

klöckner & co

Your partner for a
sustainable tomorrow

Q2 2024 RESULTS

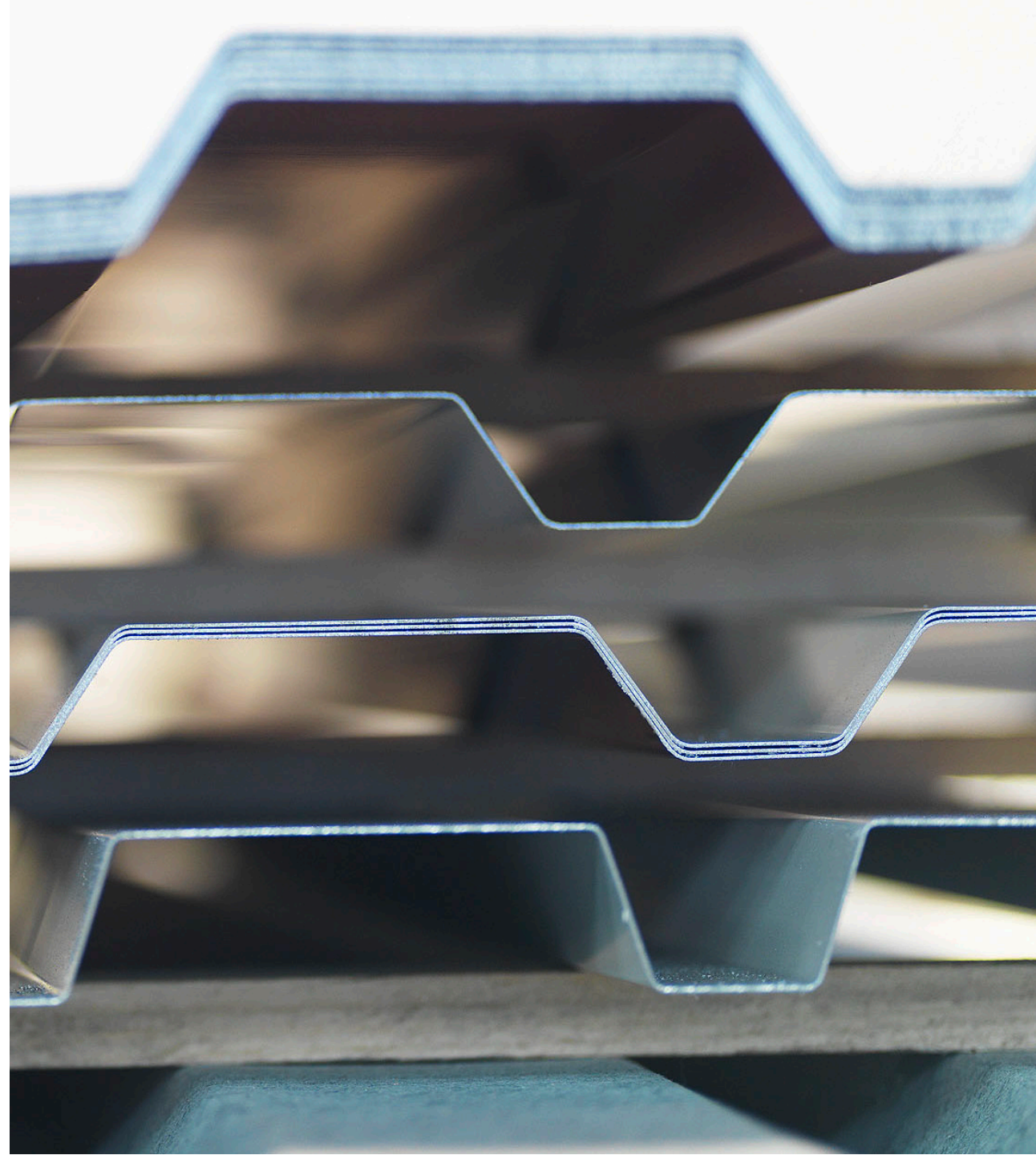
Analysts' and Investors' Conference Call

August 1, 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.

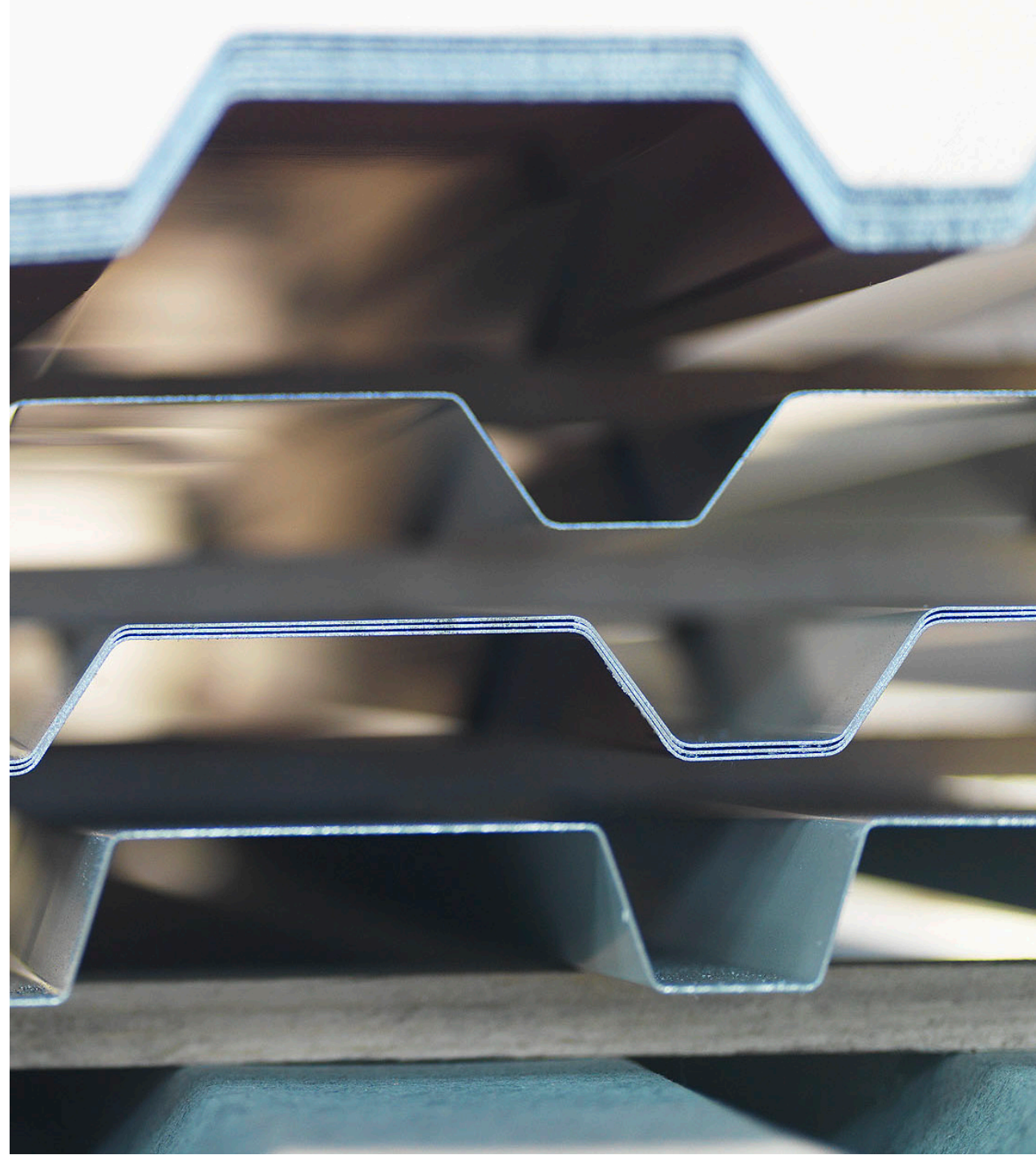
The English translation of the annual report and the interim statement are also available, in case of deviations the German versions shall prevail.

