

Press Release

November 6, 2019



NORMA Group SE
Group Communications
Edisonstraße 4
63477 Maintal
Germany
www.normagroup.com

NORMA Group increases its sales by 2.6 percent in first nine months of 2019

- Sales for the period January to September 2019 increased by 2.6 percent year-on-year to EUR 838.6 million
- Organic sales down 1.6 percent in the first nine months of 2019
- Adjusted EBITA margin at 14.2 percent in the first nine months of 2019
- Forecast for organic sales growth and NOVA for full year 2019 revised
- Transformation program “Get on track” launched

Maintal, Germany, November 6, 2019 – [NORMA Group](http://www.normagroup.com), a global market leader in engineered joining technology, increased its sales by 2.6 percent to EUR 838.6 million in the period from January to September 2019 (Q1-Q3 2018: EUR 817.1 million). Organic sales declined by 1.6 percent in the first nine months of 2019 compared to the same period of the previous year. The acquisitions [Kimplas](#) and [Statek](#) contributed 1.6 percent or EUR 13.3 million to sales. Positive currency effects contributed 2.6 percent or EUR 21.1 million to sales growth. The adjusted EBITA margin was 14.2 percent in the period from January to September 2019 (Q1–Q3 2018: 16.0 percent). The decline in the margin is mainly attributable to the significantly lower production volumes in the automotive industry, an increase in personnel costs and costs resulting from the introduction of an ERP system at a site in Latin America. Net operating cash flow increased by EUR 26.6 million to EUR 66.0 million in the first nine months of 2019 (Q1–Q3 2018: EUR 39.4 million).

NORMA Group increased its Group sales by 2.2 percent to EUR 274.0 million in the third quarter of 2019 (Q3 2018: EUR 268.1 million). In organic terms, sales declined by 0.1 percent. Acquisitions contributed 0.2 percent or EUR 0.4 million to sales in the third quarter. Currency effects had a positive impact of 2.1 percent or EUR 5.7 million. The adjusted EBITA margin in the third quarter of 2019 was 14.1 percent (Q3 2018: 16.0 percent). Net operating cash flow amounted to EUR 37.5 million (Q3 2018: EUR 23 million).

“The tense situation on the global automobile market still poses a challenge for us,” said Dr. Michael Schneider, member of the Management Board of NORMA Group. “The positive development of our water management division, however, underscores the fact that NORMA Group is in a stable and sustainable position thanks to its broad range of products and services and its strategic focus on the future markets of water management and electromobility.”

Adjustment of the annual forecast for 2019

On the basis of the figures for the third quarter of 2019 and the expected sales for full year 2019, NORMA Group revised its forecast for organic sales growth and [“NORMA Value Added” \(NOVA\)](#) on October 17, 2019. The main reason for this is a sharp slump in the EJT business in the US, due in part to strikes at customers in the passenger car and truck sectors. The EMEA and Asia-Pacific regions also

Press Release

November 6, 2019



NORMA Group SE
Group Communications
Edisonstraße 4
63477 Maintal
Germany
www.normagroup.com

lagged slightly behind expectations. Therefore, the company expects to achieve organic sales growth in fiscal year 2019 within the corridor of around -4 percent to -2 percent (previously: within the corridor of around -1 percent to 1 percent). For the EMEA region, NORMA Group expects a moderate organic sales decline (previously: moderate organic growth). A noticeable organic sales decline is expected in the Americas region (previously: moderate organic decline). In Asia-Pacific a moderate organic sales decline is expected (previously: moderate organic growth). For NOVA, NORMA Group now anticipates a range of between EUR 20 million and EUR 30 million for full year 2019 (previously: between EUR 30 million and EUR 40 million). In addition, the company is sticking to its forecast issued on July 19 for fiscal year 2019 and continues to expect an adjusted EBITA margin of over 13 percent.

Development in the EMEA, Americas and Asia-Pacific regions

In the **EMEA** region (**Europe, Middle East and Africa**), sales in the period from January to September 2019 fell by 0.9 percent compared to the previous year to EUR 372.3 million (Q1–Q3: EUR 375.7 million). In organic terms, sales in the region declined by 1.6 percent. The decline is attributable to lower production and sales figures as a result of the ongoing restrained business in the automotive sector. The acquisition of Statek made a positive contribution of 0.8 percent to growth. Currency effects made a negative contribution to sales of -0.1 percent.

In the **Americas** region, sales rose to EUR 352.2 million in the first nine months of 2019. This represents an increase of 5.4 percent compared to the same period of the previous year (Q1–Q3 2018: EUR 334.3 million). This growth is mainly due to NDS's strong water business and positive currency effects, which contributed 6.1 percent to sales growth. Organic sales declined by 0.8 percent mainly due to the weak business in the EJT division.

