

STEICO SE: Revenue growth and solid margins in Q1 2020 despite coronavirus restrictions

Corporate News
28 April 2020

- **Preliminary figures confirmed by final financial statements 2019**

- **The supervisory board proposes a dividend of 0.25 Euro per share for the financial year 2019**

Feldkirchen near Munich, 28 April 2020 – Today the STEICO group (ISIN DE000A0LR936) released its annual report for the financial year 2019 and its interim report for the first quarter 2020.

Business Development 2019

KPI	2019	2018
Revenue	281.0 €m	252.0 €m
Total operating revenue (TOR)	287.8 €m	254.1 €m
EBITDA	56.7 €m	44.4 €m
EBITDA-Margin in % TOR	19.7 %	17.5 %
EBIT	32.5 €m	24.6 €m
EBIT-Margin in % TOR	11.3 %	9.7 %
Consolidated net income	22.8 €m	16.1 €m
Earnings per share	1.62 €	1.15 €
Equity ratio in % (as of 31.12.)	53.7 %	53.7 %

In 2019 the STEICO Group was able to continue its long-term success story and lifted its revenues by 11.5% to € 281.0 million. At the same time, STEICO has reported rising profitability for the fifth year in succession. EBITDA improved by an above-average 27.7% to € 56.7 million. This corresponds to an EBITDA margin of 19.7% (in relation to total operating revenue). EBIT lifted by 32.3% to € 32.5 million, the EBIT margin was thus 11.3%.

Growth was driven equally by ecological insulation materials and construction products, with I-joists in particular proving to be the driving force.

Earnings per share amounted to 1.62 € (previous year: 1.15 €).

First Quarter 2020 with revenue growth and solid margins despite coronavirus restrictions

In the first quarter of 2010 the STEICO Group continued its on-track growth and lifted its revenues by 4.9% to the new record-breaking figure of € 74.4 million.

The Group also continued to record solid earnings margins. EBITDA was 7.2% lower than in the previous year at € 12.1 million. However, the EBITDA margin is 16.7% (compared to total operating revenue).

EBIT was 9.2% lower than in the previous year at € 6.0 million. The EBIT margin amounted to 8.3%.

The slight downturn in earnings is less due to operating performance, but more caused by the sudden devaluation of the Polish Zloty in March 2020. For example the revaluation of the existing input tax refund claims in Poland led to exchange rate losses at the end of the quarter as a result of the change to the exchange rate. However, this does not impact liquidity as the refunds are used to procure goods in Poland.

KPI	Q1 2020	Q1 2019
Revenue	74.4 €m	70.9 €m
Total operating revenue (TOR)	72.5 €m	70.9 €m
EBITDA	12.1 €m	13.0 €m
EBITDA-Margin in % TOR	16.7 %	18.4 %
EBIT	6.0 €m	6.6 €m
EBIT-Margin in % TOR	8.3 %	9.4 %
Profit of the period	3.6 €m	4.6 €m

Dividend proposal

Based on current challenges the board of administration proposes to annual general meeting, not to increase the dividend compared to the previous year and to pay 0.25 € per share again. The volume of the dividend distribution would amount to 3,520,866.25 € in total.

Forecast

The Board of Directors is looking positively to the future, even though STEICO is facing demanding challenges as a result of the current coronavirus crisis. Throughout Europe there is still a need for additional living space and the trend towards timber construction is continuing unabated. In addition, more and more public funding programmes are supporting this form of resource-saving and regional construction. What is more, the essential energetic renovation of existing buildings holds huge potential.

For the year 2020 as a whole, management is continuing to forecast positive growth. Growth momentum is likely to be dampened through to the middle of the year - as was already the case in the first quarter - by the coronavirus restrictions. Provided that the restrictions are then gradually lifted, management expects positive growth impetus in the second half of the year from catch-up effects. For 2020, the Board of Directors expects revenues and total operating revenues (TOR) to be between the previous year's level and plus 5% growth, with an EBIT ratio of between 7.5% and 8.5% (of TOR).

The complete financial reports can be downloaded at

www.steico.com/ir

Company Profile

STEICO develops, produces and markets ecological construction products made of renewable raw materials. STEICO is the European market leader in the wood-fibre insulation materials segment.

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 (LVL). 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

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