

Q1 2021 RESULTS

Press Conference

April 29, 2021

Gisbert Rühl | CEO

Guido Kerkhoff | Deputy CEO

Dr. Oliver Falk | CFO

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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. For other terms not defined in this annual report, please refer to the glossary on our website at <https://www.kloeckner.com/en/glossary.html>.

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

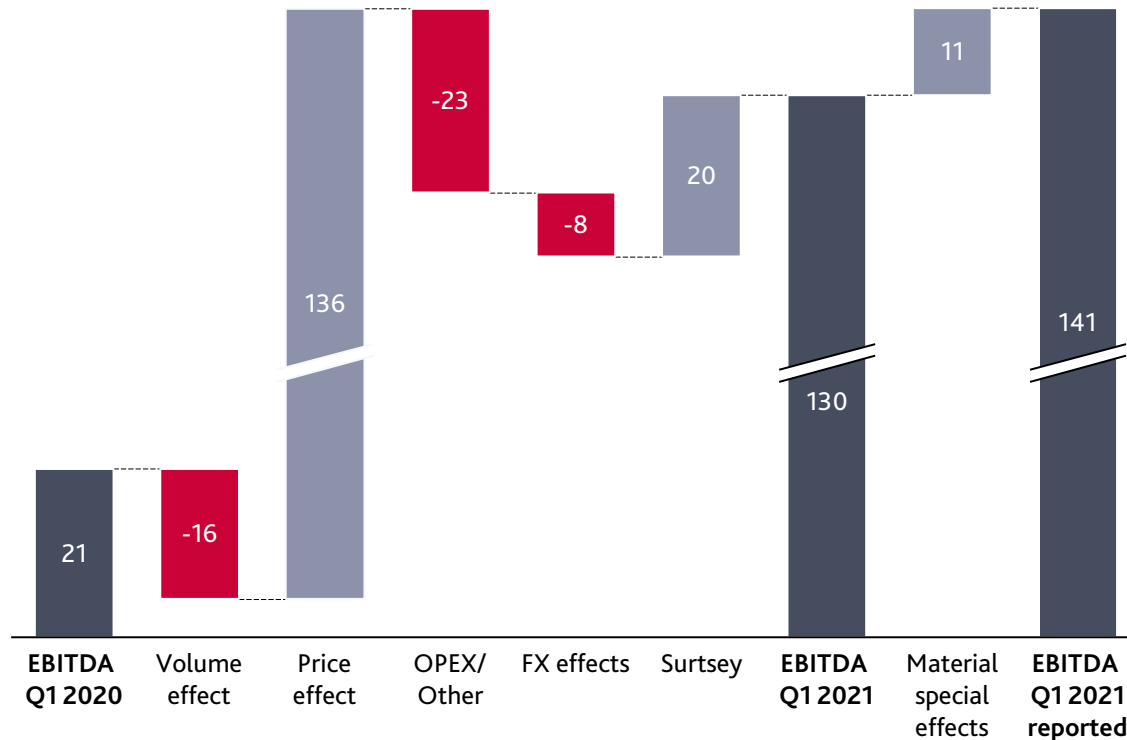
AGENDA

- 1. Highlights and update on strategy**
2. Outlook
3. Appendix

HIGHLIGHTS OF Q1 2021

	Q1 2021	Q1 2020	Delta	
Shipments (Tto)	1,287	1,365	-5.7%	Impact of COVID-19 pandemic; improvement over the course of Q1
Sales (€m)	1,525	1,448	+5.3%	Due to higher price level yoy, despite lower volumes
Gross profit (€m)	388	285	+35.8%	Considerable increase due to price dynamics and smart NWC-management
EBITDA (€m)	130	21	+516.7%	Strong price dynamics and substantial Surtsey-effects; EBITDA rep. of €141m; strongest quarter in over twelve years
Oper. CF (€m)	18	-97	+115	Positive OCF despite price-driven higher NWC
Net financial debt (€m)	363	563	-35.6%	Net debt significantly down yoy and only slightly up qoq
Digital sales in Q1	45%	35%	+10%pts	Strongly up yoy driven by Kloeckner Assistant, stable qoq

