

Continental Presents “Vision 2030” Strategic Program for the Tire Business Area

- **Focus of “Vision 2030” lies on systematic customer-centric alignment of all business activities as well as further profitable growth**
- **Smart digital tire solutions and realization of ambitious sustainability goals will be key success factors and differentiators in the marketplace**
- **“Vision 2030” sets the stage for the next chapter in the Tires business area’s success story and systematic expansion of its position among the top manufacturers**

Hanover, December 16, 2020. On the occasion of its Capital Market Days, Continental set out its new strategic program for the Tires business area. “Vision 2030” is focused on the systematic customer-centric alignment of the organization and all its business activities. In addition, the Tires business area is targeting further profitable growth and, in a fast-changing market environment, aiming to set itself apart from the competition in respect of sustainability and through digital solutions.

In particular, the Tires business area is looking to expand its share of the growth markets of Asia and North America. In the passenger and light truck tires segment, the focus will be on growing the global business with tires for electric vehicles and ultra-high-performance tires. In the truck and bus tire segment, the Conti360° fleet services offering will be a key driver across all regions. At the same time, Continental’s specialty tire business, which covers two-wheeler and race tires, as well as tires for many different industrial applications, is also set for further growth, notably in the agricultural tires segment.

“Excellent tires are and will remain our DNA. They have made us one of the world’s largest tire manufacturers. Now, with our ‘Vision 2030’ strategic program, we are setting the stage to build on what is already a position of strength. Going forward, smart digital tire solutions and the realization of ambitious sustainability goals will be decisive for our success and as differentiators in the marketplace,” said Christian Kötzt, head of the Tires business area and a member of Continental’s Executive Board. “The new ‘Vision 2030’ strategic program underlines our aspiration to systematically align our organization with the development of customer-oriented solutions and to put customer needs at the center of all our activities.”

The previous “Vision 2025” strategy had seen the Tires business area drive substantial expansion of its worldwide market share. The new strategic program is designed to write the next chapter in this success story. The company is already the world’s third largest manufacturer of passenger tires and the fourth largest truck tire manufacturer.

Going forward, with its premium portfolio of passenger, truck and specialty tires, Continental will continue to stand for innovative peak performance in tire technology. In the future, this will be complemented by an ever-expanding service offering and aligned even more precisely with the different customer segments. On top of this, in recent years Continental has pursued the targeted expansion of its worldwide production network. At the company’s state-of-the-art production plants, innovations such as fully automated tire warehouses and the cross-company rollout of a global digital manufacturing system will support even more efficient and environmentally compatible production in the future.

Continental will continue to systematically develop new business models and create an entire ecosystem of smart digital solutions centered on its premium tires. As one of the world's largest suppliers of electronics, sensor systems and software in the mobility industry, Continental has a decisive competitive edge in this respect. At the same time, the tire manufacturer also systematically enters development partnerships with customers and other technology firms. Through this approach, the Tires business area is aiming to become the global leader for service-based digital solutions by 2030. Today, the company already offers many fleet customers guaranteed mileage along with an extensive range of tire services whenever and wherever they are required. Then there are smart tires that permit customers to monitor their condition with the aid of sensors and software. In pilot projects, Continental is currently demonstrating the added value that it will create for its customers going forward by networking tires, sensors, telemetry data, algorithms and the cloud. The resultant smart digital solutions will help to ensure that, in the future, tires are serviced or replaced precisely when necessary. This will lead to a substantial increase in safety and productivity, while at the same time cutting costs.

In the sustainability sector too, Continental is pursuing ambitious goals and aiming to become the most progressive manufacturer in the tire industry by 2030. With this in mind, back in April 2020, all the relevant projects and activities worldwide were brought under the umbrella of the newly created Sustainability department. Sustainable and responsible business practices have for many years formed an integral part of corporate strategy at Continental. Efforts here are centered around the strategic topics of climate action, low-emission mobility, the circular economy and sustainable supply chains, thus embracing all phases of the value chain.

In order to arrive at a more energy-efficient and environmentally friendly tire of the future in respect of production, use and recyclability, Continental systematically invests in research and development in the fields of new technologies, alternative materials and environmentally compatible production processes. Through these efforts, by 2050 the tire manufacturer is aiming to gradually transition to 100 percent sustainably produced materials in its tire products. Continental defines all materials as sustainable that originate in a closed material cycle, have no harmful impact on humans or the environment, are procured responsibly and are carbon neutral along the supply chain. Today, in its unique Taraxagum project, the Tires business area already produces natural rubber from dandelions, opening up an alternative source of raw material. By way of example, the Urban Taraxagum bicycle tire is the first series production tire from Continental to be made using natural rubber obtained from the dandelion plant. The Tires business area is also the industry leader in the efficient and sustainable use of water and energy. As a result of years of hard work, today Continental already consumes 55 percent less water and 17 percent less energy than the industry average per metric ton of tires produced. By 2030, the aim is to achieve savings of an additional 20 percent in each case.

Continental develops pioneering technologies and services for sustainable and networked mobility of people and their goods. Founded in 1871, the technology company offers safe, efficient, intelligent and affordable solutions for vehicles, machines, traffic and transportation. In 2019, Continental generated sales of €44.5 billion and currently employs more than 233,000 people in 59 countries and markets.

The **Tires business area** business area has 24 production and development locations worldwide. Continental is one of the leading tire manufacturers with more than 56,000 employees and posted sales of €11.7 billion in 2019 in this business area. Continental ranks among the technology leaders in tire production and offers a broad product range for passenger cars, commercial vehicles and two-wheelers. Through continuous investment in research and development, Continental makes a major contribution to safe, cost-effective and ecologically efficient mobility. The portfolio of the Tires business area includes services for the tire trade and fleet applications, as well as digital management systems for tires.

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Strategic Program "Vision 2030" of the Continental Tires business area.



Christian Kötz, head of the Tires business area and a member of Continental's Executive Board.