



# Q2 2022/23 Results

## Conference Call

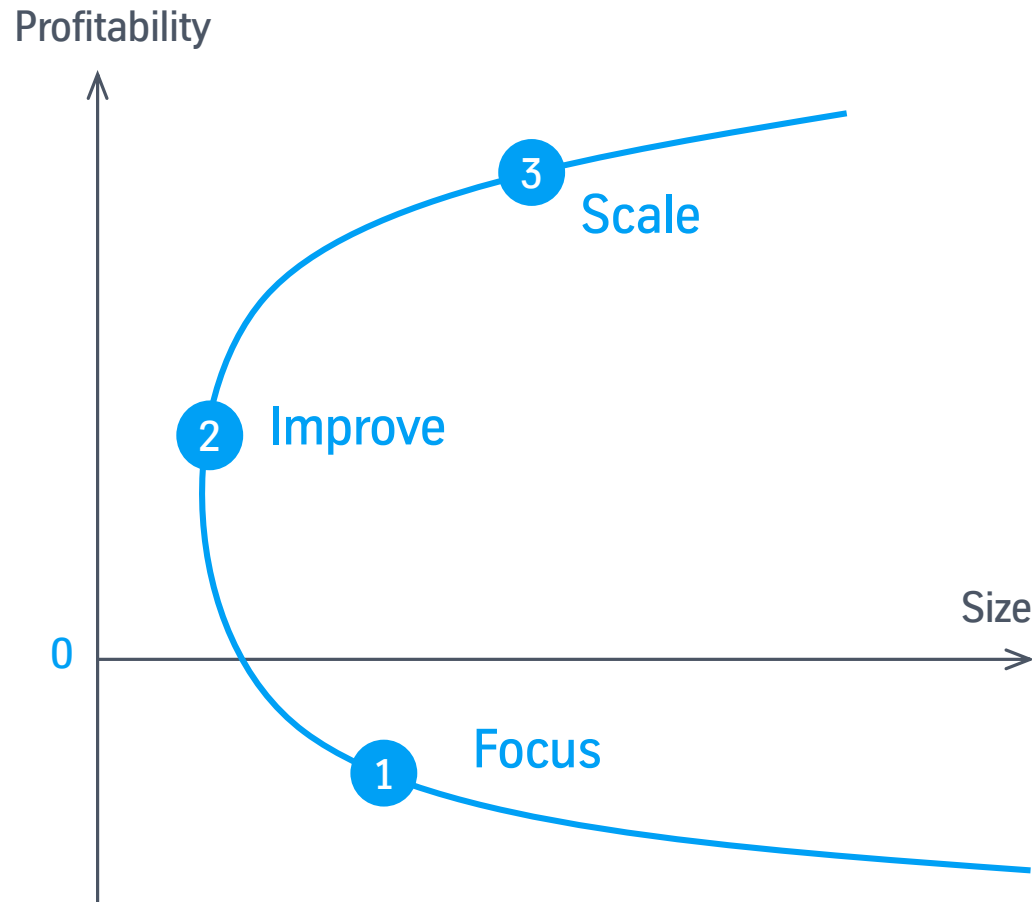
Ticker: TKA (Share) TKAMY (ADR) May 2023  
May 2023 | Essen

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thyssenkrupp

# Recap: Progress along the transformation path of thyssenkrupp



1

- Portfolio clearly structured in 2020, especially with MT segment – transparency on performance and potential for all segments
- Crystallization point for value uplift (especially nucera)
- Management focus on specific challenges and opportunities