EBITDA (€M) IN Q1 2021



- Best quarterly result in over twelve years
- Negative volume effect mainly due to impact of COVID-19 pandemic, upward movement over the course of the quarter
- Strong positive price effect due to price dynamic in Europe and especially in the USA
- OPEX (excl. Surtsey) up driven by stock options, severances, bonuses and wage inflation; FX-effects of €-8m
- Effects from Surtsey project of €20m in Q1
- Material special effects of €11m resulting mainly from site disposals

PROFIT & LOSS AND CASH FLOW

(€m)	Q1 2021	Q1 2020	Delta
Sales	1,525	1,448	77
Gross profit	388	285	102
Gross profit margin	25.4	19.7	+5.7%p
EBITDA before material special effects	130	21	109
EBITDA rep.	141	21	120
EBITDA margin	9.2	1.5	+7.7%p
EBIT	111	-13	123
Financial result	-6	-9	3
EBT	105	-22	126
Taxes	-19	1	-19
Net income	86	-21	107
Cash flow from operating activities	18	-97	115
Free cash flow	7	-107	114

DIGITAL TRANSFORMATION OF KLÖCKNER & CO

kloeckner.i

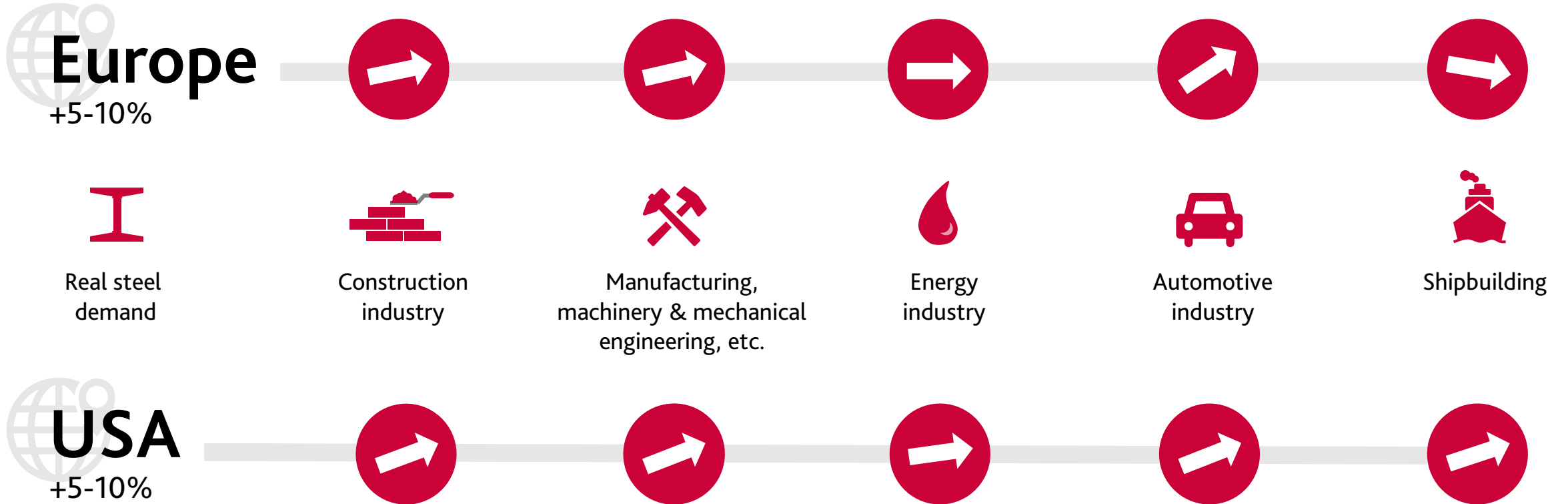
XOM
MATERIALS

- Digital sales share of >45% in Q1 (Q1 2020: 35%)
- Kloeckner Assistant gaining traction
 - Already processed sales of ~€500m, thereof ~€200m in Q1 2021
 - Feature for processing-services has been successfully piloted at KMCH
