Interim report 1st half 2018/2019

October 1, 2018 – March 31, 2019
thyssenkrupp AG

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thyssenkrupp in figures

		Full Group[1]				Group – continuing operations[1][2]			
		1st half ended March 31, 2018	1st half ended March 31, 2019	Change	in %	1st half ended March 31, 2018	1st half ended March 31, 2019	Change	in %
Order intake	million €	19,617	20,471	854	4	15,847	16,494	647	4
Net sales	million €	19,984	20,374	390	2	16,169	16,596	428	3
EBIT[3]	million €	854	442	(412)	(48)	462	316	(146)	(32)
EBIT margin	%	4.3	2.2	(2.1)	(49)	2.9	1.9	(1.0)	(33)
Adjusted EBIT[3]	million €	943	685	(257)	(27)	549	380	(169)	(31)
Adjusted EBIT margin	%	4.7	3.4	(1.4)	(29)	3.4	2.3	(1.1)	(33)
Income/(loss) before tax	million €	655	273	(382)	(58)	302	180	(121)	(40)
Net income (loss) or income (loss) net of tax	million €	343	59	(284)	(83)	102	46	(56)	(55)
attributable to thyssenkrupp AG's shareholders	million €	320	36	(284)	(89)	80	28	(52)	(65)
Earnings per share (EPS)	€	0.51	0.06	(0.46)	(89)	0.13	0.04	(0.09)	(69)
Operating cash flows	million €	(857)	(1,927)	(1,070)	--	(854)	(1,214)	(360)	(42)
Cash flow for investments	million €	(561)	(580)	(19)	(3)	(386)	(371)	15	4
Cash flow from divestments	million €	44	52	8	19	32	40	8	23
Free cash flow[4]	million €	(1,375)	(2,455)	(1,080)	(79)	(1,208)	(1,545)	(337)	(28)
Free cash flow before M & A[4]	million €	(1,381)	(2,454)	(1,073)	(78)	(1,215)	(1,544)	(329)	(27)
Net financial debt (March 31)	million €	3,546	4,834	1,288	36				
Total equity (March 31)	million €	3,333	3,106	(227)	(7)				
Gearing (March 31)	%	106.4	155.7	49.3	46				
Employees (March 31)		159,693	161,153	1,460	1				

[1] Prior-year figures have been adjusted due to the adoption of IFRS 15.
[2] Cf. Note 02.
[3] See reconciliation in segment reporting (Note 08).
[4] See reconciliation in the analysis of the statement of cash flows.

		Full Group[1]				Group – continuing operations[1)2)]			
		2nd quarter ended March 31, 2018	2nd quarter ended March 31, 2019	Change	in %	2nd quarter ended March 31, 2018	2nd quarter ended March 31, 2019	Change	in %
Order intake	million €	10,219	10,360	141	1	8,156	8,363	206	3
Net sales	million €	10,442	10,638	196	2	8,443	8,654	210	2
EBIT[3]	million €	428	145	(283)	(66)	226	174	(52)	(23)
EBIT margin	%	4.1	1.4	(2.7)	(67)	2.7	2.0	(0.7)	(25)
Adjusted EBIT[3]	million €	495	353	(142)	(29)	283	212	(72)	(25)
Adjusted EBIT margin	%	4.7	3.3	(1.4)	(30)	3.4	2.4	(0.9)	(27)
Income/(loss) before tax	million €	333	58	(275)	(82)	150	103	(47)	(31)
Net income (loss) or income (loss) net of tax	million €	250	(86)	(335)	--	125	(12)	(137)	--
attributable to thyssenkrupp AG's shareholders	million €	240	(99)	(339)	--	117	(23)	(140)	--
Earnings per share (EPS)	€	0.38	(0.16)	(0.54)	--	0.19	(0.04)	(0.23)	--
Operating cash flows	million €	419	319	(101)	(24)	48	271	224	470
Cash flow for investments	million €	(272)	(323)	(52)	(19)	(187)	(201)	(14)	(7)
Cash flow from divestments	million €	13	27	13	100	14	26	12	80
Free cash flow[4]	million €	161	22	(139)	(86)	(125)	96	221	++
Free cash flow before M & A[4]	million €	168	23	(145)	(86)	(118)	97	215	++
Net financial debt (March 31)	million €	3,546	4,834	1,288	36				
Total equity (March 31)	million €	3,333	3,106	(227)	(7)				
Gearing (March 31)	%	106.4	155.7	49.3	46				
Employees (March 31)		159,693	161,153	1,460	1				

1) Prior-year figures have been adjusted due to the adoption of IFRS 15.
2) Cf. Note 02.
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	Order intake[2] million €		Net sales[2] million €		EBIT[1)2)4)] million €		Adjusted EBIT[1)2)4)] million €		Employees	
	1st half ended March 31, 2018	1st half ended March 31, 2019	1st half ended March 31, 2018	1st half ended March 31, 2019	1st half ended March 31, 2018	1st half ended March 31, 2019	1st half ended March 31, 2018	1st half ended March 31, 2019	March 31, 2018	March 31, 2019
Components Technology	3,243	3,435	3,210	3,306	162	104	167	118	33,768	34,780
Elevator Technology	3,833	4,137	3,599	3,793	388	368	424	402	52,779	52,915
Industrial Solutions[3]	1,458	1,680	1,791	1,790	(23)	(60)	(1)	(57)	15,916	15,661
Marine Systems[3]	312	240	547	795	(11)	0	(10)	0	5,820	5,859
Materials Services	7,139	7,191	7,177	7,084	139	72	151	75	20,107	20,302
Steel Europe	4,555	4,792	4,569	4,481	359	(84)	359	76	27,255	27,882
Corporate	169	88	171	134	(168)	(175)	(156)	(149)	4,048	3,754
Consolidation	(1,093)	(1,093)	(1,080)	(1,009)	8	217	8	220	0	0
Full Group	**19,617**	**20,471**	**19,984**	**20,374**	**854**	**442**	**943**	**685**	**159,693**	**161,153**
Discontinued steel operations	3,770	3,977	3,816	3,778	391	125	394	306	28,913	29,638
Group continuing operations[3]	**15,847**	**16,494**	**16,169**	**16,596**	**462**	**316**	**549**	**380**	**130,780**	**131,515**

[1] See reconciliation in segment reporting (Note 08).
[2] Prior-year figures have been adjusted due to the adoption of IFRS 15.
[3] See preliminary remarks.
[4] 1st half ended March 31, 2019 includes an effect of €228 million due to suspension of scheduled amortization and depreciation of discontinued steel operations.

	Order intake[2] million €		Net sales[2] million €		EBIT[1)2)4)] million €		Adjusted EBIT[1)2)4)] million €	
	2nd quarter ended March 31, 2018	2nd quarter ended March 31, 2019	2nd quarter ended March 31, 2018	2nd quarter ended March 31, 2019	2nd quarter ended March 31, 2018	2nd quarter ended March 31, 2019	2nd quarter ended March 31, 2018	2nd quarter ended March 31, 2019
Components Technology	1,665	1,781	1,646	1,726	86	59	90	69
Elevator Technology	1,873	1,995	1,754	1,869	186	169	204	198
Industrial Solutions[3]	670	740	956	950	(33)	(30)	(14)	(33)
Marine Systems[3]	255	133	291	497	(11)	0	(9)	0
Materials Services	3,776	3,821	3,890	3,696	90	51	100	53
Steel Europe	2,484	2,451	2,388	2,350	196	(118)	197	37
Corporate	78	37	78	70	(97)	(84)	(81)	(72)
Consolidation	(583)	(598)	(562)	(521)	9	97	9	100
Full Group	**10,219**	**10,360**	**10,442**	**10,638**	**428**	**145**	**495**	**353**
Discontinued steel operations	2,062	1,998	1,998	1,984	202	(29)	211	141
Group continuing operations	**8,156**	**8,363**	**8,443**	**8,654**	**226**	**174**	**283**	**212**

[1] See reconciliation in segment reporting (Note 08).
[2] Prior-year figures have been adjusted due to the adoption of IFRS 15.
[3] See preliminary remarks.
[4] 2nd quarter ended March 31, 2019 includes an effect of €113 million due to suspension of scheduled amortization and depreciation of discontinued steel operations.

THYSSENKRUPP STOCK / ADR MASTER DATA AND KEY FIGURES

ISIN			Number of shares (total)	shares	622,531,741
Shares (Frankfurt, Düsseldorf stock exchanges)	DE 000,750,0001		Closing price end March 2019	€	12.25
ADRs (over-the-counter trading)	US88629Q2075		Stock exchange value end March 2019	million €	7,626
Symbols					
Shares	TKA				
ADRs	TKAMY				

Contents

Our fiscal year begins on October 1 and ends on September 30 of the following year.

Interim management report

Preliminary remarks

In connection with the realignment of the Industrial Solutions business area, Marine Systems was taken out and has been managed as a separate business unit since October 1, 2018. The discontinued steel operations include the Steel Europe business area, thyssenkrupp MillServices & Systems GmbH from the Materials Services business area, and in the prior year individual Corporate companies. The preliminary remarks in the 2017 / 2018 annual report also apply.

Based on recent discussions we proceed from the assumption that the European Commission will not approve the joint venture in the steel sector with Tata Steel Europe. The conditions for presenting the steel activities as discontinued operations according to IFRS 5 are therefore no longer fulfilled; thyssenkrupp will adjust its reporting accordingly in the next quarterly financial statements. The resultant effects on the forecast for the fiscal year have already been taken into account (see forecast on page 23).

Report on the economic position

Summary

Impact of economic slowdown on adjusted EBIT particularly of the auto components and materials businesses and significant negative price effects not fully offset by management initiatives

- Increase in order intake and sales of continuing operations, capital goods businesses overall up year-on-year:
  - Components Technology with significant gains in industrial components
  - Elevator Technology with new record highs thanks to several major projects particularly in Asia-Pacific
  - Industrial Solutions with smaller and medium-size orders; further orders for chemical plants after reporting date confirm positive trend
  - Marine Systems without major orders in order intake; nomination as preferred bidder in consortium for the construction of four new corvettes for the Brazilian Navy will secure future order intake; order for frigates from North Africa at advanced stage of negotiations
  - Materials Services at prior-year level with volumes down overall
- Adjusted EBIT of continuing operations clearly lower year-on-year; impact of economic slowdown on adjusted EBIT particularly of the auto components and materials businesses and significant negative price effects not fully offset by management initiatives:
  - Components Technology mainly due to falling demand worldwide, particularly in China and Western Europe, delayed order releases with higher launch costs for new customer projects, continuing negative contribution of Springs & Stabilizers

  - Elevator Technology mainly due to material and selling price trends in the USA and China
  - Industrial Solutions mainly due to lower margins on projects billed
  - Marine Systems with improvement due to increased sales but continuing low margins on projects billed
  - Materials Services mainly due to margin pressure, partly offset by one-time income in 2nd quarter; AST with declining volumes and prices
  - Corporate with continued reduction of G&A costs despite higher one-time income in prior year
- Net income of continuing operations lower year-on-year mainly due to operating performance
- Cash flow of continuing operations positive in 2nd quarter and significantly improved year-on-year and particularly quarter-on quarter but as expected negative in 1st half
- Steel Europe (discontinued operation) with adjusted EBIT well down from prior year due to lower shipments particularly to the auto industry (partly because of new emissions standards / WLTP) and higher costs due to production cutback and logistics (low Rhine water levels); cash flow heavily impacted by typical seasonal increase in net working capital
- European Commission expected to block steel joint venture; from Q3 Steel Europe reported as continuing operation
- Full-year forecast revised mainly due to economic slowdown impacting our auto components and materials businesses in particular as well as significant negative price effects which could not be fully offset by additional management initiatives and presentation of Steel Europe as a continuing operation
- Overall situation leads to reassessment of strategic options: Executive Board proposes to Supervisory Board fundamental strategic realignment ("newtk") with listing of elevator business rather than separation of the Group
- "newtk": substantial increase in performance; value-oriented, flexible portfolio approach with more entrepreneurial freedom for all businesses; efficient organization with lean holding company and reduction of administrative costs throughout the Group

Macro and sector environment

Global economic growth significantly weaker in 2019

- Growth expectations for 2019 in our most important sales markets revised down again compared with start of fiscal year
- Industrialized countries: weaker upturn with continued supportive monetary policy and positive domestic impetus
- Emerging economies: moderate economic momentum with high political and economic uncertainties
- Risks and uncertainties: further escalation of trade conflicts, geopolitical flashpoints, Brexit negotiations, severe and sustained weakening of growth in China; indebtedness problems particularly in some countries of Europe, and volatile material and commodity prices

GROSS DOMESTIC PRODUCT

Real change compared to previous year in %	2018	2019[1]
Euro zone	1.8	1.2
Germany	1.4	0.8
Russia	2.3	1.5
Rest of Central/Eastern Europe	4.1	3.0
USA	2.9	2.3
Brazil	1.1	1.4
Japan	0.7	0.8
China	6.6	6.3
India	7.2	7.1
Middle East & Africa	2.7	2.1
World	**3.7**	**3.3**

