

klöckner & co

Your partner for a
sustainable tomorrow

Q1 2024 RESULTS

Analysts' and Investors' Conference Call

May 7, 2024

Guido Kerkhoff | CEO

Dr. Oliver Falk | CFO

John Ganem | Member of the Management Board



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 the 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 Q1 2024

	Q1 2024 ^{*)}	Q1 2023 ^{*)}	Delta	
Shipments (Tto)	1,139	1,087	+4.8%	Increase yoy on Group level driven by continued strong development of Kloeckner Metals Americas and despite ongoing challenging macro environment in Europe
Sales (€m)	1,737	1,840	-5.6%	Decrease due to lower average price level yoy
Gross profit (€m)	297	311	-4.5%	Decrease yoy; however, gross profit margin slightly increased
EBITDA ^{**)} (€m)	42	65	-24	Achieved EBITDA within guidance range
Oper. CF (€m)	-44	47	-91	Negative OCF mainly driven by NWC increase
Net financial debt (€m)	790	539	+251	Increase yoy mainly driven by NMM acquisition in Q3 2023; however, already significantly deleveraged after closing

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

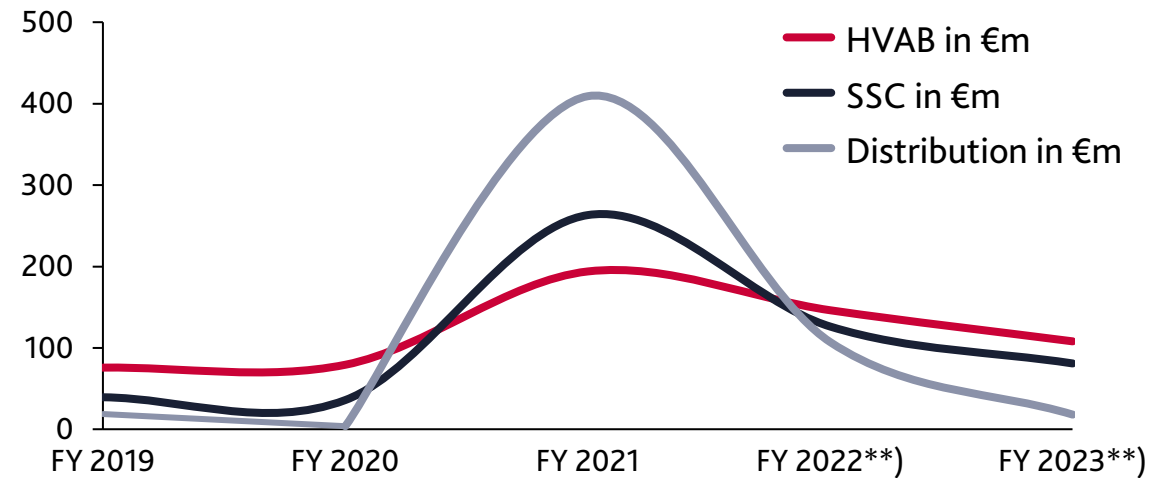
^{**)} Before material special effects.

HVAB: LEVER TOWARDS LESS VOLATILE EARNINGS WHILE INCREASING PROFITABILITY

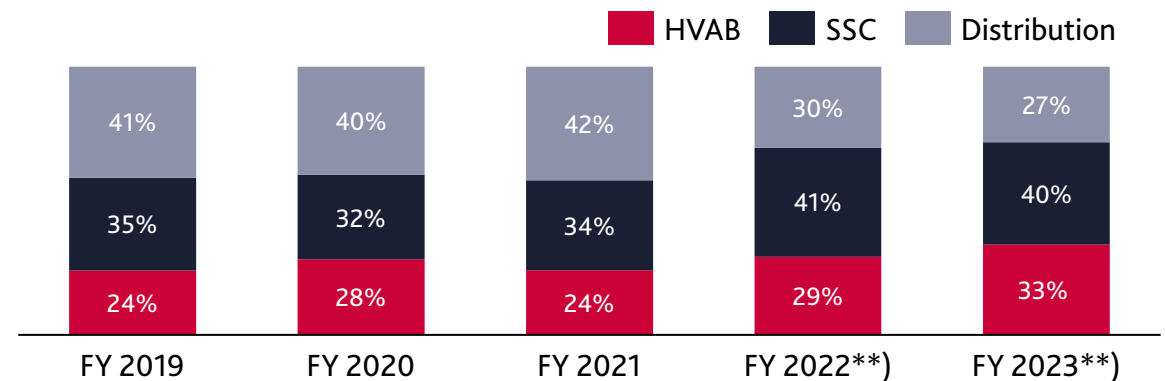
Divestment of distribution business in France, the UK, the Netherlands and Belgium significantly strengthens focus on HVAB

- Transaction considerably reduces dependence on low margin, cyclical commodity distribution business
 - Without significantly positive price effects distribution business with marginal contribution to group EBITDA
 - Service Center business and especially HVAB less dependent on steel price developments
 - HVAB with consistent EBITDA contribution in each year and also in Q1 2024
- Continuing shift to profitable and more stable HVAB going forward
 - Strategic initiatives will be increasingly visible in HVAB exposure

EBITDA before MSE^{*)} development by business



Sales^{*)} split by business



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

^{**)} Continuing operations.

