

Presentation / Facts & Figures

Ticker: TKA (Share) TKAMY (ADR)

November 2016

December 9th, 2016
tk headquarters, Essen, Germany
tk Capital Market Day 2016
Meet Management
Spend a day with all CEOs and CFOs
(more information on charts 24-25)

engineering.tomorrow.together.



thyssenkrupp

Content

Presentation

slides 03-19

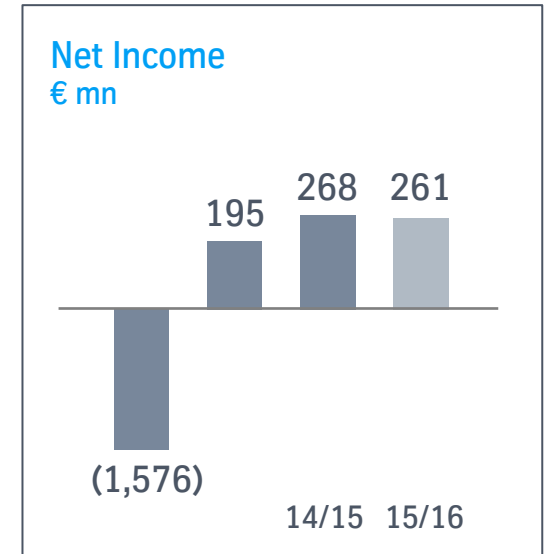
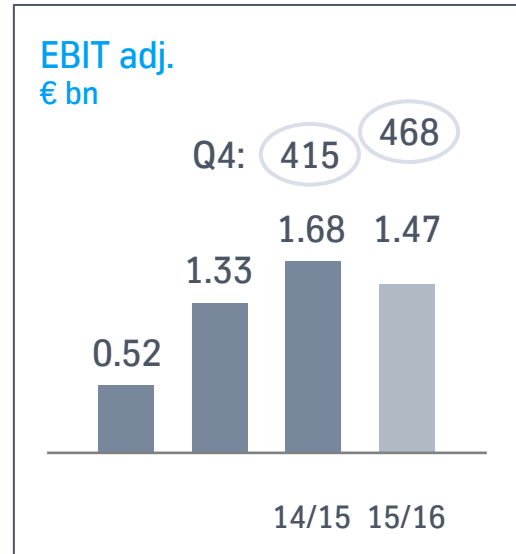
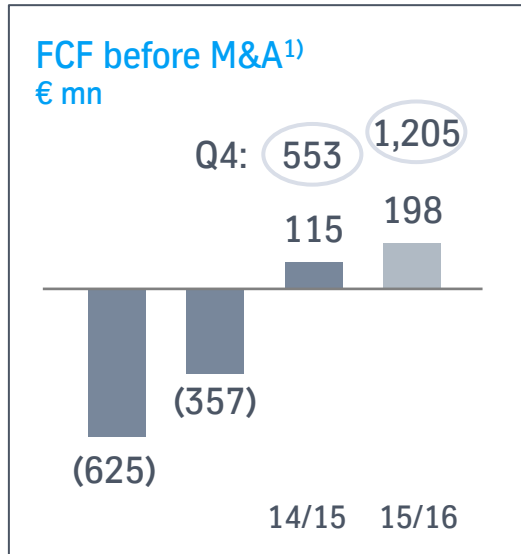
- Quarterly Update – Q4
- Group Overview

Facts & Figures

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Positive Net Income and FCF despite difficult Materials environment in H1

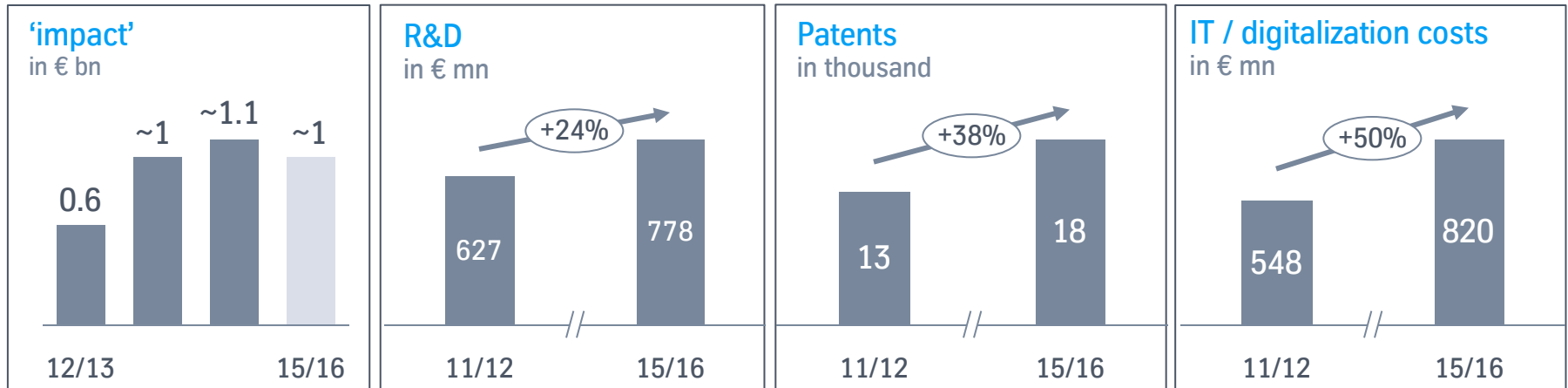


- Strong cash performance and €1 bn 'impact' effects
- Increasing focus on CapGoods and 'impact' execution stabilize in difficult materials environment
- Transformation programs initiated: 'planets' at Industrial Solutions, 'one steel' at Steel Europe
- Steel Americas with sig. improved performance and opportunity profile: pos. BCF, 100% ownership CSA, final operating license
- Dividend proposal of € 0.15 unchanged yoy

¹⁾ FY 12/13, 13/14: FCF before divestments



Innovation and sustainability driven growth of our value pipeline



- Technologies for the energy transition
 - RedOx Flow: storage of renewable energy; grid stability (IS)
- Sustainable mobility
 - Electric Powered Steering: >€7 bn of orders on hand (CT)
 - Production technology for car batteries with high storage capacity (IS)
- Intelligent manufacturing
 - MULTI: proof of concept, prototype in test tower Rottweil (ET)
 - MAX, HoloLens: step change in elevator service/ efficiency (ET)
- Cross-sector innovation - Carbon2Chem
 - Re-use of CO₂ for base chemicals production (IS, SE)
- Ranked among the world's leading companies in climate protection by CDP in 2016



Order intake: Q4 with growth at Elevator and Steel Americas

FY impacted by adverse Materials market in H1 and lower orders at IS

[€ mn]

	14/15	15/16			14/15	15/16		
	Q4	Q4	yoy	ex F/X ¹⁾	FY	FY	yoy	ex F/X ¹⁾
Group ²⁾	10,170	9,188	-10%	-9%	41,318	37,424	-9%	-8%
Components Technology (CT)	1,699	1,647	-3%	-2%	6,826	6,740	-1%	-1%
Elevator Technology (ET)	1,895	1,940	2%	4%	7,704	7,631	-1%	-1%
Industrial Solutions (IS)	1,720	746	-57%	-57%	4,871	3,461	-29%	-29%
Materials Services (MX)	3,104	2,949	-5%	-3%	13,945	11,840	-15%	-10%
Steel Europe (SE)	1,883	1,852	-2%	-2%	8,421	8,146	-3%	-3%
Steel Americas (AM)	308	485	57%	58%	1,723	1,525	-11%	-14%

- **CT:** Growth in light vehicles (LV) components vs. weakness in trucks and industry components
- **ET:** New installations (NI) with strong growth in USA and South Korea; slowdown in China but units at tk up (incl. & excl. Marohn); order backlog ~€5 bn
- **IS:** Q1 with record ticket in cement, but Q2 - Q4 w/o big ticket orders; customer cautiousness for chemical plants and new mining projects; no marine big ticket (prior year: sub & corvette); promising project funnel across all activities
- **Materials:** Q4 with still slightly weaker orders at MX and SE, strong price and volumes improvements at AM

¹⁾ Adjusted for F/X and portfolio changes | ²⁾ Corp./Cons. Q4: (439), (430); FY: (2,172), (1,919)



Sales: Q4 with growth at Components and Steel Americas

FY impacted by adverse Materials market in H1 and fewer billings at IS
[€ mn]

	2014/15 Q4	2015/16 Q4	yoy	ex F/X ¹⁾	2014/15 FY	2015/16 FY	yoy	ex F/X ¹⁾
Group ²⁾	10,561	9,997	-5%	-4%	42,778	39,263	-8%	-7%
Components Technology	1,666	1,685	1%	3%	6,753	6,807	1%	1%
Elevator Technology	1,960	1,942	-1%	1%	7,208	7,468	4%	4%
Industrial Solutions	1,672	1,401	-16%	-16%	6,256	5,744	-8%	-8%
Materials Services	3,261	2,972	-9%	-5%	14,254	11,886	-17%	-11%
Steel Europe	2,165	1,969	-9%	-9%	8,697	7,633	-12%	-12%
Steel Americas	376	478	27%	27%	1,773	1,489	-16%	-18%

- **CT:** Growth in LV and wind power components vs. weakness in trucks and constr. / mining equip. components
- **ET:** New installations (NI) with growth in USA and South Korea; Europe and China with slight growth
- **IS:** Temporarily down due to lower number of milestone billings in chemical plant construction, mining equipment and naval shipbuilding
- **Materials:** MX and SE lower prices and vols in Q4 and FY (higher carbon steel prices at MX in Q4)
AM higher prices and vols in Q4 (lower prices, higher vols in FY)

¹⁾ Adjusted for F/X and portfolio changes | ²⁾ Corp./Cons. Q4: (539), (449); FY: (2,163), (1,765)



EBIT adj.: Q4 yoy up; growth at CT and ET, significant improvement at AM

FY with adverse Materials markets in H1 and partially lower utilization at IS

[€ mn]

	14/15	15/16				14/15	15/16	
	Q4	Q3	Q4	qoq	yoy	FY	FY	yoy
Group ¹⁾	415	441	468	6%	13%	1,676	1,469	-12%
CT	72	100	79		10%	313	335	7%
ET	237	225	246		4%	794	860	8%
IS	127	43	68		-46%	424	355	-16%
MX	66	52	62	19%		206	128	-38%
SE	133	91	108	19%		492	315	-36%
AM	(94)	39	67	72%		(138)	(33)	+105 mn

- **CT:** 6 seq. quarters with earnings and margins up yoy; FY margin at 4.9% (prior year 4.6%)
- **ET:** 16 seq. quarters with earnings and margins up yoy; FY margin at 11.5% (prior year 11.0%)
- **IS:** Q4 & FY sig. lower due to fewer and lower-margin milestones in billing phase and underutilization at chemicals; FY margin at 6.2% in target range (prior year 6.8%)
- **MX:** Lower volumes, positive spot price trend qoq; AST with turnaround, full year positive
- **SE:** Higher prices vs. lower volumes qoq (seasonality, fire at hot rolling mill Bochum)
- **AM:** Higher prices and shipments qoq; FY with operational improvements and positive F/X effects

¹⁾ Corp./Cons. Q4/Q3/Q4: (128), (109), (162); FY: (415), (491)



Strong cash performance – NFD virtually unchanged

[€ mn]

	14/15	15/16
NFD	3,414	3,500
Free Cashflow before M&A	115	198
thereof sale of real estate	-	126
thereof pension amortization	158	149

- Price- and volume-driven lower inventories (MX)
- Reduction of (overdue) receivables (ET, MX, SE)

- Amortization: payments to pensioners exceed net periodic pension cost

Accrued pensions & similar	7,654	8,754
Pension discount rate (in %) ¹⁾	2.50	1.30
Effect on accrued pensions		1,272
Effect on equity		(891)
Gearing (in %)	103.20	134.20

- Sig. lower interest rate environment
→ increase of pension NPV / accrued pensions
- Higher pension NPV does not lead to higher payments to pensioners

- Excluding pension NPV increase gearing sig. lower (100%)

¹⁾ Discount rate Germany



16/17E: Structural progress in cyclical and volatile trading conditions

Group

EBIT adj.
€ bn



Net Income [€ mn]

Sig. improvement
incl. continuing restructuring charges

FCF before M&A [€ mn]

Slightly positive
incl. price and volume related higher NWC
assuming no lasting dislocations on
raw materials markets

Business Areas

‘impact’ €850 mn operational improvements across all BAs

- | | |
|-----------|---|
| CT | Slightly higher sales and margin <ul style="list-style-type: none"> • Ramp-up new plants |
| ET | Slightly higher sales, margin up by 0.5-0.7%-pts <ul style="list-style-type: none"> • Restructuring |
| IS | Slightly lower sales; margin at plant engineering at lower end of target range, Marine Systems temporarily sig. below target range |
| MX | EBIT adj. sig. up in slightly more favorable market env’t <ul style="list-style-type: none"> • Sales initiatives & restructuring |
| SE | EBIT adj. sig. up in slightly more favorable market env’t <ul style="list-style-type: none"> • Higher volumes vs. cont’d import pressure, higher raw materials costs |
| AM | EBIT adj. on prior year level <ul style="list-style-type: none"> • Volatile trading conditions, higher costs (BRL, raw materials) |



Outlook Q1: Structural progress in cyclical and volatile trading conditions

EBIT adj. [€ mn]	Q1 14/15	Q1 15/16	Q1 16/17E yoy
Group	317	234	~300
CT	67	71	
ET	178	203	
IS	92	90	
MX	2	3	
SE	79	51	broadly stable
AM	0	(74)	positive ¹⁾

FCF before M&A

Q1 16/17E:

Well above negative €1 bn

NWC build-up

- Seasonality with cyclically higher prices for raw and industrial materials
- Timing milestone payments at IS

¹⁾ assuming broadly stable FX (BRL/USD)



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Diversified Industrial group with 6 Business Areas (3 CapGoods, 3 Materials)

Sales €39.3 bn; EBIT adj. €1.5 bn

Components Technology (CT)

€6.8 bn
€335 mn

- Auto: chassis/ powertrain components
- Industry: bearings; undercarriages

Elevator Technology (ET)

€7.5 bn
€860 mn

- Elevators, escalators, moving walks
- Passenger boarding bridges

Industrial Solutions (IS)

€5.7 bn
€355 mn

- Chemical plants
- Cement plants; minerals/ mining equipment
- Production lines: auto/ aerospace
- Submarines¹⁾; naval vessels

Materials Services (MX)

