

Charts on Q2 2015/16

Facts & Figures

Ticker: TKA (Share) TKAMY (ADR)

May 2016

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thyssenkrupp

CapGoods growth and 'impact' program stabilize Group profit; Significant acceleration of run-rate in H2

- ▶ **Q2 EBIT adj.: Group €326 mn** +39% qoq (5 BA's up qoq, ET with seasonality); -20% yoy
>€450 mn cost savings and efficiency gains ytd; >50% of FY target achieved

CapGoods all up yoy (+18%)

- CT: €86 mn +4% operational improvements and cost discipline
- ET: €186 mn +11% 14 seq. qtrs. with earnings & margins up yoy; margin +0.5%-p. yoy in target range
- IS: €153 mn +40% High margin projects in billing phase

Materials all up qoq; down yoy in extremely challenging environment

- MX: €10 mn -39 mn vol. & price pressure, ~€50 mn windfall losses, disposal VDM
- SE: €65 mn -48 mn vol. & price pressure vs. efficiencies and positive mix effects
- AM: €(65) mn -45 mn higher vol. and efficiencies vs. another sig. further leg down in prices
- Corp.: €(117) mn -18 mn efficiencies shared services vs. higher costs for initiatives

▶ H2/ FY outlook

EBIT adj.:

- Q3E: significant improvement qoq
- H2E: >H1, CapGoods & all Materials
- FYE Guidance reduction to \geq € 1.4 bn: late price recovery of Materials markets in Europe; import and price pressure well into Q2 with sig. windfall losses & spill over effects on Q3

Net income: FY at prior year level

FCF before M&A: H2 positive; FY low three-digit negative to b/e depending on timing of prepayments related to large scale orders



CapGoods growth and 'impact' program stabilize Group profit; Significant acceleration of run-rate in H2

▶ Order Intake: Group H1 €18,837 mn (-8% yoy); Q2 €9,027 mn (-13% yoy)

- CT: €3,318 mn (-2%); €1,669 mn (-5%) LV comp. with growth in China, Europe and US robust in H1, slowing momentum in Q2, Brazil weak; trucks weak; normalizing demand at wind
- ET: €3,824 mn (+2%); €1,832 mn (-3%) Strong demand in new installations (NI) in US and S. Korea; NI units in China above prior year (incl. Marohn); order backlog close to record level
- IS: €2,174 mn (+20%); €644 mn (-13%) H1 with sizeable Yamama cement plant order, Q2 w/o big ticket orders; high order volume for fertilizer and cement plants in advanced status
- Materials: €10,454 mn (-17%)
€5,391 mn (-18%) Continued high import and price pressure

▶ Net income • Q2 €45 mn; yoy stable, significantly lower special items

▶ Net income • Q2 €61 mn; higher by €13 mn yoy attrib. to tka shareh.

▶ FCF bef. M&A • Q2 €(365) mn; lower by €335 mn yoy • temporary NWC increase; payout timing in project business

▶ Gearing • Q2 174.9%; temporarily higher by 13.1 %-points yoy; sig. improvement in H2 below 150%

Equity • €2,753 mn; lower by €110 mn yoy

NFD • €4,816 mn; higher by €183 mn yoy

▶ Financing • Successful refinancing measures of €3 bn in Q2: €850 mn bond placement, €150 mn note loan, early extension of €2 bn syndicated credit line

▶ Further progress in Strategic Way Forward – Purchase of Vale's 27% stake in CSA increases strategic flexibility



Q2: CapGoods growth and 'impact' program stabilize Group profit; Materials in extremely challenging environment

Progress in Strategic Way Forward – Purchase of Vale's 27% stake in CSA for symbolic price

- Increased strategic flexibility; complexity and risk reduction
- No impact on financing requirements and book value CSA

CapGoods EBIT adj.: all BAs up yoy; CT and IS up qoq , ET seasonally lower

- Sales and technology initiatives, high margin projects in billing phase, 'impact' program on track

Materials EBIT adj.: strongly impacted by continued high import and price pressure; all BAs up qoq

FY Guidance reduction reflecting worse than expected Materials environment in H1

- Late price recovery from very low levels; sig. windfall losses; spill over effects on Q3
- But sig. sequential improvement in EBIT & Cash Flow expected: Q3E > Q2 & H2E > H1

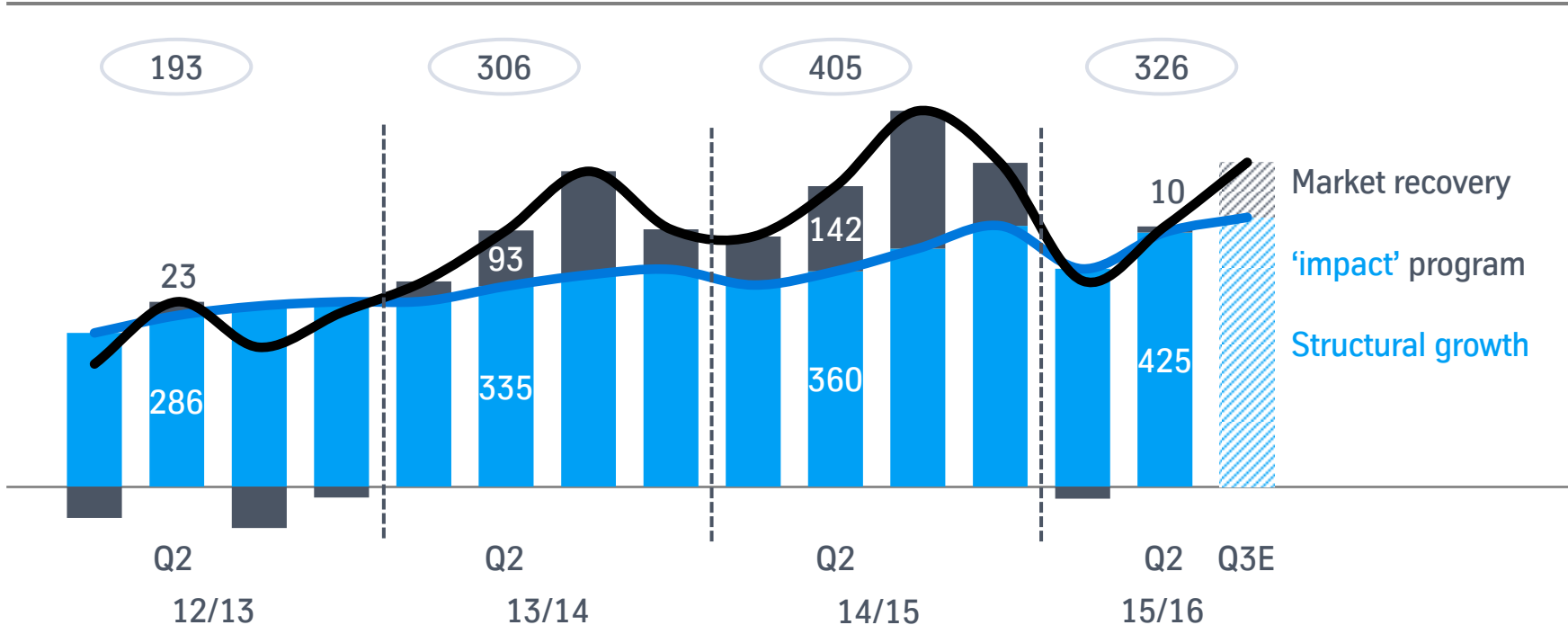
Significant acceleration of run-rate in H2



CapGoods with continuous structural earnings growth

Strategic Way Forward and 'impact' program execution

EBIT adj. (€ mn)



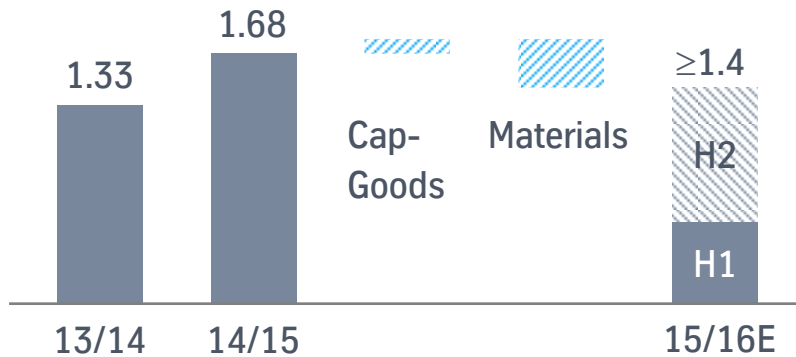
- Group, incl. Corp./Cons.¹⁾
- Materials
- CapGoods

¹⁾ Corp./Cons. Q2: (116), (122), (97), (109)

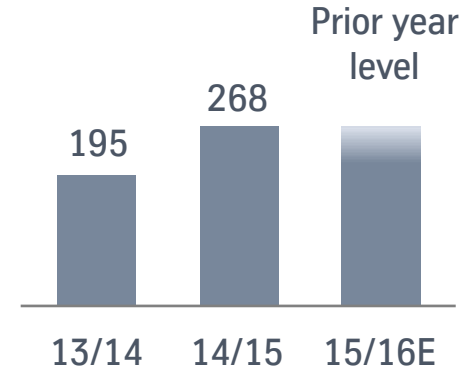


15/16E: Structural progress at CapGoods cannot compensate for extremely challenging Materials environment in H1

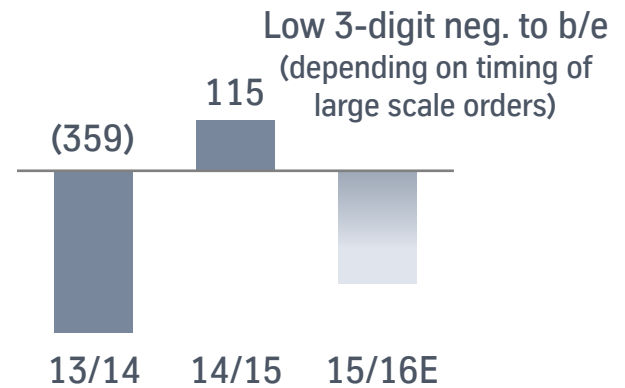
EBIT adj. [€ bn]



