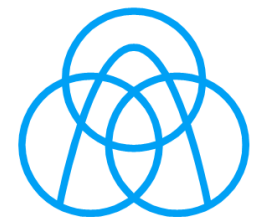


newtk – the new thyssenkrupp

Ticker: TKA (Share) TKAMY (ADR)

May 2019

engineering.tomorrow.together.



thyssenkrupp

Group separation no longer the best option

Financials

- Weaker economic fundamentals with effects on current business development
- Share price also under pressure reflecting doubts on rational for separation
- Tight B/S further burdened by payment for cartel investigation settlement

Portfolio

- Expected veto of Steel JV and reintegration of Steel Europe lead to reassessment of Group portfolio

*Fundamental
revision of
strategy*



FLEXIBLE PORTFOLIO to maximize performance and value by business-specific ownership structures

PERFORMANCE FIRST



Value-driven exploitation of consolidation opportunities

SE and MX

- **Steel Europe:**
 - Focus on efficient repositioning
 - Consolidation still sensible, but on a large scale currently not possible (EU Commission)
- **Materials Services:** Assessing consolidation options

Majority Stake



Value-driven development

CT (auto), IS, MS, BG & FT

- **CT (auto):** Development of a strong automotive business
- **Industrial Solutions:** Focus on turnaround
- **Open to new, value creating options:** partnerships and combinations in respective markets (also for business units)

Open for different ownership structures incl. Minority Stakes



Value realization and crystallization

ET

- **Start of IPO process for Elevator:**
 - Financial headroom for Group restructuring
 - Catalyst for additional performance improvement of ET
 - Elevator shares as „currency“ for further development of ET

IPO



PERFORMANCE FIRST

- Leverage business USP into a leading market position and benchmark profitability
- FCF bef. M&A target of \geq €1 bn in FY 20/21 confirmed
- Reduction of 6,000 jobs over the next 3 years to support performance targets
- Performance driven culture with respective incentive schemes

FLEXIBLE PORTFOLIO

- Majority-owned Materials businesses (SE and MX); consolidation opportunities
- Open for different ownership structures; value-driven development of CT-Auto, IS, MS, Bearings & Forged
- IPO of ET – value realization and cristallization, faster performance improvement

PEOPLE-CENTRIC & EFFICIENT ORGANIZATION

- Comprehensive definition of a new leadership structure and development of employees
- Stronger entrepreneurial spirit in our businesses in accordance with our values
- Leadership through lean Corporate center with costs $<$ €200 mn



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