



thyssenkrupp

20 / 21

Interim report
1st quarter 2020 / 2021

October 1, 2020 –
December 31, 2020

thyssenkrupp in figures

		Full group				Group – continuing operations ¹⁾			
		1st quarter ended Dec. 31, 2019	1st quarter ended Dec. 31, 2020	Change	in %	1st quarter ended Dec. 31, 2019	1st quarter ended Dec. 31, 2020	Change	in %
Order intake	million €	9,660	7,845	(1,816)	(19)	7,429	7,845	416	6
Net sales	million €	9,674	7,321	(2,352)	(24)	7,629	7,321	(308)	(4)
EBIT ²⁾	million €	(115)	20	136	++	(302)	24	326	++
EBIT margin	%	(1.2)	0.3	1.5	++	(4.0)	0.3	4.3	++
Adjusted EBIT ^{3), 2)}	million €	33	78	45	138	(185)	78	263	++
Adjusted EBIT margin	%	0.3	1.1	0.7	215	(2.5)	1.1	3.6	++
Income/(loss) before tax	million €	(206)	(93)	113	55	(382)	(89)	293	77
Net income/(loss) or earnings after tax attributable to thyssenkrupp AG's shareholders	million €	(364)	(125)	239	66	(442)	(121)	321	73
Earnings per share (EPS)	€	(0.60)	(0.23)	0.36	61	(0.72)	(0.23)	0.49	68
Operating cash flows	million €	(2,131)	265	2,396	++	(2,109)	265	2,374	++
Cash flow for investments	million €	(327)	(274)	53	16	(295)	(274)	21	7
Cash flow from divestments	million €	4	873	869	++	5	873	868	++
Free cash flow ³⁾	million €	(2,453)	864	3,317	++	(2,399)	864	3,263	++
Free cash flow before M & A ³⁾	million €	(2,476)	32	2,508	++	(2,407)	32	2,440	++
Net financial debt (assets) (Dec. 31)	million €	7,138	(5,062)	(12,200)	--				
Total equity (Dec. 31)	million €	1,934	9,929	7,995	413				
Gearing (Dec. 31)	%	369.1	— ⁴⁾	—	—				
Employees (Dec. 31)		161,538	103,128	(58,410)	(36)				

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 receivables, the significance of the gearing key ratio is of no relevance.

	Order intake million €		Net sales million €		EBIT ¹⁾ million €		Adjusted EBIT ^{1), 2)} million €		Employees	
	1st quarter ended Dec. 31, 2019	1st quarter ended Dec. 31, 2020	1st quarter ended Dec. 31, 2019	1st quarter ended Dec. 31, 2020	1st quarter ended Dec. 31, 2019	1st quarter ended Dec. 31, 2020	1st quarter ended Dec. 31, 2019	1st quarter ended Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020
Materials Services ²⁾	2,750	2,482	2,689	2,368	12	11	12	5	17,196	15,804
Industrial Components	558	662	544	621	43	98	44	101	13,528	12,842
Automotive Technology ²⁾	1,148	1,183	1,182	1,215	8	116	46	109	21,705	20,782
Steel Europe ²⁾	2,054	2,408	1,797	1,917	(131)	22	(127)	20	27,284	26,336
Marine Systems	109	258	387	364	1	5	1	5	6,136	6,441
Multi Tracks ²⁾	1,328	1,425	1,441	1,200	(144)	(184)	(92)	(111)	19,398	18,428
Corporate Headquarters ²⁾	1	2	1	5	(82)	(54)	(65)	(54)	1,043	648
Reconciliation ²⁾	(518)	(574)	(411)	(370)	(9)	9	(5)	3	2,410	1,847
Group continuing operations²⁾	7,429	7,845	7,629	7,321	(302)	24	(185)	78	108,700	103,128
Discontinued elevator operations ²⁾	2,232	0	2,044	0	187	(4)	218	0	52,838	0
Full group	9,660	7,845	9,674	7,321	(115)	20	33	78	161,538	103,128

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

²⁾ See preliminary remarks.

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 December 2020	€	8.12
ADR (over-the-counter trading)	US88629Q2075	Stock exchange value end December 2020	million €	5,055
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..

Interim management report

Preliminary remarks

This report follows thyssenkrupp's internal control concept.

As part of the concretization of the realignment, since October 1, 2020 certain businesses for which the company is considering other ownership structures in the short to medium term have been combined to form the new stand-alone Multi Tracks segment and managed by a dedicated segment board in the sense of active investment management. The above-mentioned other ownership structures could involve, for example, the complete or partial sale or also the continuation of the business together with one or more external partners. In this connection, the following businesses were assigned organizationally to the new Multi Tracks segment at the beginning of the 2020/2021 fiscal year: the former segment Plant Technology, i.e. the chemical plant, cement plant and mining equipment businesses, the stainless steel plant in Terni, Italy (AST) incl. the associated sales organization as well as the Infrastructure unit from the Materials Services segment, System Engineering Powertrain Solutions and Battery Solutions as well as Springs & Stabilizers from the Automotive Technology segment and Heavy Plate from the Steel Europe segment. The Elevator reinvestment included in the "Reconciliation" reporting line under Special Units until the end of fiscal 2019/2020 and thyssenkrupp Carbon Components, included under Special Services, have also been assigned to this new segment since October 1, 2020.

Presentation and disclosure of the corresponding prior-year period have been adjusted in line with the aforementioned changes.

With effect from October 1, 2020, the definition of adjusted EBIT has been adjusted to include a narrower definition of special items, according to which earnings are adjusted only for restructuring expenses, impairment losses/reversals, and disposal gains or losses. Here, too, the presentation of the prior-year period has been adjusted accordingly.

In late February 2020 thyssenkrupp signed an agreement on the full sale of its Elevator Technology business with a bidding consortium led by Advent International and Cinven. Following approval by the relevant authorities the closing of the transaction and deconsolidation of Elevator Technology took place on July 31, 2020. The transaction met the criteria of IFRS 5 for reporting Elevator Technology as a discontinued operation. It comprised Elevator Technology and individual units from Corporate Headquarters. In accordance with IFRS 5, the presentation for the discontinued elevator operations for the prior-year quarter has been adjusted and all income and expense items have been presented separately in the statement of income and all cash flows separately in the statement of cash flows. In addition, subsequent expenses and income and cash flows directly related to the sale of the elevator activities must continue to be reported separately in the statement of income and the statement of cash flows. As a result of the sale at the end of July 2020, it was no longer necessary to report the assets and liabilities attributable to Elevator Technology separately in the statement of financial position at September 30, 2020.

Since the sale of the Elevator Technology business on July 31, 2020 thyssenkrupp has held a reinvestment which was part of the consideration received for the sale. For further details regarding the reinvestment see also Note 02 (Discontinued operations) and Note 08 (Segment reporting).

In addition, thyssenkrupp AG and its subsidiaries are referred to in this interim management report as a “group”. The group comprises the entities included in the legal scope of consolidation.

Report on the economic position

Summary

Market recovery and performance initiatives (value levers) deliver important contributions on the way to turnaround: significant improvement in key financials with positive adjusted EBIT in all segments apart from Multi Tracks

- Order intake in the segments improved overall: Industrial Components, Steel Europe and Marine Systems with significant increase year-on-year
- Sales of the segments overall still down year-on-year: increases at Industrial Components, Automotive Technology and Steel Europe unable to offset decreases at Materials Services, Marine Systems and Multi Tracks:
 - Materials Services significantly down year-on-year mainly due to changes in product mix in direct-to-customer business and lower stainless steel prices
 - Industrial Components with significant increase mainly due to wind energy in China
 - Automotive Technology slightly higher year-on-year in continuing upward trend mainly due to growth and market share gain in automotive original equipment business
 - Steel Europe higher year-on-year mainly due to gains at automotive suppliers and appliance manufacturers
 - Marine Systems slightly down year-on-year due to temporary delays on supplier side caused by restrictions as a result of coronavirus pandemic
 - Multi Tracks as expected significantly down year-on-year; stable order volumes in stainless steel business versus significant declines at Plant Technology and System Engineering Powertrain
- Adjusted EBIT with significant improvement overall and positive in all segments with exception of Multi Tracks
 - Materials Services positive due to stable volume utilization but lower year-on-year partly due to decline in aerospace industry
 - Industrial Components significantly higher year-on-year due to sales growth as well as cost and efficiency measures
 - Automotive Technology significantly higher year-on-year mainly due to earnings increases in car components, supported by cost reductions from restructurings
 - Steel Europe significantly up year-on-year and slightly positive mainly due to volume-related recovery especially in auto business as well as first effects from restructuring and performance program
 - Marine Systems slightly positive and with significant increase year-on-year
 - Multi Tracks with earnings decline; positive developments at Heavy Plate, Springs & Stabilizers and Infrastructure unable to offset declines at Plant Technology, System Engineering Powertrain and the stainless steel business

- Corporate Headquarters with reduction in general and administrative expenses and lower project costs
- Measures to protect employees and secure businesses remain in place: including short work, greater work time flexibility such as using up overtime and leave, reduced use of temporary workers, remote working and implementation of cost-cutting measures
- Significant improvement in net income versus prior year but still negative; improvement mainly due to increased and positive earnings contributions in almost all segments with exception of Multi Tracks
- FCF before M & A with significant improvement versus prior year mainly due to improved adjusted EBIT and positive effects from normalization of net working capital – towards increased transparency and continuous optimization
- Full-year forecast raised; despite encouraging start to fiscal year, visibility remains low, especially for second fiscal half; effects and duration of measures to combat pandemic must continue to be monitored
- “Strategic realignment” update:
 - Portfolio: decision to close heavy plate mill by end of fiscal year, final orders being executed; sale process for cement plant business suspended until further notice; sale process for mining business making significant progress; removal of chemical plant business from sale process also due to promising market dynamics and chances for water electrolysis for green hydrogen production; sale process for stainless steel mill in Terni (AST) including associated sales organization with numerous expressions of interest; Infrastructure: sale process currently in preparation
 - Performance: implementation of extensive restructuring measures further advanced

