



Press release

Despite the persistently challenging market environment: thyssenkrupp continued its robust business performance in the 3rd quarter and made progress in its transformation

- Group order intake and sales below prior-year levels; adjusted EBIT significantly below the prior year as expected
- Free cash flow before M&A greatly improved and significantly positive compared with the prior-year quarter and the previous quarter
- Full-year forecast for adjusted EBIT specified: a high three-digit million euro figure at the upper end of the previous forecast range now expected
- Important milestones achieved in the transformation process: successful IPO of hydrogen subsidiary thyssenkrupp nucera; Steel Europe to receive funding of €2 billion for decarbonization project
- Miguel López: “Thanks to the measures that have been initiated and implemented, thyssenkrupp continued its robust business performance in the 3rd quarter. Significant progress is also being made in the company’s transformation.”

In a challenging environment, thyssenkrupp continued its robust business performance in the 3rd quarter of the 2022/2023 fiscal year. **Order intake** of €9.4 billion (prior year: €9.9 billion) and **sales** of €9.6 billion (prior year: €11.0 billion) were below prior-year levels, mainly due to the normalization of prices at Materials Services. Moreover, the lower spot market prices resulted in a decline in sales at Steel Europe as well. **Adjusted EBIT** for the Group amounted to €243 million and was thus below the prior-year value of €721 million, as expected. This, too, was principally attributable to lower prices and the corresponding reduction in margins at Materials Services as well as lower revenues at Steel Europe. This development was only partly compensated by higher earnings at Industrial Components, Automotive Technology and Marine Systems. **Free cash flow before M&A** improved greatly compared with the previous quarter and the prior-year quarter and was significantly positive at €347 million. thyssenkrupp specified its forecast for the current fiscal year. The Group is aiming to achieve adjusted EBIT in the high three-digit million euro range. Previously we had forecast a figure in the mid- to high three-digit million euro range. The forecast for the other financial indicators is confirmed.

Miguel López, CEO of thyssenkrupp AG: “Thanks to the measures that have been initiated and implemented, thyssenkrupp continued its robust business performance in the 3rd quarter. Significant progress is also being made in the company’s transformation. In a challenging capital market environment, we successfully floated our hydrogen subsidiary on the stock exchange. Steel Europe has received the expected funding from the German federal government and the state government of North Rhine-Westphalia – a significant milestone in the green transformation of the steel business. Both these successes underscore our role as a pioneer and architect of the green transformation.”

At the beginning of July, thyssenkrupp floated its hydrogen subsidiary, thyssenkrupp nucera – one of the world's leading suppliers of electrolysis plants for the production of green hydrogen – on the stock exchange (ticker: NCH2). As a result of the IPO, thyssenkrupp nucera will receive gross proceeds of around €526 million so that it can continue to grow and expand its market leadership in the production of green hydrogen. In connection with the IPO, thyssenkrupp will additionally receive gross proceeds of around €52 million from the placement of further shares (greenshoe). Both amounts will have a positive impact on the net financial assets of thyssenkrupp in the 4th quarter. thyssenkrupp will support the company's long-term growth as the majority shareholder.

In July, the EU Commission granted approval for state aid of around €2 billion to Steel Europe for the tkH₂Steel decarbonization project. On this basis, the German federal government issued confirmation of the requested funding for climate-neutral steel production. thyssenkrupp is still planning a spin-off solution for the steel business and participation in the green transformation is a major condition for this. The company stands by its goal of spinning off Marine Systems to enable it to develop as effectively as possible.

Improving performance is the highest priority and guides the company's future strategic alignment. At the present time, thyssenkrupp is developing a new holistic performance program with the goal of further increasing the operating performance of the businesses. It is focused not only on improving net working capital, a more stringent alignment of all businesses with the market level, and stricter return and value creation criteria for investment decisions but also on improving the performance culture. Details of this program are now being prepared for its roll-out in the near future.

Performance of the segments in the 3rd quarter 2022/2023

In the 3rd quarter of the 2022/2023 fiscal year, **Materials Services** saw order intake of €3.3 billion, down from €4.1 billion in the prior-year period. This was due to lower material prices, as expected. With volumes of materials and raw materials remaining constant overall, the segment posted sales of €3.3 billion (prior year: €4.8 billion). Despite the pressure on margins as a result of price erosion, Materials Services posted adjusted EBIT of €50 million, which was nevertheless significantly below the prior-year record of €386 million.