 - Pilot to process sales orders within seconds completely without human intervention (zero-touch in sales process) now live at KMUS
- Scaling of XOM Materials continues: GMV increased to ~€150m YTD
- Focusing on Software-as-a-Service (SaaS) solutions which offer greater individualization for customers to respective market conditions
- Market entry in USA and Latin America conducted in Q1
- Next: Integration of mills' resource management systems
 - First integration of value chain data already piloted with harmonization leading to increased efficiency

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REGION SPECIFIC BUSINESS OUTLOOK 2021



OUTLOOK

Q2
2021

- Considerable increase in sales and slight increase in shipments expected (qoq)
- EBITDA expectation of €130-160m before material special effects

FY
2021

- Shipments and sales significantly above prior-year level expected
- EBITDA before material special effects expected to increase very considerably yoy
- Positive material special effects from Surtsey disposals

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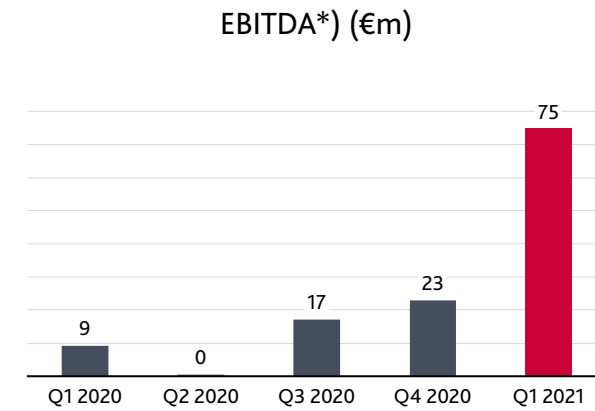
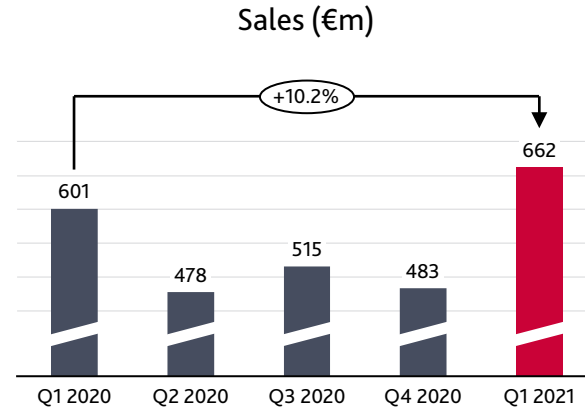
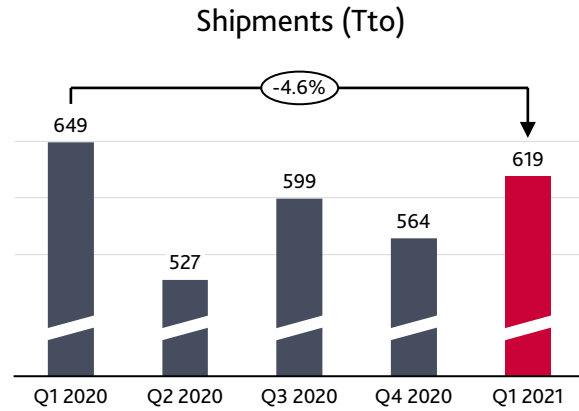
QUARTERLY AND FY RESULTS

