Charts on Q1 2018/19
Facts & Figures

Ticker: TKA (Share) TKAMY (ADR)

February 2019

engineering.tomorrow.together.

thyssenkrupp

Highlights Q1 2018/19

Group separation into tk Industrials and tk Materials on schedule

- Decision on efficient leadership structures with clear focus on individual business requirements; Corp. cost target in total ≤ €300 mn
- Johannes Dietsch new Group CFO since February 1st, 2019
- Leadership teams at ET, IS and MX completed

Further progress with planned Steel Joint Venture with Tata Steel

- Future joint leadership team announced
- Merger control process – further approvals obtained in Q1[1]

Start in FY 2018/19 as expected for Continuing Operations

- Order intake of €8,131 mn [€7,690mn[2]] – strong start with all industrial businesses up yoy, ET at new record high
- EBIT adj. of €168 mn [€265 mn[2]] – CT and MX with market headwinds
- FCF bef. M&A of €(1,641) mn [€(1,097) mn[2]] – higher NWC build-up mainly at MX

Outlook FY 2018/19 for continuing operations confirmed, increasing macro and political risks must be monitored

1. In total notification requirements in17 jurisdictions; unconditional approvals in the USA, China, Southkorea and Brazil received I 2. Figures relating to Q1 2017/18

Order intake[1] – strong start with all industrial businesses up yoy, ET at new record high

[€ mn]

	17/18 Q1	17/18 Q4	18/19 Q1	yoy	yoy (ex FX[2])
Components Technology (CT)	1,578	1,656	1,653	5%	5%
Elevator Technology (ET)	1,959	2,039	2,143	9%	10%
Industrial Solutions (IS)	788	2,200	940	19%	19%
Marine Systems (MS)	58	165	107	85%	85%
Materials Services (MX)	3,363	3,587	3,370	0%	0%
Steel Europe (SE)	2,071	2,127	2,341	13%	13%
Group[3]	9,398	11,316	10,111	8%	7%
Discontinued Steel Operations[4]	1,707	1,762	1,980	16%	n.a.
Continuing Operations	7,690	9,554	8,131	6%	5%

- CT: Improved conditions for bearings (wind), robust conditions for construction equipment and heavy vehicles components vs. softer demand for automotive components
- ET: New record high, NI demand mainly from AP with big tickets in China, Australia and Americas; Europe driven by modernization
- IS: Improvement mainly due to orders at Chemical plants (Fertilizer plant) and Mining (stacker, reclaimer)
- MS: Extension of existing contract, smaller service & maintenance orders
- MX: Lower volumes yoy, softer spot prices qoq
- SE: Above prior year level, despite significantly lower volumes

1. Prior-year figures have been adjusted due to the adoption of IFRS 15 | 2. Adjusted for FX and portfolio effects I 3. Incl. Corp./Cons Group Q1 17/18: (419); Q1 18/19 (444) | 4. Including Steel Europe, thyssenkrupp MillServices & Systems GmbH from Materials Services and in the prior year individual Corporate companies

Sales[1]

[€ mn]

	17/18 Q1	17/18 Q4	18/19 Q1	yoy	yoy (ex FX[2])
Components Technology (CT)	1,564	1,683	1,580	1%	1%
Elevator Technology (ET)	1,844	2,016	1,923	4%	5%
Industrial Solutions (IS)	835	1,026	840	1%	1%
Marine Systems (MS)	256	403	298	17%	17%
Materials Services (MX)	3,288	3,681	3,388	3%	3%
Steel Europe (SE)	2,181	2,408	2,131	-2%	-2%
Group[3]	9,543	10,779	9,736	2%	2%
Discontinued Steel Operations[4]	1,818	2,050	1,794	-1%	
Continuing Operations	7,725	8,729	7,942	3%	3%

- CT: Sales mirroring order intake
- ET: Growth driven by all business lines in Europe and Americas
- IS: Chemical plant construction with higher progress on a major project in Hungary, offset by decrease at System Engineering
- MS: Up from weak prior year, but temporarily lower progress level in order execution; significant increase still expected for full year
- MX: Higher average selling prices partly compensate lower volumes esp. in auto-related service centers and global materials trading
- SE: Higher average selling prices in all products and end user sectors more than compensated by significant reductions in shipments due to low Rhine water levels and WLTP

1. Prior-year figures have been adjusted due to the adoption of IFRS 15 | 2. Adjusted for FX and portfolio effects I 3. Incl. Corp./Cons Group Q1 17/18: (424); Q1 18/19 (424) | 4. Including Steel Europe, thyssenkrupp MillServices & Systems GmbH from Materials Services and in the prior year individual Corporate companies

EBIT adj.[1] – CT and MX with market headwinds

[€ mn]

	17/18 Q1	17/18 Q4	18/19 Q1	yoy
Components Technology (CT)	77	(70)	49	-36%
Elevator Technology (ET)	220	224	204	-7%
Industrial Solutions (IS)	13	(20)	(23)	- -
Marine Systems (MS)	(1)	(11)	0	++
Materials Services (MX)[3]	52	82	22	-57%
Steel Europe (SE)	163	101	38	-76%
Corporate	(75)	(140)	(77)	-3%
Consolidation	(1)	111	119	++
Group	448	277	333	-26%
Discontinued Steel Operations[4]	183	218	165	-10%
Continuing Operations	265	59	168	-37%

Incl. stopped regular depreciation charges at SE[2]:
Q1 18/19 ~€115 mn
Q4 17/18 ~€107 mn

- **CT:** Softer demand for automotive components in China, higher ramp-up costs of customer projects, continued underperformance at Springs & Stabilizers and slower ramp-up of new plants
- **ET:** Continuing pricing pressure and higher raw materials costs in China and esp. in the US due to tariffs on materials imports
- **IS:** Negative mainly due to lower margin projects, turnaround program initiated
- **MS:** Stable, despite continuing lower margin on projects billed
- **MX:** Margin pressure from declining spot price environment esp. in warehousing and distribution
- **SE:** Due to low Rhine water levels: significant production losses, higher logistic costs and lower shipments also WLTP
- **Corp.:** Stable, despite lower positive effects from real estate and property sales

1. Prior-year figures have been adjusted due to the adoption of IFRS 15 | 2. Following discontinued operations classification since July 1st, 2018 I 3. Adj. EBIT of Continuing Operations of MX €20.5 mn in Q1 18/19 |
4. Including Steel Europe, thyssenkrupp MillServices & Systems GmbH from Materials Services and in the prior year individual Corporate companies

Special Items - continued focus on restructuring and future margin upside

[€ mn]

Business Area		2016/17 Q1	Q2	Q3	Q4	FY	2018/19 Q1
CT	Disposal effect						
	Impairment			(1)	(11)	(12)	(1)
	Restructuring	(2)		(2)	(2)	(6)	
	Others		(4)	(28)	(27)	(59)	(4)
ET	Disposal effect						1
	Impairment		(3)		(6)	(9)	
	Restructuring	(14)	(8)	(9)	(9)	(40)	(3)
	Others	(5)	(7)	(6)	(25)	(43)	(3)
IS	Disposal effect						
	Impairment			(3)	(1)	(4)	
	Restructuring	(2)		(1)	33	30	(2)
	Others		(20)	2	(8)	(26)	(5)
MS	Disposal effect						
	Impairment						
	Restructuring			(1)	16	15	
	Others				(3)	(3)	
MX	Disposal effect						
	Impairment			(1)	(1)	(2)	
	Restructuring		(6)	(5)	(7)	(18)	(3)
	Others	(2)	(4)	(3)	(18)	(27)	2
SE	Disposal effect			11	8	19	(4)
	Impairment				(1)	(1)	
	Restructuring			1	1	2	(1)
	Others				(235)	(235)	1
Corp.	Disposal effect	5	(10)	(37)	(9)	(51)	(12)
	Impairment				(1)	(1)	
	Restructuring	(1)	(1)	(2)	(7)	(11)	(1)
	Others	(1)	(4)	(3)	(17)	(25)	(1)
Consolidation							
Group		(22)	(66)	(88)	(330)	(507)	(36)

Comments on Q1

- Mainly restructurings at Springs & Stabilizers
- Restructuring & Reorganization in Europe
- Earnout agreement for technology purchase as well as expenses in connection with the turnaround program
- Mainly project expenses in connection with the planned steel joint venture and the repositioning of the Group

