

KLÖCKNER 2025 LEVERAGING STRENGTHS

May 2021

SHARE PRICE ON THE RIGHT TRACK, HOWEVER, VALUATION AT NET ASSET VALUE AND BELOW PEER VALUATIONS



Share performance Klöckner & Co (last 5yrs.)

We strive for more

COMPLEX ENVIRONMENT, VARIOUS CHALLENGES AND NO ONE-FITS-ALL SOLUTION

High market fragmentation

Highly competitive markets due to fragmentation between a few larger competitors and many low-cost local distributors

Lack of market consolidation

High cost flexibility of smaller distributors results in lack of market consolidation and overcapacities

Digitalization gap in sector

Smaller customers and distributors do not have the resources and capabilities to invest in impactful digitalization

Downstream push

Mills are pushing downstream in the value chain with focus on high-volume customers

Supply-sided overcapacities

Low margin business requires high efficiencies along the whole value chain

Individual customer requirements

Increasing variety of customer needs regarding lot sizes, local availability, reliability and product and market knowhow

KLÖCKNER & CO'S STRONG FOUNDATION

Digital Transformation

- Advanced tools such as Onlineshops, Kloeckner Assistant, XOM eProcurement
- Digital sales share >45%

Surtsey project

- Achieving sustainable cost efficiency gains due to consistent execution

Customer centricity

- Existing businesses with highest profitability based on excellent customer centricity and satisfaction

Brands

- Klöckner & Co and sub-brands are internationally well-known brands with high reputation

Partner collaborations

- First valuable experiences in terms of integrating partners in the field of value-added products and services

Corporate culture

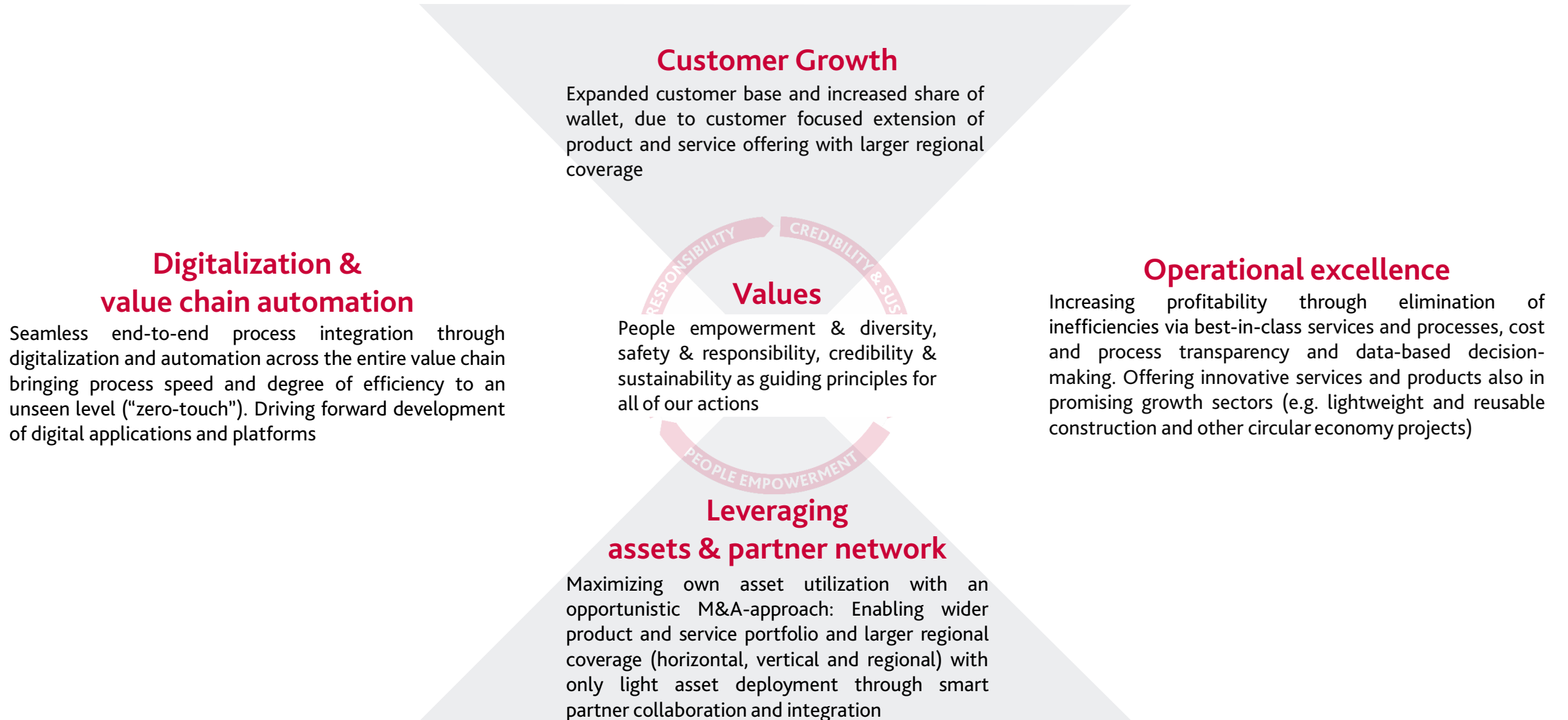
- Organizational and cultural change already initiated to achieve agile and efficient processes

We build on our existing strengths and take it to the next level

OUR STRATEGY - "KLÖCKNER & CO 2025: LEVERAGING STRENGTHS"




BUILDING A PLATFORM BUSINESS MODEL: READY TO GROW




OUR AMBITION: MERGING & EXTENDING THE DIGITAL AND THE PHYSICAL BUSINESS


By 2025, Klöckner & Co will be the leading digital one-stop-shop platform for steel, other materials, equipment and processing services in Europe and the Americas




Leading role in the digitalization of the industry with highly automated value chain




Superior customer satisfaction by operational & sales excellence




Customer growth and increased share of wallet



Mature and wide-reaching network including high-quality partners



Substantially increased profitability level



Agile and innovative corporate culture

SUSTAINABLE GROWTH WITH HIGH PERFORMANCE THROUGH THE ENTIRE CYCLE

Our 2025 Goals

Sales growth above market

ROCE above cost of capital

More than doubling normalised EBITDA level
(as of before pre-COVID)