

Q2

Interim Report

as of June 30, 2025

klöckner & co

Interim Group Management Report

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Klöckner & Co Group Figures

for the six-month period ending June 30, 2025

Shipments and income statement		Q2 2025	Q2 2024	Variance	HY1 2025	HY1 2024	Variance
Shipments	Tto	1,164	1,164	0	2,334	2,304	31
Sales	€ million	1,643	1,765	-122	3,309	3,502	-193
Gross profit	€ million	320	294	26	636	590	46
Gross profit margin	%	19.5	16.6	2.8 %p	19.2	16.9	2.4 %p
Earnings before, interest, taxes, depreciation and amortization (EBITDA)	€ million	63	42	21	81	79	2
EBITDA before material special effects	€ million	65	42	23	107	83	24
EBITDA margin	%	3.8	2.4	1.4 %p	2.4	2.3	0.2 %p
EBITDA margin before material special effects	%	4.0	2.4	1.6 %p	3.2	2.4	0.9 %p
Earnings before interest and taxes (EBIT)	€ million	33	11	22	21	16	4
Earnings before taxes (EBT)	€ million	19	-5	24	-4	-16	12
Net income from continuing operations	€ million	2	-18	20	-26	-26	0
Net income from discontinued operations	€ million	-	-5	5	-	-29	29
Net income	€ million	2	-23	25	-26	-55	29
Net income attributable to shareholders of Klöckner & Co SE	€ million	2	-23	25	-27	-56	29
Earnings per share (basic / diluted) – continuing operations	€	0.02	-0.18	0.20	-0.27	-0.27	0.00
Earnings per share (basic / diluted) – Group	€	0.02	-0.23	0.25	-0.27	-0.56	0.30

Cash flow statement		Q2 2025	Q2 2024	Variance	HY1 2025	HY1 2024	Variance
Cash flow from operating activities	€ million	75	61	14	-43	18	-60
Cash flow from investing activities	€ million	-31	-21	-10	-54	-44	-9
Free cash flow ^{*)}	€ million	44	41	4	-96	-26	-70

Balance sheet		June 30, 2025	Dec. 31, 2024	June 30, 2024	Variance June 30, 2025 vs. Dec. 31, 2024	Variance June 30, 2025 vs. June 30, 2024
Net working capital ^{**})	€ million	1,362	1,369	1,506	-7	-144
Net financial debt	€ million	870	780	779	90	91
Gearing ^{***})	%	58	46	47	12 %p	11 %p
Equity	€ million	1,514	1,721	1,720	-207	-207
Equity ratio	%	43.8	48.6	46.1	-4.9 %p	-2.3 %p
Total assets	€ million	3,459	3,538	3,733	-79	-274

Employees		June 30, 2025	Dec. 31, 2024	June 30, 2024	Variance June 30, 2025 vs. Dec. 31, 2024	Variance June 30, 2025 vs. June 30, 2024
Employees as of the end of the reporting period		6,531	6,507	6,396	24	135

*) Free cash flow = Cash flow from operating activities + cash flow from investing activities.

**) Net working capital = Inventories + trade receivables + contract assets + supplier bonus receivables ./ trade payables ./ contract liabilities ./ advance payments received.

***) Gearing = Net financial debt / (Equity ./ non-controlling interests ./ goodwill resulting from acquisitions subsequent to May 23, 2024).

Gearing as defined prior to the syndicated loan extension signed in December 2024 (consolidated equity ./ non-controlling interests ./ goodwill from business combinations subsequent to May 23, 2019) was 47% as of December 31, 2024. The gearing as of June 30, 2024 is stated in accordance with the definition prior to the loan extension.

Interim Group Management Report

Key developments in the first six months of 2025 and outlook

- Operating income (EBITDA) of €107 million before material special effects in the first six months of 2025 (HY1 2024: €83 million). Including material special effects, EBITDA for the first six months was €81 million
- In the second quarter of 2025, EBITDA before material special effects amounted to €65 million, considerably higher than in both the preceding quarter and the prior-year quarter
- Net income of €2 million in the second quarter and net loss of €26 million in the first half of 2025
- Driven by continued positive performance in the Kloeckner Metals Americas segment, shipments of 2.3 million tons in the first half of 2025 came in slightly higher than in the prior-year period (+1.3%) and shipments of 1.2 million tons in the second quarter on par with the prior-year quarter; sales of €3.3 billion in the first half of 2025 mainly price-driven considerably below the prior-year period (-5.5%)
- Significantly positive cash flow from operating activities of €75 million in the second quarter; negative €43 million in the first half year of 2025 (HY1 2024: positive €18 million)
- Despite the challenging macroeconomic environment, especially in Europe, EBITDA of €170 million to €240 million before material special effects and once again significantly positive cash flow from operating activities expected for the full year 2025

"Klöckner & Co: Leveraging Strengths – Step Up 2030"

The statements marked in the management report with these parentheses [] and the website links are unaudited voluntary content that has been critically read by the auditor.

[Under the corporate strategy implemented in 2021, "Klöckner & Co 2025: Leveraging Strengths," the Company continued to develop successfully, improved its operational positioning and achieved important milestones. We are now transitioning to the next phase of our strategic plan, with "Klöckner & Co: Leveraging Strengths – Step Up 2030."



Customer Centricity

The core of our strategy is Customer Centricity: We consistently align our products, services and processes with the needs of our customers in order to offer them the greatest possible added value and build sustainable partnerships.

Under our growth strategy, we aim to become the leading service center and metal processing company in the strong North American and European economic regions by 2030 – with one of the highest levels of profitability in the industry. To achieve this goal, we work to continue leveraging organic and inorganic growth opportunities and expanding our higher value-added business and service center activities. As a result, we will increase profitability while significantly reducing our exposure to steel price trends together with the volatility of our results.



Product & Service Portfolio Diversification

We will further intensify our working relationships with strategic partners and suppliers. Furthermore, through targeted measures and complementary services, we are working to integrate our products and services deeper than ever into our customers' value chains, in order to deliver solutions that create even more added value for our customers.



Operational Excellence

Higher Value-Added & Service Center Business



We increasingly focus on further diversifying and enhancing our product and service portfolio. The priority is to build a portfolio that generates even greater added value for our customers. This enables us to increase our share of wallet with existing customers, attract new custom, establish long-term contractual relationships – and thus further reduce the volatility of our results. Under the Nexigen® brand, we will increasingly offer our products and services in CO₂-reduced form to meet growing demand in the years ahead.

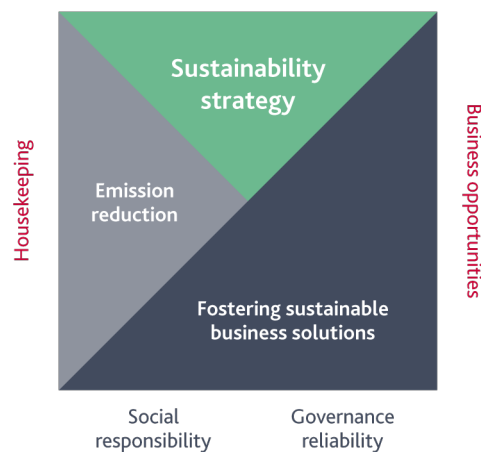
Strategic Partnerships



We aim to offer customers the most efficient solutions and the best service. One of our main goals is seamless integration into our customers' value chains. To this end, we will continue to identify and eliminate process inefficiencies. Our increasingly digitalized and automated business processes will help us further increase data-driven decision-making and drive operational and sales excellence for greater efficiency. We will continue to leverage our extensive expertise in automation and digitalization through the global deployment of our AI-powered tools to achieve economies of scale and create value with minimal manual effort, moving toward a "zero touch" model.

Sustainability strategy

We view our dedicated sustainability strategy from an overarching environmental, social and governance (ESG) perspective and purposefully integrate that perspective. Social responsibility and reliable corporate governance are integral elements here alongside environmental aspects.



We believe that innovation, technology and new business models, in particular, will enable the steel and metal industry's successful transformation to sustainability. As part of our Group strategy, we are consequently working as a pioneer of a sustainable steel industry to establish innovative business models by creating a comprehensive portfolio of sustainable customer solutions. By expanding our product and service portfolio, we are seizing the strategic opportunity to integrate the attractive business area of sustainable solutions into our business model. We see this transformation as a growth opportunity – not just in the future, but right now today.

Nexigen®

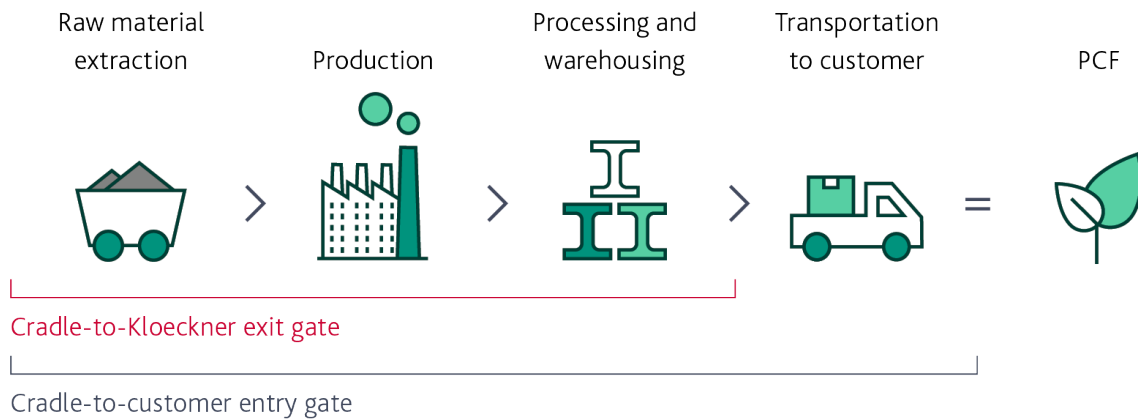
Under our Nexigen® umbrella brand, we have focused our sustainable product and service portfolio across the Group, providing transparent, CO₂-reduced solutions in the categories of materials, processing, logistics, circularity (closed-loop) solutions and comprehensive Sustainability Advisory Services for sustainable customer solutions. In this way, we are already helping customers to source CO₂-reduced steel and metal products, while our smart software solutions give them visibility into the carbon footprint of the products they buy. To provide our customers with optimum support in establishing sustainable value chains, we have introduced rating scales for our CO₂-reduced steel, stainless steel and aluminum products. The calculation methodology is rooted in international, science-based standards and categorizes the CO₂-reduced materials according to their certifiably calculated emissions along the entire value chain from resource extraction to production and processing, or cradle to Kloeckner exit gate. Our scales serve customers as a guide and a comparison tool for determining the carbon footprint of end products. Through partnerships, we already offer our customers CO₂-reduced steel and metal products today.



Categorization for carbon steel, in kg CO₂e per ton of steel.

In addition, we provide customers with an individual product carbon footprint (PCF) for almost every item in our product portfolio. This allows customers to reliably, transparently and easily verify the carbon footprint of a product purchased from Klöckner & Co. With the Nexigen® PCF Algorithm, we have developed an innovative tool whose automated PCF calculation methodology is certified by TÜV SÜD. In calculating the PCF, the Nexigen® PCF Algorithm follows the internationally recognized Greenhouse Gas Protocol and ISO standards 14067, ref. 14040 and 14044. On the basis of those standards, the algorithm calculates a product's cradle-to-customer entry gate emissions. As a result, customers have information about the carbon footprint of their materials, thus enabling them to make more sustainable product decisions.

Nexigen® PCF Algorithm



With the introduction of Nexigen® Data Services for the active management of product carbon emissions, we have made a further major step towards decarbonizing the steel and metal industry. This digital technology solution will enable customers to view, at a glance, the cradle-to-customer entry gate carbon emission history of all products so far sourced through Klöckner & Co, and automatically receive suggestions for alternative CO₂-reduced products and thus potential for reductions compared to past orders.

Nexigen® DaTa serVices

In recognition of our contribution to the decarbonization of the steel industry, we won the prestigious German Sustainability Award for the second time in succession. Winning the award for a second time highlights the fact that Klöckner & Co has successfully integrated sustainability into its business model and is thus making an effective contribution to transformation in the long term.]



Economic environment

Macroeconomic situation

The first half of 2025 saw the global economy in a critical phase. The USA announced a series of new tariff measures, with trading partners taking countermeasures in response. Many of the measures were put into effect, while some were later withdrawn. As a result, effective US tariff rates rose to levels not seen in a century. The rapid escalation of the trade conflicts and the exceptionally high level of political uncertainty severely impacted the global economy. Although global economic output increased slightly from the previous year, it fell short of initial expectations. This was due both to the direct effects of the new US trade measures and to indirect impacts due to spillover effects. In some cases, the negative impact on growth was partially offset by fiscal support.

