

Charts on Q2 2016/17

Facts & Figures

Ticker: TKA (Share) TKAMY (ADR)

May 2017

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Significant progress in Strategic Way Forward in Q2

Steel Americas concluded – next milestone in transformation achieved

- Significant reduction of net debt and gearing on closing of CSA sale (€1.5 bn Enterprise Value)

Order Intake¹ €11,993 mn **+33%**

- Highest quarterly order intake since Strategic Way Forward
 - CT and ET with new record, IS highest for over 3 years
 - MX and SE up by cyclical price and volume recovery

EBIT adj.¹ €427 mn **+31%**

- CT and ET with consistent upward trends
- Materials benefitting from price recovery

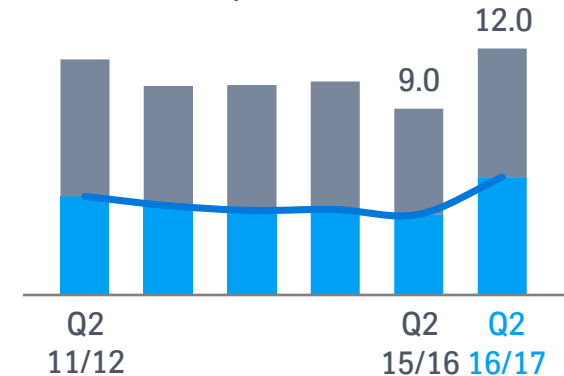
Net income¹ €(870) mn; Cont'd Ops. €64 mn

- €(909) mn effect from CSA sale

FCF bef. M&A¹: €(212) mn **€153 mn**

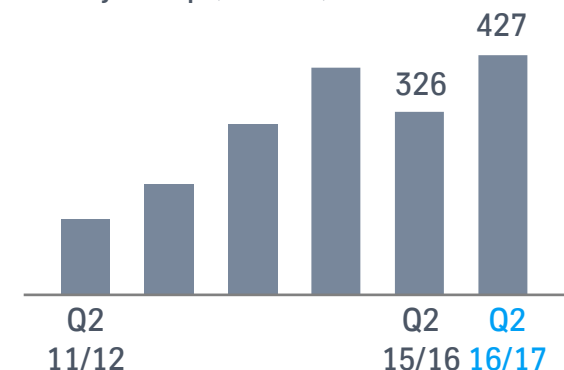
- Improvements at IS and NWC release at MX vs. higher NWC requirements at SE

Order Intake Group (in € bn)



■ Materials ■ CapGoods

EBIT adj. Group (in € mn)



Significant progress in Strategic Way Forward in Q2

▶ Steel Americas exit concluded – next milestone in transformation achieved

- Significant reduction of net debt and gearing on closing of transaction (AM now discontinued operation)

▶ Order Intake **Group: €11,993 mn; +33% (+31%)¹ yoy – all businesses with 2-digit percentage growth** **Cont'd ops.: €11,643 mn; +32% (+31%)¹ yoy**

- CT: €1,979 mn; +19% (+17%)¹ yoy; record order intake; light vehicle (LV) growth across major regions, improved cond. for trucks (HV) & constr. equip.
- ET: €2,111 mn; +15% (+12%)¹ yoy; record order intake & backlog; pleasing development across all regions and also driven by major contracts in Europe, Asia/Pacific
- IS: €1,959 mn; +204% (+204%)¹ yoy; highest order intake for over 3 years confirming inflection point / strong project pipeline; significant order pickup at Mining and big ticket submarine order
- Materials (incl. AM): €6,565 mn; +22% (+21%)¹ yoy; significant and especially price-driven increase of order intake in a volatile market env't with significantly increased spot (raw) material prices

▶ EBIT adj. **Group: €427 mn; +31% yoy**

Cont'd ops.: €412 mn; +6% yoy

- CT: €101 mn; +18% yoy; 10 seq. quarters with earnings up yoy; growth at LV components offset declines at industry components
- ET: €207 mn; +11% yoy; 18 seq. quarters with earnings and margins up yoy, driven by performance programs and growth
- IS: €23 mn; -85% yoy; fewer and lower-margin milestone billings and partial underutilization
- MX: €121 mn; +€111 mn yoy; significant and especially price-driven improvements
- SE: €92 mn; +42% yoy; higher shipments and higher prices vs. higher raw material costs
- AM: €14 mn; +€79 mn; higher prices and positive valuation effect vs. significantly increased raw material costs and temporarily lower shipments



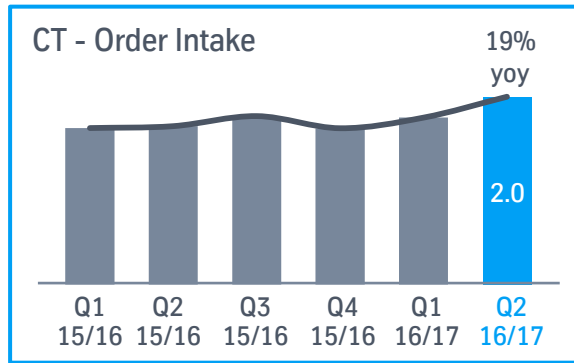
Significant progress in Strategic Way Forward in Q2

- ▶ **'impact'**
 - €250 mn EBIT effects increase efficiency by performance programs
- ▶ **Special items**
 - €991 mn: AM €892 mn, adjustments related to CSA sale; CT €35 mn, restructuring Undercarriages and Forging & Machining in Brazil and Italy; ET €39 mn, restructuring and reorganization in Europe and Middle East; IS €3 mn, restructuring and reorganization in Germany; MX €28 mn, restructuring and reorganization Materials Distribution in Mexico and Germany, non-operational expenses at AST; SE €1 mn; Corporate €(7) mn, trailing effects from divestment projects (Budd Settlement)
- ▶ **Net income** **Group: €(870) mn; Cont'd ops.: €64 mn**
 - Significant operating improvements vs. effect of CSA transaction €(909) mn
- ▶ **FCF bef. M&A** **Group: €(212) mn; +€1,524 mn qoq; +€153 mn yoy**
 - Improvements at IS and NWC release at MX vs. higher NWC requirements at SE
- ▶ **NFD** **€5,760 mn; +€327 mn qoq**
 - Significant deleveraging in H2 expected (positive FCF bef. M&A in H2E and CSA sale)
- ▶ **Guidance update**
 - **Sales** from „single digit % growth“ to „high single digit % growth“ (Group and Cont'd ops.)
 - CT - Customer response / tailwind light vehicles; Materials: price-/cost-/vol.-momentum
 - **EBIT adj.** from „~ 1.7 bn“ to „~ 1.8 bn“ (Group) and „~ 1.7 bn“ (Cont'd ops.)
 - Higher upside at CT, MX, AM (D/A) more than compensates reduced - yet still significant - upside at SE (raw material price dislocations)
 - **Net Income** from „significant improvement“ to „significantly negative“ (Group) and „significantly positive“ (Cont'd ops.)
 - Significant operating improvement vs. effect from CSA transaction €(909) mn
 - **FCF bef. M&A** from „slightly positive“ to „mid 3-digit mn negative“
 - Higher earnings vs. significant NWC expansion due to raw material price dislocations



CapGoods increasingly filling tk's value pipeline

[€ bn]

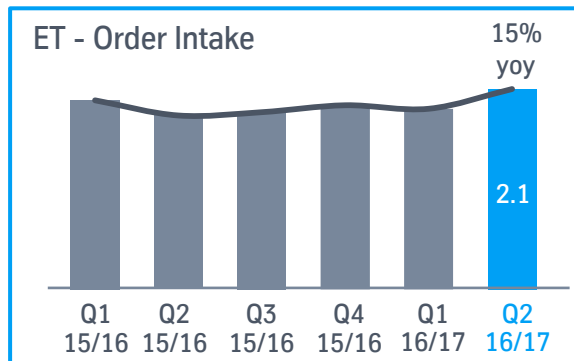


Q2 - Record order intake

Perspective – Growth by **advanced driving solutions**

- 80% of planned sales until 2020 already booked
- Electric Power Steering: ~€8 bn additional sales over the next 6 – 8 years¹

¹⁾ Ramp-up plants in 16/17; full stream of revenues from 2019 onwards

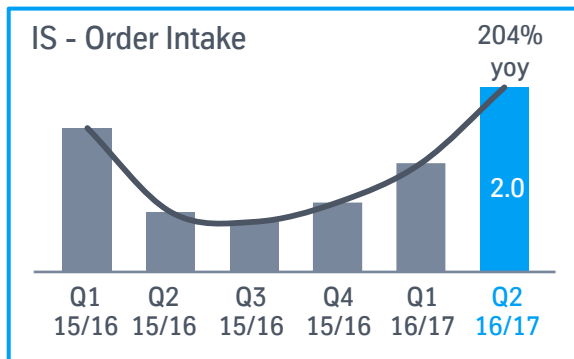


Q2 - Record order intake & backlog (excl. Service) €5.4 bn

- Growth across all regions; driven by major projects in Europe and Asia

Perspective – Growth by innovation in **urban mobility solutions** (NI + Service)

