



thyssenkrupp significantly increases operating earnings in first quarter

- Group's adjusted EBIT 52 percent higher at €444 million
- Best Q1 earnings since the start of the Group's transformation
- Net income up at €91 million
- Order intake 4 percent and sales 3 percent higher, excluding currency and portfolio effects
- Full-year forecast confirmed

The technology and industrial group thyssenkrupp made a good start to the new 2017 / 2018 fiscal year. Order intake, sales and earnings in the first three months were higher year-on-year. With **adjusted EBIT**¹ of €444 million, the Group reported its strongest operating 1st quarter since the start of the Strategic Way Forward.

“The positive earnings development shows that our performance programs are working. We're continuing to make good progress with the transformation of thyssenkrupp into a strong industrial group. We're therefore well on track to achieving our targets for the full year,” says thyssenkrupp CEO Dr. Heinrich Hiesinger.

Despite negative currency effects, the Group's **order intake** and **sales** in the 1st quarter 2017 / 2018 were slightly higher year-on-year (up 1 percent each). On a comparable basis, i.e. excluding currency and portfolio effects, they were 4 and 3 percent higher, respectively. In the **capital goods businesses** Elevator Technology profited particularly from new installations business in North America. At Components Technology the car components business in Western Europe and China performed positively, among others. Orders in the largely project-based business of Industrial Solutions were down overall, the business having received a major order in the prior year and above all numerous small and mid-size orders in the reporting period. However the business's project pipeline remains strong. The **materials businesses** profited from the recovery in prices.

The Group's **adjusted EBIT** increased to €444 million, from €291 million in the prior-year quarter. In the **capital goods businesses** improvements were again seen at Components Technology (€77 million, up 2 percent) and Elevator Technology (€220 million, up 3 percent). Industrial Solutions reported adjusted EBIT of €12 million (prior year €42 million). The restructuring initiated in the last fiscal year is expected to provide a significant earnings improvement before the end of this year. The **materials businesses** significantly increased their earnings in a continuing good market environment.

¹ KPIs relate to the Group in its current structure (Group without Steel Americas).

Thanks to the price recovery and the initiated efficiency measures, Steel Europe clearly increased its adjusted EBIT to €160 million (prior year €28 million). At €51 million, adjusted EBIT at Materials Services matched the good prior-year level.

As a result of the good operating performance, thyssenkrupp increased its 1st quarter **net income** to €91 million (prior year €(6) million). This includes a one-time negative effect of €87 million on net income from the US tax reform enacted in the reporting period. This is purely an accounting effect; there was no outflow of cash. After deducting minority interest, net income in the 1st quarter was €78 million (prior year: €(13) million); earnings per share came to €0.12 (prior year €(0.02)).

Free cash flow before M&A improved by €170 million year-on-year (prior year €(1.7) billion) but as expected was negative at €(1.5) billion. The main reason for the cash outflow was a temporary increase in net working capital in the materials businesses due to higher volumes and as a result of material prices rising again. Accordingly the Group's **net financial debt** increased to €3.5 billion (September 30, 2017: €2.0 billion).

For the **current fiscal year 2017 / 2018** thyssenkrupp **confirms** its **forecast**. Adjusted EBIT is expected to increase to €1.8 to €2.0 billion (prior year, continuing operations: €1,722 million). On this basis the company forecasts clearly positive net income above the prior-year figure (prior year, continuing operations: €271 million). Free cash flow before M&A is expected to be positive again (prior year, continuing operations: €(855) million).

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thyssenkrupp in figures – overview of key performance indicators

		1st quarter ended Dec. 31, 2016	1st quarter ended Dec. 31, 2017	Change	in %
Order intake	million €	9,954	9,741	(213)	(2)
Order intake without Steel Americas ¹⁾	million €	9,600	9,741	140	1
Net sales	million €	10,087	9,817	(270)	(3)
Net sales without Steel Americas ¹⁾	million €	9,718	9,817	99	1
EBIT ²⁾	million €	240	422	181	75
EBIT without Steel Americas ¹⁾	million €	188	422	234	125
EBIT margin	%	2.4	4.3	1.9	—
EBIT margin without Steel Americas ¹⁾	%	1.9	4.3	2.4	—
Adjusted EBIT ²⁾	million €	329	444	115	35
Adjusted EBIT without Steel Americas ^{1) 2)}	million €	291	444	153	52
Adjusted EBIT margin	%	3.3	4.5	1.3	—
Adjusted EBIT margin without Steel Americas ¹⁾	%	3.0	4.5	1.5	—
EBT ²⁾	million €	124	318	195	157
EBT without Steel Americas ²⁾	million €	74	318	244	327
Net income (loss) or income (loss) net of tax attributable to thyssenkrupp AG's shareholders	million €	15	91	75	487
Net income (loss) or income (loss) net of tax without Steel Americas ¹⁾	million €	8	78	70	++
Net income (loss) or income (loss) net of tax without Steel Americas ¹⁾ attributable to thyssenkrupp AG's shareholders without Steel Americas	million €	(6)	91	96	++
Earnings per share (EPS)	€	(13)	78	91	++
Earnings per share (EPS) without Steel Americas ¹⁾	€	0.01	0.12	0.11	++
Earnings per share (EPS) without Steel Americas ¹⁾	€	(0.02)	0.12	0.14	++
Operating cash flows	million €	(1,450)	(1,276)	174	12
Operating cash flows without Steel Americas ¹⁾	million €	(1,450)	(1,276)	174	12
Cash flow for investments	million €	(362)	(290)	73	20
Cash flow for investments without Steel Americas ¹⁾	million €	(289)	(290)	(1)	0
Cash flow from divestments	million €	20	30	10	49
Cash flow from divestments without Steel Americas ¹⁾	million €	20	30	10	52
Free cash flow	million €	(1,791)	(1,535)	256	14
Free cash flow without Steel Americas ³⁾	million €	(1,719)	(1,535)	184	11
Free cash flow before M&A	million €	(1,736)	(1,549)	188	11
Free cash flow before M&A without Steel Americas ³⁾	million €	(1,719)	(1,549)	170	10
Net financial debt (Dec. 31)	million €	5,433	3,544	(1,889)	(35)
Total equity (Dec. 31)	million €	3,275	3,280	5	0
Gearing (Dec. 31)	%	165.9	108.0	(58)	—
Employees (Dec. 31)		157,400	159,175	1,775	1
Employees (Dec. 31) without Steel Americas ¹⁾		153,318	159,175	5,857	4

¹⁾ See Note 02.

²⁾ See reconciliation in segment reporting (Note 07).

³⁾ See reconciliation in the analysis of the statement of cash flows.