

The logo for klöckner & co features the company name in white lowercase letters on a red rectangular background. This red rectangle is centered within a larger, light gray rectangular frame that has a subtle drop shadow effect.

klöckner & co

New Segmentation: Adjusted figures 2018

As of January 1, 2019

New Segmentation of Klöckner & Co SE

We have adjusted our segment structure as of January 1, 2019 and will in future be broken into five segments. We have done this to underline the strategic focus and to further increase the transparency of our reporting. The new segments are named as follows:

- Kloeckner Metals US,
- Kloeckner Metals Switzerland,
- Kloeckner Metals Services Europe,
- Kloeckner Metals Distribution Europe and
- Holding and other Group companies.

The **Kloeckner Metals US** segment consists of our entire business in the USA only. It covers all services from metal and steel distribution, processing to innovative and high-technology value-added business offered in this region. The segment accounted for ~40% of our sales in 2018 and is therefore a main pillar of our strategic approach.

The **Kloeckner Metals Switzerland** segment comprises of our specialty business located in Switzerland. Its core business of offering distribution solutions and services ranges from reinforcements to multi metal and technical products. It mainly serves in the construction, industry and commerce sectors.

The second European based segment is **Kloeckner Metals Services Europe**. The new segment consists of service center activities in Europe, especially for flat steel and aluminum. Moreover, processing as well as innovative and high-technology value-added business that is related to those service center activities are incorporated here.

The third segment that is geographically based in Europe is **Kloeckner Metals Distribution Europe**. While also offering processing and higher value-added services and products, its core business is rather related to the general steel and metal distribution in our covered European countries besides Switzerland. Kloeckner Metals Distribution Europe is the second largest segment of the Group.

The fifth segment is named **Holding and other Group companies** and consists of Holding activities as well as businesses that are still small and not narrowly bound to any other of the four operative segments, including Brazilian and metering business as well as XOM Materials and in part kloeckner.i.

FY 2018 in € million	Group	Kloeckner Metals US	Kloeckner Metals Switzerland	Kloeckner Metals Services Europe	Kloeckner Metals Distribution Europe	Holding & other Group companies
Turnover (Tto)	6,107	2,676	613	1,018	1,747	53
Sales	6,790	2,706	1,008	806	2,212	58
Gross profit	1,328	529	267	121	394	17
<i>% margin</i>	19.6	19.6	26.5	15.0	17.8	28.5
EBITDA (before material special effects)	229	149	47	42	11	-20
<i>% margin</i>	3.3	5.6	7.7	4.1	0.6	-37.6
EBITDA (reported)	227	155	46	42	5	-21
<i>% margin</i>	3.3	5.7	4.6	5.2	0.2	-35.7
Cash flow from operat. activities	60	53	36	52	-36	-45

Klöckner & Co SE: New Segmentation as of January 1, 2019

Adjusted figures 2018 by segment*

Turnover in Tto

	Q1	Q2	Q3	Q4	FY
Kloeckner Metals US	672	707	676	621	2,676
Kloeckner Metals Switzerland	133	174	157	149	613
Kloeckner Metals Services Europe	304	259	234	221	1,018
Kloeckner Metals Distribution Europe	464	453	436	394	1,747
Holding & other Group companies	11	12	17	13	53
Group	1,584	1,605	1,520	1,398	6,107

Sales in €m

	Q1	Q2	Q3	Q4	FY
Kloeckner Metals US	588	713	730	675	2,706
Kloeckner Metals Switzerland	212	278	266	252	1,008
Kloeckner Metals Services Europe	237	204	187	178	806
Kloeckner Metals Distribution Europe	578	580	556	498	2,212
Holding & other Group companies	13	14	15	16	58
Group	1,628	1,789	1,754	1,619	6,790

*IFRS-related figures with respect to the FY 2018 have been calculated on the basis of then applicable IFRS, i.e. without considering the new IFRS 16 (applicable as of January 1, 2019).

Adjusted figures 2018 by segment*

Gross profit in €m

	Q1	Q2	Q3	Q4	FY
Kloeckner Metals US	123	154	136	116	529
Kloeckner Metals Switzerland	58	73	70	66	267
Kloeckner Metals Services Europe	38	31	28	24	121
Kloeckner Metals Distribution Europe	108	102	94	90	394
Holding & other Group companies	4	4	4	5	17
Group	331	364	332	301	1,328

Cash flow from operating activities in €m

	Q1	Q2	Q3	Q4	FY
Kloeckner Metals US	-9	6	-4	60	53
Kloeckner Metals Switzerland	-40	1	32	43	36
Kloeckner Metals Services Europe	-5	17	-9	49	52
Kloeckner Metals Distribution Europe	-67	-27	-15	73	-36
Holding & other Group companies	-22	-9	-9	-5	-45
Group	-143	-12	-5	220	60

*IFRS-related figures with respect to the FY 2018 have been calculated on the basis of then applicable IFRS, i.e. without considering the new IFRS 16 (applicable as of January 1, 2019).

Adjusted figures 2018 by segment*

EBITDA (before material special effects) in €m

	Q1	Q2	Q3	Q4	FY
Kloeckner Metals US	31	59	40	19	149
Kloeckner Metals Switzerland	5	17	15	10	47
Kloeckner Metals Services Europe	16	12	9	5	42
Kloeckner Metals Distribution Europe	11	6	1	-7	11
Holding & other Group companies	-8	-9	-6	3	-20
Group	55	85	59	30	229

EBITDA (reported) in €m

	Q1	Q2	Q3	Q4	FY
Kloeckner Metals US	32	64	40	19	155
Kloeckner Metals Switzerland	5	16	15	10	46
Kloeckner Metals Services Europe	16	12	9	5	42
Kloeckner Metals Distribution Europe	11	0	1	-7	5
Holding & other Group companies	-8	-10	-6	3	-21
Group	56	82	59	30	227

*IFRS-related figures with respect to the FY 2018 have been calculated on the basis of then applicable IFRS, i.e. without considering the new IFRS 16 (applicable as of January 1, 2019).

Disclaimer

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. Moreover, typing errors cannot be ruled out.

Please note that any IFRS-related figures with respect to the FY 2018 have been calculated on the basis of then applicable IFRS, i.e. without considering the new IFRS 16 (applicable as of January 1, 2019).

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Further publications are to find at kloeckner.com

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