

STEICO SE

2016 Annual Report | Summary

The green share

2016

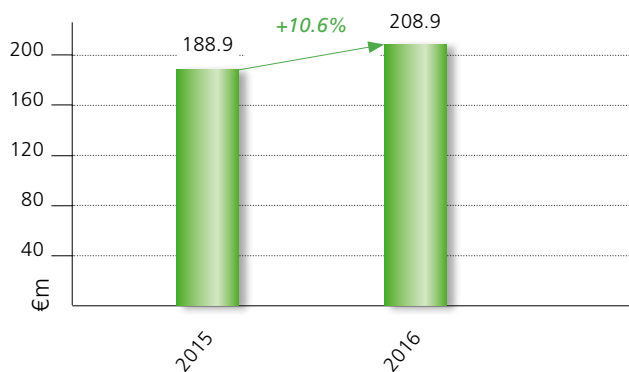
- Continued growth with margins soaring
- Above-average earnings growth



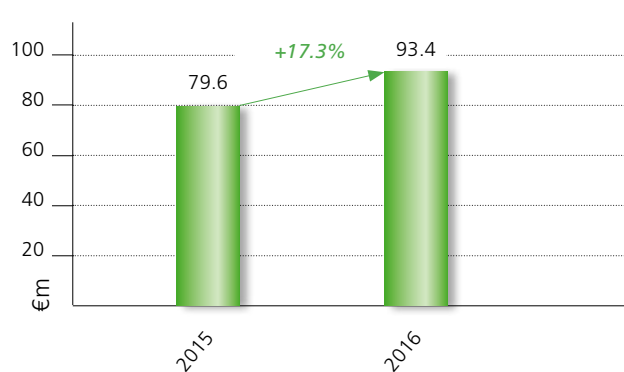
Natural building products for **healthier living**

