

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

Sto SE & Co. KGaA, Stühlingen/Germany

- Consolidated turnover up by 21.2 % to EUR 368.0 million in the first quarter of 2022 compared to corresponding period of the previous year
- As usual, negative Q1 earnings only slightly improved due to high pricing pressure in procurement
- Slight increase in the number of personnel worldwide by 68 to 5,773
- Outlook for 2022 as a whole unchanged: without factoring in the impact of the Russia-Ukraine conflict, consolidated turnover expected to be in the order of around EUR 1.74 billion, EBIT to range between EUR 114 million and EUR 134 million, and EBT to range between EUR 112 million and EUR 132 million

Stühlingen/Germany, 12 May 2022 - In the first quarter of 2022, the **consolidated turnover** of Sto SE & Co. KGaA increased by 21.2 % to EUR 368.0 million as compared to the previous year's value (previous year: EUR 303.7 million). The favourable weather conditions played a large role – encouraging facade business in particular – and led to increases in turnover in all segments. Business development was also supported by project backlogs from the previous year – resulting from supply-related delays on the construction sites in relation to preceding construction stages in particular – as well as pull-forward effects, as the announcements of sales price increases led to significant increases in turnover. In the reporting period, the currency translations had a net positive influence on consolidated turnover in the amount of EUR 2.3 million, with the favourable development of the US dollar and Swiss franc in particular working against the depreciation of the Turkish lira. This was coupled with a first-time consolidation effect of EUR 4.8 million. When adjusted for currency and first-time consolidation effects, this resulted in an increase in turnover of 18.8 %.

In the reporting period, the Sto Group's **turnover generated outside of Germany** amounted to EUR 216.5 million (previous year: EUR 172.0 million) and hence exceeded the previous year's value by 25.9 %. In **Germany**,

business volume rose by 15.0 % to EUR 151.5 million (previous year: EUR 131.7 million). In comparison to the same period of the previous year, the share of total turnover generated outside of Germany increased from 56.6 % to 58.8 %.

Due to the distinct seasonal nature of the business activities, Sto does not usually generate positive **consolidated earnings** in the first few months of the year. Due to the significant increase in procurement prices in particular, the usual deficit only improved slightly in the reporting period compared to the previous year despite the higher business volume.

In the month of **April**, consolidated turnover was below the strong figure achieved in the same month the previous year and came in below expectations. At the same time, procurement costs continued to increase sharply. The consolidated earnings as at the end of April are expected to be below the previous year's value despite the significant increase in turnover compared to the previous year.

In order to counter the pressure on the gross profit margin, Sto has implemented or started to implement its own imperative sales price increases in the course of the year to date and has already announced additional price increases in various Sto companies.

As at the end of March, Group-wide **investments** in Property, plant, and equipment, and Intangible assets amounted to EUR 5.6 million (previous year: EUR 11.3 million). They focused primarily on the long-term measures for modernising and replacing the production equipment.

The **asset situation** of the Sto Group continued to prove extremely sound. Changes in individual balance sheet items compared to the 2021 year-end fell within normal expectations and largely reflected the typical development of business in the first quarter. Stockpiling increased significantly in comparison to the previous year in order to safeguard Sto's readiness to deliver as much as possible in light of the ongoing uncertainties affecting the supply situation.

As at 31 March 2022, the Sto Group had 5,773 **employees** worldwide as compared to 5,705 on the same day of the previous year (+68 employees, +1.2 %). In Germany, the workforce increased by 33 to 3,134 employees (31 March 2021: 3,101) and outside of Germany by 35 to 2,639 (31 March 2021: 2,604). In addition to new hires in countries with growth prospects, there were also individual adjustments in regions with difficult economic conditions. Year-on-year, the percentage of the Group's workforce employed outside of Germany remained virtually unchanged at 45.7 % (31 March 2021: 45.6 %).

The future business development of the Sto Group faces numerous opportunities and risks, which are presented in the Risks and opportunities report in the Management report for 2021. The greatest uncertainties at the moment include further possible supply bottlenecks, material price increases, the unclear development of the coronavirus pandemic, and the consequences of the Russia-Ukraine conflict, which currently cannot be accurately estimated.

Without taking into account the impact of the Russia-Ukraine conflict, Sto continues to expect consolidated turnover in the order of EUR 1.74 billion for the **year of 2022 as a whole**. The forecast is based on average weather conditions and an economic development in line with expectations in Sto's key markets. In addition, the forecast is based on the assumptions that the euro exchange rate will remain largely stable, that the impact of the coronavirus pandemic will not intensify, that the ability to deliver is ensured despite the difficult situation on the procurement market, and that the process flows on the construction sites run as planned. The Sto Group's earnings before interest and taxes (EBIT) are expected to fall between EUR 114 million and EUR 134 million, with earnings before taxes (EBT) of between EUR 112 million and EUR 132 million.

The interim report within the first half of 2022 is available for download at www.sto.de.

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.

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