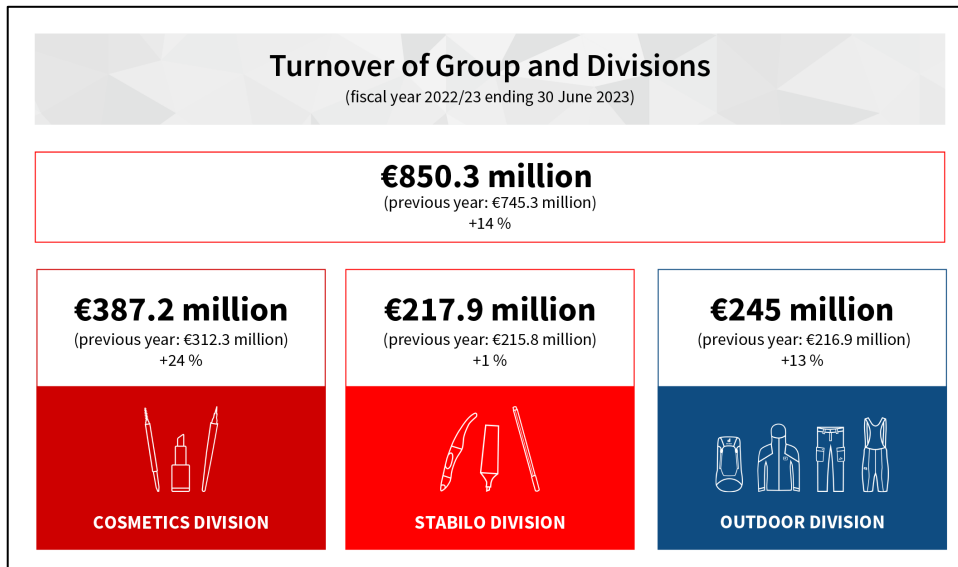


Schwan-STABILO repeats last year's success

- Group: Exceptional growth again thanks to resilience
- Cosmetics: Major increase through consumer proximity and market upturn
- STABILO: Asia as a winning region
- Outdoor: record sales thanks to nature as a megatrend

Heroldsberg, November 23, 2023. Volatile markets, war, inflation and cautious consumers: the Schwan-STABILO Group, with its three business segments of cosmetics, pens and outdoor, once again faced considerable challenges. Nevertheless, the upward trend of the previous year continued - also because of the different positioning.

In the past financial year 2021/22 (30.06.2022) the family-owned company generated sales of EUR 850.3 million (previous year: EUR 745.3 million) and thus once again grew strongly by around 14%. All three divisions contributed to this sales growth.



Cosmetics achieved sales of EUR 387.2 million. (previous year: EUR 312.3 million) and remained in the fast lane with + 24 %. Outdoor also achieved another new record with EUR 245.0 million (previous year: EUR 216.0 million), an increase of + 13 %. The STABILO pens division generated EUR 217.9 million (previous year: EUR 215.8 million) and maintained its position +1.0 % in a difficult market environment.

Growth was achieved across the Group in all of our core markets in Europe, the USA, Asia and Latin America. Except for Germany, growth rates were in double figures everywhere.

Sebastian Schwanhäußer, Chief Executive Officer (CEO):

“This success was extraordinary. It is not the benchmark for the future. In the aftermath of the pan-



demic, we still had to deal with the consequences of the war in Ukraine. We could not have foreseen such a positive financial year. We are therefore all the more pleased that, by joining forces, we as a Group have succeeded in utilizing the strengths of each business division and to deal flexibly with the respective circumstances. In the Cosmetics division, for example, we were able to use our expertise to win back important business after the pandemic and at the same time increasingly conquer Indie brands. These are small brands with a big impact on social media platforms. Our outdoor brands are still in demand as moving in nature is booming, presumably as an antidote to the disturbing news situation in the world.

