

**thyssenkrupp in the 3rd quarter of 2023/2024: Transformation continued in a challenging environment**

- Order intake and sales down significantly year-on-year due to market weakness
- APEX performance program counters negative market developments
- Adjusted EBIT impacted by one-time effects in plant engineering
- Successful closing of EP Corporate Group's acquisition of 20-percent stake in steel business

In the 3rd quarter of the current 2023/2024 fiscal year, thyssenkrupp saw business performance weaker compared with the prior year in a persistently challenging market environment. The reduced momentum in key customer industries such as automotive, machinery and construction weighed on thyssenkrupp. Added to this were the still high energy costs. Between April and June, the group recorded **order intake** of €8.4 billion (prior year: €9.4 billion). **Sales** amounted to €9.0 billion (prior year: €9.6 billion) and **adjusted EBIT** to €149 million (prior year: €243 million). Automotive Technology, Materials Services and Marine Systems improved their earnings contributions compared with the prior year. In the steel business – shaped by the weak economy and structural challenges – adjusted EBIT was almost halved due to demand and price effects. In the Decarbon Technologies segment, thyssenkrupp recorded one-time effects in plant engineering at Polysius (cement business), in particular due to higher costs of around €80 million for individual legacy projects. Positive effects from the APEX efficiency program supported earnings in all segments. Based on this performance, thyssenkrupp confirms the adjusted forecast for the current 2023/2024 fiscal year that it published in July 2024.

“Strongly opposing market trends and one-time effects offset the progress made in the transformation of thyssenkrupp in the third quarter. Our businesses performed well in a challenging environment and we achieved success with our efficiency program. Moreover, by closing EP Corporate Group's acquisition of a 20-percent stake, we took another large step toward a stand-alone solution for the steel business,” said **CFO Jens Schulte**, the Executive Board member who assumed responsibility for the group-wide APEX efficiency program on July 1, 2024. “In light of the continued weakening of the markets, we are putting all our energy into the further development of APEX. In order to respond to the changing markets as best we can, our businesses are restructuring systematically wherever this is necessary. This not only applies to the steel business but also to individual business units in other segments. The goal of these measures is to make the group and its segments more profitable and resilient.”

Segment business performance in the 3rd quarter of 2023/2024

In **Automotive Technology**, both order intake of €1.9 billion (prior year: €2.1 billion) and sales of €1.9 billion (prior year: €2.0 billion) were lower than a year earlier. The adjusted EBIT of the segment improved to €78 million (prior year: €44 million). Although volumes declined in the construction

machinery business, plant engineering and parts of the automotive original equipment business, lower material and transportation costs and positive one-time effects (mainly due to the partial reversal of a provision for quality costs) had a positive impact on earnings. The measures bundled in the APEX program and the negotiation of new prices also had a positive effect.

Automotive Technology also pursued its strategic development activities. thyssenkrupp is exploring the realignment of **Automotive Body Solutions**, which envisages the reduction of 400 positions in Germany alongside the efficiency and process optimization measures already initiated. In parallel, capacities are to be increased at other sites outside Germany. Gradual implementation is planned by the end of the 2024/2025 fiscal year. thyssenkrupp is continuing its discussions with potential buyers for the **Springs & Stabilizers** business unit. By contrast, the divestment process for **Automation Engineering** has been halted for the time being. thyssenkrupp is now exploring various options – including wider-reaching structural measures – for the Powertrain business unit at the Bremen site. A decision is to be taken by the end of the current fiscal year.

In the 3rd quarter of the 2023/2024 fiscal year, **Decarbon Technologies** recorded order intake totaling €0.8 billion (prior year: €1.1 billion). thyssenkrupp nucera achieved increases, while Rothe Erde was more or less at the prior-year level. Project deferrals by customers meant that order intake by the other plant engineering businesses (Polysius and Uhde) was below the strong prior-year level. Due to some major projects in plant engineering and at thyssenkrupp nucera, the segment increased sales by ten percent to €945 million. Rothe Erde was slightly below the prior-year level due to a slowdown in demand on the Chinese wind energy market. Adjusted EBIT of the segment was €(59) million (prior year: €(16) million). This negative development was caused by one-time effects in plant engineering at Polysius (cement business), in particular due to higher costs of around €80 million for individual legacy projects. Efficiency improvements and the optimization of procurement as part of the APEX program enabled the segment to support its earnings.

Order intake in the **Materials Services** segment amounted to €3.1 billion (prior year: €3.3 billion) and sales were €3.2 billion (prior year: €3.3 billion). This was principally due to lower prices, especially for finished steel. The segment increased adjusted EBIT to €58 million (prior year: €50 million). The international supply chain and direct-to-customer businesses as well as the North American distribution units and service centers contributed especially to this growth. Positive earnings effects came from the efficiency measures bundled in the APEX program, such as the negotiation of new prices, the reduction of freight costs and other site consolidation activities.