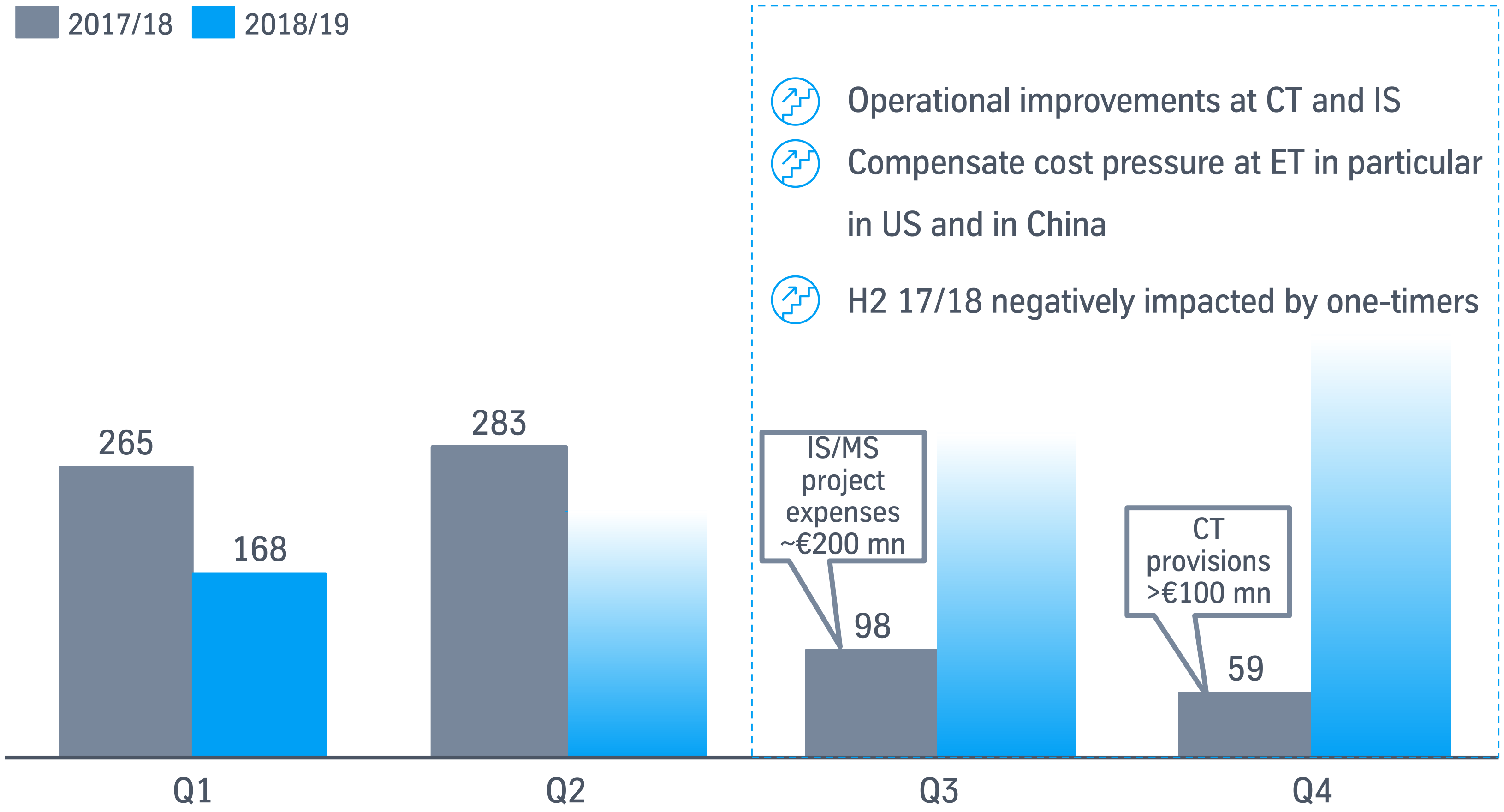
Outlook 2018/19 for Cont. Ops. confirmed, increasing macro and political risks must be monitored

EBIT adj. expected >€1 bn[1]

[€ mn]

	Q2 17/18	Q2E 18/19
CT	90	↘
ET	204	→
IS	(14)	→
MS	(9)	→
MX	100	↘
Corp.	(81)	→
EBIT adj.	283	↘
FCF b. M&A[2]	(118)	→

FYE 18/19 – EBIT adj.



- Operational improvements at CT and IS
- Compensate cost pressure at ET in particular in US and in China
- H2 17/18 negatively impacted by one-timers

1. FY 2017/18 continuing operations: €706 mn I 2. Adjustment due to a change in the assessment of the allocation of cash flows between continuing and discontinued operations in Q2 & Q4 2017/18

Stringent execution of performance levers

CT	• Continue ramp-up; speed-up fix cost dilution at new plants • Increase delivery of new electric powered steering systems • Fix operational inefficiencies with dedicated expert teams and externally hired COO at Springs & Stabilizers
ET	• G&A cost reduction across all regions • Restructure European business - optimize capacity utilization in Germany • Tailor organizational set-up in the Americas - separate N. and S. America businesses to better capture growth and performance potential
IS	• Harvest upside from market dynamics at Chemical plants and Mining by higher agility - leaner structures, less complexity, clear responsibilities • Performance improvement through SG&A measures and improvement of optimal operating point of business units
MS	• Leverage on strong order pipeline; big tickets in final negotiation - frigates from North Africa, submarines for Norway/Germany • Performance program started to improve core processes along value chain to stabilize operational performance in current and future orders
MX	• Grow value-added services, continuous productivity improvements • G&A cost reduction to compensate cost increases
Corp.	• G&A cost reduction and efficiency increases in Corporate HQ and regions

Efficient leadership structures with clear focus on individual business requirements for tkI and tkM

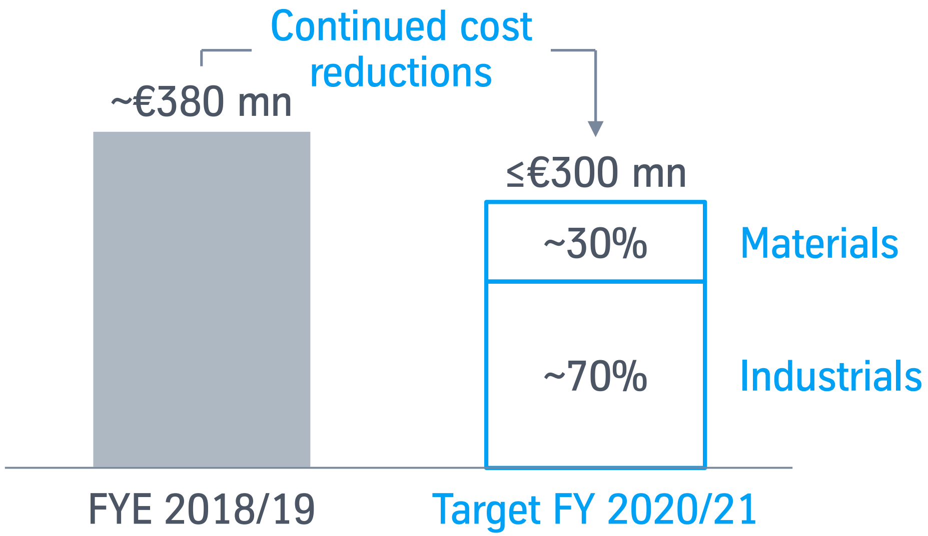
Performance upside also by clearer responsibilities and faster decision-making

tkI - engineering makes the difference

- Engineering and service competence
- Global growth markets and sector trends
- Innovation focus and digital opportunities
- Good market positions; growth and performance upside

tkM - leading position in materials markets

- Strong materials know-how
- Quality and technology leadership
- Leading market positions
- Cyclical and consolidation opportunities



- Leaner Board structure: CEO, CFO, CHRO
- Reduced number of Corporate Function (CF) at tkI and tkM
- Greater entrepreneurial flexibility for Business Areas
- Review of BA organizations for Industrials
- Reduced matrix organisation from 4 to 2 dimensions: Business Areas; Corporate Functions

Priorities and expected timeline to create value

- Improving Performance towards FY 20/21 target of FCF bef. M&A >€1bn
- Closing Steel JV
- Group Separation into tk Industrials and tk Materials

21.11.2018	Release timeline for separation ✓
Q1 Release/ Today	Definition of leadership model for tk Industrials and tk Materials ✓
Spring	Announcement of designated management boards
May	Further details on strategic positioning
01.10.	Operating start and separation readiness of tk Industrials and tk Materials[1]
End 2019	Equity Stories, Spin-Off documents, Capital Market Day
31.01.2020	Annual General Meeting and Spin-Off decision by shareholders

1. Under the umbrella of thyssenkrupp AG

Key financials (I)
[€ mn]

Full Group

	2017/18[1]					2018/19
	Q1	Q2	Q3	Q4	FY	Q1
Order intake	9,398	10,219	10,554	11,316	41,486	10,111
Sales	9,543	10,442	10,771	10,779	41,534	9,736
EBITDA	691	702	517	145	2,056	465
EBITDA adjusted	714	765	601	456	2,537	500
EBIT	426	428	243	(52)	1,045	296
EBIT adjusted	448	495	331	277	1,551	333
EBT	322	333	157	(144)	668	215
Net income/(loss)	93	250	(114)	(169)	60	145
attrib. to tk AG stockh.	81	240	(131)	(180)	8	136
Earnings per share[2] (€)	0.13	0.38	(0.21)	(0.29)	0.01	0.22
Free cash flow	(1,535)	161	(199)	1,459	(115)	(2,477)
FCF before M&A	(1,549)	168	(211)	1,459	(134)	(2,477)
TK Value Added					(215)	
Ø Capital Employed	15,177	15,574	15,786	15,740	15,740	16,210
Cash and cash equivalents (incl. short-term securities)	3,548	3,663	3,267	3,012	3,012	2,303
Net financial debt	3,544	3,546	3,808	2,364	2,364	4,684
Equity	3,282	3,333	3,339	3,274	3,274	3,422

