

Q2 2021 RESULTS

Analysts' and Investors' Conference

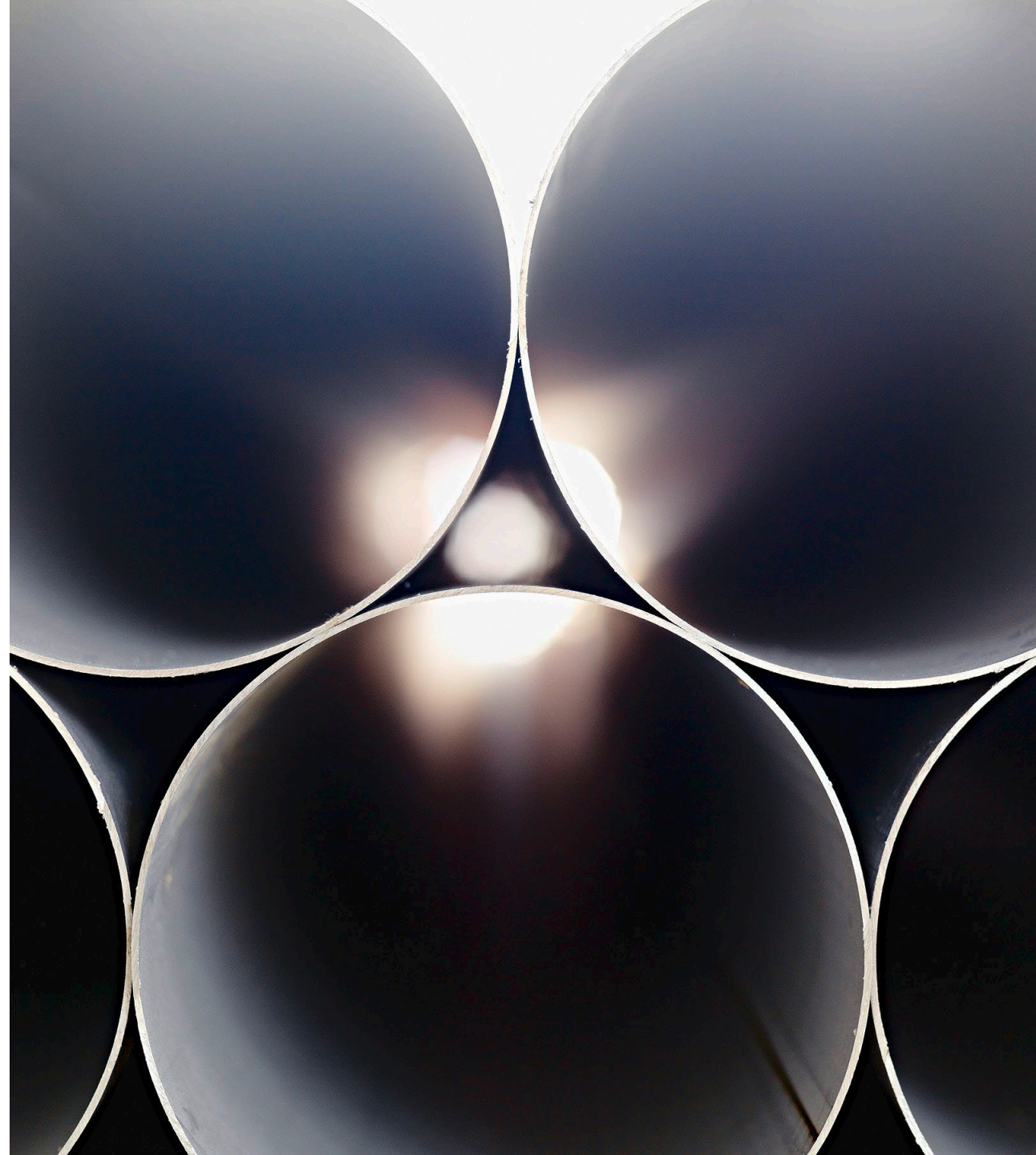
August 10, 2021

Guido Kerkhoff | CEO

Dr. Oliver Falk | CFO

John Ganem | Member of the Management Board

Bernhard Weiß | Member of the Management Board



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. 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.

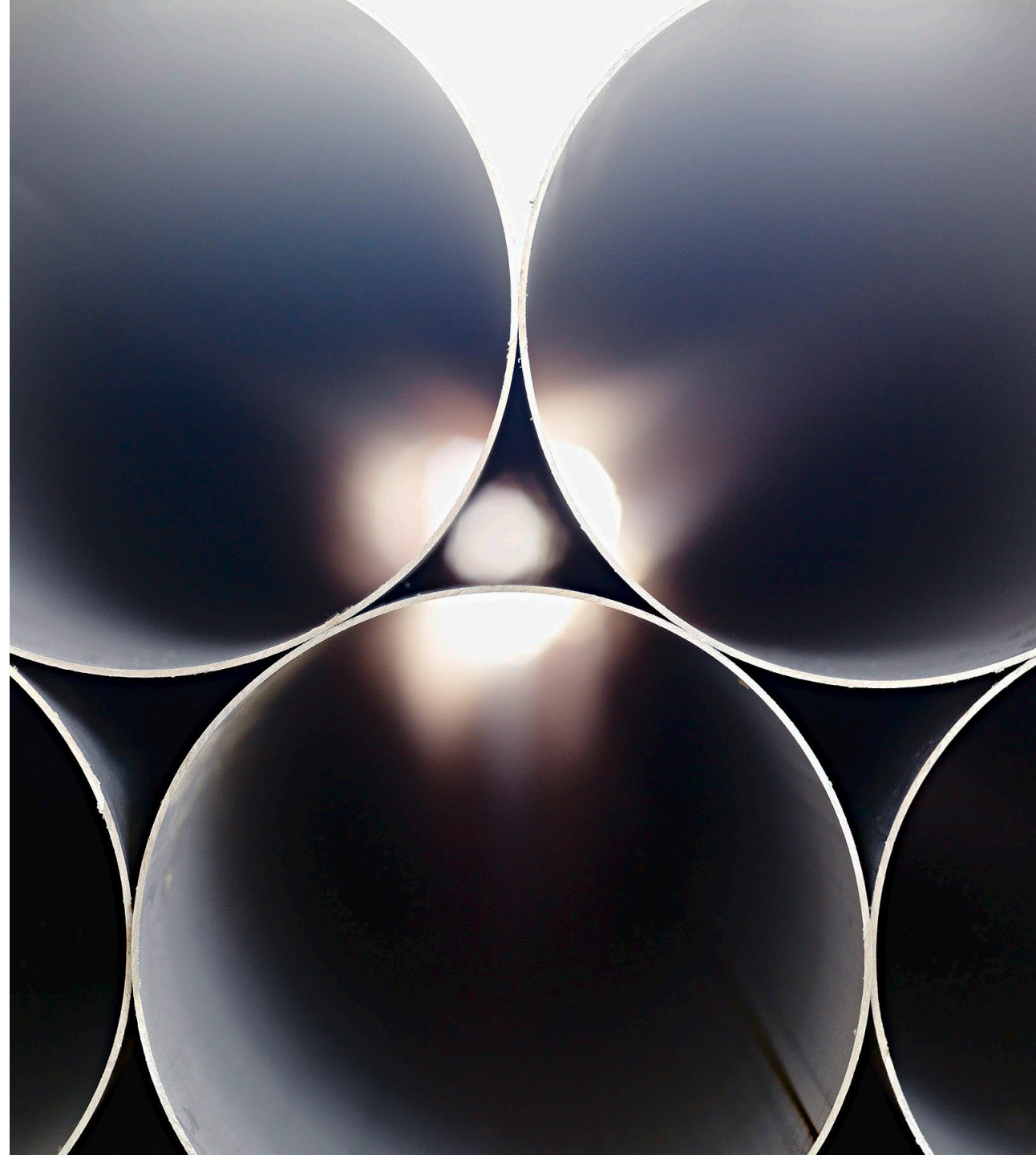
The English translation of the annual report and the interim statement are also available, in case of deviations the German versions shall prevail.

