

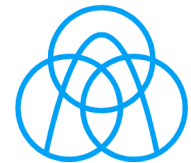
Charts on Q3 2015/16

Facts & Figures

Ticker: TKA (Share) TKAMY (ADR)

August 2016

engineering.tomorrow.together.



thyssenkrupp

Q3 earnings and cash flow with significant improvements qoq; positive contribution from Steel Americas

- ▶ **EBIT adj.: €441 mn** +35% qoq (5 BA's up qoq); -18% yoy
9M: €1,001 mn; >€700 mn op. improvements and cost savings from 'impact' ytd

CapGoods: CT, ET up qoq, yoy

- CT: €100 mn +10% yoy 5 seq. qtrs. with earnings & margins up yoy; margin at 5.6%
- ET: €225 mn +7% yoy 15 seq. qtrs. with earnings & margins up yoy; margin at 11.8% with +0.5%-p. yoy
- IS: €43 mn -55% yoy after strong Q2, Q3 with temp. fewer and lower-margin milestones in billing phase

Materials all up qoq; AM significantly positive, first benefits from price recovery, positive FX effects

- MX: €52 mn +42 mn qoq increasing spot prices rolled steel, stainless steel bottoming out
- SE: €91 mn +26 mn qoq better volumes; positive spot price trend not yet realized
- AM: €39 mn +104 mn qoq first benefits from higher prices, positive FX effects on sales tax asset (~€50 mn)
- Corp.: €(113) mn -23 mn yoy efficiency gains at shared services vs. higher costs for digital transformation

- ▶ **Net Income** €124 mn; significantly up by €79 mn qoq, lower by €67 mn yoy; €115 mn after 9M

- ▶ **FCF bef. M&A** €205 mn; significant sequential improvement by €570 mn qoq; stable yoy

▶ FY outlook confirmed

EBIT adj.: ≥€1.4 bn; upgrades at CT and AM compensate reduction at IS (continued difficult trading conditions chemical plants)

Net Income: FY at prior year level (€268 mn)

FCF before M&A: Q4 sig. positive; FY low three-digit negative to b/e depending on timing of large scale orders



Q3 earnings and cash flow with significant improvements qoq; positive contribution from Steel Americas

► Order Intake: Group €9,399 mn -12% yoy (-9%)¹⁾

- CT: €1,775 mn +2% (+4%)¹⁾ auto comp. with growth in light vehicles, weakness in trucks; industrial comp. with positive development at wind power, weakness in constr. equip.
- ET: €1,867 mn -9% (-7%)¹⁾ strong prior year qtr. (esp. major contracts in passenger boarding bridges); NI units in China > prior year
- IS: €541 mn -59% (-59%)¹⁾ w/o big ticket orders, prior year benefitted from submarine order; project funnel with big tickets in advanced status (fertilizer and cement plants)
- Materials: €5,771 mn -6% (-3%)¹⁾ lower prices yoy, volumes esp. at SE sig. above prior year; positive spot price trend not yet fully realized

► Gearing

Equity

- 175.2%; qoq flat; significant improvement expected in Q4 to below 150%
- €2,723 mn; lower by €30 mn qoq, positive Net Income and FX effects offset by higher pension NPV due to lower discount rates

NFD

- €4,770 mn; lower by €46 mn qoq, positive FCF partially offset by FX effects

H2 earnings run rate > H1 run rate driven mainly by normalized Materials environment

¹⁾ adjusted for F/X and portfolio changes



Q3 earnings and cash flow with significant improvements qoq; positive contribution from Steel Americas

CapGoods overall with structural earnings growth after 9M and FYE

>€700 mn operational improvements and cost savings from 'impact' ytd

5 out of 6 BAs with significantly higher EBIT adj. qoq in Q3

- Positive Net Income and FCF bef. M&A
- Positive spot price trend at Materials not yet fully realized

FY outlook confirmed

- EBIT adj.: ≥€1.4 bn; upgrades at CT and AM compensate reduction at IS
- Q4E with sig. upside qoq in FCF before M&A

Transformation at IS: stronger focus on performance and customer proximity in a dynamic and extremely challenging environment

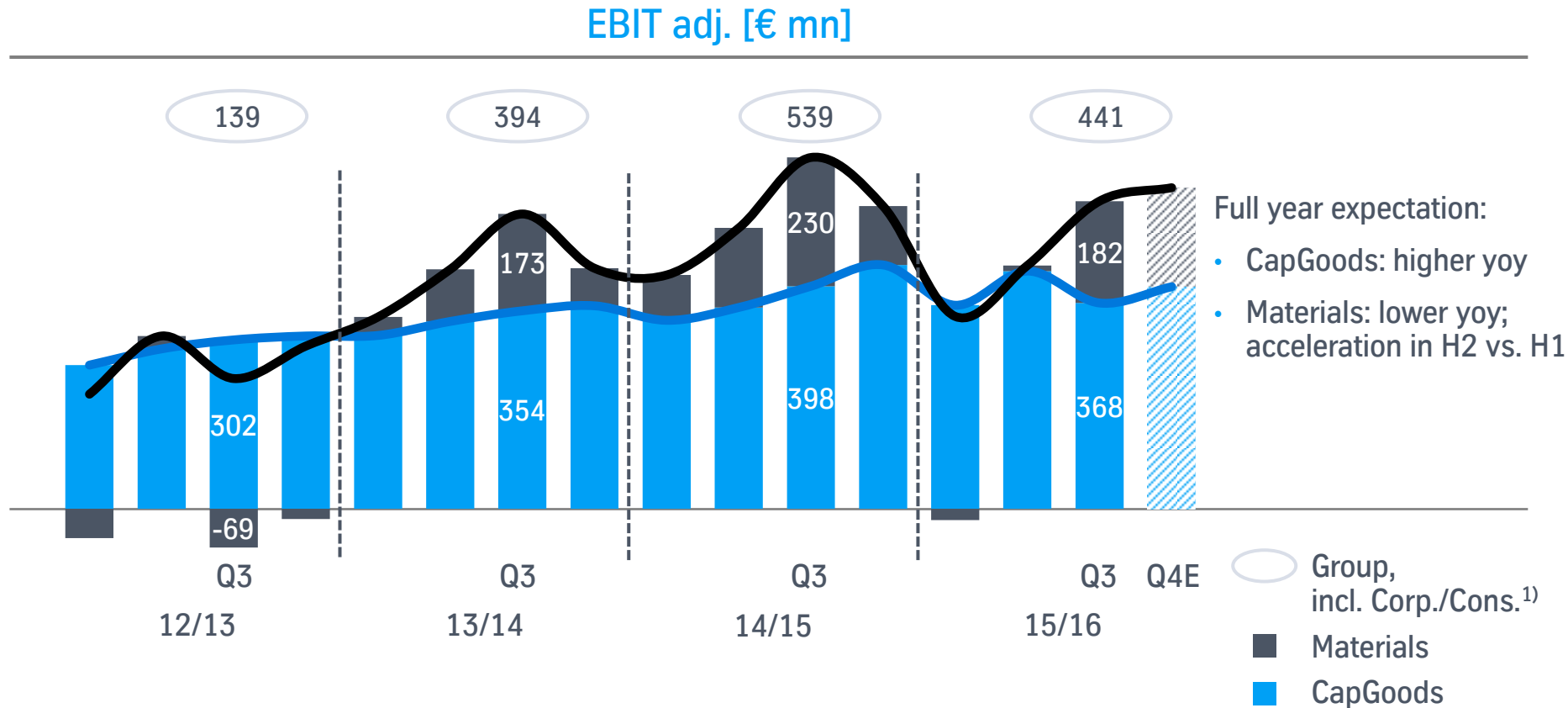
Reorganization of management structures at SE: stronger focus on customers and markets

H2 earnings run rate > H1 run rate driven mainly by normalized Materials environment



CapGoods overall with structural earnings growth after 9M and FYE

Strategic Way Forward and 'impact' program execution

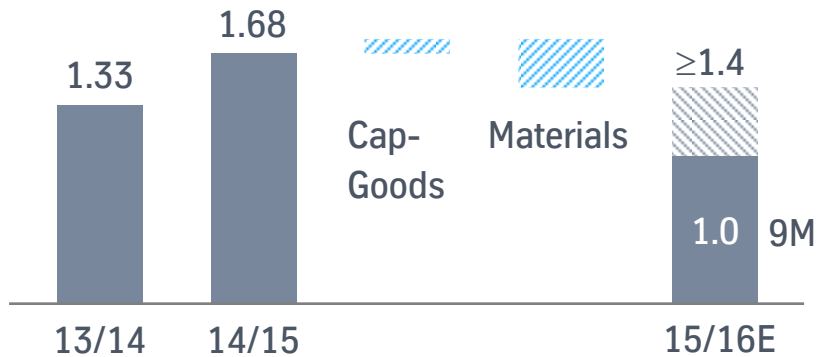


¹⁾ Corp./Cons. Q3: (94), (133), (89), (109)



FY outlook confirmed

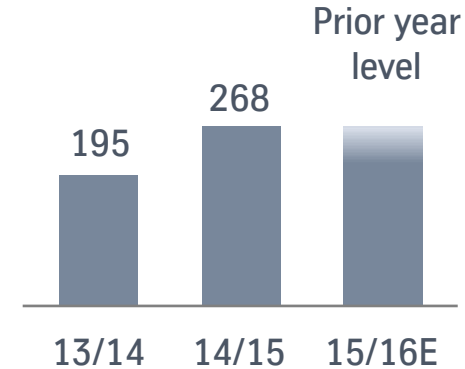
EBIT adj. [€ bn]



