Transformation progressing – Solid Q3 in a challenging environment

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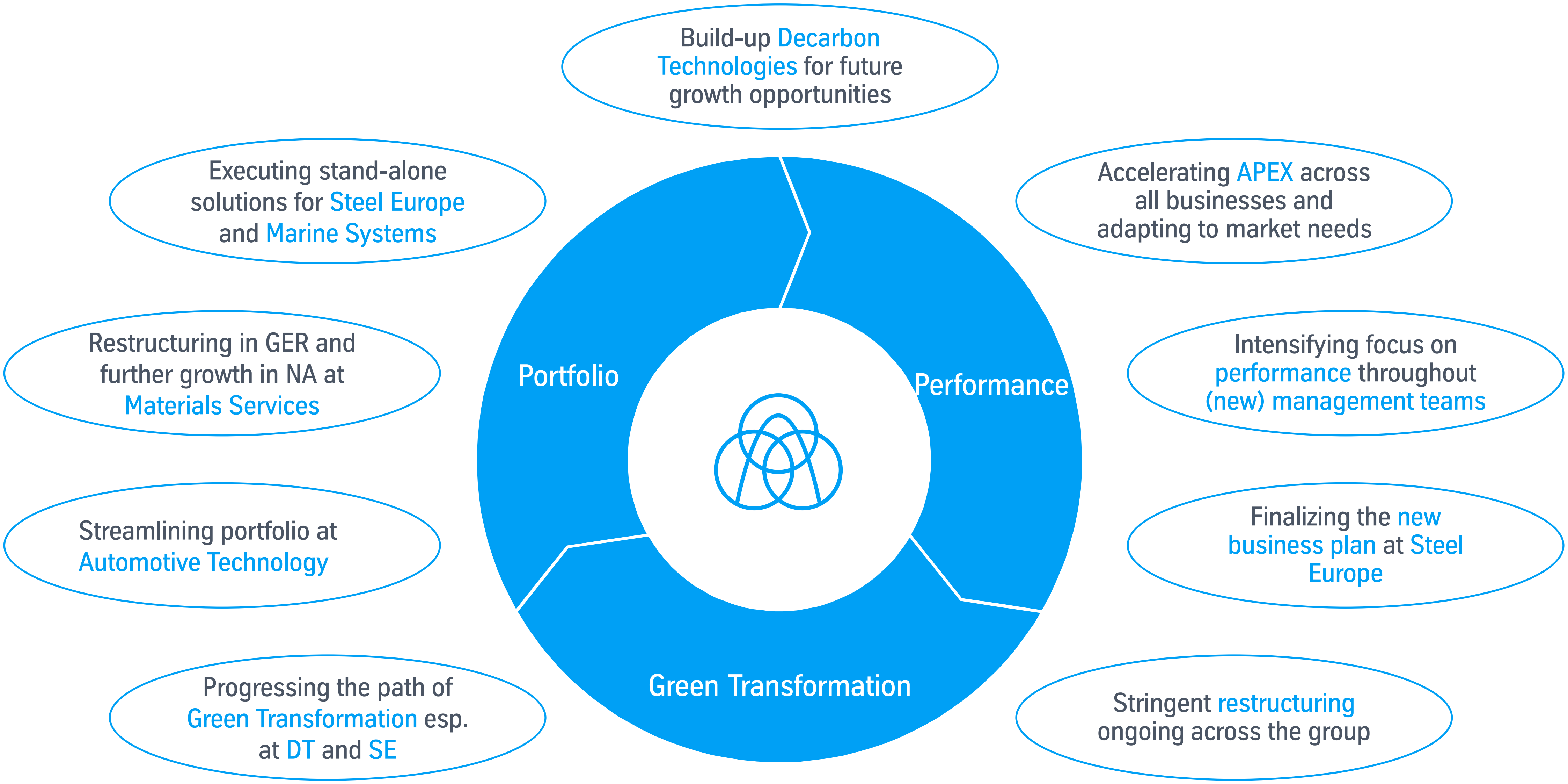
Status update on Management priorities



