



# NORMA GROUP FULL YEAR 2021 RESULTS

MAINTAL, MARCH 23, 2022

# Facts & Figures – Key Figures (I/III)



## Sales

Increase of net sales of 14.7% leads to sales of EUR 1,091.9 million

(2020: EUR 952.2 million)



## Organic Sales

16.2% organic sales growth for the full year 2021

(2020: -12.1%)



## Adjusted EBIT

Increased adjusted EBIT by 151.2% to EUR 113.8 million

(2020: EUR 45.3 million)



## Adj. EBIT Margin

Increased adjusted EBIT margin of 10.4%

(2020: 4.8 %)



## EPS

Adjusted EPS at EUR 2.27

(2020: EUR 0.77)

Reported EPS at EUR 1.76

(2020: EUR 0.18)



## NOVA

Increased NORMA Value Added\* of EUR 16.0 million

(2020: EUR -46.4 million)

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

# Facts & Figures – Key Figures (II/III)



## Equity

Improved equity ratio of 44.6%  
(2020: 41.7 %)



## Net Debt

Net debt decreased to EUR  
318.5 million  
(2020: EUR 338.4 million)



## Leverage

Improved leverage of 1.9x  
(December 31, 2020: 3.4x)



## Net Operating Cashflow

Increased Net Operating  
Cashflow of  
EUR 100 million\*  
(2020: EUR 78 million)



## Dividend

Dividend proposal of  
EUR 0.75 for the  
fiscal year 2021 to the AGM on  
May 17, 2022  
(2020: EUR 0.70)



## Corporate Responsibility

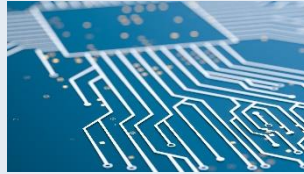
CO<sub>2</sub> emissions reduced by  
12.8% in 2021  
(2020: 8.6%)

\* With factoring programs at EUR 62 million on December 31, 2021 (December 31, 2020: EUR 52 million)

## Global Supply Chain Disruptions & Lowered Production Rates



- Scarcity of raw material
- Severe cuts in light vehicle production



## Price Inflation



- Higher logistic and energy costs
- Material cost inflation



## Delayed Economic Recovery



- Strong H1 2021 with good recovery
- But challenging environment in H2 2021



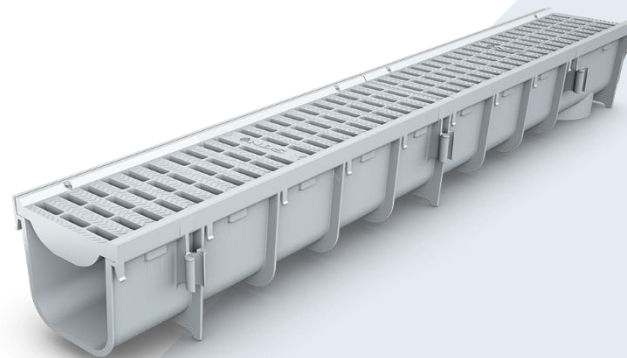
## Ongoing Corona Challenges



- Ongoing Corona related costs in production and health
- High sick leave of staff and quarantine

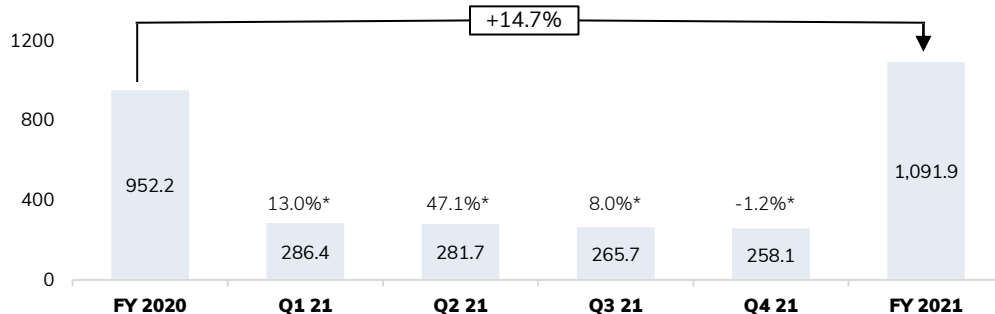


# SEGMENTS & P&L STATEMENT



# Top Line Development

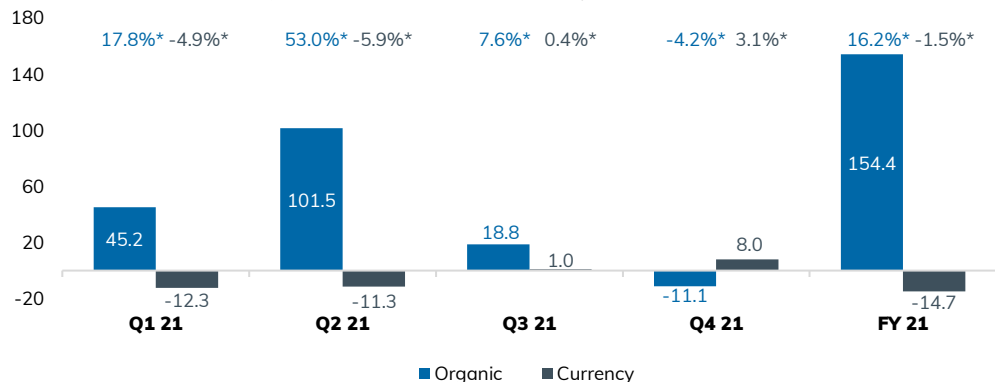
## Sales Development YoY



### Top Line

- Increase in Net Sales by 14.7% to EUR 1,091.9 million in FY 2021 compared to EUR 952.2 million in FY 2020, mainly due to economic recovery.

