

## **NORMA Group achieves sound profitability in the third quarter of 2023 despite sluggish market environment**

- **At EUR 297.1 million, Q3 2023 sales 6.7 percent lower than the prior-year quarter**
- **Adjusted operating profit (EBIT) at EUR 24.8 million; adjusted EBIT margin at 8.3 percent**
- **Strikes in the USA and flat development in Europe impact income performance**
- **Additional market opportunities and greater efficiency through improvement program “Step Up”**

**Maintal, Germany, November 7, 2023** – NORMA Group has achieved stable profitability despite sales decline in the third quarter of 2023. Group sales totaled EUR 297.1 million and were 6.7 percent lower than in the same quarter of the previous year (Q3 2022: EUR 318.6 million). Organically, sales were down 1.5 percent from July to September 2023. There was an additional 5.2 percent burden on earnings from negative currency effects in connection with the US dollar. Adjusted earnings before interest and taxes (adjusted EBIT) in the third quarter of 2023 was down 8.3 percent over the prior-year quarter at EUR 24.8 million (Q3 2022: EUR 27.0 million). The adjusted EBIT margin was 8.3 percent (Q3 2022: 8.5 percent).

CEO Guido Grandi: “We delivered a solid performance in the third quarter despite a sluggish market environment. Although our business volume was mixed, we still managed to achieve a sound level of profitability. With our ‘Step Up’ improvement program, we continue to focus on increasing our operational efficiency and leveraging new market opportunities in the areas of mobility, industry applications and water management.”

### **Stable development in Europe, decline in America, organic growth in Asia**

In the **EMEA** region (Europe, Middle East and Africa), sales in the third quarter of 2023 were almost exactly in line with the previous year at EUR 119.3 million (Q3 2022 EUR 119.9 million). The slight decline of 0.5 percent is due entirely to negative currency effects. Organically, sales development was stable. Sluggish economic development in both the automotive industry and industry in general dampened demand for joining technology in the third quarter.

In the **Americas** region, sales in the third quarter of 2023 fell noticeably by 12.4 percent year-on-year to EUR 132.9 million (Q3 2022: EUR 151.7 million). Organically, sales were down 5.6 percent in the period from July to September 2023. Negative currency effects had an additional negative impact of 6.8 percent on sales. Strikes at US vehicle manufacturers from mid-September affected customer call-offs to an unexpected extent, while demand for general industrial applications was also lower. The water management business, on the other hand, recovered after a difficult first half of 2023 and recorded slight organic growth compared to the same quarter of the previous year.

In the **Asia-Pacific** region, sales amounted to EUR 45.0 million in the third quarter. Sales grew by 7.6 percent organically. Business volume grew particularly well in the area of joining technology for battery cooling systems and other vehicle applications. Due to negative currency effects of 12.0 percent, the quarter saw an overall decline of 4.4 percent compared to the same period of the previous year (Q3 2022: EUR 47.0 million).

### **Modest organic growth in the first nine months**

In the period from January to September 2023, NORMA Group generated sales of EUR 936.1 million, a slight decrease of 0.5 percent compared to the previous year (Q1-Q3 2022: EUR 940.9 million). Negative currency effects burdened sales development by 2.0 percent. By contrast, sales recorded organic growth of 1.5 percent. Adjusted EBIT amounted to EUR 74.5 million in the first nine months of the year. The adjusted EBIT margin was 8.0 percent. Net operating cash flow was EUR 25.6 million in the period from January to September 2023, a significant improvement compared with the same period of 2022 (Q1-Q3 2022: EUR 6.0 million).

### **Improvement program creates additional market opportunities and greater efficiency**

NORMA Group continues to implement its “Step Up” program to enhance growth and operational efficiency. To date, more than 300 initiatives have been identified worldwide and around 20 of these have been successfully implemented. In terms of growth, for example, new products have been launched and existing products have been expanded to additional countries or customer groups. In terms of efficiency, production processes have been optimized or production equipment adapted at various locations. The reduction in production backlogs resulted in improved product availability for customers. NORMA Group launched the five-year “Step Up” program in May 2023 to ensure long-term profitable growth.

## NORMA Group in figures

### Financial figures

		Q3 2023	Q3 2022	Q1 - Q3 2023	Q1 - Q3 2022
<b>Order situation</b>					
Order book (September 30)	EUR million			491.0	588.2
<b>Income statement</b>					
Revenue	EUR million	297.1	318.6	936.1	940.9
Cost of materials ratio	%	47.7	47.3	45.0	47.5
Personnel cost ratio	%	27.1	24.1	26.1	24.9
Adjusted EBIT <sup>1</sup>	EUR million	24.8	27.0	74.5	79.7
Adjusted EBIT margin <sup>1</sup>	%	8.3	8.5	8.0	8.5
EBIT	EUR million	19.5	21.4	58.6	63.0
EBIT margin	%	6.6	6.7	6.3	6.7
Financial result	EUR million	-6.6	-3.4	-15.7	-7.9
Adjusted tax rate	%	39.4	42.3	36.5	32.3
Adjusted profit for the period <sup>1</sup>	EUR million	11.0	13.7	37.3	48.6
Adjusted earnings per share <sup>1</sup>	EUR	0.35	0.43	1.17	1.52
Profit for the period	EUR million	7.1	9.4	25.4	36.1
Earnings per share	EUR	0.22	0.29	0.80	1.13
<b>Cash flow</b>					
Cash flow from operating activities	EUR million	48.9	12.4	41.9	19.6
Cash flow from investing activities	EUR million	-13.3	-17.3	-44.6	-31.9
Cash flow from financing activities	EUR million	-3.3	-6.9	-31.6	-37.0
Net operating cash flow	EUR million	38.6	-3.8	25.6	6.0
<b>Balance sheet</b>					
		Sep 30, 2023	Dec 31, 2022		
Total assets	EUR million	1,539.6	1,560.7		
Equity	EUR million	710.3	705.4		
Equity ratio	%	46.1	45.2		
Net debt	EUR million	400.6	349.8		

<sup>1</sup> Adjusted exclusively for acquisition effects.

### Non-financial figures

		Sep 30, 2023	Dec 31, 2022		
<b>Workforce</b>					
Core workforce		6,051	6,175		
Temporary workers		2,204	2,532		
Total workforce		8,255	8,707		
<b>Non-financial figures</b>					
Number of invention applications	Number	14	17	Q1 - Q3 2023	Q1 - Q3 2022
CO <sub>2</sub> emissions (Scope 1 and 2) <sup>2</sup>	Tons of CO <sub>2</sub> equivalents	3,049	3,343		
Defective parts	Parts per Million (PPM)	1.9	3.0		

<sup>2</sup> Since fiscal year 2023, only CO<sub>2</sub> emissions, which are also used as a component of the Management Board remuneration in connection with the ESG LTI, have been considered a key non-financial performance indicator. Previously, non-financial performance indicators were defined as follows: CO<sub>2</sub> emissions, invention disclosures, and defective parts per million (PPM); CO<sub>2</sub> emissions excluding Energy Attribute Certificates (EAC) amounted to approximately 36,280 t CO<sub>2</sub>e (Q1 - Q3 2022: 33,844 t CO<sub>2</sub>e) in the first nine months of 2023.

## Other dates and additional information

NORMA Group will publish its preliminary figures for financial year 2023 on February 13, 2024. 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 8,300 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

**NORMA Group SE**

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