

Klöckner & Co SE

Annual General Meeting 2018

Düsseldorf, May 16, 2018

Gisbert Rühl | 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 significant 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.

Rounding differences may occur with respect to percentages and figures.

The English translation of the Annual Report is also available, in case of deviations the German version shall prevail.

Evaluating statements are unified and are presented as follows:

+/- 0-1%	+/- >1-5%	+/- >5-10%	+/- >10-15%	+/- >15%
constant, stable	moderate, slight	measurable, noticeable, substantial	considerable, dynamic, significant	sharp, strong

01 Fiscal year 2017

Sales
improved by ~10%

€6,292m

Best EBITDA
in 7 years

€220m

Best net income in
9 years

€102m

Operating cash flow positive in
6 consecutive years

€79m

Highest equity ratio since listing in
2006

41.7%

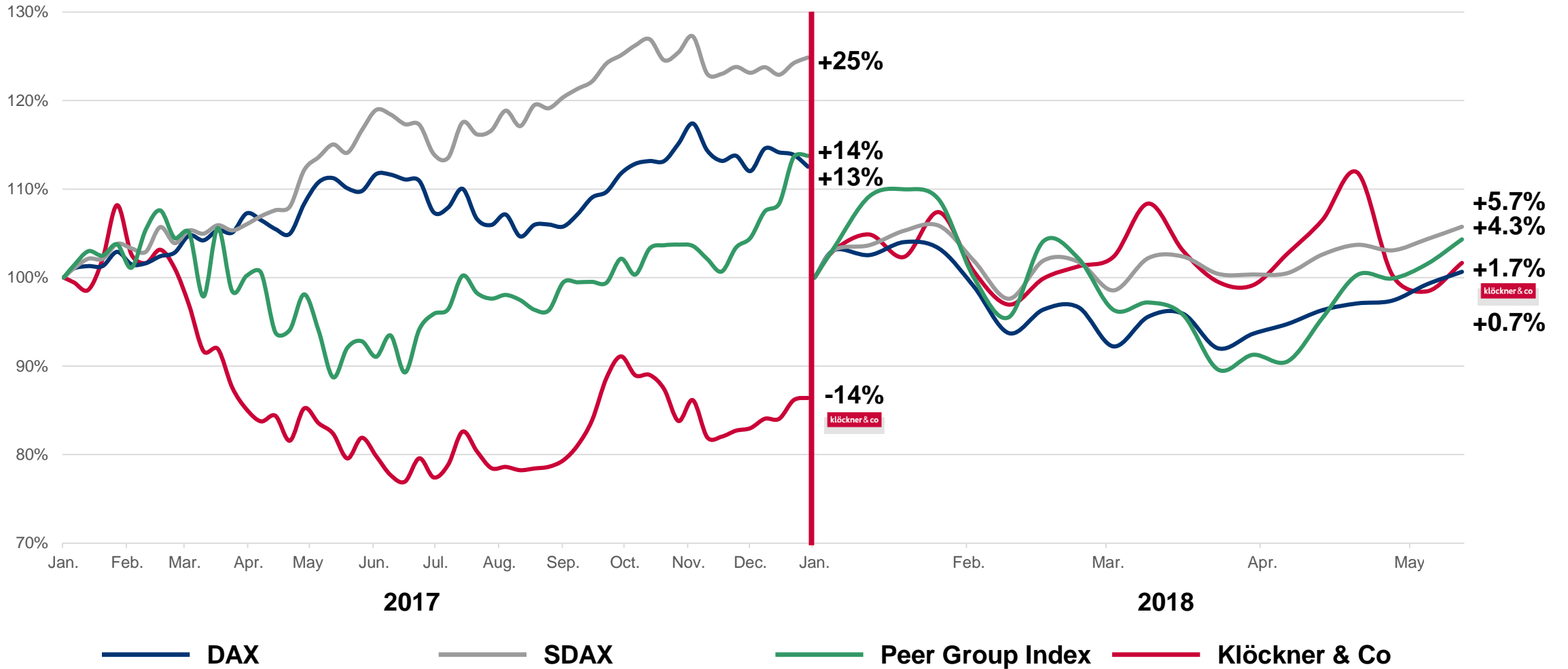
Lowest net debt
in 4 years

€330m

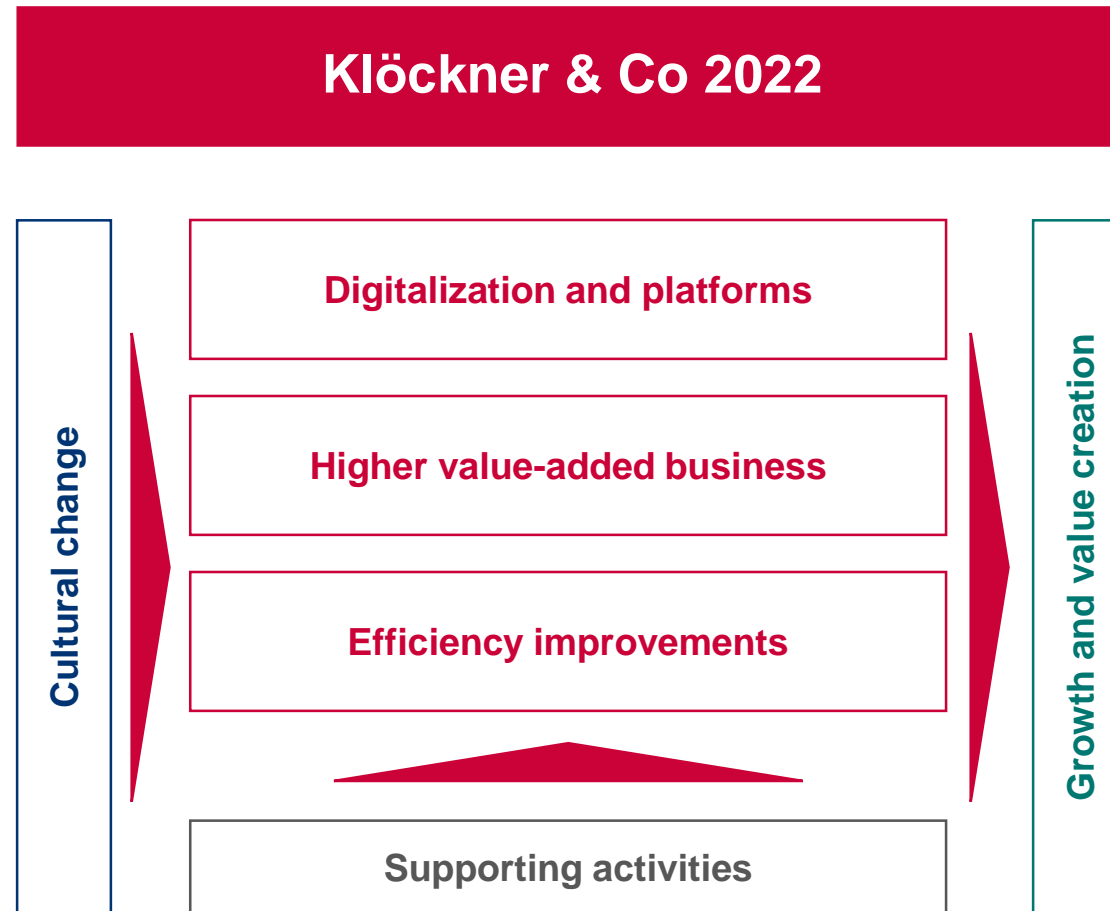
Dividend of 30 cents proposed* – increase by 50%

*) Proposal to the General Meeting.