1. Figures have been adjusted due to the adoption of IFRS 15 | 2. Attributable to tk AG's stockholders

Key financials (II)
[€ mn]

Continuing Operations

	2017/18[1]					2018/19
	Q1	Q2	Q3	Q4	FY	Q1
Order intake	7,690	8,156	8,465	9,554	33,865	8,131
Sales	7,725	8,443	8,666	8,729	33,563	7,942
EBITDA	394	393	203	163	1,152	310
EBITDA adjusted	531	554	368	239	1,691	335
EBIT	236	226	36	(34)	465	142
EBIT adjusted	265	283	98	59	706	168
EBT	151	150	(30)	(107)	164	77
Net income/(loss) (net of tax)	(24)	125	(240)	(60)	(198)	58
attrib. to tk AG stockh.	(37)	115	(257)	(72)	(249)	51
Earnings per share[2] (€)	(0.06)	0.19	(0.41)	(0.11)	(0.39)	0.08
Operating cash flow[3]	(902)	48	(227)	1,271	190	(1,485)
Cash flow from divestm.	18	14	23	11	66	14
Cash flow from investm.	(199)	(187)	(209)	(340)	(935)	(170)
Free cash flow[3]	(1,083)	(125)	(413)	941	(679)	(1,641)
FCF before M&A[3]	(1,097)	(118)	(425)	967	(673)	(1,641)
Employees	130,031	130,780	130,907	131,606	131,606	132,142

1. Figures have been adjusted due to the adoption of IFRS 15 | 2. Attributable to tk AG's stockholders | 3. Adjustment due to a change in the assessment of the allocation of cash flows between continuing and discontinued operations in Q2 & Q4 2017/18

Components Technology

[€ mn]

	2017/18[1]					2018/19
	Q1	Q2	Q3	Q4	FY	Q1
Order intake	1,578	1,665	1,696	1,656	6,595	1,653
Sales	1,564	1,646	1,717	1,683	6,610	1,580
EBITDA	157	169	151	(11)	466	130
EBITDA adjusted	158	172	182	18	529	134
EBIT	76	86	69	(110)	121	44
EBIT adjusted	77	90	100	(70)	197	49
EBIT adj. margin (%)	4.9	5.5	5.8	(4.2)	3.0	3.1
tk Value Added					(210)	
Ø Capital Employed	3,708	3,809	3,887	3,893	3,893	3,912
BCF[2]	(231)	(69)	(33)	263	(71)	(270)
CF from divestm.	1	0	2	1	4	5
CF for investm.	(128)	(113)	(123)	(158)	(523)	(111)
Employees	33,152	33,768	34,126	34,481	34,481	34,662

Current trading conditions

Sales €1580 mn, +1% yoy, ex F/X +1%; order intake €1653 mn, 5% yoy, ex F/X +5%;

Automotive: LV slightly below previous year, China and Western Europe weaker, among others impacted by WLTP and customer uncertainties regarding Brexit

Industry: Higher order intake especially wind power; sales slightly below previous year; ongoing positive development for HV components in USA and Western Europe; construction equipment market remains positive

EBIT adj. : €49 mn, €(28) mn yoy; Softer demand for automotive components in China, higher ramp-up costs of customer projects, continued underperformance at Springs & Stabilizers and slower ramp-up of new plants

1. Figures have been adjusted due to the adoption of IFRS 15 | 2. Due to definition change (excl. Corporate mark) figures are pro-forma

Elevator Technology

[€ mn]

	2017/18[1]					2018/19
	Q1	Q2	Q3	Q4	FY	Q1
Order intake	1,959	1,873	1,981	2,039	7,853	2,143
Order backlog	4,923	4,984	5,127	5,068	5,068	5,325
Sales	1,844	1,754	1,937	2,016	7,552	1,923
EBITDA	222	211	223	210	866	220
EBITDA adjusted	240	225	238	250	953	225
EBIT	201	186	202	185	775	199
EBIT adjusted	220	204	217	224	865	204
EBIT adj. margin (%)	11.9	11.6	11.2	11.1	11.5	10.6
tk Value Added					689	
Ø Capital Employed	1,066	1,103	1,127	1,141	1,141	1,219
BCF[2]	18	200	141	264	623	45
CF from divestm.	1	2	1	1	4	2
CF for investm.	(23)	(26)	(30)	(35)	(113)	(23)
Employees	52,909	52,779	52,683	53,013	53,013	53,282

Current trading conditions

Order backlog (excl. Service) at €5.3 bn on near record level

Order intake in Q1 +9% yoy (ex FX +10%); Q1 growth

driven by NI in AP, supported by big tickets in China, Australia and Americas;

Sales in Q1 with growth (+4% yoy; ex FX +5%); Q1 growth driven by all business lines in Europe and Americas

Q1 EBIT adj. burdened by continued pricing pressure in China as well as material costs in China and Americas

New installation driven by Americas; China with steady units, but value impacted by continued price pressure

Modernization: positive market development in US and Europe

Maintenance: growth in all major regions; particularly in China

1. Figures have been adjusted due to the adoption of IFRS 15 | 2. Due to definition change (excl. Corporate mark) figures are pro-forma

Industrial Solutions
[€ mn]

	2017/18[1] Q1	Q2	Q3	Q4	FY	2018/19 Q1
Order intake	788	670	883	2,200	4,541	940
Order backlog	5,116	4,657	4,686	5,792	5,792	5,922
Sales	835	956	815	1,027	3,633	840
EBITDA	19	(22)	(94)	18	(79)	(21)
EBITDA adjusted	21	(3)	(95)	(8)	(84)	(14)
EBIT	10	(33)	(108)	5	(126)	(31)
EBIT adjusted	13	(14)	(106)	(20)	(127)	(23)
EBIT adj. margin (%)	1.5	(1.4)	(13.0)	(1.9)	(3.5)	(2.8)
tk Value Added					(131)	
Ø Capital Employed	(64)	(28)	32	67	67	172
BCF[2]	(3)	(192)	(234)	150	(280)	(28)
CF from divestm.	0	2	0	4	6	1
CF for investm.	(10.9)	(11.0)	(12.1)	(28.9)	(63)	(9)
Employees	15,841	15,916	15,794	15,717	15,717	15,656

Current trading conditions

Q1 order intake up from prior year mainly due to orders in chemical plant construction and mining

- Chemical plants: Medium-size order for ammonia plant in Saudi Arabia from Ma'aden (subcontractor for Daelim; providing process license and extensive engineering, supply and monitoring services) and orders for services in Asia, Africa and Europe
- Mining: continuing robust demand; medium-large order for stockyard equipment in Australia (rail-mounted stackers and reclaimer for BHP South Flank; order value approx. €150 mn
- Cement: current market situation marked by overcapacities built up in recent years; smaller orders for plant components and services
- System Engineering: stable demand for production systems for the auto industry, mainly in Europe, Asia and Africa; in part increasing uncertainties due to Brexit and economic risks

Q1 EBIT adj. lower yoy, mainly due to lower margins on projects billed; gradual improvement expected for full year

Q1 BCF lower yoy due to lower earnings and milestone payment mix

1. Figures have been adjusted due to the adoption of IFRS 15 | 2. Due to definition change (excl. Corporate mark) figures are pro-forma

Marine Systems

[€ mn]

	2017/18[1]					2018/19
	Q1	Q2	Q3	Q4	FY	Q1
Order intake	58	255	170	165	648	107
Order backlog	6,046	6,016	5,764	5,493	5,493	5,300
Sales	256	291	440	403	1,389	298
EBITDA	10	1	(97)	16	(71)	12
EBITDA adjusted	10	2	(96)	3	(82)	12
EBIT	(1)	(11)	(108)	3	(117)	0
EBIT adjusted	(1)	(9)	(107)	(11)	(128)	0
EBIT adj. margin (%)	(0.3)	(3.2)	(24.4)	(2.7)	(9.2)	0.0
tk Value Added					(171)	
Ø Capital Employed	566	656	671	675	675	710
BCF[2]	(332)	(32)	3	(109)	(470)	(148)
CF from divestm.	0	0	0	0	0	1
CF for investm.	(7)	(7)	(9)	(36)	(59)	(8)
Employees	5,853	5,820	5,789	5,818	5,818	5,868

