

klöckner & co

Your partner for a
sustainable tomorrow

FY 2023 RESULTS

Press Conference

March 13, 2024

Guido Kerkhoff | CEO

Dr. Oliver Falk | CFO



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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. For other terms not defined in the annual report, please refer to the glossary on our website at <https://www.kloeckner.com/en/glossary.html>.

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

AGENDA

1. Highlights and update on strategy
2. Financials
3. Outlook



HIGHLIGHTS OF FY 2023

	FY 2023 ^{*)}	FY 2022 ^{*)}	Delta	
Shipments (Tto)	4,248	4,193	+1.3%	Increase yoy driven by strong development of Kloeckner Metals Americas despite overall challenging macro environment
Sales (€m)	6,957	8,337	-16.6%	Decrease due to considerably lower average price level yoy
Gross profit (€m)	1,157	1,328	-12.8%	Decrease yoy; however, gross profit margin slightly increased
EBITDA ^{**)} (€m)	190	355	-165	Achieved solid EBITDA despite challenging environment
Oper. CF (€m)	287	360	-73	Strong and significantly positive OCF according to guidance
Net financial debt (€m)	775	584	+191	Increase yoy as a result of NMM acquisition, however, considerably down qoq; fully repaid convertible bond in September as scheduled
Dividend per share ^{***)} (€)	0.20	0.40		Proposing third consecutive dividend

^{*)} Continuing operations in accordance with IFRS 5.

^{**)} Before material special effects.

^{***)} Proposal to the Annual General Meeting on May 23, 2024.

STRENGTHENING FOCUS ON HIGHER VALUE-ADDED BUSINESS AND CORE MARKETS

Lowering complexity, increasing resilience and profitability:

Sold parts of the low margin distribution business in Europe (~10% of Sales but ~20% of FTEs)

Closed and integrated value accretive growth platform NMM

Acquired highly profitable Industrial Manufacturing Services and increased exposure to HVAB

Improved our role as a pioneer of a sustainable transformation of the steel industry

European Efficiency program successfully completed

Proposing a dividend for the third consecutive time^{*)}

LOWERING COMPLEXITY, INCREASING RESILIENCE AND PROFITABILITY

Sale of distribution business in France, the UK, the Netherlands and Belgium to strengthen focus on HVAB

- Transaction **significantly reduces our dependence** on volatile commodity markets
 - Country organizations **exposed to low margin, cyclical commodity distribution business and high dependence on steel prices**
 - Sold businesses account for ~10% of Group Sales but ~20% of FTEs
 - Transaction already closed in Q1
- Accelerating shift to profitable and more stable HVAB
 - IMS acquisition further proof point for profitable growth

Sales split by regions after sale



North America ~60%



Germany/Austria ~25%
Switzerland ~15%

Further improving our underlying profitability base

LEADING THE SUSTAINABILITY TRANSFORMATION OF THE STEEL INDUSTRY

kloECKNER takes action 2040

SCOPE 1 & 2

OWN DIRECT AND
INDIRECT EMISSIONS

50% reduction
by 2030

Net zero
by 2040



Midterm target
already achieved in
2023
(~52% reduction)

Capitalizing on sustainable business opportunities

- Intending to expand cooperation in metal products and related services in the future
- Already delivered first quantities of sustainable stainless steel to GEA
- Corresponds to "Pro" in category for CO₂-reduced stainless steel
 - CO₂ footprint of less than 700 kg CO₂ per ton; ~90% lower compared to conventional stainless steel
- Also delivering PCF; thus, providing cradle to customer entry gate emissions

