



INTERIM STATEMENT  
FIRST QUARTER 2022

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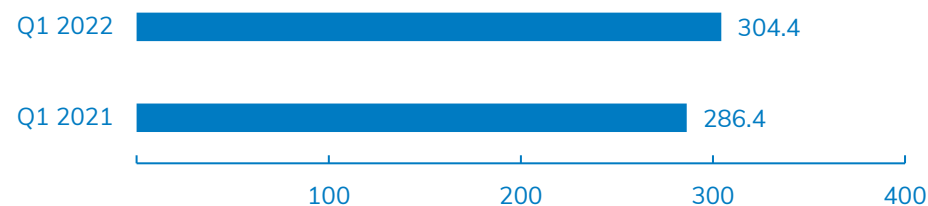
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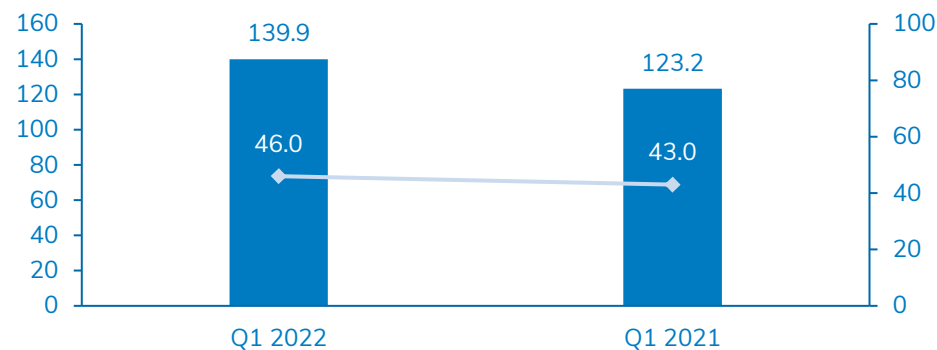
# HIGHLIGHTS Q1 2022 <sup>1</sup>

## Development of Group sales

in EUR million



## Cost of materials and cost of materials ratio



■ Cost of materials (in EUR million, LHS)  
◆ Cost of materials ratio (in %, RHS)

<sup>1</sup> Adjustments are described on → page 9.

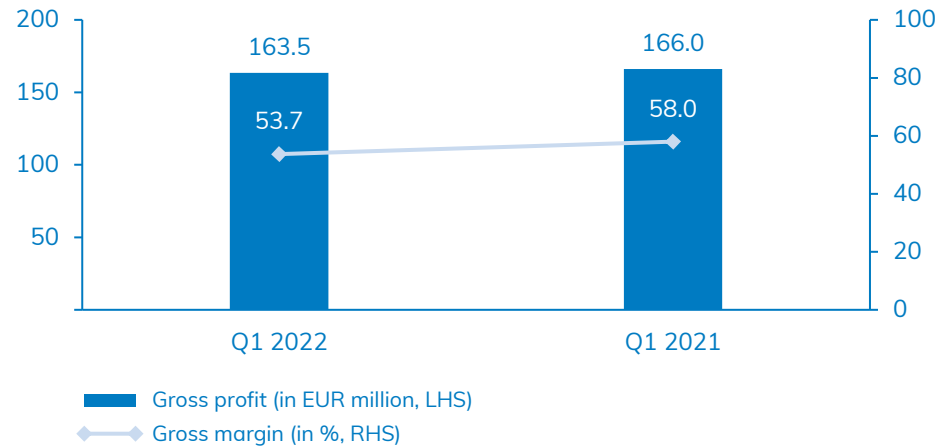
## Effects on Group sales

	in EUR million	Share in %
Group sales Q1 2021	286.4	
Organic growth	6.4	2.2
Currency effects	11.5	4.0
<b>Group sales Q1 2022</b>	<b>304.4</b>	<b>6.3</b>

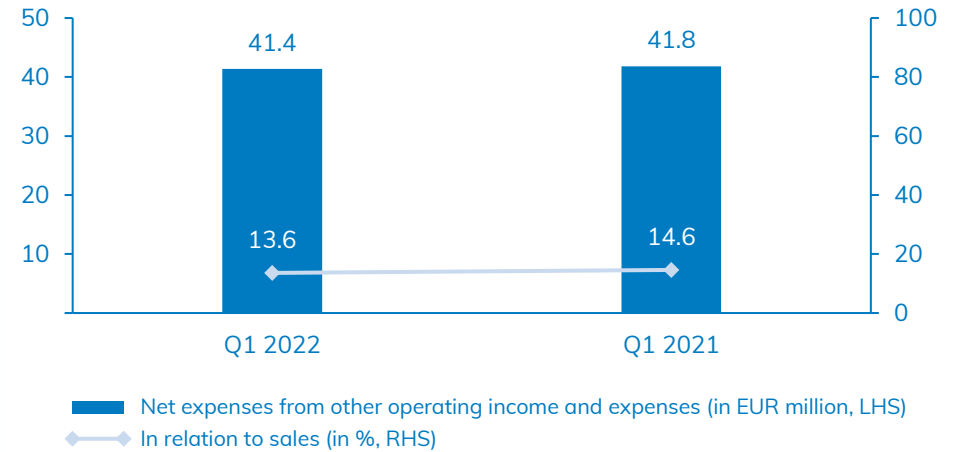
## Development of sales channels

	Engineered Joining Technology (EJT)		Standardized Joining Technology (SJT)	
	Q1 2022	Q1 2021	Q1 2022	Q1 2021
Group sales (in EUR million)	171.0	174.6	131.6	110.6
Growth (in %)	- 2.1		19.0	
Share of sales (in %)	56.5	61.2	43.5	38.8

