



NORMA Group SE

Second Quarter 2020 Results

Maintal,
August 5, 2020



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Facts & Figures Q2 2020 – Financials



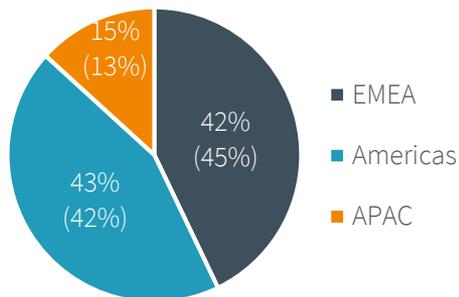
Sales	Sales down by -33.8% to EUR 191.5 million (Q2 2019: EUR 289.0 million)
Adjusted EBITA (margin)	Adjusted EBITA at EUR -22.5 million (Q2 2019: EUR 40.9 million), including EUR 21.5 million costs related to the change program „Get on Track“; margin of -11.8% (Q2 2019: 14.2%)
Adjusted EBIT (margin)	Adjusted EBIT at EUR -24.6 million (Q2 2019: EUR 38.9 million), including EUR 21.5 million costs related to the change program „Get on Track“; margin of -12.9% (Q2 2019: 13.4%)
Net Operating Cash Flow	Positive Net Operating Cash Flow of EUR 1.9 million (Q2 2019: EUR 28.8 million), including EUR 21.5 million costs related to the change program „Get on Track“
Balance Sheet	Equity ratio of 40.9% (Dec. 31, 2019: 41.6%) Net Debt at EUR 414 million (Dec. 31, 2019: EUR 421 million)
AGM 2020	All agenda items approved by AGM on June 30, 2020, including a dividend of EUR 0.04 per share
Guidance 2020	Impact of the COVID-19 pandemic cannot be reliably estimated by the time of the publication of the Q2 2020 results; Guidance for fiscal year 2020 due to the current market conditions not yet possible

Top Line Development

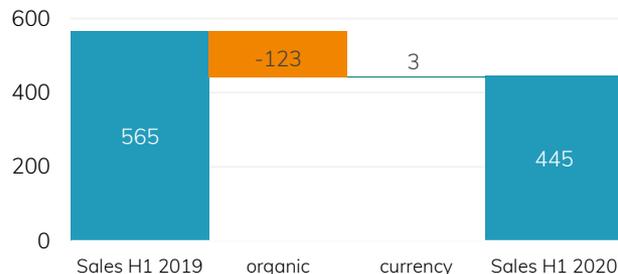
Sales Development in EUR million*

Sales	2019	2020	Change	Change in %	Thereof organic	Thereof currency
Q1	275.6	253.6	-22.0	-8.0%	-8.9%	0.9%
Q2	289.0	191.5	-97.6	-33.8%	-33.9%	0.1%
H1	564.7	445.0	-119.6	-21.2%	-21.7%	0.5%

Regional Split (in % actual vs. (prev. year))



Sales Development*



- Organic decline of 33.9% in Q2 2020 resulting from
 - a weak EJT and DS business in all regions due to COVID-19 related shut-downs
 - noticeable organic growth (Q2 2020: 6.0%) of the US water business NDS
- EUR 0.4 million or 0.1% positive currency effects in Q2 2020

* Deviations may occur due to commercial rounding.

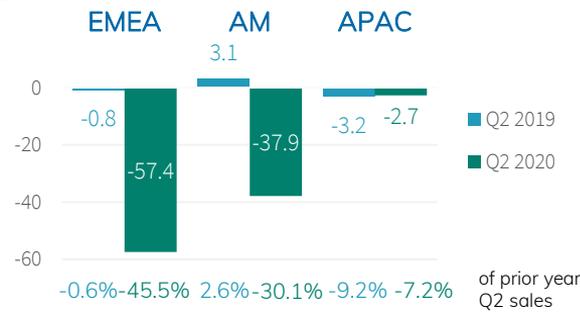
Segment Reporting in Q2 and H1 2020

Q2 2020 Net Sales

(in EUR million)

Q2 2020 Organic Growth

(in EUR million)



H1 2020 Net Sales

(in EUR million)

H1 2020 Organic Growth

(in EUR million)



EMEA

- EJT: production reductions following the shutdowns at European OEMs due to the COVID-19 pandemic lead to an organic decline of 29.4% in H1 2020 (Q2 2020: -52.6%)
- DS: organic decline of 19.2% in H1 2020 (Q2 2020: -25.8%) due to destocking and economic downturn in the COVID-19 pandemic

Americas

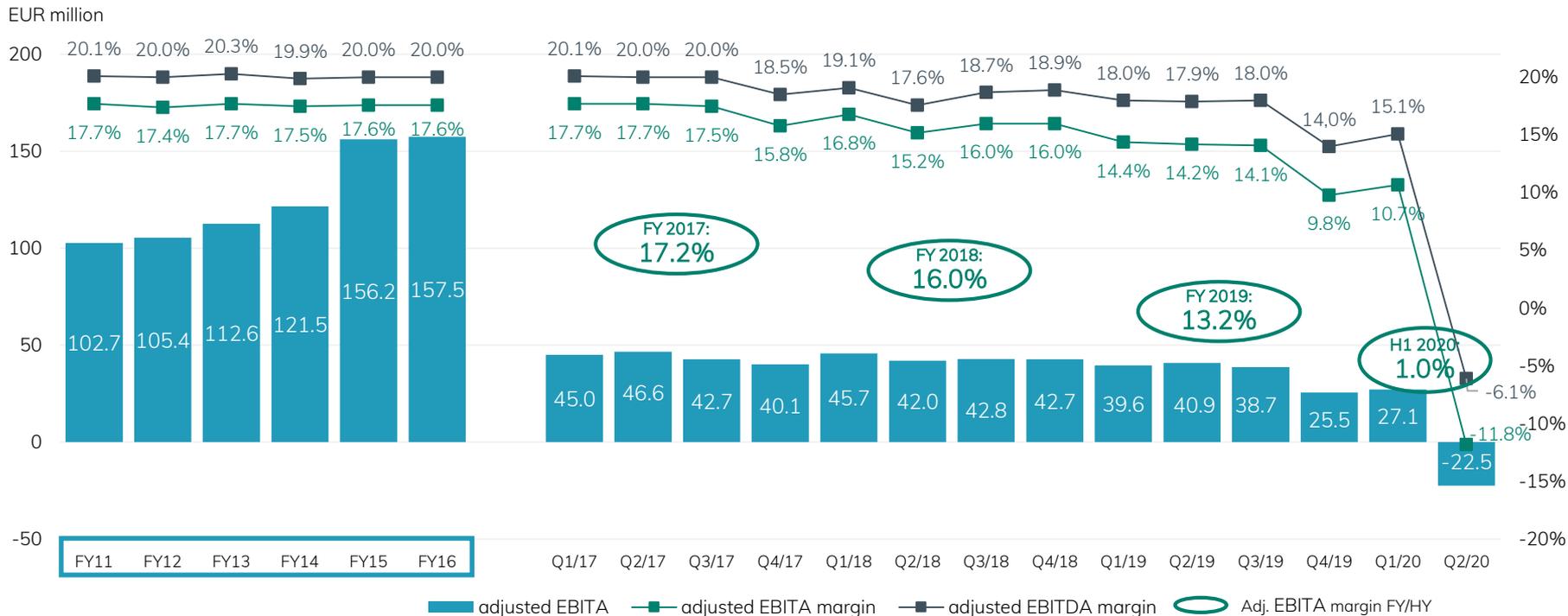
- EJT: production reductions following the shutdowns at US OEMs due to the COVID-19 pandemic lead to an organic decline of 40.5% in H1 2020 (Q2 2020: -64.5%)
- DS: slight organic decline of 2.9% in H1 2020 (Q2 2020: -2.6%), with water management growing 4.4% in H1 2020 (Q2 2020: 6.0%)

APAC

- EJT: already showing organic growth of 5.4% in Q2 2020 - recovery after COVID-19 related shutdowns leading to an only slight organic decline of 0.7% in H1 2020
- DS: production reductions following the shutdowns due to the COVID-19 pandemic lead to an organic decline of 19.0% in H1 2020 (Q2 2020: -25.5%)

Margin Development

- EBITA margin highly influenced by costs related to the change program „Get on Track“
- EBITA margin excl. costs related to the change program „Get on Track“ at 5.9% in H1 2020
- EBITDA margin excl. costs related to the change program „Get on Track“ at 10.8% in H1 2020



Adjusted P&L Development

- Gross profit margin decreased in Q2 2020 compared to Q2 2019 mainly due to higher destocking; Material cost ratio stable
- Personnel expenses ratio increased in Q2 (44.6%) compared to Q1 (30.3%) mainly due to costs related to the change program „Get on Track“
- Other operating income and expenses ratio only increased to 15.4% in Q2 2020 mainly due to the reduction of temp workers
- Adjusted EBITA margin in H1 2020 decreased to 1.0% and adjusted EBIT margin decreased to 0.1% in H1 2020, both including EUR 22.1 million costs related to the change program „Get on Track“ (GoT)

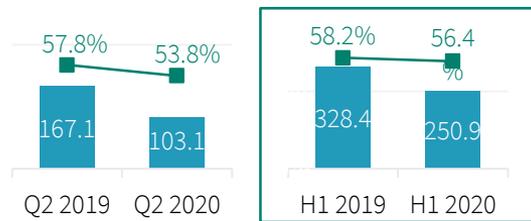
Material Costs

(in EUR million and % of sales)



Gross Profit

(in EUR million and % of sales)



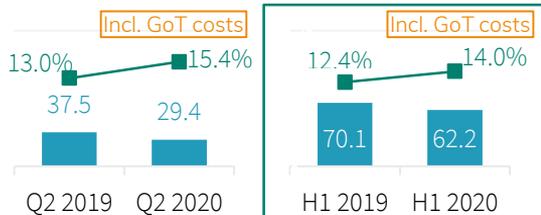
(Adjusted) Personnel Expenses

(in EUR million and % of sales)



Net Expenses from adj. other oper. Income and Expenses

(in EUR million and % of sales)



Adjusted EBITA

(in EUR million and % of sales)



Adjusted EBIT

(in EUR million and % of sales)



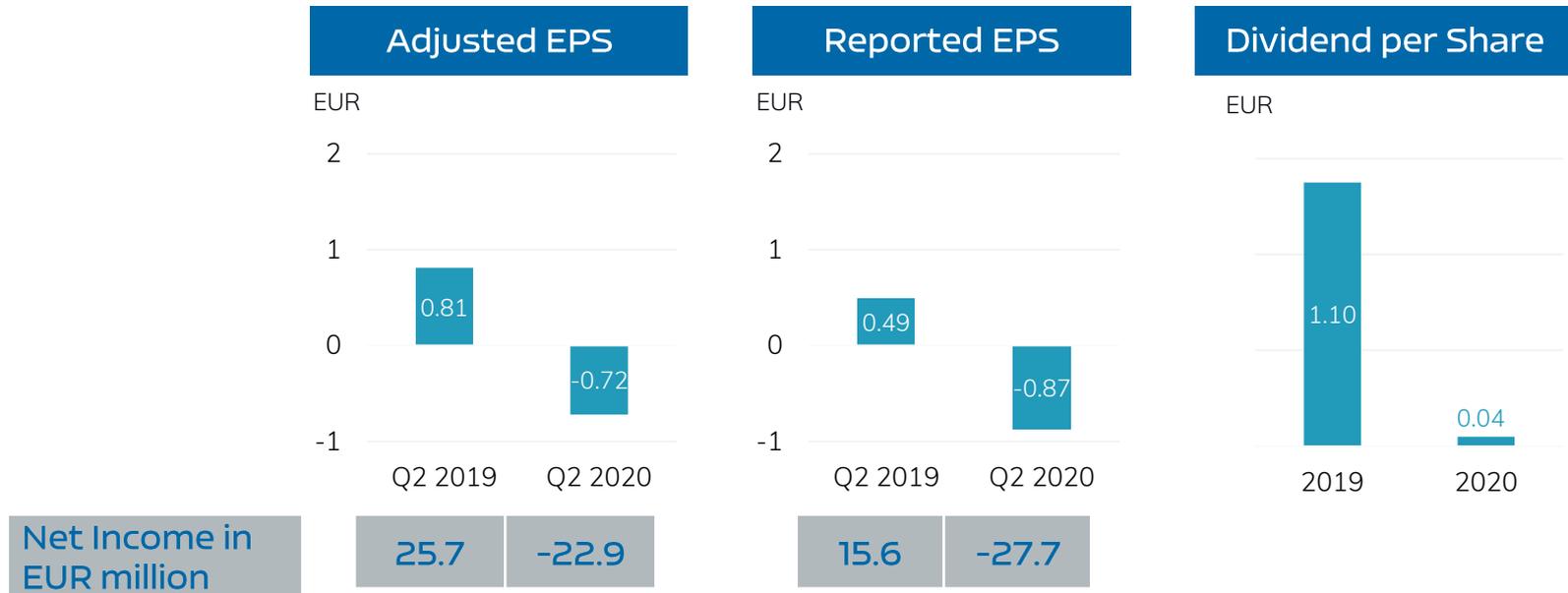
Operational Adjustments H1 2020

- No adjustment of costs related to the change program „Get on Track“ leading to the same reported and adjusted EBITDA
- EUR 22.1 million costs related to the change program „Get on Track“ in H1 2020 are not shown on an adjusted basis
- PPA adjustments of EUR 12.8 million on EBIT level
- Total adjustments per share of EUR 0.31

in EUR million	Reported	Adjustments	Adjusted
Sales	445.0		445.0
EBITDA	26.5	0	26.5
EBITDA margin	5.9%		5.9%
EBITA	3.1	1.5 (depreciation PPA)	4.6
EBITA margin	0.7%		1.0%
EBIT	-12.4	12.8 (incl. EUR 11.3 million amortization PPA)	0.5
EBIT margin	-2.8%		0.1%
Net Profit	-16.8	9.6 (incl. EUR -3.2 million post tax effect)	-7.2
Net Profit margin	-3.8%		-1.6%
EPS (in EUR)	-0.53	0.31	-0.22

Earnings per Share

- Adjusted and reported EPS negatively impacted by the COVID-19 pandemic and costs related to the change program „Get on Track“
- Dividend of EUR 0.04 per share approved by virtual AGM on June 30, 2020



Net Debt and Net Debt Ratios

- Equity Ratio of 40.9% (Dec. 31, 2019: 41.6%) with a slight decline due to a negative net profit and dividend payment
- Leverage increases to 3.7 due to lower EBITDA while net debt decreases by 1.5% to EUR 414 million compared to year end 2019, due to strict cash management
- Leverage excluding the costs related to the change program „Get on Track“ – which is the leverage relevant for financing contracts and covenants – was at 3.1x

