

STEICO SE

Consolidated interim report on Q1 2018

The green share

Q1 2018

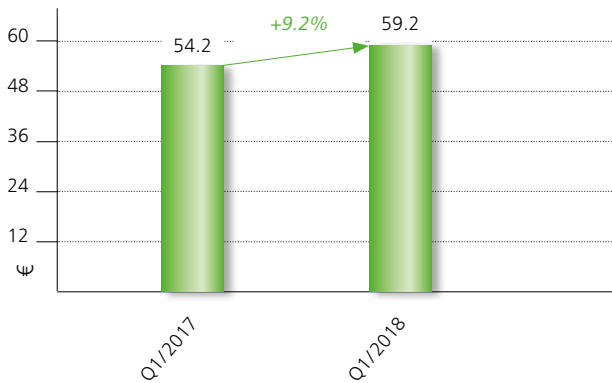
- Profitable growth despite negative impact from weather



Natural building products for **healthier living**

Profitable growth despite negative impact from weather

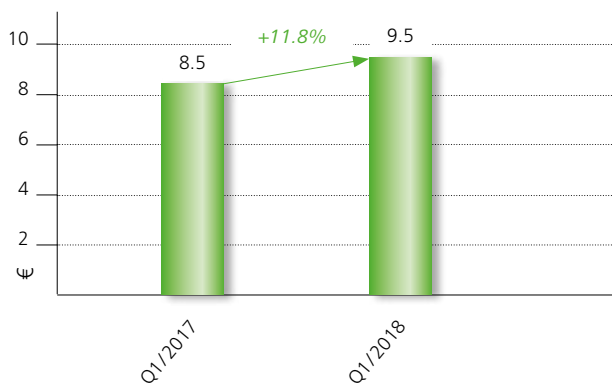
Revenue growth in € millions



Gross earnings growth in € millions



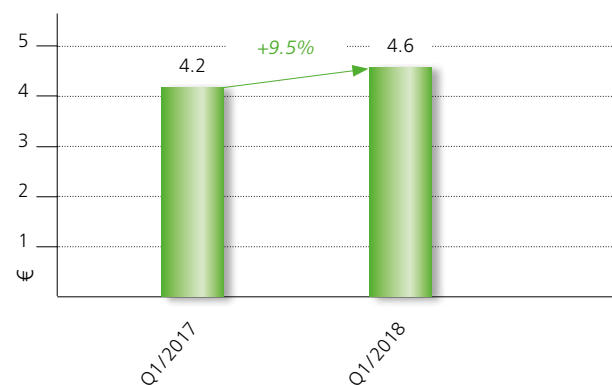
EBITDA growth in € millions



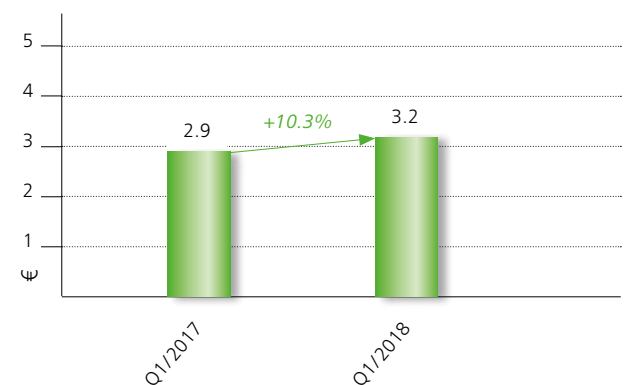
EBIT growth in € millions



EBT growth in € millions



Growth in profit for the period in € millions



ADDITIONAL KPIS

	31 March 2017	31 March 2017
1. Total operating revenue in € millions	€ 58.1 million	€ 54.9 million
2. EBITDA margin as a percentage of total operating revenue	16.4%	15.5%
3. EBIT margin as a percentage of total operating revenue	8.3%	8.4%
4. Equity ratio (31.03.18 / 31.12.17)	53.9%	53.9%

Percentage increases calculated based on rounded figures. As a result of the reclassifications there are minor differences compared to the previous year's figures.

The first quarter has followed on seamlessly from the previous record-breaking quarters. New historic highs were recorded once again for both revenues and earnings.

Revenue improved by 9.2% to € 59.2 million. As a result of changes in inventories, growth in total operating revenue was slightly less, up 5.8% to € 58.1 million. The increase in revenues was primarily driven by environmentally friendly insulation materials and Laminated Veneer Lumber.

Earnings also enjoyed positive growth and were up substantially year on year. In this regard we must also consider the fact that poor weather conditions had a negative impact on construction activities, and that the first quarter cannot be used as an indicator for the year as a whole.

