

# Quarterly Statement as at March 31, 2021

## First Quarter: Continental Achieves Good Result, Confirming its Course for the Future

- › Consolidated sales of €10.3 billion (Q1 2020: €9.9 billion, +3.5 percent); organic growth of 8.6 percent
- › Adjusted EBIT of €834 million (Q1 2020: €433 million, +92.5 percent)
- › Adjusted EBIT margin of 8.1 percent (Q1 2020: 4.4 percent)
- › Net income of €448 million (Q1 2020: €292 million)
- › Free cash flow before acquisitions and carve-out effects: €670 million (Q1 2020: €87 million)
- › Realignment of the Automotive Technologies group sector
- › Spin-off of Vitesco Technologies planned for September 2021
- › Outlook for fiscal 2021 for the continuing operations: consolidated sales of around €32.5 billion to €34.5 billion; adjusted EBIT margin of around 6 to 7 percent

Continental achieved a good result in the first quarter of 2021 in a persistently challenging market environment. At the same time, the mobility supplier pushed ahead with the implementation of its realigned strategy by making a number of key decisions. With the resolution of the Supervisory Board, the spin-off of Vitesco Technologies, i.e. primarily the Powertrain business area, draws nearer this year as planned. As a result, continuing operations and discontinued operations are reported separately. In the following, however, the Continental Group is considered as a whole. Furthermore, Continental will manage "Autonomous Mobility" and "Safety," which are currently combined in one business area, as independent business areas starting January 1, 2022. This will give us structural clarity while providing more entrepreneurial freedom to define the separate and diverse strategies. We are focusing systematically on growth and pioneering future technologies when it comes to assisted, automated and autonomous driving. And we are focusing on value when it comes to safety.

In view of the adverse effects of the coronavirus pandemic and the resulting tight global supply situation for semiconductors, it was a good start to the current fiscal year. The development of the business in China was particularly positive compared with the same quarter of the previous year, which was severely affected by the coronavirus pandemic. The tire business and the ContiTech business area stood out in particular. Overall, **consolidated sales** in the first three months of the year amounted to €10.3 billion (Q1 2020: €9.9 billion, +3.5 percent). Before changes in the scope of consolidation and exchange rate effects, sales rose by 8.6 percent. **Adjusted EBIT** increased year-on-year to €834 million (Q1 2020: €433 million, +92.5 percent), resulting in an **adjusted EBIT margin** of 8.1 percent (Q1 2020: 4.4 percent). **Net income attributable to the shareholders of the parent** totaled €448 million (Q1 2020: €292 million). In the first quarter, **free cash flow before acquisitions and carve-out effects** was €670 million (Q1 2020: €87 million). The improvement in free cash flow was due in particular to the low level of capital expenditure before financial investments, which accounted for 2.8 percent of sales in the first quarter.

With regard to further business development, the market environment will remain very challenging in the coming months, because the global economy is only gradually getting back on track. This is due not least to the supply shortages of electronic components. Other factors include high market volatility due to the coronavirus pandemic and the increase in the prices of raw materials. In particular, the European car market, which is very important for Continental, is still well below its record level of 2017. Furthermore, the market has not yet returned to its level of 2019.

### Strong regional differences in growth

In the first three months, the development of automotive markets varied substantially throughout the world. The market development of passenger cars and light commercial vehicles in China was very strong (5.7 million units, +78.2 percent year-on-year). North America had a relatively weak start to the year compared to 2020 (3.6 million units, -4.5 percent year-on-year). In Europe, production of passenger cars and light commercial vehicles was on par with the low level of the previous year (4.6 million units, -0.3 percent year-on-year; 1.0 million units of which were in Germany, -9.0 percent year-on-year). According to preliminary figures, global production of passenger cars and light commercial vehicles grew by 14.0 percent year-on-year in the first quarter to a total of 20.3 million units (Q1 2020: 17.8 million units). Production in the first quarter was thus substantially lower than in the first quarter of 2019, when 22.9 million vehicles were produced.

### Market outlook and forecast for fiscal 2021

For the current fiscal year, Continental continues to expect production of passenger cars and light commercial vehicles to increase by 9 to 12 percent year-on-year.

Continental is adjusting its **outlook** for the current fiscal year mainly due to the anticipated spin-off of Vitesco Technologies. For continuing operations, the company expects sales of €32.5 billion to €34.5 billion and an adjusted EBIT margin of 6 to 7 percent for 2021. Continental still anticipates negative special effects of around €300 million for the continuing operations in the reporting year. These effects relate to the Transformation 2019-2029 structural program, among other factors. Taking into account the effects of the anticipated spin-off of Vitesco Technologies, Continental expects free cash flow before acquisitions, divestments and carve-out effects of around €1.1 billion to €1.5 billion from continuing operations. The increase is due in particular to the postponement of cash utilizations from restructuring provisions. For fiscal 2021, Continental continues to expect a capital expenditure ratio before financial investments of around 7 percent of sales for continuing operations.

### Spin-off of Vitesco Technologies scheduled for September 2021

Despite the challenging macroeconomic environment, Continental is systematically pursuing its strategic realignment. An important step in this direction is the full spin-off including stock market listing of its powertrain business. Subject to the expected approval of the Annual Shareholders' Meeting, Continental will proceed with the planned spin-off in September 2021.