€11.9 bn
€128 mn

- Industrial materials distribution
- Raw materials trading
- Logistics; SCM
- Stainless steel production (AST)

Steel Europe (SE)

€7.6 bn
€315 mn

- Premium flat carbon steel

Steel Americas (AM)

€1.5 bn
€(33) mn

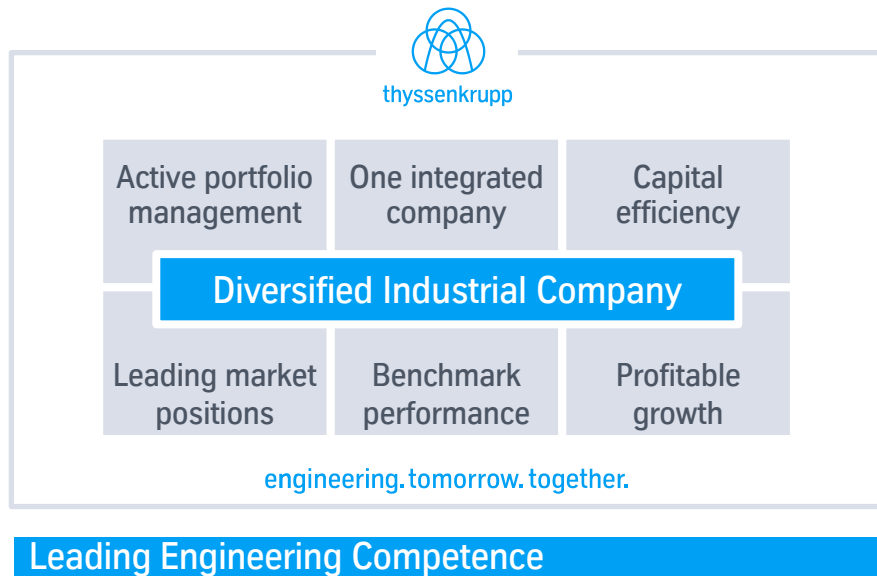
- Premium slab production (CSA)

Financial figures 2015/16 | ¹⁾ non-nuclear



Value opportunity from group transformation to Diversified Industrial

Perspective from Strategic Way Forward (SWF)



- Aiming for benchmark performance and strong “Verbund” synergies
- Customer and market focus
- Strong group initiatives/ powerful efficiency program ‘**impact**’
- Ambitious performance plans at every Business Area
- Innovation focus to push competitiveness and capture new business opportunities

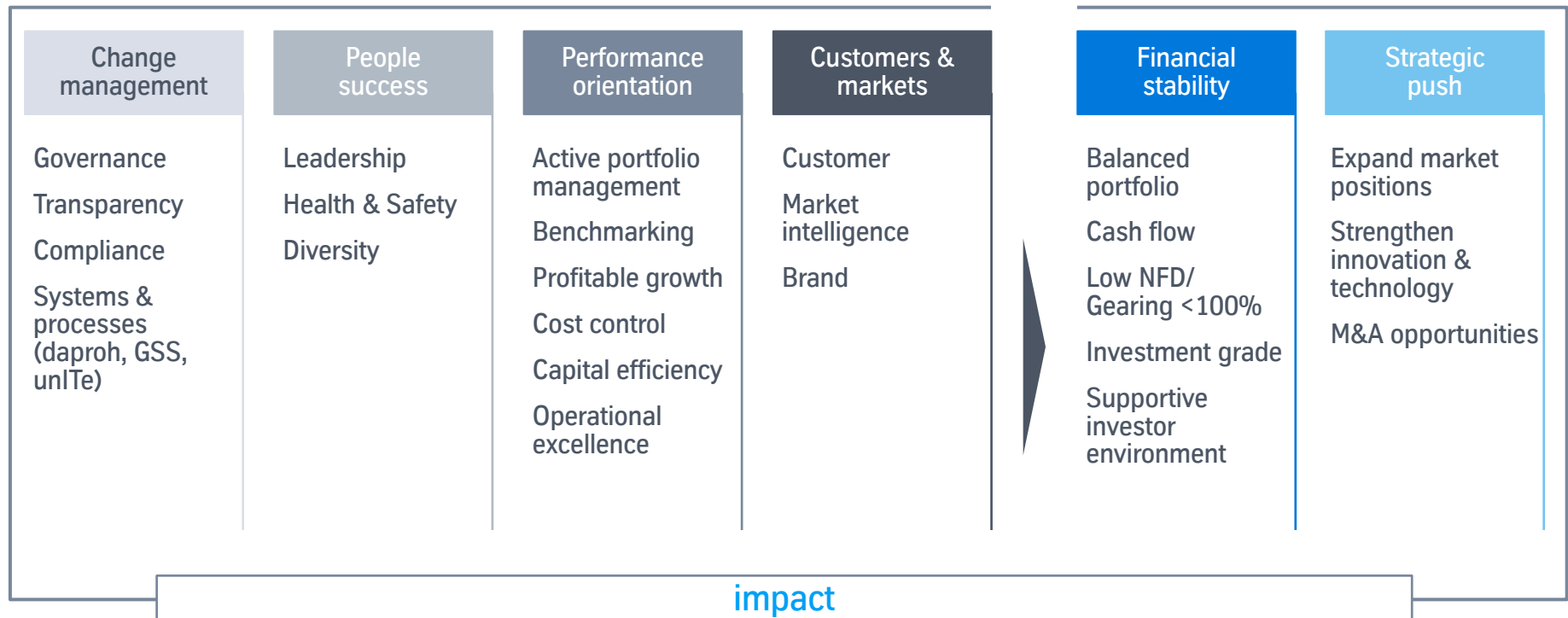


Strategic Way Forward

Concept for group transformation, change and performance improvement

Diversified
Industrial Company

More & Better
Sustainability



Ambitious performance plans in execution across tk Group

Significant performance upside with EBIT adj. €2 bn as floor level

EBIT and FCF upside

Corporate

- Coordination of Group wide initiatives, e.g. **'impact'**, innovation, digital transformation
- Active portfolio management and capital efficiency

Components Technology

Achieve EBIT adj. margin of 6-8%

- Efficiency gains **'pace'**
- Ramp-up new plants
- Grow with large platforms

Elevator Technology

Achieve margin of 15% | >€1 bn (EBIT adj.)

- Efficiency gains **'elevate'**
- Growth opportunities

Industrial Solutions

Return to EBIT adj. margin 6-7%

- Efficiency gains **'planets'**
 - Impr. order intake
 - Impr. cash flow
- Long term sales growth to €8 bn

Material Services

Return to previous EBIT adj. margin

- Efficiency gains **'focus X'**
 - Specialization & processing
- AST: performance concept

Steel Europe

ROCE > wacc across the cycle

- Efficiency gains **'one steel'**
- Differentiation

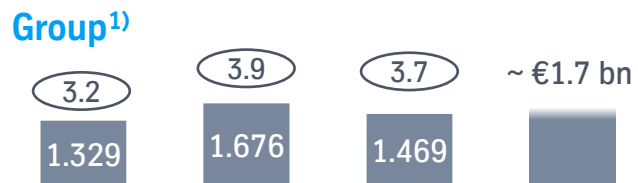
Steel Americas

- Continuous improvements with positive EBIT adj. contributions
- Efficiency gains **'up'**

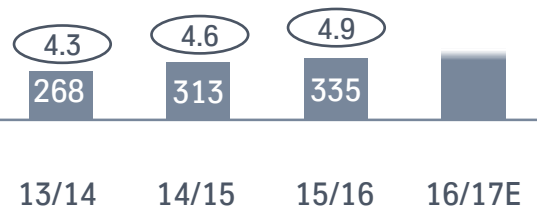


EBIT track record of Group and Business Areas

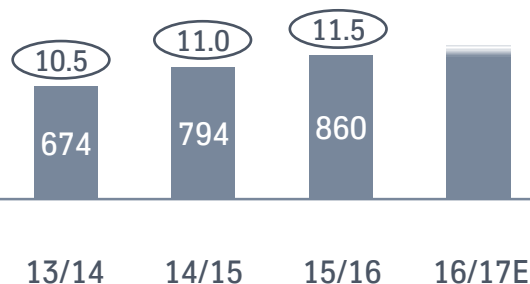
EBIT adj. [€ mn]; EBIT adj. margin [%]



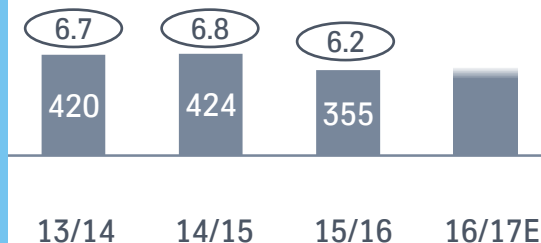
Components Technology



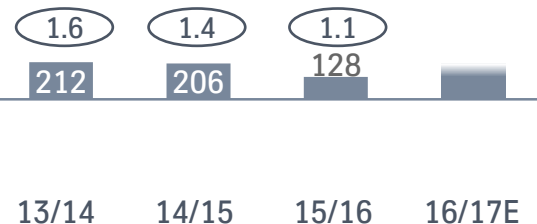
Elevator Technology



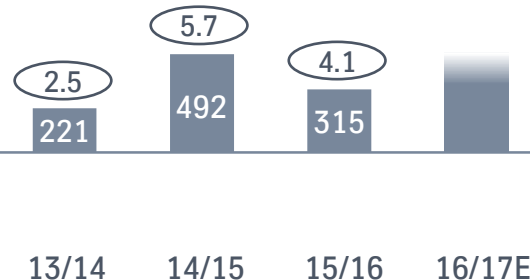
Industrial Solutions



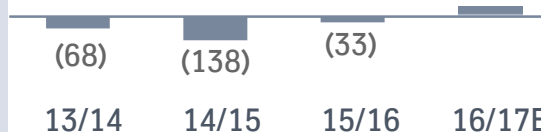
Materials Services



Steel Europe



Steel Americas¹⁾



Starting 13/14 EBIT adj. with new definition: ET and IS now excl. notional interest credit from net prepayment surplus and SE and Group now with proportionate consolidation of HKM

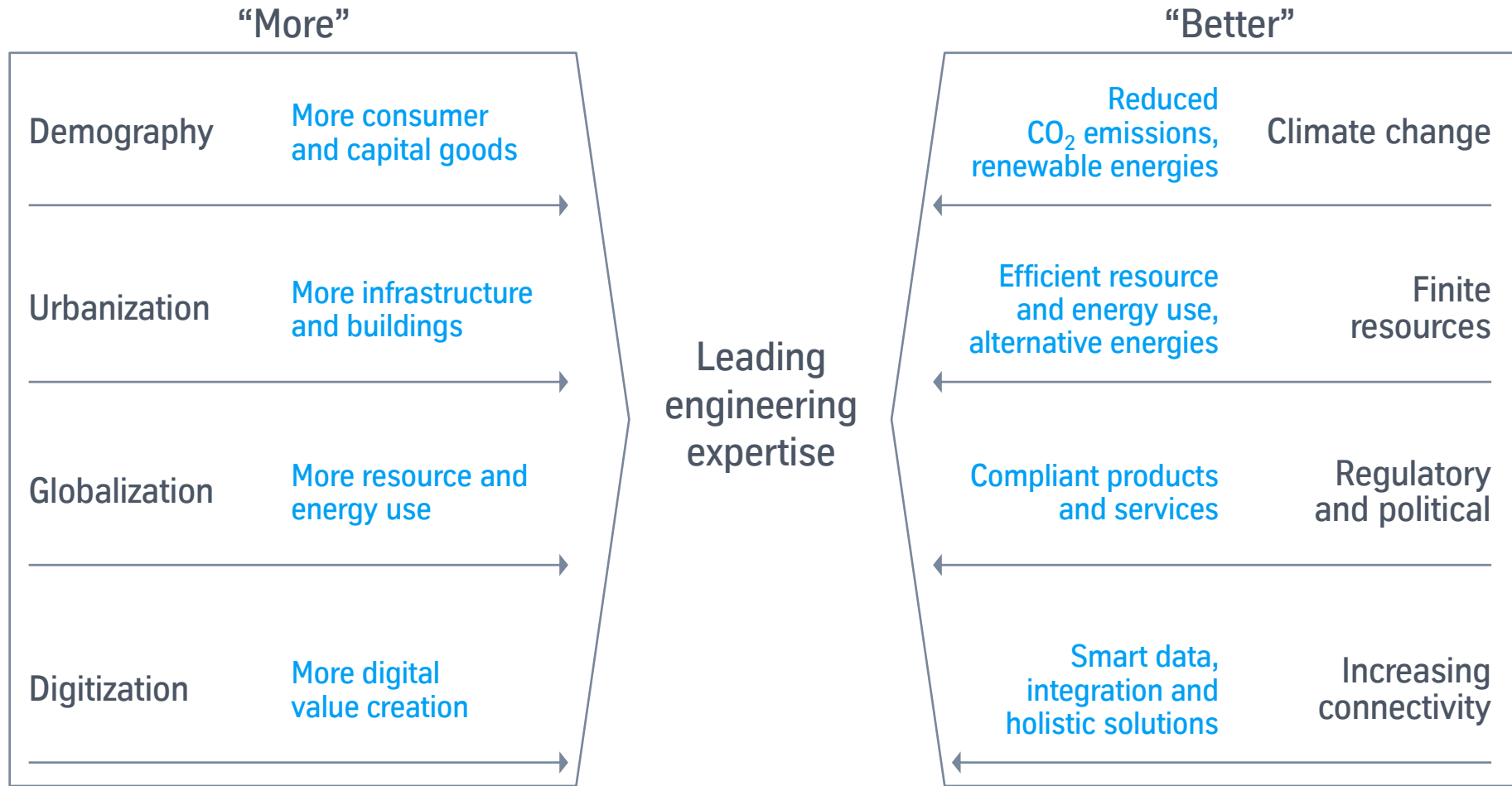
¹⁾ 2012/13 until Q2 2013/14 excl. D&A for Steel USA

thyssenkrupp

16 | November 2016



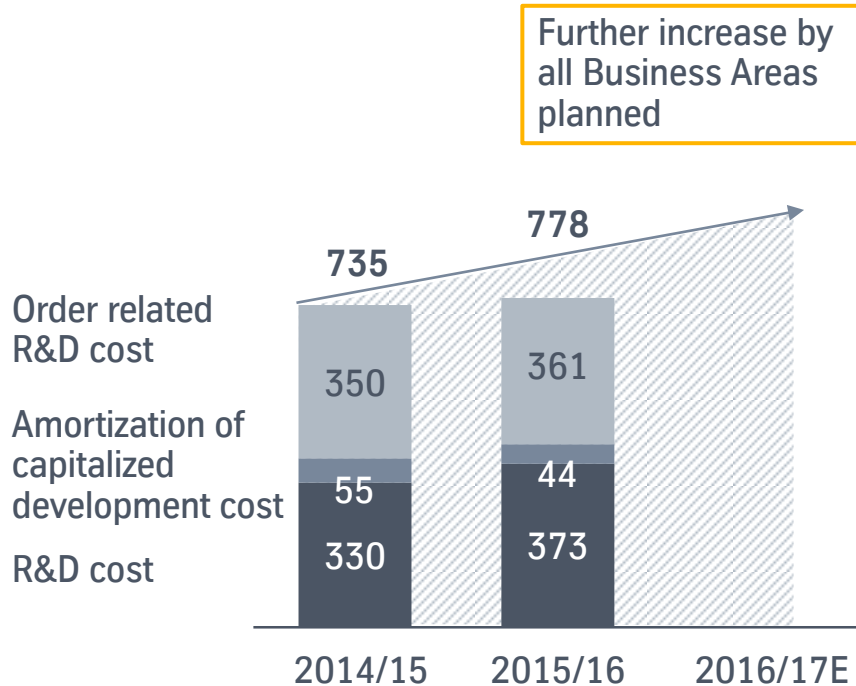
Our leading engineering expertise supports “better” for “more”



