thyssenkrupp

Interim report 1st half 2023/2024

October 1, 2023 – March 31, 2024

engineering. tomorrow. together.

thyssenkrupp in figures

		Group			
		1st half ended March 31, 2023	1st half ended March 31, 2024	Change	in %
Order intake	million €	19,365	16,549	(2,815)	(15)
Sales	million €	19,125	17,245	(1,880)	(10)
EBITDA	million €	951	531	(420)	(44)
EBIT[2]	million €	136	(156)	(293)	--
EBIT margin	%	0.7	(0.9)	(1.6)	--
Adjusted EBIT[1,2]	million €	373	268	(105)	(28)
Adjusted EBIT margin	%	1.9	1.6	(0.4)	(20)
Income/(loss) before tax	million €	32	(239)	(270)	--
Net income/(loss) or earnings after tax	million €	(105)	(377)	(272)	--
attributable to thyssenkrupp AG's shareholders	million €	(147)	(392)	(244)	--
Earnings per share (EPS)	€	(0.24)	(0.63)	(0.39)	--
Operating cash flows	million €	69	(311)	(380)	--
Cash flow for investments	million €	(643)	(397)	245	38
Cash flow from divestments	million €	23	27	4	16
Free cash flow[3]	million €	(551)	(682)	(131)	(24)
Free cash flow before M&A[3]	million €	(581)	(728)	(146)	(25)
Net financial assets (March 31)	million €	2,895	3,467	572	20
Total equity (March 31)	million €	13,997	11,604	(2,393)	(17)
Gearing (March 31)	%	–[4]	–[4]	—	—
Employees (March 31)		98,224	100,202	1,978	2

[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] 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 is thus of no relevance.

		Group			
		2nd quarter ended March 31, 2023	2nd quarter ended March 31, 2024	Change	in %
Order intake	million €	10,188	8,576	(1,612)	(16)
Sales	million €	10,107	9,064	(1,043)	(10)
EBITDA	million €	466	293	(173)	(37)
EBIT[2)]	million €	(110)	28	138	++
EBIT margin	%	(1.1)	0.3	1.4	++
Adjusted EBIT[1),2)]	million €	205	184	(21)	(10)
Adjusted EBIT margin	%	2.0	2.0	0.0	0
Income/(loss) before tax	million €	(135)	(7)	129	95
Net income/(loss) or earnings after tax	million €	(203)	(72)	130	64
attributable to thyssenkrupp AG's shareholders	million €	(223)	(78)	145	65
Earnings per share (EPS)	€	(0.36)	(0.13)	0.23	65
Operating cash flows	million €	206	113	(93)	(45)
Cash flow for investments	million €	(415)	(290)	125	30
Cash flow from divestments	million €	8	(6)	(14)	--
Free cash flow[3)]	million €	(201)	(183)	18	9
Free cash flow before M&A[3)]	million €	(216)	(197)	20	9
Net financial assets (March 31)	million €	2,895	3,467	572	20
Total equity (March 31)	million €	13,997	11,604	(2,393)	(17)
Gearing (March 31)	%	—[4)]	—[4)]	—	—
Employees (March 31)		98,224	100,202	1,978	2

1) See preliminary remarks.
2) See reconciliation in segment reporting (Note 08).
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THYSSENKRUPP STOCK / ADR MASTER DATA AND KEY FIGURES

ISIN		Number of shares (total)	shares	622,531,741
Shares (Frankfurt, Düsseldorf stock exchanges)	DE 000 750 0001	Closing price end March 2024	€	4.97
ADR (over-the-counter-trading)	US88629Q2075	Stock exchange value end March 2024	million €	3,094
Symbols				
Shares	TKA			
ADR	TKAMY			

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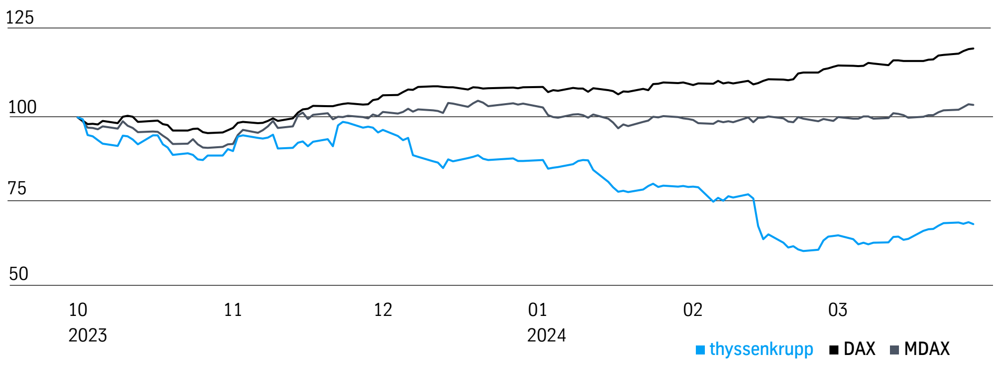
Our fiscal year begins on October 1 and ends on September 30 of the following year.

thyssenkrupp stock

PERFORMANCE OF THYSSENKRUPP STOCK RELATIVE TO DAX AND MDAX

indexed, 1st half ended March 31, 2024



Stock price performance 1st half 2023 / 2024

- Stock price €4.97, drop of about 30% in the 1st half
- Highest price October 1, 2023: €7.19; lowest price February 23, 2024: €4.40
- Contributory factors: expectations in connection with the spin-off of Steel Europe and corresponding valuation, plus macroeconomic issues such as inflation and the development of interest rates, which typically affect early cycle stocks such as thyssenkrupp somewhat more strongly than the overall market and indices

Capital market

- Regular coverage by 11 financial analysts
- Investment recommendations: 30% positive, 60% neutral, 10% negative

Shareholders

- Biggest single shareholder Alfried Krupp von Bohlen und Halbach Foundation with 20.93% of the capital stock
- Remaining capital stock held by a broad free float
- thyssenkrupp does not hold any treasury shares

Annual General Meeting

- February 2, 2024: first in-person meeting since the Covid pandemic
- Dividend of €0.15 approved; paid out on February 7, 2024

Investor Relations

- Active marketing of the equity story to investors and financial analysts
- Focus was on two conferences, in New York and Frankfurt, as well as roadshows in various financial centers, e.g., Zurich and Milan

Interim management report

Preliminary remarks

This report follows the internal management model applied by thyssenkrupp in fiscal year 2023 / 2024.

As a consequence of the thyssenkrupp group's new segment structure, which was resolved in the 4th quarter of fiscal year 2022 / 2023 and introduced effective October 1, 2023, there have been the following reporting changes compared with the prior year:

- The former Multi Tracks segment was dissolved as of October 1, 2023.
- Since October 1, 2023, the bearings business Rothe Erde (reported separately as the Bearings segment as of September 30, 2023), Uhde, Polysius and thyssenkrupp nucera (all three reported in the Multi Tracks segment until September 30, 2023) have been bundled in the new Decarbon Technologies segment. In addition, the new Decarbon Technologies segment contains thyssenkrupp Immobilien Verwaltungs GmbH, which was previously assigned to the Steel Europe segment.
- Since October 1, 2023, the Automation Engineering and Springs & Stabilizers businesses (assigned to the former Multi Tracks segment until September 30, 2023) have been part of the Automotive Technology segment. The same applies to the Forged Technologies business (reported as a separate segment as of September 30, 2023).
- Since October 1, 2023, the investment in TK Elevator held by thyssenkrupp since the sale of the Elevator Technology business at the end of July 2020 has been assigned to “reconciliation” in the segment reporting (included in the former Multi Tracks segment in the 2022 / 2023 fiscal year).
- thyssenkrupp Transrapid GmbH, which was previously part of the Marine Systems segment, has also been assigned to “reconciliation” in the segment reporting since October 1, 2023.

Corresponding adjustments have been made for these changes in the recognition and presentation of the data for the prior year.

For further details of the investment in TK Elevator, see also Note 08 (Segment reporting) and Note 07 (Financial instruments).

In fiscal year 2022 / 2023, a divestment process was initiated for the activities of thyssenkrupp Industries India, which is part of the Decarbon Technologies segment. These activities met the criteria set forth in IFRS 5 for recognition as a disposal group for the first time in the 1st quarter of 2023 / 2024. Therefore, the assets and liabilities relating to these activities had to be presented separately for the first time in the statement of financial position as of December 31, 2023. They are also presented separately as of March 31, 2024.

The business performance is presented by segment.

Strategy

- Continuation of the transformation to a sustainable and high-performing company with lean management structures and a clearly defined portfolio focused on profitable growth
- Three areas of action – portfolio, performance and green transformation – form the framework
- Extensive information on thyssenkrupp's strategy in the 2022 / 2023 Annual Report
- Further information in the sections "Segment reporting," "Technology and innovations" and in Note 14 to the interim financial statements (Subsequent events)

Report on the economic position

	Order intake million €		Sales million €		EBIT[1] million €		Adjusted EBIT[1,2] million €		Employees	
	1st half ended March 31, 2023	1st half ended March 31, 2024	1st half ended March 31, 2023	1st half ended March 31, 2024	1st half ended March 31, 2023	1st half ended March 31, 2024	1st half ended March 31, 2023	1st half ended March 31, 2024	March 31, 2023	March 31, 2024
Automotive Technology[2]	4,078	3,744	3,894	3,785	137	79	154	97	31,288	32,025
Decarbon Technologies[2]	2,021	1,340	1,704	1,830	64	(28)	68	(2)	14,981	14,768
Materials Services	7,250	6,150	7,143	6,023	114	(9)	105	95	16,234	16,150
Steel Europe[2]	6,725	5,312	6,260	5,310	(143)	(132)	76	137	26,109	27,057
Marine Systems[2]	263	669	1,004	965	31	44	34	42	7,386	7,880
Corporate Headquarters	5	5	4	4	(83)	(103)	(84)	(96)	611	640
Reconciliation[2]	(978)	(671)	(884)	(671)	15	(8)	21	(6)	1,615	1,682
Group	**19,365**	**16,549**	**19,125**	**17,245**	**136**	**(156)**	**373**	**268**	**98,224**	**100,202**

[1] See reconciliation in segment reporting (Note 08).
[2] See preliminary remarks.

	Order intake million €		Sales million €		EBIT[1] million €		Adjusted EBIT[1,2] million €	
	2nd quarter ended March 31, 2023	2nd quarter ended March 31, 2024	2nd quarter ended March 31, 2023	2nd quarter ended March 31, 2024	2nd quarter ended March 31, 2023	2nd quarter ended March 31, 2024	2nd quarter ended March 31, 2023	2nd quarter ended March 31, 2024
Automotive Technology[2]	2,031	1,890	2,009	1,922	106	38	108	49
Decarbon Technologies[2]	1,000	695	856	931	46	(3)	49	15
Materials Services	3,901	3,293	3,897	3,164	91	4	85	69
Steel Europe[2]	3,691	2,916	3,315	2,864	(329)	11	(14)	68
Marine Systems[2]	135	140	497	532	14	26	14	25
Corporate Headquarters	3	3	2	2	(38)	(42)	(41)	(40)
Reconciliation[2]	(574)	(362)	(470)	(349)	(1)	(6)	4	(3)
Group	**10,188**	**8,576**	**10,107**	**9,064**	**(110)**	**28**	**205**	**184**

[1] See reconciliation in segment reporting (Note 08).
[2] See preliminary remarks.

Summary

In the first six months, adjusted EBIT and FCF before M&A were in line with the expectations for the full year, partly supported by the development in the 2nd quarter

- Performance of the group in the 1st half compared with the prior year
  – Order intake and sales lower than in the prior year in both the 1st half and the 2nd quarter, mainly due to price- and demand-induced declines at Materials Services and Steel Europe
  – Adjusted EBIT in both the 1st half and the 2nd quarter below the prior-year level, which benefited from one-time effects, especially at Automotive Technology; driven principally by decreases at Automotive Technology, Decarbon Technologies and Materials Services; earnings increases at Steel Europe and Marine Systems, especially in the 2nd quarter
  – Net income negative and below the prior year, mainly due to the aforementioned trends and negative special items such as the measurement of CO_2 forward contracts; 2nd quarter also negative but higher than in the prior-year period
  – FCF before M&A below the prior year and negative due to increase in net working capital; improvement in the 2nd quarter
  – “APEX“ performance program, which bundles the group’s established and new transformation and performance measures: implementation on schedule with continuous ramp-up of the earnings effects.
- 1st half performance of the segments compared with the prior year:
  – Automotive Technology: lower order intake and sales in the construction machinery business and customer- and model-driven declines in parts of the automotive serial business; adjusted EBIT below the prior-year level, which was boosted by one-time effects; lower material and transportation costs and the positive effects of price negotiations and measures to improve efficiency, countered, among other things, by lower volumes and higher personnel expenses (mainly as a result of collective wage agreements) and, in particular, non-conformity costs in the Automation Engineering business
  – Decarbon Technologies: comparatively low order intake overall but higher sales, principally due to high order intake in prior periods; adjusted EBIT down year-on-year, affected by individual effects in each of the businesses
  – Materials Services: lower sales, mainly as a result of lower prices and sluggish demand. Adjusted EBIT down year-on-year due to market factors despite positive effects of cost-cutting measures Volumes below the prior-year level due to the downward trend in direct-to-customer business and warehousing businesses, especially in Europe
  – Steel Europe: lower order intake as a consequence of the weak economic development and associated drop in demand; sales down year-on-year, mainly due to significantly lower steel prices; adjusted EBIT higher than in the previous year despite the weak market environment, thanks to lower raw material and energy prices and lower depreciation and amortization as a result of the significant impairment losses in fiscal year 2022 / 2023
  – Marine Systems: significantly higher order intake, mainly due to major extensions of two existing orders for submarines and higher order intake in the marine electronics area; adjusted EBIT higher than in the previous year
  – Corporate Headquarters: lower adjusted EBIT, mainly as a result of higher expenses in connection with the APEX performance program and shifts in the timing of internal cross-charging and general and administrative expenses. By contrast, positive effects from the adjustment of provisions for share-based compensation
- Full-year forecast for the group’s adjusted EBIT and FCF before M&A confirmed; reduced for, e.g., sales and net income

