

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

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

- **Sto Group continues its growth in the 2019 fiscal year: First-time consolidation and positive currency translation effects bolster the solid operating development**
- **Turnover up by 4.9 % to EUR 1,398.2 million, and consolidated EBIT up by 4.9 % to EUR 85.9 million**
- **Group's workforce grows by 200 employees to 5,533 employees**
- **Outlook for 2020: Without taking the effects of the coronavirus pandemic into account, increase in turnover of 6.6 % to around EUR 1,490 million and EBIT of between EUR 93 million and EUR 103 million expected**

*Stühlingen/Germany, 27 April 2020* – In the 2019 fiscal year, Sto SE & Co. KGaA was able to increase the **consolidated turnover** by 4.9 % to EUR 1,398.2 million as compared to the previous year (previous year: EUR 1,332.4 million). A total of EUR 15.1 million of this growth was attributable to the first-time consolidations of Liaver GmbH & Co. KG, Ilmenau/Germany, the Canadian company Skyrise Prefab Building Solution Inc., and Unitex Australia Pty Ltd. Positive currency translation effects resulted in a turnover of EUR 5.1 million. Adjusted for first-time consolidation and currency translation effects, the major international manufacturer of products and systems for building coatings achieved an increase in turnover of 3.4 %.

The income situation also improved in 2019: **consolidated EBIT** rose by 4.9 % to EUR 85.9 million (previous year: EUR 81.9 million), and earnings before taxes (EBT) increased by 3.6 % to EUR 83.1 million (previous year: EUR 80.2 million). At 5.9 %, return on sales remained slightly below the previous year's value of 6.0 %.

Consolidated EAT rose from EUR 53.8 million to EUR 56.3 million. The ROCE figure decreased from 15.6 % to 14.0 % due to the first-time application of IFRS 16.

The **financial and asset situation** of the Sto Group, which had 5,533 employees at the end of the year (31 December 2018: 5,333), remained solid. As a result of the first-time application of IFRS 16, which requires the recognition of current and non-current lease liabilities and thus an extension of the balance sheet, the equity ratio decreased, but remained at a high level of 54.3 % as at the end of 2019 (31 December 2018: 60.9 %). Cash stocks rose from EUR 105.3 million to EUR 128.6 million. Taking borrowings into account, net financial assets increased to EUR 119.8 million as at the reference date (31 December 2018: EUR 90.5 million). Cash flow from operating activities stood at EUR 117.0 million (previous year: EUR 80.7 million) following the first-time application of IFRS 16.

At the parent company Sto SE & Co. KGaA, net profit for 2019 stood at EUR 51.8 million (previous year: EUR 40.8 million). The Executive Board of the personally liable partner STO Management SE and the Supervisory Board will propose to the Annual General Meeting of Sto SE & Co. KGaA on 10 June 2020 to pay out an unchanged basic dividend of EUR 0.31 per limited preference share and of EUR 0.25 per limited ordinary share as well as an unchanged bonus of EUR 3.78 per limited preference and per limited ordinary share. If the negative development of the overall economic situation due to the coronavirus pandemic further deteriorates until then, the Annual General Meeting could, in deviation from the proposals of the management and at the request of the shareholders with the required statutory quorum in place, resolve a dividend payout that is lower, or that is limited to the statutory minimum dividend of preference

shareholders, or even no dividend payout.

The **start to the 2020 fiscal year** saw a positive performance thanks to favourable weather conditions that were above average in most of Sto's key markets in January and February. While March initially demonstrated a positive trend on the whole, the impact of the coronavirus pandemic had grown increasingly significant in several of Sto's markets by the middle of the month. In some cases, this considerably hampered business activities. However, this contrasted with the situation at Sto SE & Co. KGaA in the month of March, for example, which recently recorded high volumes of incoming orders and was therefore required to introduce special production shifts on Saturdays to accommodate this – an unusual circumstance for the time of year. In total, consolidated turnover in the first three months of the year was up on the previous year and fell in line with expectations.

In principle, the Executive Board views the business prospects of the Sto Group as positive. However, given the sheer uncertainty surrounding the coronavirus pandemic and the rapid rate at which it is spreading worldwide, it is currently difficult to make predictions about how the business is set to develop. Without taking into consideration the effects, which at present cannot yet be estimated for the year of 2020 as a whole, Sto expects an increase in consolidated turnover of 6.6 % to EUR 1,490 million for the **2020 fiscal year**. Consolidated earnings before interest and taxes (EBIT) are expected to amount to between EUR 93 million and EUR 103 million.

**The entire 2019 Annual Report is available for download at [www.sto.de](http://www.sto.de) in the section 'Unternehmen' (Company) under '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.

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