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E-Mail: pr@kloeckner.comInternet: www.kloeckner.com**KLÖCKNER & CO SE POSTS FISCAL YEAR 2014 RESULTS WITH SHARP RISE IN EARNINGS**

- Sales up 2.0% to €6.5 billion
- Gross profit margin further improved from 18.6% to 19.4% through stronger focus on higher-margin business
- Major improvement in operating income (EBITDA) from €124 million to €191 million and in net income from loss of €90 million to profit of €22 million
- Net income allows return to dividend distributions, with dividend of €0.20* per share
- kloeckner.i launched as dedicated Group Center of Competence for Digitalization in Berlin
- Further increase in EBITDA** expected for 2015 despite difficult start to year

Figures relate to fiscal year 2014 relative to prior year.

*Proposal to the May 12, 2015 Annual General Meeting.

**Outlook does not include any effects of further restructuring measures in France.

Duisburg, Germany, March 5, 2015 – Klöckner & Co SE's sales rose by 2.0% to some €6.5 billion in fiscal year 2014. Due to the lower price level in Europe, sales did not increase quite as strongly as shipments (up 2.4% to around 6.6 million tons). Sharper focus on higher-margin business made gross profit margin rise from 18.6% to 19.4%.

Driven mainly by contributions totaling €52 million from the KCO 6.0 and KCO WIN restructuring and optimization programs, operating income (EBITDA) went up by 53.3%, from €124 million to €191 million. The improvement in net income was even more substantial. Net income was



back in positive figures at €22 million, compared with a loss of €90 million in the prior-year period. Earnings per share improved accordingly from a negative €0.85 to a positive €0.22.

Gisbert Rühl, CEO of Klöckner & Co SE: “We made major progress last year in what is still a challenging environment. As already announced, with net income back in positive figures, our shareholders stand to receive an appropriate portion. At the Annual General Meeting, the Supervisory Board and Management Board will therefore be proposing the payment of a dividend of €0.20 per share.”

Sharp rise in earnings in both segments

Despite the lower price level, and largely driven by the inclusion of Swiss acquisition Riedo from the second quarter, sales in the Europe segment went up by 2.0% to €4.1 billion. In a persistently difficult market environment, EBITDA increased, mainly due to internal measures, by 20.6% from €90 million to €108 million.

By contrast, the 2014 price level in the US, which is by far the dominant part of the Americas segment, was higher overall than in the prior year. As a result, segment sales increased by 1.9% to €2.4 billion despite the consolidation of locations at the end of 2013 and rigorously scaling back low-margin business. EBITDA improved even more substantially than in the Europe segment – by 66%, from €60 million to €100 million. Alongside internal measures, this also reflected a noticeably more positive market environment.

Major progress in digitalization of business processes As part of the “Klöckner & Co 2020” long-term growth strategy, Klöckner & Co plans to digitalize the entire supply and service chain, and already made tangible progress toward this in the past year. The new web shops – currently being enhanced into comprehensive customer portals – are thus already online in the Netherlands, Germany and the United Kingdom.

On the supplier side, the first major producer has followed in the footsteps of several wholesalers in committing to the use of electronic data exchange (EDI).

To bring together all digitalization projects under one roof, Klöckner & Co has launched kloeckner.i, a dedicated Group Center of Competence for Digitalization in Berlin. kloeckner.i develops and tests new digital solutions for implementation Group-wide. It also oversees online marketing activities and supports the transfer of knowledge and ideas relating to digital innovation across the Group. Up to 20 employees are to be recruited for kloeckner.i by the end of the year.



Klöckner & Co has set itself ambitious targets for further implementation of its digitalization strategy. The Group-wide rollout of the new web shops is scheduled for completion by the year-end. More than half of Group sales is to be generated online by as early as 2019.

Outlook

Klöckner & Co is fundamentally optimistic about global economic growth going forward and about the course of business in 2015, even though major macroeconomic and geopolitical uncertainties remain. As things stand, steel demand is expected to grow by between 1% and 2% in Europe and between 3% and 4% in the USA.

On this basis, and taking into account a likely fall in the steel price level, Klöckner & Co anticipates only a slight increase in sales this year. Like-for-like operating income (EBITDA) is expected to be significantly down on the prior-year quarter in the first quarter of 2015, at €15 million to €25 million, due to a sharp drop in steel prices in the USA, pressure on margins from exchange rates and potential inventory writedowns in Switzerland as well as a continued slowdown in construction activity in France. Despite this, Klöckner & Co expects a further increase in EBITDA for the full year; this outlook does not include any effects of envisaged restructuring measures in France.

Klöckner & Co plans further acquisitions as a growth accelerator. The focus here is on companies offering higher value-added products and processing services. Investments in startups are also planned in order to drive forward the digitalization strategy.

Gisbert Rühl: “Despite the further progress made with the internal measures we put in place last year, the expected impact on earnings in the first quarter from what is still excessive dependency on steel prices shows that we must continue to press rigorously ahead with the transformation. This includes driving forward expansion of higher value-added processing services, also via acquisitions, and above all digitalization of the entire value chain from supplier to customer.”



About Klöckner & Co: Klöckner & Co is the largest producer-independent distributor of steel and metal products and one of the leading steel service center companies in the European and American markets combined. The core business of Klöckner & Co is the warehousing and distribution of steel and non-ferrous metals as well as the operation of steel service centers. Based on the Group's distribution and service network, around 150,000 customers are supplied through around 220 locations in 15 countries. Currently Klöckner & Co employs around 9,700 employees. The Group had sales of around €6.5 billion in fiscal 2014.

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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