

Q1 2025 Results

Press Conference Call

Guido Kerkhoff | CEO

May 7, 2025



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



Highlights of Q1 2025

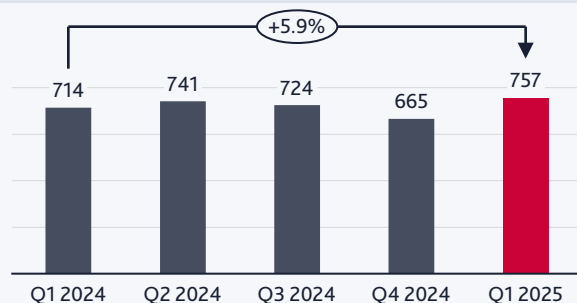
	Q1 2025	Q1 2024	Delta	
Shipments (Tto)	1,170	1,139	+2.7%	Slight increase yoy driven by strong development of Kloeckner Metals Americas; Kloeckner Metals Europe with negative volume development
Sales (€m)	1,666	1,737	-4.1%	Slight decrease yoy despite increased shipments as a result of lower average price level
Gross profit (€m)	317	297	+6.6%	Considerable increase yoy; gross profit margin also increased yoy
EBITDA ^{*)} (€m)	42	42	0	Constant level yoy according to guidance
Oper. CF (€m)	-118	-44	-74	Negative OCF due to NWC increase
Net financial debt (€m)	914	790	+124	Increase yoy mainly due to negative operating cashflow

^{*)} Before material special effects.

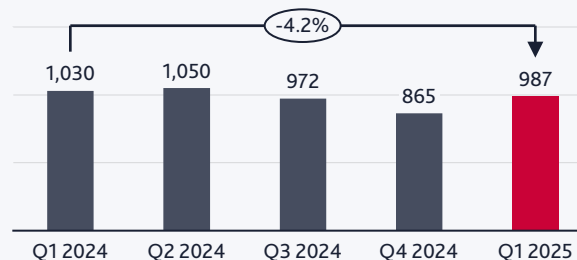
Segment performance

KM Americas

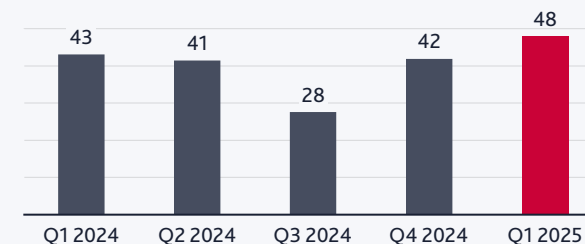
Shipments (Tto)



Sales (€m)

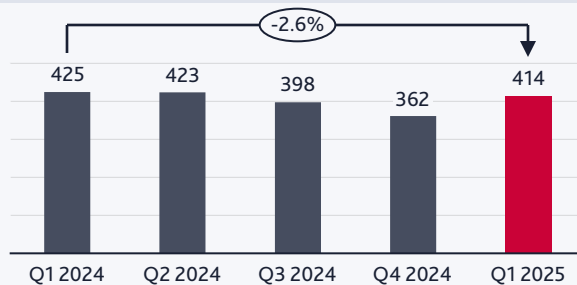


EBITDA*) (€m)

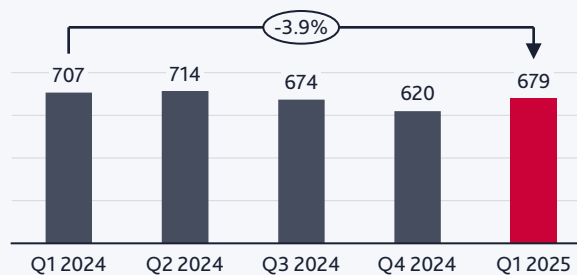


KM Europe

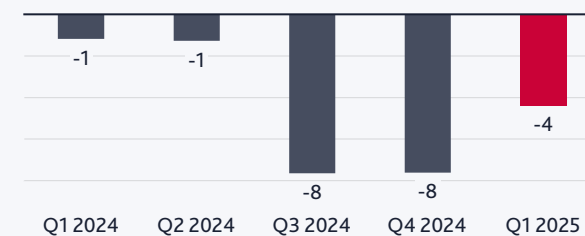
Shipments (Tto)



Sales (€m)



EBITDA*) (€m)

