

STEICO SE: Q1 2023 - Year starts with continued stock reductions at STEICO re-sellers

Corporate News
14 May 2023

- **Preliminary figures confirmed by final financial statements 2022**
- **The Board of Directors proposes a dividend of 0.40 Euro per share for the financial year 2022**

Feldkirchen near Munich, 14 May 2023 – Today the STEICO group (ISIN DE000A0LR936) released its annual report for the financial year 2022 and its interim report for the first quarter 2023.

Business Development 2022

KPI	2022	2021
Revenue	445.2 €m	388.2 €m
Total operating revenue (TOR)	467.4 €m	395.6 €m
EBITDA	90.0 €m	91.3 €m
EBITDA margin in % TOR	19.3%	23.1%
EBIT	65.2 €m	67.6 €m
EBIT margin in % TOR	13.9 %	17.1%
Consolidated net income	47.9 €m	48.2 €m
Earnings per share	3.40 €	3.42 €
Equity ratio in % (as of 31.12.)	53.5 %	54.5 %

The STEICO Group is operating in a market environment that is getting to normal after booming demand for around two years. Increasing interest rates and higher inflation made their first impact on the construction sector in 2022. At the same time, the availability of wood-fibre insulation materials improved significantly thanks to newly created production capacity. As a result, demand returned to normal. Traders and processing companies built up above-average levels of

stocks during the boom, however these stock levels successively were scaled back to normal from the second half of 2022.

Requirements for additional deliveries were lower as a result.

STEICO was still able to lift its revenues by 14.7% to € 445.2 million. EBITDA was down by 1.4% to € 90.0 million and EBIT fell by 3.6% to € 65.2 million. Net income was down by 0.6% to € 47.9 million year-on-year.

Earnings per share amounted to 3,40 € (previous year: 3,42 €).

Business Development Q1 2023

KPI	Q1 2023	Q1 2022
Revenue	96.5 €m	115.9 €m
Total operating revenue (TOR)	97.9 €m	115.8 €m
EBITDA	12.8 €m	23.5 €m
EBITDA margin in % TOR	13.1%	20.3%
EBIT	5.9 €m	17.2 €m
EBIT margin in % TOR	6.0%	14.9%
Profit of the period	2.1 €m	11.8 €m

The wood-fibre insulation materials market was still booming in the first quarter of 2022, however the first quarter of 2023 was slower. The order backlog at STEICO's processing companies continues to be high, however re-sellers behaviour is very reserved. The company's management believes that this is due in particular to the improved availability of wood-fibre insulation materials – as a result many re-sellers are continuing to downscale the amount they hold in stock and are only placing orders in line with requirements. This was coupled with poor weather conditions in many places and also the impact of a cyber attack on STEICO at the start of March.

Revenues in Q1 2023 were down by 16.7% to € 96.5 million year-on-year. EBITDA amounted to € 12.8 million and was thus 45.5% lower than in the previous year. EBIT totalled € 5.9 million, down 65.9% year-on-year.

Dividend proposal

Based on the positive business development the Board of Directors proposes to annual general meeting to appropriate the net retained profits in 2022 to pay a dividend of 0.40 € per share (dividend 2021: 0.40 € per share). The volume of the dividend distribution would amount to 5,633,386.00 € in total.

Forecast

Despite the weaker first quarter the company's management believes that demand will increase significantly in particular in the second half of the year. In addition to the recovery as a result of the season and the high order backlog at the processing companies, increasingly positive impetus is expected from an increased level of renovation activities.

However, the environment is more demanding on the whole, and as a result the Executive Board is thus expecting slightly lower development for 2023 as a whole.

If the continued economic developments do not result in any negative effects, the Executive Board is forecasting revenue at the previous year's level of around € 445 million and an EBIT ratio of between 10% and 15% (to total operating revenue).

The complete financial reports can be downloaded at

<https://www.steico.com/en/investor-relations/investors-information>

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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