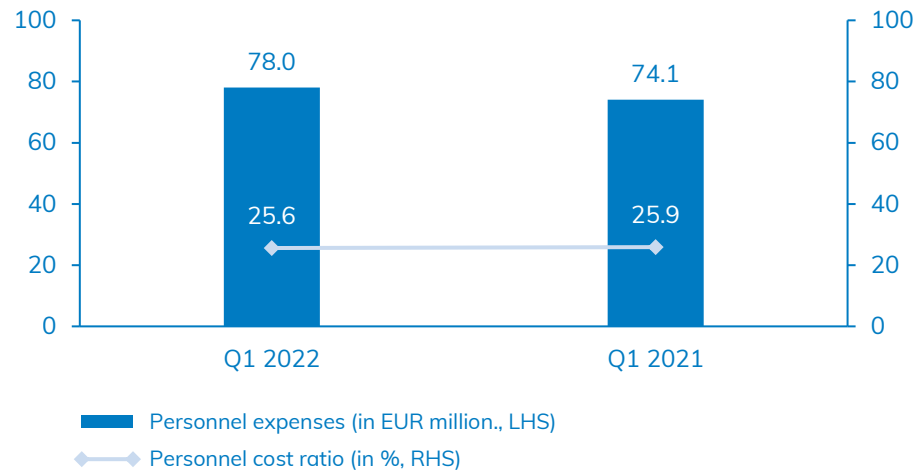
### Gross profit and gross margin



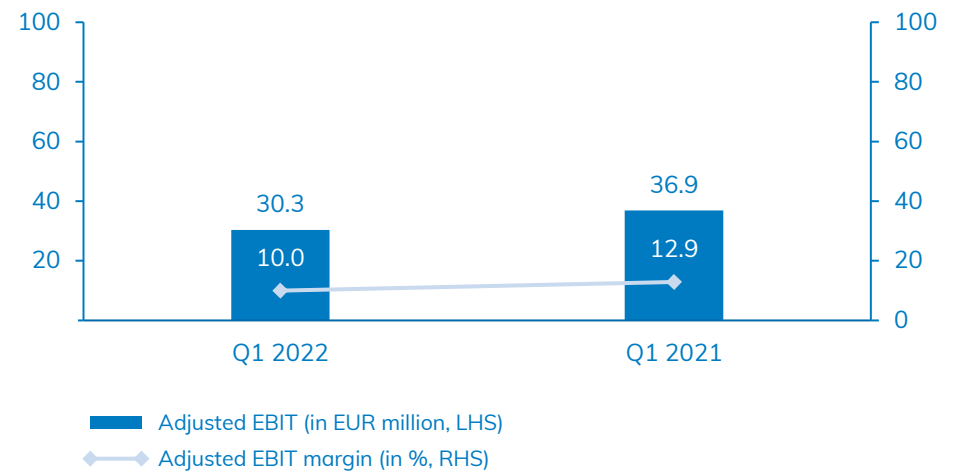
### Net expenses from other operating income and expenses as well as in relation to Group sales



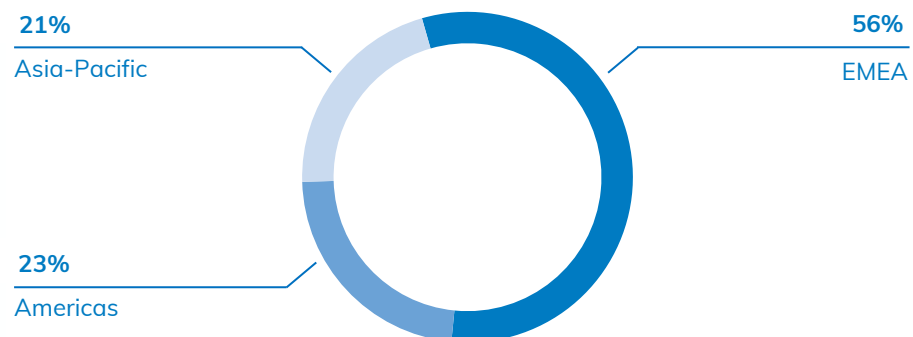
### Personnel expenses and personnel cost ratio



### Adjusted EBIT and adjusted EBIT margin



### Core workforce per segment



### Net operating cash flow

in EUR million	Q1 2022	Q1 2021
EBITDA	44.1	50.1
Change in working capital	- 54.7	- 38.4
Investments from operating business	- 6.1	- 9.2
<b>Net operating cash flow</b>	<b>- 16.7</b>	<b>2.5</b>

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## Significant Events and Course of Business in the First Quarter of 2022

### Annual Report and Full HTML Online Annual Report 2021 published

NORMA Group published its combined Annual Report 2021 on March 23, 2022. In this context and for the first time, the Investor Relations team at NORMA Group SE produced an entirely HTML-based online Annual Report that includes many new functions. The company thus continued on its digitalization path in the area of financial communication. The (Online) Annual Report 2021 as well as further information on significant developments in fiscal year 2021 can be viewed and accessed in detail on the Investor Relations website at [WWW.NORMAGROUP.COM](http://WWW.NORMAGROUP.COM)

### Annual General Meeting 2022 convened

NORMA Group SE announced the convening of the Annual General Meeting 2022 at the beginning of April 2022. It will be held in Frankfurt/Main on May 17, 2022 – as in the two previous years – in the form of a virtual Annual General Meeting without shareholders physically present. Further information on the Annual General Meeting of NORMA Group SE is available on the Investor Relations website. [WWW.NORMAGROUP.COM](http://WWW.NORMAGROUP.COM)

### Slight organic sales growth in the first quarter of 2022

NORMA Group's business developed with moderate growth compared to the previous year's quarter in a challenging market environment in the first quarter of 2022. The Americas region in particular made major contributions to Group sales. A significant increase in sales compared to the first quarter of the previous year was recorded there in both the automotive and the water management areas. In addition, sales in the Asia-Pacific region showed a slightly positive development. There, business with standardized joining technology in particular recorded strong growth. By contrast, the development in the EMEA region fell short of the disproportionately good performance in the same quarter of the previous year, as expected, due to declining demand from the European automotive industry. Key operating earnings figures developed as expected in the first three months of 2022. Adjusted EBIT was at EUR 30.3 million and the adjusted EBIT margin reached a level of 10.0%. Net operating cash flow amounted to EUR – 16.7 million in the first quarter of 2022, mainly due to a higher build-up of (trade) working capital compared to EBITDA in the reporting period compared to year-end 2021.

Overall, NORMA Group's business developed in line with expectations in the first months of fiscal year 2022, so that none of the relevant key performance indicators at Group level deviated significantly from the forecast figures. Based on this, the Management Board is sticking to its forecast for the full year 2022. [FORECAST FOR FISCAL YEAR 2022](#)

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from January 1 to March 31, 2022

In EUR thousands

	Q1 2022	Q1 2021
Revenue	304,394	286,418
Changes in inventories of finished goods and work in progress	- 1,528	1,895
Other own work capitalized	552	830
Raw materials and consumables used	- 139,927	- 123,159
<b>Gross profit</b>	<b>163,491</b>	<b>165,984</b>
Other operating income	7,980	4,753
Other operating expenses	- 49,387	- 46,504
Employee benefits expense	- 77,984	- 74,112
Depreciation and amortization	- 19,317	- 18,607
<b>Operating profit</b>	<b>24,783</b>	<b>31,514</b>
Financial income	105	167
Financial costs	- 1,646	- 3,938
<b>Financial costs – net</b>	<b>- 1,541</b>	<b>- 3,771</b>
<b>Profit before income tax</b>	<b>23,242</b>	<b>27,743</b>
Income taxes	- 6,500	- 7,492
<b>Profit for the period</b>	<b>16,742</b>	<b>20,251</b>
<b>Other comprehensive income for the period, net of tax:</b>		
<b>Other comprehensive income that can be reclassified to profit or loss, net of tax</b>	<b>7,885</b>	<b>21,156</b>
Exchange differences on translation of foreign operations	9,983	20,952
Cash flow hedges, net of tax	- 2,098	204
<b>Other comprehensive income that cannot be reclassified to profit or loss, net of tax</b>	<b>0</b>	<b>2</b>
Remeasurements of post-employment benefit obligations, net of tax	0	2
<b>Other comprehensive income for the period, net of tax</b>	<b>7,885</b>	<b>21,158</b>
<b>Total comprehensive income for the period</b>	<b>24,627</b>	<b>41,409</b>
<b>Profit attributable to</b>		
Shareholders of the parent	16,730	20,213
Non-controlling interests	12	38
	<b>16,742</b>	<b>20,251</b>
<b>Total comprehensive income attributable to</b>		
Shareholders of the parent	24,623	41,377
Non-controlling interests	4	32
	<b>24,627</b>	<b>41,409</b>
<b>(Un)diluted earnings per share (in EUR)</b>	<b>0.53</b>	<b>0.63</b>