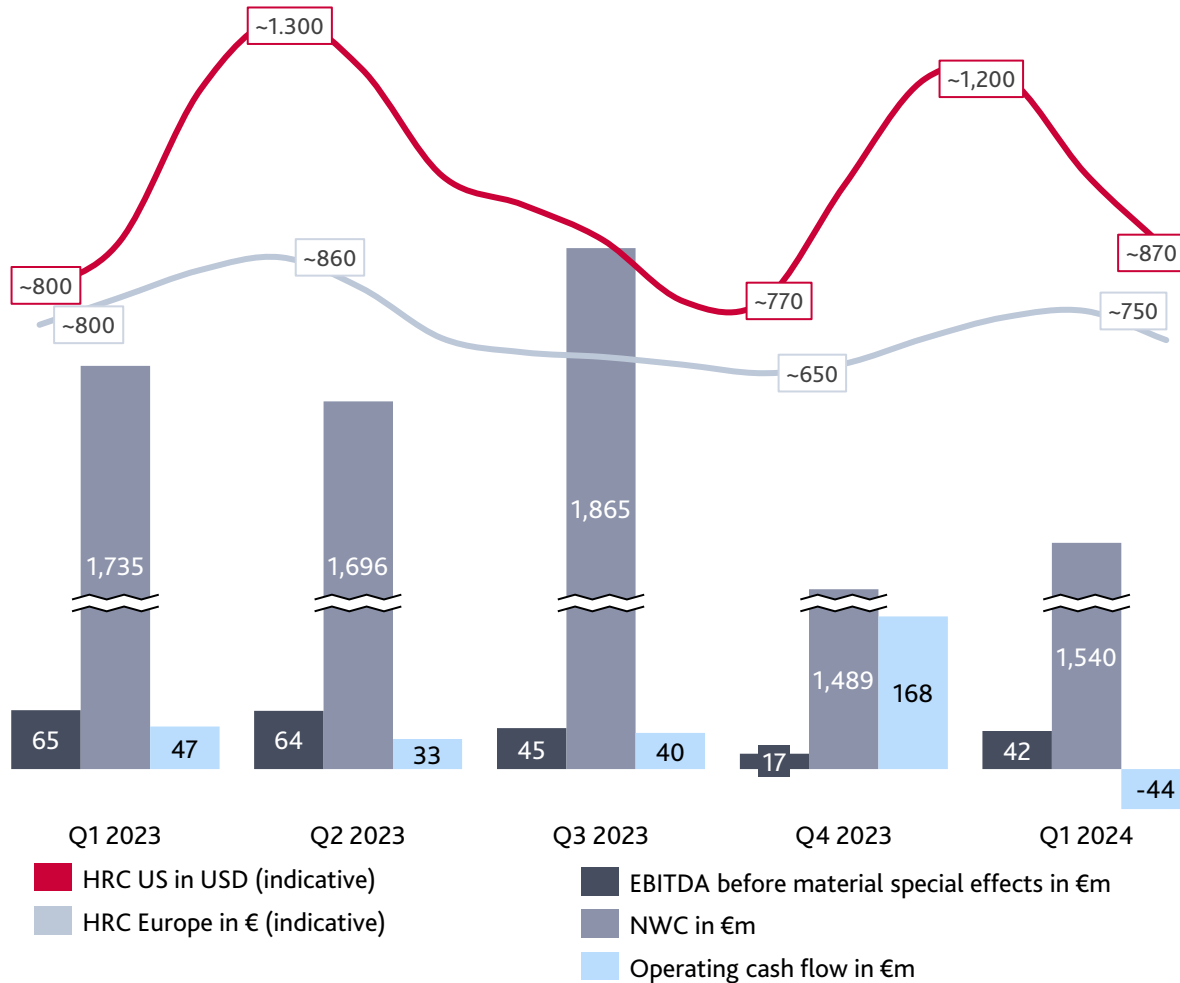
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SOLID OPERATING PERFORMANCE