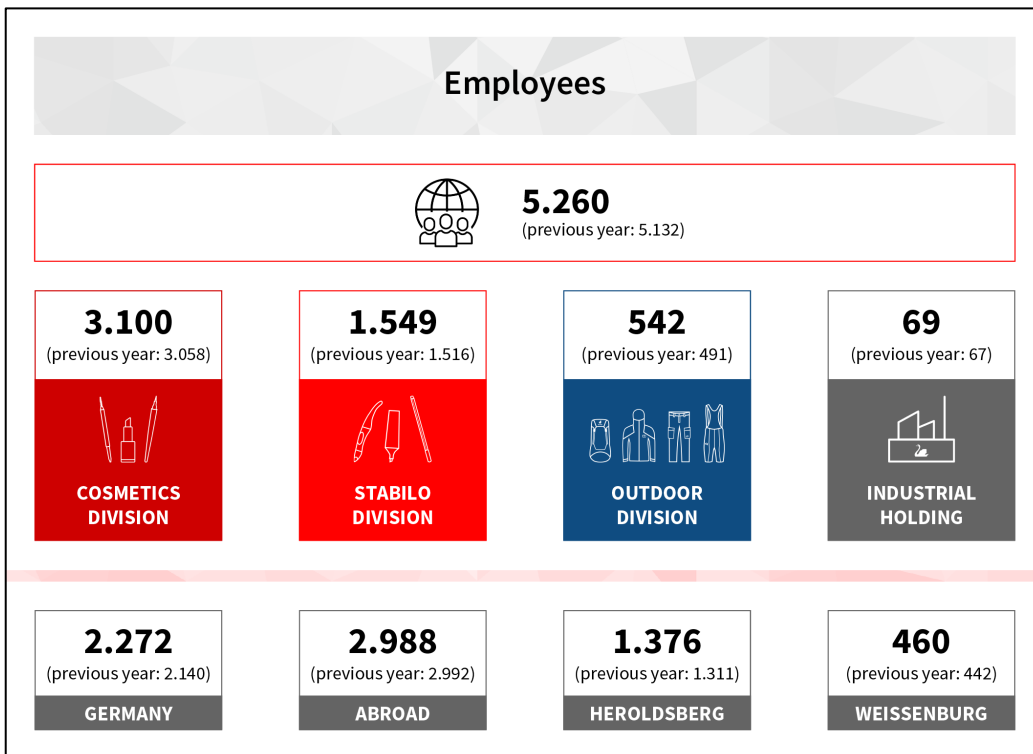
Creativity has a similar effect, with our pen division recently scoring particularly well with Asian users. The group result achieved is a global team effort that we can be proud of.

Unfortunately, the forecast for the current year is much more subdued. The geopolitical situation with an increasing number of crisis regions, a continuing reluctance to consume, particularly in Europe, and the associated reluctance of our trading partners: we are feeling the effects in all three business areas. Once again, we need good answers. Nevertheless, we are sticking to our long-term growth strategy and are expanding our business with additional investments — over three million more than in the previous year — to further expand our business activities worldwide.”

Investments, balance sheet total, equity ratio



Employees



Tomás Espinosa, CEO of Schwan Cosmetics, sums things up in these words:

“The past financial year was very successful at EUR 387.2 million (previous year: EUR 312.3



million) and we are very pleased to report renewed growth of 24%, which was more than twice as high as the market. Besides the growth in sales, we also became better given all operational KPI's improved across all sites.

A key factor in this success was the continued strong demand for color cosmetics worldwide following the end of the coronavirus lockdown measures. The market upswing was noticeable for everyone, whether luxury or mass market, and led to increased sales in all four of our product segments 'Eyes, Lip, Face, Brow'. However, make-up for lips and eyes was particularly popular. Here we were also able to increase sales thanks to our exceptionally wide

range of new products, textures and colors.

In addition to the catch-up effect, we benefited from being close to current social movements and trends. This enabled us to acquire new projects and customers, such as Indie brands. These brands are fast, authentic and use social media in particular – known as the 'TikTok effect' - and they are growing faster than the market in all regions.

