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Klöckner & Co doubles operating income before material special effects in third quarter of 2025 and continues positive trend

- Operating income (EBITDA) of €43 million before material special effects in the third quarter of 2025 considerably above prior-year level (Q3 2024: €21 million)
- Third-quarter shipments: 1.1 million metric tons, a slight increase of 1.9% compared to the prior-year quarter (Q3 2024: 1.1 million metric tons)
- At €1.6 billion, sales slightly down by -2.2% compared to the prior-year quarter due to price factors (Q3 2024: €1.6 billion)
- Focus on higher value-added and service center business further strengthened with sale of eight US distribution sites
- EBITDA before material special effects still expected to be between €170 million and €240 million for the full year 2025

In the third quarter of 2025, Klöckner & Co generated EBITDA of €43 million before material special effects, marking a considerable increase on the prior-year quarter (Q3 2024: €21 million) and thus continuing the positive trend from the first two quarters. In the first nine months of 2025, EBITDA before material special effects amounted to €150 million (9M 2024: €104 million). After negative special effects of €33 million, which mainly related to the sale of the Brazilian subsidiary (€20 million, €19 million of which consisted of exchange rate losses on deconsolidation) and to restructuring measures at the holding companies and in the Klöckner Metals Europe segment, Klöckner & Co generated EBITDA of €117 million (9M 2024: €93 million). In the third quarter of 2025, the net loss from continuing operations improved to €13 million compared to a net loss of €29 million in the prior-year quarter. Including the material special effects above, the net loss from continuing operations amounted to €38 million in the first nine months of 2025 compared to a net loss of €55 million in the comparative period. Basic earnings per share therefore came to €-0.39, compared to €-0.55 in the prior-year comparative period. Including discontinued operations, the net loss for the first nine months came to €38 million in 2025 (9M 2024: €-84 million).

Shipments came to 1.1 million metric tons in the third quarter of 2025, marking a slight increase of 1.9% compared to the prior-year quarter (Q3 2024: 1.1 million metric tons). In the first nine months, the Company raised shipments by 1.5% to 3.5 million metric tons (9M 2024: 3.4 million metric tons). The increases in shipments are mainly due to a continued positive trend in the Klöckner Metals Americas segment.



Despite the higher shipments, sales in the third quarter, at €1.6 billion, were slightly down by 2.2% compared to the prior-year level due to a lower average price level (Q3 2024: €1.6 billion). In the first nine months, sales fell slightly by 4.5% to €4.9 billion, likewise price driven (9M 2024: €5.1 billion).

In the third quarter of 2025, Klöckner & Co's cash flow from operating activities was €-118 million (Q3 2024: €-62 million). The cash outflow from investing activities in the third quarter of 2025 amounted to €23 million. This resulted in a free cash flow of €-141 million in the third quarter of 2025 (Q3 2024: €-94 million). The free cash flow in the first nine months of 2025 was €-237 million (9M 2024: €-120 million). The cash outflow in the reporting period was mainly driven by temporarily higher net working capital in the Kloeckner Metals Americas segment.

"In a challenging market environment, we have once again shown that our strategy is working by doubling our operating income in the third quarter. We have continued the positive trend in the Kloeckner Metals Americas segment, and our sharpened focus on higher value-added and service center business will continue to permanently strengthen our earnings profile. The sale of eight US distribution sites is another key step in the targeted reallocation of capital to higher-margin areas."

Guido Kerkhoff

CEO Klöckner & Co SE

Focus on higher value-added and service center business further strengthened in North America and Europe

As part of the corporate strategy, "Klöckner & Co: Leveraging Strengths – Step Up 2030," the company has further strengthened its focus on the higher value-added and service center business. The sale of eight distribution sites of the US subsidiary Kloeckner Metals Corporation will further reduce dependence on volatile commodity markets. Excluding the eight distribution sites, the share of sales generated by the higher value-added and service center business was 87% in the first nine months of 2025 and hence six percentage points higher than with those sites included.

Additionally, the company has further expanded its capabilities as a technology partner in the defense and infrastructure sector in Germany. At the beginning of the year, Klöckner & Co's German subsidiary acquired and successfully integrated Ambo-Stahl, a provider of high-quality processing services for the defense and infrastructure sector. Building on this acquisition, Klöckner & Co has expanded its service portfolio and obtained official certification in Kassel for processing armor materials in accordance with the technical supply conditions approval for the German Federal Armed Forces (Bundeswehr TL-Zulassung). The expansion of capabilities is a further step towards profiting more from increased defense expenditure across Europe.



