



Klöckner & Co SE

Annual General Meeting 2020

Düsseldorf, May 20, 2020

Gisbert Rühl | CEO



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.

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 2019

	FY 2019*	FY 2018
Shipments (in tto)	5,648	6,107
Sales (in €m)	6,315	6,790
EBITDA (in €m)	139	227
Net income (in €m)	-55	69
Operating cash flow (in €m)	204	60
Digital sales (last quarter of the year in %)	32	25

*Applicability of IFRS 16 as of January 1, 2019

	FY 2019*	FY 2018
Equity (in €m)	1,182	1,282
Equity ratio (in %)	41	42
Liquid funds (in €m)	183	141
Net debt (in €m)	445	383
Gearing (in %)	38	31
Employees	8,253	8,579

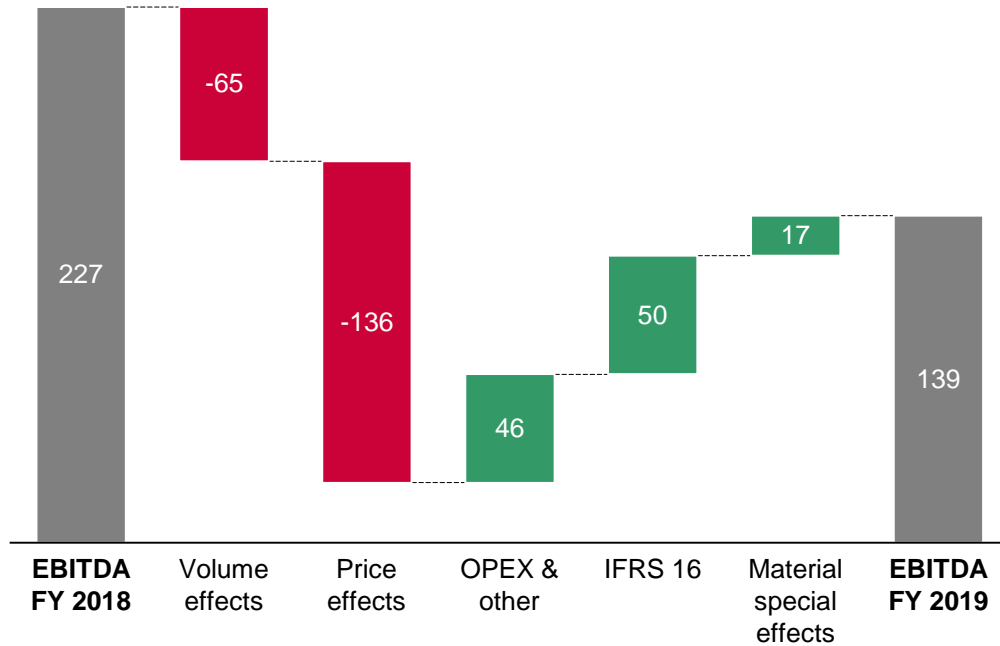
*Applicability of IFRS 16 as of January 1, 2019

1st Quarter 2020

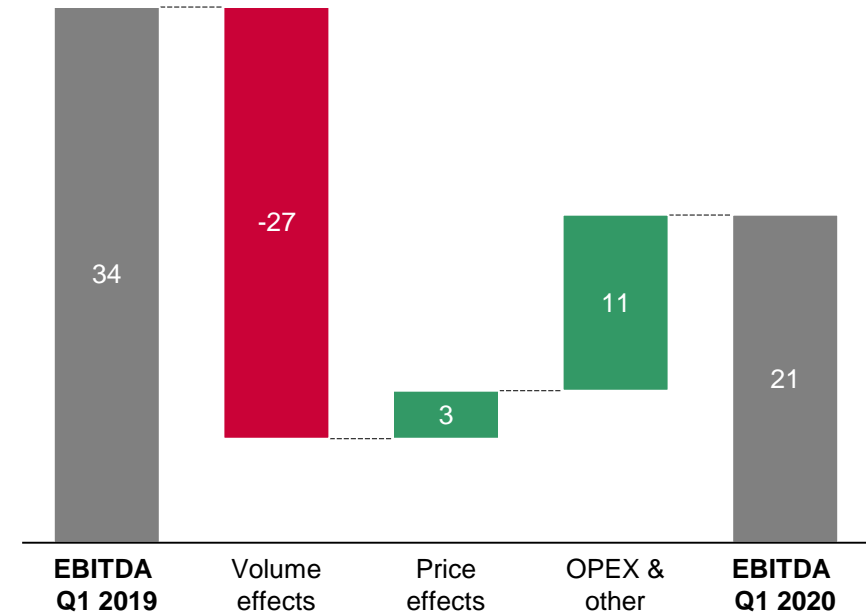
	Q1 2020	Q1 2019		Q1 2020	Q1 2019
Shipments (in tto)	1,365	1,499	Equity (in €m)	1,211	1,259
Sales (in €m)	1,448	1,703	Equity ratio (in %)	41	38
EBITDA (in €m)	21	34	Liquid funds (in €m)	121	51
Net income (in €m)	-21	-10	Net debt (in €m)	563	820
Operating cash flow (in €m)	-97	-229	Gearing (in %)	47	65
Digital sales (in %)	35	27	Employees	8,179	8,529

