

CAPITAL MARKETS PRESENTATION

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 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 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. Overview**
2. Strategy
3. Highlights and financials
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KLÖCKNER & CO SE AT A GLANCE



7,700
Employees



6.3€ billion
Sales FY 2019



5.6 million tons
Shipments FY 2019



>100,000
Customers



124€ million
EBITDA* FY 2019



60
Suppliers



200,000
Products



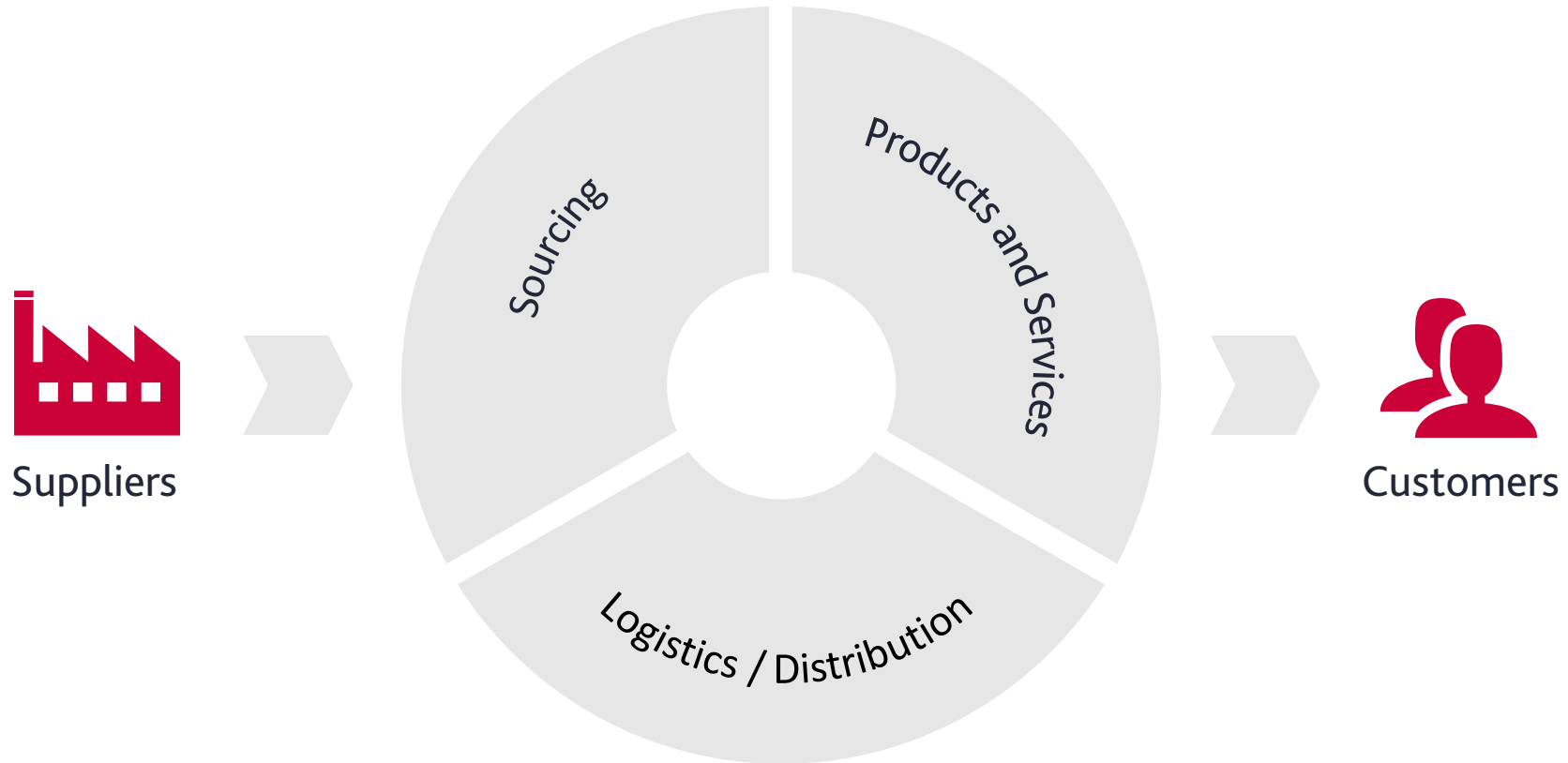
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Countries



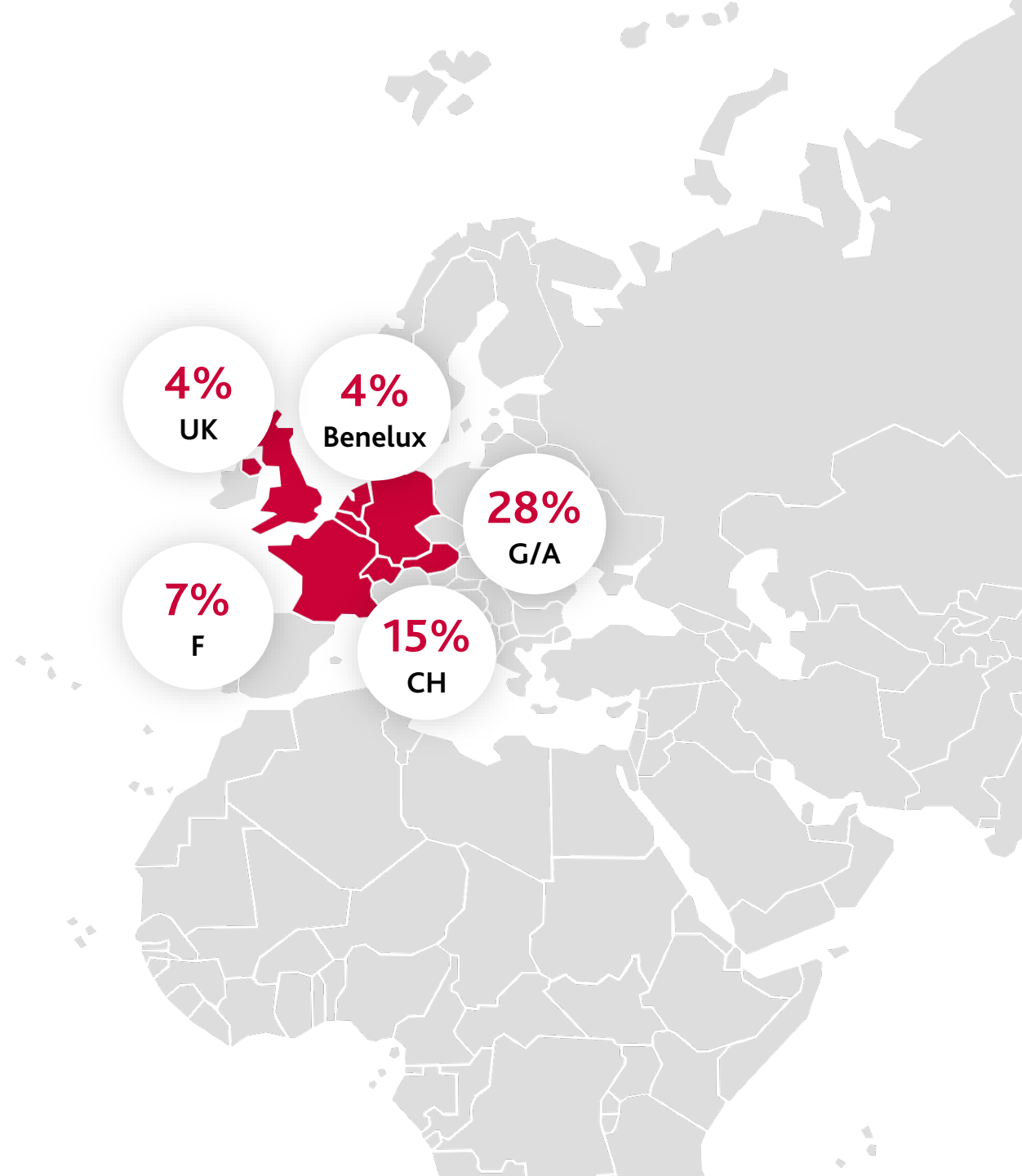
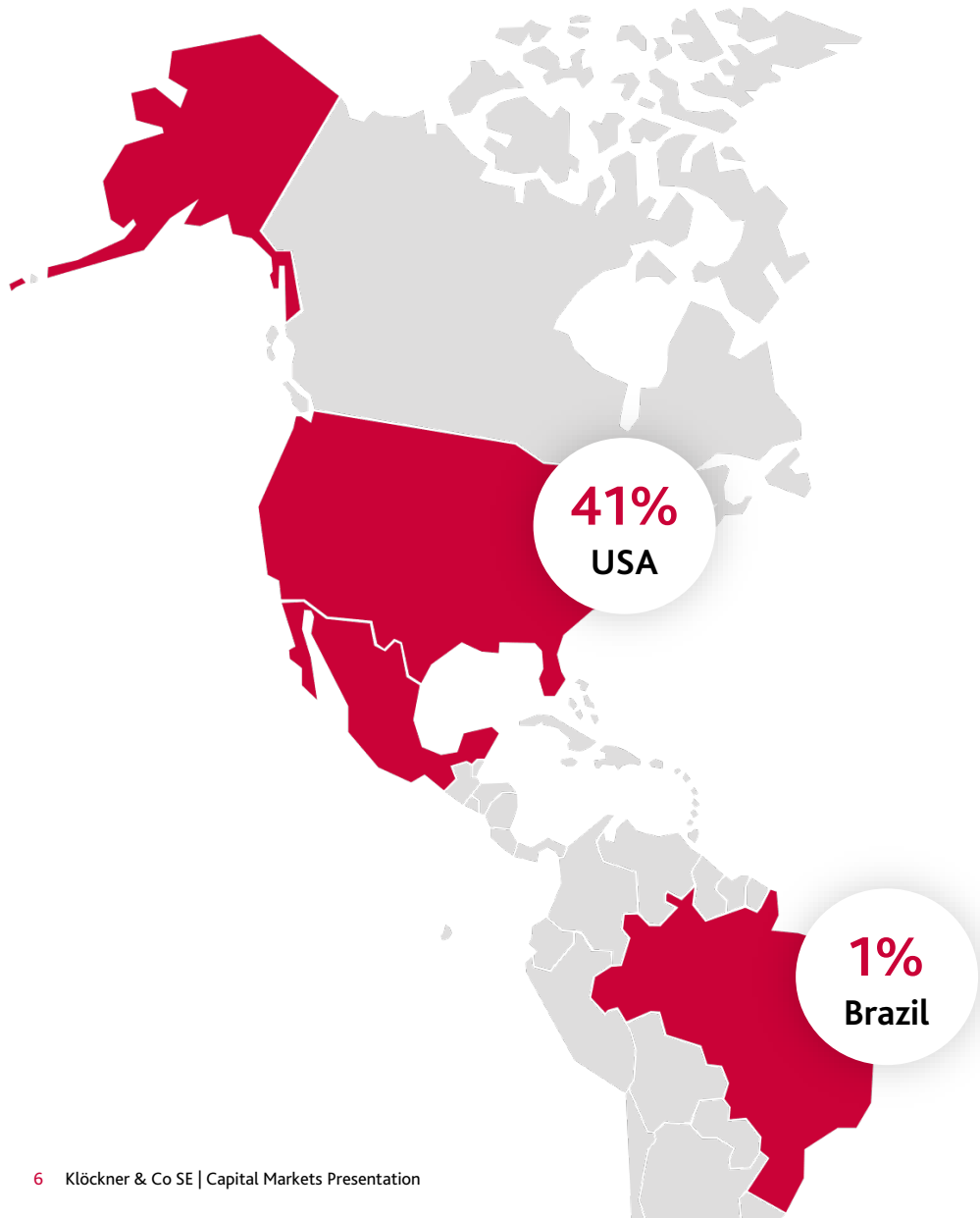
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Locations

