

STEICO SE

2015 Annual Report | Summary

The green share

2015

- Operating strength drives growth

- Above-average earnings growth

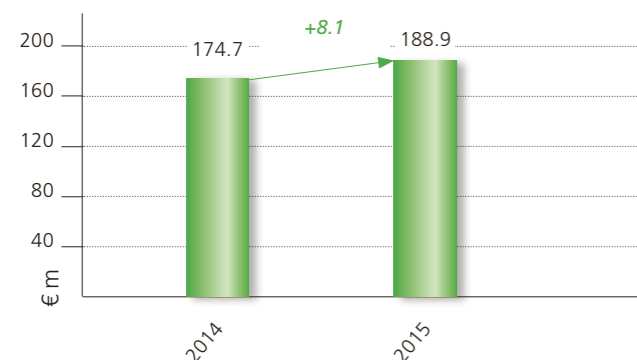


Natural building products for healthier living

Overview

Operating strength drives growth

Revenue growth in € millions



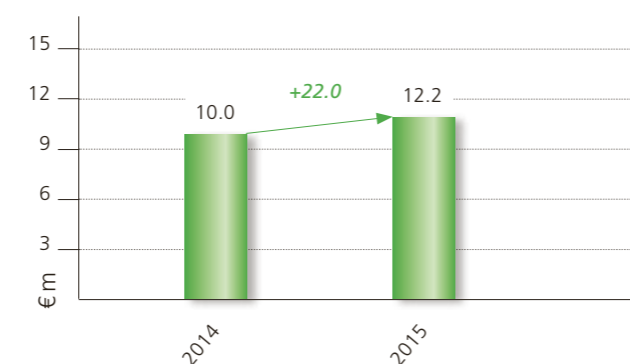
Gross earnings growth in € millions



EBITDA growth in € millions



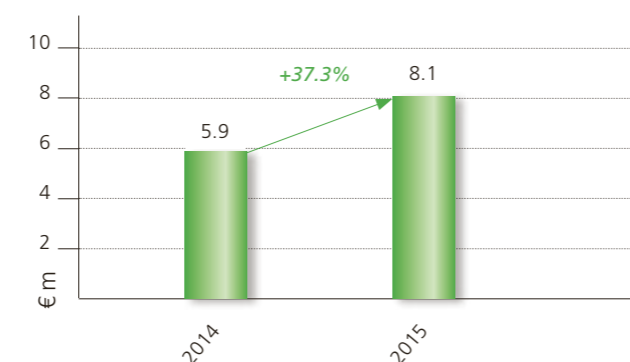
EBIT growth in € millions



EBT growth in € millions



Consolidated net income growth in € millions



ADDITIONAL KPIs

| | 2015 | 2014 |
|---|-----------|-----------|
| 1. Total operating revenue in € millions | € 190.1 m | € 177.0 m |
| 2. EBITDA margin as a percentage of total operating revenue | 13.0 % | 12.4 % |
| 3. EBIT margin as a percentage of total operating revenue | 6.4 % | 5.7 % |
| 4. Equity ratio (as of Dec. 31) | 49.7% | 55.1% |

Percentage increases calculated based on rounded figures.

The STEICO Group can look back on a successful year in 2015. Revenues were up by 8.1%, which meant that the previous years' growth has been continued. This is mostly due to the strong operating growth in the product groups for wood fiber insulation materials and I-joists. I-joists in particular have driven growth, and wood fiber insulation materials continue to be exposed to highly competitive prices.

The high level of production capacity uptake and the resulting improvements in efficiency have allowed earnings to grow by an above average amount. Growth in core business even compensated for downturns in the non-strategic segment of timber trading.

The new production line for Laminated Veneer Lumber (LVL) was capitalized at the end of 2015 in line with forecasts, however taking this line into operation did not yet have a material impact in 2015. The company's management believes that the in-house production of LVL - a key component for I-joists - will lead to substantial cost reductions and a resulting sustained increase in margins. These effects will make themselves felt as the capacity uptake for this production line increases during the course of 2016.

