

P R E S S R E L A S E

Sto SE & Co. KGaA, Stühlingen/Germany

- Turnover of the Sto Group down by 4.1 % to EUR 1,325.5 million in the first nine months of 2023
- Decline due in particular to negative weather conditions and increasing uncertainty among investors in Germany
- Turnover down by 5.6 % in Germany and by 2.9 % outside of Germany
- Consolidated earnings (EBT) below previous year
- As at the end of September, the number of employees in the Group up by 64 to 5,903
- Turnover forecast for 2023 as a whole adjusted to EUR 1.71 billion (previous forecast: EUR 1.76 billion); earnings forecast unchanged: EBT between EUR 117 million and EUR 142 million intended (in each case without factoring in the impact of an escalation of the Russia-Ukraine and Middle East conflicts)

Stühlingen/Germany, 20 November 2023 – The Sto Group's business performance in the third quarter of 2023 continued to be influenced by unfavourable weather conditions. The sometimes very low temperatures and frequent precipitation in the first half of the year were followed by pronounced periods of heat in several markets, which hindered the application of Sto products used in exteriors. In addition, there was a sharp increase in uncertainty and, as a result, growing reluctance on the part of investors in Germany, as the key political decisions for building owners have not yet been made. In the first nine months of 2023, Sto SE & Co. KGaA's **consolidated turnover** amounted to EUR 1,325.5 million and was hence down 4.1 % on the previous year (previous year: EUR 1,381.6 million). Adjusted for all currency translation effects, which had a total negative impact of EUR 11.5 million on turnover in the reporting period, the decline in the first three quarters was 3.2 %.

Consolidated turnover **outside of Germany** fell by 2.9 % to EUR 763.7 million as at the end of September (previous year: EUR 786.2 million), less currency translation effects of 1.4%. In **Germany**, the turnover volume fell by 5.6 % year-on-year to EUR 561.8 million (previous year: EUR 595.4 million). The share of consolidated turnover generated outside of Germany thus rose slightly to 57.6 % (previous year: 56.9 %).

In **October**, Group turnover was slightly up on the previous year, but remained below expectations.

As at the end of September, the Group succeeded in further stabilising the gross margin rate to 53.3 % (previous year: 50.0 %). This was due in particular to the necessary sales price increases, with which Sto responded to the drastic increase in material costs in recent years, as well as consistent procurement management. Nevertheless, the gross profit margin was still below the figures from the years prior to 2021. As at the end of September 2023, **consolidated earnings** (EBT) were below the previous year's figure and below expectations.

Group-wide **investments** in Property, plant and equipment and Intangible assets totalled EUR 25.7 million after EUR 24.5 million in the same period of 2022.

The Sto Group's **financial situation and assets and liabilities situation** remained very solid. The majority of the changes as compared to the end of 2022 resulted from the seasonal nature of the business. Inventories were noticeably reduced as part of the optimisation of working capital, after they had been specifically built up in the previous year to ensure security of supply in view of the difficult procurement market situation. The equity ratio as at the end of September was 61.5 % (30 September 2022: 59.6 %; 31 December 2022: 62.4 %).

As at 30 September 2023, the Sto Group had 5,903 **employees** worldwide compared to 5,735 at the 2022 year end (+168 employees; +2.9 %) and 5,839 on the same day of the previous year (+64 employees; +1.1 %). Since the end of September 2022, the workforce in Germany has increased by 21 to 3,195 employees (previous year: 3,174) and outside of Germany by 43 to 2,708 employees (previous year: 2,665). Year-on-year, the percentage of the Group's workforce employed outside of Germany rose slightly from 45.6 % to 45.9 %.

Outlook for 2023 as a whole

In view of the business development to date and the current assessment of further developments, the turnover forecast for the year of 2023 as a whole has been adjusted. At present, Sto expects **consolidated turnover** to amount to EUR 1.71 billion (previous forecast of August 2023: EUR 1.76 billion; original forecast of April

2023: EUR 1.91 billion; 2022: 1.79 billion). The **earnings forecast** remains unchanged. EBIT is expected to fall between EUR 118 million and EUR 143 million (2022: EUR 129.7 million) and EBT between EUR 117 million and EUR 142 million (2022: EUR 128.3 million). The forecast is based, among other things, on the assumption that the weather will be favourable.

The full version of the interim report is available for download in the section 'Investor Relations' 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, acoustic systems, and rainscreen cladding systems.

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