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# Q1 2024 RESULTS

Press Conference

May 7, 2024

Guido Kerkhoff | CEO



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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 Q1 2024

	Q1 2024 <sup>*)</sup>	Q1 2023 <sup>*)</sup>	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 <sup>**)</sup> (€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

<sup>\*)</sup> Continuing operations in accordance with IFRS 5.

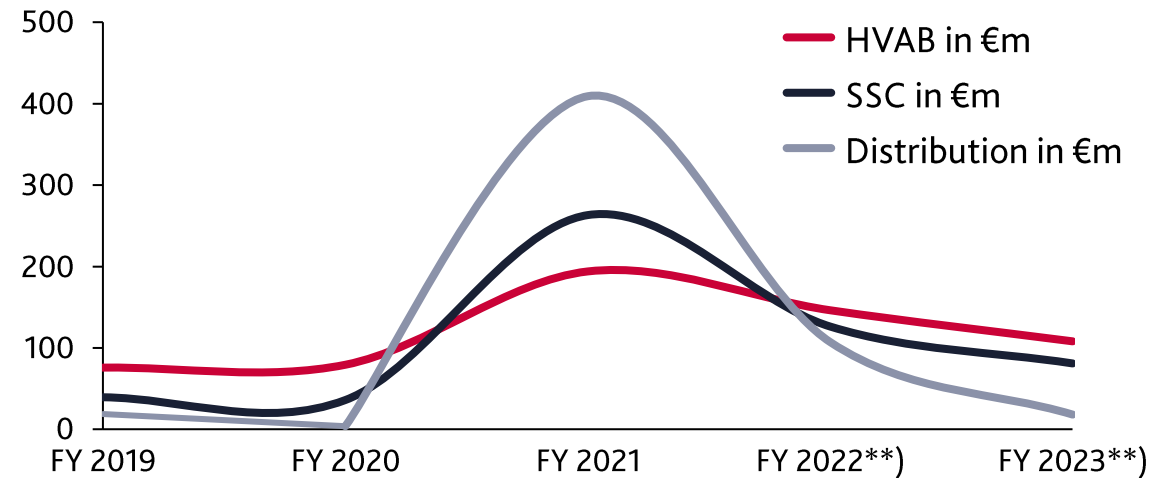
<sup>\*\*)</sup> Before material special effects.

# HVAB: LEVER TOWARDS LESS VOLATILE EARNINGS WHILE INCREASING PROFITABILITY

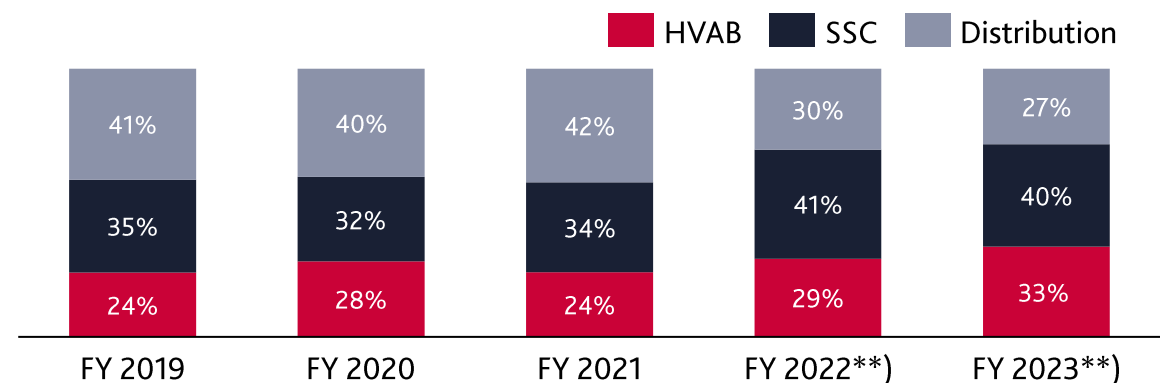
Divestment of distribution business in France, the UK, the Netherlands and Belgium significantly strengthens focus on HVAB

- 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<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.