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 Q2 2024

	Q2 2024	Q2 2023	Delta	
Shipments (Tto)	1,164	1,044	+11.5%	Considerably up yoy on Group level driven by strong development of Kloeckner Metals Americas
Sales (€m)	1,765	1,754	+0.6%	Sales constant as a result of lower average price level yoy despite increasing Shipments
Gross profit (€m)	294	296	-0.7%	Constant despite steel price correction during Q2 2024
EBITDA ^{*)} (€m)	42	65	-23	EBITDA within guidance range despite challenging market environment
Oper. CF (€m)	61	33	+28	Generated strong OCF due to consistent NWC management
Net financial debt (€m)	779	596	+183	Increase yoy mainly driven by NMM acquisition in Q3 2023; however, deleveraged qoq

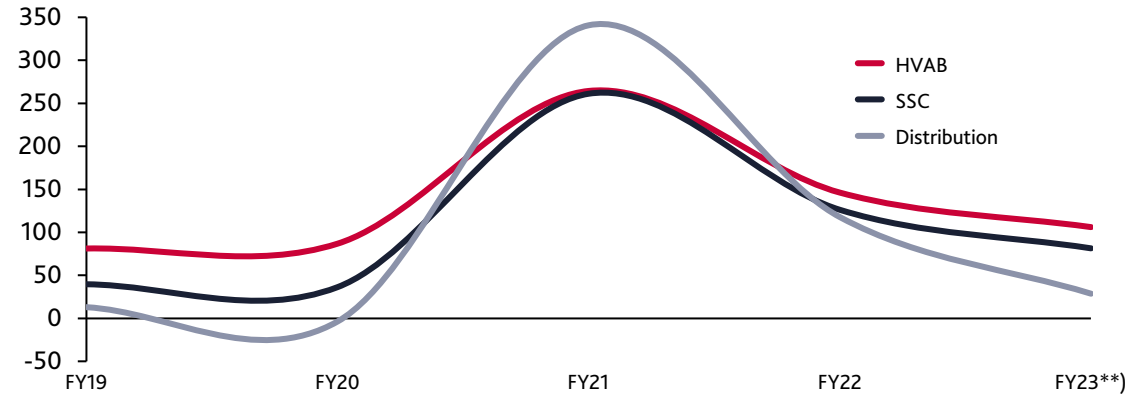
*) Before material special effects.

HVAB: LEVER TOWARDS LESS VOLATILE EARNINGS WHILE INCREASING PROFITABILITY

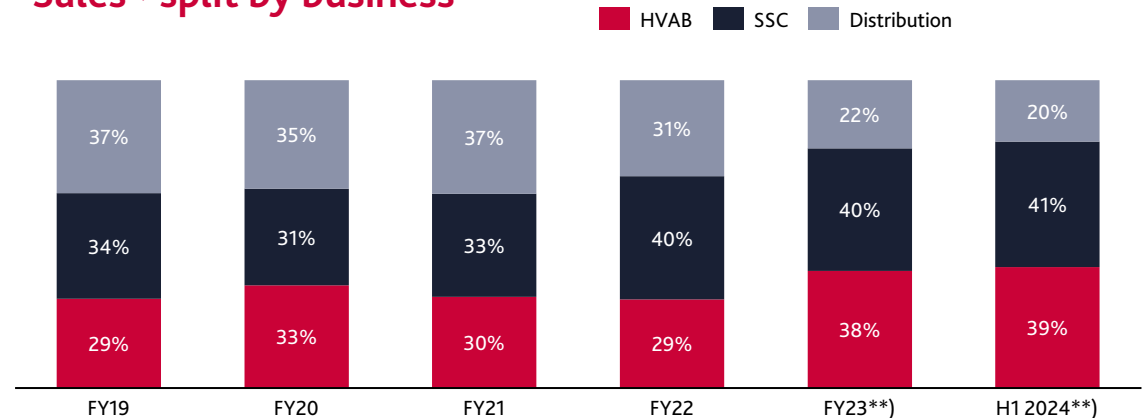
Continuing to strengthen focus on HVAB

- Divestment of parts of European distribution business **considerably reduces dependence on low margin, cyclical commodity distribution business**
 - Sale significantly mitigated exposure to steel price correction in H1 2024
 - Service Center business and especially HVAB less dependent on steel price developments due to contractual relationships with customers
- **HVAB makes up around half EBITDA before material special effects in H1 2024**
- Continuing shift to profitable and more stable HVAB
 - 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.

FURTHER PROGRESS IN IMPLEMENTING GROUP STRATEGY

North America

- Acquired Amerinox Processing, a **full-range stainless steel and aluminum toll processor and an industry leader with polishing capabilities**
- Other services include buffing, and cut-to-length services for both sheet and plate
- **Adding industry leading processing capabilities with best-in-class profitability and valuable management expertise** to existing service portfolio
- Continuing opportunistic, highly selective, performance- and growth-oriented M&A approach going forward

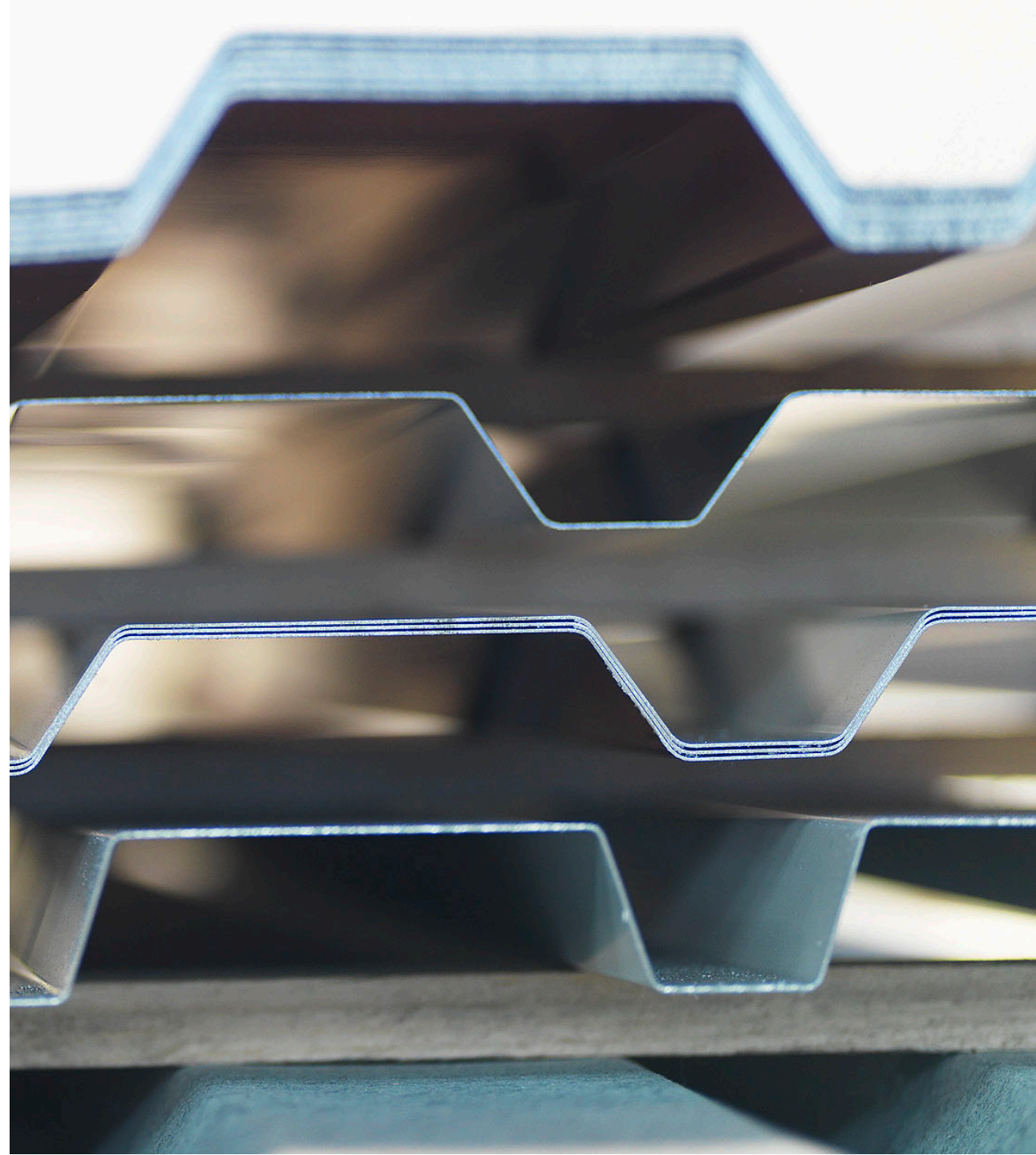
DACH region

- Installed an **advanced laser system** in Velten, Germany, as another proof point of increasing exposure to HVAB
 - **Target industry: machinery and mechanical engineering**
 - One of the most advanced laser systems in Germany
 - Investment extends our service portfolio with enhanced production capabilities
 - State-of-the-art laser system further expands HVAB exposure and enables profitable growth reducing our volatility
- **Continuing to actively position ourselves to benefit from the growing demand in defense sector**