The US economy cooled noticeably in the second quarter of 2025, with GDP growing a slight 1.8% compared to the prior-year quarter – considerably less than previously expected. Consumer, business and investor sentiment has deteriorated significantly since the beginning of the year. The main drivers were the historically high tariffs on steel, aluminum and numerous other imported goods, which caused a negative supply shock, and the considerable uncertainty due to the unpredictable policy environment. Economic growth was also negatively impacted by lower consumer spending in the second quarter of 2025 and by subdued demand growth overall. The labor market proved resilient, however, performing better than expected despite the economic slowdown.

In the Eurozone, GDP grew slightly by 1.1% in the second quarter of 2025 compared to the prior year. This is mainly due to weak domestic demand, high energy prices and the resulting reduction in industrial competitiveness. Weak consumer sentiment and heightened uncertainty increased private saving in the Eurozone and thus dampened growth in consumer spending, resulting in weak domestic demand. Increasing trade uncertainties and tariffs also weighed on the automotive and steel industries in particular. The slight growth in the Eurozone was supported by rising exports and investment.

GDP in China grew considerably by 5.2% in the second quarter of 2025 compared to the prior-year quarter. The lower growth compared to previous quarters reflects the impact of the recently introduced tariffs in the trade dispute with the US, which offset the positive statistical carryover effect from 2024 – notably due to a surprisingly strong fourth quarter – and fiscal expansion under the new budget. China's economic growth was mainly driven by an increase in exports, industrial production and infrastructure investment, with many US importers bringing orders forward before the trade tariffs came into effect. The ongoing weakness of the real estate sector and its impact on public finances were particularly relevant in terms of the weak consumer confidence and subdued domestic demand.

Development of GDP (in percent)	Q2 2025 vs. Q2 2024
USA	1.8
Mexico	0.2
Europe*)	1.1
Germany	0.3
Switzerland	1.1
China	5.2

*) Eurozone. Source: Bloomberg; in some cases provisional.

Industry-specific situation

According to the World Steel Association, global production of crude steel products was approximately 934.3 million tons in the first half of 2025, a slight decrease of 2.2% on the prior-year period. Production output was down slightly by 3.3% in the EU, while it remained constant in the US (+0.8%). Chinese production decreased slightly year on year (-3.0%).

Trend in key customer industries

CONSTRUCTION INDUSTRY

According to Oxford Economics, the US construction industry grew slightly by 2% in the first six months of this year. High material costs and high mortgage rates in particular prevented stronger growth. Increasing uncertainty for investment as a result of US trade policy caused numerous projects to be postponed and resulted in reluctance to invest. Growth in civil engineering helped offset weak growth rates in other construction industry segments. In the Eurozone, according to Oxford Economics, the sector's economic performance remained constant overall (-0.5%), while the Swiss construction industry has seen unexpectedly weak growth amounting to a slight 2% so far this year. The sector continued to benefit from the prevailing immigration trend and order backlogs supporting demand. A structural labor shortage prevented further growth in the sector, however.

MACHINERY AND MECHANICAL ENGINEERING

According to estimates by Oxford Economics, US machinery and mechanical engineering recorded a slight 2% growth in the reporting period. The sector initially benefited from a strong start to the year, bolstered by anticipatory effects ahead of planned tariff increases. However, the unstable policy environment and the extreme uncertainty facing companies as the first half-year progressed then led to negative developments. This reduced investment spending and hence also order intake in the sector. The tariff hikes also increased costs for US manufacturers, which rely on imported inputs. In the Eurozone, the sector declined slightly during the reporting period (-2%). Here, too, there was a short-run rise in output due to anticipatory effects with a view to the tariff increases, but uncertainty and the unpredictable trade policy environment had a negative impact on growth. Increasing competition from Asia also put further pressure on the sector in the Eurozone.

AUTOMOTIVE INDUSTRY

According to the German Association of the Automotive Industry (VDA), the US automotive market grew slightly by around 4% in the first six months of 2025, despite increasing uncertainty as a result of US trade policy. In the same period, the Mexican automotive industry remained constant (-0.2%). Unit sales of cars in China grew considerably by around 11%, driven by substantial financial support from the government for car purchases. According to the VDA, the automotive industry in Germany saw a considerable decline in unit sales of 5% in the first half of the year compared to the prior-year period. Despite real wage increases in Germany, the automotive industry continues to face low levels of consumer confidence, especially regarding major purchases.

Results of operations, financial position and net assets

The key figures for the results of operations, financial position and net assets in the second quarter and the first half of 2025 are set out in the following. Further information can be taken from Note 5 (Special items affecting the results) in the notes to the condensed interim financial statements.

KEY FIGURES RESULTS OF OPERATIONS

(€ million)	Q2 2025	Q2 2024	HY1 2025	HY1 2024
Shipments (Tto)	1,164	1,164	2,334	2,304
Sales	1,643	1,765	3,309	3,502
Gross profit ^{*)}	320	294	636	590
Gross profit margin (in %)	19.5	16.6	19.2	16.9
EBITDA ^{**)}	63	42	81	79
EBITDA margin (in %) ^{***)}	3.8	2.4	2.4	2.3
EBITDA before material special effects	65	42	107	83

^{*)} Gross profit = Sales / cost of materials + changes in inventory.

^{**) EBITDA = Earnings before interest, taxes, income from investments, depreciation and amortization and reversals of impairments on intangible assets and property, plant and equipment.}

^{***)} EBITDA margin = EBITDA / Sales.

OTHER KEY FIGURES

(€ million)	June 30, 2025	Dec. 31, 2024	June 30, 2024
Net working capital ^{*)}	1,362	1,369	1,506
Return on capital employed (ROCE) ^{**)}	1.7%	-0.8%	1.6%
Net financial debt ^{***)}	870	780	779
Gearing ^{****)}	58%	47%	47%
Leverage ^{*****)}	5.4x	5.7x	5.4x

^{*)} Net working capital = Inventories + trade receivables + contract assets + supplier bonus receivables / trade payables / contract liabilities / advance payments received.

^{**) ROCE = EBIT / capital employed = EBIT / (12-month average sum of non-current and current assets / cash and cash equivalents, equity investments and non-current securities).}

^{***)} Net financial debt = Financial liabilities as shown in the consolidated statement of financial position + transaction costs / cash and cash equivalents.

^{****)} Gearing = Net financial debt / (Equity / non-controlling interests / goodwill resulting from acquisitions subsequent to May 23, 2024).

Gearing as defined prior to the syndicated loan extension signed in December 2024 (consolidated equity / non-controlling interests / goodwill from business combinations subsequent to May 23, 2019) was 47% as of December 31, 2024. The gearing as of June 30, 2024 is stated in accordance with the definition prior to the loan extension.

^{*****)} Leverage = Net financial debt / last 12 months EBITDA before material special effects.

Shipments and sales

SHIPMENTS BY SEGMENTS

(Tto)	Q2 2025	Q2 2024	HY1 2025	HY1 2024
KloECKner Metals Americas	762	741	1,519	1,456
KloECKner Metals Europe	402	423	815	848
Group shipments	1,164	1,164	2,334	2,304

Shipments totaled 2.3 million tons in the first six months of 2025, marking a slight increase of 1.3% relative to the prior-year period. The increase in shipments is due to a continued positive trend in the KloECKner Metals Americas segment. This segment benefited from increased demand for steel and metal products in the first half of 2025 and also further increased its market share. In total, shipments there increased by 4.4% to 1.5 million tons. In the KloECKner Metals Europe segment, on the other hand, the persistently challenging macroeconomic environment in particular led to a decline in demand by 3.8% in the first half of 2025 to 0.8 million tons.

SALES BY SEGMENTS

(€ million)	Q2 2025	Q2 2024	HY1 2025	HY1 2024
KloECKner Metals Americas	963	1,050	1,950	2,081
KloECKner Metals Europe	680	714	1,359	1,421
Group sales	1,643	1,765	3,309	3,502

The slight year-on-year increase in volumes at Group level (1.3%) was not sufficient to offset the lower average price level in the first half of 2025 compared to the prior-year period, resulting in a considerable decline in sales from €3.5 billion to €3.3 billion (-5.5%). Adjusted for negative foreign exchange effects, the decline in sales in the first half of 2025 was 5.2%. Due to the above-mentioned lower average price level, sales in the three-month period fell considerably by 6.9% to €1.6 billion.

Earnings

(€ million)	Q2 2025	Q2 2024	HY1 2025	HY1 2024
Sales	1,643	1,765	3,309	3,502
Gross profit	320	294	636	590
Gross profit margin (in %)	19.5	16.6	19.2	16.9
OPEX ^{*)}	-257	-252	-555	-511
EBITDA	63	42	81	79
EBITDA before material special effects ^{**)}	65	42	107	83
EBIT	33	11	21	16
EBT	19	-5	-4	-16
Net income from continuing operations	2	-18	-26	-26
Net income from discontinued operations	-	-5	-	-29
Net income	2	-23	-26	-55

^{*)} OPEX: Own work capitalized + other operating income ./ personnel expenses ./ other operating expenses.

^{**)} Adjustments in HY1 2025: Loss on disposal of the Brazilian activities (€19.4 million) and restructuring expenses in the KloECKner Metals Americas segment (€0.4 million). Restructuring expenses in the KloECKner Metals Europe segment (€0.2 million) and in the Holding and other Group companies (€6.2 million).

Adjustments in HY1 2024: Income earned from a site closure and sale (€0.3 million) and expenses due to a site restructuring (€0.3 million) in the KloECKner Metals Americas segment. Restructuring expenses (€0.2 million) in the KloECKner Metals Europe segment. Provision for risk assumed on the sale of parts of the European distribution business (€4 million) in the Holding and other Group companies.

Gross profit increased considerably by €46 million to €636 million in the first half of 2025 and the gross profit margin improved from 16.9% to 19.2%, mainly driven by lower purchase prices compared to the prior-year period and by efficient inventory management. The gross profit margin in the first half-year increased from 16.9% to 20.4% in the Kloeckner Metals Americas segment and from 16.8% to 17.6% in the Kloeckner Metals Europe segment.

Other operating income and expenses (OPEX) changed as follows:

OPEX

(€ million)	Q2 2025	Q2 2024	HY1 2025	HY1 2024
Other operating income	7	7	15	14
Personnel expenses	-141	-135	-297	-274
Other operating expenses	-122	-124	-273	-252
OPEX	-257	-252	-555	-511

Comparability of OPEX with the prior-year period is limited due to special effects. Other operating expenses include non-recurring restructuring expenses of €26 million (HY1 2024: €4 million), of which €19 million consists of exchange rate losses on the deconsolidation of the Brazilian subsidiary Kloeckner Metals Brasil Ltda, São Paulo, Brazil, as of March 31, 2025.

The increase in personnel expenses in the first half of 2025 by €23 million to €297 million is mainly due to a larger workforce compared to the prior year as a result of acquisitions and to salary rises and increased variable remuneration, among other things relating to bonuses and virtual stock options.

In total, OPEX increased by €44 million, from €511 million in the prior-year period to €555 million. The currency-adjusted increase in OPEX was €45 million.

Group operating income (EBITDA) in the first half of 2025 consequently came to €81 million, compared to €79 million in the prior-year period.

EBITDA BY SEGMENTS (ADJUSTED FOR MATERIAL SPECIAL EFFECTS)

(€ million)	Q2 2025	Q2 2024	HY1 2025	HY1 2024
Kloeckner Metals Americas	66	41	114	84
Kloeckner Metals Europe	-2	-1	-6	-3
Holding and other Group companies	1	2	-1	2
Adjusted EBITDA of the Klöckner & Co Group	65	42	107	83
Net adjustments	-3	0	-26	-4
EBITDA	63	42	81	79

Adjustments in HY1 2025:

Loss on disposal of the Brazilian activities (€19.4 million) and restructuring expenses in the Kloeckner Metals Americas segment (€0.4 million). Restructuring expenses in the Kloeckner Metals Europe segment (€0.2 million) and in the Holding and other Group companies (€6.2 million).

Adjustments in HY1 2024:

Income earned from a site closure and sale (€0.3 million) and expenses due to a site restructuring (€0.3 million) in the Kloeckner Metals Americas segment. Restructuring expenses (€0.2 million) in the Kloeckner Metals Europe segment. Provision for risk assumed on the sale of parts of the European distribution business (€4 million) in the Holding and other Group companies.

Despite the challenging economic environment, Klöckner & Co generated strong operating income (EBITDA) of €65 million before material special effects in the second quarter of 2025, considerably higher than operating income in the prior-year quarter (Q2 2024: €42 million). Operating income before material special effects in the first half of 2025 also increased considerably to €107 million, compared to €83 million in 2024.