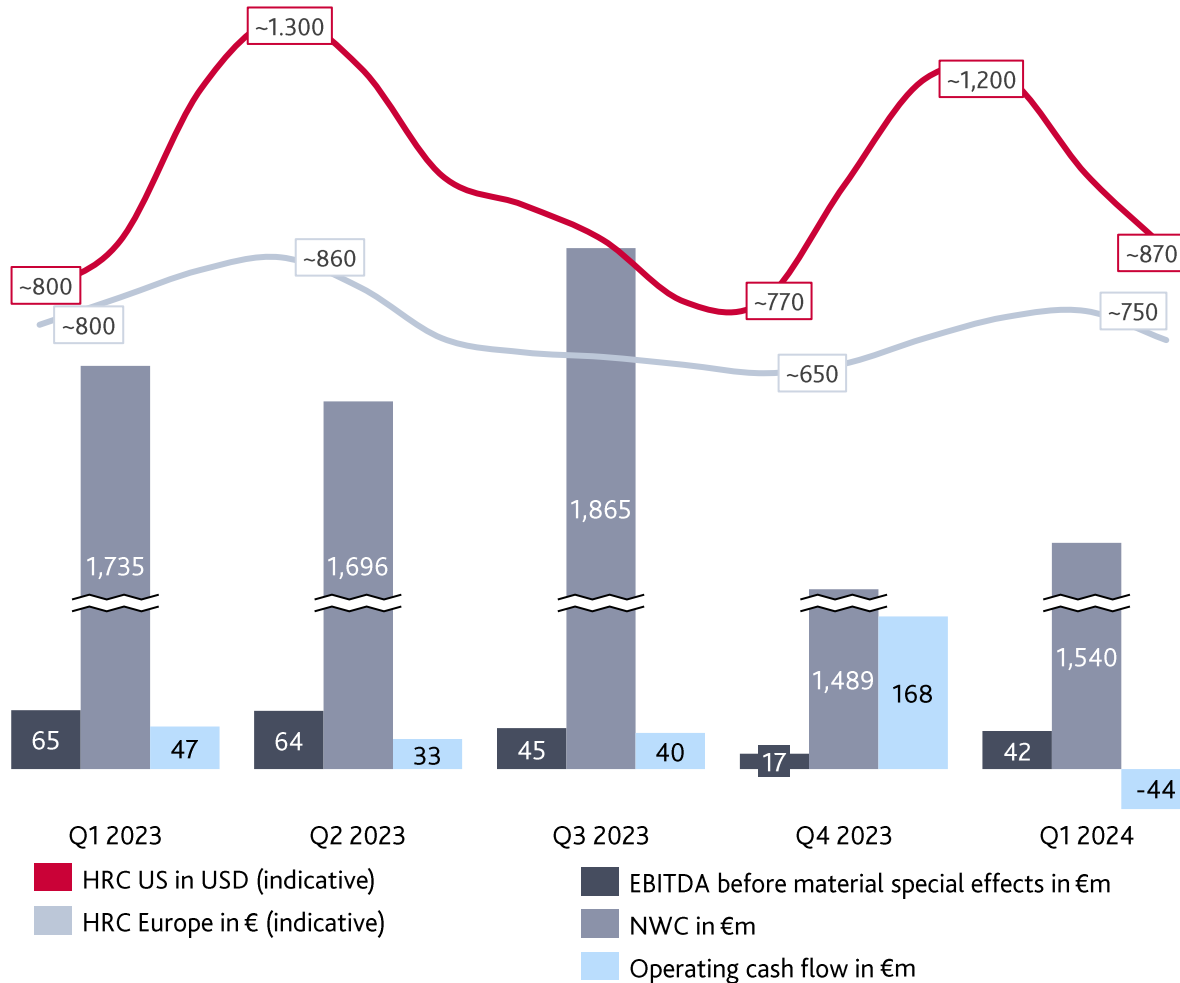
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# SOLID OPERATING PERFORMANCE

