

PRESS RELEASE

of Sto SE & Co. KGaA, Stühlingen/Germany

- **Sto SE & Co. KGaA Group turnover rises by 3.7 % to EUR 805.5 million by the end of June 2026**
- **First-quarter shortfall made up despite challenging conditions**
- **EBIT rises by 20.6 % to EUR 30.5 million and EBT by 16.8 % to EUR 29.9 million**
- **EBIT margin rises from 3.3 % to 3.7 %**
- **The number of employees worldwide decreases by 27 to 5,507**
- **Outlook for the full year 2026 remains unchanged: consolidated turnover of EUR 1.62 billion and EBIT of between EUR 56 million and EUR 76 million expected**

Stühlingen/Germany, 31 August 2026 - The Sto Group achieved growth in the second quarter of 2026 and managed to make up for the shortfall in turnover from the first three months, despite persistently challenging market conditions. One of the biggest challenges so far this year has been the weather: severe frost and cold, wet conditions at the start of the year, as well as periods of intense heat in the second quarter, meant that work on outdoor construction sites was restricted in some cases. This was particularly evident in the facade segment, the Group's highest-revenue product area, whilst the interiors segment, which Sto is gradually expanding, performed well. On the other hand, construction activity continued to fall short of expectations in several regions that are important to Sto. The Company countered the resulting stagnation or decline in market volume in some countries by expanding its market share and benefited from the implementation of strategic initiatives and the Group's broad market positioning.

Overall, **consolidated turnover** rose by 3.7 % to EUR 805.5 million in the first half of 2026 (previous year: EUR 777.1 million). Currency translations had an overall negative impact of EUR 1.9 million, which was primarily due to movements in the US dollar exchange rate. Excluding the impact of exchange rate fluctuations, Group-wide growth amounted to 3.9 % compared with the same period last year. In July 2026, consolidated turnover was higher than the previous year's value and slightly exceeded expectations.

In the **German market**, the decline in the first few months of the year was offset by a very strong performance in the second quarter. In total, turnover in Germany amounted to EUR 323.8 million by the end of June 2026 (previous year: EUR 309.3 million), representing an increase of 4.7 %. **Turnover outside of Germany** rose by 3.0 % to EUR 481.7 million (previous year: EUR 467.8 million). Adjusted for currency translation effects, the increase stood at 3.4 %. The proportion of the Group's turnover generated outside of Germany decreased slightly to 59.8 % (previous year: 60.2 %).

Business development in the largest segment, **Western Europe**, where turnover rose by 4.5 % to EUR 623.1 million during the reporting period (previous year: EUR 596.5 million), was driven by encouraging growth in Germany and in the national subsidiaries in Austria, Spain and Switzerland. Business in France fell short of expectations. Several major projects have been postponed here as a result of changes to government funding programs. Adjusted for the positive currency translation effects resulting from developments in the Swiss franc exchange rate, the segment recorded growth of 4.3 %.

Revenue growth in the **Northern/Eastern Europe** segment, which rose by a total of 9.1 % to EUR 84.0 million (previous year: EUR 77.0 million), was also partly due to currency translation effects. Excluding the positive exchange-rate effects in Hungary, Sweden and Norway, amongst others, the increase amounts to 7.3 %. The national subsidiaries in Eastern Europe all achieved growth, whilst turnover at several Scandinavian subsidiaries remained below the 2025 level. One of the reasons for this was the unfavourable weather in Northern Europe at the start of the year.

In the **America/Asia/Pacific** segment, revenue decreased by 5.0 % year-on-year to EUR 98.4 million (previous year: EUR 103.6 million). Business performance in North America was heavily influenced by the depreciation of the US dollar and the gradual winding down of operations at the Canadian company Skyrise Prefab Building Solutions Inc.. The successful StoPanel business in North America will continue regardless of the closure. The other national subsidiaries in North America, as well as in Central and South America, increased their business volume during the reporting period. In Asia, demand was very weak, particularly in China. In view of the extremely difficult market conditions, particularly in the construction of

new buildings, the Chinese company is being restructured and will, in future, focus increasingly on the interior design and renovation sectors. Excluding the net negative currency translation effects, turnover in the segment decreased by 1.0 %.

