

klöckner & co

Your partner for a
sustainable tomorrow

ANNUAL GENERAL MEETING KLÖCKNER & CO SE

June 1, 2022



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

FISCAL YEAR 2021

	FY 2021	FY 2020
Shipments (in Tto)	4,881	4,873
Sales (in €m)	7,441	5,130
EBITDA (in €m)	879	52
Net income (in €m)	629	-114
Operating cash flow (in €m)	-306	161
Digital sales share (last annual quarter in %)	46	45

	FY 2021	FY 2020
Equity (in €m)	1,827	1,043
Equity ratio (in %)	47	40
Liquid funds (in €m)	58	173
Net financial debt (in €m)	762	351
Gearing (in %)	42	34
Employees	7,153	7,274

Best result since IPO and substantial improvement of the balance sheet structure

FIRST QUARTER 2022

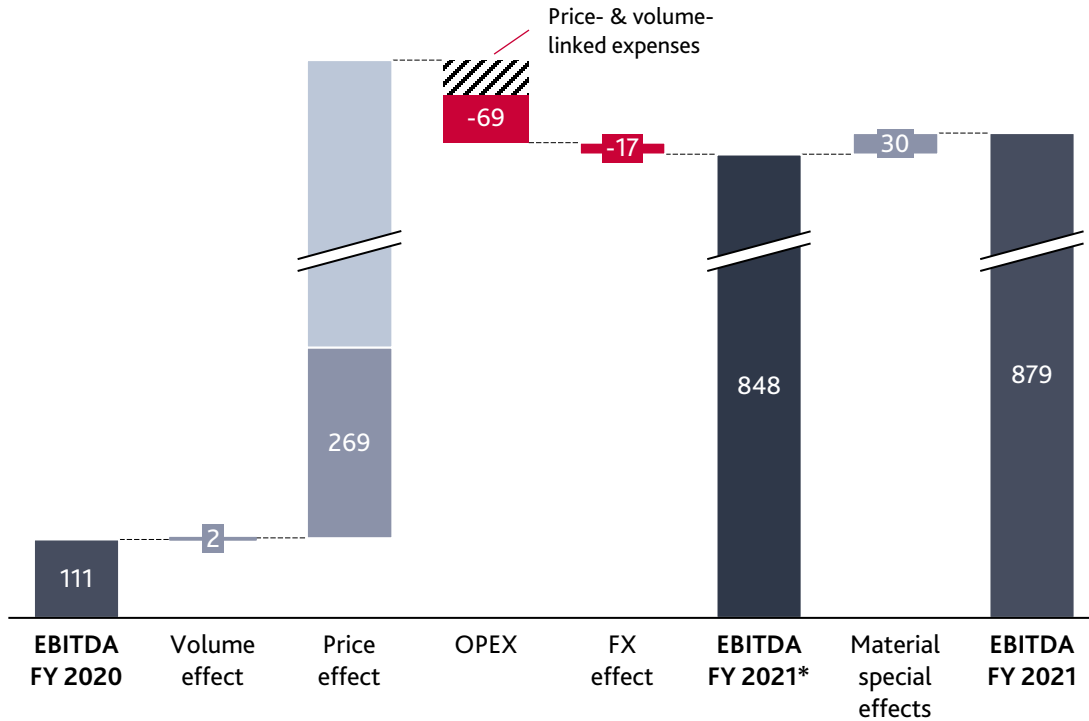
	Q1 2022	Q1 2021
Shipments (in Tto)	1,257	1,287
Sales (in €m)	2,438	1,525
EBITDA (in €m)	254	141
Net income (in €m)	172	86
Operating cash flow (in €m)	-261	18
Digital sales share (last annual quarter in %)	46	45

	Q1 2022	Q1 2021
Equity (in €m)	1,963	1,170
Equity ratio (in %)	44	40
Liquid funds (in €m)	82	133
Net financial debt (in €m)	999	363
Gearing (in %)	51	31
Employees	7,180	7,113