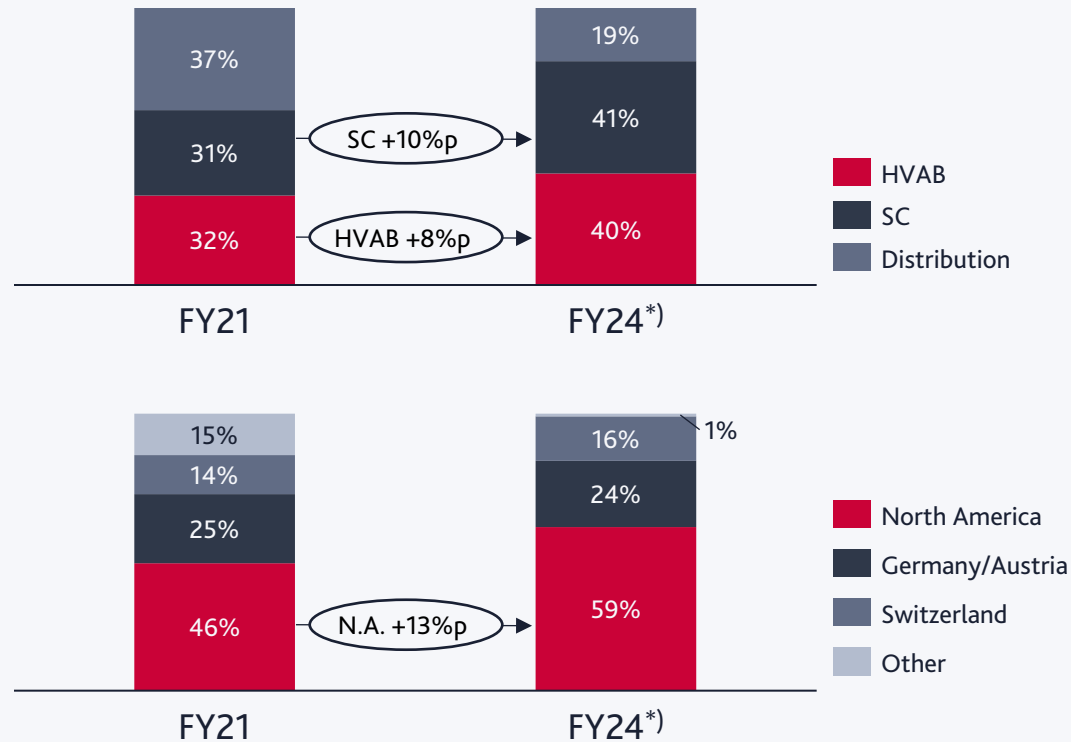


*) Adjusted for material special effects in Q1 2024, Q3 2024, Q4 2024 and Q1 2025 in KM Europe and Q3 2024, Q4 2024 and Q1 2025 in KM Americas.

Developing from a steel distribution company to a metal processor

Sharpened regional and business focus

Sales split



*) Continuing operations in accordance with IFRS 5.

Our achievements



Financial Stabilization

Further de-risked the balance sheet: Pensions paid and equity ratio at a consistently strong level



Portfolio optimization

Sold parts of the low-margin distribution business in Europe, acquired value accretive companies in North America



Perceived as service center and metal processing company
Already ~80% of sales are generated in the service center (SC) and higher value-added business (HVAB)



Regional focus

Focused on economically strong North America and DACH region, with ~60% of sales generated in North America



Leader of the sustainable industry

Offering CO₂-reduced materials, services and logistics solutions under Nexigen® brand

Key priority: Expanding our higher value-added business and service center business

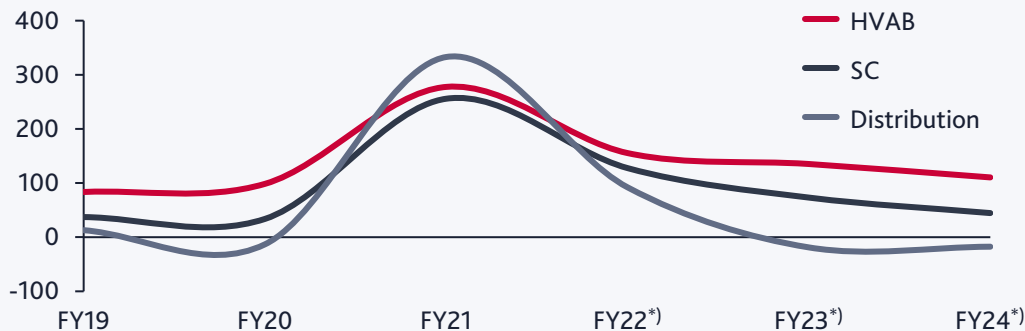
Lever towards increasing profitability while reducing underlying volatility

What is higher value-added business (HVAB) and service center business (SC)?

- HVAB: Metal products, which are extensively processed or fabricated before delivery to the customer, for instance with welding and 3D laser cutting systems
- SC: Multi-metal services, such as cutting-to-length and slitting

Why do we want to expand these businesses?

EBITDA before MSE development by business



- Especially HVAB with higher profitability as a result of high degree of product customization
- Longer-term contracts and lower dependence on volatile commodity price developments
- Higher barriers to entry for potential competitors compared to the distribution business, due to the need for specialized equipment, technical expertise and certifications

How do we achieve this?

