Berenberg &
Goldman Sachs
Seventh German
Corporate Conference

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Marcus A. Ketter | CFO
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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.
Agenda

1. Overview
2. Update on strategy
3. Highlights and financials
4. Outlook
5. Appendix
01 Klöckner & Co SE at a glance

8,600
EMPLOYEES

170
LOCATIONS

13
COUNTRIES

200,000
PRODUCTS

50
SUPPLIERS

120,000
CUSTOMERS

6.1 million tons
SHIPMENTS
FY 2017

6.3 € billion
SALES
FY 2017

220 € million
EBITDA
FY 2017
01 Everything from one source
01 Global reach – local presence

Sales; as of December 2017.

* Sold in January 2017
01 Market shares of Klöckner & Co

Position in the **US significantly improved** whereas market share in **Europe remained stable** despite heavy restructuring measures.

Source: Eurometal, Purchasing Magazine, Service Center News.
Agenda

1. Overview
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02 Strategy “Klöckner & Co 2022”

Klöckner & Co 2022

Digitalization and platforms
Higher value-added business
Efficiency improvements
Supporting activities

Cultural change
Growth and value creation
02 Improvement of digital sales share and development of XOM

- Digital sales share improved to 21% at the end of Q2
- After Switzerland, Germany, France, UK, Austria and the Netherlands, Klöckner Online shop with marketplace functionality now also live in Belgium
- Now over 80 employees working for kloeckner.i

- New opportunities – new name: XOM Metals becomes XOM Materials
- International engineering plastics processor and additional metal distributor as new participants
- Total of five vendors under contract
- GMV over €1m by the end of June
- Now 25 employees at two locations: Berlin and Duisburg (startport)
02 Digital transformation

Digi Days
Yammer
Digital Academy
Digital Experience Program
Failure Nights

Launch Contract Portal
Launch Kloeckner Online shop
Launch Kloeckner Direct
Launch Kloeckner Marketplace

>11k online customers
>€1bn digital sales
02 Employees as key factor of the change

Fostering a more open, risk-taking, fast and agile behavior which are core success drivers

Strategic action fields

- Leadership & Corporate Culture
- Performance Management
- Talent & Succession Management
- Employer Branding & Recruiting
- Health & Safety Management
02 Further progress of our “Klöckner & Co 2022“ strategy

Higher value-added business

Shipyard business
- **Expansion** of highly demanding shipyard business
- Excellent business experience with supply chain model for Meyer Werft serves as blueprint for successful expansion

Alu business of Becker Stahl-Service
- Ramp up of **cut-to-length line** and **slitter** on track, **high-speed-cutter** being installed (alu-investment concluded)
- Promising **order book**, major **OEM qualification** passed. Proves to be the **right step** for future positioning

Efficiency improvement

One Europe & One US
- Both programs are on track and delivering essential efficiency gains
- **One Europe** EBITDA contribution of **€6m ytd**
- **One US** EBITDA contribution of **$4m ytd**

<table>
<thead>
<tr>
<th>Year</th>
<th>One Europe EBITDA Contribution</th>
<th>One US EBITDA Contribution</th>
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<tr>
<td>2018</td>
<td>€15m</td>
<td>$4m</td>
</tr>
<tr>
<td>2019</td>
<td>€5m</td>
<td>$5m</td>
</tr>
<tr>
<td>2020</td>
<td>$6m</td>
<td></td>
</tr>
</tbody>
</table>

One Europe & One US
- Both programs are on track and delivering essential efficiency gains
- **One Europe** EBITDA contribution of **€6m ytd**
- **One US** EBITDA contribution of **$4m ytd**

- **Shipyard business**
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- **Alu business of Becker Stahl-Service**
  - Ramp up of **cut-to-length line** and **slitter** on track, **high-speed-cutter** being installed (alu-investment concluded)
  - Promising **order book**, major **OEM qualification** passed. Proves to be the **right step** for future positioning
02 VC² drives transformation towards “Klöckner & Co 2022”

**Business Models**
- Develop existing and new business models
- Increased segment focus

**Profitable Growth**
- Grow the share of the more profitable activities – HVAB
- Improve business mix
- Apply pricing intelligence and discipline