Macro and sector environment

Recovery of global economy marked by high uncertainty

- Compared with the start of the fiscal year, forecast for slump in global economic output in 2020 revised slightly upward at minus 4.1%; growth in 2021 expected slightly more positive at 4.8%
- Industrialized countries: decline in economic output in 2020 at 5.2% not quite as sharp as recently expected; 3.7% growth currently forecast for 2021
- Emerging economies: 3.4% GDP slump in 2020 slightly less severe than expected at start of fiscal year; recovery in 2021 with growth of 5.7%; political and economic uncertainties remain
- Risks and uncertainties: uncertainly over further progression of the coronavirus pandemic and effectiveness of vaccination measures; uncertainty over course of US trade policy after decision in presidential election; geopolitical flashpoints; severe and sustained weakening of growth in China; indebtedness problems particularly in some countries of Europe especially as a result of numerous government support measures to mitigate pandemic consequences; volatile material and commodity costs

GROSS DOMESTIC PRODUCT

Real change compared to previous year in %	2020 ¹⁾	2021 ²⁾
Euro zone	(7.4)	3.7
Germany	(5.0)	3.0
Russia	(4.3)	1.9
Rest of Central/Eastern Europe	(5.1)	3.1
USA	(3.4)	4.3
Brazil	(4.6)	3.4
Japan	(5.4)	2.6
China	2.3	7.5
India	(9.5)	8.9
Middle East & Africa	(4.9)	4.3
World	(4.1)	4.8

¹⁾ Partly estimates

²⁾ Forecast

Sources: IHS Markit, IMF, Consensus Forecasts, misc. banks and research institutes, own estimates

Automotive

- Global sales and production of cars and light trucks in 2020 with double-digit percentage decline year-on-year, driven mainly by general lockdowns, economic uncertainties and production stoppages lasting several weeks in connection with the coronavirus pandemic; significant recovery expected in 2021 – assuming successful control of infection rates; existing uncertainty due to bottlenecks in the supply of semiconductors since the end of 2020 and associated logistical challenges in global supply chains; return to pre-pandemic levels expected in 2023 at the earliest
- Europe: sales in 2020 significantly below prior year; recovery expected in 2021, but still significantly below pre-pandemic level; in addition, challenges due to adjustment to changed trading conditions with the UK as a result of Brexit and stricter CO₂ requirements for OEMs
- NAFTA: sales and production in 2020 down significantly year-on-year; significant improvement year-on-year expected in 2021
- China: after weak start to 2020 and early pandemic outbreak, positive sales growth from April onwards, only slight decline expected in calendar year; positive trend expected to continue in 2021

Machinery

- Germany: negative growth forecast for 2020 revised upward slightly, 2021 with slightly stronger plus; orders recently rising again, progress on EU-China investment agreement and agreement in Brexit negotiations provide hope of rising export figures
- USA: production drop in 2020 slightly less negative than expected; outlook for 2021 more positive due to robust leading indicators in industry and rising order intake figures
- China: stronger growth expected for 2020 and 2021; recovery process in manufacturing progressing rapidly, pre-crisis levels already clearly exceeded

Construction

- Germany: growth in 2020 and 2021 to remain relatively solid; support from pent-up purchasing power, favorable financing conditions and demand for new housing
- USA: drop in output in 2020 expected to be slightly bigger – outlook for 2021 positive due to continuing low interest rates and solid growth in housing construction
- China: growth in 2020 only slightly up in face of overall economic weakening – but continuing urbanization trend continues to support housing and infrastructure investment

IMPORTANT SALES MARKETS

	2020 ¹⁾	2021 ²⁾
Vehicle production, million cars and light trucks³⁾		
World	72.8	82.6
Western Europe (incl. Germany)	10.0	11.9
Germany	3.7	4.5
North America (USA, Mexico, Canada)	13.0	16.3
USA	8.6	11.2
Mexico	3.0	3.6
Japan	7.7	8.3
China	23.4	24.8
India	3.2	3.9
Brazil	1.8	2.5
Machinery production, real, in % versus prior year		
World	(5.5)	7.3
Europe	(12.7)	8.6
Germany	(12.0)	4.0
USA	(7.9)	5.6
Japan	(13.7)	6.0
China	5.3	7.4
Construction output, real, in % versus prior year		
Euro zone	(7.8)	6.5
Germany	2.5	3.0
USA	(3.2)	3.8
China	0.9	8.9
India	(30.1)	16.5
Demand for steel, in % versus prior year		
World	(2.4)	4.1
Germany	(15.3)	13.4
EU28	(15.2)	11.0
USA	(15.8)	6.6
China	8.0	0.0

¹⁾ Partly estimates

²⁾ Forecast (December 2020/January 2021)

³⁾ Passenger cars and light commercial vehicles up to 6t (completely built up vehicles only; without so-called CKD units)

Sources: IHS Markit, Oxford Economics, worldsteel, national associations, own estimates

Steel

- Global demand for finished steel to fall by around 2% in 2020, with China preventing a bigger downturn due to strong growth (8%); global demand forecast to recover by 4% in 2021; higher growth expected in industrialized countries than in emerging economies; China to remain stable at prior-year level
- EU flat carbon steel market slightly up again after unprecedented demand slump in April/May, but overall well down year-on-year until October 2020; slight easing of imports due to pandemic, level nevertheless still high over course of year; spot market prices rising continuously since summer months
- Market environment remains extremely challenging, also structurally – problem of overcapacities exacerbated by current crisis; high volatility of raw material prices, some of which are again rising sharply

Group and segment review

ORDER INTAKE

million €	1st quarter ended Dec. 31, 2019	1st quarter ended Dec. 31, 2020	Change in %	Change on a comparable basis ¹⁾ in %
Materials Services ²⁾	2,750	2,482	(10)	(7)
Industrial Components	558	662	19	23
Automotive Technology ²⁾	1,148	1,183	3	5
Steel Europe ²⁾	2,054	2,408	17	18
Marine Systems	109	258	138	140
Multi Tracks ²⁾	1,328	1,425	7	11
Corporate Headquarters ²⁾	1	2	76	80
Reconciliation ²⁾	(518)	(574)	—	—
Group continuing operations²⁾	7,429	7,845	6	8
Discontinued elevator operations ²⁾	2,232	0	--	--
Full group	9,660	7,845	(19)	6

¹⁾ Excluding material currency and portfolio effects

²⁾ See preliminary remarks.

Order intake in the segments overall improved: Industrial Components, Steel Europe and Marine Systems with significant increases versus prior year

Materials Services

- Significantly down year-on-year mainly due to changes in product mix in direct-to-customer business and lower stainless steel prices; volumes overall at prior-year level

Industrial Components

- Significantly higher year-on-year mainly due to clear increase in wind energy; forging business up from prior year
- Bearings: very good order situation with significant growth in wind energy sector, above all in Germany and China. Industrial applications sectors also up year-on-year
- Cars/trucks: significant recovery in demand in all regions after pandemic-related global market collapse in spring and summer 2020
- Undercarriages for construction machinery: significant demand recovery in all regions after pandemic-related global market collapse in spring and summer 2020, supported by widening of product range and development of new markets/business fields

Automotive Technology

- Overall order intake slightly higher year-on-year: growth in automotive original equipment business despite coronavirus pandemic supported by ramp-up of new plants and projects, particularly in steering systems, and stable demand in China; however, orders for assembly lines at System Engineering Body lower in difficult market environment
- Market forecasts for subsequent quarters remain uncertain
- Relevant long-term framework contracts secured in automotive original equipment business

Steel Europe

- Up sharply (3.3 million t; +26%); after significantly weak prior quarters, positive impetus from restocking at steel service centers and catch-up effects at automotive and industrial customers

Marine Systems

- Clearly higher year-on-year mainly due to entry into effect of an amendment agreement to increase scope of supply to a customer in Asia in the submarine sector and acquisition of an electronics order for the Royal Navy

Multi Tracks

- Despite difficult market environment due to pandemic, overall order intake higher year-on-year
- Stainless steel business with good demand; Plant Technology and System Engineering Powertrain: holding up well in market with limited decline
- Heavy Plate: planned reduction in order intake following closure decision

NET SALES

million €	1st quarter ended Dec. 31, 2019	1st quarter ended Dec. 31, 2020	Change in %	Change on a comparable basis ¹⁾ in %
Materials Services ²⁾	2,689	2,368	(12)	(10)
Industrial Components	544	621	14	19
Automotive Technology ²⁾	1,182	1,215	3	5
Steel Europe ²⁾	1,797	1,917	7	7
Marine Systems	387	364	(6)	(5)
Multi Tracks ²⁾	1,441	1,200	(17)	(15)
Corporate Headquarters ²⁾	1	5	++	++
Reconciliation ²⁾	(411)	(370)	—	—
Group continuing operations²⁾	7,629	7,321	(4)	(2)
Discontinued elevator operations ²⁾	2,044	0	--	--
Full group	9,674	7,321	(24)	(2)

¹⁾ Excluding material currency and portfolio effects

²⁾ See preliminary remarks.