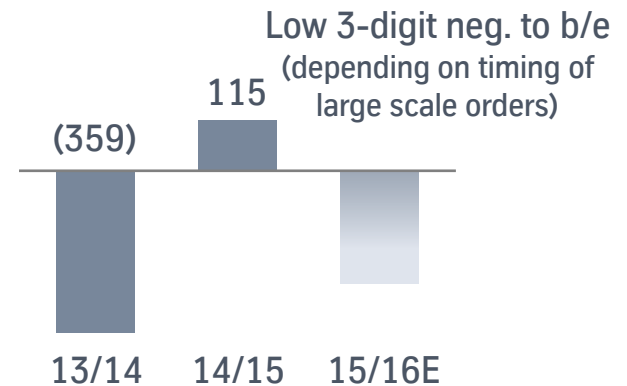
Structural progress at CapGoods overall, acceleration of Materials contribution in H2 after extremely challenging environment in H1

≥ €850 mn 'impact' gains targeted

Net Income [€ mn]

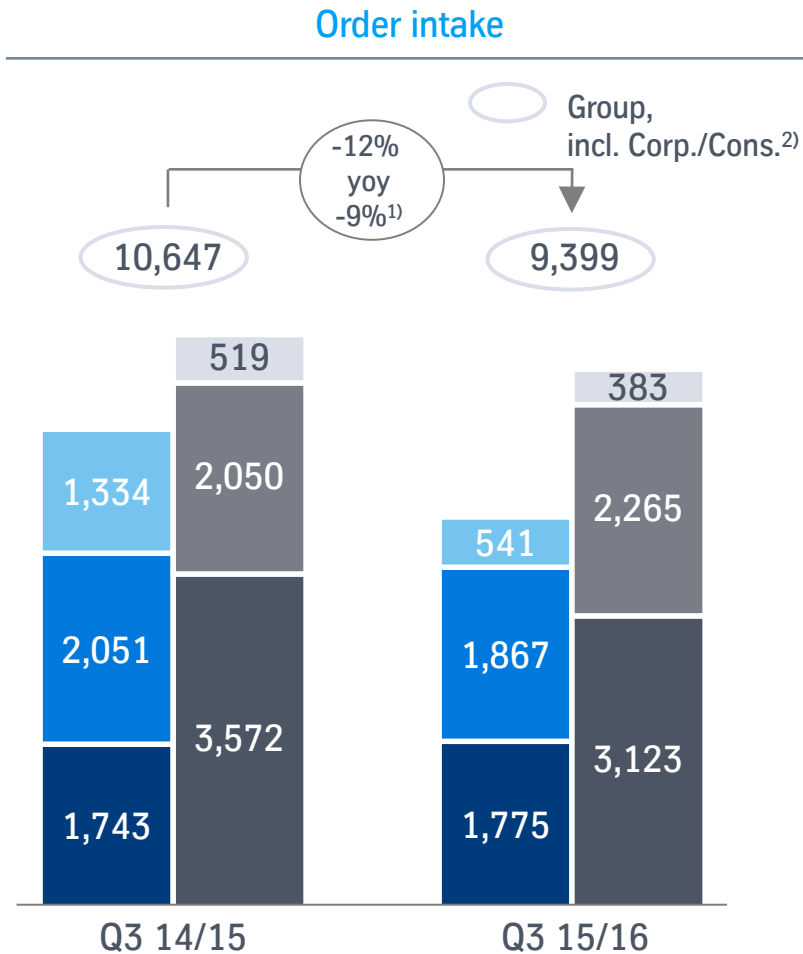


FCF before M&A [€ mn]



Q3 without big ticket orders at Industrial Solutions; volumes at Steel Europe sig. above prior year

[€ mn]



- **CT:**
 - yoy up by 2% (+4%)¹⁾
 - Auto comp. with growth in light vehicles, weakness in trucks; industrial comp. with pos. development at wind power, weakness in constr. equip.
- **ET:**
 - yoy down by 9% (-7%)¹⁾
 - Order backlog (excl. service) >€5 bn
 - Strong prior year qtr. (esp. major contracts in passenger boarding bridges)
 - NI units in China above prior year
- **IS:**
 - yoy down by 59% (-59%)¹⁾
 - w/o big ticket orders, prior year benefitted from submarine order
 - Project funnel with big tickets in advanced status (fertilizer and cement plants)
- **Materials:**
 - yoy down by 6% (-3%)¹⁾
 - Lower prices yoy, volumes esp. at SE sig. above prior year
 - Positive spot price trend not yet fully realized
 - Portfolio (disposal VDM in July 2015)

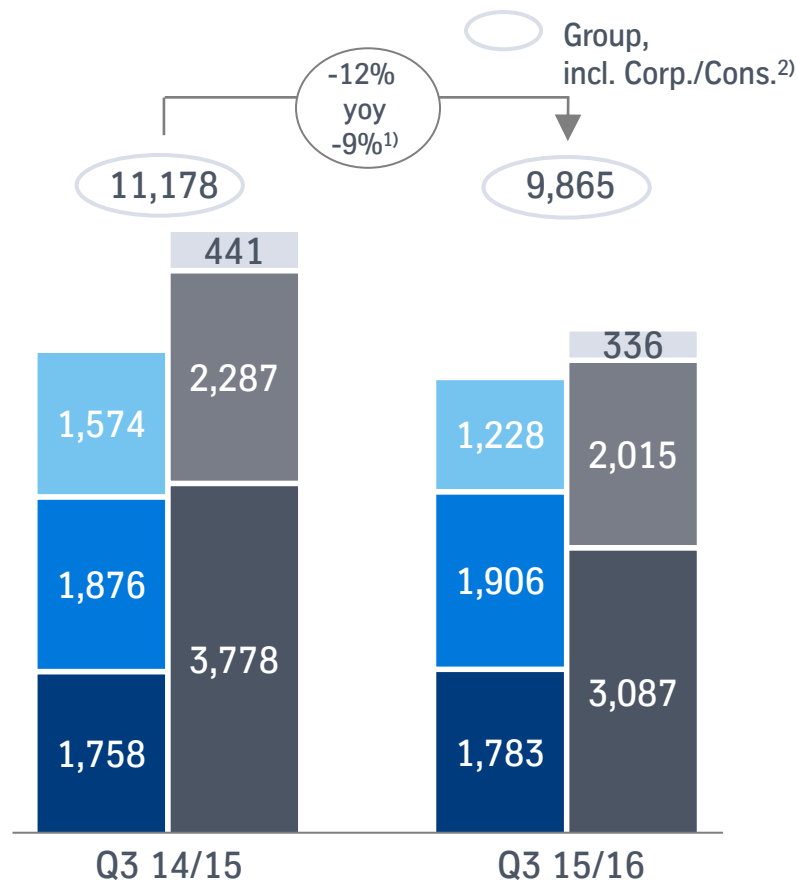
¹⁾ Adjusted for F/X and portfolio changes | ²⁾ Corp./Cons. Q3: (622), (556)



Growth at CT & ET, positive spot price trend not yet fully realized at Materials

[€ mn]

Sales

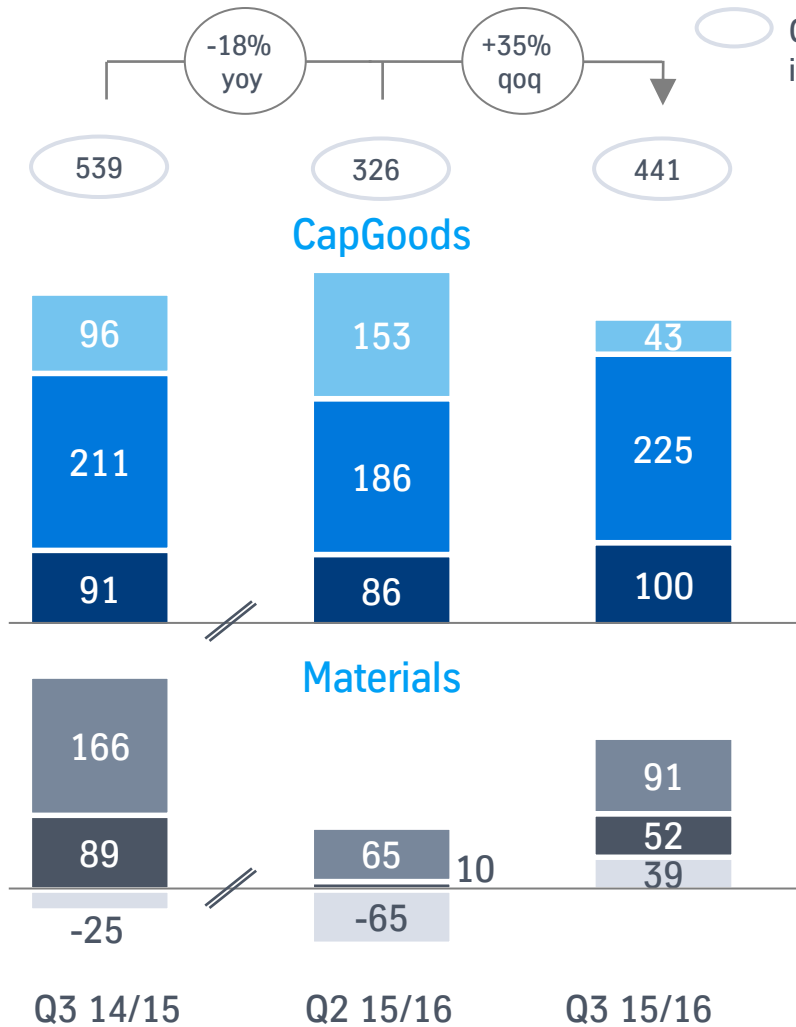


- CT:**
 - yoy up by 1% (+3%)¹⁾
 - Auto comp. with growth in LV, weakness in trucks; industrial comp. with positive development at wind power, weakness in constr. equip
- ET:**
 - yoy up by 2% (+4%)¹⁾
 - Operative growth driven by US, China, South Korea and Europe; negative F/X effects
- IS:**
 - yoy down by 22% (-22%)¹⁾
 - Fewer projects with milestones in billing phase at Process Technologies and Marine Systems
- MX:**
 - yoy down by 18% (-12%)¹⁾
 - Strong price and competitive pressure; portfolio (disposal VDM); growth at Aerospace
- SE:**
 - yoy down by 12% (-12%)¹⁾
 - Lower prices yoy (and qoq), no effect of pos. spot price trend; shipments at prior-year level (qoq up)
- AM:**
 - yoy down by 24% (-21%)¹⁾
 - yoy significantly lower prices (qoq up) not compensated by higher shipments (qoq down)