### Development of the group sectors

Sales in the **Automotive Technologies** group sector were down in the first quarter by 2.2 percent to €4.1 billion (Q1 2020: €4.2 billion). The adjusted EBIT margin rose to 4.5 percent (Q1 2020: 1.9 percent). Organic growth came to 3.4 percent. Strong business in China made a major contribution to this positive development. Furthermore, the volume of orders for fully connected central high-performance computers rose to a total of around €5 billion. For the year as a whole, Continental expects sales of around €16 billion to €17 billion for the continuing operations of Automotive Technologies. An adjusted EBIT margin in the range of around 1 to 2 percent is anticipated. This still includes the higher supply chain costs as well as the additional expenses for research and development announced on March 9, 2021, in the Autonomous Mobility and Safety business area.

In the **Rubber Technologies** group sector, the Tires business area performed well at the beginning of the year, particularly in China and North America. In the first quarter, the ContiTech business area benefited from the recovery in global vehicle production, especially in China, and from stable industrial business. In the first quarter of 2021 in total, the Rubber Technologies group sector achieved sales of €4.2 billion (Q1 2020: €4.0 billion) and an adjusted EBIT margin of 14.5 percent (Q1 2020: 9.6 percent). Organic sales growth came to 11.7 percent. For its Rubber Technologies group sector, Continental still expects sales of around €16.5 billion to €17.5 billion and an adjusted EBIT margin of about 11.5 to 12.5 percent for the year as a whole. This includes the impact expected from higher raw material costs.

In the first quarter, the **Powertrain Technologies** group sector achieved sales of €2.0 billion (Q1 2020: €1.8 billion) and an adjusted EBIT margin of 3.8 percent (Q1 2020: 0.7 percent). Organic growth came to 12.8 percent. The group sector continued to profit from steady growth in the electrification market. For example, it landed a large order with a sales volume worth hundreds of millions of euros for an innovative high-voltage component – an 800-volt inverter featuring silicon carbide technology.

At the end of the first quarter of 2021, Continental had around 235,000 employees worldwide, representing a decline of more than 1,300 in comparison to the end of 2020. This decline is primarily due to the effects of the programs to increase efficiency and to change the Continental Group's structure, collectively known as Transformation 2019-2029.

# Key Figures for the Continental Group

The upcoming spin-off of parts of the Powertrain business area has resulted in the application of IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*. These parts make up most of the discontinued operations.

The following table shows the figures for the Continental Group as a whole, comprising continuing operations and discontinued operations, for the reporting and comparative periods.

## Continuing operations and discontinued operations

€ millions	January 1 to March 31	
	2021	2020
Sales	10,258.9	9,912.7
EBITDA	1,403.0	1,160.4
in % of sales	13.7	11.7
EBIT	719.9	436.3
in % of sales	7.0	4.4
Net income attributable to the shareholders of the parent	447.6	292.3
Basic earnings per share in €	2.24	1.46
Diluted earnings per share in €	2.24	1.46
Research and development expenses (net)	819.3	913.0
in % of sales	8.0	9.2
Depreciation and amortization <sup>1</sup>	683.1	724.1
thereof impairment <sup>2</sup>	29.2	22.6
Capital expenditure <sup>3</sup>	291.5	475.0
in % of sales	2.8	4.8
Operating assets as at March 31	20,773.6	23,580.9
Number of employees as at March 31 <sup>4</sup>	234,999	239,649
Adjusted sales <sup>5</sup>	10,258.8	9,840.3
Adjusted operating result (adjusted EBIT) <sup>6</sup>	833.8	433.2
in % of adjusted sales	8.1	4.4
Free cash flow	637.6	10.4
Net indebtedness as at March 31	3,561.7	3,995.6
Gearing ratio in %	25.6	25.8

The figures for the comparative period have been adjusted due to the change in the accounting policy for revenue recognition for subsidiaries in China. This change was announced in the second quarter of 2020.

<sup>1</sup> Excluding impairment on financial investments.

<sup>2</sup> Impairment also includes necessary reversal of impairment losses.

<sup>3</sup> Capital expenditure on property, plant and equipment, and software.

<sup>4</sup> Excluding trainees.

<sup>5</sup> Before changes in the scope of consolidation.

<sup>6</sup> Before amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation, and special effects.

The following table shows the figures for continuing operations for the reporting and comparative periods.

### Continuing operations

€ millions	January 1 to March 31	
	2021	2020
Sales	8,575.3	8,405.5
EBITDA	1,213.6	1,084.4
in % of sales	14.2	12.9
EBIT	662.6	497.8
in % of sales	7.7	5.9
Research and development expenses (net)	624.4	720.1
in % of sales	7.3	8.6
Depreciation and amortization <sup>1</sup>	551.0	586.6
thereof impairment <sup>2</sup>	1.4	6.3
Capital expenditure <sup>3</sup>	243.0	382.5
in % of sales	2.8	4.6
Number of employees as at March 31 <sup>4</sup>	194,947	199,463
Adjusted sales <sup>5</sup>	8,575.2	8,333.1
Adjusted operating result (adjusted EBIT) <sup>6</sup>	740.1	464.1
in % of adjusted sales	8.6	5.6
Free cash flow	332.6	98.4

The figures for the comparative period have been adjusted due to the change in the accounting policy for revenue recognition for subsidiaries in China. This change was announced in the second quarter of 2020.

<sup>1</sup> Excluding impairment on financial investments.

<sup>2</sup> Impairment also includes necessary reversal of impairment losses.

<sup>3</sup> Capital expenditure on property, plant and equipment, and software.

<sup>4</sup> Excluding trainees.

<sup>5</sup> Before changes in the scope of consolidation.

