

**klöckner & co**

Your partner for a  
sustainable tomorrow

# ANNUAL GENERAL MEETING KLÖCKNER & CO SE

May 17, 2023



# 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 our 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 2022

	FY 2022	FY 2021
Shipments (in Tto)	4,679	4,881
Sales (in €m)	9,379	7,441
EBITDA (in €m)	481	879
Net income (in €m)	259	629
Operating cash flow (in €m)	405	-306

	FY 2022	FY 2021
Equity (in €m)	1,968	1,827
Equity ratio (in %)	51	47
Liquid funds (in €m)	179	58
Net financial debt (in €m)	584	762
Employees	7,304	7,153

**Strong performance despite challenging environment**

# FIRST QUARTER 2023

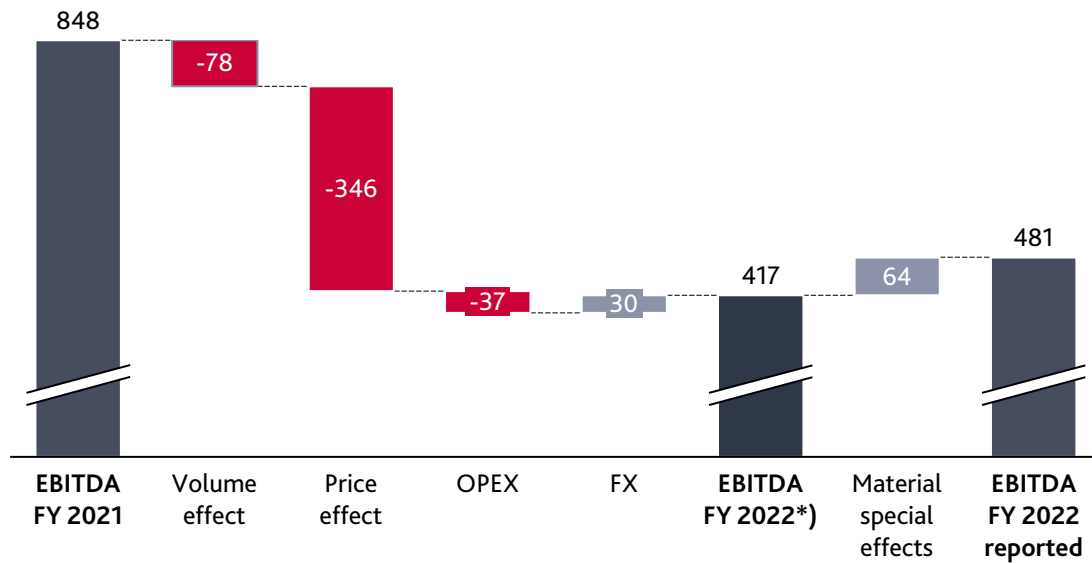
	Q1 2023	Q1 2022
Shipments (in Tto)	1,213	1,257
Sales (in €m)	2,076	2,438
EBITDA (in €m)	48	254
Net income (in €m)	-8	172
Operating cash flow (in €m)	64	-261

	Q1 2023	Q1 2022
Equity (in €m)	1,945	1,963
Equity ratio (in %)	52	44
Liquid funds (in €m)	106	82
Net financial debt (in €m)	539	999
Employees	7,209	7,180

**Continuing our strong track record through the cycle**

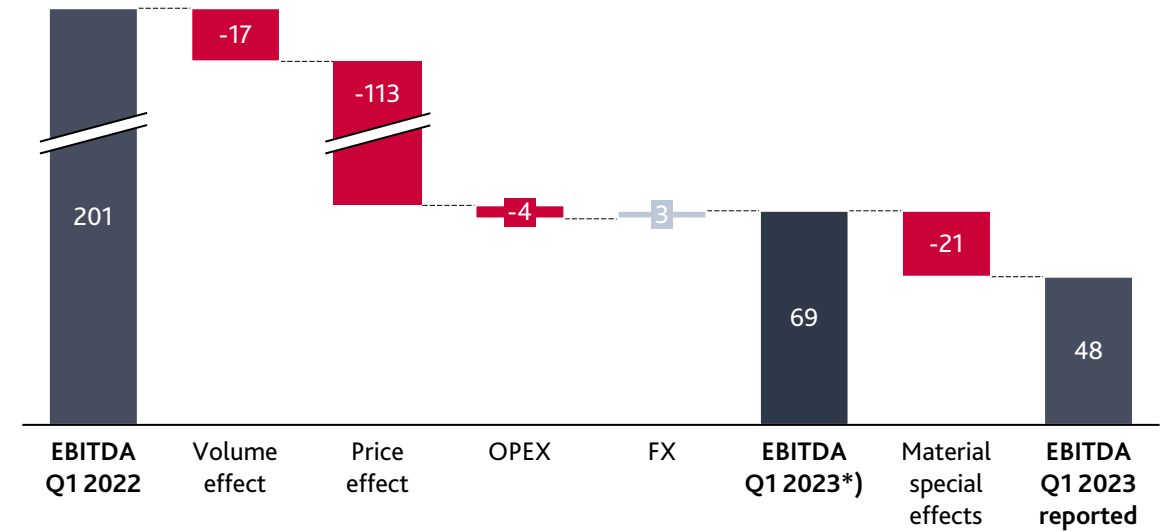
# EBITDA DEVELOPMENT FY 2022 AND Q1 2023

FY 2022 vs. FY 2021 (in €m)



\*) before material special effects.

