

Klöckner & Co SE

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Ad-hoc Announcements

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EARNINGS IN THE THIRD QUARTER BURDENED BY FALLING PRICES AND WEAK DEMAND

Duisburg, Germany, October 6, 2015 – Against the background of unexpectedly poor market conditions due to further declining prices and a weak demand for steel and metal products, Klöckner & Co will not meet the guidance for the third quarter. On the basis of preliminary figures, operating income (EBITDA) before restructuring expenses is now expected to be in the order of €30 million. The original outlook of €45-55 million was based on the assumption of a slight recovery of prices and robust demand. Contrary to the general market expectation, steel prices continued to decline, mainly due to a further decrease in quotations for Chinese steel exports. As a result, margins came under pressure and inventory write-downs became necessary. Furthermore, demand developed very sluggishly in anticipation of further declining prices.

The price and volume driven burdens are expected to initially continue in the fourth quarter. Hence, it can still be assumed for the fiscal year 2015 that operating income (EBITDA) before restructuring expenses will remain substantially below the prior-year figure. Despite the strained earnings situation, a positive free cash flow is to be expected for the current fiscal year as a whole.

In fiscal 2016, operating income (EBITDA) is expected to rise significantly again, even if the market environment remains only stable. Therefore, net income should be noticeably positive again as well. Additional positive development could arise from anti-dumping measures initiated in the US and Europe, mainly against Chinese exports.



The complete interim report as of September 30, 2015 containing the final figures will be published on November 3, 2015.



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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 MDAX®-Index of Deutsche Börse.

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