Q1 2017

INTERIM STATEMENT

NORMA GROUP SE

Overview of Key Figures

		Q1 2017[1]	Q1 2016[1]	Change in %
Order situation				
Order book (Mar 31)	EUR millions	**312.1**	284.7	10.0
Income statement				
Revenue	EUR millions	**254.9**	226.6	12.5
(Adjusted) gross profit	EUR millions	**152.2**	137.7	10.5
Adjusted EBITA	EUR millions	**45.0**	40.1	12.2
Adjusted EBITA margin	%	**17.7**	17.7	n/a
EBITA	EUR millions	**43.1**	39.6	8.9
Adjusted profit for the period	EUR millions	**27.1**	22.6	20.1
Adjusted EPS	EUR	**0.85**	0.71	19.7
Profit for the period	EUR millions	**22.5**	19.4	15.6
EPS	EUR	**0.70**	0.61	14.8
Cash flow				
Operating cash flow	EUR millions	**9.3**	19.4	−51.9
Net operating cash flow	EUR millions	**4.5**	11.8	−61.6
Cash flow from investing activities	EUR millions	**−22.3**	−11.1	101.0
Cash flow from financing activities	EUR millions	**−1.0**	−1.6	41.2
Balance sheet		**Mar 31, 2017**	Dec 31, 2016	
Total assets	EUR millions	**1,363.7**	1,337.7	1.9
Equity	EUR millions	**505.0**	483.6	4.4
Equity ratio	%	**37.0**	36.2	n/a
Net debt	EUR millions	**407.4**	394.2	3.3
Employees				
Core workforce		**5,510**	5,450	1.1
Non-financial control parameters		**Q1 2017**	Q1 2016	
Number of new patent applications		**n/a**	22	n/a
Number of invention applications		**9**	n/a	n/a
Defective parts per million (PPM)		**18**	17	5.9
Quality-related customer complaints per month		**9**	8	12.5

Share data		
IPO		April 2011
Stock exchange		Frankfurt Stock Exchange, Xetra
Market segment		Regulated Market (Prime Standard), MDAX
ISIN		DE000A1H8BV3
Security identification number		A1H8BV
Ticker symbol		NOEJ
Highest price Q1 2017[2]	EUR	44.62
Lowest price Q1 2017[2]	EUR	39.70
Closing price as of March 31, 2017[2]	EUR	44.35
Market capitalization as of March 31, 2017[2]	EUR millions	1,412.9
Number of shares		31,862,400

[1] Adjustments are described on p. 8

[2] Xetra price

Date of publication: May 10, 2017

INTERIM STATEMENT FOR THE FIRST QUARTER OF 2017

EXPLANATION OF SYMBOLS

@ Internet

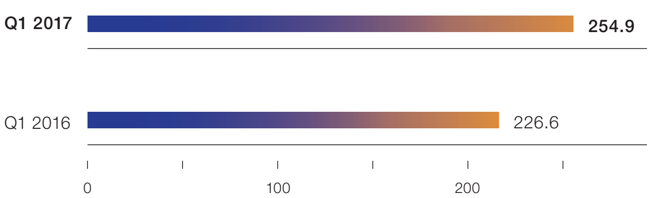
→ Cross Reference

Reference to the 2016 Annual Report

Highlights Q1 2017[1]

DEVELOPMENT OF SALES Q1 2017

in EUR milions



DEVELOPMENT OF SALES CHANNELS

	EJT		DS	
	Q1 2017	Q1 2016	**Q1 2017**	Q1 2016
Group sales (in EUR millions)	**163.3**	139.0	**90.1**	86.6
Growth (in %)	**17.4**		**4.1**	
Share of sales (in %)	**64.4**	61.6	**35.6**	38.4

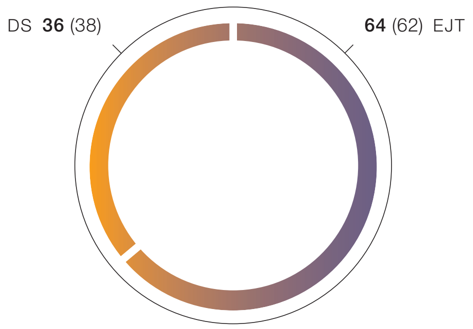
EFFECTS ON GROUP SALES

	in EUR millions	share in %
Sales Q1 2016	226.6	
Organic growth	10.5	4.6
Acquisitions	14.6	6.5
Currency effects	3.2	1.4
Sales Q1 2017	**254.9**	**12.5**