- MULTI: world's first rope-less elevator; prototype in test tower Rottweil
- MAX, HoloLens: step-change in elevator service / efficiency / availability



Q2 - Highest o/i for over 3 years confirming inflection point / strong project pipeline

Perspective – Growth by transformation and increasing competitiveness

- Service push: leveraging installed base of > 6,000 plants worldwide
- Exclusive strategic partner for Norwegian / German submarine project
- **Green energy (storage) solutions** (RedOx Flow; Carbon2Chem)



Outlook FY 16/17:

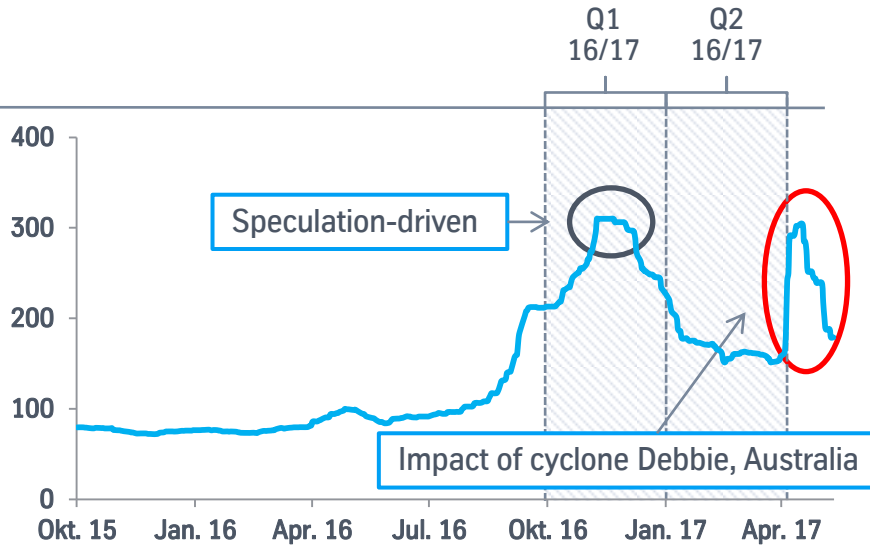
Structural progress, effects from CSA sale, raw material price dislocations

	Previous		Updated	Update driver
Sales	single digit % growth	Group	high single digit % growth	CT: Customer response / tailwind light vehicles Materials: price-/cost-/vol.-momentum
		Cont'd Ops.	high single digit % growth	
EBIT adj.	~ €1.7 bn	Group	~ €1.8 bn	Higher upside at CT, MX, AM (D/A) more than compensates lower upside at SE (raw material price dislocations)
		Cont'd Ops.	~ €1.7 bn	
Net Income	significant improvement	Group	significantly negative; w/o CSA effects significant improvement	Significant operating improvement vs. effect of CSA transaction €(909) mn
FCF before M&A	slightly positive	Group	mid 3-digit € mn negative	Significant operating improvements vs. temporary significant NWC expansion due to raw material price dislocations

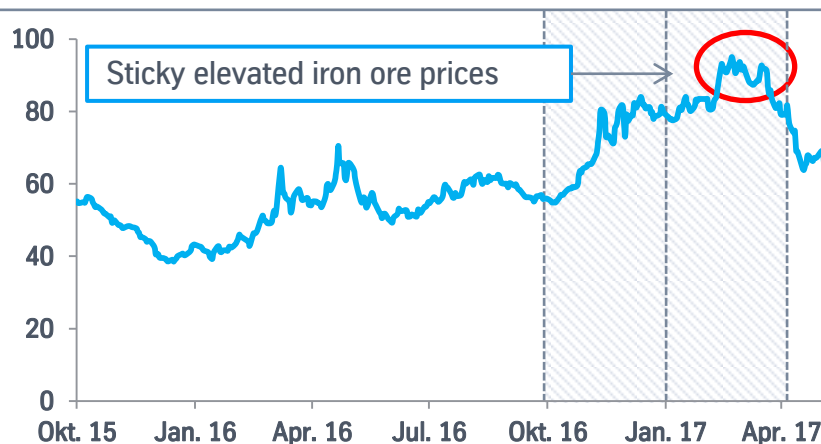


Renewed dislocations on raw material markets with temporary negative effects on costs and NWC

Coking Coal \$/mt



Iron Ore \$/dmt



- First speculation-driven dislocations on raw material markets end of '16
- tk assumption (Nov./Feb.):
No lasting dislocations (normalization) on raw material markets and ambitious NWC release in H2
- Reflected in tk's outlook update (May):
Delayed normalization of iron ore prices
Renewed significant coking coal price dislocations by Force Majeure in Australia disrupting expected normalization of coking coal prices

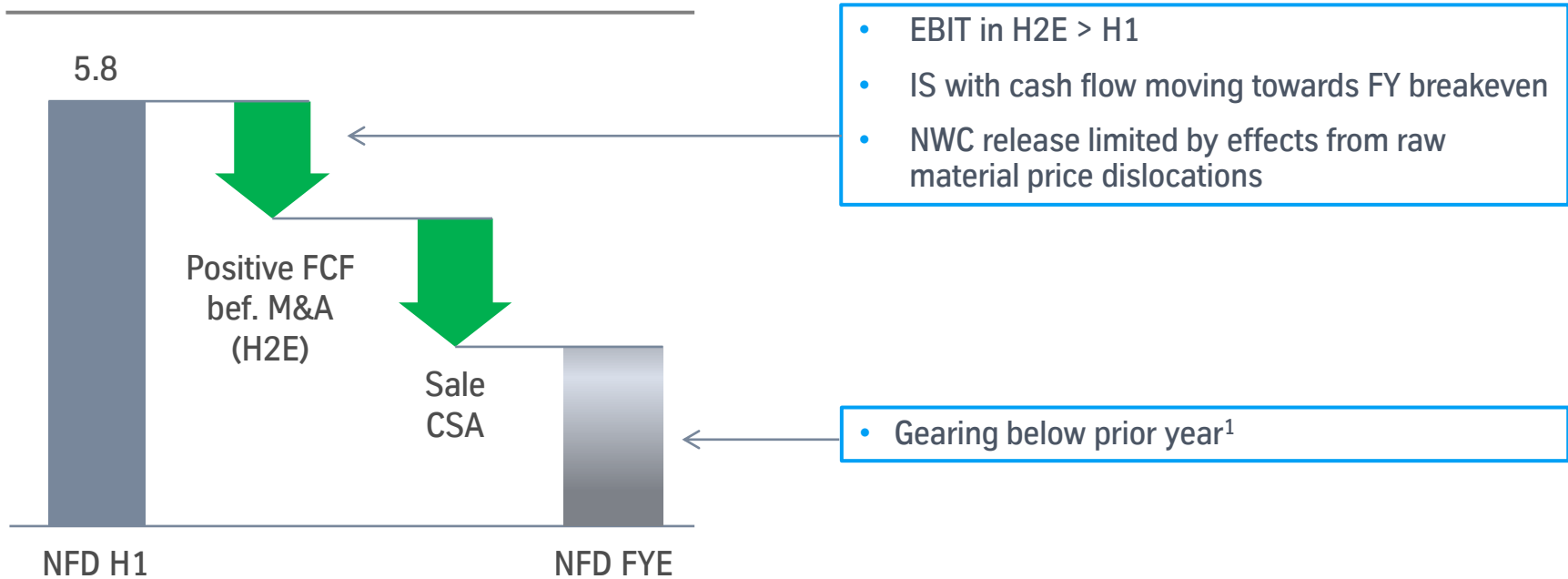
¹⁾ Various public sources



Significant deleveraging in H2

[€ mn]

Expected NFD development



¹ At current discount rates



Order Intake: Highest since Strategic Way Forward

ET and CT with record levels, inflection point at IS

[€ mn]

	15/16 Q2	16/17 Q2	yoy	yoy (ex F/X ¹)	15/16 H1	16/17 H1	yoy	yoy (ex F/X ¹)
Components Technology (CT)	1,669	1,979	19%	17%	3,318	3,738	13%	12%
Elevator Technology (ET)	1,832	2,111	15%	12%	3,824	4,014	5%	4%
Industrial Solutions (IS)	644	1,959	204%	204%	2,174	3,118	43%	43%
Materials Services (MX)	2,922	3,683	26%	25%	5,768	6,814	18%	17%
Steel Europe (SE)	2,183	2,442	12%	12%	4,029	4,521	12%	12%
Continued Operations	8,791	11,643	32%	31%	18,282	21,244	16%	15%
Steel Americas (AM)	286	440	54%	50%	657	873	33%	30%
Group	9,027	11,993	33%	31%	18,837	21,948	17%	16%

- **CT:** Light vehicle (LV) growth across major regions, improved cond. for trucks (HV) & constr. equip.
- **ET:** Pleasing order intake across all regions and also driven by major contracts in Europe, Asia/Pacific
- **IS:** Best order intake for over 3 years confirming turnaround in order trend and strong order pipeline; significant order pickup at Mining vs. prior year and big ticket submarine order
- **Materials:** Significant and especially price-driven increase of order intake in a volatile market env't with significantly increased spot (raw) material prices

