

PRESS RELEASE

Sto SE & Co. KGaA, Stühlingen/Germany

- **Sto SE & Co. KGaA achieves the forecast turnover and earnings targets in the 2021 fiscal year**
- **Consolidated turnover up by 11.0 % to EUR 1,590.5 million**
- **EBIT improves by 3.1 % to EUR 124.5 million and EBT by 7.5 % to EUR 127.9 million in spite of significant disruptions to procurement markets**
- **Unaltered proposed dividend of EUR 0.31 per limited preference share and EUR 0.25 per limited ordinary share plus a stable bonus of EUR 4.69 per limited preference and per limited ordinary share**
- **Outlook for 2022: without factoring in the impact of the Russia-Ukraine conflict, Sto expects its turnover to be in the order of EUR 1.74 billion and its EBIT to be between EUR 114 million and EUR 134 million in the Group**

Stühlingen, 28 April 2022 – In the 2021 fiscal year, Sto SE & Co. KGaA, a major international manufacturer of products and systems for building coatings, was able to exactly achieve the forecast that had been raised in December. **Consolidated turnover** hence grew by 11.0 % year-on-year to EUR 1,590.5 million (previous year: EUR 1,433.0 million). Once adjusted by JONAS Farben GmbH, which was consolidated for the first time, and the net negative effects of currency translation, growth amounted to 9.3 %.

The lion's share of the increase in turnover was attributable to the very strong business development in the first half of the year. In addition to the high demand in the construction sector, Sto benefited from the predominantly favourable weather conditions and catch-up effects in several markets outside of Germany that had recorded high losses due to the coronavirus pandemic in the previous year. From the middle of the year onwards, the growth momentum slowed down as expected, with considerable supply bottlenecks on the procurement markets, especially in Germany. Furthermore, fewer catch-up effects were noticeable in the autumn given the good business development that had been seen during the corresponding period of the previous year. In certain countries, restrictions were

reimposed as a result of the coronavirus pandemic. In the last months of 2021, on the other hand, business development was again supported by favourable weather conditions.

In 2021, **consolidated earnings** improved slightly despite the fact that the dramatic price increases encountered in the course of the year in the area of procurement had a huge impact on gross profit. Earnings before interest and taxes (EBIT) increased by 3.1 % to EUR 124.5 million (previous year: EUR 120.8 million) and were therefore within the most recently forecast range of between EUR 113 million and EUR 128 million. Earnings before taxes (EBT) totalled EUR 127.9 million (adjusted forecast: between EUR 115 million and EUR 130 million; previous year: EUR 119.0 million), resulting in a return on sales of 8.0 % (adjusted forecast: between 7.2 % and 8.2 %; previous year: 8.3 %). Standing at 18.9 %, the ROCE figure (return on capital employed) was also within the expected range (adjusted forecast: between 17.3 % and 19.6 %; previous year: 19.7 %). The higher business volume was the basis for the positive development of income. In addition, the decline in the gross profit margin in the fourth quarter was lower than initially assumed, partly due to positive product-mix effects. In the course of the year, earnings-securing measures were initiated and cost-intensive strategic projects were postponed.

Due to the development of income, the **financial and asset situation** of the Sto Group, which had 5,697 employees worldwide at the end of 2021 (31 December 2020: 5,545), remained extremely solid. The equity ratio stood at 56.2 % (31 December 2020: 54.6 %), and cash stocks amounted to EUR 137.1 million (31 December 2020: EUR 130.0 million). Taking borrowings into account, net financial assets grew to EUR 127.0 million (31 December 2020: EUR 117.1 million). Cash flow from operating activities stood at EUR 111.4 million (previous year: EUR 177.2 million).

Through its Executive Board, the personally liable partner STO Management SE will propose an unaltered **dividend payout** of EUR 31,896,720.00 to the Annual General Meeting on 22 June 2022. This means that limited preference shareholders will again receive an ordinary dividend of EUR 0.31 and a bonus of EUR 4.69 per share. Limited ordinary shareholders will likewise be paid the same amounts

as the previous year: an ordinary dividend of EUR 0.25 and a bonus of EUR 4.69 per share.

In the first three months of **2022**, turnover saw a very positive development due to favourable weather conditions and high demand in important markets. As compared to the same period the previous year, a significant growth in turnover was achieved. The enormous pressure on Sto's gross profit margin continued at the beginning of the 2022 fiscal year due to the rising procurement costs.

Assuming normal weather conditions and not taking into account the impact of the Russia-Ukraine conflict, Sto expects a turnover in the order of EUR 1.74 billion in the Sto Group for the year of 2022 as a whole, despite the major challenges. Consolidated earnings before interest and taxes (EBIT) are expected to fall between EUR 114 million and EUR 134 million, with earnings before taxes (EBT) of between EUR 112 million and EUR 132 million. The resulting return on sales is hence likely to be between 6.4 % and 7.6 %. Return on capital employed (ROCE) is expected to reach a value of between 15.9 % and 18.7 %. Risks relating to the future development of business arise in particular from further possible supply bottlenecks, material price increases, the unclear development of the coronavirus pandemic, and the consequences of the Russia-Ukraine conflict, which currently cannot be accurately estimated.

The 2021 Annual Report is 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, acoustics, and rainscreen cladding systems.

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