Strengthening focus on higher value-added business

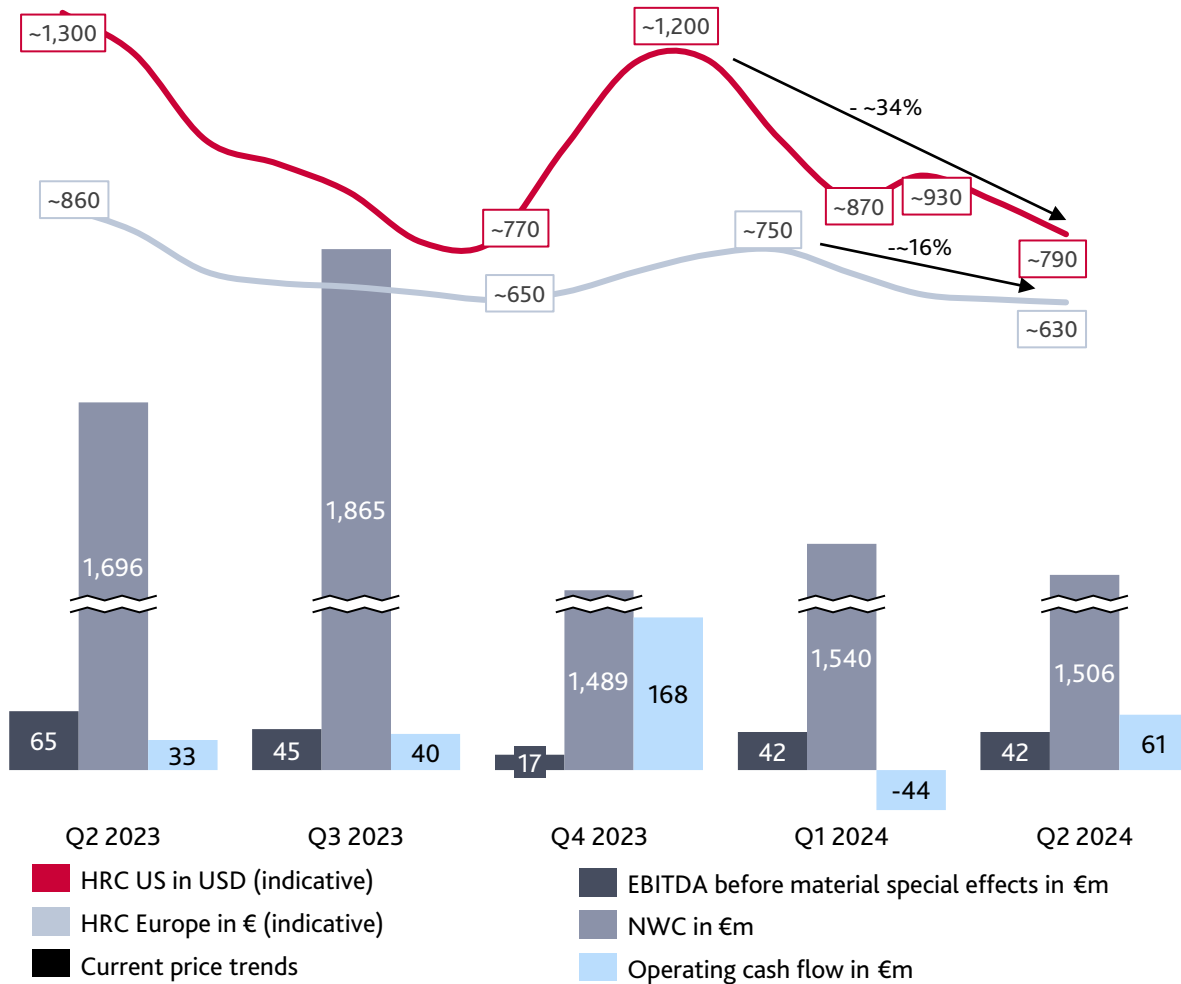
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SOLID OPERATING PERFORMANCE

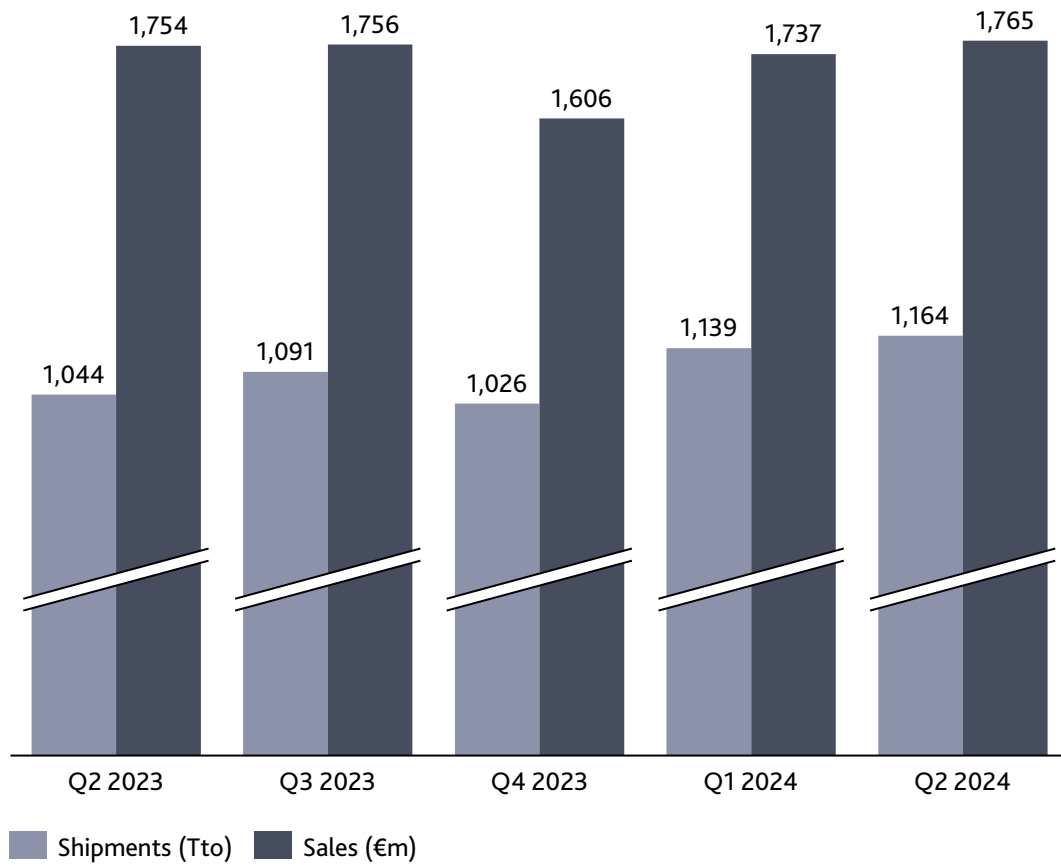
Our net working capital management



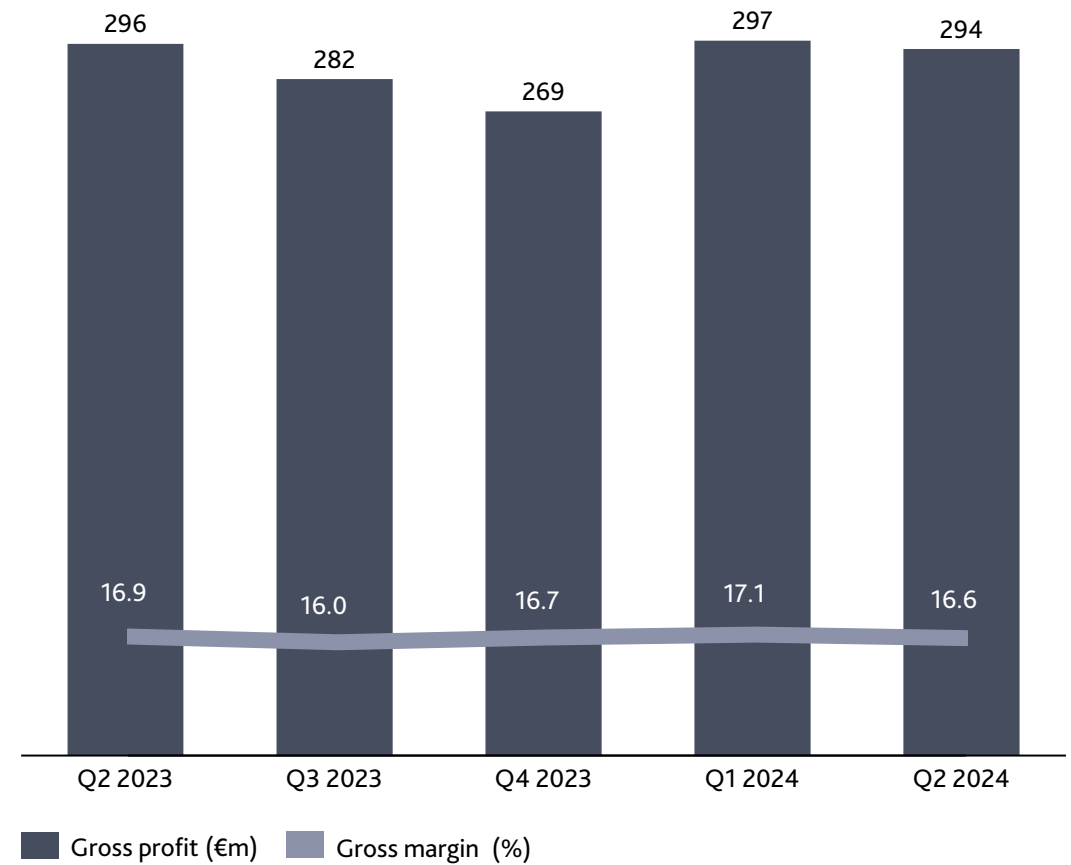
- Challenging overall market environment during the second quarter with significant steel price correction in US
 - However, achieved EBITDA before material special effects of €42m within guidance range and strong operating cash flow of €61m in Q2 2024
 - Generated positive operating cash flow in H1, according to guidance
- **Commitment to increase exposure to HVAB further to reduce earnings volatility and generate more stable cash flows**
- Continuing to leverage digitalization and automation initiatives
 - Digital quotes increased by more than 39% yoy in H1 2024

