Executive board with strong business acumen

Martin Stillger
Chairman of the Executive Board since 2019

- Extensive experience in business management within and outside thyssenkrupp
- Many years of expertise in the materials and services business
- As sales expert strongly involved in the design of the holistic integrated customer management

Ilse Henne
Chief Transformation Officer since 2019

- Extensive international experience in corporate management within thyssenkrupp
- Broad background with master’s degrees in linguistics, literature, and business administration
- Driven by the concept of change

Marc Schlette
Chief Human Resources Officer since 2020

- Many years of experience in human resources management within and outside thyssenkrupp
- Successful management of labor relations and resolution of labor conflicts
- Strong relations to trade unions

Daniel Wodera
Chief Financial Officer since 2019

- Restructuring and turnaround of the stainless steel business (AST)
- Leading financial responsibilities in multiple businesses at thyssenkrupp since 2008
- Driver of multiple cost saving and performance programs with significant impact
Leading materials processor and service provider across Europe and North America
Materials Services fuels global industry by processing materials and providing supply chain services

Materials distributor rankings

- **#1** Germany
- **#1** Europe¹
- **#3** North America

Geographic presence

- 30+ countries
- ~400 branches
- ~15,500 employees

Serving ~250,000 customers worldwide

Annual purchase volume of ~€10 bn

1. Mill-independent materials distributors
Materials Services is the 1st choice partner for reliable materials processing and supply chain services
Saving our customers significant time, labor, expense, and net working capital

~70%
of all orders delivered within 48 hours

95–100%
on time in full rates

~260
local warehouses close to customer sites for high flexibility and carbon-efficient delivery

Global sourcing
with access to offices in more than 30 countries keeps our customers’ supply chains healthy and moving

3.5 mn sq meters
warehouse space globally as backbone to serve global accounts
Serving diversified customers with materials for industrial production

Our portfolio is diversified across materials, end markets, and attractive geographic regions

Flexible multi-material portfolio

- Pipes and tubes: 5%
- Stainless steel: 13%
- Non-ferrous metals: 19%
- Carbon steel: 42%
- Plastics: 5%
- Raw materials: 3%
- Others: 13%

Serving diversified end markets¹ (exemplary customers)

- Automotive: 23%
- Construction: 14%
- Machinery: 12%
- Machine shops: 11%
- Distributors: 10%
- Metal goods and components: 6%
- Aerospace: 4%
- Other industries: 20%

Sales diversified across business models

- Raw materials and trading: 22%
- Distribution: 49%
- Supply chain services: 29%

With global footprint focused on Europe and North America¹

- North America: 27%
- Europe²: 37%
- Germany: 35%
- Asia/Pacific: 1%
- Middle East/Africa: <1%
- South America: <1%
- Other regions: 13%

Note: Based on FY 20/21 | 1. Excluding Materials Trading, and Technical Services | 2. Excluding Germany
Materials Services is able to continuously adapt its business

- **Founded**: 1896
- **Regional and business expansion**: 1950s – 2000s
- **Entry into e-commerce**: Since 2007
- **Holistic digitalization**: Since 2016
- **Focus portfolio**: Since 2019
- **Profitable growth**: Since 2020
- **Grow new solutions**: Since 2021
- **Inorganic growth**: As of 2022

- **E-commerce business** mainly in US, later in Europe as well
- **Holistic digitalization** for internal efficiency and superior customer service
- **Focus on core business and streamline portfolio**
- **Organic growth**
- **Digital and green business models**
- **M&A in N.A.**
Business model provides attractive financial metrics
Delivers steady positive cash flow over the cycle with a favorable risk profile and a positive outlook

- **Consistent business cash flow** driven by efficient net working capital management, including the ability to release cash in market downswings

- Over the cycle, high EBIT adj. to business cash flow, **cash conversion rate of ~0.8**\(^1\)

- Low capex requirements at ~1.5\(^2\) of sales. 50% of capex is lease and therefore **not a long-term fixed liability**

- **Asset light** business model – ~80% of capital employed is net working capital and easy to be released in markets when necessary

- **Increase in cash flow** from EBIT growth at constant cash conversion rate while growing ambitiously through consolidating and scaling towards industry benchmark net working capital to sales ratio

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Note: Business cash flow excluding effects from factoring | 1. Measured from FY 14/15 to FY 20/21 | 2. Includes capitalization of operating leases (IFRS 16)
Normalizing volumes after Covid-19 and surging prices in FY 20/21
Current outlook stronger than historical level with ROCE above capital costs

