

Interim Management Statement for 9M 2022

January 1, 2022 to September 30, 2022

- Nine-month operating income (EBITDA) before material special effects at €439 million in 2022, compared to €678 million in the prior-year period; including material special effects, EBITDA in the first nine months was €493 million
- EBITDA before material special effects was €16 million in the third quarter of 2022, despite negative windfall effects, an inventory writedown at the end of the quarter due to an exceptionally sharp fall in steel prices and an actively enforced reduction in inventories
- Strong net income of €301 million in the first nine months of 2022
- Shipments in the first nine months of 2022, at 3.6 million tons, were slightly down by 3.7% year-on-year due to rigorous application of the margin-over-volume strategy at the start of the year, and were negatively impacted by the deteriorating macroeconomic environment in the third quarter
- Very considerable increase in sales in the first nine months of 2022 to €7.4 billion due to higher sales prices (an increase of 36.5% year-on-year)
- Significantly positive cash flow from operating activities of €164 million in the first nine months of 2022 due to consistent net working capital management and, in particular, an actively enforced inventory reduction
- For the full year 2022, EBITDA before material special effects is expected to be around €400 million and cash flow from operating activities exceptionally positive

CONSIDERABLE SALES GROWTH, SHIPMENTS SLIGHTLY BELOW PRIOR YEAR

Shipments in the first nine months of 2022 amounted to 3.6 million tons, representing a decrease of 3.7% relative to the prior-year period. The decrease is due to the consistent margin-over-volume strategy against a backdrop of ongoing supply shortages and associated high steel prices at the beginning of the year and also due to weak demand, particularly during the summer months as a result of the negative macroeconomic environment. Shipments in the third quarter of 2022 came to 1.1 million tons (a decrease of 3.5% year-on-year).

Sales increased considerably from €5.4 billion to €7.4 billion (+36.5%) due to higher average prices in the first nine months. Overall, the average price level in the third quarter of 2022 continued to be considerably higher than a year earlier, with the result that third-quarter sales, at €2.4 billion, were likewise higher than in the prior-year period (€2.0 billion). After a significant increase in steel prices in Europe and the USA at the beginning of the year as a result of the Ukraine crisis, a sharp correction followed over the further course of the year.

Positive exchange rate effects, especially in relation to the US dollar, made the increase in sales even stronger. The currency-adjusted increase in sales was 27.8%.

OPERATING INCOME DOWN ON PRIOR YEAR DUE TO ECONOMIC ENVIRONMENT

Klöckner & Co generated EBITDA before material special effects of €439 million in the first nine months of 2022 (prior year: €678 million). After material special effects of €54 million, EBITDA for the nine-month period amounted to €493 million. Whereas it was possible to benefit from a positive price environment in the first half of 2022, EBITDA before material special effects in the third quarter came to €16 million, down from €277 million in the prior year, despite the significantly improved normalized margin level, due to negative windfall effects, an inventory writedown at the end of the quarter as a result of an exceptionally high drop in steel prices and an actively enforced inventory reduction.

This resulted in net income of €301 million, compared to net income of €490 million in the first nine months of the prior year. Basic earnings per share therefore came to €2.96, compared to €4.84 in the prior-year period.

EARNINGS BY OPERATING SEGMENT

In the Kloeckner Metals US segment, operating income adjusted for material special effects went down to €190 million in the first nine months of 2022, compared to €355 million in the prior year. The decrease, despite the positive developments in selling prices, is due to a gross profit margin decline as a result of disproportionately large increases in inventory prices and higher transportation and logistics costs. On a currency-adjusted basis, nine-month operating income came to €168 million. As a result of consistent net working capital management and an actively enforced inventory reduction, EBITDA before material special effects amounted to €38 million in the third quarter (prior year: €146 million).

In the Kloeckner Metals EU segment, operating income adjusted for material special effects was €159 million in the first nine months of 2022, compared to €240 million in the prior-year period. With a slight increase in shipments, we benefited in this segment in the first half of 2022 from a very positive price trend. As a result of the price correction in the further course of the year and the active reduction in inventories combined with lower goods receipts and the inventory writedown, third-quarter results in this segment were considerably depressed. In total, there was an operating loss of €32 million, compared with an income of €97 million in the prior year. EBITDA after material special effects in the first nine months amounted to €165 million (prior year: €252 million).