**Operational Excellence**
- Harmonize and digitize core processes to realize an integrated and digital supply chain management
- Optimize operational costs

- More than 70 initiatives identified – all countries and businesses involved
- Value Creation at the Core (VC²) is institutionalized and Project Management Organization (PMO) in place
- Moving towards cost leadership through backend digitalization

- Development of selected vertical markets (e.g. automotive, shipyards) (CUSTOMER FOCUS)
- Increase contract, project and high value-added business (e.g. product related services) (DIFFERENTIATION FOCUS)
- Achieve cost leadership in commodity business (e.g. agile supply chain) (EFFICIENCY FOCUS)

Higher value-added business

Efficiency improvement
02 Finance and accounting optimization by Business Process Outsourcing

<table>
<thead>
<tr>
<th>Scope</th>
<th>Impact</th>
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<tbody>
<tr>
<td>• Centralization of finance management and creation of synergies</td>
<td>• Realization of cost savings through labor arbitrage and productivity improvement of transactional work</td>
</tr>
<tr>
<td>• Shared service center measures initiated, finalized at the end of the year</td>
<td>• The BPO will also lead to decrease staff in our support functions</td>
</tr>
<tr>
<td>• One-time costs and future running cost will be collected in a new cost center (implemented in KCO Holding)</td>
<td>• Net savings will be between €4m- €5m per year from 2019 on</td>
</tr>
<tr>
<td>• D, UK, CH, F, NL, A and Be</td>
<td>• Restructuring costs in 2018 of -€8m (thereof ~€7m in Q2)</td>
</tr>
</tbody>
</table>

By using BPO, Klöckner aims to generate synergies and expedite implementation of its digitalization strategy.
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03 Highlights Q2 2018

- Shipments with 1.6mt slightly above last year's level (+2.1%)
- Sales increased substantially by 9.1% yoy to €1.8bn mainly due to higher price level
- Gross profit up from €339m in Q2 2017 to €364m in Q2 2018 mainly due to price effect and despite negative f/x effect
- Gross profit margin decreased slightly to 20.3% after 20.6% in Q2 2017
- Operating result*) (EBITDA) for Q2 of €85m strongly above the forecasted guidance range of €65m to €75m
- Sales share via digital channels continuously increased from 19% at the end of Q1 2018 to 21% at the end of Q2 2018
- FY guidance raised: EBITDA at least slightly above last year

*) adjusted for special effects from Business Process Outsourcing (BPO) (€7.3m) and Deep Water Horizon Settlement (€4.6m).
EBITDA impact: Q2 yoy (€m)

Comments

- Positive **volume and price effect** mainly due to good demand and price hikes (Section 232) in the US
- **OPEX** up mainly due to higher business volume in the US (shipping and personnel)
- EBITDA contribution of **One Europe** and **One US** of €7m
- Other effects mainly relate to f/x
- **EBITDA margin*** 4.7%
- **Special effects** relate to BPO implementation and Deep Water Horizon Settlement

*) before BPO expense €7.3m and Deep Water Horizon Settlement gain €4.6m.
03 Shipments/sales and gross profit

**Shipments** up due to increased demand in the US and impact from Section 232

**Sales** increased yoy due to higher average sales prices despite weaker US$/€ exchange rate

**Gross profit** up by €25m yoy mainly due to higher average prices despite negative f/x effect

**Margin** with 20.3% stable qoq and slightly down yoy
### Europe (€m)

- EBITDA Q2 2017: 37
- Volume effect: -7
- Price effect: 3
- One Europe: 5
- OPEX: -1
- EBITDA Q2 2018 before spec. eff.: 35
- BPO: -7
- EBITDA Q2 2018 reported: 28

### Americas (€m)

- EBITDA Q2 2017: 32
- Volume effect: 12
- Price effect: -12
- One US: -7
- OPEX: -5
- Deep Water Horizon settlement: 59
- EBITDA Q2 2018 reported: 64

### Europe

- **Volume effect** -€7m and **price effect** €3m
- **OPEX** yoy almost stable, *f/x and other* relate with -€1m to f/x
- **EBITDA margin*** 3.3%
- **BPO expense** mainly related to severance provisions

* before BPO expense.

