



# Klöckner & Co SE

A Leading Multi Metal Distributor



## Company Presentation

December 2010

**klöckner & co**

multi metal distribution

**We have** streamlined our strategy and set clearly defined targets – we want to develop Klöckner & Co faster than any competitor and make it the first truly global multi metal distributor with leading edge processes and systems.

The growth targets are ambitious but clearly defined: We aim to double our sales volumes in the next 5 years and triple to quadruple them by 2020.



# Agenda

## 01 Klöckner & Co – The Group

Overview

Strategy

History

Structure

## 02 Products and Services

## 03 Strategy

## 04 Facts and Figures



## Producers



## Distributor / Service Center

Products:



Services:

**Klöckner & Co SE**

- Largest manufacturer-independent steel and metal distributor in Europe and North America combined
- Distribution network with around 250 locations
- Key figures for 2010e
 

Sales volumes:	> €5,0 billion
EBITDA:	> €200 million
Sales volume:	> 5.0 million tons

## Customers



- Construction industry
- Steel construction
- Residential construction, building and underground construction

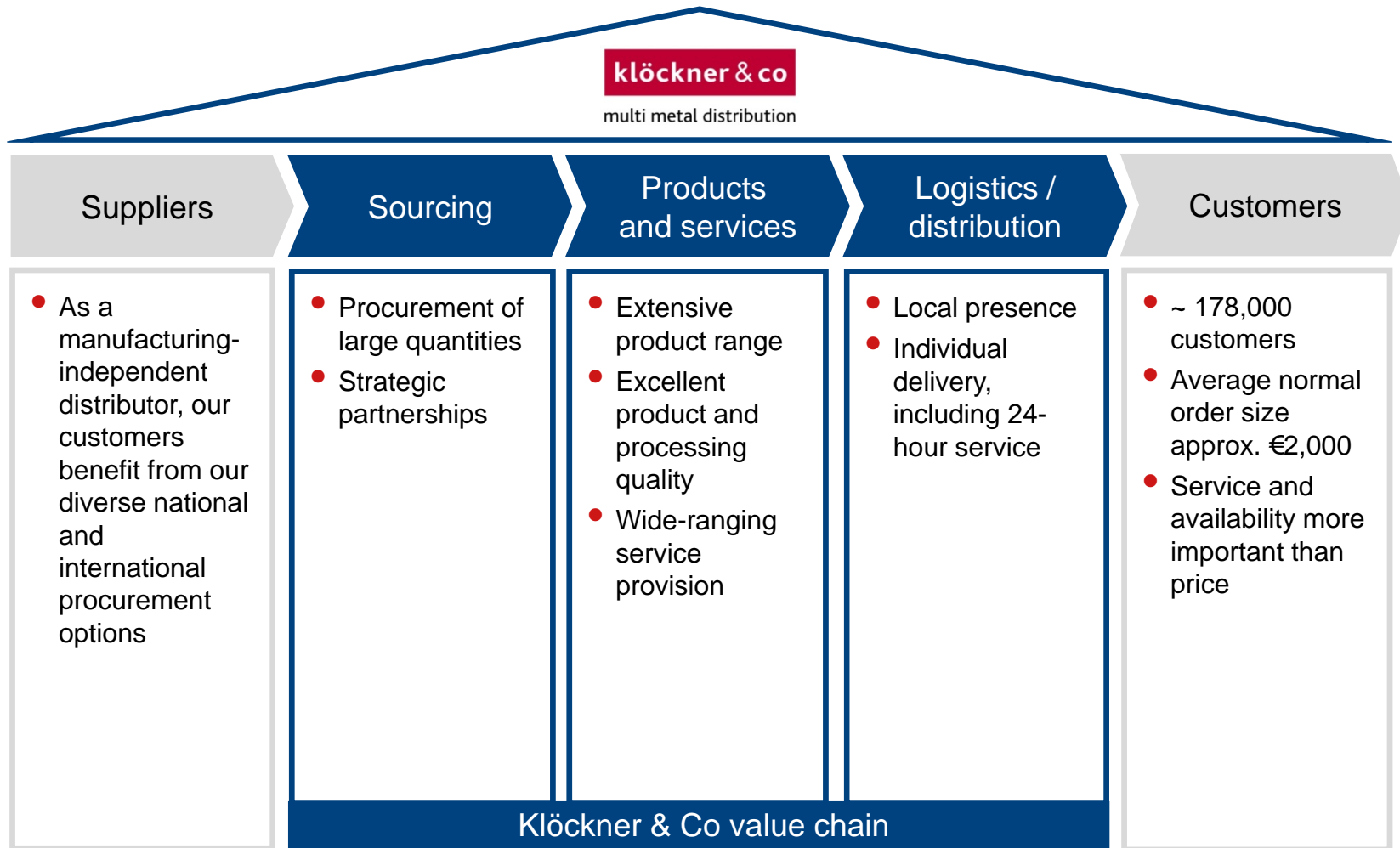


- Mechanical engineering and machinery



- Automotive
- White Goods
- Miscellaneous





Holistic solution from covering procurement, logistics and processing



# 01 Strategy Klöckner & Co 2020

Globalization

▶ Being the first global multi metal distributor

Growth

▶ Being the fastest growing multi metal distributor

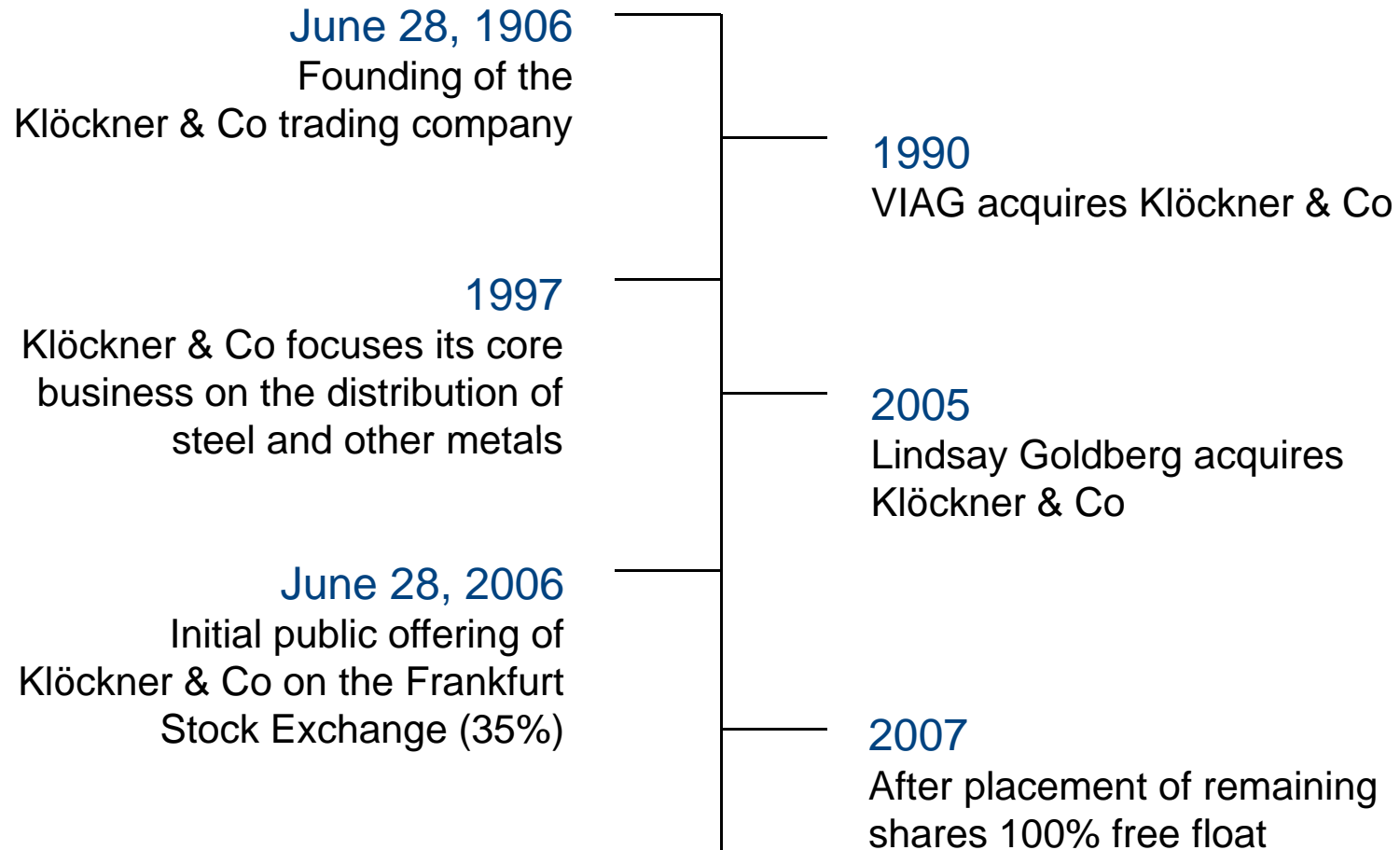
Business  
optimization

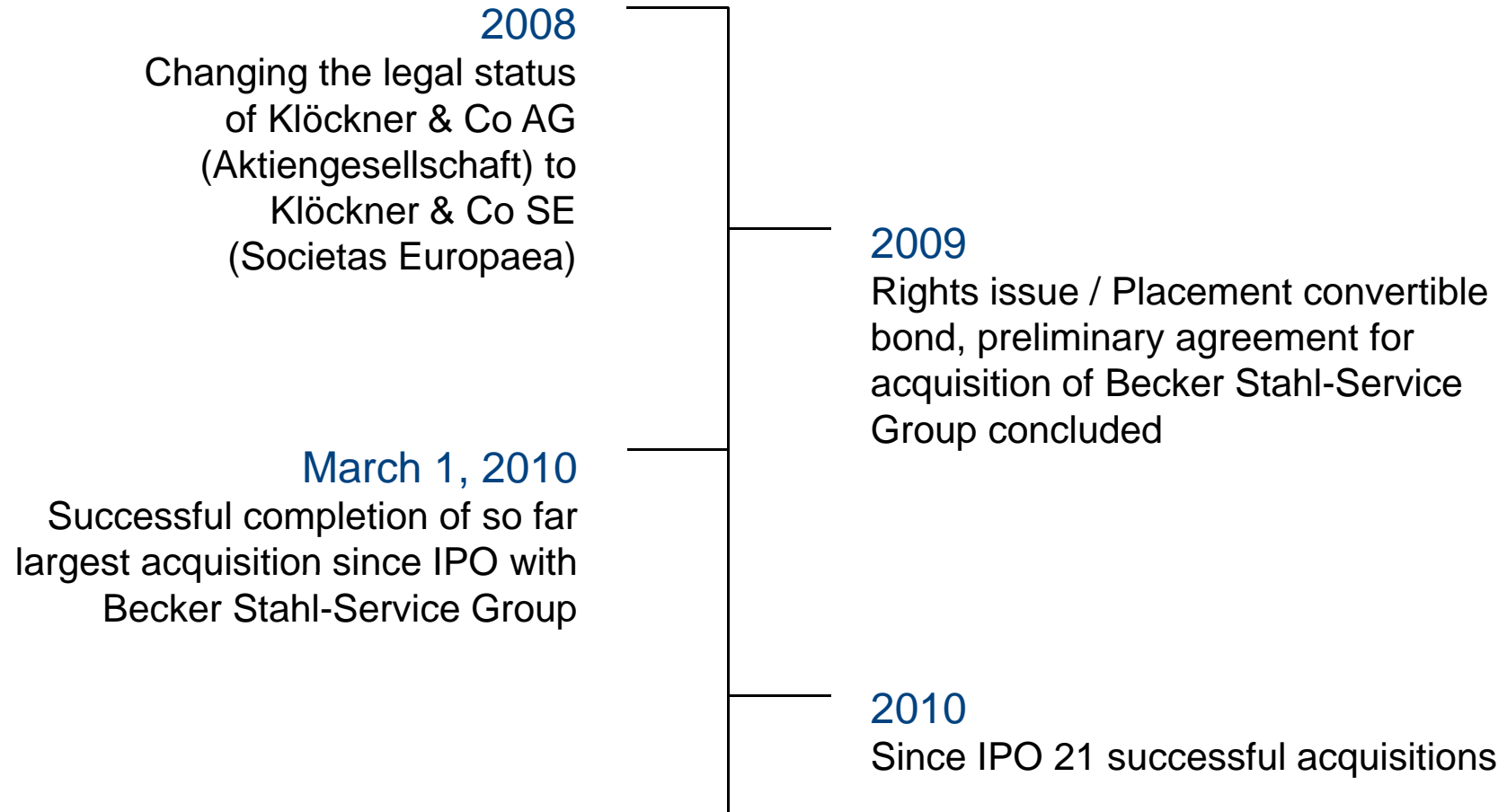
▶ Having leading edge processes and systems

