

ANNUAL GENERAL MEETING OF KLÖCKNER & CO SE

May 12, 2021

Gisbert Rühl | CEO

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

FISCAL YEAR 2020

	FY 2020	FY 2019
Shipments (in tto)	4,873	5,648
Sales (in €m)	5,130	6,315
EBITDA (in €m)	52	139
Net income (in €m)	-114	-55
Operating cash flow (in €m)	161	204
Digital sales share (last annual quarter in %)	45	32

	FY 2020	FY 2019
Equity (in €m)	1,043	1,182
Equity ratio (in %)	40	41
Liquid funds (in €m)	173	183
Net financial debt (in €m)	351	445
Gearing (in %)	34	38
Employees	7,274	8,253

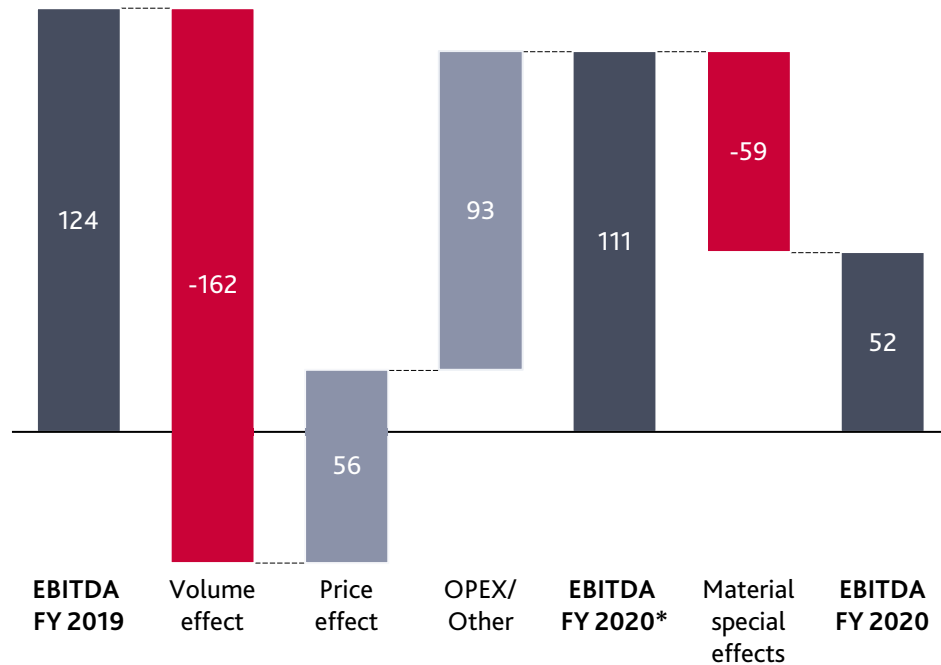
FIRST QUARTER 2021

	Q1 2021	Q1 2020
Shipments (in tto)	1,287	1,365
Sales (in €m)	1,525	1,448
EBITDA (in €m)	141	21
Net income (in €m)	86	-21
Operating cash flow (in €m)	18	-97
Digital sales share (last annual quarter in %)	45	35