### Americas

- **Volume effect** of €12m and **price effect** of €32m
- **OPEX** at -€12m mainly due to personnel and shipping related costs
- **F/X effect** of -€6m
- **EBITDA margin**** 8.2%
- **Settlement gain** from 2010 Deep Water Horizon Settlement

** before Deep Water Horizon Settlement gain.
**03 Cash flow and net debt development**

### Cash flow reconciliation Q2 2018 (€m)

- **EBITDA** of €82m
- **Net working capital** seasonally and price-related increased by €82m
- **Other** (+€2m) includes changes in other liabilities, other provisions and provisions for pensions
- **Cash flow from operating activities** -€12m
- **Net capex** -€12m (Gross capex: -€12m)
- **Free cash flow** accordingly -€24m

### Net financial debt 06/2018 vs. 03/2018 (€m)

- **Net financial debt** increased driven by NWC build-up from €472m to €552m
- **f/x translation** effects (-€12m) and cash-outs from settlement of **f/x swaps** (-€12m) used to hedge intercompany financing in USD and GBP

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**Comments**

- **EBITDA** of €82m
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- **Net capex** -€12m (Gross capex: -€12m)
- **Free cash flow** accordingly -€24m

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**Net cash flow reconciliation Q2 2018 (€m)**

<table>
<thead>
<tr>
<th>EBITDA Q2 2018</th>
<th>Change in NWC</th>
<th>Interest</th>
<th>Taxes</th>
<th>Other</th>
<th>Cash flow from operating activities</th>
<th>Capex (net)</th>
<th>Free cash flow Q2 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>82</td>
<td>-82</td>
<td></td>
<td>-5</td>
<td>-9</td>
<td>2</td>
<td>-12</td>
<td>-24</td>
</tr>
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</table>

**Net financial debt 06/2018 vs. 03/2018 (€m)**

<table>
<thead>
<tr>
<th>Net debt 03/2018</th>
<th>Free Cashflow</th>
<th>f/x, Swaps</th>
<th>Dividends</th>
<th>Other</th>
<th>Net debt 06/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>472</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>552</td>
</tr>
</tbody>
</table>

- **Net financial debt** increased driven by NWC build-up from €472m to €552m
- **f/x translation** effects (-€12m) and cash-outs from settlement of **f/x swaps** (-€12m) used to hedge intercompany financing in USD and GBP
03 Strong balance sheet

**BALANCE SHEET TOTAL**
31.12.2017: 2,886 in € million

- 100%
  - Non-current assets: 28.9%
  - Inventories: 38.3%
  - Trade receivables: 23.6%
  - Other current assets: 3.9%
  - Equity: 41.7%
  - Current liabilities: 5.3%

- 50%
  - Non-current assets: 14.5%
  - Inventories: 19.1%
  - Trade receivables: 11.8%
  - Other current assets: 1.95%
  - Equity: 20.85%
  - Current liabilities: 2.65%

- 0%
  - Non-current assets: 0%
  - Inventories: 0%
  - Trade receivables: 0%
  - Other current assets: 0%
  - Equity: 0%
  - Current liabilities: 0%

**BALANCE SHEET TOTAL**
31.12.2016: 2,897 in € million

- 100%
  - Non-current assets: 31.0%
  - Inventories: 34.7%
  - Trade receivables: 22.6%
  - Other current assets: 7.1%
  - Equity: 39.6%
  - Current liabilities: 27.6%

- 50%
  - Non-current assets: 15.5%
  - Inventories: 17.35%
  - Trade receivables: 11.3%
  - Other current assets: 3.55%
  - Equity: 19.8%
  - Current liabilities: 13.8%

- 0%
  - Non-current assets: 0%
  - Inventories: 0%
  - Trade receivables: 0%
  - Other current assets: 0%
  - Equity: 0%
  - Current liabilities: 0%

**Comments**

- Equity ratio further healthy at 42%
- Net debt of €330m
- Leverage 1.5x
- Gearing* at 28%
- NWC almost flat at €1,132m vs €1,120m