Product & Service Portfolio Diversification

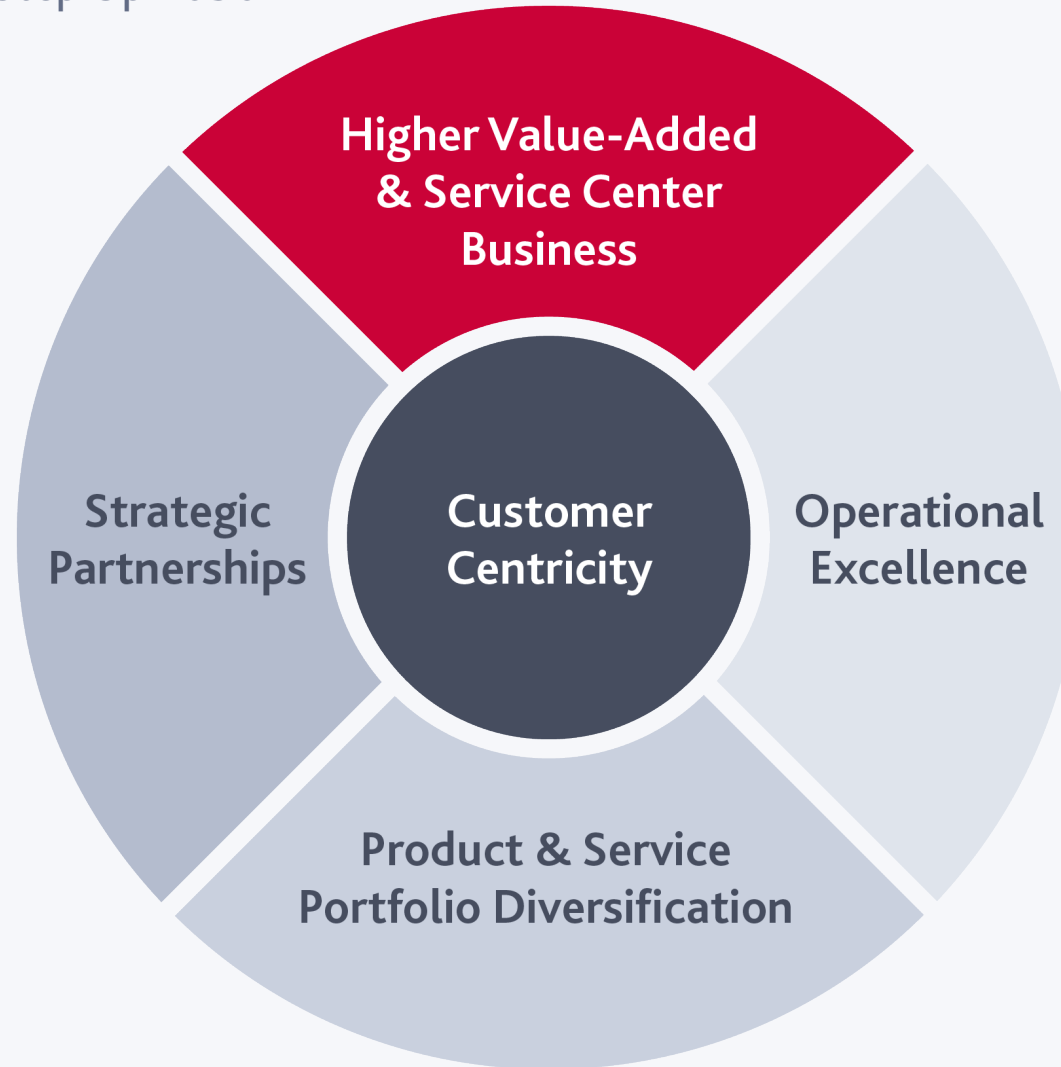
Strategic Partnerships

Operational Excellence

*) Continuing operations in accordance with IFRS 5.

Klöckner & Co: Leveraging Strengths - Step Up 2030

Entering a new strategic chapter: Step Up 2030



Klöckner & Co: Leveraging Strengths - Step Up 2030

Entering a new strategic chapter: Step Up 2030



Our 2030 targets

Becoming the leading service center and metal processing company in North America and Europe, with one of the highest profitability levels in the industry

Sales growth
above market

Through the cycle
annual EBITDA in
the mid-three-
digit €m range

Through the cycle
EBITDA margin of
>5%

ROCE >10%



Strengthening our focus on strong future industries

Enhancing manufacturing expertise and industry focus across Europe and North America

Germany

- Agreed to acquire Ambo-Stahl in Cologne to enhance capabilities in specialized steel processing
- Strengthening our presence in the sectors of defense and infrastructure where growing demand is expected
- Acquisition and integration expected to be completed by mid-2025, delivering high-quality services to customers