<sup>6</sup> Before amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation, and special effects.

## Key Figures for the Group Sectors

The upcoming spin-off of parts of the Powertrain business area has resulted in the application of IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*. These parts make up most of the discontinued operations.

The following tables on the key figures for the group sectors in the reporting and comparative periods show primarily continuing operations for Automotive Technologies, only continuing operations for Rubber Technologies and primarily discontinued operations for Powertrain Technologies.

Automotive Technologies in € millions	January 1 to March 31	
	2021	2020
Sales	4,086.9	4,180.4
EBITDA	400.6	426.9
in % of sales	9.8	10.2
EBIT	139.6	150.7
in % of sales	3.4	3.6
Depreciation and amortization <sup>1</sup>	261.0	276.2
thereof impairment <sup>2</sup>	0.0	4.6
Capital expenditure <sup>3</sup>	142.2	193.6
in % of sales	3.5	4.6
Operating assets as at March 31	8,041.2	9,241.1
Number of employees as at March 31 <sup>4</sup>	94,288	97,735
Adjusted sales <sup>5</sup>	4,086.9	4,111.6
Adjusted operating result (adjusted EBIT) <sup>6</sup>	182.5	76.3
in % of adjusted sales	4.5	1.9

The figures for the comparative period have been adjusted due to the change in the accounting policy for revenue recognition for subsidiaries in China. This change was announced in the second quarter of 2020.

Rubber Technologies in € millions	January 1 to March 31	
	2021	2020
Sales	4,235.4	3,971.7
EBITDA	868.3	651.0
in % of sales	20.5	16.4
EBIT	583.2	346.4
in % of sales	13.8	8.7
Depreciation and amortization <sup>1</sup>	285.1	304.6
thereof impairment <sup>2</sup>	1.1	–
Capital expenditure <sup>3</sup>	90.0	164.2
in % of sales	2.1	4.1
Operating assets as at March 31	9,756.2	11,036.9
Number of employees as at March 31 <sup>4</sup>	100,448	101,620
Adjusted sales <sup>5</sup>	4,235.3	3,968.1
Adjusted operating result (adjusted EBIT) <sup>6</sup>	614.8	381.2
in % of adjusted sales	14.5	9.6

<sup>1</sup> Excluding impairment on financial investments.

<sup>2</sup> Impairment also includes necessary reversal of impairment losses.

<sup>3</sup> Capital expenditure on property, plant and equipment, and software.

<sup>4</sup> Excluding trainees.

<sup>5</sup> Before changes in the scope of consolidation.

<sup>6</sup> Before amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation, and special effects.

Powertrain Technologies in € millions	January 1 to March 31	
	2021	2020
Sales	1,998.2	1,829.0
EBITDA	172.5	116.5
in % of sales	8.6	6.4
EBIT	37.3	-22.9
in % of sales	1.9	-1.3
Depreciation and amortization <sup>1</sup>	135.2	139.4
thereof impairment <sup>2</sup>	28.1	18.0
Capital expenditure <sup>3</sup>	47.8	104.2
in % of sales	2.4	5.7
Operating assets as at March 31	2,753.2	3,170.5
Number of employees as at March 31 <sup>4</sup>	39,810	39,844
Adjusted sales <sup>5</sup>	1,998.2	1,829.0
Adjusted operating result (adjusted EBIT) <sup>6</sup>	76.6	11.9
in % of adjusted sales	3.8	0.7

<sup>1</sup> Excluding impairment on financial investments.

<sup>2</sup> Impairment also includes necessary reversal of impairment losses.

<sup>3</sup> Capital expenditure on property, plant and equipment, and software.

<sup>4</sup> Excluding trainees.

<sup>5</sup> Before changes in the scope of consolidation.

<sup>6</sup> Before amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation, and special effects.

# Consolidated Statement of Income

The upcoming spin-off of parts of the Powertrain segment has resulted in the application of IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*. These parts make up most of the discontinued operations.

The lines in the consolidated statement of income show the figures for continuing operations in the reporting and comparative periods. Net income comprises earnings after tax from continuing operations and discontinued operations.

€ millions	January 1 to March 31	
	2021	2020
<b>Sales</b>	<b>8,575.3</b>	<b>8,405.5</b>
Cost of sales	-6,413.9	-6,425.5
<b>Gross margin on sales</b>	<b>2,161.4</b>	<b>1,980.0</b>
Research and development expenses	-817.2	-876.6
Selling and logistics expenses	-568.4	-621.2
Administrative expenses	-242.5	-251.2
Other income	368.0	458.9
Other expenses	-243.7	-194.3
Income from equity-accounted investees	5.0	2.2
Other income from investments	0.0	0.0
<b>EBIT</b>	<b>662.6</b>	<b>497.8</b>
Interest income	16.9	24.2
Interest expense	-58.1	-60.3
Effects from currency translation	-4.0	-20.3
Effects from changes in the fair value of derivative instruments, and other valuation effects	-39.4	95.9
<b>Financial result</b>	<b>-84.6</b>	<b>39.5</b>
<b>Earnings before tax from continuing operations</b>	<b>578.0</b>	<b>537.3</b>
Income tax expense	-127.2	-133.0
<b>Earnings after tax from continuing operations</b>	<b>450.8</b>	<b>404.3</b>
<b>Earnings after tax from discontinued operations</b>	<b>1.7</b>	<b>-111.9</b>
<b>Net income</b>	<b>452.5</b>	<b>292.4</b>
Non-controlling interests	-4.9	-0.1
Net income attributable to the shareholders of the parent	447.6	292.3
<b>Earnings per share (in €) relating to</b>		
Basic earnings per share from continuing operations	2.23	2.03
Consolidated basic earnings per share	2.24	1.46
Diluted earnings per share from continuing operations	2.23	2.03
Consolidated diluted earnings per share	2.24	1.46

The figures for the comparative period have been adjusted due to the change in the accounting policy for revenue recognition for subsidiaries in China. This change was announced in the second quarter of 2020.

