

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

Sto SE & Co. KGaA, Stühlingen

- **Consolidated turnover up by 6.5 % to EUR 665.1 million in the first six months of 2019**
- **Turnover in Germany increases by 3.6 % to EUR 285.6 million and volume outside of Germany by 8.8 % to EUR 379.5 million**
- **Consolidated EBIT improves by 36.6 % to EUR 31.7 million and earnings before tax (EBT) by 33.6 % to EUR 30.6 million**
- **Number of employees in the Group rises by 86 to 5,467 employees compared to the same day of the previous year as a result of acquisitions**
- **Outlook for the year 2019 as a whole unchanged: increase in turnover of 4.1 % to around EUR 1,387 million and EBIT of between EUR 81 million and EUR 91 million expected**

Stühlingen, 30 August 2019 – In the first six months of 2019, Sto SE & Co. KGaA has **increased turnover** across the Group by 6.5 % to EUR 665.1 million (previous year: EUR 624.5 million) despite weaker business development in the second quarter. EUR 2.5 million of the total growth in the first half of the year resulted from currency translation effects, while around EUR 3.3 million came from the first-time consolidations of Liaver GmbH & Co. KG, Ilmenau, and Skyrise Prefab Building Solutions Inc., Toronto/Canada. Adjusted for these effects, this amounts to an increase of 5.6 % compared to the same period of the previous year.

In **Germany**, the Sto Group achieved Group-wide growth of 3.6 % to EUR 285.6 million (previous year: EUR 275.8 million) in the reporting period. **Outside of Germany**, turnover increased by 8.8 % to EUR 379.5 million (previous year: EUR 348.7 million). The percentage of Group turnover generated abroad amounted to 57.1 % as compared to 55.8 % in the same six-month period in 2018.

In **July 2019**, demand increased compared to previous year, despite the extreme summer heatwave experienced in a number of markets, and was in line with expectations overall, while turnover in **August 2019** is expected to be below expectations.

Earnings in the Sto Group recorded highly positive growth in the first half of 2019. This was due to the fact that the figures from the previous year had been impacted considerably by what in some cases were significant increases in raw material costs. In the reporting period, pricing pressure in relation to procurement eased compared to 2018 and **material costs** rose moderately by 5.5 % to EUR million 308.5 million (previous year: EUR 292.3 million). In relation to total revenues of EUR 672.7 million (previous year: EUR 628.7 million), the gross margin rate of the Sto Group improved by 0.6 percentage points from 53.5 % to 54.1 %.

Personnel expenses also increased disproportionately to turnover volume – by 5.5 % to EUR 182.9 million (previous year: EUR 173.3 million). In total, earnings before interest and taxes (**EBIT**) rose by 36.6 % to EUR 31.7 million (previous year: EUR 23.2 million), earnings before tax (**EBT**) by 33.6 % to EUR 30.6 million (previous year: EUR 22.9 million), and **net income** in the Group by 32.5 % to EUR 20.8 million (previous year: EUR 15.7 million).

As usual, the Sto Group's **financial and asset situation** in the first half of 2019 was affected by the seasonal nature of business. 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. In addition, the first-time application of IFRS 16 resulted in changes to the consolidated balance sheet. Taking into account cash and cash equivalents, this resulted in net financial assets of EUR 39.9 million (31 December 2018: EUR 90.5 million) at the mid-year point. On the reference date, the equity ratio stood at 53.3 % (31/12/2018: 60.9 %).

The number of **employees** in the Sto Group worldwide was 5,467 on 30 June 2019, compared with 5,333 at the end of 2018 (+134 people; +2.5 %) and 5,381 on the same day of the previous year (+86 people; +1.6 %). In **Germany**, the workforce has increased since the middle of 2018 by 91 employees to 2,945

(previous year: 2,854). This is primarily due to first-time consolidations, as 53 people were employed by Liaver GmbH & Co. KG on the reference date. The number of employees working for Sto **outside of Germany** fell slightly year-on-year by 5 people to 2,522 (previous year: 2,527). 34 of these employees came from Skyrise Prefab Building Solutions Inc. in Canada. The percentage of the Group's workforce employed abroad fell from 47.0 % to 46.1 %.

For **2019 as a whole**, Sto continues to expect a 4.1 % growth in consolidated turnover to around EUR 1,387 million (2018: EUR 1,332.4 million). Consolidated earnings before interest and taxes (EBIT) are expected to amount to between EUR 81 million and EUR 91 million (2018: EUR 81.9 million).

The full version of the 2019 interim financial report is available for download at www.sto.de in the section "Investor Relations" under "Unternehmen" (company).

Sto SE & Co. KGaA is a major international manufacturer of products and systems for building coatings. 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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