Continued growth with margins soaring

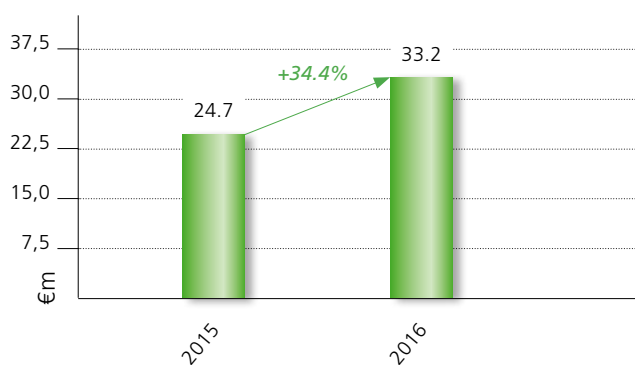
Revenue growth in € millions



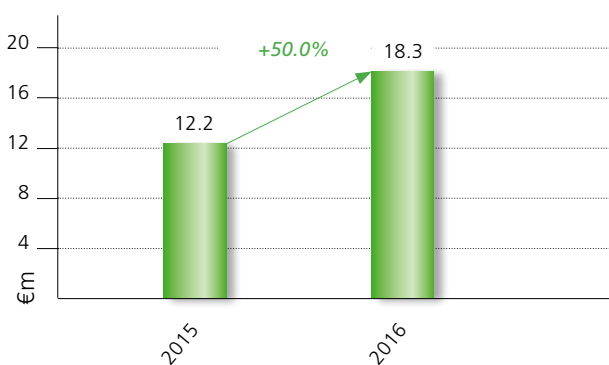
Gross earnings growth in € millions



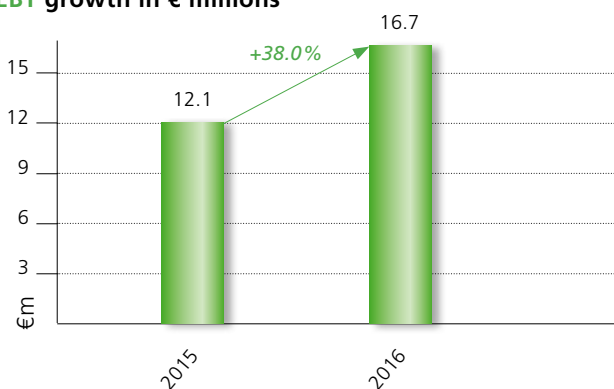
EBITDA growth in € millions



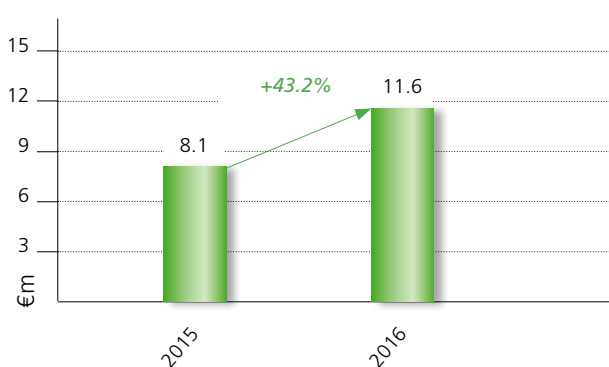
EBIT growth in € millions



EBT growth in € millions



Consolidated net income growth in € millions



ADDITIONAL KPIS

	2016	2015
1. Total operating revenue in € millions	€ 210.8 million	€ 190.1 million
2. EBITDA margin as a percentage of total operating revenue	15.7%	13.0%
3. EBIT margin as a percentage of total operating revenue	8.7%	6.4%
4. Equity ratio (as of Dec. 31)	47.6%	49.7%

Percentage increases calculated based on rounded figures.

The STEICO Group brought 2016 to a close with new record-breaking earnings. Revenues were up by 10.6% to € 208.9 million.

The “Brexit” vote and the subsequent weakening of sterling did slow the pace of growth, however on the whole both wood-fiber insulation materials and also i-joists and laminated veneer lumber recorded substantial growth.

In 2016, STEICO benefited in particular from the high capacity uptake in its insulation material lines and the positive impact of taking its own production line for laminated veneer lumber into operation. As a result, earnings enjoyed above-average growth.

EBITDA improved by 34.4% to € 33.2 million. EBIT lifted by 50.0% to € 18.3 million. Net income for the period was up 43.2% year-on-year at € 11.6 million. Earnings per share amounted to € 0.90 (previous year: € 0.63).

If the economy does not deteriorate, the company’s management is aiming for year-on-year revenue growth in the upper single-digit percentage range. In terms of both EBITDA and EBIT, slightly above average growth in the low single-digit percentage range is forecast for 2017.

Company profile

STEICO develops, produces and markets ecological construction products made of renewable raw materials. STEICO is the European market leader for wood fiber insulation materials.

STEICO is positioned as a system provider for ecological residential construction and is the only manufacturer in the industry to offer an integrated wooden construction system in which insulation material and construction components supplement each other. These include flexible and stable wood fiber insulation panels, composite thermal insulation systems, insulation panels with a reinforcing effect, as well as cavity wall insulation made of wood fibers and cellulose.

The construction elements comprise I-joists and laminated veneer lumber. In addition, the STEICO group also produces fiberboard and operates in the wood trade.

The Munich-based company’s products are used in new construction and when renovating roofs, walls, ceilings, floors and facades. STEICO’s products allow the construction of future-proof, healthy buildings with a particularly high quality of living and a healthy atmosphere. STEICO’s products offer reliable protection against cold, heat and also noise, and they permanently improve the building’s energy efficiency.

STEICO Consolidated Income Statement 01.01. - 31.12.2016

	2016	2015
	€	€
1. Revenues	208,941,228.72	188,897,240.26
2. Increase (previous year: decrease) in finished goods and work in progress	1,398,565.14	-823,182.66
3. Other own work capitalized	488,483.44	2,005,521.15
	210,828,277.30	190,079,578.75
4. Other operating income - thereof from currency translation: € 3,322 thousand (previous year: € 3.047 thousand)	6,634,516.65	6,538,556.61
	217,462,793.95	196,618,135.36
5. Cost of materials		
a) Cost of raw materials, consumables and supplies and for purchased goods	-122,261,155.03	-115,448,432.33
b) Cost of purchased services	-1,833,260.42	-1,586,917.34
6. Gross profits	93,368,378.50	79,582,785.69
7. Personnel expenses		
a) Wages and salaries	-27,151,141.68	-23,217,562.58
b) Social security and expenses for retirement benefits - thereof for pensions: € 408 thousand (previous year: € 400 thousand)	-6,925,429.02	-5,845,418.42
8. Amortisation of intangible fixed assets and depreciation of tangible fixed assets	-14,924,516.46	-12,477,164.24
9. Other operating expenses - thereof from currency translation: € 4,199 thousand (previous year: € 5,723 thousand)	-26,054,892.21	-25,854,366.66
10. EBIT	18,312,399.13	12,188,273.79
11. Other interest and similar income	533,774.35	643,985.96
12. Amortization of financial assets	-530,854.52	0.00
13. Interest and similar expenses	-1,619,171.91	-723,654.15
14. Financial result	-1,616,252.08	-79,668.19
15. Earnings before taxes	16,696,147.05	12,108,605.60
16. Income taxes	-3,604,363.71	-2,598,582.14
17. Earnings after taxes	13,091,783.34	9,510,023.46
18. Other taxes	-1,531,420.75	-1,435,268.46
19. Consolidated net income	11,560,362.59	8,074,755.00
20. Profit carried forward from previous year	13,954,213.73	7,799,931.23
21. Consolidated profits	25,514,576.32	15,874,686.23

