

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

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

- **Consolidated turnover declines by 2.3 % to EUR 777.1 million in the first half of 2025**
- **Difficult general conditions with increasing pricing pressure are impacting the income situation**
- **Consolidated EBIT falls by 13.7 % to EUR 25.3 million in comparison to the previous year and EBT by 15.5 % to EUR 25.6 million**
- **EBT return on sales is 3.3 %**
- **Group-wide workforce reduced by 250 to 5,534 employees**
- **Forecast for 2025 as a whole confirmed: consolidated turnover of EUR 1.57 billion and EBIT between EUR 51 million and EUR 71 million expected**

*Stühlingen/Germany, 27 August 2025* – In the first half of 2025, the Sto Group's turnover and development of earnings continued to be shaped by the ongoing reluctance to invest in the construction industry. In addition to higher construction costs, unpredictable framework and subsidy conditions in several countries in particular contributed to the lack of momentum. Coupled with the major macroeconomic uncertainties, which have increased significantly since the beginning of the year due to the global customs and trade conflicts, this led to reduced demand and increased competition and pricing pressure, which had a negative impact on the Sto Group's income situation.

At the beginning of the year, the application of facade systems used for exteriors, the Sto Group's product group with the highest turnover, was also hampered considerably more by unfavourable weather conditions than in the previous year. As less work was possible on construction sites in Germany and other core markets in the winter months of 2025, there was a gap in turnover that could not be made up in the following months.

In total, **consolidated turnover** at Sto SE & Co. KGaA decreased by 2.3 % to EUR 777.1 million in the first six months of 2025 (previous year: EUR 795.7 million). The net currency translation effects totalled EUR -3.5 million. The total consolidation effect in the amount of EUR -8.6 million resulted from the

deconsolidation of the British company Sto Ltd. at the end of 2024 and the first-time incorporation of the New Zealand company Stoanz Ltd, Wellington, whose shares were acquired by Sto SE & Co. KGaA with effect from 1 April 2024. Adjusted for all currency translation and consolidation effects, this results in a decline in turnover of 0.8 % in the first half of 2025.

In **July 2025**, consolidated turnover was in the lower single-digit percentage range below the previous year's value and below expectations.

In the largest segment, **Western Europe** – including Germany – the Sto Group's turnover decreased by 3.4 % to EUR 596.5 million in the first six months of 2025 (previous year: EUR 617.3 million). The national companies in the Netherlands and Belgium, among others, performed positively, while the business volume in Germany and some foreign markets with strong turnover remained below the previous year's level. In the **Northern/Eastern Europe** segment, where turnover increased slightly by 1.3 % to EUR 77.0 million by the end of June 2025 (previous year: EUR 76.0 million), the national companies in Denmark, Norway and the Czech Republic in particular recorded pleasing growth. This compensated for the significantly negative currency translation effect, particularly from the Turkish lira. The **America/Asia/Pacific** segment showed a varied development: overall, the business volume increased by 1.2 % to EUR 103.6 million (previous year: EUR 102.4 million), with the subsidiaries in Central and South America predominantly achieving growth, while turnover in the North American and Asian companies remained significantly below the previous year's value in some cases. In the Pacific region, there was an increase due to the first-time consolidation of the New Zealand company Stoanz Ltd.

Overall, the Sto Group's **turnover generated outside of Germany** decreased by 1.2 % to EUR 467.8 million compared to the first half of 2024 (previous year: EUR 473.6 million). Adjusted for currency translation and consolidation effects, this resulted in growth of 1.3 %. The decline in **domestic** sales was significantly higher: at EUR 309.3 million (previous year: EUR 322.1 million), turnover here was down 4.0 % on the previous year's value.

The Sto Group's **income situation** in the first half of 2025 was characterised by a tense situation on the sales price side due to demand. The resulting pressure

on margins could not be compensated for by the positive effects of the cost-cutting measures with which Sto reacted to the sales-related decline in capacity utilisation at an early stage. This was compounded by a change in the product mix and the lower level of turnover, with the result that **consolidated EBIT** of EUR 25.3 million was significantly below the previous year's value (previous year: EUR 29.3 million). **EBT** decreased by 15.5 % to EUR 25.6 million (previous year: EUR 30.3 million) and the **return on sales** based on EBT fell to 3.3 % (previous year: 3.8 %). The return on capital employed (**ROCE**) was 3.4 % as at 30 June 2025 (previous year: 3.5 %).

The Sto Group's very solid **assets and liabilities situation and financial situation** was characterised by the usual seasonal nature of the business development: while there is a high cash requirement in the first six months, cash inflows generally predominate in the second half of the year. **Net financial assets**, which are calculated as cash less current and non-current borrowings, amounted to EUR 92.0 million as at mid-2025 (31 December 2024: EUR 109.2 million). The **equity ratio** was a very solid 62.2 % (31 December 2024: 64.2 %; 30 June 2024: 60.9 %). The Sto Group's **cash flow from operating activities** improved to EUR -0.7 million in the first half of 2025 after EUR -4.9 million in the same period of the previous year.

The Sto Group's **investments** in Property, plant and equipment and Intangible assets totalled EUR 22.2 million in the reporting period (previous year: EUR 15.8 million). The focus was on the purchase of a site in Metzingen (Baden-Württemberg/Germany) and the continuation of investments in new production facilities in Australia and Mexico. In addition, continuous investments are made in the "Retrofit" programme, which modernises or renews the Sto Group's production facilities.

As at 30 June 2025, the number of **employees** in the Sto Group fell by 250 to 5,534 compared to the same day of the previous year (30 June 2024: 5,784). In Germany, the workforce was reduced by 99 to 3,032 employees (30 June 2024: 3,131), which was mainly due to the restrictive recruitment policy implemented as part of the cost-cutting programme. In order to reduce personnel costs and safeguard jobs, a pact for the future was resolved at the end of March 2025

together with the General Works Council of the German companies Sto SE & Co. KGaA and StoCretec GmbH with the involvement of IG BCE and the Chemical Employers' Association, in which the collective bargaining structure for the years 2025 and 2026 for the employees of these companies was jointly determined. As at 30 June 2025, the Group's workforce **outside of Germany** was reduced by 151 people to 2,502 employees compared to 2,653 on the same day of the previous year.

### Turnover and earnings forecast confirmed

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 **Group turnover** in the amount of EUR 1.57 billion (2024: EUR 1.61 billion). **EBIT** is expected to be in the range of EUR 51 million to EUR 71 million (2024: EUR 58.8 million) and earnings before taxes (**EBT**) between EUR 50 million and EUR 70 million (2024: EUR 60.9 million). This results in a **return on sales** of 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 economic impact of the Special Fund for Infrastructure approved by the German government can currently not be accurately predicted. With the promised momentum in housing construction and infrastructure refurbishment yet to materialise and uncertainty surrounding whether sufficient funds will be made available to generate lasting effects in the construction industry, industry experts anticipate only minor positive effects from the 2026 financial year at best.

**The full half-year financial report 2025 is available for download at [www.sto.de](http://www.sto.de) in the "Investor Relations" section.**

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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, acoustic systems, and rainscreen cladding systems.

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