



NORMA Group SE
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NORMA Group achieves slight growth in sales in 2019 despite a challenging environment

- **Group sales up slightly by 1.5 percent – organic decline of 2.0 percent**
- **Strong net operating cash flow nearly at previous year’s level**
- **Forecast for 2020 influenced by COVID-19**
- **Flexible financing options ensure scope for action**

Maintal, Germany, March 25, 2020 – [NORMA Group](http://www.normagroup.com), a global market leader in engineered joining technology, increased its Group sales by 1.5 percent to approximately EUR 1,100.1 million in fiscal year 2019 (2018: EUR 1,084.1 million). Organic sales revenues declined by 2.0 percent due to the persistently difficult situation in the automotive industry and declining production and sales figures. In contrast, positive sales contributions came from the DS division (Distribution Services), especially the water business in the US. The acquisitions of [Kimplas](#) and [Statek](#) contributed 1.2 percent to growth. Positive currency effects also increased sales by 2.3 percent.

“NORMA Group’s sales in fiscal year 2019 declined in organic terms. The volatile market environment and tense geopolitical situation had a negative impact on our business,” said Dr. Friedrich Klein, Chief Operating Officer of NORMA Group. “The consequences of the spread of COVID-19 cannot be assessed at this point in time and have an impact on our business. We are currently taking all measures necessary to protect our employees, maintain our supply chain and ensure our liquidity. In the long term, we are well positioned thanks to our broad product portfolio and our global business activities. We will continue to focus our business model on the future markets of water management and electromobility.”

Heterogeneous development in the three regions

In the **EMEA region (Europe, Middle East and Africa)**, sales in fiscal year 2019 fell by 1.8 percent compared to the previous year to EUR 486.0 million (2018: EUR 494.8 million). Both the weak development on the European automotive business and the stagnation in the DS division had an impact on how sales developed.

In the **Americas** region, NORMA Group achieved slight sales growth of 2.1 percent in 2019 and increased its sales to EUR 450.8 million (2018: EUR 441.5 million). NDS’s strong water business, in particular, drove sales, while the EJT (Engineered Joining Technology) business was negatively impacted by strikes at customers in the car and truck industries.

In the **Asia-Pacific** region, NORMA Group increased its sales by 10.5 percent in 2019 to EUR 163.4 million (2018: EUR 147.8 million). This was mainly due to the strong growth in the second half of the year, which was characterized by a revival of business and winning new orders in China.

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Decline in earnings and the margin

Adjusted earnings before interest, taxes and amortization of intangible assets (adjusted EBITA) declined by 16.4 percent compared to the previous year to EUR 144.8 million in 2019 (2018: EUR 173.2 million). The decline in earnings is due to the increase in personnel expenses compared to the previous year and additional costs in connection with the introduction of an ERP system at a Latin American site, among other factors. In combination with the lower sales revenues, this resulted in an adjusted EBITA margin of 13.2 percent (2018: 16.0 percent).

Adjusted earnings after taxes for the period amounted to EUR 87.8 million, down 23.5 percent on the previous year (2018: EUR 114.8 million). Adjusted earnings per share fell accordingly to EUR 2.76 in 2019 (2018: EUR 3.61).

As of December 31, 2019, NORMA Group had 8,521 employees including temporary staff (December 31, 2018: 8,865 employees).

Stable net operating cash flow and strong equity ratio

Net operating cash flow of EUR 122.9 million in fiscal year 2019 remained almost constant compared to the previous year (2018: EUR 124.4 million). The equity ratio increased to 41.6 percent in 2019 (2018: 40.9 percent).

“Get on track” change program started

On November 5, 2019, NORMA Group decided on the “Get on track” transformation program. The program includes various measures to be implemented in the coming years in order to increase NORMA Group’s flexibility and profitability. Capacities at its global sites are to be optimized. The product portfolio is being streamlined and managed more actively. Improvements will also be made in the area of purchasing. The change program will lead to permanent cost savings from 2020 on. Savings of EUR 40 million to 45 million annually are expected starting in 2023. A cumulative total cost volume of around EUR 45 million to 50 million is expected for the implementation of the measures by 2023. The costs incurred as part of the program are to be presented unadjusted.

Forecast for 2020 influenced by COVID-19

The speed of the spread of COVID-19 and the associated economic consequences were not yet foreseeable for NORMA Group at the time that the forecast was prepared for the Annual Report. The temporary production interruptions in the EMEA and Americas regions, which were necessary in light of the latest developments and in order to protect the company’s employees, affect the outlook for NORMA Group’s sales and earnings performance. As a result, NORMA Group assumes that there will be

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negative deviations from the forecast for fiscal year 2020 published in the Annual Report. NORMA Group does not expect to achieve its original forecast of around -2 to around -4 percent in terms of organic Group sales development. The adverse effects of the corona crisis and the measures that have become necessary as a result will also have a negative impact on the Group's profitability. NORMA Group therefore assumes that the adjusted EBITA margin of over 13.0 percent (2019: 13.2 percent; 2018: 16.0 percent) targeted for fiscal year 2020 will not be achieved.

