

ThyssenKrupp Elevator Americas

- *Market leader in the US and poised to continue growing*
- *Largest producer of elevators in the Country*
- *Offers ingenious solutions that significantly reduce energy consumption and increase available floor space in buildings, contributing for higher revenues and lower costs*

The Global Elevator Technology Market

The 21st century is the world's inaugural metropolitan century, with cities prospering in the new global economic order and 600 cities currently accounting for 60% of the world's GDP. In this era of unprecedented development, mobility of people in cities and their buildings is a utility as important as water or energy supplies, on which the economies of scale of urban conglomerations are heavily dependent.

Meeting the mobility demands of mass urban migration, especially in emerging economies, is the current challenge facing the elevator industry. By 2016, the global demand for elevator equipment (including elevators, escalators, and moving walkways) and services is projected to rise over 5% annually to US\$ 73 billion, from the current demand of \$US 62 billion.

In emerging economies, cities like Shanghai, Sao Paulo, Istanbul, and Lagos are just a few examples of relatively new megacities (cities with populations of 10 million or more) which are redefining the urban landscape. By 2020, China will lead the way with 121 urban conglomerations (each with populations of 1 million or more), followed by India with 58 and the US with 46. Countries with the swiftest growth rates are in Sub-Saharan Africa, South and South East Asia, the Middle East, and Central America.

However, the continued growth of large cities is not an exclusive trend of emerging economies alone. In Europe and North America, recent censuses demonstrate that the largest urban areas are growing faster than other cities. US metros with more than a million people each registered the fastest growth by far at 3.2%, considerably higher than the 2.4% growth rate for the U.S. as a whole. Medium-size metros, those with populations between 500,000 and a million people, grew at the same level as the nation as a whole, while the country's smallest geographic units, its 536 micropolitan areas with less than 500,000 people each, grew on average at just 0.2%. More than half of these micropolitans (286) saw their populations either decline or register no increase whatsoever between 2010 and 2013.

In tandem with the population and construction growth focus on emerging markets, a December 2013 HSBC study found a similar trend in the elevator industry. While the European market is expected to decline, the Chinese elevator market alone will grow by 10-15% in 2014 and substantial growth in the Americas will be driven by the residential sector.

Construction trends show the customer base for elevators is extremely varied across markets. From 2012 to 2013, pure office buildings declined from 39% to 34%; mixed-use buildings went from 29% to 30%; hotels increased from 1% to 5%; and pure residential buildings contributed to 30% of the overall market demand in 2013.

The scale and geography of overall population growth, increase in aging population numbers, and the projected number of new construction, will demand major advancements in technologies currently employed by the world's principal elevator companies. Leading global companies like ThyssenKrupp are investing in developing new technologies, in training employees, and in enlarging their global footprint to contribute to making existing and future cities the best living spaces ever created.

Elevator Technology Market in the U.S.

- From a market value of \$US 9.3 billion in 2013, the U.S. market is expected to reach \$US 10.3 billion in 2018. The US elevator market is still maintaining second place after China in terms of global elevator industry demand.
- Momentum is driven by modernizations (2.3% growth) and maintenance services (2.7% growth), while new constructions are expected to decrease slightly by 0.5% over the next 3 years.
- The market is highly competitive with three companies holding similar market positions; ThyssenKrupp ranks first and is bullish on its U.S. growth.

ThyssenKrupp Elevator in the U.S:

- ThyssenKrupp is second to none in the USA elevator technology market, holding the top position over its direct competitors. ThyssenKrupp Elevator has 6,500 employees in the US (FY 2012/2013), and is the country's largest employer in the elevator industry
- The company's presence in the country includes two manufacturing sites; Middleton, Tennessee and Walnut, Mississippi; as well as R&D centres in Horn Lake, Mississippi, Atlanta, Georgia and Memphis, Tennessee.
- One of the most important projects currently for ThyssenKrupp Elevator is the One World Trade Center. We equip the building with 73 elevators and 11 escalators. With top speed of 10 m/s these elevators are the fastest in North America.

Growth Strategy in the US market

- Maintain market leadership and continue growing with introducing ingenious and energy efficient elevator and escalator solutions which contribute with increased revenues for building developers and operators. Products fully-adjusted to US market requirements.

- Continue the company's policy of local manufacturing in America.
- Strengthen the Maintenance Services business through highly trained technicians providing timely and world-class service locally.
- Expand ThyssenKrupp's modernization business with energy saving elevator solutions.
- Continue to invest in employees through comprehensive training programmes on new manufacturing and maintenance services, increasing elevators' in-service reliability and safety.
- Expand the SEED campus (company training academy) programmes in the US.

ThyssenKrupp Elevator

The Elevator Technology business area brings together the ThyssenKrupp Group's global activities in passenger transportation systems. With sales of 6.2 billion euros in fiscal 2012/2013 and customers in 150 countries, ThyssenKrupp Elevator is one of the world's leading elevator companies. With more than 49,000 highly skilled employees, the company offers innovative and energy-efficient products designed to meet customers' individual requirements. The portfolio includes passenger and freight elevators, escalators and moving walks, passenger boarding bridges, stair and platform lifts as well as tailored service solutions for all products. Over 900 locations around the world provide an extensive sales and service network to guarantee closeness to customers.

About ThyssenKrupp

ThyssenKrupp, a global technology and materials group headquartered in Essen, Germany, employs around 157,000 people in just under 80 countries and recorded sales of €39 billion in fiscal year 2012/2013. In North America, ThyssenKrupp oversees more than 40 companies in the United States, Canada and México. In the fiscal year 2012/2013, ThyssenKrupp generated sales of more than €8.3 billion (approximately \$11 billion) in North America and employed more than 20,000 people.

ThyssenKrupp companies offer a range of products including: premium carbon steel, high-performance alloys, automotive components, elevators, escalators, material trading, handling and logistics, plant construction and industrial services.