



NORMA GROUP FULL YEAR 2022 RESULTS

MAINTAL, MARCH 28, 2023

Facts & Figures – Key Figures (I/II)



Sales

Increase of net sales of 13.8% leads to sales of EUR 1,243.0 million

(2021: EUR 1,091.9 million)



Organic Sales

Organic sales growth of 7.1% for the full year 2022

(2021: 16.2%)



Adjusted EBIT

Decreased adjusted EBIT of EUR 99.0 million

(2021: EUR 113.8 million)



Adj. EBIT Margin

Adjusted EBIT margin of 8.0%

(2021: 10.4 %)



EPS

Adj. EPS at EUR 1.75

(2021: EUR 2.27)

Rep. EPS at EUR 1.23

(2021: EUR 1.76)



Dividend

Dividend proposal of EUR 0.55 for FY 2022 to AGM on May 11, 2023

(2021: EUR 0.75)

Facts & Figures – Key Figures (II/II)



Equity

Improved equity ratio of 45.2%
(2021: 44.6 %)



Net Debt

Net Debt increased to EUR
349.8 million
(2021: EUR 318.5 million)



Leverage

Increased Leverage of 2.2x
(December 31, 2021: 1.9x)



Net Operating Cashflow

Decreased Net Operating
Cashflow of EUR 65.3 million*
(2021: EUR 100 million)



NOVA

Negative NORMA Value Added*
of EUR -27.1 million
(2021: EUR 16.0 million)



Corporate Responsibility

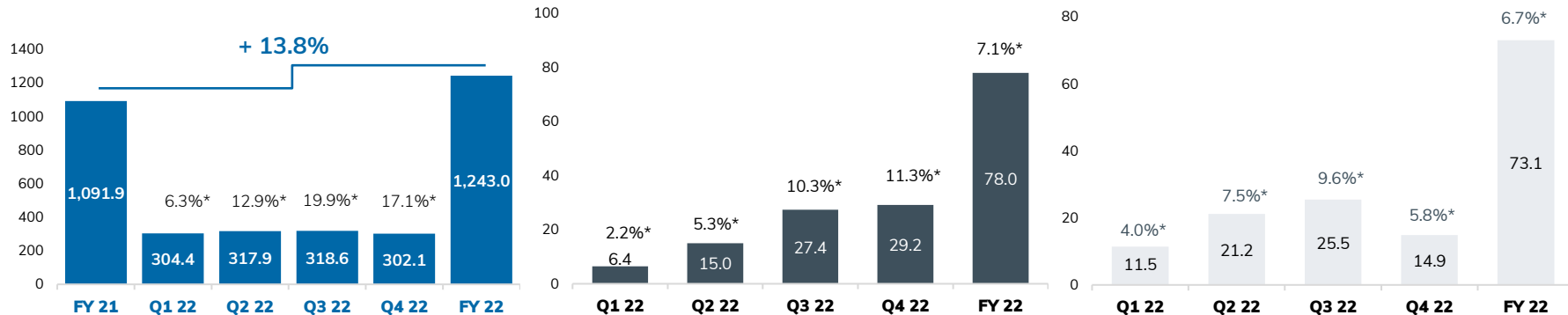
CO₂ emissions reduced by
88.8% to 4,879 t CO₂e in 2022
(market-based), incl. certificates
(2021: 43,449 t CO₂e)

* With factoring programs at EUR 77 million on December 31, 2022 (December 31, 2020: EUR 62 million)

SEGMENT REPORTING & P&L STATEMENT



Top Line Development



Top Line

- Increase in Net Sales of 13.8% to EUR 1,243.0 million in 2022 compared to EUR 1,091.9 million in 2021, mainly due to positive pricing

+ 7.1%
Organic Growth

thereof

+9.3%
Price

-2.1%
Volume

Organic Growth

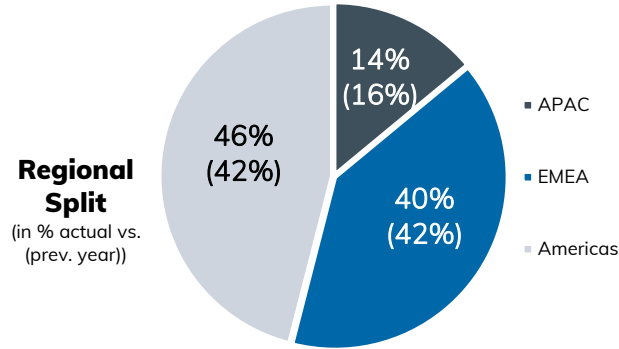
- Organic Growth of 7.1% in FY 2022 especially due to good development in the Americas region & good recovery in Q4 in EMEA
- EJT sales showing organic growth of 7.5% leading to sales of EUR 698.8 million, mainly due to strong growth in the Americas and EMEA region
- SJT sales showing good organic growth of 6.4% leading to sales of EUR 535.3 million, mainly due to the Americas region

Currency Effects

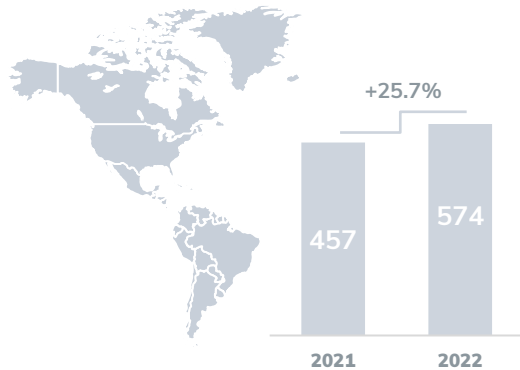
- Positive translation effects of EUR 73.1 million
- Thus, currency effects reflect 6.7% of group sales growth
- Currency effects mostly related to USD

