

# FY 2024 Results

Press Conference Call

Guido Kerkhoff | CEO

March 12, 2025



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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 this 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
4. Appendix



# Highlights of FY 2024

|  | FY 2024 <sup>*)</sup> | FY 2023 <sup>*)</sup> | Delta |   |
|--|-----------------------|-----------------------|-------|---|
| Shipments (Tto)                        | <b>4,453</b>          | 4,248                 | +4.8% | Increase yoy driven by strong development of Kloeckner Metals Americas segment and acquisitions in H2 2023; Europe continued to face a challenging market environment |
| Sales (€m)                             | <b>6,632</b>          | 6,957                 | -4.7% | Decrease due to significant steel price correction over large parts of the year   |
| Gross profit (€m)                      | <b>1,113</b>          | 1,157                 | -3.8% | Down yoy due to negative price effects  |
| EBITDA <sup>**)</sup> (€m)             | <b>136</b>            | 190                   | -54   | Decrease yoy due to challenging environment and steel price correction  |
| Oper. CF (€m)                          | <b>160</b>            | 287                   | -127  | Strongly positive for the third year in a row   |
| Net financial debt (€m)                | <b>780</b>            | 775                   | +5    | Constant level yoy  |
| Dividend per share <sup>***)</sup> (€) | <b>0.20</b>           | 0.20                  |       | Proposing a dividend for the fourth consecutive time, first time since IPO  |

<sup>\*)</sup> Continuing operations in accordance with IFRS 5.

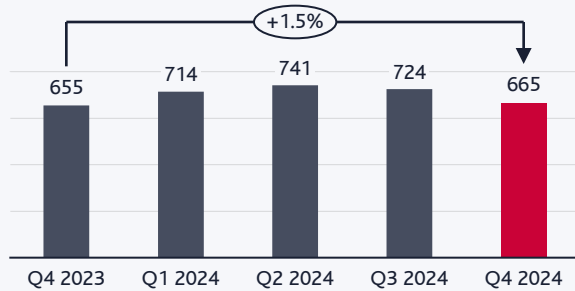
<sup>\*\*)</sup> Before material special effects.

<sup>\*\*\*)</sup> Proposal to the Annual General Meeting on May 28, 2025.

# Segment performance

## KM Americas

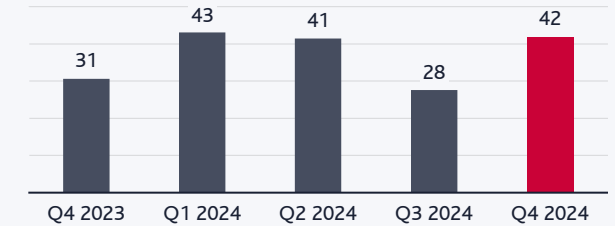
### Shipments (Tto)



### Sales (€m)

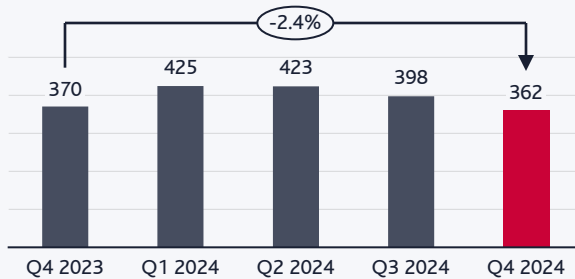


### EBITDA<sup>\*)</sup> (€m)

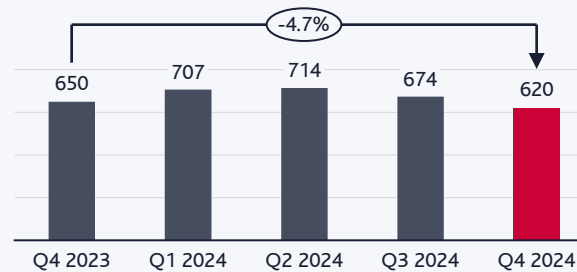


## KM Europe

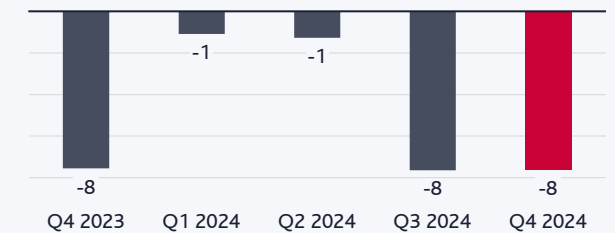
### Shipments (Tto)



