

STEICO SE

Consolidated interim report on Q1 2024

The green share

Q1 2024

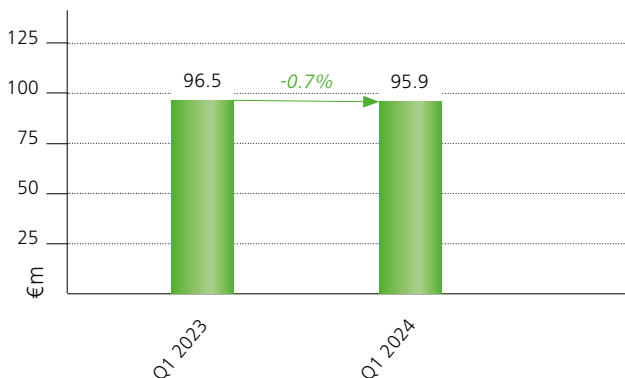
Stable business situation with positive earnings performance



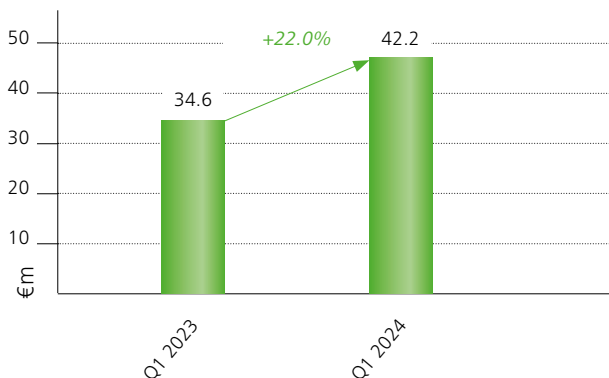
Natural building products for **healthier living**

Stable business situation with positive earnings performance

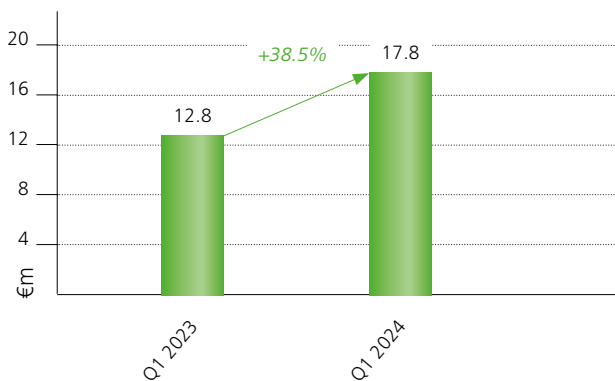
Q1 2024 Revenue growth in € millions



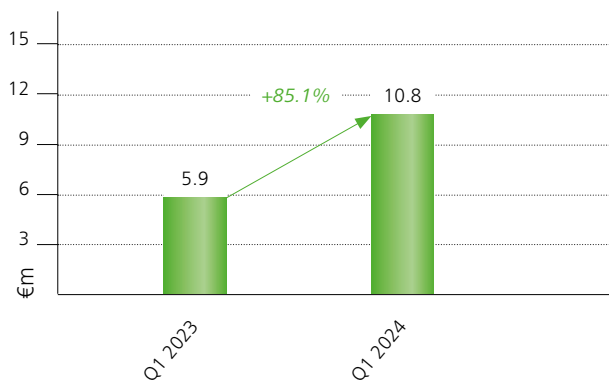
Q1 2024 Gross Earnings growth in € millions



