

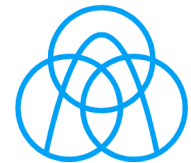
Charts on Q1 2016/17

Facts & Figures

Ticker: TKA (Share) TKAMY (ADR)

February 2017

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thyssenkrupp

Confirming start into FY – Highest Q1 EBIT adj. since Strategic Way Forward

Back on growth path

▶ EBIT adj.

Group: €329 mn +40% yoy

- CT: €75 mn +6% yoy 7 seq. quarters with earnings up yoy
- ET: €215 mn +6% yoy 17 seq. quarters with earnings and margins up yoy
- IS: €42 mn -54% yoy As expected lower-margin milestones in billing phase and partial underutilization; H2 >> H1 run-rate expected

Materials: upside from improved trading conditions beginning to materialize

- MX: €51 mn +€48 mn yoy Pos. spot price development, sig. contribution AST (>> FY 15/16)
- SE: €28 mn -€23 mn yoy Temp. down yoy despite higher vol. due to blast furnace reline and significantly increased raw mat. costs; revenues/t yet to significantly benefit from improving price trend
- AM: €37 mn +€111 mn yoy Significant price recovery, positive valuation effects on sales tax asset (€12 mn) vs. significantly increased raw material costs and temporarily lower shipments

▶ Order Intake Group: €9,954 mn; +1% (+1%)¹ yoy

- CT: €1,759 mn; +7% (+6%)¹ yoy; growth in light vehicles components
- ET: €1,903 mn; -4% (-4%)¹ yoy; b-t-b > 1; order backlog with €5.1 bn at new high; Europe stable; US softer due to strong yoy compare; Asia with China below prior year, partially cushioned by strong South Korea
- IS: €1,159 mn; -24% (-24%)¹ yoy; sig. imprv't vs. previous qtrs. confirms pos. order trend; down vs. prior year quarter due to big ticket (cement, Yamama); Chemical Plants and Marine Systems with big tickets in advanced status
- Materials: €5,641 mn; +11% (+11%)¹ yoy; higher volumes and prices reflecting continuing recovery of (raw) material markets with significantly increased spot prices

¹ Adjusted for F/X and portfolio changes
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Confirming start into FY – Highest Q1 EBIT adj. since Strategic Way Forward

Back on growth path

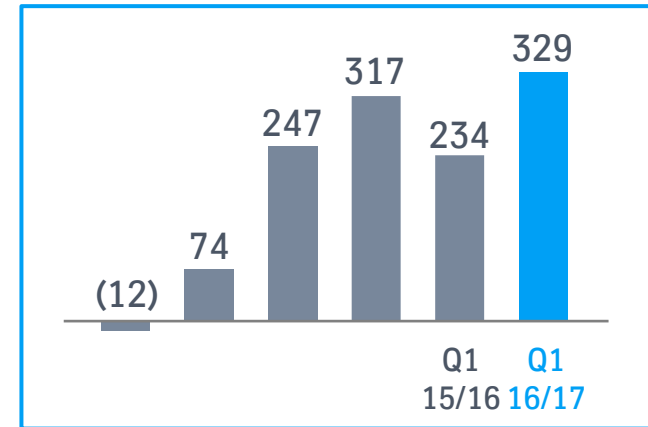
-
- ▶ **'impact'**
 - €200 mn EBIT effects increase efficiency
-
- ▶ **Net income**
 - €15 mn; higher by €69 mn yoy
-
- ▶ **FCF bef. M&A**
 - €(1,736) mn; temp. significantly lower by €889 mn yoy due to higher NWC requirements by seasonality, higher volumes at higher prices and payment profile at IS
 - Strong recovery in H2:
 - Seasonally, structurally and cyclically significantly higher earnings: Q2 > Q1, H2 > H1
 - Seasonally lower NWC requirements in H2 vs. H1
 - IS: Reversal in order trend with BCF moving towards b/e
 - Normalization of coking coal prices already underway
-
- ▶ **Pensions**
 - €8,079 mn; lower by €675 mn qoq; significant reduction in NPV by higher discount rates
-
- ▶ **NFD**
 - €5,433 mn; higher by €1,933 mn qoq; negative FCF and F/X effects
 - Significant decline in H2 supported by strong FCF in H2
-
- ▶ **Guidance confirmed**
 - EBIT adj. ~ € 1.7 bn
 - Net Income with significant improvement
 - FCF bef. M&A slightly positive assuming no lasting dislocations on raw materials markets



Confirming start into FY – back on growth path

EBIT adj.: €329 mn, +40% yoy

- Best Q1 since Strategic Way Forward
- All Business Areas with consequent execution on performance programs – ‘impact’ savings of €200 mn
- CT and ET with consistent improvement trends
- Materials up – starting to benefit from improved trading conditions



Order Intake: €9,954 mn, +1% yoy – Sales: €10,087 mn, +6% yoy

- Components: growth in LV components reflecting high product quality and market tailwinds
- Elevator: book-to-bill >1 and order backlog at new high confirming topline growth and margin expansion
- Industrial Solutions: suggesting reversal in order trend; big tickets in advanced status
- Materials orders up by cyclical recovery with higher volumes and prices

FCF before M&A: €(1,736) mn, -€889 mn yoy

- Cyclical and seasonal NWC increase; strong seq. recovery throughout FY

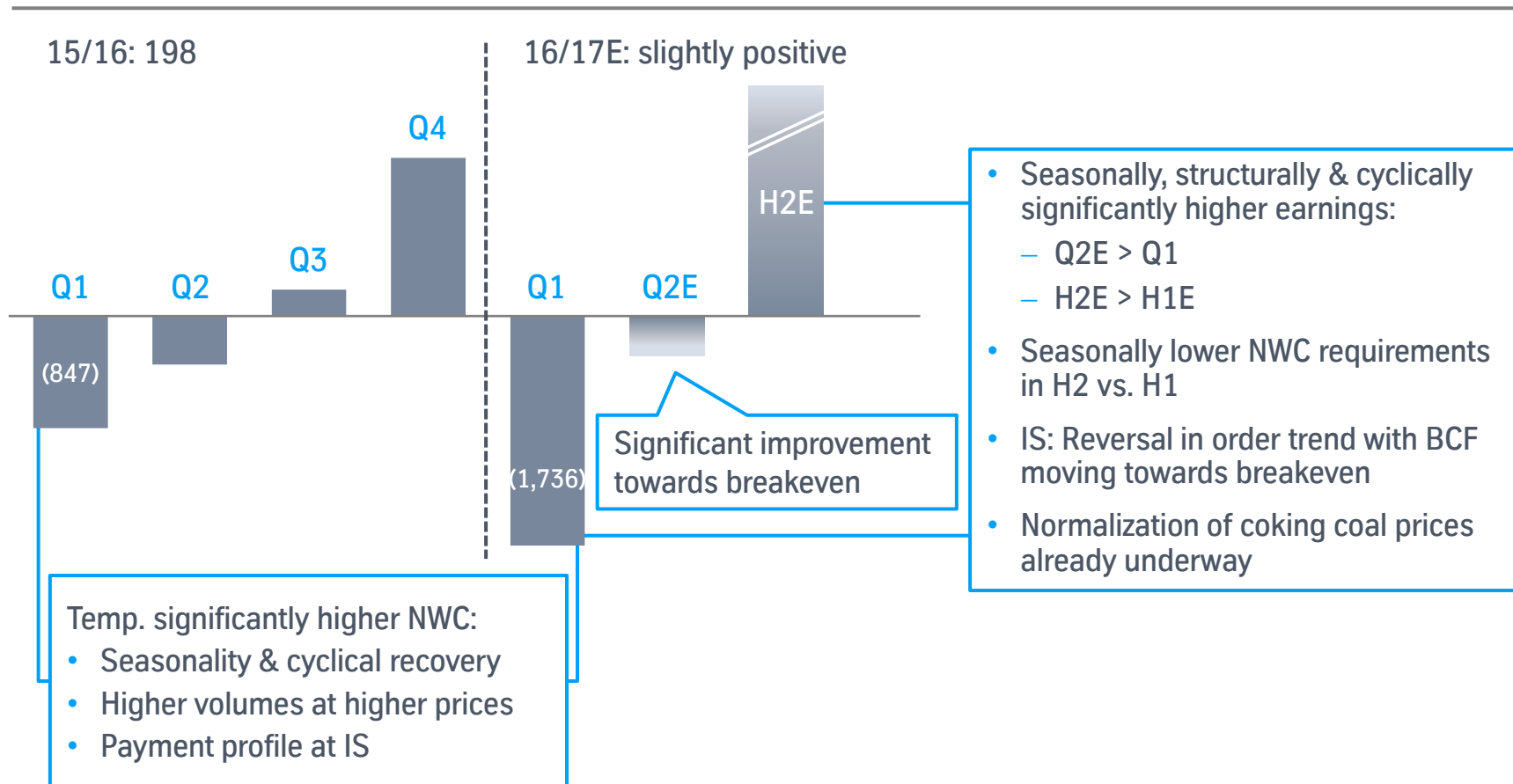
Latest News

tk awarded as exclusive strategic partner for Norwegian/German submarine project



FCF before M&A as expected sig. lower; strong recovery in H2 expected [€ mn]

FCF before M&A



Order intake: Growth at Components and all Materials business areas

Improving sequential trend at Industrial Solutions; Elevator with book-to-bill > 1