Net Debt (in EUR million)

in EUR million



Equity Ratio

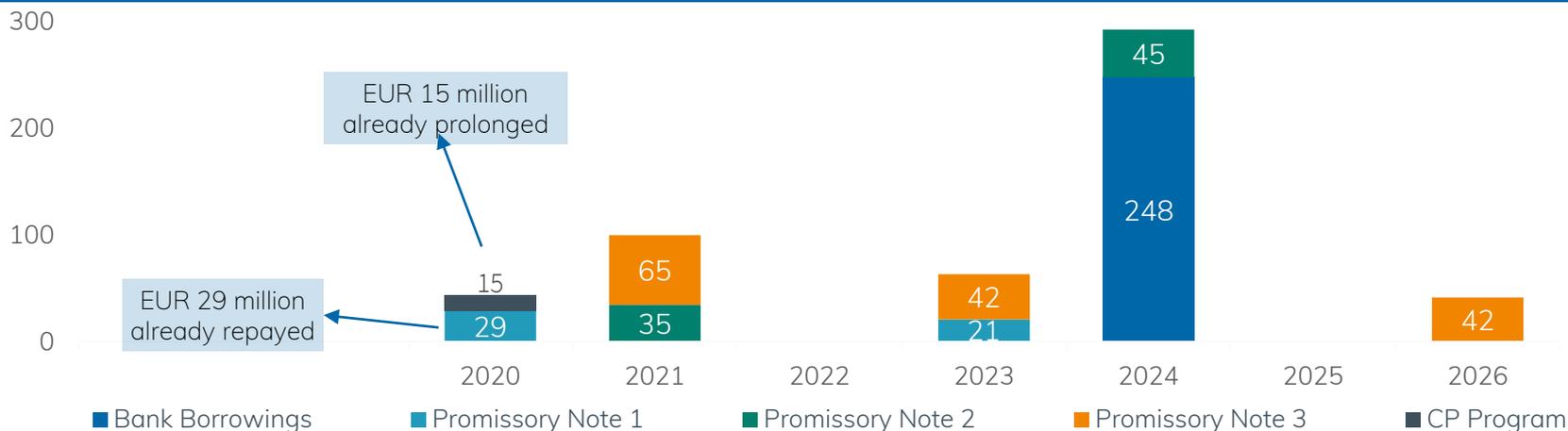
	Dec 31, 2019	Jun 30, 2020
Equity Ratio (equity / balance sheet total)	41.6%	40.9%

Debt Ratios

	Dec 31, 2019	Jun 30, 2020
Leverage (Net debt / (adjusted) EBITDA)	2.2 x	3.7 x
Gearing (Net debt / equity)	0.7 x	0.7 x

Solid Maturity Profile

Maturity Profile (in EUR million) – Financial Instruments*



Covenants**

Net Debt / EBITDA	Bank Borrowings	Promissory Notes
> 3.25	-	margin step up 75 BP
> 3.75	margin step up 50 BP	repayment review in March 2021

- Solid long-term maturity profile
- No covenant breach possible at least until March 2021
- Repayments scheduled for 2020 already repayed or prolonged
- Overall available committed credit lines amounting to EUR 130 million

* as of December 31, 2019

** Interest rates depending on instrument, duration and currency between 70 BP and 175 BP (before step ups)

Cash Flow Development

Net Operating Cash Flow

in EUR million	Q2 2019	Q2 2020	Variance*	H1 2019	H1 2020	Variance*
(Adjusted) EBITDA	51.6	-11.7	-122.7%	101.3	26.5	-73.8%
Δ ± Trade Working capital	-10.5	20.6	+296.2%	-48.6	-3.6	-92.6%
Net operating cash flow before investments from operating business	41.1	8.9	-78.4%	52.7	22.9	-56.6%
Δ ± Investments from operating business	-12.3	-7.0	-43.1%	-24.1	-14.3	-40.7%
Net Operating Cash Flow	28.8	1.9	-93.4%	28.6	8.5	-70.3%

- EBITDA decreased due to COVID-19 related shutdowns and costs related to the change program „Get on Track“
- Strict working capital management lead to inflow of EUR 20.6 million in Q2 2020
- Factoring programs down to EUR 51 million on June 30, 2020 (Dec. 31, 2019: EUR 70 million)
- CAPEX spendings decreased to EUR 7.0 million in Q2 2020 (Q2 2019: EUR 12.3 million); CAPEX spendings in H1 2020 decreased to EUR 14.3 million (H1 2019: EUR 24.1 million)
- Positive net operating cash flow despite significant decrease in EBITDA

NORMA Value Added (NOVA)



NORMA Value Added*

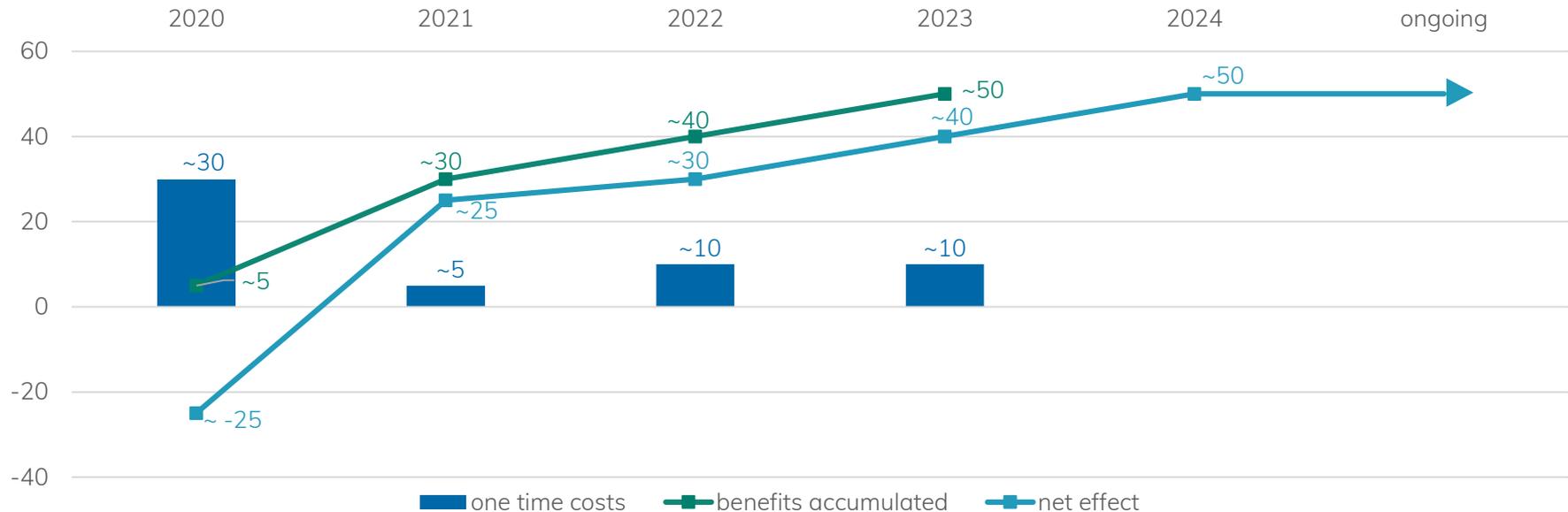
in EUR million	Q2 2019	Q2 2020	H1 2019	H1 2020
Adjusted EBIT after taxes	28.3	-19.5	56.2	0.5
Capital Cost (WACC x CE per January 1st)	-17.7	-20.8	-35.2	-41.2
NOVA	10.5	-40.3	21.1	-40.7

- NORMA Group determines the annual value creation in form of the so-called NORMA Value Added (NOVA)
- NOVA is NORMA Group's long term strategic target and is calculated on the basis of adjusted EBIT, tax rate and the cost of capital
- The cost of capital is defined by the weighted average cost of capital (WACC) and the capital employed (equity plus net debt)

* Deviations may occur due to commercial rounding.

„Get on Track“– Costs & Benefits* Timeline

- “Get on Track” program accelerated also due to COVID-19 pandemic
- EUR 21.5 million costs in Q2 2020 related to location projects lead to increased costs in 2020 of EUR 30 million
- First benefits include improvements in purchasing and product portfolio



* All figures are given approximately according to current planning

Outlook 2020 – Company Guidance currently not possible



- Impact of the COVID-19 pandemic cannot be reliably estimated by the time of the publication of the Q2 2020 results
- Guidance for fiscal year 2020 due to the current market conditions not yet possible

Challenges – Market Situation

Coronavirus (COVID-19)

Uncertainty regarding potentially upcoming second wave of the COVID-19 pandemic

Automotive

Weak sector due to global economic situation and upcoming powertrain technologies as well as cyclical weakness in uncertain times

Distribution Services

Some positive effects due to critical infrastructure products and products for medical use

COVID-19 Specific Actions

Market Situation

Ongoing monitoring of COVID-19 development and market demand situation

Supply Chain

Ongoing monitoring and screening of supply chains for any potential impact

Employee Health

Preventive measures and guidelines, such as home office regulations, travel restrictions and hygiene measures taken

Short Term Actions

Temp Workers

Make use of flexibility in workforce and decrease of temp workers

Production

Factories in all regions up and running after shutdown

Cash Management

Good cash situation also due to strict working capital management and less CAPEX spending

Mid & Long Term Actions

Rightsizing

Optimization program of production landscape, organizational structures and harmonization of processes and systems worldwide

“Get on Track”

Additional change program focusing on operational excellence, structural improvements regarding plants, product portfolio and purchasing processes

Post COVID-19

Prepare the organization for recovery post COVID-19 crisis

Appendix



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Facts &

Figures FY 2019



Facts and Figures FY 2019 – Financials (I/II)

Sales

Sales at EUR 1,100.1 million (2018: EUR 1,084.1 million); growth of 1.5%

Organic revenue

Organic decline of -2.0% in 2019 (2018: +7.7%)

Adjusted EBITA

Adjusted EBITA at EUR 144.8 million (2018: EUR 173.2 million)

Margin

Adjusted EBITA margin at 13.2% (2018: 16.0%)

EPS

Adjusted EPS at EUR 2.76 (2018: EUR 3.61)
Reported EPS at EUR 1.83 (2018: EUR 2.88)

NOVA

NORMA Value Added* at EUR 17.3 million (2018: EUR 60.8 million)

* NOVA = [adj. EBIT x (1-t)] – (WACC x capital employed per January 1st)

Facts and Figures FY 2019 – Financials (II/II)



Equity

Strong balance sheet with an equity ratio of 41.6% (2018: 40.9%) despite dividend payments and higher balance sheet total

Net Debt

Net debt increased to EUR 420.8 million (2018: EUR 400.3 million) including dividend payments and IFRS16

Leverage

Net debt / adj. EBITDA leverage increased to 2.2x (2018: 1.9x) also due to IFRS 16 effects

Net Operating Cash Flow

Stable net operating cash flow of EUR 122.9 million (2018: EUR 124.4 million)

Dividend

Proposal for suspension of dividend for the fiscal year 2019 to the postponed AGM on June 30, 2020

NOVA

NOVA at EUR 17.3 million (2018: EUR 60.8 million)

Profit & Loss, Segment Reporting

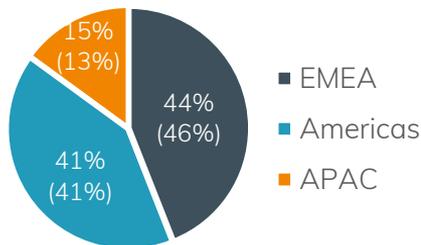


Top Line Development

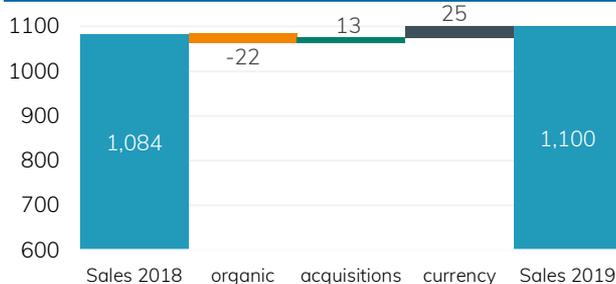
Sales Development in EUR million

Sales	2018	2019	Change	Change in %	thereof organic	thereof acquisitions	thereof currency
Q1	272.6	275.6	+ 3.0	+ 1.1%	- 4.2%	+ 2.3%	+ 3.1%
Q2	276.4	289.0	+ 12.6	+ 4.6%	- 0.4%	+ 2.4%	+ 2.5%
Q3	268.1	274.0	+ 5.9	+ 2.2%	- 0.1%	+ 0.2%	+ 2.1%
Q4	267.0	261.4	- 5.6	- 2.1%	- 3.3%	0.0%	+ 1.2%
FY	1,084.1	1,100.1	+ 16.0	+ 1.5%	- 2.0%	+ 1.2%	+ 2.3%

Regional Split (in % actual vs. (prev. Year))



Sales Development



- Organic decline of 2.0% in 2019 resulting from

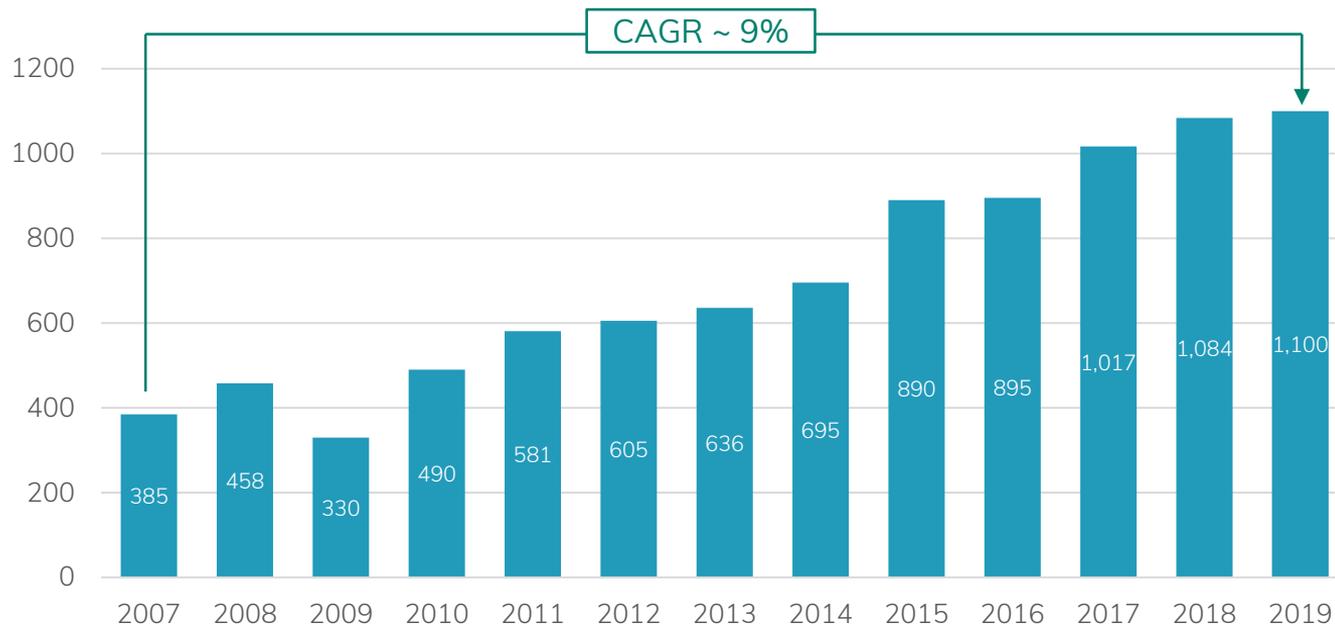
- a weak EJT business in the Americas and EMEA
- strong organic growth of the US water business NDS

- EUR 10.3 million sales contribution from the acquisitions of Kimplas and EUR 3.0 million from Statek

- EUR 24.4 million positive currency effects

Revenue Track Record

Revenue Development in EUR million



Thereof Organic Growth

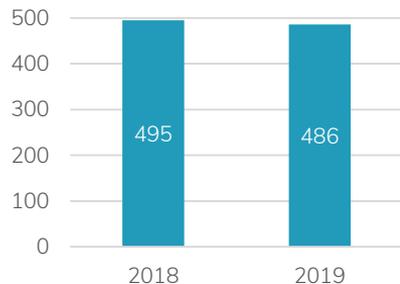
year	EUR million	%
2011	65.6	13.4%
2012	-10.8	-1.9%
2013	15.1	2.5%
2014	41.3	6.5%
2015	25.9	3.7%
2016	7.6	0.9%
2017	77.0	8.6%
2018	78.6	7.7%
2019	-21.6	-2.0%
∅ 9 years		4.4%

