

INTERIM STATEMENT THIRD QUARTER

A large, stylized graphic of the year '2021' in a bold, blue, sans-serif font. The numbers are partially obscured by a dynamic splash of water that flows across the bottom of the page. A silver metal ring with a spring mechanism is positioned over the zero, symbolizing a cycle or a specific technical component.

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OVERVIEW OF KEY FIGURES

		Q3 2021	Q3 2020	Q1 – Q3 2021	Q1 – Q3 2020
Order situation					
Order book (Sept 30)	EUR million			488.4	377.3
Income statement					
Group sales	EUR million	265.7	245.9	833.8	691.0
Gross profit	EUR million	147.5	140.4	473.4	391.3
Material cost ratio	%	46.9	41.6	44.9	42.0
Personnel cost ratio	%	26.4	27.2	26.0	33.2
Adjusted EBITA ¹	EUR million	24.7	28.7	102.4	33.3
Adjusted EBITA margin ¹	%	9.3	11.7	12.3	4.8
EBITA	EUR million	24.4	27.9	101.4	31.0
EBITA margin	%	9.2	11.4	12.2	4.5
Adjusted EBIT ¹	EUR million	22.8	26.3	95.8	26.7
Adjusted EBIT margin ¹	%	8.6	10.7	11.5	3.9
EBIT	EUR million	17.5	20.3	79.8	7.9
EBIT margin	%	6.6	8.3	9.6	1.1
Financial result	EUR million	-3.2	-3.7	-9.4	-11.0
Adjusted tax rate ¹	%	-28.2	-30.0	-26.9	-45.2
Adjusted profit for the period ¹	EUR million	14.1	15.8	63.2	8.6
Adjusted earnings per share ¹	EUR	0.44	0.50	1.98	0.27
Profit for the period	EUR million	10.1	11.4	51.2	-5.5
Earnings per share	EUR	0.32	0.36	1.60	-0.17
Cash flow					
Cash flow from operating activities	EUR million	36.3	50.2	78.1	89.1
Cash flow from investing activities	EUR million	-10.2	-6.1	-33.0	-21.5
Cash flow from financing activities	EUR million	-21.8	-32.1	-60.2	-41.0
Net operating cash flow	EUR million	31.2	40.6	70.5	49.2
		Sept 30, 2021	Dec 31, 2020		
Balance sheet					
Assets	EUR million	1,467.0	1,414.7		
Equity	EUR million	647.3	589.5		
Equity ratio	%	44.1	41.7		
Net debt	EUR million	332.5	338.4		
Employees					
Core workforce		6,484	6,635		
Temporary workers		2,287	2,155		
Total workforce		8,771	8,790		
		Q1 – Q3 2021	Q1 – Q3 2020		
Non-financial figures					
Number of invention applications		21	17		
CO ₂ emissions (Scope 1 and 2)	t CO ₂ e	33,416	35,556		
Defective parts	PPM (parts per million)	4.7	4.6		
Share data					
Stock exchange		Frankfurt Stock Exchange, Xetra			
Market segment		Regulated Market (Prime Standard), SDAX			
ISIN / security identification number / ticker symbol		DE0000A1H8BV3 / A1H8BV/NOEJ			
Highest price Q1-Q3 2021 ² / lowest price Q1-Q3 2021 ²	EUR	49.36 / 33.44			
Closing price as of September 30, 2021 ²	EUR	36.62			
Market capitalization as of September 30, 2021 ²	EUR million	1,166.8			
Number of shares		31,862,400			

1_Adjusted exclusively for acquisition effects.

2_Xetra price.

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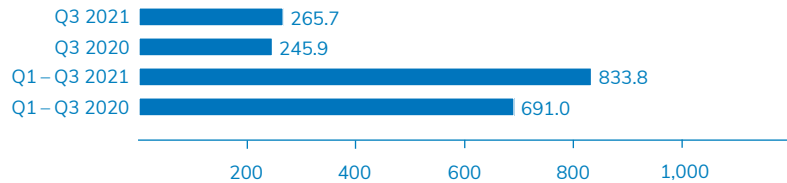
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HIGHLIGHTS Q1 – Q3 2021¹

Development of Group sales

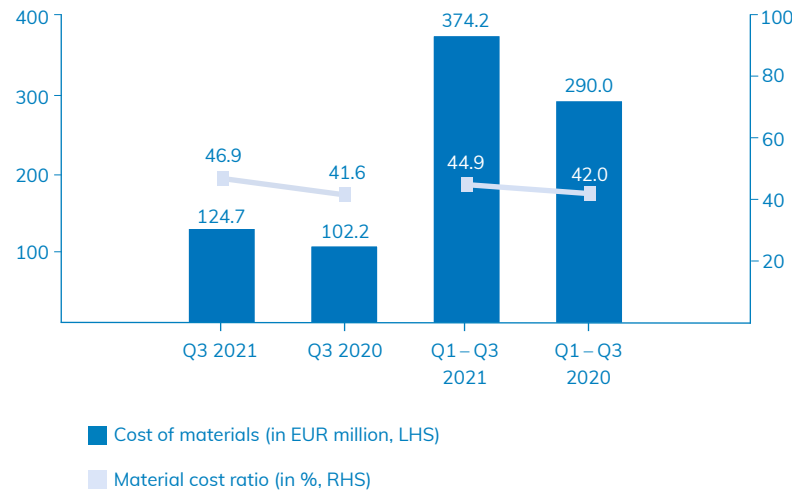
in EUR million



Effects on Group sales

	in EUR million	Share in %
Group sales 2020	691.0	
Organic growth	165.5	24.0
Currency effects	-22.7	-3.3
Group sales 2021	833.8	20.7

Cost of materials and material cost ratio



Development of sales channels

	Engineered Joining Technology (EJT)		Standardized Joining Technology (SJT)	
	Q1-Q3 2021	Q1-Q3 2020	Q1-Q3 2021	Q1-Q3 2020
Group sales (in EUR million)	478.8	384.8	350.1	303.3
Growth (in %)	24.4		15.4	
Share of sales (in %)	57.8	55.9	42.2	44.1

¹ Deviations may occur due to commercial rounding.

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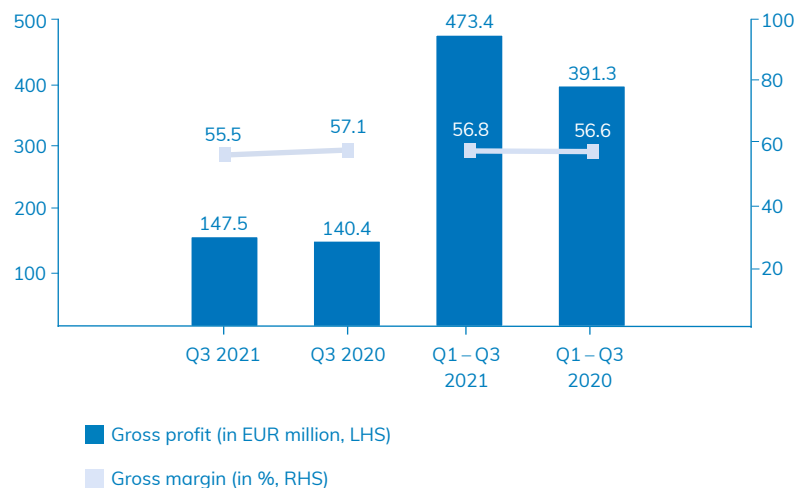
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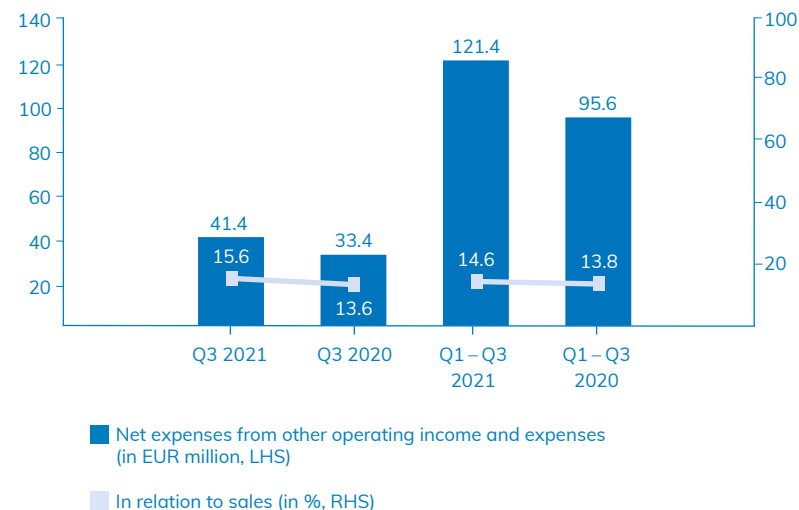
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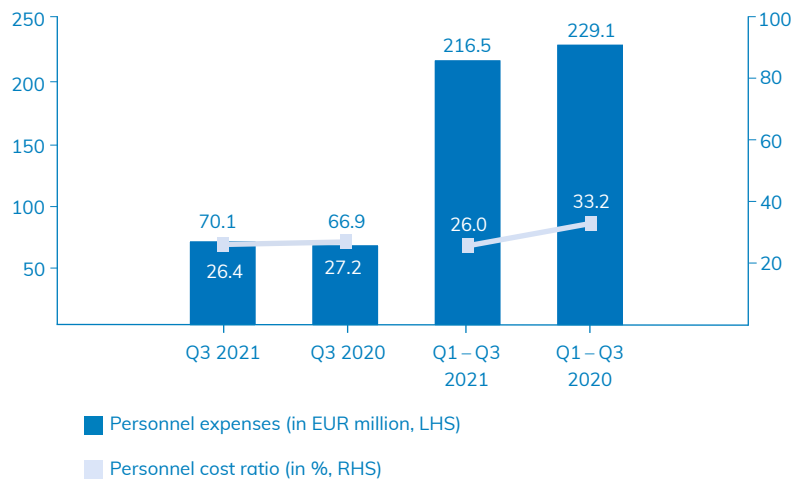
Gross profit and gross margin



