

Interim Management Statement for 9M 2023

January 1, 2023 to September 30, 2023

- Operating income (EBITDA) of €172 million before material special effects in the first nine months of 2023, compared to €439 million in the prior-year period. Including material special effects, EBITDA for the first nine months was €151 million (prior-year period: €493 million)
- Despite the challenging macroeconomic environment and the steel price correction, EBITDA before material special effects in the third quarter of 2023 amounted to €41 million, compared to €16 million in the prior-year quarter
- Net loss of €8 million in first nine months of 2023
- In a continued challenging macroeconomic environment, shipments of 3.6 million tons in first nine months of 2023 only slightly below the prior-year period (– 1.9%)
- Sales decreased to €6.0 billion in first nine months of 2023, mainly price-driven (– 19.1% on prior-year period)
- Significantly positive cash flow from operating activities of €131 million in first nine months of 2023 (prior-year period: €164 million)
- Further strengthening of market position in North America through completion of acquisition and integration of National Material of Mexico with positive earnings contribution (EBITDA before material special effects) of €7 million since August 1, 2023
- EBITDA of €170 million to €200 million before material special effects and strong and significantly positive cash flow from operating activities expected for full year 2023
- Initiation of a European efficiency program to improve the operating income by around €25 million per year with planned execution from the fourth quarter of 2023 onwards

DEVELOPMENT OF SHIPMENTS AND SALES

Shipments totaled 3.6 million tons in the first nine months of 2023, which was only slightly below the prior-year period (– 1.9%). In the third quarter of 2023, shipments came to 1.2 million tons, up slightly from the prior-year quarter (+ 3.7%). Mainly due to the challenging macroeconomic environment and lower steel prices, sales in the first nine months decreased from €7.4 billion to €6.0 billion (– 19.1%). The sales of €1.9 billion in the third quarter of 2023 were lower than the €2.4 billion in the third quarter of 2022 (– 18.5%), mainly due to the lower average price level.

OPERATING INCOME DOWN ON PRIOR YEAR DUE TO CHALLENGING ENVIRONMENT

Despite the challenging environment, Klöckner & Co generated EBITDA of €172 million before material special effects in the first nine months of 2023 (prior year: €439 million). In the prior-year period, operating income notably benefited from significant positive price effects. After deducting negative material special effects of €21 million, EBITDA in the first nine months amounted to €151 million. Despite the continued challenging macroeconomic environment, EBITDA before material special effects in the third quarter of 2023 amounted to €41 million, compared to €16 million in the prior-year quarter and was driven by the continued positive development in North America and Switzerland. This resulted in a net loss of €8 million, compared to net income of €301 million in the first nine months of the prior year. Basic earnings per share therefore came to a negative €0.09, compared to positive basic earnings per share of €2.96 in the comparative period.

EARNINGS BY OPERATING SEGMENT

The Kloeckner Metals US segment continued to perform well. As a result of a significantly better economic environment in comparison with the European market, operating income before material special effects amounted to €156 million in the first nine months, compared to €190 million in the prior-year period. Earnings in the prior-year comparative period benefited in particular from an even more favorable market environment. As a result of consistent net working capital management, EBITDA before material special effects was €45 million in the third quarter of 2023, up on the prior-year figure of €38 million. The operating income in the third quarter of 2023 was also supported by the positive development of National Material of Mexico ("NMM"). Since completion of the acquisition and integration into the Klöckner Group on August 1, 2023, NMM generated EBITDA before material special effects of €7 million.

Operating income before material special effects in the Kloeckner Metals EU segment was a negative €26 million in the first nine months of the year, compared to €159 million in the prior-year period. While our gross profit margin in the prior-year period was disproportionately high due to exceptional price dynamics, the gross profit margin in the reporting period was comparatively low due to lower shipments and sharp price corrections with higher average inventory prices in the first nine months combined with inventory write-downs. After accounting for negative material special effects of €26 million related to the establishment of a hub structure in France, and positive special effects of €5 million from the sale of a business unit in Germany, EBITDA after material special effects in the first nine months was a negative €47 million (prior-year period: positive €165 million). As a result of the difficult market environment in Europe in which customers continue to postpone purchases, the ongoing negative price trend in this segment led to negative operating income of €21 million in the third quarter of 2023 (prior-year quarter: negative €32 million).