2007 to 2019: 12 years of ca. 9% CAGR

Segment Reporting: EMEA

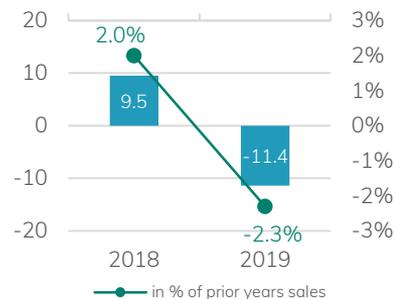
Net Sales

(in EUR million)



Organic Decline

(in EUR million)



Acquisitions

(in EUR million)



Currency Effects

(in EUR million)



- Organic Decline**

Weak automotive sector led to decline in EJT of -2.4%, while DS was also trending down in Q4 with -1.9% for the full year

- Acquisitions**

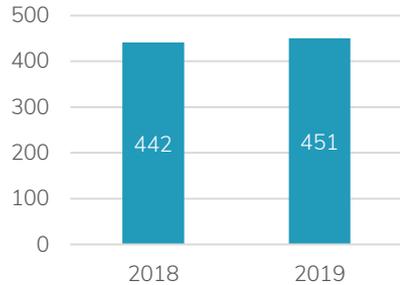
Acquisition of Statek had a positive impact of EUR 3 million or 0.6% on group sales

- Currency Effects**

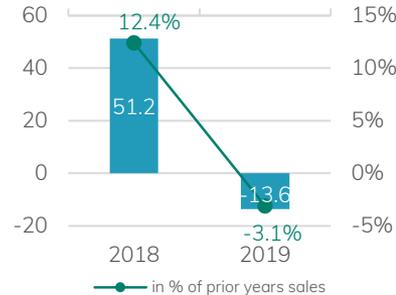
Minor currency effect (translation) of -0.1% or EUR 0.3 million

Segment Reporting: Americas

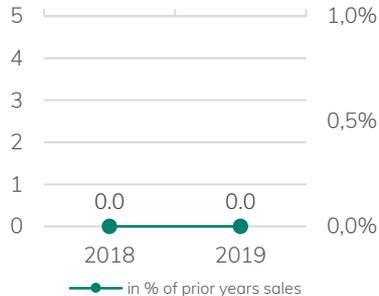
Net Sales (in EUR million)



Organic Decline (in EUR million)



Acquisitions (in EUR million)



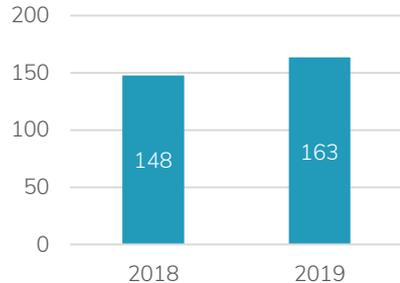
Currency Effects (in EUR million)



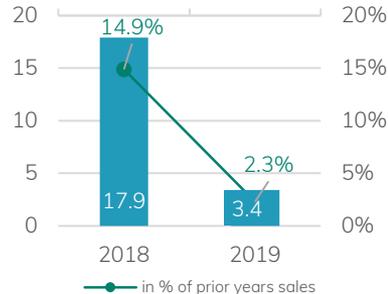
- Organic Decline**
 Strong organic growth of NDS was more than offset by strong organic decline of EJT business (especially in Q4) caused by strikes and weak automotive business
- Acquisitions**
 No M&A effects in the Americas in 2019
- Currency Effects**
 EUR 22.9 million or 5.2% positive currency effect on group sales

Segment Reporting: Asia-Pacific

Net Sales (in EUR million)



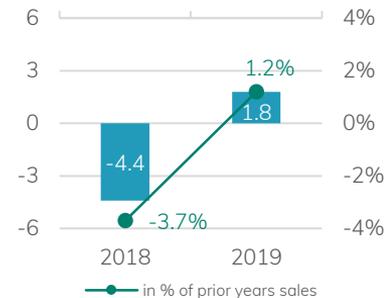
Organic Growth (in EUR million)



Acquisitions (in EUR million)



Currency Effects (in EUR million)



- Organic Growth

Despite a very weak Chinese market, EJT grow moderately with a very good recovery in Q4. DS with a slightly positive organic growth, resulting for the region in an overall moderate organic growth of 2.3%

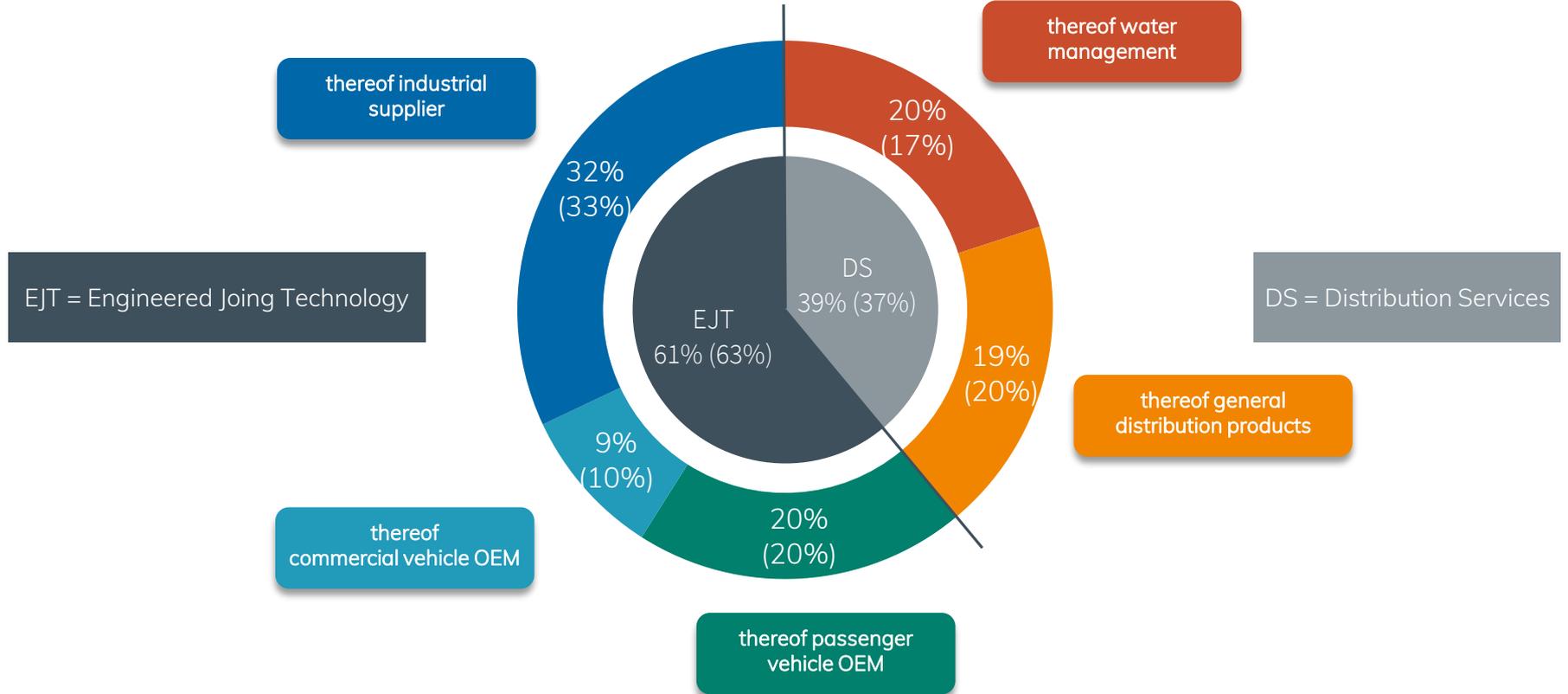
- Acquisitions

The acquisition of Kimplas had a positive effect of EUR 10.3 million or 7.0%

- Currency Effects

Positive translation effects of EUR 1.8 million or 1.3% on group sales

Balanced Industry Mix with two strong Ways to the Market*



* FY 2019 (2018 in brackets)

Adjusted EBITA Development

- Material costs ratio improved by 20 BP with stabilizing raw material prices and lower changes in inventories compared to prior year
- Personnel cost ratio higher at 27.5% (2018: 25.9%) due to payments for a former board member and prior years' bonus provision release
- Other operating income and expenses as well as depreciation are affected by first time adoption of IFRS 16

Adjusted Material Costs

(in EUR million and % of sales)



Adjusted Gross Profit

(in EUR million and % of sales)



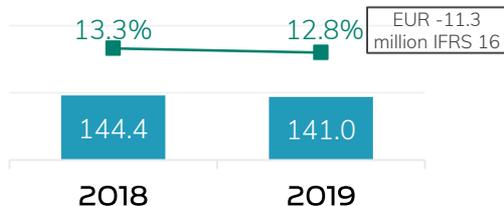
Adjusted Personnel Expenses

(in EUR million and % of sales)



Adj. other oper. Income and Expenses

(in EUR million and % of sales)



Adjusted Depreciation

(in EUR million and % of sales)

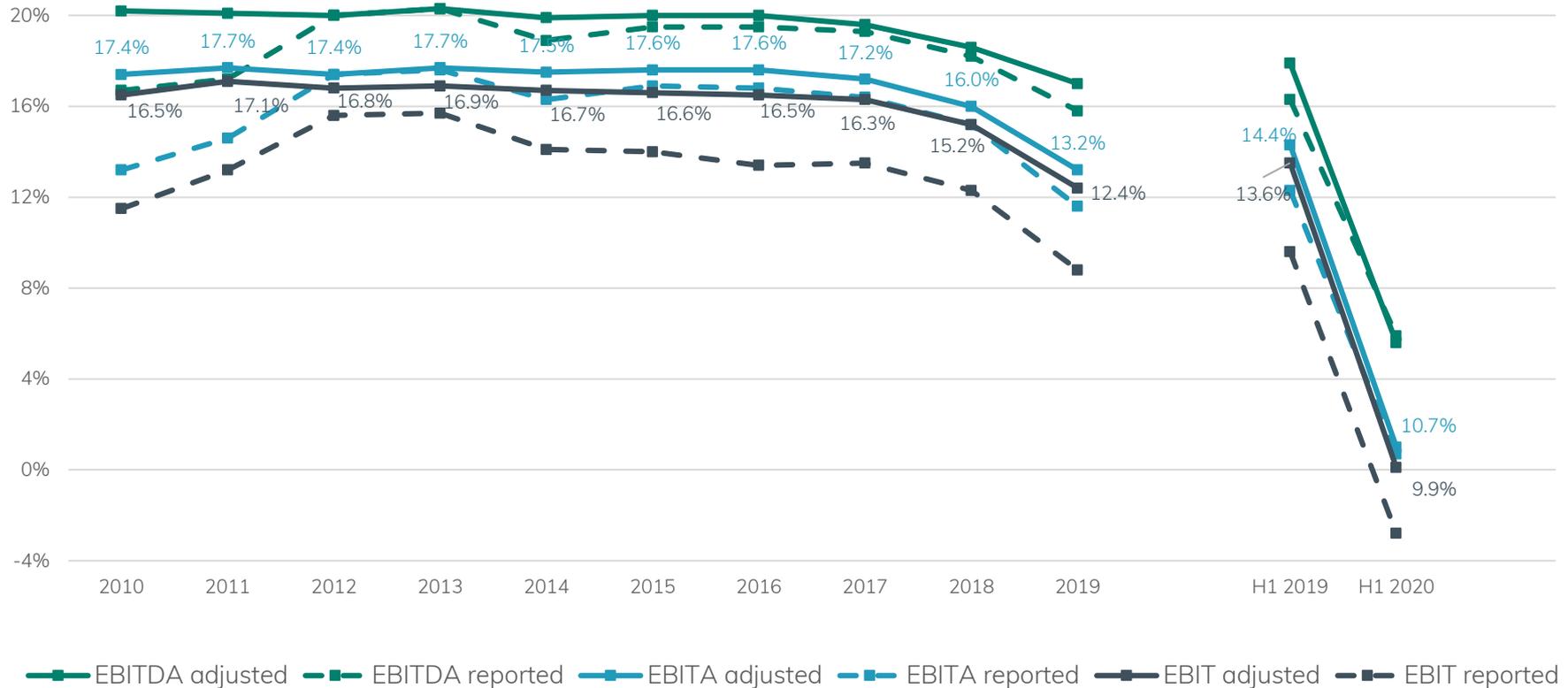


Adjusted EBITA

(in EUR million and % of sales)



Margin Development Adjusted and Reported since IPO



Operational Adjustments on EBIT and EBITA level

Adjustments from rightsizing costs of EUR 13.1 million in 2019

in EUR million	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Reported EBITA	64.9	84.7	105.2	112.1	113.3	150.5	150.4	166.8	164.8	127.9
+ Acquisition and Rightsizing Costs*	17.5	16.8	0	0	6.9	3.6	4.8	3.5	4.4	13.4
+ PPA Depreciation	3.0	1.2	0.3	0.5	1.3	2.2	2.3	4.2	4.0	3.5
Total Adjustments	20.5	18.0	0.3	0.5	8.2	5.8	7.1	7.7	8.4	16.9
Adjusted EBITA	85.4	102.7	105.4	112.6	121.5	156.3	157.5	174.5	173.2	144.8

Reported EBIT	56.3	76.6	94.4	99.5	97.8	124.8	120.0	137.8	133.5	96.7
+ Acquisition and Rightsizing Costs*	17.5	16.8	0	0	6.9	3.6	4.8	3.5	4.4	13.4
+ PPA Depreciation	3.0	1.2	0.3	0.5	1.3	2.2	2.3	4.2	4.0	3.5
+ PPA Amortization	4.0	5.1	7.2	7.7	10.1	17.3	20.6	20.5	22.6	22.5
Total Adjustments	24.5	23.1	7.5	8.2	18.3	23.1	27.7	28.2	31.0	39.4
Adjusted EBIT	80.9	99.7	101.9	107.7	116.2	147.9	147.7	166.0	164.5	136.1

* 2010-2011: mostly IPO related costs

Operational Adjustments* 2019

- Operational adjustments on EBITDA level mainly due to the rightsizing program
- Additional PPA adjustments of EUR 26 million on EBIT level from past acquisitions
- Total adjustments per share of EUR 0.93

in EUR million	Reported	Adjustments	Adjusted
Sales	1,100.1		1,100.1
EBITDA	173.8	13.4 (incl. EUR 0.4 million integration costs and EUR 13.1 million Rightsizing costs)	187.2
EBITDA margin	15.8%		17.0%
EBITA	127.9	16.9 (incl. EUR 3.5 million depreciation PPA)	144.8
EBITA margin	11.6%		13.2%
EBIT	96.7	39.4 (incl. EUR 22.5 million amortization PPA)	136.1
EBIT margin	8.8%		12.4%
Net Profit	58.4	29.4 (incl. EUR -10.0 million post tax impact)	87.8
Net Profit margin	8.0%		5.3%
EPS (in EUR)	1.83	0.93	2.76

* Deviations may occur due to commercial rounding.

