Q3 2016

INTERIM STATEMENT

NORMA GROUP SE

Overview of Key Figures

		Q3 2016	Q3 2015	Q1 – Q3 2016	Q1 – Q3 2015
Order situation					
Order book (Sep 30)	EUR millions	–	–	282.7	289.1
Income statement					
Revenue	EUR millions	216.6	218.3	679.4	672.6
(Adjusted) gross profit	EUR millions	133.7	131.1[1]	415.7	402.7[1]
Adjusted EBITA[2]	EUR millions	38.7	39.3	122.6	120.6
Adjusted EBITA margin[2]	%	17.9	18.0	18.0	17.9
EBITA	EUR millions	37.8	38.4	119.4	115.9
Adjusted profit for the period[2]	EUR millions	22.5	20.8	70.4	67.2
Adjusted EPS[2]	EUR	0.71	0.65	2.21	2.10
Profit for the period	EUR millions	19.3	17.4	60.4	55.4
EPS	EUR	0.61	0.55	1.89	1.73
Cash flow					
Operating cash flow	EUR millions	34.8	44.1	95.8	95.9
Net operating cash flow	EUR millions	32.2	42.8	86.1	92.2
Cash flow from investing activities	EUR millions	–12.3	–10.0	–36.0	–28.4
Cash flow from financing activities	EUR millions	94.6	–5.2	60.2	–58.8
Balance sheet		**Sep 30, 2016**	Dec 31, 2015		
Total assets	EUR millions	1,282.1	1,167.9		
Equity	EUR millions	451.4	429.8		
Equity ratio	%	35.2	36.8		
Net debt	EUR millions	335.1	360.9		
Employees					
Core workforce		5,278	5,121		
Non-financial control parameters		**Q3 2016**	Q3 2015	**Q1 – Q3 2016**	Q1 – Q3 2015
Number of new patent applications		11	6	39	72
Defective parts per million (PPM)		19	53	27	23
Quality-related customer complaints per month		8	8	8	9
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 – Q3 2016[3]	EUR	51.54			
Lowest price Q1 – Q3 2016[3]	EUR	39.90			
Closing price as of Sep 30, 2016[3]	EUR	45.80			
Market capitalization as of Sep 30, 2016[3]	EUR millions	1,459.3			
Number of shares		31,862,400			

[1] In the reporting year 2015, adjustments amounting to EUR 2.5 million were made within costs of materials that resulted from the valuation of the inventories acquired as part of the purchase price allocation for the acquisition of National Diversified Sales (NDS).

[2] The adjustments are explained on → p. 6.

[3] Xetra price.

Date of publication: Nov 2, 2016

CONTENTS

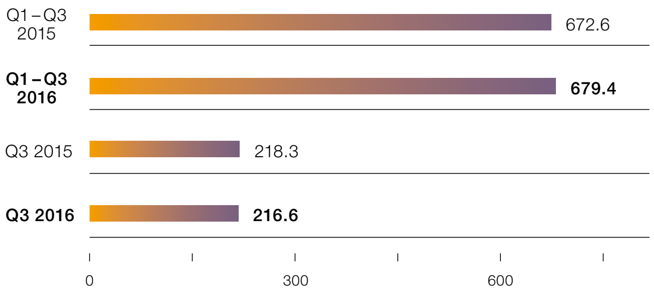
EXPLANATION OF SYMBOLS

@ Internet → Cross Reference → Reference to the 2015 Annual Report

Highlights Q1 – Q3 2016

DEVELOPMENT OF SALES Q1 – Q3 2016

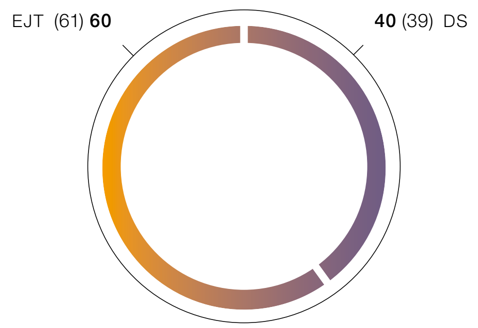
in EUR milions



DISTRIBUTION OF SALES BY SALES CHANNELS

in %

Previous year in brackets



EFFECTS ON GROUP SALES

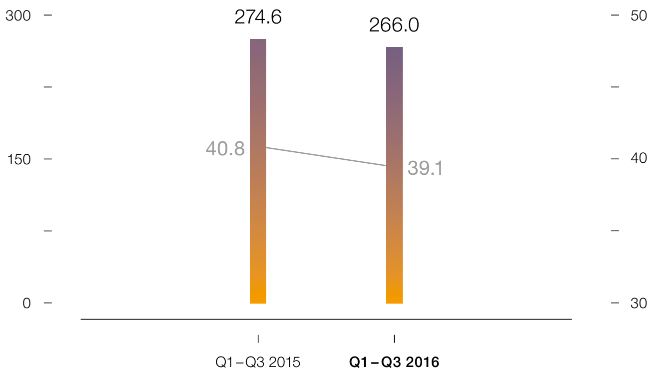
	in EUR millions	share in %
Sales Q1 – Q3 2015	672.6	
Organic growth	12.6	1.9
Currency effects	– 5.8	– 0.9
Sales Q1 – Q3 2016	**679.4**	**1.0**

DEVELOPMENT OF SALES CHANNELS

	EJT		DS	
	Q1 – Q3 2016	Q1 – Q3 2015	**Q1 – Q3 2016**	Q1 – Q3 2015
Group sales (in EUR millions)	**405.4**	409.5	**270.8**	260.3
Growth (in %)	**– 1.0**		**4.0**	
Share of sales (in %)	**60.0**	61.1	**40.0**	38.9

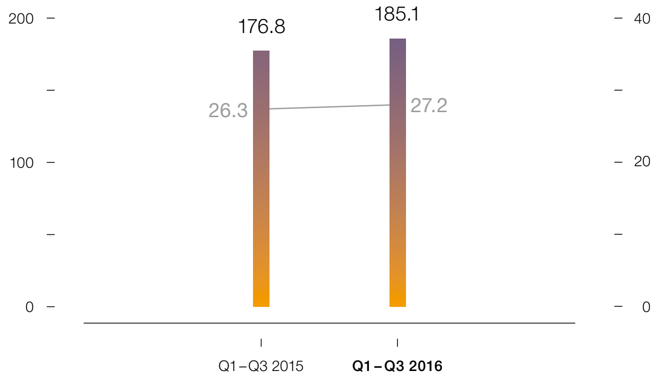
COSTS OF MATERIALS AND COST OF MATERIALS RATIO[1]

Materials used (in EUR millions) — Cost of materials ratio (in %)



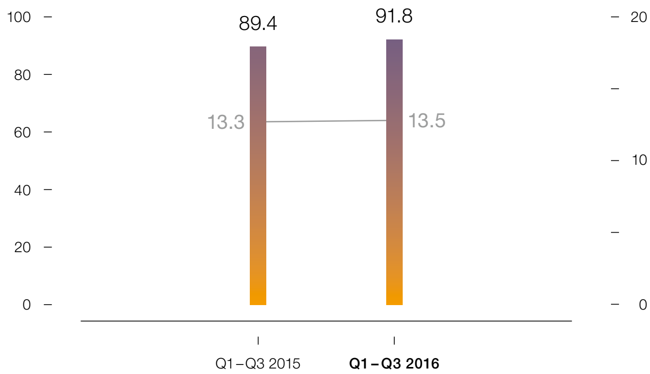
PERSONNEL EXPENSES AND PERSONNEL COST RATIO[2]

Personnel expenses (in EUR millions) — Personnel cost ratio (in %)