### Sales (€m)



### EBITDA<sup>\*)</sup> (€m)



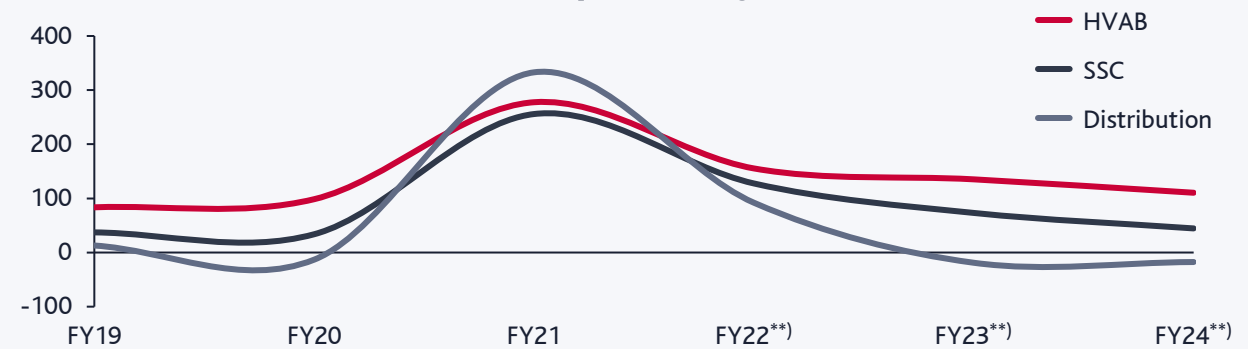
\*) Adjusted for material special effects in Q4 2023, Q1 2024, Q3 2024 and Q4 2024 in KM Europe and Q3 2024 and Q4 2024 in KM Americas.

# Developing from a steel distributor to a leading SSC company and HVAB powerhouse

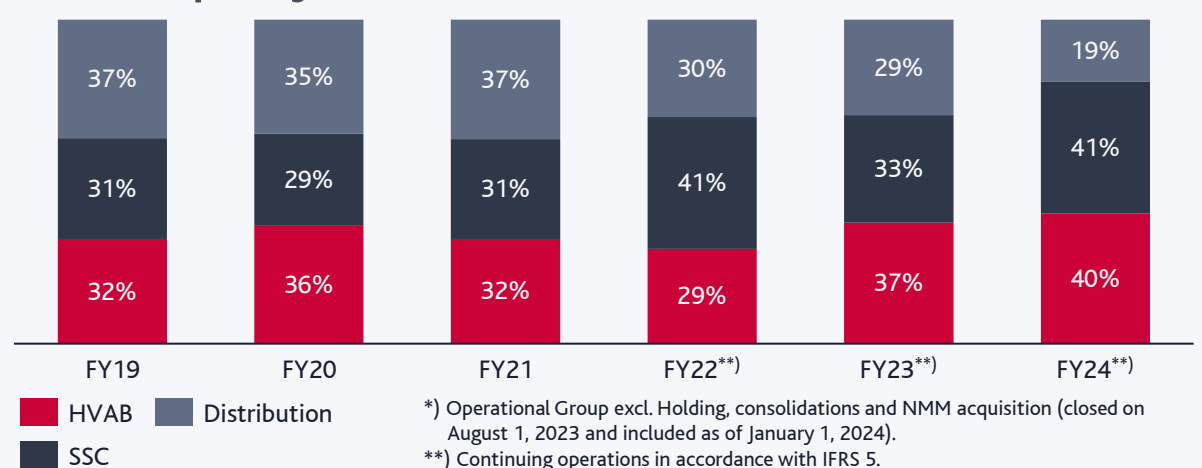
Continuing to strengthen focus on SSC and higher value-added business

- Service Center business and especially HVAB less dependent on steel price developments
- Achieved important milestones in order to increase profitability and resilience in recent past
  - Closed and integrated value accretive growth platform NMM
  - Acquired Industrial Manufacturing Services, Sol Components and Amerinox, increasing exposure to HVAB
  - Divested parts of European distribution business, reducing exposure to low-margin, cyclical commodity business significantly
  - Streamlined portfolio further by divesting Brazilian distribution business
  - Transformed distribution warehouses into HVAB centers by investing in state-of-the-art laser capacity and automated welding capabilities

EBITDA before MSE<sup>\*)</sup> development by business



Sales<sup>\*)</sup> split by business



<sup>\*)</sup> Operational Group excl. Holding, consolidations and NMM acquisition (closed on August 1, 2023 and included as of January 1, 2024).

<sup>\*\*)</sup> Continuing operations in accordance with IFRS 5.



