



Q2 2023/24 Results

Conference Call

Ticker: TKA (Share) TKAMY (ADR)
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Management summary Q2 23/24

Portfolio



- Steel Europe: First step towards 50/50 Joint Venture achieved – EPCG acquires 20%
- Marine Systems: Due diligence phases progressing (KfW, PE) as well as spin-off in elaboration
- Decarbon Technologies: Board set-up completed; closing of transaction of the remaining 55% stake in tk Industries India (POL)

Performance



- Q2 in line with expectations, full-year guidance confirmed for EBIT adj. and FCF bef. M&A
- APEX well on track with incremental improvements across all businesses
- Steel Europe: Structural realignment to boost competitiveness and profitability in preparation
- Materials Services: Start of fundamental structural transformation of tk Schulte's business model

Green Transformation



- Uhde: Development of conceptual design study for reduced-emission fertilizer plant (EnviNOx®)
- Polysius: Start of construction of one of the 1st carbon-neutral cement plants (“pure oxyfuel”)
- thyssenkrupp on the CDP “Climate A List” for the 8th time in a row
- No 1 position (MDAX) in a buyside Corporate Governance ranking



Steel Europe: First step towards 50/50 Joint Venture achieved

EP Corporate Group (EPCG) acquires stake of 20% and aims for another 30%



Combining materials capabilities of tkSE with the energy expertise of EPCG for the decarbonization of the steel industry



Create a high-performing and profitable steel company

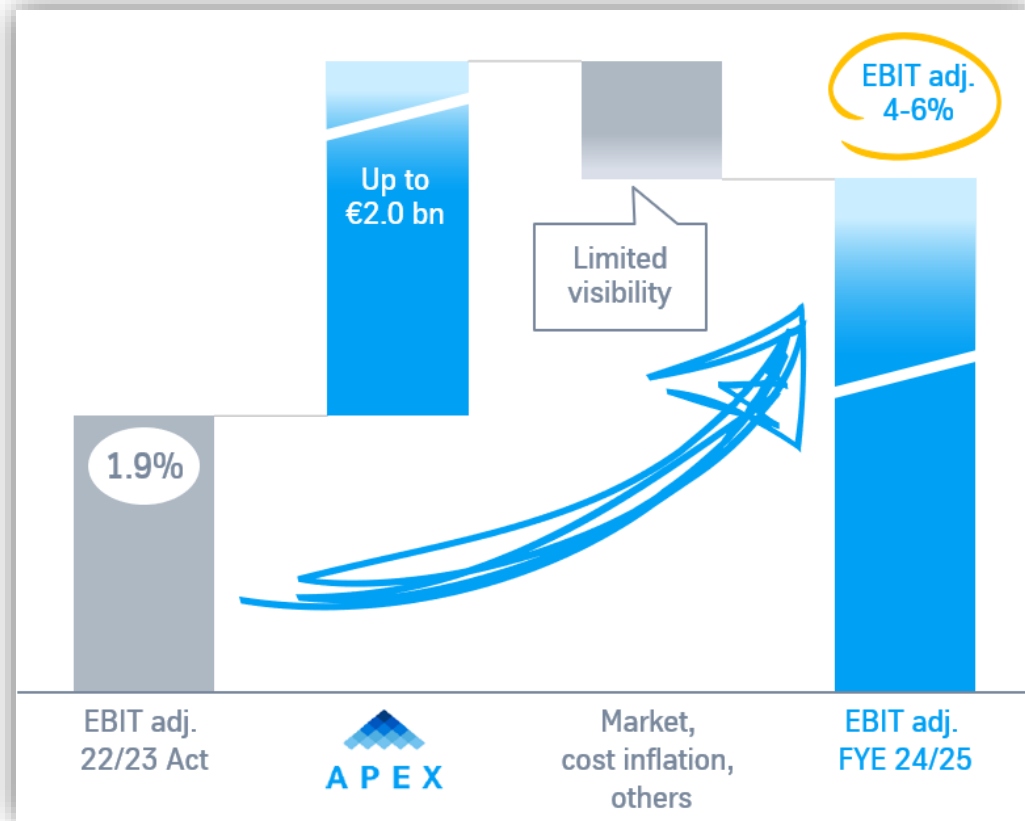
Reduce costs of decarbonization to a more competitive level

Ensure economic independence and business success



APEX well on track

Recap: APEX launch in Nov-23



APEX Q2 status update

- » **Solid APEX governance and functional processes set up**
 - Measures within segments & corporate defined
 - Effective cross-segment approach used to define large-scale initiatives (e.g. procurement, digitalization)
- » **More than 4,600 measures identified with value of ~€1.8 bn (from ~€1.3 bn in Q1)**
- » **Significant momentum achieved while implementation is progressing**

APEX is the key enabler to achieve our mid-term targets



Performance highlights

Well on track to reach full-year guidance



	Sales	EBIT adj.	Margin	FCF bef. M&A
Q2	€9.1 bn -10% YoY	€184 mn -10% YoY	2.0%	-€197 mn +€20 mn YoY
H1	€17.2 bn -10% YoY	€268 mn -28% YoY	1.6%	-€728 mn -€146 mn YoY



Margin increase in Q2 – Earnings development of all businesses as expected



Q2 FCF bef. M&A still negative, but improved YoY



Balance sheet highlights

Our Group transformation journey is backed by a strong balance sheet and enabling us to capture strategic opportunities



Net cash

€3.5 bn

-€0.9 bn YTD

Pensions

€5.8 bn

+€0.4 bn YTD

Lower QoQ
(-€0.2 bn)