Net Income [€ mn]



FCF before M&A [€ mn]



FY: Upside at CapGoods vs. extremely challenging Materials environment

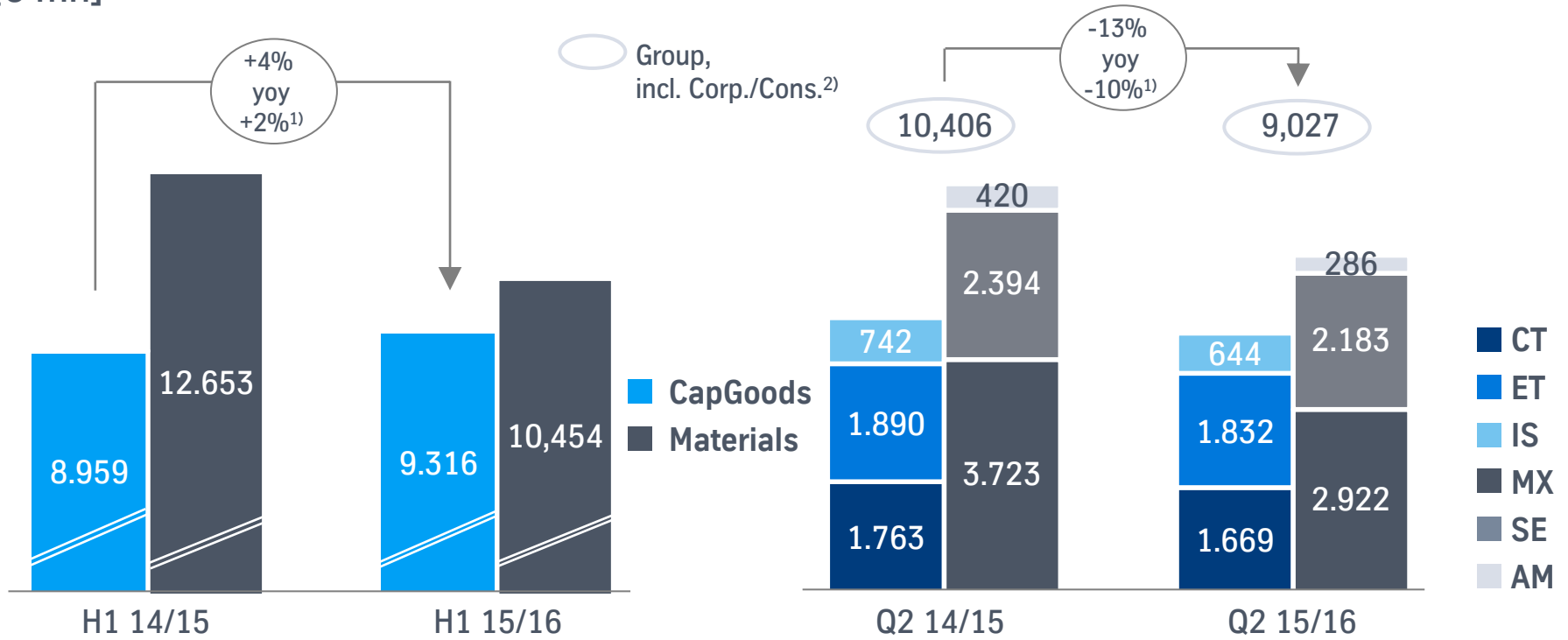
H2: Significant acceleration of run-rate

€850 mn 'impact' gains targeted with € 3-digit mn contribution by each BA



Order intake: CapGoods growth in H1, import pressure at Materials

[€ mn]



- CT** • H1: -2% yoy (-4%)¹⁾; Q2: -5% yoy (-4%)¹⁾
- LV comp. with growth in China, Europe and US (slowing momentum in Q2), Brazil weak
 - Truck market weak; normalizing demand by wind industry

- ET** • H1: +2% yoy (±0%)¹⁾; Q2: -3% yoy (-1%)¹⁾
- Strong demand in new installations (NI) in US and South Korea; NI # China above prior year (incl. Marohn); Brazil weak
 - Order backlog (€5.0 bn) close to record level

- IS** • H1: +20% yoy (+19%)¹⁾; Q2: -13% yoy (-12%)¹⁾
- H1 with sizeable Yamama cement plant order, Q2 without big ticket orders; high order volume for fertilizer and cement plants in advanced status

Materials

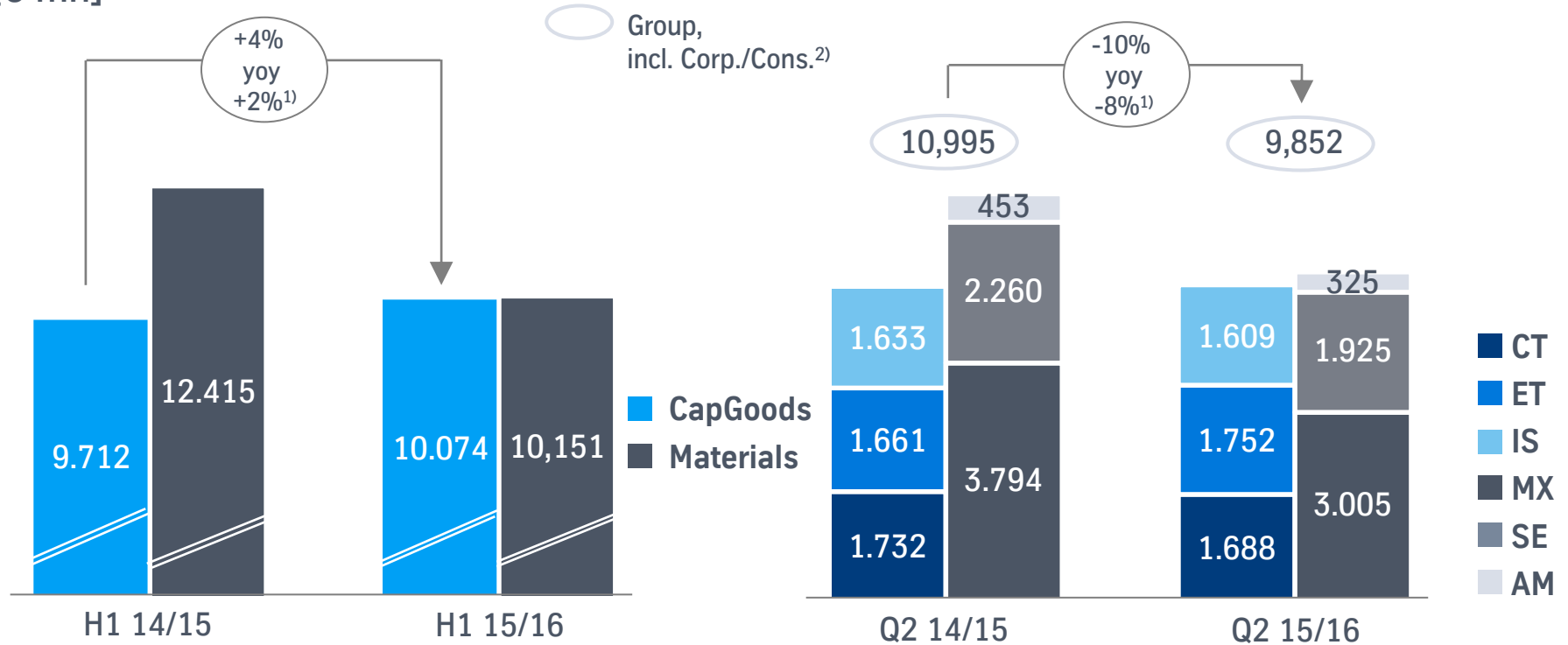
- H1: -17% yoy (-15%)¹⁾; Q2: -18% yoy (-15%)¹⁾
- Continued high import and price pressure
- Disposal VDM (MX)

¹⁾ Adjusted for F/X and portfolio changes | ²⁾ Corp./Cons. H1: (1,112), (932); Q2: (526), (508)



Sales: CapGoods growth in H1, import pressure at Materials

[€ mn]



- CT** • H1: ±0% yoy (-1%)¹⁾; Q2: -3% yoy (-1%)¹⁾
- LV comp. with growth in China, Europe and US (slowing momentum in Q2), Brazil weak
 - Truck market weak; normalizing demand by wind industry
- ET** • H1: +7% yoy (+6%)¹⁾; Q2: +5% yoy (+8%)¹⁾
- Clear growth driven by US, China and S. Korea impacted by negative F/X effects; Europe on prior year level
- IS** • H1: +3% yoy (+3%)¹⁾; Q2: -1% yoy (-1%)¹⁾
- Stable sales from high quality order backlog