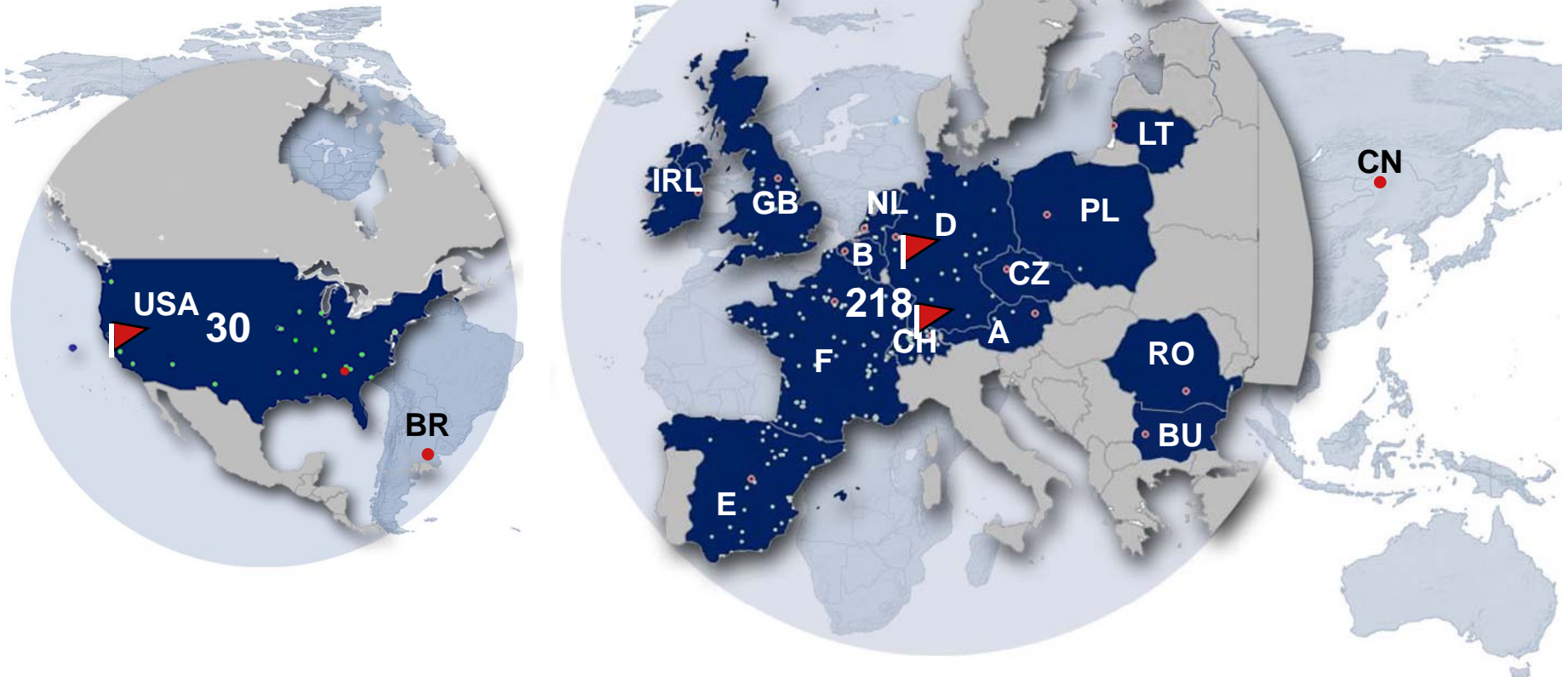
Management  
& employees


▶ Having best in class management and employees









 = acquisitions 2010



# 01 Subsidiaries

Country	Subsidiaries
Austria	Metall- und Service-Center GmbH
Belgium	Buysmetal N.V.
Bulgaria	Klößner Metalsnab AD
Czech Republic	Klößner Stahlhandel CZ,s.r.o.
France	Klößner Distribution Industrielle SA
Germany	Klößner Stahl- und Metallhandel GmbH Becker Stahl-Service GmbH
Great Britain	ASD metal services
Lithuania/ Baltic States	UAB Klößner Baltija
Netherlands	ODS B.V.
Poland	Klößner Stal i Metal Polska Sp. z.o.o.
Romania	S. C. Klößner Romania S.R.L
Spain	Comercial de Laminados S.A.
Switzerland	Debrunner Koenig Holding AG
USA	Namasco Corporation
China	Shanghai Representative Office



# Agenda

01 Klöckner & Co – The Group

02 Products and Services

Performance list

Sectors and markets

Product range

03 Strategy

04 Facts and Figures



As the largest producer-independent steel and metal distributor in the combined European and North American market:

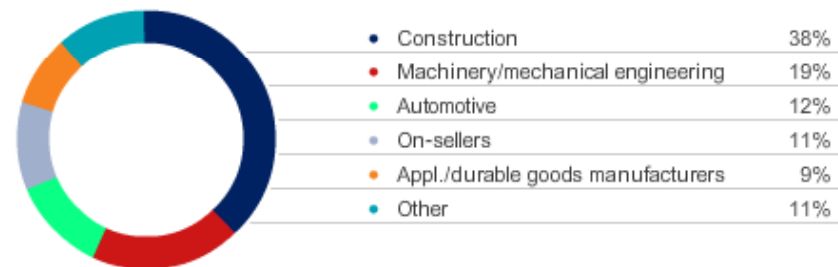
- we are producer-independent, which means our customers benefit from our wide range of local and international procurement options
- we guarantee top quality products and processing, with comprehensive product lines for our customers
- we provide our customers with the best overall solution, from procurement and logistics to processing. Service provision is especially important to us
- we supply to meet individual requirements, including 24-hour delivery
- we are close to our customers, both internationally and regionally
- we take care of storage for our customers
