



# dbAccess Berlin Conference

Berlin – June 6, 2018

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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, stable

+/- >1-5%  
moderate, slight

+/- >5-10%  
measurable, noticeable,  
substantial

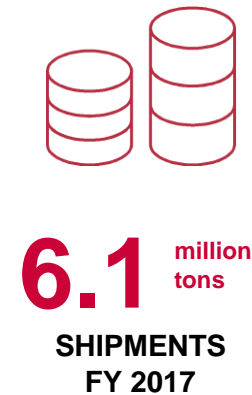
+/- >10-15%  
considerable, dynamic,  
significant

+/- >15%  
sharp, strong

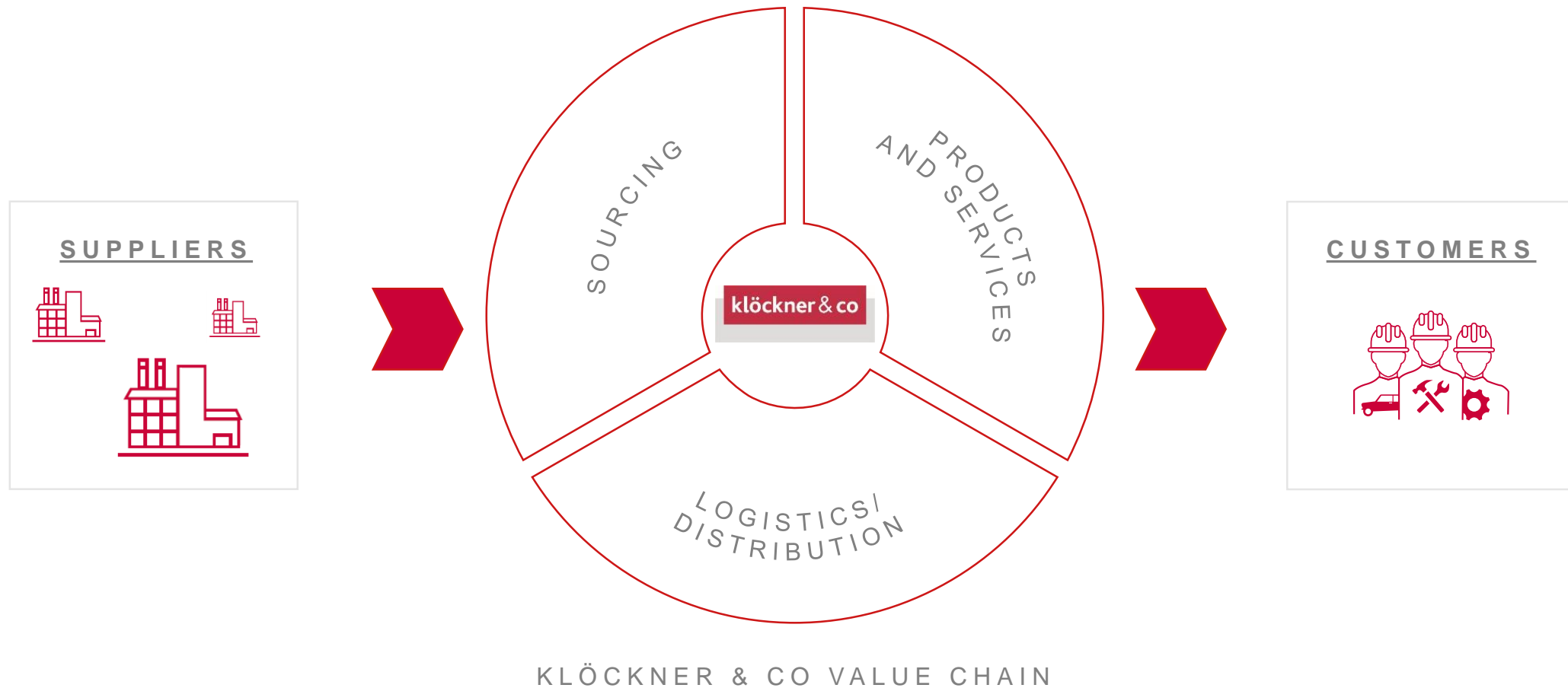
# Agenda

1. **Overview**
2. Update on strategy
3. Highlights and financials
4. Outlook
5. Appendix

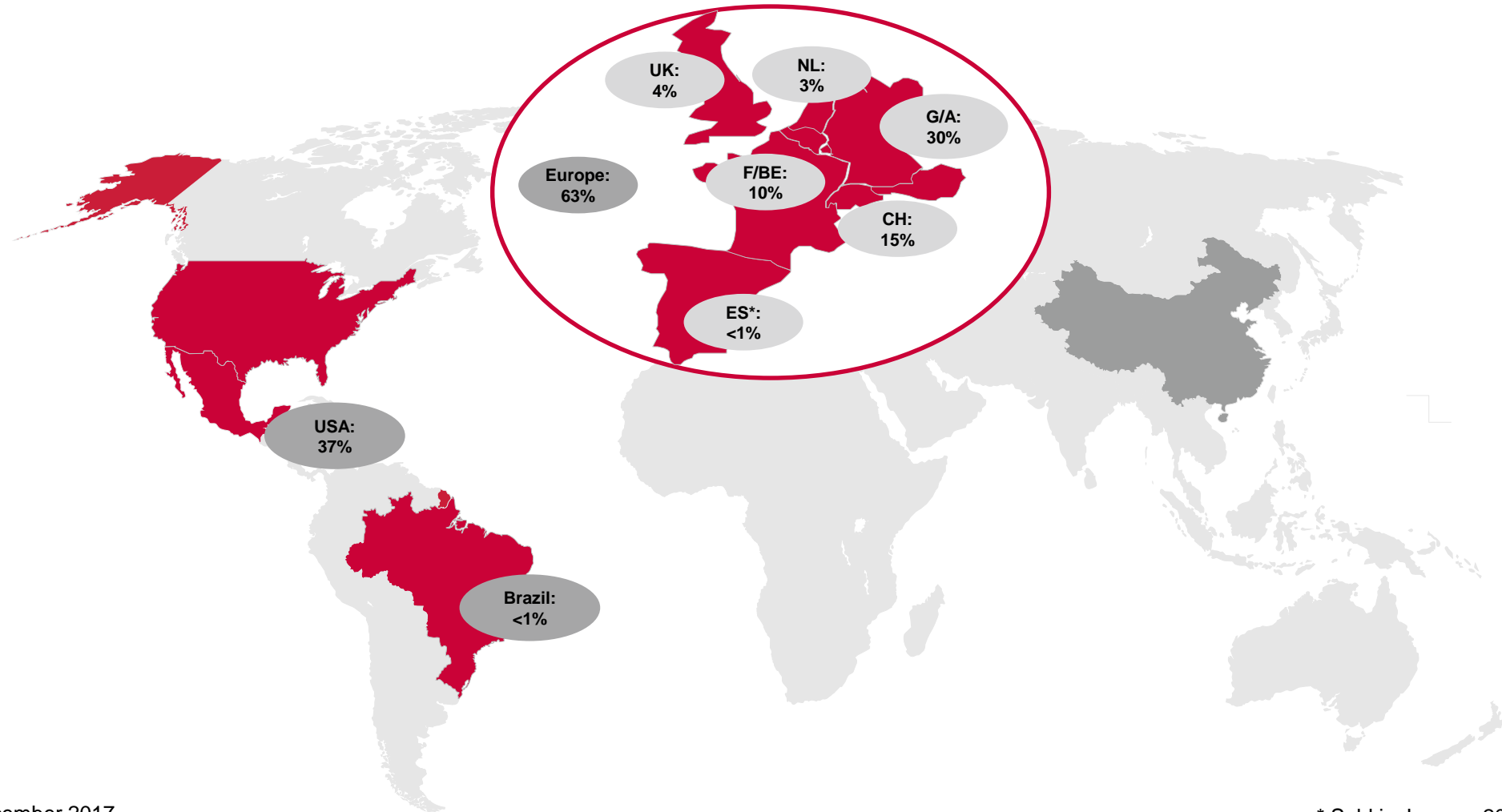
# 01 Klöckner & Co SE at a glance



# 01 Everything from one source



# 01 Global reach – local presence

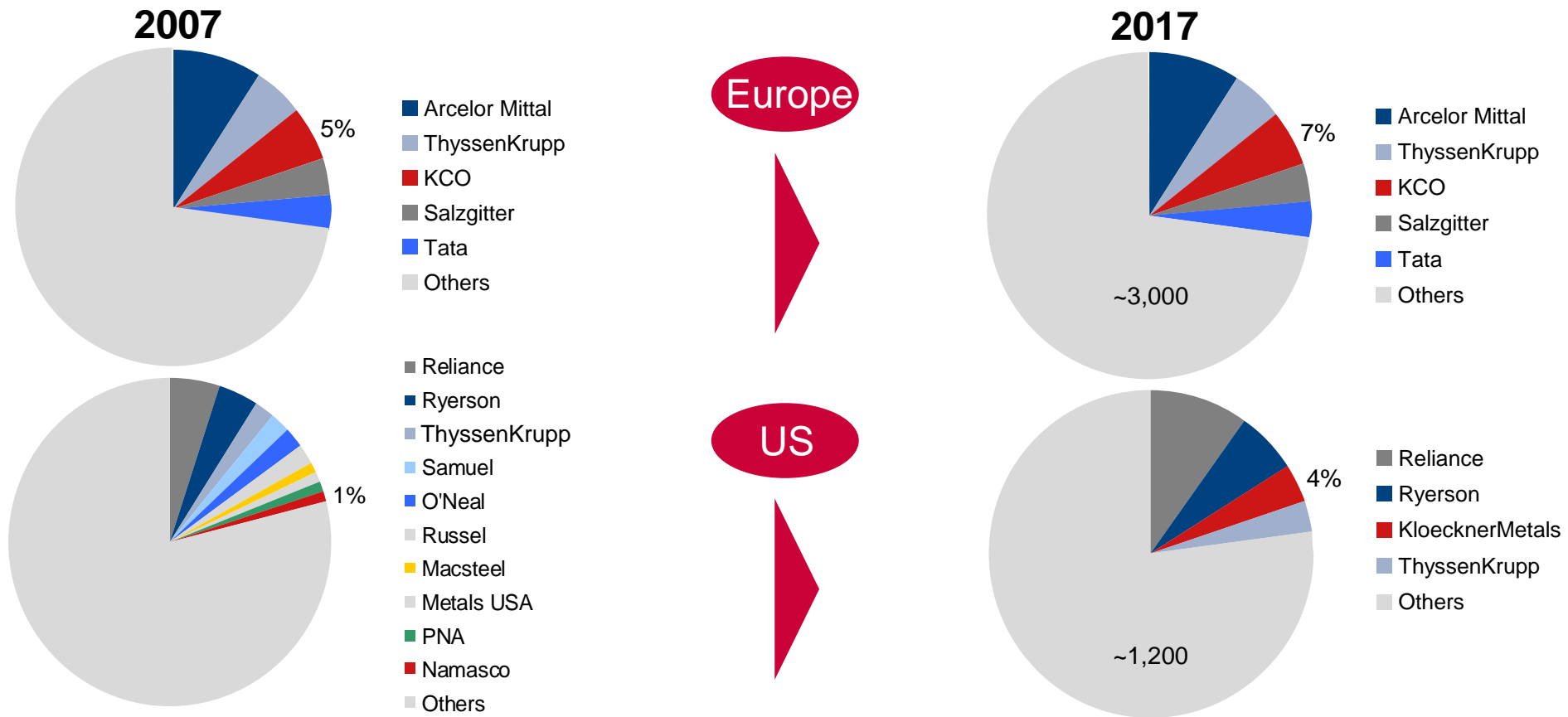


Sales; as of December 2017.