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.- 31.12.2015

| | 2015 | 2014 |
|--|-----------------------|-----------------------|
| | € | € |
| 1. Revenues | 188,897,240.26 | 174,735,869.94 |
| 2. Decrease (previous year: increase) in inventories of finished goods an work in progress | -823,182.66 | 2,241,566.48 |
| 3. Other own work capitalized | 2,005,521.15 | 69,964.92 |
| | 190,079,578.75 | 177,047,401.34 |
| 4. Other operating income - thereof from currency translation. 3,047 T€ (previous year: 1,569 T€) | 6,538,556.61 | 3,937,744.97 |
| | 196,618,135.36 | 180,985,146.31 |
| 5. Cost of materials | | |
| a) Cost of raw materials, consumables and supplies and merchandise | -115,448,432.33 | -112,160,647.22 |
| b) Cost of purchased services | -1,586,917.34 | -1,900,038.83 |
| 6. Gross profit | 79,582,785.69 | 66,924,460.26 |
| 7. Personnel expenses | -23,217,562.58 | -20,765,436.46 |
| a) Wages and salaries | -5,845,418.42 | -5,478,851.55 |
| b) Social security, pension and other benefit costs - thereof for pensions 400 T€ (previous year: 445 T€) | | |
| 8. Amortization of intangible assets and depreciation of tangible assets | -12,477,164.24 | -11,826,496.69 |
| 9. Other operating expenses - thereof from currency translation. 5,723 T€ (previous year 1,971 T€) | -25,854,366.66 | -18,821,519.13 |
| | -67,394,511.90 | -56,892,303.83 |
| 10. Other interest and similar income | 643,985.96 | 624,504.98 |
| 11. Interest and similar expenses | -723,654.15 | -936,213.97 |
| 12. Net financial result | -79,668.19 | -311,708.99 |
| 13. Result from ordinary activities | 12,108,605.60 | 9,720,447.44 |
| 14. Extraordinary expenses | 0.00 | -92,213.00 |
| 15. Extraordinary result | 0.00 | -92,213.00 |
| 16. Income taxes | -2,598,582.14 | -2,313,233.70 |
| 17. Other taxes | -1,435,268.46 | -1,402,030.16 |
| 18. Consolidated net income for the financial year | 8,074,755.00 | 5,912,970.58 |
| 19. Profit carried forwards | 7,799,931.23 | 3,423,338.65 |
| 20. Consolidated net profits | 15,874,686.23 | 9,336,309.23 |