- we offer our customers long-term business relationships and great access to an international distribution network



### Internationality marks our sectors and markets

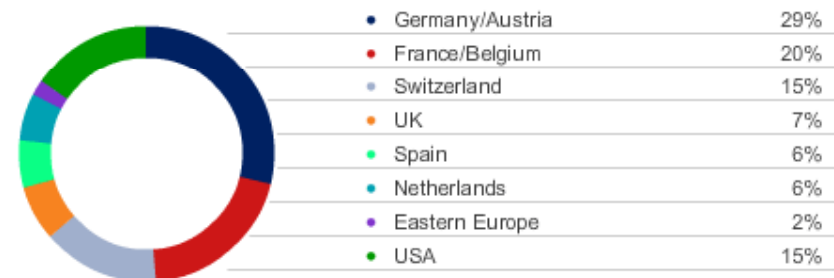
- Our customers are primarily from the construction industry as well as machinery and mechanical engineering. We also supply primary products for the automotive, ship-building and the consumer goods industries
- 3/4 of sales are generated abroad
- Worldwide around 250 warehouses and about 9,500 employees

### Sales split by industry\*:



as of December 2009

### Sales split by markets\*:



as of December 2009

\*Including Becker Stahl-Service Group (pro-forma figures (year ending September))



### Our product range is divided into following areas:

- Long products (e.g. heavy sections for the construction industry)
- Flat products (e.g. sheets and plates for machine builders or for the automotive industry)
- Hollow sections (e.g. structural hollow sections)
- Stainless steel and quality steel (e.g. high-alloyed round bars for machinery engineering applications)
- Aluminum (e.g. profiles for plant construction)
- Special products such as plastics, ironware and accessories
- In addition to rolled steel materials and pre-products, we offer extensive services such as cutting and slitting coils, cut-to-length, flame-cutting and surface treatment
- We also provide our customers with technical advice, storage facilities and just-in-time delivery

### Sales split by products\*:



as of December 2009

\*Including Becker Stahl-Service Group (pro-forma figures (year ending September))