At €690 million, order intake at **Industrial Components** was a slight 4 percent lower than a year earlier. Sales remained more or less stable at €695 million. Adjusted EBIT of the segment improved by 16 percent to €57 million. Order intake at **Bearings** declined. By contrast, the business maintained sales at the prior-year level. Overall, the wind energy sector grew more slowly, especially in China. Industrial applications developed positively. Despite the increase in raw material and energy costs as well as lower prices in the wind energy sector in China, adjusted EBIT improved due to the positive impact of efficiency and cost-cutting measures and a one-time effect. **Forged Technologies** increased order intake slightly and maintained sales at the prior-year level. Thanks to the continued implementation of cost-cutting measures, the business raised adjusted EBIT to above the prior-year level, despite the increase in energy costs.

Automotive Technology improved order intake by 16 percent and sales by 18 percent to €1.4 billion. The segment saw higher customer demand in almost all business units. However, growth continued to be held back by the restricted availability of semiconductors. Adjusted EBIT improved to €36 million from €6 million a year earlier due to higher volumes, operational improvements, cost reductions in transport and production inputs and price and efficiency measures. By contrast, the segment saw cost increases for purchased components and personnel, for example.

Steel Europe increased order intake by 4 percent to €3.2 billion due to significantly higher order volumes, especially from the automotive industry. Despite the increase in shipment volumes, sales were 9 percent below the prior year at €3.3 billion. The lower spot market prices were still evident here, but longer-term contracts had a stabilizing effect. Due to lower earnings compared with the prior-year quarter, adjusted EBIT amounted to €190 million after €376 million a year earlier. Positive effects from lower raw material and energy costs, progressive restructurings and the ongoing performance program in connection with implementing the Steel Strategy 20-30 also offset this trend.

Following major orders for marine electronics a year earlier, order intake of €119 million by **Marine Systems** was below the prior-year level of €288 million, as expected. By contrast, sales rose significantly by 18 percent to €484 million. Reasons for this included the submission of the final invoice for a frigate and the delivery of a submarine. This and the effects of the performance measures initiated also resulted in a significant improvement in adjusted EBIT to €16 million from €3 million a year earlier.

All remaining businesses in the **Multi Tracks** segment grew order intake to €1.1 billion (+20 percent) and sales to €0.8 billion (+8 percent) compared with the prior-year quarter. **Uhde** significantly increased order intake with major orders for a green methanol plant in Saudi Arabia, for example. Order intake at **Polysius** was higher, mainly due to a major order in the USA and business growth in India. **thyssenkrupp nucera** is also still on a growth track, with higher order intake than in the prior year. **Automation Engineering** achieved growth due to a major order for the assembly of battery modules. Price factors pushed order intake at **Springs & Stabilizers** higher than a year earlier. At €(64) million, adjusted EBIT of the Multi Tracks segment was below the prior-year level of €(62) million. Whereas Polysius and Springs & Stabilizers significantly improved earnings year-on-year, earnings were lower at Uhde and Automation Engineering. With a positive contribution to earnings, thyssenkrupp nucera matched the prior-year level. Almost all units significantly reduced losses by way of restructuring and cost-cutting measures.

The adjusted EBIT of **Corporate Headquarters** came to €(37) million (prior year: €(31) million).

3rd quarter 2022/2023: Key figures for the thyssenkrupp group (incl. discontinued operations)

Overall, thyssenkrupp posted **net income** of €107 million in the 3rd quarter of 2022/2023 (prior year: net income of €92 million). After deducting minority interest, net income in the 3rd quarter was €83 million (prior year: €76 million); earnings per share came to €0.13 (prior year: €0.12).

At €347 million, **free cash flow before M&A** was significantly positive and greatly improved compared with both the previous quarter (€+563 million) and the prior-year quarter (€+758 million) as a result of a decrease in cash tied up in net working capital, especially at Materials Services and Steel Europe. The group's **net financial assets** increased accordingly to €3.2 billion as of June 30, 2023 (March 31, 2023: €2.9 billion). With cash and cash equivalents and undrawn committed credit lines totaling €7.7 billion, thyssenkrupp retained a very good liquidity position.