¹⁾ Adjusted for F/X and portfolio changes | Corp./Cons Cont'd Ops. Q2 15/16: (459); Q2 16/17: (531); Corp./Cons Cont'd Ops. H1 15/16: (831); H1 16/17: (961)
Corp./Cons Group Q2 15/16: (509); Q2 16/17: (621); Corp./Cons Group H1 15/16: (931); H1 16/17: (1130)



Sales: Growth at all BA's except IS

Highest quarterly sales since Strategic Way Forward

[€ mn]

	15/16 Q2	16/17 Q2	yoy	yoy (ex F/X ¹)	15/16 H1	16/17 H1	yoy	yoy (ex F/X ¹)
Components Technology (CT)	1,688	1,936	15%	13%	3,338	3,678	10%	9%
Elevator Technology (ET)	1,752	1,868	7%	4%	3,621	3,749	4%	2%
Industrial Solutions (IS)	1,609	1,282	-20%	-21%	3,115	2,761	-11%	-12%
Materials Services (MX)	3,005	3,649	21%	20%	5,827	6,681	15%	14%
Steel Europe (SE)	1,925	2,371	23%	23%	3,649	4,279	17%	17%
Continued Operations	9,588	10,617	11%	9%	18,827	20,335	8%	7%
Steel Americas (AM)	325	470	44%	41%	675	917	36%	33%
Group	9,852	10,998	12%	10%	19,400	21,084	9%	8%

- **CT:** Growth in light vehicles (LV); industry components slightly below previous year
- **ET:** Growth driven by new installation and service in US and Asia/Pacific; Europe flat
- **IS:** Lower due to fewer number of milestone billings at plant engineering and Marine Systems
- **Materials:** Significant increases at all materials businesses: MX and SE price- and volume-driven; AM with higher prices and temporarily lower shipments

¹⁾ Adjusted for F/X and portfolio changes | Corp./Cons Cont'd Ops. Q2 15/16: (391); Q2 16/17: (489); Corp./Cons Cont'd Ops. H1 15/16: (723); H1 16/17: (813)
Corp./Cons Group Q2 15/16: (452); Q2 16/17: (578); Corp./Cons Group H1 15/16: (825); H1 16/17: (981)



EBIT adj.: Fully in line with growth expectations

Structural growth at CT, ET; MX clearly benefitting from positive spot price trend
[€ mn]

	15/16 Q2	16/17 Q2	yoy	15/16 H1	16/17 H1	yoy
Components Technology (CT)	86	101	18%	157	176	12%
Elevator Technology (ET)	186	207	11%	390	422	8%
Industrial Solutions (IS)	153	23	-85%	244	64	-74%
Materials Services (MX)	10	121	+111 mn	13	173	+160 mn
Steel Europe (SE)	65	92	42%	115	119	3%
Continued Operations	390	412	6%	699	703	1%
Steel Americas (AM)	(65)	14	+79 mn	(139)	51	+190 mn
Group	326	427	31%	560	756	35%

- **CT:** 10 seq. quarters with earnings up yoy; growth at LV components offsets declines at industry components
- **ET:** 18 seq. quarters with earnings and margins up yoy by consequent performance program execution and growth
- **IS:** Fewer and lower-margin milestones in billing phase and partial underutilization
- **MX:** Significant and especially spot price-driven improvements across all business units
- **SE:** Up qoq and yoy with higher shipments and higher prices against increased raw material costs
- **AM:** Higher prices and positive valuation effect related to sales tax asset against significantly increased raw material costs and temporarily lower shipments

Corp./Cons Cont'd Ops. Q2 15/16: (110); Q2 16/17: (132); Corp./Cons Cont'd Ops. H1 15/16: (220); H1 16/17: (251)

Corp./Cons Group Q2 15/16: (109); Q2 16/17: (131); Corp./Cons Group H1 15/16: (220); H1 16/17: (249)

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Special Items - continued focus on restructuring and future margin upside

[€ mn]

Business Area		2015/16				FY	2016/17		Comments on Q2
		Q1	Q2	Q3	Q4		Q1	Q2	
CT	Disposal effect								<ul style="list-style-type: none"> Restructuring Undercarriages and Forging & Machining in Brazil and Italy
	Impairment		(6)	(5)	(47)	(59)	(2)	(10)	
	Restructuring		(1)	(15)	(3)	(18)	(8)	(25)	
	Others		(3)	(8)	4	(7)	(7)		
ET	Disposal effect		8			8			<ul style="list-style-type: none"> Restructuring and reorganization in Europe and Middle East
	Impairment	(4)	(2)	(6)	(2)	(14)	(1)	(25)	
	Restructuring	(5)	(11)	(3)	(15)	(34)	(15)	(7)	
	Others	(1)	(11)	(10)	(28)	(50)	(15)	(7)	
IS	Disposal effect						(5)	5	<ul style="list-style-type: none"> Restructuring and reorganization in Germany
	Impairment				(7)	(7)			
	Restructuring		(1)	(2)	(7)	(11)	(6)	(4)	
	Others				(3)	(4)	(18)	(4)	
MX	Disposal effect				1	1			<ul style="list-style-type: none"> Restructuring and Reorganisation Materials Distribution in Mexico and Germany Non-operational expenses at AST
	Impairment	1	(2)	(5)	(6)	(12)		(3)	
	Restructuring	(1)	(1)	(6)	(8)	(16)	(2)	(9)	
	Others	(4)	(4)	(7)	(9)	(25)	(11)	(16)	
SE	Disposal effect								<ul style="list-style-type: none"> Trailing effects from divestment projects (Budd Settlement)
	Impairment		(8)		7	(1)			
	Restructuring	(1)	(1)			(2)	(2)	(1)	
	Others				4	4			
Corp.	Disposal effect	(4)	(2)	(13)	(1)	(20)	(4)	(2)	<ul style="list-style-type: none"> Trailing effects from divestment projects (Budd Settlement)
	Impairment			(5)	(2)	(7)			
	Restructuring	(1)	(2)	(1)	(2)	(7)	(1)	(1)	
	Others	(10)	(2)	2	(2)	(11)	(6)	10	
Consolidation									<ul style="list-style-type: none"> Adjustments related to CSA sale
Continuing operations		(31)	(49)	(84)	(127)	(291)	(103)	(99)	
Discontinued operations		(10)	4	14	3	11	15	(892)	
Full Group		(41)	(45)	(70)	(124)	(280)	(88)	(991)	



Outlook Q3: Continuously growing EBIT adj. profile

[€ mn]

	15/16 Q3	yoy <u>16/17</u> Q3E	16/17 Q2	qoq <u>16/17</u> Q3E
CT	100	→	101	→
ET	225	↗	207	↗
IS	43	→	23	↗
MX	52	↗	121	↘
SE	91	↗	92	↗
Continued Operations	402	↗	412	↗
AM	39	↘	14	→
Group	441	↗	427	↗



Key financials (I)

[€ mn]

Full Group

	2015/16				FY	2016/17	
	Q1	Q2	Q3	Q4		Q1	Q2
Order intake	9,810	9,027	9,399	9,188	37,424	9,954	11,993
Sales	9,548	9,852	9,865	9,997	39,263	10,087	10,998
EBITDA	489	585	666	701	2,441	536	469
EBITDA adjusted	529	615	725	765	2,634	623	715
EBIT	193	281	372	344	1,189	240	(564)
EBIT adjusted	234	326	441	468	1,469	329	427
EBT	34	151	261	207	652	124	(703)
Net income	(54)	45	124	146	261	15	(870)
attrib. to TK AG stockh.	(23)	61	130	128	296	8	(879)
Earnings per share ¹⁾ (€)	(0.04)	0.11	0.23	0.23	0.52	0.01	(1.55)
FCF	(847)	(371)	205	1,205	191	(1,791)	(216)
FCF before M&A	(847)	(365)	205	1,205	198	(1,736)	(212)

¹⁾ attributable to thyssenkrupp AG's stockholders



Key financials (II)

[€ mn]

Continuing operations

	2015/16					2016/17	
	Q1	Q2	Q3	Q4	FY	Q1	Q2
Order intake	9,491	8,791	9,090	8,753	36,125	9,600	11,643
Sales	9,240	9,588	9,603	9,569	38,000	9,718	10,617
EBITDA	536	609	578	595	2,318	447	587
EBITDA adjusted	566	644	650	661	2,522	549	675
EBIT	277	341	318	273	1,209	188	313
EBIT adjusted	308	390	401	400	1,500	291	412
EBT	132	206	212	141	691	74	208
Net income/(loss)	54	108	89	106	357	(6)	64
attrib. to tk AG stockh.	44	97	82	88	311	(13)	55
Earnings per share ¹ (€)	0.08	0.17	0.14	0.16	0.55	(0.02)	0.10

¹⁾ attributable to thyssenkrupp AG's stockholders



Key financials (III)

[€ mn]