\* Sold in January 2017

# 01 Market shares of Klöckner & Co

- Position in the US significantly improved whereas market share in Europe remained stable despite heavy restructuring measures



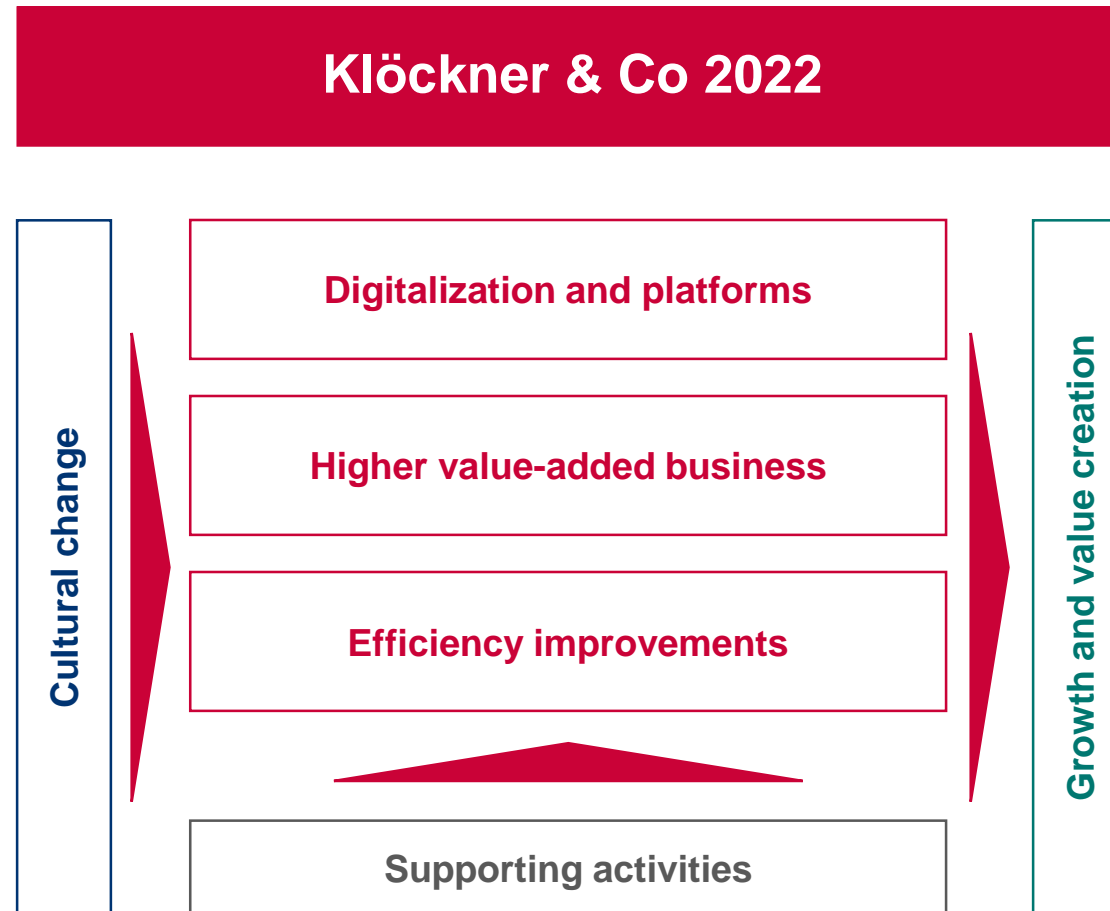
Source: Eurometal, Purchasing Magazine, Service Center News.

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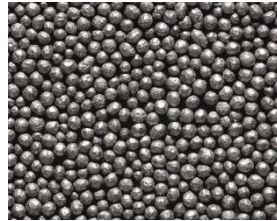
## 02 Strategy “Klöckner & Co 2022”



## 02 Proprietary Onlineshops transformed into market places

Complementary products of eight third party providers already integrated into German Onlineshop

**ERVIN**  
The World Standard for Quality



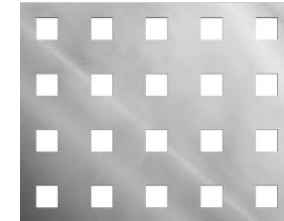
Abrasive blasting products

**STAHLWERK UNNA**



Silver steel

**SCHAFFER**  
LOCHBLECHE



Perforated steel

Five additional partners already selling under the Klöckner brand

Comprehensive roll out of market place functionality until the end of the year



2018

## 02 Successful launch of the open industry platform XOM Metals

### Organization

- **New entity founded** and office space rented in **Berlin**
- **17** digital experts including **COO** and **CTO** already hired
- Approval received from **German Federal Cartel Office**

### Operation

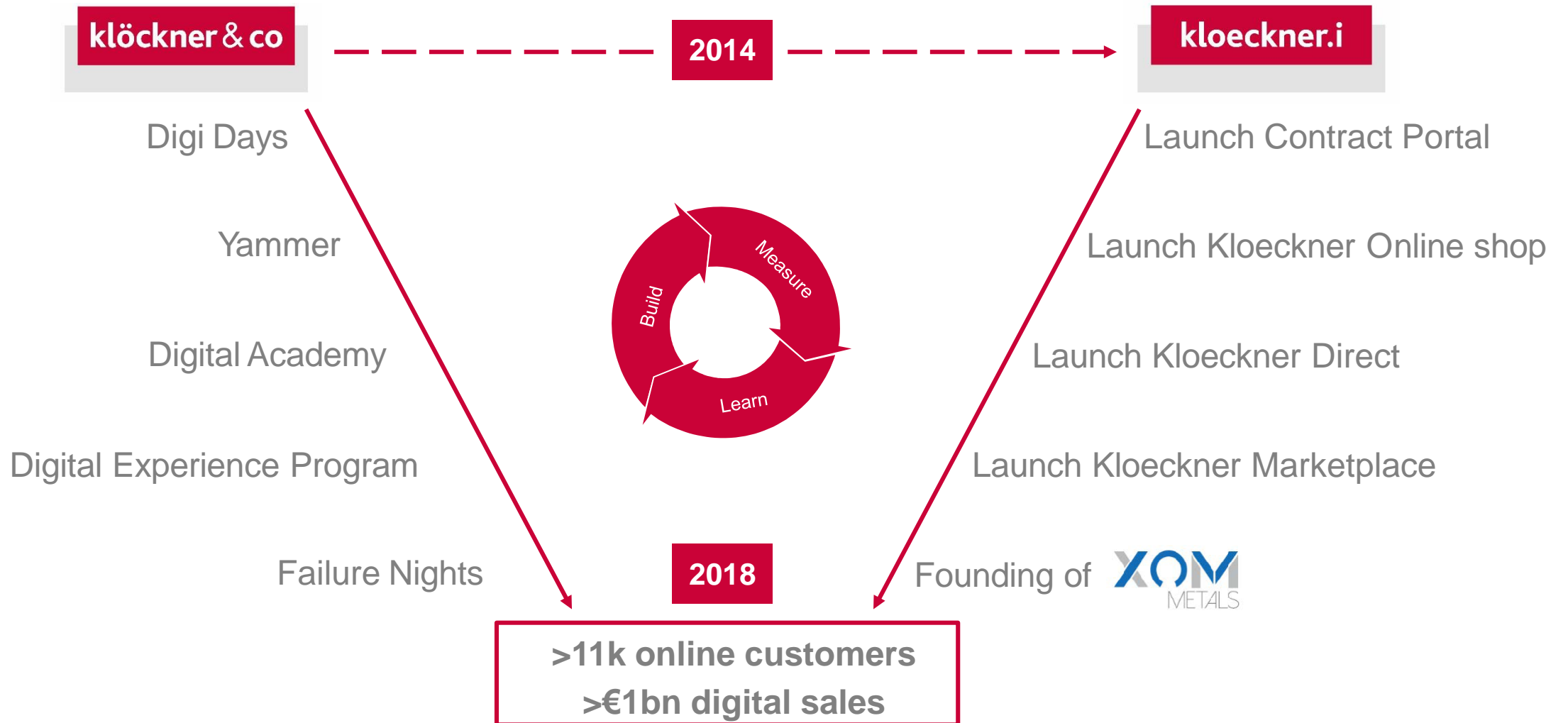
- Successful launch and **onboarding** of **first vendors** in Europe



### Next steps

- **Onboarding** of further participants in Europe
- **Launch** of the XOM open industry platform in the **USA** in **H2**
- Closing of a **first financing** round in **H2**

## 02 Digital transformation



## 02 Employees as key factor of the change

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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

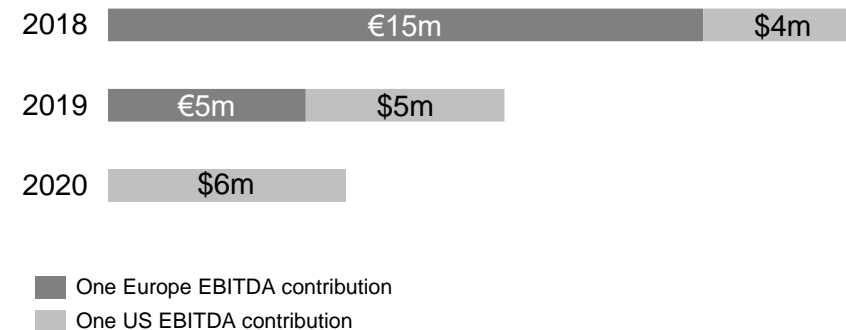
## 02 Further progress of our “Klöckner & Co 2022“ strategy

### Higher value-add business

- **Alu business** of Becker Stahl-Service:
  - Ramp up fully on track
  - Installation of **cut-to-length line** concluded and test mode started this month; orders have been placed (production start in **April 2018**)
  - First **orders** from **automotive OEM and tier 1** for **slitter** processed and **patent** for **dry slitting and automated packaging** registered (production start in **April 2017**)
  - Already performing **operationally positive** since beginning of the year
  - With both lines up and running Becker has become the **most modern** aluminum-service-center in **Europe**

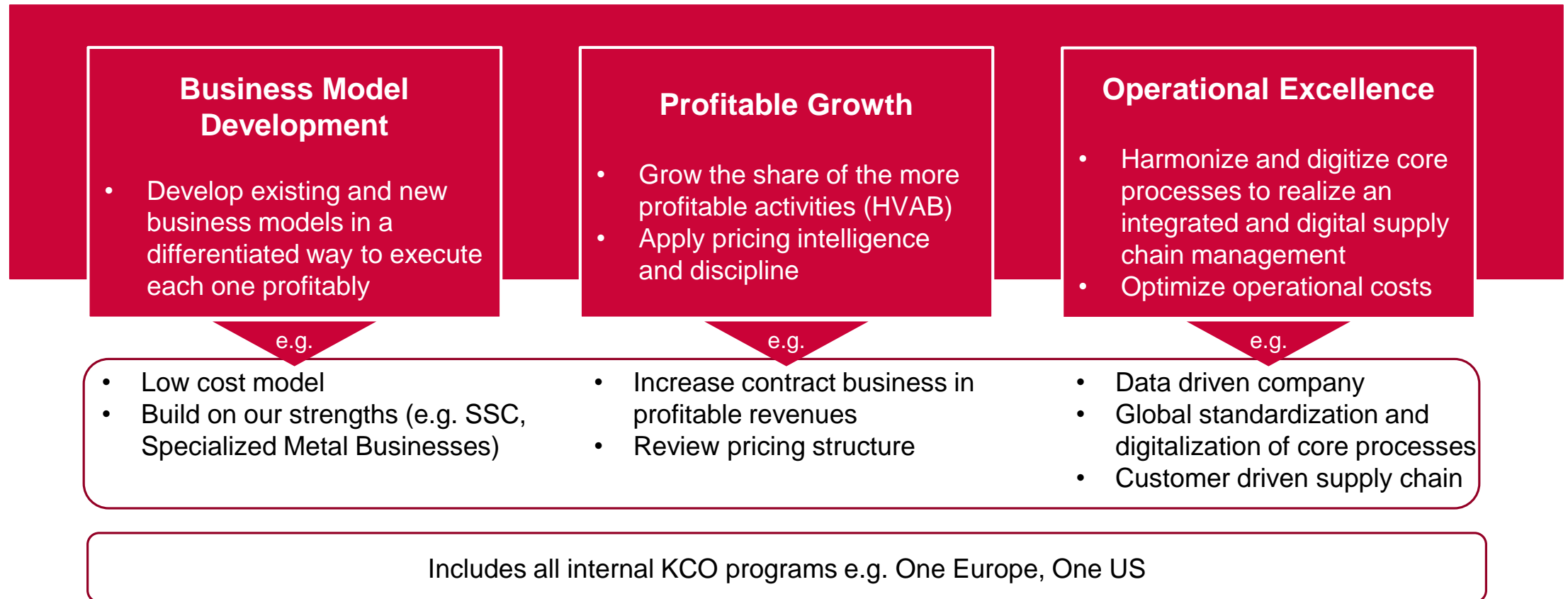
### Efficiency improvement

- **Start of VC<sup>2</sup>\***
  - VC<sup>2</sup> will build on existing measures
- **One Europe & One US**
  - Both programs are well on track and therefore ready and set to develop further value under the umbrella of VC<sup>2</sup>
  - €3m EBITDA impact in Q1