¹⁾ Adjusted for F/X and portfolio changes | ²⁾ Corp./Cons. Q3: (536), (491)



EBIT adj.: Growth at CT and ET, operational improvements and cost savings [€ mn]



- CT:**
 - yoy up by 10%
 - 5 seq. quarters with earnings and margins up yoy
 - Margin at 5.6%; growth at comp. for light vehicle > weakness at comp. for trucks and constr. equip.
- ET:**
 - yoy up by 7%
 - 15 seq. quarters with earnings and margins up yoy; margin at 11.8% with +0.5%-p. yoy in target range
- IS:**
 - yoy down by 55%
 - After extraordinary strong Q2, Q3 with temporary fewer and lower-margin milestones in billing phase
- MX:**
 - qoq up by €42 mn, yoy down by €37 mn
 - Increasing spot prices rolled steel, stainless steel bottoming out; portfolio (disposal VDM in July 2015)
- SE:**
 - qoq up by €26 mn, yoy down by €75 mn
 - Positive spot price trend not yet realized
- AM:**
 - qoq up by €104 mn, yoy up by €64 mn
 - First benefits from higher prices, positive FX effects on sales tax asset (~€50 mn)

¹⁾ Corp./Cons. Q3: (89); Q2: (109); Q3: (109)



Special Items

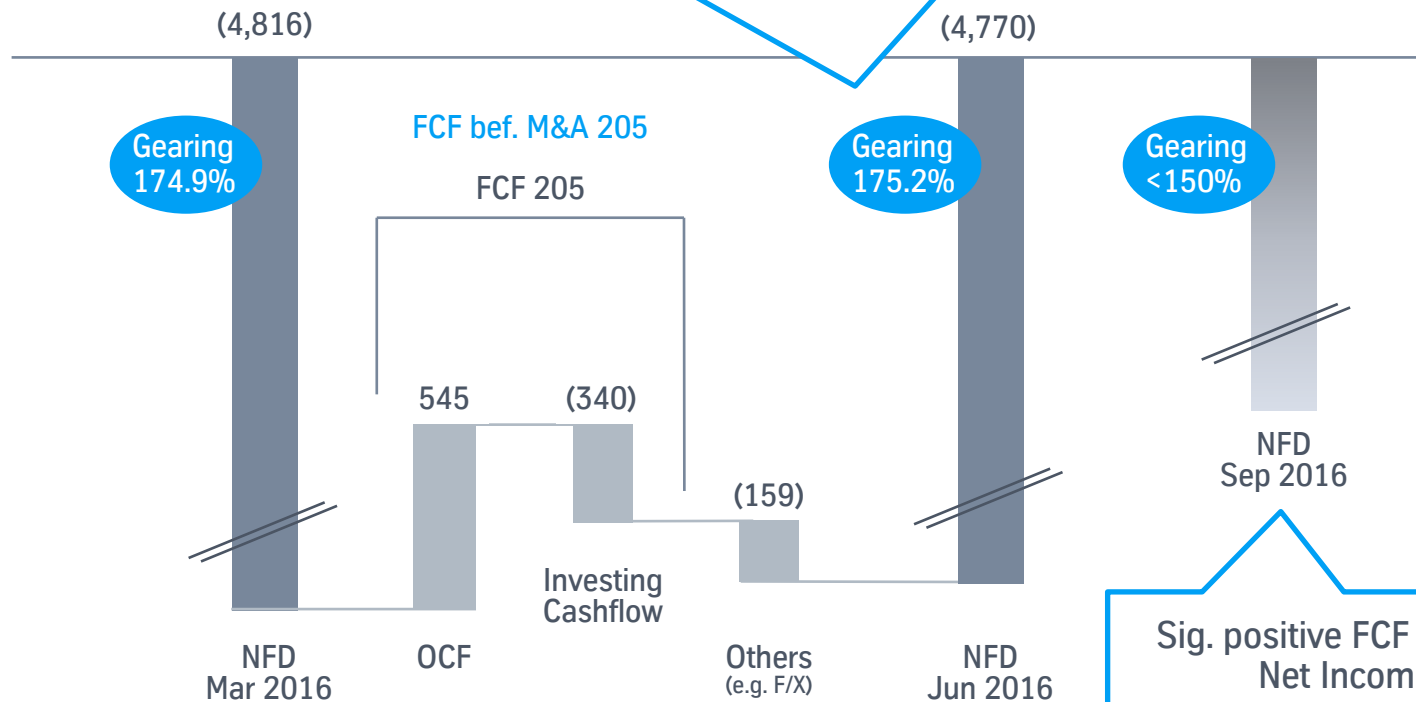
[€ mn]

Business Area		2014/15				FY	2015/16			Comments on Q3
		Q1	Q2	Q3	Q4		Q1	Q2	Q3	
CT	Disposal effect				5	5			<ul style="list-style-type: none"> Plant closures in UK (due to flood) and at Undercarriage Capacity adjustment in Brazil 	
	Impairment		(1)		(11)	(12)	(6)	(5)		
	Restructuring		(1)	(10)		(11)	(1)	(15)		
	Others		(2)		1	(1)	(3)	(8)		
ET	Disposal effect				(3)	(3)	8		<ul style="list-style-type: none"> Restructuring and reorganization in Europe, Africa and Middle East 	
	Impairment				(46)	(46)	(2)	(6)		
	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)	(2)		
	Others			5	(1)	4				
MX	Disposal effect	(10)	(1)		3	(8)			<ul style="list-style-type: none"> Restructuring and relocation of business operations in Europe 	
	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								<ul style="list-style-type: none"> Valuation effect long-term freight contract 	
	Impairment									
	Others	(11)	1	(2)	3	(9)	(10)	4		
Corp.	Disposal effect	(3)	(4)	(4)	(1)	(12)	(4)	(2)	<ul style="list-style-type: none"> Expenses mainly related to divestment projects 	
	Impairment				(3)	(3)		(5)		
	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)	(70)	
Discontinued operations		(4)	(2)	(1)	(4)	(11)				
Group (incl. discontinued operations)		(36)	(206)	(46)	(338)	(626)	(41)	(45)	(70)	



NFD and Gearing: positive FCF vs. discount rate driven higher pension NPV Group [€ mn]

Accumulated (9M) negative effect from pension NPV increase on equity: €682 mn
Gearing w/o pension NPV increase from lower discount rates: ~140%;



Q4 to benefit from 'impact' and spot price trends



CT

FY outlook
EBIT now slightly above prior year level

- Operational improvements

ET

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

IS

Sales now slightly below prior year level, margin at lower end of 6-7% target range

- Continued difficult trading conditions chemical plants

MX

FYE yoy down, H2 sig. > H1

SE

FYE yoy down, H2 sig. > H1

AM

Now significantly reduced losses, H2 sig. > H1 assuming broadly stable FX (BRL/USD)

- Operational improvements, price recovery, FX

¹⁾ assuming broadly stable FX (BRL/USD)



Key financials (I)

[€ mn]

Continuing operations

	2014/15					2015/16		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Order intake	10,094	10,406	10,647	10,170	41,318	9,810	9,027	9,399
Sales	10,044	10,995	11,178	10,561	42,778	9,548	9,852	9,865
EBITDA	590	678	796	392	2,456	489	585	666
EBITDA adjusted	622	707	841	691	2,861	527	611	715
EBIT	285	201	494	82	1,061	193	281	372
EBIT adjusted	317	405	539	415	1,676	234	326	441
EBT	151	64	356	(76)	496	34	151	261
Income from cont. ops.	47	47	191	(6)	279	(54)	45	124
attrib. to TK AG stockh.	54	50	199	17	320	(23)	61	130
Earnings per share ¹⁾ (€)	0.10	0.09	0.35	0.03	0.57	(0.04)	0.11	0.23

¹⁾ attributable to thyssenkrupp AG's stockholders



Key financials (II)

[€ mn]

Continuing operations

	2014/15					2015/16		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
TK Value Added					(399)			
Ø Capital Employed	15,676	16,015	16,202	16,106	16,106	15,489	15,753	15,888
Operating cash flow	(382)	214	450	1,029	1,311	(598)	(105)	545
Cash flow from divestm.	110	24	50	413	597	5	27	3
Cash flow from investm.	(265)	(267)	(243)	(460)	(1,235)	(254)	(293)	(343)
Free cash flow	(537)	(29)	257	982	673	(847)	(371)	205
FCF before divest	(647)	(53)	207	568	76			
FCF before M&A	(609)	(29)	205	558	126	(847)	(365)	205
Cash and cash equivalents ¹⁾ (incl. short-term securities)	3,658	3,909	4,049	4,541	4,541	3,655	3,545	3,100
Net financial debt ¹⁾	4,212	4,633	4,388	3,414	3,414	4,384	4,816	4,770
Equity	2,907	2,863	3,538	3,307	3,307	3,355	2,753	2,723
Employees	155,407	155,697	155,984	154,906	154,906	155,387	155,453	155,248