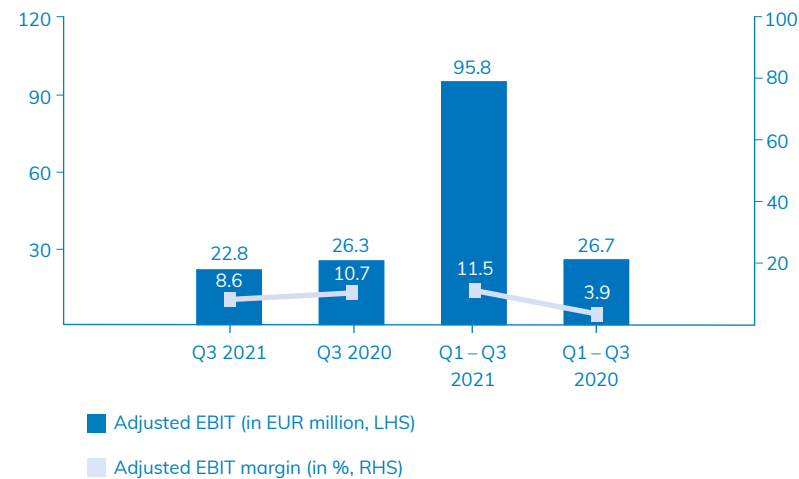
Net expenses from other operating income and expenses as well as in relation to Group sales



Personnel expenses and personnel cost ratio



Adjusted EBIT and adjusted EBIT margin



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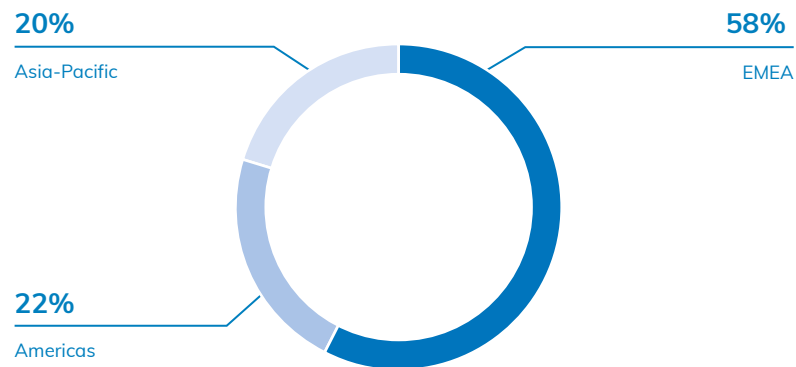
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Core workforce per segment



Net operating cash flow

in EUR million	Q1 – Q3 2021	Q1 – Q3 2020
EBITDA	135.5	66.6
Change in working capital	-34.4	4.2
Investments from operating business	-30.6	-21.6
Net operating cash flow	70.5	49.2

Course of Business and Significant Developments

Business development in the first nine months of 2021

With Group sales of EUR 833.8 million (Q1 – Q3 2020: EUR 691.0 million), sales in the period from January to September 2021 were virtually at the same level as in the pre-crisis year 2019 (Q1 – Q3 2019: EUR 838.6 million). Compared to the pandemic-laden nine-month period of 2020, sales growth amounted to 20.7% in total (organic: +24.0%) and thus developed in the first nine months of the current fiscal year in line with the forecast for the full year 2021 (“Low double-digit organic Group sales growth”) published on August 4, 2021, in the Interim Report for the first half of 2021.

The adjusted EBIT margin in the first nine months of 2021 was 11.5%, a significant improvement compared to the same period of the previous year (Q1 – Q3 2020: 3.9%). At 8.6%, however, the margin in the third quarter of 2021 was down from the same quarter last year (Q3 2020: 10.7%). The EBIT margin in the third quarter of 2021 was impacted in particular by higher costs due to the continuing limited availability of materials, especially steel and plastics, but also as a result of increasing shortages of semiconductors. The costs that are being incurred by the corona pandemic, which is continuing longer than expected, were yet another negative factor.

Forecast for the adjusted EBIT margin and the adjusted EBITA margin in the third quarter of 2021 adjusted

In light of this development, the Management Board of NORMA Group SE carried out a reassessment in September. Under the expectation of significantly lower production capacities in key industries and at the same time higher material and freight costs in all regions, the management of NORMA Group SE adjusted the forecast for the adjusted EBIT margin and the adjusted EBITA margin for fiscal year 2021 on September 14, 2021, on the basis of current figures for the month of August and its expectations for the remaining months of 2021.

Taking into account the mentioned influencing factors, the management of NORMA Group SE now expects an adjusted EBIT margin for fiscal year 2021 of more than 10% (previous forecast: “more than 12%”) as well as an adjusted EBITA margin of more than 11% (previous forecast: “more than 13%”).

For further information on the forecast adjustment announced on September 14, 2021, and the other components of the outlook provided in the 2020 Annual Report, please refer to the table on p. 24. → [FORECAST FOR FISCAL YEAR 2021](#)

NORMA Group site in Serbia produces with climate-neutral green electricity

As one of the first NORMA Group sites, NORMA Serbia signed a contract to purchase sustainable electricity and has now been producing with climate-neutral green electricity since July 2021, resulting in a significant reduction in CO₂ emissions in the first nine months of 2021. The purchase of sustainable electricity is one of many key measures aimed at reducing greenhouse gas emissions as part of NORMA Group’s Corporate Responsibility Management. NORMA Group is working on further measures that will help us to reduce CO₂ emissions at its sites in the future.