* In % of prior year sales

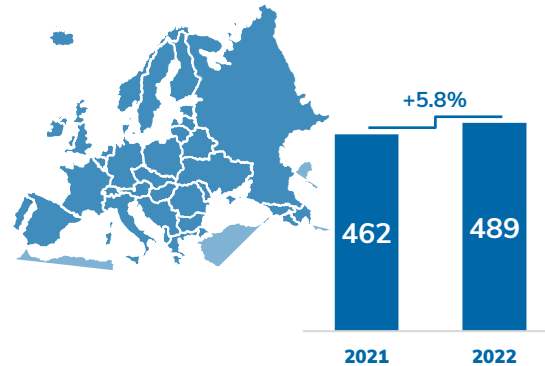
Segment Reporting – Sales Development (I/II)



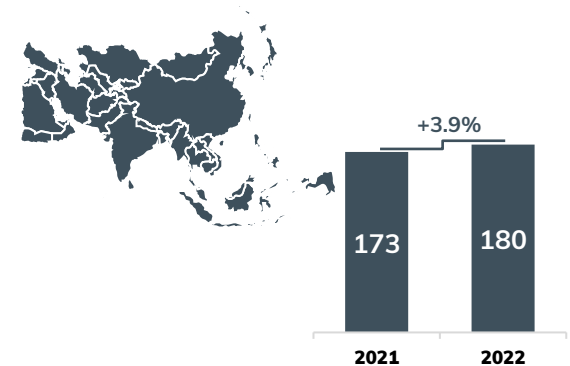
AMERICAS Sales



EMEA Sales



APAC Sales



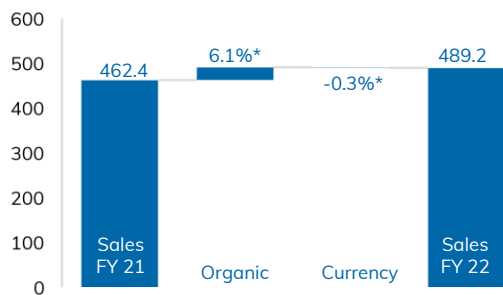
Segment Reporting – Sales Development (II/II)

EMEA



- **EJT:** Excellent recovery in H2 2022 especially in Light Vehicles leads to high single-digit organic growth of 9.7% in FY 2022
- **SJT:** Organic decline of 3.7% due to difficult business development and internal restructuring measures

Sales Development

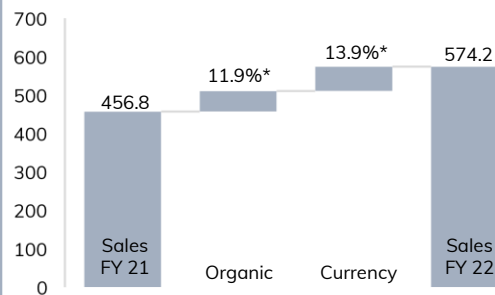


Americas



- **EJT:** Strong performance in H2 2022 also due to pricing leads to double-digit growth of 11.4% in FY 2022
- **SJT:** Good double-digit organic growth of 12.0% with Water Management showing another strong organic growth of 12.4% due to pricing

Sales Development

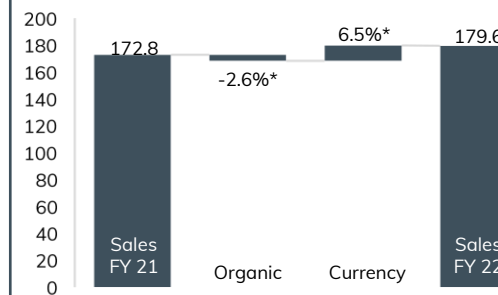


APAC



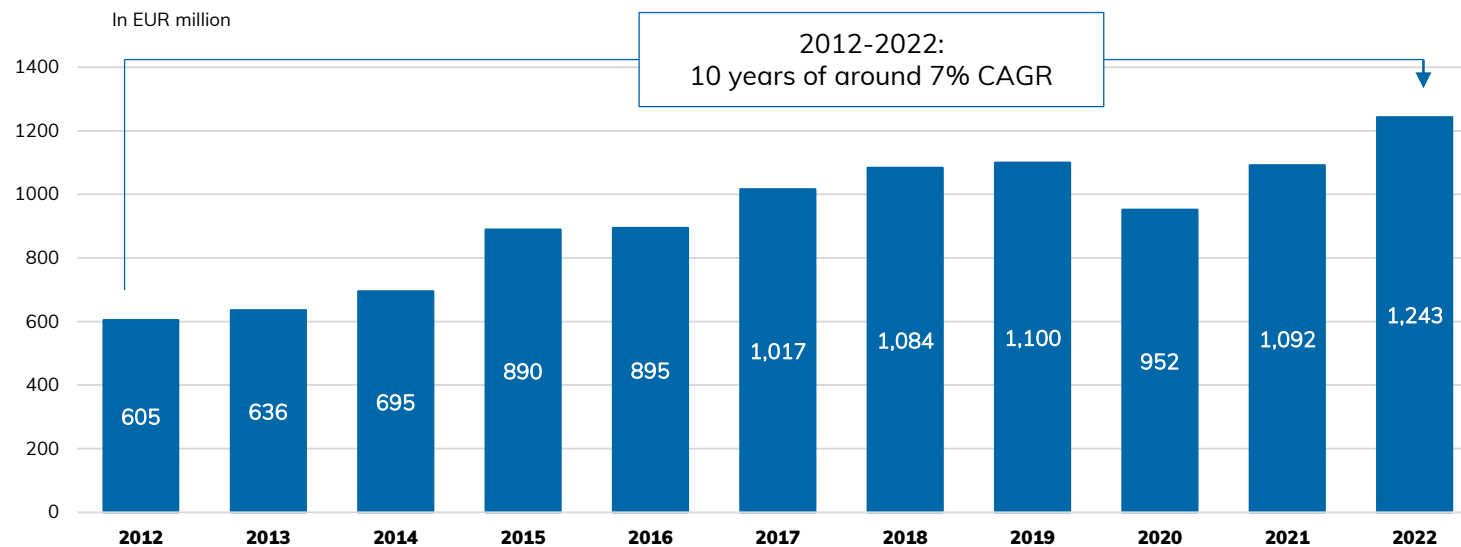
- **EJT:** Lockdowns in China in Q2 2022 lead to organic decline of 4.4% in FY 2022
- **SJT:** Strong H1 2022 leads to an organic growth of 1.2% in FY 2022