Sales of the segments overall remain lower year-on-year: growth at Industrial Components, Automotive Technology and Steel Europe unable to offset declines at Materials Services, Marine Systems and Multi Tracks

- Materials Services: significantly lower year-on-year mainly due to weak demand from aerospace industry and changes to product mix in direct-to-customer business; overall materials shipments at prior-year level (2.1 million t), with slight increase in volumes in warehousing and distribution offsetting slight decline in direct-to-customer business; most product prices slightly higher year-on-year in 1st quarter with major exception of stainless steel
- Industrial Components: significantly higher, particularly in wind energy sector in China; forgings up slightly from prior year
- Automotive Technology: sales following order intake and overall slightly higher year-on-year, with growth in automotive original equipment business here too
- Steel Europe: sales higher in reporting quarter after collapse in prior quarters; rise in shipments (2.4 million t; 12%) with widely differing trends among end customer groups; increased volumes with automotive suppliers and appliance manufacturers partly offset by declines in the construction and machinery sectors; low price level with rising spot market prices due to market demand overhang
- Marine Systems: down slightly year-on-year, mainly in surface vessel and submarine area, mostly on account of delays at subcontractors caused by restrictions due to the coronavirus pandemic
- Multi Tracks: Plant Technology and System Engineering Powertrain: sales down sharply year-on-year due to concentration on more attractive market segments and customer reluctance to place major orders for new plants; initiated restructuring measures, including the well-advanced restructuring program in cement plant business, proving necessary and correct; Stainless steel: higher and stable order volumes partly offsetting decline at Plant Technology

ADJUSTED EBIT

million €	1st quarter ended Dec. 31, 2019	1st quarter ended Dec. 31, 2020	Change in %
Materials Services ¹⁾	12	5	(63)
Industrial Components	44	101	128
Automotive Technology ¹⁾	46	109	137
Steel Europe ¹⁾	(127)	20	++
Marine Systems	1	5	++
Multi Tracks ¹⁾	(92)	(111)	(20)
Corporate Headquarters ¹⁾	(65)	(54)	17
Reconciliation ¹⁾	(5)	3	—
Group continuing operations¹⁾	(185)	78	++
Discontinued elevator operations ¹⁾	218	0	--
Full group¹⁾	33	78	138

¹⁾ See preliminary remarks.

Adjusted EBIT with clear overall improvement and positive in all segments except Multi Tracks

Materials Services

- Adjusted EBIT lower year-on-year but positive: stable volume utilization and mainly rising prices leading to recovery at both Materials Services business units; partly offset by decline in aerospace industry
- Further progress with strategic transformation: among other things completion of “Switch” restructuring program to reduce administration
- Reduction in number of logistics sites with corresponding personnel cuts: also closure of tk Materials Thailand; merger of Materials and Aerospace companies in the UK, France and India

Industrial Components

- Significantly higher year-on-year due to sales growth and cost and efficiency measures; in particular productivity increases at bearings business due to high Chinese demand in wind energy and in the forgings business as a result of extensive completed restructuring measures; significant improvement in personnel productivity and lower material costs within administrative expenses as well as cost reductions in purchasing
- Bearings: clearly higher year-on-year due to volume, structural and measure-related factors
- Forgings: clearly higher year-on-year due to early and successful cost-reduction measures over past two years

Automotive Technology

- Significantly higher year-on-year and positive again with 9.0% margin: increased earnings in car components due partly to efficiency improvements in production – particularly also in the ramp-up of new plants and projects, e.g. lower reject rates, non-conformance costs and shorter cycle times, as well as a profitable order structure and reduced writedowns following recognition of impairment losses at September 30, 2020
- Cost reductions from restructurings at System Engineering Body and at segment level, resulting in reduced personnel and material costs

Steel Europe

- Earnings slightly positive and significantly higher year-on-year; recovery trends on steel market accompanied to limited extent with increasing capacity utilization and improved product mix; initial effects from ongoing restructuring with progressive workforce reduction and performance program as well as lower writedowns due to asset impairment in last fiscal year contributed to positive earnings situation

Marine Systems

- Slightly positive but clearly higher year-on-year; some old projects with only weak profit margins, performance program showing results and stabilizing or strengthening margins on existing projects
- Measures to improve commercial project execution are taking effect

Multi Tracks

- Very heterogeneous picture at all businesses: performance and restructuring programs implemented with clearly defined cost and personnel reduction targets
- Lower earnings year-on-year mainly at Plant Technology, System Engineering Powertrain and stainless steel; not offset by positive trends at Heavy Plate, Springs & Stabilizers and Infrastructure
- Plant Technology: earnings impacted mainly by pandemic-related cost increases in project execution and sales decreases; major cost reduction measures with clear loss-minimizing effect; Stainless steel: market-related developments on price and cost side causing earnings impact

Corporate Headquarters

- Continued implementation and positive effect of measures to reduce administrative costs
- Year-on-year improvement due to lower project expenses

Earnings impacted by special items

SPECIAL ITEMS

million €	1st quarter ended Dec. 31, 2019	1st quarter ended Dec. 31, 2020	Change
Materials Services ¹⁾	0	(7)	(7)
Industrial Components	1	3	1
Automotive Technology ¹⁾	38	(7)	(45)
Steel Europe ¹⁾	4	(2)	(6)
Marine Systems	0	0	0
Multi Tracks ¹⁾	52	74	22
Corporate Headquarters ¹⁾	18	0	(18)
Reconciliation ¹⁾	4	(7)	(11)
Group continuing operations¹⁾	117	54	(63)
Discontinued elevator operations ¹⁾	32	4	(28)
Full group¹⁾	148	57	(91)

¹⁾ See preliminary remarks.

- Main special items in the reporting period:
 - Materials Services: positive special items mainly due to sale of activities in Thailand
 - Automotive Technology: reduced provision for restructuring at System Engineering Body mainly on account of lower personnel cutbacks via social plan arrangements
 - Multi Tracks: mainly for restructuring expenses at Heavy Plate in connection with closure

Results of operations and financial position

Analysis of the statement of income

Income from operations

- 4% fall in net sales of continuing operations coupled with disproportionate decrease in cost of sales of continuing operations mainly due to lower personnel and materials expenses; improvement in gross profit margin to 11.7% (prior year: 9.4%)
- Decrease in selling expenses of continuing operations mainly resulting from lower personnel expenses; partly offset by higher sales-related freight, insurance and customs expenses
- Sharp reduction in general and administrative costs of continuing operations mostly as a result of significantly lower personnel expenses, reinforced by lower IT, impairment and consulting expenses
- Increase in other income of continuing operations largely due to higher insurance claims and higher subsidies mainly from the German public sector in connection with reimbursement of social insurance contributions in respect of short-time working
- Decrease in other expenses of continuing operations mainly reflecting net decline in expenses for allocations to provisions

Financial income/expense and income tax

- Overall decline in financial income/expense of continuing operations mainly as a result of lower income from investments accounted for using the equity method in continuing operations due to share of losses from the Elevator reinvestment recognized in the reporting quarter; at the same time offsetting effects from lower interest expense for financial debt and income recognized in the reporting quarter from the subsequent measurement of the interest-free loan acquired in connection with the Elevator reinvestment
- Decrease in tax expense of continuing operations mainly due to lower deferred tax expense from temporary differences in Germany with offsetting higher actual tax expense for higher earnings abroad

Earnings per share

- Net loss reduced significantly by €239 million to €125 million; includes in particular absence of prior-year net income of discontinued operations of €78 million following closing of Elevator transaction in July 2020
- Loss per share accordingly reduced by €0.36 to €0.23

Analysis of the statement of cash flows

Operating cash flows

- Operating cash flows of continuing operations strongly improved and positive primarily due to increased trade accounts payable and reduced build-up of inventories together with improved net income of continuing operations before depreciation and amortization

Cash flows from investing activities

- Cash inflows from disposals up sharply year-on-year as a result of reduction of time deposits with an original term of more than 90 days in reporting quarter
- Capital spending lower year-on-year overall, mainly reflecting lower capital spending at Automotive Technology

INVESTMENTS

million €	1st quarter ended Dec. 31, 2019	1st quarter ended Dec. 31, 2020	Change in %
Materials Services ¹⁾	15	26	73
Industrial Components	28	32	11
Automotive Technology ¹⁾	88	50	(43)
Steel Europe ¹⁾	118	101	(15)
Marine Systems	13	37	191
Multi Tracks ¹⁾	29	26	(12)
Corporate Headquarters ¹⁾	0	0	0
Reconciliation ¹⁾	3	3	(6)
Group continuing operations¹⁾	295	274	(7)
Discontinued elevator operations ¹⁾	32	0	--
Full group	327	274	(16)

¹⁾ See preliminary remarks.

Materials Services

- Purchase of factory and office equipment in connection with renewal of service contract between thyssenkrupp Supply Chain Services and thyssenkrupp Elevator in USA
- Modernization and replacement investment at warehousing and service units; continuing digital transformation

Industrial Components

- Growth capex to increase production capacity above all in wind energy, primarily at European and Asian production sites
- Continued investment in fully automated forging press for truck front axles at Homburg site in Germany

Automotive Technology

- Capex focused on steering systems business for order-related projects

Steel Europe

- After foundation stone laying for new hot-dip coating line (FBA 10) at Dortmund site on October 31, 2019, installation of equipment commenced at end of August 2020

Marine Systems

- Purchase of a shipyard in Brazil to permit local construction of four frigates for the Brazilian Navy
- Continuation of modernization of Kiel shipyard

Multi Tracks

- Continuing investment in expansion of technology portfolio to safeguard market position and preserve asset value, with increased investment in sustainability and green technologies

Corporate Headquarters

- No major capital expenditures

Cash flows from financing activities

- Sharp decrease in cash flows from financing activities of continuing operations primarily due to early repayment of a bond in reporting period; high borrowing of financial debt in prior year

Free cash flow and net financial debt/(assets)

RECONCILIATION TO FREE CASH FLOW BEFORE M & A

million €	1st quarter ended Dec. 31, 2019	1st quarter ended Dec. 31, 2020	Change
Operating cash flows – continuing operations (consolidated statement of cash flows)	(2,109)	265	2,374
Cash flow from investing activities – continuing operations (consolidated statement of cash flows)	(290)	599	889
Free cash flow – continuing operations (FCF)¹⁾	(2,399)	864	3,263
–/+ Cash inflow/cash outflow resulting from material M & A transactions	11	29	18
Adjustment due to IFRS 16	(19)	(11)	8
Adjustment due to time deposits	0	(850)	(850)
Free cash flow before M & A – continuing operations (FCF before M & A)¹⁾	(2,407)	32	2,440
Discontinued elevator operations ¹⁾	(69)	0	69
Free cash flow before M & A – group (FCF before M & A)	(2,476)	32	2,508

¹⁾ See preliminary remarks.

