thyssenkrupp

20/21

Interim report
9 months 2020/2021

October 1, 2020 –
June 30, 2021

thyssenkrupp in figures

		Full group				Group – continuing operations[1]			
		9 months ended June 30, 2020	9 months ended June 30, 2021	Change	in %	9 months ended June 30, 2020	9 months ended June 30, 2021	Change	in %
Order intake	million €	25,895	25,260	(635)	(2)	19,781	25,260	5,479	28
Net sales	million €	27,492	24,575	(2,917)	(11)	21,640	24,575	2,934	14
EBITDA[2]	million €	55	1,006	951	++	(544)	1,023	1,567	++
EBIT[3]	million €	(1,066)	284	1,349	++	(1,592)	301	1,893	++
EBIT margin	%	(3.9)	1.2	5.0	++	(7.4)	1.2	8.6	++
Adjusted EBIT[1, 3]	million €	(509)	564	1,073	++	(1,158)	564	1,722	++
Adjusted EBIT margin	%	(1.9)	2.3	4.1	++	(5.4)	2.3	7.6	++
Income/(loss) before tax	million €	(1,317)	5	1,322	++	(1,822)	23	1,845	++
Net income/(loss) or earnings after tax	million €	(1,978)	(168)	1,810	92	(1,949)	(151)	1,798	92
attributable to thyssenkrupp AG's shareholders	million €	(1,998)	(231)	1,767	88	(1,968)	(214)	1,754	89
Earnings per share (EPS)	€	(3.21)	(0.37)	2.84	88	(3.16)	(0.34)	2.82	89
Operating cash flows	million €	(2,464)	(222)	2,242	91	(3,171)	(219)	2,952	93
Cash flow for investments	million €	(978)	(861)	117	12	(854)	(861)	(7)	(1)
Cash flow from divestments	million €	13	973	960	++	8	973	965	++
Free cash flow[4]	million €	(3,429)	(110)	3,319	97	(4,018)	(107)	3,910	97
Free cash flow before M & A[4]	million €	(3,455)	(953)	2,503	72	(4,012)	(953)	3,059	76
Net financial debt (assets) (June 30)	million €	8,461	(3,986)	(12,447)	--				
Total equity (June 30)	million €	(9)	10,756	10,765	++				
Gearing (June 30)	%	—[5]	—[6]	—	—				
Employees (June 30)		155,446	101,592	(53,854)	(35)				

[1] See preliminary remarks.
[2] Compared to 1st half ended March 31, 2021 and related to the Elevator reinvestment the key figure calculation was adjusted.
[3] See reconciliation in segment reporting (Note 09).
[4] See reconciliation in the analysis of the statement of cash flows.
[5] Due to the reported negative total equity (June 30, 2020), the calculation of a meaningful gearing key ratio is not possible.
[6] Due to the strongly positive total equity and the reported net financial receivables, the significance of the gearing key ratio is of no relevance.

		Full group				Group – continuing operations[1]			
		3rd quarter ended June 30, 2020	3rd quarter ended June 30, 2021	Change	in %	3rd quarter ended June 30, 2020	3rd quarter ended June 30, 2021	Change	in %
Order intake	million €	6,693	8,770	2,077	31	4,793	8,770	3,977	83
Net sales	million €	7,710	8,676	966	13	5,765	8,676	2,912	51
EBITDA[2]	million €	(176)	584	760	++	(417)	585	1,002	++
EBIT[3]	million €	(488)	332	821	++	(729)	334	1,063	++
EBIT margin	%	(6.3)	3.8	10.2	++	(12.7)	3.8	16.5	++
Adjusted EBIT[1, 3]	million €	(445)	266	711	++	(693)	266	959	++
Adjusted EBIT margin	%	(5.8)	3.1	8.8	++	(12.0)	3.1	15.1	++
Income/(loss) before tax	million €	(574)	223	797	++	(810)	224	1,034	++
Net income/(loss) or earnings after tax	million €	(668)	145	813	++	(819)	146	965	++
attributable to thyssenkrupp AG's shareholders	million €	(678)	125	803	++	(828)	126	954	++
Earnings per share (EPS)	€	(1.09)	0.20	1.29	++	(1.33)	0.20	1.53	++
Operating cash flows	million €	(484)	(10)	474	98	(1,004)	(10)	994	99
Cash flow for investments	million €	(292)	(259)	34	12	(241)	(259)	(17)	(7)
Cash flow from divestments	million €	16	65	49	++	16	65	49	++
Free cash flow[4]	million €	(760)	(204)	556	73	(1,229)	(204)	1,025	83
Free cash flow before M & A[4]	million €	(770)	(235)	536	70	(1,238)	(235)	1,003	81
Net financial debt (assets) (June 30)	million €	8,461	(3,986)	(12,447)	--				
Total equity (June 30)	million €	(9)	10,756	10,765	++				
Gearing (June 30)	%	—[5]	—[6]	—	—				
Employees (June 30)		155,446	101,592	(53,854)	(35)				

[1] See preliminary remarks.
[2] Compared to 1st half ended March 31, 2021 and related to the Elevator reinvestment the key figure calculation was adjusted.
[3] See reconciliation in segment reporting (Note 09).
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THYSSENKRUPP STOCK / ADR MASTER DATA AND KEY FIGURES

ISIN		Number of shares (total)	shares	622,531,741
Shares (Frankfurt, Düsseldorf stock exchanges)	DE 000 750 0001	Closing price end June 2021	€	8.79
ADR (over-the-counter trading)	US88629Q2075	Stock exchange value end June 2021	million €	5,472
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 thyssenkrupp's internal control concept.

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

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

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

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

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

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

The business review is presented by segment, rather than by the key indicators used in the past, since the interim report on the 1st half of 2020 / 2021. The objective is to reflect the Group of Companies concept in the interim reporting as well. The focus is on the current quarter and the comparison with the prior-year quarter.

Report on the economic position

	Order intake million €		Net sales million €		EBIT[1] million €		Adjusted EBIT [1, 2] million €		Employees	
	9 months ended June 30, 2020	9 months ended June 30, 2021	9 months ended June 30, 2020	9 months ended June 30, 2021	9 months ended June 30, 2020	9 months ended June 30, 2021	9 months ended June 30, 2020	9 months ended June 30, 2021	June 30, 2020	June 30, 2021
Materials Services[2]	7,601	9,191	7,599	8,545	(47)	411	(34)	363	16,216	15,454
Industrial Components	1,578	1,924	1,568	1,877	71	247	122	266	12,517	12,937
Automotive Technology[2]	2,916	3,416	3,003	3,459	(160)	245	(54)	234	19,431	19,764
Steel Europe[2]	5,132	7,333	5,263	6,572	(755)	(84)	(617)	87	26,755	26,015
Marine Systems	365	817	1,197	1,450	3	(1)	8	(2)	6,194	6,472
Multi Tracks[2]	3,379	4,273	4,165	4,043	(471)	(355)	(382)	(236)	20,168	18,652
Corporate Headquarters[2]	3	4	3	12	(202)	(162)	(176)	(146)	837	637
Reconciliation[2]	(1,192)	(1,696)	(1,156)	(1,383)	(31)	(1)	(27)	(3)	2,238	1,661
Group continuing operations[2]	**19,781**	**25,260**	**21,640**	**24,575**	**(1,592)**	**301**	**(1,158)**	**564**	**104,356**	**101,592**
Discontinued elevator operations[2]	6,114	0	5,851	0	526	(17)	649	0	51,090	0
Full group	**25,895**	**25,260**	**27,492**	**24,575**	**(1,066)**	**284**	**(509)**	**564**	**155,446**	**101,592**

[1] See reconciliation in segment reporting (Note 09).
[2] See preliminary remarks.

	Order intake million €		Net sales million €		EBIT[1] million €		Adjusted EBIT[1] million €	
	3rd quarter ended June 30, 2020	3rd quarter ended June 30, 2021	3rd quarter ended June 30, 2020	3rd quarter ended June 30, 2021	3rd quarter ended June 30, 2020	3rd quarter ended June 30, 2021	3rd quarter ended June 30, 2020	3rd quarter ended June 30, 2021
Materials Services[2]	2,005	3,612	1,936	3,289	(80)	268	(75)	232
Industrial Components	432	606	452	630	23	59	27	68
Automotive Technology[2]	703	1,076	720	1,077	(87)	55	(91)	51
Steel Europe[2]	913	2,488	1,388	2,416	(317)	55	(309)	19
Marine Systems	123	153	386	396	3	(9)	4	(9)
Multi Tracks[2]	782	1,488	1,228	1,421	(217)	(38)	(189)	(45)
Corporate Headquarters[2]	2	2	1	2	(46)	(52)	(52)	(44)
Reconciliation[2]	(167)	(655)	(345)	(555)	(8)	(3)	(7)	(6)
Group continuing operations[2]	**4,793**	**8,770**	**5,765**	**8,676**	**(729)**	**334**	**(693)**	**266**
Discontinued elevator operations[2]	1,900	0	1,946	0	241	(2)	249	0
Full group	**6,693**	**8,770**	**7,710**	**8,676**	**(488)**	**332**	**(445)**	**266**

[1] See reconciliation in segment reporting (Note 09).
[2] See preliminary remarks.

Summary

Key financials record further overall improvement in the first nine months, again up significantly over pandemic-impacted prior year; 3rd quarter also with improved adjusted EBIT compared with prior-year quarter and previous quarter

- Further progress in transforming the company with the aim of ensuring sustainable performance; effects from initiated restructurings and portfolio measures as well as lower write-downs as a result of the impairment losses recognized at September 30, 2020 support positive earnings performance in addition to tailwinds from the markets
- Pace of restructurings and performance measures undiminished; further year-on-year reduction of a total of 2,764 employees in continuing operations
- Significant improvement in business performance of continuing operations:
  - First nine months and 3rd quarter order intake and sales up significantly in all segments year-on-year
  - Adjusted EBIT in first nine months and 3rd quarter up significantly year-on-year: higher earnings in all segments apart from Marine Systems; Materials Services in particular up significantly on the prior year and Multi Tracks also posts positive performance trend compared with prior year and previous quarter
- Performance of the segments in the first nine months:
  - Materials Services with significant improvement in adjusted EBIT and adjusted EBIT margin in particular in 2nd and 3rd quarters, mainly as a result of a sharp rise in the price of finished and stainless steel, demand temporarily higher than availability, significant year-on-year increase in sales volumes also in 3rd quarter
  - Industrial Components with significant increase in sales and adjusted EBIT, boosted by higher demand from wind energy sector and in sales region China as well as clear recovery in demand for forgings business in all regions and applications; further growth in 3rd quarter driven in particular by forgings business

