Q1 2023/24 Results

Conference Call

Ticker: TKA (Share) TKAMY (ADR)
February 2024 | Essen

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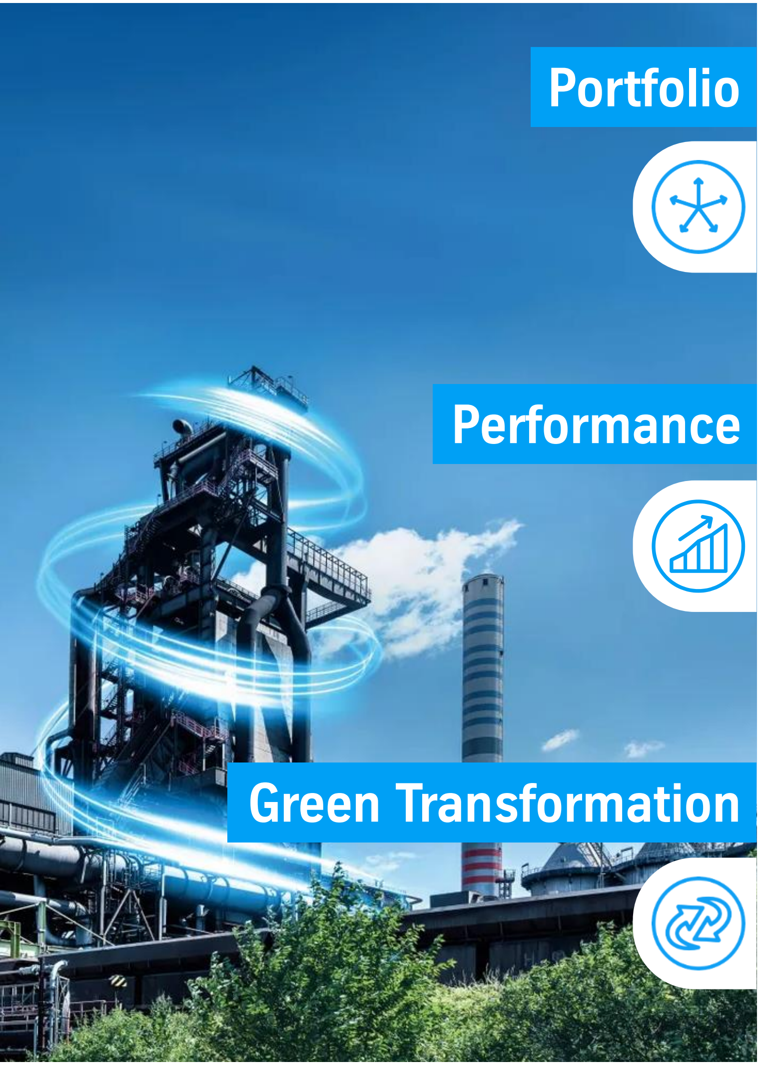
Management summary Q1 23/24



Portfolio

- Simplified group structure incl. set-up of Decarbon Technologies
- Sale of remaining 55% of thyssenkrupp Industries India (DT Polysius) signed
- Ongoing talks on stand-alone solutions for SE and MS

Performance

- Q1 numbers in line with expectations
- Full-year guidance confirmed for EBIT adj. and FCF bef. M&A
- Focus of the Executive Board on operational performance and portfolio: each segment with clear management accountability
- “APEX” well on track and stabilizing Q1 earnings

Green Transformation

- Leveraging business opportunities as enabler of green technologies and decarbonization
- Signing of two projects during COP28: New partnerships on a global scale
  - Polysius and FCI (UAE) will cooperate to replace fossil fuel in cement production
  - Uhde and Gulf Biopolymers are planning to build a biopolymers plant

Initial progress and measures already implemented

Business models

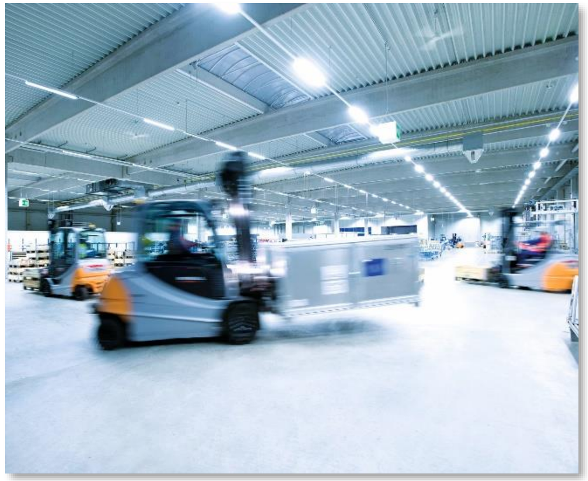
Transformation of service business in the Decarbon Technologies segment

