

**klöckner & co**

Your partner for a  
sustainable tomorrow

# Q3 2024 RESULTS

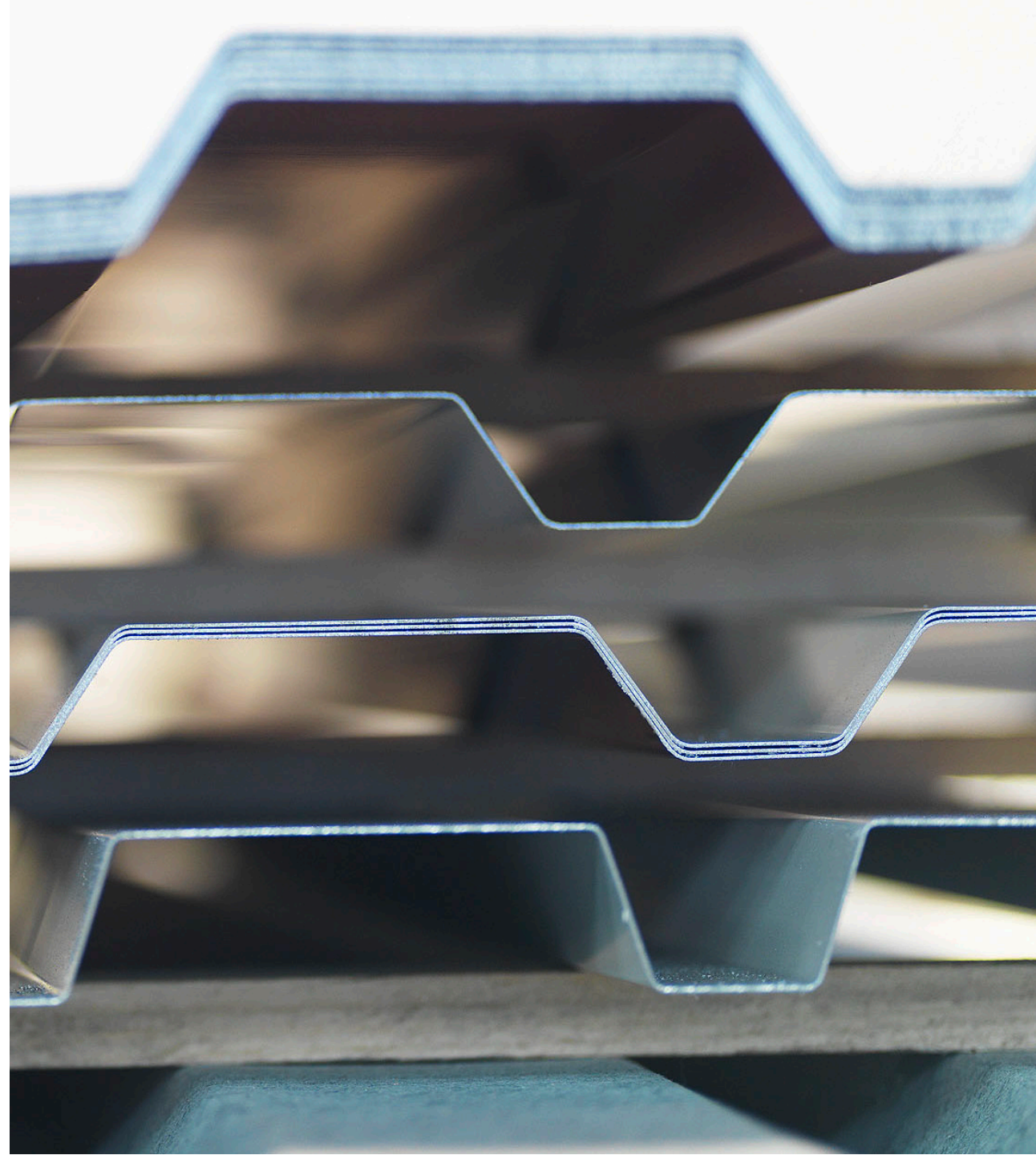
**Analysts' and Investors' Conference Call**

**November 6, 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.

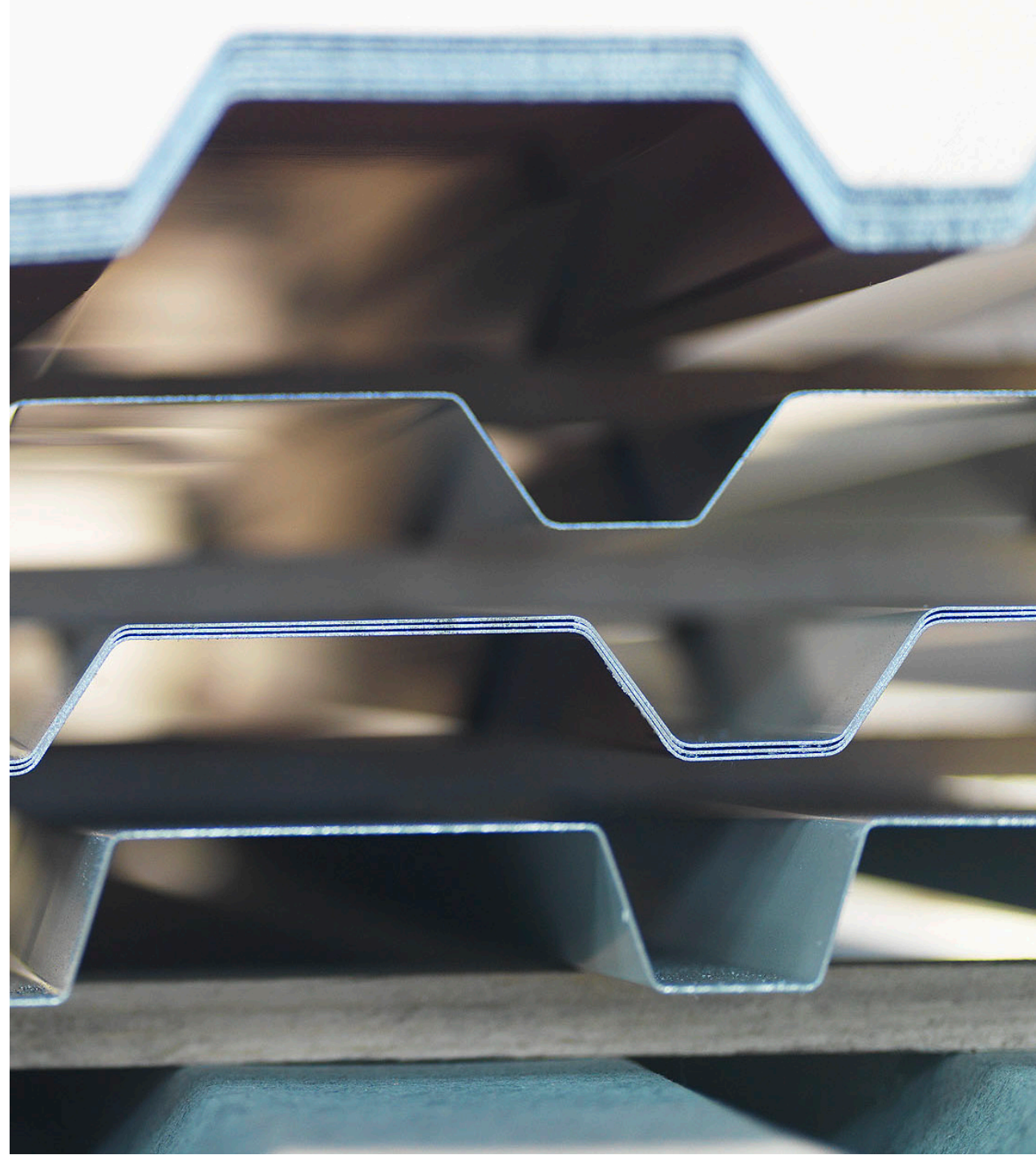
The English translation of the annual report and the interim statement are also available, in case of deviations the German versions shall prevail.