Outlook

For fiscal year 2025, Klöckner & Co continues to expect EBITDA of €170 million to €240 million before material special effects. Furthermore, the company continues to expect a significantly positive cash flow from operating activities for fiscal year 2025.



Key figures

Shipments and income statement		Q3 2025	Q3 2024	Variance	Jan. 1 – Sept. 30, 2025	Jan. 1 – Sept. 30, 2024	Variance
Shipments	Tto	1,144	1,122	22	3,478	3,426	53
Sales	€ million	1,609	1,646	-37	4,919	5,148	-229
Gross profit	€ million	295	262	34	932	852	80
Gross profit margin	%	18.3	15.9	2.4%p	18.9	16.6	2.4%p
Earnings before, interest, taxes, depreciation and amortization (EBITDA)	€ million	36	13	23	117	93	24
EBITDA before material special effects	€ million	43	21	22	150	104	46
EBITDA margin	%	2.2	0.8	1.4%p	2.4	1.8	0.7%p
EBITDA margin before material special effects	%	2.7	1.3	1.4%p	3.1	2.0	1.0%p
Earnings before interest and taxes (EBIT)	€ million	6	-17	23	27	-1	28
Earnings before taxes (EBT)	€ million	-5	-33	28	-9	-49	41
Net income from continuing operations	€ million	-13	-29	17	-38	-55	17
Net income from discontinued operations	€ million	0	0	0	-	-29	29
Net income	€ million	-13	-29	17	-38	-84	46
Net income attributable to shareholders of Klöckner & Co SE	€ million	-13	-29	16	-40	-85	45
Earnings per share (basic/diluted) – continuing operations	€	-0.13	-0.29	0.17	-0.39	-0.55	0.17
Earnings per share (basic/diluted) – Group	€	-0.13	-0.29	0.17	-0.40	-0.85	0.45

Cash flow statement		Q3 2025	Q3 2024	Variance	Jan. 1 – Sept. 30, 2025	Jan. 1 – Sept. 30, 2024	Variance
Cash flow from operating activities	€ million	-118	-62	-56	-161	-45	-116
Cash flow from investing activities	€ million	-23	-31	9	-76	-76	-1
Free cash flow*)	€ million	-141	-94	-47	-237	-120	-117



Balance sheet		Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024	Variance Sept. 30, 2025 vs. Dec. 31, 2024	Variance Sept. 30, 2025 vs. Sept. 30, 2024
					Dec. 31, 2024	Sept. 30, 2024
Net working capital ^{l**)}	€ million	1,429	1,369	1,528	61	-98
Net financial debt	€ million	1,003	780	872	223	131
Gearing ^{***)}	%	66	46	49	20.6%p	17.3%p
Equity	€ million	1,528	1,721	1,711	-193	-183
Equity ratio	%	44.1	48.6	47.9	-4.5%p	-3.8%p
Total assets	€ million	3,462	3,538	3,569	-75	-106

Employees		Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024	Variance Sept. 30, 2025 vs. Dec. 31, 2024	Variance Sept. 30, 2025 vs. Sept. 30, 2024
					Dec. 31, 2024	Sept. 30, 2024
Employees as of the end of the reporting period		6,584	6,507	6,509	77	75

*) Free cash flow = cash flow from operating activities + cash flow from investing activities.

**) Net working capital = inventories + trade receivables + contract assets + bonus claims to suppliers – trade payables – contract liabilities – prepayments received on orders.

Does not include €68 million in net working capital from the eight US distribution sites that has been reclassified in accordance with IFRS 5 as a disposal group to "assets held for sale" and "liabilities directly associated with assets classified as held for sale".

***) Gearing = net financial debt / (equity – non-controlling interests – goodwill resulting from company acquisitions after May 23, 2024).

Gearing as defined prior to the syndicated loan extension signed in December 2024 (consolidated equity – non-controlling interests – goodwill from company acquisitions after May 23, 2019) was 47% as of December 31, 2024. The gearing as of September 30, 2024, is stated in accordance with the definition prior to the loan extension.



About Klöckner & Co:

Klöckner & Co is now one of the largest producer-independent steel and 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 strives 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 business, diversification of the product and service portfolio as well as integration of additional CO₂-reduced solutions under the Nexigen® umbrella brand.

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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