

Charts on Q4 and FY 2016/17

Facts & Figures

Ticker: TKA (Share) TKAMY (ADR)

November 2017

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thyssenkrupp

Q4 and FY Highlights

- **Order Intake** **Strong growth across the group; IS confirming turnaround; Materials and CT significantly up**
Cont'd ops. yoy - Q4: €11,300 mn; +29% (+30%)¹ / FY: €42,756 mn; +18% (+18%)¹
Group yoy - Q4: €11,615 mn; +26% (+29%)¹ / FY: €44,288 mn; +18% (+18%)¹
- CT: €1,936 mn; +17% (+20%)¹ yoy; Q4 driven by LV Components in Europe and China, as well as improved market conditions for HV and construction equipment
 - ET: €1,796 mn; -7% (-4%)¹ yoy; Q4 slightly lower yoy due to bigger tickets in prior year quarter
 - IS: €2,342 mn; +214% (+203%)¹ yoy; Q4 supported by large scale order for fertilizer plant and corvette order; FY order development confirming order intake turnaround
 - MX: €3,516 mn; +19% (+21%)¹ yoy and SE: €2,277 mn; +23% (+23%)¹ yoy; Materials in Q4 and FY higher yoy mainly due to improved spot-price environment

- **EBIT adj.** **Confirming consistent improvement trend; CT and ET with record Q4**
Cont'd ops. yoy - Q4: €500 mn; +25% / FY: €1,722 mn; +15%
Group yoy - Q4: €535 mn; +14% / FY: €1,910 mn; +30%
- CT: €102 mn; +30% yoy; Q4 driven by LV growth and performance measures; margins up but partly diluted by ramp-up cost
 - ET: €260 mn; +6% yoy; Q4 20 seq. qtrs. with EBIT adj. and margins up yoy; stringent performance program execution
 - IS: €41 mn; -40% yoy; Q4 and FY earnings subdued due to underutilization at chemical plants and low-margin milestones at Marine Systems
 - MX: €66 mn; +6% yoy and SE: €196 mn; +81% yoy; Materials up yoy in FY due to favorable spot-price environment; Q4 down qoq mainly due to less favorable trading conditions

- **Net income** **Group: €(591) mn; €(852) mn yoy; negative only due to effects from Steel Americas exit**
- FY pro-forma Net Income w/o exit effects well above prior year

¹) Adjusted for F/X and portfolio changes



FY Highlights and FY 17/18 outlook

- ▶ **SWF** **Portfolio reshaping towards a Diversified Industrial**
 - Exit Steel Americas completed
 - MoU on Joint Venture with Tata Steel

- ▶ **'impact'** **€930 mn in FY – €750 mn 'impact' effects targeted for FY 17/18**

- ▶ **FCF bef. M&A** **Group: €(798) mn; €(996) mn yoy**
 - Higher NWC requirements at Materials, payment profile at IS, growth at CT

- ▶ **NFD** **€1,957 mn; lower by €1,543 mn yoy – significant deleveraging of Balance Sheet**
 - NFD (€1,957 mn) and Gearing (58%) lowest since Strategic Way Forward
 - Supported by FCF from M&A and capital increase
 - Proceeds of Steel Americas exit

- ▶ **Dividend proposal** **€ 0.15 (unchanged yoy)**

- ▶ **Guidance 17/18E** **EBIT adj. (Group)**
 - Striving for significant increase to €1.8 - 2.0 bn
 - Driven by growth and improvements at Capital Goods
 - Depending on continuance of favorable materials market environment
 - Possible FX headwinds

Net Income (Group)

 - Significant increase due to higher EBIT adj. and lower restructuring costs

FCF bef. M&A (Group)

 - Positive due to higher earnings, lower NWC vs. significantly higher payouts (€200 - 300 mn) for restructuring



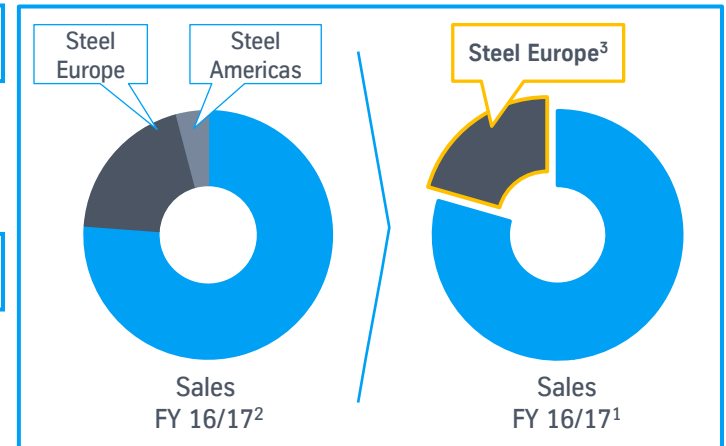
Major milestones on Strategic Way Forward (SWF) in FY 16/17

Portfolio reshaping towards a Diversified Industrial

- Exit Steel Americas completed
- MoU on Joint Venture with Tata Steel

Significant deleveraging of Balance Sheet

- NFD (€1,957 mn) and Gearing (58%) lowest since SWF
- Supported by FCF from M&A and capital increase



Order Intake¹ of €42.756 mn (+18% yoy) on 5-year high - tailwind for growth

- CT and ET with new records; IS with highest level in 5 years reflecting turnaround

EBIT adj.¹ of €1.722 mn (+15% yoy) - confirming consistent improvement trend

- CT and ET with growth; IS bottoming out; Materials with dynamic market fundamentals

Net Income² of €(591) mn - negative only due to effects from Steel Americas exit

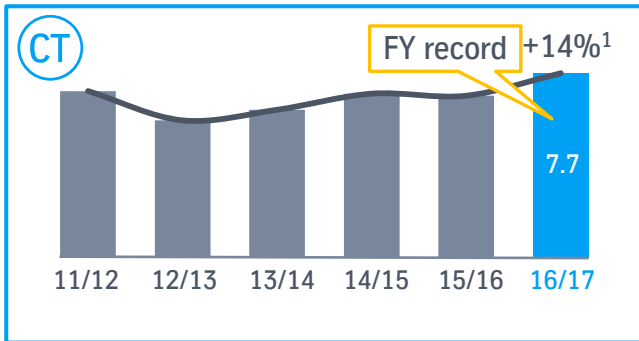
- Pro-forma Net Income w/o exit effects well above prior year
- Dividend proposal of €0.15 per share

¹⁾ Continuing Operations | ²⁾ Group | ³⁾ Discontinued Operations post Signing of JV



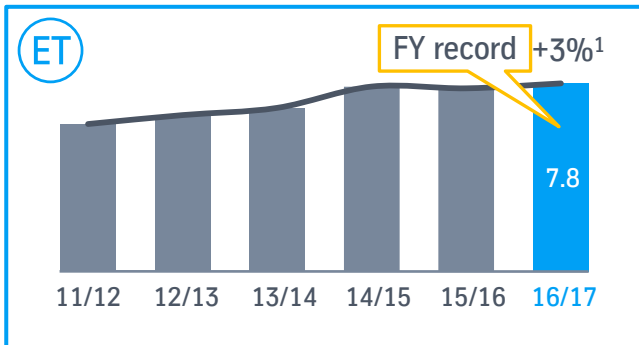
Value pipeline at Capital Goods as cornerstone for future growth

[Order intake in € bn]



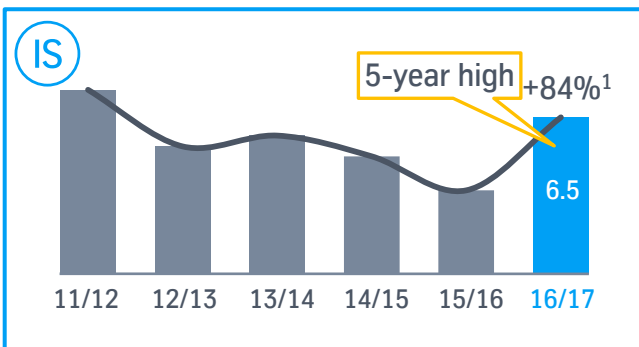
... by **advanced driving solutions**

- Strong customer response at IAA Frankfurt Motor Show 2017
- Currently 7 plants with volumes ramping up in FY 17/18; full stream of revenues from 2019 onwards



... by innovation in **urban mobility solutions**

- MULTI: up to 50% higher transport capacity and reduce peak power demand by as much as 60%
- MAX: over 110,000 currently with digital pre-emptive maintenance (connected units comprise appr. 10% of total maintenance portfolio)
- HoloLens: step-change in elevator service; reducing service intervention times by up to 4x with mixed reality technology