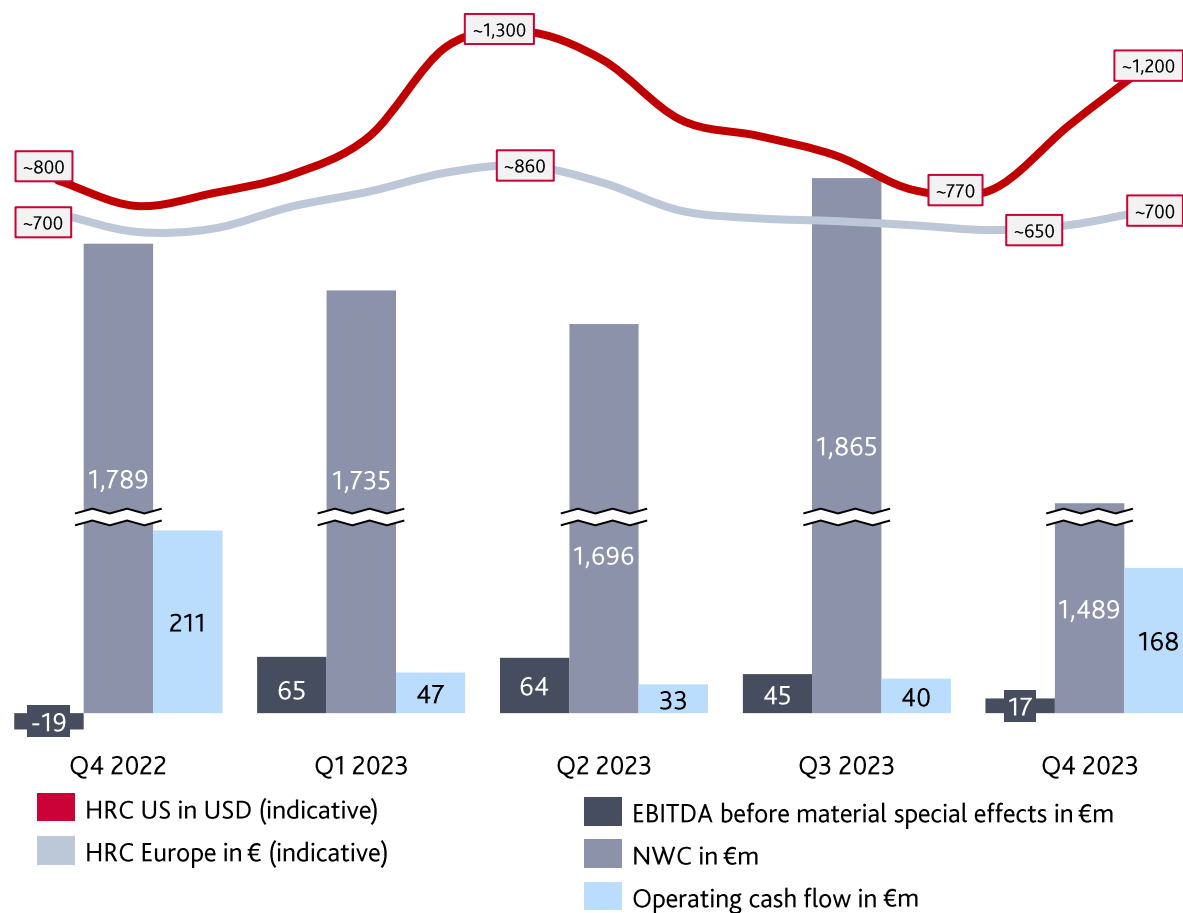
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SOLID OPERATING PERFORMANCE AND POSITIVE CASH GENERATION