  - Automotive Technology with significant increases in order intake and sales due to growth in automotive original equipment business, in particular for steering systems, camshaft modules and damper systems and with good demand overall in China; significant increase in adjusted EBIT due to operating improvements in all businesses, including due to higher capacity utilization at plants; negative impacts from disruptions to the supply chain, higher primary material prices and higher packaging and freight costs, especially in 3rd quarter
  - Steel Europe with significantly improved order intake, sales and adjusted EBIT, mainly due to significant increase in demand, in particular from automotive sector; growth due both to significantly higher shipments and higher average selling prices; partly offset by higher raw material prices and temporary production restrictions
  - Marine Systems with significantly higher sales, mainly because of the handover of the third German F125 frigate in the 2nd quarter and the second and third Israeli corvettes in the 3rd quarter; adjusted EBIT down year-on-year mainly because delivery of submarines postponed to 4th quarter
  - Multi Tracks with significantly higher order intake and a substantially lower loss in adjusted EBIT, largely due to the recovery of the stainless steel business, improved administrative and distribution costs in plant engineering that more than offset the decline in sales and the ongoing closure of the heavy plate mill
  - Corporate Headquarters with significantly lower administrative expenses due to implemented restructurings
- Measures to protect employees and customers during the pandemic through active support for vaccination campaigns expanded further
- Significantly lower net loss from continuing operations and for the group, mainly due to earnings improvements in almost all segments; positive net income achieved for 3rd quarter with additional support from reversal of provisions
- Significant increase in FCF before M & A of continuing operations versus prior year in first nine months mainly due to earnings improvement and positive effects from normalization of net working capital, but still negative
- Full-year forecast (upgrade for sales and adjusted EBIT after six months) maintained and more detailed forecast for FCF before M & A
- “Strategic realignment” update
  - Portfolio Steel Europe: standalone solution for Steel Europe still being examined, progress in implementing Strategy 20-30 and clarification of general conditions for green transformation and corresponding planning certainty a key precondition;
  - Multi Tracks portfolio: closure of the heavy plate mill by the end of the fiscal year being implemented; signing for sale of mining business to Danish company FLSmidth took place on July 29, 2021, transaction subject to merger control approval, signing triggers extensive carve-out activities expected to be completed by closing in a period of approximately 12 months; sale process for stainless steel plant in Terni (AST) including associated sales organization: numerous expressions of interest in the first due diligence phase of the M & A process; Infrastructure: agreement of sale to FMC Beteiligungs KG signed on August 5, 2021, closing expected in second half of 2021 calendar year
  - Performance: further implementation of extensive performance and restructuring measures in all segments (see segment review) with the aim of achieving a clear improvement in adjusted EBIT and FCF before M & A

Macro and sector environment

Recovery of global economy continues apace – but uncertainties persist

- Compared with the start of the fiscal year, projected growth in global economic output in 2021 again revised upward at 5.8%
- Industrialized countries: increase in economic output in 2021 will be noticeably higher than previously expected at 5.2%
- Emerging economies: 6.2% GDP growth in 2021 somewhat higher than forecast at the start of the fiscal year
- Risks and uncertainties: uncertainty over further progression of the coronavirus pandemic in particular about the speed of vaccination and because of new virus mutations and new lockdown measures; uncertainty about the further course of trade conflicts and geopolitical flashpoints; persistent supply bottlenecks for starting products in manufacturing industry; recurring floods and other natural disasters as a consequence of global warming; pronounced and lasting slowdown of growth in China; indebtedness problems in particular in some European countries, particularly as a result of numerous state support measures to mitigate the impact of the pandemic; significant rise in material and commodity costs and associated worries about inflation

GROSS DOMESTIC PRODUCT

Real change compared to previous year in %	2020	2021[1]
Euro zone	(6.5)	4.8
Germany	(4.8)	3.8
Russia	(3.1)	3.6
Rest of Central/Eastern Europe	(4.0)	4.8
USA	(3.5)	6.3
Brazil	(4.4)	5.0
Japan	(4.7)	2.9
China	2.3	8.5
India	(7.1)	9.0
Middle East & Africa	(4.5)	4.2
World	**(3.6)**	**5.8**

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

Automotive

- Recovery in global sales and production of cars and light trucks in 2021
- Pace of growth slowed by bottlenecks in the supply of semiconductors and raw materials since end-2020 as well as associated temporary plant closures and logistical challenges in global supply chains
- Continued recovery trend expected for 2022 assuming potential offsetting of bottleneck-related production losses in 2021 and successful control of infection rates
- Europe: recovery expected in 2021, but still significantly below pre-pandemic level; challenges due to changed trading conditions with the UK as a result of Brexit and stricter CO_2 requirements for OEMs
- North America: 2021 expected to be significantly higher year-on-year
- China: continuation of positive trend expected in 2021, higher year-on-year, on a level with 2019

Machinery

- Germany: following double-digit fall in production in 2020, positive growth forecast for 2021 again adjusted substantially upwards; order intake recently rising sharply, higher capacity utilization and improving export figures supporting production growth
- USA: following production drop in 2020, outlook for 2021 clearly positive due to robust leading industrial indicators, rising capital investment and fiscal stimulus measures
- China: following already positive prior-year figures, even stronger growth expected for 2021; recovery process in manufacturing sector intact, pre-crisis levels already clearly exceeded in many cases

Construction

- Germany: pace of growth remaining relatively solid in 2021 despite materials bottlenecks in some cases; support from pent-up purchasing power, continued favorable financing conditions and demand for new housing and office space
- USA: following output drop in 2020, significant expansion expected this year – outlook positive due to continued low interest rates, government spending on infrastructure and solid growth in housing construction
- China: following relatively weak growth in 2020, output in current year significantly higher on back of overall economic recovery – ongoing urbanization trend continues to support housing and infrastructure investment

IMPORTANT SALES MARKETS

	2020	2021[1]
Vehicle production, million cars and light trucks[2]		
World	72.9	80.0
Western Europe (incl. Germany)	10.0	10.8
Germany	3.7	3.8
North America (USA, Mexico, Canada)	13.0	14.6
USA	8.6	9.9
Mexico	3.0	3.5
Japan	7.7	8.2
China	23.3	24.7
India	3.2	4.1
Brazil	1.9	2.2
Machinery production, real, in % versus prior year		
World	(3.2)	12.8
Europe	(12.0)	12.0
Germany	(12.0)	10.0
USA	(3.1)	10.5
Japan	(8.3)	16.6
China	6.5	13.7
Construction output, real, in % versus prior year		
Euro zone	(5.8)	7.1
Germany	3.2	2.5
USA	(1.9)	5.5
China	1.3	6.4
India	(12.9)	20.7
Demand for steel, in % versus prior year		
World	(0.2)	5.8
Germany	(11.6)	9.3
EU(27) + Great Britain	(11.4)	10.2
USA	(18.0)	8.1
China	9.1	3.0

[1] Forecast (June/July 2021)
[2] Passenger cars and light commercial vehicles up to 6t (completely built up vehicles only; without so-called CKD units)
Sources: IHS Markit, Oxford Economics, wordsteel, national associations, own estimates

Steel

- Global demand for finished steel on road to recovery, at projected growth of approximately 6% in 2021; industrialized nations with 8% growth following significant 13% slump in prior year; emerging and developing economies to grow by 5%, China by 3%
- EU flat carbon steel market with significant 11% year-on-year growth in January-April 2021; imports rising again since start of year to current high of 2.3 million tons in April, further growth possible after prolongation of EU steel safeguards
- Significant rise in global spot market prices in the year to date; prices leveling off most recently, mainly in Asian markets
- Challenges also from volatile and sharply rising raw material prices

Performance of the segments in the 3rd quarter

Materials Services

MATERIALS SERVICES IN FIGURES

		9 months ended June 30, 2020	9 months ended June 30, 2021	Change in %	3rd quarter ended June 30, 2020	3rd quarter ended June 30, 2021	Change in %
Order intake	million €	7,601	9,191	21	2,005	3,612	80
Net sales	million €	7,599	8,545	12	1,936	3,289	70
EBITDA	million €	51	514	++	(47)	304	++
EBIT	million €	(47)	411	++	(80)	268	++
Adjusted EBIT[1]	million €	(34)	363	++	(75)	232	++
Adjusted EBIT margin	%	(0.4)	4.2	—	(3.9)	7.1	—
Investments	million €	61	56	(7)	20	14	(31)
Employees (June 30)		16,216	15,454	(5)	16,216	15,454	(5)

[1] See preliminary remarks.

Order intake

- Significant increase in warehousing and distribution and in direct-to-customer business due to higher prices
- Plastics continuing at high level due to higher prices, albeit lower than the prior year, which had been extremely positively impacted by sales of clear plastic sheeting for personal protection equipment against the coronavirus

Net sales

- Overall up significantly year-on-year, mainly due to sharp increase in prices and recovery in volumes compared with the pandemic-impacted prior year
- Higher sales in warehousing and distribution, direct-to-customer business and automotive-related service centers
- Overall materials volumes up significantly over prior year (2.4 million tons vs. 1.8 million tons); strong volume growth in warehousing and distribution and at Materials Trading (+32% in each case)
- Further sharp rise in product prices, especially for finished steel due to material shortages; stainless steel also up significantly year-on-year

Adjusted EBIT

- Significant margin growth at both business units (Distribution Services and Supply Chain Services) thanks to further price increases, also due to shortage of materials
- Further progress with strategic transformation, due mainly to network optimization and restructurings
- Continued location consolidation through closure of Freiburg warehouse location; 5% year-on-year reduction in segment workforce, also resulting in a significant 38% productivity improvement (warehouse sales per employee) year-on-year
- Launch or further development of four innovation projects as part of the “Materials as a Service” strategic approach, including expansion of the Steelbay online shop launched in 2nd quarter

Main special items in the reporting period

- Income from sale of real estate in Freiburg and Cologne

Investments

- Start of operation of new logistics center in Rotenburg; specific objective of productivity increases through integrated application of digitization and automation
- Opening of narrow strip center in Mannheim to expand services portfolio for stainless steel products
- Modernization and replacement investment at warehousing and service units; continuing digital transformation

Industrial Components

INDUSTRIAL COMPONENTS IN FIGURES

		9 months ended June 30, 2020	9 months ended June 30, 2021	Change in %	3rd quarter ended June 30, 2020	3rd quarter ended June 30, 2021	Change in %
Order intake	million €	1,578	1,924	22	432	606	40
Net sales	million €	1,568	1,877	20	452	630	40
EBITDA	million €	204	321	58	50	84	67
EBIT	million €	71	247	++	23	59	++
Adjusted EBIT[1]	million €	122	266	++	27	68	++
Adjusted EBIT margin	%	7.8	14.2	—	5.9	10.8	—
Investments	million €	88	132	51	34	52	51
Employees (June 30)		12,517	12,937	3	12,517	12,937	3

[1] See preliminary remarks.

Order intake

- Significantly higher year-on-year due to slight growth at Bearings and in particular to strong recovery in forgings business
- Bearings: slight growth over prior year in particular in industrial applications and specifically in the regions Europe (outside Germany) and Americas; wind energy temporarily below prior-year level, as expected, likewise the regions Germany and Asia in all applications
- Forgings business: continued stable demand for truck components in all regions; slight decline in car components especially in Europe, mainly because of the semiconductor problems; unchanged high level of demand for undercarriages for construction machinery in all relevant regions, supported by expansion of product range and development of new markets and fields of business

Net sales

- Significant year-on-year increase due to sales growth at both business units
- Slight increase at Bearings due in particular to growth in the construction machinery and exploration applications; wind energy global at prior year level, temporarily lower in China as expected; sales growth at European companies compared with pandemic-impacted prior year; slight decline in sales at Asian companies
- Sales trend at forgings business in line with order intake and up significantly year-on-year

Adjusted EBIT

- Significantly higher year-on-year due to sales growth as well as cost and efficiency measures
- Bearings: decline due to rising steel prices and product and regional structure (mainly in China); support in the first nine months from economies of scale, especially in wind energy, supported by product mix and increased productivity (including improvements in output per employee and selling, general and administrative expenses ratio) plus initial earnings improvements from initiated restructurings
- Forgings: up significantly year-on-year due to increase in sales and early introduction of cost reduction measures; earnings improvements due among other things to reduction in workforce and associated optimization of personnel cost ratio and lower selling, general and administrative expenses; purchasing optimization measures offset some of higher costs for logistics, steel and maintenance

Main special items in the reporting period

- Mainly provision for personnel expenses as part of restructuring in the forgings business

Investments

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

Automotive Technology

AUTOMOTIVE TECHNOLOGY IN FIGURES

		9 months ended June 30, 2020	9 months ended June 30, 2021	Change in %	3rd quarter ended June 30, 2020	3rd quarter ended June 30, 2021	Change in %
Order intake	million €	2,916	3,416	17	703	1,076	53
Net sales	million €	3,003	3,459	15	720	1,077	50
EBITDA	million €	121	400	++	(14)	104	++
EBIT	million €	(160)	245	++	(87)	55	++
Adjusted EBIT[1]	million €	(54)	234	++	(91)	51	++
Adjusted EBIT margin	%	(1.8)	6.8	—	(12.7)	4.7	—
Investments	million €	217	158	(27)	59	54	(9)
Employees (June 30)		19,431	19,764	2	19,431	19,764	2

[1] See preliminary remarks.

