

STEICO SE

2016 Half Year Report | Summary

The green share

6 M 2016

- Dynamic growth in first six months
- Record-breaking revenues and earnings

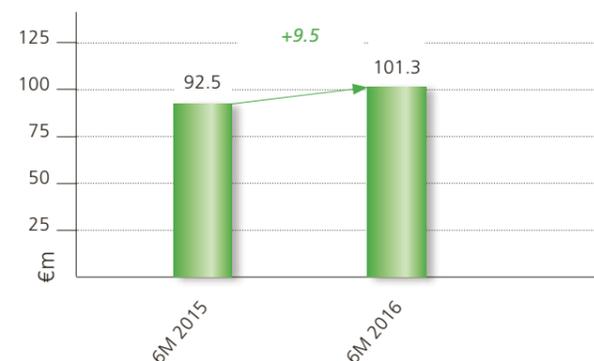


Natural building products for healthier living

Overview

Dynamic growth in first six months

Revenue growth in € millions



Gross earnings growth in € millions



EBITDA growth in € millions



EBIT growth in € millions



EBT growth in € millions



Consolidated net income growth in € millions



ADDITIONAL KPIs

	H1 2016	H1 2015
1. Total operating revenue in € millions	€ 106.1 m	€ 91.3 m
2. EBITDA margin as a percentage of total operating revenue	16.5 %	12.6 %
3. EBIT margin as a percentage of total operating revenue	9.2 %	5.9 %
4. Equity ratio (June 30 2016 / *December 31 2015)	47.5%	49.7%*

Percentage increases calculated based on rounded figures.

The company's strategy of an "integrated timber construction system" is paying off. Increasing demand for ecological wood-fiber insulation materials and the pleasing contributions to margins from the new production line for laminated veneer lumber means that the STEICO Group has recorded record-breaking revenues and earnings in H1 2016.

Revenues in the first six months were up 9.5% year-on-year, from € 92.5 million to € 101.3 million. EBITDA improved by 52.2% to € 17.5 million (previous year: € 11.5 million), and EBIT even lifted by 81.5% to € 9.8 million (previous year: € 5.4 million). Net income for the period grew by 57.9% to € 6.0 million (previous year: € 3.8 million).

Looking to the second half of the year, the company's management believes that the positive growth will continue, however the growth rates are expected to be slightly lower than in the first half of the year. Management expects that the consequences of the planned BREXIT will dampen future growth on this market. The further pace of growth also depends on the extent to which STEICO is able to penetrate new markets with laminated veneer lumber and to substitute wood for conventional building products.

The company's management is forecasting revenue growth in the upper single-digit percentage range for the year as a whole. In terms of EBIT, above average growth in the upper double-digit percentage range is forecast.

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

STEICO Consolidated Income Statement 01.01.- 30.06.2016

	H1 2016	H1 2015
	€	€
1. Revenues	101,331,008.84	92,543,654.89
2. Increase (previous year: decrease) in inventories of finished goods and work in progress	4,739,570.06	-1,312,648.85
3. Other own work capitalized	19,445.37	36,643.96
	106,090,024.27	91,267,650.00
4. Other operating income	2,277,045.82	2,443,219.34
	108,367,070.09	93,710,869.34
5. Cost of materials		
a) Cost of raw materials, consumables and supplies and merchandise	-61,030,415.34	-54,504,626.06
b) Cost of purchased services	-889,787.92	-963,615.03
6. Gross profit	46,446,866.83	38,242,628.25
7. Personnel expenses		
a) Wages and salaries	-13,352,302.61	-10,997,693.75
b) Social security, pension and other benefit costs	-3,158,951.41	-2,912,939.50
8. Amortization of intangible assets and depreciation of tangible assets	-7,744,483.46	-6,091,970.45
9. Other operating expenses	-12,440,715.44	-12,823,839.56
	-36,696,452.92	-32,826,443.26
10. Other interest and similar income	274,240.68	280,641.82
11. Interest and similar expenses	-788,018.88	-251,859.95
12. Net financial result	-513,778.20	28,781.87
13. Result before taxes	9,236,635.71	5,444,966.86
14. Income taxes	-2,428,706.62	-929,143.86
15. Result after taxes	6,887,929.09	4,515,823.54
16. Other taxes	-771,744.73	-759,952.47
17. Consolidated net income for the period	6,036,184.36	3,755,870.53
18. Profit carried forwards	13,954,213.73	7,799,931.23
19. Consolidated net profits	19,990,398.09	11,555,801.76