[€ mn]

| | 15/16 Q1 | 16/17 Q1 | yoy | ex F/X ¹ |
|----------------------------|-------------|-------------|------|---------------------|
| Group ² | 9,810 | 9,954 | 1% | 1% |
| Components Technology (CT) | 1,649 | 1,759 | 7% | 6% |
| Elevator Technology (ET) | 1,992 | 1,903 | -4% | -4% |
| Industrial Solutions (IS) | 1,530 | 1,159 | -24% | -24% |
| Materials Services (MX) | 2,846 | 3,131 | 10% | 10% |
| Steel Europe (SE) | 1,846 | 2,078 | 13% | 13% |
| Steel Americas (AM) | 371 | 432 | 17% | 15% |

Order backlog with €5.1 bn at new high

First-time O/I > €1 bn since 3 quarters

- **CT:** Growth in light vehicles (LV) components overcompensates soft demand for truck and industry components
- **ET:** Europe stable; US softer due to strong yoy compare; Asia with China below prior year, partially cushioned by strong South Korea
- **IS:** Significant improvement vs. previous quarters confirms positive order trend; yoy down due to big ticket (cement, Yamama) in prior year Q1; Chemical plants and Marine Systems with big tickets in advanced status
- **Materials:** Higher volumes and prices reflecting continuing recovery of (raw) material markets with significantly increased spot prices

¹) Adjusted for F/X and portfolio changes | ²) Corp./Cons. Q1: (425), (509)



Sales: Growth at Components, Elevator and all Materials business areas

Highest Q1 sales in 4 years

[€ mn]

| | 15/16 Q1 | 16/17 Q1 | yoy | ex F/X ¹ |
|----------------------------|-------------|-------------|-----|---------------------|
| Group ² | 9,548 | 10,087 | 6% | 6% |
| Components Technology (CT) | 1,650 | 1,743 | 6% | 5% |
| Elevator Technology (ET) | 1,869 | 1,882 | 1% | 1% |
| Industrial Solutions (IS) | 1,506 | 1,479 | -2% | -2% |
| Materials Services (MX) | 2,821 | 3,032 | 7% | 7% |
| Steel Europe (SE) | 1,723 | 1,908 | 11% | 11% |
| Steel Americas (AM) | 350 | 447 | 28% | 26% |

- **CT:** Growth in LV components overcompensates soft demand for truck and industry components
- **ET:** Growth driven by new installation and service in US; Europe with moderate growth
- **IS:** Slight decrease due to lower number of milestone billings
- **Materials:** All materials businesses up yoy: MX mainly and AM exclusively due to higher prices; SE due to higher volumes given high share of long-term contracts (revenues/t yet to significantly benefit from improving price trend)

¹ Adjusted for F/X and portfolio changes | ² Corp./Cons. Q1: (372), (404)



EBIT adj.: Resuming structural growth

Significant upside from improving Materials environment throughout FY expected
[€ mn]

| | 15/16 Q1 | 15/16 Q4 | 16/17 Q1 | qoq | yoy |
|--------------------|-------------|-------------|-------------|--------|---------|
| Group ¹ | 234 | 468 | 329 | -30% | 40% |
| CT | 71 | 79 | 75 | -5% | 6% |
| ET | 203 | 246 | 215 | -13% | 6% |
| IS | 90 | 68 | 42 | -38% | -54% |
| MX | 3 | 62 | 51 | -11 mn | +48 mn |
| SE | 51 | 108 | 28 | -80 mn | -23 mn |
| AM | -74 | 67 | 37 | -30 mn | +111 mn |

- **CT:** 7 seq. quarters with earnings up yoy; growth at light vehicles components > decline at industry components
- **ET:** 17 seq. quarters with earnings and margins up yoy by performance program execution
- **IS:** As expected lower due to lower-margin milestones in billing phase and partial underutilization
- **MX:** Positive spot price development; significant contribution AST (already higher than entire FY 15/16)
- **SE:** Temp. down yoy despite higher volumes due to blast furnace reline and significantly increased raw material costs; revenues/t yet to significantly benefit from improving price trend
- **AM:** Significant price recovery and positive valuation effect related to sales tax asset (€12 mn) overcompensate significantly increased raw material costs and temporarily lower shipments

¹ Corp./Cons. Q1/Q4/Q1: (110), (162), (118)



Special Items

[€ mn]

| Business Area | | 2015/16 | | | | 2016/17 | |
|-------------------------|-----------------|---------|------|------|-------|---------|------|
| | | Q1 | Q2 | Q3 | Q4 | FY | Q1 |
| CT | Disposal effect | | | | | | |
| | Impairment | | (6) | (5) | (47) | (59) | (2) |
| | Restructuring | | (1) | (15) | (3) | (18) | (8) |
| | Others | | (3) | (8) | 4 | (7) | (7) |
| ET | Disposal effect | | 8 | | | 8 | |
| | Impairment | (4) | (2) | (6) | (2) | (14) | (1) |
| | Restructuring | (5) | (11) | (3) | (15) | (34) | (15) |
| | Others | (1) | (11) | (10) | (28) | (50) | (15) |
| IS | Disposal effect | | | | | | (5) |
| | Impairment | | | | (7) | (7) | |
| | Restructuring | | (1) | (2) | (7) | (11) | (6) |
| | Others | | | | (3) | (4) | (18) |
| MX | Disposal effect | | | | 1 | 1 | |
| | Impairment | 1 | (2) | (5) | (6) | (12) | |
| | Restructuring | (1) | (1) | (6) | (8) | (16) | (2) |
| | Others | (4) | (4) | (7) | (9) | (25) | (11) |
| SE | Disposal effect | | | | | | |
| | Impairment | | (8) | | 7 | (1) | |
| | Restructuring | (1) | (1) | | | (2) | (2) |
| | Others | | | | 4 | 4 | |
| AM | Disposal effect | | | | | | |
| | Impairment | | | | | | |
| | Others | (10) | 4 | 14 | 3 | 11 | 15 |
| Corp. | Disposal effect | (4) | (2) | (13) | (1) | (20) | (4) |
| | Impairment | | | (5) | (2) | (7) | |
| | Restructuring | (1) | (2) | (1) | (2) | (7) | (1) |
| | Others | (10) | (2) | 2 | (2) | (11) | (6) |
| Consolidation | | | | | | | |
| Continuing operations | | (41) | (45) | (70) | (124) | (280) | (88) |
| Discontinued operations | | | | | | | |
| Full Group | | (41) | (45) | (70) | (124) | (280) | (88) |

Comments on Q1

- Restructuring Forging & Machining in Germany
- Aperiodic expenses at Steering
- Restructuring and reorganization in Europe and in Middle East
- Restructuring and reorganization, incl. disposal biotech
- Restructuring and winding-up of railway equipment
- Valuation effect long-term freight contract
- Expenses related to divestment projects



Significant reduction in pension NPV by higher discount rates

[€ mn]

| | Q4 15/16 | Q1 16/17 |
|---|-------------|-------------|
| Accrued pensions & similar | 8,754 | 8,079 |
| Pension discount rate (in %) ¹ | 1.30 | 1.80 |
| Effect on accrued pensions | - | (626) |
| NFD | 3,500 | 5,433 |

• Increasing interest rate environment
→ decrease of pension NPV /
accrued pensions

Temporarily significantly higher due to

- negative FCF
- negative F/X effects

| | | Change in pension NPV | | |
|---------------|----------------------------|-----------------------|-----------|-------|
| | | Other | | Total |
| | | Germany | countries | |
| Discount rate | Increase by 0.5 pct. point | (514) | (211) | (725) |
| | Decrease by 0.5 pct. point | 549 | 228 | 777 |

¹ Discount rate Germany



Outlook: Progressively improving EBIT adj. profile

Further improving Materials env't and significant upside at IS in H2

[€ mn]

| | yoy | | qoq | | |
|-------|-------------|--------------|-------------|------------------|--------------|
| | 15/16 Q2 | 16/17 Q2E | 16/17 Q1 | 16/17 Q2E | 16/17 Q3E |
| Group | 326 | ↗ | 329 | ↗ | ↗ |
| CT | 86 | ↗ | 75 | ↗ | ↗ |
| ET | 186 | ↗ | 215 | ↻ seasonally | ↗ |
| IS | 153 | ↘ | 42 | ↘ temporarily | ↗ |
| MX | 10 | ↗ | 51 | ↗ | ↗ |
| SE | 65 | ↗ | 28 | ↗ | ↗ |
| AM | (65) | ↗ | 37 | ↘ temporarily | ↗ |

~ 400



16/17E: Structural progress in cyclical and volatile trading conditions

Group

EBIT adj.
€ bn



Net Income [€ mn]

Sig. improvement
incl. continuing restructuring charges

FCF before M&A [€ mn]

Slightly positive
incl. price and volume related higher NWC
assuming no lasting dislocations on
raw materials markets

Business Areas

'impact' €850 mn operational improvements across all BAs

CT

Slightly higher sales and margin
• Ramp-up new plants

ET

Slightly higher sales, margin up by 0.5-0.7%-pts
• Restructuring

IS

Slightly lower sales; margin at plant engineering
at lower end of target range, Marine Systems
temporarily sig. below target range

MX

EBIT adj. sig. up in slightly more favorable market env't
• Sales initiatives & restructuring