... by **strong order pipeline** and **transformation**

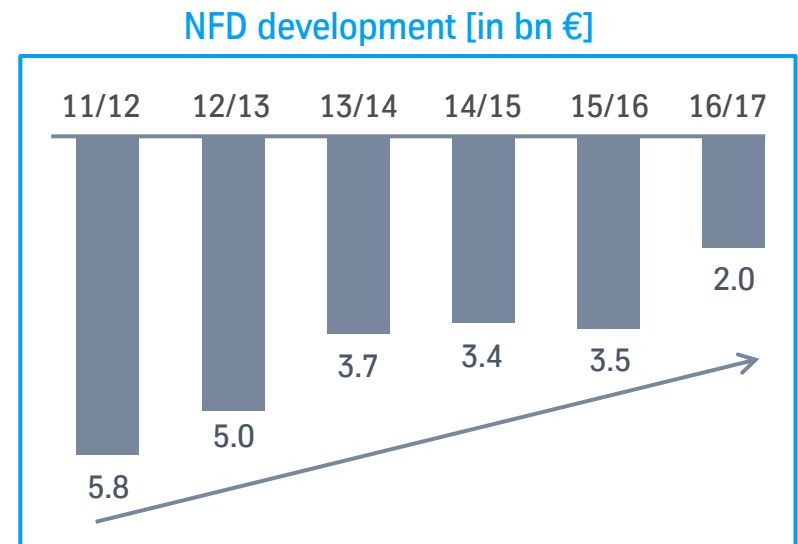
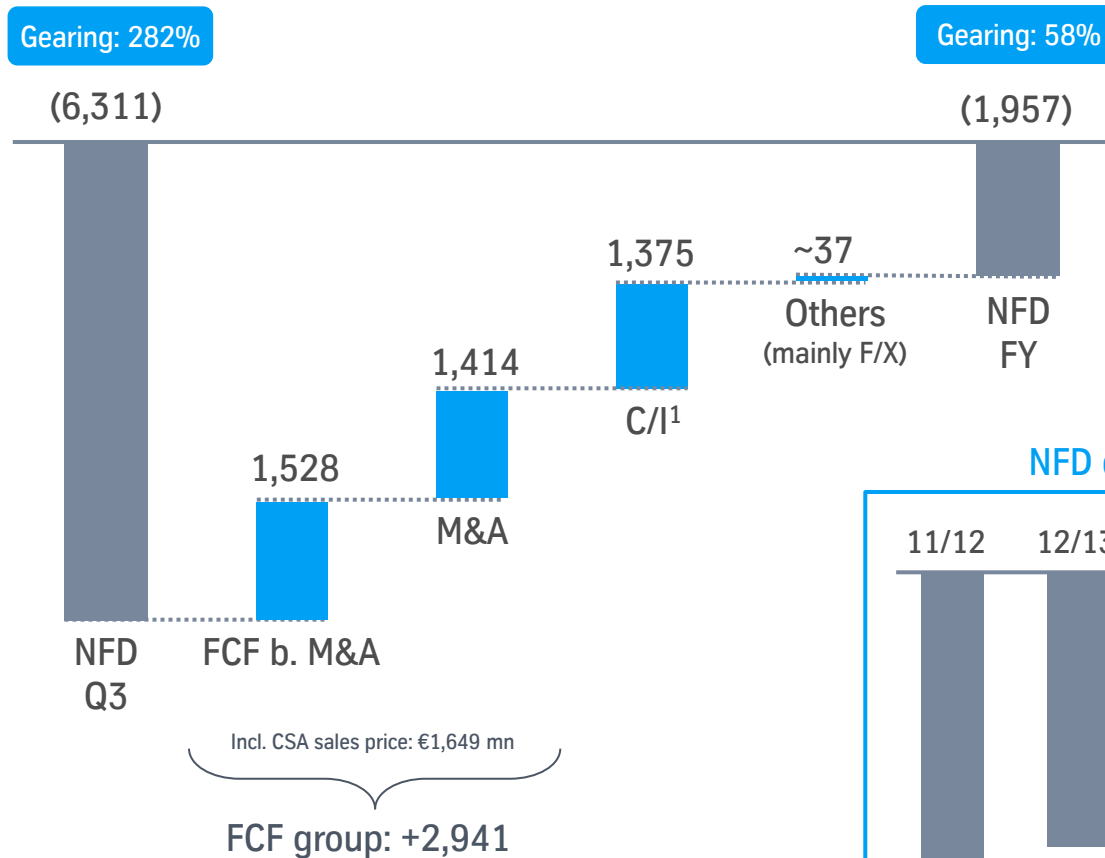
- Increasing share of small-to mid size projects and Service Solutions (113 projects from €5 to €100 mn in FY 16/17 vs. 87 projects in FY 15/16)
- Enhancing market position for large scale projects (5 projects over €100 mn in FY 16/17 vs. 1 project in FY 15/16)

¹⁾ Adjusted for F/X and portfolio changes



Significant deleveraging of Balance Sheet in Q4 16/17

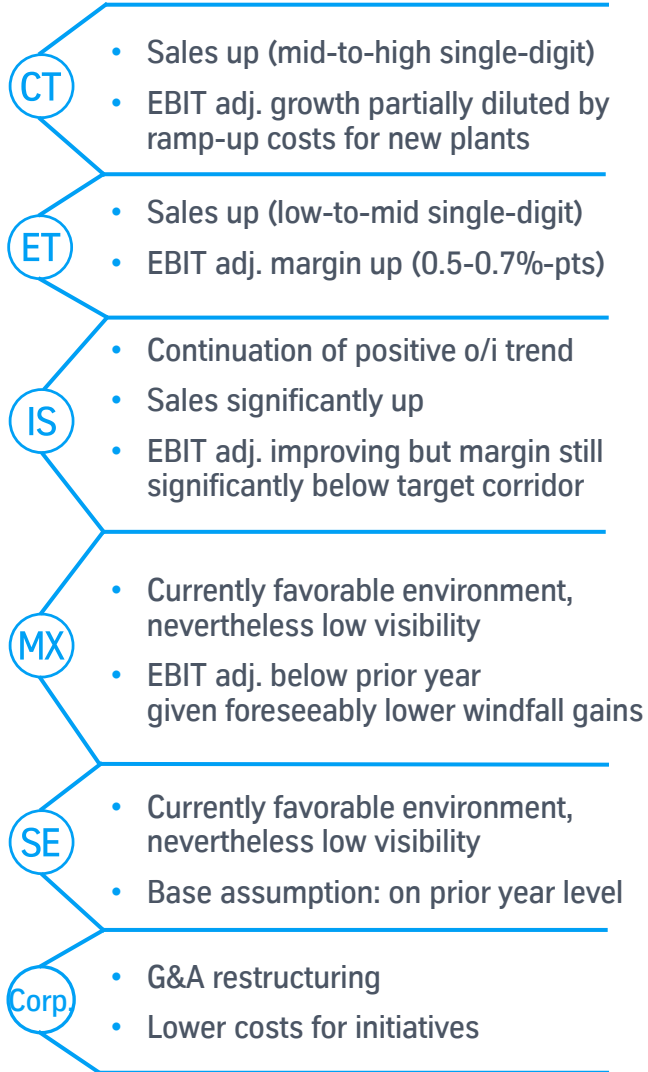
NFD and Gearing lowest since SWF; supported by FCF from M&A and capital increase [€ mn]



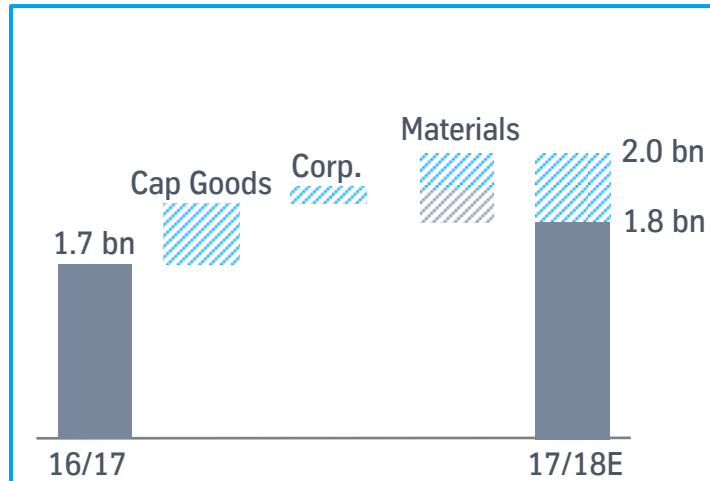
¹⁾ Net amount of capital increase



Outlook FY 17/18E: Executing growth path – continuing the transformation



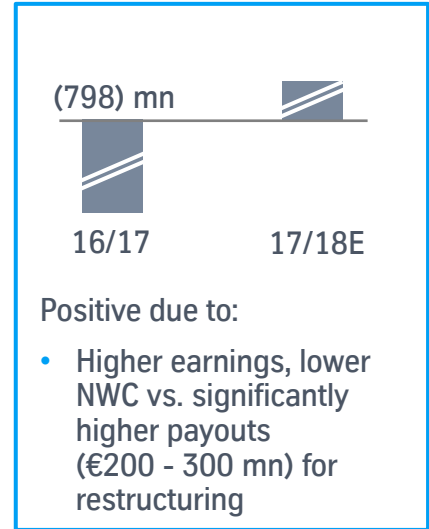
EBIT adj.¹



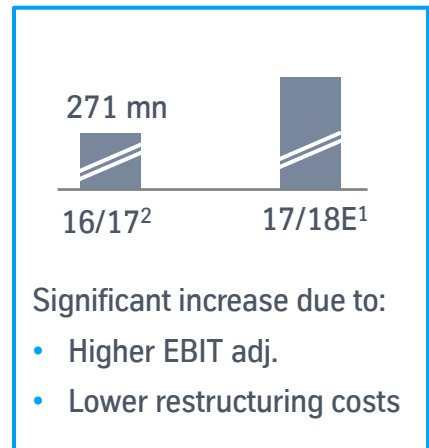
Striving for a significant increase to €1.8 - 2.0 bn

- driven by growth and improvements at Capital Goods
- depending on continuance of favorable materials market environment and possible FX headwinds
- supported by 'impact' measures of ~€750 mn

FCF b. M&A¹



Net Income



¹⁾ Group | ²⁾ Continuing Operations



Next steps in Strategic Way Forward

- Due Diligence for steel Joint Venture - started
- Finalizing JV structure and synergy concept - started
- Signing for JV - expected early 2018
- Steel Europe as Discontinued Operations - post Signing
- Closing for JV after regulatory approval - expected late 2018
- Further reshaping thyssenkrupp into a Diversified Industrial - ongoing

Priorities:

Cash flow

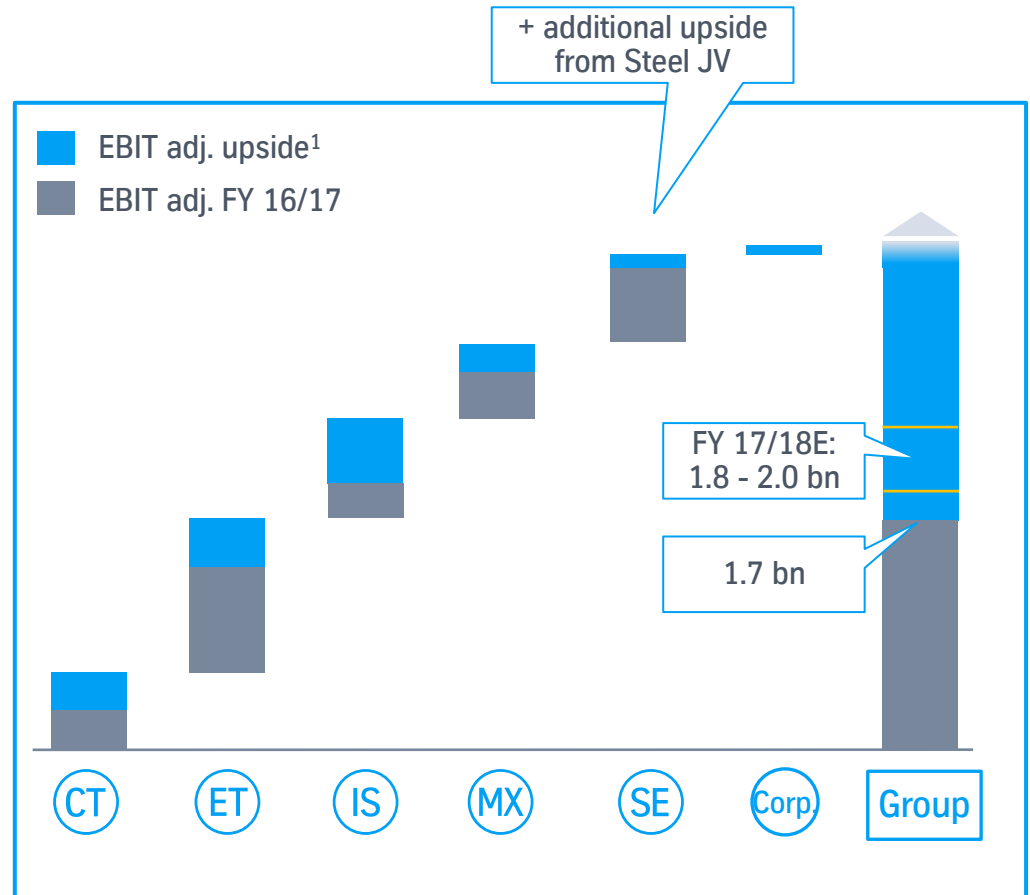
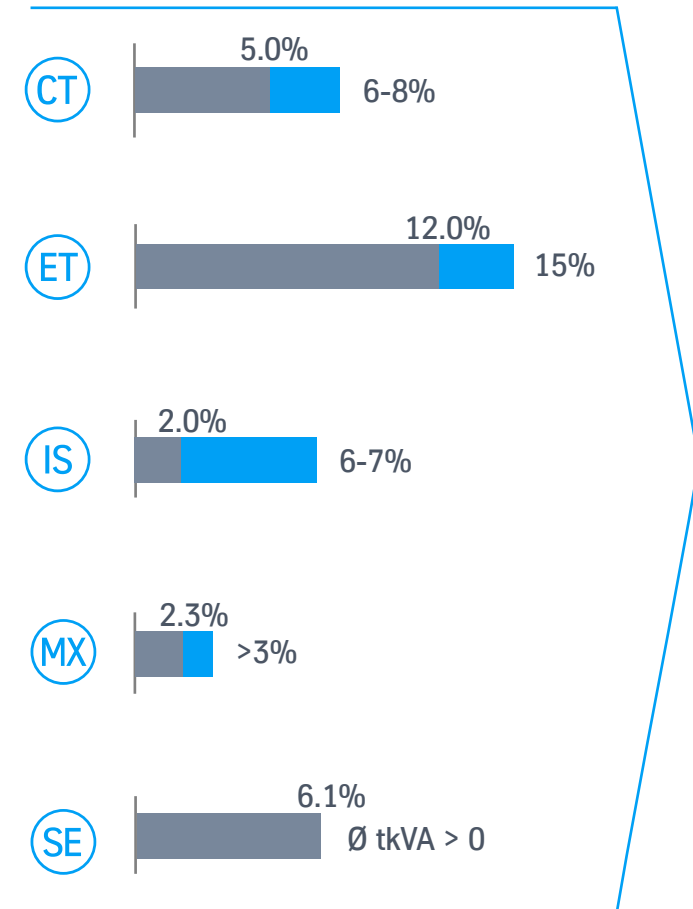
Group reshaping

Growth



Significant EBIT adj. upside by Strategic Way Forward execution

EBIT adj. margin target:



Mid to long-term targets for group to be specified post Signing of steel JV




■ EBIT adj. margins FY 16/17
■ EBIT adj. margin upside¹

¹ Including tk growth assumptions



Outlook Q1 17/18E

[€ mn]

EBIT adj.	Q1 16/17	Q1 17/18E yoy	
Group	291 ¹	~400	
CT	75		Q1 with ramp-up cost for new plants and FX headwinds; Q2-Q4 with yoy and qoq improvements by realizing economies of scale and executing performance measures
ET	215		Stringent performance program execution vs. FX headwinds; continuation of 50-70bps margin improvement
IS	42		Ramp-up of improvements by restructuring measures throughout the year
MX	51		Favorable market environment vs. product-mix effects
SE	28		Favorable market environment and operational improvements
FCF bef. M&A (Group)	-1,736		Significant yoy improvement towards ~1bn negative by higher earnings and lower NWC requirements Qoq significantly lower NWC-backswing

¹⁾ Continuing Operations



Order intake: Strong growth across the group

IS confirming turnaround; Materials and CT significantly up

[€ mn]

	15/16 Q4	16/17 Q4	yoy	yoy (ex F/X ¹)	15/16 FY	16/17 FY	yoy	yoy (ex F/X ¹)
Components Technology (CT)	1,647	1,936	17%	20%	6,740	7,674	14%	14%
Elevator Technology (ET)	1,940	1,796	-7%	-4%	7,631	7,834	3%	3%
Industrial Solutions (IS)	746	2,342	214%	203%	3,461	6,490	88%	84%
Materials Services (MX)	2,949	3,516	19%	21%	11,840	13,760	16%	16%
Steel Europe (SE)	1,852	2,277	23%	23%	8,146	8,969	10%	10%
Continuing Operations	8,753	11,300	29%	30%	36,125	42,756	18%	18%
Steel Americas (AM)	485	397	-18%	7%	1,525	1,874	23%	29%
Group	9,188	11,615	26%	29%	37,424	44,288	18%	18%

- **CT:** Q4 and FY with new record driven by LV Components in Europe and China, as well as improved market conditions for HV and construction equipment
- **ET:** Q4 slightly lower yoy due to bigger tickets in prior year quarter; FY with new record
- **IS:** Highest quarterly order intake since 5 years supported by large scale order for fertilizer plant and corvette order; FY order development confirming order intake turnaround
- **Materials:** Q4 and FY higher yoy mainly due to improved spot-price environment

¹⁾ Adjusted for F/X and portfolio changes



Sales: Growth at all Business Areas

Quarter strongly driven by CT and Materials

[€ mn]

	15/16 Q4	16/17 Q4	yoy	yoy (ex F/X ¹)	15/16 FY	16/17 FY	yoy	yoy (ex F/X ¹)
Components Technology (CT)	1,685	1,923	14%	17%	6,807	7,571	11%	11%
Elevator Technology (ET)	1,942	1,971	1%	5%	7,468	7,674	3%	3%
Industrial Solutions (IS)	1,401	1,520	8%	9%	5,744	5,522	-4%	-6%
Materials Services (MX)	2,972	3,480	17%	18%	11,886	13,665	15%	15%
Steel Europe (SE)	1,969	2,299	17%	17%	7,633	8,915	17%	17%
Continuing Operations	9,569	10,675	12%	13%	38,000	41,447	9%	9%
Steel Americas (AM)	478	365	-24%	7%	1,489	1,848	24%	32%
Group	9,997	10,958	10%	12%	39,263	42,971	9%	9%

- **CT:** Best Q4 and FY; Growth driven by light vehicles (LV)
- **ET:** Record Q4 – best quarter ever; driven by new installation in Korea and the US
- **IS:** FY down yoy due to lower order intake in prior year; higher contribution from Cement, System Engineering and Marine Systems
- **Materials:** Q4 and FY higher yoy mainly due to improved spot-price environment

¹⁾ Adjusted for F/X and portfolio changes



EBIT adj.: Confirming consistent improvement trend

CT and ET with record Q4

[€ mn]

	15/16 Q4	16/17 Q3	16/17 Q4	qoq	yoy	15/16 FY	16/17 FY	yoy
Components Technology (CT)	79	99	102	3%	30%	335	377	12%
Elevator Technology (ET)	246	240	260	8%	6%	860	922	7%
Industrial Solutions (IS)	68	6	41	35 mn	-40%	355	111	-69%
Materials Services (MX)	62	73	66	-10%	6%	128	312	184 mn
Steel Europe (SE)	108	232	196	-16%	81%	315	547	74%
Corporate	(150)	(131)	(165)	-26%	-10%	(497)	(535)	-8%
Continuing Operations	400	519	500	-4%	25%	1,500	1,722	15%
Steel Americas (AM)	67	100	34	-66%	-49%	(33)	186	219 mn
Group	468	620	535	-14%	14%	1,469	1,910	30%

- **CT:** Q4 and FY higher by LV growth and performance measures; margins up but partly diluted by ramp-up cost
- **ET:** Q4 with new record; 20 seq. qtrs. with EBIT adj. and margins up yoy; stringent performance program execution
- **IS:** FY earnings subdued due to underutilization at chemical plants and low-margin milestones at Marine Systems
- **Materials:** FY up yoy due to favorable spot-price environment; Q4 down qoq mainly due to less favorable trading conditions
- **Corporate:** One-off costs for digitization initiatives in Q4



Special Items - continued focus on restructuring and future margin upside

[€ mn]