¹⁾ referring to Full Group



Key financials (III)

[€ mn]

Full Group

	2014/15					2015/16		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Order intake	10,094	10,406	10,647	10,170	41,318	9,810	9,027	9,399
Sales	10,044	10,995	11,178	10,561	42,778	9,548	9,852	9,865
EBITDA	587	675	796	388	2,445	489	585	666
EBITDA adjusted	622	707	841	691	2,861	527	611	715
EBIT	281	199	493	77	1,050	193	281	372
EBIT adjusted	317	405	539	415	1,676	234	326	441
EBT	147	62	356	(80)	485	34	151	261
Net income	43	45	191	(12)	268	(54)	45	124
attrib. to TK AG stockh.	50	48	199	12	309	(23)	61	130
Earnings per share ¹⁾ (€)	0.09	0.09	0.35	0.02	0.55	(0.04)	0.11	0.23
FCF	(541)	(31)	257	977	662	(847)	(371)	205
FCF before divest	(651)	(55)	206	563	65			
FCF before M&A	(612)	(30)	205	553	115	(847)	(365)	205

¹⁾ attributable to thyssenkrupp AG's stockholders



Components Technology

[€ mn]

	2014/15				FY	2015/16		
	Q1	Q2	Q3	Q4		Q1	Q2	Q3
Order intake	1,621	1,763	1,743	1,699	6,826	1,649	1,669	1,775
Sales	1,597	1,732	1,758	1,666	6,753	1,650	1,688	1,783
EBITDA	140	159	159	158	615	149	159	155
EBITDA adjusted	140	162	168	152	622	149	163	178
EBIT	67	79	81	67	294	71	76	72
EBIT adjusted	67	83	91	72	313	71	86	100
EBIT adj. margin (%)	4.2	4.8	5.2	4.3	4.6	4.3	5.1	5.6
tk Value Added					(23)			
Ø Capital Employed	3,342	3,460	3,533	3,530	3,530	3,505	3,557	3,585
BCF	(120)	53	77	209	219	(155)	29	49
CF from divestm.	1	(1)	3	6	9	0	1	0
CF for investm.	(74)	(70)	(105)	(143)	(392)	(78)	(84)	(133)
Employees	29,162	29,431	29,464	29,627	29,627	29,772	30,118	30,281

Current trading conditions

O/I – Q3 +2% yoy, ex F/X +4%; light vehicle (LV) growth across major regions vs. difficult conditions for trucks (HV) & constr. equip.

- Powertrain/Chassis (LV): continuing growth in China; robust demand in USA and W. Europe; Brazil still weak
- Powertrain (HV): challenging conditions, esp. in China and Brazil; further slowdown in USA (esp. in Class 8 segment)
- Industrial components: positive development at wind power, improving dynamics in China; constr. / mining equip. still weak

EBIT adj. – Q3 +10% yoy; operational improvements, cost discipline and growth / ramp up new plants

- 5 subsequent quarters with earnings and margins up yoy



Elevator Technology

[€ mn]

	2014/15				FY	2015/16		
	Q1	Q2	Q3	Q4		Q1	Q2	Q3
Order intake	1,868	1,890	2,051	1,895	7,704	1,992	1,832	1,867
Order backlog	4,277	4,891	4,934	4,863	4,863	5,051	5,040	5,022
Sales	1,712	1,661	1,876	1,960	7,208	1,869	1,752	1,906
EBITDA	194	177	220	167	759	214	190	225
EBITDA adjusted	196	187	233	257	873	220	203	238
EBIT	176	158	199	130	662	193	171	205
EBIT adjusted	178	168	211	237	794	203	186	225
EBIT adj. margin (%)	10.4	10.1	11.3	12.1	11.0	10.9	10.6	11.8
tk Value Added					559			
Ø Capital Employed	1,248	1,287	1,297	1,289	1,289	1,268	1,253	1,219
BCF	75	245	201	201	721	48	289	269
CF from divestm.	1	0	2	0	3	1	10	1
CF for investm.	(28)	(23)	(21)	(15)	(87)	(21)	(35)	(27)
Employees	51,044	51,001	51,184	51,335	51,335	51,644	51,532	51,467

Current trading conditions

- **Order backlog (excl. Service)** >€5.0 bn (+3% yoy)
- **Order intake in Q3** yoy down -9% impacted by F/X and strong prior year qtr. (esp. major contracts in passenger boarding bridges); (Q3: ex F/X -7% yoy); 9M -2% (ex F/X -3%)
- **Sales in Q3** yoy +4% (ex F/X); all E+E BUs with positive operative performance
- **New installation** driven by North America and South Korea, partly offset by negative FX effects; NI units in China above prior year (incl. majority stake Marohn)
- **Modernization:** positively impacted by market development in USA
- **Maintenance:** market in China with promising growth; markets in Europe and USA remain competitive; esp. price
- **Q3 EBIT adj. margin** improvement 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	Q3
Order intake	1,075	742	1,334	1,720	4,871	1,530	644	541
Order backlog	13,493	12,785	12,523	12,307	12,307	12,337	11,288	10,634
Sales	1,377	1,633	1,574	1,672	6,256	1,506	1,609	1,228
EBITDA	107	124	117	141	488	104	167	57
EBITDA adjusted	104	124	111	148	487	105	168	59
EBIT	95	108	101	120	425	90	152	41
EBIT adjusted	92	109	96	127	424	90	153	43
EBIT adj. margin (%)	6.7	6.7	6.1	7.6	6.8	6.0	9.5	3.5
tk Value Added					557			
Ø Capital Employed	(1,963)	(1,819)	(1,681)	(1,554)	(1,554)	(934)	(759)	(587)
BCF	(213)	(121)	(162)	(64)	(560)	(223)	(245)	(232)
CF from divestm.	5	0	7	(2)	10	1	8	0
CF for investm.	(12)	(19)	37	(28)	(22)	(15)	(18)	(19)
Employees	18,690	18,761	19,148	19,388	19,388	19,518	19,575	19,530

Current trading conditions

Project funnel with big tickets in advanced status, but w/o application in Q3; order backlog at €10.6 bn

- Chemicals: customer reluctance due to oil- and commodity price slumps, nevertheless ongoing demand for fertilizer plants (order intake of > €2 bn plant for Midwest Fertilizer Company subject to financial close)
- Res. Tech: small size orders, e. g. wagon tippler, conveyor; big ticket cement plant order in pipeline
- Sys. Eng.: several small size orders; e.g. body-in-white welding cells and modules for gear assembly lines
- Marine Systems: smaller maintenance and service contracts, e.g. for India, prior year quarter benefitted from submarine order

After extraordinary strong Q2, Q3 with temporary fewer and lower-margin milestones in billing phase

Cash Flow effected by lower order intake and 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	Q3
MX	Warehousing shipments ¹⁾	kt	5,470	5,300	5,592	1,279	1,480	1,393	1,379	5,532	1,275	1,449	1,463
	Shipments AST ²⁾	kt	-	-	537	106	210	234	196	747	190	228	232
SE	Crude Steel	kt	11,860	11,646	12,249	3,020	3,188	3,153	3,031	12,392	2,883	2,971	3,116
	Steel Europe AG	kt	8,408	8,487	8,936	2,187	2,398	2,462	2,229	9,276	2,214	2,364	2,355
	HKM	kt	3,452	3,160	3,313	833	790	691	802	3,116	669	607	761
	Shipments	kt	12,009	11,519	11,393	2,554	3,155	3,052	2,964	11,725	2,359	2,839	3,087
	Cold-rolled	kt	7,906	7,437	7,137	1,587	1,928	1,856	1,811	7,182	1,515	1,819	1,930
	Hot-rolled	kt	4,103	4,082	4,256	967	1,228	1,196	1,153	4,543	845	1,019	1,157
	Average Steel revenues per ton ³⁾		139	127	119	117	113	114	112	114	113	105	103
AM	Slab production CSA	kt	3,369	3,550	4,110	987	900	1,021	1,097	4,005	1,112	953	1,064
	Shipments AM	kt	3,401	3,457	4,194	1,029	821	963	1,036	3,849	1,061	1,130	1,049
	USD/EUR	Aver.	1.30	1.31	1.36	1.25	1.13	1.10	1.11	1.15	1.10	1.10	1.13
	USD/EUR	Clos.	1.29	1.35	1.26	1.22	1.08	1.12	1.12	1.12	1.09	1.14	1.11
	BRL/USD	Aver.	1.88	2.10	2.29	2.54	2.85	3.08	3.52	2.98	3.85	3.91	3.51
	BRL/USD	Clos.	1.86	2.03	2.45	2.66	3.25	3.10	4.00	4.00	3.90	3.62	3.23