We also had the right offering for the demand across all brands for cosmetic products whose ingredients are 'clean', i.e., above all sustainable and at the same time with highest performance. Sustainability has long been anchored in our innovation process. And the new "ONE Schwan-Strategy" also had an impact. Our global production and sales network was deployed efficiently and enabled us to be more flexible in meeting customer requirements. We are delighted to report that Europe has once again become our largest sales region. North and South America also grew significantly, as did the entire Asia-Pacific region and China in particular. Here we were able to successfully launch our first product developed and manufactured exclusively for China, a gel eyeliner.”

As an outlook, Tomás Espinosa states: “The external factors are still challenging. Like everyone else, we are seeing continued inflation pressure but now also a slowdown in demand. That's why we need to continue innovate while keeping a close eye on efficiency and competitiveness.”

Horst Brinkmann, CEO of STABILO in retrospect and outlook:

“STABILO performed well in a very dynamic business environment with many challenges



and once again recorded slight growth at EUR 217.9 million (previous year: EUR 215.8 million). After a very positive start to the financial year, we clearly felt the effects of the war in Ukraine, inflation and the sharp rise in energy and material costs from the fall onwards. We also had to make a significant price adjustment with our trading partners, although this did not offset the entire cost increase for energy and materials.

The fact that we are well equipped with our strategy of different focus markets worldwide was once again confirmed by the strong double-digit growth outside Europe.

In Asia, particularly in China, we achieved considerable growth despite the prolonged Covid restrictions. In Europe, on the other hand, strong demand declined following the pandemic, with retailers and consumers acting cautiously. As a pleasing milestone in the IT area, the new ‘ERP-system’ went live worldwide in February without a hitch. We were able to deliver from day one, an outstanding team performance and a guarantee for the future viability of the entire organization.

In the current year, the focus is on the further development of the "STABILO 2030" corporate strategy. Our updated brand strategy is embedded in this. To this end, we regularly analyze social movements and the subsequent trends in the use of our products. A proximity that also flows into product development. For example, we launched a highlighter with black ink on the market for the first time: far removed from the basic idea of marking text passages, but desired by creative users as an additional color. New technological responses to trends arise when we combine our core business of pens with digital products and services, such as the STABILO EduPen Neo for the diagnosis and promotion of motor skills in writing.”

Looking ahead, Horst Brinkmann assumes “that the economic situation will continue to be characterized by weak markets and weak consumption. However, we are confident that we will hold our own in the long term thanks to our investments in our future viability.”

Martin Riebel, CEO of the Outdoor Division, summarizes as follows:

"We had a very successful year. With sales of EUR 245 million (previous year: EUR 216.9 mil-



lion) the Outdoor Group with its four brands deuter, ORTOVOX, Maier Sports and GONSO set a new record in the 2022/23 financial year, increasing the previous year's record result by a good 13 percent. We also felt the effects of the energy crisis and inflation. However, the influence of the current mega-trends of health, sustainability and individualism had a greater impact. In a world that is spinning ever faster with more and more external influences, people are increasingly looking for a balance. Recreation in nature and activities that clear the mind play a major role in this — and we simply have the right products.

What all our outdoor brands have in common are strong values: whether it's a passion for mountain sports, the safety of people in the mountains or the big issue of sustainability - they are all honest and authentic. Two successes were particularly pleasing. Firstly, ORTOVOX achieved its goal of becoming climate-neutral in 2023, one year earlier than planned. Secondly, deuter came up with a strong performance in its 125th anniversary year. With a new brand image and thanks to major catch-up effects from Covid times, deuter grew far more than the market and is currently the strongest brand in our portfolio.

The regional distribution of sales was stable, with growth in Europe, South America and Asia. Above all, our young sales subsidiary in China performed above average, thus confirming our decision to invest in this market. After all, people in China are also increasingly escaping the stress of megacities to find peace and balance in nature and while hiking."

For the future, CEO Martin Riebel emphasizes: "The uncertainties will not diminish. Our retail partners' warehouses are full, consumer restraint continues and for Outdoor there is still the 'x factor', the weather, which generally makes orders more unpredictable. Even if the financial year 2023/24 is likely to be somewhat more difficult, we are confident about the future. After all, we have innovative products and attractive brands that deliver what they promise, as well as increasingly stable processes that allow us to react flexibly to changes."