

Despite persistently challenging market conditions, thyssenkrupp continued its positive business performance in the 3rd quarter of fiscal 2021/2022

- 3rd-quarter order intake, sales and adjusted EBIT significantly higher than in the prior-year period
- Free cash flow before M&A negative as expected in the 3rd quarter, but significantly improved compared to the prior quarter
- Portfolio and performance measures being driven forward resolutely: headcount reduced by a further 4,440 employees year-on-year
- Further steps in the transformation: acquisition of MW Werften Wismar by Marine Systems and evaluation of a joint venture in the automotive business
- Full-year forecast for adjusted EBIT and free cash flow before M&A confirmed
- Klaus Keysberg: “In the third quarter, we once again demonstrated our improved efficiency.”

In a difficult market environment, thyssenkrupp posted another good performance in the 3rd quarter of fiscal 2021/2022. Despite the persistent challenges caused by the war in the Ukraine, the Covid pandemic and the disruption of global supply chains, the Group raised **order intake**¹ by 13 percent year-on-year to €10.0 billion in the period April through June. **Sales** improved by 26 percent to €11.0 billion. thyssenkrupp almost tripled **adjusted EBIT** to €721 million (prior year: €266 million). Alongside the improvement in performance and efficiency resulting from implementation of the strategy, the main drivers of this development were higher revenues and improved margins at Materials Services and Steel Europe. By contrast, the ongoing supply chain problems and higher factor costs again had a marked adverse impact, especially in Automotive Technology and Industrial Components. In view of the good business development in the first 9 months, thyssenkrupp has confirmed its full-year **forecast** for adjusted EBIT and the free cash flow before M&A.

Klaus Keysberg, CFO of thyssenkrupp AG: “In the third quarter, we once again demonstrated our improved efficiency. We will not be reducing our efforts. Given the ongoing challenges and risks in our environment, stepping up our performance is particularly important. At the same time, we are keeping a close eye on the continuing development of our businesses. Current examples include the expansion of production capacity in Marine Systems and the dynamic growth of our hydrogen business.”

thyssenkrupp made further progress with its strategic transformation in the 3rd quarter: in June, thyssenkrupp Marine Systems signed an agreement to acquire MV Werften Wismar, expanding its strategic options for the construction of submarines and surface vessels and embarking on the next chapter in its growth story. A stock market listing remains the preferred choice for the hydrogen business, thyssenkrupp nucera, to benefit from the growth prospects for green

¹ Unless otherwise stated, all indicators refer to continuing operations.

electrolysis plants as a global technology leader. The potential for water electrolysis remains substantial. This is documented not least by the order backlog at thyssenkrupp nucera, which has now grown to around €1.4 billion. A decision on the timing of a possible IPO depends on the situation on the capital markets. In the automotive business, thyssenkrupp is exploring a possible joint venture with the Japanese industrial group NSK. In addition, thyssenkrupp is in talks with potential buyers for the Automation Engineering business unit and has started preparations for an M&A process for Springs & Stabilizers. Progress is also being made with the adjustments to the workforce: Of the more than 12,000 jobs to be reduced by fiscal year 2023/2024, the company has already found socially acceptable solutions for around 9,500 employees – including around 1,700 in the first 9 months of 2021/2022. Compared with the prior-year (to June 30, 2021), the number of employees decreased by 4,400.

Dynamic business performance by the segments in the 3rd quarter 2021/2022

Despite an overall drop in volumes, **Materials Services** increased order intake by 13 percent to €4.1 billion thanks to higher material prices, which rose further rise at the start of the quarter. Sales improved by 46 percent to €4.8 billion. At €386 million, adjusted EBIT was also significantly above the prior-year level of €232 million. This is mainly due to improved margins as a result of higher material prices and the effect on earnings of the consistent implementation of the transformation.

Industrial Components registered an increase in order intake of 19 percent to €720 million. Sales improved by 11 percent to €702 million. This segment's adjusted EBIT was €49 million in the 3rd quarter, below the prior-year level of €68 million. The forgings business registered an improvement in order intake, sales and adjusted EBIT because it was able to pass on higher factor costs to customers, with support coming from positive exchange rate effects. The high level recorded by the industrial and trucks businesses offset adverse effects from customers' ongoing supply bottlenecks, especially in the cars business. In the bearings business, lower sales and the substantial rise in material, energy and freight costs reduced earnings growth. Cost-cutting and efficiency measures were unable to offset this trend in full. However, it is pleasing that higher demand from the wind energy sector in particular led to a slight rise in overall order intake.