Current trading conditions

Q1 order intake higher yoy with extension of an existing order as well as smaller maintenance and service contracts

Q1 EBIT stable yoy; continuing low margins on projects billed

Q1 BCF up yoy due to higher cash-in from backlog projects; however, still negative due to mature backlog in payout-phase

1. Figures have been adjusted due to the adoption of IFRS 15 | 2. Due to definition change (excl. Corporate mark) figures are pro-forma

Volume KPI's of Materials Businesses

			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17			2017/18			2018/19
			FY	FY	FY	FY	FY	FY	Q1	Q2	Q3	Q4	FY	Q1
MX	Total shipments	kt	10,868	10,669	13,615	13,421	12,605	10,966	2,701	2,946	2,869	2,580	11,096	2,376
	Warehousing shipments[1]	kt	5,470	5,300	5,592	5,532	5,518	5,686	1,347	1,580	1,531	1,486	5,944	1,338
	Shipments AST[2]	kt	-	-	537	747	848	853	217	247	227	199	890	192
SE	Crude Steel	kt	11,860	11,646	12,249	12,392	12,021	12,060	3,076	2,930	3,010	2,823	11,839	2,821
	Steel Europe AG	kt	8,408	8,487	8,936	9,276	9,336	9,440	2,373	2,299	2,315	2,184	9,171	2,170
	HKM	kt	3,452	3,160	3,313	3,116	2,686	2,620	703	631	695	639	2,668	651
	Shipments	kt	12,009	11,519	11,393	11,725	11,174	11,433	2,722	2,893	2,904	2,782	11,302	2,401
	Cold-rolled	kt	7,906	7,437	7,137	7,182	7,048	7,169	1,669	1,804	1,806	1,715	6,995	1,543
	Hot-rolled	kt	4,103	4,082	4,256	4,543	4,126	4,265	1,054	1,089	1,098	1,067	4,307	859
	Average Steel revenues per ton[3]		139	127	119	114	107	122	127	130	135	136	132	139
	USD/EUR	Aver.	1.30	1.31	1.36	1.15	1.11	1.10	1.18	1.23	1.19	1.16	1.19	1.14
	USD/EUR	Clos.	1.29	1.35	1.26	1.12	1.12	1.18	1.20	1.23	1.17	1.16	1.16	1.15

1. Excl. AST/VDM shipments | 2. Included at MX since March '14 | 3. Indexed: Q1 2004/05 = 100

Materials Services[1)]

[€ mn]

	2017/18[2)]					2018/19
	Q1	Q2	Q3	Q4	FY	Q1
Order intake	3,363	3,776	3,818	3,587	14,544	3,370
thereof Special Materials	410	536	520	400	1,866	401
Sales	3,288	3,890	3,846	3,681	14,705	3,388
thereof Special Materials	438	511	496	426	1,870	390
EBITDA	76	116	102	83	377	49
EBITDA adjusted	78	126	111	109	424	50
thereof Special Materials	32	30	27	25	114	16
EBIT	49	90	75	56	270	22
EBIT adjusted	52	100	84	82	317	22
thereof Special Materials	23	21	18	16	79	7
EBIT adj. margin (%)	1.6	2.6	2.2	2.2	2.2	0.7
thereof Special Materials	5.3	4.2	3.7	3.8	4.2	1.8
tk Value Added					(19)	
Ø Capital Employed	3,700	3,690	3,673	3,620	3,620	3,782
BCF[3)]	(259)	314	(65)	625	615	(879)
thereof Special Materials	(24)	66	(12)	72	101	(134)
CF from divestm.	16	2	17	3	39	1
CF for investm.	(15)	(25)	(26)	(47)	(113)	(18)
Employees	19,981	20,107	20,148	20,273	20,273	20,378

Current trading conditions

Sales in Q1 up yoy: positive trend in North America outweighing demand fall in Europe; declining volumes in auto-related SSC and global materials trading; volumes at AST significantly down yoy

EBIT adj. in Q1 significantly down yoy: strong price and competitive pressure; margin pressure from declining prices particularly in warehousing and distribution; AST with lower earnings contribution due to price trend in stainless steel and continuing import pressure; extensive package of measures under way to stabilize earnings

1. Figures incl. disc. op. tk MillServices & Systems GmbH | 2. Figures have been adjusted due to the adoption of IFRS 15 | 3. Due to definition change (excl. Corporate mark) figures are pro-forma

Steel Europe
[€ mn]

Discontinued Operation

	2017/18[1]					2018/19
	Q1	Q2	Q3	Q4	FY	Q1
Order intake	2,071	2,484	2,475	2,127	9,157	2,341
Sales	2,181	2,388	2,492	2,408	9,470	2,131
EBITDA	269	302	343	(20)	894	147
EBITDA adjusted	269	303	332	206	1,110	152
EBIT	162	196	239	(127)	470	34
EBIT adjusted	163	197	227	101	687	38
EBIT adj. margin (%)	7.5	8.2	9.1	4.2	7.3	1.8
tk Value Added					(1)	
Ø Capital Employed	5,446	5,571	5,605	5,544	5,544	5,307
BCF[2]	(396)	319	258	603	783	(832)
CF from divestm.	(1)	(1)	9	(0)	6	11
CF for investm.	(88)	(83)	(79)	(193)	(442)	(94)
Employees	27,478	27,255	27,090	27,764	27,764	27,613

Excl. stopped regular depreciation charges at SE[3]:
Q1 18/19 ~€115 mn
Q4 17/18 ~€107 mn

Current trading conditions

- Global finished steel demand around 2% higher year-on-year in 2018; weaker growth expected in 2019 due to
  - increasing geopolitical and foreign trade tensions and uncertainties
  - market environment remains extremely challenging (continuing global overcapacities, risks from trade imbalances, and highly volatile raw material prices
  - further sharp increase in imports (especially up excl. other 3rd countries particularly Turkey, Russia)
- Sales down yoy, mainly driven by significant reductions in shipments (2.4 million t; prior year: 2.7 million t) affecting practically all end customer groups, above all due to low Rhine water levels and additional negative effects of WLTP
- EBIT adj.: sig. lower yoy; higher costs and effects of lower volumes on account of low Rhine water levels and WLTP exceeded positive price effects

1. Figures have been adjusted due to the adoption of IFRS 15 I 2. Due to definition change (excl. Corporate mark) figures are pro-forma I 3. Following discontinued operations classification since July 1st, 2018

Corporate

[€ mn]

	2017/18[1) 2)]					2018/19
	Q1	Q2	Q3	Q4	FY	Q1
EBITDA	(58)	(82)	(108)	(154)	(402)	(75)
EBITDA adjusted	(61)	(67)	(66)	(124)	(317)	(62)
EBIT	(72)	(97)	(124)	(174)	(466)	(91)
EBIT adjusted	(75)	(81)	(82)	(140)	(377)	(77)
BCF[3)]	(115)	(119)	(92)	(121)	(447)	(112)
Employees	3,961	4,048	4,025	4,030	4,030	4,037

EBIT adj. includes:

- Corporate Headquarters: Corp. Functions; Executive Board tk AG; Group initiatives
- Regions: Regional headquarters; regional offices; representative offices
- Service Units: Global Shared Services “GSS”; Regional Services Germany; Corporate Services
- Special Units: Asset management of Group’s real estate; cross-business area technology projects; non-operating entities

EBIT adj. includes:

	Q1 17/18 vs.	Q1 18/19
• CorpHQ:	(75)	(54)
• Regions:	(8)	(8)
• Service Units:	(13)	(12)
• Special Units:	21	(3)

With continued cost reductions adjusted EBIT, which benefited in the prior year from positive nonrecurring items, expected to be roughly level with the prior year.