Order intake

- Significantly higher than weak prior year, which was impacted by lockdowns and plant closures in Europe and North America, though weaker than in the first two quarters of the fiscal year
- Significant increases in all business units, especially in automotive original equipment business
- Continued overall good demand in China
- Bottlenecks in the supply chain, in particular for semiconductor products, resulting in reduced customer call-offs (due among other things to spontaneous call-off interruptions or production stoppages that are almost impossible to project)

Net sales

- Sales in line with order intake in automotive original equipment business; clear year-on-year increases in all businesses, albeit weaker than in the first two quarters of the fiscal year

Adjusted EBIT

- Significantly higher than the prior year, which had been impacted by pandemic-related production stoppages in April and May
- Increased earnings from operational improvements in all business units especially due to higher sales volume with overall better capacity utilization and more profitable order structure, plus lower write-downs and compensation agreed with a customer
- New plants with enhanced productivity
- Negative impacts due to disruptions to the supply chain, among other factors, e.g. bottlenecks in the supply of electronic semiconductors and other starting products, higher primary material prices and higher packaging and freight costs, together with scarce transportation capacity and effects of lower customer call-offs
- Reduced personnel and material costs through restructurings at Automotive Body Solutions (previously System Engineering Body) and at segment level

Main special items in the reporting period

- Mainly reversals of impairment losses on non-current assets as part of an agreement with a customer on a discontinued project

Investments

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

Steel Europe

STEEL EUROPE IN FIGURES

		9 months ended June 30, 2020	9 months ended June 30, 2021	Change in %	3rd quarter ended June 30, 2020	3rd quarter ended June 30, 2021	Change in %
Order intake	million €	5,132	7,333	43	913	2,488	++
Net sales	million €	5,263	6,572	25	1,388	2,416	74
EBITDA	million €	(416)	123	++	(204)	123	++
EBIT	million €	(755)	(84)	89	(317)	55	++
Adjusted EBIT[1]	million €	(617)	87	++	(309)	19	++
Adjusted EBIT margin	%	(11.7)	1.3	—	(22.2)	0.8	—
Investments	million €	347	389	12	90	114	27
Employees (June 30)		26,755	26,015	(3)	26,755	26,015	(3)

[1] See preliminary remarks.

Order intake

- At 2.6 million tons, up significantly on pandemic-impacted prior year; strong demand in particular from automotive industry; orders from industrial customers and distributors/steel service centers also significantly higher

Net sales

- Up significantly year-on-year; clear increase in shipments (2.7 million tons), especially to automotive industry and suppliers; deliveries to machinery customers below prior year level; revenue increase supported by continuously rising spot market prices

Adjusted EBIT

- Up significantly year-on-year, due mainly to positive price trend as well as higher equipment utilization, partly offset by sharp rise in commodity prices, especially compared with prior quarter, and temporary production restrictions
- Shipments up significantly year-on-year
- Positive effects from progressive restructurings, ongoing performance program (mainly purchasing measures and materials efficiency) and lower write-downs

Main special items in the reporting period

- Reversal of provisions for restructuring of head office previously recognized in prior year period due to in part less cost-intensive personnel instruments (including internal personnel movements)

Investments

- Scheduled progress in installation of new hot-dip coating line 10 (FBA 10) in Dortmund; completion of installation expected for end of fiscal year
- Most of the contracts awarded for major projects under Strategy 20-30 such as rebuild of casting-rolling line in Duisburg-Bruckhausen and construction of a new double reversing mill and an annealing and isolating line in Bochum; currently basic and detailed designs being developed together with the suppliers

Marine Systems

MARINE SYSTEMS IN FIGURES

		9 months ended June 30, 2020	9 months ended June 30, 2021	Change in %	3rd quarter ended June 30, 2020	3rd quarter ended June 30, 2021	Change in %
Order intake	million €	365	817	++	123	153	24
Net sales	million €	1,197	1,450	21	386	396	3
EBITDA	million €	45	46	0	18	6	(67)
EBIT	million €	3	(1)	--	3	(9)	--
Adjusted EBIT[1]	million €	8	(2)	--	4	(9)	--
Adjusted EBIT margin	%	0.6	(0.1)	—	1.0	(2.3)	—
Investments	million €	44	54	24	12	8	(36)
Employees (June 30)		6,194	6,472	4	6,194	6,472	4

[1] See preliminary remarks.

Order intake

- Higher year-on-year due mainly to smaller order intake in maintenance, service and marine electronics as well as follow-up orders in surface vessel business

Net sales

- Slight increase over prior year; stable sales growth continues
- Handover of second and third corvettes to Israeli Navy

Adjusted EBIT

- Down year-on-year, mainly because delivery of submarines postponed to following quarter
- Implementation of measures and risk mitigation under performance program to strengthen existing orders and improve margins in new business proceeding as planned
- Further reduction in material and personnel costs with the aim of sustained reduction in administrative expenses ratio

Main special items in the reporting period

- No significant special items

Investments

- Continued modernization of Kiel shipyard (including construction of new dock hall)

Multi Tracks

MULTI TRACKS IN FIGURES

		9 months ended June 30, 2020	9 months ended June 30, 2021	Change in %	3rd quarter ended June 30, 2020	3rd quarter ended June 30, 2021	Change in %
Order intake	million €	3,379	4,273	26	782	1,488	90
Net sales	million €	4,165	4,043	(3)	1,228	1,421	16
EBITDA	million €	(371)	(246)	34	(185)	11	++
EBIT	million €	(471)	(355)	25	(217)	(38)	83
Adjusted EBIT[1]	million €	(382)	(236)	38	(189)	(45)	76
Adjusted EBIT margin	%	(9.2)	(5.8)	—	(15.4)	(3.1)	—
Investments	million €	80	65	(19)	24	16	(35)
Employees (June 30)		20,168	18,652	(8)	20,168	18,652	(8)

[1] See preliminary remarks.

For information on the Multi Tracks segment, see also preliminary remarks on page 6.

Order intake

- Up significantly year-on-year, driven mainly by effects of recovery in stainless steel business due to growing pace of market growth and pass-through of higher raw material prices
- Order intake from nomination for first reference project in the USA (CFI Industries) for industrial-scale water electrolysis; continued growth in number of tenders submitted
- Heavy Plate: closure in progress leads to planned reduction in order intake

Net sales

- Up significantly year-on-year with mixed performance in the individual businesses
- Higher volume in stainless steel business following pandemic-impacted prior year quarter due to pandemic and positive effects of pass-through of higher raw material prices
- Springs & Stabilizers: higher sales due to growing demand
- Plant engineering: decline in sales due to lower order intake in prior periods and concentration on more attractive market segments
- Heavy Plate: completion of existing orders without new order intake resulting in planned reduction
- Constant growth in Automation Engineering

Adjusted EBIT

- Significantly higher year-on-year driven mainly by stainless steel and plant engineering
- Stainless steel: significant earnings improvement due to demand-driven recovery and positive raw material price trends
- Plant engineering: significantly improved project execution at Mining and Cement and lower administrative and selling expenses as main driver of improvements
- Around 700 restructuring and cost reduction measures with focus on current fiscal year in Germany with significant loss-reducing effect in almost all units: reduction of more than 1,500 employees in plant engineering, Automation Engineering and Heavy Plate (year-on-year); job reductions initiated at Springs & Stabilizers with significant reductions in fourth quarter
- Portfolio: closure of Heavy Plate at advanced stage of implementation; site closures in Germany initiated (automotive business); scaling of hydrogen business driven forward at a fast pace

Main special items in the reporting period

- Mainly reversal of restructuring provisions due to changes in structure of measures at Heavy Plate and Springs & Stabilizers as well as offsetting deconsolidation effects at Heavy Plate and impairment losses at Infrastructure following retesting for impairment

Investments

- Continuing investment in expansion of technology portfolio to safeguard market position and preserve asset value

Corporate Headquarters

Adjusted EBIT

- Reduced administrative expenses due to implemented restructurings at Group Functions and Regional Platforms

Main special items in the reporting period

- Project expenditure in connection with M & A transactions

Investments

- No major capital expenditures

Results of operations and financial position

Analysis of the statement of income

Income/(loss) from operations

- Net sales of continuing operations up around 14% year-on-year, with very strong year-on-year increase of around 51% in reporting quarter; overall disproportionately low increase in cost of sales of continuing operations compared with sales growth in particular in connection with materials expense together with lower depreciation/amortization and lower impairment losses recognized on non-current assets; in the reporting quarter, disproportionately very low increase in cost of sales attributable mainly to materials expense; improvement in gross profit margin to 12.8% (prior year: 6.7%), in reporting quarter to 14.4% (prior year: 1.8%)
- Increase in selling expenses of continuing operations mainly resulting from higher sales-related freight, insurance and customs expenses, as well as higher impairment losses
- Sharp reduction in general and administrative expenses of continuing operations as a result of significantly lower personnel expenses, mainly reinforced by lower IT and depreciation expenses
- Improvement in other gains and losses of continuing operations especially from higher gains on sale of property, plant and equipment, in particular in connection with the site disposals in reporting period in Germany in Materials Services segment
- Increase in other income of continuing operations due in particular to proceeds received in the reporting quarter relating to the agreement with a customer on a discontinued project as well as higher insurance claims

Financial income/(expense), net

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

Earnings per share

- Very sharp reduction in net loss by €1,810 million to €168 million
- Loss per share accordingly reduced by €2.84 to €0.37

Analysis of the statement of cash flows

Operating cash flows

- Very sharp reduction in negative operating cash flows of continuing operations, primarily due to increased trade accounts payable and offsetting effects from higher inventories and trade accounts receivable as a result of the positive business performance; at the same time, sharp improvement in net income of continuing operations to a positive figure; cash inflows in reporting quarter in connection with factoring and exchange transactions with industrial metals

Cash flows from investing activities

- Capital expenditures of continuing operations at prior year level
- Cash inflows from disposals of continuing operations up sharply year-on-year mainly as a result of reduction of time deposits with an original term of more than 90 days in 1st quarter of current fiscal year

Cash flows from financing activities

- Sharp decrease in cash flows from financing activities of continuing operations primarily due to early redemption of a bond in reporting period and high overall bank borrowings in prior year together with overall low repayments of these borrowings in reporting period

Free cash flow and net financial assets/debt

RECONCILIATION TO FREE CASH FLOW BEFORE M & A

million €	9 months ended June 30, 2020	9 months ended June 30, 2021	Change	3rd quarter ended June 30, 2020	3rd quarter ended June 30, 2021	Change
Operating cash flows – continuing operations (consolidated statement of cash flows)	(3,171)	(219)	2,952	(1,004)	(10)	994
Cash flow from investing activities – continuing operations (consolidated statement of cash flows)	(847)	112	959	(226)	(194)	32
Free cash flow – continuing operations (FCF)[1]	**(4,018)**	**(107)**	**3,910**	**(1,229)**	**(204)**	**1,025**
–/+ Cash inflow/cash outflow resulting from material M & A transactions	67	78	11	5	7	1
Adjustment due to IFRS 16	(61)	(74)	(13)	(13)	(37)	(24)
Adjustment due to time deposits	0	(850)	(850)	0	0	0
Free cash flow before M & A – continuing operations (FCF before M & A)[1]	**(4,012)**	**(953)**	**3,059**	**(1,238)**	**(235)**	**1,003**
Discontinued elevator operations[1]	556	0	(556)	467	0	(467)
Free cash flow before M & A – group (FCF before M & A)	**(3,455)**	**(953)**	**2,503**	**(770)**	**(235)**	**536**

[1] See preliminary remarks.