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	Q3
Order intake	3,546	3,723	3,572	3,104	13,945	2,846	2,922	3,123
thereof Special Materials	546	729	736	424	2,435	386	391	442
Sales	3,421	3,794	3,778	3,261	14,254	2,821	3,005	3,087
thereof Special Materials	522	733	818	514	2,587	362	420	395
EBITDA	27	79	121	58	285	29	32	61
EBITDA adjusted	44	89	122	99	354	35	37	74
thereof Special Materials	(12)	34	53	22	97	12	8	(7)
EBIT	(14)	(137)	89	24	(38)	(1)	3	35
EBIT adjusted	2	49	89	66	206	3	10	52
thereof Special Materials	(33)	14	34	16	30	2	(1)	(13)
EBIT adj. margin (%)	0.1	1.3	2.4	2.0	1.4	0.1	0.3	1.7
thereof Special Materials	(6.3)	1.9	4.2	3.1	1.2	0.5	(0.3)	(3.4)
tk Value Added					(449)			
Ø Capital Employed	4,685	4,672	4,661	4,566	4,566	4,017	4,007	3,950
BCF	(84)	(18)	97	318	313	(188)	71	178
thereof Special Materials	(89)	31	24	72	39	(6)	(7)	(10)
CF from divestm.	94	0	2	298	394	1	2	4
CF for investm.	(22)	(22)	(23)	(48)	(115)	(14)	(30)	(27)
Employees	22,423	22,418	22,347	20,226	20,226	20,009	19,791	19,623

Current trading conditions

Strong price and competitive pressure for practically all materials up to the end of Q2, price recovery from Q3 but still well below prior-year average prices; VDM (closing end of July '15) and RIP (closing Dec. 4, '14) sold in prior year

Sales in Q3 up qoq with flat to slightly higher volumes

EBIT adj. Q3 up qoq with strong cashflow: price increases rolled steel, no further price reductions for stainless, effective earnings-securing measures; BCF significantly positive and up qoq and yoy

Special Materials: negative EBIT adj. in Q3 due to effects from BA internal reorganization



Steel Europe

[€ mn]

	2014/15				FY	2015/16		
	Q1	Q2	Q3	Q4		Q1	Q2	Q3
Order intake	2,095	2,394	2,050	1,883	8,421	1,846	2,183	2,265
Sales	1,985	2,260	2,287	2,165	8,697	1,723	1,925	2,015
EBITDA	199	217	259	249	924	156	166	191
EBITDA adjusted	198	217	276	208	899	156	167	191
EBIT	80	113	150	171	514	50	56	92
EBIT adjusted	79	113	166	133	492	51	65	91
EBIT adj. margin (%)	4.0	5.0	7.3	6.2	5.7	2.9	3.4	4.5
tk Value Added					14			
Ø Capital Employed	5,384	5,376	5,324	5,265	5,265	5,088	5,102	5,067
BCF	(176)	371	186	292	673	(231)	167	159
CF from divestm.	4	1	(1)	92	97	(2)	1	0
CF for investm.	(100)	(95)	(96)	(166)	(458)	(86)	(89)	(105)
Employees	27,740	27,481	27,273	27,601	27,601	27,493	27,368	27,201

Current trading conditions

EU carbon flat steel market growing in 1st half 2016 – but almost exclusively in favor of third-country suppliers

Sales Q3 up qoq: higher shipments; no impact from positive spot price trend yet

EBIT adj. Q3 up qoq: efficiency gains and higher shipments more than compensate for lower average selling prices

New management structures at Steel Europe put customers and markets more firmly at the center; implementation at start of new fiscal year



Steel Americas

[€ mn]

	2014/15				FY	2015/16		
	Q1	Q2	Q3	Q4		Q1	Q2	Q3
Order intake	475	420	519	308	1,723	371	286	383
Sales	502	453	441	376	1,773	350	325	336
EBITDA	21	17	8	(53)	(7)	(47)	(25)	88
EBITDA adjusted	32	15	11	(57)	1	(37)	(29)	74
EBIT	(11)	(19)	(27)	(90)	(147)	(84)	(61)	53
EBIT adjusted	0	(20)	(25)	(94)	(138)	(74)	(65)	39
EBIT adj. margin (%)	0.0	(4.4)	(5.7)	(24.9)	(7.8)	(21.2)	(20.0)	11.6
tk Value Added					(374)			
Ø Capital Employed	2,101	2,150	2,178	2,167	2,167	2,113	2,115	2,129
BCF	(1)	5	15	(57)	(37)	(70)	(25)	18
CF from divestm.	1	0	0	1	2	0	1	0
CF for investm.	(10)	(14)	(15)	(48)	(86)	(30)	(25)	(21)
Employees	3,348	3,562	3,689	3,725	3,725	3,783	3,771	3,737

Current trading conditions

Sales Q3 up qoq: beginning price recovery, shipments temp. lower; good progress building further LT customer relationships

Adjusted EBIT Q3 up qoq and strongly positive: first benefits from higher prices, efficiency gains as well as positive FX effects on sales tax asset (~€50 mn)

Efficiency program “UP” (“Ultimate Performance”) for sustainable improvement of slab costs



Corporate

[€ mn]

	2014/15					2015/16		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Order intake	47	49	44	56	196	57	36	80
Sales	45	48	46	55	194	60	54	64
EBITDA	(96)	(96)	(87)	(322)	(601)	(121)	(110)	(113)
EBITDA adjusted	(91)	(88)	(79)	(112)	(369)	(106)	(105)	(101)
EBIT	(107)	(107)	(98)	(337)	(649)	(132)	(122)	(130)
EBIT adjusted	(102)	(99)	(90)	(124)	(414)	(117)	(117)	(113)
BCF ¹⁾	98	(166)	(21)	(83)	(172)	217	(186)	(58)
Employees	3,000	3,043	2,879	3,004	3,004	3,168	3,298	3,409

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
- “uniTe”: 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					2015/16		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Components Technology	1,621	1,763	1,743	1,699	6,826	1,649	1,669	1,775
Elevator Technology	1,868	1,890	2,051	1,895	7,704	1,992	1,832	1,867
Industrial Solutions	1,075	742	1,334	1,720	4,871	1,530	644	541
Materials Services	3,546	3,723	3,572	3,104	13,945	2,846	2,922	3,123
Steel Europe	2,095	2,394	2,050	1,883	8,421	1,846	2,183	2,265
Steel Americas	475	420	519	308	1,723	371	286	383
Corporate	47	49	44	56	196	57	36	80
Consolidation	(633)	(575)	(666)	(495)	(2,368)	(482)	(544)	(636)
Continuing operations	10,094	10,406	10,647	10,170	41,318	9,810	9,027	9,399



Business Area Overview – Quarterly Sales

[€ mn]

	2014/15					2015/16		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Components Technology	1,597	1,732	1,758	1,666	6,753	1,650	1,688	1,783
Elevator Technology	1,712	1,661	1,876	1,960	7,208	1,869	1,752	1,906
Industrial Solutions	1,377	1,633	1,574	1,672	6,256	1,506	1,609	1,228
Materials Services	3,421	3,794	3,778	3,261	14,254	2,821	3,005	3,087
Steel Europe	1,985	2,260	2,287	2,165	8,697	1,723	1,925	2,015
Steel Americas	502	453	441	376	1,773	350	325	336
Corporate	45	48	46	55	194	60	54	64
Consolidation	(595)	(586)	(582)	(594)	(2,357)	(432)	(506)	(555)
Continuing operations	10,044	10,995	11,178	10,561	42,778	9,548	9,852	9,865



Business Area Overview – Quarterly EBITDA and Margin

[€ mn]

	2014/15				FY	2015/16		
	Q1	Q2	Q3	Q4		Q1	Q2	Q3
Components Technology	140	159	159	158	615	149	159	155
%	8.8	9.2	9.0	9.5	9.1	9.0	9.4	8.7
Elevator Technology	194	177	220	167	759	214	190	225
%	11.3	10.7	11.7	8.5	10.5	11.5	10.8	11.8
Industrial Solutions	107	124	117	141	488	104	167	57
%	7.8	7.6	7.4	8.4	7.8	6.9	10.4	4.6
Materials Services	27	79	121	58	285	29	32	61
%	0.8	2.1	3.2	1.8	2.0	1.0	1.1	2.0
Steel Europe	199	217	259	249	924	156	166	191
%	10.0	9.6	11.3	11.5	10.6	9.0	8.6	9.5
Steel Americas	21	17	8	(53)	(7)	(47)	(25)	88
%	4.2	3.8	1.9	(14.0)	0	(13.5)	(7.7)	26.1
Corporate	(96)	(96)	(87)	(322)	(601)	(121)	(110)	(113)
Consolidation	(2)	1	(1)	(5)	(6)	5	6	2
Continuing operations	590	678	796	392	2,456	489	585	666
%	5.9	6.2	7.1	3.7	5.7	5.1	5.9	6.8
Discontinued operations	(3)	(3)	0	(5)	(11)	0	0	0
Group (incl. disc. operations)	587	675	796	388	2,445	489	585	666
%	5.8	6.1	7.1	3.7	5.7	5.1	5.9	6.8



Business Area Overview – Quarterly EBITDA adjusted and Margin

[€ mn]

	2014/15					2015/16		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Components Technology	140	162	168	152	622	149	163	178
%	8.8	9.4	9.6	9.1	9.2	9.1	9.6	10.0
Elevator Technology	196	187	233	257	873	220	203	238
%	11.4	11.3	12.4	11.6	11.7	11.8	11.6	12.5
Industrial Solutions	104	124	111	148	487	105	168	59
%	7.6	7.6	7.1	8.8	7.8	7.0	10.5	4.8
Materials Services	44	89	122	99	354	35	37	74
%	1.3	2.3	3.4	2.8	2.5	1.2	1.2	2.4
Steel Europe	198	217	276	208	899	156	167	191
%	10.0	9.6	11.9	9.8	10.3	9.1	8.7	9.5
Steel Americas	32	15	11	(57)	1	(37)	(29)	74
%	6.4	3.3	2.5	(15)	0	(10.7)	(9.0)	21.9
Corporate	(91)	(88)	(79)	(112)	(369)	(106)	(105)	(101)
Consolidation	0	1	0	(4)	(7)	5	6	2
Continuing operations	622	707	841	691	2,861	527	611	715
%	6.2	6.4	7.5	6.2	6.6	5.5	6.2	7.2
Discontinued operations	0	0	0	0	0	0	0	0
Group (incl. disc. operations)	622	707	841	691	2,861	527	611	715
%	6.2	6.4	7.5	6.2	6.6	5.5	6.2	7.2