## Adjustments

NORMA Group adjusts certain expenses and income for the operational management of the Group. The adjusted results presented below are in line with management's view. Within operating profit (EBIT), only those expenses and income that are related to a business combination are adjusted. Accordingly, expenses from the "Get on track" change program are not adjusted and are included in EBIT. Within EBITA, depreciation of property, plant and equipment from purchase price allocations in the amount of EUR 0.3 million (Q1 2021: EUR 0.4 million) and within EBIT additionally amortization of intangible assets from purchase price

allocations in the amount of EUR 5.2 million (Q1 2021: EUR 5.0 million) were adjusted. Notional income taxes resulting from the adjustments are calculated using the tax rates of the respective local companies concerned and taken into account in adjusted earnings after taxes.

The following table shows earnings adjusted for the effects mentioned here:

### Adjustments <sup>1</sup>

In EUR thousands

	Q1 2022 reported	Total adjustments	Q1 2022 adjusted
<b>Revenue</b>	304,394	0	304,394
Changes in inventories of finished goods and work in progress	- 1,528	0	- 1,528
Other own work capitalized	552	0	552
Raw materials and consumables used	- 139,927	0	- 139,927
<b>Gross profit</b>	<b>163,491</b>	<b>0</b>	<b>163,491</b>
Other operating income and expenses	- 41,407	0	- 41,407
Employee benefits expense	- 77,984	0	- 77,984
<b>EBITDA</b>	<b>44,100</b>	<b>0</b>	<b>44,100</b>
Depreciation	- 12,157	300	- 11,857
<b>EBITA</b>	<b>31,943</b>	<b>300</b>	<b>32,243</b>
Amortization	- 7,160	5,239	- 1,921
<b>Operating profit (EBIT)</b>	<b>24,783</b>	<b>5,539</b>	<b>30,322</b>
Financial result	- 1,541	0	- 1,541
<b>Profit before income tax</b>	<b>23,242</b>	<b>5,539</b>	<b>28,781</b>
Income taxes	- 6,500	- 1,388	- 7,888
<b>Profit for the period</b>	<b>16,742</b>	<b>4,151</b>	<b>20,893</b>
Non-controlling interests	12	0	12
<b>Profit attributable to shareholders of the parent</b>	<b>16,730</b>	<b>4,151</b>	<b>20,881</b>
Earnings per share (in EUR)	0.53	0.13	0.66

<sup>1</sup> Deviations may occur due to commercial rounding.

## Notes to the Development of Sales and Earnings

### Order backlog at a high level at the end of the quarter

As of March 31, 2022, NORMA Group's order backlog amounted to EUR 565.3 million and was thus 24.6% higher than on the closing date of the same quarter of the previous year (March 31, 2021: EUR 453.8 million).

### Group sales rose by 6.3% in the first quarter of 2022

NORMA Group's total sales in the first quarter of 2022 amounted to EUR 304.4 million and thus exceeded the level of the same period of the previous year (Q1 2021: EUR 286.4 million) by 6.3%. Currency effects, particularly in connection with the US dollar, had a positive impact of 4.0% in total, while organic sales growth in the first three months of 2022 amounted to 2.2%. Significant additional sales from the Americas region in particular contributed to the positive development of sales in the first quarter of 2022. A significant increase in sales was recorded in this region in both the automotive (light and heavy vehicles) and water management businesses compared to the first quarter of the previous year. In the Asia-Pacific region, weaker demand from the Chinese automotive industry was more than offset by the strong SJT business, however overall sales in Asia-Pacific were only slightly higher than last year. By contrast, the performance of the EMEA region fell short of the disproportionately good prior-year quarter, as expected. The first quarter of the previous year had been characterized in particular by a significant economic recovery and a return to significantly higher demand in all areas of the business.

### Organic sales in the SJT business up 13.5%; sales in the EJT business below previous year's level driven by market conditions

In the first quarter of 2022, the SJT segment reported sales of EUR 131.6 million, up 19.0% on the same quarter of the previous year (Q1 2021: EUR 110.6 million). This includes organic sales growth of 13.5%. In addition, positive currency effects contributed 5.5% to the sales growth in the first three months of 2022. The rise in sales in the SJT segment was again driven by the strong water business of the US subsidiary NDS, whose sales grew organically by 28.5% in the period from January to March 2022. By contrast, the EJT business saw a 2.1% year-on-year decline in sales to EUR 171.0 million in the first quarter of 2022 (Q1 2021: EUR 174.6 million). The organic decline in sales amounted to 5.2%, while currency effects increased sales revenues in the EJT segment by 3.1%. The clearly positive development of the automotive business in the Americas region did not fully offset the lower level of sales in the EJT segment in the EMEA and Asia-Pacific regions due to lower production and sales figures for passenger cars and commercial vehicles.

### Cost of materials ratio

In the first three months of 2022, cost of materials amounted to EUR 139.9 million and was thus 13.6% higher than in the same period of the previous year (Q1 2021: EUR 123.2 million). As a result, cost of materials as a percentage of sales rose to 46.0% (Q1 2021: 43.0%). The ratio of cost of materials to total output (sales plus changes in inventories and other own work capitalized) was 46.1% in the first quarter of 2022 (Q1 2021: 42.6%). This rise is mainly attributable to the persistently high price level for production materials. Thus, as expected, the prices of raw materials of relevance to NORMA Group (mainly steel, alloy surcharges and engineering plastics) continued to increase in the first quarter of 2022 compared to the end of 2021 and significantly exceeded the level of the previous year's quarter for virtually all raw materials. In this connection, increased logistics costs in the first quarter of 2022 as well as the development of the US dollar compared to the prior-year quarter also had an increasing effect on cost of materials.

The high price pressure continues to be caused by sustained distortions in global supply chains, which already led to a noticeable shortage of materials in the second half of 2021 and thus to a significant increase in the general price level on the international raw material markets. In addition, the persistently high inflation is having a negative impact. NORMA Group is countering this development by engaging in cross-functional cooperation between its various purchasing departments at all of its global sites and through continuous optimization of processes and supply chains.

