

Press Release

Klöckner & Co SE
Am Silberpalais 1
47057 Duisburg
Germany

Phone: +49 203 307-0
Internet: www.kloeckner.com

Date August 10, 2021

Pages 4

Klöckner & Co SE announces best operating quarterly result since IPO in 2006

- Very significant price and volume-driven increase in second-quarter sales by 57.8% year-on-year to €1.8 billion
- Record operating income (EBITDA) of €271 million before material special effects
- Very strong net income of €215 million (Q2 2020: net loss of €111 million)
- Initial measures of “Klöckner & Co 2025: Leveraging Strengths” strategy successfully implemented
- Full-year guidance for 2021 forecasts record EBITDA before material special effects in a range between €650 million and €700 million

Duisburg, Germany, August 10, 2021 – Klöckner & Co SE has continued its strong year and generated the best quarterly operating result since the IPO in 2006. Higher prices and increased demand led to very considerable sales growth of 57.8% to €1.8 billion in Q2 2021 (Q2 2020: €1.2 billion). Driven by the positive steel price trend, extremely strict net working capital management and substantial effects from the Surtsey project, operating income (EBITDA) before material special effects improved from €11 million in the prior-year period to €271 million. Net income was extremely strong at €215 million (Q2 2020: net loss of €111 million). Earnings per share consequently came to €2.13 (Q2 2020: loss per share of €1.11). Despite significantly higher steel prices and the cash outflows in connection with the Surtsey project, cash flow from operating activities was positive at €74 million (Q2 2020: €98 million).

Guido Kerkhoff, CEO of Klöckner & Co SE: “Our improved operating lineup is delivering results. This allows us to benefit particularly strongly right now from the positive market environment. At the same time, we are systematically implementing our ‘Klöckner & Co 2025: Leveraging Strengths’ strategy. With a new structure and improved setup in the EU as well as the pooling of our digital capabilities in kloeckner.i, we have set an important initial course to further consolidate and extend our excellent position, also in a changed market environment.”

The new strategy, “Klößner & Co 2025: Leveraging Strengths”, was first presented to the public in the second quarter. With it, the Group aims to become the leading digital one-stop shop platform for steel, additional materials and processing services in Europe and the Americas.

Initial measures under the strategy have already been implemented: For further process digitalization and automation, key digital and IT capabilities within the Group have been pooled under the roof of kloeckner.i, placing them under shared management and linking them more closely with the operating business. In addition, the establishment of a second kloeckner.i innovation hub has been initiated in the USA in order to provide the optimum conditions for accelerating the digitalization of the business in the US market. Bernhard Weiß has also taken up office as CEO Europe on the Management Board and the organizations under him – Becker Stahl-Service, Klößner & Co Deutschland and Kloeckner Benelux – have each been assigned new, internationally experienced management teams. By further centralizing the finance and administration functions and by combining expert know-how with the product and service portfolio, the Group aims to leverage additional synergies and enhance cross-border cooperation.

Driven by the dynamic price trend combined with extremely strict inventory management and the effects from the Surtsey project, Klößner & Co is extremely optimistic regarding the remainder of the year. The Group thus expects a further very considerable increase in operating income (EBITDA) before material special effects to between €200 million and €230 million in the third quarter and a record €650 million to €700 million in the full year.

Key figures

Shipments and income statement		Q2 2021	Q2 2020	Variance	HY1 2021	HY1 2020	Variance
Shipments	Tto	1,295	1,070	225	2,582	2,435	147
Sales	€ million	1,847	1,171	676	3,373	2,619	754
Gross profit	€ million	525	226	299	913	511	402
Gross profit margin	%	28.4	19.3	9.1%p	27.1	19.5	7.6%p
Earnings before interest, taxes, depreciation and amortization (EBITDA)	€ million	270	-61	331	411	-40	451
EBITDA before material special effects	€ million	271	11	260	401	32	369
EBITDA margin	%	14.6	-5.2	19.8%p	12.2	-1.5	13.7%p
EBITDA margin before material special effects	%	14.7	0.9	13.8%p	11.9	1.2	10.7%p
Earnings before interest and taxes (EBIT)	€ million	240	-109	349	351	-122	473
Earnings before taxes (EBT)	€ million	246	-116	362	351	-138	489
EBT before material special effects	€ million	246	-31	277	340	-52	392
Net income	€ million	215	-111	326	301	-132	433
Net income attributable to shareholders of Klöckner & Co SE	€ million	212	-111	323	297	-132	429
Earnings per share (basic)	€	2.13	-1.11	3.24	2.98	-1.32	4.31
Earnings per share (diluted)	€	1.88	-1.11	2.99	2.66	-1.32	3.98
Cash flow statement							
		Q2 2021	Q2 2020	Variance	HY1 2021	HY1 2020	Variance
Cash flow from operating activities	€ million	74	98	-24	91	1	90
Cash flow from investing activities	€ million	-16	-13	-3	-27	-23	-4
Free cash flow*)	€ million	58	85	-27	65	-22	87
Balance sheet							
		June 30, 2021	Dec. 31, 2020	June 30, 2020	Variance June 30, 2021 vs. Dec. 31, 2020	Variance June 30, 2021 vs. Dec. 31, 2020	
Net Working Capital**)	€ million	1,282	967	1,135	315	147	
Net financial debt	€ million	303	351	476	-48	-173	
Gearing***)	%	21.7	33.9	45.7	-12.2%p	-24.1%p	
Equity	€ million	1,410	1,043	1,048	367	362	
Equity ratio	%	43.5	39.9	38.8	3.5%p	4.6%p	
Total assets	€ million	3,244	2,613	2,699	631	545	
Employees							
		June 30, 2021	Dec. 31, 2020	June 30, 2020	Variance June 30, 2021 vs. Dec. 31, 2020	Variance June 30, 2021 vs. Dec. 31, 2020	
Employees as of the end of the reporting period		7,083	7,274	7,915	-191	-832	

*) Free cash flow = Cash flow from operating activities plus cash flow from investing activities.

**) Net working capital = Inventories plus trade receivables (including contract assets) plus supplier bonus receivables less trade liabilities.

***) Gearing = Net financial debt / (Equity / non-controlling interests / goodwill resulting from acquisitions subsequent to May 23, 2019).

About Klöckner & Co:

Klöckner & Co is one of the largest producer-independent distributors of steel and metal products and one of the leading steel service companies worldwide. Based on its distribution and service network of around 140 locations in 13 countries, Klöckner & Co supplies more than 100,000 customers. Currently, the Group has around 7,100 employees. Klöckner & Co had sales of some €5.1 billion in fiscal year 2020. As a pioneer of change in the steel industry, Klöckner & Co is in the process of digitalizing its entire supply and value chain and aims to become the leading digital one-stop shop platform for steel, additional materials and processing services in Europe and America.

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.

ISIN: DE000KC01000; WKN: KC0100; Common Code: 025808576.

Klöckner & Co SE contact:**Press**

Christian Pokropp – Press Spokesperson
Head of Corporate Communications
Phone: +49 203 307-2050
Email: christian.pokropp@kloeckner.com

Investors

Felix Schmitz
Head of Investor Relations |
Head of Sustainability
Phone: +49 203 307-2295
Email: felix.schmitz@kloeckner.com