Evaluating statements are unified and are presented as follows:

+/- 0-1%	constant
+/- >1-5%	slight
+/- >5%	considerable

AGENDA

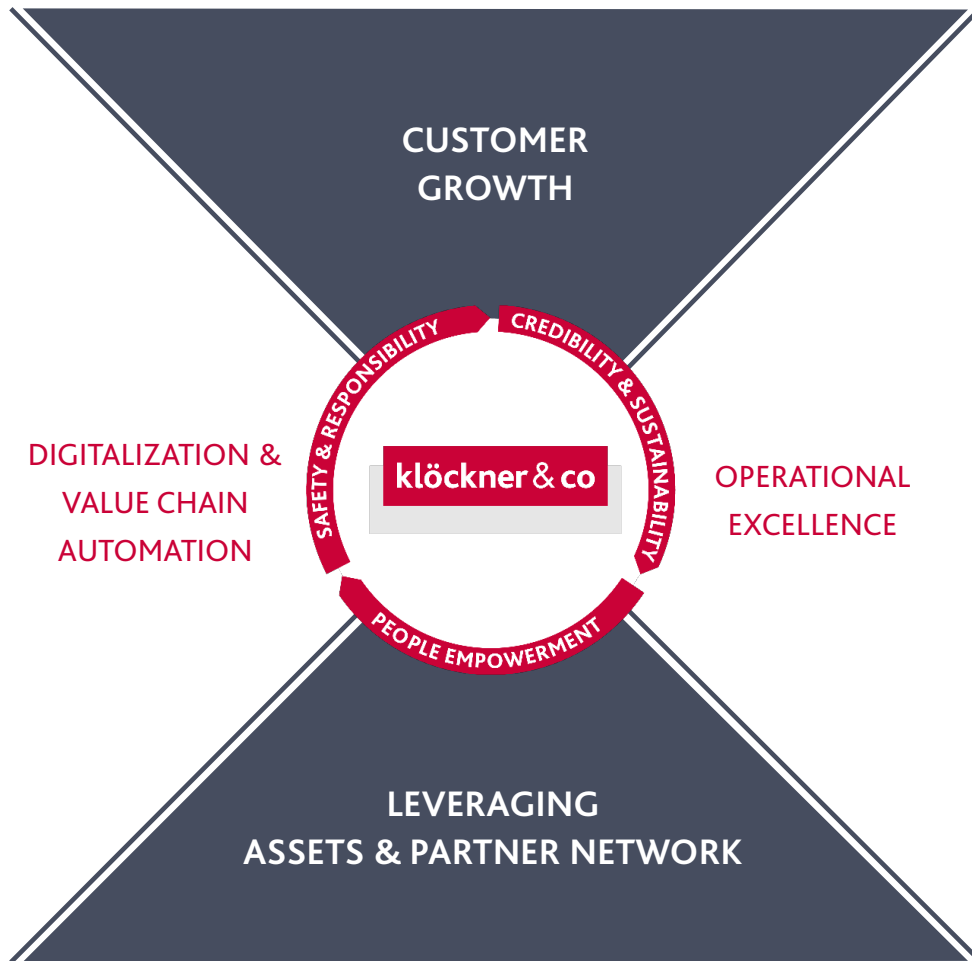
- 1. Highlights and update on strategy**
2. Financials
3. Outlook
4. Appendix



HIGHLIGHTS OF Q2 2021

	Q2 2021	Q2 2020	Delta	
Shipments (Tto)	1,295	1,070	+21.0%	Still impacted by COVID-19 pandemic; gradual recovery continues; disciplined margin over volume strategy
Sales (€m)	1,847	1,171	+57.8%	Mainly due to higher price level yoy
Gross profit (€m)	525	226	+132.6%	Very considerable increase due to price dynamics and smart NWC-management
EBITDA (€m)	271	11	+260	Strong price dynamics and margin over volume strategy, supported by substantial Surtsey-effects; strongest quarter since IPO in 2006
Oper. CF (€m)	74	98	-24	Significantly positive OCF and FCF (€58m) despite price-driven higher NWC and negative cash effects from Surtsey
Net financial debt (€m)	303	476	-36.4%	Deleveraging: Net debt significantly down yoy and qoq
Digital sales in Q2	45%	38%	+7%pts	Strongly up yoy driven by Kloeckner Assistant, flat qoq due to exceptional market conditions

READY TO GROW - “KLÖCKNER & CO 2025: LEVERAGING STRENGTHS”

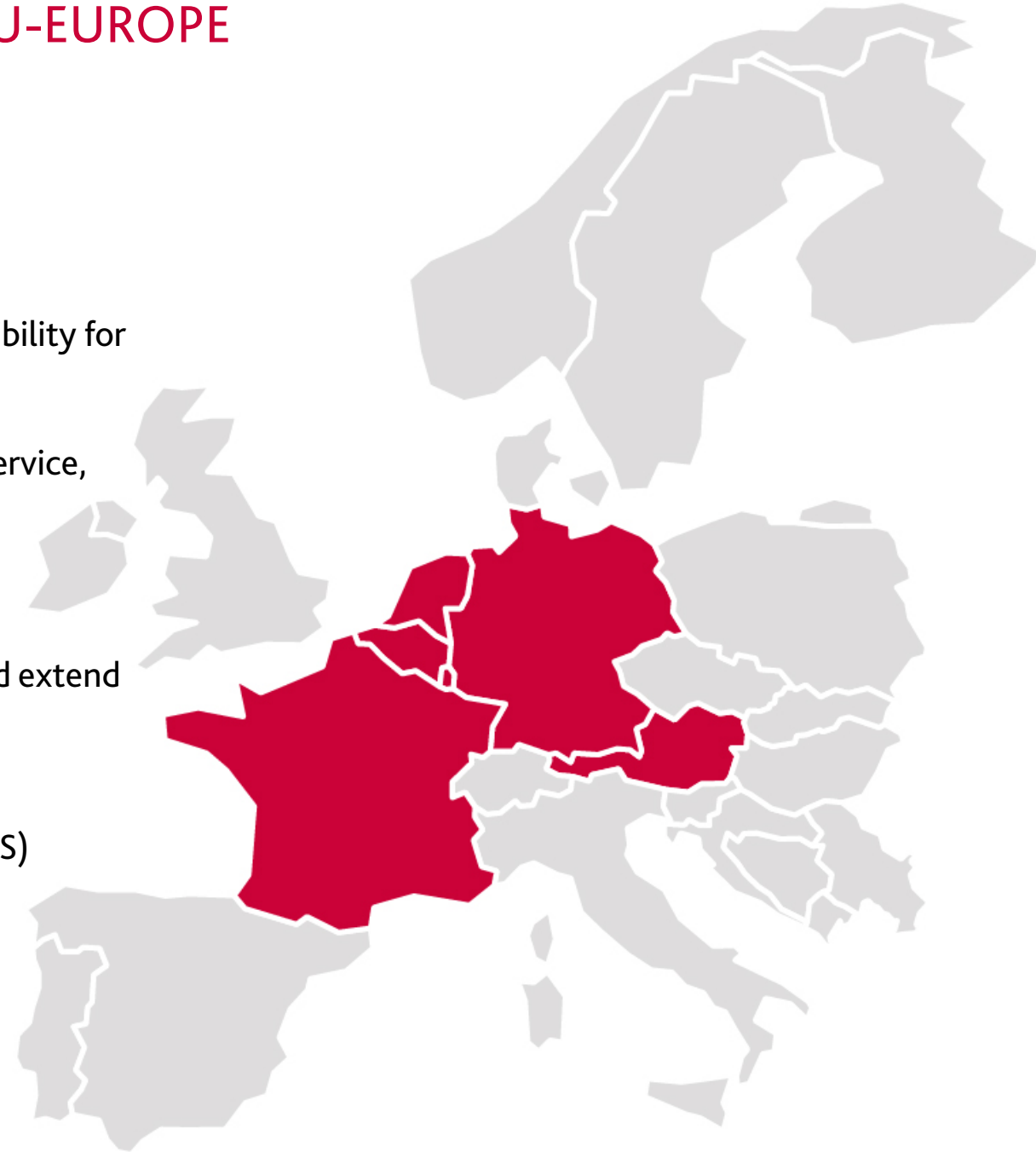


Immediate execution of “Leveraging Strengths”

- Adjusted organizational structure in EU-Europe and in parts new management teams
- New cross-border collaboration projects launched
- Next development step of kloeckner.i and launch of kloeckner.i US ahead
- Strengthening partnership with Nucor through strategic investments optimally timed to support the investments in the US infrastructure

NEW STRUCTURE AND IMPROVED SETUP IN EU-EUROPE

- Bernhard Weiß new Member of the Management Board with responsibility for EU-Europe
- New and internationally experienced management at Becker Stahl-Service, Klöckner Deutschland and Benelux under joint CFO-role
- Further centralization of finance and administration functions
- Sharing expert know-how, product and service portfolio to enable and extend cross-border collaboration
- Resulting in a new and streamlined segment structure as of Q3 2021 (Kloeckner Metals EU, Kloeckner Metals Non-EU, Kloeckner Metals US)