Significant events after the balance sheet date

There were no events or developments in the period from the balance sheet date to the publication date of this statement (November 3, 2021), that would have led to a significant change in the recognition or measurement of the individual assets and liabilities.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from January 1 to September 30, 2021

in EUR thousands	Q3 2021	Q3 2020	Q1 – Q3 2021	Q1 – Q3 2020
Revenue	265,721	245,930	833,788	690,958
Changes in inventories of finished goods and work in progress	5,558	-4,050	11,527	-12,284
Other own work capitalized	915	794	2,241	2,619
Raw materials and consumables used	-124,714	-102,233	-374,191	-289,971
Gross profit	147,480	140,441	473,365	391,322
Other operating income	3,803	3,244	13,632	14,776
Other operating expenses	-45,158	-36,641	-135,026	-110,382
Employee benefits expense	-70,098	-66,918	-216,494	-229,130
Depreciation and amortization	-18,565	-19,826	-55,724	-58,655
Operating profit	17,462	20,300	79,753	7,931
Financial income	105	169	365	377
Financial costs	-3,305	-3,828	-9,724	-11,398
Financial costs – net	-3,200	-3,659	-9,359	-11,021
Profit before income tax	14,262	16,641	70,394	-3,090
Income taxes	-4,181	-5,290	-19,217	-2,401
Profit for the period	10,081	11,351	51,177	-5,491
Other comprehensive income for the period, net of tax				
Other comprehensive income that can be reclassified to profit or loss, net of tax	12,078	-18,803	28,891	-27,970
Exchange differences on translation of foreign operations	11,896	-19,023	28,236	-27,072
Cash flow hedges, net of tax	182	225	655	-893
Costs of hedging, net of tax	0	-5	0	-5
Other comprehensive income that cannot be reclassified to profit or loss, net of tax	0	-19	2	5
Remeasurements of post-employment benefit obligations, net of tax	0	-19	2	5
Other comprehensive income for the period, net of tax	12,078	-18,822	28,893	-27,965
Total comprehensive income for the period	22,159	-7,471	80,070	-33,456
Profit attributable to				
Shareholders of the parent	10,048	11,413	51,074	-5,368
Non-controlling interests	33	-62	103	-123
	10,081	11,351	51,177	-5,491
Total comprehensive income attributable to				
Shareholders of the parent	22,124	-7,582	79,972	-33,647
Non-controlling interests	35	111	98	191
	22,159	-7,471	80,070	-33,456
(Un)diluted earnings per share (in EUR)	0.32	0.36	1.60	-0.17

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Adjustments

NORMA Group adjusts certain expenses for the operational management of the Company. The adjusted results presented below reflect the management view.

In the period from January to September 2021, as in the previous year, no adjustments were made for expenses within EBITDA (earnings before interest, taxes, depreciation of property, plant and equipment and amortization of intangible assets). Within EBITA, expenses totaling EUR 1.1 million were presented on an adjusted basis (Q1 – Q3 2020: EUR 2.3 million). These

relate to depreciation of property, plant and equipment in connection with step-up effects from purchase price allocations. Within EBIT, amortization of intangible assets from purchase price allocations was adjusted in the amount of EUR 15.0 million (Q1 – Q3 2020: EUR 16.5 million).

Notional income taxes resulting from the adjustments are calculated using the tax rates of the local companies concerned and included in adjusted earnings after taxes.

The following table shows earnings adjusted for these effects:

Adjustments ¹

in EUR thousands	Q1 – Q3 2021 reported	Adjustments	Q1 – Q3 2021 adjusted
Revenue	833,788	0	833,788
Changes in inventories of finished goods and work in progress	11,527	0	11,527
Other own work capitalized	2,241	0	2,241
Raw materials and consumables used	– 374,191	0	– 374,191
Gross profit	473,365	0	473,365
Other operating income and expenses	– 121,394	0	– 121,394
Employee benefits expense	– 216,494	0	– 216,494
EBITDA	135,477	0	135,477
Depreciation	– 34,107	1,072	– 33,035
EBITA	101,370	1,072	102,442
Amortization	– 21,617	15,012	– 6,605
Operating profit (EBIT)	79,753	16,084	95,837
Financial result	– 9,359	0	– 9,359
Profit before income tax	70,394	16,084	86,478
Income taxes	– 19,217	– 4,042	– 23,259
Profit for the period	51,177	12,042	63,219
Non-controlling interests	103	0	103
Profit attributable to shareholders of the parent	51,074	12,042	63,116
Earnings per share (in EUR)	1.60	0.38	1.98

1_Deviations may occur due to commercial rounding.

Notes to the Development of Sales and Earnings

Order backlog remains at a high level

As of September 30, 2021, NORMA Group's order backlog amounted to EUR 488.4 million and was thus EUR 111.1 million higher compared to the same period of the previous year (September 30, 2020: EUR 377.3 million). The 29.4% increase reflects in particular the strong recovery in customer demand compared to the corona-laden prior-year period.

Sales increase noticeably in nine-month period, momentum declines in third quarter of 2021

Group sales in the period from January to September 2021 amounted to EUR 833.8 million, 20.7% above the level of the pandemic-laden prior-year period (Q1 – Q3 2020: EUR 691.0 million) and were nearly at the same level as in the pre-crisis year 2019 (Q1 – Q3 2019: EUR 838.6 million). Organic sales growth amounted to 24.0%, while currency translation effects reduced sales by 3.3% in the first nine months of 2021.

NORMA Group's net sales amounted to EUR 265.7 million in the third quarter of 2021. This represents an increase of 8.0% compared to the same quarter of the previous year (Q3 2020: EUR 245.9 million). Organic sales growth in the third quarter of 2021 amounted to 7.6%. Currency effects had a slightly positive impact in the amount of 0.4%.

Development of the EJT business slowed by the shortage of semiconductors, SJT business continues to grow solidly

NORMA Group's EJT business posted sales of EUR 478.8 million in the first nine months of 2021, an increase of 24.4% compared to the same period of the previous year (Q1 – Q3 2020: EUR 384.8 million). This includes 26.7% growth in organic revenues, whereas currency effects had a negative impact of 2.3%.

Adjusted for currency effects, sales of the EJT segment amounted to EUR 146.5 million in the third quarter of 2021, slightly higher by 0.8% than in the same period of the previous year (Q3 2020: EUR 145.3 million). In organic terms, sales were slightly lower (-0.1%), however. Positive impulses for the development of the EJT business came from the Americas region, in particular,

despite the global supply bottlenecks for semiconductors and the related increasingly stagnating production figures in the automotive industry in the course of the third quarter of 2021. → [DEVELOPMENT OF SEGMENTS](#)

SJT segment continues to grow solidly

The SJT business contributed a total of EUR 350.1 million to NORMA Group's total sales in the period from January to September 2021. This represents an increase of 15.4% compared to the same period of the previous year (Q1 – Q3 2020: EUR 303.3 million). Organic sales growth amounted to 19.9%, while currency effects reduced sales by 4.5%.

SJT sales were EUR 117.4 million in the third quarter of 2021, up 17.8% (+18.1% in organic terms) compared to the same period last year (Q3 2020: EUR 99.6 million). Significant additional sales were generated primarily in the EMEA and Americas regions, where the SJT business performed very well in the wake of the general economic recovery and additionally strengthened by the strong U.S. water business, which again recorded significant organic sales growth of 15.4% in the third quarter of 2021 (Q2 2021: +12.9% in organic terms). → [DEVELOPMENT OF SEGMENTS](#)

Cost of materials and cost of materials ratio

Cost of materials amounted to EUR 374.2 million in the first nine months of 2021 and were thus 29.0% higher than in the pandemic-laden comparative period of the previous year (Q1 – Q3 2020: EUR 290.0 million). The cost of materials ratio increased year-on-year and stood at 44.9% in the nine-month period of 2021 (Q1 – Q3 2020: 42.0%). Cost of materials amounted to EUR 124.7 million in the third quarter of 2021 (Q3 2020: EUR 102.2 million), resulting in a cost of materials ratio of 46.9% (Q3 2020: 41.6%).

The continued limited availability of raw materials worldwide and the resulting increase in material prices, particularly for alloy surcharges, steel and engineering plastics, was the main reason for this increase. In addition, inventories were built up due to the higher demand in the current fiscal year, while inventories were reduced last year.

The ratio of cost of materials to total output (sales plus changes in inventories and other own work capitalized) was 44.1% in the first nine months of the current fiscal year (Q1 – Q3 2020: 42.6%).

