Charts on Q3 2019/20
Facts & Figures

Ticker: TKA (Share) TKAMY (ADR)

September 2020

engineering. tomorrow. together.

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Next strategic milestones achieved – however, pandemic with sig. effects on operations

ET Sale

- Transformation of balance sheet (effective in Q4)
  - Net Cash position from Net Debt effect of €15.4 bn; equity uplift by >€14 bn; pension liabilities reduction of €0.4 bn

Portfolio and Performance

- Group of Companies: more focused target portfolio defined (May 19) based on performance potential
  - Multi Tracks: businesses with total sales of €6 bn and sig. cash burn identified for best-owner solutions
- Operational improvements in all businesses is key
  - Restructuring at cont. operations as planned, acceleration across all businesses going forward
  - Financial targets and value levers for businesses to be released in November
- Termination of disproportionate NWC measures (incl. factoring);
  normalization for more structural management, transparency, cost reduction

Q3 Cont. Operations[1]

- Materials and components businesses (particularly auto related) sig. hit by demand shortfalls and production stoppages
  - Order Intake €4,793 mn [€8,221 mn]
  - EBIT adj. €(679) mn [€(13) mn]
  - FCF bef. M&A €(1,238) mn [€(335) mn]

Outlook Cont. Operations[1]

- Q4: depending on speed of production resumption by our customers, almost all businesses stable or with slight improvement qoq; possible exception by SE
- FY EBIT adj.: –ve €(1.7) bn to €(1.9) bn [€(0.1) bn], mainly impacted by SE with a loss of up to a good €(1) bn [€31 mn]
- FY FCF bef. M&A: –ve €(5.0) bn to €(6.0) bn [€(1.8) bn], incl. impact from normalization of NWC (incl. factoring) by ~€2.5 bn

1. Figures in square brackets refer to prior year

Target portfolio set to support turnaround and true performance culture

"Group of Companies"[1] (as of October 01, 2020)

Materials Services	Industrial Components	Automotive Technology	Steel Europe	Marine Systems	"Multi Tracks"[2]
MX	FT, BG	AT	SE	MS	AST, SP, PTS (SY), BTS (SY), CPT, HP, MIN, TSE, CEM

Materials Services / Industrial Components

- Strong market position and competitive strength
- Develop organically
- Sales ~€14 bn
- Employees ~31,000

Automotive Technology

- Strengthen techn. competencies, mkt. position
- Evolution by selected alliances and partnerships (acc. to trend)
- Sales ~€4 bn
- Employees ~21,000

Steel Europe / Marine Systems

- Drive performance (Strategy 20-30; AUF KURS)
- Pursue industrial consolidation options
- Sales ~€11 bn
- Employees ~33,000

"Multi Tracks"

- Exit over time
- Restructuring in parallel
- Separate reporting as of Oct. 2020
- Sales ~€6 bn
- Employees ~20,000

1. All figures are pro-forma based on FY 18/19 I 2. HP: Heavy plate (SE); TSE: Technical Servces excl. Mill Services & Systems (MX); SP: Springs & Stabilizers (AT); BTS: OU Battery Solutions (SY); PTS: OU Powertrain Solutions (SY); AST: Acciai Speciali Terni, stainless steel (MX); CPT: Chemical Plants, MIN: Mining, CEM: Cement (PT)

Order intake hit by pandemic effects on customers in particular at Components and Materials

[€ mn]

	2018/19	2019/20		Δ	
	Q3	Q2	Q3	yoy	yoy (ex FX)[1]
Automotive Technology (AT) [2,3]	1,308	1,182	815	(38%)	(38%)
Industrial Components (IC) [2,3]	661	589	432	(35%)	(34%)
Elevator Technology (ET)	1,999	1,982	1,898	(5%)	(4%)
Plant Technology (PT) [2,3]	1,048	457	360	(66%)	(65%)
Marine Systems (MS)	145	132	123	(15%)	(15%)
Materials Services (MX)	3,336	3,325	2,242	(33%)	(33%)
Steel Europe (SE)	2,177	2,259	943	(57%)	(57%)
Corporate Headquarters (HQ) [2,3]	1	(0)	2	++	++
Reconciliation [3,4]	(457)	(384)	(121)		
Full Group	**10,219**	**9,542**	**6,693**	**(35%)**	**(34%)**
Disc. elevator operations [5]	1,999	1,983	1,900	(5%)	(4%)
Group continuing operations	**8,221**	**7,559**	**4,793**	**(42%)**	**(41%)**

AT: Demand decline in Europe and NAFTA; China with slight recovery since end of April

IC: Cyclical downturn and pandemic-induced decline at Forged Technologies (crankshafts for heavy duty engines, undercarriages) overcompensate good order situation at bearings (wind energy)

ET: Growth in NI in US and China as well as modernization in Asia Pacific; slower demand in Europe due to pandemic

PT: Down yoy due to large orders in prior year (fertilizer plants Egypt and Poland);
increasing customer interest for electrolysis plants for hydrogen, strategic partnership with Air Products and cooperation with German grid operator (E.ON)

MS: Mainly service orders in marine electronics

MX: Sig. lower volumes due to lower demand from all market segments and product groups (except plastics); negative price trend

SE: Significant lower volumes across all industries, in particular auto (>70%)

1. Adjusted for FX and portfolio effects | 2. New organizational structure based on “newtk” | 3. FY 2018/19 figures on a pro-forma basis | 4. Service and Special Units previously reported at Corporate are now combined in consolidation line as “Reconciliation” | 5. Incl. Elevator Technology and individual units from Corporate Headquarters

Sales
[€ mn]

	2018/19	2019/20		Δ	
	Q3	Q2	Q3	yoy	yoy (ex FX)[1]
Automotive Technology (AT) [2,3]	1,365	1,267	842	(38%)	(38%)
Industrial Components (IC) [2,3]	660	573	452	(32%)	(31%)
Elevator Technology (ET)	2,042	1,860	1,947	(5%)	(4%)
Plant Technology (PT) [2,3]	725	737	644	(11%)	(10%)
Marine Systems (MS)	510	423	385	(24%)	(24%)
Materials Services (MX)	3,505	3,389	2,245	(36%)	(36%)
Steel Europe (SE)	2,347	2,154	1,455	(38%)	(38%)
Corporate Headquarters (HQ) [2,3]	1	1	1	76%	76%
Reconciliation [3,4]	(374)	(297)	(261)		
Full Group	**10,779**	**10,108**	**7,710**	**(28%)**	**(28%)**
Disc. elevator operations [5]	2,041	1,861	1,946	(5%)	(4%)
Group continuing operations	**8,738**	**8,247**	**5,765**	**(34%)**	**(34%)**

AT: Sales mirror order intake; mainly pandemic-induced demand decline in Europe and NAFTA

IC: Ongoing cyclical downturn as well as pandemic-driven decline at heavy duty engine components and undercarriages overcompensate increase at bearings for wind energy

ET: Slower development across all regions due to pandemic; modernization with flat sales; in particular lower demand for NI

PT: Sales ramp-up of large chemical orders and robust service business partially compensate pandemic decline

MS: Slower progress as planned on the execution of contracts

MX: Negative price trend and lower volumes due to lower demand in Europe and North America

SE: Negative price trend, qoq mainly by unfavorable product mix with sig. lower auto demand

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EBIT adj. – Materials and components businesses (particularly auto related) sig. hit by pandemic

[€ mn]

	2018/19	2019/20[1]		Δ
	Q3	Q2	Q3	yoy
Automotive Technology (AT) [2,3]	(5)	(49)	(129)	--
Springs & Stabilizers [3]	*(27)*	*(29)*	*(17)*	*38%*
System Engineering [3]	*(0)*	*(20)*	*(25)*	*--*
Industrial Components (IC) [2,3]	69	52	26	(62%)
Elevator Technology (ET)	239	174	211	(12%)
Plant Technology (PT) [2,3]	(55)	(21)	(97)	(77%)
Marine Systems (MS)	(0)	2	4	++
Materials Services (MX)	43	*28*	(100)	--
Steel Europe (SE)	1	(208)	(334)	--
Heavy Plate [3]	*(15)*	*(25)*	*(27)*	*(75%)*
Corporate Headquarters (HQ) [2,3]	(57)	(63)	(40)	30%
Reconciliation [3,4]	(10)	4	43	
Full Group	**226**	**(80)**	**(415)**	**--**
Disc. elevator operations [5]	238	186	263	
Group continuing operations	**(13)**	**(266)**	**(679)**	**--**

AT: Pandemic-induced demand decline in Europe and NAFTA; SP and SY still sig. negative

IC: Bearings with sig. increase from volume and mix vs. pandemic-induced and cyclically sig. lower contribution by components for heavy duty engines

ET: Lower sales in Europe; cost for carve-out

PT: Pandemic effects offset higher earnings from chemical plants, G&A cost reductions and robust service

MS: Measures for performance improvement gain traction

MX: Margin pressure from declining prices and significant lower shipments in all product groups (except plastics)

SE: Sig. lower shipments (~-30%), unfavorable product mix and higher costs by underutilization

HQ: Lower costs; mainly G&A cost reductions, supported by gains from real estate sale

1. Figures incl. effects of IFRS 16 I 2. New organizational structure based on "newtk" | 3. FY 2018/19 figures on a pro-forma basis | 4. Service and Special Units previously reported at Corporate are now combined in consolidation line as "Reconciliation" | 5. Incl. Elevator Technology and individual units from Corporate Headquarters

Overview – Business cash flow (BCF) and Free cash flow before M&A

[€ mn]

		2018/19	2019/20[1]		Δ
		Q3	Q2	Q3	yoy
BCF	Automotive Technology (AT) [2,3]	(75)	(169)	(215)	--
	Springs & Stabilizers [3]	*(34)*	*(35)*	*(46)*	*(36%)*
	System Engineering [3]	*(34)*	*(81)*	*(65)*	*(93%)*
BCF	Industrial Components (IC) [2,3]	46	11	8	(82%)
BCF	Elevator Technology (ET)	249	173	387	55%
BCF	Plant Technology (PT) [2,3]	(111)	(124)	(163)	(48%)
BCF	Marine Systems (MS)	76	37	(139)	--
BCF	Materials Services (MX)	*(186)*	280	(143)	23%
BCF	Steel Europe (SE)	124	(81)	(268)	--
	Heavy Plate [3]	*(20)*	*(27)*	*(2)*	*89%*
BCF	Corporate Headquarters (HQ) [2,3]	(67)	(62)	(69)	(3%)
BCF	Reconciliation [3,4]	(68)	(42)	(79)	(17%)
BCF	**Full Group**	**(11)**	**23**	**(682)**	**--**
	Interest payments	(17)	(134)	(32)	(88%)
	Tax payments	(63)	(98)	(57)	10%
FCF b. M&A	**Full Group**	**(92)**	**(209)**	**(770)**	**--**
FCF b. M&A	Disc. elevator operations [5]	243	160	467	92%
FCF b. M&A	**Group continuing operations**	**(335)**	**(369)**	**(1,238)**	**--**

AT: Lower earnings offset lower investments

IC: Decrease at components for heavy duty engines mainly due to pandemic-related lower earnings overshadow increase at Bearings

ET: Strong increase due to qoq catch-up, receivables management and implemented crisis measures

PT: Pandemic-induced lower, mainly less prepayments

MS: Determined by milestone payment profile

MX: Lower earnings offset by NWC-release

SE: Lower earnings partly compensated by stringent cash control (mainly short-time work) and NWC-measures (mainly inventories and receivables)

1. Figures incl. effects of IFRS 16 | 2. New organizational structure based on "newtk" | 3. FY 2018/19 figures on a pro-forma basis | 4. Service and Special Units previously reported at Corporate are now combined in consolidation line as "Reconciliation" | 5. Incl. Elevator Technology and individual units from Corporate Headquarters

Special Items - continued focus on restructuring

[€ mn]

		2018/19					2019/20		
		Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
AT	Disposal effect								
	Impairment	(1)	(2)	(2)	(85)	(90)	(5)	(81)	(7)
	Restructuring				(6)	(6)	(94)	5	(14)
	Others	(3)	(7)	8	(6)	(7)		(5)	8
IC	Disposal effect								
	Impairment			(3)		(2)	(1)	(46)	
	Restructuring		(1)	(4)	(9)	(14)	(1)	(1)	(3)
	Others	(1)		(10)	(2)	(13)			
ET	Disposal effect	1				1			
	Impairment				(4)	(5)	(4)		
	Restructuring	(3)	(22)	(13)	(19)	(56)	(7)	(6)	(4)
	Others	(3)	(7)	(4)	(42)	(54)	(9)		(15)
PT	Disposal effect			2		2			
	Impairment			(1)		(1)			
	Restructuring	(2)	(1)	(2)	(7)	(13)	(1)	(6)	(5)
	Others	(5)	5	(8)	(1)	(8)			
MS	Disposal effect								
	Impairment								
	Restructuring			(1)		(1)		(4)	(1)
	Others								
MX	Disposal effect				(1)	(1)			
	Impairment			(1)	(4)	(5)			(2)
	Restructuring	(3)	(2)	(5)	(15)	(24)	(2)	(15)	(9)
	Others	2		(4)	(9)	(12)	1	1	
SE	Disposal effect	(4)	(20)	(3)	(1)	(28)			
	Impairment				(1)	(1)			
	Restructuring	(1)	(1)		(1)	(3)	(1)	(124)	(10)
	Others	1	(134)	12		(122)			
Corp. HQ	Disposal effect	(10)	(25)	6	(9)	(39)	(22)	(84)	(7)
	Impairment			(3)		(3)	1		
	Restructuring	(1)	(1)	(1)	(11)	(14)	(16)	(12)	(2)
	Others	(1)	16	(4)	1	14			
Consolidation/others		(2)	(3)	(4)	(13)	(21)	(4)	(4)	(2)
Group		(36)	(204)	(42)	(242)	(524)	(166)	(382)	(73)

Comments on Q3

- Impairments at Camshafts and Springs & Stabilizers
- Restructuring mainly at System Engineering
- Restructuring mainly in South America
- Mainly costs in connection with restructurings in business units Europe / Africa and Americas
- Restructuring throughout the businesses
- Restructuring throughout the businesses
- Restructuring mainly at Aerospace Germany
- Restructuring for steel strategy 20-30
- Project expenses in connection with the Elevator transaction
- Restructuring at tkAG

Closing of Elevator transaction will transform tk's balance sheet in Q4

Keep high flexibility for use of proceeds until higher visibility

Proceeds

- €15.4 bn effect on Net Financial Position - net of re-investment of €1.25 bn by tk - leading to Net Cash position