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 Q3 2024

	Q3 2024	Q3 2023	Delta	
Shipments (Tto)	1,122	1,091	+2.8%	Slightly up yoy on Group level driven by continued strong development of Kloeckner Metals Americas
Sales (€m)	1,646	1,756	-6.3%	Decrease yoy as a result of significantly lower average price level
Gross profit (€m)	262	282	-7.1%	Down yoy due to negative price effects
EBITDA <sup>*)</sup> (€m)	21	44	-23	EBITDA within guidance range despite challenging market environment
Oper. CF (€m)	-62	40	-102	Negative in Q3 2024 after positive OCF in Q2 2024 and H1 2024
Net financial debt (€m)	872	923	-51	Decrease yoy after closing of NMM acquisition in Q3 2023

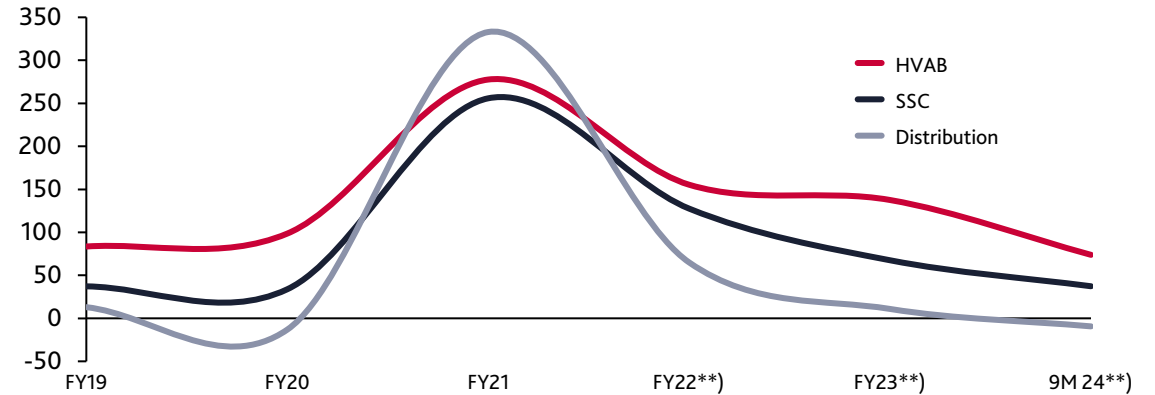
<sup>\*)</sup> Before material special effects.

# HVAB: LEVER TOWARDS LESS VOLATILE EARNINGS WHILE INCREASING PROFITABILITY

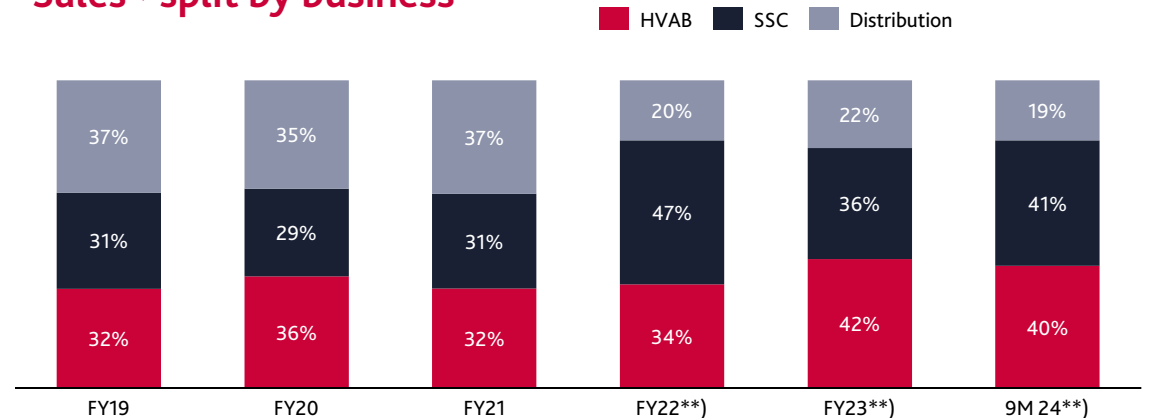
## Continuing to strengthen focus on HVAB

- 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 during large parts of 2024
- Service Center business and especially HVAB less dependent on steel price developments due to contractual relationships with customers
- **HVAB contributes significantly to the Group results each year**
  - **Makes up more than half of EBITDA before material special effects in 9M 2024**
- Continuing shift to profitable and more stable HVAB
  - Strategic initiatives will be increasingly visible in HVAB exposure

## EBITDA before MSE<sup>\*)</sup> development by business



## Sales<sup>\*)</sup> 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.

# EXPANDING OUR HIGHER-VALUE ADDED SERVICE PORTFOLIO FURTHER

## North America

### Proof point of transforming commodity warehouses into HVAB centers in Dallas and Charlotte

- After significantly expanding laser capacity, the next step included investment into automated welding
  - Ability to perform complex services along the value chain of our customers
  - Adding capabilities in welding and finished parts manufacturing to our unique product portfolio
  - Further capacity expansion planned, particularly in Charlotte, to accommodate growth at IMS
- Expanding capabilities to become the best vertically integrated supplier for OEMs in North America

## DACH region

### Transformation towards HVAB well on track

### Invested in fully automatic sawing and drilling line in Landsberg, Germany

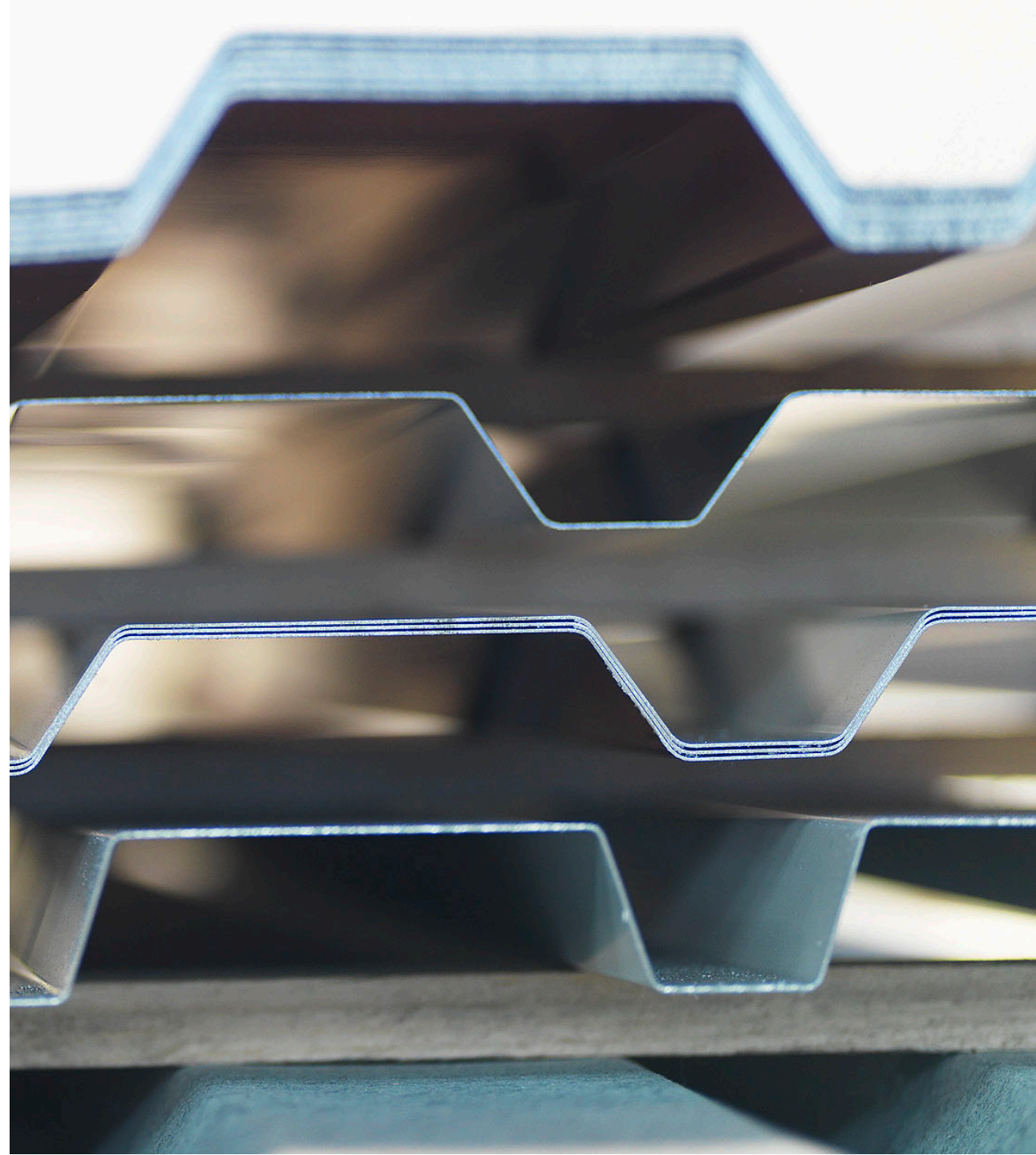
- Investment as further proof point of HVAB transformation
- Target industries: Construction and Automotive in eastern and southern Germany
- Significantly expanding our processing capabilities