Innovation as key element in Diversified Industrial concept

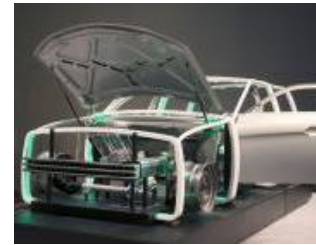
[€ mn]

R&D expenses tk group [€mn]



Innovation focus to push competitiveness and capture new business opportunities

Innovation projects



Sustainable mobility
InCar Plus



Autonomous driving



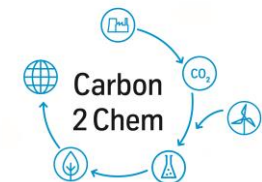
Bearings for
wind energy



Ropeless elevator
MULTI



Energy storage
Redox-flow



CO₂ to chemicals



Strategic Way Forward with clear value perspective

We have a plan

We established a track record

We continuously move forward

impact is an essential driver of our progress

We focus on innovation

We are committed to long-term value generation



Content

Facts & Figures



Share and ADR Data

• Shares outstanding	565,937,947
• Type of share	No-par-value bearer shares
• Voting	One share, one vote

Share Data

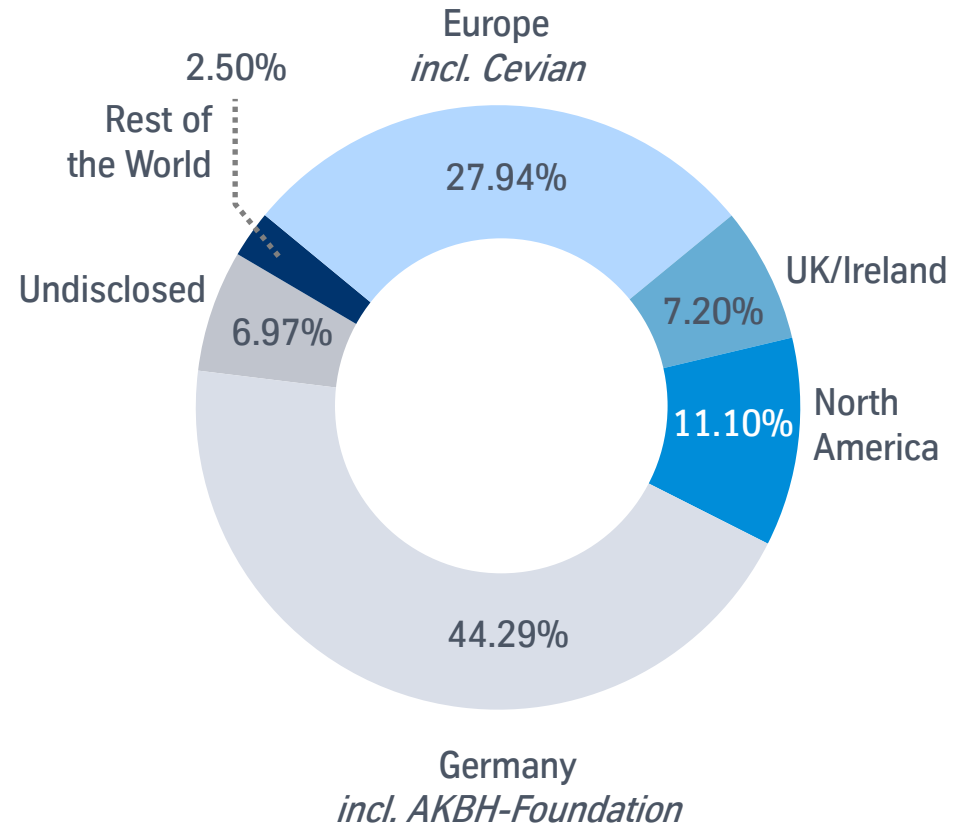
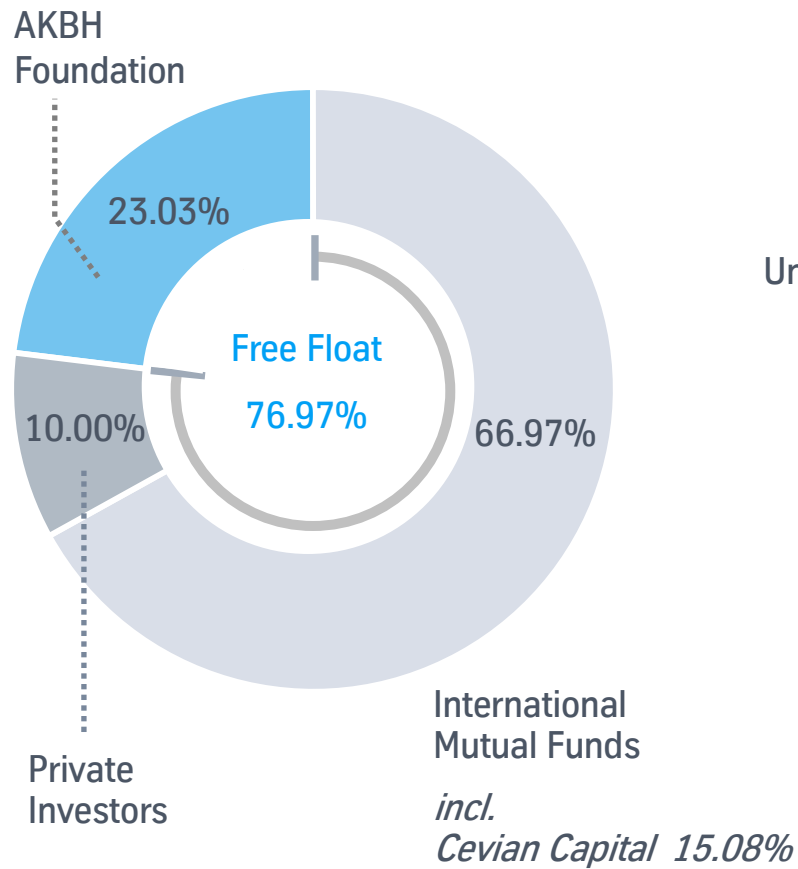
• Ticker Symbol	TKA
• German Security Identification Number (WKN)	750 000
• ISIN Number	DE0007500001
• Exchange	Frankfurt, Dusseldorf

ADR Data

• Ratio (ordinary share:ADR)	1:1
• ADR Structure	Sponsored-Level-I
• Ticker Symbol	TKAMY
• Cusip	88629Q 207
• ISIN Number	US88629Q2075
• Exchange	Over-the-Counter (OTC)
• Depositary bank: Deutsche Bank Trust Company Americas	E-mail: adr@db.com
• Phone: +1 212 250 9100 (New York); +44 207 547 6500 (London)	Website: www.adr.db.com



thyssenkrupp shareholder structure



Source: WpHG Announcements; thyssenkrupp Shareholder ID 09/2016



Financial Calendar

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

November

Conferences

Jefferies ADR Conference, New York
(28th-29th)

December

Conferences

Societe Generale The Premium
Review Conference, Paris (1st)

**Capital Market Day 2016 –
Meet Management (9th)**

Presentations and discussions with
all BA CEOs and CFOs

Roadshows

Edinburgh (13th)

January

Conferences

Commerzbank German Investment
Seminar, New York (9th-10th)

KeplerCheuvreux German Corporate
Conference, Frankfurt (16th)

Annual General Meeting (27th)

February

**Conference call 1st quarter
2016/17 (9th)**

Roadshows

London (13th)

Paris (14th)



tk Capital Market Day 2016 - Meet Management

December 8th-9th, 2016 tk headquarters, Essen, Germany



For registration please
contact the IR team:

+49 201-844-536480
ir@thyssenkrupp.com

We look forward to welcoming you on

December 8th: Relaxed Warm-up

get together with Senior Management and IR team

December 9th: Meet Management

for presentations and Q&As on strategy and outlook
in small group meetings with all Business Area CEOs & CFOs

Please notice that there will be no webcast of the event available on the internet.

Spend a day with us!



tk Capital Market Day 2016 - Meet Management

December 9th, 2016 tk headquarters, Essen, Germany

thyssenkrupp AG



CEO
Dr. Heinrich Hiesinger



CFO
Guido Kerkhoff

Components Technology



CEO
Dr. Karsten Kroos



CFO
Carsten Evers

Industrial Solutions



CFO & interim CEO
Stefan Gesing



tbc.

Materials Services



CEO
Joachim Limberg



CFO
Dr. Klaus Keysberg

Elevator Technology



CEO
Andreas Schierenbeck



CFO
Ercan Keles

Steel Europe & Steel Americas



CEO
Andreas J. Goss



CFO
Premal A. Desai

Spend
a day
with
us!



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Key financials (I)

[€ mn]

Continuing operations

	2014/15					2015/16				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Order intake	10,094	10,406	10,647	10,170	41,318	9,810	9,027	9,399	9,188	37,424
Sales	10,044	10,995	11,178	10,561	42,778	9,548	9,852	9,865	9,997	39,263
EBITDA	590	678	796	392	2,456	489	585	666	701	2,441
EBITDA adjusted	622	707	841	691	2,861	529	615	725	765	2,634
EBIT	285	201	494	82	1,061	193	281	372	344	1,189
EBIT adjusted	317	405	539	415	1,676	234	326	441	468	1,469
EBT	151	64	356	(76)	496	34	151	261	207	652
Income from cont. ops.	47	47	191	(6)	279	(54)	45	124	146	261
attrib. to TK AG stockh.	54	50	199	17	320	(23)	61	130	128	296
Earnings per share ¹⁾ (€)	0.10	0.09	0.35	0.03	0.57	(0.04)	0.11	0.23	0.23	0.52

¹⁾ attributable to thyssenkrupp AG's stockholders



Key financials (II)

[€ mn]

Continuing operations

	2014/15					2015/16				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
TK Value Added					(399)					(85)
Ø Capital Employed	15,676	16,015	16,202	16,106	16,106	15,539	15,802	15,937	15,933	15,933
Operating cash flow	(382)	214	450	1,029	1,311	(598)	(105)	545	1,545	1,387
Cash flow from divestm.	110	24	50	413	597	5	27	3	157	191
Cash flow from investm.	(265)	(267)	(243)	(460)	(1,235)	(254)	(293)	(343)	(497)	(1,387)
Free cash flow	(537)	(29)	257	982	673	(847)	(371)	205	1205	191
FCF before divest	(647)	(53)	207	568	76					
FCF before M&A	(609)	(29)	205	558	126	(847)	(365)	205	1,205	198
Cash and cash equivalents ¹⁾ (incl. short-term securities)	3,658	3,909	4,049	4,541	4,541	3,655	3,545	3,100	3,101	4,111
Net financial debt ¹⁾	4,212	4,633	4,388	3,414	3,414	4,384	4,816	4,770	3,500	3,500
Equity	2,907	2,863	3,538	3,307	3,307	3,355	2,753	2,723	2,609	2,609
Employees	155,407	155,697	155,984	154,906	154,906	155,387	155,453	155,248	156,487	156,487

¹⁾ referring to Full Group



Key financials (III)

[€ mn]

Full Group

	2014/15					2015/16				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Order intake	10,094	10,406	10,647	10,170	41,318	9,810	9,027	9,399	9,188	37,424
Sales	10,044	10,995	11,178	10,561	42,778	9,548	9,852	9,865	9,997	39,263
EBITDA	587	675	796	388	2,445	489	585	666	701	2,441
EBITDA adjusted	622	707	841	691	2,861	529	615	725	765	2,634
EBIT	281	199	493	77	1,050	193	281	372	344	1,189
EBIT adjusted	317	405	539	415	1,676	234	326	441	468	1,469
EBT	147	62	356	(80)	485	34	151	261	207	652
Net income	43	45	191	(12)	268	(54)	45	124	146	261
attrib. to TK AG stockh.	50	48	199	12	309	(23)	61	130	128	296
Earnings per share ¹⁾ (€)	0.09	0.09	0.35	0.02	0.55	(0.04)	0.11	0.23	0.23	0.52
FCF	(541)	(31)	257	977	662	(847)	(371)	205	1,205	191
FCF before divest	(651)	(55)	206	563	65					
FCF before M&A	(612)	(30)	205	553	115	(847)	(365)	205	1,205	198

¹⁾ attributable to thyssenkrupp AG's stockholders



Sales by region FY 2015/16

[%]

	Components Technology	Elevator Technology	Industrial Solutions	Materials Services	Steel Europe	Steel Americas	thyssenkrupp Group
Worldwide (€mn)	6,807	7,468	5,744	11,886	7,633	1,489	39,263
DACHLI	33.1	9.3	12.7	36.0	59.2	15.2	29.3
Germany	31.4	7.3	12.0	33.1	56.7	15.2	27.3
Central/ Eastern Europe	5.1	0.4	2.2	11.0	5.7	0.0	5.5
Western Europe	13.7	16.7	7.4	25.4	21.5	0.0	17.5
North America	26.8	34.2	16.7	20.3	5.7	63.0	23.1
USA	19.7	29.1	5.5	17.0	4.8	53.3	17.7
South America	3.1	5.9	9.7	0.3	1.4	21.0	4.2
Asia/Pacific	1.9	8.7	12.6	2.3	0.5	0.0	4.6
CIS	0.3	1.0	3.1	0.4	0.5	0.0	0.9
China	14.0	18.4	4.9	1.3	1.3	0.8	7.3
India	1.1	1.3	4.1	0.5	0.9	0.0	1.4
Middle East & Africa	0.8	4.2	26.7	2.4	3.2	0.0	6.2



