

**klöckner & co**

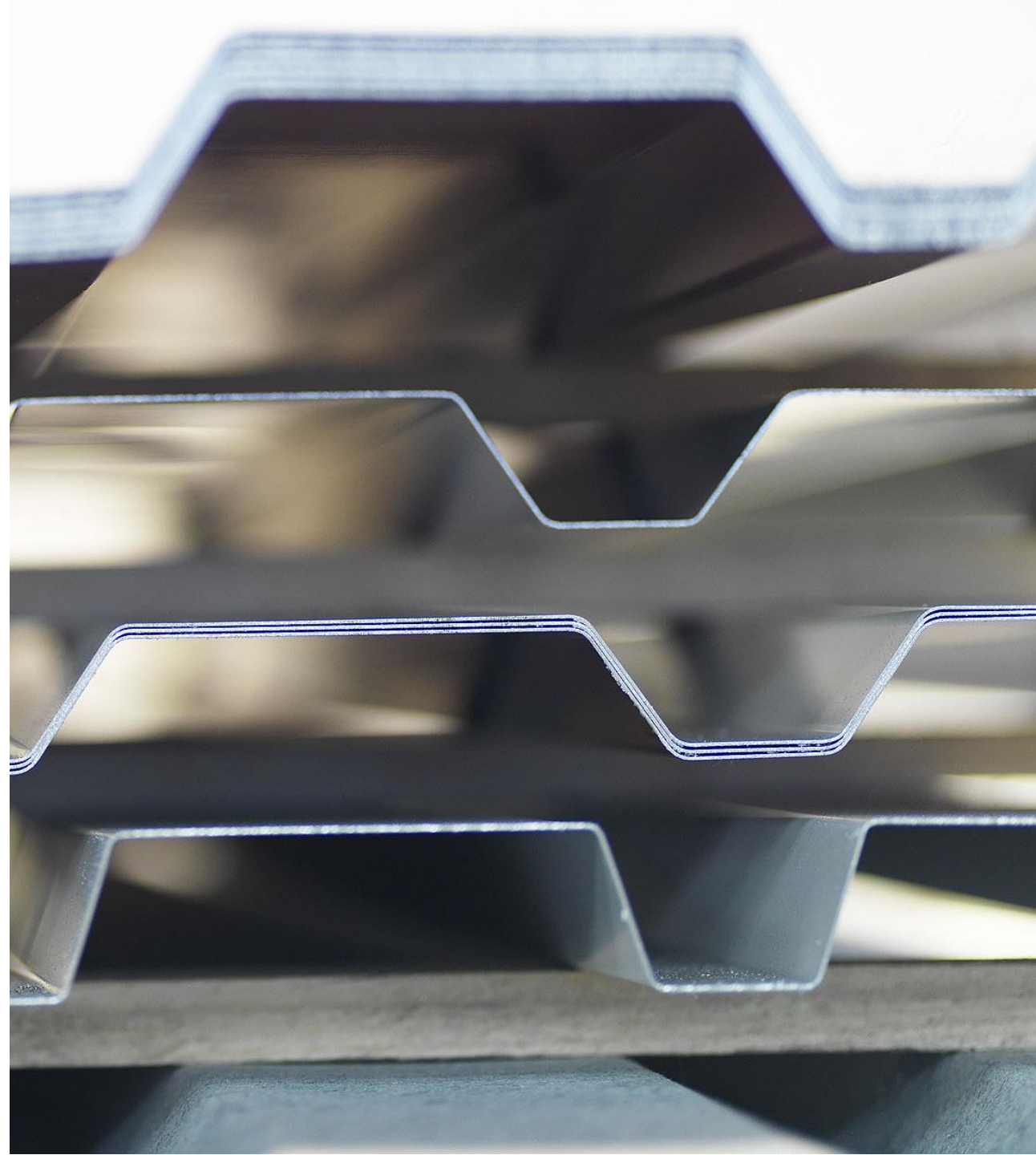
Your partner for a  
sustainable tomorrow

# Q3 2024 RESULTS

Press Conference Call

November 6, 2024

Guido Kerkhoff | 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 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.