2

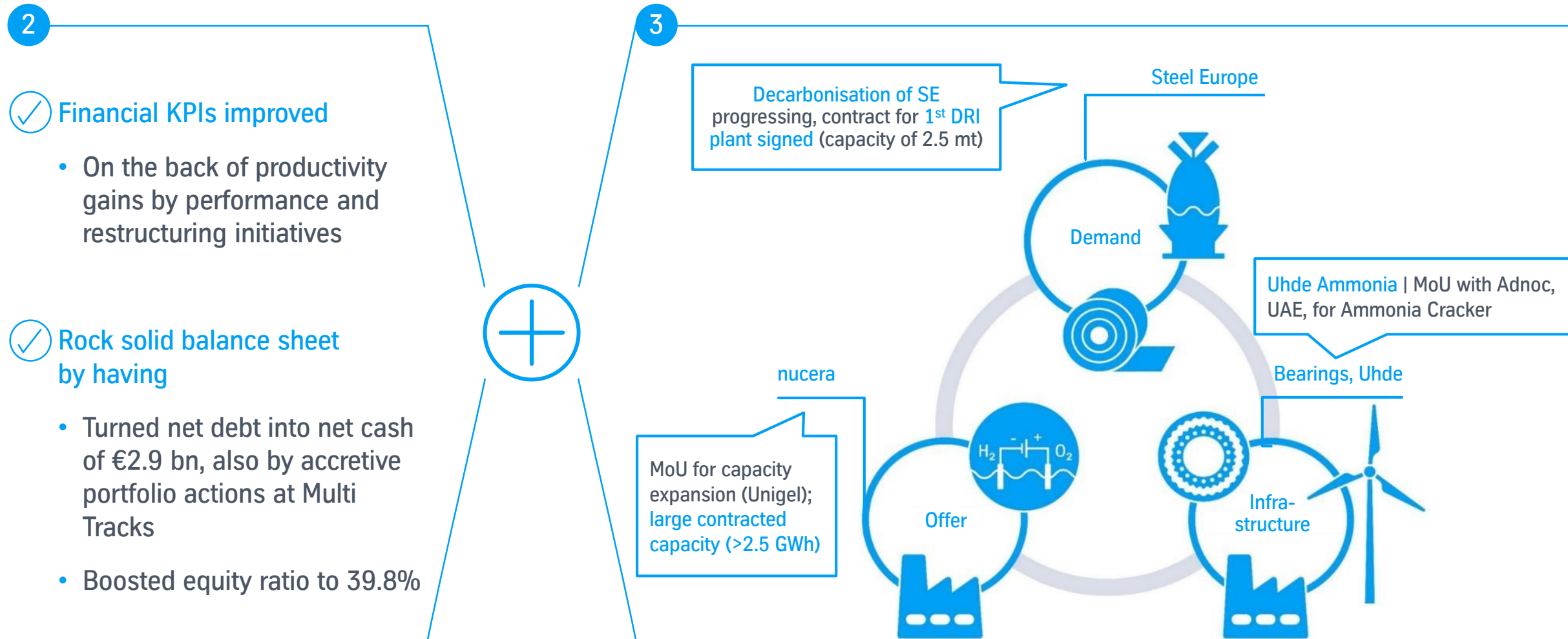
	19/20	22/23e
EBIT adjusted [€bn]	(1.8)	Mid-high 3-digit €mn
FCF before M&A [€bn]	(5.5)	Slightly +ve

3

- Value / development plans for all businesses
- tk as enabler of green transformation by
  - Leveraging our technological expertise
  - Shaping and evolving our businesses



# Recap: Financial resilience significantly improved and footprint in green transformation expanded





# “Continue on the path of transformation on the basis of the strategic lines that have been laid down”



## PERFORMANCE

All businesses to reach **benchmark performance**, while achieving their mid-term targets as next step



## GREEN TRANSFORMATION

**Capture opportunities** by leveraging our technological expertise/IP



## PORTFOLIO MANAGEMENT

Developing and shaping our businesses is more important to us than the ownership structure



## ACTIVE OWNER – enhance tk’s role/enable segment transformation

- Evaluate stand-alone options for Steel Europe
- Focus on an independent solution for Marine Systems
- Streamline portfolio to de-risk and improve performance – next portfolio actions at Multi Tracks in progress
- Execute potential IPO for nucera to crystallize value