Sound scope for action through flexible financing structure

NORMA Group has a broadly diversified financing structure and a strong cash position. The company is thus well positioned to secure maximum financing flexibility even in challenging times and to service temporary liquidity outflows.

Postponement of the Annual General Meeting

As a result of the effects of COVID-19, NORMA Group has postponed its Annual General Meeting, originally scheduled for May 14, 2020, to June 30, 2020. The Management Board will propose to the Annual General Meeting that the dividend for fiscal year 2019 be suspended.

New Corporate Responsibility Report provides information on progress in the area of sustainability

NORMA Group published its [2019 Corporate Responsibility Report](#) on March 25, 2020, together with the 2019 Annual Report. In this report, the company provides information on progress that has been made in the most important areas of sustainability. The non-financial sustainability indicators include employee and environmental indicators as well as indicators on human rights and sustainability in the supply chain.

NORMA Group – 2019 Financial Results

Key figures at a glance (in EUR million)	Fiscal year 2019*	Fiscal year 2018	Fiscal year 2017
Income statement	01/01-12/31/2019	01/01-12/31/2018	01/01-12/31/2017
Sales	1,100.1	1,084.1	1,017.1
Adjusted** EBITA	144.8	173.2	174.5
Adjusted** EBITA margin (in %)	13.2%	16.0%	17.2%
Adjusted results for the period**	87.8	114.8	105.0
Adjusted earnings per share** (in EUR)	2.76	3.61	3.29
Net operating cash flow	122.9	124.4	132.9

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Balance sheet	12/31/2019	12/31/2018	12/31/2017
Total assets	1,514.3	1,471.7	1,312.0
Total equity	629.5	602.4	534.3
Equity ratio (in %)	41.6%	40.9%	40.7%
Net debt***	420.8	400.3	344.9

Key figures at a glance (in EUR million)	Q4 2019	Q4 2018	Q4 2017
Income statement	10/01 - 12/31/2019	10/01 - 12/31/2018	10/01 - 12/31/2017
Sales	261.4	267.0	253.6
Adjusted EBITA	25.5	42.7	40.1
Adjusted EBITA margin (in %)	9.8%	16.0%	15.8%

* Due to the first-time adoption of IFRS 16 (International Financial Reporting Standard 16) as of January 1, 2019, the Consolidated Financial Statements of NORMA Group have been affected by the changeover, which has led to a change in the accounting method. The first-time adoption of IFRS 16 had an impact on the Consolidated Statement of Comprehensive Income and the Consolidated Statement of Financial Position and the Consolidated Statement of Cash Flows: [2019 Annual Report](#) (p. 53)

** For more information on adjustments: [fiscal year 2019](#) (p. 147); [fiscal year 2018](#) (p. 141); [fiscal year 2017](#) (p. 139)

*** Net debt including hedging instruments; hedging instruments of: 2019: EUR 0.9 million; 2018: EUR 0.8 million; 2017: EUR 1.4 million

The 2019 Annual Report can be downloaded from www.normagroup.com/corp/en/investors/. The CR Report can be downloaded from www.normagroup.com/corp/en/cr-lp/. Press photos are available from our platform at <https://www.normagroup.com/corp/en/press-images/>.

Upcoming dates

NORMA Group will be publishing its figures for the first quarter of 2020 on May 6, 2020.



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About NORMA Group

NORMA Group is an international market leader in engineered and standardized [joining technology and fluid handling systems](#). With around 8,500 employees, NORMA Group supplies customers in over 100 countries with more than [40,000 product solutions](#). NORMA Group supports its customers and business partners in responding to global challenges such as climate change and the increasing scarcity of resources. NORMA Group's products help reduce emissions harmful to the climate and [use water more efficiently](#). Its innovative joining solutions are used in water supply, irrigation and drainage systems, vehicles with conventional and alternative drive systems, ships and aircraft, as well as buildings. NORMA Group generated sales of around EUR 1.1 billion in 2019. The company has a [global network](#) of 29 production sites and numerous sales offices in Europe, North, Central and South America and the Asia-Pacific region. Its headquarters are located in Maintal near Frankfurt/Main. NORMA Group SE is listed on the Frankfurt Stock Exchange in the regulated market (Prime Standard) and is a member of the SDAX.