- Significant increase in FCF before M & A of continuing operations versus prior year in first nine months mainly due to earnings improvement and positive effects from normalization of net working capital, but still negative
- Decrease in net financial assets at June 30, 2021 to €4.0 billion compared with September 30, 2020 mainly due to negative FCF before M & A
- Available liquidity of €10.9 billion (€9.4 billion cash and cash equivalents and €1.5 billion undrawn committed credit facilities)
- Commercial paper program with a maximum emission volume of €3.0 billion not drawn at June 30, 2021
- €850 million bond due on March 8, 2021 redeemed early on December 8, 2020 in accordance with an early redemption option under the terms and conditions of issue
- Redemption of €130 million loan note due March 11, 2021

Rating

RATING

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

- In January 2021 rating agency Standard & Poor's lowered the outlook for its BB- rating from "stable" to "negative".
- In March 2021, rating agency Moody's changed the outlook for its B1 rating from "developing" to "stable".

Analysis of the statement of financial position

Non-current assets

- Slight overall decline in intangible assets mainly due to amortization exceeding additions
- Property, plant and equipment slightly increased overall, mainly due to lower depreciation than additions
- Decrease in investments accounted for using the equity method and increase in other financial assets mainly due to subsequent measurement of the Elevator reinvestment
- Increase in other non-financial assets primarily due to higher advance payments on property, plant and equipment

Current assets

- Increase in inventories especially at materials businesses in the Materials Services and Steel Europe segments and in automotive business
- Increase in trade accounts receivable in particular at materials businesses in the Materials Services and Steel Europe segments and at the components businesses in the Industrial Components segment
- Overall increase in contract assets mainly in connection with the execution of construction contracts in the marine business together with offsetting effects from the execution of construction contracts in the plant construction business of Multi Tracks segment
- Increase in other financial assets mainly as a result of derivatives accounting
- Overall significant decrease in cash, cash equivalents and time deposits mainly due to early redemption at the beginning of December 2020 of a bond originally due in March 2021, capital expenditures of continuing operations and negative operating cash flows of continuing operations

Total equity

- Increase compared with September 30, 2020 mainly due to gains recognized in other comprehensive income from remeasurement of pensions and similar obligations, from currency translation, and from cash flow hedges; partly offset by net loss in the reporting period

Non-current liabilities

- Decrease in provisions for pensions and similar obligations primarily due to gains from the remeasurement of pensions mainly as a result of higher pension discount rates
- Reduction in financial debt in particular due to reclassifications of a bond due in March 2022 and a loan note due in December 2021 to current financial liabilities

Current liabilities

- Increase in financial debt mainly due to above-mentioned reclassification of a bond and a loan note from non-current financial liabilities; partly offset by the early redemption in December 2020 of a bond originally due in March 2021
- Increase in trade accounts payable in particular at materials businesses in the Materials Services and Steel Europe segments and at stainless steel business in the Multi Tracks segment
- Decrease in contract liabilities due in particular to the execution of construction contracts in the plant construction business of the Multi Tracks segment and in the marine business
- Increase in other non-financial liabilities primarily as a result of higher liabilities in connection with non-income taxes and liabilities to employees

Compliance

- Strong values as foundation of our work – particularly in difficult economic environment; anchored in Mission Statement, Code of Conduct and Compliance Commitment
- Continuous implementation and enhancement of thyssenkrupp compliance management system in our core compliance areas corruption prevention, antitrust law, data protection, money laundering, and trade compliance
- Close involvement of Compliance in various M & A activities to advise on antitrust issues
- More information on compliance at thyssenkrupp in the 2019 / 2020 Annual Report and on the website www.thyssenkrupp.com

Forecast, opportunity and risk report

2020 / 2021 forecast

For the current fiscal year, we are assuming a continued economic recovery and the structural improvement of our businesses. The forecast for the year upgraded in the two prior quarters is maintained for the full group. A more detailed forecast has been provided for FCF before M & A.

For key assumptions about our markets and expected economic parameters, see the Forecast section and the section “Macro and sector environment” in the preceding interim management report. The corresponding opportunities and risks are set out in the “Opportunity and risk report” below.

Expectations for 2020 / 2021

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

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

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

The forecast assumes no effects from possible portfolio measures.

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

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

For **adjusted EBIT**, we are forecasting a significant increase towards a positive result in the mid 3-digit million euro range because of the expected improvements in all segments (prior year: pro forma €(1.8) billion). These improvements will be due mainly to clear structural progress in all businesses and are predicated on the development of sales, which will depend to a large degree on the market situation. Only Multi Tracks will contribute a loss, which is expected to be in the low to mid 3-digit million euro range (prior year: pro forma €(593) million).

- At **Materials Services** we expect a significant improvement in adjusted EBIT back to a clearly positive figure in the mid 3-digit million euro range (prior year: pro forma €(85) million). In addition to structural improvements and the absence of negative one-time effects, support will be provided by significant price effects and significantly rising volumes, starting from a low level. However, a return to pre-crisis volume levels is not expected until the following years.

- At **Industrial Components** overall we expect an increase in sales in the low 2-digit percentage range and significantly higher adjusted EBIT in the low to mid 3-digit million euro range (prior year, sales: €2.1 billion, pro forma adjusted EBIT: €139 million). This will be supported by the recovery in the market and cost reductions for the forgings business and good demand at Bearings from the wind energy sector.

- At **Automotive Technology** we expect sales growth in the high single-digit percentage range (prior year: pro forma €4.1 billion) and a significant improvement in adjusted EBIT back to a clearly positive figure in the low to mid 3-digit million euro range (prior year: pro forma €(166) million). This will result mainly from a market recovery compared with the pandemic-impacted prior year and rising contributions from the new plants and projects, continuing efficiency measures and lower depreciation and amortization charges.

- At **Steel Europe** we are expecting a significant improvement in adjusted EBIT back to clearly positive earnings in the mid 2-digit million euro range (prior year: pro forma €(820) million) as a consequence of the clear improvement in the market environment. This will result from structural improvements from the implementation of Strategy 20-30, lower depreciation and amortization charges and a clear recovery in volumes, starting from a low level. Negative impacts from raw material price trends and production restrictions, including the planned blast furnace relining, will be offsetting factors. However, a return to pre-crisis volume levels is not expected until the following years.

- At **Marine Systems** we expect a significant increase in sales and higher adjusted EBIT (prior year, sales: €1.8 billion, pro forma adjusted EBIT: €20 million). This will be supported by higher earnings contributions from the new projects and improvements in project execution.

- For the businesses combined in the **Multi Tracks** segment, overall we expect stable sales (prior year: pro forma €5.5 billion) and a significant improvement in adjusted EBIT to a loss in the low to mid 3-digit million euro range (prior year: pro forma adjusted EBIT €(593) million).
  - Key drivers of the expected improvement in earnings will be plant engineering (prior year: pro forma €(250) million) and the AST stainless steel plant (prior year: pro forma €(78) million).

- We will continue to transform **Corporate Headquarters** into a more efficient holding company structure and expect a further reduction in costs and an improvement in adjusted EBIT in the mid to high single-digit percentage range in the fiscal year (prior year: pro forma adjusted EBIT €(221) million).

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

Despite the clear improvements, we expect a **net loss for the group** of up to a mid 3-digit million euro amount (prior year: €(5.5) billion).

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

Free cash flow before M & A will improve significantly towards €(1) billion and lie in a range from €(1.2) billion to €(1.5) billion (prior year: €(5.5) billion). This will depend to a large degree on the increase in net working capital. This increase will take place in the course of sales growth and will depend strongly on raw material prices, which have risen sharply as a result of the economic recovery in all regions of the world and are currently highly volatile. Especially in the second half of the fiscal year, a slowdown in orders for components from our customers in the automotive industry due to the supply situation with semiconductors will temporarily increase net working capital. In addition to the strong year-on-year improvement in earnings, other factors include cash-out for restructurings in the low to mid 3-digit million euro range, the level of capital expenditure exceeding depreciation, and cash inflows from order intake and the payment profile of projects (mainly Multi Tracks, Marine Systems).

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

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

Opportunities and risks

Opportunities

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

Risks

- No risks that threaten the company’s ability to continue as a going concern; detailed information on risks described in the 2019 / 2020 Annual Report continues to apply
- Uncertainties over further progression of the coronavirus pandemic in particular about the speed of vaccination and because of new virus mutations and new lockdown measures; growth risks for the global economy and in markets relevant to thyssenkrupp
- Further economic risks: uncertainty about the further course of trade conflicts and geopolitical flashpoints; persistent supply bottlenecks for starting products in manufacturing industry; recurring floods and other natural disasters as a consequence of global warming; pronounced and lasting slowdown of growth in China; indebtedness problems in particular in some European countries, particularly as a result of numerous state support measures to mitigate the impact of the pandemic; significant rise in material and commodity costs and associated inflation fears
- Risks through temporary efficiency losses in production as a result of restructurings in connection with our company transformation
- Risks of cost and schedule overruns in the execution of major orders
- Risks from attacks on IT infrastructure; countermeasure: further continuous expansion of information security management and security technologies

Condensed interim financial statements of the thyssenkrupp group

thyssenkrupp group – statement of financial position

ASSETS

million €	Note	Sept. 30, 2020	June 30, 2021
Intangible assets		2,075	2,026
Property, plant and equipment (inclusive of investment property)		6,319	6,354
Investments accounted for using the equity method		722	700
Other financial assets		658	719
Other non-financial assets		230	383
Deferred tax assets		497	467
Total non-current assets		**10,501**	**10,649**
Inventories		5,922	7,082
Trade accounts receivable		4,833	5,400
Contract assets		1,575	1,664
Other financial assets		535	768
Other non-financial assets		1,414	1,457
Current income tax assets		162	132
Cash, cash equivalents and time deposits		11,547	9,408
Total current assets		**25,989**	**25,911**
Total assets		**36,490**	**36,560**

See accompanying notes to financial statements.