Management summary Q3 23/24

Portfolio

- Steel Europe: 50/50 Joint Venture with EPCG progressing
  - Closing of initial 20% stake successfully completed
  - Further 30% stake currently negotiated
- Marine Systems: Due diligence phases progressing (KfW, PE) as well as spin-off in elaboration

Performance

- Solid performance in challenging markets, EBIT adj. with neg. one-time effects at DT
- FCF bef. M&A influenced by payment shifts between quarters
- Full-year guidance adjusted due to continued challenging market environment
- Accelerating APEX with incremental improvements across all businesses
- Structural realignment at Steel Europe to boost competitiveness and profitability progressing

Green Transformation

- Steel Europe’s climate targets for 2045 validated by the Science Based Targets initiative (SBTi)
- tk nucera awarded as preferred supplier of 300-MW Electrolyzer for Green Hydrogen Plant
- Uhde enables Fertiberia to decarbonize its existing ammonia plant by up to 40%

Performance highlights

Solid Q3 in challenging markets

	Sales	EBIT adj.	Margin	FCF bef. M&A
Q3	**€9.0 bn** -6% YoY	**€149 mn** -39% YoY Incl. ~€80 mn neg. one-time effects at DT	1.7%	**€-256 mn** €-602 mn YoY ~€170 mn govt. DRI funding not included
9M	**€26.2 bn** -9% YoY	**€416 mn** -32% YoY	1.6%	**€-983 mn** €-749 mn YoY

- Neg. one-time effects at Decarbon Technologies (POL)
- Govt. DRI funding payment received after Q3 (in July)

Balance sheet highlights

Our Group transformation journey is backed by a strong balance sheet and enabling us to capture strategic opportunities

Net cash

€3.2 bn
€-1.1 bn YTD

Pensions

€5.7 bn
+€0.2 bn YTD

Lower QoQ
(€-0.2 bn)