## Press Release

### **Martina Merz intends to step down from the Executive Board of thyssenkrupp AG, Miguel Ángel López Borrego appointed to take over as Chief Executive Officer**

Martina Merz, CEO thyssenkrupp AG, today asked the Personnel Committee of the Supervisory Board of the thyssenkrupp AG for talks to find a timely mutual agreement for stepping down from her position as CEO of thyssenkrupp AG. In accordance with the request of Martina Merz, the Personnel Committee of the Supervisory Board decided to enter into talks with her to terminate her Executive Board contract by mutual agreement.

At the same time, the Personnel Committee proposes to the Supervisory Board to appoint Miguel Ángel López Borrego, currently CEO of NORMA Group SE, formerly CEO of Siemens Spain and Chairman of the Board of Siemens Gamesa Renewables, S.A., as a member of the Executive Board of thyssenkrupp AG with effect from June 1, 2023 and to appoint him as Chief Executive Officer.

Prof. Dr. Siegfried Russwurm, Chairman of the Supervisory Board of thyssenkrupp AG: “With Miguel Ángel López Borrego, we have been able to win an internationally experienced manager with broad industry experience in the areas of digitalization and Industry 4.0 as well as an very experienced finance and M&A expert for the future management of thyssenkrupp. With him at the top, we will continue on the path of transformation on the basis of the strategic lines that have been laid down. This is challenging, but necessary. Because the transformation of thyssenkrupp is not yet complete.”

After graduating from secondary school in the German state Hessen, Miguel Ángel López Borrego studied at the Berufsakademie Mannheim (degree in business administration) and at the University of Toronto (MBA). He began his professional career as a controller at VDO AG. He was subsequently CFO of VDO Instrumentos in Spain and of the global VDO Instruments Division. Within the Siemens Group, he was Chief Financial Officer of various business units, from 2014 Chief Financial Officer of the Digital Factory Division, later Chief Financial Officer of Siemens Gamesa Renewable Energy and 2018-2022 President & CEO of the Board of Siemens Spain and Chairman of the Board of Directors, Siemens-Gamesa Renewable Energy S.A. Until May 31, 2023, López Borrego is CEO of the automotive and industrial supplier company NORMA Group SE, a role he has taken on a temporary basis delegated by the Supervisory Board of the Company in accordance with § 105 of the German Stock Corporation Act.

Russwurm further: “Martina Merz has taken over a very difficult task at a challenging time and since then has initiated a fundamental change process at thyssenkrupp with great commitment and expertise. Her target definition, according to which the best possible development of the businesses is in doubt more important than the ownership structure, was also clearly supported by the shareholders at the Annual General Meeting in February 2023. For her achievements Martina Merz deserves my personal and all our great thanks. At the same time, we respect her decision to retire now from the management of thyssenkrupp.”



# Performance YTD fully in line with our FY 22/23 targets

Performance highlights – effects from CO<sub>2</sub> certificates classified as special item, thus not included in EBIT(DA) adj.<sup>1</sup>



	Sales	EBITDA adj.	EBIT adj.	FCF bef. M&A
Q2	€10.1 bn (5)% YoY	€430 mn (58)% YoY 4.3%	€205 mn (74)% YoY 2.0%	€(216) mn +€555 mn YoY
H1	€19.1 bn (3)% YoY	€821 mn (50)% YoY 4.3%	€373 mn (68)% YoY 1.9%	€(581) mn +€1,049 mn YoY



FCF bef. M&A sig. improved as planned – heading towards our specified target of being slightly +ve



Earnings for all businesses in line with forecast – further normalization of material prices offsetting volume expansion in Q2

