

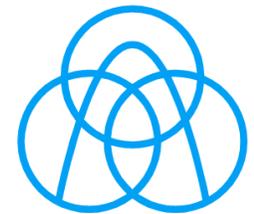
newtk update:

Definition of Target Portfolio

Ticker: TKA (Share) TKAMY (ADR)

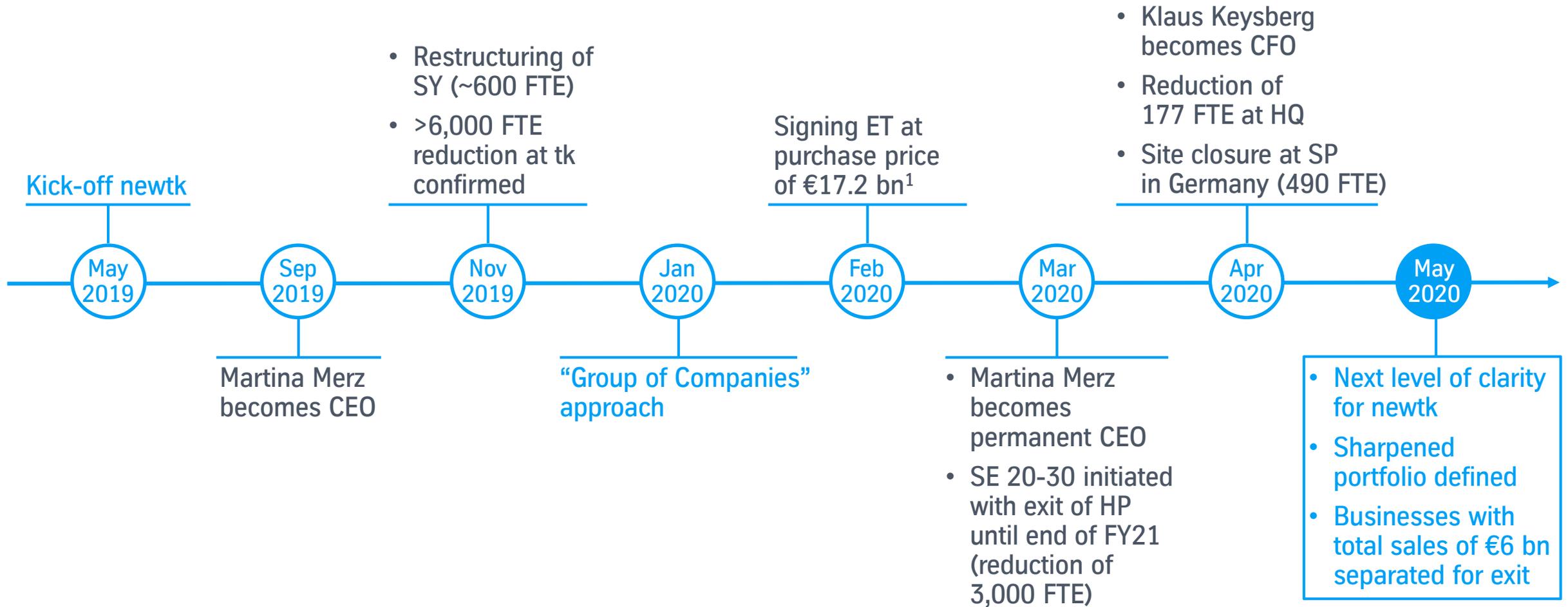
May 19, 2020

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newtk with progressing milestones delivery on strategic realignment



1. Assuming closing on 30.06.2020



Becoming a strong “Group of Companies” with clearly structured portfolio

Potential analysis

- Assessment of businesses according to:
 - market attractiveness
 - financial performance
 - value creation potential
- Definition of target portfolio; grouping businesses into 2 main categories:
 - tk sole owner or owner in partnership
 - tk not best owner; Exit (Multi Tracks segment)

Target portfolio

- Stringent Performance Management
 - Financial targets for each individual business
 - Financial targets derived from benchmarking
 - Individual businesses with full responsibility
 - Capital allocation according to expected value generation
- Relief in financial KPIs¹ by Exit from Multi Tracks segment
 - Negative EBIT adj. ~€300 mn
 - Negative BCF ~€400 mn
 - Sales ~€6 bn
- Lean Corporate HQ focusing on
 - Portfolio, capital allocation
 - Further downsizing according to tk’s size and structure

Financial objectives

- Positive FCF
- Value Creation (ROCE \geq WACC)
- Attractive Dividend Payment

1. All figures are pro-forma based on FY 18/19



Target portfolio set to support turnaround and true performance culture

“Group of Companies”¹



- Strong market position and competitive strength
- Develop organically

• Sales ~€14 bn

• Employees ~31,000

- Strengthen techn. competencies, mkt. position
- Evolution by selected alliances and partnerships (acc. to trend)

• Sales ~€4 bn

• Employees ~21,000

- Drive performance (Strategy 20-30; AUF KURS)
- Pursue industrial consolidation options

• Sales ~€11 bn

• Employees ~33,000

- 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 | 2. HP: Heavy plate (SE); TSE: Technical Services 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)



newtk - Portfolio sharpening enhances restructuring of thyssenkrupp

PERFORMANCE FIRST



Enhance restructuring and performance with full responsibility at each business

- Tackle challenges from pandemic with stringent cost & cash control
 - up to €1 bn in current FY
- Restructure Steel Europe and push fundamental value with Strategy 20-30

FLEXIBLE PORTFOLIO



Clearly structured portfolio for tk's powerful "Group of Companies" approach defined with focus on

- industrial logic
- competitive profitability, cash flow



Businesses to be exited with total sales of €6 bn¹ separated in segment „Multi Tracks“



Portfolio definition with next level of clarity and transparency for newtk, fully supported by all stakeholders

ELEVATOR sale, use of proceeds

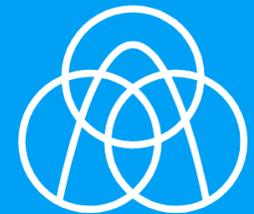
- Elevator sale will significantly strengthen balance sheet
 - >€14 bn uplift in Equity
 - Net cash position
- Keep high flexibility for use of proceeds
 - Repay debt along maturity profile
 - Selective investments in businesses where financial objectives can be achieved

1. All figures are pro-forma based on FY 18/19



Q&A Session

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