The Kloeckner Metals Americas segment saw steel prices recover significantly and stabilize in the first half of 2025 compared to the end of 2024, in particular supported by the imposed tariffs. We additionally benefited from increased demand in this segment and also further increased our market share. Overall, the segment continued the positive trend and we consequently recorded operating income of €114 million before material special effects in the first half of 2025 (HY1 2024: €84 million).

In the Kloeckner Metals Europe segment, the persistently challenging macroeconomic environment made for a decline in operating income before material special effects to a negative €6 million, compared to a negative €3 million in the first half-year 2024. The lower EBITDA compared to the prior-year period was mainly due to lower shipment volumes and ongoing low price levels in the first six months of 2025.

RECONCILIATION TO NET INCOME

(€ million)	HY1 2025	HY1 2024
EBITDA	81	79
Depreciation, amortization and impairments	-60	-63
EBIT	21	16
Income from investments	-1	-1
Financial result	-23	-31
EBT	-4	-16
Income taxes	-22	-10
<i>Net income continuing operations</i>	-26	-26
<i>Net income from discontinued operations</i>	-	-29
Net income	-26	-55

Depreciation, amortization and impairments (excluding inventory write-downs) stood at €60 million, only slightly below the prior-year level of €63 million due to constant capital expenditure.

EBIT was €21 million in the reporting period, versus €16 million in the comparable period.

Income from investments mainly contains changes in the fair value of investments.

The financial result was a negative €23 million, compared to a negative €31 million in the prior-year period. This is mainly due to a lower level of interest rates compared to the prior year.

The positive income in the Kloeckner Metals Americas segment resulted in an income tax expense for the first half of 2025 of €22 million (HY1 2024: €10 million).

Overall, a net loss from continuing operations of €26 million was incurred, compared to a net loss of €26 million in first half-year 2024. At Group level, the net loss was reduced from €-55 million in the first half of 2024 to €26 million in the reporting period in 2025.

The basic loss per share from continuing operations amounted to €0.27, compared to a loss of €0.27 in the prior year. For the Group as a whole, the basic loss per share amounted to €0.27, compared to a loss of €0.56 in the prior year.

Financial position, balance sheet structure and consolidated statement of cash flows

(€ million)	June 30, 2025	Dec. 31, 2024
Non-current assets	1,133	1,282
Current assets		
Inventories	1,245	1,291
Trade receivables ^{*)}	846	722
Other current assets	97	108
Liquid funds	124	121
Assets held for sale	14	14
Total assets	3,459	3,538
Equity	1,514	1,721
Non-current liabilities		
Provisions for pensions	18	19
Financial liabilities	860	713
Other non-current liabilities	84	102
Current liabilities		
Financial liabilities	129	183
Trade payables ^{**)}	729	644
Other current liabilities	125	156
Total equity and liabilities	3,459	3,538

^{*)} Including contract assets and supplier bonus receivables.

^{**)} Including contract liabilities and advance payments received.

Total assets amounted to €3,459 million as of June 30, 2025, slightly down on the end of the fiscal year 2024 (-2.2%).

Non-current assets, at €1,133 million, were below the level as of December 31, 2024 (€1,282 million). Of the decrease, €99 million is attributable to the reduction in the excess of plan assets over pension obligations following the increase in the discount rate. Additions to intangible assets of €2 million in the first half of 2025 were partly offset by amortization of €8 million. In property, plant and equipment, additions of €56 million from investing activities and of €27 million from new leases were reduced by €53 million in depreciation. Negative effects on fixed assets arising from currency translation of subsidiaries' financial statements amounted to €61 million in the first half of 2025.

Equity decreased from €1,721 million to €1,514 million. This was mainly due to the negative net income (€26 million), currency translation of foreign subsidiaries' financial statements (€-75 million), the €20 million dividend payment and €83 million in actuarial losses less the related deferred taxes recognized in other comprehensive income. Accordingly, the equity ratio at the end of the reporting period, at 44%, was lower than at the end of the prior year (December 31, 2024: 49%).

Net working capital changed as follows:

NET WORKING CAPITAL

(€ million)	June 30, 2025	Dec. 31, 2024	June 30, 2024
Inventories	1,245	1,291	1,401
Trade receivables	767	611	846
Contract assets	54	56	58
Supplier bonus receivables	25	55	26
Trade payables ^{*)}	-729	-644	-825
Net Working Capital	1,362	1,369	1,506

^{*)} Including contract liabilities and advance payments received.

In total, working capital, at €1,362 million, was down €7 million on the figure as of the 2024 year-end.

Liquidity amounted to €124 million, compared to €121 million as of December 31, 2024.

STABLE FINANCING PORTFOLIO WITH IMPROVED MATURITY PROFILE

The Klöckner & Co Group has a diversified financing portfolio with a total volume of €1.4 billion (excluding leases). In January 2025, in agreement with the Swiss core banks, Klöckner & Co terminated bilateral credit lines with a total volume of CHF 160 million (approximately €171 million) and established an unsecured syndicated loan with a volume of CHF 200 million (approximately €214 million) as a new financing instrument. In this connection, the bank syndicate was expanded from three to four banks. The facility has a term of four years until January 2029. In July 2025, we renewed the ABS program ahead of schedule and extended it until 2028 on improved terms. The size of the program was adjusted from €300 million to €100 million, reflecting the sale of the four European country organizations completed in 2024. The core Group financing instruments have a volume-weighted remaining term of around two-and-a-half years.

NET FINANCIAL DEBT

(€ million)	June 30, 2025	Dec. 31, 2024	June 30, 2024
Net financial debt	870	780	779
Gearing ^{*)}	58%	47%	47%
Leverage ^{**)}	5.4x	5.7x	5.4x

^{*)} Gearing = Net financial debt / (Equity ./. non-controlling interests ./. goodwill resulting from acquisitions subsequent to May 23, 2024).

Gearing as defined prior to the syndicated loan extension signed in December 2024 (consolidated equity ./. non-controlling interests ./. goodwill from business combinations subsequent to May 23, 2019) was 47% as of December 31, 2024. The gearing as of June 30, 2024 is stated in accordance with the definition prior to the loan extension.

^{**)} Leverage = Net financial debt / last 12 months EBITDA before material special effects.

Net financial debt, at €870 million, was above the level at the end of 2024.

CONSOLIDATED STATEMENT OF CASH FLOWS

(€ million)	Q2 2025	Q2 2024	HY1 2025	HY1 2024
Cash flow from operating activities	75	61	-43	18
Cash flow from investing activities	-31	-21	-54	-44
Free cash flow	44	41	-96	-26
Cash flow from financing activities	-3	7	110	-75

Despite the persistently challenging market environment, a positive operating cash flow of €75 million was generated in the second quarter of 2025. Cash flow from operating activities in the first half of 2025 amounted to a negative €43 million. In the comparative period, the cash inflow from operating activities was €61 million in the second quarter of 2024 and €18 million in the first half of 2024.

€59 million in payments for capital expenditure were partly offset by a total of €6 million in receipts from divestments to yield a cash outflow from investing activities of €54 million (HY1 2024: cash outflow of €44 million).

This resulted in a free cash flow of €44 million in the second quarter of 2025 and a negative free cash flow of €96 million in the first half of 2025, compared to a positive €41 million in the second quarter of the prior year and a negative €26 million in the first half of 2025.

In the first half of 2025, due to the borrowings/higher net financial debt compared to the prior-year period, cash flow from financing activities amounted to €110 million (HY1 2024: cash outflow of €75 million).

Macroeconomic outlook including key opportunities and risks

Expected global economic growth

According to estimates by the International Monetary Fund (IMF), the global economy will grow by 2.8% in 2025. Factors such as increasing trade conflicts, protectionist measures and increasing economic policy uncertainty worldwide could slow the development of the economy. The introduction of almost universal tariffs by the United States and the resulting countermeasures from many trading partners will likely significantly undermine business and household confidence and have a negative impact on trade, investment and consumption. Additionally, growth in many economies is likely to remain constrained by structural weaknesses, high levels of public debt and demographic challenges. The IMF expects the global inflation rate to be 4.3% in 2025. This would mean it is declining but still above the level targeted by many central banks. Against this backdrop, further adjustments to the monetary policy stance remain possible in order to safeguard price and financial stability, despite initial signs of price pressure easing, which would tend to have adverse effects on the global economy. There are also ongoing geopolitical risks, such as the potential for an escalation of the conflict between China and Taiwan, which could further impact the global economic environment.

The IMF forecasts economic growth of 1.8% for the US in 2025 – lower than initially expected – which is attributed to protectionist economic policies, increased political uncertainty and subdued demand. It is also likely that US domestic demand and private consumption will weaken further. Certain sectors of the US economy will be hit harder than others by the direct consequences of the tariffs, with metal-intensive sectors in particular expected to see rising costs. Additionally, a more restrictive migration policy could reduce the labor supply, leading to higher costs and production losses. Despite a decline, private consumption should continue to play a major role in the US economy and could also continue to act as a stabilizing factor on growth.

The IMF forecasts that the Eurozone economy will remain constant in 2025 (+0.8%). The main factors weighing on the economy are subdued consumer sentiment, high energy prices and ongoing geopolitical uncertainties. While the service sector is providing slight impetus in many places, industrial production is likely to fall short of expectations. The steady development of the Eurozone economy is expected to be supported by stable employment, rising real wages and falling inflation over the remainder of the year, which should further strengthen domestic demand.

According to the IMF, the Chinese economy will grow by 4.0% in the full year 2025. China thus remains a significant growth driver for the global economy. Supporting factors are expected to be continued robust industrial production, targeted fiscal policy measures and solid foreign trade performance. Nevertheless, structural problems such as the ongoing real estate crisis, high household savings and weak consumer sentiment are acting as a drag on economic growth. A further worsening of the real estate crisis constitutes a significant downside risk for the Chinese economy.

Expected development of GDP (in percent)

	2025e
USA	1.8
Mexico	-0.3
Europe^{*)}	0.8
Germany	0.0
Switzerland	0.9
China	4.0

^{*)} Eurozone.

Source: International Monetary Fund (IMF), Bloomberg.

Expected steel sector trend

For the full year 2025, the World Steel Association forecasts slight growth in global steel demand by 1.2% to around 1,772 million tons. The association is forecasting slight demand growth for the North American Free Trade Area (USMCA) (1.6%), for the European Union together with the United Kingdom (3.5%) and for South and Central America (4.8%). In contrast, demand in China is expected to decrease slightly (-1.0%).

Expected trend in our core customer sectors

CONSTRUCTION INDUSTRY

Oxford Economics estimates that the US construction industry will remain constant in 2025 (+0.7%). Although the Fed's earlier interest rate cuts are likely to increase demand in the sector, material costs remain at a high level. Current US trade policy is increasing investment uncertainty and heightening inflation concerns. This is causing manufacturers to postpone projects and pause investments. There is also a risk of large-scale deportations of workers, which could have a negative impact on growth in the construction industry. According to estimates by Oxford Economics, the construction industry will also remain constant in both the Eurozone (0.0%) and Switzerland (+0.9%) in 2025. Demand is generally supported by ongoing immigration, but the structural and ongoing shortage of skilled workers and the potential impact of US tariffs are likely to slow further growth.

MACHINERY AND MECHANICAL ENGINEERING

According to Oxford Economics, US machinery and mechanical engineering will remain flat year-on-year in 2025 (-0.9%). Ongoing political uncertainty and rising tariffs are having a negative impact on investment activity and are increasing producers' input costs. This leads to companies postponing investment and hurts the sector's competitiveness. It is expected that machinery and mechanical engineering in the Eurozone will see a slight decline of 2% in 2025. Despite advance demand early in the year to avoid the effects of future tariffs, the situation in the Eurozone mechanical engineering sector remains tight. Ongoing trade policy uncertainties and increasing competitive pressure from Asia could negatively impact the sector. In the medium term, the German economic stimulus package and the EU's military buildup should support growth in the defense and infrastructure sectors, which should also positively impact demand in machinery and mechanical engineering.

AUTOMOTIVE INDUSTRY

Oxford Economics expects the global passenger car market to remain stable in 2025 (-0.4%). A slight decline is forecast in both Europe and Germany (-3%). Tariffs on imports of foreign-built vehicles to the USA are likely to have a significant impact on the German automotive industry's export volumes, and low consumer confidence despite real wage increases could hamper further growth. For the USA, Oxford Economics expects a slight decline of 4% in 2025 compared to the prior year, partly due to the higher cost of vehicles as a result of the introduction of tariffs. A considerable decline (-5%) is forecast for Mexico. In China, growth is expected to remain constant (+0.2%), supported by rising incomes and low levels of vehicle ownership.