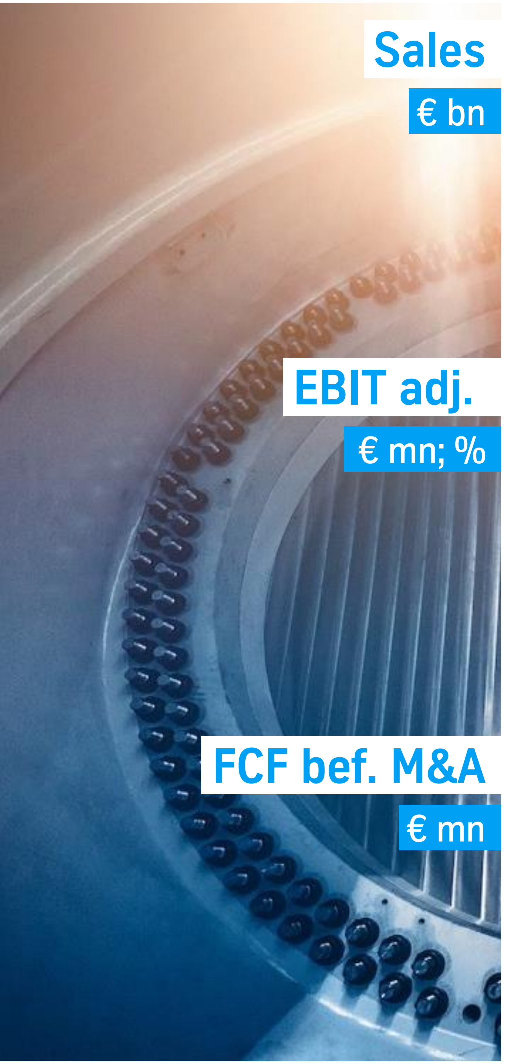
Equity ratio

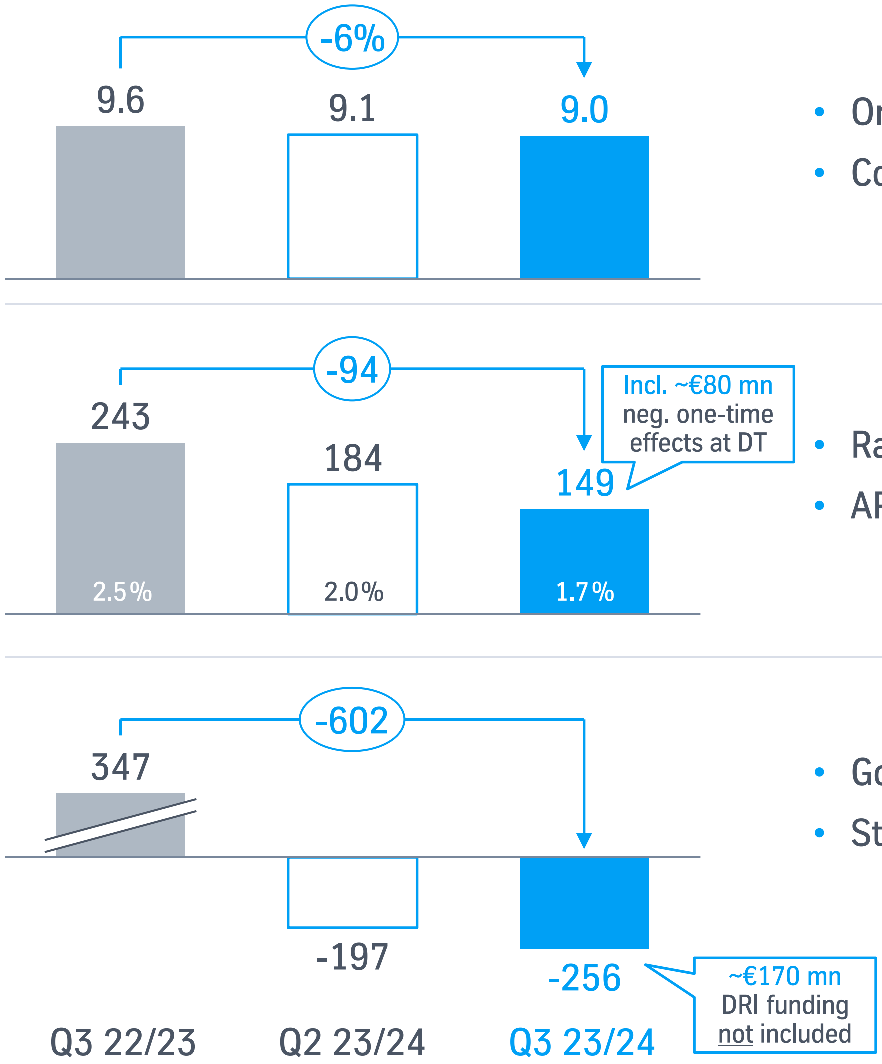
38.7 %
-0.2%-pts. YTD

- Providing financial flexibility while navigating through macro uncertainties
- Interest rate development i.a. driving pensions and equity ratio

Q3 Group performance

Solid Q3 in a challenging environment





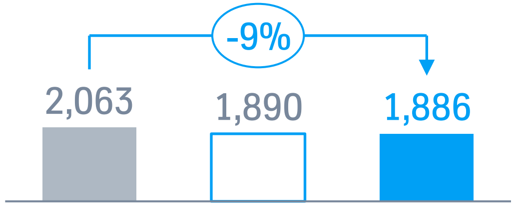
- Ongoing muted demand across materials and auto-related businesses
- Continuously rising sales at Decarbon Technologies

- Rather stable ex neg. one-time effects (DT POL) despite tough markets
- APEX supported performance at all businesses

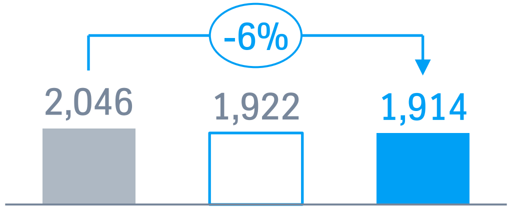
- Govt. DRI funding payment received after Q3 (in July)
- Strong prior year on the back of NWC releases