STEICO Consolidated cash flow statement for fiscal year 2015

| | 2015 | 2014 |
|---|-----------------------|-----------------------|
| | € | € |
| I. CASH FLOW FROM OPERATING ACTIVITIES | | |
| 1. Earnings for the period (consolidated net income/loss) including earnings due to other shareholders | 8,074,755.00 | 5,912,970.58 |
| 2. +/- Amortization/depreciation of non-current assets | 12,477,164.24 | 11,826,496.69 |
| 3. +/- Increase/decrease in provisions | 2,614,966.02 | 1,514,882.42 |
| 4. +/- Other non-cash expense/income | -58,291.68 | -69,964.92 |
| 5. +/- Increase/decrease in inventories, trade receivables and other assets that are not allocated to investing or financing activities | 5,062,498.35 | -10,953,898.17 |
| 6. +/- Increase/decrease in trade payables and other liabilities that are not allocated to investing or financing activities | -8,391,884.12 | 8,348,065.29 |
| 7. +/- Gains/losses from the disposal of non-current assets | 57,508.12 | 8,417.06 |
| 8. +/- Interest income/expense | 79,668.19 | 311,708.99 |
| 9. - Other income from participating interests | 0.00 | 0.00 |
| 10. +/- Expenses/income from extraordinary items | 0.00 | 92,213.00 |
| 11. +/- Income tax expense/income | 2,598,582.14 | 2,313,233.70 |
| 12. + Proceeds received from extraordinary items | 0.00 | 0.00 |
| 13. - Payments made from extraordinary items | 0.00 | -92,213.00 |
| 14. +/- Income tax payments | -2,089,061.52 | -2,242,933.76 |
| 15. = Cash flow from operating activities | 20,425,904.74 | 16,968,977.88 |
| 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 | -1,495,017.07 | -72,186.22 |
| 3. + Proceeds received from disposals of items of property, plant and equipment | 1,105,467.12 | 221,107.49 |
| 4. - Payments made for investments in property, plant and equipment | -50,202,882.63 | -35,255,045.99 |
| 5. + Proceeds received from disposals of financial assets | 61,003.60 | 522,635.51 |
| 6. - Payments made for investments in financial assets | -60,979.69 | -570,230.54 |
| 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 | 643,985.96 | 624,504.98 |
| 14. + Dividends | 0.00 | 0.00 |
| 15. = Cash flow from investing activities | -49,948,422.71 | -34,529,214.77 |
| 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 | 31,815,269.62 | 24,523,290.19 |
| 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 | -579,414.15 | -852,097.63 |
| 11. + Dividends paid to shareholders of the parent company | -1,536,378.00 | -1,536,378.00 |
| 12. + Dividends paid to other shareholders | 0.00 | 0.00 |
| 13. = Cash flow from financing activities | 29,699,477.47 | 22,134,814.56 |
| IV. CASH AND CASH EQUIVALENTS | | |
| 1. Net change in cash and cash equivalents | 176,959.50 | 4,574,577.67 |
| 2. +/- Changes to cash and cash equivalents from exchange rates and the group of consolidated companies | 98,862.05 | -72,736.71 |
| 3. + Cash and cash equivalents - start of period | 10,091,607.97 | 5,589,767.01 |
| 4. = Cash and cash equivalents - end of period | 10,367,429.52 | 10,091,607.97 |