Sales Development



* In % of prior year sales

Revenue Track Record



Thereof organic development (in EUR million and %)

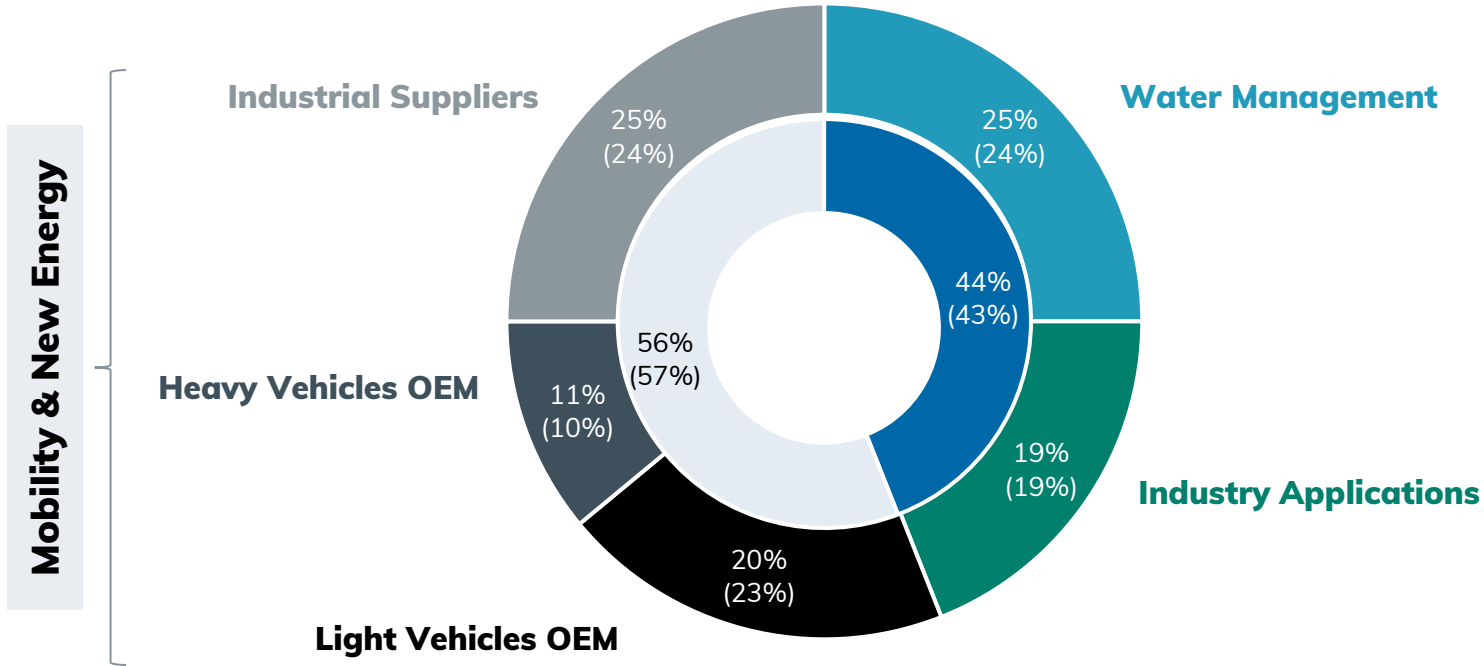
Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Ø 10 years
In EUR million	15.1	41.3	25.9	7.6	77.0	78.6	-21.6	-133.3	154.4	78.0	
In %	2.5	6.5	3.7	0.9	8.6	7.7	-2.0	-12.1	16.2	7.1	3.9