### Further strengthening of our position in the growth defense sector

**Continuing to drive our HVAB expansion forward**

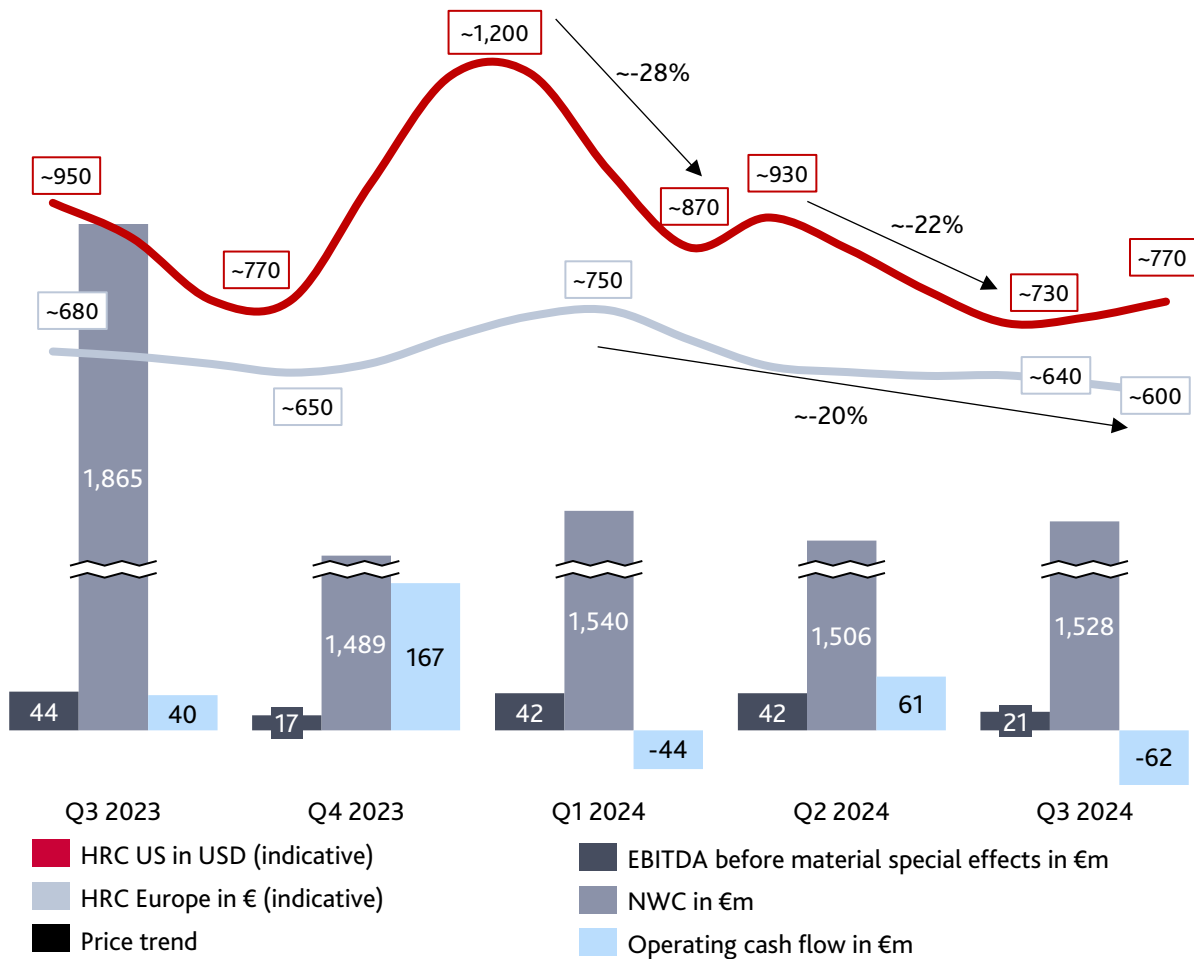
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# SOLID OPERATING PERFORMANCE

## Our net working capital management

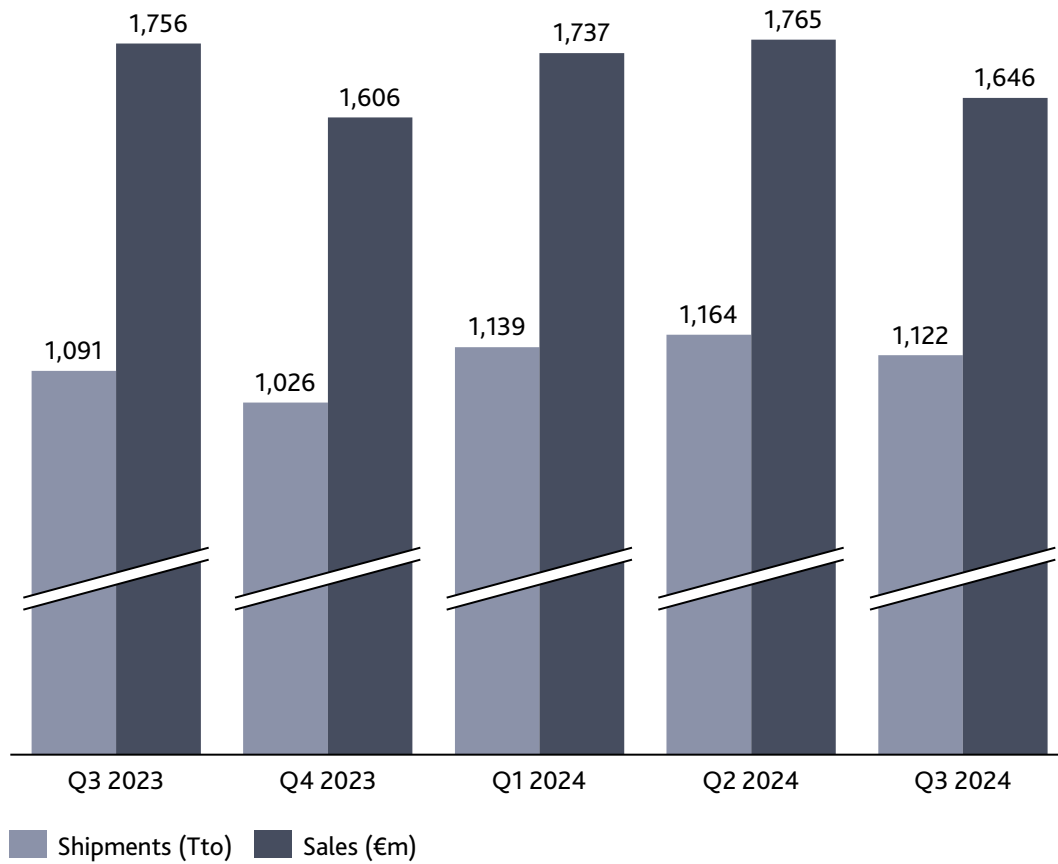


- Ongoing difficult market environment with significant steel price correction over large parts of the year leading to windfall losses
  - However, achieved EBITDA before material special effects of €21m within guidance range in Q3 2024 and €104m in 9M 2024
- **Commitment to increase exposure to HVAB further to reduce earnings volatility and generate more stable cash flows**
- Continuing to leverage digitalization and automation initiatives
  - Digital quotes increased by more than 27% yoy in 9M 2024