## Organic Growth & Currency Effects



### Organic Growth

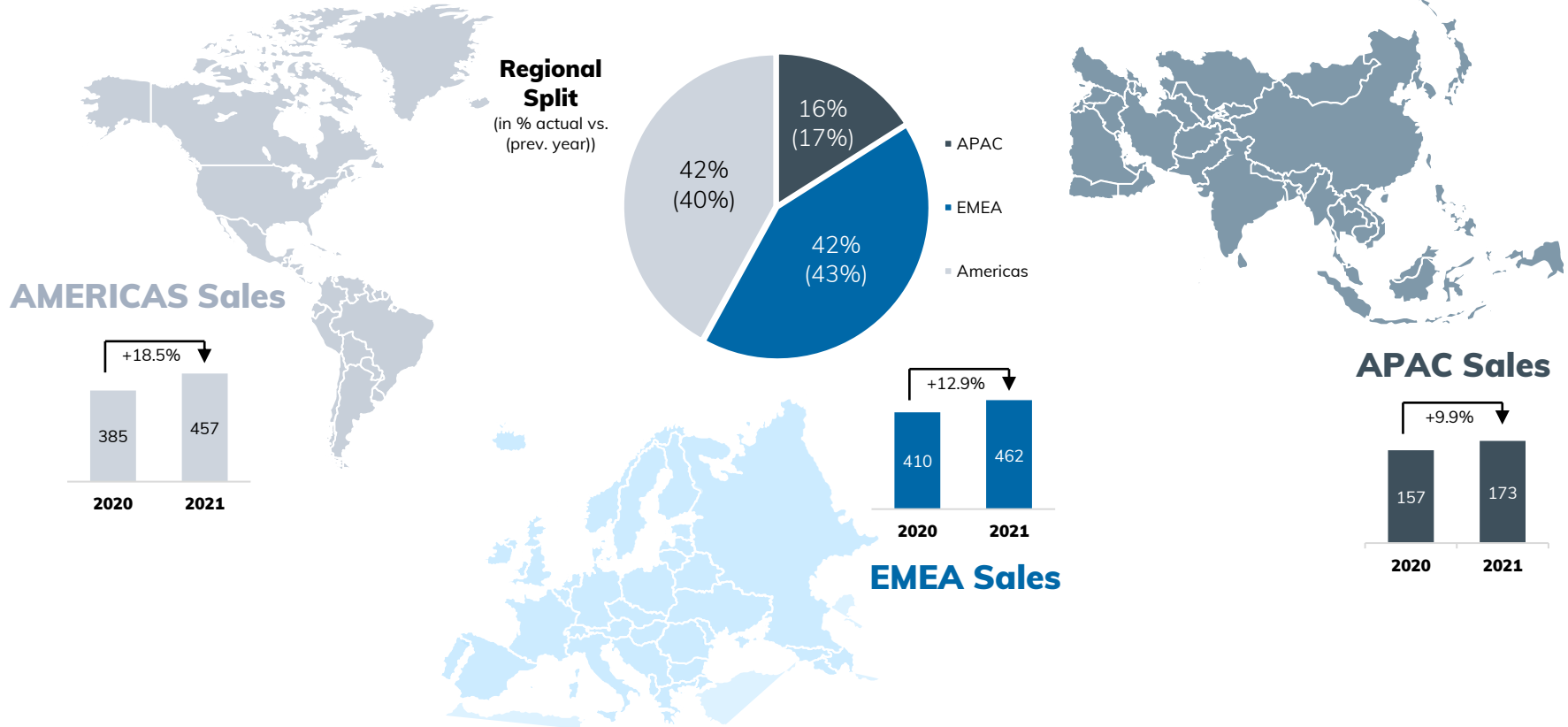
- Organic Growth of 16.2% in FY 2021 with good recovery in all regions, especially in EMEA and Americas
- EJT sales increased to EUR 620.7 million, showing an organic growth of 13.2%, mainly due to strong double-digit growth in the Americas region
- SJT showing strong organic growth of +19.9% in FY 2021, mainly due to the EMEA and Americas region

### Currency Effects

- Negative translation effects of EUR 14.7 million or -1.5% in FY 2021

\* In % of prior year sales

# Segment Reporting – Sales Development (I/II)



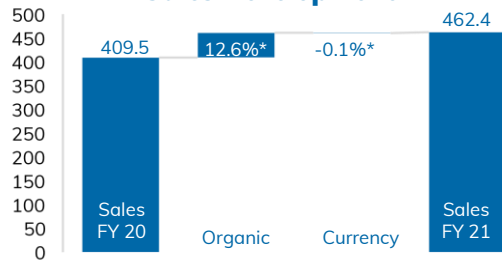
# Segment Reporting – Sales Development (II/II)

## EMEA



- **EJT:** Excellent recovery in H1 2021 leads to high single-digit development of 9.7% organic growth in FY 2021
- **SJT:** Strong double-digit organic growth of 20.3% in FY 2021 due to good business development and restocking

### Sales Development

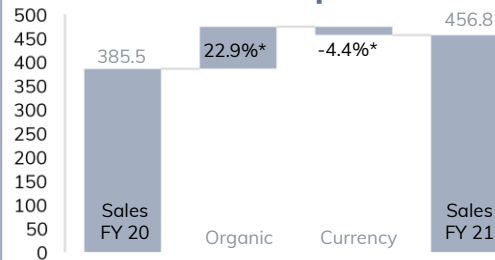


## Americas



- **EJT:** Good rebound in H1 2021 leads to double-digit recovery of 22.3% in FY 2021
- **SJT:** Strong double-digit organic growth of 22.6% in FY 2021 with water management showing another record organic growth of 20.9% in FY 2021

### Sales Development

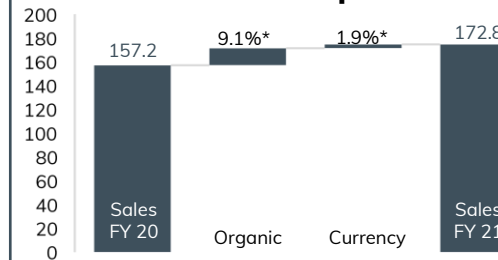


## APAC



- **EJT:** Strong economic recovery in H1 2021 leads to double-digit organic growth of 10.6% in FY 2021
- **SJT:** Solid H1 2021 organic growth leads to 6.7% in FY 2021