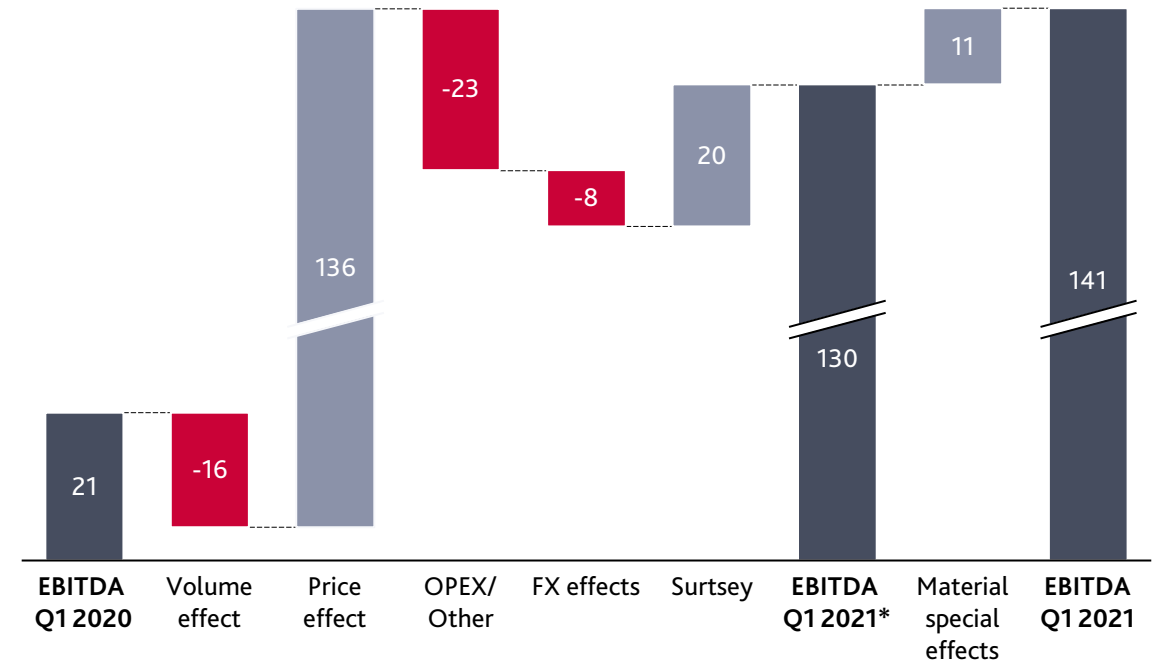
	Q1 2021	Q1 2020
Equity (in €m)	1,170	1,211
Equity ratio (in %)	40	41
Liquid funds (in €m)	133	121
Net financial debt (in €m)	363	563
Gearing (in %)	31	47
Employees	7,113	8,179

EARNINGS DEVELOPMENT FY 2020 AND Q1 2021

FY 2020 vs. FY 2019 (in €m)

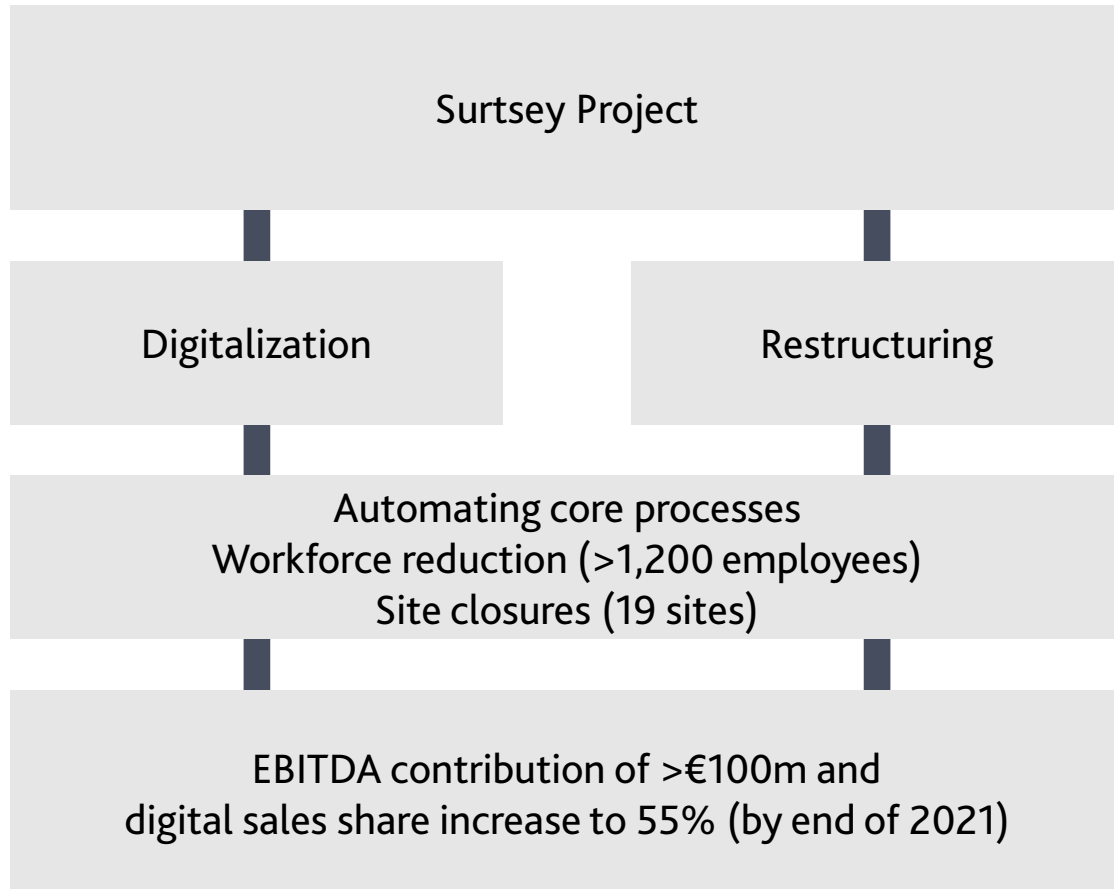


Q1 2021 vs. Q1 2020 (in €m)



*) before material special effects.