Consolidated earnings at Sto SE & Co. KGaA for the first half of 2026 improved compared to the same period of the previous year, even though sales prices came under increasing pressure due to intensified competition resulting from the slump in the construction sector. Furthermore, the war in Iran is leading to increasing price rises on the procurement side and in freight costs. Overall, **EBIT** for the Sto Group rose by 20.6 % to EUR 30.5 million (previous year: EUR 25.3 million), whilst **EBT** increased from EUR 25.6 million to EUR 29.9 million. Despite this growth, both the consolidated earnings and the return on sales, which stood at 3.7 % (previous year: 3.3 %), were significantly below the levels of previous years. **EAT** rose to EUR 18.5 million (previous year: EUR 16.3 million), resulting in a profit of EUR 2.92 per Sto limited preference share (previous year: EUR 2.58) and a profit of EUR 2.86 per limited ordinary share (previous year: EUR 2.52). The return on capital employed (**ROCE**) stood at 4.1 % on 30 June 2026 (30 June 2025: 3.4 %).

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. The rise in inventories to EUR 175.7 million (31 December 2025: EUR 145.8 million; 30 June 2025: EUR 163.1 million) reflects the proactive build-up of stock with which Sto has responded to the price increases already being felt and those expected in the future as a result of the war in Iran. **Net financial assets**, which are calculated as cash less current and non-current borrowings, amounted to EUR 100.6 million as at mid-2026 (31 December 2025: EUR 113.0 million; 30 June 2025: EUR 92.0 million). The **equity ratio** was a very solid 63.3 % (31 December 2025: 65.5 %; 30 June 2025: 62.2 %).

The Sto Group's **cash flow from operating activities** totalled EUR -19.2 million in the first half of 2026 after EUR -0.7 million in the same period of the previous year. This was mainly due to the additional funds tied up in net current assets.

The Sto Group's **investments** in Property, plant and equipment and Intangible assets totalled EUR 12.0 million in the reporting period (previous year: EUR 22.2 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.

At the end of June 2026, the Sto Group employed 5,507 **employees** worldwide. Compared to the same day of the previous year, the workforce decreased by 27 employees, or 0.5 % (30 June 2025: 5,534); compared to the end of 2025, there was an increase of 25 employees (31 December 2025: 5,482). The number of employees in **Germany** stood at 3,027 at mid-year 2026, five fewer than in the previous year (30 June 2025: 3,032); **outside of Germany**, the workforce decreased by 22 to 2,480 people year-on-year (30 June 2025: 2,502). The economically driven downsizing at several subsidiaries, like in China, and the reduction at the Canadian subsidiary Skyrise Prefab Building Solutions Inc. were contrasted by a few new hires at national subsidiaries with short- and medium-term growth prospects. The percentage of the Group's workforce employed outside of Germany decreased slightly from 45.2 % to 45.0 %.

Turnover and earnings forecast for 2026 as a whole confirmed

Given the unpredictable developments, particularly in the geopolitical sphere, and the associated consequences, any predictions regarding business development over the coming months are subject to a great deal of uncertainty. It is almost impossible to make reliable statements, as key parameters are changing almost constantly.

The specific impacts resulting from the war between Iran, Israel, and the USA cannot be reliably quantified. The risk of tangible negative consequences increases with the duration and expansion of the conflict. At present, Sto expects that the war will lead to further price increases on the procurement side. Adverse effects on demand in the markets relevant to the Group or restrictions in the execution of business activities or the supply of raw materials, bought-in products and energy cannot be ruled out.

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 (2025: EUR 1.59 billion). **EBIT** is expected to be in the range of EUR 56 million to EUR 76 million (2025: EUR 64.4 million) and earnings before taxes (**EBT**) between EUR 55 million and EUR 75 million (2025: EUR 65.3 million). The resulting **return on sales** is likely to be in the range of 3.3 % to 4.7 % (2025: 4.1 %). The return on capital employed (**ROCE**) is expected to be between 7.4 % and 10.2 % (2025: 8.7 %).

The full half-year financial report 2026 is available for download at www.sto.de in the "Investor Relations" section.

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 rain-screen cladding systems.

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