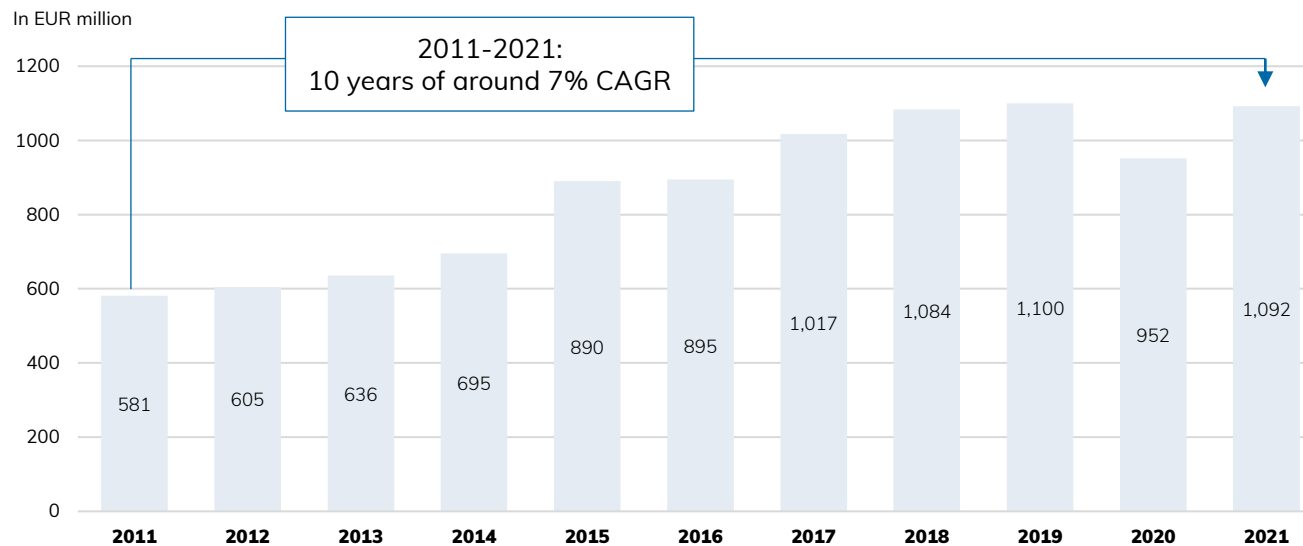
### Sales Development



\* In % of prior year sales



# Revenue Track Record



## Thereof organic development (in EUR million and %)

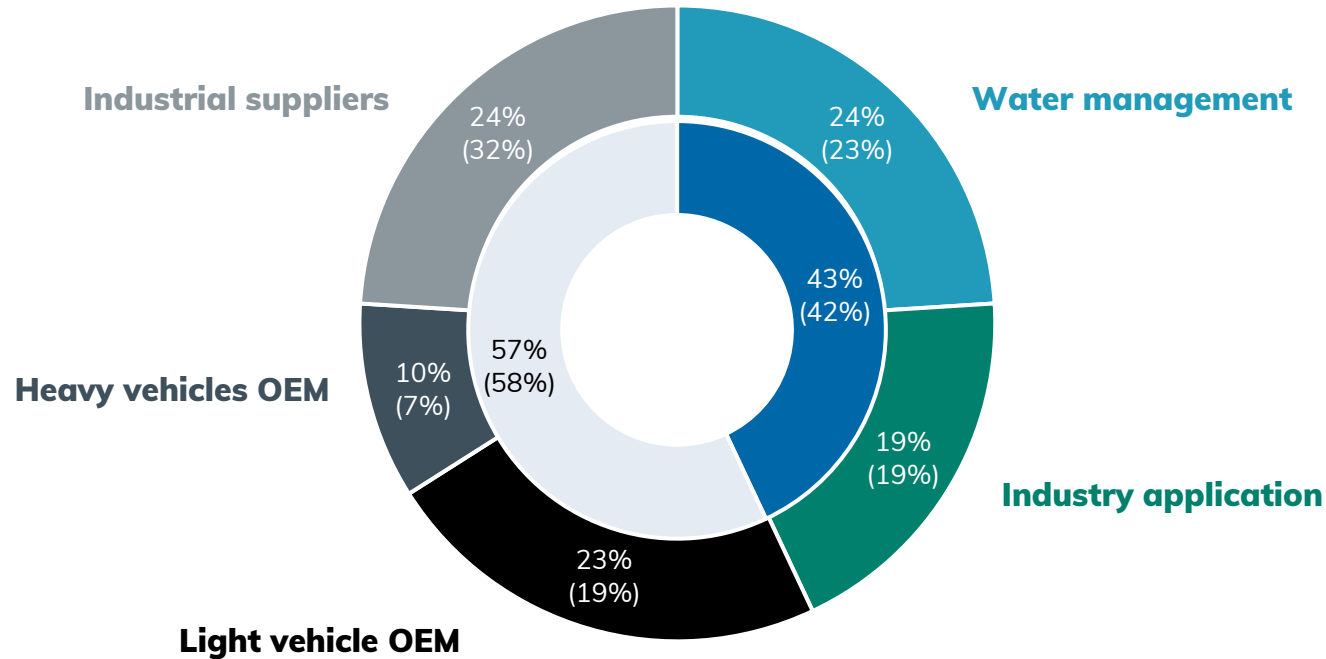
| Year           | 2012  | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019  | 2020   | 2021  | Ø 10 years |
|----------------|-------|------|------|------|------|------|------|-------|--------|-------|------------|
| In EUR million | -10.8 | 15.1 | 41.3 | 25.9 | 7.6  | 77.0 | 78.6 | -21.6 | -133.3 | 154.4 |            |
| In %           | -1.9  | 2.5  | 6.5  | 3.7  | 0.9  | 8.6  | 7.7  | -2.0  | -12.1  | 16.2  | 3.0        |

