

## Press Release

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### **Klöckner & Co delivers robust operating income in fiscal year 2024 and continues to consistently implement the Group strategy**

- Solid operating income (EBITDA) of €136 million before material special effects (2023: €190 million)
- Strong and clearly positive operating cash flow of €160 million (2023: €287 million)
- Shipments increased slightly year on year to 4.5 million tons (2023: 4.2 million tons)
- Slight price-driven year-on-year decline in sales to €6.6 billion (2023: €7.0 billion)
- Transformation from steel distributor to metal processor continues to move along with great success
- Dividend of €0.20 per share to be proposed (2023: €0.20)
- Positive outlook for current fiscal year 2025

**Düsseldorf, Germany, March 12, 2025** – Despite the persistently demanding economic environment, Klöckner & Co generated robust operating income (EBITDA) of €136 million before material special effects in fiscal year 2024 (2023: €190 million). At Group level, shipments increased slightly year on year to 4.5 million tons (2023: 4.2 million tons). Sales dropped slightly year on year and amounted to €6.6 billion (2023: €7.0 billion). This was attributable to the decline in steel prices in the USA and Europe. The consolidated income from continuing operations amounted to €-146 million in the fiscal year 2024, while the consolidated income from discontinued operations of the European steel distribution business, which was sold in March 2024, amounted to €-30 million. Accordingly, earnings per share including discontinued operations amounted to €-1.77.

Through consistent net working capital management, the Company generated a significantly positive cash flow from operating activities of €160 million (2023: €287 million) for the third time in a row. Against this backdrop and the fact that only part of the net income generated in previous years was distributed, a dividend of €0.20 per share will be proposed at the Annual General Meeting. Klöckner & Co will

therefore likely pay a dividend for the fourth year in succession. The equity ratio was a very solid 48.6% at year-end 2024 and thus above the prior-year level (December 31, 2023: 45.4%).

Guido Kerkhoff, CEO of Klöckner & Co SE: “We have made important progress in implementing our Group strategy and continue to focus on expanding higher-value-added business. This includes, for example, the construction of a new aluminum processing facility in the USA. This will make us less dependent on volatile metal prices and generate new growth opportunities.”

### **Focus on business areas with higher value-added considerably boosted**

Klöckner & Co continued to consistently implement its Group strategy in the past fiscal year and made remarkable progress. A pivotal component of the strategy is the focus on higher value-added business in order to further reduce earnings volatility and increase profitability. In fiscal year 2024, the Company significantly concentrated its focus on the higher-value processing and metalworking business in the core markets of North America and the lucrative DACH region in Europe (Germany, Austria and Switzerland). Through targeted investments at selected sites in the USA and Germany, distribution centers were transformed into production and processing hubs for higher-value metal solutions. This move ensures considerably more independence from volatile steel price trends and opens up new opportunities for further growth. In 2024, the Group already generated over 80% of its sales with the steel service center and higher value-added business and thus outside the traditional steel distribution. This enabled Klöckner & Co to continue its successful transformation into a metal processor.

A crucial step in the continued expansion of the business opportunities with higher value-add is the investment in a new aluminum processing plant, which is scheduled to go into operation in 2026. This plant is located on the site of the aluminum flat rolling mill currently under construction for Aluminum Dynamics LLC (ADL) in Columbus, Mississippi, USA. The flat rolling mill specializes in the production of sheet metal, among other things for the automotive industry, and makes it possible to focus specifically on sustainable lightweight solutions and aluminum products that are becoming increasingly important for the energy and automotive sectors.

Klöckner & Co also made considerable progress in the digitalization and automation of processes in the past fiscal year. The Company continues to work on its Zero Touch vision in order to realize added value with minimal manual effort in the future. A key component of these efforts is Kloeckner Assistant, which automates sales processes and reduces the number of manual interventions per order. During the reporting period, we further improved the efficiency of our digital ordering processes and increased the number of digital solutions by more than 26% compared to the prior-year period.

## **Position consolidated as pioneer of a sustainable steel industry**

Klöckner & Co continued to push the implementation of its sustainability strategy in the past fiscal year and further enhanced the Nexigen® PCF Algorithm, a PCF calculation tool certified by Technical Inspection Association TÜV SÜD. This enhanced algorithm made it possible to optimize the web-based technology solution Nexigen® Data Services. This makes the CO<sub>2</sub> emissions of Klöckner & Co's steel and metal products visible to customers and offers CO<sub>2</sub>-reduced alternatives.

Klöckner & Co has once again been recognized with the German Sustainability Award for these efforts. The award proves that Klöckner & Co has successfully integrated sustainability into its business model and is thus making an effective, long-term contribution to the transformation of the industry.

Additionally, due to the significant progress made, the Company has raised its near-term reduction target for Scope 1 and 2 carbon emissions by 2030 from 50% to 62.5% to emphasize its commitment to the 1.5 degree target. In January 2025, Klöckner & Co's updated climate targets were confirmed by the SBTi.