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Gross margin influenced by inventory build-up

Gross profit (sales less cost of materials plus changes in inventories and other own work capitalized) amounted to EUR 473.4 million in the period from January to September 2021, which corresponds to a year-on-year increase of 21.0% (Q1 – Q3 2020: EUR 391.3 million). While the higher cost of materials had a negative impact on gross profit, the inventory build-up (Q1 – Q3 2021: EUR 11.5 million) as a result of higher business activity compared to the same period last year had an increasing effect on gross profit in the current reporting period. The gross margin resulting from the ratio to sales in the first nine months of 2021 was thus 56.8% and therefore nearly at the previous year's level (Q1 – Q3 2020: 56.6%).

Gross profit in the third quarter of 2021 amounted to EUR 147.5 million, thus exceeding the comparable figure of the previous year (Q1 – Q3 2020: EUR 140.4 million) by 5.0%. This means the gross margin reached a value of 55.5% in the third quarter after 57.1% in the third quarter of 2020. The decline in the gross margin in the current reporting quarter resulted from the disproportionate increase in the cost of materials compared to sales, also due to the higher raw material costs mentioned earlier.

Personnel cost ratio down significantly in the first nine months of 2021

As of September 30, 2021, NORMA Group had 8,771 employees worldwide, including temporary workers (September 30, 2020: 8,250), 6,484 of whom are permanent employees (September 30, 2020: 6,516). Accordingly, the number of permanent employees was 0.5% lower than in the previous year, while the total workforce grew by 6.3% compared to the previous year's reporting date. This increase is primarily attributable to an increase in the number of temporary workers in all regions.

Employee benefit expenses totaled EUR 216.5 million in the first nine months of 2021, down 5.5% on the level of the corresponding prior-year period (Q1 – Q3 2020: EUR 229.1 million). This development was primarily due to the additional personnel expenses of EUR 20.8 million incurred in the same period of the previous year for the "Get on track" program initiated in November 2019, while no additional personnel expenses were incurred in the first nine months of 2021. In combination with the significantly higher sales volume, the personnel cost ratio improved to 26.0% in the first nine months of 2021 (Q1 – Q3 2020: 33.2%). By comparison, the personnel cost ratio in the pre-crisis year 2019 was 27.7%.

Personnel expenses amounted to EUR 70.1 million in the third quarter of 2021 and were thus 4.8% higher than in the same quarter of the previous year (Q3 2020: EUR 66.9 million). The reason for the increase is, among other factors, a competitive adjustment of wage costs in the Americas region. Due to the higher sales volume, the personnel cost ratio of 26.4% was nevertheless below the prior-year quarter (Q3 2020: 27.2%).

Development of personnel figures

	Sept 30, 2021	Sept 30, 2020	Share in %
EMEA	3,728	3,785	-1.5
Americas	1,444	1,361	6.1
Asia-Pacific	1,312	1,370	-4.2
Core workforce	6,484	6,516	-0.5
Temporary staff	2,287	1,734	31.9
Total workforce	8,771	8,250	6.3

Balance of other operating income and expenses increased

The balance of other operating income and expenses amounted to EUR – 121.4 million in the first nine months of 2021, an increase of 27.0% compared to the same period of the previous year (Q1 – Q3 2020: EUR – 95.6 million). As a percentage of sales, other operating income and expenses amounted to 14.6% in the first nine months of the current fiscal year (Q1 – Q3 2020: 13.8%).

Other operating income totaled EUR 13.6 million in the first nine months of 2021 and was thus slightly lower than in the same period of the previous year (Q1 – Q3 2020: EUR 14.8 million). This includes currency gains from operating activities of EUR 6.0 million (Q1 – Q3 2020: EUR 7.1 million), among other items, as well as income of EUR 2.9 million from the reversal of liabilities (Q1 – Q3 2020: EUR 3.4 million), income from unused provisions (Q1 – Q3 2021: EUR 1.1 million; Q1 – Q3 2020: EUR 1.3 million) and other income from the disposal of non-current assets (Q1 – Q3 2021: EUR 0.6 million; Q1 – Q3 2020: EUR 0 million).

Other operating expenses amounted to EUR – 135.0 million in the first nine months of 2021, compared to EUR – 110.4 million in the first nine months of 2020. The increase of EUR 24.6 million was mainly driven by the higher business activity compared to the same period of the previous year and the related increase in the need for temporary workers. Freight costs also had an increasing effect on other operating expenses. These were due to both the higher business volume and the temporary backlog of deliveries. Expenses for IT and telecommunications also contributed to the increase in other operating expenses. Furthermore, other operating expenses in the period January to September 2021 include costs from the ongoing “Get on track” program in the amount of EUR 1.0 million (Q1 – Q3 2020: EUR 2.8 million) that are not adjusted. By contrast, the expense from the impairment of trade receivables decreased significantly to EUR 0.8 million in the first nine months of the current fiscal year, whereas the previous year included a higher expense from the impairment of trade receivables (Q1 – Q3 2020: EUR 4.9 million) due to the special situation with the coronavirus.

The balance of other operating income and expenses amounted to EUR – 41.4 million in the third quarter of 2021 and was thus 23.8% higher than in the same quarter of the previous year (Q3 2020: EUR – 33.4 million). The ratio in relation to sales amounted to 15.6% (Q3 2020: 13.6%).

Operating profit in the nine-month period significantly higher compared to the previous year, adjusted EBIT margin weaker in the third quarter of 2021

Adjusted EBIT, i.e., operating profit adjusted for amortization of tangible and intangible assets from purchase price allocations, amounted to EUR 95.8 million in the first nine months of the current fiscal year, compared to EUR 26.7 million in the same period of the previous year, which was impacted by the pandemic. This included additional expenses from the “Get on track” change program of EUR 23.7 million in the same period of the previous year, while additional expenses of only EUR 1.0 million were incurred in the first nine months of 2021. The adjusted EBIT margin in the first nine months of 2021 was 11.5%, compared to 3.9% in the same period of 2020.

Adjusted EBIT in the third quarter of 2021 reached a value of EUR 22.8 million (Q3 2020: EUR 26.3 million). The adjusted EBIT margin amounted to 8.6% and thus remained below the level of the prior-year quarter (Q3 2020: 10.7%), primarily due to higher variable costs.

The increase in variable costs is mainly related to an increase in expenses for import and export freight and higher direct and indirect costs for temporary and contract labor in the EMEA and Americas regions. The adjusted EBIT margin was also impacted in particular by higher material prices due to limited availability of raw materials and the resulting increase in material costs.

NORMA Value Added (NOVA)

NORMA Value Added (NOVA) amounted to EUR 16.0 million in the first nine months of 2021 and thus improved significantly compared to the pandemic-laden previous year (Q1 – Q3 2020: EUR – 43.5 million). The positive development was mainly due to the noticeable year-on-year increase in adjusted EBIT.

Significantly improved financial result

The financial result amounted to EUR –9.4 million in the months January to September 2021 and thus improved by 15.1% compared to the previous year (Q1 – Q3 2020: EUR – 11.0 million). This is mainly due to a lower net interest expense of EUR 6.4 million compared to the previous year (Q1 – Q3 2020: EUR 7.9 million) as a result of the reduced gross debt. The increased use of low-interest commercial paper programs also made a noticeable contribution to the improvement in the financial result.

In the third quarter of 2021, the financial result of EUR –3.2 million was slightly below the level of the same quarter of the previous year (Q3 2020: EUR –3.7 million).

Adjusted income taxes and tax rate

Adjusted income taxes totaled EUR 23.3 million in the period from January to September 2021 (Q1 – Q3 2020: EUR 7.1 million). Based on adjusted pre-tax earnings of EUR 86.5 million (Q1 – Q3 2020: EUR 15.7 million), this results in a tax rate of 26.9% (Q1 – Q3 2020: 45.2%).

Significant increase in adjusted profit for the period and adjusted earnings per share in the nine-month period of 2021

Adjusted profit for the period (after taxes) amounted to EUR 63.2 million in the current reporting period and was thus significantly higher than in the same period of the previous year (Q1 – Q3 2020: EUR 8.6 million). Based on an unchanged number of 31,862,400 shares, adjusted earnings per share of EUR 1.98 in the nine-month period 2021 noticeably exceeded the respective figure for the previous year (Q1 – Q3 2020: EUR 0.27).