THE NEXT STEP: DIGITALIZATION & VALUE CHAIN AUTOMATION

**New
kloeckner.i**

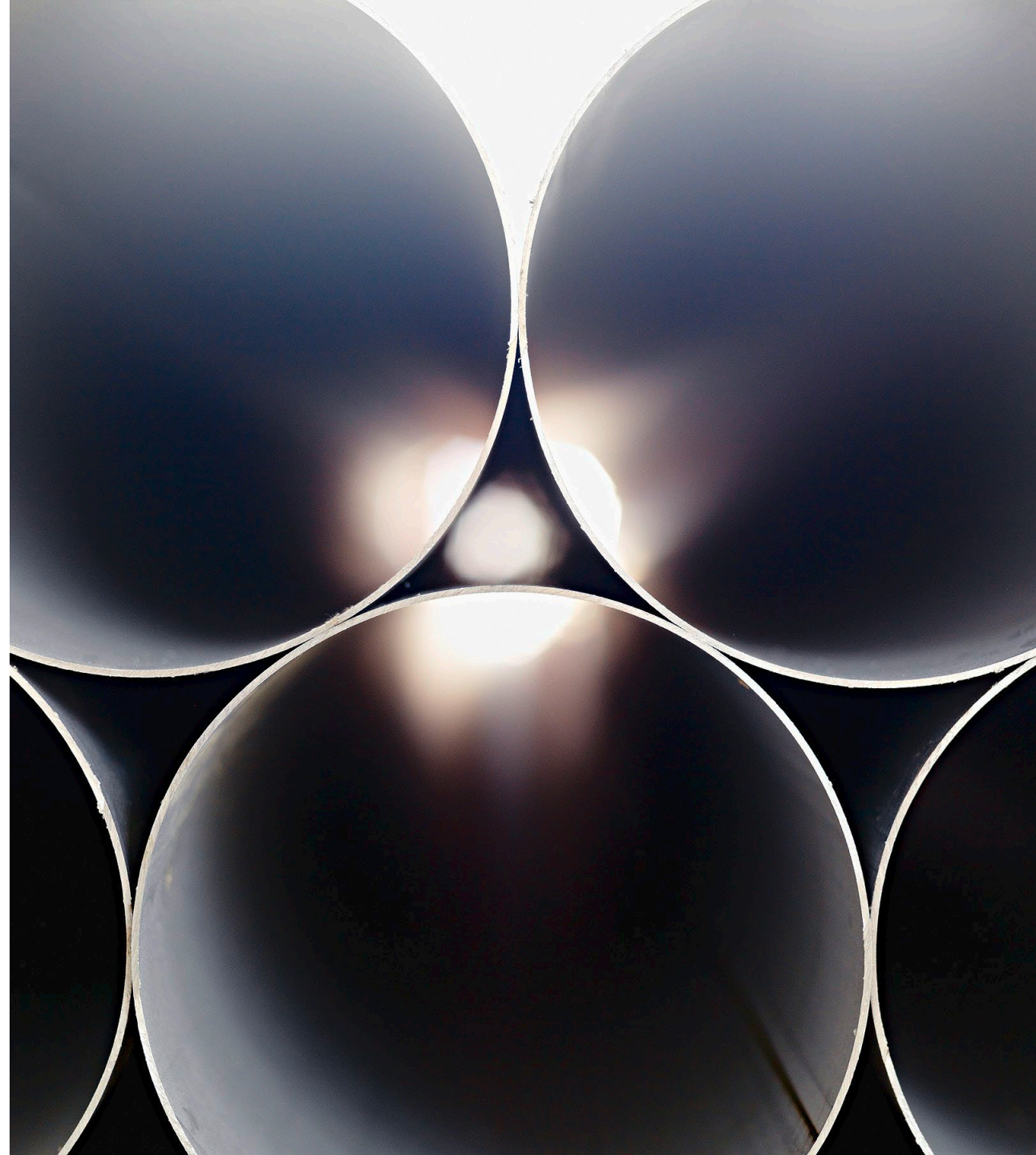
**Digital sales
share at 45%**

**>€500m
sales via KA**

- New kloeckner.i taking over core function in merging & extending the physical and the digital business
 - Combining IT and Digitalization capabilities under the roof of kloeckner.i
 - One management responsible for Transformation, Product and Engineering & IT
 - Closer connection to operating units
- kloeckner.i hub to be launched in the US
- Digital sales share at 45%, up by 7% yoy, flat qoq due to unprecedented market conditions
- Digitalization & automation progress continued in Q2
 - Kloeckner Assistant gaining traction and processed >€500m sales volume YTD with processing functionality live in the US, UK and Switzerland
 - Full automation tested in the US, inflection point towards Zero Touch in sales processes
- eProcurement by XOM Materials developing well, despite the challenging environment; >€370m GMV YTD

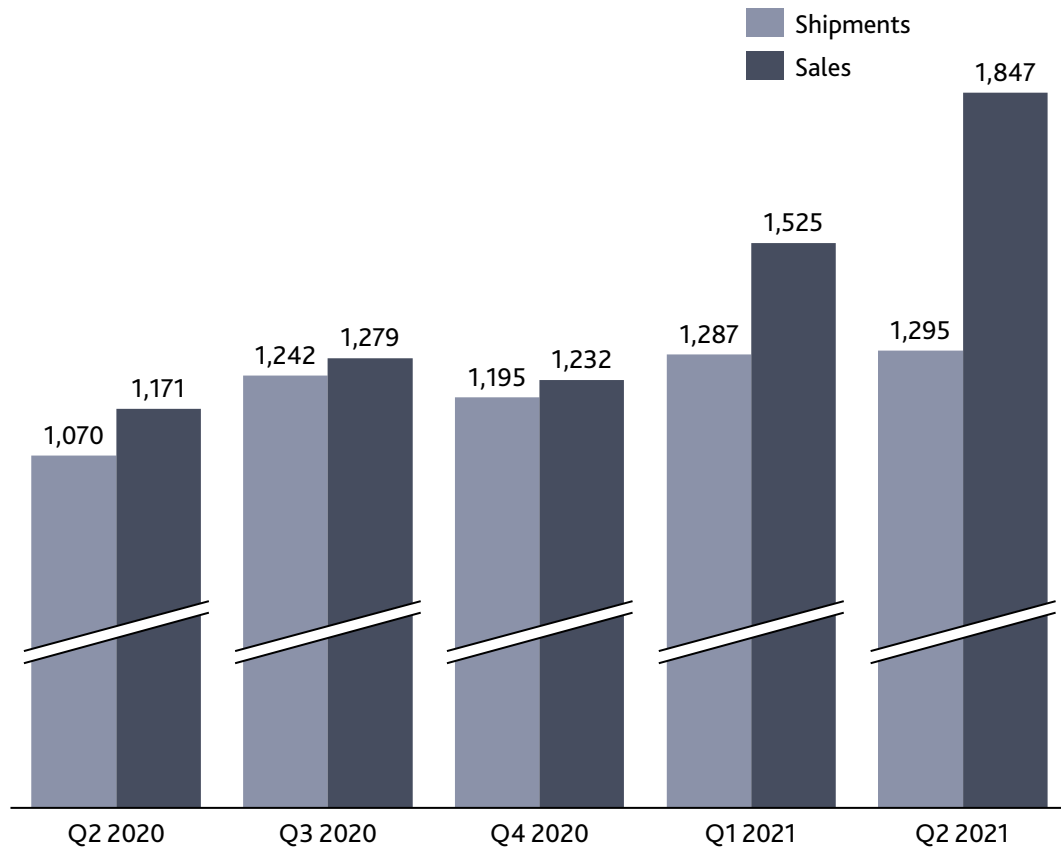
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3. Outlook
4. Appendix

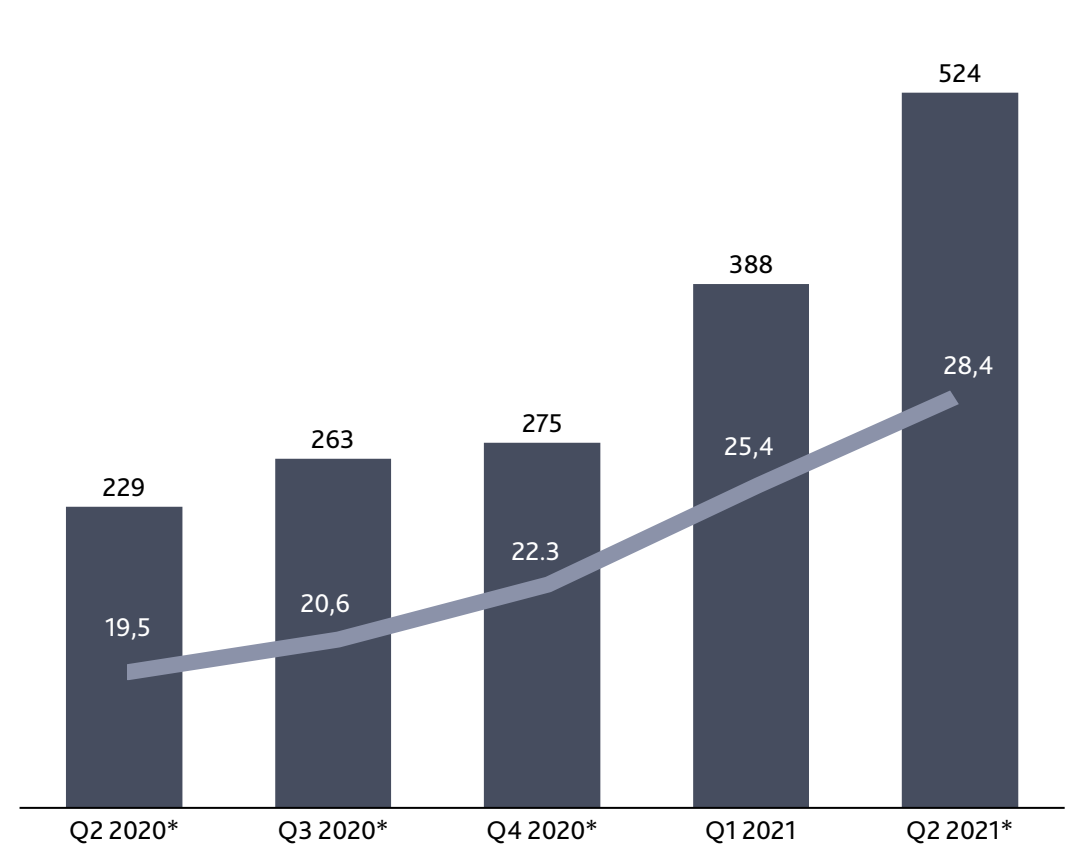


SHIPMENTS, SALES AND GROSS PROFIT

Shipments (Tto) & Sales (€m)