SE

EBIT adj. sig. up in slightly more favorable market env't
• Higher volumes vs. cont'd import pressure,
higher raw materials costs

AM

EBIT adj. on prior year level
• Volatile trading conditions, higher costs
(BRL, raw materials)



Key financials (I)

[€ mn]

| | | | 2015/16 | | | 2016/17 |
|-------------------------------------|--------|-------|---------|-------|--------|---------|
| | Q1 | Q2 | Q3 | Q4 | FY | Q1 |
| Order intake | 9,810 | 9,027 | 9,399 | 9,188 | 37,424 | 9,954 |
| Sales | 9,548 | 9,852 | 9,865 | 9,997 | 39,263 | 10,087 |
| EBITDA | 489 | 585 | 666 | 701 | 2,441 | 536 |
| EBITDA adjusted | 529 | 615 | 725 | 765 | 2,634 | 623 |
| EBIT | 193 | 281 | 372 | 344 | 1,189 | 240 |
| EBIT adjusted | 234 | 326 | 441 | 468 | 1,469 | 329 |
| EBT | 34 | 151 | 261 | 207 | 652 | 124 |
| Net income/(loss) | (54) | 45 | 124 | 146 | 261 | 15 |
| attrib. to tk AG stockh. | (23) | 61 | 130 | 128 | 296 | 8 |
| Earnings per share ¹ (€) | (0.04) | 0.11 | 0.23 | 0.23 | 0.52 | 0.01 |

¹⁾ attributable to thyssenkrupp AG's stockholders



Key financials (II)

[€ mn]

| | Q1 | Q2 | 2015/16 Q3 | Q4 | FY | 2016/17 Q1 |
|--|---------|---------|---------------|---------|---------|---------------|
| TK Value Added | | | | | (85) | |
| Ø Capital Employed | 15,539 | 15,802 | 15,937 | 15,933 | 15,933 | 16,501 |
| Operating cash flow | (598) | (105) | 545 | 1,545 | 1,387 | (1,450) |
| Cash flow from divestm. | 5 | 27 | 3 | 157 | 191 | 20 |
| Cash flow from investm. | (254) | (293) | (343) | (497) | (1,387) | (362) |
| Free cash flow | (847) | (371) | 205 | 1205 | 191 | (1,791) |
| FCF before M&A | (847) | (365) | 205 | 1,205 | 198 | (1,736) |
| Cash and cash equivalents (incl. short-term securities) | 3,655 | 3,545 | 3,100 | 4,111 | 4,111 | 2,552 |
| Net financial debt | 4,384 | 4,816 | 4,770 | 3,500 | 3,500 | 5,433 |
| Equity | 3,355 | 2,753 | 2,723 | 2,609 | 2,609 | 3,275 |
| Employees | 155,387 | 155,453 | 155,248 | 156,487 | 156,487 | 157,400 |



Components Technology

[€ mn]

| | 2015/16 | | | | | 2016/17 |
|----------------------|---------|--------|--------|--------|--------|---------|
| | Q1 | Q2 | Q3 | Q4 | FY | Q1 |
| Order intake | 1,649 | 1,669 | 1,775 | 1,647 | 6,740 | 1,759 |
| Sales | 1,650 | 1,688 | 1,783 | 1,685 | 6,807 | 1,743 |
| EBITDA | 149 | 159 | 155 | 164 | 627 | 139 |
| EBITDA adjusted | 149 | 163 | 179 | 163 | 655 | 154 |
| EBIT | 71 | 76 | 72 | 33 | 251 | 58 |
| EBIT adjusted | 71 | 86 | 100 | 79 | 335 | 75 |
| EBIT adj. margin (%) | 4.3 | 5.1 | 5.6 | 4.7 | 4.9 | 4.3 |
| tk Value Added | | | | | (54) | |
| Ø Capital Employed | 3,505 | 3,557 | 3,585 | 3,587 | 3,587 | 3,624 |
| BCF | (155) | 29 | 49 | 191 | 114 | (192) |
| CF from divestm. | 0 | 1 | 0 | 1 | 2 | 1 |
| CF for investm. | (78) | (84) | (133) | (193) | (488) | (91) |
| Employees | 29,772 | 30,118 | 30,281 | 30,751 | 30,751 | 31,100 |

Current trading conditions

O/I – Q1 +7% yoy, ex F/X +6%; light vehicle (LV) growth across major regions vs. difficult cond. for trucks (HV) & constr. equip.

- Chassis/Powertrain (LV): strong growth in China; positive demand in Western Europe; slowing dynamics in USA; Brazil still weak
- Powertrain (HV): slight improvement in China; Europe solid; slowdown in USA, esp. in Class 8 segment; Brazil still weak
- Industrial components: lower demand at wind power, esp. in China; slight improvement from low level for constr. / mining equip.

EBIT adj. – Q1 +6% yoy; operational improvements, cost discipline and growth with new products (LV)

- 7 subsequent quarters with earnings up yoy



Elevator Technology

[€ mn]

| | 2015/16 | | | | 2016/17 | |
|----------------------|---------|--------|--------|--------|---------|--------|
| | Q1 | Q2 | Q3 | Q4 | FY | Q1 |
| Order intake | 1,992 | 1,832 | 1,867 | 1,940 | 7,631 | 1,903 |
| Order backlog | 5,051 | 5,040 | 5,022 | 4,974 | 4,974 | 5,141 |
| Sales | 1,869 | 1,752 | 1,906 | 1,942 | 7,468 | 1,882 |
| EBITDA | 214 | 190 | 225 | 227 | 856 | 203 |
| EBITDA adjusted | 223 | 206 | 242 | 270 | 941 | 234 |
| EBIT | 193 | 171 | 205 | 202 | 771 | 184 |
| EBIT adjusted | 203 | 186 | 225 | 246 | 860 | 215 |
| EBIT adj. margin (%) | 10.9 | 10.6 | 11.8 | 12.7 | 11.5 | 11.4 |
| tk Value Added | | | | | 681 | |
| Ø Capital Employed | 1,269 | 1,254 | 1,220 | 1,197 | 1,197 | 1,139 |
| BCF | 48 | 289 | 269 | 188 | 793 | 7 |
| CF from divestm. | 1 | 10 | 1 | 1 | 13 | 0 |
| CF for investm. | (21) | (35) | (27) | (53) | (135) | (36) |
| Employees | 51,644 | 51,532 | 51,467 | 51,426 | 51,426 | 51,931 |

Current trading conditions

Order backlog (excl. Service) >€5.1 bn (+1.8% yoy)

Order intake in Q1 yoy -4% on a strong compare (ex FX -4%)

Sales in Q1 yoy +1% (ex F/X +1%); positive development in NI and Service in Americas; new installation driven by Americas and South Korea

Q1 EBIT adj. margin improvement in line with target range of +0.5-0.7% p.a.

New installation driven by Americas and South Korea; China below prior year with continued price pressure

Modernization: positively impacted by market development in USA

Maintenance: continued price competition in Europe and USA; positive development in China



Industrial Solutions

[€ mn]

| | 2015/16 | | | | 2016/17 | |
|----------------------|---------|--------|--------|--------|---------|--------|
| | Q1 | Q2 | Q3 | Q4 | FY | Q1 |
| Order intake | 1,530 | 644 | 541 | 746 | 3,461 | 1,159 |
| Order backlog | 12,337 | 11,288 | 10,634 | 9,908 | 9,908 | 9,636 |
| Sales | 1,506 | 1,609 | 1,228 | 1,401 | 5,744 | 1,479 |
| EBITDA | 104 | 167 | 57 | 77 | 405 | 28 |
| EBITDA adjusted | 105 | 168 | 59 | 87 | 419 | 57 |
| EBIT | 90 | 152 | 41 | 50 | 333 | 13 |
| EBIT adjusted | 90 | 153 | 43 | 68 | 355 | 42 |
| EBIT adj. margin (%) | 6.0 | 9.5 | 3.5 | 4.8 | 6.2 | 2.8 |
| tk Value Added | | | | | 371 | |
| Ø Capital Employed | (934) | (759) | (587) | (475) | (475) | 82 |
| BCF | (223) | (245) | (232) | 104 | (597) | (556) |
| CF from divestm. | 1 | 8 | 0 | 0 | 10 | 3 |
| CF for investm. | (15) | (18) | (19) | (23) | (75) | (17) |
| Employees | 19,518 | 19,575 | 19,530 | 19,602 | 19,602 | 19,553 |

Current trading conditions

Orders: Sig. improvement vs previous quarters confirms positive trend; yoy down due to big ticket (cement, Yamama) in prior year Q1

- Medium-size cement plant in Algeria and pleasing demand for expansion contracts
- Mining with medium-size and smaller orders (Mining equipment in China and biomass power plant in Australia)
- System Engineering (SY) with continued lively demand for production systems for the automotive industry in Europe and Asia
- Chemical plant engineering and Marine Systems with several major projects at advanced stage of negotiation

Earnings clearly lower yoy, due to lower-margin milestones in billing phase and partial underutilization

BCF neg. impacted by lower o/i, aging backlog in cash-out phase, higher share of business with lower prepayments (SY), underutilization

Improving order trend and transformation progress support significant improv't in cash flow throughout FY towards breakeven