Business Area	2015/16					2016/17					Comments on Q4	
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY		
CT	Disposal effect											• Restructuring, Reorganization Chassis & Undercarriages
	Impairment		(6)	(5)	(47)	(59)	(2)	(10)	(1)	(10)	(23)	
	Restructuring		(1)	(15)	(3)	(18)	(8)	(25)	(1)	(7)	(41)	
	Others		(3)	(8)	4	(7)	(7)		(4)	(5)	(16)	
ET	Disposal effect		8			8			(1)		(1)	• Restructuring, Reorganization Germany, France and Middle East
	Impairment	(4)	(2)	(6)	(2)	(14)	(1)	(25)		(6)	(32)	
	Restructuring	(5)	(11)	(3)	(15)	(34)	(15)	(7)	(6)	(78)	(106)	
	Others	(1)	(11)	(10)	(28)	(50)	(15)	(7)	(1)	(23)	(46)	
IS	Disposal effect						(5)	5		(1)	(1)	• Restructuring & Reorganization Germany
	Impairment				(7)	(7)				(10)	(10)	
	Restructuring		(1)	(2)	(7)	(11)	(6)	(4)	(3)	(99)	(112)	
	Others				(3)	(4)	(18)	(4)	13	(15)	(24)	
MX	Disposal effect				1	1						• Restructuring & Reorganization Europe, Middle East, Asia
	Impairment	1	(2)	(5)	(6)	(12)		(3)	(1)	(10)	(14)	
	Restructuring	(1)	(1)	(6)	(8)	(16)	(2)	(9)	(4)	(17)	(32)	
	Others	(4)	(4)	(7)	(9)	(25)	(11)	(16)	(10)	(8)	(45)	
SE	Disposal effect									(22)	(22)	• Restructuring Heavy Plate
	Impairment		(8)		7	(1)				(2)	(2)	
	Restructuring	(1)	(1)			(2)	(2)	(1)	(1)	(23)	(27)	
	Others				4	4				(4)	(4)	
Corp.	Disposal effect	(4)	(2)	(13)	(1)	(20)	(4)	(2)	(3)	(3)	(12)	• Restructuring Germany and reorganization IT infrastructure
	Impairment			(5)	(2)	(7)				(5)	(5)	
	Restructuring	(1)	(2)	(1)	(2)	(7)	(1)	(1)		(8)	(10)	
	Others	(10)	(2)	2	(2)	(11)	(6)	10	(11)	(1)	(8)	
Consolidation									22	22	• Reversal of effects recognized in prior quarters related to Steel Americas exit	
Continuing operations	(31)	(49)	(84)	(127)	(291)	(103)	(99)	(34)	(335)	(572)		
Discontinued operations	(10)	4	14	3	11	15	(892)	(56)	303	(630)		
Consolidation									(22)	(22)		
Full Group	(41)	(45)	(70)	(124)	(280)	(88)	(991)	(90)	(53)	(1,224)		



Key financials (I)

[€ mn]

Full Group

	2015/16					2016/17				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Order intake	9,810	9,027	9,399	9,188	37,424	9,954	11,993	10,725	11,615	44,288
Sales	9,548	9,852	9,865	9,997	39,263	10,087	10,998	10,929	10,958	42,971
EBITDA	489	585	666	701	2,441	536	469	808	789	2,602
EBITDA adjusted	529	615	725	765	2,634	623	715	882	811	3,031
EBIT	193	281	372	344	1,189	240	(564)	529	481	687
EBIT adjusted	234	326	441	468	1,469	329	427	620	535	1,910
EBT	34	151	261	207	652	124	(703)	293	348	61
Net income/(loss)	(54)	45	124	146	261	15	(870)	134	130	(591)
attrib. to tk AG stockh.	(23)	61	130	129	296	8	(879)	120	102	(649)
Earnings per share ¹ (€)	(0.04)	0.11	0.23	0.23	0.52	0.01	(1.55)	0.21	0.18	(1.15)
Free cash flow	(847)	(371)	205	1,205	191	(1,791)	(216)	(445)	2,941	489
FCF before M&A	(847)	(365)	205	1,205	198	(1,736)	(212)	(377)	1,528	(798)

¹⁾ attributable to thyssenkrupp AG's stockholders



Key financials (II)

[€ mn]

Continuing operations

	2015/16					2016/17				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Order intake	9,491	8,791	9,090	8,753	36,125	9,600	11,643	10,213	11,300	42,756
Sales	9,240	9,588	9,603	9,569	38,000	9,718	10,617	10,437	10,675	41,447
EBITDA	573	645	612	631	2,461	483	1,347	763	472	3,065
EBITDA adjusted	603	680	685	697	2,665	585	700	781	776	2,843
EBIT	277	341	318	273	1,209	188	313	484	165	1,150
EBIT adjusted	308	390	401	400	1,500	291	412	519	500	1,722
EBT	132	206	212	141	691	74	208	396	87	766
Net income/(loss) (net of tax)	54	108	89	106	357	(6)	64	268	(55)	271
attrib. to tk AG stockh.	44	97	82	88	311	(13)	55	254	(84)	212
Earnings per share ¹ (€)	0.08	0.17	0.14	0.16	0.55	(0.02)	0.10	0.45	(0.15)	0.37

¹⁾ attributable to thyssenkrupp AG's stockholders



Key financials (III)

[€ mn]

Continuing operations

	Q1	Q2	2015/16 Q3	Q4	FY	Q1	Q2	2016/17 Q3	Q4	FY
TK Value Added ¹					(85)					(651)
Ø Capital Employed ¹	15,539	15,802	15,937	15,933	15,933	16,501	16,856	16,941	16,728	16,728
Operating cash flow	(527)	(67)	526	1,379	1,310	(1,450)	170	24	1,739	483
Cash flow from divestm.	5	26	3	156	189	20	34	8	1,477	1,539
Cash flow from investm.	(225)	(267)	(323)	(463)	(1,277)	(289)	(346)	(432)	(468)	(1,535)
Free cash flow	(747)	(308)	206	1071	222	(1,719)	(142)	(400)	2,748	487
FCF before M&A	(747)	(302)	206	1,071	228	(1,719)	(139)	(332)	1,335	(855)
Cash and cash equivalents ¹ (incl. short-term securities)	3,655	3,545	3,100	4,111	4,111	2,552	2,970	2,237	5,298	5,298
Net financial debt ¹	4,384	4,816	4,770	3,500	3,500	5,433	5,760	6,311	1,957	1,957
Equity ¹	3,355	2,753	2,723	2,609	2,609	3,275	2,304	2,242	3,404	3,404
Employees	151,604	151,682	151,511	152,640	152,640	153,318	154,431	157,634	158,739	158,739

¹⁾ Group figures



Components Technology

[€ mn]

	2015/16					2016/17				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Order intake	1,649	1,669	1,775	1,647	6,740	1,759	1,979	2,000	1,936	7,674
Sales	1,650	1,688	1,783	1,685	6,807	1,743	1,936	1,970	1,923	7,571
EBITDA	149	159	155	164	627	139	159	176	175	648
EBITDA adjusted	149	163	179	163	655	154	183	180	187	705
EBIT	71	76	72	33	251	58	66	93	80	297
EBIT adjusted	71	86	100	79	335	75	101	99	102	377
EBIT adj. margin (%)	4.3	5.1	5.6	4.7	4.9	4.3	5.2	5.0	5.3	5.0
tk Value Added					(54)					(21)
Ø Capital Employed	3,505	3,557	3,585	3,587	3,587	3,624	3,713	3,753	3,740	3,740
BCF	(155)	29	49	191	114	(192)	(38)	(17)	279	31
CF from divestm.	0	1	0	1	2	1	0	1	1	2
CF for investm.	(78)	(84)	(133)	(193)	(488)	(91)	(136)	(170)	(153)	(551)
Employees	29,772	30,118	30,281	30,751	30,751	31,100	31,770	32,469	32,904	32,904

Current trading conditions

O/I – Q4 +17% yoy, ex F/X +20%; light vehicle growth across major regions (except USA), further improved cond. for trucks & constr. equip.

- Chassis/Powertrain (LV): LV with solid growth in China and Western Europe, Brazil recovering from low level
- Powertrain (HV): Higher demand for trucks (HV) in China; Europe slightly positive; signs of improvement in NAFTA, production in Brazil growing from very low base caused by export activity
- Industrial components: Higher order intake at mechanical engineering and wind power; improvement in construction equipment market from low basis
- **EBIT adj. – Q4 +30% yoy;** automotive with higher volumes vs. ramp-up costs



Elevator Technology

[€ mn]

	2015/16					2016/17				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Order intake	1,992	1,832	1,867	1,940	7,631	1,903	2,111	2,024	1,796	7,834
Order backlog	5,051	5,040	5,022	4,974	4,974	5,141	5,384	5,216	4,814	4,814
Sales	1,869	1,752	1,906	1,942	7,468	1,882	1,868	1,954	1,971	7,674
EBITDA	214	190	225	227	856	203	188	252	181	824
EBITDA adjusted	223	206	242	270	941	234	227	260	285	1,007
EBIT	193	171	205	202	771	184	168	232	153	736
EBIT adjusted	203	186	225	246	860	215	207	240	260	922
EBIT adj. margin (%)	10.9	10.6	11.8	12.7	11.5	11.4	11.1	12.3	13.2	12.0
tk Value Added					681					652
Ø Capital Employed	1,269	1,254	1,220	1,197	1,197	1,139	1,156	1,141	1,127	1,127
BCF	48	289	269	188	793	7	316	124	274	720
CF from divestm.	1	10	1	1	13	0	1	1	(1)	1
CF for investm.	(21)	(35)	(27)	(53)	(135)	(36)	(41)	(34)	(34)	(144)
Employees	51,644	51,532	51,467	51,426	51,426	51,931	52,378	52,460	52,660	52,660

Current trading conditions

Order backlog (excl. Service) €4.8 bn near record level

Order intake in Q4 -7% yoy (ex FX -3%) due to booking of major projects in prior year. Positive development in Canada and USA

Sales in Q4 +1.5% yoy (ex F/X +5.2%); positive development in NI in Asia/Pacific and US; Europe weaker;

Q4 EBIT adj. margin improvement in line with target range

New installation driven by Americas; 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 from a low base



Industrial Solutions

[€ mn]

	2015/16					2016/17				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Order intake	1,530	644	541	746	3,461	1,159	1,959	1,031	2,342	6,490
Order backlog	12,337	11,288	10,634	9,908	9,908	9,636	10,309	10,604	11,341	11,341
Sales	1,506	1,609	1,228	1,401	5,744	1,479	1,282	1,241	1,520	5,522
EBITDA	104	167	57	77	405	28	35	34	(48)	48
EBITDA adjusted	105	168	59	87	419	57	37	24	71	190
EBIT	90	152	41	50	333	13	20	15	(84)	(36)
EBIT adjusted	90	153	43	68	355	42	23	6	41	111
EBIT adj. margin (%)	6.0	9.5	3.5	4.8	6.2	2.8	1.8	0.5	2.7	2.0
tk Value Added					371					(71)
Ø Capital Employed	(934)	(759)	(587)	(475)	(475)	82	241	349	430	430
BCF	(223)	(245)	(232)	104	(597)	(556)	(51)	(72)	275	(405)
CF from divestm.	1	8	0	0	10	3	10	1	0	14
CF for investm.	(15)	(18)	(19)	(23)	(75)	(17)	(15)	(8)	(41)	(82)
Employees	19,518	19,575	19,530	19,602	19,602	19,553	19,349	21,678	21,777	21,777