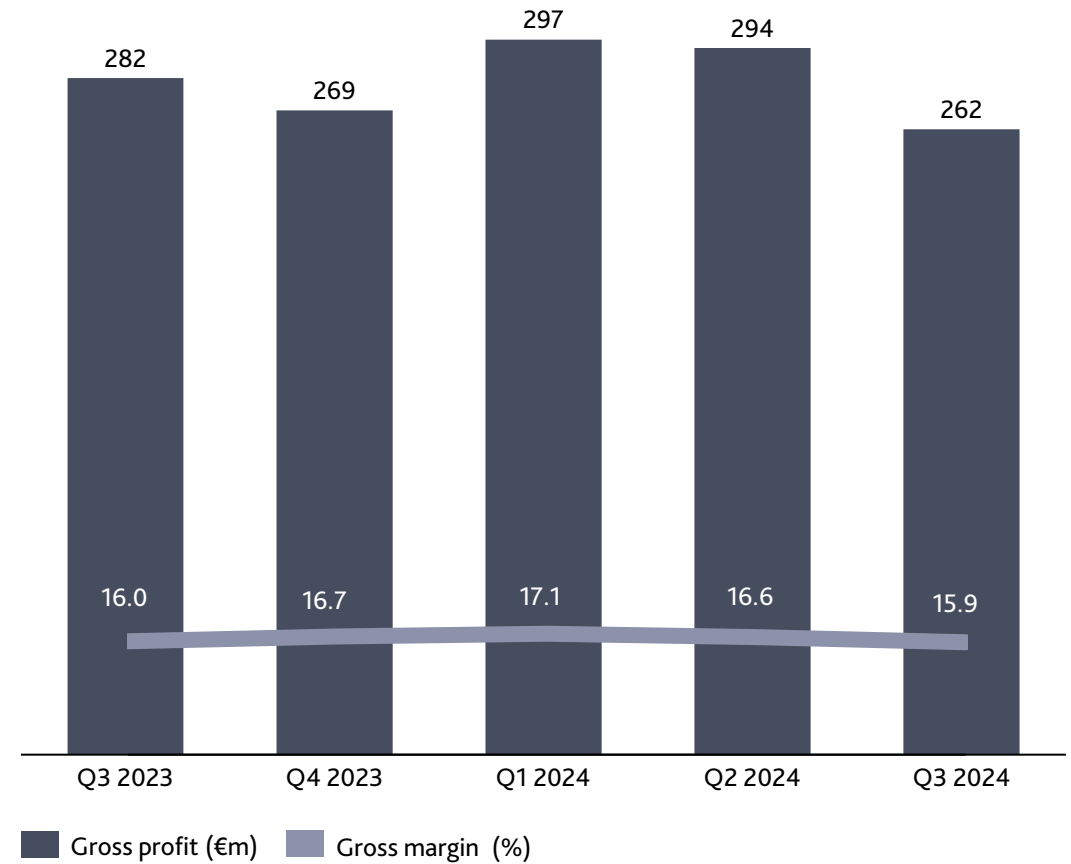


# SHIPMENTS, SALES AND GROSS PROFIT

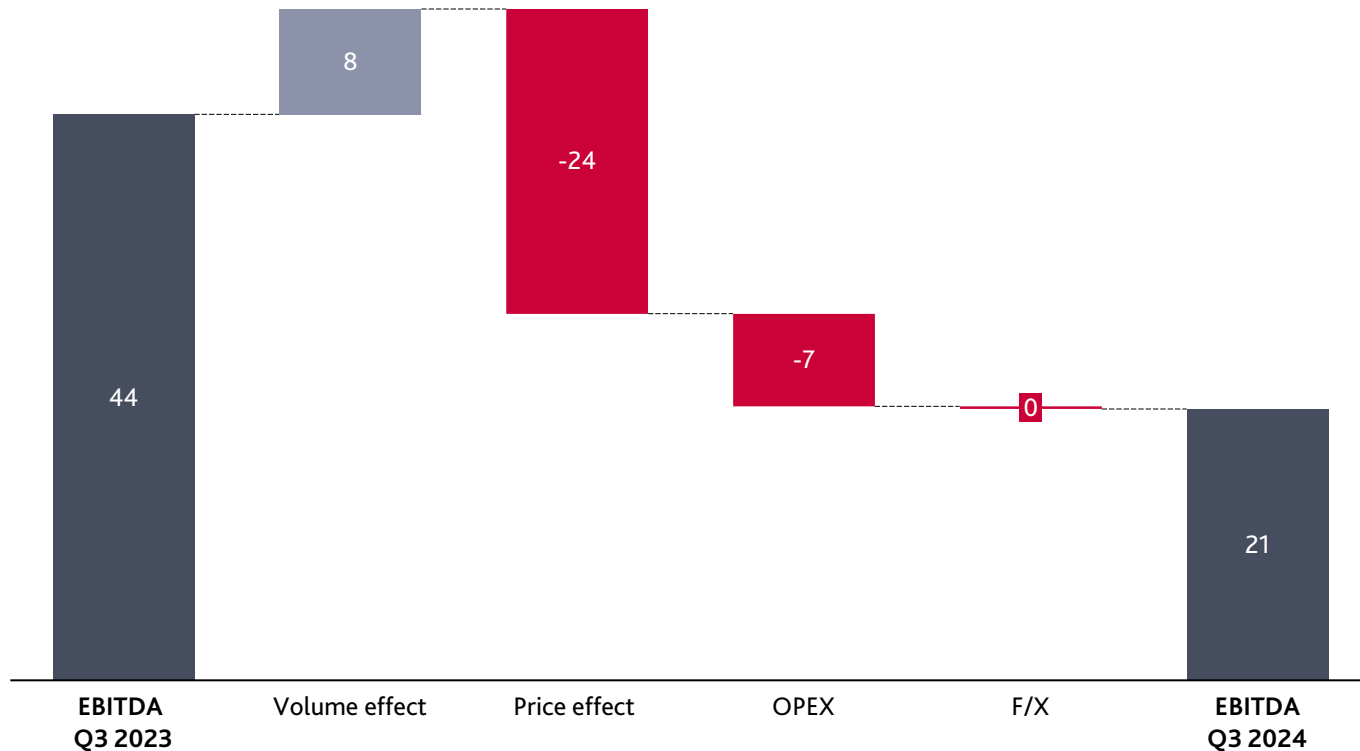
## Shipments & Sales



## Gross profit & Gross profit margin



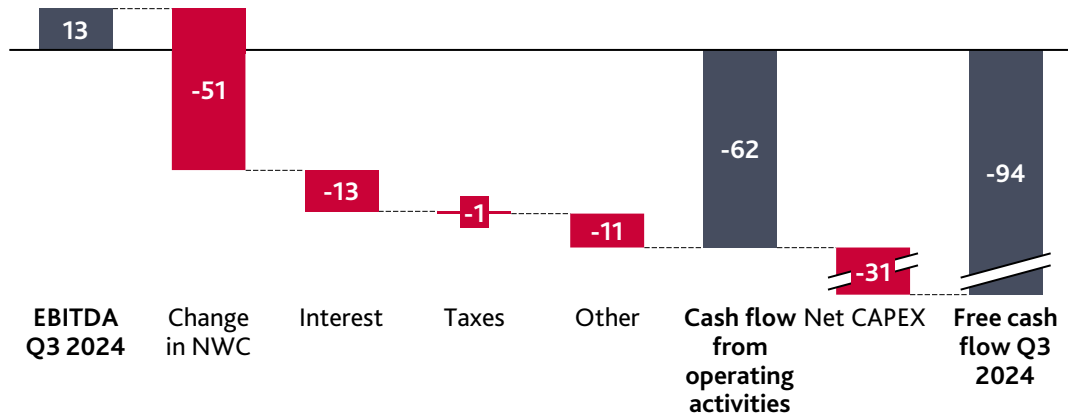
# EBITDA IN Q3 2024



- Generated EBITDA before material special effects of €21m in Q3 2024 despite ongoing challenging market environment
- Positive volume effect of €8m and negative price effect of €24m
- OPEX in Q3 2024 up only €7m yoy despite inflationary environment; consistent cost management going forward
- Minor F/X effects