### Gross margin

Gross profit (sales less cost of materials plus changes in inventories and other own work capitalized) amounted to EUR 163.5 million in the first quarter of 2022 (Q1 2021: EUR 166.0 million). The main reasons for the 1.5% year-on-year decline were significant price increases for materials and higher freight costs. In addition, the increase in inventories of EUR 1.9 million in the prior-year quarter was offset by a reduction in inventories of EUR 1.5 million in the current reporting quarter. This development had a negative effect on the gross margin, which decreased to 53.7% in the first three months of 2022 (Q1 2021: 58.0%).

### Personnel cost ratio

Employee benefit expenses amounted to EUR 78.0 million in the first quarter of 2022 and thus increased by 5.2% compared to the same quarter of the previous year (Q1 2021: EUR 74.1 million) despite a lower number of employees included in the core workforce. On the one hand, this development can be attributed to currency effects and in particular to the development of the US dollar against the euro. On the other hand, there was an increase in personnel costs, particularly in the Asia-Pacific region, while at the same time the number of employees was higher than in the prior-year quarter. The preparation of a new multi-shift model in Germany

and inflexibility of personnel costs in Serbia also had an increasing effect on personnel costs in the first quarter of 2022. The personnel cost ratio resulting from the ratio to sales was 25.6% in the first quarter of 2022, a slight improvement on the level of the same quarter of the previous year (Q1 2021: 25.9%).

#### Personnel figures per segment

	March 31, 2022	Dec 31, 2021	March 31, 2021
EMEA	3,440	3,467	3,820
Americas	1,428	1,385	1,420
Asia-Pacific	1,325	1,339	1,245
<b>Core workforce</b>	<b>6,193</b>	<b>6,191</b>	<b>6,485</b>
Temporary staff	2,470	2,012	2,466
<b>Total workforce</b>	<b>8,663</b>	<b>8,203</b>	<b>8,951</b>

#### Other operating income and expenses

The balance of other operating income and expenses amounted to EUR – 41.4 million in the first quarter of 2022 (Q1 2021: EUR – 41.8 million) and thus hardly changed compared to the same period of the previous year. As a percentage of sales, other operating income and expenses amounted to 13.6% in the period from January to March 2022, compared to 14.6% in the reporting period of the previous year.

Other operating income includes, in particular, currency gains from operating activities of EUR 3.1 million (Q1 2021: EUR 2.2 million) as well as income from the reversal of liabilities and unused provisions of EUR 2.4 million (Q1 2021: EUR 1.5 million). Other income from the disposal of fixed assets in connection with the sale of a plot of land in the US also had an increasing effect.

Other operating expenses primarily include expenses for IT and telecommunications (Q1 2022: EUR 8.1 million; Q1 2021: EUR 4.9 million), which are attributable to the Group-wide implementation of a new ERP system and the related additional need for consulting services and license fees. In addition to expenses for temporary staff and other personnel-related expenses (Q1 2022: EUR 11.9 million; Q1 2021: EUR 11.2 million), a large portion of other operating expenses is also attributable to freight costs (Q1 2022: EUR 9.1 million; Q1 2021: EUR 11.3 million). Furthermore, other operating expenses in the period from January to March 2022 include additional expenses from the ongoing “Get on track” change program in the amount of EUR 0.4 million (Q1 2021: EUR 0.6 million), which are not adjusted.

#### Operating result and margin

The operating result adjusted for amortization of tangible and intangible assets from purchase price allocations, adjusted EBIT, amounted to EUR 30.3 million in the current reporting period. With this, adjusted EBIT in the first three months of 2022 was 17.8% lower than in the same quarter of the previous year (Q1 2021: EUR 36.9 million) on higher sales. The adjusted EBIT margin was 10.0% (Q1 2020: 12.9%).

This development resulted mainly from the continuing high price levels for raw materials and production materials as a result of the ongoing global supply chain disruption and high inflation worldwide. The resulting negative impact was partly offset by positive effects from the “Get on track” change program.

#### NORMA Value Added (NOVA)

In the current reporting period, NORMA Value Added (NOVA) amounted to EUR 5.1 million (Q1 2021: EUR 9.3 million). The reason for the 45.3% decline was the significantly lower adjusted EBIT compared to the same quarter of the previous year.

#### Financial result

The financial result amounted to EUR – 1.5 million in the first quarter of 2021 and thus increased by 59.1% compared to the same period of the previous year (Q1 2021: EUR – 3.8 million). The main drivers of this development were positive exchange rate effects amounting to EUR 1.7 million (Q1 2021: EUR 0.3 million) as well as an improved result from the valuation of derivatives in the amount of EUR – 0.5 million (Q1 2021: EUR – 1.1 million). Furthermore, slightly lower net interest expense had a positive impact on the financial result in the first quarter of 2022 (Q1 2022: EUR – 2.4 million; Q1 2021: EUR – 2.5 million).

#### Adjusted net profit for the period and adjusted earnings per share

Adjusted net profit for the period (after taxes) amounted to EUR 20.9 million in the current reporting period and was thus 13.9% lower than in the same quarter of the previous year (Q1 2021: EUR 24.3 million). Based on an unchanged number of 31,862,400 shares, adjusted earnings per share amounted to EUR 0.66 (Q1 2021: EUR 0.76).

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets				Equity and liabilities			
In EUR thousands	March 31, 2022	Dec 31, 2021	March 31, 2021	In EUR thousands	March 31, 2022	Dec 31, 2021	March 31, 2021
<b>Non-current assets</b>				<b>Equity</b>			
Goodwill	396,694	392,745	385,520	Subscribed capital	31,862	31,862	31,862
Other intangible assets	209,742	212,815	224,621	Capital reserve	210,323	210,323	210,323
Property, plant and equipment	290,905	277,685	276,265	Other reserves	17,661	9,768	-12,776
Other non-financial assets	2,763	2,209	1,959	Retained earnings	433,285	416,296	401,278
Other financial assets	1,139	1,135	0	<b>Equity attributable to shareholders</b>	<b>693,131</b>	<b>668,249</b>	<b>630,687</b>
Income tax assets	1,233	939	788	Non-controlling interests	199	335	232
Deferred income tax assets	19,661	18,113	18,071	<b>Total equity</b>	<b>693,330</b>	<b>668,584</b>	<b>630,919</b>
	<b>922,137</b>	<b>905,641</b>	<b>907,874</b>				
<b>Current assets</b>				<b>Liabilities</b>			
Inventories	215,905	208,008	169,988	<b>Non-current liabilities</b>			
Other non-financial assets	27,508	20,366	22,554	Retirement benefit obligations	16,151	15,913	16,778
Other financial assets	3,477	3,528	3,201	Provisions	4,813	5,525	16,307
Derivative financial assets	499	453	589	Borrowings	391,215	393,747	393,005
Income tax assets	3,382	5,610	3,882	Other non-financial liabilities	816	817	522
Trade and other receivables	213,998	162,009	200,105	Contract liabilities	195	217	356
Contract assets	848	849	486	Lease liabilities	35,671	22,295	27,087
Cash and cash equivalents	167,014	185,719	176,458	Derivative financial liabilities	3,072	247	0
Assets classified as held for sale	0	6,043	0	Deferred income tax liabilities	57,605	57,590	57,217
	<b>632,631</b>	<b>592,585</b>	<b>577,263</b>		<b>509,538</b>	<b>496,351</b>	<b>511,272</b>
<b>Total assets</b>	<b>1,554,768</b>	<b>1,498,226</b>	<b>1,485,137</b>	<b>Current liabilities</b>			
				Provisions	22,166	21,460	23,962
				Borrowings	80,198	69,490	87,615
				Other non-financial liabilities	43,268	37,686	39,970
				Contract liabilities	614	427	433
				Lease liabilities	10,435	8,520	8,307
				Other financial liabilities	5,172	8,407	9,945
				Derivative financial liabilities	2,270	1,498	2,501
				Income tax liabilities	7,565	5,269	6,908
				Trade and other payables	180,212	180,534	163,305
					<b>351,900</b>	<b>333,291</b>	<b>342,946</b>
				<b>Total liabilities</b>	<b>861,438</b>	<b>829,642</b>	<b>854,218</b>
				<b>Total equity and liabilities</b>	<b>1,554,768</b>	<b>1,498,226</b>	<b>1,485,137</b>