At **Automotive Technology**, both order intake and sales were €1.2 billion, a year-on-year increase of 11 and 12 percent respectively. In view of the continuing bottlenecks in the supply of starting materials and the resulting volatile customer call-offs, positive effects mainly came from price adjustments and currency effects. At €6 million, adjusted earnings were below the prior-year level of €51 million. The higher factor costs – specifically for logistics and materials – and pandemic-related plant closures in China were partly offset by strict cost discipline and negotiating new prices.

In the 3rd quarter, the **Steel Europe** business was again negatively impacted by supply shortages and the associated weaker demand, especially from the automotive industry and suppliers. Compared with the prior year, there was a decrease in both order intake volume and shipments. However, high prices led to a significant rise in order intake, which increased by 25 percent to €3.1 billion. Sales rose by 47 percent to €3.6 billion. Despite the sharp hike in raw material and energy costs, adjusted EBIT improved significantly to €376 million (prior year: €19 million) thanks to a clear rise in average revenues. This also reflects positive effects from ongoing restructuring and performance measures in connection with implementing the Steel Strategy 20-30.

Marine Systems significantly improved its order intake for maintenance, service and marine electronics as well as for surface vessels to €288 million (prior year: €153 million). Orders on hand in this segment remained at a record level of around €14 billion as of June 30, 2022. At €411 million, sales were also above the prior-year level of €396 million. Adjusted EBIT was positive at €3 million (prior year: €(9)) million.

In the **Multi Tracks** segment, order intake dropped by 39 percent to €0.9 billion. Sales decreased by 49 percent to €0.7 billion. This was mainly attributable to disposals of the stainless steel business and the Infrastructure business unit, as well as the closure of the heavy plate mill. **thyssenkrupp nucera** reported a substantial rise in order intake thanks to strong growth in the chlor-alkali new plant business and the award of a major hydrogen project in the Netherlands. Automation Engineering achieved an increase as a result of higher order intake in the battery and powertrain businesses. Plant engineering registered a rise in order intake at **Polysius** in Germany and India and at **Uhde**. This segment's adjusted EBIT was €(62) million, compared with €(45) million a year earlier. The main reasons for this were the deconsolidation of the stainless steel business in January 2022. Restructuring and cost-cutting measures curbed losses significantly in almost all businesses.

At Corporate Headquarters, thyssenkrupp succeeded in further reducing administrative expenses. The adjusted EBIT of **Corporate Headquarters** came to €(31) million (prior year: €(44) million).

3rd quarter 2021/2022: Key figures for the full group (incl. discontinued operations)

thyssenkrupp ended the 3rd quarter of the present fiscal year with **net income** of €92 million (prior year: €145 million). This includes impairment losses of around €480 million, mainly due to the sharp rise in interest rates as of the reporting date and the associated increase in the cost of capital. €390 million of this amount relates to Steel Europe. After deducting non-controlling interest, net income was €76 million (prior year: €125 million); earnings per share came to €0.12 (prior year: €0.20).

Sharply higher commodity and materials prices and delays in customer call-offs led to a further strong price-driven rise in net working capital in the 3rd quarter. The **free cash flow before M&A** was negative as expected at €(412) million, but this was a considerable improvement compared with the previous quarter (€(772) million).

Klaus Keysberg: “In the 3rd quarter, we were again affected by the rise the price of commodities and other materials. However, we expect a considerable easing of net working capital and a clearly positive cash flow in the fourth quarter. A return to a sustained positive free cash flow before M&A - on a full-year view - remains our priority goal. We are confident that we will achieve this through the systematic realization of our transformation and the continuous structural improvement of our businesses.”

The group’s **net financial assets** as of June 30, 2022 stood at €2.0 billion (March 31, 2022: €2.4 billion). With cash and cash equivalents and undrawn committed credit lines totaling €7.5 billion, thyssenkrupp has a very good liquidity position.

Equity improved significantly to €14.1 billion in the 3rd quarter (March 31, 2022: €12.8 billion). As well as the net income achieved, higher interest rates and the resulting remeasurement of pension obligations in particular delivered positive effects of around €1.1 billion.

