

Press Release

March 24, 2021



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

NORMA Group achieves sales of around EUR 952 million in 2020 and expects growth in 2021

- **Forecast for 2021: organic sales growth in the low double-digit range**
- **Dividend of EUR 0.70 per share proposed**
- **Organic sales decline by 12.1 percent in 2020**
- **Adjusted EBITA margin at 5.7 percent**
- **CO₂ emissions lowered by 8.6 percent**

Maintal, Germany, March 24, 2021 – NORMA Group generated Group sales of EUR 952.2 million in fiscal year 2020 (2019: EUR 1,100.1 million). This represents a 12.1 percent decline in organic sales. Adjusted earnings before interest, taxes and amortization of intangible assets (adjusted EBITA) decreased by 62.3 percent compared to the previous year to EUR 54.6 million in 2020 (2019: EUR 144.8 million). The adjusted EBITA margin was at 5.7 percent (2019: 13.2 percent).

“Our company proved to be resilient in fiscal year 2020,” said Dr. Michael Schneider, Chairman of the Management Board of NORMA Group. “We made good use of the economic recovery in the second half of the year and already grew again organically in the fourth quarter. In 2021, we will align our business model even more strongly with our strategic business fields of water management, industry applications, and mobility and new energy. In addition, we will continue to systematically implement our ‘Get on track’ change program and position ourselves for profitable growth with a focused product portfolio, improvements in purchasing and optimal utilization of our global site capacities.”

The economic effects of the corona pandemic adversely affected earnings and margins in fiscal year 2020. NORMA Group experienced a sharp drop in demand and production interruptions at several of its plants in the second quarter, in particular. Demand for joining technology, especially from the automotive industry, gradually picked up again in the second half of the year. NORMA Group’s business recovered significantly by the end of the year. A high level of cost discipline with lower investments than in the previous year even partially offset the negative effect caused by the corona pandemic. Due to the acceleration of the “Get on track” change program, expenses of around EUR 29 million were incurred that were not adjusted.

Development in the business regions

In the **EMEA** region (Europe, Middle East and Africa), sales in 2020 declined by 15.7 percent to EUR 409.5 million (2019: EUR 486.0 million). Business with joining technology for vehicles of all drive types picked up significantly in the fourth quarter, however the decline in sales due to the impact of the coronavirus could not be completely compensated for.

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In the **Americas** region, sales fell by 14.5 percent to EUR 385.5 million (2019: EUR 450.8 million). This was primarily due to the significant decline in production figures for passenger cars and commercial vehicles in the region as a result of the pandemic. This led to a decline in NORMA Group's sales in the area of joining technology for vehicles by around 29 percent. By contrast, the US water business made a positive contribution to sales, growing organically by 6.7 percent over the year as a whole.

In the **Asia-Pacific** region, sales amounted to EUR 157.2 million, a decline of 3.8 percent compared to the previous year (2019: EUR 163.4 million). Contrary to the development in the other regions, the economy in China recovered significantly as early as the second quarter, following a lockdown in the first quarter. Accordingly, demand for joining technology, particularly from the automotive industry, picked up significantly.

Dividend of EUR 0.70 per share planned

The Management Board and Supervisory Board of NORMA Group SE will propose to the virtual Annual General Meeting on May 20, 2021, that a dividend of EUR 0.70 per share be distributed to shareholders for fiscal year 2020. This represents a distribution amount of around EUR 22.3 million. The payout ratio would thus amount to just under 92 percent of adjusted Group earnings in fiscal year 2020 of EUR 24.3 million. For fiscal year 2019, NORMA Group had only distributed the statutory minimum dividend of EUR 0.04 per share in accordance with the resolution of the Annual General Meeting. This corresponded to a payout ratio of 1.5 percent of adjusted Group earnings in fiscal year 2019 of EUR 87.8 million.

"Our resilient position and our focus on promising business fields allow us to partially offset the dividend cut from last year. In doing so, we are expressing our confidence in the further positive development of NORMA Group," Dr. Michael Schneider said.

Forecast for 2021: Organic growth in the low double-digit range

NORMA Group projects strong organic sales growth in the low double-digit range for the **EMEA** region in 2021. Expected growth drivers include the resurgence in demand from the automotive industry and stronger business with distributors and wholesalers in the area of standardized joining technology due to the general economic recovery.