Current assessment of opportunities and risks

The information provided in the Opportunities and Risks section on pages 58 to 74 of the Annual Report 2024 generally continues to apply.

Geopolitical and IT risks in particular have further increased in comparison to the information presented in the Annual Report 2024. Ongoing modernization of central IT systems and the IT integration of acquired companies create efficiency gains but also entail higher IT project risks, while geopolitical tensions further increase cyber risks. Increasingly protectionist US trade policy is also negatively impacting the international business environment and could lead to an escalation of trade conflicts. Military conflicts in Ukraine and the Middle East also threaten to escalate further, which could increase volatility in global markets, such as in crude oil prices. Against this backdrop, there is still a risk of a global recession. For further information on the expected economic environment, please see under "Expected global economic growth."

The next phase of our strategic plan, "Klöckner & Co: Leveraging Strengths – Step Up 2030," opens up new opportunities for the Company. With the goal of becoming the leading service center and metal processing company in North America and Europe by 2030, we are targeting growth above all by expanding higher value-added and high-margin lines of business. This strategic focus strengthens our competitiveness and reduces our dependence on steel price trends, thereby reducing earnings volatility. In this way, we are laying a solid basis enabling us to resiliently address adverse developments and enhance our long-term profitability. This has already paid off in the Kloeckner Metals Americas segment. The organic investment made there and M&A initiatives have sustainably strengthened earnings this year. A further opportunity relates to expanding our capabilities as a technology partner with targeted acquisitions in the USA and Germany. The acquisition of Ambo Stahl in Germany enables us to unlock new growth potential in the security and defense sector. By expanding our portfolio in the area of ballistic steel, we are making a lasting contribution to strengthening European value chains and positioning ourselves as a reliable partner for critical infrastructure and the defense industry. By acquiring Haley Tool & Stamping in the US, we are expanding our manufacturing capabilities with state-of-the-art stamping presses. This acquisition will promote synergies across all Klöckner & Co sites in the region and accelerate growth in the automotive, aerospace and industrial manufacturing sectors.

Newly emerging risks and opportunities are identified at an early stage and suitable measures implemented wherever necessary or economically expedient. Among other things, the strategy aims to enhance resilience to the above-mentioned risks in the medium and long term. The Management Board has no indication that the risk management system is materially not adequate and effective. Moreover, the Management Board believes that Klöckner & Co has recognized sufficient provisions and valuation allowances to cover all risks required to be accounted for when preparing the interim report. Based on the measures taken and planned, in particular to ensure liquidity, the Management Board is not presently aware of any risks that, either individually or taken as a whole, cast doubt upon the Group's ability to continue as a going concern.

For a detailed description of the risk management system in the Klöckner & Co Group, please see pages 58 et seq. of the Annual Report 2024.

Group forecast

The forecast for 2025 given in the Annual Report 2024 was based on the assumptions of a stronger demand trend in the European and North American markets relevant to us, a stabilization of the steel price level and the associated expectation that there will be no repetition of significant negative price effects in 2025. Accordingly, we predicted considerably higher shipments and sales compared to fiscal year 2024.

The macroeconomic environment has remained challenging overall due to the noticeable increase in economic uncertainty in our relevant core customer industries, and demand in Europe has been weaker than originally forecast. In view of these developments, both for the Kloeckner Metals Europe segment and for the Group in 2025, we now expect a slight increase in shipments compared to the prior-year period. In line with the above-mentioned correction to our forecast for shipments, we now likewise expect a slight increase in sales compared to the prior year.

Despite the above-mentioned challenging macroeconomic environment, we generated EBITDA of €107 million before material special effects in the reporting period. For fiscal year 2025, we continue to forecast a considerable increase on the prior-year level. We continue to anticipate a strong and once again significantly positive cash flow from operating activities in fiscal year 2025. Due to the economic environment, however, it will likely remain on a par with the prior year. At the beginning of the year, we were expecting a considerable increase.

Forecast by segment	Shipments (Tto)			Sales (€m)		
	2024	Original forecast 2025	Adjusted forecast 2025	2024	Original forecast 2025	Adjusted forecast 2025
Kloeckner Metals Americas	2,845	Considerable increase	Considerable increase	3,917	Slight increase	Constant
Kloeckner Metals Europe	1,608	Considerable increase	Slight increase	2,715	Considerable increase	Slight increase
Holding and other Group companies	-	-	-	-	-	-
Group	4,453	Considerable increase	Slight increase	6,632	Considerable increase	Slight increase
	EBITDA before material special effects (€m)			Cash flow from operating activities (€m)		
	2024	Original forecast 2025	Adjusted forecast 2025	2024	Original forecast 2025	Adjusted forecast 2025
Kloeckner Metals Americas	154	Considerable increase	Considerable increase	59	Considerable increase	Considerable increase
Kloeckner Metals Europe	-18	Considerable increase	Considerable increase	94	Considerable increase	Considerable decrease
Holding and other Group companies	-	-	-	7	-	-
Group	136	Considerable increase	Considerable increase	160	Considerable increase	Constant

"Constant" corresponds to a change of +/- 0-1%, "slight" to a change of +/- >1-5% and "considerable" to a change of +/- >5%.

Duisburg, August 4, 2025

Klöckner & Co SE - The Management Board

Klöckner & Co Share

Klöckner & Co shares: Key data

ISIN DE000KC01000 – German Securities Code (WKN) KC0100

Stock exchange symbol: KCO

Bloomberg: KCO GR

Reuters Xetra®: KCOGn.DE

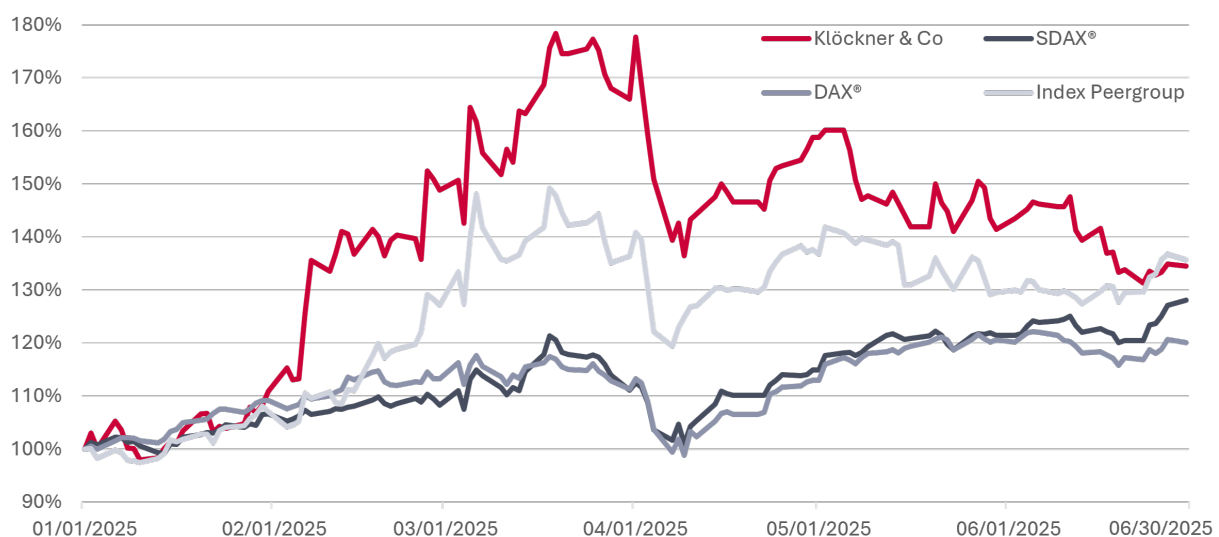
Listed in SDAX®

SHARE PRICE PERFORMANCE

During the first six months of 2025, international capital markets exhibited increased volatility in response to tariff measures, geopolitical tensions and disagreements over monetary policy. Klöckner & Co shares nevertheless put in a strong performance. Compared to the 2024 closing price of €4.44, Klöckner & Co shares gained around 34% in the reporting period and closed at €5.97 on June 30, 2025. After reaching a low for the reporting period of €4.35 on January 10, the share price rose considerably to a high of €7.92 on March 19.

The German DAX® and SDAX® indices recorded growth of around 20% and 28% respectively in the same period. The peer group index of companies comparable with Klöckner & Co gained around 36% over the period (alongside thyssenkrupp, Salzgitter, ArcelorMittal, Voestalpine and Swiss Steel, the peer group index also includes Reliance, Olympic Steel, Ryerson and Worthington Steel).

PERFORMANCE OF KLÖCKNER & CO SHARES COMPARED TO THE DAX®, SDAX® AND INDEX PEER GROUP (INDEXED VALUES)



Average daily trading volumes amounted to around €1.4 million in the first quarter of 2025, falling to €1.0 million in the second quarter. Klöckner & Co shares ranked 146th by free float market capitalization in Deutsche Börse AG's ranking in June 2025.

KEY DATA – KLÖCKNER & CO SHARE

		Q2 2025	Q2 2024	HY1 2025	HY1 2024
Share Capital	€	249,375,000	249,375,000	249,375,000	249,375,000
Number of shares	In shares	99,750,000	99,750,000	99,750,000	99,750,000
Closing price (Xetra, Close)	€	5.97	5.52	5.97	5.52
Market capitalization	€ million	596	551	596	551
High (Xetra, Close)	€	7.89	6.89	7.92	7.01
Low (Xetra, Close)	€	5.83	5.52	4.35	5.52
Average daily trading volume	In shares	156,877	99,175	187,934	101,167

ANNUAL GENERAL MEETING

The 19th Annual General Meeting of Klöckner & Co SE was held in Düsseldorf on May 28, 2025. As in the last two years, the Annual General Meeting was held as an in-person event. In addition, shareholders were able to follow a livestream of the entire meeting, register for the Annual General Meeting and vote via the online service on the Klöckner & Co SE website, www.kloeckner.com. Furthermore, the speeches by Chairman of the Supervisory Board Prof. Dr. Dieter H. Vogel and CEO Guido Kerkhoff were broadcast publicly on the website and remain available there for viewing. In total, around 64% of the voting capital voted on resolutions.

GROUP OF ANALYSTS

As in previous years, analysts continued to show strong interest in Klöckner & Co stock in the first half of 2025. Kepler Cheuvreux also resumed coverage of Klöckner & Co shares with a buy recommendation at the beginning of the year and has published regular analyses since. Seven analysts thus followed the development of the stock during the reporting period and published a large number of research reports. At the end of the reporting period, six securities firms issued a buy recommendation, while another advised holding the share. No sell recommendation was made. Current analyst ratings can be viewed at any time in the "Investors/Stock/Analysts" section of our company website.

The following banks and securities houses had coverage of Klöckner & Co shares in the first half of 2025:

Deutsche Bank	Metzler Equity Research
DZ Bank	M.M. Warburg
LBBW	Oddo BHF
Kepler Cheuvreux	

OWNERSHIP STRUCTURE

According to voting rights notifications received up to the end of the reporting period, our largest shareholder was SWOCTEM GmbH (Prof. Dr.-Ing. E.h. Friedhelm Loh) with 41.53%. According to the aforementioned voting rights notifications, Rossmann Beteiligungs GmbH, The Goldman Sachs Group, Inc., and Dimensional Holdings Inc. were additional shareholders with between 3% and 6% (percentages of voting rights from shares and instruments). Our free float as defined by Deutsche Börse AG thus totaled 53.45% as of the end of the reporting period.

CAPITAL MARKET COMMUNICATION

In the course of our investor relations activities, we made intensive use of the first half of 2025 to conduct an open and continuous dialogue with all capital market participants. In addition to the Annual General Meeting, members of the Management Board and the Investor Relations team informed existing and potential investors at numerous conferences and roadshows in Europe and North America about the operational business and the implementation of our Group and sustainability strategy.

Detailed information can be found on our Investor Relations website under <https://www.kloeckner.com/en/investors>. All important information about Klöckner & Co SE shares is available there in digital form, including:

- Financial statements
- Company and capital market presentations
- Outlook on the development of key performance indicators
- Financial Calendar
- Current data on the share price development

Interactive tools also enable the analysis of our share and key financial figures. We also publish all relevant content on the Annual General Meeting.

Shareholders and other interested parties can also follow current developments at Klöckner & Co SE conveniently via newsletter. To be added to the mailing list, please use the registration form on our website or send a message to ir@kloeckner.com.

The Investor Relations team looks forward to receiving your questions or suggestions and is always available to discuss matters with you by telephone or email.

