

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

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

- Turnover of the Sto Group up by 12.6 % to EUR 1,220.2 million in the first nine months of 2021
- As compared to the same period of the previous year, a plus of 6.9 % was recorded in Germany, and a plus of 17.7 % outside of Germany
- Earnings burdened by difficult situation on the procurement markets; consolidated earnings nevertheless above previous year
- Number of employees in the Group up by 108 to 5,764, primarily through expansion of the companies consolidated
- Forecast for the year of 2021 as a whole unchanged: turnover expected to rise by 10 % to around EUR 1,578 million (2020: EUR 1,433.0 million); EBIT expected to be between EUR 95 million and EUR 110 million (2020: EUR 119.0 million)

*Stühlingen, 19 November 2021* – The Sto Group was able to continue its turnover growth in the third quarter of 2021, but, as forecast in advance, with less momentum. Overall, **consolidated turnover** of Sto SE & Co. KGaA increased by 12.6 % to EUR 1,220.2 million in the first nine months as compared to the same period of the previous year (previous year: EUR 1,083.3 million). Adjusted for first-time consolidation and the net negative currency translation effects, organic growth was 11.2 %.

In Germany, turnover rose by 6.9 % to EUR 541.2 million (previous year: EUR 506.5 million). Without first-time full consolidation effects, this results in an increase of 2.8 %. From the middle of the year in particular, delivery bottlenecks and the limited availability of raw materials and bought-in products increasingly led to disruptions on the construction sites - in other trade works however, so that some projects could not be carried out as planned.

Catch-up effects were still noticeable in some markets outside of Germany that had had substantial losses in the previous year as a result of the coronavirus pandemic. In addition, several countries benefited from government-backed incentives to support energy-efficient building refurbishment. This meant that Sto Group turnover generated abroad increased by 17.7 % to EUR 679.0 million (previous year: EUR 576.8 million) despite the currency translation effects, which were negative overall. The percentage of Group turnover generated abroad amounted to 55.7 %, compared to 53.2 % in the same period of the previous year.

The **income situation** in the Sto Group, which was initially very positive over the course of the year, was increasingly burdened by delivery bottlenecks as well as the extraordinarily sharp rise in prices in procurement and in the transport sector, for which it had not yet been possible to adequately pass them on to customers. The pressure on the gross profit margin increased significantly in the third quarter of 2021 compared to the previous quarters. In the first nine months, cumulative earnings were nevertheless above the value of the same period of the previous year due to the very good business development in the first half of the year and the earnings-securing measures.

In **October 2021**, turnover in the Sto Group was above the previous year's value; earnings, however, came in below the previous year's value.

As at the end of September 2021, Group-wide **investments** in Property, plant, and equipment, and Intangible assets amounted to EUR 27.7 million (previous year: EUR 21.8 million). Among other things, Sto made investments in the expansion of production capacities at the Villach location in Austria, which was completed at the beginning of the fourth quarter of 2021, and the construction of the new logistics building at Südwest Lacke + Farben GmbH & Co. KG in Böhl-Iggelheim, Germany, which is now also in

operation. In addition, investments were made in the modernisation of the tunnel furnace at Ströher Produktions GmbH & Co. KG as well as in the usual replacement and expansion measures.

As at 30 September 2021, the **asset and financial situation** continued to be sound. The majority of the changes as compared to the beginning of the year resulted from the seasonal nature of the business and the expansion of the companies consolidated.

As at the reference date, the Sto Group had 5,764 **employees** worldwide compared 5,656 on the same day of the previous year (+108 employees; +1.9 %). In **Germany**, the workforce increased by 133 to 3,157 employees (previous year: 3,024), 94 of whom were employed at JONAS Farben GmbH. **Outside of Germany**, the number of employees fell by 25 to 2,607. Across the Group, the workforce was selectively reduced in regions battling difficult economic conditions, while there was a small number of new hires in countries with short- and medium-term growth prospects. The percentage of the Group's workforce employed abroad fell from 46.5 % to 45.2 %.

For the last quarter of 2021, due to the more difficult general conditions, a further weakening of growth in the Sto Group, to the level already forecast in the reporting for the first half of 2021, is expected. Sto continues to anticipate that consolidated turnover for the **year of 2021 as a whole** will increase by 10 % to approximately EUR 1,578 million (2020: EUR 1,433.0 million). Consolidated EBIT is currently expected to fall between EUR 98 million and EUR 113 million (2020: EUR 120.8 million) and EBT between EUR 95 million and EUR 110 million (2020: EUR 119.0 million).

Uncertainties affecting the further development of business arise primarily from the weather conditions, the renewed significant rise in COVID-19

cases and, in particular, from the unclear development on the procurement markets.

In order to compensate for the previous cost increases, further necessary significant sales price increases are currently being worked on.

Coping with the turnover volume, which was significantly higher than the original plan, and the challenges associated with the considerable disruptions in procurement put an enormous strain on the Sto employees in the reporting period. They have demonstrated exemplary commitment to ensure that the Sto customers receive the best service possible. The Executive Board would like to thank the workforce most sincerely for the dedication they have shown.

*The interim report within the second half of 2021 is available for download at [www.sto.de](http://www.sto.de) in the section 'Unternehmen' (company) and then 'Investor Relations'.*

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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, acoustics, and rainscreen cladding systems.

Contact person at Sto SE & Co. KGaA

Rolf Wöhrle, Member of the Executive Board of STO Management SE, Finances,  
Contact via telephone: +49 7744 57-1241, e-mail: [s.buehner@sto.com](mailto:s.buehner@sto.com)

Contact to the media:

Claudia Wieland, Redaktionsbüro tik GmbH, telephone: +49 911 98817071, e-mail: [info@tik-online.de](mailto:info@tik-online.de)