Volume KPI's of Materials Businesses

| | | | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | | | | 2016/17 | |
|----|---|-------|---------|---------|---------|---------|---------|-------|-------|-------|---------|-------|
| | | | FY | FY | FY | FY | Q1 | Q2 | Q3 | Q4 | FY | Q1 |
| MX | Total shipments | kt | 10,868 | 10,669 | 13,615 | 13,421 | 3,105 | 3,250 | 3,275 | 2,975 | 12,605 | 2,713 |
| | Warehousing shipments ¹ | kt | 5,470 | 5,300 | 5,592 | 5,532 | 1,276 | 1,449 | 1,463 | 1,330 | 5,518 | 1,294 |
| | Shipments AST ² | kt | - | - | 537 | 747 | 190 | 228 | 232 | 197 | 847 | 225 |
| SE | Crude Steel | kt | 11,860 | 11,646 | 12,249 | 12,392 | 2,883 | 2,971 | 3,116 | 3,053 | 12,021 | 2,903 |
| | Steel Europe AG | kt | 8,408 | 8,487 | 8,936 | 9,276 | 2,214 | 2,364 | 2,355 | 2,404 | 9,336 | 2,531 |
| | HKM | kt | 3,452 | 3,160 | 3,313 | 3,116 | 669 | 607 | 761 | 649 | 2,686 | 373 |
| | Shipments | kt | 12,009 | 11,519 | 11,393 | 11,725 | 2,359 | 2,839 | 3,087 | 2,889 | 11,174 | 2,724 |
| | Cold-rolled | kt | 7,906 | 7,437 | 7,137 | 7,182 | 1,515 | 1,819 | 1,929 | 1,785 | 7,048 | 1,732 |
| | Hot-rolled | kt | 4,103 | 4,082 | 4,256 | 4,543 | 845 | 1,019 | 1,157 | 1,104 | 4,126 | 992 |
| | Average Steel revenues per ton ³ | | 139 | 127 | 119 | 114 | 113 | 105 | 103 | 106 | 107 | 109 |
| AM | Slab production CSA | kt | 3,369 | 3,550 | 4,110 | 4,005 | 1,112 | 953 | 1,064 | 1,166 | 4,295 | 1,030 |
| | Shipments AM | kt | 3,401 | 3,457 | 4,194 | 3,849 | 1,061 | 1,130 | 1,049 | 1,145 | 4,385 | 1,006 |
| | USD/EUR | Aver. | 1.30 | 1.31 | 1.36 | 1.15 | 1.10 | 1.10 | 1.13 | 1.12 | 1.11 | 1.08 |
| | USD/EUR | Clos. | 1.29 | 1.35 | 1.26 | 1.12 | 1.09 | 1.14 | 1.11 | 1.12 | 1.12 | 1.05 |
| | BRL/USD | Aver. | 1.88 | 2.10 | 2.29 | 2.98 | 3.85 | 3.91 | 3.51 | 3.24 | 3.63 | 3.29 |
| | BRL/USD | Clos. | 1.86 | 2.03 | 2.45 | 4.00 | 3.90 | 3.62 | 3.23 | 3.24 | 3.24 | 3.25 |

¹⁾ Excl. AST/VDM shipments | ²⁾ Included at MX since March '14 | ³⁾ Indexed: Q1 2004/2005 = 100



Materials Services

[€ mn]

| | 2015/16 | | | | FY | 2016/17 |
|---------------------------|---------|--------|--------|--------|--------|---------|
| | Q1 | Q2 | Q3 | Q4 | | Q1 |
| Order intake | 2,846 | 2,922 | 3,123 | 2,949 | 11,840 | 3,131 |
| thereof Special Materials | 386 | 391 | 442 | 396 | 1,615 | 484 |
| Sales | 2,821 | 3,005 | 3,087 | 2,972 | 11,886 | 3,032 |
| thereof Special Materials | 362 | 420 | 395 | 356 | 1,534 | 434 |
| EBITDA | 29 | 32 | 61 | 74 | 196 | 65 |
| EBITDA adjusted | 34 | 39 | 78 | 90 | 242 | 79 |
| thereof Special Materials | 12 | 8 | (7) | 11 | 25 | 26 |
| EBIT | (1) | 3 | 35 | 39 | 76 | 38 |
| EBIT adjusted | 3 | 10 | 52 | 62 | 128 | 51 |
| thereof Special Materials | 2 | (1) | (13) | 3 | (10) | 19 |
| EBIT adj. margin (%) | 0.1 | 0.3 | 1.7 | 2.1 | 1.1 | 1.7 |
| thereof Special Materials | 0.5 | (0.3) | (3.4) | 0.8 | (0.7) | 4.3 |
| tk Value Added | | | | | (233) | |
| Ø Capital Employed | 4,018 | 4,008 | 3,950 | 3,861 | 3,861 | 3,611 |
| BCF | (188) | 71 | 178 | 406 | 467 | (389) |
| thereof Special Materials | (6) | (7) | (10) | 28 | 5 | (13) |
| CF from divestm. | 1 | 2 | 4 | 4 | 11 | 3 |
| CF for investm. | (14) | (30) | (27) | (65) | (137) | (19) |
| Employees | 20,009 | 19,791 | 19,623 | 19,754 | 19,754 | 19,708 |

Current trading conditions

Continuation of price recovery started in 2nd and 3rd quarter of prior fiscal year in almost all product segments except plastics

Sales in Q1 up yoy: Higher materials volumes (esp. auto-related SSC, global materials trading, AST) and higher prices more than compensate for lower raw materials volumes

EBIT adj. Q1 significant up yoy: Positive price trend and continued earnings-securing measures led to strong earnings improvement in virtually all units. AST with high earnings contribution, restructuring showing further sustainable success



Steel Europe

[€ mn]

| | 2015/16 | | | | | 2016/17 |
|----------------------|---------|--------|--------|--------|--------|---------|
| | Q1 | Q2 | Q3 | Q4 | FY | Q1 |
| Order intake | 1,846 | 2,183 | 2,265 | 1,852 | 8,146 | 2,078 |
| Sales | 1,723 | 1,925 | 2,015 | 1,969 | 7,633 | 1,908 |
| EBITDA | 156 | 166 | 191 | 209 | 721 | 130 |
| EBITDA adjusted | 156 | 167 | 191 | 201 | 715 | 133 |
| EBIT | 50 | 56 | 92 | 118 | 316 | 25 |
| EBIT adjusted | 51 | 65 | 91 | 108 | 315 | 28 |
| EBIT adj. margin (%) | 2.9 | 3.4 | 4.5 | 5.5 | 4.1 | 1.5 |
| tk Value Added | | | | | (110) | |
| Ø Capital Employed | 5,088 | 5,102 | 5,067 | 5,012 | 5,012 | 4,948 |
| BCF | (231) | 167 | 159 | 365 | 459 | (404) |
| CF from divestm. | (2) | 1 | 0 | 1 | 1 | (4) |
| CF for investm. | (86) | (89) | (105) | (120) | (400) | (121) |
| Employees | 27,493 | 27,368 | 27,201 | 27,559 | 27,559 | 27,437 |

Current trading conditions

EU carbon flat steel market also expanded in H2 2016; imports remained high (slight decline ex China, up ex other 3rd countries)

Sales Q1: improving volumes (shipments: 2.7 m t; up 15% yoy) in practically all end user sectors;

Ø selling prices still lower yoy but up qoq due to positive price trend

EBIT adj.: down yoy lower selling prices, significantly higher raw material costs, expense in connection with blast furnace reline at HKM and follow-on effects from production disruptions the year before; unexpected drastic cost increase can mostly only be passed onto market with a time lag due to high share of long-term contract business



Steel Americas

[€ mn]

| | 2015/16 | | | | 2016/17 | |
|----------------------|---------|--------|-------|-------|---------|-------|
| | Q1 | Q2 | Q3 | Q4 | FY | Q1 |
| Order intake | 371 | 286 | 383 | 485 | 1,525 | 432 |
| Sales | 350 | 325 | 336 | 478 | 1,489 | 447 |
| EBITDA | (47) | (25) | 88 | 105 | 121 | 88 |
| EBITDA adjusted | (37) | (29) | 74 | 103 | 110 | 73 |
| EBIT | (84) | (61) | 53 | 70 | (22) | 52 |
| EBIT adjusted | (74) | (65) | 39 | 67 | (33) | 37 |
| EBIT adj. margin (%) | (21.2) | (20.0) | 11.6 | 14.0 | (2.2) | 8.3 |
| tk Value Added | | | | | (236) | |
| Ø Capital Employed | 2,113 | 2,115 | 2,129 | 2,145 | 2,145 | 2,283 |
| BCF | (70) | (25) | 18 | 145 | 69 | (32) |
| CF from divestm. | 0 | 1 | 0 | 1 | 2 | |
| CF for investm. | (30) | (25) | (21) | (34) | (110) | (73) |
| Employees | 3,783 | 3,771 | 3,737 | 3,847 | 3,847 | 4,082 |

Current trading conditions

Sales: clear recovery in prices in USA and S-America yoy, shipments temporarily lower (1.0 m t; -5 % yoy / -12% qoq); good progress building further long-term customer relationships

Adjusted EBIT: significantly up yoy as stable price recovery and positive valuation effects on sales tax asset (€12 mn) outweighed lower shipments and higher raw material costs