* Before material special effects.

KLÖCKNER & CO VALUE CHAIN – EVERYTHING FROM ONE SOURCE

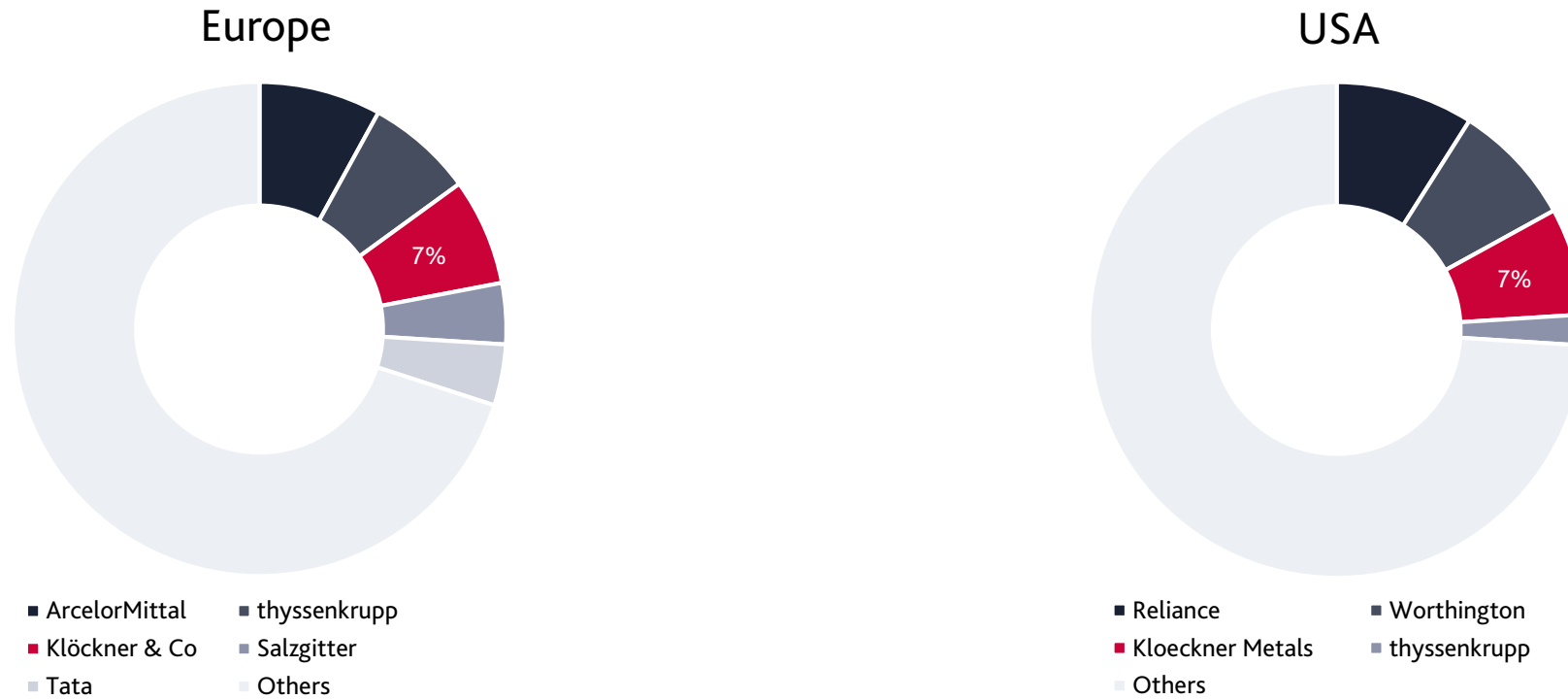


GLOBAL REACH – LOCAL PRESENCE



LEADING PLAYER IN FRAGMENTED MARKETS

Market shares of Klöckner & Co 2019



Source: Eurometal, Purchasing Magazine, Service Center News, MSCI.

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THE FUNDAMENTALS OF STEEL DISTRIBUTION REMAIN CHALLENGING



Customers

- Generally not bound to any supplier because of the generic nature, especially of commodity steel (low switching costs)
- Often under price pressure, especially where steel is making up a major part of their costs



Competition

- Steel distribution markets remain fragmented
- Competition mainly on price and availability
- Mill-backed distributors in Europe have a market share strategy in order to utilize assets instead of focusing on profitability

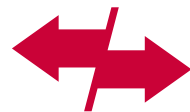
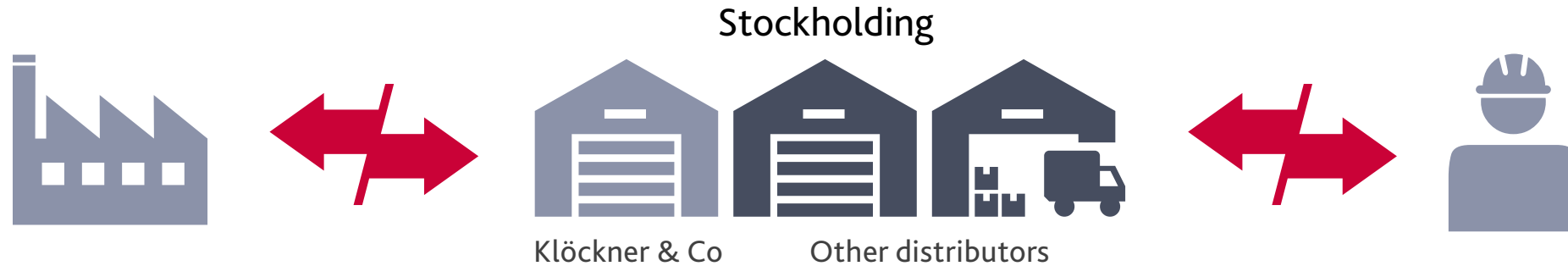


Global Steel Markets

- Global steel demand is expected to grow slowly going forward
- Overcapacity in the steel industry spread across the world, but most pronounced in China, is likely to stay for the foreseeable future

CURRENT LINEAR STEEL SUPPLY CHAIN IS HIGHLY INEFFICIENT AND INTRANSPARENT

Long delivery times, incorrect deliveries and high inventory levels



No effective information and data exchange
on available inventory, lead times etc.