Current trading conditions

Highest order intake in Q4 since five years and a strong project pipeline

- Chemical plant engineering: major fertilizer plant order (Ammonia & Urea) from Brunei; 2 polymer plants from Turkey
- Mining: numerous mid-size and small orders (e.g. conveyor system, stackers & tripper)
- Cement plants: greenfield clinker plant in Morocco
- Marine Systems: corvette order from Germany (in partnership with Lürssen and German Naval Yards)
- System Engineering: e.g. body-in white lines and battery line

FY earnings significantly down yoy due to underutilization at chemical plants and low-margin milestones at Marine Systems

FY BCF up yoy: improvements in order intake/prepayments vs. working down of projects and underutilization



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	Q3	Q4	FY
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	2,718	2,773	11,003
	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	1,426	1,436	5,666
	Shipments AST ²	kt	-	-	537	747	190	228	232	198	848	225	231	200	197	853
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	3,209	3,010	12,060
	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	2,418	2,282	9,440
	HKM	kt	3,452	3,160	3,313	3,116	669	607	761	649	2,686	373	729	791	728	2,620
	Shipments	kt	12,009	11,519	11,393	11,725	2,359	2,839	3,087	2,889	11,174	2,724	3,010	2,877	2,823	11,433
	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	1,800	1,745	7,169
	Hot-rolled	kt	4,103	4,082	4,256	4,543	845	1,019	1,157	1,104	4,126	992	1,117	1,078	1,078	4,265
	Average Steel revenues per ton ³		139	127	119	114	113	105	103	106	107	109	123	129	127	122
AM ⁴	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	1,189	751	4,009
	Shipments AM	kt	3,401	3,457	4,194	3,849	1,061	1,130	1,049	1,145	4,385	1,006	995	1,085	822	3,908
	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	1.10	1.17	1.10
	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	1.14	1.18	1.18
	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	3.21	3.17	3.20
	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	3.29	3.19	3.19

¹⁾ Excl. AST/VDM shipments | ²⁾ Included at MX since March '14 | ³⁾ Indexed: Q1 2004/2005 = 100 | ⁴⁾ Exit in September '17



Materials Services

[€ mn]

	2015/16					2016/17				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Order intake	2,846	2,922	3,123	2,949	11,840	3,131	3,683	3,430	3,516	13,760
thereof Special Materials	386	391	442	396	1,615	484	495	362	419	1,761
Sales	2,821	3,005	3,087	2,972	11,886	3,032	3,649	3,504	3,480	13,665
thereof Special Materials	362	420	395	356	1,534	434	496	417	389	1,735
EBITDA	29	32	61	74	196	65	124	85	65	339
EBITDA adjusted	34	39	78	90	242	79	151	99	94	422
thereof Special Materials	12	8	(7)	11	25	26	32	39	20	117
EBIT	(1)	3	35	39	76	38	93	57	32	220
EBIT adjusted	3	10	52	62	128	51	121	73	66	312
thereof Special Materials	2	(1)	(13)	3	(10)	19	22	32	11	84
EBIT adj. margin (%)	0.1	0.3	1.7	2.1	1.1	1.7	3.3	2.1	1.9	2.3
thereof Special Materials	0.5	(0.3)	(3.4)	0.8	(0.7)	4.3	4.4	7.6	2.9	4.8
tk Value Added					(233)					(72)
Ø Capital Employed	4,018	4,008	3,950	3,861	3,861	3,611	3,648	3,649	3,652	3,652
BCF	(188)	71	178	406	467	(389)	304	(148)	190	(43)
thereof Special Materials	(6)	(7)	(10)	28	5	(13)	62	16	2	66
CF from divestm.	1	2	4	4	11	3	4	3	46	57
CF for investm.	(14)	(30)	(27)	(65)	(137)	(19)	(24)	(20)	(69)	(132)
Employees	20,009	19,791	19,623	19,754	19,754	19,708	19,800	19,862	19,861	19,861

Current trading conditions

Sales in Q4 up yoy: Higher prices more than compensate for lower volumes (lower raw materials trading volumes with stronger focus on higher-value, higher-margin products)

EBIT adj. in Q4 up yoy: Favorable price environment and continued earnings-securing measures, including effects from logistic strategy in Germany (disposal of land and real estate), more than offset negative windfall effects. AST with significant improvements and higher earnings contribution, benefiting from sustainable success of performance programs



Steel Europe

[€ mn]

MoU for JV with Tata
on Sep. 20th;
signing expected early 2018

	2015/16					2016/17				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Order intake	1,846	2,183	2,265	1,852	8,146	2,078	2,442	2,171	2,277	8,969
Sales	1,723	1,925	2,015	1,969	7,633	1,908	2,371	2,337	2,299	8,915
EBITDA	156	166	191	209	721	130	196	335	244	905
EBITDA adjusted	156	167	191	201	715	133	196	336	292	957
EBIT	50	56	92	118	316	25	91	231	145	493
EBIT adjusted	51	65	91	108	315	28	92	232	196	547
EBIT adj. margin (%)	2.9	3.4	4.5	5.5	4.1	1.5	3.9	9.9	8.5	6.1
tk Value Added					(110)					43
Ø Capital Employed	5,088	5,102	5,067	5,012	5,012	4,948	5,113	5,248	5,286	5,286
BCF	(231)	167	159	365	459	(404)	(232)	76	643	82
CF from divestm.	(2)	1	0	1	1	(4)	(0)	(1)	10	4
CF for investm.	(86)	(89)	(105)	(120)	(400)	(121)	(119)	(184)	(141)	(566)
Employees	27,493	27,368	27,201	27,559	27,559	27,437	27,400	27,384	27,646	27,646

Current trading conditions

EU carbon flat steel market up slightly year-on-year in first six months of CY 2017 – with further pressure from imports: lower volumes from China and Russia but significantly higher imports from other third countries, particularly India and Turkey; market env't remains extremely challenging (global overcapacities, increasing export risks, and continued highly volatile raw material prices)

Sales in Q4 up yoy: Slightly lower shipments more than compensated by significantly higher prices

EBIT adj. in Q4 significantly up yoy: Strong price environment led to strong earnings improvement; margin compressed qoq due to slightly higher raw material prices as well as less economies of scale due to lower shipments



Steel Americas (discontinued operation)¹

[€ mn]

Sold
(closing Sep. 9th)

	2015/16					2016/17				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Order intake	371	286	383	485	1,525	432	440	605	397	1,874
Sales	350	325	336	478	1,489	447	470	566	365	1,848
EBITDA	(47)	(25)	88	105	121	88	(118)	57	336	363
EBITDA adjusted	(37)	(29)	74	103	110	73	39	100	33	245
EBIT	(84)	(61)	53	70	(22)	52	(878)	44	338	(444)
EBIT adjusted	(74)	(65)	39	67	(33)	37	14	100	34	186
EBIT adj. margin (%)	(21.2)	(20.0)	11.6	14.0	(2.2)	8.3	3.1	17.7	9.4	10.1
tk Value Added					(236)					(609)
Ø Capital Employed	2,113	2,115	2,129	2,145	2,145	2,283	2,132	1,943	1,654	1,654
BCF	(70)	(25)	18	145	69	(32)	(38)	(89)	274	115
CF from divestm.	0	1	0	1	2	0	4	1	1,414	1,419
CF for investm.	(30)	(25)	(21)	(34)	(110)	(73)	(18)	(23)	(16)	(131)
Employees	3,783	3,771	3,737	3,847	3,847	4,082	4,153	4,147	0	0

Current trading conditions

Sold as of Sep. 9th 2017

1. 11 months



Corporate

[€ mn]

	2015/16					2016/17				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
EBITDA	(121)	(110)	(113)	(141)	(486)	(114)	(103)	(131)	(163)	(511)
EBITDA adjusted	(106)	(105)	(101)	(137)	(448)	(103)	(110)	(117)	(151)	(481)
EBIT	(132)	(122)	(130)	(156)	(542)	(126)	(117)	(145)	(182)	(569)
EBIT adjusted	(117)	(117)	(113)	(150)	(497)	(115)	(123)	(131)	(165)	(535)
BCF	217	(186)	(58)	6	(21)	181	(162)	(114)	(171)	(266)
Employees	3,168	3,298	3,409	3,548	3,548	3,589	3,734	3,781	3,891	3,891

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. FY 16/17
figures include

- CorpHQ: (411)
- Regions: (45)
- Service Units: (48)
- Special Units: (31)

EBIT adj. 16/17 impacted by one-off costs for digitization initiatives in Q4; expected to improve in 17/18 driven mainly by G&A cost reduction and lower costs for transformation programs



Business Area Overview – Quarterly Order Intake

[€ mn]

	2015/16					2016/17				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Components Technology	1,649	1,669	1,775	1,647	6,740	1,759	1,979	2,000	1,936	7,674
Elevator Technology	1,992	1,832	1,867	1,940	7,631	1,903	2,111	2,024	1,796	7,834
Industrial Solutions	1,530	644	541	746	3,461	1,159	1,959	1,031	2,342	6,490
Materials Services	2,846	2,922	3,123	2,949	11,840	3,131	3,683	3,430	3,516	13,760
Steel Europe	1,846	2,183	2,265	1,852	8,146	2,078	2,442	2,171	2,277	8,969
Corporate	57	36	80	71	243	37	56	97	96	287
Consolidation	(430)	(494)	(562)	(451)	(1,936)	(468)	(587)	(539)	(663)	(2,257)
Continuing operations	9,491	8,791	9,090	8,753	36,125	9,600	11,643	10,213	11,300	42,756
Steel Americas	371	286	383	485	1,525	432	440	605	397	1,874
Consolidation	(52)	(50)	(74)	(50)	(226)	(79)	(90)	(92)	(82)	(343)
Full Group	9,810	9,027	9,399	9,188	37,424	9,954	11,993	10,725	11,615	44,288