Business Area Overview – Quarterly EBIT and Margin

[€ mn]

	2014/15					2015/16		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Components Technology	67	79	81	67	294	71	76	72
%	4.2	4.6	4.6	4.0	4.4	4.3	4.5	4.0
Elevator Technology	176	158	199	130	662	193	171	205
%	10.3	9.5	10.6	6.6	9.2	10.3	9.7	10.8
Industrial Solutions	95	108	101	120	425	90	152	41
%	6.9	6.6	6.4	7.2	6.8	6.0	9.4	3.3
Materials Services	(14)	(137)	89	24	(38)	(1)	3	35
%	(0.4)	(3.6)	2.4	2.4	2.4	(0.0)	0.1	1.1
Steel Europe	80	113	150	171	514	50	56	92
%	4.0	5.0	6.6	6.6	6.6	2.9	2.9	4.6
Steel Americas	(11)	(19)	(27)	(90)	(147)	(84)	(61)	53
%	(2.2)	(4.2)	(6.1)	(6.1)	(6.1)	(24.0)	(18.6)	15.8
Corporate	(107)	(107)	(98)	(337)	(649)	(132)	(122)	(130)
Consolidation	1	6	(1)	(3)	0	7	8	4
Continuing operations	285	201	494	82	1,061	193	281	372
%	2.8	1.8	4.4	0.8	2.5	2.0	2.9	3.8
Discontinued operations	(4)	(2)	(1)	(5)	(11)	0	0	0
Group (incl. disc. operations)	281	199	493	77	1,050	193	281	372
%	2.8	1.8	4.4	0.7	2.5	2.0	2.9	3.8



Business Area Overview – Quarterly EBIT adjusted and Margin

[€ mn]

	2014/15					2015/16		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Components Technology	67	83	91	72	313	71	86	100
%	4.2	4.8	5.2	4.3	4.6	4.3	5.1	5.6
Elevator Technology	178	168	211	237	794	203	186	225
%	10.4	10.1	11.3	12.1	11.0	10.9	10.6	11.8
Industrial Solutions	92	109	96	127	424	90	153	43
%	6.7	6.7	6.1	7.6	6.8	6.0	9.5	3.5
Materials Services	2	49	89	66	206	3	10	52
%	0.1	1.3	2.4	2.0	1.4	0.1	0.3	1.7
Steel Europe	79	113	166	133	492	51	65	91
%	4.0	5.0	7.3	6.2	5.7	2.9	3.4	4.5
Steel Americas	0	(20)	(25)	(94)	(138)	(74)	(65)	39
%	0.0	(4.4)	(5.7)	(24.9)	(7.8)	(21.2)	(20.0)	11.6
Corporate	(102)	(99)	(90)	(124)	(414)	(117)	(117)	(113)
Consolidation	1	2	1	(4)	0	7	8	4
Continuing operations	317	405	539	415	1,676	234	326	441
%	3.2	3.7	4.8	3.9	3.9	2.5	3.3	4.5
Discontinued operations	0	0	0	0	0	0	0	0
Group (incl. disc. operations)	317	405	539	415	1,676	234	326	441



Business Area Overview (I)

[€ mn]

	Order Intake		Sales		Employees	
	Q3 2014/15	Q3 2015/16	Q3 2014/15	Q3 2015/16	Q3 2014/15	Q3 2015/16
Components Technology	1,743	1,775	1,758	1,783	29,464	30,281
Elevator Technology	2,051	1,867	1,876	1,906	51,184	51,467
Industrial Solutions	1,334	541	1,574	1,228	19,148	19,530
Materials Services	3,572	3,123	3,778	3,087	22,347	19,623
Steel Europe	2,050	2,265	2,287	2,015	27,273	27,201
Steel Americas	519	383	441	336	3,689	3,737
Corporate	44	80	46	64	2,879	3,409
Consolidation	(666)	(636)	(582)	(555)		
Continued operations	10,647	9,399	11,178	9,865	155,984	155,248
Group (incl. disc. operations)	10,647	9,399	11,178	9,865	155,984	155,248



Business Area Overview (II)

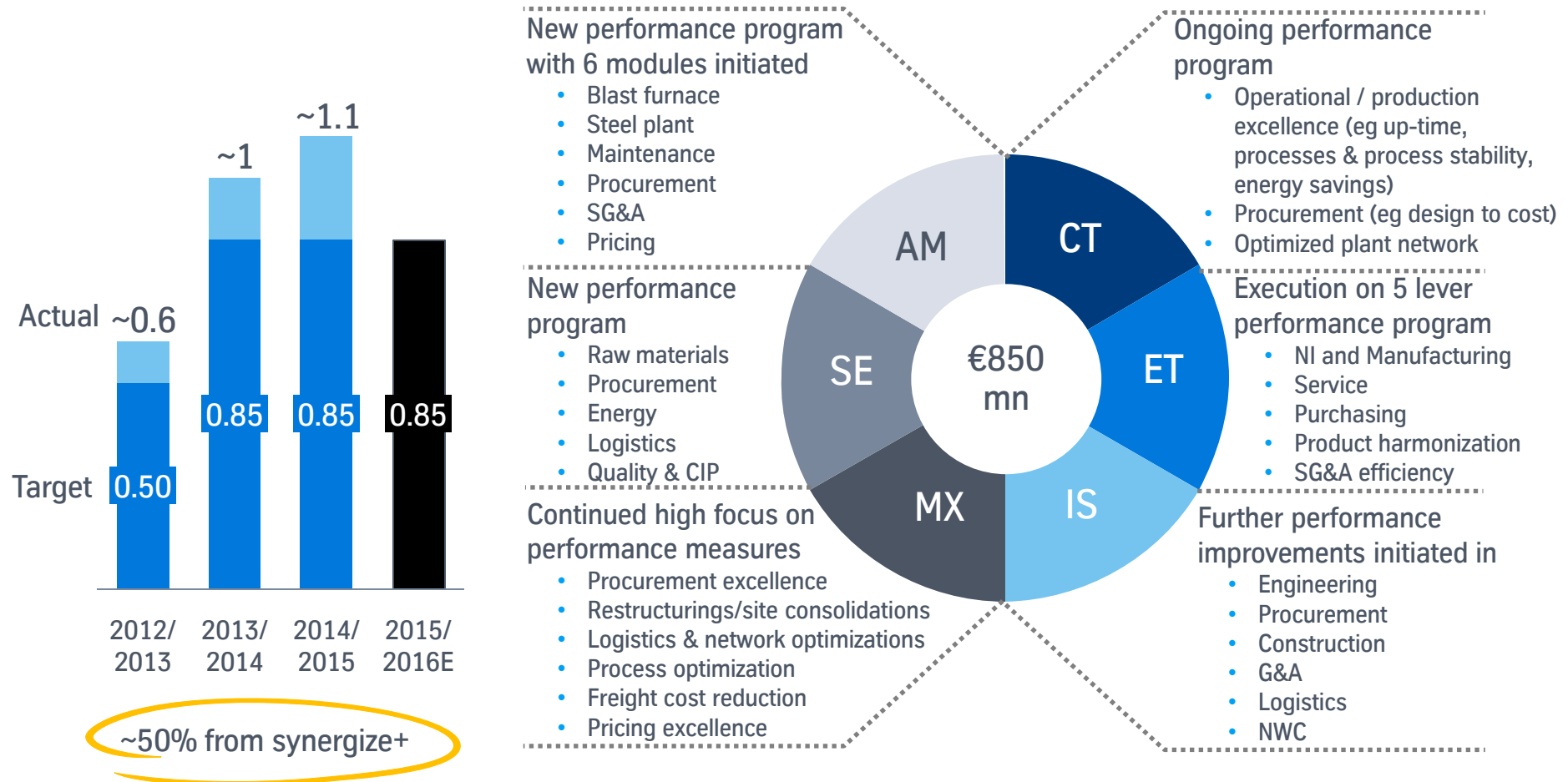
[€ mn]

	EBITDA		EBIT		EBIT adjusted	
	Q3 2014/15	Q3 2015/16	Q3 2014/15	Q3 2015/16	Q3 2014/15	Q3 2015/16
Components Technology	159	155	81	72	91	100
Elevator Technology	220	225	199	205	211	225
Industrial Solutions	117	57	101	41	96	43
Materials Services	121	61	89	35	89	52
Steel Europe	259	191	150	92	166	91
Steel Americas	8	88	(27)	53	(25)	39
Corporate	(87)	(113)	(98)	(130)	(90)	(113)
Consolidation	(1)	2	(1)	4	1	4
Continued operations	796	666	494	372	539	441
Group (incl. disc. operations)	796	666	493	372	539	441



€850 mn additional impact effects targeted for FY 2015/16

[€mn / %]