# Balanced Sales Mix with Focus on Water Management & Industry Applications\*



**Engineered Joining Technology (EJT)**

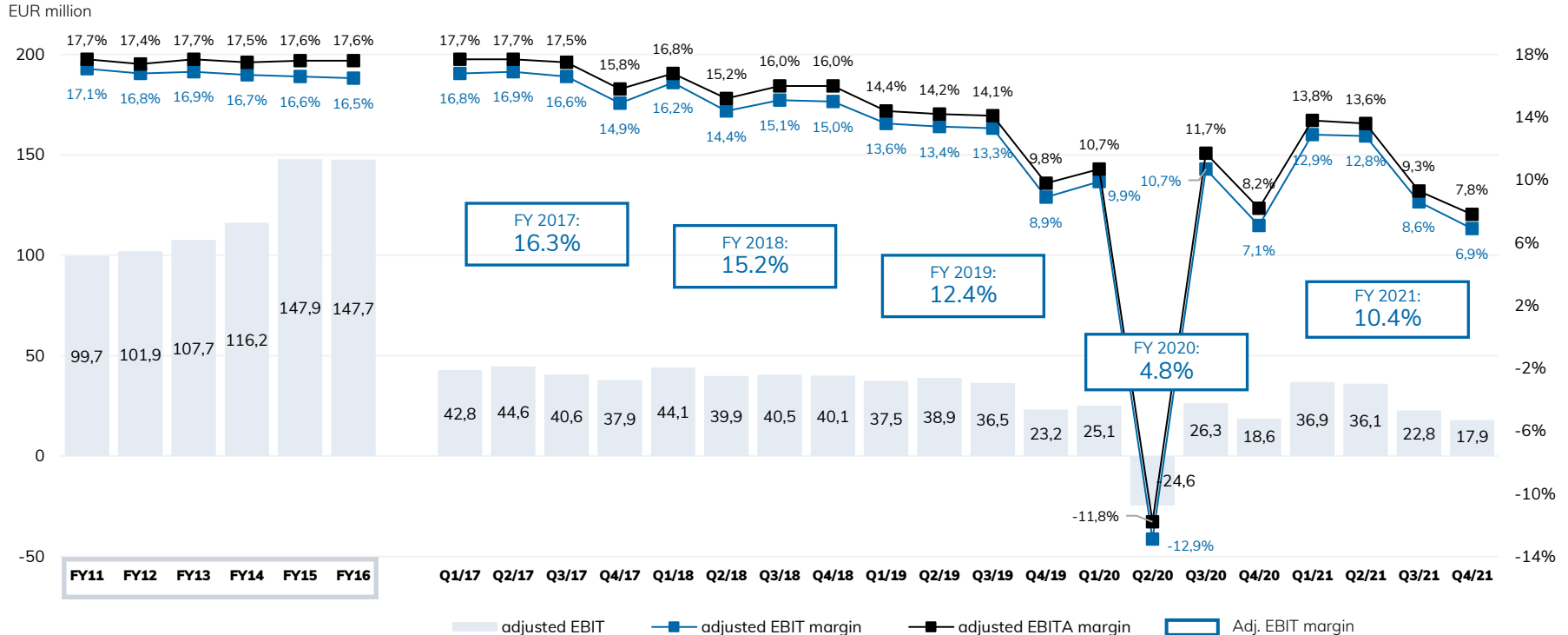
**Standardized Joining Technology (SJT)**



\* FY 2021 (2020 in brackets)

# EBITA & EBIT Margin Development

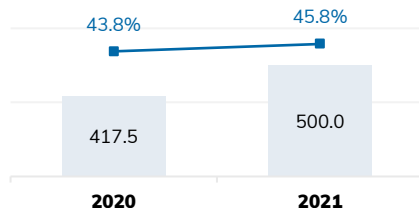
- Economic recovery and strict cost control measures resulting in an increased EBIT margin of 10.4% compared to 4.8% in 2020



# (Adjusted) Profit & Loss Development

## Material Costs

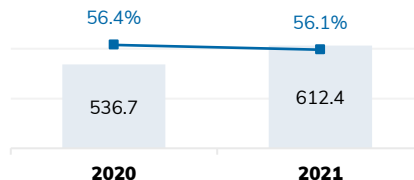
(in EUR million and % of sales)



Material costs increased by 19.8% and the material cost ratio increased by 200 BPs due to higher costs mainly related to global supply shortages, while Gross Profit ratio only decreased by 30 BPs, mainly due to increase in inventory.

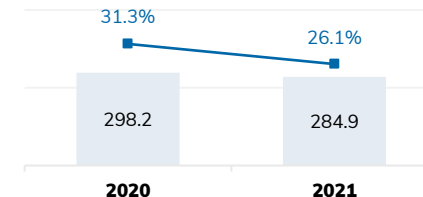
## Gross Profit

(in EUR million and % of sales)



## Personnel Expenses

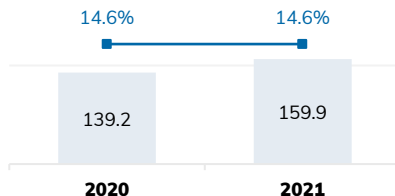
(in EUR million and % of sales)



Strong improvement in personnel costs ratio to 26.1%, by that better than 2019 level of 27.5%.

## Net Expenses from adj. other oper. Income and Expenses

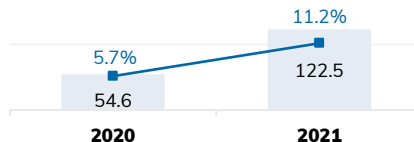
(in EUR million and % of sales)



Higher OPEX in line with sales increase mainly due to increase in temp workers related to business recovery leading to a stable OPEX to sales ratio.

## Adjusted EBITA

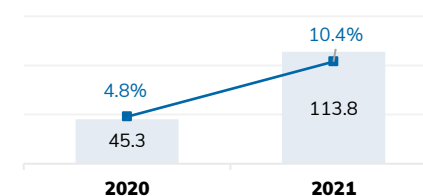
(in EUR million and % of sales)



Increased adjusted EBITA and adjusted EBIT margin of 11.2% and 10.4% mainly due to sales recovery and lower expenses (unadjusted) related to "Get on track".