Strong start to the fiscal year

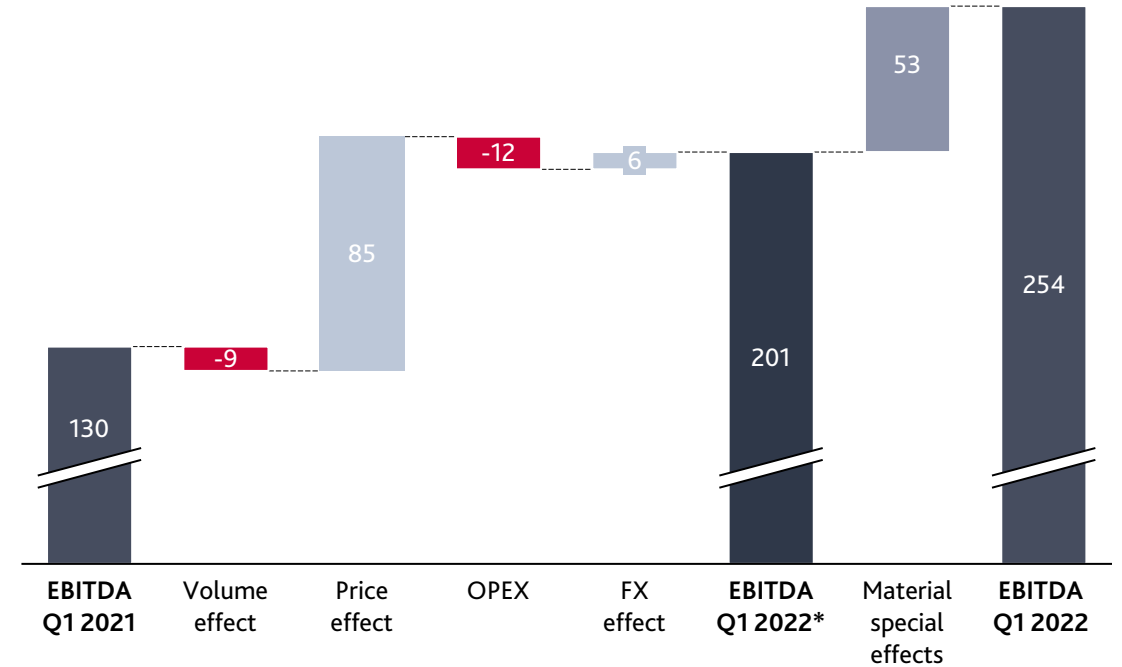
EBITDA DEVELOPMENT FY 2021 AND Q1 2022

FY 2021 vs. FY 2020 (in €m)



*) before material special effects.

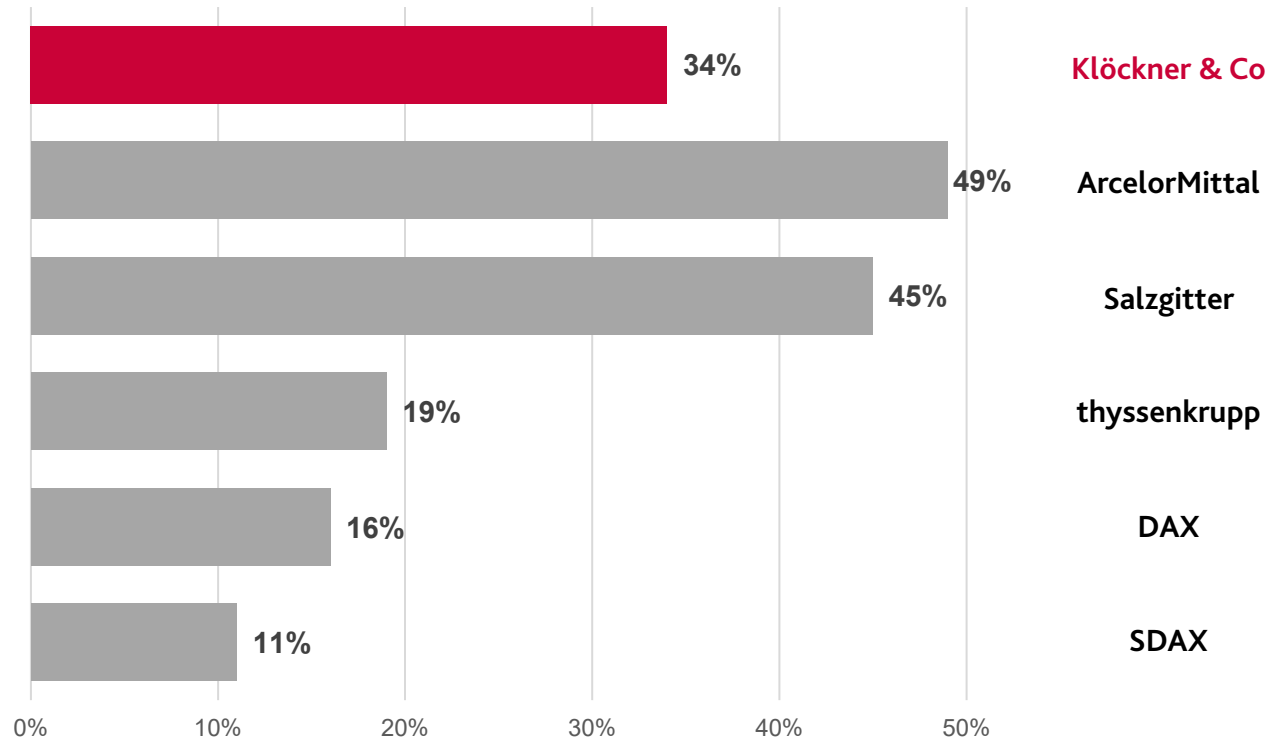
Q1 2022 vs. Q1 2021 (in €m)