Margin

1. Respective Q1 on a restated basis with CO<sub>2</sub>-effects in Q1 of €87 mn. CO<sub>2</sub>-effects in Q2 of €33 mn



# Our Group transformation journey is backed by a strong balance sheet

## Balance sheet highlights



### Net cash

**€2.9 bn**

+€0.5 bn YoY

### Equity ratio

**39.8 %**

+4.7%-pts. YoY

### Pensions

**€5.7 bn**

€(1.4) bn YoY

### Valuable assets, e.g.:



**Elevator stake**



**nucera**



Providing resilience while navigating through macro uncertainties



Enabling us to capture strategic opportunities



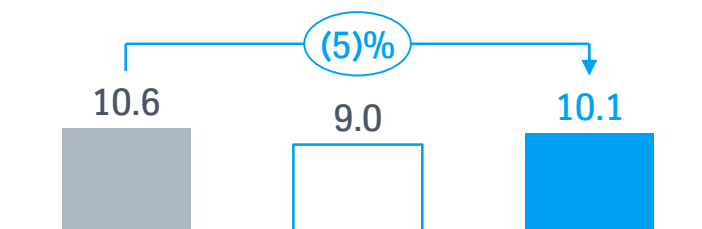
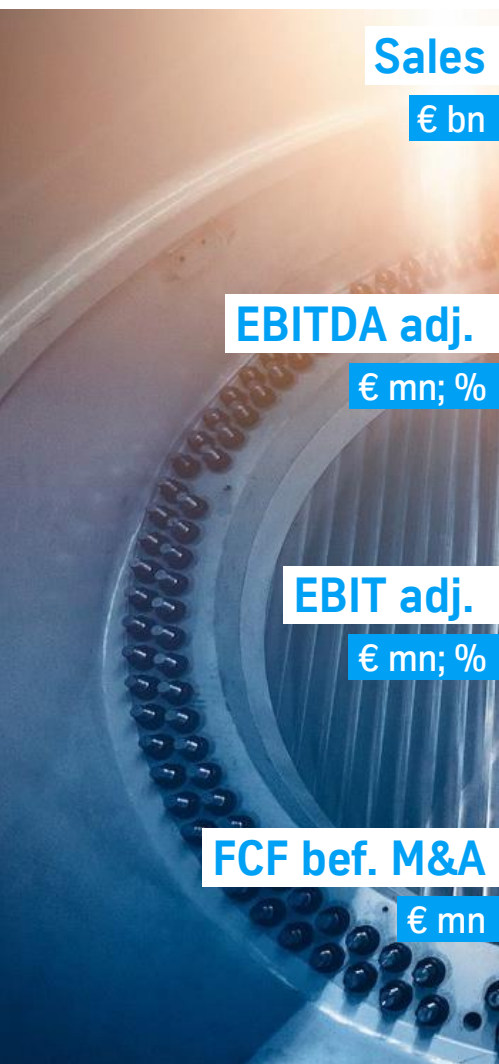
Containing sig. elements of value