STEICO Consolidated cash flow statement for H1 2016

	01.01.-30.06.2016	01.01.-31.12.2015
	€	€
I. CASH FLOW FROM OPERATING ACTIVITIES		
1. Earnings for the period (consolidated net income/loss) including earnings due to other shareholders	6,036,184.36	8,074,755.00
2. +/- Amortization/depreciation of non-current assets	7,744,483.46	12,477,164.24
3. +/- Increase/decrease in provisions	732,697.01	2,614,966.02
4. +/- Other non-cash expense/income	-19,445.37	-58,291.68
5. +/- Increase/decrease in inventories, trade receivables and other assets that are not allocated to investing or financing activities	-15,293,311.58	5,062,498.35
6. +/- Increase/decrease in trade payables and other liabilities that are not allocated to investing or financing activities	6,815,314.31	-8,391,884.12
7. +/- Gains/losses from the disposal of non-current assets	-76,458.70	57,508.12
8. +/- Interest income/expense	513,778.20	79,668.19
9. - Other income from participating interests	0.00	0.00
10. +/- Expenses/income from extraordinary items	0.00	0.00
11. +/- Income tax expense/income	2,528,706.62	2,598,582.14
12. + Proceeds received from extraordinary items	0.00	0.00
13. - Payments made from extraordinary items	0.00	0.00
14. +/- Income tax payments	-939,175.04	-2,089,061.52
15. = Cash flow from operating activities	7,942,773.26	20,425,904.74
II. CASH FLOW FROM INVESTING ACTIVITIES		
1. Proceeds received from the disposal of intangible non-current assets	0.00	0.00
2. - Payments made for investments in intangible non-current assets	-1,512,998.95	-1,495,017.07
3. + Proceeds received from disposals of items of property, plant and equipment	307,495.64	1,105,467.12
4. - Payments made for investments in property, plant and equipment	-7,573,373.80	-50,202,882.63
5. + Proceeds received from disposals of financial assets	44,394.05	61,003.60
6. - Payments made for investments in financial assets	-4,567.80	-60,979.69
7. + Proceeds received from disposals from the group of consolidated companies	0.00	0.00
8. - Payments made for additions to the group of consolidated companies	0.00	0.00
9. + Proceeds received as a result of the investment of financial assets as part of current cash management	0.00	0.00
10. - Payments made as a result of the investment of financial assets as part of current cash management	0.00	0.00
11. + Proceeds received from extraordinary items	0.00	0.00
12. - Payments made from extraordinary items	0.00	0.00
13. + Interest received	274,240.68	643,985.96
14. + Dividends	0.00	0.00
15. = Cash flow from investing activities	-8,464,810.18	-49,948,422.71
III. CASH FLOW FROM FINANCING ACTIVITIES		
1. Proceeds received from additions to equity by shareholders of the parent company	0.00	0.00
2. + Proceeds received from additions to equity by other shareholders	0.00	0.00
3. - Payments made from additions to equity by shareholders of the parent company	0.00	0.00
4. - Payments made from additions to equity by other shareholders	0.00	0.00
5. + Proceeds received from issuing bonds and taking out (financial) loans	-435,292.74	31,815,269.62
6. - Payments made from redeeming bonds and (financial) loans	0.00	0.00
7. + Proceeds received from subsidies/grants received	0.00	0.00
8. + Proceeds received from extraordinary items	0.00	0.00
9. - Payments made from extraordinary items	0.00	0.00
10. - Interest paid	-631,763.88	-579,414.15
11. + Dividends paid to shareholders of the parent company	-1,920,472.50	-1,536,378.00
12. + Dividends paid to other shareholders	0.00	0.00
13. = Cash flow from financing activities	-2,987,529.12	29,699,477.47
IV. CASH AND CASH EQUIVALENTS		
1. Net change in cash and cash equivalents	-3,509,566.04	176,959.50
2. +/- Changes to cash and cash equivalents from exchange rates and the group of consolidated companies	-590,932.09	98,862.05
3. + Cash and cash equivalents - start of period	10,367,429.52	10,091,607.97
4. = Cash and cash equivalents - end of period	6,266,931.39	10,367,429.52