1. Figures incl. disc. op. of individual Corporate companies | 2. Figures have been adjusted due to the adoption of IFRS 15 | 3. Due to definition change (excl. Corporate mark) figures are pro-forma

Business Area Overview – Quarterly Order Intake

[€ mn]

	2017/18[1]					2018/19
	Q1	Q2	Q3	Q4	FY	Q1
Components Technology	1,578	1,665	1,696	1,656	6,595	1,653
Elevator Technology	1,959	1,873	1,981	2,039	7,853	2,143
Industrial Solutions	788	670	883	2,200	4,541	940
Marine Systems	58	255	170	165	648	107
Materials Services	3,363	3,776	3,818	3,587	14,544	3,370
Steel Europe	2,071	2,484	2,475	2,127	9,157	2,341
Corporate	91	78	73	(52)	190	51
Consolidation	(510)	(583)	(542)	(407)	(2,042)	(495)
Full Group	**9,398**	**10,219**	**10,554**	**11,316**	**41,486**	**10,111**
Disc. steel operations	1,707	2,062	2,089	1,762	7,621	1,980
Group continuing operations	**7,690**	**8,156**	**8,465**	**9,554**	**33,865**	**8,131**

1. Figures have been adjusted due to the adoption of IFRS 15

Business Area Overview – Quarterly Sales

[€ mn]

	2017/18[1]					2018/19
	Q1	Q2	Q3	Q4	FY	Q1
Components Technology	1,564	1,646	1,717	1,683	6,610	1,580
Elevator Technology	1,844	1,754	1,937	2,016	7,552	1,923
Industrial Solutions	835	956	815	1,027	3,633	840
Marine Systems	256	291	440	403	1,389	298
Materials Services	3,288	3,890	3,846	3,681	14,705	3,388
Steel Europe	2,181	2,388	2,492	2,408	9,470	2,131
Corporate	93	78	74	84	329	63
Consolidation	(517)	(562)	(550)	(524)	(2,154)	(487)
Full Group	**9,543**	**10,442**	**10,771**	**10,779**	**41,534**	**9,736**
Disc. steel operations	1,818	1,998	2,105	2,050	7,971	1,794
Group continuing operations	**7,725**	**8,443**	**8,666**	**8,729**	**33,563**	**7,942**

1. Figures have been adjusted due to the adoption of IFRS 15

Business Area Overview – Quarterly EBIT and Margin

[€ mn]

	2017/18[1]					2018/19
	Q1	Q2	Q3	Q4	FY	Q1
Components Technology	76	86	69	(110)	121	44
%	4.9	5.2	4.0	(6.5)	1.8	2.8
Elevator Technology	201	186	202	185	775	199
%	10.9	10.6	10.4	9.2	10.3	10.3
Industrial Solutions	10	(33)	(108)	5	(126)	(31)
%	1.2	(3.4)	(13.2)	0.4	(3.5)	(3.6)
Marine Systems	(1)	(11)	(108)	3	(117)	0
%	(0.2)	(3.6)	(24.6)	0.6	(8.4)	0.0
Materials Services	49	90	75	56	270	22
%	1.5	2.3	2.0	1.5	1.8	0.6
Steel Europe	162	196	239	(127)	470	34
%	7.4	8.2	9.6	(5.3)	5.0	1.6
Corporate	(72)	(97)	(124)	(174)	(466)	(91)
Consolidation	(1)	9	(2)	111	117	119
Full Group	**426**	**428**	**243**	**(52)**	**1,045**	**296**
%	4.5	4.1	2.3	(0.5)	2.5	3.0
Disc. steel operations	190	202	207	(18)	580	155
Group continuing operations	**236**	**226**	**36**	**(34)**	**465**	**142**
%	3.1	2.7	0.4	(0.4)	1.4	1.8

Incl. stopped regular depreciation charges at SE[2]:
Q1 18/19 ~€115 mn
Q4 17/18 ~€107 mn

1. Figures have been adjusted due to the adoption of IFRS 15 I 2. Following discontinued operations classification since July 1st, 2018

Business Area Overview – Quarterly EBIT adj. and Margin

[€ mn]

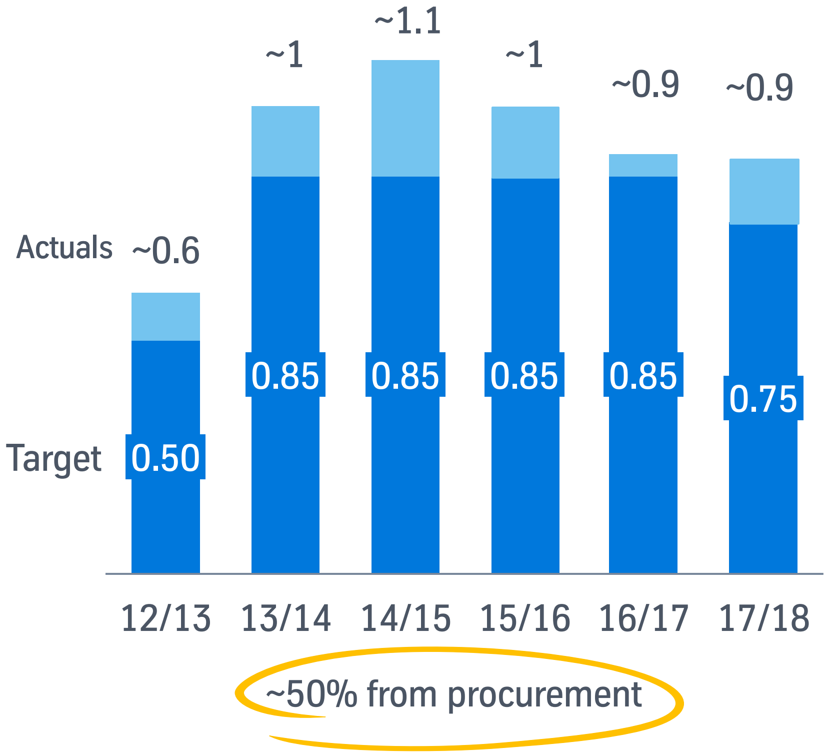
	2017/18[1]					2018/19
	Q1	Q2	Q3	Q4	FY	Q1
Components Technology	77	90	100	(70)	197	49
%	4.9	5.5	5.8	(4.2)	3.0	3.1
Elevator Technology	220	204	217	224	865	204
%	11.9	11.6	11.2	11.1	11.5	10.6
Industrial Solutions	13	(14)	(106)	(20)	(127)	(23)
%	1.5	(1.4)	(13.0)	(1.9)	(3.5)	(2.8)
Marine Systems	(1)	(9)	(107)	(11)	(128)	0
%	(0.3)	(3.2)	(24.4)	(2.7)	(9.2)	0.0
Materials Services	52	100	84	82	317	22
%	1.6	2.6	2.2	2.2	2.2	0.7
Steel Europe	163	197	227	101	687	38
%	7.5	8.2	9.1	4.2	7.3	1.8
Corporate	(75)	(81)	(82)	(140)	(377)	(77)
Consolidation	(1)	9	(2)	111	117	119
Full Group	**448**	**495**	**331**	**277**	**1,551**	**333**
%	4.7	4.7	3.1	2.6	3.7	3.4
Disc. steel operations	183	211	233	218	845	165
Group continuing operations	**265**	**283**	**98**	**59**	**706**	**168**
%	3.4	3.4	1.1	0.7	2.1	2.1

Incl. stopped regular depreciation charges at SE[2]:
Q1 18/19 ~€115 mn
Q4 17/18 ~€107 mn

1. Figures have been adjusted due to the adoption of IFRS 15 I 2. Following discontinued operations classification since July 1st, 2018

Operational improvements – €890 mn 'impact' effects exceed targets for FY 2017/18

[€ bn]



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

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

IS **MS** Transformation program 'planets' focusing on 5 levers
- Fix cost reduction
- Project margin improvement
- Procurement Excellence
- Execution Excellence
- Top line support by innovation

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

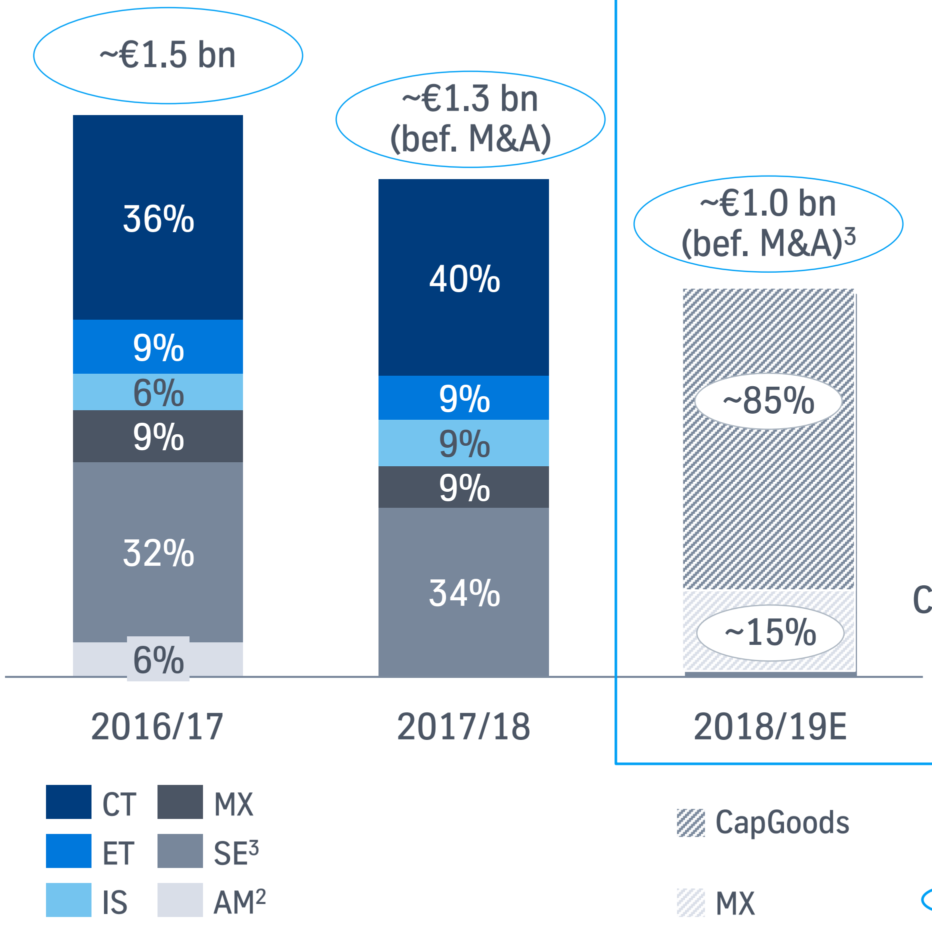
SE 'one steel' impact contributions
- Raw materials
- Procurement
- Energy
- Logistics
- Quality, M&R, CIP