Outlook on Adjustments 2020 – 2021



- Costs for “Get on Track” change program will not be adjusted
- Ongoing PPA adjustments slightly decreasing over time
- Adjustments on EPS level declining in the upcoming years**

in EUR million	FY 2019	FY 2020*	FY 2021*
EBITDA level	13.4 (incl. EUR 0.4 million integration costs and EUR 13.1 million Rightsizing costs)	0	0
EBITA level	16.9 (incl. EUR 3.5 million depreciation PPA)	ca. 3 (depreciation PPA)	ca. 2 (depreciation PPA)
EBIT level	39.4 (incl. EUR 22.5 million amortization PPA)	ca. 25 (incl. ca. EUR 22 million amortization PPA)	ca. 24 (incl. ca. EUR 22 million amortization PPA)
Net Profit	29.3 (incl. EUR -10.0 million post tax impact)	ca. 19	ca. 18
EPS (in EUR)	0.92	ca. 0.58	ca. 0.56

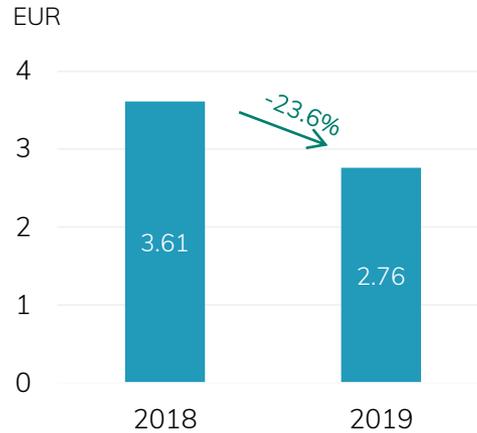
* Depending on foreign exchange rates

** excluding possible new M&A transactions

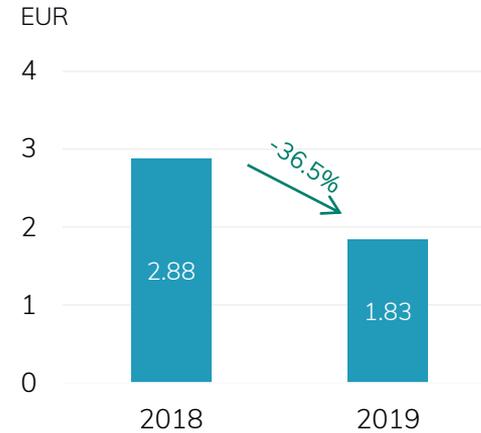
Earnings per Share



Adjusted EPS



Reported EPS



Net Income in EUR
million

114.8

87.8

91.8

58.4

Profit and Loss (adjusted and reported)



in EUR million	Adjusted		Reported	
	2018	2019	2018	2019
Sales	1,084.1	1,100.1	1,084.1	1,100.1
Gross Profit	626.6	630.6	626.2	630.4
EBITDA	201.4	187.2	197.0	173.8
in % of sales	18.6%	17.0%	18.2%	15.8%
EBITA	173.2	144.8	164.8	127.9
in % of sales	16.0%	13.2%	15.2%	11.6%
EBIT	164.5	136.1	133.5	96.7
in % of sales	15.2%	12.4%	12.3%	8.8%
Financial Result	-11.7	-15.5	-11.7	-15.5
Profit before Tax	152.8	120.6	121.9	81.2
Taxes	-38.0	-32.7	-30.1	-22.7
in % of profit before tax	24.9%	27.1%	24.7%	28.0%
Net Profit	114.8	87.8	91.8	58.4

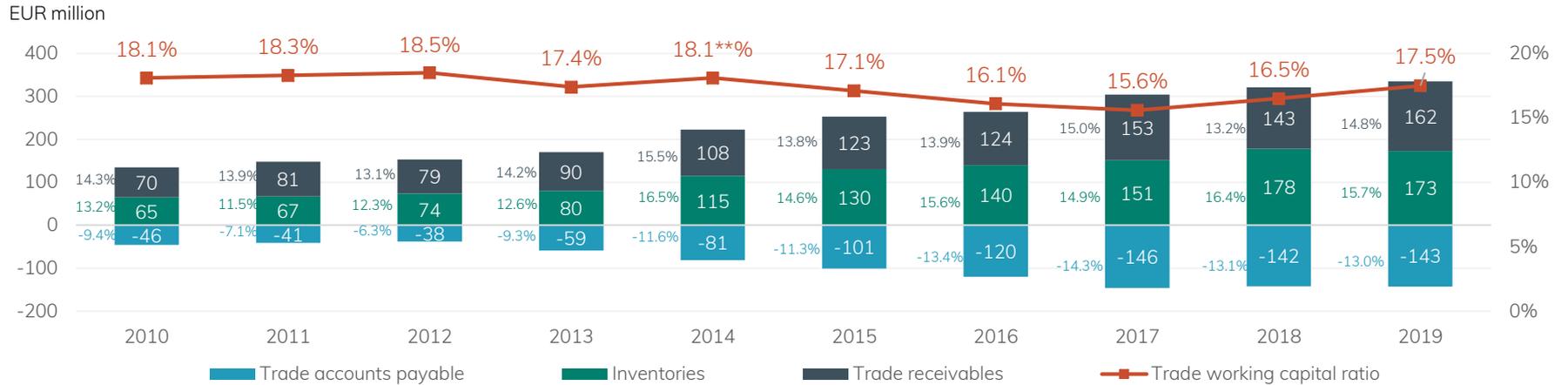
Balance Sheet and Maturity Profile



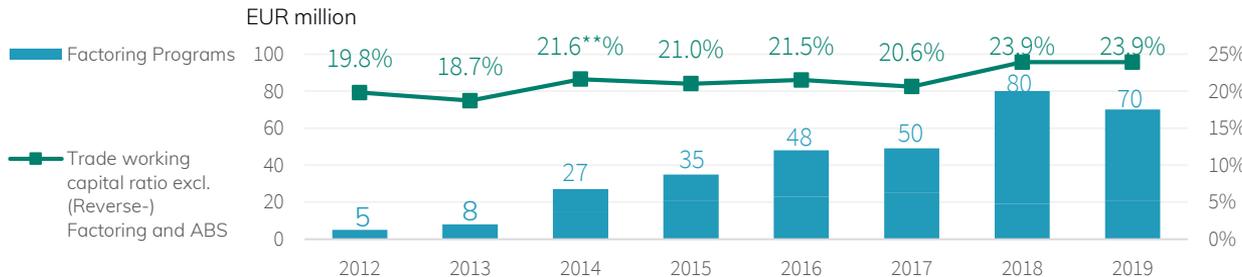
Working Capital Development



Working capital incl. (Reverse-) Factoring and ABS programs



Factoring Programs*



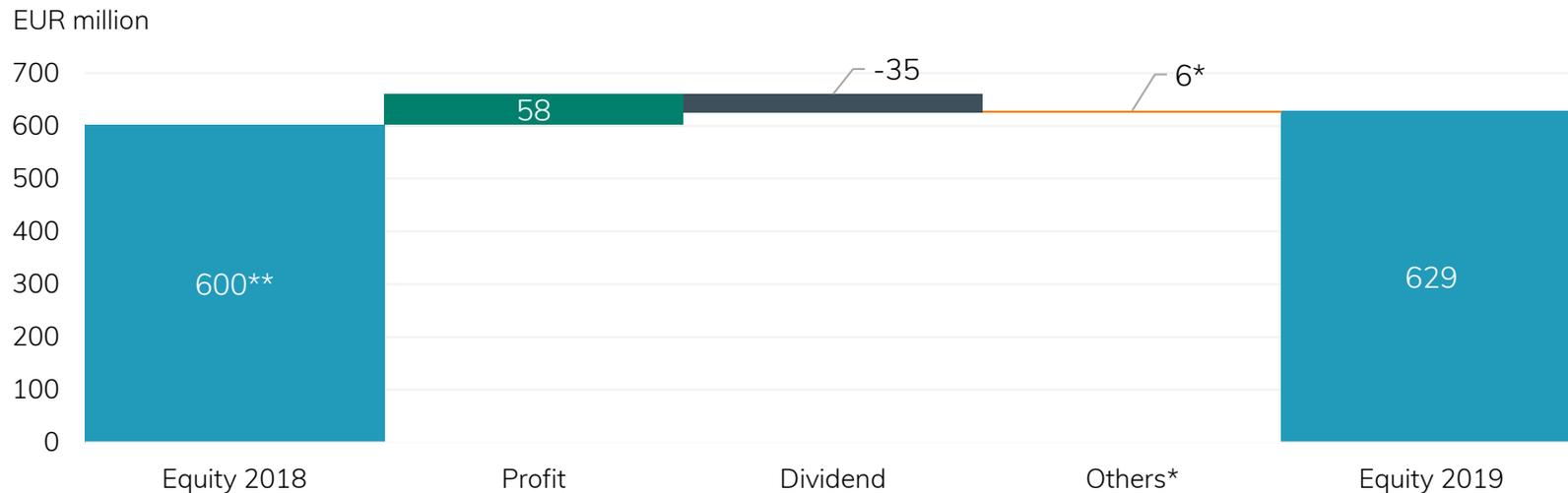
- Increase in working capital to sales ratio in 2019 mainly due to the reduction of ABS and factoring
- Working capital to sales ratio excluding effects of factoring stable

* (Reverse-) Factoring and ABS programs

** in % of sales runrate of EUR 784 million including NDS sales on full year 2014 basis

Equity Ratio on Strong Level of 41.6%

- Equity increased by EUR 27 million with profit of EUR 58 million
- Dividend payment in 2019 for 2018 of EUR 35 million



Balance Sheet Total
(in EUR million)

1,472

1,514

* mainly exchange differences on translation of foreign operations of EUR 9 million

** The first time application of IFRS 16 led to a reduction of the opening balance of equity by EUR 2.0 million

Net Debt and Net Debt Ratios

- Leverage increases to 2.2 (2018: 1.9) and net debt increases by 5.1% to EUR 421 million including dividend payment of EUR 35 million and EUR 39 million due to IFRS 16

Net Debt* (in EUR million)

in EUR million



Debt Ratios

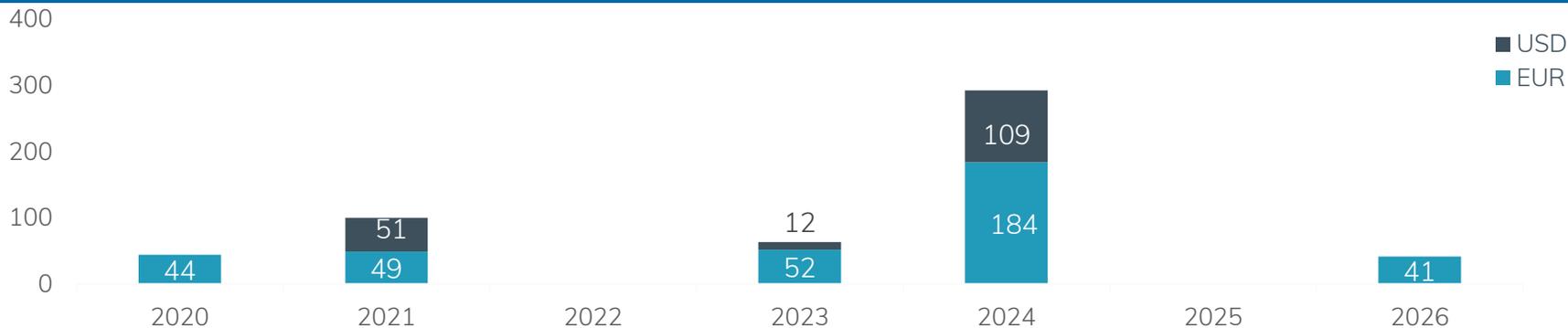
	Dec 31, 2018	Dec 31, 2019
Leverage (Net debt / adjusted EBITDA)	1.9 x	2.2 x
Gearing (Net debt / equity)	0.7 x	0.7 x

Solid Maturity Profile

Maturity Profile (in EUR million) – Financial Instruments



Maturity Profile (in EUR million) – Currencies

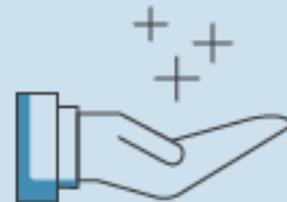


Balance Sheet



in EUR million	Dec 31, 2018	Dec 31, 2019	in EUR million	Dec 31, 2018	Dec 31, 2019
Assets			Equity and liabilities		
Non-current assets			Equity		
Goodwill / Other intangible assets / Property, plant & equipment	916.2	949.3	Total equity	602.5	629.4
Other non-financial assets / Derivative financial assets / Deferred- and income tax assets	12.1	13.5	Non-current and current liabilities		
Total non-current assets	928.3	962.8	Retirement benefit obligations / Provisions	28.8	30.4
Current assets			Borrowings and other financial liabilities	589.9	561.0
Inventories	178.1	173.2	Other non-financial liabilities	27.4	37.0
Other non-financial / other financial / derivative financial / income tax assets	30.6	35.7	Contract liabilities	0.7	0.5
Trade and other receivables	143.1	162.4	Lease liabilities	0.0	38.7
Cash and cash equivalents	190.4	179.7	Tax liabilities and derivative financial liabilities	80.4	74.2
Contract assets	1.2	0.5	Trade payables	142.0	143.1
Total current assets	543.4	551.5	Total liabilities	869.2	884.9
Total assets	1,471.7	1,514.3	Total equity and liabilities	1,471.7	1,514.3

Cash Flow & NORMA Value Added



Strong Cash Flow Development 2011 - 2019



Excellent Cash Flow in challenging 2019

Net Operating Cash Flow

in EUR million	2011	2012	2013	2014	2015	2016	2017	2018	2019	Variance (2019 to 2018)
Adjusted EBITDA	117.0	120.8	129.3	138.4	177.5	179.4	199.7	201.4	187.2	-7.1%
Δ ± Trade Working capital	-19.5	-9.8	+5.1	+10.4	-0.6	+17.0	-19.1	-13.7	-9.5	-30.7%
Net operating cash flow before investments from operating business	97.5	111.0	134.4	148.8	176.9	196.4	180.6	187.7	177.7	-5.3%
Δ ± Investments from operating business	-30.7	-30.0	-30.5	-39.6	-42.2	-47.9	-47.7	-63.3	-54.8	-13.4%
Net Operating Cash Flow	66.8	81.0	103.9	109.2	134.7	148.5	132.9	124.4	122.9	-1.2%

- Due to lower adjusted EBITDA but also less outflow of working capital, net operating cash flow before investments from operating business decreased by EUR 9.9 million to a total of EUR 177.8 million in 2019
- CAPEX spendings of EUR 54.8 million mainly for manufacturing facilities in Czech Republic, Serbia, France, Poland, the US, Mexico and China
- Net operating cash flow of EUR 122.9 million almost on the same level as 2018, including positive IFRS 16 effect of EUR 11.3 million

NORMA Value Added (NOVA) and ROCE



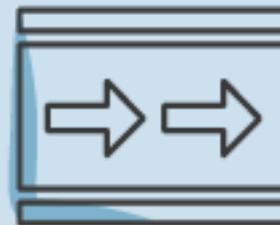
NORMA Value Added

in EUR million	2018	2019
Adjusted EBIT after taxes	123.5	98.4
Capital Cost (WACC x CE per January 1st)	-62.8	-81.1
NOVA	60.8	17.3
ROCE (adjusted EBIT / Ø CE)	17.5%	13.4%*
ROCE (reported EBIT / Ø CE)	14.2%	9.6%*

- The NORMA Value Added (NOVA) is NORMA Group's long term strategic target
- NORMA Group determines the annual value creation in form of the so called NORMA Value Added (NOVA)
- NOVA is calculated on the basis of adjusted EBIT, tax rate and the cost of capital
- The cost of capital is defined by the weighted average cost of capital (WACC) and the capital employed (equity plus net debt)

* excl. IFRS 16; inkl. IFRS 16: ROCE (reported EBIT / Ø CE) = 9.3% and ROCE (reported EBIT / Ø CE) = 13.0%

Outlook and Guidance



Strategy (I/V): Update Rightsizing

Rightsizing	<p>Optimization of the production landscape, which has grown rapidly as a result of acquisitions, organizational structures and further harmonization of processes and systems worldwide</p>	
Scope	<p>The optimization measures have been extended across all regions and also supraregional</p>	
Goal	<p>Further development of the business model to meet the requirements of future strategic growth areas such as water management and electromobility</p>	
Benefit	<p>Program is expected to result in a positive earnings contribution (adjusted EBITA) of around EUR 13 million to EUR 15 million annually from 2021 on</p>	<div style="border: 1px solid #0070C0; padding: 5px; display: inline-block;"> Benefits in progress  </div>
First Successes	<p>Successful relocation of production activities from Russia to Serbia and ongoing relocation from the US to Mexico; Closing of Distribution Center in Netherlands and transfer to an existing Distribution Center</p>	<div style="border: 1px solid #0070C0; padding: 5px; display: inline-block;"> First successes  </div>
Costs*	<p>Final total cost volume of EUR 13.1 million in 2019 and EUR 2.2 million in 2018</p>	<div style="border: 1px solid #0070C0; padding: 5px; display: inline-block;"> Implementation costs  </div>

*Will be shown on an adjusted basis.