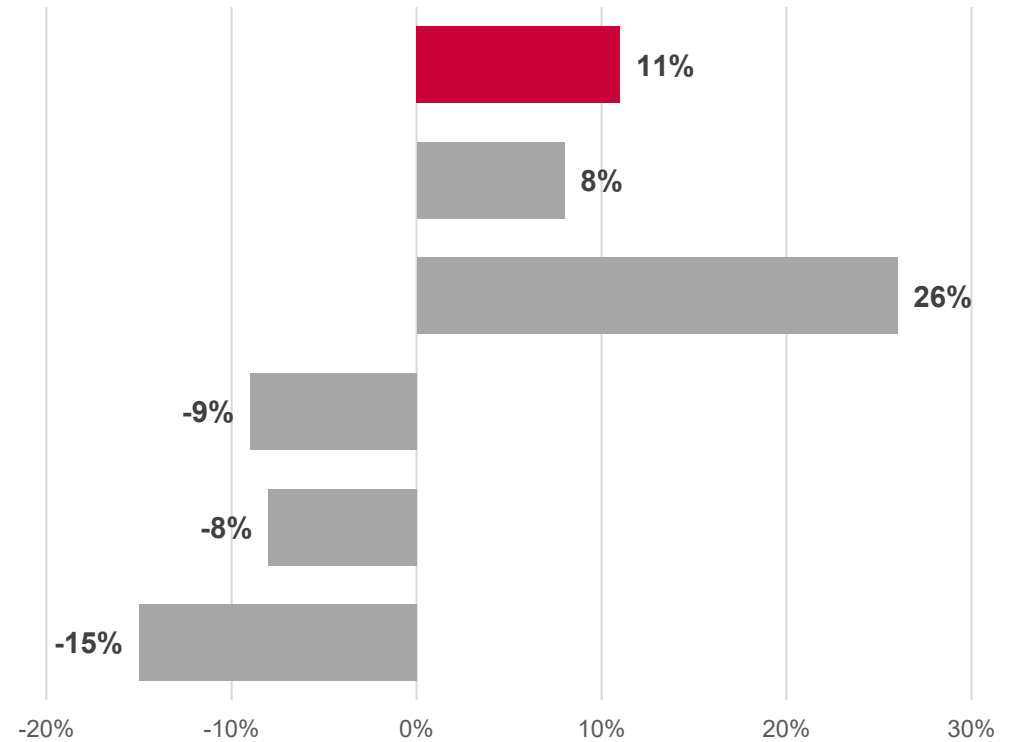
Proposal of a record dividend for the past fiscal year