Additional balance sheet effects

- >€14 bn equity uplift
- Deconsolidation of €0.4 bn of ET pension provisions

First decisions for use of proceeds

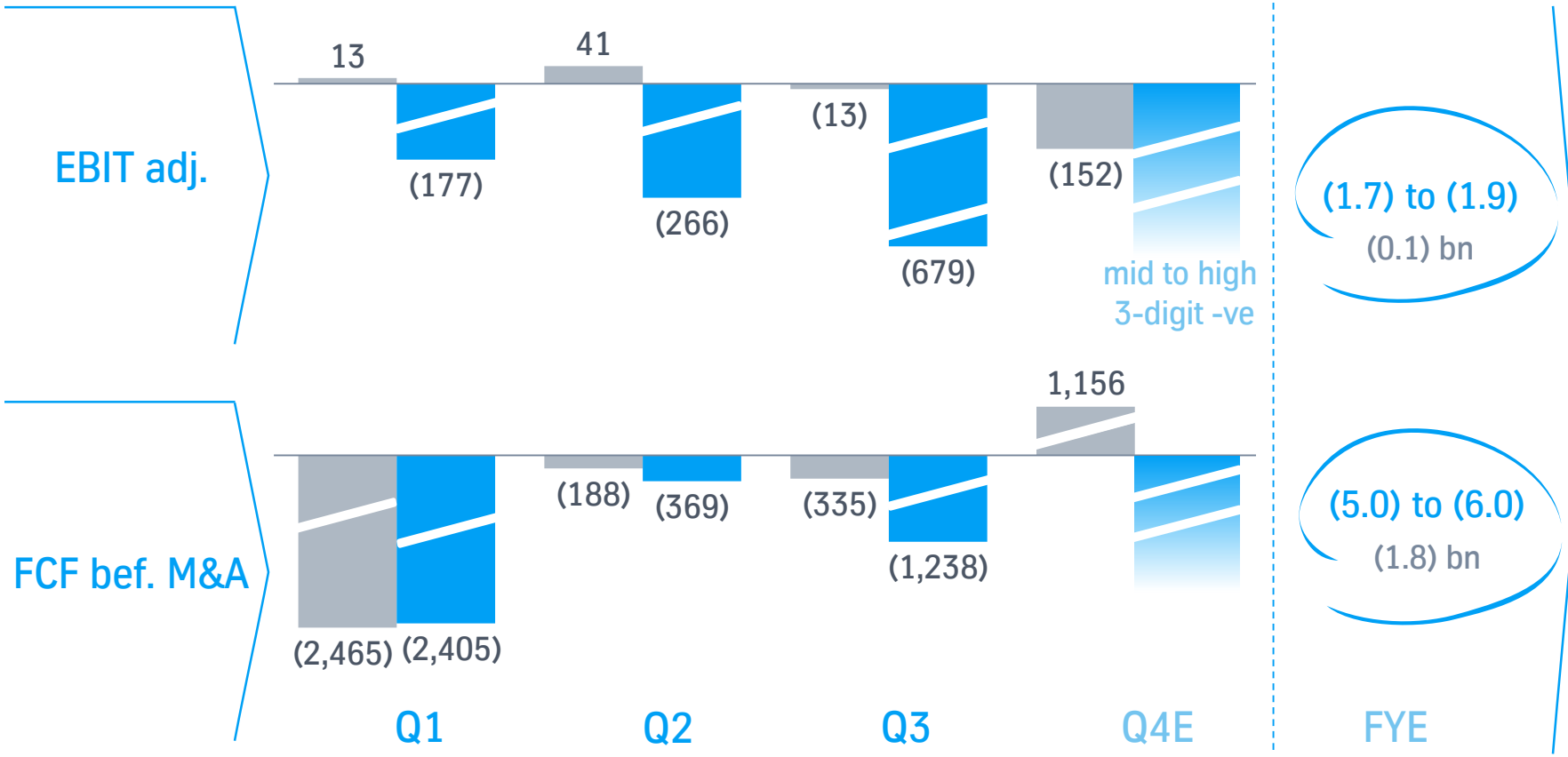
- Repay debt along maturity profile: redemption €750 mn bond in Sep.
- ~€2.5 bn for normalization of NWC (incl. factoring) in FY 19/20, mainly in Q4

- Transparency / "clean start" into the new FY 20/21
- Step up structural and continuous NWC management going forward (termination of disproportionate NWC measures)

Tailwind for restructuring and development of Group of Companies

Almost all businesses stable or with slight improvement in Q4; FY sig. impacted by loss at SE

[Continuing Operations; € mn, bn]



- Q4 stable or slightly up qoq at almost all businesses (possible exception at SE), although still stressed by pandemic
- Still low visibility at SE; expected loss in FY up to a good €(1) bn [PY: €31 mn] due to structural inefficiencies and difficult situation of steel industry
- FCF bef. M&A in Q4: stabilized earnings vs. impact from normalization of NWC (incl. factoring)

Pandemic counter-measures

- Stringent cash control extended: now savings of up to €1.5 bn in FY expected
  - Personnel, mainly short-time work at all businesses and HQ (~27,000 FTEs[1]); capex; NWC

1. As of 01.08.2020

18/19 19/20

Q4 stable or slightly up qoq at almost all businesses; although still stressed by pandemic impacts

[Continuing operations, € mn]

	Q3	Q4E	Q4 vs Q3
AT	(129)	mid 2-digit -ve	Sales recovery by ~1/3; higher volumes as well as cost and efficiency measures expected to cut loss by half
IC	26	stable to slightly up qoq	Sales recovery at Forged business by up to 50% and stable demand at Bearings supported by measures leading to robust earnings development
PT	(97)	high 2-digit -ve	Stable to slightly better, impacted by ongoing slow progress in project execution and postponement of orders
MS	4	1-digit +ve	Stable with progressing project execution
MX	(100)	high 2-digit -ve	Slight recovery of volumes, better capacity utilization
SE	(334)	slightly down to stable qoq	Higher shipments (≥10%), but also higher raw material prices; still insufficient cost base
HQ/ Cons./Others	(40) (9)	down qoq	Q3 supported by gains from real estate sale
EBIT adj.	(679)	mid to high 3-digit -ve	All businesses stable or slightly up qoq – possible exception SE – depending on the speed at which production is restarted by our customers

Wrapping up and looking ahead

Portfolio and Performance

- Elevator sale with transformational effect on balance sheet to Net Cash position; tailwind for restructuring and development of Group of Companies
- M&A for Plant Technology progressing, revised indicative offers expected in late summer
- Leverage tk's leading position in chlorine-alkaline electrolysis for (green) water electrolysis for hydrogen
- Execute Strategy 20/30 at Steel Europe and push fundamental value while exploring all options for industry consolidation and secure financing to carbon neutral transformation
- Tackle the challenges from pandemic with stringent cost and cash control
- Cash generation and value creation by operational improvements in all businesses is key

Next update on November 21 including financial targets and value levers for businesses to drive the turnaround

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Strategy 20-30 designed to tackle the challenges and capitalize on opportunities in the steel market

Challenges

Market environment – Steel industry at cyclical low-point

- Increased raw material costs
- Price pressure for steel products
- Softer demand (Covid-19 to be considered)
- Oversupply, intensified by imports

SE organization and cost base

- Increased personnel costs
- Organisational inefficiencies, also due to legacy

SE production process

- Downstream footprint with inefficiencies, too fragmented

SE 20-30

Opportunities

Steel Europe with strong USPs

- Premium flat steel producer with (one of) the most efficient integrated production sites in Europe

Market until 2030

- Industry with moderate growth
- Auto with moderate growth; most profitable segment

Auto

- Demand for thinner, wider and lighter flat steel products (hot-forming and multiphase steel products)
- Demand shift from electrolytic to hot-dip galvanized coatings
- Demand for „specialties“ in Europe, e.g. grain-oriented electrical steel for e-engines

Countermeasures at Steel Europe needed right now!

Steel Europe is (one of) the biggest, most efficient, integrated steel assets in Europe

Steel Europe operations in the Center of Europe and close to its main (auto) customers

Premium flat steel producer

Technology leader and full-service provider for high-quality flat carbon steel products

Duisburg as strategic location with favorable logistics (Rhine)

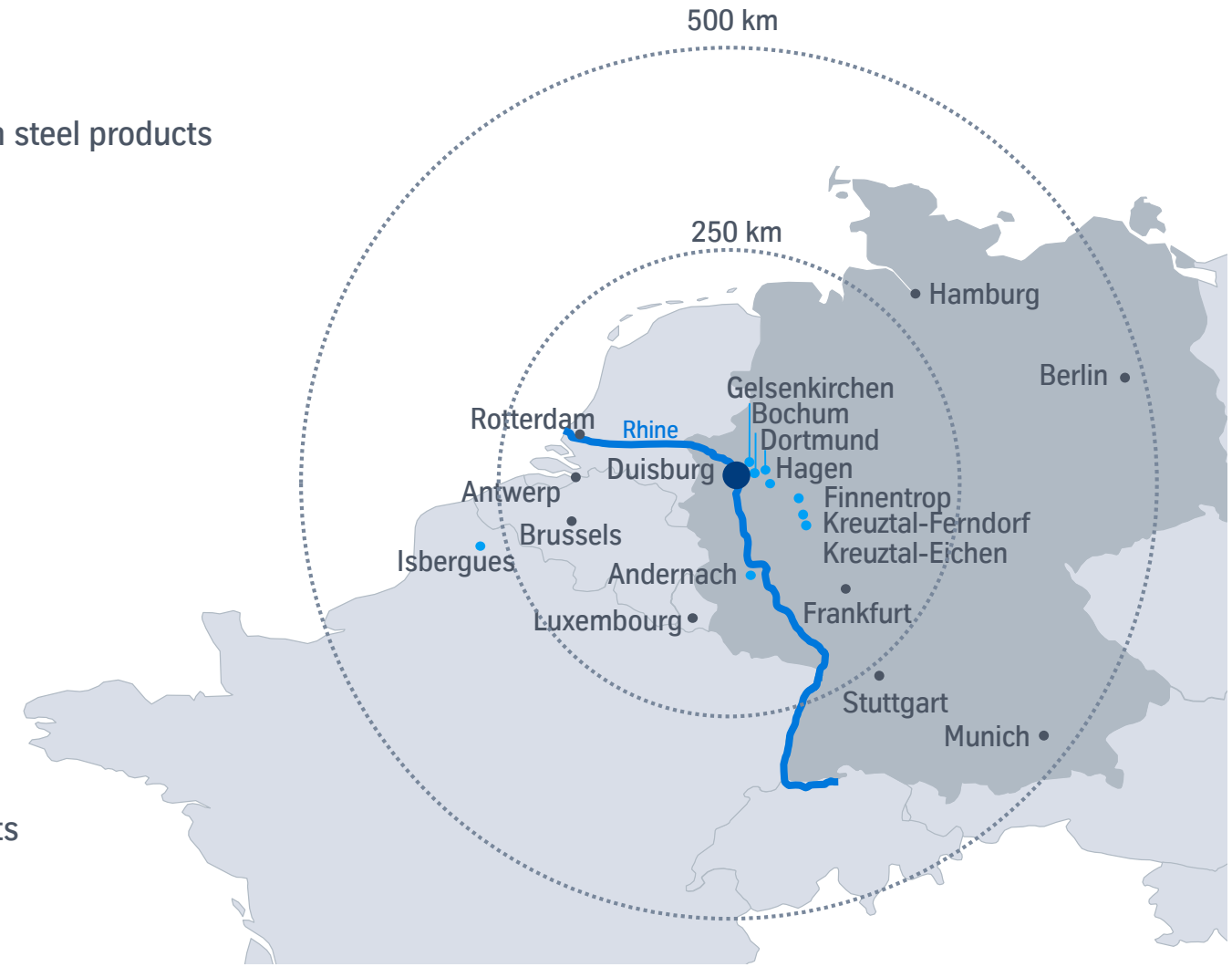
Within a 500 km radius: ~40% of customers and ~60% of shipments

Strong focus on Europe, global network

Attractive steel products and services available worldwide

Reliable earnings and cash flow contributor

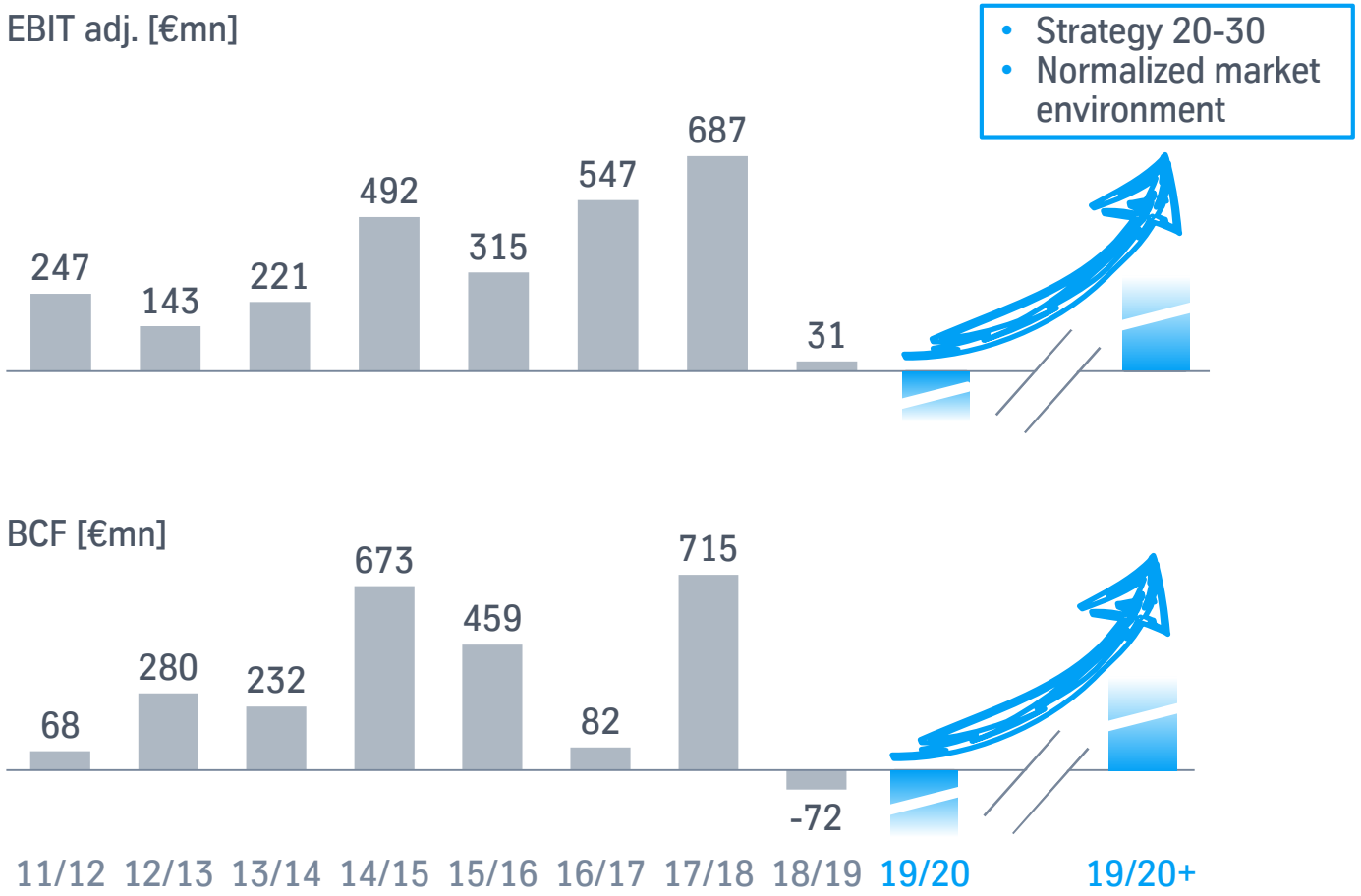
Steel Europe with major contribution to tk's performance improvements



● Main production site ● Further production sites

Steel Europe with fundamental value through premium grade flat carbon steel

Reliable returns by benchmark position in products and processes



Steel Strategy 20-30

- Performance and cost-reduction with effects in short-term to start NOW
- Immediate preparation of downstream network optimization
- Continue existing path to climate-neutral steel products
- Reliable earnings and Cash Flow
- ROCE ≥ WACC over the cycle

Strategy 20-30: strengthen competitiveness and downcycle resilience

Performance

- Better cost base, higher av. revenues/t,
- Add. ~€200 mn p.a. in EBIT and BCF

+

Portfolio

- Higher share of premium products
- More efficient downstream footprint
- Add. ~€400 mn p.a. in EBIT and BCF

- Headcount (FTE) reduction: 1,000 administration (SG&A); 800 production; 200 logistics and maintenance
- Optimization of processes and product quality in downstream network by additional investments of ~€800 mn over 6 years
  - Build on competitiveness of Duisburg production site
  - Close Bochum production site (Castroper Street); additional reduction of up to 1,000 FTE until 2026
  - Readiness for shipments of up to 11.5 mt/a, shift in product portfolio towards highly profitable focus segments
- Leverage leading product and technology expertise, support customers particularly in mobility: light-weigth high safety; superior surface quality; e-mobility
- Heavy Plate: Execution of „Sell“ or „Close“ until end FY 20/21
- Electrical Steel (GO): turnaround concept; focus on high-end silicon grades for Industry customers in Europe

