

Customer centric approach of our digital tools

Capital Markets Day

kloeckner.i | Christian Dyck | Managing Director

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Valuation statements are unified and are presented as follows:

+/- 0-1%	+/- 1-5%	+/- 5-10%	+/- 10-15%	> +/- 15%
constant, stable	moderate, slightly	measureably, noticeable, substantial	considerably, dynamic, significant	sharp, strong

Agenda

- 1 Our challenges
- 2 Digitalization
- 3 Meet our users
- 4 Klöckner tool set

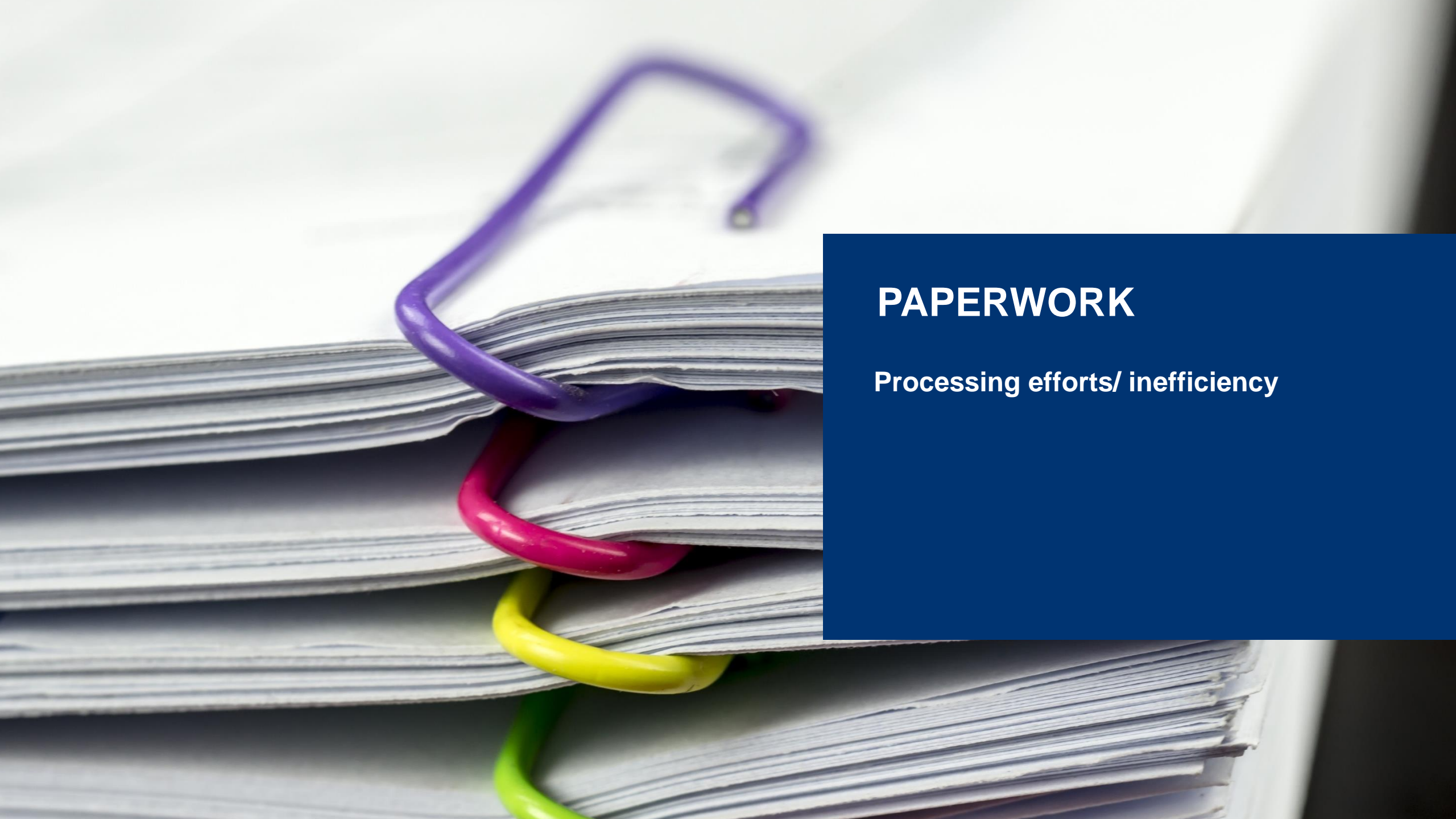


01 OUR CHALLENGES



PURCHASING PROCESS

70% of our customers order material by fax



PAPERWORK

Processing efforts/ inefficiency



INFORMATION GAP

Transparency for the customer



02 DIGITALIZATION



“Technology by itself is not the real disruptor. Being non-customer centric is the biggest threat to any business.”