Continuing operations

	2015/16					2016/17	
	Q1	Q2	Q3	Q4	FY	Q1	Q2
TK Value Added					105		
Ø Capital Employed	13,447	13,704	13,822	13,804	13,804	14,242	14,745
Operating cash flow	(527)	(67)	526	1,379	1,310	(1,450)	170
Cash flow from divestm.	5	26	3	156	189	20	34
Cash flow from investm.	(225)	(267)	(323)	(463)	(1,277)	(289)	(346)
Free cash flow	(747)	(308)	206	1071	222	(1,719)	(142)
FCF before M&A	(747)	(302)	206	1,071	228	(1,719)	(139)
Cash and cash equivalents ¹ (incl. short-term securities)	3,655	3,545	3,100	4,111	4,111	2,552	2,970
Net financial debt ¹	4,384	4,816	4,770	3,500	3,500	5,433	5,760
Equity	3,355	2,753	2,723	2,609	2,609	3,275	2,304
Employees	151,604	151,682	151,511	152,640	152,640	153,318	154,431

¹⁾ Group figures



Components Technology

[€ mn]

	2015/16				FY	2016/17	
	Q1	Q2	Q3	Q4		Q1	Q2
Order intake	1,649	1,669	1,775	1,647	6,740	1,759	1,979
Sales	1,650	1,688	1,783	1,685	6,807	1,743	1,936
EBITDA	149	159	155	164	627	139	159
EBITDA adjusted	149	163	179	163	655	154	183
EBIT	71	76	72	33	251	58	66
EBIT adjusted	71	86	100	79	335	75	101
EBIT adj. margin (%)	4.3	5.1	5.6	4.7	4.9	4.3	5.2
tk Value Added					(54)		
Ø Capital Employed	3,505	3,557	3,585	3,587	3,587	3,624	3,713
BCF	(155)	29	49	191	114	(192)	(38)
CF from divestm.	0	1	0	1	2	1	0
CF for investm.	(78)	(84)	(133)	(193)	(488)	(91)	(136)
Employees	29,772	30,118	30,281	30,751	30,751	31,100	31,770

Current trading conditions

O/I in Q2 +19% yoy, ex F/X +17%; record order intake; light vehicle (LV) growth across major regions, improved cond. for trucks (HV) & constr. equip.

- Chassis/Powertrain (LV): LV with strong growth in China and positive demand worldwide, but slowing dynamics in USA
- Powertrain (HV): Higher demand for trucks (HV) in China; Europe stable; slight order improvement USA (esp. class 8), ongoing difficult conditions for HV in Brazil
- Industrial comp.: higher demand wind power, mech. engineering; slight improv. from low level for constr. / mining equip. market

EBIT adj. in Q2 +18% yoy; growth with new products, increased volumes and cost discipline (LV)



Elevator Technology

[€ mn]

	2015/16				FY	2016/17	
	Q1	Q2	Q3	Q4		Q1	Q2
Order intake	1,992	1,832	1,867	1,940	7,631	1,903	2,111
Order backlog	5,051	5,040	5,022	4,974	4,974	5,141	5,384
Sales	1,869	1,752	1,906	1,942	7,468	1,882	1,868
EBITDA	214	190	225	227	856	203	188
EBITDA adjusted	223	206	242	270	941	234	227
EBIT	193	171	205	202	771	184	168
EBIT adjusted	203	186	225	246	860	215	207
EBIT adj. margin (%)	10.9	10.6	11.8	12.7	11.5	11.4	11.1
tk Value Added					681		
Ø Capital Employed	1,269	1,254	1,220	1,197	1,197	1,139	1,156
BCF	48	289	269	188	793	7	316
CF from divestm.	1	10	1	1	13	0	1
CF for investm.	(21)	(35)	(27)	(53)	(135)	(36)	(41)
Employees	51,644	51,532	51,467	51,426	51,426	51,931	52,378

Current trading conditions

Order backlog (excl. Service) €5.4 bn at record level

Order intake in Q2 +15% yoy driven by major projects (ex FX +12%)

Sales in Q2 +7% yoy (ex F/X +4%); positive development in NI in USA, China and South Korea

Q2 EBIT adj. margin improvement in line with target range

New installation driven by Americas and South Korea;

China on prior year level despite continued price pressure

Modernization: positive market development in EA and US

Maintenance: continued price competition in Europe and USA; promising market growth in China



Industrial Solutions

[€ mn]

	2015/16				FY	2016/17	
	Q1	Q2	Q3	Q4		Q1	Q2
Order intake	1,530	644	541	746	3,461	1,159	1,959
Order backlog	12,337	11,288	10,634	9,908	9,908	9,636	10,309
Sales	1,506	1,609	1,228	1,401	5,744	1,479	1,282
EBITDA	104	167	57	77	405	28	35
EBITDA adjusted	105	168	59	87	419	57	37
EBIT	90	152	41	50	333	13	20
EBIT adjusted	90	153	43	68	355	42	23
EBIT adj. margin (%)	6.0	9.5	3.5	4.8	6.2	2.8	1.8
tk Value Added					371		
Ø Capital Employed	(934)	(759)	(587)	(475)	(475)	82	241
BCF	(223)	(245)	(232)	104	(597)	(556)	(51)
CF from divestm.	1	8	0	0	10	3	10
CF for investm.	(15)	(18)	(19)	(23)	(75)	(17)	(15)
Employees	19,518	19,575	19,530	19,602	19,602	19,553	19,349

Current trading conditions

Highest order intake for over three years in Q2 confirms turnaround in order intake and strong project pipeline

- Marine Systems: major submarine order in Q2; nominated as exclusive strategic partner for Norwegian/German submarine program
- Mining: several small- to mid-sized orders (coal handling plant, conveyor systems, service contracts) clearly reflect improving demand trend
- Cement plants: pleasing demand for expansion contracts
- System Engineering: temporary lower order momentum in Q2; full-year outlook remains positive and confirms continuous growth path
- Chemical plant engineering: Major projects at advanced stage of negotiation

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

BCF clearly improved; further improving order trend and transformation progress supporting FY cash flow moving 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	Q2
MX	Total shipments	kt	10,868	10,669	13,615	13,421	3,105	3,250	3,275	2,975	12,605	2,713	2,799
	Warehousing shipments ¹	kt	5,470	5,300	5,592	5,532	1,276	1,449	1,463	1,330	5,518	1,294	1,510
	Shipments AST ²	kt	-	-	537	747	190	228	232	197	847	225	231
SE	Crude Steel	kt	11,860	11,646	12,249	12,392	2,883	2,971	3,116	3,053	12,021	2,903	2,938
	Steel Europe AG	kt	8,408	8,487	8,936	9,276	2,214	2,364	2,355	2,404	9,336	2,531	2,210
	HKM	kt	3,452	3,160	3,313	3,116	669	607	761	649	2,686	373	729
	Shipments	kt	12,009	11,519	11,393	11,725	2,359	2,839	3,087	2,889	11,174	2,724	3,010
	Cold-rolled	kt	7,906	7,437	7,137	7,182	1,515	1,819	1,929	1,785	7,048	1,732	1,892
	Hot-rolled	kt	4,103	4,082	4,256	4,543	845	1,019	1,157	1,104	4,126	992	1,117
	Average Steel revenues per ton ³		139	127	119	114	113	105	103	106	107	109	123
AM	Slab production CSA	kt	3,369	3,550	4,110	4,005	1,112	953	1,064	1,166	4,295	1,029	1,040
	Shipments AM	kt	3,401	3,457	4,194	3,849	1,061	1,130	1,049	1,145	4,385	1,006	995
	USD/EUR	Aver.	1.30	1.31	1.36	1.15	1.10	1.10	1.13	1.12	1.11	1.08	1.06
	USD/EUR	Clos.	1.29	1.35	1.26	1.12	1.09	1.14	1.11	1.12	1.12	1.05	1.07
	BRL/USD	Aver.	1.88	2.10	2.29	2.98	3.85	3.91	3.51	3.24	3.63	3.29	3.14
	BRL/USD	Clos.	1.86	2.03	2.45	4.00	3.90	3.62	3.23	3.24	3.24	3.25	3.16

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	Q2
Order intake	2,846	2,922	3,123	2,949	11,840	3,131	3,683
thereof Special Materials	386	391	442	396	1,615	484	495
Sales	2,821	3,005	3,087	2,972	11,886	3,032	3,649
thereof Special Materials	362	420	395	356	1,534	434	496
EBITDA	29	32	61	74	196	65	124
EBITDA adjusted	34	39	78	90	242	79	151
thereof Special Materials	12	8	(7)	11	25	26	32
EBIT	(1)	3	35	39	76	38	93
EBIT adjusted	3	10	52	62	128	51	121
thereof Special Materials	2	(1)	(13)	3	(10)	19	22
EBIT adj. margin (%)	0.1	0.3	1.7	2.1	1.1	1.7	3.3
thereof Special Materials	0.5	(0.3)	(3.4)	0.8	(0.7)	4.3	4.4
tk Value Added					(233)		
Ø Capital Employed	4,018	4,008	3,950	3,861	3,861	3,611	3,648
BCF	(188)	71	178	406	467	(389)	304
thereof Special Materials	(6)	(7)	(10)	28	5	(13)	62
CF from divestm.	1	2	4	4	11	3	4
CF for investm.	(14)	(30)	(27)	(65)	(137)	(19)	(24)
Employees	20,009	19,791	19,623	19,754	19,754	19,708	19,800