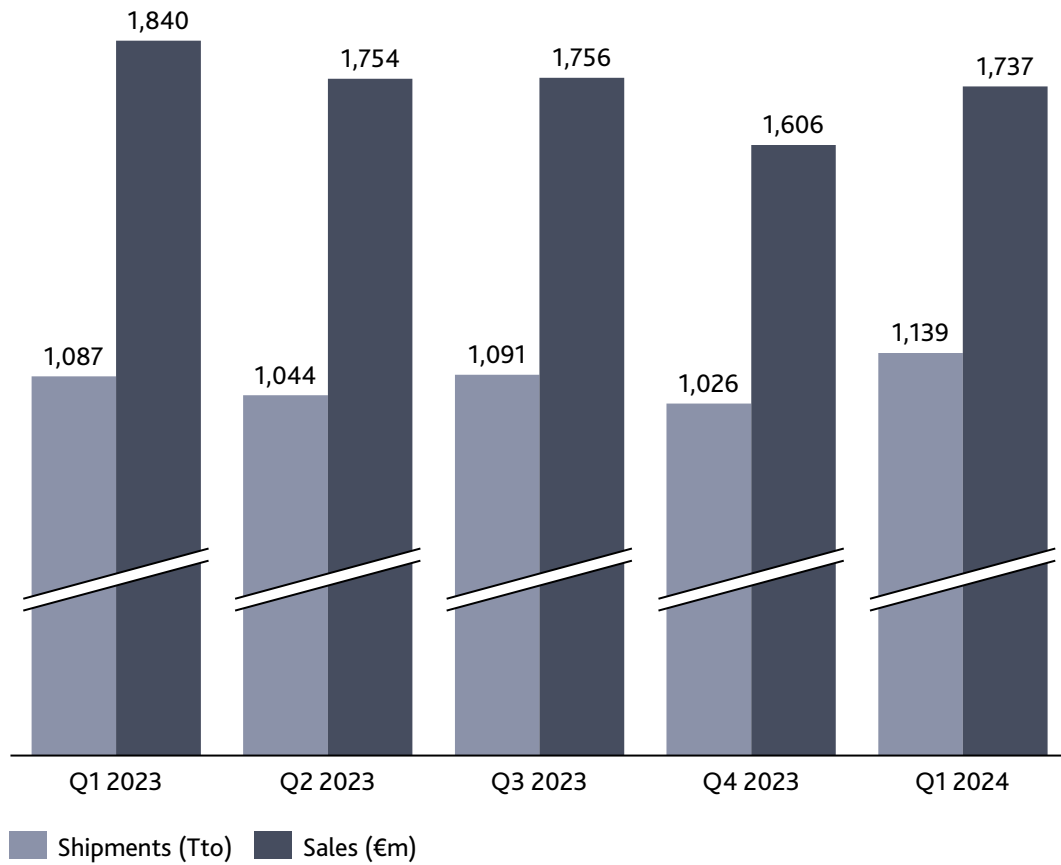
Our net working capital management



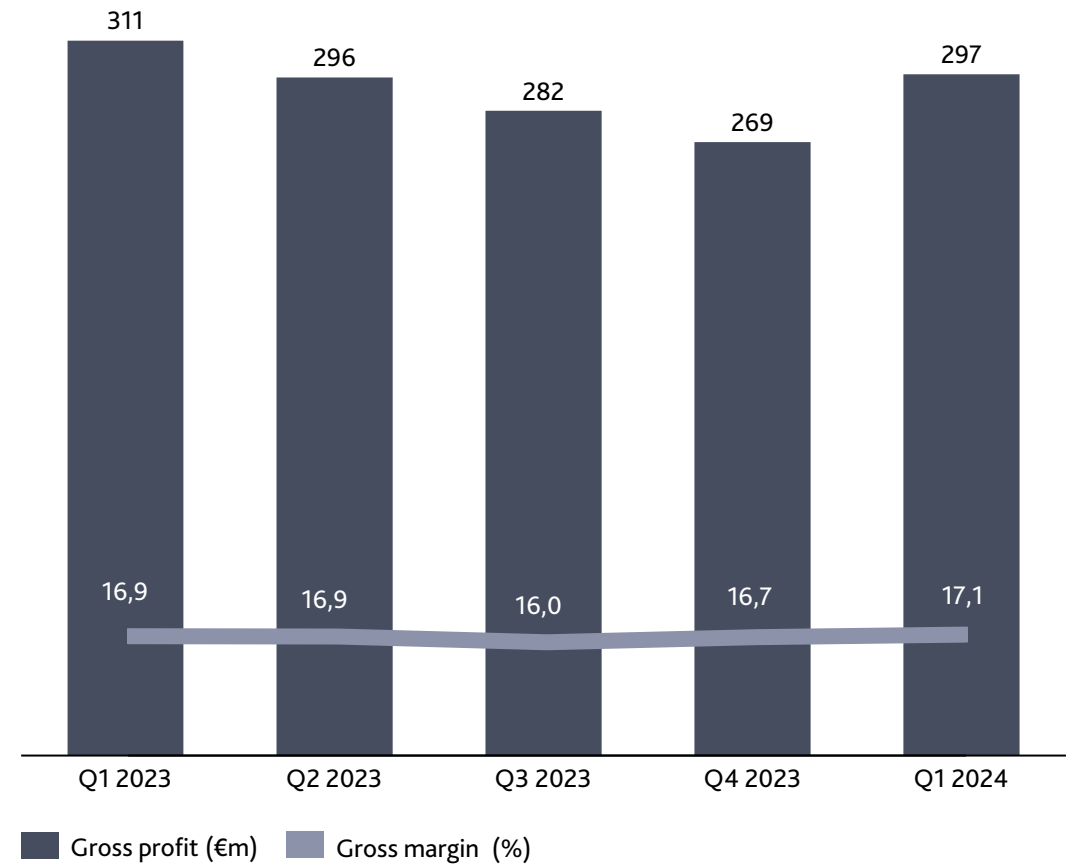
- EBITDA before material special effects of €42m despite ongoing challenging macro environment in Europe
- Operating cash flow negative due to qoq NWC build up after positive cash flow generation in each quarter of 2023
- Continued to mitigate negative price risk in steel price correction in the US during Q1 2024
- **Completed divestment of parts of European distribution business increases our resilience going forward**
- Continuing to leverage digitalization and automation initiatives
 - Digital quotes increased by more than 50% yoy in Q1 2024