FROM DIGITALIZATION TO TRANSFORMATION TOWARDS A PLATFORM COMPANY

Digitalization of traditional company

- Automizing certain processes to support specific business functions
- Structure, organization and business model remains in place
- Employees intervene in the core processes

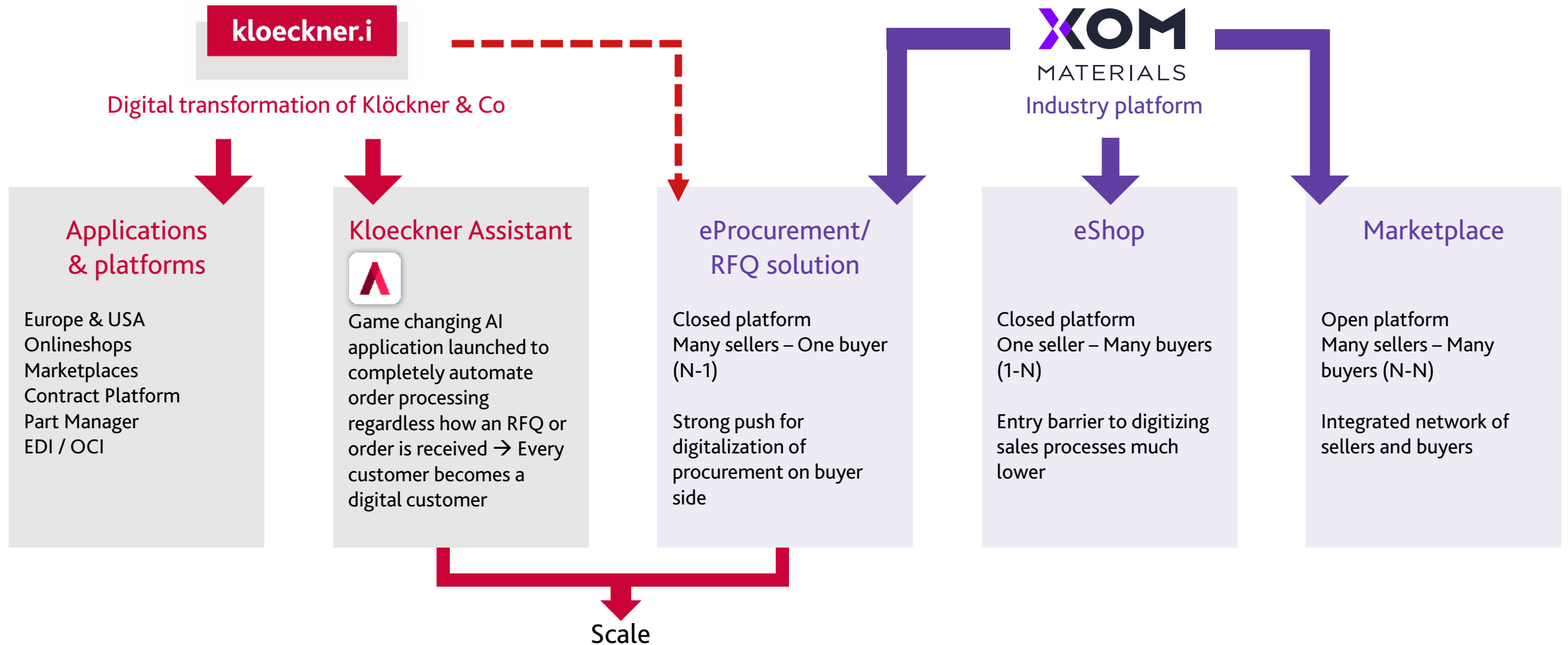
Lower, but still high variable resp. incremental costs enable only linear growth

Transformation towards a platform

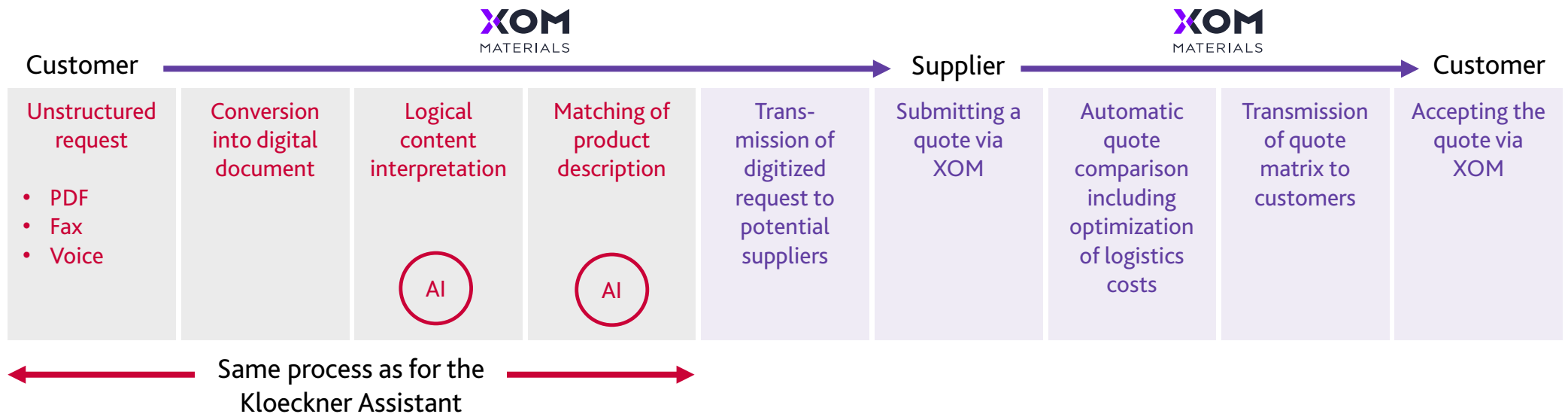
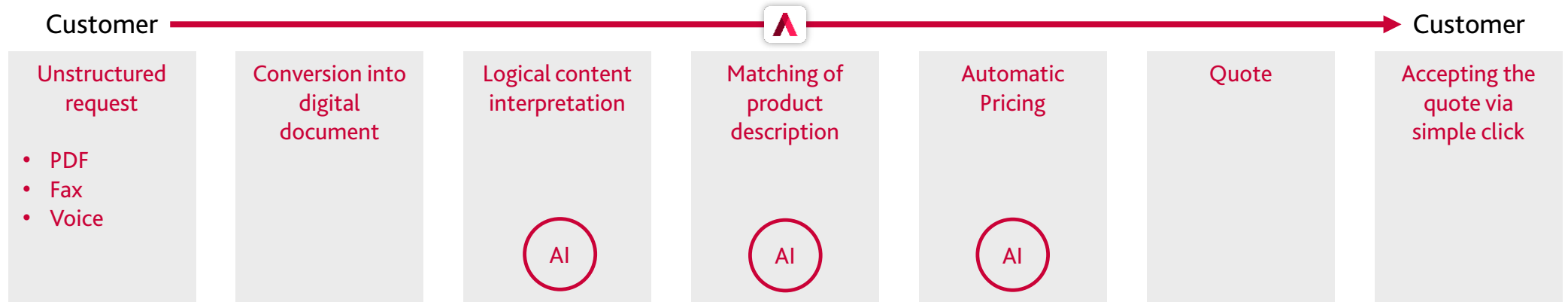
- Fully automated processes will make up the operating core, replacing a large part of our labor-intensive organization
- Fundamental change of structure, organization and business model
- Employees design and manage the AI-driven organization that actually runs all core processes

Much lower variable resp. incremental costs enable exponential growth

DIGITAL TRANSFORMATION AND PLATFORM BUSINESS



KLOECKNER ASSISTANT AND XOM ePROCUREMENT AS GAME CHANGER



DIGITAL TRANSFORMATION OF KLÖCKNER & CO



kloeckner.i



XOM
MATERIALS

Accelerated increase in digital sales share continues

- Digital sales share up to 42% in Q3 (Q3 2019: 30%) and target for the FY 2020 already exceeded

Automatization of sales process through Kloeckner Assistant

- Ambitious roll-out plan on track, running in all countries
- Volume of >€180m from >2,000 customers processed
- Application ready for orders and RFQs
- MATCH!-functionality now automatically linking individual product descriptions to Klöckner & Co catalog
- Next steps: Functionality for processing

Scaling of XOM Materials

- 55 suppliers live (72 signed), >32,000 products on offer, ~1,500 customers registered and Gross Merchandise Value amounting to €64m YTD