Q1 2023 vs. Q1 2022 (in €m)



**Proposal of a dividend of €0.40 per share**

# SUBSTANCE AND PROFITABILITY BASIS SIGNIFICANTLY STRENGTHENED

## Summary of our strong performance over the last two years:

Generated exceptional EBITDA of in total **~€1.4bn**

Increased equity by nearly **90%**

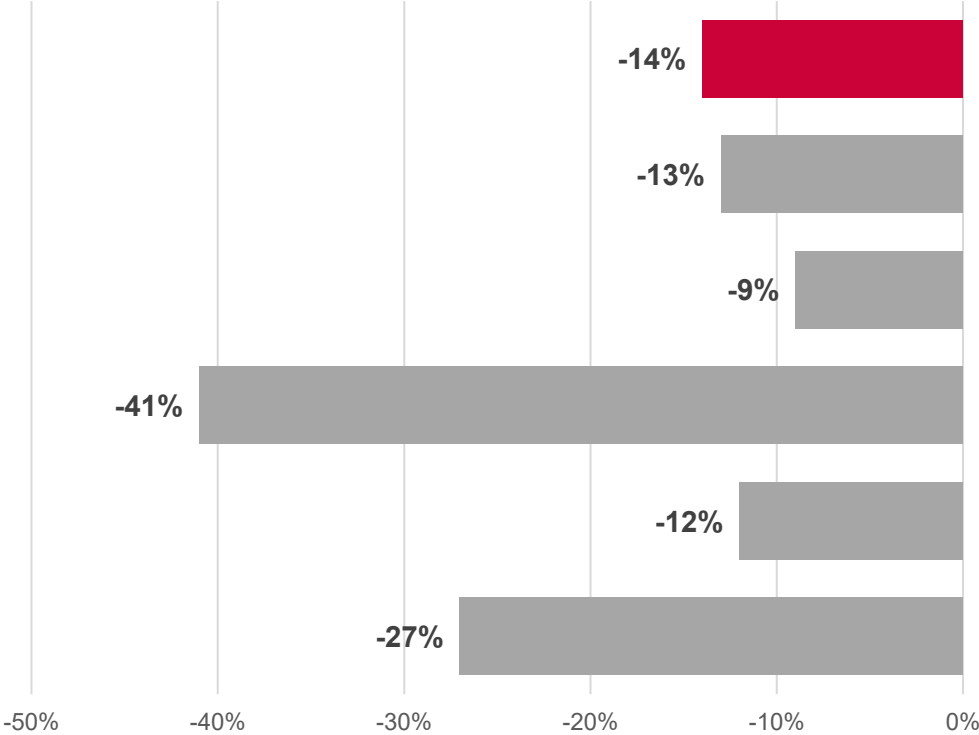
Reduced pension provisions from **€288m to €38m**