## Adjusted EBIT

(in EUR million and % of sales)



# Operational Adjustments 2021 and Outlook 2022-2023



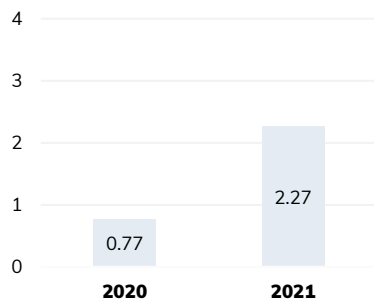
| <b>in EUR million*</b> | <b>Reported</b> | <b>Adjustments</b>                                | <b>Adjusted</b> | <b>FY 2022</b>   | <b>FY 2023</b>   |
|------------------------|-----------------|---|-----------------|--|--|
| Sales                  | 1,091.9         |   | 1,091.9         |  |  |
| EBITDA                 | 167.6           | 0   | 167.6           | 0  | 0  |
| EBITDA margin          | 15.3%           |   | 15.3%           |  |  |
| EBITA                  | 121.0           | 1.5<br>(depreciation PPA)                         | 122.5           | ca. 1.1<br>(depreciation PPA)                                | ca. 0.9<br>(depreciation PPA)                                |
| EBITA margin           | 11.1%           |   | 11.2%           |  |  |
| EBIT                   | 92.1            | 21.7<br>(incl. EUR 20.2 million amortization PPA) | 113.8           | ca. 21.8<br>(incl. around EUR 20.7 million amortization PPA) | ca. 21.4<br>(incl. around EUR 20.5 million amortization PPA) |
| EBIT margin            | 8.4%            |   | 10.4%           |  |  |
| Net Profit             | 56.1            | 16.2<br>(incl. EUR -5.5 million post tax impact)  | 72.3            | ca. 16.3   | ca. 16.0   |
| Net Profit margin      | 5.1%            |   | 6.6%            |  |  |
| EPS (in EUR)           | 1.76            | 0.51  | 2.27            | ca. 0.51   | ca. 0.50   |

- Costs related to the „Get on track“ change program are not adjusted

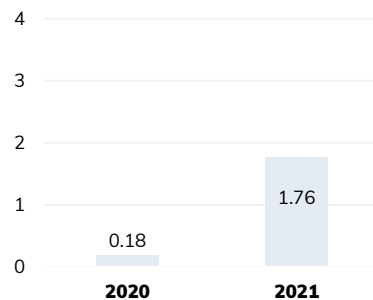
\* Deviations may occur due to commercial rounding.

# EPS and Dividend Development

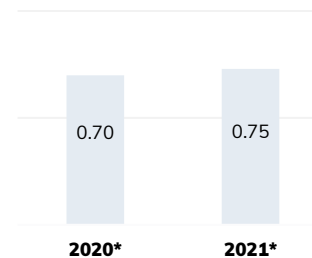
### Adjusted EPS in EUR



### Reported EPS in EUR



### Dividend per share in EUR



Net Income  
(in EUR million)

24.3

72.3

5.5

56.1

Proposal for dividend of EUR 0.75 or 33% of adjusted Group net profit for the fiscal year 2021 to the AGM on Mai 17<sup>th</sup> 2022

\* The date is referring to the financial year for which the dividend is being paid after the approval in the AGM

# Profit and Loss Statement



| in EUR million<br>and %   | Adjusted |         | Reported |         |
|---------------------------|----------|---------|----------|---------|
|                           | 2020     | 2021    | 2020     | 2021    |
| Sales                     | 952.2    | 1,091.9 | 952.2    | 1,091.9 |
| Gross Profit              | 536.7    | 612.4   | 536.7    | 612.4   |
| EBITDA                    | 99.3     | 167.6   | 99.3     | 167.6   |
| in % of sales             | 10.4%    | 15.3%   | 10.4%    | 15.3%   |
| EBITA                     | 54.6     | 122.5   | 51.1     | 121.0   |
| in % of sales             | 5.7%     | 11.2%   | 5.4%     | 11.1%   |
| EBIT                      | 45.3     | 113.8   | 20.1     | 92.1    |
| in % of sales             | 4.8%     | 10.4%   | 2.1%     | 8.4%    |
| Financial Result          | -14.8    | -12.4   | -14.8    | -12.4   |
| Profit before Tax         | 30.5     | 101.4   | 5.4      | 79.7    |
| Taxes                     | -6.2     | -29.0   | 0.1      | 23.6    |
| in % of profit before tax | 20.3%    | 28.6%   | 1.8%     | 29.6%   |
| Net Profit                | 24.3     | 72.3    | 5.5      | 56.1    |