\*Value Creation at the core

## 02 VC<sup>2</sup> program initiated to accelerate “Klöckner & Co 2022” strategy



## 02 Finance and accounting optimization by Business Process Outsourcing

### Scope

- **Centralization** of finance management and creation of **synergies**
- Shared service center **measures initiated, finalized** at the **end of the year**
- One-time **costs** and future running cost will be collected in a **new cost center** (implemented in KCO Holding)
- First focus\* on **D, UK, CH, NL, A** and **Be**

### Impact

- Realization of cost savings through **labor arbitrage and productivity improvement** of transactional work
- The BPO will also lead to decrease staff in our support functions
- **Net savings** will be between **€4m- €5m** per year from 2019 on
- **Restructuring costs** in 2018 of **-€8m (thereof ~€6m in Q2)**

**By using BPO, Klöckner aims to generate synergies and expedite implementation of its digitalization strategy**

\*F pending on works council outcome.



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## 03 Highlights Q1 2018

**Q1**

2018

**Sales**  
€1,628m

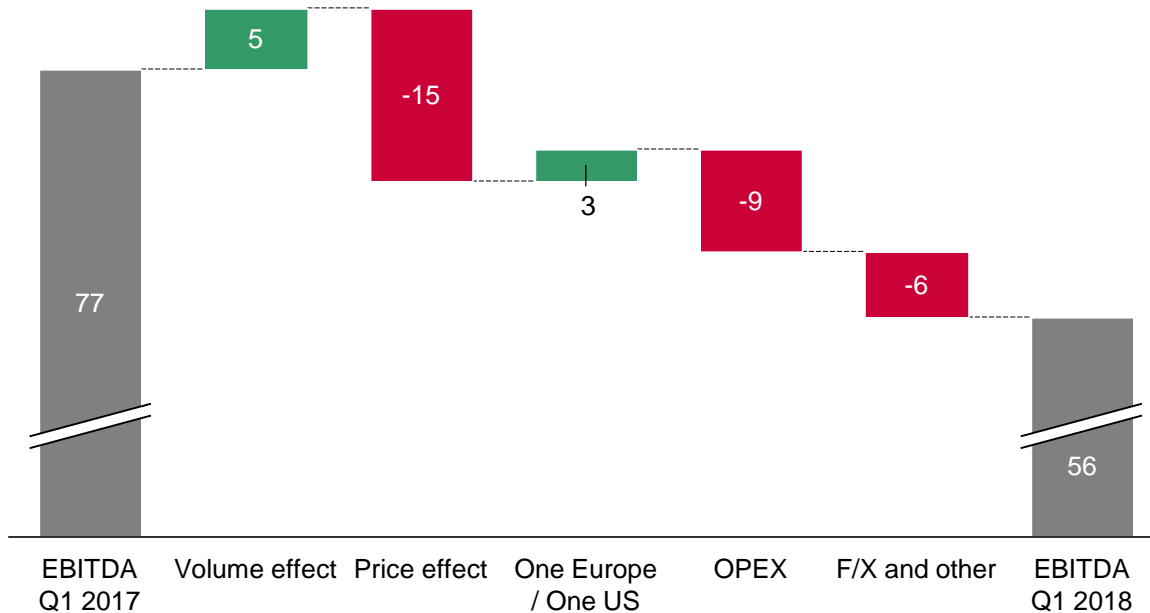
**Digital sales**  
**19%**

**EBITDA**  
€56m

- ▶ Shipments with 1.6mt on last year's level (+0.1%)
- ▶ Sales increased by 1.6% yoy to €1.6bn due to higher price level and despite weaker USD
- ▶ Gross profit down from €367m in Q1 2017 to €331m in Q1 2018 mainly due to price and f/x effects
- ▶ Consequently gross profit margin decreased to 20.4% after 22.9% in Q1 2017
- ▶ Operating result (EBITDA) for Q1 of €56m slightly above the forecasted guidance range of €45m to €55m
- ▶ Sales share via digital channels continuously increased from 18% at the end of Q4 2017 to 19% at the end of Q1 2018
- ▶ FY guidance raised: EBITDA slightly above last year – with upside potential in case of further increasing steel prices

## 03 EBITDA in Q1 2018

### EBITDA impact: Q1 yoy (€m)

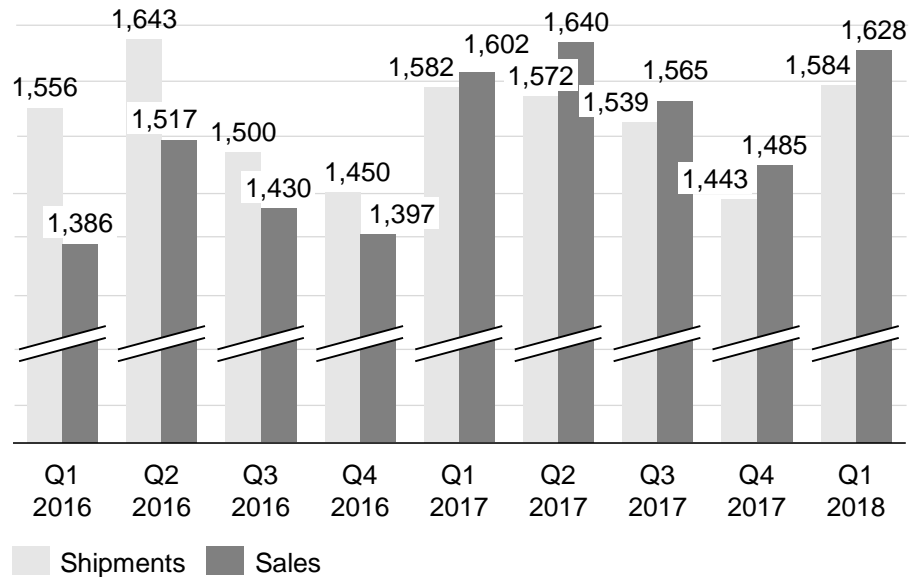


### Comments

- Positive **volume effect** mainly due to increasing demand in the US
- Negative **price effect** mainly due to margin contraction and less windfalls in Europe (-€21m) whereas in the Americas segment the price effect was positive (+€6m)
- **Other effects** mainly relate to F/X (-€5m)
- **EBITDA margin** 3.4%

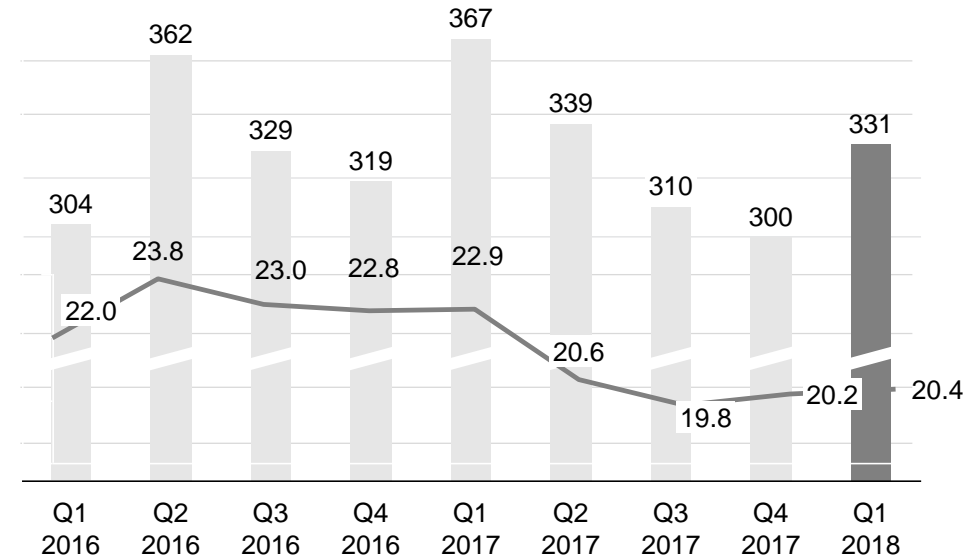
## 03 Shipments/sales and gross profit

### Shipments (Tto) / Sales (€m)



- **Shipments** yoy almost stable, qoq were up due to seasonal pattern and increased demand in the US
- **Sales** increased yoy due to higher average sales prices despite weaker US\$/€ exchange rate

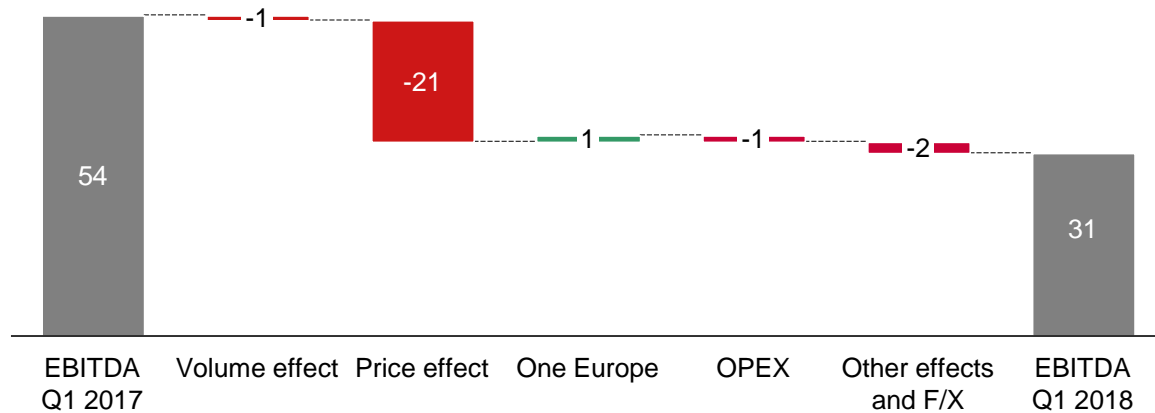
### Gross profit (€m) / Gross margin (%)



- **Gross profit** down yoy mainly due to f/x (-€25m)
- **Margin** down to 20.4%, 2.5%p below Q1 2017 due to margin contraction in Europe

## 03 Segment performance Q1 2018

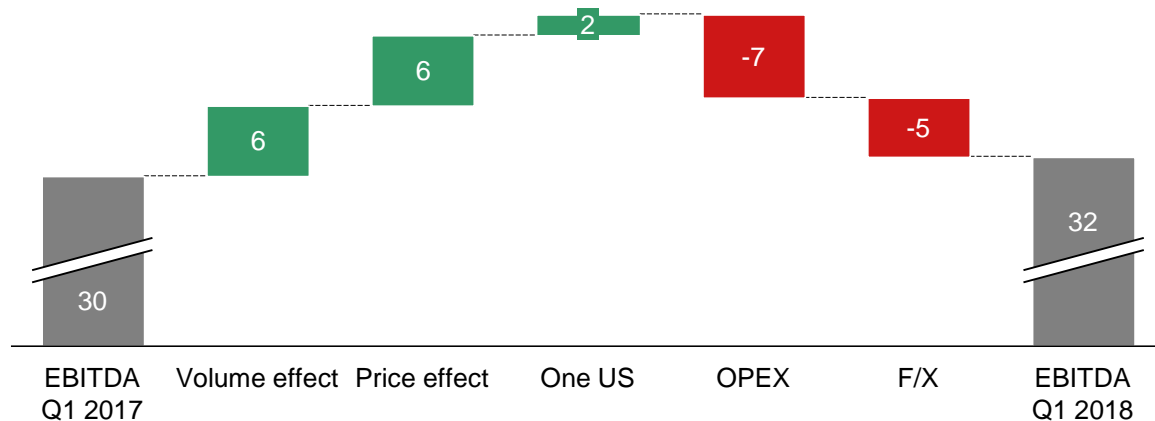
### Europe (€m)