Strategy (II/V): „Get on Track“

Change Program “Get on Track” launched

Goal

Change program will set basis for further strategic development and profitable growth of NORMA Group

Key objective to return NORMA to historic profit margin levels

Start execution of holistic performance program to increase efficiency and achieve full profit potential across NORMA Group

Alignment of whole organization along profitability and cash flow generation

Benefits

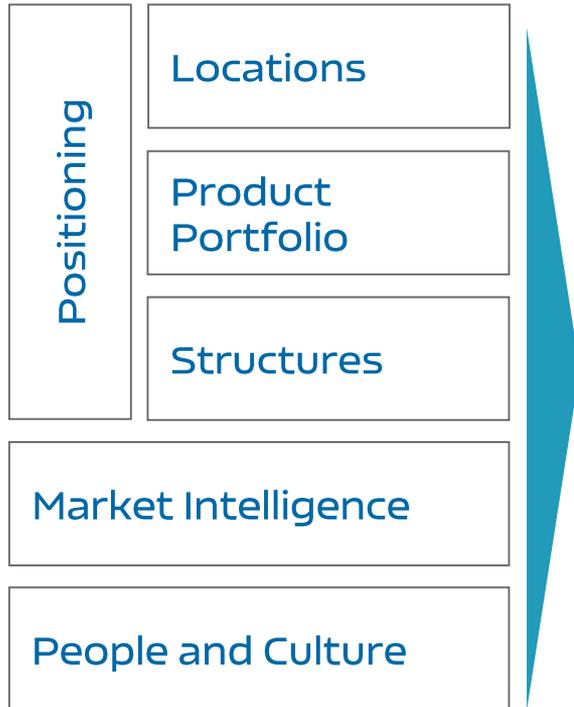
Program is expected to result in a positive earnings contribution (EBITA) per year of around EUR 50 million in 2023

Costs*

Total cost volume accumulated of around EUR 55 million until 2023

Strategy (III/V): „Get on Track“

Scope of “Get on Track”



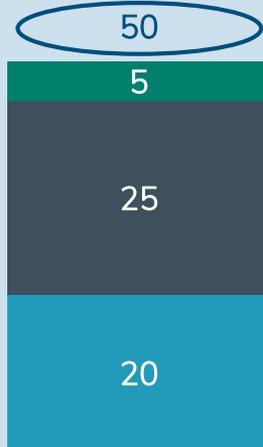
Examples

- Increase share of best cost country production
- Reduction of complexity
- Streamlining of product portfolio through active portfolio management
- Bundle and transfer low volume products and business to wholesaler
- Strengthen commodities strategy
- Focus on best cost country purchasing
- Improvement of structures and processes
- Profound information and transparency on products and markets
- Reliable basis for active portfolio management in structured and transparent systems
- Qualification of personnel according to adjusted processes and structures
- Training of employees

“Get on Track” financials

In EUR million

Savings 2023 p.a.



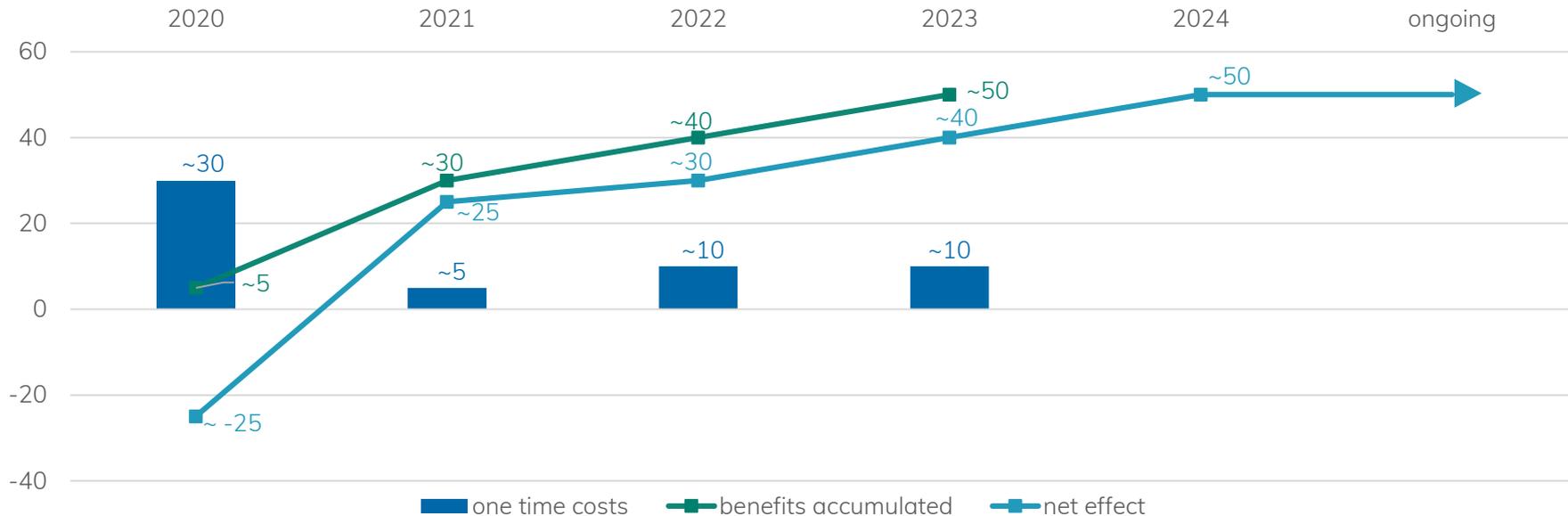
■ Locations ■ Structures & Processes ■ Product Portfolio

Implementation Costs

- Accumulated total cost volume for implementation of around EUR 55 million until 2023.
- Implementation costs will be shown on an unadjusted basis.

„Get on Track“– Costs & Benefits* Timeline

- “Get on Track” program accelerated also due to COVID-19 pandemic
- EUR 21.5 million costs in Q2 2020 related to location projects lead to increased costs in 2020 of EUR 30 million
- First benefits include improvements in purchasing and product portfolio



* All figures are given approximately according to current planning

Outlook 2020 – Strategy

1

Execution of rightsizing- and “Get on Track”-projects as a foundation of further profitable growth

2

Expanding water business

3

Continue to develop product and service solutions for  **eMobility**

4

Continue to explore business opportunities particularly in Asia-Pacific to expand localization and further improve profitability

5

Continue dialogue with potential M&A targets in various industries and regions

6

Close monitoring of market environment due to Coronavirus (COVID-19) and taking appropriate actions

Guidance without COVID-19

Sales	Noticeable organic decline of around – 2% to – 4%
Adjusted EBITA Margin	More than 13%
Adjusted EBIT Margin	More than 12%
Adjusted Material Cost Ratio	Roughly at the same level as in the previous year
Adjusted Personnel Cost Ratio	Roughly at the same level as in the previous year
Financial Result	Up to EUR -15 million
Tax Rate	Around 26% to 28%
Adjusted EPS	Moderate decrease
NOVA	Between EUR 10 million and EUR 20 million

Impact COVID-19

Negative impact expected
Negative impact expected
Negative impact expected
Currently unknown
Currently unknown
Possible negative impact
Currently unknown
Negative impact expected
Negative impact expected

Outlook 2020 – Company Guidance (I/II)



Guidance without COVID-19		Impact COVID-19
Investments in R&D	Around 5% of EJT sales	Currently unknown
Innovations	More than 20 invention applications	No impact expected
Quality	Proportion of defective parts in production to be below the value of 20 parts per million	No impact expected
Quality	Number of quality-related customer complaints per month to be below 8	No impact expected
CAPEX Rate	Operative investments of around 5% of Group sales	Currently unknown
Net Operating Cash Flow	Around EUR 110 million	Currently unknown
Dividend	Approx. 30% to 35% of adjusted net profit for the period	No impact expected

Business Model and Track Record



Specific customer requirements driven by megatrends



Global market and technology leader in joining and fluid handling technology.



Offers more than 40,000 innovative joining solutions in three product categories: **Water, Fluid, Fasten.**



Delivers to more than **10,000 customers** in **100 countries.**



Employees **around 7,500** worldwide.



Operates a global network of **28 manufacturing facilities.**



Numerous sales and distribution sites **across Europe, the Americas and Asia-Pacific.**

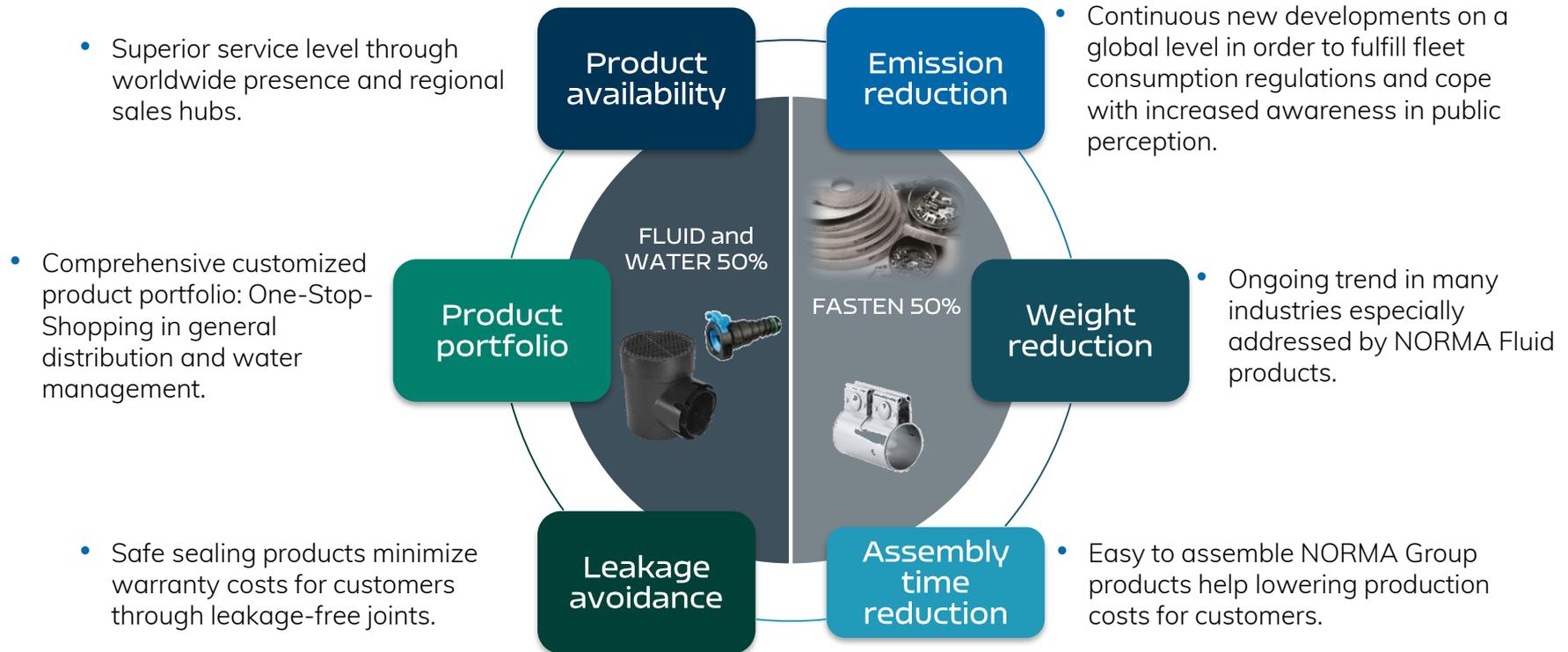


Sales of about **EUR 1,100 million** in **2019.**

NORMA Group – Key Investment Highlights

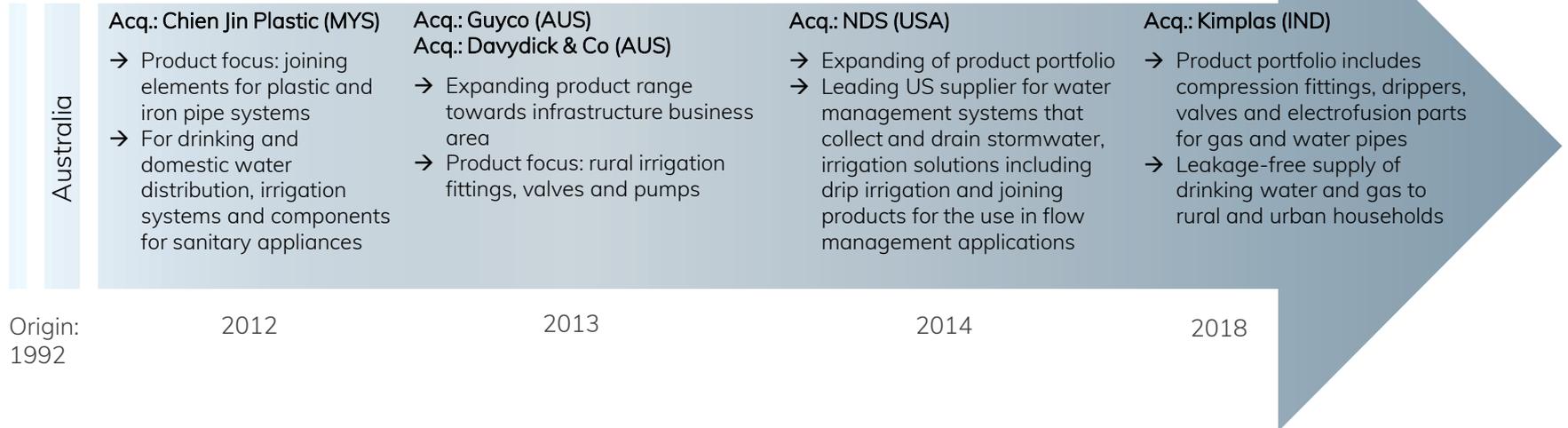
- 1 Engineered Joining Technology in the attractive markets water management, e-mobility and general industry
- 2 Strong development and growth opportunities in water management and e-mobility
- 3 Enhanced stability through broad diversification across products, end markets and regions
- 4 Engineered products with premium pricing through technology and innovation leadership in mission-critical components
- 5 Strong global distribution network with one-stop-shopping service to specialized dealers, wholesalers and distributors
- 6 Significant growth and value creation opportunity through synergistic acquisitions
- 7 Proven track record of operational excellence

