newtk – the new thyssenkrupp

Ticker: TKA (Share)  TKAMY (ADR)

May 2019
Group separation no longer the best option

- Weaker economic fundamentals with effects on current business development
- Share price also under pressure reflecting doubts on rational for separation
- Tight B/S further burdened by payment for cartel investigation settlement
- Expected veto of Steel JV and reintegration of Steel Europe lead to reassessment of Group portfolio

Fundamental revision of strategy
FLEXIBLE PORTFOLIO to maximize performance and value by business-specific ownership structures

PERFORMANCE FIRST

Value-driven exploitation of consolidation opportunities
SE and MX

- Steel Europe:
  - Focus on efficient repositioning
  - Consolidation still sensible, but on a large scale currently not possible (EU Commission)
- Materials Services: Assessing consolidation options

Value-driven development
CT (auto), IS, MS, BG & FT

- CT (auto): Development of a strong automotive business
- Industrial Solutions: Focus on turnaround
- Open to new, value creating options: partnerships and combinations in respective markets (also for business units)

Majority Stake

Open for different ownership structures incl. Minority Stakes

Value realization and crystallization
ET

- Start of IPO process for Elevator:
  - Financial headroom for Group restructuring
  - Catalyst for additional performance improvement of ET
  - Elevator shares as „currency“ for further development of ET

IPO
newtk - the new thyssenkrupp

**PERFORMANCE FIRST**
- Leverage business USP into a leading market position and benchmark profitability
- FCF bef. M&A target of ≥ €1 bn in FY 20/21 confirmed
- Reduction of 6,000 jobs over the next 3 years to support performance targets
- Performance driven culture with respective incentive schemes

**FLEXIBLE PORTFOLIO**
- Majority-owned Materials businesses (SE and MX); consolidation opportunities
- Open for different ownership structures; value-driven development of CT-Auto, IS, MS, Bearings & Forged
- IPO of ET – value realization and crystallization, faster performance improvement

**PEOPLE-CENTRIC & EFFICIENT ORGANIZATION**
- Comprehensive definition of a new leadership structure and development of employees
- Stronger entrepreneurial spirit in our businesses in accordance with our values
- Leadership through lean Corporate center with costs <€200 mn
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 contained 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 risks 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.