[1] Forecast

Automotive

- Global sales and production of cars and light trucks in 2018 down from prior year, noticeably weaker again in 2019 to date
- Subdued outlook for 2019 mainly reflecting situation in world's largest car market, China
- China: car sales and production very weak at start of 2019 after demand drop in second half of 2018; recovery still uncertain
- Western Europe: production and sales in 2019 down from prior year
- NAFTA: production and sales expected to fall slightly in 2019 after stable prior year at high level
- Trucks above 6 t: 2018 positive year-on-year with slight decrease in China and clear positive trend in Class 8 Trucks in North America; overall market expected to decline in 2019 due to weaker Chinese market and passing of cyclical peak in North America

Machinery

- Germany: growth forecast for 2019 revised down again; slowing global economy, severe trade restrictions and capacity bottlenecks weighing on order intake
- USA: production growth significantly slower in 2019; growth impetus from tax reform weakening
- China: reduced growth in 2019 due to slowing demand for capital goods and trade restrictions

Construction

- Germany: slightly lower growth in 2019; housing and public-sector construction continue to be main drivers, increasing capacity bottlenecks slowing growth
- USA: output growth weaker in 2019 – housing construction momentum lower due to increasing bottlenecks on labor market and high material prices
- China and India: growth in China at solid prior-year level in 2019 – continuing urbanization supporting housing construction investment; output growth in India slowing slightly at high level

IMPORTANT SALES MARKETS

	2018	2019[1]
Vehicle production, million cars and light trucks		
World	91.1	90.3
Western Europe (incl. Germany)	14.3	13.8
Germany	5.3	5.1
USA	11.0	10.8
Mexico	3.9	4.0
Japan	9.2	9.2
China	26.6	26.6
India	4.6	4.8
Brazil	2.7	2.9
Machinery production, real, in % versus prior year		
Germany	2.4	1.0
USA	7.1	3.7
Japan	4.5	2.3
China	8.8	5.6
Construction output, real, in % versus prior year		
Germany	3.5	2.5
USA	3.1	2.0
China	4.5	4.5
India	8.8	8.1

[1] Forecast
Sources: IHS Light Vehicle Model Production Forecast (04/2019), Assembly Type: only CBU (Completely Build Units)

Steel

- Global steel demand growth at +1% in 2019 slightly slower than last year (+2%); overall sideways movement in the industrialized countries; more favorable outlook for many emerging economies, particularly India and the ASEAN countries
- EU carbon flat steel market cyclically weaker in first three months of 2019; third-country imports again higher at expense of European suppliers, EU safeguard measures so far without major limiting effect on overall imports
- Market environment remains challenging, also structurally – continuing global overcapacities, ongoing risks from trade imbalances, sharply rising iron ore prices lately

Group and business area review

Impact of economic slowdown on adjusted EBIT particularly of the auto components and materials businesses and significant negative price effects not fully offset by management initiatives

ORDER INTAKE

million €	1st half ended March 31, 2017[2]	1st half ended March 31, 2019	Change in %	Change on a comparable basis[1] in %	2nd quarter ended March 31, 2017[2]	2nd quarter ended March 31, 2019	Change in %	Change on a comparable basis[1] in %
Components Technology	3,243	3,435	6	5	1,665	1,781	7	5
Elevator Technology	3,833	4,137	8	7	1,873	1,995	6	4
Industrial Solutions[3]	1,458	1,680	15	16	670	740	11	11
Marine Systems[3]	312	240	(23)	(24)	255	133	(48)	(49)
Materials Services	7,139	7,191	1	0	3,776	3,821	1	0
Steel Europe	4,555	4,792	5	5	2,484	2,451	(1)	(2)
Corporate	169	88	(48)	(48)	78	37	(53)	(53)
Consolidation	(1,093)	(1,093)	—	—	(583)	(598)	—	—
Full Group	**19,617**	**20,471**	**4**	**3**	**10,219**	**10,360**	**1**	**0**
Discontinued steel operations	3,770	3,977	6		2,062	1,998	(3)	
Group continuing operations[3]	**15,847**	**16,494**	**4**	**3**	**8,156**	**8,363**	**3**	**1**

[1] Excluding material currency and portfolio effects.
[2] Prior-year figures have been adjusted due to the adoption of IFRS 15.
[3] See preliminary remarks.

1st-half order intake in the **capital goods businesses** overall significantly higher year-on-year:

Components Technology

- Higher year-on-year due to significant growth in industrial including truck components
- Car components: at prior-year level, growth in steering business and camshafts due to start of production at new plants; lower demand in China and Western Europe; Western Europe also negatively impacted by new test procedure for fuel and electricity consumption and vehicle emissions (WLTP), Brexit uncertainties among customers, axle module assembly lower year-on-year
- Industrial components with growing demand for heavy trucks in the USA and Europe; good demand in wind energy sector, demand for construction machinery components remains positive

Elevator Technology

- Order intake at continued high level and with clear year-on-year growth
- All regions contributing to growth, particularly Asia-Pacific, due mainly to a major metro project in Australia and several major projects in China and Europe (primarily Germany and France)

Industrial Solutions

- Order intake up from prior year mainly due to orders at Mining
- Chemical plants: improved market environment; orders for fertilizer plant in Saudi Arabia and for equipment and services mainly from Europe and Asia; further fertilizer plant orders in Egypt and Poland after reporting date confirm positive trend
- Cement plants: current market situation marked by overcapacities built up in recent years; smaller orders for plant components, including several catalyst plants for emissions reduction in Asia, and services
- Mining: increased demand; including orders for stockyard and handling equipment in Australia, extension for conveyor, stacker and reclaimer in Central Asia and power plant construction in India
- System Engineering: stable demand for production systems for the auto industry, mainly in Europe and Asia, but with increasing uncertainties caused by Brexit, sector-specific economic risks and technology shift towards e-mobility

Marine Systems

- Extension of an existing order plus smaller maintenance and service contracts
- Nomination as preferred bidder together with Embraer Defense & Security and Atech for the construction of four new corvettes for the Brazilian Navy supports future order intake
- Order for frigates from North Africa at advanced stage of negotiations

Order intake of the **materials businesses:**

- Materials Services at prior-year level, strong warehousing business in North America outweighing weaker service center business in Europe and direct-to-customer business worldwide
- Steel Europe (discontinued operation): higher for price reasons despite significantly lower volumes (5.0 million t; prior year: 5.5 million t); restricted booking possibilities in 1st quarter mainly due to low Rhine water levels, slowing market momentum in 2nd quarter

NET SALES

million €	1st half ended March 31, 2017[2]	1st half ended March 31, 2019	Change in %	Change on a comparable basis[1] in %	2nd quarter ended March 31, 2017[2]	2nd quarter ended March 31, 2019	Change in %	Change on a comparable basis[1] in %
Components Technology	3,210	3,306	3	2	1,646	1,726	5	3
Elevator Technology	3,599	3,793	5	4	1,754	1,869	7	4
Industrial Solutions[3]	1,791	1,790	0	0	956	950	(1)	(1)
Marine Systems[3]	547	795	45	45	291	497	71	70
Materials Services	7,177	7,084	(1)	(2)	3,890	3,696	(5)	(6)
Steel Europe	4,569	4,481	(2)	(2)	2,388	2,350	(2)	(2)
Corporate	171	134	(22)	(22)	78	70	(10)	(10)
Consolidation	(1,080)	(1,009)	—	—	(562)	(521)	—	—
Full Group	**19,984**	**20,374**	**2**	**1**	**10,442**	**10,638**	**2**	**0**
Discontinued steel operations	3,816	3,778	(1)		1,998	1,984	(1)	
Group continuing operations[3]	**16,169**	**16,596**	**3**	**2**	**8,443**	**8,654**	**2**	**1**

[1] Excluding material currency and portfolio effects
[2] Prior-year figures have been adjusted due to the adoption of IFRS 15.
[3] See preliminary remarks.

Sales of the **capital goods businesses** higher overall:

- Sales at Components Technology in line with order intake, growth in industrial components, car components level with prior year; positive exchange rate effects especially from USD, negative from BRL
- Elevator Technology higher year-on-year, mainly due to positive trend in the USA and Europe; number of installed units in China higher year-on-year
- Industrial Solutions at prior-year level: chemical plant business with higher sales from major projects in Hungary and Brunei; sales down in cement plant business due to lower order intake and at System Engineering due to order deferrals by customers in response to market conditions
- Marine Systems sharply up from prior year, mainly due to significant increase in submarine and surface vessel sales in 2nd quarter

Sales of the **materials businesses:**

Materials Services

- Roughly level with prior year
- Overall materials sales volumes lower year-on-year (5.0 million t shipments; prior year: 5.6 million t shipments)
- Warehousing and distribution on the whole higher year-on-year due to strong volumes and prices in North America outweighing demand fall in Europe; declining volumes in auto-related service centers and direct-to-customer business
- Prices in stainless steel product segment recovering slightly since March after falling in the first five months; finished steel prices stable towards end of 2nd quarter; overall average price level lower year-on-year
- Volumes and prices at AST lower year-on-year mainly due to continuing import pressure from Asia
- Sales of the continuing operations of Materials Services at €7.0 billion

Steel Europe (discontinued operation)

- Volume-related decrease: shipments down sharply (5.1 million t; prior year: 5.6 million t) – reductions necessary as a result of production cutbacks due to low Rhine water levels and negative effects of WLTP problem on auto volumes
- Higher prices compared with prior year partly offset the volume decrease

ADJUSTED EBIT

million €	1st half ended March 31, 2017[2]	1st half ended March 31, 2019	Change in %	2nd quarter ended March 31, 2017[2]	2nd quarter ended March 31, 2019	Change in %
Components Technology	167	118	(30)	90	69	(24)
Elevator Technology	424	402	(5)	204	198	(3)
Industrial Solutions[1]	(1)	(57)	--	(14)	(33)	--
Marine Systems[1]	(10)	0	++	(9)	0	99
Materials Services	151	75	(50)	100	53	(47)
Steel Europe	359	76	(79)	197	37	(81)
Corporate	(156)	(149)	4	(81)	(72)	12
Consolidation[3]	8	220	—	9	100	—
Full Group	**943**	**685**	**(27)**	**495**	**353**	**(29)**
Discontinued steel operations	394	306	(22)	211	141	(33)
Group continuing operations[1]	**549**	**380**	**(31)**	**283**	**212**	**(25)**

[1] See preliminary remarks.
[2] Prior-year figures have been adjusted due to the adoption of IFRS 15.
[3] 1st half ended March 31, 2019 includes an effect of €228 million, 2nd quarter ended March 31, 2019 includes an effect of €113 million due to suspension of scheduled amortization and depreciation of discontinued steel operations.

Adjusted EBIT of the **capital goods businesses** clearly lower year-on-year:

Components Technology

- Clearly lower year-on-year mainly due to declining demand for auto components in China and Western Europe, higher costs for the launch of new customer projects, flatter ramp-up curve for new plants, and negative performance at Springs & Stabilizers
- Business with crankshafts and construction equipment components up from prior year
- Flexibilization of personnel deployment and recruitment; accelerated implementation of short-term cost savings, and preparation of potential site restructurings

Elevator Technology

- Despite positive contribution of performance program, lower year-on-year mainly due to material and selling price trends in the USA owing to tariffs on material imports, and in China
- Margin decrease year-on-year by 1.2 points to 10.6%, significant improvement expected in 2nd half

Industrial Solutions

- Negative and lower year-on-year, mainly due to lower margins on projects billed; slight improvement expected for 2nd half
- Comprehensive turnaround program being implemented for plant construction; new organizational structure in place as of April 1; further measures to increase profitability include a reduction of administrative and material costs, improved project execution and optimized selling costs

Marine Systems

- Improvement on prior year due to higher sales, but continuing low margins on projects billed

In a weak market environment adjusted EBIT of the **materials businesses** was down significantly year-on-year, despite support from cost reduction programs.

Materials Services

- Margin pressure from declining prices particularly in warehousing and distribution, compared with positive effects from dynamic price increases in the prior-year period
- Positive effects among other things from sale of real estate and compensation from Steel Europe for part transfer of direct-to-customer business
- AST significantly lower year-on-year mainly due to volume and price trend in stainless steel caused by continuing import pressure
- Adjusted EBIT of the continuing operations of Materials Services at €72 million
- Intensified measures to reduce working capital; targeted recruitment freeze; streamlining of administrative structures and site consolidation in Germany; utilization of opportunities on growing US market, including expansion of supply chain business

Steel Europe (discontinued operation)

- Significantly lower year-on-year; positive price effects overshadowed by effects of low Rhine water levels and WLTP as well as market-related volume reductions
- Significantly higher costs partly due to changed transportation logistics in response to the low water level problem and associated production scale-back, also cost increases for raw material procurement, partly on account of exchange rates; in Q2 higher personnel provisions after new collective agreement
- Impacted by compensation of Materials Services for transfer of direct-to-customer business

Corporate

- Further measures to reduce general and administrative costs at headquarters and in regional organization
- Earnings effect from real estate and property sales lower year-on-year

Earnings impacted by special items

SPECIAL ITEMS

million €	1st half ended March 31, 2018	1st half ended March 31, 2019	Change	2nd quarter ended March 31, 2018	2nd quarter ended March 31, 2019	Change
Components Technology	5	15	9	4	10	6
Elevator Technology	36	35	(2)	18	29	12
Industrial Solutions[1]	21	4	(18)	19	(4)	(23)
Marine Systems[1]	1	0	(1)	1	0	(1)
Materials Services	12	3	(9)	10	2	(8)
Steel Europe	1	159	159	0	155	154
Corporate	13	26	13	15	13	(3)
Consolidation	0	3	3	0	3	3
Full Group	**89**	**244**	**155**	**67**	**207**	**141**
Discontinued steel operations	3	180	177	10	170	161
Group continuing operations[1]	**86**	**64**	**(23)**	**57**	**37**	**(20)**

[1] See preliminary remarks.