- FCF before M & A with clear improvement year-on-year mainly due to improved adjusted EBIT and positive effects from the normalization of net working capital towards increased transparency and continuous optimization
- Net financial assets at €5.1 billion at December 31, 2020 unchanged from September 30, 2020
- Available liquidity of €12.1 billion (€10.6 billion cash and cash equivalents and €1.5 billion undrawn committed credit lines)
- Existing commercial paper program with a maximum emission volume of €3.0 billion not drawn at December 31, 2020
- €850 million bond due on March 8, 2021 redeemed early on December 8, 2020 in accordance with an early redemption option under the terms and conditions of issue

Rating

RATING

	Long-term rating	Short-term rating	Outlook
Standard & Poor's	BB-	B	negative
Moody's	B1	not Prime	developing
Fitch	BB-	B	stable

- In January 2021 rating agency Standard & Poor's lowered the outlook for its BB- rating from "stable" to "negative".

Analysis of the statement of financial position

Non-current assets

- Slight overall decline in intangible assets mainly due to amortization exceeding additions
- Property, plant and equipment virtually unchanged overall, mainly due to depreciation at the level of additions
- Decrease in investments accounted for using the equity method and increase in other financial assets mainly due to subsequent measurement of the Elevator reinvestment
- Increase in other non-financial assets almost entirely due to higher advance payments on property, plant and equipment

Current assets

- Increase in inventories particularly in steel business in Steel Europe segment
- Decrease in trade accounts receivable mainly in materials and marine businesses
- Decrease in contract assets mainly in connection with the execution of construction contracts in plant construction business of Multi Tracks segment
- Increase in other financial assets mainly as a result of derivatives accounting
- Rise in other non-financial assets mainly due to higher advance payments to suppliers and increased claims in connection with non-income taxes
- Overall significant decrease in cash, cash equivalents and time deposits mainly due to early redemption in early December 2020 of a bond originally due in March 2021

Total equity

- Decrease compared with September 30, 2020 mainly due to losses from remeasurement of pensions and similar obligations and from currency translation recognized in other comprehensive income and the net loss in the reporting period; offsetting effect mainly due to gains on cash flow hedges recognized in other comprehensive income

Non-current liabilities

- Increase in accrued pensions and similar obligations primarily due to losses from the remeasurement of pensions mainly as a result of lower pension interest rates
- Reduction in financial debt in particular due to reclassification of a loan note due in December 2021 to current liabilities

Current liabilities

- Decrease in other provisions mainly reflecting utilization
- Clear reduction in financial debt mainly due to early redemption in early December 2020 of a bond originally due in March 2021; partly offset above all by the above-mentioned reclassification of a loan note from non-current assets
- Overall increase in trade accounts payable mainly in the steel business and businesses in the Multi Tracks segment; at the same time decreases in automotive and marine businesses
- Decrease in contract liabilities mainly due to the execution of construction contracts in the plant construction business of the Multi Tracks segment

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 thyssenkrupp compliance management system in our core compliance areas corruption prevention, antitrust law, data protection, money laundering, and trade compliance
- Close involvement of Compliance in various M & A activities to advise on antitrust issues
- More information on compliance at thyssenkrupp in the 2019/2020 Annual Report and on the website www.thyssenkrupp.com

Forecast, opportunity and risk report

2020/2021 forecast raised

For key assumptions and expected economic parameters, see the Forecast section and the section “Macro and sector environment” in the Report on the economic position in the 2019/2020 Annual Report and this interim management report.

We are continuing to push ahead with the implementation of our strategic realignment and the structural improvement of our businesses. With the structuring of our portfolio at the end of May a clear focus was placed on industrial portfolio and business models, competitive profitability and cash flow of the businesses. Part of the proceeds from the Elevator transaction are to be used selectively to restructure and develop businesses where attractive target returns can be achieved. In addition, financial liabilities will be repaid in line with their maturity profile. However, in view of the uncertain economic situation caused by the coronavirus pandemic, we will continue to retain the greatest possible flexibility in the precise allocation of funds.

For 2021 we currently assume significant growth at a global level. Depending on the course of the pandemic, a few countries (e.g. China) may already return to pre-crisis levels; in most other countries, which have been hit particularly hard by the infection rates and also due to their economic structure, this will probably not be the case before 2023.

Against this background we will focus in fiscal 2020/2021 on the restructuring and structural improvement of our businesses as well as continuing targeted growth initiatives. All targets are to be backed systematically with concrete action plans. In addition we will develop the “best owner” plans for Multi Tracks launched last year towards a conclusion and bring the Dual Tracks into a long-term target structure where this improves value. We will also counter the effects of the coronavirus pandemic with short-term measures such as short-time working.

The key assumptions for our markets forming the basis of our forecast can be found in the section “Macro and sector environment” in the Report on the economic position. The corresponding opportunities and risks are set out in the “Opportunity and risk report” below.

Expectations for 2020/2021

Against the background of the economic and geopolitical uncertainties and the reduced planning reliability this creates particularly in the 2nd half of our fiscal year for our more cyclical businesses with materials and car and truck components, we feel it appropriate – despite the expected visible structural improvement of our businesses – to offer a cautious outlook overall for the 2020/2021 fiscal year. However, based on the positive trend in the 1st quarter we have raised our forecast slightly in corresponding ranges.

With effect from October 1, 2020, the definition of adjusted EBIT has been adjusted to include a narrower definition of special items, according to which earnings are adjusted only for restructuring expenses, impairment losses/reversals, and disposal gains or losses. Here, too, the presentation of the prior-year period has been adjusted accordingly..

To take account of the effects of this, as well as the new group structure with the Multi Tracks segment, the prior-year reference values for sales of the individual segments and adjusted EBIT of the group and the segments have been calculated pro forma.

The forecast and the prior-year reference values relate to the continuing operations unless explicitly related to the group.

The forecast assumes no effects from possible portfolio measures.

Our sales forecast is based on the market forecasts provided in the section “Macro and sector environment” of the Report on the economic position.

Depending in particular on the recovery of the global automotive market, which will also be influenced by the further progression of the coronavirus pandemic and will affect our materials and automotive components businesses, **sales** are expected to grow in the high single-digit percentage range but remain clearly below the level before the coronavirus pandemic (prior year: €28.9 billion).

We forecast that **adjusted EBIT** will improve significantly towards almost break even (prior year: pro forma €(1.8) billion) mainly as a result of improved demand in our materials and automotive components businesses. This improvement will be due mainly to clear structural progress in all businesses and is predicated on the development of sales, which will depend to a large degree on the market situation. Only Multi Tracks will contribute a clear loss, which is expected to be in the low to mid 3-digit million euro range (prior year: pro forma €(593) million).

- At **Materials Services** we expect a significant improvement in adjusted EBIT back to a positive figure in the mid 2-digit million euro range (prior year: pro forma €(85) million). In addition to structural improvements and the absence of negative one-time effects this will be supported by a significant increase in volumes starting from a low level. However, a return to pre-crisis volume levels is not expected until the following years.
- At **Industrial Components** overall we expect an increase in sales in the mid to high single-digit percentage range and significantly higher adjusted EBIT (prior year, sales: €2.1 billion, pro forma adjusted EBIT: €139 million). This will be supported in particular by the recovery in the market for forgings and continued robust demand for bearings.
- At **Automotive Technology** we expect sales growth in the mid single-digit percentage range (prior year: pro forma €4.1 billion) and a significant improvement in adjusted EBIT back to a clearly positive figure in the low 3-digit million euro range (prior year: pro forma €(166) million). This will result mainly from rising contributions from the new plants and projects – also in connection with higher workloads – continuing efficiency measures and lower depreciation/amortization.

- As a result of the clearly improved market environment, at **Steel Europe** we expect a significant improvement in adjusted EBIT to roughly break-even (prior year: pro forma €(820) million), reflecting structural improvements from the implementation of Strategy 20-30 addressing internal structural disadvantages and disadvantages in the steel industry in general, lower depreciation/amortization as well as a significant volume recovery starting from a low level and depending on movements in raw material costs. However, a return to pre-crisis volume levels is not expected until the following years.
- At **Marine Systems** we expect a significant increase in sales and higher adjusted EBIT (prior year, sales: €1.8 billion, pro forma adjusted EBIT: €20 million). This will be supported by higher earnings contributions from the new projects and improvements in project execution.
- For the businesses combined in the **Multi Tracks** segment, overall we expect stable sales (prior year: pro forma €5.5 billion) and a significant improvement in adjusted EBIT to a loss in the low to mid 3-digit million euro range (prior year: pro forma adjusted EBIT €(593) million).
 - Key drivers of the expected improvement in earnings will be Plant Technology (prior year: pro forma €(250) million) and the AST stainless steel mill (prior year: pro forma €(78) million). This will be partly offset by results at Heavy Plate due to charges in connection with the planned closure of the heavy plate mill by the end of the fiscal year.
- We will continue to transform **Corporate Headquarters** into a more efficient holding company structure and expect a further reduction in costs in the fiscal year (prior year: pro forma adjusted EBIT €(221) million).