SHIPMENTS, SALES AND GROSS PROFIT

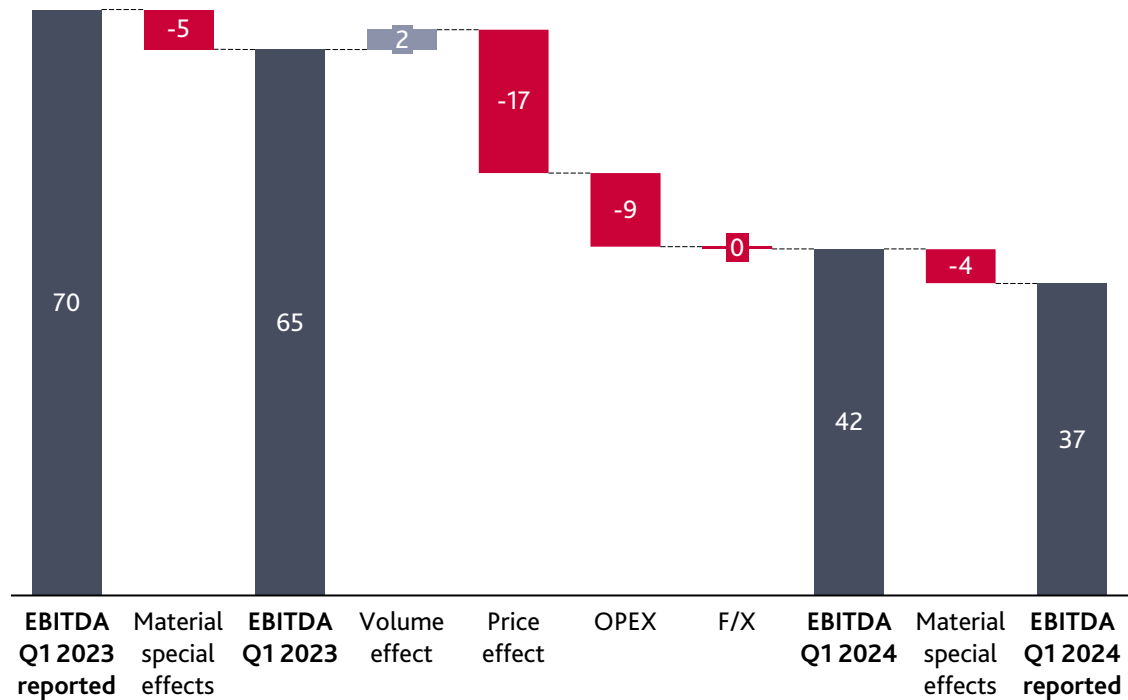
Shipments & Sales



Gross profit & Gross profit margin



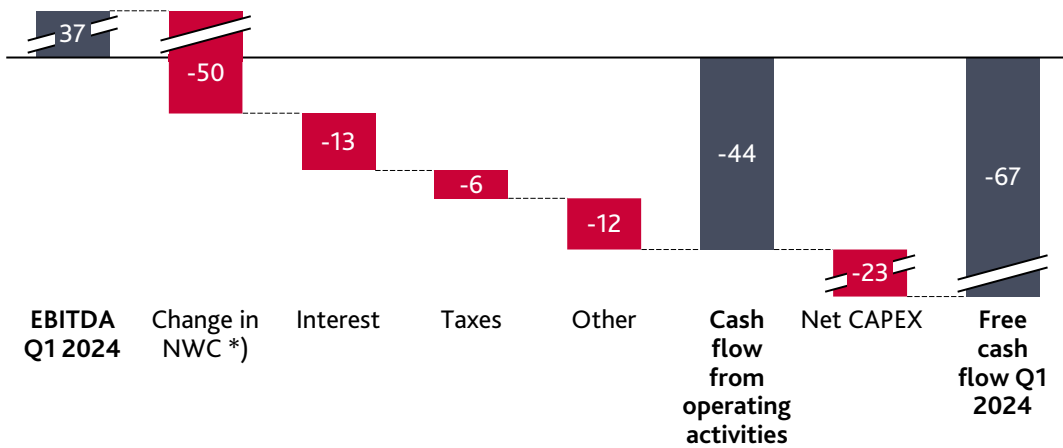
EBITDA IN Q1 2024



- Generated EBITDA before material special effects of €42m in Q1 2024 despite ongoing challenging market environment
- Positive volume effect of €2m and negative price effect of €17m
- OPEX in Q1 2024 €9m higher yoy
- Minor F/X effects
- Negative material special effects of €4m relate to the divestment of parts of our European distribution business
- EBITDA reported of €37m in Q1 2024

CASH FLOW AND NET DEBT DEVELOPMENT

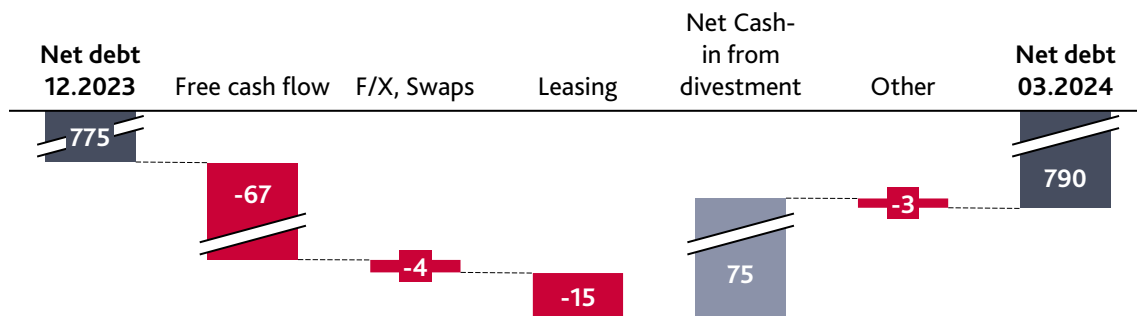
Cash flow Q1 2024 (€m)



*) Thereof inventories (€19m), trade receivables, contract assets and supplier bonuses (€-143m), and trade payables (€74m).

- EBITDA reported of €37m
- Net working capital increased by €50m
- Cash flow from operating activities of €-44m
- Net CAPEX of €23m
- Free cash flow accordingly €-67m

Net financial debt 12.2023 vs 03.2024 (€m)



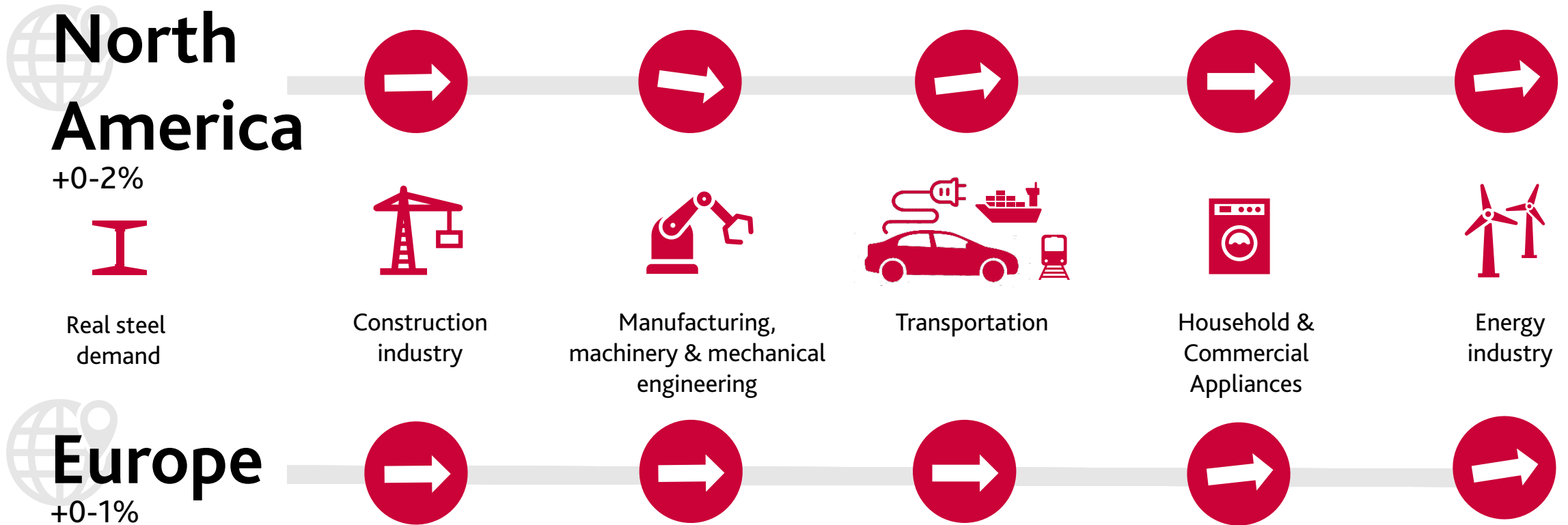
- Net financial debt slightly increased from €775m to €790m
- Net Cash-in from divestment of €75m
- F/X translation effects of €-4m

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REGION SPECIFIC BUSINESS OUTLOOK 2024



OUTLOOK

Q2
2024

- Considerable increase of Shipments and Sales expected (qoq)
- EBITDA before material special effects expected to come in between €30-70m
- Positive cash flow from operating activities in first half of the year anticipated

