

P R E S S R E L E A S E

Sto SE & Co. KGaA, Stühlingen

- **Sto consolidated turnover in the first half of 2015 is EUR 561.6 million, slightly below previous year's level**
- **Comparative value of previous year is high due to very favourable weather conditions in first quarter of 2014**
- **Consolidated EBIT decreases from EUR 29.2 million to EUR 17.4 million in comparison to previous half year**
- **Workforce increases from 5,001 to 5,081 employees worldwide**
- **Unchanged forecast for entire fiscal year 2015: increase in turnover of 5 % to approx. EUR 1,270 million, and EBIT between EUR 92 million and EUR 102 million**

Stühlingen, 28 August 2015 – The business development of Sto SE & Co. KGaA has remained below the original projections also in the second quarter of 2015. The favourable weather conditions in the first quarter of 2014 mean the comparative value from last year is very high, and because the expected catch-up effects could not yet be realised to the target extent, **consolidated turnover** for the first six months of 2015 is at EUR 561.6 million, 0.3 % below the previous year's value (previous year: EUR 563.1 million). In the market for external wall insulation systems, the conflicting and, in some cases, highly exaggerated media reports continued to lead to feelings of uncertainty, particularly among private building owners. Reluctance was further increased by the unresolved question of tax incentives for energy efficiency refurbishment measures. This has led to declines in the product group of facade systems.

In **Germany**, the Sto Group accordingly experienced a decline in turnover of 3.5 % to EUR 244.5 million (previous year: EUR 253.4 million) **For-**

oreign turnover, however, increased by a total of 2.4 % to EUR 317.1 million (previous year: EUR 309.7 million). As a result, the share of Group turnover generated abroad increased from 55.0 % to 56.5 % in comparison to the previous half year. Here the declines in several western European countries, mainly caused by the weather and difficult economic situations, were overcompensated by growth in America and Asia, where very positive currency translation effects in 2015 had an impact.

Overall, Sto consolidated turnover increased in the first half year from **currency translation and consolidation factors** by EUR 17.1 million, where particularly the price trend of the US dollar, the Swiss franc, and the Chinese renminbi in comparison to the Euro made a significant difference. Excluding these effects the Group reported as at the end of June 2015 a decline in turnover of 3.3 % compared to the same period of the previous year.

Although business development in **July 2015** was slightly above that of the previous year, it was still below our expectations.

In the first six months of 2015, the Sto Group's **earnings before interest and taxes (EBIT)** also fell below our planning at EUR 17.4 million, and also below the previous year's value (previous year: EUR 29.2 million). The net result declined on a six-monthly comparison from EUR 19.9 million to EUR 12.1 million. Alongside the lower turnover volume, the earnings situation was also influenced in particular by higher **staff costs**, which rose by 3.2 % to EUR 158.5 million (previous year: EUR 153.6 EUR). The main reasons were standard pay scale increases and recruitment taking place in regions where medium-term growth in turnover is expected.

Worldwide, the Sto Group had a **workforce** of 5,081 at the end of June this year (previous year: 5,001): 2,454 abroad (previous year: 2,418) and 2,627 in Germany (previous year: 2,583). The percentage of the Group's

workforce employed abroad as at 30 June 2015 totalled 48.3 %, almost up to the previous year's level (previous year: 48.4 %).

In the middle of the year, the **financial and asset situation** of the Sto Group was characterised by the high dividend distribution and the strongly seasonal business development in the construction industry. There is a particular need for cash in the first few months of a calendar year, whereas cash inflows dominate during the second half of the year. On 30 June 2015, the company possessed **net financial debt** of EUR 2.9 million following net-financial assets of EUR 104.7 million at 2014 year end. The **equity ratio** stood at 54.0 % on the reference date (31 December 2014: 67.4 %)

Forecast for the 2015 fiscal year unchanged

For 2015 as a whole, Sto SE & Co. KGaA continues to expect an increase in turnover of 5 % to around EUR 1,270 million within the Group. The Executive Board assumes that business development in the second half year will be supported by comparatively positive weather conditions as in the previous year, as well as continued favourable currency translation effects, and that the shortfall existing in the middle of the year will be remedied. However, the weathering influences are difficult to predict and have a significant influence on the turnover and earnings trend of the company. Consolidated earnings before interest and taxes (EBIT) is likely to fall to between EUR 92 million and EUR 102 million (2014: EUR 97.0 million).

Sto SE & Co. KGaA is a major international manufacturer of products and systems for building coatings. Consolidated turnover in 2014 amounted to EUR 1,208.7 million. The company is a leader in the business field of external wall insulation systems. Sto's core product range also includes high-quality facade elements, as well as renders, plasters and paints for building exteriors and interiors alike. There is also a focus on concrete repair, floor coatings, acoustics, and rainscreen cladding systems.

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The full version of the 2015 interim financial report is available for download at www.sto.de in the section "Investor Relations" under "Unternehmen" (company).