### Europe

- Only minor **volume effect** -€1m (demand stable)
- **Price effect** -€21m due to margin contraction and lower windfall profits
- **OPEX** yoy stable, **other and F/X** relate with -€1m to F/X
- **EBITDA margin** 3.0%

### Americas (€m)

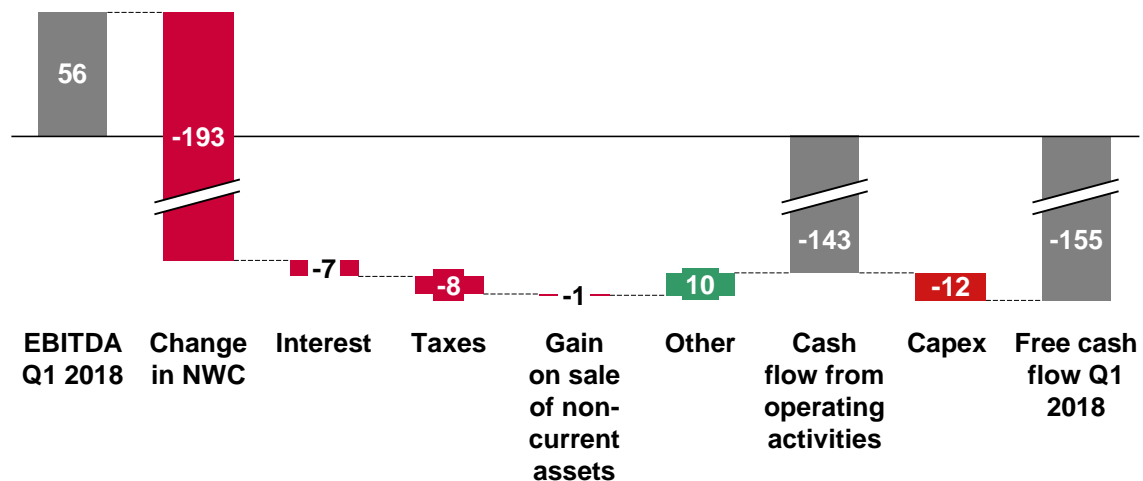


### Americas

- **Volume effect** of +€6m
- **Price effect** +€6m driven by robust economic environment
- **OPEX** up (€7m) mainly due to higher personnel and shipping related costs
- **F/X** effect of -€5m
- **EBITDA margin** 5.4%

## 03 Cash flow and net debt development

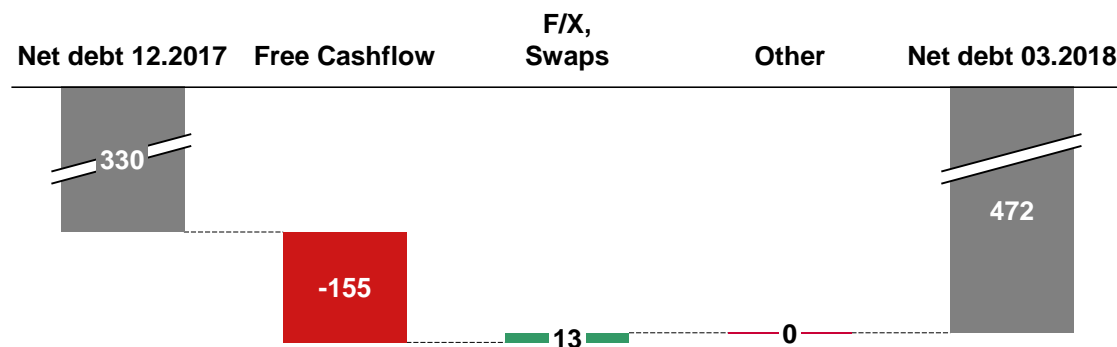
### Cash flow reconciliation Q1 2018 (€m)



### Comments

- **NWC** seasonally and price related increased by €193m
- **Gain on sale of non-current assets** mainly related to the disposal of property in France (€1.1m)
- **“Other”** included changes in other assets other liabilities and provisions

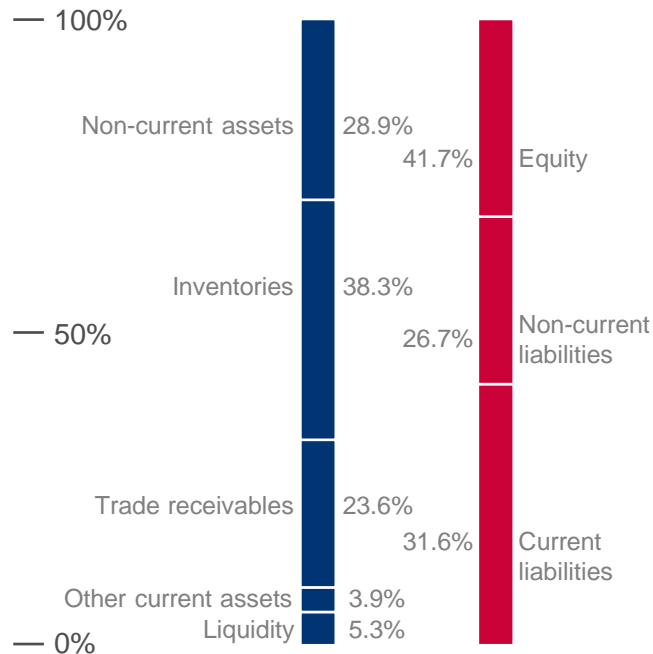
### Net financial debt 12/2017 vs. 03/2018 (€m)



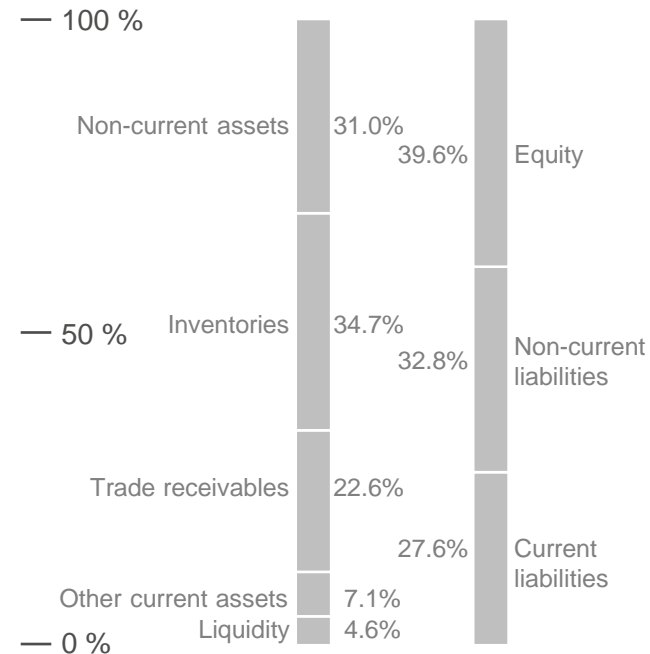
- **Net financial debt** increased driven by NWC build-up from €330m to €472m
- Positive f/x translation effects (€4m) and cash-ins from settlement of f/x swaps (€9m) used to hedge intercompany financing in USD and GBP

## 03 Strong balance sheet

BALANCE SHEET TOTAL  
31.12.2017: 2,886 in € million



BALANCE SHEET TOTAL  
31.12.2016: 2,897 in € million



### Comments

- Equity ratio further healthy at 42%
- Net debt of €330m
- Leverage 1.5x
- Gearing\* at 28%
- NWC almost flat at €1,132m vs €1,120m

\* Gearing = Net debt/Equity attributable to shareholders of Klöckner & Co SE less goodwill from business combinations subsequent to May 23, 2013.

## 03 Maturity profile – well-balanced & diversified funding portfolio

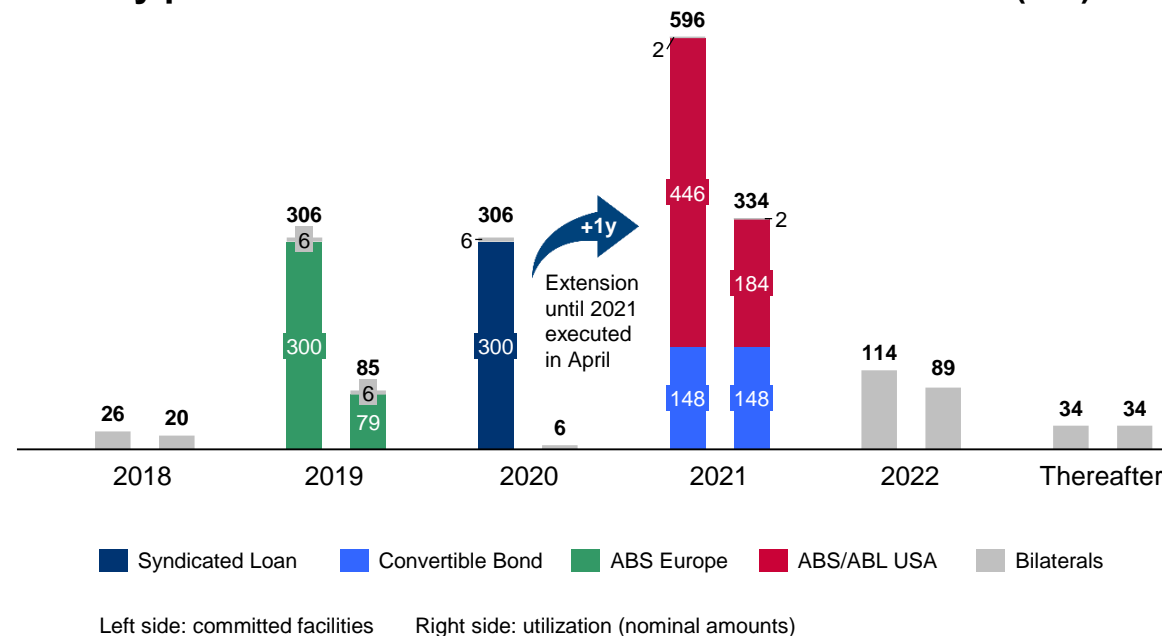
Facility	Committed (€m)	Drawn amount (€m, IFRS*)	
		Q1 2018	FY 2017
Syndicated Loan	300	0	0
ABS Europe	300	79	79
ABS/ABL USA	446	184	157
Convertible 2016 <sup>1)</sup>	148	135	135
Bilateral Facilities <sup>2)</sup>	188	157	113
<b>Total Debt</b>	<b>1,382</b>	<b>555</b>	<b>484</b>
Cash		83	154
<b>Net Debt</b>		<b>472</b>	<b>330</b>

\*Including interest accrued, excluding deferred transaction costs.

- 1) Principal €148m, equity component €18m at issuance (September 8, 2016).
- 2) Including finance lease; committed and drawn bilaterals mainly Switzerland
- 3) Net debt/Equity attributable to shareholders of Klöckner & Co SE less goodwill from business combinations subsequent to May 23, 2013.