Current trading conditions

Sales in Q2 up yoy: Higher materials volumes (esp. auto-related SSC and AST) and higher prices more than compensate for lower raw materials volumes

EBIT adj. Q2 significantly up yoy: Highest EBIT adj. and margin since start of Strategic Way Forward; positive price trend and continued earnings-securing measures led to strong earnings improvement in all units. AST with significant improvements and high earnings contribution, benefiting from positive price development and restructuring with further sustainable effectiveness



Steel Europe

[€ mn]

	2015/16				FY	2016/17	
	Q1	Q2	Q3	Q4		Q1	Q2
Order intake	1,846	2,183	2,265	1,852	8,146	2,078	2,442
Sales	1,723	1,925	2,015	1,969	7,633	1,908	2,371
EBITDA	156	166	191	209	721	130	196
EBITDA adjusted	156	167	191	201	715	133	196
EBIT	50	56	92	118	316	25	91
EBIT adjusted	51	65	91	108	315	28	92
EBIT adj. margin (%)	2.9	3.4	4.5	5.5	4.1	1.5	3.9
tk Value Added					(110)		
Ø Capital Employed	5,088	5,102	5,067	5,012	5,012	4,948	5,113
BCF	(231)	167	159	365	459	(404)	(232)
CF from divestm.	(2)	1	0	1	1	(4)	(0)
CF for investm.	(86)	(89)	(105)	(120)	(400)	(121)	(119)
Employees	27,493	27,368	27,201	27,559	27,559	27,437	27,400

Current trading conditions

EU carbon flat steel market up slightly yoy in first two months of 2017 – with imports again showing higher growth overall: slight decline in volumes from China, but significantly higher imports from other third countries; market env't remains extremely challenging (global overcapacities and highly volatile raw material prices)

Sales Q2 up yoy and qoq: higher shipments and significantly rising selling prices

EBIT adj. Q2 up yoy and qoq: higher prices and shipments as well as efficiency gains vs higher raw material costs



Steel Americas (discontinued operation)

[€ mn]

	2015/16				FY	2016/17	
	Q1	Q2	Q3	Q4		Q1	Q2
Order intake	371	286	383	485	1,525	432	440
Sales	350	325	336	478	1,489	447	470
EBITDA	(47)	(25)	88	105	121	88	(118)
EBITDA adjusted	(37)	(29)	74	103	110	73	39
EBIT	(84)	(61)	53	70	(22)	52	(878)
EBIT adjusted	(74)	(65)	39	67	(33)	37	14
EBIT adj. margin (%)	(21.2)	(20.0)	11.6	14.0	(2.2)	8.3	3.1
tk Value Added					(236)		
Ø Capital Employed	2,113	2,115	2,129	2,145	2,145	2,283	1,749
BCF	(70)	(25)	18	145	69	(32)	(38)
CF from divestm.	0	1	0	1	2	0	4
CF for investm.	(30)	(25)	(21)	(34)	(110)	(73)	(18)
Employees	3,783	3,771	3,737	3,847	3,847	4,082	4,153

Current trading conditions

Agreement with Ternium in February 2017 on the sale of the Brazilian steel mill CSA meets the criteria of IFRS 5 for reporting the Steel Americas business area as a discontinued operation

Sales yoy up: higher prices with shipments temporarily lower (1.0 mn t; down 12%)

Adjusted EBIT yoy up: positive price trend, cost reduction measures and valuation effects on sales tax asset vs. lower shipments, higher raw material costs and negative cost effects from stronger BRL



Corporate

[€ mn]

	2015/16				FY	2016/17	
	Q1	Q2	Q3	Q4		Q1	Q2
EBITDA	(121)	(110)	(113)	(141)	(486)	(114)	(103)
EBITDA adjusted	(106)	(105)	(101)	(137)	(448)	(103)	(110)
EBIT	(132)	(122)	(130)	(156)	(542)	(126)	(117)
EBIT adjusted	(117)	(117)	(113)	(150)	(497)	(115)	(123)
BCF	217	(186)	(58)	6	(21)	181	(162)
Employees	3,168	3,298	3,409	3,548	3,548	3,589	3,734

EBIT adj. FY figures include

- 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	Q2
Components Technology	1,649	1,669	1,775	1,647	6,740	1,759	1,979
Elevator Technology	1,992	1,832	1,867	1,940	7,631	1,903	2,111
Industrial Solutions	1,530	644	541	746	3,461	1,159	1,959
Materials Services	2,846	2,922	3,123	2,949	11,840	3,131	3,683
Steel Europe	1,846	2,183	2,265	1,852	8,146	2,078	2,442
Corporate	57	36	80	71	243	37	56
Consolidation	(430)	(494)	(562)	(451)	(1,936)	(468)	(587)
Continuing operations	9,491	8,791	9,090	8,753	36,125	9,600	11,643
Steel Americas	371	286	383	485	1,525	432	440
Consolidation	(52)	(50)	(74)	(50)	(226)	(79)	(90)
Full Group	9,810	9,027	9,399	9,188	37,424	9,954	11,993



Business Area Overview – Quarterly Sales

[€ mn]

	2015/16					2016/17	
	Q1	Q2	Q3	Q4	FY	Q1	Q2
Components Technology	1,650	1,688	1,783	1,685	6,807	1,743	1,936
Elevator Technology	1,869	1,752	1,906	1,942	7,468	1,882	1,868
Industrial Solutions	1,506	1,609	1,228	1,401	5,744	1,479	1,282
Materials Services	2,821	3,005	3,087	2,972	11,886	3,032	3,649
Steel Europe	1,723	1,925	2,015	1,969	7,633	1,908	2,371
Corporate	60	54	64	77	255	58	67
Consolidation	(391)	(445)	(481)	(476)	(1,793)	(383)	(555)
Continuing operations	9,240	9,588	9,603	9,569	38,000	9,718	10,617
Steel Americas	350	325	336	478	1,489	447	470
Consolidation	(41)	(61)	(74)	(50)	(226)	(79)	(90)
Full Group	9,548	9,852	9,865	9,997	39,263	10,087	10,998



Business Area Overview – Quarterly EBITDA and Margin

[€ mn]

	2015/16				FY	2016/17	
	Q1	Q2	Q3	Q4		Q1	Q2
Components Technology	149	159	155	164	627	139	159
%	9.0	9.4	8.7	9.7	9.2	8.0	8.2
Elevator Technology	214	190	225	227	856	203	188
%	11.5	10.8	11.8	11.7	11.5	10.8	10.1
Industrial Solutions	104	167	57	77	405	28	35
%	6.9	10.4	4.6	5.5	7.0	1.9	2.7
Materials Services	29	32	61	74	196	65	124
%	1.0	1.1	2.0	2.5	1.7	2.2	3.4
Steel Europe	156	166	191	209	721	130	196
%	9.0	8.6	9.5	10.6	9.4	6.8	8.3
Corporate	(121)	(110)	(113)	(141)	(486)	(114)	(103)
Consolidation	5	6	1	(13)	(1)	(5)	(10)
Continuing operations	536	609	578	595	2,318	447	587
%	5.8	6.4	6.0	6.2	6.1	4.6	5.5
Steel Americas	(47)	(25)	88	105	121	88	(118)
%	(13.5)	(7.7)	26.1	22.1	8.1	19.8	(25.2)
Consolidation	0	0	1	1	2	1	0
Full Group	489	585	666	701	2,441	536	469
%	5.1	5.9	6.8	7.0	6.2	5.3	4.3



Business Area Overview – Quarterly EBITDA adj. and Margin

[€ mn]

	2015/16				FY	2016/17	
	Q1	Q2	Q3	Q4		Q1	Q2
Components Technology	149	163	179	163	655	154	183
%	9.1	9.7	10.1	9.7	9.6	8.9	9.5
Elevator Technology	223	206	242	270	941	234	227
%	11.9	11.7	12.7	13.9	12.6	12.4	12.2
Industrial Solutions	105	168	59	87	419	57	37
%	7.0	10.5	4.8	6.2	7.3	3.9	2.9
Materials Services	34	39	78	90	242	79	151
%	1.2	1.3	2.5	3.0	2.0	2.6	4.1
Steel Europe	156	167	191	201	715	133	196
%	9.1	8.7	9.5	10.2	9.4	7.0	8.3
Corporate	(106)	(105)	(101)	(137)	(448)	(103)	(110)
Consolidation	5	6	1	(13)	(1)	(5)	(10)
Continuing operations	566	644	650	661	2,522	549	675
%	6.1	6.7	6.8	6.9	6.6	5.6	6.4
Steel Americas	(37)	(29)	74	103	110	73	39
%	(10.7)	(9.0)	21.9	21.5	7.4	16.4	8.4
Consolidation	0	0	1	1	2	1	0
Full Group	529	615	725	765	2,634	623	715
%	5.5	6.2	7.3	7.6	6.7	6.2	6.5



Business Area Overview – Quarterly EBIT and Margin

[€ mn]