02 Customer centric approach

N **Netflix** did not kill Blockbuster.
They did it to themselves with ridiculous late fees.

 **Uber** did not kill the taxi business.
They did it to themselves with limited the number of taxis and fare control.

 **Apple** did not kill the music industry.
They did it to themselves by forcing people to buy full-length albums.

 **Amazon** did not kill the retail industry.
They did it to themselves with bad customer service.

 **Airbnb** did not kill the hotel industry.
They did it to themselves with limited availability and pricing options.

Technology by itself is not the real disruptor.
Being non-customer centric
is the biggest threat to any business.

Alberto Brea
@betobrea



Let's change our view,
let's be customer centric!





Ich bin nicht nur für den Einkauf verantwortlich

Ein Käufer

Werte tragen dabei-türschliessen können. Online warren nicht möglich

Wir besetzen Material fast immer offline

Ich habe viel mit Bestellungen und Lieferungen zu tun

Wir haben keine Lager mehr

FRANZ POINTS

NEEDS

30/01/2017

30/01/2017

30/01/2017

30/01/2017

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03 MEET OUR USERS



Heinrich



Maria



Nadine

Heinrich Maier

Company owner

52 years

Maier Stahlbau GmbH
Nürnberg

Expertise





“If the material is not delivered on time, my production is on hold. This is a catastrophe for me, as my highest priorities are a punctual order fulfillment and satisfied customers.”





FLEXIBILITY

ORDERS PROJECT-BASED

TRANSPARENCY



USE CASE

Calculating quotes and placing orders



Maria Moosman

Strategic purchaser

45 years

Schmidt Metall Ltd.
Velten

Expertise





“I’m constantly comparing suppliers. We work under a high time pressure, but we still have to negotiate the best conditions and prices with the suppliers.”



SPEED

RECURRING PRODUCTS

TRUST



USE CASE

Placing orders for recurring products



Nadine Schneider

Industrial clerk

38 years

Hannoversche Workshops

Hannover

Expertise







“I am responsible for the entire ordering process. Since I am not an expert in metal construction, understanding the product descriptions represents a huge challenge for me.”



NEWBIE

ORDERS BY PHONE

PERSONAL CONTACT

USE CASE

Accepting quotes online



Thomas Becker

Contract Manager

36 years

Treppenbau AG Winsen a.d.L

Expertise







“My job is to negotiate price contracts for a fixed product assortment. Keeping track of orders, contracts and stock is my daily challenge.”