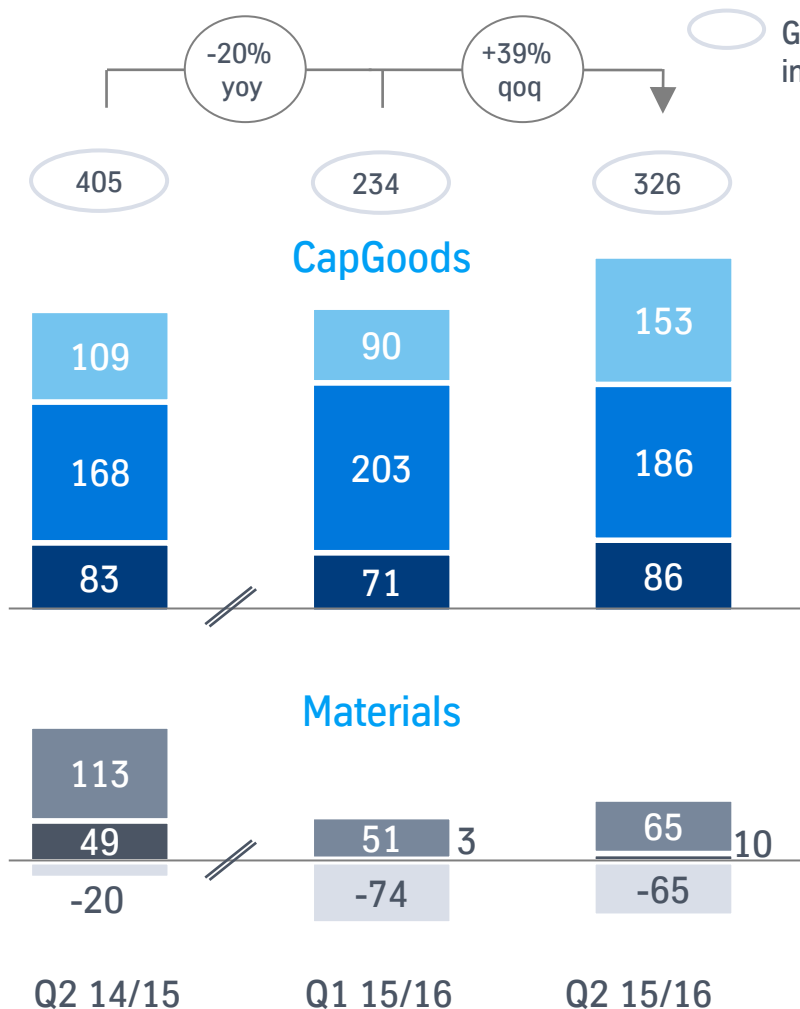
- MX** • H1: -19% yoy (-14%)¹⁾; Q2: -21% yoy (-15%)¹⁾
- Strong price and competitive pressure; VDM and RIP sold in prior year; growth at Aerospace and AST (absence of strike)
- SE** • H1: -14% yoy (-14%)¹⁾; Q2: -15% yoy (-15%)¹⁾
- Lower prices and volumes reflecting continued high import pressure and selective reduction of shipments
- AM** • H1: -29% yoy (-34%)¹⁾; Q2: -28% yoy (-25%)¹⁾
- High price pressure in the USA and South America

¹⁾ Adjusted for F/X and portfolio changes | ²⁾ Corp./Cons. H1: (1,088), (825); Q2: (538), (452)



EBIT adj.: CapGoods growth & efficiency gains vs. margin pressure at Materials

[€ mn]



- CT:**
 - +4% yoy
 - Operational improvements and cost discipline
- ET:**
 - +11% yoy
 - 14 seq. quarters with earnings and margins up yoy; margin with +0.5%-p. yoy in target range
- IS:**
 - +40% yoy
 - High margin projects in billing phase
- MX:**
 - €39 mn yoy; +€7 mn qoq
 - Price pressure, ~€50 mn windfall losses, disposal VDM (in prior year)
- SE:**
 - €48 mn yoy; +€14 mn qoq
 - Price pressure vs. efficiencies and pos. mix effects; selective reduction in shipments (seas. up qoq; yoy down)
- AM:**
 - €45 mn yoy; +€9 mn qoq
 - Higher shipments and efficiencies vs. another sig. further leg down in prices

¹⁾ Corp./Cons. Q2: (97); Q1: (110); Q2: (109)



Special Items

[€ mn]

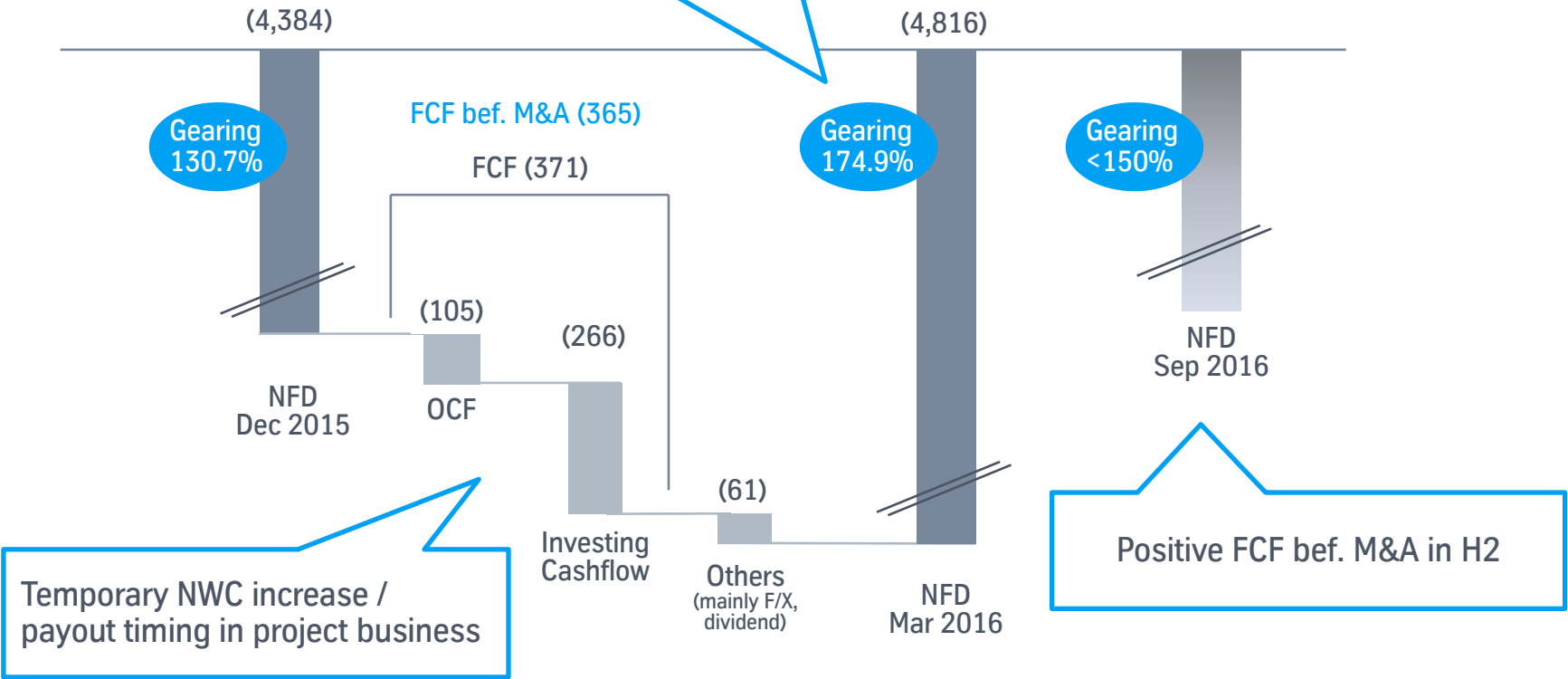
Business Area		2014/15				FY	2015/16	
		Q1	Q2	Q3	Q4		Q1	Q2
CT	Disposal effect				5	5		
	Impairment		(1)		(11)	(12)		(6)
	Restructuring		(1)	(10)		(11)		(1)
	Others		(2)		1	(1)		(3)
ET	Disposal effect				(3)	(3)		8
	Impairment				(46)	(46)	(4)	(2)
	Restructuring	(1)	(6)	(9)	(21)	(37)	(5)	(11)
	Others	(1)	(4)	(3)	(38)	(46)	(1)	(11)
IS	Disposal effect	3		1		4		
	Impairment							
	Restructuring		(1)	(1)	(5)	(7)		(1)
	Others			5	(1)	4		
MX	Disposal effect	(10)	(1)		3	(8)		
	Impairment		(174)	7	(10)	(178)	1	(2)
	Restructuring	(3)		(2)	(7)	(12)	(1)	(1)
	Others	(3)	(11)	(5)	(28)	(46)	(4)	(4)
SE	Disposal effect				57	57		
	Impairment	1		(4)		(3)		(8)
	Restructuring			(12)	(2)	(14)	(1)	(1)
	Others				(18)	(18)		
AM	Disposal effect							
	Impairment							
	Others	(11)	1	(2)	3	(9)	(10)	4
Corp.	Disposal effect	(3)	(4)	(4)	(1)	(12)	(4)	(2)
	Impairment				(3)	(3)		
	Restructuring	(1)	(4)	(4)	(21)	(31)	(1)	(2)
	Others	(1)			(189)	(189)	(10)	(2)
Consolidation			4	(2)	1	1		
Continuing operations		(32)	(204)	(45)	(334)	(615)	(41)	(45)
Discontinued operations		(4)	(2)	(1)	(4)	(11)		
Group (incl. discontinued operations)		(36)	(206)	(46)	(338)	(626)	(41)	(45)



NFD and Gearing with seasonality, significant improvement in H2

Group [€ mn]

Gearing w/o pension increase: ~153%;
 Pension increase from lower interest rate reduced equity by ~€400 mn



Outlook 15/16E

Q3E: group yoy down but qoq up



CT

EBIT at least on prior year level

ET

Sales growth with margin improvement by 0.5-0.7%-pts

IS

Sales and EBIT on prior year level, margin at 6-7%

MX

FY yoy down, H2 sig. > H1

SE

FY yoy down, H2 sig. > H1

AM

FY yoy down, H2 sig. > H1

CapGoods yoy higher, Materials with strong recovery in H2



Key financials (I)

[€ mn]