Special Items

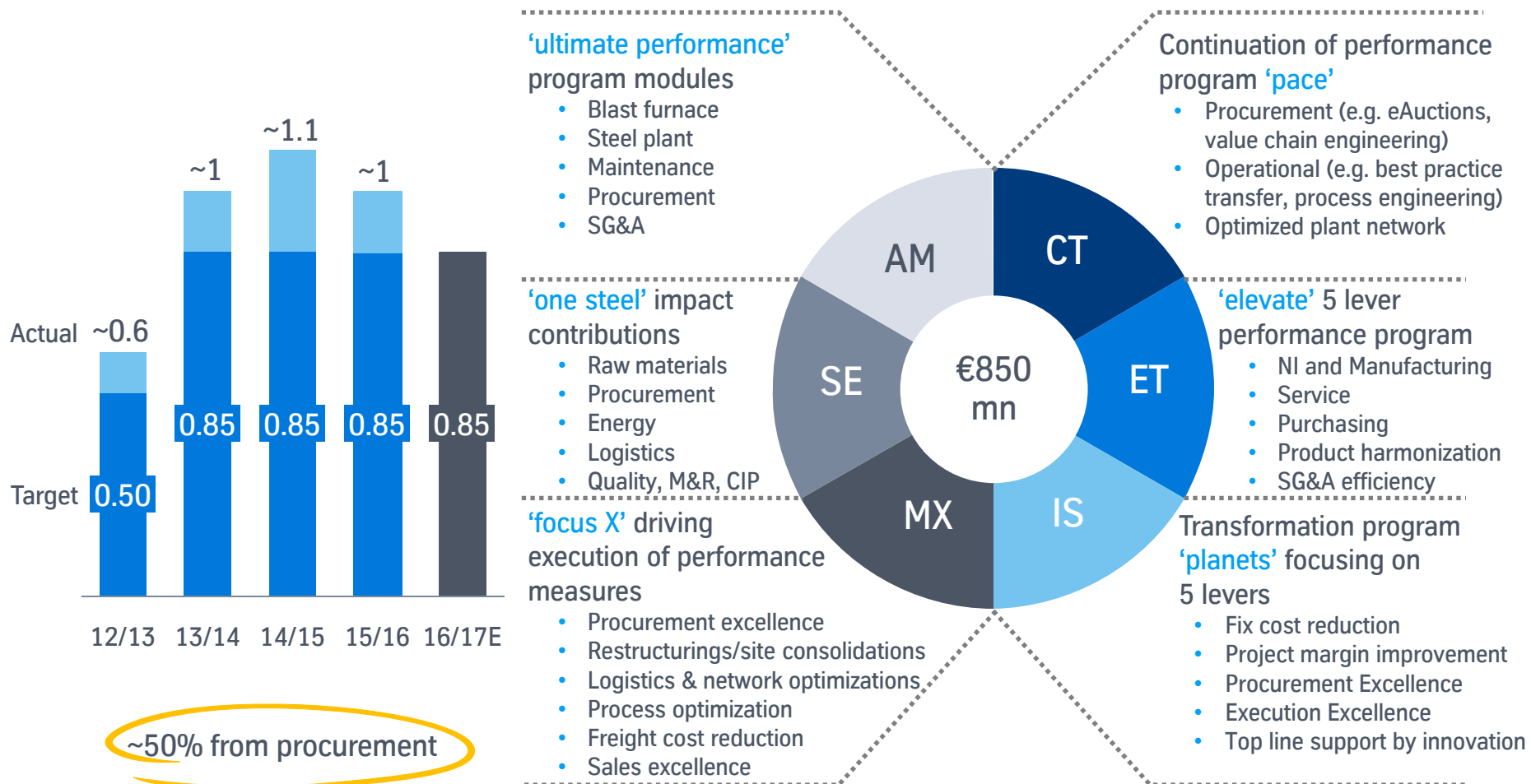
[€ mn]

Business Area		2014/15				2015/16					Comments on Q4	
		Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4		FY
CT	Disposal effect				5	5						• Impairment Forging & Machining USA
	Impairment		(1)		(11)	(12)		(6)	(5)	(47)	(59)	
	Restructuring		(1)	(10)		(11)		(1)	(15)	(3)	(18)	
	Others		(2)		1	(1)		(3)	(8)	4	(7)	
ET	Disposal effect				(3)	(3)		8			8	• Re-organization Middle East & Europe
	Impairment				(46)	(46)	(4)	(2)	(6)	(2)	(14)	
	Restructuring	(1)	(6)	(9)	(21)	(37)	(5)	(11)	(3)	(15)	(34)	
	Others	(1)	(4)	(3)	(38)	(46)	(1)	(11)	(10)	(28)	(50)	
IS	Disposal effect	3		1		4						• First restructuring at Process Technologies
	Impairment									(7)	(7)	
	Restructuring		(1)	(1)	(5)	(7)		(1)	(2)	(7)	(11)	
	Others			5	(1)	4				(3)	(4)	
MX	Disposal effect	(10)	(1)		3	(8)				1	1	• Restructuring at Materials Trading
	Impairment		(174)	7	(10)	(178)	1	(2)	(5)	(6)	(12)	
	Restructuring	(3)		(2)	(7)	(12)	(1)	(1)	(6)	(8)	(16)	
	Others	(3)	(11)	(5)	(28)	(46)	(4)	(4)	(7)	(9)	(25)	
SE	Disposal effect				57	57						• Impairment reversal galvanizing line
	Impairment	1		(4)		(3)		(8)		7	(1)	
	Restructuring			(12)	(2)	(14)	(1)	(1)			(2)	
	Others				(18)	(18)				4	4	
AM	Disposal effect											• Valuation effect long-term freight contract
	Impairment											
	Others	(11)	1	(2)	3	(9)	(10)	4	14	3	11	
Corp.	Disposal effect	(3)	(4)	(4)	(1)	(12)	(4)	(2)	(13)	(1)	(20)	• Restructuring & divestments
	Impairment				(3)	(3)			(5)	(2)	(7)	
	Restructuring	(1)	(4)	(4)	(21)	(31)	(1)	(2)	(1)	(2)	(7)	
	Others	(1)			(189)	(189)	(10)	(2)	2	(2)	(11)	
Consolidation			4	(2)	1	1						
Continuing operations		(32)	(204)	(45)	(334)	(615)	(41)	(45)	(70)	(124)	(280)	
Discontinued operations		(4)	(2)	(1)	(4)	(11)						
Full Group		(36)	(206)	(46)	(338)	(626)	(41)	(45)	(70)	(124)	(280)	



Operational improvements – €850 mn ‘impact’ effects targeted for FY 16/17

[€mn / %]

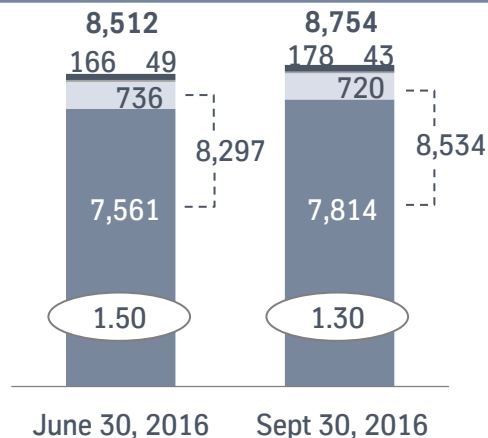


Every Business Area with triple-digit mn contribution



Pensions: “patient” long-term financial debt with gradual amortization [€ mn]

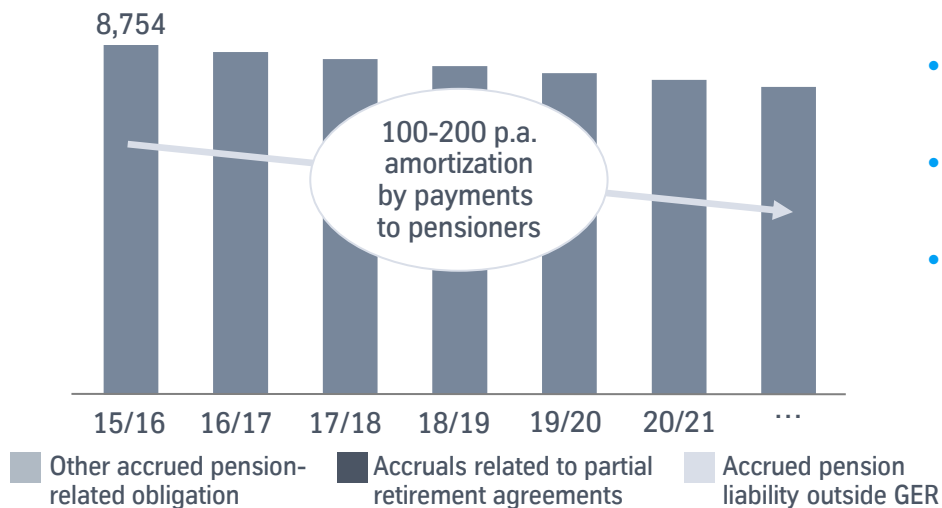
Accrued pension and similar obligations



Recent increases in accrued pensions (recognized in equity / OCI)

- are mainly driven by decreased German discount rates (~90% of accrued pensions in Germany)
- do not lead to higher payouts to pensioners
- do not trigger funding in Germany and not necessarily add. funding outside Germany

Development at unchanged discount rate (schematic)



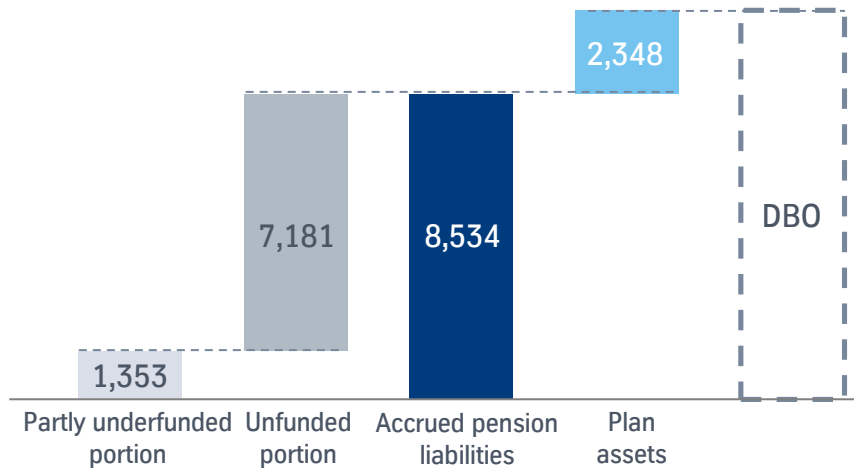
- IFRS requires determination of pension discount rate based on AA-rated corporate bonds
- Pension discount rate sig. lower than interest rates of tk corporate bonds
- ~90% of accrued pensions in Germany; ~64% owed to exist. pensioners (average age ~76 years)



Germany accounts for majority of pension plans

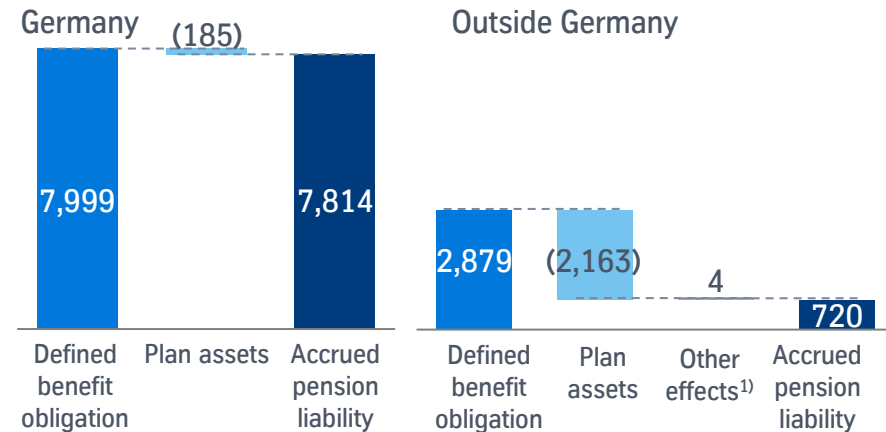
[FY 15/16; € mn]

