

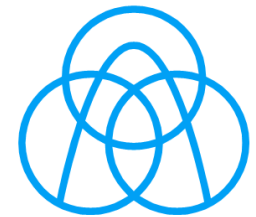
# Charts on Q2 FY 2019/20

## Facts & Figures

Ticker: TKA (Share) TKAMY (ADR)

May 2020

engineering.tomorrow.together.



thyssenkrupp

# newtk progressing – but: Pandemic with clear impact on operations and financials already in Q2

## Performance

- **Automotive Technology** SP: Site closure in Germany and reduction of 490 FTE decided
- **Steel Europe** Headcount reduction under Strategy 20-30 started (up to 3,000 FTE); HP: Sell or Close until end of FY21
- **Corporate Headquarters** 177 FTE carried to transfer company, confirming targeted headcount reduction to 430

## Portfolio

- **Elevator Sale** Approval by 8/13 merger control authorities obtained (i.e. US, CAN, CN); Closing expected within FY 19/20
- **Plant Technology** Best-owner process: indicative offers received from potential strategic buyers
- Results of **portfolio assessment** will be released post Supervisory Board meeting on May 19<sup>th</sup>

## Group financials (in € mn)

- In already challenging trading conditions for Steel Europe and Automotive Technology pandemic with clear impact

	PY		PY	
– Order Intake	9,542	10,360	– EBIT adj.	(80) 240
– Sales	10,108	10,638	– FCF bef. M&A	(209) 23

- Solid financial liquidity of €4.5 bn as of 31.03.<sup>1</sup>; additionally €1 bn syndicated loan signed<sup>2</sup> for flexible access to liquidity

## Outlook

- High uncertainties: Extent of consequences from pandemic particularly on our auto-related materials and components businesses not reliably assessable yet  
Significant decline of financial KPIs for Q3 and FY expected
- Closing of Elevator sale will lead to a significant **uplift in our book value of equity** and a **net cash position**



# Order intake below prior year mainly by components and materials businesses

[€ mn]

	2018/19	2019/20		Δ	
	Q2	Q1	Q2	yoy	yoy (ex FX) <sup>1</sup>
Automotive Technology (AT) <sup>2,3</sup>	1,306	1,353	1,182	(10%)	(10%)
Industrial Components (IC) <sup>2,3</sup>	702	558	589	(16%)	(16%)
Elevator Technology (ET)	1,995	2,232	1,982	(1%)	(1%)
Plant Technology (PT) <sup>2,3</sup>	513	568	457	(11%)	(10%)
Marine Systems (MS)	133	103	132	(1%)	(1%)
Materials Services (MX)	3,821	3,078	3,325	(13%)	(13%)
Steel Europe (SE)	2,451	2,115	2,259	(8%)	(8%)
Corporate Headquarters (HQ) <sup>2,3</sup>	1	1	(0)	--	--
Reconciliation <sup>3,4</sup>	(562)	(348)	(384)	32%	-
<b>Full Group</b>	<b>10,360</b>	<b>9,660</b>	<b>9,542</b>	<b>(8%)</b>	<b>(8%)</b>
Disc. elevator operations <sup>5</sup>	1,994	2,232	1,983	(1%)	-
<b>Group continuing operations</b>	<b>8,366</b>	<b>7,429</b>	<b>7,559</b>	<b>(10%)</b>	<b>(10%)</b>

**AT:** Challenging car demand conditions and pandemic-induced demand drops in China and Europe outweighs effects from ramp-up of new plants and projects at Steering and Dampers

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

**ET:** Growth in NI and steady service business both in Europe and US; slower demand in Asia, especially China due to pandemic; order backlog (excl. Service) on new record level

**PT:** Down yoy due to slower customer activity in our Mining operations; Cement with medium-sized order in Cameroon, good demand at Chemicals

**MS:** Mid-size orders in marine electronics and services

**MX:** Sig. lower volumes due to low demand from automotive sector and negative price trend; temp. plant closure at AST

**SE:** Higher volumes driven by inventory cycle until mid of March offset by continued price pressure

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	
	Q2	Q1	Q2	yoy	yoy (ex FX) <sup>1</sup>
Automotive Technology (AT) <sup>2,3</sup>	1,358	1,367	1,267	(7%)	(7%)
Industrial Components (IC) <sup>2,3</sup>	650	544	573	(12%)	(12%)
Elevator Technology (ET)	1,869	2,045	1,860	(1%)	(1%)
Plant Technology (PT) <sup>2,3</sup>	669	755	737	10%	11%
Marine Systems (MS)	497	381	423	(15%)	(15%)
Materials Services (MX)	3,696	3,046	3,389	(8%)	(9%)
Steel Europe (SE)	2,350	1,851	2,154	(8%)	(8%)
Corporate Headquarters (HQ) <sup>2,3</sup>	1	1	1	(27%)	-
Reconciliation <sup>3,4</sup>	(452)	(316)	(297)	34%	-
<b>Full Group</b>	<b>10,638</b>	<b>9,674</b>	<b>10,108</b>	<b>(5%)</b>	<b>(5%)</b>
Disc. elevator operations <sup>5</sup>	1,870	2,044	1,861	(0%)	-
<b>Group continuing operations</b>	<b>8,768</b>	<b>7,629</b>	<b>8,247</b>	<b>(6%)</b>	<b>(6%)</b>

**AT:** Sales mirror order intake; challenging car demand conditions and pandemic-induced demand drops in China and Europe outweighs effects from ramp-up of new plants and projects at Steering and Dampers

**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:** Growth across all business lines in US; Europe with slight decrease; Asia and especially China impacted by pandemic

**PT:** Sig. growth driven by execution of projects for chemical plants

**MS:** Slower against strong prior year compare

**MX:** Further negative price trend and lower volumes due to lower demand in Europe and North America; partial omission of direct-to-customer business (transfer to SE)

**SE:** Further negative price trend and unfavorable product mix with sig. lower auto demand

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



# EBIT adj. – Pandemic with first pronounced effects at Automotive Technology and Steel Europe

Materials volume-, price- and cost-induced lower [€ mn]

	2018/19 Q2	2019/20 <sup>1</sup> Q1	2019/20 <sup>1</sup> Q2	Δ yoy
Automotive Technology (AT) <sup>2,3</sup>	9	21	(49)	--
<i>Springs &amp; Stabilizers</i> <sup>3</sup>	(13)	(20)	(29)	--
<i>System Engineering</i> <sup>3</sup>	(4)	(3)	(20)	--
Industrial Components (IC) <sup>2,3</sup>	57	44	52	(9%)
Elevator Technology (ET)	198	228	174	(12%)
Plant Technology (PT) <sup>2,3</sup>	(30)	(18)	(21)	31%
Marine Systems (MS)	(0)	(0)	2	++
Materials Services (MX)	53	11	28	(48%)
Steel Europe (SE)	37	(164)	(208)	--
<i>Heavy Plate</i> <sup>3</sup>	(13)	(35)	(25)	(92%)
Corporate Headquarters (HQ) <sup>2,3</sup>	(55)	(66)	(63)	(14%)
Reconciliation <sup>3,4</sup>	(29)	(6)	4	++
<b>Full Group</b>	<b>240</b>	<b>50</b>	<b>(80)</b>	<b>--</b>
Disc. elevator operations <sup>5</sup>	198	227	186	(6%)
<b>Group continuing operations</b>	<b>41</b>	<b>(177)</b>	<b>(266)</b>	<b>--</b>

