

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

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

- **Sto SE & Co. KGaA: Consolidated turnover down by 5.9 % in the first quarter of 2024 compared to the same period of the previous year**
- **Demand in Germany and outside of Germany curbed due to weather conditions and reluctance to invest in the building industry**
- **Increase in seasonally typical Q1 deficit compared to 2023**
- **Year-on-year, slight increase in number of Sto Group employees to 5,804 worldwide**
- **Outlook for 2024 as a whole unchanged: turnover of EUR 1.79 billion and EBIT of between EUR 113 million and EUR 138 million expected in the Group**

*Stühlingen/Germany, 8 May 2024* – Sto SE & Co. KGaA, a major international manufacturer of products and systems for building coatings, saw a decrease of 5.9 % to EUR 340.5 million in **consolidated turnover** in the first three months of 2024 as compared to the previous year's value (previous year: EUR 361.8 million). In addition to unfavourable weather conditions, particularly at the beginning of the reporting period, business development was also adversely affected by the noticeable reluctance to invest in the building industry. An additional effect resulted from the lower number of working days in March 2024 compared to the same month in the previous year. Currency translations had an overall negative impact of EUR 1.8 million on the Group in the first quarter of 2024. Adjusted for these effects, consolidated turnover in national currencies decreased by 5.4 % quarter-on-quarter.

In **Germany**, the Sto Group's turnover volume decreased by 7.0 % to EUR 136.3 million (previous year: EUR 146.6 million) and **outside of Germany** by 5.1 % to EUR 204.2 million (previous year: EUR 215.2 million). In comparison to the same period of the previous year, the share of total turnover generated outside of Germany increased from 59.5 % to 60.0 %.

In **April 2024**, the turnover of the Sto Group was above the previous year's

value but still fell short of expectations, which was primarily due to the unfavourable weather conditions in many countries where the Sto companies are active.

Due to the distinct seasonal nature of the business activities, Sto does not usually generate positive **consolidated earnings** in the first few months of a year. In the reporting period, the deficit, which is typical for the first quarter, was higher than in the previous year. This was mainly due to lower turnover and the increase in personnel expenses in the Group as a result of collective labour agreements. Procurement prices remained largely stable in the first months of 2024, both in the energy sector and for energy-intensive products as well as in many other areas, but remained at a high level overall.

Group-wide **investments** in Property, plant and equipment, and Intangible assets increased to EUR 6.4 million in the reporting period (previous year: EUR 6.0 million). As planned, work began on the construction of production facilities at the Australian subsidiary, which had moved into a new location at the end of 2023. A new wet- and a dry-production plant will be installed here in the course of the year. Sto also invested in modernisation and renovation measures as part of the long-term 'Retrofit' programme, which has been continued consistently.

The **assets and liabilities situation** of the Sto Group, which had 5,804 employees worldwide on 31 March 2024 (31 March 2023: 5,771), remained solid. Changes in individual balance sheet items compared to the 2023 year-end fell within normal expectations and largely reflected the typical business development that can be seen in the first three months of a year.

For **2024 as a whole**, Sto anticipates consolidated turnover of EUR 1.79 billion despite major challenges, particularly for the German market. A range of EUR 113 million to EUR 138 million is forecast for both EBIT and earnings before taxes (EBT). The return on sales should therefore be between 6.3 % and 7.8 %. Return on capital employed (ROCE) is expected to reach a value of between 14.5 % and 17.8 %.

The forecast is based on average weather conditions and an economic development in line with expectations in Sto's key markets as well as a mainly stable euro exchange rate. Another key assumption is that geopolitical tensions such as the Russia-Ukraine conflict or the Middle East conflict will not cause any significant impairment of demand in the markets relevant to Sto and that there will be no restrictions in the conduct of business activities or the supply of raw materials, bought-in products and energy.

**The interim report within the first half of 2024 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.

Sto SE & Co. KGaA contact person:

Désirée Konrad, Chief Financial Officer of STO Management SE,  
Contact via: tel.: +49 7744 57-1241, e-mail: [s.zeller@sto.com](mailto:s.zeller@sto.com)

Contact to the media:

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