STEICO Consolidated Balance Sheet as of 30.06.2016

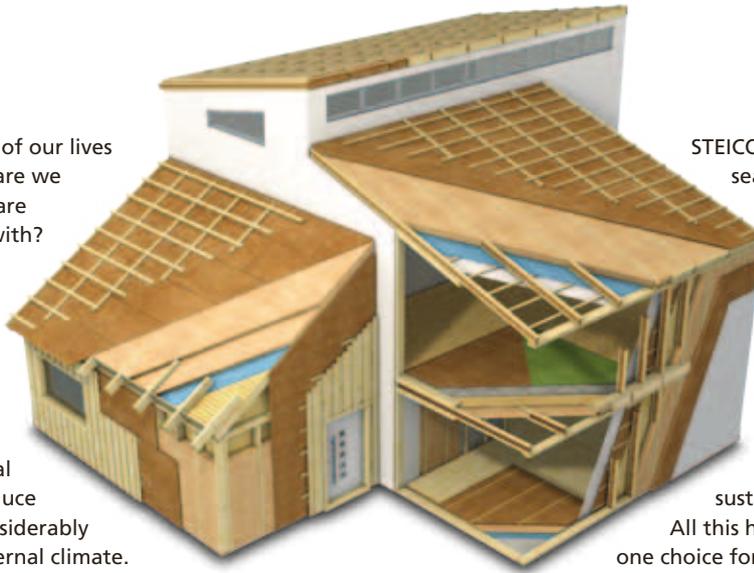
ASSETS

	30.06.2016	31.12.2015
	€	€
A. NON-CURRENT ASSETS		
I. Intangible assets		
1. Internally generated concessions, trademarks and similar rights and assets	0.00	0.00
2. Concessions, industrial and similar rights and assets and licenses in such rights and assets	1,343,100.66	86,733.88
3. Advance payments	0.00	939,646.23
	1,343,100.66	1,026,380.11
II. Property, plant and equipment		
1. Land, buildings and immovable property rights, including buildings on third-party land	42,000,223.86	42,654,691.68
2. Plant and machinery	82,081,717.58	86,922,084.16
3. Other equipment, operating and office equipment	1,695,624.99	1,623,967.82
4. Payments on account and assets under construction	23,611,029.32	22,288,062.46
	149,388,595.75	153,488,806.12
III. Financial assets		
1. Investments in subsidiaries and affiliated companies	502,914.66	523,236.95
2. Loans to affiliated companies	30,447.22	71,547.19
3. Other loans	211,700.00	212,700.00
	745,061.88	807,484.14
	151,476,758.29	155,322,670.37
B. CURRENT ASSETS		
I. Inventories		
1. Raw materials, consumables and supplies	13,804,552.76	13,648,497.22
2. Work in progress, unfinished products	1,515,741.04	1,346,033.97
3. Finished goods and goods purchased for resale	15,169,991.25	11,596,671.57
4. Advance payments	34,711.37	3,001.00
	30,524,996.42	26,594,203.76
II. Receivables and other assets		
1. Trade receivables	22,956,156.44	16,754,549.48
2. Receivables from subsidiaries and affiliated companies	2,452.90	751.28
3. Other loans	12,159,765.55	8,605,637.70
	35,118,374.89	25,360,938.46
III. Marketable securities		
Other securities	44,555.79	11,211.25
IV. Cash on hand and balances held with banks	6,266,931.39	10,367,429.52
	71,954,858.49	62,333,782.99
C. PREPAID EXPENSES	2,503,545.05	682,937.13
D. DEFERRED TAX ASSETS	1,478,084.68	1,726,954.65
	227,413,246.51	220,066,345.14

EQUITY AND LIABILITIES

	30.06.2016	31.12.2015
	€	€
A. EQUITY		
I. Subscribed capital	12,803,150.00	12,803,150.00
II. Share premium	81,226,096.15	81,226,096.15
III. Retained earnings. Other retained earnings	7,050,000.00	7,050,000.00
IV. Currency translation	-13,126,924.31	-7,599,608.67
V. Consolidated net profits	19,990,398.09	15,874,686.23
	107,942,719.92	109,354,323.71
B. PROVISIONS		
1. Provisions for pensions and similar obligations	1,857,387.74	1,883,785.02
2. Provisions for taxes	1,489,531.58	509,520.62
3. Other provisions	9,346,685.01	7,921,815.10
	12,693,604.33	10,315,120.74
C. LIABILITIES		
1. Liabilities to banks	78,585,691.34	79,020,984.08
2. Payments received on account of order	19,422.85	32,910.04
3. Trade payables	12,636,576.44	12,541,540.62
4. Other liabilities	13,982,909.34	7,188,373.19
	105,224,599.97	98,783,807.93
D. DEFERRED INCOME	49,211.56	78,829.36
E. DEFERRED TAX LIABILITIES	1,503,110.73	1,534,263.40
	227,413,246.51	220,066,345.14

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 products carry the natureplus™ seal of approval, which is a sign of High Quality, Healthy and Functional Building products. natureplus™ ensures that products are produced from sustainable raw materials, use minimum energy and have low emissions during their manufacture, and also help fix CO₂. FSC® certification also ensures a traceable and fully sustainable usage of raw materials. All this helps make STEICO the number one choice for 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 heat insulation 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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