**Flat Products**



**Profile Steel / Hollow Profiles / Tubes**



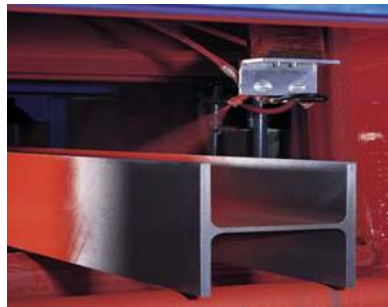
**Long Products / Structural Steel**



**Stainless / Aluminium**



**Cutting to Length,  
Miter Cutting,  
Bending**



**Blasting / Coating**



**Cutting and Slitting**



**Blanking, Flame  
Cutting**



# Agenda

01 Klöckner & Co – The Group

02 Products and Services

03 Strategy

At a glance - acquisitions since IPO

Klöckner & Co 2020: four lines of attack

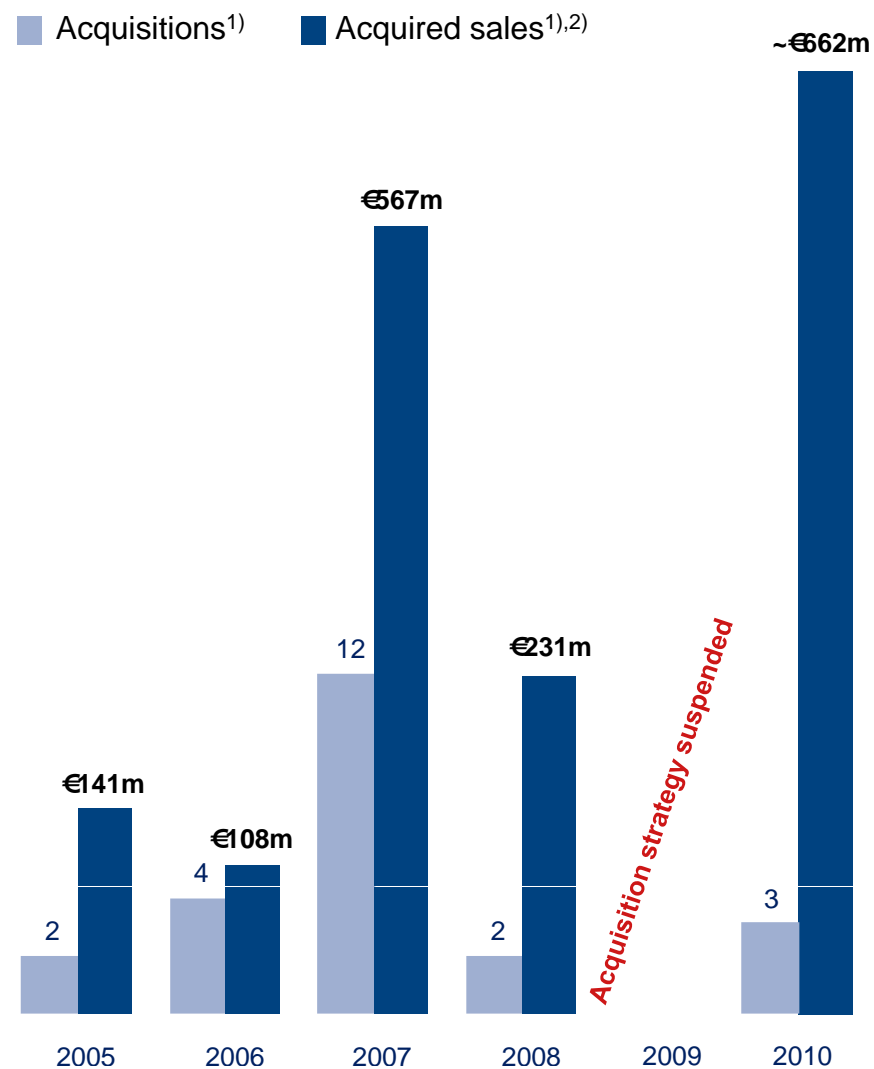
Klöckner & Co 2020: growth targets

04 Facts and Figures



# 03 Since IPO 21 successful acquisitions

Country	Acquired <sup>1)</sup>	Company	Sales (FY) <sup>2)</sup>
USA	Sep 2010	Angeles Welding & Mfg Inc	~€30m
GER	Mar 2010	Becker Stahl-Service	~€600m
CH	Jan 2010	Bläsi AG	€32m
<b>2010</b>			<b>3 acquisitions so far</b>
US	Mar 2008	Temtco	€226m
UK	Jan 2008	Multitubes	€5m
<b>2008</b>			<b>2 acquisitions</b>
CH	Sep 2007	Lehner & Tonossi	€9m
UK	Sep 2007	Interpipe	€14m
US	Sep 2007	ScanSteel	€7m
BG	Aug 2007	Metalsnab	€36m
UK	Jun 2007	Westok	€26m
US	May 2007	Premier Steel	€23m
GER	Apr 2007	Zweygart	€11m
GER	Apr 2007	Max Carl	€15m
GER	Apr 2007	Edelstahlservice	€17m
US	Apr 2007	Primary Steel	€360m
NL	Apr 2007	Teuling	€14m
F	Jan 2007	Tournier	€35m
<b>2007</b>			<b>12 acquisitions</b>
<b>2006</b>			<b>4 acquisitions</b>



<sup>1</sup> As of announcement

<sup>2</sup> Figures refer to the latest fiscal year, prior to the acquisitions of the companies



External  
growth  
strategy

- Continued growth outside the construction industry to better balance customer portfolio
- EBITDA-margin should be above current average at attractive multiples with transactions that are accretive from day one
- Targets should be more sizeable than in the past especially in the US
- Expansion of SSC business
- Entry in emerging markets

Organic  
growth  
strategy

- From “distribute into growing market” to “push to gain customers and market share”
- Improve sales performance through sales excellence program
- Expanding the share mainly in the area of higher margin products
- Stronger focus on value added services for industrial customer segments
- Filling white spots in existing countries

Business  
optimization

- Realizing further scale benefits in purchasing and product management
- Further optimization of inventory management
- Closer integration of country operations
- Implementation of industry leading systems and processes

Personnel &  
Management  
development

- Establish management competency model and management pool
- Develop a training and performance management
- Implement structured compensation and benefits system
- Improve employer branding