In connection with the implementation of the structural improvements we expect expenses from the necessary restructuring measures (special items) in the mid 3-digit million euro range.

Despite clear operating improvements and the absence of impairment charges on non-current assets from the prior year, we expect a **net loss for the group** in the high 3-digit million euro range (prior year: €(5.5) billion).

Capital spending is expected to be higher than a year earlier (prior year: €1,440 million). There will be higher investments at Steel Europe in connection with Steel Strategy 20-30 and largely stable investments overall at the other businesses. Due in particular to the uncertain environment, investments will be approved on a restrictive, step-by-step basis.

As a result of earnings improvements in all segments, driven not only by structural measures but also by the more dynamic than expected performance of the markets, **free cash flow before M & A** is expected to improve more strongly than assumed at the start of the fiscal year and move towards €(1) billion (prior year: €(5.5) billion). In addition to higher earnings, this improvement is expected also depending on restructuring cash-out in the low to mid 3-digit million euro range, cash inflows from order intake and the payment profile of projects (including Multi Tracks) and the required increase in net working capital due to sales growth. Improvements will also result from the absence of the fine in the cartel case at Steel Europe.

Group tkVA is expected to be lower year-on-year (prior year, group: €9.1 billion). The prior year profited substantially from the elevator transaction.

We will take into account the development of our key performance indicators – also keeping in mind economic justifiability – in preparing our dividend proposal to the Annual General Meeting.

Opportunities and risks

Opportunities

- Detailed information on opportunities described in the 2019/2020 Annual Report continues to apply
- Opportunities from systematic implementation of transformation into a high-performing “Group of Companies”: performance culture, strategic portfolio decisions
- Opportunities from extensive technological expertise under a strong “thyssenkrupp” brand: market opportunities with tailored technological and competitive solutions
- Opportunities from implementation of our hydrogen strategy

Risks

- No risks that threaten the company’s ability to continue as a going concern; detailed information on risks described in the 2019/2020 Annual Report continues to apply
- Significant risks from uncertainties over the further progression of the coronavirus pandemic and the effectiveness of vaccination measures: fast-rising infection rates in regions important to us; further waves of infection and lockdown measures cannot be reliably predicted
- Economic risks: Uncertainty over US trade policy after decision in presidential election; geopolitical flashpoints, pronounced and lasting slowdown of growth in China, problems of indebtedness in particular in some European countries, particularly as a result of numerous state aid measures to mitigate the impact of the pandemic, volatile material and commodity costs
- Risks through 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
- Risks from attacks on IT infrastructure; countermeasure: further expansion of information security management and security technologies

Condensed interim financial statements of the thyssenkrupp group

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thyssenkrupp group – statement of financial position

ASSETS

million €	Note	Sept. 30, 2020	Dec. 31, 2020
Intangible assets		2,075	2,060
Property, plant and equipment (inclusive of investment property)		6,319	6,319
Investments accounted for using the equity method		722	699
Other financial assets		658	682
Other non-financial assets		230	270
Deferred tax assets		497	486
Total non-current assets		10,501	10,516
Inventories		5,922	6,110
Trade accounts receivable		4,833	4,555
Contract assets		1,575	1,255
Other financial assets		535	611
Other non-financial assets		1,414	1,561
Current income tax assets		162	135
Cash, cash equivalents and time deposits		11,547	10,611
Total current assets		25,989	24,837
Total assets		36,490	35,353

See accompanying notes to financial statements.

EQUITY AND LIABILITIES

million €	Note	Sept. 30, 2020	Dec. 31, 2020
Capital stock		1,594	1,594
Additional paid-in capital		6,664	6,664
Retained earnings		1,472	1,145
Cumulative other comprehensive income		80	125
Equity attributable to thyssenkrupp AG's stockholders		9,810	9,529
Non-controlling interest		364	400
Total equity		10,174	9,929
Accrued pension and similar obligations	03	8,560	8,705
Provisions for other non-current employee benefits		289	304
Other provisions	04	507	529
Deferred tax liabilities		58	100
Financial debt	05	5,303	5,168
Other financial liabilities		96	60
Other non-financial liabilities		6	6
Total non-current liabilities		14,819	14,872
Provisions for current employee benefits		156	126
Other provisions	04	1,188	1,076
Current income tax liabilities		166	160
Financial debt	05	1,199	389
Trade accounts payable		3,475	3,664
Other financial liabilities		665	730
Contract liabilities		3,073	2,761
Other non-financial liabilities		1,575	1,646
Total current liabilities		11,497	10,552
Total liabilities		26,316	25,424
Total equity and liabilities		36,490	35,353

See accompanying notes to financial statements.

thyssenkrupp group – statement of income

million €, earnings per share in €	Note	1st quarter ended Dec. 31, 2019 ¹⁾	1st quarter ended Dec. 31, 2020
Sales	08, 09	7,629	7,321
Cost of sales		(6,914)	(6,464)
Gross margin		715	857
Research and development cost		(59)	(51)
Selling expenses		(555)	(529)
General and administrative expenses		(458)	(348)
Other income	10	69	100
Other expenses		(25)	(14)
Other gains/(losses), net		10	11
Income/(loss) from operations		(303)	25
Income from companies accounted for using the equity method	11	4	(51)
Finance income		199	212
Finance expense		(282)	(275)
Financial income/(expense), net		(79)	(115)
Income/(loss) before tax		(382)	(89)
Income tax (expense)/income		(59)	(32)
Income/(loss) from continuing operations (net of tax)		(442)	(121)
Income/(loss) from discontinued operations (net of tax)	02	78	(4)
Net income/(loss)		(364)	(125)
Thereof:			
thyssenkrupp AG's shareholders		(372)	(145)
Non-controlling interest		8	20
Net income/(loss)		(364)	(125)
Basic and diluted earnings per share based on	12		
Income/(loss) from continuing operations (attributable to thyssenkrupp AG's shareholders)		(0.72)	(0.23)
Net income/(loss) (attributable to thyssenkrupp AG's shareholders)		(0.60)	(0.23)

See accompanying notes to financial statements.

¹⁾ Figures have been adjusted (cf. Note 02).

thyssenkrupp group – statement of comprehensive income

million €	1st quarter ended Dec. 31, 2019 ¹⁾	1st quarter ended Dec. 31, 2020
Net income/(loss)	(364)	(125)
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	251	(166)
Tax effect	(67)	(6)
Other comprehensive income from remeasurements of pensions and similar obligations, net	184	(172)
Unrealized gains/(losses) from fair value measurement of equity instruments		
Change in unrealized gains/(losses), net	0	5
Tax effect	0	0
Net unrealized (gains)/losses	0	5
Share of unrealized gains/(losses) of investments accounted for using the equity-method	0	0
Subtotals of items of other comprehensive income that will not be reclassified to profit or loss in future periods	184	(167)
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	(89)	(228)
Net realized (gains)/losses	0	146
Net unrealized (gains)/losses	(89)	(82)
Unrealized gains/(losses) from fair value measurement of debt instruments		
Change in unrealized gains/(losses), net	0	2
Net realized (gains)/losses	0	0
Tax effect	0	0
Net unrealized (gains)/losses	0	2
Unrealized gains/(losses) from impairment of financial instruments		
Change in unrealized gains/(losses), net	0	(1)
Net realized (gains)/losses	0	(1)
Tax effect	0	0
Net unrealized (gains)/losses	0	(2)
Unrealized gains/(losses) on cash flow hedges		
Change in unrealized gains/(losses), net	(16)	167
Net realized (gains)/losses	0	(11)
Tax effect	7	(46)
Net unrealized (gains)/losses	(9)	110
Share of unrealized gains/(losses) of investments accounted for using the equity-method	(1)	28
Subtotals of items of other comprehensive income that could be reclassified to profit or loss in future periods	(99)	55
Other comprehensive income	85	(112)
Total comprehensive income	(279)	(237)

million €	1st quarter ended Dec. 31, 2019 ¹⁾	1st quarter ended Dec. 31, 2020
Thereof:		
thyssenkrupp AG's shareholders	(283)	(271)
Non-controlling interest	5	34
Total comprehensive income attributable to thyssenkrupp AG's stockholders refers to:		
Continuing operations	(342)	(267)
Discontinued operations	58	(4)

See accompanying notes to financial statements.