**AT:** Significantly lower due to overall softer car demand and pandemic-induced demand drop in China and Europe; SP and SY sig. lower

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

**ET:** Slower earnings mainly by sales development in Asia; especially China impacted by pandemic

**PT:** Up yoy mainly by continued G&A cost reductions, yet still negative

**MS:** Above prior year, as measures for performance improvement show results

**MX:** Margin pressure due to lower shipments and prices in main product groups; temp. plant closure at AST; omission of pos. effects from pr. year (real estate sale and compensation for transfer direct-to-customer business to SE)

**SE:** Negative price trend and unfavorable product mix; higher costs by underutilization, raw materials (IO)

**HQ:** Higher costs; mainly project expenses "newtk", provision for LTI, omission of positive one-timer in prior year

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



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

[€ mn]

		2018/19 Q2	2019/20 <sup>1</sup> Q1	2019/20 <sup>1</sup> Q2	Δ yoy
BCF	Automotive Technology (AT) <sup>2,3</sup>	(134)	(251)	(169)	(26%)
	<i>Springs &amp; Stabilizers</i> <sup>3</sup>	(35)	(50)	(35)	1%
	<i>System Engineering</i> <sup>3</sup>	(32)	(27)	(81)	--
BCF	Industrial Components (IC) <sup>2,3</sup>	26	(50)	11	(59%)
BCF	Elevator Technology (ET)	218	15	173	(21%)
BCF	Plant Technology (PT) <sup>2,3</sup>	0	123	(124)	--
BCF	Marine Systems (MS)	(131)	(49)	37	++
BCF	Materials Services (MX)	417	(907)	280	(33%)
BCF	Steel Europe (SE)	(52)	(1,045)	(81)	(56%)
	<i>Heavy Plate</i> <sup>3</sup>	(38)	(26)	(27)	29%
BCF	Corporate Headquarters (HQ) <sup>2,3</sup>	(99)	(50)	(62)	37%
BCF	Reconciliation <sup>3,4</sup>	(72)	(146)	(42)	42%
<b>BCF</b>	<b>Full Group</b>	<b>173</b>	<b>(2,360)</b>	<b>23</b>	<b>(87%)</b>
	Interest payments	(84)	(30)	(134)	(60%)
	Tax payments	(66)	(86)	(98)	(48%)
<b>FCF b. M&amp;A</b>	<b>Full Group</b>	<b>23</b>	<b>(2,476)</b>	<b>(209)</b>	<b>--</b>
FCF b. M&A	Disc. elevator operations <sup>5</sup>	211	(72)	161	(24%)
<b>FCF b. M&amp;A</b>	<b>Group continuing operations</b>	<b>(188)</b>	<b>(2,404)</b>	<b>(370)</b>	<b>(97%)</b>

- AT:** Lower earnings and higher payments for sales tax and accruals overshadow lower investments
- IC:** Decrease at components for heavy duty engines mainly due to pandemic-related lower earnings as well as higher payments for restructuring
- ET:** Investments (new headquarter US) as well as impacts from corona-pandemic in China
- PT:** Shifts between Q1 and Q2; upfront payment from Egypt delayed into Q3; in H1 break-even
- MS:** Higher as well as earlier payments of customers
- MX:** Lower earnings and NWC-release; omission of cash-in from divestiture (sale of real estate in PY)
- SE:** Lower earnings partly compensated by NWC-release, mainly inventories

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# Special Items - continued focus on restructuring and future margin upside

Full group [€ mn]

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

## Comments on Q2

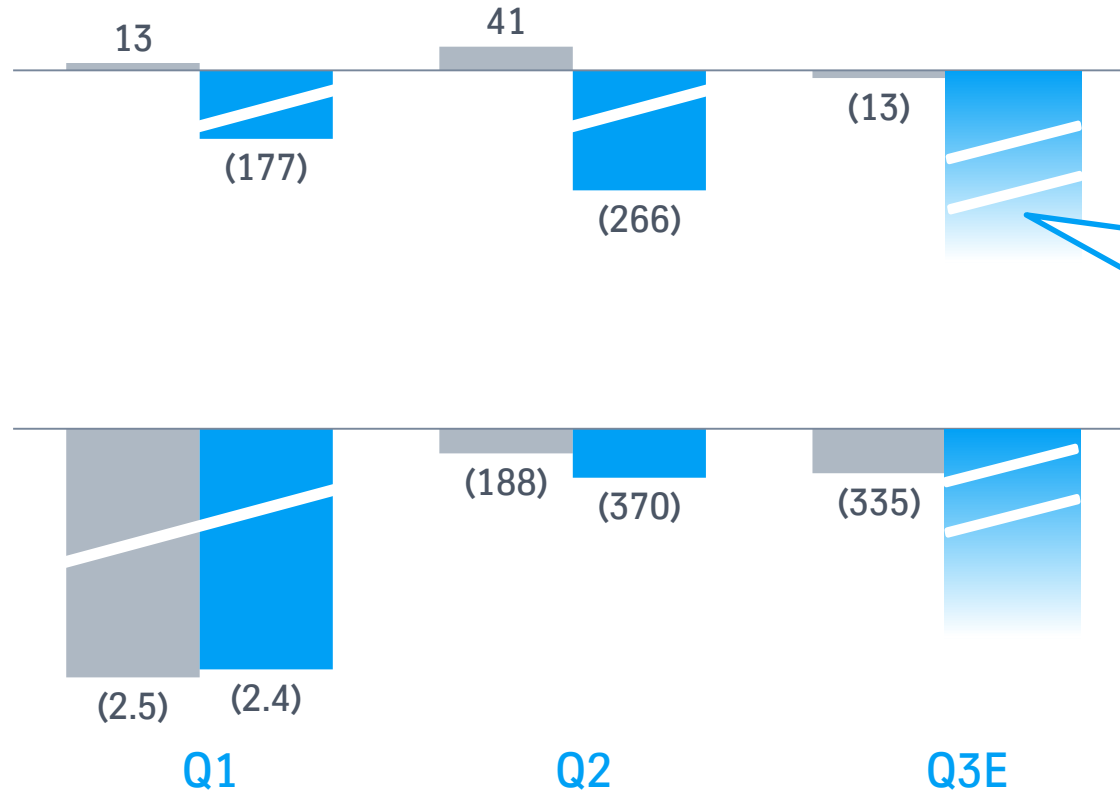
- Impairments at SP and Dampers due to pandemic-related lower earnings expectations
- Impairments at Steering due to order-revaluation in China due to reduced customer demand
- Impairments on technical equipment, buildings and other non-current assets in China in the forgings business triggered by lower sales expectations due to the pandemic and tariff disputes between China and the US
- Mainly costs in connection with restructurings in business units Europe / Africa and Americas
- Restructurings throughout the businesses
- Restructurings throughout the businesses
- Restructurings mainly at Aerospace Germany
- Restructurings for steel strategy 20-30
- Project expenses in connection with the planned Elevator transaction
- Provisions for restructurings at tkAG