## Notes to the Assets and Financial Position

### Total assets

Total assets amounted to EUR 1,554.8 million as of March 31, 2022, an increase of 3.8% compared to the end of 2021 (Dec 31, 2021: EUR 1,498.2 million). Compared to March 31, 2021 (EUR 1,485.1 million), total assets increased by 4.7%.

### Fixed assets

Non-current assets amounted to EUR 922.1 million as of March 31, 2022, a slight 1.8% increase compared to the end of 2021 (Dec 31, 2021: EUR 905.6 million). This increase is due, among other factors, to the increase in property, plant and equipment, particularly in the area of capitalized rights of use for land and buildings. In addition, positive currency effects from the US dollar area increased goodwill (+ 1.0%). Non-current assets accounted for 59.3% of total assets as of the reporting date March 31, 2022 (Dec 31, 2021: 60.4%).

A total of EUR 6.8 million was invested in fixed assets in the period from January to March 2022 (Q1 2021: EUR 10.3 million). Furthermore, additions to non-current assets of EUR 17.1 million (Q1 2021: EUR 2.1 million) were recognized for the capitalization of rights of use for leased land and buildings in the context of renewal options that were exercised. Capital expenditures included own work capitalized in the amount of EUR 0.6 million (Q1 2021: EUR 0.8 million). The focus of investing activities in the first quarter was on the US, Serbia, China and Germany. There were no significant disposals.

### Current assets

Current assets amounted to EUR 632.6 million on the balance sheet date, up 6.8% compared to the end of 2021 (Dec 31, 2021: EUR 592.6 million). Current assets increased by 9.6% compared to the reporting date of the previous year (March 31, 2021: EUR 577.3 million).

Current assets accounted for 40.7% of total assets as of March 31, 2022 (Dec 31, 2021: 39.6%).

### Increase in (trade) working capital

(Trade) working capital (inventories plus receivables less payables, in each case mainly trade payables) amounted to EUR 249.7 million as of March 31, 2022, and was thus 31.8% higher than at the end of 2021 (Dec 31, 2021: EUR 189.5 million), also due to seasonal factors. The strong increase in trade receivables was the main driving factor. Besides seasonal increases, the reduction in receivables sold under the ABS and factoring programs led to an increase in trade receivables compared to the end of the previous year (decrease of EUR 9.8 million).

(Trade) working capital increased by 20.7% compared to the previous year (March 31, 2021: EUR 206.8 million). This was mainly due to effects from fiscal year 2021 in the area of inventories (March 31, 2022: EUR 215.9 million; March 31, 2021: EUR 170.0 million). The high level at the end of fiscal year 2021 (EUR 208.0 million) resulted from the deliberate build-up of inventories in advance of announced price increases for raw materials in the wake of the challenges on the procurement side.

The increase in the area of trade receivables (March 31, 2022: EUR 214.0 million; March 31, 2021: EUR 200.1 million) is due to the higher sales volume and currency effects. This was partly offset by trade payables, which likewise increased (March 31, 2022: EUR 180.2 million; March 31, 2021: EUR 163.3 million).

### Non-current assets held for sale

In the first quarter of the current fiscal year, the land and building reported under this item as of December 31, 2021, were sold in a sale and leaseback transaction. [ANNUAL REPORT 2021, P. 243](#)

### Other non-financial assets

Other non-financial assets are as follows:

#### Other non-financial assets

In EUR thousands	March 31, 2022	Dec 31, 2021
Deferred costs	7,661	4,802
VAT assets	11,260	10,866
Prepayments	6,731	3,097
Consideration payable to a customer	2,939	2,419
Other assets	1,680	1,391
	<b>30,271</b>	<b>22,575</b>

### Equity ratio again at a high level

Group equity amounted to EUR 693.3 million as of March 31, 2022. This represents an increase of 3.7% compared to the end of 2021 (Dec 31, 2021: EUR 668.6 million). The equity ratio was unchanged at 44.6% as of the reporting date for the quarter (Dec 31, 2021: 44.6%). The significant increase in equity is due in particular to the increase in retained earnings due to a positive result for the period (EUR 16.7 million) and the increase in other reserves due to positive currency translation differences (EUR 10.0 million).

### Higher net debt

Net debt was at EUR 361.0 million as of March 31, 2022, compared to EUR 318.5 million at the end of 2021. This represents an increase of 13.4% or EUR 42.5 million. This was mainly due to net cash outflows from total cash inflows from operating activities of EUR – 16.2 million, net cash outflows from the procurement and disposal of non-current assets of EUR – 3.7 million, and the additional capitalized leases in the reporting period, which led to an increase in lease liabilities.

On the other hand, non-cash currency effects on foreign currency loans and current interest expenses increased net debt in the first three months of the current fiscal year 2022. Furthermore, the valuation-related increase in derivative liabilities also led to an increase in net debt as of March 31, 2022.

Gearing (net debt in relation to equity) was at 0.5, exactly the same as at the end of 2021 (Dec 31, 2021: 0.5). With the increase in net debt in the first quarter of 2022, leverage (net debt excluding hedging derivatives in relation to adjusted EBITDA for the last twelve months) was at 2.2 (Dec 31, 2021: 1.9).

NORMA Group's net financial debt is as follows:

### Net debt

In EUR thousands	March 31, 2022	Dec 31, 2021
Bank borrowings, net	471,413	463,237
Derivative financial liabilities - hedge accounting	5,342	1,745
Lease liabilities	46,106	30,815
Other financial liabilities	5,172	8,407
<b>Financial debt</b>	<b>528,033</b>	<b>504,204</b>
Cash and cash equivalents	167,014	185,719
<b>Net debt</b>	<b>361,019</b>	<b>318,485</b>

### Financial liabilities

At EUR 528.0 million, NORMA Group's financial liabilities as of March 31, 2022, exceeded the level of December 31, 2021 (EUR 504.2 million) by 4.7%. Currency effects related to the US dollar led to an increase in loans. Liabilities from the commercial paper program increased by EUR 5.0 million. The increase in liabilities from leases resulted from additions in the area of rights of use due to newly concluded leases, which more than offset the changes due to repayments (payment of lease installments).