- Main special items in the reporting period:
  - Components Technology: mainly at Springs & Stabilizers due to impairment charges, expenses for repairs after flooding in Brazil, and closure costs
  - Elevator Technology: restructuring and reorganization in Europe and the USA
  - Industrial Solutions: earn-out agreement for technology purchase as well as restructuring in connection with the turnaround program; partly offset by income from liquidation of a company in 2nd quarter
  - Corporate: mainly project expenses in connection with the planned steel joint venture and the repositioning of the Group; partly offset by transfer of IT infrastructure to Steel Europe
  - Steel Europe (discontinued operation): transfer of IT infrastructure from Corporate; costs in connection with carve-out; provision for risks from antitrust proceedings

Results of operations and financial position

Analysis of the statement of income

Income from operations

- Increase in net sales of the continuing operations coupled with disproportionate increase in cost of sales of the continuing operations mainly due to higher personnel and material costs; decrease in gross profit margin to 14.8% (prior year: 16.3%)
- Rise in selling costs of the continuing operations mainly due to higher personnel expenses and increased expenses for freight, transit insurance and customs duties
- Reduction in general and administrative costs of the continuing operations mainly due to lower personnel costs
- Improvement in net other gains and losses mainly as a result of higher gains from the disposal of property, plant and equipment

Financial income/expense and income tax

- Overall improvement in net financial expense of the continuing operations above all due to lower interest expense for financial debt
- Decrease in tax expense of the continuing operations due to absence of one-time effect of US tax reform in prior year and lower tax expense due to decrease in pre-tax income

Earnings per share

- Net income down by €284 million to €59 million mainly due to lower income from discontinued operations (net of tax) which decreased by €228 million to a profit of €13 million
- Profit per share accordingly down by €0.46 to €0.06

Analysis of the statement of cash flows

Operating cash flows

- Higher negative operating cash flows of the continuing operations primarily due to decrease in net income before deferred income taxes and net increase in funds tied up in operating assets and liabilities
- Significant increase in negative operating cash flows of the discontinued steel operations mainly due to net increase in funds tied up in operating assets and liabilities

Cash flows from investing activities

- Capital spending of continuing operations level year-on-year; share of capital goods businesses in Group capital spending at around 55%
- Investments at the discontinued steel operations slightly higher-year-on-year

INVESTMENTS

million €	1st half ended March 31, 2018	1st half ended March 31, 2019	Change in %	2nd quarter ended March 31, 2018	2nd quarter ended March 31, 2019	Change in %
Components Technology	241	225	(7)	113	114	1
Elevator Technology	48	55	14	26	33	27
Industrial Solutions[1]	22	21	(6)	11	12	7
Marine Systems[1]	14	17	25	7	9	30
Materials Services	40	54	35	25	36	45
Steel Europe	170	211	24	83	117	42
Corporate	30	24	(20)	16	20	23
Consolidation	(5)	(27)	—	(9)	(17)	—
Full Group	**561**	**580**	**3**	**272**	**323**	**19**
Discontinued steel operations	175	209	19	85	123	45
Group continuing operations[1]	**386**	**371**	**(4)**	**187**	**201**	**7**

[1] See preliminary remarks.

Components Technology

- Global automotive production network in process of implementation; start of production deliveries at new plant for electric steering systems in China and damper systems at the expanded plant in Romania, setting up of springs and stabilizers plant in Hungary advanced

Elevator Technology

- Mainly regular maintenance capital expenditure

Industrial Solutions

- Continuing investment in expansion of technology portfolio to safeguard market position in plant construction
- Continuation of organic growth through order-related investment for e-mobility at System Engineering

Marine Systems

- Further implementation of modernization program at Kiel shipyard

Materials Services

- Modernization and maintenance measures at warehouse and service units as well as at AST; continuation of digital transformation of business area

Steel Europe (discontinued operation)

- Construction of a further hot-dip coating line (FBA 10) at the Dortmund site to serve rising demand for high-quality hot-dip coated products; building preparations under way, main contracts awarded

Corporate

- Investments for the construction of the elevator test tower in the USA
- Investments for the Carbon2Chem project (technical center: buildings and power supply) and procurement of licenses for the thyssenkrupp Group

Cash flows from financing activities

- Overall strongly improved cash flows from financing activities of the continuing operations mainly due to proceeds from borrowings in the reporting period; partly offset by increased financing of the discontinued steel operations

Free cash flow and net financial debt

RECONCILIATION TO FREE CASH FLOW BEFORE M & A

million €	1st half ended March 31, 2018	1st half ended March 31, 2019	Change	2nd quarter ended March 31, 2018	2nd quarter ended March 31, 2019	Change
Operating cash flows – continuing operations (consolidated statement of cash flows)	(854)	(1,214)	(360)	48	271	224
Cash flow from investing activities – continuing operations (consolidated statement of cash flows)	(354)	(331)	23	(172)	(175)	(2)
Free cash flow from continuing operations (FCF)[1]	**(1,208)**	**(1,545)**	**(337)**	**(125)**	**96**	**221**
–/+ Cash inflow/cash outflow resulting from material M&A transactions	(7)	1	7	7	2	(5)
Free cash flow before M&A – continuing operations (FCF before M&A)[1]	**(1,215)**	**(1,544)**	**(329)**	**(118)**	**97**	**215**
Discontinued steel operations	(167)	(910)	(743)	286	(74)	--
Free cash flow before M&A – Group (FCF before M & A)	**(1,381)**	**(2,454)**	**(1,073)**	**168**	**23**	**(145)**

[1] See preliminary remarks.

- FCF before M & A of the continuing operations and the Group positive in the 2nd quarter mainly due to clearly improved operating cash flows, but significantly lower year-on-year in the 1st half
- Net financial debt up to €4.8 billion at March 31, 2019 due to temporarily significantly negative FCF before M & A
- Ratio of net financial debt to equity (gearing) at 155.7% higher than at September 30, 2018 (72.2%)
- Available liquidity of €6.6 billion (€3.0 billion cash and cash equivalents and €3.6 billion undrawn committed credit lines)
- Existing commercial paper program with a maximum emission volume of €1.5 billion was drawn in the amount of €0.9 billion at March 31, 2019

Financing measures

- Placement of a €100 million loan note in December 2018; maturity three years; coupon 1.15% p.a.
- Placement of a €1,500 million bond in February 2019; maturity five years; coupon 2.875% p.a.

Rating

RATING

	Long-term rating	Short-term rating	Outlook
Standard & Poor's	BB	B	developing
Moody's	Ba2	not Prime	negative
Fitch	BB+	B	watch negative

Analysis of the statement of financial position

Non-current assets

- Mainly investment-related increase in property, plant and equipment

Current assets

- Increases in inventories mainly at Components Technology and at Materials Services
- Increase in trade accounts receivable mainly in plant engineering business and at Materials Services
- Increase in other non-financial assets mainly due to higher assets in connection with non-income taxes and rise in advance payments
- Slight overall decrease in cash and cash equivalents mainly due to negative free cash flow of the continuing operations in the reporting period and the financing of the discontinued steel operations; at the same time significant cash inflows from proceeds from borrowings
- Significant increase in assets held for sale due to ongoing business activity of the discontinued steel operations

Total equity

- Decrease compared with September 30, 2018
- Increases due to net income in the reporting period and gains from currency translation recognized in other comprehensive income outweighed in particular by losses on remeasurement of pension and similar obligations recognized in other comprehensive income and by dividend payments

Non-current liabilities

- Increase in accrued pension and similar obligations mainly due to losses from remeasurement in the reporting period, primarily as a result of lower pension interest rates
- Net increase in financial debt mainly due to placement of a bond in February 2019 and reclassification of a bond due in October 2019 to current financial debt

Current liabilities

- Strong net increase in current liabilities mainly due to higher financial debt, in particular from the aforementioned reclassification of a bond from non-current financial debt and from utilization of the commercial paper program
- Increase in contract liabilities mainly due to higher customer advance payments

- Sharp decrease in trade accounts payable, above all at Components Technology, Elevator Technology and Materials Services
- Overall slight reduction of liabilities associated with assets held for sale due to ongoing business activity of the discontinued steel operations

Technology and innovation

- Carbon2Chem – collaborative project to convert steel mill gases into base chemicals: technical center in successful operation, initial production of ammonia from steel mill gases, powered by renewable energy sources
- Big Data – successful ramp-up of TechCenter for internal big data analyses and software development in Pune, India; aim is to improve our technical processes and hardware, in particular in plant engineering, so as to optimize efficiency and costs for our customers; at the same time we are establishing and securing engineering resources in a growth region
- IDS/blockchain – cooperative venture between thyssenkrupp, IBM, Fraunhofer Institute to integrate data sovereignty and integrity for the first time in just one software application to allow secure and efficient data sharing with customers and suppliers; for example technical design and processing specifications for 3D printing or other production processes
- Climate protection – thyssenkrupp named by non-governmental organization CDP as global leader in climate protection for third year in a row
- Beyond Conventions – second edition of event for cooperation with external startups: over 250 applications from around the world, 40 selected startups from twelve countries invited to Essen, around 20 concrete collaborative projects between startups and companies such as Siemens and thyssenkrupp
- More information on technology and innovation at thyssenkrupp in the 2017 / 2018 Annual Report

Compliance

- We build on strong values: reliability, honesty, credibility and integrity
- Our values are anchored in the Group Mission Statement, Code of Conduct and Compliance Commitment
- Ongoing implementation of compliance management system for data protection
- Investigations by Federal Cartel Office: thyssenkrupp Steel Europe AG and others are/were the subject of investigations into alleged cartel agreements relating to heavy plate and flat carbon steel. In the case of flat carbon steel the proceedings have now been dropped. Based on very advanced talks with the Federal Cartel Office, thyssenkrupp expects to be able to conclude the heavy plate case by mutual agreement in the near future. The associated increase in the provision recognized at the end of the last fiscal year to the amount of the expected fine will impact net income for the year in the amount of slightly over €100 million.
- More information on compliance at thyssenkrupp in the 2017 / 2018 Annual Report and on the website www.thyssenkrupp.com

Employees

- 161,153 employees worldwide at March 31, 2019; 57 (+0.04%) more than at September 30, 2018; 264 fewer employees (-0.4%) in Germany, 321 more (+0.3%) in rest of world
- Workforce in the business areas: increase at Components Technology mainly at the new plants in Hungary and Mexico; at Materials Services above all in the USA; Elevator Technology constant; Steel Europe (discontinued operation) taking on almost 200 employees from Corporate; decrease at Industrial Solutions and at Corporate; reduction there higher than transfers to Steel Europe
- No to child labor, unfair payment and discrimination: International Framework Agreement (IFA) contains binding rules to secure values and standards worldwide; as at end of March 2019, more than 30 cases reported from 18 countries since 2014 and resolved together with employee representatives
- More information on employees at thyssenkrupp in the 2017 / 2018 Annual Report

Forecast, opportunity and risk report

2018 / 2019 forecast

For key assumptions and expected economic conditions see forecast section and “Macro and sector environment” in the report on the economic position in the 2017 / 2018 Annual Report and this interim management report.

As the conditions for presenting the steel activities as discontinued operations in accordance with IFRS 5 are no longer fulfilled, thyssenkrupp will adjust its reporting accordingly in the next quarterly report of this fiscal year. Among other things this will include the retroactive recognition of €107 million scheduled amortization and depreciation in the prior-year financial statements 2017/2018 and €228 million in the 1st half 2018/2019 previously suspended due to classification as a discontinued operation. Resultant effects on the forecast for the current fiscal year are taken into account in the following; the prior-year comparatives stated below for adjusted EBIT, consolidated net income and tkVA 2017/2018 are still to be adjusted for the €107 million scheduled amortization and depreciation from the prior year.

The forecast also takes into account the economic situation impacting in particular our automotive components and materials businesses as well as significant negative price effects which cannot be fully offset by additional management initiatives.