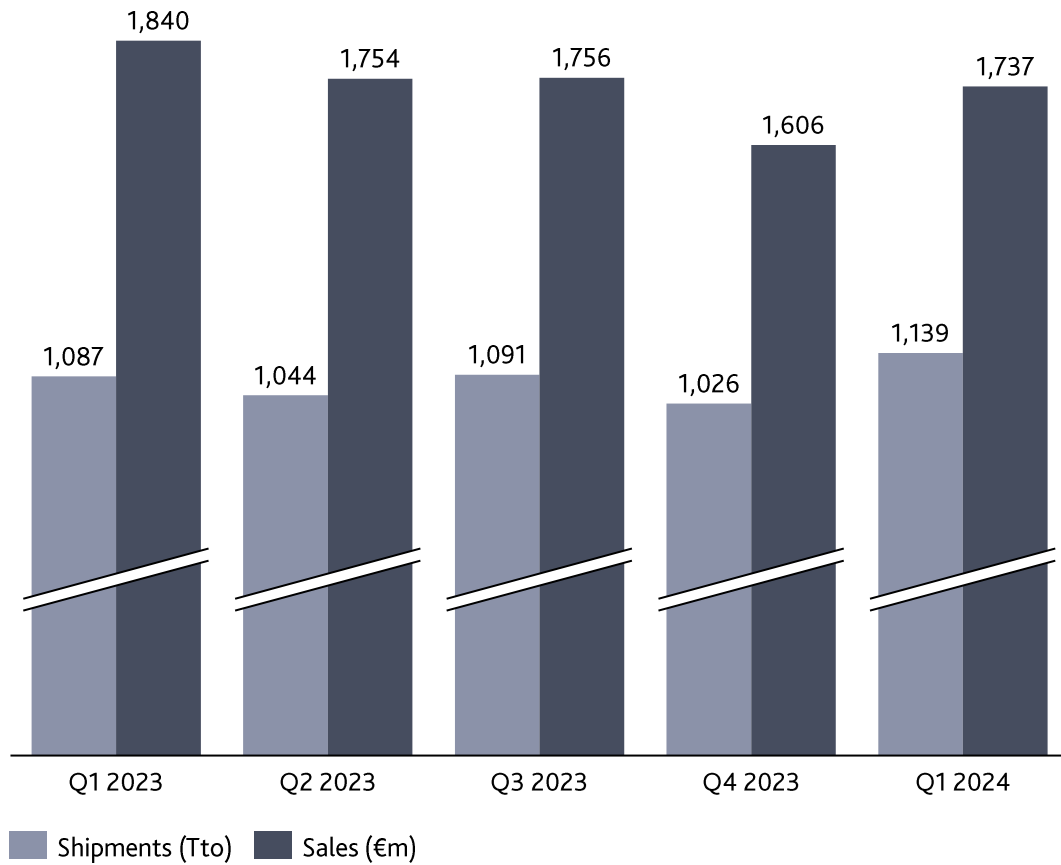
## Our net working capital management



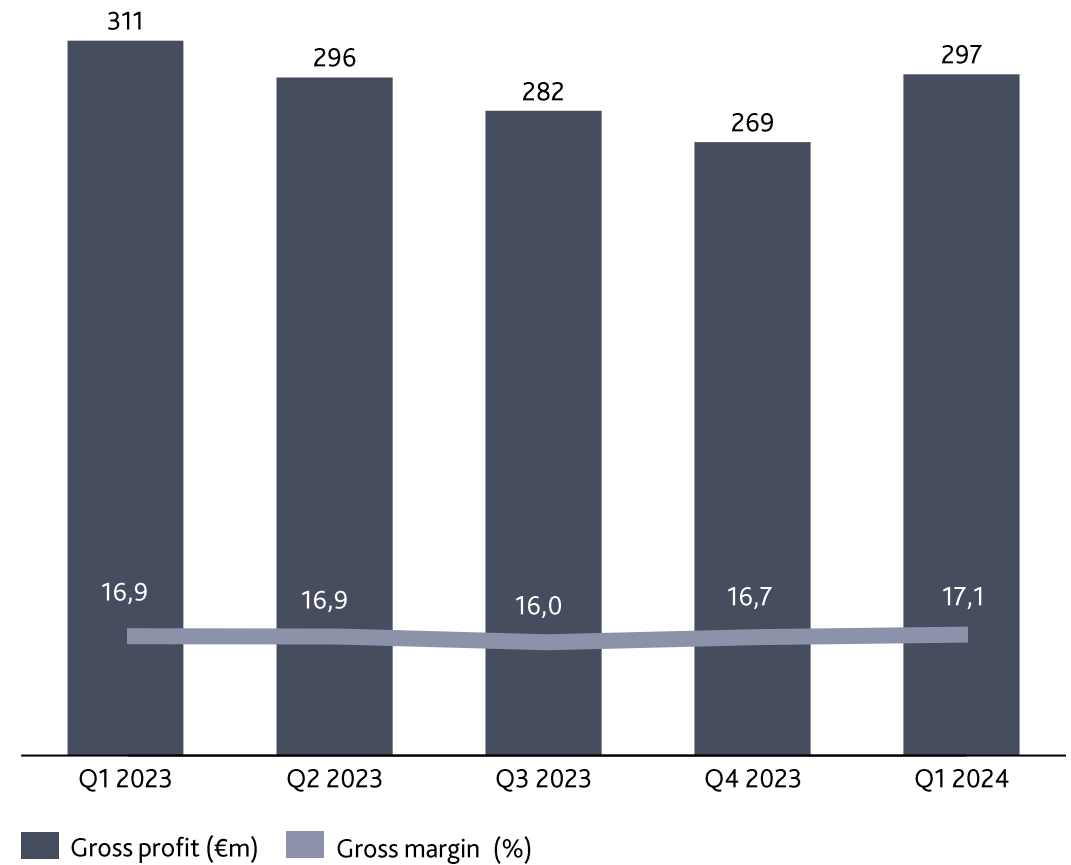
- EBITDA before material special effects of €42m despite ongoing challenging macro environment in Europe
- Operating cash flow negative due to qoq NWC build up after positive cash flow generation in each quarter of 2023
- Continued to mitigate negative price risk in steel price correction in the US during 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