Generated OCF of **€342m** before pension funding

Dividend payments amounting to **€1.40** per share<sup>\*)</sup>

# SHARE PRICE DEVELOPMENT

2022



Klöckner & Co

ArcelorMittal

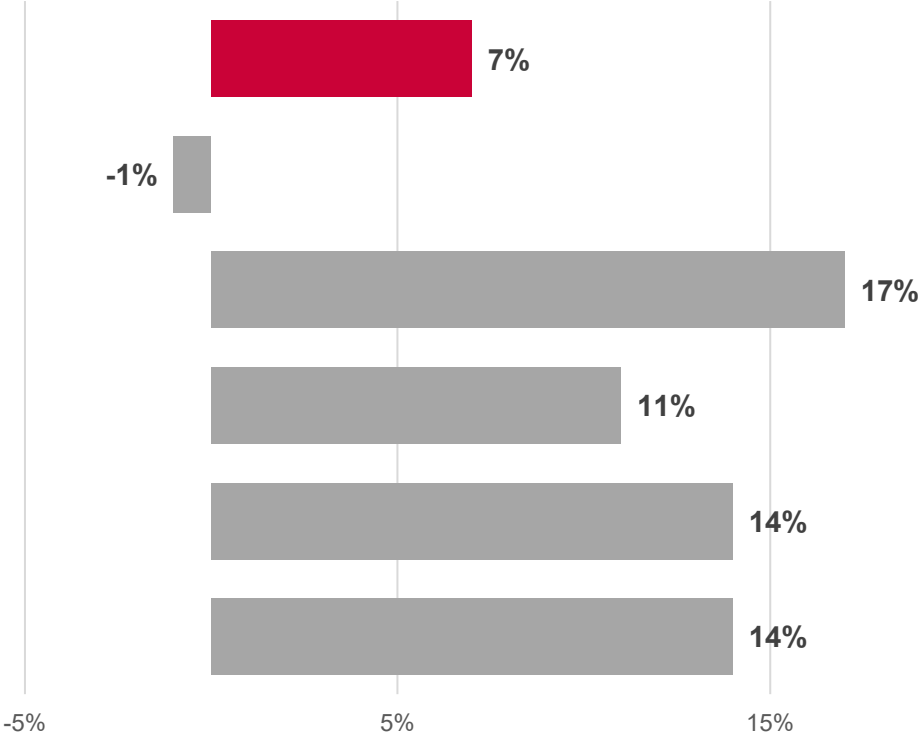
Salzgitter

thyssenkrupp

DAX

SDAX

2023\*)



\*) as of May 15, 2023.



# OUTLOOK ON Q2 AND FY 2023

**Q2**  
2023

- EBITDA expectation of €60-110m before material special effects
- Positive cash flow from operating activities anticipated

**FY**  
2023

- Shipments expected to increase considerably yoy; sales expected to come in below prior-year level due to lower expected overall price level
- EBITDA before material special effects anticipated at strong level and significantly positive operating cash flow expected, but both below previous year's level



# We've come a long way in 2022 – Building sustainable business models for our customers

World's first company with  
net zero target approval of SBTi  
to new standards



~43% reduction in 2022  
scope 1 & 2 emissions compared  
to SBTi base year 2019

Launch of Nexigen® and  
introduction of categorizations  
for CO<sub>2</sub>-reduced carbon steel,  
stainless steel and aluminum



First deliveries of CO<sub>2</sub>-reduced  
steel quantities to Siemens and  
Mercedes-Benz

First tons of CO<sub>2</sub>-reduced  
stainless steel from Outokumpu

German Sustainability  
Award Winner



Pioneering role in the  
sustainability transformation of  
the steel industry

An iceberg floating in the ocean, with the tip above water and a much larger, jagged mass submerged below the surface. The image is used as a metaphor for hidden value or potential.

## Accelerating further in 2023

## Launch of innovative Nexigen® PCF Algorithm

- ✓ **Individualized Product Carbon Footprints (PCF)**  
Offering our customers individualized PCFs for nearly all 200,000 products; for gray and CO<sub>2</sub>-reduced products
- ✓ **Complete emissions**  
Managing high complexity; from cradle until the product reaches the customer's entry gate
- ✓ **Externally certified**  
TÜV SÜD validated methodology according to ISO 14067, ref. 14040 & 14044, and in line with GHG Protocol
- ✓ **Siemens and ZF as pilot customers**  
Supporting industry leaders in building sustainable value chains

# ACQUISITION OF NATIONAL MATERIAL OF MEXICO – CREATING VALUE THROUGH LEVERAGING STRATEGIC FIT



- Acquisition immediately **value-accretive** and provides **growth platform** while capitalizing on accelerating **onshoring trend**
- Significantly increasing exposure to key **automotive** and **industrial** end markets in North America
- Strong growth prospects in demand for electric vehicles and CO<sub>2</sub>-reduced products fully integrative into our **strategic sustainability** agenda
- Accessing the **exclusive electrical steel market** with valuable management expertise and value-add capabilities
- Benefitting from **well-qualified and attractive labor market** in Mexico
- Complementary customer base brings **significant cross-selling opportunities**, especially in automotive

**Establishing the number one flat rolled player in North America**

# LEVERAGING OUR PARTNER NETWORK AND PROGRESS IN AUTOMATION



- **Strengthened partnership with Nucor** with on-campus facility at new mill in Brandenburg, KY
- Investments are focused on **developing sustainable, innovative and complex supply chain solutions**
- Optimal timing (launch in Q3 2023) to support the US infrastructure investments



## **Significant improvement of the Kloeckner Assistant**

- Sales volume processed by **Kloeckner Assistant** increased considerably yoy to >€1.3bn in 2022
- **New core feature** successfully implemented; extraction of relevant information from unstructured text emails
  - Replacing time-consuming processes and increasing efficiency



# OPTIMISTIC OUTLOOK

- Achieved very strong operating result and cash flow in 2022
- Substance and underlying profitability base further improved
- Leadership role in the sustainable steel industry extended
- Optimistic outlook and strong operating result expected for the current fiscal year
- Fully on track to achieve our ambitious 2025 targets





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