

Annual General Meeting May 28, 2025

Address by

Guido Kerkhoff,
CEO of Klöckner & Co SE

(Check against delivery)

Ladies and Gentlemen,
Dear Shareholders,

Also on behalf of the entire Management Board, I would like to welcome you to the Annual General Meeting of Klöckner & Co SE.

It is my pleasure to be able, once again, to welcome you to Düsseldorf in person this year. A warm welcome, too, to all of you who are following us today on screen. As CEO, I always look forward to this annual opportunity to present your Company's development and engage in dialogue with you.

Let's begin with a look back over the last year. 2024 was another year of global challenges. Geopolitical tensions, volatile markets and global supply chain disruptions caused uncertainty and dampened business optimism, especially in Europe. The challenging global economic situation also impacted Klöckner's main customer industries. Two developments in particular had a significant effect on our business activities.

- First, in Europe, we saw a considerable decline in demand.
- Second, both in the USA and in Europe, there was a significant fall in steel prices.

The Draghi Report, published by the European Commission, clearly flagged up the adjustments that need to be made to keep Europe competitive. Among other things, competitiveness means having the ability to adapt and transform. At Klöckner & Co, we worked intensively on this last year – and made significant progress. I am pleased to say that, despite the many challenges, Klöckner & Co proved its robustness in fiscal year 2024. We demonstrated our resilience while at the same time setting the course for the future.

Having reached key milestones in our "Klöckner & Co 2025: Leveraging Strengths" strategy, we are now moving on to the next phase. This step enables us to do what I just emphasized as being crucial in order to succeed. We are adapting our strategy to a changing business environment. Major macroeconomic, geopolitical and industry-specific changes demand sharper strategic focus in order to secure sustainable growth, mitigate risks and ensure competitiveness. In 2024, we made substantial progress towards our strategic goals. Targeted investment at selected sites in the USA and Germany, for example, has enabled us to expand the higher value-added processing and metalworking business. This is an important step towards reducing our earnings volatility and increasing profitability.

Ladies and Gentlemen, let us now take a closer look at the past year, and at how we intend to grow sustainably and profitably as a company in the weeks, months and years ahead.

Our acquisitions in the USA and Mexico in particular enabled us to increase shipments to around 4.5 million tons. Sales for the full year declined slightly to €6.6 billion in 2024. This was due to the lower steel price level. Operating income (EBITDA) before material special effects came to €136 million in the past year. Net income from continuing operations was negative, with a loss of €146 million. Through consistent net working capital management, the Company generated a significantly positive cash flow from operating activities for the third time in a row. This amounted to €160 million in the reporting year.

I would like to thank my colleagues at Klöckner for their dedication and hard work, especially given the difficult conditions.

The first quarter of this year was again marked by macroeconomic challenges and a fraught global economic situation. Despite this, Klöckner & Co got off to a solid start in fiscal year 2025 and we are optimistic about the second quarter.

Shipments increased slightly by 2.7% compared to the same quarter of the previous year and amounted to 1.2 million metric tons in the first quarter of 2025. Relative to the preceding quarter, shipments increased considerably by 13.9%. This improvement is primarily attributable to the increased demand for steel and metal products in the Kloeckner Metals Americas segment, as well as to a market share increase in that segment.

Due to a lower average price level, Klöckner & Co generated sales of €1.7 billion in the first quarter of 2025, which is slightly down on the prior-year quarter. Operating income (EBITDA) before material special effects amounted to €42 million in the first quarter of 2025 – as forecast, on par with the same quarter of the previous year.

The net loss of continued operations amounted to €28 million in the first three months of the fiscal year, compared to €8 million in the same period of the previous year.

After negative cash flow from operating activities of €44 million in the prior-year quarter, this year's first-quarter cash flow from operating activities was a negative €118 million.

Let me now give you a brief overview of our EBITDA performance last year and in the first three months of this year. Despite the negative price effects due to the negative steel price

trend over large parts of last year, we generated EBITDA before material special effects of €136 million in 2024. This underscores our Company's resilience and strength. The solid business performance is also reflected in operating income in the first quarter of 2025, with EBITDA of €42 million before material special effects – as forecast, at the same level as the prior-year quarter.

As we once again had a significantly positive operating cash flow in 2024, and as only part of the net income generated in previous years was distributed, I am pleased to announce that we are offering you, our shareholders, a dividend of €0.20 per share. This means that, for the first time since the IPO, Klöckner & Co is set to pay a dividend for the fourth year in succession.

This continuity is encouraging and demonstrates our ongoing financial stability, which notably shows through in our significantly positive cash flow from operating activities of €160 million in the reporting year.

Our share price performance also reflects the global economic challenges. Compared to the prior year-end, our share price declined by 35% over the course of 2024. Our performance thus fell short of the SDAX, which was down by around 2% over the same period.

That makes the trend this year even more encouraging, as we have been able to build positive momentum in 2025. Our share price has increased by 46%, far outperforming the SDAX, which is up by about 22%. This performance makes us optimistic for the future at Klöckner & Co.

As I emphasized at the beginning, the volatile conditions in which we operate call for adaptability. For Klöckner & Co, this means that we are continuing our Company's transformation from steel distributor to metal processor. To make that possible, we have sharpened our regional and business focus, and have achieved important successes in doing so. In fiscal year 2024, we already generated 80% of sales in the service center business and in higher value-added business. This enables us to reduce our earnings volatility and make our business more profitable.

We have optimized our portfolio and made it more future-proof by selling parts of our low-margin distribution business in Europe and making accretive acquisitions in North America. This step further strengthens our focus on the economically powerful regions of North America and the DACH region – Germany, Austria and Switzerland.