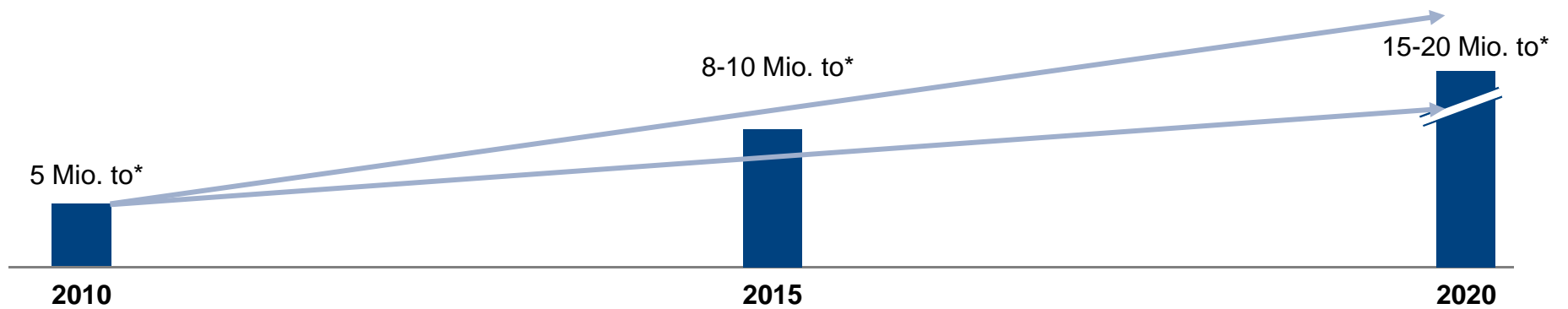


## 03 Ambitious targets for global growth

Get Ready

Accelerate

Sustain Momentum



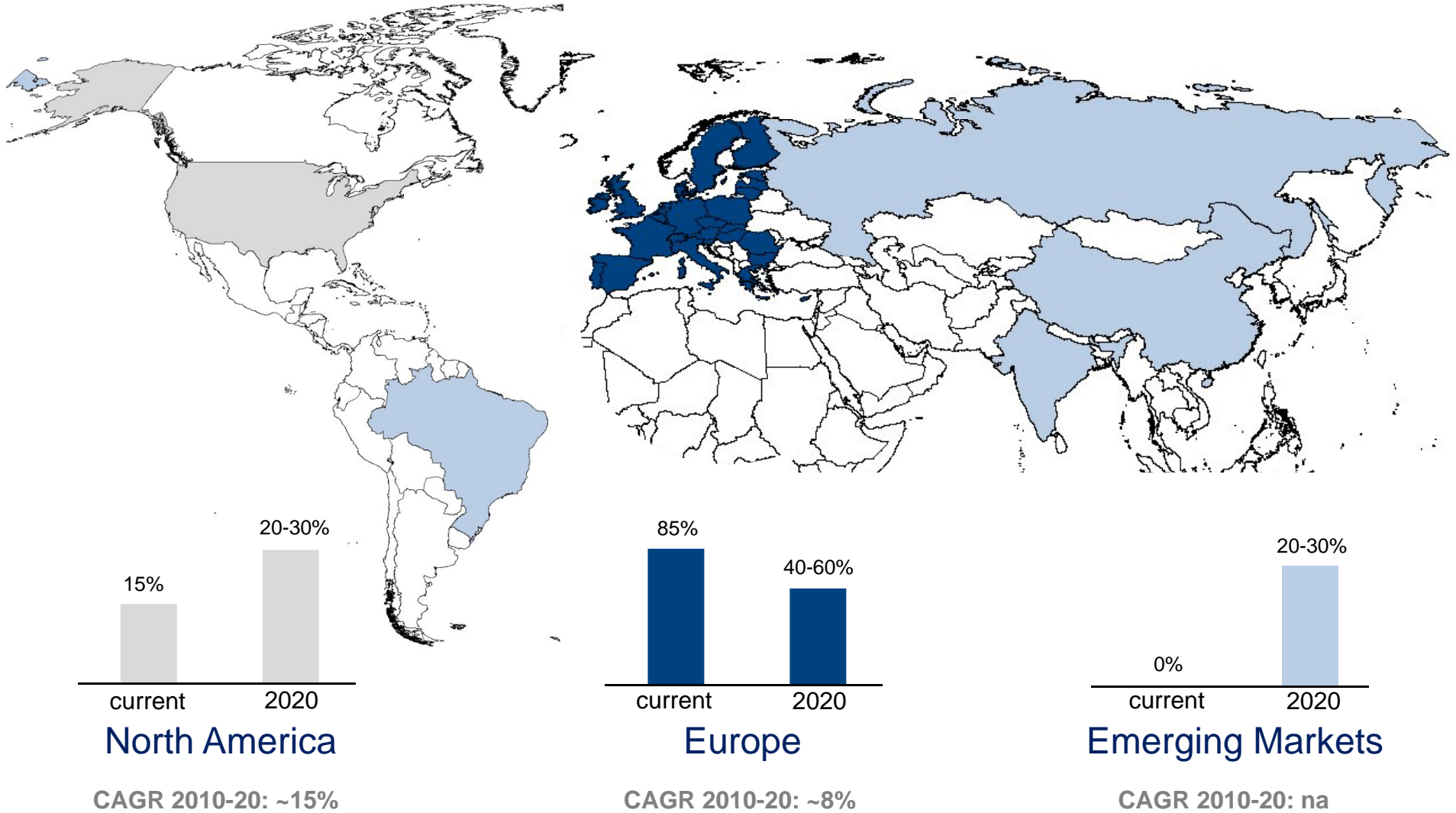
- Preparing organization for high growth
- Internationalize management
- Expanding footprint to emerging markets
- Implement industry leading processes

- Gaining growth momentum
- Expand business around new anchor points especially in emerging markets