¹⁾ Figures have been adjusted (cf. Note 02).

thyssenkrupp group – statement of 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, 2019	622,531,741	1,594	6,664	(6,859)
Adjustment due to the adoption of IFRS 16				(1)
Balance as of Oct. 1, 2019	622,531,741	1,594	6,664	(6,860)
Net income/(loss)				(372)
Other comprehensive income				184
Total comprehensive income				(188)
Profit attributable to non-controlling interest				
Other changes				5
Balance as of Dec. 31, 2019	622,531,741	1,594	6,664	(7,043)
Balance as of Sept. 30, 2020	622,531,741	1,594	6,664	1,472
Net income/(loss)				(145)
Other comprehensive income				(172)
Total comprehensive income				(317)
Profit attributable to non-controlling interest				
Other changes				(10)
Balance as of Dec. 31, 2020	622,531,741	1,594	6,664	1,145

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	
187	7	0	46	68	(1)	43	1,751	469	2,220	
							(1)	0	(1)	
187	7		46	68	(1)	43	1,750	469	2,219	
							(372)	8	(364)	
(85)	0		0	(9)	(1)	0	89	(5)	85	
(85)	0		0	(9)	(1)	0	(284)	5	(279)	
							0	(12)	(12)	
							5	0	5	
102	7	0	46	59	(1)	43	1,471	462	1,934	
(93)	6	2	42	84	(1)	40	9,810	364	10,174	
							(145)	20	(125)	
(81)	1	5	(2)	95	0	28	(126)	14	(112)	
(81)	1	5	(2)	95	0	28	(271)	34	(237)	
							0	(8)	(8)	
							(10)	10	0	
(174)	7	7	40	179	(1)	67	9,529	400	9,929	

thyssenkrupp group – statement of cash flows

million €	1st quarter ended Dec. 31, 2019 ¹⁾	1st quarter ended Dec. 31, 2020
Net income/(loss)	(364)	(125)
Adjustments to reconcile net income/(loss) to operating cash flows:		
(Income)/loss from discontinued operations (net of tax)	(78)	4
Deferred income taxes, net	38	(11)
Depreciation, amortization and impairment of non-current assets	311	230
Reversals of impairment losses of non-current assets	0	(18)
Income/(loss) from companies accounted for using the equity method, net of dividends received	(4)	51
(Gain)/loss on disposal of non-current assets	(9)	(13)
Changes in assets and liabilities, net of effects of acquisitions and divestitures and other non-cash changes		
– Inventories	(550)	(225)
– Trade accounts receivable	304	247
– Contract assets	(128)	301
– Accrued pension and similar obligations	(85)	(16)
– Other provisions	(359)	(101)
– Trade accounts payable	(1,421)	209
– Contract liabilities	245	8
– Other assets/liabilities not related to investing or financing activities	(9)	(277)
Operating cash flows – continuing operations	(2,109)	265
Operating cash flows – discontinued operations	(22)	0
Operating cash flows	(2,131)	265
Purchase of investments accounted for using the equity method and non-current financial assets	0	(2)
Expenditures for acquisitions of consolidated companies net of cash acquired	0	(35)
Capital expenditures for property, plant and equipment (inclusive of advance payments) and investment property	(282)	(231)
Capital expenditures for intangible assets (inclusive of advance payments)	(12)	(5)
Proceeds from disposals of previously consolidated companies net of cash disposed	(13)	0
Proceeds from disposals of property, plant and equipment and investment property	18	23
Proceeds from disposals of time deposits	0	850
Cash flows from investing activities – continuing operations	(290)	599
Cash flows from investing activities – discontinued operations	(32)	0
Cash flows from investing activities	(322)	599

million €	1st quarter ended Dec. 31, 2019 ¹⁾	1st quarter ended Dec. 31, 2020
Repayments of bonds	0	(850)
Proceeds from liabilities to financial institutions	1,056	32
Repayments of liabilities to financial institutions	(517)	(90)
Lease liabilities	(32)	(34)
Proceeds from/(repayments on) loan notes and other loans	266	(10)
Profit attributable to non-controlling interest	(12)	(8)
Financing of discontinued operations	(22)	0
Other financing activities	105	10
Cash flows from financing activities – continuing operations	845	(949)
Cash flows from financing activities – discontinued operations	(5)	0
Cash flows from financing activities	840	(949)
Net increase/(decrease) in cash and cash equivalents	(1,613)	(86)
Effect of exchange rate changes on cash and cash equivalents	(13)	0
Cash and cash equivalents at beginning of year	3,706	10,697
Cash and cash equivalents at end of year	2,079	10,611
[thereof cash and cash equivalents within the discontinued operations]	[286]	[0]
Additional information regarding cash flows from interest, dividends and income taxes which are included in operating cash flows of continuing operations:		
Interest received	5	2
Interest paid	(28)	(27)
Dividends received	0	1
Income taxes (paid)/received	(57)	(20)

See accompanying notes to financial statements.

¹⁾ Figures have been adjusted (cf. Note 02).

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, collectively the “group”, for the period from October 1, 2020 to December 31, 2020, were reviewed and authorized for issue in accordance with a resolution of the Executive Board on February 8, 2021.

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 December 31, 2020 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 2019/2020.

Review of estimates and judgments in light of the global pandemic

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 with regard to the possible impacts of the current global coronavirus pandemic. Against this background an impairment test was conducted on the critical items goodwill, other intangible assets and property, plant and equipment, deferred tax assets, trade accounts receivable and contract assets (cf. Note 07); this resulted in impairment only in respect of trade accounts receivable and contract assets. In the Infrastructure business unit of the Multi Tracks segment, an impairment loss of €14 million was identified. The recoverable amount relevant for determining the impairment loss corresponds to the value in use, which amounts to €60 million in total and was determined applying a discount rate (after taxes) of 6.92%. However, the impairment loss determined in this way could not be recognized due to the lower value limit of IAS 36.105.

Our assessment of the impact of the ongoing coronavirus pandemic on earnings prospects remains unchanged from September 30, 2020. While particularly in Europe the measures have been tightened in response to a rise in infection rates and new, potentially more infectious mutations of the virus have been discovered, this has so far impacted our production and the relevant value chains to a much lesser extent than in the prior year and the expected effects in the detailed planning period therefore remain in line with the planning used as of September 30, 2020. The vaccine approvals issued worldwide since the last reporting date also confirm our medium- and long-term planning assumptions. For the automotive sector as a key end customer industry, we continue to expect a

slower recovery compared with other sectors combined with lower growth rates than predicted before the coronavirus pandemic. Against the background of these observations, the generally positive business situation in the past quarter, and the quarter-on-quarter decline in weighted average cost of capital, no further impairment losses were recognized on goodwill, other intangible assets, and property, plant and equipment as of December 31, 2020.

Regarding the impacts of the global coronavirus pandemic on the current business situation and economic environment of thyssenkrupp and expectations for the future, please see the information presented in the interim management report.

01 Recently adopted accounting standards

In fiscal year 2020/2021, thyssenkrupp adopted the following interpretations and amendments to existing standards that do not have a material impact on the Group's consolidated financial statements:

- Amendments to IFRS Framework “Amendments to References to the Conceptual Framework in IFRS Standards“, issued in March 2018
- Amendments to IFRS 3: “Definition of a Business (Amendments to IFRS 3)“, issued in October 2018
- Amendments to IAS 1 and IAS 8: “Amendments to IAS 1 and IAS 8: Definition of Material“, issued in October 2018
- Amendments to IFRS 9, IAS 39 and IFRS 7: “Interest Rate Benchmark Reform“, issued in September 2019

However, thyssenkrupp does not apply the amendment to IFRS 16 “Leases COVID-19 Related Rent Concessions“, issued in May 2020, giving lessees an optional practical expedient to account for covid-19-related rent concessions such as rent holidays and temporary rent reductions.

02 Discontinued operations

End of February 2020, thyssenkrupp signed an agreement with a bidding consortium led by Advent International and Cinven on the full sale of its elevator business Elevator Technology. After all the responsible authorities had approved the sale, the closing of the transaction together with the deconsolidation of Elevator Technology took place on July 31, 2020. The transaction met the criteria for presentation as a discontinued operation under IFRS 5. It encompassed Elevator Technology and individual units from Corporate Headquarters. In accordance with IFRS 5, the presentation of the discontinued elevator operations had been adjusted for the prior-year quarter and all expense and income are reported separately in the income statement and all cash flows are reported separately in the statement of cash flows. In addition, subsequent expenses and income and cash flows directly related to the sale of the activities must continue to be reported separately in the statement of income and the statement of cash flows. As a result of the sale at the end of July 2020, it was no longer necessary to report the assets and liabilities attributable to Elevator Technology separately in the statement of financial position as of September 30, 2020.

The following table shows the results of the 1st quarter ended December 31, 2019 of Elevator Technology, which was reported as a discontinued operation up to the end of July 2020. For the 1st quarter ended December 31, 2020, the table shows subsequent expenses resulting from obligations under the agreement on the sale of the elevator operations in the last fiscal year.

DISCONTINUED ELEVATOR OPERATIONS

million €	1st quarter ended Dec. 31, 2019	1st quarter ended Dec. 31, 2020
Sales	2,044	0
Other income	15	0
Expenses	(1,882)	(4)
Ordinary income/(loss) from discontinued operations (before tax)	177	(4)
Income tax (expense)/income	(99)	0
Ordinary income/(loss) from discontinued operations (net of tax)	78	(4)
Gain/(loss) recognized on disposal of discontinued operations (before tax)	0	0
Income tax (expense)/income	0	0
Gain/(loss) recognized on disposal of discontinued operations (net of tax)	0	0
Income/(loss) from discontinued operations (net of tax)	78	(4)
Thereof:		
thyssenkrupp AG's shareholders	77	(4)
Non-controlling interest	1	0

In the context of the disposal of Elevator Technology business as of July 31, 2020 thyssenkrupp holds a reinvestment that was part of the consideration received from the disposal. It comprises 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.

03 Accrued pension and similar obligations

Based on updated interest rates and fair value of plan assets, an updated valuation of accrued pension obligations was performed as of December 31, 2020.

ACCRUED PENSION AND SIMILAR OBLIGATIONS

million €	Sept. 30, 2020	Dec. 31, 2020
Accrued pension obligations	8,274	8,405
Partial retirement	242	268
Other accrued pension-related obligations	45	32
Total	8,560	8,705

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

WEIGHTED AVERAGE ASSUMPTIONS

in %	Sept. 30, 2020			Dec. 31, 2020		
	Germany	Outside Germany	Total	Germany	Outside Germany	Total
Discount rate for accrued pension obligations	0.70	1.25	0.83	0.50	1.10	0.64

04 Other provisions

The restructuring provisions included in other provisions decreased by €13 million to €376 million compared with September 30, 2020. Additions in the amount of €38 million, mainly relating to the Multi Tracks segment, were outweighed mainly by amounts utilized.