- No revision of the medium-term targets, which were confirmed in the Annual Report 2022 / 2023: adjusted EBIT margin of between 4% and 6%, significantly positive FCF before M&A, and resumption of a reliable dividend payment for the company as a whole

Macro and sector environment

Negative trend in Germany halted for the time being – growth still significantly lower than in other industrialized countries

- Global economic development still sluggish, especially in Germany and Europe, due to strong global export dependence; high resilience in some other regions such as Asia and the USA; tentative recovery of the Chinese economy following bottoming out of the crisis in the local real estate sector
- Growth in global economic output projected to slow to 2.7% in 2023; growth expectation for 2024 slightly lower at 2.6%
- Slight recovery of the Germany economy expected with growth of 0.2% in 2024 following contraction of 0.1% in 2023; growth forecast of 0.8% for the European Union in 2024; significantly better outlook for the USA with growth of 2.5% in 2024; subdued momentum in China (4.7% growth); further robust growth of 6.8% forecast for India in 2024
- Risks and uncertainties: continued economic pressure due to possible continuation of the central banks' policy of higher interest rates than in recent years; political uncertainty resulting from the upcoming elections in Europe and the USA; risk of disruption of global logistics flows due to armed conflicts in the Middle East; possibility of further escalation and prolongation of the war in Ukraine; uncertainty about the future development of many other geopolitical trouble spots and trade conflicts; risk of recurrent floods and natural catastrophes, for example, as a result of climate change; ongoing risks resulting from high energy, material and raw material prices, especially in industrialized regions

GROSS DOMESTIC PRODUCT

Real change compared to previous year in %	2023[1]	2024[1]
European Union	0.5	0.8
Germany	(0.1)	0.2
Eastern Europe and Central Asia	4.0	3.0
USA	2.5	2.5
Brazil	2.9	2.1
Japan	1.9	0.8
China	5.2	4.7
India	7.4	6.8
Middle East & North Africa	1.2	1.9
World	**2.7**	**2.6**

[1] Calendar year; Forecast (partly)
Source: S&P Global Market Intelligence, Global Economy (April 2024)

Automotive

- Global volume sales of cars and light trucks up significantly year-on-year in 2023; production also clearly positive and back around the pre-Covid level of 2019 for the first time
- Positive volume sales forecast for 2024, with production expected to be slightly below the prior-year level

- Europe: production and volume sales significantly positive year-on-year in 2023, volume sales expected to be around the prior-year level in 2024, slightly lower production
- North America: significant increase in production and volume sales in 2023; positive volume sales and production anticipated for 2024 vs. 2023
- China: significant year-on-year rise in production and volumes sales in 2023; volume sales and production expected to be positive year-on-year in 2024

Machinery

- Germany: real sales decline of 0.5% anticipated for 2023; sector is no longer benefiting from order backlogs from previous years; no upturn expected in 2024, with a further sales decline of 0.5%; possibly positive impetus from adoption of the German Growth Opportunities Act
- USA: projected reduction of around 2.5% in machinery production in 2023 as a result of the economically induced investment restraint; potential tailwind from fiscal support measures in connection with the infrastructure program and a possible pause in interest rate hikes by the Fed; further decline of 3.6% forecast for 2024
- China: 4.1% growth in machinery production in 2023 below average compared with previous years; sustained gloomy outlook with growth of just 4.6% in 2024; order intake and capacity utilization below expectations

Construction

- Germany: stabilization of construction activity at a low level; slightly positive growth of 1.0% in 2023; real sales growth of 0.7% expected in 2024; continued weak economic conditions in residential construction
- USA: slight recovery from the sharp downturns in 2022 with real sales growth of 2.5% in 2023; strong growth of 4.4% expected for 2024, mainly due to investment in infrastructure
- China: growth of 7.1% expected for 2023 due to catch-up effects following weak prior year; weak growth of just 1.7% forecast for 2024 due to continued turbulence on the real estate market; risks due to possible collapse of further property developers

Steel

- Global demand for finished steel expected to have shrunk by 1.1% in 2023; high inflation rates and interest rates continue to weigh on demand for steel in many economies; increase in demand in 2023 in, for example, India (+14.8%), Russia (+7.0%) and Turkey (+17.2%) but drop in demand in, for example, China (–3.3%), EU 27 (–10.5%), the USA (–4.2%) and Japan (–3.0%); moderate growth of 1.7% in global demand for finished steel forecast for 2024; China, in particular, is holding back the development due to stagnation at the prior-year level; growth of around 3% expected in the EU 27
- Demand for high quality carbon steel in the EU up 8% year-on-year in Q1 2023 / 2024; higher demand mainly served by significant rise in imports at the beginning of the quarter, deliveries from EU works only slightly above the prior-year level
- Negative trend in spot market prices for flat steel since May 2023; slightly recovery in prices between October 2023 and February 2024; prices dropped again in March, towards the end of the 2nd quarter of the fiscal year; flat steel prices remain at a low level due to high import volumes, delays in the economic recovery and weak demand; raw material prices still high in Q2 2023 / 2024, but slightly lower than in the prior-year period
- Market environment still extremely challenging; subdued outlook due to delays in the economic recovery, weak outlook for major steel-processing industries, declining but nevertheless still high inflation, geopolitical crises and increasing protectionism

IMPORTANT SALES MARKETS

	2023[1]	2024[1]
Vehicle production, million cars and light trucks[2]		
World	90.4	90.3
Western Europe (incl. Germany)	11.2	10.8
Germany	4.3	4.4
North America (USA, Mexico, Canada)	15.7	16.0
USA	10.3	10.7
Mexico	3.8	4.0
Japan	8.6	8.1
China	28.8	29.4
India	5.4	5.7
Brazil	2.2	2.3
Machinery production, real, in % versus prior year		
World	1.6	2.8
European Union	0.9	0.7
Germany	(0.5)	(0.5)
USA	(2.5)	(3.6)
Japan	(6.4)	2.4
China	4.1	4.6
India	5.4	6.3
Construction output, real, in % versus prior year		
World	4.4	1.9
European Union	1.2	0.5
Germany	1.0	0.7
USA	2.5	4.4
Japan	4.7	1.5
China	7.1	1.7
India	10.4	0.7
Demand for steel, in % versus prior year		
World	(1.1)	1.7
European Union	(10.5)	2.9
Germany	(13.7)	3.2
USA	(4.2)	1.8
China	(3.3)	0.0
India	14.8	8.2

[1] Calendar year; Forecast (partly)
[2] Passenger cars and light commercial vehicles up to 6t
Sources: S&P Global Market Intelligence, Comparative Industry (March 2024), S&P Global Mobility, LV Production (April 2024), Oxford Economics, worldsteel, national associations, own estimates

Segment reporting

Automotive Technology

Performance in the 2nd quarter

AUTOMOTIVE TECHNOLOGY IN FIGURES[1)]

		1st half ended March 31, 2023	1st half ended March 31, 2024	Change in %	2nd quarter ended March 31, 2023	2nd quarter ended March 31, 2024	Change in %
Order intake	million €	4,078	3,744	(8)	2,031	1,890	(7)
Sales	million €	3,894	3,785	(3)	2,009	1,922	(4)
EBITDA	million €	299	239	(20)	181	119	(34)
EBIT	million €	137	79	(42)	106	38	(65)
Adjusted EBIT	million €	154	97	(37)	108	49	(55)
Adjusted EBIT margin	%	3.9	2.6	—	5.4	2.5	—
Investments	million €	130	141	8	60	59	(1)
Employees (March 31)		31,288	32,025	2	31,288	32,025	2

1) See preliminary remarks.

Order intake

- Lower than in the prior year; customer- and model-related declines in parts of the automotive serial business and the construction machinery business; plant engineering business at Automation Engineering at prior-year level in the 1st half despite declines in the 2nd quarter
- Negative USD and CNY exchange rate effects

Sales

- Below the prior-year level; sales follow order intake in the automotive serial business; declining development in the construction machinery business

Adjusted EBIT

- Below the prior year, which was supported by one-time effects; lower material and transportation costs; by contrast, reduction in volumes, higher personnel expenses (mainly due to collective wage agreements) and non-conformity costs at Automation Engineering
- Positive effects from “APEX” measures, principally from negotiation of new prices, savings in material costs and measures to improve efficiency (e.g., optimization of cycle times, shorter tooling times, reduction in reject costs, etc.)

Main special items

- Mainly impairment losses at Automotive Body Solutions due to lower call-off expectations for serial manufacturing and delays in order placement in the project business

Investments

- Focus on investments for order-related projects, with the goal of supporting cost and profitability targets and leveraging growth opportunities

Decarbon Technologies

Performance in the 2nd quarter

DECARBON TECHNOLOGIES IN FIGURES[1)]

		1st half ended March 31, 2023	1st half ended March 31, 2024	Change in %	2nd quarter ended March 31, 2023	2nd quarter ended March 31, 2024	Change in %
Order intake	million €	2,021	1,340	(34)	1,000	695	(30)
Sales	million €	1,704	1,830	7	856	931	9
EBITDA	million €	117	53	(55)	73	41	(44)
EBIT	million €	64	(28)	--	46	(3)	--
Adjusted EBIT	million €	68	(2)	--	49	15	(69)
Adjusted EBIT margin	%	4.0	(0.1)	—	5.8	1.7	—
Investments	million €	36	25	(31)	22	13	(42)
Employees (March 31)		14,981	14,768	(1)	14,981	14,768	(1)

1) See preliminary remarks.

Order intake

- Declines in all businesses compared with the strong prior-year baseline, which was mainly driven by the high volume of individual projects

Sales

- Above the prior year overall due to increase in the majority of businesses
- Uhde, Polysius and thyssenkrupp nucera up on prior year due to major projects; Rothe Erde down on prior year, mainly due to the downward trend in China

Adjusted EBIT

- Higher than in the previous quarter but down year-on-year due to declines in all businesses except Uhde
- Rothe Erde down on prior year due to current restrained market demand and pressure in the Chinese market, partly offset by measures to improve efficiency
- Uhde significantly higher than in the prior year due to improved project execution and a positive one-time effect
- Polysius below the prior year, which was driven principally by a positive one-time effect
- thyssenkrupp nucera expects year-on-year reduction due to expansion of the AWE business and the scheduled increase in costs for growth plans
- Support from “APEX” measures, especially efficiency improvements and optimization of procurement

Main special items

- Mainly impairment losses at thyssenkrupp Industries India in connection with the sale process

Investments

- Rothe Erde as main driver with investments to strengthen the technology portfolio and order-related projects

Materials Services

Performance in the 2nd quarter

MATERIALS SERVICES IN FIGURES

		1st half ended March 31, 2023	1st half ended March 31, 2024	Change in %	2nd quarter ended March 31, 2023	2nd quarter ended March 31, 2024	Change in %
Order intake	million €	7,250	6,150	(15)	3,901	3,293	(16)
Sales	million €	7,143	6,023	(16)	3,897	3,164	(19)
EBITDA	million €	181	155	(15)	125	96	(23)
EBIT	million €	114	(9)	--	91	4	(95)
Adjusted EBIT	million €	105	95	(9)	85	69	(18)
Adjusted EBIT margin	%	1.5	1.6	—	2.2	2.2	—
Investments	million €	35	27	(24)	19	15	(18)
Employees (March 31)		16,234	16,150	(1)	16,234	16,150	(1)

Order intake

- Below the prior-year level, principally due to lower demand in Europe and lower prices
- Drop in orders in most business units; supply chain business above the previous year

Sales

- Year-on-year drop due to lower prices and volumes
- Significant reduction in sales in warehousing and direct-to-customer business; less pronounced downward trend at automotive-related service centers; growth in supply chain business
- Reduction in volumes of materials and raw materials versus prior year (2.2 million tons v. 2.3 million tons); warehouse sales lower; direct-to-customer business on a par with the previous year

Adjusted EBIT

- Below the prior year but still positive and above Q1; downward trend principally attributable to lower volumes and prices, with offsetting effects on the cost side
- Positive earnings contributions in almost all business units and a positive one-time effect in the supply chain business
- Further network consolidation due to shutdown of two sites in eastern Europe
- Support from ongoing efficiency measures bundled in the ”APEX” program, e.g., extension of a contract with a major customer in the Aerospace business area on improved terms and segment-wide reduction in energy costs

Main special items

- Mainly expenses for asset impairments in the European warehousing and service center business and due to restructuring

Investments

- Progress payments in connection with the construction of the new sites in Mexico (opened in January 2024) and Texas, USA (to open in Q3 of this fiscal year) and for expansion of processing capacities at the service center in Wisconsin, USA
- Modernization and replacement investment at warehousing and service units; continuing digital transformation

Steel Europe

Performance in the 2nd quarter

STEEL EUROPE IN FIGURES[1)]

		1st half ended March 31, 2023	1st half ended March 31, 2024	Change in %	2nd quarter ended March 31, 2023	2nd quarter ended March 31, 2024	Change in %
Order intake	million €	6,725	5,312	(21)	3,691	2,916	(21)
Sales	million €	6,260	5,310	(15)	3,315	2,864	(14)
EBITDA	million €	343	102	(70)	88	33	(63)
EBIT	million €	(143)	(132)	8	(329)	11	++
Adjusted EBIT[1)]	million €	76	137	82	(14)	68	++
Adjusted EBIT margin	%	1.2	2.6	—	(0.4)	2.4	—
Investments	million €	396	162	(59)	286	171	(40)
Employees (March 31)		26,109	27,057	4	26,109	27,057	4

[1)] See preliminary remarks.

