

Remarks

by

Martina Merz

CEO of thyssenkrupp AG

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Check against delivery

Introduction

Good morning ladies and gentlemen, dear shareholders!

On behalf of the Executive Board I welcome you to this year's Annual General Meeting of thyssenkrupp AG. ---

A year ago our joint expectation was that I would be reporting to you today on the work of the Supervisory Board.

As we all know, things have turned out differently.

thyssenkrupp is in an extremely difficult situation. That's why I complied with the request of the Supervisory Board to assume overall responsibility as CEO for a limited period of time. Professor Russwurm has just explained it. ---

Ladies and Gentlemen,

The challenges are great: our balance sheet remains weak and the performance of some of our businesses remains unsatisfactory. So we have no time to lose.

We are therefore working swiftly and systematically on a new thyssenkrupp AG. We are looking ahead unencumbered and focusing on what is doable.

We on the Executive Board are working closely together with the Supervisory Board on this.

Only in this way can we win back the trust of our employees, of you – our shareholders – and of our business partners. ---

And it is for this task that I – and we – have stepped up as the new Executive Board. We have a commitment to our more than 160,000 employees worldwide. Just as we have a commitment to you, our shareholders.

We all share the same goal:

We want to create a thyssenkrupp that makes money, pays dividends, operates in a climate-neutral way and offers its employees long-term prospects. ---

The good news is:

We have largely completed the analysis phase for our “new tk” strategy. We have started the implementation and are also making good progress:

- The Executive Board is working with a more effective allocation of responsibilities.
- Since the beginning of the year we have started working in a new, leaner organization – we are currently downsizing the Group headquarters significantly.
- The Executive Board, the CEOs of the businesses and the heads of the corporate functions are working together, close to our operations, and pulling in one direction.
- The Elevator transaction is on schedule.
- The negotiations with the employee representatives on the strategy for the steel business are in full swing and
- Numerous restructuring measures have already been initiated.

Not everything that is changing is visible today and there is still much ahead of us.

After a good 100 days in office, I want to give you an update today on the current state of progress:

Where do we stand? What are we doing? Where do we see ourselves? – for us these are the most important questions.

My presentation is structured accordingly:

- First I will present our analysis of the starting situation.
- Then I will explain what we are doing to make the company fit for the future and
- Finally I will describe how we see thyssenkrupp in the long term.

Analysis and starting situation

Ladies and Gentlemen,

First our starting situation:

The thyssenkrupp I found when I took office as CEO a few months ago has experienced a phase of great uncertainty.

Three profit warnings, a prohibited joint venture, the cancelled split, the relegation from the DAX – all these left their marks.

Not only on our balance sheet, but above all on our understanding of what we are and what we can do. ---

What many forget is that thyssenkrupp, like almost no other company, stands for world-class engineering. Our employees are working together every day on technologies of the future – like our slogan says: engineering – tomorrow – together.

This extends from the latest developments for example in special grippers for assembly robots or in production processes for lightweight car bodies, to our “Alfred” artificial intelligence, to the world’s first successful trials using hydrogen as a reducing agent in the blast furnace.

Ladies and Gentlemen,

thyssenkrupp can do things that make my engineer’s heart beat faster.

We are proud of our more than 160,000 employees worldwide.

Their passion for the company and their tireless efforts are not things that can be taken for granted in view of our difficult circumstances. That impresses me. That’s what is so special about thyssenkrupp.

I would like to start by thanking our team for this: for persevering, for continuing and currently also for your support on our way forward. Thank you very much to all of you out there! ---

Unfortunately, despite all the enthusiasm for our capabilities, our starting situation also includes the sobering view of the company’s current operating performance:

Our company is not delivering the performance that you as shareholders expect from us.

- The company is in the red, we have had a negative cash flow for years.
- In the past fiscal year alone we spent over one billion euros more than we earned.

Although there are many good starting points for improvements, far too few have been implemented so far.

One main reason for this is obvious: our financial leeway has been massively restricted for years.

In the past thyssenkrupp has always aimed to develop its businesses into industry leaders. And we – together with the managers of our units – continue to believe that we already have many of the ingredients necessary for this.

