



Quarterly Statement

Q1 2023/24

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Highlights

thyssenkrupp nucera grows dynamically in Q1 2023/24 - sales in green hydrogen business at record level - good progress in project execution and implementation of growth strategy

Q1 2023/24

- Order intake increased year-on-year to EUR 175.5 million (Q1 2022/23: EUR 161.2 million), in particular due to a strong development in the alkaline water electrolysis (AWE) new build business.
- The next project stage was reached with H2 Green Steel and an order intake of around EUR 100 million was recorded in the reporting period.
- The first modules for the NEOM project were delivered to the customer on schedule.
- In the chlor-alkali (CA) business, a new project to convert an existing chlor-alkali plant into a more environmentally friendly chlorine supply solution was signed with CAPE IGARASSU, a company managed by the Chlorum Solutions Group.
- Sales grew compared to the previous year by 34.6% and reached EUR 208.3 million, a record level for a single quarter (Q1 2022/23: EUR 154.8 million).
- In the AWE business, sales increased significantly to EUR 120.6 million (Q1 2022/23: EUR 69.6 million). The main driver here was the ongoing implementation of the NEOM project in Saudi Arabia.
- For chlor-alkali, sales amounted to EUR 87.6 million, slightly above the level of the previous year (Q1 2022/23: EUR 85.5 million).
- EBIT fell to EUR –0.9 million (Q1 2022/23: EUR 11.0 million). The decline in EBIT is mainly attributable to expected start-up costs in the rapidly growing AWE business and a lower gross margin due to a higher share of AWE in total sales.
- Progress was also made in terms of organizational structure. As of December 31, 2023, thyssenkrupp nucera employed 765 people worldwide. Compared to the previous year (December 31, 2022), the number of employees increased by 220.
- Guidance for financial year 2023/24 confirmed.

thyssenkrupp nucera in figures

in EUR million	Q1 2022/23	Q1 2023/24	% change
Results of operations			
Order intake	161.2	175.5	9
thereof: Order Intake AWE	81.4	109.1	34
thereof: Order Intake CA	79.8	66.4	(17)
Sales	154.8	208.3	35
thereof: Sales AWE	69.6	120.6	73
thereof: Sales CA	85.5	87.6	2
Gross margin	26.5	22.4	(15)
Research and development cost	(3.2)	(5.4)	72
EBITDA	11.9	0.4	(97)
EBIT	11.0	(0.9)	--
EBIT margin	7.1%	(0.4)%	--
Earnings before taxes	11.5	4.9	(57)
Net income	8.5	2.8	(67)
Earnings per share	0.08	0.02	(74)

in EUR million	Q1 2022/23	Q1 2023/24	% change
Cash flow			
Cash flow from operating activities	23.5	10.0	(57)
Cash flow from investing activities	(23.0)	(1.5)	--
Free cash flow	0.5	8.4	++

in EUR million	Sept. 30, 2023	Dec. 31, 2023	% change
Balance sheet ratios			
Net financial assets	761.3	761.4	0
Total assets	1,144.9	1,174.6	3
Equity	744.8	743.7	(0)
Equity ratio	65.0%	63.3%	--

Headcount	Dec. 31, 2022	Dec. 31, 2023	% change
Employees			
Employees as of reporting date	545	765	40

Expectations for 2023/24

In light of the economic conditions expected at the time of publication of this quarterly statement and the underlying assumptions, we continue to consider our guidance for the 2023/24 financial year published on December 18, 2023 to be appropriate:

Sales

We expect a significant increase in sales in the mid double-digit percentage range compared to the past fiscal year (2022/23: EUR 652.8 million). The execution of projects already contractually agreed to in the field of alkaline water electrolysis should make a significant growth contribution. At segment level, we expect Germany and Italy, in particular, to contribute to the increase in sales, as well as the US in the segment Rest of the World (RoW). The segments China and Japan, on the other hand, are expected to be slightly below the levels they achieved in the 2022/23 fiscal year.

EBIT

For EBIT, we expect a negative figure in the mid double-digit million euro range (2022/23: EUR 23.8 million), which should primarily result from the segment Germany. In contrast to that the Group's performance, EBIT for the segment Italy is expected to increase compared to the past financial year 2022/23.

The decline in EBIT is primarily due to the expansion of the currently still lower-margin AWE business. This is a result of the planned increase in research and development costs as well as higher administrative and selling expenses for the implementation of the growth strategy and organizational development.