# Leveraging our competitive advantage in North America

Investment in new aluminum processing facility drives growth and market leadership

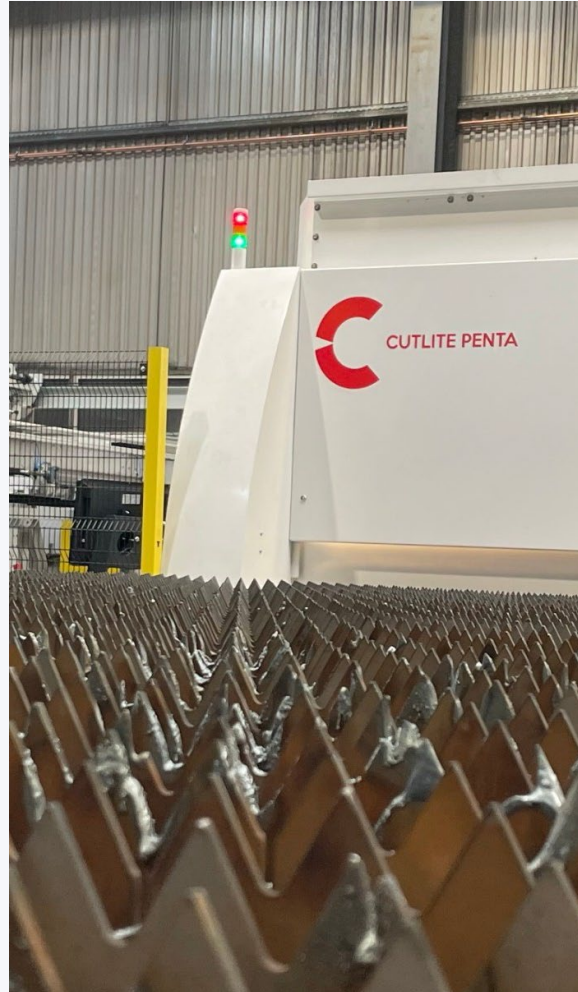


## Columbus, MS, United States

- Investing in flat-rolled aluminum processing facility on the campus of Aluminum Dynamics LLC (ADL), thereby supporting long-standing collaboration with ADL's parent company, Steel Dynamics Inc. (SDI)
- Building 200,000-square foot facility, strategically located, with an annual capacity of up to 250,000 tons
- Improving higher value-added product and service portfolio to meet growing demand for laser blanking
- Enabling us to accelerate growth in our automotive and industrial segments and leverage our competitive advantage
- Supporting our sustainability goals by processing ADL's energy-efficient, CO<sub>2</sub>-reduced aluminum products
- Expanding our toll processing portfolio to benefit from the profitable higher value-added business and to significantly reduce exposure to steel price volatility; fully in line with corporate strategy
- Ramp-up planned for Q4 2026, offering room for additional growth

# Driving efficiency and growth in the DACH-region

Continuing investment to enable profitable growth



## Germany

- Invested in advanced 30 KW laser in Kassel
- Increasing our laser capacity and enabling further growth
- Enhancing production quality through one of the most modern laser machines in Europe
- Target industries: agricultural machinery, mechanical engineering and defense
- Achieved operational readiness by Q1 2025



## Switzerland

- Optimizing logistics by introducing combined transport, linking rail and road logistics
- Transporting material at night by rail to our customers
- Unlocking cost potential through greater people and site efficiency
- Benefiting from better environmental and cost structure of rail transport
- Already fully operational