In the Kloeckner Metals Non-EU segment, EBITDA before material special effects was €42 million in the first nine months of the year, down on the €86 million in the prior-year period. Despite the fact that our shipments and sales were significantly down due to the muted development in the construction sector over the course of the year, proactive net working capital management enabled us to increase third-quarter operating income from €9 million in the prior-year quarter to €15 million in this difficult industry environment.

SIGNIFICANTLY POSITIVE CASH FLOW FROM OPERATING ACTIVITIES

In the third quarter of 2023, proactive net working capital management once again resulted in a significantly positive cash flow from operating activities of €36 million, compared to €163 million in the prior-year quarter. As a result of the acquisition of NMM, net working capital increased relative to the end of 2022 (€1.8 billion) to €1.9 billion. After €382 million in payments for capital expenditure, primarily related to the aforementioned acquisition, and €9 million in proceeds from divestments, free cash flow for the first nine months amounted to a negative €241 million, compared to a positive free cash flow of €148 million in the prior-year period.

Mainly due to the acquisition of NMM, net financial debt increased significantly to €923 million at the end of the third quarter of 2023 (December 31, 2022: €584 million).

Equity at the end of the third quarter of 2023 was €1,953 million, the same level as at the prior year-end (December 31, 2022: €1,968 million). Despite the increase in total assets, the equity ratio remained very solid at 46% (December 31, 2022: 51%).

STABLE FINANCING PORTFOLIO

The Klöckner & Co Group possesses a diversified financing portfolio with a total volume of approximately €1.4 billion (excluding leases). Around €0.9 billion of this amount is currently utilized. Including cash holdings of approximately €0.1 billion, the Group has solid liquidity reserves at its disposal. In August 2023, the purchase price for the acquisition of NMM was financed as planned by using the bilateral credit lines at our US subsidiary. The convertible bond issued in 2016 with an outstanding amount of €141 million was fully repaid as scheduled in September 2023 from existing financing sources. The core Group financing instruments have a volume-weighted remaining term of around three years.

EXECUTION OF GROUP STRATEGY IN CONTINUED CHALLENGING OVERALL ECONOMIC ENVIRONMENT

Although the economic environment remained challenging in the reporting period, Klöckner & Co was able to make further significant progress in implementing its corporate strategy, "Klöckner & Co 2025: Leveraging Strengths". The aim of this strategy is to establish Klöckner & Co as the leading one-stop shop for steel, other materials, equipment and processing services in Europe and the Americas.

At the end of the reporting period, the Group's Management Board lineup was streamlined and made more efficient. In this context, it was decided to reorganize the responsibilities of the members of the Management Board regarding the European business. Guido Kerkhoff, Chairman of the Management Board of Klöckner & Co SE, thus assumed responsibility for the Group's EU activities in addition to his existing portfolio. Effective October 1, 2023, the Management Board of Klöckner & Co SE therefore consists of the members Guido Kerkhoff (CEO), Dr. Oliver Falk (CFO) and John Ganem (CEO Americas). To support the Company's further growth, the implementation of the hub structure in France, which was decided at the beginning of the year is being driven forward. Klöckner & Co will complete this process in the fourth quarter of 2023. In response to the challenging macroeconomic environment, the Company plans to make its European business even more resilient for the future. To this end, target-oriented efficiency-enhancing measures for the country organizations in the Klöckner Metals EU and Klöckner Metals Non-EU segments have been decided as part of a European efficiency program and will be implemented successively from the fourth quarter of 2023. After the implementation of the measures under the European efficiency program – together with the establishment of the hub structure in France – we anticipate a 10% workforce reduction in the European distribution business, which will lead to a recurring annual improvement in operating income of around €25 million from 2024 onwards. In addition, the negative material special effects from the European efficiency program will be largely offset by positive special effects from related asset disposals.

