

klöckner & co

Your partner for a
sustainable tomorrow

JEFFERIES PAN-EUROPEAN MID-CAP CONFERENCE

March 20, 2024

Guido Kerkhoff | 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. 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. **Overview**
2. Strategy update and highlights
3. Financials
4. Outlook
5. Appendix



KLÖCKNER & CO AT A GLANCE



~6,400
Employees



6,957€ million
Sales FY 2023



4,248 thousand tons
Shipments FY 2023



>60,000
Customers



190€ million
EBITDA* FY 2023



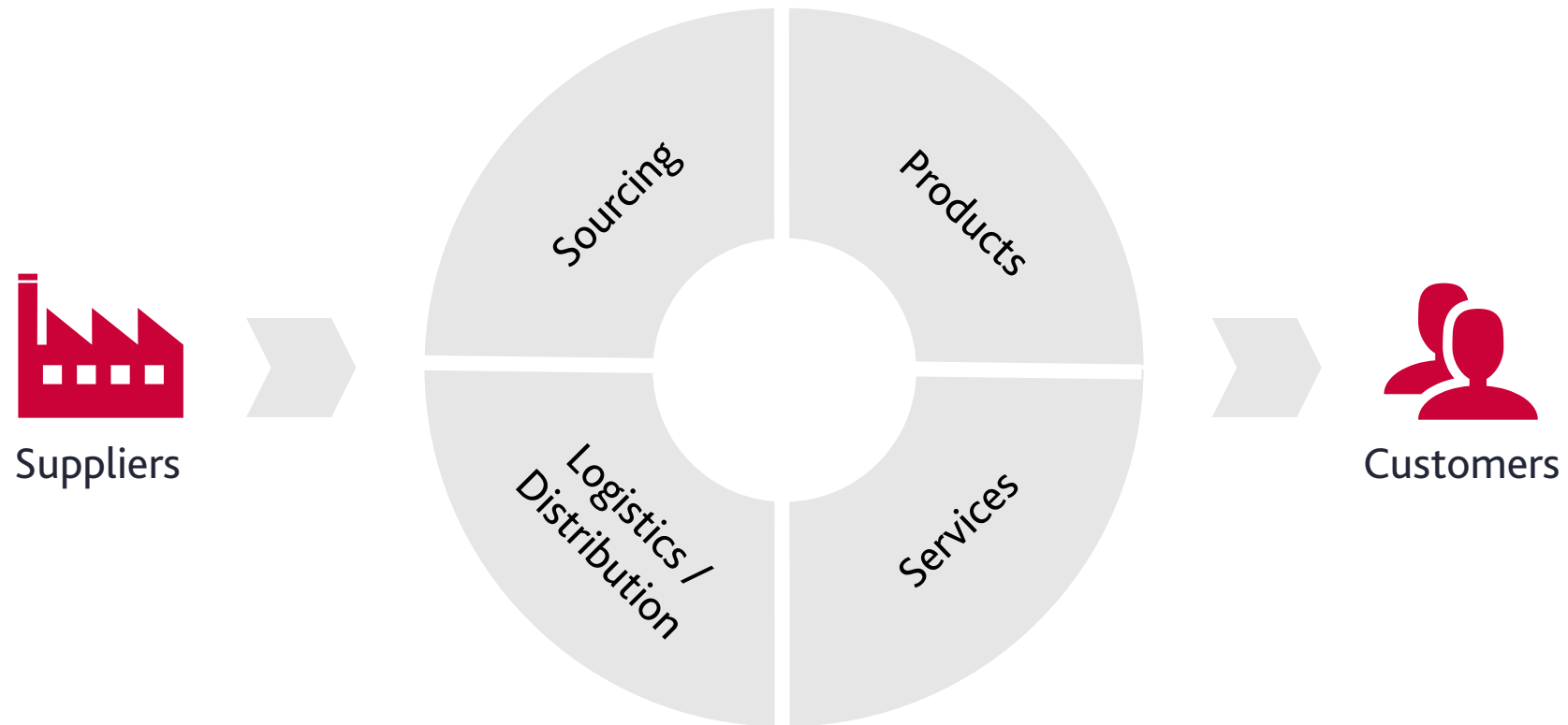
~190,000
Products



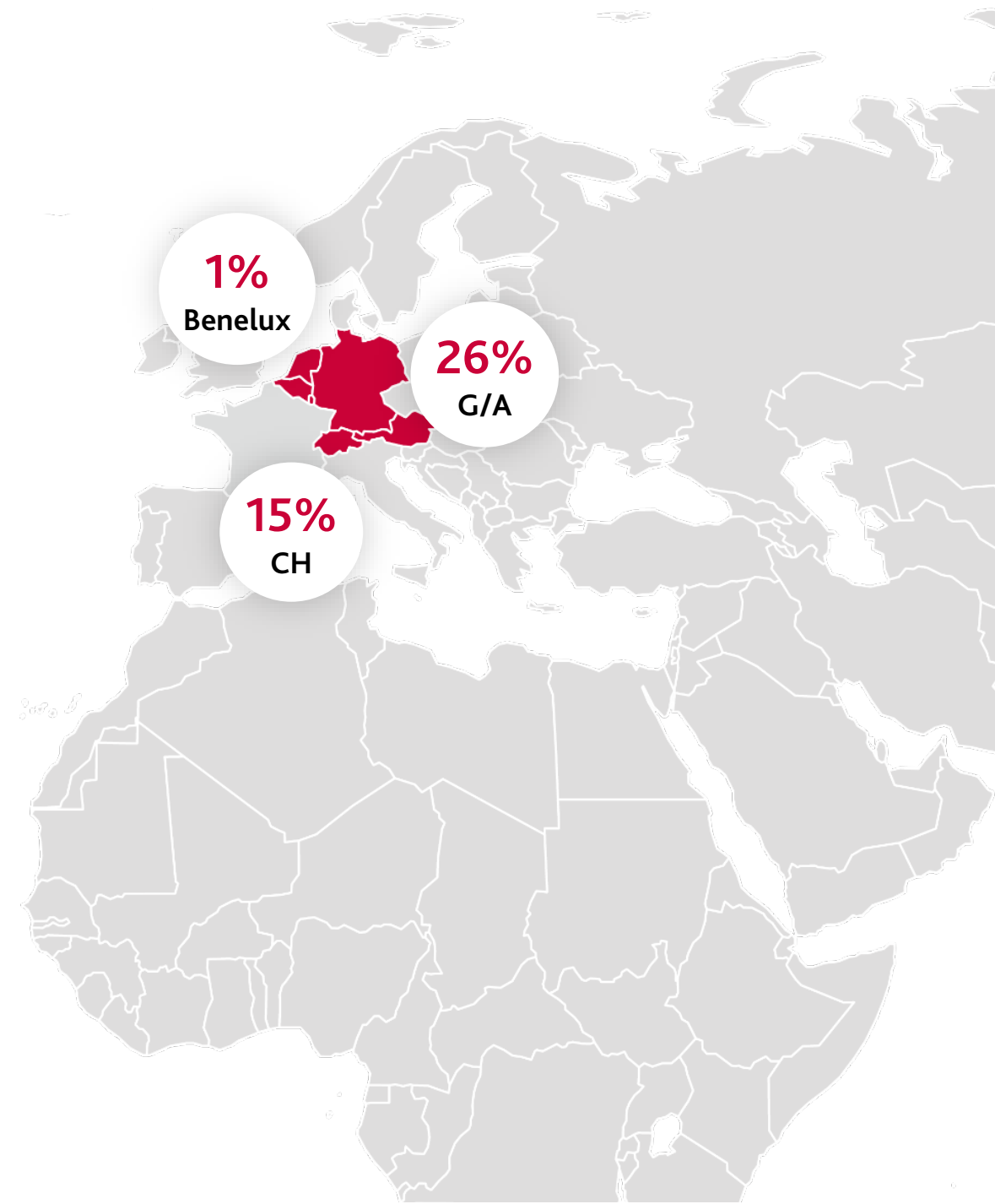
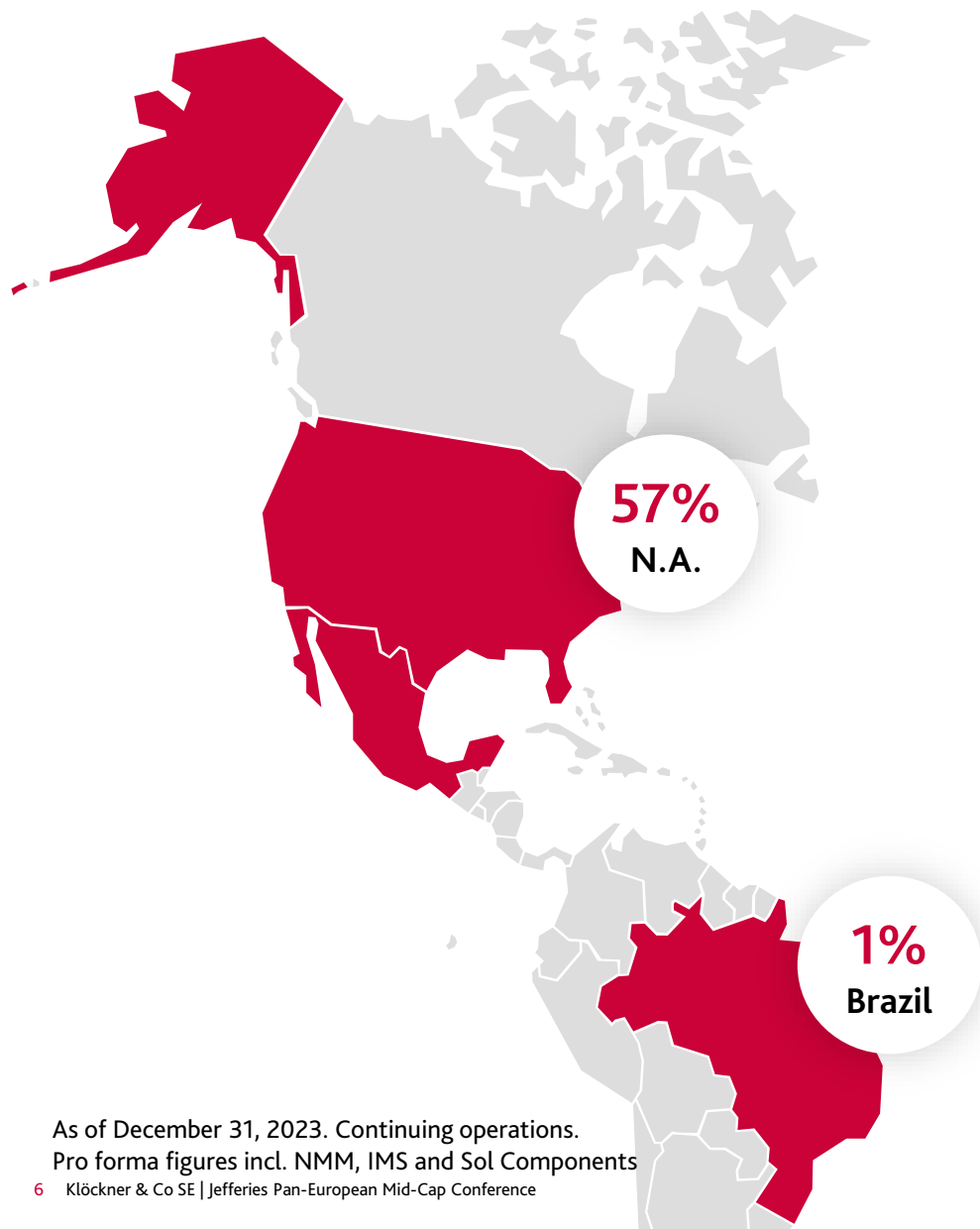
~120
Locations