EBITDA before material special effects in the Kloeckner Metals Non-EU segment, at €86 million in the first nine months of this fiscal year, was only slightly down on the prior-year earnings of €88 million despite the macro-economic challenges, largely due to the consistent margin-over-volume strategy at the beginning of the year. Among other things, the sale of a property in Switzerland resulted in material special effects of €50 million, putting EBITDA after special effects at €135 million. The segment's third-quarter EBITDA came to €9 million, compared to €34 million in the prior-year quarter, mainly due to the sharp price correction and disproportionately high increases in inventory prices as well as higher operating expenses for transportation and logistics.

STRONG AND SIGNIFICANTLY POSITIVE CASH FLOW FROM OPERATING ACTIVITIES

Total assets as of September 30, 2022 amounted to €4.6 billion, marking an increase of around 18% on the prior year-end.

Equity went up from €1,827 million (December 31, 2021) to €2,126 million. This was due to the strong net income of €301 million. Equity was thus well above the level as of the 2021 year-end and the equity ratio, despite the higher total assets, was a very solid 46% (December 31, 2021: 47%).

Mainly price driven, the net working capital of €2.2 billion was €0.4 billion above the figure as of the end of fiscal year 2021 (€1.8 billion) and likewise significantly higher than the figure as of September 30, 2021 (€1.6 billion). Despite the high price level, and as a result of the active net working capital management, net financial debt at the end of the third quarter 2022 increased only to €806 million (€762 million as of December 31, 2021).

Despite the increase in net working capital, cash flow from operating activities amounted to €164 million in the first nine months of 2022, compared to €76 million in the comparative period. Cash flow from investment activities was negative at €-17 million after €84 million in payments for capital expenditure and €67 million in receipts from divestments. Free cash flow came to €148 million in the first nine months of the fiscal year, compared to €32 million in the prior-year period.

Consistent net working capital management and an actively enforced reduction of inventories resulted in a particularly strong cash flow from operating activities of €163 million in the third quarter of 2022, compared to a cash outflow of €15 million in the comparative period. €37 million in payments for capital expenditure were partly offset by €1 million in receipts from divestments resulting in a cash outflow from investing activities of €36 million in the third quarter (Q3 2021: €18 million).

This resulted in the third quarter of 2022 in a positive free cash flow of €128 million, compared to a negative free cash flow of €-33 million in the same period of the prior year.

STABLE FINANCING WITH IMPROVED MATURITY PROFILE

The Klöckner & Co Group has a diversified financing portfolio with a total volume of €1.5 billion (excluding leases). Of this amount, around €1.0 billion is currently utilized. Including cash holdings of approximately €0.2 billion, the Group has strong liquidity reserves at its disposal.

In July 2022, Klöckner & Co together with the US core banks extended the ABL facility until July 2027 (with the facility amount unchanged at USD 450 million). The facility is secured by inventories and customer receivables at the US country organization and is primarily used for working capital financing in US dollars. On the basis of the strong operating performance, improved terms and conditions were obtained at the same juncture. The US ABL facility was already increased to USD 450 million and the European ABS program to €300 million in the first half of the year.

This measure enabled us to further improve our maturity profile. Taking into account the renewal of the US ABL facility, the volume-weighted remaining term to maturity of the core instruments at the reporting date is approximately 2.8 years.

IMPLEMENTATION OF THE GROUP STRATEGY – FURTHER STRENGTHENING OF PIONEER ROLE

The general economic environment in the third quarter of 2022 was strongly influenced by high inflation and related measures on the part of central banks and by concerns about potential supply shortages on already tight energy markets. Despite the challenging macroeconomic environment, Klöckner & Co was able to make further progress in implementation of its corporate strategy, "Klöckner & Co 2025: Leveraging Strengths".

NEXIGEN® – LAUNCH OF NEW BRAND FOR SUSTAINABLE BUSINESS SOLUTIONS

Establishing sustainable business models is a central component of the strategy. With the introduction of the Nexigen® umbrella brand, under which we bundle our integrated range of sustainable customer solutions, we have taken a further important step as a pioneer of a sustainable steel industry. Under Nexigen®, we have focused our range of sustainable products and services across the Group and provide transparent CO₂-reduced solutions in the categories of materials, processing and logistics. In this way, we assist customers with the reliable procurement of CO₂-reduced steel and metal products, providing them with full transparency about their CO₂ footprint. Combined with the comprehensive range of logistics solutions, circularity solutions and Sustainability Advisory Services (SAS), we thus support our customers in building sustainable supply chains.