We have also bolstered our financial stability and further streamlined our balance sheet. In part, we achieved this by fully funding our pension obligations. We have also succeeded at maintaining our equity ratio at a constantly high level.

For several years now, we have been proud to say at Klöckner & Co that we are the pioneers of a sustainable industry. In the past year, we have further consolidated the success of our Nexigen® brand, under which we group our portfolio of CO₂-reduced material, service and logistics solutions.

Our position as the pioneer of a sustainable industry is no coincidence. In recent years, we have made consistent progress in developing sustainable business models and expanding our range of sustainable solutions. We have once again received outside recognition for this, winning the German Sustainability Award for the second time. The award is proof that Klöckner & Co has successfully integrated sustainability into its business model and is thus making an effective, long-term contribution to the transformation of the industry. This is a great achievement, and one that makes me very proud.

Additionally, in light of our very good progress, and in order to emphasize our commitment to the 1.5 degree target, our Company has raised its medium-term reduction target for Scope 1 and 2 carbon emissions from 50% to 62.5% by 2030. Klöckner & Co's updated climate targets were confirmed by the Science Based Targets initiative (SBTi) in January 2025.

Ladies and Gentlemen, for us at Klöckner & Co, 2024 was a year of transformation. Acquisitions, investment in existing locations and the sale of distribution units that no longer fit our strategic focus have brought us a major step closer to our goal of becoming a metal processing company. Allow me to highlight a few significant milestones.

With the acquisition of Amerinox Processing, we have strengthened our competitive position in North America and further expanded our range of higher value-added products and services. The company processes stainless steel, aluminum and special carbon steel, and is an industry leader in material polishing, including high-gloss finishing. We will capitalize on its strategic location in Camden, New Jersey – close to a major port – to build competitive, global supply chains. Additionally, with targeted investment, we have developed the Charlotte and Dallas sites from a sole focus on distribution to high-quality processing and metalworking.

A crucial step in the ongoing expansion of higher value-added business was the investment in a new aluminum processing plant, which is set to go into operation late next year. This plant is

located on the site of the aluminum flat rolling mill currently under construction for Aluminum Dynamics LLC (ADL) in Columbus, Mississippi. The flat rolling mill specializes in the production of sheet metal, among other things for the automotive industry, and makes it possible to focus specifically on sustainable lightweight solutions and aluminum products. Our investment in this aluminum processing plant helps us accelerate our growth in the automotive and industrial sectors in North America.

We have also already achieved two milestones in 2025. At the beginning of the year, we signed an agreement to sell our Brazilian subsidiary, Kloeckner Metals Brasil. The commercial closing of the transaction took place in the first quarter.

Through two additional acquisitions, we have sharpened our business focus and zeroed in on the growing demand of future-oriented industries. With the acquisition of Cologne-based Ambo-Stahl, agreed at the end of March 2025, we plan to expand our product and service portfolio by adding services for wear-resistant and high-strength special steels. In the future, this means we can even better serve the growing demand from the defense and infrastructure sectors.

Furthermore, Klöckner & Co has successfully completed the acquisition of Haley Tool & Stamping near Nashville, Tennessee. Through this acquisition, we have expanded our manufacturing capabilities with state-of-the-art punching presses, allowing us to actively leverage operational synergies between all Klöckner locations in the region. We expect this move to accelerate our growth in the automotive, aerospace and industrial manufacturing sectors.

As you can see, we have done a lot over the past year to put the Company in an even better position. And this is also what we want to focus on over the next five years. We are now initiating the next phase of successful growth.

Our guiding star in pursuing these ambitions is our updated strategy. The goal of “Klöckner & Co: Leveraging Strengths – Step Up 2030” is to become the leading service center and metal processing company in North America and Europe while maintaining consistent focus on maximum customer benefit. We aim to achieve one of the highest levels of profitability in the industry and further reduce our dependence on volatile steel prices. Key milestones along this path include further expanding higher value-added business and the service center business.

The updated strategy is based on three strategic pillars: diversifying the product and service portfolio, developing strategic partnerships, and operational excellence.

In line with this strategy, we intend to expand our product and service portfolio in order to build and strengthen long-term customer relationships and increase earnings stability. At the same time, we will strengthen our partnerships with suppliers and strategic partners so that we can integrate higher value-added business and services even better into customers' value chains. A further focus is on operational excellence. We will continue to leverage our expertise in automation and digitalization and achieve economies of scale to create value with minimal manual effort, moving toward a "zero touch" model.

With this clear focus, we are paving the way at Klöckner & Co for sustainable growth and long-term increases in value for all stakeholders.

Shareholders, Ladies and Gentlemen,

Let's take a look at the upcoming quarter and fiscal year 2025.

For the second quarter of 2025, we expect constant shipments and a considerable increase in sales over the preceding quarter. In light of the positive price trends that are expected to benefit Klöckner & Co from the second quarter of 2025, we are forecasting EBITDA before material special effects of €60 million to €90 million for this period. This represents a considerable increase compared to both the preceding quarter and the prior-year quarter.

For the full year 2025, we expect demand to increase in the relevant sales markets in Europe and North America. Accordingly, we anticipate a considerable increase in shipments and sales compared to the prior year. Based on this trend and the Company's substantially improved operational positioning, as well as the assumption that the significant negative price effects that occurred in 2024 will not be repeated, we expect a considerable year-on-year increase in EBITDA before material special effects. We are also forecasting a significant year-on-year increase in cash flow from operating activities for the full year.

To sum up, I can say that we are optimistic looking ahead.

In challenging times like these, that is not a given. It is down to the successful implementation of our strategy, but above all to the magnificent work of our entire team, who give their all every day at Klöckner & Co.

Thank you for your attention and for the trust you have placed in Klöckner & Co.