# Consolidated Statement of Comprehensive Income

The upcoming spin-off of parts of the Powertrain segment has resulted in the application of IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*. These parts make up most of the discontinued operations.

The lines in the consolidated statement of comprehensive income show the figures for the Continental Group as a whole in the reporting and comparative periods. In addition, comprehensive income is shown separately for continuing operations and discontinued operations.

€ millions	January 1 to March 31	
	2021	2020
<b>Net income</b>	<b>452.5</b>	<b>292.4</b>
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurement of defined benefit plans <sup>1</sup>	666.7	-121.7
Fair value adjustments <sup>1</sup>	685.6	-121.0
Currency translation <sup>1</sup>	-18.9	-0.7
Other investments	-0.4	-
Currency translation <sup>1</sup>	-0.4	-
Tax on other comprehensive income	-171.2	25.5
<b>Items that may be reclassified subsequently to profit or loss</b>		
Currency translation <sup>1</sup>	357.4	-541.5
Difference from currency translation <sup>1</sup>	357.4	-541.5
<b>Other comprehensive income</b>	<b>852.5</b>	<b>-637.7</b>
<b>Comprehensive income</b>	<b>1,305.0</b>	<b>-345.3</b>
Attributable to non-controlling interests	-12.7	13.0
Attributable to the shareholders of the parent	1,292.3	-332.3
<b>The share of comprehensive income attributable to the shareholders of the parent is as follows:</b>		
Continuing operations	1,133.2	-177.4
Discontinued operations	159.1	-154.9

The figures for the comparative period have been adjusted due to the change in the accounting policy for revenue recognition for subsidiaries in China. This change was announced in the second quarter of 2020.

<sup>1</sup> Including non-controlling interests.



# Consolidated Statement of Financial Position

The upcoming spin-off of parts of the Powertrain segment has resulted in the application of IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*. These parts make up most of the discontinued operations.

The assets from discontinued operations are included in assets held for sale in the reporting period. The liabilities from discontinued operations are included in liabilities held for sale in the reporting period. The figures for the comparative periods have not been adjusted.

Assets in € millions	March 31, 2021	December 31, 2020	March 31, 2020
Goodwill	3,616.2	4,361.6	5,072.7
Other intangible assets	1,164.0	1,346.9	1,676.2
Property, plant and equipment	11,243.8	13,760.6	14,387.2
Investment property	11.9	12.2	11.5
Investments in equity-accounted investees	328.8	351.3	382.7
Other investments	119.8	123.4	197.6
Deferred tax assets	2,498.7	2,751.4	2,147.8
Defined benefit assets	82.1	82.7	10.6
Long-term contract assets	–	–	0.1
Long-term derivative instruments and interest-bearing investments	137.7	142.6	96.9
Long-term other financial assets	191.8	161.0	117.0
Long-term other assets	17.5	24.2	25.5
<b>Non-current assets</b>	<b>19,412.3</b>	<b>23,117.9</b>	<b>24,125.8</b>
Inventories	4,147.3	4,238.2	5,167.8
Trade accounts receivable	6,469.0	7,353.2	7,323.9
Short-term contract assets	88.6	119.1	117.7
Short-term other financial assets	179.7	146.8	114.5
Short-term other assets	1,072.1	1,352.5	1,385.8
Income tax receivables	203.3	234.8	265.5
Short-term derivative instruments and interest-bearing investments	88.1	114.0	197.5
Cash and cash equivalents	2,868.8	2,938.7	2,555.0
Assets held for sale	6,566.2	22.8	1.2
<b>Current assets</b>	<b>21,683.1</b>	<b>16,520.1</b>	<b>17,128.9</b>
<b>Total assets</b>	<b>41,095.4</b>	<b>39,638.0</b>	<b>41,254.7</b>

The figures for the comparative period have been adjusted due to the change in the accounting policy for revenue recognition for subsidiaries in China. This change was announced in the second quarter of 2020.

<b>Equity and liabilities in € millions</b>	<b>March 31, 2021</b>	<i>December 31, 2020</i>	March 31, 2020
Subscribed capital	512.0	512.0	512.0
Capital reserves	4,155.6	4,155.6	4,155.6
Retained earnings	12,407.7	11,960.2	13,814.4
Other comprehensive income	-3,524.8	-4,365.4	-3,419.6
<b>Equity attributable to the shareholders of the parent</b>	<b>13,550.5</b>	<b>12,262.4</b>	<b>15,062.4</b>
Non-controlling interests	378.4	376.7	449.8
<b>Total equity</b>	<b>13,928.9</b>	<b>12,639.1</b>	<b>15,512.2</b>
Long-term employee benefits	4,661.7	6,109.9	5,590.9
Deferred tax liabilities	260.5	168.6	304.3
Long-term provisions for other risks and obligations	934.6	1,242.6	686.9
Long-term indebtedness	4,997.5	5,144.4	3,233.0
Long-term other financial liabilities	6.9	6.7	31.4
Long-term contract liabilities	7.9	7.0	16.0
Long-term other liabilities	61.4	63.9	17.1
<b>Non-current liabilities</b>	<b>10,930.5</b>	<b>12,743.1</b>	<b>9,879.6</b>
Short-term employee benefits	1,255.7	1,236.5	1,605.7
Trade accounts payable	4,937.9	5,933.1	6,727.8
Short-term contract liabilities	203.9	291.0	257.6
Income tax payables	736.9	790.1	864.3
Short-term provisions for other risks and obligations	1,257.5	1,725.4	1,220.7
Short-term indebtedness	1,803.9	2,190.0	3,612.0
Short-term other financial liabilities	1,240.6	1,287.9	906.2
Short-term other liabilities	791.4	801.8	668.6
Liabilities held for sale	4,008.2	–	–
<b>Current liabilities</b>	<b>16,236.0</b>	<b>14,255.8</b>	<b>15,862.9</b>
<b>Total equity and liabilities</b>	<b>41,095.4</b>	<b>39,638.0</b>	<b>41,254.7</b>