SYSTEMATIC EXPANSION OF HIGHER VALUE-ADDED BUSINESS AND CONTINUATION OF DIGITALIZATION AND AUTOMATION INITIATIVES

The acquisition of NMM agreed in December 2022 was successfully completed in the reporting period and its integration into the Group implemented according to plan. NMM's results of operations, assets and liabilities are consequently included in the consolidated financial statements from August 1, 2023. NMM increases the proportion of higher value-added business at Group level and provides a growth platform for the North American market. As a result of the significantly expanded product and service portfolio, automotive and industrial customers have already requested an additional volume of 70,000 tons since the closing of the transaction.

We are consistently pursuing our goal of further expanding our higher value-added business and offering customers complex solutions along the entire value chain. In this way, we generate added value for our customers while further improving our underlying profitability base. In this context, at the beginning of October 2023, our US subsidiary Kloeckner Metals Corporation acquired Sol Components, a market leader in end-to-end structural solutions for the solar industry. This acquisition represents a further step in the development of sustainable business models and reinforces Klöckner & Co's future position in order to play a key role in North America's transition to renewable energy sources. Also during the reporting period, we invested in a state-of-the-art slitting line for aluminum products in our Swiss country organization, thus further strengthening our leading position in the Swiss market. This investment will significantly increase processing capacity, particularly for customers in the machinery and mechanical engineering sector. Once the new line is operational, which is planned for the second quarter of 2024, the ability to serve the market in neighboring countries will also enable further profitable growth.

The transformation within the Group in terms of digitalization and automation remains a further key element of our "Klöckner & Co 2025: Leveraging Strengths" strategy. Our artificial intelligence-based application Kloeckner Assistant was expanded last year to include the core functionality for the automatic processing of text emails. The implementation of this feature was successfully completed in most of our European country organizations during the reporting period. With the help of this feature, we have significantly improved the efficiency of our digital ordering processes in the relevant organizational units. As a result, the average number of manual interventions per digital order was reduced significantly by more than 14% in the first nine months of 2023 compared to the prior-year period. In addition, the number of automatically generated quotes more than doubled during the same period. We will continue to systematically pursue our goal of "zero touch" – i.e., value generation with minimum manual effort.

OUTLOOK

We expect the fourth quarter to show a slight decrease in shipments and sales compared to the previous quarter. For fiscal year 2023, due to the ongoing challenging macroeconomic environment, especially in Europe, we expect EBITDA of €170 million to €200 million before material special effects. We continue to expect a strong and significantly positive cash flow from operating activities expected for fiscal year 2023.