United States

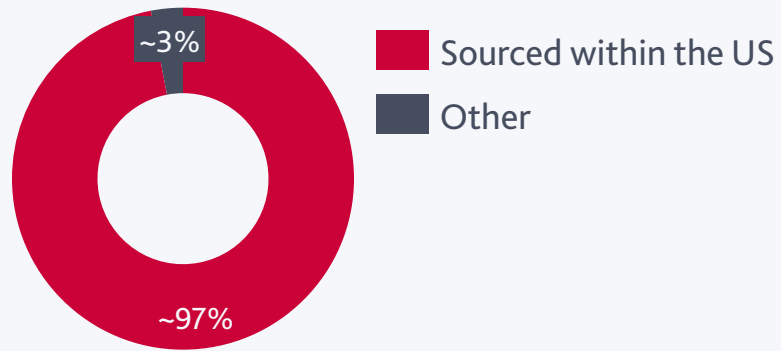
- Expanded our manufacturing capabilities with the acquisition of Haley Tool & Stamping near Nashville, Tennessee
- Enhancing our presence in Tennessee, creating operational synergies with nearby facilities
- Improving our operational efficiency through access to advanced stamping presses and in-house tooling capabilities
- Supporting growth in automotive, aerospace and industrial manufacturing

Local for local business in North America

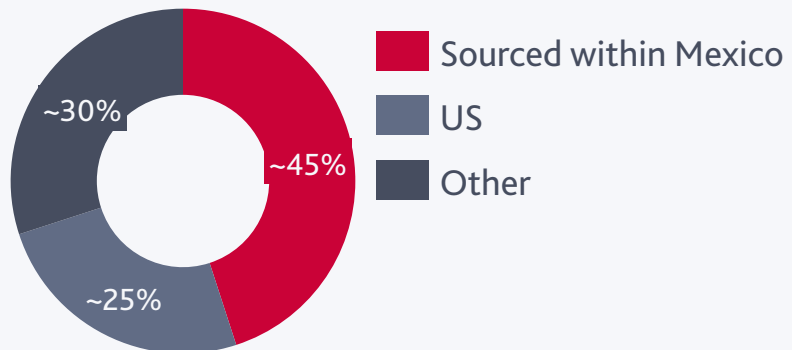
Benefiting from the ongoing nearshoring trend