Non-current liabilities totaled EUR 509.5 million as of March 31, 2022, an increase of 2.7% or EUR 13.2 million compared to the end of 2021 (Dec 31, 2021: EUR 496.4 million).

Current liabilities amounted to EUR 351.9 million as of the reporting date of the current reporting quarter and thus increased by 5.6% or EUR 18.6 million compared to December 31, 2021 (EUR 333.3 million).

The maturities of the syndicated loans and the promissory note loans as of March 31, 2022, were as follows:

#### Maturity of bank borrowings in 2022

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	5,000		249,041	
Promissory note, net	3,500	56,211	86,500	
Commercial paper	70,000			
<b>Total</b>	<b>78,500</b>	<b>56,211</b>	<b>335,541</b>	<b>0</b>

#### Other non-financial liabilities

Other non-financial liabilities are as follows:

#### Other non-financial liabilities

In EUR thousands	March 31, 2022	Dec 31, 2021
<b>Non-current</b>		
Government grants	637	637
Other liabilities	179	180
	<b>816</b>	<b>817</b>
<b>Current</b>		
Government grants	614	742
Non-income tax liabilities	5,171	3,293
Social liabilities	5,206	4,360
Personnel-related liabilities (e.g. vacation, bonuses, premiums)	31,726	28,871
Other liabilities	551	420
	<b>43,268</b>	<b>37,686</b>
<b>Total other non-financial liabilities</b>	<b>44,084</b>	<b>38,503</b>

#### Derivative financial instruments

##### Foreign currency derivatives

As of March 31, 2022, foreign currency derivatives with a positive market value of EUR 0.0 million and foreign currency derivatives with a negative market value of EUR 0.1 million were held to hedge cash flows. In addition, foreign currency derivatives with a positive fair value of EUR 0.4 million and foreign currency derivatives with a negative fair value of EUR 2.1 million were held to hedge changes in fair value.

The foreign currency derivatives used to hedge cash flows are used to hedge against fluctuations in the exchange rate arising from operating activities. Foreign currency derivatives used to hedge changes in fair value serve to hedge external financing liabilities, bank balances denominated in foreign currencies, and intercompany monetary items against exchange rate fluctuations.

##### Interest rate hedging instruments

Portions of NORMA Group's external financing were hedged against interest rate fluctuations by using interest rate swaps. As of March 31, 2022, interest rate hedges with a negative fair value of EUR 4.1 million were held.

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from January 1 to March 31, 2022

In EUR thousands

	Q1 2022	Q1 2021
<b>Operating activities</b>		
<b>Profit for the period</b>	<b>16,742</b>	<b>20,251</b>
Depreciation and amortization	19,317	18,607
Gain (-) / loss (+) on disposal of property, plant and equipment	- 1,652	- 5
Change in provisions	11	1,688
Change in deferred taxes	- 1,410	- 417
Change in inventories, trade account receivables and other receivables, which are not attributable to investing or financing activities	- 59,701	- 55,137
Change in trade and other payables, which are not attributable to investing or financing activities	7,079	14,467
Change in reverse factoring liabilities	1,622	5,015
Interest expenses in the period	2,598	2,700
Income (-) / expenses (+) due to measurement of derivatives	498	1,120
Other non-cash expenses (+) / income (-)	- 1,347	413
<b>Cash flow from operating activities</b>	<b>- 16,243</b>	<b>8,702</b>
thereof interest received	105	131
thereof income taxes	- 3,702	- 3,533
<b>Investing activities</b>		
Investments in property, plant and equipment and intangible assets	- 10,105	- 11,913
Proceeds from the sale of property, plant and equipment	6,407	153
<b>Cash flow from investing activities</b>	<b>- 3,698</b>	<b>- 11,760</b>
<b>Financing activities</b>		
Interest paid	- 1,887	- 1,914
Dividends paid to non-controlling interests	- 140	0
Proceeds from borrowings	13,240	1,585
Repayment of borrowings	- 7,846	- 7,235
Proceeds from / repayment of derivatives	- 4	7
Repayment of lease liabilities	- 4,442	- 2,465
<b>Cash flow from financing activities</b>	<b>- 1,079</b>	<b>- 10,022</b>
<b>Net change in cash and cash equivalents</b>	<b>- 21,020</b>	<b>- 13,080</b>
Cash and cash equivalents at the beginning of the year	185,719	185,109
Effect of foreign exchange rates on cash and cash equivalents	2,315	4,429
<b>Cash and cash equivalents at the end of the period</b>	<b>167,014</b>	<b>176,458</b>



## Notes to the Consolidated Statement of Cash Flows

### Group-wide financial management

A detailed overview of NORMA Group's general financial management can be found in the [ANNUAL REPORT 2021](#).

### Net operating cash flow

In the reporting period from January to March 2022, net operating cash flow amounted to EUR – 16.7 million and thus decreased significantly compared to the same quarter of 2021 (Q1 2021: EUR 2.5 million). This development is mainly due to a higher build-up of (trade) working capital (Q1 2022: EUR – 54.7 million; Q1 2021: EUR: – 38.4 million) in relation to EBITDA of the reporting period compared to the end of the corresponding previous year. In the area of trade receivables, this build-up resulted from the reduction in receivables sold as part of the ABS and factoring programs compared to the end of the previous year. Furthermore, inventories increased slightly compared to the end of 2021. Besides this, the lower EBITDA margin in the reporting period from January to March 2022 compared to the same period of the previous year had a reducing effect on net operating cash flow.

Lower investments from operating activities (Q1 2022: EUR 6.1 million; Q1 2021: EUR 9.2 million) had a positive impact on net operating cash flow compared to the same period of the previous year.

### Cash flow from operating activities

Cash flow from operating activities reached a level of EUR – 16.2 million in the current reporting quarter (Q1 2021: 8.7 million).

Cash flow from operating activities is influenced by changes in current assets, provisions and liabilities (excluding liabilities in connection with financing activities).

As in the previous year, the company participated in a reverse factoring, a factoring and an ABS program. The liabilities from the reverse factoring program are reported under payables and similar liabilities. Cash flows from the reverse factoring, factoring and ABS programs are reported under cash flows from operating activities, as this reflects the economic substance of the transactions.

The corrections to expenses from the valuation of derivatives in the amount of EUR 0.5 million (Q1 2021: EUR 1.1 million) included in cash flow from operating activities relate to changes in the fair value of foreign currency derivatives and interest rate swaps recognized in profit or loss that are allocated to financing activities.

The adjusted other non-cash income (-) / expenses (+) mainly comprise income from the currency translation of external financing liabilities and intragroup monetary items amounting to EUR – 1.7 million (Q1 2021: expenses of EUR 0.3 million).