Continuing operations

	2014/15					2015/16	
	Q1	Q2	Q3	Q4	FY	Q1	Q2
Order intake	10,094	10,406	10,647	10,170	41,318	9,810	9,027
Sales	10,044	10,995	11,178	10,561	42,778	9,548	9,852
EBITDA	590	678	796	392	2,456	489	585
EBITDA adjusted	622	707	841	691	2,861	527	611
EBIT	285	201	494	82	1,061	193	281
EBIT adjusted	317	405	539	415	1,676	234	326
EBT	151	64	356	(76)	496	34	151
Income from cont. ops.	47	47	191	(6)	279	(54)	45
attrib. to TK AG stockh.	54	50	199	17	320	(23)	61
Earnings per share ¹⁾ (€)	0.10	0.09	0.35	0.03	0.57	(0.04)	0.11

¹⁾ attributable to thyssenkrupp AG's stockholders



Key financials (II)

[€ mn]

Continuing operations

	2014/15					2015/16	
	Q1	Q2	Q3	Q4	FY	Q1	Q2
TK Value Added					(399)		
Ø Capital Employed	15,676	16,015	16,202	16,106	16,106	15,489	15,753
Operating cash flow	(382)	214	450	1,029	1,311	(598)	(105)
Cash flow from divestm.	110	24	50	413	597	5	27
Cash flow from investm.	(265)	(267)	(243)	(460)	(1,235)	(254)	(293)
Free cash flow	(537)	(29)	257	982	673	(847)	(371)
FCF before divest	(647)	(53)	207	568	76		
FCF before M&A	(609)	(29)	205	558	126	(847)	(365)
Cash and cash equivalents ¹⁾ (incl. short-term securities)	3,658	3,909	4,049	4,541	4,541	3,655	3,545
Net financial debt ¹⁾	4,212	4,633	4,388	3,414	3,414	4,384	4,816
Equity	2,907	2,863	3,538	3,307	3,307	3,355	2,753
Employees	155,407	155,697	155,984	154,906	154,906	155,387	155,453

¹⁾ referring to Full Group



Key financials (III)

[€ mn]

Full Group

	2014/15					2015/16	
	Q1	Q2	Q3	Q4	FY	Q1	Q2
Order intake	10,094	10,406	10,647	10,170	41,318	9,810	9,027
Sales	10,044	10,995	11,178	10,561	42,778	9,548	9,852
EBITDA	587	675	796	388	2,445	489	585
EBITDA adjusted	622	707	841	691	2,861	527	611
EBIT	281	199	493	77	1,050	193	281
EBIT adjusted	317	405	539	415	1,676	234	326
EBT	147	62	356	(80)	485	34	151
Net income	43	45	191	(12)	268	(54)	45
attrib. to TK AG stockh.	50	48	199	12	309	(23)	61
Earnings per share ¹⁾ (€)	0.09	0.09	0.35	0.02	0.55	(0.04)	0.11
FCF	(541)	(31)	257	977	662	(847)	(371)
FCF before divest	(651)	(55)	206	563	65		
FCF before M&A	(612)	(30)	205	553	115	(847)	(365)

¹⁾ attributable to thyssenkrupp AG's stockholders



Components Technology

[€ mn]

	2014/15				FY	2015/16	
	Q1	Q2	Q3	Q4		Q1	Q2
Order intake	1,621	1,763	1,743	1,699	6,826	1,649	1,669
Sales	1,597	1,732	1,758	1,666	6,753	1,650	1,688
EBITDA	140	159	159	158	615	149	159
EBITDA adjusted	140	162	168	152	622	149	163
EBIT	67	79	81	67	294	71	76
EBIT adjusted	67	83	91	72	313	71	86
EBIT adj. margin (%)	4.2	4.8	5.2	4.3	4.6	4.3	5.1
tk Value Added					(23)		
Ø Capital Employed	3,342	3,460	3,533	3,530	3,530	3,505	3,557
BCF	(120)	53	77	209	219	(155)	29
CF from divestm.	1	(1)	3	6	9	0	1
CF for investm.	(74)	(70)	(105)	(143)	(392)	(78)	(84)
Employees	29,162	29,431	29,464	29,627	29,627	29,772	30,118

Current trading conditions

Sales – LV growth across major regions vs. difficult conditions for trucks (HV) and constr. equip.; neg F/X; Q2 -3% yoy; ex F/X -1%

- Powertrain/Chassis (LV): continuing growth in China; slowing momentum in USA and W. Europe in Q2, robust demand in H1; Brazil still weak
- Powertrain (HV): challenging conditions, esp. in China and Brazil; increasingly weaker demand in USA
- Industrial components: normalizing demand wind industry business, esp. in China; construction / mining equipment still weak

EBIT adj. – slight increase; Q2 +4% yoy; operational improvements and cost discipline



Elevator Technology

[€ mn]

	2014/15				FY	2015/16	
	Q1	Q2	Q3	Q4		Q1	Q2
Order intake	1,868	1,890	2,051	1,895	7,704	1,992	1,832
Sales	1,712	1,661	1,876	1,960	7,208	1,869	1,752
EBITDA	194	177	220	167	759	214	190
EBITDA adjusted	196	187	233	257	873	220	203
EBIT	176	158	199	130	662	193	171
EBIT adjusted	178	168	211	237	794	203	186
EBIT adj. margin (%)	10.4	10.1	11.3	12.1	11.0	10.9	10.6
tk Value Added					559		
Ø Capital Employed	1,248	1,287	1,297	1,289	1,289	1,268	1,253
BCF	75	245	201	201	721	48	289
CF from divestm.	1	0	2	0	3	1	10
CF for investm.	(28)	(23)	(21)	(15)	(87)	(21)	(35)
Employees	51,044	51,001	51,184	51,335	51,335	51,644	51,532

Current trading conditions

- **Order backlog (excl. Service)** nearly on record level at €5.0 bn (+3% yoy)
- **Order intake in Q2** yoy down -3% impacted by F/X and slower demand in Europe and Brazil (Q2: ex F/X -1% yoy); H1 +2% (ex F/X +0%)
- **Sales in Q2** yoy +8% (ex F/X); all BUs with positive operative performance
- **New installation** driven by US (incl. pos. F/X) and South Korea; NI units in China above prior year (incl. majority stake Marohn)
- **Modernization:** positively impacted by market development in USA
- **Maintenance:** markets in Europe and USA remain competitive; market in China with promising growth
- **Q2 EBIT adj. margin** improvement fully in-line with target range of +0.5-0.7% p.a.



Industrial Solutions

[€ mn]

	2014/15				FY	2015/16	
	Q1	Q2	Q3	Q4		Q1	Q2
Order intake	1,075	742	1,334	1,720	4,871	1,530	644
Sales	1,377	1,633	1,574	1,672	6,256	1,506	1,609
EBITDA	107	124	117	141	488	104	167
EBITDA adjusted	104	124	111	148	487	105	168
EBIT	95	108	101	120	425	90	152
EBIT adjusted	92	109	96	127	424	90	153
EBIT adj. margin (%)	6.7	6.7	6.1	7.6	6.8	6.0	9.5
tk Value Added					557		
Ø Capital Employed	(1,963)	(1,819)	(1,681)	(1,554)	(1,554)	(934)	(759)
BCF	(213)	(121)	(162)	(64)	(560)	(223)	(245)
CF from divestm.	5	0	7	(2)	10	1	8
CF for investm.	(12)	(19)	37	(28)	(22)	(15)	(18)
Employees	18,690	18,761	19,148	19,388	19,388	19,518	19,575

Current trading conditions

Large scale order negotiations for fertilizer and cement plants progressing or in advanced status, but without application in Q2

- Chemicals: Pipeline for fertilizer and other plants well filled (e.g. plant order of > €2 bn by Midwest Fertil. Comp. subject to financial close), nevertheless still customer reluctance due to oil- and commodity price slumps
- Resource Tech: smaller orders (e.g. bucket wheel excavator) in Q2; tangible cement plant order in pipeline
- Sys. Eng.: steadily growing demand; project awarded for body-in-white plant from a leading German automotive manufacturer
- Marine Systems: smaller maintenance and service contracts

Q2 EBIT adj. with high margin projects in billing phase, temporarily above margin target range of 6 to 7%

Cash Flow effected by payout timing of backlog projects



Volume KPI's of Materials Businesses

			2011/12	2012/13	2013/14	2014/15				2015/16		
			FY	FY	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2
MX	Warehousing shipments ¹⁾	kt	5,470	5,300	5,592	1,279	1,480	1,433	1,379	5,571	1,275	1,449
	Shipments AST ²⁾	kt	-	-	537	106	210	234	196	747	190	228
SE	Crude Steel	kt	11,860	11,646	12,249	3,020	3,189	3,153	3,031	12,393	2,883	2,970
	Steel Europe AG	kt	8,408	8,487	8,936	2,187	2,398	2,462	2,229	9,276	2,214	2,364
	HKM	kt	3,452	3,160	3,313	833	790	691	802	3,117	669	607
	Shipments	kt	12,009	11,519	11,393	2,554	3,155	3,052	2,964	11,725	2,359	2,839
	Cold-rolled	kt	7,906	7,437	7,137	1,587	1,928	1,856	1,811	7,182	1,515	1,819
	Hot-rolled	kt	4,103	4,082	4,256	967	1,228	1,196	1,153	4,543	845	1,019
	Average Steel revenues per ton ³⁾		122	127	119	117	113	114	112	114	113	105
AM	Slab production CSA	kt	3,369	3,550	4,110	987	900	1,021	1,097	4,005	1,112	953
	Shipments AM	kt	3,401	3,457	4,194	1,029	821	963	1,036	3,849	1,061	1,130
	USD/EUR	Aver.	1.30	1.31	1.36	1.25	1.13	1.10	1.11	1.15	1.10	1.10
	USD/EUR	Clos.	1.29	1.35	1.26	1.22	1.08	1.12	1.12	1.12	1.09	1.14
	BRL/USD	Aver.	1.88	2.10	2.29	2.54	2.85	3.08	3.52	2.98	3.85	3.91
	BRL/USD	Clos.	1.86	2.03	2.45	2.66	3.25	3.10	4.00	4.00	3.90	3.62