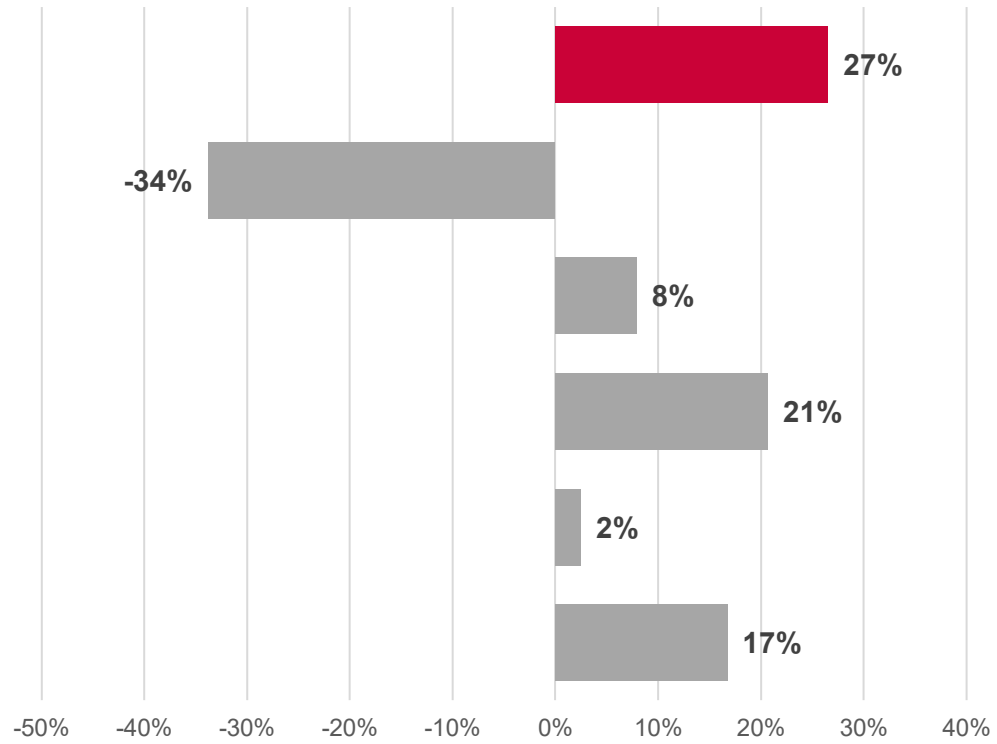
SURTSEY PROJECT – ACCELERATING THE DIGITAL TRANSFORMATION



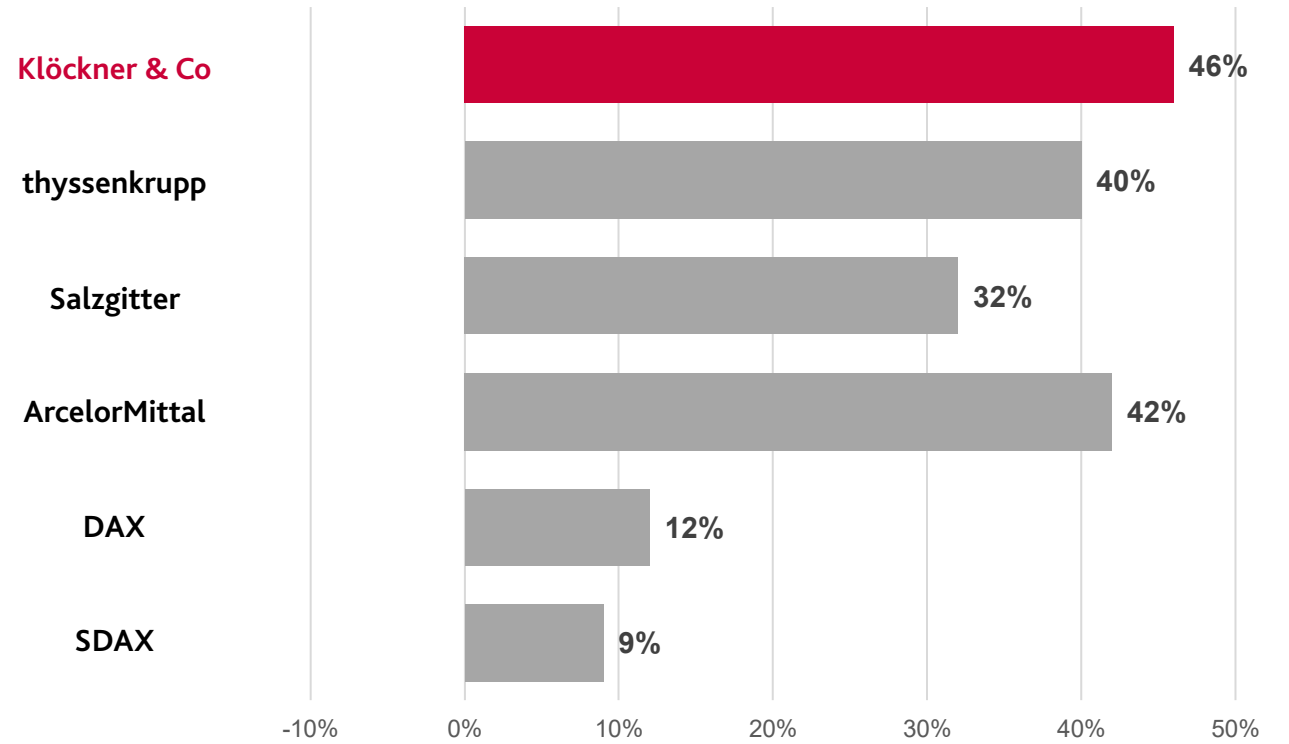
- Decisive and early response to take advantage of opportunities presented by the crisis
- Project already well advanced, measures 90% implemented
- Digitization and restructuring effects of~ €20m in Q1
- Remaining reductions and closures to be implemented by end of year
- >€100 million earnings contribution already in current fiscal year

SHARE PRICE DEVELOPMENT

2020



2021



OUTLOOK ON Q2 AND FY 2021

Q2
2021

- Considerable increase in sales and slight increase in shipments expected (qoq)
- EBITDA expectation of €130-160m before material special effects

FY
2021

- Shipments and sales significantly above prior-year level expected
- EBITDA before material special effects expected to increase very considerably yoy
- Positive material special effects from Surtsey disposals

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Guido Kerkhoff | Deputy CEO

SHARE PRICE ON THE RIGHT TRACK, HOWEVER, VALUATION AT NET ASSET VALUE AND BELOW PEER VALUATIONS



Share performance Klöckner & Co (last 5yrs.)

We strive for more

COMPLEX ENVIRONMENT, VARIOUS CHALLENGES AND NO ONE-FITS-ALL SOLUTION

High market fragmentation

Highly competitive markets due to fragmentation between a few larger competitors and many low-cost local distributors

Lack of market consolidation

High cost flexibility of smaller distributors results in lack of market consolidation and overcapacities

Digitalization gap in sector

Smaller customers and distributors do not have the resources and capabilities to invest in impactful digitalization

Downstream push

Mills are pushing downstream in the value chain with focus on high-volume customers

Supply-sided overcapacities

Low margin business requires high efficiencies along the whole value chain

Individual customer requirements

Increasing variety of customer needs regarding lot sizes, local availability, reliability and product and market knowhow

KLÖCKNER & CO'S STRONG FOUNDATION

Digital Transformation

- Advanced tools such as Onlineshops, Kloeckner Assistant, XOM eProcurement
- Digital sales share >45%

Surtsey project

- Achieving sustainable cost efficiency gains due to consistent execution

Customer centricity

- Existing businesses with highest profitability based on excellent customer centricity and satisfaction

Brands

- Klöckner & Co and sub-brands are internationally well-known brands with high reputation

Partner collaborations

- First valuable experiences in terms of integrating partners in the field of value-added products and services