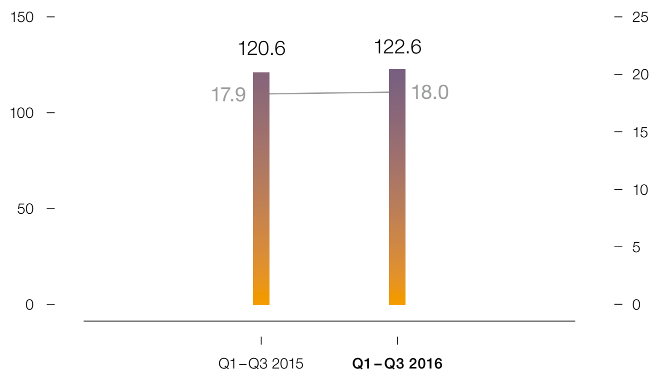
ADJUSTED OTHER OPERATING INCOME AND EXPENSES ALSO IN RELATION TO SALES[3]

Adjusted other operating income and expenses (in EUR millions) — in relation to sales (in %)



ADJUSTED EBITA AND ADJUSTED EBITA MARGIN[3]

Adjusted EBITA (in EUR millions) — Adjusted EBITA margin (in %)

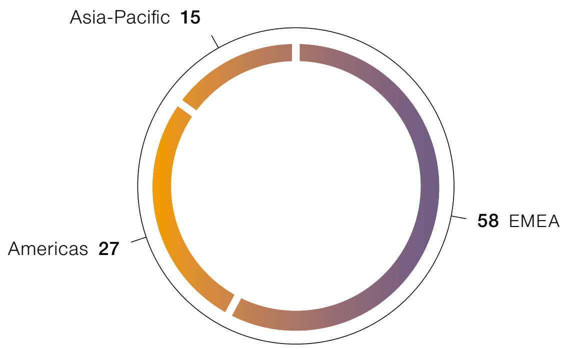


NET OPERATING CASH FLOW

in EUR millions	Q1 – Q3 2016	Q1 – Q3 2015
Adjusted EBITDA[3]	138.7	136.5
Change in working capital	– 21.2	– 15.5
Investments from operating business	– 31.4	– 28.8
Net operating cash flow	**86.1**	**92.2**

CORE WORKFORCE BY SEGMENT

in %



[1] In the reporting year 2015, adjustments amounting to EUR 2.5 million were made within costs of materials that resulted from the valuation of the inventories acquired as part of the purchase price allocation for the acquisition of NDS.
[2] In the reporting year 2015, expenses for the integration of the acquired company NDS amounting to EUR 0.3 million were adjusted within personnel expenses.
[3] Adjustments are explained on → p. 6.

Course of Business

In the first nine months of fiscal year 2016, NORMA Group's business developed in line with expectations for the most part, therefore none of the relevant company figures at the Group level deviated significantly from the projected figures. At the segment level, sales in the Americas region came in lower than expected due to the increasingly weaker environment in the commercial vehicle and agricultural machinery sectors in the US, however. This led to a change in the forecast for the Americas region that is explained in the outlook. → Outlook, p. 11.

Earnings, Assets and Financial Position

ADJUSTMENTS

In the first nine months of 2016, expenses of EUR 1.5 million in total were adjusted within EBITDA (earnings before interest, taxes and amortization of tangible and intangible assets) (Q1 – Q3 2015: EUR 3.1 million). These resulted from acquisition-related costs in connection with the conclusion of an exclusive agreement to acquire the Parker Autoline business and were adjusted within other operating expenses (Q1 – Q3 2015: EUR 0.4 million). Furthermore, depreciation of tangible assets from purchase price allocations in the amount of EUR 1.7 million (Q1 – Q3 2015: EUR 1.7 million) was presented within EBITA (earnings before interest, taxes and amortization of intangible assets) and amortization of intangible assets from purchase price allocations in the amount of EUR 12.1 million (Q1 – Q3 2015: EUR 13.1 million) was adjusted within EBIT as in previous years. Any notional income taxes that resulted from the adjustments have been calculated using the tax rates of the respective local companies affected and accounted for in adjusted earnings after taxes.

EARNINGS POSITION

Order backlog

The order backlog amounted to EUR 282.7 million on September 30, 2016, and was thus EUR 6.4 million or 2.2% lower than in the comparable prior year period (September 30, 2015: EUR 289.1 million). This decline in the order backlog is mainly due to negative currency effects in the conversion of the order book at closing rates.

ADJUSTMENTS*

in EUR millions	Q1 – Q3 2016 unadjusted	Total adjustments	Q1 – Q3 2016 adjusted
Revenue	**679.4**	**0**	**679.4**
Changes in inventories of finished goods and work in progress	– 0.2	0	– 0.2
Other own work capitalized	2.4	0	2.4
Raw materials and consumables used	– 266.0	0	– 266.0
Gross profit	**415.7**	**0**	**415.7**
Other operating income and expenses	– 93.3	1.5	– 91.8
Employee benefits expense	– 185.1	0	– 185.1
EBITDA	**137.2**	**1.5**	**138.7**
Depreciation	– 17.8	1.7	– 16.1
EBITA	**119.4**	**3.2**	**122.6**
Amortization	– 19.2	12.1	– 7.1
Operating profit (EBIT)	**100.2**	**15.3**	**115.5**
Financial costs – net	– 11.8	0	– 11.8
Profit before income tax	**88.4**	**15.3**	**103.7**
Income taxes	– 28.0	– 5.3	– 33.2
Profit for the period	**60.4**	**10.0**	**70.4**
Non-controlling interests	0.1	0	0.1
Profit attributable to shareholders of the parent	**60.3**	**10.0**	**70.3**
Earnings per share (in EUR)	**1.89**	**0.32**	**2.21**

* Due to commercial rounding, deviations in the summation of columns and rows may occur.

Sales growth impacted by weak EJT business in the US

Group sales amounted to EUR 679.4 million in the period from January to September 2016 and were thus 1.0% higher than in the same period of the previous year (Q1 – Q3 2015: EUR 672.6 million). Organic growth was 1.9%. Negative currency effects, particularly in connection with the British pound, the Chinese yuan, the Malaysian ringgit and the US dollar, slowed growth by – 0.9%.

Organic growth was driven by the positive development of sales in the two regions EMEA and Asia-Pacific, while the Americas declined due to the weaker development of commercial vehicles and agricultural machinery. This was also reflected in the third quarter of 2016, which was somewhat weaker than the same quarter of the previous year (EUR 218.3 million) with a 0.7% decline in sales to EUR 216.6 million. The slight organic decline (– 0.1%) was reinforced by negative currency effects of 0.6% in the third quarter.

EJT business declines slightly, DS with solid growth

The EJT unit at NORMA Group posted sales of EUR 405.4 million in the first nine months of 2016 and thus 1.0% lower sales than in the same period of the previous year (Q1 – Q3 2015: EUR 409.5 million). The good business performance in the two regions EMEA and Asia-Pacific that generated good organic growth was significantly hampered by the weaker development of the EJT business in the Americas region, especially in the areas of commercial vehicles and agricultural machinery. This was mainly attributable to the sales revenue in the third quarter of 2016, which fell by 3.7% to EUR 129.2 million compared to the same quarter of the previous year (Q3 2015: EUR 134.1 million).

The DS business on the other hand developed quite solidly in the first nine months of 2016. Here, sales revenues increased by 4.0% to EUR 270.8 million compared to the same period last year (Q1 – Q3 2015: EUR 260.3 million). This growth was driven by the positive development of NDS's water business once again in the US and the continued positive development of the Asia-Pacific region, in particular. In the third quarter of 2016, the DS unit generated sales of EUR 86.3 million, which were 3.9% above last year's level (Q3 2015: EUR 83.0 million).

Cost of materials ratio[1]

Costs of materials amounted to EUR 266.0 million in the first nine months of the fiscal year and were thus 3.1% lower compared to the same period of the previous year (Q1 – Q3 2015: EUR 274.6 million adjusted). Based on the revenue generated from January to September 2016, this means a cost of materials ratio of 39.1% or an improvement of 170 basis points compared to the previous year (Q1 – Q3 2015: 40.8% adjusted). → Notes, p. 13.