FIXED PRICE

SAME PRODUCTS

LONG TERM RELATION

USE CASE

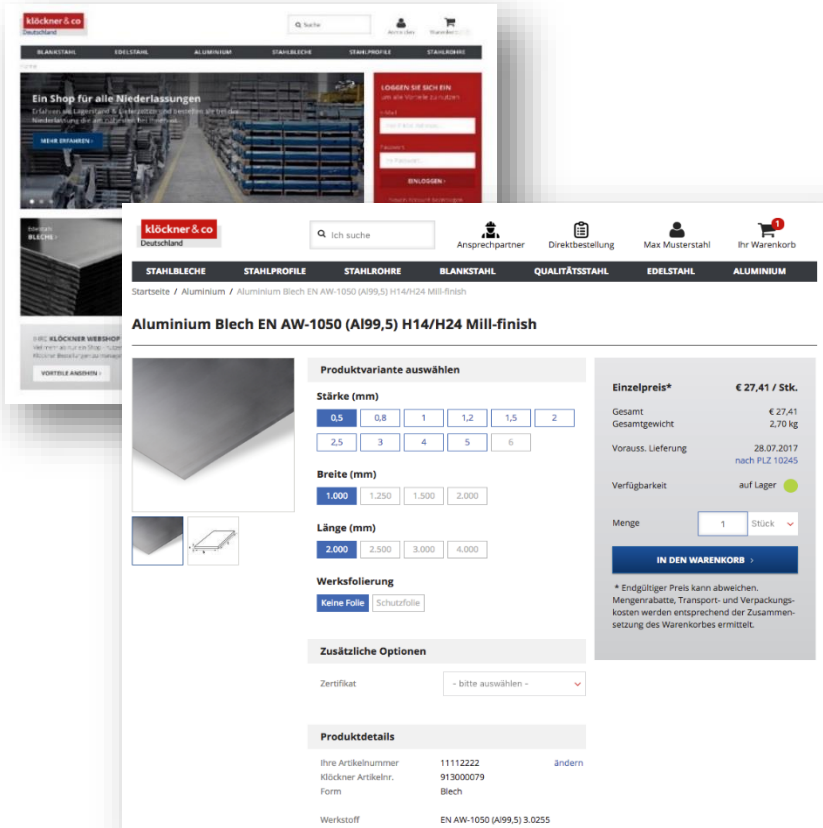
Contract Customer



04 KLÖCKNER TOOL SET

www.metall-center.at

04 Onlineshop



Key facts

- Live in Germany, Austria, the Netherlands, United Kingdom
- Further rollouts in France this year and in Belgium in 2018
- Offers full price and delivery time transparency
- Integrated Product Information Management tool
- Integration into ERP systems of customers via OCI interface
- Possibility of payment via credit card shortly
- Third party interface via webservice API
- Fully integrated into service portal Kloeckner Connect
- Onlineshop will be further developed into a marketplace
 - Open for 3rd party sellers/ distributors with complementary products shortly

04 Marketplace

The screenshot shows the Klöckner & Co. website interface. At the top, there is a navigation bar with categories: STAHLBLECHE, STAHLPROFILE, STAHLROHRE, BLANKSTAHL, QUALITÄTSSTAHL, EDELSTAHL, ALUMINIUM, and KUNSTSTOFFE. The 'KUNSTSTOFFE' category is highlighted with a red box. A search bar and navigation icons are also visible.

The main content area displays a list of products under the heading 'Stahlrohre'. The first product is 'Geschweißte Stahlrohre Flachovalrohre aus gebeiztem Warmband' with a price of 20,54 - 29,60 € / m. The second product is 'Geschweißte Stahlrohre Flachovalrohre aus Kaltband' with the same price range. The third product is 'Geschweißte Stahlrohre Geländerrohr S235JRH (1.0039) kaltgefertigt feuerverzinkt' with the same price range. The fourth product is 'Geschweißte Stahlrohre für konstruktive Zwecke S355J2H (1.0576) kaltgefertigt schwarz' with the same price range. The fifth product is 'Geschweißte Stahlrohre Geländerrohr S235JRH (1.0039) kaltgefertigt feuerverzinkt' with the same price range. The sixth product is 'Geschweißte Stahlrohre Geländerrohr S235JRH (1.0039)' with the same price range.

Annotations include:

- A red box around the 'KUNSTSTOFFE' category in the navigation bar with the text: "New categories extend KCO's portfolio".
- A red box around the 'Stahlhändler GmbH' link in the product listing for 'Geschweißte Stahlrohre für konstruktive Zwecke S355J2H (1.0576) kaltgefertigt schwarz' with the text: "Customer can easily see who offers the product".

Key facts

- Allowing 3rd parties with complementary products or services to sell on KCO's Onlineshop
- Drop-shipping or fulfillment of goods
- KCO collects transaction and possible fulfillment fee
- Launch in Germany in Q4 2017

Marketplace is a Win-win-win scenario for:

Merchants

- Extension of customer base
- No up-front investment
- Benefit from Klöckner's SEO-ranking