€m	Q1 2018
Adjusted equity	1,205
Net debt	472
Leverage	2.4x
Gearing <sup>3)</sup>	39%

### Maturity profile of committed facilities & drawn amounts (€m)

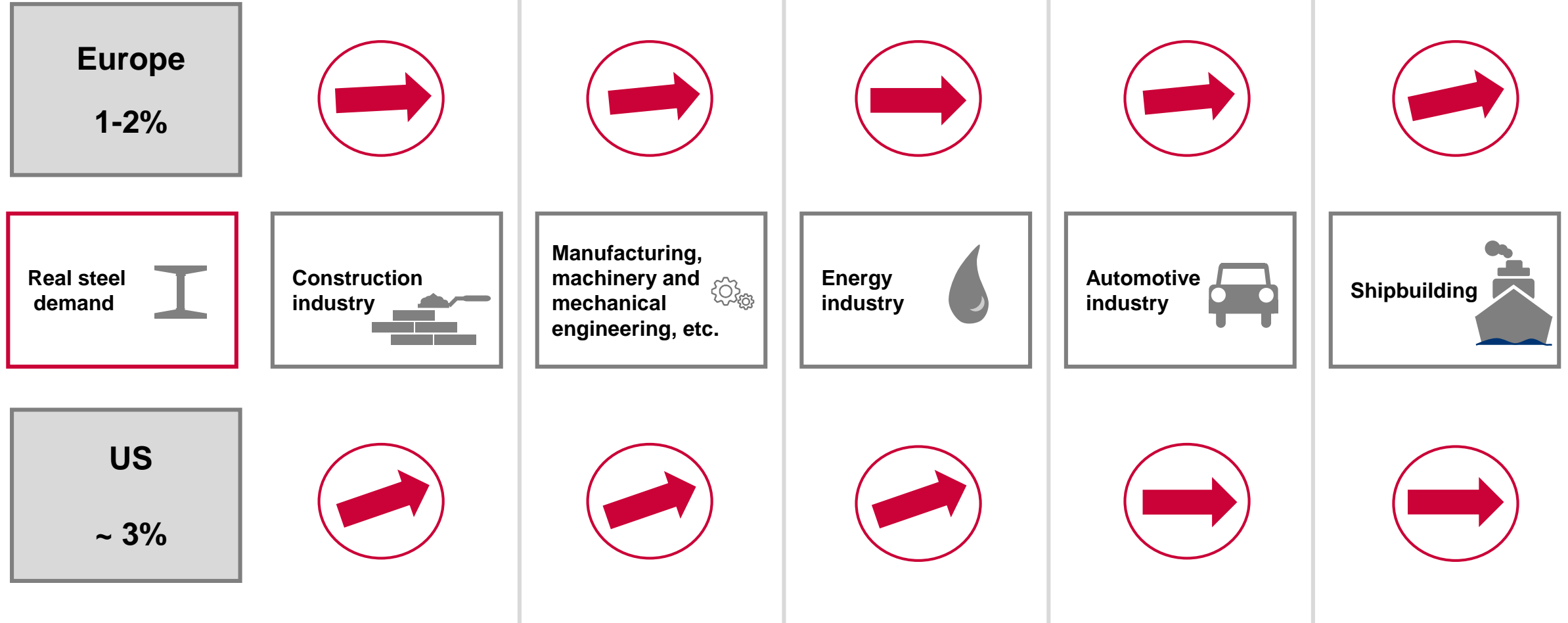




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# 04 Segment specific business outlook 2018



## 04 Outlook

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**Q2**  
2018

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

**FY**  
2018

- ▶ Higher sales anticipated 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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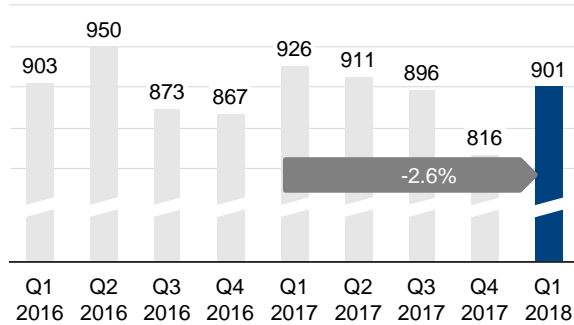
## 05 Quarterly and FY results

(€m)	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013
<b>Shipments (Ttons)</b>	<b>1.584</b>	<b>1.443</b>	<b>1.539</b>	<b>1.572</b>	<b>1.582</b>	<b>1.450</b>	<b>1.500</b>	<b>1.643</b>	<b>1.556</b>	<b>1.535</b>	<b>1.636</b>	<b>1.645</b>	<b>1.661</b>	<b>6.135</b>	<b>6.149</b>	<b>6.476</b>	<b>6.598</b>	<b>6.445</b>
<b>Sales</b>	<b>1.628</b>	<b>1.485</b>	<b>1.565</b>	<b>1.640</b>	<b>1.602</b>	<b>1.397</b>	<b>1.430</b>	<b>1.517</b>	<b>1.386</b>	<b>1.456</b>	<b>1.597</b>	<b>1.693</b>	<b>1.697</b>	<b>6.292</b>	<b>5.730</b>	<b>6.444</b>	<b>6.504</b>	<b>6.378</b>
Sales (currency effect)	-114	-70	-45	13	19	-3	-18	-31	2	91	133	174	158	-83	-50	556	28	-121
<b>Gross profit</b>	<b>331</b>	<b>300</b>	<b>310</b>	<b>339</b>	<b>367</b>	<b>319</b>	<b>329</b>	<b>362</b>	<b>304</b>	<b>297</b>	<b>311</b>	<b>320</b>	<b>310</b>	<b>1.316</b>	<b>1.315</b>	<b>1.237</b>	<b>1.261</b>	<b>1.188</b>
<i>% margin</i>	20,4	20,2	19,8	20,6	22,9	22,8	23,0	23,8	22,0	20,4	19,4	18,9	18,2	20,9	22,9	19,2	19,4	18,6
<b>EBITDA rep.</b>	<b>56</b>	<b>33</b>	<b>47</b>	<b>63</b>	<b>77</b>	<b>37</b>	<b>71</b>	<b>72</b>	<b>16</b>	<b>2</b>	<b>28</b>	<b>-17</b>	<b>10</b>	<b>220</b>	<b>196</b>	<b>24</b>	<b>191</b>	<b>124</b>
<i>% margin</i>	3,4	2,2	3,0	3,9	4,8	2,6	5,0	4,8	1,2	0,2	1,8	-1,0	0,6	3,5	3,4	0,4	2,9	2,0
EBITDA rep. (curr. eff.)	-5	-3	-2	1	1	0	-1	-1	0	2	4	2	1	-3	-1	10	1	-3
<b>EBIT</b>	<b>35</b>	<b>9</b>	<b>25</b>	<b>41</b>	<b>54</b>	<b>-4</b>	<b>48</b>	<b>49</b>	<b>-8</b>	<b>-297</b>	<b>5</b>	<b>-44</b>	<b>-15</b>	<b>130</b>	<b>85</b>	<b>-350</b>	<b>98</b>	<b>-6</b>
Financial result	-7	-9	-8	-8	-8	-10	-8	-7	-8	-12	-12	-13	-12	-33	-33	-49	-59	-73
<b>EBT</b>	<b>28</b>	<b>1</b>	<b>17</b>	<b>33</b>	<b>46</b>	<b>-14</b>	<b>40</b>	<b>42</b>	<b>-16</b>	<b>-309</b>	<b>-7</b>	<b>-56</b>	<b>-27</b>	<b>97</b>	<b>52</b>	<b>-399</b>	<b>39</b>	<b>-79</b>
Income taxes	-7	29	-4	-9	-10	2	-9	-9	2	45	-2	1	6	5	-14	50	-17	-12
<b>Net income</b>	<b>21</b>	<b>30</b>	<b>13</b>	<b>24</b>	<b>36</b>	<b>-12</b>	<b>31</b>	<b>33</b>	<b>-14</b>	<b>-263</b>	<b>-9</b>	<b>-55</b>	<b>-22</b>	<b>102</b>	<b>38</b>	<b>-349</b>	<b>22</b>	<b>-90</b>
Minority interests	0	0	1	1	0	0	0	1	0	-1	0	-1	0	1	1	-2	0	-6
<b>Net income KCO</b>	<b>21</b>	<b>30</b>	<b>12</b>	<b>23</b>	<b>36</b>	<b>-12</b>	<b>31</b>	<b>32</b>	<b>-14</b>	<b>-263</b>	<b>-9</b>	<b>-54</b>	<b>-21</b>	<b>101</b>	<b>37</b>	<b>-347</b>	<b>22</b>	<b>-85</b>
<b>EPS basic (€)</b>	<b>0,21</b>	<b>0,30</b>	<b>0,12</b>	<b>0,23</b>	<b>0,36</b>	<b>-0,13</b>	<b>0,31</b>	<b>0,32</b>	<b>-0,14</b>	<b>-2,63</b>	<b>-0,09</b>	<b>-0,54</b>	<b>-0,22</b>	<b>1,01</b>	<b>0,37</b>	<b>-3,48</b>	<b>0,22</b>	<b>-0,85</b>
<b>EPS diluted (in €)</b>	<b>0,20</b>	<b>0,28</b>	<b>0,12</b>	<b>0,22</b>	<b>0,34</b>	<b>-0,13</b>	<b>0,31</b>	<b>0,32</b>	<b>-0,14</b>	<b>-2,63</b>	<b>-0,09</b>	<b>-0,54</b>	<b>-0,22</b>	<b>0,96</b>	<b>0,37</b>	<b>-3,48</b>	<b>0,22</b>	<b>-0,85</b>
<b>Net debt</b>	<b>472</b>	<b>330</b>	<b>435</b>	<b>486</b>	<b>475</b>	<b>444</b>	<b>438</b>	<b>435</b>	<b>383</b>	<b>385</b>	<b>517</b>	<b>571</b>	<b>650</b>	<b>330</b>	<b>444</b>	<b>385</b>	<b>472</b>	<b>325</b>
<b>NWC</b>	<b>1.318</b>	<b>1.132</b>	<b>1.282</b>	<b>1.306</b>	<b>1.296</b>	<b>1.120</b>	<b>1.197</b>	<b>1.168</b>	<b>1.134</b>	<b>1.128</b>	<b>1.369</b>	<b>1.452</b>	<b>1.559</b>	<b>1.132</b>	<b>1.120</b>	<b>1.128</b>	<b>1.321</b>	<b>1.216</b>

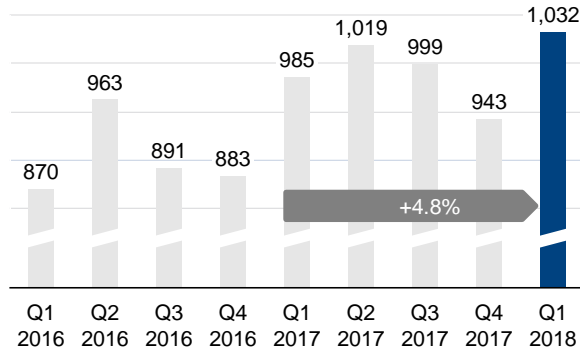
# 05 Segment performance

Europe

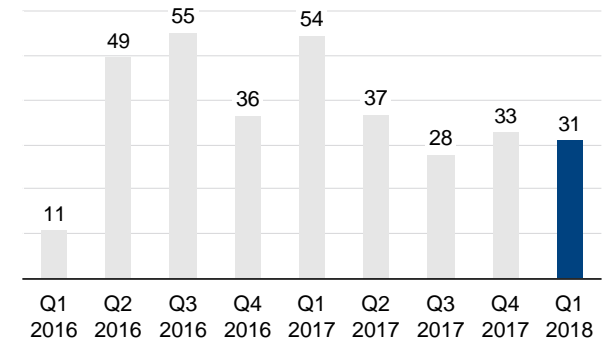
Shipments (Tto)



Sales (€m)

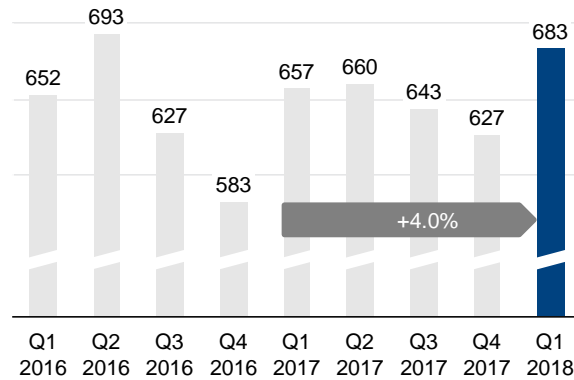


EBITDA (€m)