Costs of materials amounted to EUR 85.7 million in the third quarter and were thus 4.1% lower than in the same period of the previous year (Q3 2015: EUR 89.3 million). The resulting cost of materials ratio was 39.6% and thus improved over the previous year (Q3 2015: 40.9%).

Gross profit and gross margin[1]

Gross profit (sales less the cost of materials plus changes in inventories and other own work capitalized) amounted to EUR 415.7 million in the first nine months of 2016. This is a 3.2% increase compared to the previous year (Q1 – Q3 2015: EUR 402.7 million adjusted) and resulted in an increased gross margin of 61.2% in relation to sales (Q1 – Q3 2015: 59.9% adjusted).

Gross profit rose by 2.0% to EUR 133.7 million in the third quarter of 2016 (Q3 2015: EUR 131.1 million adjusted). The gross margin was therefore 61.7% (Q3 2015: 60.1% adjusted).

Personnel cost ratio[2]

As of September 30, 2016, NORMA Group had 6,438 employees worldwide, including temporary workers, 5,278 of whom are permanent employees. This means the number of employees, including temporary workers, rose by approximately 2% compared to the previous year (Sep 30, 2015: 6,296), while the number of permanent employees increased by 6%. The strongest increase in the number of employees was in the EMEA region where the workforce grew by 10%. This was primarily due to the increase in business activities and the resulting increase in the number of employees at the Serbian site in Subotica. The number of permanent employees rose by 1% in the Americas region, but declined by 1% in the Asia-Pacific region.

[1] In the reporting year 2015, adjustments amounting to EUR 2.5 million were made to the costs of materials that resulted from the valuation of the inventories acquired as part of the purchase price allocation for the acquisition of NDS. The unadjusted cost of materials ratio for the period Q1 – Q3 2015 was 41.2%.

[2] In fiscal year 2015, expenses for the integration of the acquired company NDS amounting to EUR 0.3 million were adjusted within personnel expenses.

Expenses for employee benefits also increased due to the higher average number of employees. These amounted to EUR 185.1 million in the nine-month period and were thus 4.7% above last year's figure (Q1 – Q3 2015: EUR 176.8 million adjusted). In relation to sales, this resulted in an increased personnel cost ratio of 27.2% (Q1 – Q3 2015: 26.3% adjusted). → Notes, p. 13.

Personnel expenses amounted to EUR 59.6 million in the third quarter of 2016, an increase of 3.9% compared to the previous year (Q3 2015: EUR 57.4 million adjusted) and a personnel cost ratio of 27.5% (Q3 2015: 26.3% adjusted).

PERSONNEL DEVELOPMENT

	Sep 30, 2016	Sep 30, 2015
EMEA	**3,075**	2,792
Americas	**1,435**	1,415
Asia-Pacific	**768**	778
Core workforce	**5,278**	4,985
Temporary workers	**1,160**	1,311
Total number of employees including temporary workers	**6,438**	**6,296**

Adjusted other operating income and expenses

The balance from adjusted other operating income and expenses amounted to EUR – 91.8 million for the nine-month period of 2016 and was thus 2.8% above the previous year's level of EUR – 89.4 million. In relation to sales, adjusted other operating income and expenses increased slightly to 13.5% compared to the same period of the previous year (Q1 – Q3 2015: 13.3%)

In the third quarter, adjusted other operating income and expenses increased by 2.7% to EUR 29.9 million or 13.8% of sales (Q3 2015 : 13.4%) compared to the previous year (Q3 2015: EUR 29.1 million).

Adjusted EBITDA and adjusted EBITA

Adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA) amounted to EUR 138.7 million in the nine-month period of 2016 and were thus 1.6% higher than the previous year's figure (Q1 – Q3 2015: EUR 136.5 million). In relation to sales, this resulted in a slightly higher adjusted EBITDA margin of 20.4% (Q1 – Q3 2015: 20.3%). Adjusted EBITDA fell slightly by 0.9% to EUR 44.1 million in the months July to September compared to the same period of the previous year (Q3 2015: EUR 44.5 million). The adjusted EBITDA margin remained unchanged compared to the previous year at 20.4%, however.

Adjusted EBITA, which is also adjusted for depreciation of tangible assets from purchase price allocations, amounted to EUR 122.6 million for the nine-month period from January to September. This equates to an increase compared to the previous year (Q1 – Q3 2015: EUR 120.6 million) of likewise 1.6%. The adjusted EBITA margin resulting from the comparison to sales is 18.0% and is thus 10 basis points higher than last year's level (Q1 – Q3 2015: 17.9%).

Adjusted EBITA in the third quarter of 2016 amounted to EUR 38.7 million, in other words it decreased by 1.5% compared to the same quarter of the previous year (Q3 2015: EUR 39.3 million). The adjusted EBITA margin was 17.9% for the third quarter of 2016 (Q3 2015: 18.0%).

Financial result

The financial result for the first three quarters of 2016 was EUR – 11.8 million (Q1 – Q3 2015: EUR – 13.7 million) and thus improved by 13.4%. The financial result amounted to EUR – 3.4 million in the third quarter (Q3 2015: EUR – 5.2 million), an improvement of 35.9%. This was due in particular to lower interest expenses compared to the previous year. → Notes, p. 13.

Adjusted income taxes and tax rate

Adjusted income taxes for the period January to September 2016 amounted to EUR 33.2 million (Q1 – Q3 2015: EUR 34.3 million). Compared to the adjusted pre-tax profit of EUR 103.7 million, the adjusted tax rate of 32.1% was lower than it was last year (Q1 – Q3 2015: 33.8%).

Adjusted net profit for the period and adjusted earnings per share

Adjusted net profit for the period (after taxes) amounted to EUR 70.4 million in the reporting period and was thus 4.8% higher than the previous year's level (Q1 – Q3 2015: EUR 67.2 million). Based on the unchanged number of 31,862,400 shares, adjusted earnings per share for the period January to September 2016 amounted to EUR 2.21 (Q1 – Q3 2015: EUR 2.10).

In the third quarter, the adjusted results for the period amounted to EUR 22.5 million (Q3 2015: EUR 20.8 million), an increase of 8.4% compared to the previous year. This resulted in adjusted earnings per share of EUR 0.71 for the third quarter (Q3 2015: EUR 0.65).

NET ASSET POSITION

Total assets

Total assets as of September 30, 2016, amounted to EUR 1,282.1 million and thus rose by 9.8% compared to the end of 2015 (EUR 1,167.9 million). The main reason for this was the increase in cash and cash equivalents on the assets side and liabilities on the liabilities side due to the issuance of another promissory note at the beginning of August.

Compared to September 30, 2015 (EUR 1,156.3 million), total assets increased by 10.9%.

Assets impacted by currency effects and the promissory note

Non-current assets amounted to EUR 772.6 million as of September 30, 2016. This means they declined by 2.6% compared to the end of 2015 (EUR 793.6 million). This can be attributed for the most part to currency effects that resulted in a reduction in goodwill and other intangible assets, as well as depreciation on intangible assets, in particular. Non-current assets accounted for 60.3% of total assets as of September 30, 2016 (Dec 31, 2015: 68.0%).

Current assets amounted to EUR 509.5 million as of September 30, 2016, and thus rose by 36.1% compared to the end of 2015 (EUR 374.3 million). This increase resulted for the most part from the increase in trade receivables (+ 13.3%) as well as cash and cash equivalents (+ 117.7%), which in turn increased due to the positive cash flow and the inflow of funds from the newly issued promissory note at the beginning of August. Current assets accounted for 39.7% of total assets as of September 30, 2016. → Notes, p. 16 f.

Compared to the previous year (Sep 30, 2015: EUR 378.2 million), current assets increased by 34.7%.