Corporate

[€ mn]

| | 2015/16 | | | | FY | 2016/17 |
|-----------------|---------|-------|-------|-------|-------|---------|
| | Q1 | Q2 | Q3 | Q4 | | Q1 |
| EBITDA | (121) | (110) | (113) | (141) | (486) | (114) |
| EBITDA adjusted | (106) | (105) | (101) | (137) | (448) | (103) |
| EBIT | (132) | (122) | (130) | (156) | (542) | (126) |
| EBIT adjusted | (117) | (117) | (113) | (150) | (497) | (115) |
| BCF | 217 | (186) | (58) | 6 | (21) | 181 |
| Employees | 3,168 | 3,298 | 3,409 | 3,548 | 3,548 | 3,589 |

EBIT adj. includes

- CorpHQ: (402)
incl. group initiatives of >100
- Regions: (40)
- Service Units: (66)
- Special Units: 12

EBIT adj. includes:

- Corporate Headquarters: Corp. Functions; Executive Board tk AG; Group initiatives
- Regions: Regional headquarters; regional offices; representative offices
- Service Units: Global Shared Services “GSS”; Regional Services Germany; Corporate Services
- Special Units: Asset management of Group’s real estate; cross-business area technology projects; non-operating entities

EBIT adj. 16/17 expected to remain stable given ongoing costs for centrally managed Group initiatives

Group initiatives for digital transformation and improved competitiveness:

- “daproh”: Group-wide implementation of one harmonized ERP landscape with automated end-to-end processes
- “unITE”: Transformation of IT infrastructure into one global wide area network with 5 cloud-based data centers
- “HR transformation”: Optimization and bundling of HR workflows
- “GSS”: Bundling of standard workflows for accounting, HR, IT, real estate in 6 shared service centers



Business Area Overview – Quarterly Order Intake

[€ mn]

| | 2015/16 | | | | 2016/17 | |
|-----------------------|---------|-------|-------|-------|---------|-------|
| | Q1 | Q2 | Q3 | Q4 | FY | Q1 |
| Components Technology | 1,649 | 1,669 | 1,775 | 1,647 | 6,740 | 1,759 |
| Elevator Technology | 1,992 | 1,832 | 1,867 | 1,940 | 7,631 | 1,903 |
| Industrial Solutions | 1,530 | 644 | 541 | 746 | 3,461 | 1,159 |
| Materials Services | 2,846 | 2,922 | 3,123 | 2,949 | 11,840 | 3,131 |
| Steel Europe | 1,846 | 2,183 | 2,265 | 1,852 | 8,146 | 2,078 |
| Steel Americas | 371 | 286 | 383 | 485 | 1,525 | 432 |
| Corporate | 57 | 36 | 80 | 71 | 243 | 37 |
| Consolidation | (482) | (544) | (636) | (501) | (2,162) | (546) |
| Full Group | 9,810 | 9,027 | 9,399 | 9,188 | 37,424 | 9,954 |



Business Area Overview – Quarterly Sales

[€ mn]

| | 2015/16 | | | | 2016/17 | |
|-----------------------|---------|-------|-------|-------|---------|--------|
| | Q1 | Q2 | Q3 | Q4 | FY | Q1 |
| Components Technology | 1,650 | 1,688 | 1,783 | 1,685 | 6,807 | 1,743 |
| Elevator Technology | 1,869 | 1,752 | 1,906 | 1,942 | 7,468 | 1,882 |
| Industrial Solutions | 1,506 | 1,609 | 1,228 | 1,401 | 5,744 | 1,479 |
| Materials Services | 2,821 | 3,005 | 3,087 | 2,972 | 11,886 | 3,032 |
| Steel Europe | 1,723 | 1,925 | 2,015 | 1,969 | 7,633 | 1,908 |
| Steel Americas | 350 | 325 | 336 | 478 | 1,489 | 447 |
| Corporate | 60 | 54 | 64 | 77 | 255 | 58 |
| Consolidation | (432) | (506) | (555) | (526) | (2,020) | (462) |
| Full Group | 9,548 | 9,852 | 9,865 | 9,997 | 39,263 | 10,087 |



Business Area Overview – Quarterly EBITDA and Margin

[€ mn]

| | 2015/16 | | | | 2016/17 | |
|-----------------------|---------|-------|-------|-------|---------|-------|
| | Q1 | Q2 | Q3 | Q4 | FY | Q1 |
| Components Technology | 149 | 159 | 155 | 164 | 627 | 139 |
| % | 9.0 | 9.4 | 8.7 | 9.7 | 9.2 | 8.0 |
| Elevator Technology | 214 | 190 | 225 | 227 | 856 | 203 |
| % | 11.5 | 10.8 | 11.8 | 11.7 | 11.5 | 10.8 |
| Industrial Solutions | 104 | 167 | 57 | 77 | 405 | 28 |
| % | 6.9 | 10.4 | 4.6 | 5.5 | 7.0 | 1.9 |
| Materials Services | 29 | 32 | 61 | 74 | 196 | 65 |
| % | 1.0 | 1.1 | 2.0 | 2.5 | 1.7 | 2.2 |
| Steel Europe | 156 | 166 | 191 | 209 | 721 | 130 |
| % | 9.0 | 8.6 | 9.5 | 10.6 | 9.4 | 6.8 |
| Steel Americas | (47) | (25) | 88 | 105 | 121 | 88 |
| % | (13.5) | (7.7) | 26.1 | 22.1 | 8 | 19.8 |
| Corporate | (121) | (110) | (113) | (141) | (486) | (114) |
| Consolidation | 5 | 6 | 2 | (13) | 1 | (4) |
| Full Group | 489 | 585 | 666 | 701 | 2,441 | 536 |
| % | 5.1 | 5.9 | 6.8 | 7.0 | 6.2 | 5.3 |



Business Area Overview – Quarterly EBITDA adj. and Margin

[€ mn]

| | 2015/16 | | | | 2016/17 | |
|-----------------------|---------|-------|-------|-------|---------|-------|
| | Q1 | Q2 | Q3 | Q4 | FY | Q1 |
| Components Technology | 149 | 163 | 179 | 163 | 655 | 154 |
| % | 9.1 | 9.7 | 10.1 | 9.7 | 9.6 | 8.9 |
| Elevator Technology | 223 | 206 | 242 | 270 | 941 | 234 |
| % | 11.9 | 11.7 | 12.7 | 13.9 | 12.6 | 12.4 |
| Industrial Solutions | 105 | 168 | 59 | 87 | 419 | 57 |
| % | 7.0 | 10.5 | 4.8 | 6.2 | 7.3 | 3.9 |
| Materials Services | 34 | 39 | 78 | 90 | 242 | 79 |
| % | 1.2 | 1.3 | 2.5 | 3.0 | 2.0 | 2.6 |
| Steel Europe | 156 | 167 | 191 | 201 | 715 | 133 |
| % | 9.1 | 8.7 | 9.5 | 10.2 | 9.4 | 7.0 |
| Steel Americas | (37) | (29) | 74 | 103 | 110 | 73 |
| % | (10.7) | (9.0) | 21.9 | 22 | 7 | 16 |
| Corporate | (106) | (105) | (101) | (137) | (448) | (103) |
| Consolidation | 5 | 6 | 2 | (13) | 1 | (4) |
| Full Group | 529 | 615 | 725 | 765 | 2,634 | 623 |
| % | 5.5 | 6.2 | 7.3 | 7.6 | 6.7 | 6.2 |



Business Area Overview – Quarterly EBIT and Margin

[€ mn]

| | 2015/16 | | | | 2016/17 | |
|-----------------------|---------|--------|-------|-------|---------|-------|
| | Q1 | Q2 | Q3 | Q4 | FY | Q1 |
| Components Technology | 71 | 76 | 72 | 33 | 251 | 58 |
| % | 4.3 | 4.5 | 4.0 | 2.0 | 3.7 | 3.3 |
| Elevator Technology | 193 | 171 | 205 | 202 | 771 | 184 |
| % | 10.3 | 9.7 | 10.8 | 10.4 | 10.3 | 9.8 |
| Industrial Solutions | 90 | 152 | 41 | 50 | 333 | 13 |
| % | 6.0 | 9.4 | 3.3 | 3.6 | 5.8 | 0.9 |
| Materials Services | (1) | 3 | 35 | 39 | 76 | 38 |
| % | (0.0) | 0.1 | 1.1 | 1.3 | 0.6 | 1.3 |
| Steel Europe | 50 | 56 | 92 | 118 | 316 | 25 |
| % | 2.9 | 2.9 | 4.6 | 6.0 | 4.1 | 1.3 |
| Steel Americas | (84) | (61) | 53 | 70 | (22) | 52 |
| % | (24.0) | (18.6) | 15.8 | 14.6 | (1.5) | 11.6 |
| Corporate | (132) | (122) | (130) | (156) | (542) | (126) |
| Consolidation | 7 | 8 | 4 | (12) | 6 | (3) |
| Full Group | 193 | 281 | 372 | 344 | 1,189 | 240 |
| % | 2.0 | 2.9 | 3.8 | 3.4 | 3.0 | 2.4 |