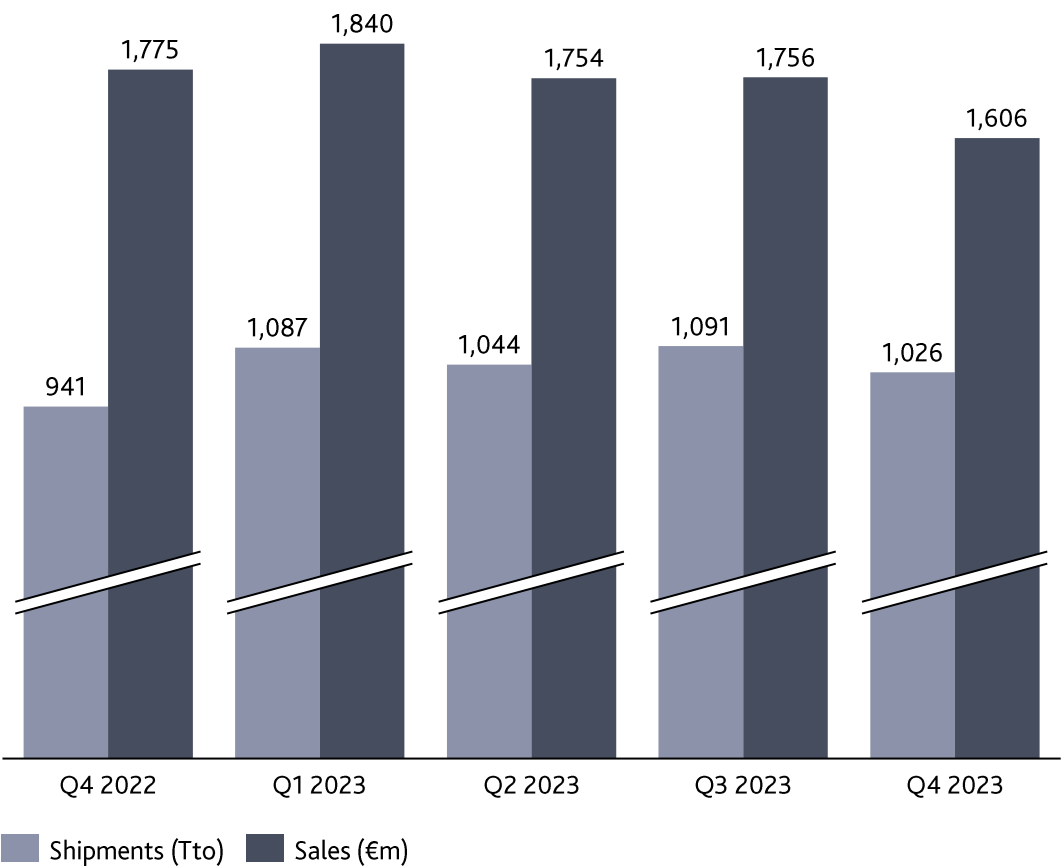
Our net working capital management



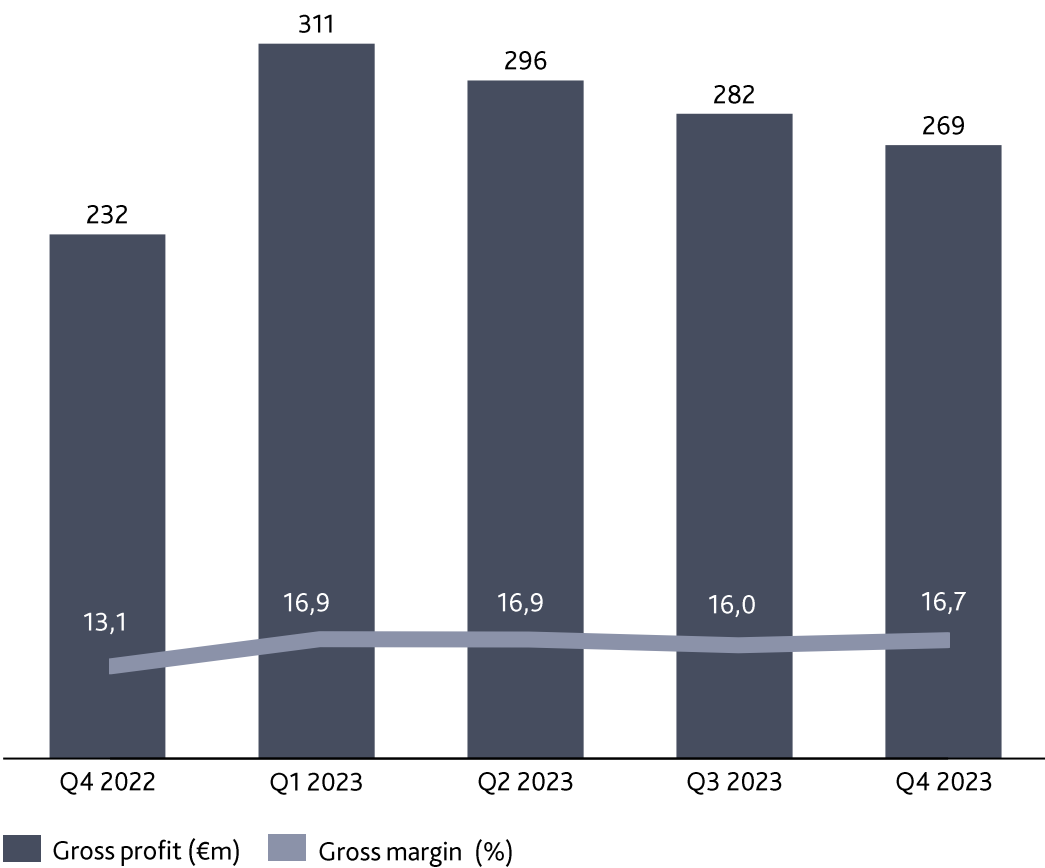
- Despite an ongoing challenging market environment, we **achieved solid operating result** in FY 2023 within guidance range and strong and significantly **positive operating cash flow**
- **Mitigated large parts of negative price risks** during steel price correction over the course of the year
 - Stabilizing prices in Europe and rising prices in the US towards end of the year
- **Sale of parts of European distribution business lowers dependence on steel prices and increases profitability level**
- Continuing to leverage digitalization and automation initiatives
 - Digital quotes more than doubled yoy in FY 2023
 - Average number of manual changes per digital order further decreased by more than 15% in FY 2023

