



Pioneers of the green transformation: thyssenkrupp establishes new Decarbon Technologies segment with key technologies for the energy transition and rolls out Groupwide performance program

- thyssenkrupp focuses on key technologies for green transformation
- thyssenkrupp rothe erde (Business Unit Bearings), thyssenkrupp nucera, Uhde and Polysius to be combined under the new Decarbon Technologies segment
- Miguel López to assume the position of head of new segment alongside his role as thyssenkrupp CEO
- Company-wide “APEX” program launched to gear every business toward financial strength and secure the Group’s ability to pay dividends reliably
- Miguel López: “Through the performance program, we are improving the stability, speed and endurance of each business; with Decarbon Technologies, we are bringing a new quality to our offensive.”

The industrial and technology company thyssenkrupp is pressing ahead with its transformation by reorganizing its portfolio and launching its Group-wide performance-oriented program “APEX”: thyssenkrupp rothe erde (Business Unit Bearings), thyssenkrupp nucera, Uhde and Polysius, which each possess key technologies for the decarbonization of industry, will be combined at the start of the new fiscal year on October 1, 2023 in the new segment Decarbon Technologies. The Supervisory Board of thyssenkrupp AG approved the Executive Board’s plans in its meeting yesterday.

With the creation of the new segment, thyssenkrupp is positioning itself as a technology leader for the energy transition and giving full visibility to its extensive capabilities for the green transformation.

In parallel with the portfolio realignment thyssenkrupp is rolling out the integrated performance program “APEX” to help achieve the financial targets communicated at the Capital Market Day in December 2021, even in an consistently challenging environment. thyssenkrupp aims to achieve an adjusted EBIT margin of 4 to 6 percent at Group level in the medium term, a significantly positive free cash flow figure before M&A and a continued reliable dividend payment for its shareholders.

Miguel López, CEO of thyssenkrupp AG, said: “thyssenkrupp has world-leading technologies in its businesses for reducing a large part of today’s CO₂ emissions. We intend to systematically exploit the great potential of these businesses and translate it into value-driven growth. To this end, we are establishing the Decarbon Technologies segment – our ‘green industrial powerhouse’. At the same time, with our performance program we are making all our businesses fit to rapidly and sustainably increase their profitability to benchmark levels and make the best possible use of our market opportunities. Both are critical success factors, just like on the soccer field: through the performance program, we are improving the stability, speed and endurance of each business; with Decarbon Technologies, we are bringing a new quality to our offensive.”

Successful portfolio streamlining and focus on future topics

As part of its transformation, thyssenkrupp is focusing all its businesses on future issues and new technologies. In this way, the Group is creating the conditions to benefit from the immense opportunities of the green transformation.

With the restructuring of the portfolio now resolved, the former Multi Tracks and Industrial Components segments will be dissolved. The Automation Engineering and Springs & Stabilizers businesses remaining in Multi Tracks will be allocated to the Automotive Technology segment. The disposal processes initiated for both units will be continued. Forged Technologies (previously Industrial Components) will also be part of Automotive Technology in the future due to the same end customer structure. In this way thyssenkrupp is significantly simplifying its structure. In the future, thyssenkrupp will comprise the Automotive Technology, Decarbon Technologies and Materials Services segments, as well as the Steel Europe and Marine Systems units, which are still intended to be spun off.

Decarbon Technologies bundles businesses with key green technologies

The new Decarbon Technologies segment will in future have around 15,000 employees, generated sales of around 3 billion euros in fiscal 2021/2022 (pro forma). The segment's headquarters will be located in Dortmund due to its geographical proximity to the businesses. Further locations in growth regions such as the Middle East are being targeted. The establishment of corporate and company co-determination in the form of a Supervisory Board and a Works Council is planned. The segment will be managed by the CEO of thyssenkrupp AG, Miguel López.