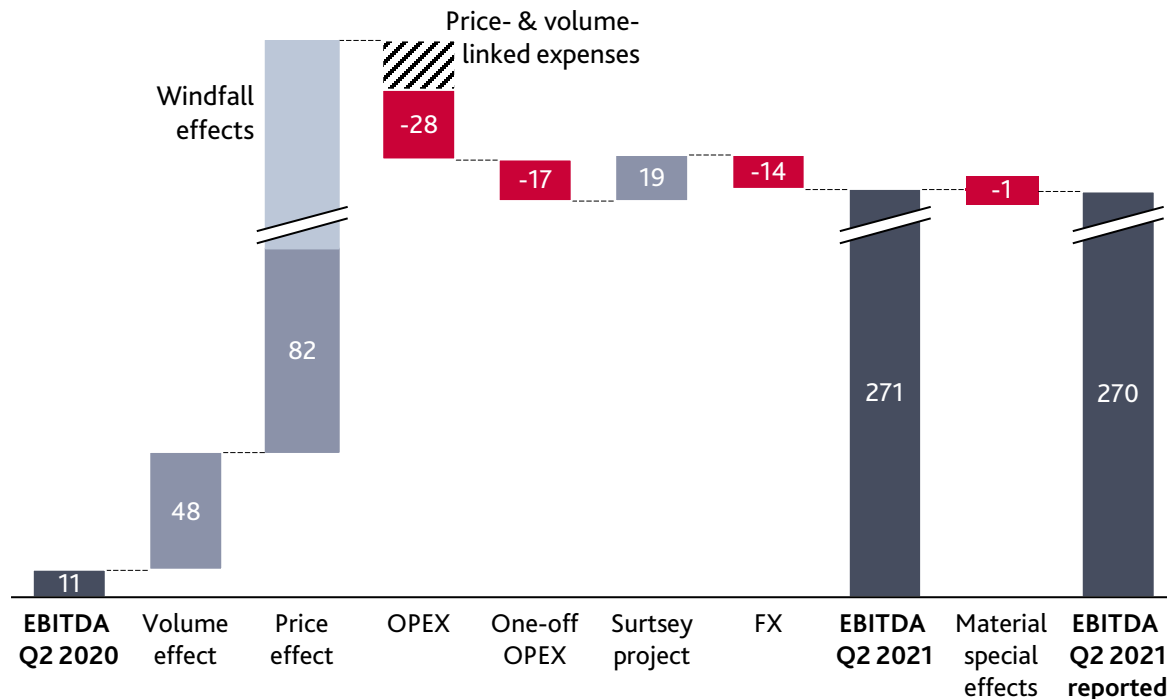
Gross profit (€m) & Gross margin (%)



*) Before material special effects.

BEST QUARTERLY OPERATING RESULT SINCE IPO IN 2006

EBITDA (€m) in Q2 2021



- Positive volume effect due to continued recovery from COVID-19 pandemic
- Strong positive price effect due to price dynamic in Europe and especially in the US; windfall gains of ~€190m
- OPEX (excl. Surtsey) up especially driven by shipping & operating costs and wage inflation; thereof €12m directly price-linked expenses (bonuses, VSOs, etc.) and €8m due to higher shipments; one-off OPEX of €17m
- Positive effects from Surtsey project of €19m in Q2 and negative FX-effects of €14m; minor material special effects from true-up of Surtsey measures

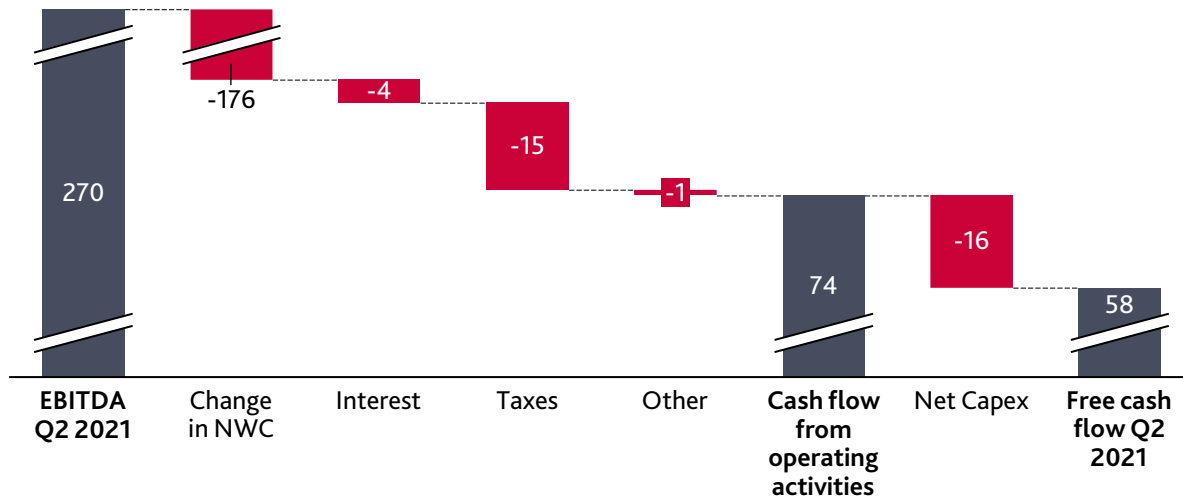
SMART NET WORKING CAPITAL MANAGEMENT - HIGH PERFORMANCE THROUGH THE CYCLE



- Relatively higher stock level (relative to turnover) during pandemic peaks created the foundation for good service quality after demand restarted
- Benefiting from low stock prices during phase of dynamic price trend
- Improving the quality of our stocks will help us to increase profitability going forward (DIOs reduced by 4 days vs. Q2 2019)
- Mitigating risks in trade receivables by reducing overdues by around 5%pts vs. Q2 2019 (DSOs reduced by 4 days vs. Q2 2019)
- Our excellent supplier relationships support us to keep stocks at an optimal level despite the continued shortage of material
- NWC rel. to sales reduced by 4%pts vs. Q2 2019 (equals to €265m additional NWC as of Q2 2021)

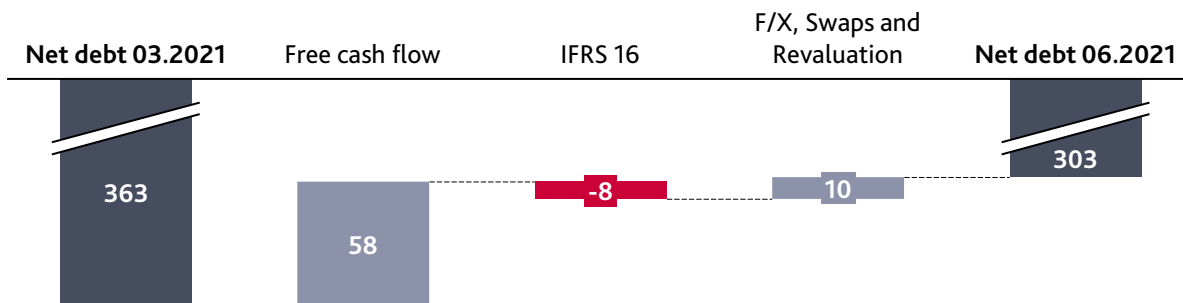
CASH FLOW AND NET DEBT DEVELOPMENT

Cash flow Q2 2021 (€m)



- EBITDA of €270m
- Net working capital increase of €176m
- Strong positive cash flow from operating activities of €74m
- Net capex €-16m
- Free cash flow accordingly €+58m

Net financial debt 03.2021 vs. 06.2021 (€m)



- Deleveraging: Net financial debt decreased driven by positive operating cash flow from €363m to €303m
- Revaluation of convertible bond due to expected non-execution of investor-put-option resulted in a non-cash gain of €+8m

MATURITY PROFILE – DIVERSIFIED PORTFOLIO AND STRONG LIQUIDITY

Facility (€m)	Committed Jun. 30, 2021	Drawn amount	
		Jun. 30, 2021	Dec. 31, 2020
Syndicated Loan	300	0	0
ABS Europe	220	35	112
ABL USA	278	34	53
Convertible 2016 ¹⁾	148	141	146
Bilateral Facilities ²⁾	194	58	33
Leases	172	172	180
Total Debt	1,312	439	524
Cash		137	173
Net Debt		303	351

