

FY 2024 Results

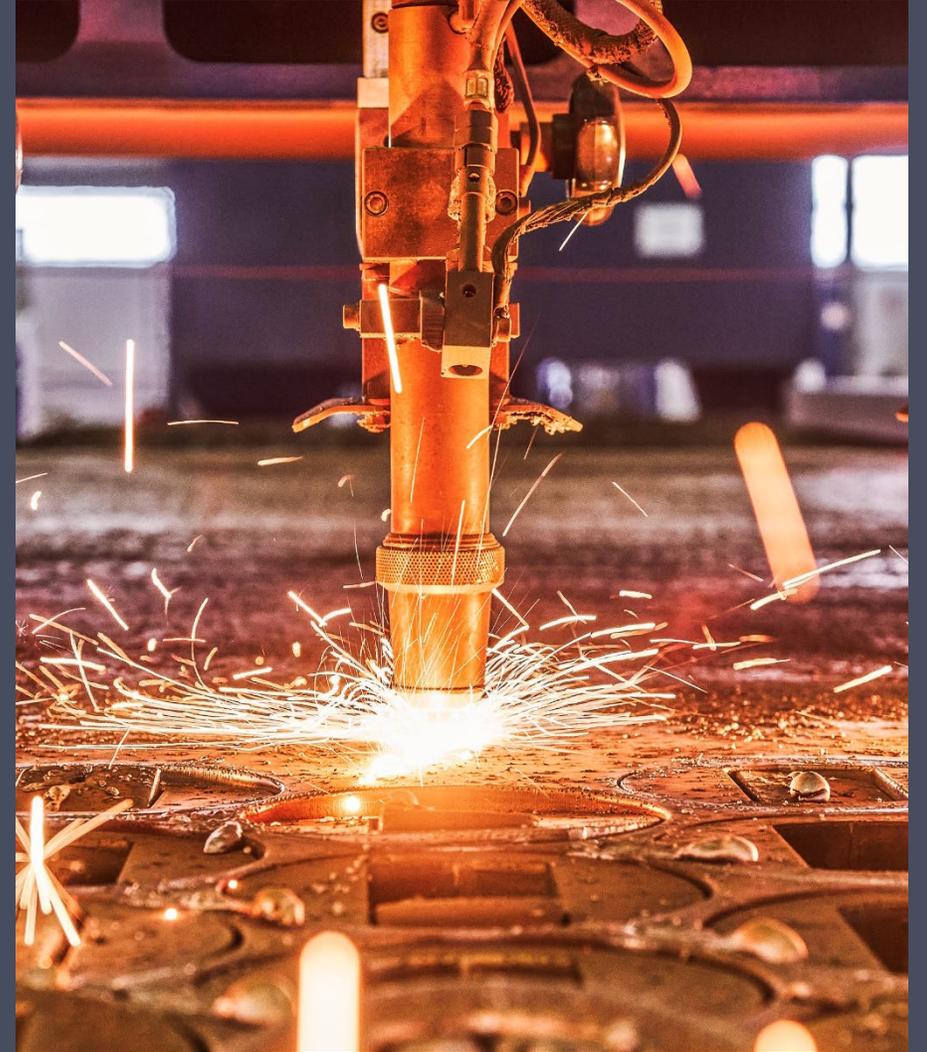
Analysts' and Investors' Conference Call

Guido Kerkhoff | CEO

Dr. Oliver Falk | CFO

John Ganem | Member of the Management Board

March 12, 2025



Disclaimer



This presentation contains forward-looking statements which reflect the current views of the management of Klöckner & Co SE with respect to future events. They generally are designated by the words "expect", "assume", "presume", "intend", "estimate", "strive for", "aim for", "plan", "will", "endeavor", "outlook" and comparable expressions and generally contain information that relates to expectations or goals for economic conditions, sales proceeds or other yardsticks for the success of the enterprise. Forward-looking statements are based on currently valid plans, estimates and expectations and are therefore only valid on the day on which they are made. You therefore should consider them with caution. Such statements are subject to numerous risks and factors of uncertainty (e. g. those described in publications) most of which are difficult to assess and which generally are outside of the control of Klöckner & Co SE. The relevant factors include the effects of reasonable strategic and operational initiatives, including the acquisition or disposal of companies or other assets. If these or other risks and factors of uncertainty occur or if the assumptions on which the statements are based turn out to be incorrect, the actual results of Klöckner & Co SE can deviate significantly from those that are expressed or implied in these statements. Klöckner & Co SE cannot give any guarantee that the expectations or goals will be attained. Klöckner & Co SE – notwithstanding existing legal obligations – rejects any responsibility for updating the forward-looking statements through taking into consideration new information or future events or other things.

In addition to the key figures prepared in accordance with IFRS and German-GAAP respectively, Klöckner & Co SE is presenting non-GAAP key figures such as EBITDA, EBIT, Net Working Capital and net financial liabilities that are not a component of the accounting regulations. These key figures are to be viewed as supplementary to, but not as a substitute for data prepared in accordance with IFRS. Non-GAAP key figures are not subject to IFRS or any other generally applicable accounting regulations. In assessing the net assets, financial position and results of operations of Klöckner & Co SE, these supplementary figures should not be used in isolation or as an alternative to the key figures presented in the consolidated financial statements and calculated in accordance with the relevant accounting principles. Other companies may base these concepts upon other definitions. Please refer to the definitions in the annual report. For other terms not defined in this annual report, please refer to the glossary on our website at <https://www.kloeckner.com/en/glossary.html>.

Rounding differences may occur with respect to percentages and figures.

The English translation of the annual report and the interim statement are also available, in case of deviations the German versions shall prevail.

Evaluating statements are unified and are presented as follows:

- +/- 0-1% constant
- +/- >1-5% slight
- +/- >5% considerable

Agenda

1. Highlights and update on strategy
2. Financials
3. Outlook
4. Appendix



Highlights of FY 2024

	FY 2024 ^{*)}	FY 2023 ^{*)}	Delta	
Shipments (Tto)	4,453	4,248	+4.8%	Increase yoy driven by strong development of Kloeckner Metals Americas segment and acquisitions in H2 2023; Europe continued to face a challenging market environment
Sales (€m)	6,632	6,957	-4.7%	Decrease due to significant steel price correction over large parts of the year
Gross profit (€m)	1,113	1,157	-3.8%	Down yoy due to negative price effects
EBITDA ^{**)} (€m)	136	190	-54	Decrease yoy due to challenging environment and steel price correction
Oper. CF (€m)	160	287	-127	Strongly positive for the third year in a row
Net financial debt (€m)	780	775	+5	Constant level yoy
Dividend per share ^{***)} (€)	0.20	0.20		Proposing a dividend for the fourth consecutive time, first time since IPO

^{*)} Continuing operations in accordance with IFRS 5.

^{**)} Before material special effects.

^{***)} Proposal to the Annual General Meeting on May 28, 2025.