SHIPMENTS, SALES AND GROSS PROFIT

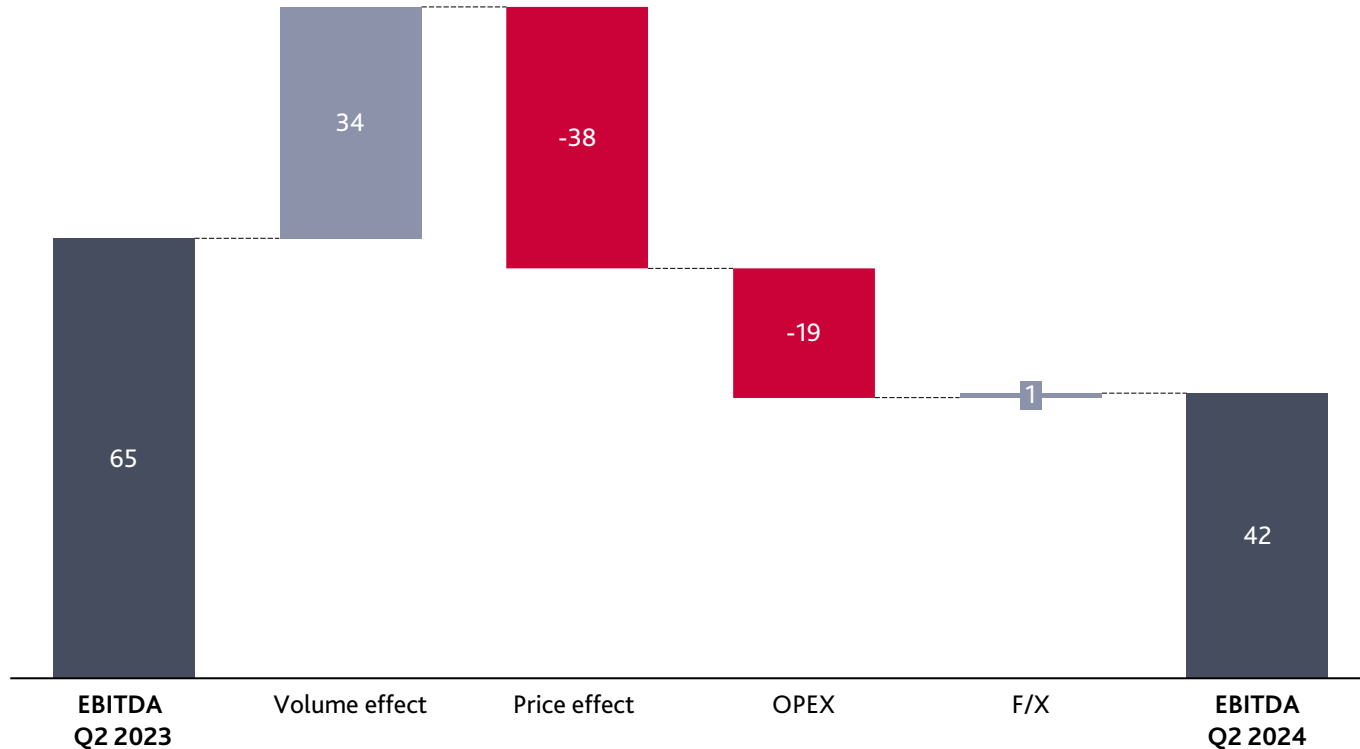
Shipments & Sales



Gross profit & Gross profit margin



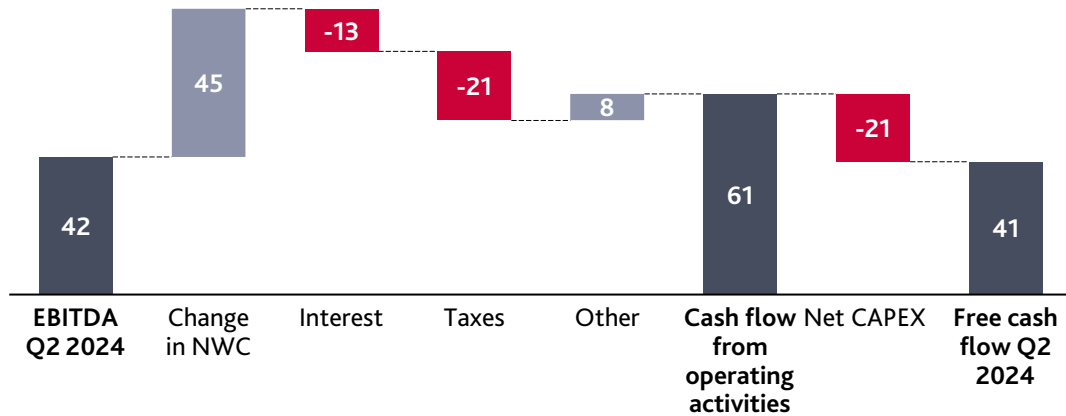
EBITDA IN Q2 2024



- Generated EBITDA of €42m in Q2 2024 despite ongoing challenging market environment
- Positive volume effect of €34m and negative price effect of €38m
- OPEX in Q2 2024 €19m higher yoy
- Minor F/X effects

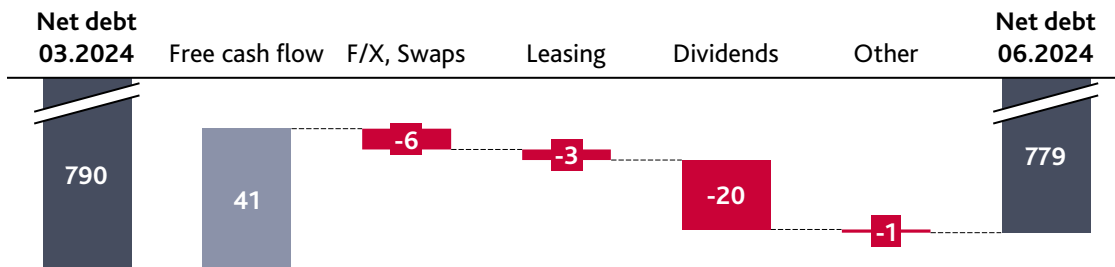
CASH FLOW AND NET DEBT DEVELOPMENT

Cash flow Q2 2024 (€m)



- EBITDA of €42m
- Net working capital release of €45m
- Other of €8m relate to decrease in VAT receivables and other assets
- Positive cash flow from operating activities of €61m
- Net CAPEX of €21m
- Accordingly free cash flow of €41m