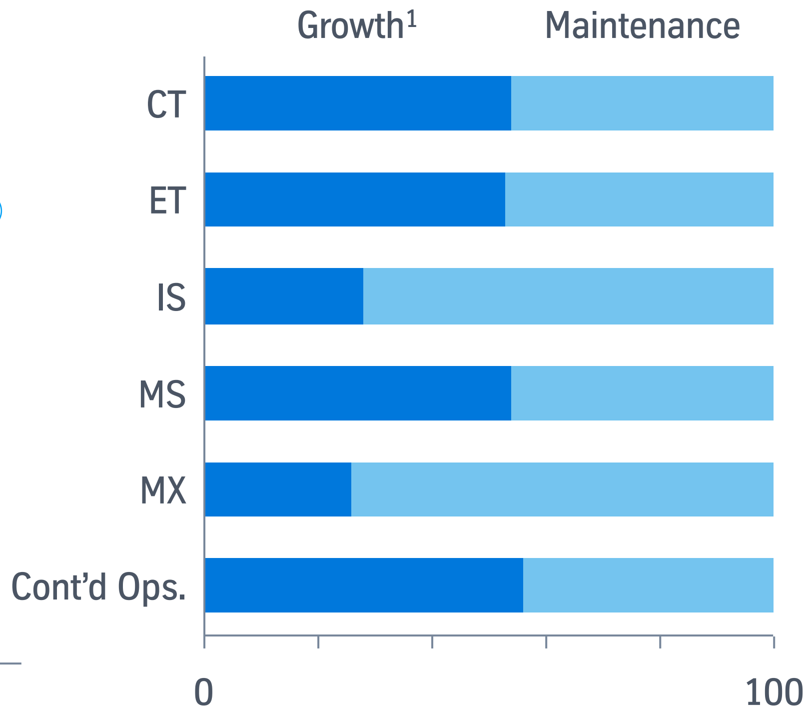
Corp. Focus on G&A cost reduction
- Process cost reduction
- Streamline organization
- Leverage shared services

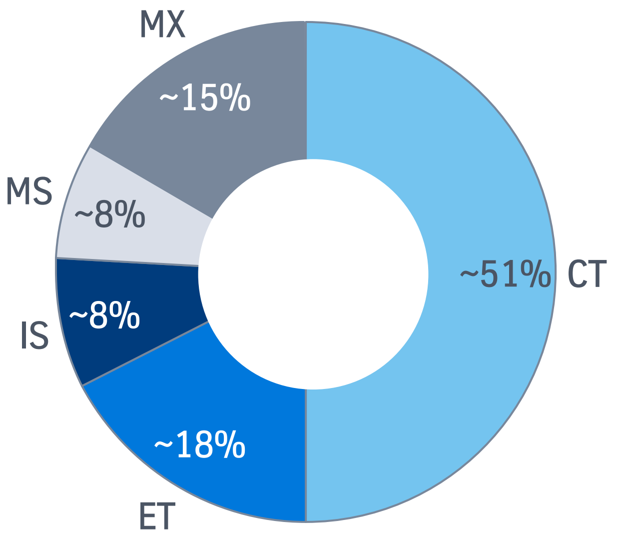
CT, ET, IS and SE with triple-digit mn contribution

Capex allocation

Cash flows from investing activities



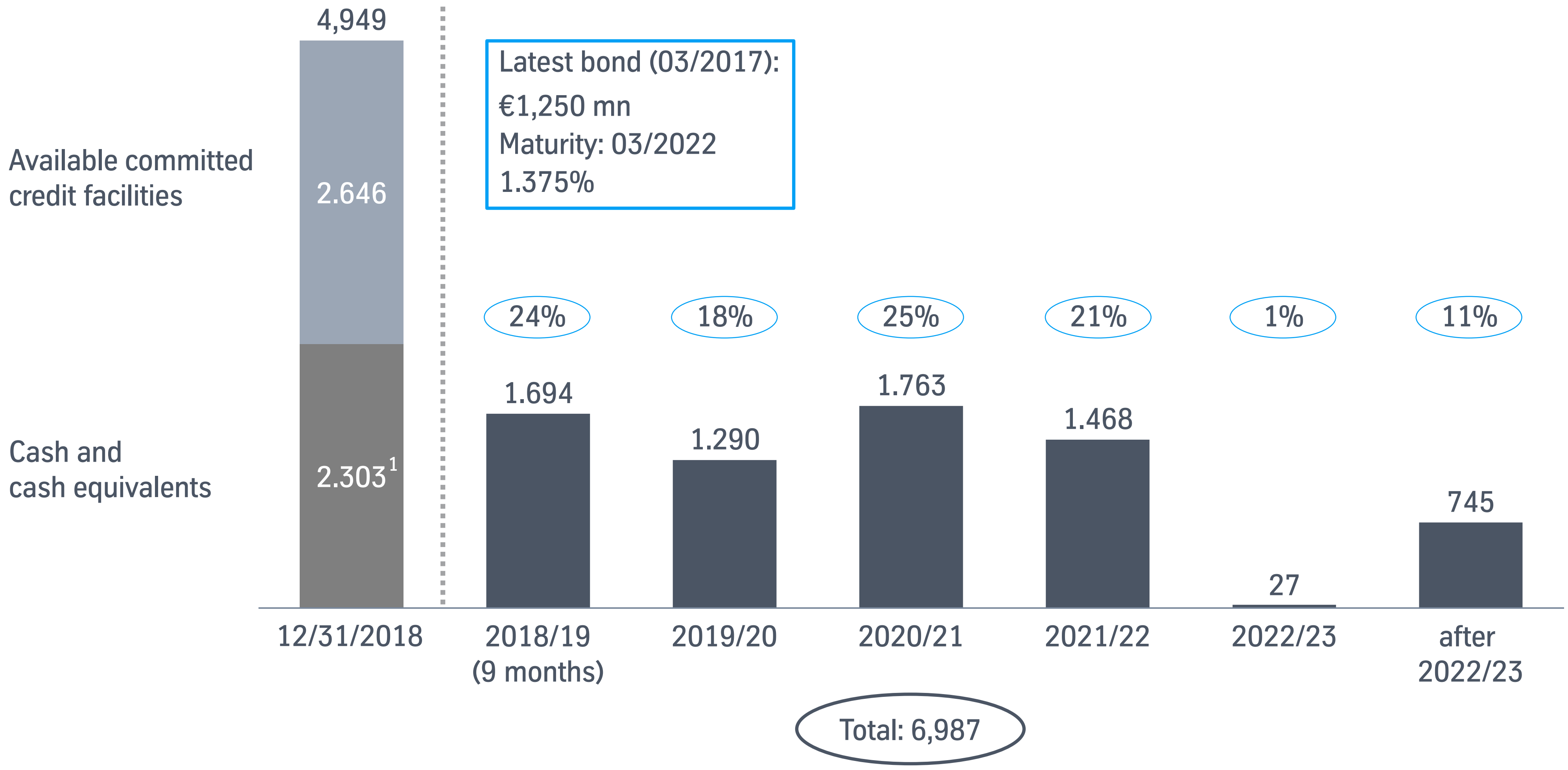




Business Area shares referring to capex excl. Corporate | 1. Including order related investments | 2. Sold in Q4 of FY 17/18 | 3. SE not included in FY 18/19 CAPEX est. as it is Discont'd Operations now | Figures incl. rounding differences

Solid financial situation

Liquidity analysis and maturity profile of gross financial debt as of December 31, 2018 [€ mn]