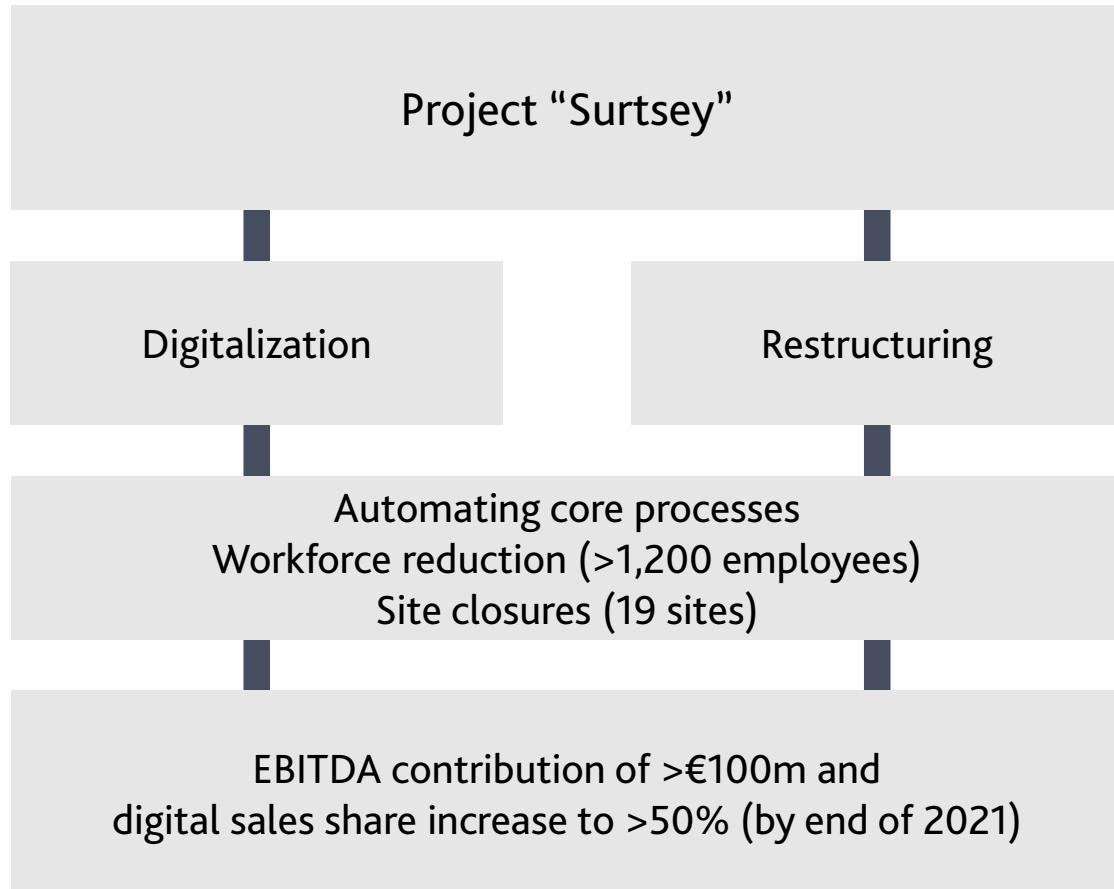
XOM eProcurement automates the procurement process

- Marketing of MVP-solution started with already more than 100 sellers active (mills and distributors)
- Customers can now also use application to place tenders and orders for project-business
- Next steps: Digitalization of the interface to suppliers and customers at product level

FURTHER DIGITAL TOOLS ACROSS THE VALUE CHAIN SUPPORTING TRANSFORMATION



PROJECT "SURTSEY" – CONSISTENT EXECUTION



Status update

- Consistent execution across all country organizations
- Starting phase completed and project plan on track
- Four sites closed in the USA in Q3
- First visible "Surtsey"-effects lead to a substantially improved OPEX base
- Workforce reduction of 350 FTEs (effect of ~€8m) by the end of Q3 (YTD 580 FTEs) mainly in the USA and Germany
- More than 80% of the workforce reductions implemented by the end of the year, agreements largely complete

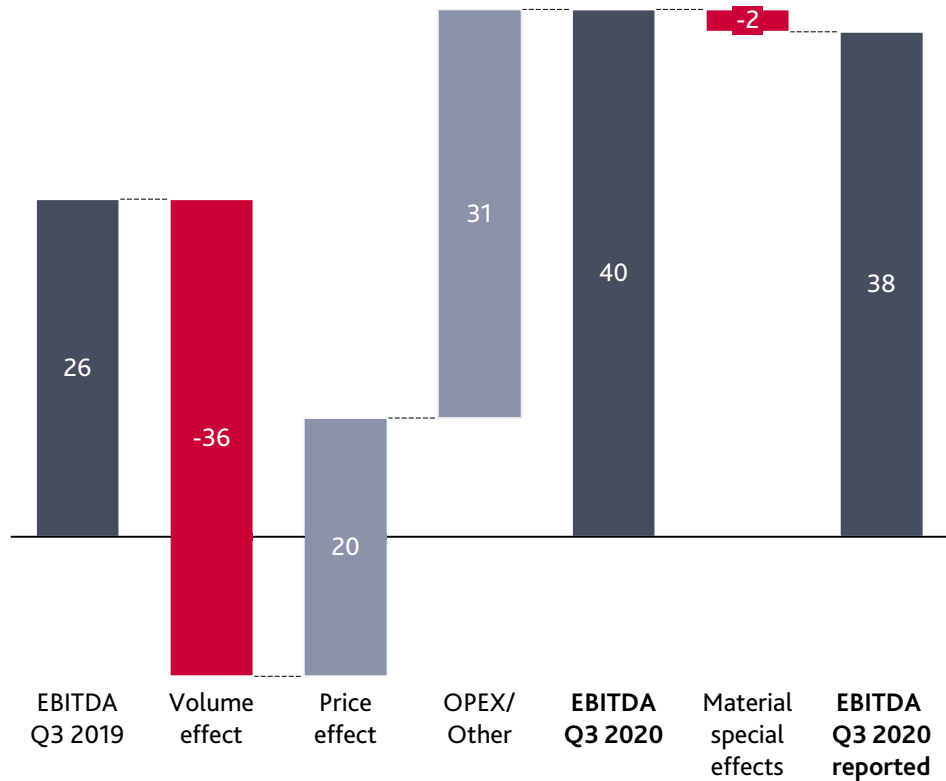
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HIGHLIGHTS OF Q3 2020

	Q3 2020	Q3 2019	Delta	
Shipments (Tto)	1,242	1,420	-12.5%	Impact of COVID-19 pandemic, market environment improved qoq
Sales (€m)	1,279	1,565	-18.3%	Volume driven paired with lower price level yoy
Gross profit (€m)	262	284	-7.4%	Gross profit declined due to lower volumes; higher margins yoy
EBITDA (€m)	40	26	+54.8%	Demand and price environment improved qoq; consistent execution of project "Surtsey"; EBITDA reported of €38m
Oper. CF (€m)	68	82	-14	Substantially positive due to strict NWC management
Net financial debt (€m)	427	634	-32.6%	Net debt significantly down yoy due to NWC release
Digital sales in Q3	42%	30%	+12%pts	FY targets already exceeded due to rollout of game-changing tools, additionally accelerated by COVID-19 pandemic

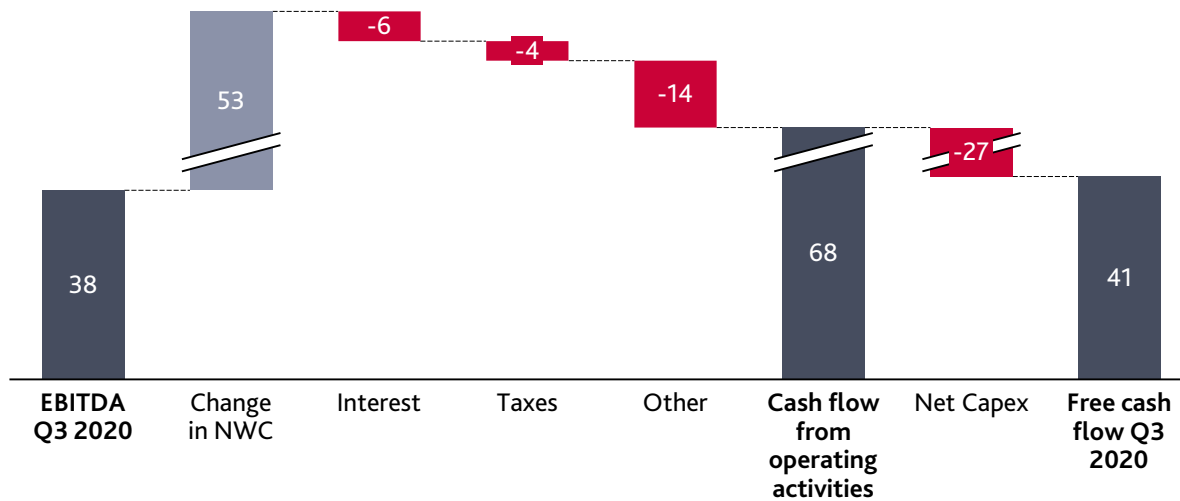
EBITDA (€M) IN Q3 2020



- Substantially negative volume effect mainly due to impacts of COVID-19 pandemic
- Positive price effect due to improved pricing environment in Europe and the USA
- OPEX significantly improved mainly driven by lower personnel expenses and shipping costs due to lay-off effects and lower output
- Material special effects resulting from project “Surtsey” for severances and site closure expenses