AT: Performance increase in an ongoing challenging market environment

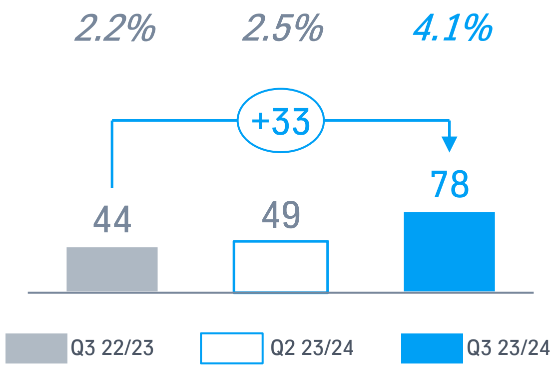
Order intake [€ mn]



Sales [€ mn]



EBIT adj. [€ mn; %]



Comments Q3 YoY

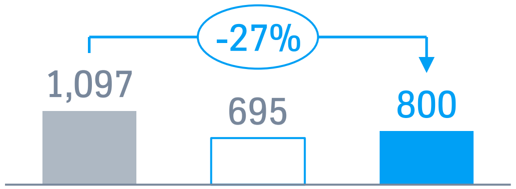
- Weakening in construction machinery and project business as well as in parts of serial business (customer and model related)
- Product update: BWI Group and tk Steering cooperate in the development of brake-by-wire technology

- Sales follows O/I in serial business

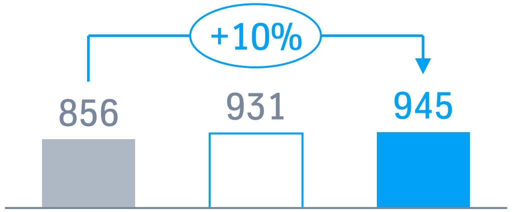
- Lower material and transport costs as well as pos. one-time effects overcompensate volume decline and increased personnel expenses (collective agreement)
- APEX supporting performance, esp. negotiation of new price conditions, claims for volume shortfalls, material cost savings and numerous measures to increase efficiency

DT: Higher sales due to good order book

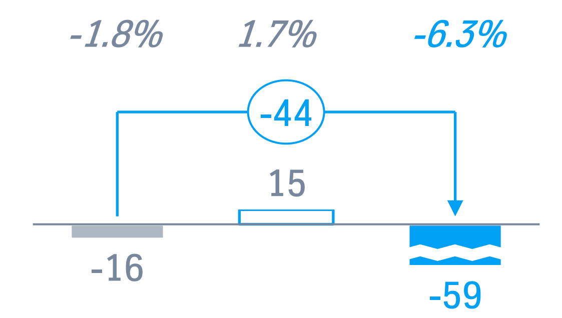
Order intake [€ mn]



Sales [€ mn]



EBIT adj. [€ mn; %]



Q3 22/23 | Q2 23/24 | Q3 23/24

Comments Q3 YoY

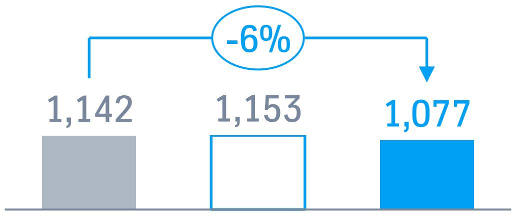
- tk nucera up, Rothe Erde almost stable
- Plant engineering business down due to customer-induced project postponements vs. strong prior year

- Plant engineering business in total up supported by several larger projects
- Rothe Erde slightly down due to slower demand in Chinese wind energy market

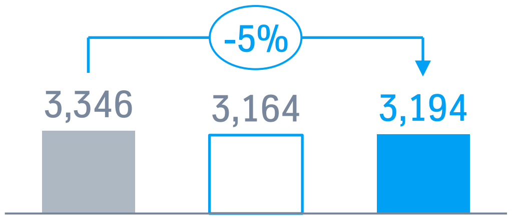
- Down due to decrease at almost all businesses:
  - Polysius with aperiodic higher costs for individual (legacy) projects
  - Negative price effects leading to slight decrease at Rothe Erde
  - tk nucera with higher costs due to business growth
  - Counter-effected but not offset by APEX measures (efficiency improvements and optimization of procurement)