Balanced Sales Mix

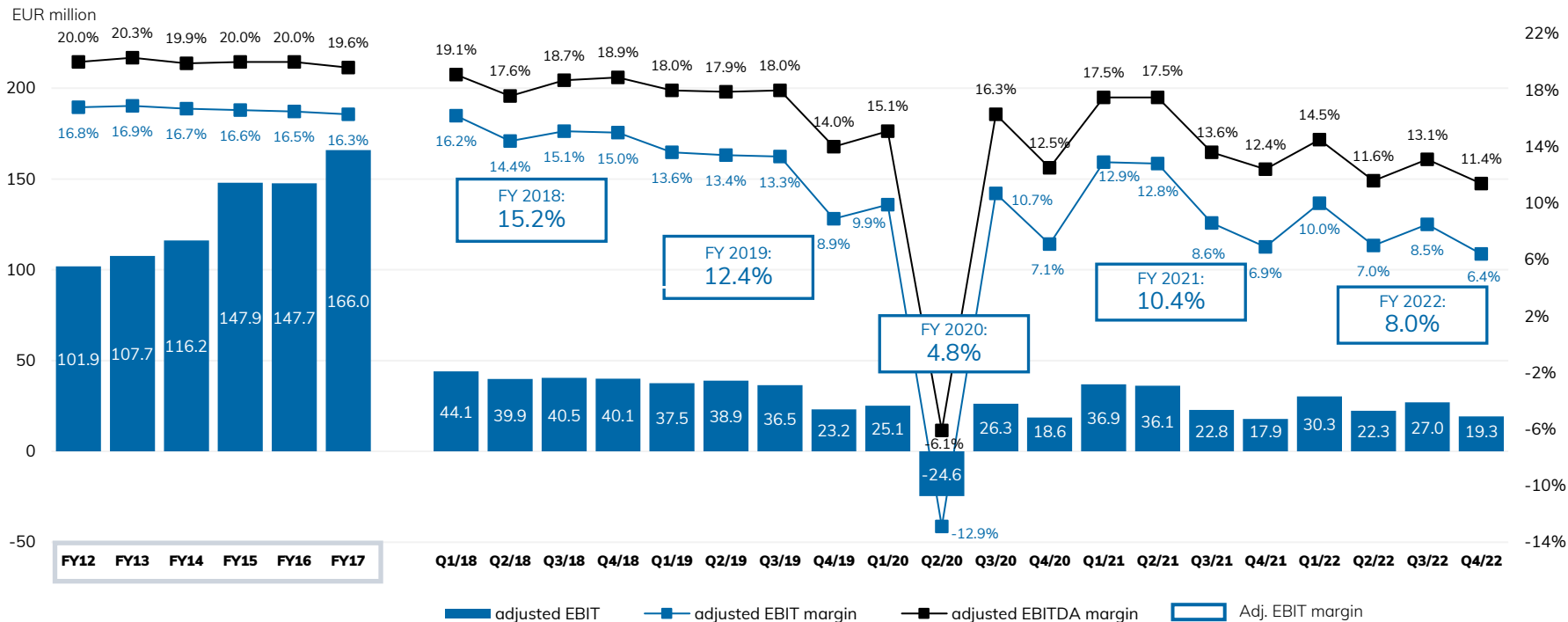


Engineered Joining Technology (EJT)

Standardized Joining Technology (SJT)



EBITDA & EBIT Margin Development

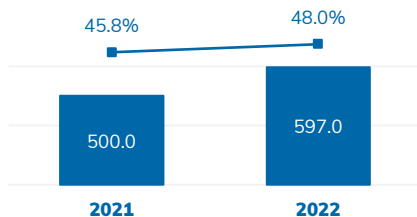


Adjusted EBIT margin at 8.0% affected by strong increase in material & logistic costs as well as internal inefficiencies in EMEA

(Adjusted) Profit & Loss Development

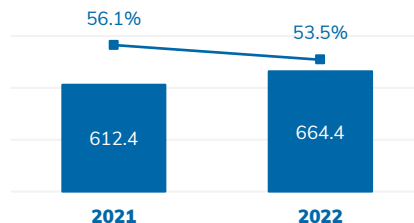
Material Costs

(in EUR million and % of sales)



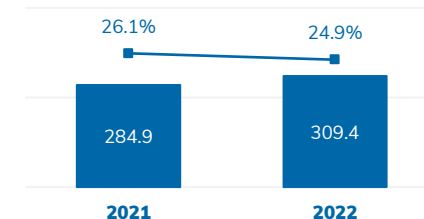
Gross Profit

(in EUR million and % of sales)



Personnel Expenses

(in EUR million and % of sales)

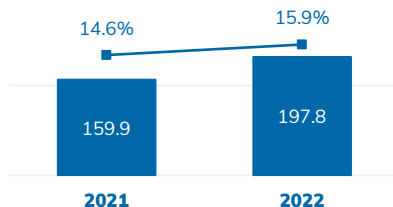


Material Cost ratio increased by 220 BPs while Gross Profit ratio decreased by 260 BPs mainly due to higher material costs in steel, plastics and energy

Strong improvement in personnel costs ratio to 24.9% due to stable number of employees while sales increased

Net Expenses from adj. other oper. Income and Expenses

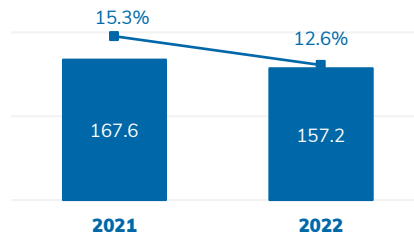
(in EUR million and % of sales)



OPEX ratio increased by 130 BPs due to freight costs and higher number of temp workers also affected by plant relocation

Adjusted EBITDA

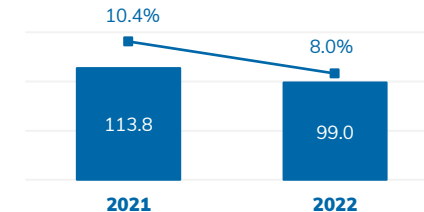
(in EUR million and % of sales)