# BALANCE SHEET & MATURITY PROFILE

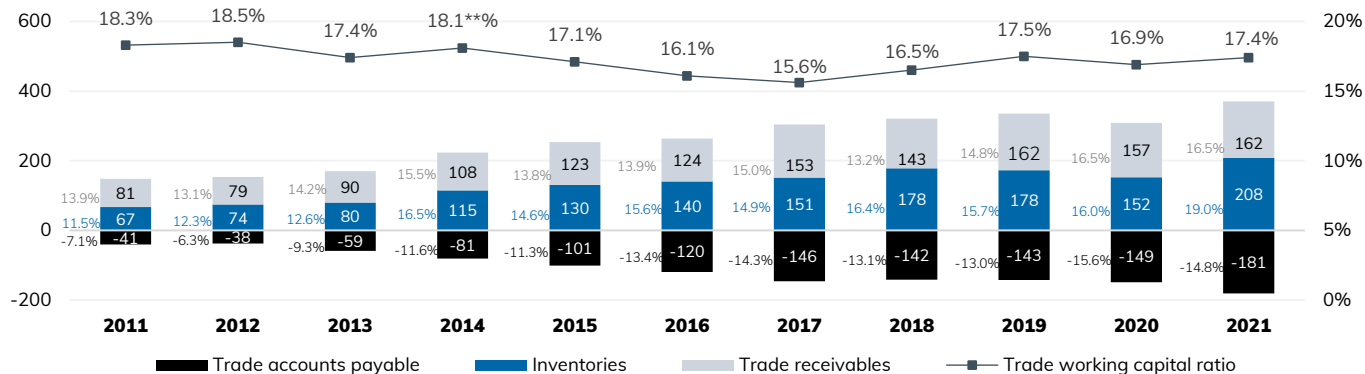




# Working Capital Development

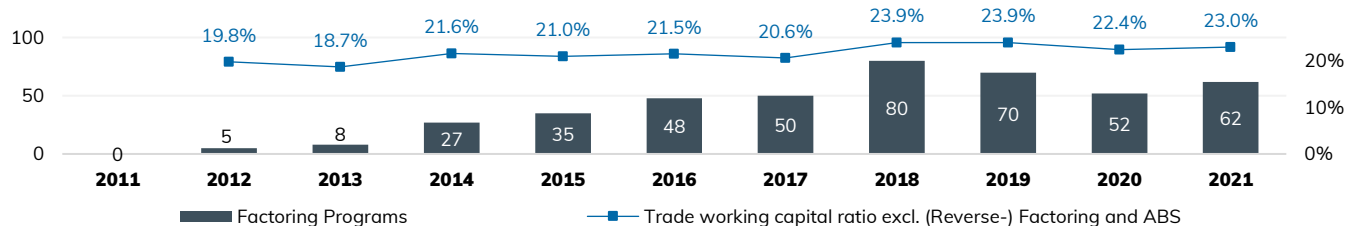
## Working capital incl. (Reverse) Factoring and ABS programs

(in EUR million and % of sales)



Working Capital Ratio increased by 50 BPs due to higher inventories and only partly compensated by higher payables.

## Factoring Programs\* (in EUR million and % of sales)



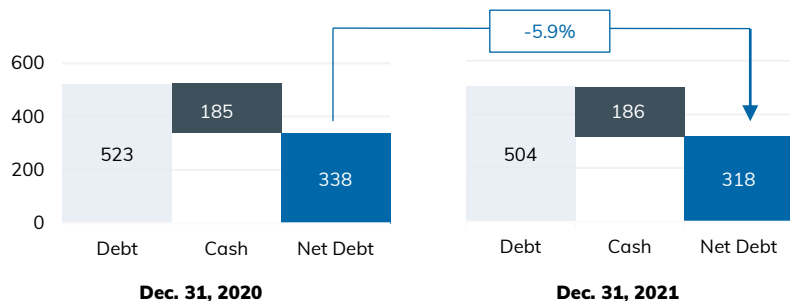
Factoring programs increased to EUR 62 million in order to optimize financial flexibility.

\* (Reverse) Factoring and ABS programs

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

# Equity Ratio, Net Debt and Debt Ratios

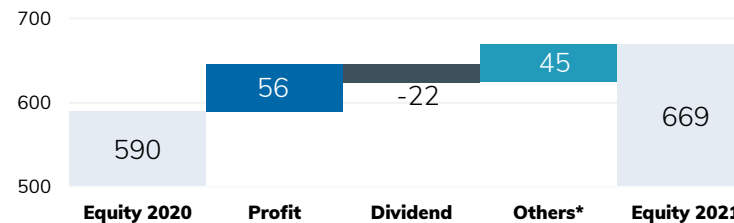
## Net Debt (in EUR million)



## Debt Ratios

|  | Dec. 31, 2020 | Dec. 31, 2021 |
|--|---------------|---------------|
| <b>Leverage</b><br>(Net debt / EBITDA) | 3.4x          | 1.9x          |
| <b>Gearing</b><br>(Net debt / equity)  | 0.6x          | 0.5x          |

in EUR million

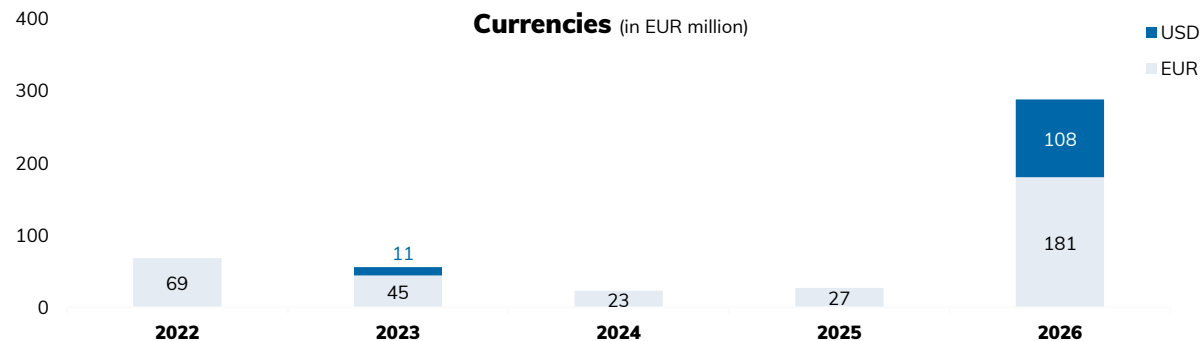
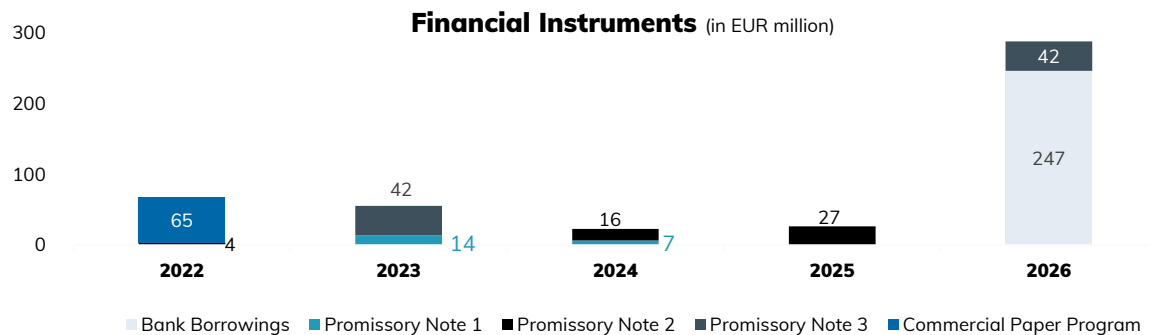


