

Press release

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Klöckner & Co gets off to a solid start in the fiscal year 2025 and is optimistic about the second quarter

- Shipments of 1.2 million metric tons in Q1 slightly up on the prior-year quarter (+2.7%) and considerably higher than in the preceding quarter (+13.9%)
- Sales of €1.7 billion in the first three months of the year are slightly below the same quarter of the previous year due to price movements (Q1 2024: €1.7 billion)
- Operating income (EBITDA) before material special effects of €42 million is considerably higher than the previous quarter (Q4 2024: €32 million) and, as forecast, on par with the income for the same quarter of the previous year (Q1 2024: €42 million)
- Sale of Brazilian country organization successfully completed – consistent focus on higher value-added business in North America and in DACH region in Europe (Germany, Austria and Switzerland)
- Expansion of portfolio as a technology partner in growth sectors through acquisitions in Germany and the US
- EBITDA before material special effects of €60 million to €90 million expected for the second quarter of 2025 and thus considerably higher than the previous quarter and the same quarter of the previous year
- Strategy update: Klöckner & Co aims to become the leading service center and metal processing company in North America and Europe by 2030

Düsseldorf, Germany, May 7, 2025 – Klöckner & Co got off to a solid start in the fiscal year 2025. Shipments increased slightly by 2.7% in the first quarter of 2025 compared to the same quarter of the previous year, and amounted to 1.2 million metric tons (Q1 2024: 1.1 million metric tons). Relative to the preceding quarter, shipments increased considerably by 13.9%. This improvement is primarily attributable to the increased demand for steel and metal products in the Kloeckner Metals Americas segment as well as a market share increase in this segment.

Overall, Klöckner & Co generated sales of €1.7 billion, slightly below the previous year's level (Q1 2024: €1.7 billion), in a persistently challenging macroeconomic environment due to lower average price levels. The operating income (EBITDA) before material special effects amounted to €42 million in the first quarter of 2025. Therefore, it was

considerably higher than the figure for the previous quarter (Q4 2024: €32 million) and, as forecast, on a constant level compared to previous year's quarter (Q1 2024: €42 million).

The net loss amounted to €28 million in the first three months of the fiscal year, compared to a net loss of €32 million in the same period of the previous year. Accordingly, basic earnings per share amounted to €-0.28 (Q1 2024: €-0.33).

After a cash flow from operating activities of €-44 million in the same quarter of the previous year, this year's cash flow from operating activities amounted to €-118 million in the first quarter. After payments for investments in the amount of €23 million (Q1 2024: €23 million), free cashflow amounted to €-141 million in the first three months of the fiscal year (Q1 2024: €-67 million).

At €1,592 million, the Company's equity at the end of the quarter was below the figure at the end of 2024 (December 31, 2024: €1,721 million). This is mainly attributable to the recognition of actuarial losses and the negative consolidated income. Accordingly, the equity ratio dropped below the level at the end of the fiscal year 2024 to 45.6% (December 31, 2024: 48.6%).

Guido Kerkhoff, CEO of Klöckner & Co SE: "We got off to a solid start in the fiscal year 2025 and, with the disposal of our Brazilian country organization and targeted acquisitions, we consistently continued our strategic focus on our core markets of North America and the DACH region. Since the market is continuing to move in a positive direction, especially in North America, we expect a considerable improvement in our operating income for the second quarter of 2025."

Consistent implementation and expansion of corporate strategy

At the beginning of 2025, Klöckner & Co signed an agreement to sell its Brazilian country organization Kloeckner Metals Brasil. This transaction was completed in April with effect of March 31, 2025. The decision to sell was in line with the corporate strategy of focusing future growth on the higher value-added processing and metalworking business in the largest market in North America as well as on the lucrative European activities in the DACH region.

With the acquisition of Cologne-based Ambo-Stahl, agreed at the end of March 2025, Klöckner & Co plans to enhance its own capabilities and expand its product & service portfolio with services for wear-resistant and high-strength special steels. This will make it easier for the Company to respond to the growing demand in the defense and infrastructure sectors in the future.

Furthermore, Klöckner & Co has successfully completed the acquisition of Haley Tool & Stamping near Nashville, Tennessee (USA). Through the acquisition, Klöckner & Co has expanded its manufacturing capabilities with state-of-the-art stamping presses, allowing it to actively leverage operational synergies across all Klöckner locations in the region. The Company expects this move to accelerate growth in the automotive, aerospace and industrial manufacturing sectors.

