

## NORMA Group grows in second quarter of 2022

- Sales up 12.9 percent over prior-year quarter to EUR 317.9 million
- Growth mainly due to currency effects as well as positive cost pass-through effects
- Strong business with water management products in America and Asia-Pacific
- Increasing material prices negatively impact earnings and margin
- Operating profit at EUR 22.3 million, EBIT margin at 7.0 percent
- Measures for improvement initiated with focus on Europe

**Maintal, Germany, August 10, 2022** – NORMA Group today presented its figures for the second quarter of 2022. Despite the strained situation on the global raw material markets, uncertainties in the energy sector and higher inflation, the company significantly improved its sales compared to the prior-year period.

“We grew again in the second quarter”, says CEO Dr. Michael Schneider. “Thanks in particular to strong business with water supply, irrigation and drainage products in America, we achieved robust results despite unexpectedly high burdens from the impact of the Ukraine war, Corona restrictions in China and general inflation. We managed to partially offset our increased material and logistics service costs through higher selling prices.”

In the period from April to June 2022, NORMA Group generated **Group sales** of EUR 317.9 million – a year-on-year increase of 12.9 percent (Q2 2021: EUR 281.7 million). Organic sales growth was 5.3 percent. Positive currency effects, particularly in connection with the US dollar, contributed an additional 7.5 percent to sales growth. Adjusted earnings before interest and taxes (**adjusted EBIT**) was EUR 22.3 million (Q2 2021: EUR 36.1 million). The **adjusted EBIT margin** was 7.0 percent (Q2 2021: 12.8 percent). Net operating cash flow in the second quarter of 2022 was about EUR 26.4 million and was thus well below the prior-year figure (Q2 2021: EUR 36.8 million).

### **Growth in America, moderate organic sales decline in Europe and Asia**

In the **EMEA** business region (Europe, Middle East and Africa), NORMA Group generated sales revenues of EUR 121.6 million in the second quarter of 2022, corresponding to a year-on-year decline of 1.3 percent (Q2 2021: EUR 123.1 million). This was attributable to the continued decline in customer demand in the European automotive market as well as lower sales of standardized joining technology.

In the **America** region, sales were up 29.7 percent to EUR 155.3 million in the period from April to June 2022 (Q2 2021: EUR 119.7 million). Roughly half of this strong growth was driven by organic growth and half by positive currency effects. Business with water management solutions for stormwater management and efficient irrigation was again very positive.

In the **Asia-Pacific** region, sales amounted to EUR 41.1 million in the second quarter of 2022, an increase of 5.8 percent compared to the previous year period (Q2 2021: EUR 38.8 million). The

increase was the result of positive currency effects; organically, sales declined by 2.8 percent. In particular, modest demand from the Chinese automotive industry for joining solutions as a result of Corona-related lockdowns had a negative impact. By contrast, the water management business in India, Malaysia and Australia developed positively.

### **Sound growth in the first half of 2022**

In the first six months of the current financial year, **Group sales** were EUR 622.3 million, an increase of 9.5 percent compared to the prior-year period (H1 2021: EUR 568.1 million). Organically, sales grew by 3.8 percent in the six-month period. The main contributors to this positive development included good business with water management solutions in the Americas region, positive currency effects and price effects from increased selling prices.

In the period from January to June 2022, adjusted earnings before interest and taxes (**adjusted EBIT**) amounted to EUR 52.7 million (H1 2021: EUR 73.0 million). The **adjusted EBIT margin** was 8.5 percent (H1 2021: 12.8 percent). At EUR 9.8 million, **net operating cash flow** in the first half of 2022 was significantly lower than in the previous year (H1 2021: EUR 39.3 million). In addition to reduced earnings, this development is attributable to a build-up of inventories, some at higher prices, of components and materials for example.

### **Improvements in productivity and cost pass-through planned**

Second-quarter earnings 2022 in the EMEA region were negatively impacted by lower sales, higher material prices and temporarily higher costs in the course of moving some product lines from a plant in Thuringia to existing plants in Germany and the Czech Republic. NORMA Group has initiated a range of measures in order to improve profitability. In the EMEA region in particular, the company intends to increase the productivity of its plants, carefully scrutinize operating costs and offset higher material prices even more consistently with price increases.

Dr. Michael Schneider: “Our joining solutions are in demand worldwide, and our order books are well filled. I am confident that we can meet this demand more profitably than we are currently in a position to do. With targeted measures, we will initially leverage short-term savings potential and also further improve both our efficiency and processes in the medium term. Our long-term goal of sustainably profitable growth remains in place.”

NORMA Group has been focusing its activities on the business areas of water management, general industry applications as well as mobility and new energy since 2021. These areas will be further expanded in the future.

## NORMA Group in figures

Key financial figures			
Income statement	Q2 2022	Q2 2021	Change in %
Sales (EUR million)	317.9	281.7	12.9
Adjusted* EBIT (EUR million)	22.3	36.1	-38.2
Adjusted* EBIT margin (%)	7.0	12.8	n. a.
Income statement	H1 2022	H1 2021	Change in %
Sales (EUR million)	622.3	568.1	9.5
Adjusted* EBIT (EUR million)	52.7	73.0	-27.9
Adjusted* EBIT margin (%)	8.5	12.8	n. a.
Balance sheet	June 30, 2022	June 30, 2021	Change in %
Total assets (EUR million)	1,600.0	1,464.7	9.2
Equity ratio (%)	44.7	42.7	n. a.
Net debt** (EUR million)	382.8	352.0	8.7
Workforce incl. temporary employees	8,682	8,754	-0.8

\* More information on the adjustments can be found in the following financial reports: [Q2 2022](#) (p. 39 f.); [Q2 2021](#) (p. 41 f.).

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

### Additional dates

NORMA Group will publish figures for the third quarter of 2022 on November 2, 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 8,700 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 27 production sites and numerous sales offices in Europe, North, Central and South America and the Asia-Pacific region. Its headquarters are located in Maintal near Frankfurt/Main. NORMA Group SE is listed on the Frankfurt Stock Exchange in the regulated market (Prime Standard) and is a member of the SDAX.

### **Disclaimer**

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