The figures for the comparative period have been adjusted due to the change in the accounting policy for revenue recognition for subsidiaries in China. This change was announced in the second quarter of 2020.

# Consolidated Statement of Cash Flows

The upcoming spin-off of parts of the Powertrain segment has resulted in the application of IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*. These parts make up most of the discontinued operations.

The lines in the consolidated statement of cash flows show the figures for the Continental Group as a whole in the reporting and comparative periods. In addition, cash flow arising from operating activities, investing activities and financing activities is shown separately for continuing operations and discontinued operations.

€ millions	January 1 to March 31	
	2021	2020
<b>Net income</b>	<b>452.5</b>	<b>292.4</b>
Income tax expense	178.8	134.1
Financial result	88.6	9.8
<b>EBIT</b>	<b>719.9</b>	<b>436.3</b>
Interest paid	-31.2	-21.2
Interest received	8.0	11.2
Income tax paid	-148.4	-265.2
Dividends received	–	10.2
Depreciation, amortization, impairment and reversal of impairment losses	683.1	724.1
Income from equity-accounted investees and other investments, incl. impairment and reversal of impairment losses	-5.0	-2.2
Gains/losses from the disposal of assets, companies and business operations	-4.4	-144.1
Changes in		
inventories	-466.0	-586.9
trade accounts receivable	-495.2	344.2
trade accounts payable	327.9	-222.6
employee benefits and other provisions	348.2	321.9
other assets and liabilities	-50.8	-336.6
<b>Cash flow arising from operating activities</b>	<b>886.1</b>	<b>269.1</b>
Cash flow arising from operating activities - continuing operations	542.1	262.9
Cash flow arising from operating activities - discontinued operations	344.0	6.2
Cash flow from the disposal of assets	16.7	15.2
Capital expenditure on property, plant and equipment, and software	-236.5	-436.0
Capital expenditure on intangible assets from development projects and miscellaneous	-20.8	-62.0
Cash flow from the disposal of companies and business operations	0.5	234.4
Acquisition of companies and business operations	-8.4	-10.3
<b>Cash flow arising from investing activities</b>	<b>-248.5</b>	<b>-258.7</b>
Cash flow arising from investing activities - continuing operations	-209.5	-164.5
Cash flow arising from investing activities - discontinued operations	-39.0	-94.2

€ millions	January 1 to March 31	
	2021	2020
<b>Cash flow before financing activities (free cash flow)</b>	<b>637.6</b>	<b>10.4</b>
Change in indebtedness	-477.2	-739.6
Successive purchases	–	-2.8
Dividends paid to and cash changes from equity transactions with non-controlling interests	-15.1	-8.0
<b>Cash flow arising from financing activities</b>	<b>-492.3</b>	<b>-750.4</b>
Cash flow arising from financing activities - continuing operations	-480.9	-753.4
Cash flow arising from financing activities - discontinued operations	-11.4	3.0
<b>Change in cash and cash equivalents</b>	<b>145.3</b>	<b>-740.0</b>
Cash and cash equivalents at the beginning of the reporting period	2,938.7	3,341.8
Effect of exchange-rate changes on cash and cash equivalents	58.4	-46.8
Less cash and cash equivalents from discontinued operations	-273.6	–
<b>Cash and cash equivalents from continuing operations at the end of the reporting period</b>	<b>2,868.8</b>	<b>2,555.0</b>

The figures for the comparative period have been adjusted due to the change in the accounting policy for revenue recognition for subsidiaries in China. This change was announced in the second quarter of 2020.