Equity amounted to €14.0 billion (March 31, 2023: €14.0 billion). The **equity ratio** remained at a comfortable 40 percent.

Dr. Klaus Keysberg, CFO of thyssenkrupp AG: "The transformation of thyssenkrupp has improved our financial stability substantially. We are very confident that we will also achieve our target of a slightly positive free cash flow before M&A in the current fiscal year. On this basis, we are determined in our pursuit of further improvements in all units' operating performance. We are seeking to leverage the full potential of our businesses and actively support the implementation of their individual plans for the future."

Forecast for fiscal year 2022/2023

Subject to the limited reliability of planning due to economic and geopolitical uncertainties, thyssenkrupp has specified its **full-year forecast for 2022/2023** for **adjusted EBIT** and is now anticipating a figure in the high three-digit million euro range (prior year: €2.1 billion; previously: a figure in the mid- to high three-digit million range). The forecast for the other financial indicators is confirmed. With further expenditures for restructuring and capital spending above the prior-year level, the group of companies continues to expect **free cash flow before M&A** to increase to a slightly positive figure (prior year: €(476) million). thyssenkrupp expects **net income** to at least break even.

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thyssenkrupp in figures – key performance indicators at a glance

		Full group				Group – continuing operations ¹⁾			
		9 months ended June 30, 2022	9 months ended June 30, 2023	Change	in %	9 months ended June 30, 2022	9 months ended June 30, 2023	Change	in %
Order intake	million €	33,906	28,755	(5,151)	(15)	33,906	28,755	(5,151)	(15)
Sales	million €	30,571	28,723	(1,848)	(6)	30,571	28,723	(1,848)	(6)
EBITDA	million €	2,533	1,396	(1,137)	(45)	2,525	1,396	(1,129)	(45)
EBIT ²⁾	million €	1,396	349	(1,047)	(75)	1,387	349	(1,038)	(75)
EBIT margin	%	4.6	1.2	(3.4)	(73)	4.5	1.2	(3.3)	(73)
Adjusted EBIT ^{1),2)}	million €	1,901	615	(1,286)	(68)	1,901	615	(1,286)	(68)
Adjusted EBIT margin	%	6.2	2.1	(4.1)	(66)	6.2	2.1	(4.1)	(66)
Income/(loss) before tax	million €	1,102	205	(897)	(81)	1,094	205	(888)	(81)
Net income/(loss) or earnings after tax	million €	801	2	(799)	(100)	792	2	(790)	(100)
attributable to thyssenkrupp AG's shareholders	million €	746	(64)	(811)	--	738	(64)	(802)	--
Earnings per share (EPS)	€	1.20	(0.10)	(1.30)	--	1.19	(0.10)	(1.29)	--
Operating cash flows	million €	(1,267)	668	1,934	++	(1,266)	668	1,934	++
Cash flow for investments	million €	(802)	(909)	(107)	(13)	(802)	(909)	(107)	(13)
Cash flow from divestments	million €	593	55	(538)	(91)	593	55	(538)	(91)
Free cash flow ³⁾	million €	(1,475)	(186)	1,289	87	(1,475)	(186)	1,289	87
Free cash flow before M&A ³⁾	million €	(2,042)	(234)	1,807	89	(2,042)	(234)	1,807	89
Net financial assets (June 30)	million €	(1,969)	(3,238)	(1,269)	(64)				
Total equity (June 30)	million €	14,085	13,957	(128)	(1)				
Gearing (June 30)	%	— ⁴⁾	— ⁴⁾	—	—				
Employees (June 30)		97,152	98,624	1,472	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 significance of the gearing key ratio is of no relevance.