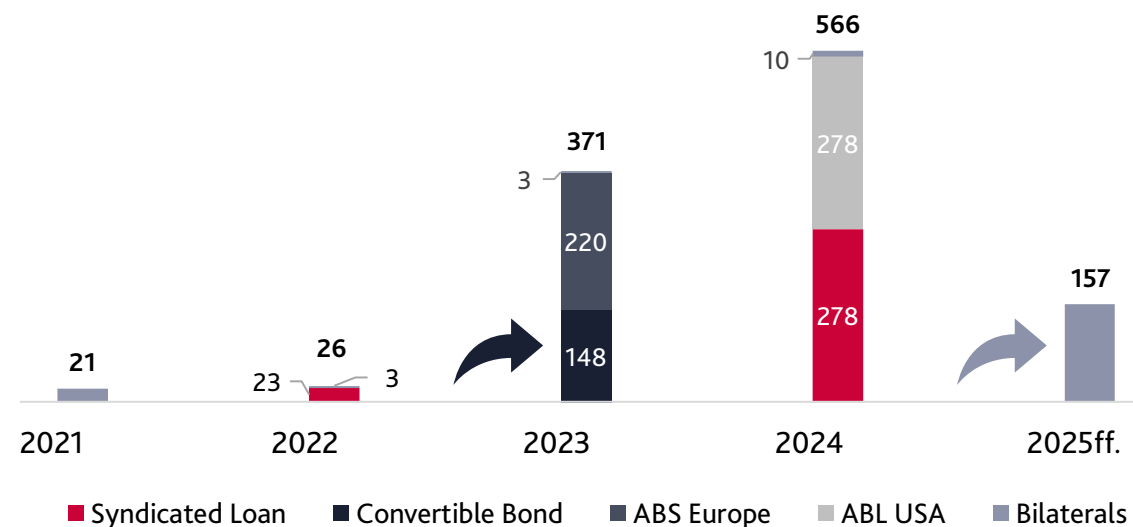
1) Revaluation of convertible bond on June 30, 2021. Nominal value unchanged.

2) Mainly Switzerland, after renewal of Swiss bilaterals in July 2021.

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

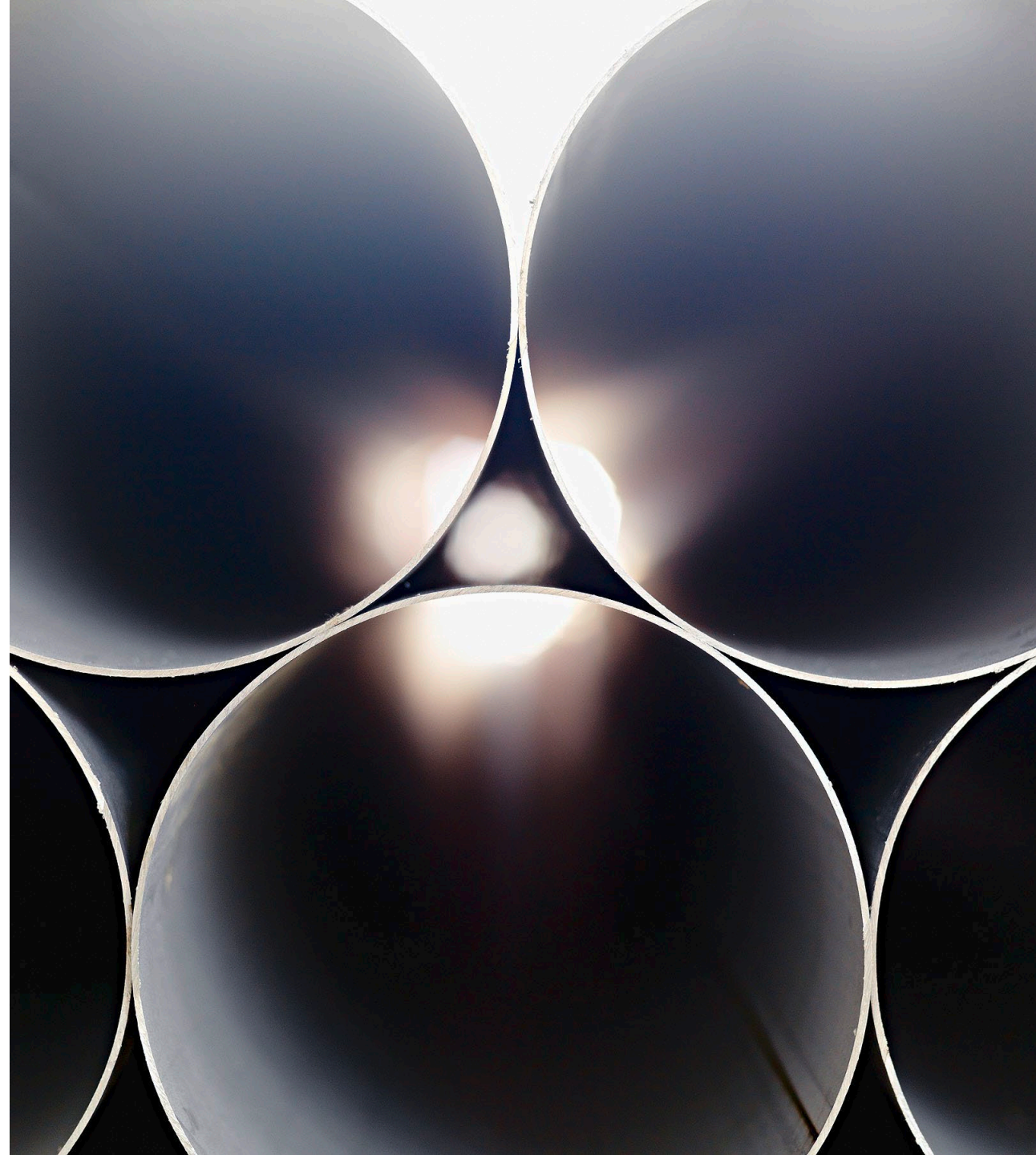
€m	Jun. 30, 2021
Adjusted equity	1,399
Net Debt	303
Gearing ³⁾	22%