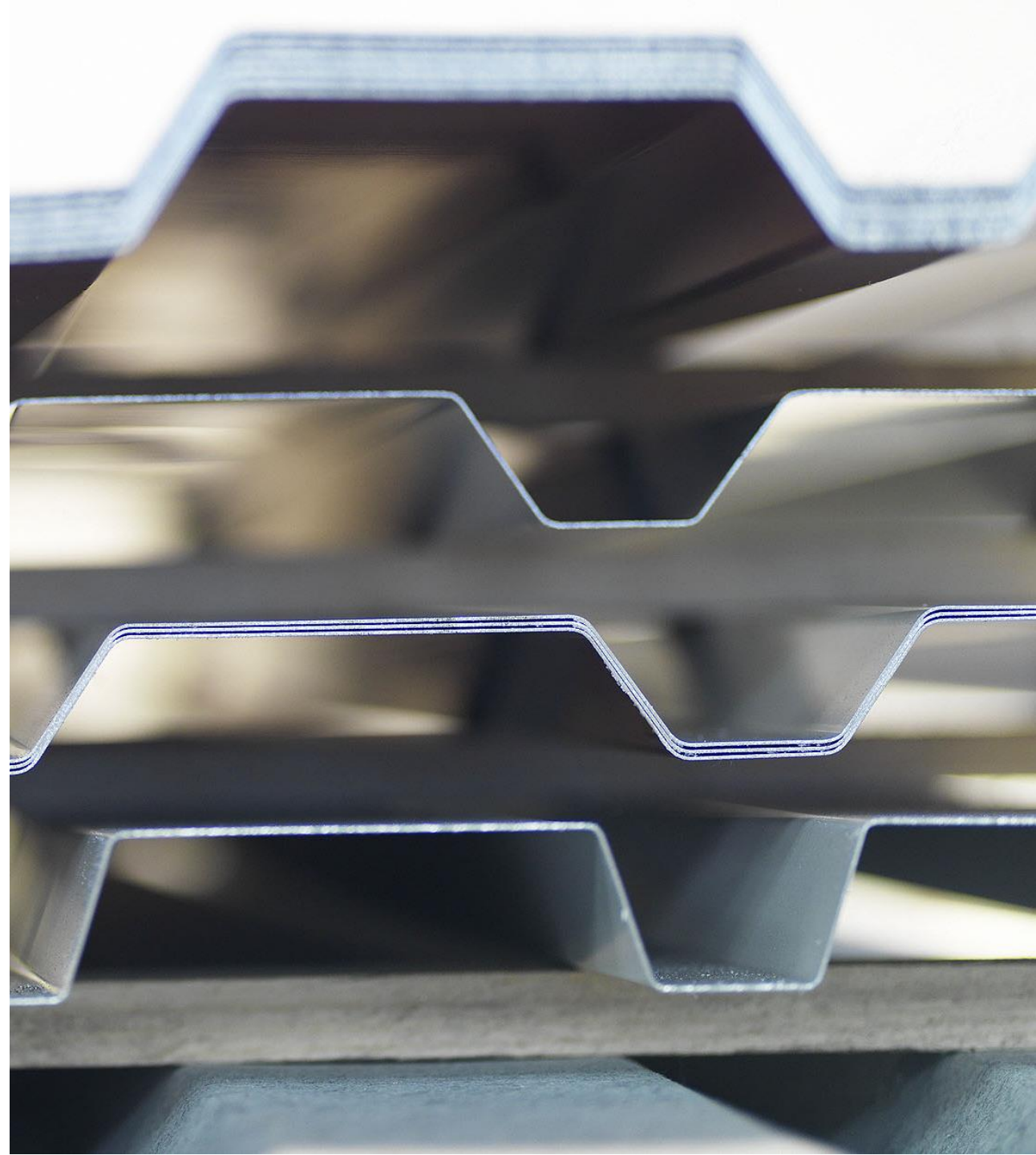
The English translation of the annual report and the interim statement are also available, in case of deviations the German versions shall prevail.

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



# 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 OCF 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

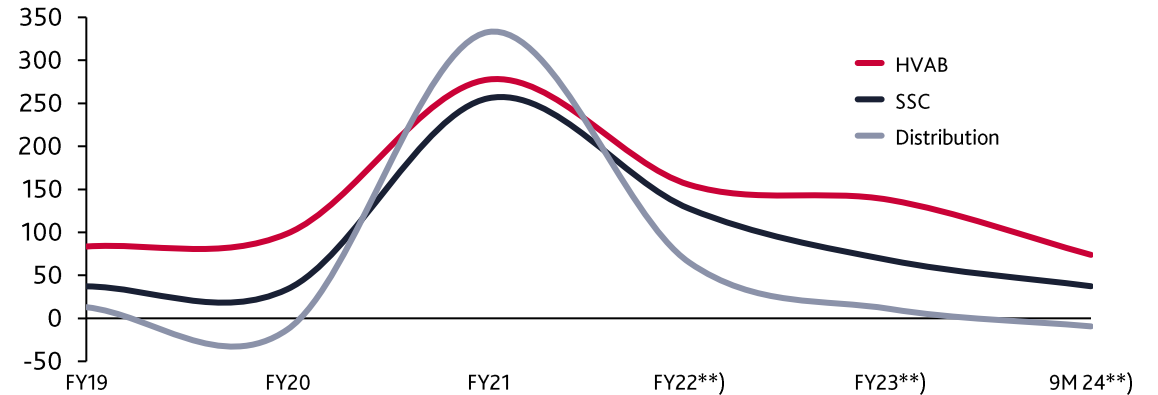
\*) Before material special effects.