* Before material special effects.

KLÖCKNER & CO VALUE CHAIN – EVERYTHING FROM ONE SOURCE



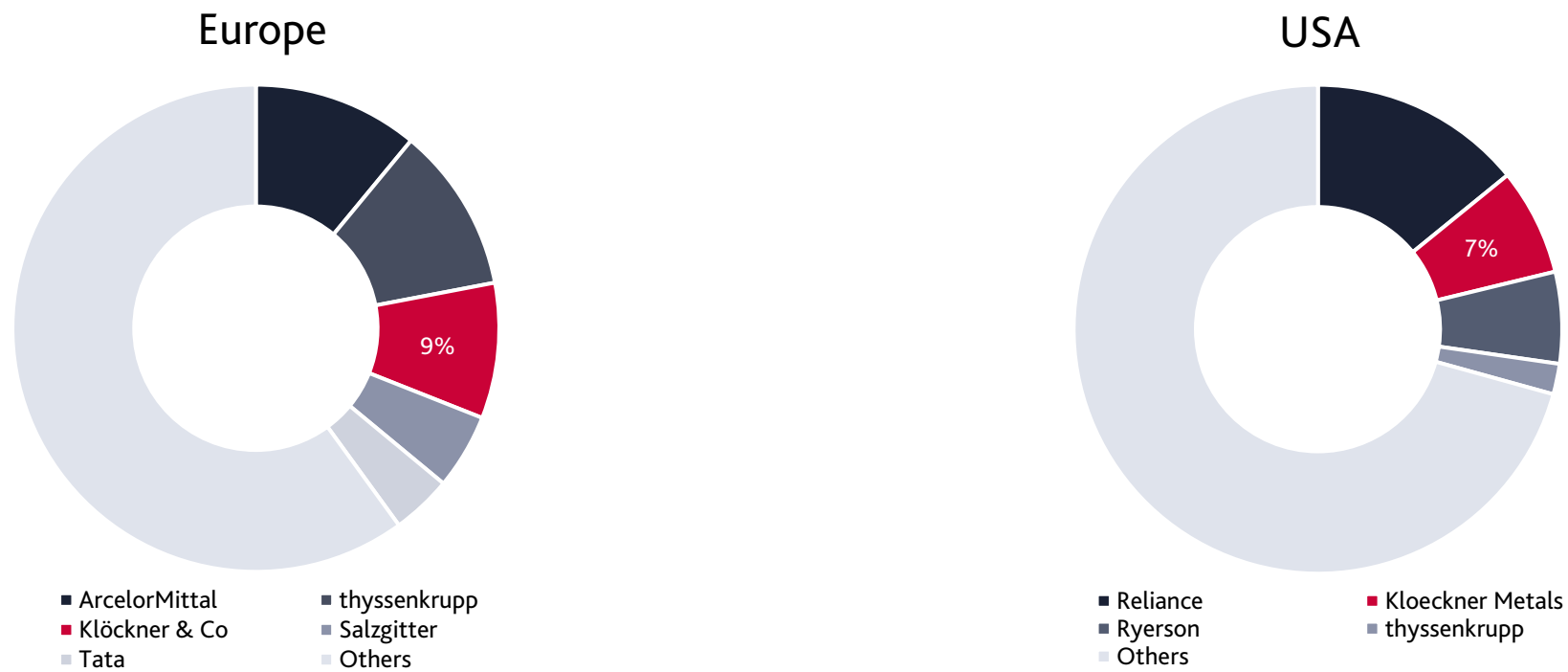
GLOBAL REACH – LOCAL PRESENCE



As of December 31, 2023. Continuing operations.
Pro forma figures incl. NMM, IMS and Sol Components

LEADING PLAYER IN FRAGMENTED MARKETS

Market shares of Klöckner & Co 2023



Source: Eurometal, MSCI, local steel associations, estimates.

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BECOMING THE LEADING ONE-STOP-SHOP FOR STEEL, OTHER MATERIALS, EQUIPMENT AND PROCESSING SERVICES IN EUROPE AND THE AMERICAS

CUSTOMER GROWTH

Growth through expanded customer base and increased share of wallet, due to customer focused extension of product and service offering and greater regional coverage

DIGITALIZATION & VALUE CHAIN AUTOMATION

Seamless end-to-end process integration with a very high degree of digitalization and automation to increase process speed and degree of efficiency across the entire value chain (target: "zero touch")

PARTNER NETWORK EXPANSION

Enabling wider product and service portfolio and greater regional coverage with only light asset deployment through smart partner collaboration and integration



CORPORATE VALUES

Realizing customer centric platform model by leveraging people empowerment and diversity, safety & responsibility, credibility & sustainability as guiding principles for all of our actions

OPERATIONAL EXCELLENCE

Increase of profitability through eliminating inefficiencies via leaner services and processes, cost containment measures, automation, procedure simplification and data-based decisions in sales and procurement

LEVERAGING ASSETS

Maximizing own asset utilization and portfolio improvement transactions to extend market share and to facilitate growth through opportunistic M&A

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)