# Consolidated Statement of Changes in Equity

€ millions	Difference from									Total
	Subscribed capital <sup>1</sup>	Capital reserves	Retained earnings	Successive purchases <sup>2</sup>	remeasurement of defined benefit plans	currency translation	financial instruments <sup>3</sup>	Subtotal	Non-controlling interests	
<b>As at January 1, 2020</b>	<b>512.0</b>	<b>4,155.6</b>	<b>13,522.1</b>	<b>-187.4</b>	<b>-2,366.4</b>	<b>-233.1</b>	<b>-7.5</b>	<b>15,395.3</b>	<b>480.4</b>	<b>15,875.7</b>
Net income	–	–	292.3	–	–	–	–	292.3	0.1	<b>292.4</b>
Comprehensive income	–	–	–	–	-96.2	-528.4	–	-624.6	-13.1	<b>-637.7</b>
<b>Net profit for the period</b>	<b>–</b>	<b>–</b>	<b>292.3</b>	<b>–</b>	<b>-96.2</b>	<b>-528.4</b>	<b>–</b>	<b>-332.3</b>	<b>-13.0</b>	<b>-345.3</b>
Dividends paid/resolved	–	–	–	–	–	–	–	–	-15.4	<b>-15.4</b>
Successive purchases	–	–	–	-0.6	–	–	–	-0.6	-2.2	<b>-2.8</b>
Other changes	–	–	–	–	–	–	–	–	–	<b>–</b>
<b>As at March 31, 2020</b>	<b>512.0</b>	<b>4,155.6</b>	<b>13,814.4</b>	<b>-188.0</b>	<b>-2,462.6</b>	<b>-761.5</b>	<b>-7.5</b>	<b>15,062.4</b>	<b>449.8</b>	<b>15,512.2</b>
<b>As at January 1, 2021</b>	<b>512.0</b>	<b>4,155.6</b>	<b>11,960.2</b>	<b>-302.1</b>	<b>-2,817.0</b>	<b>-1,232.7</b>	<b>-13.6</b>	<b>12,262.4</b>	<b>376.7</b>	<b>12,639.1</b>
Net income	–	–	447.6	–	–	–	–	447.6	4.9	<b>452.5</b>
Comprehensive income	–	–	-0.1	–	495.3	349.9	-0.4	844.7	7.8	<b>852.5</b>
<b>Net profit for the period</b>	<b>–</b>	<b>–</b>	<b>447.5</b>	<b>–</b>	<b>495.3</b>	<b>349.9</b>	<b>-0.4</b>	<b>1,292.3</b>	<b>12.7</b>	<b>1,305.0</b>
Dividends paid/resolved	–	–	–	–	–	–	–	–	-11.1	<b>-11.1</b>
Successive purchases	–	–	–	–	–	–	–	–	–	<b>–</b>
Other changes <sup>4</sup>	–	–	–	-4.2	–	–	–	-4.2	0.1	<b>-4.1</b>
<b>As at March 31, 2021</b>	<b>512.0</b>	<b>4,155.6</b>	<b>12,407.7</b>	<b>-306.3</b>	<b>-2,321.7</b>	<b>-882.8</b>	<b>-14.0</b>	<b>13,550.5</b>	<b>378.4</b>	<b>13,928.9</b>

The figures for the comparative period have been adjusted due to the change in the accounting policy for revenue recognition for subsidiaries in China. This change was announced in the second quarter of 2020.

1 Divided into 200,005,983 shares outstanding.

2 Includes an amount of €4.2 million (PY: –) relating to effects from the first-time consolidation of previously non-consolidated subsidiaries. The prior-year period also includes an amount of -€0.6 million from successive purchases of shares in fully consolidated companies.

3 The change in the difference arising from financial instruments, including deferred taxes, was due to other investments of -€0.4 million (PY: –).

4 Other changes in non-controlling interests due to changes in the scope of consolidation and capital increases.

# Segment Reporting

The upcoming spin-off of parts of the Powertrain segment has resulted in the application of IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*. These parts make up most of the discontinued operations.

All the segment report tables for the reporting and comparative periods show primarily continuing operations for Autonomous Mobility and Safety as well as Vehicle Networking and Information, only continuing operations for Tires and ContiTech, and primarily discontinued operations for Powertrain.

## Segment report for the period from January 1 to March 31, 2021

€ millions	Autonomous Mobility and Safety	Vehicle Networking and Information	Tires	ContiTech	Powertrain	Other/ Holding/ Consolidation	Continental Group
External sales	2,016.0	2,065.2	2,722.0	1,503.3	1,952.4	–	10,258.9
Intercompany sales	19.3	15.3	20.9	17.4	45.8	-118.7	–
<b>Sales (total)</b>	<b>2,035.3</b>	<b>2,080.5</b>	<b>2,742.9</b>	<b>1,520.7</b>	<b>1,998.2</b>	<b>-118.7</b>	<b>10,258.9</b>
EBIT (segment result)	83.1	56.5	447.5	135.8	37.3	-40.3	719.9
in % of sales	4.1	2.7	16.3	8.9	1.9	–	7.0
Depreciation and amortization <sup>1</sup>	134.7	126.5	203.3	81.8	135.2	1.6	683.1
thereof impairment <sup>2</sup>	-0.1	0.1	1.0	0.1	28.1	–	29.2
Capital expenditure <sup>3</sup>	60.9	81.3	49.9	40.1	47.8	11.5	291.5
in % of sales	3.0	3.9	1.8	2.6	2.4	–	2.8
Operating assets as at March 31	4,521.2	3,522.8	6,680.2	3,076.0	2,753.2	220.2	20,773.6
Number of employees as at March 31 <sup>4</sup>	47,478	46,810	56,984	43,464	39,810	453	234,999
Adjusted sales <sup>5</sup>	2,035.3	2,080.5	2,742.8	1,520.7	1,998.2	-118.7	10,258.8
Adjusted operating result (adjusted EBIT) <sup>6</sup>	97.7	84.8	455.3	159.6	76.6	-40.2	833.8
in % of adjusted sales	4.8	4.1	16.6	10.5	3.8	–	8.1

<sup>1</sup> Excluding impairment on financial investments.

<sup>2</sup> Impairment also includes necessary reversal of impairment losses.

<sup>3</sup> Capital expenditure on property, plant and equipment, and software.

<sup>4</sup> Excluding trainees.

<sup>5</sup> Before changes in the scope of consolidation.

<sup>6</sup> Before amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation, and special effects.

