Transforming to sustained value creation

Martina Merz, CEO
thyssenkrupp Capital Market Day 2021
It is time for an update!

- ~2 years ago: transformation started
- Clear target: value creation by topline growth and cash flow focus
- Disruption: Covid-19 and chip shortage

Time for an update

- Structural changes in portfolio and organization
- Operational improvements – latest view on our businesses
Enabler ET sale
Essen, December 2nd, 2021 | Capital Market Day 2021 | thyssenkrupp AG

Profitability

Size/volume

Focus
Focus – what has been achieved

- **05/2020**: Portfolio review, creation of dual & multi tracks
- **End 2020/early 2021**: Start of structured consolidation process for SE
- **FY 20/21**: Successful divestments in MT segment
Focus – what is yet to come

- MX
- IC (BG, FT)
- AT
- SE
- MS
- MT

- Stand-alone set-up
- Consolidation reasonable
- Further divestments & UCE IPO
2 Improve
Improve – what has been achieved

• Performance orientation increased
• Value lever approach established
• Financial planning substantiated
• Restructuring program launched

2020/21: delivered as promised
Improve – what is yet to come

~50% today | defined | to come | target

Benchmark performance as entry-ticket for scale for all businesses!
Improve needs to and will happen in the business!

Benchmark performance sine qua non for all our businesses +

- MX Digital and MaaS
- FT Transformation to non-ICE
- BG Wind, wind, wind and more
- AT Expand position, esp. ST & E/E
- SE Performance and green transformation
- MS Project excellence

Solid basis for scale
Improving in ESG is an integral part of our journey

$\text{CO}_2$ targets as already announced in 2019

-30% scope 1 & 2 until 2030
-16% scope 3 until 2030
Climate neutral until 2050

SBTi approved in 2019
Sustainability targets anchored in governance and linked to initiatives
Continuous improvement in ESG in last two fiscal years

<table>
<thead>
<tr>
<th>Environment</th>
<th>Social</th>
<th>Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>-4.5% CO₂ emission intensity¹</td>
<td>+25% Female share in Supervisory Board</td>
<td>+3 Sustainability targets in LTI²</td>
</tr>
<tr>
<td>-48% Waste for disposal</td>
<td>-10% Accident frequency rate</td>
<td>+7% Compliance employees</td>
</tr>
</tbody>
</table>

¹ CO₂ emissions in tons per million € sales without steel activities (SE+AST)  
² Diversity, OSH, climate targets in Long Term Incentive for Top Management incl. Executive Board
Ratings underline leading ESG position of thyssenkrupp

CDP A-Rating
Among the top 5% of companies for the last 5 years

MSCI rating "AA"
Among the top 20% of companies in 2021

Ecovadis Silver-Status
Among the top 25% of companies since 2019

Sustainalytics
In the top 30% of the "Industrial Conglomerates" sector in 2021
Scale – capture attractive growth close to current scope

- Scale current scope
  - Enable scale (parenting strategy)
    - Grow green
    - Grow digital
  - Scale adjacencies
  - Bolder transformative moves
Many scale opportunities already in our current portfolio

- Hydrogen / UCE
- Automotive Technology
- Bearings / tk Rothe Erde
- Materials Services
UCE – one attractive scale business

A technology leader in water electrolysis – set to benefit from strong demand for green hydrogen production technology

Promising pipeline of several large-scale projects

Examining strategic options how to optimally develop tkUCE going forward – IPO preferred route to crystallize value

tkUCE to remain key to tk’s investment case – tk will continue to hold a majority shareholding

Dedicated tkUCE Capital Markets Day on January 13, 2022
Enabling Scale is more than access to financial capital

Benchmark performance + sustainable competitive market positions
Organization will be developed further towards GoC

From …

thyssenkrupp

To …

Group of companies with flexible ownership models for maximum value creation
To wrap it up – our commitments

Full transformation to group of companies
- Lean holding – clear value orientation
- Independent businesses with industrial vision and margin and growth orientation

Execution, execution, execution
- Ongoing divestments in MT – stand-alone solution for SE
- Continuation of performance measures and ESG upgrades

FCF > 0
Resumption of reliable dividend as clear target
engineering. tomorrow. together.
Transforming to sustained value creation

Dr. Klaus Keysberg, CFO
thyssenkrupp Capital Market Day 2021
## Improve – What has been achieved

<table>
<thead>
<tr>
<th></th>
<th>18/19</th>
<th>19/20</th>
<th>20/21</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Order intake [€ bn]</strong></td>
<td>33.8</td>
<td>28.2</td>
<td>39.6</td>
<td>+41%</td>
</tr>
<tr>
<td><strong>Sales [€ bn]</strong></td>
<td>34.0</td>
<td>28.9</td>
<td>34.0</td>
<td>+18%</td>
</tr>
<tr>
<td><strong>EBIT adj. [€ mn]</strong></td>
<td>(110)</td>
<td>(1,759)</td>
<td>796</td>
<td>+2.6 bn</td>
</tr>
<tr>
<td><strong>FCF bef. M&amp;A [€ mn]</strong></td>
<td>(1,756)</td>
<td>(5,515)</td>
<td>(1,273)</td>
<td>+4.2 bn</td>
</tr>
</tbody>
</table>

- Incl. “Big Ticket” of ~€5.5 bn at MS
- All segments up, also by post-pandemic market tailwinds
- All segments up; incl. loss of MT €(298) mn ytd
- Price driven NWC build-up
- High cashout for restructuring and invest (~70% above D/A) for performance and value generation
- Incl. -ve BCF of MT €(284) mn

**Note:** Continuing operations
FYE 21/22: Underlying assumptions

- GDP growth\(^1\) in EU (+4.4\%), US (+4.4\%) and China (+5.2\%)
- Supportive fundamentals for steel and industrial materials
- Continued strong end customer demand for cars, trucks
- Green energy trend a tailwind for water electrolysis

Favorable underlying trading conditions ...