# Outlook: Pandemic-induced uncertainties, extent of consequences not reliably assessable yet

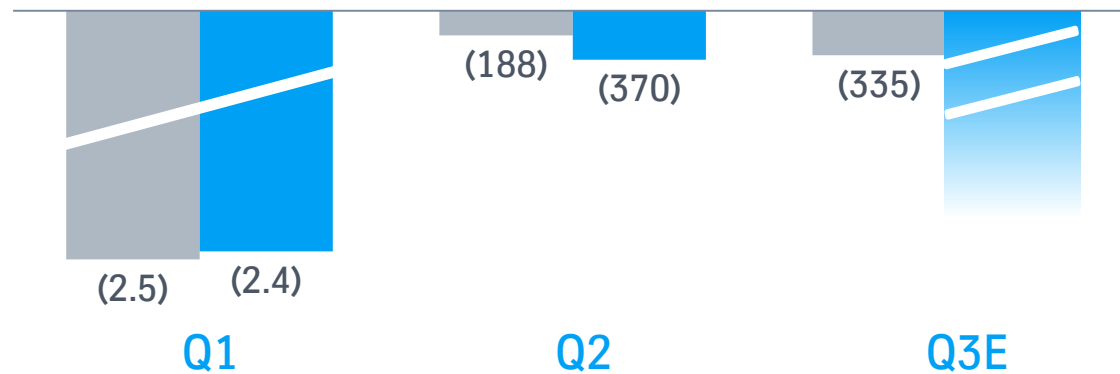
Continuing Operations [€ mn, bn]

FY EBIT adj.  
down yoy,  
sig –ve  
PY: €(0.1) bn



In Q3 – given the currently unforeseeable effects of the pandemic on demand and supply chains and depending on the speed of production resumption by our customers – a loss in the high 3-digit million € range is likely and up to a good €1 bn cannot be ruled out

FY FCF bef. M&A  
down yoy  
sig –ve  
PY: €(1.8) bn



Counter Measures  
(as of Q3)

Stringent cost and cash control with expected savings of up to €1 bn in FY

- Personnel, mainly short-time work at all BAs (~32,000 FTEs); capex; intensified NWC management





# thyssenkrupp Group<sup>1</sup>

Sales €42.0 bn; EBIT adj. €802 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

## Elevator Technology (ET)

€8.0 bn  
€907 mn

- Elevators, escalators, moving walks
- Passenger boarding bridges

Signing of full sale with consortium led by Advent, Cinven and RAG foundation on February 27<sup>th</sup>, 2020

## Plant Technology (PT)

€2.9 bn  
€(145) mn

- Chemical plants
- Cement plants; minerals/ mining equipment

## Marine Systems (MS)

€1.8 bn  
€1 mn

- Submarines<sup>2</sup>
- 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 | 2. Non-nuclear



## Q3 likely the trough quarter in FY 19/20, significantly stressed by pandemic impacts

[Continuing operations, € mn]

	Q2	Impact pandemic	Q3E	Q3 vs Q2
AT	(45)	mid 2-digit	⬇️ low-mid 3-digit -ve	Sales decline by up to 50%; whole quarter impacted by underutilization vs. only March in Q2
IC	52	low 1-digit	⬇️ 1-digit +ve	Demand decline at Forged business by up to 50% leading to underutilization; support by robust bearings
PT	(21)	-	⬇️ low 3-digit -ve	Slower progress in project execution, postponement of orders
MS	2	-	➡️ 1-digit +ve	Small impact on Sales due to pandemic restrictions resulting in minor inefficiencies in production
MX	28	-	⬇️ low 3-digit -ve	Sig. decline of volumes leads to underutilization and falls sig. below cost structures
SE	(208)	mid 2-digit	⬇️ up to mid 3-digit -ve	Unfavorable product mix with sharp decline in shipments by ~1/3 (~50% auto) and inefficient cost base
HQ/ Cons./Others	(63) (16)	n/a	➡️ stable qoq	unchanged
EBIT adj.	(80)	~€100 mn	⬇️ high 3-digit million € -ve range is likely and a good €1 billion cannot be ruled out	Given the currently unforeseeable effects of the pandemic on demand and supply chains and depending on the speed of production resumption by our customers



# Continuing Operations FY 19/20 Outlook – limited visibility at Materials and auto businesses

Cost reduction and earning securing measures at all businesses

	18/19 <sup>1</sup>	19/20E <sup>1</sup>	FY 19/20E
AT	(22)	↘	Pandemic-related <b>significant sales decline</b> unable to be offset by further ramp-up of new plants and projects; <b>EBIT adj. clearly negative</b> with continuing strongly negative contributions from SP and SY
IC	230	↘	<b>Significant drop in sales</b> with bearings up vs pandemic and cyclically lower sales at heavy duty and construction machinery components; <b>EBIT adj. positive but significantly lower</b>
PT	(145)	↘	Pandemic-induced <b>lower sales</b> due to slower project progress and postponements of orders; <b>EBIT adj. down</b>
MS	1	↗	<b>Slightly +ve, stable sales</b> ; supported by cost cutting, better project execution and higher contribution by new projects
MX	107	↘	Pandemic-related <b>significant sales decline</b> with especially weak demand at our auto customers due to temporary plant closures and production cutbacks; <b>EBIT adj. significantly negative</b> depending on the decline in shipments and further price developments
SE	31	↘	Pandemic-related <b>significant sales decline</b> in particular for high-value automotive grades; <b>EBIT adj. significantly negative</b> and additionally impacted by lower capacity utilization, ongoing negative Heavy Plate and structural cost disadvantages addressed by strategy 20-30
HQ/ Cons./Others	(252) (54)	→	On <b>prior-year level</b>
EBIT adj.	(110)	↘	<b>Strongly negative</b> due to significant sales decline and resulting underutilization
EAT	(1,110)	↘	<b>Significantly higher net loss</b> resulting from lower EBIT and restructuring costs
FCF b. M&A	(1,756)	↘	<b>Significantly below prior-year</b> ; mainly due to operating performance, depending on inflows from order intake and payment profile of projects at PT and MS, expenses for restructuring and payment cartel fine (€370 mn)

1. FY 2018/19 figures for Automotive Technology (AT), Industrial Components (IC), Plant Technology (PT) and Corporate on pro-forma basis; the administrative units of Corporate and the regions will be presented as Corporate Headquarters as of Oct. 1<sup>st</sup>, 2019



# Key financials

[€ mn]

## Full Group

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

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				FY	2019/20 <sup>1)</sup>	
	Q1	Q2	Q3	Q4		Q1	Q2
Order intake	7,968	8,366	8,221	9,270	33,825	7,429	7,559
Sales	7,813	8,768	8,738	8,717	34,036	7,629	8,247
EBITDA	245	129	239	39	652	9	(136)
EBITDA adjusted	296	327	281	141	1,046	129	40
EBIT	(18)	(137)	(39)	(318)	(511)	(302)	(561)
EBIT adjusted	13	41	(13)	(152)	(110)	(177)	(266)
EBT	(96)	(224)	(125)	(410)	(855)	(382)	(630)
Net income/(loss)	(64)	(272)	(213)	(562)	(1,110)	(442)	(688)
attrib. to tk AG stockh.	(72)	(283)	(229)	(569)	(1,153)	(449)	(691)
Earnings per share <sup>2)</sup> (€)	(0.11)	(0.46)	(0.37)	(0.91)	(1.85)	(0.72)	(1.11)
Operating cash flow	(2,255)	72	(53)	1,572	(664)	(2,109)	(58)
Cash flow from divestm.	23	26	7	45	101	18	6
Cash flow from investm.	(233)	(286)	(289)	(402)	(1,210)	(295)	(318)
Free cash flow	(2,465)	(188)	(335)	1,215	(1,773)	(2,385)	(371)
FCF before M&A	(2,465)	(188)	(335)	1,233	(1,756)	(2,404)	(370)
Employees	108,211	108,235	108,727	109,288	109,288	108,700	107,523