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

STRATEGIC PERCEPTION OF SUSTAINABILITY TRANSFORMATION

**Significant
opportunities from
offering sustainable
business solutions**

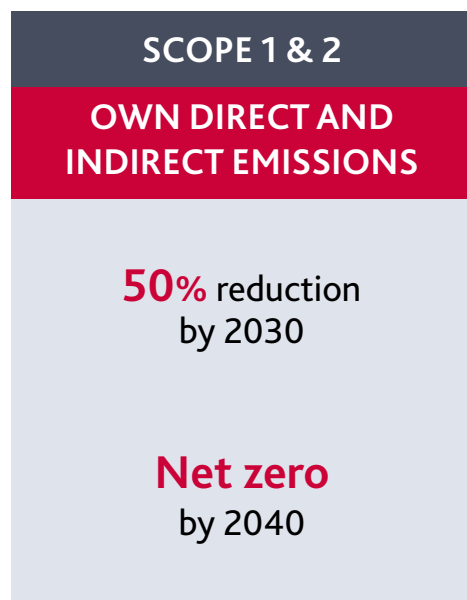
Housekeeping



Business Opportunities

LEADING THE SUSTAINABILITY TRANSFORMATION OF THE STEEL INDUSTRY

kloECKNER takes action 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

We've come a long way

Building sustainable business models for our customers

World's first company with
net zero target approval of SBTi
to new standards



~43% reduction in 2022
scope 1 & 2 emissions compared
to SBTi base year 2019

Introduction of our CO₂-
reduced steel categorization



First deliveries of CO₂-reduced
steel quantities to Siemens and
Mercedes-Benz

German Sustainability
Award Winner

Launch of Nexigen® and
introduction of categorizations
for CO₂-reduced stainless steel
and aluminum



First tons of CO₂-reduced
stainless steel from Outokumpu

Pioneering role in the
sustainability transformation of
the steel industry

An iceberg floating in the ocean, with a large portion of its mass submerged below the water line, illustrating the concept of hidden or 'invisible' value or emissions.

Accelerating further

Launch of innovative Nexigen® PCF Algorithm

- ✓ **Individualized Product Carbon Footprints (PCF)**
Offering our customers individualized PCFs for nearly all 200,000 products; for gray and CO₂-reduced products
- ✓ **Complete emissions**
Managing high complexity; from cradle until the product reaches customers' entry gates
- ✓ **Externally certified**
TÜV SÜD validated methodology according to ISO 14067, ref. 14040 & 14044, and in line with GHG Protocol
- ✓ **Siemens and ZF as pilot customers**
Supporting industry leaders in building sustainable value chains

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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

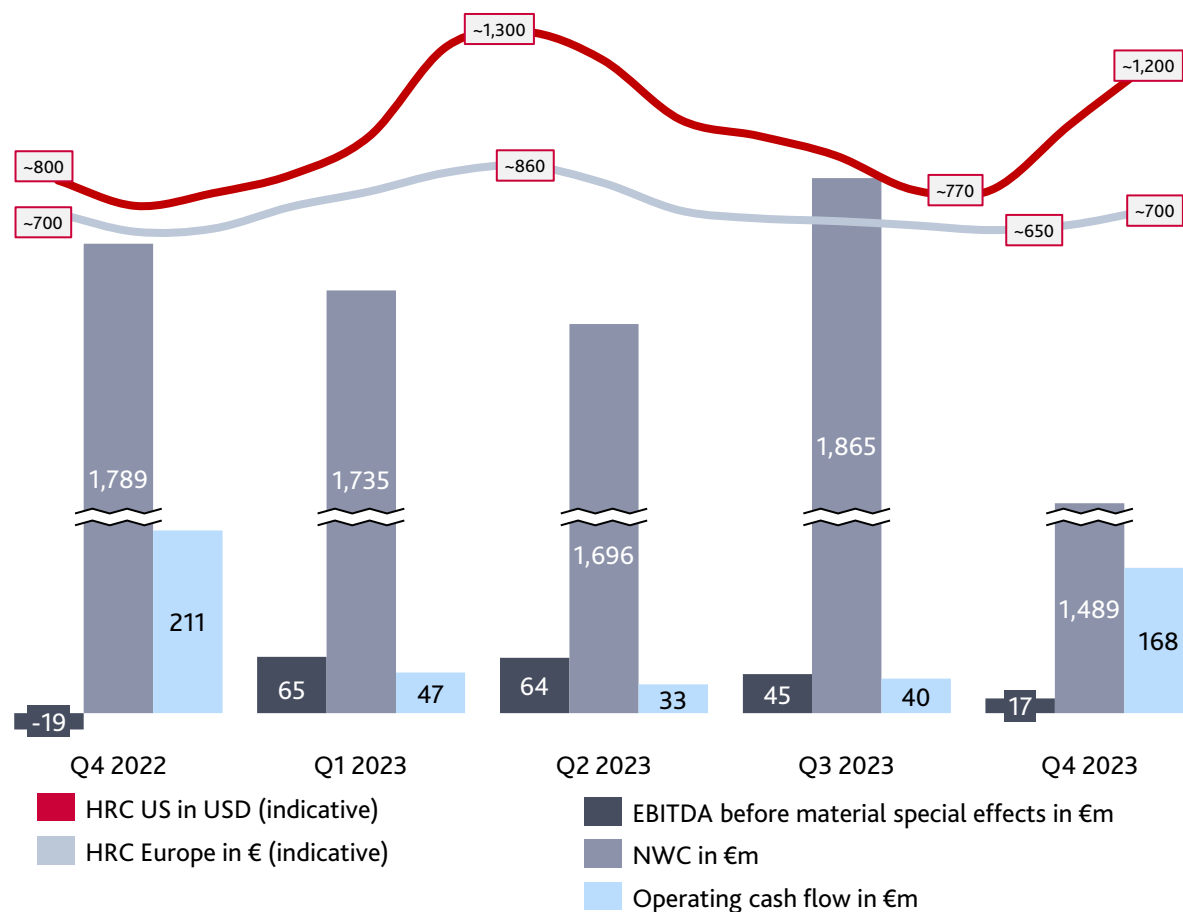
^{*)} Continuing operations in accordance with IFRS 5.

^{**) (€m)} Before material special effects.

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

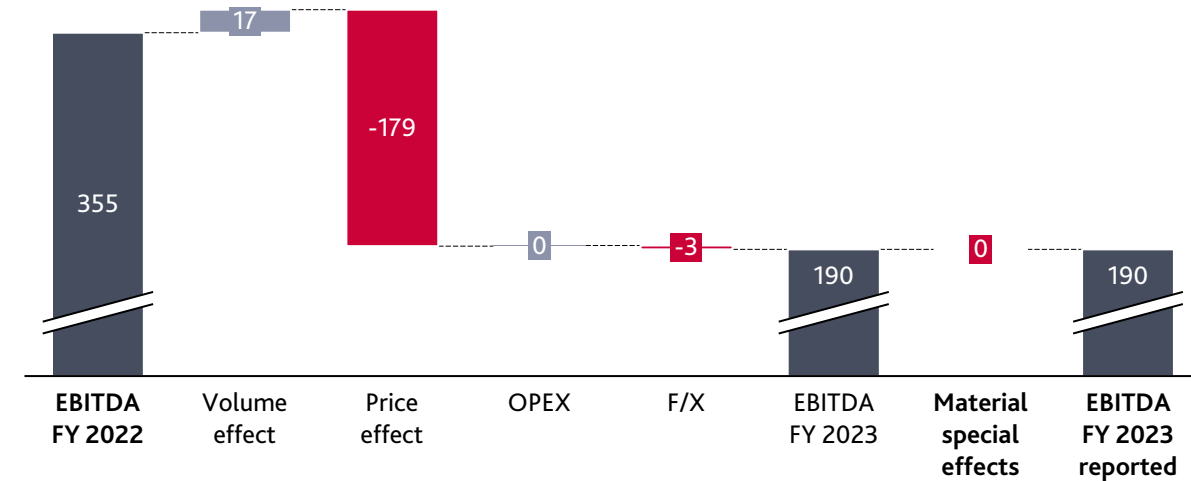
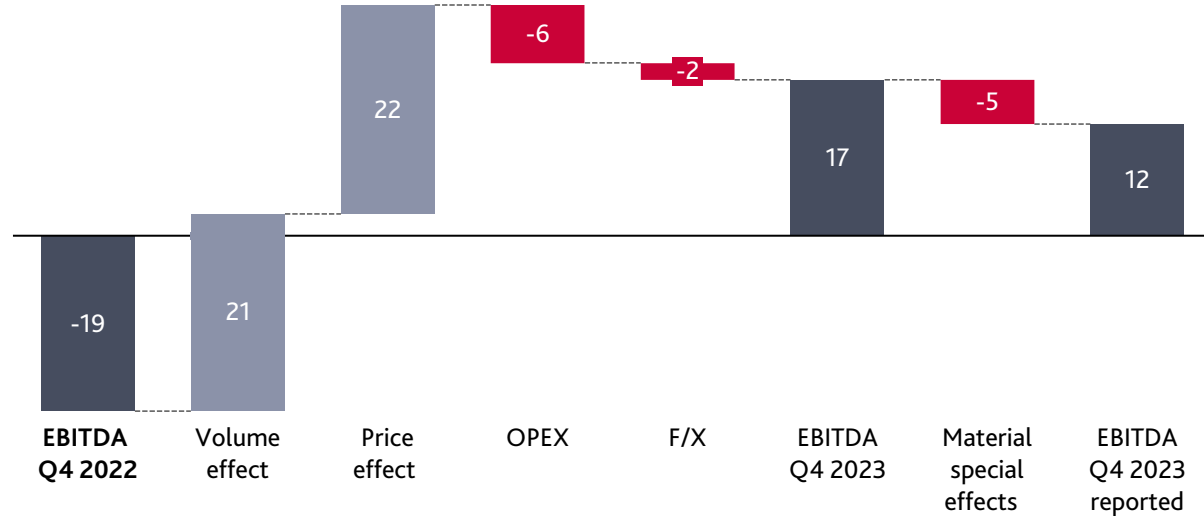
SOLID OPERATING PERFORMANCE AND POSITIVE CASH GENERATION