Maturity profile (excl. leasing) in €m, June 30, 2021

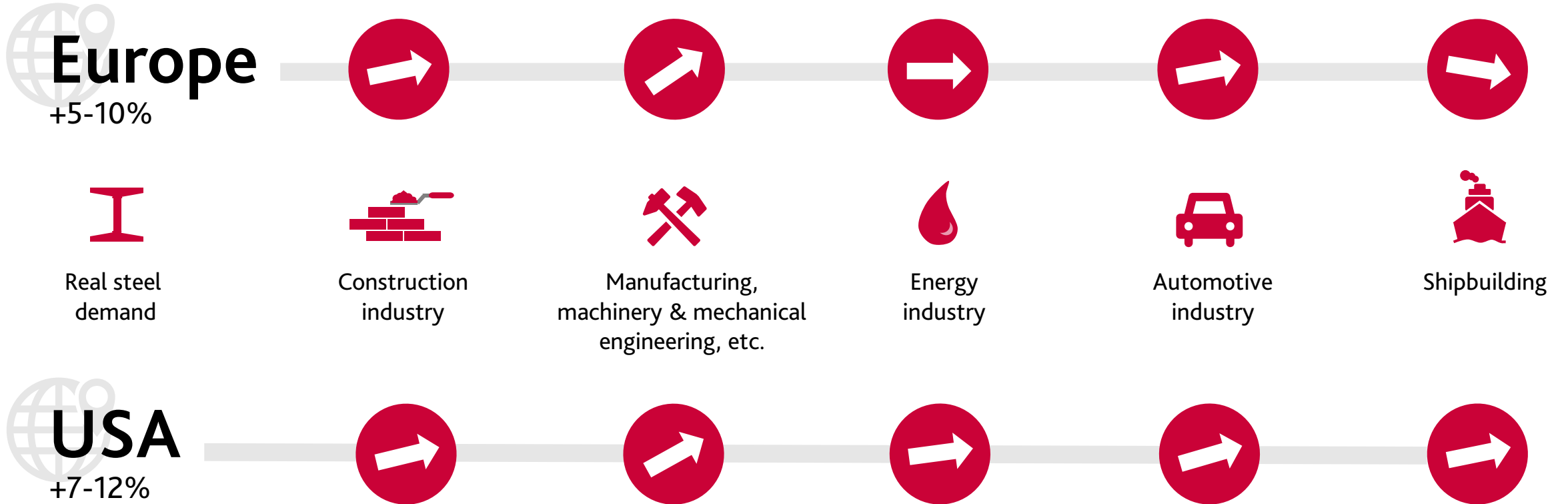


AGENDA

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- 3. Outlook**
4. Appendix



REGION SPECIFIC BUSINESS OUTLOOK 2021



OUTLOOK

Q3
2021

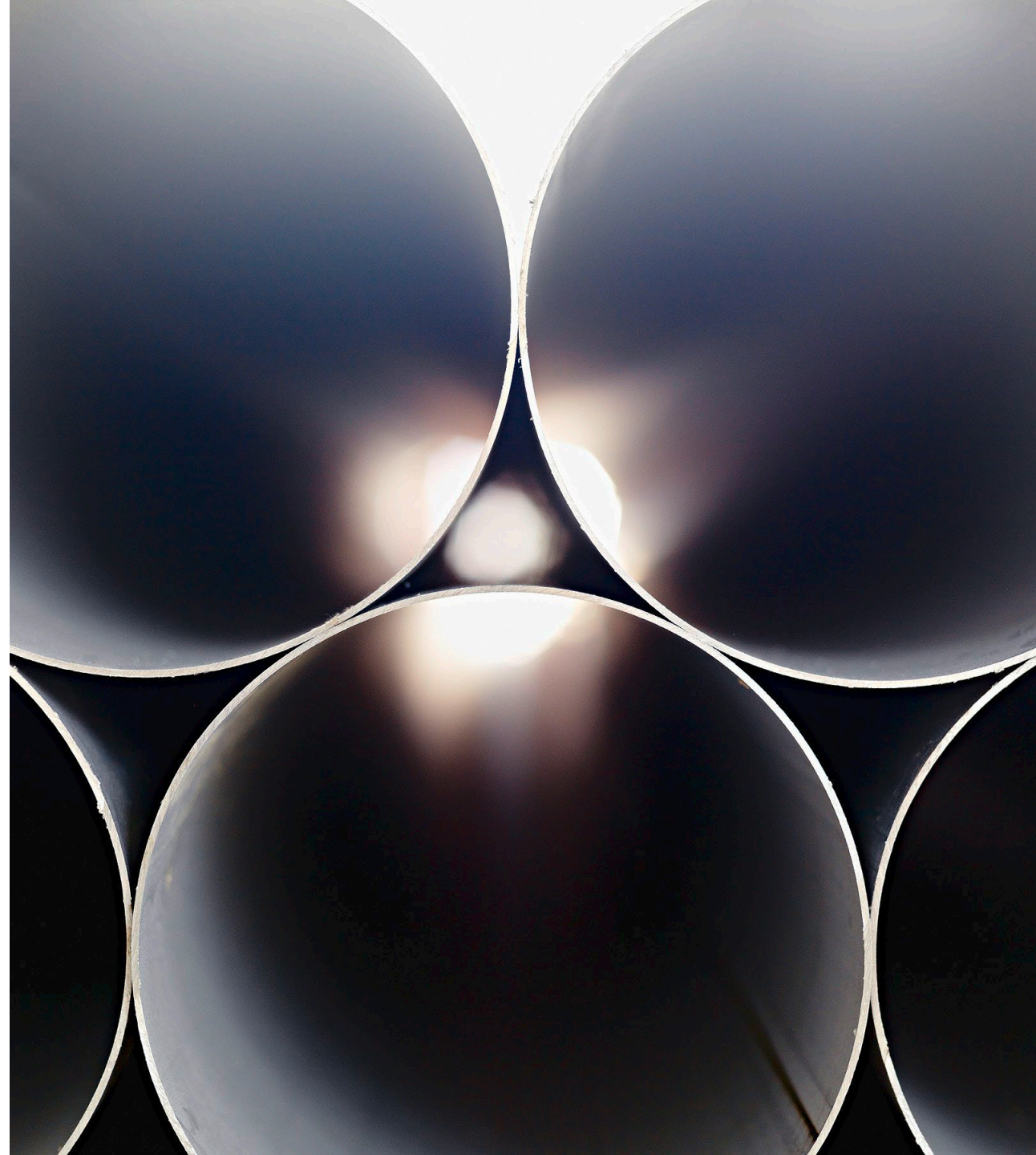
- Significant increase in sales (qoq) due to pricing dynamics and slight decrease in shipments (qoq) due to seasonality expected
- EBITDA expectation of €200-230m before material special effects

FY
2021

- Sales significantly, shipments slightly above prior-year level expected
- EBITDA before material special effects expected to be between €650-700m
- Considerable increase in operating cash flow anticipated

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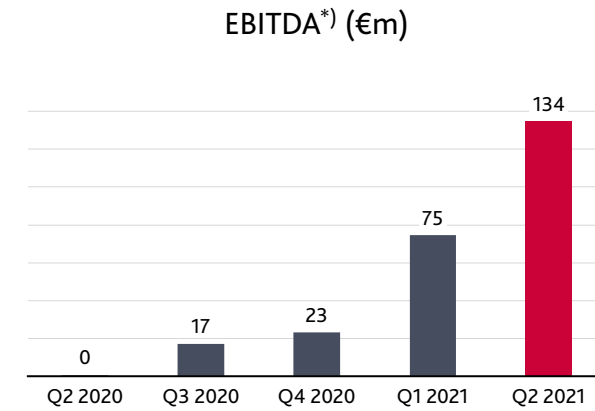
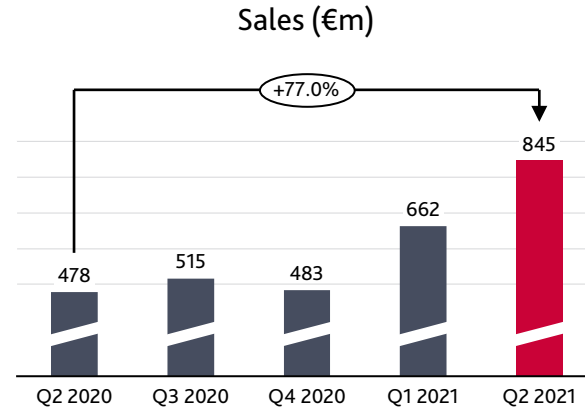
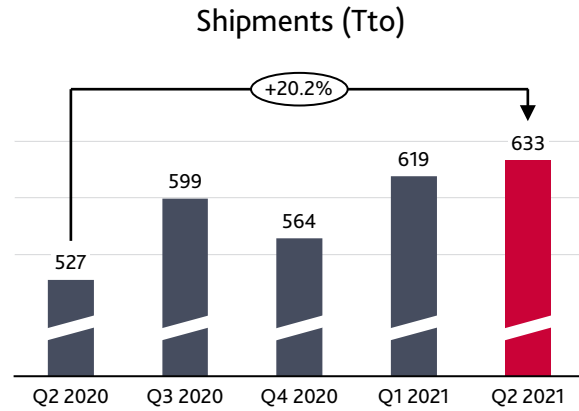
QUARTERLY AND FY RESULTS

(€m)	Q2 2021	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)	1,295	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	1,847	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)	-88	-70	-42	-27	21	30	24	38	50	61	28	2	-89	-114	-18	173	-172	-83	-50
Gross profit	525	388	274	262	226	285	267	284	304	303	301	332	364	331	1,047	1,158	1,328	1,316	1,315
% margin	28.4	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	-255	-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	271	130	39	40	11	21	11	28	51	34	30	59	84	56	111	124	229	220	196
Material special effects	-1	11	15	-2	-72	0	-8	-7	31	0	0	0	-2	0	-59	15	-2	0	0
EBITDA rep.	270	141	54	38	-61	21	3	21	82	34	30	59	82	56	52	139	227	220	196
% margin	14.6	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.)	-14	-8	-1	0	2	1	1	1	2	1	3	1	-8	-5	1	5	-9	-3	-1
EBIT	240	111	24	4	-109	-13	-35	-13	49	2	8	38	60	35	-93	2	141	130	85
Financial result	6	-6	-7	-7	-7	-9	-9	-11	-11	-10	-10	-8	-10	-7	-30	-41	-34	-33	-33
EBT	246	105	17	-3	-116	-22	-44	-24	37	-9	-2	30	51	28	-124	-39	107	97	52
Income taxes	-31	-19	5	-2	5	1	-7	1	-9	-1	-5	-8	-18	-7	9	-16	-38	5	-14
Net income	215	86	22	-5	-111	-21	-51	-23	28	-10	-7	22	33	21	-114	-55	69	102	38
Minority interests	3	1	1	0	0	0	1	0	0	0	0	0	0	0	2	1	0	1	1
Net income KCO	212	85	21	-5	-111	-21	-51	-23	28	-10	-7	22	33	21	-116	-56	69	101	37
EPS basic (€)	2.13	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 (€)	1.88	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 ^{*)}	1,282	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	303	363	351	427	476	563	445	634	684	820	383	569	552	472	351	445	383	330	444