Forecast for adjusted EBIT and free cash flow before M&A confirmed

Notwithstanding the continuing uncertainty about the further development of the geopolitical and macroeconomic environment and the associated limited ability to predict the effects reliably – particularly with regard to the necessary supply of fossil fuels – thyssenkrupp is reiterating its sales and earnings forecast for **2021/2022**.

Sales are expected to be up significantly year-on-year with an increase in the low double-digit percentage range (prior year: €34 billion). For adjusted EBIT, thyssenkrupp still anticipates a significant improvement to at least €2.0 billion (prior year: €796 million).

In the case of **free cash flow before M&A**, the company expects a significant year-on-year improvement to a negative figure in the mid-three-digit million euro range (prior year: €(1.3) billion)

The forecast for **net income** now takes into account the impairment losses triggered by the rise in interest rates in the 3rd quarter. thyssenkrupp expects net income to be in the high-three-digit million euro range (previously: at least €1.0 billion; prior year: €(25) million).

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Media contacts:

thyssenkrupp AG Communications

Peter Sauer

Phone: +49 (201) 844-536791

E-mail to: press@thyssenkrupp.com

Nicola Röttger

+49 (201) 844-536481

www.thyssenkrupp.com

Twitter: [@thyssenkrupp](https://twitter.com/thyssenkrupp)

thyssenkrupp in figures – key performance indicators at a glance

		Full group				Group – continuing operations ¹⁾			
		9 months ended June 30, 2021	9 months ended June 30, 2022	Change	in %	9 months ended June 30, 2021	9 months ended June 30, 2022	Change	in %
Order intake	million €	25,260	33,906	8,646	34	25,260	33,906	8,646	34
Sales	million €	24,575	30,571	5,996	24	24,575	30,571	5,996	24
EBITDA	million €	1,006	2,533	1,527	++	1,023	2,525	1,502	++
EBIT ²⁾	million €	284	1,396	1,112	++	301	1,387	1,086	++
EBIT margin	%	1.2	4.6	3.4	++	1.2	4.5	3.3	++
Adjusted EBIT ²⁾	million €	564	1,901	1,337	++	564	1,901	1,337	++
Adjusted EBIT margin	%	2.3	6.2	3.9	++	2.3	6.2	3.9	++
Income/(loss) before tax	million €	5	1,102	1,097	++	23	1,094	1,071	++
Net income/(loss) or earnings after tax	million €	(168)	801	969	++	(151)	792	943	++
attributable to thyssenkrupp AG's shareholders	million €	(231)	746	978	++	(214)	738	952	++
Earnings per share (EPS)	€	(0.37)	1.20	1.57	++	(0.34)	1.19	1.53	++
Operating cash flows	million €	(222)	(1,267)	(1,044)	--	(219)	(1,266)	(1,048)	--
Cash flow for investments	million €	(861)	(802)	59	7	(861)	(802)	59	7
Cash flow from divestments	million €	973	593	(380)	(39)	973	593	(380)	(39)
Free cash flow ³⁾	million €	(110)	(1,475)	(1,365)	--	(107)	(1,475)	(1,368)	--
Free cash flow before M & A ³⁾	million €	(953)	(2,042)	(1,089)	--	(953)	(2,042)	(1,089)	--
Net financial assets (June 30)	million €	(3,986)	(1,969)	2,017	51				
Total equity (June 30)	million €	10,756	14,085	3,329	31				
Gearing (June 30)	%	— ⁴⁾	— ⁴⁾	—	—				
Employees (June 30)		101,592	97,152	(4,440)	(4)				

¹⁾ See preliminary remarks.

²⁾ See reconciliation in segment reporting (Note 09).