Rise in (trade) working capital

(Trade) working capital (inventories plus receivables minus liabilities, both primarily from trade payables and trade receivables) was EUR 172.2 million as of September 30, 2016, which means it increased by 13.4% compared to the end of the year (EUR 151.9 million). This was mainly due to a 13.3% or EUR 16.3 million increase in trade receivables and a 5.8% or EUR 5.9 million decrease in trade payables compared to December 31, 2015. → Notes, p. 16 f.

Compared to the previous year (Sep 30, 2015: EUR 168.6 million), trade working capital rose by 2.2%.

Equity ratio

Group equity amounted to EUR 451.4 million on September 30, 2016, and thus rose by 5.0% compared to December 31, 2015 (EUR 429.8 million). Both the net result for the period and the dividend payments contributed to the change in equity.

The equity ratio was adversely affected by the extension of the balance sheet due to the issuance of another promissory note at the beginning of August and amounted to 35.2% on September 30, 2015 (Dec 31, 2015: 36.8%). → Notes, p. 17.

Net debt decreased

Net debt amounted to EUR 335.1 million on September 30, 2016, and declined by 7.1% compared to the end of the year (Dec 31, 2015: EUR 360.9 million) despite dividend payments of EUR 28.8 million and EUR 9.3 million in interest expenses. This was due to the good cash flow, in particular. The net debt includes derivative financial instruments in the amount of EUR 4.3 million (Dec 31, 2015: EUR 3.4 million). → Notes, p. 17.

The lower net debt resulted in gearing (net debt in relation to equity) of 0.7 (Dec 31, 2015: 0.8) and a leverage (net debt excluding derivative financial instruments in relation to the adjusted EBITDA of the last 12 months) of 1.8 (Dec 31, 2015: 2.0).

Higher non-current and current liabilities

Non-current liabilities amounted to EUR 665.4 million as of September 30, 2016, and thus increased by 15.6% compared to the end of 2015 (EUR 575.4 million). This was mainly due to a EUR 92.5 million or 20.8% increase in long-term borrowings in connection with the promissory note issued at the beginning of August 2016.

Current liabilities, on the other hand, increased slightly by 1.7% to EUR 165.3 million compared to the end of 2015 (Dec 31, 2015: EUR 162.6 million). This was mainly due to the slight EUR 1.6 million increase in short-term borrowings, the EUR 4.2 million increase in other non-financial liabilities, income tax liabilities of EUR 4.8 million and the increase in provisions by EUR 1.8 million.

FINANCIAL POSITION

Group-wide financial management

A detailed overview of NORMA Group's overall financial management can be found in the 2015 Annual Report.
2015 Annual Report, p. 53.

Net operating cash flow

Net operating cash flow amounted to EUR 86.1 million in the nine-month period, which means it was 6.7% below the previous year's level (Q1 – Q3 2015: EUR 92.2 million). This was mainly due to higher investments in intangible assets and property, plant and equipment compared to the previous year and a disproportionate change in working capital in relation to the increase in adjusted EBITDA.

In relation to total sales, net operating cash flow for the period January to September 2016 amounted to 12.7% (Q1 – Q3 2015: 13.7%).

Cash flow from operating activities

Cash flow from operating activities for the period January to September 2016 amounted to EUR 95.8 million (Q1 – Q3 2015: EUR 95.9 million) and thus remained relatively constant compared to the same period of the previous year. Cash flow from operating activities amounted to EUR 34.8 million in the third quarter, which was significantly lower than in the same quarter of the previous year (Q3 2015: EUR 44.1 million). The high basis for comparison from the previous year is attributable to a high reduction in receivables in the third quarter of 2015. On the other hand, the decrease in receivables in the third quarter of 2016 was significantly lower due to the lower level of receivables in the previous quarter and led to a lower cash inflow. The other factors influencing cash flow from operating activities are presented in the Notes to the Consolidated Statement of Cash Flows. → Notes, p. 21.

Cash flow from investing activities

NORMA Group invests the funds from its operating cash flow in further growth and the further development and maintenance of its production facilities. The investments made during the period January to September pertained mainly to the company's sites in Germany, Serbia, Poland, the Czech Republic, China and the US.

Cash flow from investing activities amounted to EUR – 36.0 million (Q1 – Q3 2015: EUR – 28.4 million) in the nine-month period and mainly includes payments for the purchase of intangible assets and property, plant and equipment in the amount of EUR – 31.4 million (Q1 – Q3 2015: EUR – 28.8 million). Moreover, net cash outflows of EUR 4.9 million for acquisitions (Q1 – Q3 2015: EUR 0) that are related to the repayment of the purchase price liability for the acquisition made in 2014 are also included in this outflow of funds from investing activities.

The cash outflow from investing activities amounted to EUR 12.3 million in the third quarter of 2016 (Q3 2015: EUR 10.0 million). The increase compared to the previous year's quarter resulted from an increase in cash outflow for the acquisition of intangible assets and property, plant and equipment.

Cash flow from financing activities

Cash flow from financing activities amounted to EUR 60.2 million for the period January to September 2016 (Q1 – Q3 2015: EUR – 58.8 million). This includes proceeds from loans (EUR 188.4 million) which resulted from the promissory note issued on August 1, 2016, (EUR 149.0 million) and short-term interim financing of EUR 40.0 million. The repayments of financial liabilities in the amount of EUR 91.6 million mainly comprise the amortization of tranches of the promissory note issued in 2013 in the amount of EUR 49.0 million and the repayment of the interim financing mentioned earlier. In addition, cash flow from financing activities includes scheduled repayments as well as disbursements for dividends, interest payments and disbursements from derivatives. → Notes, p. 21.

Cash flow amounted to EUR 94.6 million in the third quarter of 2016 due to the cash flows just mentioned (Q3 2015: EUR – 5.2 million).

Outlook

The Management Board confirms the forecast published in the 2015 Annual Report and in the 2016 Half Year Report for the entire fiscal year 2016 at Group level. The forecast for the three regional segments EMEA, Americas and Asia-Pacific, as well as the two distribution channels, Engineered Joining Technology and Distribution Services, is presented there in detail.

Due to the increasingly weaker development of the commercial vehicle and agricultural machinery markets in the US, NORMA Group expects the Americas region to record sales below last year's level for the full fiscal year 2016 (previously: solid organic growth).

2016 FORECAST

Consolidated sales	solid organic growth of around 2% to 5%
	EMEA: solid organic growth
	Americas: lower than last year
	Asia-Pacific: stable organic sales
	EJT: solid growth
	DS: solid growth
Cost of materials ratio	roughly at the same level as in previous years
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%
Net financial income	up to EUR – 15 million
Adjusted tax rate	around 32% to 34%
Adjusted earnings per share	solid increase
Investment rate (excluding acquisitions)	operationally around 4.5%
Net operating cash flow	slightly higher than last year (2015: EUR 134.7 million)
Dividend	approximately 30% to 35% of adjusted annual Group earnings

