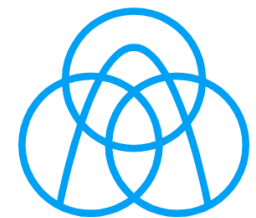


# Annual Press Conference 2019

thyssenkrupp AG

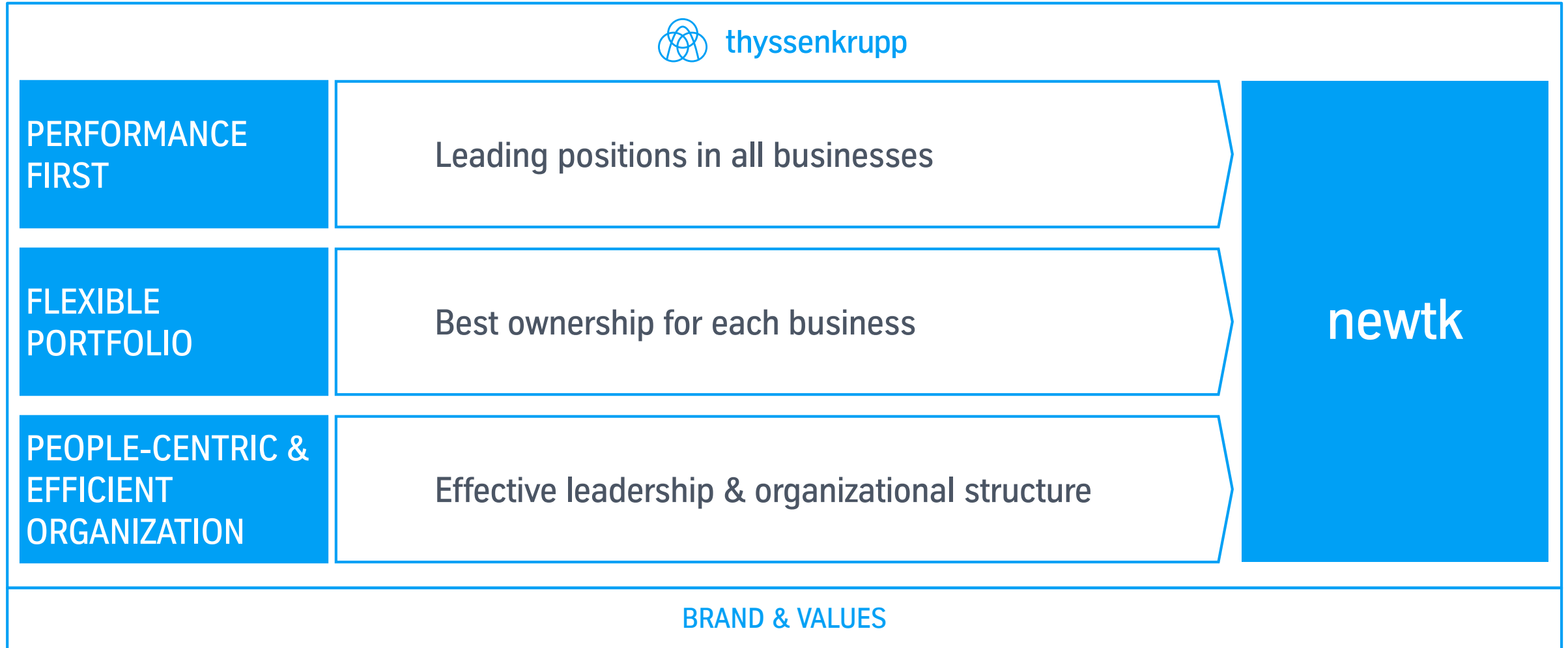
November 21, 2019 | Essen

engineering.tomorrow.together.



thyssenkrupp

# newtk: Process to make thyssenkrupp fit for the future



# Four clear priorities

- Business performance
- Elevator transaction
- Sustainable perspective for steel business
- Organizational development



# Fiscal year 2018/19 at a glance

thyssenkrupp Group (vs. FY 2017/18)



42.0 €bn

ORDER INTAKE

(+1%)



42.0 €bn

SALES

(+1%)



802 €mn

ADJUSTED EBIT

(-44%)



-260 €mn

NET LOSS

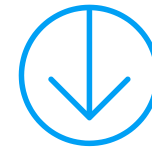
(-248 €mn)



-1.1 €bn

FREE CASH FLOW BEFORE M&A

(-1.0 €bn)



3.7 €bn

NET FINANCIAL DEBT

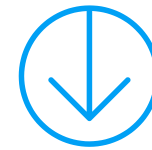
(+57%)



2.2 €bn

EQUITY

(-31%)



167%

GEARING

(+93%-points)



# Expectations towards all thyssenkrupp businesses

Positive value added  
for the Group



Performance at  
industry level



# Preparation of a comprehensive transformation roadmap

## Perspective of the businesses

- What is the right ambition level for each business?
- What resources and skills do we need in order to compete with the best in the respective industry?
- How long does a possible restructuring take?