Adjusted EBITDA decreased by 270 BPs and adjusted EBIT margin decreased by 240 BPs to 12.6% respectively 8.0%

Adjusted EBIT

(in EUR million and % of sales)



Operational Adjustments 2022 and Outlook 2023-2024

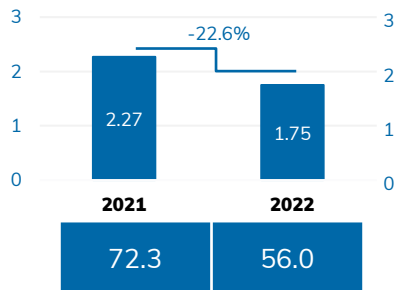


in EUR million*	Reported	Adjustments	Adjusted	FY 2023	FY 2024
Sales	1,243.0		1,243.0		
EBITDA	157.2	0	157.2	0	0
EBITDA margin	12.6%		12.6%		
EBITA	105.6	1.3 (depreciation PPA)	106.9	ca. 0.8 (depreciation PPA)	ca. 0.8 (depreciation PPA)
EBITA margin	8.5%		8.6%		
EBIT	76.5	22.4 (incl. EUR 21.1 million amortization PPA)	99.0	ca. 21.9 (incl. around EUR 21.1 million amortization PPA)	ca. 21.4 (incl. around EUR 20.6 million amortization PPA)
EBIT margin	6.2%		8.0%		
Net Profit	39.2	16.8 (incl. EUR -5.6 million post tax impact)	56.0	ca. 16.4	ca. 16.1
Net Profit margin	3.2%		4.5%		
EPS (in EUR)	1.23	0.52	1.75	ca. 0.51	ca. 0.50

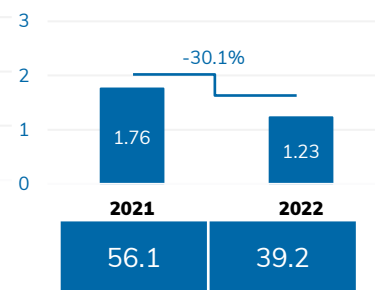
* Deviations may occur due to commercial rounding.

EPS and Dividend Development

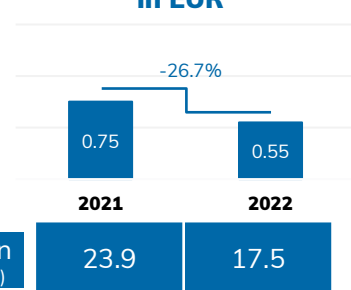
Adjusted EPS in EUR



Reported EPS in EUR



Dividend per share in EUR



Net Income
(in EUR million)

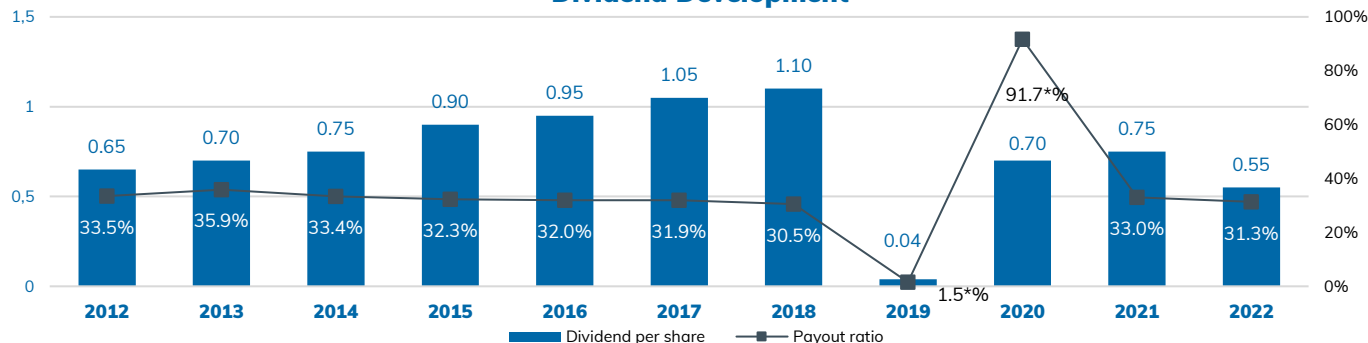


Distribution
(in EUR million)



Dividend proposal of EUR 0.55 or 31.3% of adjusted Group net profit for the fiscal year 2022 to the AGM on May 11th 2023

Dividend Development



Dividend policy
Payout ratio of approx. 30%-35% of adjusted Group annual earnings

* Dividend payout ratio in 2019 lower than usual due to the Covid-19 pandemic and 2020 higher than usual as a compensation for the previous years lower dividend.