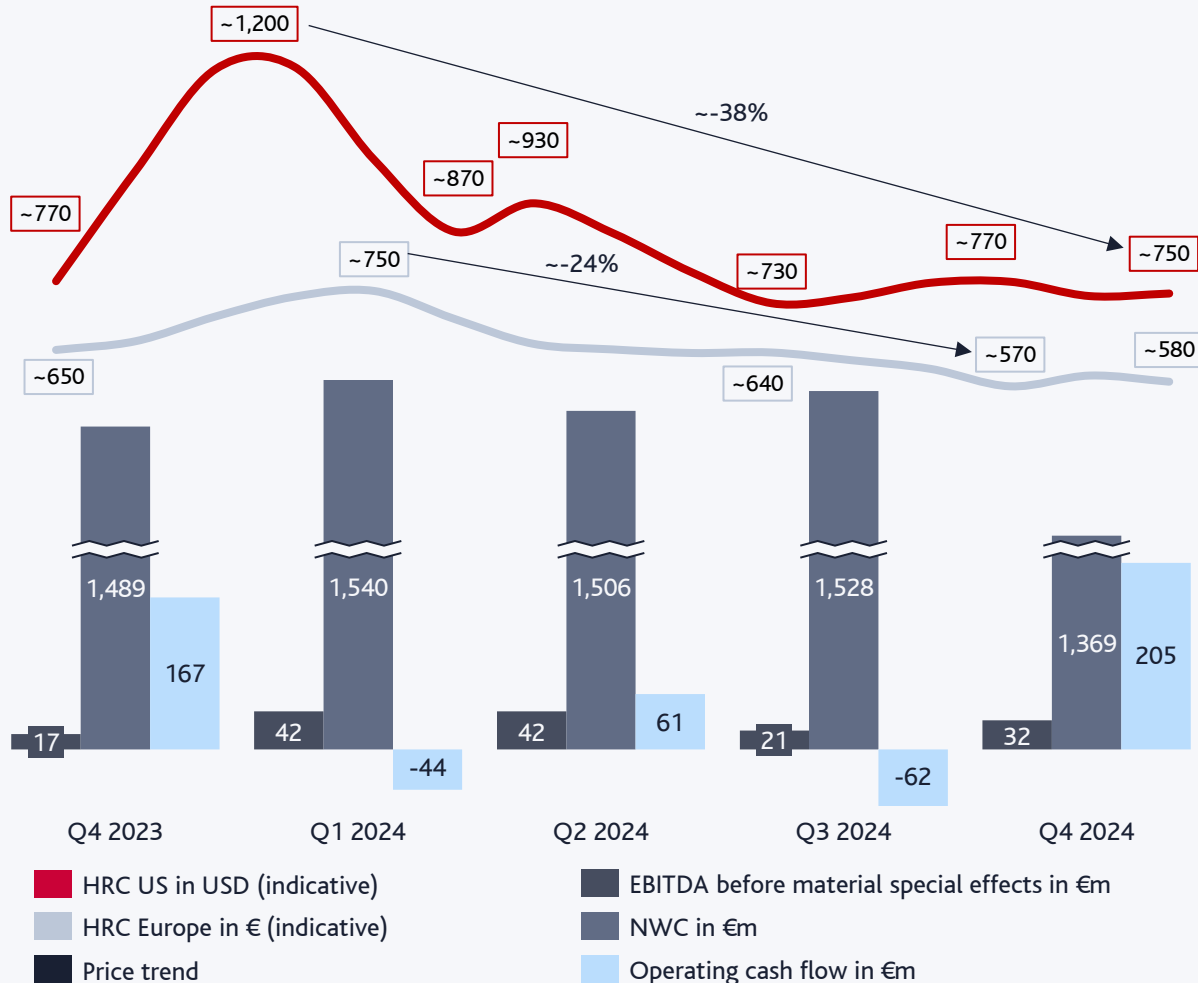
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# Our net working capital management

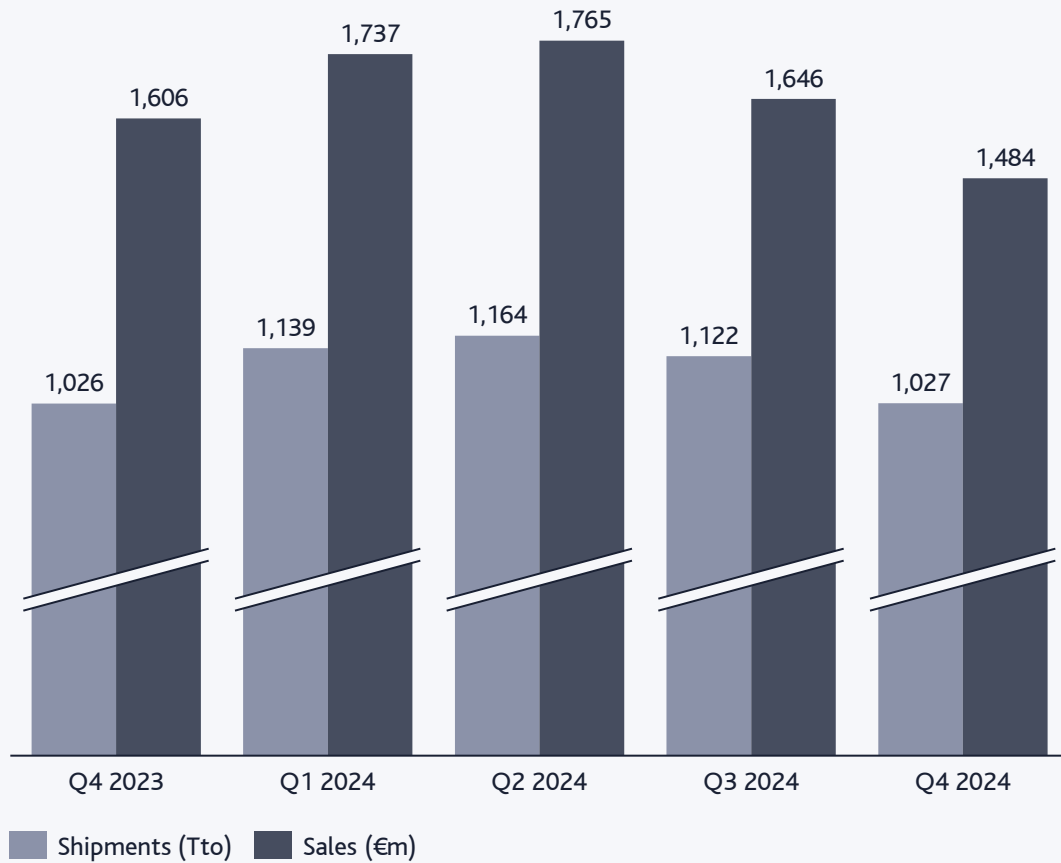
Solid operating performance despite ongoing difficult market environment