For the **Americas** region, NORMA Group expects to achieve high single-digit organic sales growth in 2021. Both the rebound in demand in the automotive industry and the continued good water management business are expected to provide growth impetus here.

In the **Asia-Pacific** region, NORMA Group expects slight organic sales growth for 2021 after only a slight decline in the previous year.

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Overall, the Management Board expects organic Group sales growth in the low double-digit range for 2021. This is based on the assumption that there will be no further pandemic-related slump in demand. An adjusted EBITA margin of over 13 percent and an adjusted EBIT margin of over 12 percent are targeted for 2021. The Management Board expects net operating cash flow to exceed EUR 110 million in 2021.

Progress in the area of sustainability

As part of its environmental strategy, NORMA Group is aiming to reduce its CO₂ emissions by around 19.5 percent by 2024 compared to 2017. In 2020, NORMA Group reduced the CO₂ emissions generated during its production processes by 8.6 percent from 54,494 tons to 49,813 tons. The main reason for the sharp decline in emissions is the pandemic-related reduction in production capacity in the spring and summer. The company constantly reviews targeted measures at all of its plants in order to reduce its energy requirements.

In its combined 2020 Annual and Corporate Responsibility Report published today, NORMA Group provides information on the company's material development and progress in the areas of governance/integrity, environment and social affairs. NORMA Group's key non-financial performance indicators include CO₂ emissions, the number of invention applications and the number of defective parts per million parts produced.

NORMA Group – 2020 Financial Results

Key figures at a glance	Fiscal year 2020	Fiscal year 2019	Fiscal year 2018
Income statement	01/01 – 12/31/2020	01/01 – 12/31/2019	01/01 – 12/31/2018
Sales (in EUR million)	952.2	1,100.1	1,084.1
Adjusted EBITA* (in EUR million)	54.6	144.8	173.2
Adjusted EBITA margin*	5.7%	13.2%	16.0%
Balance sheet	12/31/2020	12/31/2019	12/31/2018
Net debt** (in EUR million)	338.4	420.8	400.3
Equity ratio	41.7%	41.6%	40.9%

Key figures at a glance	Q4 2020	Q4 2019	Q4 2018
Income statement	10/01/ – 12/31/2020	10/01 – 12/31/2019	10/01 – 12/31/2018
Sales (in EUR million)	261.2	261.4	267.0
Adjusted EBITA (in EUR million)	21.3	25.5	42.7
Adjusted EBITA margin	8.2%	9.8%	16.0%

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Non-financial performance indicators	Fiscal year 2020	Fiscal year 2019	Fiscal year 2018
CO ₂ emissions (Scope 1 and 2; in tons of CO ₂ equivalents)	49,813	54,494	51,018
Invention applications	22	22	32
Defective parts per million (Parts per Million – PPM)	5.1	6.1	7.1

* Adjustments: in fiscal year 2020: Step-up effects from purchase price allocations (EUR 3.5 million). Adjustments in previous years: [fiscal year 2019](#) (pp. 148–150), [fiscal year 2018](#) (pp. 141–143)

** Net debt including hedging instruments; hedging instruments of: EUR 1.4 million in fiscal year 2020; EUR 0.9 million in fiscal year 2019; EUR 0.8 million in fiscal year 2018

Click [here](#) for more information on our financial results. For press photos, please visit our [press area](#).

Further dates

The final financial results for the first quarter of fiscal year 2021 will be published on May 5, 2021.

Additional information on the company is available at www.normagroup.com. Press photos are available from our platform on www.normagroup.com/images.



Contact

NORMA Group SE
Andreas Trösch
Vice President Investor Relations, Communications & Corporate Responsibility
Email: Andreas.Troesch@normagroup.com
Phone: +49 (0)6181 – 6102 741

Lina Bosbach
Senior Manager Group Communications
Email: Lina.Bosbach@normagroup.com
Phone: +49 (0)6181 – 6102 7606

Marie Wöller
Junior Manager Group Communications
Email: Marie.Woeller@normagroup.com
Phone: +49 (0)6181 – 6102 7604

About NORMA Group

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NORMA Group is an international market leader in engineered and standardized [joining and fluid-handling technology](#). With around 8,800 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 952 million in 2020. The company has a [global network](#) of 28 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.