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



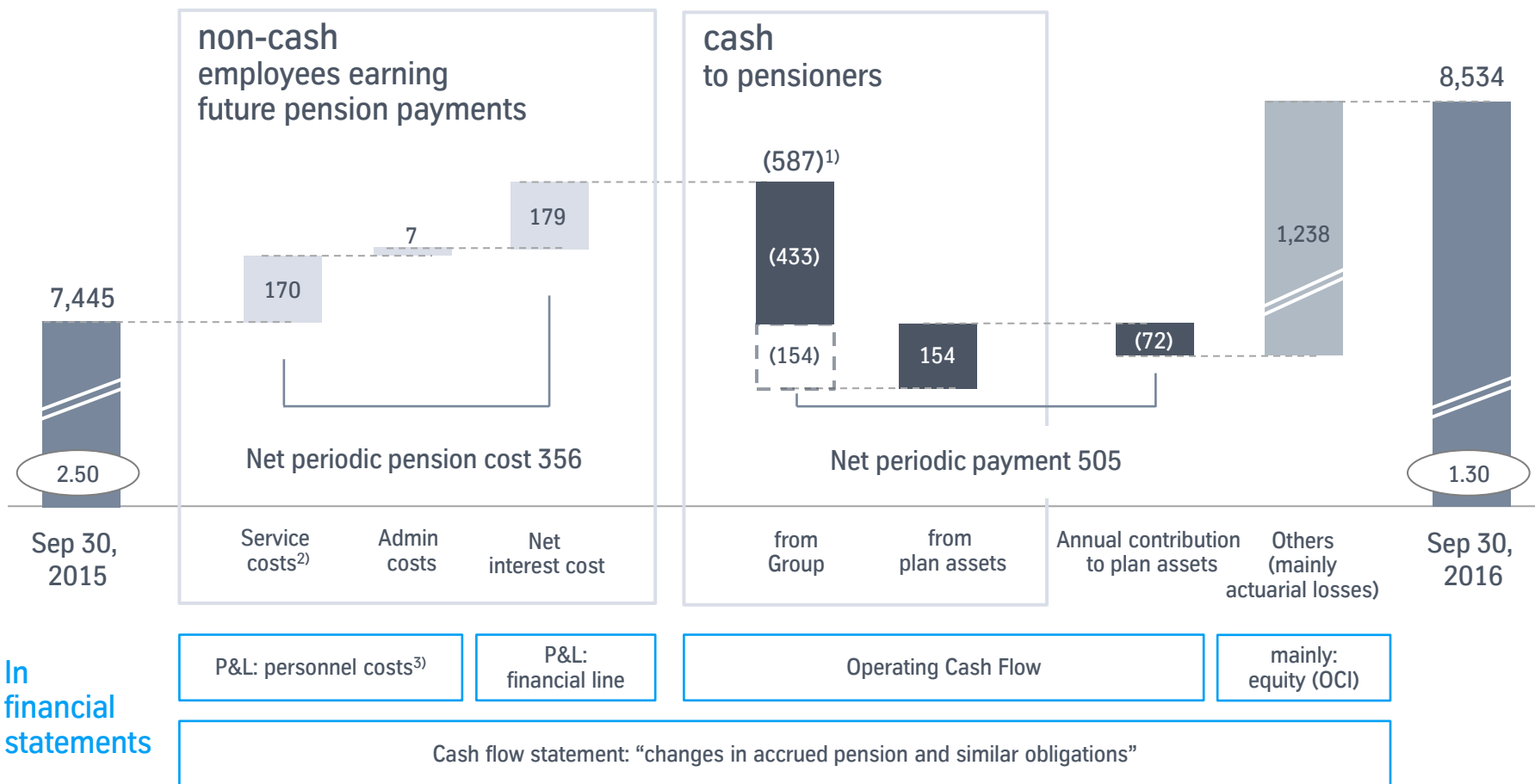
- Plan assets outside Germany mainly attributable to UK (~30%) and USA (~30%)
- Plan asset classes include national and international stocks, fixed income securities of governments and non-governmental organizations, real estate as well as highly diversified funds

Accrued pension liability and accrued postretirement obligation other than pensions referring to defined benefit plans | ¹⁾ e.g. asset ceiling outside Germany, other non-financial assets



Mature pension scheme: payments amortize liability by ~ €150 mn

Reconciliation of accrued pension [€ mn]



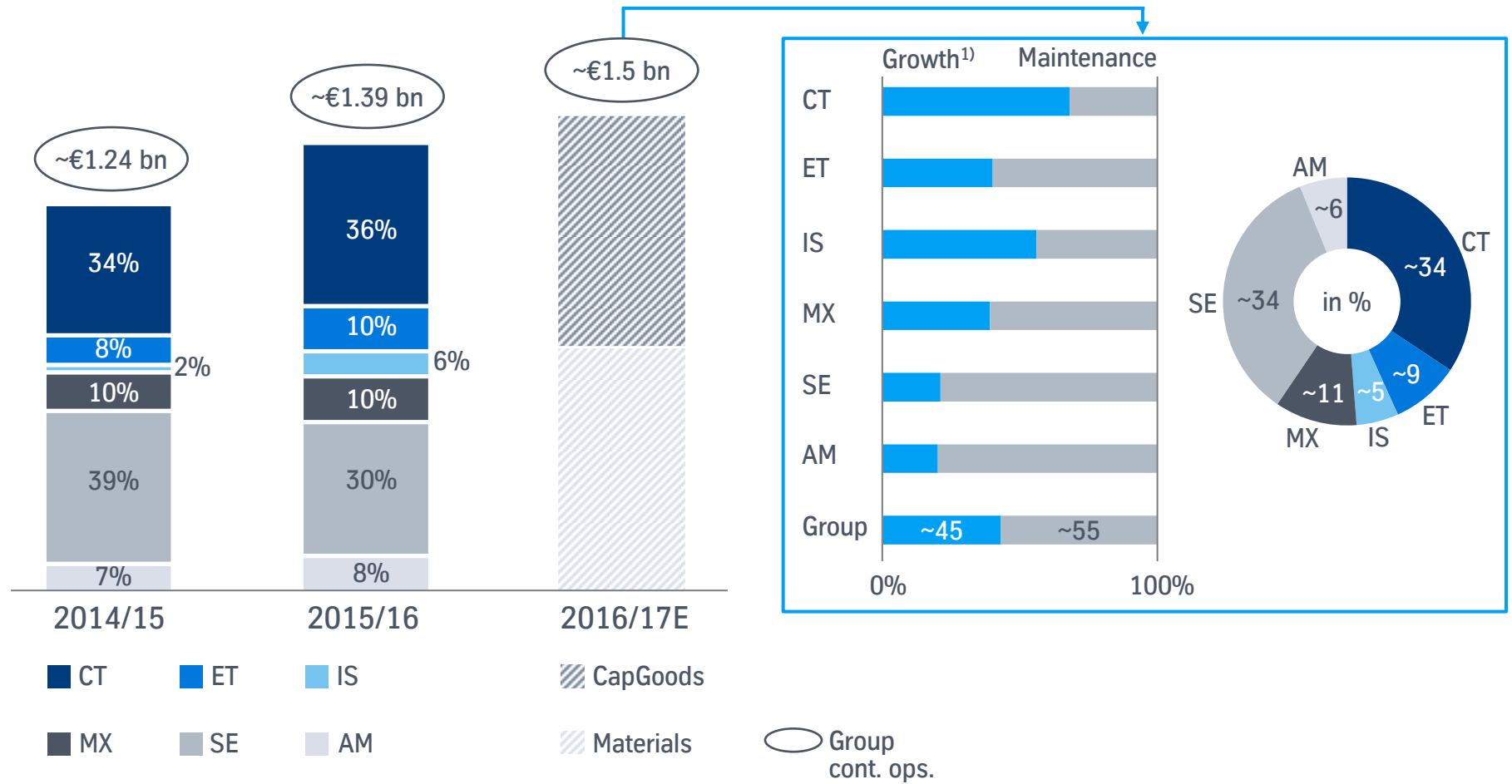
¹⁾ Payments to pensioners include ~€30 mn one-timer due to statutory adjustments related to prior years | ²⁾ including past service cost and curtailments

³⁾ additional personnel expenses include €161 mn net periodic pension cost for defined contribution plans



Capex allocation

Cash flows from investing activities

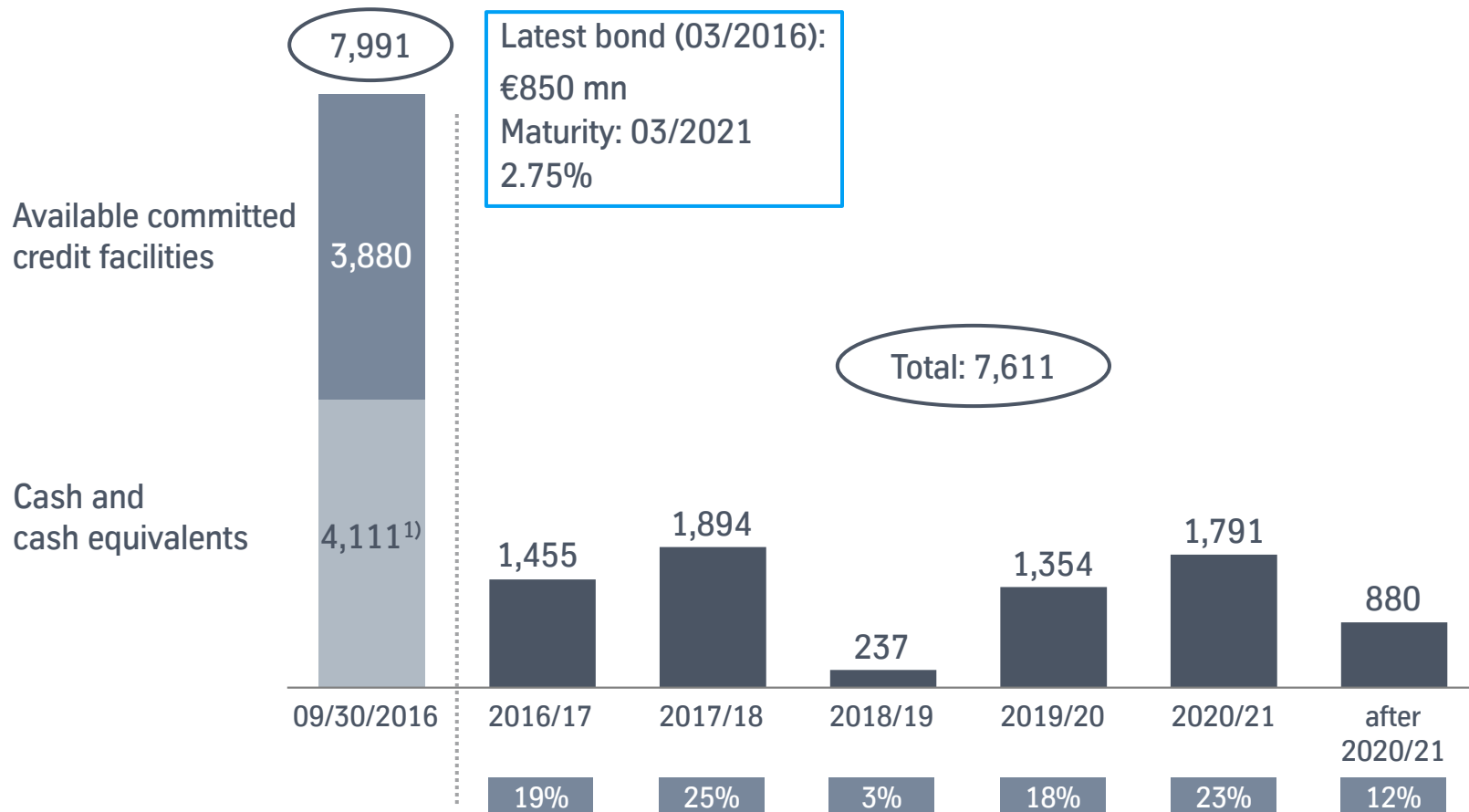


Business Area shares referring to capex excl. Corporate | ¹⁾ including order related investments



Solid financial situation

Liquidity analysis and maturity profile of gross financial debt as of September 30, 2016
[€ mn]

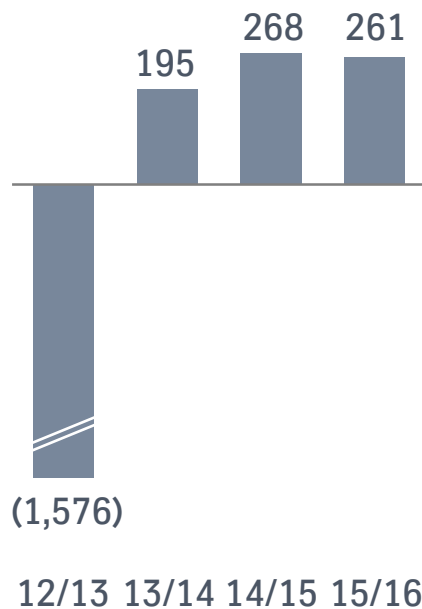


¹⁾ incl. securities of €6 mn

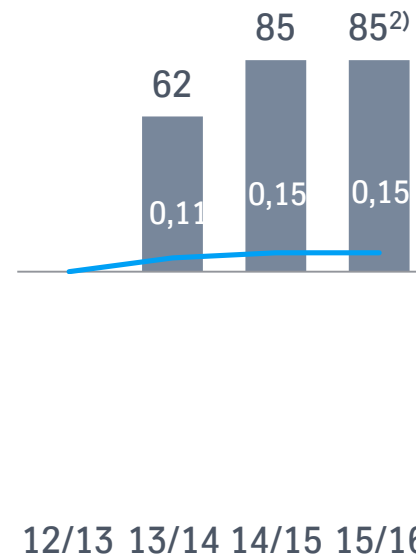


Dividend re-established when net income recovered

Net Income / Loss (€ mn)



Dividends¹⁾ (€ mn / € per share)



¹⁾ Dividends are paid out after approval by AGM, following the closure of financial year | ²⁾ Proposal to AGM in January 2017



Systematic benchmarking aiming at best-in-class operations

Selected peers/relevant peer segments

Components Technology

- Automotive
 - Steering: Bosch Automotive Steering Systems; ZF/TRW; NSK¹⁾
 - Axle, damper & suspension systems: ZF/TRW; Tenneco¹⁾; Mubea, NHK Springs¹⁾, Benteler
 - Camshafts: Seojin Cam, Linamar¹⁾
 - Crankshafts: Bharat Forge¹⁾; CIE Galfor¹⁾; Sumitomo¹⁾
- Industry
 - Slewing bearings and seamless rings: IMO; SKF¹⁾; Forgital Group
 - Undercarriages and undercarriage components: Titan International¹⁾

Elevator Technology

- UTC/Otis¹⁾
- KONE¹⁾
- Schindler¹⁾
- Mitsubishi¹⁾
- Fujitec¹⁾
- Toshiba¹⁾
- Hitachi¹⁾

Industrial Solutions

- Process Technologies: Snamprogetti/Saipem¹⁾; MaireTecnimont¹⁾; Technip¹⁾; Fluor¹⁾; Asahi Kasei¹⁾
- Resource Technologies: Sinoma¹⁾; FLS¹⁾; KHD Humboldt Wedag; Takraf; FAM; Sandvik¹⁾; Metso¹⁾; Outotec¹⁾
- System Engineering: KUKA¹⁾; EDAG¹⁾; Comau
- Marine Systems: DCNS; Fincantieri¹⁾; Damen; BAE Systems¹⁾; DSME¹⁾; Saab Kockums¹⁾

Materials Services

- Materials Distribution:
 - Klöckner¹⁾; Salzgitter Trading¹⁾; Reliance¹⁾
- Special Services:
 - Glencore¹⁾; Stemcor; Reliance¹⁾; AM Castle¹⁾; Vink; Sunclear
- Special Materials
 - Acerinox¹⁾; Aperam¹⁾; Outokumpu¹⁾

Steel Europe

- ArcelorMittal Europe¹⁾
- Salzgitter Strip Steel¹⁾
- Tata Steel Europe¹⁾
- Voestalpine Steel Division¹⁾

¹⁾ Listed peers



Components Technology

[€ mn]

	2014/15					2015/16				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Order intake	1,621	1,763	1,743	1,699	6,826	1,649	1,669	1,775	1,647	6,740
Sales	1,597	1,732	1,758	1,666	6,753	1,650	1,688	1,783	1,685	6,807
EBITDA	140	159	159	158	615	149	159	155	164	627
EBITDA adjusted	140	162	168	152	622	149	163	179	163	655
EBIT	67	79	81	67	294	71	76	72	33	251
EBIT adjusted	67	83	91	72	313	71	86	100	79	335
EBIT adj. margin (%)	4.2	4.8	5.2	4.3	4.6	4.3	5.1	5.6	4.7	4.9
tk Value Added					(23)					(54)
Ø Capital Employed	3,342	3,460	3,533	3,530	3,530	3,505	3,557	3,585	3,587	3,587
BCF	(120)	53	77	209	219	(155)	29	49	191	114
CF from divestm.	1	(1)	3	6	9	0	1	0	1	2
CF for investm.	(74)	(70)	(105)	(143)	(392)	(78)	(84)	(133)	(193)	(488)
Employees	29,162	29,431	29,464	29,627	29,627	29,772	30,118	30,281	30,751	30,751

Current trading conditions

Sales – Q4 +1% yoy, ex F/X +3%; light vehicle (LV) growth across major regions vs. difficult cond. for trucks (HV) & constr. equip.