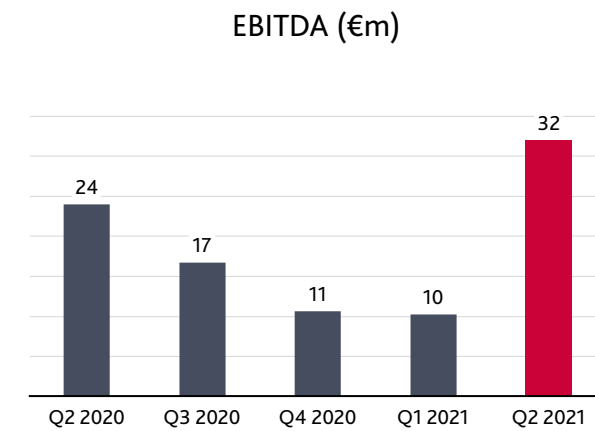
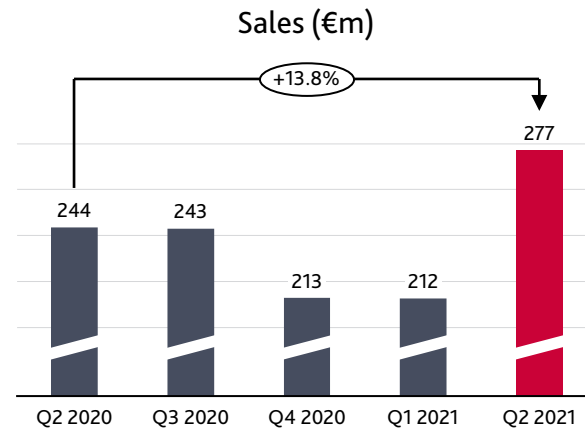
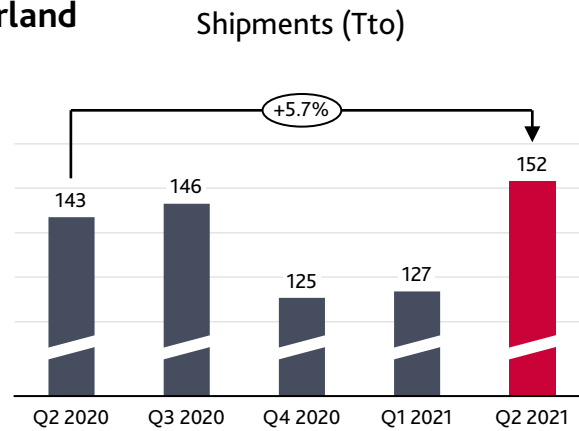
*) Since 2018 including supplier bonus receivables and contract assets.

SEGMENT PERFORMANCE

KM US



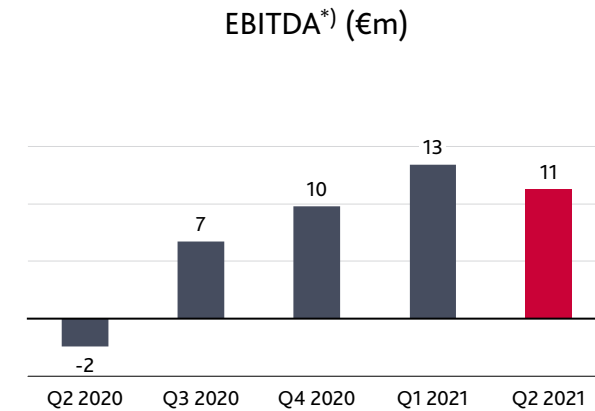
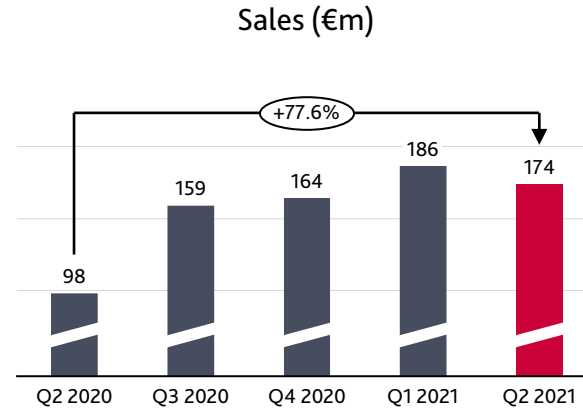
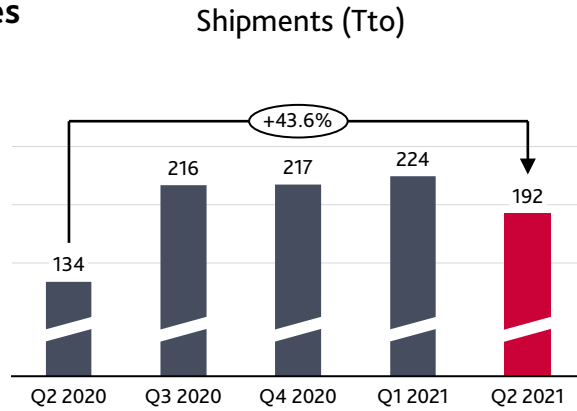
KM Switzerland



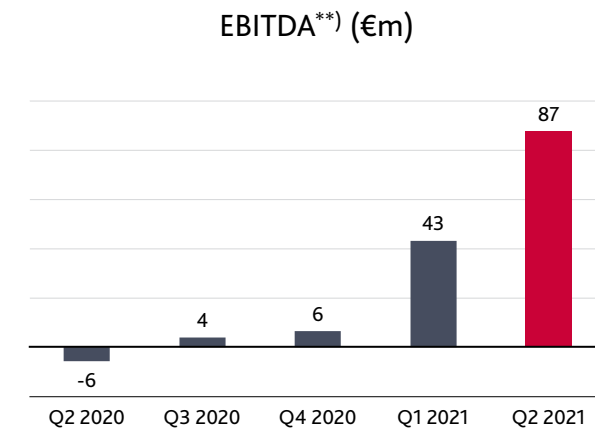
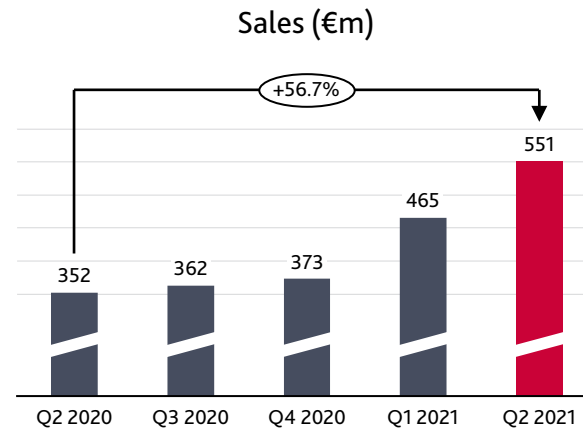
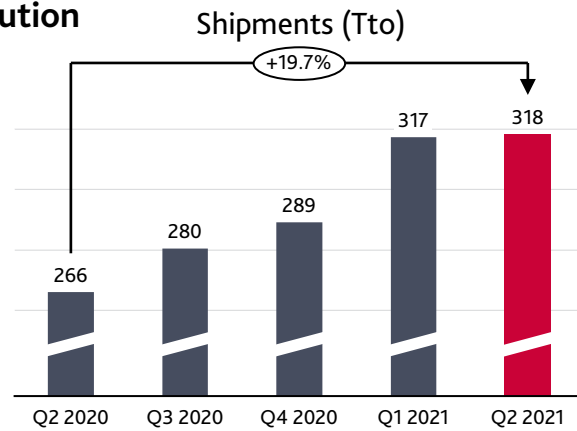
*) Adjusted in Q2, Q3 and Q4 2020 and Q1 and Q2 2021 for material special effects in the US.

SEGMENT PERFORMANCE

KM Services



KM Distribution



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

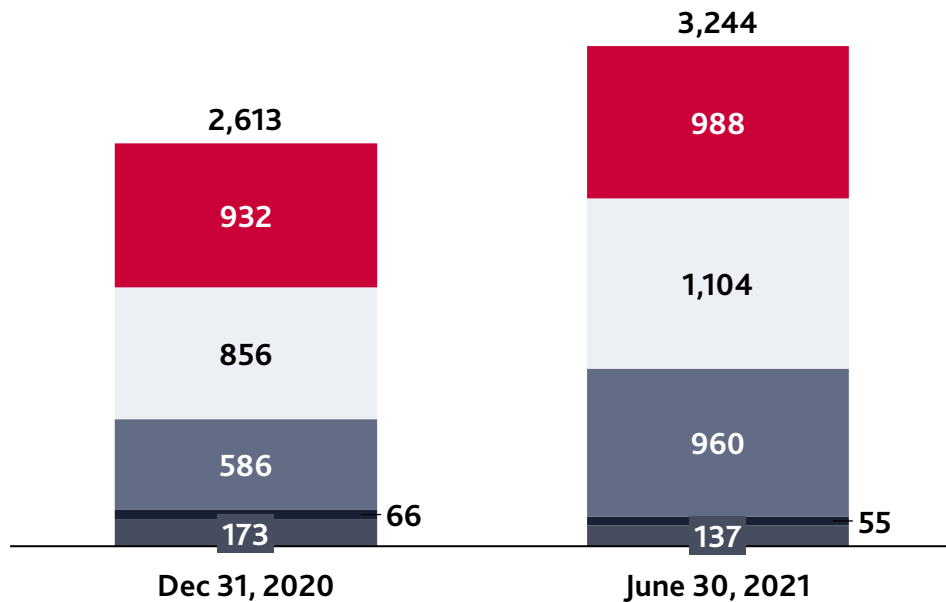
**) Adjusted for material special effects Q2, Q3, Q4 2020 and Q1, Q2 2021.