- Net Debt decreased by 5.9% due to strict cash collection and cash management
- Leverage showing strong improvement to 1.9x
- Further improved Equity Ratio of 44.6%
- Equity increased to EUR 669 million

|   |       |       |
|---|-------|-------|
| Balance Sheet Total<br>(in EUR million) | 1,415 | 1,498 |
| Equity Ratio                            | 41.7% | 44.6% |

\* Includes exchange differences on translation of foreign operations of EUR 42.9 million and cash flow hedges net of tax amounting to EUR 0.8 million

# Solid Maturity Profile



- Solid maturity profile with longterm financing strategy established
- Next larger refinancing only due in 2026

# Balance Sheet



| in EUR million   | Dec 31, 2020 | Dec 31, 2021 | in EUR million                                       | Dec 31, 2020 | Dec 31, 2021 |
|--|--------------|--------------|--|--------------|--------------|
| Assets   |              |              | Equity and liabilities                               |              |              |
| Non-current assets   |              |              | Equity   |              |              |
| Goodwill / Other intangible assets / Property, plant & equipment                           | 870.3        | 883.2        | Total equity   | 589.5        | 668.6        |
| Other non-financial assets / Derivative financial assets / Deferred- and income tax assets | 21.5         | 22.4         | Non-current and current liabilities                  |              |              |
| Total non-current assets   | 891.7        | 905.6        | Retirement benefit obligations / Provisions          | 55.2         | 42.9         |
| Current assets   |              |              | Borrowings and other financial liabilities           | 488.2        | 471.6        |
| Inventories  | 152.2        | 208.0        | Other non-financial liabilities                      | 35.5         | 38.5         |
| Other non-financial / other financial / derivative financial / income tax assets           | 28.1         | 30.0         | Contract liabilities                                 | 1.2          | 0.6          |
| Trade and other receivables  | 157.3        | 162.0        | Lease liabilities                                    | 33.8         | 30.8         |
| Cash and cash equivalents  | 185.1        | 185.7        | Tax liabilities and derivative financial liabilities | 62.6         | 64.6         |
| Contract assets  | 0.3          | 0.8          | Trade payables                                       | 148.7        | 180.5        |
| Total current assets   | 523.0        | 592.6        | Total liabilities                                    | 825.2        | 829.6        |
| Total assets   | 1,414.7      | 1,498.2      | Total equity and liabilities                         | 1,414.7      | 1,498.2      |

# CASH FLOW, NORMA VALUE ADDED & EU TAXONOMY



# Strong Cash Flow Development 2011 - 2021



## Net Operating Cash Flow

| in EUR million   | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  | Variance<br>(2021 to 2020) |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|----------------------------|
| (Adjusted) EBITDA  | 117.0 | 120.8 | 129.3 | 138.4 | 177.5 | 179.4 | 199.7 | 201.4 | 187.2 | 99.3  | 167.6 | 68.8%                      |
| Δ ± Trade Working capital  | -19.5 | -9.8  | +5.1  | +10.4 | -0.6  | +17.0 | -19.1 | -13.7 | -9.5  | 20.2  | -20.4 | -201.0%                    |
| 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 | 119.5 | 147.2 | 23.2%                      |
| Δ ± Investments from operating business                            | -30.7 | -30.0 | -30.5 | -39.6 | -42.2 | -47.9 | -47.7 | -63.3 | -54.8 | -41.2 | -47.4 | 15.1%                      |
| Net Operating Cash Flow  | 66.8  | 81.0  | 103.9 | 109.2 | 134.7 | 148.5 | 132.9 | 124.4 | 122.9 | 78.3  | 99.8  | 27.5%                      |

- Working Capital outflow of EUR 20.4 million due to higher business activities and growth
- Increased Capex due to investments in actual and future growth
- Net Operating Cash Flow of EUR 99.8 million compared to EUR 78.3 million in 2020

# NORMA Value Added and ROCE



| <b>in EUR million</b>                    | <b>2020</b> | <b>2021</b> |
|--|-------------|-------------|
| Adjusted EBIT after taxes                | 36.1        | 81.2        |
| Capital Cost (WACC x CE per January 1st) | -82.4       | -65.2       |
| NOVA                                     | -46.4       | 16.0        |
| ROCE (adjusted EBIT / Ø CE)              | 4.6%        | 11.9%       |
| ROCE (reported EBIT / Ø CE)              | 2.2%        | 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 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)

- First time adoption of the EU Taxonomy for the FY 2021 as required by the EU Commission
- As a preliminary step towards a comparable reporting on sustainable economic activities the EU Taxonomy reporting for FY 2021 covers the „eligibility“ reporting
- From 2022 onwards the EU Commission further requires that eligible economic activities need to fulfill technical screening criteria in order to be classified as „aligned“
- Aligned economic activities = sustainable economic activities according to the EU Taxonomy
- The EU Taxonomy reporting focuses on three performance indicators: Revenue, CapEx and OpEx

## NORMA Group's eligible economic activities according to the EU Taxonomy

Water Management



Economic Activity 5.1.:  
„Construction, extension and operation of water collection, treatment and supply systems“

Pure E-Mobility products



Economic Activity 3.6.:  
„Manufacture of other low carbon technologies“

## NORMA Group's eligible Revenue, CapEx and OpEx according to the EU Taxonomy

Revenue:

**24%\***



CapEx:

**5%\***



Opex:

**7%\***





# STATUS „GET ON TRACK“



# "Get on track" (I/II) – Scope

EUR 50 million savings p.a.