Overall, we therefore expect significant sales growth for the Group in the 2023/24 fiscal year and, at the same time, a temporary sharp decline in EBIT as a result of necessary start-up costs. This will occur in accordance with the implementation of our growth strategy and the scaling of our business and should sustainably improve our profitability and competitiveness in the long term.

Sales, earnings and financial position

Order intake

thyssenkrupp nucera's **order intake** in the **first quarter of 2023/24** amounted to EUR 175.5 million and thus surpassed the previous year by EUR 14.2 million (Q1 2022/23: EUR 161.2 million). Of this amount EUR 109.1 million were attributable to alkaline water electrolysis (AWE) (Q1 2022/23: EUR 81.4 million) and EUR 66.4 million to the chlor-alkali (CA) business (Q1 2022/23: EUR 79.8 million).

In the AWE business, a new project stage was reached with H2 Green Steel (H2GS) by fulfilling further requirements on the financing side, enabling around EUR 100 million to be recognized in order intake in the first quarter of 2023/24. The remaining part of the H2GS project, around 60% of the contractually agreed total volume, is expected to be recognized in order intake in the coming months of the current financial year 2023/24.

New orders were also won in the CA business. Noteworthy here is the project with CAPE IGARASSU, a company managed by the Chlorum Solutions Group. The existing electrolysis plant with mercury electrodes in Igarassu, Brazil, will be replaced by electrolyzers with our highly efficient BM2.7 technology. The contract also includes engineering, equipment and consulting services for the construction and commissioning of the chlor-alkali plant.

Sales

Sales in the **first quarter of 2023/24** grew by 34.6% to EUR 208.3 million (Q1 2022/23: EUR 154.8 million). AWE sales reached a record level at EUR 120.6 million (Q1 2022/23: EUR 69.6 million). Sales in the CA business developed slightly positive and amounted to EUR 87.6 million (Q1 2022/23: EUR 85.5 million).

The significant increase in sales in the AWE business is mainly due to the ongoing implementation of the NEOM project in Saudi Arabia. The Unigel project in Brazil also contributed to the positive sales trend.

For chlor-alkali, sales from new built business improved, which was partially offset by the decline in the service business.

Earnings

Earnings before interest and taxes (EBIT) fell significantly in the **first quarter of 2023/24** by EUR –11.9 million to EUR –0.9 million (Q1 2022/23: EUR 11.0 million). The decline in EBIT is mainly due to the planned increase in structural and development costs for the implementation of the growth strategy in AWE. The increased share of AWE sales, which is currently accompanied by lower gross margins, as well as mix effects due to the lower service business also contributed to the decline in earnings.

The **financial income** improved in the **first quarter of 2023/24** due to higher interest income to EUR 5.8 million (Q1 2022/23: EUR 0.5 million). After taxes on income and earnings, the net income amounted to EUR 2.8 million, which was below previous year's level (Q1 2022/23: EUR 8.5 million). **Earnings per share** attributable to the shareholders of thyssenkrupp nucera fell accordingly to EUR 0.02 (Q1 2022/23: EUR 0.08).

Financial position

Net financial assets are calculated as the balance of cash and cash equivalents and financial assets less current debt instruments and non-current and current financial liabilities (including lease liabilities in accordance with IFRS 16). As of December 31, 2023, thyssenkrupp nucera recorded net financial assets of EUR 761.4 million (September 30, 2023: EUR 761.3 million).

Operating cash flow in the **first quarter of 2023/24** stood at EUR 10.0 million and thus below the previous year's figure (Q1 2022/23: EUR 23.5 million). The main reasons for this were the increase in contract assets as project execution progressed, a significant increase in inventories and higher advance payments to suppliers.

While **cash flow from investing activities** in the previous year was still largely characterized by the investment of liquidity as cash pool balances at the thyssenkrupp Group, it increased in the **first quarter of 2023/24** after the exit from thyssenkrupp Group's cash pool to EUR –1.5 million (Q1 2022/23: EUR –23.0 million).

In the **first quarter of 2023/24**, **cash flow from financing activities** amounted to EUR –4.4 million, which was below the level of the previous year (Q1 2022/23: EUR –0.6 million).

Segment reporting

The group has five geographical reporting segments, which are described below. The segments Germany, Italy, Japan, China and Rest of the World (RoW) reflect the internal organizational and management structure of the Group as well as the reporting lines to the management board.