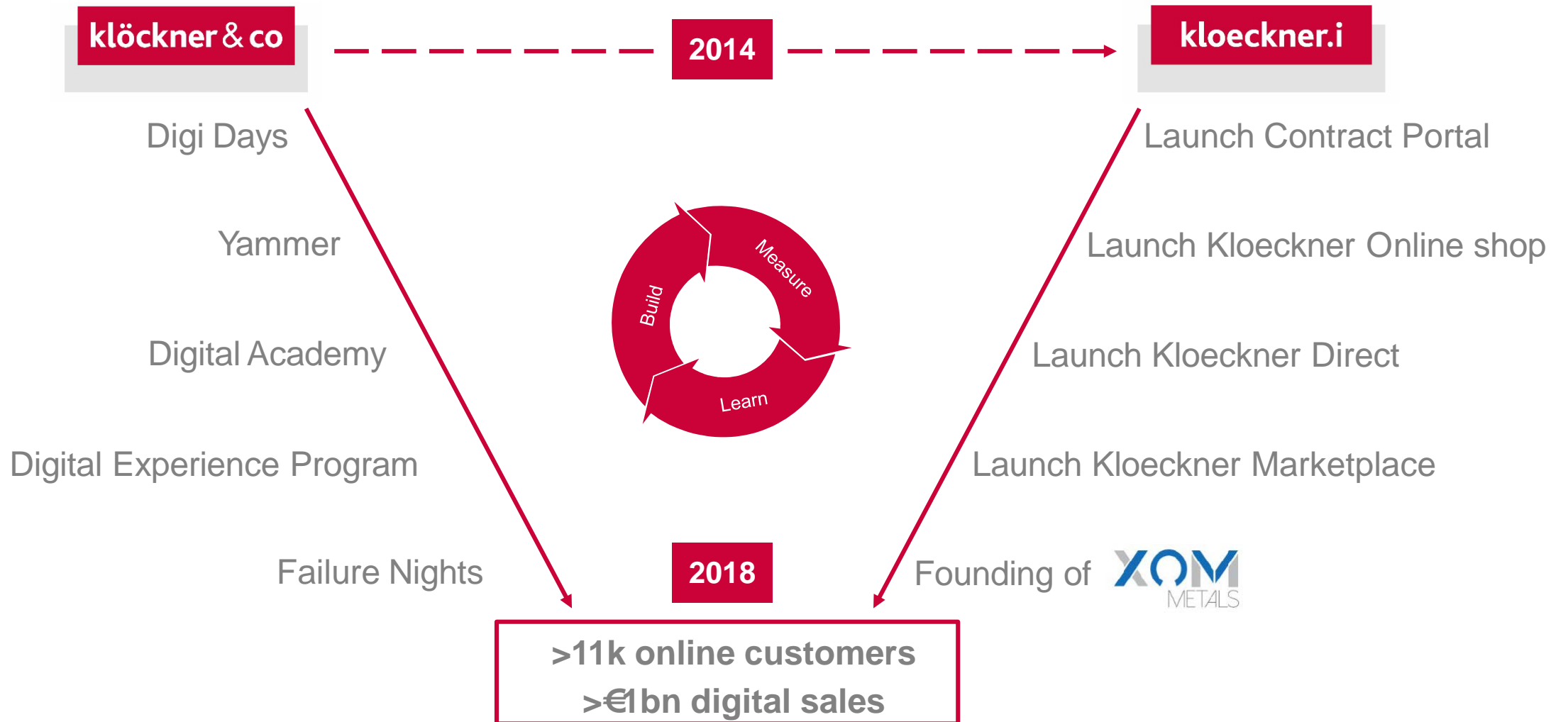
01 Share price development



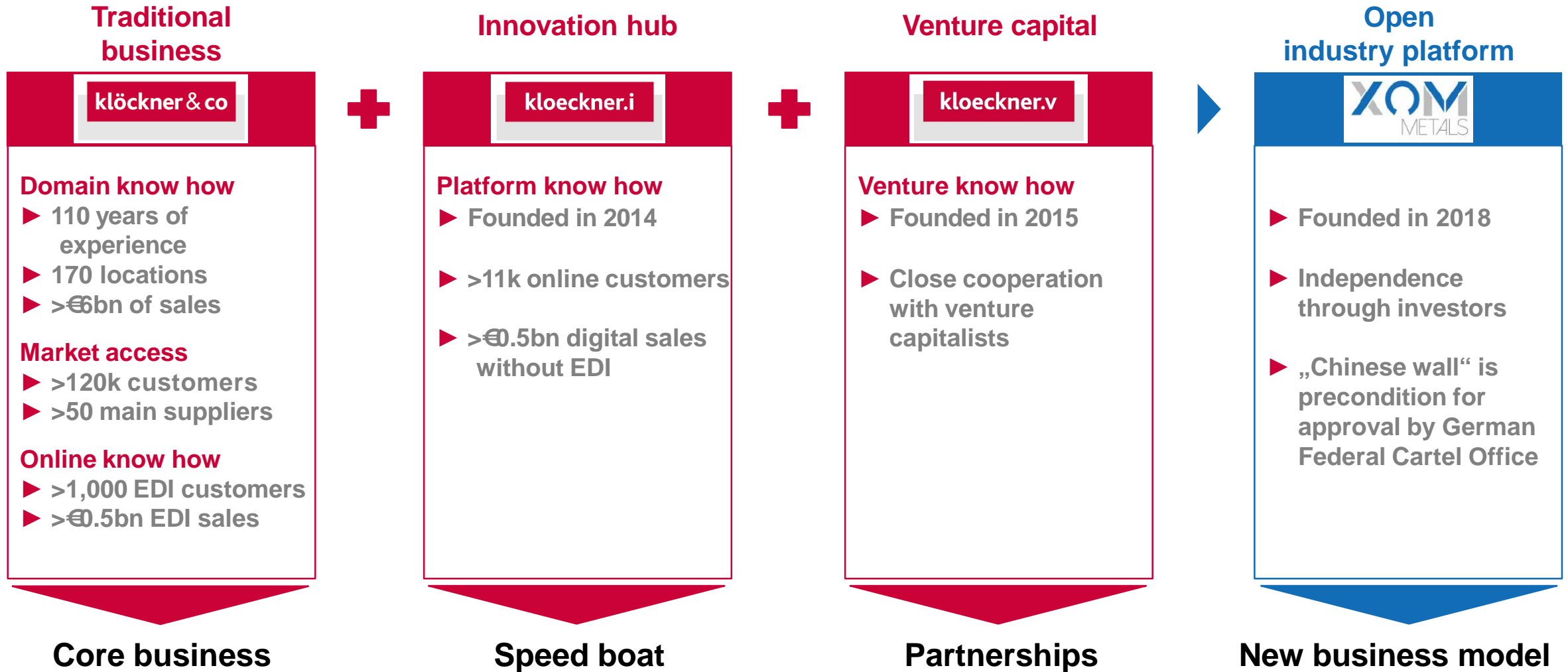
01 Strategy “Klöckner & Co 2022”



