

thyssenkrupp group of companies sees good business performance in the 1st quarter, despite an environment that remains uncertain and challenging

- Group sales in the 1st quarter of the 2022/2023 fiscal year level with the prior-year period; order intake and adjusted EBIT down on the prior year as forecast
- Free cash flow before M&A clearly improved but still negative
- Forecast for the current fiscal year confirmed: adjusted EBIT in the mid to high three-digit million euro range; break-even expected for net income and free cash flow before M&A
- Klaus Keysberg: “Despite the continuing uncertain environment, the first-quarter results are robust. Thanks to our restructuring measures and the improvement in performance, our businesses are now far more able to deal with challenges and adapt to diverse opportunities.”

In the 1st quarter of the 2022/2023 fiscal year, thyssenkrupp continued its transformation into a group of largely independent, high-performance technology companies and held its ground overall in a market environment that remained uncertain and challenging. Compared with the prior-year period, development of the key financials was characterized by two effects: The anticipated normalization of prices, especially at Materials Services, and the portfolio changes at Multi Tracks resulted in corresponding decreases in order intake, sales and adjusted EBIT. Whereas **sales** matched the prior-year level at €9 billion due to the positive development of the other segments, **order intake** of €9.2 billion by the group of companies was down from €10.4 billion in the prior-year period. At €254 million, **adjusted EBIT** was also below the prior-year level of €378 million. As expected, this was largely due to price trends and the resulting decrease in margins at Materials Services. Based on the figures for the 1st quarter, thyssenkrupp has confirmed its **forecast** for fiscal year 2022/2023.

Klaus Keysberg, CFO of thyssenkrupp AG: “Despite the continuing uncertain environment, the first-quarter results are robust. Thanks to our restructuring and performance measures, our businesses are now far more able to deal with challenges and adapt to diverse opportunities.” At the same time, there is limited visibility in respect of future economic developments. In this phase, we are not slackening in our efforts to improve performance and productivity and remain determined in pursuing the transformation of thyssenkrupp into a group of largely independent, high-performance technology companies. And we are doing all we can to achieve our cash flow target in the current fiscal year.”

Performance of the segments in the 1st quarter 2022/2023

With volumes rising overall in the 1st quarter of fiscal year 2022/2023, **Materials Services** saw order intake of €3.3 billion, down 10 percent compared with the prior-year figure of €3.7 billion due to lower material prices. At €3.2 billion, sales were also below the level of €3.3 billion a year earlier.

This trend was particularly evident in inventory-based materials trading in Europe and in direct-to-customer business. Positive effects were seen in the Supply Chain Services business and in inventory-based materials trading in North America. Adjusted EBIT amounted to €20 million after €219 million a year earlier. The primary reason for this decline were falling margins as a result of lower material prices.

Compared with the prior year, **Industrial Components** increased order intake by 30 percent to €0.8 billion. Sales improved by 10 percent to €0.7 billion. At €38 million, adjusted EBIT of the segment was below the prior-year level of €56 million. Order intake and sales at **Bearings** benefited especially from an increase in demand for wind energy in Germany and Europe. Significantly higher primary material and energy costs and the competitive situation in the wind energy sector, especially in China, resulted in a decline in earnings. **Forged Technologies** improved both order intake and sales by passing on higher factor costs to customers, supported by positive currency effects. Due to the impact on earnings from maintenance measures, adjusted EBIT was down on the prior-year period.

Automotive Technology improved order intake by 27 percent to €1.4 billion and sales by 18 percent to €1.3 billion. Strong customer demand was especially evident in the automotive original equipment business, but the supply of semiconductors remained limited. Thanks to the improvement in operating earnings, the segment increased adjusted EBIT by 13 percent to €43 million. Strict cost control, the negotiation of new price conditions and efficiency measures compensated the increase in costs such as procurement costs.

In the 1st quarter, the **Steel Europe** business continued to benefit from high revenues. Due to long-term contracts, the segment was impacted only slightly by declining spot market prices. Order intake rose by 22 percent to €3 billion. Despite declining shipments, sales increased by 10 percent to €2.9 billion. Despite strong increases in raw material and energy costs, adjusted EBIT rose by 42 percent to €177 million, due especially to the noticeable upturn in average revenues. Supporting effects from ongoing restructuring and performance measures in connection with implementing the Steel Strategy 20-30 also contributed to the positive earnings trend.

Having received substantial orders for surface vessels a year earlier, order intake of €133 million by **Marine Systems** did not match the prior-year level of €479 million. Sales rose by 35 percent to €508 million, mainly due to the delivery of a frigate to a customer in the North Africa region. This and positive effects from the performance measures that have been initiated were also reflected in the adjusted EBIT of €20 million, which was significantly higher than the prior-year figure of €6 million.

Following the divestment of the stainless steel and mining businesses at the end of January 2022 and August 2022 order intake and sales of the **Multi Tracks** segment decreased by 64 and 49 percent, respectively, to €0.9 billion and €0.8 billion due to transaction effects. Most of the continuing businesses posted higher or stable order intakes. Both **plant engineering** and **thyssenkrupp nucera** significantly increased sales as a result of major projects. **Automation Engineering** also benefited from the growth in new business in previous quarters.

At **Springs & Stabilizers**, sales were significantly up on the previous year because material price increases were passed on. The segment's adjusted EBIT of €(17) million was below the prior-year figure of €(1) million due to the divestment of the stainless steel business. All continuing businesses saw an improvement in earnings. The one exception was thyssenkrupp nucera which posted positive but slightly lower earnings due to increased development costs for growth.