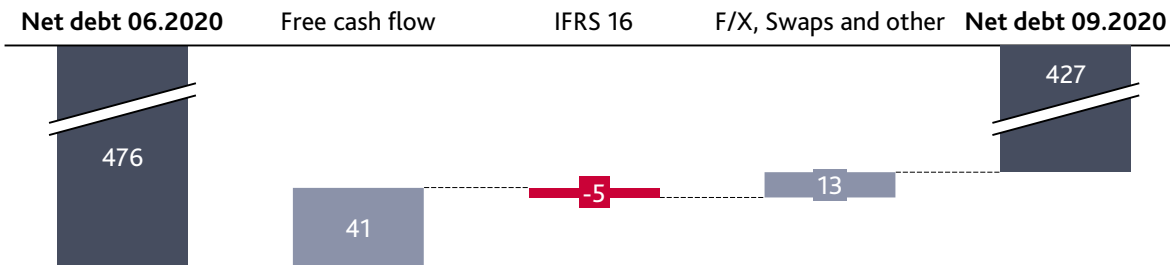
CASH FLOW AND NET DEBT DEVELOPMENT

Cash flow Q3 2020 (€m)



- Net working capital release of €53m
- Other (€14m) includes changes in other operating assets and liabilities
- Cash flow from operating activities of €68m
- Net capex of €27m including €15m in connection with the relocation of our site in the Greater London region
- Free cash flow of €41m

Net financial debt 06.2020 vs. 09.2020 (€m)



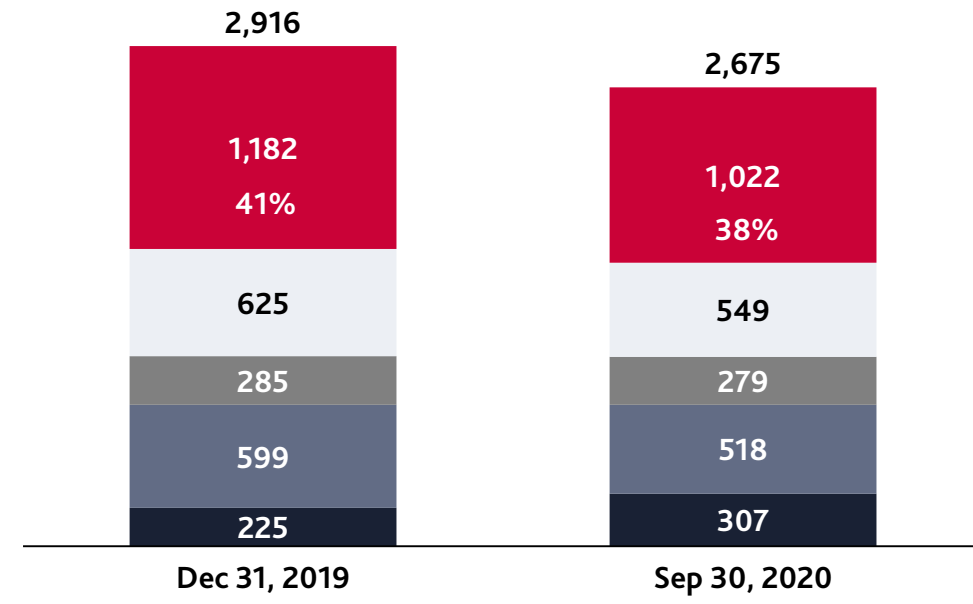
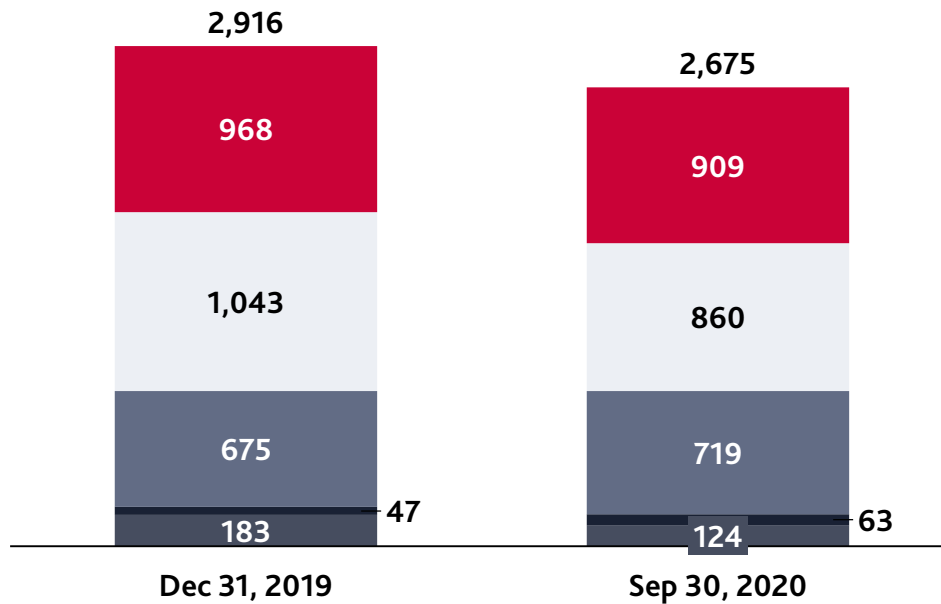
- Net financial debt with €427m on a remarkably low level driven by considerable NWC release

STRONG BALANCE SHEET

- Solid equity ratio of 38%
- Net debt of €427m
- Gearing* at 42%
- NWC at €1,062m (FY 2019: €1,119m)

* Gearing = Net debt/Equity attributable to shareholders of Klöckner & Co SE less goodwill from business combinations subsequent to May 23, 2019.

** Incl. contract assets and supplier bonuses



■ Non-current assets
 ■ Trade receivables**)
 ■ Liquidity
■ Inventories
 ■ Other current assets

■ Equity
 ■ Pensions
 ■ Other liabilities
■ Financial liabilities
 ■ Trade payables

MATURITY PROFILE – WELL-BALANCED & DIVERSIFIED FUNDING PORTFOLIO

Facility	Committed (€m)	Drawn amount (€m, IFRS*)	
		Q3 2020	FY 2019
Syndicated Loan	300	0	0
ABS Europe ¹⁾	220	129	115
ABS/ABL USA	470	64	124
Convertible 2016 ²⁾	148	144	142
Bilateral Facilities ³⁾	167	34	42
Leases	180	180	205
Total Debt	1,485	551	628
Cash		124	183
Net Debt		427	445

*) Including interest accrued, excluding deferred transaction costs.

1) Old ABS still in place as of September 30, 2020. New ABS-agreement signed on October 27, 2020.

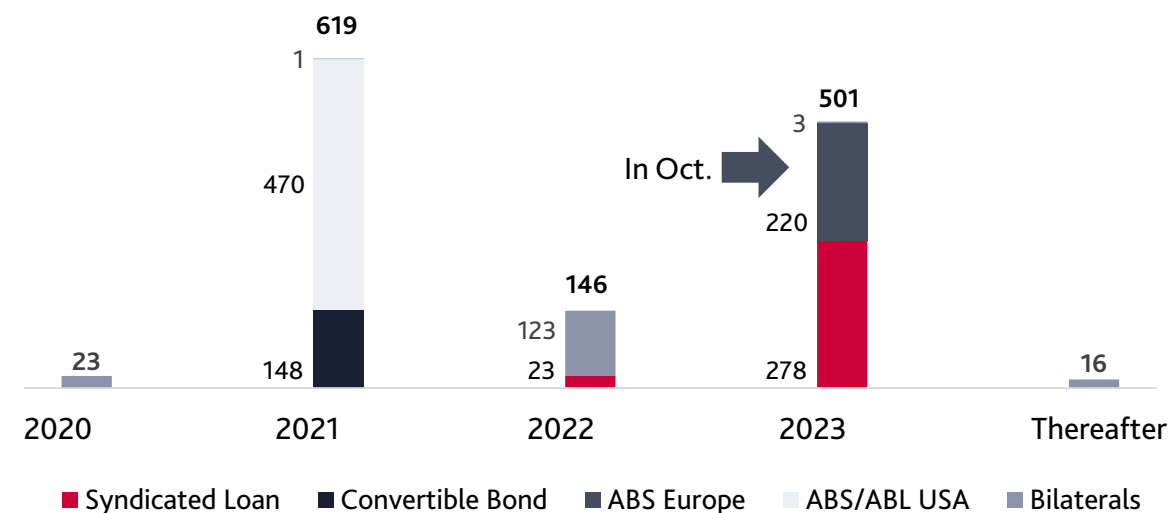
2) Principal €148m, equity component €18m at issuance (September 8, 2016).