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



Materials Services

[€ mn]

	2014/15				FY	2015/16	
	Q1	Q2	Q3	Q4		Q1	Q2
Order intake	3,546	3,723	3,572	3,104	13,945	2,846	2,922
thereof Special Materials	546	729	736	424	2,435	386	391
Sales	3,421	3,794	3,778	3,261	14,254	2,821	3,005
thereof Special Materials	522	733	818	514	2,587	362	420
EBITDA	27	79	121	58	285	29	32
EBITDA adjusted	44	89	122	99	354	35	37
thereof Special Materials	(12)	34	53	22	97	12	8
EBIT	(14)	(137)	89	24	(38)	(1)	3
EBIT adjusted	2	49	89	66	206	3	10
thereof Special Materials	(33)	14	34	16	30	2	(1)
EBIT adj. margin (%)	0.1	1.3	2.4	2.0	1.4	0.1	0.3
thereof Special Materials	(6.3)	1.9	4.2	3.1	1.2	0.5	(0.3)
tk Value Added					(449)		
Ø Capital Employed	4,685	4,672	4,661	4,566	4,566	4,017	4,007
BCF	(84)	(18)	97	318	313	(188)	71
thereof Special Materials	(89)	31	24	72	39	(6)	(7)
CF from divestm.	94	0	2	298	394	1	2
CF for investm.	(22)	(22)	(23)	(48)	(115)	(14)	(30)
Employees	22,423	22,418	22,347	20,226	20,226	20,009	19,791

Current trading conditions

Very challenging materials environment: significant price fall and margin pressure; VDM (closing end of July '15) and RIP (closing Dec. 4, '14) sold in prior year

Sales Q2 lower yoy: strong price and competitive pressure; AST with higher prod. and shipments offset by lower alloy prices; Aerospace growth in business with new customers and new long-term contracts

EBIT adj. Q2 lower yoy: sale of VDM and high windfall losses (~€50 mn); profitable growth at Aerospace; extensive package of measures under way to stabilize earnings



Steel Europe

[€ mn]

	2014/15				FY	2015/16	
	Q1	Q2	Q3	Q4		Q1	Q2
Order intake	2,095	2,394	2,050	1,883	8,421	1,846	2,183
Sales	1,985	2,260	2,287	2,165	8,697	1,723	1,925
EBITDA	199	217	259	249	924	156	166
EBITDA adjusted	198	217	276	208	899	156	167
EBIT	80	113	150	171	514	50	56
EBIT adjusted	79	113	166	133	492	51	65
EBIT adj. margin (%)	4.0	5.0	7.3	6.2	5.7	2.9	3.4
tk Value Added					14		
Ø Capital Employed	5,384	5,376	5,324	5,265	5,265	5,088	5,102
BCF	(176)	371	186	292	673	(231)	167
CF from divestm.	4	1	(1)	92	97	(2)	1
CF for investm.	(100)	(95)	(96)	(166)	(458)	(86)	(89)
Employees	27,740	27,481	27,273	27,601	27,601	27,493	27,368

Current trading conditions

EU carbon flat steel demand in 2016 expected to move sideways; continued massive import pressure in calendar Q1 2016

Sales Q2: yoy down due to lower prices and volumes reflecting import pressure and selective reduction of shipments

EBIT adj. Q2 down yoy: lower volumes and prices cannot be compensated by efficiency gains and positive product mix effects

“one steel” program to secure long-term competitiveness



Steel Americas

[€ mn]

	2014/15				FY	2015/16	
	Q1	Q2	Q3	Q4		Q1	Q2
Order intake	475	420	519	308	1,723	371	286
Sales	502	453	441	376	1,773	350	325
EBITDA	21	17	8	(53)	(7)	(47)	(25)
EBITDA adjusted	32	15	11	(57)	1	(37)	(29)
EBIT	(11)	(19)	(27)	(90)	(147)	(84)	(61)
EBIT adjusted	0	(20)	(25)	(94)	(138)	(74)	(65)
EBIT adj. margin (%)	0.0	(4.4)	(5.7)	(24.9)	(7.8)	(21.2)	(20.0)
tk Value Added					(374)		
Ø Capital Employed	2,101	2,150	2,178	2,167	2,167	2,113	2,115
BCF	(1)	5	15	(57)	(37)	(70)	(25)
CF from divestm.	1	0	0	1	2	0	1
CF for investm.	(10)	(14)	(15)	(48)	(86)	(30)	(25)
Employees	3,348	3,562	3,689	3,725	3,725	3,783	3,771

Current trading conditions

Sales Q2: Yoy decline in sales owing to increased price pressure in the USA and South Americas; shipments up 38% yoy at 1.1 mn t; good progress with building further long-term customer relationships

Adjusted EBIT Q2 lower yoy in difficult price environment: Higher production volumes and shipments, lower raw material and energy costs, and positive closing-date effects on input tax credits in the 2nd quarter (slightly negative H1) outweighed by negative price effects

Efficiency program “UP” (“Ultimate Performance”) launched aiming at sustainable improvement in slab costs



Corporate

[€ mn]

	2014/15					2015/16	
	Q1	Q2	Q3	Q4	FY	Q1	Q2
Order intake	47	49	44	56	196	57	36
Sales	45	48	46	55	194	60	54
EBITDA	(96)	(96)	(87)	(322)	(601)	(121)	(110)
EBITDA adjusted	(91)	(88)	(79)	(112)	(369)	(106)	(105)
EBIT	(107)	(107)	(98)	(337)	(649)	(132)	(122)
EBIT adjusted	(102)	(99)	(90)	(124)	(414)	(117)	(117)
BCF ¹⁾	98	(166)	(21)	(83)	(172)	217	(186)
Employees	3,000	3,043	2,879	3,004	3,004	3,168	3,298

¹⁾ now for Corporate and BAs: pension and related payouts excluded, service costs (non-cash) included, reversal in group consolidation;
from FY15/16: higher payments from all BAs to Corporate for group trade mark

Group initiatives are managed centrally at Corporate and aim to increase competitiveness, customer proximity and cost efficiencies:

- “daproh”: group-wide one harmonized ERP landscape (instead of >200) with automated end-to-end processes (13 business models, 9 templates); improved data quality to speed-up decision making and enable better operational performance; digitalization and industry 4.0 readiness
- “unlTe”: Transformation of IT infrastructure into one global wide area network with 5 cloud-based data centers (replacing 500+IT domains) to enable higher service quality and a significant improved IT security with cost savings at the same time
- “GSS”: Bundling of accounting, IT, real estate and HR workflows in 6 shared service centers for process and cost efficiency



Business Area Overview – Quarterly Order Intake

[€ mn]

	2014/15				FY	2015/16	
	Q1	Q2	Q3	Q4		Q1	Q2
Components Technology	1,621	1,763	1,743	1,699	6,826	1,649	1,669
Elevator Technology	1,868	1,890	2,051	1,895	7,704	1,992	1,832
Industrial Solutions	1,075	742	1,334	1,720	4,871	1,530	644
Materials Services	3,546	3,723	3,572	3,104	13,945	2,846	2,922
Steel Europe	2,095	2,394	2,050	1,883	8,421	1,846	2,183
Steel Americas	475	420	519	308	1,723	371	286
Corporate	47	49	44	56	196	57	36
Consolidation	(633)	(575)	(666)	(495)	(2,368)	(482)	(544)
Continuing operations	10,094	10,406	10,647	10,170	41,318	9,810	9,027



Business Area Overview – Quarterly Sales

[€ mn]

	2014/15				FY	2015/16	
	Q1	Q2	Q3	Q4		Q1	Q2
Components Technology	1,597	1,732	1,758	1,666	6,753	1,650	1,688
Elevator Technology	1,712	1,661	1,876	1,960	7,208	1,869	1,752
Industrial Solutions	1,377	1,633	1,574	1,672	6,256	1,506	1,609
Materials Services	3,421	3,794	3,778	3,261	14,254	2,821	3,005
Steel Europe	1,985	2,260	2,287	2,165	8,697	1,723	1,925
Steel Americas	502	453	441	376	1,773	350	325
Corporate	45	48	46	55	194	60	54
Consolidation	(595)	(586)	(582)	(594)	(2,357)	(432)	(506)
Continuing operations	10,044	10,995	11,178	10,561	42,778	9,548	9,852



Business Area Overview – Quarterly EBITDA and Margin

[€ mn]

	2014/15				FY	2015/16	
	Q1	Q2	Q3	Q4		Q1	Q2
Components Technology	140	159	159	158	615	149	159
%	8.8	9.2	9.0	9.5	9.1	9.0	9.4
Elevator Technology	194	177	220	167	759	214	190
%	11.3	10.7	11.7	8.5	10.5	11.5	10.8
Industrial Solutions	107	124	117	141	488	104	167
%	7.8	7.6	7.4	8.4	7.8	6.9	10.4
Materials Services	27	79	121	58	285	29	32
%	0.8	2.1	3.2	1.8	2.0	1.0	1.1
Steel Europe	199	217	259	249	924	156	166
%	10.0	9.6	11.3	11.5	10.6	9.0	8.6
Steel Americas	21	17	8	(53)	(7)	(47)	(25)
%	4.2	3.8	1.9	(14.0)	0	(13.5)	(7.7)
Corporate	(96)	(96)	(87)	(322)	(601)	(121)	(110)
Consolidation	(2)	1	(1)	(5)	(6)	5	6
Continuing operations	590	678	796	392	2,456	489	585
%	5.9	6.2	7.1	3.7	5.7	5.1	5.9
Discontinued operations	(3)	(3)	0	(5)	(11)	0	0
Group (incl. disc. operations)	587	675	796	388	2,445	489	585
%	5.8	6.1	7.1	3.7	5.7	5.1	5.9