Sales

Marketing of by-products such as granulated blast furnace slag from steel production

Assets

Renegotiation of leasehold contracts for shipyard capacities at Marine Systems



Sales

Expansion of the service business in materials trading for an aerospace company

Positive effect of up to €2 bn on EBIT adj. by fiscal year 24/25

Performance highlights

Start into FY 23/24 as expected in a challenging market environment

	Sales	EBIT adj.		FCF bef. M&A
			Margin	
Q1	€8.2 bn -9% YoY	€84 mn -50% YoY	1.0 %	-€531 mn -€166 mn YoY

- Earnings development of all businesses as expected, supporting full-year guidance
- FCF bef. M&A affected by lower pre-payments MS

Balance sheet highlights

Our Group transformation journey is backed by a strong balance sheet and enabling us to capture strategic opportunities

Net cash

€3.8 bn
-€0.5 bn YTD

Pensions

€6.1 bn
+€0.6 bn YTD

Equity ratio

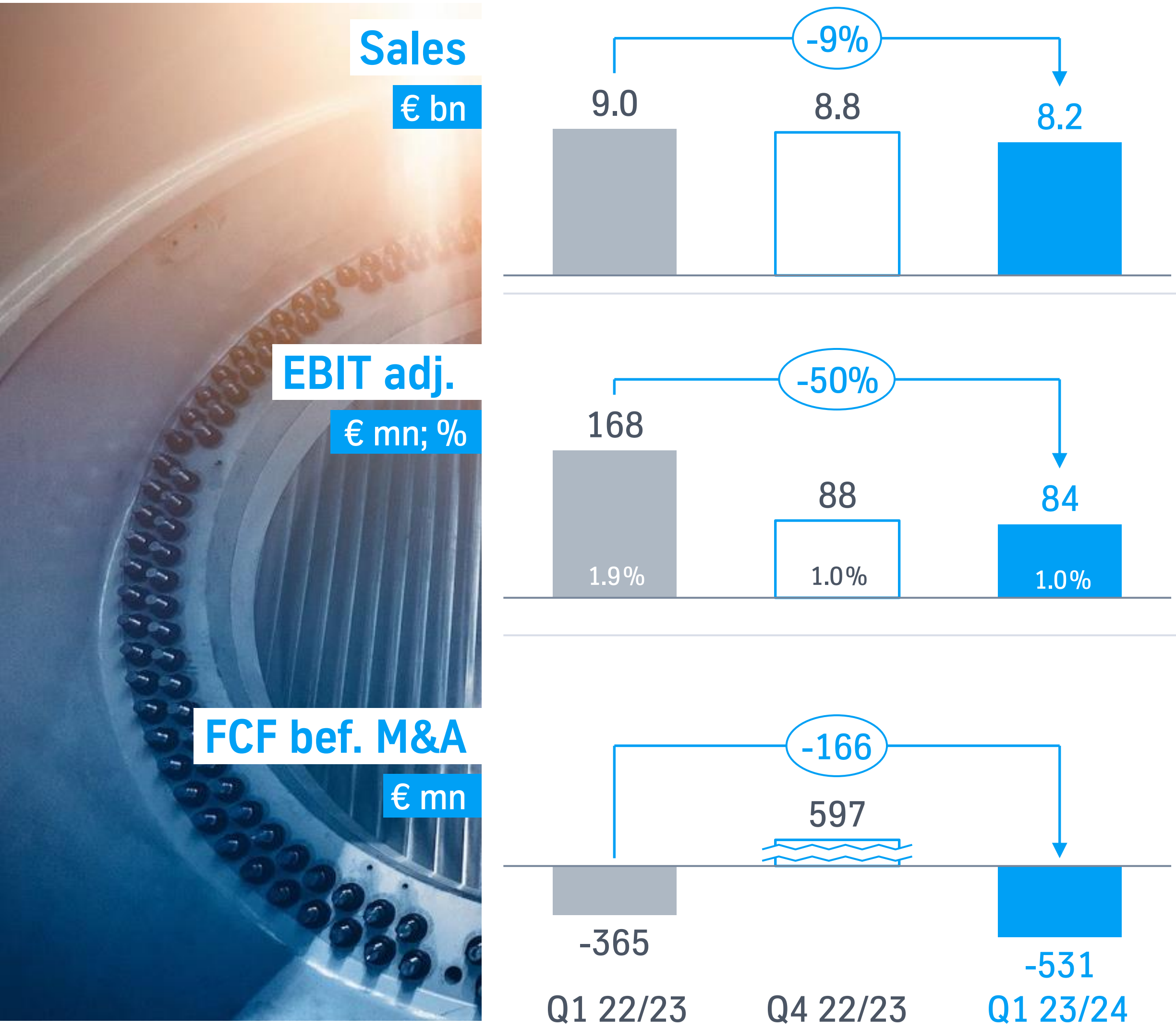
36.2 %
-1.9%-pts. YTD

Providing resilience while navigating through macro uncertainties

Decreasing interest rates driving pensions and equity ratio

Q1 Group performance

Start into FY 23/24 as expected in a challenging market environment



- Softer spot market prices at MX and SE
- Lower total shipments at MX

- Reduction in spot market price development affected particularly MX and SE
- Efficiency measures counteracted top-line price decline to large extent
- APEX stabilized performance at all businesses