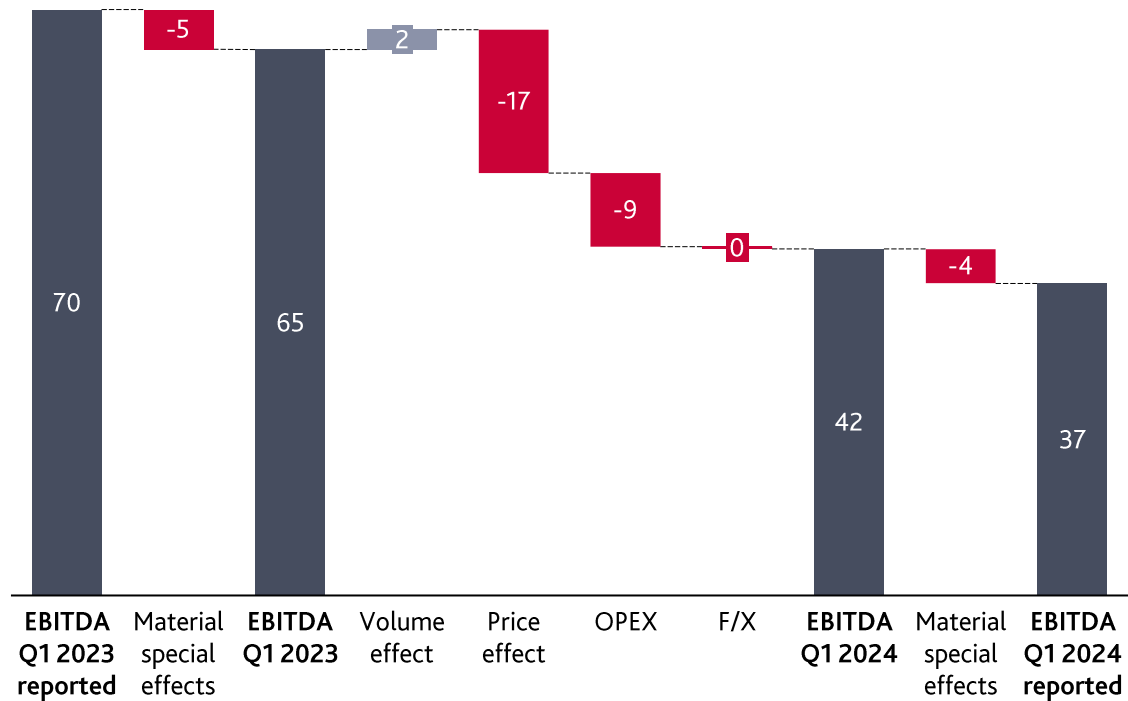


## Gross profit & Gross profit margin





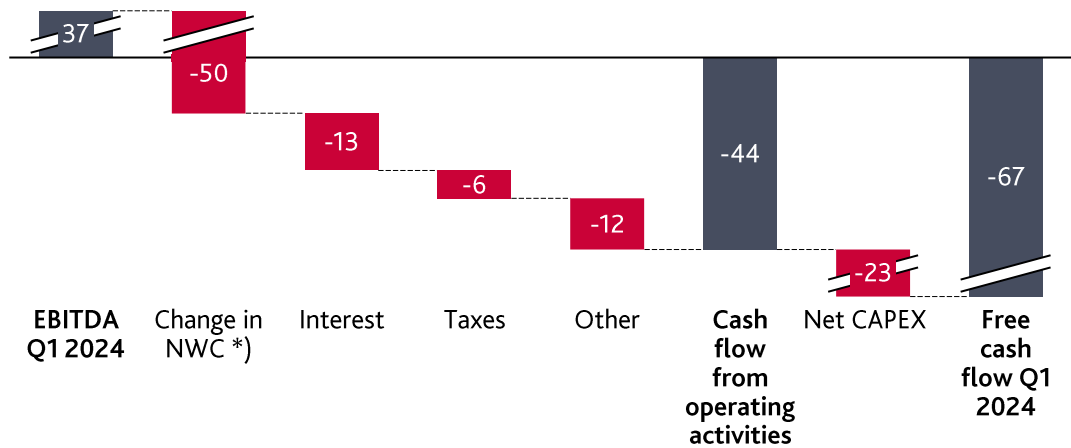
# EBITDA IN Q1 2024



- 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

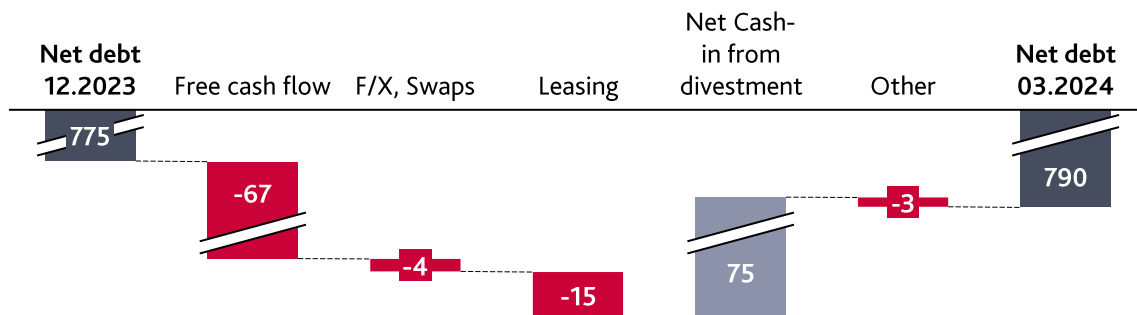
## Cash flow Q1 2024 (€m)



\*) 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

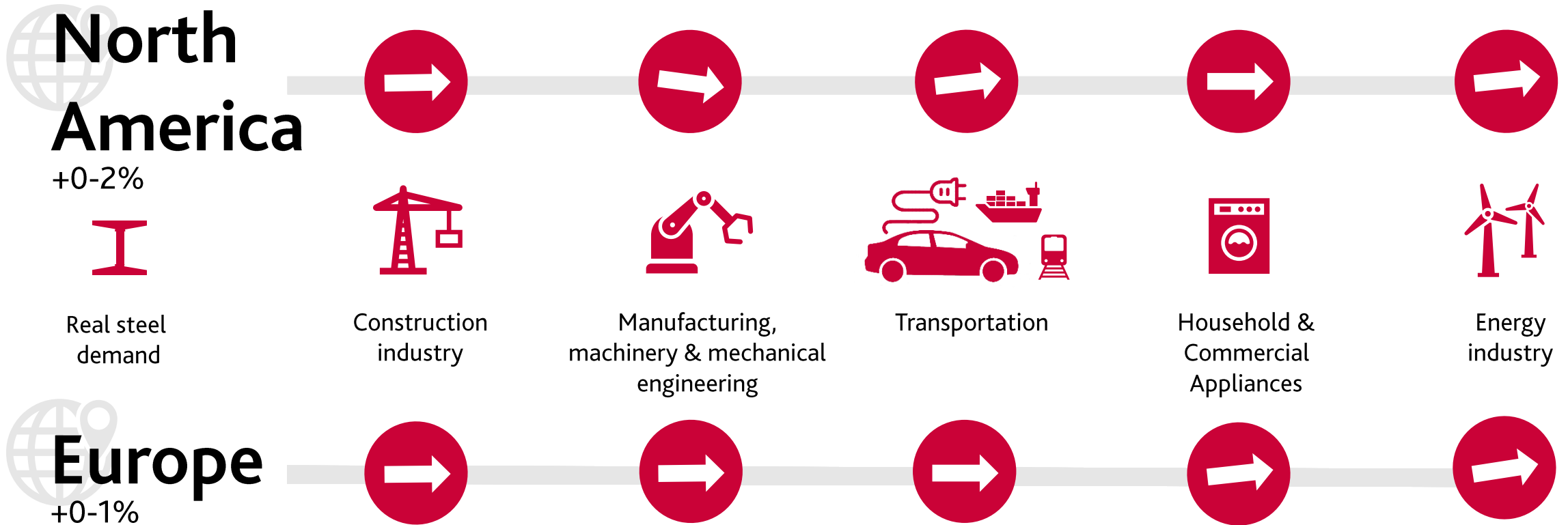
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# REGION SPECIFIC BUSINESS OUTLOOK 2024



# 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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**FINANCIAL CALENDAR**

May 23, 2024

**Annual General Meeting 2024**

August 1, 2024

**Half-yearly financial report 2024**

November 6, 2024

**Q3 quarterly statement 2024**