05 Financial debt

The €850 million bond originally due on March 8, 2021 was redeemed early on December 8, 2020 in accordance with an early redemption option under the terms and conditions of issue.

The existing commercial paper program with a maximum emission volume of €3.0 billion was not drawn as of December 31, 2020.

06 Contingencies and commitments

Contingencies

thyssenkrupp AG as well as, in individual cases, its subsidiaries have issued or have had guarantees in favour 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	Provision as of
	Dec. 31, 2020	Dec. 31, 2020
Advance payment bonds	58	
Performance bonds	101	
Third party credit guarantees	4	
Other guarantees	6	1
Total	169	1

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 €78 million to €144 million compared to September 30, 2020. 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

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, 2020, purchasing commitments are unchanged with approx. €1 billion.

The transmission grid operator Amprion GmbH has filed an action by stages against thyssenkrupp Steel Europe AG for information and payment of EEG surcharges and interest for the calendar years 2016 to 2019 in connection with the self-supply of electricity by individual operations of the company. With reference to IAS 37.92, we do not provide any further information on this contingency as the extent of the dispute has yet to be clarified in the legal proceedings and there is no supreme court ruling on the underlying EEG legal issue.

There have been no material changes to the other commitments and contingencies since the end of fiscal year 2019/2020.

07 Financial instruments

The carrying amounts of trade accounts receivable measured at amortized cost, other current financial assets as well as cash, cash equivalents and time deposits equal their fair values. For trade accounts receivable measured at fair value, the fair value equals the carrying amount less impairment losses recognized in other comprehensive income.

For the preference shares in connection with the reinvestment, which are classified as equity instruments, the option was exercised to recognize them at fair value in equity (without recycling) due to their significance. Debt instruments disclosed in the balance sheet item “Other financial assets – non-current” include the loans from the elevator transaction, which are measured at amortized cost; see also Note 02. Other equity and debt instruments are in general measured income-effective at fair value, which is based to the extent available on market prices as of the interim balance sheet date or internal valuation models.

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.

The carrying amounts of trade accounts payable and other current liabilities equal their fair values. 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 equal their fair values.

Financial liabilities measured at amortized cost with a carrying amount of €9,330 million as of December 31, 2020 (Sept. 30, 2020: €10,023 million) have a fair value of €9,362 million (Sept. 30, 2020: €9,819 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, 2020

million €	Sept. 30, 2020	Level 1	Level 2	Level 3
Financial assets at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting	62	0	62	0
Equity instruments	12	7	5	0
Fair value recognized in equity				
Trade accounts receivable	2,179			2,179
Equity instruments	54			54
Debt instruments (measured at fair value)	14	14	0	0
Derivatives qualifying for hedge accounting	46	0	46	0
Total	2,368	21	114	2,232
Financial liabilities at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting	50	0	50	0
Fair value recognized in equity				
Derivatives qualifying for hedge accounting	18	0	18	0
Total	68	0	68	0

FAIR VALUE HIERARCHY AS OF DEC. 31, 2020

million €	Dec. 31, 2020	Level 1	Level 2	Level 3
Financial assets at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting	57	0	57	0
Equity instruments	12	7	5	0
Fair value recognized in equity				
Trade accounts receivable	1,913			1,913
Equity instruments	58			58
Debt instruments (measured at fair value)	16	16	0	0
Derivatives qualifying for hedge accounting	165	0	165	0
Total	2,221	23	226	1,972
Financial liabilities at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting	52	0	52	0
Fair value recognized in equity				
Derivatives qualifying for hedge accounting	12	0	12	0
Total	63	0	63	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. For the trade accounts receivable classified as level 3, the fair value equals the carrying amount less impairment losses recognized in other comprehensive income.

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

RECONCILIATION LEVEL 3 FINANCIAL INSTRUMENTS

million €	
Balance as of Sept. 30, 2020	54
Changes income non-effective	5
Balance as of Dec. 31, 2020	58

The equity instruments based on individual measurement parameters and recognized at fair value include only the preference shares from the reinvestment. The shares were measured taking into account expected cash flows on the basis of recognized financial mathematical models and taking into account the market data available at the balance sheet date. The effect resulting from the measurement is reported directly in equity under other comprehensive income under the item “Fair value measurement of equity instruments”.

Impairment of trade accounts receivable and other contract assets

thyssenkrupp has developed the following model to determine expected credit losses, in particular expected default rates for trade accounts receivable:

The expected default rates 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 December 31, 2020, the latest external credit information and ratings were used, which already take into account current expectations of the possible effects of the coronavirus pandemic. Therefore, no additional adjustment of impairment is necessary in this model.

08 Segment reporting

Segment reporting follows thyssenkrupp's internal control concept; since October 1, 2020 the following changes have been made to the organizational and reporting structure:

As part of the concretization of the realignment, since October 1, 2020 certain businesses for which the company is considering other ownership structures in the short to medium term have been combined to form the new stand-alone Multi Tracks segment and managed by a dedicated segment board in the sense of active investment management. In this connection, the following businesses were assigned organizationally to the new Multi Tracks segment at the beginning of the 2020/2021 fiscal year: the former segment Plant Technology, i.e. the chemical plant, cement plant and mining equipment businesses, the stainless steel plant in Terni, Italy (AST) incl. the associated sales organization as well as the Infrastructure unit from the Materials Services segment, System Engineering Powertrain Solutions and Battery Solutions as well as Springs & Stabilizers from the Automotive Technology segment and Heavy Plate from the Steel Europe segment. The Elevator reinvestment included in the "Reconciliation" reporting line under Special Units until the end of fiscal 2019/2020 and thyssenkrupp Carbon Components, included under Special Services, have also been assigned to this new segment since October 1, 2020

With effect from October 1, 2020 the definition of adjusted EBIT has been adjusted to include a narrower definition of special items, according to which earnings are adjusted only for restructuring expenses, impairment losses/reversals, and disposal gains or losses.

The prior-period figures were adjusted accordingly.

Segment information for the 1st quarter ended December 31, 2019 and 2020, respectively is as follows:

SEGMENT INFORMATION¹⁾

million €	Materials Services	Industrial Components	Automotive Technology	Steel Europe	Marine Systems	Multi Tracks	Corporate Headquarters	Reconciliation	Elevator Technology ²⁾	Group
1st quarter ended Dec. 31, 2019										
Net sales	2,599	540	1,177	1,585	387	1,350	0	(8)	2,044	9,674
Internal sales within the group	89	4	5	212	0	91	1	(403)	0	0
Total sales	2,689	544	1,182	1,797	387	1,441	1	(411)	2,044	9,674
EBIT	12	43	8	(131)	1	(144)	(82)	(8)	187	(115)
Adjusted EBIT	12	44	46	(127)	1	(92)	(65)	(5)	218	33
1st quarter ended Dec. 31, 2020										
Net sales	2,283	615	1,214	1,719	365	1,110	4	12	0	7,321
Internal sales within the group	86	6	1	198	0	90	1	(381)	0	0
Total sales	2,368	621	1,215	1,917	364	1,200	5	(370)	0	7,321
EBIT	11	98	116	22	5	(184)	(54)	9	(4)	20
Adjusted EBIT	5	101	109	20	5	(111)	(54)	3	0	78

¹⁾ Figures of 2019/2020 have been adjusted.

²⁾ Discontinued operation

Compared with September 30, 2020, average capital employed decreased by €(485) million to €2,340 million at Automotive Systems, by €(1,288) million to €3,815 million at Steel Europe and by €(1,055) million to €863 million at Multi Tracks, while it increased by €340 million to €1,519 million at Marine Systems as of December 31, 2020.

The column “Reconciliation” breaks down as following:

BREAKDOWN RECONCILIATION

million €	Service Units	Special Units	Consolidation	Reconciliation
1st quarter ended Dec. 31, 2019				
Net sales	14	6	(27)	(8)
Internal sales within the group	50	30	(482)	(403)
Total sales	64	36	(509)	(411)
EBIT	(6)	(3)	(6)	(8)
Adjusted EBIT	(4)	(1)	(4)	(5)
1st quarter ended Dec. 31, 2020				
Net sales	8	3	0	12
Internal sales within the group	55	20	(456)	(381)
Total sales	63	23	(456)	(370)
EBIT	0	4	5	9
Adjusted EBIT	0	1	2	3

¹⁾ Figures of 2019/2020 have been adjusted.

The reconciliations of net sales and of the earnings figure EBIT to EBT according to the statement of income are presented below:

RECONCILIATION NET SALES

million €	1st quarter ended Dec. 31, 2019	1st quarter ended Dec. 31, 2020
Net sales as presented in segment reporting	9,674	7,321
– Net sales discontinued elevator operations	(2,044)	0
Net sales as presented in the statement of income	7,629	7,321

RECONCILIATION EBIT TO EBT

million €	1st quarter ended Dec. 31, 2019 ¹⁾	1st quarter ended Dec. 31, 2020
Adjusted EBIT as presented in segment reporting	33	78
Special items ²⁾	(148)	(57)
EBIT as presented in segment reporting	(115)	20
+ Non-operating income/(expense) from companies accounted for using the equity method	0	(53)
+ Finance income	206	212
– Finance expense	(299)	(275)
+ Items of finance expense assigned to EBIT based on economic classification	3	3
EBT group	(206)	(93)
– EBT discontinued elevator operations	(177)	4
EBT from continuing operations as presented in the statement of income	(382)	(89)

¹⁾ Figures have been adjusted (cf. Note 02).