# HVAB: LEVER TOWARDS LESS VOLATILE EARNINGS WHILE INCREASING PROFITABILITY

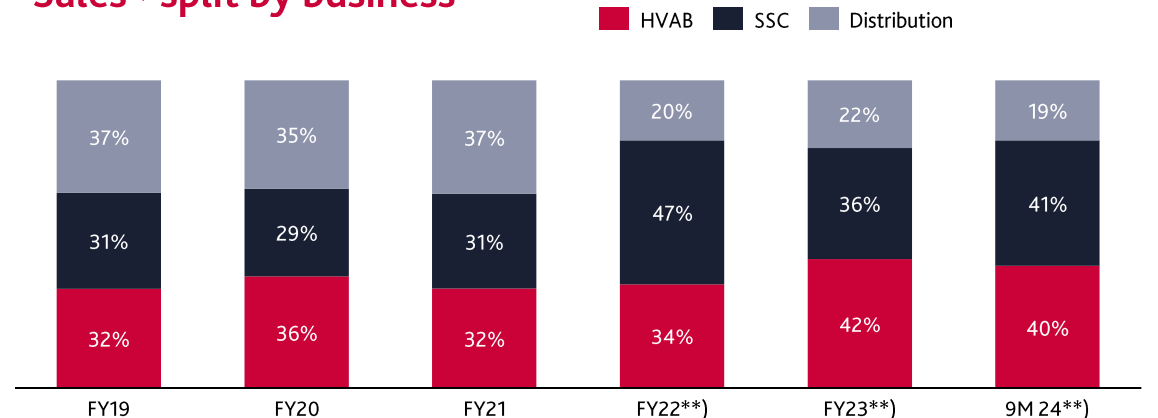
## Continuing to strengthen focus on HVAB

- 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 each year significantly to the Group results**
  - **Also 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



<sup>\*)</sup> Operational Group excluding Holding, consolidations and NMM acquisition (closed on August 1, 2023 and included as of January 1, 2024).

<sup>\*\*</sup>) 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 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
  - Planning on further capacity expansion, especially in Charlotte, to accommodate for 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

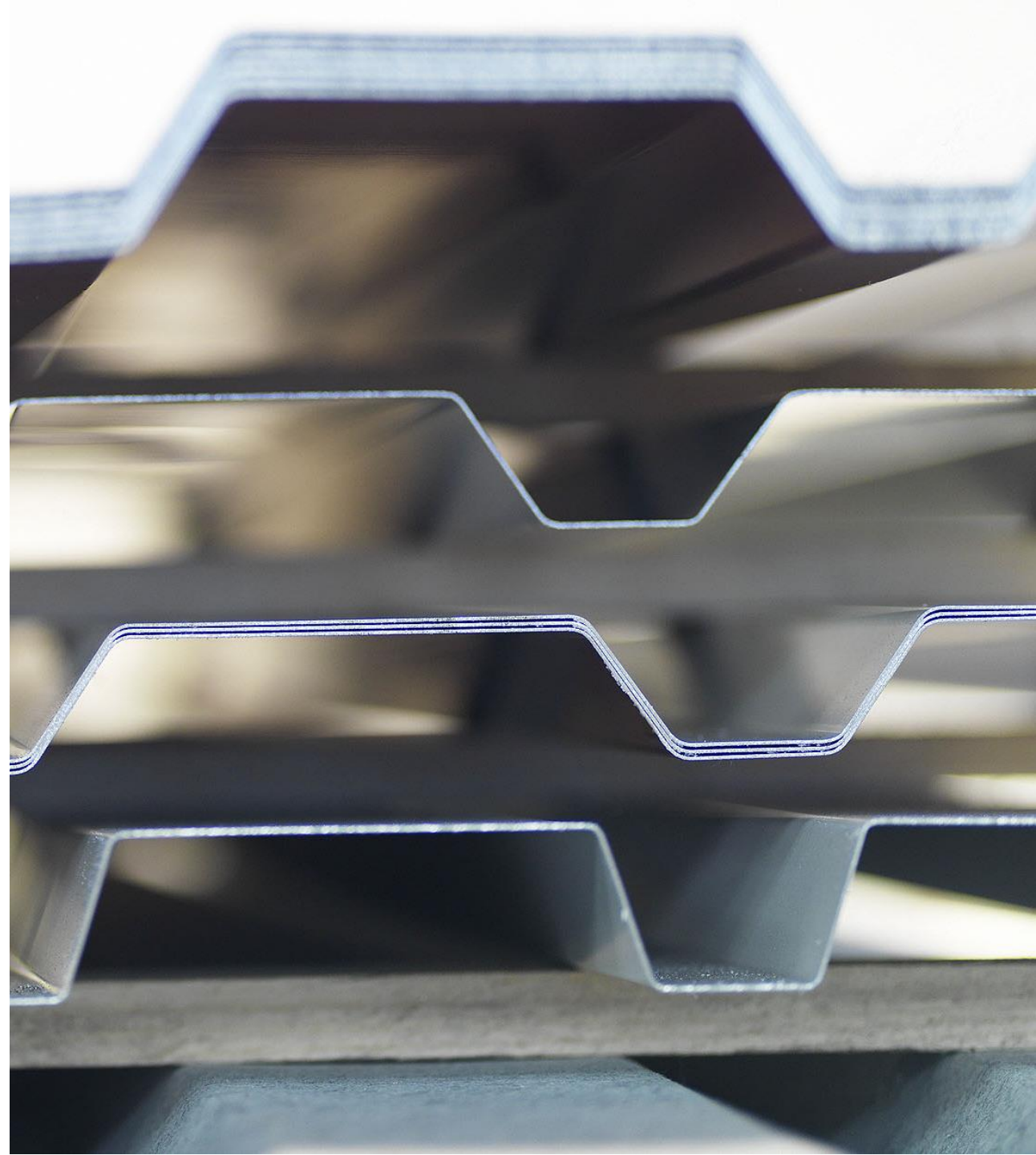
- Investment as further proof point of HVAB transformation
- Target industries: Construction and automotive in east and south Germany
- Significantly expanding our processing capabilities