DISTRIBUTION OF SALES BY SALES CHANNELS

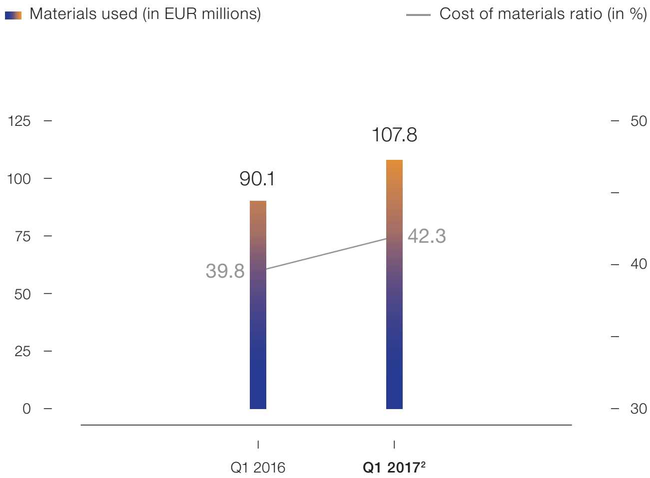
in %

Previous year in brackets

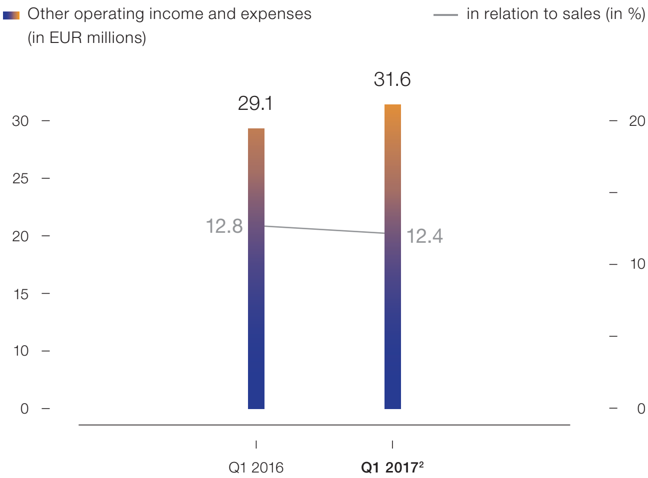


[1] Adjustments are described on p. 8

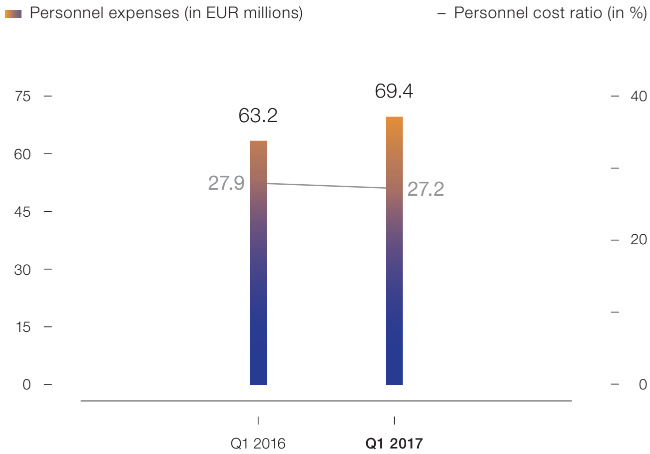
COSTS OF MATERIALS AND COST OF MATERIALS RATIO



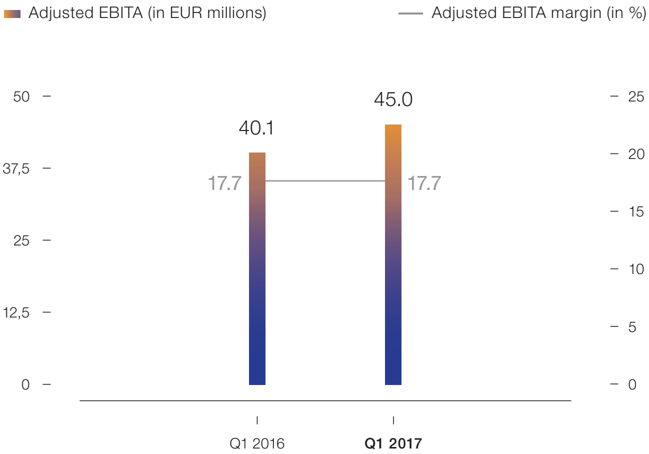
OTHER OPERATING INCOME AND EXPENSES AS WELL AS IN RELATION TO SALES



PERSONNEL EXPENSES AND PERSONNEL COST RATIO



ADJUSTED EBITA AND ADJUSTED EBITA MARGIN

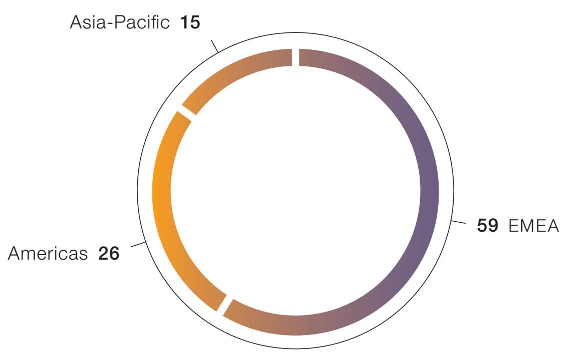


NET OPERATING CASH FLOW

in EUR millions	Q1 2017	Q1 2016
Adjusted EBITDA	51.3	45.4
Change in working capital	–38.1	–24.1
Investments from operating business	–8.7	–9.5
Net operating cash flow	**4.5**	**11.8**

CORE WORKFORCE BY SEGMENT

in %



[2] adjusted

Course of Business

NORMA Group's business developed as expected overall in the first quarter of 2017. Therefore none of the Company's relevant performance indicators deviated significantly from the forecast values. The Management Board therefore continues to adhere to the forecast made in the 2016 Annual Report. → Forecast, p. 20.

At the beginning of fiscal year 2017, NORMA Group changed its internal control system with regard to the key control parameter for stearing the Group's ability to innovate. Instead of the number of new patent registrations per year, NORMA Group now records and reports the annual number of invention applications. An invention application is made as part of an internal, formalized process preceded by the external process of a new patent application. As inventions can be specifically promoted through internal incentive systems and their number is not dependent on the patent application strategy, the Management of NORMA Group considers this indicator to be more suitable for the future measurement of innovative power than the number of new patent applications. → 2016 Annual Report, p. 58 and 85.

Significant Developments

In January 2017, NORMA Group acquired the clamp manufacturer Lifial. Lifial, based in Águeda, Portugal, produces metal clamps for use in industry and agriculture. The company employs around 100 people and distributes its trademark products to customers in Europe and North Africa. With the acquisition of Lifial, NORMA Group has strengthened its product offering in the Distribution Services business as well as its market position in Europe, particularly on the Iberian Peninsula. The company was included in the scope of consolidation with effect from January 1, 2017.

On March 28, 2017, NORMA Group signed the purchase agreement to acquire 80% of the shares in Fengfan Fastener (Shaoxing) Co., Ltd. (Fengfan), headquartered in Shaoxing City, China. The transaction is expected to close in the second quarter of 2017, subject to approval by the relevant authorities. Fengfan manufactures joining products made of stainless steel, nylon and specialty materials. Its portfolio includes, among other products, cable ties, fastening elements and specially coated, fire-resistant textiles. With the acquisition of Fengfan, NORMA Group is expanding its product portfolio and its position in the Chinese market.