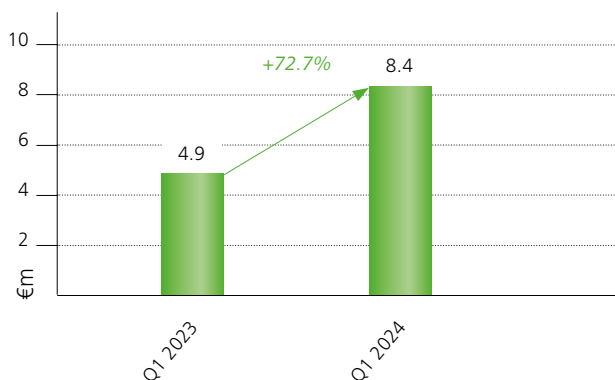
Q1 2024 EBITDA growth in € millions



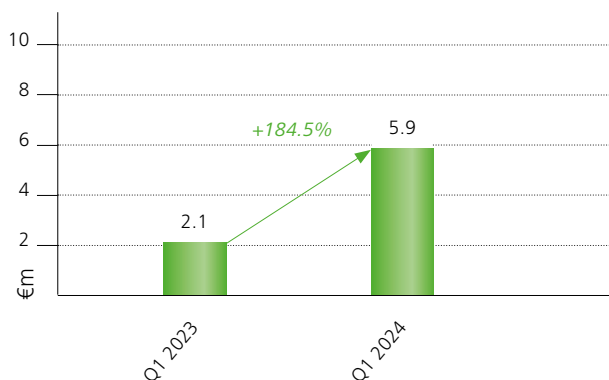
Q1 2024 EBIT growth in € millions



Q1 2024 EBT growth in € millions



Q1 2024 Profit for the Period growth in € millions



ADDITIONAL KPIS

	Q1 2024	Q1 2023
1. Total operating revenue in € millions	93.2 Mio. €	97.9 Mio. €
2. EBITDA margin as a percentage of total operating revenue	19.1 %	13.1 %
3. EBIT margin as a percentage of total operating revenue	11.6 %	6.0 %
4. Equity ratio (as of 31 March 2023 and 31 December 2022)	52.7 %	53.3 %

Accounting in accordance with German GAAP. Percentage changes and margins are calculated using non-rounded figures.

The stabilisation trend continued in the first quarter of 2024. Falling inflation, stable interest rates and a constant competitive situation are also stabilising demand for STEICO products. With revenue of € 95.9 million, revenue in the first quarter was only 0.7% down on the previous year.

At the same time, earnings benefited from falling procurement prices and the effects of the cost-cutting programme launched in 2023. At € 17.8 million, EBITDA for the first quarter was 38.5% higher than in the previous year while EBIT grew by 85.1% to € 10.8 million. The EBITDA margin is 19.1% and the EBIT margin is 11.6% (both in relation to total operating revenues, accounting in accordance with German GAAP).

The company management is cautious about the rest of the year, but expects the market situation to stabilise further.

Provided there are no negative effects from further economic and competitive developments, the company management expects sales in 2024 to remain at the previous year's level of around € 365 million and an EBIT ratio of between 9% and 11% (in relation to total operating revenues).

Company profile

STEICO develops, produces and markets natural construction products made of renewable raw materials. STEICO is the global market leader for wood fibre insulation materials.

STEICO is positioned as a system provider and is the only manufacturer in the industry to offer an integrated wooden construction system in which innovative wooden construction components and bio-based insulation material supplement each other.

Laminated veneer lumber and I-joists form the structural components of the system. The insulation materials include flexible and stable wood fibre insulation panels, facade insulation materials, as well as cavity insulation made of wood fibres and cellulose.

Sealing products for the building shell complete the overall system.

The STEICO Group offers its customers a unique range of products through to the prefabrication of complete components for timber element construction.

The Munich-based company's products are used in new construction and when renovating roofs, walls, ceilings, floors and façades. STEICO's products allow the construction of future-proof 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.

Disclaimer

This document is a translated version of the German original document. The translation has been prepared with utmost care. However, only the German original document is binding.

I. ECONOMIC CONDITIONS

1. ECONOMIC DEVELOPMENT

Construction activity continues to develop unevenly.

According to the European statistics authority Eurostat, production in the construction industry in the EU was 0.1% higher in January 2024 than in the same month of the previous year. However, this development is mainly attributable to civil engineering with an increase of 1.8%. Building construction was 2.9% below the same month of the previous year.¹

In Germany, the STEICO Group's most important market, incoming orders in the main construction sector were up 1.3% on the same month of the previous year (real, calendar-adjusted). However, the number of building permits for residential construction continues to fall. 27.7% fewer homes were approved in January 2024 than in the same month of the previous year. The number of building permits for single-family homes fell by 42.7%. The number of approved flats for two-family houses fell by 19.6%. The number of authorised flats in multi-family houses also fell by 20.0%.²

The declining number of building permits also had an impact on the market situation in prefabricated timber construction. Although the decline among prefabricated house manufacturers was slightly lower than in the market as a whole, the market share reached an all-time high of 24.5%. However, the market situation remains difficult due to the fall in the number of building permits. For this reason, other business areas such as redensification, conversion, adding storeys or serial refurbishment are increasingly being developed.³

II. COURSE OF BUSINESS

1. COUNTRY DEVELOPMENT (SELECTED MARKETS)

Germany

In the first three months, sales in Germany increased by 0.5% to € 33.5 million compared to the same period of the previous year.