- Chassis/Powertrain (LV): solid growth in China; robust demand in Western Europe; slowing dynamics in USA; Brazil still weak
- Powertrain (HV): challenging conditions, esp. in Brazil; slowdown in USA, esp. in Class 8 segment
- Industrial components: normalized demand at wind power, esp. in China; constr. / mining equip. still weak

EBIT adj. – Q4 +10% yoy; operational improvements, cost discipline and growth with new products (LV) / ramp up new plants

- 6 subsequent quarters with earnings and margins up yoy



Components Technology – overview

Mission critical components for leading automotive and industry customers

Chassis

~ 60% of sales¹⁾



Steering



Dampers



Automotive Systems²⁾



Spring & Stabilizers

Powertrain

~ 20% of sales¹⁾



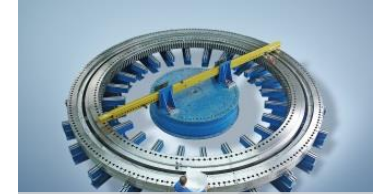
Camshafts



Forging & Machining

Industry

~20% of sales¹⁾



Bearings



Undercarriages


- Growth prospects from technology shifts and expansion of global production network
- Strong customer portfolio and steady stream of innovations for tomorrow's mobility trends
- Profitability upside from increased competitiveness and best-in-class engineering and operations
- Good business predictability due to long-term customer contracts and close customer proximity

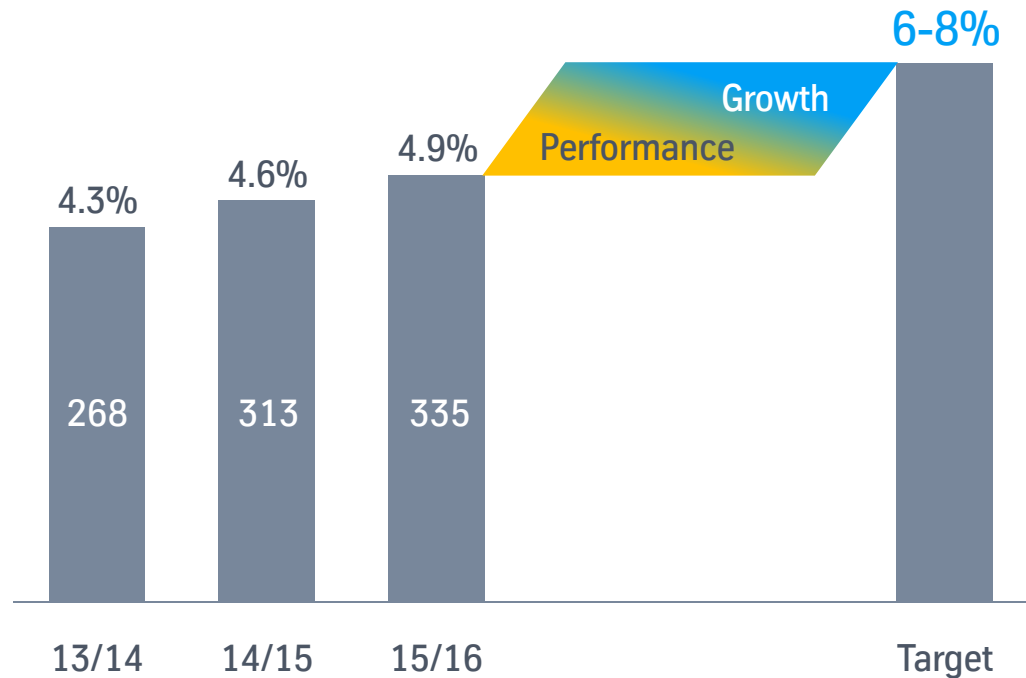
¹⁾ Sales: FY 15/16 €6,807 mn | ²⁾ Assembly and JIS delivery for OEMs

Performance and growth – key levers for margin expansion

EBIT adj. [€mn]; EBIT adj. margin [%]

Achieve margin level of 6-8%

- Efficiency gains  pace
- Ramp-up new plants
- Grow with large platforms



Elevator Technology

[€ mn]

	2014/15					2015/16				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Order intake	1,868	1,890	2,051	1,895	7,704	1,992	1,832	1,867	1,940	7,631
Order backlog	4,277	4,891	4,934	4,863	4,863	5,051	5,040	5,022	4,974	4,974
Sales	1,712	1,661	1,876	1,960	7,208	1,869	1,752	1,906	1,942	7,468
EBITDA	194	177	220	167	759	214	190	225	227	856
EBITDA adjusted	196	187	233	257	873	223	206	242	270	941
EBIT	176	158	199	130	662	193	171	205	202	771
EBIT adjusted	178	168	211	237	794	203	186	225	246	860
EBIT adj. margin (%)	10.4	10.1	11.3	12.1	11.0	10.9	10.6	11.8	12.7	11.5
tk Value Added					559					681
Ø Capital Employed	1,248	1,287	1,297	1,289	1,289	1,269	1,254	1,220	1,197	1,197
BCF	75	245	201	201	721	48	289	269	188	793
CF from divestm.	1	0	2	0	3	1	10	1	1	13
CF for investm.	(28)	(23)	(21)	(15)	(87)	(21)	(35)	(27)	(53)	(135)
Employees	51,044	51,001	51,184	51,335	51,335	51,644	51,532	51,467	51,426	51,426

Current trading conditions

Order backlog (excl. Service) ~€5.0 bn (+2% yoy)

Order intake in Q4 yoy up +2% supported by major project wins; FY flat +0% ex F/X

Sales in Q4 yoy -1% (ex F/X +1%); FY +4% (ex FX +4%) positive development mainly in Americas and AP (mainly Korea)

New installation driven by North America and South Korea; NI units in China above prior year (ex Marohn), further supported by Marohn

Modernization: positively impacted by market development in USA

Maintenance: continued price competition in Europe and USA; double-digit growth in China

Q4 and FY EBIT adj. margin improvement in line with target range of +0.5-0.7% p.a.



Elevator Technology – overview

Leading position in a stable growing industry

Europe Africa

~ 30% of sales¹⁾



Elevators/Escalators
new installation,
service & modernization

Americas

~ 40% of sales¹⁾



Elevators/Escalators
new installation,
service & modernization

Asia Pacific

~ 30% of sales¹⁾



Elevators/Escalators
new installation,
service & modernization

Access Solutions

~4% of sales (in regions)¹⁾



Home elevators /
stair lifts



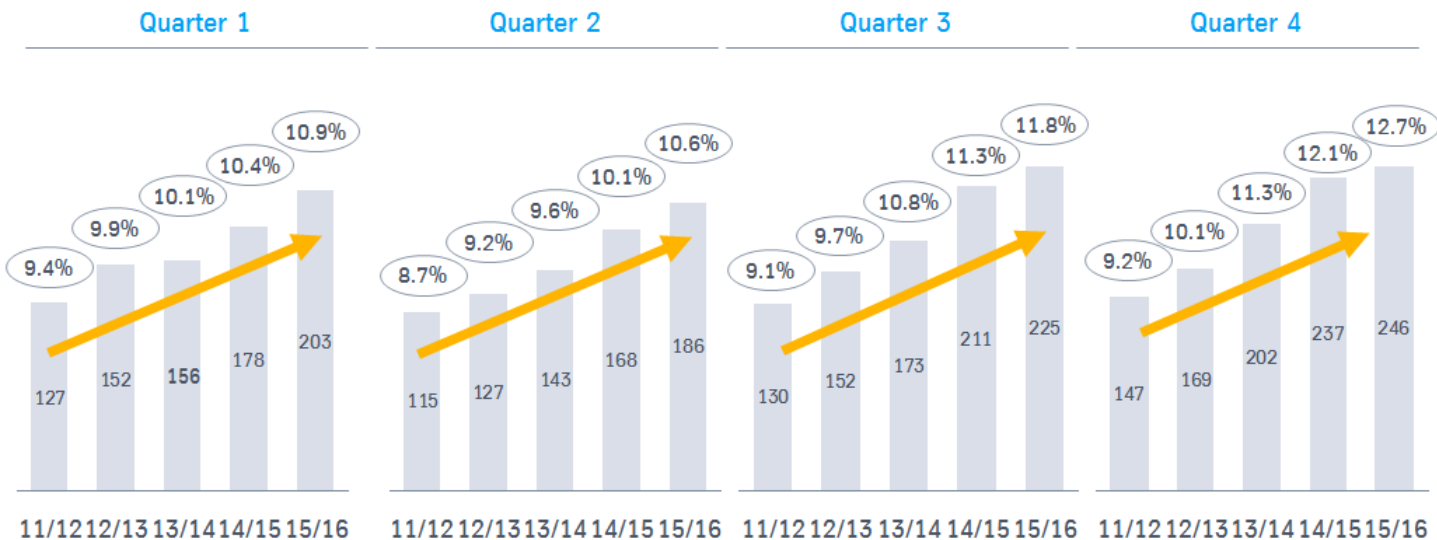
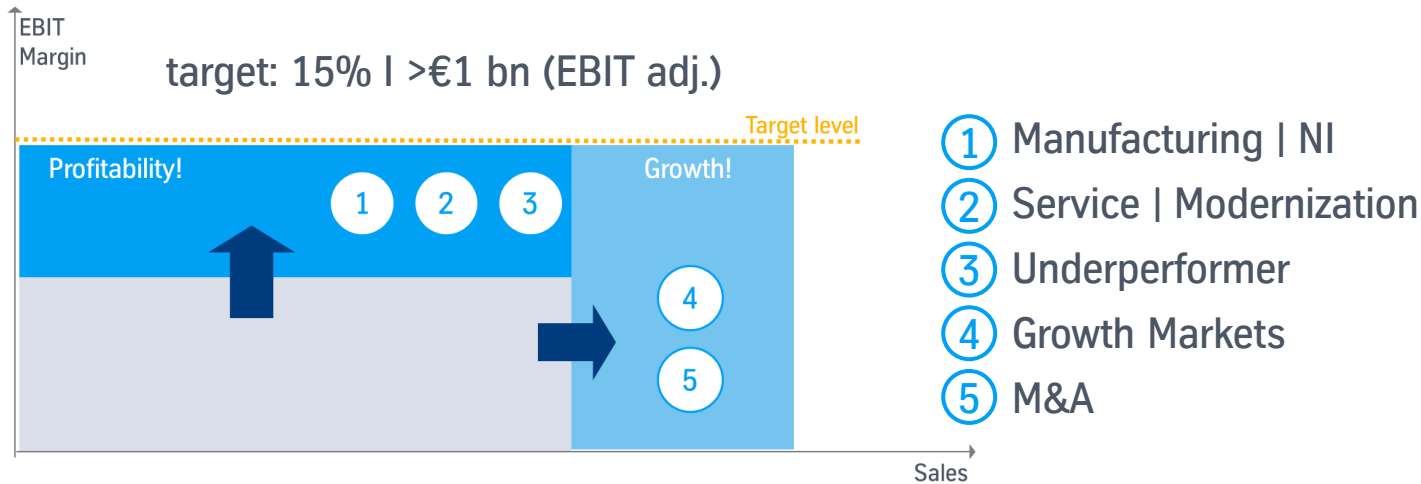
Passenger Boarding
Bridges

- Leading position in a stable growing industry
- Long-term growth perspective by lasting urbanization and urban mobility trends
- Low volatility and high visibility by high share of service revenues
- High profitability, strong cash conversion and low capital intensity
- Differentiation by strong innovation funnel

¹⁾ Sales: FY 15/16 €7,468 mn



Five initiatives to improve performance and push growth



Industrial Solutions

[€ mn]

	2014/15					2015/16				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Order intake	1,075	742	1,334	1,720	4,871	1,530	644	541	746	3,461
Order backlog	13,493	12,785	12,523	12,307	12,307	12,337	11,288	10,634	9,908	9,908
Sales	1,377	1,633	1,574	1,672	6,256	1,506	1,609	1,228	1,401	5,744
EBITDA	107	124	117	141	488	104	167	57	77	405
EBITDA adjusted	104	124	111	148	487	105	168	59	87	419
EBIT	95	108	101	120	425	90	152	41	50	333
EBIT adjusted	92	109	96	127	424	90	153	43	68	355
EBIT adj. margin (%)	6.7	6.7	6.1	7.6	6.8	6.0	9.5	3.5	4.8	6.2
tk Value Added					557					371
Ø Capital Employed	(1,963)	(1,819)	(1,681)	(1,554)	(1,554)	(934)	(759)	(587)	(475)	(475)
BCF	(213)	(121)	(162)	(64)	(560)	(223)	(245)	(232)	104	(597)
CF from divestm.	5	0	7	(2)	10	1	8	0		10
CF for investm.	(12)	(19)	37	(28)	(22)	(15)	(18)	(19)	(23)	(75)
Employees	18,690	18,761	19,148	19,388	19,388	19,518	19,575	19,530	19,602	19,602

Current trading conditions

Good project funnel across all activities, but without application in Q4

- Chemicals: Volatile and uncertain oil/gas price development leading to customer reluctance to place orders; nevertheless fertilizer projects from Asia Pacific, USA, and MENA in the pipeline
- Res. Tech: small size orders, e.g. product handling system at Mining; big ticket cement plant order from MENA in advanced status
- Sys. Eng.: several small size orders; e.g. door surround production at Aerospace
- Marine Systems: smaller maintenance and service orders, e.g. for Peru; prior year quarter benefitted from corvette order

Q4 & FY earnings sig. lower due to fewer and lower-margin milestones in billing phase and underutilization in chemical business

BCF neg. impacted by lower o/i, aging backlog in cash-out phase and higher share of business with lower prepayments (Sys. Eng.)