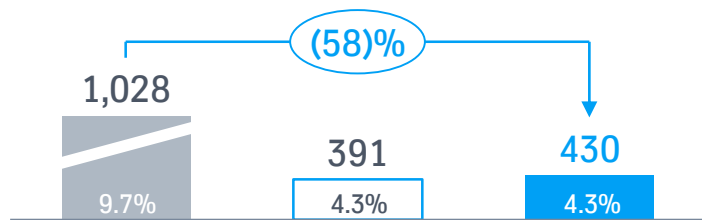


# FCF bef. M&A with step-up YoY and QoQ driven by strong NWC improvement

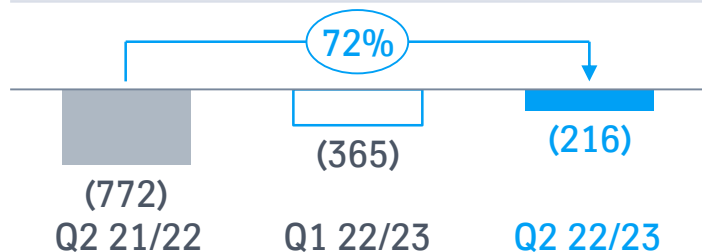
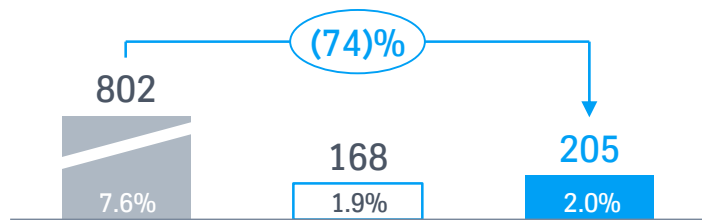
Effects from CO<sub>2</sub> certificates classified as special item, thus not included in EBIT(DA) adj.<sup>1</sup>



- Normalization of material prices vs. higher demand at components businesses
  - QoQ: Increased spot-prices and sig. higher volumes at MX and SE



- Improvements at AT, MS and MT
- Price normalization from high levels at MX and SE
- Progress in restructuring (>10,500 FTE reduced<sup>2</sup>) and performance initiatives



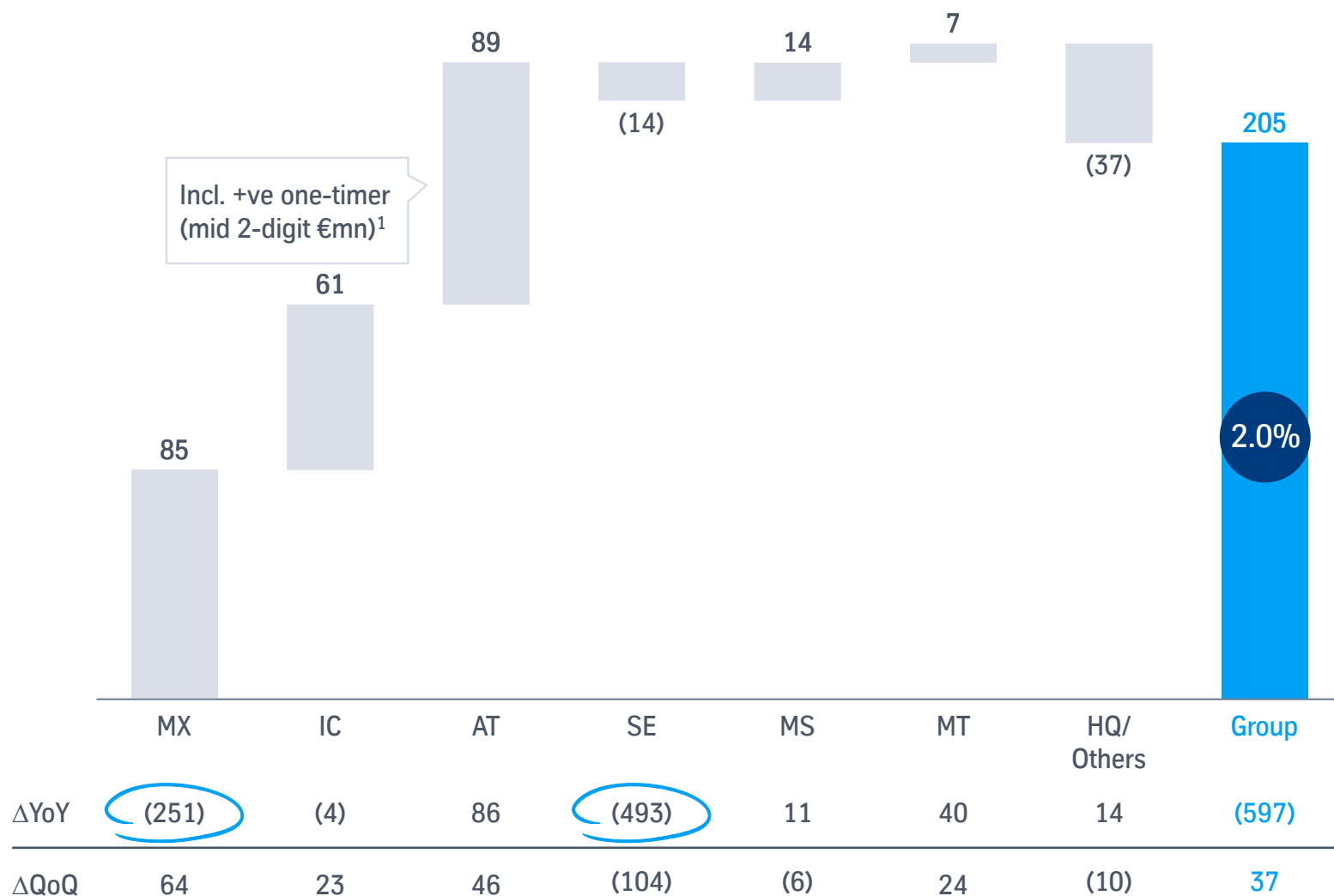
- FCF bef. M&A sig. improved
  - Strong NWC improvement, mainly inventory release at MX and SE