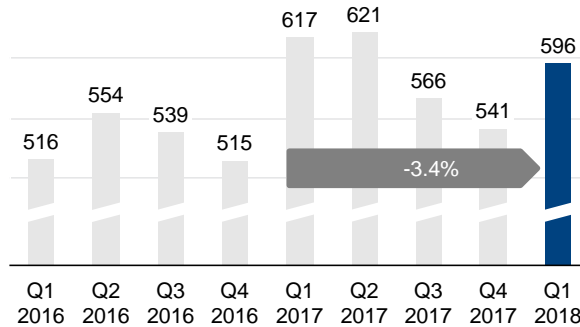


Americas

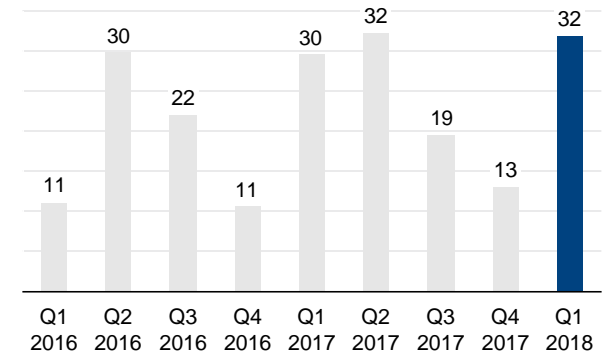
Shipments (Tto)



Sales (€m)

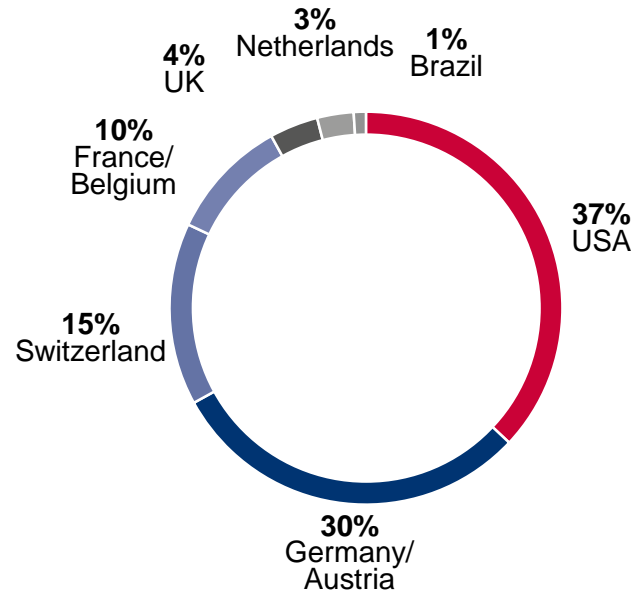


EBITDA (€m)

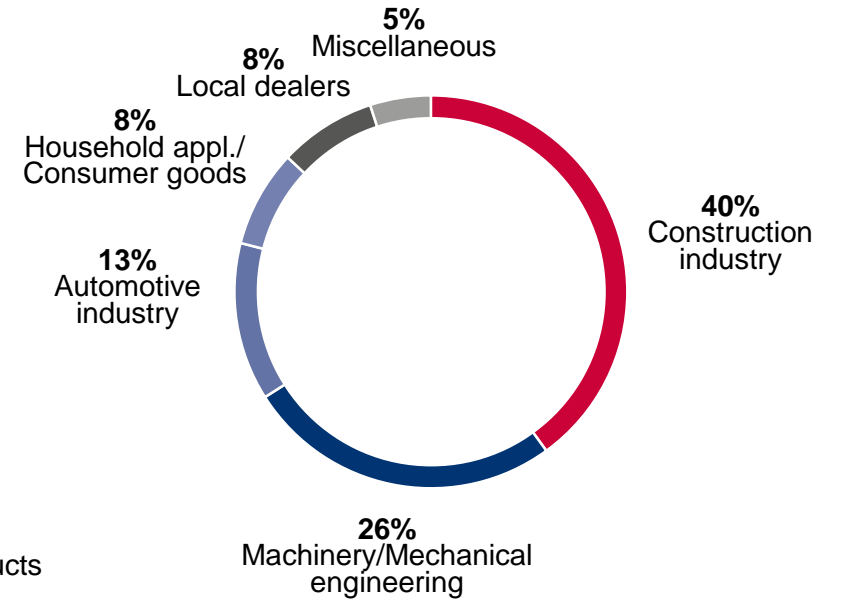


# 05 Sales by markets, products and industries

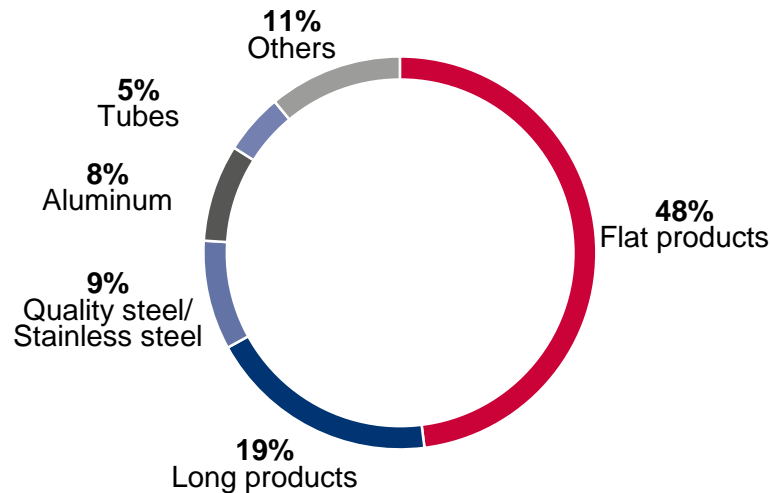
### Sales by markets



### Sales by industry



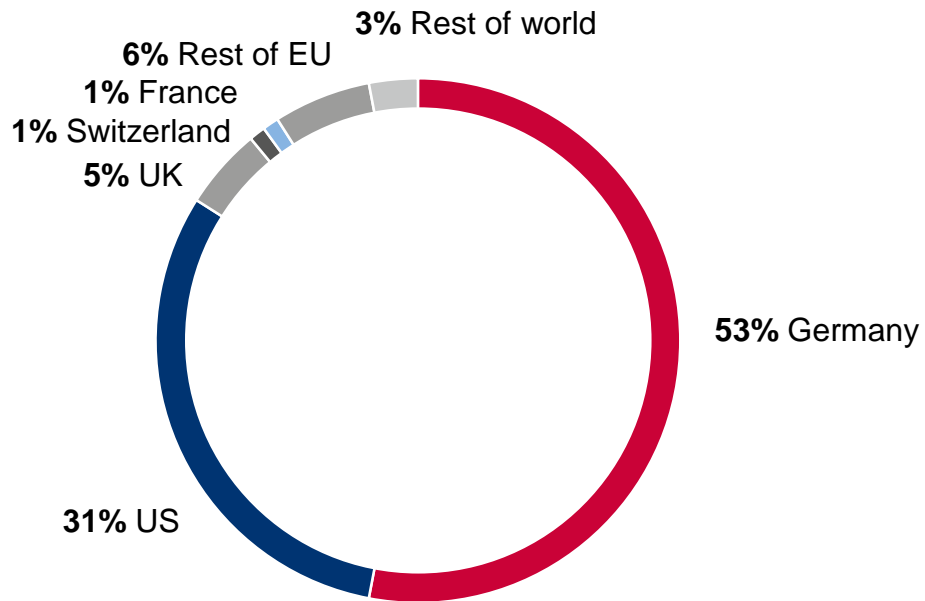
### Sales by product



As of December 31, 2017.

# 05 Current shareholder structure

## Geographical breakdown of identified institutional investors



## Comments

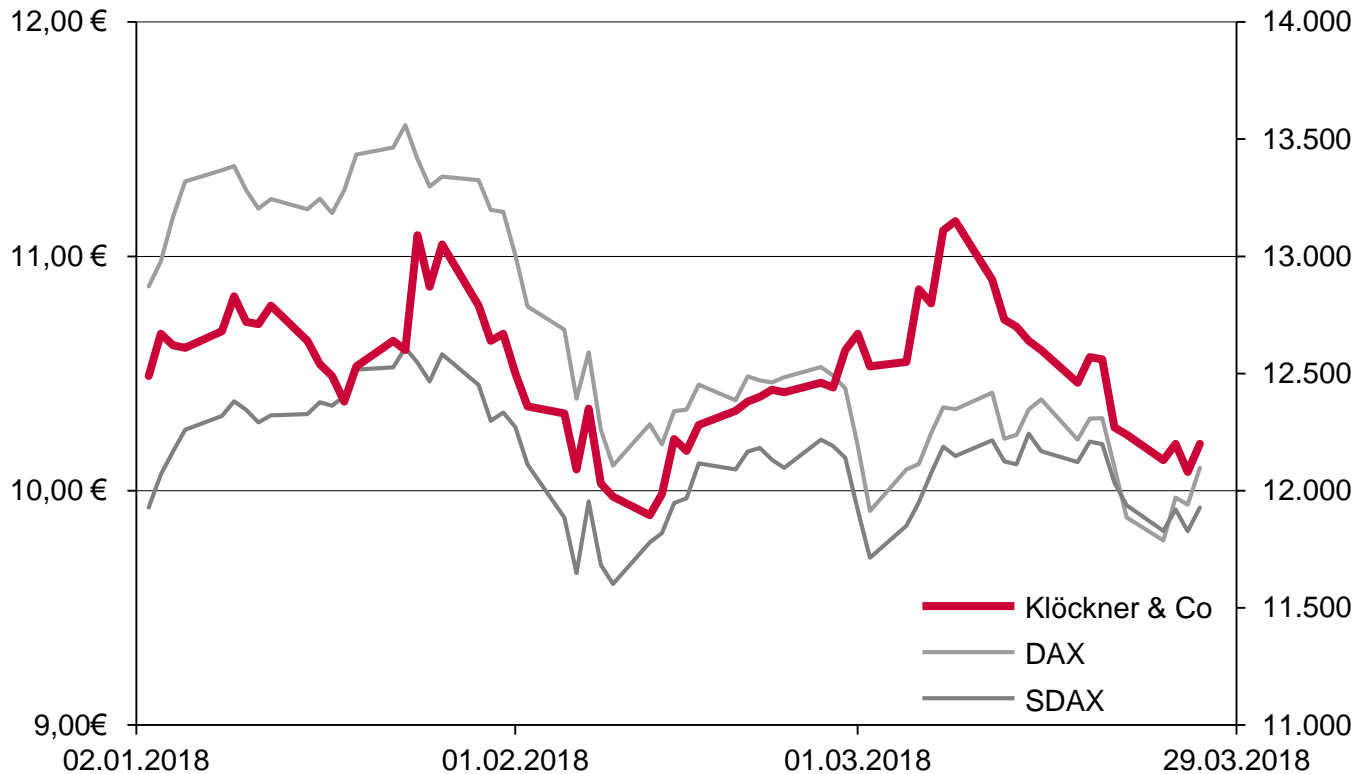
- Identified institutional investors account for 72%
- German investors incl. retail dominate
- Top 10 shareholdings represent around 51%
- Retail shareholders represent 21%

As of January 2018.



## 05 Share price performance in Q1 2018

### Share performance Klöckner & Co SE



- At the beginning of Q1 2018, the price of the Klöckner share rose initially, reaching the level of €11.09 on January 24
- In the aftermath the share price fell reaching the lowest point of the quarter at €9.90 on February 12
- Another increase of the share followed, up to €11.15 on March 9, the highest level of the quarter
- The share fell after its value increase from the beginning of March to a certain extent and went out of trading at €10.20 at the end of Q1 2018

## 05 Dividend policy

### Dividend policy

In general, Klöckner & Co SE follows a **dividend policy** of distributing **30% of net income** before special items.

Given the **volatility** of our business model, a sustainable **dividend payment** can not be guaranteed. If there is a **possibility of dividend distribution**, we will do it for the **benefit of our investors**.

