

NORMA Group grows in first quarter of 2023

- **Q1 2023 sales up 3.5 percent from prior-year quarter to EUR 315.0 million**
- **Adjusted operating profit (EBIT) at EUR 22.6 million**
- **Adjusted EBIT margin at 7.2 percent**
- **Forecast for full year 2023 confirmed**
- **Program “Step Up” initiated for profitable growth and operational efficiency**

Maintal, Germany, May 9, 2023 – NORMA Group saw moderate growth in the first quarter of 2023. Group sales were up 3.5 percent over prior-year quarter to EUR 315.0 million (Q1 2022: 304.4 million). Organically, the company grew by 2.1 percent in the first three months of 2023. This growth is primarily attributable to higher selling prices to compensate for inflation-related cost increases. Positive currency effects in connection with the US dollar contributed 1.3 percent to sales growth.

In the first quarter of 2023, adjusted earnings before interest and taxes (adjusted EBIT) was down 25.5 percent over the prior-year quarter at EUR 22.6 million (2022: 30.3 million). The adjusted EBIT margin was 7.2 percent (Q1 2022: 10.0 percent). Lower profitability despite increased sales is mainly due to higher personnel and logistics costs compared to the prior-year quarter. Wage costs have risen as a result of inflation while the company has had to incur additional expenses for extra shifts, temporary workers and special freight in order to process and deliver backlogged customer orders. Net operating cash flow was EUR -44.8 million in the period from January to March 2023, a significant decrease compared with the same quarter of 2022 (Q1 2022: -16.7 million).

CEO Miguel Ángel López Borrego: “We managed to successfully pass on materials-related price increases and generate moderate growth in what continued to be a challenging environment. With this quarter we are not, however, at the level we have targeted for 2023. We will continue to work to improve our internal processes so that we can operate more efficiently overall and take advantage of growth opportunities. We will increase our profitability in the course of the financial year.”

Forecast for full year 2023 confirmed

The Management Board confirms the expectations for financial year 2023 published at the end of March: NORMA Group has targeted organic Group sales growth in the mid single-digit range for 2023. In terms of profitability, the Management Board expects an adjusted EBIT margin of around 8 percent for 2023. The Management Board expects net operating cash flow of approximately EUR 70 million.

Strong growth in Europe, moderate increase in the Americas, decline in Asia

In the **EMEA** region (Europe, Middle East and Africa), sales increased by 10.9 percent in the first quarter of 2023 to EUR 138.2 million (Q1 2022: 124.6 million). Strong organic growth of

11.8 percent was diminished slightly by 0.9 percent due to negative currency effects. The primary growth driver was a significant upswing in customer demand in the European automotive sector. Business with standardized joining technology for industry applications also developed well.

In the **Americas** region, NORMA Group increased sales moderately in the first quarter of 2023 by 2.5 percent year-on-year to EUR 137.6 million (Q1 2022: EUR 134.3 million). In addition to positive currency effects of 4.6 percent, price increases were the main contributors to this growth. Volume-related, sales in the region fell 2.1 percent organically in the period from January to March 2023. While business with joining solutions for general industry applications and for vehicles both developed positively, business with water management products declined in the wake of extremely strong growth in the prior-year quarter. This business is, for the most part, driven by end users who have been reluctant to buy due to the prolonged severe flooding in California earlier in the year.

In the **Asia-Pacific** region, sales in the first quarter were EUR 39.1 million, which represents a decrease of 14.0 percent compared to the prior-year period (Q1 2022: 45.5 million). Organically, sales were down 11.8 percent; negative currency effects reduced sales growth by an additional 2.3 percent. Compared with the prior-year quarter, demand from the Chinese automotive industry in particular was significantly lower – an after-effect of the pandemic and the associated restrictions in China. In the business with joining solutions for industry applications, the sales level of the previous year was also not achieved.

Step Up: Program initiated for growth and operational efficiency

NORMA Group has launched the “Step Up” growth program. The measures are divided into growth and investment plans for the three strategic business units Industry Applications, Water Management and Mobility & New Energy on the one hand and measures to increase operating efficiency on the other. NORMA Group intends to implement these measures in order to ensure profitable long-term growth.

Miguel Ángel López Borrego: “We will increasingly align NORMA Group along the three strategic business units. We have a substantial amount of potential for stable, high-margin business in the Water Management and Industry Applications business units. We will act more selectively in the vehicle sector within the Mobility and New Energy business unit. Our focus is clearly on putting customers at the heart of everything we do and becoming more stable and predictable in the future.”

Annual General Meeting and changes to Supervisory Board

The Annual General Meeting will be held in Frankfurt on May 11, 2023, as an in-person event. Among other topics, the agenda includes the election or re-election of four members of the Supervisory Board. The current Chairman of the Supervisory Board, Günter Hauptmann (68), is

not a candidate for re-election. The Supervisory Board has nominated Mark Wilhelms (63) from its ranks as the new Chairman of the Supervisory Board.

NORMA Group in figures

Financial figures		Q1 2023	Q1 2022	Change in % ³
Order situation				
Order book (March 31)	EUR million	555.8	565.3	-1.7
Income statement				
Group sales	EUR million	315.0	304.4	3.5
Cost of materials ratio	%	44.9	46.0	–
Personnel cost ratio	%	26.1	25.6	–
Adjusted EBIT ¹	EUR million	22.6	30.3	-25.5
Adjusted EBIT margin ¹	%	7.2	10.0	–
EBIT	EUR million	17.2	24.8	-30.4
EBIT margin	%	5.5	8.1	–
Financial result	EUR million	-3.9	-1.5	-153.9
Adjusted tax rate	%	37.0	27.4	–
Adjusted profit for the period ¹	EUR million	11.8	20.9	-43.6
Adjusted earnings per share ¹	EUR	0.37	0.66	-44.1
Profit for the period	EUR million	7.8	16.7	-53.6
Earnings per share	EUR	0.24	0.53	-54.7
Cash flow				
Cash flow from operating activities	EUR million	-36.5	-16.2	-124.6
Cash flow from investing activities	EUR million	-18.3	-3.7	–
Cash flow from financing activities	EUR million	-4.1	-1.1	–
Net operating cash flow	EUR million	-44.8	-16.7	-168.3
Balance sheet				
		March 31, 2023	Dec 31, 2022	Change in %³
Assets	EUR million	1,524.8	1,560.7	-2.3
Equity	EUR million	701.6	705.4	-0.5
Equity ratio	%	46.0	45.2	–
Net debt	EUR million	414.3	349.8	18.4
Non-financial figures				
		Q1 2023	Q1 2022	Change in %³
Core workforce ²	Number	6,118	6,175	-0.9
Temporary workers ²	Number	2,519	2,532	-0.5
Total workforce ²	Number	8,637	8,707	-0.8
Number of invention applications	Number	2	5	-60.0
Defective parts	PPM (Parts per Million)	2.3	3.3	-30.3
CO ₂ emission (Scope 1 and 2)	Tons of CO ₂ equivalents	1,867	2,160	-13.6

1_ Adjusted for effects of purchase price allocations.

2_ Previous period reporting figures as of the reporting date of December 31, 2022.

3_ The percentage change is based on unrounded absolute figures; rates of change greater than 200% are not shown.

Other dates and additional information

NORMA Group will publish its business figures for the second quarter on August 8, 2023. Additional information on the business results can be found [here](#). For press photos, please visit our [Press Area](#).



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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 1.2 billion in 2022. 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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