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



# Automotive Technology<sup>1</sup>

[€ mn]

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

## Current trading conditions

- Order intake in Q2 at €1,182 mn (-10% yoy, ex F/X -10%); sales in Q2 at €1,267 mn (-7% yoy, ex F/X -7%)
  - Ramp-up of new plants and projects at Steering and Damper overshadowed by pandemic-induced demand drop in China and Europe as OEM customers temporarily shut down production in February and March
  - Overall difficult environment in auto plant engineering affects System Engineering
- EBIT adj. in Q2 at €(49) mn significantly below prior year;
  - Pandemic-induced demand drop in China and Europe
  - Springs & Stabilizers and System Engineering sig. lower and negative; dampening positive effects from ongoing elimination of BA layer resulting in leaner AT office structure

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<sup>1</sup>

[€ mn]

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

## Current trading conditions

- Order intake in Q2 at €589 mn (-16% yoy, ex F/X -16%); sales in Q2 at €573 mn (-12% yoy, ex F/X -12%)
  - Bearings: still good development overall especially wind energy China, slight decrease in components for construction equipment and other business
  - 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 Q2 at €52 mn below prior year; margin however slightly up yoy
  - 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



# Elevator Technology

[€ mn]

Discontinued operations

	2018/19					2019/20 <sup>1)</sup>	
	Q1	Q2	Q3	Q4	FY	Q1	Q2
Order intake	2,143	1,995	1,999	2,035	8,171	2,232	1,982
Order backlog	5,325	5,555	5,461	5,590	5,590	5,745	5,800
Sales	1,923	1,869	2,042	2,125	7,960	2,045	1,860
EBITDA	220	192	245	224	880	249	217
EBITDA adjusted	225	220	262	288	995	269	223
EBIT	199	169	222	202	791	207	168
EBIT adjusted	204	198	239	266	907	228	174
EBIT adj. margin (%)	10.6	10.6	11.7	12.5	11.4	11.1	9.4
tk Value Added					694		
Ø Capital Employed	1,231	1,266	1,275	1,292	1,292	1,764	1,807
BCF	45	218	249	269	781	15	173
CF from divestm.	2	0	1	4	6	1	4
CF for investm.	(23)	(33)	(85)	(80)	(221)	(32)	(40)
Employees	53,285	52,918	53,013	53,084	53,084	52,838	52,567

## Current trading conditions

Order backlog (excl. Service) at €5.8 bn on new record level

Order intake in Q2 -1% yoy (ex FX -1%); Growth in NI and steady service business both in Europe and US; slower demand in Asia and especially China due to pandemic

Sales in Q2 -1% yoy (ex FX -1%); Growth across all business lines in US; Europe with slight decline; Asia and especially China impacted by pandemic

Q2 EBIT adj.: Slower earnings driven mainly by sales development in Asia and especially China impacted by pandemic

Stable New installation market in all major regions; China market in ramp-up after corona-pandemic

Modernization: positive market development in US; China ramping-up after corona-pandemic

Maintenance: stable development across regions; only minor impacts from corona-pandemic

1. Figures incl. effects of IFRS 16





# Plant Technology<sup>1</sup>

[€ mn]

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

## Current trading conditions

Q2 order intake at Plant Technology is down yoy due to slower customer activity in our Mining operations

- Chemical plants: good demand supported numerous small and mid-sized orders e.g. a PET production plant in Turkey
- Mining: lower yoy due to slower customer activity
- Cement: significant up yoy, on the back of a medium-size order from Cameroon; overall positive development

Q2 EBIT adj. negative but up yoy, mainly due to G&A cost reductions

Q2 BCF negative and down yoy, due to shifts between Q1 and Q2; in H1 break-even



# Marine Systems

[€ mn]

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

## Current trading conditions

Q2 Order intake on prior-year level; Mid-size orders in marine electronics and services

Q2 EBIT adj. Above prior year, as measures for performance improvement show first results

Q2 BCF up yoy due to higher as well as earlier payments of customers

1. Figures incl. effects of IFRS 16



# Materials Services

[€ mn]

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

## Current trading conditions

Sales in Q2 below prior year: 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; partial omission of sales due to part transfer of the direct-to-customer business to Steel Europe

EBIT adj. in Q2 significantly down yoy: margin pressure from declining prices in all business units and omission of positive effects from prior year (sale of real estate and compensation from Steel Europe for part transfer of direct-to-customer business), partly offset by productivity gains from performance programs and positive effects from derivatives; AST with negative earnings contribution due to temporarily plant closure in March, unfavourable price situation for stainless steel, continuing import pressure and weak market environment

1. Figures incl. effects of IFRS 16



# Steel Europe

[€ mn]

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

## 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, South Korea) and safeguard measures so far had not a major limiting effect
- Shipments increased in Q2 yoy (2.8 mt vs. prior year 2.7 mt) with an unfavorable product mix, driven by general decline in auto demand and strengthened by pandemic
- Sales in Q2 down yoy, caused by further negative price trend and unfavorable product mix
- EBIT adj. in Q2 sig. down and negative driven by negative price trend, unfavorable product mix, in particular lower auto demand and temporary higher structural costs

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
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
	Warehousing shipments <sup>1</sup>	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
	Shipments AST <sup>2</sup>	kt	-	-	537	747	848	853	888	192	229	222	202	844	180	230
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
	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
	HKM	kt	3,452	3,160	3,313	3,116	2,686	2,620	2,668	651	655	640	665	2,611	674	716
	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	2,791
	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
	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
	Average Steel revenues per ton <sup>3</sup>		139	127	119	114	107	122	132	139	137	134	132	135	131	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
	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. Excl. AST/VDM shipments | 2. Included at MX since March '14 | 3. Indexed: Q1 2004/05 = 100



# Corporate Headquarters<sup>1)</sup>

[€ mn]

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

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.



# Business Area Overview – Quarterly Order Intake

[€ mn]

	2018/19					2019/20	
	Q1	Q2	Q3	Q4	FY	Q1	Q2
Automotive Technology <sup>1)2)</sup>	1,283	1,306	1,308	1,354	5,251	1,353	1,182
Industrial Components <sup>1)2)</sup>	643	702	661	631	2,636	558	589
Elevator Technology	2,143	1,995	1,999	2,035	8,171	2,232	1,982
Plant Technology <sup>1)2)</sup>	668	513	1,048	614	2,844	568	457
Marine Systems	107	133	145	1,807	2,192	103	132
Materials Services	3,370	3,821	3,336	3,340	13,868	3,078	3,325
Steel Europe	2,341	2,451	2,177	1,814	8,784	2,115	2,259
Corporate Headquarters <sup>1)2)</sup>	(0)	1	1	3	5	1	(0)
Reconciliation <sup>2)3)</sup>	(443)	(562)	(457)	(295)	(1,758)	(348)	(384)
<b>Full Group</b>	<b>10,111</b>	<b>10,360</b>	<b>10,219</b>	<b>11,303</b>	<b>41,994</b>	<b>9,660</b>	<b>9,542</b>
Disc. elevator operations <sup>4)</sup>	2,143	1,994	1,999	2,034	8,169	2,232	1,983
<b>Group continuing operations</b>	<b>7,968</b>	<b>8,366</b>	<b>8,221</b>	<b>9,270</b>	<b>33,825</b>	<b>7,429</b>	<b>7,559</b>