Ramp-up of add. ~€600 mn p.a. in EBIT and BCF; upside from performance in short-term, from portfolio in mid-term

Portfolio: Holistic approach across entire downstream network

Duisburg

Concentration and higher utilization of integrated production:

- Steel mill operations
- Hot rolling operations
- Coating processes for auto sheets

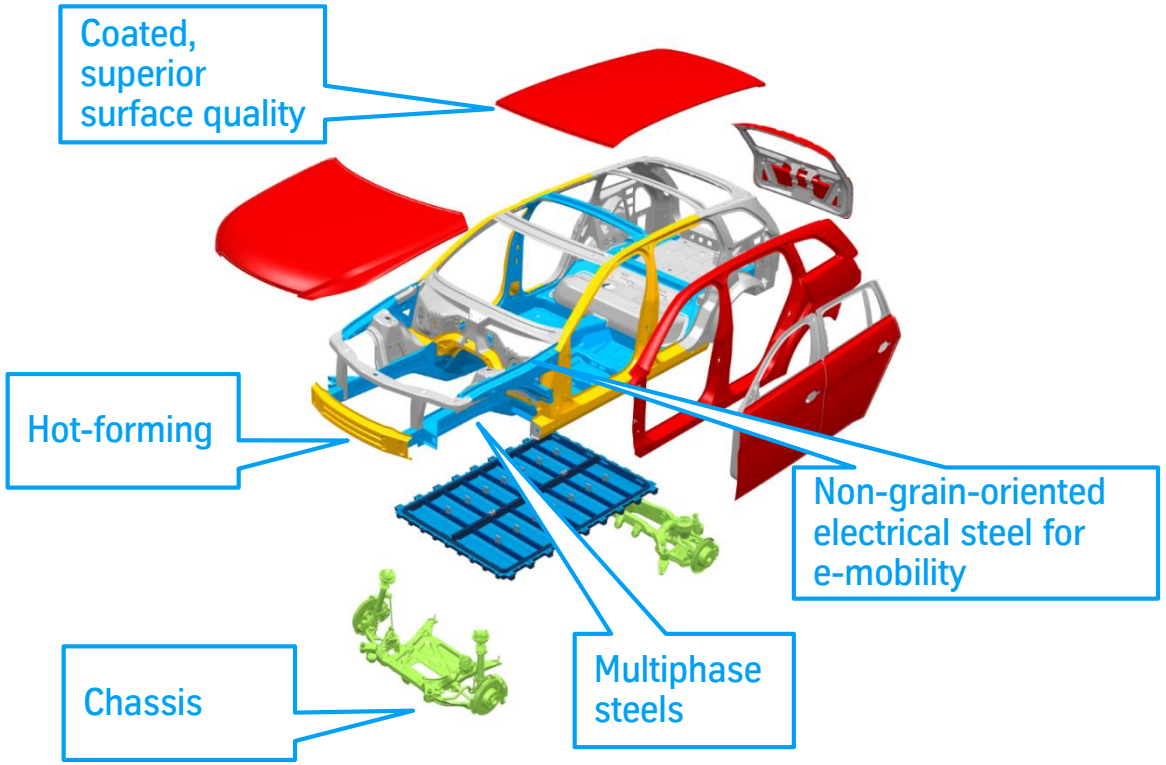
Bochum

Closure of Bochum (Castroper Street) site

- Reduction of 1,000 FTEs until 2026

Enabling of Bochum (Essener Street) site for advanced auto products

- Non-grain-oriented electrical steel for e-engines
- High-end finishing lines for auto sheets



Focus segment products in relation to total shipments

Strategy 20-30: foster fundamental value of Steel Europe

+~€600 mn EBIT/BCF
short-term ~€200 mn from cost reduction;
mid-term ~€400 mn from production network optimization

- Build on Steel Europe's strong USPs
  - technology leader in premium flat carbon steel
  - preferred supplier of German auto OEMs
  - highly efficient integrated production site in Duisburg at river Rhine
- Strengthen competitiveness by securing long-term technology leadership and improving cost base
- Initiate immediate restructuring, reduce headcount by 3,000 FTE in total (2,000 in next 3 years; plus 1,000 until 2026)
- Holistic approach for production network optimization; additional investments of €800 mn over 6 year
- Continue existing path for climate-neutral steel products

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thyssenkrupp Group[1]

[Continuing Operations – Sales €34.0 bn; EBIT adj. €(110) mn]

Automotive Technology (AT)
€5.4 bn
€(22) mn

- Chassis/ powertrain components
- Production lines: auto/ aerospace

Industrial Components (IC)
€2.5 bn
€230 mn

- Bearings
- Undercarriages
- Crankshafts

Plant Technology (PT)
€2.9 bn
€(145) mn

- Chemical plants
- Cement plants; minerals/ mining equipment

Marine Systems (MS)
€1.8 bn
€1 mn

- Submarines[2]
- Naval surface vessels
- Naval electronic systems

Materials Services (MX)
€13.9 bn
€107 mn

- Industrial materials distribution
- Raw materials trading
- Logistics; SCM
- Stainless steel production (AST)

Steel Europe (SE)
€9.1 bn
€31 mn

- Premium flat carbon steel

1. All figures related to FY 2018/19; AT, IC and PT on pro-forma basis I 2. Non-nuclear

Sales by region FY 2018/19

[Continuing Operations, %]

	Automotive Technology	Industrial Components	Plant Technology	Marine Systems	Materials Services	Steel Europe	thyssenkrupp Continuing Operations
Worldwide (€mn)	5,407	2,522	2,943	1,800	13,881	9,065	34,036
DACHLI[1]	35.7	20.1	5.7	28.7	34.4	54.5	34.9
Germany	34.3	17.7	5.2	28.7	31.5	52.3	32.8
Central/ Eastern Europe	6.3	1.9	10.7	0.1	12.1	6.7	8.4
Western Europe	13.2	21.6	3.7	5.2	25.3	21.6	19.3
North America	20.4	27.1	12.4	0.6	22.3	8.5	17.3
USA	15.1	23.2	5.0	0.6	18.1	5.8	13.4
South America	2.7	6.7	6.8	0.3	0.3	1.2	2.0
Asia/Pacific	1.2	2.9	20.1	21.6	2.7	0.9	4.6
CIS	0.3	1.0	4.8	0.0	0.4	0.7	0.9
Greater China	18.8	15.9	6.8	0.0	0.5	1.5	5.4
China	18.6	15.9	6.1	0.0	0.4	1.4	5.2
India	0.5	2.2	7.6	2.0	0.2	0.7	1.3
Middle East & Africa	0.9	0.7	21.3	41.4	1.7	3.7	5.9

1. D = Germany, A = Austria, CH = Switzerland, LI = Liechtenstein I 2. Incl. Marine Systems

Sales by customer group FY 2018/19

[Continuing Operations, %]

	Automotive Technology	Industrial Components	Plant Technology	Marine Systems	Materials Services	Steel Europe	thyssenkrupp Continuing Operations
Worldwide (€mn)	5,407	2,522	2,943	1,800	13,881	9,065	34,036
Automotive	93.3	39.2	0.0	0.0	15.8	29.3	31.4
Steel and related processing	0.1	1.0	1.4	0.0	19.6	23.0	13.1
Trading	4.7	3.8	-0.1	0.9	13.0	21.8	9.7
Construction	0.0	1.2	0.0	0.0	4.9	0.2	2.1
Engineering	0.1	51.9	43.8	1.2	9.5	3.4	12.2
Public sector	0.0	0.2	0.0	95.8	0.5	0.0	5.3
Energy and utilities	0.0	0.6	4.7	0.0	1.4	3.1	1.8
Packaging	0.0	0.0	0.3	0.0	0.7	14.6	4.2
Other customer groups	1.3	2.1	49.8	2.1	34.6	4.7	20.1

1. D = Germany, A = Austria, CH = Switzerland, LI = Liechtenstein I 2. Incl. Marine Systems

At thyssenkrupp we systematically create sustainable value

How we manage sustainability

1 Board-level responsibility
- Definition of sustainability strategy & targets
- Monitoring of sustainability performance

2 Indirect financial targets
- Annual progress report and target redefinition
- Performance factors into board compensation

3 Strategic programs
- Science-based targets on CO_2 reduction
- Group wide Energy Efficiency Program (GEEP)

4 Transparency
- Integrated reporting approach (EU CSR directive)
- Corresponds to TCFD[1] framework

1) Taskforce on Climate-related Financial Disclosures

External recognition

SUSTAINALYTICS ESG REPORT

Leader
Outperformer
Average Performer
Underperformer
Laggard

ranked 3 out of 44

SILVER 2019 ecovadis CSR Rating

MSCI ESG RATING A

CDP DISCLOSURE INSIGHT ACTION A LIST 2019 CLIMATE
2018 CLIMATE CHANGE
2017 CLIMATE
2016 CLIMATE

Sustainalytics ESG Report as of 01/19: tk ranked 3 out of 44 companies in industry group
MSCI ESG Ratings assessment as of 01/19: tk ranked A on a scale of AAA-CCC, non-official logo

thyssenkrupp with strong commitment and strategy to tackle future climate challenges

tk actions correspond to TCFD[1] framework

Governance

- ✓ Oversight of climate strategy by CEO and Sustainability Committee
- ✓ Supervisory Board informed through regular channels

Strategy

- ✓ Climate Action Program for Sustainable Solutions (CAPS) implemented
- ✓ Transformation pathway towards climate-neutral steel production defined
- ✓ Innovative breakthrough technologies (e.g. Carbon2Chem, Oxyfuel)
- ✓ Group Energy Efficiency Program (GEEP) since 2014

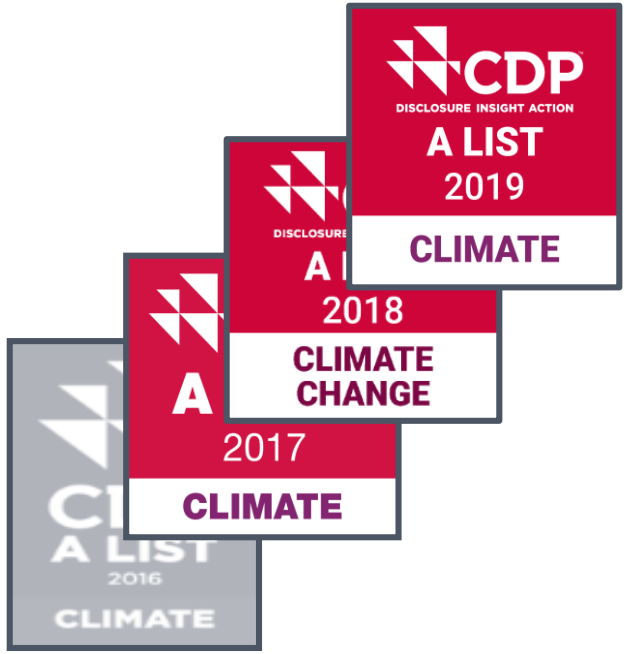
Risk Management

- ✓ Involvement of climate issues into internal risk management processes
- ✓ Scenario analysis on technological levers for CO2 reduction & via Foresight
- ✓ Continuous evaluation of relevant risk factors (policy, market, technology)

Metrics and Targets

- ✓ ~23 mn t CO_2e Scope 1+2, >90% of footprint[2] from use phase of products
- ✓ ~100,000 t CO_2e avoided in FY 2018/19 through efficiency gains
- ✓ Science-based targets[3]: -30% scope 1+2 emissions & -16% scope 3 emissions until 2030
- ✓ Climate-neutrality until 2050

tk ranked as a leader in climate protection for 4 years in a row



1. TCFD: Taskforce on Climate-related Financial Disclosures 2. Scope 1+2+3 3. Approved by SBTi (science-based target initiative)

Content

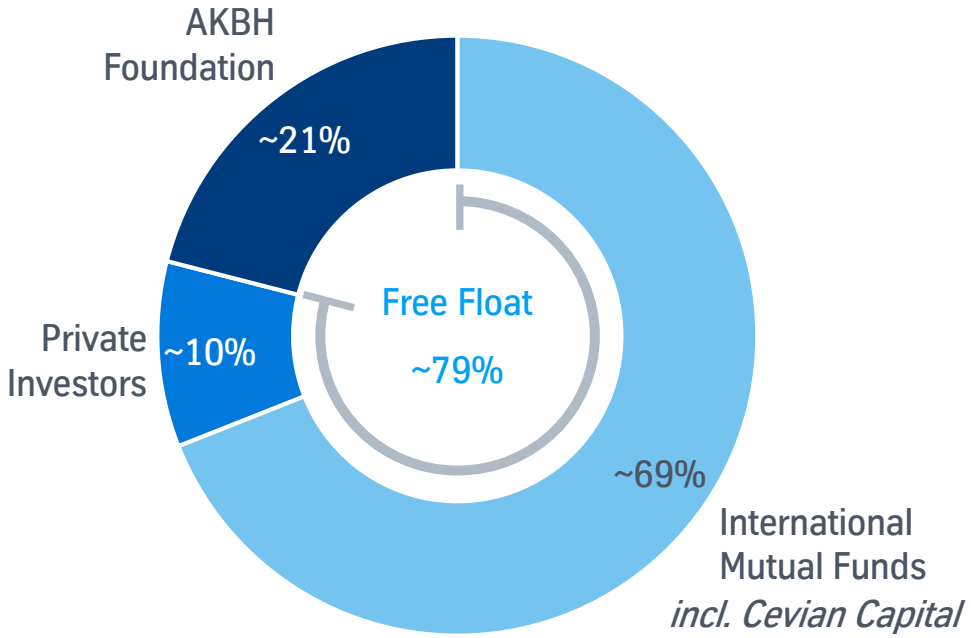
- Quarterly Update (August 13, 2020) – Q3 FY 2019/20 slides 02-13
- Steel Strategy 20-30 slides 14-20
- Group Overview slides 21-26
- Facts & Figures slides 27-61

Share and ADR Data

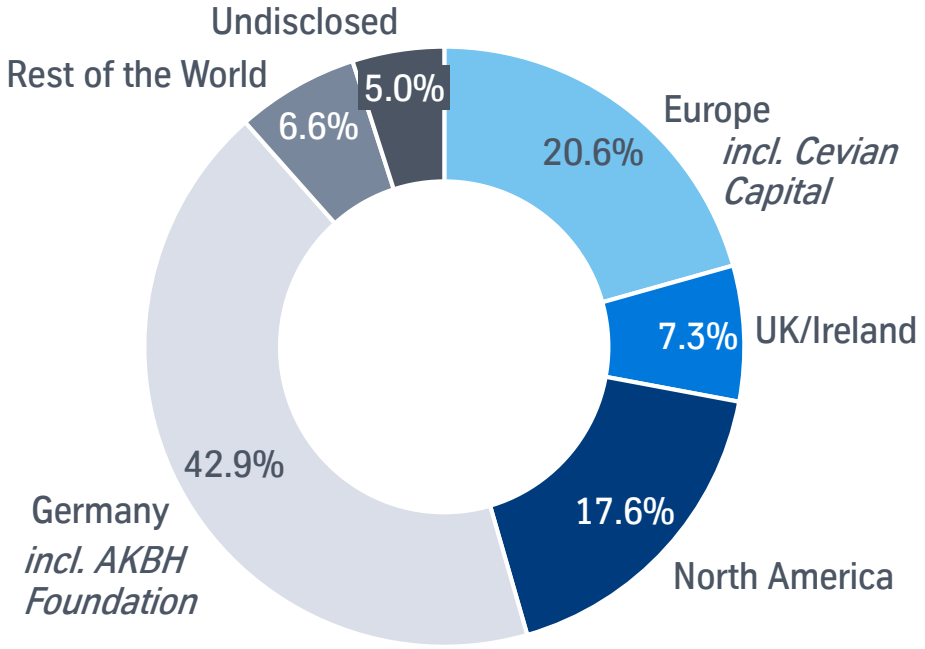
• Shares outstanding	622,531,741
• Type of share	No-par-value bearer shares
• Voting	One share, one vote
Share Data	
• Ticker Symbol	TKA
• German Security Identification Number (WKN)	750 000
• ISIN Number	DE0007500001
• Exchange	Frankfurt, Dusseldorf
ADR Data	
• Ratio (ordinary share:ADR)	1:1
• ADR Structure	Sponsored-Level-I
• Ticker Symbol	TKAMY
• Cusip	88629Q 207
• ISIN Number	US88629Q2075
• Exchange	Over-the-Counter (OTC)
• Depositary bank: Deutsche Bank Trust Company Americas	E-mail: adr@db.com
• Phone: +1 212 250 9100 (New York); +44 207 547 6500 (London)	Website: www.adr.db.com

thyssenkrupp shareholder structure

Investors



Regional split



Source: WpHG Announcements; thyssenkrupp Shareholder ID 03/2020

Key financials
[€ mn]