STEICO Consolidated Cash Flow Statement for Fiscal Year 2016

	2016	2015
	€	€
I. CASH FLOW FROM OPERATING ACTIVITIES		
1. Earnings for the period (consolidated net income/loss)	11,560,362.59	8,074,755.00
2. +/- Amortization/depreciation of non-current assets	15,455,370.98	12,477,164.24
3. +/- Increase/decrease in provisions	606,183.68	2,614,966.02
4. +/- Other non-cash expense/income	-488,483.44	-2,005,521.15
5. +/- Increase/decrease in inventories, trade receivables and other assets that are not allocated to investing or financing activities	-5,298,111.61	5,062,498.35
6. +/- Increase/decrease in trade payables and other liabilities that are not allocated to investing or financing activities	7,924,174.44	-8,391,884.12
7. +/- Gains/losses from the disposal of non-current assets	303,379.90	57,508.12
8. +/- Interest income/expense	1,066,254.56	79,668.19
9. +/- Income tax expense/income	3,604,363.71	2,598,582.14
10. +/- Income tax payments	-1,814,365.53	-2,089,061.52
11. = Cash flow from operating activities	32,919,129.28	18,478,675.27
II. CASH FLOW FROM INVESTING ACTIVITIES		
1. - Payments made for investments in intangible non-current assets	-2,106,574.75	-1,495,017.07
2. + Proceeds received from disposals of items of property, plant and equipment	2,728,093.37	1,105,467.12
3. - Payments made for investments in property, plant and equipment	-28,003,994.81	-48,255,653.16
4. + Proceeds received from disposals of financial assets	39,633.87	61,003.60
5. - Payments made for investments in financial assets	0.00	-60,979.69
6. + Interest received	533,774.35	643,985.96
7. = Cash flow from investing activities	-26,809,067.97	-48,001,193.24
III. CASH FLOW FROM FINANCING ACTIVITIES		
1. + Proceeds received from issuing bonds and taking out (financial) loans	5,127,776.92	31,815,269.62
2. - Interest paid	-1,511,332.91	-579,414.15
3. - Dividends paid to shareholders of the parent company	-1,920,472.50	-1,536,378.00
4. = Cash flow from financing activities	1,695,971.51	29,699,477.47
IV. CASH AND CASH EQUIVALENTS		
1. Net change in cash and cash equivalents	7,806,032.82	176,959.50
2. +/- Exchange-rate related change in cash and cash equivalents	-563,380.93	98,862.05
3. + Cash and cash equivalents - start of period	10,367,429.52	10,091,607.97
4. = Cash and cash equivalents - end of period	17,610,081.41	10,367,429.52