2018 / 2019 expectations

- **Sales of the Group** – adjusted for effects from the adoption of IFRS 15 – expected to be level with the prior year (prior year, Group, adjusted for effects of IFRS 15: €41.5 billion); decline in the materials businesses (Materials Services, Steel Europe) due to effects of slower economy and trade restrictions should be offset by growth in other segments
- **Adjusted EBIT of the Group** – due to slower-than-expected economic growth with negative price and volume effects impacting in particular our cyclical businesses with automotive components and materials – expected to be around €1.1 to 1.2 billion (prior year, Group, before retroactive reduction for €107 million scheduled amortization and depreciation: €1,551 million); supported by initiatives from corporate program “impact”
  - **Components Technology** – despite weakening of the auto sector due in particular to declines in China and dislocations due to the introduction of new emission standards and procedures to measure emissions (WLTP) – with recovery of adjusted EBIT (prior year: €197 million) from sales increase in low single-digit percentage range (prior year, adjusted for effects of IFRS 15: €6.6 billion) and slight improvement in margin (prior year, adjusted for effects of IFRS 15: 3.0%), reflecting in particular the absence of additional expenses for quality-related risk provisions and the further ramp-up of new plants, supported by efficiency and restructuring programs

- **Elevator Technology** with improvement in adjusted EBIT (prior year: €865 million) from sales growth in the mid-single-digit percentage range and stable adjusted EBIT margin (prior year: 11.5%) supported by restructuring and efficiency measures, and depending on effects of materials price movements – particularly in China – and scale of impact from tariffs on imports of materials to the USA
- **Industrial Solutions** – depending on order intake – with significant recovery in sales despite difficult market environment for cement and automotive production systems; supported by extensive transformation and restructuring measures and absence of additional expenses incurred in prior year for extensive project analysis and reassessment of individual projects, slight improvement in adjusted EBIT expected with progress in 2nd half (prior year: €(127) million)
- **Marine Systems** with significant recovery in order intake (mainly due to order for frigates); supported by extensive performance program and absence of additional costs of project analysis and reassessment in the prior year, significant improvement towards break-even adjusted EBIT (prior year: €(128) million)
- **Materials Services** – with slowing economy and declining prices and volumes – with adjusted EBIT significantly lower year-on-year (prior year: €317 million; prior year continuing operations of Materials Services: €308 million)
- **Steel Europe** – with slowing economy, declining volumes in particular from automotive customers and higher costs in particular for raw materials – with significantly lower adjusted EBIT year-on-year (prior year: €687 million)
- **Corporate** with continued cost reductions adjusted EBIT, which benefited in the prior year from positive nonrecurring items, is expected to be level with the prior year (prior year: €(377) million; prior year continuing operations of Corporate: €(370) million)

- **Net income net of the Group** negative (prior year, before retroactive adjustment for €107 million scheduled amortization and depreciation: €60 million) due to restructurings required for future improvements, provision for upcoming final conclusion of the heavy plate cartel case by mutual agreement with the Federal Cartel Office, plus expense for the preparation of the Elevator IPO
- **Capital spending before M & A** at around €1.5 billion (prior year: €1.4 billion)
- **FCF before M & A of the Group** (prior year: €(134) million) negative in the high three-digit million euro range due to the effects of the economic slowdown and impact on net working capital at our materials businesses, increased net working capital at our components businesses due to the ramp-up of new plants, and depending on order intake and payment profiles for individual major projects especially at Marine Systems; possible further impact from payment of the expected cartel fine
- **FCF of the full Group** (prior year: €(115) million) with additional negative effects in particular from costs for the preparation of the Elevator IPO as well as minor acquisitions at Elevator technology
- **Net financial debt of the Group** to increase sharply year-on-year (prior year: €2,364 million) due in particular to the aforementioned effects
- **tkVA of the Group** significantly lower year-on-year (prior year, before effects from retroactive adjustment for €107 million scheduled amortization and depreciation: €(217) million) due to the impacts described above

Opportunities and risks

Opportunities

- With digitization increasing, global thyssenkrupp research and development network offers opportunities for convergence of previously separate value chains
- Opportunities from systematic continuation of corporate initiatives launched in previous years
- Strategic and operational opportunities described in 2017 / 2018 Annual Report continue to apply

Risks

- No risks threatening ability to continue as going concern; detailed information on risks described in 2017 / 2018 Annual Report continues to apply
- Economic risks: Further escalation of trade conflicts, geopolitical flashpoints, Brexit negotiations, distinct and lasting slowdown of growth in China, problems of indebtedness in particular in some European countries, volatile material and commodity prices, further slowing of automotive market
- Trade measures of US administration being continuously monitored
- Risks of cost and schedule overruns in the execution of major projects
- Risks from attacks on IT infrastructure; countermeasure: further expansion of information security management and security technologies
- Investigations by Federal Cartel Office: thyssenkrupp Steel Europe AG and others are/were the subject of investigations into alleged cartel agreements relating to heavy plate and flat carbon steel. In the case of flat carbon steel the proceedings have now been dropped. Based on very advanced talks with the Federal Cartel Office, thyssenkrupp expects to be able to conclude the heavy plate case by mutual agreement in the near future. The associated increase in the provision recognized at the end of the last fiscal year to the amount of the expected fine will impact net income for the year in the amount of slightly over €100 million.

Condensed interim financial statements

thyssenkrupp AG – Consolidated statement of financial position

ASSETS

million €	Note	Oct. 1, 2017[1]	Sept. 30, 2018[1]	March 31, 2019
Intangible assets		4,813	4,393	4,449
Property, plant and equipment (inclusive of investment property)		7,605	4,791	4,903
Investments accounted for using the equity method		154	48	50
Other financial assets		43	32	32
Other non-financial assets		218	156	149
Deferred tax assets		1,684	1,115	1,175
Total non-current assets		**14,517**	**10,534**	**10,758**
Inventories		6,946	5,094	5,531
Trade accounts receivable		4,837	4,345	4,903
Contract assets		1,367	1,719	1,691
Other financial assets		583	478	527
Other non-financial assets		1,923	1,838	2,038
Current income tax assets		220	249	314
Cash and cash equivalents		5,292	2,987	2,853
Assets held for sale	02	0	7,255	8,123
Total current assets		**21,169**	**23,963**	**25,980**
Total assets		**35,686**	**34,498**	**36,738**

See accompanying notes to consolidated financial statements.
[1] Figures have been adjusted (cf. Note 01).

EQUITY AND LIABILITIES

million €	Note	Oct. 1, 2017[1]	Sept. 30, 2018[1]	March 31, 2019
Capital stock		1,594	1,594	1,594
Additional paid-in capital		6,664	6,664	6,664
Retained earnings		(5,402)	(5,536)	(5,945)
Cumulative other comprehensive income		33	83	286
[thereof discontinued operations]		[—]	[97]	[(7)]
Equity attributable to thyssenkrupp AG's stockholders		**2,889**	**2,805**	**2,598**
Non-controlling interest		515	469	507
Total equity		**3,404**	**3,274**	**3,106**
Accrued pension and similar obligations	04	7,924	4,128	4,393
Provisions for other employee benefits		354	182	137
Other provisions		645	295	252
Deferred tax liabilities		113	28	36
Financial debt	05	5,326	5,087	5,425
Other financial liabilities		182	157	129
Other non-financial liabilities		5	4	9
Total non-current liabilities		**14,549**	**9,882**	**10,381**
Provisions for current employee benefits		357	334	260
Other provisions		1,320	1,226	1,210
Current income tax liabilities		254	207	232
Financial debt	05	1,930	147	2,233
Trade accounts payable		5,729	5,266	4,727
Other financial liabilities		826	634	631
Contract liabilities		4,866	4,978	5,451
Other non-financial liabilities		2,452	2,118	2,145
Liabilities associated with assets held for sale	02	0	6,430	6,361
Total current liabilities		**17,733**	**21,342**	**23,251**
Total liabilities		**32,282**	**31,223**	**33,632**
Total equity and liabilities		**35,686**	**34,498**	**36,738**

See accompanying notes to consolidated financial statements.
[1] Figures have been adjusted (cf. Note 01).

thyssenkrupp AG – Consolidated statement of income

million €, earnings per share in €	Note	1st half ended March 31, 2018[1]	1st half ended March 31, 2019	2nd quarter ended March 31, 2018[1]	2nd quarter ended March 31, 2019
Sales	08, 09	16,169	16,596	8,443	8,654
Cost of sales		(13,527)	(14,136)	(7,125)	(7,396)
Gross margin		**2,642**	**2,460**	**1,318**	**1,257**
Research and development cost		(122)	(120)	(63)	(58)
Selling expenses		(1,069)	(1,107)	(538)	(564)
General and administrative expenses		(1,059)	(1,000)	(536)	(512)
Other income		102	116	55	46
Other expenses		(45)	(63)	(16)	(22)
Other gains/(losses), net		17	32	7	28
Income/(loss) from operations		**464**	**317**	**228**	**175**
Income from companies accounted for using the equity method		1	2	1	1
Finance income		336	316	179	123
Finance expense		(500)	(455)	(257)	(196)
Financial income/(expense), net		**(163)**	**(136)**	**(78)**	**(72)**
Income/(loss) from continuing operations before tax		**302**	**180**	**150**	**103**
Income tax (expense)/income	03	(200)	(134)	(25)	(115)
Income/(loss) from continuing operations (net of tax)		**102**	**46**	**125**	**(12)**
Income/(loss) from discontinued operations (net of tax)	**02**	**241**	**13**	**124**	**(74)**
Net income/(loss)		**343**	**59**	**250**	**(86)**
Thereof:					
thyssenkrupp AG's shareholders		**320**	**36**	**240**	**(99)**
Non-controlling interest		23	23	10	14
Net income/(loss)		**343**	**59**	**250**	**(86)**
Basic and diluted earnings per share based on	**10**				
Income/(loss) from continuing operations (attributable to thyssenkrupp AG's shareholders)		**0.13**	**0.04**	**0.19**	**(0.04)**
Net income/(loss) (attributable to thyssenkrupp AG's shareholders)		**0.51**	**0.06**	**0.38**	**(0.16)**

See accompanying notes to consolidated financial statements.
[1] Figures have been adjusted (cf. Note 01 and 02).

thyssenkrupp AG – Consolidated statement of comprehensive income

million €	1st half ended March 31, 2018[1]	1st half ended March 31, 2019	2nd quarter ended March 31, 2018[1]	2nd quarter ended March 31, 2019
Net income/(loss)	**343**	**59**	**250**	**(86)**
Items of other comprehensive income that will not be reclassified to profit or loss in future periods:				
Other comprehensive income from remeasurements of pensions and similar obligations				
Change in unrealized gains/(losses), net	(177)	(437)	3	(356)
Tax effect	28	128	(1)	115
Other comprehensive income from remeasurements of pensions and similar obligations, net	(150)	(309)	2	(241)
Share of unrealized gains/(losses) of investments accounted for using the equity-method	0	0	0	0
Subtotals of items of other comprehensive income that will not be reclassified to profit or loss in future periods	**(150)**	**(309)**	**2**	**(241)**
Items of other comprehensive income that could be reclassified to profit or loss in future periods:				
Foreign currency translation adjustment				
Change in unrealized gains/(losses), net	(200)	193	(129)	131
Net realized (gains)/losses	0	(2)	0	(3)
Net unrealized (gains)/losses	(200)	190	(129)	127
Unrealized gains/(losses) from fair value measurement of securities				
Change in unrealized gains/(losses), net	1	0	(2)	(1)
Net realized (gains)/losses	0	0	0	0
Tax effect	0	0	0	0
Net unrealized (gains)/losses	1	0	(2)	(1)
Unrealized gains/(losses) from impairment of financial instruments				
Change in unrealized gains/(losses), net		(4)		(3)
Net realized (gains)/losses		(2)		0
Tax effect		1		1
Net unrealized (gains)/losses		(5)		(2)
Unrealized gains/(losses) on cash flow hedges				
Change in unrealized gains/(losses), net	107	(30)	73	(35)
Net realized (gains)/losses	(8)	7	(1)	0
Tax effect	(31)	8	(24)	12
Net unrealized (gains)/losses	68	(15)	49	(23)
Share of unrealized gains/(losses) of investments accounted for using the equity-method	0	6	1	4
Subtotals of items of other comprehensive income that could be reclassified to profit or loss in future periods	**(131)**	**176**	**(81)**	**105**

million €	1st half ended March 31, 2018[1)]	1st half ended March 31, 2019	2nd quarter ended March 31, 2018[1)]	2nd quarter ended March 31, 2019
Other comprehensive income	**(281)**	**(133)**	**(79)**	**(136)**
Total comprehensive income[1)]	**62**	**(74)**	**170**	**(221)**
Thereof:				
thyssenkrupp AG's shareholders	49	(122)	165	(247)
Non-controlling interest	13	48	5	26
Total comprehensive income attributable to thyssenkrupp AG's stockholders refers to:				
Continuing operations	(198)	(11)	(5)	(45)
Discontinued operations[1)]	247	(112)	170	(203)

See accompanying notes to consolidated financial statements.
[1)] Figures have been adjusted (cf. Note 01).

thyssenkrupp AG – Consolidated statement of changes in equity

		Equity attributable to thyssenkrupp AG's stockholders		
million €, (except number of shares)	Number of shares outstanding	Capital stock	Additional paid-in capital	Retained earnings
Balance as of Sept. 30, 2017	**622,531,741**	**1,594**	**6,664**	**(5,401)**
Adjustment due to the retrospective adoption of IFRS 15				(1)
Balance as of Oct. 1, 2017	**622,531,741**	**1,594**	**6,664**	**(5,402)**
Net income/(loss)[1]				320
Other comprehensive income				(150)
Total comprehensive income[1]				**170**
Profit attributable to non-controlling interest				
Payment of thyssenkrupp AG dividend				(93)
Changes of shares of already consolidated companies				4
Balance as of March 31, 2018[1]	**622,531,741**	**1,594**	**6,664**	**(5,321)**
Balance as of Sept. 30, 2018[1]	**622,531,741**	**1,594**	**6,664**	**(5,536)**
Adjustment due to the adoption of IFRS 9				(43)
Balance as of Oct. 1, 2018	**622,531,741**	**1,594**	**6,664**	**(5,579)**
Net income/(loss)				36
Other comprehensive income				(309)
Total comprehensive income				**(273)**
Profit attributable to non-controlling interest				
Payment of thyssenkrupp AG dividend				(93)
Balance as of March 31, 2019	**622,531,741**	**1,594**	**6,664**	**(5,945)**

See accompanying notes to consolidated financial statements.
[1] Figures have been adjusted (cf. Note 01).