Sourcing by region

US

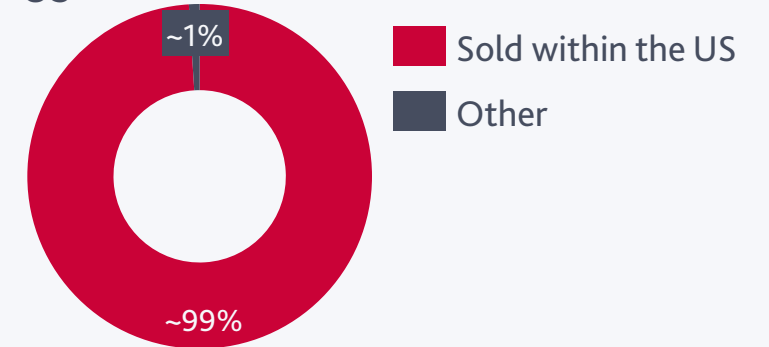


Mexico

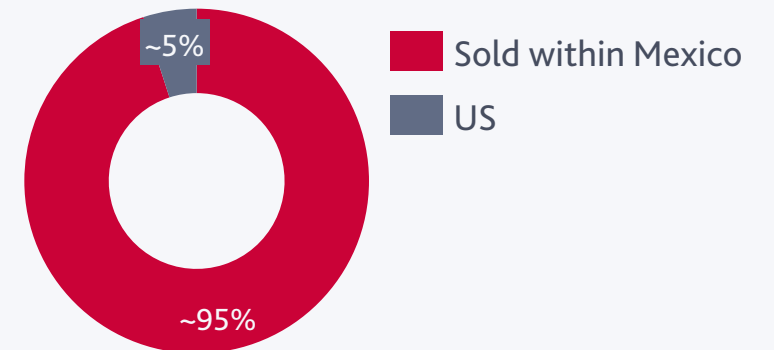


Sales by region

US



Mexico



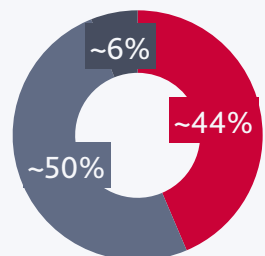
Local for local business in Europe

Limited direct impact of US tariffs as most sourcing and selling is done locally

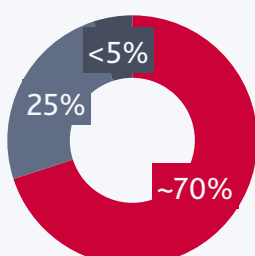
Sourcing by region

Germany

KMG

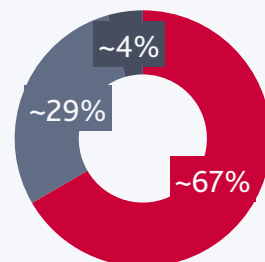


Becker



■ Sourced within Germany ■ EU ■ Non-EU

Switzerland

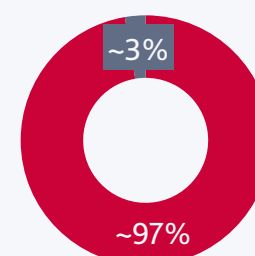


■ Sourced within Switzerland ■ EU ■ Non-EU

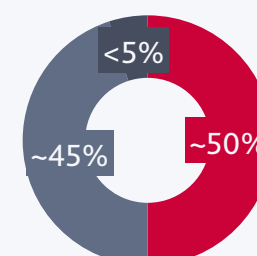
Sales by region

Germany

KMG

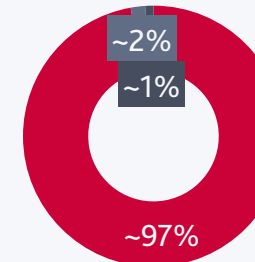


Becker



■ Sold within Germany ■ EU ■ Non-EU

Switzerland



■ Sold within Switzerland ■ EU ■ Non-EU

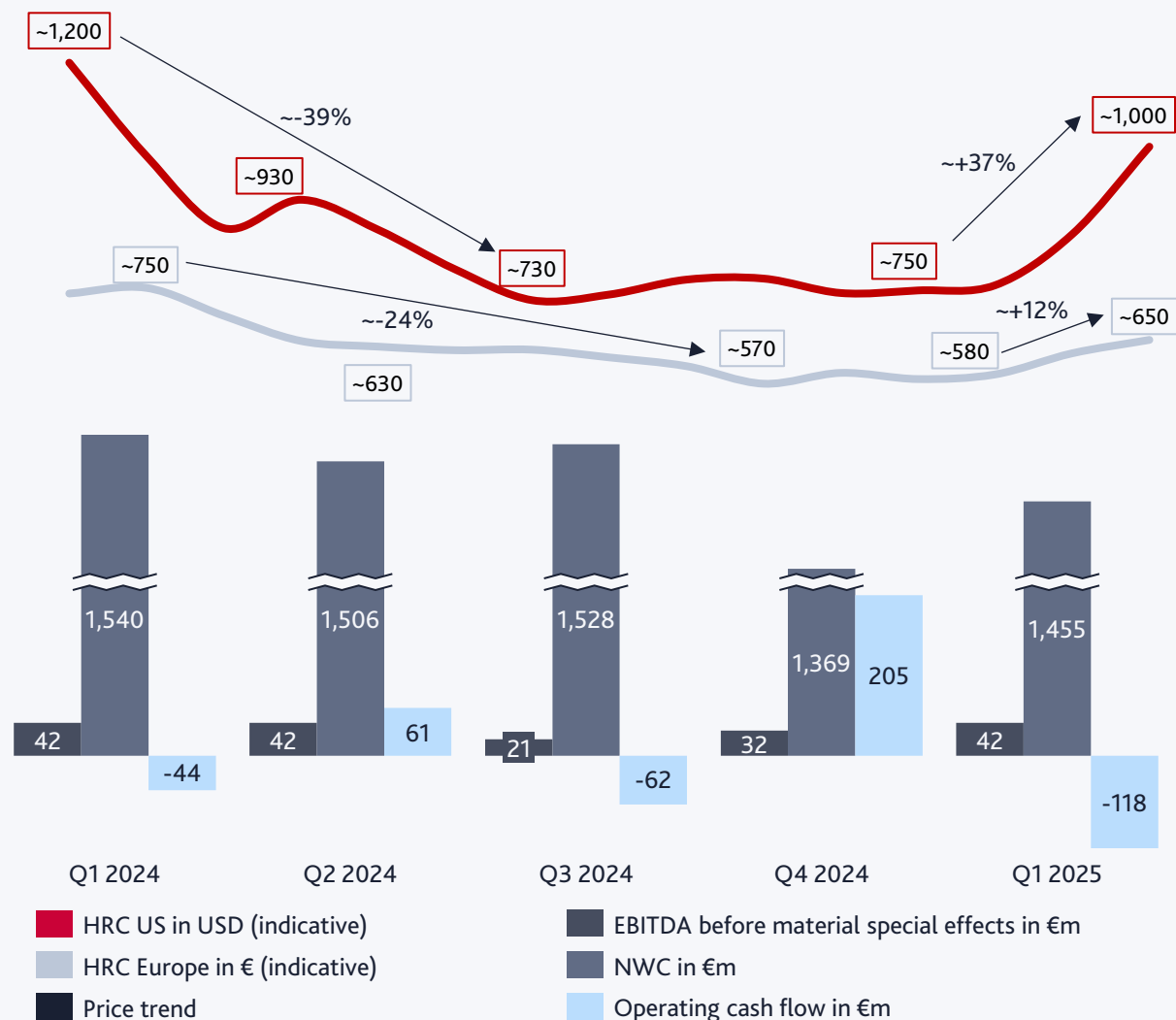
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Our net working capital management