(€m)	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
Shipments (Tto)	1,287	1,195	1,242	1,070	1,365	1,250	1,420	1,479	1,499	1,398	1,519	1,605	1,584	4,873	5,648	6,107	6,135	6,149
Sales	1,525	1,232	1,279	1,171	1,448	1,365	1,565	1,682	1,703	1,619	1,754	1,789	1,628	5,130	6,315	6,790	6,292	5,730
Sales (currency effect)	-70	-42	-27	21	30	24	38	50	61	28	2	-89	-114	-18	173	-172	-83	-50
Gross profit	388	274	262	226	285	267	284	304	303	301	332	364	331	1,047	1,158	1,328	1,316	1,315
% margin	25.4	22.2	20.5	19.3	19.7	19.6	18.1	18.1	17.8	18.6	18.9	20.3	20.4	20.4	18.3	19.6	20.9	22.9
OPEX	-247	-220	-224	-287	-263	-265	-263	-222	-269	-270	-273	-282	-276	-995	-1,019	-1,101	-1,096	-1,119
EBITDA bef. material special effects	130	39	40	11	21	11	26	51	34	30	59	84	56	111	124	229	220	196
Material special effects	11	-15	2	72	0	-8	-7	31	0	0	0	-2	0	-59	15	-2	0	0
EBITDA rep.	141	54	38	-61	21	3	21	82	34	30	59	82	56	52	139	227	220	196
% margin	9.2	4.4	3.0	-5.2	1.5	0.2	1.3	4.9	2.0	1.9	3.4	4.6	3.4	1.0	2.2	3.3	3.5	3.4
EBITDA rep. (curr. eff.)	-8	-1	0	2	1	1	1	2	1	3	1	-8	-5	1	5	-9	-3	-1
EBIT	111	24	4	-109	-13	-35	-13	49	2	8	38	60	35	-93	2	141	130	85
Financial result	-6	-7	-7	-7	-9	-9	-11	-11	-10	-10	-8	-10	-7	-30	-41	-34	-33	-33
EBT	105	17	-3	-116	-22	-44	-24	37	-9	-2	30	51	28	-124	-39	107	97	52
Income taxes	-19	5	-2	5	1	-7	1	-9	-1	-5	-8	-18	-7	9	-16	-38	5	-14
Net income	86	22	-5	-111	-21	-51	-23	28	-10	-7	22	33	21	-114	-55	69	102	38
Minority interests	1	1	0	0	0	1	0	0	0	0	0	0	0	2	1	0	1	1
Net income KCO	85	21	-5	-111	-21	-51	-23	28	-10	-7	22	33	21	-116	-56	69	101	37
EPS basic (€)	0.85	0.21	-0.05	-1.11	-0.21	-0.51	-0.23	0.28	-0.10	-0.07	0.22	0.33	0.21	-1.16	-0.56	0.68	1.01	0.37
EPS diluted (€)	0.78	0.20	-0.05	-1.11	-0.21	-0.51	-0.23	0.27	-0.10	-0.07	0.21	0.31	0.20	-1.16	-0.56	0.66	0.96	0.37
NWC ^{*)}	1,107	967	1,062	1,135	1,228	1,119	1,356	1,407	1,525	1,277	1,495	1,446	1,344	967	1,119	1,277	1,132	1,120
Net debt	363	351	427	476	563	445	634	684	820	383	569	552	472	351	445	383	330	444