Segment performance

KM Americas

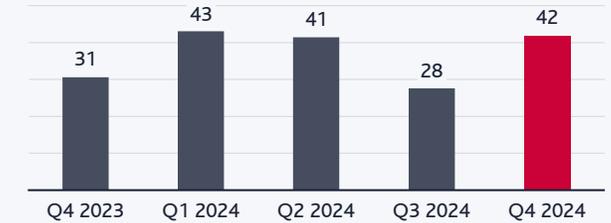
Shipments (Tto)



Sales (€m)



EBITDA*) (€m)



KM Europe

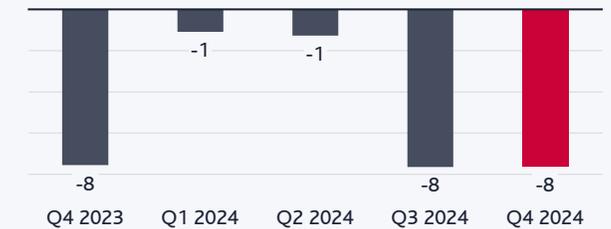
Shipments (Tto)



Sales (€m)



EBITDA*) (€m)



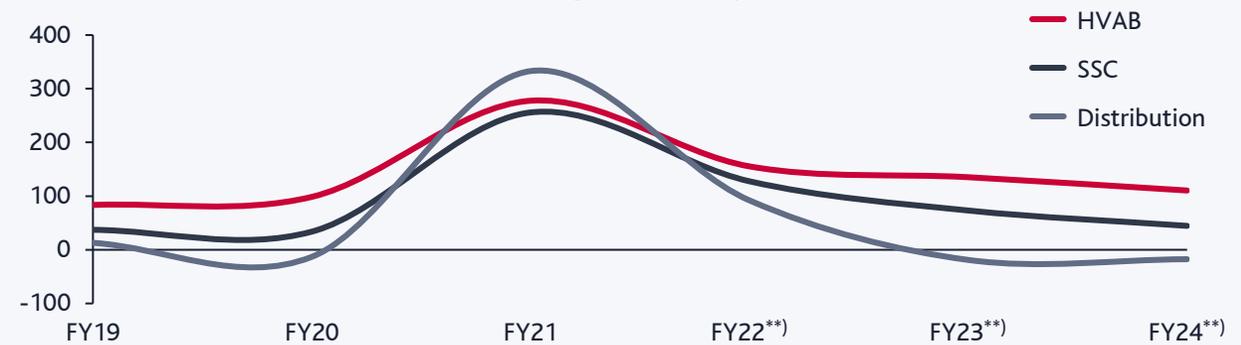
*) Adjusted for material special effects in Q4 2023, Q1 2024, Q3 2024 and Q4 2024 in KM Europe and Q3 2024 and Q4 2024 in KM Americas.

Developing from a steel distributor to a leading SSC company and HVAB powerhouse

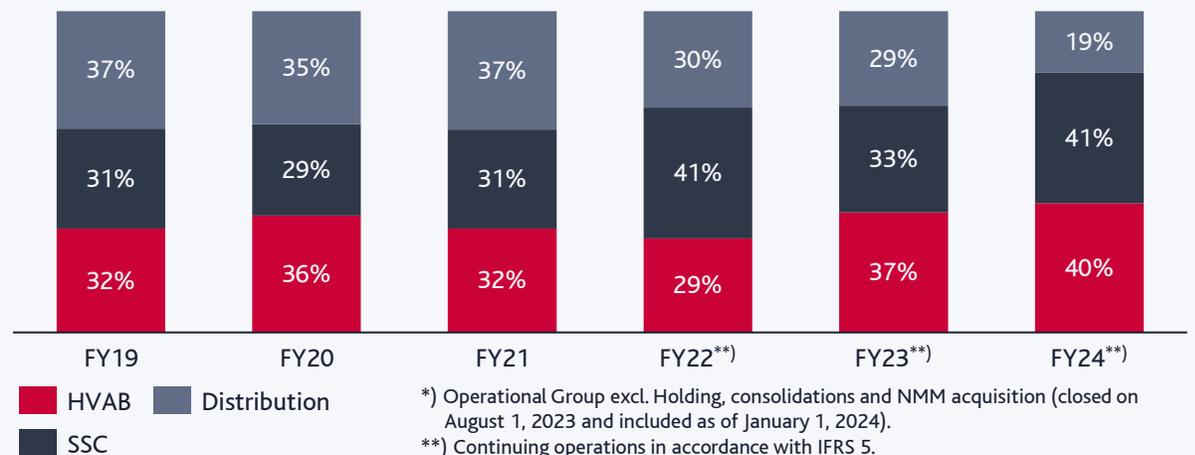
Continuing to strengthen focus on SSC and higher value-added business

- Service Center business and especially HVAB less dependent on steel price developments
- Achieved important milestones in order to increase profitability and resilience in recent past
 - Closed and integrated value accretive growth platform NMM
 - Acquired Industrial Manufacturing Services, Sol Components and Amerinox, increasing exposure to HVAB
 - Divested parts of European distribution business, reducing exposure to low-margin, cyclical commodity business significantly
 - Streamlined portfolio further by divesting Brazilian distribution business
 - Transformed distribution warehouses into HVAB centers by investing in state-of-the-art laser capacity and automated welding capabilities

EBITDA before MSE^{*)} development by business



Sales^{*)} split by business

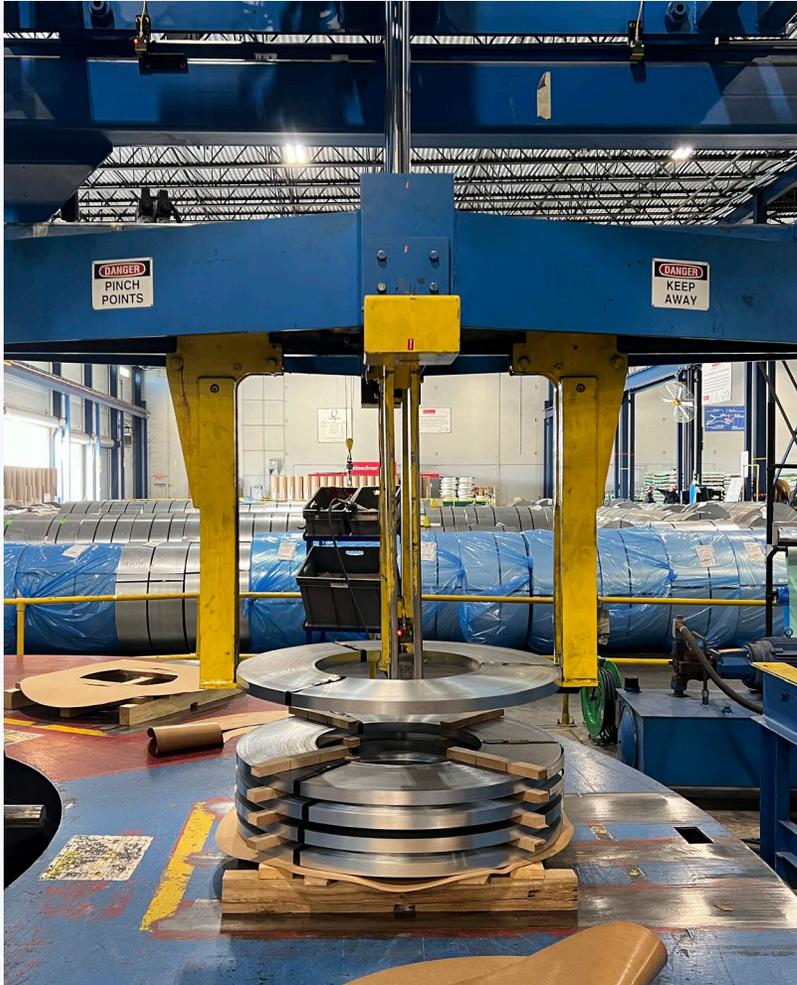


^{*)} Operational Group excl. Holding, consolidations and NMM acquisition (closed on August 1, 2023 and included as of January 1, 2024).