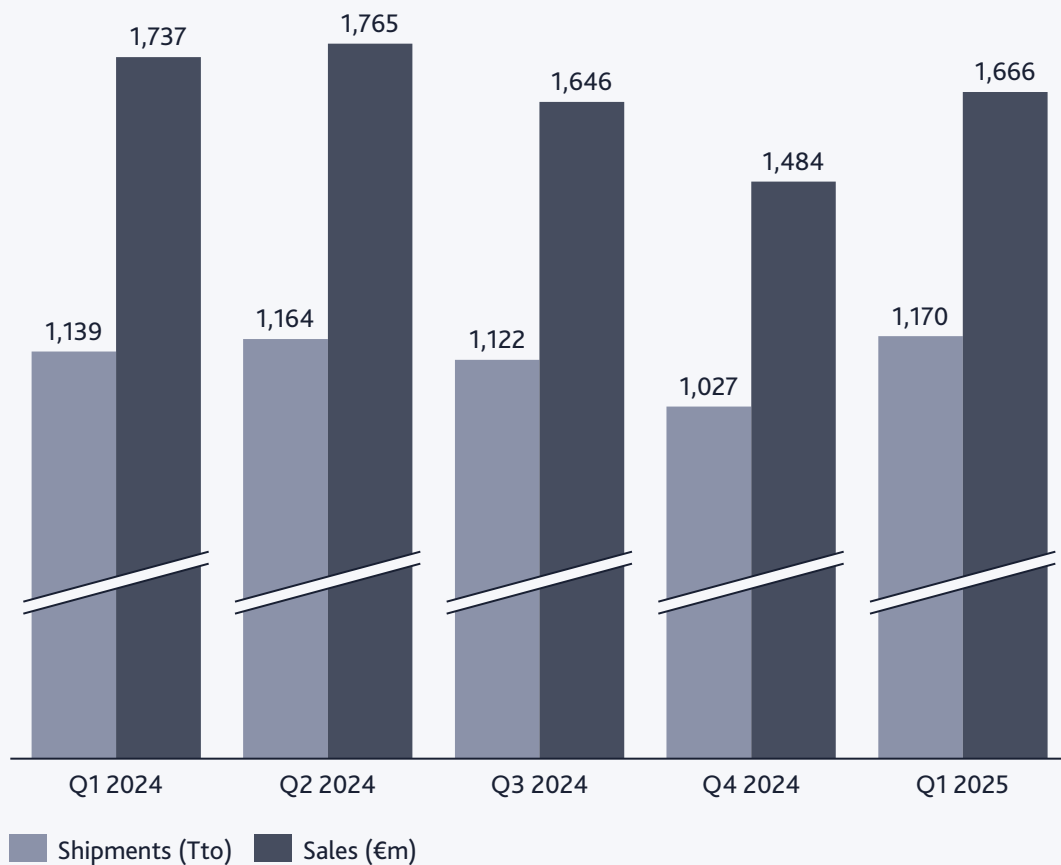
Solid first quarter EBITDA performance in line with guidance



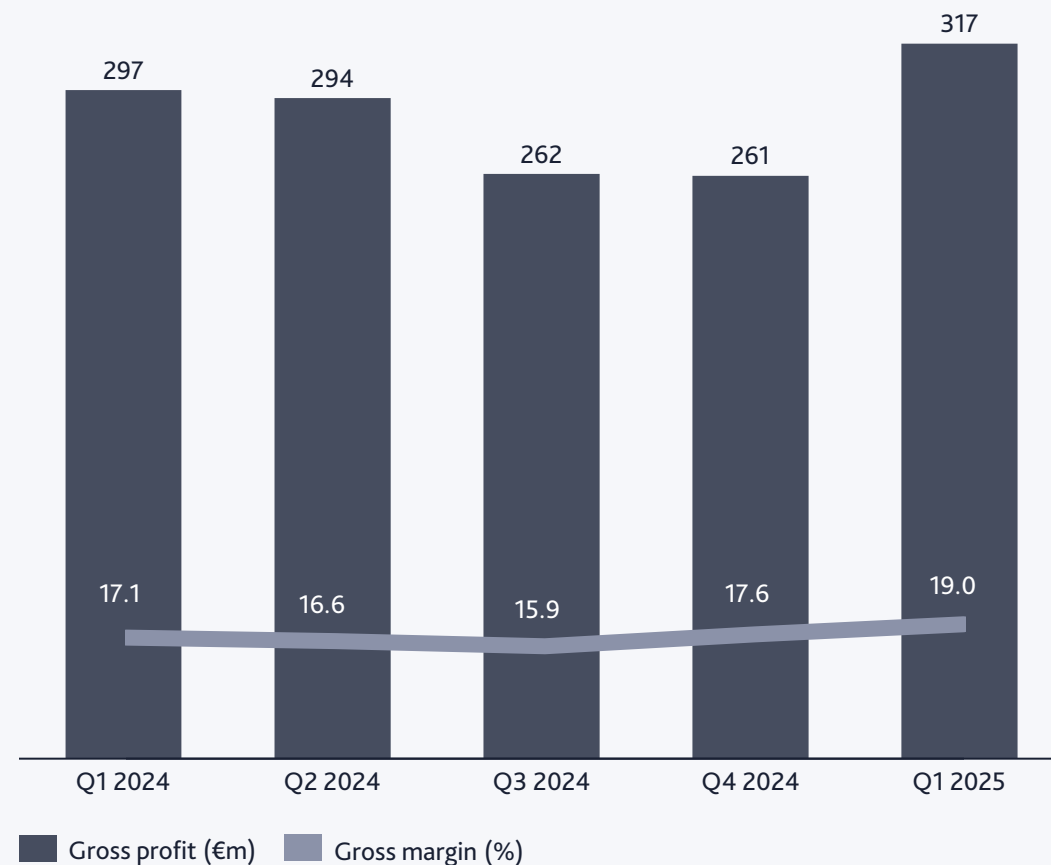
- Committed to a strong “through the cycle performance”, fostering upside risks and mitigating downside risks
- Achieved EBITDA before material special effects of €42m in Q1 2025
- Dedicated to translating current positive pricing momentum into strong operating results in Q2 2025 and beyond
- Strategy execution fully on track; improving our underlying profitability further
- Continuing to leverage digitalization and automation initiatives
 - Digital quotes increased by 2.6% yoy in Q1 2025