Order intake

- Reduction in volume and value compared with the prior year due to a drop in order volume to 2.5 million tons and significantly lower spot market prices; stabilization of demand from the automotive industry and for packaging steel following weak prior quarters; persistently low demand from the construction, machinery and plant engineering sectors

Sales

- Below the prior year as a result of lower prices, especially for packaging steel, electrical steel and in the automotive sector
- Shipment volumes down year-on-year at 2,5 million tons, principally due to lower volume demand from industrial customers, for example in the pipework industry, steel trading and steel services, and customers who source non-oriented electrical steel

Adjusted EBIT

- Above the prior year; lower raw material and energy costs and lower depreciation and amortization as a result of the significant impairment losses in fiscal year 2022 / 2023 more than offset negative market effects
- Support from “APEX” measures, e.g., efficiency improvements in production, energy and logistics and further cost improvements and procurement successes

Main special items

- Mainly effects from the measurement of CO_2 forward contracts

Investments

- Progress with dismantling work and preparation of the site for construction of the direct reduction plant with two integrated electric smelters in Duisburg; initial construction work (e.g., pile foundations) commenced in the 2nd quarter of 2023 / 2024
- Major investment in Bochum as part of the Steel Strategy 20-30 to support rising demand for high-quality electrical steel: new double-reversing mill currently in the ramp-up phase having been taken into service in the 1st quarter; new annealing and isolating line being assembled

Marine Systems

Performance in the 2nd quarter

MARINE SYSTEMS IN FIGURES[1)]

		1st half ended March 31, 2023	1st half ended March 31, 2024	Change in %	2nd quarter ended March 31, 2023	2nd quarter ended March 31, 2024	Change in %
Order intake	million €	263	669	++	135	140	4
Sales	million €	1,004	965	(4)	497	532	7
EBITDA	million €	61	78	27	29	44	51
EBIT	million €	31	44	39	14	26	84
Adjusted EBIT	million €	34	42	25	14	25	74
Adjusted EBIT margin	%	3.3	4.4	—	2.9	4.7	—
Investments	million €	45	40	(11)	29	30	1
Employees (March 31)		7,386	7,880	7	7,386	7,880	7

[1)] See preliminary remarks.

Order intake

- Higher than in the prior year; marine electronics and services at the prior-year level

Sales

- Above the prior year, positive project progress in the surface vessels and submarine businesses; stable sales trend is continuing as planned

Adjusted EBIT

- Above the prior year, reflecting the development of sales
- Stabilization of older low-margin orders, margin processing of new orders ensures stable margins
- Positive effects of “APEX” measures, including efficiency improvements in the areas of materials, human resources and assets

Main special items

- No material special items

Investments

- Continued modernization of the Kiel shipyard to optimize project execution, increase efficiency, create technical conditions for building larger boats in line with the market trend and sustainably improve profitability
- Continued development of the Wismar site for possible expansion of capacity

Corporate Headquarters

Performance in the 2nd quarter

Adjusted EBIT

- Above the prior year, mainly as a result of lower expenses due to adjustment of provisions for share-based compensation and timing shifts in internal accounting and general and administrative expenses
- Higher expenses in connection with the "APEX" performance program

Main special items

- Higher expenses in connection with M&A transactions due to absence of prior-year income from input tax refunds; by contrast, lower consultancy expenses

Investments

- No material investments

Results of operations and financial position

Analysis of the statement of income

Income/(loss) from operations

- Significant drop in sales overall in the 1st half of the reporting year compared with the prior-year period; declines predominately in the materials businesses in the Materials Services and Steel Europe segments; cost of sales declined roughly in parallel with sales, mainly as a result of the reduced cost of materials, as well as extensive impairment losses in the 2nd quarter of the previous reporting year particularly resulting in lower depreciation and amortization expenses; countered mainly by expenses for commodity derivatives and higher personnel expenses in the 1st half; gross profit of €1,931 million in the 1st half of the reporting year below the prior-year level and gross margin of 11.2% up slightly year-on-year; gross profit of €1,133 million and gross margin of 12.5% in the second quarter of the reporting year significantly above the corresponding prior-year quarter
- Overall increase in selling expenses, mainly due to impairment losses recognized in the in the 1st half of the reporting year in the Materials Services segment (€36 million in the 1st quarter and €60 million in the 2nd quarter) and the Steel Europe segment (€5 million in the 1st quarter), higher impairment losses on financial assets, and higher personnel expenses; offset in particular by sales-related drop in costs for freight, insurance and customs duties
- Increase in general and administrative expenses mainly influenced by higher consultancy and IT expenses and higher personnel expenses and insurance premiums
- Increase in other income, mainly as a result of higher income in connection with compensation for electricity prices in the Steel Europe segment and the entry into effect of a supply agreement classified as an embedded lease

- Increase in other expenses, principally as a result of the impairment losses recognized on goodwill in the 1st half of the reporting year in connection with the thyssenkrupp Industries India disposal group (€24 million), €9 million of this recognized in the 1st quarter and €15 million in the 2nd quarter of the reporting year, plus an overall increase in additions to other provisions
- Deterioration in other gains and losses, mainly due to losses from the sale of property, plant and equipment in the 1st half of the reporting year

Financial income/(expense), net and income tax (expense)/income

- Overall negative yet improved financial income/(expense), net in the 1st half of the reporting year, principally as a result of the significant improvement in interest on net financial assets and higher income overall from the interest-free loans acquired in connection with the sale of the Elevator activities; by contrast, increase in the negative income from investments accounted for using the equity method, mainly due to higher losses on the ordinary shares acquired in connection with the sale of the Elevator activities
- Income taxes almost unchanged overall; despite negative earnings, tax expense in the 1st half influenced principally by tax expense on positive foreign earnings, while negative earnings, especially in Germany, resulting in part from impairment losses, do not reduce tax expenses as deferred tax assets cannot be recognized for this.

Earnings per share (EPS)

- Net loss increased significantly, by €272 million to €377 million, in the first 6 months of the reporting year; net loss in the 2nd quarter declined significantly, by €130 million to €72 million
- Loss per share (taking into account the earnings attributable to thyssenkrupp AG's shareholders) therefore increased by €0.39 to €0.63 in the first 6 months of the reporting year and decreased significantly by €0.23 to €0.13 in the 2nd quarter.

Analysis of the statement of cash flows

Operating cash flow

Operating cash flow negative in the first 6 months of the reporting year but significantly lower than in the prior year, mainly due to the reduction in net income for the period before depreciation, amortization and loss allowances; at the same time, slightly higher increase in net working capital

Cash flows from investing activities

- Net cash outflows for investments in property plant and equipment (including advance payments) and investment property significantly lower in the 1st half of the reporting year than in the prior-year period, mainly due to government grants in connection with construction of the direct reduction plant in the Steel Europe segment, which started in the 1st quarter of the reporting year; for information on investments at segment level, see the corresponding disclosures in the segment reporting in the report on the economic position.
- Cash inflows from disposals in line with the prior-year level overall in the 1st half of the reporting year

Cash flows from financing activities

- Cash flows from financing activities down year-on-year in the 1st half, mainly due to increased redemption of bonds

Free cash flow and net financial assets

RECONCILIATION TO FREE CASH FLOW BEFORE M&A

million €	1st half ended March 31, 2023	1st half ended March 31, 2024	Change	2nd quarter ended March 31, 2023	2nd quarter ended March 31, 2024	Change
Operating cash flows (consolidated statement of cash flows)	69	(311)	(380)	206	113	(93)
Cash flow from investing activities (consolidated statement of cash flows)	(620)	(371)	249	(407)	(296)	110
Free cash flow (FCF)	**(551)**	**(682)**	**(131)**	**(201)**	**(183)**	**18**
–/+ Cash inflow/cash outflow resulting from material M&A transactions	37	(5)	(43)	28	16	(12)
Adjustment due to IFRS 16	(68)	(40)	27	(44)	(30)	14
Free cash flow before M&A (FCF before M&A)	**(581)**	**(728)**	**(146)**	**(216)**	**(197)**	**20**

- FCF before M&A below prior year and negative due to stronger increase in net working capital
- Decrease in net financial assets to €3.5 billion as of March 31, 2024 compared with September 30, 2023 mainly due to negative FCF
- Available liquidity of €6.2 billion (€5.0 billion cash and cash equivalents and €1.2 billion undrawn committed credit lines)
- Redemption of €1,500 million bond due in February 22, 2024

Rating

RATING

	Long-term rating	Short-term rating	Outlook
Standard & Poor's	BB	B	stable
Moody's	Ba3	Not Prime	positive

- In December 2023, Moody's rating agency left its rating unchanged but raised the outlook from stable to positive
- thyssenkrupp discontinued rating by Fitch as of December 31, 2023

Analysis of the statement of financial position

Non-current assets

- Reduction in intangible assets, mainly due to reclassifications to assets held for sale in connection with the thyssenkrupp Industries India disposal group, the impairment losses recognized in the Steel Europe segment in the 1st quarter of the reporting year and the impairment losses recognized in the Materials Services segment in the 2nd quarter
- Overall decline in property, plant and equipment mainly due to the impairment losses recognized in the 1st quarter of the reporting year in the Steel Europe segment (€180 million) and the impairment losses recognized in the 2nd quarter of the reporting year in the Materials Services segment (€45 million)
- Reduction in investments accounted for using the equity method, principally due to subsequent measurement in the 1st half of the ordinary shares acquired in connection with the Elevator investment
- Slight overall increase in other financial assets, mainly as a result of subsequent measurement of interest-free loans and preference shares recognized here in connection with the Elevator investment; countered by reclassifications to assets held for sale in connection with the thyssenkrupp Industries India disposal group

Reduction in other non-financial assets primarily due to lower advance payments on property, plant and equipment

Current assets

- Significant rise in inventories, mainly caused by the development of business and sales in the materials businesses in the Steel Europe segment and by Automotive Technology; by contrast, mainly reduction in inventories in the Materials Services segment and reclassifications to assets held for sale in connection with the thyssenkrupp Industries India disposal group
- Overall slight reduction in trade accounts receivable, mainly attributable to the development of business and sales in the materials businesses in the Steel Europe segment as well as in the Decarbon Technologies and Automotive Technology segments; by contrast, significant increases at Marine Systems
- Significant decline in contract assets, mainly as a result of the execution of construction contracts by Marine Systems and reclassifications to assets held for sale in connection with the thyssenkrupp Industries India disposal group
- Reduction in other financial assets, mainly due to accounting for derivatives
- Overall increase in other non-financial assets, principally as a result of the overall increase in advance payments in connection with the operating business and higher refund claims in connection with non-income taxes; in addition, higher claims on the public sector in the Steel Europe segment; by contrast, reclassifications to assets held for sale in connection with the thyssenkrupp Industries India disposal group
- Significant reduction in cash and cash equivalents in the first 6 months of the reporting year, mainly due to redemption of a bond in February 2024 and as a consequence of the negative free cash flow; in addition, reclassifications to assets held for sale in connection with the thyssenkrupp Industries India disposal group
- Increase in assets held for sale due to reclassifications of non-current assets and, above all, current assets as of December 31, 2023 in connection with the thyssenkrupp Industries India disposal group

Total equity

- Considerable decline compared with September 30, 2023, mainly due to losses recognized in cumulative other comprehensive income resulting from remeasurement of pensions and similar obligations, currency translation, and cash flow hedges (including losses from basis adjustments); in addition, declines due to the net loss in the 1st half of the fiscal year and the dividend payment by thyssenkrupp AG

Non-current liabilities

- Significant increase in provisions for pensions and similar obligations primarily driven by losses resulting from the remeasurement of pensions, mainly as a result of the lower pension discount rate in Germany
- Reduction in financial debt in particular due to reclassification to current financial liabilities in the 2nd quarter of the reporting year of a bond due in February 2025

Current liabilities

- Lower provisions for current employee benefits and other provisions, influenced in particular by lower additions than utilizations and reversals
- Significant overall reduction in financial debt, principally attributable to the redemption of a bond due in February 2024; offset above all by the aforementioned reclassification of a bond from non-current financial debt

- Increase in trade accounts payable mainly related to the materials businesses in the Steel Europe segment and at Automotive Technology; by contrast reduction at Materials Services and reclassifications to liabilities associated with assets held for sale in connection with the thyssenkrupp Industries India disposal group
- Overall reduction in other financial liabilities mainly related to lower interest payables, a reduction in liabilities in connection with the purchase of property, plant and equipment and slight declines overall in accounting for derivatives
- Significant overall decline in contract liabilities, mainly as a result of the execution of construction contracts by the plant engineering businesses in the Decarbon Technologies and Marine Systems segments; further reductions attributable to reclassification to liabilities associated with assets held for sale in connection with the thyssenkrupp Industries India disposal group
- Increase in liabilities associated with assets held for sale as a result of the reclassification as of December 31, 2023 of non-current and, above all, current liabilities in connection with the thyssenkrupp Industries India disposal group

Compliance

- Strong values as foundation of our work – particularly in difficult economic environment; anchored in Mission Statement, Code of Conduct and Compliance Commitment
- Continuous implementation and enhancement of the thyssenkrupp compliance management system in the core compliance areas corruption prevention, antitrust law, data protection, prevention of money laundering, and trade compliance
- Close involvement of Compliance in various questions relating to legal sanctions and implementation of the German Act on Corporate Due Diligence Obligations in Supply Chains and, as in the past, in M&A activities to advise on various antitrust issues
- More information on compliance at thyssenkrupp in the 2022 / 2023 Annual Report and on the website https://www.thyssenkrupp.com/en/company/compliance

Employees

- 100,202 employees worldwide as of March 31, 2024; this represents an increase of 221 employees, or 0.2%, from September 30, 2023 and an increase of 1,978 employees, or 2.0% compared with March 31, 2023
- Slight rise in the number of employees due to temporary increase in connection with the Green Transformation at Steel Europe and the growth-driven increase at Marine Systems and Automotive Technology, mainly offset by reductions in other businesses, especially in the Decarbon Technologies segment
- thyssenkrupp is currently analyzing and implementing the workforce-related sustainability reporting requirements related to the Corporate Sustainability Reporting Directive (CSRD) Reporting in accordance with the CSRD starts from fiscal year 2024 / 2025
- More information on employees at thyssenkrupp in the 2022 / 2023 Annual Report.