* Gearing = Net debt/Equity attributable to shareholders of Klöckner & Co SE less goodwill from business combinations subsequent to May 23, 2013.
### Maturity profile – well-balanced & diversified funding portfolio

<table>
<thead>
<tr>
<th>Facility</th>
<th>Committed (€m)</th>
<th>Drawn amount (€m, IFRS*)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q2 2018</td>
<td>FY 2017</td>
</tr>
<tr>
<td><strong>Syndicated Loan</strong></td>
<td>300</td>
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<tr>
<td><strong>ABS Europe</strong></td>
<td>300</td>
<td>135</td>
</tr>
<tr>
<td><strong>ABS/ABL USA</strong></td>
<td>472</td>
<td>188</td>
</tr>
<tr>
<td><strong>Convertible 2016</strong></td>
<td>148</td>
<td>136</td>
</tr>
<tr>
<td><strong>Bilateral Facilities</strong></td>
<td>189</td>
<td>160</td>
</tr>
<tr>
<td><strong>Total Debt</strong></td>
<td>1,409</td>
<td>619</td>
</tr>
<tr>
<td><strong>Cash</strong></td>
<td>67</td>
<td>154</td>
</tr>
<tr>
<td><strong>Net Debt</strong></td>
<td>552</td>
<td>330</td>
</tr>
</tbody>
</table>

* Including interest accrued, excluding deferred transaction costs.

1) Principal €148m, equity component €18m at issuance (September 8, 2016).
2) Including finance lease; committed and drawn bilaterals mainly Switzerland.
3) Net debt/Equity attributable to shareholders of Klöckner & Co SE less goodwill from business combinations subsequent to May 23, 2013.

#### €m

<table>
<thead>
<tr>
<th></th>
<th>Q2 2018</th>
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<tbody>
<tr>
<td>Adjusted equity</td>
<td>1,240</td>
</tr>
<tr>
<td>Net debt</td>
<td>552</td>
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<tr>
<td>Leverage</td>
<td>2.5x</td>
</tr>
<tr>
<td>Gearing ³</td>
<td>44%</td>
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</table>

#### Maturity profile of committed facilities & drawn amounts (€m)

![Maturity profile graph](image)
1. Overview
2. Update on strategy
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04 Segment specific business outlook 2018

Europe
1-2%

Real steel demand

Construction industry

Manufacturing, machinery and mechanical engineering, etc.

Energy industry

Automotive industry

Shipbuilding

USA
~ 3%

Europe

Real steel demand

Construction industry

Manufacturing, machinery and mechanical engineering, etc.

Energy industry

Automotive industry

Shipbuilding

USA

~ 3%
04 Outlook

- Sales expected to be stable qoq
- Operating income (EBITDA) – due to less price effects – lower, expected to be between €55m and €65m
- Higher sales anticipated due to higher average price level
- EBITDA at least slightly above last year’s level (€220m)
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## Quarterly and FY results