However, financially we have been unable to provide sufficient support for the Group and the individual businesses to achieve their goals. Because we simply lacked the funds to do so.

For me as someone who joined the Supervisory Board just over a year ago, first as a member and then as chairwoman, the picture is as follows:

thyssenkrupp is like a big ship that has run into shallow waters. Over the years there have been various attempts to turn the ship around and steer it back into deeper waters. In vain: given thyssenkrupp's deep draft the shallow water did not allow any significant changes in direction.

In recent years, the strong economy has also helped keep the company reasonably stable. But for some time now the economy has been against us. As a result the "water under our keel" is becoming increasingly shallow.

You can see this from our very weak balance sheet. In the past fiscal year thyssenkrupp's net debt increased by more than half. We are heavily burdened by high liabilities and pension obligations in the billions.

At the same time our equity base is becoming increasingly thin. Our equity ratio is only 6.1 percent. I don't need to explain to you why for an industrial company this is too low in the long term.

In short: thyssenkrupp is in an extremely tight financial situation. Paying a dividend would not be justifiable in this situation. The company needs all available funds.

That's why together with the Supervisory Board we are proposing that no dividend be paid for the past fiscal year.

We are aware that this is cannot be satisfactory for you as shareholders.

Ladies and Gentlemen,

Weak performance and a weak balance sheet are hindering the company's development. The ship thyssenkrupp is increasingly unmaneuverable in its current configuration.

But: We want to pay a dividend again in the future.

We therefore cannot afford to just tinker with the symptoms. We must not shy away from extensive structural change. That's one of the reasons I am here.

And we're already doing a lot.

What we are doing: firstly, a stronger focus on performance

First of all we are putting a stronger focus on operating performance. Our expectations of the businesses remain unchanged. All the businesses must be capable of earning their cost of capital in the medium term. All of them must add substantially to the value of the company and be competitive with their industry peers. The businesses must be better able to stand on their own feet financially.

How do we achieve this?

As a first step, we have agreed with the Supervisory Board to assign businesses directly to the individual members of the Executive Board and to manage them more directly. We as the Executive Board are therefore now closer to operations.

With greater insistence, we are monitoring in detail the planning of measures, their development, implementation and impact – unit by unit. This will allow a genuine exchange with the management teams and enable us to better assess the situation, make decisions faster and implement restructuring measures with greater consistency.

In addition, together with the managements of the businesses, we are now asking ourselves in an unbiased manner:

What capabilities and resources are needed in an ideal environment to develop in the best possible way and get closer to our best competitors?

This way we will get an exact picture of what needs to be done in the individual units:

- Investment in new equipment, in research and development,
- the skills of employees,
- new partnerships or acquisitions,
- refinement of business models,

- but also restructurings and
- adjusting capacities.

The result is a “matrix of potentials”. A complete overview of what we need in order to realize the full potential of the businesses. And we will see what return we can expect from additional investments in the future.

We'll have it done by May. Then we can make decisions on how to proceed with the businesses

- which ones we will develop on our own,
- which ones we think we are more likely to achieve a leading position with in a partnership,
- or which ones will be in a better position to realize their potential and offer our employees and business partners good prospects with an owner other than thyssenkrupp.

In some units we are already pursuing a dual-track approach, simply to keep our options open. In summary: Together with the businesses we are not only defining the goals but also agreeing on the concrete path to take us there. We are working through these plans systematically and monitoring their implementation closely.

The restructuring of thyssenkrupp will therefore not be a “big bang”. Rather, it will be a path of many small steps, which will look very different depending on the business.

But it is also a fact that at the moment we have little financial leeway. With our very weak balance sheet we are unable to leverage the potential of our companies.

So before we can turn the big ship around and set a new course, we first need enough “water under the keel”. That is precisely why we are giving the Elevator transaction top priority. ---

What we are doing: secondly, the Elevator transaction

Ladies and Gentlemen, a second major focus is the Elevator transaction.

Elevator Technology is an extremely attractive business:

- continuous growth,

- coupled with economic resilience,
- in a large, growing and profitable market.

Elevator CEO Peter Walker and his team have ambitious plans for the coming years. Because this business too offers considerable potential for margin growth.