Corporate culture

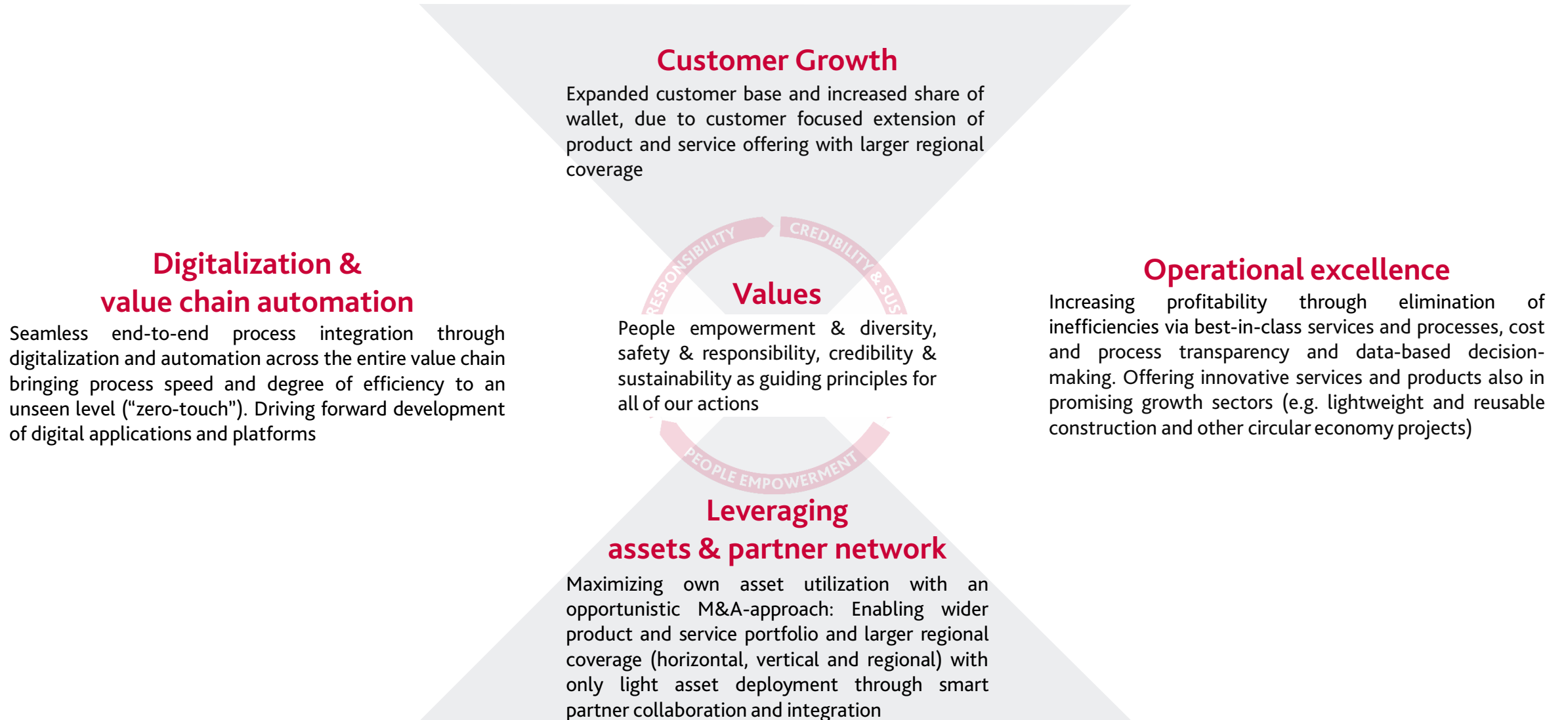
- Organizational and cultural change already initiated to achieve agile and efficient processes

We build on our existing strengths and take it to the next level

OUR STRATEGY - "KLÖCKNER & CO 2025: LEVERAGING STRENGTHS"




BUILDING A PLATFORM BUSINESS MODEL: READY TO GROW




OUR AMBITION: MERGING & EXTENDING THE DIGITAL AND THE PHYSICAL BUSINESS


By 2025, Klöckner & Co will be the leading digital one-stop-shop platform for steel, other materials, equipment and processing services in Europe and the Americas




Leading role in the digitalization of the industry with highly automated value chain




Superior customer satisfaction by operational & sales excellence




Customer growth and increased share of wallet



Mature and wide-reaching network including high-quality partners



Substantially increased profitability level



Agile and innovative corporate culture

SUSTAINABLE GROWTH WITH HIGH PERFORMANCE THROUGH THE ENTIRE CYCLE

Our 2025 Goals

Sales growth above market

ROCE above cost of capital

More than doubling normalised EBITDA level
(as of before pre-COVID)