## “Transformation roadmap”

## Group perspective

- Where can existing resources be invested the best way?
- Is there a viable path to become the best in the industry?
- Is thyssenkrupp the best owner?



# Forecast fiscal year 2019/20

## KPIs year-on-year<sup>1</sup>

**Sales**



Increase in the low single-digit percentage range

**Adjusted EBIT**



At previous year's level

**Net loss**



Significantly higher

**Free cash flow before M&A**



Lower year-on-year due to restructuring expenses and anticipated cartel fine<sup>2</sup>

1. Forecast is based on the assumption that Elevator Technology is a fully consolidated company 2. As a result of operational improvements, depending on cash inflows from order intake and payment profiles for projects at Plant Technology and Marine Systems, significantly higher expenses for restructuring in the mid-3-digit million € range, and the payment of the anticipated fine in the cartel proceedings at Heavy Plate in the amount of the provisions recognized, we expect FCF before M & A to be lower year-on-year

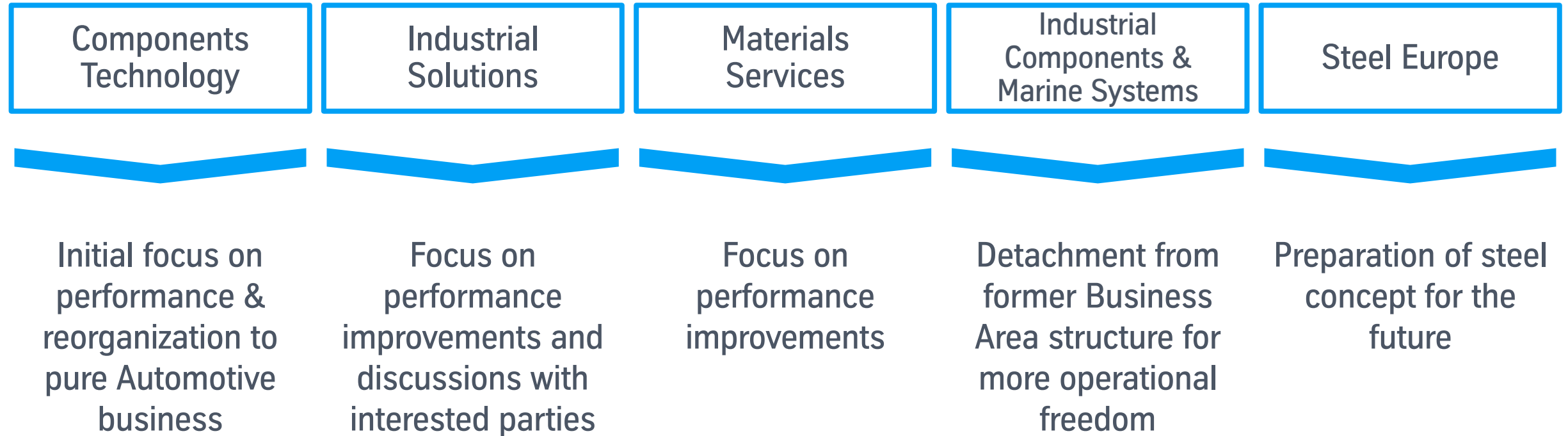


# Attractiveness of elevator business creates excellent starting point for the transaction

- Continuous growth
- Economic resilience
- Profitable market
- Strong service business
- Target for fiscal year 2020/21:  
EBIT adjusted margin between 11.5 and 13%



# Priorities for the other businesses



# Update on “businesses under review”

- **Springs and Stabilizers:** Full focus on performance
- **System Engineering:** Start of restructuring process
- **Heavy Plate:** Addressing within the scope of new steel strategy



# Steel business:

## Ensure competitiveness

### Presentation of concept in December

- Far-reaching measures
- Purposeful investments
- Long-term focus on climate-neutral production by usage of hydrogen



newtk also means to establish

a different culture of responsibility

- New understanding of responsibility
- Redefinition of the way we work together

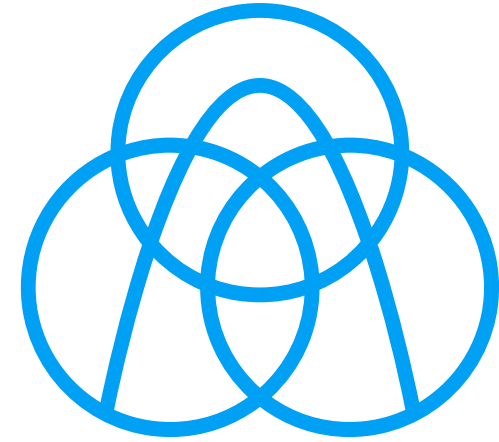


# Organizational development

- More efficient and more flexible organization
- Reduction of corporate costs to <200 €mn
- Group-wide reduction of 6,000 jobs



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