The sales trend reflects the incipient stabilisation of the market due to the lower inflation rate, a more stable interest rate level and a competitive environment that remains intense but did not intensify further in the first quarter.

France

In the first three months, sales in France increased by 11.4% to € 18.4 million compared to the same period of the previous year.

The current economic environment is also leading to a decline in new building permits in France. However, renovation activity remains a stable pillar in the construction sector. Demand for bio-based products such as wood fibre insulation materials remains at a high level.

United Kingdom and Ireland

In the first three months, sales in the UK and Ireland increased by 8.9% to € 10.2 million compared to the same period of the previous year.

In the UK, there are also initial signs of stabilisation in the construction industry after the sector recorded sharp declines in 2023. Sales in the UK and Ireland are dominated by the construction products I-joists and laminated veneer lumber.

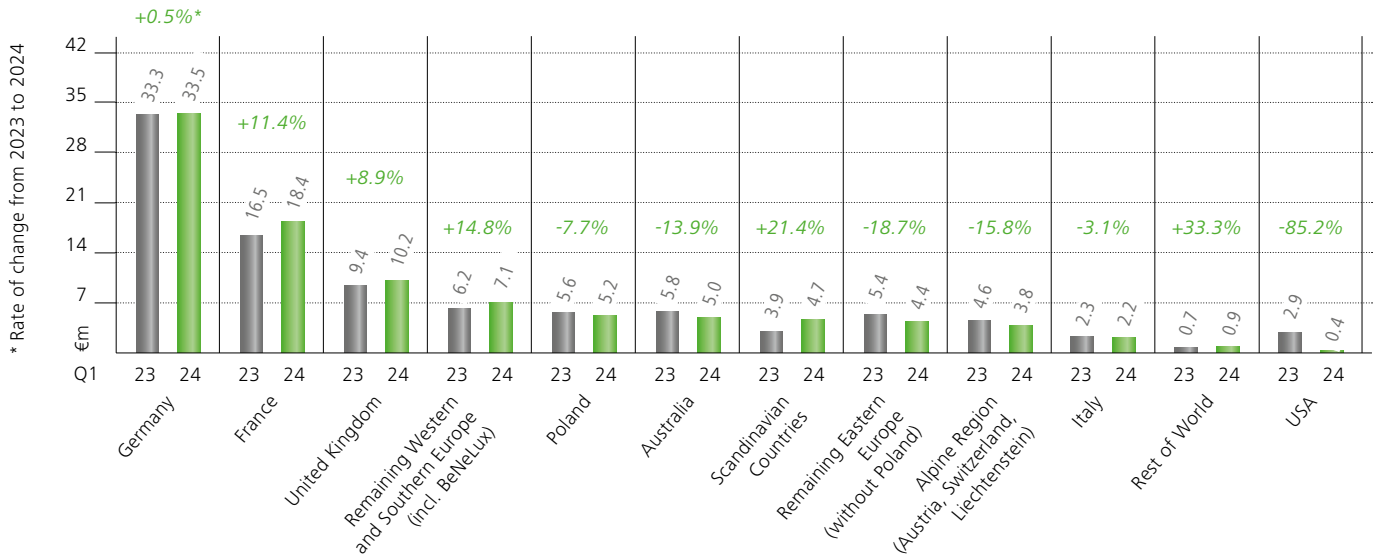
¹ Source: Eurostat Euroindikatoren, 20.03.2024