SHARE PRICE DEVELOPMENT

2021



2022



OUTLOOK ON Q2 AND FY 2022

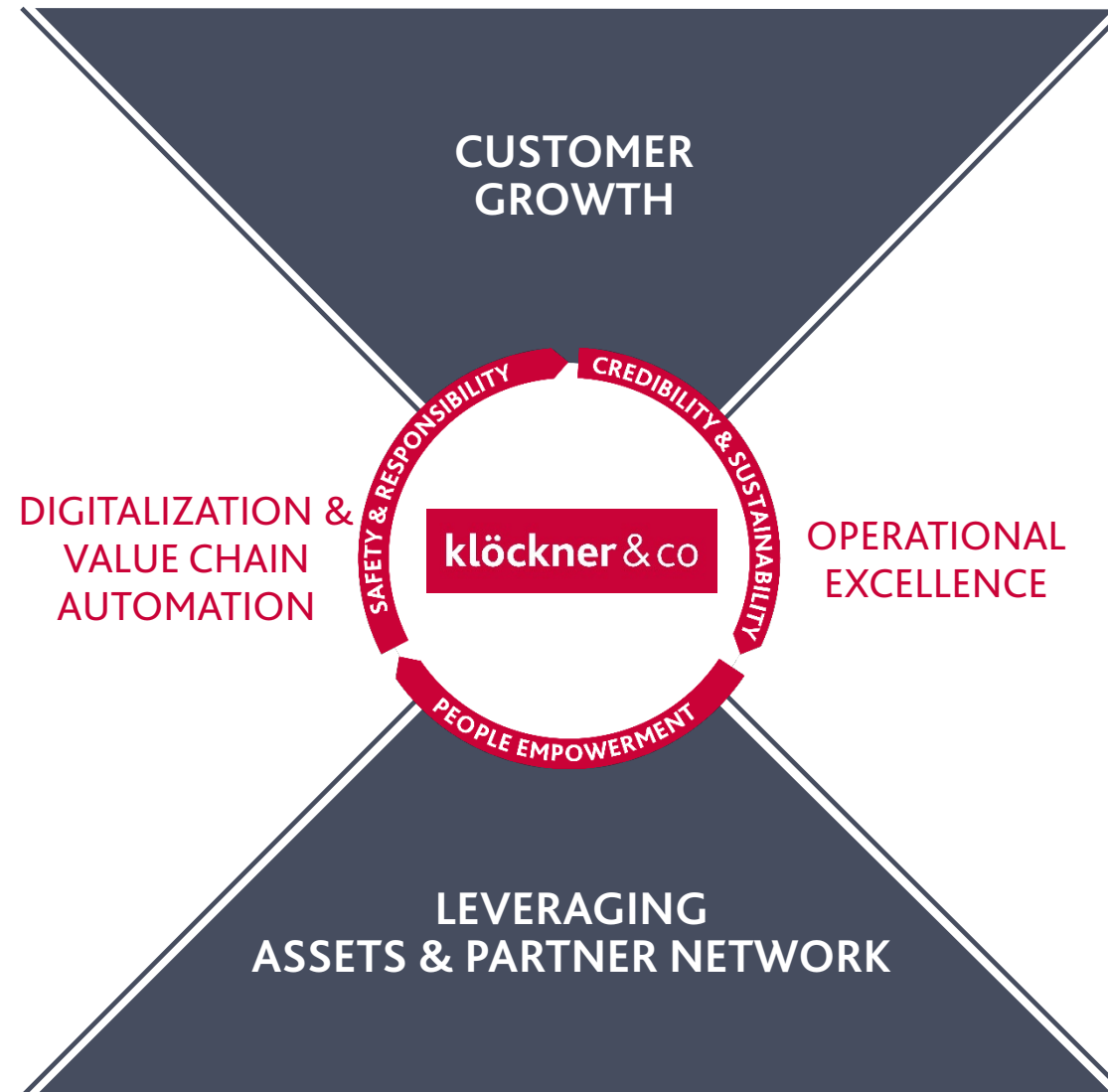
Q2
2022

- Considerable increase in sales expected and shipment expectations stable to slightly increasing (qoq)
- EBITDA expectation of €180-240m before material special effects
- Strong and significantly positive operating cash flow expected

FY
2022

- Shipments and sales expectation considerably above prior-year level
- Considerable increase in operating cash flow anticipated

OUR STRATEGY - "KLÖCKNER & CO 2025: LEVERAGING STRENGTHS"



PROGRESS IN DIGITALIZATION AND AUTOMATION



Significant improvement of the Kloeckner Assistant

- Self-developed **AI solution** surpassed threshold of €1bn
- Automation rate increased
- Sales volume of around €390m processed in Q1 2022
→ almost **doubling** compared to Q1 2021
- Already processed a **volume of €1.8bn** since launch



Reorganisation of kloeckner.i

- **Bringing together IT and digitalization competences** under one roof
- **New kloeckner.i hub** launched in the US

Implementation of new EU-Europe structure

- Further strengthening **cross-border and cross-functional collaboration**
- Center of Excellence in Finance & Administration **harmonises internal administration processes and structures**

