

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

Sto SE & Co. KGaA, Stühlingen, Germany

- **Sto consolidated turnover up by 4.1 % to EUR 981.8 million in the first nine months of 2017**
- **Turnover in Germany increases by 3.4 %; volume outside of Germany by 4.7 %**
- **EBIT and net earnings as at the end of September up on previous year**
- **Number of employees reduced by 35 to 5,368 as compared to the same day of the previous year**
- **Forecast for 2017 unchanged: consolidated turnover likely to rise by 3 % to around EUR 1,268 million; EBIT to increase to between EUR 80 million and EUR 90 million**

Stühlingen, 17 November 2017 - Sto SE & Co. KGaA was only able to continue the good development it had experienced in the first half of the year to a limited extent in the third quarter of 2017 as the growth momentum slowed down noticeably. In the first nine months of 2017, **consolidated turnover** rose by EUR 38.7 million, or 4.1 %, to EUR 981.8 million (previous year: EUR 943.1 million). The increase was mainly achieved organically: Adjusted for first-time consolidation effects to the amount of EUR 5.3 million, resulting from the inclusion of the Hesselberg Bygg group into the Sto Group since 1 July 2016, as well as adjusted for the negative currency translation influences of EUR -2.1 million on balance, this meant a plus of 3.8 % as compared to the same period the previous year.

As at the end of September 2017, turnover in **Germany** across the Group increased by 3.4 % to EUR 432.0 million (previous year: EUR 417.9 million). A rise of 4.7 % to EUR 549.8 million (previous year: EUR 525.2 million) was reported **outside of Germany**. Compared to the first nine months of 2016, the share of

Group turnover generated outside of Germany slightly rose from 55.7 % to 56.0 % in the first nine months of 2017.

The Sto Group's business development in October 2017 was slightly above expectations.

The development of turnover in the course of the year to date laid the basis for a significant improvement in the **Group's earnings** before interest and taxes (EBIT) as well as its net earnings as compared to the same period in 2016. This was also due to an extraordinary income, which resulted from the settlement of a court litigation proceeding in the USA in the third quarter of 2017. This positive one-off effect was offset by disproportionately higher material costs due to the rise in raw material and procurement costs since the beginning of the year. Personnel expenditure, on the other hand, only increased marginally, especially since the number of **employees** had been slightly reduced by 35, or 0.7 %, to 5,368 (previous year: 5,403). As at the end of September 2017, the workforce in Germany decreased to 2,910 employees across the Group (previous year: 2,942); outside of Germany, the number of employees remained almost the same at 2,458 (previous year: 2,461).

As at the end of September 2017, the Sto Group's **investments** in property, plant and equipment, and intangible assets amounted to EUR 16.2 million (previous year: EUR 20.7 million). The main focus was on the construction measures at Verotec GmbH in Lauingen, Germany, where the production, logistics, and office capacity are almost doubled. The project will be completed in 2017. In addition, various replacement and expansion investments were made in the Group.

For the **year of 2017 as a whole**, the Sto Group continues to expect an increase in turnover of 3 % to around EUR 1,268 million (2016: EUR 1,230.7 million). As things stand, consolidated earnings before interest and taxes (EBIT) are also still expected to amount to between EUR 80 million and EUR 90 million (2016: EUR 70.3 million). It is, however, difficult to predict the weather conditions, which have a significant impact on the company's turnover and earnings trends in the last few weeks of the year.

At the beginning of October 2017, Sto SE & Co. KGaA agreed on a cooperation with JONAS Farbenwerke GmbH & Co. KG, Wülfrath, Germany. With its modern plant and 77 employees, the family-run company is an efficient and highly productive manufacturer of wall paints and other water-based coating products on the professional market in Germany. In this context, the Sto Group will acquire a 49.8 % share in the JONAS company with effect from 31 December 2017. The investment will be included in the consolidated annual financial statements using the equity method.

The full version of the interim report is available for download in the section "Investor Relations" under "Unternehmen" (company) 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. There is also a focus on concrete repair, floor coatings, acoustics, and rainscreen cladding systems.

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