Segment Germany

External sales in segment Germany increased in the **first quarter of 2023/24** to EUR 126.7 million (Q1 2022/23: EUR 98.3 million). The main driver was progress in the execution of the NEOM project. **EBIT** amounted to EUR –8.2 million and thus decreased compared to the previous year (Q1 2022/23: EUR 3.9 million). This is mainly due to the planned increase in structural and development costs as well as volume and mix effects in the gross margin.

Segment Italy

In segment Italy, **external sales** multiplied in the **first quarter of 2023/24** to EUR 31.0 million (Q1 2022/23: EUR 6.7 million). The main driver was the chlor-alkali business. As a result of the higher sales, **EBIT** rose to EUR 4.5 million (Q1 2022/23: EUR 0.4 million).

Segment Japan

External sales of segment Japan fell in the **first quarter of 2023/24** to EUR 10.7 million (Q1 2022/23: EUR 11.7 million) due to declining sales in the chlor-alkali service business. **EBIT** came in at EUR 1.9 million and thus on a par with the previous year (Q1 2022/23: EUR 2.0 million).

Segment China

External sales in segment China rose slightly in the **first quarter of 2023/24** to EUR 24.3 million (Q1 2022/23: EUR 23.2 million) due to higher sales in the chlor-alkali service business. **EBIT** stood at EUR 0.9 million and thus below the previous year's level (Q1 2022/23: EUR 3.1 million).

Segment RoW

The segment Rest of the World (RoW) mainly comprises the activities in the US as well as the activities in Saudi Arabia, Australia and India. **External sales** in the **first quarter of 2023/24** amounted to EUR 15.5 million at the same level as the previous year (Q1 2022/23: EUR 14.9 million). **EBIT** reached EUR 0.2 million and therefore decreased slightly against the previous year (Q1 2022/23: EUR 0.6 million).

Segments in figures

Q1 2022/23							
	Germany	Italy	Japan	China	RoW	Reconciliation/ Consolidation	Group
in EUR million							
Sales (external)	98.3	6.7	11.7	23.2	14.9	–	154.8
Sales (internal)	9.2	0.2	4.2	0.3	0.0	(13.9)	–
Total Sales	107.5	6.9	15.9	23.4	15.0	(13.9)	154.8
EBIT	3.9	0.4	2.0	3.1	0.6	1.1	11.0

Q1 2023/24							
	Germany	Italy	Japan	China	RoW	Reconciliation/ Consolidation	Group
in EUR million							
Sales (external)	126.7	31.0	10.7	24.3	15.5	–	208.3
Sales (internal)	13.2	–	16.4	0.7	0.2	(30.6)	–
Total Sales	139.9	31.0	27.2	25.0	15.7	(30.6)	208.3
EBIT	(8.2)	4.5	1.9	0.9	0.2	0.3	(0.9)

External sales by region

in EUR million	Q1 2022/23	Q1 2023/24
Europe	39.2	21.7
North America	15.9	15.1
South America	3.3	24.0
Asia / Pacific	10.2	10.9
Greater China	26.3	23.7
India	5.0	2.5
Middle East & Africa	54.8	110.5
Total	154.8	208.3

Statement of financial position

Assets		
in EUR million	Sept. 30, 2023	Dec. 31, 2023
Property, plant and equipment	10.2	13.1
Goodwill	54.8	54.7
Intangible assets other than goodwill	0.6	0.5
Other financial assets	0.3	0.3
Other non-financial assets	3.4	2.4
Deferred tax assets	18.1	19.4
Total non-current assets	87.3	90.3
Inventories	107.7	122.3
Trade accounts receivable	48.8	37.7
Contract assets	29.8	57.4
Other financial assets	3.0	1.1
Other non-financial assets	100.4	93.6
Current income tax assets	0.9	1.9
Cash and cash equivalents	767.0	770.3
Total current assets	1,057.6	1,084.2
Total assets	1,144.9	1,174.6