<table>
<thead>
<tr>
<th></th>
<th>FY 18/19A</th>
<th>FY 19/20A</th>
<th>FY 20/21A</th>
<th>FY 21/22E</th>
<th>Mid-term target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shipments(^1) (k) tons</td>
<td>5,784</td>
<td>5,087</td>
<td>5,265</td>
<td></td>
<td>&gt;6,000</td>
</tr>
<tr>
<td>Sales (€ mn)</td>
<td>12,357</td>
<td>9,895</td>
<td>12,315</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross margin (%) of sales</td>
<td>12.0%</td>
<td>12.1%</td>
<td>15.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBIT adjusted (€ mn)</td>
<td>101</td>
<td>(85)</td>
<td>587</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(\text{EBIT adjusted} \ % \text{of sales})</td>
<td>0.8%</td>
<td>(0.9%)</td>
<td>4.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROCE</td>
<td>2.2%</td>
<td>(17.8%)</td>
<td>23.0%</td>
<td></td>
<td>&gt;9%</td>
</tr>
<tr>
<td>BCF (€ mn)</td>
<td>33</td>
<td>(870)(^2)</td>
<td>106</td>
<td></td>
<td>&gt;200</td>
</tr>
<tr>
<td>CCR(^3)</td>
<td>0.3</td>
<td>n/a</td>
<td>0.2</td>
<td></td>
<td>~0.8</td>
</tr>
<tr>
<td>FTE</td>
<td>17,526</td>
<td>15,738</td>
<td>15,547</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Only Materials Stockholding and Processing; excl. mainly direct-to-customer business  
2. Includes ~€1,300 mn reduction of financing instruments (mainly factoring)  
3. CCR (BCF / EBIT adj.)

• Normalizing after Covid-19 recover near FY 18/19  
• Based on constant prices  
• Normalization of gross margin but rising higher compared to FY 18/19  
• Declining due to normalized gross margin but operationally stronger than before crisis due to strong price discipline and reduced cost quota via restructuring  
• Decreasing due to normalized gross margin but stronger than FY 18/19 by further scaling of assets and thus earning costs of capital  
• Continuously tight NWC management driving cash flow and CCR to a new level  
• Slight increase because of further volume recovery
Growth and new solutions levers increase while maintaining high level of efficiency measures

Adjusted EBIT growth from FY 20/21 to mid-term results in ROCE above cost of capital

<table>
<thead>
<tr>
<th>FY 20/21</th>
<th>Growth</th>
<th>Efficiency and consolidation</th>
<th>New customer solutions</th>
<th>Mid-term</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>One-time positive pricing effect</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cost inflation, other</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**ROCE >9%**

**Mid-term target**

<table>
<thead>
<tr>
<th>Shipments(^1) k tons</th>
<th>&gt;6,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT adjusted in % of sales</td>
<td>2–3%</td>
</tr>
<tr>
<td>ROCE</td>
<td>&gt;9%</td>
</tr>
<tr>
<td>BCF</td>
<td>&gt;200</td>
</tr>
<tr>
<td>CCR</td>
<td>~0.8</td>
</tr>
</tbody>
</table>

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1. Only Materials Stockholding and Processing; excl. mainly direct-to-customer business
Materials Services: Creating a world in which resources are used in the best possible way, for joint success and a sustainable future

Investment highlights

1. **Market leader in attractive markets**
   Leading, mill-independent materials distributor and service provider with ~250,000 customers across all industry segments and a diverse global supplier base

2. **Growth in North America**
   North America represents an attractive opportunity with a strong growth and margin profile combined with the fragmented nature of the market

3. **Improved cost basis in Europe**
   Efficiency from scale realized via a consolidated logistics and warehousing network enabled by Materials Services’ IT backbone and digitalization strategy

4. **New customer solutions in digital supply chain management and sustainability**
   Growth strategy “Materials-as-a-Service” tackling the fast-growing market of supply chain solutions for additional margin upside, higher business resilience
## Market leader in attractive markets | Market-leading positions in Europe and North America

Attractive growth profile in excess of the expected market growth

### Mill-independent materials distributor rankings

<table>
<thead>
<tr>
<th>Region</th>
<th>#1</th>
<th>#2</th>
<th>#3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>thyssenkrupp</td>
<td>thyssenkrupp</td>
<td>thyssenkrupp</td>
</tr>
<tr>
<td>North America</td>
<td>thyssenkrupp</td>
<td>thyssenkrupp</td>
<td>thyssenkrupp</td>
</tr>
</tbody>
</table>

### tkMX volume growth outperformance

<table>
<thead>
<tr>
<th>Region</th>
<th>tkMX Volume Growth</th>
<th>Market Volume Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>3.4%</td>
<td>2.1%</td>
</tr>
<tr>
<td>North America</td>
<td>5.4%</td>
<td>3.9%</td>
</tr>
</tbody>
</table>

### tkMX key growth drivers

- Specializing in aluminum and other non-ferrous materials allowed tkMX to be a first mover in the strong-growing electric vehicle market.
- Global procurement capabilities enable tkMX to increasingly offer flexible and redundant sourcing of materials needed after pandemic disruption of supply chains.
- Modest recovery of aerospace build rates, in which tkMX has a leading position.
- Greenfield investments become operational.

