

## PRESS RELEASE

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

- **Sto SE & Co. KGaA: Unfavourable weather conditions and construction downturn at the start of the year impact business development in the first quarter of 2026**
- **Consolidated turnover decreases by 1.9 % to EUR 318.5 million compared to the same period of the previous year; decline of 1.1 % in Germany and 2.5 % outside of Germany**
- **Increase in seasonally typical Q1 deficit compared to 2025**
- **Group's workforce reduced by 77 to 5,510 employees as at the reference date**
- **Outlook for 2026 as a whole: consolidated turnover of EUR 1.62 billion and EBIT between EUR 56 million and EUR 76 million expected**

*Stühlingen/Germany, 8 May 2026* – **Consolidated turnover** at Sto SE & Co. KGaA, a significant international manufacturer of products and systems for building coatings, decreased by a total of 1.9 % to EUR 318.5 million in the first quarter of 2026 (previous year: EUR 324.8 million). The main reasons for the decline compared to the same period of the previous year was the unfavourable weather in January and February and the ongoing construction slump. Due to very snowy and rainy phases in several regions where Sto is active, work on the construction sites was severely restricted, especially on the exteriors. This was reflected above all in the facade segment, the Sto Group's product area with the highest turnover. In March, on the other hand, conditions were largely favourable. Currency translation had a negative influence totalling EUR 3.0 million in the first three months, mainly due to the development of the US dollar. Adjusted for all currency translation effects, the Sto Group recorded a decline in turnover of 1.0 % compared to the same quarter of the previous year.

Turnover in **Western Europe** – including Germany – decreased slightly by 0.6 % to EUR 247.0 million (previous year: EUR 248.5 million). Encouraging growth in the Spanish and Austrian companies was contrasted by delays in major projects in France, which, among other things, led to declines in turnover. In the **North-ern/Eastern Europe** segment, business volume increased by 2.4 % to EUR 29.3 million (previous year: EUR 28.6 million), which was primarily due to

the positive development in Eastern Europe. The Scandinavian companies remained largely below the previous year's level due to the weather. The **America/Asia/Pacific** segment recorded a decline totalling 11.5 % to EUR 42.2 million in the reporting period (previous year: EUR 47.7 million). Turnover in the North American companies fell significantly, mainly due to the currency translation of the US dollar. In contrast, the Sto companies in Central and South America were able to increase their business volume. In Asia, demand remained weak, particularly in China. Business development in the Pacific region also fell short of expectations.

Group-wide **turnover generated outside of Germany** decreased by 2.5 % to EUR 196.4 million in the reporting period (previous year: EUR 201.4 million). The **turnover generated in Germany** decreased by 1.1 % to EUR 122.1 million (previous year: EUR 123.4 million). The percentage of consolidated turnover generated outside of Germany totalled 61.7 % (previous year: 62.0 %).

In **April 2026**, the Sto Group's turnover exceeded the previous year's value and expectations.

The **deficit** that is typical for the first quarter, is due to the weather-related seasonal nature of business development, and increased in 2026 in comparison to the previous year. The main reason for this was the lower turnover volume due to the unfavourable weather. In addition, personnel expenses in the Sto Group rose in particular as a result of the collective wage increase implemented in Germany at the turn of the year, while short-time work was carried out at Sto SE & Co. KGaA in January and February 2025. At the end of the reporting period, there was a noticeable pricing pressure on the procurement side that results from the war between Iran, Israel and the USA and was not yet reflected in the quarterly earnings.

As at 31 March 2026, the Sto Group employed 5,510 employees worldwide. In comparison to the previous year's reference date, there was a decline of 77 (31 March 2025: 5,587).

The **assets and liabilities situation** of the Sto Group continued to prove sound. The change of individual balance sheet items compared to the 2025 year end

reflected the usual seasonal business development in the first quarter of the year. As at the end of March 2026, **investments** in Property, plant, and equipment, and Intangible assets amounted to EUR 5.5 million (previous year: EUR 5.7 million). The largest individual projects included the multi-year introduction of the SAP S/4HANA ERP system and the acquisition of a previously leased site in Röthis (Austria), where the SalesCentre for the Vorarlberg region is located.

For the **year 2026 as a whole**, Sto SE & Co. KGaA is forecasting slight growth in turnover to EUR 1.62 billion for the Group in light of major uncertainties. EBIT is expected to be in the range of EUR 56 million to EUR 76 million and earnings before taxes (EBT) between EUR 55 million and EUR 75 million. The resulting return on sales is likely to be in the range of 3.3 % to 4.7 %. The return on capital employed (ROCE) is expected to be between 7.4 % and 10.2 %. The main opportunities and risks for the Company are presented and explained in detail in the 2025 Management Report. The specific magnitude of the impacts resulting from the war between Iran, Israel and the USA cannot be reliably quantified, but the risk of tangible negative consequences increases with the duration and expansion of the conflict. At present, it must be expected that the war will lead to further price increases on the procurement side. Adverse effects on demand in the markets relevant to Sto or restrictions in the execution of business activities or the supply of raw materials, bought-in products and energy cannot be ruled out.

**The interim report within the first half of 2026 is available for download at [www.sto.de](http://www.sto.de).**

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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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