The adjusted EBIT of **Corporate Headquarters** came to €(43) million (prior year: €(51) million).

1st quarter 2022/2023: Key figures for the thyssenkrupp group (incl. discontinued operations)

Overall, thyssenkrupp posted **net income** of €98 million in the 1st quarter of 2022/2023 (prior year: €122 million). After deducting minority interest, net income in the 1st quarter was €75 million (prior year: €106 million); earnings per share came to €0.12 (prior year: €0.17).

As a result of lower net working capital, **free cash flow before M&A** improved as expected by €494 million from the prior-year level but remained negative at €(365) million. As of December 31, 2022, the group's **net financial assets** decreased accordingly to €3.3 billion (September 30, 2022: €3.7 billion). With cash and cash equivalents and undrawn committed credit lines totaling €8.7 billion, thyssenkrupp retained a very good liquidity position.

Compared with September 30, 2022, **equity** decreased slightly from €14.7 billion to €14.5 billion, mainly due to currency translation effects. The **equity ratio** remained at a comfortable 40 percent.

Forecast for fiscal year 2022/2023 confirmed

Subject to the ongoing limited reliability of planning due to macroeconomic and geopolitical uncertainties, the company confirms its **forecast for the 2022/2023 fiscal year**.

thyssenkrupp is assuming that **adjusted EBIT** will decrease to a value in the mid to high three-digit million euro range (prior year: €2.1 billion). With further expenditures for restructuring and capital spending above the prior-year level, **free cash flow before M&A** is forecast nonetheless to increase to at least break-even (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⁾			
		1st quarter ended Dec. 31, 2021	1st quarter ended Dec. 31, 2022	Change	in %	1st quarter ended Dec. 31, 2021	1st quarter ended Dec. 31, 2022	Change	in %
Order intake	million €	10,398	9,177	(1,222)	(12)	10,398	9,177	(1,222)	(12)
Sales	million €	9,023	9,018	(5)	0	9,023	9,018	(5)	0
EBITDA	million €	554	485	(70)	(13)	554	485	(70)	(13)
EBIT ²⁾	million €	298	246	(52)	(18)	298	246	(52)	(18)
EBIT margin	%	3.3	2.7	(0.6)	(17)	3.3	2.7	(0.6)	(17)
Adjusted EBIT ²⁾	million €	378	254	(123)	(33)	378	254	(123)	(33)
Adjusted EBIT margin	%	4.2	2.8	(1.4)	(33)	4.2	2.8	(1.4)	(33)
Income/(loss) before tax	million €	203	167	(37)	(18)	203	167	(37)	(18)
Net income/(loss) or earnings after tax	million €	122	98	(24)	(20)	122	98	(24)	(20)
attributable to thyssenkrupp AG's shareholders	million €	106	75	(31)	(29)	106	75	(31)	(29)
Earnings per share (EPS)	€	0.17	0.12	(0.05)	(29)	0.17	0.12	(0.05)	(29)
Operating cash flows	million €	(599)	(137)	462	77	(599)	(137)	462	77
Cash flow for investments	million €	(253)	(227)	25	10	(253)	(227)	25	10
Cash flow from divestments	million €	25	14	(10)	(41)	25	14	(10)	(41)
Free cash flow ³⁾	million €	(827)	(350)	477	58	(827)	(350)	477	58
Free cash flow before M&A ³⁾	million €	(858)	(365)	494	58	(858)	(365)	494	58
Net financial assets (Dec. 31)	million €	(2,701)	(3,258)	(557)	(21)				
Total equity (Dec. 31)	million €	11,425	14,476	3,051	27				
Gearing (Dec. 31)	%	— ⁴⁾	— ⁴⁾	—	—				
Employees (Dec. 31)		100,386	97,323	(3,063)	(3)				

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⁾

	Order intake million €		Sales million €		EBIT ¹⁾ million €		Adjusted EBIT ¹⁾ million €		Employees	
	1st quarter ended Dec. 31, 2021	1st quarter ended Dec. 31, 2022	1st quarter ended Dec. 31, 2021	1st quarter ended Dec. 31, 2022	1st quarter ended Dec. 31, 2021	1st quarter ended Dec. 31, 2022	1st quarter ended Dec. 31, 2021	1st quarter ended Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022
Materials Services	3,722	3,348	3,290	3,246	219	22	219	20	15,454	16,040
Industrial Components	601	783	604	663	57	38	56	38	12,591	12,056
Automotive Technology	1,090	1,383	1,106	1,302	38	28	38	43	19,695	20,598
Steel Europe	2,481	3,035	2,669	2,945	112	186	124	177	26,247	26,222
Marine Systems	479	133	377	508	(2)	18	6	20	6,555	7,159
Multi Tracks ²⁾	2,567	913	1,540	779	(50)	(18)	(1)	(17)	17,661	13,068
Corporate Headquarters	1	2	2	2	(61)	(44)	(51)	(43)	622	609
Reconciliation	(543)	(420)	(565)	(427)	(15)	15	(14)	16	1,561	1,571
Group continuing operations²⁾	10,398	9,177	9,023	9,018	298	246	378	254	100,386	97,323
Discontinued elevator operations ²⁾	0	0	0	0	0	0	0	0	0	0
Full group	10,398	9,177	9,023	9,018	298	246	378	254	100,386	97,323

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

²⁾ See preliminary remarks.