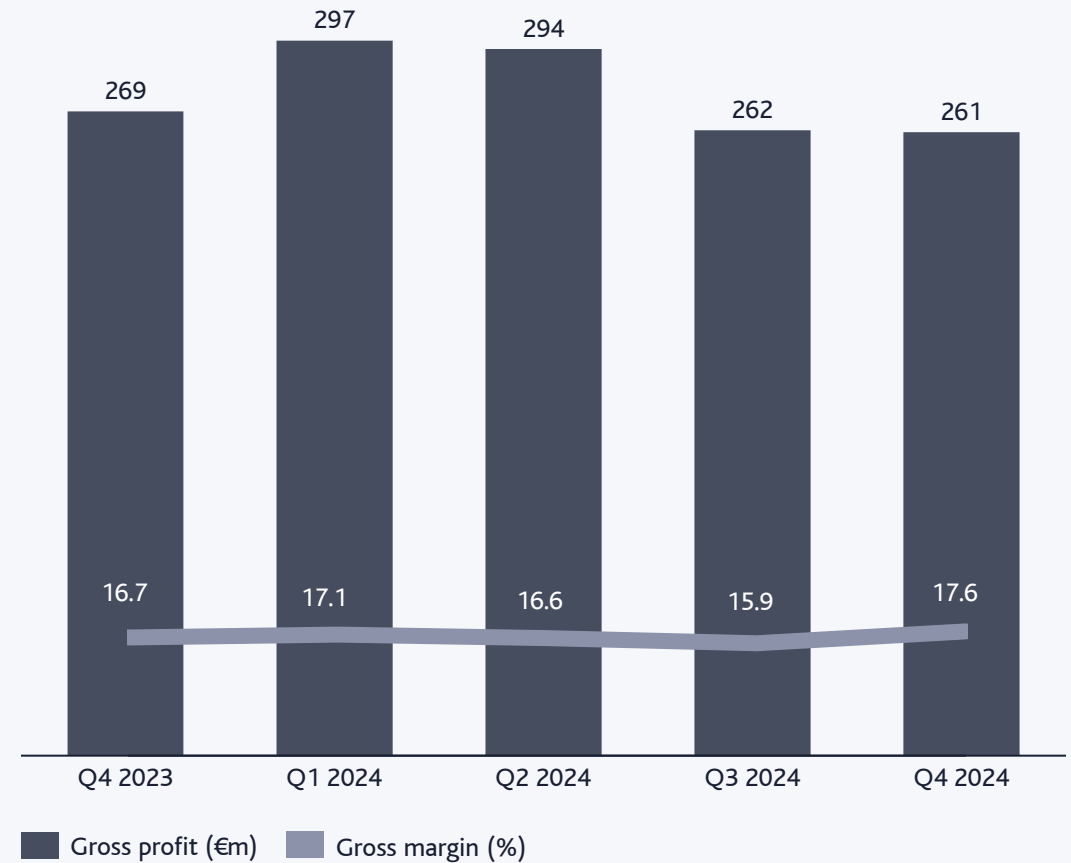
- Steel price correction over large parts of the year leading to significantly negative windfall losses
  - However, Klöckner achieved EBITDA before material special effects of €32m in Q4 2024 and €136m in FY 2024, a solid result within our guidance range
- Generated significantly positive operating cash flow for the third year in a row
- HVAB development fully on track, further reducing dependence on volatile steel price developments
- Continuing to leverage digitalization and automation initiatives
  - Digital quotes increased by more than 26% yoy in FY 2024