		Full group				Group – continuing operations ¹⁾			
		3rd quarter ended June 30, 2022	3rd quarter ended June 30, 2023	Change	in %	3rd quarter ended June 30, 2022	3rd quarter ended June 30, 2023	Change	in %
Order intake	million €	9,946	9,390	(555)	(6)	9,946	9,390	(555)	(6)
Sales	million €	10,950	9,598	(1,351)	(12)	10,950	9,598	(1,351)	(12)
EBITDA	million €	953	445	(508)	(53)	953	445	(508)	(53)
EBIT ²⁾	million €	305	212	(93)	(31)	305	212	(93)	(31)
EBIT margin	%	2.8	2.2	(0.6)	(21)	2.8	2.2	(0.6)	(21)
Adjusted EBIT ^{1),2)}	million €	721	243	(479)	(66)	721	243	(479)	(66)
Adjusted EBIT margin	%	6.6	2.5	(4.1)	(62)	6.6	2.5	(4.1)	(62)
Income/(loss) before tax	million €	180	174	(6)	(4)	180	174	(6)	(4)
Net income/(loss) or earnings after tax	million €	92	107	15	16	92	107	15	16
attributable to thyssenkrupp AG's shareholders	million €	76	83	7	10	76	83	7	10
Earnings per share (EPS)	€	0.12	0.13	0.01	10	0.12	0.13	0.01	10
Operating cash flows	million €	(184)	599	783	++	(184)	599	783	++
Cash flow for investments	million €	(247)	(267)	(20)	(8)	(247)	(267)	(20)	(8)
Cash flow from divestments	million €	16	32	16	++	16	32	16	++
Free cash flow ³⁾	million €	(415)	364	780	++	(415)	364	780	++
Free cash flow before M&A ³⁾	million €	(412)	347	758	++	(412)	347	758	++
Net financial assets (June 30)	million €	(1,969)	(3,238)	(1,269)	(64)				
Total equity (June 30)	million €	14,085	13,957	(128)	(1)				
Gearing (June 30)	%	— ⁴⁾	— ⁴⁾	—	—				
Employees (June 30)		97,152	98,624	1,472	2				

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	Order intake million €		Sales million €		EBIT ¹⁾ million €		Adjusted EBIT ^{1),2)} million €		Employees	
	9 months ended June 30, 2022	9 months ended June 30, 2023	9 months ended June 30, 2022	9 months ended June 30, 2023	9 months ended June 30, 2022	9 months ended June 30, 2023	9 months ended June 30, 2022	9 months ended June 30, 2023	June 30, 2022	June 30, 2023
Materials Services	12,350	10,521	12,528	10,489	943	192	941	155	15,737	16,221
Industrial Components	2,028	2,198	2,012	2,090	177	156	170	156	12,062	11,728
Automotive Technology	3,398	4,113	3,456	4,106	17	150	47	168	19,962	21,273
Steel Europe	8,967	9,946	9,619	9,512	604	22	980	267	25,862	26,249
Marine Systems	3,911	388	1,264	1,489	4	48	12	50	6,646	7,531
Multi Tracks ²⁾	4,775	2,979	3,262	2,338	(172)	(100)	(96)	(74)	14,718	13,402
Corporate Headquarters	4	7	5	5	(149)	(128)	(119)	(122)	610	610
Reconciliation	(1,528)	(1,397)	(1,574)	(1,305)	(38)	8	(34)	15	1,555	1,610
Group continuing operations²⁾	33,906	28,755	30,571	28,723	1,387	349	1,901	615	97,152	98,624
Discontinued elevator operations ²⁾	0	0	0	0	9	0	0	0	0	0
Full group	33,906	28,755	30,571	28,723	1,396	349	1,901	615	97,152	98,624

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 €	
	3rd quarter ended June 30, 2022	3rd quarter ended June 30, 2023	3rd quarter ended June 30, 2022	3rd quarter ended June 30, 2023	3rd quarter ended June 30, 2022	3rd quarter ended June 30, 2023	3rd quarter ended June 30, 2022	3rd quarter ended June 30, 2023
Materials Services	4,095	3,272	4,793	3,346	393	78	386	50
Industrial Components	720	690	702	695	53	57	49	57
Automotive Technology	1,193	1,379	1,206	1,426	(17)	34	6	36
Steel Europe	3,098	3,221	3,558	3,251	(3)	164	376	190
Marine Systems	288	119	411	484	2	16	3	16
Multi Tracks ²⁾	914	1,099	728	790	(73)	(85)	(62)	(64)
Corporate Headquarters	1	2	1	2	(41)	(45)	(31)	(37)
Reconciliation	(363)	(392)	(449)	(396)	(10)	(7)	(5)	(5)
Group continuing operations²⁾	9,946	9,390	10,950	9,598	305	212	721	243
Discontinued elevator operations ²⁾	0	0	0	0	0	0	0	0
Full group	9,946	9,390	10,950	9,598	305	212	721	243

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

²⁾ See preliminary remarks.