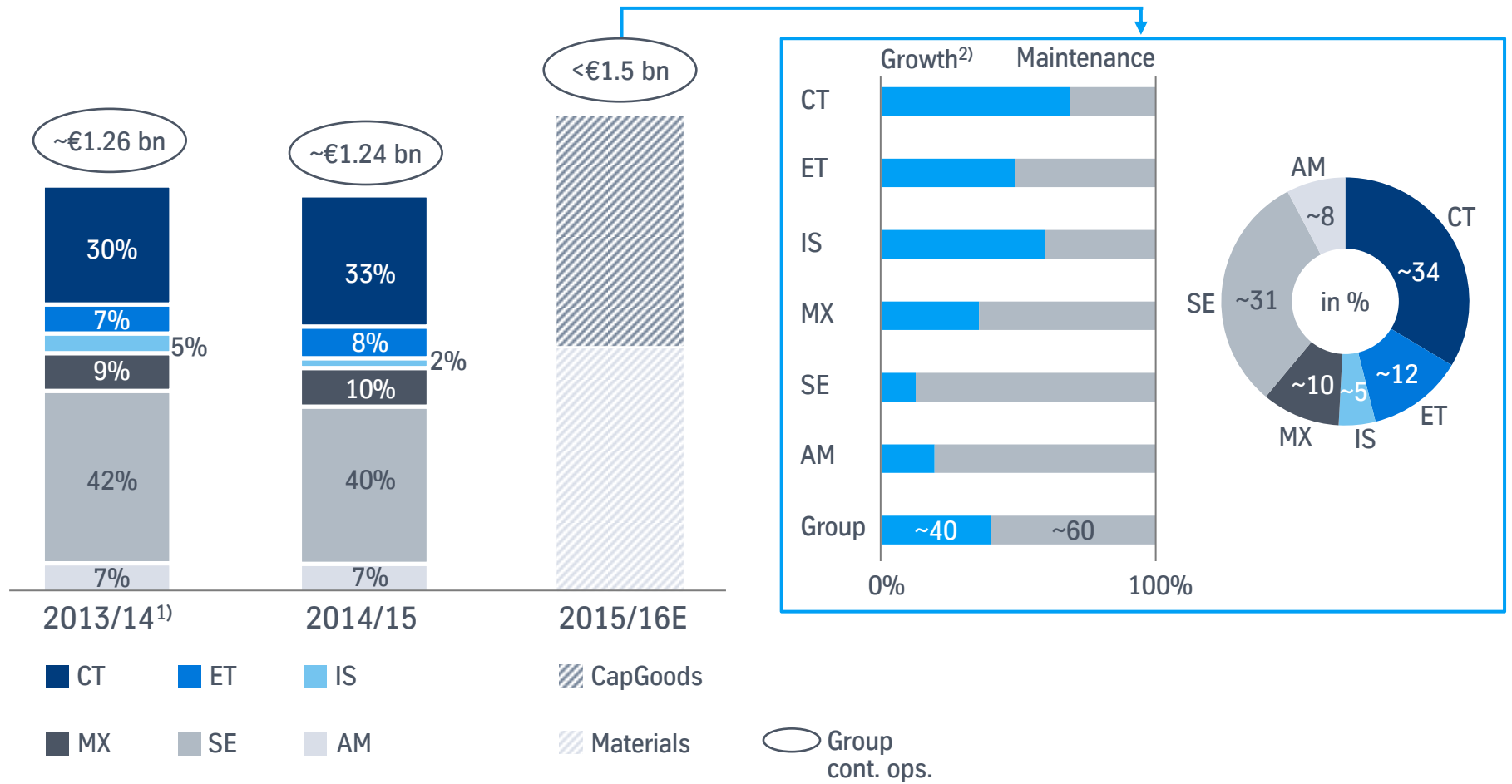


All business areas with triple-digit mn contributions to impact target



Capex allocation

Cash flows from investing activities

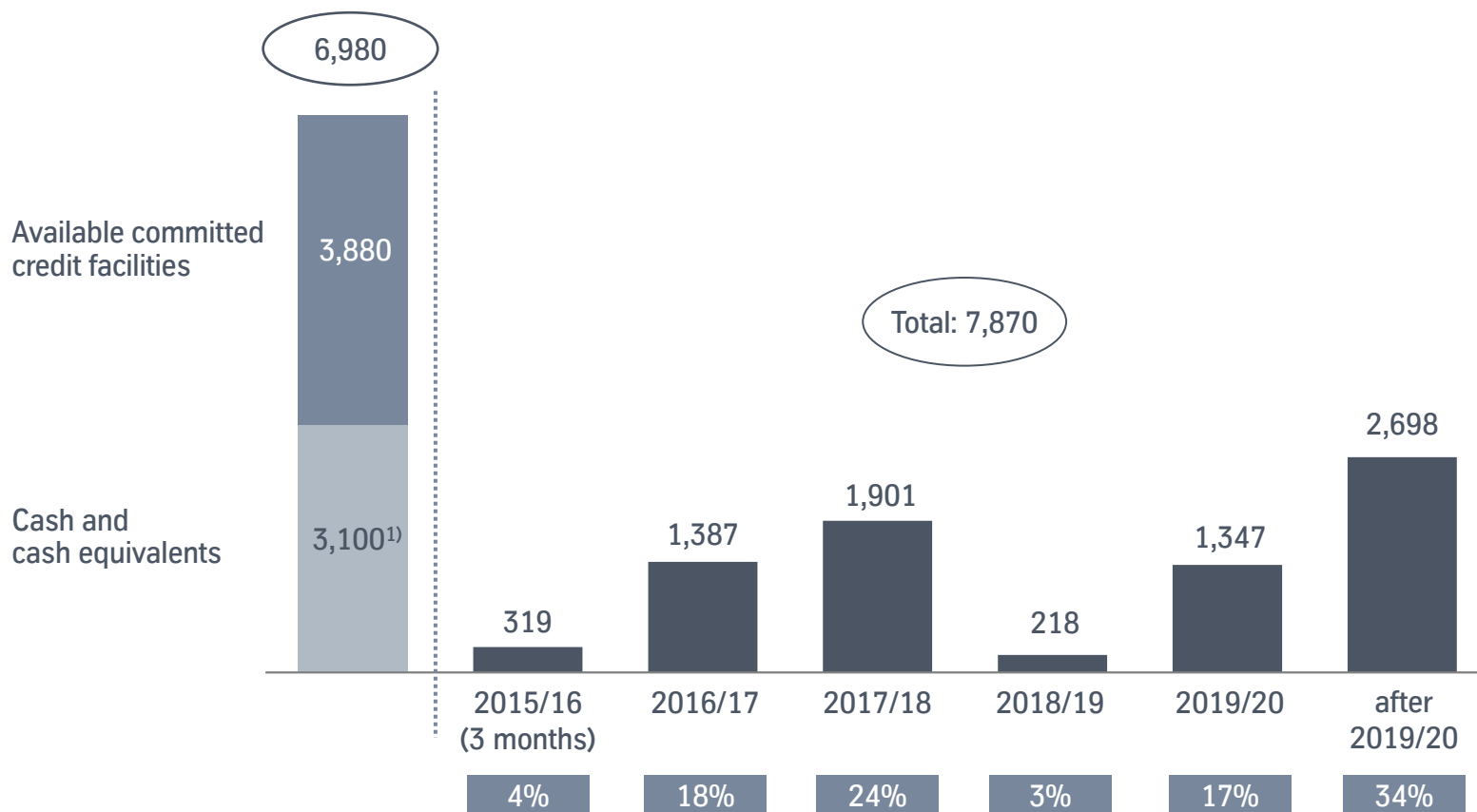


Business Area shares referring to capex excl. Corporate | ¹⁾ Restated due to proportionate consolidation of HKM | ²⁾ including order related investments



Solid financial situation

Liquidity analysis and maturity profile of gross financial debt as of June 30, 2016
[€ mn]



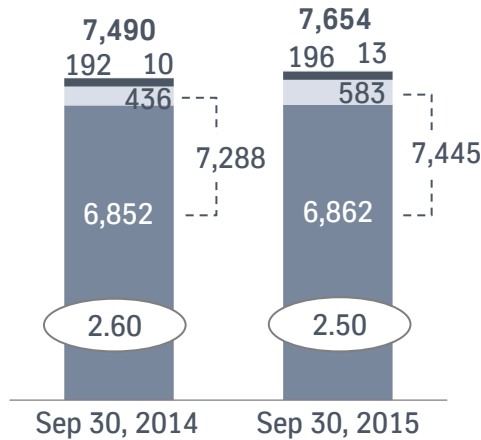
¹⁾ incl. securities of €6 mn



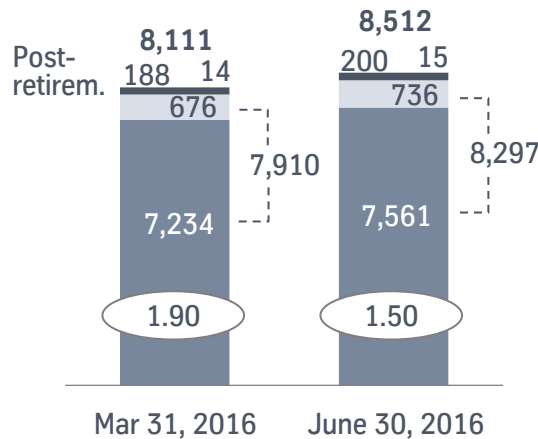
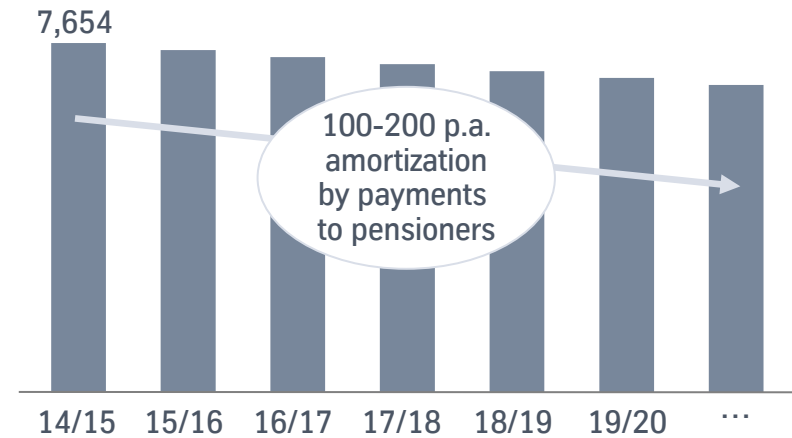
Pensions: “patient” long-term financial debt with gradual amortization

