



thyssenkrupp makes significant progress in the transformation and, in a challenging environment, continued its solid business performance in the 2nd quarter of 2023/2024 as expected

- Order intake and sales lower than in the prior year as expected due to downward market effects
- Adjusted EBIT in line with expectations, lower due to positive one-time effects in the prior year
- Free cash flow before M&A above prior year but still negative on a seasonal basis
- Progress in the transformation process: Spin-off of the steel division and marine business ongoing; transformation of the materials business in Germany initiated; “APEX” performance program delivers further positive earnings effects
- Full-year forecast for adjusted EBIT and free cash flow before M&A confirmed
- CEO Miguel López: “thyssenkrupp performed as planned in the 2nd quarter. We made significant progress in the strategic realignment of the group, especially in the steel business.”

thyssenkrupp is pressing ahead rapidly with its strategic realignment and, in a persistently challenging environment, turned in a robust operational performance in the 2nd quarter of the current fiscal year that was in line with expectations. As expected, **order intake** and **sales** of €8.6 billion and €9.1 billion, respectively, were lower than in the prior year (€10.2 billion and €10.1 billion, respectively), mainly due to price- and demand-induced declines at Materials Services and Steel Europe. **Adjusted EBIT** came to €184 million. The main reason for the decline compared with the prior year (€205 million) was the absence of positive one-time effects at Automotive Technology. Excluding these one-time effects, adjusted EBIT increased. Earnings increases at Steel Europe and Marine Systems contributed to this development. The “APEX” measures initiated to improve efficiency also had a positive impact on earnings. The group has confirmed its **forecast** for adjusted EBIT and free cash flow before M&A for the 2023/2024 fiscal year.

Miguel López, CEO of thyssenkrupp AG: “thyssenkrupp performed as planned in the 2nd quarter – despite a still gloomy market environment. We made significant progress in the strategic realignment of the group, especially in the steel business. We signed an agreement with EP Corporate Group that it would acquire a stake in the steel business and Steel Europe is currently developing a concept for the segment’s realignment. Our materials business is also undergoing an extensive transformation process. Moreover, we are progressing with the spin-off of Marine Systems and implementing innovative decarbonization projects, such as the use of our ‘pure oxyfuel’ technology at the Holcim cement plant in Lägerdorf, North Germany. As you can see, we are not letting up in our transformation – we are working on implementation.”

thyssenkrupp is working consistently to implement its **strategic transformation**:

On the path to the **spin-off of Steel Europe**, the segment's Executive Board has presented the initial conceptional outlines of a planned realignment. Concrete measures are currently being developed and will then be discussed by the committees responsible for the steel business – especially the Steel Europe Supervisory Board and the employee representatives. Work began on constructing the first hydrogen-capable direct reduction plant at the Duisburg site in March this year. Implementation will continue as planned with the support of funding approved by the German federal government and the state government of North Rhine-Westphalia.

Moreover, at the end of April, thyssenkrupp AG and EP Corporate Group (EPCG) agreed that EPCG would acquire a 20-percent stake in the steel business. EPCG's decision to come on board unites Steel Europe's leading materials know-how and EPCG's energy expertise. EPCG will contribute its expertise as an energy trader, supplier and distributor to the strategic partnership, thereby facilitating the supply of sufficient energy in the form of hydrogen and green electricity, as well as the provision of energy commodities. There could also be expedient interfaces between the two companies in the fields of project management and implementation of large green transformation projects.

In addition, the parties are already in talks about the acquisition by EPCG of a further 30 percent of the steel business. The aim is to establish an equal 50/50 joint venture. The proposed expansion of the shareholder structure will have no impact on existing company and collective bargaining agreements at Steel Europe.

The strategic partnership is a historic and significant step toward ensuring resilient and climate-friendly steel production at Steel Europe – and thus also a major contribution to securing the future of the steel industry in Germany. thyssenkrupp is already participating in the decarbonization of steel production.

The **materials business** has initiated a major structural transformation of the business model of thyssenkrupp Schulte in order to reinforce and further expand the company's position in the German warehousing market. The transformation is aimed at aligning the business model even more consistently with customers' ever-changing requirements, with a focus on materials-related services.

Progress has also been made with the planned **spin-off of the marine business**. thyssenkrupp and investment company Carlyle have agreed to start due diligence in respect of the marine business of thyssenkrupp. The subject of this assessment is the possible partial sale of thyssenkrupp Marine Systems to Carlyle. Other options for a stock market listing are still being explored in parallel. At the same time, discussions are being held with the German federal government regarding a possible investment in the marine business of thyssenkrupp.