Business Area Overview – Quarterly EBIT adj. and Margin

[€ mn]

| | 2015/16 | | | | 2016/17 | |
|-----------------------|---------|--------|-------|-------|---------|-------|
| | Q1 | Q2 | Q3 | Q4 | FY | Q1 |
| Components Technology | 71 | 86 | 100 | 79 | 335 | 75 |
| % | 4.3 | 5.1 | 5.6 | 4.7 | 4.9 | 4.3 |
| Elevator Technology | 203 | 186 | 225 | 246 | 860 | 215 |
| % | 10.9 | 10.6 | 11.8 | 12.7 | 11.5 | 11.4 |
| Industrial Solutions | 90 | 153 | 43 | 68 | 355 | 42 |
| % | 6.0 | 9.5 | 3.5 | 4.8 | 6.2 | 2.8 |
| Materials Services | 3 | 10 | 52 | 62 | 128 | 51 |
| % | 0.1 | 0.3 | 1.7 | 2.1 | 1.1 | 1.7 |
| Steel Europe | 51 | 65 | 91 | 108 | 315 | 28 |
| % | 2.9 | 3.4 | 4.5 | 5.5 | 4.1 | 1.5 |
| Steel Americas | (74) | (65) | 39 | 67 | (33) | 37 |
| % | (21.2) | (20.0) | 11.6 | 14.0 | (2.2) | 8.3 |
| Corporate | (117) | (117) | (113) | (150) | (497) | (115) |
| Consolidation | 7 | 8 | 4 | (12) | 6 | (3) |
| Full Group | 234 | 326 | 441 | 468 | 1,469 | 329 |
| % | 2.5 | 3.3 | 4.5 | 4.7 | 3.7 | 3.3 |



Business Area Overview (I)

[€ mn]

| | Order Intake | | Sales | | Employees | |
|-----------------------|---------------|---------------|---------------|---------------|------------------|------------------|
| | Q1 2015/16 | Q1 2016/17 | Q1 2015/16 | Q1 2016/17 | Dec. 31, 2015 | Dec. 31, 2016 |
| Components Technology | 1,649 | 1,759 | 1,650 | 1,743 | 29,772 | 31,100 |
| Elevator Technology | 1,992 | 1,903 | 1,869 | 1,882 | 51,644 | 51,931 |
| Industrial Solutions | 1,530 | 1,159 | 1,506 | 1,479 | 19,518 | 19,553 |
| Materials Services | 2,846 | 3,131 | 2,821 | 3,032 | 20,009 | 19,708 |
| Steel Europe | 1,846 | 2,078 | 1,723 | 1,908 | 27,493 | 27,437 |
| Steel Americas | 371 | 432 | 350 | 447 | 3,783 | 4,082 |
| Corporate | 57 | 37 | 60 | 58 | 3,168 | 3,589 |
| Consolidation | (482) | (546) | (432) | (462) | | |
| Full Group | 9,810 | 9,954 | 9,548 | 10,087 | 155,387 | 157,400 |



Business Area Overview (II)

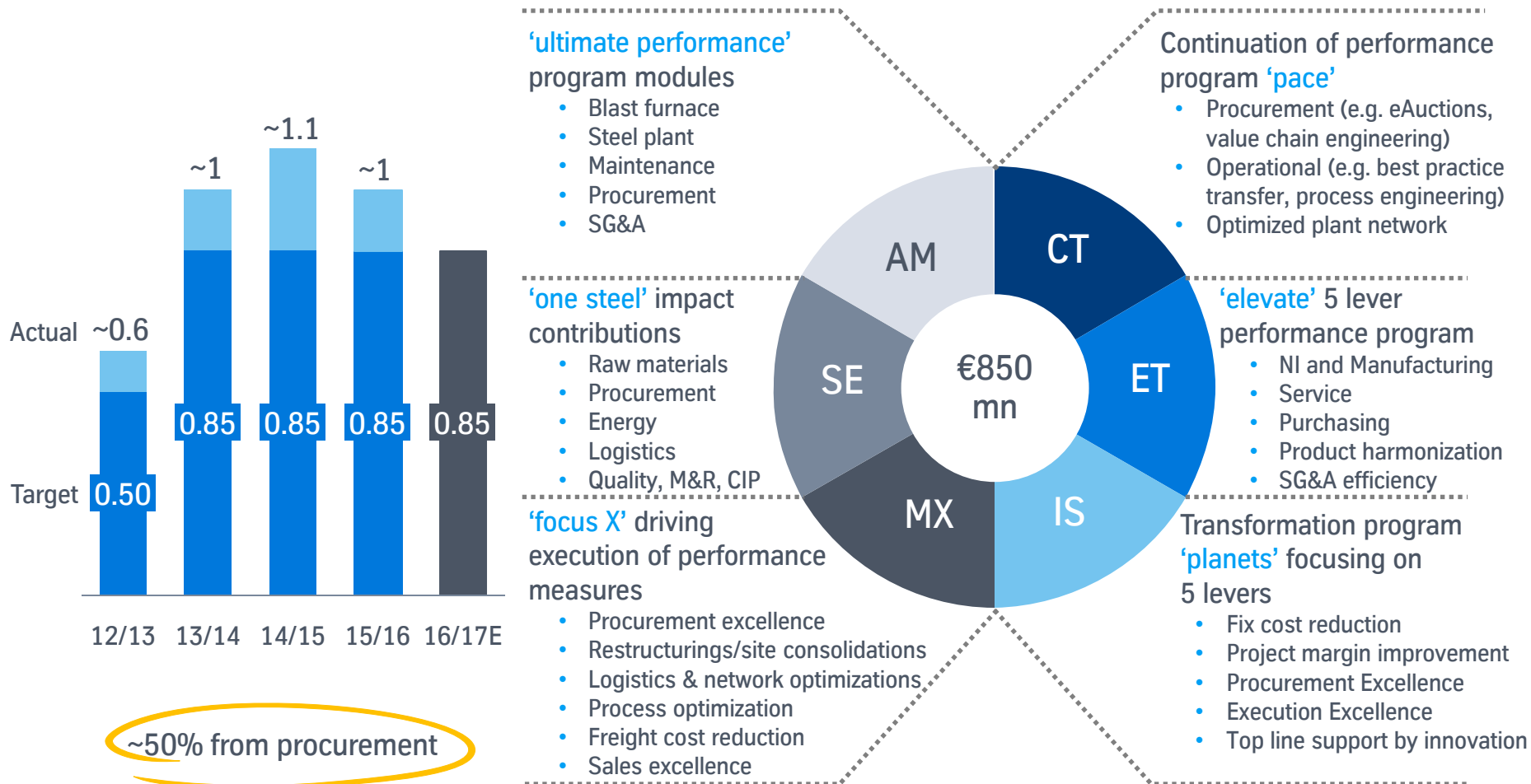
[€ mn]

| | EBITDA | | EBIT | | EBIT adjusted | |
|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | Q1 2015/16 | Q1 2016/17 | Q1 2015/16 | Q1 2016/17 | Q1 2015/16 | Q1 2016/17 |
| Components Technology | 149 | 139 | 71 | 58 | 71 | 75 |
| Elevator Technology | 214 | 203 | 193 | 184 | 203 | 215 |
| Industrial Solutions | 104 | 28 | 90 | 13 | 90 | 42 |
| Materials Services | 29 | 65 | (1) | 38 | 3 | 51 |
| Steel Europe | 156 | 130 | 50 | 25 | 51 | 28 |
| Steel Americas | (47) | 88 | (84) | 52 | (74) | 37 |
| Corporate | (121) | (114) | (132) | (126) | (117) | (115) |
| Consolidation | 5 | (4) | 7 | (3) | 7 | (3) |
| Full Group | 489 | 536 | 193 | 240 | 234 | 329 |



Operational improvements – €850 mn ‘impact’ effects targeted for FY 16/17

[€bn / %]