- Compliance with the dividend policy of €0.80 per share for the years 2006 and 2007
- Suspension of the dividend policy for the financial year 2008 in view of the beginning of the **euro crisis** and no dividend payment
- **Due to earnings** no dividend payment in 2009
- **Inclusion** of our general dividend policy in financial year 2010 with a dividend of €0.30 per share
- **Due to earnings** no dividend payment in 2011, 2012 and 2013
- **Full distribution** of net profit for the financial year 2014 (€0.20 per share)
- Dividend payment of €0.20 per share in 2016 and **€0.30 per share for the 2017 financial year**

#### DIVIDEND PAYMENT PER SHARE

2006	2007	2008-2009	2010	2011-2013	2014	2015	2016	2017
€0.80	€0.80	-	€0.30	-	€0.20	-	€0.20	€0.30

## 05 Current shareholder structure

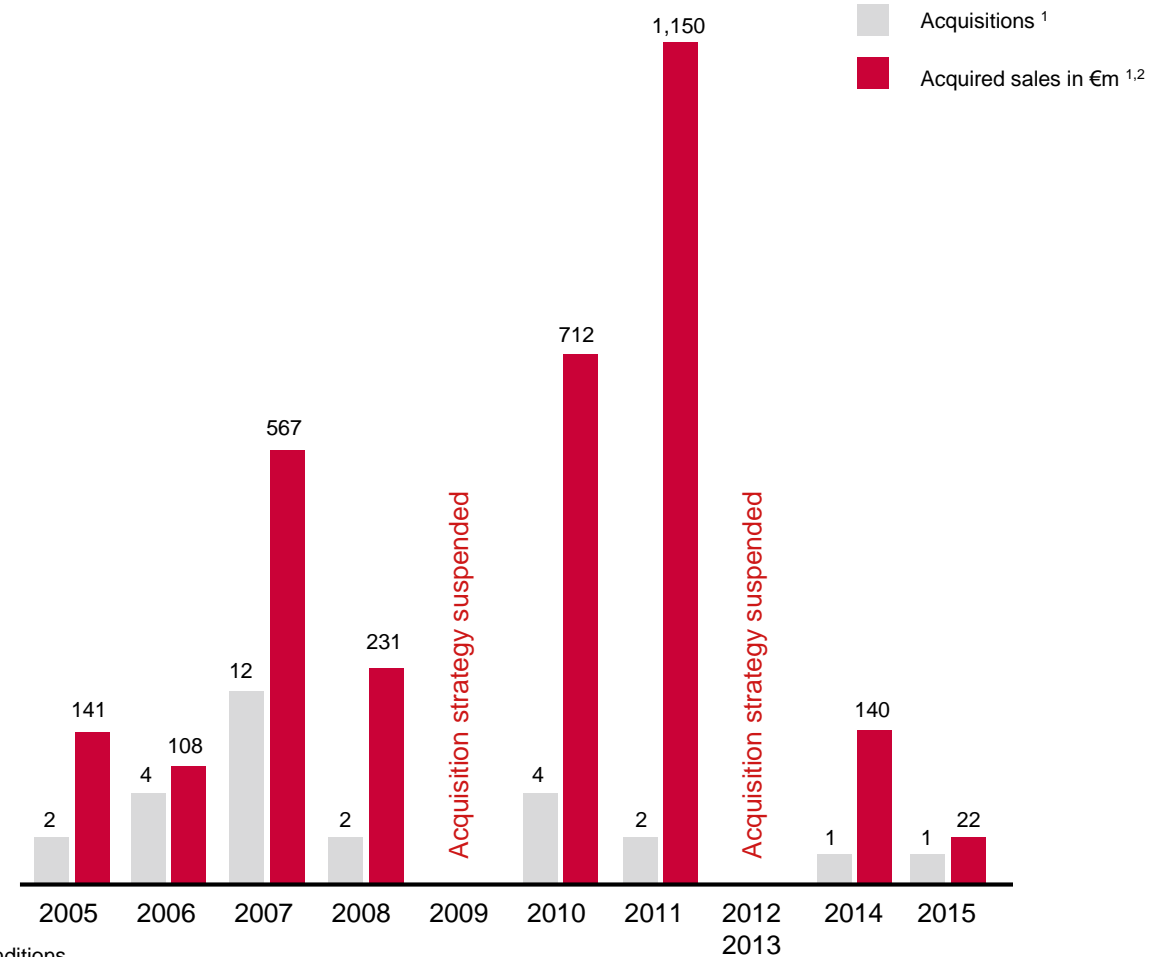
Voting Rights Announcements according to WpHG (Security Trading Act)\*

Date of publication	Subject to compulsory notification	Portion of voting stock
22/08/2017	Federated Global Investment Management Corp.	3.01 %
09/02/2016	Swoctem GmbH / Friedhelm Loh	25.25%
04/03/2015	Franklin Mutual Series Funds	3.07%
18/03/2014	Franklin Mutual Advisors	5.35%
02/02/2012	Dimensional Holdings Inc. / Dimensional Fund Advisors LP	3.06%

\*) The table lists all shareholders, whose Klöckner & Co SE voting shares **exceed** one of the notification thresholds under section 21 clause 1 WpHG, based on notification as of Feb. 28, 2017.






## 05 Strong Growth: 26 acquisitions since the IPO

Country	Acquired <sup>1)</sup>	Company	Sales (FY) <sup>2)</sup>
<b>2015</b>			<b>1 acquisition</b>
USA	Oct. 2015	American Fabricators	€22m
<b>2014</b>			<b>1 acquisition</b>
CH	2 <sup>nd</sup> quarter 2014 <sup>3)</sup>	Riedo	€140m
<b>2011</b>			<b>2 acquisitions</b>
Brazil	May 2011	Frefer	€150m
USA	April 2011	Macsteel	€1bn
<b>2010</b>			<b>4 acquisitions</b>
USA	Dec 2010	Lake Steel	€50m
USA	Sep 2010	Angeles Welding	€30m
GER	Mar 2010	Becker Stahl-Service	€600m
CH	Jan 2010	Bläsi	€32m
<b>2008</b>			<b>2 acquisitions</b>
US	Mar 2008	Temtco	€226m
UK	Jan 2008	Multitubes	€5m
<b>2007</b>			<b>12 acquisitions</b>
<b>2006</b>			<b>4 acquisitions</b>

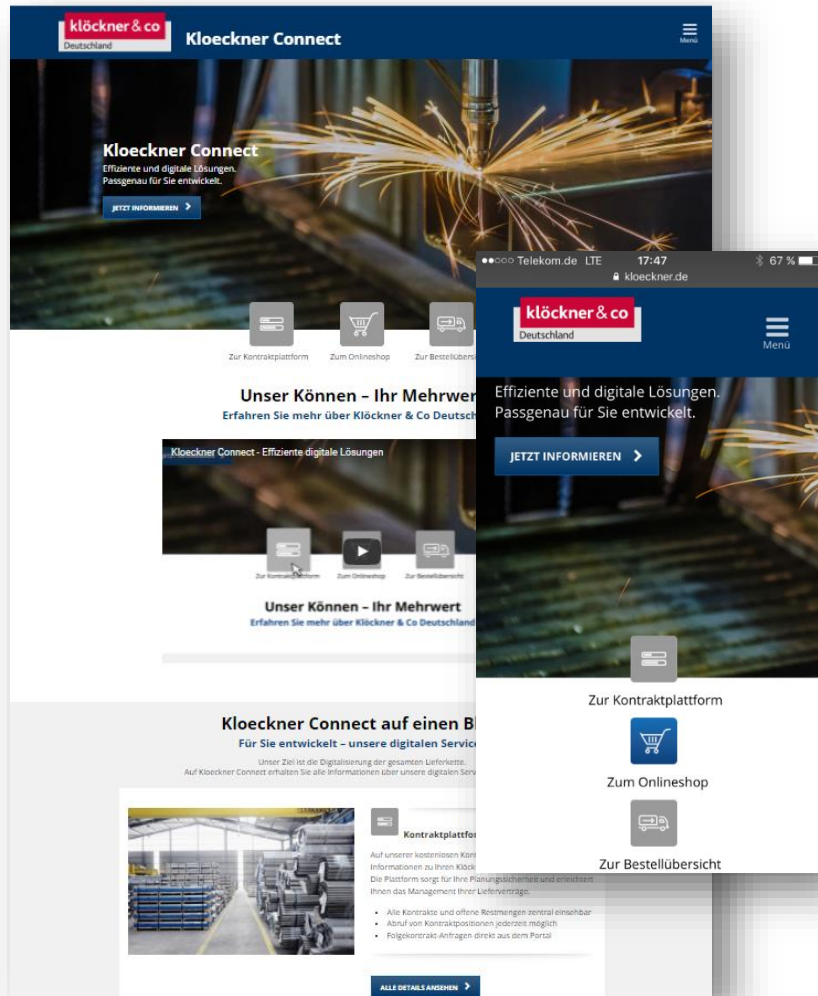


<sup>1)</sup> Date of announcement <sup>2)</sup> Sales in the year prior to acquisitions <sup>3)</sup> The transaction is still subject to normal closing conditions but has already been approved, with a different transaction structure, by the Swiss Competition Commission.

## 05 Overview of the main digital portals and tools

	<p><b>Kloeckner Connect</b></p> <p>Kloeckner Connect is a portal combining all services we provide. Find all the digital solutions at first glance.</p>	<p><b>Benefits for the customer:</b></p> <ul style="list-style-type: none"><li>✓ Portal which connects all relevant information on our digital products and services</li><li>✓ It informs about online tools, interfaces and intl. networks</li></ul>
	<p><b>Contract Portal/ Part Manager</b></p> <p>It supplies information on all current and historical contracts and allows materials to be called-off.</p>	<p><b>Benefits for the customer:</b></p> <ul style="list-style-type: none"><li>✓ All Klöckner contracts at a glance</li><li>✓ View individual material stock</li><li>✓ Look into future and historical material call-offs</li></ul>
	<p><b>Onlineshop/ Marketplace</b></p> <p>Onlineshop makes ordering steel more comfortable than ever – no matter where or when.</p>	<p><b>Benefits for the customer:</b></p> <ul style="list-style-type: none"><li>✓ Abandon time and place bound ordering</li><li>✓ Instant quotes; easy order, reorder, bulk order</li><li>✓ Lower transaction costs/ lower stock</li></ul>
	<p><b>Kloeckner Direct</b></p> <p>US customers are granted transparency in terms of stock availability at specific branches. Currently updated to a comprehensive onlineshop.</p>	<p><b>Benefits for the customer:</b></p> <ul style="list-style-type: none"><li>✓ Direct view into the branches stock and availability</li><li>✓ Quote generation easy and convenient – online, saves time</li><li>✓ Create and send a request for a quote</li></ul>
	<p><b>Order Transparency Tool</b></p> <p>This tool grants access to all information concerning the current and historical orders.</p>	<p><b>Benefits for the customer:</b></p> <ul style="list-style-type: none"><li>✓ Complete overview of all open and closed orders</li><li>✓ Check the status of future deliveries</li><li>✓ Intuitive and user friendly interface</li></ul>

# 05 Service portal Kloeckner Connect as central access point for customers to Onlineshop, Contract Portal and various digital tools



## Key facts

- Responsive design for mobile and smartphone access
- Starting point for the digital journey of KCO's customers
- Important source for KCO's SEO\*-ranking
  - SEO is a specific discipline focused on the optimizations needed on content that is relevant to users and ultimately attracts the right customers to the business
  - Rankings in SEO refers to a website's position in the search engine results page influenced by various ranking factors
  - Important role for overall digital marketing