Equity attributable to thyssenkrupp AG's stockholders								
Cumulative other comprehensive income								
			Cash flow hedges					
Foreign currency translation adjustment	Fair value measurement of securities	Impairment of financial instruments	Designated risk component	Hedging costs	Share of investments accounted for using the equity method	Total	Non-controlling interest	Total equity
34	**8**	**—**	**(50)**	**—**	**41**	**2,890**	**515**	**3,404**
						(1)	0	(1)
34	**8**	**—**	**(50)**	**—**	**41**	**2,889**	**515**	**3,404**
						320	23	343
(190)	0		69		0	(271)	(10)	(281)
(190)	**0**	**—**	**69**	**—**	**0**	**49**	**13**	**62**
						0	(20)	(20)
						(93)	0	(93)
						4	(23)	(19)
(156)	**9**	**—**	**19**	**—**	**40**	**2,849**	**484**	**3,333**
(34)	**8**	**—**	**69**	**—**	**40**	**2,805**	**469**	**3,274**
		53				9	(5)	5
(34)	**8**	**53**	**69**	**0**	**40**	**2,814**	**465**	**3,279**
						36	23	59
165	0	(5)	(16)	0	6	(158)	25	(133)
165	**0**	**(5)**	**(16)**	**0**	**6**	**(122)**	**48**	**(74)**
						0	(6)	(6)
						(93)	0	(93)
131	8	48	53	0	46	2,598	507	3,106

thyssenkrupp AG – Consolidated statement of cash flows

million €	1st half ended March 31, 2018[1]	1st half ended March 31, 2019	2nd quarter ended March 31, 2018[1]	2nd quarter ended March 31, 2019
Net income/(loss)	**343**	**59**	**250**	**(86)**
Adjustments to reconcile net income/(loss) to operating cash flows:				
Income/(loss) from discontinued operations (net of tax)	(241)	(13)	(124)	74
Deferred income taxes, net	115	18	(51)	44
Depreciation, amortization and impairment of non-current assets	324	344	166	175
Income/(loss) from companies accounted for using the equity method, net of dividends received	(1)	(2)	(1)	(1)
(Gain)/loss on disposal of non-current assets	(16)	(30)	(6)	(25)
Changes in assets and liabilities, net of effects of acquisitions and divestitures and other non-cash changes				
– Inventories	(507)	(365)	(186)	32
– Trade accounts receivable	(251)	(461)	(263)	(656)
– Contract assets	40	39	134	187
– Accrued pension and similar obligations	(1)	(5)	(18)	(16)
– Other provisions	(225)	(198)	(23)	(17)
– Trade accounts payable	(87)	(600)	451	513
– Contract liabilities	62	372	(16)	105
– Other assets/liabilities not related to investing or financing activities	(409)	(371)	(265)	(58)
Operating cash flows – continuing operations	**(854)**	**(1,214)**	**48**	**271**
Operating cash flows – discontinued operations	(3)	(713)	372	47
Operating cash flows – total	**(857)**	**(1,927)**	**419**	**319**
Purchase of investments accounted for using the equity method and non-current financial assets	(2)	0	(1)	0
Expenditures for acquisitions of consolidated companies net of cash acquired	(7)	(2)	(4)	(2)
Capital expenditures for property, plant and equipment (inclusive of advance payments) and investment property	(330)	(317)	(150)	(171)
Capital expenditures for intangible assets (inclusive of advance payments)	(47)	(51)	(33)	(28)
Proceeds from disposals of investments accounted for using the equity method and non-current financial assets	1	1	0	1
Proceeds from disposals of property, plant and equipment and investment property	31	34	14	25
Proceeds from disposals of intangible assets	0	5	0	0
Cash flows from investing activities – continuing operations	**(354)**	**(331)**	**(172)**	**(175)**
Cash flows from investing activities – discontinued operations	(164)	(197)	(86)	(122)
Cash flows from investing activities – total	**(518)**	**(528)**	**(258)**	**(297)**

million €	1st half ended March 31, 2018[1]	1st half ended March 31, 2019	2nd quarter ended March 31, 2018[1]	2nd quarter ended March 31, 2019
Proceeds from issuance of bonds	0	1,500	0	1,500
Proceeds from liabilities to financial institutions	226	1,961	168	827
Repayments of liabilities to financial institutions	(189)	(1,897)	(42)	(1,796)
Proceeds from/(repayments on) loan notes and other loans	(80)	896	(6)	302
Increase/(decrease) in bills of exchange	(8)	0	(7)	0
(Increase)/decrease in current securities	1	1	1	1
Payment of thyssenkrupp AG dividend	(93)	(93)	(93)	(93)
Profit attributable to non-controlling interest	(20)	(6)	(8)	(2)
Expenditures for acquisitions of shares of already consolidated companies	(2)	0	(1)	0
Financing of discontinued operations	(179)	(1,015)	262	(158)
Other financing activities	(26)	23	(17)	(109)
Cash flows from financing activities – continuing operations	**(370)**	**1,370**	**256**	**470**
Cash flows from financing activities – discontinued operations	138	978	(282)	127
Cash flows from financing activities – total	**(232)**	**2,348**	**(26)**	**597**
Net increase/(decrease) in cash and cash equivalents – total	(1,607)	(107)	135	619
Effect of exchange rate changes on cash and cash equivalents – total	(28)	41	(20)	24
Cash and cash equivalents at beginning of year – total	5,292	3,006	3,542	2,297
Cash and cash equivalents at end of year – total	**3,657**	**2,941**	**3,657**	**2,941**
[thereof cash and cash equivalents within the discontinued operations]	[35]	[88]	[35]	[88]
Additional information regarding cash flows from interest, dividends and income taxes which are included in operating cash flows of continuing operations:				
Interest received	18	11	8	4
Interest paid	(144)	(144)	(74)	(83)
Dividends received	0	0	0	0
Income taxes paid	(199)	(160)	(85)	(66)

See accompanying notes to consolidated financial statements.
[1] Figures have been adjusted (cf. Note 01 and 02).

thyssenkrupp AG – Selected notes

Corporate information

thyssenkrupp Aktiengesellschaft ("thyssenkrupp AG" or "Company") is a publicly traded corporation domiciled in Duisburg and Essen in Germany. The condensed interim consolidated financial statements of thyssenkrupp AG and its subsidiaries, collectively the "Group", for the period from October 1, 2018 to March 31, 2019, were reviewed and authorized for issue in accordance with a resolution of the Executive Board on May 11, 2019.

Basis of presentation

The accompanying Group's condensed interim consolidated financial statements have been prepared pursuant to section 115 of the German Securities Trading Act (WpHG) and in conformity with IAS 34 "Interim financial reporting". They are in line with the International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB) for interim financial information effective within the European Union. Accordingly, these financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting purposes.

The accounting principles and practices as applied in the condensed interim consolidated financial statements as of March 31, 2019 correspond to those pertaining to the most recent annual consolidated financial statements with the exception of the recently adopted accounting standards. A detailed description of the accounting policies is published in the notes to the consolidated financial statements of our annual report 2017 / 2018.

01 Recently adopted accounting standards

In fiscal year 2018 / 2019, thyssenkrupp adopted the following standards, interpretations and amendments to already existing standards and interpretations that, with the exemption of IFRS 9 and IFRS 15, do not have a material impact on the Group's consolidated financial statements:

In July 2014 the IASB issued the final version of IFRS 9 "Financial Instruments". The new standard includes revised requirements for the classification and measurement of financial assets, fundamental changes to the regulations on the impairment of financial assets, and revised rules on hedge accounting. thyssenkrupp adopted IFRS 9 in the fiscal year beginning on October 1, 2018 and, in accordance with the transition options, did not adjust comparative information for prior periods. Resultant transition effects are reported in retained earnings. The new hedge accounting rules will be applied prospectively.

The transition effects at the date of adoption were recognized directly in equity and the comparative period is presented in accordance with the previous rules of IAS 39 "Financial Instruments: Recognition and Measurement".

The effects of the transition on assets, liabilities and total equity are presented in the following two tables:

RECONCILIATION OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION – IFRS 9

Assets € million	Sept. 30, 2018[1]	IFRS 9 adjustment	Oct. 1, 2018
Total non-current assets	**10,534**	**12**	**10,546**
thereof:			
Deferred tax assets	1,115	12	1,127
Total current assets	**23,963**	**12**	**23,975**
thereof:			
Trade accounts receivable	4,345	15	4,360
Contract assets	1,719	(7)	1,712
Assets held for sale	7,255	4	7,259
Total assets	**34,498**	**23**	**34,521**

Equity and liabilities € million	Sept. 30, 2018[1]	IFRS 9 adjustment	Oct. 1, 2018
Total equity	**3,274**	**5**	**3,279**
thereof:			
Retained earnings	(5,536)	(43)	(5,579)
Cumulative other comprehensive income	83	53	136
Non-controlling interest	469	(5)	464
Total liabilities	**31,223**	**18**	**31,241**
thereof:			
Deferred tax liabilities	28	16	44
Liabilities associated with assets held for sale	6,430	2	6,432
Total equity and liabilities	**34,498**	**23**	**34,521**

[1] Figures have been adjusted due to the adoption of IFRS 15 (cf. Note 01).

EFFECTS OF ADOPTION OF IFRS 9 ON TOTAL EQUITY[1)]

million €	
Effects of IFRS 9 on retained earnings	
Retained earnings as of Sept. 30, 2018 before adoption of IFRS 9	**(5,536)**
Change in impairment of trade accounts receivable	(44)
Change in impairment of contract assets	(7)
Change in impairment recognized in cumulative other comprehensive income	(7)
Deferred taxes on adoption effects	15
Retained earnings as of Oct. 1, 2018 after adoption of IFRS 9	**(5,579)**
Effects of IFRS 9 on cumulative other comprehensive income	
Cumulative other comprehensive income as of Sept. 30, 2018 before adoption of IFRS 9	**83**
Reclassification of trade accounts receivable due to change of measurement category	65
Remeasurement of trade accounts receivable due to change of measurement category to “Fair value recognized in equity”	7
Deferred taxes on adoption effects	(19)
Cumulative other comprehensive income as of Oct. 1, 2018 after adoption of IFRS 9	**136**
Effects of IFRS 9 on non-controlling interest	(5)
Effects of adoption of IFRS 9 on total equity[1)]	**5**

[1)] Including assets held for sale

The classification and measurement of financial assets under IFRS 9 is based on the financial asset’s cash flow characteristics and on the company’s business model for managing the financial assets.

If a debt instrument is held with the objective of collecting contractual cash flows and if the cash flows are solely payments of principal and interest, the instrument is recognized at amortized cost. At thyssenkrupp this mainly concerns trade accounts receivable, contract assets, and cash and cash equivalents.

If the cash flow conditions are met but the debt instrument is held both to collect contractual cash flows and to sell, the instrument is measured at fair value in equity (with reclassification). At thyssenkrupp this mainly concerns trade accounts receivable which may be sold, and securities (equity instruments).

For equity instruments not held for trading, thyssenkrupp has consistently exercised the option to recognize future changes in fair value in profit or loss. Derivatives that do not qualify for hedge accounting are also recognized at fair value in profit or loss.

The effects of the changed classification and measurement of financial assets at the adoption date were as follows:

RECONCILIATION OF FINANCIAL ASSETS FROM IAS 39 TO IFRS 9

million €

IAS 39 as of Sept. 30, 2018[1]			Change due to		IFRS 9 as of Oct. 1, 2018	
Classification	Carrying amount Sept. 30, 2018[1]	Measurement category[2]	new classification	use of the new impairment model	Carrying amount Oct. 1, 2018	Measurement category
Trade accounts receivable (excluding finance lease)	4,344				4,360	
Loans and receivables	4,344	Lar	(768)	(44)	3,532	Amortized cost
			828		828	Fair value recognized in equity (with recycling)
Finance lease receivables	0	n/a			0	n/a
Contract assets	1,719	n/a		(7)	1,712	Amortized cost
Other financial assets	510				510	
Loans and receivables	413	Lar		0	413	Amortized cost
Equity instruments (Available-for-sale financial assets)	8	Afs			8	Fair value recognized in profit or loss
Equity and debt instruments (Available-for-sale financial assets)	19	Afs			19	Fair value recognized in equity (with/without recycling)[3]
Derivatives not qualifying for hedge accounting (Financial assets held for trading)	65	Hft			65	Fair value recognized in profit or loss
Derivatives qualifying for hedge accounting	4	n/a			4	n/a
Cash and cash equivalents	2,987				2,987	Amortized cost
Loans and receivables	2,987	Lar			2,987	Amortized cost
Total of financial assets	**9,559**		**60**	**(51)**	**9,568**	

[1] Figures have been adjusted due to the adoption of IFRS 15 (cf. Note 01).
[2] Lar: Loans and receivables, Afs: Available-for-sale financial assets, Hft: Held for trading
[3] Equity instruments: without recycling; debt instruments: with recycling

The €60 million increase in trade accounts receivable due to the new classification stems from the fact that the removal of the carrying amount from the measurement category “at amortized cost” is presented net of impairment as of September 30, 2018, while the addition in the category “fair value recognized in equity” is presented before impairment in accordance with IFRS 9.

