



Building with conscience.

Sto SE & Co.KGaA, Stühlingen/Germany

Consolidated interim report

For the period from 1 January to 31 March 2026



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Interim report

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Overview of the Group

	01 Jan 2026 - 31 Mar 2026	01 Jan 2025 - 31 Mar 2025	Change in %
Turnover	318.5	324.8	-1.9
Germany	122.1	123.4	-1.1
Outside of Germany	196.4	201.4	-2.5
Turnover by segment			
Western Europe	247.0	248.5	-0.6
Northern/Eastern Europe	29.3	28.6	+2.4
America/Asia/Pacific	42.2	47.7	-11.5
Investments (without financial assets and IFRS 16)	5.5	5.7	-3.5
Employees (at end of quarter)	5,510	5,587	-1.4
Germany	3,049	3,067	-0.6
Outside of Germany	2,461	2,520	-2.3

(Figures in EUR million unless otherwise indicated)

At a glance:

- **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**

Economic environment

In light of the war in Iran, the International Monetary Fund (IMF) downgraded its growth forecasts for the **global economy** in April 2026: the experts now expect global gross domestic product to increase by 3.1 % this year, 0.2 percentage points less than announced in January. The high energy prices resulting from the war in the Middle East in particular, with serious international consequences, are therefore a burden on the global economy. At the same time, the IMF expects inflation to rise again significantly. According to estimates, it will be 4.4 % in 2026, 0.6 percentage points higher than expected in January. The Monetary Fund states that this scenario is based on the condition that the war will remain limited in duration, intensity and scope and that the economic disruptions will subside by mid-2026. Otherwise, significantly less favourable developments are also possible.

The looming energy crisis is hitting the euro countries particularly hard, whose economic output is expected to grow by 1.1 % on average in 2026. A reduced increase of 0.8 % is forecast for Germany, a correction of 0.3 percentage points. In the USA, which is less dependent on energy imports and where the economy is also supported by high AI investments, experts expect growth of 2.3 %. Overall, an increase of 1.8 % is expected in the industrialised nations. The IMF lowered its estimate for the economy in developing and emerging countries by 0.3 percentage points to 3.9 %. A slightly lower growth rate of 4.4 % is forecast for China.

The **German construction industry** showed a few signs of growth at the beginning of the year. In the first two months of 2026, the number of residential building permits (in new and existing buildings) increased by 16.2 % compared to the corresponding period of the previous year, according to the Federal Statistical Office. The increase in the construction of new single-family houses was 14.2 %, 25.8 % for two-family houses and 18.0 % for multifamily dwellings. According to the Hauptverband der Deutschen Bauindustrie e.V. (Main Association of the German Construction Industry), incoming orders in residential construction have not yet benefited from the increase in building permits, with a 10 % drop reported from January to February compared to the previous year. For the main construction sector as a whole, the strong civil engineering sector resulted in growth of 2.7 % in real terms. It should be noted that the data reflects the trend before the start of the war in Iran. The higher oil and gas prices and the resulting increase in construction costs, the slight rise in interest rates and the uncertainty among companies are not yet included. According to the industry association, the 10.6 % decline in construction turnover in real terms is due to the poor weather in the first two months of 2026, which had a significant impact on construction activity.

Development of turnover

The Sto Group's turnover in the first quarter of 2026 decreased by a total of 1.9 % to EUR 318.5 million (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 **Northern/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). Adjusted for currency translation effects, it was 1.0 % below the previous year's level. 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 %).

Development of earnings

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 was not yet reflected in the quarterly earnings. It results from the war between Iran, Israel and the USA, which is expected to intensify as the period progresses.

Volume of investments

By the end of March 2026, the Sto Group had invested a total of EUR 5.5 million (previous year: EUR 5.7 million) in property, plant, and equipment and intangible assets. 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.

Sound assets and liabilities situation

The assets and liabilities situation of the Sto Group remained at a sound level in the reporting period. 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.

Number of employees

As at 31 March 2026, the Sto Group employed 5,510 employees worldwide. Compared to the 2025 year end, the workforce increased by 28 people (31 December 2025: 5,482); in comparison to the reference date of the previous year, there was a decline of 77 (31 March 2025: 5,587). In **Germany**, the number of employees decreased by 18 to 3,049 (31 March 2025: 3,067) and **outside of Germany** by 59 to 2,461 (31 March 2025: 2,520) as a result of the restrictive recruitment policy. Downsizing in various subsidiaries was contrasted by very few new hires in national companies with opportunities for growth. At the end of March 2026, 44.7 % of the Group's workforce was employed outside of Germany (31 March 2025: 45.1 %).

Development in the month of April

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

Outlook for 2026 as a whole

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.

Stühlingen/Germany, May 2026
Sto SE & Co. KGaA
represented by the Executive Board of STO Management SE