EQUITY AND LIABILITIES

million €	Note	Sept. 30, 2020	June 30, 2021
Capital stock		1,594	1,594
Additional paid-in capital		6,664	6,664
Retained earnings		1,472	1,588
Cumulative other comprehensive income		80	482
Equity attributable to thyssenkrupp AG's stockholders		**9,810**	**10,328**
Non-controlling interest		364	428
Total equity		**10,174**	**10,756**
Accrued pension and similar obligations	04	8,560	8,058
Provisions for other non-current employee benefits		289	303
Other provisions	05	507	563
Deferred tax liabilities		58	86
Financial debt	06	5,303	3,802
Other financial liabilities		96	63
Other non-financial liabilities		6	3
Total non-current liabilities		**14,819**	**12,879**
Provisions for current employee benefits		156	170
Other provisions	05	1,188	1,120
Current income tax liabilities		166	172
Financial debt	06	1,199	1,628
Trade accounts payable		3,475	4,581
Other financial liabilities		665	650
Contract liabilities		3,073	2,606
Other non-financial liabilities		1,575	1,998
Total current liabilities		**11,497**	**12,926**
Total liabilities		**26,316**	**25,805**
Total equity and liabilities		**36,490**	**36,560**

See accompanying notes to financial statements.

thyssenkrupp group – statement of income

million €, earnings per share in €	Note	9 months ended June 30, 2020	9 months ended June 30, 2021	3rd quarter ended June 30, 2020	3rd quarter ended June 30, 2021
Sales	09, 10	21,640	24,575	5,765	8,676
Cost of sales		(20,189)	(21,421)	(5,660)	(7,424)
Gross margin		**1,452**	**3,154**	**105**	**1,252**
Research and development cost		(182)	(168)	(57)	(57)
Selling expenses		(1,613)	(1,756)	(478)	(643)
General and administrative expenses		(1,359)	(1,140)	(359)	(300)
Other income	11	158	217	59	57
Other expenses		(60)	(70)	(9)	(20)
Other gains/(losses), net		6	48	5	34
Income/(loss) from operations		**(1,597)**	**286**	**(734)**	**323**
Income from companies accounted for using the equity method	12	9	(86)	3	(43)
Finance income		910	540	207	173
Finance expense		(1,144)	(717)	(286)	(228)
Financial income/(expense), net		**(225)**	**(263)**	**(76)**	**(99)**
Income/(loss) from continuing operations before tax		**(1,822)**	**23**	**(810)**	**224**
Income tax (expense)/income		(127)	(173)	(10)	(78)
Income/(loss) from continuing operations (net of tax)		**(1,949)**	**(151)**	**(819)**	**146**
Income/(loss) from discontinued operations (net of tax)	02	**(29)**	**(17)**	**151**	**(2)**
Net income/(loss)		**(1,978)**	**(168)**	**(668)**	**145**
Thereof:					
thyssenkrupp AG's shareholders		**(1,998)**	**(231)**	**(678)**	**125**
Non-controlling interest		20	63	10	20
Net income/(loss)		**(1,978)**	**(168)**	**(668)**	**145**
Basic and diluted earnings per share based on	13				
Income/(loss) from continuing operations (attributable to thyssenkrupp AG's shareholders)		**(3.16)**	**(0.34)**	**(1.33)**	**0.20**
Net income/(loss) (attributable to thyssenkrupp AG's shareholders)		**(3.21)**	**(0.37)**	**(1.09)**	**0.20**

See accompanying notes to financial statements.

thyssenkrupp group – statement of comprehensive income

million €	9 months ended June 30, 2020	9 months ended June 30, 2021	3rd quarter ended June 30, 2020	3rd quarter ended June 30, 2021
Net income/(loss)	**(1,978)**	**(168)**	**(668)**	**145**
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	180	390	(655)	35
Tax effect	(80)	(23)	210	(3)
Other comprehensive income from remeasurements of pensions and similar obligations, net	100	367	(445)	32
Unrealized gains/(losses) from fair value measurement of equity instruments				
Change in unrealized gains/(losses), net	0	6	0	1
Tax effect	0	0	0	0
Net unrealized (gains)/losses	0	6	0	1
Share of unrealized gains/(losses) of investments accounted for using the equity-method	0	2	0	4
Subtotals of items of other comprehensive income that will not be reclassified to profit or loss in future periods	**100**	**375**	**(445)**	**37**
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	(290)	72	(99)	14
Net realized (gains)/losses	0	1	0	1
Net unrealized (gains)/losses	(290)	73	(99)	15
Unrealized gains/(losses) from fair value measurement of debt instruments				
Change in unrealized gains/(losses), net	1	7	0	1
Net realized (gains)/losses	0	0	0	0
Tax effect	0	0	0	0
Net unrealized (gains)/losses	1	7	0	1
Unrealized gains/(losses) from impairment of financial instruments				
Change in unrealized gains/(losses), net	(9)	(20)	(7)	(18)
Net realized (gains)/losses	0	1	(1)	2
Tax effect	1	4	1	4
Net unrealized (gains)/losses	(9)	(14)	(8)	(12)
Unrealized gains/(losses) on cash flow hedges				
Change in unrealized gains/(losses), net	6	280	77	84
Net realized (gains)/losses	(19)	14	(1)	12
Tax effect	4	(19)	(21)	25
Net unrealized (gains)/losses	(9)	276	55	121
Share of unrealized gains/(losses) of investments accounted for using the equity-method	(2)	75	(2)	64

million €	9 months ended June 30, 2020	9 months ended June 30, 2021	3rd quarter ended June 30, 2020	3rd quarter ended June 30, 2021
Subtotals of items of other comprehensive income that could be reclassified to profit or loss in future periods	**(310)**	**417**	**(54)**	**189**
Other comprehensive income	**(210)**	**792**	**(499)**	**226**
Total comprehensive income	**(2,188)**	**624**	**(1,167)**	**371**
Thereof:				
thyssenkrupp AG's shareholders	(2,170)	540	(1,168)	352
Non-controlling interest	(18)	84	0	18
Total comprehensive income attributable to thyssenkrupp AG's stockholders refers to:				
Continuing operations	(1,914)	557	(1,154)	354
Discontinued operations	(256)	(17)	(14)	(2)

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, 2019	**622,531,741**	**1,594**	**6,664**	**(6,859)**
Adjustment due to the adoption of IFRS 16				(1)
Balance as of Oct. 1, 2019	**622,531,741**	**1,594**	**6,664**	**(6,860)**
Net income/(loss)				(1,998)
Other comprehensive income				101
Total comprehensive income				**(1,898)**
Profit attributable to non-controlling interest				
Other changes				5
Balance as of June 30, 2020	**622,531,741**	**1,594**	**6,664**	**(8,753)**
Balance as of Sept. 30, 2020	**622,531,741**	**1,594**	**6,664**	**1,472**
Net income/(loss)				(231)
Other comprehensive income				369
Total comprehensive income				**138**
Profit attributable to non-controlling interest				
Capital increase				
Changes of shares of already consolidated companies				(7)
Other changes				(16)
Balance as of June 30, 2021	**622,531,741**	**1,594**	**6,664**	**1,588**

See accompanying notes to financial statements.

	Equity attributable to thyssenkrupp AG's stockholders									
	Cumulative other comprehensive income									
					Cash flow hedges					
	Foreign currency translation adjustment	Fair value measurement of debt instruments	Fair value measurement of equity instruments	Impairment of financial instruments	Designated risk component	Hedging costs	Share of investments accounted for using the equity method	Total	Non-controlling interest	Total equity
	187	**7**	**0**	**46**	**68**	**(1)**	**43**	**1,751**	**469**	**2,220**
								(1)	0	(1)
	187	**7**		**46**	**68**	**(1)**	**43**	**1,750**	**469**	**2,219**
								(1,998)	20	(1,978)
	(252)	0		(9)	(7)	(2)	(2)	(172)	(38)	(210)
	(252)	**0**		**(9)**	**(7)**	**(2)**	**(2)**	**(2,170)**	**(18)**	**(2,188)**
								0	(31)	(31)
								5	(15)	(10)
	(65)	**8**	**0**	**38**	**61**	**(3)**	**41**	**(415)**	**406**	**(9)**
	(93)	**6**	**2**	**42**	**84**	**(1)**	**40**	**9,810**	**364**	**10,174**
								(231)	63	(168)
	59	4	6	(14)	272	1	75	771	21	792
	59	**4**	**6**	**(14)**	**272**	**1**	**75**	**540**	**84**	**624**
								0	(41)	(41)
								0	2	2
								(7)	4	(3)
								(16)	16	0
	(34)	**9**	**8**	**28**	**355**	**0**	**115**	**10,328**	**428**	**10,756**

thyssenkrupp group – statement of cash flows

million €	9 months ended June 30, 2020	9 months ended June 30, 2021	3rd quarter ended June 30, 2020	3rd quarter ended June 30, 2021
Net income/(loss)	**(1,978)**	**(168)**	**(668)**	**145**
Adjustments to reconcile net income/(loss) to operating cash flows:				
(Income)/loss from discontinued operations (net of tax)	29	17	(151)	2
Deferred income taxes, net	29	17	(30)	13
Depreciation, amortization and impairment of non-current assets	1,048	731	312	258
Reversals of impairment losses of non-current assets	0	(56)	0	(22)
Income/(loss) from companies accounted for using the equity method, net of dividends received	(9)	86	(3)	43
(Gain)/loss on disposal of non-current assets	(17)	(55)	(11)	(35)
Changes in assets and liabilities, net of effects of acquisitions and divestitures and other non-cash changes				
– Inventories	210	(1,151)	272	(608)
– Trade accounts receivable	324	(538)	310	(23)
– Contract assets	(309)	(91)	(15)	(138)
– Accrued pension and similar obligations	(132)	(104)	(29)	(53)
– Other provisions	(350)	12	(31)	(86)
– Trade accounts payable	(2,178)	1,074	(825)	256
– Contract liabilities	380	(176)	(152)	(130)
– Other assets/liabilities not related to investing or financing activities	(218)	182	16	369
Operating cash flows – continuing operations	**(3,171)**	**(219)**	**(1,004)**	**(10)**
Operating cash flows – discontinued operations	707	(3)	520	0
Operating cash flows	**(2,464)**	**(222)**	**(484)**	**(10)**
Purchase of investments accounted for using the equity method and non-current financial assets	(4)	(2)	(1)	0
Expenditures for acquisitions of consolidated companies net of cash acquired	0	(37)	0	0
Capital expenditures for property, plant and equipment (inclusive of advance payments) and investment property	(800)	(802)	(222)	(254)
Capital expenditures for intangible assets (inclusive of advance payments)	(50)	(20)	(18)	(5)
Proceeds from disposals of investments accounted for using the equity method and non-current financial assets	2	0	1	0
Proceeds from disposals of previously consolidated companies net of cash disposed	(37)	2	(5)	3
Proceeds from disposals of property, plant and equipment and investment property	43	120	20	61
Proceeds from disposals of intangible assets	0	1	0	1
Proceeds from disposals of time deposits	0	850	0	0
Cash flows from investing activities – continuing operations	**(847)**	**112**	**(226)**	**(194)**
Cash flows from investing activities – discontinued operations	(118)	0	(51)	0
Cash flows from investing activities	**(965)**	**112**	**(277)**	**(194)**

million €	9 months ended June 30, 2020	9 months ended June 30, 2021	3rd quarter ended June 30, 2020	3rd quarter ended June 30, 2021
Repayments of bonds	0	(850)	0	0
Proceeds from liabilities to financial institutions	4,454	202	1,856	49
Repayments of liabilities to financial institutions	(1,227)	(233)	(219)	(131)
Lease liabilities	(100)	(105)	(34)	(36)
Proceeds from/(repayments on) loan notes and other loans	(556)	(141)	(615)	(3)
Profit attributable to non-controlling interest	(31)	(41)	(16)	(31)
Expenditures for acquisitions of shares of already consolidated companies	0	(3)	0	0
Financing of discontinued operations	66	(3)	(117)	0
Other financing activities	(95)	(29)	(105)	7
Cash flows from financing activities – continuing operations	**2,510**	**(1,203)**	**749**	**(144)**
Cash flows from financing activities – discontinued operations	(132)	3	97	0
Cash flows from financing activities	**2,378**	**(1,201)**	**846**	**(144)**
Net increase/(decrease) in cash and cash equivalents	(1,051)	(1,311)	86	(349)
Effect of exchange rate changes on cash and cash equivalents	(71)	22	(19)	14
Cash and cash equivalents at beginning of year	3,706	10,697	2,517	9,742
Cash and cash equivalents at end of year	**2,584**	**9,408**	**2,584**	**9,408**
[thereof cash and cash equivalents within the discontinued operations]	[771]	[0]	[771]	[0]
Additional information regarding cash flows from interest, dividends and income taxes which are included in operating cash flows of continuing operations:				
Interest received	13	7	3	3
Interest paid	(186)	(151)	(28)	(13)
Dividends received	13	16	13	15
Income taxes (paid)/received	(111)	(120)	12	(48)

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, collectively the “group”, for the period from October 1, 2020 to June 30, 2021, were reviewed and authorized for issue in accordance with a resolution of the Executive Board on August 9, 2021.