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

**Continuing to drive our HVAB expansion forward**

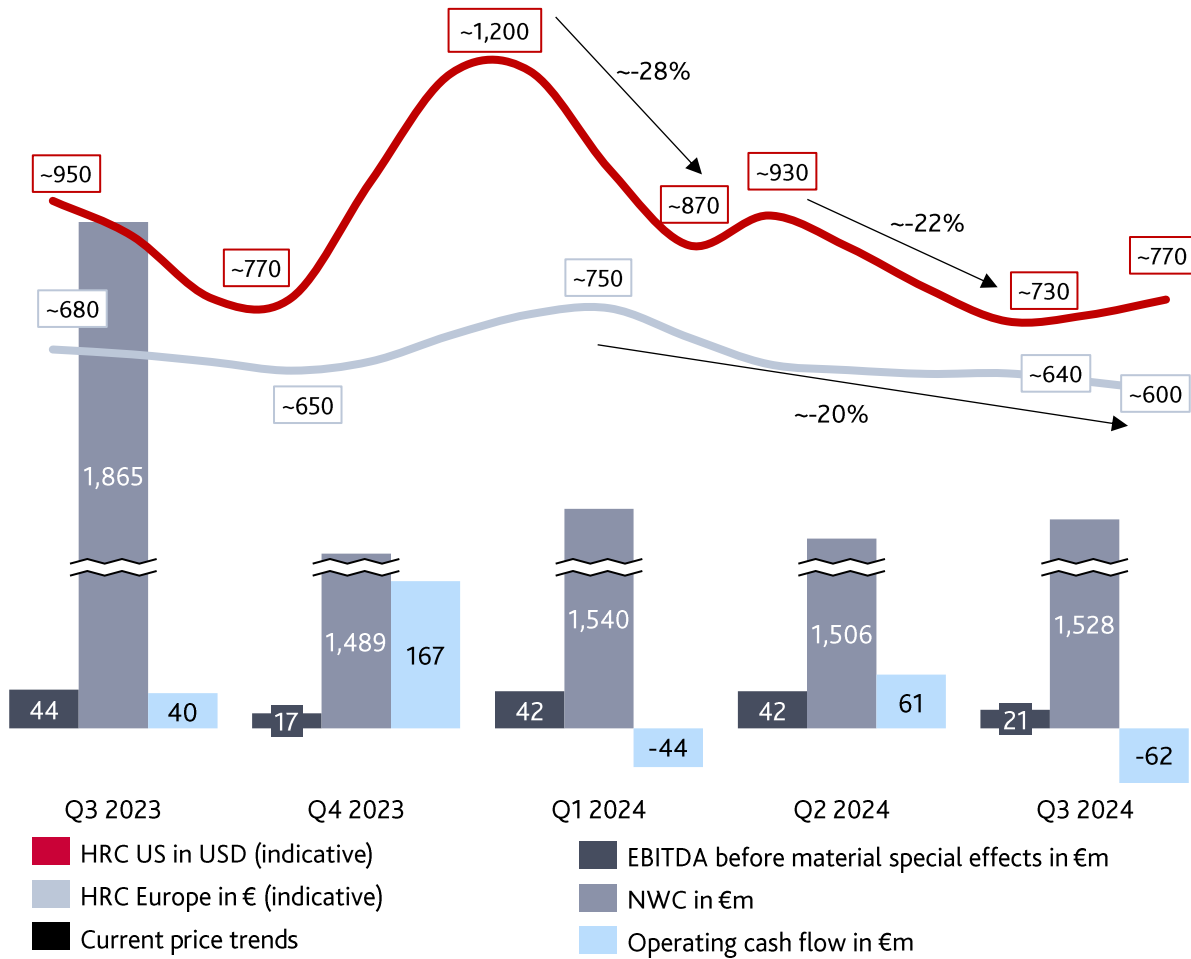
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# SOLID OPERATING PERFORMANCE