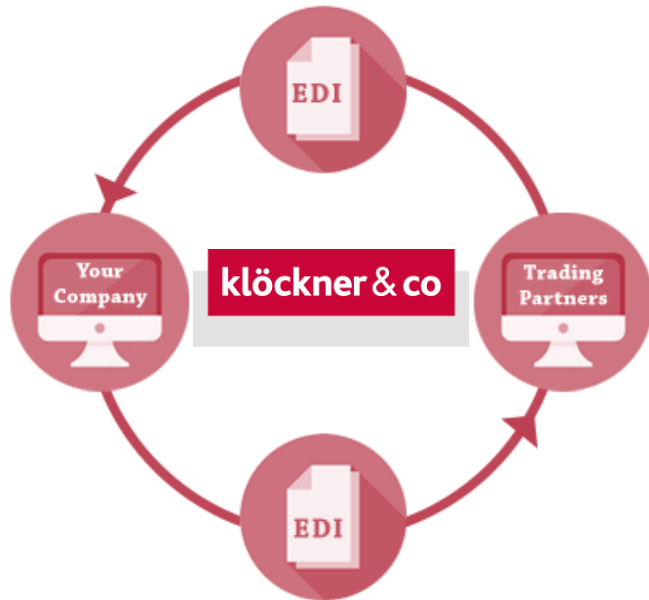
KCO

- Extension of customer base
- New sales stream to distribute operating cost
- Become leading steel platform

Customers

- One-stop-shop gives convenience for procurement
- Only one ERP system integration reduces operating costs

04 EDI



Key facts

- Allows customers to quickly and securely setup an automated interface for advanced planning
- ERP-2-ERP connection allows customers to send and receive order and stock data automatically
- Possibility to gain full transparency of orders and stocks as well as integration of internal production planning with steel demand supply
- Increased efficiency and reduction of errors through elimination of manual data handling
- Increased processing speeds
- Quick onboarding process for new customers and vendors due to standardized interface design
- Data is digital available and can be integrated easily into a platform

04 Contract Portal



Key facts

- European Contract Portal for customers with time, volume and product contracts
- Clearly structured overview of prices, volumes and maturity dates
- Order-Release 24/7 by mouse click via PC or tablet
- Option to contact KCO sales agent for new contract negotiations
- Fully integrated into service portal Kloeckner Connect
- OCI interface to ERP systems of customers
- Integrated into third party platform Axoom (Trumpf)

04 Order Transparency Tool

klöckner & co Service Bestellübersicht
Deutschland Kontakt Eingelogg als Demo Account Kunden-Nr.: 10000 Abmelden

BESTELLÜBERSICHT FÜR DEMO COMPANY 1

Suche ☺ Lieferstatus
Suchbegriff eingeben... Alle Lieferungen

Ihr Ansprechpartner
Herr Norman Rottluff
Norman.Rottluff@kloeckner.com
+493752700286

Suche und Sortierung zurücksetzen
Letzte Aktualisierung 14.08.2017 04:34 [Daten werden aktualisiert](#)

Ihre Bestellnummer**	Klöckner Auftragsnummer**	Auftragsdatum**	Vorr. Liefertermin**	Lieferstatus**	
B17/000186 / Frau Petzold	1014180211	20.07.2017	19.09.2017 s. Positionen	Teilliefert	+
B17/000205	1014260391	08.08.2017	11.08.2017	In Bearbeitung	+ -
B17/000182	1014191826	24.07.2017	10.08.2017	In Bearbeitung	- -

Pos.-Nr.**	Ihre Material-Nr.**	Material-Kurzname**	Menge**	Preis**	Vorr. Liefertermin**	Lieferstatus**	
10	162.1	Nr. 162.1 FÜHRUNGSBLECH	4 Stck	€ 13,46 / Stck	10.08.2017	In Bearbeitung	Werkzeug Onlineshop
20	162.2	Nr. 162.2 FÜHRUNGSBLECH	4 Stck	€ 10,46 / Stck	10.08.2017	In Bearbeitung	Werkzeug Onlineshop
30	156	Distanzrippe 156	180 Stck	€ 5,01 / Stck	10.08.2017	In Bearbeitung	Werkzeug Onlineshop
40	157	Distanzrippe 157	4 Stck	€ 5,46 / Stck	10.08.2017	In Bearbeitung	Werkzeug Onlineshop
50	160	Distanzrippe 160	80 Stck	€ 5,01 / Stck	10.08.2017	In Bearbeitung	Werkzeug Onlineshop
60	160.1	Distanzrippe 160,1	80 Stck	€ 5,21 / Stck	10.08.2017	In Bearbeitung	Werkzeug Onlineshop