Contact

Investor Relations

Phone: +49 (0) 211 88245-488

Fax: +49 (0) 211 88245-901

Email: ir@kloeckner.com

Klöckner & Co SE

Consolidated statement of income

for the six-month period ending June 30, 2025

(€ thousand)	Q2 2025	Q2 2024	HY1 2025	HY1 2024
Sales	1,642,795	1,764,508	3,309,090	3,501,634
Changes in inventory	-314	-4,228	2,828	-6,417
Other operating income	6,640	6,707	14,628	14,425
Cost of materials	-1,322,729	-1,466,729	-2,675,595	-2,904,759
Personnel expenses	-141,274	-134,703	-296,936	-274,048
Depreciation and amortization	-29,999	-31,026	-60,345	-63,175
Other operating expenses	-122,481	-123,721	-273,138	-251,536
Operating result	32,637	10,809	20,532	16,124
Income from investments	-2,155	-1,632	-1,025	-883
Finance income	329	469	2,248	1,095
Finance expenses	-11,676	-15,003	-25,486	-32,522
Financial result	-11,347	-14,533	-23,238	-31,427
Earnings before taxes	19,135	-5,357	-3,730	-16,186
Income taxes	-17,120	-12,507	-22,191	-9,791
Net income from continuing operations (net of tax)	2,016	-17,863	-25,921	-25,977
Net income from discontinued operations (net of tax)	-	-4,755	-	-29,103
Net income	2,016	-22,618	-25,921	-55,080
<i>thereof attributable to</i>				
– Shareholders of Klöckner & Co SE	1,690	-23,082	-26,562	-55,713
– non-controlling interests	326	464	641	633
Earnings per share from continuing operations (€/share)				
– basic / diluted	0.02	-0.18	-0.27	-0.27
Earnings per share attributable to the ordinary equity holders of Klöckner & Co SE (€/share)				
– basic / diluted	0.02	-0.23	-0.27	-0.56

Statement of comprehensive income Group

for the six-month period ending June 30, 2025

(€ thousand)	Q2 2025	Q2 2024	HY1 2025	HY1 2024
Net income	2,016	-22,618	-25,921	-55,080
Other comprehensive income not reclassifiable				
Actuarial gains and losses (IAS 19)	-3,685	26,281	-100,634	28,888
Total	-3,685	26,281	-100,634	28,888
Other comprehensive income reclassifiable				
Foreign currency translation	-54,737	13,256	-93,961	4,339
Gains/losses from cash flow hedges	-2,277	-	-2,291	-
Financial assets measured at fair value through other comprehensive income	42	-	42	-
Reclassification to profit and loss due to sale of foreign subsidiaries	-	19	19,568	12,571
Total	-56,972	13,275	-76,642	16,910
Deferred taxes recognized in other comprehensive income	366	-3,679	16,846	-3,388
Other comprehensive income	-60,291	35,877	-160,430	42,410
Group total comprehensive income	-58,276	13,259	-186,351	-12,670
thereof attributable to				
– Shareholders of Klöckner & Co SE	-58,649	12,790	-186,992	-13,320
– non-controlling interests	373	469	641	650
Total comprehensive income attributable to the shareholders of Klöckner & Co SE relates to:				
– continuing operations	-58,649	17,546	-186,992	3,043
– discontinued operations	-	-4,757	-	-16,363

Consolidated statement of financial position

as of June 30, 2025

Assets

(€ thousand)	Notes	June 30, 2025	Dec. 31, 2024
Non-current assets			
Intangible assets	9	184,093	206,584
Property, plant and equipment	9	796,012	812,443
Other financial assets		28,668	34,553
Other non-financial assets		111,701	211,175
Deferred tax assets		12,370	17,120
Total non-current assets		1,132,845	1,281,875
Current assets			
Inventories	10	1,244,607	1,290,669
Trade receivables		767,004	610,697
Contract assets		54,018	55,585
Supplier bonus receivables		25,276	55,414
Current income tax receivables		23,169	41,543
Other financial assets		13,666	15,729
Other non-financial assets		60,340	51,193
Cash and cash equivalents		123,578	120,793
Assets held for sale		14,320	14,383
Total current assets		2,325,978	2,256,006
Total assets		3,458,823	3,537,881

Equity and liabilities

(€ thousand)	Notes	June 30, 2025	Dec. 31, 2024
Equity			
Subscribed capital		249,375	249,375
Capital reserves		569,149	570,007
Retained earnings		487,671	534,183
Accumulated other comprehensive income		199,919	360,179
Equity attributable to shareholders of Klöckner & Co SE		1,506,112	1,713,743
Non-controlling interests		7,442	6,972
Total equity		1,513,554	1,720,714
Non-current liabilities			
Provisions for pensions and similar obligations		17,953	19,073
Other provisions and accrued liabilities		8,712	8,962
Non-current financial liabilities	11	860,111	712,706
Other financial liabilities		1,407	1,359
Deferred tax liabilities		74,327	91,727
Total non-current liabilities		962,510	833,826
Current liabilities			
Other provisions and accrued liabilities		76,927	87,066
Income tax liabilities		8,307	23,382
Current financial liabilities	11	128,662	183,314
Trade payables		721,010	638,547
Other financial liabilities		18,377	24,822
Non-financial contract liabilities		5,787	3,191
Advance payments received		2,192	1,924
Other non-financial liabilities		21,497	21,095
Total current liabilities		982,758	983,341
Total liabilities		1,945,269	1,817,167
Total equity and liabilities		3,458,823	3,537,881

Consolidated statement of cash flows

for the six-month period ending June 30, 2025

(€ thousand)	Q2 2025	Q2 2024	HY1 2025	HY1 2024
Net income	2,016	-22,618	-25,921	-55,080
Net income from discontinued operations	-	4,755	-	29,103
Income taxes	17,120	12,507	22,191	9,791
Financial result	11,347	14,533	23,238	31,427
Income from investments	2,155	1,632	1,025	883
Depreciation, amortization, reversal of impairment losses and impairment losses of non-current assets	29,999	31,026	60,345	63,175
Other non-cash income/expenses	-1,428	294	-1,973	-110
Gain on disposal of non-current assets	403	-1,552	19,408	-2,108
Change in net working capital				
Inventories	-50,955	-5,263	-43,840	13,236
Trade receivables, contract assets, supplier bonus receivables	-3,493	-3,385	-180,742	-145,951
Trade payables including contract liabilities and advance payments received	97,397	53,855	143,400	128,141
Change in other operating assets and liabilities	-8,271	9,383	-31,404	-1,026
Interest paid	-10,419	-13,004	-20,341	-26,645
Interest received	217	297	406	511
Income taxes paid	-10,897	-21,359	-15,859	-28,739
Income taxes received	-128	223	7,479	1,205
Cash flow from operating activities – continuing operations	75,063	61,323	-42,589	17,813
Cash flow from operating activities – discontinued operations	-	-	-	-45,504
Cash flow from operating activities	75,063	61,323	-42,589	-27,692

(€ thousand)	Q2 2025	Q2 2024	HY1 2025	HY1 2024
Proceeds from the sale of non-current assets	380	1,588	656	2,071
Payments/proceeds from the sale of consolidated companies	-693	-	-774	50
Proceeds from the sale of financial assets	4,963	-	4,963	397
Dividends received	-	91	912	91
Payments for intangible assets, property, plant and equipment	-31,462	-22,181	-53,678	-45,881
Purchase price repayment from investment in consolidated subsidiaries	-	219	-	219
Payments for investments in consolidated subsidiaries	-3,518	-	-5,094	-421
Payments for financial assets	-323	-494	-723	-775
Cash flow from investing activities – continuing operations	-30,653	-20,777	-53,738	-44,249
Cash flow from investing activities – discontinued operations	-	-	-	124,107
Cash flow from investing activities	-30,653	-20,777	-53,738	79,858
Dividend payments to shareholders of Klöckner & Co SE	-19,950	-19,950	-19,950	-19,950
Payments for personal investment of Management Board members	-	-	-1,386	-1,799
Borrowings of financial liabilities	79,779	87,852	368,074	143,993
Repayment of financial liabilities	-53,742	-53,735	-218,406	-179,873
Repayment of lease liabilities	-8,959	-7,945	-18,137	-16,058
Proceeds from/payments for derivatives in financing activities	45	483	97	-1,197
Cash flow from financing activities – continuing operations	-2,826	6,706	110,292	-74,884
Cash flow from financing activities – discontinued operations	-	-	-	-2,753
Cash flow from financing activities	-2,826	6,706	110,292	-77,637
Changes in cash and cash equivalents	41,584	47,252	13,965	-25,471
Effect of foreign exchange rates on cash and cash equivalents	-7,992	1,352	-11,180	3,140
Cash and cash equivalents at the beginning of the period	89,987	83,969	120,793	154,903
Cash and cash equivalents at the end of the period	123,578	132,572	123,578	132,572

Summary of changes in consolidated equity

for the six-month period ending June 30, 2025

(€ thousand)	Subscribed capital of Klöckner & Co SE	Capital reserves of Klöckner & Co SE	Retained earnings	
January 1, 2024	249,375	570,420	777,890	
Other comprehensive income				
Foreign currency translation	-	-	-	
Gains/losses from cash flow hedges	-	-	-	
Actuarial gains and losses (IAS 19)	-	-	-	
Reclassification to profit and loss due to sale of foreign subsidiaries	-	-	-	
Deferred taxes recognized in other comprehensive income	-	-	-	
Other comprehensive income	-	-	-	
Net income	-	-	-55,713	
Total comprehensive income	-	-	-55,713	
Change in non-controlling interests	-	-	-20	
Dividends	-	-	-19,950	
Share-based payments	-	-1,514	-	
Reclassification of actuarial losses within equity in accordance with IAS 19.122	-	-	-47,035	
June 30, 2024	249,375	568,907	655,172	
January 1, 2025	249,375	570,007	534,183	
Other comprehensive income				
Foreign currency translation	-	-	-	
Gains/losses from cash flow hedges	-	-	-	
Financial assets measured at fair value through other comprehensive income	-	-	-	
Actuarial gains and losses (IAS 19)	-	-	-	
Reclassification to profit and loss due to sale of foreign subsidiaries	-	-	-	
Deferred taxes recognized in other comprehensive income	-	-	-	
Other comprehensive income	-	-	-	
Net income	-	-	-26,562	
Total comprehensive income	-	-	-26,562	
Dividends	-	-	-19,950	
Share-based payments	-	-859	-	
June 30, 2025	249,375	569,149	487,670	

Accumulated other comprehensive income

	Currency translation adjustments	Actuarial gains and losses (IAS 19)	Fair value adjustments of financial instruments	Equity attributable to shareholders of Klöckner & Co SE	Non-controlling interests	Total
	273,388	-118,779	-4,598	1,747,695	7,010	1,754,705
	4,324	-	-	4,324	15	4,339
	-	-	-	-	-	-
	-	28,886	-	28,886	2	28,888
	12,571	-	-	12,571	-	12,571
	-	-3,387	-	-3,387	-	-3,388
	16,895	25,499	-	42,393	16	42,410
	-	-	-	-55,713	633	-55,080
	16,895	25,499	-	-13,320	650	-12,670
	-	-	-	-20	-85	-105
	-	-	-	-19,950	-	-19,950
	-	-	-	-1,514	-	-1,514
	-	47,035	-	-	-	-
	290,283	-46,245	-4,598	1,712,891	7,575	1,720,465
	326,015	38,705	-4,540	1,713,743	6,972	1,720,714
	-93,791	-	-	-93,791	-171	-93,961
	-	-	-2,291	-2,291	-	-2,291
	-	-	42	42	-	42
	-	-100,634	-	-100,634	-	-100,634
	19,568	-	-	19,568	-	19,568
	-	16,846	-	16,846	-	16,846
	-74,222	-83,788	-2,250	-160,259	-171	-160,430
	-	-	-	-26,562	641	-25,921
	-74,222	-83,788	-2,250	-186,822	470	-186,351
	-	-	-	-19,950	-	-19,950
	-	-	-	-859	-	-859
	251,793	-45,083	-6,790	1,506,112	7,442	1,513,554

Selected explanatory notes to the condensed interim consolidated financial statements for the six-month period ending June 30, 2025

(1) Basis of presentation

The condensed interim consolidated financial statements of Klöckner & Co SE as of June 30, 2025 were prepared for interim reporting in accordance with Sec. 115 of the German Securities Trading Act (WpHG) and International Financial Reporting Standards (IFRS) including IAS 34 Interim Financial Reporting as adopted for use within the EU.

The condensed interim consolidated financial statements as of June 30, 2025 have been reviewed by an independent auditor.

The accounting policies applied in preparing the interim consolidated financial statements as of June 30, 2025 – with the exception of the changes presented in Note 2 (New accounting standards and interpretations) – are consistent with those used for the consolidated financial statements of Klöckner & Co SE as of December 31, 2024. A detailed description of those policies is provided in the notes to the consolidated financial statements on pages 221 to 226 of the Annual Report 2024. Consistency of presentation is observed.