Full Group

	2018/19					2019/20[1]		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Order intake	10,111	10,360	10,219	11,303	41,994	9,660	9,542	6,693
Sales	9,736	10,638	10,779	10,843	41,996	9,674	10,108	7,710
EBITDA	465	321	483	256	1,525	237	(6)	(176)
EBITDA adjusted	500	526	519	413	1,958	398	258	(111)
EBIT	181	32	183	(124)	272	(115)	(462)	(488)
EBIT adjusted	217	240	226	119	802	50	(80)	(415)
EBT	99	(55)	80	(207)	(83)	(206)	(537)	(574)
Net income/(loss)	68	(161)	(77)	(89)	(260)	(364)	(946)	(668)
attrib. to tk AG stockh.	60	(173)	(94)	(97)	(304)	(372)	(948)	(678)
Earnings per share[2] (€)	0.10	(0.28)	(0.15)	(0.16)	(0.49)	(0.60)	(1.52)	(1.09)
Operating cash flow	(2,245)	319	218	1,781	72	(2,144)	132	(489)
Cash flow from divestm.	25	27	8	49	108	18	11	21
Cash flow from investm.	(257)	(323)	(375)	(489)	(1,443)	(327)	(359)	(292)
Free cash flow	(2,477)	22	(149)	1,341	(1,263)	(2,453)	(215)	(760)
FCF before M&A	(2,477)	23	(92)	1,406	(1,140)	(2,476)	(209)	(770)
TK Value Added					(1,068)			
Ø Capital Employed	16,058	16,623	16,815	16,749	16,749	17,851	18,220	18,266
Cash and cash equivalents (incl. short-term securities)	2,303	2,947	2,845	3,712	3,712	2,087	2,525	2,600
Net financial debt	4,684	4,834	5,101	3,703	3,703	7,138	7,549	8,461
Equity	3,274	2,882	2,494	2,220	2,220	1,934	1,174	(9)
Employees	161,496	161,153	161,740	162,372	162,372	161,538	160,090	155,446

NFD includes €1 bn IFRS 16 effect

1. Figures incl. effects of IFRS 16 | 2. Attributable to tk AG's stockholders

Key financials
[€ mn]

Continuing operations

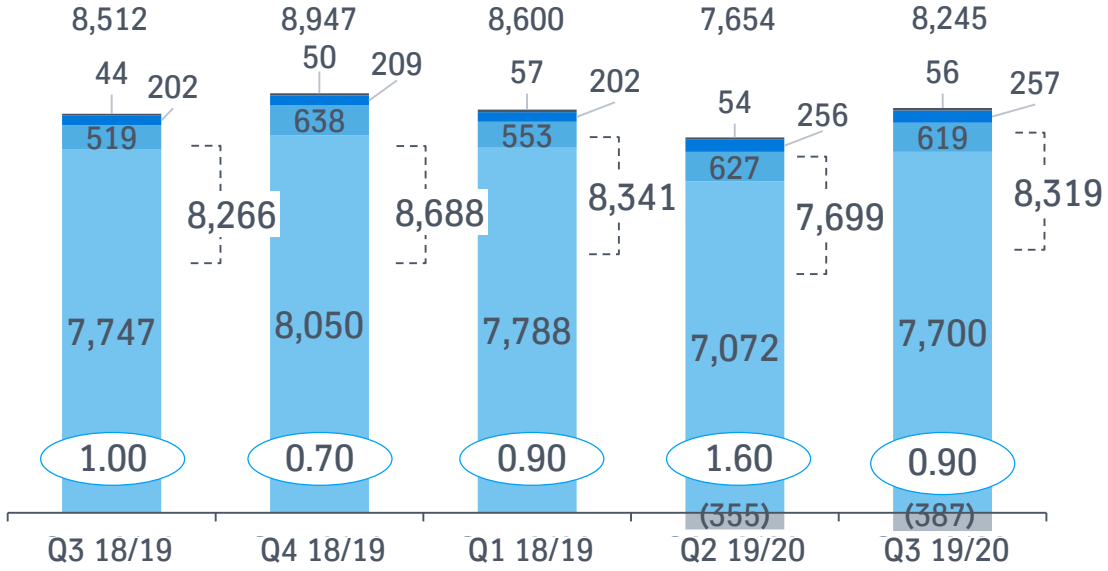
	2018/19					2019/20[1]		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Order intake	7,968	8,366	8,221	9,270	33,825	7,429	7,559	4,793
Sales	7,813	8,768	8,738	8,717	34,036	7,629	8,247	5,765
EBITDA	245	129	239	39	652	9	(136)	(417)
EBITDA adjusted	296	327	281	141	1,046	129	40	(374)
EBIT	(18)	(137)	(39)	(318)	(511)	(302)	(561)	(729)
EBIT adjusted	13	41	(13)	(152)	(110)	(177)	(266)	(679)
EBT	(96)	(224)	(125)	(410)	(855)	(382)	(630)	(810)
Net income/(loss)	(64)	(272)	(213)	(562)	(1,110)	(442)	(688)	(879)
attrib. to tk AG stockh.	(72)	(283)	(229)	(569)	(1,153)	(449)	(691)	(819)
Earnings per share[2] (€)	(0.11)	(0.46)	(0.37)	(0.91)	(1.85)	(0.72)	(1.11)	(1.33)
Operating cash flow	(2,255)	72	(53)	1,572	(664)	(2,109)	(58)	(1,004)
Cash flow from divestm.	23	26	7	45	101	18	6	21
Cash flow from investm.	(233)	(286)	(289)	(402)	(1,210)	(295)	(318)	(241)
Free cash flow	(2,465)	(188)	(335)	1,215	(1,773)	(2,385)	(371)	(1,224)
FCF before M&A	(2,465)	(188)	(335)	1,233	(1,756)	(2,405)	(369)	(1,238)
Employees	108,211	108,235	108,727	109,288	109,288	108,700	107,523	104,356

1. Figures incl. effects of IFRS 16 | 2. Attributable to tk AG's stockholders

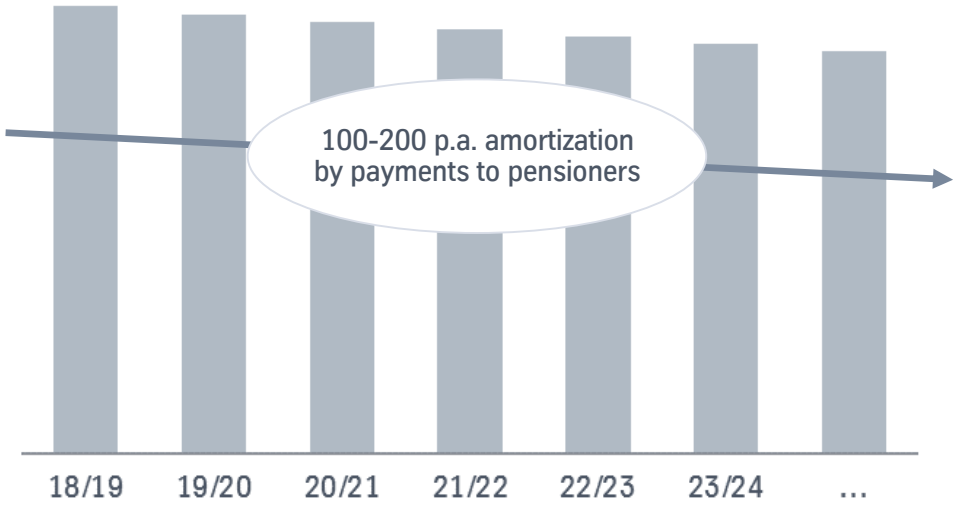
Pensions: “patient” long-term financial debt with gradual amortization

[Group, € mn]

Accrued pension and similar obligations



Development at unchanged discount rate (schematic)



Fluctuations in accrued pensions

- are mainly driven by increases / decreases in discount rates in Germany (>90% of accrued pensions in Germany)
- do not change payouts to pensioners
- do not trigger funding situation in Germany;
  and not necessarily funding changes outside Germany
- are recognized directly in equity via OCI

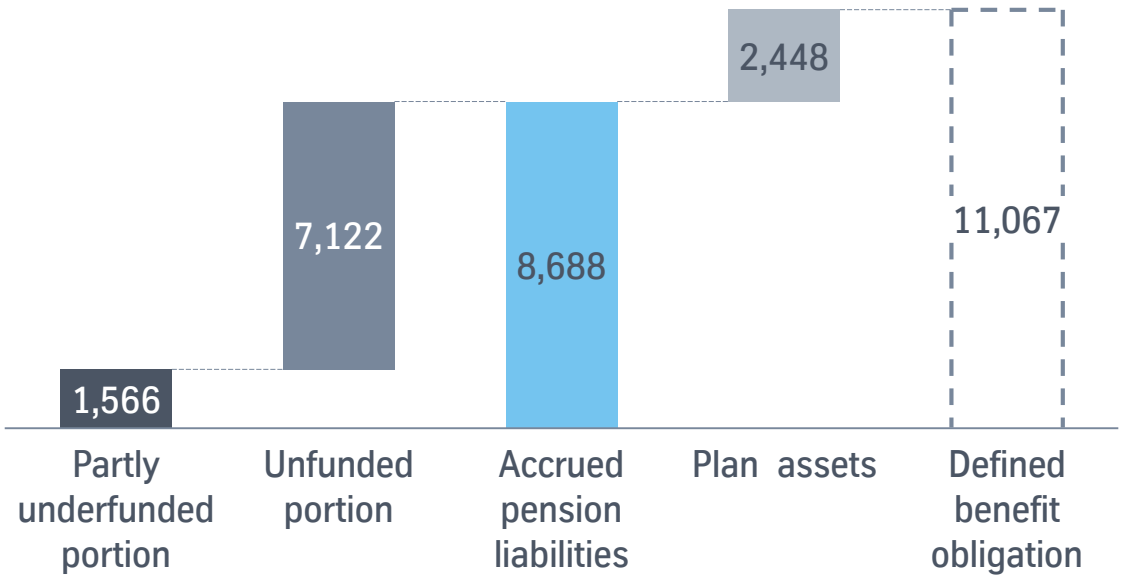
- IFRS requires determination of pension discount rate based on AA-rated corporate bonds
- Pension discount rate significant lower than interest rates of tk corporate bonds
- >90% of accrued pensions in Germany;
  thereof ~60% owed to exist. pensioners (average age ~77 years)

Accrued pension liability Germany | Accrued pension liability outside GER | Accruals related to partial retirement agreements | Other accrued pension-related obligation | German discount rate
Reclassification due to the presentation as liabilities associated with assets held for sale

Germany accounts for majority of pension plans

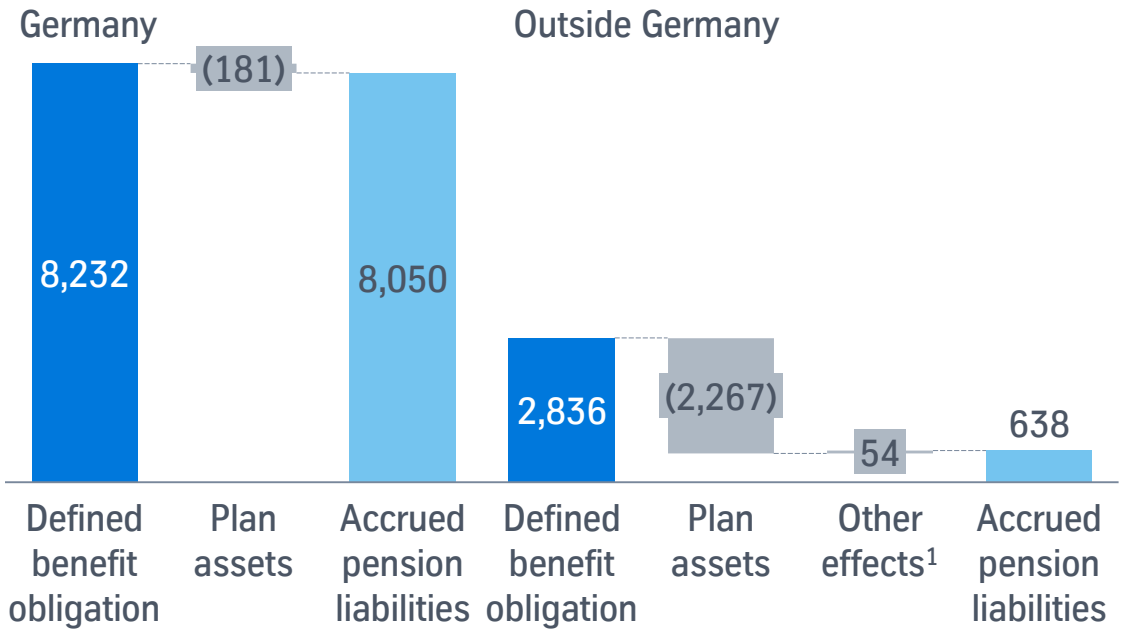
[Group, FY 18/19; € mn]

Funded status of defined benefit obligation



- >95% of the unfunded portion in Germany; German pension regulations do not require funding of pension obligations with plan assets; therefore funding is mainly done by tk's operating assets

Reconciliation of accrued pension liabilities by region

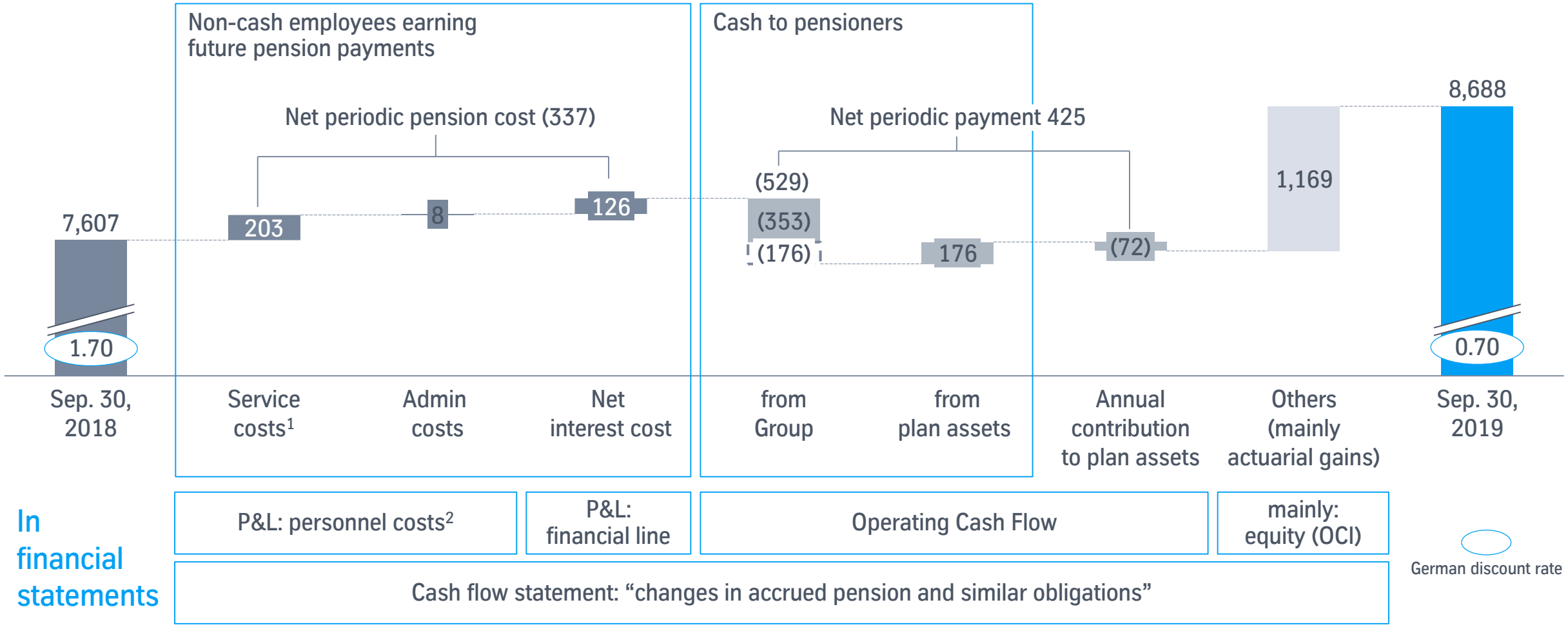


- Plan assets outside Germany mainly attributable to UK (~34%) and USA (~27%)
- Plan asset classes include national and international stocks, fixed income securities of governments and non-governmental organizations, real estate as well as highly diversified funds