FY
2024

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

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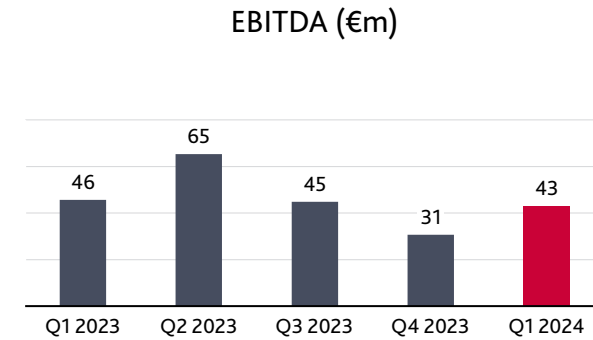
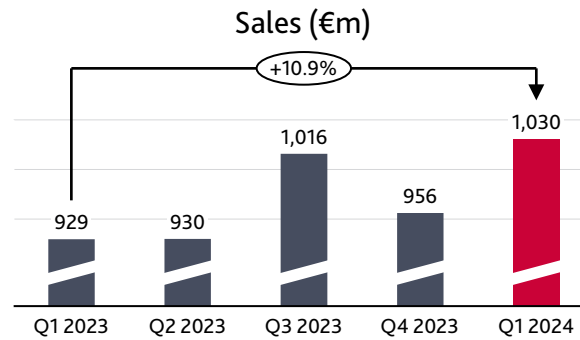
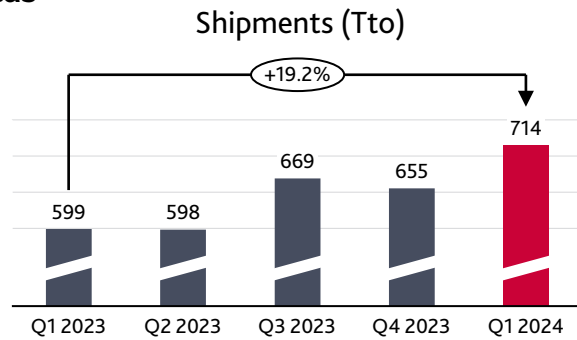
QUARTERLY AND FY RESULTS

(€m)	Q1 2024*)	Q4 2023*)	Q3 2023*)	Q2 2023*)	Q1 2023*)	Q4 2022*)	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	FY 2023*)	FY 2022*)	FY 2022	FY 2021	FY 2020	FY 2019
Shipments (Tto)	1,139	1,026	1,091	1,044	1,087	941	1,047	1,148	1,226	1,257	1,108	1,190	1,295	1,287	4,248	4,193	4,679	4,881	4,873	5,648
Sales	1,737	1,606	1,756	1,754	1,840	1,775	1,993	2,367	2,580	2,438	2,030	2,038	1,847	1,525	6,957	8,337	9,379	7,441	5,130	6,315
Gross profit	297	269	282	296	311	232	269	305	508	482	440	540	525	388	1,157	1,328	1,563	1,893	1,047	1,158
% margin	17.1	16.7	16.0	16.9	16.9	13.1	13.5	12.9	19.7	19.8	21.7	26.5	28.4	25.4	16.6	15.9	16.7	25.4	20.4	18.3
EBITDA bef. material special effects	42	17	45	64	65	-19	-22	16	222	201	171	277	271	130	190	355	417	848	111	124
Material special effects	-5	-5	0	0	5	3	11	0	1	53	17	4	-1	11	0	52	64	-30	-59	15
EBITDA rep.	37	12	45	64	70	-16	-12	16	223	254	188	280	270	141	190	407	481	879	52	139
% margin	2.2	0.7	2.5	3.6	3.8	-0.9	-0.6	0.7	8.6	10.4	9.3	13.7	14.6	9.2	2.7	4.9	5.1	11.8	1.0	2.2
EBITDA rep. (curr. eff.)	-2	-2	4	0	-4	1	0	9	12	9	7	-2	-14	-8	-3		31	-16	1	5
EBIT	5	-29	15	37	43	-45	-49	-18	191	223	154	249	240	111	66	299	348	754	-93	2
Income from Investments	1	0	-1	0	-2	0	0	1	4	0	5	1	4	0	-4	6	6	11	0	0
Financial result	-17	-18	-12	-8	-8	-11	-11	-8	-8	-7	-6	-6	2	-6	-46	-34	-34	-17	-30	-41
EBT	-11	-47	1	28	34	-55	-60	-25	188	216	153	244	246	105	16	270	319	748	-124	-39
Income taxes	3	12	-4	-14	-10	13	18	3	-37	-44	-14	-55	-31	-19	-16	-57	-60	-119	9	-16
Net income	-8	-35	-3	14	24	-42	-42	-22	151	172	139	189	215	86	0	213	259	629	-114	-55
Minority interests	0	0	0	0	0	0	0	0	2	4	3	3	3	1	1	6	6	10	2	1
Net income KCO	-8	-35	-3	14	23	-42	-42	-22	149	168	136	185	212	85	-1	207	253	619	-116	-56
EPS basic (€)	-0.08	-0.36	-0.04	0.14	0.23	-0.42	-0.42	-0.22	1.50	1.68	1.37	1.86	2.13	0.85	-0.01	2.08	2.54	6.21	-1.16	-0.56
EPS diluted (€)	-0.08	-0.36	-0.04	0.14	0.22	-0.42	-0.42	-0.22	1.36	1.53	1.24	1.68	1.88	0.78	-0.01	1.90	2.32	5.58	-1.16	-0.56
NWC	1,540	1,489	1,865	1,696	1,735	1,789	1,789	2,185	2,239	2,258	1,813	1,559	1,282	1,107	1,489	1,789	1,789	1,813	967	1,119
Net debt	790	775	923	596	539	584	584	806	903	999	762	348	303	363	775	584	584	762	351	445

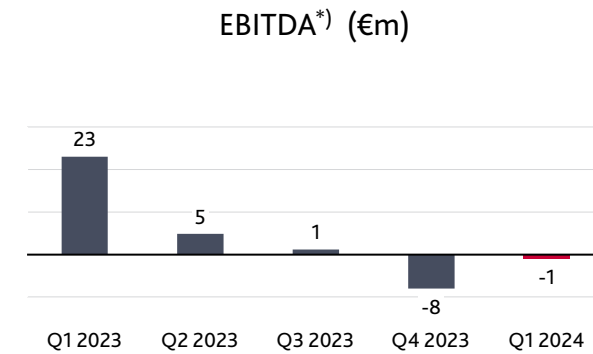
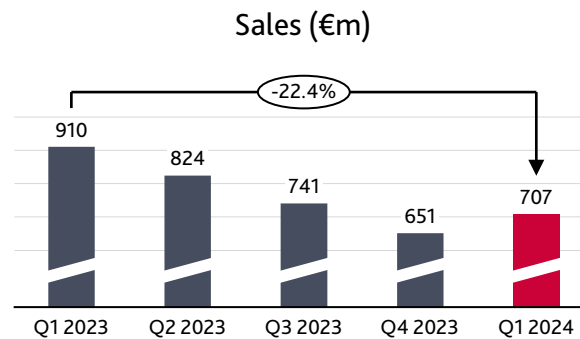
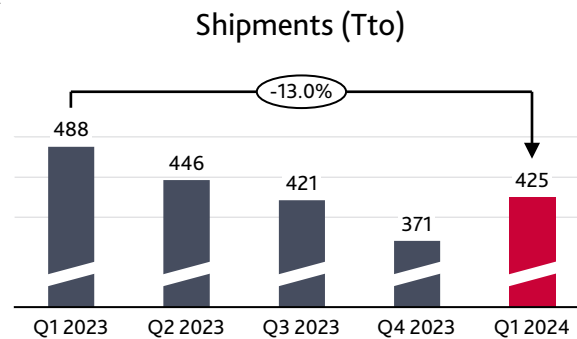
*) Continuing operations in accordance with IFRS 5.