Changes on the Executive Board

- Appointment to the Executive Board of thyssenkrupp AG as of January 1, 2024, of Dr. Volkmar Dinstuhl, most recently CEO of thyssenkrupp Multi Tracks and responsible for M&A projects, and Ilse Henne, member of the Executive Board of thyssenkrupp Materials Services.
- Consequently, new focus of the Executive Board on operational management of the company, concentrating on performance and the portfolio
- Allocation of responsibility for functional areas and segments to the new Executive Board members: Dr. Volkmar Dinstuhl – Automotive Technology / Mergers & Acquisitions; Ilse Henne – Materials Services / Sustainability, Information Management and responsibility for the “APEX” performance program

Technology and innovations

Climate protection and green transformation

- Green cement production
  - Polysius has been awarded a contract to build a demonstration plant for the production of activated clay, which will be used as a climate-friendly aggregate in cement production
  - The plant is based on an all-electric clay activation process developed jointly with Polysius' customer Schwenk Zement, which does not require calcination and fossil fuels and therefore significantly reduces the carbon footprint of cement production
- Green methanol for synthetic fuels
  - Uhde has been awarded a contract for a demonstration plant to produce synthetic methanol and synthetic fuels as part of the NEOM project
  - The plant will produce 12 tons of green methanol a day, which will be used in the production of synthetic fuels
- Process innovations in steel production
  - To prepare for operation of the first direct reduction (DR) plant at Steel Europe, an agglomeration laboratory has been set up to produce iron ore pellets
  - The pellet properties have a major influence on the efficiency of the hydrogen-based reduction process; optimization in the later stages of industrial operation of the DR plant results in more sustainable use of resources

Digitization

- Expansion of the digital supply chain and digital manufacturing services
  - Materials Services is expanding the IIoT and MES platform toii® to include energy monitoring
  - This will make savings potential on plant and machinery transparent and enable compliance with the requirements set by the ISO 50001 standard for an energy management system
- Digitalization in automotive plant engineering
  - Automotive Technology is involved in the CoLab4DigiTwin project funded by the Federal Ministry of Economic Affairs and Climate Action to build a digital platform for improved collaboration and new business models in automotive engineering

Mobility of the future

- Further development of systems for highly automated driving
  - Automotive Technology's development activities on steer-by-wire technology have led to a new collaboration with the automotive supplier BWI Group to develop future-oriented brake-by-wire technology
- Materials for e-mobility
  - The new steel grade NO 25, electrical steel that is just 0.25 millimeters thick with optimized magnetic and mechanical properties for e-mobility, is ready for serial production
  - The lower transformation losses of this grade allow high efficiency of the motors used in electric vehicles and therefore improve the efficiency and range of new vehicles

More information on technology and innovation at thyssenkrupp in the 2022 / 2023 Annual Report.

Events after the reporting date

The reportable events that occurred between the reporting date at the end of the 1st half (March 31, 2024) and approval of the report for publication (May 13, 2024) are presented in Note 14 to the consolidated financial statements.

Forecast, opportunity and risk report

2023 / 2024 forecast

Basic conditions and key assumptions

The realignment of the portfolio was implemented at the beginning of fiscal year 2023 / 2024 and the structure of thyssenkrupp was simplified (see Preliminary remarks in the management report). The prior-year sales and adjusted EBIT figures for the Automotive Technology and Decarbon Technologies segments are therefore presented on a pro forma basis. The forecast assumes no effects from additional portfolio measures.

The expected economic conditions and the main assumptions on which our forecast is based can be found in the section headed “Macro and sector environment” in the “Report on the economic position.” For the corresponding opportunities and risks see the “Opportunity and risk report,” which follows this section. We also expect a continuation of the challenging market environment and further volatile price levels on sales and procurement markets (e.g., for raw materials and energy). The development of sales and earnings could therefore be exposed to corresponding fluctuations.

Expectations for 2023 / 2024

Based on the expected economic conditions as of the date of this forecast and the underlying assumptions, we consider the following view on fiscal year 2023 / 2024 to be appropriate. Compared with the previous forecast in the interim report on the 1st quarter of 2023 / 2024, the expectations for the group have been amended as follows:

- **Sales** are now expected to below the prior-year level (previously: at the prior-year level), mainly because of reduced volume expectations and lower price levels at Steel Europe and Materials Services.

- For **net income**, we now anticipate an increase to a negative figure in the low three-digit million euro range (previously: increase to around break-even), partly as a result of asset impairments at Materials Services and effects from the measurement of CO_2 forward contracts at Steel Europe.

- In line with this, we have also adjusted our expectations for **tkVA** to an increase to a negative figure of over €1 billion (previously: increase to a negative figure of around €1 billion) and for **ROCE** to an increase to a figure in the low single-digit percentage range (previously: increase to a figure in the low to mid single-digit percentage range).

For further information on the expected development of our key performance indicators, please refer to the Forecast, opportunity and risk report in the Annual Report 2022 / 2023 and the interim report on the 1st quarter of 2023 / 2024.

EXPECTATIONS FOR THE SEGMENTS AND THE GROUP

			Fiscal year 2022 / 2023	Forecast for fiscal year 2023 / 2024
Steel Europe	Sales	million €	12,375	Significantly below the prior year
	Adjusted EBIT	million €	320	Largely stable (previously: increase; figure in the mid three-digit million euro range)
Marine Systems	Sales	million €	1,832[1]	Significantly above the prior year
	Adjusted EBIT	million €	73[1]	Increase; figure in the high two-digit million euro range
Automotive Technology	Sales	million €	7,910[2]	Slightly below the prior year (previously: at the prior-year level)
	Adjusted EBIT	million €	266[2]	Increase; figure in the low to mid three-digit million euro range
Decarbon Technologies	Sales	million €	3,438[2]	Significantly above the prior year
	Adjusted EBIT	million €	28[2]	Largely stable
Materials Services	Sales	million €	13,613	Significantly below the prior year (previously: slightly below the prior year)
	Adjusted EBIT	million €	178	Increase; figure in the low three-digit million euro range
Corporate Headquarters	Adjusted EBIT	million €	(169)	Decrease; negative figure in the low three-digit million euro range
Group	Sales	million €	37,536	Below the prior year (previously: at the prior-year level)
	Adjusted EBIT	million €	703	Increase to a figure in the high three-digit million euro range
	Capital spending including IFRS 16	million €	1,823	Significantly below the prior year
	Free cash flow before M & A	million €	363	Decrease; figure in the low three-digit million euro range
	Net income	million €	(1,986)	Increase to a negative figure in the low three-digit million euro range (previously: increase to around break-even)
	tkVA	million €	(2,818)	Increase to a negative figure of over €1 billion (previously: increase to a negative figure of around €1 billion)
	ROCE	%	(9.3)%	Increase to a figure in the low single-digit percentage range (previously: increase to a figure in the low to mid single-digit percentage range)

Note on the forecast for sales and capital spending including IFRS 16: "Significantly" indicates a change of at least +/– 5%
[1] Excluding Transrapid GmbH, which has been allocated to "Reconciliation" in the segment reporting since October 1, 2023
[2] Pro forma

Opportunities and risks

Opportunities

- Opportunities arising from the transformation of our company through the specific alignment with future-oriented areas for our technologies
- In particular, enormous potential for further growth in connection with the green transformation, for example, in the areas of hydrogen, green chemicals, renewable energies, e-mobility, and sustainable supply chains.

Risks

- No risks that threaten ability to continue operating as a going concern
- Risk of disruption of global logistics flows as a result of armed conflicts in the Middle East; possible further escalation and prolongation of the war in Ukraine
- Continued risks from high energy, material and raw material prices, especially in industrial regions
- Uncertainty about the future development of many geopolitical crises and trade conflicts
- Political uncertainties as a result of the upcoming elections in Europe and the USA
- Ongoing economic pressure from continuation of the central banks’ policy of higher interest rates than in recent years
- Risk of recurrent floods and natural catastrophes, for example, as a result of climate change
- Risks from new or altered legal framework affecting business activities in the markets of relevance to us
- Risks resulting from temporary efficiency losses in production as a result of restructurings in connection with our company transformation
- Risks of cost and schedule overruns in the execution of major projects and long-term orders
- Risks from a rising number of attacks on IT infrastructure; countermeasure: further continuous expansion of information security management and security technologies

In addition, the detailed comments on opportunities and risks in the 2022 / 2023 Annual Report remain valid.

Condensed interim financial statements of the thyssenkrupp group

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thyssenkrupp group – statement of financial position

ASSETS

million €	Note	Sept. 30, 2023	March 31, 2024
Intangible assets		1,828	1,774
Property, plant and equipment (inclusive of investment property)		4,954	4,746
Investments accounted for using the equity method		382	324
Other financial assets		980	993
Other non-financial assets		634	488
Deferred tax assets		495	488
Total non-current assets		**9,272**	**8,813**
Inventories		7,553	7,890
Trade accounts receivable		4,765	4,699
Contract assets		1,758	1,525
Other financial assets		568	514
Other non-financial assets		1,867	1,983
Current income tax assets		168	201
Cash and cash equivalents	13	7,339	4,867
Assets held for sale	02	0	347
Total current assets		**24,019**	**22,026**
Total assets		**33,291**	**30,839**

See accompanying notes to financial statements.

EQUITY AND LIABILITIES

million €	Note	Sept. 30, 2023	March 31, 2024
Capital stock		1,594	1,594
Additional paid-in capital		6,664	6,664
Retained earnings		2,972	2,070
Cumulative other comprehensive income		608	442
thereof relating to disposal groups		—	2
Equity attributable to thyssenkrupp AG's stockholders		**11,838**	**10,770**
Non-controlling interest		854	834
Total equity		**12,693**	**11,604**
Provisions for pensions and similar obligations	03	5,474	5,848
Provisions for other non-current employee benefits		258	240
Other provisions	04	407	416
Deferred tax liabilities		16	43
Financial debt	05	1,313	671
Other financial liabilities		13	15
Other non-financial liabilities		0	0
Total non-current liabilities		**7,482**	**7,232**
Provisions for current employee benefits		159	131
Other provisions	04	1,112	978
Current income tax liabilities		144	159
Financial debt	05	1,712	833
Trade accounts payable		4,270	4,355
Other financial liabilities		906	841
Contract liabilities		3,255	3,012
Other non-financial liabilities		1,558	1,543
Liabilities associated with assets held for sale	02	0	150
Total current liabilities		**13,117**	**12,003**
Total liabilities		**20,599**	**19,234**
Total equity and liabilities		**33,291**	**30,839**

See accompanying notes to financial statements.

thyssenkrupp group – statement of income

million €, earnings per share in €	Note	1st half ended March 31, 2023	1st half ended March 31, 2024	2nd quarter ended March 31, 2023	2nd quarter ended March 31, 2024
Sales	08, 09	19,125	17,245	10,107	9,064
Cost of sales		(17,043)	(15,314)	(9,193)	(7,931)
Gross Margin		**2,082**	**1,931**	**915**	**1,133**
Research and development cost		(115)	(119)	(61)	(64)
Selling expenses		(1,208)	(1,304)	(618)	(677)
General and administrative expenses		(774)	(793)	(424)	(396)
Other income	10	167	249	69	96
Other expenses		(32)	(109)	1	(63)
Other gains/(losses), net		6	(20)	3	(12)
Income/(loss) from operations		**126**	**(166)**	**(116)**	**18**
Income from companies accounted for using the equity method	11	(20)	(64)	(1)	(33)
Finance income		445	415	241	169
Finance expense		(519)	(424)	(259)	(161)
Financial income/(expense), net		**(94)**	**(73)**	**(19)**	**(24)**
Income/(loss) before tax		**32**	**(239)**	**(135)**	**(7)**
Income tax (expense)/income		(137)	(138)	(67)	(66)
Net income/(loss)		**(105)**	**(377)**	**(203)**	**(72)**
Thereof:					
thyssenkrupp AG's shareholders		**(147)**	**(392)**	**(223)**	**(78)**
Non-controlling interest		42	15	20	6
Net income/(loss)		**(105)**	**(377)**	**(203)**	**(72)**
Basic and diluted earnings per share based on	**12**				
Net income/(loss) (attributable to thyssenkrupp AG's shareholders)		**(0.24)**	**(0.63)**	**(0.36)**	**(0.13)**

See accompanying notes to financial statements.