The company's management believes that this growth will continue dynamically in the coming quarters.

As a result, the company's management is confirming the outlook for 2018. If the economy does not deteriorate, the company's management is aiming for revenue growth in 2018 of around 15% compared to the previous year. In terms of EBIT, growth in the upper single-digit to low double-digit percentage range is forecast for 2018.

In particular the impact of the second production line for laminated veneer lumber and the anticipated completion of the second production line for stable wood fibre insulation materials (dry method) will provide impetus for further growth.

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. 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.

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.

ECONOMIC CONDITIONS

Current statistics from Eurostat¹, the European statistics service, are available through to January 2018. Compared to January 2017 production in the construction sector increased by 3.7% in the eurozone and 2.5% in EU28. As a result the positive trend in the European construction sector is continuing unrelentingly.

In Germany, the number of apartments with planning permission fell year-on-year in 2017 by 7.3%. This downturn is due to three central factors. In 2015 applications for planning permission were pulled forward in order to avoid the anticipated increases in construction costs as a result of the heightening of the EnEV (Energie-Einspar-Verordnung - Energy Savings Directive). This led to a surge in planning permissions granted in 2016. In addition, in 2017 the number of planning permissions granted for apartments in residential properties fell by around 41%. This category also includes refugee accommodation. If we do not consider this factor, the downturn in planning permission in this sector was just 1.9% compared to the previous year. The third factor is the current underlying conditions, for example the high level of capacity uptake for craftsmen, the low availability of building land, as well as administrative hurdles and cost drivers under construction law. On the whole, the German construction sector continues to enjoy a healthy market environment at a high level.²

COMPANY GROWTH Q1

Growth for environmentally friendly insulation materials

Q1 2018 continued to be characterised by the extensive competition for wood fibre insulation materials. However, the price pressure which had characterised the market over the past few years lessened slightly.

The company's management is continuing to observe increasing demand for environmentally friendly building materials. This is due to the trend for more natural construction materials and also the continued heightening of requirements for energy efficiency as part of the EU buildings policy.

At present, STEICO is setting up two production lines for wood fibre insulation materials in order to be equipped to meet the anticipated further growth - one line for stable

wood fibre insulation materials (dry method) and one line for flexible wood fibre insulation mats (acquired in 2017 from the bankruptcy assets of a competitor). The first boards and mats were produced on these two lines at the end of March. The lines are now in the optimisation phase. The company's management believes that they will finally go live in the third quarter of 2018.

Growth for I-joists

The sudden and severe winter conditions in the United Kingdom - the most important market for I-joists - brought construction activities there to a temporary standstill. Sales of I-joists fell to by a low double-digit percentage as a result. The company's management believes that it will be possible to compensate for this downturn in the coming months with increased construction activity.

Growth for laminated veneer lumber

Both production lines for laminated veneer lumber are running at high capacity. The 100% performance test is still outstanding for the new, second production line (went live in the fourth quarter of 2017). The company's management expects that this final stage for final acceptance will be performed in the second quarter of 2018.

New revenue record

The STEICO Group was able to continue its growth in the first quarter and record new record-breaking figures. Revenue improved by 9.2% to € 59.2 million. As a result of changes in inventories, growth in total operating revenue was slightly less, up 5.8% to € 58.1 million. The increase in revenues was primarily driven by environmentally friendly insulation materials and laminated veneer lumber.

Earnings

Earnings also enjoyed positive growth and were up substantially year on year. In this regard we must also consider the fact that poor weather conditions had a negative impact on construction activities in 2018, and that the first quarter cannot be used as an indicator for the year as a whole.

Gross profits amounted to € 26.5 million (Q1 2017: € 23.6 million). This corresponds to an increase of 12.3%.

EBITDA totaled € 9.5 million (Q1 2017: € 8.5 million), up by 11.8%. The EBITDA margin is 16.4% (previous year: 15.5%).

EBIT totaled € 4.8 million (Q1 2017: € 4.6 million) and is thus up by 4.3%. The EBIT margin is 8.3% and is thus at the excellent level recorded in the past two years.

Earnings before taxes (EBT) amounted to € 4.6 million (Q1 2017: € 4.2 million). This corresponds to an increase of 9.5%.

¹ Eurostat; Press releases dated 19.03.2018

² Destatis; Press releases dated 13.04.2018

Net income for the period was 10.3% higher than in the previous year (€ 2.9 million) at € 3.2 million.

KEY EVENTS

There were no major events in the first quarter of 2018.