Consolidated Statement of Comprehensive Income

for the period from January 1 to March 31, 2017

in EUR thousands	Q1 2017	Q1 2016
Revenue	254,925	226,565
Changes in inventories of finished goods and work in progress	4,715	734
Other own work capitalized	376	495
Raw materials and consumables used	–108,480	–90,081
Gross profit	**151,536**	**137,713**
Other operating income	4,606	3,785
Other operating expenses	–36,419	–32,882
Employee benefits expense	–69,359	–63,228
Depreciation and amortization	–14,678	–12,071
Operating profit	**35,686**	**33,317**
Financial income	49	20
Financial costs	–4,020	–4,707
Financial costs – net	**–3,971**	**–4,687**
Profit before income tax	**31,715**	**28,630**
Income taxes	–9,262	–9,199
PROFIT FOR THE PERIOD	**22,453**	**19,431**
Other comprehensive income for the period, net of tax		
Other comprehensive income that can be reclassified to profit or loss, net of tax	**–1,038**	**–12,046**
Exchange differences on translation of foreign operations	–1,152	–10,804
Cash flow hedges, net of tax	114	–1,242
Other comprehensive income for the period, net of tax	**–1,038**	**–12,046**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**21,415**	**7,385**
Profit attributable to		
Shareholders of the parent	22,395	19,374
Non-controlling interests	58	57
	22,453	**19,431**
Total comprehensive income attributable to		
Shareholders of the parent	21,382	7,331
Non-controlling interests	33	54
	21,415	**7,385**
(Un-)diluted earnings per share (in EUR)	**0.70**	0.61

ADJUSTMENTS

In the first quarter of 2017, expenses totaling EUR 0.9 million were adjusted within EBITDA (earnings before interest, taxes, depreciation and amortization) (Q1 2016: EUR 0 million). The adjustments within EBITDA amount to EUR 0.7 million on material expenses resulting from the valuation of the inventories taken within the purchase price allocation of the acquisition of the Autoline business. In addition, expenses for the integration of the Autoline business in the amount of EUR 0.2 million were adjusted in other operating expenses.

Furthermore, as in previous years, depreciation of property, plant and equipment from purchase price allocations of EUR 1.0 million (Q1 2016: EUR 0.5 million) was adjusted within EBITA (earnings before interest, taxes and amortization). Amortization of intangible assets from purchase price allocations of EUR 5.2 million (Q1 2016: EUR 4.1 million) was adjusted within EBIT. The theoretical taxes resulting from the adjustments are calculated using the respective tax rate of each Group entity and are considered within the adjusted earnings after taxes.

ADJUSTMENTS*

in EUR millions	Q1 2017 reported	Total adjustments	Q1 2017 adjusted
Revenue	254.9	0	254.9
Changes in inventories of finished goods and work in progress	4.7	0	4.7
Other own work capitalized	0.4	0	0.4
Raw materials and consumables used	–108.5	0.7	–107.8
Gross profit	**151.5**	**0.7**	**152.2**
Other operating income and expenses	–31.8	0.2	–31.6
Employee benefits expense	–69.4	0	–69.4
EBITDA	**50.4**	**0.9**	**51.3**
Depreciation	–7.3	1.0	–6.3
EBITA	**43.1**	**1.9**	**45.0**
Amortization	–7.4	5.2	–2.2
Operating profit (EBIT)	**35.7**	**7.2**	**42.8**
Financial costs – net	–4.0	0	–4.0
Profit before income tax	**31.7**	**7.2**	**38.9**
Income taxes	–9.3	–2.5	–11.7
Profit for the period	**22.5**	**4.7**	**27.1**
Non-controlling interests	0.1	0	0.1
Profit attributable to shareholders of the parent	**22.4**	**4.7**	**27.1**
Earnings per share (in EUR)	**0.70**		**0.85**

* Deviations may occur due to commercial rounding

SALES AND EARNINGS DEVELOPMENT

Order backlog

As of March 31, 2017, the order backlog stood at EUR 312.1 million, or EUR 27.4 million or 10.0% higher than in the same period of the previous year (March 31, 2016: EUR 284.7 million). The increase in the order backlog is due, on the one hand, to the increase in orders in North America and Europe. In addition, positive currency effects contributed to the increase.

Group sales up: growth in all regions

Group sales amounted to EUR 254.9 million in the first quarter of 2017, 12.5% above the level of the prior-year period (Q1 2016: EUR 226.6 million). Organic growth was 4.6%, mainly driven by the good sales performance in the EMEA and Asia-Pacific regions. The recently acquired companies Autoline and Lifial contributed EUR 14.6 million, or 6.5%, to Group sales growth. In addition, there were positive currency effects of 1.4%, particularly related to the development of the US dollar exchange rate.

EJT business shows solid organic growth; DS area strengthened by acquisitions

In the EJT segment, NORMA Group generated sales of EUR 163.3 million in the first quarter of 2017, 17.4% more than in the same period of the previous year (Q1 2016: EUR 139.0 million). This was mainly due to the positive development of business in the EMEA and Asia-Pacific regions, which is mainly attributable to the good development of the automotive industry and new product launches. In the Americas, the EJT business in the first quarter of 2017 was still affected by the weak overall performance of commercial vehicles and agricultural machinery in the US, with a decline in production and sales figures.

The acquisition of Autoline at the end of November 2016 provided a positive contribution to EJT sales growth of EUR 12.5 million. In addition, there were slightly positive currency effects.

Sales in the DS segment amounted to EUR 90.1 million (Q1 2016: EUR 86.6 million) in the first quarter of 2017, a rise of 4.1% overall. The DS business was positively influenced by the additional revenue generated by the newly acquired Portuguese company Lifial in the EMEA region in January 2017 in particular, amounting to EUR 2.1 million, and the good development of the DS business in the Asia-Pacific region.

Cost of materials ratio influenced by an increase in inventories and acquisitions

Adjusted material expenses in the first quarter of 2017 amounted to EUR 107.8 million, an increase of 19.7% compared to the same period of the previous year (Q1 2016: EUR 90.1 million). In relation to sales, this resulted in an adjusted cost of materials ratio of 42.3% (Q1 2016: 39.8%). Reported material expenses amounted to EUR 108.5 million (Q1 2016: EUR 90.1 million). The reported cost of materials ratio was 42.6% (Q1 2016: 39.8%).