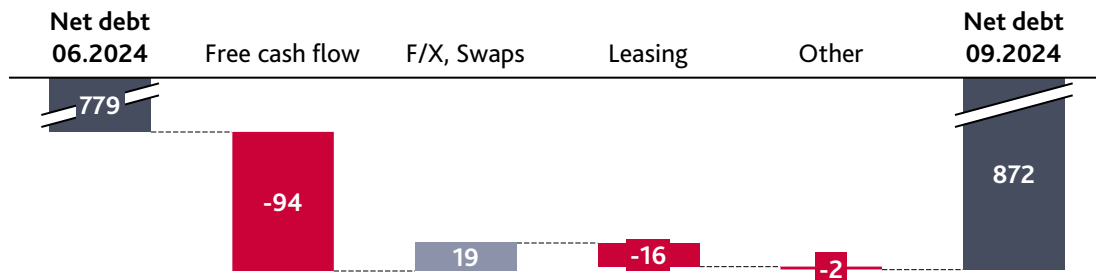
# CASH FLOW AND NET DEBT DEVELOPMENT

## Cash flow Q3 2024 (€m)



- Reported EBITDA of €13m
- Net working capital increase of €51m
- Other of €11m relate to receivables and other assets and liabilities
- Negative cash flow from operating activities of €62m
- Net CAPEX of €31m
- Accordingly negative free cash flow of €94m

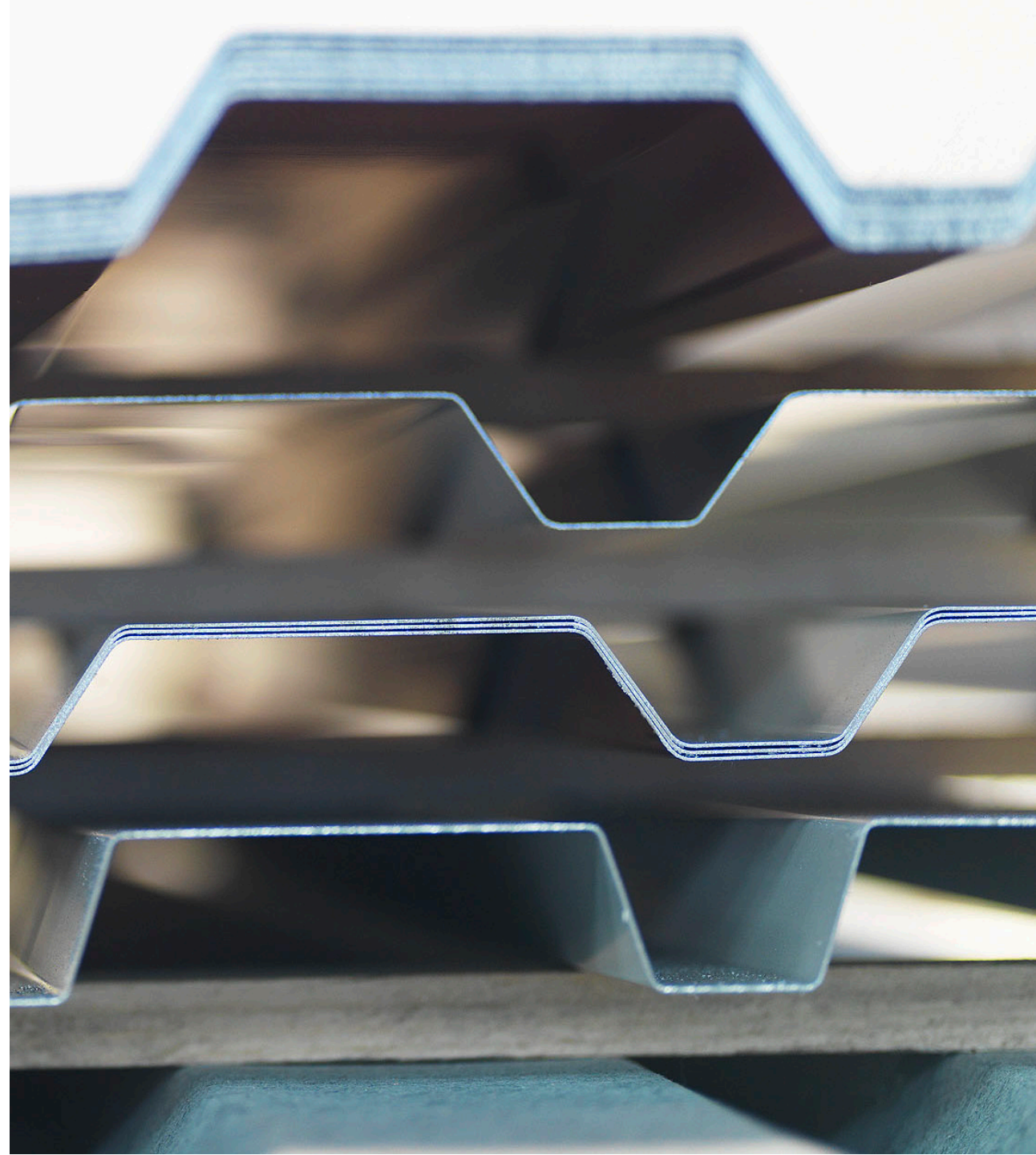
## Net financial debt 06.2024 vs 09.2024 (€m)



- Net financial debt increased from €779m to €872m
- Positive F/X translation effects of €19m

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# REGION SPECIFIC BUSINESS OUTLOOK 2024

## North America

-1% to 0%



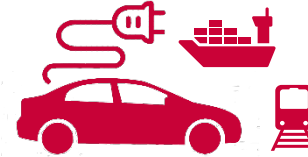
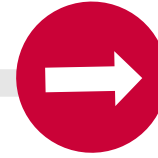
Real steel demand



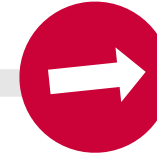
Construction Industry



Manufacturing, Machinery & Mechanical Engineering



Transportation



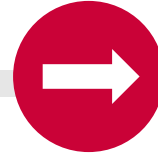
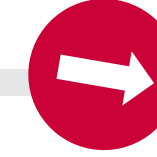
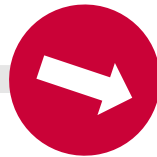
Household & Commercial Appliances