^{**)} Continuing operations in accordance with IFRS 5.

Leveraging our competitive advantage in North America

Investment in new aluminum processing facility drives growth and market leadership



Columbus, MS, United States

- Investing in flat-rolled aluminum processing facility on the campus of Aluminum Dynamics LLC (ADL), thereby supporting long-standing collaboration with ADL's parent company, Steel Dynamics Inc. (SDI)
- Building 200,000-square foot facility, strategically located, with an annual capacity of up to 250,000 tons
- Improving higher value-added product and service portfolio to meet growing demand for laser blanking
- Enabling us to accelerate growth in our automotive and industrial segments and leverage our competitive advantage
- Supporting our sustainability goals by processing ADL's energy-efficient, CO₂-reduced aluminum products
- Expanding our toll processing portfolio to benefit from the profitable higher value-added business and to significantly reduce exposure to steel price volatility; fully in line with corporate strategy
- Ramp-up planned for Q4 2026, offering room for additional growth

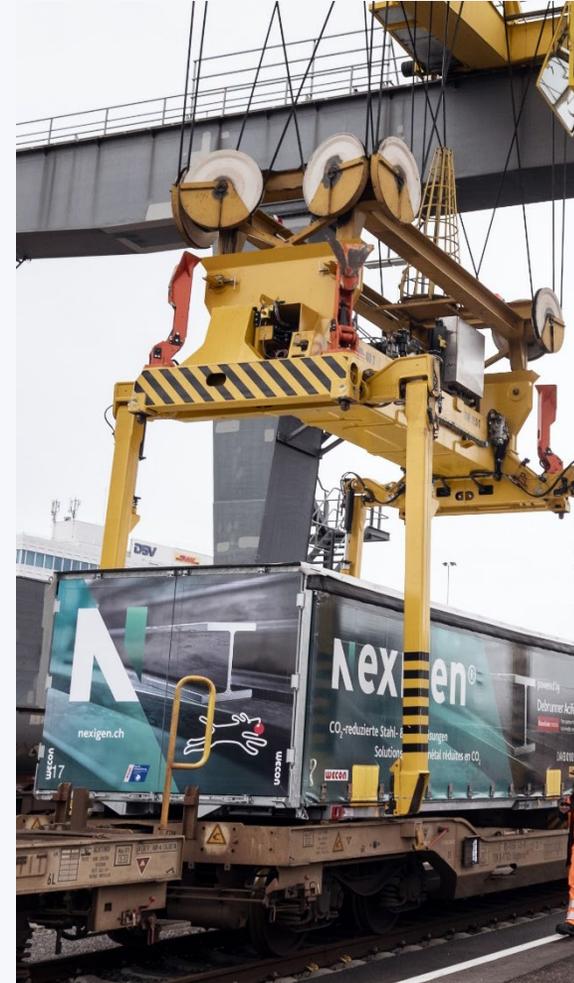
Driving efficiency and growth in the DACH-region

Continuing investment to enable profitable growth



Germany

- Invested in advanced 30 KW laser in Kassel
- Increasing our laser capacity and enabling further growth
- Enhancing production quality through one of the most modern laser machines in Europe
- Target industries: agricultural machinery, mechanical engineering and defense
- Achieved operational readiness by Q1 2025



Switzerland

- Optimizing logistics by introducing combined transport, linking rail and road logistics
- Transporting material at night by rail to our customers
- Unlocking cost potential through greater people and site efficiency
- Benefiting from better environmental and cost structure of rail transport
- Already fully operational

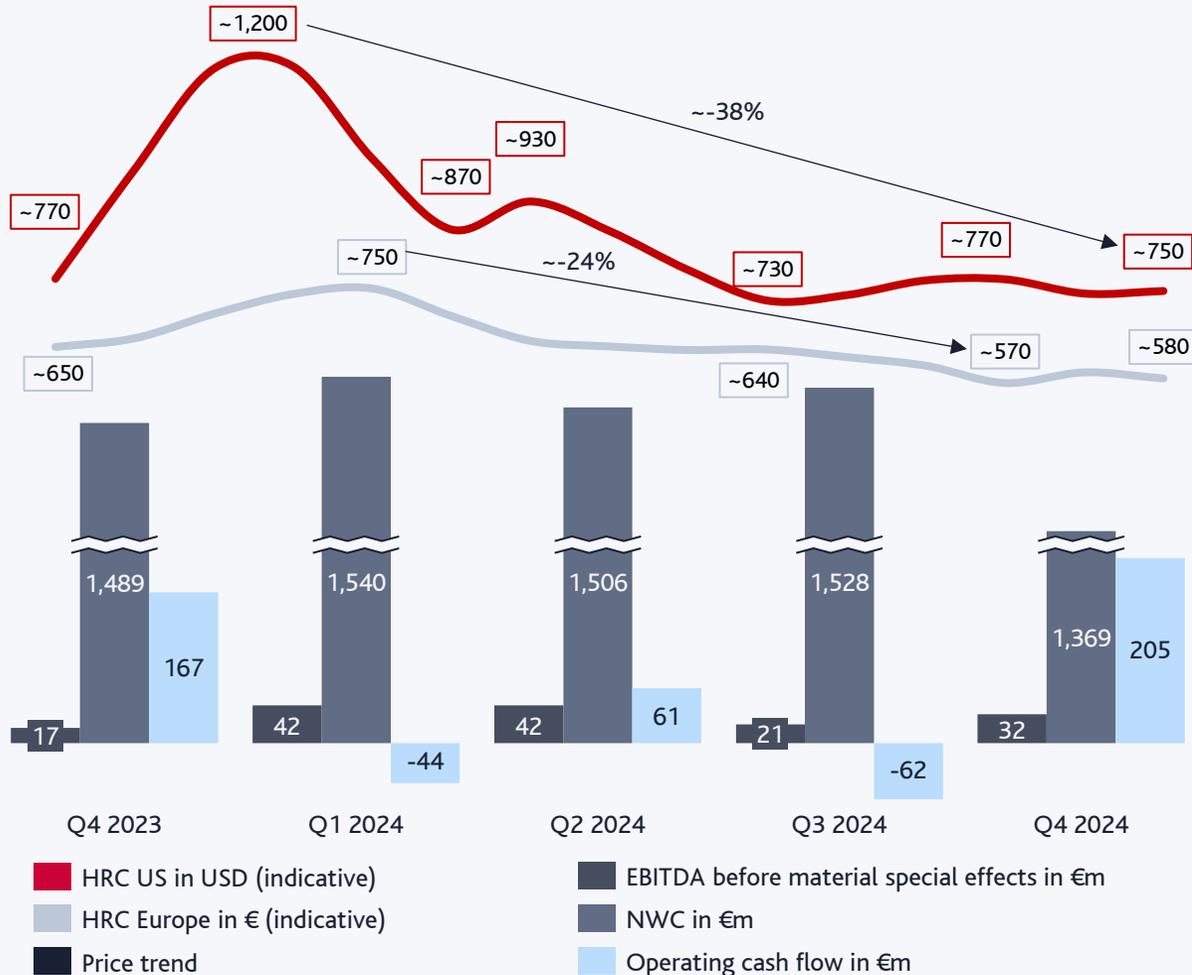
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Our net working capital management