The adjustments within the cost of materials (EUR 0.7 million) result from the revaluation of inventories as part of the purchase price allocation of the recent Autoline acquisition. → Adjustments, p. 8.

The increase in the (adjusted) cost of materials ratio compared to the previous year was mainly due to an increase in inventories amounting to EUR 4.7 million in the first three months of 2017 (Q1 2016: EUR 0.7 million). On the other hand, higher prices, particularly for alloy surcharges and plastic components, had an impact on the (adjusted) cost of materials ratio.

Furthermore, the acquisitions of Autoline and Lifial, whose cost of materials ratios are higher than the average of other Group companies, had a negative effect on the (adjusted) cost of materials ratio.

Gross margin influenced by higher material expenses

Adjusted gross profit (sales less cost of materials plus changes in inventories and other own work capitalized) amounted to EUR 152.2 million in the first quarter of 2017. This equates to an increase of 10.5% compared to the previous year (Q1 2016: EUR 137.7 million). In relation to sales, this results in a slightly lower adjusted gross margin of 59.7% (Q1 2016: 60.8%) compared to the previous year.

Reported gross profit amounted to EUR 151.5 million (Q1 2016: EUR 137.7 million). The reported gross margin was 59.4% (Q1 2016: 60.8%).

Personnel cost ratio improves slightly

As of March 31, 2017, NORMA Group employed (including temporary workforce) a total of 7,169 employees worldwide (March 31, 2016: 6,322), 5,510 of whom belong to the Company's core workforce. This means the total number of employees increased by 13.4% compared to the previous year and that the core workforce grew by 8.1%.

The strongest increase in the number of employees was recorded in the EMEA region, an increase of 13.8% compared to the first quarter of 2016, mainly due to the acquisitions of Autoline (France) and Lifial (Portugal). In the Asia-Pacific region, the number of employees rose by 5.0% as a result of the acquisition of the Chinese Autoline business. The number of employees in the Americas decreased by 1.7%.

In the first three months of 2017, the average number of employees was 5,509 (Q1 2016: 5,117).

As a result of the higher average number of employees in the first quarter of 2017, the employee benefits expense also increased. These amounted to EUR 69.4 million in the reporting period, 9.7% above the prior-year period (Q1 2016: EUR 63.2 million). As a result of the good sales performance as well as the lower personnel costs of Autoline and Lifial compared to the Group average, this resulted in a slightly improved personnel cost ratio of 27.2% compared to the previous year (Q1 2016: 27.9%).

PERSONNEL DEVELOPMENT

	March 31, 2017	March 31, 2016
EMEA	3,282	2,883
Americas	1,410	1,435
Asia-Pacific	818	779
Core workforce	5,510	5,097
Temporary workers	1,659	1,225
Total number of employees including temporary workers	**7,169**	**6,322**

Other operating income and expenses

The balance of adjusted other operating income and expenses in the first quarter of 2017 amounted to EUR 31.6 million, an increase of 8.6% compared to the previous year (Q1 2016: EUR 29.1 million). In relation to sales, this resulted in a slightly improved ratio of 12.4% (Q1 2016: 12.8%).

Other operating income includes, in particular, currency gains from operating activities of EUR 1.1 million (Q1 2016: EUR 2.3 million) as well as income from the reversal of liabilities and unused provisions of EUR 2.5 million (Q1 2016: EUR 0.7 million).

Other operating expenses include currency losses of EUR 1.3 million (Q1 2016: EUR 1.9 million). In addition, the composition of other operating expenses did not change significantly compared with the previous year. The integration costs associated with the acquisition of Autoline (EUR 0.2 million) were adjusted within operating expenses (Q1 2016: no adjustments).

The balance of reported other operating income and expenses amounted to EUR 31.8 million (Q1 2016: EUR 29.1 million). The ratio to sales was 12.5% (Q1 2016: 12.8%).

Adjusted EBITDA and adjusted EBITA increased
Earnings before interest, taxes, depreciation and amortization adjusted for the abovementioned effects (adjusted EBITDA) amounted to EUR 51.3 million in the first quarter of 2017, 13.0% above the previous year's figure (Q1 2016: EUR 45.4 million). This resulted in a slightly higher adjusted EBITDA margin of 20.1% (Q1 2016: 20.0%) compared to the previous year.

Reported EBITDA amounted to EUR 50.4 million in the first quarter of 2017 (Q1 2016: EUR 45.4 million). The resulting reported EBITDA margin was 19.8% (Q1 2016: no adjustments).

Adjusted EBITA, which was also adjusted for depreciation on tangible assets from purchase price allocations of EUR 1.0 million (Q1 2016: EUR 0.5 million), amounted to EUR 45.0 million in the first quarter of 2017. This corresponds to a 12.2% increase compared to the previous year (Q1 2016: EUR 40.1 million). Compared to the same period of the previous year, the resulting adjusted EBITA margin remained unchanged at 17.7%.

The reported EBITA margin amounted to 16.9% (Q1 2016: 17.5%) as a result of reported EBITA of EUR 43.1 million (Q1 2016: EUR 39.6 million).

Financial result
The financial result amounted to EUR – 4.0 million in the first quarter of 2017 and thus improved by 15.3% compared to the same period of the previous year (Q1 2016: EUR – 4.7 million).

Net currency gains/losses (including income/expenses from the valuation of currency hedging derivatives) amounted to EUR – 0.3 million in the first three months of 2017 (Q1 2016: EUR – 1.6 million). At EUR 3.5 million in the first quarter of 2017, the net interest expense increased by EUR 0.6 million compared to the same period of the previous year (Q1 2016: EUR 2.9 million). The main reason for this was the debt financing of the Autoline business in the fourth quarter of 2016.

Adjusted income taxes and tax rate
Adjusted income taxes for the period from January to March 2017 amounted to EUR 11.7 million (Q1 2016: EUR 10.7 million). Measured against the adjusted profit before income tax of EUR 38.9 million (Q1 2016: EUR 33.3 million), this results in a lower adjusted tax rate of 30.2% compared to the previous year (Q1 2016: 32.1%).