	2015/16				FY	2016/17	
	Q1	Q2	Q3	Q4		Q1	Q2
Components Technology	71	76	72	33	251	58	66
%	4.3	4.5	4.0	2.0	3.7	3.3	3.4
Elevator Technology	193	171	205	202	771	184	168
%	10.3	9.7	10.8	10.4	10.3	9.8	9.0
Industrial Solutions	90	152	41	50	333	13	20
%	6.0	9.4	3.3	3.6	5.8	0.9	1.6
Materials Services	(1)	3	35	39	76	38	93
%	(0.0)	0.1	1.1	1.3	0.6	1.3	2.6
Steel Europe	50	56	92	118	316	25	91
%	2.9	2.9	4.6	6.0	4.1	1.3	3.8
Corporate	(132)	(122)	(130)	(156)	(542)	(126)	(117)
Consolidation	7	7	3	(13)	4	(4)	(8)
Continuing operations	277	341	318	273	1,209	188	313
%	3.0	3.6	3.3	2.9	3.2	1.9	2.9
Steel Americas	(84)	(61)	53	70	(22)	52	(878)
%	(24.0)	(18.6)	15.8	14.6	(1.5)	11.6	(186.7)
Consolidation	0	0	1	1	2	1	0
Full Group	193	281	372	344	1,189	240	(564)
%	2.0	2.9	3.8	3.4	3.0	2.4	(5.1)



Business Area Overview – Quarterly EBIT adj. and Margin

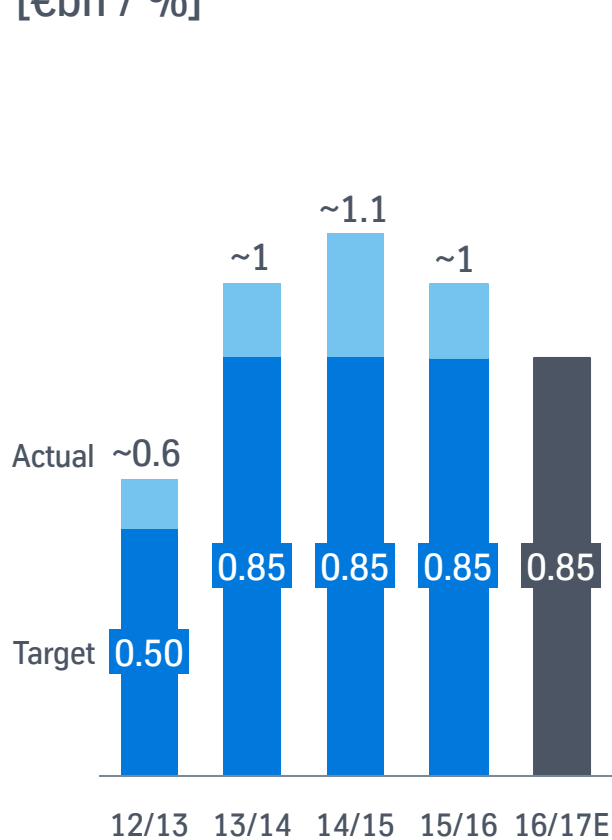
[€ mn]

	2015/16				FY	2016/17	
	Q1	Q2	Q3	Q4		Q1	Q2
Components Technology	71	86	100	79	335	75	101
%	4.3	5.1	5.6	4.7	4.9	4.3	5.2
Elevator Technology	203	186	225	246	860	215	207
%	10.9	10.6	11.8	12.7	11.5	11.4	11.1
Industrial Solutions	90	153	43	68	355	42	23
%	6.0	9.5	3.5	4.8	6.2	2.8	1.8
Materials Services	3	10	52	62	128	51	121
%	0.1	0.3	1.7	2.1	1.1	1.7	3.3
Steel Europe	51	65	91	108	315	28	92
%	2.9	3.4	4.5	5.5	4.1	1.5	3.9
Corporate	(117)	(117)	(113)	(150)	(497)	(115)	(123)
Consolidation	7	7	3	(13)	4	(4)	(8)
Continuing operations	308	390	401	400	1,500	291	412
%	3.3	4.1	4.2	4.2	3.9	3.0	3.9
Steel Americas	(74)	(65)	39	67	(33)	37	14
%	(21.2)	(20.0)	11.6	14.0	(2.2)	8.3	3.1
Consolidation	0	0	1	1	2	1	0
Full Group	234	326	441	468	1,469	329	427
%	2.5	3.3	4.5	4.7	3.7	3.3	3.9

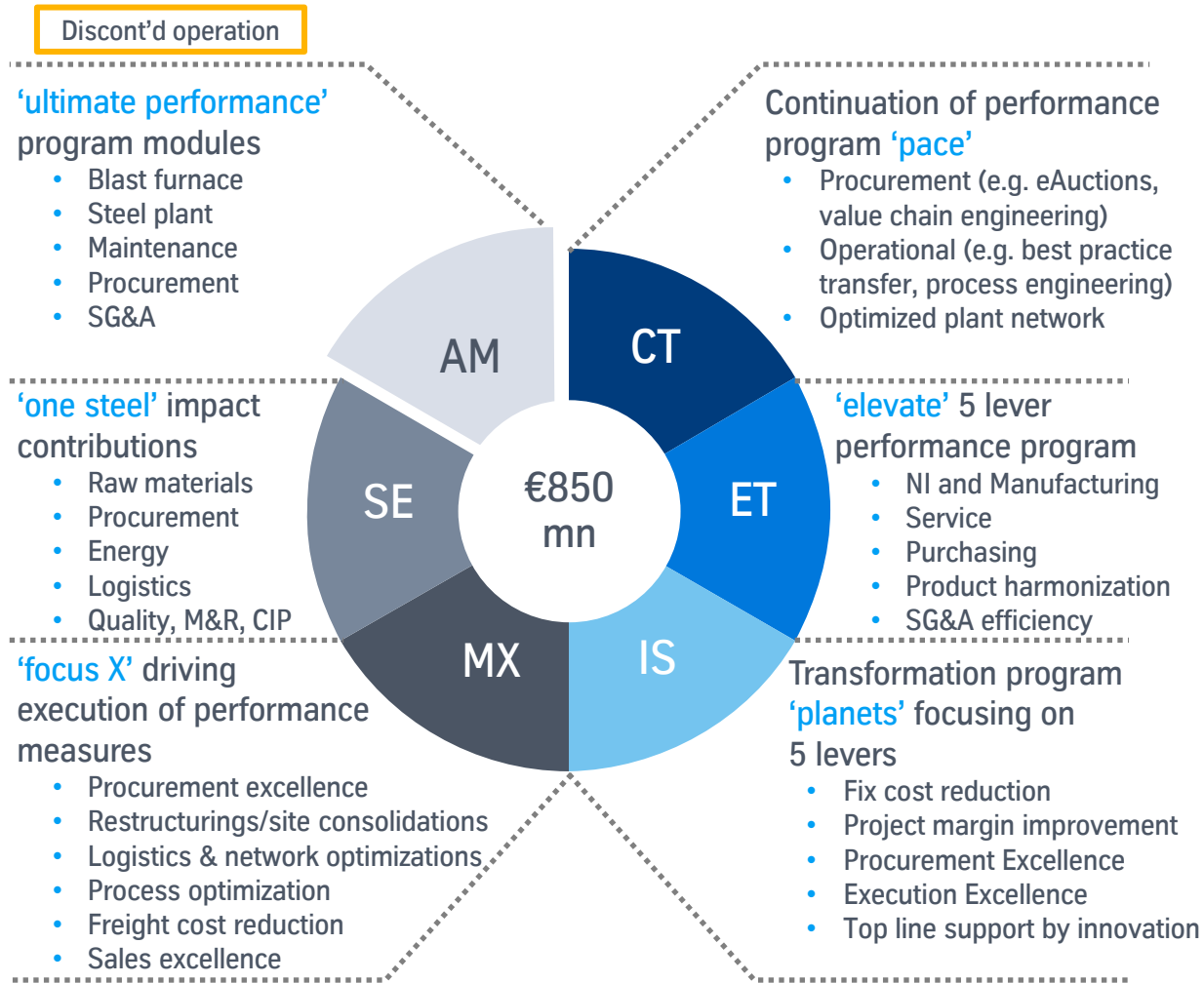


Operational improvements – €850 mn ‘impact’ effects targeted for FY 16/17

[€bn / %]



