thyssenkrupp

Interim report 1st quarter 2023/2024

October 1, 2023 – December 31, 2023

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thyssenkrupp in figures

		Group			
		1st quarter ended Dec. 31, 2022	1st quarter ended Dec. 31, 2023	Change	in %
Order intake	million €	9,177	7,973	(1,204)	(13)
Sales	million €	9,018	8,181	(837)	(9)
EBITDA	million €	485	238	(247)	(51)
EBIT[2]	million €	246	(185)	(431)	--
EBIT margin	%	2.7	(2.3)	(5.0)	--
Adjusted EBIT[1,2]	million €	168	84	(84)	(50)
Adjusted EBIT margin	%	1.9	1.0	(0.8)	(45)
Income/(loss) before tax	million €	167	(232)	(399)	--
Net income/(loss) or earnings after tax	million €	98	(305)	(402)	--
attributable to thyssenkrupp AG's shareholders	million €	75	(314)	(389)	--
Earnings per share (EPS)	€	0.12	(0.50)	(0.62)	--
Operating cash flows	million €	(137)	(424)	(287)	--
Cash flow for investments	million €	(227)	(107)	120	53
Cash flow from divestments	million €	14	32	18	++
Free cash flow[3]	million €	(350)	(499)	(149)	(43)
Free cash flow before M&A[3]	million €	(365)	(531)	(166)	(45)
Net financial assets (Dec. 31)	million €	3,258	3,796	538	17
Total equity (Dec. 31)	million €	14,476	11,607	(2,869)	(20)
Gearing (Dec. 31)	%	–[4]	–[4]	—	—
Employees (Dec. 31)		97,323	99,973	2,650	3

[1] See preliminary remarks.
[2] See reconciliation in segment reporting (Note 08).
[3] See reconciliation in the analysis of the statement of cash flows.
[4] Due to the strongly positive total equity and the reported net financial assets, the gearing key ratio is negative and the significance of the gearing key ratio is thus of no relevance.

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 Dec. 2023	€	6.31
ADR (over-the-counter-trading)	US88629Q2075	Stock exchange value end Dec. 2023	million €	3,928
Symbols				
Shares	TKA			
ADR	TKAMY			

Contents

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

Interim management report

Preliminary remarks

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

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

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

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

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

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

Hedge accounting for CO_2 forward contracts in the Steel Europe segment was discontinued at the start of the 2022 / 2023 fiscal year. Since then, changes in fair value have no longer been recognized directly in equity and thus outside of profit and loss but in cost of sales in the statement of income. The resulting effects were recognized as a special item for the first time for the 1st half of fiscal year 2022 / 2023 fiscal year; since then they have no longer had any impact on the key performance indicator adjusted EBIT. The adjusted EBIT for the Steel Europe segment and the thyssenkrupp group for the 1st quarter of the 2022 / 2023 fiscal year was therefore amended retrospectively; in both cases, this amendment reduced adjusted EBIT by a total of €87 million compared with the amount previously reported.

The business performance is presented by segment.

Report on the economic position

	Order intake million €		Sales million €		EBIT[1] million €		Adjusted EBIT[1,2] million €		Employees	
	1st quarter ended Dec. 31, 2022	1st quarter ended Dec. 31, 2023	1st quarter ended Dec. 31, 2022	1st quarter ended Dec. 31, 2023	1st quarter ended Dec. 31, 2022	1st quarter ended Dec. 31, 2023	1st quarter ended Dec. 31, 2022	1st quarter ended Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023
Automotive Technology[2]	2,047	1,854	1,884	1,863	31	42	46	48	30,893	31,753
Decarbon Technologies[2]	1,021	644	848	900	18	(25)	19	(17)	14,829	14,981
Materials Services	3,348	2,857	3,246	2,860	22	(13)	20	26	16,040	16,233
Steel Europe[2]	3,035	2,397	2,945	2,446	186	(143)	90	69	26,222	26,923
Marine Systems[2]	128	529	507	433	17	18	19	17	7,131	7,793
Corporate Headquarters	2	1	2	2	(44)	(61)	(43)	(57)	609	631
Reconciliation[2]	(404)	(309)	(414)	(323)	16	(3)	17	(3)	1,599	1,659
Group	**9,177**	**7,973**	**9,018**	**8,181**	**246**	**(185)**	**168**	**84**	**97,323**	**99,973**

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

Summary

In the 1st quarter, adjusted EBIT and FCF before M&A were in line with the expectations for the full year

- Performance of the group in the 1st quarter compared with the prior year
  - Order intake and sales lower than in the prior year, mainly due to price- and demand-induced declines at Materials Services and Steel Europe; increase in submarine orders at Marine Systems
  - Adjusted EBIT down year-on-year, mainly due to declines at Decarbon Technologies and Steel Europe; earnings increases at Automotive Technology and Materials Services
  - Net income down year-on-year, mainly due to the operating performance and impairment losses, e.g., as a result of higher capital costs
  - FCF before M&A below prior year and negative due to stronger increase in net working capital
  - “APEX” performance program, which bundles the group’s established and new transformation and performance measures; implementation on schedule: initial positive earnings effects from these measures
- 1st quarter performance of the segments compared with the prior year:
  - Automotive Technology: lower order intake, especially in the construction machinery business and at Automotive Body Solutions; stable sales and improvement in adjusted EBIT, partly due to lower material costs and the positive effects of price negotiations and measures to improve efficiency; countered by inflation-driven increase in personnel expenses
  - Decarbon Technologies: lower order intake overall but higher sales, principally due to high order intake in prior periods; adjusted EBIT down year-on-year, driven mainly by different effects in the individual businesses

  - Material Services: drop in sales driven principally by prices and demand; adjusted EBIT higher than in the prior year, mainly due to positive effects from cost-cutting measures; volumes below the prior-year level as a consequence of the downward trend in the direct-to-customer business
  - Steel Europe: price-driven reduction in sales; adjusted EBIT also down year-on-year due to lower sales revenues, despite reduction in raw material and energy costs
  - Marine Services: higher order intake driven principally by extension of existing orders in the submarine business; sales and adjusted EBIT down year-on-year as a consequence of typical fluctuations in business
  - Corporate Headquarters: lower adjusted EBIT, mainly as a result of expenses in connection with the “APEX” performance program and shifts in the timing of internal cross-charging and general and administrative expenses
- Full-year forecast for the group’s adjusted EBIT and FCF before M&A confirmed; altered for, e.g., sales and net income
- In the Annual Report 2022 / 2023, the group confirmed its medium-term targets: adjusted EBIT margin of between 4% and 6%, significantly positive FCF before M&A, and resumption of a reliable dividend payment for the company as a whole

Macro and sector environment

Tentative economic recovery driven by Asia with inflation declining slightly but increasing uncertainty resulting from geopolitical crises and the US elections

- Global economic development still sluggish, especially in North America and Europe, with some bright spots in other parts of Asia outside of China; sluggish economic recovery in China following bottoming out of the crisis in the local real estate sector; central banks in the USA and the euro zone not expected to return to target interest rate levels before 2025; political uncertainty due to upcoming presidential elections in the USA
- Growth in global economic output projected to slow to 2.7% in 2023; growth expectation for 2024 lower at 2.3%
- Continued low growth momentum expected in 2024 with increases of 0.3% in Germany and 0.7% in the European Union; slightly better outlook for the USA in 2024 (1.7% growth); subdued momentum in China (4.7%); projected robust growth of 6.9% in India in 2024
- Risks and uncertainties: continued economic pressure due to continuation of the central banks’ policy of higher interest rates than in recent years; risk of disruption of global logistics flows due to armed conflicts in the Middle East; possibility of further escalation and prolongation of the war in Ukraine; uncertainty about the future development of many other geopolitical trouble spots and trade conflicts; risk of recurrent floods and natural catastrophes, for example, as a result of climate change; ongoing risks resulting from high energy, material and raw material prices, especially in industrialized regions