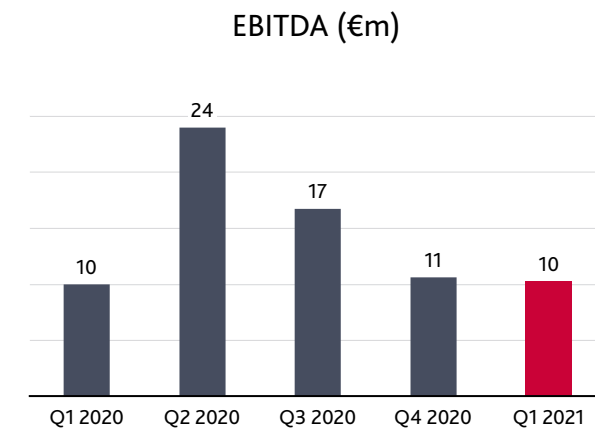
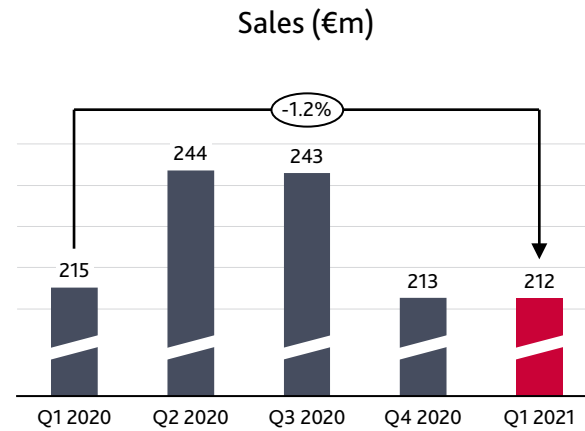
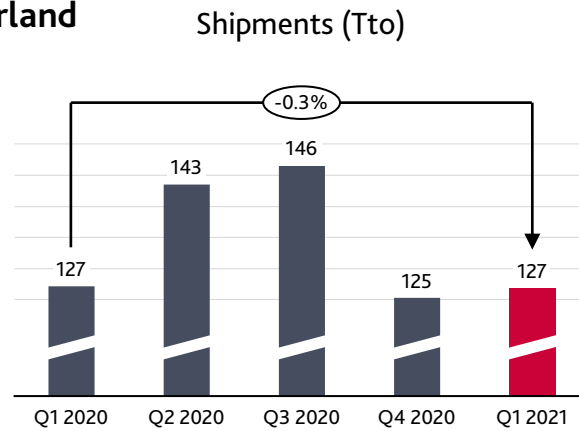
*) Since 2018 including supplier bonus receivables and contract assets.

SEGMENT PERFORMANCE

KM US



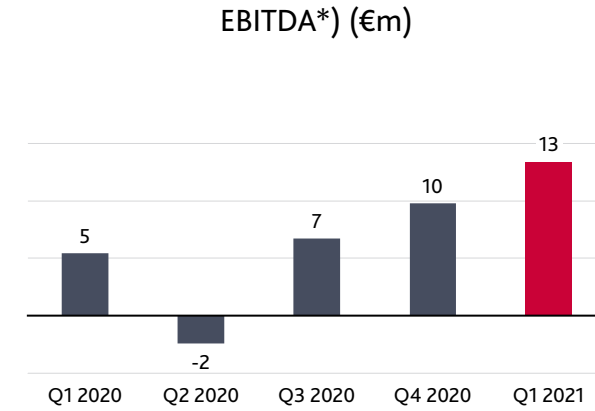
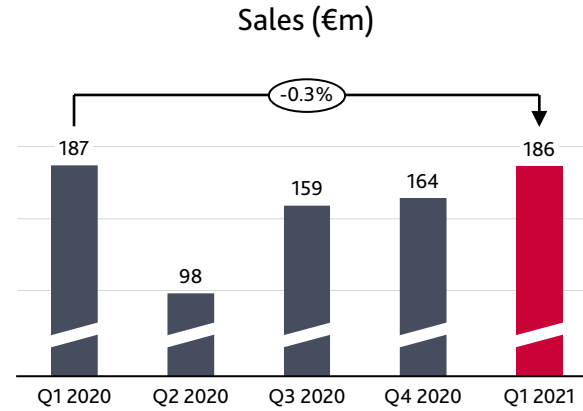
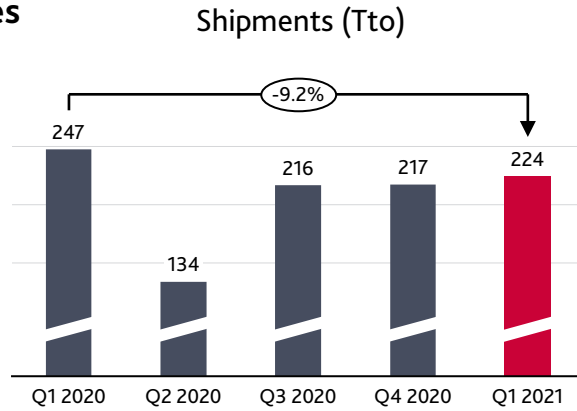
KM Switzerland