# Shipments, sales and gross profit

## Shipments & sales



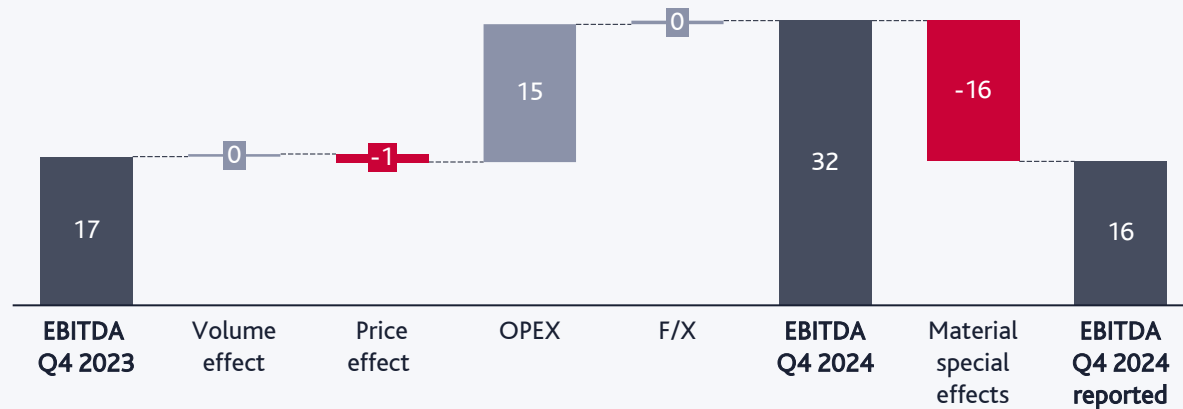
## Gross profit & gross profit margin





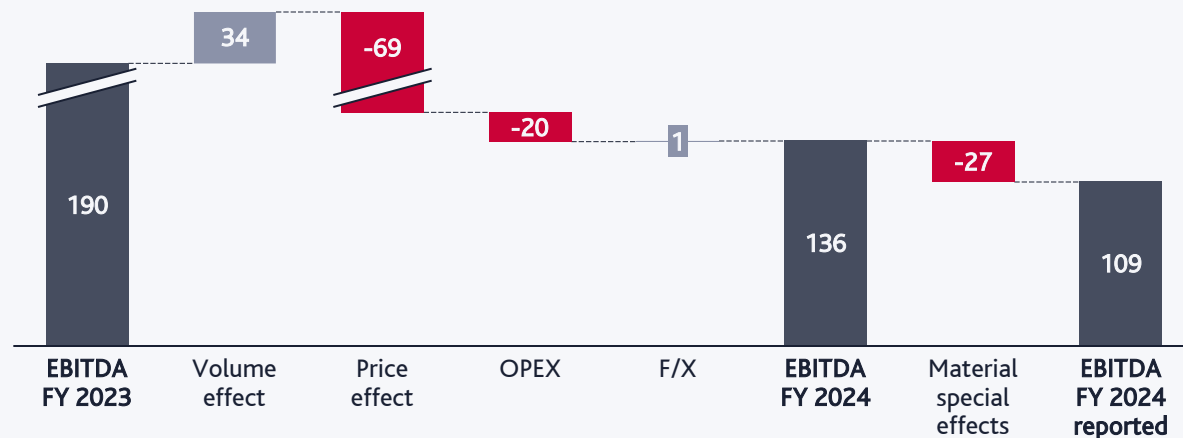
# EBITDA (€m) in Q4 2024 and FY 2024

## EBITDA (€m) in Q4 2024



- EBITDA in FY 2024 impacted by persistently challenging market environment and significantly negative price effects
- Despite aforementioned environment, generated EBITDA before material special effects of €32m in Q4 2024 and €136m in FY 2024
- OPEX lower €15m yoy
- Minor volume, price and F/X effects