## Examples

- Increase share of best cost country production
- Reduction of complexity

Savings:  
EUR 20  
million

- Streamlining of product portfolio through active portfolio management
- Bundle and transfer low volume products and business to wholesaler

Savings:  
EUR 5  
million

- Strengthen commodities strategy
- Focus on best cost country purchasing
- Improvement of structures and processes

Savings:  
EUR 25  
million

## Implementation Costs

- Accumulated total cost volume of around EUR 50 million until 2023
- Implementation costs will be shown on an unadjusted basis

Scope

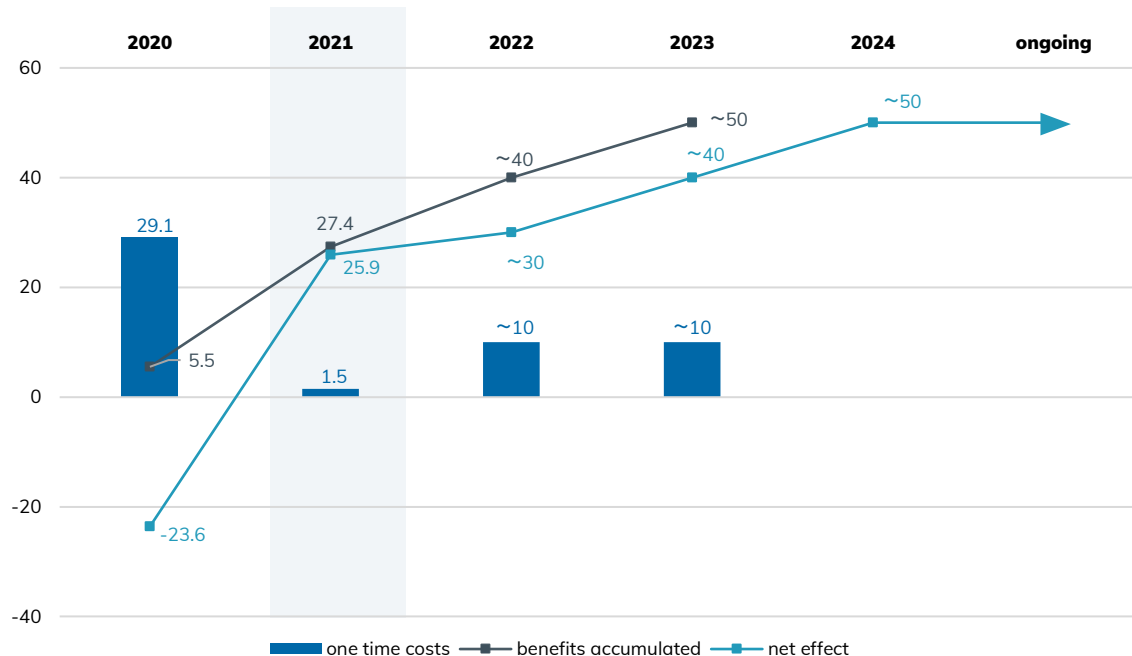
Locations

Product Portfolio

Structures

# "Get on track" (II/II) – Costs & Savings\* Timeline

"Get on track" program well under way with further savings in 2022



- Successful savings of EUR 27.4 million in 2020 and 2021
- Additional costs of EUR 1.5 million in 2021 (not adjusted)

\* All figures are given approximately according to current planning

# GUIDANCE & OUTLOOK



# Outlook 2022 – Company Guidance\*



|                                 |  |   |   |
|---------------------------------|--|---|---|
| <b>Organic Sales Growth</b>     | Medium to high single-digit Organic Group Sales Growth | <b>Financial Result</b>                                       | Up to EUR – 10 million                                  |
| <b>EJT</b>                      | Medium to high single-digit Organic Sales Growth       | <b>Tax Rate</b>   | Between 27% and 29%                                     |
| <b>SJT</b>                      | Medium to high single-digit Organic Sales Growth       | <b>Adjusted Earnings Per Share</b>                            | Significant increase in adjusted Earnings Per Share     |
| <b>EMEA</b>                     | Medium single-digit Organic Sales Growth               | <b>NORMA Value Added (NOVA)</b>                               | Between EUR 20 million and EUR 40 million               |
| <b>Americas</b>                 | Medium to high single-digit Organic Sales Growth       | <b>Investment Rate (without acquisitions)</b>                 | Investment Ratio between 5% and 6% of Group Sales       |
| <b>APAC</b>                     | Medium to high single-digit Organic Sales Growth       | <b>Net Operating Cash Flow</b>                                | Around EUR 100 million                                  |
| <b>Material Costs Ratio</b>     | Stable Material Costs Ratio                            | <b>Dividend</b>   | Around 30% to 35% of adjusted Group Earnings            |
| <b>Personnel Costs Ratio</b>    | Stable Personnel Costs Ratio                           | <b>CO<sub>2</sub> Emissions</b>                               | Under 10,000 metric tons of CO <sub>2</sub> equivalents |
| <b>R&amp;D Investment Ratio</b> | Around 3% of Sales                                     | <b>Number of Invention Applications</b>                       | More than 20  |
| <b>Adjusted EBIT Margin</b>     | Around 11%   | <b>Number of Defective Parts</b><br>(parts per million / PPM) | 5.5   |

\* This forecast is made under the assumption that no significant negative effects in connection with the Corona pandemic or other influencing factors occur in the course of 2022 that could lead to a strong weakening of the global economy and to significant pressure on the business development of NORMA Group. Potential influencing factors could be, for example, the military activities as well as economic sanction measures in connection with the Russia-Ukraine crisis.



## Business Focus

Global growth in Water Management and Industry Applications with selective expansion in Mobility & New Energy



## Mergers & Acquisitions

Continue dialogue with potential M&A targets in Water Management and Industry Applications as well as Mobility and New Energy in all regions



## Digitization

Expand e-commerce channels



## Transformation

Ongoing execution of “Get on track” projects for further profitable growth



## Handling of Market Environment

Close monitoring of market dynamics regarding ongoing Coronavirus impact, supply chain issues, cost pressure and geopolitical tensions

THANK YOU.  
QUESTIONS?



# Contact & Event Calendar



| Event                               | Date             |
|-------------------------------------|------------------|
| Publication Interim Results Q1 2022 | May 4, 2022      |
| Annual General Meeting              | May 17, 2022     |
| Publication Interim Results Q2 2022 | August 10, 2022  |
| Publication Interim Results Q3 2022 | November 2, 2022 |

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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.

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