Elevator is therefore very attractive for the stock market, but also for a partial or full sale. We have therefore opted for a “dual track” approach and are pleased at the great interest shown by financial and strategic investors. We are on schedule for both tracks. In the meantime we have received offers from investors.

Based on an initial review, we believe that investors confirm the value of the enterprise at over 15 billion euros. ---

Ladies and gentlemen, some of you may be wondering why it is taking so long. Quite honestly, we are fast when you compare it with other transactions of this size. And by preparing the IPO in parallel and obtaining offers from interested investors in stages we have created an excellent starting point and can now select the option that is best: for you as shareholders, for our employees and business partners, but also for the elevator business itself. The Executive Board, together with the Supervisory Board, will make this decision with all due care and taking full account of all relevant aspects.

This will allow thyssenkrupp to make a real fresh start. ---

Whichever way we ultimately decide – IPO, partial or complete sale – all these options will generate billions of euros in capital for thyssenkrupp. This will significantly improve our situation.

In the case of an IPO or partial sale, we can use the proceeds to reduce our debt considerably. At the same time we will retain access to the cash flows and can continue to profit from future value increases at Elevator.

In the case of a majority or full sale, we can use the inflow of funds to reduce our burdens directly, thereby significantly strengthening the balance sheet and placing the company’s financing on a new, stable footing. From then on, every euro can go towards the development of our businesses. From this basis we can advance structurally and operationally.

Whichever way we decide: With the Elevator transaction we are pressing the “reset button” for our balance sheet. Our expectation is that after the restructuring made possible by the transaction thyssenkrupp will once again be a solidly positioned company.

We aim to make a decision on the Elevator transaction by the end of February. I hope you will understand that in view of the decision-making process we cannot give any details of the offers or investors today. The preparations are proceeding according to plan. The necessary restructuring measures have been completed and the elevator business has been organizationally independent since the beginning of the year.

Ladies and Gentlemen,

To stay with the ship analogy: with the Elevator transaction thyssenkrupp will finally be able to float free again. We will gain enough distance from dangerous shoals and cliffs. The turning-point will be painful, but it will make thyssenkrupp maneuverable again and give the remaining units the opportunity to shape their own future.

That’s why there is also a clear consensus between Executive Board and Supervisory Board about how to use the funds. We will use the proceeds to strengthen our balance sheet and thus ultimately to develop our businesses – in other words we will invest them in the future of the company.

We are convinced that this is the best use of the funds. Because we believe in the future of our businesses and we want to utilize our opportunities.

What we are doing: thirdly, utilizing opportunities

Ladies and Gentlemen, many of our business areas are technology leaders and hold strong market positions. At the same time we know that there are still many opportunities for further development, and it is these opportunities that we are addressing.

Allow me to provide a couple of concrete examples that illustrate the potential:

1. Opportunities for the materials businesses

Steel is where our company started. As you all know, steel is a cyclical and very capital-intensive business; a business characterized by overcapacities and high pressure from imports; a business in which for years we have not been able to earn our cost of capital over the cycle.

A year ago we were all expecting our steel operations to become part of a joint venture with Tata Steel. But last year we had to accept that the consolidation solution we planned to implement with Tata was rejected by the EU Commission.

Despite this decision, we remain convinced that alliances or consolidation are the best way forward for the European steel industry, with a view both to the overcapacities in Europe and the forthcoming transformation to climate-neutral steel. So we need to be open to partnerships or alliances with policymakers.

But that also goes for alliances with competitors if they offer opportunities to invest funds efficiently or find a way out of the restructuring spiral of recent years. That's why we continue to support the idea of consolidation. Alliances can offer added value. That's why we are open to discussions. ---

But why should we invest in steel in the future?

Quite simple: Because steel has a future.

Our materials are the starting point for long industrial value chains – in particular in Germany. Our steel is used in cars, washing machines and wind turbines. For industry, steel is almost as important as electricity. In numerous applications, both today and in the foreseeable future, there is no alternative to steel.