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

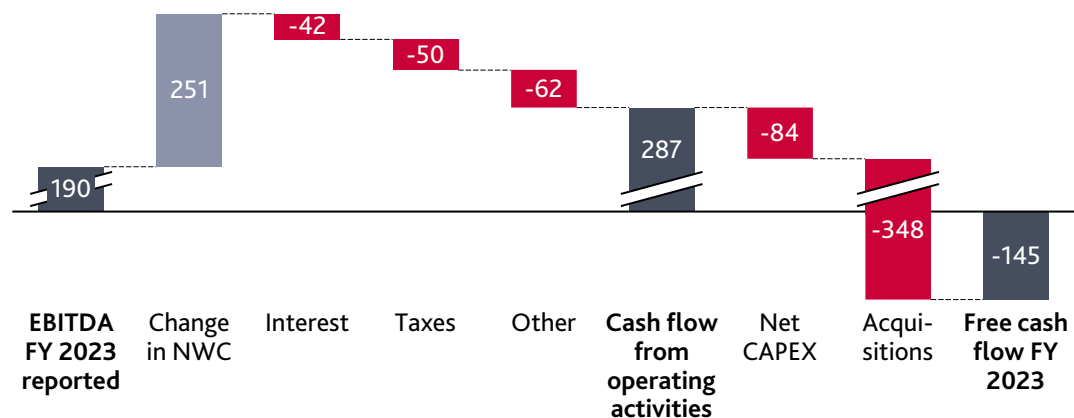
EBITDA (€M) IN Q4 2023 AND FY 2023



- 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

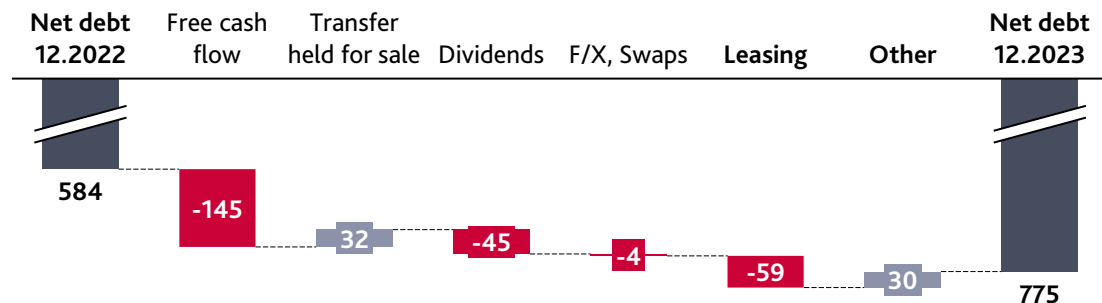
CASH FLOW AND NET DEBT DEVELOPMENT

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)

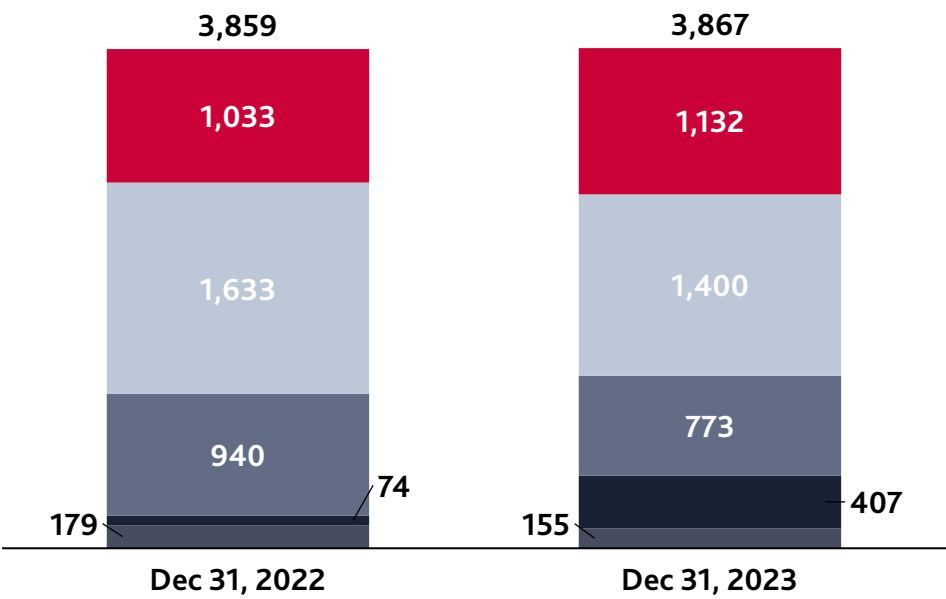


- Net financial debt increased mainly driven by NMM acquisition from €584m to €775m
- Negative F/X translation effects of €4m

STRONG AND SOLID BALANCE SHEET

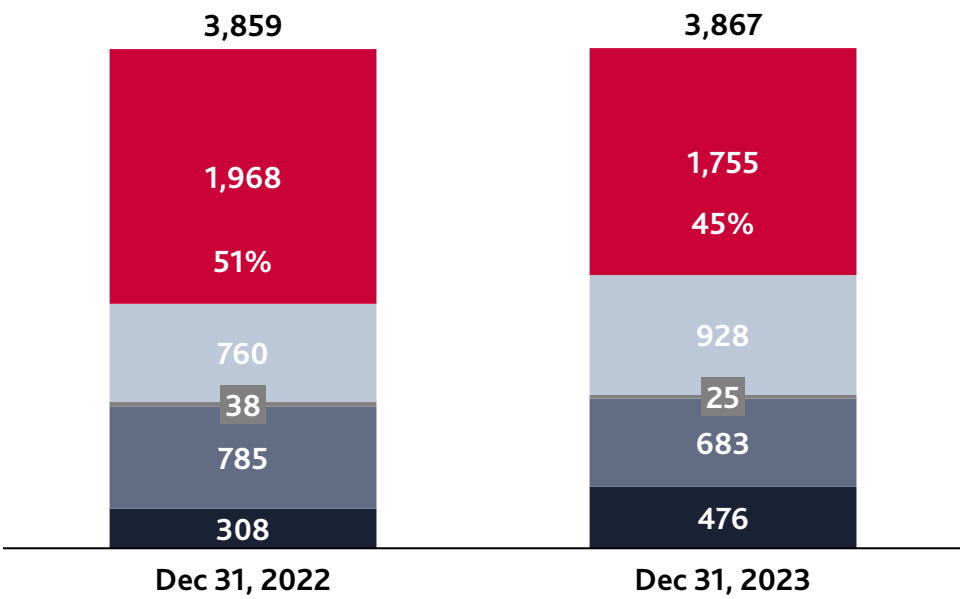
Solid equity ratio of 45%, gearing^{*)} of 46% and leverage of 4.1x

Assets



■ Non-current assets ■ Trade receivables** ■ Liquidity
■ Inventories ■ Other current assets

Equity & Liabilities



■ Equity ■ Pensions ■ Other liabilities
■ Financial liabilities ■ Trade payables***