Increased adjusted profit for the period and adjusted earnings per share
Adjusted profit for the period (after tax) amounted to EUR 27.1 million, 20.1% above the previous year's level (Q1 2016: EUR 22.6 million). Based on the unchanged number of 31,862,400 shares, the adjusted earnings per share in the first quarter of 2017 amounted to EUR 0.85 (Q1 2016: EUR 0.71).

Reported profit for the period amounted to EUR 22.5 million (Q1 2016: EUR 19.4 million), an increase of 15.6% compared to the previous year. Reported earnings per share amounted to EUR 0.70 (Q1 2016: EUR 0.61). In the first quarter of 2017, adjustments totaling EUR 4.7 million were made to the profit for the period (Q1 2016: EUR 3.2 million).

Consolidated Statement of Financial Position

as of March 31, 2017

ASSETS

in EUR thousands	March 31, 2017	Dec 31, 2016	March 31, 2016
Non-current assets			
Goodwill	368,410	368,859	335,821
Other intangible assets	290,004	295,427	256,181
Property, plant and equipment	203,592	201,177	166,879
Other non-financial assets	243	261	227
Derivative financial assets	1,562	1,576	0
Income tax assets	108	106	457
Deferred income tax assets	7,402	7,563	8,032
	871,321	874,969	767,597
Current assets			
Inventories	147,727	139,885	125,312
Other non-financial assets	19,033	15,701	15,328
Other financial assets	5,196	5,685	3,902
Derivative financial assets	916	1,157	2,063
Income tax assets	8,989	10,479	6,189
Trade and other receivables	159,004	124,208	138,765
Cash and cash equivalents	151,548	165,596	104,957
	492,413	462,711	396,516
Total assets	1,363,734	1,337,680	1,164,113

EQUITY AND LIABILITIES

in EUR thousands	March 31, 2017	Dec 31, 2016	March 31, 2016
Equity attributable to equity holders of the parent			
Subscribed capital	**31,862**	31,862	31,862
Capital reserve	**210,323**	210,323	210,323
Other reserves	**26,064**	27,077	9,085
Retained earnings	**235,899**	213,504	184,974
Equity attributable to shareholders	**504,148**	**482,766**	**436,244**
Non-controlling interests	**820**	819	864
Total equity	**504,968**	**483,585**	**437,108**
Liabilities			
Non-current liabilities			
Retirement benefit obligations	**11,759**	11,786	11,878
Provisions	**9,302**	9,668	10,507
Borrowings	**510,000**	513,105	435,274
Other non-financial liabilities	**583**	610	1,234
Other financial liabilities	**1,126**	1,240	658
Derivative financial liabilities	**1,729**	2,014	4,238
Deferred income tax liabilities	**101,273**	101,845	99,976
	635,772	**640,268**	**563,765**
Current liabilities			
Provisions	**9,789**	9,489	9,820
Borrowings	**43,318**	42,176	7,889
Other non-financial liabilities	**33,603**	31,212	33,470
Other financial liabilities	**2,181**	1,119	4,508
Derivative financial liabilities	**561**	167	185
Income tax liabilities	**16,465**	10,087	15,751
Trade and other payables	**117,077**	119,577	91,617
	222,994	**213,827**	**163,240**
Total liabilities	**858,766**	**854,095**	**727,005**
Total equity and liabilities	**1,363,734**	**1,337,680**	**1,164,113**

NOTES REGARDING THE FINANCIAL AND ASSETS POSITION

Balance sheet total

As of March 31, 2017, the balance sheet total amounted to EUR 1,363.7 million, an increase of 1.9% compared to the end of 2016 (Dec 31, 2016: EUR 1,337.7 million). Compared to March 31, 2016 (EUR 1,164.1 million), the balance sheet total increased by 17.1%.

Non-current and current assets

As of March 31, 2017, non-current assets amounted to EUR 871.3 million, slightly reduced by 0.4% compared to the end of 2016 (Dec 31, 2016: EUR 875.0 million). The increase in non-current assets resulting from the acquisition of Lifial in January was counterbalanced by countervailing currency effects, based on the euro-denominated appreciation of the euro against the US dollar. The share of non-current assets in the balance sheet total was 63.9% as of March 31, 2017 (Dec 31, 2016: 65.4%).

In the first three months of 2017, EUR 8.7 million was invested in fixed assets, including own work capitalized of EUR 0.4 million. Investments were concentrated in Germany, Poland, Serbia, China and the US. There were no significant disposals.

Current assets stood at EUR 492.4 million as of March 31, 2017, an increase of 6.4% compared to the end of 2016 (Dec 31, 2016: EUR 462.7 million). The increase is mainly attributable to the increase in trade receivables, which increased by 28% compared to the fourth quarter of 2016 due to the increase in sales volume in the first quarter of 2017. As of March 31, 2017, current assets accounted for 36.1% of the balance sheet total (Dec 31, 2016: 34.6%).

Compared with the previous year (March 31, 2016: EUR 396.5 million), current assets increased by 24.2%.

Rise in (trade) working capital

(Trade) working capital (inventories plus receivables minus liabilitie, both primarily from trade receivables and trade payables) amounted to EUR 189.7 million as of March 31, 2017, and thus increased by 31.2% compared to the end of 2016 (Dec 31, 2016: EUR 144.5 million) due to seasonality. This was primarily due to the increase in business activity and the resulting increase in trade receivables by 28.0% or EUR 34.8 million.

Compared to the previous year (March 31, 2016: EUR 172.5 million), (trade) working capital increased by 10.0%. The rise compared to the prior-year quarter is due in particular to the inclusion of the business activities of the Autoline business acquired in the fourth quarter of 2016 as well as the acquisition of Lifial, which was closed at the beginning of 2017, and the organic growth of NORMA Group.

Equity ratio

As of March 31, 2017, the Group's equity amounted to EUR 505.0 million, an increase of 4.4% compared with December 31, 2016 (EUR 483.6 million). This corresponds to an equity ratio of 37.0% (Dec 31, 2016: 36.2%). The change in equity mainly resulted from the period result (EUR 22.5 million). In contrast, negative currency translation differences (EUR –1.2 million) reduced the Group's equity.