Specific customer requirements driven by megatrends



Scarce Resource Calling for Water Handling Products

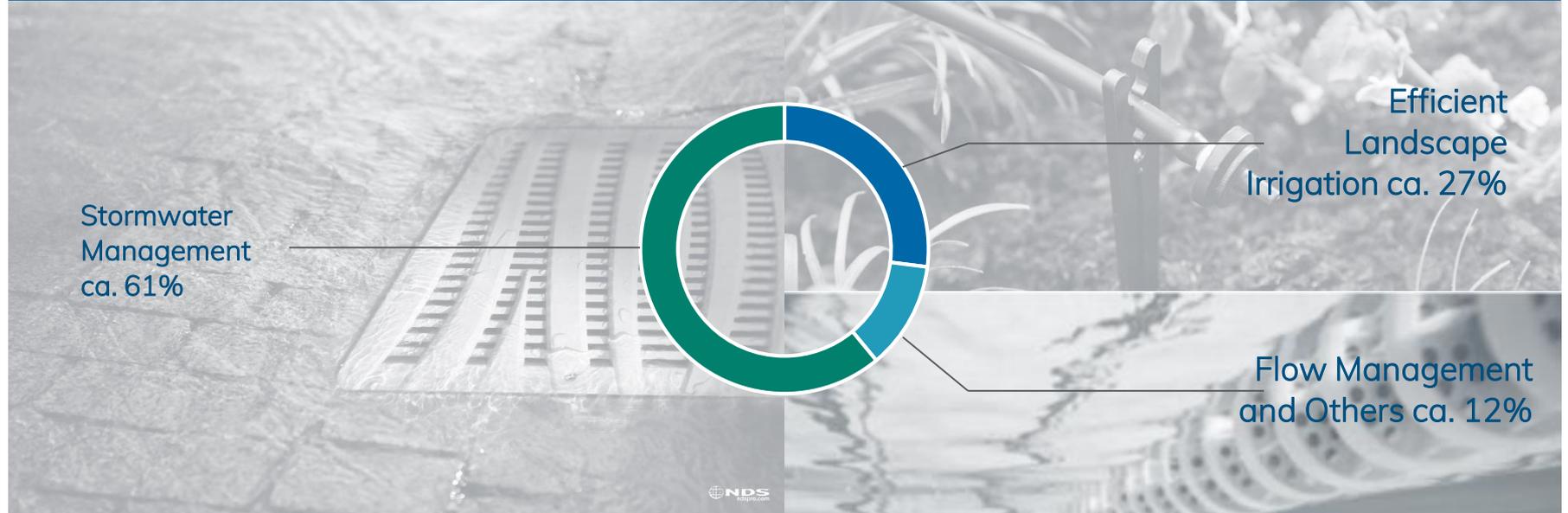
- 20% of sales or EUR 218.1 million in 2019
- Production and distribution sites in Australia, Malaysia, the US and India
- Expanding Water Business organically and through M&A transactions



NDS Provides Full Breadth of Water Management Solutions



Broad diversification in terms of application areas and products



Large target markets for all NDS application areas nationwide and international

International expansion with mid-term focus

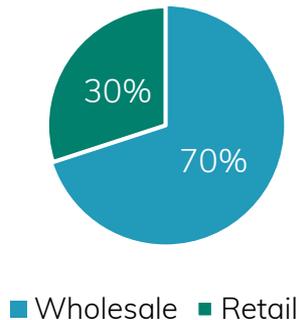
NDS has deep and longstanding Customer Relationships



Highly differentiated distribution and service model

- More than 4,950 products
- Over 15,800 customer locations (retail and wholesale customers)
- Three production sites (CA), six warehouses in the US, more than 500 employees
- Orders received by 11 am are shipped the same day for wholesale orders
- 97% order fill rate, 98% on-time shipment of orders, and 98% order accuracy

Over 15,800 customer locations

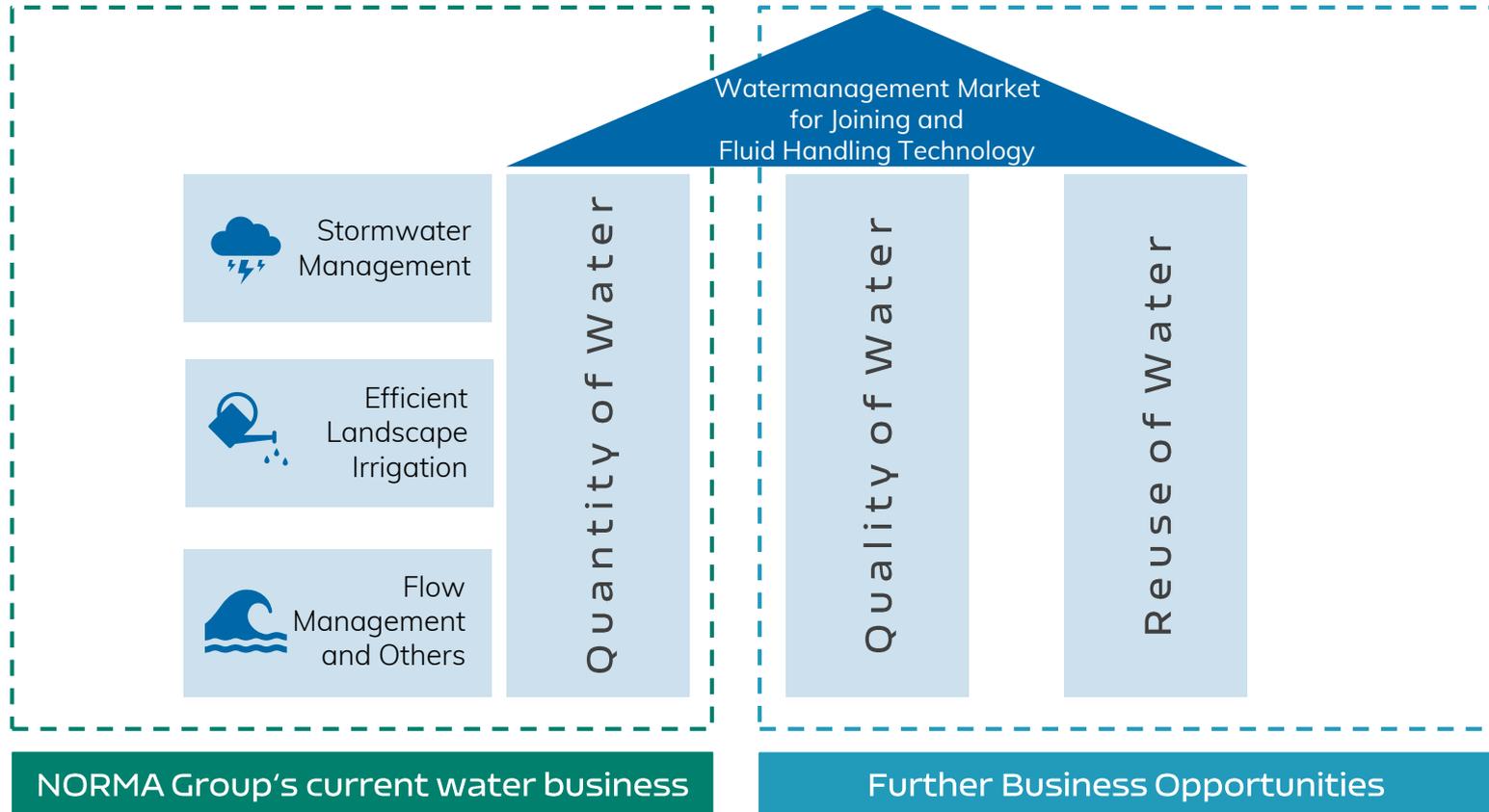


Nation-wide presence



Over 25 year relationships with all of our top retail and wholesale customers

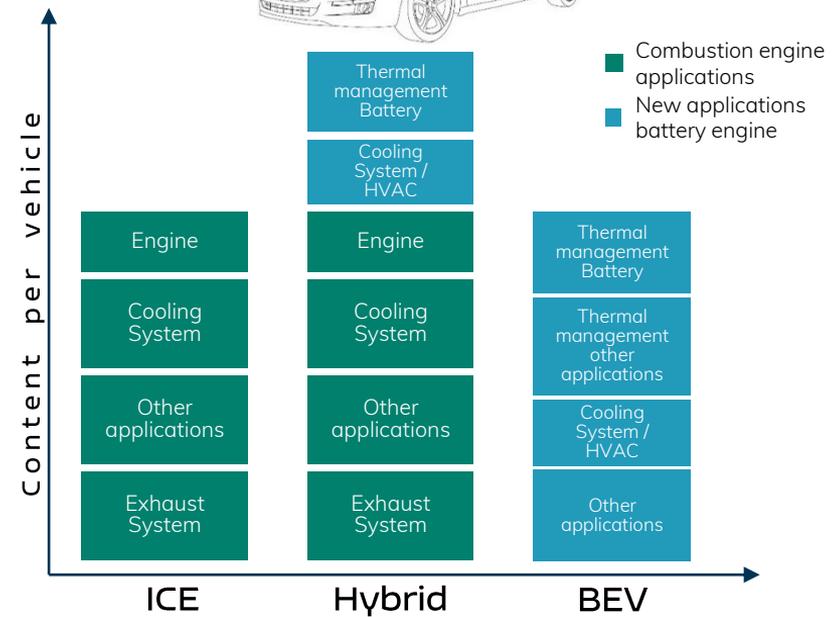
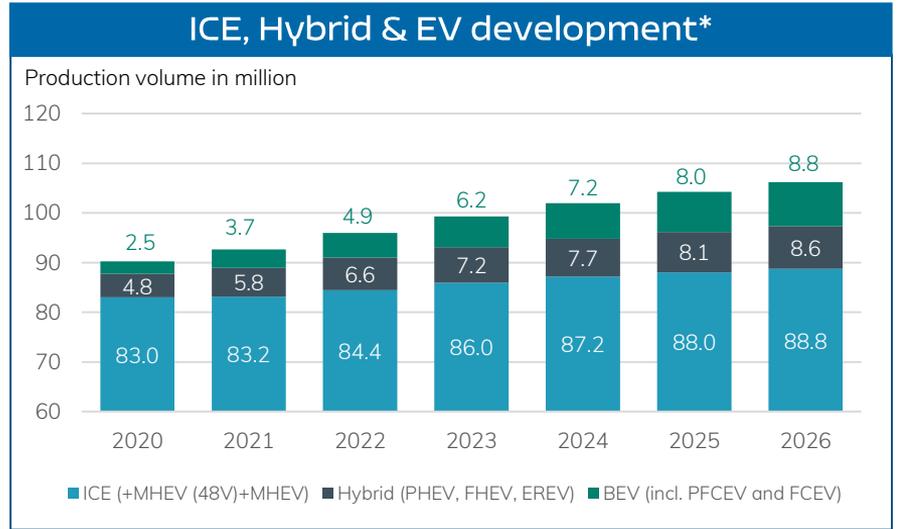
Business Opportunities in Watermanagement



NORMA Group well on Track for Coming E-Mobility Developments

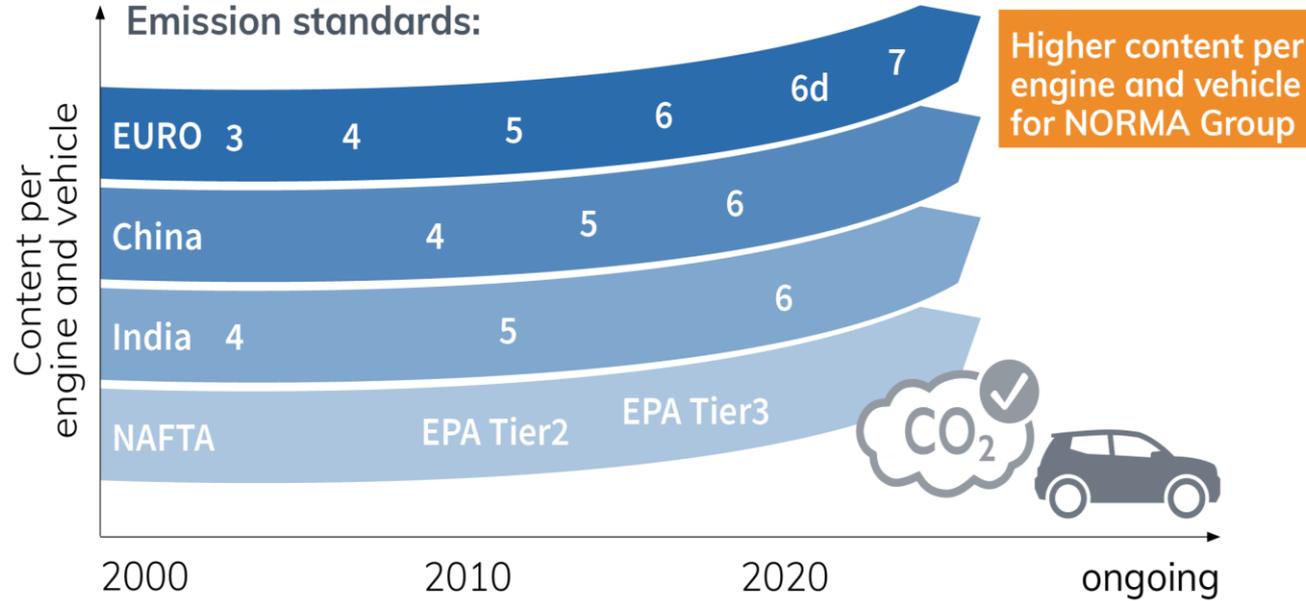


NORMA Group will benefit from a hybridization and maintain its growth trend with ICE and BEV



*Source: LMC / NORMA Group as of end of February 2020

Tighter Emission Regulations Drive Increased Joining Technology Content



- Environmental awareness continues to drive tightening emission regulations globally, including in emerging markets
- Low-emission alternatives require significantly higher joining technology content at a substantially increased complexity compared to existing/past technologies

Good Balance in the Two Distinct Ways to Market



Distribution Services (DS)
ca. 39% of 2019 sales

Engineered Joining Technology (EJT)
ca. 61% of 2019 sales

High quality, branded and standardized joining products provided at competitive prices to broad range of customers.



- High quality, standardized joining technology products.
- No. 1 product portfolio & service level.
- B2C

Unique business model with two distinct ways-to-market

- Significant economies of scale in production.
- Resident engineers with close contact to international EJT customers.
- No. 1 national and international DS service level and DS product portfolio.

Innovation and product solution partner for customers, focused on engineering expertise with high value-add.

