

NORMA Group grows in the third quarter amid a turbulent market environment

- **Sales up 19.9 percent to EUR 318.6 million**
- **Sales growth in equal parts organic and from currency effects**
- **Strong growth momentum in America business**
- **Adjusted EBIT margin at 8.5 percent**

Maintal, Germany, November 2, 2022 – NORMA Group recorded a 19.9 percent increase in Group sales to EUR 318.6 million in the third quarter of 2022 (Q3 2021: EUR 265.7 million). Organically, sales were up 10.3 percent. Positive impacts came from higher selling prices that allowed the company to partially offset inflation-driven cost increases. Growth was also attributable to positive currency effects, particularly in connection with the strong US dollar.

“The shock waves that were felt throughout the world as a result of the Russian invasion of Ukraine and the ongoing pandemic had a considerable impact on our business also in the third quarter,” says CEO Dr. Michael Schneider. “We recorded strong growth in the face of a turbulent market environment, although the current challenges facing our industry remain diverse and complex. As NORMA Group, we are doing everything we can to overcome these challenges by working together with our customers and suppliers in order to continue delivering the best possible joining solutions in the future.”

Growth in all business regions

In the **EMEA** region (Europe, Middle East and Africa), sales increased by 11.8 percent to EUR 119.9 million in the period from July to September 2022 (Q3 2021: EUR 107.2 million). Strong organic growth of 12.2 percent was diminished slightly by 0.5 percent due to negative currency effects. Business with automotive customers developed well despite the difficult market situation in the European automotive industry. This development included, for example, a major order that has been in place since 2020 from a British carmaker for cooling lines for electric vehicles and for cars with internal combustion engine. By contrast, sales were lower in the area of standardized joining technology, which is sold through retailers.

NORMA Group’s strongest growth in the third quarter was delivered in the **Americas** region, where sales rose by 29.5 percent. Sales amounted to EUR 151.7 million, significantly exceeding the prior-year figure (Q3 2021: EUR 117.2 million). Organically, sales expanded by 10.9 percent, with the larger share of sales growth attributable to positive currency effects. Demand for joining technology for light vehicles and trucks was strong in this region in the third quarter. Business with irrigation and drainage solutions also developed well, as was the case in previous quarters.

In the **Asia-Pacific** region, sales totaled EUR 47.0 million, up 13.9 percent on the figure for the prior-year quarter (Q3 2021: EUR 41.3 million), of which 3.7 percent was organic growth. Contributions from joining technology for cars were particularly strong. Business with standardized joining technology for general industry applications and water management grew slightly as a result of positive currency effects.

High costs negatively impact earnings and margin

NORMA Group generated adjusted earnings before interest and taxes (adjusted EBIT) of EUR 27.0 million in the third quarter of 2022, a significant increase compared to the previous year (Q3 2021: EUR 22.8 million). The adjusted EBIT margin of 8.5 percent was at the level of the prior year (Q3 2021: 8.6 percent). Higher prices for energy-intensive raw materials such as steel and plastic resins, as well as increased expenses for production operations and transport services negatively impacted profitability. Additional temporary workers were hired at some plants in the third quarter to help fill customer orders and compensate for Covid-related staff shortages.

Net operating cash flow in the third quarter of 2022 of EUR -3.8 million was below the prior-year figure (Q3 2021: EUR 31.2 million). This is partly due to the inventory build-up for raw materials and the creation of contingency stocks for finished products in order to avoid supply bottlenecks.

NORMA Group is putting various measures in place to respond to the economic turbulence in order to keep the supply chain and cost base as stable as possible and to bolster profitability. These measures include establishing alternative supply sources for raw materials on a global level as well as price negotiations with customers - including renegotiations in the case of multi-year orders - with the objective of absorbing the unexpected cost increases collectively. NORMA Group also continues to pursue measures to increase efficiency and productivity at its sites throughout the world.

Challenges reflected in nine-month results

In the period from January to September 2022, NORMA Group generated Group sales of EUR 940.9 million. This represents an increase of 12.8 percent compared to the prior-year period (Q1-Q3 2021: EUR 833.8 million). Adjusted earnings before interest and taxes (EBIT) totaled EUR 79.7 million in the first nine months of the current fiscal year. This is significantly below the previous year's nine-month result (Q1-Q3 2021: EUR 95.8 million). The adjusted EBIT margin in the first nine months of 2022 was 8.5 percent (Q1-Q3 2021: 11.5 percent).

Net operating cash flow in the first nine months of the current year was EUR 6.0 million, also down from the prior-year period (Q1-Q3 2021: EUR 70.5 million). The reasons for this include lower operating profit, the inventory build-up, and a higher level of accounts receivable.

The equity ratio remained high at 45.7 percent as of the quarterly reporting date September 30, 2022, and was slightly up compared to year-end 2021 (December 31, 2021: 44.6 percent). This is due to increased retained earnings from the results of the first nine months of 2022 and increased other reserves due to positive currency effects.

NORMA Group in figures

Key financial figures*			
Income statement	Q3 2022	Q3 2021	Change in %
Group sales (EUR million)	318.6	265.7	19.9
Adjusted** EBIT (EUR million)	27.0	22.8	18.3
Adjusted** EBIT margin (%)	8.5	8.6	n. a.
Income statement	Q1-Q3 2022	Q1-Q3 2021	Change in %
Sales (EUR million)	940.9	833.8	12.8
Adjusted** EBIT (EUR million)	79.7	95.8	-16.8
Adjusted** EBIT margin (%)	8.5	11.5	n. a.
Balance sheet	September 30, 2022	December 31, 2021	Change in %
Assets (EUR million)	1,649.8	1,498.2	10.1
Equity ratio (%)	45.7	44.6	n. a.
Net debt** (EUR million)	396.6	318.5	24.5
Workforce incl. temporary workers	8,962	8,203	9.3

* Deviations in decimal places may occur due to commercial rounding.

** More information on the adjustments can be found in the following financial reports: [Q3 2022](#) (p. 9), [Q3 2021](#) (p. 9).

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

Additional dates

Publication of the preliminary figures for the 2022 financial year is scheduled for February 14, 2023.



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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 8,900 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.

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