Automotive: Continental Determines Measures to Strengthen Competitiveness



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million euros in annual cost savings planned in administrative structures from 2025 onwards

- The aim is to create leaner business and administrative structures worldwide as well as quicker decision-making processes

- Organizational structure is streamlined from six to five business areas

- The Commercial Vehicle, Automotive Aftermarket, and Actuator business are reallocated within Automotive

- Philipp von Hirschheydt, Member of the Executive Board and Head of Automotive:

> These measures increase efficiency and effectiveness and strengthen our competitiveness

Frankfurt am Main, Germany, November 13, 2023. Continental has determined further measures to strengthen the competitiveness of its Automotive sector. To this end, the sector is simplifying and streamlining business and administrative structures. With the planned measures in the administrative structures, Continental is aiming to ease the sector's costs by 400 million euros annually. The full extend should be reached by 2025. To achieve this, Continental is developing a broad range of measures across all parts and all levels of the organization. Therefore, the exact number of globally affected jobs is not decided yet but is expected to be in the mid four-digit range at Automotive. Continental is planning to implement all measures as socially responsible as possible. The Automotive sector is also currently examining additional measures to increase efficiency in the R&D area. A comprehensive strategy update for the sector will be provided at Continental's Capital Markets Day on December 4, 2023.

To streamline the business structure of Automotive, the business area Smart Mobility will be dissolved. The sector will be consolidated into five business areas instead of the previous six. The business areas will be as follows: Architecture and Networking, Autonomous Mobility, Safety and Motion, Software and Central Technologies and User Experience.

> Our goal is to create a sustainably profitable sector that can invest in its future from its own resources. With the adjustments to our structure, we bring technology solutions to those business areas where we see synergies. This will allow us to respond even better to market requirements,

explains Philipp von Hirschheydt, Executive Board Member at Continental and

> These initial measures are important for improving the competitiveness of the Automotive sector. We will now tackle them step by step and continue to implement them. Simplifying structures and reducing functions is essential for our successful future. To significantly improve efficiency and effectiveness, we are looking at all functions and processes without reservations, from sales to research and from development to production. We are also entering discussions with the social partners to identify suitable measures.

As part of the transition phase in 2024, parts of the previous Smart Mobility business area will be reallocated and managed in other Automotive business areas based on natural overlaps. The new allocation will focus on three businesses: commercial vehicle electronics and services for the management of commercial vehicle fleets, actuator solutions for passenger cars, for example for door or sunroof controls, and the automotive aftermarket business.

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