Consolidated Statement of Comprehensive Income

for the period from January 1 to September 30, 2016

in EUR thousands	Q3 2016	Q3 2015	Q1 – Q3 2016	Q1 – Q3 2015
Revenue	216,647	218,250	679,433	672,588
Changes in inventories of finished goods and work in progress	1,310	973	– 212	2,841
Other own work capitalized	1,453	1,189	2,428	1,834
Raw materials and consumables used	– 85,703	– 89,349	– 265,966	– 277,019
Gross profit	133,707	131,063	415,683	400,244
Other operating income	2,810	2,519	10,177	8,920
Other operating expenses	– 33,080	– 31,697	– 103,511	– 98,650
Employee benefits expense	– 59,643	– 57,658	– 185,135	– 177,073
Depreciation and amortization	– 12,438	– 12,057	– 37,001	– 36,185
Operating profit	31,356	32,170	100,213	97,256
Financial income	54	21	107	220
Financial costs	– 3,408	– 5,255	– 11,942	– 13,879
Financial costs – net	– 3,354	– 5,234	– 11,835	– 13,659
Profit before income tax	28,002	26,936	88,378	83,597
Income taxes	– 8,716	– 9,500	– 27,974	– 28,235
PROFIT FOR THE PERIOD	19,286	17,436	60,404	55,362
Other comprehensive income for the period, net of tax				
Other comprehensive income that can be reclassified to profit or loss, net of tax	– 1,310	– 8,320	– 10,008	11,430
Exchange differences on translation of foreign operations	– 1,740	– 7,786	– 8,935	11,410
Cash flow hedges, net of tax	430	– 534	– 1,073	20
Other comprehensive income for the period, net of tax	– 1,310	– 8,320	– 10,008	11,430
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	17,976	9,116	50,396	66,792
Profit attributable to				
Shareholders of the parent	19,318	17,387	60,298	55,170
Non-controlling interests	– 32	49	106	192
	19,286	17,436	60,404	55,362
Total comprehensive income attributable to				
Shareholders of the parent	17,972	8,954	50,248	66,584
Non-controlling interests	4	162	148	208
	17,976	9,116	50,396	66,792
Undiluted earnings per share (in EUR)	0.61	0.55	1.89	1.73

Selected Notes to the Consolidated Statement of Comprehensive Income

REVENUE AND RAW MATERIALS AND CONSUMABLES USED

Revenue for the first nine months of 2016 (EUR 679,433 thousand) was 1.0% higher than revenue for the first nine months of 2015 (EUR 672,588 thousand). The increase in revenue results from organic growth, negative currency effects have an opposite effect.

The raw materials and consumables used increased disproportionately lower in relation to revenues, leading to a ratio of 39.1% (Q1 – Q3 2015: 41.2%). Also in relation to the total value, raw materials and consumables used are, with a ratio of 39.0%, below last year's level (Q1 – Q3 2015: 40.9%). This development was, among other factors, a result of the reduction in stock within the first nine months of 2016 (previous year: build-up). In 2015, EUR 2,461 thousand, associated with the acquisition of NDS, were adjusted within expenses for raw materials and consumables used, leading to an adjusted ratio of 40.5% in the first nine months of 2015.

OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

Other operating income in the first nine months of 2016 totaled EUR 10,177 thousand which was EUR 1,257 thousand higher than in the first nine months of 2015 (EUR 8,920 thousand). Other operating income included, in particular, operational currency gains in the amount of EUR 5,835 thousand (Q1 – Q3 2015: EUR 5,414 thousand), government grants and reversals from provisions and accruals.

Other operating expenses for the first nine months of 2016 (EUR 103,511 thousand) were 4.9% higher than other operating expenses for the first nine months of 2015 (EUR 98,650 thousand). In relation to the total value, other operating expenses increased disproportionately higher at a rate of 15.2% (Q1 – Q3 2015: 14.6%). This development is particularly due to an increase in expenses for external consulting, in connection with the acquisition of the Parker Autoline business and due to an increase of expenses for research & development. Other operating expenses include currency losses in the amount of EUR 4,787 thousand (Q1 – Q3 2015: EUR 5,468 thousand). The composition of other operating expenses did not change significantly compared to fiscal year 2015.

EMPLOYEE BENEFITS EXPENSE

In the first nine months of 2016, employee benefits expense amounted to EUR 185,135 thousand compared to EUR 177,073 thousand in the first nine months of 2015. The increase of 4.6% is mainly due to an increase in the average headcount in the first nine months of 2016 compared to the first nine months of 2015. In relation to the total value, employee benefits expense increased disproportionately higher at a rate of 27.2% (Q1 – Q3 2015: 26.1%).

Average headcount was 5,229 in the first nine months of 2016 (Q1 – Q3 2015: 4,955).

FINANCIAL RESULT

The financial result for the first nine months of 2016 (EUR – 11,835 thousand) changed by EUR 1,824 thousand compared to the first nine months of 2015 (EUR – 13,659 thousand). In the first nine months of 2016, net foreign exchange gains / losses, including income / expense from the valuation of foreign exchange derivatives, amounted to EUR – 2,029 thousand (Q1 – Q3 2015: EUR – 983 thousand). Net interest expenses (EUR 9,130 thousand) decreased by EUR 2,676 thousand in the first nine months of 2016 compared to the first nine months of 2015 (EUR 11,806 thousand).

Consolidated Statement of Financial Position

as of September 30, 2016

ASSETS

in EUR thousands	**Sep 30, 2016**	**Dec 31, 2015**	Sep 30, 2015
Non-current assets			
Goodwill	**339,337**	343,829	338,469
Other intangible assets	**251,805**	271,009	268,300
Property, plant and equipment	**171,785**	169,939	158,730
Other non-financial assets	**237**	234	275
Income tax assets	**67**	458	435
Deferred income tax assets	**9,374**	8,105	11,870
	772,605	**793,574**	**778,079**
Current assets			
Inventories	**128,012**	129,902	130,280
Other non-financial assets	**13,656**	13,711	12,474
Other financial assets	**3,848**	3,856	2,677
Derivative financial assets	**64**	248	1,180
Income tax assets	**7,169**	3,772	1,524
Trade and other receivables	**139,199**	122,865	135,146
Cash and cash equivalents	**217,556**	99,951	94,965
	509,504	**374,305**	**378,246**
Total assets	**1,282,109**	**1,167,879**	**1,156,325**

EQUITY AND LIABILITIES

in EUR thousands	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Equity attributable to equity holders of the parent			
Subscribed capital	**31,862**	31,862	31,862
Capital reserves	**210,323**	210,323	210,325
Other reserves	**11,078**	21,128	13,910
Retained earnings	**197,222**	165,600	147,491
Equity attributable to shareholders	**450,485**	**428,913**	**403,588**
Non-controlling interests	**880**	898	1,027
Total equity	**451,365**	**429,811**	**404,615**
Liabilities			
Non-current liabilities			
Retirement benefit obligations	**11,757**	11,951	11,940
Provisions	**9,953**	10,842	12,168
Borrowings	**536,199**	443,711	362,636
Other non-financial liabilities	**996**	1,368	1,460
Other financial liabilities	**825**	681	725
Derivative financial liabilities	**3,899**	2,510	3,616
Deferred income tax liabilities	**101,766**	104,380	112,039
	665,395	**575,443**	**504,584**
Current liabilities			
Provisions	**11,734**	9,972	6,062
Borrowings	**8,691**	7,056	69,704
Other non-financial liabilities	**32,870**	28,653	32,951
Other financial liabilities	**2,645**	6,019	5,335
Derivative financial liabilities	**437**	876	19,647
Income tax liabilities	**13,988**	9,172	16,560
Trade and other payables	**94,984**	100,877	96,867
	165,349	**162,625**	**247,126**
Total liabilities	**830,744**	**738,068**	**751,710**
Total equity and liabilities	**1,282,109**	**1,167,879**	**1,156,325**

Selected Notes to the Consolidated Statement of Financial Position

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Intangible assets are as follows:

	Carrying amounts	
in EUR thousands	Sep 30, 2016	Dec 31, 2015
Goodwill	**339,337**	343,829
Customer lists	**175,458**	190,749
Licenses, rights	**511**	717
Software	**8,151**	10,384
Trademarks	**43,566**	45,586
Patents & technology	**11,713**	13,203
Internally generated intangible assets	**6,497**	6,259
Intangible assets, other	**5,909**	4,111
Total	**591,142**	**614,838**

The change in goodwill from EUR 343,829 thousand as of December 31, 2015, to EUR 339,337 thousand as of September 30, 2016, resulted from foreign exchange differences, mainly from the US dollar area.