thyssenkrupp group – statement of comprehensive income

million €	1st half ended March 31, 2023	1st half ended March 31, 2024	2nd quarter ended March 31, 2023	2nd quarter ended March 31, 2024
Net income/(loss)	**(105)**	**(377)**	**(203)**	**(72)**
Items of other comprehensive income that will not be reclassified to profit or loss in future periods:				
Other comprehensive income from remeasurements of pensions and similar obligations				
Change in unrealized gains/(losses), net	8	(413)	(50)	134
Tax effect	0	(4)	(1)	(6)
Other comprehensive income from remeasurements of pensions and similar obligations, net	7	(417)	(51)	128
Unrealized gains/(losses) from fair value measurement of equity instruments				
Change in unrealized gains/(losses), net	10	5	4	4
Tax effect	0	0	0	0
Net unrealized gains/(losses)	10	5	4	4
Share of unrealized gains/(losses) of investments accounted for using the equity-method	3	(2)	0	(4)
Subtotals of items of other comprehensive income that will not be reclassified to profit or loss in future periods	**20**	**(414)**	**(48)**	**128**
Items of other comprehensive income that could be reclassified to profit or loss in future periods:				
Foreign currency translation adjustment				
Change in unrealized gains/(losses), net	(402)	(66)	(66)	52
Net realized (gains)/losses	0	3	0	3
Net unrealized gains/(losses)	(402)	(63)	(66)	55
Unrealized gains/(losses) from fair value measurement of debt instruments				
Change in unrealized gains/(losses), net	1	10	2	5
Net realized (gains)/losses	0	0	0	0
Tax effect	0	0	0	0
Net unrealized gains/(losses)	1	10	2	5
Unrealized gains/(losses) from impairment of financial instruments				
Change in unrealized gains/(losses), net	(1)	0	(1)	0
Net realized (gains)/losses	(14)	0	(12)	0
Tax effect	4	0	2	0
Net unrealized gains/(losses)	(11)	0	(11)	0
Unrealized gains/(losses) on cash flow hedges				
Change in unrealized gains/(losses), net	30	37	(46)	(24)
Net realized (gains)/losses	27	0	11	0
Tax effect	5	0	0	0
Net unrealized gains/(losses)	63	37	(36)	(24)
Share of unrealized gains/(losses) of investments accounted for using the equity-method	(137)	8	(35)	6

million €	1st half ended March 31, 2023	1st half ended March 31, 2024	2nd quarter ended March 31, 2023	2nd quarter ended March 31, 2024
Subtotals of items of other comprehensive income that could be reclassified to profit or loss in future periods	**(487)**	**(8)**	**(145)**	**41**
Other comprehensive income	**(467)**	**(422)**	**(192)**	**169**
Total comprehensive income	**(572)**	**(799)**	**(395)**	**96**
Thereof:				
thyssenkrupp AG's shareholders	(586)	(811)	(414)	88
Non-controlling interest	14	12	19	9

See accompanying notes to financial statements.

thyssenkrupp group – changes in equity

	Equity attributable to thyssenkrupp AG's stockholders			
million €, (except number of shares)	Number of shares outstanding	Capital stock	Additional paid-in capital	Retained earnings
Balance as of Sept. 30, 2022	**622,531,741**	**1,594**	**6,664**	**4,777**
Net income/(loss)				(147)
Other comprehensive income				10
Total comprehensive income				**(138)**
Gains/(losses) resulting from basis adjustment				
Profit attributable to non-controlling interest				
Payment of thyssenkrupp AG dividend				(93)
Other changes				1
Balance as of March 31, 2023	**622,531,741**	**1,594**	**6,664**	**4,547**
Balance as of Sept. 30, 2023	**622,531,741**	**1,594**	**6,664**	**2,972**
Net income/(loss)				(392)
Other comprehensive income				(419)
Total comprehensive income				**(811)**
Gains/(losses) resulting from basis adjustment				
Profit attributable to non-controlling interest				
Payment of thyssenkrupp AG dividend				(93)
Other changes				2
Balance as of March 31, 2024	**622,531,741**	**1,594**	**6,664**	**2,070**

See accompanying notes to financial statements.

Equity attributable to thyssenkrupp AG's stockholders									
Cumulative other comprehensive income									
				Cash flow hedges					
Foreign currency translation adjustment	Fair value measurement of debt instruments	Fair value measurement of equity instruments	Impairment of financial instruments	Designated risk component	Hedging costs	Share of investments accounted for using the equity method	Total	Non-controlling interest	Total equity
524	**15**	**7**	**79**	**215**	**(26)**	**352**	**14,202**	**540**	**14,742**
							(147)	42	(105)
(368)	1	10	(11)	53	5	(137)	(438)	(29)	(467)
(368)	**1**	**10**	**(11)**	**53**	**5**	**(137)**	**(586)**	**14**	**(572)**
				(43)			(43)		(43)
							0	(38)	(38)
							(93)		(93)
							1	0	1
155	**16**	**17**	**68**	**225**	**(21)**	**215**	**13,481**	**516**	**13,997**
211	**21**	**21**	**0**	**253**	**(43)**	**144**	**11,838**	**854**	**12,693**
							(392)	15	(377)
(55)	6	5	0	39	(3)	8	(419)	(3)	(422)
(55)	**6**	**5**	**0**	**39**	**(3)**	**8**	**(811)**	**12**	**(799)**
				(165)			(165)		(165)
							0	(32)	(32)
							(93)		(93)
							2	(1)	0
156	**27**	**25**	**0**	**128**	**(46)**	**152**	**10,770**	**834**	**11,604**

thyssenkrupp group – statement of cash flows

million €	1st half ended March 31, 2023	1st half ended March 31, 2024	2nd quarter ended March 31, 2023	2nd quarter ended March 31, 2024
Net income/(loss)	**(105)**	**(377)**	**(203)**	**(72)**
Adjustments to reconcile net income/(loss) to operating cash flows:				
Deferred income taxes, net	24	21	8	7
Depreciation, amortization and impairment of non-current assets	812	688	573	259
Reversals of impairment losses of non-current assets	(38)	(43)	(19)	(21)
(Income)/loss from companies accounted for using the equity method, net of dividends received	20	64	1	33
(Gain)/loss on disposal of non-current assets	(4)	23	(2)	12
Changes in assets and liabilities, net of effects of acquisitions and divestitures and other non-cash changes				
– Inventories	234	(420)	711	111
– Trade accounts receivable	(381)	75	(876)	(418)
– Contract assets	(98)	125	(178)	(2)
– Provisions for pensions and similar obligations	(87)	(37)	(71)	(71)
– Other provisions	(48)	(146)	(3)	(49)
– Trade accounts payable	(332)	147	305	413
– Contract liabilities	460	(170)	213	37
– Other assets/liabilities not related to investing or financing activities	(388)	(262)	(254)	(125)
Operating cash flows	**69**	**(311)**	**206**	**113**

million €	1st half ended March 31, 2023	1st half ended March 31, 2024	2nd quarter ended March 31, 2023	2nd quarter ended March 31, 2024
Purchase of investments accounted for using the equity method and non-current financial assets	0	(1)	0	(1)
Expenditures for acquisitions of consolidated companies net of cash acquired	(3)	(15)	0	(15)
Capital expenditures for property, plant and equipment (inclusive of advance payments) and investment property	(619)	(551)	(402)	(259)
Capital expenditures for intangible assets (inclusive of advance payments)	(20)	(23)	(13)	(16)
Proceeds from government grants	0	193	0	0
Proceeds from disposals of investments accounted for using the equity method and non-current financial assets	1	0	0	0
Proceeds from disposals of previously consolidated companies net of cash disposed	0	28	0	2
Proceeds from disposals of property, plant and equipment and investment property	22	(2)	8	(7)
Cash flows from investing activities	**(620)**	**(371)**	**(407)**	**(296)**
Repayments of bonds	(1,000)	(1,500)	(1,000)	(1,500)
Proceeds from liabilities to financial institutions	28	53	12	6
Repayments of liabilities to financial institutions	(103)	(86)	(26)	(19)
Lease liabilities	(74)	(66)	(41)	(32)
Proceeds from/(repayments on) loan notes and other loans	37	33	47	90
Payment of thyssenkrupp AG dividend	(93)	(93)	(93)	(93)
Proceeds from capital increase	0	(4)	0	0
Profit attributable to non-controlling interest	(38)	(32)	(21)	(4)
Other financial activities	52	15	1	(18)
Cash flows from financing activities	**(1,191)**	**(1,680)**	**(1,121)**	**(1,571)**
Net increase/(decrease) in cash and cash equivalents	(1,742)	(2,362)	(1,321)	(1,753)
Effect of exchange rate changes on cash and cash equivalents	(61)	(18)	(4)	(1)
Cash and cash equivalents at beginning of reporting period	7,638	7,339	7,160	6,715
Cash and cash equivalents at end of reporting period	**5,835**	**4,960**	**5,835**	**4,960**
thereof cash and cash equivalents within the disposal groups	—	93	—	93
Additional information regarding cash flows from interest, dividends and income taxes which are included in operating cash flows:				
Interest received	69	125	42	59
Interest paid	(98)	(79)	(92)	(71)
Dividends received	1	1	1	0
Income taxes (paid)/received	(139)	(135)	(71)	(68)

See accompanying notes to financial statements.

thyssenkrupp group – selected notes

Corporate information

thyssenkrupp Aktiengesellschaft ("thyssenkrupp AG" or "Company") is a publicly traded corporation domiciled in Duisburg and Essen in Germany. The condensed interim consolidated financial statements of thyssenkrupp AG and its subsidiaries for the period from October 1, 2023 to March 31, 2024, were reviewed and authorized for issue in accordance with a resolution of the Executive Board on May 13, 2024.

Basis of presentation

The accompanying group's condensed interim consolidated financial statements have been prepared pursuant to section 115 of the German Securities Trading Act (WpHG) and in conformity with IAS 34 "Interim financial reporting". They are in line with the International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB) for interim financial information effective within the European Union. Accordingly, these financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting purposes.

The accounting principles and practices as applied in the group's condensed interim consolidated financial statements as of March 31, 2024 correspond to those pertaining to the most recent annual consolidated financial statements with the exception of the recently adopted accounting standards. A detailed description of the accounting policies is published in the notes to the consolidated financial statements of our annual report 2022 / 2023.

In December 2021, the OECD issued guidelines for a new global minimum tax framework. In December 2022, the EU member states agreed on an EU Directive to implement these guidelines. The global minimum taxation rules became effective in Germany on December 28, 2023 when the German Minimum Tax Act (MinStG) came into force. Under this legislation, the thyssenkrupp group is subject to the German regulations on the global minimum taxation from fiscal year 2024 / 2025 onward; the impact on the group is currently being examined.

Review of estimates and judgments

The preparation of the group financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. All estimates and assumptions are made to the best of management's knowledge and belief in order to fairly present the group's financial position and results of operations; they are reviewed on an ongoing basis. This applies in particular to the possible impacts of the war in Ukraine and possible disruption of global logistics flows due to armed conflicts in the Middle East. In view of this and given the ratio of market capitalization to the thyssenkrupp group's equity, material goodwill and other intangible assets and property, plant and equipment were tested for impairment.

In the 1st quarter ended December 31, 2023, an impairment loss of €5.0 million was recognized on technical machinery and equipment in the electric steering gear product area in the Automotive Technology segment's Steering business unit and an impairment loss of €3 million was recognized in the column EPS product area. The main reason for these impairment losses was the increase in the cost of capital. In the steering gear product area, the recoverable amount relevant for the determination of the impairment loss is the value in use, which amounts to €386 million, calculated by applying a discount rate (after tax) of 9.08 %. In the column EPS product area, too, the recoverable amount relevant for determining the impairment loss is the value in use, which amounts to a total of €166 million and was calculated by applying a discount rate (after tax) of 9.06 %. However, €6 million of the impairment losses calculated in this way could not be recognized as the minimum carrying amount specified in IAS 36.105 had already been reached.

Due to the fall in demand in the warehousing business, particularly due to the weak economy in Germany and the associated lower expectations of future earnings, an impairment loss of €37 million had to be recognized in the Materials Germany business field of the Distribution Services business unit in the Materials Services segment in the 1st quarter ended December 31, 2023. Of this amount, €6 million relate to development costs, €15 million to buildings and €16 million to technical machinery and equipment. The recoverable amount relevant for determining the impairment loss is the value in use, which was calculated by applying a discount rate (after tax) of 7.32 %. The total value in use was €421 million.

In the 1st quarter ended December 31, 2023, an impairment loss had to be recognized in the Steel Europe segment mainly due to the increase in the cost of capital. Applying a discount rate (after tax) of 8.54 % to future cash flows, the total carrying amount of €3,841 million as of December 31, 2023 resulted in a relevant value in use of €3,655 million. The resulting impairment loss required to be recognized at Steel Europe amounts to approximately €183 million. Of this amount, €81 million relates to technical machinery and equipment, €60 million to construction in progress, €17 million to buildings, €13 million to land, €9 million to other equipment, factory and office equipment, €2 million to development costs and €1 million to other intangible assets. The underlying value in use is based on the current assumptions for the course of business up to 2034 / 2035, taking into account the effects of the green transformation that has been initiated. Thereafter, a simple projection is used for the period to 2063. The current measurement environment remains characterized by uncertainties regarding the economic environment and the dynamic development of the cost of capital. In the 2nd quarter ended March 31, 2024, the amortized carrying amounts in the Steel Europe segment were confirmed as part of an impairment test; the recoverable amount was based on an income-based fair value less costs to sell.

In the 2nd quarter ended March 31, 2024, total impairment losses of €7 million were recognized in the Automotive Body Solutions business unit in the Automotive Technology segment; of this amount, €6 million relates to technical machinery and equipment and €1 million to other equipment, factory and office equipment. The impairment losses were caused by lower earnings expectations based on a reduction in customer offtake of orders and delays in new projects. The recoverable amount relevant for determining the impairment loss is the value in use, which was calculated by applying a discount rate (after tax) of 7.67 %. The total value in use was €118 million.