Adjusted net profit for the third quarter of 2021 was at EUR 14.1 million and 10.9% below the prior-year quarter (Q3 2020: EUR 15.8 million). This was mainly due to the lower operating result. Accordingly, the resulting adjusted earnings per share of EUR 0.44 also fell short of the prior-year quarter (Q3 2020: EUR 0.50).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

in EUR thousands	Sept 30, 2021	Sept 30, 2020	Dec 31, 2020
Non-current assets			
Goodwill	388,042	385,562	377,610
Other intangible assets	214,556	237,661	222,649
Property, plant and equipment	269,870	270,307	270,005
Other non-financial assets	2,090	2,572	2,088
Contract assets	580	108	0
Income tax assets	677	1,011	750
Deferred income tax assets	18,768	19,271	18,634
	894,583	916,492	891,736
Current assets			
Inventories	191,031	153,525	152,189
Other non-financial assets	22,179	16,771	18,675
Other financial assets	4,722	2,202	2,470
Derivative financial assets	1,312	54	429
Income tax assets	4,719	5,096	6,514
Trade and other receivables	166,696	156,194	157,312
Contract assets	561	537	270
Cash and cash equivalents	175,322	200,922	185,109
Assets classified as held for sale	5,911	0	0
	572,453	535,301	522,968
Total assets	1,467,036	1,451,793	1,414,704

Equity and liabilities

in EUR thousands	Sept 30, 2021	Sept 30, 2020	Dec 31, 2020
Equity			
Subscribed capital	31,862	31,862	31,862
Capital reserve	210,323	210,323	210,323
Other reserves	-5,042	-18,315	-33,938
Retained earnings	409,835	369,435	381,063
Equity attributable to shareholders	646,978	593,305	589,310
Non-controlling interests	298	275	200
Total equity	647,276	593,580	589,510
Liabilities			
Non-current liabilities			
Retirement benefit obligations	17,234	17,296	16,542
Provisions	16,589	18,130	14,801
Borrowings	394,587	425,482	387,814
Other non-financial liabilities	843	412	495
Contract liabilities	265	144	167
Lease liabilities	23,099	29,947	25,727
Derivative financial liabilities	0	1,507	0
Deferred income tax liabilities	55,815	62,961	56,151
	508,432	555,879	501,697
Current liabilities			
Provisions	17,871	14,996	23,848
Borrowings	73,337	95,438	90,177
Other non-financial liabilities	42,256	37,566	34,967
Contract liabilities	557	913	998
Lease liabilities	8,622	8,228	8,118
Other financial liabilities	5,806	10,823	10,212
Derivative financial liabilities	2,414	313	1,419
Income tax liabilities	6,861	6,663	5,032
Trade and other payables	153,604	127,394	148,726
	311,328	302,334	323,497
Total liabilities	819,760	858,213	825,194
Total equity and liabilities	1,467,036	1,451,793	1,414,704

Notes to the Asset and Financial Position

Total assets

Total assets amounted to EUR 1,467.0 million as of the reporting date September 30, 2021, an increase of 3.7% compared to the end of 2020 (Dec 31, 2020: EUR 1,414.7 million). Compared to September 30, 2020 (EUR 1,451.8 million), total assets increased by 1.0%.

Assets

Non-current assets amounted to EUR 894.6 million as of September 30, 2021, an increase of 0.3% compared to the end of 2020 (Dec 31, 2020: EUR 891.7 million). Other intangible assets decreased by EUR 8.1 million or 3.6%. By contrast, goodwill increased by EUR 10.4 million or 2.8% due to the positive development of the U.S. dollar as of the reporting date.

Non-current assets accounted for 61.0% of total assets as of the reporting date September 30, 2021 (Dec 31, 2020: 63.0%).

A total of EUR 33.5 million was invested in non-current assets in the period from January to September 2021 (Q1 – Q3 2020: EUR 22.6 million). Furthermore, EUR 3.9 million was recognized as additions to non-current assets for the capitalization of rights of use for leased land and buildings (Q1 – Q3 2020: EUR 8.6 million). Capital expenditure included own work capitalized in the amount of EUR 2.2 million (Q1 – Q3 2020: EUR 2.6 million). The focus of investment activities in the first nine months of 2021 was on the U.S., China, the Czech Republic, Serbia as well as Poland. There were no significant disposals.

Current assets amounted to EUR 572.5 million as of the balance sheet date, an increase of 9.5% compared to the end of 2020 (Dec 31, 2020: EUR 523.0 million).

This increase was due in particular to a sharp rise in inventories (+ 25.5%) and trade and other receivables (+ 6.0%). The reasons for this include the increased business activity and price increases for raw materials in the area of inventories. In addition, there was a reclassification between non-current and current assets due to the recognition of assets held for sale in the amount of EUR 5.9 million. By contrast, cash and cash equivalents decreased by EUR 9.8 million or 5.3% due to the dividend payment of EUR 22.3 million to the shareholders of NORMA Group SE in May 2021 and the net repayment of loans.

Compared to the previous year's reporting date, current assets increased by 6.9% (September 30, 2020: EUR 535.3 million). This development was primarily due to an increase in inventories (+ 24.4%) and trade and other receivables (+ 6.7%). This development is mainly due to the low comparative basis of the previous year's reporting date, which resulted from the restricted business activities in the first nine months of 2020 in connection with the corona pandemic.

Current assets accounted for 39.0% of total assets as of September 30, 2021 (Dec 31, 2020: 37.0%).

(Trade) working capital increased

(Trade) working capital (inventories plus receivables less payables, in each case mainly trade payables) amounted to EUR 204.1 million as of September 30, 2021, a 27.0% increase compared to the end of 2020 (Dec 31, 2020: EUR 160.8 million).

Compared to the previous year (September 30, 2020: EUR 182.3 million), (trade) working capital increased by 12.0%.

The main drivers compared to both September 30 and December 31, 2020, were the build-up of inventories as of September 30, 2021, as a result of a strong business recovery, as well as price increases in the area of raw materials.

Equity ratio at a high level

Group equity amounted to EUR 647.3 million as of September 30, 2021. Compared to the end of 2020 (Dec 31, 2020: EUR 589.5 million), this equates to an increase of 9.8%. The equity ratio was 44.1% as of the quarterly reporting date (Dec 31, 2020: 41.7%). The development of equity is attributable to the increase in retained earnings due to a positive result for the period (EUR 51.1 million) and the increase in other reserves due to positive currency translation differences (EUR 28.2 million).

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Lower net debt

Net debt amounted to EUR 332.5 million as of September 30, 2021, compared to EUR 338.4 million as of the end of 2020, a reduction of 1.7% or EUR 5.8 million.

The net cash inflows from the sum of cash inflows from operating activities of EUR 78.1 million, net cash outflows from the procurement and disposal of non-current assets of EUR 33.0 million and from the payment of dividends of EUR 22.3 million were the main reasons for the decrease.

This positive development was offset by current interest expenses in the first nine months of 2021 (EUR 7.8 million), the increase in lease liabilities due to additions in the area of rights of use (EUR 6.8 million), and negative currency effects (EUR 4.2 million).

In addition, the valuation-related increase in liabilities from derivatives had an increasing effect on net debt as of September 30, 2021.

Gearing (net debt in relation to equity) was 0.5, below the level at the end of 2020 (Dec 31, 2020: 0.6). The leverage covenant (net debt excluding hedging derivatives in relation to adjusted EBITDA for the last twelve months) was 1.9 as of September 30, 2021 (Dec 31, 2020: 2.6).

NORMA Group's net financial debt is as follows:

Net debt

in EUR thousands	Sept 30, 2021	Dec 31, 2020
Bank borrowings, net	467,924	477,991
Derivative financial liabilities – hedge accounting	2,414	1,419
Lease liabilities	31,721	33,845
Other financial liabilities	5,806	10,212
Financial debt	507,865	523,467
Cash and cash equivalents	175,322	185,109
Net debt	332,543	338,358

Financial liabilities

At EUR 507.9 million, NORMA Group's financial liabilities as of September 30, 2021, declined by 3.0% compared to December 31, 2020 (EUR 523.5 million).