Energy Industry

## Europe

-3% to -1%



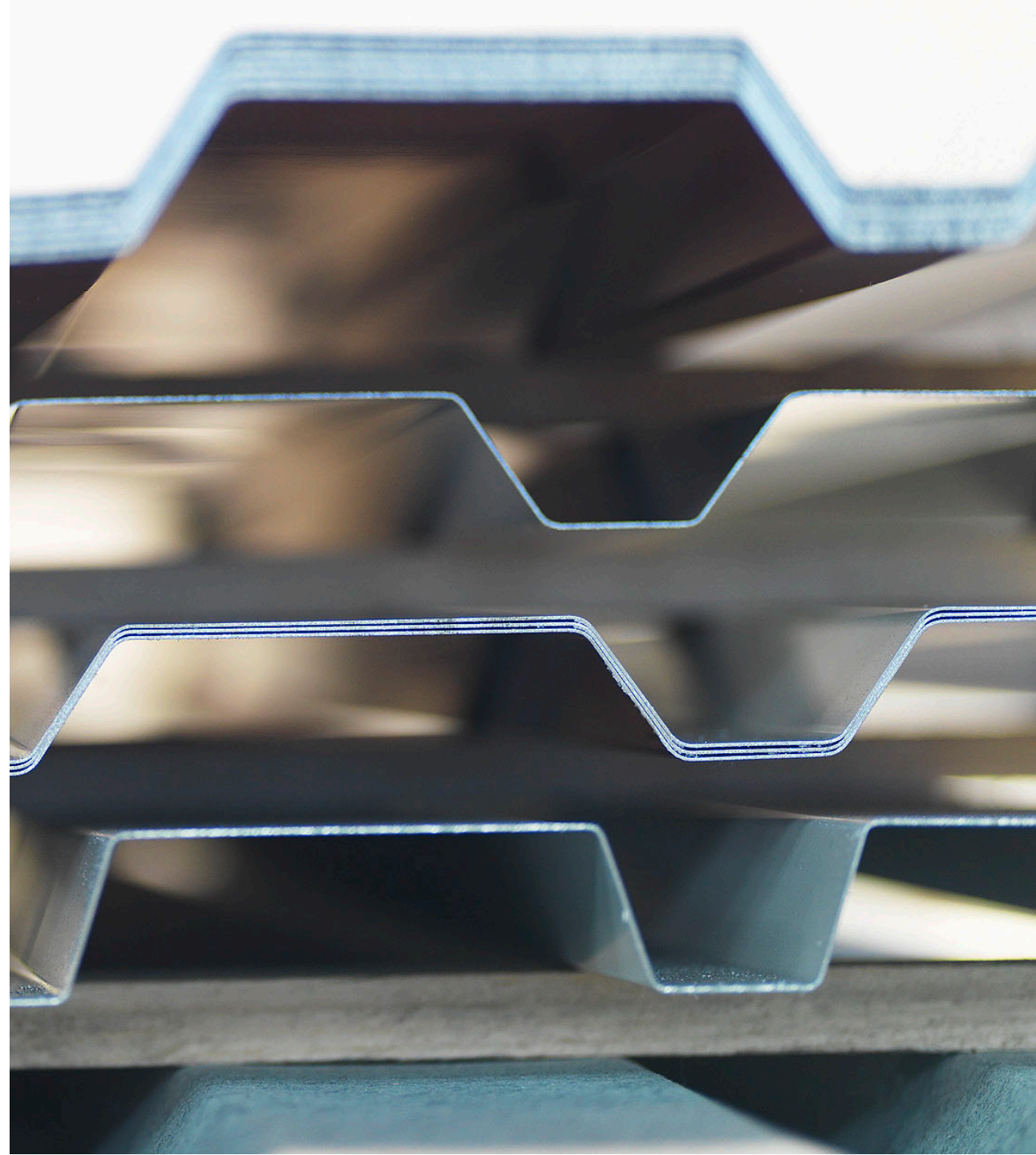
# OUTLOOK

**FY**  
2024

- 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

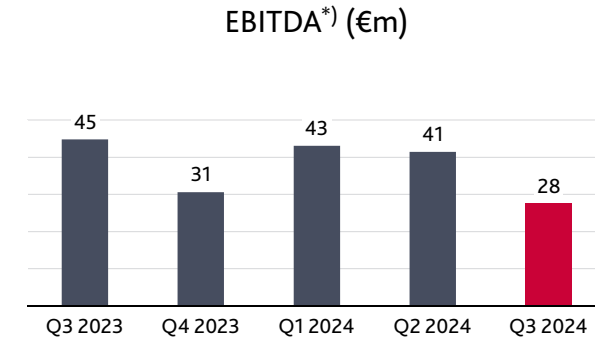
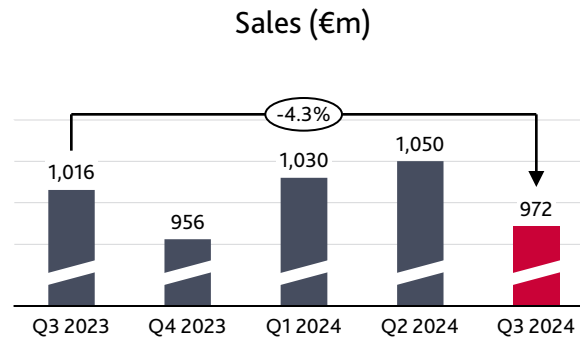
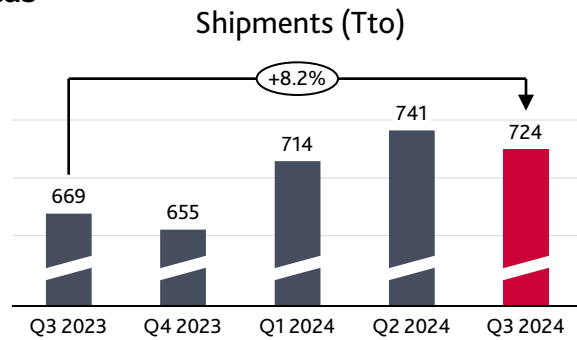
(€m)	Q3 2024*)	Q2 2024*)	Q1 2024*)	Q4 2023*)	Q3 2023*)	Q2 2023*)	Q1 2023*)	Q4 2022*)	Q4 2022	Q3 2022	Q2 2022	Q1 2022	FY 2023*)	FY 2022*)	FY 2022	FY 2021	FY 2020	FY 2019
Shipments (Tto)	1,122	1,164	1,139	1,026	1,091	1,044	1,087	941	1,047	1,148	1,226	1,257	4,248	4,193	4,679	4,881	4,873	5,648
Sales	1,646	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	262	294	297	269	282	296	311	232	269	305	508	482	1,157	1,328	1,563	1,893	1,047	1,158
% margin	15.9	16.6	17.1	16.7	16.0	16.9	16.9	13.1	13.5	12.9	19.7	19.8	16.6	15.9	16.7	25.4	20.4	18.3
EBITDA bef. material special effects	21	42	42	17	44	65	65	-19	-22	16	222	201	190	355	417	848	111	124
Material special effects	-8	0	-5	-5	0	0	5	3	11	0	1	53	0	52	64	-30	-59	15
EBITDA rep.	13	42	37	12	44	65	70	-16	-12	16	223	254	190	407	481	879	52	139
% margin	0.8	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.)	0	3	0	-2	4	0	-4	1	0	9	12	9	-3	30	31	-16	1	5
EBIT	-17	11	5	-29	15	38	43	-45	-49	-18	191	223	66	299	348	754	-93	2
Income from Investments	0	-2	1	0	-1	0	-2	0	0	1	4	0	-4	6	6	11	0	0
Financial result	-16	-15	-17	-18	-12	-8	-8	-11	-11	-8	-8	-7	-46	-34	-34	-17	-30	-41
EBT	-33	-5	-11	-47	1	29	34	-55	-60	-25	188	216	16	270	319	748	-124	-39
Income taxes	4	-13	3	12	-4	-14	-10	13	18	3	-37	-44	-16	-57	-60	-119	9	-16
Net income	-29	-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	0	2	4	1	6	6	10	2	1
Net income KCO	-29	-18	-8	-35	-3	15	23	-42	-42	-22	149	168	-1	207	253	619	-116	-56
EPS basic (€)	-0.29	-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 (€)	-0.29	-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	1,528	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	872	779	790	775	923	596	539	584	584	806	903	999	775	584	584	762	351	445

\*) Continuing operations in accordance with IFRS 5.

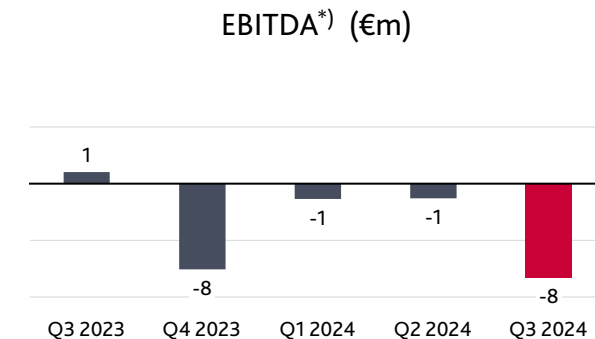
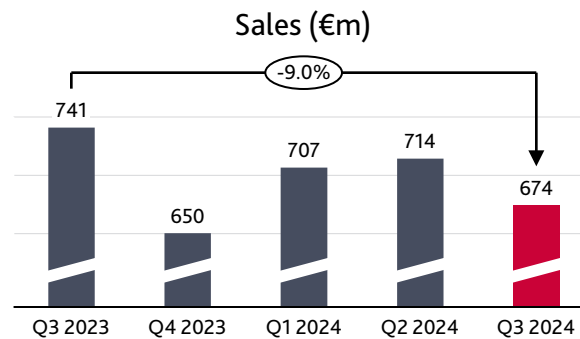
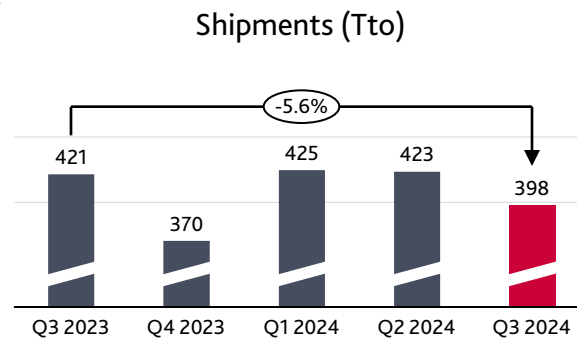