GROSS DOMESTIC PRODUCT

Real change compared to previous year in %	2023[1]	2024[1]
European Union	0.5	0.7
Germany	(0.2)	0.3
USA	2.4	1.7
Brazil	3.0	1.9
Japan	1.9	0.7
China	5.4	4.7
India	6.9	6.5
Middle East & North Africa	1.5	2.0
World	**2.7**	**2.3**

[1] Calendar year, forecast (partly)
Source: S&P Global Market Intelligence, Global Economy (January 2024)

Automotive

- Global volume sales of cars and light trucks up significantly year-on-year in 2023; production also clearly positive and back around the pre-Covid level of 2019 for the first time
- Positive global volume sales forecast for 2024, with worldwide production slightly below the prior-year level
- Europe: production and volumes sales significantly positive year-on-year in 2023; production expected to be slightly lower in 2024, volume sales around the prior-year level
- North America: significant increase in production and volume sales in 2023; positive volume sales anticipated for 2024, with production around the prior-year level
- China: significant year-on-year rise in production and volumes sales in 2023; volume sales expected to be positive in 2024, with production around the prior-year level

Machinery

- Germany: real sales growth of only about 1.0% projected for 2023 due to weak global demand for exports and, as a consequence, a substantial drop in order backlogs; even weaker growth in sector sales of 0.6% expected in 2024
- USA: projected reduction of around 2.9% in machinery production in 2023 as a result of the economically induced investment restraint; potential tailwind from fiscal support measures (especially the Inflation Reduction Act) and possible pause in interest rate hikes by the Fed; nevertheless further 2.4% drop in sales forecast for 2024
- China: 4.1% growth in machinery production in 2023; order intake and capacity utilization below expectations; slightly more positive outlook for 2024 with 4.9% growth driven by rising export orders and domestic investment

Construction

- Germany: stabilization of construction activity at a low level expected from the 2nd half of 2024, with slight real sales growth of 1.3% in 2024 following contraction of 0.4% in 2023; weak order intake for residential and commercial real estate; partly offset by investment in infrastructure
- USA: no recovery from the sharp downturns since 2022, with real sales growth of 1.0% in 2023; investment in infrastructure is the main driver, while residential construction remained weak despite lower interest rates: further recovery with growth of 2.7% expected for 2024
- China: growth of 7.0% expected for 2023 due to catch-up effects following weak prior year; stagnation forecast for 2024 with only 0.1% growth as a consequence of the downward trend in residential construction, with investment in infrastructure remaining stable; risks from the possible impact of forced insolvency of the Evergrande group

Steel

- Global demand for finished steel expected to be up 1.8% in 2023; high inflation rates and interest rates continue to weigh on economic development and demand for steel in many economies; increase in demand in 2023 in, for example, China (+2.0%), India (+8.6%) and Turkey (+19%) but drop in demand in, for example, the EU 27 (–5.5%), the USA (–1.1%) and Japan (–2.0%); moderate growth of 1.9% in global demand for finished steel forecast for 2024; China, in particular, is holding back the development due to stagnation at the prior-year level; growth of around 6% expected in the EU 27
- EU demand for high quality flat carbon steel at prior-year level overall in Q4 2022 / 2023; low demand momentum coinciding with high import volumes at start of the new fiscal year
- Continuous decline in spot market prices for flat steel since May 2023; declining demand and high import volumes kept flat steel prices low in Q4 2022 / 2023; slight recovery in prices since October; higher raw material prices, in Q1 2022 / 2024 significantly above the level in the previous quarter and prior-year period
- Market environment still extremely challenging as a result of the ongoing global economic weakness, high – albeit declining – inflation, various geopolitical crisis and increasing protectionism on international markets

IMPORTANT SALES MARKETS

	2023[1]	2024[1]
Vehicle production, million cars and light trucks[2]		
World	90.1	89.6
Western Europe (incl. Germany)	11.2	10.9
Germany	4.3	4.4
North America (USA, Mexico, Canada)	15.6	15.8
USA	10.3	10.7
Mexico	3.8	3.8
Japan	8.6	8.1
China	28.6	28.7
India	5.4	5.6
Brazil	2.2	2.3
Machinery production, real, in % versus prior year		
World	1.5	2.9
European Union	0.3	1.2
Germany	1.0	0.6
USA	(2.9)	(2.4)
Japan	(6.0)	(0.4)
China	4.1	4.9
India	5.4	6.3
Construction output, real, in % versus prior year		
World	4.3	1.2
European Union	1.0	0.8
Germany	(0.4)	1.3
USA	1.0	2.7
Japan	5.2	0.1
China	7.0	0.1
India	11.0	0.3
Demand for steel, in % versus prior year		
World	1.8	1.9
European Union	(5.5)	6.0
Germany	(10.0)	10.6
USA	(1.1)	1.6
China	2.0	0.0

[1] Calendar year, forecast (partly)
[2] Passenger cars and light commercial vehicles up to 6t
Sources: S&P Global Market Intelligence, Comparative Industry (January 2024), S&P Global Mobility, LV Production (January 2024), Oxford Economics, worldsteel

Segment reporting

Automotive Technology

Performance in the 1st quarter

AUTOMOTIVE TECHNOLOGY IN FIGURES[1)]

		1st quarter ended Dec. 31, 2022	1st quarter ended Dec. 31, 2023	Change in %
Order intake	million €	2,047	1,854	(9)
Sales	million €	1,884	1,863	(1)
EBITDA	million €	118	121	2
EBIT	million €	31	42	36
Adjusted EBIT	million €	46	48	6
Adjusted EBIT margin	%	2.4	2.6	—
Investments	million €	71	82	16
Employees (Dec. 31)		30,893	31,753	3

1) See preliminary remarks.

Order intake

- Lower than in the prior year due to declines in the construction machinery business and at Automotive Body Solutions; automotive serial business largely stable given overall robust development of the global automotive industry
- Negative USD and CNY exchange rate effects

Sales

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

Adjusted EBIT

- Above the prior year, mainly due to cost reductions on the materials side (e.g., electronic starting products); by contrast, inflation-driven increase in personnel expenses
- Positive effects from “APEX” measures, principally from negotiation of new prices and a large number of measures to improve efficiency (e.g., optimization of cycle times, shorter tooling times, reduction in reject costs, etc.)

Main special items

- Mainly impairment losses in the Steering unit due to higher cost of capital

Investments

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

Decarbon Technologies

Performance in the 1st quarter

DECARBON TECHNOLOGIES IN FIGURES[1)]

		1st quarter ended Dec. 31, 2022	1st quarter ended Dec. 31, 2023	Change in %
Order intake	million €	1,021	644	(37)
Sales	million €	848	900	6
EBITDA	million €	44	12	(73)
EBIT	million €	18	(25)	--
Adjusted EBIT	million €	19	(17)	--
Adjusted EBIT margin	%	2.2	(1.9)	—
Investments	million €	14	12	(12)
Employees (Dec. 31)		14,829	14,981	1

1) See preliminary remarks.