STRONG BALANCE SHEET

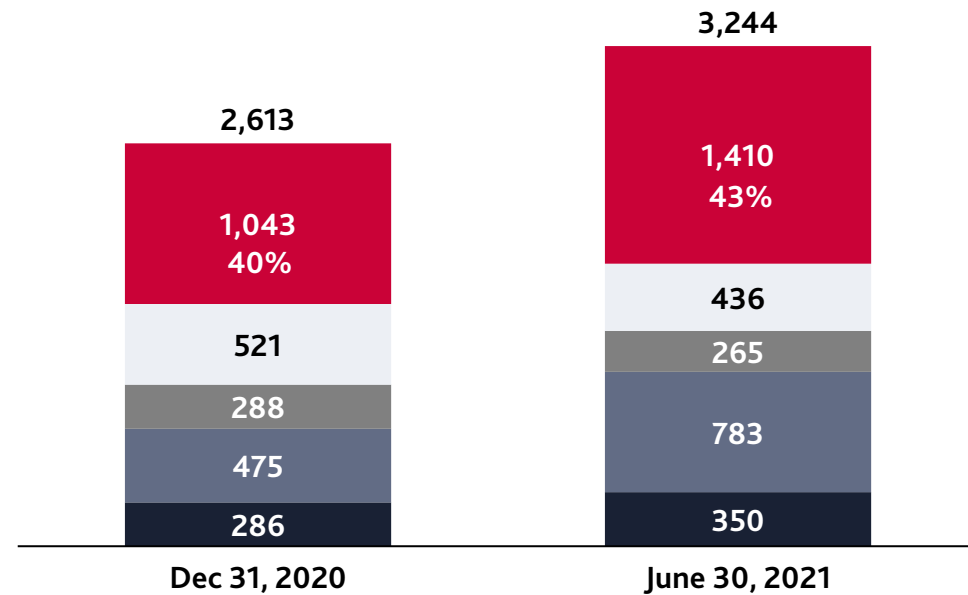
- Solid equity ratio of 43%
- Net debt of €303m
- Gearing^{*)} at 22%
- NWC at €1,282m (FY 2020: €967m)

*) 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.



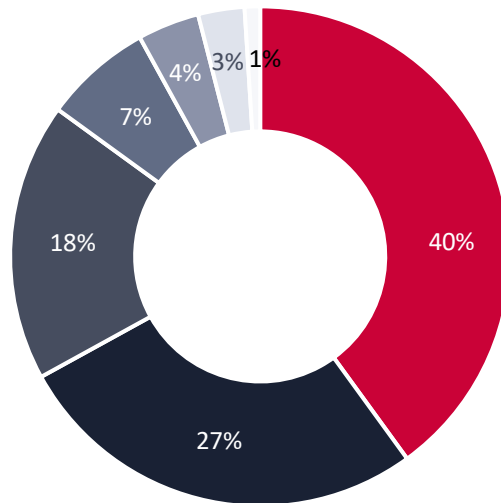
■ Non-current assets
 ■ Trade receivables^{***})
 ■ Liquidity
■ Inventories
 ■ Other current assets



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

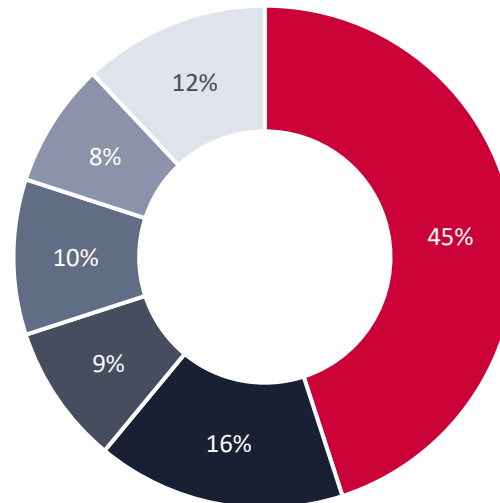
SALES BY MARKETS, PRODUCTS AND INDUSTRIES

Sales by markets



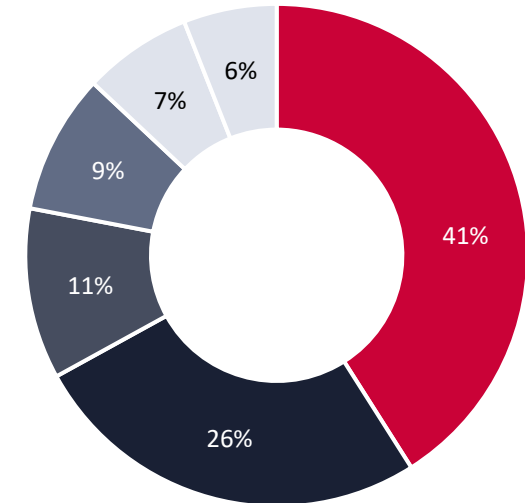
- USA
- Germany/Austria
- Switzerland
- France
- Benelux
- UK
- Brazil

Sales by products



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

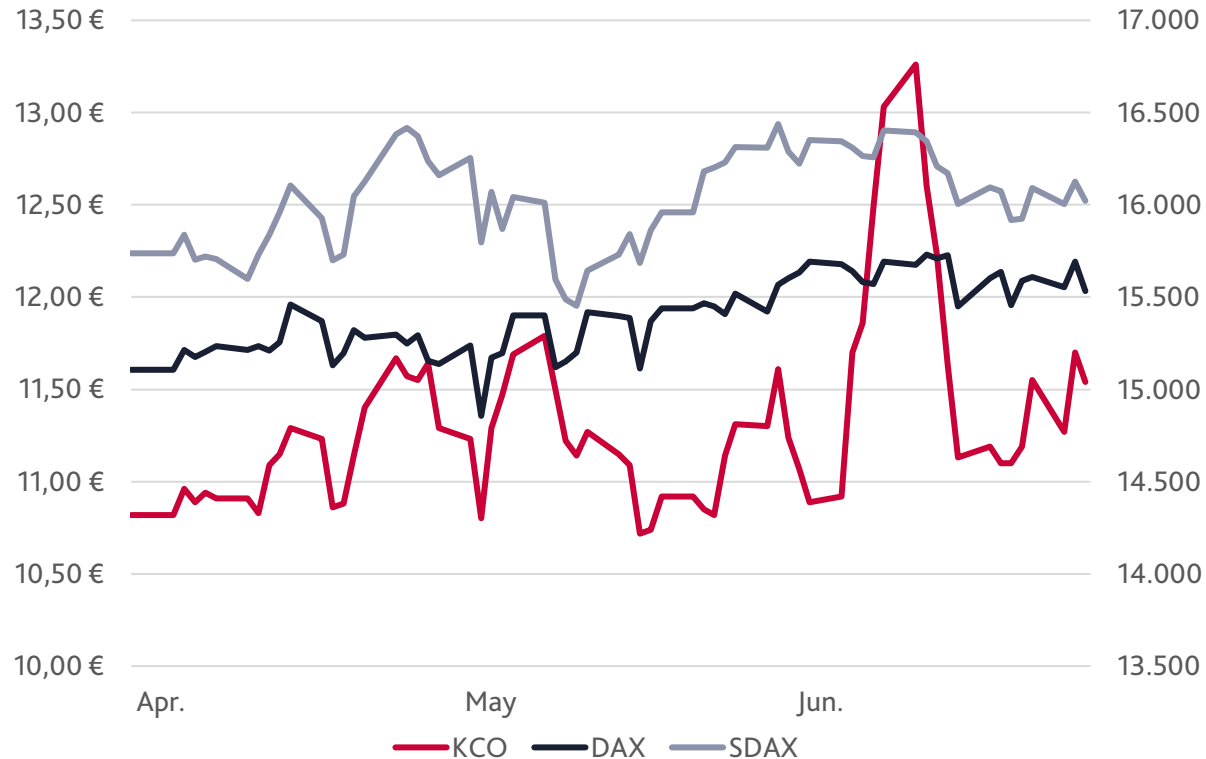
Sales by industries



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

As of December 31, 2020.

SHARE PRICE PERFORMANCE IN Q2 2021



- The share price of Klöckner & Co moved sideways at the beginning of Q2 2021 reaching its lowest level of €10.72 on May 19
- The share price increased sharply thereafter reaching its highest level of €13.26 on June 14, however, the capital markets environment remained highly volatile
- It went out of trading at €11.54 on June 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
- Due to negative net income no dividend for 2020

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	-	-

TAKING RESPONSIBILITY AND GROW SUSTAINABLY



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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 www.kloeckner.com

FINANCIAL CALENDAR

November 3, 2021

Q3 quarterly statement 2021

March 9, 2022

Annual Financial Statement 2021

May 4, 2022

Q1 quarterly statement 2022

June 1, 2022

Annual General Meeting 2022

August 3, 2022

Half-yearly financial report 2022

November 3, 2022

Q3 quarterly statement 2022