3) Mainly Switzerland.

4) Net debt/Equity attributable to shareholders of Klöckner & Co SE less goodwill from business combinations subsequent to May 23, 2019.

€m	Q3 2020
Adjusted equity	1,014
Net Debt	427
Gearing ⁴⁾	42.1%

Maturity profile of financial instruments (excl. leasing) in €m



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REGION SPECIFIC BUSINESS OUTLOOK 2020



Europe

> -15%



Real steel demand



Construction industry



Manufacturing, machinery & mechanical engineering, etc.



Energy industry



Automotive industry

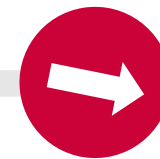
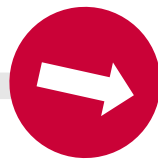


Shipbuilding



USA

> -15%



OUTLOOK

FY
2020

- Shipments and sales expected to decline in Q4 qoq
- EBITDA before material special effects of €75-95m expected
- Significantly positive cash flow from operating activities

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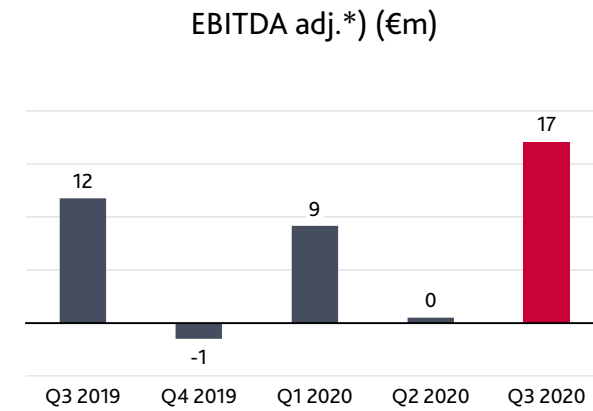
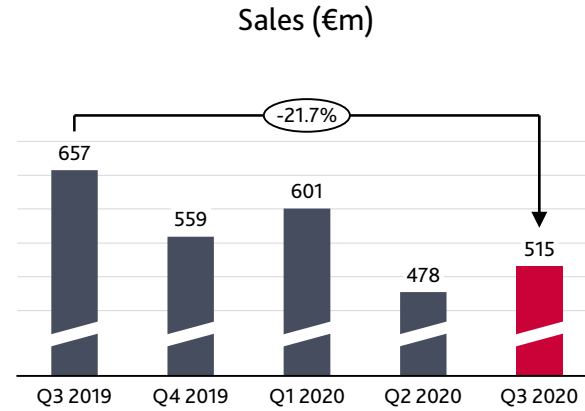
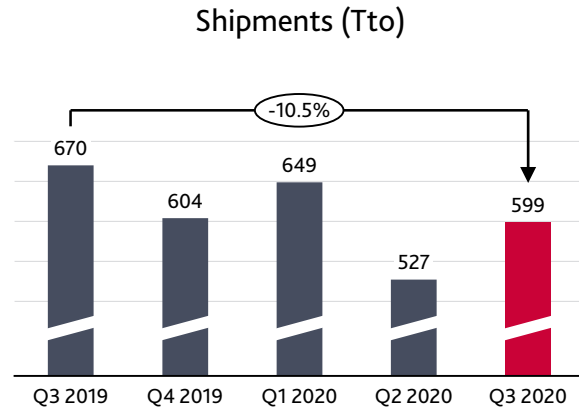
QUARTERLY AND FY RESULTS

(€m)	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	FY	FY	FY	FY	FY
	2020	2020	2020	2019	2019	2019	2019	2018	2018	2018	2018	2017	2017	2017	2017	2019	2018	2017	2016	2015
Shipments (Tto)	1,242	1,070	1,365	1,250	1,420	1,479	1,499	1,398	1,519	1,605	1,584	1,443	1,539	1,572	1,582	5,648	6,107	6,135	6,149	6,476
Sales	1,279	1,171	1,448	1,365	1,565	1,682	1,703	1,619	1,754	1,789	1,628	1,485	1,565	1,640	1,602	6,315	6,790	6,292	5,730	6,444
Sales (currency effect)	-27	21	30	24	38	50	61	28	2	-89	-114	-70	-45	13	19	173	-172	-83	-50	556
Gross profit	262	226	285	268	284	304	303	301	332	364	331	300	310	339	367	1,158	1,328	1,316	1,315	1,237
% margin	20.5	19.3	19.7	19.6	18.1	18.1	17.8	18.6	18.9	20.3	20.4	20.2	19.8	20.6	22.9	18.3	19.6	20.9	22.9	19.2
OPEX	-224	-287	-263	-265	-263	-222	-269	-270	-273	-282	-276	-267	-263	-275	-290	-1,019	-1,101	-1,096	-1,119	-1,213
EBITDA bef. material special effects	40	11	21	11	26	51	34	30	59	84	56	33	47	63	77	124	229	220	196	86
Material special effects	2	72	0	-8	-7	31	0	0	0	-2	0	0	0	0	0	15	-2	0	0	-42
EBITDA rep.	38	-61	21	3	21	82	34	30	59	82	56	33	47	63	77	139	227	220	196	24
% margin	3.0	-5.2	1.5	0.2	1.3	4.9	2.0	1.9	3.4	4.6	3.4	2.2	3.0	3.9	4.8	2.2	3.3	3.5	3.4	0.4
EBITDA rep. (curr. eff.)	0	2	1	1	1	2	1	3	1	-8	-5	-3	-2	1	1	5	-9	-3	-1	10
EBIT	4	-109	-13	-35	-13	49	2	8	38	60	35	9	25	41	54	2	141	130	85	-350
Financial result	-7	-7	-9	-9	-11	-11	-10	-10	-8	-10	-7	-9	-8	-8	-8	-41	-34	-33	-33	-49
EBT	-3	-116	-22	-44	-24	37	-9	-2	30	51	28	1	17	33	46	-39	107	97	52	-399
Income taxes	-2	5	1	-7	1	-9	-1	-5	-8	-18	-7	29	-4	-9	-10	-16	-38	5	-14	50
Net income	-5	-111	-21	-51	-23	28	-10	-7	22	33	21	30	13	24	36	-55	69	102	38	-349
Minority interests	0	0	0	1	0	0	0	0	0	0	0	0	1	1	0	1	0	1	1	-2
Net income KCO	-5	-111	-21	-51	-23	28	-10	-7	22	33	21	30	12	23	36	-56	69	101	37	-347
EPS basic (€)	-0.05	-1.11	-0.21	-0.51	-0.23	0.28	-0.10	-0.07	0.22	0.33	0.21	0.30	0.12	0.23	0.36	-0.56	0.68	1.01	0.37	-3.48
EPS diluted (€)	-0.05	-1.11	-0.21	-0.51	-0.23	0.27	-0.10	-0.07	0.21	0.31	0.20	0.28	0.12	0.22	0.34	-0.56	0.66	0.96	0.37	-3.48
NWC*)	1,062	1,135	1,228	1,119	1,356	1,407	1,525	1,277	1,495	1,446	1,344	1,132	1,282	1,306	1,296	1,119	1,277	1,132	1,120	1,128
Net debt	427	476	563	445	634	684	820	383	569	552	472	330	435	486	475	445	383	330	444	385

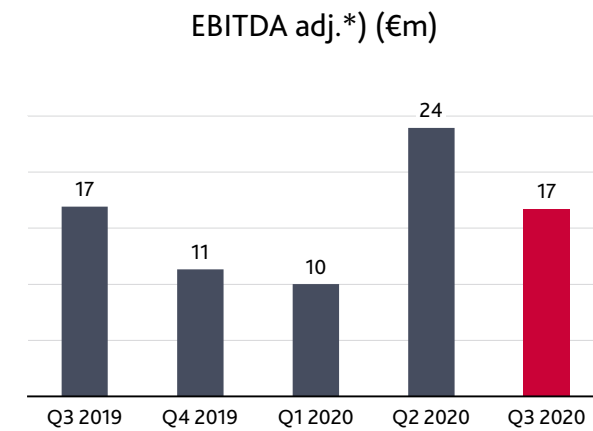
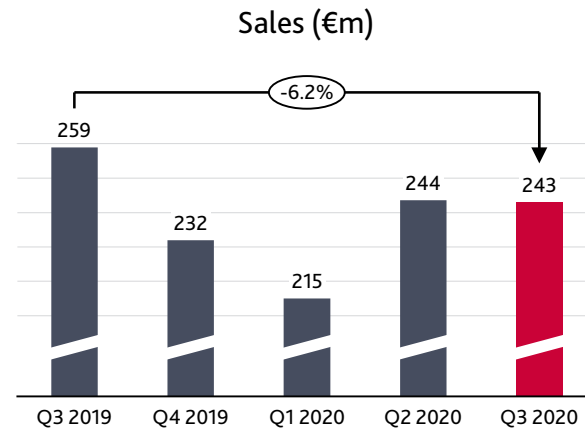
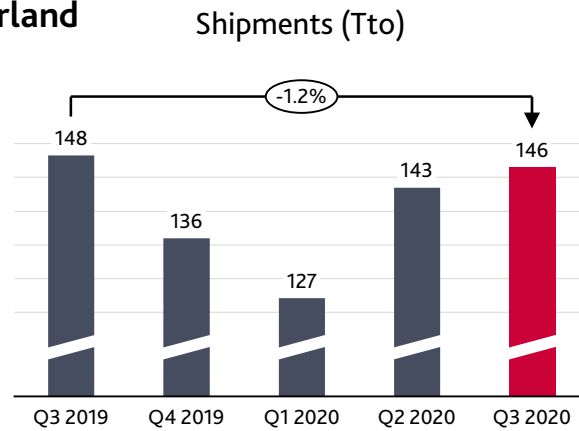
* Since 2018 including supplier bonus receivables and contract assets.