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<tbody>
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<td>Sales (currency effect)</td>
<td>-89</td>
<td>-114</td>
<td>-70</td>
<td>-45</td>
<td>13</td>
<td>19</td>
<td>-3</td>
<td>-18</td>
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<td>2</td>
<td>91</td>
<td>133</td>
<td>174</td>
<td>-83</td>
<td>-50</td>
<td>556</td>
<td>28</td>
<td>-121</td>
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<tr>
<td>Gross profit</td>
<td>364</td>
<td>331</td>
<td>300</td>
<td>310</td>
<td>339</td>
<td>367</td>
<td>319</td>
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<td>1.316</td>
<td>1.315</td>
<td>1.237</td>
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<tr>
<td>% margin</td>
<td>20.3</td>
<td>20.4</td>
<td>20.2</td>
<td>19.8</td>
<td>20.6</td>
<td>22.9</td>
<td>22.8</td>
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<td>22.9</td>
<td>19.2</td>
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<td>EBITDA rep.</td>
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<td>33</td>
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<td>63</td>
<td>77</td>
<td>37</td>
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<td>220</td>
<td>196</td>
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<td>% margin</td>
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<td>Net income KCO</td>
<td>33</td>
<td>21</td>
<td>30</td>
<td>12</td>
<td>23</td>
<td>36</td>
<td>-12</td>
<td>31</td>
<td>32</td>
<td>-14</td>
<td>-263</td>
<td>-9</td>
<td>-54</td>
<td>101</td>
<td>37</td>
<td>-347</td>
<td>22</td>
<td>-85</td>
</tr>
<tr>
<td>EPS basic (€)</td>
<td>0.33</td>
<td>0.21</td>
<td>0.30</td>
<td>0.12</td>
<td>0.23</td>
<td>0.36</td>
<td>-0.13</td>
<td>0.31</td>
<td>0.32</td>
<td>-0.14</td>
<td>-2.63</td>
<td>-0.09</td>
<td>-0.54</td>
<td>1.01</td>
<td>0.37</td>
<td>-3.48</td>
<td>0.22</td>
<td>-0.85</td>
</tr>
<tr>
<td>EPS diluted (in €)</td>
<td>0.31</td>
<td>0.20</td>
<td>0.28</td>
<td>0.12</td>
<td>0.22</td>
<td>0.34</td>
<td>-0.13</td>
<td>0.31</td>
<td>0.32</td>
<td>-0.14</td>
<td>-2.63</td>
<td>-0.09</td>
<td>-0.54</td>
<td>0.96</td>
<td>0.37</td>
<td>-3.48</td>
<td>0.22</td>
<td>-0.85</td>
</tr>
<tr>
<td>Net debt</td>
<td>552</td>
<td>472</td>
<td>330</td>
<td>435</td>
<td>486</td>
<td>475</td>
<td>444</td>
<td>438</td>
<td>435</td>
<td>383</td>
<td>385</td>
<td>517</td>
<td>571</td>
<td>330</td>
<td>444</td>
<td>385</td>
<td>472</td>
<td>325</td>
</tr>
<tr>
<td>NWC</td>
<td>1.428</td>
<td>1.318</td>
<td>1.132</td>
<td>1.282</td>
<td>1.306</td>
<td>1.296</td>
<td>1.120</td>
<td>1.197</td>
<td>1.168</td>
<td>1.134</td>
<td>1.128</td>
<td>1.369</td>
<td>1.452</td>
<td>1.132</td>
<td>1.120</td>
<td>1.128</td>
<td>1.321</td>
<td>1.216</td>
</tr>
</tbody>
</table>
### Segment performance

#### Shipments (Tto)

<table>
<thead>
<tr>
<th></th>
<th>Europe</th>
<th>Americas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 2016</td>
<td>950</td>
<td>693</td>
</tr>
<tr>
<td>Q3 2016</td>
<td>873</td>
<td>660</td>
</tr>
<tr>
<td>Q4 2016</td>
<td>867</td>
<td>660</td>
</tr>
<tr>
<td>Q1 2017</td>
<td>926</td>
<td>657</td>
</tr>
<tr>
<td>Q2 2017</td>
<td>911</td>
<td>643</td>
</tr>
<tr>
<td>Q3 2017</td>
<td>896</td>
<td>627</td>
</tr>
<tr>
<td>Q4 2017</td>
<td>901</td>
<td>627</td>
</tr>
<tr>
<td>Q1 2018</td>
<td>901</td>
<td>683</td>
</tr>
<tr>
<td>Q2 2018</td>
<td>885</td>
<td>720</td>
</tr>
</tbody>
</table>

- Europe: +2.8%
- Americas: +9.0%

#### Sales (€m)

<table>
<thead>
<tr>
<th></th>
<th>Europe</th>
<th>Americas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 2016</td>
<td>816</td>
<td>554</td>
</tr>
<tr>
<td>Q3 2016</td>
<td>891</td>
<td>539</td>
</tr>
<tr>
<td>Q4 2016</td>
<td>885</td>
<td>515</td>
</tr>
<tr>
<td>Q1 2017</td>
<td>985</td>
<td>617</td>
</tr>
<tr>
<td>Q2 2017</td>
<td>1,019</td>
<td>621</td>
</tr>
<tr>
<td>Q3 2017</td>
<td>999</td>
<td>566</td>
</tr>
<tr>
<td>Q4 2017</td>
<td>943</td>
<td>541</td>
</tr>
<tr>
<td>Q1 2018</td>
<td>1,032</td>
<td>596</td>
</tr>
<tr>
<td>Q2 2018</td>
<td>1,068</td>
<td>721</td>
</tr>
</tbody>
</table>