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, 2021	3rd quarter ended June 30, 2022	Change	in %	3rd quarter ended June 30, 2021	3rd quarter ended June 30, 2022	Change	in %
Order intake	million €	8,770	9,946	1,176	13	8,770	9,946	1,176	13
Sales	million €	8,676	10,950	2,273	26	8,676	10,950	2,273	26
EBITDA	million €	584	953	369	63	585	953	367	63
EBIT ²⁾	million €	332	305	(27)	(8)	334	305	(29)	(9)
EBIT margin	%	3.8	2.8	(1.0)	(27)	3.8	2.8	(1.1)	(28)
Adjusted EBIT ²⁾	million €	266	721	455	++	266	721	455	++
Adjusted EBIT margin	%	3.1	6.6	3.5	++	3.1	6.6	3.5	++
Income/(loss) before tax	million €	223	180	(43)	(19)	224	180	(44)	(20)
Net income/(loss) or earnings after tax	million €	145	92	(53)	(36)	146	92	(54)	(37)
attributable to thyssenkrupp AG's shareholders	million €	125	76	(49)	(39)	126	76	(50)	(40)
Earnings per share (EPS)	€	0.20	0.12	(0.08)	(39)	0.20	0.12	(0.08)	(40)
Operating cash flows	million €	(10)	(184)	(174)	--	(10)	(184)	(174)	--
Cash flow for investments	million €	(259)	(247)	12	5	(259)	(247)	12	5
Cash flow from divestments	million €	65	16	(49)	(76)	65	16	(49)	(76)
Free cash flow ³⁾	million €	(204)	(415)	(211)	--	(204)	(415)	(211)	--
Free cash flow before M & A ³⁾	million €	(235)	(412)	(177)	(75)	(235)	(412)	(177)	(75)
Net financial assets (June 30)	million €	(3,986)	(1,969)	2,017	51				
Total equity (June 30)	million €	10,756	14,085	3,329	31				
Gearing (June 30)	%	— ⁴⁾	— ⁴⁾	—	—				
Employees (June 30)		101,592	97,152	(4,440)	(4)				

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	Order intake million €		Sales million €		EBIT ¹⁾ million €		Adjusted EBIT ¹⁾ million €		Employees	
	9 months ended June 30, 2021	9 months ended June 30, 2022	9 months ended June 30, 2021	9 months ended June 30, 2022	9 months ended June 30, 2021	9 months ended June 30, 2022	9 months ended June 30, 2021	9 months ended June 30, 2022	June 30, 2021	June 30, 2022
Materials Services	9,191	12,350	8,545	12,528	411	943	363	941	15,454	15,737
Industrial Components	1,924	2,028	1,877	2,012	247	177	266	170	12,937	12,062
Automotive Technology	3,416	3,398	3,459	3,456	245	17	234	47	19,764	19,962
Steel Europe	7,333	8,967	6,572	9,619	(84)	604	87	980	26,015	25,862
Marine Systems	817	3,911	1,450	1,264	(1)	4	(2)	12	6,472	6,646
Multi Tracks ²⁾	4,273	4,775	4,043	3,262	(355)	(172)	(236)	(96)	18,652	14,718
Corporate Headquarters	4	4	12	5	(162)	(149)	(146)	(119)	637	610
Reconciliation	(1,696)	(1,528)	(1,383)	(1,574)	(1)	(38)	(3)	(34)	1,661	1,555
Group continuing operations²⁾	25,260	33,906	24,575	30,571	301	1,387	564	1,901	101,592	97,152
Discontinued elevator operations ²⁾	0	0	0	0	(17)	9	0	0	0	0
Full group	25,260	33,906	24,575	30,571	284	1,396	564	1,901	101,592	97,152

¹⁾ See reconciliation in segment reporting (Note 09).

²⁾ See preliminary remarks.

	Order intake million €		Sales million €		EBIT ¹⁾ million €		Adjusted EBIT ¹⁾ million €	
	3rd quarter ended June 30, 2021	3rd quarter ended June 30, 2022	3rd quarter ended June 30, 2021	3rd quarter ended June 30, 2022	3rd quarter ended June 30, 2021	3rd quarter ended June 30, 2022	3rd quarter ended June 30, 2021	3rd quarter ended June 30, 2022
Materials Services	3,612	4,095	3,289	4,793	268	393	232	386
Industrial Components	606	720	630	702	59	53	68	49
Automotive Technology	1,076	1,193	1,077	1,206	55	(17)	51	6
Steel Europe	2,488	3,098	2,416	3,558	55	(3)	19	376
Marine Systems	153	288	396	411	(9)	2	(9)	3
Multi Tracks ²⁾	1,488	914	1,421	728	(38)	(73)	(45)	(62)
Corporate Headquarters	2	1	2	1	(52)	(41)	(44)	(31)
Reconciliation	(655)	(363)	(555)	(449)	(3)	(10)	(6)	(5)
Group continuing operations²⁾	8,770	9,946	8,676	10,950	334	305	266	721
Discontinued elevator operations ²⁾	0	0	0	0	(2)	0	0	0
Full group	8,770	9,946	8,676	10,950	332	305	266	721

¹⁾ See reconciliation in segment reporting (Note 09).

²⁾ See preliminary remarks.