Growth in North America

Actively pursue organic and inorganic growth opportunities.

tkMX will grow its presence in North America due to the relative market dynamics.

- **#3 position** in a highly fragmented market presents opportunity to scale.
- Stronger market growth of **3.9%** vs. 2.1% in Europe.
- Higher margins of **~4%** vs. margins of ~2% in Europe.
- Increasing North America investment share mid-term to **80%** from 30% historically, resulting in an estimated greenfield growth investment of **€110 mn** with **ROCE above 14%**.
- Strategic M&A in attractive companies to enter **new geographic locations** or high-growth markets.

Woodstock, AL expansion complete

Steel Dynamics mill – Sinton, TX (Site of future tkMX greenfield project)
Improved cost basis in Europe I Consolidation to serve customers more efficiently

Digitalization as well as network and portfolio optimization lead to significantly improved cost base

Optimize existing capacity through **digitalization** without disruption to growth plan

**Reduction in labor force** while providing same level of service to the customer

**Sell / close** non-value-adding group companies

---

Continued digitalization path to use capex more efficiently, including closing **25% of sites** across Europe with consolidation activities ~**70% complete**

Boost labor productivity\(^1\) mid-term by **20%** vs. FY 18/19 through the reduction of 2,400 FTEs (80% complete)

**Focus on core subsidiaries** and constantly evaluate the portfolio. Seven companies have been moved out of tkMX or closed, including Acciai Speciali Terni and Infrastructure

---

1. Measured as tons per full-time equivalent
4 New customer solutions | Driven by megatrends digital supply chain and sustainability

New products with upside in market potential of additionally ~€66 bn

Need for carbon-reduced supply chains in response to public sentiment and climate action adds new potential to already existing supply chain design demand

Covid-19 increased the need for more resilient supply chains that tkMX can fulfill due to its global coverage, supply chain know-how, and procurement power

tkMX to build on first-mover advantage in data-driven materials supply chain design (e.g., Boeing)

Growth with sustainability
Solutions for the scope 3 CO₂ reduction of our customers

€30 bn 8%

Growth in digital supply chain
Optimization services for design, planning, control and, execution of global supply chains

€36 bn 10%

Growth in base business
Introduce new value-added services and green products

€167 bn 2%

Market Size | CAGR
€30 bn | 8%
€36 bn | 10%
€167 bn | 2%

Source: Expert interviews and external studies | 1. Over the next 5 years
Outperforming in sustainability: Our ESG ambition

Climate strategy
CO₂ emissions (k metric tons)

- We will operate climate-neutral by 2030!
- Energy-efficiency programs including lighting, vehicles, and renewable energy

<table>
<thead>
<tr>
<th></th>
<th>FY 17/18</th>
<th>FY 20/21</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 17/18</td>
<td>189</td>
<td>138</td>
</tr>
<tr>
<td>FY 20/21</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Health and safety
Accident frequency rate¹

- We have a vision of zero accidents!
- Implementation of safety measures in all operations

<table>
<thead>
<tr>
<th></th>
<th>FY 15/16</th>
<th>FY 20/21</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 15/16</td>
<td>5.2</td>
<td>2.3</td>
</tr>
<tr>
<td>FY 20/21</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Social responsibility
Women in leadership positions

- We foster diversity and enrich the communities we live in!
- Executive pay linked to performance, sustainability, and diversity goals

<table>
<thead>
<tr>
<th></th>
<th>Sep-14</th>
<th>Sep-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sep-14</td>
<td>7.3%</td>
<td>14.9%</td>
</tr>
<tr>
<td>Sep-21</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Accident Frequency Rate: Number of accidents with lost days per 1mn working hours: absence longer than 24hrs

Ongoing local and global funding activities and volunteering days strengthen our connections to the communities we live in.
Materials Services: Committed to realizing sustainable shareholder value

Conclusion

Leading materials processor and service provider across Europe and North America with ~250,000 customers

Industry leader providing new services and products such as supply chain optimization and new sustainable materials

Deliver above-market growth through organic and inorganic opportunities, especially in North America

Significantly improved cost basis in Europe through digitally driven internal footprint consolidation and operational efficiency measures

Achieve ROCE >9% in the mid-term with efficient use of net working capital

Provider of a positive cash flow to its shareholders even in years of downturns with expected average business cash flow above €200 mn for the upcoming years
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