- Sustain growth momentum
- Manage size and global footprint

\*Sales volumes





# Agenda

01 Klöckner & Co – The Group

02 Products and Services

03 Strategy

04 Facts and Figures

Key figures

Shareholder structure

Contact



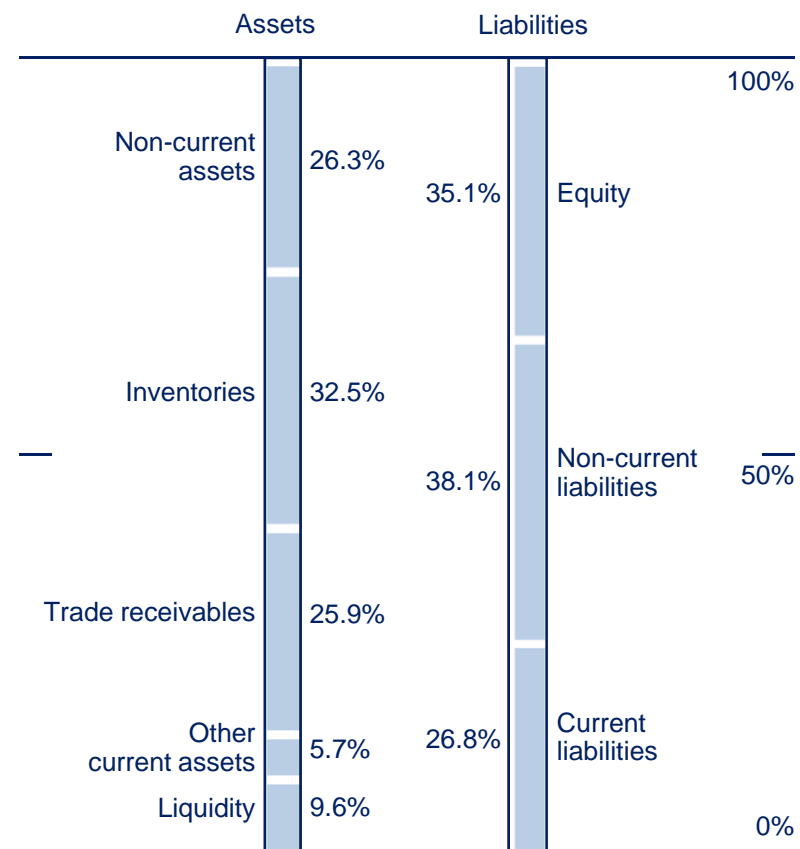
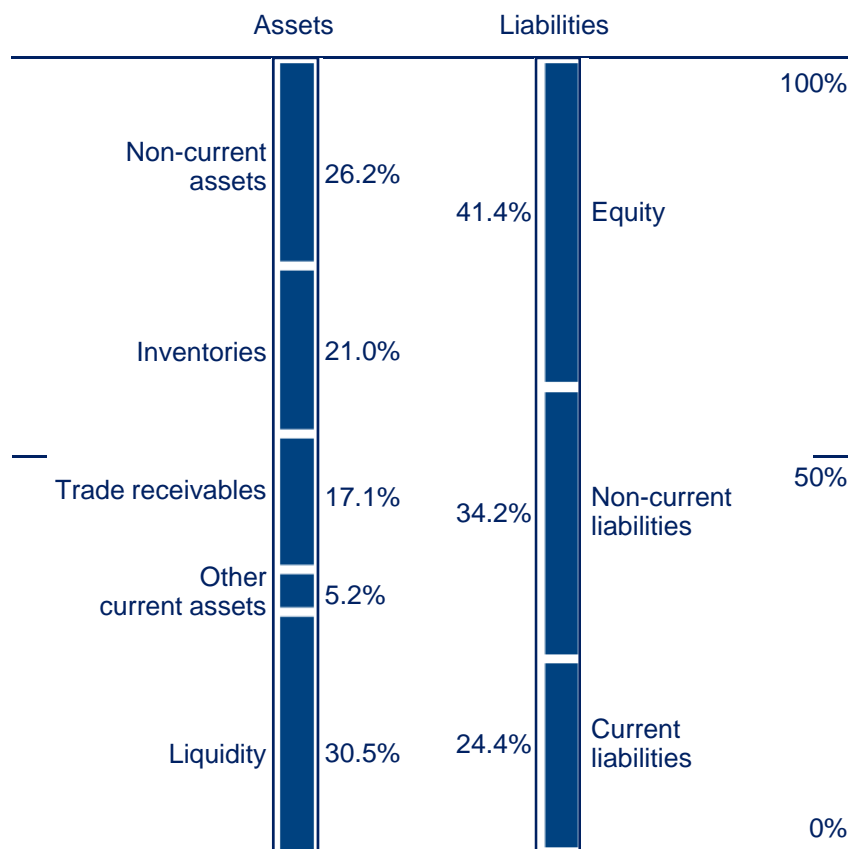
## 04 Key figures 2009

(in € million)	2009	2008
Sales	3,860	6,750
Earnings before interest, taxes, depreciation and amortization (EBITDA)	-68	601
Earnings before interest and taxes (EBIT)	-178	533
Earnings before taxes (EBT)	-240	463
Earnings after taxes (EAT)	-186	384
Earnings per share (basic)	-3.61	8.56
Earnings per share (diluted)	-3.61	8.11
Cash flow from operating activities	565	187
Cash flow from investing activities	-8	72
Net working capital	637	1,407
Net financial debt	-150	571
Equity	1,123	1,081
Balance sheet total	2,713	3,084
Sales volumes (to '000)	4,119	5,974
Employees as of December 31	9,032	10,282