Decarbon Technologies comprises the thyssenkrupp rothe erde, thyssenkrupp nucera, Uhde and Polysius businesses. These combine many years of experience, in-depth expertise in international plant engineering, an extensive installed base and close customer relationships. In detail:

- **thyssenkrupp rothe erde** is the world's number one supplier of the latest generation of bearings, with which it is making the energy turnaround possible. The global plans to expand wind power are enormous – and so are the future growth opportunities for thyssenkrupp rothe erde. thyssenkrupp rothe erde is also driving the green transformation with slew drives and rings used in solar and wind turbines. The business has installed 1,000 multi-megawatt rotor bearings.
- Green electricity is the prerequisite for green hydrogen. **thyssenkrupp nucera** is one of the world's leading suppliers of electrolysis plants for the production of green hydrogen. Following the successful IPO, thyssenkrupp AG intends to continue supporting the development of thyssenkrupp nucera as a long-term anchor shareholder and benefit from the growth opportunities. With more than 600 projects completed, the company is a market leader in the chlor-alkali business. This strong expertise is used to develop and expand alkaline water electrolysis, which produces green hydrogen on a large scale.

- In the future, green hydrogen will be produced primarily in regions of the world where green electricity is cheaply available. Ammonia is a suitable transport medium to get it to where it is needed. **Uhde** is one of the world's technology leaders in the fields of ammonia cracking and ammonia, which will increasingly be produced through green methods in the future. Ammonia is therefore an important basic material for the chemical and fertilizer industry on its way to climate neutrality. Uhde also offers other technologies for green chemicals.
- Alongside the steel and chemical industries, cement production is one of the biggest factors for significantly reducing global CO₂ emissions. With its green technologies, including the patented oxyfuel plants, **Polysius** is one of the pioneers for the climate-neutral transformation of the cement industry. The market potential is high, as cement producers are under great pressure to reduce their CO₂ emissions. Polysius has built approximately 35 percent of the world's cement plants.

Performance program “APEX” to support achievement of financial targets

In addition to the portfolio realignment, thyssenkrupp has launched a holistic performance program, the key points of which were presented by the Executive Board to the Supervisory Board at its meeting yesterday. The aim of the program is to ensure that the businesses achieve their financial targets that were communicated at the Capital Markets Day in December 2021 quickly and sustainably. While the businesses have already made significant progress in improving their operational performance as part of the transformation that has been initiated, the environment is far more challenging than could have been expected at the end of 2021. This refers not only to the war in Ukraine, but also – as a result – to the uncertain energy supply and high energy prices in Germany, continuing disrupted or fragile supply chains, as well as higher inflation worldwide and the significant rise in interest rates. The performance program now serves to decisively close the gaps that have arisen as a result.

The performance program is titled “APEX”, which is another word for “peak”. Over the coming weeks, experts in all businesses will identify additional measures to improve cash management and performance in six areas for action – for example, in the area of material costs. The businesses remain responsible for the success and implementation of measures. thyssenkrupp AG has established a “Transformation Office” to manage the program. Cetin Nazikkol is responsible for the program as Chief Transformation Officer (CTO). Now that thyssenkrupp has fleshed out the program's goals and defined milestones in recent weeks, concrete measures will be developed and the implementation process will be started. This includes a closely timed process on the progress of the program and any need for adjustment with all businesses under the direction of the Executive Board. The “APEX” program will be networked with existing store performance improvement initiatives.

Decarbon Technologies businesses benefit from the performance program

When implementing the performance program, thyssenkrupp will pay particular attention to the businesses in the new Decarbon Technologies segment – in particular Polysius and Uhde. In recent years, both businesses have already successfully begun a technological transformation toward green products and services, and established programs to improve their performance. The next step is to also drive the transformation of the business models – for example, by increasing the modularization and standardization of their products and expanding the profitable service business. The successful ongoing development of chlor-alkali technology at thyssenkrupp nucera serves as an example, with its standardized, modular approach to alkaline water electrolysis, large volumes can be produced at low cost. In this way thyssenkrupp nucera will enable its customers to produce green hydrogen on a larger and more centralized industrial scale. Cost-intensive and risky construction and assembly work is increasingly being outsourced to partners.

“With the ‘APEX’ performance program, we are ensuring that we get the full potential out of our technology-leading businesses in the long term. This applies in particular to the key technologies for the energy transition, where we are aiming to achieve a turnaround to sustainably profitable business models along the lines of thyssenkrupp nucera. By bundling them in Decarbon Technologies, we are making thyssenkrupp a pioneer of the green transformation and thus securing the future viability of the company and our customers,” said Miguel López.

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