

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

Sto SE & Co. KGaA, Stühlingen/Germany

- **Sto grows organically in 2020 despite the coronavirus pandemic**
- **Consolidated turnover up by 2.5 % to EUR 1,433.0 million – supported by first-time consolidation effects despite offsetting negative currency translation effects**
- **Consolidated EBIT increases markedly by 40.6 % to EUR 120.8 million; earnings before tax (EBT) up by 43.2 % to EUR 119.0 million**
- **Return on sales improves considerably from 5.9 % to 8.3 %**
- **Size of the Group's workforce expands slightly by 12 to 5,545 employees**
- **Outlook for 2021: increase in turnover of 4.5 % to around EUR 1,498 million and an EBIT of between EUR 98 million and EUR 113 million expected**

Stühlingen/Germany, 29 April 2021 – In the 2020 fiscal year, Sto SE & Co. KGaA was able to increase its **consolidated turnover** by 2.5 % to EUR 1,433.0 million as compared to the previous year (previous year: EUR 1,398.2 million). The losses due to the coronavirus pandemic, especially outside of Germany, were offset by a very pleasing turnover development in the first quarter which was due to the good weather conditions in this period, and, with a few exceptions such as China, was still only slightly affected by the coronavirus pandemic. The losses were further offset by a similarly favourable development of business in the last weeks of the year also owing to the weather.

In addition, first-time consolidation effects had a positive impact on consolidated turnover: in addition to VIACOR Polymer GmbH, based

in Germany and included since the beginning of the year 2020, Skyrise Prefab Building Solution Inc. (Canada) and Unitex Australia Pty Ltd. (Australia) were included in the reporting period as a whole for the first time. The Group no longer included the business operation of the former VeroStone GmbH, which had been sold on 31 December 2019 as part of an asset deal. Consolidated turnover grew by 2.0 % organically, i.e. when adjusted for all first-time consolidation and the overall negative currency translation effects as well as the effect from the sale of the business operation of Sto BTV GmbH (formerly VeroStone GmbH).

The Sto Group recorded substantial growth in earnings in 2020. The primary factors that had a positive impact in this regard were improvements in the gross profit margin, the increase in turnover, and the earnings-securing measures that were introduced to compensate for the adverse effects of the coronavirus pandemic.

Consolidated EBIT rose by 40.6 % to EUR 120.8 million (previous year: EUR 85.9 million), earnings before tax (EBT) by 43.2 % to EUR 119.0 million (previous year: EUR 83.1 million), and return on sales increased from 5.9 % to 8.3 %. In 2020, net income (EAT) reached a value of EUR 80.7 million (previous year: EUR 56.3 million). The return on capital employed (ROCE) improved from 14.0 % to 19.7 % as a result of the profitable growth that protects capital.

Due to the very good development of income, the **financial and asset situation** of the Sto Group, which had 5,545 employees worldwide at the end of the year (31 December 2019: 5,533), remained extremely solid. With an equity ratio of 54.6 % (31 December 2019: 54.3 %) and cash stocks of EUR 130.0 million (31 December 2019: EUR 128.6 million), Sto possesses an excellent foundation for further business development.

Taking borrowings into account, net financial assets amounted to EUR 117.1 million on the reference date (31 December 2019: EUR 119.8 million). Cash flow from operating activities grew from EUR 117.0 million to EUR 177.2 million.

As already reported, the Executive Board of the personally liable partner STO Management SE will propose a dividend payout of EUR 31.9 million at the Annual General Meeting on 16 June 2021. This means that limited preference shareholders will receive an ordinary dividend of EUR 0.31 and an increased bonus of EUR 4.69 per share. Limited ordinary shareholders will be paid an ordinary dividend of EUR 0.25 and also an increased bonus of EUR 4.69 per share.

On balance, the **start to the 2021 fiscal year** was in line with expectations due to the weather conditions in January and February, which were normal for that time of year, but remained significantly below the value of the same period of the previous year, which had been characterised by exceptionally good weather. In contrast, the month of March showed a very positive development. This meant that, overall, consolidated turnover in the first three months of the year was up on the previous year and exceeded expectations.

The further development of business in 2021 will be characterised by considerable uncertainties due to the ongoing coronavirus pandemic. As outlined in the management report for the fiscal year of 2020, the forecast is shrouded in a great deal of uncertainty in light of the dramatic resurgence in COVID-19 cases at the beginning of the year – leading to the reimposition of substantial restrictions across large parts of the world, the unpredictable further spread of the virus, and, in particular, the corresponding responses of the

respective governments, which could significantly affect the business development of the Sto Group, e.g. due to a disruption or interruption of supply chains, as well as the currently unclear further development of the procurement markets. As things currently stand, Group turnover for **2021 as a whole** is expected to rise by 4.5 % to approximately EUR 1,498 million (2020: EUR 1,433.0 million). Taking into account currently expected cost increases due to pressure from the procurement markets, among other things, consolidated EBIT is forecast to fall between EUR 98 million and EUR 113 million (2020: EUR 120.8 million).

The entire 2020 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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