Profit and Loss Statement



in EUR million and %	Adjusted		Reported	
	2021	2022	2021	2022
Sales	1,091.9	1,243.0	1,091.9	1,243.0
Gross Profit	612.4	664.4	612.4	664.4
EBITDA	167.6	157.2	167.6	157.2
in % of sales	15.3%	12.6%	15.3%	12.6%
EBITA	122.5	106.9	121.0	105.6
in % of sales	11.2%	8.6%	11.1%	8.5%
EBIT	113.8	99.0	92.1	76.5
in % of sales	10.4%	8.0%	8.4%	6.2%
Financial Result	-12.4	-12.6	-12.4	-12.6
Profit before Tax	101.4	86.4	79.7	63.9
Taxes	-29.0	-30.4	23.6	-24.7
in % of profit before tax	28.6%	35.2%	29.6%	38.7%
Net Profit	72.3	56.0	56.1	39.2

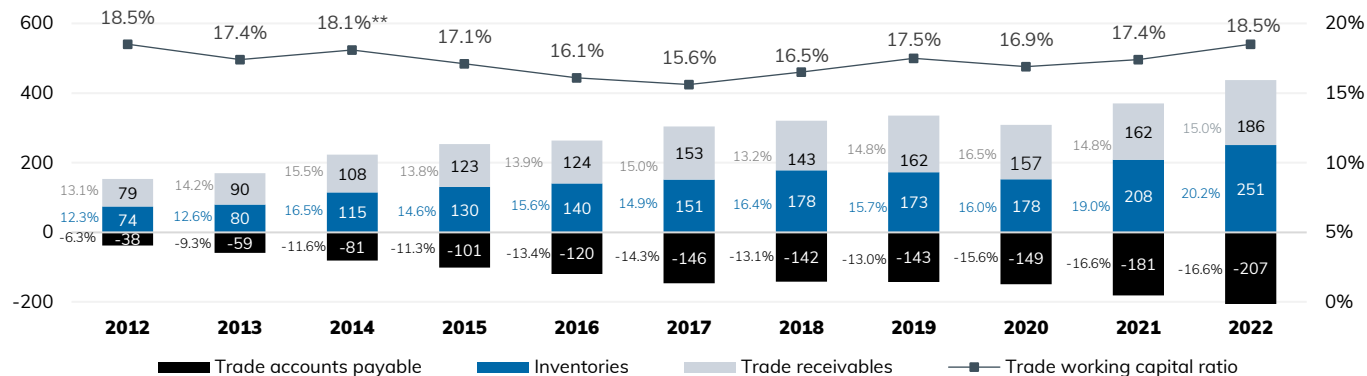
BALANCE SHEET & MATURITY PROFILE



Working Capital Development

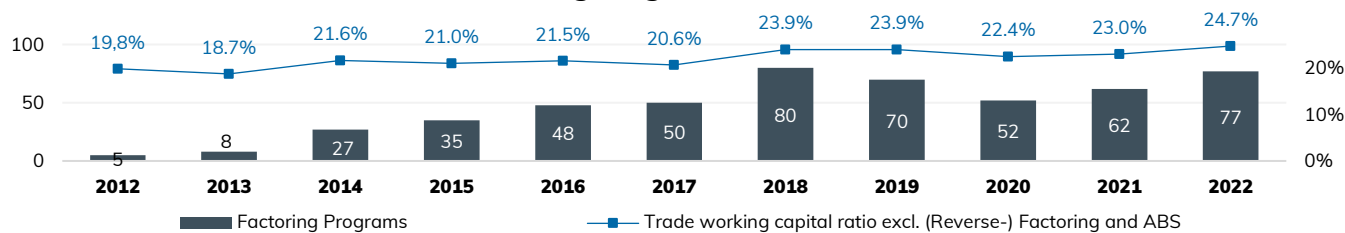
Working capital incl. (Reverse) Factoring and ABS programs

(in EUR million and % of sales)



Working Capital Ratio increased by 110 BPs due to higher inventories related to safety stock because of plant relocation, material shortage and inflation.

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



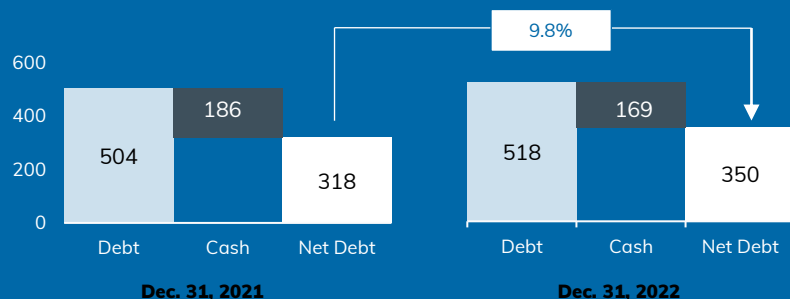
Factoring programs increased to EUR 77 million in order to optimize financial flexibility.

* (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)

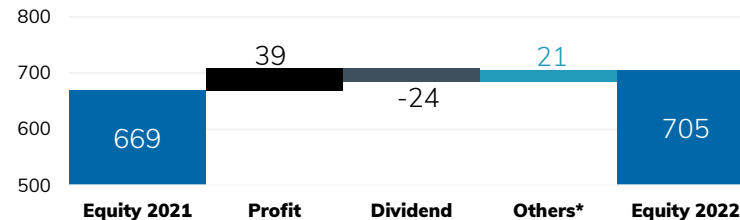


- Net Debt increased by 9.8% mainly due to higher working capital needs
- Leverage increased to 2.2x
- Increased Equity at EUR 705 million leads to improved Equity Ratio of 45.2%