Business Area Overview – Quarterly EBITDA adjusted and Margin

[€ mn]

	2014/15				FY	2015/16	
	Q1	Q2	Q3	Q4		Q1	Q2
Components Technology	140	162	168	152	622	149	163
%	8.8	9.4	9.6	9.1	9.2	9.1	9.6
Elevator Technology	196	187	233	257	873	220	203
%	11.4	11.3	12.4	11.6	11.7	11.8	11.6
Industrial Solutions	104	124	111	148	487	105	168
%	7.6	7.6	7.1	8.8	7.8	7.0	10.5
Materials Services	44	89	122	99	354	35	37
%	1.3	2.3	3.4	2.8	2.5	1.2	1.2
Steel Europe	198	217	276	208	899	156	167
%	10.0	9.6	11.9	9.8	10.3	9.1	8.7
Steel Americas	32	15	11	(57)	1	(37)	(29)
%	6.4	3.3	2.5	(15)	0	(10.7)	(9.0)
Corporate	(91)	(88)	(79)	(112)	(369)	(106)	(105)
Consolidation	0	1	0	(4)	(7)	5	6
Continuing operations	622	707	841	691	2,861	527	611
%	6.2	6.4	7.5	6.2	6.6	5.5	6.2
Discontinued operations	0	0	0	0	0	0	0
Group (incl. disc. operations)	622	707	841	691	2,861	527	611
%	6.2	6.4	7.5	6.2	6.6	5.5	6.2



Business Area Overview – Quarterly EBIT and Margin

[€ mn]

	2014/15				FY	2015/16	
	Q1	Q2	Q3	Q4		Q1	Q2
Components Technology	67	79	81	67	294	71	76
%	4.2	4.6	4.6	4.0	4.4	4.3	4.5
Elevator Technology	176	158	199	130	662	193	171
%	10.3	9.5	10.6	6.6	9.2	10.3	9.7
Industrial Solutions	95	108	101	120	425	90	152
%	6.9	6.6	6.4	7.2	6.8	6.0	9.4
Materials Services	(14)	(137)	89	24	(38)	(1)	3
%	(0.4)	(3.6)	2.4	2.4	2.4	(0.0)	0.1
Steel Europe	80	113	150	171	514	50	56
%	4.0	5.0	6.6	6.6	6.6	2.9	2.9
Steel Americas	(11)	(19)	(27)	(90)	(147)	(84)	(61)
%	(2.2)	(4.2)	(6.1)	(6.1)	(6.1)	(24.0)	(18.6)
Corporate	(107)	(107)	(98)	(337)	(649)	(132)	(122)
Consolidation	1	6	(1)	(3)	0	7	8
Continuing operations	285	201	494	82	1,061	193	281
%	2.8	1.8	4.4	0.8	2.5	2.0	2.9
Discontinued operations	(4)	(2)	(1)	(5)	(11)	0	0
Group (incl. disc. operations)	281	199	493	77	1,050	193	281
%	2.8	1.8	4.4	0.7	2.5	2.0	2.9



Business Area Overview – Quarterly EBIT adjusted and Margin

[€ mn]

	2014/15				FY	2015/16	
	Q1	Q2	Q3	Q4		Q1	Q2
Components Technology	67	83	91	72	313	71	86
%	4.2	4.8	5.2	4.3	4.6	4.3	5.1
Elevator Technology	178	168	211	237	794	203	186
%	10.4	10.1	11.3	12.1	11.0	10.9	10.6
Industrial Solutions	92	109	96	127	424	90	153
%	6.7	6.7	6.1	7.6	6.8	6.0	9.5
Materials Services	2	49	89	66	206	3	10
%	0.1	1.3	2.4	2.0	1.4	0.1	0.3
Steel Europe	79	113	166	133	492	51	65
%	4.0	5.0	7.3	6.2	5.7	2.9	3.4
Steel Americas	0	(20)	(25)	(94)	(138)	(74)	(65)
%	0.0	(4.4)	(5.7)	(24.9)	(7.8)	(21.2)	(20.0)
Corporate	(102)	(99)	(90)	(124)	(414)	(117)	(117)
Consolidation	1	2	1	(4)	0	7	8
Continuing operations	317	405	539	415	1,676	234	326
%	3.2	3.7	4.8	3.9	3.9	2.5	3.3
Discontinued operations	0	0	0	0	0	0	0
Group (incl. disc. operations)	317	405	539	415	1,676	234	326



Business Area Overview (I)

[€ mn]

	Order Intake		Sales		Employees	
	Q2 2014/15	Q2 2015/16	Q2 2014/15	Q2 2015/16	Q2 2014/15	Q2 2015/16
Components Technology	1,763	1,669	1,732	1,688	29,431	30,118
Elevator Technology	1,890	1,832	1,661	1,752	51,001	51,532
Industrial Solutions	742	644	1,633	1,609	18,761	19,575
Materials Services	3,723	2,922	3,794	3,005	22,418	19,791
Steel Europe	2,394	2,183	2,260	1,925	27,481	27,368
Steel Americas	420	286	453	325	3,562	3,771
Corporate	49	36	48	54	3,043	3,298
Consolidation	(575)	(544)	(586)	(506)		
Continued operations	10,406	9,027	10,995	9,852	155,697	155,453
Group (incl. disc. operations)	10,406	9,027	10,995	9,852	155,697	155,453



Business Area Overview (II)

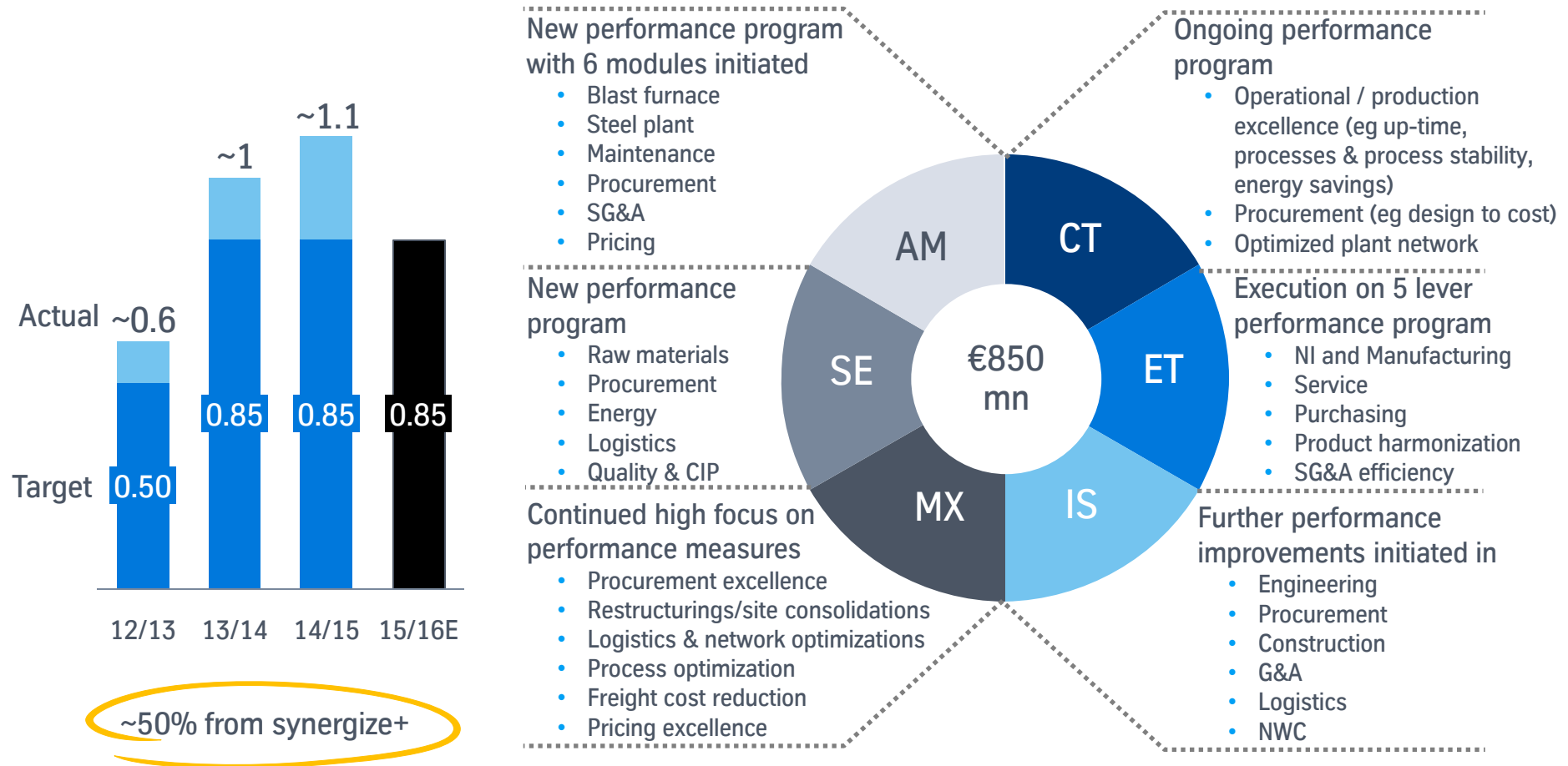
[€ mn]

	EBITDA		EBIT		EBIT adjusted	
	Q2 2014/15	Q2 2015/16	Q2 2014/15	Q2 2015/16	Q2 2014/15	Q2 2015/16
Components Technology	159	159	79	76	83	86
Elevator Technology	177	190	158	171	168	186
Industrial Solutions	124	167	108	152	109	153
Materials Services	79	32	(137)	3	49	10
Steel Europe	217	166	113	56	113	65
Steel Americas	17	(25)	(19)	(61)	(20)	(65)
Corporate	(96)	(110)	(107)	(122)	(99)	(117)
Consolidation	1	6	6	8	2	8
Continued operations	678	585	201	281	405	326
Group (incl. disc. operations)	675	585	199	281	405	326