Net debt increased

Net debt as of March 31, 2017, amounted to EUR 407.4 million, an increase of 3.3% compared with the end of the year (Dec 31, 2016: EUR 394.2 million). The main reason for this was the net cash outflow for the acquisition of Lifial, the company acquired in the first quarter of 2017, in the amount of EUR 11.0 million.

Gearing (net debt in relation to equity) was at 0.8 and thus at the same level as at the end of 2016, despite higher net debt. Leverage (net debt without hedging derivatives in relation to adjusted EBITDA for the last 12 months) remained unchanged at the end of the year at 2.1 (Dec 31, 2016: 2.1).

NORMA Group's net debt is as follows:

in EUR thousands	March 31, 2017	Dec 31, 2016
Bank borrowings, net	553,318	555,281
Derivative financial liabilities – hedge accounting	2,290	2,181
Finance lease liabilities	216	271
Other financial liabilities	3,091	2,088
Financial debt	**558,915**	**559,821**
Cash and cash equivalents	151,548	165,596
Net debt	**407,367**	**394,225**

Financial liabilities

At EUR 558.9 million, the financial liabilities of NORMA Group were a slight 0.2% lower than the level of December 31, 2016 (EUR 559.8 million). The decline in loans is due to exchange rate effects on the US dollar tranches of the syndicated loans and promissory notes.

Non-current liabilities amounted to EUR 635.8 million as of March 31, 2017, a slight 0.7% decrease compared to the end of 2016 (Dec 31, 2016: EUR 640.3 million). On the other hand, current liabilities show a slight increase of 4.3% to EUR 223.0 million compared to the end of 2016 (Dec 31, 2016: EUR 213.8 million).

The maturity of the syndicated loans as well as of the promissory notes as of March 31, 2017, is as follows:

in EUR thousands	up to 1 year	> 1 year up to 2 years	> 2 years up to 5 years	> 5 years
Syndicated bank facilities, net	5,112	5,112	86,902	0
Promissory notes, net	34,143	26,000	242,999	150,160
Total	**39,255**	**31,112**	**329,901**	**150,160**

Other non-financial liabilities

Other non-financial liabilities are as follows:

in EUR thousands	March 31, 2017	Dec 31, 2016
Non-current		
Government grants	531	521
Other liabilities	52	89
	583	610
Current		
Government grants	326	341
Non-income tax liabilities	3,337	2,892
Social liabilities	6,521	4,438
Personnel-related liabilities (e.g. holiday, bonus, premiums)	22,544	22,421
Other liabilities	351	398
Deferred income	524	722
	33,603	31,212
Total other non-financial liabilities	**34,186**	**31,822**

DERIVATIVE FINANCIAL INSTRUMENTS

Foreign exchange derivatives

As of March 31, 2017, foreign exchange derivatives with a positive market value of EUR 0.6 million and foreign exchange derivatives with a negative market value of EUR 0.1 million were classified as cash flow hedges. In addition, foreign exchange derivatives with a positive market value of EUR 0.3 million and foreign exchange derivatives with a negative market value of EUR 0.4 million were classified as fair value hedges.

Foreign exchange derivatives classified as cash flow hedges are used to hedge foreign currency risk within the operative business. The foreign exchange derivatives classified as fair value hedges are used to hedge foreign currency risk of external debt and intragroup monetary items.

Interest rate swaps

Parts of the external financing of NORMA Group were hedged by interest rate swaps against fluctuations in the interest rate. As of March 31, 2017, interest rate hedges with a positive market value of EUR 1.6 million and a negative market value of EUR 1.7 million were held.

Consolidated Statement of Cash Flows

for the period from January 1 to March 31, 2017

in EUR thousands	Q1 2017	Q1 2016
Operating activities		
Profit for the period	22,453	19,431
Depreciation and amortization	14,678	12,071
Gain (–)/loss (+) on disposal of property, plant and equipment	–1	22
Change in provisions	–346	–490
Change in deferred taxes	–362	224
Change in inventories, trade account receivables and other receivables, which are not attributable to investing or financing activities	–38,883	–22,747
Change in trade and other payables, which are not attributable to investing or financing activities	3,637	5,881
Change in reverse factoring liabilities	4,619	20
Interest expenses in the period	3,459	2,830
Income (–)/expenses (+) due to measurement of derivatives	–552	–2,640
Other non-cash expenses (+)/income (–)	627	4,789
Cash flows from operating activities	9,329	**19,391**
thereof interest received	47	36
thereof income taxes	–2,365	–4,997
Investing activities		
Payments for acquisitions of subsidiaries, net	–11,044	–1,622
Investments in property, plant and equipment and intangible assets	–11,356	–9,534
Proceeds from the sale of property, plant and equipment	82	50
Cash flows from investing activities	–22,318	**–11,106**
Financing activities		
Interest paid	–1,982	–1,773
Dividends paid to non-controlling interests	–32	–88
Proceeds from borrowings	0	22
Repayment of borrowings	–7	–62
Proceeds from derivatives	1,121	314
Repayment of lease liabilities	–58	–41
Cash flows from financing activities	–958	**–1,628**
Net change in cash and cash equivalents	–13,947	**6,657**
Cash and cash equivalents at the beginning of the year	165,596	99,951
Effect of foreign exchange rates on cash and cash equivalents	–101	–1,651
Cash and cash equivalents at the end of the period	151,548	**104,957**

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Group-wide financial management

The 2016 Annual Report provides a detailed overview of the general financial management of NORMA Group.

→ 2016 Annual Report, p. 56 et seq.

Net operating cash flow

Net operating cash flow amounted to EUR 4.5 million in the three-month period, 61.6% lower than in the same quarter of the previous year (Q1 2016: EUR 11.8 million). This was mainly due to disproportionately higher changes in working capital in relation to the increase in adjusted EBITDA as of the balance sheet date.

Investments from operating activities were EUR 8.7 million in the first three months of 2017, slightly below the figure for the same quarter of the previous year (Q1 2016: EUR 9.5 million).

In relation to revenue, net operating cash flow in the first quarter of 2017 was 1.8% (Q1 2016: 5.2%).

