



NORMA Group grows in first quarter 2022 despite challenging market environment

- **Sales up 6.3 percent to EUR 304.4 million in the first quarter of 2022**
- **Adjusted EBIT at EUR 30.3 million**
- **Adjusted EBIT margin at 10.0 percent**
- **Forecast for full year 2022 confirmed**

Maintal, Germany, May 4, 2022 – NORMA Group today presented its figures for the first quarter of 2022. The company achieved solid sales growth despite geopolitical developments that included the war in Ukraine, increased raw material prices and high levels of inflation. NORMA Group generated Group sales of EUR 304.4 million in the period from January to March 2022, an increase of 6.3 percent compared to the prior-year period (Q1 2021: EUR 286.4 million). Organically, the company grew by 2.2 percent in the first three months of 2022. Positive currency effects, particularly in connection with the US dollar, contributed 4.0 percent to sales growth.

Adjusted earnings before interest and taxes (adjusted EBIT) was down 17.8 percent at EUR 30.3 million in the first quarter of 2022 (Q1 2021: EUR 36.9 million). The adjusted EBIT margin was 10.0 percent – thus also below the figure for the prior-year quarter (Q1 2021: 12.9 percent). Geopolitical uncertainties caused by the war in Ukraine and the resulting volatile ordering behavior of customers, particularly those in the automotive sector, had a negative impact on earnings.

Dr. Michael Schneider, CEO of NORMA Group: “Considering the challenging market conditions, we achieved solid growth in the first quarter. The increasing supply bottlenecks for customers caused by the war in Ukraine in particular led to lower production figures in relevant industries, most notably the automotive sector. We are systematically focusing on the high-growth future markets of water management, general industry applications as well as mobility and new energies. Despite the challenging environment and the associated market uncertainties, our diversified portfolio proved stable once again. Continued strong business with water management solutions in the first quarter shows that we are on the right path with this positioning.”

Slight decrease in Europe, growth in America and Asia

In the **EMEA** region (Europe, Middle East and Africa), sales in the first three months of 2022 decreased by 5.9 percent year-on-year to EUR 124.6 million (Q1 2021: EUR 132.4 million). Lower production figures in the automotive industry due to the war in Ukraine negatively impacted demand for joining solutions for vehicles of all drive types in the first quarter. Overall, the development of sales in the prior-year quarter was based on a disproportionately strong economic recovery.

In the **America** region, NORMA Group increased sales in the first quarter of 2022 by 23.5 percent year-on-year to EUR 134.3 million (Q1 2021: EUR 108.7 million). The US water

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business, which was again very strong, made a significant contribution to the increase in sales.

In the **Asia-Pacific** region, sales grew slightly by 0.3 percent year-on-year to EUR 45.5 million in the first quarter of 2022 (Q1 2021: EUR 45.3 million). Sales in the area of mobility and new energies declined due to pandemic-related lockdowns in China, while the standardized joining technology business recorded strong single-digit growth.

Negative net operating cash flow and good order situation

Net operating cash flow was at minus EUR 16.7 million (Q1 2021: EUR 2.5 million). This development is primarily attributable to a disproportionate increase in working capital compared with EBITDA. This resulted both from the revenue-driven increase in trade accounts receivable and from the expansion of inventories compared with year-end 2021.

As of March 31, 2022, NORMA Group's order backlog was EUR 565.3 million. The increase of 24.6 percent was well above the level of the prior year (March 31, 2021: EUR 453.8 million).

Forecast for full year 2022 confirmed

Dr. Michael Schneider: "Our business performed well in the first quarter. This affirms our positive outlook for the coming months and our expectations for profitable growth in full-year 2022 despite continued challenging market conditions."

The Management Board confirms the expectations for fiscal year 2022 published at the end of March. For 2022, the target is to achieve organic Group sales growth in the mid to high single-digit range. This is subject to the condition that no significant negative effects related to the war in Ukraine and the pandemic-related lockdowns in China occur in the course of 2022, potentially leading to a severe weakening of the global economy and NORMA Group's business development. The adjusted EBIT margin is expected to be about 11 percent in 2022. Net operating cash flow should be about EUR 100 million in 2022.

NORMA Group in figures

Key financial figures			
Income statement	Q1 2022	Q1 2021	Change in %
Sales (EUR million)	304.4	286.4	6.3
Adjusted* EBIT (EUR million)	30.3	36.9	- 17.8
Adjusted* EBIT margin (%)	10.0	12.9	n/a
Balance sheet	March 31, 2022	March 31, 2021	Change in %
Total assets (EUR million)	1,554.8	1,485.1	4.7
Equity (EUR million)	693.3	630.9	9.9
Equity ratio (%)	44.6	42.5	n/a

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Net debt** (EUR million)	361.0	352.0	2.6
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* More information on the adjustments can be found in the following financial reports: [Q1 2022](#) (p. 9) [Q1 2021](#) (p. 9).

** Net debt including hedging instruments; hedging instruments in Q1 2022 in the amount of EUR 5.3 million; in Q1 2021 in the amount of EUR 2.5 million

Additional information on the business results can be found [here](#). For press photos, please visit our [Press Area](#).

Additional dates

NORMA Group Annual General Meeting will be held on May 17, 2022. Publication of the figures for the second quarter of 2022 is scheduled for August 10, 2022.



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About NORMA Group

NORMA Group is an international market leader in engineered and standardized [joining and fluid-handling technology](#). With around 8,200 employees, NORMA Group supplies customers in over 100 countries with more than [40,000 product solutions](#). NORMA Group supports its customers and business partners in responding to global challenges such as climate change and the increasing scarcity of resources. NORMA Group's products help reduce emissions harmful to the climate and [use water more efficiently](#). Its innovative joining solutions are used in water supply, irrigation and drainage systems, vehicles with conventional and alternative drive systems, ships and aircraft, as well as buildings. NORMA Group generated sales of around EUR 1.1 billion in 2021. The company has a [global network](#) of 26 production sites and numerous sales offices in Europe, North, Central and South America and the Asia-

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Pacific region. Its headquarters are located in Maintal near Frankfurt/Main. NORMA Group SE is listed on the Frankfurt Stock Exchange in the regulated market (Prime Standard) and is a member of the SDAX.

Disclaimer

This press release contains certain future-oriented statements. Future-oriented statements include all statements which do not relate to historical facts and events and contain future-oriented expressions such as “believe,” “estimate,” “assume,” “expect,” “forecast,” “intend,” “could,” or “should” or expressions of a similar kind. Such future-oriented statements are subject to risks and uncertainties since they relate to future events and are based on the company’s current assumptions, which may not in the future take place or be fulfilled as expected. 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 SE and developments in the economic and regulatory fundamentals may vary substantially (particularly on the down side) from those explicitly or implicitly assumed in these statements. Even if the actual assets 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 press release, no guarantee can be given that this will continue to be the case in the future.

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