The change in goodwill is summarized as follows:

in EUR thousands	
Balance as of December 31, 2015	**343,829**
Currency effect	−4,492
Balance as of September 30, 2016	**339,337**

For details regarding the historical development of the cumulative amortization and impairments, please refer to 2015 Annual Report 2015 Annual Report, p. 138.

Tangible assets are as follows:

	Carrying amounts	
in EUR thousands	Sep 30, 2016	Dec 31, 2015
Land and buildings	**58,016**	59,258
Machinery & tools	**75,017**	75,318
Other equipment	**14,006**	13,320
Assets under construction	**24,746**	22,043
Total	**171,785**	**169,939**

In the first nine months of 2016, EUR 29,312 thousand were invested in property, plant and equipment and intangible assets, including own work capitalized in the amount of EUR 2,428 and finance leases in the amount of EUR 277 thousand. The main focus of investments was on expansion in Germany, Poland, Serbia, the Czech Republic, China and the US. There were no major disinvestments.

CURRENT ASSETS

The increase in current assets is due to the increase in cash and cash equivalents influenced by the issuance of a new promissory note. The new promissory note increases the scope for NORMA Group to strategically develop the company. It will be used to finance future acquisitions. Furthermore, trade receivables increased as a result of the increased sales volume in the third quarter of 2016 compared to the last quarter of 2015.

EQUITY

Changes in equity resulted from the profit for the period (EUR 60,404 thousand), exchange differences on translation of foreign operations (EUR –8,935 thousand) and cash flow hedges (EUR –1,073 thousand). Furthermore, NORMA Group paid out dividends to non-controlling interests in the amount of EUR 166 thousand in the first nine months of 2016.

In addition, a dividend of EUR 28,676 thousand (EUR 0.90 per share) was paid to the shareholders of NORMA Group SE after the Annual Meeting in June 2016, which reduced the retained earnings.

FINANCIAL DEBT

NORMA Group's net debt is as follows:

in EUR thousands	Sep 30, 2016	Dec 31, 2015
Bank borrowings, net	544,890	450,705
Derivative financial liabilities – hedge accounting	4,336	3,312
Derivative financial liabilities – held for trading	0	74
Other borrowings	0	62
Finance lease liabilities	347	289
Other financial liabilities	3,123	6,411
Financial debt	**552,696**	**460,853**
Cash and cash equivalents	217,556	99,951
Net debt	**335,140**	**360,902**

NORMA Group's financial debt increased by 19.9% from EUR 460,853 thousand as of December 31, 2015, to EUR 552,696 thousand as of September 30, 2016. The increase within the bank borrowings is due to the placement of a third promissory note (SSD III) in the amount of EUR 149,030 thousand. The new promissory note increases the scope for NORMA Group to strategically develop the company. It will be used to finance future acquisitions and was partially used for the repayment of a share of the promissory note, which was issued in 2013, in the amount of EUR 49,000 thousand to further improve the structure of NORMA Group's debt. The issue volume of EUR 150 million is divided into four euro tranches and four US dollar tranches. The SSD III is equipped with both fixed interest rates and floating rate tranches. The terms include five, seven and ten years.

The bank borrowings are additionally influenced by the scheduled repayment of the syndicated bank facilities in the amount of EUR 2,480 thousand as well as effects from changes in the exchange rates on the US dollar portion of parts of the syndicated bank facilities and of the promissory notes.

Within the derivatives, the negative market value of the hedging derivatives increased, mainly due to the interest rate swaps. The decrease in other financial liabilities is mainly due to the repayment of liabilities resulting from the acquisition of NDS in 2014 as well as the repayment of the contingent consideration resulting from the acquisition of Five Star in 2014 in the total amount of EUR 4,942 thousand.

Compared to December 31, 2015, (EUR 360,902 thousand), net debt decreased by EUR 25,762 thousand or 7.1% to EUR 335,140 thousand. The net cash inflow from operating and investing activities less the included repayment of financial liabilities in the amount of EUR 64,739 thousand had positive effects on net debt. Opposite effects resulted from dividend payments amounting to EUR 28,842 thousand, interest expenses amounting to EUR 9,280 thousand and valuation effects on derivatives.

The increase in cash and cash equivalents resulted from the increase in net cash generated by operating activities and by financing activities which overcompensated for cash outflows from investing activities.

The maturity of the syndicated bank facilities and the promissory note on September 30, 2016, is as follows:

in EUR thousands	up to 1 year	> 1 year up to 2 years	> 2 years up to 5 years	> 5 years
Bank borrowings, net	4,939	4,939	86,427	0
Promissory note, net	0	59,316	202,529	184,327
Total	**4,939**	**64,255**	**288,956**	**184,327**

Parts of the syndicated bank facilities and the majority of tranches of the promissory notes with variable interest rates are hedged against interest rate changes. The derivative liability increased from EUR 2,510 thousand as of December 31, 2015, to EUR 3,899 thousand as of September 30, 2016.

OTHER NON-FINANCIAL LIABILITIES

Other non-financial liabilities are as follows:

in EUR thousands	Sep 30, 2016	Dec 31, 2015
Non-current		
Government grants	952	1,316
Other liabilities	44	52
	996	1,368
Current		
Non-income tax liabilities	3,149	1,559
Social liabilities	3,828	3,547
Personnel-related liabilities (e.g. holiday, bonus, premiums)	24,762	21,544
Deferred income	881	1,113
Other liabilities	250	890
	32,870	28,653
Total other non-financial liabilities	**33,866**	**30,021**

DERIVATIVE FINANCIAL INSTRUMENTS

Foreign exchange derivatives

On September 30, 2016, foreign exchange derivatives with a positive market value of EUR 38 thousand and a negative market value of EUR 168 thousand were classified as cash flow hedges. Furthermore, foreign exchange derivatives with a positive market value of EUR 26 thousand and a negative market value of EUR 269 thousand 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

In order to avoid interest rate fluctuations, NORMA Group has hedged parts of the loans against changes in interest rates. On September 30, 2016, the negative market value of the interest rate swaps amounts to EUR 3,899 thousand (Dec 31, 2015: EUR 2,510 thousand) and the notional principal amount to EUR 187 million (Dec 31, 2015: EUR 117 million). On September 30, 2016, the hedged fixed interest rate was between 1.13% and 2.0025%; the variable interest rate was the 3-month LIBOR and the 6-month EURIBOR. The maximum exposure to credit risk on the reporting date is the fair value of the derivative assets in the Consolidated Statement of Financial Position.

The effective part recognized in other comprehensive income excluding taxes developed as follows:

in EUR thousands	Foreign exchange derivatives	Interest rate swaps	**Total**
Balance as of December 31, 2015	**24**	**−2,508**	**−2,484**
Foreign currency translation effects	3	0	**3**
Reclassification to profit or loss	−21	1,218	**1,197**
Net fair value changes	−103	−2,608	**−2,711**
Balance as of September 30, 2016	**−97**	**−3,898**	**−3,995**

Amounts recognized in the hedging reserve in equity will be released in profit or loss during the maturity of the loans. Amounts due to foreign exchange derivatives recognized in the hedging reserve in equity on September 30, 2016, are current and will therefore be released in profit or loss within one year.