In addition, the impairment tests in the 2nd quarter ended March 31, 2024 identified in the Materials Services segment the need for an impairment loss on the warehousing business in Germany, the UK and Hungary and the automotive-related service centers in Germany. Total impairment losses of €53 million were recognized for the warehousing business; of this amount, €21 million relates to other equipment, factory and office equipment, €17 million to technical machinery and equipment and €15 million to development costs. The main reasons for the impairment losses were lower earnings expectations as a result of a drop in demand caused by the more gloomy economic situation. The recoverable amount relevant for determining the impairment losses is the value in use, which is €512 million in total. This was calculated by applying country-specific discount rates (after tax) of 7.20 % (for Germany), 7.90 % (for the UK) and 9.64 % (for Hungary). However, €64 million of the impairment losses calculated in this way could not be recognized as the minimum carrying amount specified in IAS 36.105 had already been reached.

Impairment losses of €7 million were also recognized on the German automotive-related service centers in the Materials Services segment for the same reasons. As with the warehousing business, the recoverable amount relevant for determining the impairment losses is the value in use; applying a discount rate (after tax) of 7.31 %, this is €252 million in total. However, €1 million of the impairment losses calculated in this way could not be recognized as the minimum carrying amount specified in IAS 36.105 had already been reached.

Furthermore, in the 2nd quarter ended March 31, 2024, an impairment loss of €3 million was recognized on the corporate assets utilized by the thyssenkrupp group, which are assigned to Special Units. For the purpose of impairment testing, these assets are allocated proportionately among the cash-generating units because they do not generate any separate cash inflows. The impairment loss is attributable to the reduced ability to support these corporate assets, especially in the cash-generating units at Materials Services in view of the impairment losses recognized for this segment in the 2nd quarter of ended March 31, 2024.

In addition to the items mentioned above, uncertainties arise from numerous other geopolitical crises and trade conflicts on current business performance, including the earnings outlook that already existed on September 30, 2023. Going forward, the developments and impacts on business performance, for example a potential continuation of the central banks' high interest rate policy compared to the last few years, recurrent flooding or natural catastrophes, for example, as a consequence of climate change, and persistently high energy, material and raw material prices, especially in the industrialized regions, are subject to considerable uncertainty from today's perspective; for further details see the presentation of economic conditions in the report on the economic position in the interim management report.

01 Recently adopted accounting standards

In fiscal year 2023 / 2024, thyssenkrupp adopted the following standards and amendments to existing standards that do not have a material impact on the group's consolidated financial statements:

- IFRS 17 "Insurance Contracts", issued in May 2017, including Amendments to IFRS 17 "Amendments to IFRS 17", issued in June 2020
- Amendments to IAS 1 "Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies", issued in February 2021
- Amendments to IAS 8 "Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates", issued in February 2021
- Amendments to IAS 12 "Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction", issued in May 2021
- Amendments to IFRS 17 "Insurance Contracts. Initial Application of IFRS 17 and IFRS 9 – Comparative Information", issued in December 2021
- Amendments to IAS 12 "Income Taxes: International Tax Reform – Pillar Two Model Rules", issued in May 2023

02 thyssenkrupp Industries India disposal group

In connection with the refocusing of thyssenkrupp's portfolio, in the 2022 / 2023 fiscal year a divestment process was initiated by the Decarbon Technologies segment for thyssenkrupp's approximately 55 % interest in thyssenkrupp Industries India Ltd., which met the criteria set out in IFRS 5 for recognition as a disposal group for the first time in the 1st quarter ended December 31, 2023. This applies unchanged as of March 31, 2024. Therefore, the assets and liabilities attributable to these operations are presented separately in the statement of the financial position as of March 31, 2024 in the line items "assets held for sale" and "liabilities associated with assets held for sale", respectively.

thyssenkrupp Industries India operates in the mining, cement, energy, and sugar plants business areas. An agreement to sell thyssenkrupp's shares to a consortium of co-owners who are already invested in this company was signed on January 22, 2024. The closing of this disposal took place on May 8, 2024; see also Note 14.

In connection with the initiated sale immediately before the initial classification as a disposal group it has been ensured that the measurement of the assets is in accordance with IAS 36. This has not resulted in any impairment. Following initial classification as a disposal group, the measurement of the disposal group at fair value less costs to sell resulted in impairment loss of €9 million relating to intangible assets. The impairment loss was recognized in other expenses in the 1st quarter ended December 31, 2023. In the 2nd quarter ended March 31, 2024, the subsequent measurement of the disposal group at fair value less costs to sell resulted in further impairment losses of €15 million, which relate to intangible assets and are reported under other expenses. The non-recurring measurement at fair value less costs to sell is based on the negotiated purchase price in both quarters.

The assets and liabilities of the disposal group as of March 31, 2024 are presented in the following table; €2 million of cumulative other comprehensive income presented within equity is attributable to the disposal group.

THYSSENKRUPP INDUSTRIES INDIA DISPOSAL GROUP

million €	March 31, 2024
Intangible assets	5
Property, plant and equipment (inclusive of investment property)	8
Other financial assets	46
Deferred tax assets	3
Inventories	38
Trade accounts receivable	28
Contract assets	93
Other current financial assets	2
Other current non-financial assets	32
Cash and cash equivalents	93
Assets held for sale	**347**
Provisions for pensions and similar obligations	3
Provisions for current employee benefits	3
Other current provisions	15
Current income tax liabilities	1
Trade accounts payable	59
Contract liabilities	59
Other current non-financial liabilities	10
Liabilities associated with assets held for sale	**150**

03 Provisions for pensions and similar obligations

Based on updated interest rates and fair value of plan assets, an updated valuation of pension obligations was performed as of March 31, 2024:

PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

million €	Sept. 30, 2023	March 31, 2024
Pension obligations	5,294	5,672
Partial retirement	150	150
Other pension-related obligations	30	29
Reclassification due to the presentation as liabilities associated with assets held for sale	0	(3)
Total	**5,474**	**5,848**

The Group applied the following weighted average assumptions to determine pension obligations:

WEIGHTED AVERAGE ASSUMPTIONS

	Sept. 30, 2023			March 31, 2024		
in %	Germany	Other countries	Total	Germany	Other countries	Total
Discount rate for accrued pension obligations	4.20	3.83	4.11	3.40	3.37	3.39

04 Other provisions

The restructuring provisions included in other provisions decreased by €22 million to €72 million compared with September 30, 2023. Additions in the amount of €9 million, mainly relating to the Material Services, Steel Europe and Automotive Technology segments, were outweighed mainly by amounts utilized.

05 Financial debt

In December 2023, Moody’s rating agency left its rating unchanged but raised the outlook from stable to positive. thyssenkrupp discontinued rating by Fitch as of December 31, 2023.

On February 22, 2024 the €1,500 million thyssenkrupp AG bond was repaid on schedule.

06 Contingencies and commitments

Contingencies

thyssenkrupp AG as well as, in individual cases, its subsidiaries have issued or have had guarantees in favor of business partners or lenders. The following table shows obligations under guarantees where the principal debtor is not a consolidated group company:

CONTINGENCIES

million €	Maximum potential amount of future payments as of March 31, 2024	Provision as of March 31, 2024
Performance bonds	6	0
Payment guarantees	20	0
Other guarantees	5	0
Total	**31**	**0**

The thyssenkrupp group has issued or has had issued guarantees for TK Elevator GmbH and its subsidiaries in favor of their customers which decreased by €11 million to €3 million as of March 31, 2024 compared to September 30, 2023. The buyer consortium has undertaken to indemnify thyssenkrupp against expenses in connection with the guarantees until they are fully discharged. As additional security, thyssenkrupp has received guarantees in the same amount from the buyer.

The basis for possible payments under the guarantees is always the non-performance of the principal debtor under a contractual agreement, e.g. late delivery, delivery of non-conforming goods under a contract or non-performance with respect to the warranted quality.

All guarantees are issued by or issued by instruction of thyssenkrupp AG or subsidiaries upon request of the principal debtor obligated by the underlying contractual relationship and are subject to recourse provisions in case of default. If such a principal debtor is a company owned fully or partially by a foreign third party, the third party is generally requested to provide additional collateral in a corresponding amount.

Commitments and other contingencies

The group's existing purchasing commitments from energy supply contracts decreased to €1.2 billion as of March 31, 2024, a drop of €0.6 billion compared with September 30, 2023. Furthermore due to the high volatility of iron ore prices, in the Steel Europe segment the existing long-term iron ore and iron ore pellets supply contracts are measured for the entire contract period at the iron ore prices applying as of the respective balance sheet date. Compared with September 30, 2023, purchasing commitments increased by €1.6 billion to €2.6 billion; the sharp increase was mainly due to the conclusion of new iron ore contracts.

In the Steel Europe segment, there was a purchase commitment of €1,646 million as of March 31, 2024 (September 30, 2023: €1,450 million) relating to the construction of the direct reduction plant. This is covered to a significant extent by grants from the federal government and the state of North Rhine-Westphalia. In this context, the thyssenkrupp group received payments under government grants totaling €193 million in the 1st half ended March 31, 2024.

In the arbitration proceedings filed by the Greek government against thyssenkrupp Industrial Solutions AG, thyssenkrupp Marine Systems GmbH and the Greek shipyard Hellenic Shipyards (HSY), in which Industrial Solutions previously held a majority interest, and against the present majority shareholder of HSY, the arbitration court dismissed the claims against the thyssenkrupp companies in a partial ruling in September 2023. The Greek government has not appealed this partial ruling and the deadline for appeal has now passed. The arbitration proceedings in this matter therefore now only relate to claims against the other defendants. The thyssenkrupp companies are still formally party to the proceedings only because a decision on the allocation of the legal costs will only be taken uniformly at the end of the proceedings. A provision of a low six-digit amount has been recognized for this. As a result, since the 1st quarter of 2023 / 2024 the proceedings no longer meet the criteria for contingencies that have to be specified individually.

There have been no material changes to the other commitments and contingencies since the end of fiscal year 2022 / 2023.

07 Financial instruments

The carrying amounts of trade accounts receivable measured at amortized cost, other current receivables as well as cash and cash equivalents equal their fair values due to the short remaining terms. For money market funds and trade accounts receivable measured at fair value, the carrying amount equals the fair value.

For the preference shares in connection with the Elevator investment, which are classified as equity instruments, the option was exercised to recognize them at fair value in equity (without recycling) due to their significance. Miscellaneous other financial assets include the loans from the elevator transaction, which are measured at amortized cost; see also Note 08. The other equity and debt instruments are in general measured at fair value income-effective, which is based to the extent available on market prices as of the balance sheet date. When no quoted market prices in an active market are available, equity and debt instruments are measured by discounting future cash flows based on current market interest rates over the remaining term of the financial instruments.

The fair value of foreign currency forward transactions is determined on the basis of the middle spot exchange rate applicable as of the interim balance sheet date, and taking account of forward premiums or discounts arising for the respective remaining contract term compared to the contracted forward exchange rate. Common methods for calculating option prices are used for foreign currency options. The fair value of an option is influenced not only by the remaining term of an option, but also by other factors, such as current amount and volatility of the underlying exchange or base rate.

Interest rate swaps and cross currency swaps are measured at fair value by discounting expected cash flows on the basis of market interest rates applicable for the remaining contract term. In the case of cross currency swaps, the exchange rates for each foreign currency, in which cash flows occur, are also included.

The fair value of commodity futures is based on published price quotations. It is measured as of the interim balance sheet date, both internally and by external financial partners. Since the beginning of the fiscal year 2022 / 2023, fluctuations in the fair value of CO_2 forward contracts have no longer been recognized directly in equity in other comprehensive income as part of hedge accounting but income effective in the statement of income under cost of sales.

The carrying amounts of trade accounts payable and other current liabilities equal their fair values due to the short remaining term. The fair value of fixed rate non-current liabilities equals the present value of expected cash flows. Discounting is based on interest rates applicable as of the balance sheet date. The carrying amounts of floating rate liabilities approximately correspond to their fair values.

Financial liabilities measured at amortized cost with a carrying amount of €5,937 million as of March 31, 2024 (September 30, 2023: €7,405 million) have a fair value of €5,932 million (September 30, 2023: €7,382 million) that was determined based on fair value measurement attributable to level 2.

Financial assets and liabilities measured at fair value could be categorized in the following three level fair value hierarchy:

FAIR VALUE HIERARCHY AS OF SEPT. 30, 2023

million €	Sept. 30, 2023	Level 1	Level 2	Level 3
Financial assets at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting	48	0	48	0
Equity instruments	13	8	5	0
Fair value recognized in equity				
Trade accounts receivable	**1,181**		**1,181**	
Equity instruments	72			72
Debt instruments (measured at fair value)	48	48	0	0
Derivatives qualifying for hedge accounting	32	0	32	0
Total	**1,394**	**56**	**1,266**	**72**
Financial liabilities at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting	111	0	111	0
Cash equivalents	2,660	2,660		
Fair value recognized in equity				
Derivatives qualifying for hedge accounting	21	0	21	0
Total	**2,792**	**2,660**	**132**	**0**

FAIR VALUE HIERARCHY AS OF MARCH 31, 2024

million €	March 31, 2024	Level 1	Level 2	Level 3
Financial assets at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting	33	0	33	0
Equity instruments	13	8	5	0
Fair value recognized in equity				
Trade accounts receivable	**1,120**		**1,120**	
Equity instruments	77			77
Debt instruments (measured at fair value)	12	12	0	0
Derivatives qualifying for hedge accounting	16	0	16	0
Total	**1,271**	**19**	**1,174**	**77**
Financial liabilities at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting	106	0	106	0
Cash equivalents	900	900		
Fair value recognized in equity				
Derivatives qualifying for hedge accounting	24	0	24	0
Total	**1,030**	**900**	**130**	**0**

The fair value hierarchy reflects the significance of the inputs used to determine fair values. Financial instruments with fair value measurement based on quoted prices in active markets are disclosed in level 1. In level 2 determination of fair values is based on observable inputs, e.g. foreign exchange rates. Level 3 comprises financial instruments for which the fair value measurement is based on unobservable inputs using recognized valuation models.