Order intake

- Down year-on-year in all businesses except thyssenkrupp nucera
- Significant decline in orders from the wind energy and construction machinery sectors at Rothe Erde, mainly attributable to lower order intake in China
- Temporary low level at Uhde, significantly below the prior year
- Significantly below prior year at Polysius, mainly due to lower order intake in India
- thyssenkrupp nucera still on a growth track, with higher order intake

Sales

- Above the prior year, with heterogeneous developments in the various businesses
- Rothe Erde down on prior year, mainly due to declines in the wind energy and construction machinery sectors; party offset by tunnel boring machines
- Uhde at the prior-year level
- Significant rise at Polysius compared with the prior year driven by the production of new installation businesses in India and a major project in France
- Significant increase in sales at thyssenkrupp nucera as a result of two major alkali water electrolysis (AWE) projects

Adjusted EBIT

- Lower than in the prior year with declines in all businesses
- Rothe Erde down on prior year due to lower volumes and price pressure in the wind energy business, partly offset by measures to improve efficiency
- Uhde significantly lower than in the prior year due to non-conformity costs
- Polysius almost at prior-year level; sales increase had low earnings impact due to simultaneous inflation-driven rise in costs
- thyssenkrupp nucera down year-on-year with negative earnings contribution attributable to expansion of the AWE business and the expected increase in costs for growth plans
- Support from “APEX” measures, especially efficiency improvements and optimization of procurement

Main special items

- Mainly impairment losses at thyssenkrupp Industries India in connection with the sale process; partly offset by the reversal of a restructuring provision at Uhde

Investments

- Low level normal for the season; Rothe Erde as main driver with predominantly growth-related investment to increase production capacity in the wind energy business

Materials Services

Performance in the 1st quarter

MATERIALS SERVICES IN FIGURES

		1st quarter ended Dec. 31, 2022	1st quarter ended Dec. 31, 2023	Change in %
Order intake	million €	3,348	2,857	(15)
Sales	million €	3,246	2,860	(12)
EBITDA	million €	56	59	5
EBIT	million €	22	(13)	--
Adjusted EBIT	million €	20	26	30
Adjusted EBIT margin	%	0.6	0.9	—
Investments	million €	17	12	(31)
Employees (Dec. 31)		16,040	16,233	1

Order intake

- Below the prior-year level, principally due to lower prices, especially for finished steel and stainless steel, and lower demand in Europe
- Substantial drop in orders in the warehousing and direct-to-customer business; less pronounced declines at the automotive-related service centers

Sales

- Year-on-year drop due to lower prices and volumes
- Significant reduction in sales in materials distribution; decline in service center business less pronounced; stable sales from direct-to-customer business despite lower volumes
- Overall reduction in volumes of materials and raw materials versus prior year (1.8 million tons vs. 2.1 million tons); direct-to-customer business below the high prior-year level; warehousing volumes constant with increases in the automotive-related service center business and declines in the warehousing business

Adjusted EBIT

- Above the prior year and still positive, mainly because of lower freight costs and cost-cutting measures
- Significantly positive earnings contributions from service centers, Aerospace and direct-to-customer business
- Support from ongoing efficiency measures bundled in the “APEX” program, e.g., lower costs for external services in the field of digital services and further network optimization

Main special items

- Mainly asset impairments in the warehousing business

Investments

- Progress payments in connection with the construction of the new sites in Mexico and the USA (Texas) and for expansion of our processing capacities in the USA (Wisconsin)
- Modernization and replacement investment at warehousing and service units; continuing digital transformation

Steel Europe

Performance in the 1st quarter

STEEL EUROPE IN FIGURES[1]

		1st quarter ended Dec. 31, 2022	1st quarter ended Dec. 31, 2023	Change in %
Order intake	million €	3,035	2,397	(21)
Sales	million €	2,945	2,446	(17)
EBITDA	million €	256	69	(73)
EBIT	million €	186	(143)	--
Adjusted EBIT[1]	million €	90	69	(23)
Adjusted EBIT margin	%	3.1	2.8	—
Investments	million €	110	(9)	--
Employees (Dec. 31)		26,222	26,923	3

[1] See preliminary remarks.

Order intake

- Down year-on-year due to declining spot market prices; slight drop in order volume to 2.1 million tons, mainly driven by lower demand from automotive customers

Sales

- Below the prior year, mainly as a result of a sharp drop in prices
- Shipment volumes 1.9 million tons, stable compared with prior-year level

Adjusted EBIT

- Down year-on-year; lower raw material and energy costs more than negated by significantly lower sales
- Support from “APEX” measures, e.g., efficiency improvements in production, energy and logistics and further cost improvements and procurement successes

Main special items

- Impairment losses of €183 million due to the higher cost of capital
- Expenses of €29 million, mainly due to the measurement of CO_2 forward contracts

Investments

- Progress with dismantling work and preparation of the site for construction of the direct reduction plant with two integrated electric smelters in Duisburg; initial construction work planned for the 2nd quarter of 2023 / 2024
- Major investment in Bochum as part of the Steel Strategy 20-30 to support rising demand for high-quality electrical steel: new double-reversing mill taken into service in the 1st quarter; new annealing and isolating line being assembled
- In all, positive investment balance thanks to receipt of funding for construction of the direct reduction plant in the reporting period

Marine Systems

Performance in the 1st quarter

MARINE SYSTEMS IN FIGURES[1)]

		1st quarter ended Dec. 31, 2022	1st quarter ended Dec. 31, 2023	Change in %
Order intake	million €	128	529	++
Sales	million €	507	433	(15)
EBITDA	million €	32	33	5
EBIT	million €	17	18	3
Adjusted EBIT	million €	19	17	(11)
Adjusted EBIT margin	%	3.8	4.0	—
Investments	million €	15	10	(36)
Employees (Dec. 31)		7,131	7,793	9

1) See preliminary remarks.

Order intake

- Higher than in the prior year, mainly due to substantial extension of two existing orders in the submarine business and higher order intake for maintenance, service and marine electronics

Sales

- Below prior year, mainly due to typical fluctuations in project business

Adjusted EBIT

- Below prior year, reflecting the development of sales
- Stabilization of older low-margin orders, new orders secured
- Positive effects of “APEX” measures, including efficiency improvements in the areas of materials, processes and human resources

Main special items

- No material special items

Investments

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

Corporate Headquarters

Performance in the 1st quarter

Adjusted EBIT

- Below the prior year, mainly as a result of expenses in connection with the “APEX” performance program and timing shifts in internal accounting and general and administrative expenses
- By contrast, lower expenses for adjustments of provisions for share-based compensation

Main special items

- Higher expenditure in connection with M&A transactions

Investments

- No material investments

Results of operations and financial position

Analysis of the statement of income

Income/(loss) from operations

- Significant drop in sales overall in the first 3 months of the reporting year compared with the prior-year period; declines predominantly in the materials businesses in the Materials Services and Steel Europe segments; cost of sales also lower, mainly as a result of the reduced cost of materials and lower depreciation and amortization as a result of impairment losses recognized in the previous year; countered mainly by the recognition of higher impairment losses in the Steel Europe segment in the reporting period (€154 million) and higher personnel expenses; gross profit of €797 million in the reporting period and gross margin of 9.7% therefore lower than in the prior year
- Overall increase in selling expenses, mainly due to recognition in the reporting period of impairment losses in the Materials Services segment (€36 million) and the Steel Europe segment (€6 million), higher impairment losses on financial assets, and higher personnel expenses; offset in particular by sales-related drop in costs for freight, insurance and customs duties
- Increase in general and administrative expenses mainly influenced by impairment losses recognized in the Steel Europe segment (€21 million) in the reporting segment, an increase in consultancy and IT expenses and higher personnel expenses.
- Increase in other income, mainly as a result of higher income in connection with compensation for electricity prices in the Steel Europe segment
- Increase in other expenses principally as a result of the impairment loss recognized on goodwill in the reporting period in connection with the thyssenkrupp Industries India disposal group (€9 million)
- Deterioration in other gains and losses, mainly due to losses from the sale of property, plant and equipment in the reporting period