Business Area Overview – Quarterly Sales

[€ mn]

	2015/16					2016/17				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Components Technology	1,650	1,688	1,783	1,685	6,807	1,743	1,936	1,970	1,923	7,571
Elevator Technology	1,869	1,752	1,906	1,942	7,468	1,882	1,868	1,954	1,971	7,674
Industrial Solutions	1,506	1,609	1,228	1,401	5,744	1,479	1,282	1,241	1,520	5,522
Materials Services	2,821	3,005	3,087	2,972	11,886	3,032	3,649	3,504	3,480	13,665
Steel Europe	1,723	1,925	2,015	1,969	7,633	1,908	2,371	2,337	2,299	8,915
Corporate	60	54	64	77	255	58	67	69	83	278
Consolidation	(391)	(445)	(481)	(476)	(1,793)	(383)	(555)	(639)	(602)	(2,179)
Continuing operations	9,240	9,588	9,603	9,569	38,000	9,718	10,617	10,437	10,675	41,447
Steel Americas	350	325	336	478	1,489	447	470	566	365	1,848
Consolidation	(41)	(61)	(74)	(50)	(226)	(79)	(90)	(73)	(82)	(323)
Full Group	9,548	9,852	9,865	9,997	39,263	10,087	10,998	10,929	10,958	42,971



Business Area Overview – Quarterly EBITDA and Margin

[€ mn]

	2015/16					2016/17				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Components Technology	149	159	155	164	627	139	159	176	175	648
%	9.0	9.4	8.7	9.7	9.2	8.0	8.2	8.9	9.1	8.6
Elevator Technology	214	190	225	227	856	203	188	252	181	824
%	11.5	10.8	11.8	11.7	11.5	10.8	10.1	12.9	9.2	10.7
Industrial Solutions	104	167	57	77	405	28	35	34	(48)	48
%	6.9	10.4	4.6	5.5	7.0	1.9	2.7	2.7	(3.2)	0.9
Materials Services	29	32	61	74	196	65	124	85	65	339
%	1.0	1.1	2.0	2.5	1.7	2.2	3.4	2.4	1.9	2.5
Steel Europe	156	166	191	209	721	130	196	335	244	905
%	9.0	8.6	9.5	10.6	9.4	6.8	8.3	14.3	10.6	10.2
Corporate	(121)	(110)	(113)	(141)	(486)	(114)	(103)	(131)	(163)	(511)
Consolidation	42	41	36	22	142	31	750	12	18	812
Continuing operations	573	645	612	631	2,461	483	1,347	763	472	3,065
%	6.2	6.7	6.4	6.6	6.5	5.0	12.7	7.3	4.4	7.4
Steel Americas	(47)	(25)	88	105	121	88	(118)	57	336	363
%	(13.5)	(7.7)	26.1	22.1	8.1	19.8	(25.2)	10.1	92.2	19.7
Consolidation	(37)	(35)	(34)	(35)	(141)	(36)	(759)	(12)	(19)	(826)
Full Group	489	585	666	701	2,441	536	469	808	789	2,602
%	5.1	5.9	6.8	7.0	6.2	5.3	4.3	7.4	7.2	6.1



Business Area Overview – Quarterly EBITDA adj. and Margin

[€ mn]

	2015/16					2016/17				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Components Technology	149	163	179	163	655	154	183	180	187	705
%	9.1	9.7	10.1	9.7	9.6	8.9	9.5	9.1	9.7	9.3
Elevator Technology	223	206	242	270	941	234	227	260	285	1,007
%	11.9	11.7	12.7	13.9	12.6	12.4	12.2	13.3	14.5	13.1
Industrial Solutions	105	168	59	87	419	57	37	24	71	190
%	7.0	10.5	4.8	6.2	7.3	3.9	2.9	2.0	4.7	3.4
Materials Services	34	39	78	90	242	79	151	99	94	422
%	1.2	1.3	2.5	3.0	2.0	2.6	4.1	2.8	2.7	3.1
Steel Europe	156	167	191	201	715	133	196	336	292	957
%	9.1	8.7	9.5	10.2	9.4	7.0	8.3	14.4	12.7	10.7
Corporate	(106)	(105)	(101)	(137)	(448)	(103)	(110)	(117)	(151)	(481)
Consolidation	42	41	36	22	142	31	15	(1)	(3)	42
Continuing operations	603	680	685	697	2,665	585	700	781	776	2,843
%	6.5	7.1	7.1	7.3	7.0	6.0	6.6	7.5	7.3	6.9
Steel Americas	(37)	(29)	74	103	110	73	39	100	33	245
%	(10.7)	(9.0)	21.9	21.5	7.4	16.4	8.4	17.6	9.0	13.3
Consolidation	(37)	(35)	(34)	(35)	(141)	(36)	(25)	1	2	(57)
Full Group	529	615	725	765	2,634	623	715	882	811	3,031
%	5.5	6.2	7.3	7.6	6.7	6.2	6.5	8.1	7.4	7.1



Business Area Overview – Quarterly EBIT and Margin

[€ mn]

	2015/16					2016/17				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Components Technology	71	76	72	33	251	58	66	93	80	297
%	4.3	4.5	4.0	2.0	3.7	3.3	3.4	4.7	4.2	3.9
Elevator Technology	193	171	205	202	771	184	168	232	153	736
%	10.3	9.7	10.8	10.4	10.3	9.8	9.0	11.9	7.8	9.6
Industrial Solutions	90	152	41	50	333	13	20	15	(84)	(36)
%	6.0	9.4	3.3	3.6	5.8	0.9	1.6	1.2	(5.5)	(0.7)
Materials Services	(1)	3	35	39	76	38	93	57	32	220
%	(0.0)	0.1	1.1	1.3	0.6	1.3	2.6	1.6	0.9	1.6
Steel Europe	50	56	92	118	316	25	91	231	145	493
%	2.9	2.9	4.6	6.0	4.1	1.3	3.8	9.9	6.3	5.5
Corporate	(132)	(122)	(130)	(156)	(542)	(126)	(117)	(145)	(182)	(569)
Consolidation	7	7	3	(13)	4	(4)	(8)	1	21	10
Continuing operations	277	341	318	273	1,209	188	313	484	165	1,150
%	3.0	3.6	3.3	2.9	3.2	1.9	2.9	4.6	1.5	2.8
Steel Americas	(84)	(61)	53	70	(22)	52	(878)	44	338	(444)
%	(24.0)	(18.6)	15.8	14.6	(1.5)	11.6	(186.7)	7.8	92.5	(24.0)
Consolidation	0	0	1	1	2	1	0	1	(21)	(19)
Full Group	193	281	372	344	1,189	240	(564)	529	481	687
%	2.0	2.9	3.8	3.4	3.0	2.4	(5.1)	4.8	4.4	1.6



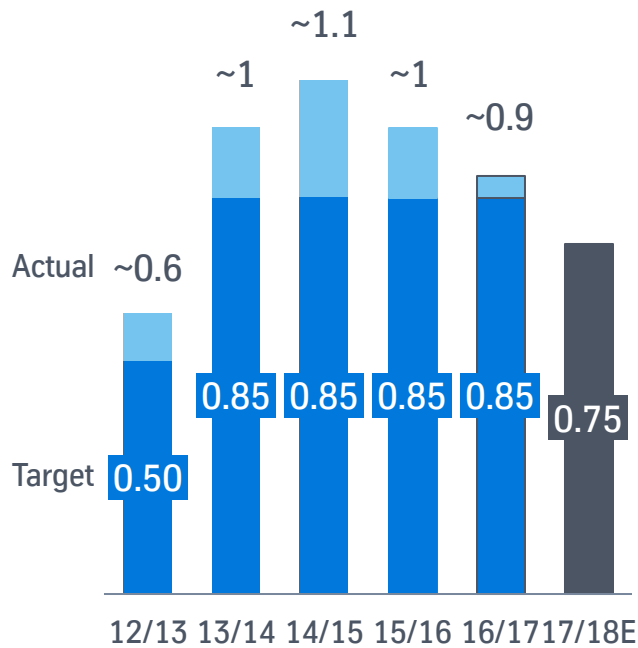
Business Area Overview – Quarterly EBIT adj. and Margin

[€ mn]

	2015/16					2016/17				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Components Technology	71	86	100	79	335	75	101	99	102	377
%	4.3	5.1	5.6	4.7	4.9	4.3	5.2	5.0	5.3	5.0
Elevator Technology	203	186	225	246	860	215	207	240	260	922
%	10.9	10.6	11.8	12.7	11.5	11.4	11.1	12.3	13.2	12.0
Industrial Solutions	90	153	43	68	355	42	23	6	41	111
%	6.0	9.5	3.5	4.8	6.2	2.8	1.8	0.5	2.7	2.0
Materials Services	3	10	52	62	128	51	121	73	66	312
%	0.1	0.3	1.7	2.1	1.1	1.7	3.3	2.1	1.9	2.3
Steel Europe	51	65	91	108	315	28	92	232	196	547
%	2.9	3.4	4.5	5.5	4.1	1.5	3.9	9.9	8.5	6.1
Corporate	(117)	(117)	(113)	(150)	(497)	(115)	(123)	(131)	(165)	(535)
Consolidation	7	7	3	(13)	4	(4)	(8)	1	(1)	(12)
Continuing operations	308	390	401	400	1,500	291	412	519	500	1,722
%	3.3	4.1	4.2	4.2	3.9	3.0	3.9	5.0	4.7	4.2
Steel Americas	(74)	(65)	39	67	(33)	37	14	100	34	186
%	(21.2)	(20.0)	11.6	14.0	(2.2)	8.3	3.1	17.7	9.4	10.1
Consolidation	0	0	1	1	2	1	0	1	1	3
Full Group	234	326	441	468	1,469	329	427	620	535	1,910
%	2.5	3.3	4.5	4.7	3.7	3.3	3.9	5.7	4.9	4.4



Operational improvements – €750 mn ‘impact’ effects targeted for FY 17/18 [€bn]



~50% from procurement

- ET** ‘elevate’ 5 lever performance program
- NI and Manufacturing
 - Service
 - Purchasing
 - Product harmonization
 - SG&A efficiency

- CT** Continuation of performance program ‘pace’
- Procurement (e.g. eAuctions, value chain engineering)
 - Operational (e.g. best practice transfer, process engineering)
 - Optimized plant network