## Our net working capital management

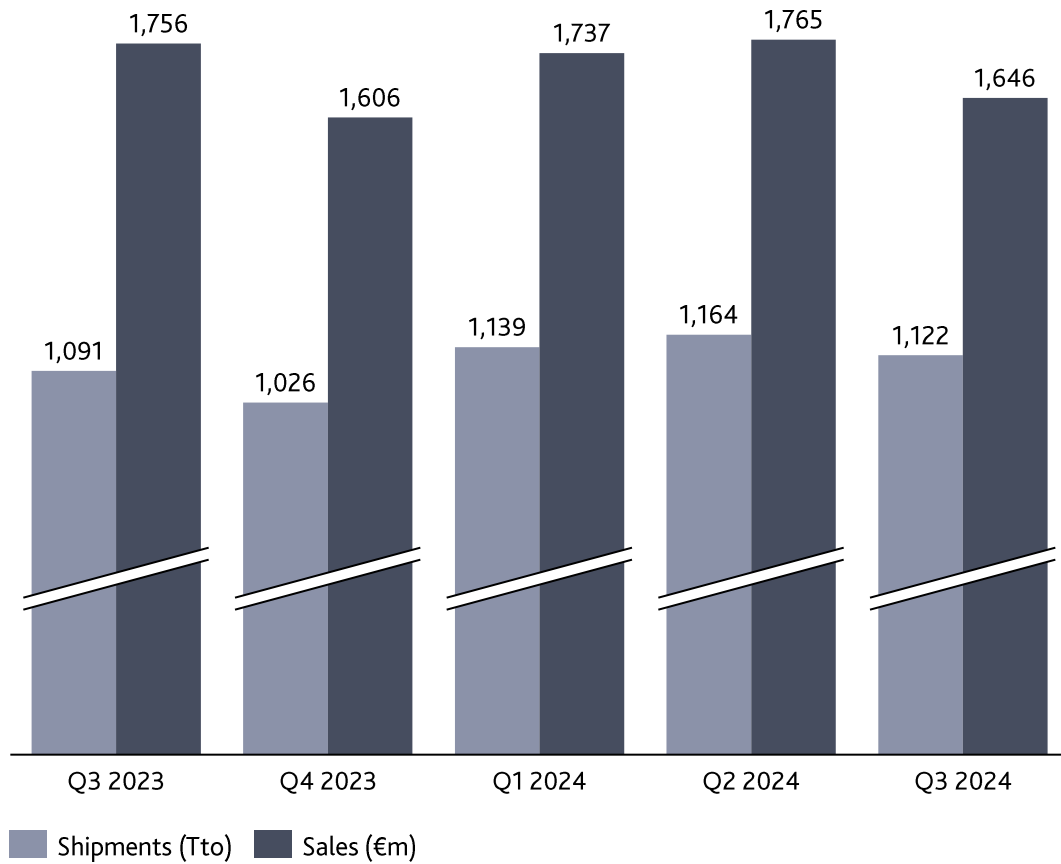


- Ongoing difficult market environment with significant steel price correction over large parts of the year leading significant to windfall losses
  - However, achieved EBITDA before material special effects of €21m within guidance range in Q3 and €104m in 9M
- Commitment to increase exposure to HVAB 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