The adoption of IFRS 9 does not impact financial liabilities.

Under the new impairment model (expected loss model) expected losses are reported and forward-looking information is used to a greater extent. The new impairment rules are applied to debt instruments, lease receivables, trade accounts receivable, and contract assets recognized at amortized cost or at fair value in equity. The expected credit loss is generally calculated by multiplying the three parameters probability of default, carrying value of the financial asset, and loss given default. thyssenkrupp applies the simplified impairment model under IFRS 9 and reports lifetime expected losses for all trade accounts receivable and contract assets. For all other financial assets twelve-month expected credit losses are reported. Owing to the short maturities, these generally correspond to lifetime expected losses at thyssenkrupp. To implement the new rules on impairment, suitable models were developed in particular to determine the expected default rates for trade accounts receivable. The expected default rates are determined mainly on the basis of external credit information and ratings for each counterparty. If no rating information is available at counterparty level, an assessment is made based on the average probability of default for each business area plus an appropriate risk premium. For the Elevator business area, which has a different customer structure than the rest of the Group, the probability of default is determined on the basis of historical default rates taking forward-looking information into account. Consideration is also given to the respective business model, customer groups, and economic environment of the region. Default is generally assumed after 360 days.

As before, financial assets are fully or partially impaired on the basis of individual allowances if it is reasonable to assume that they can no longer be fully realized, e.g. because the due date has long passed, or owing to insolvency or similar proceedings.

The effects of the adoption of the new impairment model in accordance with IFRS 9 are presented in the following table:

RECONCILIATION OF IMPAIRMENTS FROM IAS 39 TO IFRS 9

Classification according to IAS 39	Impairment as of Sept. 30, 2018 according to IAS 39	Change in impairment due to new classification according to IFRS 9	Change in impairment due to use of the new impairment model	Impairment as of Oct. 1, 2018 according to IFRS 9	thereof relating to discontinued operations	Classification according to IFRS 9
Trade accounts receivable						
Loans and receivables	(345)	60	(44)	(329)		Amortized cost
Loans and receivables	0	(65)	(7)	(72)	(4)	Fair value recognized in equity (with recycling)
Contract assets n/a	n/a		(7)	(7)		Amortized cost
Other financial assets						
Available-for-sale financial assets	(18)		0	(18)		Fair value recognized in equity (with recycling)
Loans and receivables	(1)		0	(1)		Amortized cost
Total	**(363)**	**(5)**	**(58)**	**(427)**	**(4)**	

For hedge accounting thyssenkrupp exercised the option to apply the rules of IFRS 9 prospectively from October 1, 2018. All designated hedges existing at September 30, 2018 meet the hedge accounting requirements of IFRS 9 and will be continued. In some cases the hedging of components is possible. The option of initially reporting hedge costs (forward element and currency basis spread) in connection with designated foreign currency derivatives separately as costs of hedging in other comprehensive income is used prospectively in fiscal year 2018 / 2019. Reclassification to profit or loss takes place when the hedged item affects profit or loss. This will further reduce earnings volatility in the future. thyssenkrupp continues to use the spot-to-spot method to measure hedge effectiveness. At the transition date there were no impacts in the area of hedge accounting.

In May 2014 the IASB issued the new standard IFRS 15 “Revenue from Contracts with Customers”. The purpose of the new standard on revenue recognition is to bring together the large number of existing guidelines contained in various standards and interpretations. At the same time it establishes uniform core principles to be applied to all industries and all types of revenue transactions. In April 2016 clarifications to IFRS 15 were issued relating mainly to the identification of separate performance obligations as well as the definition of principal and agent. thyssenkrupp adopts IFRS 15 for the 2018 / 2019 fiscal year beginning on October 1, 2018 (IFRS 15 effective date). The full retrospective approach to initial application is applied, i.e. the cumulative transition effects will be included directly in retained earnings at the start of the comparative period on October 1, 2017. With this the Group is making use of the practical expedients provided in IFRS 15. In this connection at October 1, 2017 in particular contracts that begin and are completed within the same fiscal year or are completed at October 1, 2017 were not restated.

This resulted in the following principles of revenue recognition:

Revenue from contracts with customers is recognized when the included distinct performance obligations, i.e. the distinct goods or services promised in the contract, are transferred to the customer. Transfer takes place when the customer obtains control of the promised goods or services. This is generally the case when the customer has the ability to direct the use of and obtain substantially all of the remaining benefits from the transferred goods or services. Revenue from contracts with customers corresponds to the transaction price. The transaction price includes variable consideration only to the extent it is highly probable that actual occurrence of the variable consideration will not result in a significant revenue reversal. Variable consideration can include for example volume discounts, delay penalties, early completion incentives, or credits in connection with bonus agreements. The transaction price is not adjusted for a financing component, mainly because the period between the transfer of goods and services and the date of payment by the customer is generally less than 12 months.

Where a contract with a customer has multiple distinct performance obligations, the transaction price is allocated to the performance obligations by reference to their relative standalone selling prices. The standalone selling prices are determined on the basis of directly observable market prices or using recognized estimation methods. If distinct performance obligations are satisfied acting as an agent, the revenue recognized is not the gross amount payable by the customer but only the net amount retained as a commission-like fee for the respective performance obligation.

Revenue from the sale of goods and commodities is recognized at the point in time at which control is transferred to the customer. The time of transfer of control is determined partly on the basis of the delivery clauses agreed with the customer. In the case of goods and commodities supplied under consignment arrangements, sales revenue is generally recognized when the corresponding goods are removed from consignment by the customer.

Sales revenue from contracts with customers in the plant construction business is recognized over time by the percentage-of-completion method. The percentage of completion is as a rule determined by the ratio of contract costs incurred up to the reporting date to the total estimated contract costs as of the reporting date. Contract losses are recognized as expense immediately and reported in the statement of financial position under other provisions. The recognition of revenue over time for the performance of services is generally carried out through linear allocation of the transaction price over the service performance period.

Incremental costs of obtaining a contract with a customer are capitalized under non-current non-financial assets only if they relate to contracts with an original expected duration of more than 12 months. They are amortized by the straight-line method over the term of the contract.

If the performance obligations fulfilled for the customer exceed the payments received or due from the customer, contract assets are recognized in the statement of financial position on a net basis insofar as the right to receive payment from the customer is still conditional. Unconditional rights to receive payment are recognized under trade accounts receivable and from this point payment automatically becomes due with the passage of time. If the payments received or due from the customer exceed the performance obligations fulfilled, contract liabilities are recognized in the statement of financial position on a net basis.

At the start of the comparative period on October 1, 2017, there are IFRS 15 transition effects versus the consolidated balance sheet on September 30, 2017 which are explained in the Notes to the 2017 / 2018 Annual Report (see Note 01). The transition effects versus the consolidated statement of financial position on September 30, 2018 result from the IFRS 15 transition effects described therein and adjusted for the effects of business activity in the 2017 / 2018 fiscal year:

IFRS 15 – CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Oct. 1, 2017			Sept. 30, 2018		
	Before IFRS 15 adjustment	IFRS 15 adjustment	After IFRS 15 adjustment	Before IFRS 15 adjustment	IFRS 15 adjustment	After IFRS 15 adjustment
Total non-current assets	**14,502**	**15**	**14,517**	**10,524**	**11**	**10,534**
thereof:						
Other non-financial assets	207	11	218	144	11	156
Total current assets	**20,546**	**623**	**21,169**	**23,344**	**619**	**23,963**
thereof:						
Inventories	6,957	(11)	6,946	5,159	(66)	5,094
Trade accounts receivable	5,734	(897)	4,837	5,529	(1,184)	4,345
Contract assets	0	1,367	1,367	0	1,719	1,719
Other financial assets	420	164	583	330	147	478
Total assets	**35,048**	**638**	**35,686**	**33,868**	**630**	**34,498**
Total equity	**3,404**	**(1)**	**3,404**	**3,274**	**0**	**3,274**
Total non-current liabilities	**14,546**	**3**	**14,549**	**9,882**	**0**	**9,882**
Total current liabilities	**17,097**	**636**	**17,733**	**20,711**	**630**	**21,342**
thereof:						
Other provisions	1,183	137	1,320	1,067	160	1,226
Contract liabilities	0	4,866	4,866	0	4,978	4,978
Other non-financial liabilities	6,802	(4,350)	2,452	6,626	(4,508)	2,118
Total liabilities	**31,643**	**639**	**32,282**	**30,593**	**630**	**31,223**
Total equity and liabilities	**35,048**	**638**	**35,686**	**33,868**	**630**	**34,498**

The IFRS 15 transition effects in the consolidated statement of income for the 1st half ended March 31, 2018 and for the 2nd quarter ended March 31, 2018 result mainly from the concretized definition of principal and agent in IFRS 15 based on the principle of control for certain business models in the automotive supply business of the Components Technology business area. This leads to significant reductions in reported net sales and cost of sales of the continuing operations:

IFRS 15 – CONSOLIDATED STATEMENT OF INCOME

	1st half ended March 31, 2018			2nd quarter ended March 31, 2018		
million €, earnings per share in €	Before IFRS 15 adjustment[1]	IFRS 15 adjustment	After IFRS 15 adjustment	Before IFRS 15 adjustment[1]	IFRS 15 adjustment	After IFRS 15 adjustment
Sales	16,752	(584)	16,169	8,742	(298)	8,443
Cost of sales	(14,108)	582	(13,527)	(7,421)	295	(7,125)
Gross margin	**2,644**	**(2)**	**2,642**	**1,321**	**(3)**	**1,318**
Income/(loss) from operations	**467**	**(2)**	**464**	**231**	**(4)**	**228**
Financial income/(expense), net	**(163)**	**0**	**(163)**	**(78)**	**0**	**(78)**
Income/(loss) from continuing operations before tax	**304**	**(2)**	**302**	**154**	**(4)**	**150**
Income tax (expense)/income	(201)	1	(200)	(26)	1	(25)
Income/(loss) from continuing operations (net of tax)	**103**	**(1)**	**102**	**128**	**(2)**	**125**
Income/(loss) from discontinued operations (net of tax)	**241**	**1**	**241**	**125**	**(1)**	**124**
Net income/(loss)	**344**	**(1)**	**343**	**253**	**(4)**	**250**
Thereof:						
thyssenkrupp AG's shareholders	**321**	**(1)**	**320**	**243**	**(4)**	**240**
Non-controlling interest	23	0	23	10	0	10
Net income/(loss)	**344**	**(1)**	**343**	**253**	**(4)**	**250**
Basic and diluted earnings per share based on						
Income/(loss) from continuing operations (attributable to thyssenkrupp AG's shareholders)	0.13	0.00	0.13	0.19	0.00	0.19
Net income/(loss) (attributable to thyssenkrupp AG's shareholders)	**0.52**	**(0.01)**	**0.51**	**0.39**	**(0.01)**	**0.38**

[1] Figures have been adjusted (cf. Note 02).