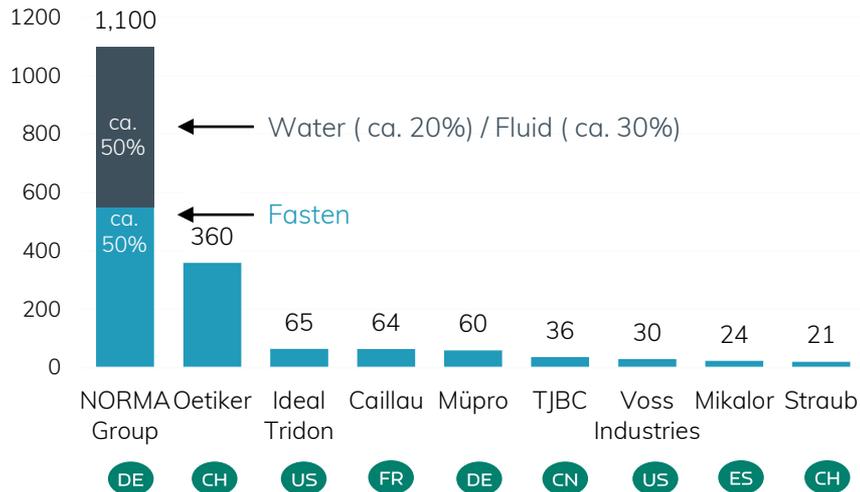


- Customized, engineered solutions.
- 1094 patents and utility models.
- B2B

Convincing Growth Prospects

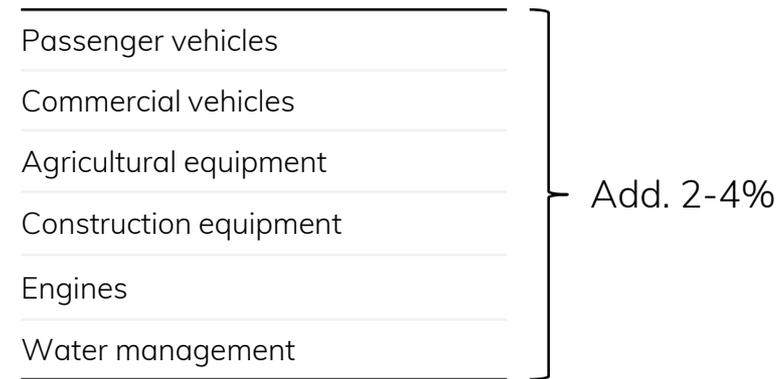
Clear global market leader in Clamp / Connect

Sales in EUR million (year)*



Excellent growth outlook across EJT market

Additional growth for Joining Technology market above market growth



- NORMA Group expects to grow even faster than its end markets.

* NORMA Group sales 2019 / Others: latest publicly available data

Premium Pricing through Technology and Innovation Leadership in Mission-Critical Components



Mission-criticality: Small relative costs – high impact

Basis for premium pricing

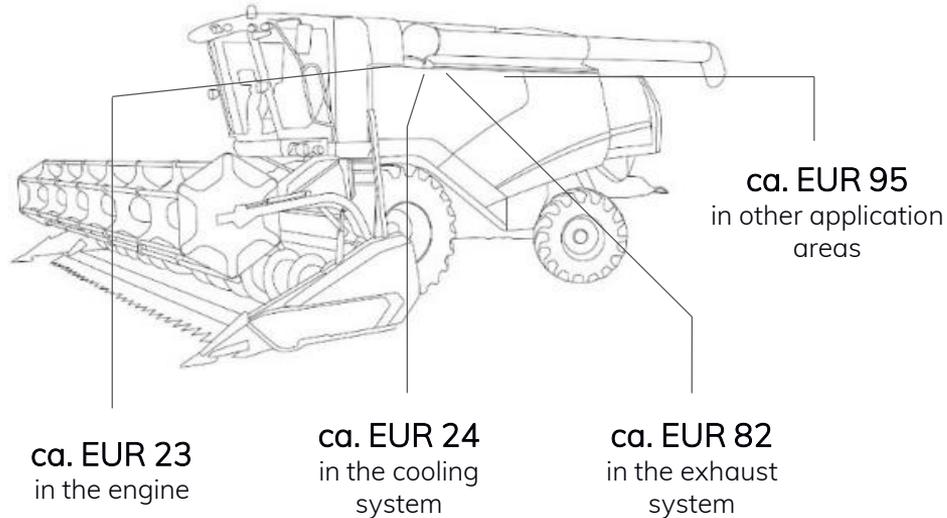
Market leadership

Technology

Quality

Innovation

Tailor-made solutions



ca. EUR 224
content per vehicle
in total

< 0.1%
content per vehicle

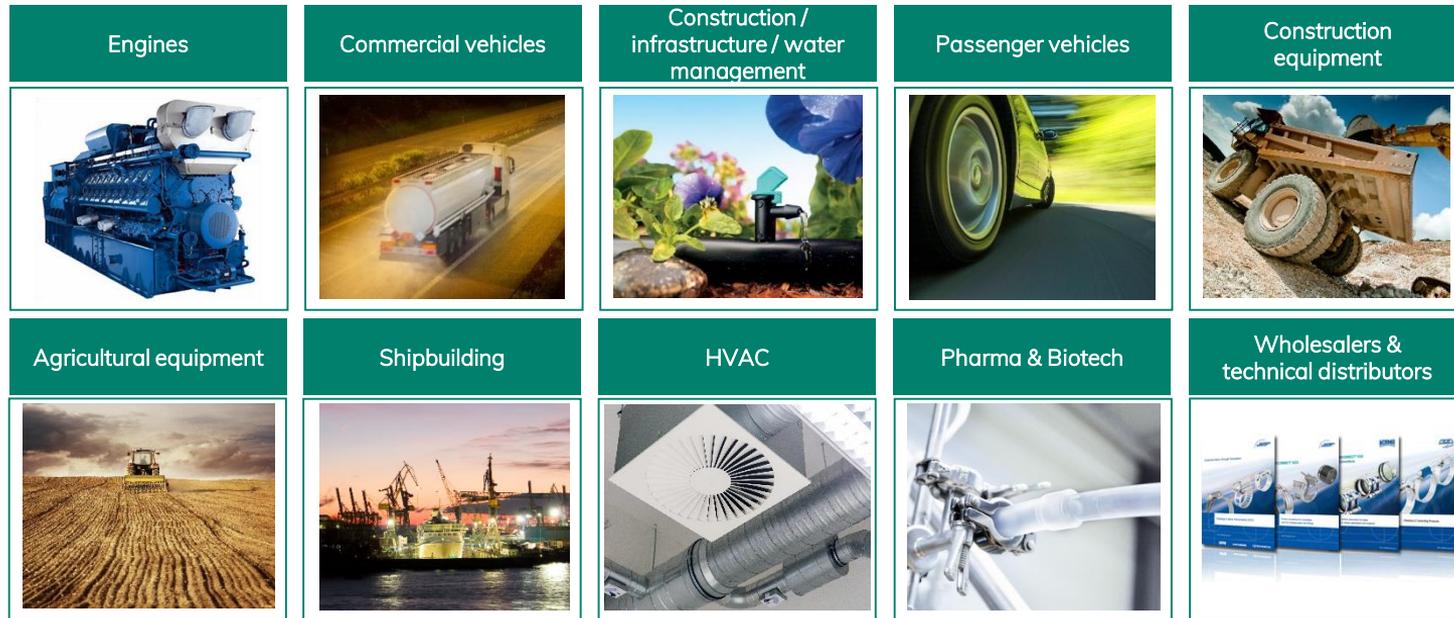
ca. EUR 350,000
costs an average
harvester

High switching costs for customers

Enhanced Stability through Broad Diversification Across Products, End Markets and Regions



Examples of NORMA Group's key end markets



- More than 40,000 products, manufactured in 28 locations and sold to more than 10,000 customers in 100 countries
- Top 5 customers account only for around 14% of 2019 sales

NORMA Group Provides Mission-Critical Products and Solutions with Clear Added-Value



A World without NORMA Group

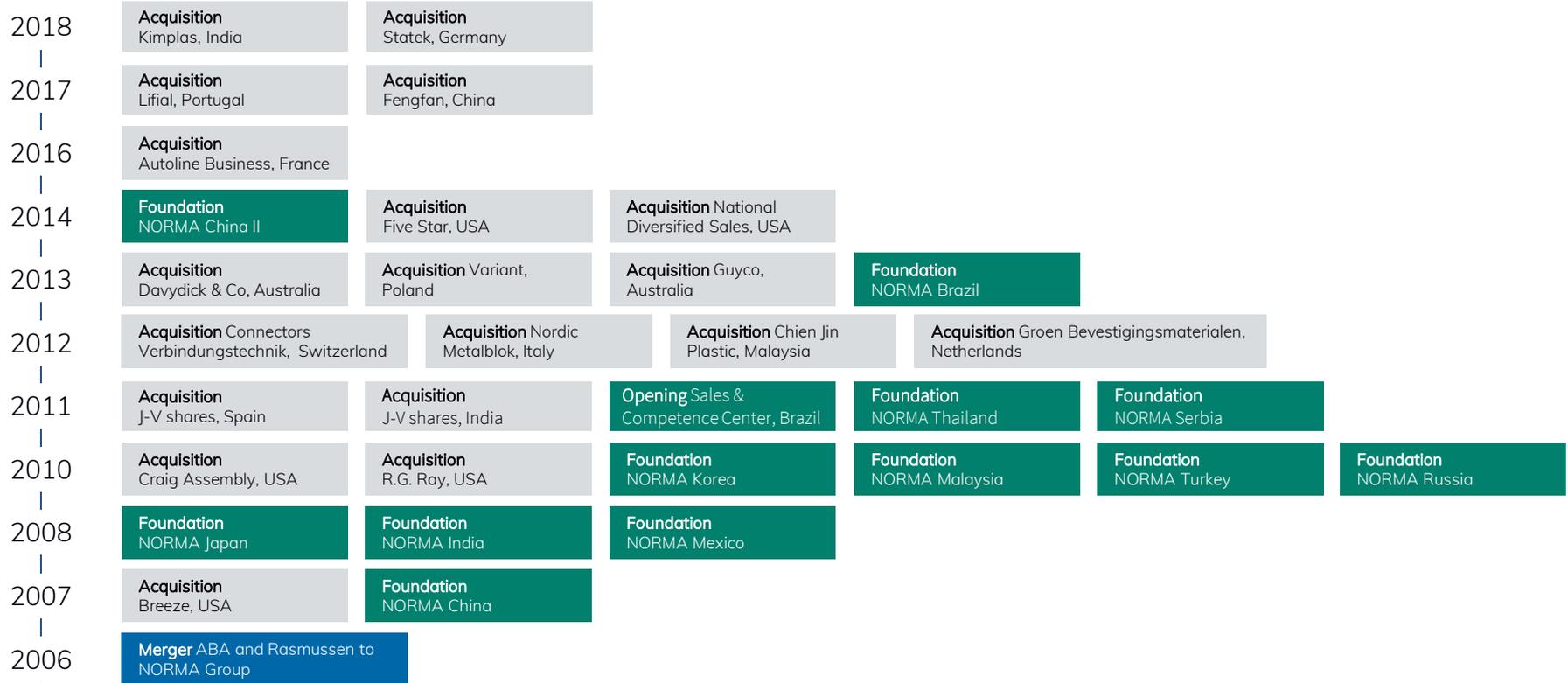


Customer Impact

- Reputation loss
- Image loss
- Warranty costs
- Non-compliance with legal requirements/regulations

Loss of End Customers

History of Acquisitions and Foundations



14 Acquisitions since the IPO in 2011 representing 46% of Sales in 2011



Sales Consolidation Effects (in EUR million)	Date of Acquisition		Total Sales
CONNECTORS Verbindungstechnik AG, Switzerland	04/12	Market entry in connecting technology in Pharma & Biotech	16.6
Nordic Metalblok S.r.l., Italy	07/12	Market consolidation heating and air conditioning clamps	5.2
Chien Jin Plastic Sdn. Bhd., Malaysia	11/12	Market entry joining elements for water distribution	7.7
Groen Bevestigingsmaterialen B.V., Netherlands	12/12	Securing market with national dealer	3.4
Davydick & Co. Pty. Limited, Australia	01/13	Enforce market position with distribution of water & irrigation systems	3.4
Variant SA, Poland	06/13	Securing market with national dealer	2.3
Guyco Pty. Limited, Australia	07/13	Enforce market position with distribution of water & irrigation systems	7.2
Five Star Clamps Inc., USA	05/14	Consolidation of multi-industrial engineered clamps	4.0
National Diversified Sales, Inc., USA	10/14	Expanding water management product portfolio	129.3
Autoline, France	12/16	Expanding product portfolio and strengthening market position in the area of quick connectors	46.2
Lifial - Indústria Metalúrgica de Águeda, Lda., Portugal	01/17	Strengthening product portfolio of DS business and market consolidation	7.4
Fengfan Fastener (Shaoxing) Co., Ltd., China	05/17	Expanding product portfolio and market position	11.5
Kimplas Piping Systems Ltd., India	07/18	Expanding water management product portfolio	20.4
Statek Stanzereitechnik GmbH, Germany	08/18	Expanding value chain for stamping and forming technology	5.1
Total			269.8

EMEA

Czech Republic (P)
France (P, D)
Germany (P, D)
Italy (D)
Netherlands (D)
Poland (P, D)
Portugal (P)
Russia (D)
Serbia (P)
Spain (D)
Sweden (P, D)
Switzerland (P, D)
Turkey (D)
United Kingdom (P, D)

Americas

Brazil (P, D)
Mexico (P, D)
USA (P, D)

Asia-Pacific

Australia (D)
China (P, D)
India (P, D)
Indonesia (D)
Japan (D)
Malaysia (P, D)
Singapore (D)
South Korea (D)
Thailand (D)



- 28 Production sites
- 22 Countries with Distribution, Sales & Competence Centers
- Sales into more than 100 countries

Dr. Michael Schneider

Chairman of the Management Board,
CEO and CFO ad interim of NORMA Group SE
since November 14, 2019



Responsibilities:

Group Development, Group Communications, Sales,
Marketing, Personnel, Pricing, Product Management,
Regional Development

Finance & Reporting, Controlling, Investor Relations,
Treasury & Insurances, Legal and M&A, Risk Management,
Compliance, Internal Audit, Corporate Responsibility

Professional background

- Since 2019: CEO, NORMA Group
- 2015 – 2019: CFO, NORMA Group
- 2010 – 2015: Managing Director / CFO, FTE automotive Group
- 2006 – 2009: Member of the Management Board, Veritas AG
- 2003 – 2006: CFO, Aesculap AG (B. Braun Melsungen Group)
- Previous: Various international management positions, thereof 3 years in Brazil

Studies / professional education

- Master's degree in business economics at the Justus-Liebig-University of Gießen
- PhD in Economics at the Justus-Liebig-University of Gießen

Dr. Friedrich Klein

Member of the Management Board,
COO of NORMA Group SE
since October 1, 2018



Responsibilities:

Product Development, R&D, Divisional Development

Production, Purchasing, Supply Chain Management,
Operational Global Excellence, Quality, ICT, ESG

Professional background

- 2008-2018: various leading positions at Schaeffler Technologies AG & Co KG, Herzogenaurach
- 2005-2007: Director of Operations at Mubea Inc, Florence, USA
- 1996-2004: Various leading positions at Muhr und Bender KG, Attendorn
- 1989-1996: Various leading positions at WZL der RWTH Aachen, Aachen

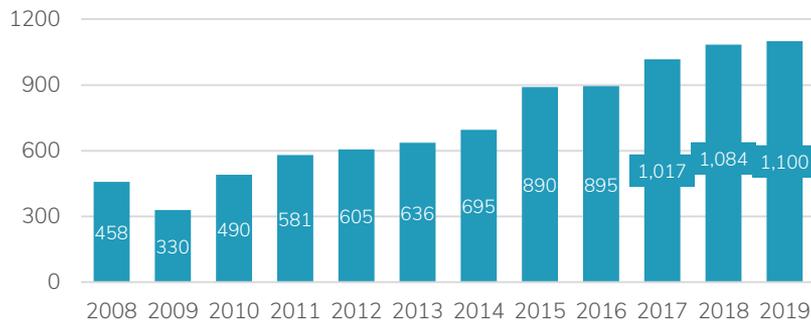
Studies / professional education

- Master's degree in Mechanical Engineering from RWTH Aachen
- Doctorate in Engineering from RWTH Aachen