Equity and liabilities

in EUR million	Sept. 30, 2023	Dec. 31, 2023
Capital stock	126.3	126.3
Additional paid-in capital	509.7	506.2
Retained earnings	111.3	114.1
Cumulative other comprehensive income	(2.6)	(2.9)
Equity attributable to thyssenkrupp nucera Group equity holders	744.8	743.7
Accrued pension and similar obligations	7.0	7.7
Provisions for other non-current employee benefits	0.3	0.2
Other provisions	1.3	1.2
Deferred tax liabilities	10.2	10.6
Lease liabilities, non-current	2.2	3.5
Other financial liabilities	1.1	1.1
Total non-current liabilities	22.1	24.3
Provisions for current employee benefits	3.8	1.1
Other provisions	35.4	41.3
Current income tax liabilities	6.8	8.0
Lease liabilities, current	2.4	2.5
Trade accounts payable	128.4	140.2
Other financial liabilities	4.0	4.0
Contract liabilities	185.2	194.7
Other non-financial liabilities	12.2	14.8
Total current liabilities	378.2	406.6
Total liabilities	400.2	430.8
Total equity and liabilities	1,144.9	1,174.6

Income statement

in EUR million	Q1 2022/23	Q1 2023/24
Sales	154.8	208.3
Cost of sales	(128.4)	(186.0)
Gross margin	26.5	22.4
Research and development cost	(3.2)	(5.4)
Selling expenses	(4.4)	(4.2)
General and administrative expenses	(7.6)	(12.5)
Other income	2.5	1.5
Other expenses	(2.7)	(2.5)
EBIT	11.0	(0.9)
Finance income	2.5	6.4
Finance expenses	(2.0)	(0.7)
Financial income/(expense), net	0.5	5.8
Earnings before taxes	11.5	4.9
Income tax expense	(3.1)	(2.1)
Net income	8.5	2.8
Thereof: thyssenkrupp nucera KGaA's equity holders	8.5	2.8
Basic/diluted	0.08	0.02
Weighted average of outstanding shares (in million units)	100.0	126.3

Cash flow statement

in EUR million	Q1 2022/23	Q1 2023/24
Net income/(loss)	8.5	2.8
Adjustments to reconcile net income/(loss) to operating cash flows:		
Deferred income taxes, net	1.3	(1.1)
Depreciation, amortization and impairment of non-current assets	0.9	1.3
(Gain)/loss on disposal of non-current assets	–	–
Changes in assets and liabilities, net of non-cash effects:		
– Inventories	(0.1)	(14.7)
– Trade accounts receivable	(4.2)	10.8
– Contract assets	(6.2)	(27.7)
– Accrued pension and similar obligations	0.5	0.5
– Other provisions	(4.6)	3.1
– Trade accounts payable	(0.3)	9.7
– Contract liabilities	16.4	9.7
– Other assets/liabilities not related to investing or financing activities	11.5	15.6
Cash flow from operating activities	23.5	10.0
Expenditures for acquisitions of consolidated companies net of cash acquired	–	(0.6)
Capital expenditures from property, plant and equipment (inclusive of advance payments)	(0.4)	(0.6)
Capital expenditures for intangible assets (inclusive of advance payments)	(0.1)	–
Proceeds from disposals of property, plant and equipment, intangible assets and other non-current assets	0.0	0.0
Cash pool withdrawals (deposits)	(22.6)	(0.3)
Cash flow from investing activities	(23.0)	(1.5)
Cash flows from redemption of lease liabilities	(0.6)	(0.9)
Cost of capital procurement	–	(3.6)
Payment of dividend to equity holders	–	–
Cash flow from financing activities	(0.6)	(4.4)
Net increase/(decrease) in cash and cash equivalents	(0.1)	4.0
Effect of exchange rate changes on cash and cash equivalents	(0.0)	(0.7)
Cash and cash equivalents at beginning of year	27.3	767.0
Cash and cash equivalents at end of year	27.2	770.3
Additional information regarding income tax amounts included in operating cash flows:		
Income tax paid	(3.1)	(3.0)
Interest received	1.5	6.0
Interest paid	(0.0)	(0.1)

Financial calendar, imprint and disclaimer

Financial calendar

15 May 2024: Half-Year Financial Report 2023/24

13 August 2024 Quarterly Statement Q3/9M 2023/24

17 Dezember 2024: Annual Report 2023/24

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Percentages and figures in this report may include rounding differences.

Negative absolute values in the tables are shown in brackets ().

The signs used to indicate rates of change are based on economic aspects:

Improvements are indicated by positive percentage; deteriorations are shown by a minus (-) sign. Very high positive and negative rates of change ($\geq +100\%$ or $\leq -100\%$) are indicated by ++ and -- respectively.