In addition, thyssenkrupp has continued to advance the use of its **innovative decarbonization technologies**. thyssenkrupp nucera has been chosen by Spanish energy company Cepsa as the preferred supplier of a 300-megawatt electrolyzer for the production of green hydrogen. The project is part of the Green Hydrogen Valley hub in Andalusia, which is currently being developed as one of the largest centers of green hydrogen production in Europe. thyssenkrupp Polysius is supplying its key “pure oxyfuel” technology for one of the world’s first carbon-neutral cement plants in Lägerdorf in Schleswig-Holstein. This enables the capture of almost 100 percent of CO₂ emissions from cement clinker production. As part of another project, thyssenkrupp Uhde concluded a contract for a conceptual design study for a reduced-emission fertilizer plant in Canada.

At the start of May 2024, the **sale** of a 55-percent stake in thyssenkrupp Industries India (Decarbon Technologies segment) to a consortium of existing co-shareholders concluded the strategic streamlining of the thyssenkrupp mining portfolio.

Miguel López, CEO of thyssenkrupp AG: “The transformation we have initiated ensures the future viability and success of our businesses – it is essential. It is also the only way we can secure jobs in the long term.”

Business performance of the segments in the 2nd quarter 2023/2024

At **Automotive Technology**, both order intake and sales amounted to €1.9 billion (prior year: both €2.0 billion). Adjusted EBIT of the segment was €49 million, which was below the prior-year level of €108 million. Compared with a year earlier, which was boosted by positive one-time effects, the segment recorded declining sales volumes. Lower material and transportation costs had a positive impact on earnings. The efficiency improvement measures of the “APEX” program and the negotiation of new prices also had a positive effect.

In the 2nd quarter of the 2023/2024 fiscal year, **Decarbon Technologies** posted order intake totaling €0.7 billion (prior year: €1.0 billion). The segment increased sales by 9 percent to €0.9 billion. Adjusted EBIT came to €15 million (prior year: €49 million). With the exception of Uhde, all business units posted lower earnings year-on-year as expected. The segment boosted its earnings thanks to “APEX” measures to improve efficiency in areas such as human resources and production and to optimize procurement. **Rothe Erde** saw an overall decline in order intake and sales due to lower demand in the wind energy business and for construction machinery in China. Price pressure in the wind energy sector also reduced earnings. **Uhde** saw a temporary decline in order intake but was able to increase sales compared with the prior year. Adjusted EBIT was also higher than a year earlier. Order intake at **Polysius** decreased in the context of the usual inter-quarter volatility. By contrast, sales increased. Earnings were lower compared with the prior year, which had benefited from a positive one-time effect. **thyssenkrupp nucera** is still on a growth track and increased sales. Order intake was lower temporarily compared with the prior year, which was attributable to the high volume of individual projects in that period. Earnings were negative as a result of the higher up-front costs for expanding the business.

With lower volumes and prices overall, **Materials Services** posted order intake of €3.3 billion and sales of €3.2 billion (prior year: both €3.9 billion) in a weak economic environment in Europe especially. This downward trend was evident particularly in the warehousing and direct-to-customer businesses and also resulted in the segment's lower earnings of €69 million compared with the prior-year figure of €85 million. The ongoing efficiency measures bundled in the "APEX" program had a positive impact on earnings and included a reduction in energy costs, further network optimization and improved terms agreed with a major customer in the Aerospace business.

The European steel industry is facing a very challenging environment caused by the weak economy and structural changes as well as higher energy costs compared with its international competitors and growing pressure on imports. This trend is evident at **Steel Europe**, which saw order intake and sales fall to €2.9 billion each from the prior-year figures of €3.7 billion and €3.3 billion, respectively. This was attributable to both the strong price declines and volume reductions. The segment significantly increased adjusted EBIT to €68 million compared with €(14) million in the prior year. Compared with the prior year, lower raw material and energy costs and lower depreciation and amortization as a result of the significant impairment losses in fiscal year 2022/2023 more than offset negative market effects. Earnings were supported by "APEX" measures such as efficiency improvements in production, energy and logistics and further cost improvements and procurement successes.

Marine Systems increased order intake to €140 million (prior year: €135 million) and sales to €532 million (prior year: €497 million). The sales trend remained stable due to positive project progress in the surface vessels and submarine businesses. This was also reflected in the adjusted EBIT of €25 million, which was significantly higher than the prior-year figure of €14 million. "APEX" measures in areas such as materials, human resources and assets contributed positively to earnings.