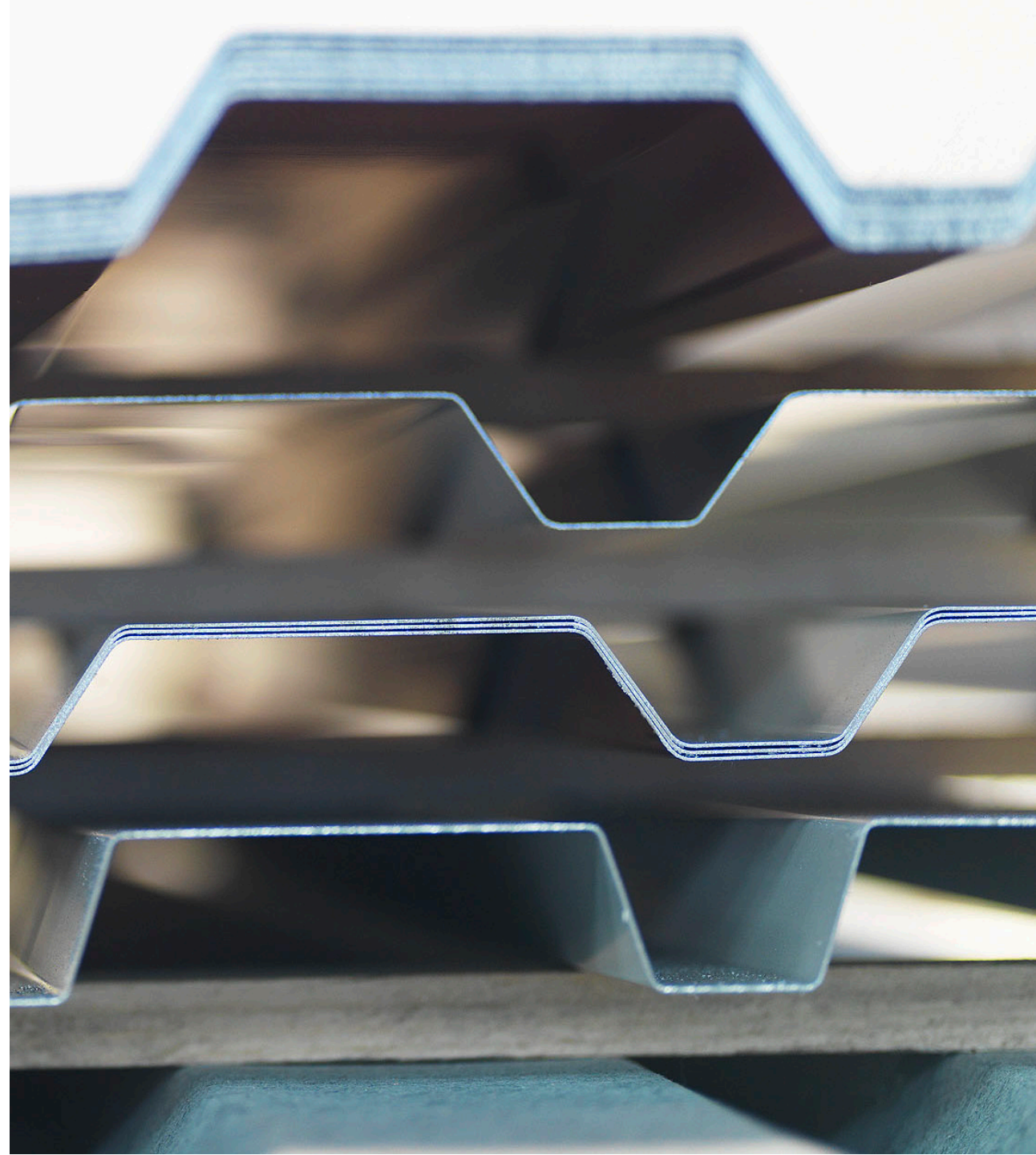
Net financial debt 03.2024 vs 06.2024 (€m)



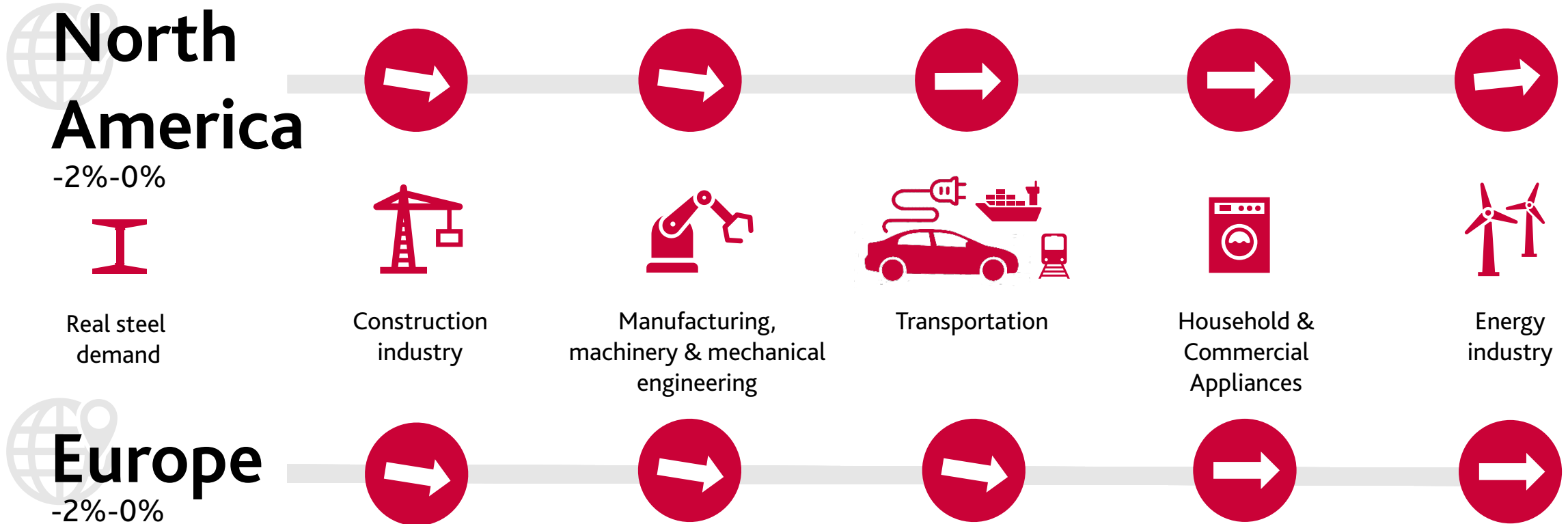
- Net financial debt decreased from €790m to €779m
- Minor F/X translation effects

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REGION SPECIFIC BUSINESS OUTLOOK 2024



OUTLOOK

Q3
2024

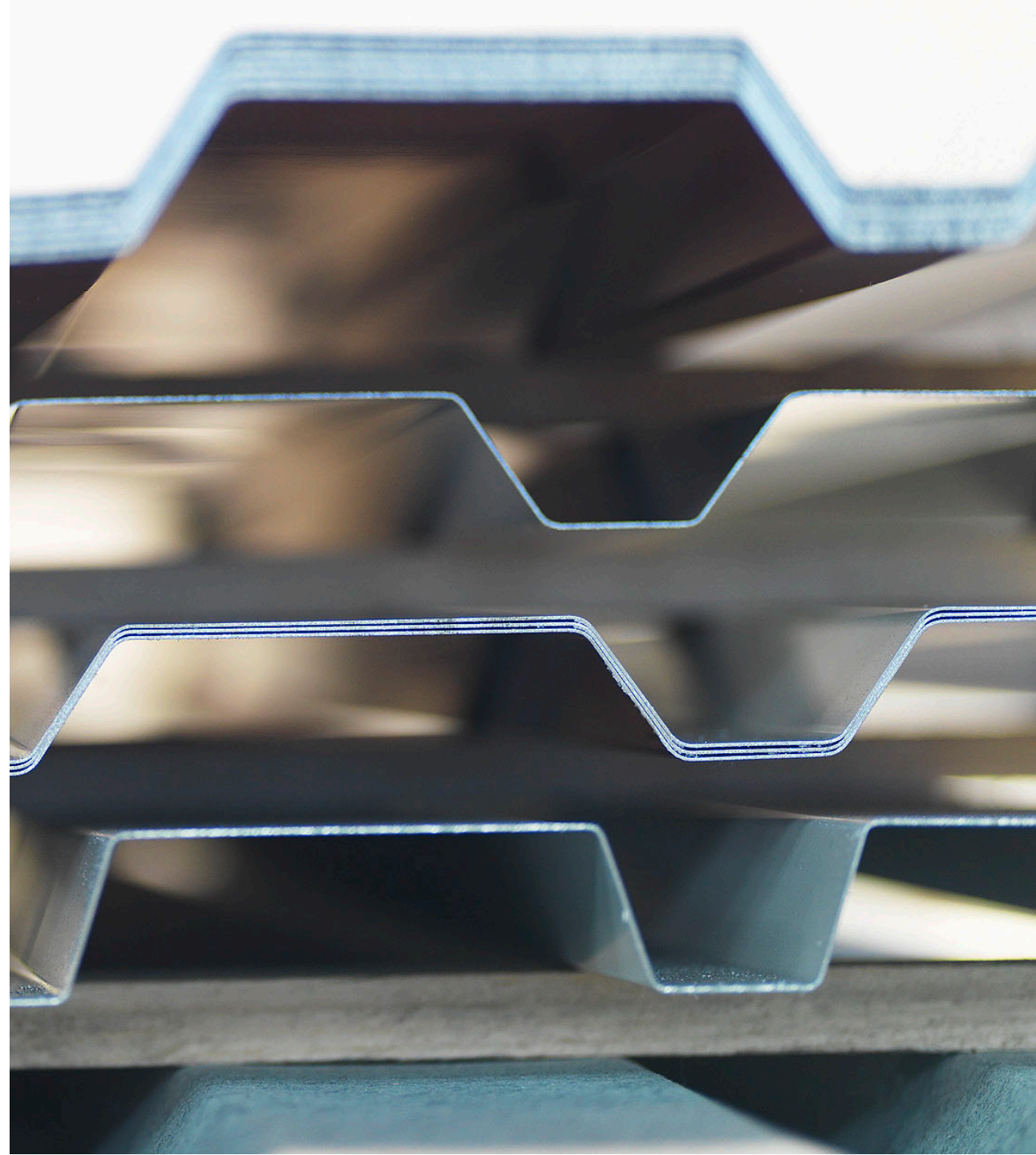
- EBITDA expectation of €20-60m before material special effects