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 – 3.7 million in the first quarter of 2022 (Q1 2021: EUR – 11.8 million) and included net cash outflows from the purchase and sale of non-current assets of EUR 3.7 million (Q1 2021: EUR 11.8 million). This included the change in liabilities for the acquisition of intangible assets and property, plant and equipment of EUR – 4.0 million (Q1 2021: EUR – 2.7 million). In the current reporting quarter, cash flow from investing activities included a cash inflow from a sale-and-leaseback transaction in the amount of EUR 6.0 million.

### Cash flow from financing activities

Cash flow from financing activities in the first three months of 2022 amounted to EUR – 1.1 million (Q1 2021: EUR – 10.0 million). This mainly included net cash inflows from loans of EUR 5.4 million (Q1 2021: net cash outflows from loans of EUR 5.6 million), repayments of lease liabilities of EUR – 4.4 million (Q1 2021: EUR – 2.5 million), and cash outflows for interest (Q1 2022: EUR – 1.9 million; Q1 2021: EUR – 1.9 million).

The net cash inflow from loans in the current reporting quarter included cash inflow from a sale-and-leaseback transaction in the amount of EUR 3.2 million.

# DEVELOPMENT OF THE SEGMENTS

for the period from January 1 to March 31, 2022

In EUR thousands	EMEA		Americas		Asia-Pacific		Total segments		Central functions		Consolidation		Group	
	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021
Total revenue	132,451	144,173	137,196	110,518	47,551	46,702	317,198	301,393	9,558	7,743	- 22,362	- 22,718	304,394	286,418
thereof inter-segment revenue	7,874	11,820	2,864	1,779	2,066	1,376	12,804	14,975	9,558	7,743	- 22,362	- 22,718	0	0
<b>Revenue from external customers</b>	<b>124,577</b>	<b>132,353</b>	<b>134,332</b>	<b>108,739</b>	<b>45,485</b>	<b>45,326</b>	<b>304,394</b>	<b>286,418</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>304,394</b>	<b>286,418</b>
Contribution to consolidated Group sales	41%	46%	44%	38%	15%	16%	100%	100%						
Gross profit	71,942	82,962	69,019	59,915	23,306	23,521	164,267	166,398	n/a	n/a	- 776	- 414	163,491	165,984
<b>EBITDA</b>	<b>16,899</b>	<b>24,992</b>	<b>22,054</b>	<b>17,692</b>	<b>9,301</b>	<b>11,534</b>	<b>48,254</b>	<b>54,218</b>	<b>- 3,691</b>	<b>-3,981</b>	<b>- 463</b>	<b>- 116</b>	<b>44,100</b>	<b>50,121</b>
EBITDA margin <sup>1</sup>	12.8%	17.3%	16.1%	16.0%	19.6%	24.7%							14.5%	17.5%
Depreciation without PPA depreciation <sup>2</sup>	- 4,881	- 4,661	- 4,500	- 3,832	- 2,211	- 1,975	- 11,592	- 10,468	- 265	-188		- 1	- 11,857	- 10,657
<b>Adjusted EBITA<sup>3</sup></b>	<b>12,018</b>	<b>20,331</b>	<b>17,554</b>	<b>13,860</b>	<b>7,090</b>	<b>9,559</b>	<b>36,662</b>	<b>43,750</b>	<b>- 3,956</b>	<b>-4,169</b>	<b>- 463</b>	<b>- 117</b>	<b>32,243</b>	<b>39,464</b>
Adjusted EBITA margin <sup>1, 3</sup>	9.1%	14.1%	12.8%	12.5%	14.9%	20.5%							10.6%	13.8%
Amortization without PPA amortization <sup>2</sup>	- 596	- 1,153	- 657	- 833	- 148	- 158	- 1,401	- 2,144	- 520		1			
<b>Adjusted EBIT<sup>3</sup></b>	<b>11,422</b>	<b>19,178</b>	<b>16,897</b>	<b>13,027</b>	<b>6,942</b>	<b>9,401</b>	<b>35,261</b>	<b>41,606</b>	<b>- 4,476</b>	<b>-4,623</b>	<b>- 463</b>	<b>- 117</b>	<b>30,322</b>	<b>36,866</b>
Adjusted EBIT margin <sup>1, 3</sup>	8.6%	13.3%	12.3%	11.8%	14.6%	20.1%							10.0%	12.9%
Assets (prior year as of Dec 31, 2021) <sup>4</sup>	644,443	624,263	691,773	658,745	293,999	284,078	1,630,215	1,567,086	268,215	261,868	- 343,662	- 330,728	1,554,768	1,498,226
Liabilities (prior year as of Dec 31, 2021) <sup>5</sup>	227,790	211,869	288,268	276,107	55,223	53,646	571,281	541,622	590,334	578,424	- 300,177	- 290,404	861,438	829,642
CAPEX <sup>6</sup>	3,229	4,341	2,103	2,939	1,340	2,745	6,672	10,025	127	239	n/a	n/a	6,799	10,264
Number of employees <sup>7</sup>	3,389	3,742	1,413	1,458	1,334	1,196	6,136	6,396	129	120	n/a	n/a	6,265	6,516

1\_Based on segment sales.

2\_Depreciation from purchase price allocations.

3\_Adjustments are described in section → [ADJUSTMENTS](#).

4\_ Including allocated goodwill, taxes are shown in the column 'consolidation.'

5\_Taxes are shown in the column 'consolidation.'

6\_Including right of use assets for movables.

7\_Number of employees (average).

## Notes to the Development of the Segments

The share of sales generated by foreign Group companies amounted to 86.0% in the first three months of 2022, a significant increase on the same quarter of the previous year (Q1 2021: 82.7%).

### EMEA

External sales in the EMEA region totaled EUR 124.6 million in the period from January to March 2022 and were thus 5.9% lower than in the same period of the previous year (Q1 2021: EUR 132.4 million). Organic growth was negative and amounted to – 5.3%, whereas currency effects had only a minor negative effect of – 0.6%. The main reason for the decline in sales in the EMEA region in the first quarter of 2022 was a drop in customer demand in the European automotive market, as expected, which was significantly weaker in the month of March. By contrast, the same quarter of the previous year had been characterized by a disproportionate recovery in both the Mobility and New Energies area as well as in the standardized joining technology business. The EMEA region's share of Group sales declined to 41% in the first quarter of 2022 (Q1 2021: 46%).

Adjusted EBIT in the EMEA region amounted to EUR 11.4 million in the current reporting period, a decrease of 40.4% compared to the same quarter of the previous year (Q1 2021: EUR 19.2 million). The adjusted EBIT margin was 8.6% (Q1 2021: 13.3%). On the one hand, this decline was due to the development of sales in the first quarter of 2022. On the other hand, the increased cost level in the area of materials as well as in the area of personnel, among other factors due to the establishment of a new multi-shift system, also had a negative impact on the development of the operating result in the EMEA region.