SHIPMENTS, SALES AND GROSS PROFIT

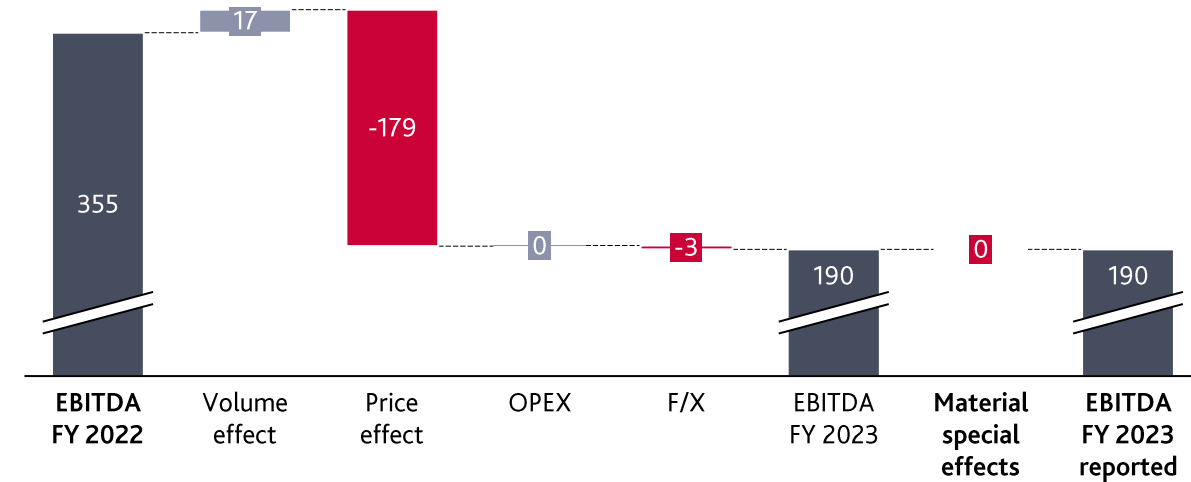
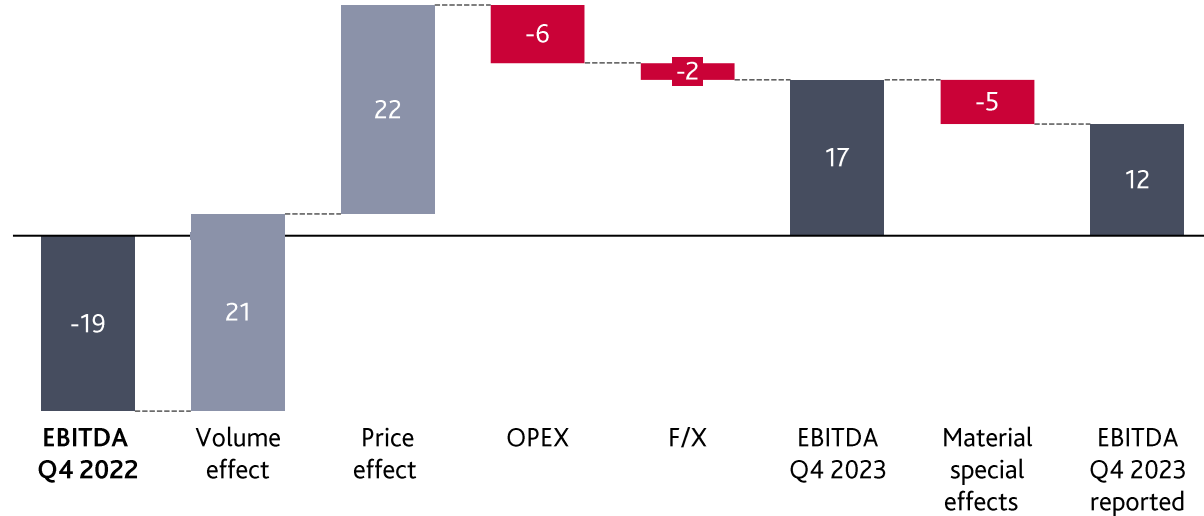
Shipments & Sales