1. Other non-financial assets

Net periodic payments exceed Service costs (incl. in EBITDA) by >€200 mn (long-term ~€300 mn) and amortize pension liability by Δ of Net periodic payment vs. Net periodic pension cost

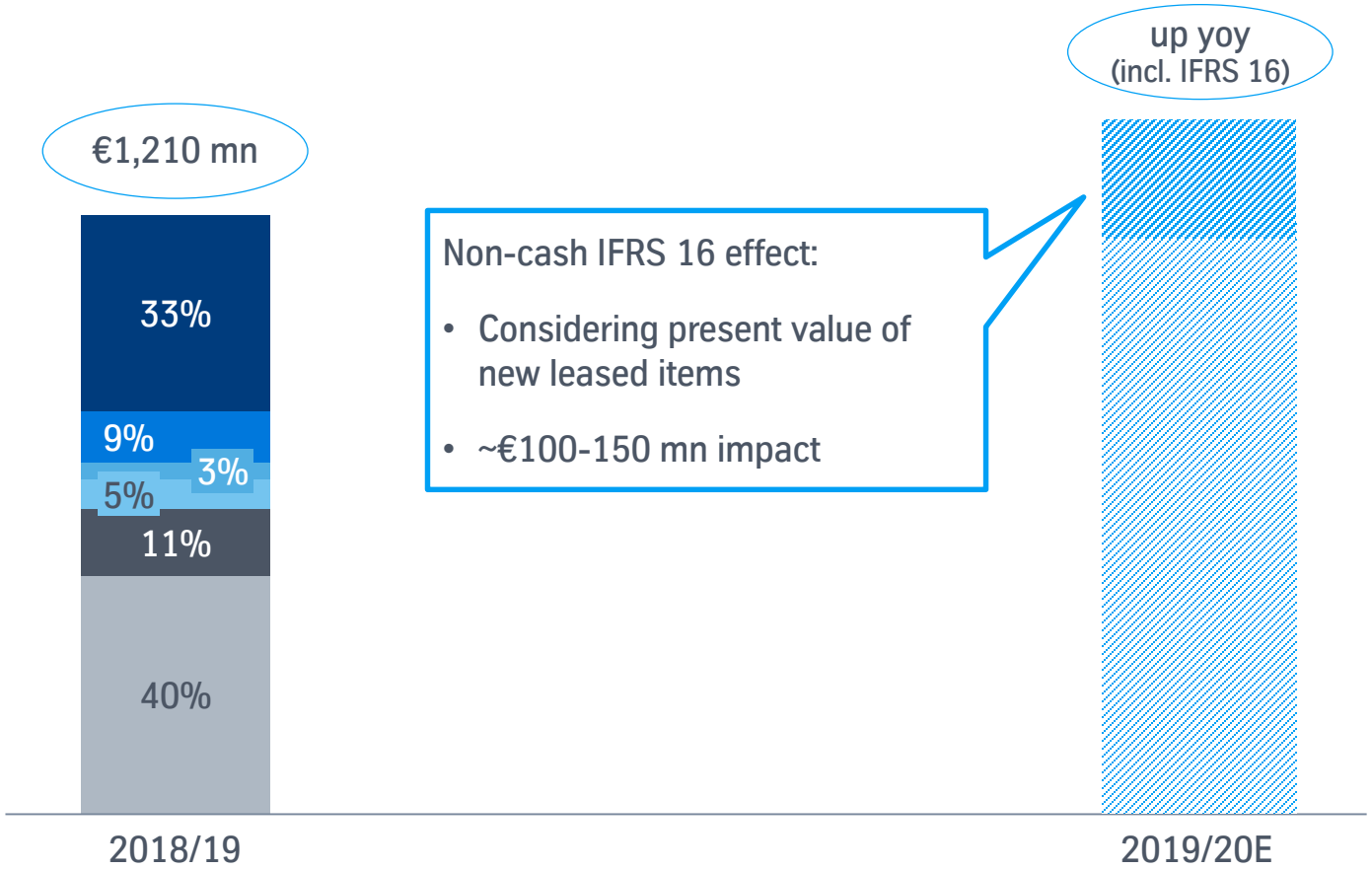
[Group, € mn]



1. Including past service cost and curtailments
2. Additional personnel expenses include €173 mn net periodic pension cost for defined contribution plans

Capex increase due to IFRS 16 adoption amongst others

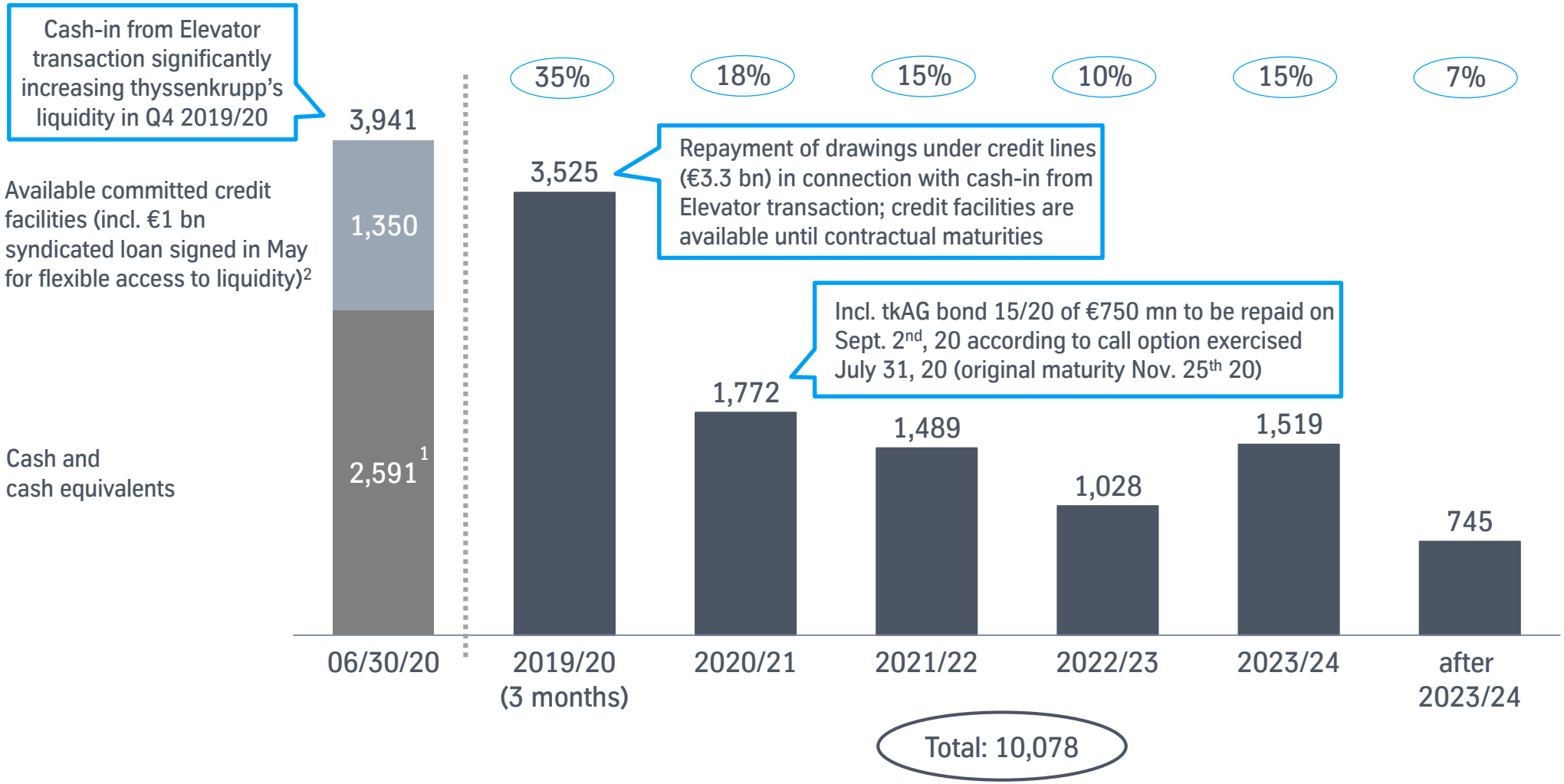
Continuing Operations



AT IC PT MS MX SE Group

Liquidity analysis and maturity profile of gross financial debt

as of June 30, 2020 [€ mn]



(w/o Lease liabilities according to IFRS 16 amounting to 974 € mn)

1. Incl. securities of €7 mn I 2. KfW and bank consortium; terminated with closing Elevator July 31st, 2020

Systematic benchmarking aiming at best-in-class operations

Selected peers / relevant peer segments

thyssenkrupp group

Automotive Technology

- Steering:
  Bosch Automotive Steering, ZF/TRW, Nexteer[1], JTEKT[1], NSK[1], Mando[1]
- Damper:
  ZF/TRW, Tenneco[1], KYB[1], Hitachi Tokico
- Springs & Stabilizers:
  NHK Springs[1], Mubea, Daewon, China Spring, Sogefi[1], Chuo Spring[1]
- Automotive Systems:
  ZF/TRW, Benteler, Hyundai Mobis[1], Rhenus Logistics
- Camshafts:
  SECO, Linamar[1], Hirschvogel Automotive Group, Mahle
- System Engineering:
  Grob, Kuka[1], Hirata[1], FFT, Comau

Industrial Components

- Slewing bearings and seamless rings:
  IMO, SKF[1], Forgital Group
- Undercarriages and undercarriage components:
  Titan International[1]
- Crankshafts:
  Bharat Forge[1], CIE Galfor[1], Sumitomo[1], Forja de Monterrey, Macimex, Forges de Courcelles, American Axle

Plant Technology

- Chemical Plant Engineering:
  Snamprogetti/Saipem[1], MaireTecnimont[1], TechnipFMC[1], Fluor[1], Asahi Kasei[1]
- Cement & Mining:
  Sinoma[1], FLSmidth[1], KHD Humboldt Wedag, Takraf, FAM, Sandvik[1], Metso[1], Loesche, Outotec[1]

Marine Systems

- DCNS
- Fincantieri[1]
- Damen
- BAE Systems[1]
- DSME[1]
- Saab Kockums[1]

Materials Services

- Materials Distribution:
  Klöckner[1], Salzgitter Trading[1], Reliance[1]
- Special Services:
  Glencore[1], Stemcor, Reliance[1], AM Castle[1], Vink; Sunclear
- Special Materials:
  Acerinox[1], Aperam[1], Outokumpu[1]

Steel Europe

- ArcelorMittal Europe[1]
- Salzgitter Strip Steel[1]
- Tata Steel Europe[1]
- Voestalpine Steel Division[1]

1. Listed peers

Automotive Technology - Overview[1]

Mission critical and high-performance components and systems for leading automotive customers

Snapshot FY 2018/19

€5,407 mn sales
~25,800 employees

International presence including a global production network of 63 plants

Well-known brands with strong reputation and leading global market positions

Product offering

Steering

Damper

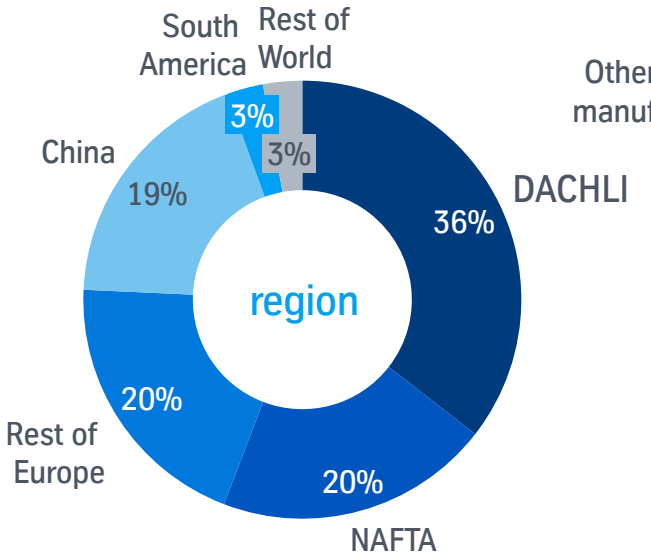
Automotive Systems

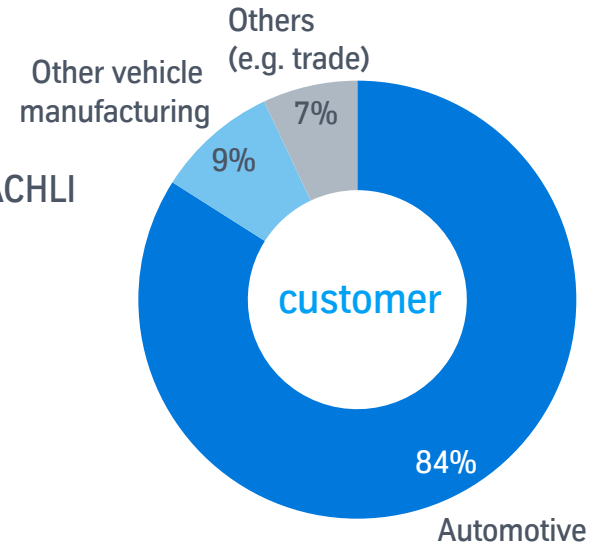
Camshafts

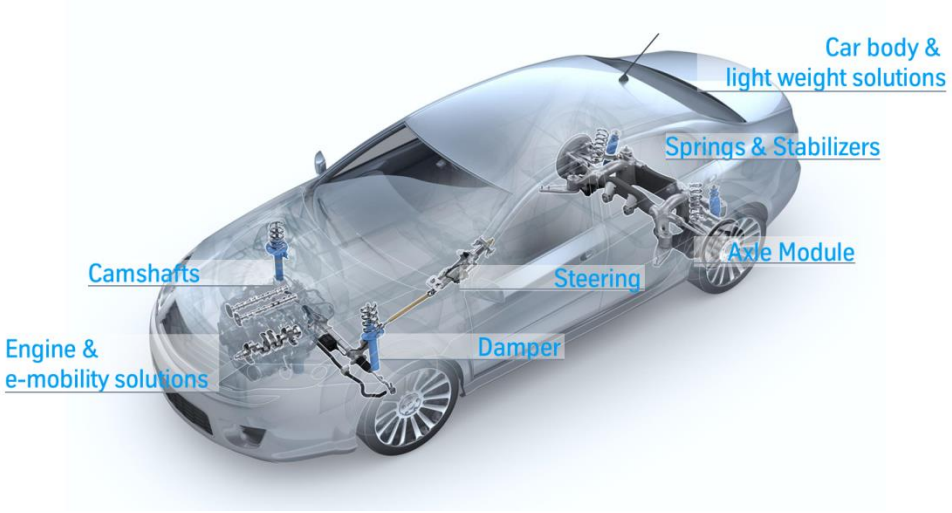
Springs & Stabilizers

System Engineering
(in AT since FY 19/20)