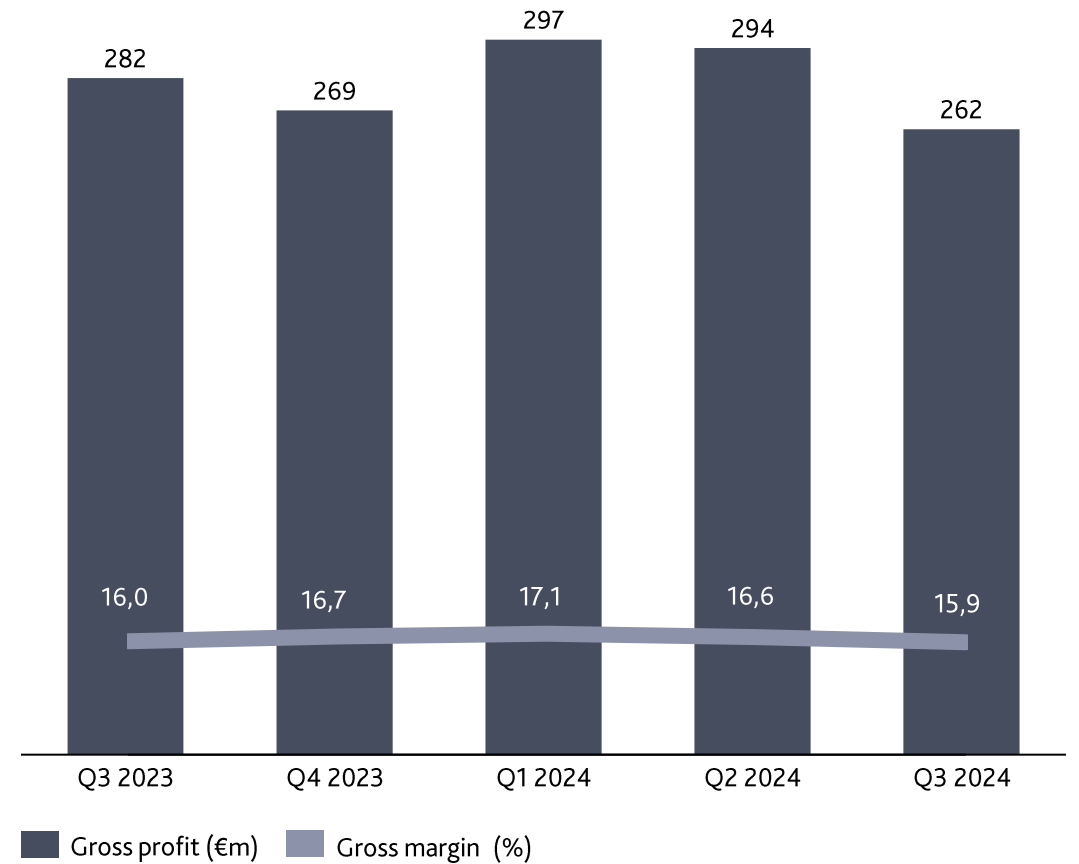


# SHIPMENTS, SALES AND GROSS PROFIT

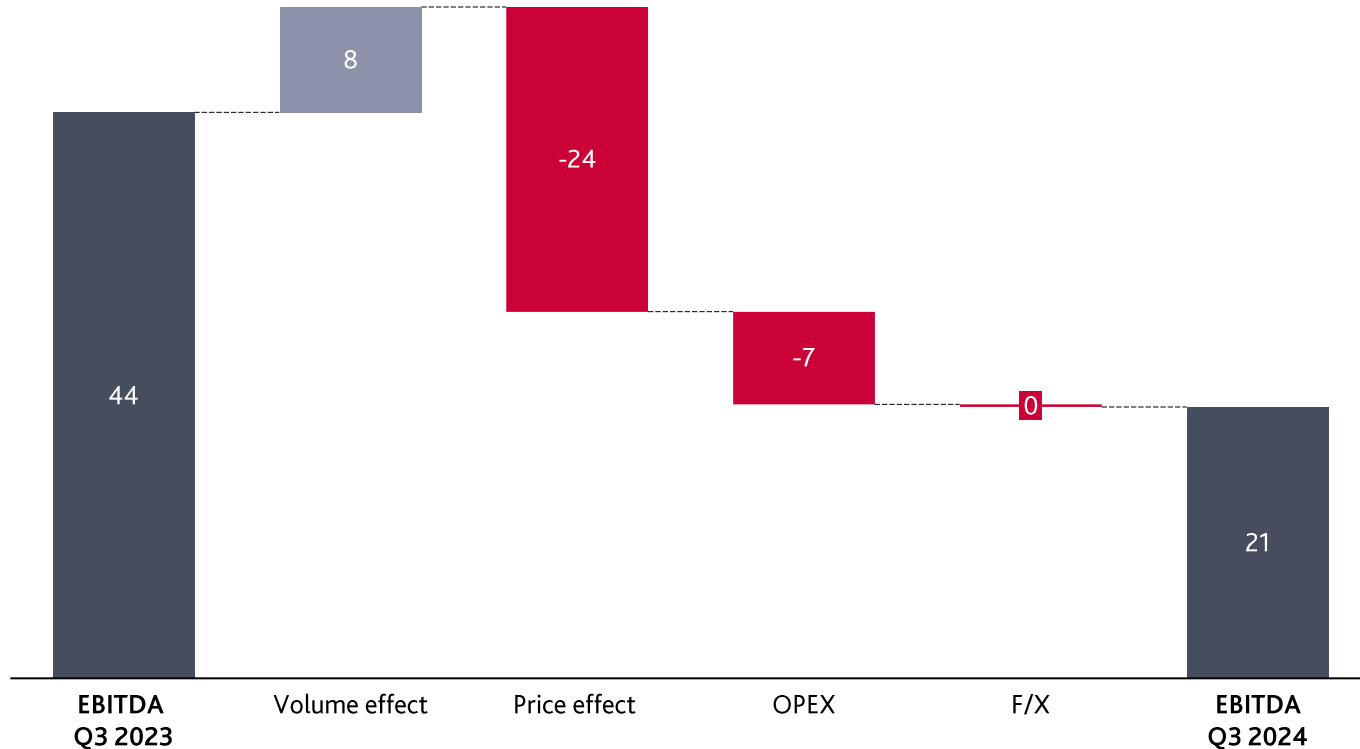
## Shipments & Sales



## Gross profit & Gross profit margin



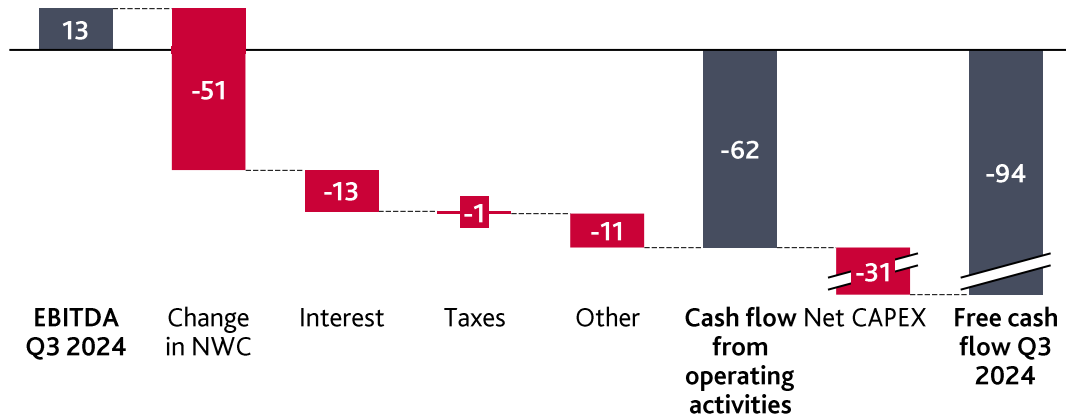
# EBITDA IN Q3 2024



- 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 higher yoy despite inflationary environment; consistent cost management going forward
- Minor F/X effects