At April 25th 2018 STEICO SE's Supervisory Board announced that it has prematurely revoked Mr. Steffen Zimny's appointment with immediate effect. Mr. Zimny had been responsible for production in STEICO SE's board of management. Mr. Holger Jödecke is responsible for production with immediate effect. Holger Jödecke is a business engineering graduate and has more than 20 years of experience in executive positions with various companies in the construction industry. He has been with STEICO since 2014 and joined the board of directors in March 2017.

OUTLOOK

If the economy does not deteriorate, the company's management is aiming for revenue growth in 2018 of around 15% compared to the previous year. In terms of EBIT, growth in the upper single-digit to low double-digit percentage range is forecast for 2018.

STEICO'S SHARES / INVESTOR RELATIONS

Performance in Q1

STEICO's shares started the first quarter with a Xetra closing price of € 21.75 on 2 January 2018, which was their lowest price in this period. During the second half of January the price of the shares increased significantly, and reached the € 25.40 on 23 January, the high for this reporting period. However, during the following weeks the share price fell during mixed developments. STEICO's shares closed at a price of € 22.00 in Xetra trading on 29 March. This corresponds to an increase of 1.1% in the first quarter of 2018.

Investor Relations

STEICO presented the company at the 21th ODDO Forum in Lyon (France) on 11/12 January.

STEICO presented the company to institutional investors and analysts at the "HSBC SRI/ESG Conference" in Frankfurt am Main on 6 February.

On 21/22 February STEICO presented the company to a broad audience of national and international investors and analysts at the "12th German Conference" of ODDO BHF

On 26 April STEICO's annual report was published simultaneously with this interim report.

Corporate diary for the coming months

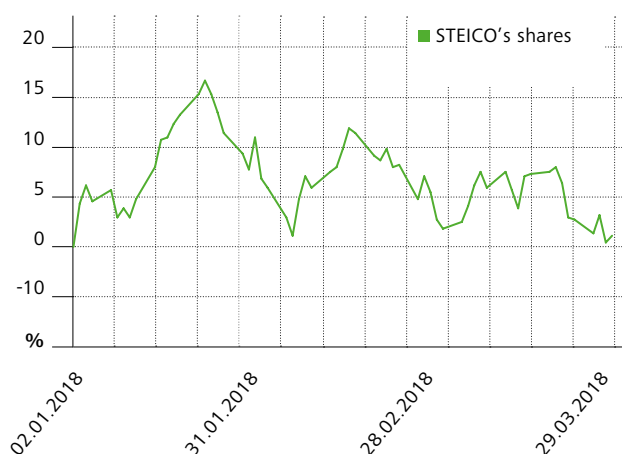
At 15 May STEICO presents the company to institutional investors in Bruxelles (Roadshow with ODDO BHF).

At 16 June STEICO presents the company to institutional investors at ODDO BHF NEXTCAP Forum (Paris)

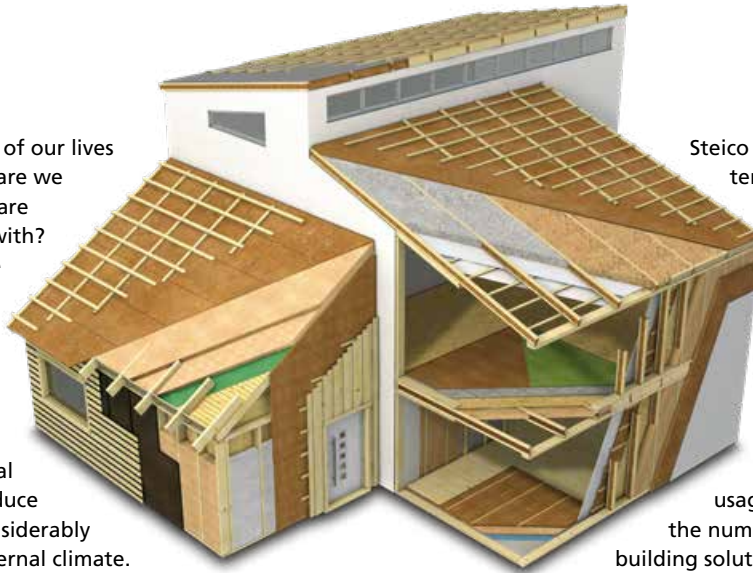
The General Meeting of STEICO SE is expected to be held at STEICO's headquarters in Feldkirchen on 21 June.

STEICO's semi-annual report will be published in July, and publication of the Q3 report is planned for October.

Current dates can be found online at www.steico.com/IR.



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 cold protection 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



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