Shipments, sales and gross profit development

Shipments & sales

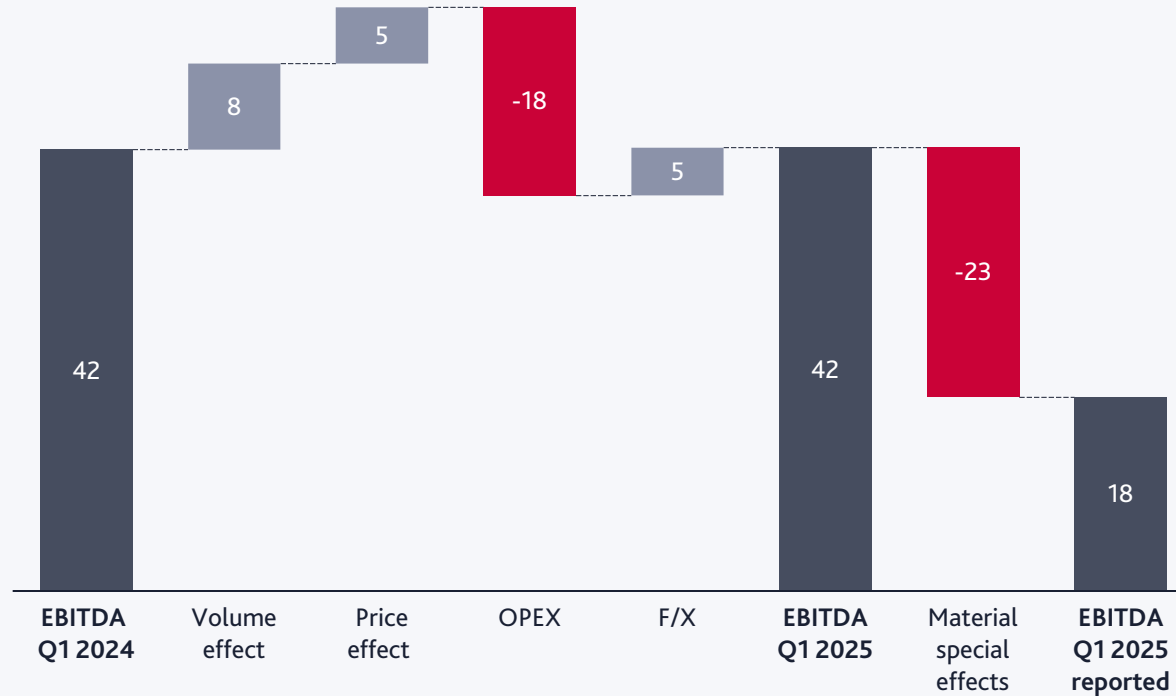


Gross profit & gross profit margin



EBITDA development

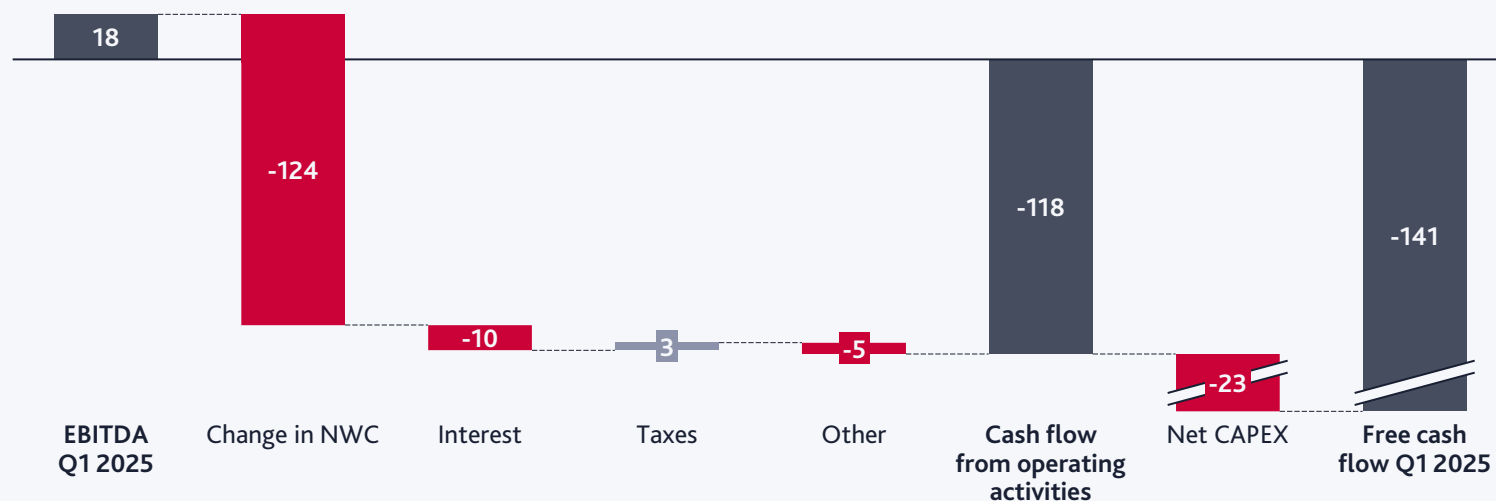
EBITDA (€m) in Q1 2025



- EBITDA before material special effects in Q1 2025 of €42m; constant yoy
- Positive volume effect of €8m and price effect of €5m
- OPEX higher €18m yoy
- Positive F/X effects of €5m yoy
- Material special effects mainly related to the final deconsolidation of the Brazilian entity

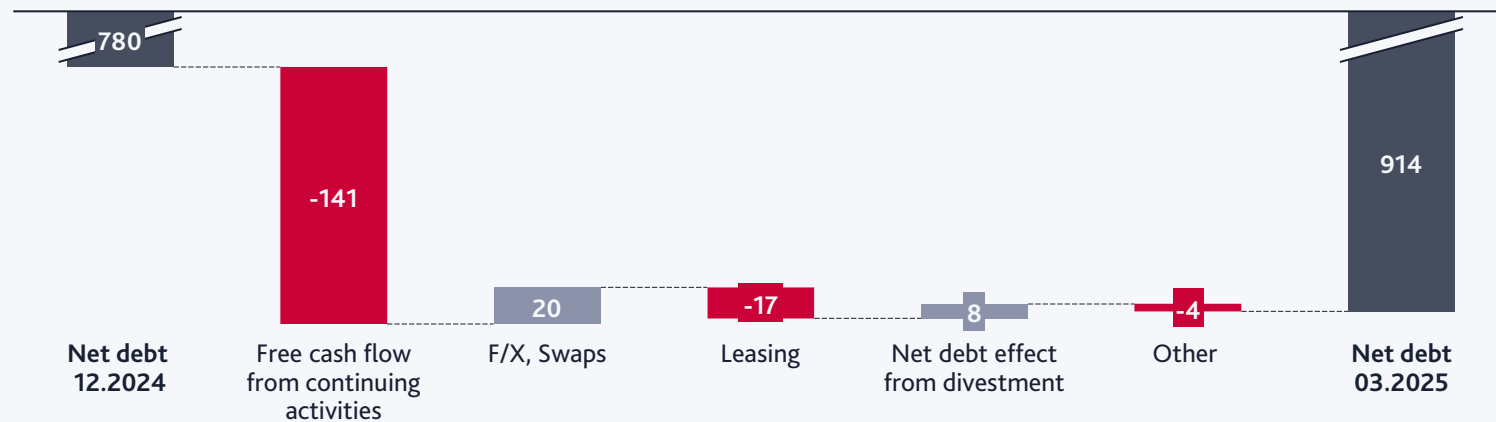
Cash flow and net debt development

Cash flow Q1 2025 (€m)



- EBITDA reported of €18m
- Net working capital increased by €124m
- Cash flow from operating activities of €-118m
- Net Capex of €23m
- Free cash flow accordingly €-141m

Net financial debt 12.2024 vs 03.2025 (€m)



















- Net financial debt increased from €780m to €914m
- Positive F/X translation effects of €20m
- Leasing increased by €17m
- Net debt effect from divestment of our Brazilian entity of €8m

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Region specific business outlook 2025

						
	Real steel demand	Construction Industry	Manufacturing, Machinery & Mech. Eng	Transportation	Household & Commercial Appliances	Energy Industry
<u>North America</u>	0% to +1%					
<u>Europe</u>	0% to +1%					

Outlook



- Considerable increase in sales and constant development of shipments expected (qoq)
- EBITDA before material special effects expected to come in between €60-90m



- Shipments and sales expected to increase considerably yoy
- EBITDA before material special effects expected to increase considerably yoy
- Expecting positive operating cash flow, considerably above previous year's level

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Financial calendar

May 28, 2025

**Annual General Meeting 2025,
Düsseldorf**

August 6, 2025

Half-yearly financial report 2025

November 5, 2025

Q3 quarterly statement 2025