FY
2024

- Shipments expected to increase slightly yoy; Sales expected to be below prior-year due to lower price level
- EBITDA expectation of €120-180m before material special effects
- Expecting significantly positive operating cash flow, but below previous year's level

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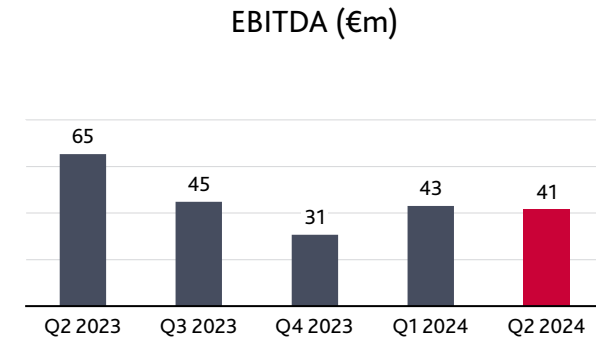
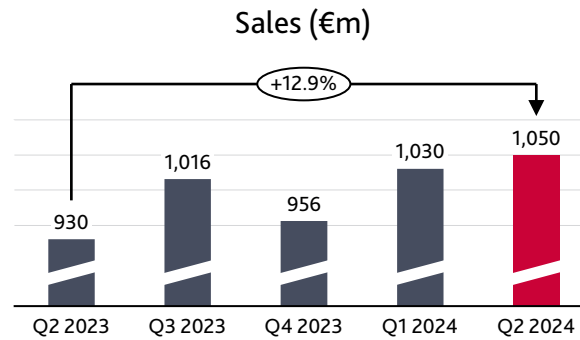
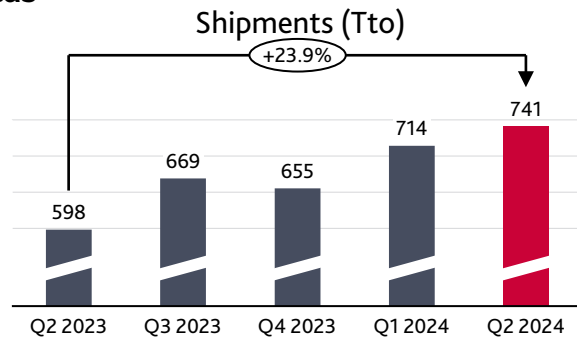
QUARTERLY AND FY RESULTS

(€m)	Q2 2024*)	Q1 2024*)	Q4 2023*)	Q3 2023*)	Q2 2023*)	Q1 2023*)	Q4 2022*)	Q4 2022	Q3 2022	Q2 2022	Q1 2022	FY 2023*)	FY 2022*)	FY 2022	FY 2021	FY 2020	FY 2019
Shipments (Tto)	1,164	1,139	1,026	1,091	1,044	1,087	941	1,047	1,148	1,226	1,257	4,248	4,193	4,679	4,881	4,873	5,648
Sales	1,765	1,737	1,606	1,756	1,754	1,840	1,775	1,993	2,367	2,580	2,438	6,957	8,337	9,379	7,441	5,130	6,315
Gross profit	294	297	269	282	296	311	232	269	305	508	482	1,157	1,328	1,563	1,893	1,047	1,158
% margin	16.6	17.1	16.7	16.0	16.9	16.9	13.1	13.5	12.9	19.7	19.8	16.6	15.9	16.7	25.4	20.4	18.3
EBITDA bef. material special effects	42	42	17	45	65	65	-19	-22	16	222	201	190	355	417	848	111	124
Material special effects	0	-5	-5	0	0	5	3	11	0	1	53	0	52	64	-30	-59	15
EBITDA rep.	42	37	12	45	65	70	-16	-12	16	223	254	190	407	481	879	52	139
% margin	2.4	2.2	0.7	2.5	3.6	3.8	-0.9	-0.6	0.7	8.6	10.4	2.7	4.9	5.1	11.8	1.0	2.2
EBITDA rep. (curr. eff.)	-2	-2	-2	4	0	-4	1	0	9	12	9	-3		31	-16	1	5
EBIT	11	5	-29	15	38	43	-45	-49	-18	191	223	66	299	348	754	-93	2
Income from Investments	-2	1	0	-1	0	-2	0	0	1	4	0	-4	6	6	11	0	0
Financial result	-15	-17	-18	-12	-8	-8	-11	-11	-8	-8	-7	-46	-34	-34	-17	-30	-41
EBT	-5	-11	-47	1	29	34	-55	-60	-25	188	216	16	270	319	748	-124	-39
Income taxes	-13	3	12	-4	-14	-10	13	18	3	-37	-44	-16	-57	-60	-119	9	-16
Net income	-18	-8	-35	-3	15	24	-42	-42	-22	151	172	0	213	259	629	-114	-55
Minority interests	0	0	0	0	0	0	0	0	0	2	4	1	6	6	10	2	1
Net income KCO	-18	-8	-35	-3	15	23	-42	-42	-22	149	168	-1	207	253	619	-116	-56
EPS basic (€)	-0.18	-0.08	-0.36	-0.04	0.15	0.23	-0.42	-0.42	-0.22	1.50	1.68	-0.01	2.08	2.54	6.21	-1.16	-0.56
EPS diluted (€)	-0.18	-0.08	-0.36	-0.04	0.15	0.22	-0.42	-0.42	-0.22	1.36	1.53	-0.01	1.90	2.32	5.58	-1.16	-0.56
NWC	1,506	1,540	1,489	1,865	1,696	1,735	1,789	1,789	2,185	2,239	2,258	1,489	1,789	1,789	1,813	967	1,119
Net debt	779	790	775	923	596	539	584	584	806	903	999	775	584	584	762	351	445

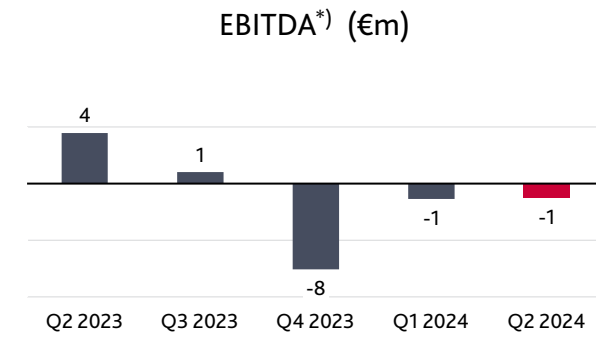
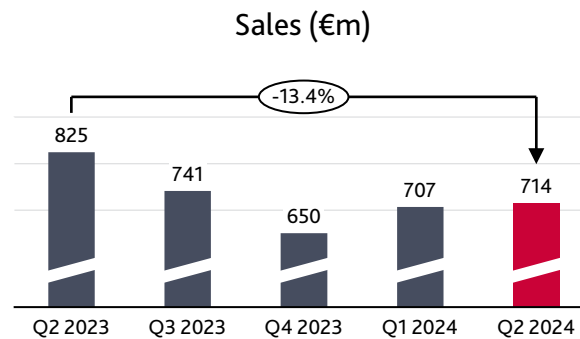
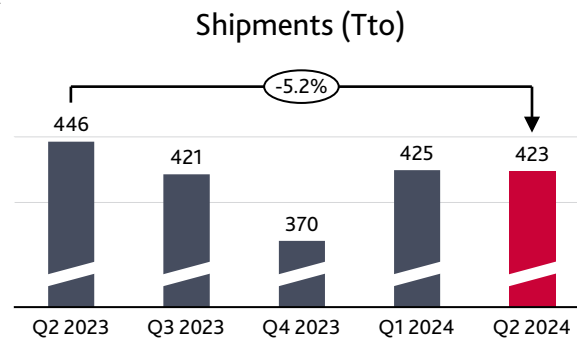
*) Continuing operations in accordance with IFRS 5.