Earnings development in 2019 und Q1 2020

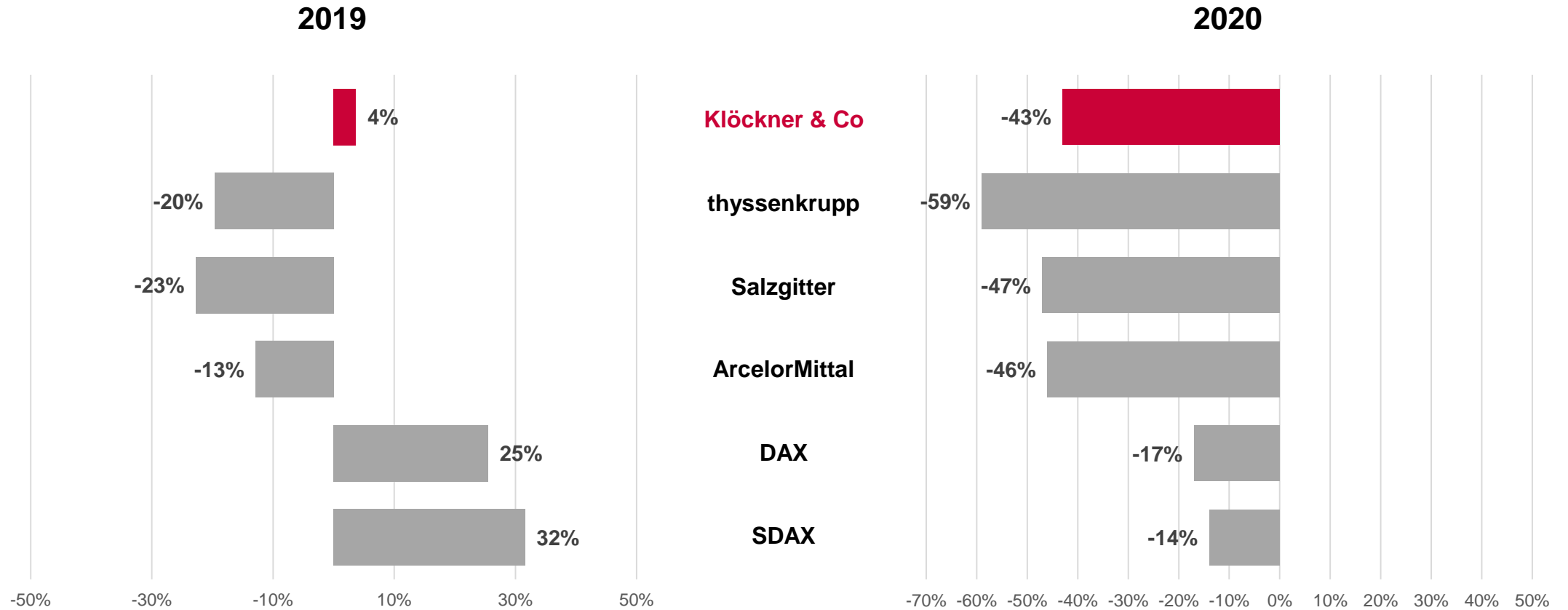
FY 2019 vs. FY 2018 (in €m)



Q1 2020 vs. Q1 2019 (in €m)



Share price development



Outlook on Q2 and FY 2020

Q2
2020

- Considerable **decreasing shipments and sales** (qoq)
- Negative **EBITDA** in low double-digit million euro range
- Positive **cash flow** due to net working capital reduction

FY
2020

- Considerable burden on **earnings**
- Significantly positive **cash flow**

Crisis as an opportunity – Project Surtsey

Target



- Increasing speed of **digital transformation**
- Additional **restructuring measures**
- Accelerated **scaling** of XOM Materials
- **M&A** at attractive conditions

Effects



- Reduction of **> 1,200 employees** / closure of **19 branches**
- **> €100m improvement in earnings** already by end of 2021
- **> 50% digital share of sales** until end of 2021

Transformation to platform company

klöckner & co

Platform with AI-driven core processes

- Kloeckner Assistant > sales
- XOM eProcurement > procurement

Opportunity

Increase in value through increasing returns and growth potential

XOM
MATERIALS

AI-driven open platform orchestrates transactions between industry participants

- eShop
- eProcurement
- eMarketplace

Opportunity

Increase in value through scaling



Employee survey 2020 – improvements in all areas

Feedback



- **68%** (56%) **response rate**
- **79%** (77%) are familiar with the **strategy** of Klöckner & Co
- **85%** (78%) know what they can contribute to achieve the **company's goals**
- **80%** (78%) **enjoy working** for Klöckner & Co
- **85%** (83%) feel treated with **respect**

Prior-year figures in brackets

Positive outlook despite crisis

**Immediate crisis
management**



**Steering through
the crisis**



**Opportunities after
the crisis**