SEGMENT PERFORMANCE

KM Americas



KM Europe

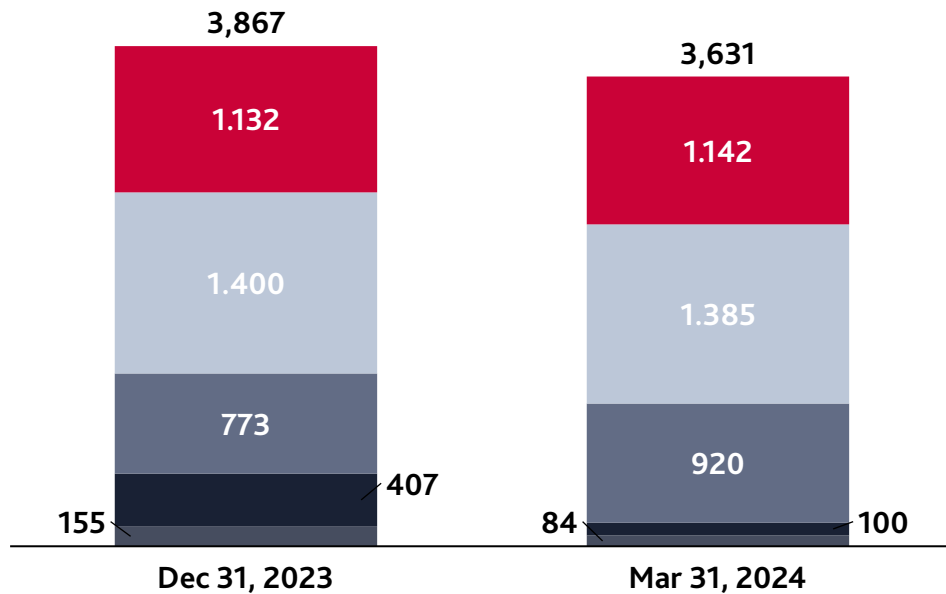


*) Adjusted for material special effects in Q1 2023 and Q1 2024.

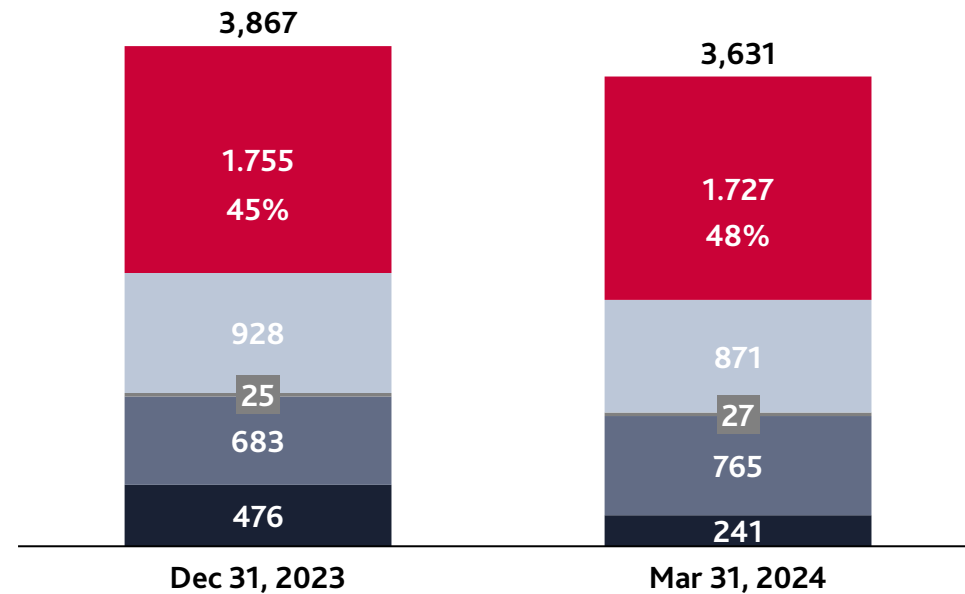
STRONG AND SOLID BALANCE SHEET

Solid equity ratio of 48%, gearing^{*)} of 47% and leverage of 4.7x

Assets



Equity & Liabilities



■ Non-current assets
 ■ Trade receivables^{**)}
 ■ Liquidity
■ Inventories
 ■ Other current assets

■ Equity
 ■ Pensions
 ■ Other liabilities
■ Financial liabilities
 ■ Trade payables^{***)}

^{*)} Gearing = Net financial debt / (Consolidated equity ./ non-controlling interests ./ goodwill resulting from acquisitions subsequent to May 23, 2019).