² Source: Destatis, Press Release Nr. 119, 25.03.2024

³ Source: Bundesverband deutscher Fertigung e.V., 11.03.2024

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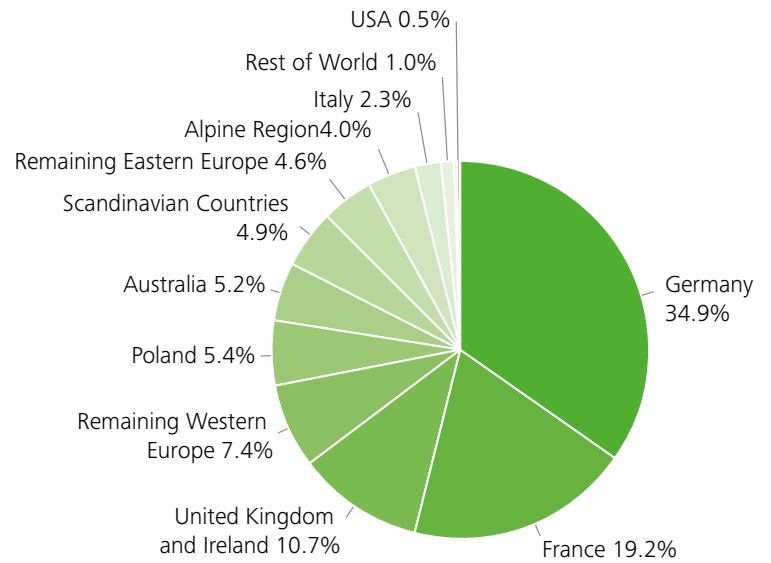
Q1 2024: Development Sales by Markets in € million



Other markets

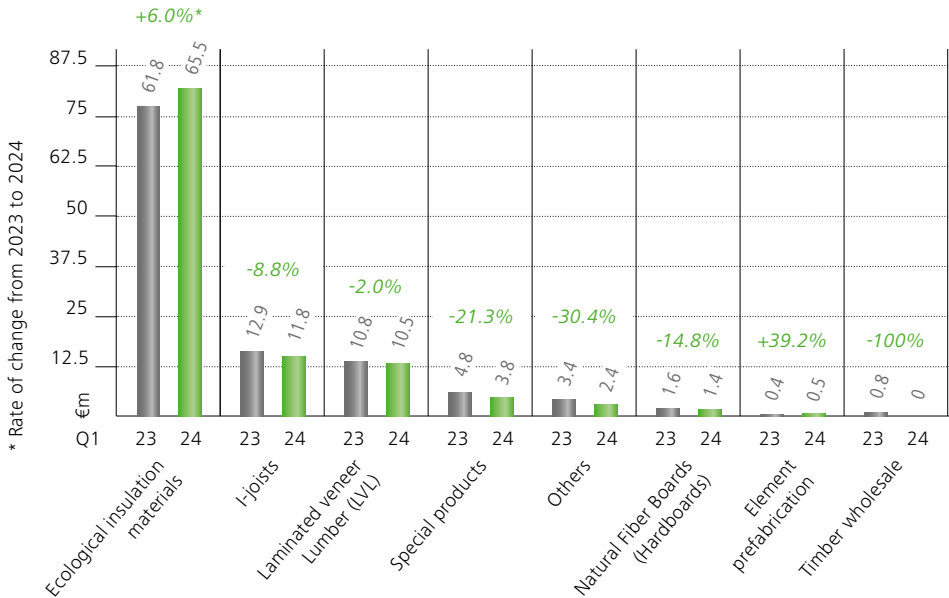
Business in STEICO's other sales markets was mixed in the first quarter. However, the economic environment is generally stabilising in the European markets. Shifts are partly due to weather effects, special competitive situations or new customer acquisitions and stockpiling by dealers in preparation for the construction season.

Q1 2024: Ratio Revenues by Markets



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Q1 2024: Development Sales by Product Groups in € million



2. SEGMENT GROWTH

Environmentally friendly insulation materials

Sales of wood fibre insulation materials increased by 6.0% to € 65.5 million in the first three months.

The increase is a result of the more stable construction industry, stockpiling by dealers in preparation for the season and a competitive situation that did not intensify further in the first quarter.

I-joists

Sales of I-joists fell by 8.8% to € 11.8 million in the first nine months of the year.

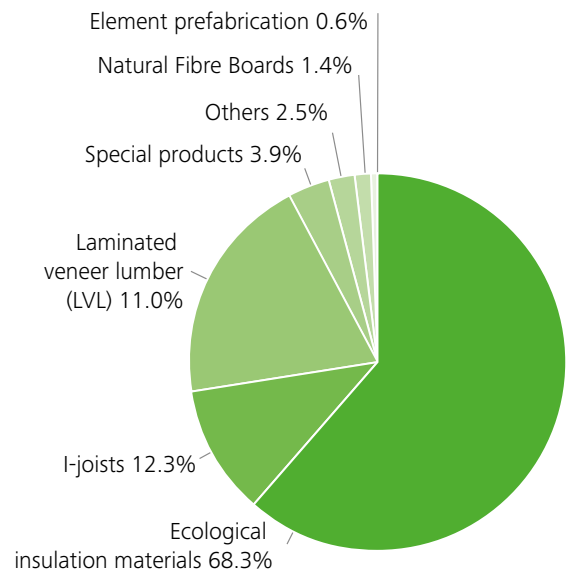
The negative trend mainly relates to continental European markets and is also a consequence of falling prices for conventional structural timber, the main competitive product for I-joists.