# SEGMENT PERFORMANCE

## KM Americas



## KM Europe

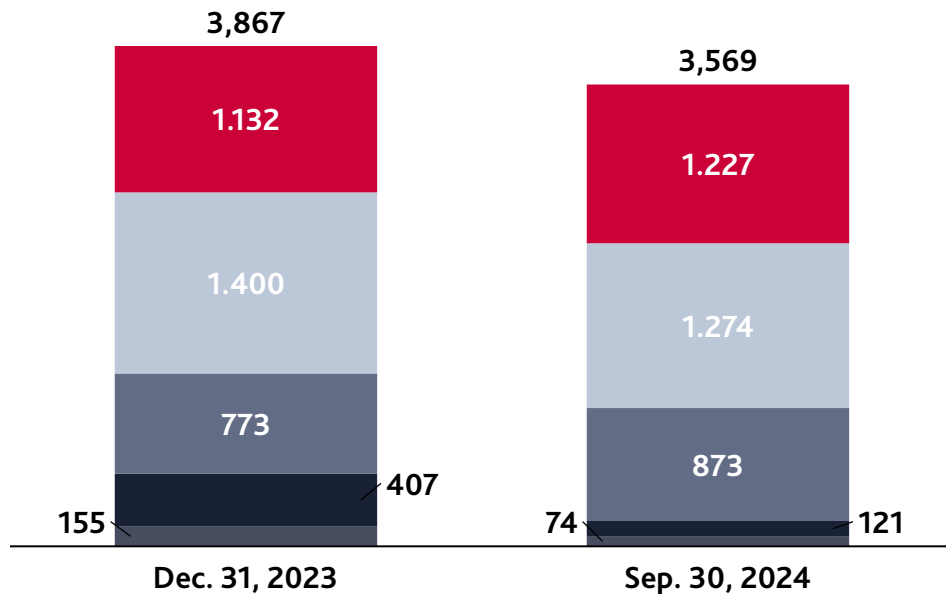


\*) Adjusted for material special effects in Q4 2023, Q1 2024 and Q3 2024 in KM Europe and Q3 2024 in KM Americas.

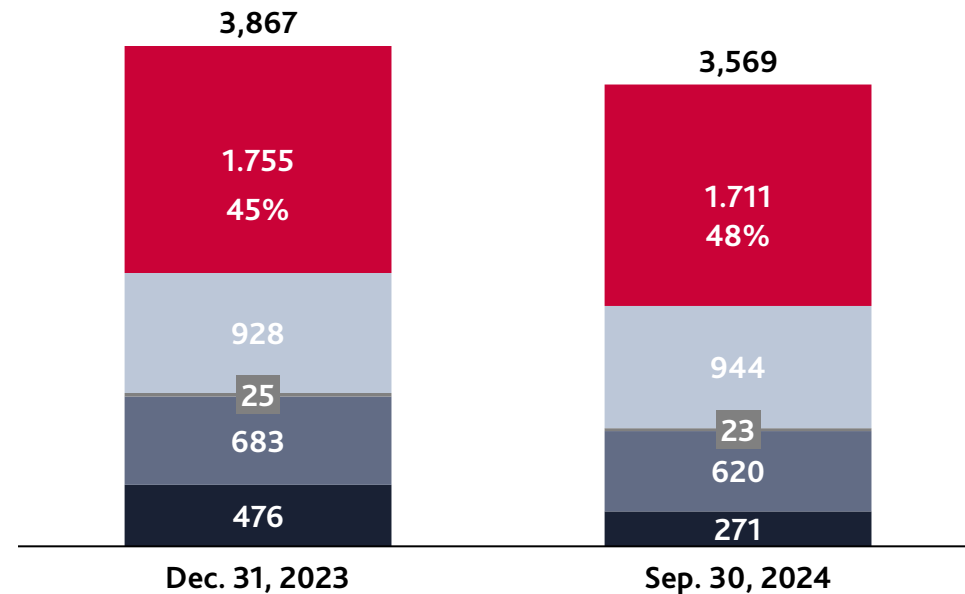
# BALANCE SHEET DEVELOPMENT

Equity ratio of 48%, gearing<sup>\*)</sup> of 53% and leverage of 7.2x

## Assets



## Equity & Liabilities



■ Non-current assets   
 ■ Trade receivables<sup>\*\*)</sup>   
 ■ Liquidity  
■ Inventories   
 ■ Other current assets

■ Equity   
 ■ Pensions   
 ■ Other liabilities  
■ Financial liabilities   
 ■ Trade payables<sup>\*\*\*)</sup>

<sup>\*)</sup> Gearing = Net financial debt / (Consolidated equity ./. non-controlling interests ./. goodwill resulting from acquisitions subsequent to May 23, 2019).

<sup>\*\*)</sup> Incl. contract assets and supplier bonuses.

<sup>\*\*\*)</sup> Incl. contract liabilities and advance payments received.

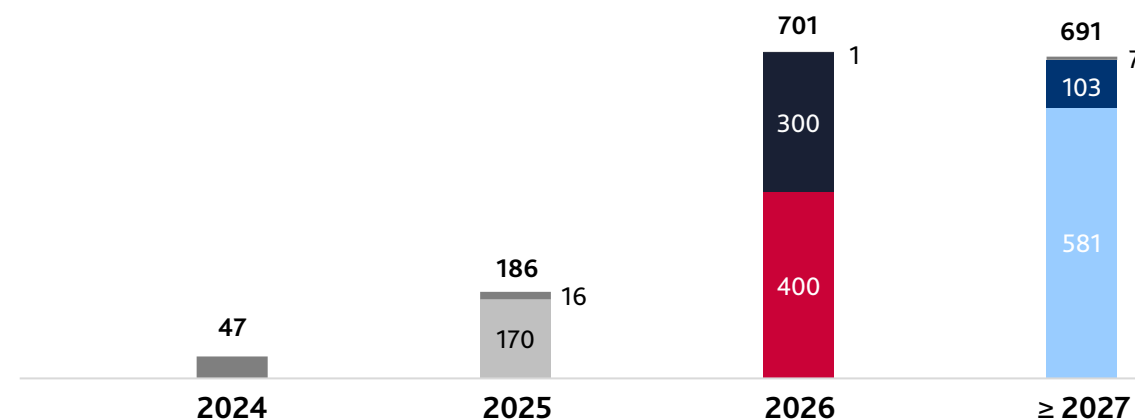
# MATURITY PROFILE

Facility (€m)	Committed Sep 30, 2024	Drawn amount	
		Sep 30, 2024	Dec 31, 2023
Syndicated Loan	400	160	155
ABS Europe <sup>1)</sup>	300	60	98
ABL USA	581	415	407
ABL Mexico	103	0	-
Bilaterals Switzerland	170	101	59
Other Bilaterals	71	71	78
Leases	139	139	133
<b>Total Debt</b>	<b>1,764</b>	<b>946</b>	<b>930</b>
Cash		74	155
<b>Net Debt</b>		<b>872</b>	<b>775</b>

- 1) 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.
- 2) Equity attributable to shareholders of Klöckner & Co SE less goodwill from business combinations subsequent to May 23, 2019.
- 3) Net debt as reported/Adjusted equity.
- 4) Net debt as reported/LTM EBITDA before material special effects.

€m	Sep 30, 2024
Adjusted equity <sup>2)</sup>	1,648
Net Debt	872
Gearing <sup>3)</sup>	53%
Leverage <sup>4)</sup>	7.2x

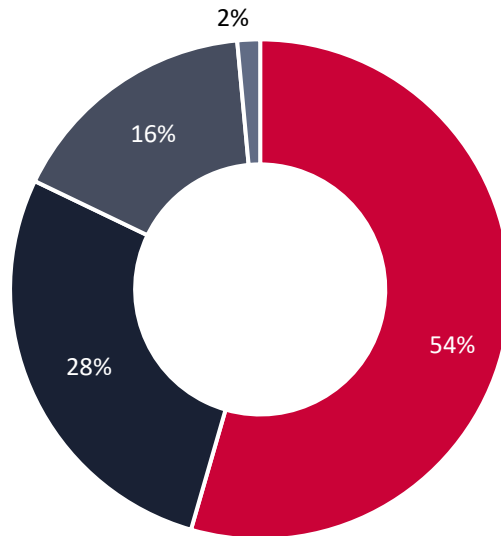
## Maturity profile (excl. Leases) in €m, Sep 30, 2024



■ Syndicated Loan ■ ABS Europe ■ ABL USA ■ ABL Mexico ■ Bilaterals CH ■ Other Bilaterals