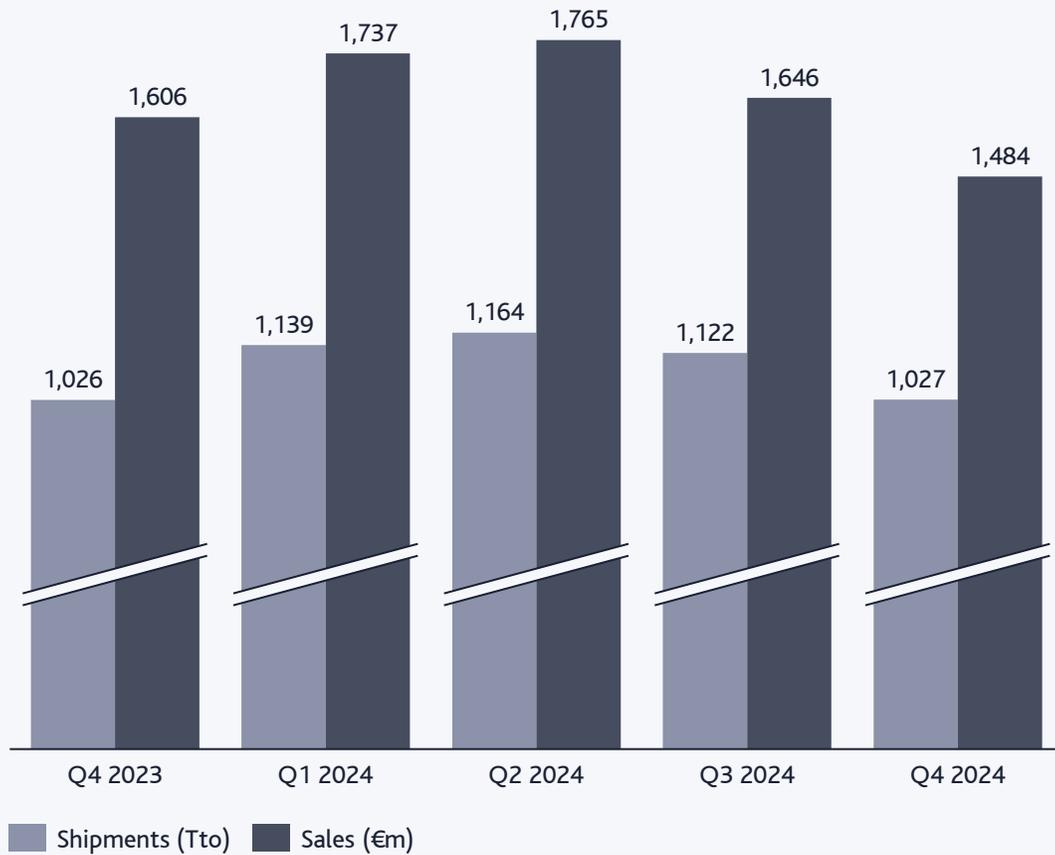
Solid operating performance despite ongoing difficult market environment



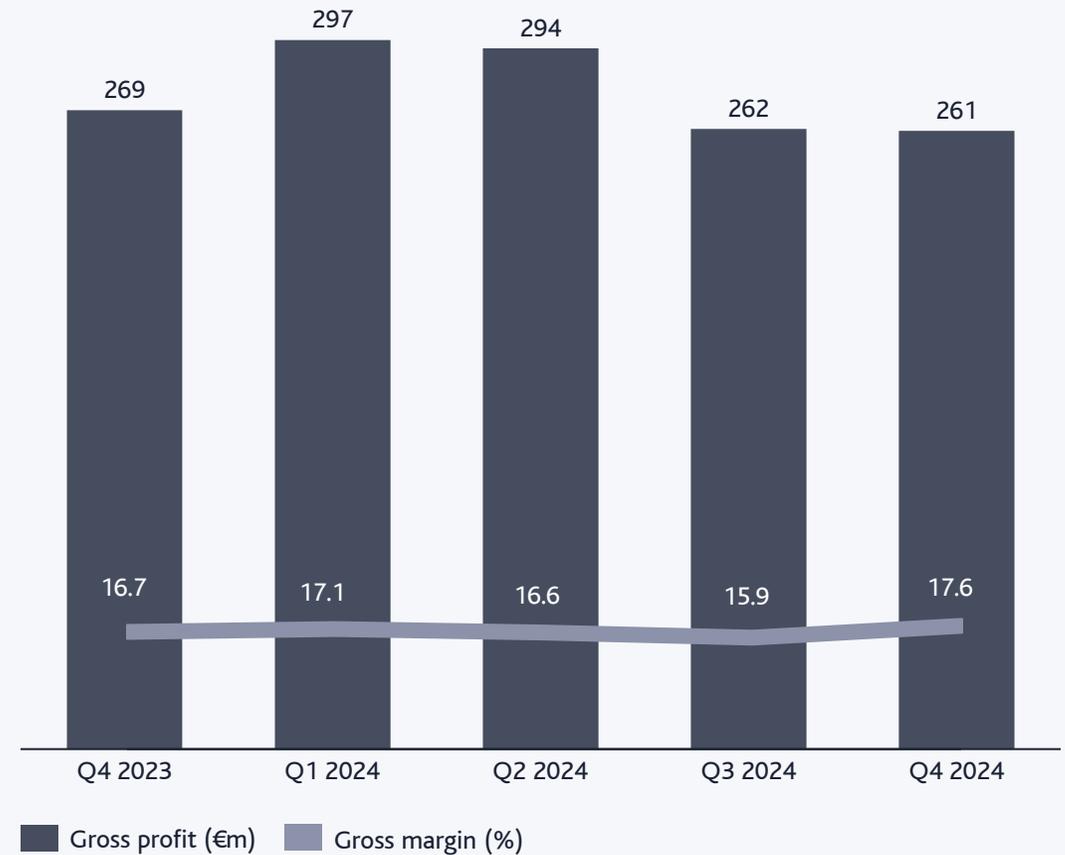
- Steel price correction over large parts of the year leading to significantly negative windfall losses
 - However, Klöckner achieved EBITDA before material special effects of €32m in Q4 2024 and €136m in FY 2024, a solid result within our guidance range
- Generated significantly positive operating cash flow for the third year in a row
- HVAB development fully on track, further reducing dependence on volatile steel price developments
- Continuing to leverage digitalization and automation initiatives
 - Digital quotes increased by more than 26% yoy in FY 2024