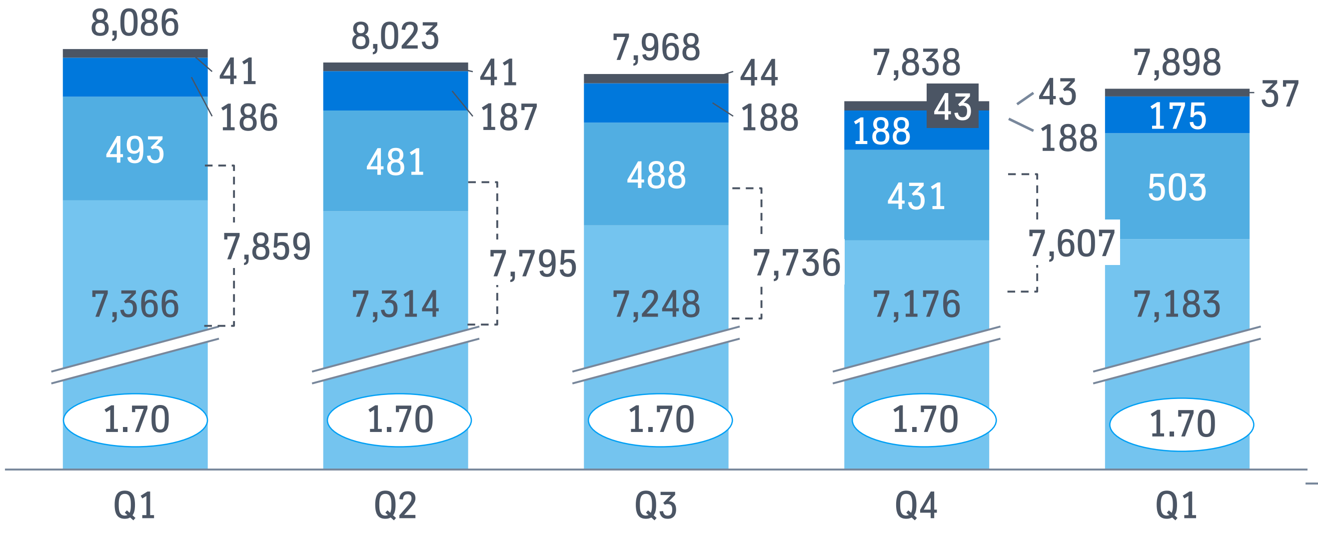


1. Incl. securities of €6 mn

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

[€ mn]

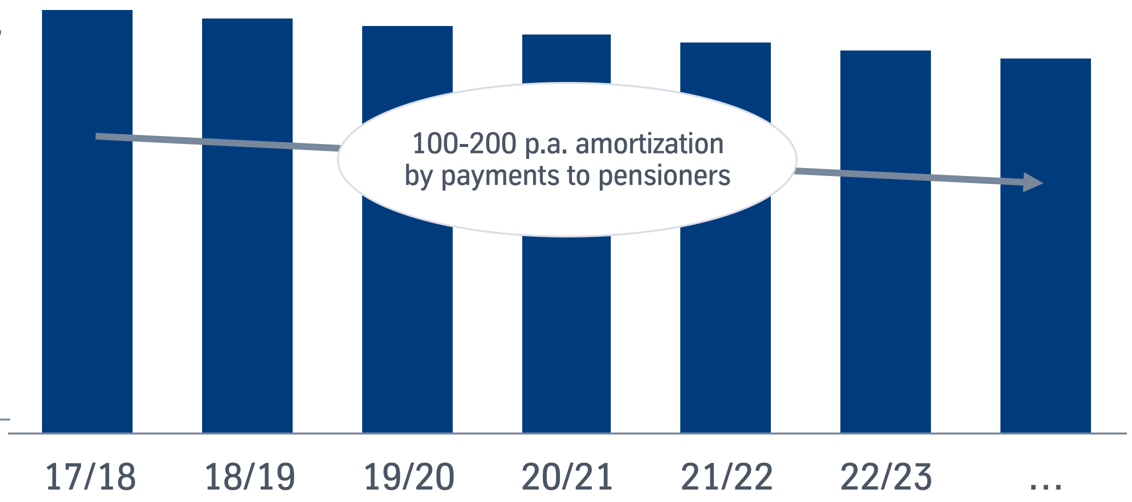
Accrued pension and similar obligations



Fluctuations in accrued pensions

- are mainly driven by increases / decreases in discount rates in Germany (>90% of accrued pensions in Germany)
- do not change payouts to pensioners
- do not trigger funding situation in Germany; and not necessarily funding changes outside Germany
- are recognized directly in equity via OCI

Development at unchanged discount rate (schematic)



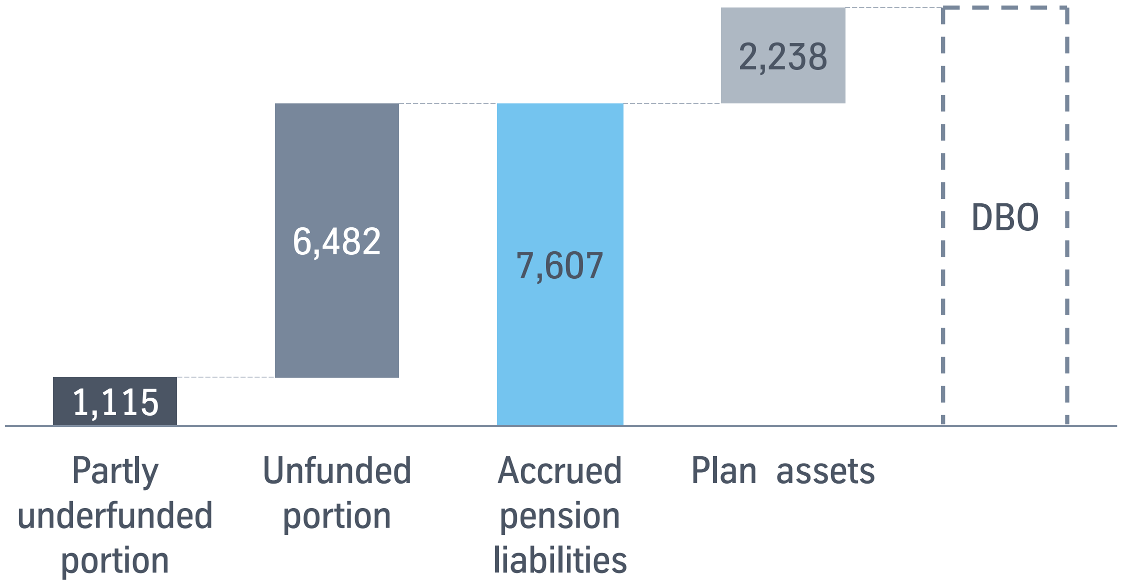
- IFRS requires determination of pension discount rate based on AA-rated corporate bonds
- Pension discount rate significant lower than interest rates of tk corporate bonds
- >90% of accrued pensions in Germany; thereof ~63% owed to exist. pensioners (average age ~76 years)

Accrued pension liability Germany | Accrued pension liability outside GER | Accruals related to partial retirement agreements | Other accrued pension-related obligation | German discount rate

Germany accounts for majority of pension plans

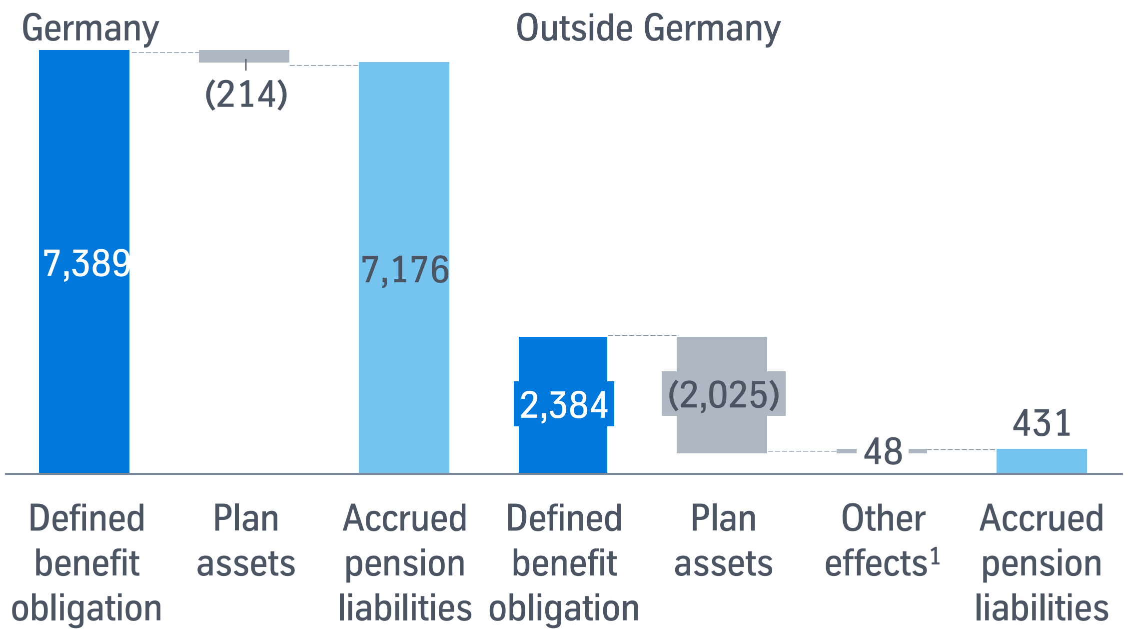
[FY 17/18; € mn]