Basis of presentation

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

The accounting principles and practices as applied in the group’s condensed interim consolidated financial statements as of June 30, 2021 correspond to those pertaining to the most recent annual consolidated financial statements with the exception of the recently adopted accounting standards. A detailed description of the accounting policies is published in the notes to the consolidated financial statements of our annual report 2019 / 2020.

Review of estimates and judgments in the light of the global pandemic

The preparation of the group financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. All estimates and assumptions are made to the best of management’s knowledge and belief in order to fairly present the group’s financial position and results of operations; they are reviewed on an ongoing basis. This applies in particular with regard to the possible impacts of the current global coronavirus pandemic. Against this background an impairment test was conducted on the critical items goodwill, other intangible assets and property, plant and equipment, deferred tax assets, trade accounts receivable and contract assets (cf. Note 08); besides the subsequently mentioned items, this resulted only in impairment in respect of trade accounts receivable and contract assets. In the 2nd quarter ended March 31, 2020, due to the planned shutdown of the Carbon Components GmbH, goodwill in the amount of €3 million and other non-current assets in the amount of €6 million were completely impaired. The recoverable amount relevant for determining the impairment loss corresponds to the fair value less costs of disposal. In the 3rd quarter ended June 30, 2021, impairment losses of €3 million were recognized due to technological development at Corporate of the Materials Services segment. The recoverable amount relevant for determining the impairment loss corresponds to the fair value less costs of disposal.

Our assessment of the impact of the ongoing coronavirus pandemic on earnings prospects remains unchanged from September 30, 2020. At the beginning of the fiscal year, particularly in Europe the measures have been tightened in response to a rise in infection rates and the new, potentially more infectious mutations of the virus. In summer the protective measures were reduced. So far our production and the relevant value chains have been impacted to a much lesser extent than in the prior year and the expected effects in the detailed planning period therefore remain in line with the planning used as of September 30, 2020. The vaccine approvals issued worldwide since the last reporting date also confirm our medium- and long-term planning assumptions. For the automotive sector as a key end customer industry, we continue to expect a slower recovery compared with other sectors combined with lower growth rates than predicted before the coronavirus pandemic. Against the background of these observations and the generally positive business situation in the past quarter, with the exception of the impairment in the Infrastructure business unit of the Multi Tracks segment (cf. Note 03), no further impairment losses were recognized on goodwill, other intangible assets, and property, plant and equipment as of June 30, 2021.

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

01 Recently adopted accounting standards

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

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

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

02 Discontinued operations

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

The following table shows the results of the 9 months and the 3rd quarter ended June 30, 2020, respectively of Elevator Technology, which was reported as a discontinued operation up to the end of July 2020. For the 9 months and the 3rd quarter ended June 30, 2021, respectively, the table shows subsequent expenses resulting from obligations under the agreement on the sale of the elevator operations in the last fiscal year.

DISCONTINUED ELEVATOR OPERATIONS

million €	9 months ended June 30, 2020	9 months ended June 30, 2021	3rd quarter ended June 30, 2020	3rd quarter ended June 30, 2021
Sales	5,851	0	1,946	0
Other income	74	0	45	0
Expenses	(5,420)	(17)	(1,755)	(2)
Ordinary income/(loss) from discontinued operations (before tax)	**506**	**(17)**	**236**	**(2)**
Income tax (expense)/income	(535)	0	(85)	0
Ordinary income/(loss) from discontinued operations (net of tax)	**(29)**	**(17)**	**151**	**(2)**
Gain/(loss) recognized on disposal of discontinued operations (before tax)	0	0	0	0
Income tax (expense)/income	0	0	0	0
Gain/(loss) recognized on disposal of discontinued operations (net of tax)	**0**	**0**	**0**	**0**
Income/(loss) from discontinued operations (net of tax)	**(29)**	**(17)**	**151**	**(2)**
Thereof:				
thyssenkrupp AG's shareholders	(30)	(17)	150	(2)
Non-controlling interest	1	0	1	0

In the context of the disposal of Elevator Technology business as of July 31, 2020 thyssenkrupp holds a reinvestment that was part of the consideration received from the disposal. It comprises several financing instruments which are accounted for as follows:

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

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

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

03 Impairments

In connection with the assignment of the Infrastructure business unit to the Multi Tracks segment, extensive analyses of the market environment and the sales opportunities of single assets were performed. Against this background, in the 3rd quarter ended June 30, 2021 the Infrastructure business unit was tested once again for impairment in accordance with IAS 36 resulting in an impairment loss of €27.3 million; an amount of €0.2 million refers to intangible assets and an amount of €24.3 million refers to property, plant and equipment. €2.8 million could not be recognized due to the lower value limits of IAS 36.105. The recoverable amount relevant for determining the impairment loss corresponds to the value in use, which amounts to €58 million in total and was determined applying a discount rate (after taxes) of 7.65%.

04 Accrued pensions and similar obligations

Based on updated interest rates and fair value of plan assets, an updated valuation of accrued pension obligations was performed as of June 30, 2021.

ACCRUED PENSION AND SIMILAR OBLIGATIONS

million €	Sept. 30, 2020	June 30, 2021
Accrued pension obligations	8,274	7,738
Partial retirement	242	286
Other accrued pension-related obligations	45	35
Total	**8,560**	**8,058**

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

WEIGHTED AVERAGE ASSUMPTIONS

	Sept. 30, 2020			June 30, 2021		
in %	Germany	Outside Germany	Total	Germany	Outside Germany	Total
Discount rate for accrued pension obligations	0.70	1.25	0.83	0.90	1.40	1.02

05 Other provisions

The restructuring provisions included in other provisions increased by €23 million to €412 million compared with September 30, 2020. The additions in the amount of €239 million mainly relate to the Steel Europe, Multi Tracks and Industrial Components segments; simultaneously provisions in the amount of €84 million were released, mainly due to changed valuation assumptions at Steel Europe and Multi Tracks.

06 Financial debt

The €850 million bond originally due on March 8, 2021 was redeemed early on December 8, 2020 in accordance with an early redemption option under the terms and conditions of issue. In addition, the €130 million loan note was repaid on March 11, 2021.

The existing commercial paper program with a maximum emission volume of €3.0 billion was not drawn as of June 30, 2021.

07 Contingencies and commitments

Contingencies

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

CONTINGENCIES

million €	Maximum potential amount of future payments as of June 30, 2021	Provision as of June 30, 2021
Advance payment bonds	33	0
Performance bonds	76	0
Other guarantees	5	1
Total	**114**	**1**

As of June 30, 2021, 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 €133 million to €89 million compared to September 30, 2020. The buyer consortium has undertaken to indemnify thyssenkrupp against expenses in connection with the guarantees until they are fully discharged. As additional security, thyssenkrupp has received guarantees in the same amount from the buyer.

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

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

Commitments and other contingencies

Due to the high volatility of iron ore prices, in the Steel Europe segment the existing long-term iron ore and iron ore pellets supply contracts are measured for the entire contract period at the iron ore prices applying as of the respective balance sheet date. Compared with September 30, 2020, purchasing commitments increased by €0.2 billion to €1.2 billion.

The transmission grid operator Amprion GmbH has filed an action by stages against thyssenkrupp Steel Europe AG for information and payment of EEG surcharges and interest for the calendar years 2016 to 2019 in connection with the self-supply of electricity by individual operations of the company. In a court case relating to a similar matter, Amprion GmbH has filed an action by stages against Hüttenwerke Krupp Mannesmann GmbH (HKM) for information and payment of EEG surcharges and interest for the calendar years 2014 to 2019 and served thyssenkrupp Steel Europe GmbH with a third-party notice. Under a contractual agreement, thyssenkrupp Steel Europe AG is liable to recourse should Amprion’s action against HKM (included in the interim financial statements on a pro rata basis) succeed. With reference to IAS 37.92, we do not provide any further information on this contingency as the extent of the dispute has yet to be clarified in the legal proceedings and there is no supreme court ruling on the underlying EEG legal issue.

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

08 Financial instruments

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

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

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

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

The fair value of commodity futures is based on published price quotations. It is measured as of the interim balance sheet date, both internally and by external financial partners.

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

Financial liabilities measured at amortized cost with a carrying amount of €10,021 million as of June 30, 2021 (Sept. 30, 2020: €10,023 million) have a fair value of €10,077 million (Sept. 30, 2020: €9,819 million) that was determined based on fair value measurement attributable to level 2.

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

FAIR VALUE HIERARCHY AS OF SEPT. 30, 2020

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

FAIR VALUE HIERARCHY AS OF JUNE 30, 2021

million €	June 30, 2021	Level 1	Level 2	Level 3
Financial assets at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting	68	0	68	0
Equity instruments	12	7	5	0
Fair value recognized in equity				
Trade accounts receivable	**2,144**			**2,144**
Equity instruments	60			60
Debt instruments (measured at fair value)	21	21	0	0
Derivatives qualifying for hedge accounting	271	0	271	0
Total	**2,576**	**28**	**345**	**2,203**
Financial liabilities at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting	64	0	64	0
Fair value recognized in equity				
Derivatives qualifying for hedge accounting	23	0	23	0
Total	**88**	**0**	**88**	**0**

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

In the reporting quarter there were no reclassifications between level 1 and level 2. For the trade accounts receivable classified as level 3, the fair value equals the carrying amount less impairment losses recognized in other comprehensive income.

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

RECONCILIATION LEVEL 3 FINANCIAL INSTRUMENTS

million €	
Balance as of Sept. 30, 2020	**54**
Changes income non-effective	6
Balance as of June 30, 2021	**60**

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

Impairment of trade accounts receivable and contract assets

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

The expected default rates are mainly derived from external credit information and ratings for each counterparty, which allows more accurate calculation of the probability of default compared with the formation of rating classes. The customer risk numbers assigned by trade credit insurers and the creditworthiness information provided by credit agencies are translated into an individual probability of default per customer using a central allocation system. This individual probability of default per customer is used uniformly throughout the thyssenkrupp group. The information is updated quarterly. If no rating information is available at counterparty level, an assessment is made based on the average probability of default for each segment plus an appropriate risk premium. For the group financial statements as of June 30, 2021, the latest external credit information and ratings were used, which already take into account current expectations of the possible effects of the coronavirus pandemic. Therefore, no additional adjustment of impairment is necessary in this model.

09 Segment reporting

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

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

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

The prior-period figures were adjusted accordingly.

