

## Press Release

Klöckner & Co SE  
Am Silberpalais 1  
47057 Duisburg  
Germany

Phone: +49 203 307-0  
Internet: [www.kloeckner.com](http://www.kloeckner.com)

Date November 3, 2020

Pages 4

### **Klöckner & Co earnings rise significantly in third quarter of 2020 – share of sales via digital channels grows further**

- Operating income (EBITDA) before material special effects €40 million (Q3 2019: €26 million), at upper end of the raised €30 million to €40 million guidance range
- Share of Group sales generated via digital channels further increased to 42% (Q3 2019: 30%), already exceeding the full-year target
- Full-year expectation for EBITDA before material special effects in a range of €75 million to €95 million, with significantly positive cash flow from operating activities

**Duisburg, Germany, November 3, 2020** – Klöckner & Co generated operating income (EBITDA) of €40 million before material special effects in the third quarter of 2020 (Q3 2019: €26 million), at the upper end of the already raised guidance range. At €5 million, the net loss improved from €23 million in the prior-year period. This resulted in a loss per share of €0.05 (Q3 2019: loss of €0.23). These positive developments were largely driven by the digitalization and restructuring measures accelerated by the Surtsey transformation program, alongside favorable price effects.

Gisbert Rühl, CEO of Klöckner & Co SE: “We successfully navigated the first wave of the pandemic and we are well prepared for the second thanks to our digital transformation and the Surtsey project.”

As a result of exceptionally strict net working capital management, net working capital was well below the prior-year level of €1.4 billion, amounting to €1.1 billion as of September 30. Net financial debt declined accordingly, down by about one-third to a comparatively low €427 million (September 30, 2019: €634 million).

The share of sales generated via digital channels further increased to 42% (Q3 2019: 30%), meaning that Klöckner & Co has already exceeded the year-end target of 40%. This accelerated growth was bolstered in particular by the Kloeckner Assistant, an AI-based application that almost fully automates the sales process. The open industry

platform XOM Materials has also expanded. Its aggregate gross merchandise value in the year to date already amounts to €64 million. The new eProcurement solution to automate the procurement process for XOM customers significantly contributed to this rise.

Given the increase in the rate of COVID-19 transmission, the development of shipments in the final months of 2020 remains uncertain. Due to seasonal effects, Klöckner & Co expects shipments and sales in the fourth quarter of 2020 to be lower than in the prior quarter. Nevertheless, the Company anticipates EBITDA before material special effects of €75 million to €95 million thanks to its well-advanced digitalization and the consistent implementation of the Surtsey transformation project. Klöckner & Co also expects to see a significantly positive cash flow from operating activities.

## Key figures

| Shipments and income statement   |           | Q3 2020 | Q3 2019 | Variance | Jan. 1–<br>Sep. 30, 2020 | Jan. 1–<br>Sep. 30, 2019 | Variance |
|--|-----------|---------|---------|----------|--------------------------|--------------------------|----------|
| Shipments  | Tto       | 1,242   | 1,420   | -178     | 3,677                    | 4,398                    | -721     |
| Sales  | € million | 1,279   | 1,565   | -286     | 3,898                    | 4,950                    | -1,052   |
| Gross profit   | € million | 262     | 284     | -22      | 774                      | 890                      | -116     |
| Gross profit margin  | %         | 20.5    | 18.1    | +2.4%p   | 19.8                     | 18.0                     | +1.8%p   |
| Earnings before, interest, taxes, depreciation and amortization (EBITDA) | € million | 38      | 21      | +17      | -2                       | 136                      | -138     |
| EBITDA before material special effects                                   | € million | 40      | 26      | +14      | 72                       | 110                      | -38      |
| EBITDA margin  | %         | 3.0     | 1.3     | +1.7%p   | 0.0                      | 2.7                      | -2.7%p   |
| EBITDA margin before material special effects                            | %         | 3.1     | 1.6     | +1.5%p   | 1.8                      | 2.2                      | -0.4%p   |
| Earnings before interest and taxes (EBIT)                                | € million | 4       | -13     | +17      | -118                     | 37                       | -155     |
| Earnings before taxes (EBT)  | € million | -3      | -24     | +21      | -141                     | 5                        | -146     |
| Net income   | € million | -5      | -23     | +18      | -136                     | -4                       | -132     |
| Net income attributable to shareholders of Klöckner & Co SE              | € million | -5      | -23     | +18      | -137                     | -5                       | -132     |
| Earnings per share (basic)   | €         | -0.05   | -0.23   | +0.18    | -1.38                    | -0.05                    | -1.33    |
| Earnings per share (diluted)   | €         | -0.05   | -0.23   | +0.18    | -1.38                    | -0.05                    | -1.33    |

  

| Cash flow statement                 |           | Q3 2020 | Q3 2019 | Variance | Jan. 1–<br>Sep. 30, 2020 | Jan. 1–<br>Sep. 30, 2019 | Variance |
|-------------------------------------|-----------|---------|---------|----------|--------------------------|--------------------------|----------|
| Cash flow from operating activities | € million | 68      | 82      | -14      | 68                       | -6                       | +74      |
| Cash flow from investing activities | € million | -27     | -12     | -15      | -49                      | 15                       | -64      |
| Free cash flow <sup>*)</sup>        | € million | 41      | 70      | -29      | 19                       | 9                        | +10      |

  

| Balance sheet                      |           | Sep. 30, 2020 | Dec. 31, 2019 | Variance | Sep. 30, 2020 | Sep. 30, 2019 | Variance |
|------------------------------------|-----------|---------------|---------------|----------|---------------|---------------|----------|
| Net working capital <sup>**)</sup> | € million | 1,062         | 1,119         | -57      | 1,062         | 1,356         | -294     |
| Net financial debt                 | € million | 427           | 445           | -18      | 427           | 634           | -207     |
| Gearing <sup>***)</sup>            | %         | 42            | 38            | +4%p     | 42            | 52            | -10%p    |
| Equity                             | € million | 1,022         | 1,182         | -160     | 1,022         | 1,225         | -203     |
| Equity ratio                       | %         | 38.2          | 40.5          | -2.3%p   | 38.2          | 38.4          | -0.2%p   |
| Total assets                       | € million | 2,675         | 2,916         | -241     | 2,675         | 3,193         | -518     |

  

| Employees                                       |  | Sep. 30, 2020 | Dec. 31, 2019 | Variance | Sep. 30, 2020 | Sep. 30, 2019 | Variance |
|---|--|---------------|---------------|----------|---------------|---------------|----------|
| Employees as of the end of the reporting period |  | 7,732         | 8,253         | -521     | 7,732         | 8,370         | -638     |

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

\*\*) Net Working Capital = Inventories plus trade receivables including contract assets and supplier bonus receivables less trade payables.

\*\*\*) 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 more than 150 locations in 13 countries, Klöckner & Co supplies more than 100,000 customers. Currently, the Group has more than 7,700 employees. Klöckner & Co had sales of some €6.3 billion in fiscal 2019. As a pioneer of change in the steel industry, Klöckner & Co is in the process of digitalizing its entire supply and value chain. XOM Materials, an independent venture launched by the Klöckner & Co Group, is geared to develop into the leading industry platform for steel, metal and related products.

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 External Communications  
Phone: +49 203 307-2050  
Email: christian.pokropp@kloeckner.com

**Investors**

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