In the reporting quarter there were no reclassifications between level 1 and level 2.

Changes of the equity instruments included in level 3 were as follows:

RECONCILIATION LEVEL 3 FINANCIAL INSTRUMENTS

million €	
Balance as of Sept. 30, 2023	**72**
Changes income non-effective	5
Balance as of March 31, 2024	**77**

The equity instruments based on individual measurement parameters and recognized at fair value solely comprise the preference shares in Vertical Topco I S.A., Luxembourg, from the investment in TK Elevator. The fair value of the preference shares is determined on the basis of a financial valuation model (discounted cash flow method), which takes account of the contractually-based expected future cash flows from the preference shares. The value of the preference shares is determined by discounting the fixed interest rate with a capitalization interest rate, the amount of which is based on the risk/return structure observable on the capital market on the reporting date. The value of the preference shares is therefore subject to capital market-related fluctuations. As of March 31, 2024, a risk-adjusted discount rate of 10.41 % was applied (Sept. 30, 2023: 11.05 %).

The measurement result is reported directly in equity under other comprehensive income under the item "Fair value measurement of equity instruments".

Impairment of trade accounts receivable and contract assets

The expected default rates for trade accounts receivable are mainly derived from external credit information and ratings for each counterparty, which allows more accurate calculation of the probability of default compared with the formation of rating classes. The customer risk numbers assigned by trade credit insurers and the creditworthiness information provided by credit agencies are translated into an individual probability of default per customer using a central allocation system. This individual probability of default per customer is used uniformly throughout the thyssenkrupp group. The information is updated quarterly. If no rating information is available at counterparty level, an assessment is made based on the average probability of default for each segment plus an appropriate risk premium. For the group financial statements as of March 31, 2024, the latest external credit information and ratings were used, which already take into account current expectations of the possible effects of the war in the Ukraine. Therefore, no additional adjustment of impairment is necessary in this model.

The defaults refer in particular to insolvency cases that could not be derived from the rating information in the prior year.

08 Segment reporting

Segment reporting follows thyssenkrupp's internal control concept.

As a consequence of the thyssenkrupp group's new segment structure, which was resolved in the 4th quarter of fiscal year 2022 / 2023 and introduced effective October 1, 2023, there have been the following reporting changes compared with the prior year:

- The former Multi Tracks segment was dissolved effective October 1, 2023.
- The bearings business Rothe Erde (reported separately as the Bearings segment as of September 30, 2023), Uhde, Polysius, and thyssenkrupp nucera (all three allocated to the former Multi Tracks segment until September 30, 2023) have been bundled in the new Decarbon Technologies segment since October 1, 2023. In addition, the new Decarbon Technologies segment contains thyssenkrupp Immobilien Verwaltungs GmbH, which was previously assigned to the Steel Europe segment.
- Since October 1, 2023, the Automation Engineering and Springs & Stabilizers businesses (assigned to the former Multi Tracks segment until September 30, 2023) have been part of the Automotive Technology segment. The same applies to the Forged Technologies business (reported as a separate segment as of September 30, 2023).
- Since October 1, 2023, the investment in TK Elevator held by thyssenkrupp since the sale of the Elevator Technology business at the end of July 2020 has been assigned to Special Units within the "Reconciliation" in the segment reporting (included in the former Multi Tracks segment in the 2022 / 2023 fiscal year). For information on the components of this investment, see below in this Note 08.
- thyssenkrupp Transrapid GmbH, which was previously part of the Marine Systems segment, has been reported within Service Units within the "Reconciliation" in the segment reporting since October 1, 2023.

Prior-year figures have been adjusted accordingly.

Segment information for the 1st half ended March 31, 2023 and 2024 and for the 2nd quarter ended March 31, 2023 and 2024, respectively is as follows:

SEGMENT INFORMATION

million €	Automotive Technology	Decarbon Technologies	Materials Services	Steel Europe	Marine Systems	Corporate Headquarters	Reconciliation	Group
1st half ended March 31, 2023								
External sales	3,893	1,685	6,988	5,544	1,006	0	8	19,125
Internal sales within the group	1	19	155	716	(2)	3	(892)	0
Sales	3,894	1,704	7,143	6,260	1,004	4	(884)	19,125
EBIT	137	64	114	(143)	31	(83)	15	136
Adjusted EBIT[1)]	154	68	105	76	34	(84)	21	373
1st half ended March 31, 2024								
External sales	3,784	1,821	5,904	4,756	966	0	13	17,245
Internal sales within the group	1	9	119	553	(1)	4	(685)	0
Sales	3,785	1,830	6,023	5,310	965	4	(671)	17,245
EBIT	79	(28)	(9)	(132)	44	(103)	(8)	(156)
Adjusted EBIT	97	(2)	95	137	42	(96)	(6)	268
2nd quarter ended March 31, 2023								
External sales	2,010	845	3,814	2,939	497	0	2	10,107
Internal sales within the group	0	11	84	376	0	1	(472)	0
Sales	2,009	856	3,897	3,315	497	2	(470)	10,107
EBIT	106	46	91	(329)	14	(38)	(1)	(110)
Adjusted EBIT	108	49	85	(14)	14	(41)	4	205
2nd quarter ended March 31, 2024								
External sales	1,922	927	3,109	2,565	533	0	9	9,064
Internal sales within the group	0	4	55	298	(1)	2	(358)	0
Sales	1,922	931	3,164	2,864	532	2	(349)	9,064
EBIT	38	(3)	4	11	26	(42)	(6)	28
Adjusted EBIT	49	15	69	68	25	(40)	(3)	184

[1)] The presentation of the 1st quarter ended December 2022 has been adjusted for Steel Europe and for the Group.

Compared with September 30, 2023, average capital employed decreased by €144 million to €1,004 million at Decarbon Technologies, by €266 million to €3,402 million at Materials Services and by €1,801 million to €3,600 million at Steel Europe as of March 31, 2024.

The column “Reconciliation” breaks down as following:

BREAKDOWN RECONCILIATION

million €	Service Units	Special Units	Consolidation	Reconciliation
1st half ended March 31, 2023				
External sales	10	1	(3)	8
Internal sales within the group	118	14	(1,025)	(892)
Sales	129	15	(1,028)	(884)
EBIT	12	(21)	23	15
Adjusted EBIT	13	(15)	23	21
1st half ended March 31, 2024				
External sales	11	1	1	13
Internal sales within the group	123	14	(822)	(685)
Sales	134	15	(821)	(671)
EBIT	12	(18)	(3)	(8)
Adjusted EBIT	12	(15)	(3)	(6)
2nd quarter ended March 31, 2023				
External sales	4	1	(3)	2
Internal sales within the group	63	7	(542)	(472)
Sales	67	8	(545)	(470)
EBIT	8	(14)	5	(1)
Adjusted EBIT	8	(9)	5	4
2nd quarter ended March 31, 2024				
External sales	7	1	1	9
Internal sales within the group	65	7	(429)	(358)
Sales	72	8	(428)	(349)
EBIT	8	(11)	(2)	(6)
Adjusted EBIT	7	(8)	(2)	(3)

thyssenkrupp’s investment in TK Elevator comprises of several financing instruments which are accounted for as follows:

- Ordinary shares (with voting rights) in Vertical Topco I S.A., Luxembourg. Due to the existence of significant influence, the ordinary shares are treated and reported as an investment accounted for using the equity method in accordance with the requirements of IAS 28. Amortization of the acquisition cost is recognized in financial income from companies accounted for using the equity method in the statement of income.

- Preference shares (with voting rights) in Vertical Topco I S.A., Luxembourg. The preference shares are treated as an equity instrument in accordance with IAS 32 and IFRS 9 and reported under other non-current financial assets. Subsequent measurement is at fair value, with changes in fair value recognized directly in equity (without recycling).

- Interest-free loans (borrower: Vertical Topco I S.A., Luxembourg). The interest-free loans are treated as debt instruments in accordance with IAS 32 and IFRS 9 and likewise reported under other non-current financial assets. They are measured at amortized cost, with income effects from subsequent measurement recognized in finance income/finance expense under financial income/expense in the statement of income.

The reconciliation of the earnings figure adjusted EBIT to income/(loss) before tax as presented in the statement of income is presented below:

RECONCILIATION ADJUSTED EBIT TO INCOME/(LOSS) BEFORE TAX

million €	1st half ended March 31, 2023	1st half ended March 31, 2024	2nd quarter ended March 31, 2023	2nd quarter ended March 31, 2024
Adjusted EBIT as presented in segment reporting	**373**	**268**	**205**	**184**
Special items[1]	(236)	(424)	(315)	(155)
EBIT as presented in segment reporting	**136**	**(156)**	**(110)**	**28**
+ Non-operating income/(expense) from companies accounted for using the equity method	(36)	(87)	(9)	(47)
+ Finance income	445	415	241	169
– Finance expense	(519)	(424)	(259)	(161)
– Items of finance income assigned to EBIT based on economic classification	(2)	(2)	(2)	(1)
+ Items of finance expense assigned to EBIT based on economic classification	7	16	3	5
Income/(loss) group (before tax)	**32**	**(239)**	**(135)**	**(7)**

[1] Refer to the explanation of the special items of the quarter in the “Report on the economic position” in “Segment reporting”.

In the 1st half ended March 31, 2024, the special items mainly comprised impairment losses and losses on the measurement of CO_2 forward contracts in the Steel Europe segment, impairment losses and restructurings in the Materials Services segment, and impairment losses in the Decarbon Technologies and in the Automotive Technology segments. In the 1st half ended March 31, 2023, the special items were mainly attributable to the Steel Europe segment; they resulted from the net effect of income from the measurement of the CO_2 forward contracts and from impairment losses on non-current assets due to the increased cost of capital.

09 Sales

Sales and sales from contracts with customers are presented below:

SALES

million €	Automotive Technology	Decarbon Technologies	Materials Services	Steel Europe	Marine Systems	Corporate Headquarters	Reconciliation	Group
1st half ended March 31, 2023								
Sales from sale of finished products	2,904	604	959	5,787	19	0	(661)	9,612
Sales from sale of merchandise	343	79	5,894	97	7	0	(75)	6,345
Sales from rendering of services	146	154	364	111	26	3	(85)	719
Sales from construction contracts	430	825	1	0	873	0	(6)	2,122
Other sales from contracts with customers	64	40	0	263	80	0	(6)	441
Subtotal sales from contracts with customers	**3,886**	**1,703**	**7,219**	**6,258**	**1,006**	**3**	**(834)**	**19,240**
Other sales	8	2	(76)	2	(2)	0	(50)	(115)
Total	**3,894**	**1,704**	**7,143**	**6,260**	**1,004**	**4**	**(884)**	**19,125**
1st half ended March 31, 2024								
Sales from sale of finished products	2,840	501	825	4,948	17	0	(526)	8,605
Sales from sale of merchandise	317	75	4,754	56	6	1	(55)	5,154
Sales from rendering of services	160	134	378	100	24	3	(70)	728
Sales from construction contracts	401	1,085	15	0	912	0	(7)	2,407
Other sales from contracts with customers	64	32	0	207	4	0	(6)	299
Subtotal sales from contracts with customers	**3,781**	**1,827**	**5,972**	**5,310**	**963**	**4**	**(664)**	**17,193**
Other sales	4	3	51	(1)	2	0	(7)	52
Total	**3,785**	**1,830**	**6,023**	**5,310**	**965**	**4**	**(671)**	**17,245**
2nd quarter ended March 31, 2023								
Sales from sale of finished products	1,508	307	511	3,082	12	0	(356)	5,064
Sales from sale of merchandise	178	45	3,129	52	3	0	(47)	3,359
Sales from rendering of services	71	74	179	58	14	2	(48)	350
Sales from construction contracts	218	409	1	0	438	0	(5)	1,060
Other sales from contracts with customers	34	22	0	124	30	0	(4)	205
Subtotal sales from contracts with customers	**2,009**	**857**	**3,820**	**3,315**	**497**	**2**	**(459)**	**10,040**
Other sales	1	0	77	0	0	0	(10)	68
Total	**2,009**	**856**	**3,897**	**3,315**	**497**	**2**	**(470)**	**10,107**
2nd quarter ended March 31, 2024								
Sales from sale of finished products	1,451	255	431	2,680	9	0	(292)	4,534
Sales from sale of merchandise	167	38	2,527	33	5	0	(28)	2,741
Sales from rendering of services	92	68	193	51	11	1	(34)	383
Sales from construction contracts	180	549	6	0	503	0	(2)	1,236
Other sales from contracts with customers	30	18	0	104	2	0	(4)	151
Subtotal sales from contracts with customers	**1,919**	**928**	**3,158**	**2,868**	**530**	**2**	**(361)**	**9,044**
Other sales	2	3	6	(4)	1	0	12	20
Total	**1,922**	**931**	**3,164**	**2,864**	**532**	**2**	**(349)**	**9,064**