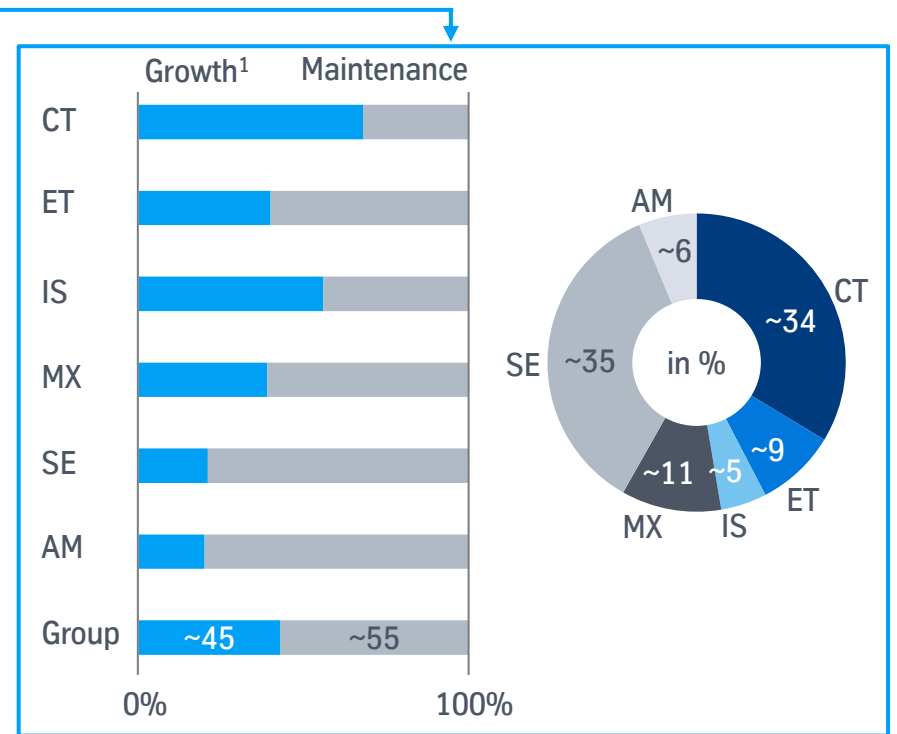
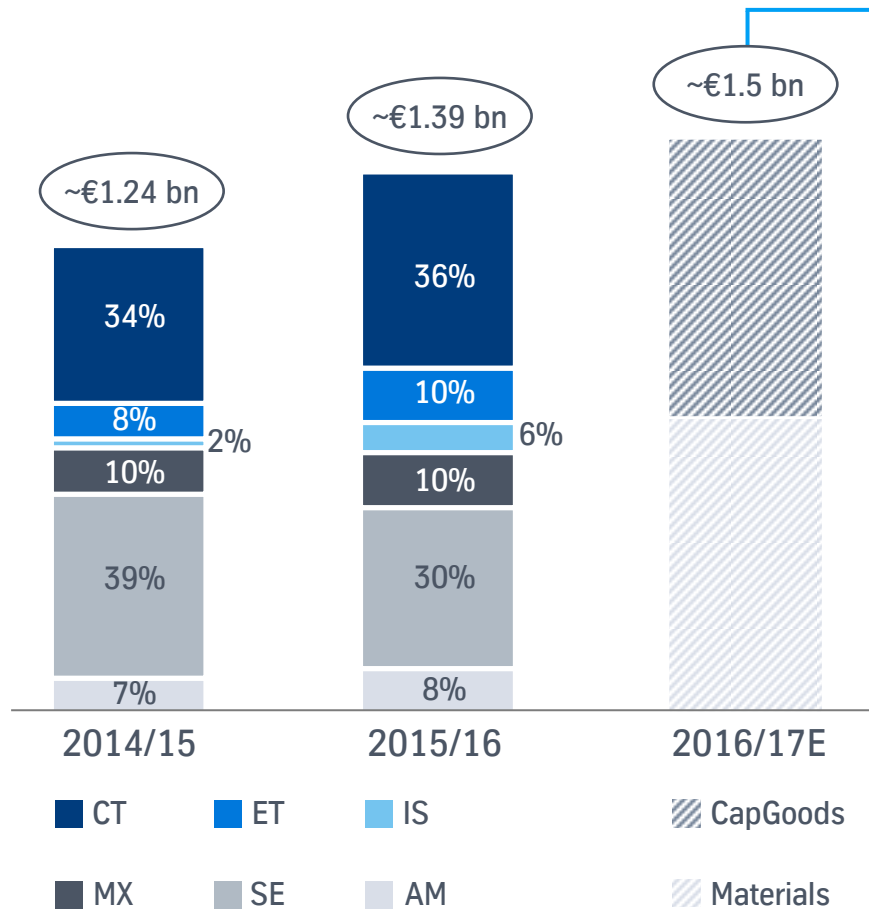


Every Business Area with triple-digit mn contribution



Capex allocation

Cash flows from investing activities



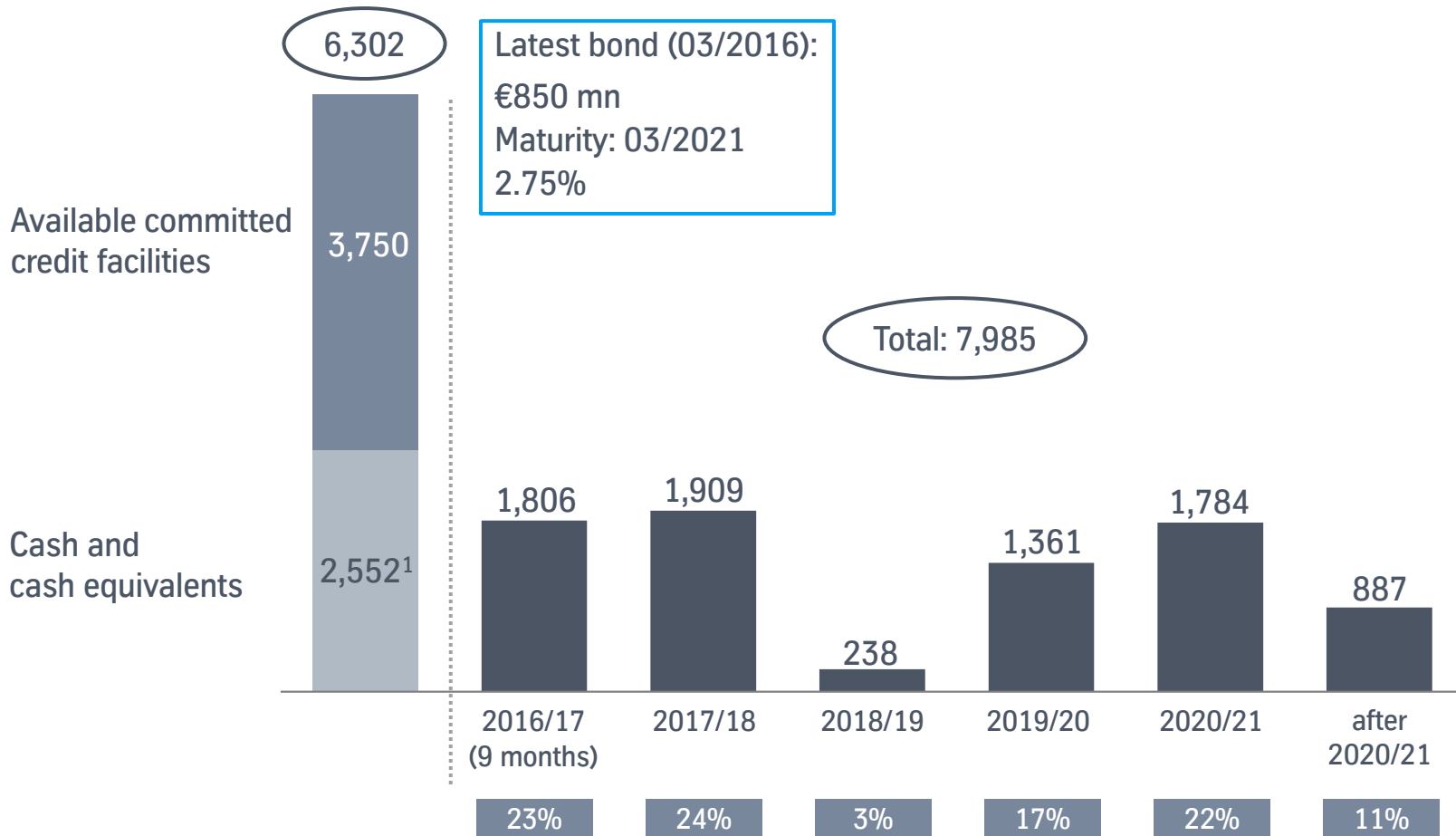
○ Group cont. ops.

Business Area shares referring to capex excl. Corporate | ¹⁾ including order related investments



Solid financial situation

Liquidity analysis and maturity profile of gross financial debt as of December 31, 2016
[€ mn]



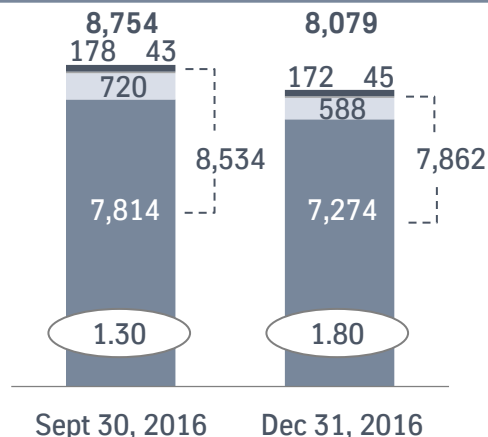
¹ incl. securities of €7 mn



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

[€ mn]

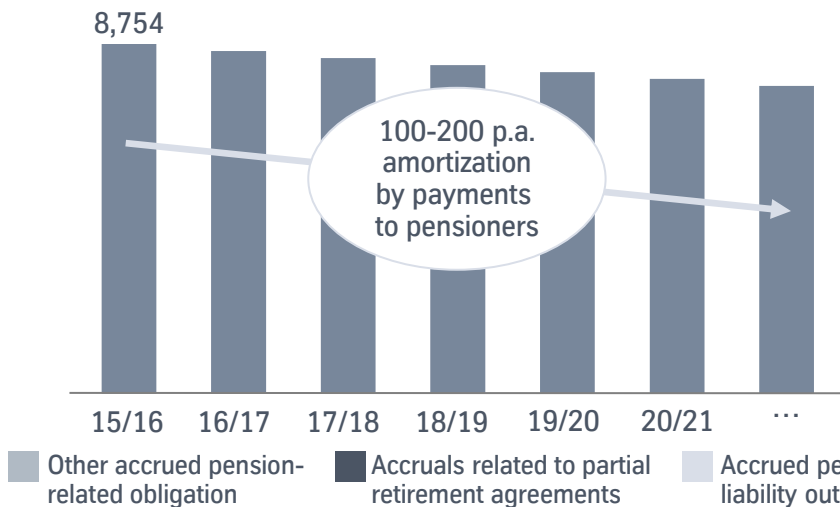
Accrued pension and similar obligations



Significant fluctuations in accrued pensions recently, (recognized in equity / OCI)