[€ mn]

Accrued pension and similar obligations



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; ~68% owed to exist. pensioners (average age ~78 years)
- Quarterly fluctuations mainly driven by actuarial gains and losses¹⁾, recognized in equity / other comprehensive income

Accrued postretirement obligation other than pensions
 Other accrued pension-related obligation
 Accrued pension liability outside GER
 Accrued pension liability Germany
 Discount rate Germany

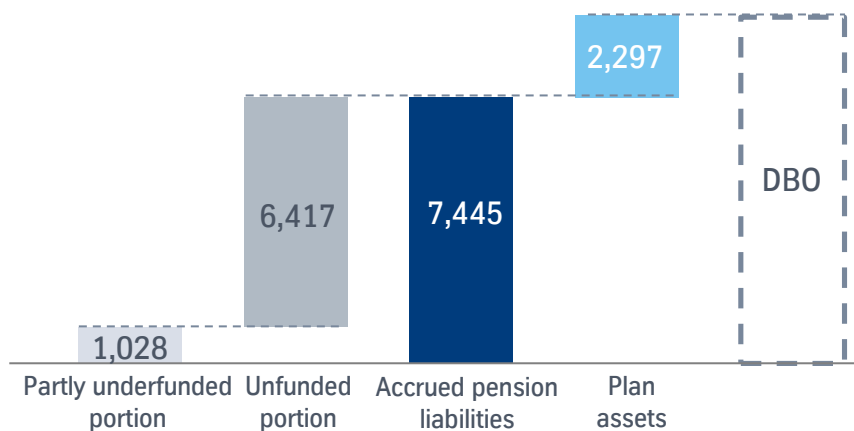
¹⁾ mainly including discount rate, rate of pension progression and mortality probability



Germany accounts for majority of pension plans

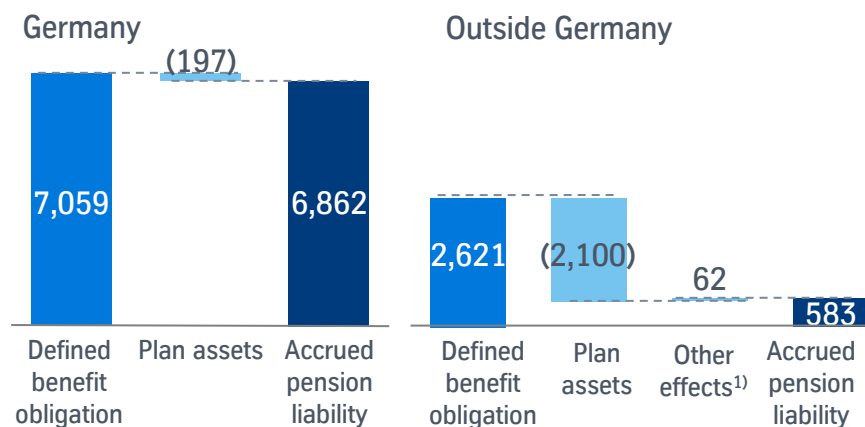
[FY 2014/15; € mn]

Funded status of defined benefit obligation



- 98% 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



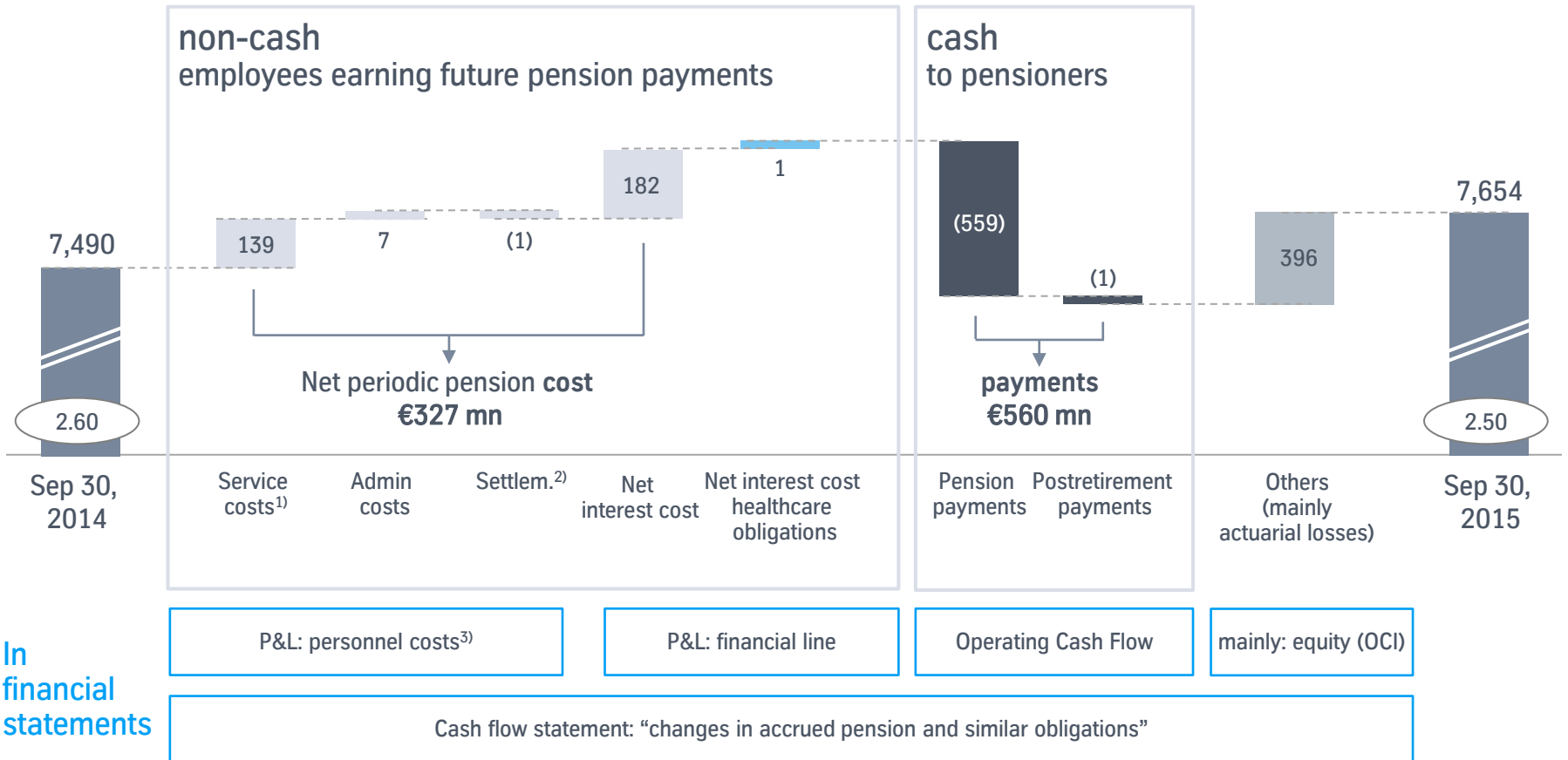
- Plan assets outside Germany mainly attributable to UK (~33%) and USA (~30%)
- Plan asset classes include national and international stocks, fixed income securities of governments and non-governmental organizations, real estate as well as highly diversified funds

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



Pensions: mature schemes - cash payments higher than costs

Reconciliation of accrued pension and similar obligations [€ mn]



○ German discount rate

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 Q3 15/16 from Group p&l

P&L structure

Net sales	9,865
Cost of sales	(8,158)
SG&A, R&D	(1,432)
Other income/expense	42
Other gains/losses	46
= Income from operations	364

Income from companies using equity method 12

Finance income/expense (115)

= EBT 261

EBIT definition

Net sales	9,865
Cost of sales	(8,158)
SG&A, R&D	(1,432)
Other income/expense	42
Other gains/losses	46

Income from companies using equity method 12

Adjustm. for oper. items in fin. income/expense (-4)

= EBIT 372

Finance income/expense (115)

Operating items in fin. income/expense 4

= EBT 261



Reconciliation of EBIT 9M 15/16 from Group p&l

P&L structure

Net sales	29,265
Cost of sales	(24,419)
SG&A, R&D	(4,158)
Other income/expense	70
Other gains/losses	104
= Income from operations	862

Income from companies using equity method 38

Finance income/expense (455)

= EBT 445

EBIT definition

Net sales	29,265
Cost of sales	(24,419)
SG&A, R&D	(4,158)
Other income/expense	70
Other gains/losses	104
Income from companies using equity method	38
Adjustm. for oper. items in fin. income/expense	(54)
= EBIT	846

Finance income/expense (455)

Operating items in fin. income/expense 54

= EBT 445



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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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