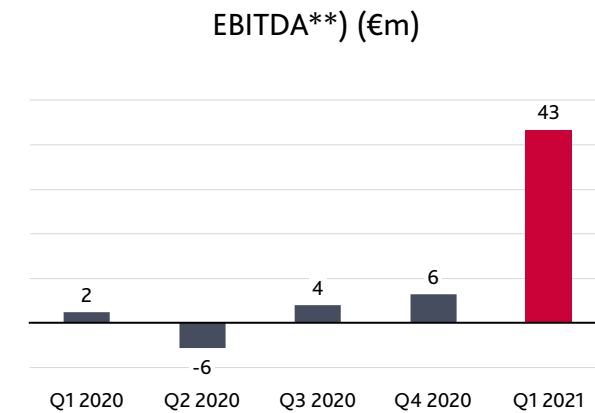
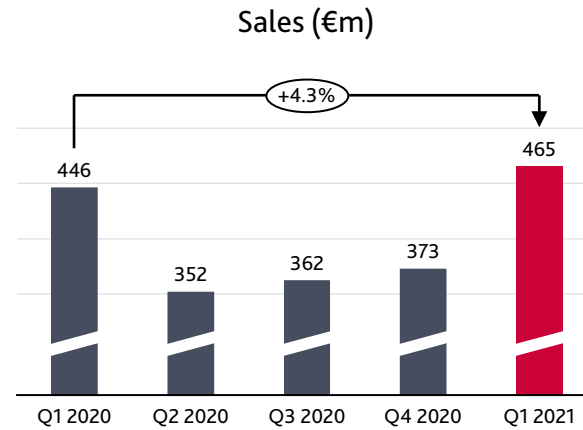
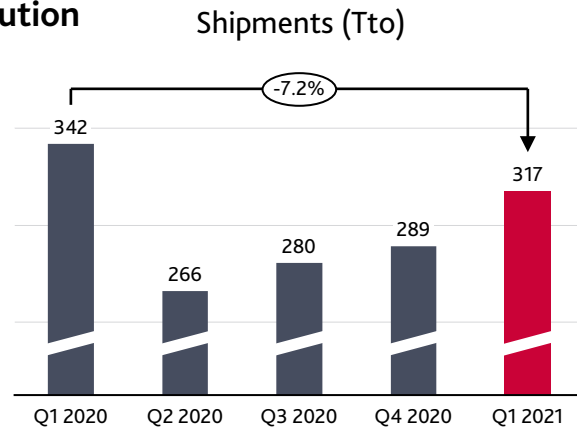
*) Adjusted in Q2, Q3 and Q4 2020 and Q1 2021 for material special effects in the USA