The decrease in borrowings mainly resulted from the net repayment of loans in the first nine months of 2021 (EUR 18.2 million). In addition to the scheduled repayment of promissory note loans in the amount of EUR 63.2 million, liabilities from the commercial paper program were taken up in the amount of EUR 45.0 million. Currency effects relating to the U.S. dollar had an increasing effect.

The reduction in other financial liabilities mainly resulted from the repayment of liabilities from ABS and factoring, as well as from the repayment of liabilities in connection with the minority interests in Fengfan acquired in fiscal year 2020.

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The maturities of the syndicated loans and the promissory note loans as of September 30, 2021, are as follows:

Maturity bank borrowings as of September 30, 2021

in EUR thousands	up to 1 year	> 1 year up to 2 years	> 2 years up to 5 years	> 5 years
Syndicated bank facilities, net			244,504	
Promissory note, net	6,954	59,227	91,500	
Commercial paper	65,000			
Total	71,954	59,227	336,004	0

Non-current liabilities totaled EUR 508.4 million as of September 30, 2021, an increase of 1.3% or EUR 6.7 million compared to the end of 2020 (Dec 31, 2020: EUR 501.7 million). The increase is mainly due to currency effects on foreign currency loans. By contrast, lease liabilities decreased by EUR 2.6 million.

Current liabilities amounted to EUR 311.3 million as of the reporting date of the current reporting quarter, down 3.8% or EUR 12.2 million compared to the end of 2020 (Dec 31, 2020: EUR 323.5 million).

This development is primarily attributable to the reduction in current loans payable resulting from scheduled repayments. Furthermore, current provisions decreased by EUR 6.0 million, mainly in connection with the utilization of restructuring provisions under the "Get on track" program. By contrast, other non-financial liabilities increased by EUR 7.3 million.

Other non-financial liabilities

Other non-financial liabilities are as follows:

Other non-financial liabilities

in EUR thousands	Sept 30, 2021	Dec 31, 2020
Non-current		
Government grants	626	240
Other liabilities	217	255
	843	495
Current		
Government grants	823	990
Non-income tax liabilities	4,887	3,881
Social liabilities	4,966	5,123
Personnel-related liabilities (e.g., vacation, bonus, premiums)	31,219	24,413
Other liabilities	361	560
	42,256	34,967
Total other non-financial liabilities	43,099	35,462

The increase in other non-financial liabilities is mainly due to an increase in personnel-related liabilities. This is mainly related to the increase in bonus entitlements of employees as of September 30, 2021. Furthermore, the seasonal increase in liabilities from outstanding vacation entitlements compared to December 31, 2020, contributed to this. In addition, the liabilities from flexitime credits of employees increased as of September 30, 2021, compared to the prior-year reporting date.

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CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from January 1 to September 30, 2021

in EUR thousands	Q3 2021	Q3 2020	Q1 – Q3 2021	Q1 – Q3 2020
Operating activities				
Profit for the period	10,081	11,351	51,177	- 5,491
Depreciation and amortization	18,565	19,826	55,724	58,655
Gain (-) / loss (+) on disposal of property, plant and equipment	17	416	46	485
Change in provisions	- 749	1,506	- 3,401	20,288
Change in deferred taxes	- 1,291	- 2,735	- 3,066	- 13,837
Change in inventories, trade account receivables and other receivables which are not attributable to investing or financing activities	14,615	- 20,254	- 42,352	24,352
Change in trade and other payables which are not attributable to investing or financing activities	- 5,698	40,451	6,708	5,462
Change in reverse factoring liabilities	- 3,089	- 2,137	4,404	- 10,345
Payments for share-based payments	0	0	- 365	- 90
Interest expenses in the period	2,351	2,853	7,582	9,452
Income (-) / expenses (+) due to measurement of derivatives	871	8	907	42
Other non-cash expenses (+) / income (-)	612	- 1,061	769	148
Cash flow from operating activities	36,285	50,224	78,133	89,121
thereof interest received	104	64	326	369
thereof income taxes	- 5,562	- 4,151	- 18,646	- 9,351
Investing activities				
Investments in property, plant and equipment and intangible assets	- 10,491	- 5,810	- 33,529	- 22,531
Proceeds from the sale of property, plant and equipment	283	- 242	492	1,020
Cash flow from investing activities	- 10,208	- 6,052	- 33,037	- 21,511
Financing activities				
Interest paid	- 3,998	- 5,299	- 7,445	- 9,710
Dividends paid to shareholders	0	- 1,274	- 22,304	- 1,274
Proceeds from borrowings	45,018	4,995	45,018	53,740
Repayment of borrowings	- 60,236	- 27,520	- 67,976	- 75,657
Proceeds from / repayment of derivatives	37	27	145	- 17
Repayment of lease liabilities	- 2,670	- 2,493	- 7,605	- 7,502
Cash flow from financing activities	- 21,849	- 32,124	- 60,167	- 40,980
Net change in cash and cash equivalents	4,228	12,048	- 15,071	26,630
Cash and cash equivalents at the beginning of the year	168,744	192,283	185,109	179,721
Effect of foreign exchange rates on cash and cash equivalents	2,350	- 3,409	5,284	- 5,429
Cash and cash equivalents at the end of the period	175,322	200,922	175,322	200,922

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Group-wide financial management

A detailed overview of NORMA Group's general financial management can be found in the 2020 Annual Report. → [2020 ANNUAL REPORT](#)

Key figure: net operating cash flow

Net operating cash flow in the reporting period January to September 2021 amounted to EUR 70.5 million. Net cash inflow thus increased by EUR 21.3 million compared to the same period in 2020 (Q1 – Q3 2020: EUR 49.2 million). On the one hand, the increase is attributable to the significantly higher EBITDA, which rose from EUR 66.6 million to EUR 135.5 million due to the stronger business activity. On the other hand, the net operating cash flow of the prior-year period was burdened by the partly non-cash expenses for the "Get on track" program.

Investments of EUR 30.6 million were made in the period from January to September 2021 (Q1 – Q3 2020: EUR 21.6 million). The investment focus was primarily on the plants in the U.S., China, the Czech Republic, Serbia and Poland.

Cash flow from operating activities

Cash flow from operating activities reached EUR 78.1 million in the first nine months of 2021, a decrease of EUR 11.0 million compared to the same period of the previous year (Q1 – Q3 2020: EUR 89.1 million).

Cash flow from operating activities was impacted by the change in current assets, provisions and liabilities (excluding liabilities related to financing activities).

As in the previous year, the Company participated in a reverse factoring program, a factoring program and an ABS program. The liabilities in the reverse factoring program are reported under trade accounts payable and similar liabilities. The cash flows from the reverse factoring, factoring and ABS programs are presented under cash flows from operating activities, as this best reflects the economic substance of the transactions.

Cash flows from interest paid are reported under cash flows from financing activities.

Cash flow from investing activities

Cash flow from investing activities amounted to EUR – 33.0 million in the first nine months of 2021 (Q1 – Q3 2020: EUR – 21.5 million) and includes net cash outflows from the acquisition and disposal of non-current assets in the amount of EUR 33.0 million (Q1 – Q3 2020: EUR 21.5 million). This includes the change in liabilities for the acquisition of intangible assets and property, plant and equipment in the amount of EUR – 2.9 million (Q1 – Q3 2020: EUR – 0.9 million).

Cash flow from financing activities

Cash flow from financing activities amounted to EUR – 60.2 million in the first nine months of 2021 (Q1 – Q3 2020: EUR – 41.0 million). It mainly includes net repayments for loans in the amount of EUR – 18.2 million (Q1 – Q3 2020: repayment of loans totaling EUR – 14.0 million), repayment of liabilities from the ABS and factoring programs in the amount of EUR – 2.5 million (Q1 – Q3 2020: EUR – 7.9 million), a payment for the repayment of liabilities in connection with the minority interests in Fengfan acquired in fiscal year 2020 in the amount of EUR 2.2 million, repayments of liabilities from leases in the amount of EUR – 7.6 million (Q1 – Q3 2020: EUR – 7.5 million), and payments for interest (Q1 – Q3 2021: EUR – 7.4 million; Q1 – Q3 2020: EUR – 9.7 million).