The exchange rates used to translate the financial statements of material foreign subsidiaries included in the consolidated financial statements were as follows:

€1 =	Closing rate		Average rate	
	June 30, 2025	Dec. 31, 2024	HY1 2025	HY1 2024
Swiss Franc (CHF)	0.9347	0.9412	0.9414	0.9615
US Dollar (USD)	1.1720	1.0389	1.0928	1.0813

As part of the preparation of interim consolidated financial statements in accordance with IAS 34 as of June 30, 2025, the Management Board of Klöckner & Co SE is required to make judgments, estimates and assumptions that affect the application of the Group's accounting policies and the presentation, recognition and measurement of assets and liabilities, income and expenses. Actual amounts may differ from these estimates.

The uncertainties in assessing the impacts of the global geopolitical environment, which is increasingly marked by uncertainties, rivalries between major powers, regional conflicts and hostile activities, continue to apply and have indirect impacts on Klöckner & Co's macroeconomic business environment. From today's perspective, future developments and their impacts on the development of the business are subject to a high degree of uncertainty, including with regard to protectionism, continued high inflation rates, skills shortages in industrialized countries, uncertainty regarding further developments in key interest rates, the risk of instability in the financial sector, the exacerbation of debt problems in some European countries as a result of central banks' interest rate policies, semiconductor supply bottlenecks, and continued high energy, material and commodity prices. This relates in particular to estimates in connection with the impairment testing of non-financial assets (goodwill and non-current assets). Information on our assessment of the impact of these influences is provided in Note 9 (Intangible assets and property, plant and equipment).

In the opinion of the Management Board, the interim consolidated financial statements reflect all information necessary to provide a true and fair view of the results. The results for the period ending June 30, 2025 are not necessarily indicative of future results.

The present interim consolidated financial statements for the six-month period ending June 30, 2025 were authorized for issuance by the Management Board on July 30, 2025 after discussion with the Audit Committee of the Supervisory Board. Unless otherwise indicated, all amounts are stated in million euros (€ million), which is the Group's functional currency. Discrepancies may arise relative to the unrounded figures.

(2) New accounting standards and interpretations

The following standards were applied for the first time in first half of 2025:

Standard/Interpretation

Amendments to IAS 21 – Lack of Exchangeability
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Application of the amendments had no material impact on the interim consolidated financial statements of Klöckner & Co SE.

(3) Acquisitions and disposals

Klöckner & Co SE made the following acquisitions in the first half of 2025:

In March 2025, Kloeckner Metals Corporation, Wilmington, Delaware, USA, acquired Haley Tool & Stamping Inc., Tennessee, USA. With 18 employees, the company generated sales of around USD 2.6 million in 2024. Assets of USD 1.7 million and liabilities of USD 0.6 million were acquired with a purchase price of USD 1.5 million. This resulted in goodwill of USD 0.5 million. Through this acquisition, Klöckner & Co has expanded its processing capabilities in the USA with regard to stamping. The company was merged with its parent company in the month of the acquisition.

As of June 2, 2025, Kloeckner Metals Germany GmbH, Düsseldorf, acquired Ambo-Stahl-Gesellschaft Gerhard Sevenich GmbH & Co KG, Cologne, together with Ambo-Stahl Handelsgesellschaft mit beschränkter Haftung, Cologne, (now Ambo Stahl GmbH), expanding its service portfolio in the area of highly wear-resistant steels and the defense sector. In addition to various machining processes, Ambo Stahl GmbH specializes in wear-resistant and high-tensile special steels, high-security and armor steel and generated sales of €7.0 million in the 2024/25 fiscal year with 23 employees. At a purchase price of €3.4 million and acquired assets of €5.4 million and liabilities of €0.8 million, the fair value of the acquired net assets exceeded the purchase price by €1.2 million, which was accounted for in profit or loss as a bargain purchase ("lucky buy") gain. This positive negotiation outcome was achieved because the company was looking for a strategic partner to support its customers in building strong value chains to bolster Europe's defense capabilities and infrastructure development through investment and sharing of expertise, and to lay a basis for future growth in the strategically increasingly important defense sector.

Debrunner Koenig Group, Switzerland, acquired Simfloc AG, Frauenkappelen, Switzerland, with the transaction closing as of June 2, 2025. Simfloc AG specializes in the assembly of pre-wall systems, cladding, flocking, fire protection and insulation. This makes the Debrunner Koenig Group the first full-service provider of building installations in Switzerland. In 2024, the company generated sales of CHF 1.7 million with 17 employees. The consideration amounted to €0.7 million. The payment of a partial amount of CHF 250 thousand (€266 thousand) is based on contractually agreed earnings targets for the years 2025 to 2028. The buyer will receive a maximum of CHF 62.5 thousand (€66 thousand) per year if the targets are fully achieved, a proportionately smaller amount provided that a specified lower limit is exceeded, and otherwise no payment. In the preliminary purchase price allocation, the acquired assets amounted to €1.5 million and the liabilities to €0.7 million.

The assets and liabilities acquired in the acquisitions as of June 30, 2025 are provisionally as follows:

(€ thousand)	Simfloc	Ambo	Haley	Total impact
Assets				
Other intangible assets	717	425	-	1,142
<i>thereof customer relationships</i>	717	-	-	717
<i>thereof software</i>	-	8	-	9
Property, plant and equipment	93	1,675	732	2,499
Inventories	257	2,266	281	2,804
Trade receivables	347	858	582	1,788
Other current assets	25	100	-	125
Cash and cash equivalents	23	57	28	108
Total assets acquired	1,462	5,381	1,623	8,466
Liabilities				
Pension provisions	49	-	-	49
Non-current financial liabilities	175	78	-	253
Deferred tax liabilities	154	-	173	327
Other non-current liabilities	-	17	-	17
Other current provisions and accrued liabilities	28	128	2	157
Trade payables	164	253	415	832
Current financial liabilities	-	143	-	143
Other current liabilities	165	214	22	400
Total liabilities acquired	734	833	612	2,178
Net assets acquired	729	4,548	1,011	6,287
Consideration	729	3,398	1,452	5,578
Goodwill	-	-	441	441
Negative goodwill (lucky buy acquisition)	-	1,150	-	1,150
Consideration/purchase price liability	266	-	103	369

Final measurement of the acquired assets is still pending.

From the acquisition date, the acquisitions in 2025 contributed sales of €1.0 million and negative earnings of €0.6 million to net income. Had the acquisitions been made as of January 1, 2025, consolidated revenue of €3,313 million and consolidated net loss of €26 million would have been reported in the consolidated statement of income for the interim reporting period.

The direct transaction costs of the acquisitions, amounting to €0.5 million, are included in other operating expenses in the statement of income.

Klöckner & Co SE made the following divestments in 2025:

Effective March 31, 2025, Klöckner & Co SE sold its interests in Kloeckner Metals Brasil Ltda, São Paulo, Brazil, from the Kloeckner Metals Americas segment. Assets of €9 million and liabilities of €10 million were transferred in this connection. The loss on disposal is as follows:

(€ thousand)	Jan. 1 – June 30, 2025
Consideration paid = remuneration (cash)	-693
Carrying amount of net assets sold	-1,122
Gain on disposal before tax and reclassification of currency translation reserve	429
Reclassification of currency translation reserve	-19,568
Transaction costs	-235
Loss on disposal after income taxes	-19,374

The company accounted for €5 million, or around 0.3%, of consolidated sales in the first quarter of 2025. Even without the exchange rate-related loss on disposal, its share of operating net income in the first quarter of 2025 was a negative €1.4 million due to the difficult economic environment in Brazil.

(4) Discontinued operations

During the first half of 2024, the sale of our distribution business in France, the United Kingdom, the Netherlands and Belgium was already successfully completed in the first quarter of 2024, with the sale closing effective February 29, 2024 (Closing). Assets of €376 million and liabilities of €257 million were sold in this connection. Following the write-down of non-current assets to their fair value of €142 million in 2023, the additional loss on disposal recognized on deconsolidation, including realized foreign exchange losses, amounted to €46 million as of June 30, 2024. On the basis of the current status of the negotiations, the preliminary purchase price, net of transaction costs, was €86 million as of June 30, 2024.

In accordance with IFRS 5, all income and expenses until disposal and the deconsolidation gain or loss were presented separately in the income statement and statement of cash flows as net income from discontinued operations in the 2024 interim reporting period.

(€ thousand)	Jan. 1 – Feb. 29, 2024
Sales	125,201
Other operating income	21,615
Cost of materials	-100,934
Personnel expenses	-14,596
Depreciation and amortization	-3,427
Other operating expenses	-11,019
Operating result	16,840
Finance income	193
Finance expenses	-487
Financial result	-294
Income before taxes from discontinued operations	16,546
Income taxes	142
Net income from discontinued operations (net of tax)	16,688
Disposal gain or loss on discontinued operations (excluding exchange rate effects)	-33,220
Losses from the realization of exchange differences	-12,571
Gesamtergebnis aus nicht fortgeführten Aktivitäten	-29,103

The net incomes of the divested entities until the effective date of sale and the deconsolidation gain or loss are presented as net income from discontinued operations, which breaks down as follows. Comparability of the net income from discontinued operations is impacted by the following special effects:

(€ thousand)	Jan. 1 – Feb. 29, 2024
Net income from discontinued operations (net of tax)	16,688
Gains on the sale of real estate	17,502
Gains/expenses on restructuring	
– Personnel measures	-63
– Other restructuring	3,745
Special effects	21,184
Net income from discontinued operations after special effects (net of tax)	-4,496

(5) Special items affecting the results

Comparability between operating income (EBITDA) for the first six months of fiscal year 2025 and the prior year is impacted by the following material special effects:

(€ thousand)	June 30, 2025	June 30, 2024
Divestments	-19,374	-
Material real estate sales/site closures	-152	338
Restructuring expenses	-6,596	-4,420
EBITDA impact	-26,121	-4,082

HY1 2025

Restructuring expenses

For follow-on costs for the sale of the European distribution business and for a restructuring program, a provision of €6.2 million has been recognized in the Holding and other Group companies.

In first half of 2025, expenses of €0.4 million were incurred for a company-wide restructuring program in the Kloeckner Metals Americas segment. Expenses of €0.2 million were incurred on the closure of a site in the Kloeckner Metals Europe segment.

Divestments

Kloeckner Metals Brasil Ltda., Brazil, was sold in the first half of 2025. This resulted in a loss on disposal of €19.4 million in the Kloeckner Metals Americas segment.

HY1 2024

Restructuring expenses

For a risk assumed on the sale of parts of the European distribution business, a provision of €3.9 million has been recognized in the Holding and other Group companies.

A site in the Kloeckner Metals Americas segment was closed and sold in the first half of 2024 (with a gain of €0.3 million). Site restructuring expenses were incurred in addition (expenses of €0.3 million). In the Kloeckner Metals Europe segment, expenses of €0.2 million were incurred from restructuring programs initiated in previous years.

(6) Sales

The Group's external sales are broken down by region (customer headquarters) as follows:

June 30, 2025 (€ thousand)	KloECKner Metals Americas	KloECKner Metals Europe	Total
Germany	-	594,183	594,183
EU excluding Germany	-	208,253	208,253
Switzerland	-	520,738	520,738
Rest of Europe	-	5,731	5,731
USA	1,654,331	499	1,654,831
Central and South America	295,983	4,245	300,228
Asia/Australia	-	24,957	24,957
Sales	1,950,314	1,358,776	3,309,090

June 30, 2024 (€ thousand)	KloECKner Metals Americas	KloECKner Metals Europe	Total
Germany	-	684,269	684,269
EU excluding Germany	-	186,802	186,802
Switzerland	-	526,007	526,007
Rest of Europe	-	6,399	6,399
USA	2,059,772	377	2,060,149
Central and South America	20,849	6,746	27,595
Asia/Australia	-	10,412	10,412
Sales	2,080,622	1,421,013	3,501,634

Sales by type of business are as follows:

June 30, 2025 (€ thousand)	KloECKner Metals Americas	KloECKner Metals Europe	Total
Higher value-added business	507,393	843,740	1,351,133
Service center business	1,040,578	287,613	1,328,191
Distribution business	402,343	227,423	629,766
External sales	1,950,314	1,358,776	3,309,090

June 30, 2024 (€ thousand)	KloECKner Metals Americas	KloECKner Metals Europe	Total
Higher value-added business	533,420	840,184	1,373,604
Service center business	1,119,636	312,514	1,432,150
Distribution business	427,565	268,315	695,880
External sales	2,080,622	1,421,013	3,501,634

(7) Earnings per share

Earnings per share are calculated by dividing interim-period consolidated net income attributable to the shareholders of Klöckner & Co SE by the weighted average number of shares outstanding during the period.