Cash flow from operating activities

Cash flow from operating activities amounted to EUR 9.3 million (Q1 2016: EUR 19.4 million) in the first quarter of 2017, a decrease of EUR 10.1 million compared to the same quarter of the previous year.

The significantly lower inflow of funds from operating activities compared to the same quarter of the previous year is mainly the result of the significant increase in sales volume in the last month of the first quarter of 2017, which led to an increase in trade working capital as of the balance sheet date at the end of 2016. Furthermore, the rise in inventories as of March 31, 2017, compared to the end of 2016, contributed to the increase in trade working capital.

Net cash provided by operating activities represents changes in current assets, provisions and liabilities (excluding liabilities in connection with financing activities).

The company participates in a reverse factoring program as well as in an ABS program. Liabilities in the reverse factoring program are reported under trade and other payables. The cash flows from the reverse factoring and the ABS program are shown under the cash flow from operating activities as this corresponds to the economic substance of the transactions.

The corrections for income from the valuation of derivatives in the amount of EUR 0.6 million (Q1 2016: EUR 2.6 million) included in the cash inflow from operating activities relate to the changes in the fair value of foreign exchange derivatives and interest rate swaps assigned to the cash flows from financing activities.

The corrected other non-cash income (-) / expenses (+) mainly includes expenses from the translation of external financing liabilities and intra-Group monetary items in the amount of EUR 0.5 million (Q1 2016: EUR 4.7 million).

Cash flow from investing activities

Cash flow from investing activities amounted to EUR –22.3 million (Q1 2016: EUR –11.1 million) in the first quarter of 2017. The cash flows from investing activities include net cash outflows from the acquisition and disposal of non-current assets of EUR 11.3 million (Q1 2016: EUR 9.5 million). This includes the change in liabilities for the acquisition of intangible assets and property, plant and equipment in the amount of EUR –2.7 million (Q1 2016: EUR –1.0 million). The investments made during the period from January to March 2017 mainly concerned the sites in Germany, Poland, Serbia, China and the US.

In addition, net payments for acquisitions of EUR –11.0 million (Q1 2016: EUR –1.6 million) for the acquisition of Lifial in January 2017 (Q1 2016: repayment of the purchase price liability from the acquisition in 2014 of the business activities of Five Star) are included in the cash outflow from investing activities.

The investment rate in the first quarter of 2017 (excluding acquisitions) was at 3.4% (Q1 2016: 3.8%).

Cash flow from financing activities

Cash flow from financing activities amounted to EUR –1.0 million in the period January to March 2017 (Q1 2016: EUR –1.6 million). This mainly includes payments for interest (Q1 2017: EUR –2.0 million, Q1 2016: EUR –1.8 million) as well as payments from derivatives in the amount of EUR 1.1 million (Q1 2016: EUR 0.3 million).

Segment Reporting

for the period from January 1 to March 31, 2017

	EMEA		Americas		Asia-Pacific	
in EUR thousands	**Q1 2017**	Q1 2016	**Q1 2017**	Q1 2016	**Q1 2017**	Q1 2016
Total revenue	**137,966**	118,856	**103,266**	98,226	**28,439**	19,238
thereof inter-segment revenue	**10,102**	6,806	**3,603**	2,262	**1,041**	687
Revenue from external customers	**127,864**	**112,050**	**99,663**	**95,964**	**27,398**	**18,551**
Contribution to consolidated Group sales	**50%**	50%	**39%**	42%	**11%**	8%
Adjusted gross profit[1]	**79,288**	70,818	**60,310**	58,417	**13,504**	9,234
Adjusted EBITDA[1]	**28,168**	**26,242**	**19,489**	**20,390**	**5,863**	**2,183**
Adjusted EBITDA margin[1,2]	**20.4%**	22.1%	**18.9%**	20.8%	**20.6%**	11.3%
Depreciation without PPA depreciation[3]	**−2,780**	−2,510	**−2,349**	−1,882	**−792**	−631
Adjusted EBITA[1]	**25,388**	**23,732**	**17,140**	**18,508**	**5,071**	**1,552**
Adjusted EBITA margin[1,2]	**18.4%**	20.0%	**16.6%**	18.8%	**17.8%**	8.1%
Assets (prior year as of Dec 31, 2016)[4]	**572,652**	556,935	**668,154**	673,203	**126,221**	119,283
Liabilities (prior year as of Dec 31, 2016)[5]	**165,035**	184,247	**343,192**	354,953	**38,110**	34,804
CAPEX	**4,200**	2,869	**2,580**	1,996	**1,185**	952

[1] Adjustments are described on p. 8.
[2] Based on segment sales.
[3] Depreciation from purchase price allocations.
[4] Including allocated goodwills, taxes are shown within the column 'consolidation.'
[5] Taxes are shown within the column 'consolidation.'

NOTES REGARDING THE DEVELOPMENT OF THE SEGMENTS

In the first three months of 2017, the share of sales realized internationally amounted to about 79.3% (Q1 2016: 78.0%).

EMEA

External sales in the EMEA region amounted to EUR 127.9 million in the first quarter of 2017, an increase of 14.1% compared to the same period of the previous year (Q1 2016: EUR 112.1 million). As a result, the share of the EMEA region in Group sales remained unchanged at 50% compared to the previous year. The positive sales performance in the region can be mainly attributed to the positive development in the automotive sector, which was boosted by the generally positive economic situation of the industry with rising production and sales figures. In addition, sales of EUR 8.2 million from the acquisition of Autoline and Lifial contributed to growth.

Adjusted EBITDA in the EMEA region rose by 7.3% from EUR 26.2 million to EUR 28.2 million. The adjusted EBITDA margin fell from 22.1% to 20.4%. Adjusted EBITA amounted to EUR 25.4 million (Q1 2016: EUR 23.7 million), while the adjusted EBITA margin amounted to 18.4% (Q1 2016: 20.0%).

Reasons for the decline in margins in the EMEA region were mainly the increase in prices for alloy surcharges and the decline in revenue from the Swiss subsidiary CONNECTORS as a result of the creation of a competing company with a similar product portfolio and the termination of the trading rights by an important supplier. 2016 Annual Report, p. 63.