On the launch of Nexigen®, our subsidiary Becker Stahl-Service was able to supply the first quantities of CO₂-reduced steel to our longstanding customer Mercedes-Benz AG. Emissions from this special product, from raw material extraction through to production ("cradle to gate"), totaled less than 500 kg of CO₂ per ton of steel – that is around 80% less than the average of around 2.5 tons of carbon per ton of steel via the blast furnace route. This means the supplied steel corresponded to the "Pro" category in Klöckner & Co's own categorization for transparent CO₂ emissions.

PROGRESS IN DIGITALIZATION AND AUTOMATION

The Group also further advanced its transformation with regard to digitalization and automation in the direction of "zero touch". The AI-based Kloeckner Assistant application has been extended with an additional core function and is now able to process text emails automatically in addition to PDF files. This new feature has already been successfully introduced in the German country organization and will be gradually rolled out to other countries. The addition of email text extraction makes Kloeckner Assistant an increasingly important tool in automated quotation and order processing. Over the course of the year, Kloeckner Assistant already handled sales of over €1 billion. In total, the proportion of sales generated via digital channels remained at a high level of 43% (Q3 2021: 46%).

OUTLOOK

We anticipate that the fourth quarter will see a seasonal and price-driven significant decrease in shipments and sales relative to the preceding quarter. Due to the significant correction in steel prices, the active inventory reduction against the background of the macroeconomic environment and the inventory writedowns, we expect EBITDA before material special effects in 2022 to be around €400 million. We also forecast an exceptionally positive cash flow from operating activities for fiscal year 2022. Additionally, positive material special effects, in the amount of €54 million, were already realized in the first nine months of the year.

Klöckner & Co SE

Financial information

for the nine-month period ending September 30, 2022

Shipments and income statement		Q3 2022	Q3 2021	Variance	Jan. 1 - Sept. 30, 2022	Jan. 1 - Sept. 30, 2021	Variance
Shipments	Tto	1,148	1,190	- 42	3,632	3,772	- 140
Sales	€ million	2,367	2,038	329	7,385	5,411	1,974
Gross profit	€ million	305	540	- 235	1,295	1,453	- 158
Gross profit margin	%	12.9	26.5	- 13.6%p	17.5	26.9	- 9.4%p
Earnings before interest, taxes, depreciation and amortization (EBITDA)	€ million	16	280	- 264	493	691	- 198
EBITDA before material special effects	€ million	16	277	- 261	439	678	- 239
EBITDA margin	%	0.7	13.7	- 13.0%p	6.7	12.8	- 6.1%p
EBITDA margin before material special effects	%	0.7	13.6	- 12.9%p	5.9	12.5	- 6.6%p
Earnings before interest and taxes (EBIT)	€ million	- 18	249	- 267	397	600	- 203
Earnings before taxes (EBT)	€ million	- 25	244	- 269	379	595	- 216
Net income	€ million	- 22	189	- 211	301	490	- 189
Net income attributable to shareholders of Klöckner & Co SE	€ million	- 22	185	- 207	295	483	- 188
Earnings per share (basic)	€	- 0.22	1.86	- 2.08	2.96	4.84	- 1.88
Earnings per share (diluted)	€	- 0.18	1.68	- 1.86	2.70	4.34	- 1.64
Cash flow statement							
		Q3 2022	Q3 2021	Variance	Jan. 1 - Sept. 30, 2022	Jan. 1 - Sept. 30, 2021	Variance
Cash flow from operating activities	€ million	163	- 15	178	164	76	88
Cash flow from investing activities	€ million	- 36	- 18	- 18	- 17	- 44	27
Free cash flow ^{*)}	€ million	128	- 33	161	148	32	116
Balance sheet							
			Sept. 30, 2022	Dec. 31, 2021	Sept. 30, 2021	Variance Sept. 30, 2022 vs. Dec. 31, 2021	Variance Sept. 30, 2022 vs. Sept. 30, 2021
Net Working Capital ^{**)}	€ million		2,185	1,813	1,559	372	626
Net financial debt	€ million		806	762	348	44	458
Gearing ^{***)}	%		38.3	42.1	21.5	- 3.8%p	16.8%p
Equity	€ million		2,126	1,827	1,627	299	499
Equity ratio	%		46.3	47.1	44.5	- 0.8%p	1.8%p
Total assets	€ million		4,592	3,878	3,657	714	935
Employees							
			Sept. 30, 2022	Dec. 31, 2021	Sept. 30, 2021	Variance Sept. 30, 2022 vs. Dec. 31, 2021	Variance Sept. 30, 2022 vs. Sept. 30, 2021
Employees as of the end of the reporting period			7,328	7,153	7,129	175	199

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

**) Net Working Capital = Inventories + trade receivables + contract assets + supplier bonus receivables /. trade liabilities /. contract liabilities /. advance payments received.