STEICO Consolidated Balance Sheet as of 31.12.2015

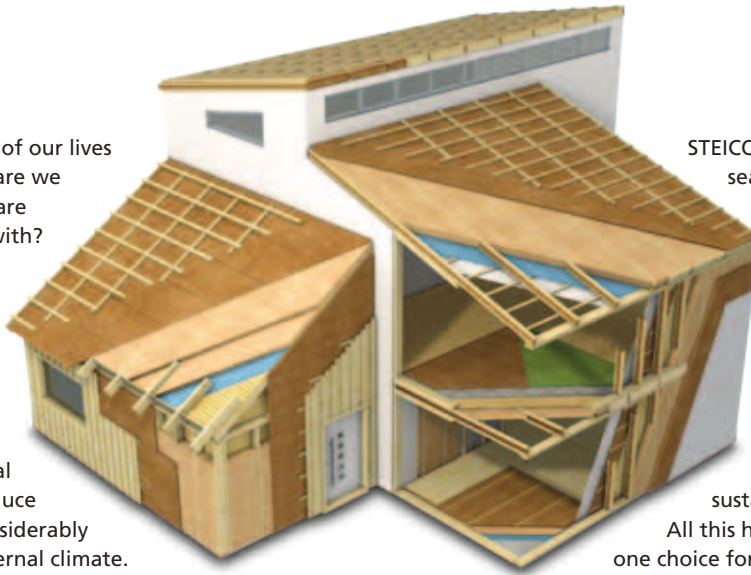
ASSETS

| | 31.12.2015 | 31.12.2014 |
|---|-----------------------|-----------------------|
| | € | € |
| A. NON-CURRENT ASSETS | | |
| I. Intangible assets | | |
| 1. Internally generated concessions, trademarks and similar rights and assets | 0.00 | 182,180.48 |
| 2. Concessions, industrial and similar rights and assets and licenses in such rights and assets | 86,733.88 | 153,140.88 |
| 3. Advance payments | 939,646.23 | 0.00 |
| | 1,026,380.11 | 335,321.36 |
| II. Property, plant and equipment | | |
| 1. Land, buildings and immovable property rights, including buildings on third-party land | 42,654,691.68 | 34,023,759.57 |
| 2. Plant and machinery | 86,922,084.16 | 48,333,597.30 |
| 3. Other equipment, operating and office equipment | 1,623,967.82 | 2,013,053.21 |
| 4. Payments on account and assets under construction | 22,288,062.46 | 32,100,414.67 |
| | 153,488,806.12 | 116,470,824.75 |
| III. Financial assets | | |
| 1. Investments in subsidiaries and affiliated companies | 523,236.95 | 521,207.80 |
| 2. Loans to affiliated companies | 71,547.19 | 70,101.62 |
| 3. Other loans | 212,700.00 | 213,919.59 |
| | 807,484.14 | 805,229.01 |
| | 155,322,670.37 | 117,611,375.12 |
| B. CURRENT ASSETS | | |
| I. Inventories | | |
| 1. Raw materials, consumables and supplies | 13,648,497.22 | 17,589,067.88 |
| 2. Work in progress, unfinished products | 1,346,033.97 | 1,864,749.10 |
| 3. Finished goods and goods purchased for resale | 11,596,671.57 | 11,259,962.24 |
| 4. Advance payments | 3,001.00 | 136,467.75 |
| | 26,594,203.76 | 30,850,246.97 |
| II. Receivables and other assets | | |
| 1. Trade receivables | 16,754,549.48 | 15,024,315.90 |
| 2. Receivables from subsidiaries and affiliated companies | 751.28 | 2,467.88 |
| 3. Other loans | 8,605,637.70 | 9,596,915.22 |
| | 25,360,938.46 | 24,623,699.00 |
| III. Marketable securities | | |
| Other securities | 11,211.25 | 17,931.01 |
| IV. Cash on hand and balances held with banks | 10,367,429.52 | 10,091,607.97 |
| | 62,333,782.99 | 65,583,484.95 |
| C. PREPAID EXPENSES | 682,937.13 | 1,816,261.67 |
| D. DEFERRED TAX ASSETS | 1,726,954.65 | 2,130,604.95 |
| | 220,066,345.14 | 187,141,726.69 |

EQUITY AND LIABILITIES

| | 31.12.2015 | 31.12.2014 |
|---|-----------------------|-----------------------|
| | € | € |
| 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 | -7,599,608.67 | -7,293,737.98 |
| V. Consolidated net profits | 15,874,686.23 | 9,336,309.23 |
| | 109,354,323.71 | 103,121,817.40 |
| B. PROVISIONS | | |
| 1. Provisions for pensions and similar obligations | 1,883,785.02 | 1,522,605.19 |
| 2. Provisions for taxes | 509,520.62 | 70,299.94 |
| 3. Other provisions | 7,921,815.10 | 5,453,488.97 |
| | 10,315,120.74 | 7,046,394.10 |
| C. LIABILITIES | | |
| 1. Liabilities to banks | 79,020,984.08 | 47,205,714.46 |
| 2. Payments received on account of order | 32,910.04 | 127,644.43 |
| 3. Trade payables | 12,541,540.62 | 19,761,046.17 |
| 4. Other liabilities | | |
| - thereof from taxes: 1,922 T€ (previous year: 1,055 T€) | | |
| - thereof for social security: 1,785 T€ (previous year: 1,236 T€) | 7,188,373.19 | 8,108,731.54 |
| | 98,783,807.93 | 75,203,136.60 |
| D. DEFERRED INCOME | 78,829.36 | 134,327.84 |
| E. DEFERRED TAX LIABILITIES | 1,534,263.40 | 1,636,050.75 |
| | 220,066,345.14 | 187,141,726.69 |

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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