Shipments, sales and gross profit

Shipments & sales

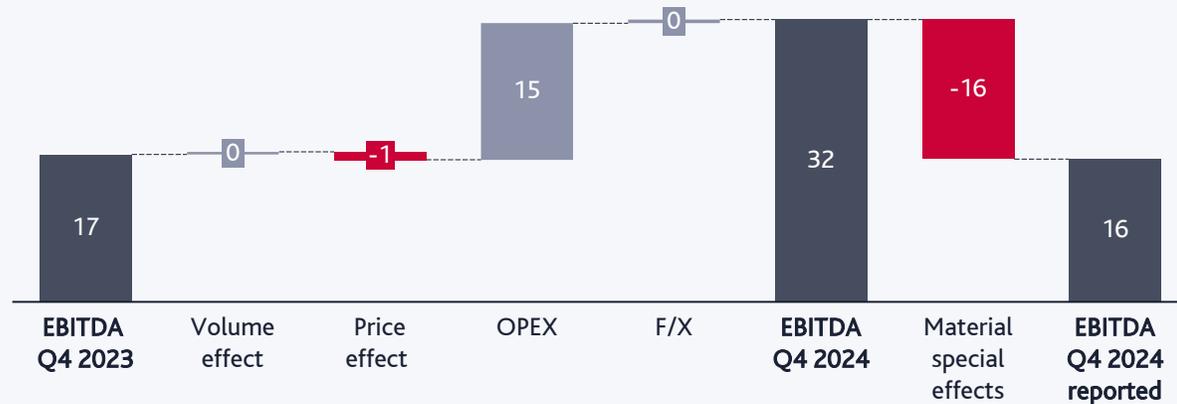


Gross profit & gross profit margin



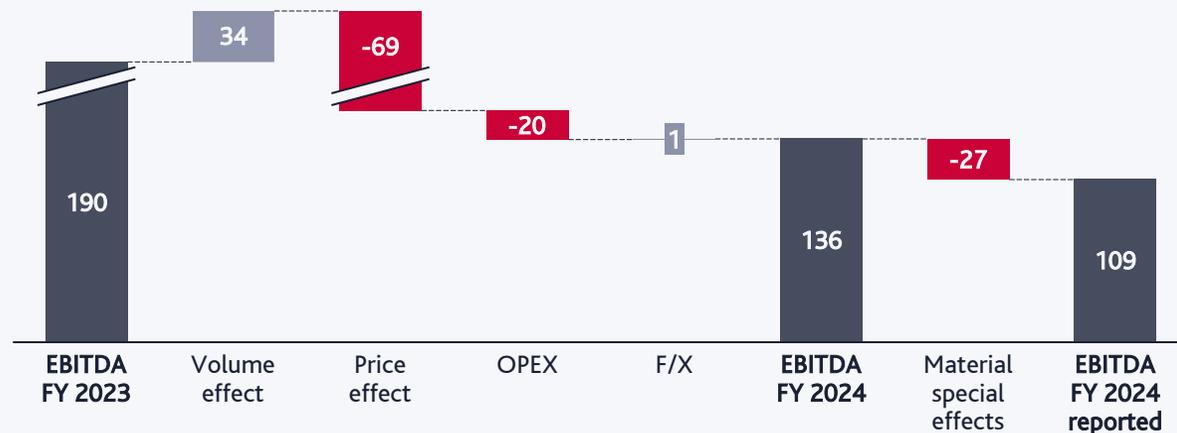
EBITDA (€m) in Q4 2024 and FY 2024

EBITDA (€m) in Q4 2024



- EBITDA in FY 2024 impacted by persistently challenging market environment and significantly negative price effects
- Despite aforementioned environment, generated EBITDA before material special effects of €32m in Q4 2024 and €136m in FY 2024
- OPEX lower €15m yoy
- Minor volume, price and F/X effects

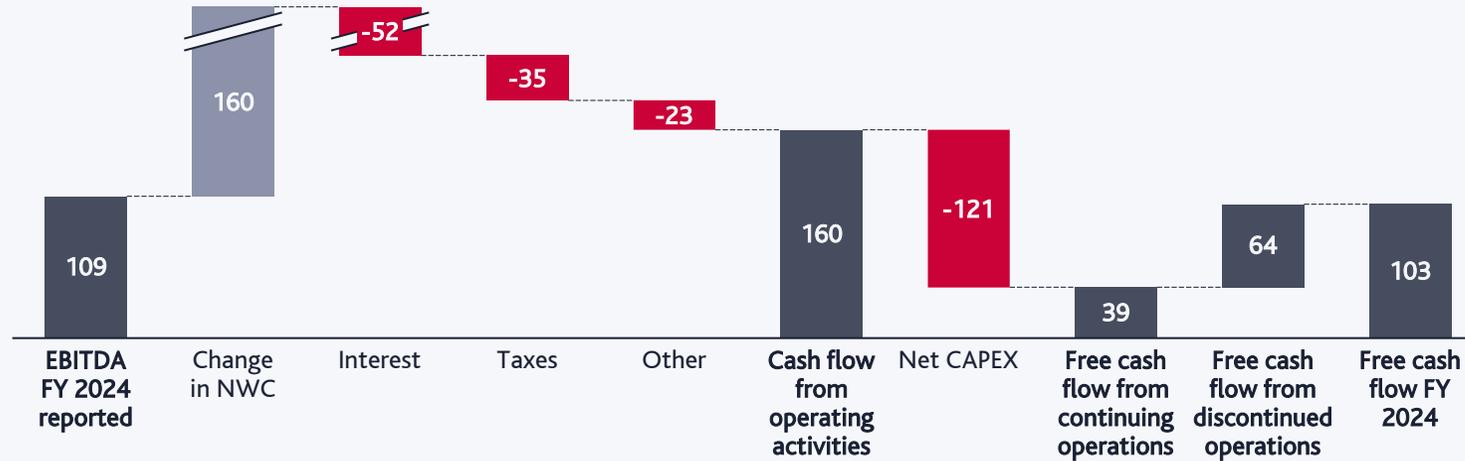
EBITDA (€m) in FY 2024



- Positive volume effect of €34m and negative price effect of €69m
- OPEX only up €20m yoy despite acquisitions in the second half of 2023
- Minor F/X effects