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

Klöckner & Co SE

Consolidated statement of income

for the nine-month period ending September 30, 2022

<i>(€ thousand)</i>	Q3 2022	Q3 2021	Jan. 1– Sep. 30, 2022	Jan. 1– Sep. 30, 2021
Sales	2,367,488	2,038,065	7,385,430	5,410,918
Changes in inventory	8,753	16,346	38,031	39,810
Own work capitalized	– 11	686	– 11	1,451
Other operating income	6,491	5,574	77,697	29,059
Cost of materials	– 2,070,848	– 1,513,945	– 6,128,511	– 3,997,440
Personnel expenses	– 156,292	– 147,636	– 463,540	– 448,166
Depreciation and amortization	– 33,316	– 31,029	– 95,509	– 90,846
Impairment losses of intangible assets and property, plant and equipment	– 4	– 30	68	– 421
Reversal of impairments of intangible assets and property, plant and equipment	-	285	-	285
Other operating expenses	– 139,931	– 118,980	– 416,556	– 344,615
Operating result	– 17,670	249,335	397,100	600,035
Income from investments	1,046	1,393	5,137	5,816
Finance income	885	113	1,943	8,038
Finance expenses	– 9,271	– 6,640	– 25,372	– 18,811
Financial result	– 8,386	– 6,527	– 23,430	– 10,774
Income before taxes	– 25,011	244,201	378,808	595,077
Income taxes	2,950	– 55,520	– 77,662	– 105,089
Net income	– 22,061	188,681	301,146	489,988
<i>thereof attributable to</i>				
– shareholders of Klöckner & Co SE	– 21,744	185,345	295,373	482,761
– non-controlling interests	– 317	3,336	5,773	7,226
Earnings per share (€/share)				
– basic	– 0.22	1.86	2.96	4.84
– diluted	– 0.18	1.68	2.70	4.34

Statement of comprehensive income

for the nine-month period ending September 30, 2022

<i>(€ thousand)</i>	Q3 2022	Q3 2021	Jan. 1– Sep. 30, 2022	Jan. 1– Sep. 30, 2021
Net income	- 22,061	188,681	301,146	489,988
Other comprehensive income not reclassifiable				
Actuarial gains and losses (IAS 19)	531	11,830	- 66,588	81,855
Related income tax	1,411	- 1,354	18,435	- 11,778
Total	1,942	10,476	- 48,153	70,077
Other comprehensive income reclassifiable				
Foreign currency translation	68,916	20,159	148,867	25,879
Gain/loss from cash flow hedges	- 1,801	-	- 1,994	-
Total	67,115	20,159	146,873	25,879
Other comprehensive income	69,057	30,635	98,720	95,956
Total comprehensive income	46,996	219,316	399,866	585,944
<i>thereof attributable to</i>				
- shareholders of Klöckner & Co SE	47,286	215,975	394,027	578,703
- non-controlling interests	- 290	3,341	5,839	7,241

Consolidated statement of financial position

as of September 30, 2022

Assets

<i>(€ thousand)</i>	September 30, 2022	December 31, 2021
Non-current assets		
Intangible assets	95,045	97,389
Property, plant and equipment	827,814	760,354
Other financial assets	37,152	27,622
Other non-financial assets	87,538	172,917
Current income tax receivable	-	5,429
Deferred tax assets	38,388	35,578
Total non-current assets	1,085,937	1,099,287
Current assets		
Inventories	1,918,950	1,715,723
Trade receivables	1,225,062	843,284
Contract assets	60,932	41,861
Supplier bonus receivables	28,227	55,543
Current income tax receivable	8,743	1,225
Other financial assets	24,704	20,875
Other non-financial assets	36,585	38,182
Cash and cash equivalents	199,477	57,628
Assets held for sale	3,198	4,154
Total current assets	3,505,878	2,778,475
Total assets	4,591,816	3,877,762