## Segment report for the period from January 1 to March 31, 2020

€ millions	Autonomous Mobility and Safety	Vehicle Networking and Information	Tires	ContiTech	Powertrain	Other/ Holding/ Consolidation	Continental Group
External sales	2,052.3	2,121.2	2,464.7	1,497.4	1,777.1	–	9,912.7
Intercompany sales	8.0	13.3	18.8	23.5	51.9	-115.5	–
<b>Sales (total)</b>	<b>2,060.3</b>	<b>2,134.5</b>	<b>2,483.5</b>	<b>1,520.9</b>	<b>1,829.0</b>	<b>-115.5</b>	<b>9,912.7</b>
EBIT (segment result)	11.8	139.6	256.6	89.8	-22.9	-38.6	436.3
in % of sales	0.6	6.5	10.3	5.9	-1.3	–	4.4
Depreciation and amortization <sup>1</sup>	139.5	136.7	215.0	89.6	139.4	3.9	724.1
thereof impairment <sup>2</sup>	4.6	0.0	–	–	18.0	0.0	22.6
Capital expenditure <sup>3</sup>	85.3	108.3	116.0	48.2	104.2	13.0	475.0
in % of sales	4.1	5.1	4.7	3.2	5.7	–	4.8
Operating assets as at March 31	4,617.3	4,627.1	7,583.4	3,453.5	3,170.5	129.1	23,580.9
Number of employees as at March 31 <sup>4</sup>	48,927	48,808	56,737	44,883	39,844	450	239,649
Adjusted sales <sup>5</sup>	2,041.2	2,084.8	2,483.5	1,517.3	1,829.0	-115.5	9,840.3
Adjusted operating result (adjusted EBIT) <sup>6</sup>	60.0	17.0	263.8	117.4	11.9	-36.9	433.2
in % of adjusted sales	2.9	0.8	10.6	7.7	0.7	–	4.4

The figures for the comparative period have been adjusted due to the change in the accounting policy for revenue recognition for subsidiaries in China. This change was announced in the second quarter of 2020.

1 Excluding impairment on financial investments.

2 Impairment also includes necessary reversal of impairment losses.

3 Capital expenditure on property, plant and equipment, and software.

4 Excluding trainees.

5 Before changes in the scope of consolidation.

6 Before amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation, and special effects.

## Reconciliation of consolidated sales and consolidated EBIT, in accordance with the segment reporting, to the sales and EBIT from continuing operations, in accordance with the consolidated statement of income

€ millions	January 1 to March 31	
	2021	2020
<b>Consolidated sales (total) in accordance with the segment reporting</b>	<b>10,258.9</b>	<b>9,912.7</b>
Sales from discontinued operations	-1,683.6	-1,507.2
<b>Sales from continuing operations in accordance with the consolidated statement of income</b>	<b>8,575.3</b>	<b>8,405.5</b>
<b>Consolidated EBIT in accordance with the segment reporting</b>	<b>719.9</b>	<b>436.3</b>
EBIT from discontinued operations	-57.3	61.5
<b>EBIT from continuing operations in accordance with the consolidated statement of income</b>	<b>662.6</b>	<b>497.8</b>

The figures for the comparative period have been adjusted due to the change in the accounting policy for revenue recognition for subsidiaries in China. This change was announced in the second quarter of 2020.

## Presentation of consolidated operating assets from continuing operations and discontinued operations, in accordance with the segment reporting

€ millions	March 31, 2021
<b>Consolidated operating assets as at March 31 in accordance with the segment reporting</b>	<b>20,773.6</b>
Operating assets as at March 31 from discontinued operations	2,698.4
Operating assets as at March 31 from continuing operations	18,075.2

**Reconciliation of sales to adjusted sales and of EBITDA to adjusted operating result (adjusted EBIT)  
from January 1 to March 31, 2021**

€ millions	Autonomous Mobility and Safety	Vehicle Networking and Information	Tires	ContiTech	Powertrain	Other/ Holding/ Consolidation	Continental Group
<b>Sales</b>	<b>2,035.3</b>	<b>2,080.5</b>	<b>2,742.9</b>	<b>1,520.7</b>	<b>1,998.2</b>	<b>-118.7</b>	<b>10,258.9</b>
Changes in the scope of consolidation <sup>1</sup>	–	–	-0.1	–	–	–	-0.1
<b>Adjusted sales</b>	<b>2,035.3</b>	<b>2,080.5</b>	<b>2,742.8</b>	<b>1,520.7</b>	<b>1,998.2</b>	<b>-118.7</b>	<b>10,258.8</b>
<b>EBITDA</b>	<b>217.8</b>	<b>183.0</b>	<b>650.8</b>	<b>217.6</b>	<b>172.5</b>	<b>-38.7</b>	<b>1,403.0</b>
Depreciation and amortization <sup>2</sup>	-134.7	-126.5	-203.3	-81.8	-135.2	-1.6	-683.1
<b>EBIT</b>	<b>83.1</b>	<b>56.5</b>	<b>447.5</b>	<b>135.8</b>	<b>37.3</b>	<b>-40.3</b>	<b>719.9</b>
Amortization of intangible assets from purchase price allocation (PPA)	–	16.1	4.6	19.1	1.4	–	41.2
Changes in the scope of consolidation <sup>1</sup>	–	1.4	0.1	–	–	–	1.5
Special effects							
Impairment on goodwill	–	–	–	–	–	–	–
Impairment <sup>3</sup>	-0.1	0.1	0.1	–	27.8	–	27.9
Restructuring <sup>4</sup>	0.1	0.0	0.4	1.0	-10.4	–	-8.9
Restructuring-related expenses	6.3	2.6	–	0.6	2.8	–	12.3
Severance payments	3.3	3.5	2.6	3.1	3.4	0.1	16.0
Gains and losses from disposals of companies and business operations	–	-0.3	–	–	–	–	-0.3
Other <sup>5</sup>	5.0	4.9	–	–	14.3	–	24.2
<b>Adjusted operating result (adjusted EBIT)</b>	<b>97.7</b>	<b>84.8</b>	<b>455.3</b>	<b>159.6</b>	<b>76.6</b>	<b>-40.2</b>	<b>833.8</b>