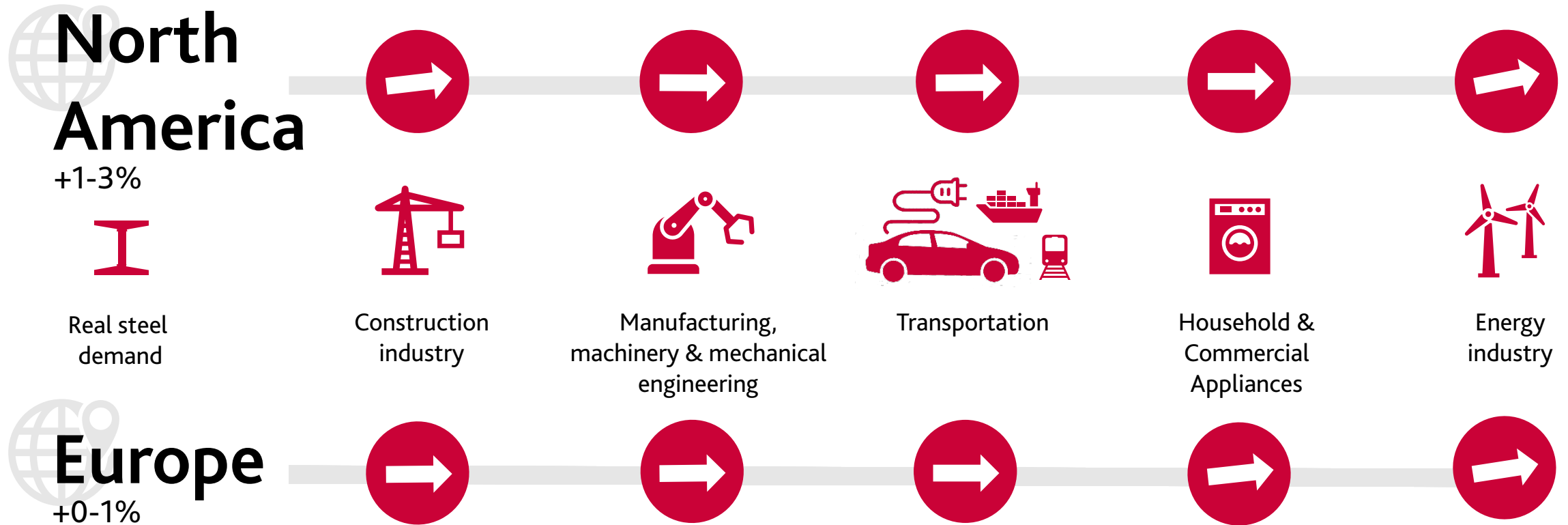
^{*)} Gearing = Net financial debt / (Consolidated equity ./. non-controlling interests ./. goodwill resulting from acquisitions subsequent to May 23, 2019).
^{**)} Incl. contract assets and supplier bonuses.
^{***)} Incl. contract liabilities and advance payments received.

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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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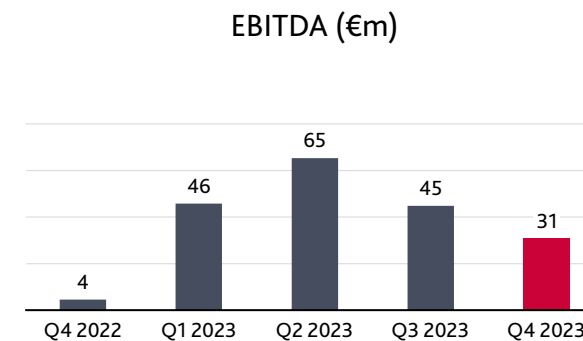
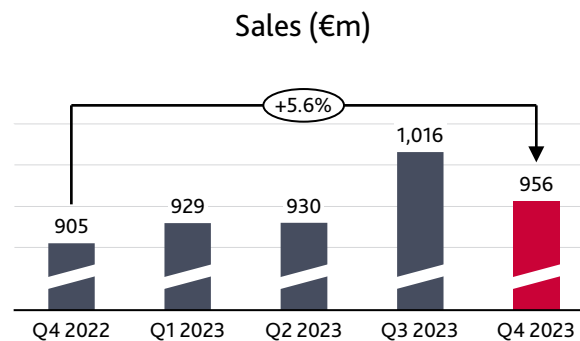
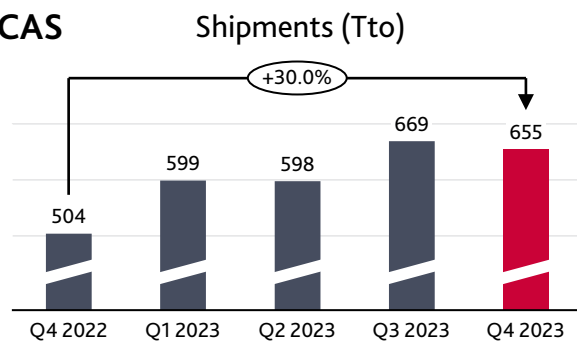
QUARTERLY AND FY RESULTS

(€m)	Q4 2023*)	Q3 2023*)	Q2 2023*)	Q1 2023*)	Q4 2022*)	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	FY 2023*)	FY 2022*)	FY 2022	FY 2021	FY 2020	FY 2019
Shipments (Tto)	1,026	1,091	1,044	1,087	941	1,047	1,148	1,226	1,257	1,108	1,190	1,295	1,287	4,248	4,193	4,679	4,881	4,873	5,648
Sales	1,606	1,756	1,754	1,840	1,775	1,993	2,367	2,580	2,438	2,030	2,038	1,847	1,525	6,957	8,337	9,379	7,441	5,130	6,315
Gross profit	269	282	296	311	232	269	305	508	482	440	540	525	388	1,157	1,328	1,563	1,893	1,047	1,158
% margin	16.7	16.0	16.9	16.9	13.1	13.5	12.9	19.7	19.8	21.7	26.5	28.4	25.4	16.6	15.9	16.7	25.4	20.4	18.3
EBITDA bef. material special effects	17	45	64	65	-19	-22	16	222	201	171	277	271	130	190	355	417	848	111	124
Material special effects	-5	0	0	5	3	11	0	1	53	17	4	-1	11	0	52	64	-30	-59	15
EBITDA rep.	12	45	64	70	-16	-12	16	223	254	188	280	270	141	190	407	481	879	52	139
% margin	0.7	2.5	3.6	3.8	-0.9	-0.6	0.7	8.6	10.4	9.3	13.7	14.6	9.2	2.7	4.9	5.1	11.8	1.0	2.2
EBITDA rep. (curr. eff.)	-2	4	0	-4	1	0	9	12	9	7	-2	-14	-8	-3		31	-16	1	5
EBIT	-29	15	37	43	-45	-49	-18	191	223	154	249	240	111	66	299	348	754	-93	2
Income from Investments	0	-1	0	-2	0	0	1	4	0	5	1	4	0	-4	6	6	11	0	0
Financial result	-18	-12	-8	-8	-11	-11	-8	-8	-7	-6	-6	2	-6	-46	-34	-34	-17	-30	-41
EBT	-47	1	28	34	-55	-60	-25	188	216	153	244	246	105	16	270	319	748	-124	-39
Income taxes	12	-4	-14	-10	13	18	3	-37	-44	-14	-55	-31	-19	-16	-57	-60	-119	9	-16
Net income	-35	-3	14	24	-42	-42	-22	151	172	139	189	215	86	0	213	259	629	-114	-55
Minority interests	0	0	0	0	0	0	0	2	4	3	3	3	1	1	6	6	10	2	1
Net income KCO	-35	-3	14	24	-42	-42	-22	149	168	136	185	212	85	-1	207	253	619	-116	-56
EPS basic (€)	-0.36	-0.04	0.15	0.24	-0.42	-0.42	-0.22	1.50	1.68	1.37	1.86	2.13	0.85	-0.01	2.08	2.54	6.21	-1.16	-0.56
EPS diluted (€)	-0.36	-0.04	0.15	0.24	-0.39	-0.39	-0.18	1.36	1.53	1.24	1.68	1.88	0.78	-0.01	1.90	2.32	5.58	-1.16	-0.56
NWC	1,489	1,865	1,696	1,735	1,789	1,789	2,185	2,239	2,258	1,813	1,559	1,282	1,107	1,489	1,789	1,789	1,813	967	1,119
Net debt	775	923	596	539	584	584	806	903	999	762	348	303	363	775	584	584	762	351	445