- Europe: +4.8%
- Americas: +16.1%

#### EBITDA adj* (€m)

<table>
<thead>
<tr>
<th></th>
<th>Europe</th>
<th>Americas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 2016</td>
<td>49</td>
<td>30</td>
</tr>
<tr>
<td>Q3 2016</td>
<td>55</td>
<td>22</td>
</tr>
<tr>
<td>Q4 2016</td>
<td>54</td>
<td>30</td>
</tr>
<tr>
<td>Q1 2017</td>
<td>36</td>
<td>11</td>
</tr>
<tr>
<td>Q2 2017</td>
<td>37</td>
<td>32</td>
</tr>
<tr>
<td>Q3 2017</td>
<td>28</td>
<td>19</td>
</tr>
<tr>
<td>Q4 2017</td>
<td>33</td>
<td>13</td>
</tr>
<tr>
<td>Q1 2018</td>
<td>31</td>
<td>32</td>
</tr>
<tr>
<td>Q2 2018</td>
<td>35</td>
<td>59</td>
</tr>
</tbody>
</table>

- Europe: +16.1%
- Americas: +16.1%

* adjusted for BPO expenses in Q2 2018.
** adjusted for Deep Water Horizon Oil Spillage Claim Settlement gain in Q2 2018.
05 Sales by markets, products and industries

As of December 31, 2017.
05 Current shareholder structure

Geographical breakdown of identified institutional investors

- 49% Germany
- 35% US
- 6% Rest of EU
- 3% Rest of world
- 1% France
- 1% Switzerland
- 5% UK
- 1% Rest of world
- 1% Rest of world

Comments
- Identified institutional investors account for 73%
- German investors incl. retail dominate
- Top 10 shareholdings represent around 51%
- Retail shareholders represent 19%

As of July 2018.
Share price performance in Q2 2018

- At the beginning of Q2 2018, the price of the Klöckner share rose strongly, reaching the level of €11.62 on April 23, 2018
- In the aftermath the share price fell to €10.30 on April 26, 2018
- In the following, the share was on a sideway track until it fell sharply to €9.01 on June 28, 2018 which was the lowest point of the quarter
- The share went out of trading with €9.03 on June 29, 2018
In general, Klöckner & Co SE follows a dividend policy of distributing 30% of net income before special items. Given the volatility of our business model, a sustainable dividend payment can not be guaranteed. If there is a possibility of dividend distribution, we will do it for the benefit of our investors.

- Compliance with the dividend policy of €0.80 per share for the years 2006 and 2007
- Suspension of the dividend policy for the financial year 2008 in view of the beginning of the Euro crisis and no dividend payment
- Due to earnings no dividend payment in 2009
- Inclusion of our general dividend policy in financial year 2010 with a dividend of €0.30 per share
- Due to earnings no dividend payment in 2011, 2012 and 2013 as well as in 2015
- Full distribution of net profit for the financial year 2014 (€0.20 per share)
- Dividend payment of €0.20 per share in 2016 and €0.30 per share for the 2017 financial year
05 Current shareholder structure

Voting Rights Announcements according to WpHG (Security Trading Act)*

<table>
<thead>
<tr>
<th>Date of publication</th>
<th>Subject to compulsory notification</th>
<th>Portion of voting stock</th>
</tr>
</thead>
<tbody>
<tr>
<td>09/02/2016</td>
<td>Swoctem GmbH / Friedhelm Loh</td>
<td>25.25%</td>
</tr>
<tr>
<td>04/03/2015</td>
<td>Franklin Mutual Series Funds</td>
<td>3.07%</td>
</tr>
<tr>
<td>18/03/2014</td>
<td>Franklin Mutual Advisors</td>
<td>5.35%</td>
</tr>
<tr>
<td>02/02/2012</td>
<td>Dimensional Holdings Inc. / Dimensional Fund Advisors LP</td>
<td>3.06%</td>
</tr>
</tbody>
</table>