MX: Higher earnings despite challenging market environment especially in Europe

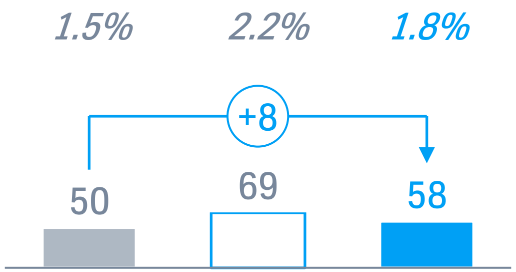
Shipments[1] [kt]



Sales [€ mn]



EBIT adj. [€ mn; %]



Q3 22/23 Q2 23/24 Q3 23/24

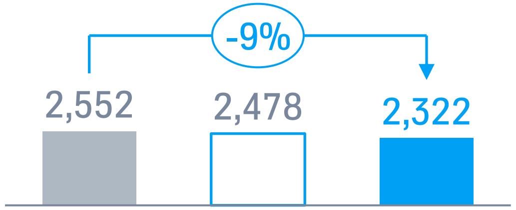
1. Materials Stockholding and Processing (excl. direct-to-customer and Aerospace business)

Comments Q3 YoY

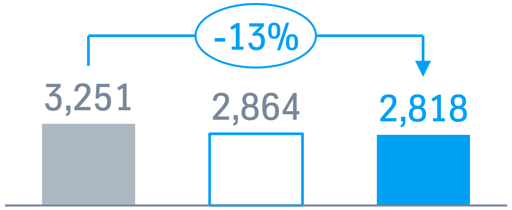
- Shipments down due to ongoing low demand in distribution business mainly in Europe
- Lower price levels in virtually all product groups and lower warehousing shipments especially in the distribution business in Europe
- Positive earnings contributions in almost all business units esp. international supply chain business
- APEX supporting performance, e.g. through positive effects from the renegotiation in the last fiscal year of contracts with major customers in the supply chain business

SE: Lower spot-market price levels and lower shipments partly offset by improved cost base

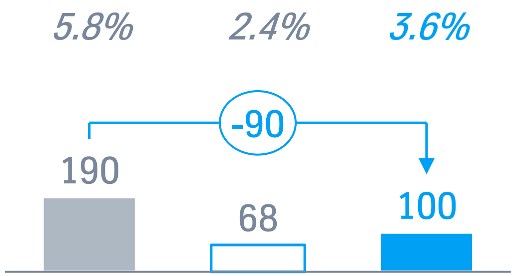
Shipments [kt]



Sales [€ mn]



EBIT adj. [€ mn; %]



Q3 22/23 | Q2 23/24 | Q3 23/24

Comments Q3 YoY

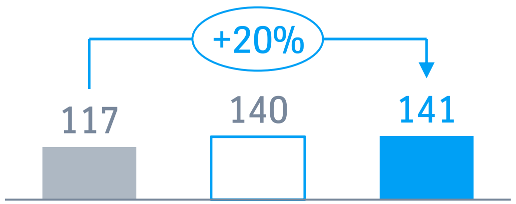
- Shipments lower, mainly driven by low demand from industrial businesses (e.g. pipe industry and steel service centers), stabilization of demand from packaging industry
- Declining orders from the automotive industry

- Significant lower spot-market price levels across all customer groups and lower shipments

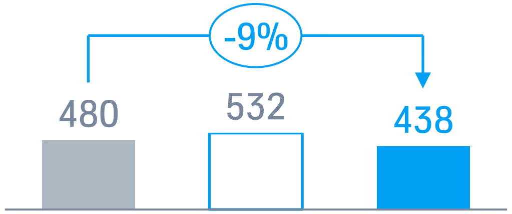
- Significant lower spot-market price levels and lower shipments, partly offset by cost improvements (e.g. raw materials)
- Positive effects from APEX measures, (e.g. efficiency improvements in production, energy and logistics etc.)
- EBITDA/t at €53/t (down by €-47/t YoY)