Sales breakdown FY 2018/19







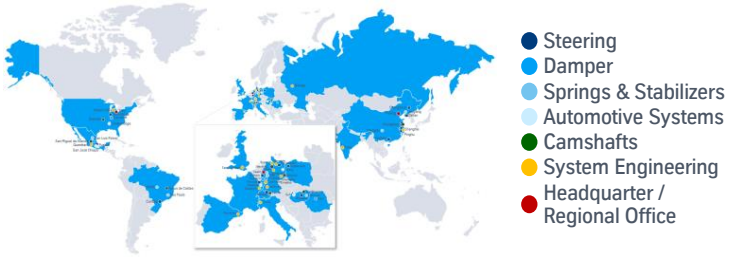
1. D = Germany, A = Austria, CH = Switzerland, LI = Liechtenstein; figures on a pro-forma basis

Automotive Technology – Business Modell

Well positioned for automotive megatrends

Proximity to customers

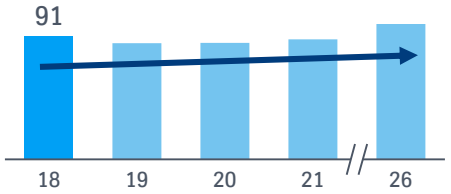
- Global production footprint
- "Glocalisation" in growth markets to strengthen competitiveness
- New plant ramp-ups fostering growth and operational excellence



Market attractiveness

- Growth in all segments based on new products and customers – supported by technological trends (e.g. autonomous driving) leading to Automotive Technology growing above market

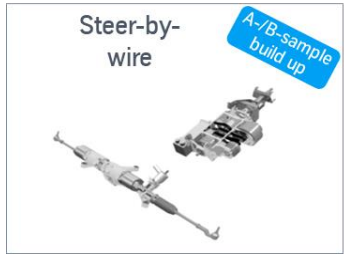
Light vehicle production – challenging market environment



Source: IHS LV Production 10/2019; World, >6t in mn units

Strong technological expertise

- Strong expertise and engineering culture leading to a large IP portfolio and high R&D competence
- Prepare e-mobility shift: Independence of propulsion technology through e.g. autonomous driving technologies in product portfolio
- High quality products ranging from forging of components to digital expertise (e.g. active dampers, steer-by-wire)



Focus on performance and growth

- Improving cost position and cash contribution in all businesses
- Striving for competitive SG&A cost structures, e.g. through smaller headquarters
- Securing profitable growth with new products

Automotive Technology[1]

[€ mn]

	2018/19[2]					2019/20[3]		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Order intake	1,283	1,306	1,308	1,354	5,251	1,353	1,182	815
Sales	1,231	1,358	1,365	1,453	5,407	1,367	1,267	842
EBITDA	67	61	65	16	210	(2)	17	(62)
EBITDA adjusted	70	68	57	29	224	94	27	(56)
EBIT	9	0	2	(136)	(126)	(78)	(130)	(142)
EBIT adjusted	13	9	(5)	(39)	(22)	21	(49)	(129)
EBIT adj. margin (%)	1.0	0.7	(0.3)	(2.7)	(0.4)	1.6	(3.9)	(15.3)
tk Value Added					(381)			
Ø Capital Employed	2,784	2,909	2,988	3,006	3,006	3,081	3,132	3,172
BCF	(313)	(134)	(75)	126	(396)	(251)	(169)	(215)
CF from divestm.	1	0	1	0	2	0	1	4
CF for investm.	(100)	(98)	(93)	(105)	(396)	(100)	(75)	(65)
Employees	24,712	24,984	25,513	25,834	25,834	25,891	25,572	24,793

Current trading conditions

- Order intake in Q3 at €815 mn (-38% yoy, ex F/X -38%); sales in Q3 at €842 mn (-38% yoy, ex F/X -38%)
  - Strong pandemic-induced demand decline mainly in Europe, USA and Mexico as OEM customers shut down production; China with slight recovery starting end of April; ramp-up of new plants and projects at Steering and Damper continues with slightly lower pace
- EBIT adj. in Q3 at €(129) mn significantly below prior year
  - Pandemic-induced demand drop mainly in Europe, USA and Mexico
  - Springs & Stabilizers and System Engineering sig. lower and negative; restructuring continues (SP: closure Olpe, realignment Hagen, SY: continuation of capacity adjustments and cost-reduction measures)

1. New organizational structure based on “newtk”: Former Components Technology renamed Automotive Technology, now incl. System Engineering (previously part of former Industrial Solutions) | 2. Figures on a pro-forma basis | 3. Figures incl. effects of IFRS 16

Industrial Components - Overview[1]

Mission critical components for the wind energy, truck and construction machinery industry

Snapshot FY 2018/19

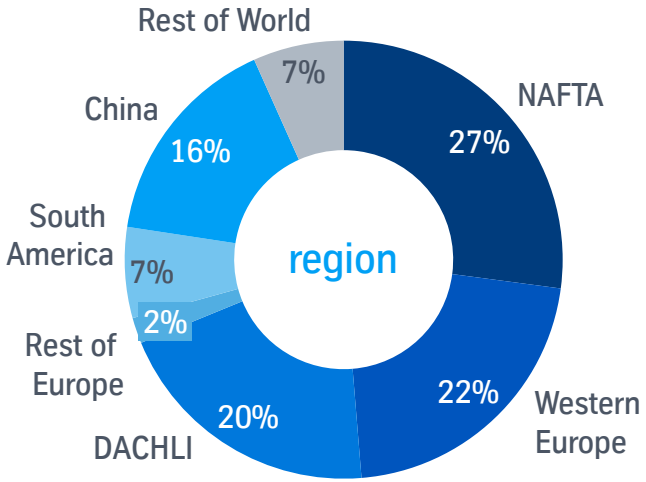
€2,522 mn sales
~14,000 employees

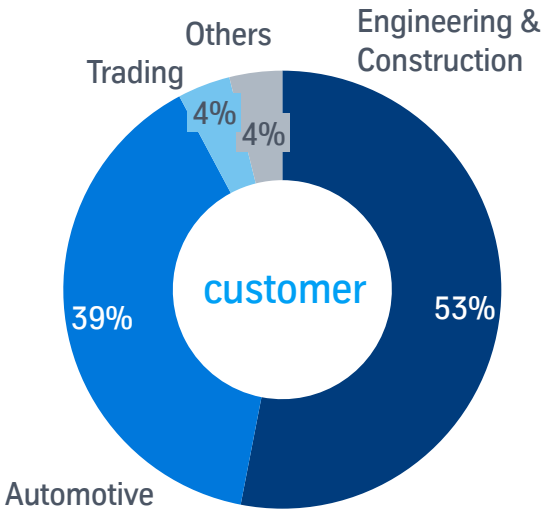
33 factories in 14 countries

Market leader
for large slewing bearings up to 8 meters

Biggest steel forging group worldwide
with focus on heavy vehicles and industry

Sales breakdown FY 2018/19





Product offering

rothe erde® slewing bearings

rothe erde® rings

psl® rolling bearings

Selected series from 140 mm up to 2.5 m

Engine components

Crankshafts rough forged & machined

Conrods rough forged & machined

Berco undercarriages

Undercarriage systems assembled

Undercarriage components rough forged & machined

Front axles

Brand new

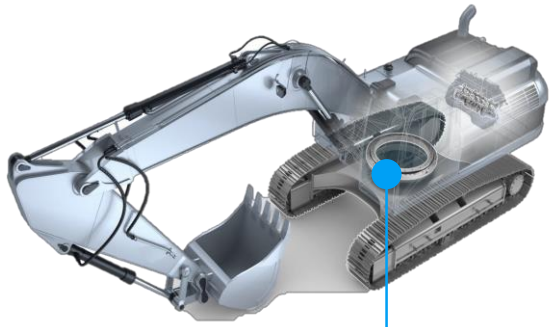
Truck front axles forged

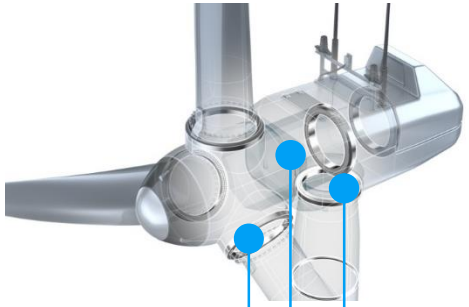
1. D = Germany, A = Austria, CH = Switzerland, LI = Liechtenstein; Figures on a pro-forma basis

Industrial Components – Business Modell

Maximum quality and functionality products tailored specifically to the needs of our customers

Bearings

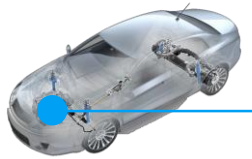




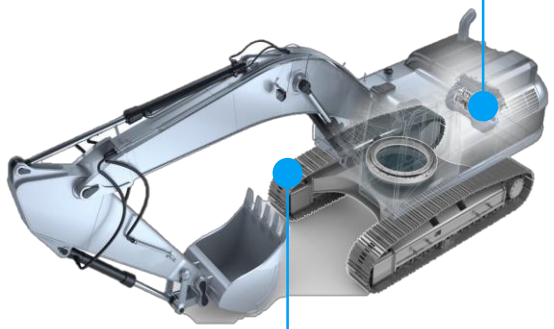
Slewing bearing:
- Ready to mount connection between the superstructure and the undercarriage
- Customized design to optimal transmit forces in axial and horizontal direction

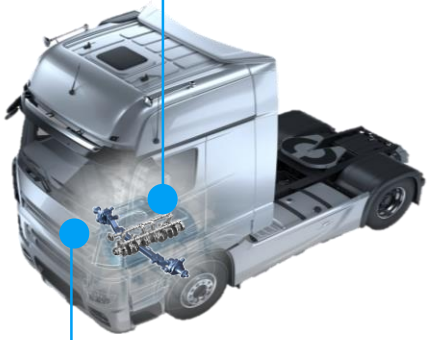
Pitch / main / yaw bearings:
- Diameters up to 8 meters
- Excellent power-to-weight ratio
- Designed to customer requirements

Forged Technologies



Engine components:
- Crankshafts and conrods
- For both diesel and gasoline engines
- Translate engine speed into driving speed





Undercarriages:
- Complete range of undercarriage systems and components including track chains, rollers, idlers, sprockets

Front axles:
- Forged truck front axles

Focus on local production plants:
- Quicker reaction to local market requirements and customer (R&D) needs
- Higher delivery speed and lower transportation costs
- Transfer volume series production to best and lower cost countries
- Production of technically sophisticated products in Europe

Global partner to global costumers:
- Global footprint to offer local content to all major customers
- Industry-leading product quality and delivery performance
- Partner of choice for industry-leading OEMs trusting the reliability, durability & quality of our products

Industrial Components[1]

[€ mn]

	2018/19[2]					2019/20[3]		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Order intake	643	702	661	631	2,636	558	589	432
Order backlog	938	1,014	1,010	1,005	1,005	1,013	1,011	980
Sales	573	650	660	639	2,522	544	573	452
EBITDA	72	86	84	83	325	72	81	50
EBITDA adjusted	73	87	99	94	353	73	82	53
EBIT	42	56	52	51	201	43	5	23
EBIT adjusted	43	57	69	61	230	44	52	26
EBIT adj. margin (%)	7.5	8.7	10.5	9.6	9.1	8.1	9.0	5.8
tk Value Added					82			
Ø Capital Employed	1,364	1,380	1,393	1,391	1,391	1,502	1,516	1,514
BCF	46	26	46	113	232	(50)	11	8
CF from divestm.	5	1	1	5	12	0	0	(0)
CF for investm.	(12)	(18)	(26)	(46)	(103)	(28)	(25)	(34)
Employees	14,493	14,350	14,120	13,773	13,773	13,528	13,318	12,517

Current trading conditions

- Order intake in Q3 at €432 mn (-35% yoy, ex F/X -34%); sales in Q3 at €452 mn (-32% yoy, ex F/X -31%)
  - Bearings: still good development overall especially wind energy China, slight decrease in components for construction equipment and cranes, strong pandemic-induced drop at aerospace components
  - Forged Technologies: sig. down yoy due to pandemic-driven demand decline as well as ongoing cyclical downturn; cars/trucks with sig. decline in cyclical Class 8 truck market (esp. USA); undercarriages with continued cyclical demand decline, partially compensated by broader product portfolio and exploitation of new markets and business segments

  EBIT adj. in Q3 at €26 mn below prior year
  - Bearings: volume- and structural-driven higher yoy
  - Forged Technologies: sales- and pandemic-related significantly below prior year, tariff disputes between USA and China negatively impacting demand

1. New organizational structure based on "newtk": Incl. Bearings and Forged Technologies (previously part of former Components Technology) | 2. Figures on a pro-forma basis | 3. Figures incl. effects of IFRS 16

Plant Technology – Overview

FY 2018/19

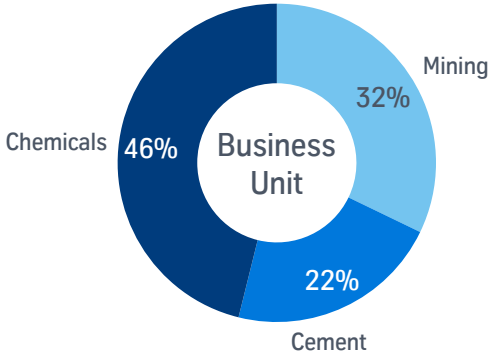
Global plant builder and technology leader

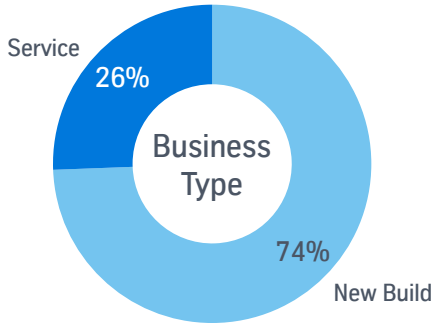
> 30 countries (own presence)	€ 2.8 bn order intake	First positive EBIT contribution of performance measures
> 90 branches	€ 2.9 bn sales	
12,000 employees	€ -148 mn EBITDA	
> 2,500 chemical plants	€ -145 mn EBIT adjusted	
> 15,000 mining machines	€ -253 mn business CF	
> 900 cement lines	€ 35 mn Total Investments	

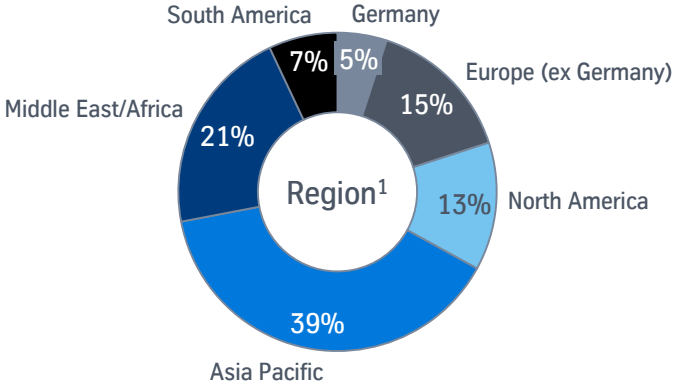
What makes tk Plant Technology unique

- ✓ Strong global footprint
- ✓ Reputation as reliable partner
- ✓ Long-lasting customer relationships
- ✓ Proven technologies and large installed base
- ✓ Digital and sustainable product innovations
- ✓ Capital-light business