The adjusted EBIT of **Corporate Headquarters** amounted to €(40) million (prior year: €(41) million).

2nd quarter 2023/2024: Key figures for the thyssenkrupp group

While the results of operations were positive, economy-driven and thus demand-induced asset impairments at Materials Services and negative effects from the measurement of CO₂ forward contracts at Steel Europe meant that thyssenkrupp posted a **net loss** of €(72) million in the 2nd quarter of 2023/2024 (prior year: €(203) million). After deducting non-controlling interest, net income was €(78) million (prior year: €(223) million); earnings per share came to €(0.13) (prior year: €(0.36)).

Compared with December 31, 2023, **equity** remained stable at €11.6 billion and the **equity ratio** at a comfortable value of 38 percent.

As a result of factors such as lower net working capital, **free cash flow before M&A** improved by €20 million from the prior-year level but remained negative as expected at €(197) million. As of March 31, 2024, the group's **net financial assets** decreased accordingly to €3.5 billion (December 31, 2023: €3.8 billion). Following the redemption of a bond of €1.5 billion at the end of February 2024, thyssenkrupp retained a very good liquidity position totaling €6.2 billion in cash and cash equivalents and undrawn committed credit lines.

Forecast for key financial indicators for 2023/2024 fiscal year confirmed

In a persistently difficult **market environment** characterized by geopolitical and trade conflicts, thyssenkrupp anticipates that macroeconomic development in the current fiscal year will be challenging overall. Moreover, the company expects further volatile price levels on sales and procurement markets, e.g., for raw materials and energy. This may result in fluctuations in sales and earnings development.

Due to volume reductions and lower prices at Steel Europe and Materials Services, thyssenkrupp now expects **sales** for the 2023/2024 fiscal year to be below the prior-year level. Previously, the group had assumed a value at the prior-year level. thyssenkrupp continues to anticipate that **adjusted EBIT** will rise to the high three-digit million euro range (prior year: €703 million). The group is still seeking to achieve **free cash flow before M&A** in the low three-digit million euro range (prior year: €363 million).

The impairment losses recognized by Materials Services and the negative effects from CO₂ forward contracts at Steel Europe in the 2nd quarter are the reasons why, for **net income**, the company now anticipates an increase to a negative figure in the low three-digit million euro range (previously: increase to around break-even; prior year: €(1,986) million).

Click here for the current interim report:

<https://www.thyssenkrupp.com/en/investors/reporting-and-publications>

Click here for current footage material.

Media contacts

thyssenkrupp AG Communications

Konrad Böcker

Phone: +49 (201) 844-553084

E-mail to: press@thyssenkrupp.com

Nicola Röttger

+49 (201) 844-536481

thyssenkrupp in figures – key performance indicators at a glance

		Group			
		1st half ended March 31, 2023	1st half ended March 31, 2024	Change	in %
Order intake	million €	19,365	16,549	(2,815)	(15)
Sales	million €	19,125	17,245	(1,880)	(10)
EBITDA	million €	951	531	(420)	(44)
EBIT ²⁾	million €	136	(156)	(293)	--
EBIT margin	%	0.7	(0.9)	(1.6)	--
Adjusted EBIT ^{1), 2)}	million €	373	268	(105)	(28)
Adjusted EBIT margin	%	1.9	1.6	(0.4)	(20)
Income/(loss) before tax	million €	32	(239)	(270)	--
Net income/(loss) or earnings after tax	million €	(105)	(377)	(272)	--
attributable to thyssenkrupp AG's shareholders	million €	(147)	(392)	(244)	--
Earnings per share (EPS)	€	(0.24)	(0.63)	(0.39)	--
Operating cash flows	million €	69	(311)	(380)	--
Cash flow for investments	million €	(643)	(397)	245	38
Cash flow from divestments	million €	23	27	4	16
Free cash flow ³⁾	million €	(551)	(682)	(131)	(24)
Free cash flow before M&A ³⁾	million €	(581)	(728)	(146)	(25)
Net financial assets (March 31)	million €	2,895	3,467	572	20
Total equity (March 31)	million €	13,997	11,604	(2,393)	(17)
Gearing (March 31)	%	— ⁴⁾	— ⁴⁾	—	—
Employees (March 31)		98,224	100,202	1,978	2

¹⁾ See preliminary remarks.

²⁾ See reconciliation in segment reporting (Note 08).

³⁾ See reconciliation in the analysis of the statement of cash flows.

⁴⁾ Due to the strongly positive total equity and the reported net financial assets, the gearing key ratio is negative and the significance of the gearing key ratio is thus of no relevance.