MS: Performance of key metrics well on track

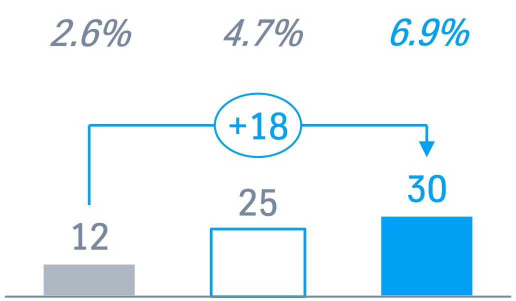
Order intake [€ mn]



Sales [€ mn]



EBIT adj. [€ mn; %]



Q3 22/23 | Q2 23/24 | Q3 23/24

Comments Q3 YoY

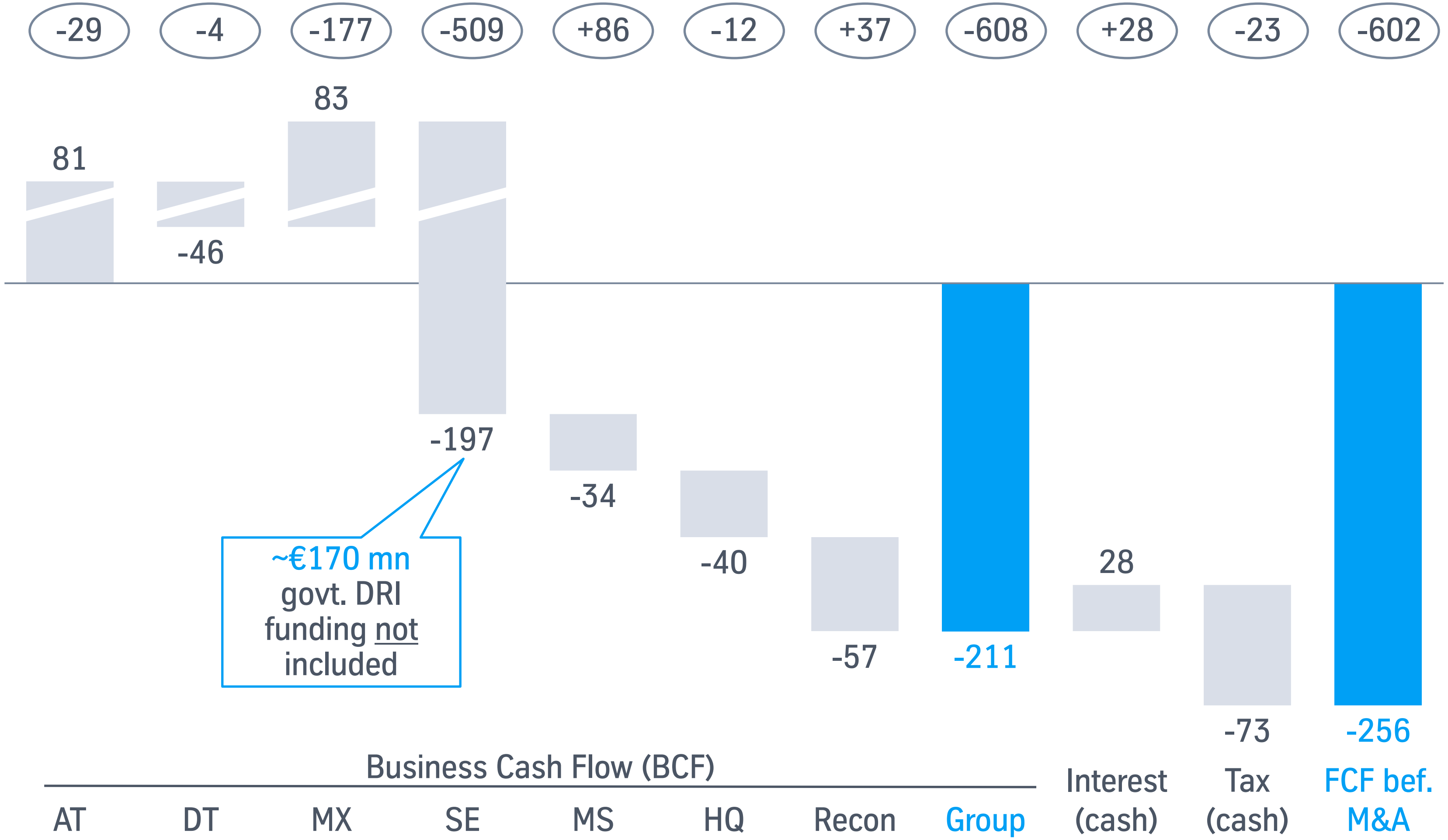
- Above prior year due to several service orders, e.g. spare parts and repair
- Still high visibility by order backlog of €11.8 bn