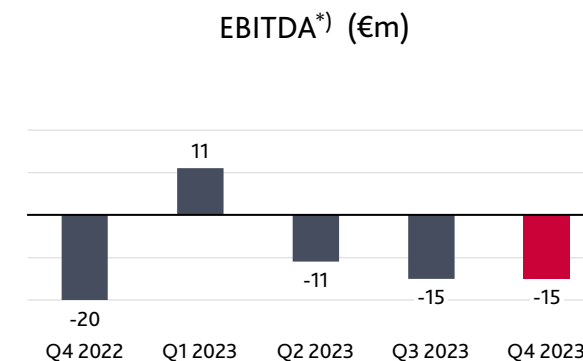
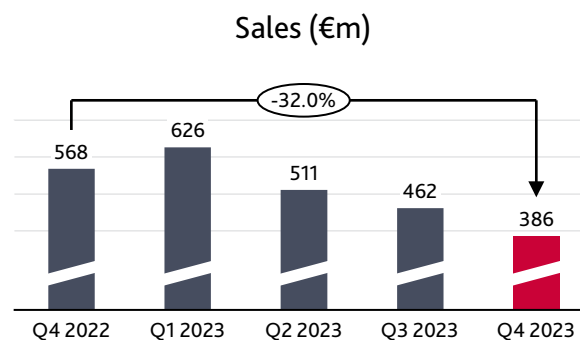
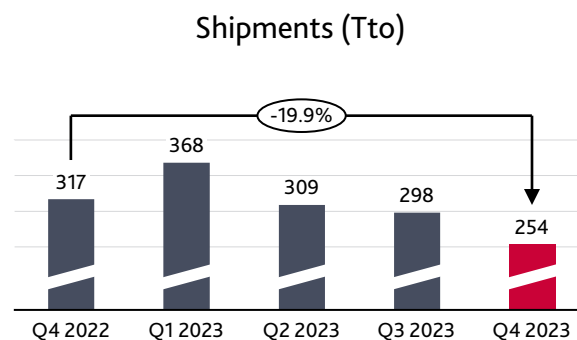
*) Continuing operations in accordance with IFRS 5

SEGMENT PERFORMANCE

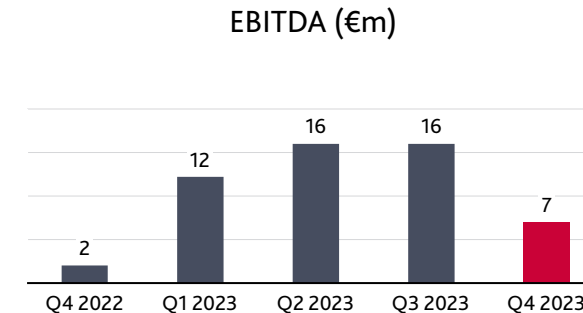
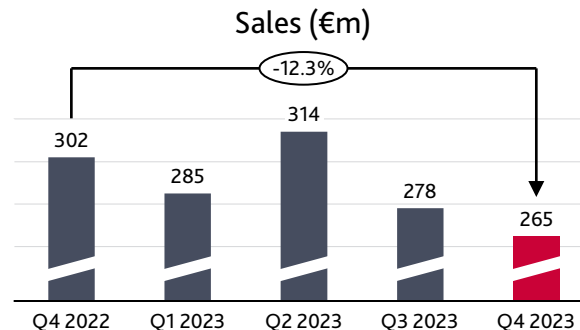
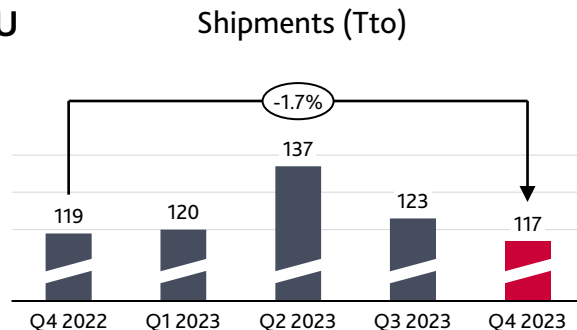
KM AMERICAS



KM EU



KM Non-EU



^{*)} Adjusted for material special effects in Q4 2022, Q1 2023, and Q4 2023.

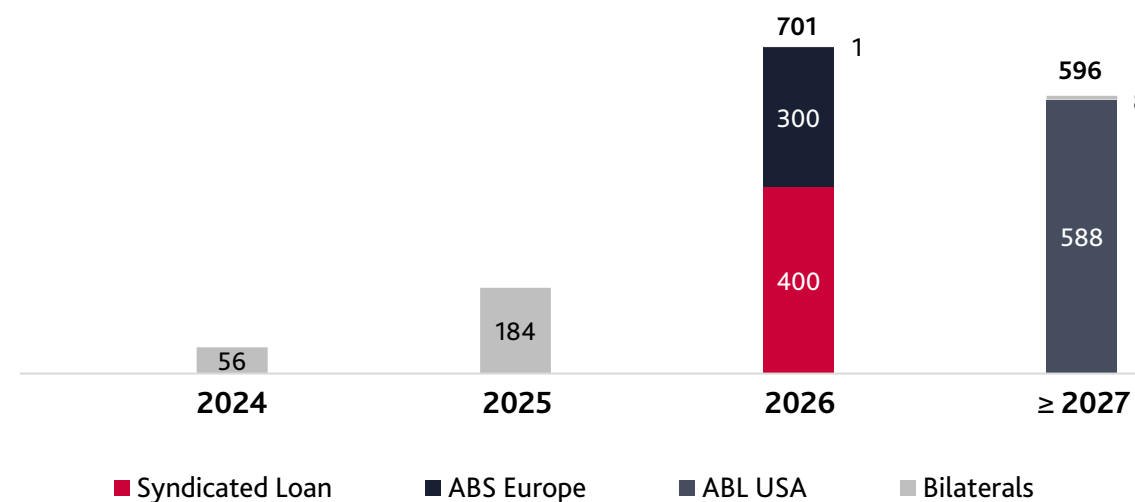
MATURITY PROFILE

Facility (€m)	Committed Dec 31, 2023	Drawn amount	
		Dec 31, 2023	Dec 31, 2022
Syndicated Loan ¹⁾	400	156	25
ABS Europe ²⁾	300	98	159
ABL USA	588	407	155
Convertible 2016	-	-	139
Bilateral Facilities ³⁾	249	136	120
Leases	133	133	165
Total Debt	1,670	930	763
Cash		155	179
Net Debt		775	584

- 1) Facility increase in February 2024 from €250m to €400m, all other terms unchanged.
2) Facility renewal in December 2022, effective date January 2023, maturity January 2026; in February 2024 the participating entities from the UK, FR and NL have exited the program; we will review the program in 2024 and will probably reduce its size significantly.
3) Mainly Switzerland.
4) Equity attributable to shareholders of Klöckner & Co SE less goodwill from business combinations subsequent to May 23, 2019.
5) Net debt as reported/Adjusted equity.
6) Net debt as reported/LTM EBITDA before material special effects.

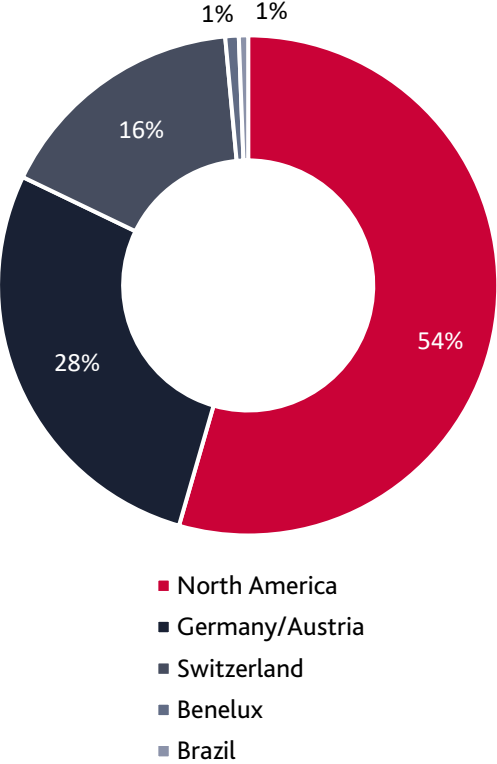
€m	Dec 31, 2023
Adjusted equity ⁴⁾	1,703
Net Debt	775
Gearing ⁵⁾	46%
Leverage ⁶⁾	4.1x