²⁾ Refer to the explanation of the special items in the “Report on the economic position” in “Group and segment review”.

09 Sales

Sales and sales from contracts with customers are presented below:

SALES

million €	Materials Services	Industrial Components	Automotive Technology	Steel Europe	Marine Systems	Multi Tracks	Corporate Headquarters	Reconciliation	Group
1st quarter ended Dec. 31, 2019¹⁾									
Sales from sale of finished products	347	472	878	1,661	6	581	0	(282)	3,662
Sales from sale of merchandise	2,030	58	114	49	15	41	0	(71)	2,236
Sales from rendering of services	162	2	46	36	18	134	1	(37)	361
Sales from construction contracts	0	0	140	0	348	654	0	(9)	1,132
Other sales from contracts with customers	14	13	2	55	1	27	0	(3)	110
Subtotal sales from contracts with customers	2,553	544	1,180	1,801	387	1,437	1	(401)	7,502
Other sales	135	(1)	2	(3)	(1)	4	0		127
Total	2,689	544	1,182	1,797	387	1,441	1	(401)	7,629
1st quarter ended Dec. 31, 2020									
Sales from sale of finished products	321	532	936	1,768	7	633	0	(264)	3,932
Sales from sale of merchandise	1,944	72	105	36	3	49	0	(50)	2,159
Sales from rendering of services	122	2	50	47	11	100	5	(32)	305
Sales from construction contracts	2	0	119	0	338	403	0	(4)	859
Other sales from contracts with customers	0	14	4	65	6	10	0	(4)	95
Subtotal sales from contracts with customers	2,389	620	1,215	1,916	365	1,194	5	(353)	7,351
Other sales	(21)	1	0	1	(1)	6	0	(17)	(29)
Total	2,368	621	1,215	1,917	364	1,200	5	(370)	7,321

¹⁾ Figures have been adjusted.

SALES FROM CONTRACTS WITH CUSTOMERS BY CUSTOMER GROUP

million €	Materials Services	Industrial Components	Automotive Technology	Steel Europe	Marine Systems	Multi Tracks	Corporate Headquarters	Reconciliation	Group
1st quarter ended Dec. 31, 2019¹⁾									
Automotive	352	179	1,118	615	0	268	0	(48)	2,485
Trading	445	23	55	385	2	124	0	(213)	821
Engineering	301	310	3	46	3	383	0	(29)	1,018
Steel and related processing	362	8	2	362	0	226	0	(83)	877
Construction	125	4	0	8	0	27	0	(12)	152
Public sector	14	1	0	0	363	0	0	(5)	373
Packaging	26	0	0	264	0	1	0	(4)	286
Energy and utilities	17	4	0	51	0	27	0	(1)	99
Other customer groups	911	15	2	70	19	379	0	(5)	1,391
Total	2,553	544	1,180	1,801	387	1,437	1	(401)	7,501
1st quarter ended Dec. 31, 2020									
Automotive	334	183	1,156	616	0	258	1	(3)	2,545
Trading	345	28	52	322	2	98	0	(126)	721
Engineering	239	375	3	50	5	207	0	0	880
Steel and related processing	429	7	1	503	0	274	0	(230)	983
Construction	130	4	0	4	0	28	0	(1)	164
Public sector	18	0	0	1	350	0	0	1	370
Packaging	21	0	0	286	0	0	0	1	309
Energy and utilities	19	8	0	54	0	12	0	0	94
Other customer groups	853	14	3	80	7	318	4	5	1,285
Total	2,389	620	1,215	1,916	365	1,194	5	(353)	7,351

¹⁾ Figures have been adjusted.

SALES FROM CONTRACTS WITH CUSTOMERS BY REGION

million €	Materials Services	Industrial Components	Automotive Technology	Steel Europe	Marine Systems	Multi Tracks	Corporate Headquarters	Reconciliation	Group
1st quarter ended Dec. 31, 2019¹⁾									
German-speaking area ²⁾	1,003	100	371	947	91	237	0	(247)	2,502
Western Europe	398	101	183	411	32	336	0	(53)	1,408
Central and Eastern Europe	326	10	90	136	0	146	0	(21)	688
Commonwealth of Independent States	7	7	4	12	0	30	0	(1)	59
North America	650	125	242	152	2	121	0	(45)	1,246
South America	8	33	16	23	3	80	0	(3)	159
Asia / Pacific	93	22	8	16	86	174	0	(6)	393
Greater China	26	132	252	30	5	107	0	(18)	533
India	11	8	5	12	8	63	0	(1)	106
Middle East & Africa	31	5	10	61	161	144	0	(6)	408
Total	2,553	544	1,180	1,801	387	1,437	1	(401)	7,502
1st quarter ended Dec. 31, 2020									
German-speaking area ²⁾	891	93	393	1,076	50	191	4	(258)	2,440
Western Europe	390	100	182	415	27	399	0	(62)	1,450
Central and Eastern Europe	346	11	62	141	1	72	0	(19)	613
Commonwealth of Independent States	14	7	2	11	0	32	0	0	66
North America	562	111	253	152	4	87	1	(17)	1,153
South America	2	38	15	20	5	60	0	1	142
Asia / Pacific	115	15	11	8	75	81	0	(1)	305
Greater China	18	232	240	30	2	89	0	1	612
India	9	7	1	12	4	43	0	0	76
Middle East & Africa	41	6	56	52	198	140	0	2	495
Total	2,389	620	1,215	1,916	365	1,194	5	(353)	7,351

¹⁾ Figures have been adjusted.

²⁾ Germany, Austria, Switzerland, Liechtenstein

Of the sales from contracts with customers €1,097 million (prior year: €1,211 million) results from long-term contracts and €6,254 million (prior year: €6,291 million) from short-term contracts in the 1st quarter ended December 31, 2020, €1,220 million (prior year: €1,550 million) relates to sales recognized over time, and €6,130 million (prior year: €5,952 million) to sales recognized at a point in time in the 1st quarter ended December 31, 2020.

10 Other income

Gains from premiums and from grants in the amount of €13 million in the 1st quarter ended December 31, 2020 mainly include refunds of social security contributions in connection with the utilization of short-time work allowance in Germany, which the group received from the public sector.

11 Financial income/(expense), net

The line item "Income from investments accounted for using the equity method" includes expenses in the amount of €53 million from ordinary shares in Vertical Topco I S.A., Luxembourg, which are part of the Elevator reinvestment (cf. Note 02).

12 Earnings per share

Basic earnings per share are calculated as follows:

EARNINGS PER SHARE

	1st quarter ended Dec. 31, 2019 ¹⁾		1st quarter ended Dec. 31, 2020	
	Total amount in million €	Earnings per share in €	Total amount in million €	Earnings per share in €
Income/(loss) from continuing operations (net of tax) (attributable to thyssenkrupp AG's shareholders)	(449)	(0.72)	(141)	(0.23)
Income/(loss) from discontinued operations (net of tax) (attributable to thyssenkrupp AG's shareholders)	77	0.12	(4)	(0.01)
Net income/(loss) (attributable to thyssenkrupp AG's shareholders)	(372)	(0.60)	(145)	(0.23)
Weighted average shares	622,531,741		622,531,741	

¹⁾ Der Ausweis wurde angepasst (vgl. Anhang Nr. 02).

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, cash equivalents and time deposits" as following:

RECONCILIATION OF LIQUID FUNDS

million €	Dec. 31, 2019	Sept. 30, 2020	Dec. 31, 2020
Cash, cash equivalents and time deposits according to the balance sheet	2,079	11,547	10,611
– Time deposits	0	(850)	0
Liquid funds according to statement of cash flows	2,079	10,697	10,611

Time deposits are not classified as cash equivalents. Time deposits have a term of more than three months up to 12 months. The maximum risk exposure equals the book value of the time deposit.

As of December 31, 2020 cash and cash equivalents of €106 million (prior year: €25 million) result from the joint operation HKM.

Essen, February 8, 2021

thyssenkrupp AG
The Executive Board

Merz

Burkhard

Keysberg

Review report

To thyssenkrupp AG, Duisburg and Essen

We have reviewed the condensed consolidated interim financial statements – 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 explanatory notes – and the interim group management report of thyssenkrupp AG, Duisburg and Essen, for the period from October 1, 2020, to December 31, 2020, which are part of the quarterly financial report pursuant to § (Article) 115 WpHG (“Wertpapierhandelsgesetz” German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company’s Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) and additionally observed the International Standard on Review Engagements “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” (ISRE 2410). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to 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 provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures 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 audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Essen, February 9, 2021

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Harald Kayser
(German Public Auditor)

Michael Preiß
(German Public Auditor)

Additional information

Contact and 2021 / 2022 financial calendar

For more information please contact: [2021 / 2022 financial calendar](#)

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May 11, 2021

Interim report 1st half 2020 / 2021 (October to March)

August 11, 2021

Interim report 9 months 2020 / 2021 (October to June)

November 18, 2021

Annual report 2020 / 2021 (October to September)

February 4, 2022

Annual General Meeting

February 10, 2022

Interim report 1st quarter 2021 / 2022 (October to December)

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www.thyssenkrupp.com

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 future market 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. If any of these or other risks and uncertainties occur, or if the assumptions underlying any of these statements prove incorrect, then actual results may be materially different from those expressed or implied by such statements. thyssenkrupp does not intend or assume any obligation to update any forward-looking statements to reflect events or circumstances after the date of these materials.

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 ($\geq 500\%$ or $\leq -100\%$) 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

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