Industrial Solutions – overview

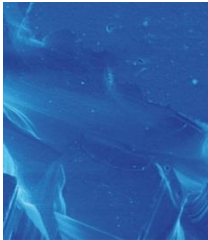
Global EP/EPC & Service Provider with Strong Technological Expertise

Former Process Technologies / Chemicals

Fertilizer & Syngas



Electrolysis & Polymers



Industrial Specialties²⁾



~1,200¹⁾ of sales

Former Resource Technologies

Mining



Cement



~2,000¹⁾ of sales

System Engineering



~1,000¹⁾ of sales

Marine Systems



~1,600¹⁾ of sales

Service

Network of Excellence - worldwide project implementation - pooling and combined competencies

- Well positioned to leverage long-term growth opportunities through market and technology leadership
- Capital light engineering driven business models
- Constantly expanding our global footprint to improve customer service and capture additional businesses
- Engineering powerhouse with strong innovations for tomorrow's business opportunities

¹⁾ Sales: FY 2015/16 according to old BA structure (Service share included in Business units)



Targeting growth while maintaining benchmark profitability

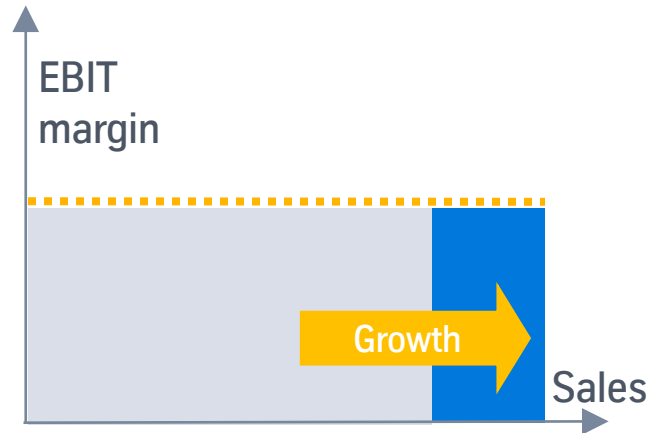
Perform

Efficiency & operational performance

- Streamline organization
- Engineering network
 - Best-cost-countries

Differentiation & Competitiveness

- Excellence initiatives
 - Procurement
 - Supply Chain
 - Commercial Excellence



Grow

Customer & Markets

- Marketing & Sales
 - Design-to-market
 - Low cost fertilizer
 - Standard & Single machines
- Regions
- Service

Technology & Innovation

- Big Data based solutions
- RedOx Flow
- IP (patents, licences)

Target: >€8 bn sales | 6-7% EBIT margin



Volume KPI's of Materials Businesses

			2011/12	2012/13	2013/14	2014/15				2015/16				
			FY	FY	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4
MX	Warehousing shipments ¹⁾	kt	5,470	5,300	5,592	1,279	1,480	1,393	1,379	5,532	1,276	1,449	1,463	1,318
	Shipments AST ²⁾	kt	-	-	537	106	210	234	196	747	190	228	232	201
SE	Crude Steel	kt	11,860	11,646	12,249	3,020	3,188	3,153	3,031	12,392	2,883	2,971	3,116	3,091
	Steel Europe AG	kt	8,408	8,487	8,936	2,187	2,398	2,462	2,229	9,276	2,214	2,364	2,355	2,436
	HKM	kt	3,452	3,160	3,313	833	790	691	802	3,116	669	607	761	655
	Shipments	kt	12,009	11,519	11,393	2,554	3,155	3,052	2,964	11,725	2,359	2,839	3,087	2,885
	Cold-rolled	kt	7,906	7,437	7,137	1,587	1,928	1,856	1,811	7,182	1,515	1,819	1,929	1,785
	Hot-rolled	kt	4,103	4,082	4,256	967	1,228	1,196	1,153	4,543	845	1,019	1,157	1,105
	Average Steel revenues per ton ³⁾		139	127	119	117	113	114	112	114	113	105	103	106
AM	Slab production CSA	kt	3,369	3,550	4,110	987	900	1,021	1,097	4,005	1,112	953	1,064	1,155
	Shipments AM	kt	3,401	3,457	4,194	1,029	821	963	1,036	3,849	1,061	1,130	1,049	1,156
	USD/EUR	Aver.	1.30	1.31	1.36	1.25	1.13	1.10	1.11	1.15	1.10	1.10	1.13	1.12
	USD/EUR	Clos.	1.29	1.35	1.26	1.22	1.08	1.12	1.12	1.12	1.09	1.14	1.11	1.12
	BRL/USD	Aver.	1.88	2.10	2.29	2.54	2.85	3.08	3.52	2.98	3.85	3.91	3.51	3.24
	BRL/USD	Clos.	1.86	2.03	2.45	2.66	3.25	3.10	4.00	4.00	3.90	3.62	3.23	3.24

¹⁾ Excl. AST/VDM shipments | ²⁾ Included at MX since March '14 | ³⁾ Indexed: Q1 2004/2005 = 100



Materials Services

[€ mn]

	2014/15					2015/16				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Order intake	3,546	3,723	3,572	3,104	13,945	2,846	2,922	3,123	2,949	11,840
thereof Special Materials	546	729	736	424	2,435	386	391	442	396	1,615
Sales	3,421	3,794	3,778	3,261	14,254	2,821	3,005	3,087	2,972	11,886
thereof Special Materials	522	733	818	514	2,587	362	420	395	356	1,534
EBITDA	27	79	121	58	285	29	32	61	74	196
EBITDA adjusted	44	89	122	99	354	34	39	78	90	242
thereof Special Materials	(12)	34	53	22	97	12	8	(7)	11	25
EBIT	(14)	(137)	89	24	(38)	(1)	3	35	39	76
EBIT adjusted	2	49	89	66	206	3	10	52	62	128
thereof Special Materials	(33)	14	34	16	30	2	(1)	(13)	3	(10)
EBIT adj. margin (%)	0.1	1.3	2.4	2.0	1.4	0.1	0.3	1.7	2.1	1.1
thereof Special Materials	(6.3)	1.9	4.2	3.1	1.2	0.5	(0.3)	(3.4)	0.8	(0.7)
tk Value Added					(449)					(233)
Ø Capital Employed	4,685	4,672	4,661	4,566	4,566	4,018	4,008	3,950	3,861	3,861
BCF	(84)	(18)	97	318	313	(188)	71	178	406	467
thereof Special Materials	(89)	31	24	72	39	(6)	(7)	(10)	28	5
CF from divestm.	94	0	2	298	394	1	2	4	4	11
CF for investm.	(22)	(22)	(23)	(48)	(115)	(14)	(30)	(27)	(65)	(137)
Employees	22,423	22,418	22,347	20,226	20,226	20,009	19,791	19,623	19,754	19,754

Current trading conditions

Strong price and competitive pressure for virtually all materials up to the end of Q2, price recovery from Q3 continuing in Q4; VDM (closing end of July '15) and RIP (closing Dec. 4, '14) sold in prior year

Sales in Q4 down qoq: Slightly higher prices vs seasonally lower volumes

EBIT adj. Q4 up qoq with strong cashflow: Strong performance Aerospace and improvements at AST; BCF significantly positive and up qoq and yoy



Materials Services – overview

Link between industrial and raw materials producers and customers

Materials Distribution

~ 65% of sales¹⁾



Carbon Steel



Stainless Steel



NF metals

Special Services

~ 20% of sales¹⁾



Plastics



Aerospace



Raw Materials

Special Materials

~ 15% of sales¹⁾



Stainless Steel



Production Acciai Speciali Terni (AST) and Distribution

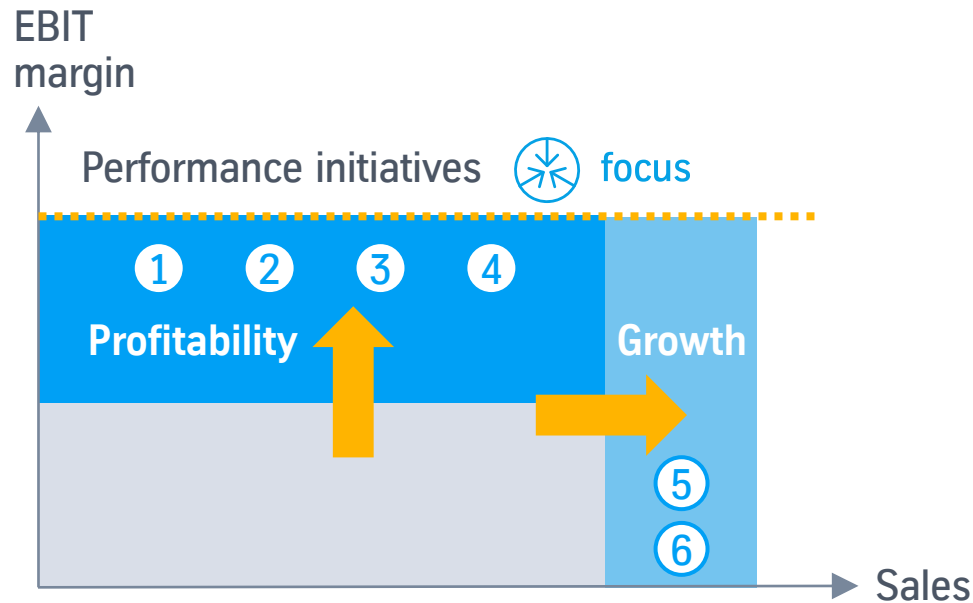
Trading Warehousing, Processing, Logistics / Supply Chain Management

- One-stop shop concept for broad range of industries and customer groups
- Accelerate competitiveness by digital transformation targeting leading market position in omni channel materials distribution
- Highly efficient and capital light business model with powerful IT and logistic systems
- Reduction of income volatility by continuous expansion into supply chain management businesses
- Relentless focus on market, innovation and efficiency

¹⁾ Sales FY 15/16 €11,886 mn



Materials Services – profitability before growth



Return to previous margin levels

- ① Organization, process & cost efficiency
- ② Specialization & processing
- ③ Digitization
- ④ Performance concept Acciai Speciali Terni (AST, Italy)
- ⑤ Organic growth
- ⑥ Selective smaller growth investments (e.g. US)



Steel Europe

[€ mn]

	2014/15					2015/16				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Order intake	2,095	2,394	2,050	1,883	8,421	1,846	2,183	2,265	1,852	8,146
Sales	1,985	2,260	2,287	2,165	8,697	1,723	1,925	2,015	1,969	7,633
EBITDA	199	217	259	249	924	156	166	191	209	721
EBITDA adjusted	198	217	276	208	899	156	167	191	201	715
EBIT	80	113	150	171	514	50	56	92	118	316
EBIT adjusted	79	113	166	133	492	51	65	91	108	315
EBIT adj. margin (%)	4.0	5.0	7.3	6.2	5.7	2.9	3.4	4.5	5.5	4.1
tk Value Added					14					(110)
Ø Capital Employed	5,384	5,376	5,324	5,265	5,265	5,088	5,102	5,067	5,012	5,012
BCF	(176)	371	186	292	673	(231)	167	159	365	459
CF from divestm.	4	1	(1)	92	97	(2)	1	0	1	1
CF for investm.	(100)	(95)	(96)	(166)	(458)	(86)	(89)	(105)	(120)	(400)
Employees	27,740	27,481	27,273	27,601	27,601	27,493	27,368	27,201	27,559	27,559

Current trading conditions

EU carbon flat steel market growing in 2016 – but exclusively in favor of third-country suppliers; antidumping measures imposed had a stabilizing effect in some areas, however, overall imports remain at highest levels since GFC

Sales Q4 down qoq: Slightly higher prices (limited effect from positive spot price trend yet) vs. lower volumes (seasonality, production related (incl. lag effects from fire at hot rolling mill Bochum in May))

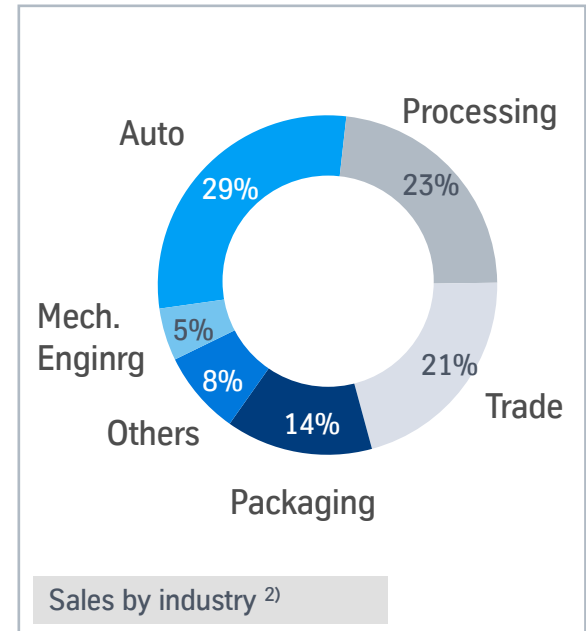
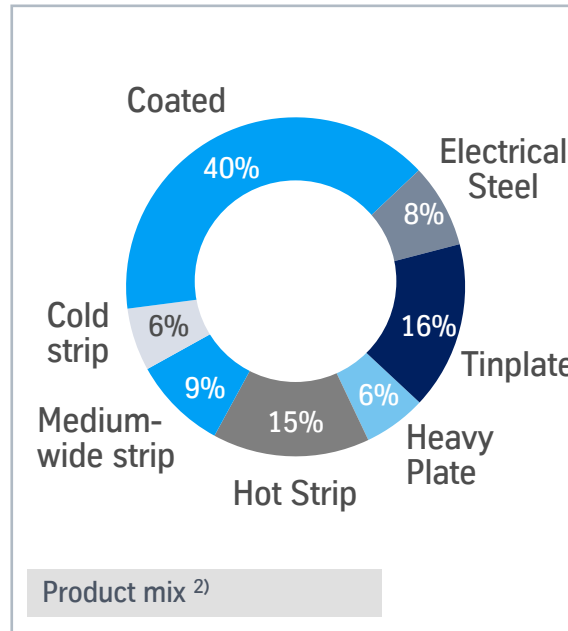
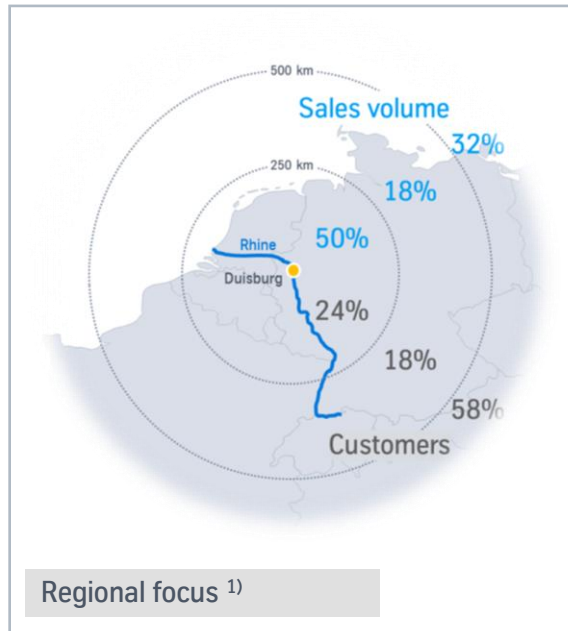
EBIT adj. Q4 up qoq: higher prices and efficiency gains more than compensate for lower volumes