Dokumente: [Auftragsbestätigung](#) [Lieferzeiten](#) [Rechnung](#)

tel. Fr. Petzold	1014268437	10.08.2017	11.08.2017	Alles geliefert	+
B17/000201 / Frau Petzold	1014253632	07.08.2017	10.08.2017 s. Positionen	Alles geliefert	+ -
B17/000199 P170405 17Mo1834	1014232455	01.08.2017	04.08.2017	Alles geliefert	+
# B17/000186, Fr. Petzold	1014180084	20.07.2017	27.07.2017 s. Positionen	Alles geliefert	+
Rohfilter - Reinigungsbehälter	1014157093	17.07.2017	21.07.2017 s. Positionen	Alles geliefert	+ -
B17/000147	1014013311	19.06.2017	18.07.2017	Alles geliefert	+
B17/000157	1014073312	29.06.2017	07.07.2017	Alles geliefert	+

Key facts

- Helps customers to manage their orders and track deliveries from one single interface
- Easy overview of orders for all customers
- Tracking of order status and deliveries
- Easy access to invoices and mill certificates
- Integration into Onlineshop under development

04 Kloeckner Direct

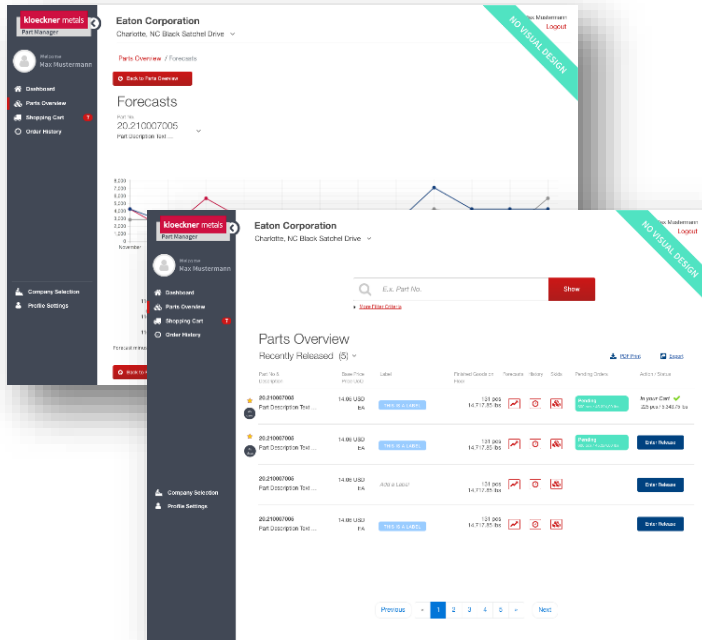
The screenshot displays the Kloeckner Direct web application. At the top, there is a header with the company logo, a branch selector (Dallas, TX), a search bar, and a user profile. The main content area is titled 'Kloeckner Direct' and shows a list of 'W.F. Beams'. The table below summarizes the visible items:

Product Description	Dimensions	Stock Availability
W.F. Beams 4 x 13 ASTM A572 / A992 Gr 50	Length: 240 Weight / FT.: 13 LBS	< 15 PCS < 4,000 LBS
W.F. Beams 4 x 13 ASTM A572 / A992 Gr 50	Length: 480 Weight / FT.: 13 LBS	> 12 PCS > 6,000 LBS
W.F. Beams 4 x 13 ASTM A572 / A992 Gr 50	Length: 720 Weight / FT.: 13 LBS	> 21 PCS > 16,000 LBS
W.F. Beams 6 x 9 ASTM A572 / A992 Gr 50	Length: 300 Weight / FT.: 9 LBS	< 18 PCS < 4,000 LBS
W.F. Beams 6 x 9 ASTM A572 / A992 Gr 50	Length: 360 Weight / FT.: 9 LBS	< 15 PCS < 4,000 LBS
W.F. Beams 6 x 9 ASTM A572 / A992 Gr 50	Length: 480 Weight / FT.: 9 LBS	> 33 PCS > 12,000 LBS
W.F. Beams 6 x 9 ASTM A572 / A992 Gr 50	Length: 480 Weight / FT.: 9 LBS	< 11 PCS < 4,000 LBS
W.F. Beams 6 x 9 ASTM A572 / A992 Gr 50	Length: 600 Weight / FT.: 9 LBS	> 9 PCS > 4,000 LBS
W.F. Beams 6 x 9 ASTM A572 / A992 Gr 50	Length: 600 Weight / FT.: 9 LBS	> 13 PCS > 6,000 LBS