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

- Overall reduction in the net negative financial income/(expense), principally as a result of improvement in interest on net financial assets; by contrast, lower income from investments accounted for using the equity method, mainly due to higher losses resulting from the valuation of the Elevator investment and an overall reduction in income related to the interest-free loans acquired in connection with the sale of the Elevator activities
- Slight increase in income tax expense overall; tax expense in the reporting quarter despite negative earnings mainly attributable to tax expense on positive earnings in foreign countries, whereas negative earnings, especially in Germany as a result of impairment losses in the Steel Europe segment, do not result in lower taxes

Earnings per share (EPS)

- Net income in the first 3 months of the reporting year down €402 million, giving a loss of €305 million
- Earnings per share (taking into account the earnings attributable to thyssenkrupp AG's shareholders) therefore decreased by €0.62 to €(0.50) in the first 3 months of the reporting year

Analysis of the statement of cash flows

Operating cash flow

- Operating cash flow negative in the first 3 months of the reporting year and also lower than in the prior year, mainly due to the overall increase in net working capital and the significant reduction in net income for the period before depreciation, amortization, and impairment losses

Cash flows from investing activities

- Net cash outflows for investing activities lower than in the prior-year period overall, mainly as result of proceeds from government grants in the reporting period in connection with construction of the direct reduction plant in the Steel Europe segment, which started in the prior year
- Cash inflows from disposals in line with the prior-year level overall in the reporting period

Cash flows from financing activities

- Cash flows from financing activities down slightly year-on-year in the reporting period

Free cash flow and net financial assets

RECONCILIATION TO FREE CASH FLOW BEFORE M&A

million €	1st quarter ended Dec. 31, 2022	1st quarter ended Dec. 31, 2023	Change
Operating cash flows (consolidated statement of cash flows)	(137)	(424)	(287)
Cash flow from investing activities (consolidated statement of cash flows)	(213)	(75)	138
Free cash flow (FCF)	**(350)**	**(499)**	**(149)**
–/+ Cash inflow/cash outflow resulting from material M&A transactions	9	(21)	(30)
Adjustment due to IFRS 16	(24)	(11)	13
Free cash flow before M&A (FCF before M&A)	**(365)**	**(531)**	**(166)**

- FCF before M&A below prior year and negative due to stronger increase in net working capital
- Decrease in net financial assets at December 31, 2023 to €3.8 billion compared with September 30, 2023 mainly due to negative FCF
- Available liquidity of €7.9 billion (€6.7 billion cash and cash equivalents and €1.2 billion undrawn committed credit lines)

Rating

RATING

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

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

Analysis of the statement of financial position

Total non-current assets

- Reduction in intangible assets, mainly due to reclassifications to assets held for sale in connection with the thyssenkrupp Industries India disposal group and the impairment losses recognized in the Steel Europe segment in the reporting period
- Overall decline in property, plant and equipment mainly due to impairment losses recognized in the reporting period in the Steel Europe segment (€180 million) and currency translation; by contrast, additions exceeded depreciation
- Decrease in investments accounted for using the equity method, mainly due to the subsequent measurement in the first 3 months of the reporting period of the ordinary shares recognized here in connection with the Elevator investment
- Overall reduction in other financial assets mainly due to reclassification to assets held for sale in connection with the thyssenkrupp Industries India disposal group; countered, above all, by subsequent measurement of the interest-free loans recognized here in connection with the Elevator investment
- Reduction in other non-financial assets primarily due to lower advance payments on property, plant and equipment

Current assets

- Significant rise in inventories, mainly caused by the development of business and sales in the materials business in the Steel Europe segment and the automotive businesses in the Automotive Technology segment; reduced by reclassifications to assets held for sale in connection with the thyssenkrupp Industries India disposal group
- Significant reduction in trade accounts receivable, mainly attributable to the development of business and sales in the materials businesses in the Materials Services and Steel Europe segments and in the Automotive Technology segment; increases at Marine Systems
- Decline in contract assets, mainly as a result of the execution of construction contracts by Marine Systems and reclassification to assets held for sale in connection with the thyssenkrupp Industries India disposal group

- Reduction in other financial assets, mainly due to lower claims in the Automotive Technology segment in connection with materials and components passed through to customers as part of agent activities and the recognition of commodity derivatives to hedge recognized assets again future cash flow fluctuations affecting earnings
- Overall reduction in other non-financial assets, principally as a result of the decrease in advance payments in connection with the operating business and reclassifications to assets held for sale in connection with the thyssenkrupp Industries India disposal group; by contrast, in particular, higher refund claims in connection with non-income taxes
- Significant reduction in cash and cash equivalents in the first 3 months of the reporting year, mainly as a consequence of the negative free cash flow; in addition, mainly reclassifications to assets held for sale in connection with the thyssenkrupp Industries India disposal group and repayments of financial debt
- Increase in assets held for sale as of December 31, 2023 due to reclassifications of non-current assets and, above all, current assets in connection with the thyssenkrupp Industries India disposal group

Total equity

- Considerable decline compared with September 30, 2023, mainly due to losses recognized in cumulative other comprehensive income resulting from remeasurement of pensions and similar obligations, currency translation, cash flow hedges and the net loss in the reporting period.

Non-current liabilities

- Increase in provisions for pensions and similar obligations primarily due to losses resulting from the remeasurement of pensions mainly as a result of the lower pension discount rate in Germany
- Slight reduction in financial debt, principally as a result of the reclassification of lease liabilities to current financial liabilities

Current liabilities

- Lower provisions for current employee benefits and other provisions, influenced in particular by lower additions than utilizations and reversals
- Overall reduction in financial debt principally attributable to repayments; offset by the reclassification of lease liabilities outlined above
- Decrease in trade accounts payable mainly related to the materials businesses in the Materials Services segment and reclassification to liabilities associated with assets held for sale in connection with the thyssenkrupp Industries India disposal group
- Overall reduction in other financial liabilities mainly related to accounting for currency and commodity derivatives; countered above all by higher interest payables
- Overall decline in contract liabilities, mainly as a result of the execution of construction contracts by Marine Systems and the plant engineering businesses in the Decarbon Technologies segment; further reductions attributable to reclassification to liabilities associated with assets held for sale in connection with the thyssenkrupp Industries India disposal group
- Overall decline in other non-financial liabilities mainly due to reduction in personnel-related liabilities and higher liabilities in connection with non-income taxes
- Increase in liabilities associated with assets held for sale as a result of the reclassification as of December 31 2023 of non-current and, above all, current liabilities in connection with the thyssenkrupp Industries India disposal group

Compliance

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

Forecast, opportunity and risk report

2023 / 2024 forecast

Basic conditions and key assumptions

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

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

Expectations for 2023 / 2024

Based on the expected economic conditions as of the date of this forecast and the underlying assumptions, we consider the following view on fiscal year 2023 / 2024 to be appropriate. Compared with the previous forecast in the Annual Report 2022 / 2023, the expectations for the group have been amended as follows:

- **Sales** are now expected to be at the prior-year level (previously: slightly above the prior year), mainly because of the reduction in expected volumes at Steel Europe and Materials Services.

- For **net income**, we now anticipate an increase to around break-even (previously: increase to a positive figure in the low to mid three-digit million euro range), principally as a result of interest rate-induced impairment losses in the 1st quarter of 2023 / 2024.