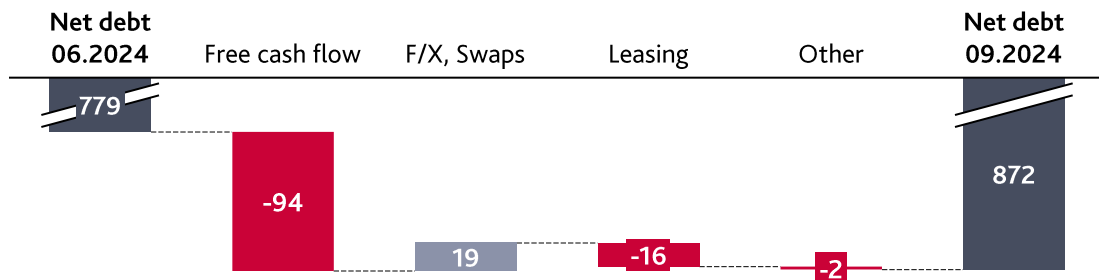
# CASH FLOW AND NET DEBT DEVELOPMENT

## 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

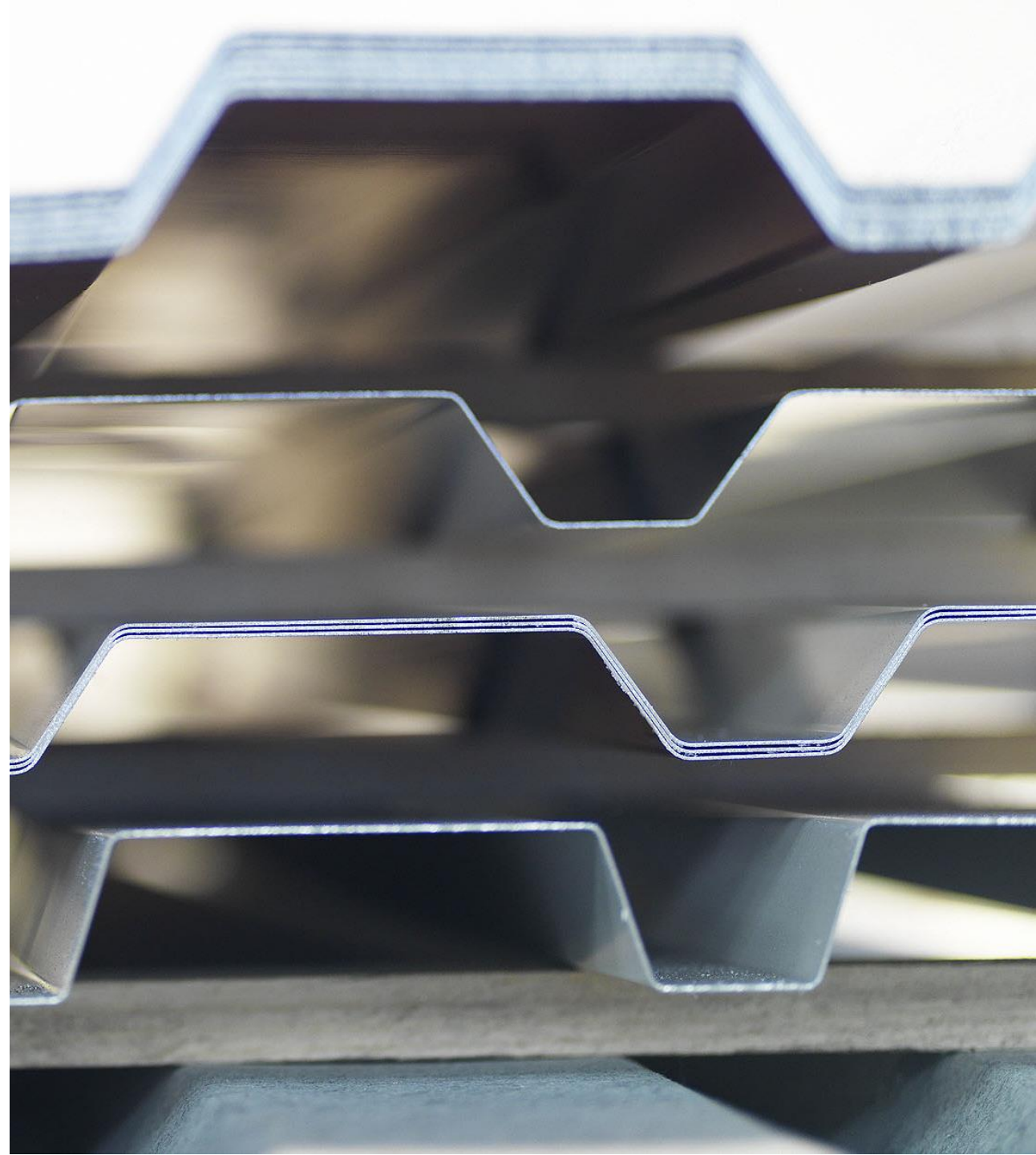
## Net financial debt 06.2024 vs 09.2024 (€m)



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

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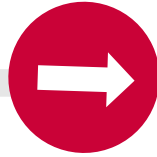
# REGION SPECIFIC BUSINESS OUTLOOK 2024

## North America

-1% to 0%



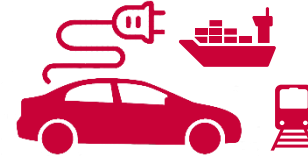
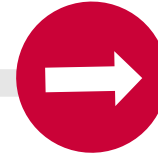
Real steel demand



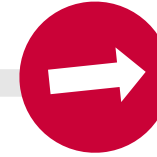
Construction industry



Manufacturing, machinery & mechanical engineering



Transportation



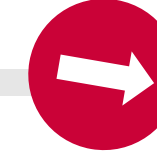
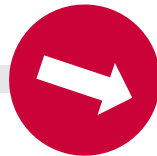
Household & Commercial Appliances



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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## 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**