Klöckner & Co SE

Financial information

for the nine-month period ending September 30, 2023

Shipments and income statement		Q3 2023	Q3 2022	Variance	Jan. 1 - Sept. 30, 2023	Jan. 1 - Sept. 30, 2022	Variance
Shipments	Tto	1,191	1,148	43	3,562	3,632	- 70
Sales	€ million	1,929	2,367	- 438	5,972	7,385	- 1,413
Gross profit	€ million	314	305	9	1,006	1,295	- 289
Gross profit margin	%	16.3	12.9	3.4%p	16.8	17.5	- 0.7%p
Earnings before interest, taxes, depreciation and amortization (EBITDA)	€ million	41	16	25	151	493	- 342
EBITDA before material special effects	€ million	41	16	25	172	439	- 267
EBITDA margin	%	2.1	0.7	1.4%p	2.5	6.7	- 4.2%p
EBITDA margin before material special effects	%	2.1	0.7	1.4%p	2.9	5.9	- 3.0%p
Earnings before interest and taxes (EBIT)	€ million	5	- 18	23	50	397	- 347
Earnings before taxes (EBT)	€ million	- 9	- 25	16	18	379	- 361
Net income	€ million	- 12	- 22	10	- 8	301	- 309
Net income attributable to shareholders of Klöckner & Co SE	€ million	- 12	- 22	10	- 9	295	- 304
Earnings per share (basic)	€	- 0.12	- 0.22	0.10	- 0.09	2.96	- 3.05
Earnings per share (diluted)	€	- 0.12	- 0.18	0.06	- 0.09	2.70	- 2.79
Cash flow statement		Q3 2023	Q3 2022	Variance	Jan. 1 - Sept. 30, 2023	Jan. 1 - Sept. 30, 2022	Variance
Cash flow from operating activities	€ million	36	163	- 127	131	164	- 33
Cash flow from investing activities	€ million	- 340	- 36	- 304	- 373	- 17	- 356
Free cash flow ^{*)}	€ million	- 304	128	- 432	- 241	148	- 389
Balance sheet			Sept. 30, 2023	Dec. 31, 2022	Sept. 30, 2022	Variance Sept. 30, 2023 vs. Dec. 31, 2022	Variance Sept. 30, 2023 vs. Sept. 30, 2022
Net Working Capital ^{**)}	€ million	1,865	1,789	2,185	76	- 320	
Net financial debt	€ million	923	584	806	339	117	
Gearing ^{***)}	%	48.8	29.8	38.3	19.0%p	10.5%p	
Equity	€ million	1,953	1,968	2,126	- 15	- 173	
Equity ratio	%	46.4	51.0	46.3	- 4.6%p	0.1%p	
Total assets	€ million	4,214	3,859	4,592	355	- 378	
Employees			Sept. 30, 2023	Dec. 31, 2022	Sept. 30, 2022	Variance Sept. 30, 2023 vs. Dec. 31, 2022	Variance Sept. 30, 2023 vs. Sept. 30, 2022
Employees as of the end of the reporting period		7,774	7,304	7,328	470	446	

*) 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 payables /. non-financial 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, 2023

<i>(€ thousand)</i>	Q3 2023	Q3 2022	Jan. 1– Sep. 30, 2023	Jan. 1– Sep. 30, 2022
Sales	1,929,103	2,367,488	5,971,906	7,385,430
Changes in inventory	– 4,805	8,753	7,215	38,031
Own work capitalized	-	– 11	-	– 11
Other operating income	6,062	6,491	23,603	77,697
Cost of materials	– 1,609,938	– 2,070,848	– 4,972,906	– 6,128,511
Personnel expenses	– 149,488	– 156,292	– 465,198	– 463,540
Depreciation and amortization	– 36,245	– 33,320	– 101,252	– 95,441
Other operating expenses	– 129,824	– 139,931	– 413,544	– 416,556
Operating result	4,865	– 17,670	49,825	397,100
Income from investments	– 1,436	1,046	– 3,340	5,137
Finance income	908	885	3,189	1,943
Finance expenses	– 13,527	– 9,271	– 32,144	– 25,372
Financial result	– 12,619	– 8,386	– 28,955	– 23,430
Income before taxes	– 9,189	– 25,011	17,531	378,808
Income taxes	– 2,928	2,950	– 25,602	– 77,662
Net income	– 12,117	– 22,061	– 8,071	301,146
<i>thereof attributable to</i>				
– shareholders of Klöckner & Co SE	– 12,222	– 21,744	– 8,704	295,373
– non-controlling interests	105	– 317	633	5,773
Earnings per share (€/share)				
– basic	– 0.12	– 0.22	– 0.09	2.96
– diluted	– 0.12	– 0.18	– 0.09	2.70

Statement of comprehensive income

for the nine-month period ending September 30, 2023

<i>(€ thousand)</i>	Q3 2023	Q3 2022	Jan. 1- Sep. 30, 2023	Jan. 1- Sep. 30, 2022
Net income	- 12,117	- 22,061	- 8,071	301,146
Other comprehensive income not reclassifiable				
Actuarial gains and losses (IAS 19)	10,549	531	16,714	- 66,588
Related income tax	- 472	1,411	- 1,392	18,435
Total	10,077	1,942	15,322	- 48,153
Other comprehensive income reclassifiable				
Foreign currency translation	26,811	68,916	16,828	148,867
Gain/loss from cash flow hedges	- 2	- 1,801	764	- 1,994
Total	26,809	67,115	17,592	146,873
Other comprehensive income	36,886	69,057	32,914	98,720
Total comprehensive income	24,769	46,996	24,843	399,866
<i>thereof attributable to</i>				
- shareholders of Klöckner & Co SE	24,651	47,286	24,204	394,027
- non-controlling interests	118	- 290	639	5,839