- FCF bef. M&A with typical seasonality (incl. NWC build-up) and fully in line with full-year guidance
  - MS as swing factor (PY with sig. milestone payments)
  - Q4 with some earlier than expected customer payments

EBIT adj. by segment

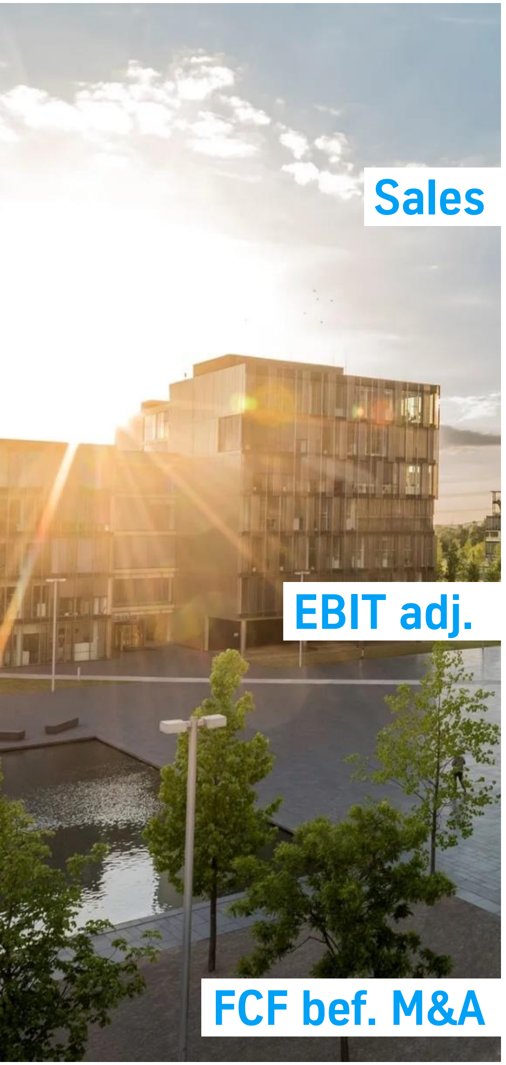
APEX stabilizing Group performance in an overall ongoing challenging market environment

Note: Figures in € mn

YoY comments

AT	Enhanced performance in an overall robust market environment; lower material costs vs. increase in personnel expenses (inflation)
DT	Performance and efficiency measures only partially compensate decline across the segment
MX	Weak demand especially in Europe; lower average price levels and shipments offset by lower freight costs and cost measures
SE	Cost improvements (mainly energy), offset by significant reduction in spot market price development; shipments almost stable YoY
MS	Following sales and order execution; focus on performance improvement; initiatives secure margins in new orders and stabilize profitability of order backlog
HQ/ Others	Higher administrative costs and less +ve one-time reconciliation effects YoY

Outlook FY 23/24



	FY 22/23	Outlook FY 23/24
Sales	€37.5 bn	At the prior-year level (prior: Slightly up)
EBIT adj.	€0.7 bn	High 3-digit € mn range — Confirmed AT Up; low-mid 3-digit € mn range DT Largely stable MX Up; low 3-digit € mn range SE Up; mid 3-digit € mn range MS Up; high 2-digit € mn range
FCF bef. M&A	€0.4 bn	Low 3-digit € mn range — Confirmed

Each segment with clear commitment to mid-term target for FYE 24/25

	AT (excl. SP/AE[1])	DT	MX	SE	MS	HQ
EBIT adj.%	7-8%	>5.0%	2-3%	6-7%	6-7%	Adjustment of costs, aligned with portfolio development
CCR	≥0.5	>0.6	~0.8[2]	>0.4	~1.0	
			ROCE >9%	Adj. EBITDA/t[2] ~€100		

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EBIT adj.%
Increase to a range of **4-6%**

FCF bef. M&A
Sig. +ve by progress in performance and transformation

Dividend
Reliable dividend payment

1. M&A process for Spring & Stabilizers and Automation Engineering ongoing | 2. Multi-year average

Q&A Session

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