Like the steel industry overall, **Steel Europe** is operating in a very challenging environment shaped by the weak economy and structural changes, such as high energy costs and growing import pressures. Order intake amounted to €2.7 billion (prior year: €3.2 billion) and sales to €2.8 billion (prior year: €3.3 billion). This was due to both significantly lower prices and decreased volumes, especially in the automotive sector. Adjusted EBIT of the segment was €100 million, which was almost half the prior-year level (€190 million). Earnings were supported by the ongoing restructuring and performance measures of Strategy 20-30 and extensive APEX measures, such as efficiency improvements in production, energy and logistics.

Last week, on the path toward a **stand-alone solution for Steel Europe**, the segment board presented its plans for the structural realignment of the steel business to the Supervisory Board of Steel Europe. In essence, the program envisages the market-related reduction of crude steel capacities in Duisburg. To achieve this, thyssenkrupp Steel is primarily planning to exit from Hüttenwerke Krupp Mannesmann. In order to validate the financing requirements for the realignment of Steel Europe, thyssenkrupp and Steel Europe will jointly commission a going-concern opinion.

Jens Schulte, CFO of thyssenkrupp AG: “Our common goal is and remains to find a stand-alone solution for the steel business that is economically viable by its own efforts. In light of the green transformation, we aim to make Steel Europe fit for the future.”

Additionally, in July, thyssenkrupp successfully completed a transaction that gives energy company **EP Corporate Group** a 20-percent stake in the steel business. Moreover, thyssenkrupp and EPCG are negotiating a second step: the acquisition by EPCG of a further 30 percent of the steel business with the aim of establishing an equal 50:50 joint venture.

Thanks to service orders, order intake of €141 million at **Marine Systems** was higher than in the prior year (€117 million). Due to typical fluctuations in the project business, sales of €438 million were below the prior-year level (€480 million). Improved margin effects for orders on hand and lower selling expenses had a positive impact on earnings. Adjusted EBIT rose to €30 million from €12 million a year earlier. The APEX measures, covering areas such as materials, human resources and administration, made a positive contribution to earnings.

3rd quarter of 2023/2024: Key indicators for the thyssenkrupp group

While earnings from operations were positive, restructuring expenses in particular totaling €60 million at Materials Services (mainly thyssenkrupp Schulte) and Decarbon Technologies (mainly Polysius) meant that thyssenkrupp recorded a **net loss** of €33 million in the 3rd quarter of 2023/2024 (prior year: net income of €107 million). In addition, the deconsolidation of the 55-percent stake in thyssenkrupp Industries India (Decarbon Technologies segment) had a negative impact. The stake was sold in May 2024 as part of the strategic realignment of the mining business portfolio. After deduction of minority interests, net earnings amounted to €(54) million (prior year: €83 million); earnings per share were €(0.09) (prior year: €0.13).

Compared with March 31, 2024, **total equity** remained constant at €11.7 billion and the **equity ratio** was still a comfortable 39 percent.

Free cash flow before M&A was negative at €(256) million and below the prior-year figure of €347 million. This was due to factors including payments received after the reporting date in connection with the notice of funding for the direct reduction plant at Steel Europe. Moreover, compared with the prior year, inventory reduction was lower for demand-related reasons.

The group's **net financial assets** as at June 30, 2024, thus decreased slightly to €3.2 billion (March 31, 2024: €3.5 billion). With cash and cash equivalents and undrawn committed credit lines totaling €5.9 billion, thyssenkrupp still has a very good liquidity position.

Adjusted forecast for the 2023/2024 fiscal year confirmed

In light of the results for the 3rd quarter of the current fiscal year and the updated projection for the full year, thyssenkrupp had already amended the **full-year forecast** for the 2023/2024 fiscal year on July 25, 2024. This is due to the persistently challenging market environment, which is causing a significant reduction in sales – among other things – in the current fiscal year. The market is not expected to stabilize in the short term in the current fiscal year. The efficiency improvement measures introduced as part of the APEX performance program are successfully countering the negative market developments outlined but cannot fully offset them.

The group now expects **sales** to decline by between 6 and 8 percent compared with the prior year. Previously, a figure below the prior year had been forecast. thyssenkrupp expects **adjusted EBIT** to decrease to a figure of over €500 million. Previously, the group was assuming an increase to a figure in the high three-digit million euro range. **Free cash flow before M&A** is now expected to decrease to a figure in the range of €(100) million. Previously, the group had expected a decrease to a figure in the low three-digit million euro range. The forecast for **net income** was also adjusted. It is now anticipated to improve to a negative figure in the mid to high three-digit million euro range (previously: increase to a negative figure in the low three-digit million euro range).