New mgmt. structures put customers and markets more firmly at the center; implementation at start of FY 2016/2017



Steel Europe – overview

Strong position in demanding markets and industries



- Operating highly efficient and flexible steel assets in Europe
- Supplying premium flat steel products to attractive customer industries
- Aiming to be the leading European steel company and preferred partner to our customers
- Established track record in executing efficiency programs, roll-out of 'one steel' in progress
- Reliable earnings and cash flow provider relentlessly focused on sustainable value creation

¹⁾ Steel Europe AG FY 2015/16; ²⁾ by sales FY 2015/16



Steel Americas

[€ mn]

	2014/15					2015/16				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Order intake	475	420	519	308	1,723	371	286	383	485	1,525
Sales	502	453	441	376	1,773	350	325	336	478	1,489
EBITDA	21	17	8	(53)	(7)	(47)	(25)	88	105	121
EBITDA adjusted	32	15	11	(57)	1	(37)	(29)	74	103	110
EBIT	(11)	(19)	(27)	(90)	(147)	(84)	(61)	53	70	(22)
EBIT adjusted	0	(20)	(25)	(94)	(138)	(74)	(65)	39	67	(33)
EBIT adj. margin (%)	0.0	(4.4)	(5.7)	(24.9)	(7.8)	(21.2)	(20.0)	11.6	14.0	(2.2)
tk Value Added					(374)					(236)
Ø Capital Employed	2,101	2,150	2,178	2,167	2,167	2,113	2,115	2,129	2,145	2,145
BCF	(1)	5	15	(57)	(37)	(70)	(25)	18	145	69
CF from divestm.	1	0	0	1	2	0	1	0	1	2
CF for investm.	(10)	(14)	(15)	(48)	(86)	(30)	(25)	(21)	(34)	(110)
Employees	3,348	3,562	3,689	3,725	3,725	3,783	3,771	3,737	3,847	3,847

Current trading conditions

Sales Q4 significantly up qoq: higher shipments (slab production at new high) and esp. higher prices; good and steady progress with establishment of further LT customer relationships, above all in Brazilian home market

Adjusted EBIT Q4 significantly further up qoq: higher prices and volumes as well as efficiency gains

Operating license approved by Brazilian authorities in September

Efficiency program 'up' ('ultimate performance') for sustainable improvement of slab costs



Steel Americas – Overview

US assets divested

Closing Feb 2014

Sale to MT/NSSMY

- Price: \$1.55 bn
- plus LT slab supply contract for tk CSA
- 2 mt/yr until Sep 2019
- @ [HRC MidWest minus]

100% ownership tk CSA

Closing May 2016

- Purchase of all shares previously held by Vale (26.87%)
- complexity and risk reduction, increased room for maneuver for further development of CSA

CSA operational license

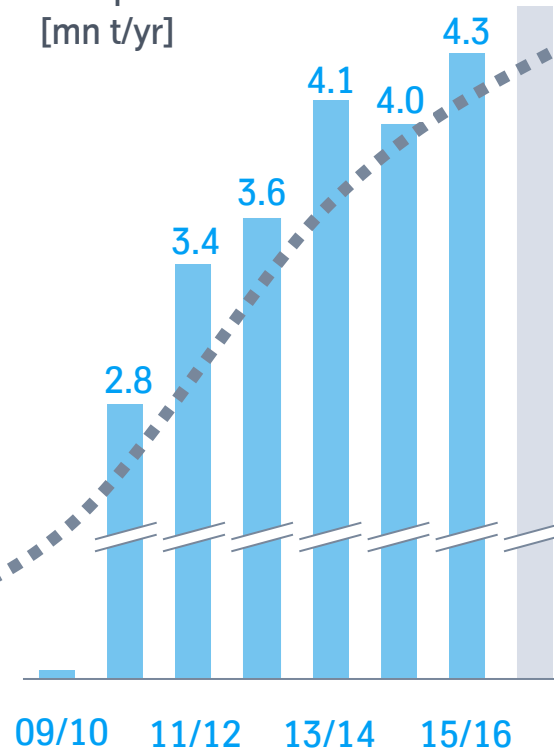
Approval Sep 2016



tk CSA
Brazil

Current focus on operating improvements in Brazil

slab production tk CSA
[mn t/yr]



- stabilization & continuous ramp-up
- efficiency improvements
- building further long-term customer relationships complementing
- 40% load from LT slab supply contract with ArcelorMittal

Mid-term solution outside of tk portfolio feasible



Corporate

[€ mn]

	2014/15					2015/16				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
EBITDA	(96)	(96)	(87)	(322)	(601)	(121)	(110)	(113)	(141)	(486)
EBITDA adjusted	(91)	(88)	(79)	(112)	(369)	(106)	(105)	(101)	(137)	(448)
EBIT	(107)	(107)	(98)	(337)	(649)	(132)	(122)	(130)	(156)	(542)
EBIT adjusted	(102)	(99)	(90)	(124)	(414)	(117)	(117)	(113)	(150)	(497)
BCF ¹⁾	98	(166)	(21)	(83)	(172)	217	(186)	(58)	6	(21)
Employees	3,000	3,043	2,879	3,004	3,004	3,168	3,298	3,409	3,548	3,548

¹⁾ now for Corporate and BAs: pension and related payouts excluded, service costs (non-cash) included, reversal in group consolidation;
from FY15/16: higher payments from all BAs to Corporate for group trade mark

In order to increase transparency & optimize internal control structures, from FY 16/17 on Corporate **EBIT adj.** will be split into:

- (1) **Corporate Headquarters “CorpHQ”:** Corporate Functions; Executive Board tk AG; Group initiatives “daproh”, “uniTe”, “HR transformation”
- (2) **Regions:** Regional headquarters; regional offices; representative offices
- (3) **Service Units:** Global Shared Services “GSS”; Regional Services Germany; Corporate Services
- (4) **Special Units:** Asset management of Group’s real estate; cross-business area technology projects; non-operating entities, e.g. for Group’s financing activities

FY 15/16 EBIT adj.: (497)

- (1) CorpHQ: (402)
incl. group initiatives of >100
- (2) Regions: (40)
- (3) Service Units: (66)
- (4) Special Units: 12

Group initiatives are managed centrally and aim to increase competitiveness, customer proximity and cost efficiencies:

- “daproh”: Group-wide implementation of one harmonized ERP landscape with automated end-to-end processes
- “uniTe”: Transformation of IT infrastructure into one global wide area network with 5 cloud-based data centers
- “HR transformation”: Optimization and bundling of HR workflows
- “GSS”: Bundling of standard workflows for accounting, HR, IT, real estate in 6 shared service centers



Ranked a world leader in climate protection by CDP

On behalf of 827 investors with US\$100 trillion in assets



Leading position

and included in the global “A List” as one of only 9 German companies (6 from DAX)

Outstanding management

of risks & opportunities externally confirmed.



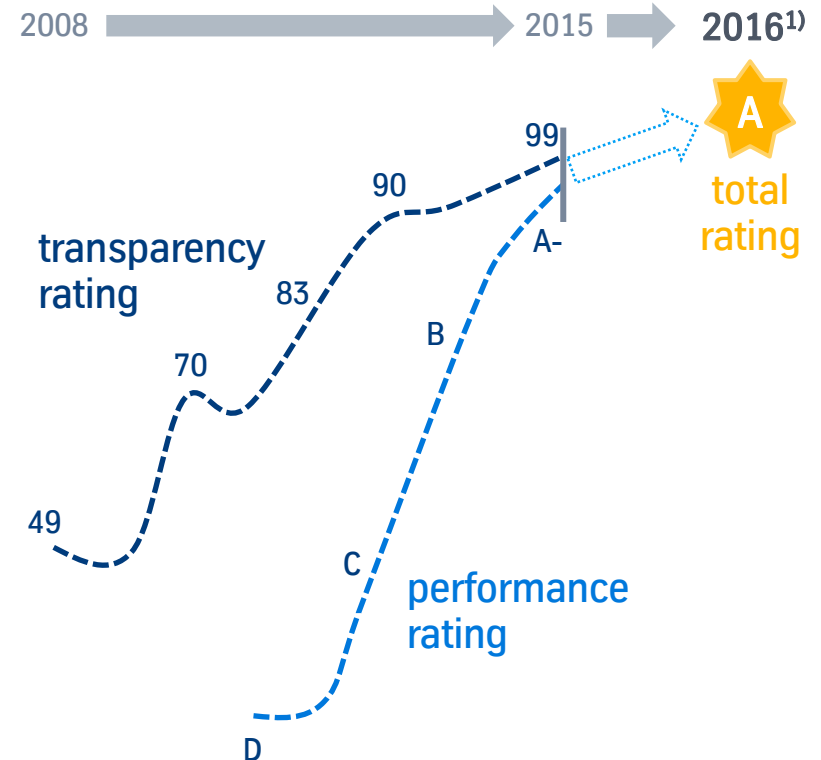
Solution & Innovation Partner

for our customers worldwide to develop CO₂-efficient products & services



Strategic target

to improve our energy efficiency by around 3.5 terawatt hours by 2020 equaling more than 1 Mio. t of CO₂

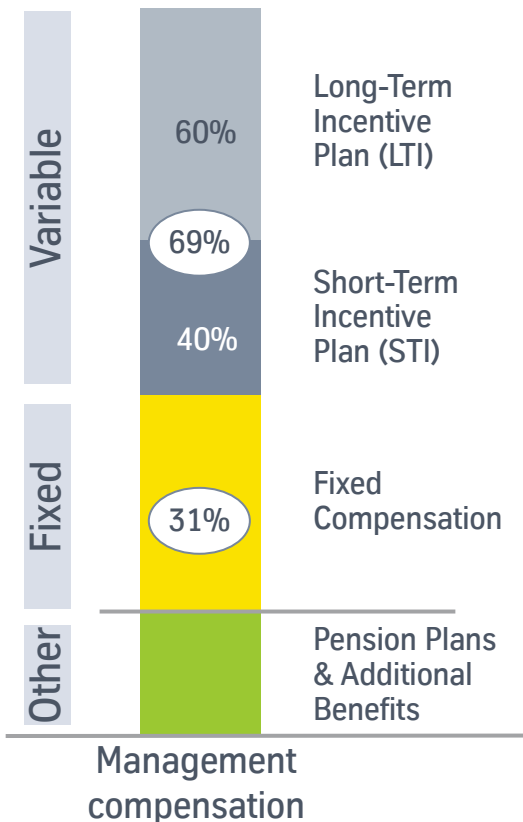


Sustainability – an integrated growth driver for our value pipeline

¹⁾ new scoring approach since 2016



Stringent alignment of management compensation with financial performance targets



- **LTI:** Share price, tkVA (target tkVA = 0); payout limited to 250% of initial value

For every €20 mn Ø tkVA above target → 1% increase in number of rights
 For every €10 mn Ø tkVA below target → 1% reduction in number of rights

- **STI:** annual performance bonus
- Group Board:
 - 40% Group EBIT/20% ROCE/40% FCF before M&A
 - Payout multiplied with a sustainability and discretionary factor (0.8-1.2)
 - Payout limited to 200% of target amount
- BA Board: 20% Group EBIT, FCF before M&A, tkVA; 80% BA EBIT, BCF, tkVA
- **Fixed:** €700,000 annually for each ordinary Group Board member



thyssenkrupp rating

	Long-term Rating	Short-term Rating	Outlook
Standard & Poor's	BB	B	stable
Moody's	Ba2	Not Prime	stable
Fitch	BB+	B	stable



Re-conciliation of EBIT FY 15/16 from Group p&l

P&L structure

Net sales	39,263
Cost of sales	(32,637)
SG&A, R&D	(5,653)
Other income/expense	120
Other gains/losses	112
= Income from operations	1,204

Income from companies using equity method 46

Finance income/expense (597)

= EBT 652

EBIT definition

Net sales	39,263
Cost of sales	(32,637)
SG&A, R&D	(5,653)
Other income/expense	120
Other gains/losses	112

Income from companies using equity method 46

Adjustm. for oper. items in fin. income/expense (62)

= EBIT 1,189

Finance income/expense (597)

Operating items in fin. income/expense 62

= EBT 652



OUR values &

Mission Statement

WE are thyssenkrupp – The Technology & Materials Company.

Competence and diversity, global reach, and tradition form the basis of our worldwide market leadership. WE create value for customers, employees and shareholders.

WE meet the challenges of tomorrow with our customers.

WE are customer-focused. WE develop innovative products and services that create sustainable infrastructures and promote efficient use of resources.

WE hold ourselves to the highest standards.

WE engage as entrepreneurs, with confidence, a passion to perform, and courage, aiming to be best in class. This is based on the dedication and performance of every team member. Employee development is especially important. Employee health and workplace safety have top priority.

WE share common values.

WE serve the interests of the Group. Our interactions are based on transparency and mutual respect. Integrity, credibility, reliability and consistency define everything we do. Compliance is a must. WE are a responsible corporate citizen.



Disclaimer thyssenkrupp AG

“The information set forth and included in this presentation is not provided in connection with an offer or solicitation for the purchase or sale of a security and is intended for informational purposes only.

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.

Please note that we disclaim any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.”