~50% from procurement

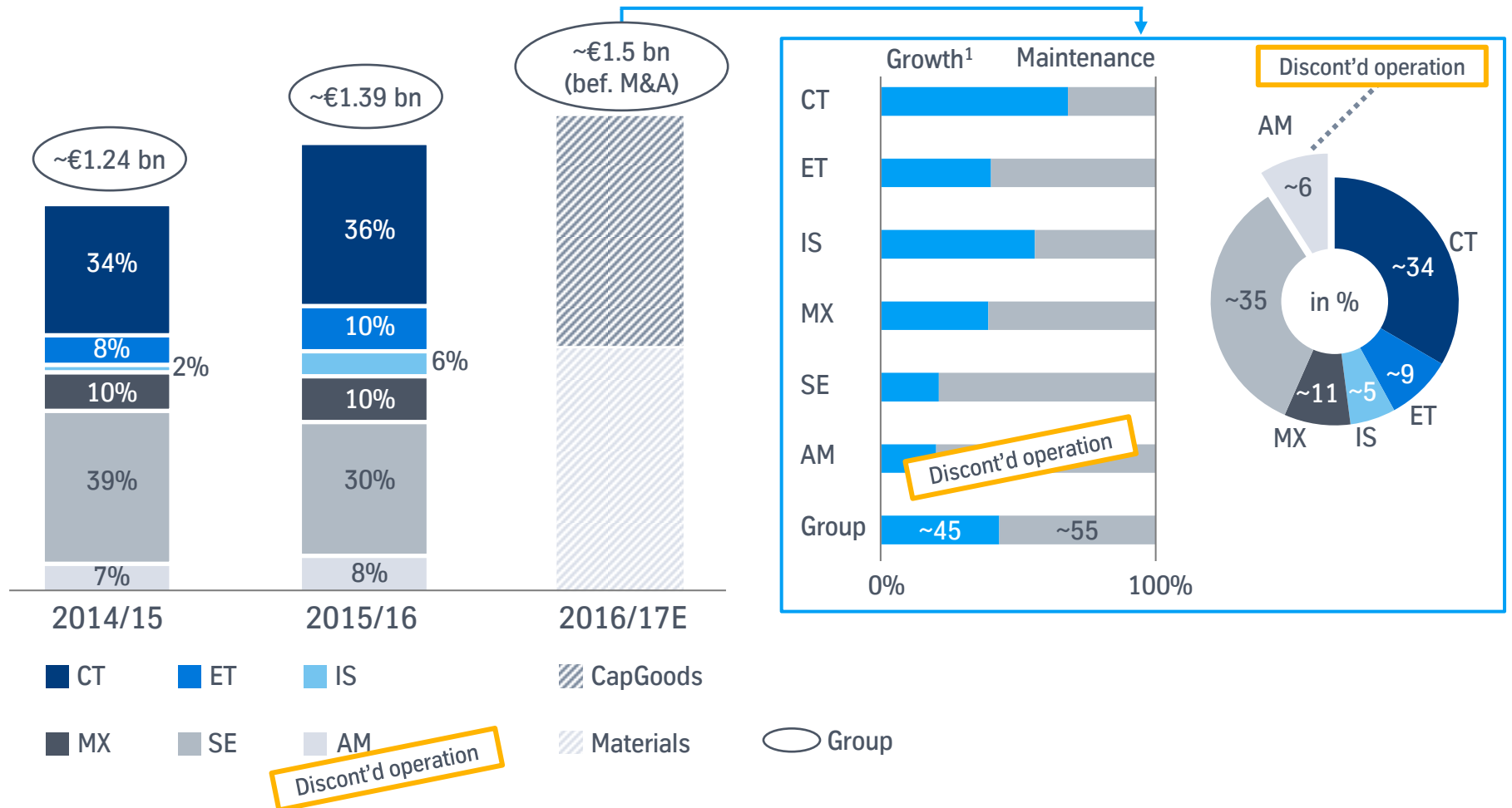


Every Business Area with triple-digit mn contribution



Capex allocation

Cash flows from investing activities

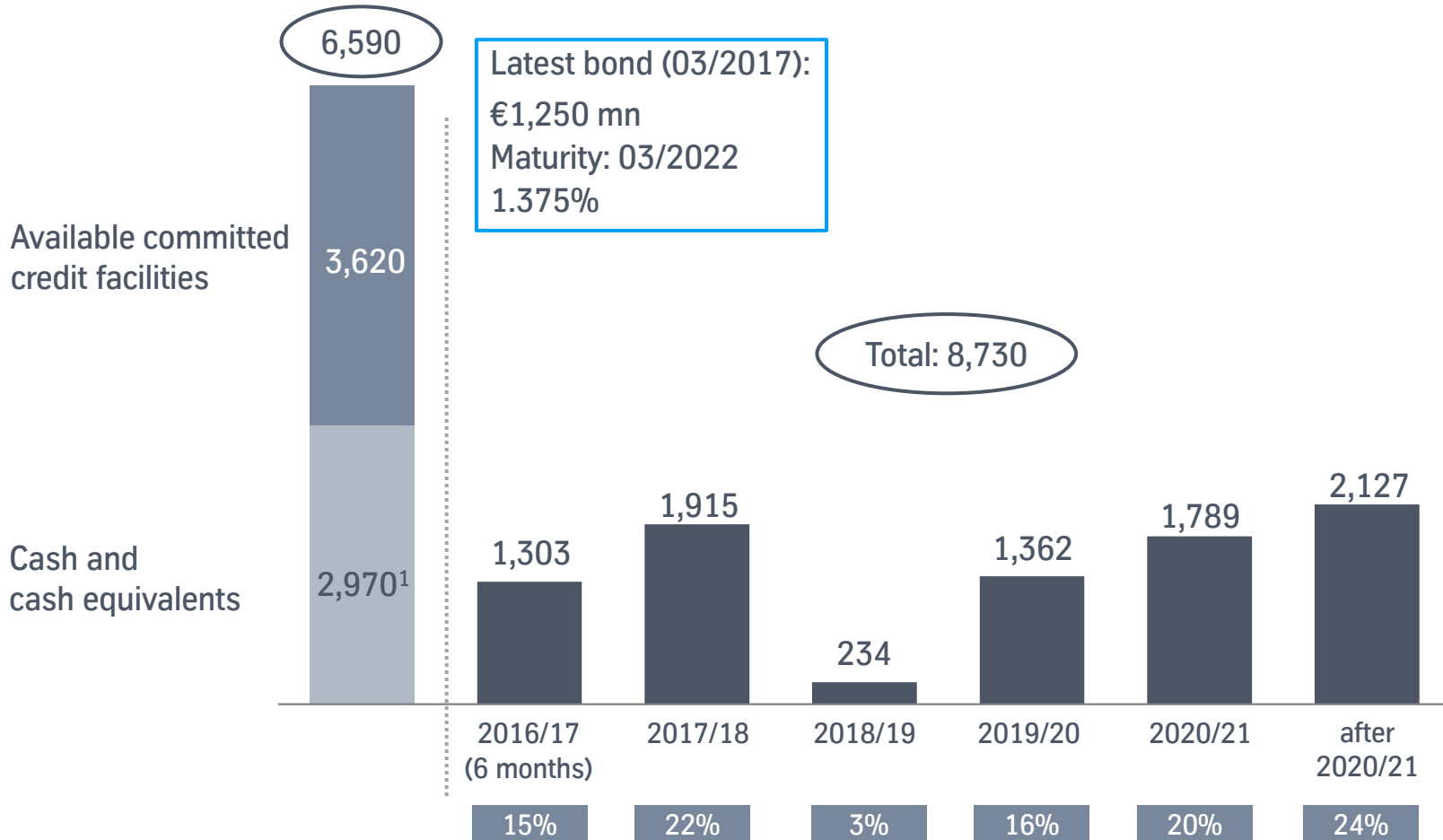


Business Area shares referring to capex excl. Corporate | ¹⁾ including order related investments



Solid financial situation

Liquidity analysis and maturity profile of gross financial debt as of March 31, 2017
[€ mn]



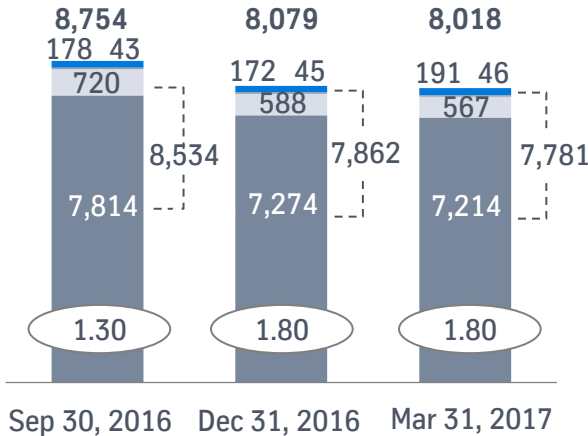
¹⁾ incl. securities of €6 mn



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

[€ mn]

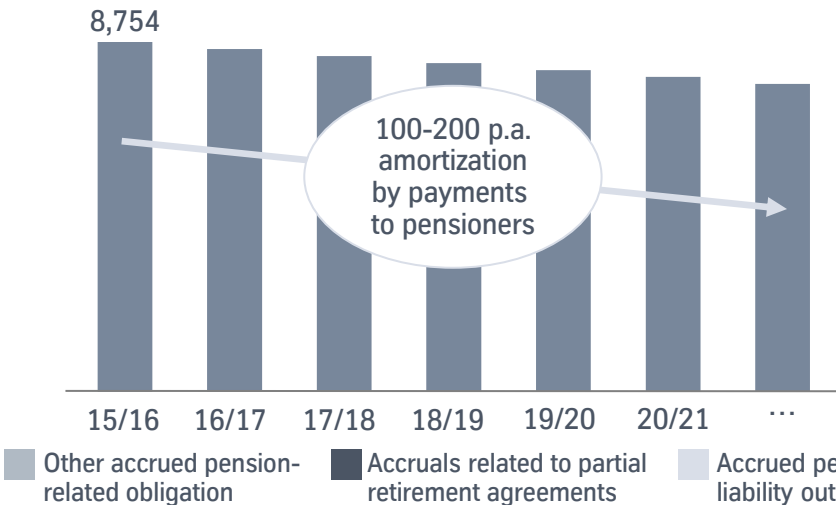
Accrued pension and similar obligations



Fluctuations in accrued pensions

- 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
- are recognized directly in equity via OCI