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

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

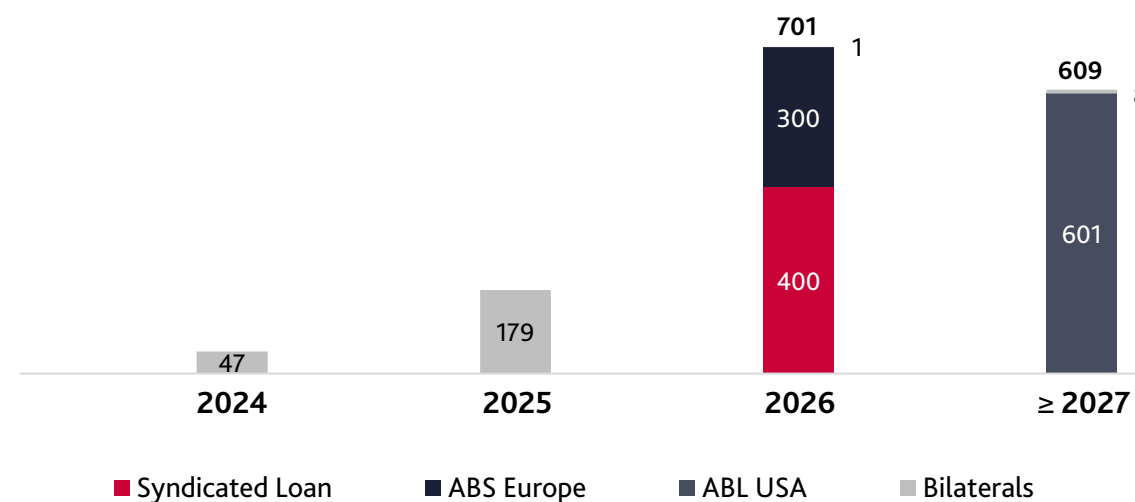
MATURITY PROFILE

Facility (€m)	Committed Mar 31, 2024	Drawn amount	
		Mar 31, 2024	Dec 31, 2023
Syndicated Loan ¹⁾	400	70	155
ABS Europe ²⁾	300	84	98
ABL USA	601	407	407
Bilateral Facilities ³⁾	235	174	137
Leases	139	139	133
Total Debt	1,675	874	930
Cash		84	155
Net Debt		790	775

- 1) Facility increase in February 2024 from €250m to €400m, all other terms unchanged.
- 2) In February 2024 the participating entities from the UK, FR and NL have exited the program; we will review the program in 2024 and will probably reduce its size significantly.
- 3) Mainly Switzerland.
- 4) Equity attributable to shareholders of Klöckner & Co SE less goodwill from business combinations subsequent to May 23, 2019.
- 5) Net debt as reported/Adjusted equity.
- 6) Net debt as reported/LTM EBITDA before material special effects.

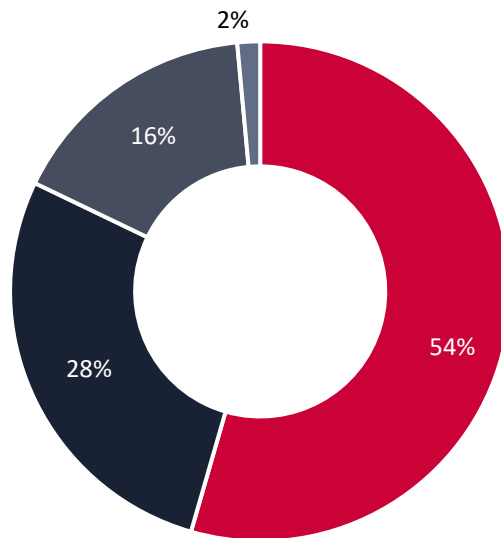
€m	Mar 31, 2024
Adjusted equity ⁴⁾	1,674
Net Debt	790
Gearing ⁵⁾	47%
Leverage ⁶⁾	4.7x

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



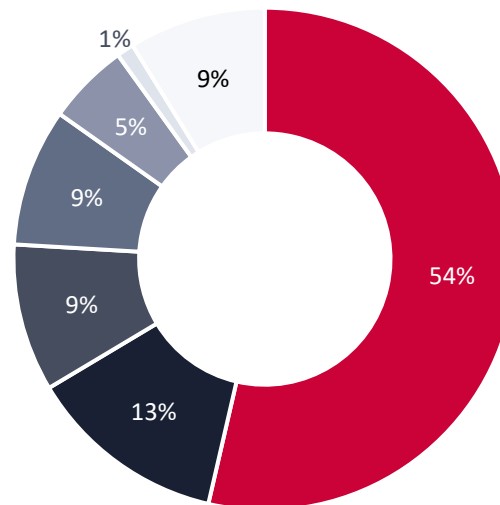
SALES BY MARKETS, PRODUCTS AND INDUSTRIES

Sales by markets



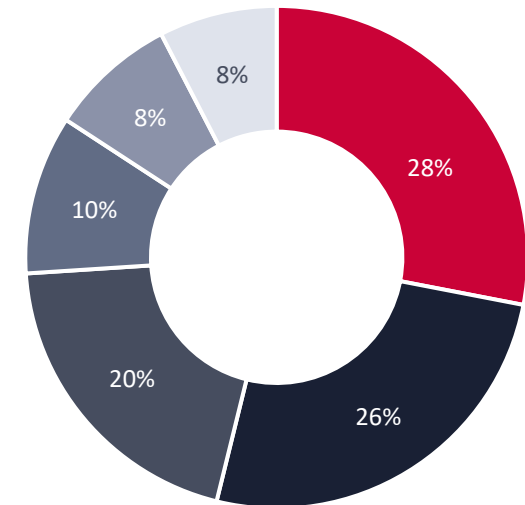
- North America
- Germany/Austria
- Switzerland
- Other