SEGMENT PERFORMANCE

KM US



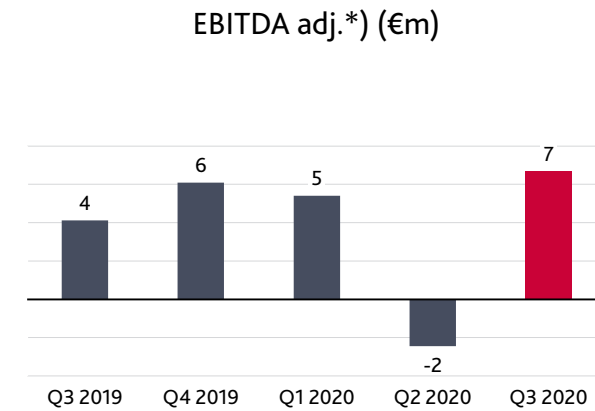
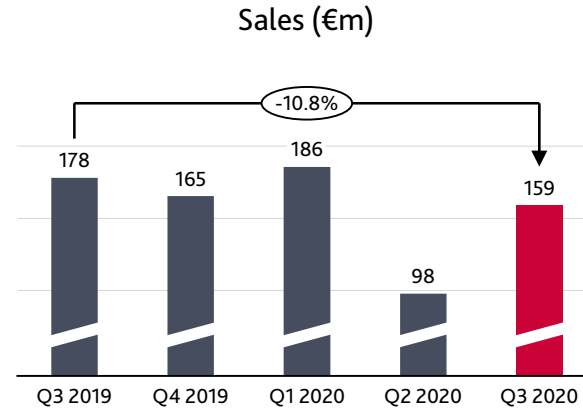
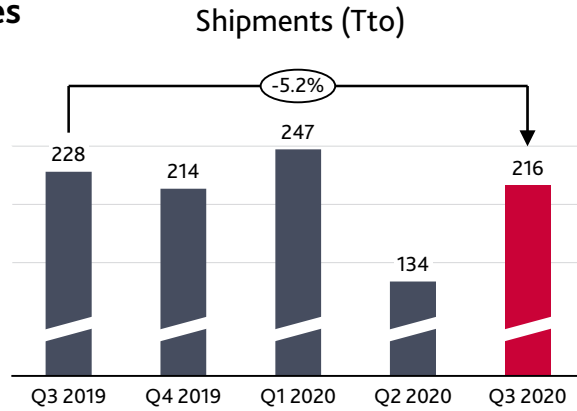
KM Switzerland



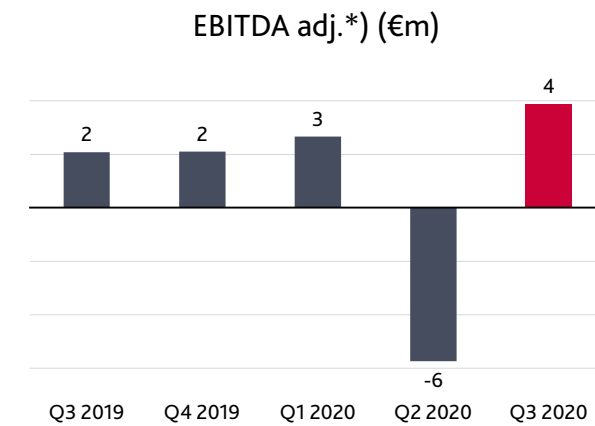
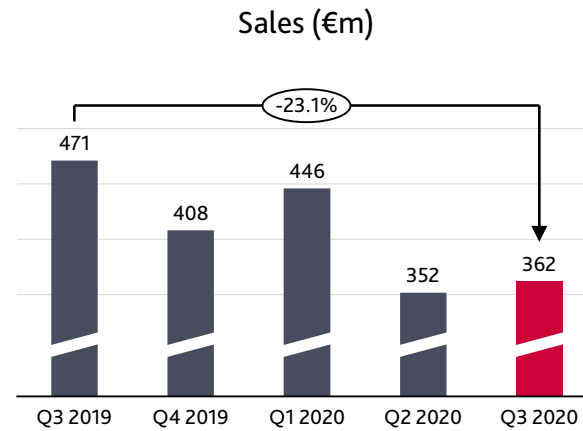
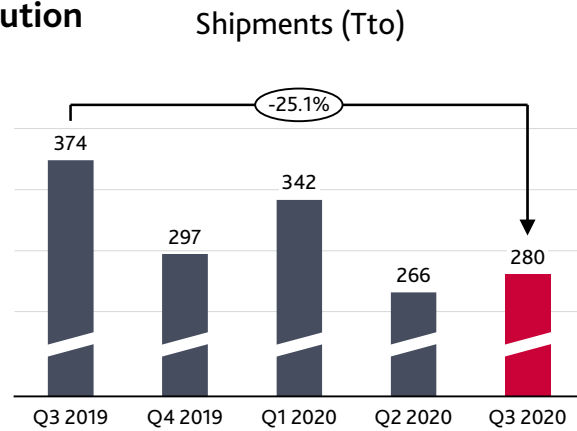
*) Adjusted in Q4 2019 by the gain on sale of the site in Switzerland and in Q2 2020 by restructuring in the USA. Minor adjustments in segment reporting: New structure of the segment "Holding and other group companies" (previously including other activities such as the Brazilian distribution business, XOM Materials, kloeckner.i, kloeckner.v and the Dutch metering business). As of January 1, 2020, the Brazilian distribution business is assigned to the segment "Kloeckner Metals US" and the metering business to the segment "Kloeckner Metals Distribution Europe".

SEGMENT PERFORMANCE

KM Services



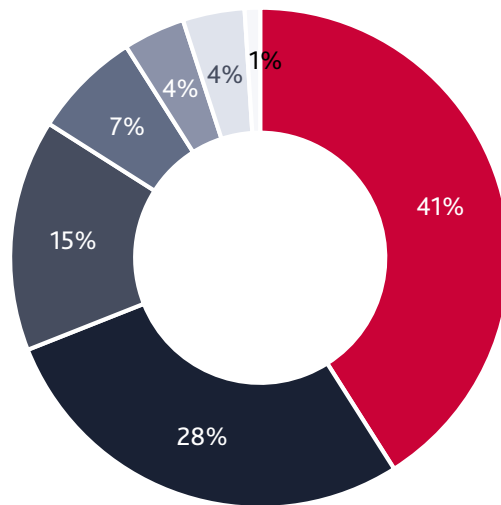
KM Distribution



*) Adjusted for restructuring expenses in Q3, Q4 2019 as well as in Q2 and Q3 2020 and for a gain on the sale of a site in London in Q2 2019. Minor adjustments in segment reporting: New structure of the segment "Holding and other group companies" (previously including other activities such as the Brazilian distribution business, XOM Materials, kloeckner.i, kloeckner.v and the Dutch metering business). As of January 1, 2020, the Brazilian distribution business is assigned to the segment "Kloeckner Metals US" and the metering business to the segment "Kloeckner Metals Distribution Europe".