In addition, the first nine months of 2021 included payments for dividends to shareholders of NORMA Group SE in the amount of EUR – 22.3 million (Q1 – Q3 2020: EUR – 1.3 million).

DEVELOPMENT OF SEGMENTS

for the period from January 1 to September 30, 2021

in EUR thousands	EMEA		Americas		Asia-Pacific		Total segments		Central functions		Consolidation		Group	
	Q1 – Q3 2021	Q1 – Q3 2020	Q1 – Q3 2021	Q1 – Q3 2020	Q1 – Q3 2021	Q1 – Q3 2020	Q1 – Q3 2021	Q1 – Q3 2020	Q1 – Q3 2021	Q1 – Q3 2020	Q1 – Q3 2021	Q1 – Q3 2020	Q1 – Q3 2021	Q1 – Q3 2020
Total revenue	392,876	310,318	352,057	298,025	130,439	109,207	875,372	717,550	25,467	21,048	-67,051	-47,640	833,788	690,958
thereof inter-segment revenue	30,150	21,068	6,467	4,004	4,967	1,520	41,584	26,592	25,467	21,048	-67,051	-47,640	0	0
Revenue from external customers	362,726	289,250	345,590	294,021	125,472	107,687	833,788	690,958	0	0	0	0	833,788	690,958
Contribution to consolidated Group sales	43.5%	41.9%	41.4%	42.6%	15.0%	15.6%	100%	100%						
Gross profit	223,572	174,399	186,748	164,500	64,261	52,170	474,581	391,069	n. a.	n. a.	-1,216	253	473,365	391,322
EBITDA	59,462	15,582	56,953	39,667	26,155	20,420	142,570	75,669	-6,909	-9,136	-184	53	135,477	66,586
EBITDA margin	15.1%	5.0%	16.2%	13.3%	20.1%	18.7%							16.2%	9.6%
Depreciation without PPA depreciation ³	-14,246	-14,100	-11,878	-12,228	-6,302	-6,139	-32,426	-32,467	-609	-841	0	0	-33,035	-33,308
Adjusted EBITA ¹	45,216	1,482	45,076	27,439	19,853	14,281	110,145	43,202	-7,518	-9,977	-185	53	102,442	33,278
Adjusted EBITA margin ^{1,2}	11.5%	0.5%	12.8%	9.2%	15.2%	13.1%							12.3%	4.8%
Adjusted EBIT ¹	42,428	-445	43,057	25,360	19,398	13,320	104,883	38,235	-8,860	-11,549	-186	53	95,837	26,739
Adjusted EBIT margin ^{1,2}	10.8%	-0.1%	12.2%	8.5%	14.9%	12.2%							11.5%	3.9%
Assets (previous year as of Dec 31, 2020) ⁴	631,483	621,091	637,662	574,091	269,949	253,193	1,539,094	1,448,375	252,188	263,481	-324,246	-297,152	1,467,036	1,414,704
Liabilities (previous year as of Dec 31, 2020) ⁵	214,903	204,830	265,767	245,259	48,868	50,441	529,538	500,530	573,806	584,564	-283,584	-259,900	819,760	825,194
CAPEX ⁶	12,718	10,819	12,032	6,369	7,161	4,706	31,911	21,894	1,585	662	n. a.	n. a.	33,496	22,556
Number of employees ⁷	3,672	3,572	1,445	1,421	1,262	1,380	6,379	6,373	123	114	n. a.	n. a.	6,502	6,487

1_For details regarding the adjustments, refer to → [PAGE 9](#).

2_Based on segment sales.

3_Depreciation from purchase price allocations.

4_Including allocated goodwill, taxes are shown in the column "consolidation".

5_Taxes are shown in the column "consolidation".

6_Including capitalized rights of use for movable assets.

7_Number of employees (average headcount).

Notes to the Development of the Segments

The share of sales generated by foreign Group companies amounted to 84.0% in the first nine months of 2021 (Q1 – Q3 2020: 83.8%).

EMEA: Declining EJT sales in the third quarter of 2021 reflect effects of semiconductor shortage

External sales in the EMEA region amounted to EUR 362.7 million in the period from January to September 2021, up 25.4% year-on-year (Q1 – Q3 2020: EUR 289.2 million). Currency effects had an impact of – 0.2%, so that organic sales growth amounted to 25.2%. The EMEA region accounted for 44% of total sales in the first nine months of 2021 (Q1 – Q3 2020: 42%).

NORMA Group's total sales in the EMEA region amounted to EUR 107.2 million in the third quarter of 2021, representing an increase of 4.3% (+3.9% in organic terms) compared to the same quarter of the previous year (Q3 2020: EUR 102.9 million).

EJT sales in the EMEA region amounted to EUR 262.2 million in the nine-month period of 2021, an increase of 25.7% (+25.9% in organic terms) compared to the same period of the previous year (Q1 – Q3 2020: EUR 208.6 million). This growth mainly resulted from the strong recovery of the EJT business in the first half of 2021, while sales in the third quarter of 2021 declined by 2.5% to EUR 75.0 million (Q3 2020: EUR 76.9 million). This development is in particular due to the production backlog in the automotive industry, which is a consequence of the global semiconductor shortage and increasingly came to a head in the third quarter of 2021.

Sales in the SJT segment amounted to EUR 97.8 million in the first nine months of 2021 and were thus 24.0% (+22.8% in organic terms) higher than in the same period of the previous year. In the third quarter of 2021, SJT sales of EUR 31.4 million also significantly exceeded the previous year's figure (Q3 2020: EUR 25.3 million). This includes organic sales growth of 22.8%. An increase in sales of 6.8% was achieved in the EMEA region in the SJT segment in the third quarter of 2021 compared to the pre-crisis level of 2019.

Adjusted EBIT in the EMEA region amounted to EUR 42.4 million in the current reporting period, compared to EUR – 0.4 million in the same period of the previous year. The adjusted EBIT margin was 10.8% (Q1 – Q3 2020: – 0.1%). The main reason for this development was the recovery in sales, particularly during

the first half of 2021. In addition, positive contributions from the "Get on track" measures supported the significant recovery in operating profit in the EMEA region. By contrast, restructuring charges were incurred in the prior-year nine-month period and were not repeated to the same extent in the 2021 reporting period.

Investments in the EMEA region totaled EUR 12.7 million in the first nine months of the current fiscal year (Q1 – Q3 2020: EUR 10.8 million) and were mainly attributable to the sites in Germany, Serbia, Poland and the Czech Republic.

Americas: Strong growth in the automotive business in the first nine months of 2021; U.S. water business continued to grow organically at double-digit rate in third quarter of 2021

In the Americas region, NORMA Group's external sales of EUR 345.6 million in the first nine months of 2021 were 17.5% higher than in the same period of the previous year (Q1 – Q3 2020: EUR 294.0 million). Organic sales growth amounted to 25.2%, whereas translation effects due to the strong devaluation of the U.S. dollar compared to the same period of the previous year had a strong negative impact on sales in the amount of 7.7%. The Americas region accounted for around 41% of total sales in the first nine months of 2021 (Q1 – Q3 2020: 43%).

Total sales in the Americas region reached EUR 117.2 million in the third quarter of 2021, representing a 15.6% increase (+16.3% in organic terms) compared to the same quarter of the previous year (Q3 2020: EUR 101.3 million) and 2.0% growth compared to the third quarter of the pre-crisis year 2019 (Q3 2019: EUR 114.9 million).

Both the EJT business and the SJT business contributed equally to the sales growth in the Americas region. With the significant recovery in production figures in the light and heavy vehicles segment, the automotive business generated total sales of EUR 131.9 million in the first nine months of 2021. This represents an increase in sales of 23.4% (+31.7% in organic terms). Although the EJT segment in the Americas region managed to generate significant contributions to NORMA Group's total sales in the first nine months of 2021, despite the global semiconductor shortage, noticeably flatter sales growth in the U.S. automotive business can be observed, especially since the third quarter of 2021, due to the increasing global shortage of semiconductors, among other factors.

