

Klöckner & Co SE

Annual General Meeting 2019

Düsseldorf, May 15, 2019

Gisbert Rühl | CEO



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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.

Rounding differences may occur with respect to percentages and figures.

The English translation of the Annual Report, the Half-yearly financial report as well as the Quarterly statements 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

Fiscal year 2018

	2018	2017	
Shipments (in tto)	6,107	6,135	▶ USA +, Europe -
Sales (in €m)	6,790	6,292	▶ Higher price level
EBITDA (in €m)	227	220	▶ Highest level in eight years
Net income (in €m)	69	102	▶ Tax profit in the US in 2017
Operating cash flow (in €m)	60	79	▶ Positive since seven years
Digital sales (last quarter of the year in %)	25	17	▶ Interim-goal achieved

Successful year 2018, dividend of 30 Cent

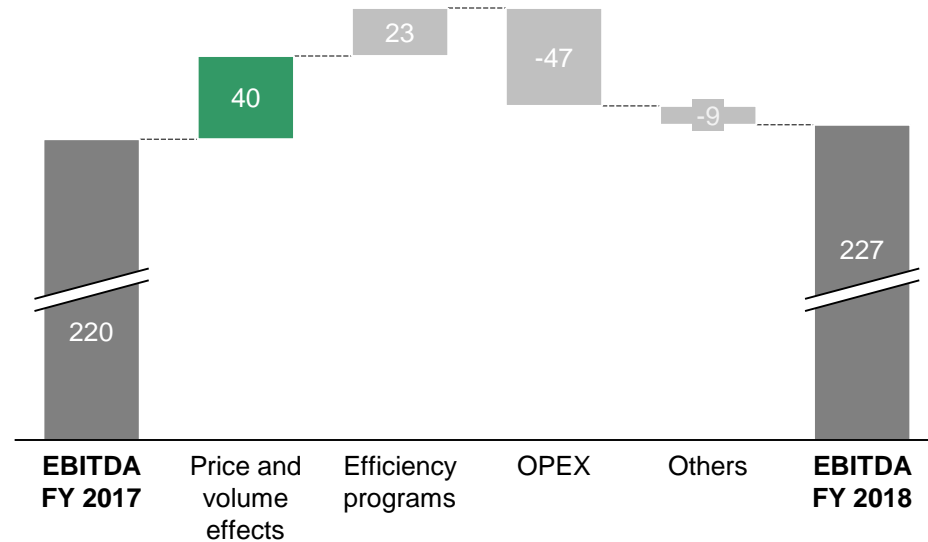
1st Quarter 2019

	Q1 2019	Q1 2018	
Shipments (in tto)	1,499	1,584	▶ Weak auto sector in Europe
Sales (in €m)	1,703	1,628	▶ Higher price level
EBITDA (in €m)	34	56	▶ Negative price and volume effects
Net income (in €m)	-10	21	
Operating cash flow (in €m)	-229	-143	▶ Higher price level
Digital sales (in %)	27	19	▶ „on track“