Building on the successes of the previous strategy, Klöckner & Co will focus even more intensively than before on promoting sustainable and profitable growth and securing its long-term competitiveness. Accordingly, the Company is initiating the next phase of successful growth with the strategy update "Klöckner & Co: Leveraging Strengths – Step

Up 2030". The goal of the strategy is to become the leading service center and metal processing company in North America and Europe and to consistently focus on maximizing customer benefits. As a result, Klöckner & Co aims to benefit from higher profitability and to considerably reduce earnings volatility and dependence on steel price trends. By 2030, the Company is targeting a normalized EBITDA before material special effects in the mid-three-digit million euro range with an EBITDA margin of over 5%. Additionally, the Company aims to generate a return on capital employed of at least 10%.

Outlook

Due to a significant increase in steel prices, especially in the US, Klöckner & Co expects a considerable quarter over quarter increase in sales for the second quarter of 2025. The Company forecasts a constant development in shipments compared to the previous quarter. Klöckner & Co should benefit from the positive price development, especially from the second quarter of 2025 onward. Therefore, the Company is forecasting EBITDA before material special effects of €60 million to €90 million for the second quarter 2025 which corresponds to a considerable increase compared to the previous quarter and the same quarter of the previous year.

Key Figures

Shipments and income statement		Q1 2025	Q1 2024	Variance
Shipments	Tto	1,170	1,139	31
Sales	€ million	1,666	1,737	-71
Gross profit	€ million	317	297	20
Gross profit margin	%	19.0	17.1	1.9%p
Earnings before interest, taxes, depreciation and amortization (EBITDA)	€ million	18	37	-19
EBITDA before material special effects	€ million	42	42	0
EBITDA margin	%	1.1	2.2	-1.1%p
EBITDA margin before material special effects	%	2.5	2.4	0.1%p
Earnings before interest and taxes (EBIT)	€ million	-12	5	-17
Earnings before taxes (EBT)	€ million	-23	-11	-12
EBT before material special effects	€ million	1	-7	7
Net income from continuing operations	€ million	-28	-8	-20
Net income from discontinued operations	€ million	-	-24	24
Net income total	€ million	-28	-32	5
Net income attributable to shareholders of Klöckner & Co SE	€ million	-28	-33	4
Earnings per share (basic / diluted) – continuing operations	€	-0.28	-0.08	-0.20
Earnings per share (basic / diluted) – Group	€	-0.28	-0.33	0.05

Cash flow statement		Q1 2025	Q1 2024	Variance
Cash flow from operating activities	€ million	-118	-44	-74
Cash flow from investing activities	€ million	-23	-23	-
Free cash flow ^{*)}	€ million	-141	-67	-73

^{*)} Free cash flow = Cash flow from operating activities + cash flow from investing activities.

		Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024	Variance Mar. 31, 2025 vs. Dec. 31, 2024	Variance Mar. 31, 2025 vs. Mar. 31, 2024
Balance sheet						
Net working capital ^{**})	€ million	1,455	1,369	1,540	86	-86
Net financial debt	€ million	914	780	790	134	124
Gearing ^{***})	%	58	46	47	12%p	11%p
Equity	€ million	1,592	1,721	1,727	-129	-136
Equity ratio	%	45.6	48.6	47.6	-3.1%p	-2.0%p
Total assets	€ million	3,494	3,538	3,631	-44	-137

		Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024	Variance Mar. 31, 2025 vs. Dec. 31, 2024	Variance Mar. 31, 2025 vs. Mar. 31, 2024
Employees						
Employees as of the end of the reporting period		6,451	6,507	6,346	-56	105

^{**}) Net working capital = Inventories + trade receivables + contract assets + supplier bonus receivables ./ trade liabilities ./ contract liabilities ./ advance payments received.

^{***}) Gearing = Net financial debt / (Equity – non-controlling interests – goodwill resulting from acquisitions subsequent to May 23, 2024).

Gearing as defined prior to the syndicated loan extension signed in December 2024 (consolidated equity – non-controlling interests – goodwill from business combinations subsequent to May 23, 2019) was 47% as of December 31, 2024. The gearing as of March 31, 2024 is stated in accordance with the definition prior to the loan extension.

About Klöckner & Co:

Today, Klöckner & Co is one of the world's largest producer-independent metal processors and one of the leading service center companies. With its distribution and service network of around 120 warehouse and processing locations, primarily in North America and the DACH region (Germany, Austria and Switzerland), Klöckner & Co supplies more than 60,000 customers. Currently, the Group has around 6,500 employees. Klöckner & Co had sales of some €6.6 billion in fiscal year 2024. By consistently implementing its corporate strategy, Klöckner & Co aims to become the leading service center and metal processing company in North America and Europe. The focus is on continued targeted expansion of the service center and higher value-added manufacturing business, diversification of the product and service portfolio as well as integration of additional CO₂-reduced solutions under the umbrella brand Nexigen®.

The shares of Klöckner & Co SE are admitted to trading on the regulated market segment (Regulierter Markt) of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) with further post-admission obligations (Prime Standard). Klöckner & Co shares are listed in the SDAX® index of Deutsche Börse.

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