Maturity profile (excl. Leases) in €m, Dec 31, 2023

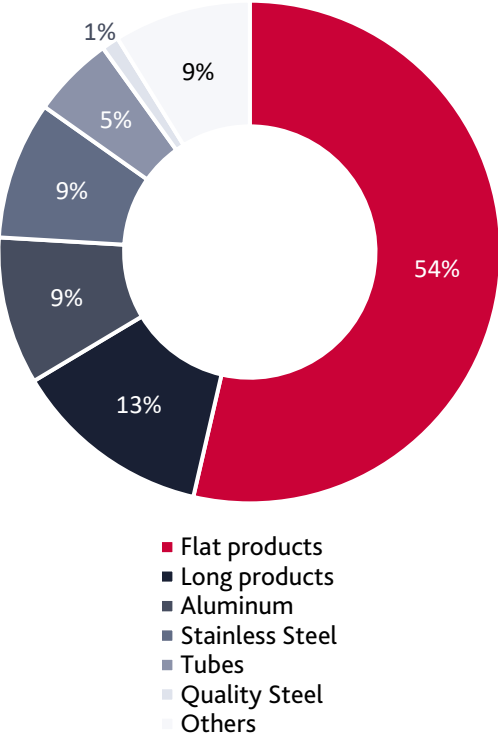


SALES BY MARKETS, PRODUCTS AND INDUSTRIES

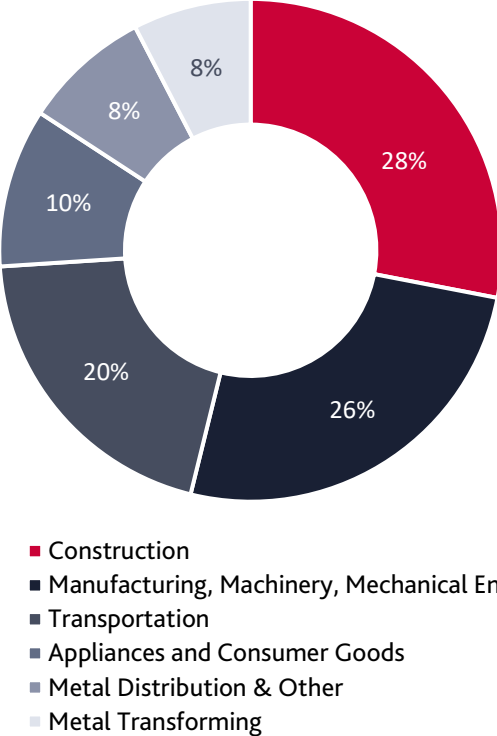
Sales by markets



Sales by products



Sales by industries

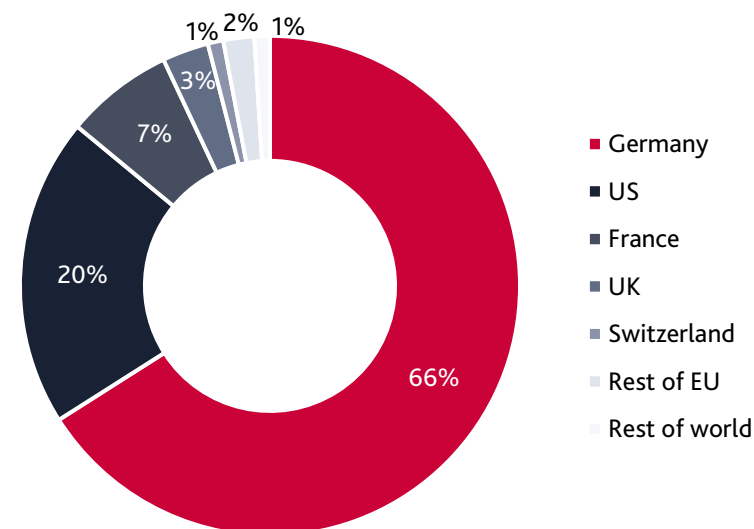


As of December 31, 2023. Continuing operations.

CURRENT SHAREHOLDER STRUCTURE

Geographical breakdown of identified institutional investors

- Around 95% of investors identified in January 2024
- Identified institutional investors account for 54%
- German investors incl. retail dominate
- Retail shareholders represent 25%



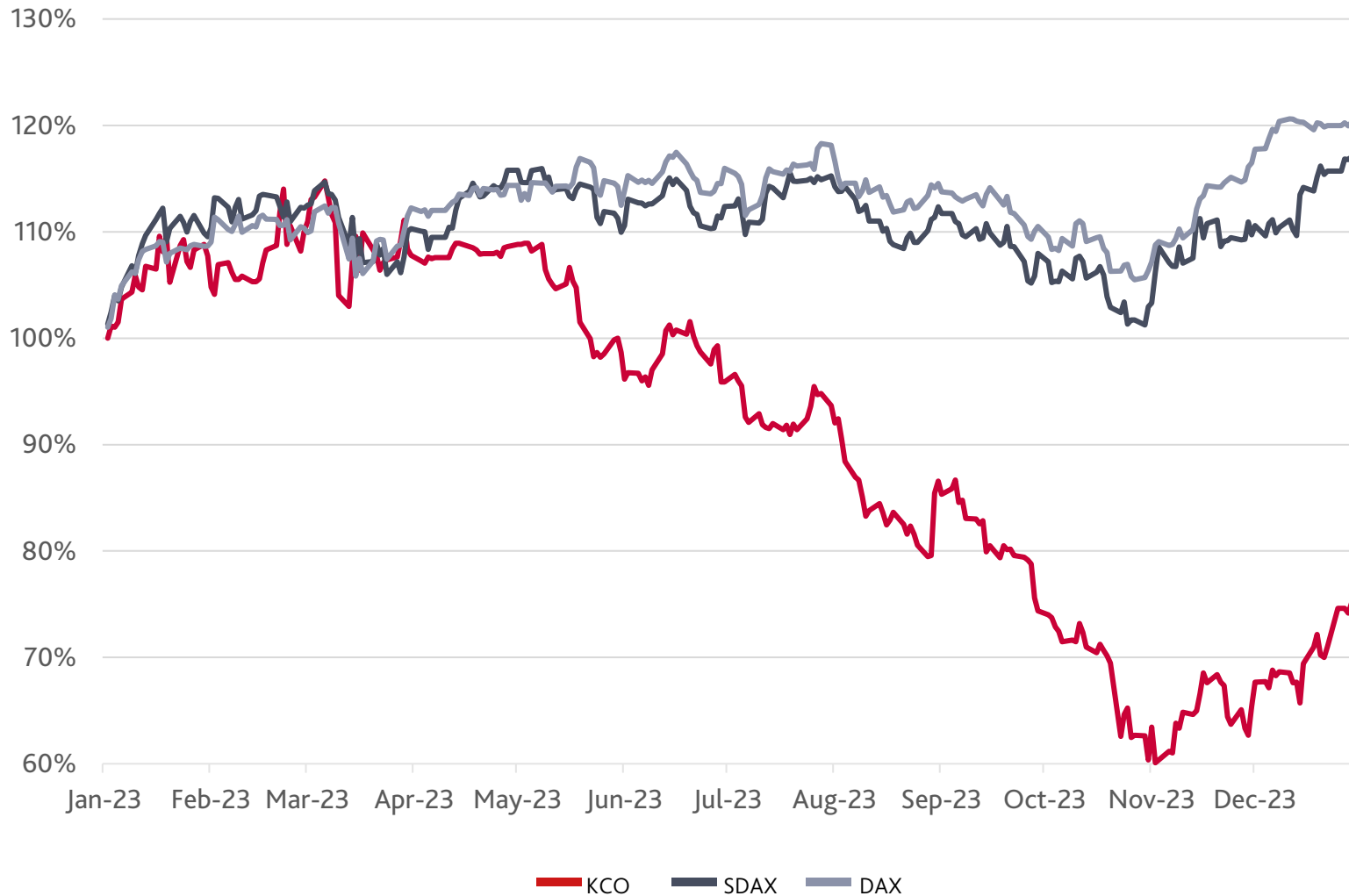
As of December 2023

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

Date of publication	Subject to compulsory notification	Portion of voting stock
05/02/2024	Swoctem GmbH / Friedhelm Loh	41.53%
04/11/2022	The Goldman Sachs Group, Inc.	4.99%
04/12/2023	Amiral Gestion	3.11%
01/12/2022	Dimensional Holdings Inc.	3.01%

*) The table lists all shareholders holding 3 % or more voting rights in Klöckner & Co SE due to the most recent voting rights notifications as of March 20, 2024 (Section 33 German Securities Trading Act (WpHG) respectively section 21 WpHG former version). Apart from the voting rights held by the shareholder itself, also voting rights attributed to him pursuant to section 34 WpHG (respectively section 22 WpHG former version) are included in the calculation of the share of voting rights. The table only contains the respective parent company being subject to the notification obligation, even if it made a notification also on behalf of any of its subsidiaries. Financial instruments according to Section 38 WpHG are not included in the table.