SEGMENT PERFORMANCE

KM Americas



KM Europe

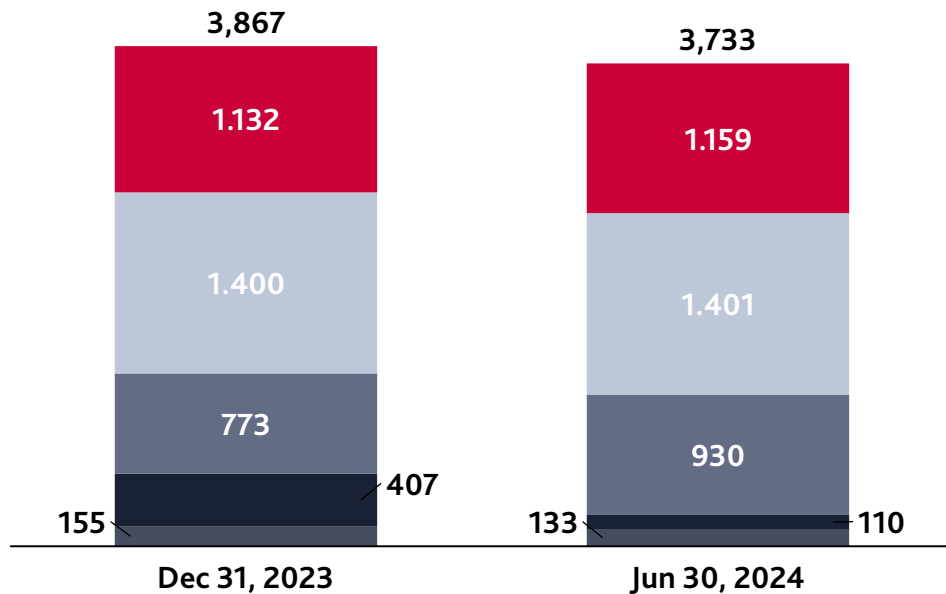


*) Adjusted for material special effects in Q4 2023 and Q1 2024.

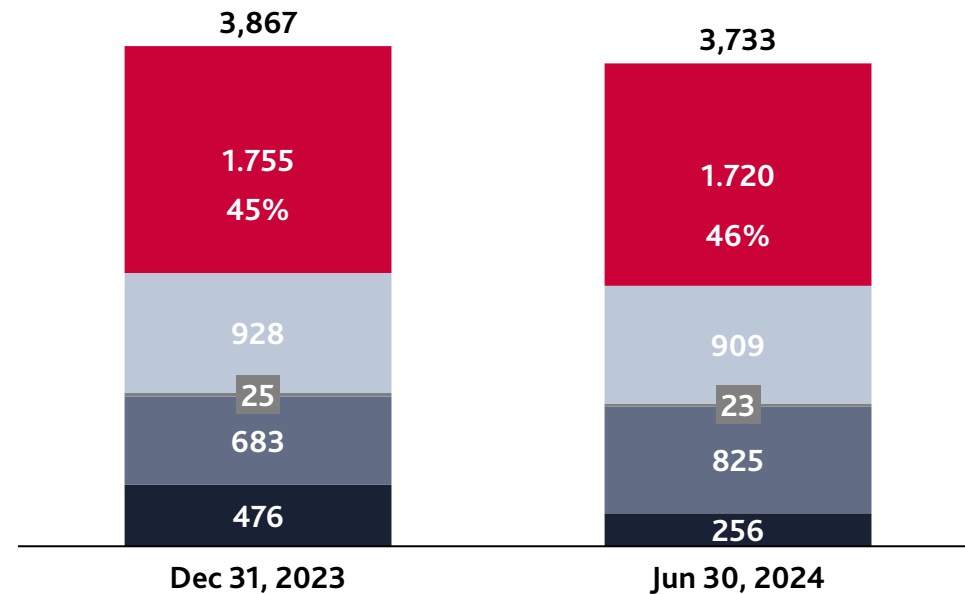
STRONG AND SOLID BALANCE SHEET

Solid equity ratio of 46%, gearing^{*)} of 47% and leverage of 5.4x

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.

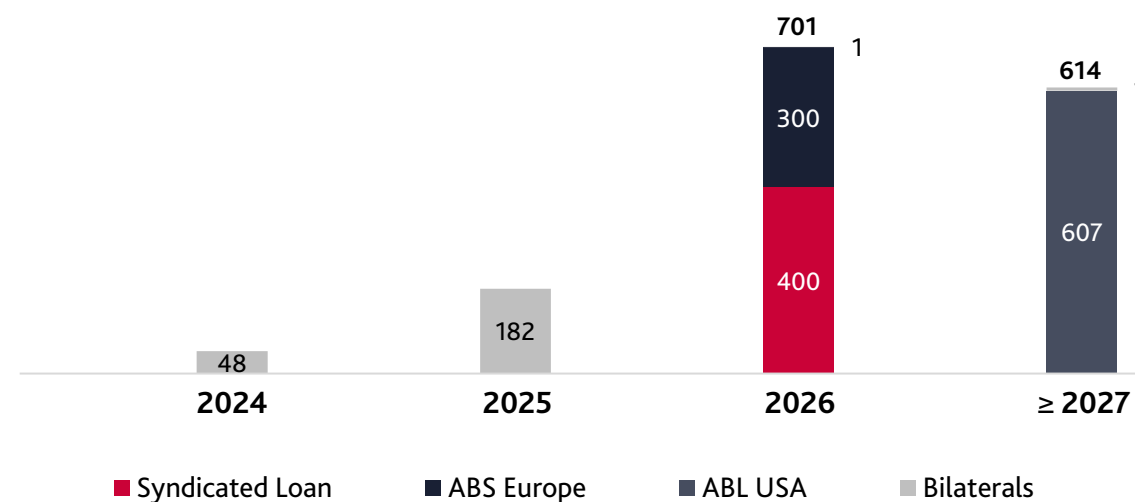
MATURITY PROFILE

Facility (€m)	Committed Jun 30, 2024	Drawn amount	
		Jun 30, 2024	Dec 31, 2023
Syndicated Loan ¹⁾	400	95	155
ABS Europe ²⁾	300	64	98
ABL USA	607	467	407
Bilateral Facilities ³⁾	238	151	137
Leases	135	135	133
Total Debt	1,680	912	930
Cash		133	155
Net Debt		779	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.

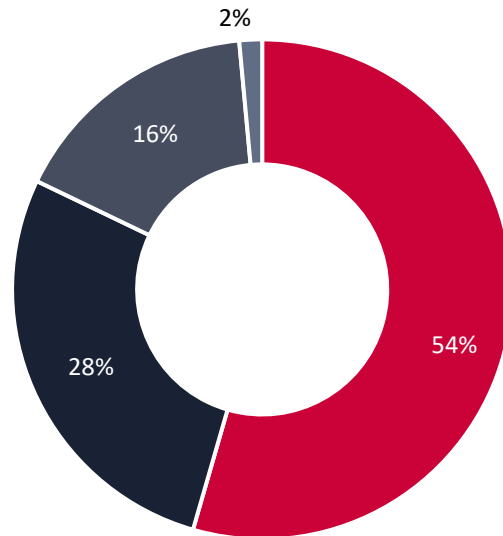
€m	Jun 30, 2024
Adjusted equity ⁴⁾	1,662
Net Debt	779
Gearing ⁵⁾	47%
Leverage ⁶⁾	5.4x