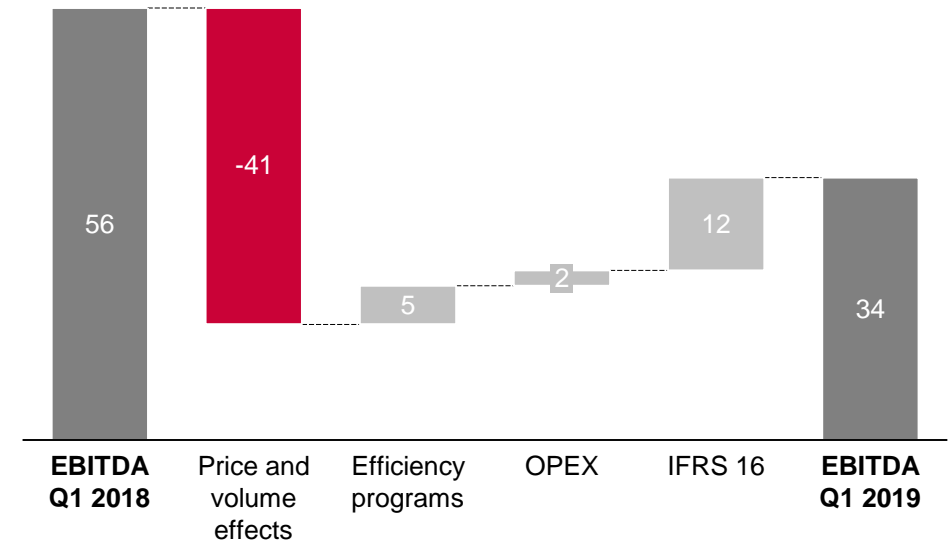
Weak start into the year 2019

Earnings development in 2018 and in Q1 2019

FY 2018 vs. FY 2017 (in €m)

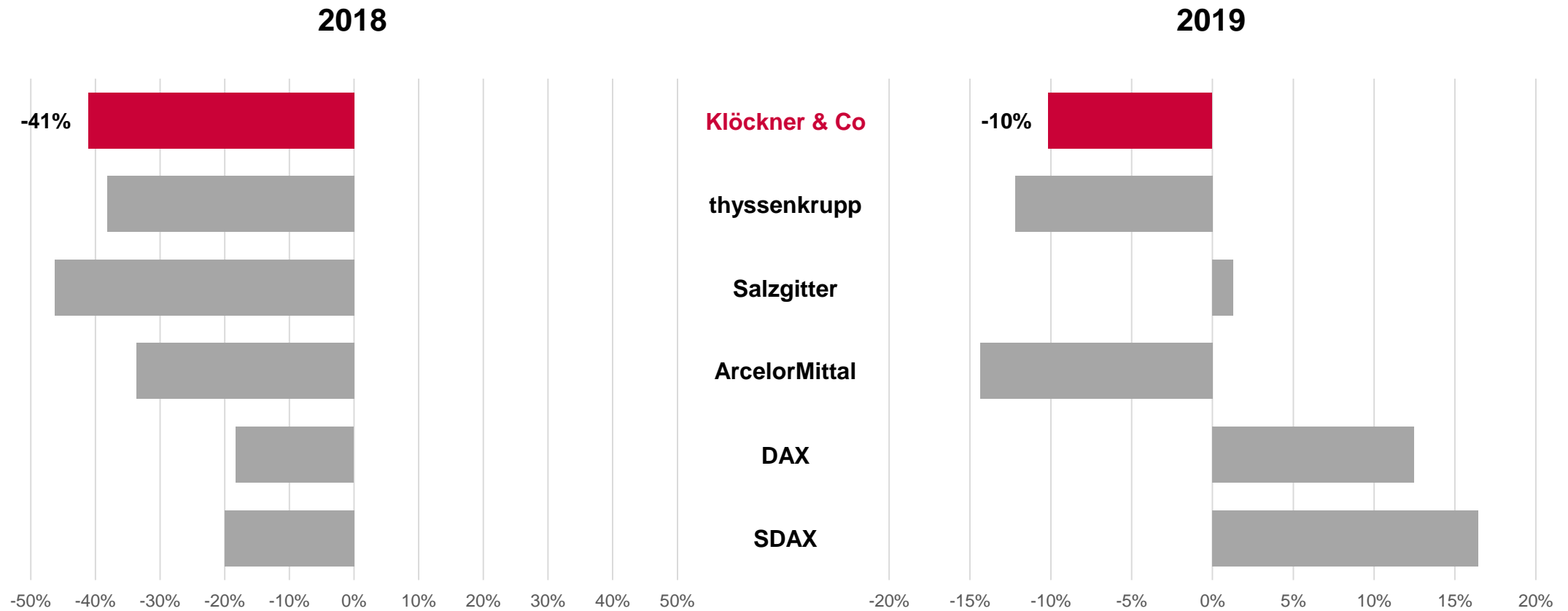


Q1 2019 vs. Q1 2018 (in €m)