Segment information for the 9 months ended June 30, 2020 and 2021 and for the 3rd quarter ended June 30, 2020 and 2021, respectively is as follows:

SEGMENT INFORMATION[1)]

million €	Materials Services	Industrial Components	Automotive Technology	Steel Europe	Marine Systems	Multi Tracks	Corporate Headquarters	Reconciliation	Elevator Technology[2)]	Group
9 months ended June 30, 2020										
Net sales	7,379	1,557	2,991	4,651	1,195	3,902	0	(34)	5,851	27,492
Internal sales within the group	220	12	12	612	2	262	3	(1,123)	0	0
Total sales	7,599	1,568	3,003	5,263	1,197	4,165	3	(1,156)	5,851	27,492
EBIT	(47)	71	(160)	(755)	3	(471)	(202)	(31)	526	(1,066)
Adjusted EBIT	(34)	122	(54)	(617)	8	(382)	(176)	(27)	649	(509)
9 months ended June 30, 2021										
Net sales	8,186	1,863	3,456	5,839	1,450	3,738	8	35	0	24,575
Internal sales within the group	359	15	3	732	1	305	4	(1,418)	0	0
Total sales	8,545	1,877	3,459	6,572	1,450	4,043	12	(1,383)	0	24,575
EBIT	411	247	245	(84)	(1)	(355)	(162)	(1)	(17)	284
Adjusted EBIT	363	266	234	87	(2)	(236)	(146)	(3)	0	564
3rd quarter ended June 30, 2020										
Net sales	1,844	450	718	1,231	384	1,150	0	(13)	1,946	7,710
Internal sales within the group	91	1	2	157	1	78	1	(332)	0	0
Total sales	1,936	452	720	1,388	386	1,228	1	(345)	1,946	7,710
EBIT	(80)	23	(87)	(317)	3	(217)	(46)	(8)	241	(488)
Adjusted EBIT	(75)	27	(91)	(309)	4	(189)	(52)	(7)	249	(445)
3rd quarter ended June 30, 2021										
Net sales	3,120	626	1,075	2,133	396	1,315	1	10	0	8,676
Internal sales within the group	169	4	1	284	0	105	1	(565)	0	0
Total sales	3,289	630	1,077	2,416	396	1,421	2	(555)	0	8,676
EBIT	268	59	55	55	(9)	(38)	(52)	(3)	(2)	332
Adjusted EBIT	232	68	51	19	(9)	(45)	(44)	(6)	0	266

[1)] Figures of 2019/2020 have been adjusted.
[2)] Discontinued operation (cf. Note 02).

Compared with September 30, 2020, average capital employed decreased by €(158) million to €1,346 million at Industrial Components, by €(441) million to €2,384 million at Automotive Systems, by €(1,164) million to €3,939 million at Steel Europe and by €(1,098) million to €820 million at Multi Tracks, while it increased by €544 million to €1,723 million at Marine Systems as of June 30, 2021.

The column “Reconciliation” breaks down as following:

BREAKDOWN RECONCILIATION[1)]

million €	Service Units	Special Units	Consolidation	Reconciliation
9 months ended June 30, 2020				
Net sales	46	14	(93)	(34)
Internal sales within the group	155	93	(1,370)	(1,123)
Total sales	201	106	(1,464)	(1,156)
EBIT	(15)	(18)	2	(31)
Adjusted EBIT	(14)	(15)	2	(27)
9 months ended June 30, 2021				
Net sales	30	5	0	35
Internal sales within the group	174	35	(1,627)	(1,418)
Total sales	205	40	(1,627)	(1,383)
EBIT	2	(1)	(2)	(1)
Adjusted EBIT	2	(4)	0	(3)
3rd quarter ended June 30, 2020				
Net sales	19	4	(36)	(13)
Internal sales within the group	51	32	(414)	(332)
Total sales	70	36	(451)	(345)
EBIT	(3)	(4)	(1)	(8)
Adjusted EBIT	(3)	(3)	(1)	(7)
3rd quarter ended June 30, 2021				
Net sales	10	0	0	10
Internal sales within the group	60	11	(636)	(565)
Total sales	70	10	(636)	(555)
EBIT	2	(1)	(5)	(3)
Adjusted EBIT	2	(5)	(3)	(6)

[1)] Figures of 2019/2020 have been adjusted.

The reconciliations of net sales and of the earnings figure EBIT to income/(loss) from continuing operations before tax according to the statement of income are presented below:

RECONCILIATION NET SALES

million €	9 months ended June 30, 2020	9 months ended June 30, 2021	3rd quarter ended June 30, 2020	3rd quarter ended June 30, 2021
Net sales as presented in segment reporting	**27,492**	**24,575**	**7,710**	**8,676**
– Net sales discontinued elevator operations	(5,851)	0	(1,946)	0
Net sales as presented in the statement of income	**21,640**	**24,575**	**5,765**	**8,676**

RECONCILIATION EBIT TO INCOME/(LOSS) FROM CONTINUING OPERATIONS BEFORE TAX

million €	9 months ended June 30, 2020	9 months ended June 30, 2021	3rd quarter ended June 30, 2020	3rd quarter ended June 30, 2021
Adjusted EBIT as presented in segment reporting[1]	**(509)**	**564**	**(445)**	**266**
Special items[1,2]	(557)	(280)	(43)	66
EBIT as presented in segment reporting	**(1,066)**	**284**	**(488)**	**332**
+ Non-operating income/(expense) from companies accounted for using the equity method	0	(108)	0	(55)
+ Finance income	935	540	225	173
– Finance expense	(1,190)	(717)	(309)	(228)
– Items of finance income assigned to EBIT based on economic classification	(4)	(2)	(4)	(2)
+ Items of finance expense assigned to EBIT based on economic classification	7	8	2	3
Income/(loss) group (net of tax)	**(1,317)**	**5**	**(574)**	**223**
– Income/(loss) from discontinued operations before tax	(506)	17	(236)	2
Income/(loss) from continuing operations before tax as presented in the statement of income	**(1,822)**	**23**	**(810)**	**224**

[1] Figures of 2019/2020 have been adjusted.
[2] Refer to the explanation of the special items in the “Report on the economic position” in “Performance of the segments in the 3rd quarter”.

10 Sales

Sales and sales from contracts with customers are presented below:

SALES

million €	Materials Services	Industrial Components	Automotive Technology	Steel Europe	Marine Systems	Multi Tracks	Corporate Headquarters	Reconciliation	Group
9 months ended June 30, 2020[1]									
Sales from sale of finished products	903	1,368	2,233	4,854	40	1,713	0	(822)	10,288
Sales from sale of merchandise	6,134	171	277	134	16	128	0	(183)	6,676
Sales from rendering of services	419	6	113	103	40	347	3	(118)	914
Sales from construction contracts	0	0	372	0	1,096	1,899	0	(21)	3,346
Other sales from contracts with customers	40	30	7	174	5	77	0	(11)	323
Subtotal sales from contracts with customers	**7,496**	**1,575**	**3,003**	**5,266**	**1,196**	**4,163**	**3**	**(1,154)**	**21,547**
Other sales	103	(7)	0	(3)	0	1	0	(2)	94
Total	**7,599**	**1,568**	**3,003**	**5,263**	**1,197**	**4,165**	**3**	**(1,156)**	**21,641**
9 months ended June 30, 2021									
Sales from sale of finished products	1,126	1,589	2,674	6,089	33	1,978	0	(920)	12,570
Sales from sale of merchandise	7,176	224	290	59	7	290	0	(343)	7,703
Sales from rendering of services	365	6	127	173	36	332	12	(101)	950
Sales from construction contracts	9	0	356	0	1,354	1,406	0	(16)	3,109
Other sales from contracts with customers	0	57	11	252	21	35	0	(14)	361
Subtotal sales from contracts with customers	**8,677**	**1,876**	**3,459**	**6,573**	**1,450**	**4,039**	**12**	**(1,394)**	**24,693**
Other sales	(132)	1	0	(1)	0	3	0	11	(118)
Total	**8,545**	**1,877**	**3,459**	**6,572**	**1,450**	**4,043**	**12**	**(1,383)**	**24,575**

SALES

million €	Materials Services	Industrial Components	Automotive Technology	Steel Europe	Marine Systems	Multi Tracks	Corporate Headquarters	Reconciliation	Group
3rd quarter ended June 30, 2020[1]									
Sales from sale of finished products	174	401	546	1,270	21	487	0	(211)	2,688
Sales from sale of merchandise	1,780	45	56	31	1	40	0	(59)	1,894
Sales from rendering of services	103	2	24	31	11	116	1	(37)	250
Sales from construction contracts	0	0	93	0	351	555	0	(5)	994
Other sales from contracts with customers	13	7	2	56	1	22	0	(4)	97
Subtotal sales from contracts with customers	**2,070**	**454**	**720**	**1,388**	**385**	**1,221**	**1**	**(316)**	**5,924**
Other sales	(134)	(3)	(1)	0	1	7	0	(29)	(159)
Total	**1,936**	**452**	**720**	**1,388**	**386**	**1,228**	**1**	**(345)**	**5,764**
3rd quarter ended June 30, 2021									
Sales from sale of finished products	407	525	842	2,223	14	686	0	(334)	4,362
Sales from sale of merchandise	2,850	80	83	23	3	126	0	(170)	2,996
Sales from rendering of services	126	2	41	65	15	112	2	(38)	326
Sales from construction contracts	4	0	106	0	360	487	0	(6)	951
Other sales from contracts with customers	0	23	3	104	4	10	0	(6)	138
Subtotal sales from contracts with customers	**3,386**	**630**	**1,076**	**2,415**	**397**	**1,421**	**2**	**(553)**	**8,773**
Other sales	(97)	1	0	2	0	0	0	(2)	(97)
Total	**3,289**	**630**	**1,077**	**2,416**	**396**	**1,421**	**2**	**(555)**	**8,676**

[1] Figures have been adjusted.

SALES FROM CONTRACTS WITH CUSTOMERS BY CUSTOMER GROUP

million €	Materials Services	Industrial Components	Automotive Technology	Steel Europe	Marine Systems	Multi Tracks	Corporate Headquarters	Reconciliation	Group
9 months ended June 30, 2020[1)]									
Automotive	866	466	2,817	1,508	0	759	2	(56)	6,362
Trading	1,238	54	160	1,219	6	393	1	(678)	2,393
Engineering	869	958	14	144	10	1,187	0	(96)	3,086
Steel and related processing	1,163	26	4	1,105	0	685	0	(318)	2,665
Construction	383	12	0	21	0	80	0	(7)	490
Public sector	37	3	0	0	1,138	0	0	(4)	1,175
Packaging	71	1	0	887	0	2	0	(3)	959
Energy and utilities	85	15	0	158	0	58	0	0	315
Other customer groups	2,783	40	8	223	42	999	0	7	4,102
Total	**7,496**	**1,575**	**3,003**	**5,266**	**1,196**	**4,163**	**3**	**(1,154)**	**21,547**
9 months ended June 30, 2021									
Automotive	1,089	610	3,255	1,898	0	821	2	(13)	7,662
Trading	1,249	78	180	1,480	11	359	1	(724)	2,633
Engineering	963	1,083	12	165	10	714	0	(7)	2,940
Steel and related processing	1,597	16	1	1,569	0	868	0	(611)	3,440
Construction	476	16	0	22	0	91	0	(7)	598
Public sector	46	3	0	0	1,387	10	0	6	1,452
Packaging	84	1	0	910	0	0	0	(5)	990
Energy and utilities	69	20	0	208	0	31	0	1	328
Other customer groups	3,105	49	11	321	42	1,145	8	(32)	4,649
Total	**8,677**	**1,876**	**3,459**	**6,573**	**1,450**	**4,039**	**12**	**(1,394)**	**24,693**
3rd quarter ended June 30, 2020[1)]									
Automotive	157	92	664	286	0	214	1	12	1,426
Trading	277	15	52	314	3	117	0	(198)	581
Engineering	260	312	3	33	4	375	0	(24)	963
Steel and related processing	311	10	1	316	0	190	0	(106)	721
Construction	132	3	0	6	0	28	0	(4)	165
Public sector	13	1	0	0	365	0	0	9	388
Packaging	24	0	0	319	0	0	0	6	349
Energy and utilities	38	7	0	49	0	12	0	0	106
Other customer groups	857	13	2	64	14	285	0	(11)	1,225
Total	**2,070**	**454**	**720**	**1,388**	**385**	**1,221**	**1**	**(316)**	**5,924**
3rd quarter ended June 30, 2021									
Automotive	382	216	1,000	636	0	293	1	9	2,537
Trading	487	25	68	764	3	120	0	(456)	1,011
Engineering	395	351	4	59	3	212	0	(2)	1,022
Steel and related processing	665	5	0	390	0	296	0	(65)	1,290
Construction	194	7	0	10	0	36	0	(4)	244
Public sector	19	2	0	0	372	10	0	4	405
Packaging	36	0	0	330	0	0	0	(5)	362
Energy and utilities	26	5	0	81	0	10	0	1	123
Other customer groups	1,183	19	4	144	19	445	1	(35)	1,779
Total	**3,386**	**630**	**1,076**	**2,415**	**397**	**1,421**	**2**	**(553)**	**8,773**

[1)] Figures have been adjusted.