Investments made in the EMEA region during the period under review amounted to EUR 4.2 million (Q1 2016: EUR 2.9 million), particularly at the sites in Germany, Poland and Serbia.

Assets rose by 2.8% to EUR 572.7 million compared to the end of the year (Dec 31, 2016: EUR 556.9 million), mainly due to the acquisition of Lifial in January 2017.

	Total segments		Central functions		Consolidation		Consolidated Group	
	Q1 2017	Q1 2016	**Q1 2017**	Q1 2016	**Q1 2017**	Q1 2016	**Q1 2017**	Q1 2016
	269,671	236,320	**5,965**	7,197	**–20,711**	–16,952	**254,925**	226,565
	14,746	9,755	**5,965**	7,197	**–20,711**	–16,952	**0**	0
	254,925	**226,565**	**0**	**0**	**0**	**0**	**254,925**	**226,565**
	100%	100%						
	153,102	138,469	**n/a**	n/a	**–885**	–756	**152,217**	137,713
	53,520	**48,815**	**–2,004**	**–3,382**	**–243**	**–45**	**51,273**	**45,388**
							20.1%	20.0%
	–5,921	–5,023	**–332**	–244	**0**	0	**–6,253**	–5,267
	47,599	**43,792**	**–2,336**	**–3,626**	**–243**	**–45**	**45,020**	**40,121**
							17.7%	17.7%
	1,367,027	1,349,421	**422,578**	474,932	**–425,871**	–486,673	**1,363,734**	1,337,680
	546,337	574,004	**636,165**	672,332	**–323,736**	–392,241	**858,766**	854,095
	7,965	5,817	**694**	2,767	**n/a**	n/a	**8,659**	8,584

Americas

External revenue in the Americas region amounted to EUR 99.7 million in the first quarter of 2017, an increase of 3.9% compared to the previous year (Q1 2016: EUR 96.0 million). Reasons for the growth were in particular the additional revenue from the acquisition of the Autoline business in Mexico as well as positive currency effects from the development of the US dollar. In the first quarter of 2017, NORMA Group's Americas business was also affected by the persistently weak environment in the commercial vehicle and agricultural machinery sector in the US, with declining production and sales figures. For this reason, the share of the Americas region in Group sales fell from 42% in the first quarter of 2016 to 39% in the past quarter.

On the basis of 4.4% lower adjusted EBITDA of EUR 19.5 million (Q1 2016: EUR 20.4 million), the adjusted EBITDA margin was 18.9% (Q1 2016: 20.8%). The adjusted EBITA margin was 16.6% (Q1 2016: 18.8%) based on an adjusted EBITA of EUR 17.1 million (Q1 2016: EUR 18.5 million).

Investments in the Americas region amounted to EUR 2.6 million (Q1 2016: EUR 2.0 million) in the first quarter of 2017, relating particularly to sites in the US and Mexico. Assets declined by 0.7% to EUR 668.2 million (Dec 31, 2016: EUR 673.2 million), also influenced by the euro/US dollar exchange rate.

Asia-Pacific

The Asia-Pacific region posted strong sales growth of 47.7% compared with the previous year at EUR 27.4 million (Q1 2016: EUR 18.6 million). Apart from very good business development, especially in the EJT segment, the additional revenue from the Chinese Autoline business also contributed to this development. As a result of the positive development, the region's revenue share of Group sales rose to 11% (Q1 2016: 8%).

Adjusted EBITDA in the Asia-Pacific region increased by 168.6% to EUR 5.9 million (Q1 2016: EUR 2.2 million), resulting in a significantly improved adjusted EBITDA margin of 20.6% (Q1 2016: 11.3%). Adjusted EBITA amounted to EUR 5.1 million, an increase of 226.7% compared to the previous year (Q1 2016:

EUR 1.6 million). The adjusted EBITA margin rose from 8.1% in the prior-year period to 17.8% in the first quarter of 2017 due to the very good sales growth in the region.

Investments in the first quarter of 2017 amounted to EUR 1.2 million (Q1 2016: EUR 1.0 million) and mainly pertained to the plants in China. Assets amounted to EUR 126.2 million and rose by 5.8% compared to the end of the year (Dec 31, 2016: EUR 119.3 million).

Forecast

The Management Board of NORMA Group is satisfied with the business developments in the first quarter of 2017 and is not changing its forecast for the full year 2017 published in the 2016 Annual Report, as shown once again below.

FORECAST FOR FISCAL YEAR 2017

Consolidated sales	moderate organic growth of around 1% to 3%, additionally around EUR 45 million from acquisitions
	EMEA: moderate organic growth
	Americas: moderate organic growth
	APAC: organic growth in the high single-digit range
	DS: moderate growth
	EJT: moderate growth
Adjusted cost of materials ratio	roughly at the same level as in previous years
Adjusted personnel cost ratio	roughly at the same level as in previous years
Adjusted EBITA margin	sustainable at the same level as in previous years of more than 17.0%
Financial result	up to EUR –13 million
Adjusted tax rate	around 31% to 33%
Adjusted earnings per share	moderate increase
Investment rate (without acquisitions)	operative investments of around 5% of Group sales
Net operating cash flow	around EUR 130 million
Dividend	approx. 30% to 35% of adjusted annual Group earnings
Number of invention applications per year	20
Defective parts per million (PPM)	less than 20
Quality-related complaints per month	further reduction from the previous year

Financial Calendar 2017

May 10, 2017	Publication of Q1 Interim Results 2017
May 23, 2017	Annual General Meeting 2017 in Frankfurt / Main
Aug 9, 2017	Publication of Q2 Interim Report 2017
Nov 8, 2017	Publication of Q3 Interim Results 2017

The financial calendar is constantly updated. Please visit the Investor Relations section on the Company website @ http://investors.normagroup.com for up-to-date information.

Contact and Imprint

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CONCEPT AND LAYOUT
3st kommunikation, Mainz

Note on the interim statement
This interim statement is also available in German. If there are differences between the two, the German version takes priority.

Note on rounding
Please note that slight differences may arise as a result of the use of rounded amounts and percentages.

Forward-looking statements
This interim statement 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 the 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 the 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 interim statement, no guarantee can be given that this will continue to be the case in the future.