€850 mn additional 'impact' effects targeted for 15/16

[€mn / %]

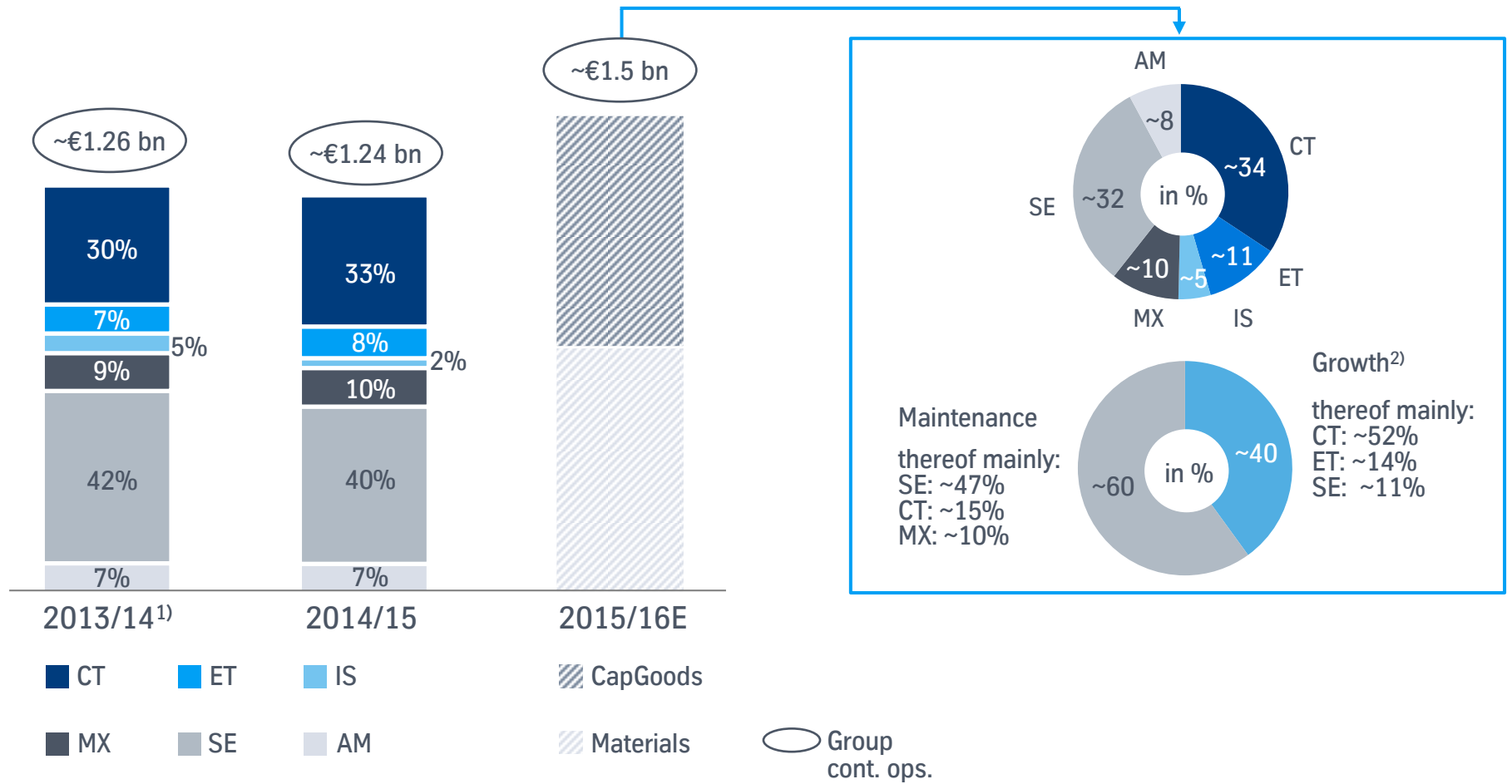


All business areas with triple-digit mn contributions to impact target



Capex allocation

Cash flows from investing activities – continuing operations

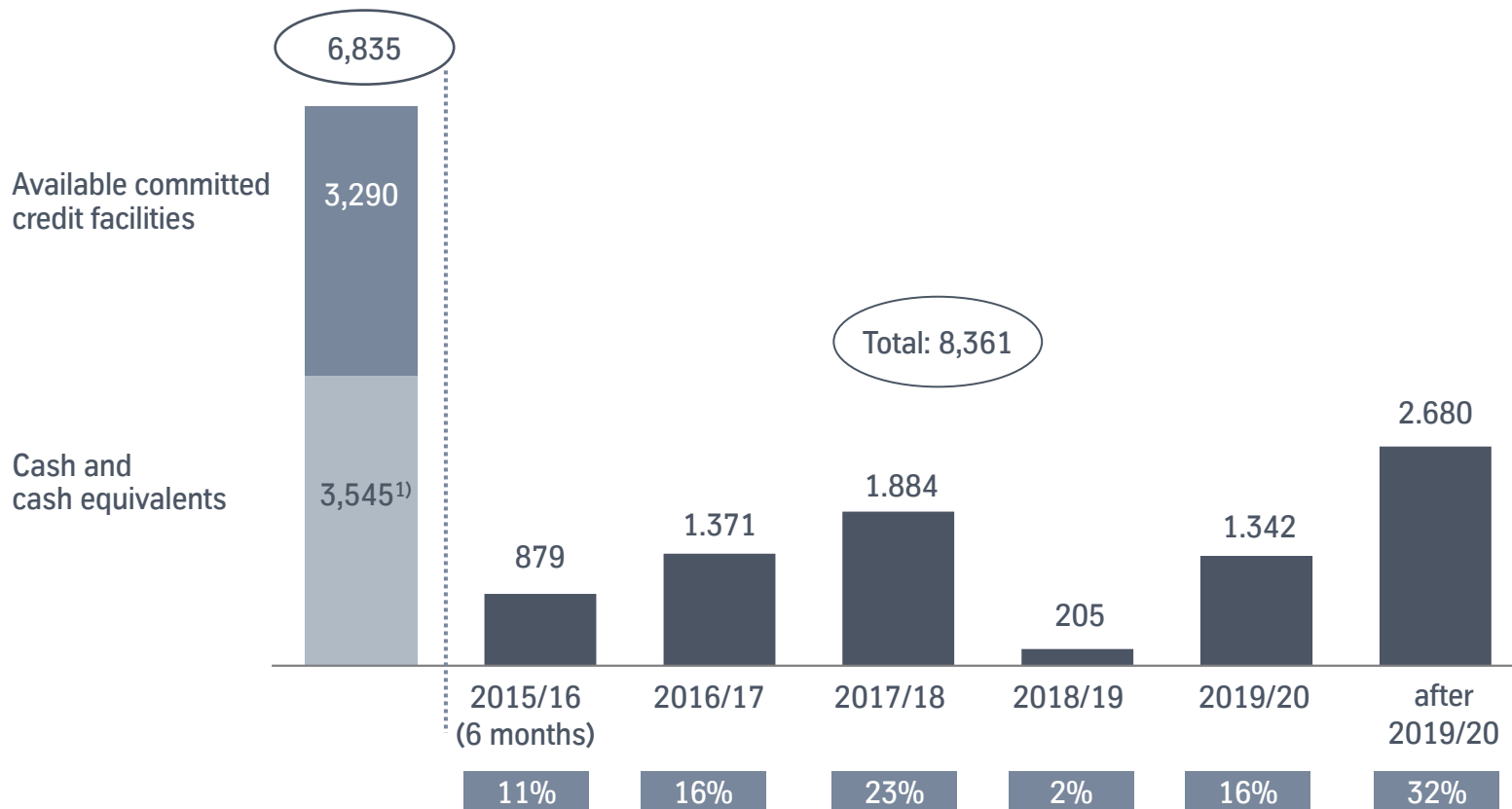


Business Area shares referring to capex excl. Corporate | ¹⁾ Restated due to proportionate consolidation of HKM | ²⁾ including order related investments



Solid financial situation

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



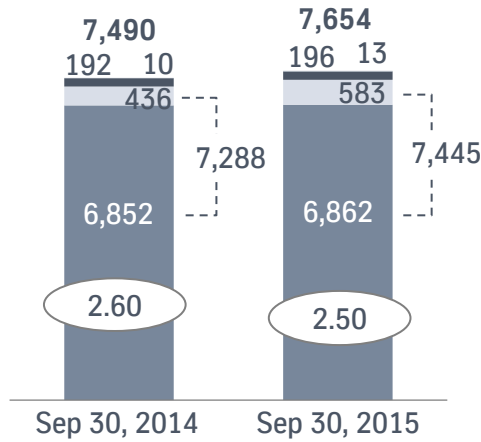
¹⁾ Incl. securities of €6 mn



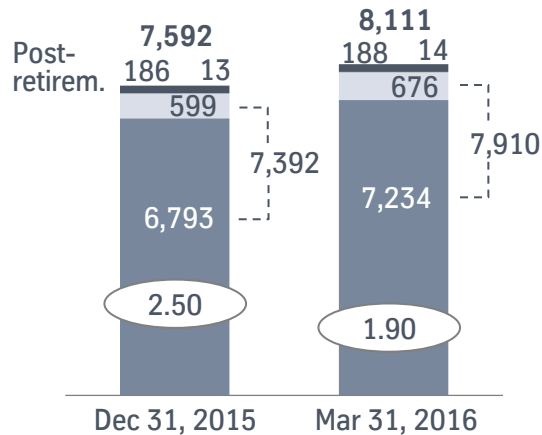
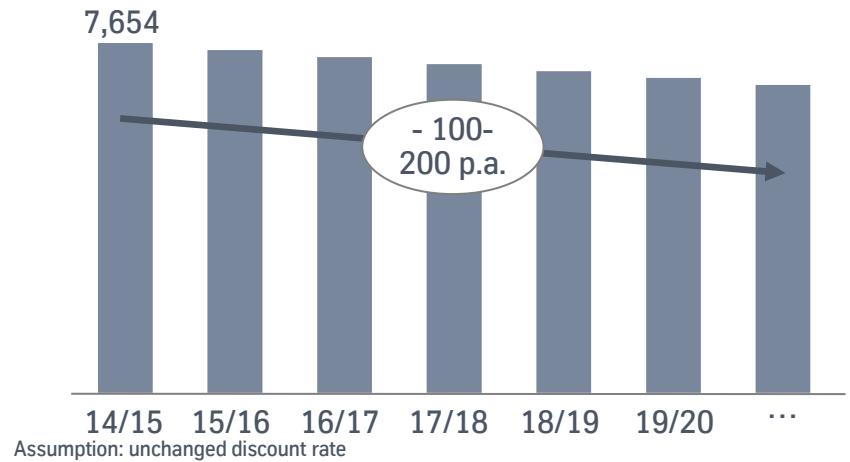
Accrued pension and similar obligations