Equity and liabilities

<i>(€ thousand)</i>	September 30, 2022	December 31, 2021
Equity		
Subscribed capital	249,375	249,375
Capital reserves	568,622	568,729
Retained earnings	1,050,517	854,894
Accumulated other comprehensive income	236,195	138,619
Equity attributable to shareholders of Klöckner & Co SE	2,104,707	1,811,617
Non-controlling interests	21,570	15,731
Total equity	2,126,277	1,827,348
Non-current liabilities		
Provisions for pensions and similar obligations	40,178	50,024
Other provisions and accrued liabilities	16,588	17,352
Non-current financial liabilities	459,796	556,446
Other financial liabilities	665	137
Deferred tax liabilities	49,662	63,140
Total non-current liabilities	566,889	687,099
Current liabilities		
Other provisions and accrued liabilities	159,994	148,022
Income tax liabilities	37,696	29,690
Current financial liabilities	543,018	260,649
Trade payables	1,047,040	838,149
Other financial liabilities	40,432	32,625
Contract liabilities	184	5,099
Advance payments received	1,104	939
Other non-financial liabilities	69,183	48,141
Total current liabilities	1,898,650	1,363,315
Total liabilities	2,465,538	2,050,414
Total equity and liabilities	4,591,816	3,877,762

Consolidated statement of cash flows

for the nine-month period ending September 30, 2022

<i>(€ thousand)</i>	Q3 2022	Q3 2021	Jan. 1– Sep. 30, 2022	Jan. 1– Sep. 30, 2021
Net income	– 22,061	188,681	301,146	489,988
Income taxes	– 2,950	55,520	77,662	105,089
Financial result	8,386	6,527	23,430	10,774
Income from investments	– 1,046	– 1,393	– 5,137	– 5,816
Depreciation , amortization and impairments	33,320	30,774	95,441	90,981
Other non-cash income/expenses	– 654	320	– 640	375
Gain on disposal of non-current assets	71	– 1,650	– 55,543	– 13,870
Change in net working capital				
Inventories	157,654	– 337,816	– 48,957	– 574,012
Trade receivables, contract assets, supplier bonuses	27,212	– 76,056	– 280,108	– 438,343
Trade payables, contract liabilities and advanced payments	– 50,416	155,996	123,210	451,944
Change in other operating assets and liabilities	47,473	– 3,214	33,808	17,883
Interest paid	– 8,729	– 5,845	– 22,628	– 15,038
Interest received	346	108	1,000	271
Income taxes paid/ reimbursed	– 25,218	– 27,120	– 78,265	– 44,000
Cash flow from operating activities	163,388	– 15,168	164,419	76,226
Proceeds from the sale of non-current assets	1,198	3,785	67,065	12,046
Proceeds from financial assets	3	254	763	577
Payments for intangible assets, property, plant and equipment	– 17,056	– 20,050	– 56,490	– 50,579
Acquisition of subsidiaries	– 19,608	-	– 22,995	-
Payments for financial assets	– 376	– 1,573	– 4,933	– 6,247
Cash flow from investing activities	– 35,839	– 17,584	– 16,590	– 44,203
Dividend payments to shareholders of Klöckner & Co SE	-	-	– 99,750	-
Dividend payments to non-controlling interests	-	– 1,773	-	– 1,773
Borrowings and Repayment of financial liabilities	– 144,435	12,938	119,899	– 60,752
Repayment of leasing liabilities	– 9,782	– 14,754	– 30,506	– 37,659
Proceeds from derivatives	194	– 4,069	– 3,848	– 9,484
Cash flow from financing activities	– 154,023	– 7,658	– 14,205	– 109,668
Changes in cash and cash equivalents	– 26,474	– 40,410	133,624	– 77,645
Effect of foreign exchange rates on cash and cash equivalents	826	789	8,225	2,133
Cash and cash equivalents at the beginning of the period	225,125	136,675	57,628	172,566
Cash and cash equivalents at the end of the reporting period as per statement of financial position	199,477	97,054	199,477	97,054

Segment reporting

(€ million)	KloECKner Metals US		KloECKner Metals EU		KloECKner Metals Non-EU		Holding and other Group companies ^{*)}		Total	
	9M 2022	9M 2021	9M 2022	9M 2021	9M 2022	9M 2021	9M 2022	9M 2021	9M 2022	9M 2021
Shipments (Tto)	1,735	1,861	1,362	1,332	535	579	-	-	3,632	3,772
External sales	3,522	2,511	2,608	1,906	1,255	994	-	-	7,385	5,411
Gross Profit	536	648	442	506	317	299	-	-	1,295	1,453
Gross profit margin (%)	15.2	25.8	16.9	26.6	25.2	30.1	-	-	17.5	26.9
Segment result (EBITDA) ^{**)}	189	358	165	252	135	88	4	-6	493	691
EBITDA before material special effects	190	355	159	240	86	88	4	-6	439	678
Earnings before interest and taxes (EBIT)	149	321	143	229	106	61	-	-11	397	600
Cashflow from operating activities	175	10	2	82	-8	-2	-5	-14	164	76