<sup>1</sup> Changes in the scope of consolidation include additions and disposals as part of share and asset deals. Adjustments were made for additions in the reporting year and for disposals in the comparative period of the prior year.

<sup>2</sup> Excluding impairment on financial investments.

<sup>3</sup> Impairment also includes necessary reversal of impairment losses. This item does not include impairment that arose in connection with a restructuring and impairment on financial investments.

<sup>4</sup> Includes impairment losses totaling €1.5 million (Tires €0.9 million; ContiTech €0.1 million; Powertrain €0.5 million) and a reversal of impairment losses of €0.2 million in the Powertrain segment.

<sup>5</sup> Includes expenses of €24.2 million from the transformation of the Powertrain segment into an independent legal entity.



**Reconciliation of sales to adjusted sales and of EBITDA to adjusted operating result (adjusted EBIT)  
from January 1 to March 31, 2020**

€ millions	Autonomous Mobility and Safety	Vehicle Networking and Information	Tires	ContiTech	Powertrain	Other/ Holding/ Consolidation	Continental Group
<b>Sales</b>	<b>2,060.3</b>	<b>2,134.5</b>	<b>2,483.5</b>	<b>1,520.9</b>	<b>1,829.0</b>	<b>-115.5</b>	<b>9,912.7</b>
Changes in the scope of consolidation <sup>1</sup>	-19.1	-49.7	–	-3.6	–	–	-72.4
<b>Adjusted sales</b>	<b>2,041.2</b>	<b>2,084.8</b>	<b>2,483.5</b>	<b>1,517.3</b>	<b>1,829.0</b>	<b>-115.5</b>	<b>9,840.3</b>
<b>EBITDA</b>	<b>151.3</b>	<b>276.3</b>	<b>471.6</b>	<b>179.4</b>	<b>116.5</b>	<b>-34.7</b>	<b>1,160.4</b>
Depreciation and amortization <sup>2</sup>	-139.5	-136.7	-215.0	-89.6	-139.4	-3.9	-724.1
<b>EBIT</b>	<b>11.8</b>	<b>139.6</b>	<b>256.6</b>	<b>89.8</b>	<b>-22.9</b>	<b>-38.6</b>	<b>436.3</b>
Amortization of intangible assets from purchase price allocation (PPA)	–	16.6	4.9	23.7	2.6	–	47.8
Changes in the scope of consolidation <sup>1</sup>	5.6	-5.1	–	-0.1	–	–	0.4
Special effects							
Impairment on goodwill	–	–	–	–	–	–	–
Impairment <sup>3</sup>	4.6	0.0	–	–	13.7	0.1	18.4
Restructuring <sup>4</sup>	33.9	–	0.0	-0.1	6.4	–	40.2
Restructuring-related expenses	1.7	–	–	–	2.0	–	3.7
Severance payments	1.8	2.2	2.1	4.1	1.3	0.1	11.6
Gains and losses from disposals of companies and business operations	–	-137.0	0.2	0.0	–	–	-136.8
Other <sup>5</sup>	0.6	0.7	–	–	8.8	1.5	11.6
<b>Adjusted operating result (adjusted EBIT)</b>	<b>60.0</b>	<b>17.0</b>	<b>263.8</b>	<b>117.4</b>	<b>11.9</b>	<b>-36.9</b>	<b>433.2</b>

The figures for the comparative period have been adjusted due to the change in the accounting policy for revenue recognition for subsidiaries in China. This change was announced in the second quarter of 2020.

<sup>1</sup> Changes in the scope of consolidation include additions and disposals as part of share and asset deals. Adjustments were made for additions in the reporting year and for disposals in the comparative period of the prior year.

<sup>2</sup> Excluding impairment on financial investments.

<sup>3</sup> Impairment also includes necessary reversal of impairment losses. This item does not include impairment that arose in connection with a restructuring and impairment on financial investments.

<sup>4</sup> Includes impairment losses of €4.3 million in the Powertrain segment.

<sup>5</sup> Includes expenses of €11.6 million from the transformation of the Powertrain segment into an independent legal entity.

Hanover, April 26, 2021

Continental Aktiengesellschaft  
The Executive Board

# Financial Calendar

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<b>2021</b>	
Annual Financial Press Conference	March 9
Analyst and Investor Conference Call	March 9
Annual Shareholders' Meeting	April 29
Quarterly Statement as at March 31, 2021	May 6
Half-Year Financial Report as at June 30, 2021	August 5
Quarterly Statement as at September 30, 2021	November 10

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<b>2022</b>	
Annual Financial Press Conference	March
Analyst and Investor Conference Call	March
Annual Shareholders' Meeting	April 29
Quarterly Statement as at March 31, 2022	May
Half-Year Financial Report as at June 30, 2022	August
Quarterly Statement as at September 30, 2022	November

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