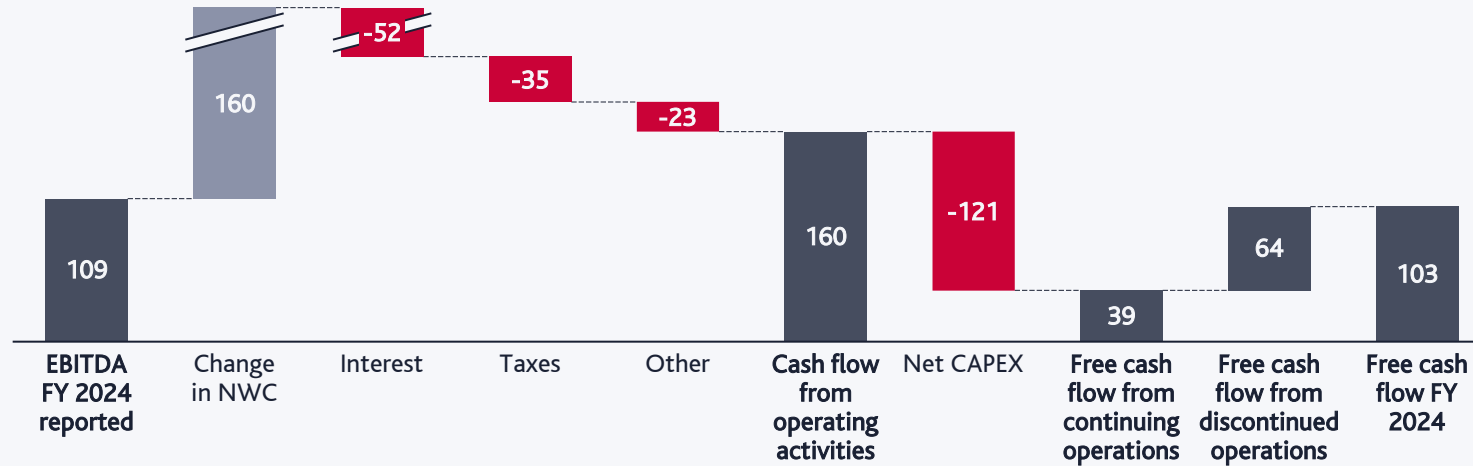
## EBITDA (€m) in FY 2024



- Positive volume effect of €34m and negative price effect of €69m
- OPEX only up €20m yoy despite acquisitions in the second half of 2023
- Minor F/X effects

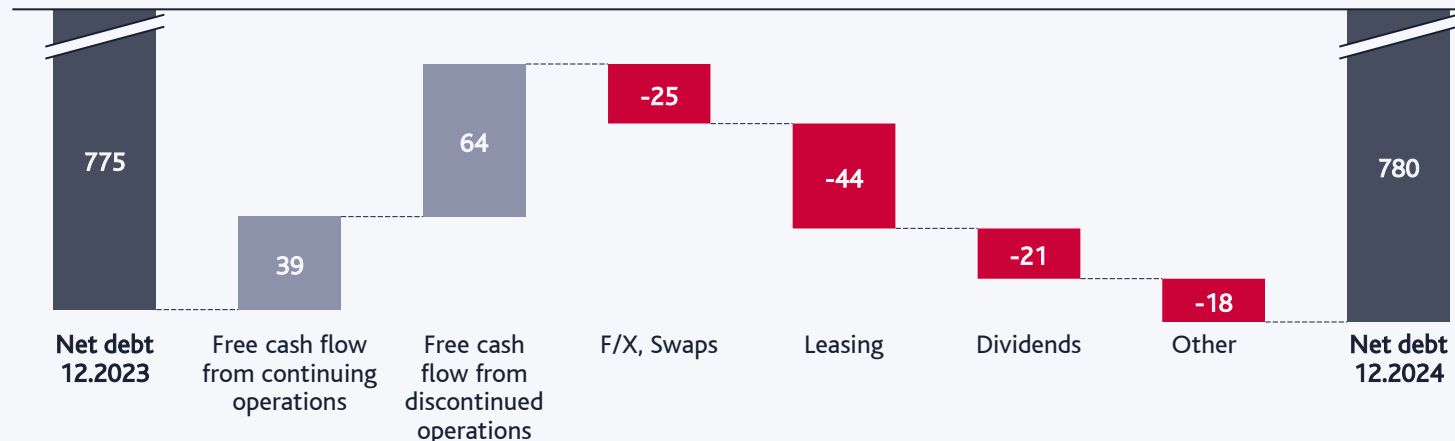
# Cash flow and net debt development

## Cash flow FY 2024 (€m)



- Reported EBITDA of €109m
- Net working capital release of €160m
- Positive cash flow from operating activities of €160m
- Net CAPEX of €-121m
- Free cash flow of €103m for FY 2024 including discontinued operations

## Net financial debt 12.2023 vs 12.2024 (€m)



- Net financial debt yoy on a constant level at €780m
- Free cash flow from discontinued operations €64m, including net cash-in of €61m from divestment of parts of our European distribution business
- Leasing of €-44m, of which €-11m include Amerinox
- Dividend payment of €-21m
- Negative F/X translation effects of €-25m