Debt Ratios

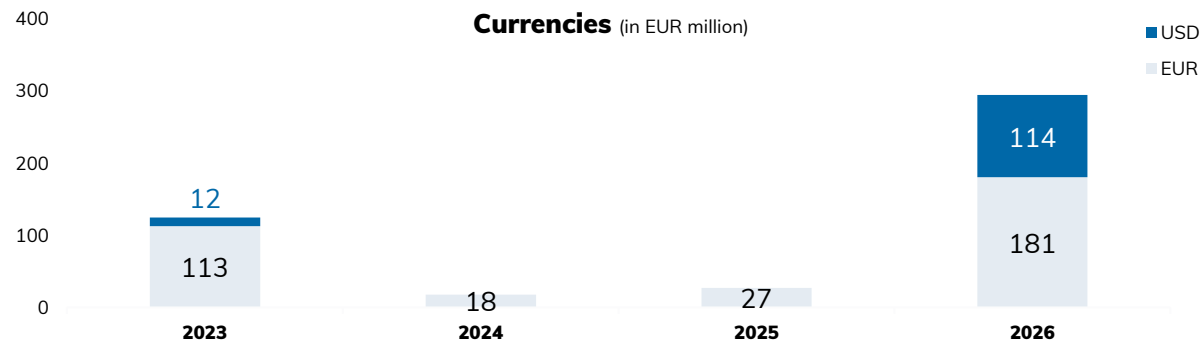
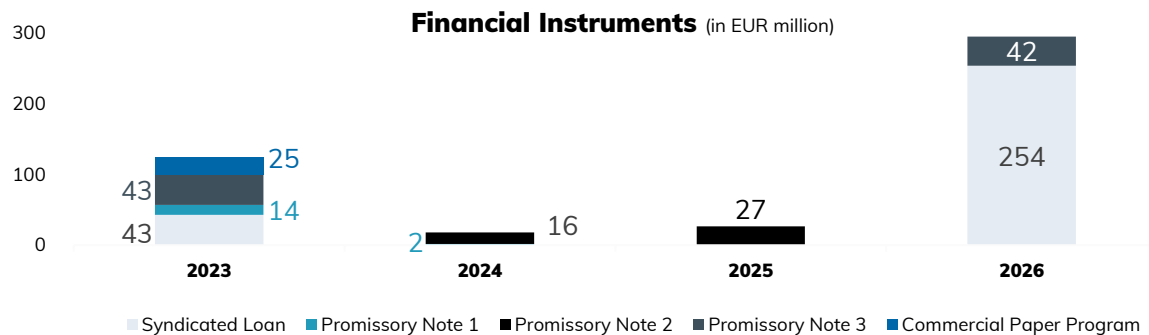
	Dec. 31, 2021	Dec. 31, 2022
Leverage (Net debt / EBITDA)	1.9x	2.2x
Gearing (Net debt / equity)	0.5x	0.5x

in EUR million



Balance Sheet Total (in EUR million)	1,498	1,561
Equity Ratio	44.6%	45.2%

Solid Maturity Profile



- Solid maturity profile with longterm financing strategy established
- Refinancing 2023 well underway
- Next larger refinancing due in 2026

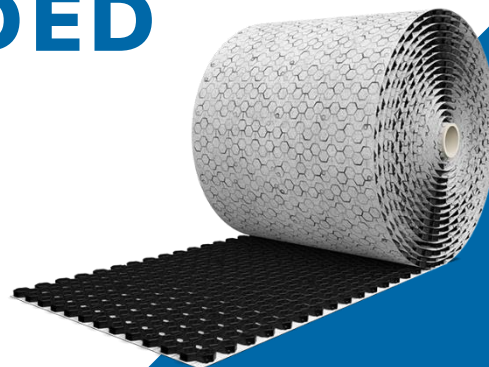
Balance Sheet



in EUR million	Dec 31, 2021	Dec 31, 2022
Assets		
Non-current assets		
Goodwill / Other intangible assets / Property, plant & equipment	883.2	894.1
Other non-financial assets / Derivative financial assets / Deferred- and income tax assets	22.4	28.3
Total non-current assets	905.6	924.5
Current assets		
Inventories	208.0	250.8
Other non-financial / other financial / derivative financial / income tax assets	30.0	30.0
Trade and other receivables	162.0	186.3
Cash and cash equivalents	185.7	168.7
Contract assets	0.8	0.5
Total current assets	592.6	636.2
Total assets	1,498.2	1,560.7

in EUR million	Dec 31, 2021	Dec 31, 2022
Equity and liabilities		
Equity		
Total equity	668.6	705.4
Non-current and current liabilities		
Retirement benefit obligations / Provisions	42.9	28.4
Borrowings and other financial liabilities	471.6	476.1
Other non-financial liabilities	38.5	40.6
Contract liabilities	0.6	1.3
Lease liabilities	30.8	40.7
Tax liabilities and derivative financial liabilities	64.6	61.4
Trade payables	180.5	206.7
Total liabilities	829.6	855.3
Total equity and liabilities	1,498.2	1,560.7

CASH FLOW & NORMA VALUE ADDED



Cash Flow Development 2012 - 2022



Net Operating Cash Flow

in EUR million	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Variance (2022 to 2021)
(Adjusted) EBITDA	120.8	129.3	138.4	177.5	179.4	199.7	201.4	187.2	99.3	167.6	157.2	-6.2%
Δ ± Trade Working capital	-9.8	+5.1	+10.4	-0.6	+17.0	-19.1	-13.7	-9.5	20.2	-20.4	-38.8	-90.2%
Net operating cash flow before investments from operating business	111.0	134.4	148.8	176.9	196.4	180.6	187.7	177.7	119.5	147.2	118.5	-19.6%
Δ ± Investments from operating business	-30.0	-30.5	-39.6	-42.2	-47.9	-47.7	-63.3	-54.8	-41.2	-47.4	-53.2	12.2%
Net Operating Cash Flow	81.0	103.9	109.2	134.7	148.5	132.9	124.4	122.9	78.3	99.8	65.3	-34.6%