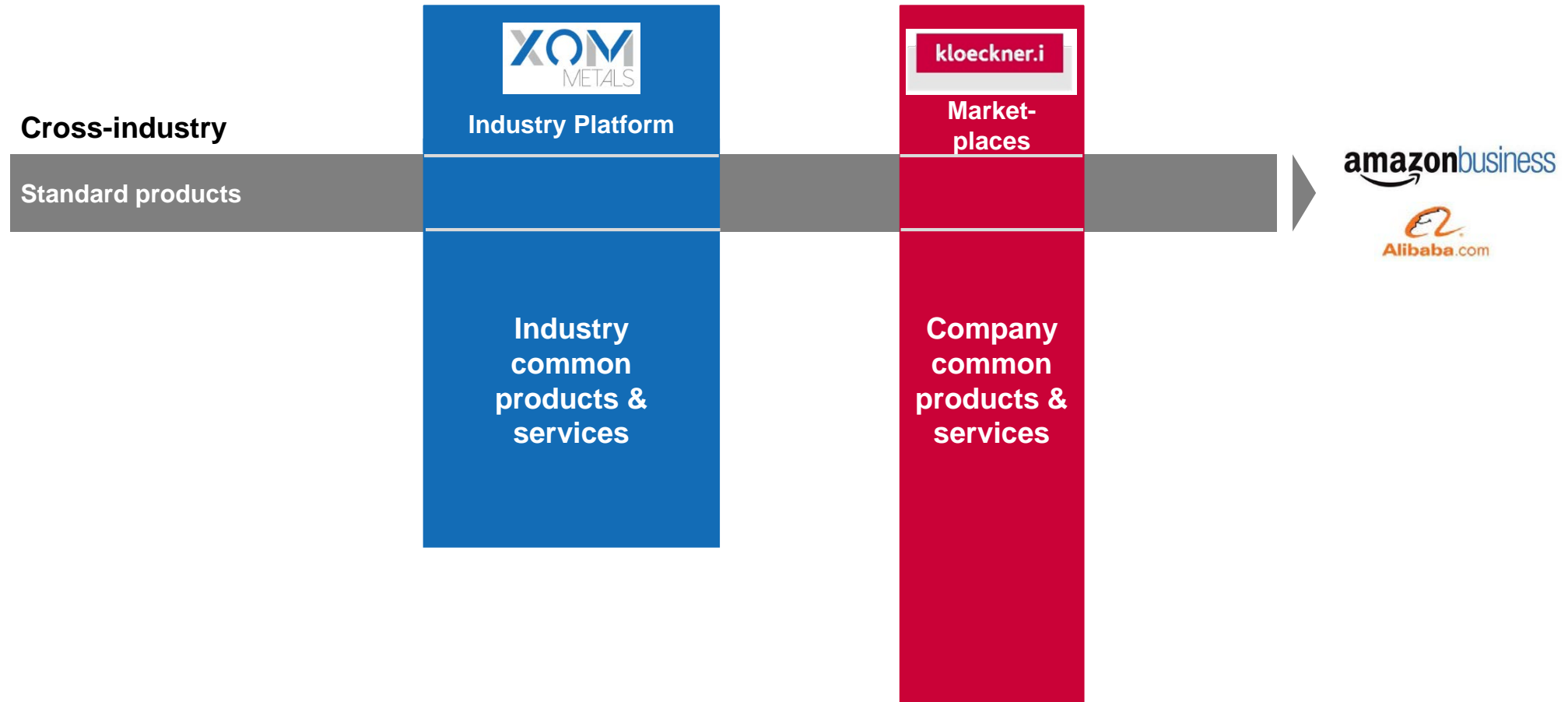
01 Digital transformation



01 Digital business model

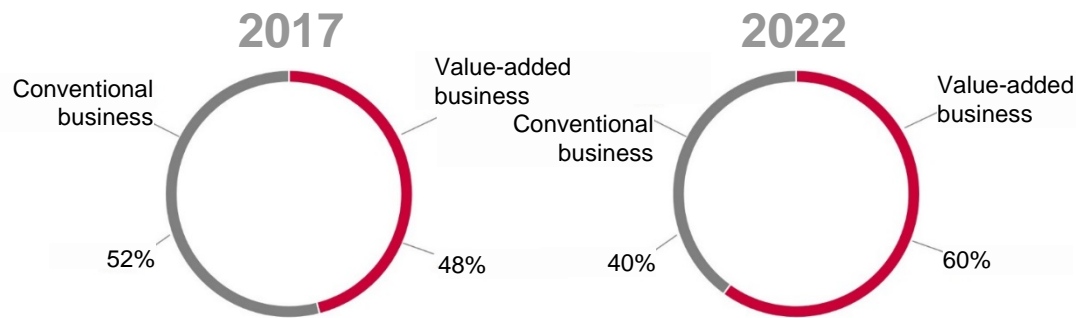


01 Positioning

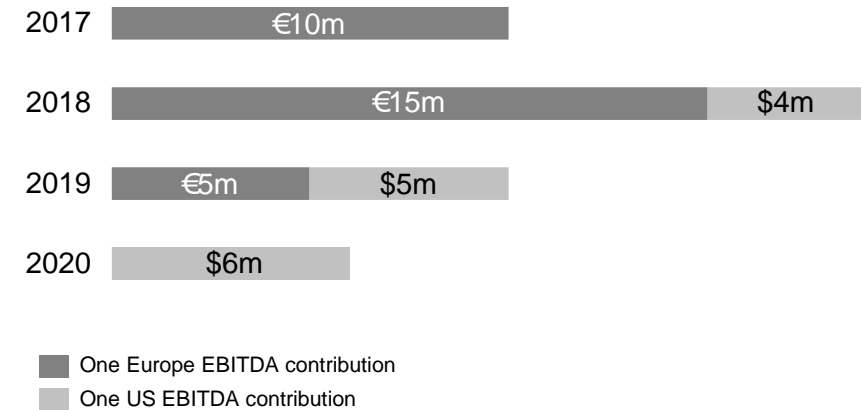


01 Value-added business and efficiency improvements

Value-added business



Efficiency improvements



VC² as holistic approach to speed-up the transformation of the core business

01 Employees as key factor of the change

Fostering a more **open, risk-taking, fast and agile behavior** which are core **success drivers**

Strategic action fields



Leadership- & Corporate Culture

Performance Management

Talent- & Succession Management

Employer Branding & Recruiting

Health & Safety Management

01 Start into the year 2018

	Q1 2018	Q1 2017	
Shipments	1,584 Tto	1,582 Tto	▶ Shipments on pre-year's level
Sales	€1,628m	€1,602m	▶ Sales slightly improved due to prices
EBITDA	€56m	€77m	▶ EBITDA and net income weaker due to less windfall effects
Net income	€21m	€36m	
Operating cash flow	-€143m	-€78m	▶ Negative due to seasonal build-up of net working capital and higher price level

01 Outlook for Q2 and full year 2018

Q2
2018

- ▶ Seasonally higher sales
- ▶ Operating income (EBITDA) to be between €65m and €75m

FY
2018

- ▶ Sales increase due to higher average price levels
- ▶ Guidance raised: EBITDA slightly above last year (€220m)
- ▶ Upside potential for EBITDA in case of further increasing steel prices

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Financial calendar

July 24, 2018 Q2 interim statement 2018

October 24, 2018 Q3 interim statement 2018