		Group			
		2nd quarter ended March 31, 2023	2nd quarter ended March 31, 2024	Change	in %
Order intake	million €	10,188	8,576	(1,612)	(16)
Sales	million €	10,107	9,064	(1,043)	(10)
EBITDA	million €	466	293	(173)	(37)
EBIT ²⁾	million €	(110)	28	138	++
EBIT margin	%	(1.1)	0.3	1.4	++
Adjusted EBIT ^{1),2)}	million €	205	184	(21)	(10)
Adjusted EBIT margin	%	2.0	2.0	0.0	0
Income/(loss) before tax	million €	(135)	(7)	129	95
Net income/(loss) or earnings after tax	million €	(203)	(72)	130	64
attributable to thyssenkrupp AG's shareholders	million €	(223)	(78)	145	65
Earnings per share (EPS)	€	(0.36)	(0.13)	0.23	65
Operating cash flows	million €	206	113	(93)	(45)
Cash flow for investments	million €	(415)	(290)	125	30
Cash flow from divestments	million €	8	(6)	(14)	--
Free cash flow ³⁾	million €	(201)	(183)	18	9
Free cash flow before M&A ³⁾	million €	(216)	(197)	20	9
Net financial assets (March 31)	million €	2,895	3,467	572	20
Total equity (March 31)	million €	13,997	11,604	(2,393)	(17)
Gearing (March 31)	%	— ⁴⁾	— ⁴⁾	—	—
Employees (March 31)		98,224	100,202	1,978	2

¹⁾ See preliminary remarks.

²⁾ See reconciliation in segment reporting (Note 08).

³⁾ See reconciliation in the analysis of the statement of cash flows.

⁴⁾ Due to the strongly positive total equity and the reported net financial assets, the gearing key ratio is negative and the significance of the gearing key ratio is thus of no relevance.

	Order intake million €		Sales million €		EBIT ¹⁾ million €		Adjusted EBIT ^{1),2)} million €		Employees	
	1st half ended March 31, 2023	1st half ended March 31, 2024	1st half ended March 31, 2023	1st half ended March 31, 2024	1st half ended March 31, 2023	1st half ended March 31, 2024	1st half ended March 31, 2023	1st half ended March 31, 2024	March 31, 2023	March 31, 2024
Automotive Technology ²⁾	4,078	3,744	3,894	3,785	137	79	154	97	31,288	32,025
Decarbon Technologies ²⁾	2,021	1,340	1,704	1,830	64	(28)	68	(2)	14,981	14,768
Materials Services	7,250	6,150	7,143	6,023	114	(9)	105	95	16,234	16,150
Steel Europe ²⁾	6,725	5,312	6,260	5,310	(143)	(132)	76	137	26,109	27,057
Marine Systems ²⁾	263	669	1,004	965	31	44	34	42	7,386	7,880
Corporate Headquarters	5	5	4	4	(83)	(103)	(84)	(96)	611	640
Reconciliation ²⁾	(978)	(671)	(884)	(671)	15	(8)	21	(6)	1,615	1,682
Group	19,365	16,549	19,125	17,245	136	(156)	373	268	98,224	100,202

¹⁾ See reconciliation in segment reporting (Note 08).

²⁾ See preliminary remarks.

	Order intake million €		Sales million €		EBIT ¹⁾ million €		Adjusted EBIT ^{1),2)} million €	
	2nd quarter ended March 31, 2023	2nd quarter ended March 31, 2024	2nd quarter ended March 31, 2023	2nd quarter ended March 31, 2024	2nd quarter ended March 31, 2023	2nd quarter ended March 31, 2024	2nd quarter ended March 31, 2023	2nd quarter ended March 31, 2024
Automotive Technology ²⁾	2,031	1,890	2,009	1,922	106	38	108	49
Decarbon Technologies ²⁾	1,000	695	856	931	46	(3)	49	15
Materials Services	3,901	3,293	3,897	3,164	91	4	85	69
Steel Europe ²⁾	3,691	2,916	3,315	2,864	(329)	11	(14)	68
Marine Systems ²⁾	135	140	497	532	14	26	14	25
Corporate Headquarters	3	3	2	2	(38)	(42)	(41)	(40)
Reconciliation ²⁾	(574)	(362)	(470)	(349)	(1)	(6)	4	(3)
Group	10,188	8,576	10,107	9,064	(110)	28	205	184

¹⁾ See reconciliation in segment reporting (Note 08).

²⁾ See preliminary remarks.