SALES FROM CONTRACTS WITH CUSTOMERS BY CUSTOMER GROUP

million €	Automotive Technology	Decarbon Technologies	Materials Services	Steel Europe	Marine Systems	Corporate Headquarters	Reconciliation	Group
1st half ended March 31, 2023								
Automotive	3,420	16	1,075	1,729	0	1	29	6,270
Trading	264	23	987	1,416	0	1	(556)	2,134
Engineering	150	552	654	151	3	0	0	1,511
Steel and related processing	3	49	1,232	1,391	0	0	(245)	2,430
Construction	0	16	363	27	0	0	(4)	401
Public sector	0	6	40	2	991	0	1	1,041
Packaging	0	1	74	813	0	0	5	893
Energy and utilities	0	4	135	350	0	0	2	491
Other customer groups	49	1,036	2,660	378	12	1	(66)	4,069
Total	**3,886**	**1,703**	**7,219**	**6,258**	**1,006**	**3**	**(834)**	**19,240**
1st half ended March 31, 2024								
Automotive	3,371	19	974	1,588	0	1	(10)	5,943
Trading	172	10	986	1,174	2	1	(402)	1,943
Engineering	189	568	475	115	0	0	(1)	1,346
Steel and related processing	3	29	910	1,121	0	0	(201)	1,862
Construction	0	12	284	24	0	0	0	319
Public sector	0	8	30	2	953	0	0	993
Packaging	0	4	65	707	0	0	(2)	774
Energy and utilities	0	4	81	263	0	0	0	347
Other customer groups	46	1,174	2,167	316	8	0	(48)	3,665
Total	**3,781**	**1,827**	**5,972**	**5,310**	**963**	**4**	**(664)**	**17,193**
2nd quarter ended March 31, 2023								
Automotive	1,753	9	558	934	0	1	(12)	3,243
Trading	148	11	596	798	1	1	(279)	1,275
Engineering	85	266	335	78	0	0	0	763
Steel and related processing	2	24	658	731	0	0	(136)	1,279
Construction	0	9	193	13	0	0	1	216
Public sector	0	3	20	0	490	0	(6)	508
Packaging	0	0	32	399	0	0	(2)	429
Energy and utilities	0	2	70	168	0	0	0	240
Other customer groups	22	532	1,360	195	5	0	(26)	2,087
Total	**2,009**	**857**	**3,820**	**3,315**	**497**	**2**	**(459)**	**10,040**
2nd quarter ended March 31, 2024								
Automotive	1,724	11	507	843	0	1	(6)	3,080
Trading	84	5	498	664	0	1	(210)	1,041
Engineering	88	297	249	58	0	0	(2)	690
Steel and related processing	1	13	486	643	0	0	(109)	1,034
Construction	0	6	147	14	0	0	(1)	166
Public sector	0	5	15	0	524	0	2	546
Packaging	0	1	37	355	0	0	(1)	392
Energy and utilities	0	0	49	122	0	0	0	171
Other customer groups	23	590	1,169	167	6	0	(32)	1,923
Total	**1,919**	**928**	**3,158**	**2,868**	**530**	**2**	**(361)**	**9,044**

SALES FROM CONTRACTS WITH CUSTOMERS BY REGION

million €	Automotive Technology	Decarbon Technologies	Materials Services	Steel Europe	Marine Systems	Corporate Headquarters	Reconciliation	Group
1st half ended March 31, 2023								
German-speaking area[1)]	1,116	401	2,481	3,430	223	1	(685)	6,968
Western Europe	585	243	1,107	1,404	204	0	(72)	3,472
Central and Eastern Europe	168	87	1,044	487	0	0	(40)	1,746
Commonwealth of Independent States	11	5	4	3	0	0	0	23
North America	1,134	177	2,160	538	2	2	(51)	3,961
South America	188	37	15	59	133	0	2	434
Asia / Pacific	38	94	196	20	114	0	1	463
Greater China	545	356	82	42	0	0	6	1,032
India	29	89	62	43	45	0	1	269
Middle East &Africa	71	214	68	232	284	0	5	872
Total	**3,886**	**1,703**	**7,219**	**6,258**	**1,006**	**3**	**(834)**	**19,240**
1st half ended March 31, 2024								
German-speaking area[1)]	996	225	2,004	2,867	318	1	(524)	5,888
Western Europe	557	245	900	1,213	244	0	(78)	3,081
Central and Eastern Europe	302	47	789	452	2	0	(35)	1,555
Commonwealth of Independent States	3	3	5	5	14	0	0	30
North America	1,131	182	1,906	457	4	2	(27)	3,654
South America	187	93	30	55	179	0	(1)	544
Asia / Pacific	40	81	162	11	83	0	1	377
Greater China	519	265	55	25	0	0	2	866
India	22	281	72	55	19	0	0	448
Middle East &Africa	26	405	51	170	99	0	0	750
Total	**3,781**	**1,827**	**5,972**	**5,310**	**963**	**4**	**(664)**	**17,193**

SALES FROM CONTRACTS WITH CUSTOMERS BY REGION

million €	Automotive Technology	Decarbon Technologies	Materials Services	Steel Europe	Marine Systems	Corporate Headquarters	Reconciliation	Group
2nd quarter ended March 31, 2023								
German-speaking area[1]	594	280	1,426	1,819	92	0	(368)	3,843
Western Europe	314	127	589	757	95	0	(45)	1,836
Central and Eastern Europe	94	51	546	257	0	0	(20)	927
Commonwealth of Independent States	10	2	2	2	0	0	0	16
North America	588	65	1,076	267	1	1	(20)	1,978
South America	84	22	8	29	56	0	(1)	198
Asia / Pacific	23	53	84	12	68	0	0	239
Greater China	251	154	35	20	0	0	(3)	458
India	13	(1)	29	26	41	0	0	107
Middle East &Africa	37	104	27	127	144	0	(2)	438
Total	**2,009**	**857**	**3,820**	**3,315**	**497**	**2**	**(459)**	**10,040**
2nd quarter ended March 31, 2024								
German-speaking area[1]	501	132	1,072	1,593	173	0	(282)	3,191
Western Europe	285	110	471	615	138	0	(39)	1,580
Central and Eastern Europe	159	33	419	251	2	0	(20)	844
Commonwealth of Independent States	2	0	3	3	14	0	0	21
North America	585	93	1,001	241	1	1	(22)	1,901
South America	100	47	7	25	95	0	0	273
Asia / Pacific	25	43	86	4	37	0	0	195
Greater China	246	150	32	14	0	0	3	444
India	10	134	32	28	14	0	0	218
Middle East &Africa	8	185	35	93	56	0	0	377
Total	**1,919**	**928**	**3,158**	**2,868**	**530**	**2**	**(361)**	**9,044**

[1] Germany, Austria, Switzerland, Liechtenstein

Of the sales from contracts with customers €3,467 million (prior year: €2,580 million) results in the 1st half ended March 31, 2024 and €1,203 million (prior year: €1,195 million) in the 2nd quarter ended March 31, 2024 from long-term contracts, while €13,726 million (prior year: €16,661 million) results in the 1st half ended March 31, 2024 and €7,841 million (prior year: €8,845 million) in the 2nd quarter ended March 31, 2024 from short-term contracts. €3,095 million (prior year: €2,949 million) relates in the 1st half ended March 31, 2024 and €1,500 million (prior year: €1,105 million) in the 2nd quarter ended March 31, 2024 to sales recognized over time, and €14,098 million (prior year: €16,291 million) relates in the 1st half ended March 31, 2024 and €7,544 million (prior year: €8,934 million) in the 2nd quarter ended March 31, 2024 to sales recognized at a point in time.

10 Other income

Other income includes particularly income from electricity price compensation, income from the effectiveness of a supply contract classified as an embedded lease and further income from premiums and from grants.

11 Financial income/(expense), net

The line item “Income from investments accounted for using the equity method” includes expenses in the amount of €87 million (prior year: €36 million) in the 1st half ended March 31, 2024 and of €47 million (prior year: €9 million) in the 2nd quarter ended March 31, 2024 from ordinary shares in Vertical Topco I S.A., Luxembourg, which are part of the Elevator investment (cf. Note 08).

12 Earnings per share

Basic earnings per share are calculated as follows:

EARNINGS PER SHARE (EPS)

	1st half ended March 31, 2023		1st half ended March 31, 2024		2nd quarter ended March 31, 2023		2nd quarter ended March 31, 2024	
	Total amount in million €	Earnings per share in €	Total amount in million €	Earnings per share in €	Total amount in million €	Earnings per share in €	Total amount in million €	Earnings per share in €
Net income/(loss) (attributable to thyssenkrupp AG's shareholders)	**(147)**	**(0.24)**	**(392)**	**(0.63)**	**(223)**	**(0.36)**	**(78)**	**(0.13)**
Weighted average shares	622,531,741		622,531,741		622,531,741		622,531,741	

There were no dilutive securities in the periods presented.

13 Additional information to the statement of cash flows

The liquid funds considered in the statement of cash flows can be derived from the balance sheet position “Cash and cash equivalents” as following:

RECONCILIATION OF LIQUID FUNDS

million €	March 31, 2023	Sept. 30, 2023	March 31, 2024
Cash	1,475	2,641	2,354
Cash equivalents	4,360	4,699	2,513
Cash and cash equivalents according to the balance sheet	**5,835**	**7,339**	**4,867**
Cash and cash equivalents of disposal groups	0	0	93
Liquid funds according to statement of cash flows	**5,835**	**7,339**	**4,960**

As of March 31, 2024 cash and cash equivalents of €78 million (March 31, 2023: €20 million; September 30, 2023: €104 million) result from the joint operation HKM.

14 Subsequent events

On April 11, 2024, the thyssenkrupp Steel Executive Board presented initial conceptional outlines of a planned realignment of the steel business to thyssenkrupp Steel Supervisory Board's Strategy Committee. The aim is to optimize the competitiveness and profitability of the segment within the production network. The core element of the realignment is scaling back the production capacities installed in the network from around 11.5 million tons a year at present today to around 9 to 9.5 million tons a year. That also entails a headcount reduction that cannot yet be quantified, which will also affect the downstream processing stages as well as the administrative and service areas.

On April 26, 2024, thyssenkrupp AG and EP Corporate Group a.s. (EPCG) agreed that EPCG would acquire a stake in thyssenkrupp's steel business. In this context, EPCG is acquiring a 20 % stake in thyssenkrupp's steel business. EPCG operates as an energy trader, utility and supplier in nine European markets. Closing of the transaction is planned in the present fiscal year and subject to the approval of the relevant authorities and the Supervisory Board of thyssenkrupp AG. No significant effects on the Group's net assets, financial position and results of operations are expected when the transaction is closed. In addition, the parties are in talks about the acquisition by EPCG of a further 30 % stake of the steel business. The aim is to establish an equal 50 / 50 joint venture.

On May 8, 2024, the closing of the thyssenkrupp Industries India disposal group took place; see also Note 02.

Essen, May 13, 2024

thyssenkrupp AG
The Executive Board

López

Burkhard Dinstuhl Henne Keysberg

Review report

To thyssenkrupp AG, Duisburg and Essen

We have reviewed the condensed interim consolidated financial statements of thyssenkrupp AG, Duisburg and Essen – comprising the consolidated statement of financial position, the consolidated statement of income and the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and selected notes – together with the interim group management report of thyssenkrupp AG, for the period from October 1, 2023 to March 31, 2024 that are part of the half-year financial report according to § 115 WpHG ["Wertpapierhandelsgesetz": "German Securities Trading Act"]. The preparation of the condensed interim consolidated financial statements in accordance with International Accounting Standard IAS 34 "Interim Financial Reporting" as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the EU, and that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Düsseldorf, May 14, 2024

KPMG AG
Wirtschaftsprüfungsgesellschaft

Marc Ufer Wirtschaftsprüfer	Dr. Markus Zeimes Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for half-year reporting, the condensed interim consolidated financial statements give a true and fair view of assets, liabilities, financial position and profit and loss of the group, and the group interim management report includes a fair view of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group in the remaining months of the year.

Essen, May 13, 2024

thyssenkrupp AG
The Executive Board

López

Burkhard Dinstuhl Henne Keysberg

Additional information

Contact and 2024 / 2025 financial calendar

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2024 / 2025 financial calendar

August 14, 2024
Interim report 9 months 2023 / 2024 (October to June)

November 19, 2024
Annual report 2023 / 2024 (October to September)

January 31, 2025
Annual General Meeting

February 13, 2025
Interim report 1st quarter 2024 / 2025 (October to December)

May 15, 2025
Interim report 1st half 2024 / 2025 (October to March)

This interim report was published on May 15, 2024.
Produced in-house using firesys.

Forward-looking statements
This document contains forward-looking statements that reflect management's current views with respect to future events. Such statements are subject to risks and uncertainties that are beyond thyssenkrupp's ability to control or estimate precisely, such as the future market environment and economic conditions, the behavior of other market participants, the ability to successfully integrate acquired businesses and achieve anticipated synergies and the actions of government regulators. Therefore, the actual results may differ materially from the results explicitly presented or implicitly contained in this financial report. The forward-looking statements contained in this financial report will not be updated in the light of events or developments occurring after the date of the report.

Rounding differences and rates of change
Percentages and figures in this report may include rounding differences. The signs used to indicate rates of change are based on economic aspects: Improvements are indicated by a plus (+) sign, deteriorations are shown in brackets ( ). Very high positive and negative rates of change (≥100% or ≤(100)%) are indicated by ++ and −− respectively.

Variances for technical reasons
Due to statutory disclosure requirements the Company must submit this financial report electronically to the Federal Gazette (Bundesanzeiger). For technical reasons there may be variances in the accounting documents published in the Federal Gazette.
German and English versions of the financial report can be downloaded from the internet at www.thyssenkrupp.com. In the event of variances, the German version shall take precedence over the English translation.

www.thyssenkrupp.com