WORLD'S FIRST COMPANY WITH NET ZERO APPROVAL OF SBTI TO NEW STANDARDS

kloeckner takes
action 2040 



Scope 1 & 2

Reduction of 50% by 2030,
Net zero in 2040

Scope 3 under direct influence

Reduction of 50% by 2030,
Net zero in 2040

Scope 3 not under direct influence

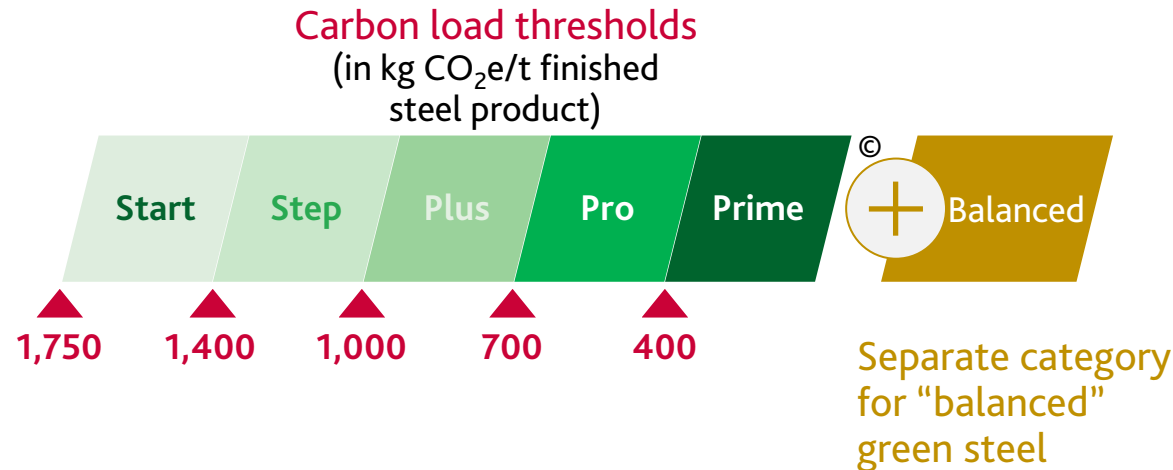
Reduction of 30% by 2030,
Net zero in 2050

- **Concrete reduction measures** identified; already started implementation
- **Already carbon neutral today** through compensation



INTRODUCTION OF A CUSTOMER-CENTRIC METRIC FOR CO₂-REDUCED STEEL

Green Steel: our six categories



- Methodology along **international standards**
- Emissions **from raw material extraction to production**
- **No offsetting** included in CO₂ load categorization

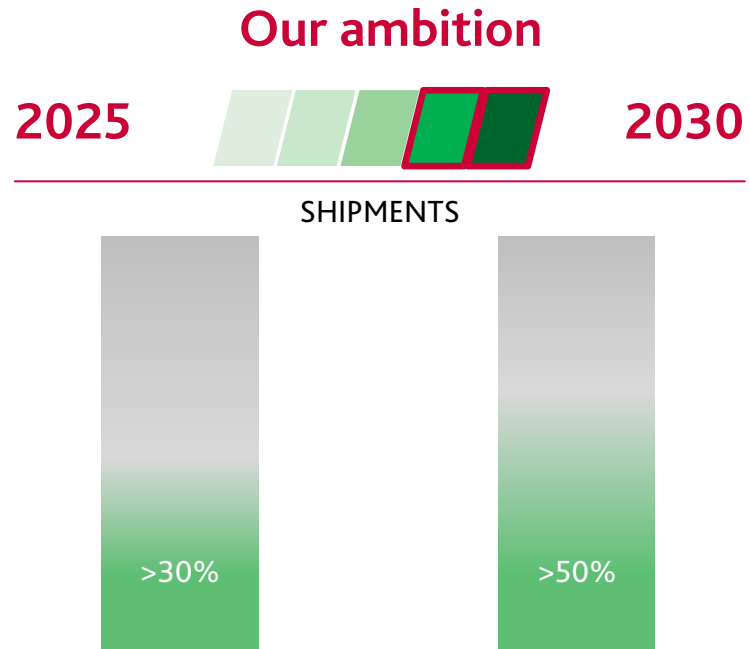
Pioneering sustainable solutions

We establish **sustainable value chains for our customers** by supplying CO₂-reduced volumes...

- through **numerous partnerships**,
- across **categories**,
- across **product groups**,
- across **country organizations**

...already starting in 2022

SUSTAINABLE BUSINESS OPPORTUNITIES & SECURING GREEN VOLUMES ALREADY AVAILABLE IN 2022



- >30% and >50% of shipment volume in the most sustainable categories "**Prime & Pro**" by 2025 and 2030, respectively
- This translates into savings of more than 4 million tons of CO₂ annually

Pioneering the transformation towards a sustainable steel industry

PURPOSE STATEMENT, CLAIM AND LOGO UNDERSCORE OUR SUSTAINABILITY AMBITIONS

**“We partner with customers and suppliers
to deliver innovative metal solutions
for a sustainable tomorrow.”**

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kloeckner metals

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GOOD PERSPECTIVES

- **Record result** in 2021, significantly **improved substance and strong start to the year**
- Considerable progress in **digitalization and automation**
- Leading the **sustainability transformation** of the steel industry
- Despite challenging environment, **optimistic outlook** for the current fiscal year



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