

## **P R E S S R E L A S E** **of Sto SE & Co. KGaA, Stühlingen/Germany**

- **Group-wide turnover at Sto SE & Co. KGaA in the first nine months of 2025 down 1.5 % on the previous year**
- **Persistently difficult general conditions; hoped-for positive momentum in the construction industry, particularly in Germany, has yet to materialise**
- **Consolidated earnings as at September roughly at the same level as the same period of the previous year**
- **Workforce reduced by 212 to 5,575 employees compared to the same day of the previous year**
- **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, 19 November 2025* – The business development of Sto SE & Co. KGaA, a major international manufacturer of products and systems for building coatings, continued to be affected by the difficult market environment in the third quarter of 2025. Besides the continuing reluctance to invest and the high costs in the construction industry, unclear or changed framework and subsidy conditions in several countries contributed to the subdued demand in the market segments relevant to Sto. In addition, the global crises and unpredictable customs and trade regulations caused great uncertainty. Overall, consolidated turnover in the first nine months was 1.5 % below the previous year's volume. Thanks to the measures implemented by the Sto Group in response to declining sales and strong competition and pricing pressure, as well as good business development in September, it was possible to make up for the shortfall in earnings reported as at June 2025 by the end of the third quarter.

In the first three quarters of 2025, **consolidated turnover** totalled EUR 1,218.5 million (previous year: EUR 1,237.4 million). Currency translations had a net negative effect of EUR 6.8 million in the reporting period, with particularly the US dollar and Turkish lira being heavily devalued. There were a few isolated positive effects, such as the Swiss franc. The consolidation effect in the Sto Group totalled EUR -14.4 million. It 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, whose shares

were acquired by Sto SE & Co. KGaA with effect from 1 April 2024. Adjusted for all currency translation and consolidation effects, the Sto Group recorded slight growth in turnover of 0.2 % between the beginning of January and the end of September 2025. In October, consolidated turnover was slightly below the previous year's level and below expectations.

The turnover volume in the segment of **Western Europe** decreased by 2.2 % to EUR 934.0 million in the reporting period (previous year: EUR 955.0 million), with the largest declines being recorded in the German and Italian markets. The national companies in the Netherlands, Belgium and Austria, among others, performed well. Adjusted for currency translation and deconsolidation effects, segment turnover decreased by 0.7 %. In the **Northern/Eastern Europe** segment, turnover in the first nine months of 2025 rose by a net 2.3 % to EUR 126.3 million (previous year: EUR 123.5 million). Negative currency translation effects were offset by pleasing growth in Denmark, Norway and the Czech Republic, for example. In national currencies, the segment recorded an increase in turnover of 3.2 %. Business development in the **America/Asia/Pacific** segment was regionally mixed: while the subsidiaries in Central and South America mainly achieved growth, turnover in the North American and Asian companies remained largely below the previous year's value. This was compounded by the depreciation of the US dollar. In the Pacific region, there was an increase due to the first-time consolidation of the New Zealand company Stoanz Ltd. Overall, business turnover in the segment decreased slightly by 0.4 % to EUR 158.2 million (previous year: EUR 158.9 million); excluding currency translation and first-time consolidation effects, turnover increased by 3.0 %.

Overall, consolidated turnover **outside of Germany** decreased by 1.2 % to EUR 721.7 million in the first nine months of 2025 (previous year: EUR 730.2 million), while the business volume generated in **Germany** decreased by 2.1 % to EUR 496.8 million (previous year: EUR 507.2 million). The foreign share of consolidated turnover increased to 59.2 % (previous year: 59.0 %).

**Consolidated earnings** in the first nine months of 2025 were roughly the same as the previous year's level, which had been significantly below expectations and had been negatively impacted by several negative influencing factors, particularly in the third quarter. In contrast, the third quarter of the current year saw positive effects from Sto's

globally restrictive spending policy, which largely compensated for the continued high pressure on margins. Supported by an improved product mix and in some cases more favourable purchasing prices, the gross margin rate stabilised at the previous year's level despite the persistently high pressure on sales prices.

Staff costs decreased as a result of the reduced workforce, short-time work at Sto SE & Co. KGaA in the first two months of the year and the positive effects of the Zukunftspakt (pact for the future), which was agreed on for Sto SE & Co. KGaA and StoCretec GmbH at the end of March. This pact sets out the collective bargaining structure for 2025 and 2026 for the two companies and helps to reduce costs in 2025 and secure jobs.

At the end of September, the Sto Group employed 5,575 **employees** worldwide, 212 fewer than on the same day of the previous year (30 September 2024: 5,787). The number of employees in the German market decreased by 72 to 3,084 (30 September 2024: 3,156) and outside of Germany by 140 to 2,491 (30 September 2024: 2,631). The percentage share of Sto employees outside of Germany was 44.7 % on the reference date (30 September 2024: 45.5 %).

The **assets and liabilities situation and financial situation** of the Sto Group continued to be extremely sound. The majority of the changes compared to the end of 2024 resulted from the seasonal nature of business activities. The equity ratio as at the reference date of 30 September 2025 was 62.8 % (30 September 2024: 61.6 %; 31 December 2024: 64.2 %).

**Investments in property, plant and equipment, and intangible assets** amounted to EUR 29.9 million in the reporting period (previous year: EUR 23.0 million). They were mainly attributable to the purchase of a site in Metzingen (Baden-Württemberg) for the SalesCentre located there, the continued construction of new production facilities in Australia and Mexico, and the ongoing "Retrofit" programme, with which the Group's production facilities are continuously being modernised or renewed. In addition, there were initial investment activities as part of the introduction of the SAP S/4HANA ERP system. The multi-year project is a corner stone for the implementation of the digital transformation.

In the light of the business development in the first three quarters, Sto confirms its forecast for the year 2025 as a whole, according to which **consolidated turnover** is expected to reach 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 %). The return on capital employed (**ROCE**) is expected to be between 6.8 % and 9.6 % (2024: 7.8 %).

It should be noted that the considerable uncertainties regarding global general conditions and the large influences of weather conditions on the Sto Group's business development in the final weeks of the year make precise forecasts much more difficult. Major changes of influencing factors were not taken into account in the forecast. The economic impacts of the special infrastructure fund adopted by the German government can't be accurately predicted either. So far, the hoped-for momentum in the construction industry has yet to materialise and it remains unclear whether sufficient funds will be made available to achieve sustainable effects. Industry experts expect minor positive consequences at best, not starting before the 2026 financial year.

**The full version of the interim report as at 30 September 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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