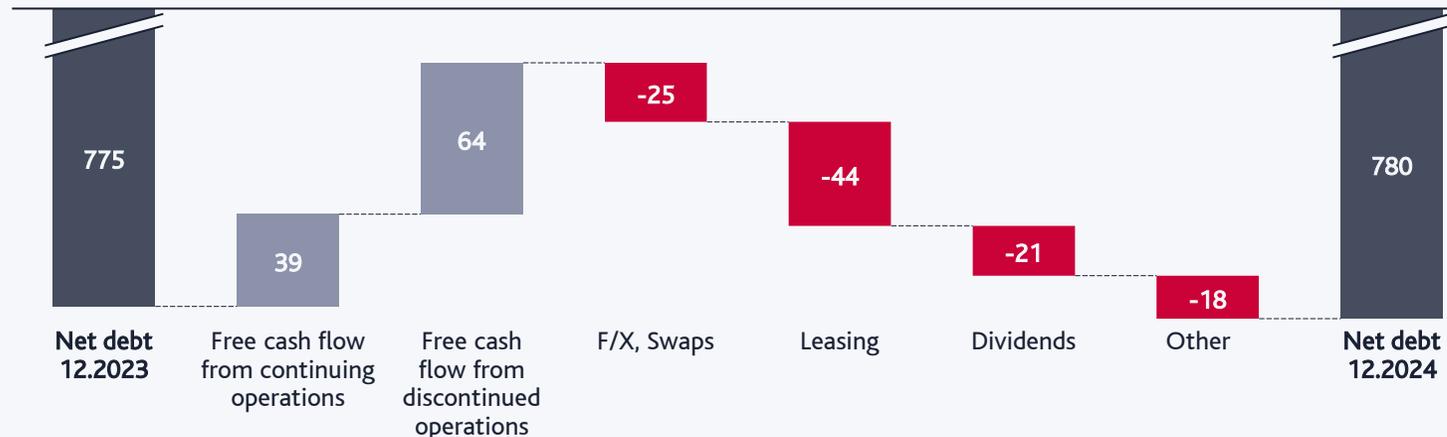
Cash flow and net debt development

Cash flow FY 2024 (€m)



- Reported EBITDA of €109m
- Net working capital release of €160m
- Positive cash flow from operating activities of €160m
- Net CAPEX of €-121m
- Free cash flow of €103m for FY 2024 including discontinued operations

Net financial debt 12.2023 vs 12.2024 (€m)



- Net financial debt yoy on a constant level at €780m
- Free cash flow from discontinued operations €64m, including net cash-in of €61m from divestment of parts of our European distribution business
- Leasing of €-44m, of which €-11m include Amerinox
- Dividend payment of €-21m
- Negative F/X translation effects of €-25m

Maturity profile

Facility (€m)	Committed Dec 31, 2024	Drawn amount	
		Dec 31, 2024	Dec 31, 2023
Syndicated Loan ¹⁾	350	173	155
ABS Europe ²⁾	300	30	98
ABL USA	626	375	407
ABL Mexico	111	48	-
Syndicated Loan CH ³⁾	212	85	59
Other Bilaterals	40	40	78
Leases	149	149	133
Total Debt	1,788	901	930
Cash		121	155
Net Debt		780	775

1) After renewal in December 2024 with effective date January 2025.

2) In February 2024 the participating entities from the UK, FR and NL have exited the program; we are currently reviewing the program and will reduce its size significantly.

3) New facility (CHF 200m) signed in January 2025 replacing local bilaterals (CHF 160m).

4) Equity attributable to shareholders of Klöckner & Co SE less goodwill from business combinations subsequent to May 23, 2024 (updated definition following renewal of syndicated loan facility).

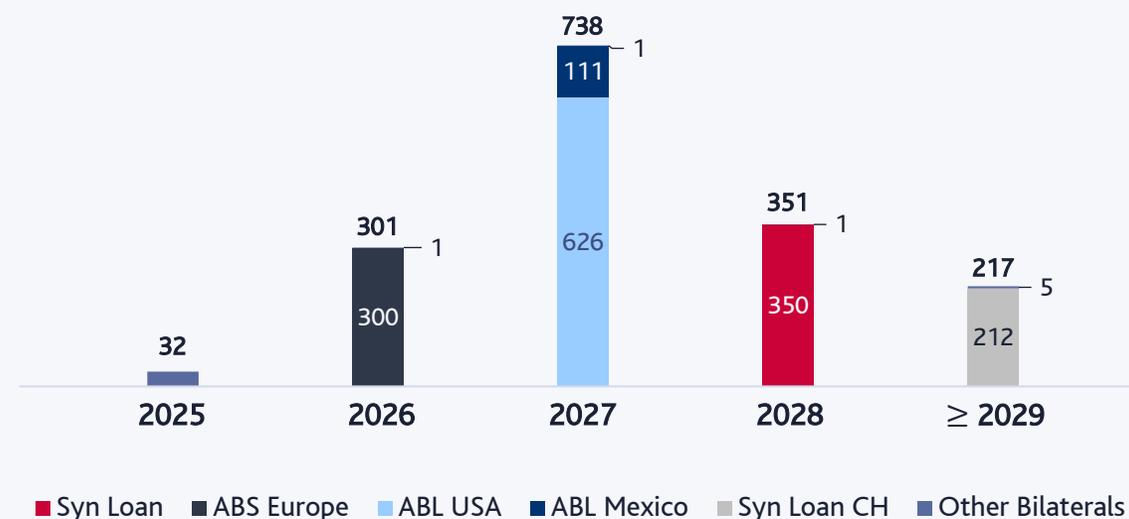
5) Cash of €121m and available facilities of €887m.

6) Net debt as reported/Adjusted equity.

7) Net debt as reported/LTM EBITDA before material special effects.

€m	Dec 31, 2024
Adjusted equity ⁴⁾	1,712
Total Liquidity ⁵⁾	1,008
Net Debt	780
Gearing ⁶⁾	46%
Leverage ⁷⁾	5.7x

Maturity profile (excl. Leases) in €m, Dec 31, 2024



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Region specific business outlook 2025

	 Real steel demand	 Construction Industry	 Manufacturing, Machinery & Mech. Eng	 Transportation	 Household & Commercial Appliances	 Energy Industry
<u>North America</u>	+1% to +2%					
<u>Europe</u>	0% to +1%					

Outlook



- Considerable increase of shipments and sales expected (qoq)
- EBITDA before material special effects expected around the level of previous year's quarter (Q1 2024: €42m)



- Shipments and sales expected to increase considerably yoy
- EBITDA before material special effects expected to increase considerably yoy
- Expecting positive operating cash flow, considerably above previous year's level