*) The table lists all shareholders, whose Klöckner & Co SE voting shares exceed one of the notification thresholds under section 21 clause 1 WpHG, based on notification as of Sep. 10, 2018.
**05 Strong Growth: 26 acquisitions since the IPO**

<table>
<thead>
<tr>
<th>Country</th>
<th>Acquired ¹</th>
<th>Company</th>
<th>Sales (FY) ²</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>Oct. 2015</td>
<td>American Fabricators</td>
<td>€22m</td>
</tr>
<tr>
<td>CH 2nd quarter 2014³</td>
<td>1 acquisition</td>
<td>Riede</td>
<td>€140m</td>
</tr>
<tr>
<td>2011</td>
<td>2 acquisitions</td>
<td>€1,150m</td>
<td></td>
</tr>
<tr>
<td>Brazil</td>
<td>May 2011</td>
<td>Freer</td>
<td>€150m</td>
</tr>
<tr>
<td>USA</td>
<td>April 2011</td>
<td>Macsteel</td>
<td>€1bn</td>
</tr>
<tr>
<td>2010</td>
<td>4 acquisitions</td>
<td>€712m</td>
<td></td>
</tr>
<tr>
<td>USA</td>
<td>Dec 2010</td>
<td>Lake Steel</td>
<td>€50m</td>
</tr>
<tr>
<td>USA</td>
<td>Sep 2010</td>
<td>Angeles Welding</td>
<td>€30m</td>
</tr>
<tr>
<td>GER</td>
<td>Mar 2010</td>
<td>Becker Stahl-Service</td>
<td>€600m</td>
</tr>
<tr>
<td>CH</td>
<td>Jan 2010</td>
<td>Bläsi</td>
<td>€32m</td>
</tr>
<tr>
<td>2008</td>
<td>2 acquisitions</td>
<td>€231m</td>
<td></td>
</tr>
<tr>
<td>US</td>
<td>Mar 2008</td>
<td>Temtco</td>
<td>€226m</td>
</tr>
<tr>
<td>UK</td>
<td>Jan 2008</td>
<td>Multitubes</td>
<td>€5m</td>
</tr>
<tr>
<td>2007</td>
<td>12 acquisitions</td>
<td>€567m</td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>4 acquisitions</td>
<td>€108m</td>
<td></td>
</tr>
</tbody>
</table>

¹ Date of announcement ² Sales in the year prior to acquisitions ³ The transaction is still subject to normal closing conditions but has already been approved, with a different transaction structure, by the Swiss Competition Commission.
05 Overview of the main digital portals and tools

**Kloeckner Connect**
Kloeckner Connect is a portal combining all services we provide. Find all the digital solutions at first glance.

**Benefits for the customer:**
- Portal which connects all relevant information on our digital products and services
- It informs about online tools, interfaces and intl. networks

**Contract Portal/ Part Manager**
It supplies information on all current and historical contracts and allows materials to be called-off.

**Benefits for the customer:**
- All Klöckner contracts at a glance
- View individual material stock
- Look into future and historical material call-offs

**Onlineshop/ Marketplace**
Onlineshop makes ordering steel more comfortable than ever – no matter where or when.

**Benefits for the customer:**
- Abandon time and place bound ordering
- Instant quotes; easy order, reorder, bulk order
- Lower transaction costs/ lower stock

**Kloeckner Direct**
US customers are granted transparency in terms of stock availability at specific branches. Currently updated to a comprehensive onlineshop.