SEGMENT PERFORMANCE

KM Services



KM Distribution



*) Adjusted for material special effects in Q2 and Q4 2020

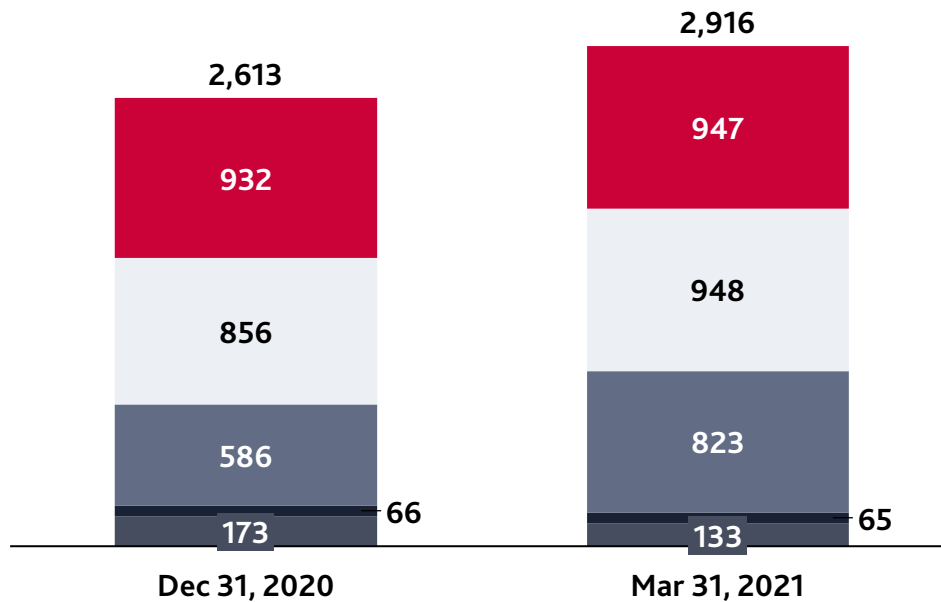
**) Adjusted for material special effects Q1, Q2, Q3, Q4 2020 and Q1 2021

STRONG BALANCE SHEET

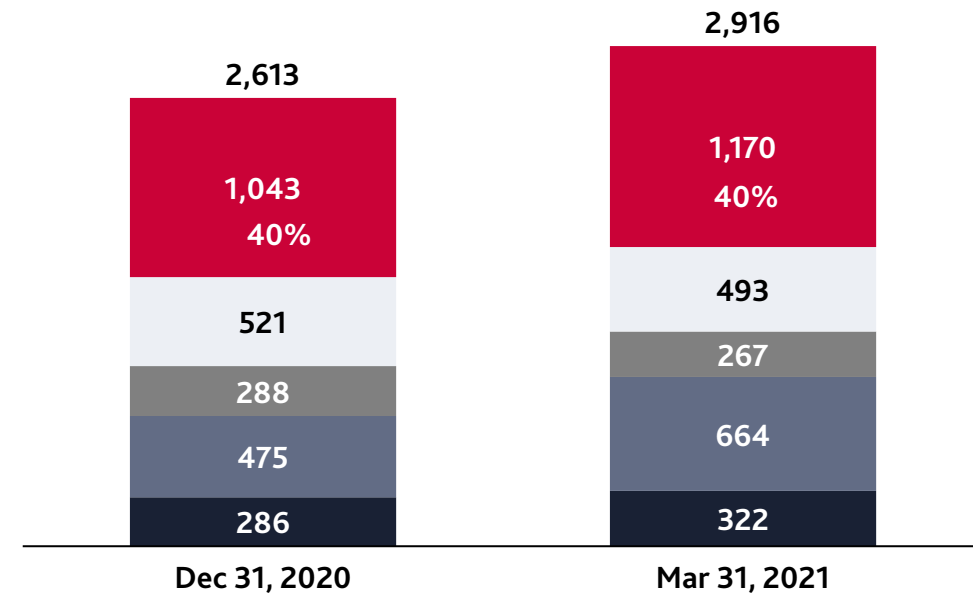
- Solid equity ratio of 40%
- Net debt of €363m
- Gearing^{*)} at 31%
- NWC at €1,107m (FY 2020: €967m)

*) 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.