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

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

EXPECTATIONS FOR THE SEGMENTS AND THE GROUP

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

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

Opportunities and risks

Opportunities

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

Risks

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

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

Condensed interim financial statements of the thyssenkrupp group

thyssenkrupp group – statement of financial position

ASSETS

million €	Note	Sept. 30, 2023	Dec. 31, 2023
Intangible assets		1,828	1,784
Property, plant and equipment (inclusive of investment property)		4,954	4,814
Investments accounted for using the equity method		382	354
Other financial assets		980	961
Other non-financial assets		634	426
Deferred tax assets		495	495
Total non-current assets		**9,272**	**8,833**
Inventories		7,553	7,986
Trade accounts receivable		4,765	4,244
Contract assets		1,758	1,523
Other financial assets		568	469
Other non-financial assets		1,867	1,838
Current income tax assets		168	196
Cash and cash equivalents	13	7,339	6,629
Assets held for sale	02	0	350
Total current assets		**24,019**	**23,235**
Total assets		**33,291**	**32,068**

See accompanying notes to financial statements.

EQUITY AND LIABILITIES

million €	Note	Sept. 30, 2023	Dec. 31, 2023
Capital stock		1,594	1,594
Additional paid-in capital		6,664	6,664
Retained earnings		2,972	2,117
Cumulative other comprehensive income		608	402
thereof relating to disposal groups		—	(1)
Equity attributable to thyssenkrupp AG's stockholders		**11,838**	**10,778**
Non-controlling interest		854	829
Total equity		**12,693**	**11,607**
Provisions for pensions and similar obligations	03	5,474	6,050
Provisions for other non-current employee benefits		258	245
Other provisions	04	407	414
Deferred tax liabilities		16	42
Financial debt	05	1,313	1,276
Other financial liabilities		13	14
Other non-financial liabilities		0	0
Total non-current liabilities		**7,482**	**8,041**
Provisions for current employee benefits		159	140
Other provisions	04	1,112	1,018
Current income tax liabilities		144	165
Financial debt	05	1,712	1,653
Trade accounts payable		4,270	3,926
Other financial liabilities		906	884
Contract liabilities		3,255	2,980
Other non-financial liabilities		1,558	1,502
Liabilities associated with assets held for sale	02	0	152
Total current liabilities		**13,117**	**12,420**
Total liabilities		**20,599**	**20,461**
Total equity and liabilities		**33,291**	**32,068**

See accompanying notes to financial statements.

thyssenkrupp group – statement of income

million €, earnings per share in €	Note	1st quarter ended Dec. 31, 2022	1st quarter ended Dec. 31, 2023
Sales	08, 09	9,018	8,181
Cost of sales		(7,851)	(7,383)
Gross Margin		**1,167**	**797**
Research and development cost		(54)	(55)
Selling expenses		(591)	(627)
General and administrative expenses		(350)	(397)
Other income	10	98	153
Other expenses		(33)	(47)
Other gains/(losses), net		4	(8)
Income/(loss) from operations		**242**	**(184)**
Income from companies accounted for using the equity method	11	(19)	(31)
Finance income		204	246
Finance expense		(261)	(263)
Financial income/(expense), net		**(75)**	**(49)**
Income/(loss) before tax		**167**	**(232)**
Income tax (expense)/income		(69)	(72)
Net income/(loss)		**98**	**(305)**
Thereof:			
thyssenkrupp AG's shareholders		**75**	**(314)**
Non-controlling interest		22	9
Net income/(loss)		**98**	**(305)**
Basic and diluted earnings per share based on	**12**		
Net income/(loss) (attributable to thyssenkrupp AG's shareholders)		**0.12**	**(0.50)**

See accompanying notes to financial statements.

thyssenkrupp group – statement of comprehensive income

million €	1st quarter ended Dec. 31, 2022	1st quarter ended Dec. 31, 2023
Net income/(loss)	**98**	**(305)**
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	58	(547)
Tax effect	1	2
Other comprehensive income from remeasurements of pensions and similar obligations, net	59	(545)
Unrealized gains/(losses) from fair value measurement of equity instruments		
Change in unrealized gains/(losses), net	6	1
Tax effect	0	0
Net unrealized gains/(losses)	6	1
Share of unrealized gains/(losses) of investments accounted for using the equity-method	2	2
Subtotals of items of other comprehensive income that will not be reclassified to profit or loss in future periods	**67**	**(542)**
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	(336)	(118)
Net realized (gains)/losses	0	0
Net unrealized gains/(losses)	(336)	(118)
Unrealized gains/(losses) from fair value measurement of debt instruments		
Change in unrealized gains/(losses), net	(1)	6
Net realized (gains)/losses	0	0
Tax effect	0	0
Net unrealized gains/(losses)	(1)	6
Unrealized gains/(losses) from impairment of financial instruments		
Change in unrealized gains/(losses), net	0	0
Net realized (gains)/losses	(3)	0
Tax effect	2	0
Net unrealized gains/(losses)	(1)	0
Unrealized gains/(losses) on cash flow hedges		
Change in unrealized gains/(losses), net	76	60
Net realized (gains)/losses	17	1
Tax effect	5	(1)
Net unrealized gains/(losses)	98	61
Share of unrealized gains/(losses) of investments accounted for using the equity-method	(102)	2
Subtotals of items of other comprehensive income that could be reclassified to profit or loss in future periods	**(342)**	**(49)**

million €	1st quarter ended Dec. 31, 2022	1st quarter ended Dec. 31, 2023
Other comprehensive income	**(274)**	**(591)**
Total comprehensive income	**(177)**	**(895)**
Thereof:		
thyssenkrupp AG's shareholders	(171)	(899)
Non-controlling interest	(5)	4

See accompanying notes to financial statements.

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, 2022	**622,531,741**	**1,594**	**6,664**	**4,777**
Net income/(loss)				75
Other comprehensive income				61
Total comprehensive income				**136**
Gains/(losses) resulting from basis adjustment				
Profit attributable to non-controlling interest				
Balance as of Dec. 31, 2022	**622,531,741**	**1,594**	**6,664**	**4,914**
Balance as of Sept. 30, 2023	**622,531,741**	**1,594**	**6,664**	**2,972**
Net income/(loss)				(314)
Other comprehensive income				(543)
Total comprehensive income				**(857)**
Gains/(losses) resulting from basis adjustment				
Profit attributable to non-controlling interest				
Other changes				2
Balance as of Dec. 31, 2023	**622,531,741**	**1,594**	**6,664**	**2,117**

See accompanying notes to financial statements.

	Equity attributable to thyssenkrupp AG's stockholders									
	Cumulative other comprehensive income									
					Cash flow hedges					
	Foreign currency translation adjustment	Fair value measurement of debt instruments	Fair value measurement of equity instruments	Impairment of financial instruments	Designated risk component	Hedging costs	Share of investments accounted for using the equity method	Total	Non-controlling interest	Total equity
	524	**15**	**7**	**79**	**215**	**(26)**	**352**	**14,202**	**540**	**14,742**
								75	22	98
	(305)	0	6	(1)	71	24	(102)	(247)	(28)	(274)
	(305)	**0**	**6**	**(1)**	**71**	**24**	**(102)**	**(171)**	**(5)**	**(177)**
					(73)			(73)		(73)
								0	(17)	(17)
	218	**15**	**13**	**79**	**213**	**(2)**	**250**	**13,958**	**518**	**14,476**
	211	**21**	**21**	**0**	**253**	**(43)**	**144**	**11,838**	**854**	**12,693**
								(314)	9	(305)
	(109)	3	1	0	47	13	2	(585)	(6)	(591)
	(109)	**3**	**1**	**0**	**47**	**13**	**2**	**(899)**	**4**	**(895)**
					(163)			(163)		(163)
								0	(27)	(27)
								2	(1)	0
	103	**24**	**22**	**0**	**137**	**(30)**	**147**	**10,778**	**829**	**11,607**