2009: €2,713m

2008: €3,084m



## Shareholder structure of Klöckner &amp; Co SE



as of September 2010

Geographic distribution  
of Klöckner & Co SE  
institutional investors



as of September 2010

- Identified institutional investors account for 53%
- Retail shareholders represent 28%
- 100% free float



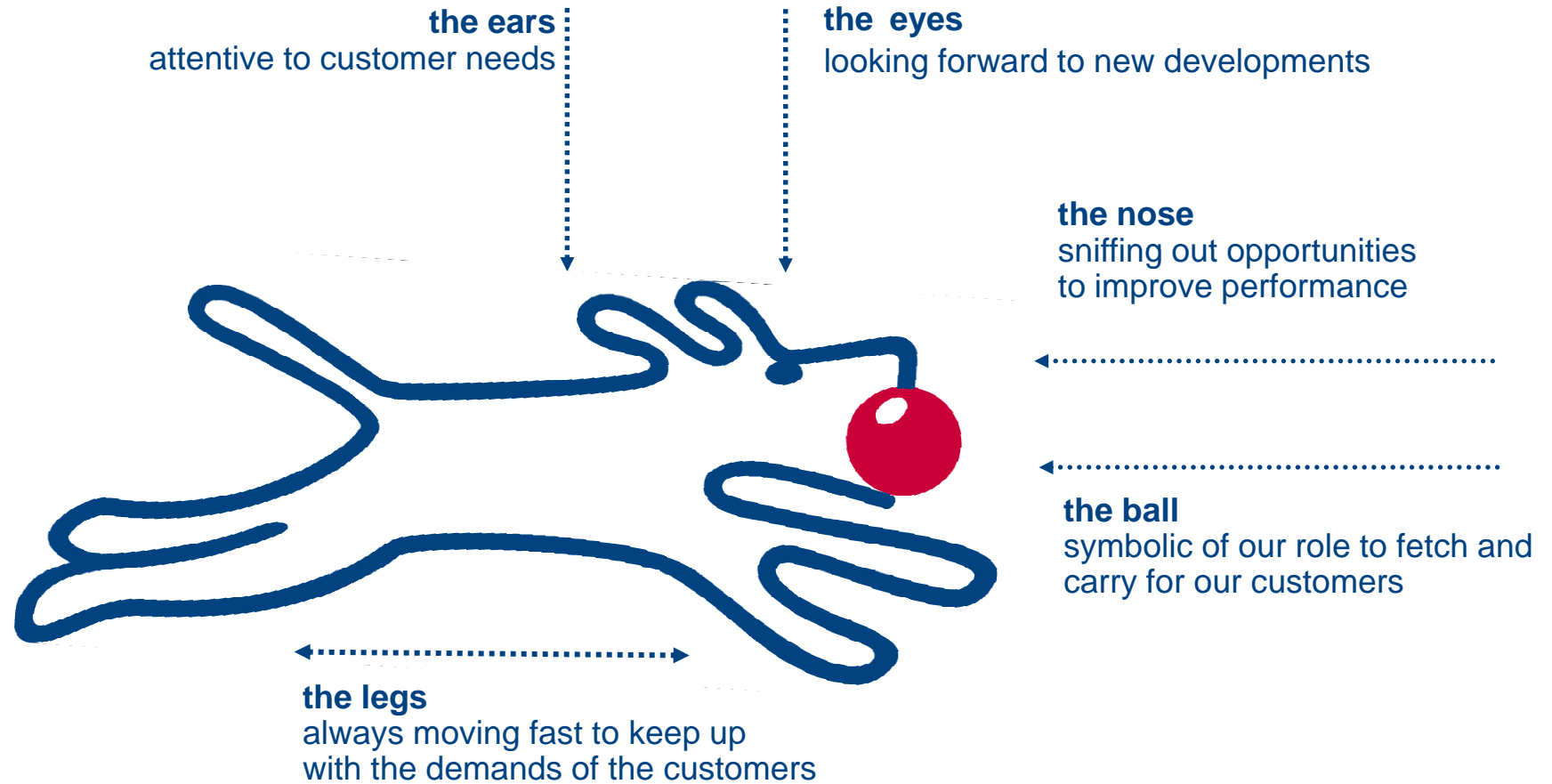
**Dr. Thilo Theilen, Head of Investor Relations & Corporate Communications**

Telephone: +49 (0) 203-307-2050

Fax: +49 (0) 203-307-5025

E-Mail: [thilo.theilen@kloeckner.de](mailto:thilo.theilen@kloeckner.de)





This presentation contains forward-looking statements. The statements use words like “believe”, “assume”, “expect” or similar formulations. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual results, financial situation, development or performance of our company and those either expressed or implied in these statements. The factors include, among other things:

- Downturns in the business cycle of the industries we compete in;
- Increases in our raw material prices, especially if we are unable to pass these costs along to customers;
- Fluctuations in international currency exchange rates as well as changes in the general economic climate
- and other factors identified in this presentation.

In view of these uncertainties, we caution you not to place undue reliance on these forward-looking statements. We assume no liability whatsoever to update these forward-looking statements or to have them conform with to future events or developments.

This presentation is not an offer for sale or a solicitation of an offer to purchase any securities of Klöckner & Co SE or any of its affiliates ("Klöckner & Co").

Klöckner & Co securities, including, but not limited to, rights, shares and bonds, may not be offered or sold in the United States or to or for the account or benefit of U.S. citizens (as such term is defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act")) unless registered under the Securities Act or have an exemption from such registration.