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



# Business Area Overview – Quarterly Sales

[€ mn]

	2018/19				FY	2019/20	
	Q1	Q2	Q3	Q4		Q1	Q2
Automotive Technology <sup>1)2)</sup>	1,231	1,358	1,365	1,453	5,407	1,367	1,267
Industrial Components <sup>1)2)</sup>	573	650	660	639	2,522	544	573
Elevator Technology	1,923	1,869	2,042	2,125	7,960	2,045	1,860
Plant Technology <sup>1)2)</sup>	615	669	725	935	2,943	755	737
Marine Systems	298	497	510	496	1,800	381	423
Materials Services	3,388	3,696	3,505	3,291	13,881	3,046	3,389
Steel Europe	2,131	2,350	2,347	2,237	9,065	1,851	2,154
Corporate Headquarters <sup>1)2)</sup>	(0)	1	1	3	5	1	1
Reconciliation <sup>2)3)</sup>	(424)	(452)	(374)	(336)	(1,586)	(316)	(297)
<b>Full Group</b>	<b>9,736</b>	<b>10,638</b>	<b>10,779</b>	<b>10,843</b>	<b>41,996</b>	<b>9,674</b>	<b>10,108</b>
Disc. elevator operations <sup>4)</sup>	1,923	1,870	2,041	2,126	7,960	2,044	1,861
<b>Group continuing operations</b>	<b>7,813</b>	<b>8,768</b>	<b>8,738</b>	<b>8,717</b>	<b>34,036</b>	<b>7,629</b>	<b>8,247</b>

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





# Business Area Overview – Quarterly EBIT and Margin

[€ mn]

	2018/19				FY	2019/20 <sup>1)</sup>	
	Q1	Q2	Q3	Q4		Q1	Q2
Automotive Technology <sup>2)3)</sup>	9	(0)	2	(136)	(126)	(78)	(130)
%	0.7	(0.0)	0.1	(9.4)	(2.3)	(5.7)	(10.2)
Industrial Components <sup>2)3)</sup>	42	56	52	51	201	43	5
%	7.3	8.6	7.9	8.0	8.0	7.8	0.8
Elevator Technology	199	169	222	202	791	207	168
%	10.3	9.0	10.9	9.5	9.9	10.1	9.0
Plant Technology <sup>2)3)</sup>	(37)	(26)	(63)	(38)	(164)	(19)	(27)
%	(6.1)	(3.9)	(8.7)	(4.0)	(5.6)	(2.5)	(3.6)
Marine Systems	0	(0)	(1)	1	0	(0)	(2)
%	0.0	(0.0)	(0.1)	0.1	0.0	0.0	(0.4)
Materials Services	22	51	34	(41)	66	11	14
%	0.6	1.4	1.0	(1.2)	0.5	0.3	0.4
Steel Europe	34	(118)	9	(48)	(123)	(166)	(332)
%	1.6	(5.0)	0.4	(2.2)	(1.4)	(8.9)	(15.4)
Corporate Headquarters <sup>2)3)</sup>	(74)	(64)	(59)	(95)	(293)	(103)	(159)
Reconciliation <sup>3)4)</sup>	(12)	(36)	(13)	(19)	(80)	(10)	0
<b>Full Group</b>	<b>181</b>	<b>32</b>	<b>183</b>	<b>(124)</b>	<b>272</b>	<b>(115)</b>	<b>(462)</b>
%	1.9	0.3	1.7	(1.1)	0.6	(1.2)	(4.6)
Disc. elevator operations <sup>5)</sup>	199	169	221	195	783	187	98
<b>Group continuing operations</b>	<b>(18)</b>	<b>(137)</b>	<b>(39)</b>	<b>(318)</b>	<b>(511)</b>	<b>(302)</b>	<b>(561)</b>
%	(0.2)	(1.6)	(0.4)	(3.7)	(1.5)	(4.0)	(6.8)

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 under Corporate are now combined in consolidation line as “Reconciliation” | 5. Incl. Elevator Technology and individual units from Corporate Headquarters



# Business Area Overview – Quarterly EBIT adj. and Margin

[€ mn]

	Q1	Q2	2018/19 Q3	Q4	FY	2019/20 <sup>1)</sup> Q1	Q2
Automotive Technology <sup>2)3)</sup>	13	9	(5)	(39)	(22)	21	(49)
%	1.0	0.7	(0.3)	(2.7)	(0.4)	1.6	(3.9)
Industrial Components <sup>2)3)</sup>	43	57	69	61	230	44	52
%	7.5	8.7	10.5	9.6	9.1	8.1	9.0
Elevator Technology	204	198	239	266	907	228	174
%	10.6	10.6	11.7	12.5	11.4	11.1	9.4
Plant Technology <sup>2)3)</sup>	(30)	(30)	(55)	(30)	(145)	(18)	(21)
%	(4.9)	(4.4)	(7.5)	(3.3)	(4.9)	(2.3)	(2.8)
Marine Systems	0	0	0	1	1	(0)	2
%	0.0	(0.0)	(0.0)	0.2	0.0	0.0	0.5
Materials Services	22	53	43	(12)	107	11	28
%	0.7	1.4	1.2	(0.4)	0.8	0.4	0.8
Steel Europe	38	37	1	(45)	31	(164)	(208)
%	1.8	1.6	0.0	(2.0)	0.3	(8.9)	(9.6)
Corporate Headquarters <sup>2)3)</sup>	(63)	(55)	(57)	(76)	(252)	(66)	(63)
Reconciliation <sup>3)4)</sup>	(11)	(29)	(10)	(6)	(56)	(6)	4
<b>Full Group</b>	<b>217</b>	<b>240</b>	<b>226</b>	<b>119</b>	<b>802</b>	<b>50</b>	<b>(80)</b>
%	2.2	2.3	2.1	1.1	1.9	0.5	(0.8)
Disc. elevator operations <sup>5)</sup>	204	198	238	271	912	227	186
<b>Group continuing operations</b>	<b>13</b>	<b>41</b>	<b>(13)</b>	<b>(152)</b>	<b>(110)</b>	<b>(177)</b>	<b>(266)</b>
%	0.2	0.5	(0.1)	(1.7)	(0.3)	(2.3)	(3.2)

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 under Corporate are now combined in consolidation line as “Reconciliation” | 5. Incl. Elevator Technology and individual units from Corporate Headquarters