1. Respective Q1 figures on a restated basis with CO<sub>2</sub>-effects in Q1 of €87 mn. CO<sub>2</sub>-effects in Q2 of €33 mn | 2. Since 01.10.2019



# Improvements at AT, MS and MT; effects from price normalization at MX and SE

Q2 EBIT adj. [€ mn]



- MX** Lower prices and warehousing shipments especially in Europe; total shipments up
- IC** Higher cost base partially offset by efficiency measures and cost pass-through; continued competition (wind China) at BG; ongoing strong demand at FT
- AT** Step-up in customer demand as well as operational improvements and price measures to counteract surged cost base; supported by +ve one-timer
- SE** Higher volumes, offset by price normalization of customer contracts and cost moving-average effects (e.g. energy) from semi-finished products made in Q1
- MS** Focus on performance improvement; performance initiatives secure margins in new orders and stabilize profitability of order backlog
- MT** Clear improvements in all remaining businesses, partly compensated by omission of AST contribution





# Outlook FY 22/23: Now even more confident to generate “slightly +ve” FCF bef. M&A



Act FY 21/22	Outlook FY 22/23	Q2	Q3E
€41.1 bn	Sig. decrease	€10.1 bn	→
€2.1 bn	<p>Mid to high 3-digit € mn range</p> <ul style="list-style-type: none"> <li>• Normalization of material prices at MX and SE</li> <li>• Higher factor costs</li> <li>• Improvements at AT and MT</li> </ul>	€205 mn	↗
€3.0 bn	D/A of ~€1 bn to be considered <sup>1</sup>	€430 mn	↗
€(0.5) bn	Slightly +ve (prior: at least b/e)	€(216) mn	↗