STEICO Consolidated Balance Sheet as of 31 December 2016

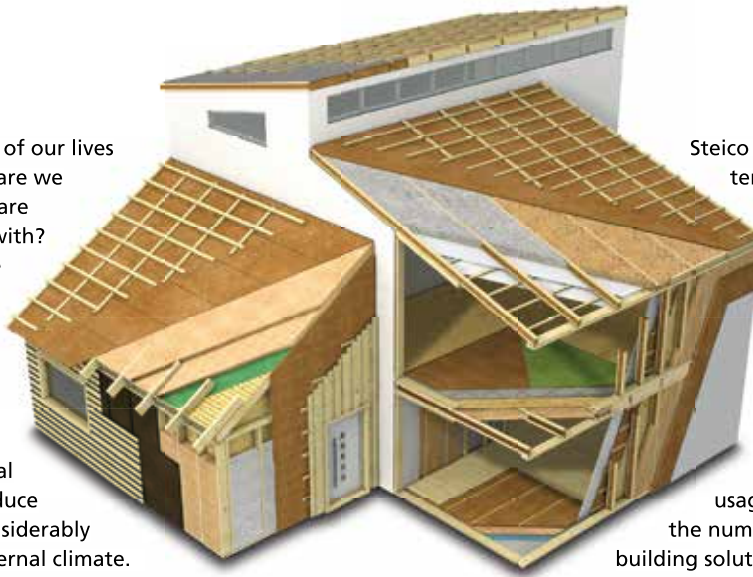
ASSETS

	31 Dec. 2016	31 Dec. 2015
	€	€
A. NON-CURRENT ASSETS		
I. Intangible assets		
1. Acquired concessions, industrial property rights and similar rights and assets	1,496,259.89	86,733.88
2. Advance payments made	0.00	939,646.23
	1,496,259.89	1,026,380.11
II. Property, plant and equipment		
1. Land, land rights and buildings including buildings on third-party land	47,090,435.11	42,654,691.68
2. Technical plant and machinery	81,024,658.37	86,922,084.16
3. Other assets, operating and office equipment	2,291,734.34	1,623,967.82
4. Advances made and assets under construction	30,943,656.23	22,288,062.46
	161,350,484.05	153,488,806.12
III. Financial assets		
1. Interests in affiliated companies	2,024.81	523,236.95
2. Loans to affiliated companies	8,162.71	71,547.19
3. Other loans	211,700.00	212,700.00
	221,887.52	807,484.14
	163,068,631.46	155,322,670.37
B. CURRENT ASSETS		
I. Inventories		
1. Raw materials, consumables and supplies	15,369,266.71	13,648,497.22
2. Work in progress	1,131,737.67	1,346,033.97
3. Finished goods and merchandise	13,126,092.06	11,596,671.57
4. Advance payments made	68,825.92	3,001.00
	29,695,922.36	26,594,203.76
II. Receivables and other assets		
1. Trade receivables	17,659,065.94	16,754,549.48
2. Receivables from affiliated companies	4,208.22	751.28
3. Other assets	9,601,009.83	8,605,637.70
	27,264,283.99	25,360,938.46
III. Securities		
Other securities	53,871.01	11,211.25
IV. Cash in hand and bank balances	17,610,081.41	10,367,429.52
	74,624,158.77	62,333,782.99
C. PREPAID EXPENSES	933,324.85	682,937.13
D. DEFERRED TAX ASSETS	1,131,260.18	1,726,954.65
	239,757,375.26	220,066,345.14

EQUITY AND LIABILITIES

	31 Dec. 2016	31 Dec. 2015
	€	
A. EQUITY		
I. Subscribed capital	12,803,150.00	12,803,150.00
II. Additional paid-in capital	81,226,096.14	81,226,096.15
III. Retained earnings Other retained earnings	7,050,000.00	7,050,000.00
IV. Difference in equity from currency translation	-12,489,603.38	-7,599,608.67
V. Consolidated profits	25,514,576.32	15,874,686.23
	114,104,219.08	109,354,323.71
B. PROVISIONS		
1. Provisions for pensions and similar obligations	2,210,712.60	1,883,785.02
2. Provisions for taxes	1,691,430.37	509,520.62
3. Other provisions	8,289,767.20	7,921,815.10
	12,191,910.17	10,315,120.74
C. LIABILITIES		
1. Liabilities to banks	84,148,761.00	79,020,984.08
2. Advance payments received on account of orders	207,065.70	32,910.04
3. Trade payables	18,206,350.03	12,541,540.62
4. Other liabilities - thereof from taxes: € 1,732 thousand (previous year: € 1,922 thousand) - thereof for social security: € 1,575 thousand (previous year: € 1,785 thousand)	9,166,720.75	7,188,373.19
	111,728,897.48	98,783,807.93
D. DEFERRED INCOME	185,691.17	78,829.36
E. DEFERRED TAX LIABILITIES	1,546,657.36	1,534,263.40
	239,757,375.26	220,066,345.14

We spend approx. 80 % of our lives in enclosed rooms. But are we always aware what we are surrounding ourselves with? STEICO has set itself the target of developing building products which consider the needs of both man and nature. Our products are therefore produced using sustainable natural materials. They help reduce energy use and add considerably to a natural healthy internal climate.



Steico insulation and construction materials, carry a number of distinguished 'seals of approval' which is a sign of high quality, healthy and functional building products. The raw materials used in Steico products are certified by FSC® (Forest Stewardship Council®) and PEFC® (Programme for the Endorsement of Forest Certification®), ensuring a traceable and fully sustainable usage of the raw materials. STEICO, the number 1 choice for your sustainable building solutions.

Natural Insulation and Construction Systems for New Builds and Renovations – Roof, Ceiling, Wall and Floor

	Renewable raw materials without harmful additives		Excellent heat insulation in winter		Excellent summer heat protection		Energy Saving and increased property worth
	Weather tight and breathable		Excellent Fire Protection		Excellent sound protection		Environmentally friendly and recyclable
	Light and easy to handle		Insulation for healthy living		Strong quality control		Compatible insulation and structural building systems



STEICO SE • Otto-Lilienthal-Ring 30 • 85622 Feldkirchen (GER)
 Tel.: +49-89-99 15 51-0 • Fax: +49-89-99 15 51-26
 Internet: www.steico.com • E-mail: info@steico.com