P R E S S   R E L E A S E
Sto SE & Co. KGaA, Stühlingen/Germany

- **In the first quarter of 2020, Sto benefits from favourable weather conditions and first-time consolidation effects**

- **Consolidated turnover up by 6.9 % to EUR 283.7 million**

- **Usual Q1 net loss reduced compared to the same period of the previous year**

- **Number of employees up by 213 to 5,633, primarily through expansion of the companies consolidated**

- **Outlook for the year of 2020 as a whole remains unchanged for the time being (without taking potential effects of the coronavirus pandemic into account): increase in turnover of 6.6 % to around EUR 1,490 million and EBIT of between EUR 93 million and EUR 103 million expected**

Stühlingen/Germany, 14 May 2020 – Sto SE & Co. KGaA, a major international manufacturer of products and systems for building coatings, saw a rise of 6.9 % to EUR 283.7 million in **consolidated turnover** in the first quarter of 2020 as compared to the previous year's value (previous year: EUR 265.3 million). This growth was mainly attributable to the positive weather conditions, especially in January, as well as first-time consolidation effects. As compared to the same period the previous year, the Sto Group's companies consolidated grew by VIACOR Polymer GmbH, Rottenburg am Neckar/Germany, the Canadian Skyrise Prefab Building Solutions Inc., and Unitex Australia Pty Ltd. Adjusted for first-time consolidation and currency translation effects, which amounted to EUR 7.4 million in total, the Sto Group saw an increase in turnover of 4.1 % in the reporting period.

In **Germany**, Sto achieved an increase in turnover of 16.4 % to EUR 130.7 million (previous year: EUR 112.3 million) by the end of March 2020, which was especially due to the favourable weather conditions as well as the first-time consolidation effect from the acquisition of shares in VIACOR Polymer GmbH. **Outside of Germany**, the volume amounted to EUR 153.0 million and was hence at the previous year's level. Some countries also benefited from the favourable weather conditions, while the corona-related shutdown already had a significant dampening effect, particularly in China. France, Spain and Italy also experienced the first, partially significant, effects of the pandemic in March. In comparison to same period of the previous year, the share of total Sto Group turnover generated abroad decreased from 57.7 % to 53.9 %. Divided into product areas, solid increases in turnover were achieved in the reporting period across the board.

Due to the drastic consequences of the coronavirus pandemic, business development in **April 2020** was considerably below the previous year's figures and well below expectations, particularly regarding business outside of Germany.

Due to the distinct seasonal nature of the business activities, Sto does not usually generate positive **consolidated earnings** in the first few months of the year. A net loss was also recorded in the first quarter of 2020, although it was significantly lower than in the previous year. The gross margin rate was further improved, mainly through price decreases on the procurement side as well as product mix effects.

In the first three months of 2020, Group-wide **investments** in Property, plant and equipment, as well as Intangible assets amounted

to EUR 5.8 million (previous year: EUR 4.2 million) and were mainly attributable to replacement and extension investments. Furthermore, the planned measures regarding the expansion of the production capacity at our site in Villach/Austria, and the construction of a new logistics building for Südwest Lacke + Farben GmbH & Co. KG in Böhl-Iggelheim/Germany were initiated.

As at 31 March 2020, the Sto Group had 5,633 **employees** worldwide as compared to 5,420 on the same day of the previous year, and 5,333 at the 2019 year-end. The number of employees at the German locations increased by 63 to 2,997 as compared to the end of March 2019 (31 March 2019: 2,934). VIACOR Polymer GmbH, which had been consolidated for the first time, had 55 employees as at the reference date. The increase of 150 to 2,636 employees outside of Germany (31 March 2019: 2,486) included 44 employees at the Canadian Skyrise Prefab Building Solution Inc. and 58 employees at Unitex Australia Pty Ltd. in Australia. In addition, there were isolated new appointments in countries with short- and medium-term growth prospects, while the number of employees was adjusted selectively in regions battling difficult economic conditions. The percentage of the Group's workforce employed outside of Germany increased to 46.8 % (31 March 2019: 45.9 %) as at 31 March 2020.

Outlook for the year of 2020 as a whole remains unchanged for the time being

The extreme uncertainty surrounding the coronavirus pandemic and its extraordinarily dynamic development make reliable estimates of the Group's further business development impossible. Without taking into account the effects of the pandemic, Sto continues to expect an increase in turnover of 6.6 % to EUR 1,490 million for 2020 as a whole. The EBIT figure is expected to fall between EUR 93 million

and EUR 103 million. The risks and opportunities for the Sto Group are described in detail in the 2019 Annual Report.

The interim report within the first half of 2020 is available for download at www.sto.de in the section 'Unternehmen' (company) and then 'Investor Relations'.

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. Another focus is placed on concrete repair, floor coatings, acoustics, and rainscreen cladding systems.

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