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In the SJT segment, sales of EUR 212.0 million were generated in the first three quarters, a 13.5% increase over the same period of the previous year (Q1 – Q3 2020: EUR 186.7 million). This includes organic sales growth of 20.8%. Sales in the third quarter of 2021 amounted to EUR 72.3 million (Q3 2020: EUR 60.7 million; Q3 2019: EUR 62.2 million). On the one hand, the positive development was caused by the general economic recovery, on the other hand, the U.S. subsidiary NDS once again managed to have a strong water business and, after an already very good second quarter (+ 12.9% in organic terms), also achieved strong organic growth of 15.4% in the third quarter of 2021.

Adjusted EBIT in the Americas region increased to EUR 43.1 million in the first nine months of 2021 (Q1 – Q3 2020: EUR 25.4 million). The resulting adjusted EBIT margin in relation to sales for the Americas region was thus 12.2% (Q1 – Q3 2020: 8.5%). Operating earnings in the first nine months of 2021 were impacted in particular by the delayed recovery of the high price level for raw materials, including above all the area of steel materials.

Capital expenditure in the Americas region in the period from January to September 2021 amounted to EUR 12.0 million (Q1 – Q3 2020: EUR 6.4 million) and related to the plants in the U.S. and Mexico, in particular.

Asia-Pacific: Automotive business weaker in the third quarter of 2021; SJT business improved further in the nine-month period of 2021

Net sales (external sales) in the Asia-Pacific region amounted to EUR 125.5 million in the first nine months of 2021, exceeding not only the figure for the pandemic-laden previous year by 16.5% (Q1 – Q3 2020: EUR 107.7 million), but also the level of the pre-crisis year 2019 (Q1 – Q3 2019: EUR 114.2 million) by 9.9%. Here, organic sales growth in the Asia-Pacific region totaled 17.1% in the first nine months of 2021. Currency effects had a positive impact of 0.5%. The Asia-Pacific region accounted for 15% of Group sales (Q1 – Q3 2020: 15%).

In the third quarter of 2021, total net sales in the Asia-Pacific region of EUR 41.3 million were slightly below the figure for the same period in 2020 (Q3 2020: EUR 41.7 million) by 1.1% (– 4.0% in organic terms). Nevertheless, they were nearly at the level of the comparable quarter of 2019 (Q3 2019: EUR 41.4 million).

The positive development of sales in the Asia-Pacific region in the first nine months was driven in particular by strong demand from the Chinese automotive industry, especially in the first half of 2021, resulting in organic EJT sales growth of 21.5% compared to the first nine months of 2020 and an increase of 24.0% compared to the same period of 2019. By contrast, EJT sales of EUR 27.5 million in the third quarter of 2021 were 1.9% below the level of the prior-year quarter. The main cause here was also the global shortage of semiconductors and the resulting production backlog in the automotive industry. The positive sales trend in the SJT segment continued in the Asia-Pacific region, where organic sales growth of 9.7% was achieved compared to the prior-year quarter.

The Asia-Pacific region recorded adjusted EBIT of EUR 19.4 million in the first three quarters of 2021, thus not only exceeding the comparative figure for the previous year (Q1 – Q3 2020: EUR 13.3 million), but also significantly exceeding the pre-crisis level (Q1 – Q3 2019: EUR 11.5 million). The adjusted EBIT margin thus amounted to 14.9% in the first nine months of 2021 (Q1 – Q3 2020: 12.2%; Q1 – Q3 2019: 9.9%). The main reason for the positive development of the adjusted EBIT margin in the Asia-Pacific region was the strong sales growth in the region combined with a high level of automation and strict cost discipline. In the first nine months of the current fiscal year, the region also benefited from government incentives to support wages.

In the Asia-Pacific region, the investment volume in the period from January to September 2021 totaled EUR 7.2 million, compared to EUR 4.7 million in the reporting period of the previous year. This was mainly related to the plants in China.

FORECAST FOR FISCAL YEAR 2021

On September 14, 2021, NORMA Group adjusted its forecast for the adjusted EBIT margin and the adjusted EBITA margin for the fiscal year 2021 based on current figures for the month of August and the expectations for the remaining months of 2021.

The main reason for this was the ongoing limited availability of materials, especially steel and plastics, and the resulting increase in prices. Based on the current forecast, NORMA Group therefore now expects significantly lower production capacities in relevant industries as well as higher material and freight costs in all regions. As a result, the Management Board now also expects the materials cost ratio to be at a comparable level to the previous year (previously: „significantly improved materials cost ratio“). Expenses in connection with the corona pandemic, which has lasted longer than expected, are also having a negative impact on the cost side.

Taking these factors into account, the Management Board of NORMA Group SE has reassessed the situation and now expects an adjusted EBIT margin for fiscal year 2021 of more than 10% (previous forecast: “more than 12%”) and an adjusted EBITA margin of more than 11% (previous forecast: “more than 13%”).

With regard to the development of organic Group sales and the other key figures, the Management Board is reaffirming its forecast published on August 4, 2021, in the Interim Report for the first half of 2021. However, the current outlook is linked to the assumption that there will be no other significant negative effects in the further course of the year in connection with the COVID-19 pandemic and the related general development of the market environment, which could lead to a weakening of the global economy and continued pressure on NORMA Group’s business development in the remaining months of the fiscal year.

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Forecast for fiscal year 2021

Organic sales growth	Low double-digit organic Group sales growth EJT: Strong organic sales growth in the low double-digit range SJT: Strong organic sales growth in the low double-digit range EMEA: Strong organic sales growth in the low double-digit range Americas: Strong organic sales growth in the low double-digit range APAC: High single-digit organic sales growth
Cost of materials ratio	At a comparable level to the previous year
Personnel cost ratio	Significantly improved personnel cost ratio
R&D investment ratio	Around 3% of sales ¹
Adjusted EBITA margin	More than 11% ²
Adjusted EBIT margin	More than 10% ²
NORMA Value Added (NOVA)	Between EUR 10 million and EUR 25 million
Financial result	Up to EUR – 13 million
Tax rate	Between 27% and 29%
Adjusted earnings per share	Strong increase in adjusted earnings per share
Investment rate (without acquisitions)	Investment ratio between 5% and 6% of Group sales
Net operating cash flow	More than EUR 110 million
Dividend / dividend ratio	Around 30% to 35% of adjusted Group earnings
CO ₂ emissions	Reduction in CO ₂ emissions by around 19.5% ³ by 2024 (CAGR: 3.0%)
Number of invention applications	More than 20
Number of defective parts (parts per million / PPM)	Below 10

1_Due to the increasing strategic relevance of the area of water management, NORMA Group has included R&D expenses in this area in the calculation since the 2020 reporting year and uses total sales as a reference value to determine the R&D ratio (previously 5% of EJT sales).

2_The guidance for adjusted EBIT margin and adjusted EBITA margin was adjusted on September 14, 2021 based on current figures for the month of August and expectations for the remaining months of 2021 (previously: adjusted EBIT margin: more than 12%, adjusted EBITA margin: more than 13%).

3_Reference year: 2017.

FURTHER INFORMATION

Financial Calendar, Contact and Imprint

Financial calendar 2022

Date	Event
February 16, 2022	Publication of Preliminary Financial Results 2021
March 23, 2022	Publication of the Annual Report 2021
May 4, 2022	Publication of Interim Statement Q1 2022
May 17, 2022	Annual General Meeting 2022
August 10, 2022	Publication of Interim Report Q2 2022
November 2, 2022	Publication of Interim Statement Q3 2022

The financial calendar is constantly updated. Please visit the Investor Relations section on the Company website www.normagroup.com

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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.

Forward-looking statements

This Interim Statement contains certain future-oriented statements. Future-oriented statements include all statements that 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 take place or be fulfilled as expected in the future. The Company points out that such future-oriented statements provide no guarantee for the future and that the actual events, including the financial position and profitability of NORMA Group and developments in the economic and regulatory fundamentals, may vary substantially (particularly on the downside) from those explicitly or implicitly assumed in these statements. Even if the actual assets for NORMA Group, including its financial position and profitability and the economic and regulatory fundamentals, are in accordance with such future-oriented statements in this Interim Statement, no guarantee can be given that this will continue to be the case in the future.

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