- Reflects development in execution of projects

- Better margins in projects under execution and less cost, e.g. for sales
- Performance initiatives secure margins in new orders and stabilize profitability of older low-margin orders
- Positive effects of APEX measures, i.a. efficiency improvements in areas Material, Personal and Administration

Q3 BCF by segment and bridge to Group FCF bef. M&A

Govt. DRI funding payment at SE received after Q3 (in July)



YoY comments

AT Higher earnings and lower investments; PY with pos. effect from settlement cash-in

DT Stable development as lower earnings are almost offset by NWC improvements

MX Sig. lower NWC improvements partly offset by higher earnings

SE Lower earnings, lower NWC release as well as govt DRI funding payment received after Q3 (in July)

MS Positive due to cash balance of order portfolio

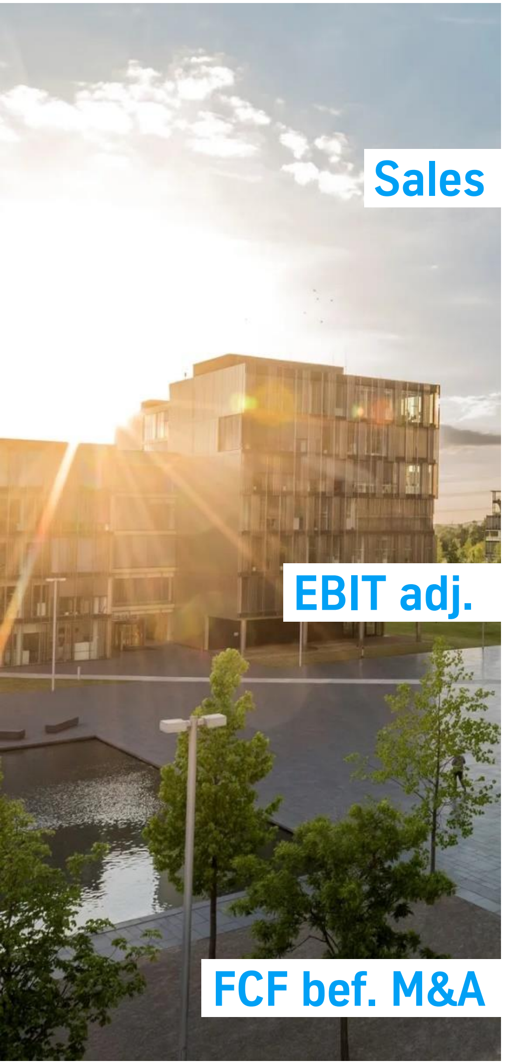
Guidance adjusted for FY 23/24 on July 25

ΔYoY

Note: Figures in € mn

Adjusted outlook FY 23/24

Efficiency improvement measures on the back of APEX cannot fully compensate continued challenging market environment



	FY 22/23	Outlook FY 23/24
Sales	€37.5 bn	Decline by between 6% to 8% (prior: Below the prior-year)
EBIT adj.	€0.7 bn	>€500 mn (prior: Increase to a figure in the high 3-digit € mn range) AT Slight decrease (prior: Increase; figure in the low to mid 3-digit € mn range) DT Down; negative mid-high 2-digit € mn range (prior: Largely stable) MX Up; low 3-digit € mn range SE Slight decrease (prior: Largely stable) MS Up; high 2-digit € mn range
FCF bef. M&A	€0.4 bn	Range of €-100 mn (prior: Decrease; figure in the low 3-digit € mn range)

Q&A Session

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