- Working Capital outflow of EUR 38.8 million due to higher inventories related to safety stock because of plant relocation, material shortage and inflation
- Capex increased in line with higher sales
- Net Operating Cash Flow of EUR 65.3 million compared to EUR 99.8 million in 2021

NORMA Value Added and ROCE



in EUR million	2021	2022
Adjusted EBIT after taxes	81.2	64.2
Capital Cost (WACC* x CE per January 1st)	-65.2	-91.3
NOVA	16.0	-27.1
ROCE (adjusted EBIT / Ø CE)	11.9%	9.7%
ROCE (reported EBIT / Ø CE)	9.6%	7.5%

- 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)

* WACC = 9.25%

GUIDANCE & OUTLOOK



Outlook 2023 – Company Guidance



Organic Sales Growth	Medium single-digit organic sales growth	Financial Result	Up to EUR – 12 million
EJT	Mid-single-digit organic sales growth	Tax Rate	Between 28% and 30%
SJT	Mid-single-digit organic sales growth	Adjusted Earnings Per Share	Moderate increase compared to previous year
EMEA	Mid-single-digit organic sales growth	NORMA Value Added (NOVA)	Between EUR -10 million and EUR 10 million
Americas	Low single-digit organic sales growth	Investment Rate (without acquisitions)	Investment ratio between 5% and 6% of Group sales
APAC	Organic sales growth in the low double-digit range	Net Operating Cash Flow	Around EUR 70 million
Material Costs Ratio	Stable material costs ratio compared to the previous year	Dividend	Around 30% to 35% of adjusted Group Earnings
Personnel Costs Ratio	Stable personnel costs ratio compared to the previous year	CO₂ Emissions	Under 9,800 metric tons of CO ₂ equivalents
R&D Investment Ratio	Around 3% of sales	Number of Invention Applications	More than 20
Adjusted EBIT Margin	Around 8%	Number of Defective Parts (parts per million / PPM)	Below 5.5

Performance Improvement Program

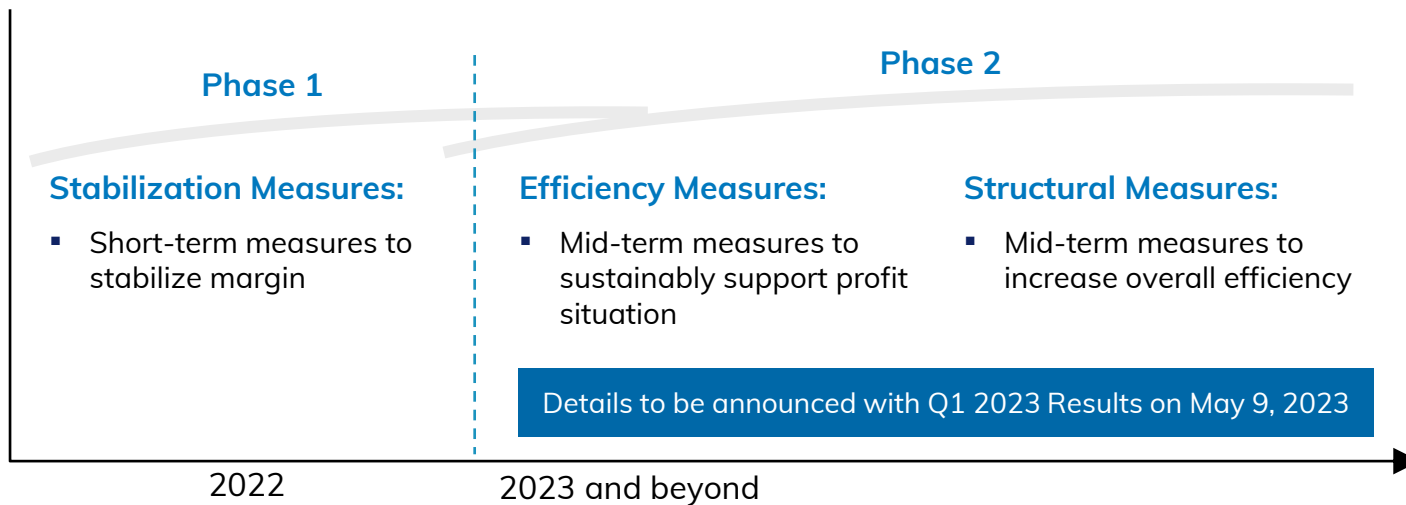


- Stabilization and sustainable improvement of NORMA Group
- Program comprising of 3 optimization layers to be implemented in the coming years
 - Stabilization Measures (short-term)
 - Efficiency Measures (mid-term)
 - Structural Measures (mid-term)

Pricing,
Sales &
Growth

Efficiency &
Cost
Improvement

Structural
Costs,
Operations &
Get on track



**THANK YOU.
ANY QUESTIONS?**



Contacts & Event Calendar



Event	Date
Publication Interim Results Q1 2023	May 9, 2023
Annual General Meeting	May 11, 2023
Publication Interim Results Q2 2023	August 8, 2023
Publication Interim Results Q3 2023	November 7, 2023



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The company points out that such future-oriented statements provide no guarantee for the future and that actual events including the financial position and profitability of NORMA Group SE and developments in the economic and regulatory fundamentals may vary substantially (particularly on the down side) from those explicitly or implicitly assumed or described in these statements.

Even if the actual results for NORMA Group SE, including its financial position and profitability and the economic and regulatory fundamentals, are in accordance with such future-oriented statements in this presentation, no guarantee can be given that this will continue to be the case in the future.

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