Investments in the EMEA region amounted to EUR 3.2 million in the first quarter of 2022 (Q1 2021: EUR 4.3 million) and mainly pertained to the sites in Serbia, Germany, and the UK.

### Americas

External sales in the Americas region amounted to EUR 134.3 million in the first quarter of 2022 (Q1 2021: EUR 108.7 million). This represents an increase of 23.5% compared to the same quarter of the previous year. Most of the growth is attributable to organic sales growth (14.9%). Currency effects, primarily in connection with the US dollar, had a positive effect of 8.7%. The main driver of the positive development of sales was a very good business in the SJT segment, which was driven by the continued strong water business of the US subsidiary NDS. It achieved an organic sales growth of 28.5% in the first three months 2022. The automotive business, which picked up again compared to the same quarter of the previous year despite the global semiconductor shortage, also made valuable contributions to sales growth in the Americas region. As a result of the good sales performance, the Americas region's share of Group sales increased to 44% in the current reporting quarter (Q1 2021: 38%).

Adjusted EBIT in the Americas region improved by 29.7% compared to the same quarter of the previous year to EUR 16.9 million (Q1 2021: EUR 13.0 million). The adjusted EBIT margin was 12.3% in the first quarter of 2022 (Q1 2021: 11.8%). While the high price level for raw materials, including above all the steel metal sector, and freight costs weighed on operating earnings in the Americas region, the sale of a plot of land in the US in particular and the improved efficiency in personnel costs led to an increase in adjusted EBIT in the region.

Investments in the Americas region amounted to EUR 2.1 million in the first three months of 2022 (Q1 2021: EUR 2.9 million) and related in particular to the plants in the United States.

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## Asia-Pacific

External sales in the Asia-Pacific region amounted to EUR 45.5 million in the first quarter of 2022, slightly exceeding the figure for the same quarter of the previous year (Q1 2021: EUR 45.3 million) by 0.3%. This includes an organic decline in sales (– 6.1%), which was fully offset by positive currency effects of 6.4%.

While sales in the EJT business declined due to lower demand from the Chinese automotive industry following the significant recovery in the prior-year period, the SJT business developed quite positively. Significant sales growth in the SJT business was achieved primarily in Australia and India. The Asia-Pacific region thus accounted for around 15% of Group sales in the first quarter of 2022 (Q1 2021: 16%).

Adjusted EBIT in the Asia-Pacific region was EUR 6.9 million in the first quarter of 2022 (Q1 2021: EUR 9.4 million). The adjusted EBIT margin was 14.6% (Q1 2021: 20.1%). The margin decline is mainly due to the higher material cost level coupled with increased costs for special freight. The margin in the Asia-Pacific region was also burdened by the lower level of sales and a simultaneous rise in personnel costs.

Investments in the Asia-Pacific region amounted to EUR 1.3 million in the first quarter of 2022 (Q1 2021: EUR 2.7 million) and were mainly related to the plants in China.

# FORECAST 2022

The forecast for fiscal year 2022 remains unchanged from the forecast published on March 23, 2022, in the Annual Report 2021. The Management Board's expectations for the development of the key performance indicators in fiscal year 2022 are shown in the table below.

However, this forecast is made on the assumption that no significant negative effects related to the corona pandemic, for example, the pandemic-related lockdowns in China, or other influencing factors occur in the course of the year 2022, which could lead to a strong weakening

of the global economy and to significant pressure on the business development of NORMA Group. Potential influencing factors are, for example, the military activities as well as economic sanction measures in connection with the Russia-Ukraine crisis. NORMA Group does not operate any production or sales sites in Ukraine or Russia and the share of business with customers in Russia and Ukraine in NORMA Group's total sales is less than 1%. However, it is currently not possible to fully assess how the Russia-Ukraine crisis will affect the global economy and thus NORMA Group in the long term.

## Forecast for fiscal year 2022

Organic Group sales growth	Medium to high single-digit organic Group sales growth EJT: Medium to high single-digit organic sales growth SJT: Medium to high single-digit organic sales growth EMEA: Medium single-digit organic sales growth Americas: Medium to high single-digit organic sales growth APAC: Medium to high single-digit organic sales growth
Cost of materials ratio	Stable cost of materials ratio
Personnel cost ratio	Stable personnel cost ratio
R&D investment ratio <sup>1</sup>	Around 3% of sales
Adjusted EBIT margin	Around 11%
NORMA Value Added (NOVA)	Between EUR 20 million and EUR 40 million
Financial result	Up to EUR – 10 million
Tax rate	Between 27% and 29%
Adjusted earnings per share	Significant increase in adjusted earnings per share
Investment rate (excluding acquisitions)	Investment rate of between 5% and 6% of Group sales
Net operating cash flow	Around EUR 100 million
Dividend / payout ratio	Approx. 30% to 35% of adjusted Group net income for the year
CO <sub>2</sub> emissions	Under 10,000 metric tons of CO <sub>2</sub> equivalents
Number of invention applications	More than 20
Number of defective parts (parts per million / PPM)	5.5

<sup>1</sup> Due to the increasing strategic relevance of the area of water management, NORMA Group includes R&D expenses in this area in the calculation since the 2020 reporting year onwards and uses total sales as a reference value to determine the R&D ratio (previously 5% of sales).

# FURTHER INFORMATION

## Financial Calendar, Contact and Imprint

### Financial calendar 2022

Date	Event
May 17, 2022	Annual General Meeting 2022, Frankfurt/Main
Aug 10, 2022	Publication of Interim Report Q2 2022
Nov 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](http://WWW.NORMAGROUP.COM)

### Editor

**NORMA Group SE**  
Edisonstraße 4  
63477 Maintal  
Germany  
Phone: + 49 6181 6102-740  
E-mail: [info@normagroup.com](mailto:info@normagroup.com)  
[www.normagroup.com](http://www.normagroup.com)

### Contact

E-mail: [ir@normagroup.com](mailto:ir@normagroup.com)

### Contact persons

**Andreas Trösch**  
Vice President Investor Relations, Communications  
and Corporate Responsibility  
Phone: + 49 6181 6102-741  
E-mail: [andreas.troesch@normagroup.com](mailto:andreas.troesch@normagroup.com)

**Ivana Blazanovic**  
Manager Investor Relations  
Phone: + 49 6181 6102-7603  
E-mail: [ivana.blazanovic@normagroup.com](mailto:ivana.blazanovic@normagroup.com)

**Chiara von Eisenhart Rothe**  
Manager Investor Relations  
Phone: + 49 6181 6102-748  
E-mail: [chiara.voneisenhartrothe@normagroup.com](mailto:chiara.voneisenhartrothe@normagroup.com)

**Johannes Weiffenbach**  
Junior Manager Investor Relations  
Phone: + 49 6181 6102-742  
E-mail: [johannes.weiffenbach@normagroup.com](mailto:johannes.weiffenbach@normagroup.com)

**Editing**  
NORMA Group

**Design and realization**  
NORMA Group

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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 precedence.

### **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.

### **Date of publication**

May 4, 2022