3%			10.3%	9.3%
Amortization of intangible assets from PPA	14.6	15.5	26.6	26.7	0.0	0.0	41.2	42.2
Total special effects	1.0	5.6	-13.4	0.0	0.0	0.0	-12.4	5.6
Total consolidation effects	0.0	4.8	0.0	-12.9	0.0	0.0	0.0	-8.1
Total consolidation and special effects	1.0	10.4	-13.4	-12.9	0.0	0.0	-12.4	-2.5
Adjusted operating result (adj. EBIT) ¹	557.3	562.7	635.4	531.2	-28.8	-35.0	1,163.9	1,058.9
in % of adjusted sales	8.3%	8.3%	14.9%	12.9%			10.6%	9.7%

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

6) Fact Sheets

Continental's Credit Rating



¹ Contracted rating since May 19, 2000.

² Non-contracted rating since February 1, 2014.

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
2017 Fact Book (Investor presentation)	www.continental-corporation.com/en/investors/reports
Investor Relations events and presentations	www.continental-corporation.com/en/investors/events/presentations
Sustainability at Continental (presentations for investors)	www.continental-corporation.com/en/sustainability/downloads
Corporate Social Responsibility	www.continental-sustainability.com
Corporate Governance Principles	www.continental-corporation.com/en/company/corporate-governance/principles-and-declarations
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