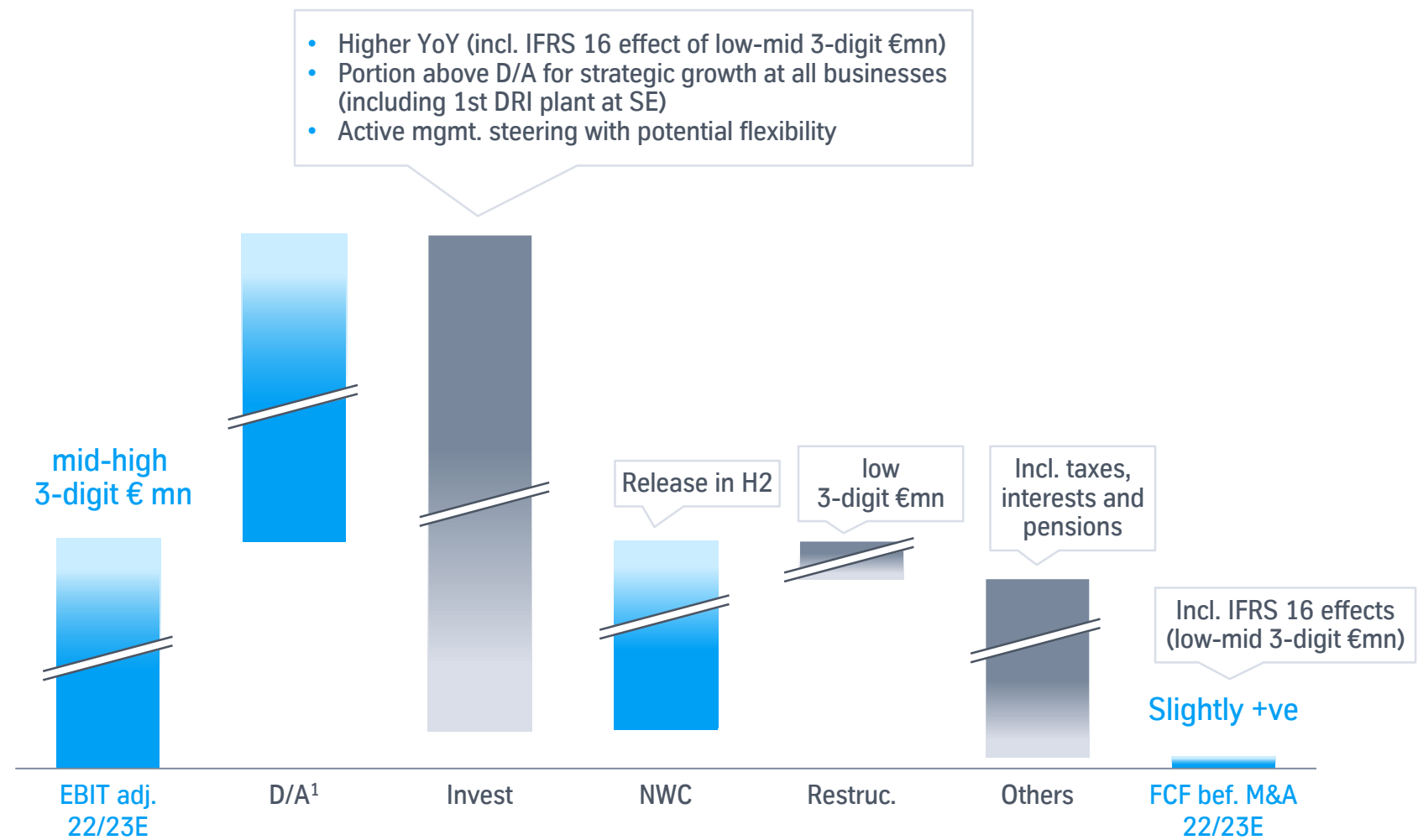
Like for like,  
excl.+ve one-  
timer at AT in Q2

+ve in Q3  
(and Q4)