In the **Asia-Pacific** region, sales increased by 6.6 percent to EUR 114.2 million in the period from January to September 2019 (Q1-Q3 2018: EUR 107.2 million). While the EJT division recorded a decline due to the continued weak environment in the Chinese automobile sector, additional sales were generated in the DS business, in particular through the acquisition of Kimplas. A decline in organic sales of 4.1 percent was offset by positive currency effects of 1.0 percent and acquisition-related sales contributions of 9.6 percent.

As of the reporting date September 30, 2019, NORMA Group had 8,731 employees worldwide, including temporary staff (December 31, 2018: 8,865).

Transformation program “Get on track” launched

NORMA Group resolved its transformation program entitled “Get on track” on November 5, 2019, to position itself more efficiently in today's volatile times. The program comprises various measures to be implemented in the years ahead in order to enhance NORMA Group's flexibility and profitability: capacities at its locations worldwide are to be optimized. The product portfolio will be streamlined and managed more actively. Improvements will also be made in the area of purchasing. The transformation

Press Release

November 6, 2019



NORMA Group SE
Group Communications
Edisonstraße 4
63477 Maintal
Germany
www.normagroup.com

program will lead to sustained cost savings starting in 2020. From 2023 on, the company expects to achieve annual savings of EUR 40 million to EUR 45 million. The total costs over the entire period to implement these measures through 2023 are expected to be around EUR 45 million to EUR 50 million. The costs incurred under the program are to be reported unadjusted.

NORMA Group SE in figures

Key figures at a glance (in EUR millions)	1 st – 3 rd Quarter 2019	1 st – 3 rd Quarter 2018	Full Year 2018
Income statement	01/01 – 09/30/2019	01/01 – 09/30/2018	01/01 – 12/31/2018
Sales	838.6	817.1	1,084.1
Adjusted* EBITA	119.3	130.5	173.2
Adjusted* EBITA margin (in %)	14.2	16.0	16.0
Adjusted* earnings for the period	74.2	83.4	114.8
Adjusted* earnings per share (in EUR)	2.33	2.61	3.61
Balance sheet	09/30/2019	09/30/2018	12/31/2018
Total assets	1,553.7	1,434.5	1,471.7
Equity	634.9	574.8	602.4
Equity ratio (in %)	40.9	40.1	40.9
Net debt**	464.2	457.8	400.3

Key figures at a glance (in EUR millions)	3 rd Quarter 2019	3 rd Quarter 2018	2 nd Quarter 2019
Income statement	07/01–09/30/2019	07/01–09/30/2018	04/01–06/30/2019
Sales	274.0	268.1	289.0
Adjusted* EBITA	38.7	42.8	40.9
Adjusted* EBITA margin (in %)	14.1	16.0	14.2

* More information on adjustments can be found in the following financial reports: [1st quarter 2019](#) (p. 8); [2nd quarter 2019](#) (p. 14); [3rd quarter 2019](#) (p. 8); [2018 Annual Report](#) (p. 142 f.)

** Net debt including hedging instruments; hedging instruments in Q3/2019: EUR 1.3 million; Q3/2018: EUR 0.9 million; FY 2018: EUR 0.8 million

Additional information is available in the Investor Relations section www.investors.normagroup.com. Press photos are available from our platform at www.normagroup.com/images.

Further dates

Publication of the preliminary figures for fiscal year 2019 is scheduled for February 12, 2020.



Press Release

November 6, 2019



NORMA Group SE
Group Communications
Edisonstraße 4
63477 Maintal
Germany
www.normagroup.com

Contact

NORMA Group SE
Daphne Recker
Group Communications
Tel.: +49 (0)6181 – 6102 743
Email: daphne.recker@normagroup.com

Andreas Trösch
Investor Relations
Tel.: +49 (0)6181 – 6102 741
Email: andreas.troesch@normagroup.com

About NORMA Group

NORMA Group is an international market leader in the area of advanced and [standardized joining technology and fluid handling systems](#). With around 8,700 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. 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.

Disclaimer

This press release contains certain future-oriented statements. Future-oriented statements include all statements which do not relate to historical facts and events and contain future-oriented expressions such as "believe," "estimate," "assume," "expect," "forecast," "intend," "could," or "should" or expressions of a similar kind. Such future-oriented statements are subject to risks and uncertainties since they relate to future events and are based on the company's current assumptions, which may not in the future take place or be fulfilled as expected. The company points out that such future-oriented statements provide no guarantee for the future and that the actual events including the financial position and profitability of NORMA Group SE and developments in the economic and regulatory fundamentals may vary substantially (particularly on the down side) from those explicitly or implicitly assumed in these statements. Even if the actual assets for NORMA Group SE, including its financial position and profitability and the economic and regulatory fundamentals, are in accordance with such future-oriented statements in this press release, no guarantee can be given that this will continue to be the case in the future.