That's why the transformation to climate-neutral steel is so important: Fighting climate change presents major challenges, but it also creates major opportunities because our customer industries are facing the same challenges. The big automotive OEMs want to become carbon neutral. And to do that they need green steel.

If we can utilize our pioneering technologies to produce steel in a climate-friendly way, we can gain a significant competitive edge. That's why we have set out to make our steel production climate neutral.

This is a transformation the like of which has never been seen before in the steel industry. It will require billions in investment – above all in direct reduction plants that require huge amounts of hydrogen. No company can shoulder that alone. It will depend on the efficiency of the overall steel ecosystem. That's why we are also talking with our business partners and policymakers about creating suitable conditions for this major transformation. An ecosystem for green steel is a joint effort.

thyssenkrupp is one of the “drivers” of this: You already know about the Carbon2Chem project, in which we are converting CO₂ from steel mill gases into raw materials for the chemical industry. In November, we injected hydrogen into a blast furnace for the first time to replace coal as a reducing agent.

To summarize:

- We take our climate objectives very seriously and are open to different technologies.
- Because there will not be just one solution.
- Our minimum requirement is what is technically possible. ---

But if we are to carry out this transformation successfully, we need to do our homework for Steel. First of all we have to make our business competitive. That means:

- reducing costs,
- aligning our processes even more with customer requirements
- and developing our portfolio more towards high-margin products, where we have advantages over our competitors, above all those from Asia.

And this is exactly what we are addressing with our Steel Strategy 2030. That's why the first step in this strategy will require some tough restructuring.

It won't be possible to do this without job losses. Here we need the support of our workforce. That is why we and the Steel board are currently negotiating the new Steel Strategy with the

employee representatives. Once we reach agreement on this we will present the strategy in detail and then put it into practice. ---

I am convinced that steel has great prospects. With a strong materials business, thyssenkrupp will remain an attractive investment for you as shareholders in the future.---

That also includes Materials Services: This business area is already the biggest materials distributor and service provider in the western world. Under the strategy initiated last year we will expand our offering considerably: The market for digital supply chain services is enjoying double-digit growth. The 250,000 customers we currently have worldwide give us ideal access to share in this growth.

2. Opportunities for our automotive components business

Our automotive components business also remains an attractive investment, offering leading technologies for a variety of powertrain types. That means we can support the transformation of the auto industry as a strong partner.

At the same time we are testing new business models. carValoo is a good little example:

Using smart components we are offering digital services to fleet operators – a kind of fitness tracker for cars. The patents have been granted. In collaboration with pilot customers we have already analyzed over a million test kilometers. The results show how we use high-precision vehicle movement data to reliably identify all patterns of use and damage. Now we need to scale it up. ---

3. Opportunities for Plant Technology

Or let's take our Plant Technology business: We have already fitted more than 70 large plants with sensors and linked them to the cloud via our own digital platform. Using our algorithms we can better help our customers optimize their plants and reduce downtimes. At the same time we are building on our resource-friendly solutions in the cement and mining sectors so that we can also support the increasing focus on sustainability in these customer industries. One example: Everyone's talking about hydrogen. Our water electrolysis technology can produce climate-neutral hydrogen. ---

4. Opportunities for industrial components and Marine Systems

Our industrial components are a stable business. Our forging activities are a good example of how effective well-managed restructuring can be. We grew faster than the market in this area last year. We are firmly established as the world's leading manufacturer of slewing bearings. In our Marine Systems unit, we announced last year that we would be making investments of 250 million euros to build Europe's most advanced naval engineering company. This is always assuming that German and European industrial policymakers also have an interest in this. ---

As you can see, thyssenkrupp is not standing still. We are moving forward. We will utilize opportunities like these. ---

Outlook

Ladies and Gentlemen, let's move on to the outlook:

The planned Elevator transaction will be the green light for a fresh start. But this step will be just the first of several necessary maneuvers.

There is still a great deal of work to be done to get the ship afloat again in all areas. It will not only have to set a new course, it will also have to get back up to speed. ---

The necessary maneuvers are the many small steps I mentioned earlier. Many of them are well underway, and I have already mentioned a few of these:

- The new leadership model with a stronger focus on performance.
- Savings targets at Corporate have been specified, we are halving the size of our HQ, implementation is already underway.
- At Automotive and Plant Technology we are operating in new structures.
- And numerous restructurings such as at Springs & Stabilizers and System Engineering, but also capacity adjustments such as at Cement and most recently at Aerospace are already underway.