(€ million)	KloECKner Metals US		KloECKner Metals EU		KloECKner Metals Non-EU		Holding and other Group companies ^{*)}		Total	
	9M 2022	FY 2021	9M 2022	FY 2021	9M 2022	FY 2021	9M 2022	FY 2021	9M 2022	FY 2021
Net working capital as of closing date ^{***)}	910	831	806	645	465	341	3	-5	2,185	1,813
Employees as of closing date	2,217	2,198	2,629	2,517	2,223	2,178	259	260	7,328	7,153

*) Including consolidations.

**) EBITDA = Earnings before income from investments, interest, taxes, depreciation and amortization and reversals of impairments on intangible assets and property, plant and equipment.

***) Net Working Capital = Inventories + trade receivables + contract assets + supplier bonus receivables / . trade liabilities / . contract liabilities / . advance payments received.

Financial Calendar

March 9, 2023	Annual Financial Statement 2022 Financial statement press conference Conference call with analysts
May 3, 2023	Q1 quarterly statement 2023 Conference call with journalists Conference call with analysts
May 17, 2023	Annual General Meeting 2023
August 2, 2023	Half-yearly financial report 2023 Conference call with journalists Conference call with analysts
October 31, 2023	Q3 quarterly statement 2023 Conference call with journalists Conference call with analysts

Subject to subsequent changes.

Klöckner & Co SE

Felix Schmitz
Head of Investor Relations |
Head of Strategic Sustainability

Telephone: +49 203 307-2295
Email: ir@kloeckner.com

Christian Pokropp
Head of Corporate Communications |
Head of Group HR

Telephone: +49 203 307-2050
Email: pr@kloeckner.com

Disclaimer

This statement contains forward-looking statements that are based on the current estimates of the Klöckner & Co SE management with respect to future events. They are generally identified by the words "expect", "anticipate", "assume", "intend", "estimate", "target", "aim", "plan", "will", "endeavor", "outlook" and comparable expressions, and generally contain information that relates to expectations or targets for economic conditions, sales or other performance measures. Forward-looking statements are based on currently valid plans, estimates and projections and are therefore only valid on the day on which they are made. You should consider them with caution. Such statements are subject to numerous risks and uncertainties (e.g. those described in publications), most of which are difficult to predict and are generally beyond the control of Klöckner & Co SE. The relevant factors include the effects of significant strategic and operational initiatives, including the acquisition or disposal of companies or other assets. If these or other risks or uncertainties materialize or if the assumptions underlying any of the statements turn out to be incorrect, the actual results of Klöckner & Co SE may be materially different from those stated or implied by such statements. Klöckner & Co SE can offer no assurance that its expectations or targets will be achieved. Without prejudice to existing legal obligations, Klöckner & Co SE does not assume any obligation to update forward-looking statements to take information or future events into account or otherwise. In addition to the figures prepared in line with IFRS or HGB (Handelsgesetzbuch – German Commercial Code), Klöckner & Co SE presents non-GAAP financial performance measures, e.g. EBITDA, EBIT, net working capital and net financial debt. These non-GAAP measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with IFRS or HGB. Non-GAAP key figures are not subject to IFRS or HGB, or to 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 interim management statement and calculated in accordance with the relevant accounting principles. Other companies may define these terms in different ways. Please refer to the definitions in the annual report.

Rounding

There may be rounding differences with respect to the percentages and figures in this report.

Variances to the German version

Variances may arise for technical reasons (e.g., conversion of electronic formats) between the accounting documents contained in this Annual Report and the format submitted to the Federal Gazette (Bundesanzeiger). In this case, the version submitted to the Federal Gazette shall be binding.

This English version of the interim management statement is a courtesy translation of the original German version; in the event of variances, the German version shall prevail over the English translation.

Evaluating statements are unified and are presented as follows:

+/- 0-1%	+/- >1-5%	+/- >5%
stable	slight	considerable