# Business Area Overview – Quarterly Business Cash Flow (BCF) and Free Cash Flow before M&A [€ mn]

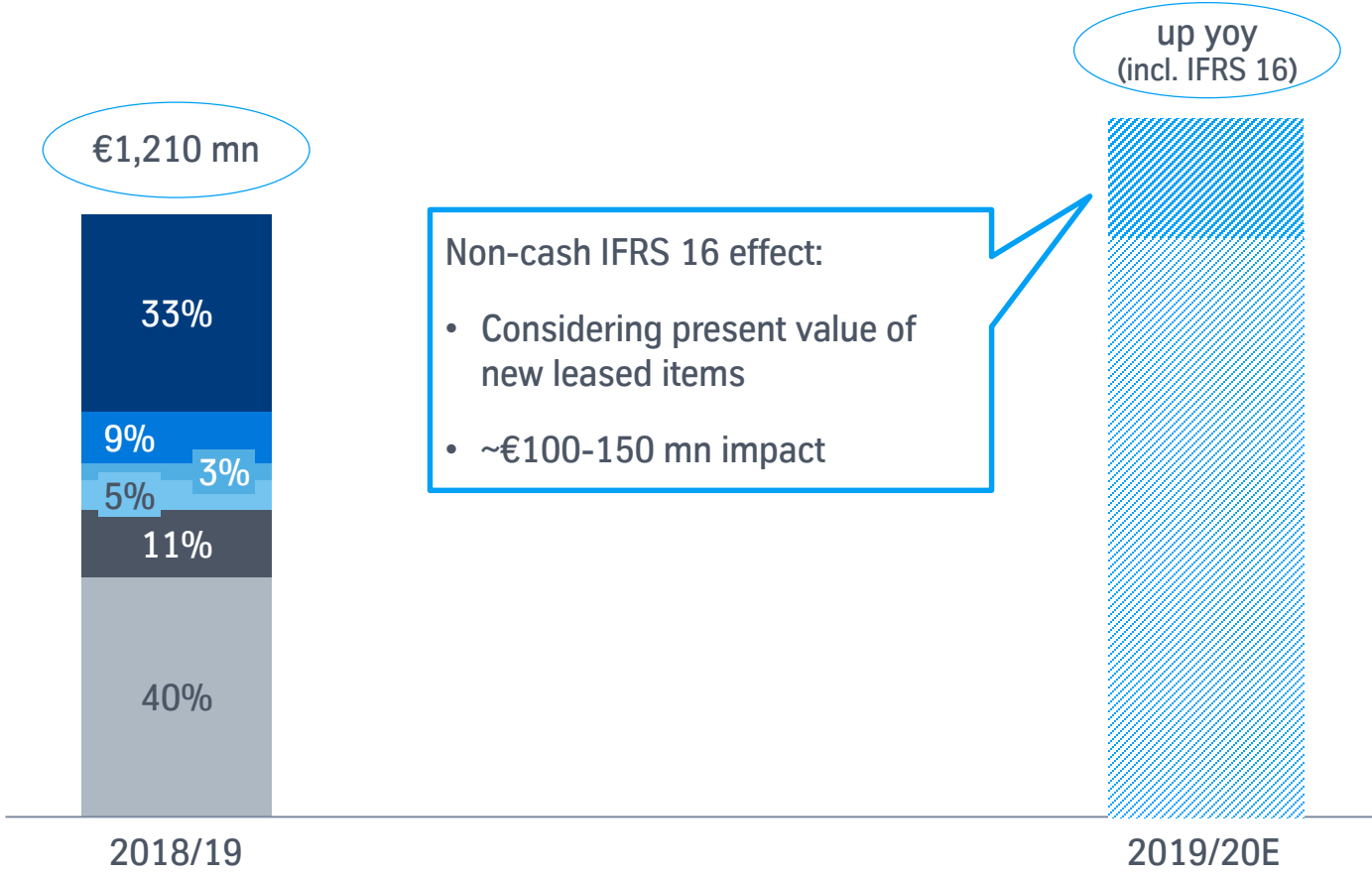
		2018/19				2019/20		
		Q1	Q2	Q3	Q4	FY	Q1	Q2
BCF	Automotive Technology <sup>1)2)</sup>	(313)	(134)	(75)	126	(396)	(251)	(169)
BCF	Industrial Components <sup>1)2)</sup>	46	26	46	113	232	(50)	11
BCF	Elevator Technology	45	218	249	269	781	15	173
BCF	Plant Technology <sup>1)2)</sup>	(31)	0	(111)	(111)	(253)	123	(124)
BCF	Marine Systems	(148)	(131)	76	(129)	(333)	(49)	37
BCF	Materials Services	(879)	417	(186)	689	41	(907)	280
BCF	Steel Europe	(832)	(52)	124	687	(72)	(1,045)	(81)
BCF	Corporate Headquarters <sup>1)2)</sup>	(73)	(99)	(67)	(113)	(352)	(50)	(62)
BCF	Reconciliation <sup>2)3)</sup>	(134)	(72)	(68)	(34)	(308)	(146)	(42)
<b>BCF</b>	<b>Full Group</b>	<b>(2,319)</b>	<b>173</b>	<b>(11)</b>	<b>1,497</b>	<b>(660)</b>	<b>(2,360)</b>	<b>23</b>
	Interest payments	(61)	(84)	(17)	(50)	(212)	(30)	(134)
	Tax payments	(97)	(66)	(63)	(42)	(268)	(86)	(98)
<b>FCF b. M&amp;A</b>	<b>Full Group</b>	<b>(2,477)</b>	<b>23</b>	<b>(92)</b>	<b>1,406</b>	<b>(1,140)</b>	<b>(2,476)</b>	<b>(209)</b>
FCF b. M&A	Disc. elevator operations <sup>4)</sup>	(12)	211	243	173	615	(72)	161
<b>FCF b. M&amp;A</b>	<b>Group continuing operations</b>	<b>(2,465)</b>	<b>(188)</b>	<b>(335)</b>	<b>1,233</b>	<b>(1,756)</b>	<b>(2,404)</b>	<b>(370)</b>

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. Incl. Elevator Technology and individual units from Corporate Headquarters