The following table shows the IFRS 15 transition effects in the consolidated statement of cash flows:

IFRS 15 – CONSOLIDATED STATEMENT OF CASH FLOWS

	1st half ended March 31, 2018			2nd quarter ended March 31, 2018		
million €	Before IFRS 15 adjustment[1]	IFRS 15 adjustment	After IFRS 15 adjustment	Before IFRS 15 adjustment[1]	IFRS 15 adjustment	After IFRS 15 adjustment
Net income/(loss)	**344**	**(1)**	**343**	**253**	**(4)**	**250**
Adjustments to reconcile net income/(loss) to operating cash flows:						
Income/(loss) from discontinued operations (net of tax)	(241)	(1)	(241)	(125)	1	(124)
Deferred income taxes, net	116	(1)	115	(50)	(1)	(51)
Depreciation, amortization and impairment of non-current assets	324	0	324	166	0	166
Reversals of impairment losses of non-current assets	0	0	0	0	0	0
Income/(loss) from companies accounted for using the equity method, net of dividends received	(1)	0	(1)	(1)	0	(1)
(Gain)/loss on disposal of non-current assets	(16)	0	(16)	(6)	0	(6)
Changes in assets and liabilities, net of effects of acquisitions and divestitures and other non-cash changes						
– Inventories	(549)	42	(507)	(171)	(15)	(186)
– Trade accounts receivable	(193)	(58)	(251)	(386)	123	(263)
– Contract assets	0	40	40	0	134	134
– Accrued pension and similar obligations	(1)	0	(1)	(18)	0	(18)
– Other provisions	(217)	(8)	(225)	(17)	(6)	(23)
– Trade accounts payable	(93)	5	(87)	446	5	451
– Contract liabilities	0	62	62	0	(16)	(16)
– Other assets/liabilities not related to investing or financing activities	(333)	(75)	(409)	(49)	(217)	(265)
Operating cash flows – continuing operations	**(860)**	**5**	**(854)**	**43**	**5**	**48**
Operating cash flows – discontinued operations	3	(5)	(3)	376	(5)	372
Operating cash flows – total	**(857)**	**0**	**(857)**	**419**	**0**	**419**
Cash flows from investing activities – continuing operations	**(354)**	**0**	**(354)**	**(172)**	**0**	**(172)**
Cash flows from investing activities – discontinued operations	(164)	0	(164)	(86)	0	(86)
Cash flows from investing activities – total	**(517)**	**0**	**(518)**	**(258)**	**0**	**(258)**
Cash flows from financing activities – continuing operations	**(365)**	**(5)**	**(370)**	**260**	**(5)**	**256**
Cash flows from financing activities – discontinued operations	133	5	138	(286)	5	(282)
Cash flows from financing activities – total	**(232)**	**0**	**(232)**	**(26)**	**0**	**(26)**
Net increase/(decrease) in cash and cash equivalents – total	(1,607)	0	(1,607)	135	0	135
Effect of exchange rate changes on cash and cash equivalents – total	(28)	0	(28)	(20)	0	(20)
Cash and cash equivalents at beginning of year – total	5,292	0	5,292	3,542	0	3,542
Cash and cash equivalents at end of year – total	**3,657**	**0**	**3,657**	**3,657**	**0**	**3,657**
[thereof cash and cash equivalents within the discontinued operations]	[35]	0	[35]	[35]	0	[35]

[1] Figures have been adjusted (cf. Note 02).

Furthermore in fiscal year 2018 / 2019, thyssenkrupp adopted the following standards, interpretations and amendments to already existing standards that do not have a material impact on the Group's consolidated financial statements:

- Amendments to IFRS 2 "Share-based Payment": "Classification and Measurement of Share-based Payment Transactions", issued in June 2016
- Annual-Improvements to IFRSs 2014-2016 Cycle, issued in December 2016
- IFRIC 22: "Foreign Currency Transactions and Advance Consideration", issued in December 2016
- Amendments to IAS 40: "Transfers of Investment Property", issued in December 2016

Issued accounting standards that have not been adopted in fiscal year 2018 / 2019

Regarding the expected impact of the adoption of IFRS 16 "Leases" in fiscal year 2019 / 2020, we refer to the statement given in the notes to the consolidated financial statements of the annual report 2017 / 2018 that is still relevant.

02 Discontinued operation

At the end of June 2018 thyssenkrupp signed an agreement with Tata Steel to create a new company by combining their European steel activities in a 50 / 50 joint venture. The aim for the new company is to create a European flat steel provider positioned as a quality and technology leader. Annual recurring synergies of €400 to €500 million are expected alongside further synergies in capital expenditure and the optimization of working capital. Closing is subject to merger control clearance.

The transaction meets the criteria of IFRS 5 for reporting a discontinued operation. This comprises the Steel Europe business area, thyssenkrupp MillServices & Systems GmbH from the Materials Services business area, and in 2017 / 2018 individual Corporate companies. In accordance with IFRS 5, in the current reporting period all expense and income of the discontinued steel operations are reported separately in the income statement and all cash flows reported separately in the statement of cash flows; prior-period figures are adjusted accordingly. In the statement of financial position, assets and liabilities attributable to the discontinued steel operations are reported separately from the date of first-time classification as discontinued operation; prior-period figures are not adjusted. In connection with the initiated disposal, the assets and liabilities continue to be measured at their carrying amount as this is lower than the fair value less costs of disposal. On the classification as a discontinued operation, non-current assets are no longer amortized or depreciated; the effect thereof amounts to €228 million in the 1st half of 2018 / 2019 and to €113 million in the 2nd quarter of 2018 / 2019.

The assets and liabilities of the discontinued steel operations are presented in the table below:

DISCONTINUED STEEL OPERATIONS

million €	Sept. 30, 2018[1]	March 31, 2019
Intangible assets	457	470
Property, plant and equipment (inclusive of investment property)	3,040	3,187
Investments accounted for using the equity method	84	99
Other financial assets	13	13
Other non-financial assets	90	113
Deferred tax assets	138	136
Inventories	2,266	2,592
Trade accounts receivable	818	1,076
Contract assets	12	3
Other current financial assets	231	218
Other current non-financial assets	67	106
Current income tax assets	21	21
Cash and cash equivalents	19	88
Assets held for sale	**7,255**	**8,123**
Accrued pension and similar obligations	3,709	3,850
Provisions for other employee benefits	163	167
Other non-current provisions	279	279
Deferred tax liabilities	31	22
Non-current financial debt	104	93
Provisions for current employee benefits	8	10
Other current provisions	346	486
Current income tax liabilities	18	23
Current financial debt	38	30
Trade accounts payable	1,266	997
Other current financial liabilities	150	122
Contract liabilities	33	28
Other current non-financial liabilities	285	253
Liabilities associated with assets held for sale	**6,430**	**6,361**

[1] Figures have been adjusted (cf. Note 01).

The liabilities of the discontinued steel operations include the provision recognized at the end of the last fiscal year in the context of the investigations by the Federal Cartel Office against thyssen Steel Europe AG. Based on very advanced talks with the Federal Cartel Office, thyssenkrupp expects to be able to conclude the heavy plate case by mutual agreement in the near future. Associated with this was an increase of the provision of slightly over €100 million.

The results of the discontinued steel operations are as following:

DISCONTINUED STEEL OPERATIONS

million €	1st half ended March 31, 2018	1st half ended March 31, 2019	2nd quarter ended March 31, 2018	2nd quarter ended March 31, 2019
Sales	3,816	3,778	1,998	1,984
Other income	55	34	14	8
Expenses	(3,517)	(3,719)	(1,829)	(2,037)
Ordinary income/(loss) from discontinued operations (before tax)	**354**	**93**	**183**	**(45)**
Income tax (expense)/income	(112)	(80)	(58)	(29)
Ordinary income/(loss) from discontinued operations (net of tax)	**241**	**13**	**124**	**(74)**
Gain/(loss) recognized on disposal of discontinued operations (before tax)	0	0	0	0
Income tax (expense)/income	0	0	0	0
Gain/(loss) recognized on disposal of discontinued operations (net of tax)	**0**	**0**	**0**	**0**
Income/(loss) from discontinued operations (net of tax)	**241**	**13**	**124**	**(74)**
Thereof:				
thyssenkrupp AG's shareholders	241	8	123	(76)
Non-controlling interest	1	4	1	2

03 Income taxes

Tax expense was allocated to the continuing and discontinued operations depending on its economic nature. Accordingly tax expense was allocated to the companies of the discontinued steel operations based on the earnings achieved by these companies.

04 Accrued pension and similar obligations

Based on updated interest rates and fair value of plan assets, an updated valuation of accrued pension obligations was performed as of March 31, 2019.

ACCRUED PENSION AND SIMILAR OBLIGATIONS

million €	Sept. 30, 2018	March 31, 2019
Accrued pension obligations	7,607	7,993
Partial retirement	188	210
Other accrued pension-related obligations	43	40
Reclassification due to the presentation as liabilities associated with assets held for sale	(3,709)	(3,850)
Total	**4,128**	**4,393**

The Group applied the following weighted average assumptions to determine pension obligations:

WEIGHTED AVERAGE ASSUMPTIONS

	Sept. 30, 2018			March 31, 2019		
in %	Germany	Outside Germany	Total	Germany	Outside Germany	Total
Discount rate for accrued pension obligations	1.70	2.54	1.91	1.30	2.23	1.52

05 Financial debt

Alongside other financing measures, a €100 million loan note with a maturity of three years and a coupon of 1.15% p.a. was placed in December 2018. Furthermore in February 2019 a €1,500 million bond was issued with a maturity of five years and a coupon of 2.875% p.a.

The existing commercial paper program with a maximum emission volume of €1.5 billion was drawn in the amount of €0.9 billion at March 31, 2019.

06 Contingencies and commitments

Contingencies

thyssenkrupp AG as well as, in individual cases, its subsidiaries have issued or have had guarantees in favour of business partners or lenders. The following table shows obligations under guarantees where the principal debtor is not a consolidated Group company:

CONTINGENCIES

million €	Maximum potential amount of future payments as of March 31, 2019	Provision as of March 31, 2019
Advance payment bonds	20	1
Performance bonds	2	0
Residual value guarantees	61	14
Other guarantees	1	0
Total	**84**	**15**

€61 million of the above contingencies refer to the discontinued steel operations.

The basis for possible payments under the guarantees is always the non-performance of the principal debtor under a contractual agreement, e.g. late delivery, delivery of non-conforming goods under a contract or non-performance with respect to the warranted quality.

All guarantees are issued by or issued by instruction of thyssenkrupp AG or subsidiaries upon request of the principal debtor obligated by the underlying contractual relationship and are subject to recourse provisions in case of default. If such a principal debtor is a company owned fully or partially by a foreign third party, the third party is generally requested to provide additional collateral in a corresponding amount.

The investigation of the Federal Cartel Office against the discontinued operation thyssenkrupp Steel Europe AG in the case of flat carbon steel has now been dropped.

Commitments and other contingencies

Due to the high volatility of iron ore prices, in the Steel Europe business area (part of the discontinued steel operations) the existing long-term iron ore and iron ore pellets supply contracts are measured for the entire contract period at the iron ore prices applying as of the respective balance sheet date. Compared with September 30, 2018, purchasing commitments decreased by approx. €215 million to €1.0 billion.

There have been no material changes to the other commitments and contingencies since the end of fiscal year 2017 / 2018.

07 Financial instruments

The carrying amounts of trade accounts receivable, other current financial assets as well as cash and cash equivalents equal their fair values. The fair value of loans equals the present value of expected cash flows which are discounted on the basis of interest rates prevailing on the interim balance sheet date.

Equity and debt instruments are in general measured at fair value, which is based to the extent available on market prices as of the interim balance sheet date or internal valuation models.

The fair value of foreign currency forward transactions is determined on the basis of the middle spot exchange rate applicable as of the interim balance sheet date, and taking account of forward premiums or discounts arising for the respective remaining contract term compared to the contracted forward exchange rate. Common methods for calculating option prices are used for foreign currency options. The fair value of an option is influenced not only by the remaining term of an option, but also by other factors, such as current amount and volatility of the underlying exchange or base rate.

Interest rate swaps and cross currency swaps are measured at fair value by discounting expected cash flows on the basis of market interest rates applicable for the remaining contract term. In the case of cross currency swaps, the exchange rates for each foreign currency, in which cash flows occur, are also included.

The fair value of commodity futures is based on published price quotations. It is measured as of the interim balance sheet date, both internally and by external financial partners.

The carrying amounts of trade accounts payable and other current liabilities equal their fair values. The fair value of fixed rate liabilities equals the present value of expected cash flows. Discounting is based on interest rates applicable as of the balance sheet date. The carrying amounts of floating rate liabilities equal their fair values.

Financial assets and liabilities measured at fair value could be categorized in the following three level fair value hierarchy:

FAIR VALUE HIERARCHY AS OF SEPT. 30, 2018

million €	Sept. 30, 2018	Level 1	Level 2	Level 3
Financial assets at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting (Financial assets held for trading)	65	0	65	0
Derivatives qualifying for hedge accounting	0	0	0	0
Fair value recognized in equity				
Available-for-sale financial assets	19	16	3	0
Derivatives qualifying for hedge accounting	4	0	4	0
Total	**88**	**16**	**72**	**0**
Financial liabilities at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting (Financial liabilities held for trading)	67	0	67	0
Derivatives qualifying for hedge accounting	0	0	0	0
Fair value recognized in equity				
Derivatives qualifying for hedge accounting	19	0	19	0
Total	**86**	**0**	**86**	**0**

FAIR VALUE HIERARCHY AS OF MARCH 31, 2019

million €	March 31, 2019	Level 1	Level 2	Level 3
Financial assets at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting (Financial assets held for trading)	66	0	66	0
Derivatives qualifying for hedge accounting	0	0	0	0
Equity instruments	8	5	4	0
Fair value recognized in equity				
Equity and debt instruments	19	16	3	0
Derivatives qualifying for hedge accounting	9	0	9	0
Total	**102**	**21**	**81**	**0**
Financial liabilities at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting (Financial liabilities held for trading)	72	0	72	0
Derivatives qualifying for hedge accounting	0	0	0	0
Fair value recognized in equity				
Derivatives qualifying for hedge accounting	10	0	10	0
Total	**82**	**0**	**82**	**0**

The fair value hierarchy reflects the significance of the inputs used to determine fair values. Financial instruments with fair value measurement based on quoted prices in active markets are disclosed in Level 1. In Level 2 determination of fair values is based on observable inputs, e.g. foreign exchange rates. Level 3 comprises financial instruments for which the fair value measurement is based on unobservable inputs.

