

NORMA Group with significant first-quarter growth in 2021

- Sales up 13.0 percent to EUR 286.4 million in the first quarter of 2021
- Adjusted earnings before interest and taxes increase 47 percent to EUR 36.9 million
- Adjusted EBIT margin at 12.9 percent
- Forecast for full year 2021 confirmed

Maintal, Germany, 05.05.2021 - NORMA Group increased its sales in the first quarter of 2021 by 13.0 percent year-on-year to EUR 286.4 million (Q1 2020: EUR 253.6 million) despite the ongoing pandemic. Customer demand increased significantly in all major business segments and in all regions in the course of the general economic recovery - a development that was reflected in significant sales growth. In addition to a strong water management business in the USA, global demand in the automotive industry and in the standardized joining technology business was noticeably higher once again. Organic sales in the first three months of 2021 increased by 17.8 percent compared with the prior-year quarter. Negative currency effects, particularly in connection with the US dollar, reduced sales growth by 4.9 percent.

Adjusted earnings before interest and taxes (adjusted EBIT) increased by 47.0 percent year-on-year to EUR 36.9 million in the first quarter of 2021 (Q1 2020: EUR 25.1 million). The adjusted EBIT margin was 12.9 percent and thus also significantly above the figure for the prior-year quarter (Q1 2020: 9.9 percent). Strict cost discipline, savings generated by the "Get on track" change program launched in 2019 as well as strong sales growth all had a positive impact on earnings.

Dr. Michael Schneider, CEO of NORMA Group: "The good first quarter clearly shows that we are on the right track when it comes to setting the course for sustainably profitable growth. We are consistently aligning ourselves to the requirements of our customers and focusing on the strategic business fields of water management, industry applications and electromobility. We consider 2021, which continues to be impacted by the pandemic, to be a transitional year that we will use to strengthen our strategic position for the future and become more profitable. Our long-term strategy is defined: We help our customers address challenges arising from the megatrends of climate change and resource scarcity. Our product solutions contribute to a reduction of emissions and to the efficient and responsible use of water. The encouraging growth of our business is proof that we are on the right track."

Growth in all three business regions

In the **EMEA** region (Europe, Middle East and Africa), sales increased by 12.4 percent year-on-year to EUR 132.4 million in Q1 2021 (Q1 2020: EUR 117.8 million). This growth is attributable to the renewed upturn in demand both in the business with joining solutions for vehicles with all types of drive systems and in the business with standardized joining technology.

In the **Americas** region, NORMA Group increased sales by 5.1 percent year-on-year to EUR 108.7 million in the first three months of 2021 (Q1 2020: EUR 103.4 million). Substantial growth momentum was generated by the US water management business. The renewed increase in demand for customized joining solutions in the automotive sector also made a positive contribution.

In the **Asia-Pacific** region, sales grew by 40.3 percent year-on-year to EUR 45.3 million in the first quarter of 2021 (Q1 2020: EUR 32.3 million). The main reason for the very strong growth is the significant increase in demand in the Chinese automotive industry, an area that in the prior-year quarter had been impacted by the pandemic-related lockdown in China.

Within the scope of the global change program “Get on track”, NORMA Group integrated production at the Shaoxing site into its existing plant in Changzhou in the first quarter. The number of production sites in China has thus been reduced from four to three.

Positive net operating cash flow and good order situation at the end of the quarter

Net operating cash flow decreased by EUR 4.2 million to EUR 2.5 million (Q1 2020: EUR 6.7 million), due primarily to the growth-related increase in working capital. The increase resulted from both the sales-driven rise in trade accounts receivable and the expansion of inventories as a result of the anticipated good order situation in the months ahead.

As of March 31, 2021, NORMA Group’s order book was EUR 453.8 million and thus a significant 21.3 percent above the level of the prior year (March 31, 2020: EUR 374.2 million). The increase is attributable, on the one hand, to strong demand from the automotive industry and, on the other hand, to the relatively low basis of comparison for the prior-year quarter because many customers were noticeably hesitant in their orders due to the uncertain pandemic situation in March 2020.

Forecast for full year 2021 confirmed

Dr. Michael Schneider: “We want to take the momentum from the first quarter with us into the rest of the financial year. The sound business performance in the first quarter bolsters our positive outlook for the coming months and our expectations for profitable growth in full year 2021.”

The Management Board confirms the expectations for financial year 2021 published at the end of March. These expectations call for organic Group sales growth in the low double-digit range for 2021. This is based on the assumption that there will be no further pandemic-related slump in demand. An adjusted EBITA margin of over 13 percent and an adjusted EBIT margin of over 12 percent are targeted for 2021. The Management Board expects net operating cash flow to exceed EUR 110 million in 2021.

New Supervisory Board member stands for election at virtual Annual General Meeting

Miguel Ángel López Borrego has been elected as a new member of NORMA Group's Supervisory Board with effect from March 16, 2021. He will stand for election by the shareholders at the Annual General Meeting on May 20, 2021. To protect the health and safety of all participants, the Annual General Meeting will again be held as a virtual event.

NORMA Group in figures

Key financial figures			
Income statement	Q1 2021	Q1 2020	Change in %
Sales (EUR million)	286.4	253.6	13.0
Adjusted* EBIT (EUR million)	36.9	25.1	47.0
Adjusted* EBIT margin (%)	12.9	9.9	
Balance sheet	March 31, 2021	Dec. 31, 2020	Change in %
Total assets (EUR million)	1,485.1	1,414.7	5.0
Equity (EUR million)	630.9	589.5	7.0
Equity ratio (%)	42.5	41.7	
Net debt** (EUR million)	352.0	338.4	4.0

* More information on the adjustments can be found in the following financial reports: [Q1 2021](#) (p. 9) [Q1 2020](#) (p. 8).

** Net debt including hedging instruments; hedging instruments in the amount of: Q1 2021 - EUR 2.5 million; Q1 2020 - EUR 2.2 million

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Additional dates

NORMA Group Annual General Meeting will be held on May 20, 2021. Publication of the figures for the second quarter of 2021 is scheduled for August 4, 2021.



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About NORMA Group

NORMA Group is an international market leader in engineered and standardized [joining and fluid-handling technology](#). With around 9,000 employees, NORMA Group supplies customers in over 100 countries with more than [40,000 product solutions](#). NORMA Group supports its customers and business partners in responding to global challenges such as climate change and the increasing scarcity of resources. NORMA Group's products help reduce emissions harmful to the climate and [use water more efficiently](#). Its innovative joining solutions are used in water supply, irrigation and drainage systems, vehicles with conventional and alternative drive systems, ships and aircraft, as well as buildings. NORMA Group generated sales of around EUR 952 million in 2020. The company has a [global network](#) of 27 production sites and numerous sales offices in Europe, North, Central and South America and the Asia-Pacific region. Its headquarters are located in Maintal near Frankfurt/Main. NORMA Group SE is listed on the Frankfurt Stock Exchange in the regulated market (Prime Standard) and is a member of the SDAX.

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