Consolidated statement of financial position

as of September 30, 2023

Assets

<i>(€ thousand)</i>	September 30, 2023	December 31, 2022
Non-current assets		
Intangible assets	199,746	84,525
Property, plant and equipment	875,518	799,197
Other financial assets	36,130	36,415
Other non-financial assets	84,193	67,812
Deferred tax assets	50,200	45,321
Total non-current assets	1,245,787	1,033,270
Current assets		
Inventories	1,613,115	1,633,497
Trade receivables	1,016,342	848,782
Contract assets	66,905	49,078
Supplier bonus receivables	34,329	42,581
Current income tax receivable	42,560	19,937
Other financial assets	16,376	17,754
Other non-financial assets	54,618	31,743
Cash and cash equivalents	120,935	179,068
Assets held for sale	3,390	3,752
Total current assets	2,968,570	2,826,190
Total assets	4,214,357	3,859,460

Equity and liabilities

<i>(€ thousand)</i>	September 30, 2023	December 31, 2022
Equity		
Subscribed capital	249,375	249,375
Capital reserves	568,622	568,622
Retained earnings	959,782	1,008,383
Accumulated other comprehensive income	163,228	130,044
Equity attributable to shareholders of Klöckner & Co SE	1,941,006	1,956,422
Non-controlling interests	12,469	11,834
Total equity	1,953,475	1,968,256
Non-current liabilities		
Provisions for pensions and similar obligations	30,365	38,012
Other provisions and accrued liabilities	15,392	14,833
Non-current financial liabilities	786,519	400,805
Other financial liabilities	1,585	645
Deferred tax liabilities	81,631	47,548
Total non-current liabilities	915,493	501,843
Current liabilities		
Other provisions and accrued liabilities	145,005	145,941
Income tax liabilities	21,265	21,591
Current financial liabilities	254,509	358,549
Trade payables	859,555	776,571
Other financial liabilities	20,713	35,966
Non-financial contract liabilities	3,475	2,519
Advance payments received	2,761	5,637
Other non-financial liabilities	38,103	42,589
Total current liabilities	1,345,388	1,389,362
Total liabilities	2,260,881	1,891,204
Total equity and liabilities	4,214,357	3,859,460