... however, effects from temp. supply chain constraints (e.g. SEMI) and higher factor costs have to be monitored

\(^1\) IHS Markit
**Sales**
Up by mid 1-digit % range YoY [PY: €34.0 bn]

**EBIT adj.**
~€1.5 -1.8 bn
- mainly SE higher YoY
- Temp. slower customer call-offs
- High raw material costs
- Cash profiles at project businesses

**FCF bef. M&A**
- EBIT adj. [PY: €0.8 bn]
- D/A
- Invest
- NWC
- Restruc.
- Others
- FCF bef. M&A [PY: €(1.3) bn]

**Net Income**
At least €1 bn [PY: €(19) mn]

**Dividend**
Resumption of reliable dividend payments a clear target

---
1. Mainly pensions, taxes, interest

Essen, December 2nd, 2021 | Capital Market Day 2021 | thyssenkrupp AG
Outlook Q1: Up YoY and in line with expectations

<table>
<thead>
<tr>
<th></th>
<th>Q1 FY 19/20</th>
<th>Q1 FY 20/21</th>
<th>Q1E FY 21/22</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales [€ bn]</strong></td>
<td>7.6</td>
<td>7.3</td>
<td></td>
<td>Higher prices at Materials businesses</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>First effects from contract renewals at SE</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Slow call-offs by auto producers (SEMI)</td>
</tr>
<tr>
<td><strong>EBIT adj. [€ mn]</strong></td>
<td>(185)</td>
<td>78</td>
<td></td>
<td>SE, MX up – margin expansion</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>AT lower – slow call-offs by auto producers, higher factor costs</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>IC lower – temp. dip in demand for wind energy (mainly caused by China)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>MT up - structural improvements</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>– slow and not reliably predictable customer (auto) call-offs</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>– at Materials businesses with higher prices</td>
</tr>
</tbody>
</table>

Note: Continuing operations

Essen, December 2nd, 2021 | Capital Market Day 2021 | thyssenkrupp AG
**Mid-term targets: Milestones on our performance journey**

**EBIT adj. %**
Increase to a range of 4-6%

**FCF bef. M&A**
Sig. +ve by progress in performance and transformation

**Dividend**
Resumption of **reliable dividend payments** a clear target

---

*Note: Mid-term targets related to actual Group portfolio; starting point FY 20/21; depending on actual market challenges (e.g. Covid-19 development, supply chain issues and factor cost increases) and cyclicality in businesses.*

Essen, December 2nd, 2021 | Capital Market Day 2021 | thyssenkrupp AG
### Mid-term targets: each segment with clear commitment

<table>
<thead>
<tr>
<th>Segment</th>
<th>Top line</th>
<th>Bottom line</th>
</tr>
</thead>
<tbody>
<tr>
<td>MX</td>
<td>Shipments &gt;6 mt</td>
<td>EBIT adj. % 2-3%</td>
</tr>
<tr>
<td>IC (BG, FT)</td>
<td>Sales growth 3-5%&lt;sup&gt;2,3&lt;/sup&gt;</td>
<td>≥10%</td>
</tr>
<tr>
<td>AT</td>
<td>Sales growth &gt; market</td>
<td>7-8%</td>
</tr>
<tr>
<td>SE</td>
<td>Shipments ~11 mt</td>
<td>Sales growth ~6%&lt;sup&gt;2&lt;/sup&gt;</td>
</tr>
<tr>
<td>MS</td>
<td>Portfolio streamlining and structural improvement; scaling of UCE business</td>
<td></td>
</tr>
<tr>
<td>MT</td>
<td>Adjustment of costs, aligned with portfolio development</td>
<td></td>
</tr>
</tbody>
</table>

**Note:** Starting point FY 20/21; depending on actual market challenges (e.g., Covid-19 development, supply chain issues and factor cost increases) and cyclical nature in businesses; ROCE = EBIT / Ø Capital Employed; CCR = BCF / EBIT

1. Only Materials Stockholding and Processing; excl. mainly direct-to-customer business
2. CAGR
3. Excl. compressed passenger car segment
4. Excl. Green transformation
engineering.
tomorrow.
together.
Transforming to sustained value creation

Wrap-up – Martina Merz, CEO
thyssenkrupp Capital Market Day 2021
Transforming to sustained value creation: investment case

1. Comprehensive transformation plan and execution track record

2. Ownership and management fully aligned and focused

3. Full commitment to transformation as well as benchmark performance & returns

4. Future proof portfolio, strong technology core, and digital competence as base for profitable growth
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.