

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

Sto SE & Co. KGaA, Stühlingen/Germany

- **Difficult market conditions burden the Sto Group's 2024 business development**
- **Revised turnover and earnings forecast achieved**
- **Consolidated turnover decreases by 6.2 % to EUR 1,612.3 million; losses in Germany and outside of Germany**
- **Consolidated earnings significantly declining: EBIT down 53.5 % to EUR 58.8 million and EBT down 52.2 % to EUR 60.9 million; return on sales at 3.8 %**
- **Comprehensive cost-cutting programme implemented**
- **Group's workforce reduced by 184 to 5,599 employees worldwide year-on-year**
- **Outlook for 2025: Sto anticipates a Group turnover of EUR 1.57 billion and an EBIT of between EUR 51 million and EUR 71 million**

Stühlingen/Germany, 30 April 2025 – The business development of Sto SE & Co. KGaA, a major international manufacturer of products and systems for building coatings, was significantly impacted by various factors in 2024. This was primarily characterised by the continued weak construction sector in Germany, the most important market. Declining sales volumes in both the Construction of new buildings and the refurbishment sector led to a significant increase in competitive pressure. The market volume also declined in other Sto core markets. The cuts were particularly severe in Italy and France, two countries that are significant for Sto. Significant changes were made to the subsidy programmes for energy-efficient building refurbishment measures, which had seen strong growth in recent years, and subsidies were reduced. Added to this was the difficult macroeconomic situation in many countries around the world, also as a result of geopolitical conflicts, as well as unfavourable weather conditions, which hampered the application of Sto products used outdoors in several months of the year under review. Overall, business development remained well below the original turnover and earnings targets published in April

2024, but achieved the forecast, which was revised downwards in November.

In 2024, **turnover** in the Sto Group decreased by 6.2 % to EUR 1.612 billion (November 2024 forecast: EUR 1.60 billion; previous year: EUR 1.718 billion). The net negative currency translation effects were offset by the opposing effect from the first-time incorporation of Stoanz Ltd in New Zealand as at 1 April 2024. Adjusted for these two influences, turnover also fell by 6.2 %.

The Sto Group's **earnings** in 2024 remained significantly below the previous year's value, particularly as a result of the lower turnover volume and negative effects on earnings from the development of the Ströher Group in Germany, Skyrise Prefab Building Solutions Inc. in Canada, and Sto Ltd. in Great Britain, which was deconsolidated in December 2024. However, the adjusted ranges most recently forecast were achieved: **EBIT** decreased by 53.5 % year-on-year to EUR 58.8 million (November 2024 forecast: EUR 50 million to EUR 68 million; previous year: EUR 126.5 million) and earnings before taxes (**EBT**) decreased to EUR 60.9 million (November 2024 forecast: EUR 52 million to EUR 70 million; previous year: EUR 127.4 million). The **return on sales** in 2024 was 3.8 % (November 2024 forecast: 3.2 % to 4.4 %; previous year: 7.4 %). The most recent forecast for the return on capital employed (**ROCE**) was 6.6 % to 9.1 %, which was also achieved at 7.8 % (previous year: 17.1 %).

To counteract the negative development of earnings, Sto initiated a cost-cutting programme at the beginning of the second half of the year, which has already led to individual savings in the last few months of 2024. Among other things, a restrictive hiring and spending policy was carried out worldwide and short-time work was introduced at Sto SE & Co. KGaA.

As at 31 December 2024, the Sto Group had 5,599 employees (31 December 2023: 5,783). Compared to the 2023 year end, the workforce was thus reduced by 184 people or 3.2 %.

The Sto Group's **financial situation and assets and liabilities situation** remained very solid. The equity ratio improved from 62.6 % on the same day of the previous year to 64.2 % at the end of 2024. Some of the cash and cash equivalents, which decreased to EUR 110.9 million (31 December 2023: EUR 122.3 million), were reallocated to current financial assets. Taking cash and cash equivalents into account, net financial assets amounted to EUR 109.2 million at the end of December 2024 (31 December 2023: EUR 119.7 million). The cash flow from operating activities totalled EUR 90.5 million (previous year: EUR 170.9 million).

In the **first three months of 2025**, turnover in the Sto Group was below the previous year's level but exceeded expectations. The deficit usually achieved in the first quarter due to the seasonal nature of business development caused by the weather is likely to have increased compared to the previous year, which is mainly due to lower turnover and high pressure on margins.

The general conditions for the Sto Group remain challenging in 2025. This is characterised above all by the persistently difficult economic situation and the great uncertainties regarding key influencing factors, which make concrete forecasts extremely difficult. This includes the consequences of international conflicts and trade disputes as well as the question of what the newly elected German government is planning in terms of regulations, infrastructure investments and state subsidy measures, as well as the intensity with which climate policy targets are pursued and energy-related measures and residential construction are supported.

From today's perspective, Sto expects consolidated turnover of EUR 1.57 billion in the **2025 financial year**. EBIT is expected to be between EUR 51 million and EUR 71 million and earnings before taxes (EBT) between EUR 50 million and EUR 70 million. The resulting return on sales is therefore between 3.1 % and 4.5 %. The return on capital employed (ROCE) is forecast to be between 6.8 % and 9.6 %. The cost-cutting

measures that have been initiated will be continued in order to promote profitability in the Group.

As described in the 2024 annual report, the medium- to long-term prospects for Sto remain good. However, the company believes that, above all, a reliable and clear statutory framework must be created so buildings that are fit for the future and sufficient living space can be created. Investments should be promoted in a targeted manner, technical requirements should not be increased further and bureaucratic hurdles should be significantly reduced.

The 2024 Annual Report will be available for download at www.sto.de in the section 'Investor Relations' under 'Geschäfts- und Zwischenberichte' (Annual and interim reports).

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, acoustic systems, and rainscreen cladding systems.

Sto SE & Co. KGaA contact person:

Désirée Konrad, Chief Financial Officer of STO Management SE,

Contact via: tel.: +49 7744 57-1241, e-mail: s.zeller@sto.com

Contact to the media:

Claudia Wieland, Redaktionsbüro tik, tel.: +49 911 98817071, e-mail: cw@tik-online.de