thyssenkrupp group – statement of cash flows

million €	1st quarter ended Dec. 31, 2022	1st quarter ended Dec. 31, 2023
Net income/(loss)	**98**	**(305)**
Adjustments to reconcile net income/(loss) to operating cash flows:		
Deferred income taxes, net	16	14
Depreciation, amortization and impairment of non-current assets	239	430
Reversals of impairment losses of non-current assets	(19)	(22)
(Income)/loss from companies accounted for using the equity method, net of dividends received	19	31
(Gain)/loss on disposal of non-current assets	(2)	12
Changes in assets and liabilities, net of effects of acquisitions and divestitures and other non-cash changes		
– Inventories	(476)	(531)
– Trade accounts receivable	495	492
– Contract assets	80	127
– Provisions for pensions and similar obligations	(16)	34
– Other provisions	(45)	(97)
– Trade accounts payable	(638)	(267)
– Contract liabilities	246	(207)
– Other assets/liabilities not related to investing or financing activities	(134)	(137)
Operating cash flows	**(137)**	**(424)**
Purchase of investments accounted for using the equity method and non-current financial assets	0	0
Expenditures for acquisitions of consolidated companies net of cash acquired	(3)	0
Capital expenditures for property, plant and equipment (inclusive of advance payments) and investment property	(217)	(293)
Capital expenditures for intangible assets (inclusive of advance payments)	(7)	(7)
Proceeds from government grants	0	193
Proceeds from disposals of investments accounted for using the equity method and non-current financial assets	1	0
Proceeds from disposals of previously consolidated companies net of cash disposed	0	27
Proceeds from disposals of property, plant and equipment and investment property	14	5
Cash flows from investing activities	**(213)**	**(75)**
Proceeds from liabilities to financial institutions	16	47
Repayments of liabilities to financial institutions	(77)	(67)
Lease liabilities	(34)	(34)
Proceeds from/(repayments on) loan notes and other loans	(10)	(57)
Proceeds from capital increase	0	(4)
Profit attributable to non-controlling interest	(17)	(27)
Other financial activities	52	32
Cash flows from financing activities	**(70)**	**(109)**

million €	1st quarter ended Dec. 31, 2022	1st quarter ended Dec. 31, 2023
Net increase/(decrease) in cash and cash equivalents	(420)	(608)
Effect of exchange rate changes on cash and cash equivalents	(57)	(17)
Cash and cash equivalents at beginning of reporting period	7,638	7,339
Cash and cash equivalents at end of reporting period	**7,160**	**6,715**
thereof cash and cash equivalents within the disposal groups	—	85
Additional information regarding cash flows from interest, dividends and income taxes which are included in operating cash flows:		
Interest received	27	66
Interest paid	(7)	(8)
Dividends received	0	1
Income taxes (paid)/received	(67)	(67)

See accompanying notes to financial statements.

thyssenkrupp group – selected notes

Corporate information

thyssenkrupp Aktiengesellschaft ("thyssenkrupp AG" or "Company") is a publicly traded corporation domiciled in Duisburg and Essen in Germany. The condensed interim consolidated financial statements of thyssenkrupp AG and its subsidiaries for the period from October 1, 2023 to December 31, 2023, were reviewed and authorized for issue in accordance with a resolution of the Executive Board on February 12, 2024.

Basis of presentation

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

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

Review of estimates and judgments

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

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

Due to the fall in demand in the warehousing business, particularly due to the weak economy in Germany and the associated lower expectations of future earnings, an impairment loss of €37 million had to be recognized in the Materials Germany business field of the Distribution Services business unit in the Materials Services segment in the 1st quarter ended December 31, 2023. Of this amount,

€6 million relate to development costs, €15 million to buildings and €16 million to technical machinery and equipment. The recoverable amount relevant for determining the impairment loss is the value in use, which was calculated by applying a discount rate (after tax) of 7.32%. The total value in use was €421 million.

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

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

01 Recently adopted accouting standards

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

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

02 thyssenkrupp Industries India disposal group

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

thyssenkrupp Industries India operates in the mining, cement, energy, and sugar plants business areas. An agreement to sell thyssenkrupp's shares to a consortium of co-owners who are already invested in this company was signed on January 22, 2024. Closing of this disposal is expected in the 3rd quarter of the present fiscal year after fulfillment of the necessary closing conditions, especially after the transaction was approved by the Competition Control Authority of India.

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

The assets and liabilities of the disposal group as of December 31, 2023 are presented in the following table; €(1) million of cumulative other comprehensive income presented within equity is attributable to the disposal group.

THYSSENKRUPP INDUSTRIES INDIA DISPOSAL GROUP

million €	Dec. 31, 2023
Intangible assets	20
Property, plant and equipment (inclusive of investment property)	8
Other financial assets	41
Deferred tax assets	3
Inventories	38
Trade accounts receivable	29
Contract assets	88
Other current financial assets	2
Other current non-financial assets	38
Cash and cash equivalents	85
Assets held for sale	**350**
Provisions for pensions and similar obligations	3
Provisions for current employee benefits	1
Other current provisions	13
Current income tax liabilities	1
Trade accounts payable	65
Contract liabilities	55
Other current non-financial liabilities	13
Liabilities associated with assets held for sale	**152**

03 Provision for pensions and similar obligations

Based on updated interest rates and fair value of plan assets, an updated valuation of pension obligations was performed as of December 31, 2023:

PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

million €	Sept. 30, 2023	Dec. 31, 2023
Pension obligations	5,294	5,868
Partial retirement	150	159
Other pension-related obligations	30	26
Reclassification due to the presentation as liabilities associated with assets held for sale	0	(3)
Total	**5,474**	**6,050**

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

WEIGHTED AVERAGE ASSUMPTIONS

	Sept. 30, 2023			Dec. 31, 2023		
in %	Germany	Other countries	Total	Germany	Other countries	Total
Discount rate for accrued pension obligations	4.20	3.83	4.11	3.30	3.31	3.30

04 Other provisions

The restructuring provisions included in other provisions decreased by €15 million to €79 million compared with September 30, 2023. Additions in the amount of €3 million, mainly relating to the Steel Europe and Material Services segments, were outweighed mainly by amounts utilized.

05 Financial debt

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

06 Contingencies and commitments

Contingencies

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

CONTINGENCIES

million €	Maximum potential amount of future payments as of Dec. 31, 2023	Provision as of Dec. 31, 2023
Performance bonds	14	0
Payment guarantees	20	1
Other guarantees	5	0
Total	**39**	**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 €5 million to €9 million as of December 31, 2023 compared to September 30, 2023. The buyer consortium has undertaken to indemnify thyssenkrupp against expenses in connection with the guarantees until they are fully discharged. As additional security, thyssenkrupp has received guarantees in the same amount from the buyer.

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

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

Commitments and other contingencies

The group's existing purchasing commitments from energy supply contracts decreased to €1.3 billion as of December 31, 2023, a drop of €0.5 billion compared with September 30, 2023. Furthermore due to the high volatility of iron ore prices, in the Steel Europe segment the existing long-term iron ore and iron ore pellets supply contracts are measured for the entire contract period at the iron ore prices applying as of the respective balance sheet date. Compared with September 30, 2023, purchasing commitments remain unchanged at €0.9 billion.

In the Steel Europe segment, there was a purchase commitment of €1,488 million as of December 31, 2023 (September 30, 2023: €1,450 million) relating to the construction of the direct reduction plant. This is covered to a significant extent by grants from the federal government and the state of North Rhine-Westphalia. In this context, the thyssenkrupp group received payments under government grants totaling €193 million in the 1st quarter ended December 31, 2023.