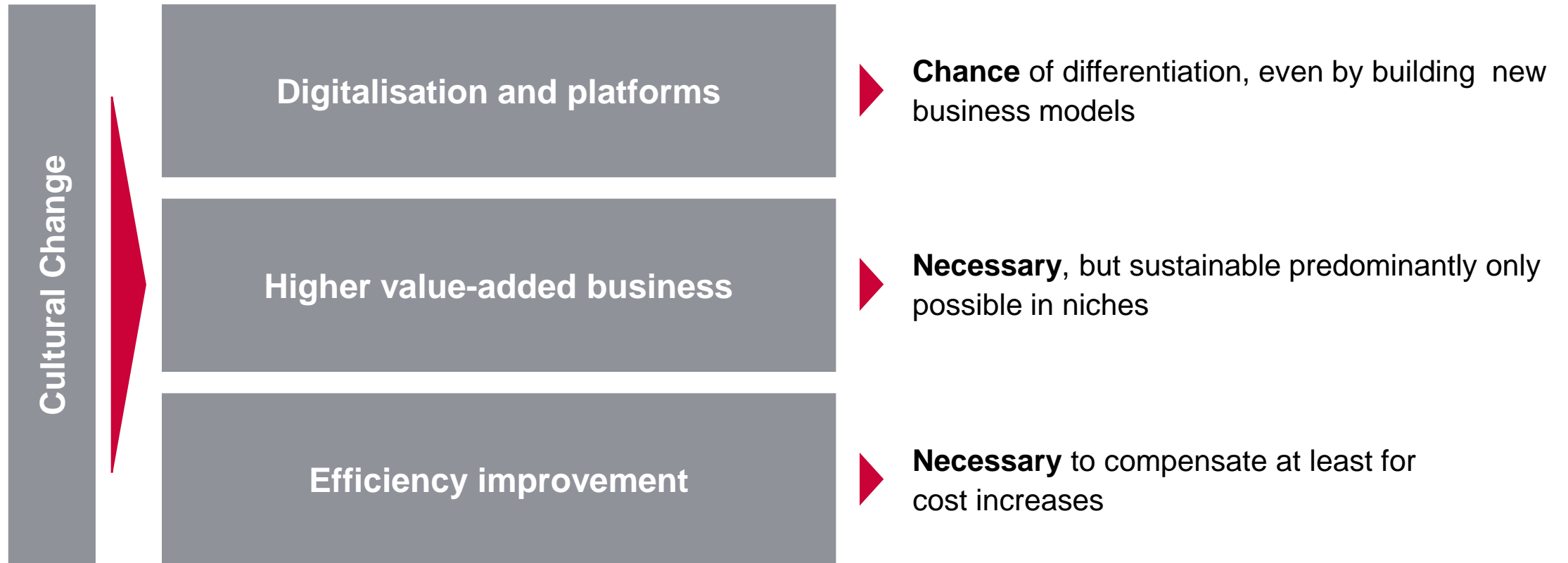
Price and volume effects dominate earnings development

Share price development



Share is macro driven, price and volume development as dominant drivers

Strategy “Klöckner & Co 2022”



New business model development and continuous improvements

Implementing “Klöckner & Co 2022”

Digitalisation and platforms

- Digital sales share improved to **27% in Q1 2019**
- kloeckner.i **digital consulting** with first project for a DAX-company
- Currently 30 vendors with complementary products on the **Klöckner Marketplace**
- Currently 20 vendors on **XOM** with executed orders worth ca. €9m

Higher value-added business

- Sales share of business **49% in 2018**
- Margins except in niches often insufficient

Efficiency improvement

- **One Europe** and **One US** nearly finally implemented
- New programm **VC²** launched

Progress in implementation in all areas

Employee survey 2019

- **77%** are familiar with the Klöckner strategy
- **78%** know exactly what they can do to achieve the company's goals
- **78%** enjoy working for Klöckner
- **83%** feel treated with respect



High response rate of around 60% and positive feedback

Outlook on Q2 and FY2019



- ▶ Seasonally higher **shipments** and **sales**
- ▶ **Reported EBITDA** between €50m and €60m



- ▶ **EBITDA** between €180m and €200m before material special effects of around €30m

Negative price and volume effects dominate earnings development in 2019

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Financial calendar

July 31, 2019

Half-yearly financial report 2019

October 30, 2019

Q3 quarterly statement 2019