An overview of the gains and losses arising from the hedging of fair value changes that were recognized in the financial result is shown in the following overview:

in EUR thousands	**Q3 2016**	Q3 2015
Loss (–)/gains (+) on hedged items	**−2,296**	7,827
Gains (+)/loss (–) on hedging instruments	**1,501**	−8,168
	−795	−341

Consolidated Statement of Cash Flows

for the period from January 1 to September 30, 2016

in EUR thousands	Q3 2016	Q3 2015	Q1 – Q3 2016	Q1 – Q3 2015
Operating activities				
Profit for the period	**19,286**	**17,436**	**60,404**	**55,362**
Depreciation and amortization	**12,438**	12,057	**37,001**	36,185
Gain (–) / loss (+) on disposal of property, plant and equipment	**209**	– 68	**230**	– 78
Change in provisions	**835**	388	**3,266**	– 626
Change in deferred taxes	**– 778**	290	**– 1,052**	– 921
Change in inventories, trade account receivables and other receivables, which are not attributable to investing or financing activities	**4,075**	16,586	**– 23,505**	– 31,812
Change in trade and other payables, which are not attributable to investing or financing activities	**– 6,185**	– 3,982	**6,861**	17,512
Change in reverse factoring liabilities	**1,177**	– 3,210	**3,067**	9,636
Payments for share-based payments	**0**	0	**– 2,534**	– 2,265
Interest expenses in the period	**3,170**	3,741	**8,930**	10,859
Income (–) / expenses (+) due to measurement of derivatives	**– 509**	– 1,831	**43**	9,878
Other non-cash expenses (+)/ income (–)	**1,099**	2,731	**3,131**	– 7,796
Cash flows from operating activities	**34,817**	**44,138**	**95,842**	**95,934**
thereof interest received	**45**	21	**116**	57
thereof income taxes	**– 13,345**	– 11,489	**– 27,397**	– 22,440
Investing activities				
Payments for acquisitions of subsidiaries, net	**0**	0	**– 4,942**	– 52
Investments in property, plant and equipment and intangible assets	**– 12,489**	– 10,166	**– 31,403**	– 28,818
Proceeds from the sale of property, plant and equipment	**164**	157	**300**	453
Cash flows from investing activities	**– 12,325**	**– 10,009**	**– 36,045**	**– 28,417**
Financing activities				
Interest paid	**– 4,143**	– 4,902	**– 7,136**	– 9,390
Dividends paid to shareholders	**0**	0	**– 28,676**	– 23,897
Dividends paid to non-controlling interests	**– 47**	0	**– 166**	– 150
Proceeds from borrowings	**188,412**	0	**188,434**	456
Repayment of borrowings	**– 89,001**	– 350	**– 91,565**	– 10,418
Proceeds from / repayment of derivatives	**– 497**	106	**– 429**	– 15,132
Repayment of lease liabilities	**– 82**	– 49	**– 217**	– 222
Cash flows from financing activities	**94,642**	**– 5,195**	**60,245**	**– 58,753**
Net change in cash and cash equivalents	**117,134**	**28,934**	**120,042**	**8,764**
Cash and cash equivalents at the beginning of the year	**101,186**	67,417	**99,951**	84,271
Effect of foreign exchange rates on cash and cash equivalents	**– 764**	– 1,386	**– 2,437**	1,930
Cash and cash equivalents at the end of the period	**217,556**	**94,965**	**217,556**	**94,965**

Selected Notes to the Consolidated Statement of Cash Flows

In the statement of cash flows, a distinction is made between cash flows from operating activities, investing activities and financing activities.

Cash flows from operating activities is derived indirectly from profit for the period. The profit for the period is adjusted to eliminate non-cash expenses such as depreciation and amortization as well as expenses and payments for which the cash effects are investing or financing cash flows and to eliminate other non-cash expenses and income. Cash flows from operating activities of EUR 95,842 thousand (Q1 – Q3 2015: EUR 95,934 thousand) represents changes in current assets, provisions and liabilities, excluding liabilities in connection with financing activities.

The Group participates in a reverse factoring program and an ABS program. The liabilities included in the reverse factoring program are included in trade and other payables. As of September 30, 2016, liabilities amounting to EUR 24,176 thousand (Dec 31, 2015: EUR 21,109 thousand) from the reverse factoring program were recorded. The payments to the factor and from the ABS program are included in cash flows from operating activities, as this represents the economic substance of the transactions.

The correction of expenses due to measurement of derivatives in the amount of EUR 43 thousand (Q1 – Q3 2015: expenses in the amount of EUR 9,878 thousand) relates to fair value gains and losses recognized within the income statement assigned to the cash flows from financing activities.

Other non-cash income (–) / expenses (+) in net cash provided by operating activities mainly include foreign exchange rate gains and losses on external debt and intragroup monetary items in the amount of EUR 2,798 thousand (Q1 – Q3 2015: EUR – 8,953 thousand).

Furthermore, other non-cash income (–) / expenses (+) include non-cash interest expenses from the amortization of accrued costs, amounting to EUR 333 thousand (Q1 – Q3 2015: EUR 1,022 thousand). In the prior year, non-cash personnel expenses from the Matching Stock Program amounting to EUR 135 thousand were also included in this position.

Cash flows resulting from interest paid are disclosed as cash flows from financing activities.

Cash flows from investing activities include net cash outflows from the acquisition and disposal of property, plant and equipment and intangible assets amounting to EUR 31,103 thousand (Q1 – Q3 2015: EUR 28,365 thousand) including the change of liabilities from investments in property, plant and equipment and intangible assets amounting to EUR – 2,368 thousand (Q1 – Q3 2015: EUR – 5,010 thousand). Furthermore, net payments for acquisitions of subsidiaries in the amount of EUR 4,942 thousand (Q1 – Q3 2015: EUR 52 thousand) are included in the cash flows from investing activities.

Cash flows from financing activities mainly comprise net proceeds from borrowings in the amount of EUR 96,869 thousand (Q1 – Q3 2015: net repayments in the amount of EUR 9,962 thousand). The proceeds from borrowings are a result of the issuance of a new promissory note as of August 1, 2016, in the amount of EUR 148,434 thousand (including transaction costs in the amount of EUR – 596 thousand) and of bridge financing in the amount of EUR 40,000 thousand which was settled as of September 30, 2016. The repayment of borrowings mainly includes the repayment of a share of the promissory note, which was issued in 2013, in the amount of EUR 49,000 thousand made in July 2016 as well as the repayment of the bridge financing in the amount of EUR 40,000 thousand made in August 2016. → Financial debt, p. 17.

Furthermore, outflows from the scheduled repayment of borrowings in the amount of EUR 2,480 thousand, the payment of the dividend amounting to EUR 28,676 thousand (Q1 – Q3 2015: EUR 23,897 thousand), cash outflows resulting from interest paid (Q1 – Q3 2016: EUR 7,136 thousand, Q1 – Q3 2015: EUR 9,390 thousand) as well as proceeds from derivatives in the amount of EUR 429 thousand (Q1 – Q3 2015: repayment of EUR 15,132 thousand) are included.

Additionally, dividend payments to non-controlling interests in the amount of EUR 166 thousand (Q1 – Q3 2015: EUR 150 thousand) and repayments from finance lease liabilities in the amount of EUR 217 thousand (Q1 – Q3 2015: EUR 222 thousand) are disclosed as cash flows from financing activities.

The changes in balance sheet items that are presented in the Consolidated Statement of Cash Flows cannot be derived directly from the balance sheet, as the effects of currency translation are non-cash transactions and changes in the consolidated Group are shown directly in the net cash used in investing activities.

On September 30, 2016, cash and cash equivalents consisted of cash on hand and demand deposits of EUR 217,431 thousand (September 30, 2015: EUR 94,851 thousand) as well as cash equivalents valued at EUR 125 thousand (Sep 30, 2015: EUR 114 thousand).