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Quarterly and FY results

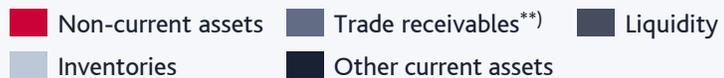
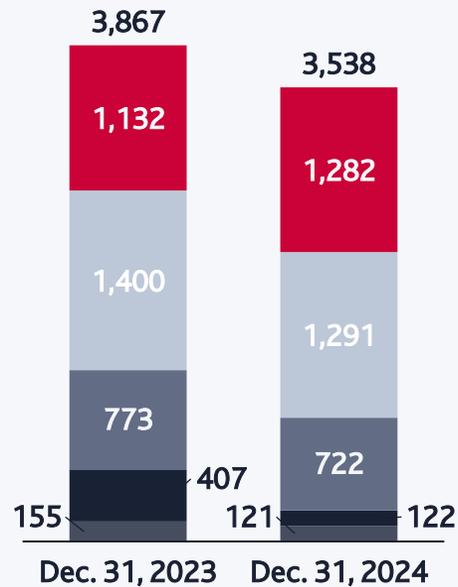
(€m)	Q4 2024 ^{*)}	Q3 2024 ^{*)}	Q2 2024 ^{*)}	Q1 2024 ^{*)}	Q4 2023 ^{*)}	Q3 2023 ^{*)}	Q2 2023 ^{*)}	Q1 2023 ^{*)}	Q4 2022 ^{*)}	Q4 2022	Q3 2022	Q2 2022	Q1 2022	FY 2024 ^{*)}	FY 2023 ^{*)}	FY 2022 ^{*)}	FY 2022	FY 2021	FY 2020
Shipments (Tto)	1,027	1,122	1,164	1,139	1,026	1,091	1,044	1,087	941	1,047	1,148	1,226	1,257	4,453	4,248	4,193	4,629	4,881	4,873
Sales	1,484	1,646	1,765	1,737	1,606	1,756	1,754	1,840	1,775	1,993	2,367	2,580	2,438	6,632	6,957	8,337	9,379	7,441	5,130
Gross profit	261	262	294	297	269	282	296	311	232	269	305	508	482	1,113	1,157	1,328	1,563	1,893	1,047
% margin	17.6	15.9	16.6	17.1	16.7	16.0	16.9	16.9	13.1	13.5	12.9	19.7	19.8	16.8	16.6	15.9	16.7	25.4	20.4
EBITDA bef. material special effects	32	21	42	42	17	44	65	65	-19	-22	16	222	201	136	190	355	417	848	111
Material special effects	-16	-8	0	-5	-5	0	0	5	3	11	0	1	53	-27	0	52	64	-30	-59
EBITDA rep.	16	13	42	37	12	44	65	70	-16	-12	16	223	254	109	190	407	481	879	52
% margin	1.1	0.8	2.4	2.2	0.7	2.5	3.6	3.8	-0.9	-0.6	0.7	8.6	10.4	1.6	2.7	4.9	5.1	11.8	1.0
EBITDA rep. (curr. eff.)	0	0	3	0	-2	4	0	-4	1	0	9	12	9	3	-3	30	31	-16	1
EBIT	-19	-17	11	5	-29	15	38	43	-45	-49	-18	191	223	-20	66	299	348	754	-93
Income from Investments	0	0	-2	1	0	-1	0	-2	0	0	1	4	0	-2	-4	6	6	11	0
Financial result	-15	-16	-15	-17	-18	-12	-8	-8	-11	-11	-8	-8	-7	-62	-46	-34	-34	-17	-30
EBT	-34	-33	-5	-11	-47	1	29	34	-55	-60	-25	188	216	-83	16	270	319	748	-124
Income taxes	-57	4	-13	3	12	-4	-14	-10	13	18	3	-37	-44	-62	-16	-57	-60	-119	9
Net income	-91	-29	-18	-8	-35	-3	15	24	-42	-42	-22	151	172	-146	0	213	259	629	-114
Minority interests	0	0	0	0	0	0	0	0	0	0	0	2	4	1	1	6	6	10	2
Net income KCO	-91	-29	-18	-8	-35	-3	15	23	-42	-42	-22	149	168	-147	-1	207	253	619	-116
EPS basic (€)	-0.91	-0.29	-0.18	-0.08	-0.36	-0.04	0.15	0.23	-0.42	-0.42	-0.22	1.50	1.68	-1.47	-0.01	2.08	2.54	6.21	-1.16
EPS diluted (€)	-0.91	-0.29	-0.18	-0.08	-0.36	-0.04	0.15	0.22	-0.42	-0.42	-0.22	1.36	1.53	-1.47	-0.01	1.90	2.32	5.58	-1.16
NWC	1,369	1,528	1,506	1,540	1,489	1,865	1,696	1,735	1,789	1,789	2,185	2,239	2,258	1,369	1,489	1,789	1,789	1,813	967
Net debt	780	872	779	790	775	923	596	539	584	584	806	903	999	780	775	584	584	762	351

*) Continuing operations in accordance with IFRS 5.

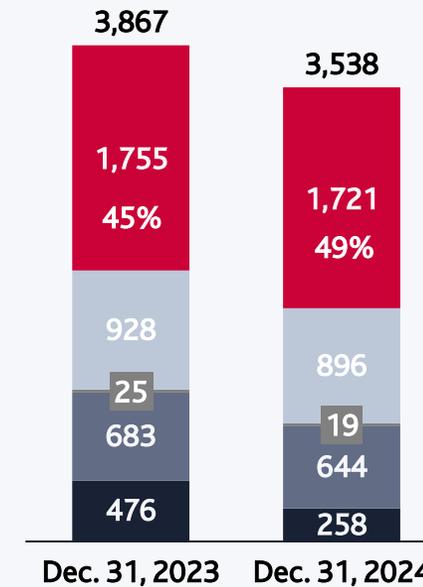
Balance sheet development

Equity ratio of 49%, gearing^{*)} of 46% and leverage of 5.7x

Assets (€m)



Equity & Liabilities (€m)



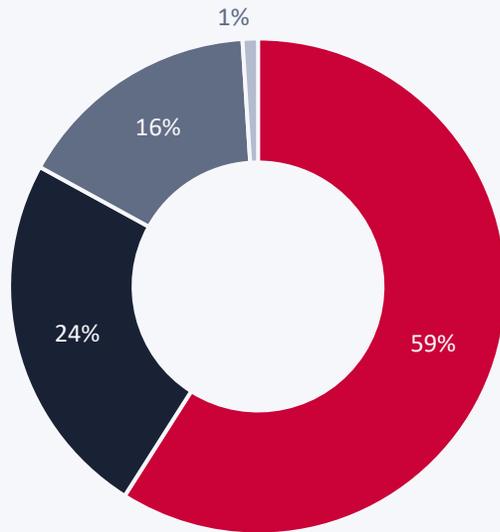
^{*)} Gearing = Net financial debt / (Consolidated equity ./. non-controlling interests ./. goodwill resulting from acquisitions subsequent to May 23, 2024).

^{**)} Incl. contract assets and supplier bonuses.

^{***)} Incl. contract liabilities and advance payments received.