Sales breakdown FY 2018/19







Technology leadership in various markets with strong growth potential in service business

1. based on country of site

Plant Technology – Business Modell

Supporting our customers along the complete plant lifecycle

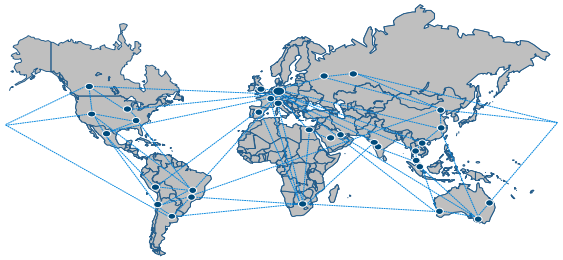
Engineering (E)

~70% engineers and technicians

~30% andere

Leading technologies and engineering excellence

Procurement (P)

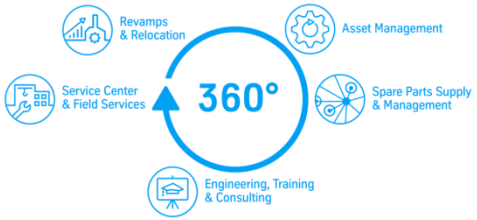


Global network and efficiency

Construction[1] (C)

Local presence and know-how

Services (S)



Reliability and customer proximity

1. blue-collar activites mainly executed by subcontractors

Plant Technology[1]

[€ mn]

	2018/19[2]					2019/20[3]		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Order intake	668	513	1,048	614	2,844	568	457	360
Order backlog	5,021	4,881	5,189	4,847	4,847	4,615	4,252	3,971
Sales	615	669	725	935	2,943	755	737	644
EBITDA	(29)	(17)	(50)	(31)	(127)	(8)	(16)	(91)
EBITDA adjusted	(22)	(21)	(43)	(23)	(109)	(7)	(10)	(86)
EBIT	(37)	(26)	(63)	(38)	(164)	(19)	(27)	(102)
EBIT adjusted	(30)	(30)	(55)	(30)	(145)	(18)	(21)	(97)
EBIT adj. margin (%)	(4.9)	(4.4)	(7.5)	(3.3)	(4.9)	(2.3)	(2.8)	(15.0)
tk Value Added					(152)			
Ø Capital Employed	(64)	(86)	(139)	(152)	(152)	(191)	(201)	(180)
BCF	(31)	0	(111)	(111)	(253)	123	(124)	(163)
CF from divestm.	1	0	5	21	28	14	1	(0)
CF for investm.	(8)	(9)	(9)	(9)	(35)	(8)	(9)	(4)
Employees	11,113	11,107	11,423	11,419	11,419	11,300	11,218	10,919

Current trading conditions

- Order intake in Q3 at €360 mn (-66% yoy, ex F/X -65%); down yoy mainly due to large orders in prior year (fertilizer plants Egypt and Poland)
  - Chemicals: increasing demand for electrolysis plants and equipment supported by new strategic partnership with Air Products and cooperation with German grid operator E.ON; orders for polymer plants in Turkey and China
  - Cement: overall positive development, but Q3 with pandemic-related postponements
  - Mining: smaller orders, however overall slightly lower yoy due to slower customer activity
- Sales in Q3 at €644 mn (-11% yoy, ex F/X -10%); ramp-up of large chemical orders and robust service business partially compensate pandemic decline
- EBIT adj. in Q3 at €(97) mn below prior year and negative as higher chemical earnings, G&A cost reductions and robust service cannot compensate pandemic effects (mainly underutilization, additional construction site costs and lower project billing overall)

1. New organizational structure based on “newtk”: Former Industrial Solutions renamed Plant Technology (now excl. System Engineering, now part of Automotive Technology) | 2. Figures on a pro-forma basis | 3. Figures incl. effects of IFRS 16

Marine Systems – Overview

Leading supplier of non-nuclear submarines and high-end naval vessels

Business unit overview

€1.8 bn sales

€6.3 bn order backlog

>6.000 employees

More than 160 submarines and 160 naval surface vessels contracted since 1960 with 27 navies worldwide

Product offering

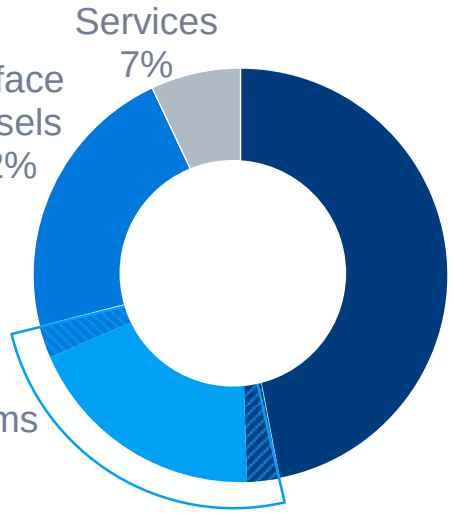
Submarines[1]

Surface vessels

Naval electronic systems

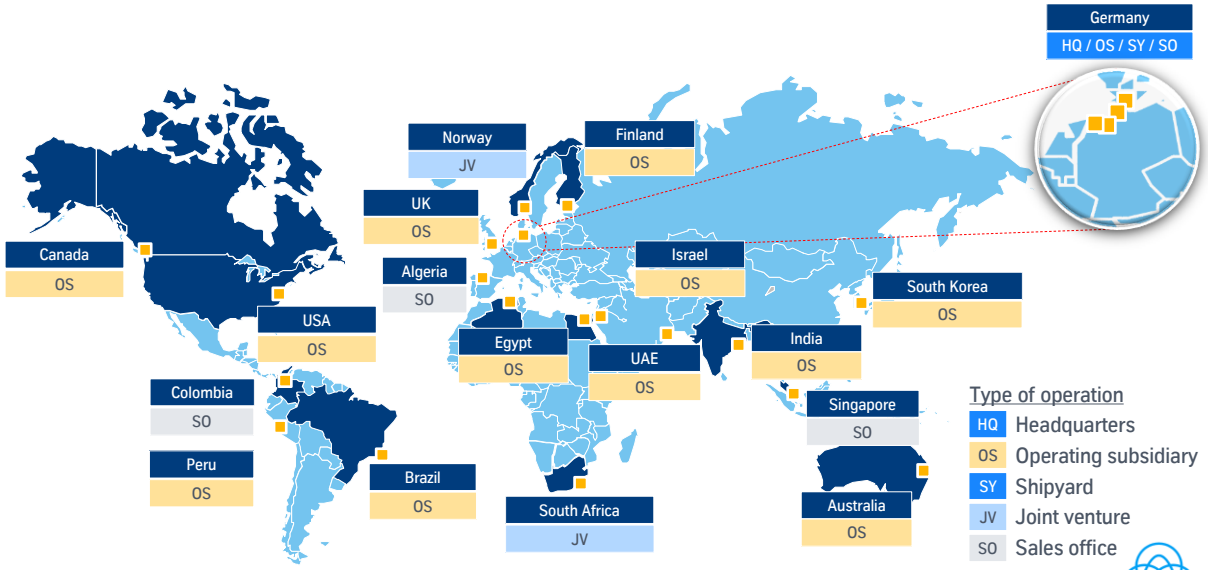
Services

Sales by product FY 2018/19



~5%-points of NES revenue through submarines and surface vessels, with increasing tendency

Global footprint



1. Non-nuclear submarines
Sources: Company information

Marine Systems – Business Modell

Industry leading portfolio of submarines and surface vessels

Submarines ~47%

- Prime contractors with design and construction of non-nuclear / conventional submarines
- Offers expertise in research and development, design, manufacturing, outfitting, testing and in-service support
- Supplies and builds:
  - Submarines
  - Submarine components

E → P → C

Surface vessels ~22%

- Prime contractors incl. design of frigates and corvettes
- Supplies and builds:
  - Frigates
  - Corvettes
  - Auxiliaries

E → P → C[1]

Naval electronic systems (ATLAS ELEKTRONIK) ~24%

- Supplier to prime contractors
- Supplies and builds:
  - (Anti-) submarine systems
  - Surface vessel systems
  - Mine warfare systems
  - Unmanned naval systems
  - Submarine systems[2]
  - Sonar solutions

E → P → C

Services ~7%

- Services for entire life cycle:
  - Maintenance
  - Engineering consulting
  - Modernization programs
  - Spare parts
- Tailor-made solutions:
  - Extended life spans
  - Maintenance of sophisticated equipment
  - Implementation of new technologies
  - Long-term framework agreements with German Navy

% of revenue (2018/19)

Note: E = engineering, P = procurement, C = construction I 1. tkMS still serves as prime contractor I 2. Capabilities through Kongsberg JV
Sources: Company information

Marine Systems

[€ mn]

	2018/19					2019/20[1]		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Order intake	107	133	145	1,807	2,192	103	132	123
Order backlog	5,300	4,944	4,571	5,887	5,887	5,610	5,313	5,045
Sales	298	497	510	496	1,800	381	423	385
EBITDA	12	12	12	16	52	13	13	18
EBITDA adjusted	12	12	13	16	53	13	16	19
EBIT	0	(0)	(1)	1	0	(0)	(2)	3
EBIT adjusted	0	(0)	(0)	1	1	(0)	2	4
EBIT adj. margin (%)	0.0	(0.0)	(0.0)	0.0	0.0	0.0	0.5	1.0
tk Value Added					(74)			
Ø Capital Employed	710	799	883	927	927	1,196	1,206	1,225
BCF	(148)	(131)	76	(129)	(333)	(49)	37	(139)
CF from divestm.	1	0	(0)	0	1	0	0	0
CF for investm.	(8)	(9)	(13)	(28)	(59)	(13)	(19)	(12)
Employees	5,868	5,859	5,870	6,013	6,013	6,104	6,133	6,161

Current trading conditions

Q3 Order Intake: rather stable orders yoy due to service and orders in marine electronics

Q3 Sales: Slower progress as planned on the execution of contracts

Q3 EBIT adj. above prior year, as measures for performance improvement show first results

Q3 BCF determined by milestone payment profile

1. Figures incl. effects of IFRS 16

Materials Services – Overview

Leading market and customer positions plus unrivalled materials and services portfolio

#1 Germany
#2 Europe
#4 North America

40 countries
480 branches

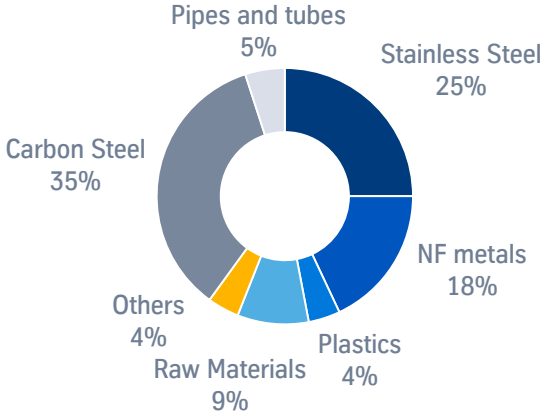
~250,000 customers
150,000 multi-material products

Digitalization
Leadership

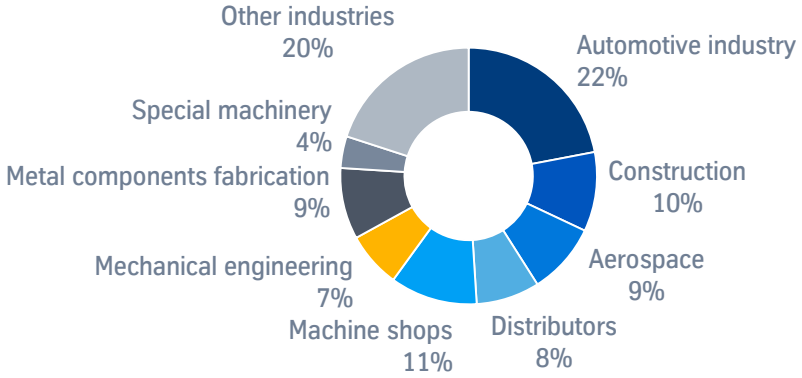
3-year average[1]

Ø 10.6 mt Shipments
Ø €14.1 bn Sales
Ø €245 mn EBIT adj.
Ø €217 mn BCF

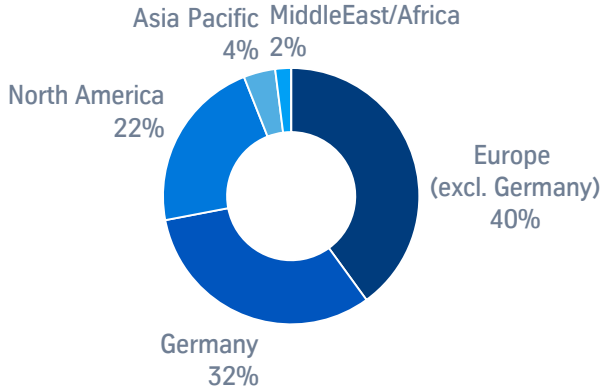
Flexible multi-material portfolio[2]…



serving diversified end-markets[2,3]…



…with global outreach[2]



1. Three year average: FY 2016/2017 - 2018/2019 | 2. Based on FY 18/19 | 3. Figures excl. Materials Production, Materials Trading, Technical Services

Materials Services – Business Model

Covering the entire materials value chain and gaining unique market insight

Increasing customer integration and value-added services

	Raw Materials & Trading	Production	Distribution	Supply Chain Services
Products & Services	• Global trading business for metal goods and raw materials • Logistics & supplier management • Financing & hedging	• Production and distribution of stainless steel • Technical sales consulting • Processing • Close proximity to key demand centers	• Materials Distribution incl. warehousing, logistics and value-added services • Dense logistics network and access to broad customer base • Broad product and industry portfolio	• Provision of supply chain services (e.g., JIS delivery, forecasting & planning) • Higher value-add processing • Increased integration with customers
Sales FY 18/19[1]	~16%	~12%	~43%	~29%
Ø-ROCE[2]	37.3%	8.1%	5.5%	8.6%

1. w/o consolidation | 2. . Three year average FY 2016/2017 - 2018/2019; ROCE per segment w/o allocation of corporate cost

Materials Services

[€ mn]

	2018/19					2019/20[1]		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Order intake	3,370	3,821	3,336	3,340	13,868	3,078	3,325	2,242
thereof Materials Production	401	489	401	431	1,721	427	545	225
Sales	3,388	3,696	3,505	3,291	13,881	3,046	3,389	2,245
thereof Materials Production	390	463	453	430	1,736	389	461	337
EBITDA	49	79	63	(11)	180	54	58	(66)
EBITDA adjusted	50	81	72	17	220	55	72	(55)
thereof Materials Production	16	6	12	8	42	7	5	(21)
EBIT	22	51	34	(41)	66	11	14	(111)
EBIT adjusted	22	53	43	(12)	107	11	28	(100)
thereof Materials Production	7	(4)	3	(2)	4	(3)	(5)	(31)
EBIT adj. margin (%)	0.7	1.4	1.2	(0.4)	0.8	0.4	0.8	(4.5)
thereof Materials Production	1.8	(0.8)	0.6	(0.4)	0.2	(0.8)	(1.2)	(9.3)
tk Value Added					(244)			
Ø Capital Employed	3,782	3,898	3,914	3,866	3,866	4,035	4,179	4,183
BCF	(879)	417	(186)	689	41	(907)	280	(143)
thereof Materials Production	(134)	18	(22)	144	6	(224)	(22)	(13)
CF from divestm.	1	17	1	13	33	5	4	1
CF for investm.	(18)	(36)	(30)	(51)	(135)	(23)	(34)	(33)
Employees	20,378	20,302	20,242	20,340	20,340	20,238	20,023	19,239

Current trading conditions

Sales in Q3 significantly below prior year: Significant lower volumes in warehousing and distribution and auto-related service centers mainly due to weak demand in Europe and North America; further decline in prices in virtually all product segments (except plastics)