Equity ratio

37.6 %

-0.5%-pts. YTD



Providing resilience while navigating through macro uncertainties

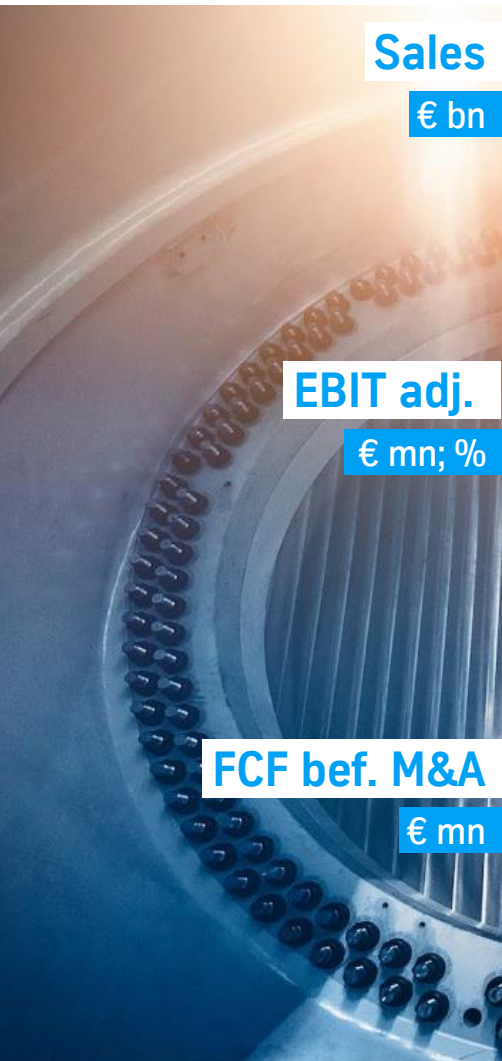


Interest rate development i.a. driving pensions and equity ratio



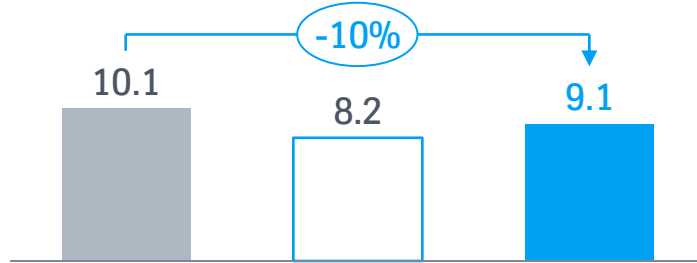
Q2 Group performance

Efficiency measures and increased resilience fully offset top-line trend



Sales

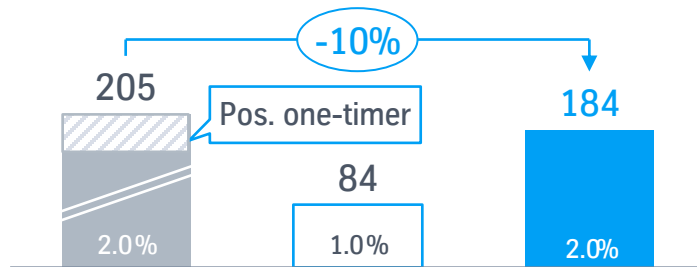
€ bn



- Materials businesses significantly lower (price and volume), partially offset by stronger sales at Decarbon Technologies
- Ongoing muted demand (e.g. auto, construction, wind China)

EBIT adj.

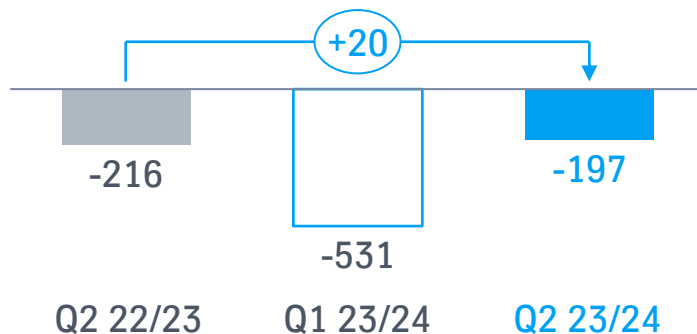
€ mn; %



- Top-line trend compensated by efficiency measures and increased resilience
- Performance improvements gaining momentum
- APEX supported performance at all businesses
- PY affected by positive one-timer at Automotive Technology (mid 2-digit €mn)

FCF bef. M&A

€ mn



- Fully in line with expectations
- Weaker H1 with typical seasonality – uptick in H2
- On track to achieve full-year guidance



Q2 EBIT adj. by segment

Sound performance across the group in an ongoing challenging market environment



PY with positive one-timer (mid 2-digit € mn)

Note: Figures in € mn

YoY segment comments

- AT** Rather stable ex PY one-timer: Lower material and transport costs vs. volume decline, higher personnel expenses and non-conformity costs
- DT** Performance and efficiency measures only partially compensate weak wind market and business ramp-up at tk nucera
- MX** Lower average price levels and shipments partially offset by e.g. lower freight costs
- SE** Cost improvements (mainly energy and raw materials), partially offset by lower spot market prices and lower shipments
- MS** Successful focus on performance improvement; initiatives secure margins in new orders and stabilize profitability of order backlog



Outlook FY 23/24



FY 22/23

Outlook FY 23/24

€37.5 bn

Below the prior-year
(prior: At the prior-year level)

€0.7 bn

High 3-digit € mn range

AT Up; low-mid 3-digit € mn range

DT Largely stable

MX Up; low 3-digit € mn range

SE Largely stable (prior: Up; mid 3-digit € mn range)

MS Up; high 2-digit € mn range

€0.4 bn

Low 3-digit € mn range

Confirmed

Confirmed



Q&A Session

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