**Benefits for the customer:**
- Direct view into the branches stock and availability
- Quote generation easy and convenient – online, saves time
- Create and send a request for a quote

**Order Transparency Tool**
This tool grants access to all information concerning the current and historical orders.

**Benefits for the customer:**
- Complete overview of all open and closed orders
- Check the status of future deliveries
- Intuitive and user friendly interface
Service portal Kloeckner Connect as central access point for customers to Onlineshop, Contract Portal and various digital tools

Key facts

- Responsive design for mobile and smartphone access
- 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 needed on content that is relevant to users and 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
European Contract Portal for customers with time, volume and product contracts

Key facts

- 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)
The Part Manager has become an important sales channel for flat rolled products in the US

Key facts
- 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:

“Parts 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.”
05 Onlineshop further advanced

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
- Integration into ERP systems of customers via OCI interface
- Open for 3rd party sellers / distributors with complementary products shortly
- Possibility of payment via credit card shortly
- Third party interface via webservice API
- Fully integrated into service portal Kloeckner Connect
Offering the full range of steel and metals through online shop marketplace feature without inventory build-up

<table>
<thead>
<tr>
<th></th>
<th>Flat Steel</th>
<th>Profiles</th>
<th>Tubes</th>
<th>Bright Steel</th>
<th>Quality Steel</th>
<th>Stainless</th>
<th>Aluminum</th>
<th>Copper &amp; Bronze</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>KCO Germany</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current focus</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplier A</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplier B</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplier C</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplier D</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td><strong>2018</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
05 Kloeckner Direct will be expanded to a comprehensive online shop for the US

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
- Rolling out to >130 customers in the first stage in May 2017
- Continuous development to a comprehensive Onlineshop fully inhouse in 2018
- Total investment until June 2017 €0.7m
## 05 Overview of further digital solutions

<table>
<thead>
<tr>
<th>OCI/ EDI</th>
<th><strong>Benefits for the customer:</strong></th>
</tr>
</thead>
</table>
| This interface allows a direct connection between an ERP and the Klöckner online shop. | ✓ Klöckner plugin for the SAGE 100 ERP System  
✓ Enables ERP to ERP communication  
✓ Lowers transaction costs significantly |

<table>
<thead>
<tr>
<th>Application programming interface (API)</th>
<th><strong>Benefits for the customer:</strong></th>
</tr>
</thead>
</table>
| Klöckner API is a REST interface which allows to easily connect with third party systems. | ✓ Klöckner products can be delivered in third party systems  
✓ Quotes and orders possible via REST API  
✓ Developer community to build business models around the API |

<table>
<thead>
<tr>
<th>Sage 100</th>
<th><strong>Benefits for the customer:</strong></th>
</tr>
</thead>
</table>
| This solution allows a direct connection to Klöckner ordering system and coordinates business processes. | ✓ More transparency and an automatic exchange of information  
✓ Efficient processes which increase your competitive edge  
✓ Transparent insights into current purchasing conditions |
05 Steel cycle and EBITDA/cash flow relationship

Theoretical relationship*

Comments

1. Klöckner (generally) buys products at spot prices and sells products at spot prices plus margin

2. Sales increase as a function of the steel price inflation environment; But: Customers negotiate in times of increasing prices (→ negotiation sales delay leads to lagging the real steel price development), customers do not accept negotiations in times of decreasing prices and demand passing prices immediately (no lag)

3. Cost of material are based on an average cost method for inventory and therefore lag the steel price increase. Moreover, procurement prices were negotiated roughly three months before sale takes place

4. This time lag creates accounting windfall profits (windfall losses in a decreasing steel price environment) inflating (deflating) EBITDA

5. Assuming stable inventory volume cash flow is impacted by higher NWC needs

*Assuming stable inventory volumes
## 05 Products

<table>
<thead>
<tr>
<th>Flat Products</th>
<th>Stainless / Aluminum / Quality</th>
<th>Hollow Sections</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long Products</td>
<td>Tubes</td>
<td>Coils</td>
</tr>
</tbody>
</table>
05 Services

- Cut to length, forming
- Surface treatment
- Laser and flame cutting
- Rolling/cutting/slitting of coils
- 3d laser and 3d printing
- Mechanical machining
Contact details

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Fax: +49 203 307 5025
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Internet: www.kloeckner.com

Financial calendar

October 24, 2018 Q3 interim statement 2018
March 12, 2019 Annual financial statements 2018
April 30, 2019 Q1 interim statement 2019
May 15, 2019 Annual General Meeting 2019
July 31, 2019 Q2 interim report 2019
October 30, 2019 Q3 interim statement 2019