## **Positive outlook for 2025**

For the current fiscal year, Klöckner & Co expects demand to increase in the relevant sales markets in Europe and North America. Accordingly, the Company is forecasting a considerable increase in sales and turnover compared to the previous year. Based on this trend and the Company's considerably improved operational positioning, as well as the assumption that the significant negative price effects that occurred in 2024 will not be repeated, Klöckner & Co expects a considerable year-on-year increase in EBITDA before material special effects. For the first quarter 2025, EBITDA before material special effects is expected to be around the level of previous year's quarter (Q1 2024: €42m). The Company is also forecasting a significant year-on-year increase in cash flow from operating activities for the full year.

## Key Figures

Shipments and income statement		Q4 2024	Q4 2023	Variance	Jan. 1 - Dec. 31, 2024	Jan. 1 - Dec. 31, 2023	Variance
Shipments	Tto	1,027	1,026	1	4,453	4,248	205
Sales	€ million	1,484	1,606	-122	6,632	6,957	-324
Gross profit	€ million	261	269	-8	1,113	1,157	-45
Gross profit margin	%	17.6	16.7	0.9%p	16.8	16.6	0.1%p
Earnings before interest, taxes, depreciation and amortization (EBITDA)	€ million	16	12	4	109	190	-81
EBITDA before material special effects	€ million	32	17	15	136	190	-54
EBITDA margin	%	1.1	0.7	0.4%p	1.6	2.7	-1.1%p
EBITDA margin before material special effects	%	2.2	1.0	1.2%p	2.1	2.7	-0.7%p
Earnings before interest and taxes (EBIT)	€ million	-19	-29	10	-20	66	-86
Earnings before taxes (EBT)	€ million	-34	-47	13	-83	16	-100
Net income from continuing operations	€ million	-91	-35	-56	-146	0	-145
Net income from discontinued operations	€ million	-1	-146	145	-30	-190	160
Net income total	€ million	-91	-182	90	-176	-190	14
Earnings per share total (basic)	€	-0.92	-1.82	0.90	-1.77	-1.91	0.14
Earnings per share total (diluted)	€	-0.92	-1.82	0.90	-1.77	-1.91	0.14
Net income attributable to shareholders of Klöckner & Co SE –continuing operations	€ million	-92	-35	-56	-146	-1	-145
Cash flow statement		Q4 2024	Q4 2023	Variance	Jan. 1 - Dec. 31, 2024	Jan. 1 - Dec. 31, 2023	Variance
Cash flow from operating activities	€ million	205	168	37	160	287	-127
Cash flow from investing activities	€ million	-46	-63	17	-121	-432	310
Free cash flow <sup>1)</sup>	€ million	159	105	54	39	-145	184

Balance sheet		December 31, 2024	December 31, 2023	Variance
Net working capital <sup>**)</sup>	€ million	1,369	1,489	-120
Net financial debt	€ million	780	775	5
Gearing <sup>***)</sup>	%	47	46	2%p
Equity	€ million	1,721	1,755	-34
Equity ratio	%	48.6	45.4	3,3%p
Total assets	€ million	3,538	3,867	-329

Employees		December 31, 2024	December 31, 2023	Variance
Employees as of the end of the reporting period		6,507	6,375	132

\*) Free cash flow = Cash flow from operating activities + cash flow from investing activities.

\*\*) Net working capital = Inventories + trade receivables + contract assets + supplier bonus receivables ./ trade liabilities ./ contract liabilities ./ advance payments received.

\*\*\*) Gearing = Net financial debt / (Consolidated equity ./ non-controlling interests ./ goodwill resulting from acquisitions subsequent to May 23, 2019).  
Gearing as defined in the agreement entered into on extending the syndicated loan and signed in December 2024 (consolidated equity less non-controlling interests and less goodwill from business combinations subsequent to May 23, 2024) is 46% as of December 31, 2024.

## **About Klöckner & Co:**

Klöckner & Co SE is one of the largest producer-independent processors of steel and metal products and one of the world's leading steel service center companies. With its distribution and service network of around 120 sites, primarily in North America and the "DACH" region (Germany, Austria and Switzerland), Klöckner & Co supplies more than 60,000 customers. Currently, the Group has around 6,500 employees. Klöckner & Co had sales of some €6.6 billion in fiscal year 2024. With the expansion of its portfolio of CO<sub>2</sub>-reduced materials, services and logistics options under the Nexigen® umbrella brand, the Company is underscoring its role as a pioneer of a sustainable steel industry. At the same time, Klöckner & Co leads the way in the steel industry's digital transformation and has set itself the target of digitalizing and largely automating its supply and service chain. In this way, the Company aims to develop into the leading one-stop shop for steel and metal products as well as higher value-added processing in North America and Europe.

The shares of Klöckner & Co SE are admitted to trading on the regulated market segment (Regulierter Markt) of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) with further post-admission obligations (Prime Standard). Klöckner & Co shares are listed in the SDAX® index of Deutsche Börse.

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