\* Search engine optimization

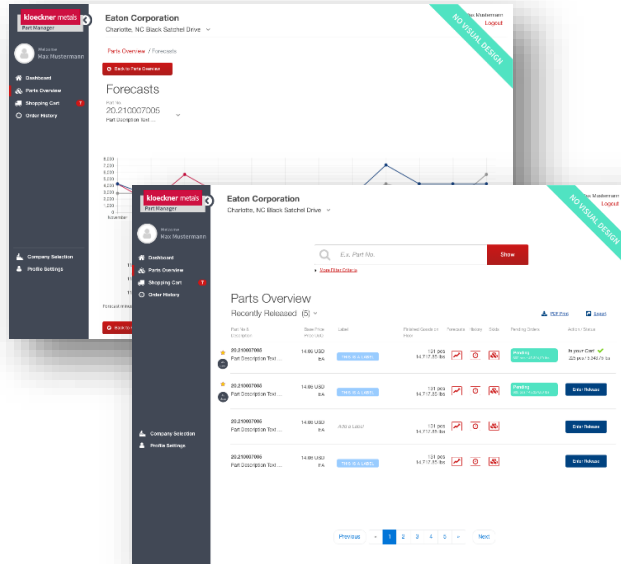
# 05 European Contract Portal for customers with time, volume and product contracts



## Key facts

- Clearly structured overview of prices, volumes and maturity dates
- Order-Release 24/7 by mouse click via PC or tablet
- Option to contact KCO sales agent for new contract negotiations
- Fully integrated into service portal Kloeckner Connect
- OCI interface to ERP systems of customers
- Integrated into third party platform Axoom (Trumpf)

# 05 The Part Manager has become an important sales channel for flat rolled products in the US



## Key facts

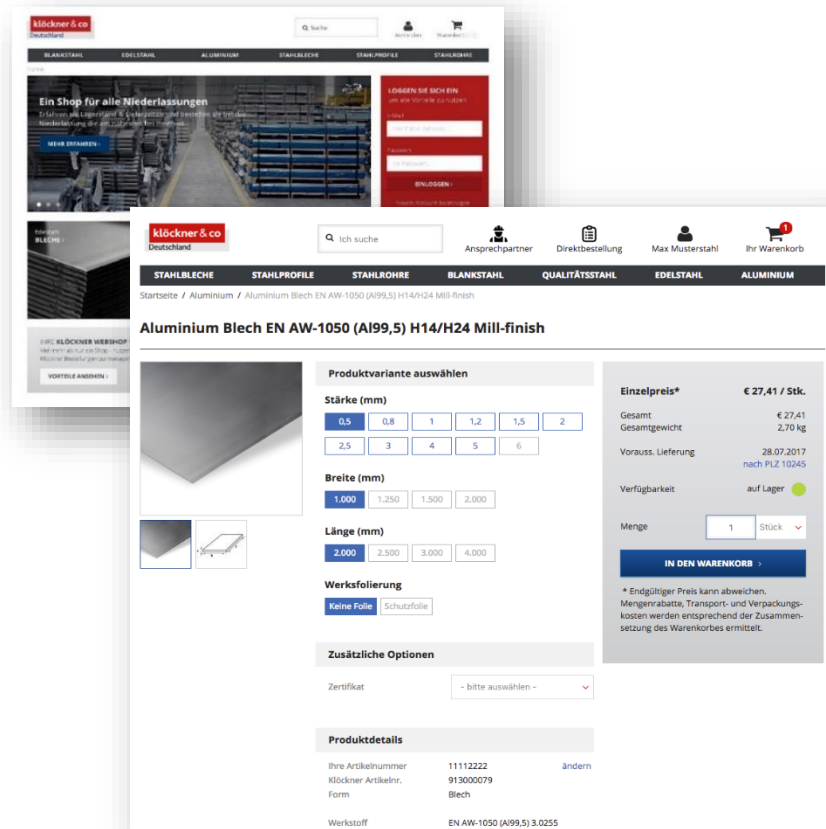
- Clearly structured overview of prices, volumes and maturity
- Real-time availability of parts and pending orders
- Placement of orders directly from the shop floor via tablet
- Forecasted and historical consumption
- Online release of consigned goods
- Currently redesign for better customer experience

## Whirlpool® customer quote:

*"Parts Manager has been a great tool for us here at the Whirlpool Tulsa plant. It has allowed my team to place daily steel orders more accurately and efficiently, which has opened up more time for us to move our business forward and make improvements that are critical to our success."*

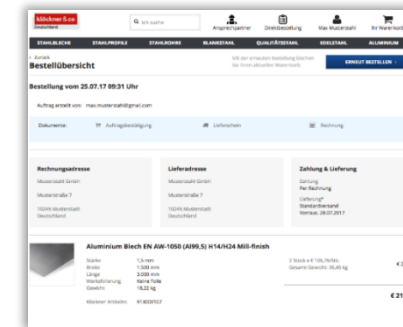
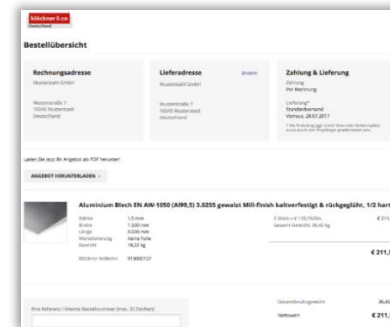


# 05 Onlineshop further advanced



## Key facts

- Live in Germany, Austria, the Netherlands, United Kingdom
- Further rollouts in France this year and in Belgium in 2018
- Offers full price and delivery time transparency
- Integration into ERP systems of customers via OCI interface
- Open for 3rd party sellers / distributors with complementary products shortly
- Possibility of payment via credit card shortly
- Third party interface via webservice API
- Fully integrated into service portal Kloeckner Connect

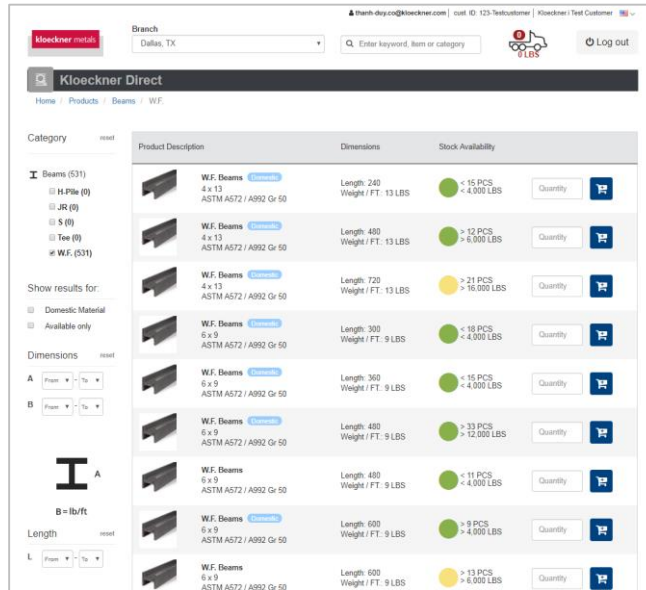


# 05 Offering the full range of steel and metals through online shop marketplace feature without inventory build-up

## KCO Germany

	Flat Steel	Profiles	Tubes	Bright Steel	Quality Steel	Stainless	Aluminum	Copper & Bronze
<b>Current focus</b>	●	●	◐	◐	●	◐	◑	○
<b>Supplier A</b>			X					
<b>Supplier B</b>				X				
<b>Supplier C</b>								X
<b>Supplier D</b>						X	X	X
<b>2018</b>	●	●	●	●	●	●	●	●

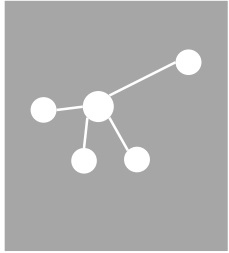
# 05 Kloeckner Direct will be expanded to a comprehensive online shop for the US



## Key facts

- Online product catalog of KCO in the US
- Focus on spot market
- Better overview of stock availabilities within a region
- Automating quote and order process
- Rolling out to >130 customers in the first stage in May 2017
- Continuous development to a comprehensive Onlineshop fully inhouse in 2018
- Total investment until June 2017 €0,7m

## 05 Overview of further digital solutions



### OCI/ EDI

This interface allows a direct connection between an ERP and the Klöckner online shop.

### Benefits for the customer:

- ✓ Klöckner plugin for the SAGE 100 ERP System
- ✓ Enables ERP to ERP communication
- ✓ Lowers transaction costs significantly

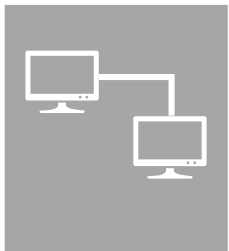


### Application programming interface (API)

Klöckner API is a REST interface which allows to easily connect with third party systems.

### Benefits for the customer:

- ✓ Klöckner products can be delivered in third party systems
- ✓ Quotes and orders possible via REST API
- ✓ Developer community to build business models around the API



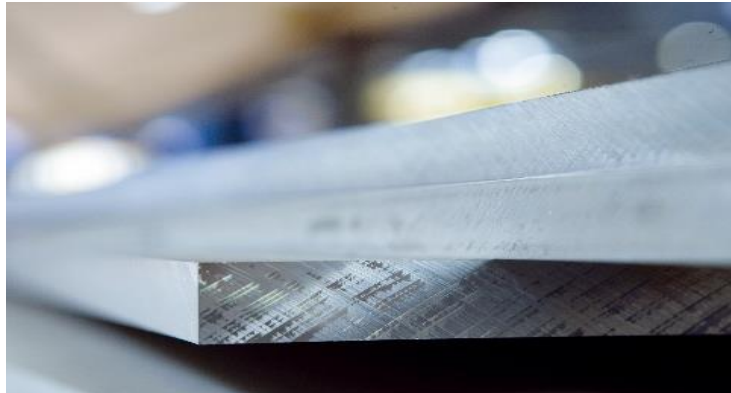
### Sage 100

This solution allows a direct connection to Klöckner ordering system and coordinates business processes.

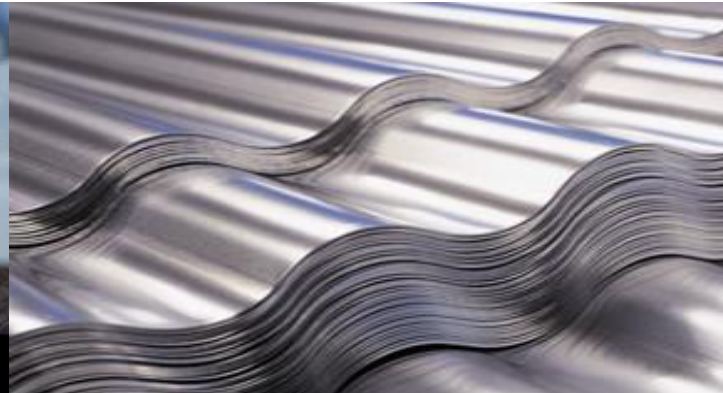
### Benefits for the customer:

- ✓ More transparency and an automatic exchange of information
- ✓ Efficient processes which increase your competitive edge
- ✓ Transparent insights into current purchasing conditions

## 05 Products



**Flat Products**



**Stainless / Aluminium / Quality**



**Hollow Sections**



**Long Products**



**Tubes**



**Coils**

## 05 Services



**Cut to length, forming**



**Surface treatment**



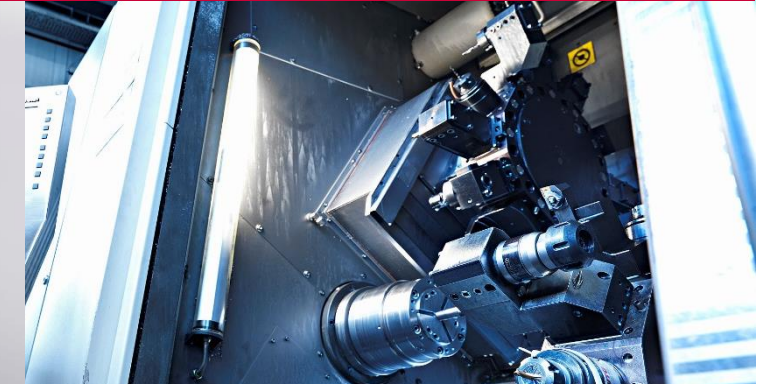
**Laser and flame cutting**



**Rolling/ cutting/ slitting of coils**



**3d laser and 3d printing**



**Mechanical machining**

## Contact details

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## Financial calendar

July 24, 2018      Q2 interim statement 2018

October 24, 2018      Q3 interim statement 2018