Development at unchanged discount rate (schematic)



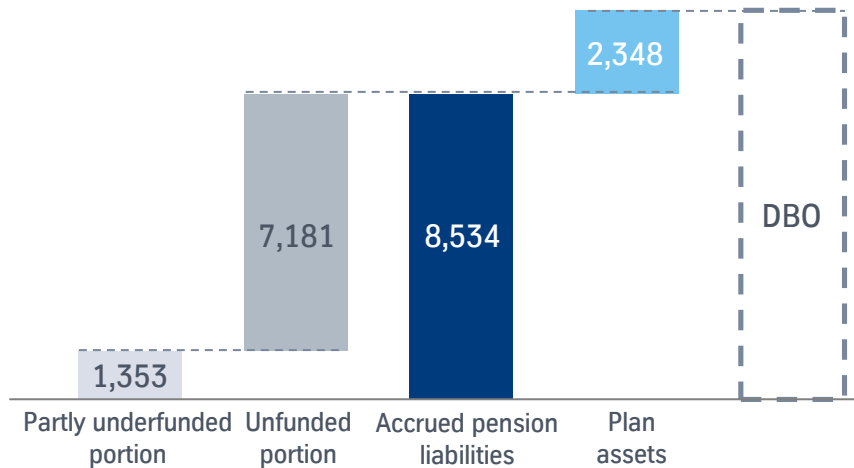
- IFRS requires determination of pension discount rate based on AA-rated corporate bonds
- Pension discount rate sig. lower than interest rates of tk corporate bonds
- ~90% of accrued pensions in Germany; ~64% owed to exist. pensioners (average age ~76 years)



Germany accounts for majority of pension plans

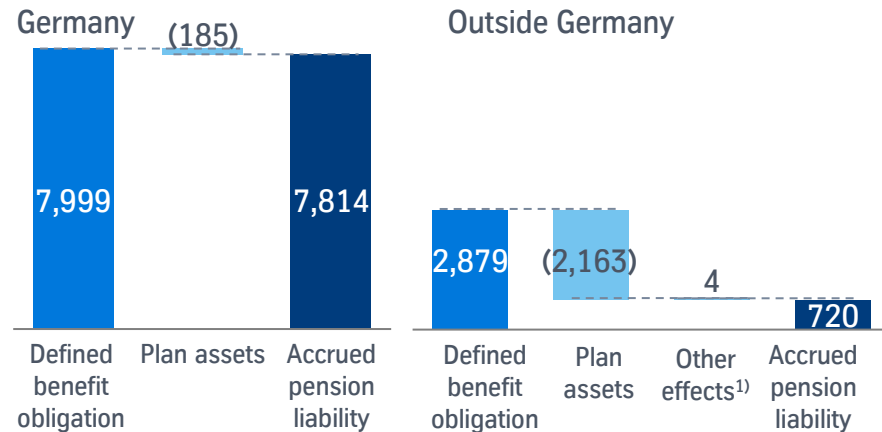
[FY 15/16; € mn]

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



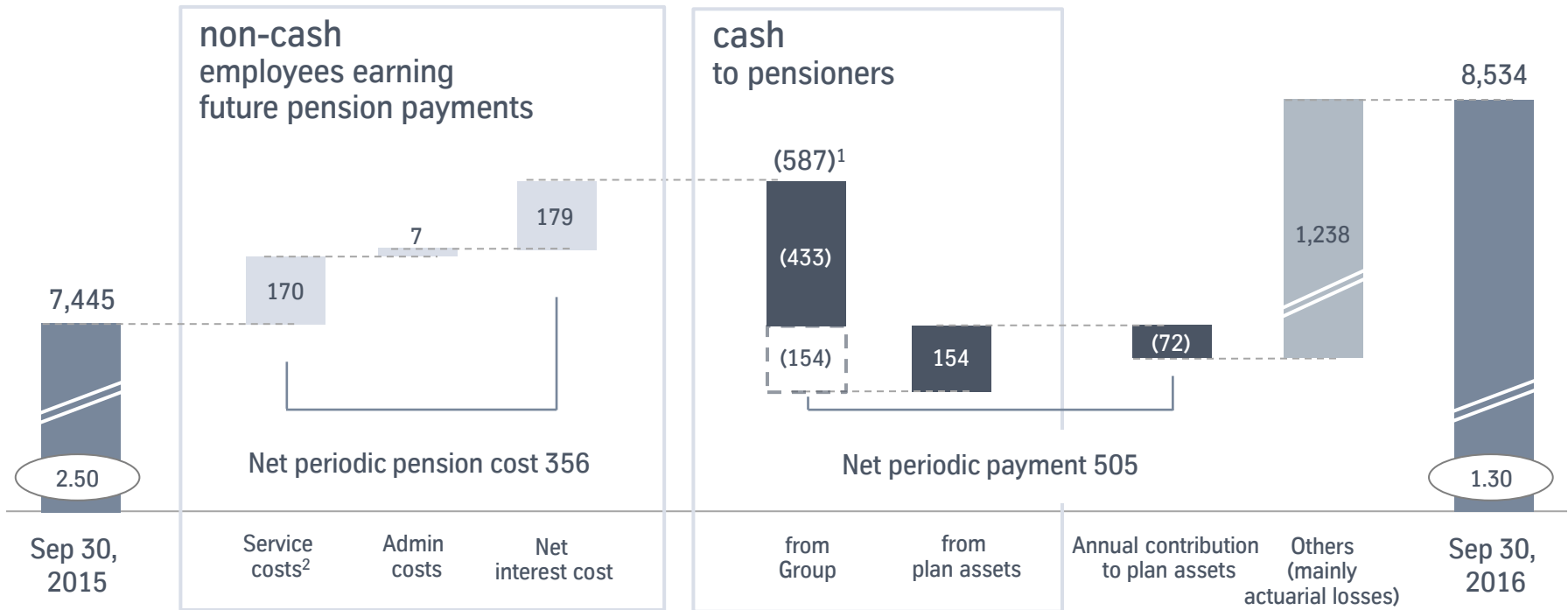
- Plan assets outside Germany mainly attributable to UK (~30%) and USA (~30%)
- Plan asset classes include national and international stocks, fixed income securities of governments and non-governmental organizations, real estate as well as highly diversified funds

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

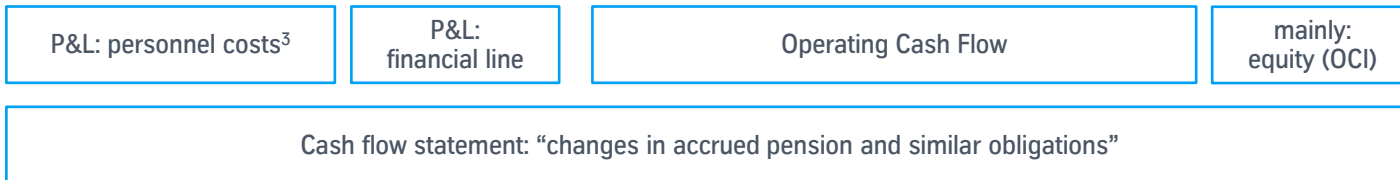


Mature pension scheme: payments amortize liability by ~ €150 mn

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 Q2 16/17 from Group p&l

Continuing Operations

P&L structure

Net sales	10,617
Cost of sales	(8,853)
SG&A, R&D	(1,474)
Other income/expense	14
Other gains/losses	6
= Income from operations	311

Income from companies using equity method 8

Finance income/expense (110)

= EBT 208

EBIT definition

Net sales	10,617
Cost of sales	(8,853)
SG&A, R&D	(1,474)
Other income/expense	14
Other gains/losses	6
Income from companies using equity method	8
Adjustm. for oper. items in fin. income/expense	(6)

= EBIT 313

Finance income/expense (110)

Operating items in fin. income/expense 6

= EBT 208



Reconciliation of EBIT H1 16/17 from Group p&l

Continuing Operations

P&L structure

Net sales	20,335
Cost of sales	(16,978)
SG&A, R&D	(2,847)
Other income/expense	15
Other gains/losses	(3)
= Income from operations	523

Income from companies using equity method (2)

Finance income/expense (238)

= EBT 283

EBIT definition

Net sales	20,335
Cost of sales	(16,978)
SG&A, R&D	(2,847)
Other income/expense	15
Other gains/losses	(3)

Income from companies using equity method (2)

Adjustm. for oper. items in fin. income/expense (20)

= EBIT 501

Finance income/expense (238)

Operating items in fin. income/expense 20

= EBT 283



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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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