Funded status of defined benefit obligation



- >95% of the unfunded portion in Germany; German pension regulations do not require funding of pension obligations with plan assets; therefore funding is mainly done by tk's operating assets

Reconciliation of accrued pension liabilities by region

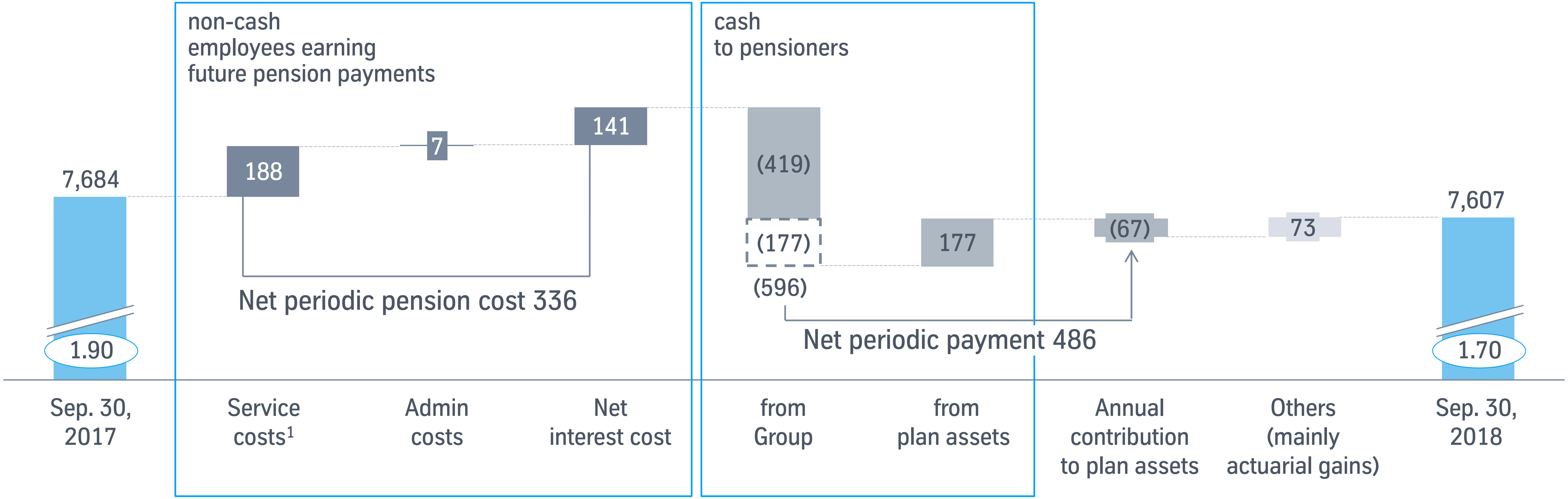


- Plan assets outside Germany mainly attributable to UK (~33%) and USA (~28%)
- Plan asset classes include national and international stocks, fixed income securities of governments and non-governmental organizations, real estate as well as highly diversified funds

1. Other non-financial assets

Mature pension scheme: payments amortize liability by ~ €150 mn (p.a.)

Reconciliation of accrued pension [€ mn]



In financial statements

P&L: personnel costs[2]	P&L: financial line	Operating Cash Flow	mainly: equity (OCI)
Cash flow statement: “changes in accrued pension and similar obligations”			

German discount rate

1.) Including past service cost and curtailments
2.) Additional personnel expenses include €160 mn net periodic pension cost for defined contribution plans

Re-conciliation of EBIT Q1 17/18 from Group p&l

Continuing operations

P&L structure

Net sales	7,942
Cost of sales	(6,739)
SG&A, R&D	(1,094)
Other income/expense	29
Other gains/losses	4
= Income from operations	142
Income from companies using equity method	1
Finance income/expense	(65)
= EBT	(77)

EBIT definition

Net sales	7,942
Cost of sales	(6,739)
SG&A, R&D	(1,094)
Other income/expense	29
Other gains/losses	4
Income from companies using equity method	1
Adjustm. for oper. items in fin. income/expense	(2)
= EBIT	142
Finance income/expense	(65)
Operating items in fin. income/expense	2
= EBT	(77)

Re-conciliation of EBIT FY 17/18 from Group p&l

Continuing operations

P&L structure

Net sales	34,777
Cost of sales	(29,847)
SG&A, R&D	(4,554)
Other income/expense	59
Other gains/losses	36
= Income from operations	472
Income from companies using equity method	(1)
Finance income/expense	(308)
= EBT	163

EBIT definition

Net sales	34,777
Cost of sales	(29,847)
SG&A, R&D	(4,554)
Other income/expense	59
Other gains/losses	36
Income from companies using equity method	(1)
Adjustm. for oper. items in fin. income/expense	(7)
= EBIT	464
Finance income/expense	(308)
Operating items in fin. income/expense	7
= EBT	163

Financial Calendar 2018/19

IR contact: +49 201-844-536480 | ir@thyssenkrupp.com

February	Roadshow London (13th) Roadshow Paris (14th) Barclays Industrial Select Conference, Miami (20th-21st)
March	BAML Global Industries Conference, London (21st) Exane BNP Paribas Basic Materials & Natural Resources Conference, London (26th)
April	Bankhaus Lampe Deutschlandkonferenz, Baden-Baden (4th)

Disclaimer thyssenkrupp AG

This presentation has been prepared by thyssenkrupp AG (“**thyssenkrupp**”) and comprises the written materials/slides for a presentation concerning thyssenkrupp. By attending this presentation and/or reviewing the slides you agree to be bound by the following conditions. The distribution of this document in certain jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.

This presentation is for information purposes only and the information contained herein (unless otherwise indicated) has been provided by thyssenkrupp. It does not constitute an offer to sell or the solicitation, inducement or an offer to buy shares in thyssenkrupp or any other securities. Further, it does not constitute a recommendation by thyssenkrupp or any other party to sell or buy shares in thyssenkrupp or any other securities and should not be treated as giving investment, legal, accounting, regulatory, taxation or other advice. This presentation has been prepared without reference to any particular investment objectives, financial situation, taxation position and particular needs. In case of any doubt in relation to these matters, you should consult your stockbroker, bank manager, legal adviser, accountant, taxation adviser or other independent financial adviser.

The information contained in this presentation has not been independently verified, and no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information contained herein and no reliance should be placed on it. To the extent permitted by applicable law, none of thyssenkrupp or any of its affiliates, advisers, connected persons or any other person accept any liability for any loss howsoever arising (in negligence or otherwise), directly or indirectly, from this presentation or its contents or otherwise arising in connection with this presentation. No representation or warranty, either express or implied, is provided in relation to the accuracy, completeness or reliability of the information contain herein.

This presentation contains forward-looking statements that are subject to risks and uncertainties. Statements contained herein that are not statements of historical fact may be deemed to be forward-looking information. When we use words such as “plan,” “believe,” “expect,” “anticipate,” “intend,” “estimate,” “may” or similar expressions, we are making forward-looking statements. You should not rely on forward-looking statements because they are subject to a number of assumptions concerning future events, and are subject to a number of uncertainties and other factors, many of which are outside of our control, that could cause actual results to differ materially from those indicated. These factors include, but are not limited to, the following: (i) market risks: principally economic price and volume developments; (ii) dependence on performance of major customers and industries, (iii) our level of debt, management of interest rate risk and hedging against commodity price risks; (iv) costs associated with, and regulation relating to, our pension liabilities and healthcare measures; (v) environmental protection and remediation of real estate and associated with rising standards for real estate environmental protection; (vi) volatility of steel prices and dependence on the automotive industry; (vii) availability of raw materials; (viii) inflation, interest rate levels and fluctuations in exchange rates; (ix) general economic, political and business conditions and existing and future governmental regulation; and (x) the effects of competition.

Any assumptions, views or opinions (including statements, projections, forecasts or other forward-looking statements) contained in this presentation represent the assumptions, views or opinions of thyssenkrupp as of the date indicated and are subject to change without notice. thyssenkrupp neither intends, nor assumes any obligation, unless required by law, to update or revise these assumptions, views or opinions in light of developments which differ from those anticipated. All information not separately sourced is from internal company data and estimates. Any data relating to past performance contained herein is no indication as to future performance. The information in this presentation is not intended to predict actual results, and no assurances are given with respect thereto.

Throughout this presentation a range of financial and non-financial measures are used to assess our performance, including a number of the financial measures that are not defined under IFRS, which are termed ‘Alternative Performance Measures’ (APMs). Management uses these measures to monitor the group’s financial performance alongside IFRS measures because they help illustrate the underlying financial performance and position of the group. These APMs should be considered in addition to, and not as a substitute for, or as superior to, measures of financial performance, financial position or cash flows reported in accordance with IFRS. APMs are not uniformly defined by all companies, including those in the group’s industry. Accordingly, it may not be comparable with similarly titled measures and disclosures by other companies.