You will find the current interim report here: <https://www.thyssenkrupp.com/en/investors/reporting-and-publications>

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thyssenkrupp in figures – key performance indicators at a glance

		Group			
		9 months ended June 30, 2023	9 months ended June 30, 2024	Change	in %
Order intake	million €	28,755	24,904	(3,851)	(13)
Sales	million €	28,723	26,231	(2,492)	(9)
EBITDA	million €	1,396	787	(608)	(44)
EBIT ¹⁾	million €	349	(73)	(421)	--
EBIT margin	%	1.2	(0.3)	(1.5)	--
Adjusted EBIT ¹⁾	million €	615	416	(199)	(32)
Adjusted EBIT margin	%	2.1	1.6	(0.6)	(26)
Income/(loss) before tax	million €	205	(213)	(418)	--
Net income/(loss) or earnings after tax	million €	2	(410)	(412)	--
attributable to thyssenkrupp AG's shareholders	million €	(64)	(446)	(382)	--
Earnings per share (EPS)	€	(0.10)	(0.72)	(0.61)	--
Operating cash flows	million €	668	(61)	(729)	--
Cash flow for investments	million €	(909)	(879)	30	3
Cash flow from divestments	million €	55	56	1	1
Free cash flow ²⁾	million €	(186)	(885)	(698)	--
Free cash flow before M&A ²⁾	million €	(234)	(983)	(749)	--
Net financial assets (June 30)	million €	3,238	3,191	(46)	(1)
Total equity (June 30)	million €	13,957	11,667	(2,290)	(16)
Gearing (June 30)	%	— ³⁾	— ³⁾	—	—
Employees (June 30)		98,624	97,860	(764)	(1)

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

²⁾ See reconciliation in the analysis of the statement of cash flows.

³⁾ 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 therefore has no relevance.

		Group		Change	in %
		3rd quarter ended June 30, 2023	3rd quarter ended June 30, 2024		
Order intake	million €	9,390	8,355	(1,035)	(11)
Sales	million €	9,598	8,986	(612)	(6)
EBITDA	million €	445	257	(188)	(42)
EBIT ¹⁾	million €	212	84	(128)	(61)
EBIT margin	%	2.2	0.9	(1.3)	(58)
Adjusted EBIT ¹⁾	million €	243	149	(94)	(39)
Adjusted EBIT margin	%	2.5	1.7	(0.9)	(34)
Income/(loss) before tax	million €	174	26	(148)	(85)
Net income/(loss) or earnings after tax	million €	107	(33)	(141)	--
attributable to thyssenkrupp AG's shareholders	million €	83	(54)	(137)	--
Earnings per share (EPS)	€	0.13	(0.09)	(0.22)	--
Operating cash flows	million €	599	249	(350)	(58)
Cash flow for investments	million €	(267)	(481)	(215)	(81)
Cash flow from divestments	million €	32	29	(3)	(9)
Free cash flow ²⁾	million €	364	(203)	(567)	--
Free cash flow before M&A ²⁾	million €	347	(256)	(602)	--
Net financial assets (June 30)	million €	3,238	3,191	(46)	(1)
Total equity (June 30)	million €	13,957	11,667	(2,290)	(16)
Gearing (June 30)	%	— ³⁾	— ³⁾	—	—
Employees (June 30)		98,624	97,860	(764)	(1)

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	Order intake million €		Sales million €		EBIT ¹⁾ million €		Adjusted EBIT ¹⁾ million €		Employees	
	9 months ended June 30, 2023	9 months ended June 30, 2024	9 months ended June 30, 2023	9 months ended June 30, 2024	9 months ended June 30, 2023	9 months ended June 30, 2024	9 months ended June 30, 2023	9 months ended June 30, 2024	June 30, 2023	June 30, 2024
Automotive Technology ²⁾	6,141	5,630	5,939	5,699	178	163	198	174	31,418	31,848
Decarbon Technologies ²⁾	3,119	2,140	2,560	2,775	36	(119)	53	(61)	14,985	12,601
Materials Services	10,521	9,244	10,489	9,217	192	8	155	153	16,221	16,114
Steel Europe ²⁾	9,946	8,044	9,511	8,127	21	(14)	266	238	26,249	27,090
Marine Systems ²⁾	380	810	1,484	1,403	44	74	46	72	7,502	7,896
Corporate Headquarters	7	5	5	6	(128)	(165)	(122)	(144)	610	633
Reconciliation ²⁾	(1,359)	(970)	(1,265)	(996)	6	(19)	19	(16)	1,639	1,678
Group	28,755	24,904	28,723	26,231	349	(73)	615	416	98,624	97,860

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, 2023	3rd quarter ended June 30, 2024	3rd quarter ended June 30, 2023	3rd quarter ended June 30, 2024	3rd quarter ended June 30, 2023	3rd quarter ended June 30, 2024	3rd quarter ended June 30, 2023	3rd quarter ended June 30, 2024
Automotive Technology ²⁾	2,063	1,886	2,046	1,914	41	83	44	78
Decarbon Technologies ²⁾	1,097	800	856	945	(29)	(91)	(16)	(59)
Materials Services	3,272	3,094	3,346	3,194	78	17	50	58
Steel Europe ²⁾	3,221	2,732	3,251	2,818	163	117	190	100
Marine Systems ²⁾	117	141	480	438	12	30	12	30
Corporate Headquarters	2	1	2	2	(45)	(62)	(37)	(47)
Reconciliation ²⁾	(382)	(299)	(381)	(325)	(9)	(11)	(2)	(11)
Group	9,390	8,355	9,598	8,986	212	84	243	149

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

²⁾ See preliminary remarks.