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

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

07 Financial instruments

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

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

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

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

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

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

Financial liabilities measured at amortized cost with a carrying amount of €7,024 million as of December 31, 2023 (September 30, 2023: €7,405 million) have a fair value of €7,011 million (September 30, 2023: €7,382 million) that was determined based on fair value measurement attributable to level 2.

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

FAIR VALUE HIERARCHY AS OF SEPT. 30, 2023

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

FAIR VALUE HIERARCHY AS OF DEC. 31, 2023

million €	Dec. 31, 2023	Level 1	Level 2	Level 3
Financial assets at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting	66	0	66	0
Equity instruments	13	8	5	0
Fair value recognized in equity				
Trade accounts receivable	**879**		**879**	
Equity instruments	73			73
Debt instruments (measured at fair value)	11	11	0	0
Derivatives qualifying for hedge accounting	9	0	9	0
Total	**1,051**	**19**	**959**	**73**
Financial liabilities at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting	72	0	72	0
Cash equivalents	2,360	2,360		
Fair value recognized in equity				
Derivatives qualifying for hedge accounting	8	0	8	0
Total	**2,440**	**2,360**	**80**	**0**

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

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

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

RECONCILIATION LEVEL 3 FINANCIAL INSTRUMENTS

million €	
Balance as of Sept. 30, 2023	**72**
Changes income non-effective	1
Balance as of Dec. 31, 2023	**73**

The equity instruments based on individual measurement parameters and recognized at fair value solely comprise the preference shares in Vertical Topco I S.A., Luxembourg, from the investment in TK Elevator. The fair value of the preference shares is determined on the basis of a financial valuation model (discounted cash flow method), which takes account of the contractually-based expected future cash flows from the preference shares. The value of the preference shares is determined by discounting the fixed interest rate with a capitalization interest rate, the amount of which is based on the risk/return structure observable on the capital market on the reporting date. The value of the preference shares is therefore subject to capital market-related fluctuations. As of December 31, 2023, a risk-adjusted discount rate of 11.40% was applied (Sept. 30, 2023: 11.05%).

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

Impairment of trade accounts receivable and contract assets

The expected default rates for trade accounts receivable are mainly derived from external credit information and ratings for each counterparty, which allows more accurate calculation of the probability of default compared with the formation of rating classes. The customer risk numbers assigned by trade credit insurers and the creditworthiness information provided by credit agencies are translated into an individual probability of default per customer using a central allocation system. This individual probability of default per customer is used uniformly throughout the thyssenkrupp group. The information is updated quarterly. If no rating information is available at counterparty level, an assessment is made based on the average probability of default for each segment plus an appropriate risk premium. For the group financial statements as of December 31, 2023, the latest external credit information and ratings were used, which already take into account current expectations of the possible effects of the war in the Ukraine. Therefore, no additional adjustment of impairment is necessary in this model.

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

08 Segment reporting

Segment reporting follows thyssenkrupp's internal control concept.

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

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

Prior-year figures have been adjusted accordingly.

Segment information for the 1st quarter ended December 31, 2022 and 2023, respectively is as follows:

SEGMENT INFORMATION

million €	Automotive Technology	Decarbon Technologies	Materials Services	Steel Europe	Marine Systems	Corporate Headquarters	Reconciliation	Group
1st quarter ended Dec. 31, 2022								
External sales	1,883	840	3,175	2,605	509	0	7	9,018
Internal sales within the group	2	8	71	340	(2)	2	(421)	0
Sales	1,884	848	3,246	2,945	507	2	(414)	9,018
EBIT	31	18	22	186	17	(44)	16	246
Adjusted EBIT[1)]	46	19	20	90	19	(43)	17	168
1st quarter ended Dec. 31, 2023								
External sales	1,861	895	2,795	2,191	433	0	4	8,181
Internal sales within the group	1	5	64	255	0	2	(327)	0
Sales	1,863	900	2,860	2,446	433	2	(323)	8,181
EBIT	42	(25)	(13)	(143)	18	(61)	(3)	(185)
Adjusted EBIT	48	(17)	26	69	17	(57)	(3)	84

[1)] The presentation of the 1st quarter ended December 31, 2022 has been adjusted for Steel Europe and for the Group.

In the 1st half ended March 31, 2023 the definition of the key performance indicator adjusted EBIT was amended in respect of the special items to be taken into account. This was due to the fact that hedge accounting for CO_2 forward contracts in the Steel Europe segment was discontinued at the beginning of the 2022 / 2023 fiscal year. As a result, changes in fair value are no longer recognized directly in equity but in the statement of income under cost of sales. The resulting effects are treated as a special item in the statement of income and therefore no longer impact the key performance indicator adjusted EBIT. The presentation of the 1st quarter ended December 31, 2022 has been adjusted for Steel Europe and for the Group retrospectively.

Compared with September 30, 2023, average capital employed decreased by €148 million to €1,000 million at Decarbon Technologies, by €205 million to €3,463 million at Materials Services and by €1,838 million to €3,563 million at Steel Europe as of December 31, 2023.

The column “Reconciliation” breaks down as following:

BREAKDOWN RECONCILIATION

million €	Service Units	Special Units	Consolidation	Reconciliation
1st quarter ended Dec. 31, 2022				
External sales	6	1	0	7
Internal sales within the group	55	7	(483)	(421)
Sales	61	8	(483)	(414)
EBIT	4	(6)	18	16
Adjusted EBIT	5	(6)	18	17
1st quarter ended Dec. 31, 2023				
External sales	4	1	(1)	4
Internal sales within the group	58	7	(392)	(327)
Sales	62	8	(393)	(323)
EBIT	5	(6)	(1)	(3)
Adjusted EBIT	4	(6)	(1)	(3)

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

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

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

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

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

RECONCILIATION ADJUSTED EBIT TO INCOME/(LOSS) BEFORE TAX

million €	1st quarter ended Dec. 31, 2022	1st quarter ended Dec. 31, 2023
Adjusted EBIT as presented in segment reporting	**168**	**84**
Special items	78	(269)
EBIT as presented in segment reporting	**246**	**(185)**
+ Non-operating income/(expense) from companies accounted for using the equity method	(27)	(40)
+ Finance income	204	246
– Finance expense	(261)	(263)
– Items of finance income assigned to EBIT based on economic classification	0	(1)
+ Items of finance expense assigned to EBIT based on economic classification	4	11
Income/(loss) group (before tax)	**167**	**(232)**

In the 1st quarter ended December 31, 2023, the special items mainly comprised impairment losses and losses on the measurement of CO_2 forward contracts in the Steel Europe segment, impairment losses in the warehousing business in the Materials Services segment, and impairment losses in the Steering business unit in the Automotive Technology segment. In the 1st quarter ended December 31, 2022, the special items mainly comprised gains from the measurement of CO_2 forward contracts in the Steel Europe segment and impairment losses in the Steering business unit at Automotive Technology.