SALES FROM CONTRACTS WITH CUSTOMERS BY REGION

million €	Materials Services	Industrial Components	Automotive Technology	Steel Europe	Marine Systems	Multi Tracks	Corporate Headquarters	Reconciliation	Group
9 months ended June 30, 2020[1)]									
German-speaking area[2)]	2,969	299	950	2,854	251	714	2	(758)	7,281
Western Europe	1,232	308	479	1,143	88	1,090	0	(214)	4,126
Central and Eastern Europe	991	30	200	388	0	444	0	(58)	1,994
Commonwealth of Independent States	20	15	9	40	0	116	0	(1)	200
North America	1,794	339	640	404	5	283	1	(87)	3,379
South America	26	83	31	62	9	187	0	(3)	396
Asia / Pacific	265	55	27	44	259	490	0	(6)	1,134
Greater China	62	411	621	97	5	265	0	(18)	1,444
India	37	23	9	31	26	176	0	(2)	300
Middle East & Africa	98	13	37	203	553	396	0	(8)	1,292
Total	**7,496**	**1,575**	**3,003**	**5,266**	**1,196**	**4,163**	**3**	**(1,154)**	**21,547**
9 months ended June 30, 2021									
German-speaking area[2)]	3,295	328	1,116	3,736	270	704	9	(973)	8,485
Western Europe	1,462	299	516	1,376	103	1,276	0	(248)	4,785
Central and Eastern Europe	1,317	35	191	482	1	292	0	(92)	2,226
Commonwealth of Independent States	30	18	8	45	0	106	0	1	207
North America	1,986	418	767	491	11	295	2	(79)	3,890
South America	37	113	46	69	81	201	0	3	550
Asia / Pacific	358	40	37	37	404	295	0	(4)	1,167
Greater China	62	583	642	102	7	269	0	1	1,667
India	37	24	6	36	14	160	0	0	278
Middle East & Africa	93	16	129	200	561	442	0	(3)	1,439
Total	**8,677**	**1,876**	**3,459**	**6,573**	**1,450**	**4,039**	**12**	**(1,394)**	**24,693**

SALES FROM CONTRACTS WITH CUSTOMERS BY REGION

million €	Materials Services	Industrial Components	Automotive Technology	Steel Europe	Marine Systems	Multi Tracks	Corporate Headquarters	Reconciliation	Group
3rd quarter ended June 30, 2020[1]									
German-speaking area[2]	732	82	202	785	83	219	1	(240)	1,865
Western Europe	364	91	81	339	33	324	0	(58)	1,174
Central and Eastern Europe	304	8	63	76	0	147	0	(23)	575
Commonwealth of Independent States	6	4	2	20	0	48	0	2	82
North America	500	76	128	111	2	54	1	(23)	848
South America	16	13	1	16	2	43	0	2	94
Asia / Pacific	96	16	9	13	77	133	0	4	349
Greater China	20	156	222	16	0	94	0	14	522
India	6	5	1	6	9	30	0	1	58
Middle East & Africa	26	3	12	5	179	127	0	3	355
Total	**2,070**	**454**	**720**	**1,388**	**385**	**1,221**	**1**	**(316)**	**5,924**
3rd quarter ended June 30, 2021									
German-speaking area[2]	1,251	116	339	1,378	69	257	2	(395)	3,016
Western Europe	591	94	153	497	44	451	0	(91)	1,739
Central and Eastern Europe	537	11	63	173	0	90	0	(39)	836
Commonwealth of Independent States	8	3	4	20	0	40	0	1	75
North America	776	170	250	179	1	118	1	(30)	1,465
South America	21	39	15	24	65	74	0	2	241
Asia / Pacific	122	12	12	15	106	75	0	(1)	341
Greater China	33	173	213	37	4	104	0	4	567
India	14	8	3	14	5	58	0	0	102
Middle East & Africa	33	4	24	77	104	154	0	(5)	391
Total	**3,386**	**630**	**1,076**	**2,415**	**397**	**1,421**	**2**	**(553)**	**8,773**

[1] Figures have been adjusted.
[2] Germany, Austria, Switzerland, Liechtenstein

Of the sales from contracts with customers €3,290 million (prior year: €4,279 million) results in the 9 months ended June 30, 2020 and 2021, respectively and €1,005 million (prior year: €1,553 million) results in the 3rd quarter ended June 30, 2020 and 2021, respectively from long-term contracts, while €21,403 million (prior year: €17,268 million) results in the 9 months ended June 30, 2020 and 2021, respectively and €7,768 million (prior year: €4,371 million) results in the 3rd quarter ended June 30, 2020 and 2021, respectively from short-term contracts. €3,893 million (prior year: €4,692 million) results in the 9 months ended June 30, 2020 and 2021, respectively and €1,322 million (prior year: €1,757 million) results in the 3rd quarter ended June 30, 2020 and 2021, respectively relates to sales recognized over time, and €20,800 million (prior year: €16,854 million) results in the 9 months ended June 30, 2020 and 2021, respectively and €7,452 million (prior year: €4,167 million) results in the 3rd quarter ended June 30, 2020 and 2021, respectively to sales recognized at a point in time.

11 Other income

Gains from premiums and from grants in the amount of €22 million in the 9 months ended June 30, 2021 and of €4 million in the 3rd quarter ended June 30, 2021 mainly include refunds of social security contributions in connection with the utilization of short-time work allowance in Germany, which the group received from the public sector.

12 Financial income/(expense), net

The line item “Income from investments accounted for using the equity method” includes expenses in the amount of €108 million in the 9 months ended June 30, 2021 and of €55 million in the 3rd quarter ended June 30, 2021 from ordinary shares in Vertical Topco I S.A., Luxembourg, which are part of the Elevator reinvestment (cf. Note 02).

13 Earnings per share

Basic earnings per share are calculated as follows:

EARNINGS PER SHARE

	9 months ended June 30, 2020		9 months ended June 30, 2021		3rd quarter ended June 30, 2020		3rd quarter ended June 30, 2021	
	Total amount in million €	Earnings per share in €	Total amount in million €	Earnings per share in €	Total amount in million €	Earnings per share in €	Total amount in million €	Earnings per share in €
Income/(loss) from continuing operations (net of tax) (attributable to thyssenkrupp AG’s shareholders)	(1,968)	(3.16)	(214)	(0.34)	(828)	(1.33)	126	0.20
Income/(loss) from discontinued operations (net of tax) (attributable to thyssenkrupp AG’s shareholders)	(30)	(0.05)	(17)	(0.03)	150	0.24	(2)	0.00
Net income/(loss) (attributable to thyssenkrupp AG's shareholders)	**(1,998)**	**(3.21)**	**(231)**	**(0.37)**	**(678)**	**(1.09)**	**125**	**0.20**
Weighted average shares	622,531,741		622,531,741		622,531,741		622,531,741	

There were no dilutive securities in the periods presented.

14 Additional information to the statement of cash flows

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

RECONCILIATION OF LIQUID FUNDS

million €	June 30, 2020	Sept. 30, 2020	June 30, 2021
Cash, cash equivalents and time deposits according to the balance sheet	1,813	11,547	9,408
Cash, cash equivalents and time deposits of discontinued operations	771	0	0
– Time deposits	0	(850)	0
Liquid funds according to statement of cash flows	2,584	10,697	9,408

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

As of June 30, 2021 cash and cash equivalents of €84 million (June 30, 2020: €78 million) result from the joint operation HKM.

15 Subsequent event

On July 29, 2021 thyssenkrupp signed the sale of the Mining business of the Multi Tracks segment to the Danish company FLSmidth. The transaction is subject to competition authority approval. With the signing extensive carve out activities have started that are expected to be finalized with a closing within a period of time of approximately 12 months.

Furthermore, on August 5, 2021 thyssenkrupp signed a contract with FMC Beteiligungs KG to sell the Infrastructure business unit of the Multi Tracks segment. The criteria of IFRS 5 to present the business unit as a disposal group were not met as of the balance sheet date but were fulfilled until the publication of the interim report due to the accelerated negotiation process. The transaction is amongst others subject to competition authority approval. The closing is expected to take place in the second half of the 2021 calendar year.

Essen, August 9, 2021

thyssenkrupp AG
The Executive Board

Merz

Burkhard Keysberg

Review report

To thyssenkrupp AG, Duisburg and Essen

We have reviewed the condensed consolidated interim financial statements – comprising the consolidated statement of financial position, the consolidated statement of income and the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and selected explanatory notes – and the interim group management report of thyssenkrupp AG, Duisburg and Essen, for the period from October 1, 2020, to June 30, 2021, which are part of the quarterly financial report pursuant to § (Article) 115 WpHG ("Wertpapierhandelsgesetz" German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

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

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

Essen, August 10, 2021

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Harald Kayser (German Public Auditor)	Michael Preiß (German Public Auditor)

Additional information

Contact and 2021 / 2022 financial calendar

For more information please contact:

Communications

Phone: +49 201 844-536043
Fax: +49 201 844-536041
Email: press@thyssenkrupp.com

Investor Relations

Email: ir@thyssenkrupp.com

Institutional investors and analysts
Phone: +49 201 844-536464
Fax: +49 201 8456-531000

Private investors
Phone: +49 201 844-536367
Fax: +49 201 8456-531000

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thyssenkrupp AG
thyssenkrupp Allee 1, 45143 Essen, Germany
Postfach, 45063 Essen, Germany

Phone: +49 201 844-0
Fax: +49 201 844-536000
Email: info@thyssenkrupp.com

www.thyssenkrupp.com

2021 / 2022 financial calendar

November 18, 2021
Annual report 2020 / 2021 (October to September)

February 4, 2022
Annual General Meeting

February 10, 2022
Interim report 1st quarter 2021 / 2022 (October to December)

May 11, 2022
Interim report 1st half 2021 / 2022 (October to March)

August 11, 2022
Interim report 9 months 2021 / 2022 (October to June)

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

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

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