

STEICO SE: Demand stabilizes in third quarter

Corporate News
18 October 2023

Feldkirchen (Munich), 18 October 2023 – The STEICO Group (ISIN DE000A0LR936) published its interim report on Q3 2023 today.

9-month development

KPI	9M 2023	9M 2022
Revenues	282.4 €m	348.9 €m
Total operating revenue (TOR)	277.7 €m	358.7 €m
EBITDA	47.3 €m	75.6 €m
EBITDA margin as a percentage of TOR	17.0 %	21.1 %
EBIT	25.7 €m	57.5 €m
EBIT margin as a percentage of TOR	9.3 %	16.0%
Net income for the period	14.2 €m	41.2 €m
Equity ratio in % (30.09.2023 compared to 31.12.2012)	48.9 %	53.5 %

Inflation, higher financing costs and increased competition impact demand on almost all sales markets. Sales in Germany, the STEICO Group's main market, were particularly affected, falling by 29.1% in the first nine months. In addition to the weak new construction sector, the ongoing insecurity concerning the underlying political conditions led to renovation work being perceptibly put back to a later date. Towards the end of the third quarter, however, the pickup in demand increasingly gained momentum.

On the whole, sales in the first nine months were down by 19.1% to € 282.4 million compared to the same period of the previous year. EBITDA for the first nine months totaled € 47.3 million (-37.3%) and EBIT totaled € 25.7 million (-55.3%). The nine-month EBITDA margin amounted to 17.0%, with the EBIT margin at 9.3%.

Isolated view of the third quarter 2023

During the third quarter of 2023 sales in the STEICO Group amounted to € 92.4 million. This corresponds to a decrease of 17.1% (previous year: € 111.4 million).

Gross profits in the third quarter amounted to € 40.5 million and were thus down by 13.8% compared to the same period of the previous year (Q3 2022: € 46.9 million).

EBITDA in the third quarter amounted to € 17.2 million and was thus 31.4% lower than in the previous year (Q3 2022: € 25.1 million). The EBITDA margin in the third quarter was 19.3% (previous year: 21.6%).

EBIT in the third quarter totaled € 9.7 million, which corresponds to a downturn of 49.2% (Q3 2022: € 19.0 million). The EBIT margin in the third quarter was 10.8% (previous year: 16.4%).

EBT in the third quarter totaled € 8.0 million, which corresponds to a downturn of 57.1% (Q3 2022: € 18.6 million).

Net income for the period in the third quarter amounted to € 5.2 million and was thus down by 63.6% year-on-year (Q3 2022: € 14.3 million).

Outlook

The majority of companies in the timber construction sector continue to have an order backlog through to 2024, which is having a stabilising effect. At the same time, the company's management believes that activities will shift significantly to the renovation sector, which means that the stabilisation is expected to continue into the fourth quarter.

Management believes that sales will be down by -15% to -17% year-on-year. The EBIT margin continues to be forecast at between 8% and 10% (in relation to total operating revenue).

Company profile

STEICO develops, produces and markets ecological construction products made of renewable raw materials. STEICO is the global 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 innovative wooden construction components and ecological 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 fiber insulation panels, facade insulation materials, as well as cavity wall insulation made of wood fibers 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 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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