

## **P R E S S R E L E A S E**

### **Sto SE & Co. KGaA, Stühlingen/Germany**

- **Consolidated turnover up by 12.4 % to EUR 1,787.4 million compared to previous year**
- **Intense pressure on the gross profit margin causes EBT return on sales to fall from 8.0 % to 7.2 %**
- **Consolidated EBIT improves by 4.2 % to EUR 129.7 million and EBT by 0.3 % to EUR 128.3 million, despite enormous hikes in procurement prices**
- **Consolidated EAT down by 5.9 % to EUR 89.1 million as compared to the previous year.**
- **Executive Board of the personally liable partner STO Management SE proposes an unaltered dividend distribution of EUR 0.31 per limited preference share and of EUR 0.25 per limited ordinary share plus a bonus of EUR 4.69 per preference and per ordinary share**
- **Outlook for 2023: without factoring in the impact of the Russia-Ukraine conflict, Sto expects a turnover of EUR 1.91 billion and EBIT of between EUR 118 million and EUR 143 million in the Group**

*Stühlingen/Germany, 13 April 2023* – In the 2022 financial year, Sto SE & Co. KGaA, a major international manufacturer of products and systems for building coatings, was able to largely achieve its objectives despite difficult conditions. After a solid first half of the year, during which products for the facade have especially contributed to growth, demand slowed down significantly over the course of the year. According to the Federal Statistical Office, in addition to the tense overall economic situation and the global uncertainty resulting from the Russia-Ukraine conflict, the construction industry was burdened by the shortage of materials and skilled workers, high costs, and rising interest rates, which led to an increasing number of projects being postponed over the course of the year.

The increase in Sto's **consolidated turnover** by 12.4 % to EUR 1.79 billion in 2022 (previous year: EUR 1.59 billion) was overall attributable to the necessary sales price increases with which the company had reacted to the drastic cost increase in procurement. Adjusted for price changes, the 2022 turnover volume, which exactly reached the

forecast adjusted in August 2022 (original forecast: EUR 1.74 billion), remained under the previous year's level. Adjusted for currency translation and first-time consolidation effects, this resulted in a 11.2 % growth.

A major challenge in 2022 was the drastic increase in procurement prices, which in net terms was even stronger than in the previous year. This led to significant pressure on the gross profit margin, which dropped considerably from 52.6 % to 50.7 %. Nevertheless, standing at EUR 129.7 million, **EBIT** in the Sto Group exceeded the previous year's level (previous year: EUR 124.5 million) and reached the forecast range (forecast: between EUR 114 million and EUR 134 million). **EBT** totalled EUR 128.3 million (previous year: EUR 127.9 million; forecast: between EUR 112 million and EUR 132 million), resulting in a **return on sales** of 7.2 % (previous year: 8.0 %; adjusted forecast: between 6.3 % and 7.4 %; original forecast: between 6.4 % and 7.6 %). EAT decreased by 5.9 % from EUR 94.7 million the previous year to EUR 89.1 million. Standing at 17.3 %, the **ROCE** figure (return on capital employed) reached the expected range (previous year: 18.9 %, forecast: between 15.9 % and 18.7 %).

The **financial situation and assets and liabilities situation** of the Sto Group, which had 5,735 employees worldwide at the end of 2022 (31 December 2021: 5,697), continued to be extremely solid in 2022. The equity ratio improved to 62.4 % (31 December 2021: 56.2 %), and cash stocks amounted to EUR 119.4 million (31 December 2021: EUR 137.1 million). Cash flow from operating activities stood at EUR 95.3 million (previous year: EUR 111.4 million).

At the Annual General Meeting on 21 June 2023, the Executive Board of the personally liable partner STO Management SE will propose keeping the **dividend payout** at the same level as the previous year. This payout amount of EUR 31,896,720.00 is to be taken from the net income of Sto SE & Co. KGaA, which is calculated in accordance with the German Commercial Code (HGB) and comes to EUR 62.3 million. This means that limited preference shareholders will receive an unchanged ordinary dividend of EUR 0.31 and a bonus of EUR 4.69 per share. Limited ordinary shareholders will again be paid an ordinary dividend

of EUR 0.25 and a bonus of EUR 4.69 per share. The proposal for the appropriation of profits is subject to the approval by the Supervisory Board.

In the first three months of **2023**, turnover remained below expectations in net terms and came in slightly below the value of the same period of the previous year. This was particularly due to the weather conditions with corresponding precipitation and low temperatures.

For **2023 as a whole**, Sto expects a continuing positive business development and a Group turnover of around EUR 1.91 billion despite major challenges and not taking into account the impact of the further development of the Russia-Ukraine conflict. Sto forecasts earnings before interest and taxes (EBIT) to fall between EUR 118 million and EUR 143 million, with earnings before taxes (EBT) of between EUR 117 million and EUR 142 million. The resulting return on sales is hence likely to be between 6.1 % and 7.5 %. Return on capital employed (ROCE) is expected to reach a value of between 14.8 % and 18.0 %.

The forecast is based on average weather conditions and an economic development in line with expectations in Sto's key markets. Furthermore, the forecast is based on the assumptions that the euro exchange rate will remain largely stable and that the Russia-Ukraine conflict will neither lead to any significant impairment of demand in the markets relevant to Sto, nor to any restrictions regarding the conduct of business activities, nor to any impairment of the supply of raw materials, bought-in products, and energy at Sto.

**From 27 April 2023, the 2022 Annual Report will be available for download at [www.sto.de](http://www.sto.de) in the section 'Investor Relations' under 'Geschäfts- und Zwischenberichte' (Annual and interim reports).**

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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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