# Maturity profile

| Facility<br>(€m)                 | Committed<br>Dec 31, 2024 | Drawn amount |              |
|----------------------------------|---------------------------|--------------|--------------|
|                                  |                           | Dec 31, 2024 | Dec 31, 2023 |
| Syndicated Loan <sup>1)</sup>    | 350                       | 173          | 155          |
| ABS Europe <sup>2)</sup>         | 300                       | 30           | 98           |
| ABL USA                          | 626                       | 375          | 407          |
| ABL Mexico                       | 111                       | 48           | -            |
| Syndicated Loan CH <sup>3)</sup> | 212                       | 85           | 59           |
| Other Bilaterals                 | 40                        | 40           | 78           |
| Leases                           | 149                       | 149          | 133          |
| <b>Total Debt</b>                | <b>1,788</b>              | <b>901</b>   | <b>930</b>   |
| Cash                             |                           | 121          | 155          |
| <b>Net Debt</b>                  |                           | <b>780</b>   | <b>775</b>   |

1) After renewal in December 2024 with effective date January 2025.

2) In February 2024 the participating entities from the UK, FR and NL have exited the program; we are currently reviewing the program and will reduce its size significantly.

3) New facility (CHF 200m) signed in January 2025 replacing local bilaterals (CHF 160m).

4) Equity attributable to shareholders of Klöckner & Co SE less goodwill from business combinations subsequent to May 23, 2024 (updated definition following renewal of syndicated loan facility).

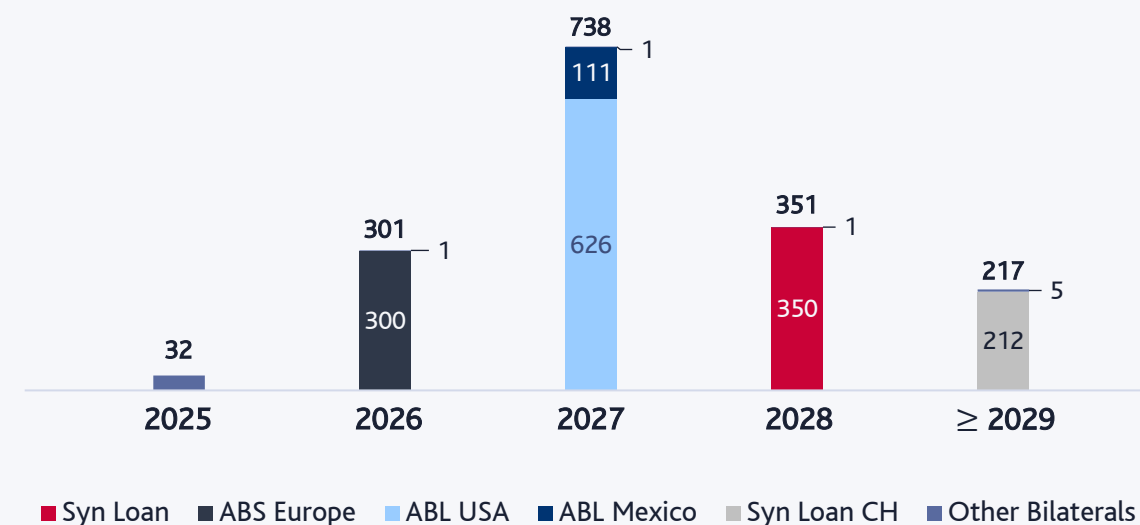
5) Cash of €121m and available facilities of €887m.

6) Net debt as reported/Adjusted equity.

7) Net debt as reported/LTM EBITDA before material special effects.

| €m                            | Dec 31, 2024 |
|-------------------------------|--------------|
| Adjusted equity <sup>4)</sup> | 1,712        |
| Total Liquidity <sup>5)</sup> | 1,008        |
| Net Debt                      | 780          |
| Gearing <sup>6)</sup>         | 46%          |
| Leverage <sup>7)</sup>        | 5.7x         |

## Maturity profile (excl. Leases) in €m, Dec 31, 2024





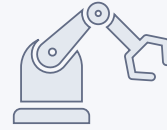















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# Region specific business outlook 2025

|                      |  |    |    |    |    |    |
|----------------------|---|--|---|---|---|---|
|                      | Real steel demand   | Construction Industry  | Manufacturing, Machinery & Mech. Eng  | Transportation  | Household & Commercial Appliances   | Energy Industry   |
| <u>North America</u> | +1% to +2%  |    |    |    |    |    |
| <u>Europe</u>        | 0% to +1%   |  |  |  |  |  |

# Outlook



- Considerable increase of shipments and sales expected (qoq)
- EBITDA before material special effects expected around the level of previous year's quarter (Q1 2024: €42m)



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



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## Financial calendar

May 7, 2025

**Q1 quarterly statement 2025**

May 28, 2025

**Annual General Meeting 2025**

August 6, 2025

**Half-yearly financial report 2025**

November 5, 2025

**Q3 quarterly statement 2025**