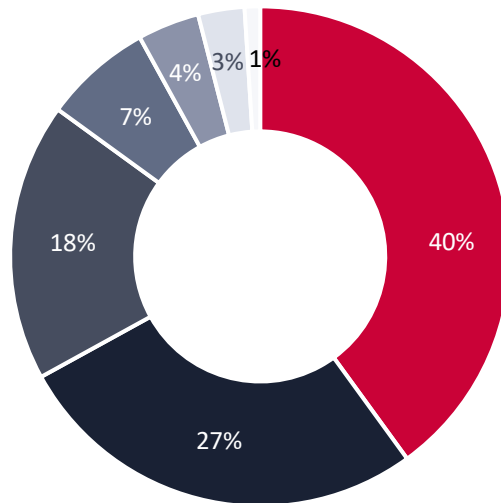
■ Non-current assets
 ■ Trade receivables^{***})
 ■ Liquidity
■ Inventories
 ■ Other current assets



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

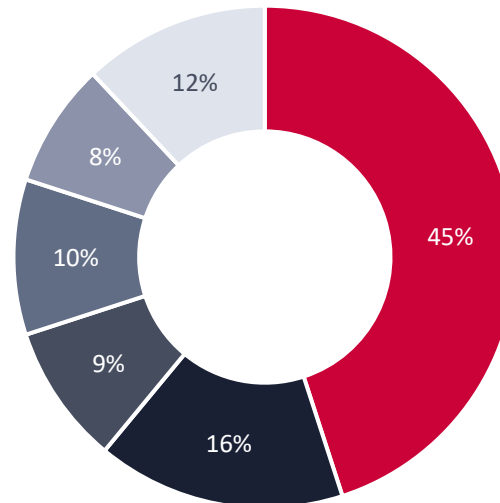
SALES BY MARKETS, PRODUCTS AND INDUSTRIES

Sales by markets



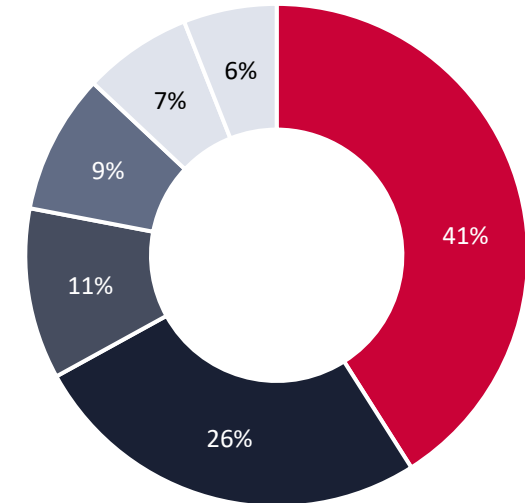
- USA
- Germany/Austria
- Switzerland
- France
- Benelux
- UK
- Brazil

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, 2020.

SHARE PRICE PERFORMANCE IN Q1 2021



- The share price of Klöckner & Co moved sideways at the beginning of Q1 2021 reaching its lowest level of €7.51 on January 27
- The share price increased sharply thereafter, however, the capital markets environment remained highly volatile
- The share closed at its highest level for the quarter of €10.74 on March 31

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
- Due to negative net income no dividend for 2020^{*)} proposed

Dividend payment per share

2006	2007	2008 2009	2010	2011 2013	2014	2015	2016	2017	2018	2019	2020
€0.80	€0.80	-	€0.30	-	€0.20	-	€0.20	€0.30	€0.30	-	- ^{*)}

^{*)} Proposal to the Annual General Meeting on May 12, 2021.

SUSTAINABILITY



Employees

A qualified and motivated workforce is central to our success.

Our working environment is characterized by long term 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 innovative, digital ways of working and thinking within 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 plans to align its business to the UN Global Compact “Business Ambition for 1.5°C”.

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FINANCIAL CALENDAR

May 12, 2021

Virtual Annual General Meeting 2021

August 13, 2021

Half-yearly financial report 2021

November 3, 2021

Q3 quarterly statement 2021