

## Press release

May 9, 2018



NORMA Group SE  
Group Communications  
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## NORMA Group with strong organic growth in the first quarter of 2018

- Sales of EUR 272.6 million 6.9 percent higher in the first quarter of 2018 than in the same quarter of the previous year
- Strong organic sales growth of 13.6 percent
- Adjusted EBITA of EUR 45.7 million
- Sales forecast for fiscal year 2018 increased

**Maintal, Germany, May 9, 2018** – NORMA Group achieved sales growth of 6.9 percent to EUR 272.6 million in the first quarter of 2018 compared to the first quarter of the previous year (Q1 2017: EUR 254.9 million). Organic growth was at 13.6 percent. Fengfan, the company acquired in the second quarter of 2017, contributed an additional EUR 2.5 million to growth. Negative currency effects hampered sales growth by 7.6 percent. Adjusted earnings before interest, taxes, depreciation and amortization of intangible assets (adjusted EBITA) rose by 1.6 percent to EUR 45.7 million in the first three months of 2018 compared to the same period of the previous year (Q1 2017: EUR 45.0 million). The adjusted EBITA margin was 16.8 percent (Q1 2017: 17.7 percent). This was mainly influenced by high raw material prices. This related in particular to alloy surcharges and price increases for engineering plastics as a result of market shortages. Net operating cash flow fell by EUR 18.3 million to EUR -13.8 million (Q1 2017: EUR +4.5 million). This was mainly due to disproportionately high changes in working capital as of the reporting date due to strong growth as well as to the year-on-year increase in expenditures for investments from operating business.

“We achieved strong organic growth in the first quarter of 2018,” says Bernd Kleinhens, Chairman of the Management Board of NORMA Group. “This shows that our products are in high demand on the market and is reflected in the increased sales forecast for 2018. However, high raw material prices and negative currency effects had a negative impact on earnings. We want to sustainably strengthen our market position in the future. That is why we are continuing to invest in new technologies and markets. Our recent acquisition of the Indian water management solutions specialist Kimplas is another step toward ensuring steady growth in one of our focus areas.”

The acquisition of 100 percent of the shares in Kimplas Piping Systems Ltd. is expected to be completed in mid-2018. Kimplas products include compression fittings, sprinklers and drippers, valves, filters and electrofusion fittings such as tapping tees for gas and water pipes.

### Growth in all three regions

In the EMEA (Europe, Middle East and Africa) region, sales rose by 3.4 percent to EUR 132.2 million in the first quarter of 2018 compared to the same period of the previous year (Q1 2017: EUR 127.9 million). This growth is due in particular to the good business in the automotive sector, which is attributable to the generally good environment in the industry with rising production and sales figures.

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In the Americas region, NORMA Group increased sales in the first quarter of 2018 by 7.7 percent to EUR 107.3 million compared to the same period of the previous year (Q1 2017: EUR 99.7 million). The market for commercial vehicles and agricultural machinery significantly recovered, leading to a good order situation in the automotive industry. The Water Management division also developed very positively after weather-related weaknesses in fiscal year 2017.

In the Asia-Pacific region, sales grew significantly by 20.9 percent to EUR 33.1 million from January to March 2018 compared to the first quarter of 2017 (Q1 2017: EUR 27.4 million). Growth was driven primarily by strong customized solutions business for the automotive industry, which benefited from the high demand for joining technology, particularly in China.

### Equity ratio rises again

Group equity amounted to EUR 552.6 million on March 31, 2018, an increase of 3.4 percent compared to the end of last year (December 31, 2017: EUR 534.3 million). The equity ratio rose to 42.3 percent (December 31, 2017: 40.7 percent). Net debt, including hedging instruments, as of March 31, 2018, amounted to EUR 361.4 million (December 31, 2017: EUR 344.9 million). This was mainly due to a decline in cash and cash equivalents due to cash outflows from operating and investing activities. As of the reporting date, March 31, 2018, NORMA Group employed a total of 8,120 employees worldwide, including temporary workers (December 31, 2017: 7,667).

### Sales forecast for fiscal year 2018 increased

NORMA Group has grown stronger than expected in the first three months of 2018. On the basis of group sales from January until April 2018 as well as the expected group sales until year end the Management Board of NORMA Group SE increased its sales forecast for fiscal year 2018 on May 7, 2018. The company thus expects sales to rise organically by around 5 to 8 percent in 2018 compared to 2017. The Management Board previously expected a solid organic growth of around 3 percent to 5 percent. In addition, revenues of around EUR 5 million are expected from the acquisition of Fengfan. The goal is to achieve a sustained adjusted EBITA margin at the same level of previous years of over 17 percent (2017: 17.2 percent, 2016: 17.6 percent 2015: 17.6 percent).

### NORMA Group in figures

Key figures at a glance (in EUR millions)	1st Quarter 2018	1st Quarter 2017	4th Quarter 2017
Income statement	01/01 – 03/31/2018	01/01 – 03/31/2017	10/01 – 12/31/2017
Sales	272.6	254.9	253.6
Adjusted EBITA*	45.7	45.0	40.1
Adjusted EBITA margin*	16.8%	17.7%	15.8%

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Balance sheet	03/31/2018	03/31/2017	12/31/2017
Total assets	1,307.6	1,363.7	1,312.0
Equity	552.6	505.0	534.3
Equity ratio	42.3%	37.0%	40.7%
Net debt**	361.4	407.4	344.9

*\*Adjustments: Q1/2018 for acquisition-related costs (EUR 0.5 million) and step-up effects from purchase price allocations (EUR 0.9 million); in Q1/2017 by integration costs, step up effects from purchase price allocations and depreciation from purchase price allocations; Q4/2017 for integration costs, step-up effects from purchase price allocations, reimbursement of transaction taxes and depreciation from purchase price allocations*

*\*\*Net debt including hedging instruments (hedging instruments EUR 1.9 million on 03/31/2018; EUR 2.3 million on 03/31/2017; EUR 1.4 million on 12/31/2017)*

Additional information is available in the Investor Relations section on [www.investors.normagroup.com](http://www.investors.normagroup.com).  
Press photos are available from our platform at [www.normagroup.com/images](http://www.normagroup.com/images).

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### About NORMA Group

NORMA Group is an international market and technology leader in engineered joining technology (joining, connecting and fluid handling technology). The company manufactures a wide range of innovative connecting solutions and water management technology offering more than 40,000 products to customers in 100 countries with around 8,100 employees. NORMA Group helps its customers and business partners react to global challenges such as climate change and increasing scarcity of resources. NORMA Group joining products can be found in vehicles and trains, ships and aircraft, buildings and water management as well as in applications for the pharmaceutical and biotechnology industry. In 2017 the company generated sales of around EUR 1.02 billion. NORMA Group operates a global network of 27 production facilities as well as numerous sales and distribution sites across Europe, the Americas, and Asia-Pacific. NORMA Group has its headquarters in Maintal, Germany. NORMA Group SE is listed on the German stock exchange (Prime Standard) and included in the MDAX index.

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### 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.