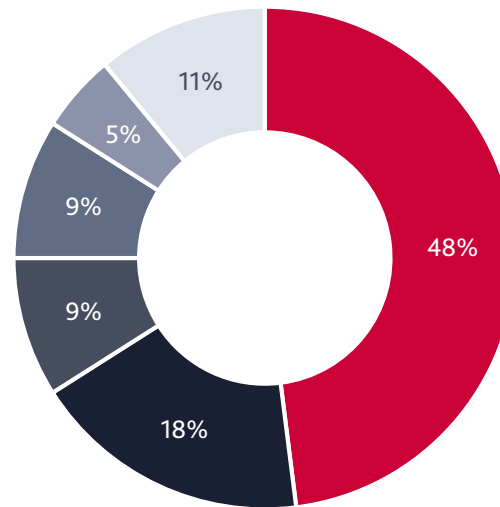
SALES BY MARKETS, PRODUCTS AND INDUSTRIES

Sales by markets



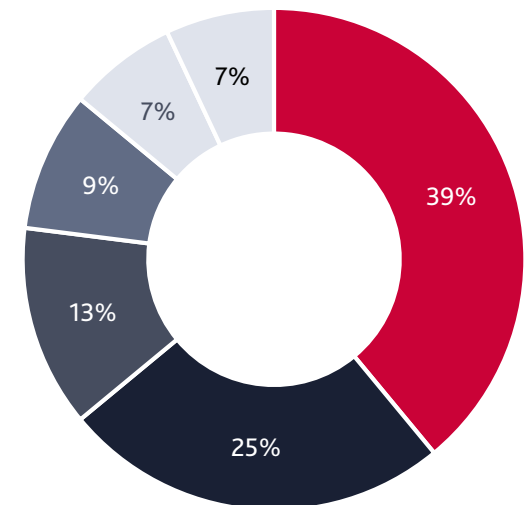
- USA
- Germany/Austria
- Switzerland
- France
- UK
- Benelux

Sales by products



- Flat products
- Long products
- Quality steel/Stainless steel
- Aluminum
- Tubes
- Others

Sales by industries



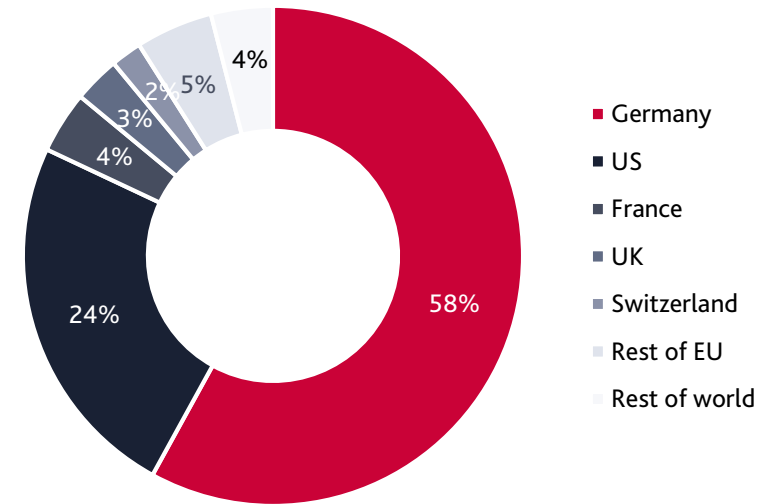
- Construction industry
- Machinery/Mechanical engineering
- Automotive industry
- Household appl./Consumer goods
- Local dealers
- Miscellaneous

As of December 31, 2019.

CURRENT SHAREHOLDER STRUCTURE

Geographical breakdown of identified institutional investors

- Identified institutional investors account for 59%
- German investors incl. retail dominate
- Top 10 shareholdings represent around 49%
- Retail shareholders represent 29%



As of July 2020.

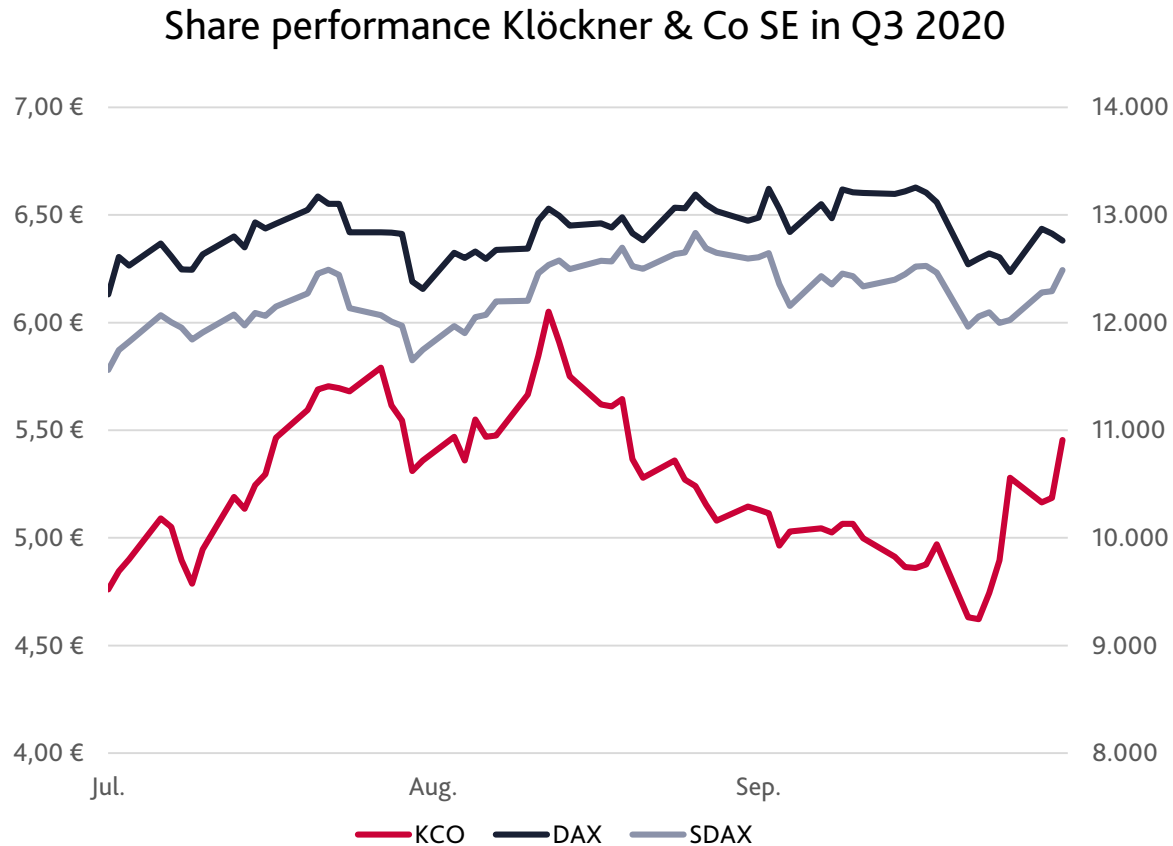
Voting Rights Announcements according to WpHG (Security Trading Act*)

Date of publication	Subject to compulsory notification	Portion of voting stock
09/02/2016	Swoctem GmbH / Friedhelm Loh	25.25%
17/05/2019	Franklin Mutual Advisors, LLC **)	5.00%
22/05/2019	Claas Edmund Daun	3.05%

*) The table lists all shareholders holding 3 % or more voting rights in Klöckner & Co SE due to the most recent voting rights notification as of September 21, 2020 (Section 33 German Securities Trading Act (WpHG) respectively section 21 WpHG former version). Apart from the voting rights held by the shareholder itself, also voting rights attributed to him pursuant to section 34 WpHG (respectively section 22 WpHG former version) are included in the calculation of the share of voting rights. The table only contains the respective parent company being subject to the notification obligation, even if it made a notification also on behalf of any of its subsidiaries. Financial instruments according to Section 38 WpHG are not included in the table.

**) Including attributed voting rights held by Franklin Mutual Series Funds.

SHARE PRICE PERFORMANCE IN Q3 2020



- In the third quarter the capital markets were still shaped by high volatility due to the impacts of the COVID-19 pandemic
- Klöckner & Co share followed a sharp recovery path during the first half of the third quarter, reaching its high of €6.05 on August 12
- The share moved down in the second half marking its lowest level of €4.62 on September 22 before sharply increasing again
- It went out of trading at €5.46 on September 30

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 cannot be guaranteed. If there is a possibility of dividend distribution, we will pay 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 neither in 2011, 2012 and 2013 nor in 2015
- 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 and 2018 fiscal year
- No dividend payment due to losses in 2019

Dividend payment per share

2006	2007	2008 - 2009	2010	2011 - 2013	2014	2015	2016	2017	2018	2019
€0.80	€0.80	-	€0.30	-	€0.20	-	€0.20	€0.30	€0.30	-

SUSTAINABILITY



Employees

A qualified and motivated workforce is vital to our success.

Our working environment is characterized by longterm security, supportiveness, professionalism and mutual respect.



Responsible Conduct

Compliance constitutes the basis of corporate responsibility.

Integral part of our corporate culture is compliance on the part of our employees and business partners.



Environment

We contribute to protecting the environment.

We consider it our duty to counter climate change and its related risks.



Digitalization

We are advancing the internal cultural change.

Our measures aim at anchoring modern, digital ways of working and thinking in the company.



Customers

We prioritize high levels of customer satisfaction and enhancement of our customer focus.

We always conceptualize products and services, sales channels and innovations from the customer perspective.




Business Ambition for 1.5°C

As one of the very first companies in Germany, Klöckner & Co stepped up to the global frontrunners of climate change engagement and aligns its business to the UN Global Compact "Business Ambition for 1.5°C".

Felix Schmitz

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FINANCIAL CALENDAR

March 10, 2021
Annual Financial Statement 2020

April 29, 2021
Q1 quarterly statement 2021

May 12, 2021
Annual General Meeting 2021

August 13, 2021
Half-yearly financial report 2021

November 3, 2021
Q3 quarterly statement 2021