08 Segment reporting

In connection with the realignment of the Industrial Solutions business area, Marine Systems was taken out and managed as a separate business unit as of October 1, 2018. The prior-period figures are adjusted accordingly.

Segment information for the 1st half ended March 31, 2018 and 2019, respectively and for the 2nd quarter ended March 31, 2018 and 2019, respectively is as follows:

SEGMENT INFORMATION[1)]

million €	Components Technology	Elevator Technology	Industrial Solutions	Marine Systems	Materials Services[3)]	Steel Europe[2)]	Corporate[4)]	Consolidation	Group
1st half ended March 31, 2018									
Net sales	3,207	3,596	1,779	547	7,044	3,773	39	0	19,984
Internal sales within the Group	3	3	12	0	134	796	131	(1,080)	0
Total sales	3,210	3,599	1,791	547	7,177	4,569	171	(1,080)	19,984
EBIT	162	388	(23)	(11)	139	359	(168)	8	854
Adjusted EBIT	167	424	(1)	(10)	151	359	(156)	8	943
1st half ended March 31, 2019									
Net sales	3,303	3,793	1,778	795	6,951	3,744	11	0	20,374
Internal sales within the Group	3	0	12	0	133	736	123	(1,009)	0
Total sales	3,306	3,793	1,790	795	7,084	4,481	134	(1,009)	20,374
EBIT	104	368	(60)	0	72	(84)	(175)	217	442
Adjusted EBIT	118	402	(57)	0	75	76	(149)	220	685
2nd quarter ended March 31, 2018									
Net sales	1,645	1,752	944	291	3,819	1,979	11	0	10,442
Internal sales within the Group	1	2	12	0	70	409	68	(562)	0
Total sales	1,646	1,754	956	291	3,890	2,388	78	(562)	10,442
EBIT	86	186	(33)	(11)	90	196	(97)	9	428
Adjusted EBIT	90	204	(14)	(9)	100	197	(81)	9	495
2nd quarter ended March 31, 2019									
Net sales	1,724	1,870	942	497	3,633	1,967	5	0	10,638
Internal sales within the Group	2	0	8	0	64	383	65	(521)	0
Total sales	1,726	1,869	950	497	3,696	2,350	70	(521)	10,638
EBIT	59	169	(30)	0	51	(118)	(84)	97	145
Adjusted EBIT	69	198	(33)	0	53	37	(72)	100	353

1) 2017/2018 adjusted due to IFRS 15 and new business unit Marine Systems
2) Discontinued operation
3) Includes discontinued steel operations
4) Includes discontinued steel operations in 2017/2018

In the Industrial Solutions business area average capital employed increased from €67 million as of September 30, 2018 to €153 million as of March 31, 2019.

The reconciliations of net sales and of the earnings figure EBIT to EBT according to the statement of income are presented below:

RECONCILIATION NET SALES

million €	1st half ended March 31, 2018	1st half ended March 31, 2019	2nd quarter ended March 31, 2018	2nd quarter ended March 31, 2019
Net sales as presented in segment reporting	**19,984**	**20,374**	**10,442**	**10,638**
– Net sales discontinued steel operations	(3,816)	(3,778)	(1,998)	(1,984)
Net sales as presented in the statement of income	**16,169**	**16,596**	**8,443**	**8,654**

RECONCILIATION EBIT TO EBT

million €	1st half ended March 31, 2018[1]	1st half ended March 31, 2019	2nd quarter ended March 31, 2018[1]	2nd quarter ended March 31, 2019
Adjusted EBIT as presented in segment reporting	**943**	**685**	**495**	**353**
Special items[2]	(89)	(244)	(67)	(207)
EBIT as presented in segment reporting	**854**	**442**	**428**	**145**
+ Finance income	358	333	186	137
– Finance expense	(541)	(505)	(283)	(226)
– Items of finance income assigned to EBIT based on economic classification	(13)	0	0	0
+ Items of finance expense assigned to EBIT based on economic classification	(3)	4	2	2
EBT-Group	**655**	**273**	**333**	**58**
– EBT discontinued steel operations	(354)	(93)	(183)	45
EBT from continuing operations as presented in the statement of income	**302**	**180**	**150**	**103**

[1] Figures have been adjusted (cf. Note 01 and 02).
[2] Refer to the explanation of the special items in the “Group and business area review” as part of the “Report on the economic position” of the interim management report.

09 Sales

Sales and sales from contracts with customers are presented below. The business areas with the biggest shares in each category are indicated by the numbers: 1) Components Technology, 2) Elevator Technology, 3) Industrial Solutions, 4) Marine Systems, 5) Materials Services.

SALES

million €	1st half ended March 31, 2018	1st half ended March 31, 2019	2nd quarter ended March 31, 2018	2nd quarter ended March 31, 2019
Sales from sale of finished products[1),5)]	5,096	4,664	2,845	2,537
Sales from sale of merchandise[5)]	5,572	5,658	3,078	2,985
Sales from rendering of services[2)]	2,171	2,379	1,006	1,190
Sales from construction contracts[2),3)]	3,142	3,696	1,392	1,886
Other sales from contracts with customers[1),2),5)]	172	221	29	130
Subtotal sales from contracts with customers	**16,154**	**16,618**	**8,350**	**8,727**
Other sales	15	(22)	93	(73)
Total	**16,169**	**16,596**	**8,443**	**8,654**

SALES FROM CONTRACTS WITH CUSTOMERS BY CUSTOMER GROUP

million €	1st half ended March 31, 2018	1st half ended March 31, 2019	2nd quarter ended March 31, 2018	2nd quarter ended March 31, 2019
Automotive[1),5)]	4,173	4,194	2,157	2,213
Trading[2),5)]	1,637	1,890	846	996
Engineering[1),3),5)]	1,946	2,087	1,006	1,155
Steel and related processing[5)]	1,683	1,366	870	700
Construction[2)]	2,004	2,066	1,036	1,011
Public sector[4)]	874	769	452	467
Packaging[5)]	197	164	102	90
Energy and utilities[3),5)]	284	200	147	102
Other customer groups[2),3),5)]	3,355	3,882	1,734	1,994
Total	**16,154**	**16,618**	**8,350**	**8,727**

SALES FROM CONTRACTS WITH CUSTOMERS BY REGION

million €	1st half ended March 31.2018	1st half ended March 31, 2019	2nd quarter ended March 31, 2018	2nd quarter ended March 31, 2019
German-speaking area[6) 1),5)]	4,071	4,033	2,104	2,090
Western Europe[1),2),5)]	3,115	3,082	1,610	1,683
Central and Eastern Europe[5)]	1,086	1,142	561	619
Commonwealth of Independent States[3)]	124	143	64	87
North America[1),2),5)]	3,647	4,007	1,885	2,089
South America[1),2)]	521	471	269	256
Asia / Pacific[2),3),4)]	923	1,075	477	574
Greater China[1),2)]	1,360	1,404	703	632
India[2),3)]	175	233	91	128
Middle East & Africa[2),3),4)]	1,132	1,027	585	568
Total	**16,154**	**16,618**	**8,350**	**8,727**

[6)] Germany, Austria, Switzerland, Liechtenstein

Of the sales from contracts with customers, €3,985 million (prior year: €2,878 million) results in the 1st half ended March 31, 2019 and 2018, respectively and €2,049 million (prior year: €1,037 million) results in the 2nd quarter ended March 31, 2019 and 2018, respectively from long-term contracts, while €12,633 million (prior year: €13,276 million) results in the 1st half ended March 31, 2019 and 2018, respectively and €6,677 million (prior year: €7,313 million) results in the 2nd quarter ended March 31, 2019 and 2018, respectively from short-term contracts. €5,742 million (prior year: €3,134 million) in the 1st half ended March 31, 2019 and 2018, respectively and €2,673 million (prior year: €1,313 million) in the 2nd quarter ended March 31, 2019 and 2018, respectively relates to sales recognized over time, and €10,876 million (prior year: €13,020 million) in the 1st half ended March 31, 2019 and 2018, respectively and €6,054 million (prior year: €7,037 million) in the 2nd quarter ended March 31, 2019 and 2018, respectively related to sales recognized at a point in time.

10 Earnings per share

Basic earnings per share are calculated as follows:

EARNINGS PER SHARE

	1st half ended March 31, 2018[1)]		1st half ended March 31, 2019		2nd quarter ended March 31, 2018[1)]		2nd quarter ended March 31, 2019	
	Total amount in million €	Earnings per share in €	Total amount in million €	Earnings per share in €	Total amount in million €	Earnings per share in €	Total amount in million €	Earnings per share in €
Income/(loss) from continuing operations (net of tax) (attributable to thyssenkrupp AG's shareholders)	80	0.13	28	0.04	117	0.19	(23)	(0.04)
Income/(loss) from discontinued operations (net of tax) (attributable to thyssenkrupp AG's shareholders)	241	0.39	8	0.01	123	0.20	(76)	(0.12)
Net income/(loss) (attributable to thyssenkrupp AG's shareholders)	**320**	**0.51**	**36**	**0.06**	**240**	**0.38**	**(99)**	**(0.16)**
Weighted average shares	622,531,741		622,531,741		622,531,741		622,531,741	

[1)] Figures have been adjusted (cf. Note 01 and 02).

There were no dilutive securities in the periods presented.

11 Additional information to the consolidated statement of cash flows

The liquid funds considered in the consolidated statement of cash flows correspond to the “Cash and cash equivalents” line item in the consolidated statement of financial position inclusive of cash and cash equivalents attributable to the discontinued operation. As of March 31, 2019 cash and cash equivalents of €34 million (prior year: €23 million) result from the joint operation HKM.

12 Subsequent events

After recent talks with the European Commission, thyssenkrupp expects that the planned joint venture of its European steel activities with Tata Steel Europe will not go ahead due to the Commission’s continuing concerns. As a result the criteria of IFRS 5 for reporting the steel activities as a discontinued operation are no longer met and thyssenkrupp will adjust its reporting in the interim financial statements for the period as of June 30, 2019 accordingly. Among other things this includes recognition of amortization and depreciation not charged due to classification as a discontinued operation, amounting to €107 million for the 2017/2018 fiscal year and €228 million for the first half of 2018/2019.

After the reporting date thyssenkrupp conducted talks with the Federal Cartel Office regarding the investigations into alleged cartel agreements for heavy plate and flat carbon steel and resultant findings are recognized in the interim financial statements for the period as of March 31, 2019 as an adjusting event.

Essen, May 11, 2019

thyssenkrupp AG
The Executive Board

Kerkhoff

Burkhard Dietsch Kaufmann

Review report

To thyssenkrupp AG, Duisburg and Essen

We have reviewed the condensed consolidated interim financial statements – comprising the consolidated statement of financial position, the consolidated statement of income and the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and selected explanatory notes – and the interim group management report of thyssenkrupp AG, Duisburg and Essen, for the period from October 1, 2018, to March 31, 2019, which are part of the half-year financial report pursuant to § (Article) 115 WpHG ("Wertpapierhandelsgesetz" German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) and additional observed the International Standard on Review Engagements "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE 2410). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Essen, May 13, 2019

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Harald Kayser	Michael Preiß
(German Public Auditor)	(German Public Auditor)

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for half-year reporting, the condensed interim consolidated financial statements give a true and fair view of assets, liabilities, financial position and profit and loss of the Group, and the Group interim management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group in the remaining months of the year.

Essen, May 11, 2019

thyssenkrupp AG
The Executive Board

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Additional information

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2019 / 2020 financial calendar

August 8, 2019
Interim report 9 months 2018 / 2019 (October to June)

November 21, 2019
2018 / 2019 Annual Report (October to September)

January 31, 2020
Annual General Meeting

February 13, 2020
Interim report 1st quarter 2019 / 2020 (October to December)

May 12, 2020
Interim report 1st half 2019 / 2020 (October to March)

This interim report was published on May 14, 2019.
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Forward-looking statements
This document contains forward-looking statements that reflect management's current views with respect to future events. Such statements are subject to risks and uncertainties that are beyond thyssenkrupp's ability to control or estimate precisely, such as future market and economic conditions, the behavior of other market participants, the ability to successfully integrate acquired businesses and achieve anticipated synergies and the actions of government regulators. If any of these or other risks and uncertainties occur, or if the assumptions underlying any of these statements prove incorrect, then actual results may be materially different from those expressed or implied by such statements. thyssenkrupp does not intend or assume any obligation to update any forward-looking statements to reflect events or circumstances after the date of these materials.

Rounding differences and rates of change
Percentages and figures in this report may include rounding differences. The signs used to indicate rates of change are based on economic aspects: Improvements are indicated by a plus (+) sign, deteriorations are shown in brackets ( ). Very high positive and negative rates of change (≥500% or ≤(100)%) are indicated by ++ and −− respectively.

Variances for technical reasons
Due to statutory disclosure requirements the Company must submit this financial report electronically to the Federal Gazette (Bundesanzeiger). For technical reasons there may be variances in the accounting documents published in the Federal Gazette.
German and English versions of the financial report can be downloaded from the internet at www.thyssenkrupp.com. In the event of variances, the German version shall take precedence over the English translation.

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