Gross profit & Gross margin



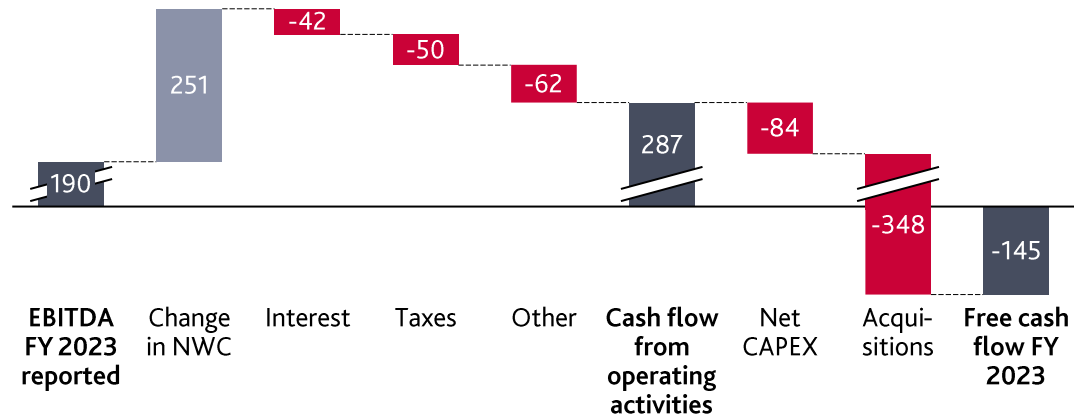
EBITDA (€M) IN Q4 2023 AND FY 2023



- Solid EBITDA-performance despite challenging market environment
- Generated EBITDA before material special effects of €17m in Q4 2023 and €190m in FY 2023
- Positive volume effect of €21m in Q4 and of €17m in FY 2023
- Positive price effect of €22m in Q4 and negative price effect for FY 2023 of €179m
- OPEX stable yoy in FY 2023 despite inflationary environment
- Minor F/X effects

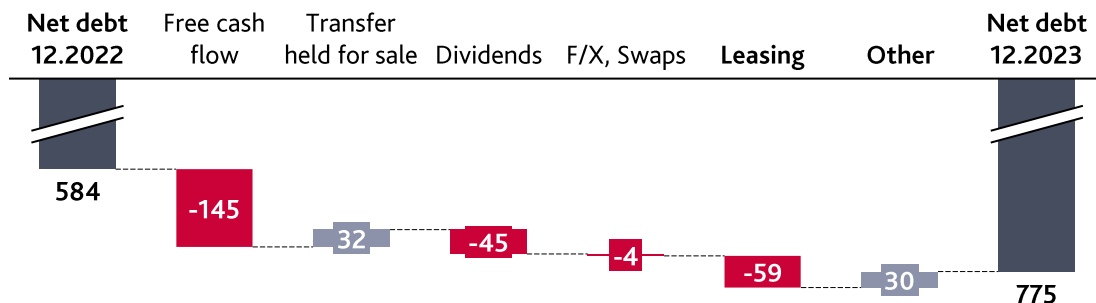
CASH FLOW AND NET DEBT DEVELOPMENT

Cash flow FY 2023 (€m)