- IS** Transformation program ‘planets’ focusing on 5 levels
- Fix cost reduction
 - Project margin improvement
 - Procurement Excellence
 - Execution Excellence
 - Top line support by innovation

- MX** ‘focus X’ driving execution of performance measures
- Procurement excellence
 - Restructurings/site consolidations
 - Logistics & network optimizations
 - Process optimization
 - Freight cost reduction
 - Sales excellence

- SE** ‘one steel’ impact contributions
- Raw materials
 - Procurement
 - Energy
 - Logistics
 - Quality, M&R, CIP

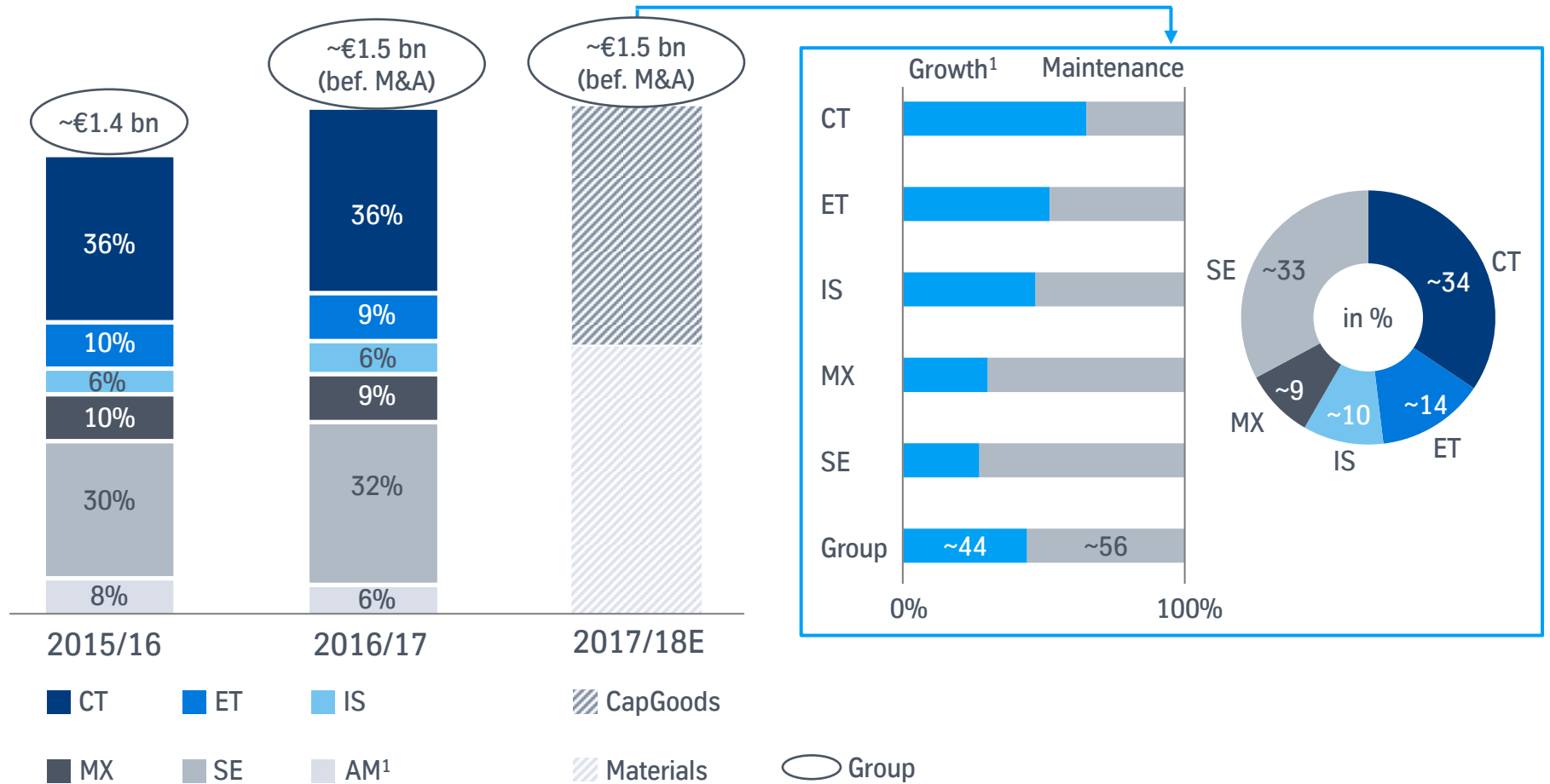
- Corp.** Focus on G&A cost reduction
- Process cost reduction
 - Streamline organization
 - Leverage shared services

CT, ET, IS and SE with triple-digit mn contribution



Capex allocation

Cash flows from investing activities

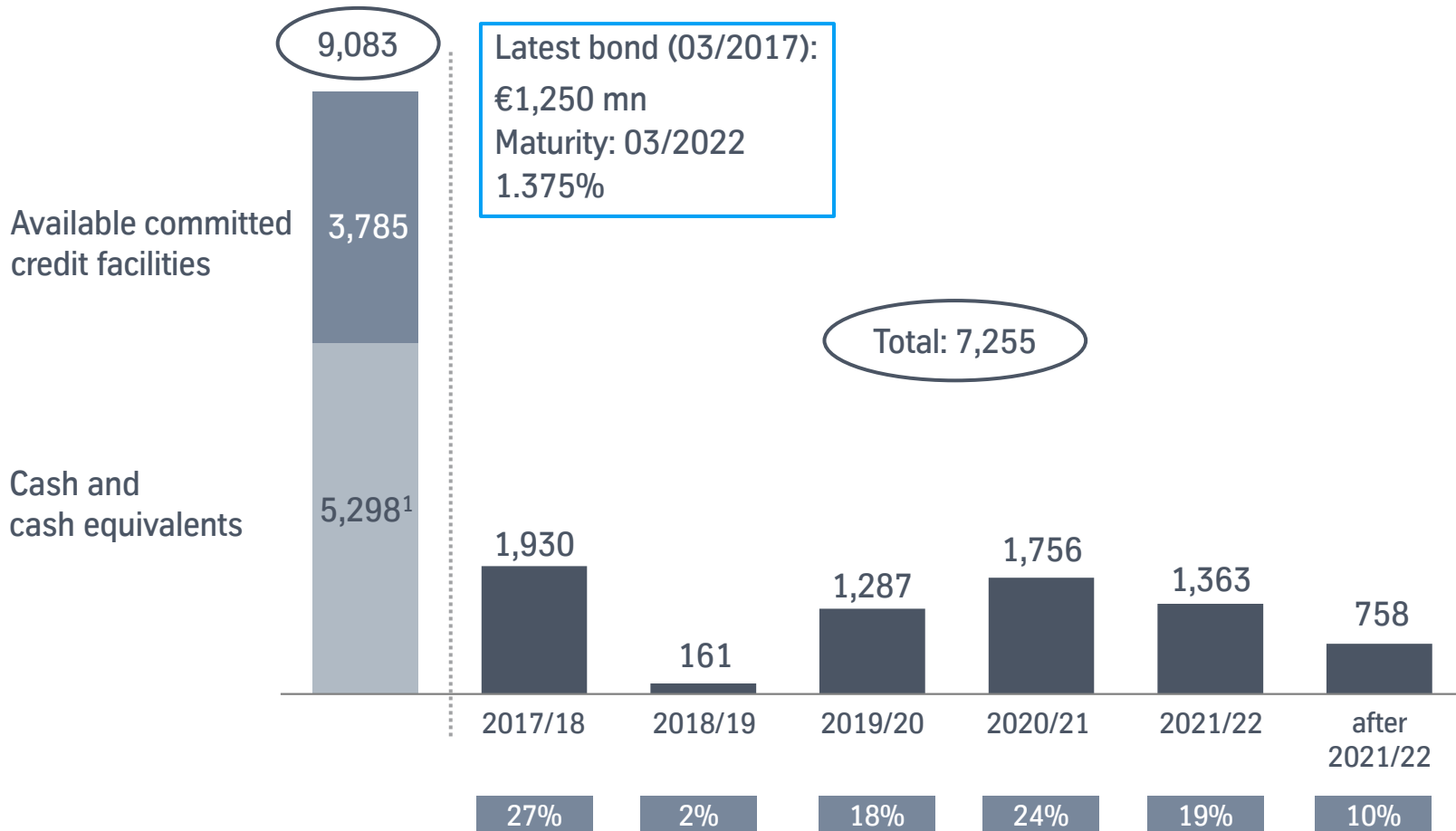


Business Area shares referring to capex excl. Corporate | ¹ including order related investments | ² Sold in Q4 of FY 16/17



Solid financial situation

Liquidity analysis and maturity profile of gross financial debt as of September 30, 2017
[€ mn]



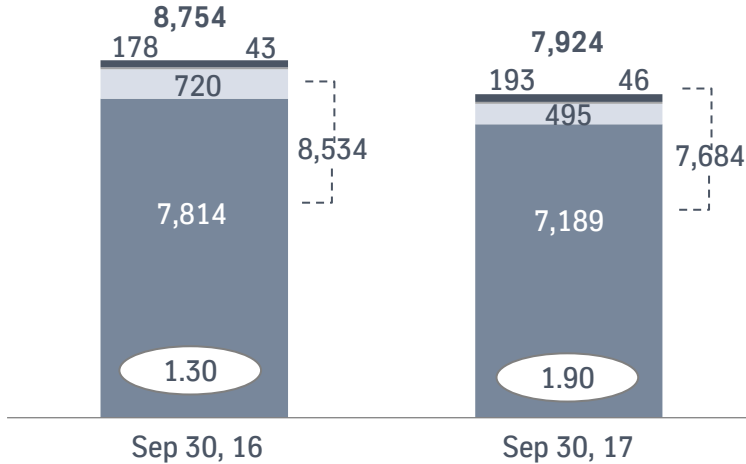
¹ incl. securities of €6 mn



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

[€ mn]