Key facts

- Online product catalog of KCO in the US
- Focus on spot market
- Better overview of stock availabilities within a region
- Automating quote and order process
- Continuous development to a comprehensive Onlineshop fully inhouse in 2018

04 Part Manager



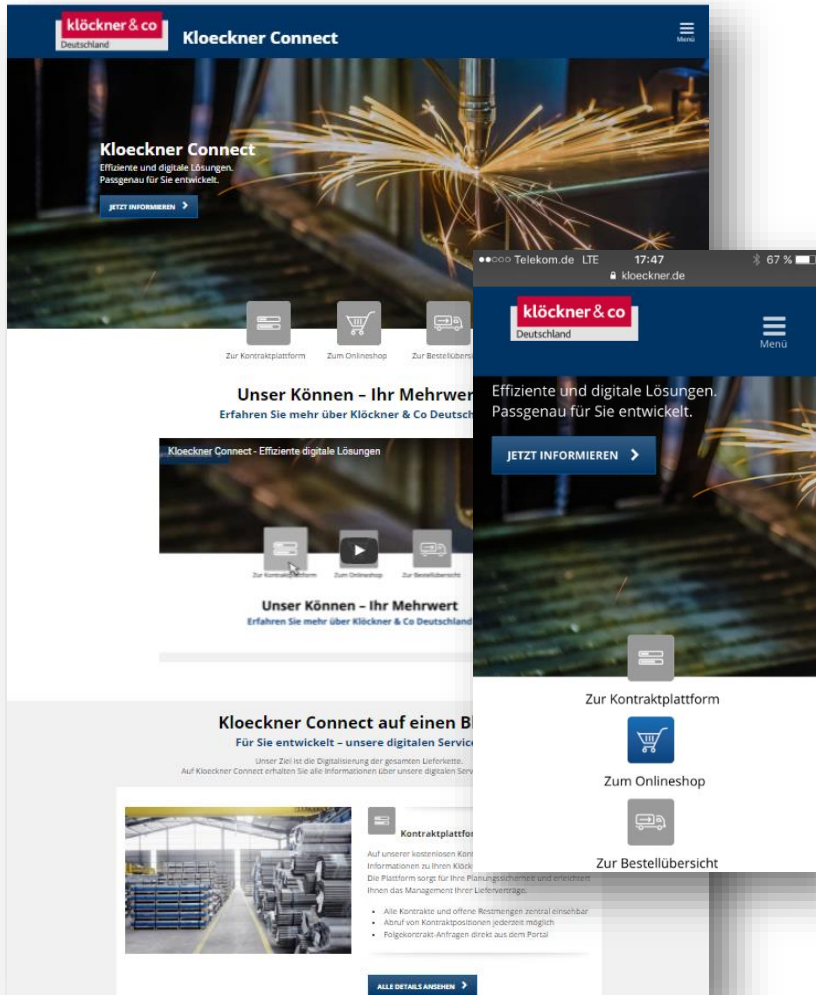
Key facts

- Important sales channel for flat rolled products in the US
- Clearly structured overview of prices, volumes and maturity
- Real-time availability of parts and pending orders
- Placement of orders directly from the shop floor via tablet
- Forecasted and historical consumption
- Online release of consigned goods
- Currently redesign for better customer experience

Whirlpool® customer quote:

"Part Manager has been a great tool for us here at the Whirlpool Tulsa plant. It has allowed my team to place daily steel orders more accurately and efficiently, which has opened up more time for us to move our business forward and make improvements that are critical to our success."

04 Kloeckner Connect



Key facts

- Service portal central access point for customers to all digital tools
- Starting point for the digital journey of KCO's customers
- Important source for KCO's SEO*-ranking
 - SEO is a specific discipline focused on the optimizations on content which ultimately attracts the right customers to the business
 - Rankings in SEO refers to a website's position in the search engine results page influenced by various ranking factors
 - Important role for overall digital marketing

* Search Engine Optimization

We are concentrating on a strategy based approach on our open API-solution in order to connect to customers digitally and drive steel products into the market