Sales by products



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

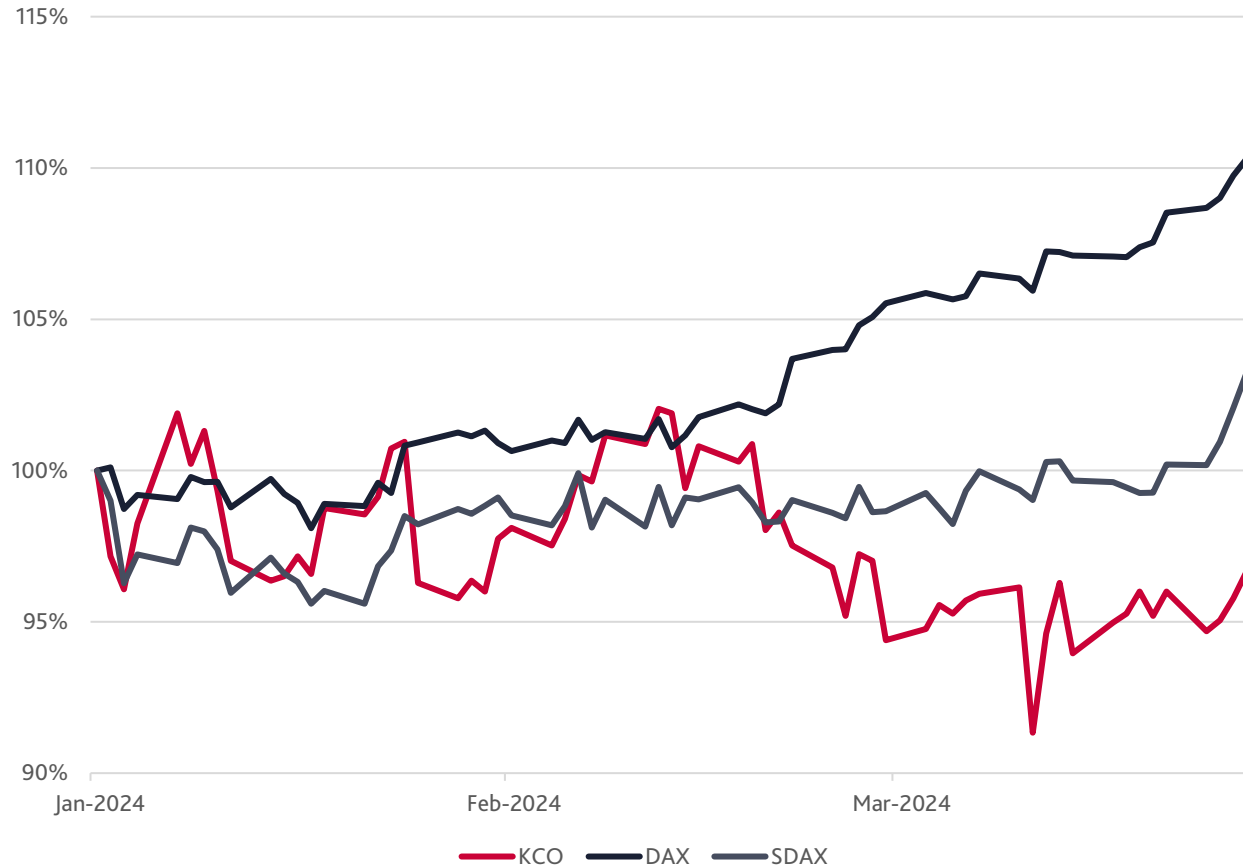
Sales by industries



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

As of December 31, 2023. Continuing operations.

SHARE PRICE PERFORMANCE IN Q1 2024



- The share price of Klöckner & Co demonstrated stable development through the first quarter of 2024
- It reached its peak on February 12 with €7.01
- Subsequently, it gradually declined and went out of trading at €6.75 on March 28

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 no dividend payment neither in 2011, 2012 and 2013 nor in 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
- Proposal to the Annual General Meeting on May 23, 2024 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
€0.80	€0.80	-	€0.30	-	€0.20	-	€0.20	€0.30	€0.30	-	€1.00	€0.40	€0.20*)

*) Proposal to the Annual General Meeting on May 23, 2024.

OUR AMBITIOUS CLIMATE TARGETS



SCOPE 1 & 2: OWN DIRECT AND INDIRECT EMISSIONS

Reduction of **50%**
by 2030

Net zero by 2040

SCOPE 3 UNDER DIRECT INFLUENCE

Reduction of **50%**
by 2030

Net zero by 2040

SCOPE 3 NOT UNDER DIRECT INFLUENCE

Reduction of **30%**
by 2030

Net zero by 2050

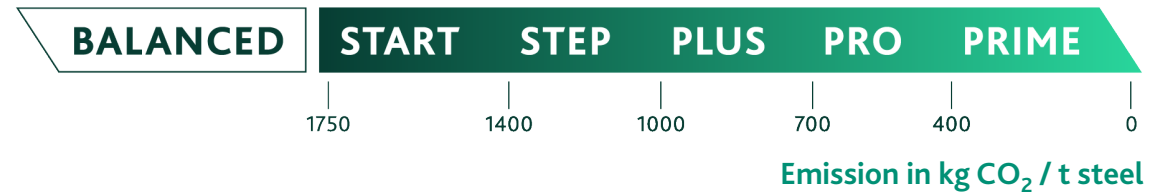




NEXIGEN® STEEL CATEGORIZATION

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

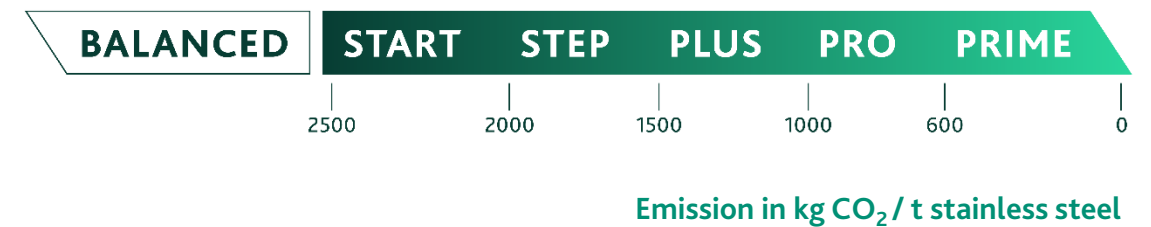
- ✓ Methodology along international standards
- ✓ No offsetting included in CO₂ load categorization (compensation data as add-on)
- ✓ Emissions from raw material to production
- ✓ Separate category for “balanced” green steel



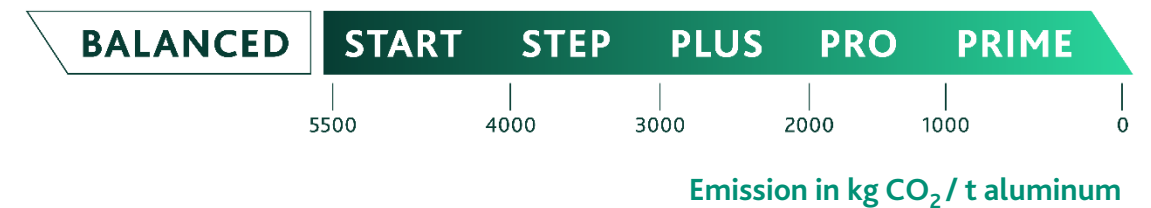
A COMPREHENSIVE APPROACH

Nexigen® categorizations for stainless steel & aluminum

Stainless Steel




Aluminum



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FINANCIAL CALENDAR

May 23, 2024

Annual General Meeting 2024

August 1, 2024

Half-yearly financial report 2024

November 6, 2024

Q3 quarterly statement 2024