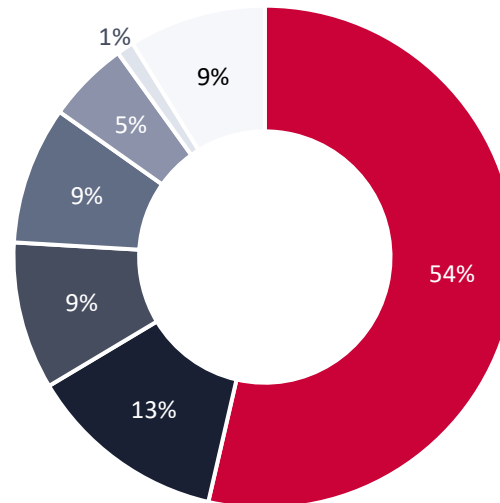
# SALES BY MARKETS, PRODUCTS AND INDUSTRIES

## Sales by markets



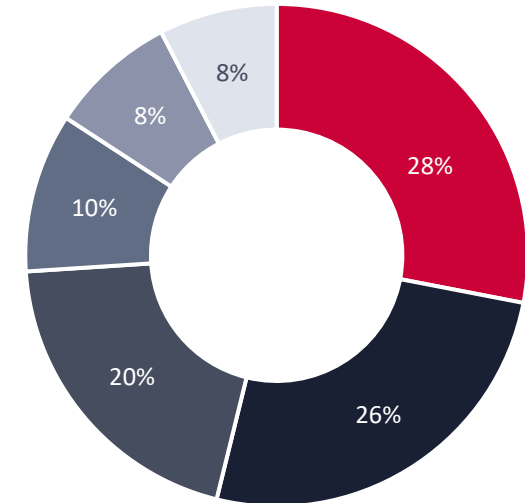
- North America
- Germany/Austria
- Switzerland
- Other

## Sales by products



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

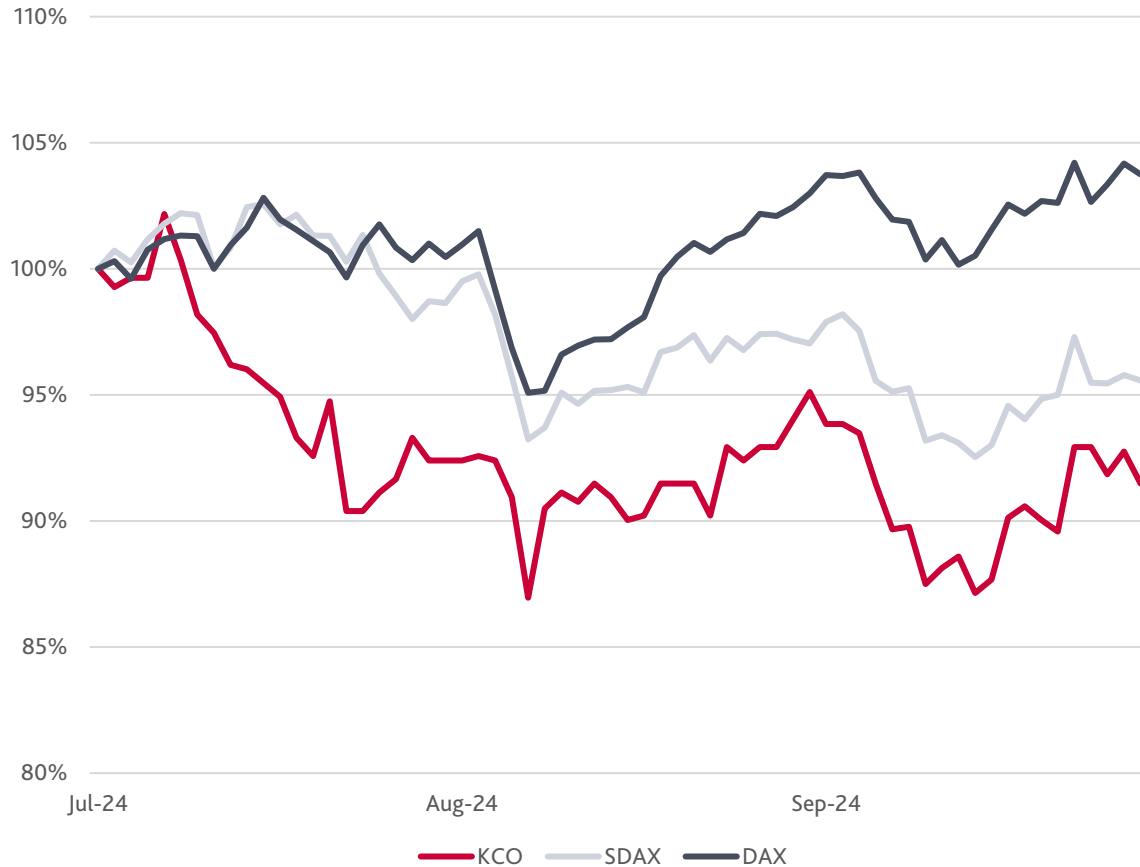
## Sales by industries



- 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 Q3 2024



- The share price of Klöckner & Co showed a negative trend through the third quarter of 2024
- It reached its peak on June 4 with €5.64
- Subsequently, the share price fluctuated and declined
- It went out of trading at €5.16 on September 30

# 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

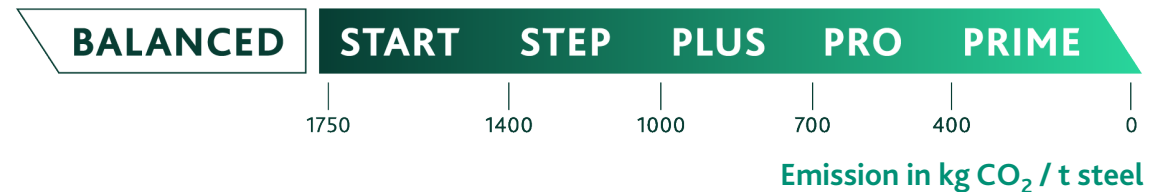
Net zero by 2050



# NEXIGEN® STEEL CATEGORIZATION

## Six categorizations for transparent carbon emissions

We have developed a categorization for CO<sub>2</sub>-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 CO<sub>2</sub> load categorization (compensation data as add-on)
- ✓ Emissions from raw material to production
- ✓ Separate category for “balanced” green steel

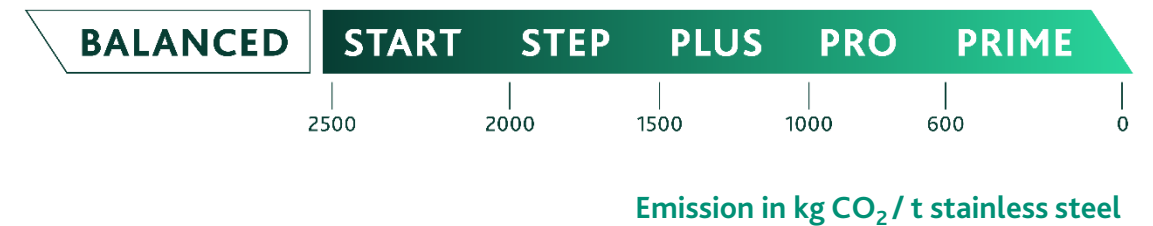




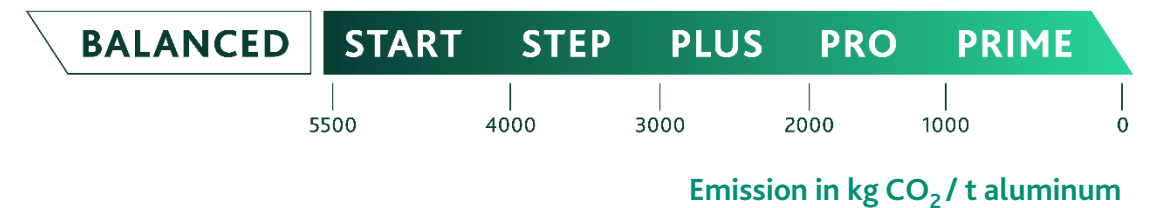
# A COMPREHENSIVE APPROACH

## Nexigen® categorizations for stainless steel & aluminum

### Stainless Steel




### Aluminum



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 [www.kloeckner.com](http://www.kloeckner.com)



## FINANCIAL CALENDAR

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**