SHARE PRICE PERFORMANCE IN FY 2023



- The capital market environment in 2023 remained volatile, shaped by inflation and central banks' monetary policies
- The share price of Klöckner & Co reached its highest level of €10.06 on March 3, 2023
- Subsequently, the share price experienced a decline, reaching its lowest level of €5.55 on November 1, 2023
- Following this, it underwent a recovery, ultimately closing at €6.87 on December 29, 2023

DIVIDEND POLICY

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 cannot be guaranteed. If there is a possibility of dividend distribution, we will pay 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 neither in 2011, 2012 and 2013 nor in 2015
- Full distribution of net profit for the financial year 2014
- Dividend payment of €0.20 per share in 2016 and €0.30 per share for the 2017 and 2018 fiscal year
- No dividend payment due to losses in 2019 and 2020
- Record dividend of €1.00 for the financial year 2021
- Dividend payment of €0.40 per share for the financial year 2022
- Proposal to the Annual General Meeting on May 23, 2024 to pay dividend of €0.20 per share

Dividend payment per share

2006	2007	2008 2009	2010	2011 2013	2014	2015	2016	2017	2018	2019 2020	2021	2022	2023
€0.80	€0.80	-	€0.30	-	€0.20	-	€0.20	€0.30	€0.30	-	€1.00	€0.40	€0.20*)

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

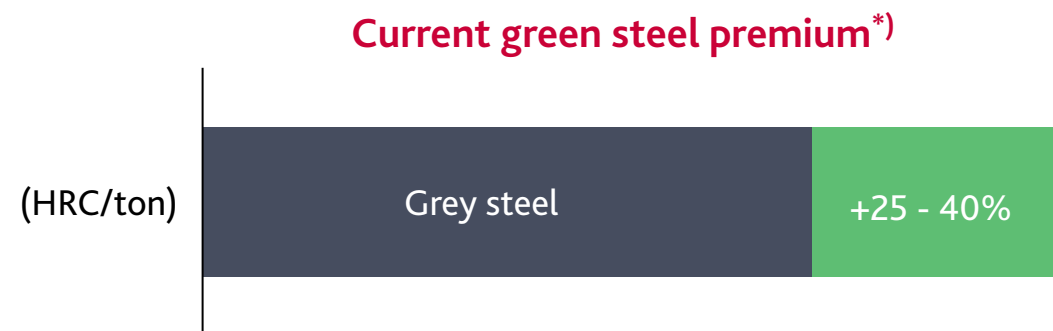
CREATING VALUE THROUGH GREEN STEEL OFFERING

Characteristics of the European green steel industry

- **Supply shortage** due to limited scrap and green H2 availability at competitive prices
- **Significant demand surplus** due to customers' need to reach emission reduction targets and sell green product
 - Negligible impact on customer prices expected

The role of PCFs (product carbon footprint)

- Enabling customers to procure green volumes by increasing emission transparency
 - Allowing suppliers of green steel to generate premium for green products



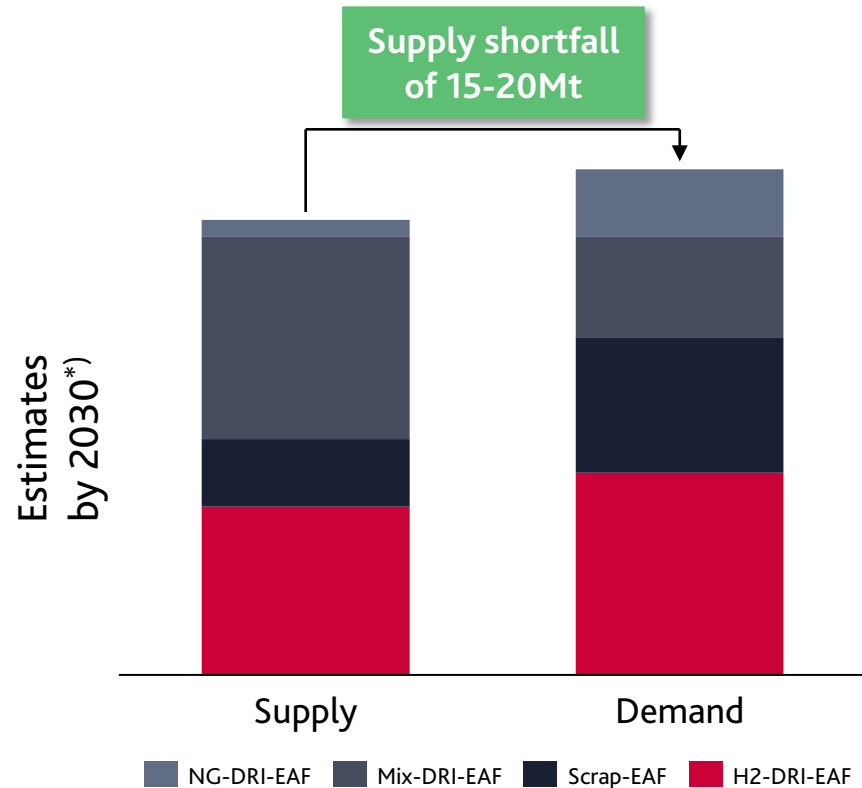
^{*)} Source: BCG, Klöckner estimates, only flat steel

Green premium will be determined by

- cost base of producers
- willingness of consumers to pay to achieve emissions reductions
- dynamics of supply and demand

Green steel suppliers able to extract green premium for foreseeable future

DEVELOPMENT OF THE EUROPEAN GREEN STEEL MARKET



*) Source: BCG, Klöckner estimates, only flat steel

Before 2025

- BF-BOF remains major source; also balanced steel on the market
- Demand mainly from lighthouse projects

2025 to 2030

- Capacity of up to 30 Mt mainly from mix of green H2 and natural gas; balanced steel disappears from market
- Accelerating demand from customers to meet reduction targets and sell green products; significant demand overhang

Beyond 2030

- Steel production predominantly green from scrap-EAF or H2-DRI-EAF
- Majority of customer demand will be green steel

OUR AMBITIOUS CLIMATE TARGETS



SCOPE 1 & 2: OWN DIRECT AND INDIRECT EMISSIONS

Reduction of **50%**
by 2030

Net zero by 2040

SCOPE 3 UNDER DIRECT INFLUENCE

Reduction of **50%**
by 2030

Net zero by 2040

SCOPE 3 NOT UNDER DIRECT INFLUENCE

Reduction of **30%**
by 2030

Net zero by 2050

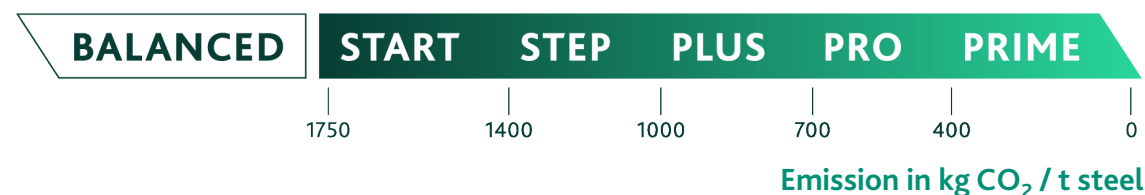




NEXIGEN® STEEL CATEGORIZATION

Six categorizations for transparent carbon emissions

We have developed a categorization for CO₂-reduced steel so that customers can directly see the carbon footprint of their purchased product.



LEADING THE SUSTAINABILITY TRANSFORMATION

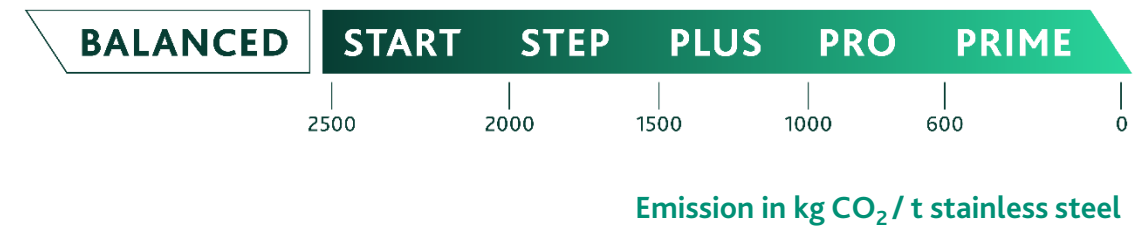
- ✓ Methodology along international standards
- ✓ No offsetting included in CO₂ load categorization (compensation data as add-on)
- ✓ Emissions from raw material to production
- ✓ Separate category for “balanced” green steel



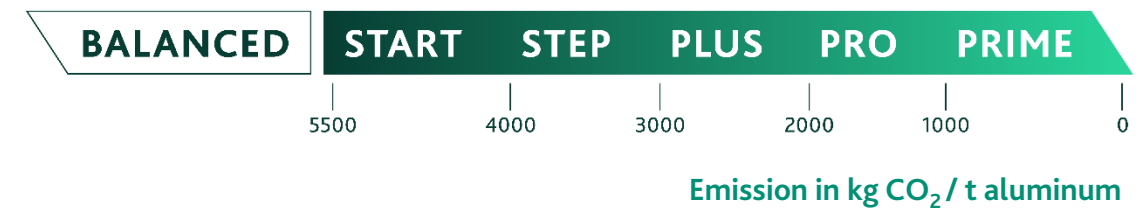
A COMPREHENSIVE APPROACH

Nexigen® categorizations for stainless steel & aluminum

Stainless Steel



Aluminum






Your partner for a
sustainable tomorrow

Fabian Joseph

Head of Investor Relations





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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