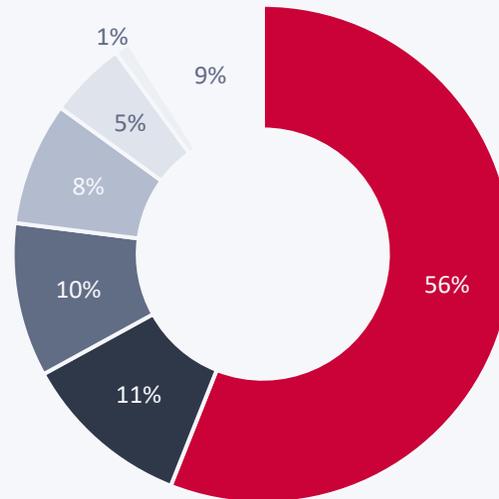
Sales by markets, products and industries

Sales by markets



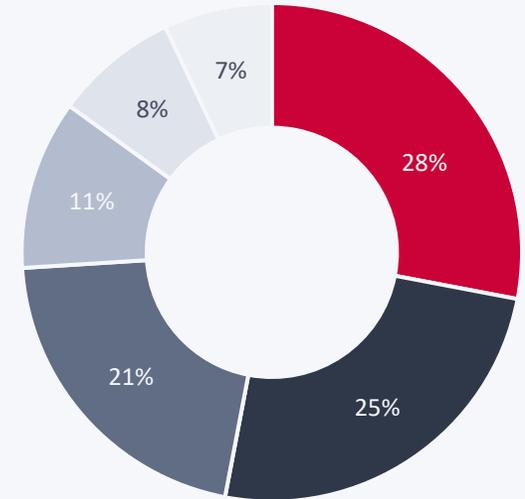
- North America
- Germany/Austria
- Switzerland
- Other

Sales by products



- Flat products
- Long products
- Aluminum
- Tubes
- Stainless Steel
- Quality Steel
- Other

Sales by industries



- Construction
- Manufacturing, Machinery, Mechanical Engineering
- Transportation
- Appliances and Consumer Goods
- Metal Distribution & Other
- Metal Transforming

As of December 31, 2024. Continuing operations.

Share performance in FY 2024



- The capital market environment in 2024 remained volatile
- The share price of Klöckner & Co reached its peak level of €7.01 on February 12, 2024
- Subsequently, it declined to its lowest level of €4.41 on November 13, 2024
- Following this, the price moved sideways and went out of trading at €4.44 on December 31, 2024

Dividend policy

In general, Klöckner & Co SE follows a dividend policy of distributing 30% of net income before special items. Given the volatility of our business model, a sustainable dividend payment cannot be guaranteed. If there is a possibility of dividend distribution, we will pay it for the benefit of our investors.

- Compliance with the dividend policy of €0.80 per share for the years 2006 and 2007
- Suspension of the dividend policy for the financial year 2008 in view of the beginning of the Euro crisis and no dividend payment
- Due to earnings no dividend payment in 2009
- Inclusion of our general dividend policy in financial year 2010 with a dividend of €0.30 per share

- Due to earnings-related reasons, no dividend payment in 2011, 2012, 2013 and 2015
- Full distribution of net profit for the financial year 2014
- Dividend payment of €0.20 per share in 2016 and €0.30 per share for the 2017 and 2018 fiscal year
- No dividend payment due to losses in 2019 and 2020
- Record dividend of €1.00 for the financial year 2021
- Dividend payment of €0.40 per share for the financial year 2022
- Dividend payment of €0.20 per share for the financial year 2023
- Proposal to the Annual General Meeting on May 28, 2025 to pay dividend of €0.20 per share

Dividend payment per share

2006	2007	2008 2009	2010	2011 2013	2014	2015	2016	2017	2018	2019 2020	2021	2022	2023	2024
€0.80	€0.80	-	€0.30	-	€0.20	-	€0.20	€0.30	€0.30	-	€1.00	€0.40	€0.20	€0.20*)

Our ambitious climate targets

Our net zero carbon targets have been approved as science-based targets by the Science Based Targets initiative (SBTi)



kloeckner takes action 2040

Scope 1 & 2

Own direct and indirect emissions

62.5% reduction
by 2030

Net zero by 2040

Scope 3

Under direct influence

50% reduction
by 2030

Net zero by 2040

Scope 3

Not under direct influence

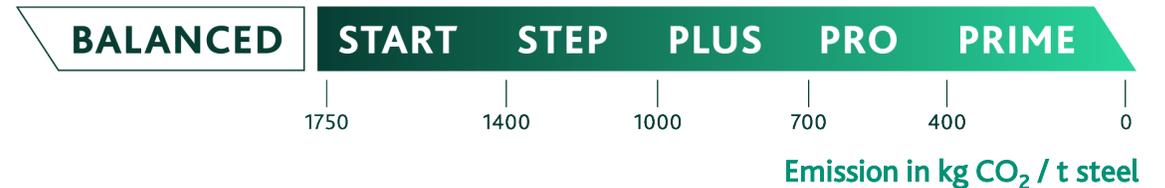
30% reduction
by 2030

Net zero by 2050

NEXIGEN® STEEL CATEGORIZATION

Six categorizations for transparent carbon emissions

We have developed a categorization for CO₂-reduced steel so that customers can directly see the carbon footprint of their purchased product.



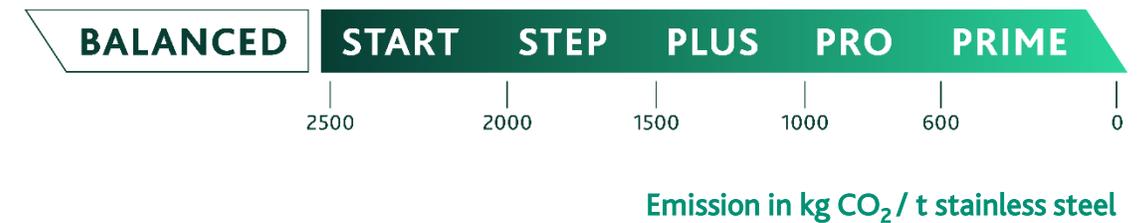
LEADING THE SUSTAINABILITY TRANSFORMATION

- ✓ Methodology along international standards
- ✓ No offsetting included in CO₂ load categorization (compensation data as add-on)
- ✓ Emissions from raw material to production
- ✓ Separate category for “balanced” green steel

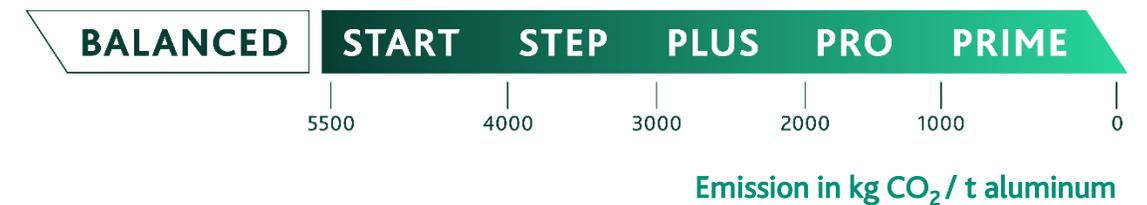


A comprehensive approach Nexigen® categorizations for stainless steel & aluminum

Stainless Steel



Aluminum



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Financial calendar

May 7, 2025

Q1 quarterly statement 2025

May 28, 2025

Annual General Meeting 2025

August 6, 2025

Half-yearly financial report 2025

November 5, 2025

Q3 quarterly statement 2025