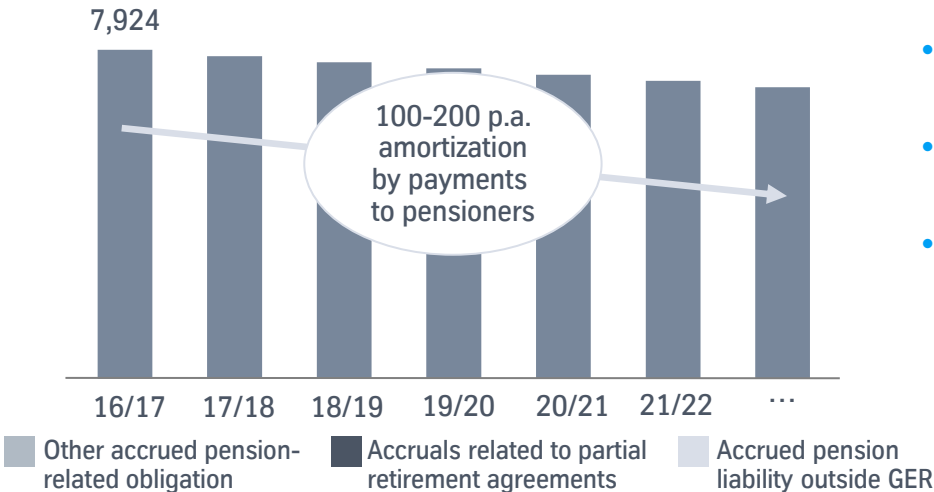
Accrued pension and similar obligations



Fluctuations in accrued pensions

- are mainly driven by increases / decreases in discount rates in Germany (>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)



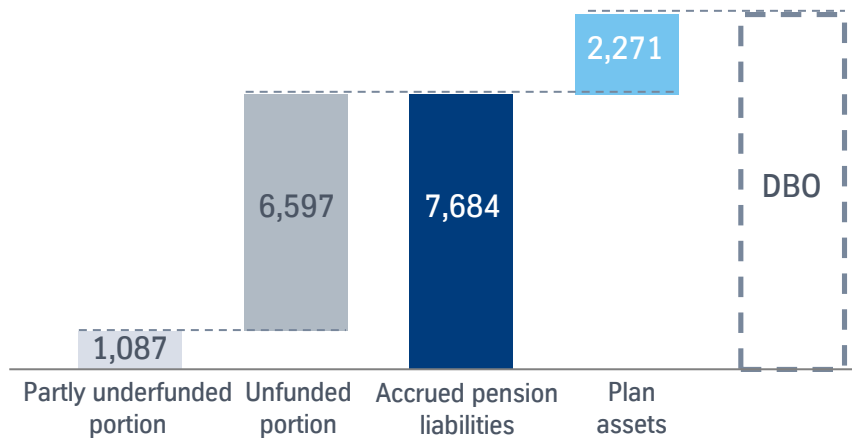
- IFRS requires determination of pension discount rate based on AA-rated corporate bonds
- Pension discount rate significant lower than interest rates of tk corporate bonds
- >90% of accrued pensions in Germany; thereof ~64% owed to exist. pensioners (average age ~76 years)



Germany accounts for majority of pension plans

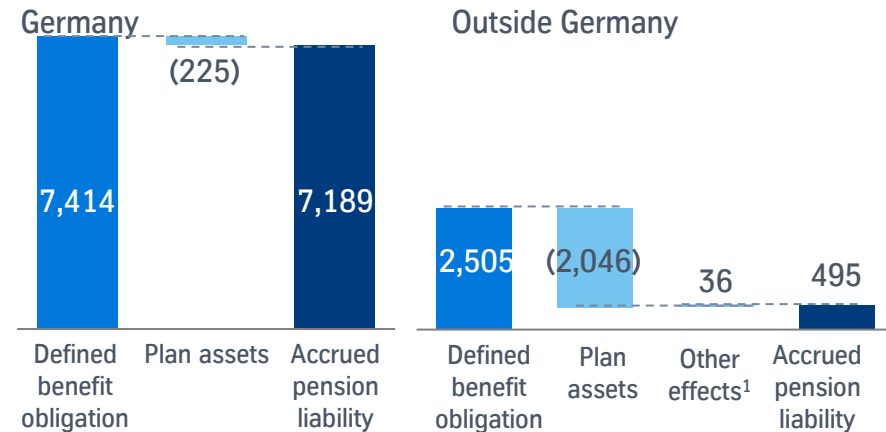
[FY 16/17; € mn]

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



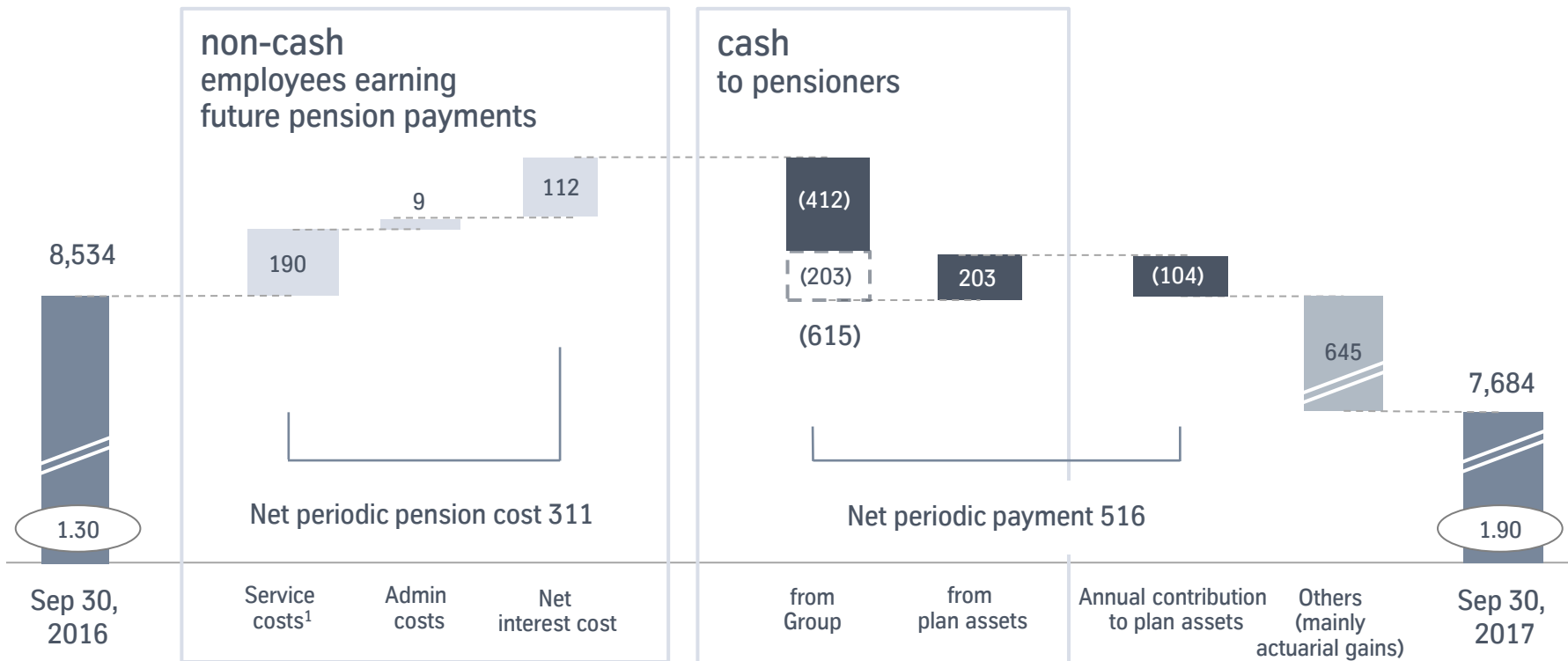
- Plan assets outside Germany mainly attributable to UK (~33%) and USA (~29%)
- Plan asset classes include national and international stocks, fixed income securities of governments and non-governmental organizations, real estate as well as highly diversified funds

¹ other non-financial assets

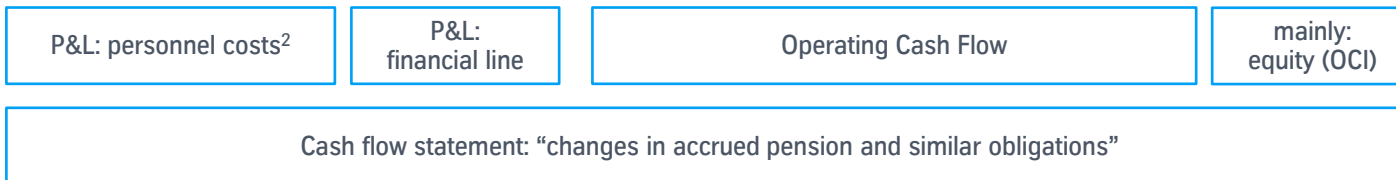


Mature pension scheme: payments amortize liability by ~ €200 mn

Reconciliation of accrued pension [€ mn]



In financial statements



○ German discount rate

¹⁾ including past service cost and curtailments

²⁾ additional personnel expenses include €161 mn net periodic pension cost for defined contribution plans



Reconciliation of EBIT Q4 16/17 from Group p&l

Continuing Operations

P&L structure

Net sales	10,675
Cost of sales	(8,955)
SG&A, R&D	(1,633)
Other income/expense	42
Other gains/losses	30
= Income from operations	163

Income from companies using equity method 5

Finance income/expense (81)

= EBT 87

EBIT definition

Net sales	10,675
Cost of sales	(8,955)
SG&A, R&D	(1,633)
Other income/expense	42
Other gains/losses	30

Income from companies using equity method 5

Adjustm. for oper. items in fin. income/expense (3)

= EBIT 165

Finance income/expense (81)

Operating items in fin. income/expense 3

= EBT 87



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

Continuing Operations

P&L structure

Net sales	41,447
Cost of sales	(34,487)
SG&A, R&D	(5,943)
Other income/expense	111
Other gains/losses	29
= Income from operations	1,156

Income from companies using equity method 15

Finance income/expense (405)

= EBT 765

EBIT definition

Net sales	41,447
Cost of sales	(34,487)
SG&A, R&D	(5,943)
Other income/expense	111
Other gains/losses	29

Income from companies using equity method 15

Adjustm. for oper. items in fin. income/expense (21)

= EBIT 1,150

Finance income/expense (405)

Operating items in fin. income/expense 21

= EBT 765



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- (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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