

PRESS RELEASE

Sto SE & Co. KGaA, Stühlingen/Germany

- Turnover of the Sto Group declines by 4.6 % to EUR 324.8 million in the first quarter of 2025
- Weather conditions and negative developments in the construction sector impact business development in comparison to the previous year, particularly in Germany
- Increase in seasonally typical Q1 deficit compared to same period of the previous year
- Group-wide workforce reduced by 217 to 5,587 employees year-on-year
- Outlook for 2025 as a whole: consolidated turnover of EUR 1.57 billion and EBIT between EUR 51 million and EUR 71 million expected

Stühlingen/Germany, 8 May 2025 – In the first three months of 2025, **consolidated turnover** at Sto SE & Co. KGaA, a major international manufacturer of products and systems for building coatings, decreased by 4.6 % to EUR 324.8 million compared to the same period of the previous year (previous year: EUR 340.5 million). The main reasons for the weak development were the continuing reluctance to invest in the construction industry and the high level of economic uncertainties in Sto's key markets. In addition, as is usual in the winter months, the seasonal weather conditions severely restricted work on the construction sites, especially on the exterior. The net effect on turnover from currency translations totalled EUR -0.026 million and the consolidation effect totalled EUR -2.8 million. The deconsolidation of the British company Sto Ltd. at the 2024 year end was opposed by the first-time incorporation of Stoanz Ltd in New Zealand, whose shares were acquired by Sto SE & Co. KGaA with effect from 1 April 2024. Adjusted for all currency translation and consolidation effects, consolidated turnover decreased by 3.8 % quarter-on-quarter.

In the **domestic** market, turnover volume fell particularly sharply by 9.5 % to EUR 123.4 million compared to the same period of the previous year (previous year: EUR 136.3 million). In addition to the unfavourable weather, the losses resulted from a reduction in industrial business, among other things: due to the difficult economic situation, several German Sto customers worked short-time in the first few months of the year. Group-wide **turnover generated outside of Germany** decreased by 1.4 % to EUR 201.4 million (previous year: EUR 204.2 million); adjusted for currency translation effects, first-time consolidation and deconsolidation effects, it was at the previous year's level. The foreign share of the total volume increased from 60.0 % to 62.0 %.

The 7.3 % decline in the segment of **Western Europe** to EUR 248.5 million (previous year: EUR 268.2 million) was due in particular to the sharp losses at the parent company Sto SE & Co. KGaA and reduced demand in some foreign markets with strong turnover, such as France and Italy, which was caused by changes in subsidy conditions for energy-efficient building refurbishment. Adjusted for currency translation and deconsolidation effects, there was a decline of 5.8 % in that segment. Turnover in the **Northern/Eastern Europe** segment rose by a total of 2.5 % to EUR 28.6 million (previous year: EUR 27.9 million), primarily as a result of the good performance in Denmark and Norway. In the **America/Asia/Pacific** segment, net business volume increased by 7.4 % to EUR 47.7 million (previous year: EUR 44.4 million). Growth in America, which was also due to the currency translation of the US dollar, was dampened by the continued difficult development of the Asian companies. In the Pacific region, there was an increase in turnover due to the first-time consolidation of the New Zealand company Stoanz Ltd.

In April 2025, turnover in the Sto Group remained below the previous year's level, but slightly exceeded expectations.

The deficit usually realised in the first quarter due to the seasonal nature of business development caused by the weather increased compared to the previous year. This was mainly due to the lower turnover and the high pressure on margins as a result of the very tight sales price situation caused by demand. Personnel expenses were reduced slightly compared to the first quarter

of 2024. This reflected the effects of short-time work at Sto SE & Co. KGaA in January and February in response to the sales-related decline in capacity utilisation, as well as the reduction of the workforce compared to the same day of the previous year. As at 31 March 2025, the Sto Group had 5,587 **employees** (31 March 2024: 5,804). The number of employees in Germany decreased by 81 to 3,067 compared to the end of March 2024 (31 March 2024: 3,148) and by a total of 136 to 2,520 outside of Germany (31 March 2024: 2,656).

At the end of March 2025, a pact for the future was resolved with the General Works Council of the German companies Sto SE & Co. KGaA and StoCretec GmbH, in which the collective bargaining structure of the years 2025 and 2026 for the employees of these companies was jointly determined. The agreement includes cost-saving measures in the personnel area in order to reduce costs and secure jobs. The cost-cutting programme initiated in other areas of the Group is also being systematically continued in order to counter the negative development of earnings.

The **assets and liabilities situation** of the Sto Group continued to prove sound. The change of individual balance sheet items compared to the 2024 year end reflected the usual seasonal business development in the first quarter of the year. As at the end of March 2025, **investments** in Property, plant, and equipment, and Intangible assets amounted to EUR 5.7 million (previous year: EUR 6.4 million).

Despite the growing uncertainties, which make a precise forecast much more difficult, Sto confirms its previous forecast for the **year 2025 as a whole** and continues to expect turnover in the amount of EUR 1.57 billion (2024: EUR 1.61 billion). A range of EUR 51 million to EUR 71 million is forecast for EBIT (2024: EUR 58.8 million) and a figure between EUR 50 million and EUR 70 million for earnings before taxes (EBT) (2024: EUR 60.9 million). The resulting return on sales is hence likely to be between 3.1 % and 4.5 % (2024: 3.8 %). Return on capital employed (ROCE) is expected to reach a value of between 6.8 % and 9.6 % (2024: 7.8 %).

The interim report within the first half of 2025 is available for download at www.sto.de.

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.

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