

Automotive Strengthens Competitiveness of Research and Development in a Challenging Market...



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Automotive Strengthens Competitiveness of Research and Development in a Challenging Market Environment

- Focus on technology developments for key mobility megatrends and optimization of the global R&D network to further increase customer orientation
- Associated efficiency measures are aimed to reduce the R&D ratio to a level of less than ten percent by 2027
- Socially responsible reduction of around ten percent of global R&D jobs to be completed by the end of 2026 – less than half of the reductions will be at German locations
- Philipp von Hirschheydt, Continental Executive Board member for Automotive:

In the coming years, we will continue to invest substantially in research and development for new products and systems. At the same time, we are continuously improving our competitive strength in the interests of our sustainable market success

Frankfurt, February 18, 2025. Continental's Automotive group sector is consistently focusing on future technologies that are attracting a high level of customer interest and ensuring its research and development activities remain competitive for safe, exciting, connected and autonomous mobility. In doing so, the company is focused on the continued optimization of its global network of R&D locations and streamlining processes that enable accelerated adaptation to customer needs.

The improved global set-up requires additional efficiency measures aimed at reducing the company's R&D ratio to remain competitive. A total of around 3,000 research and development jobs worldwide will be impacted by the additional planned measures by end of 2026, less than half of which will be in Germany. The planned R&D workforce optimization efforts will, to a large extent, be implemented through natural fluctuation, for example from retirements, and a focus on internal hiring. These latest measures are necessary and in part due to the dynamic and challenging market environment as the industry is undergoing a major transformation toward future technologies.

Innovation leadership with highly competitive strength

Offering forward-looking technology is critical to our business. We will continue to invest substantially in research and development for new products and systems. At the same time, we are continuously improving our competitive strengths in the interest of our sustainable market success. As a result, we will ensure our R&D team is one of the most efficient in the world market and secure attractive jobs for the long term,

said Philipp von Hirschheydt, member of the Continental Executive Board and head of the Automotive group sector.

Targeted measures for the individual business segments, subsidiaries and locations are intended to adapt capacities to changing customer demand, increase the efficiency of the global network of research and development locations and improve processes. In Germany, these additional efficiency measures relate primarily to the sites in Babenhausen, where around 12 percent of employees are affected according to planning, and Frankfurt (around 5 percent). Further efficiency measures, on a smaller scale, are planned in Ingolstadt, Regensburg and Schwalbach. In addition, measures are planned at the subsidiaries Elektrobit and Continental Engineering Services. Worldwide, 480 jobs are affected at Elektrobit, of which around 330 are in Germany. At Continental Engineering Services, the measures relate to 420 jobs worldwide, of which around 330 are in Germany. As part of the global location concept, Continental Engineering Services plans to leave its location in Nuremberg.

The Continental group sector Automotive employs around 92,000 people (December 31, 2024), of which around 31,000 are in research

and development.

Implementation as socially responsible as possible

The aim is to implement the planned measures as socially responsible as possible. For example, a significant part of our R&D workforce optimization efforts will be by not backfilling positions that become vacant due to natural attrition. Additionally, Continental is committed to supporting impacted employees and working on individual solutions together with its social partners.

In doing so, Continental relies on established methods and strives to find solutions on the internal and external labor market, among other things. The company's own Institute for Technology and Transformation (CITT) offers employees tailor-made training courses, seminars and training courses for targeted qualifications. The Automotive group sector is also working with other companies around the affected sites to support employees in their search for new employment.

Head of External Communications

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