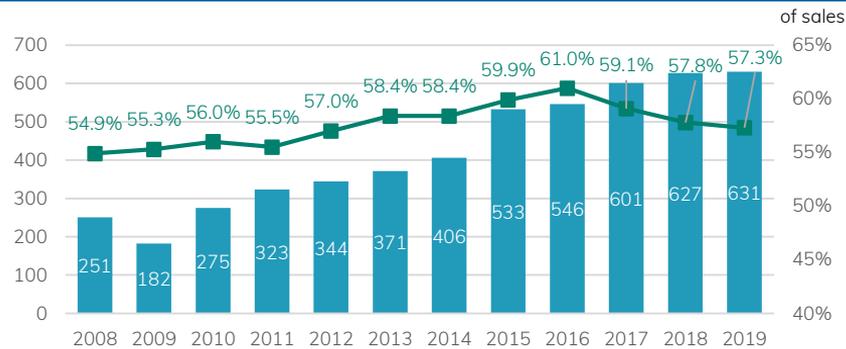
Longterm P&L Development



Revenue (in EUR million)



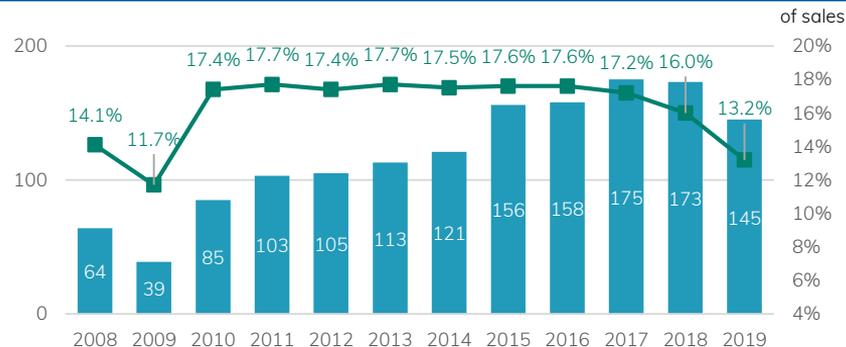
(Adj.) Gross Profit (in EUR million)



(Adj.) Personnel Expenses (in EUR million)

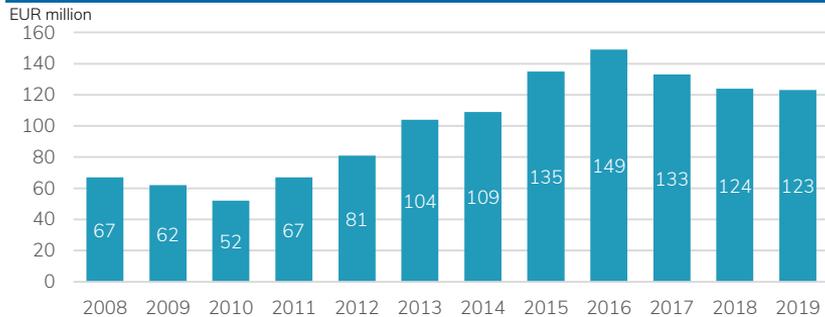


Adjusted EBITA (in EUR million)

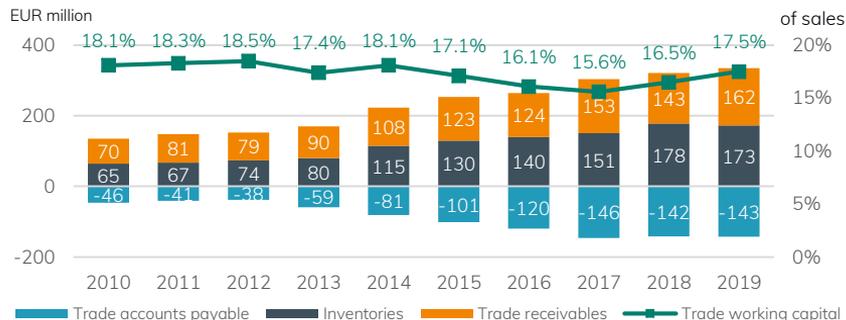


Longterm Cash, Working Capital and CAPEX Development

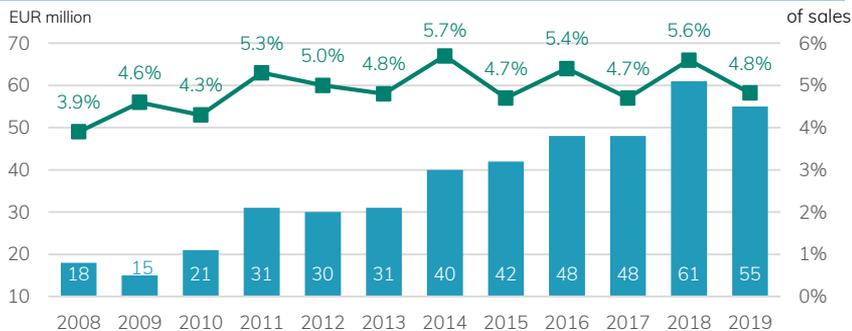
Net Operating Cash Flow (in EUR million)



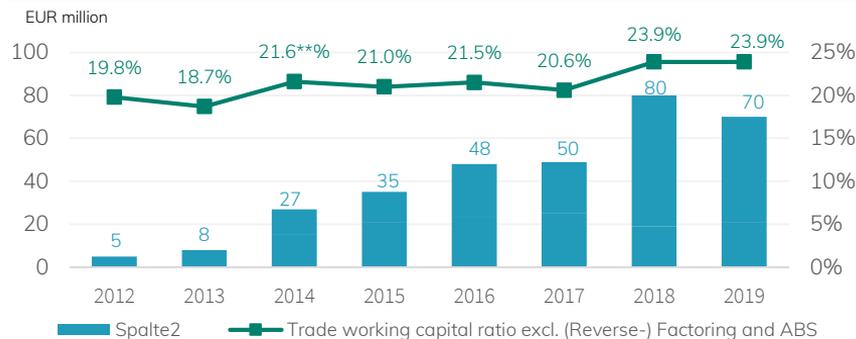
Trade Working Capital (in EUR million)



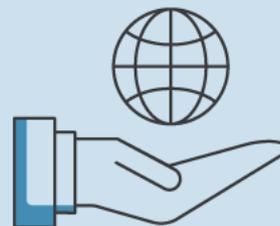
CAPEX (in EUR million)



Factoring Programs*



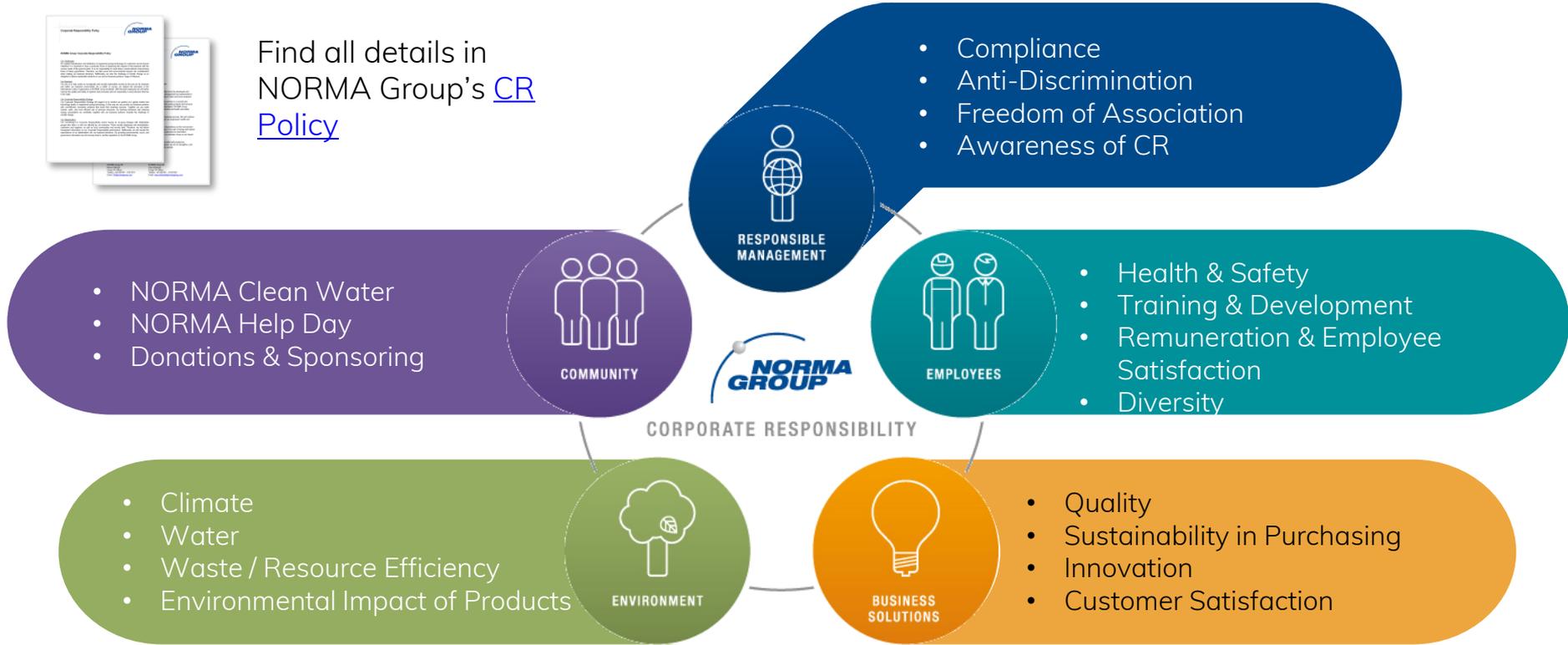
Corporate Responsibility



What is Corporate Responsibility at NORMA Group?



Find all details in NORMA Group's [CR Policy](#)



NORMA Group's commitment and CR organization

Commitment

Membership with UN Global Compact

- Ten principles in the areas of human rights, labor, the environment and anti-corruption

Human and Labor Rights

- *“NORMA Group categorically rejects and does not accept any form of violation of human rights.”*

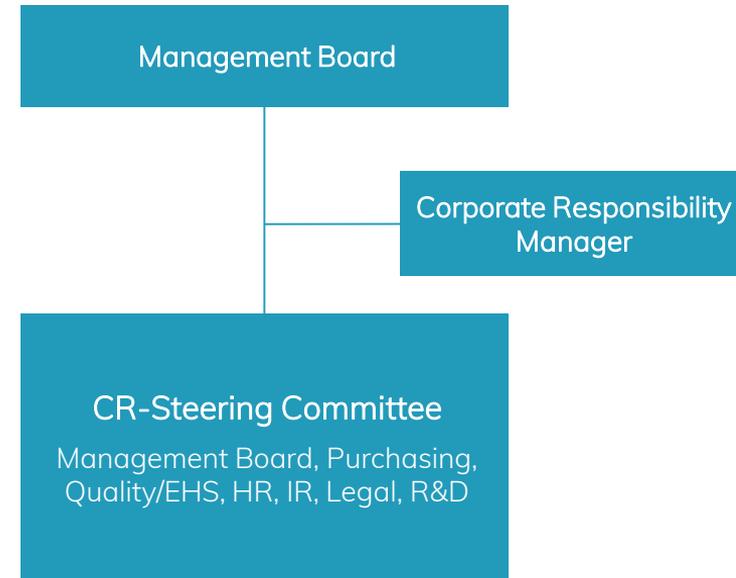
Signatory of Diversity Charter

- *“We deeply respect all colleagues irrespective of gender, nationality, ethnic background, religion or worldview, disability, age, and sexual preference and identity.”*

Global Reporting Initiative (GRI)

- Transparent Reporting in annual CR-Report according to GRI Standards

Organization



NORMA Group's approach to sustainability / corporate responsibility



Stakeholder communication



Identification of material topics



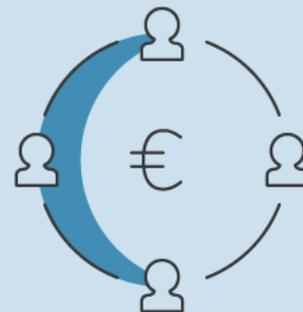
Reporting



Integration into management

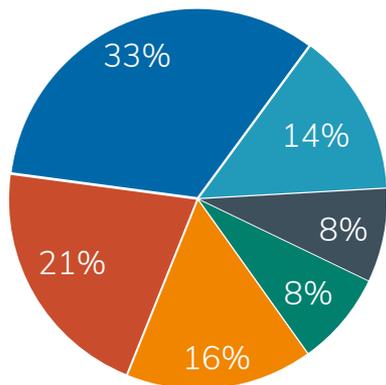
Unser Anspruch	Meilenstein	Termin	Status
Alle Mitarbeiter kennen die CSR-Politik und die strategische Ziele.	100 % Bekanntheit der CSR-Politik in der Mitarbeiterbefragung 2016.	bis 2018	Erreichung 2016
Die Normale werden wichtiger Impulsgeber werden an Innovation und Ausrichtung unserer CSR-Strategie und als Unternehmenskultur in den einzelnen Geschäftsbereichen.	Einmal jährlich ein Dialogforum mit verschiedenen Stakeholder-Vertretern zu einem CSR-Thema.	Laufend	Erster Dialog 2015
Die NORMA Group positioniert sich als verantwortungsvoll und nachhaltig handelnde Unternehmen.	Plus zwei Jahre in CSR-Rankings und 1 Preisverleihung mit CSR-Beitrag.	Laufend	Wird angestrebt
Wir berichten transparent und nach anerkannten Standards über unsere Performance im nachfolgenden Bericht.	Nachhaltigkeitsbericht alle 2 Jahre mit Daten-Abgleichung und Berichterstattung.	Laufend	letzter Report 2016
Wir gewährleisten effektives Compliance-Management-Systeme, die der ethischen und rechtlichen Anforderungen in Geschäftsbeziehungen entsprechen und kommunizieren diese kontinuierlich gegenüber den Stakeholdern.	Die Compliance Policies, Anzeigensystem für Compliance und das Meldesystem sind 100 % für Mitarbeiter bekannt und kommuniziert.	bis 2018	Erreichung 2016

Share & Shareholders



Current Shareholder Structure

Identified Institutional Shareholders¹



■ Germany
 ■ United Kingdom
 ■ USA
■ Nordic
 ■ France
 ■ Rest of World

Investors > 3% as of July 31, 2020 includes²

Allianz Global Investors GmbH, Frankfurt am Main, Germany	15.20%
Ameriprise Financial Inc., Wilmington, DE, USA	6.74%
Impax Asset Management Group Plc, London, United Kingdom	5.08%
T. Rowe Price Group, Inc., Baltimore, Maryland, US	5.01%
Threadneedle Management Luxembourg S.A.	4.90%
Ministry of Finance on behalf of the State of Norway, Oslo, Norway	3.18%

¹ As of June 30, 2020.

² According to voting rights notifications. All voting rights notifications are published on the Company's Website (<https://www.normagroup.com/corp/en/investors/publications-events/financial-releases/>).

Index-based Share Price Performance compared with SDAX, MDAX, DAX and MSCI World Automobil



Contact & Event Calendar



Event	Date
Publication of Interim Results Q3 2020	November 4, 2020
Publication of Full Year 2020 Results	March 24, 2021
Publication of Interim Results Q1 2021	May 5, 2021
Annual General Meeting	May 20, 2021
Publication of Interim Results Q2 2021	August 4, 2021
Publication of Interim Results Q3 2021	November 3, 2021

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This presentation 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 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 or described in these statements.

Even if the actual results 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 presentation, no guarantee can be given that this will continue to be the case in the future.

Non audited data is based on management information systems and/or publicly available information. Both sources of data are for illustrative purposes only.