- EBITDA reported of €190m
- Net working capital release of €251m
- Other changes relate to changes in receivables, provisions and liabilities
- Positive cash flow from operating activities of €287m
- Net Capex excluding acquisitions of €-84m
- Acquisitions of €348m (thereof NMM €310m net)
- Free cash flow accordingly €-145m

Net financial debt 12.2022 vs 12.2023 (€m)



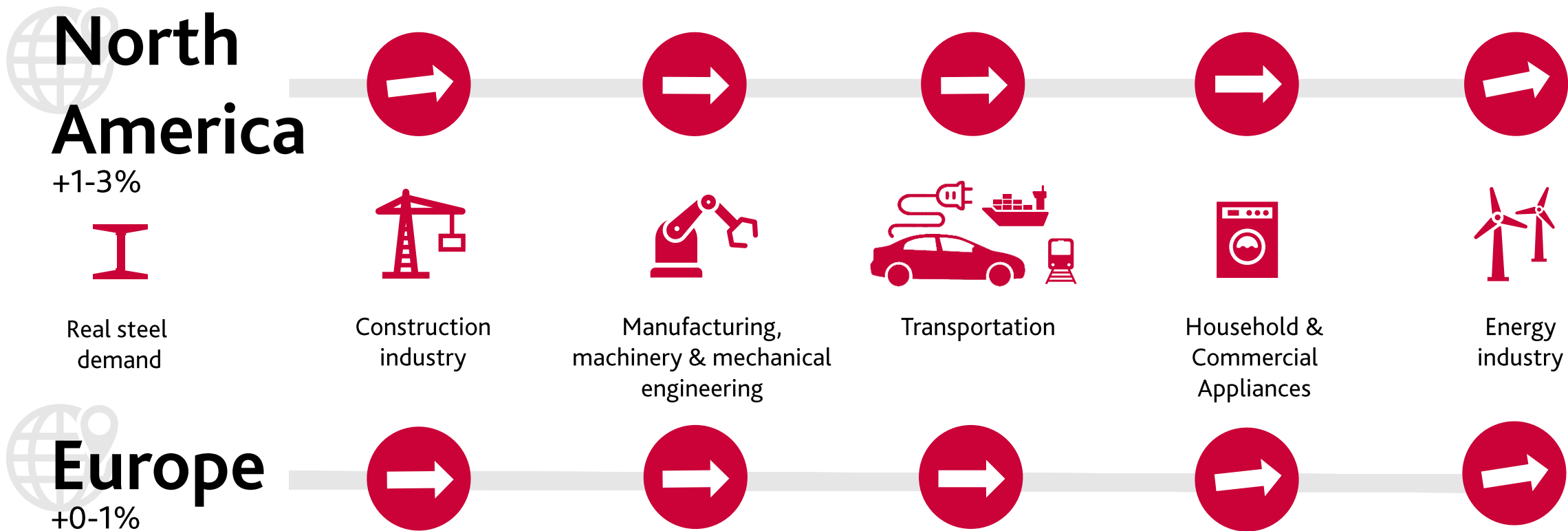
- Net financial debt increased mainly driven by NMM acquisition from €584m to €775m
- Negative F/X translation effects of €4m

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REGION SPECIFIC BUSINESS OUTLOOK 2024



OUTLOOK

Q1
2024

- Considerable increase of Shipments and Sales expected (qoq)
- EBITDA before material special effects expected to increase very considerably qoq; expectation of €30-70m before material special effects

FY
2024


- Shipments and Sales expected to increase considerably yoy
- EBITDA before material special effects expected to increase considerably yoy
- Expecting significantly positive operating cash flow, but below previous year's level



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Christian Pokropp

Head of Corporate Communication |
Head of Group HR

 +49 203 307-2050

 christian.pokropp@kloeckner.com

 www.kloeckner.com



FINANCIAL CALENDAR

- May 7, 2024
Q1 quarterly statement 2024
- May 23, 2024
Annual General Meeting 2024
- August 1, 2024
Half-yearly financial report 2024
- November 6, 2024
Q3 quarterly statement 2024