		HY1 2025	HY1 2024
Net income attributable to shareholders of Klöckner & Co SE	(€ thousand)	-26,562	-55,713
– from continuing operations	(€ thousand)	-26,562	-26,610
– from discontinued operations	(€ thousand)	-	-29,103
Weighted average number of shares	(thousands of shares)	99,750	99,750
Basic / diluted earnings per share from continuing operations	(€/share)	-0.27	-0.27
Basic / diluted earnings per share from discontinued operations	(€/share)	-	-0.29

(8) Income taxes

The combined income tax rate for the interim report period ending June 30, 2025 is 31.9% (2024: 31.9%), comprising corporate income tax (including solidarity surcharge) of 15.8% and trade tax for Klöckner & Co of 16.1%. Foreign tax rates vary between 9% and 34%.

The Group falls within the scope of the OECD Pillar Two Model Rules and makes use of the temporary exemption from accounting for deferred taxes (Pillar Two income taxes) in the interim reporting period ended June 30, 2025. The Group expects to incur only minor additional taxes in the reporting period ended June 30, 2025 as a result of the Pillar Two legislation in force. Under the legislation, for each jurisdiction, the Group must pay a top-up tax in the amount of any difference between the GloBE effective tax rate and the 15% minimum rate.

With the exception of one subsidiary with a permanent establishment in Hungary, the Group is subject to an effective tax rate in excess of 15% in all jurisdictions in which it operates. The analysis for Hungary showed an average effective tax rate of 9% based on the IFRS earnings for the interim reporting period ending June 30, 2025. Taking into account the effects of specific adjustments under the Pillar Two legislation, the Group recognized a current income tax expense of €51 thousand.

(9) Intangible assets and property, plant and equipment

Impairment testing of goodwill and other non-current assets

In the annual impairment test at the end of 2024 to determine the recoverable amount of a cash-generating unit (CGU) using the discounted cash flow method, estimation uncertainties were taken into account when determining future cash inflows. These estimation uncertainties mainly reflected macroeconomic and sector-specific developments along with related uncertainty regarding business development or the product portfolio due, for example, to changes in customer demand or regulatory requirements. The affected estimates were inferred on the basis of available data and management's assessment and include country-specific market changes for the estimation of shipments and the future gross profit per ton. Expected changes in operating expenses on the basis of individual business plans and the assessment of macroeconomic trends were also taken into account in the calculation of the expected future cash flows.

The current macroeconomic environment and the resulting business performance in the first half of 2025 indicate that the earnings performance of the individual CGUs does not contradict the assumptions in the detailed planning period underlying the annual impairment test as of December 31, 2024. For the impairment test on the basis of the ratio of the market capitalization to the equity of the Klöckner Group, the recoverability of non-current assets was confirmed by testing value in use as of June 30, 2025.

As the business performance criteria for the Becker CGU, the Germany CGU and the Switzerland CGU deteriorated and were below expectations in the first half of 2025, there were internal indications within the meaning of IAS 36.12 (f) that there may be an impairment of the recoverable amount. Impairment testing of non-current assets for these CGUs as of June 30, 2025 confirmed the recoverability of goodwill and the value in use of the Swiss CGU. The positive headroom for Switzerland amounts to €32.2 million. The values in use of the Becker CGU and the Germany CGU were less than their carrying amounts, hence the recoverable amount cannot be determined from the cash flows from continuing use. However, as the fair values less costs to sell of the CGU's individual assets exceed the carrying amounts of the CGU, no further impairment loss was required to be recognized as of June 30, 2025.

For detailed information on the impairment tests, please refer to Note 16 (Intangible assets and property, plant and equipment) to our IFRS Consolidated Financial Statements as of December 31, 2024. At variance with the assumptions as of December 31, 2024, the calculation of the value in use for the Swiss CGU was based on a pre-tax WACC of 8.2%.

The estimated recoverable amount of the Swiss CGU would equal the carrying amount if the key assumptions used to calculate the terminal value were to change by the following percentages, all other things being equal (sensitivity analysis):

CGU	Shipments in tons	Gross profit in € per ton	OPEX in €	WACC in %	Growth rate in %
Switzerland	-1.1%p	-1.0%p	+1.1%p	+0.4%p	-0.8%p

(10) Inventories

(€ million)	June 30, 2025	Dec. 31, 2024
Cost	1,276	1,325
Valuation allowance (net realizable value)	-32	-34
Inventories	1,245	1,291

(11) Financial liabilities

The details of financial liabilities are as follows:

(€ million)	June 30, 2025	Dec. 31, 2024
Non-current financial liabilities		
Liabilities to banks	756	597
Lease liabilities	105	116
Total non-current financial liabilities	860	713
Current financial liabilities		
Liabilities to banks	23	120
Liabilities under ABS program	64	30
Lease liabilities	41	33
Total current financial liabilities	129	183
Financial liabilities as per consolidated balance sheet	989	896

Net financial debt developed as follows:

(€ million)	June 30, 2025	Dec. 31, 2024
Financial liabilities as per consolidated balance sheet	989	896
plus transaction costs	4	5
Gross financial liabilities	993	901
less cash and cash equivalents	-124	-121
Net financial debt (before deduction of transaction cost)	870	780

(12) Additional disclosures on financial instruments

The carrying amounts and fair values by category of financial instruments are as follows:

Financial assets as of June 30, 2025		Category				Fair value			
(€ thousand)	Presented in the Statement of Financial Position as	Carrying amount	Fair value recognized in profit and loss	Fair value recognized in equity	Amortized cost	Level 1	Level 2	Level 3	Total
Measured at fair value									
Derivative financial instruments not designated in hedge accounting (Held for trading)	Other current and non-current financial assets	1,131	1,131	-	-	-	1,131	-	1,131
Investments	Other non-current financial assets	22,382	22,226	155	-	-	-	22,382	22,382
Short-term deposits (< 3 months)	Cash and cash equivalents	12	12	-	-	-	12	-	12
Not measured at fair value									
Trade receivables and contract assets	Trade receivables and contract assets	821,022	-	-	821,022	-	-	-	-
Cash and cash equivalents	Cash and cash equivalents	123,566	-	-	123,566	-	-	-	-
Other financial assets at cost	Other current and non-current financial assets	18,822	-	-	18,822	-	18,822	-	18,822
Other financial assets at cost	Supplier bonus receivables	25,276	-	-	25,276	-	-	-	-
Total		1,012,210	23,370	155	988,685	-	19,965	22,382	42,347

Financial liabilities
as of June 30,
2025

as of June 30, 2025		Category/hedge accounting/leasing				Fair value			
(€ thousand)	Presented in the Statement of Financial Position as	Carrying amount	Fair value recognized in profit and loss	Fair value recognized in equity	At amortized cost	Level 1	Level 2	Level 3	Total
Measured at fair value									
Derivative financial instruments not designated in hedge accounting (Held for trading)	Other current and non-current financial liabilities	572	572	-	-	-	572	-	572
Derivative financial instruments designated in hedge accounting	Other current and non-current financial liabilities	2,363	-	2,363	-	-	2,363	-	2,363
Other financial liabilities	Other non-current financial liabilities	1,407	1,407	-	-	-	-	1,407	1,407
Other financial liabilities	Other current financial liabilities	2,030	2,030	-	-	-	-	2,030	2,030
Not measured at fair value									
Financial liabilities at amortized cost	Current and non-current financial liabilities	842,745	-	-	842,745	-	842,216	-	842,216
Lease liabilities	Current and non-current financial liabilities	146,028	-	-	146,028	-	-	-	-
Trade payables	Trade payables	721,010	-	-	721,010	-	-	-	-
Other financial liabilities at amortized cost	Other current financial liabilities	13,412	-	-	13,412	-	-	-	-
Total		1,729,567	4,009	2,363	1,723,195	-	845,151	3,437	848,588

Financial assets as
of December 31,
2024

		Category				Fair value			
(€ thousand)	Presented in the Statement of Financial Position as	Carrying amount	Fair value recognized in profit and loss	Fair value recognized in equity	Amortized cost	Level 1	Level 2	Level 3	Total
Measured at fair value									
Derivative financial instruments not designated in hedge accounting (Held for trading)	Other current and non-current financial assets	433	433	-	-	-	433	-	433
Investments	Other non-current financial assets	32,556	32,442	114	-	-	-	32,556	32,556
Short-term deposits (< 3 months)	Cash and cash equivalents	12	12	-	-	-	12	-	12
Not measured at fair value									
Trade receivables and contract assets	Trade receivables and contract assets	666,281	-	-	666,281	-	-	-	-
Cash and cash equivalents	Cash and cash equivalents	120,782	-	-	120,782	-	-	-	-
Other financial assets at cost	Other current and non-current financial assets	17,293	-	-	17,293	-	17,293	-	17,293
Other financial assets at cost	Supplier bonus receivables	55,414	-	-	55,414	-	-	-	-
Total		892,770	32,887	114	859,770	-	17,737	32,556	50,293

Financial liabilities
as of December
31, 2024

as of December 31, 2024		Category/hedge accounting/leasing				Fair value			
(€ thousand)	Presented in the Statement of Financial Position as	Carrying amount	Fair value recognized in profit and loss	Fair value recognized in equity	Amortized cost	Level 1	Level 2	Level 3	Total
Measured at fair value									
Derivative financial instruments not designated in hedge accounting (Held for trading)	Other current and non-current financial liabilities	984	984	-	-	-	984	-	984
Derivative financial instruments designated in hedge accounting	Other current and non-current financial liabilities	43	-	43	-	-	43	-	43
Other financial liabilities	Other non-current financial liabilities	1,359	1,359	-	-	-	-	1,359	1,359
Other financial liabilities	Other current financial liabilities	2,082	2,082	-	-	-	-	2,082	2,082
Not measured at fair value									
Financial liabilities at amortized cost	Current and non-current financial liabilities	747,113	-	-	747,113	-	746,531	-	746,531
Lease liabilities	Current and non-current financial liabilities	148,907	-	-	148,907	-	-	-	-
Trade payables	Trade payables	638,547	-	-	638,547	-	-	-	-
Other financial liabilities at amortized cost	Other current financial liabilities	21,712	-	-	21,712	-	-	-	-
Total		1,560,748	4,426	43	1,556,279	-	747,558	3,441	751,000

Measurement of the fair value of non-current financial assets in the amount of €22,382 thousand (2024: €32,556 thousand) is classified as level 3. These are mostly unquoted financial instruments (equity investments) for which there is no active market. The change in the 2025 reporting period is mainly accounted for by a decrease of €4,231 thousand due to capital measures and a decrease of €1,895 thousand due to changes in fair value. Fair value is measured on the basis of available financial information, such as transaction prices for financing rounds or business plans to the extent that this information is reliable, or, as an approximation, as cost, which is considered an appropriate estimate of fair value as no more suitable information is available. A review is carried out on a quarterly basis using all information available on the equity investments to establish whether cost is still representative of fair value. This would no longer be the case, for example, in the event of a significant change in the market in which the equity investments are active. As cost is the sole input factor for fair value, a percentage change in cost results in an equal change in fair value. The estimated fair value would increase (decrease) with any increase (decrease) in cost. Given the size of the investment amount, even a 10% increase in cost would not have a material impact on fair value.

The fair values of non-current financial liabilities are determined on the basis of risk-adjusted discounted cash flows.

In the case of current financial assets (mostly other assets), fair values are largely identical to carrying amounts. The fair values of financial liabilities reflect the current market situation for the respective financial instruments as of June 30, 2025. Their fair values are not reduced by transaction costs. For current financial liabilities, when there are no transaction costs to be deducted, their carrying amount is identical to fair value.

Financial instruments are classified as Level 1 if the fair value is obtained from quoted prices in active markets. Fair values determined using other directly observable market inputs are classified as Level 2.

The Level 3 fair value includes an earn-out due to the acquisition of the shares in Simfloc AG, Frauenkappelen, Switzerland. The seller will receive up to CHF 63 thousand (€67 thousand) for each of the years 2025 to 2028 provided that certain EBITDA targets are met. The fair value of the earn-out amounts to €267 thousand, of which €67 thousand is current.

Other current liabilities include an earn-out clause from the acquisition of Sol Components LLC, Sacramento, USA, under which a subsequent purchase price adjustment of a maximum of USD 3.0 million was agreed subject to the achievement of specified sales targets as of June 30, 2025. The fair value of the earn-out clause was measured using a discount rate of 6.3% and amounts to USD 1.8 million (€1.5 million).