- are mainly driven by increases / decreases in German discount rates (~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

Development at unchanged discount rate (schematic)



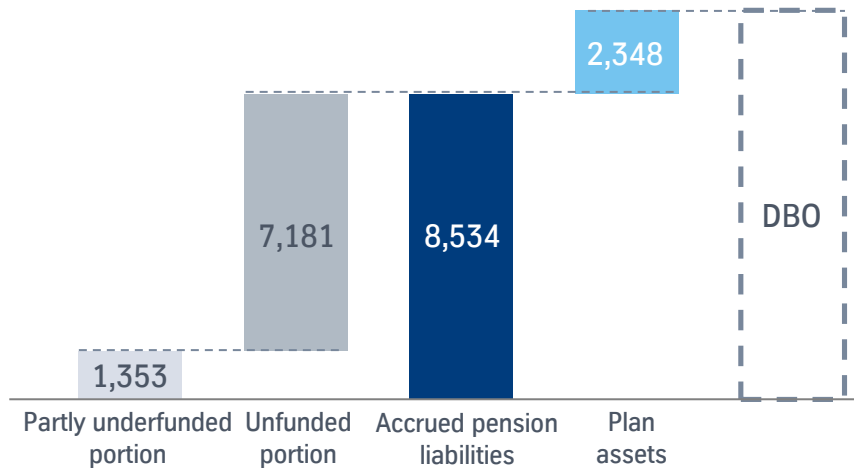
- IFRS requires determination of pension discount rate based on AA-rated corporate bonds
- Pension discount rate sig. lower than interest rates of tk corporate bonds
- ~90% of accrued pensions in Germany; ~64% owed to exist. pensioners (average age ~76 years)



Germany accounts for majority of pension plans

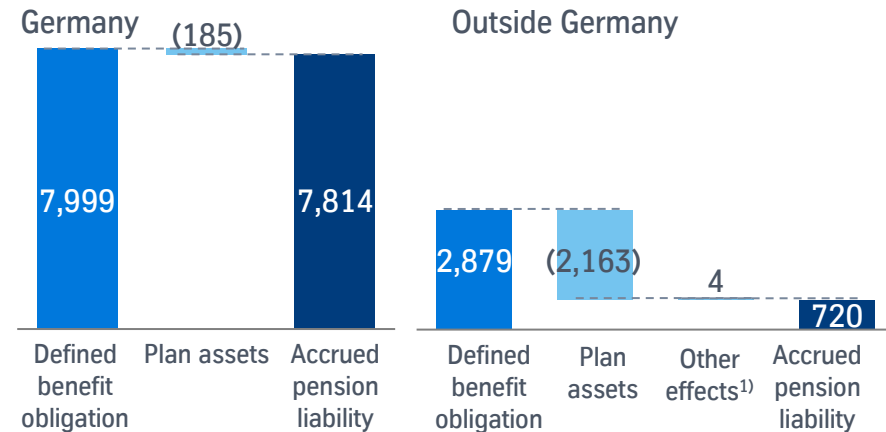
[FY 15/16; € mn]

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



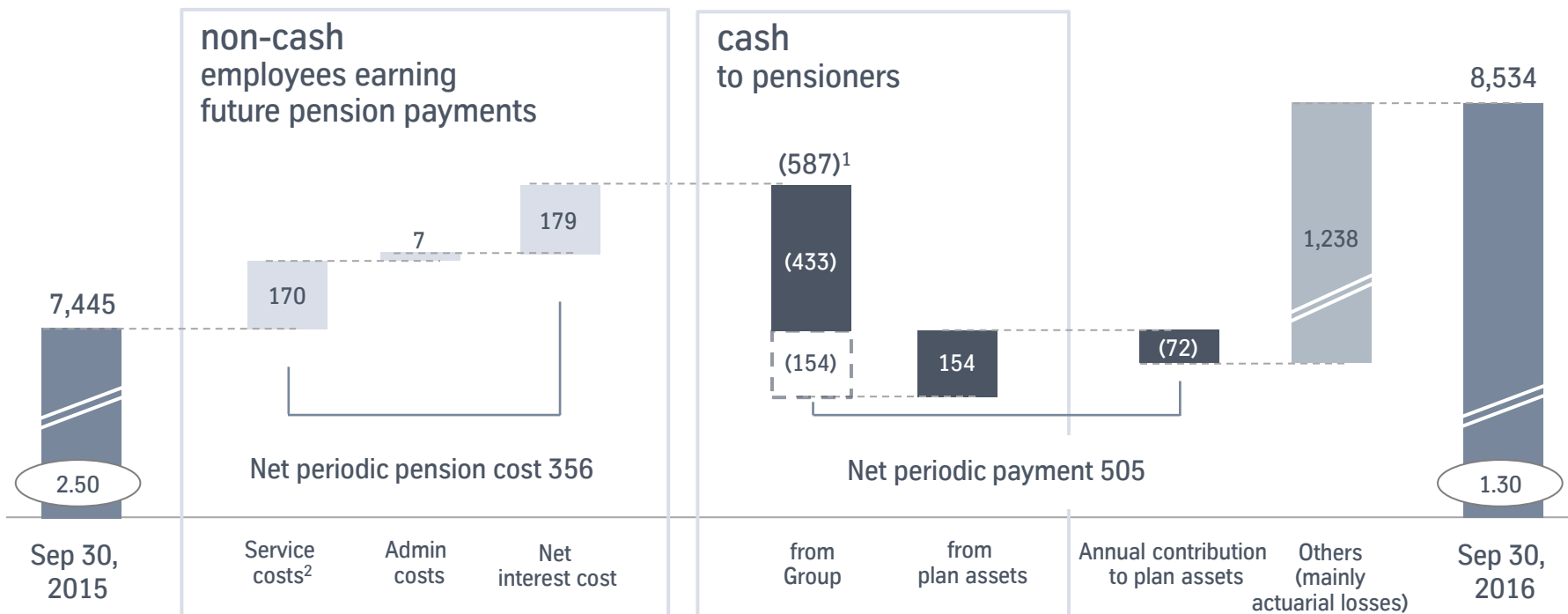
- Plan assets outside Germany mainly attributable to UK (~30%) and USA (~30%)
- Plan asset classes include national and international stocks, fixed income securities of governments and non-governmental organizations, real estate as well as highly diversified funds

Accrued pension liability and accrued postretirement obligation other than pensions referring to defined benefit plans | ¹⁾ e.g. asset ceiling outside Germany, other non-financial assets

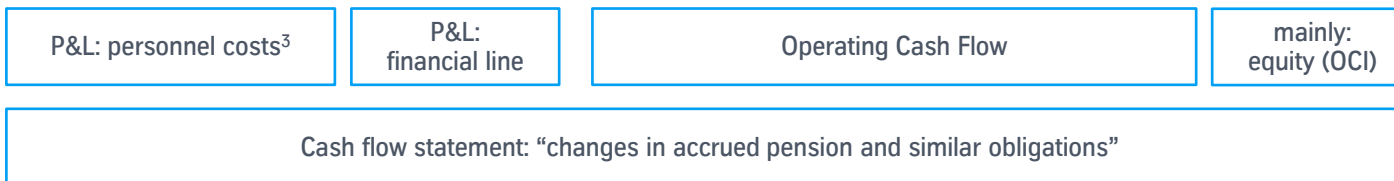


Mature pension scheme: payments amortize liability by ~ €150 mn

Reconciliation of accrued pension [€ mn]



In financial statements



○ German discount rate

¹⁾ Payments to pensioners include ~€30 mn one-timer due to statutory adjustments related to prior years | ²⁾ including past service cost and curtailments

³⁾ additional personnel expenses include €161 mn net periodic pension cost for defined contribution plans



Reconciliation of EBIT Q1 16/17 from Group p&l

P&L structure

| | |
|---------------------------------|------------|
| Net sales | 10,087 |
| Cost of sales | (8,452) |
| SG&A, R&D | (1,406) |
| Other income/expense | 33 |
| Other gains/losses | (10) |
| = Income from operations | 251 |

Income from companies using equity method (11)

Finance income/expense (116)

= EBT 124

EBIT definition

| | |
|----------------------|---------|
| Net sales | 10,087 |
| Cost of sales | (8,452) |
| SG&A, R&D | (1,406) |
| Other income/expense | 33 |
| Other gains/losses | (10) |

Income from companies using equity method (11)

Adjustm. for oper. items in fin. income/expense (0)

= EBIT 240

Finance income/expense (116)

Operating items in fin. income/expense 0

= EBT 124



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“The information set forth and included in this presentation is not provided in connection with an offer or solicitation for the purchase or sale of a security and is intended for informational purposes only.

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- (i) market risks: principally economic price and volume developments,
- (ii) dependence on performance of major customers and industries,
- (iii) our level of debt, management of interest rate risk and hedging against commodity price risks;
- (iv) costs associated with, and regulation relating to, our pension liabilities and healthcare measures,
- (v) environmental protection and remediation of real estate and associated with rising standards for real estate environmental protection,
- (vi) volatility of steel prices and dependence on the automotive industry,
- (vii) availability of raw materials;
- (viii) inflation, interest rate levels and fluctuations in exchange rates;
- (ix) general economic, political and business conditions and existing and future governmental regulation; and
- (x) the effects of competition.

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