# Capex increase due to IFRS 16 adoption amongst others

## Continuing Operations

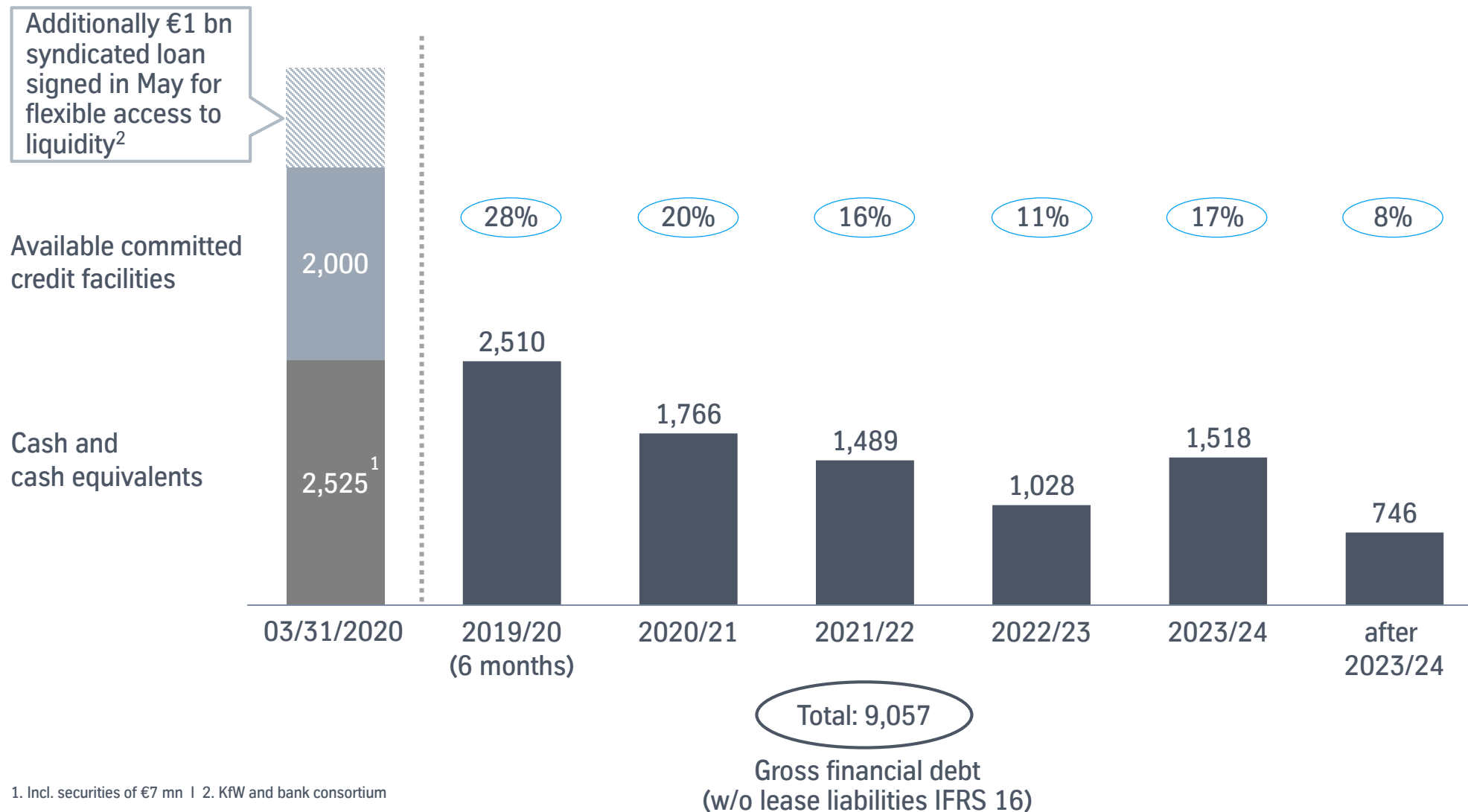


AT IC PT MS MX SE Group



## Solid financial situation

Liquidity analysis and maturity profile of gross financial debt (without lease liabilities IFRS 16) as of March 31, 2020  
 [Group, € mn]



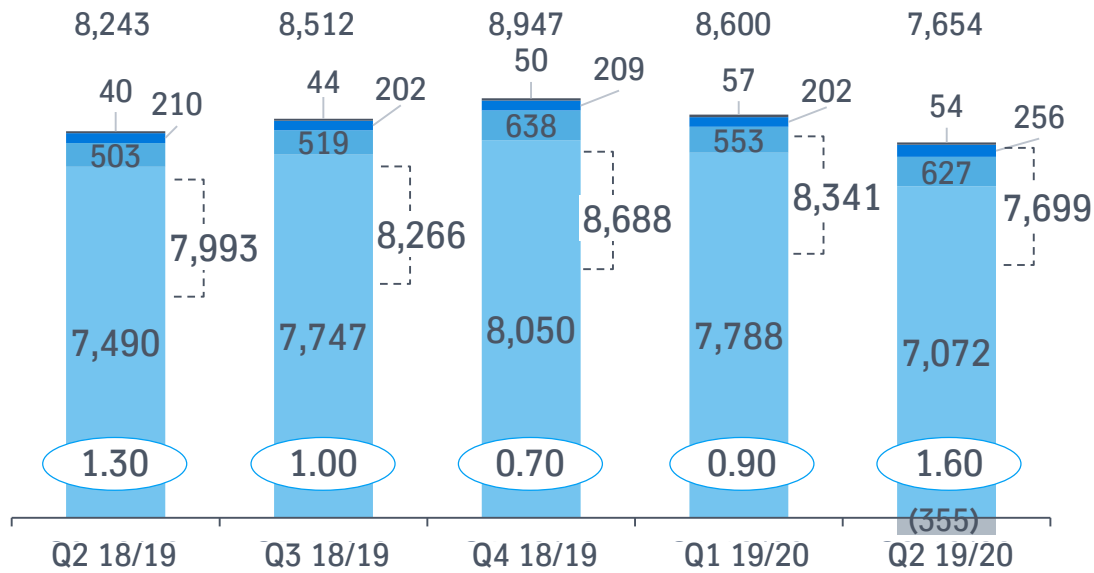
1. Incl. securities of €7 mn | 2. KfW and bank consortium



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

[Group, € mn]

## Accrued pension and similar obligations

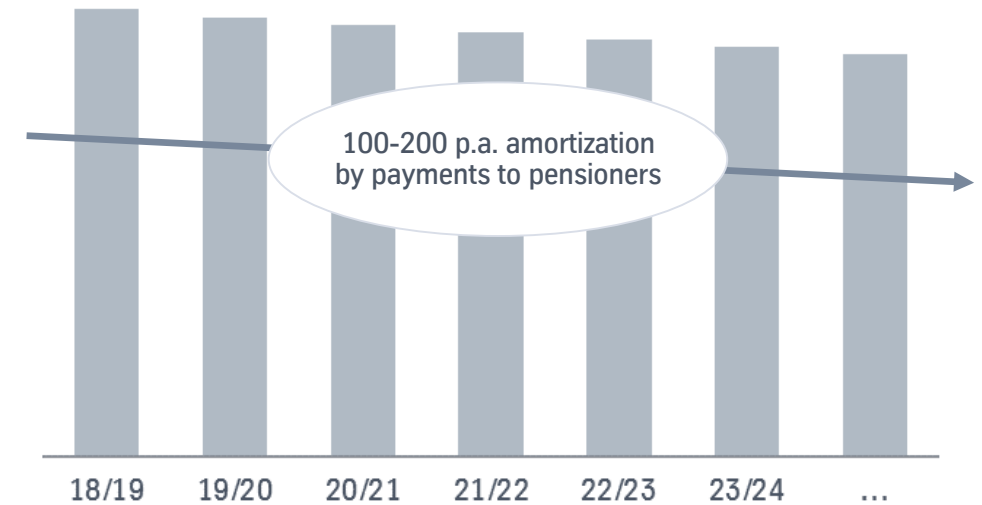


### Fluctuations in accrued pensions

- 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

■ 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

## Development at unchanged discount rate (schematic)



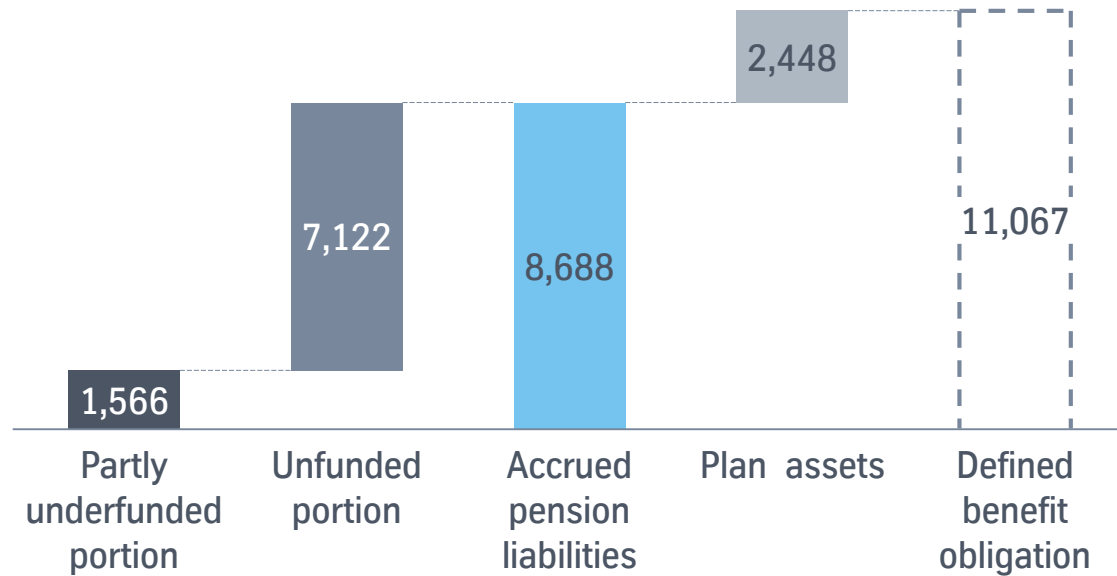
- IFRS requires determination of pension discount rate based on AA-rated corporate bonds
- Pension discount rate significant lower than interest rates of tk corporate bonds
- >90% of accrued pensions in Germany; thereof ~60% owed to exist. pensioners (average age ~77 years)