1. Referring to EBIT adj. excluding special items and impairments



# Delivery on our highest priority in FY 22/23: FCF bef. M&A improvement into black territory

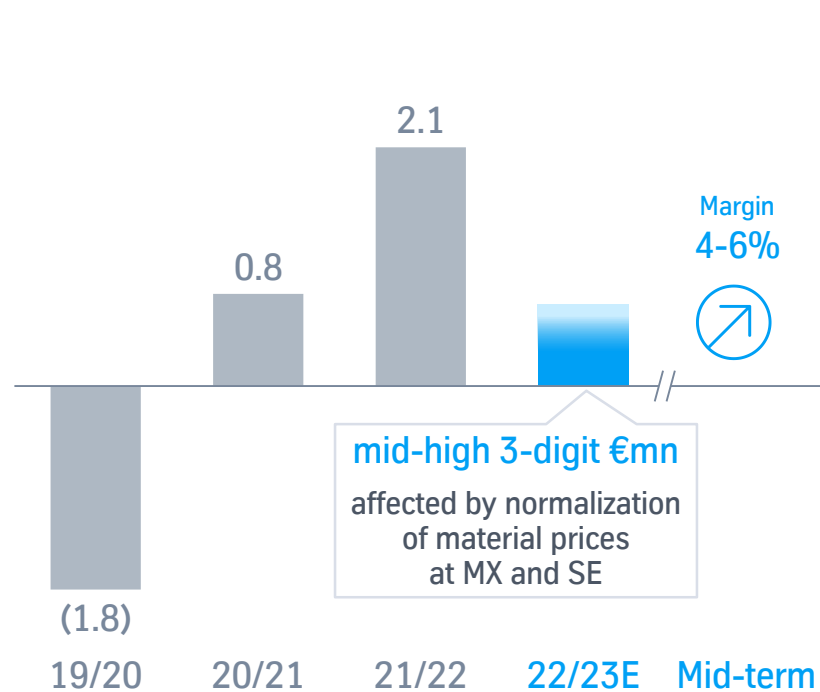


1. Referring to EBIT adj. excluding special items and impairments

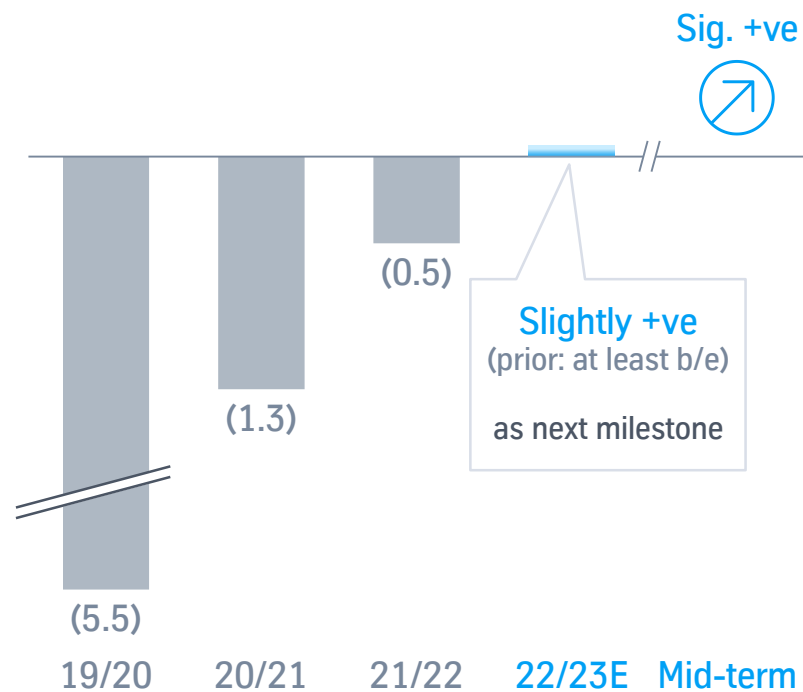


# Mid-term target: Margin improvement and sig. +ve FCF bef. M&A

Progress EBIT adj.



Progress FCF bef. M&A



## Upside going forward ...

- Progress in performance, portfolio and transformation
- Fixing cash losses at MT
- Reduction of restructuring cash out
- Normalized (still above D/A) invest levels in the longer-term



+ve effects of transformation on financial KPIs strongly driven by performance and restructuring initiatives





# Transforming to sustained value creation and crystallization

## Investment highlights



Comprehensive transformation plan with execution track record



Full commitment to both performance on benchmark level for each segment and sustainable free cash flow



Strong materials and engineering expertise as well as digital competence as base for profitable growth



Enabler and profiteer from energy transition



ESG as CEO priority and integrated at all businesses



Dividend payment a clear target



# Q&A Session

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