Consolidated statement of cash flows

for the nine-month period ending September 30, 2023

<i>(€ thousand)</i>	Q3 2023	Q3 2022	Jan. 1– Sep. 30, 2023	Jan. 1– Sep. 30, 2022
Net income	– 12,117	– 22,061	– 8,071	301,146
Income taxes	2,928	– 2,950	25,602	77,662
Financial result	12,619	8,386	28,955	23,430
Income from investments	1,436	– 1,046	3,340	– 5,137
Depreciation, amortization, reversal of impairment losses and impairment losses on non-current assets	36,245	33,320	101,252	95,441
Other non-cash income/expenses	12	– 654	919	– 640
Gain on disposal of non-current assets	– 44	71	– 4,203	– 55,543
Change in net working capital				
Inventories	63,031	157,654	168,505	– 48,957
Trade receivables, contract assets, supplier bonus receivables	61,911	27,212	– 72,884	– 280,108
Trade payables, non-financial contract liabilities, advance payments received	– 100,473	– 50,416	10,642	123,210
Change in other operating assets and liabilities	– 1,415	47,473	– 46,269	33,808
Interest paid	– 13,908	– 8,729	– 29,654	– 22,628
Interest received	202	346	1,161	1,000
Income taxes paid	– 14,935	– 25,277	– 52,276	– 80,951
Income taxes received	392	59	4,388	2,686
Cash flow from operating activities	35,884	163,388	131,407	164,419
Proceeds from the sale of non-current assets	1,124	1,198	1,929	67,065
Proceeds from the disposal of a business unit	-	-	7,429	-
Dividends received	75	3	75	763
Payments for intangible assets, property, plant and equipment	– 29,171	– 17,056	– 66,616	– 56,490
Payments for investments in consolidated subsidiaries	– 310,194	– 19,608	– 312,421	– 22,995
Payments for financial assets	– 1,574	– 376	– 3,177	– 4,933
Cash flow from investing activities	– 339,740	– 35,839	– 372,781	– 16,590
Dividend payments to shareholders of Klöckner & Co SE	-	-	– 39,900	– 99,750
Borrowings of financial liabilities	527,844	4,498	623,610	398,810
Repayment of financial liabilities	– 183,261	– 148,933	– 360,924	– 278,911
Repayment of leasing liabilities	– 11,553	– 9,782	– 33,052	– 30,506
Proceeds from derivatives of financial activities	477	194	– 892	– 3,848
Cash flow from financing activities	333,507	– 154,023	188,842	– 14,205
Changes in cash and cash equivalents	29,651	– 26,474	– 52,532	133,624
Effect of foreign exchange rates on cash and cash equivalents	– 4,466	826	– 5,601	8,225
Cash and cash equivalents at the beginning of the period	95,750	225,125	179,068	57,628
Cash and cash equivalents at the end of the reporting period as per statement of financial position	120,935	199,477	120,935	199,477

Segment reporting

(€ million)	KloECKner Metals US		KloECKner Metals EU		KloECKner Metals Non-EU		Holding and other Group companies ¹⁾		Total	
	9M 2023	9M 2022	9M 2023	9M 2022	9M 2023	9M 2022	9M 2023	9M 2022	9M 2023	9M 2022
Shipments (Tto)	1,866	1,735	1,203	1,362	492	535	-	-	3,562	3,632
External sales	2,875	3,522	2,036	2,608	1,061	1,255	-	-	5,972	7,385
Gross Profit	504	536	242	442	260	317	-	-	1,006	1,295
Gross profit margin (%)	17.5	15.2	11.9	16.9	24.5	25.2	-	-	16.8	17.5
Segment result (EBITDA) ^{**}	156	189	- 47	165	42	135	1	4	151	493
EBITDA before material special effects	156	190	- 26	159	42	86	1	4	172	439
Earnings before interest and taxes (EBIT)	112	149	- 71	143	11	106	- 2	-	50	397
Cashflow from operating activities	83	175	- 11	2	50	- 8	10	- 5	131	164

(€ million)	KloECKner Metals US		KloECKner Metals EU		KloECKner Metals Non-EU		Holding and other Group companies ¹⁾		Total	
	9M 2023	FY 2022	9M 2023	FY 2022	9M 2023	FY 2022	9M 2023	FY 2022	9M 2023	FY 2022
Net working capital as of closing date ^{***}	879	698	638	715	347	369	1	7	1,865	1,789
Employees as of closing date	2,821	2,206	2,560	2,639	2,135	2,197	258	262	7,774	7,304

¹⁾ Including consolidations.

^{**}) EBITDA = Earnings before income from interest, taxes, investments, 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 payables / . non-financial contract liabilities / . advance payments received.

Financial Calendar

March 13, 2024	Annual Financial Statement 2023 Financial statement press conference Conference call with analysts
May 7, 2024	Q1 quarterly statement 2024 Conference call with journalists Conference call with analysts
May 23, 2024	Annual General Meeting 2024
August 1, 2024	Half-yearly financial report 2024 Conference call with journalists Conference call with analysts
November 6, 2024	Q3 quarterly statement 2024 Conference call with journalists Conference call with analysts

Subject to subsequent changes.

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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. For other terms not defined in this statement or the annual report, please refer to the glossary on our website at <https://www.kloeckner.com/en/glossary.html>.

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