[€ mn]

Accrued pension and similar obligations



Accrued pension&similar obligations expected to decrease over time



- “Patient” long-term debt, no immediate redemption in one go
- German discount rate aligned to interest rate for AA-rated corporate bonds
- Fluctuation in accrued pension liability mainly driven by actuarial gains and losses (i.e. discount rate, rate of pension progression, mortality probability)
- Germany accounts for 92% of accrued pension liability; 68% of obligations owed to retired employees, average age ~78 years

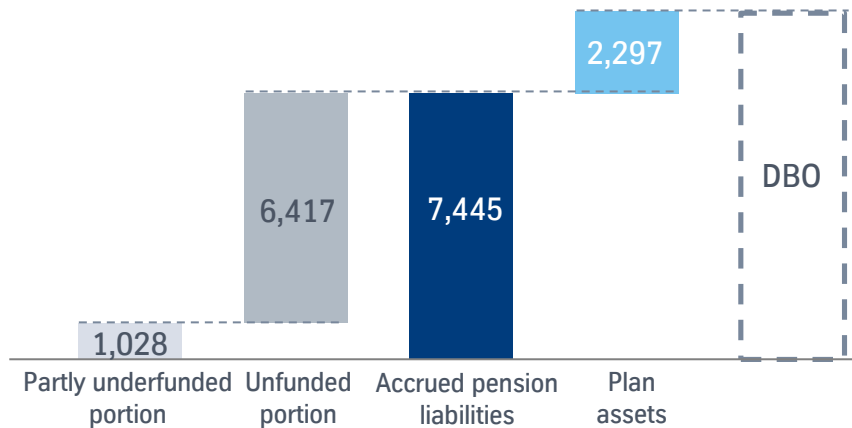
Other accrued pension-related obligation
 Accrued pension liability outside GER
 Accrued pension liability Germany
 Discount rate Germany



Germany accounts for majority of pension plans

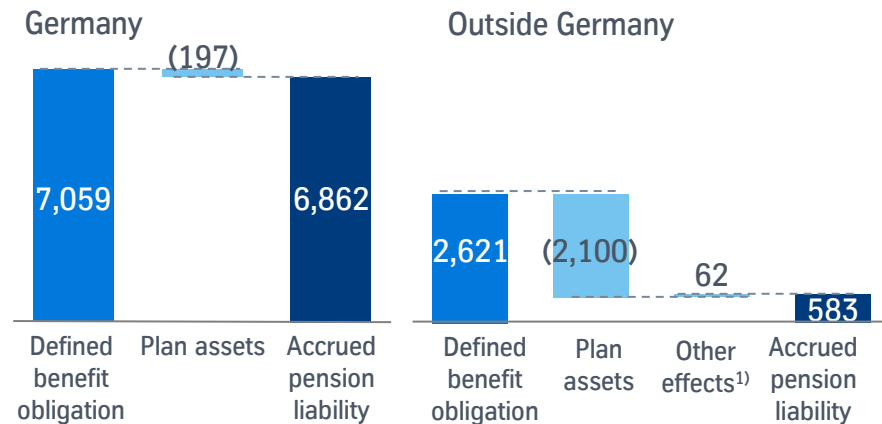
[FY 2014/15; € mn]

Funded status of defined benefit obligation



- 98% of the unfunded portion can be found in Germany; German pension regulations require no mandatory funding of pension obligations with plan assets; funding is mainly done by thyssenkrupp's operating assets

Development of accrued pension liabilities



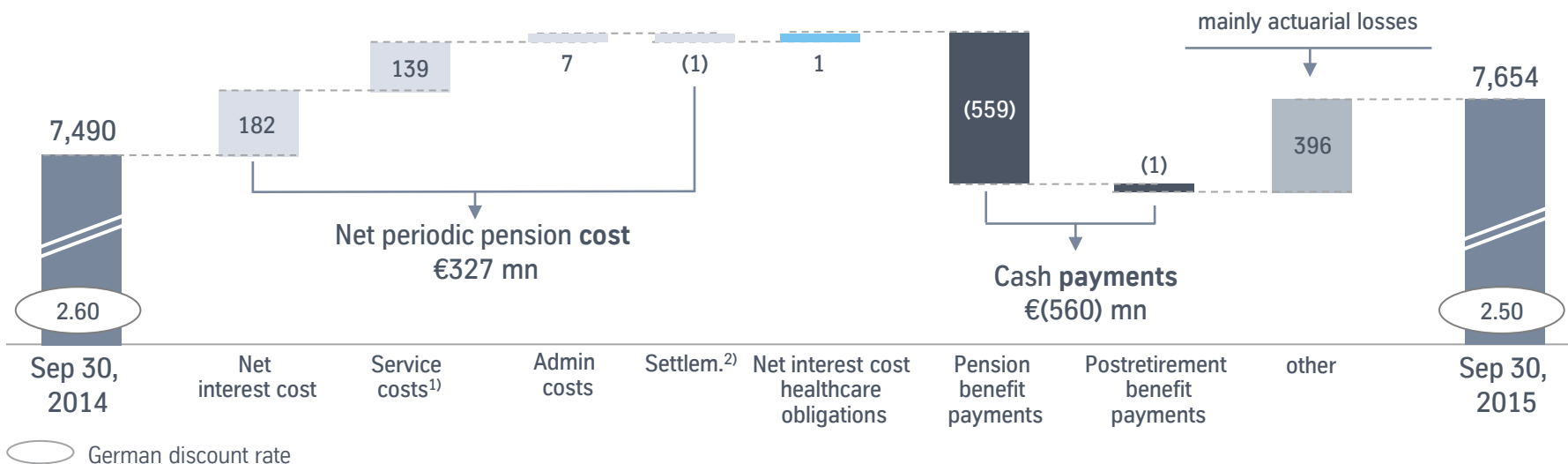
- Plan assets outside Germany mainly attributable to UK (~33%) and USA (~30%)
- Plan asset classes include national and international stocks, fixed income securities of governments and non-governmental organizations, real estate as well as highly diversified funds

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



Mature pension schemes: benefit payments higher than costs

Reconciliation of accrued pensions and similar obligations & effects in key financial statements [€ mn]



P&L ³⁾	Interest income/expense	Personnel expenses	Interest in/exp	-	-	-
in EBIT	-	✓	-	-	-	-
below EBIT	✓ (in "I")	-	✓ (in "I")	-	-	-
other compr. income	-	-	-	-	-	(✓) (partly in actuarial gains/losses)
Cash Flow Statement	Included in "changes in accrued pension & similar obligations" (mainly net periodic costs – payments)					

¹⁾ including past service cost and curtailments | ²⁾ including termination benefits | ³⁾ additional personnel expenses include €143 mn net periodic pension cost for defined contribution plans



Reconciliation of EBIT Q2 15/16 from Group p&l

P&L structure

Net sales	9,852
Cost of sales	(8,246)
SG&A, R&D	(1,385)
Other income/expense	20
Other gains/losses	47
= Income from operations	287

Income from companies using equity method 10

Finance income/expense (146)

= EBT 151

EBIT definition

Net sales	9,852
Cost of sales	(8,246)
SG&A, R&D	(1,385)
Other income/expense	20
Other gains/losses	47
Income from companies using equity method	10
Adjustm. for oper. items in fin. income/expense	(16)
= EBIT	281

Finance income/expense (146)

Operating items in fin. income/expense 16

= EBT 151



Reconciliation of EBIT H1 15/16 from Group p&l

P&L structure

Net sales	19,400
Cost of sales	(16,261)
SG&A, R&D	(2,726)
Other income/expense	28
Other gains/losses	57
= Income from operations	499

Income from companies using equity method 26

Finance income/expense (340)

= EBT 185

EBIT definition

Net sales	19,400
Cost of sales	(16,261)
SG&A, R&D	(2,726)
Other income/expense	28
Other gains/losses	57
Income from companies using equity method	26
Adjustm. for oper. items in fin. income/expense	(51)
= EBIT	474

Finance income/expense (340)

Operating items in fin. income/expense 51

= EBT 185



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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.

This presentation contains forward-looking statements that are subject to risks and uncertainties. Statements contained herein that are not statements of historical fact may be deemed to be forward-looking information. When we use words such as “plan,” “believe,” “expect,” “anticipate,” “intend,” “estimate,” “may” or similar expressions, we are making forward-looking statements. You should not rely on forward-looking statements because they are subject to a number of assumptions concerning future events, and are subject to a number of uncertainties and other factors, many of which are outside of our control, that could cause actual results to differ materially from those indicated. These factors include, but are not limited to, the following:

- (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.

Please note that we disclaim any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.”