Maturity profile (excl. Leases) in €m, Jun 30, 2024



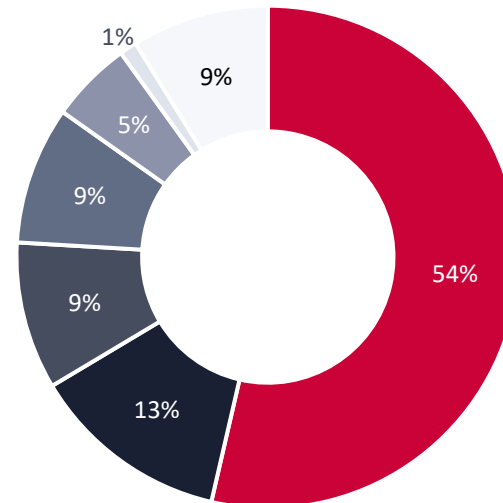
SALES BY MARKETS, PRODUCTS AND INDUSTRIES

Sales by markets



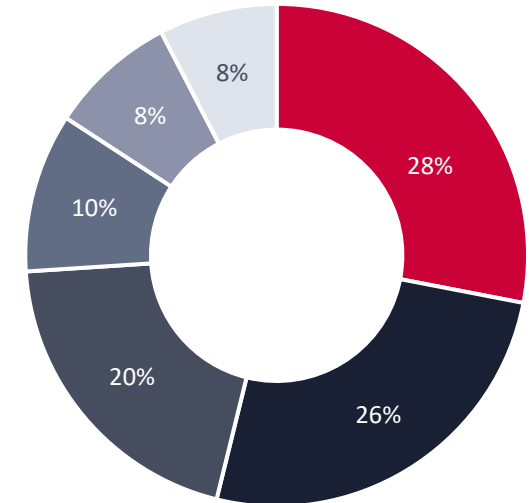
- North America
- Germany/Austria
- Switzerland
- Other

Sales by products



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

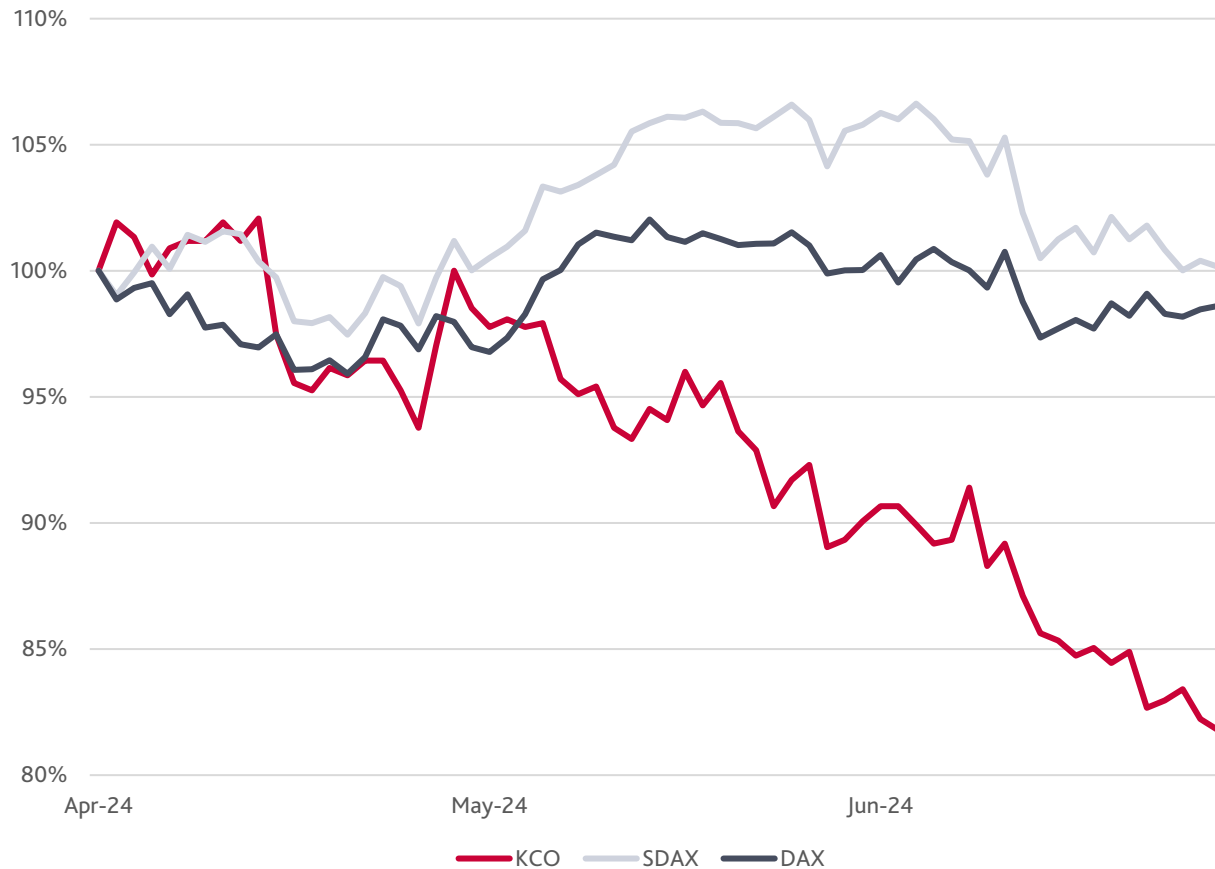
Sales by industries



- 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 Q2 2024



- The share price of Klöckner & Co showed a negative trend through the second quarter of 2024
- It reached its peak on April 12 with €6.89
- Subsequently, it gradually declined and went out of trading at €5.52 on June 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
- Dividend payment of €0.20 per share for the financial year 2023

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

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

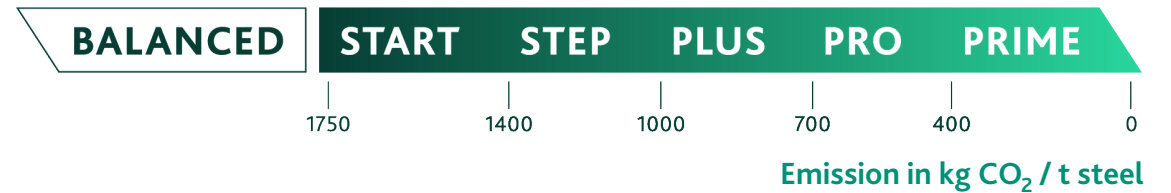
Net zero by 2050



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

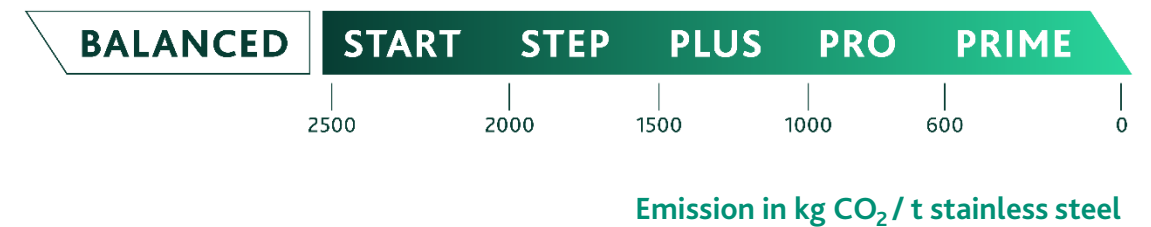
- ✓ Methodology along international standards
- ✓ No offsetting included in CO₂ load categorization (compensation data as add-on)
- ✓ Emissions from raw material to production
- ✓ Separate category for “balanced” green steel



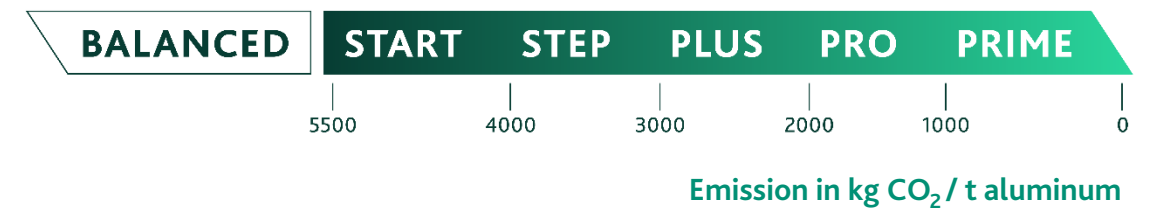
A COMPREHENSIVE APPROACH

Nexigen® categorizations for stainless steel & aluminum

Stainless Steel




Aluminum



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FINANCIAL CALENDAR

November 6, 2024

Q3 quarterly statement 2024

March 12, 2025

Annual Financial Statement 2024

May 7, 2025

Q1 quarterly statement 2025

May 28, 2025

Annual General Meeting 2025

August 6, 2025

Half-yearly Financial Report 2025