Segment Reporting

for the period from January 1 to September 30, 2016

	EMEA		Americas		Asia-Pacific	
in EUR thousands	**Q1 – Q3 2016**	Q1 – Q3 2015	**Q1 – Q3 2016**	Q1 – Q3 2015	**Q1 – Q3 2016**	Q1 – Q3 2015
Total revenue	**351,485**	337,239	**297,513**	309,415	**58,661**	57,158
thereof inter-segment revenue	**19,288**	22,813	**6,669**	6,298	**2,269**	2,113
Revenue from external customers	**332,197**	**314,426**	**290,844**	**303,117**	**56,392**	**55,045**
Contribution to consolidated Group sales	**49%**	47%	**43%**	45%	**8%**	8%
Gross profit[1]	**209,254**	197,665	**180,053**	180,396	**28,460**	26,595
Adjusted EBITDA	**75,404**	**67,363**	**65,087**	**69,924**	**7,295**	**6,600**
Adjusted EBITDA margin[2]	**21.5%**	20.0%	**21.9%**	22.6%	**12.4%**	11.5%
Depreciation without PPA depreciation[3]	**– 7,569**	– 7,382	**– 5,795**	– 5,923	**– 1,957**	– 1,885
Adjusted EBITA	**67,835**	**59,981**	**59,292**	**64,001**	**5,338**	**4,715**
Adjusted EBITA margin[2]	**19.3%**	17.8%	**19.9%**	20.7%	**9.1%**	8.2%
Assets (prior year as of Dec 31, 2015)[4]	**491,301**	489,161	**629,965**	636,294	**86,425**	84,422
Liabilities (prior year as of Dec 31, 2015)[5]	**102,460**	136,903	**333,946**	358,563	**29,296**	30,805
CAPEX	**12,274**	8,171	**8,800**	10,084	**4,054**	2,766

[1] Adjusted in 2015.
[2] Based on segment sales.
[3] Depreciation from purchase price allocations.
[4] Including allocated goodwill, taxes are shown within the column 'consolidation.'
[5] Taxes are shown within the column 'consolidation.'

Selected Notes to the Segment Reporting

In the first nine months of 2016, the share of Group sales revenue generated abroad remained unchanged compared to the previous year at around 78%.

EMEA

External sales in the EMEA region amounted to EUR 332.2 million in the nine-month period of 2016. This represents an increase of 5.7% compared to the previous year (Q1 – Q3 2015: EUR 314.4 million) and a 49% share of Group sales (Q1 – Q3 2015: 47%). The positive sales performance in the EMEA region is due to the good business development in the area of Engineered Joining Technology (EJT), in particular.

Adjusted EBITDA in the EMEA region rose by 11.9% to EUR 75.4 million (Q1 – Q3 2015: EUR 67.4 million). The adjusted EBITDA margin amounted to 21.5% during the reporting period (Q1 – Q3 2015: 20.0%).

Adjusted EBITA increased by 13.1% to EUR 67.8 million (Q1 – Q3 2015: EUR 60.0 million) while the adjusted EBITA margin improved to 19.3% (Q1 – Q3 2015: 17.8%).

Investments made in the EMEA region during the reporting period pertained primarily to the sites in Germany, Poland, Serbia and the Czech Republic, and amounted to EUR 12.3 million (Q1 – Q3 2015: EUR 8.2 million). The assets of the EMEA region totaled EUR 491.3 million as of September 30, 2016, a slight increase of 0.4% compared to December 31, 2015 (EUR 489.2 million).

AMERICAS

The development of sales in the Americas region during the reporting period was adversely affected by the increasingly weaker market environment for commercial vehicles and agricultural machinery. This had an impact on the EJT business in the US, in particular, which therefore declined during the nine-month

Total segments		Central functions		Consolidation		Consolidated Group	
Q1 – Q3 2016	Q1 – Q3 2015	Q1 – Q3 2016	Q1 – Q3 2015	Q1 – Q3 2016	Q1 – Q3 2015	Q1 – Q3 2016	Q1 – Q3 2015
707,659	703,812	25,552	22,523	– 53,778	– 53,747	679,433	672,588
28,226	31,224	25,552	22,523	– 53,778	– 53,747	0	0
679,433	672,588	0	0	0	0	679,433	672,588
100%	100%						
417,767	404,656	n.a.	n.a.	– 2,084	– 1,951	415,683	402,705
147,786	143,887	– 8,575	– 6,878	– 503	– 485	138,708	136,524
						20.4%	20.3%
– 15,321	– 15,190	– 811	– 687	0	0	– 16,132	– 15,877
132,465	128,697	– 9,386	– 7,565	– 503	– 485	122,576	120,647
						18.0%	17.9%
1,207,691	1,209,877	446,392	404,821	– 371,974	– 446,819	1,282,109	1,167,879
465,702	526,271	637,191	556,760	– 272,149	– 344,963	830,744	738,068
25,128	21,021	4,184	2,895	n.a.	n.a.	29,312	23,916

period and could not be offset by the good sales performance of the DS division.

External revenues in the Americas region in the amount of EUR 290.8 million thus declined by 4.0% compared to the same period of the previous year (Q1 – Q3 2015: EUR 303.1 million). The share of sales of the Americas region therefore also declined to 43% in the reporting period (Q1 – Q3 2015: 45%).

Adjusted EBITDA in the Americas region fell by 6.9% to EUR 65.1 million (Q1 – Q3 2015: EUR 69.9 million). The adjusted EBITDA margin amounted to 21.9% (Q1 – Q3 2015: 22.6%). Adjusted EBITA also declined by 7.4% from EUR 64.0 million to EUR 59.3 million. The adjusted EBITA margin of 19.9% was 80 basis points below the level of the prior-year period (Q1 – Q3 2015: 20.7%).

Investments in the Americas region amounted to EUR 8.8 million in the nine-month period (Q1 – Q3 2015: EUR 10.1 million) and mainly pertained to the plants in the US. Assets decreased slightly by 1.0% to EUR 630.0 million (Dec 31, 2015: EUR 636.3 million).

ASIA-PACIFIC

The Asia-Pacific region posted positive growth of 2.4% (Q1 – Q3 2015: EUR 55.0 million) based on sales revenues of EUR 56.4 million in the nine-month period. The organic growth here was hampered by opposing negative currency effects in connection with the Australian dollar, Chinese yuan, and the Malaysian ringgit, in particular. The Asia-Pacific region's share of Group sales remained unchanged compared to last year at around 8%.

Adjusted EBITDA in the Asia-Pacific region amounted to EUR 7.3 million, which is 10.5% higher than the previous year's level (Q1 – Q3 2015: EUR 6.6 million). The adjusted EBITDA margin amounted to 12.4%, which means it rose compared to the previous year (Q1 – Q3 2015: 11.5%). At the same time, adjusted EBITA increased by 13.2% to EUR 5.3 million (Q1 – Q3 2015: EUR 4.7 million) and resulted in an increase in the adjusted EBITA margin of 9.1% in relation to sales (Q1 – Q3 2015: 8.2%).

Investments in the nine-month period amounted to EUR 4.1 million (Q1 – Q3 2015: EUR 2.8 million) and mainly pertained to the plants in China. Assets increased by 2.4% to EUR 86.4 million compared to the end of 2015 (Dec 31, 2015: EUR 84.4 million).

Financial Calendar

February 15, 2017	Publication of Preliminary Financial Results 2016
March 22, 2017	Publication of Full Year Results 2016
May 10, 2017	Publication of Q1 Interim Statement 2017
May 23, 2017	Ordinary Annual General Meeting 2017, Frankfurt/Main
August 9, 2017	Publication of Q2 Interim Statement 2017
November 8, 2017	Publication of Q3 Interim Statement 2017

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

Contact and Imprint

If you have any questions regarding NORMA Group or would like to be included in our distribution list, please contact the Investor Relations team:

E-Mail: ir@normagroup.com

Andreas Trösch
Vice President Investor Relations
Phone: + 49 6181 6102 741 | Fax: + 49 6181 6102 7641
E-mail: andreas.troesch@normagroup.com

Vanessa Wiese
Senior Manager Investor Relations
Phone: + 49 6181 6102 742 | Fax: + 49 6181 6102 7642
E-mail: vanessa.wiese@normagroup.com

Dana Feuerberg
Manager Investor Relations
Phone: + 49 6181 6102 748 | Fax: + 49 6181 6102 7648
E-mail: dana.feuerberg@normagroup.com

EDITOR
NORMA Group SE
Edisonstrasse 4
63477 Maintal, Germany

Phone: + 49 6181 6102 740
E-Mail: info@normagroup.com
Internet: www.normagroup.com

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.