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Press Releases

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Klöckner & Co SE reports market-related impacts on earnings in second quarter of 2019

- Operating income (EBITDA) before material special effects, at €51 million (Q2 2018: €85 million), within the projected range of €50 million to €60 million
- Proportion of Group sales generated via digital channels further raised to 29% (Q2 2018: 20%)
- EBITDA guidance of €25 million to €35 million for third quarter of 2019

Duisburg, Germany, July 31, 2019 – In the second quarter of 2019, operating income (EBITDA), at €51 million before material special effects, was below the prior-year figure of €85 million. While Klöckner & Co benefited from a very positive market environment in the second quarter of 2018, earnings in the reporting quarter were impacted by negative price and volume effects. Including material special effects, EBITDA was €82 million as in the prior-year quarter. The sale of a property in the United Kingdom had a positive one-off effect of €36 million. Conversely, personnel-related measures at the Group holding company in Germany and in France reduced EBITDA by about €5 million in total. Net income was €28 million, compared with €33 million in the prior-year quarter. Earnings per share consequently came to €0.28 (Q2 2018: €0.33).

Klöckner & Co has continued to make good progress in its digital transformation. Accordingly, the proportion of sales generated via digital channels increased in the second quarter of 2019 to 29% (Q2 2018: 20%). After its entry into the consulting business, digital unit kloeckner.i successfully completed its first sizable consulting project with a DAX 30 company. XOM Materials, the independent industry platform launched by Klöckner & Co, likewise continued

its successful development. The platform has already recruited 34 distributors and over 300 customers, including another major international steel producer.

For the remaining course of the year, Klöckner & Co expects negative impacts from a fall in demand, principally from the European automotive and mechanical engineering sectors. Negative price effects in the USA are also likely to be larger than originally expected. The net outcome is guidance of €25 million to €35 million for EBITDA in the third quarter. For the full year, Klöckner & Co now expects EBITDA of €140 million to €160 million before and €170 million to €190 million including material special effects.

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 160 locations in 13 countries, Klöckner & Co supplies more than 100,000 customers. Currently, the Group has around 8,500 employees. Klöckner & Co had sales of some €6.8 billion in fiscal 2018. As a pioneer of change in the steel industry, Klöckner & Co is in the process of digitalizing its entire supply and value chain. In addition, its digital unit, kloeckner.i, is increasingly providing consulting services for external business clients. 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.

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