# Germany accounts for majority of pension plans

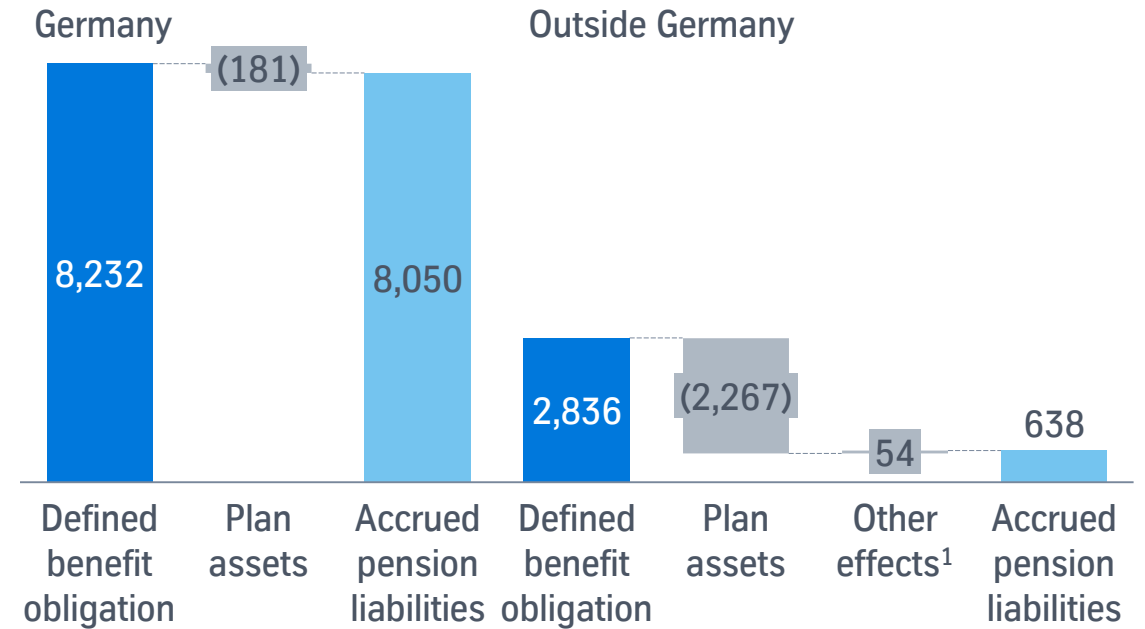
[Group, FY 18/19; € mn]

## 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



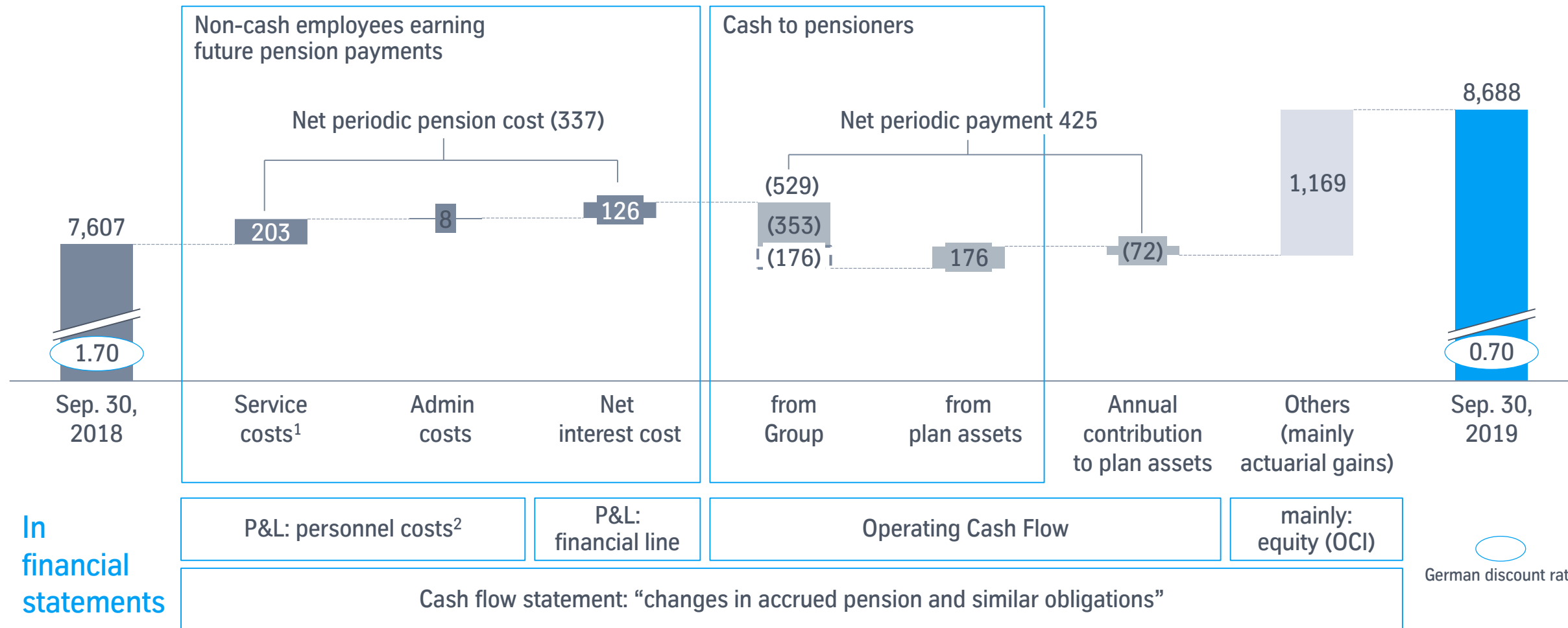
- Plan assets outside Germany mainly attributable to UK (~34%) and USA (~27%)
- Plan asset classes include national and international stocks, fixed income securities of governments and non-governmental organizations, real estate as well as highly diversified funds

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





# Re-conciliation of EBIT Q2 2019/20 from Group P&L

[Continuing Operations, € mn]

## P&L structure

Net sales	8,247
Cost of sales	(7,615)
SG&A, R&D	(1,187)
Other income/expense	4
Other gains/losses	(9)
<b>= Income from operations</b>	<b>(561)</b>

Income from companies using equity method 2

Finance income/expense (71)

**= EBT (630)**

## EBIT definition

Net sales	8,247
Cost of sales	(7,615)
SG&A, R&D	(1,187)
Other income/expense	4
Other gains/losses	(9)
Income from companies using equity method	2
Adjustm. for oper. items in fin. income/expense	(2)

**= EBIT (561)**

Finance income/expense (71)

Operating items in fin. income/expense 2

**= EBT (630)**



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