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E-Mail: pr@kloeckner.comInternet: www.kloeckner.com**Klöckner & Co with falling sales and earnings in a difficult market environment – positive outlook for 2020**

- Operating income (EBITDA) before material special effects €124 million, considerably below prior year (2018: €229 million) due to falling steel prices and weak demand
- Strongly positive cash flow from operating activities of €204 million, compared with €60 million in prior year
- Further increase in digital share of sales to 32% in fourth quarter of 2019 (Q4 2018: 25%)
- Considerably increase in operating income (EBITDA) expected for full year 2020

Duisburg, Germany, March 10, 2020 – Falling steel prices and weak demand resulted in a decline of around 7% in Klöckner & Co's sales to €6.3 billion in fiscal year 2019. While operating income (EBITDA) before material special effects was within the guidance range at €124 million (2018: €229 million), it remained substantially below the prior year, as did net income (negative €55 million, compared with €69 million in 2018). Earnings per share consequently amounted to a negative €0.56 (2018: positive €0.68). The negative earnings performance contrasted with a strongly positive cash flow from operating activities of €204 million, mainly driven by strict cuts in net working capital.

In light of the negative net income, the Management Board and Supervisory Board will be proposing to the Annual General Meeting on May 20, 2020 that no dividend be distributed for the fiscal year 2019.

Despite the difficult market environment, the Company continued to drive its digital transformation forward. The share of sales generated via digital channels increased again, reaching 32% in the fourth quarter of 2019 (Q4 2018: 25%). The Kloeckner Assistant, a digital application, was also launched, which uses Artificial Intelligence to automate and significantly



speed up the processing of price inquiries and orders received through conventional channels such as fax or phone. This makes virtually every customer a digital customer without having to change their processes.

The XOM Materials open industry platform launched by Klöckner & Co again showed dynamic growth during the past fiscal year. More than 60 suppliers with some 22,000 products and around 700 customers were already registered with XOM Materials at the beginning of the current year. The integration of additional solutions such as eShops and eProcurement services will further enhance the platform's attractiveness, thus additionally boosting growth.

Klöckner & Co already anticipates a considerable increase in operating income (EBITDA) for fiscal year 2020. The expected positive earnings performance will be driven by the anticipated increase in the stability of steel prices as well as planned efficiency improvements and cost savings such as those generated through the growing automation of processes thanks to digital applications.

The share of sales generated via digital channels is to be raised to over 40% this year and to over 60% by 2022. By that point, the expansion of digital solutions will substantially increase efficiency and market share for Klöckner & Co. The Company expects this alone to generate an additional contribution to operating income of at least €100 million by 2022.

Gisbert Rühl, CEO of Klöckner & Co SE: "Despite the difficult market environment and disappointing earnings, we have continued to drive Klöckner's digital transformation forward persistently. Thanks to the substantial progress we have made, we are optimistic that this will deliver an additional contribution to operating income of at least €100 million by 2022."



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 8,300 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. 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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