EBIT adj. in Q3 significantly down yoy: margin pressure from declining prices in all business units and significant lower volumes (except plastics); countermeasures e.g. G&A cost reductions could not compensate underutilization; AST with negative earnings due to temporarily plant closure in April, unfavourable price situation for stainless steel and significantly lower volumes

1. Figures incl. effects of IFRS 16

Steel Europe – Overview

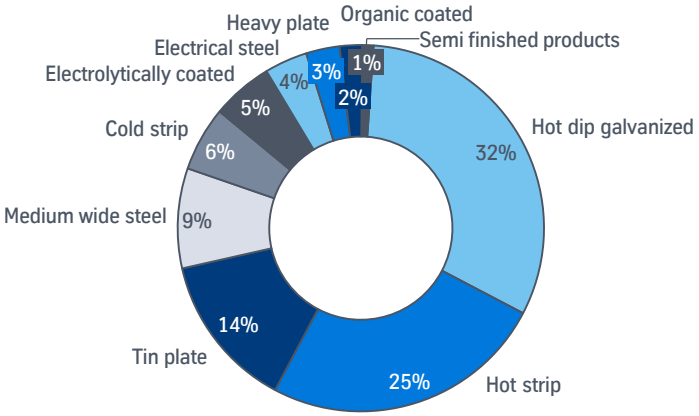
Leading premium flat steel producer with a strong focus on Europe

#1 Germany #2 Europe	15 countries 19 production sites	~ 1,400 customers ~ 2,000 products	Climate strategy & digitalization

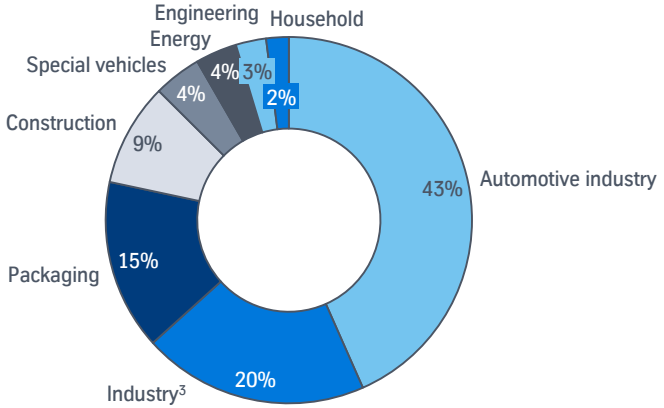
3-year average[1]

Ø 11.1 mt Shipments	Ø €9.1 bn Sales	Ø €422 mn EBIT adj.	Ø €242 mn BCF

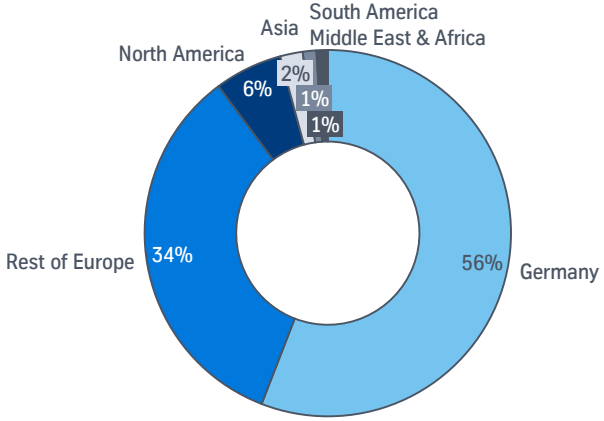
Flexible multi portfolio [mn t][2]…



serving diversified end-markets [mn t][2]…



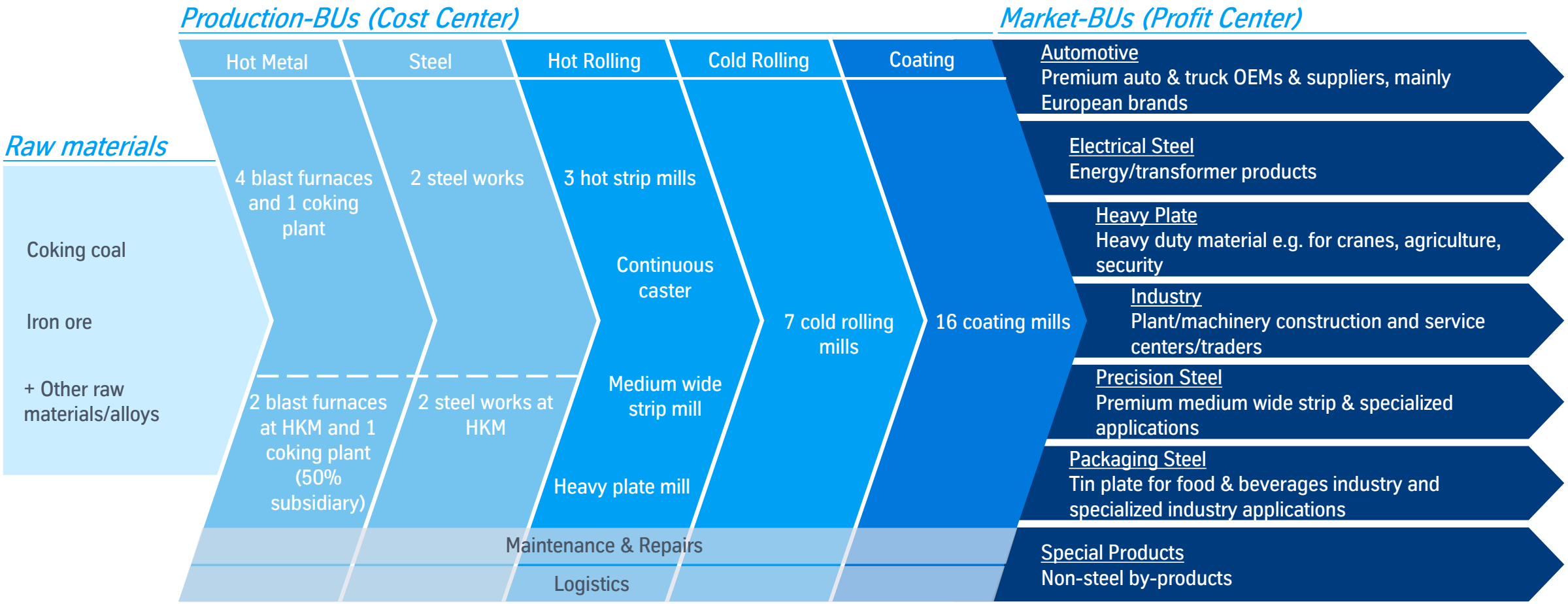
…with global outreach [mn t][2]



1. FY 16/17-FY 18/19 | 2. Based on shipments FY 2018/19 | 3. Supplies mainly for further processing to direct customer industries such as trade/steel service centres and cold rolling industry (without knowledge of end markets)

Steel Europe – Business Model

Steel Europe operates an integrated value chain



Steel Europe

[€ mn]

	2018/19					2019/20[1]		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Order intake	2,341	2,451	2,177	1,814	8,784	2,115	2,259	943
Sales	2,131	2,350	2,347	2,237	9,065	1,851	2,154	1,455
EBITDA	147	(6)	121	58	321	(48)	(218)	(228)
EBITDA adjusted	152	149	113	61	475	(46)	(94)	(218)
EBIT	34	(118)	9	(48)	(123)	(166)	(332)	(344)
EBIT adjusted	38	37	1	(45)	31	(164)	(208)	(334)
EBIT adj. margin (%)	1.8	1.6	0.0	(2.0)	0.3	(8.9)	(9.6)	(22.9)
tk Value Added					(586)			
Ø Capital Employed	5,307	5,498	5,532	5,447	5,447	5,396	5,546	5,549
BCF	(832)	(52)	124	687	(72)	(1,045)	(81)	(268)
CF from divestm.	11	0	(0)	1	12	(2)	(1)	(1)
CF for investm.	(94)	(117)	(110)	(161)	(482)	(121)	(141)	(90)
Employees	27,613	27,882	27,934	28,278	28,278	28,093	27,869	27,559

Current trading conditions

- EU carbon flat steel market with further economic slowdown, mainly driven by:
  - increasing geopolitical and foreign trade tensions and uncertainties
  - market environment remains extremely challenging: corona pandemic, continuing structural overcapacities, risks from trade imbalances, increased iron ore prices with falling revenues
  - still noticeably high imports (in particular Turkey, Russia, South Korea) and safeguard measures so far had not a major limiting effect
- Shipments sig. decreased in Q3 yoy (2.7 mt vs. prior year 1.8 mt), driven by Covid-19 pandemic over all industries, in particular Auto (~-50%)
- Sales in Q3 sig. down yoy, caused by sig. lower shipments with unfavorable product mix
- EBIT adj. in Q3 sig. down yoy and negative, driven by sig. lower shipments, unfavorable product mix and higher costs by underutilization partly offset by stringent cost measures

1. Figures incl. effects of IFRS 16

Volume KPI's of Materials Businesses

			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19					2019/20		
			FY	FY	FY	FY	FY	FY	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
MX	Total shipments	kt	10,868	10,669	13,615	13,421	12,605	10,966	11,096	2,376	2,672	2,388	2,413	9,849	2,254	2,410	1,977
MX	Warehousing shipments[1]	kt	5,470	5,300	5,592	5,532	5,518	5,686	5,944	1,338	1,568	1,442	1,436	5,784	1,263	1,519	1,033
MX	Shipments AST[2]	kt	-	-	537	747	848	853	888	192	229	222	202	844	180	230	176
SE	Crude Steel	kt	11,860	11,646	12,249	12,392	12,021	12,060	11,839	2,821	2,902	2,750	2,813	11,286	2,840	2,752	2,044
SE	Steel Europe AG	kt	8,408	8,487	8,936	9,276	9,336	9,440	9,171	2,170	2,246	2,110	2,149	8,675	2,167	2,037	1,559
SE	HKM	kt	3,452	3,160	3,313	3,116	2,686	2,620	2,668	651	655	640	665	2,611	674	716	485
SE	Shipments	kt	12,009	11,519	11,393	11,725	11,174	11,433	11,302	2,397	2,699	2,720	2,636	10,452	2,242	2,797	1,808
SE	Cold-rolled	kt	7,906	7,437	7,137	7,182	7,048	7,169	6,995	1,543	1,718	1,664	1,648	6,572	1,479	1,766	1,163
SE	Hot-rolled	kt	4,103	4,082	4,256	4,543	4,126	4,265	4,307	854	981	1,057	989	3,880	759	1,016	637
SE	Average Steel revenues per ton[3]		139	127	119	114	107	122	132	139	137	134	132	135	131	122	123
	USD/EUR	Aver.	1.30	1.31	1.36	1.15	1.11	1.10	1.19	1.14	1.14	1.12	1.11	1.13	1.11	1.10	1.10
	USD/EUR	Clos.	1.29	1.35	1.26	1.12	1.12	1.18	1.16	1.15	1.12	1.14	1.09	1.09	1.12	1.10	1.12

1. Excl. AST/VDM shipments | 2. Included at MX since March '14 | 3. Indexed: Q1 2004/05 = 100

Corporate Headquarters[1)]

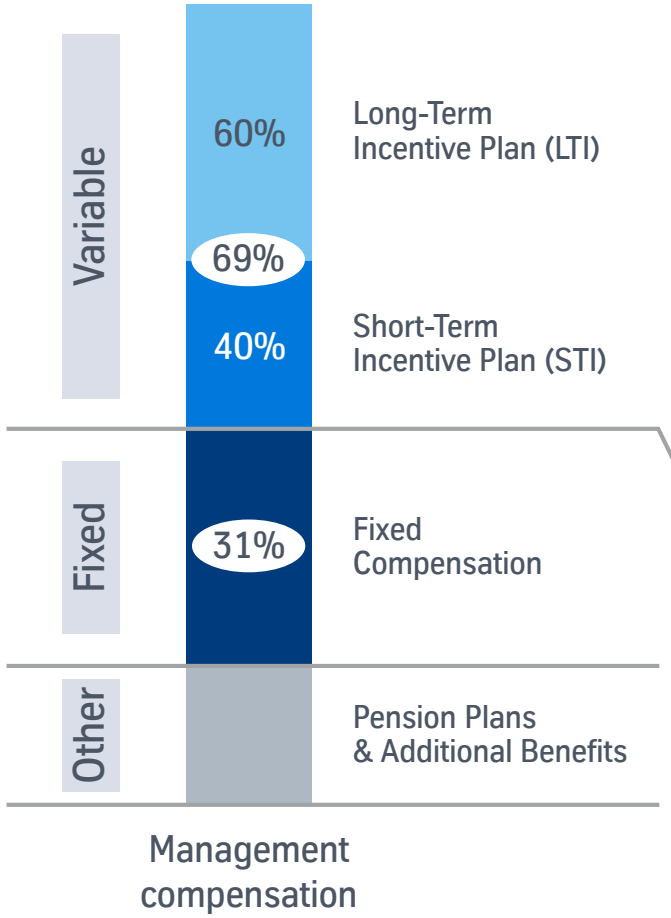
[€ mn]

	2018/19[2)]					2019/20[3)]		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
EBITDA	(69)	(60)	(52)	(90)	(271)	(99)	(154)	(45)
EBITDA adjusted	(57)	(51)	(53)	(71)	(232)	(61)	(58)	(36)
EBIT	(74)	(64)	(59)	(95)	(293)	(103)	(159)	(49)
EBIT adjusted	(63)	(55)	(57)	(76)	(252)	(66)	(63)	(40)
BCF	(73)	(99)	(67)	(113)	(352)	(50)	(62)	(69)
Employees	1,187	1,119	1,092	1,057	1,057	1,041	969	835

As of FY 2019/20 the administrative units of Corporate and the regions are shown as Corporate Headquarters. The Service Units and Special Units will be shown in Reconciliation line.

1. Only administrative Units of Corporate and regions – Former Service and Special Units are combined in consolidation line as “Reconciliation” | 2. Figures on a pro-forma basis | 3. Figures incl. effects of IFRS 16

Stringent alignment of management compensation with financial performance targets



LTI: Share price, tkVA (target tkVA = 0); payout limited to 250% of initial value

For every €20 mn Ø tkVA above target → 1% increase in number of rights
For every €10 mn Ø tkVA below target → 1% reduction in number of rights

STI: annual performance bonus

- Group Board:
  - 40% Group EBIT/20% ROCE/40% FCF before M&A
  - Payout multiplied with a sustainability and discretionary factor (0.8-1.2)
  - Payout limited to 200% of target amount
- BA Board: 20% Group EBIT, FCF before M&A, tkVA; 80% BA EBIT, BCF, tkVA
- Sustainability targets/ indirect financial targets for Group Board and BA Board

Indirect financial targets: energy efficiency gains; 100% of relevant companies covered by ISO 50001 and ISO 14001; reduce accident frequency rate; increase share of females in A-L3 positions; 100 sustainability audits of suppliers p.a.

Fixed: €700,000 annually for each ordinary Group Board member

Valid as of FY 2016/17

thyssenkrupp rating

	Long-term rating	Short-term rating	Outlook
Standard & Poor's	BB-	B	positive
Moody's	B1	not Prime	developing
Fitch	BB-	B	stable

Re-conciliation of EBIT Q3 2019/20 from Group P&L

[Continuing Operations, € mn]

P&L structure

Net sales	5,765
Cost of sales	(5,660)
SG&A, R&D	(894)
Other income/expense	50
Other gains/losses	5
= Income from operations	(734)
Income from companies using equity method	3
Finance income/expense	(79)
= EBT	(810)

EBIT definition

Net sales	5,765
Cost of sales	(5,660)
SG&A, R&D	(894)
Other income/expense	50
Other gains/losses	5
Income from companies using equity method	3
Adjustm. for oper. items in fin. income/expense	2
= EBIT	(729)
Finance income/expense	(79)
Operating items in fin. income/expense	(2)
= EBT	(810)

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