Laminated Veneer Lumber

Laminated veneer lumber sales in the first three months remained at the previous year's level. At € 10.5 million, it is two per cent lower.

As a construction product for special requirements, laminated veneer lumber is benefiting from the trend towards multi-storey timber construction. In addition, product range expansions are strengthening the segment.

Q1 2024: Ratio Revenues by Products



Others

In the first three months of the year, sales in the Others segment fell by 30.4% to € 2.4 million.

The Others segment mainly comprises system articles that are sold as merchandise and round off the core products business.

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Natural Fibre Boards (Harboards)

Natural Fibre Boards are mainly used internally as a component for the I-joists. External sales are realised opportunistically. In the first three months, sales fell by 14.8% to € 1.4 million. In the previous year, there was a special economic situation in this segment following the absence of suppliers from Russia and Ukraine. In the meantime, there has been a partial shift in demand towards other wood-based materials.

Special products

Sales of Special products fell by 21.3% to € 3.8 million in the first three months of the year.

The Special products segment comprises goods manufactured in-house for industrial applications.

Element pre-fabrication

At € 0.5 million, sales in the prefabrication of construction elements remained at a low level in the first three months (previous year: € 0.4 million). This segment is particularly affected by the weak new construction sector.

Timber wholesale

The timber trade segment was discontinued at the end of 2023 due to its insignificance and lack of strategic importance.

UNDERLYING CONDITIONS FOR PRODUCTION AND SALES

Market environment and competitive situation

The competitive situation for wood fibre insulation materials remains tense. However, there was no further intensification in the first quarter of 2024, which helped to stabilise the market environment.

Development of procurement prices

Slightly falling procurement prices can be observed for both wood and energy. The company management assumes that the downward trend will continue in the coming months.

Gromadka investment project

The plant at the new site in Gromadka (Poland) is largely ready for operation. The start of volume production will be controlled according to the demand situation; the current target is for commissioning in the second half of 2024.

III. FINANCIAL POSITION, NET ASSETS AND RESULT OF OPERATIONS

1. RESULTS OF OPERATIONS⁴

In the first three months of 2024, the STEICO Group generated sales of € 95.9 million, which corresponds to a decrease of 0.7% (previous year: € 96.5 million). Total operating revenues totalled € 93.2 million (previous year: € 97.9 million).

Gross profit totalled € 42.2 million in the first quarter, which corresponds to an increase of 22.0% compared to the previous year (Q1 2023: € 34.6 million).

EBITDA totalled € 17.8 million in the first quarter, which corresponds to an upturn of 38.5% compared to the previous year (Q1 2023: € 75.6 million).

EBIT totalled € 10.8 million in the first quarter, which corresponds to an increase of 85.1% compared to the previous year (Q1 2023: € 5.9 million).

EBT totalled € 8.4 million after the first three months, which corresponds to an upturn of 72.7% compared to the previous year (Q1 2023: € 4.9 million).

Net profit for the period totalled € 5.9 million after the first three months, an increase of 184.5% compared to the previous year (Q1 2023: € 2.1 million).

The results benefited from falling procurement prices and the effects of the cost-cutting programme launched in 2023.

IV. OUTLOOK

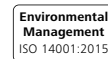
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⁴ Due to reclassifications, there may be minor deviations from the previous year's figures.



FORUM
HOLZBAU
PREMIUM
PARTNER



We love wood.

STEICO engineered by nature
for renovation and new builds

The STEICO Group is the world market leader in the production and sale of bio-based wood fibre insulation materials and a leading supplier of innovative timber construction products. With the industry's largest product range of wood fibre insulation materials and a corresponding construction system for timber construction, STEICO occupies a unique position in the market. Almost the entire load-bearing and insulating shell of a building can be constructed with STEICO products.

Sustainable products –
sustainable production

The STEICO Group is committed to sustainable forestry – the wood used comes from forests certified according to the strict rules of the PEFC. All products have the necessary building authority approvals. In addition, independent product testing by the IBR (Institute for Building Biology Rosenheim) guarantees the high quality of the products. The STEICO Group also sets standards in environmentally friendly production and uses, for example, CO₂-neutral biomass as an energy source.

STEICO
engineered by nature

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