In addition, the acquisition of Haley Tool & Stamping Inc., Tennessee, USA, includes a holdback amount with a fair value of USD 113 thousand (€96 thousand) in other current liabilities.

Also included is contingent consideration of CHF 1.2 million (€1.2 million) for the acquisition of the shares in Müller Wüst AG, Aarau, Switzerland, which will fall due in the years 2026 and 2027. As a qualitative component of the contingent consideration, the sellers will receive a maximum amount of CHF 150 thousand (€160 thousand) per year for the years 2025 and 2026 – a total of CHF 300 thousand (€320 thousand) – if certain milestones are achieved. Consideration of CHF 850 thousand (€909 thousand) is dependent on cumulative net sales for the years 2024 to 2026 and the EBITDA margin in 2026.

They also include a put liability from the acquisition of ODS Belgium B.V., Essen, Belgium. The put option was entered into for a potential future transfer of non-controlling interests valued by discounting future earnings based on budget figures. The future earnings are based on budget figures. The liability amounted to €137 thousand in the reporting period (2024: €137 thousand). IFRS 13.97 applies.

Derivative financial instruments

The Klöckner & Co Group is exposed in its operating business to interest and currency risk and to price fluctuation risk in procurement transactions. This risk is hedged using derivative financial instruments.

The Group exclusively uses market instruments with sufficient market liquidity. Derivative financial instruments are entered into and managed in compliance with internal directives governing the scope of action, responsibilities and controls. According to these directives, the use of derivative financial instruments is a primary responsibility of the Corporate Treasury department of Klöckner & Co SE, which manages and monitors the use of such instruments. Such transactions are only entered into with credit institutions with impeccable ratings. Derivative financial instruments are not allowed to be used for speculative purposes and may only be used to hedge risks associated with hedged items.

Derivative financial instruments are accounted for at fair value in accordance with IFRS 9. Derivatives are initially measured at fair value on inception and subsequently measured at fair value at each reporting date. Any gain or loss from a change in the fair value of a derivative financial instrument that is not a designated and effective cash flow hedge or hedge of a net investment is immediately recognized in profit or loss. For derivative financial instruments that are designated hedges, the timing of the recognition of gains or losses depends on the type of hedge and its effectiveness. The Klöckner & Co Group uses certain derivative financial instruments to hedge recognized assets or liabilities. Certain unrecognized firm commitments are also hedged.

Forward exchange contracts are measured item by item at the forward rate as of the reporting date, and exchange differences arising due to the contracted forward exchange rate are recognized in profit or loss.

Commodity forwards are designated in cash-flow hedge accounting and classified into planned and unrecognized firm commitment procurement transactions. Two potential causes of ineffectiveness are over-hedging and divergence between the derivative's underlying and the hedged steel price component from the reference price formula. Any ineffectiveness is accounted for in cost of materials.

The notional amounts and fair values of the derivative financial instruments in interest rate and currency hedges as of the reporting date and risks of price fluctuations in procurement transactions are as follows:

	June 30, 2025			December 31, 2024		
	Not designated in hedge- accounting	Designated in hedge- accounting	Average hedge rate (in €)	Not designated in hedge- accounting	Designated in hedge- accounting	Average hedge rate (in €)
(€ million)						
Nominal values						
Forward exchange contracts	62.0			64.4	-	-
Commodity forwards		20.7	523	-	0.2	17,401

The notional amounts correspond to the non-netted sum of the currency, interest rate and price portfolio.

The amounts relating to items designated as hedging instruments are as follows:

	June 30, 2025		December 31, 2024	
	Fair value		Fair value	
	Forward exchange contracts	Commodity forwards	Forward exchange contracts	Commodity forwards
(€ million)				
Not designated in hedge-accounting	0.6	-	-0.6	-
Designated in hedge-accounting	-	-2.4	-	-
Change in value of hedging instrument recognized in other comprehensive income	-	-2.3	-	-0.1
Ineffectiveness recognized in profit or loss	-	-	-	-
Gains and losses on hedges reclassified to inventories – basis adjustment	-	-	-	0.2
Amount reclassified from hedging reserve to profit or loss	-	-	-	-
Balances remaining in the cash flow hedge reserve from any hedging relationships for which hedge accounting is no longer applied	-56.6	-	-56.6	-

Forward exchange contracts are presented in other current assets and liabilities; commodity forwards are presented in other current liabilities.

The fair values of the derivative financial instruments are determined on the basis of quantitative finance methods using standard banking models. Counterparty risk as of the measurement date is taken into account in the determination of fair values. Where market prices exist, these correspond to the price a third party would pay for the rights or obligations arising from the financial instruments. The fair values are the market values of the derivative financial instruments, irrespective of any offsetting changes in the value of hedged items.

Forward exchange contracts with a notional amount of €62 million (2024: €64 million) have a remaining maturity of less than one year.

(13) Subsequent events

In July 2025, the ABS program was renewed ahead of schedule and extended until 2028 on improved terms. The size of the program was adjusted from €300 million to €100 million, reflecting the sale of the four European country organizations completed in 2024.

(14) Related party transactions

In the course of its ordinary business activities, the Klöckner & Co Group has business relationships with numerous companies. These also include related parties. Business relations with these companies do not fundamentally differ from trade relationships with other companies. There were no material related party transactions in the reporting period.

(15) Segment reporting

Since 2024, the Group has been divided into two operating segments: Kloeckner Metals Americas and Kloeckner Metals Europe. As before, headquarters functions not allocated to a segment are reported separately, together with consolidation adjustments, under Holding and other Group companies.

With the exception of cash flow from operating activities for fiscal year 2024, the following segment reporting shows the figures for continuing operations only. For discontinued operations, all income and expenses were presented separately in the income statement and all cash flows were presented separately in the statement of cash flows until disposal on February 29, 2024.

	Kloeckner Metals Americas		Kloeckner Metals Europe		Holding and other Group companies ^{*)}		Total	
(€ million)	HY1 2025	HY1 2024	HY1 2025	HY1 2024	HY1 2025	HY1 2024	HY1 2025	HY1 2024
Shipments (Tto)	1,519	1,456	815	848	-	-	2,334	2,304
External sales	1,950	2,081	1,359	1,421	-	-	3,309	3,502
Gross profit	397	352	239	238	-	-	636	590
Gross profit margin (%)	20.4	16.9	17.6	16.8	-	-	19.2	16.9
Segment result (EBITDA)**)	95	84	-7	-3	-7	-2	81	79
EBITDA before material special effects	114	84	-6	-3	-1	2	107	83
Earnings before interest and taxes (EBIT)	64	50	-35	-30	-8	-4	21	16
Cash flow from operating activities – continuing operations	6	-21	-40	42	-9	-3	-43	18
Cash flow from operating activities – discontinued operations	-	-	-	-46	-	-	-	-46

	Kloeckner Metals Americas		Kloeckner Metals Europe		Holding and other Group companies ^{*)}		Total	
(€ million)	HY1 2025	FY 2024	HY1 2025	FY 2024	HY1 2025	FY 2024	HY1 2025	FY 2024
Net working capital as of closing date***)	716	742	643	622	3	4	1,362	1,369
Employees as of closing date	3,067	3,109	3,243	3,174	221	224	6,531	6,507

*) Including consolidations.

**) EBITDA = Earnings before interest, taxes, income from investments, depreciation and amortization and reversals of impairments on intangible assets and property, plant and equipment.

***) Net working capital = Inventories + trade receivables + contract assets + supplier bonus receivables /. trade payables /. contract liabilities /. advance payments received.

Duisburg, August 4, 2025

MANAGEMENT BOARD

Guido Kerkhoff

CHAIRMAN OF THE MANAGEMENT BOARD
(CEO)

Dr. Oliver Falk

MEMBER OF THE MANAGEMENT BOARD
(CFO)

John Ganem

MEMBER OF THE MANAGEMENT BOARD
(CEO AMERICAS)

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the fiscal year.

Duisburg, August 4, 2025

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Review report

To Klöckner & Co SE, Duisburg, Germany

We have reviewed the condensed interim consolidated financial statements – comprising the consolidated statement of financial position, the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of cash flows and summary of changes in equity, as well as selected explanatory notes on the consolidated financial statements – together with the interim group management report of Klöckner & Co SE, Duisburg, for the period January 1 to June 30, 2025, which under Sec. 115 of the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG) form part of the half-year financial report. The voluntary additional information for the second quarter of 2025 and the second quarter of 2024 contained in the consolidated income statement, the consolidated statement of comprehensive income and the consolidated cash flow statement as well as in the sections "Key Developments in the first six months of 2025 and outlook" and "Results of operations, financial position and net assets" of the interim group management report were not subject of our review.

The preparation of the condensed interim consolidated financial statements in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company's Management Board. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) and additionally observed the International Standard on Review Engagements "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE 2410). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. Our opinions on the interim consolidated financial statements and on the interim group management report do not extend to the voluntary additional information for the second quarter of 2025 and the second quarter of 2024 contained in the consolidated income statement, the consolidated statement of comprehensive income and the consolidated cash flow statement as well as in the sections "Key Developments in the first six months of 2025 and outlook" and "Results of operations, financial position and net assets" of the interim group management report.

Düsseldorf, August 4, 2025

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Antje Schlotter
WIRTSCHAFTSPRÜFERIN (GERMAN PUBLIC AUDITOR)

Verena Polzer
WIRTSCHAFTSPRÜFERIN (GERMAN PUBLIC AUDITOR)

Financial Calendar

November 5, 2025	Q3 quarterly statement 2025 Conference call with journalists Conference call with analysts
March 11, 2026	Annual Financial Statements 2025 Conference call with journalists Conference call with analysts
May 6, 2026	Q1 quarterly statement 2026 Conference call with journalists Conference call with analysts
May 20, 2026	Annual General Meeting 2026
August 5, 2026	Half-yearly financial report 2026 Conference call with journalists Conference call with analysts
November 4, 2026	Q3 quarterly statement 2026 Conference call with journalists Conference call with analysts

Subject to subsequent changes.

Klöckner & Co SE

Fabian Joseph
Head of Investor Relations

Telephone: +49 211 88245-488
Email: ir@kloeckner.com

Christian Pokropp
Head of Corporate Communications |
Head of Group HR

Telephone: +49 211 88245-360
Email: pr@kloeckner.com

Disclaimer

This Interim Management Statement contains forward-looking statements that are based on the current estimates of the Klöckner & Co SE management with respect to future events. They are generally identified by the words "expect", "anticipate", "assume", "intend", "estimate", "target", "aim", "plan", "will", "endeavor", "outlook" and comparable expressions, and generally contain information that relates to expectations or targets for economic conditions, sales or other performance measures. Forward-looking statements are based on currently valid plans, estimates and projections and are therefore only valid on the day on which they are made. You should consider them with caution. Such statements are subject to numerous risks and uncertainties (e.g. those described in publications), most of which are difficult to predict and are generally beyond the control of Klöckner & Co SE. The relevant factors include the effects of significant strategic and operational initiatives, including the acquisition or disposal of companies or other assets. If these or other risks or uncertainties materialize or if the assumptions underlying any of the statements turn out to be incorrect, the actual results of Klöckner & Co SE may be materially different from those stated or implied by such statements. Klöckner & Co SE can offer no assurance that its expectations or targets will be achieved. Without prejudice to existing legal obligations, Klöckner & Co SE does not assume any obligation to update forward-looking statements to take information or future events into account or otherwise. In addition to the figures prepared in line with IFRS or HGB (Handelsgesetzbuch – German Commercial Code), Klöckner & Co SE presents non-GAAP financial performance measures, e.g. EBITDA, EBIT, net working capital and net financial debt. These non-GAAP measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with IFRS or HGB. Non-GAAP key figures are not subject to IFRS or HGB, or to other generally applicable accounting regulations. In assessing the net assets, financial position and results of operations of Klöckner & Co SE, these supplementary figures should not be used in isolation or as an alternative to the key figures presented in the consolidated financial statements and interim management statement and calculated in accordance with the relevant accounting principles. Other companies may define these terms in different ways. Please refer to the definitions in this Interim Management Statement and the last annual report. Also: For other terms not defined in this Interim Management Statement or the annual report, please see the glossary on our website at <https://www.kloeckner.com/en/glossary/>.

Rounding

There may be rounding differences with respect to the percentages and figures in this report.

Variances for technical reasons

Variances may arise for technical reasons (e.g., conversion of electronic formats) between the accounting documents contained in this report and the format published in the company register. In this case, the version submitted to the company register shall be binding.

This English version of the interim management statement is a courtesy translation of the original German version; in the event of variances, the German version shall prevail over the English translation.

Evaluating statements are unified and are presented as follows:

+/- 0-1 %	+/- >1-5 %	+/- >5 %
constant	slight	considerable