By working closely with our businesses we now have a much clearer picture of what resources we need to implement these plans.

We will make concrete decisions on how the resources will be used once the Elevator transaction is decided.

And yet it is also already clear that even with a clean balance sheet, our resources will be finite. That means the businesses are in competition with each other. They will have to convince us with their plans and show us where the resources will be best utilized. It makes sense to develop those businesses that have the potential to add value.

That also means that in cases where we see no prospects of closing the gap to the best in the sector or of developing businesses in a way that creates value, we will look for partners or a new “best owner”.

For example, that is why we have announced that we will be looking at the possibility of sale or alliances for our Plant Technology units. Following initial talks last year, we have now initiated the usual formal process in such cases and are sending information materials to potential interested parties. But it is too early to make a decision: so in parallel with this we are working hard to make Plant Technology more competitive. The lesson we learned from our planned steel joint venture is never to bet too early on just one option. ---

Ladies and Gentlemen,

In the future thyssenkrupp will consist of several strong pillars: the materials businesses, the automotive components business and further industrial businesses.

That means that going forward thyssenkrupp will be managed as a “group of companies”, with a lean headquarters and strong, independent units.

As a result the company will become a group that manages largely independent companies with good prospects for future success and allocates resources transparently to develop these businesses.

That is the course we will set as soon as the ship once again has enough “water under the keel”. Whether we are the sole owners of units or one of several in partnerships is of secondary importance. We will be guided by what best serves the businesses in their markets.

What will unite all group companies will be our shared values, our pride in what we have achieved, and the great history of the company – held together by a strong international brand that stands for “engineering.tomorrow.together” around the world. That is a true competitive advantage.

We will also be united by a new way of collaboration: taking responsibility instead of shirking it; less internal politics, more objectivity; less hierarchical thinking, instead competent, constructive exchanges and a clear focus on performance.

These are the values that my Executive Board colleagues and I stand for and have agreed with our leadership teams.

Another of these values is sustainability. We are aware that in the future investors will increasingly steer clear of companies that cannot credibly demonstrate that they have clear goals and a clear plan to become climate neutral. The non-profit organization CDP, which evaluates these very points and this year named us for the fourth year in a row as a global leader in climate protection, is backed by 525 investors managing over 96 trillion(!) US dollars in assets. That shows the changes that are taking place in this area and that we are on the right path with our climate goals.

Conclusion

Ladies and Gentlemen,

When we meet again in a year, we will have steered the ship into calmer waters and picked up speed:

- We will have concluded the Elevator transaction and be working on further portfolio measures. ---
- We will be implementing or have already implemented our plans to improve performance in all our businesses, and further results will be visible. ---
- And we will have further restructured our organization and made recognizable progress towards our goal of “lean HQ, strong businesses”. ---

But it will take two to three years for this restructuring to be reflected in the group’s figures. In the short term the forthcoming restructuring expenses will actually have a negative impact on earnings.

That is why we have been cautious with our outlook for the current fiscal year. ---

Ladies and Gentlemen,

I would like to close with a personal comment.

Earlier I thanked our 160,000 employees. They have been through a lot in the past few years. We have asked a great deal of them, as we have of you as shareholders. And yet you have kept faith with the company. For that I would like to thank you. ---

For you as shareholders and for our employees, it cannot be easy to constantly read negative headlines about the company which many are so proud of.

So I am all the more impressed by the morale of the team. The people I meet in this company are open and sympathetic. Employees and managers. Shareholders and works council members. They are impatient. They want change. They want success.

In short: All the people I have worked with in the past few months have my greatest respect. They have shown a side of themselves that motivates me every day to move thyssenkrupp forward.

I would like to thank all these people for their support over the past few months. And I will work hard for all these people to ensure that their company, our company thyssenkrupp, makes the headlines not only because of crises but soon once again mainly because of proud engineering.

Thank you for your attention.