09 Sales

Sales and sales from contracts with customers are presented below:

SALES

million €	Automotive Technology	Decarbon Technologies	Materials Services	Steel Europe	Marine Systems	Corporate Headquarters	Reconciliation	Group
1st quarter ended Dec. 31, 2022								
Sales from sale of finished products	1,396	297	448	2,705	8	0	(305)	4,548
Sales from sale of merchandise	165	35	2,765	45	4	0	(28)	2,986
Sales from rendering of services	74	80	185	53	12	2	(37)	369
Sales from construction contracts	212	416	1	0	435	0	(1)	1,062
Other sales from contracts with customers	30	19	0	139	50	0	(2)	236
Subtotal sales from contracts with customers	**1,877**	**846**	**3,399**	**2,942**	**509**	**2**	**(374)**	**9,201**
Other sales	7	2	(153)	3	(2)	0	(40)	(183)
Total	**1,884**	**848**	**3,246**	**2,945**	**507**	**2**	**(414)**	**9,018**
1st quarter ended Dec. 31, 2023								
Sales from sale of finished products	1,389	246	394	2,268	9	0	(234)	4,071
Sales from sale of merchandise	150	37	2,227	23	1	1	(27)	2,412
Sales from rendering of services	68	66	185	49	12	1	(36)	346
Sales from construction contracts	220	536	9	0	409	0	(4)	1,171
Other sales from contracts with customers	33	14	0	103	1	0	(3)	149
Subtotal sales from contracts with customers	**1,862**	**899**	**2,814**	**2,443**	**432**	**2**	**(304)**	**8,149**
Other sales	1	1	45	3	1	0	(19)	32
Total	**1,863**	**900**	**2,860**	**2,446**	**433**	**2**	**(323)**	**8,181**

SALES FROM CONTRACTS WITH CUSTOMERS BY CUSTOMER GROUP

million €	Automotive Technology	Decarbon Technologies	Materials Services	Steel Europe	Marine Systems	Corporate Headquarters	Reconciliation	Group
1st quarter ended Dec. 31, 2022								
Automotive	1,667	7	518	795	0	1	41	3,028
Trading	116	12	386	275	(1)	1	66	855
Engineering	65	286	321	74	3	0	0	749
Steel and related processing	2	25	573	1,003	0	0	(452)	1,151
Construction	0	7	170	13	0	0	(6)	185
Public sector	0	3	20	2	501	0	8	534
Packaging	0	0	43	414	0	0	8	465
Energy and utilities	0	3	64	183	0	0	2	252
Other customer groups	27	504	1,303	184	6	0	(42)	1,983
Total	**1,877**	**846**	**3,399**	**2,942**	**509**	**2**	**(374)**	**9,201**
1st quarter ended Dec. 31, 2023								
Automotive	1,648	8	466	744	0	1	(4)	2,863
Trading	88	6	488	510	1	1	(192)	902
Engineering	101	271	225	57	0	0	0	656
Steel and related processing	1	16	425	478	0	0	(92)	828
Construction	0	6	137	9	0	0	1	153
Public sector	0	3	14	2	429	0	(1)	447
Packaging	0	3	28	351	0	0	(1)	382
Energy and utilities	0	3	32	141	0	0	0	176
Other customer groups	23	584	998	149	3	0	(16)	1,742
Total	**1,862**	**899**	**2,814**	**2,443**	**432**	**2**	**(304)**	**8,149**

SALES FROM CONTRACTS WITH CUSTOMERS BY REGION

million €	Automotive Technology	Decarbon Technologies	Materials Services	Steel Europe	Marine Systems	Corporate Headquarters	Reconciliation	Group
1st quarter ended Dec. 31, 2022								
German-speaking area[1]	522	121	1,048	1,611	132	1	(315)	3,120
Western Europe	271	116	519	648	109	0	(27)	1,636
Central and Eastern Europe	74	36	499	230	0	0	(21)	818
Commonwealth of Independent States	1	3	2	1	0	0	0	7
North America	546	112	1,089	271	1	1	(34)	1,986
South America	105	14	7	29	77	0	4	237
Asia / Pacific	16	42	113	8	46	0	(1)	224
Greater China	294	202	48	22	0	0	11	576
India	15	90	34	17	4	0	2	162
Middle East & Africa	33	109	41	105	140	0	7	435
Total	**1,877**	**846**	**3,399**	**2,942**	**509**	**2**	**(374)**	**9,201**
1st quarter ended Dec. 31, 2023								
German-speaking area[1]	495	92	932	1,274	145	1	(242)	2,697
Western Europe	272	135	429	597	107	0	(39)	1,500
Central and Eastern Europe	143	14	369	200	0	0	(15)	712
Commonwealth of Independent States	1	3	3	2	0	0	0	9
North America	546	89	904	215	3	1	(5)	1,753
South America	87	47	23	30	84	0	(1)	271
Asia / Pacific	15	38	75	7	45	0	1	182
Greater China	274	115	24	12	0	0	(1)	422
India	12	146	40	27	5	0	0	230
Middle East & Africa	18	220	15	77	43	0	(1)	373
Total	**1,862**	**899**	**2,814**	**2,443**	**432**	**2**	**(304)**	**8,149**

[1] Germany, Austria, Switzerland, Liechtenstein

Of the sales from contracts with customers €2,264 million (prior year: €1,385 million) results from long-term contracts and €5,885 million (prior year: €7,816 million) from short-term contracts in the 1st quarter ended December 31, 2023, €1,595 million (prior year: €1,844 million) relates to sales recognized over time, and €6,554 million (prior year: €7,356 million) to sales recognized at a point in time in the 1st quarter ended December 31, 2023.

10 Other income

Other income includes income from electricity price compensation and further income from premiums and from grants.

11 Financial income/(expense), net

The line item "Income from investments accounted for using the equity method" includes expenses in the amount of €40 million (prior year: €27 million) in the 1st quarter ended December 31, 2023 from ordinary shares in Vertical Topco I S.A., Luxembourg, which are part of the Elevator investment (cf. Note 08).

12 Earnings per share

Basic earnings per share are calculated as follows:

EARNINGS PER SHARE (EPS)

	1st quarter ended Dec. 31, 2022		1st quarter ended Dec. 31, 2023	
	Total amount in million €	Earnings per share in €	Total amount in million €	Earnings per share in €
Net income/(loss) (attributable to thyssenkrupp AG's shareholders)	**75**	**0.12**	**(314)**	**(0.50)**
Weighted average shares	622,531,741		622,531,741	

There were no dilutive securities in the periods presented.

13 Additional information to the statement of cash flows

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

RECONCILIATION OF LIQUID FUNDS

million €	Dec. 31, 2022	Sept. 30, 2023	Dec. 31, 2023
Cash	1,468	2,641	2,337
Cash equivalents	5,692	4,699	4,293
Cash and cash equivalents according to the balance sheet	**7,160**	**7,339**	**6,629**
Cash and cash equivalents of disposal groups	0	0	85
Liquid funds according to statement of cash flows	**7,160**	**7,339**	**6,715**

As of December 31, 2023 cash and cash equivalents of €37 million (December 31, 2022: €16 million; September 30, 2023: €104 million) result from the joint operation HKM.

Essen, February 12, 2024

thyssenkrupp AG
The Executive Board

López

Burkhard Dinstuhl Henne Keysberg

Review report

To thyssenkrupp AG, Duisburg and Essen

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

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

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

Düsseldorf, February 13, 2024

KPMG AG
Wirtschaftsprüfungsgesellschaft

Marc Ufer Wirtschaftsprüfer	Dr. Markus Zeimes Wirtschaftsprüfer
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Additional information

Contact and 2024 / 2025 financial calendar

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2024 / 2025 financial calendar

May 15, 2024
Interim report 1st half 2023 / 2024 (October to March)

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

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

January 31, 2025
Annual General Meeting

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

This interim report was published on February 14, 2024.
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Forward-looking statements
This document contains forward-looking statements that reflect management's current views with respect to future events. Such statements are subject to risks and uncertainties that are beyond thyssenkrupp's ability to control or estimate precisely, such as the future market environment and economic conditions, the behavior of other market participants, the ability to successfully integrate acquired businesses and achieve anticipated synergies and the actions of government regulators. Therefore, the actual results may differ materially from the results explicitly presented or implicitly contained in this financial report. The forward-looking statements contained in this financial report will not be updated in the light of events or developments occurring after the date of the report.

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

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

www.thyssenkrupp.com