

NORMA Group achieves sound earnings and improved profitability in the first quarter of 2024

- **Adjusted operating profit (EBIT) increased by 13.9 percent to EUR 25.7 million**
- **Adjusted EBIT margin increased by 1.1 percentage points to 8.3 percent**
- **Sales in the first quarter of 2024 with a slight year-on-year decrease of 2.0 percent to EUR 308.5 million**
- **Positive impact from Step Up improvement program**

Maintal, Germany, May 7, 2024 – NORMA Group got the 2024 financial year started with an improved level of profitability. The company was more profitable than both the previous quarter and the same period of the previous year.

Group sales were down slightly year-on-year by 2.0 percent to EUR 308.5 million (Q1 2023: EUR 315.0 million). In organic terms, sales decreased by 1.0 percent in the first three months of 2024. Negative currency effects also reduced sales by 1.1 percent compared to the previous year. The recently acquired water management company Teco made a positive contribution of 0.1 percent to sales growth.

Adjusted earnings before interest and taxes (adjusted EBIT) recorded a significant year-on-year increase of 13.9 percent in the first quarter of 2024 to EUR 25.7 million (Q1 2023: EUR 22.6 million). The adjusted EBIT margin amounted to 8.3 percent, thus also improving significantly (Q1 2023: 7.2 percent). More efficient production and the slowdown in material cost inflation had a positive impact on the margin. Higher personnel costs as a result of inflation-related wage increases and costs for the reduction of production backlogs as well as higher interest rates were, however, a challenging factor. Net operating cash flow was EUR -2.3 million in the period from January to March 2024, well above the figure from the same quarter in 2023 (Q1 2023: EUR -44.8 million).

CEO Guido Grandi: “We got off to a successful start to the year and managed to achieve a significant improvement in our profitability. Our robust business model with three business units gives us attractive opportunities even in a somewhat unsettled economic environment. With the Step Up program initiated a year ago, we have taken the right path forward and have become more efficient, particularly in Europe. We will continue to build on this progress to ensure sustainable profitable growth for NORMA Group.”

Mixed development in the business units

In the **EMEA** region (Europe, Middle East and Africa), sales were down 1.2 percent at EUR 136.5 million in the first quarter of 2024 (Q1 2023: EUR 138.2 million). There was a mixed performance in the three customer industries. Sales in Industry Applications declined as a result of the subdued economic situation in Europe. Business with water management solutions (Water Management), on the other hand, saw significant growth in the region. The acquisition of Italian water specialist Teco, which was completed in February 2024, was one of the factors contributing positive momentum. In

the area of joining technology for vehicles (Mobility & New Energy), sales remained stable at the level of the same period of the previous year. Profitability in the EMEA region continued to improve in the first quarter of 2024: Despite the slight decline in sales, adjusted EBIT rose to EUR 10.6 million (Q1 2023: EUR 8.1 million). The adjusted EBIT margin of 7.4 percent was well above the prior-year quarter (Q1 2023: 5.5 percent). The higher level of profitability is based on lower costs for energy and materials as well as internal improvement measures in production and logistics.

In the **Americas** region, sales in the first quarter of 2024 had a slight 1.6 percent year-on-year decline to EUR 135.4 million (Q1 2023: EUR 137.6 million). The decline is primarily attributable to negative currency effects in connection with the US dollar (-1.1 percent). In Industry Applications, postponements in investment decisions due to an expected though not yet announced cut in interest rates had a dampening effect on demand. In Water Management, on the other hand, there was noticeable growth in the period from January to March 2024. In the Mobility & New Energy business unit, business volume was down on the previous year. Adjusted EBIT in the Americas region amounted to EUR 15.2 million in the first quarter of 2024 and was thus slightly below the prior-year figure (Q1 2023: EUR 15.4 million). The adjusted EBIT margin, however, showed a slightly positive development at 11.1 percent (Q1 2023: 11.0 percent).

In the **Asia-Pacific** region, sales amounted to EUR 36.6 million in the first quarter (Q1 2023: EUR 39.1 million). Organically, sales were down 1.5 percent; negative currency effects reduced sales growth by an additional 4.9 percent. In Industry Applications, the generally sluggish economic recovery in China and the tense situation in the construction sector in particular led to a drop in demand. Sales in Water Management were also down from the same quarter of the previous year. In Mobility & New Energy, which is primarily driven by the Chinese automotive industry in the region, business was stable. Adjusted EBIT in the Asia-Pacific region amounted to EUR 2.7 million in the first quarter of 2024 despite lower sales (Q1 2023: EUR 2.6 million). The adjusted EBIT margin improved to 6.9 percent (Q1 2023: 6.3 percent).

Efficiency measures having an impact

NORMA Group launched its global growth and efficiency program Step Up in spring 2023. To date, more than 1,300 individual measures have been identified, more than half of which are currently being implemented or have already been completed. The measures are structured into growth plans for the three strategic business units Industry Applications, Water Management and Mobility & New Energy on the one hand and measures to increase operational efficiency on the other. NORMA Group will identify and implement additional measures in the coming years.

Annual General Meeting with on-site attendance

NORMA Group's Annual General Meeting will take place on May 16, 2024, as an in-person event in Frankfurt/Main. One of the items on the agenda is the re-election of Mark Wilhelms who has been a member of the Supervisory Board since 2018 and has been Chairman since May 2023.

NORMA Group in figures

Financial figures

		Q1 2024	Q1 2023	Change in % ²
Order situation				
Order book (March 31)	EUR million	544,8	555,8	-2,0
Income statement				
Revenue	EUR million	308,5	315,0	-2,0
Cost of materials ratio	%	44,3	44,9	n/a
Personnel cost ratio	%	27,9	26,1	n/a
Adjusted EBIT ¹	EUR million	25,7	22,6	13,9
Adjusted EBIT margin ¹	%	8,3	7,2	n/a
EBIT	EUR million	20,4	17,2	18,5
EBIT margin	%	6,6	5,5	n/a
Financial result	EUR million	-6,2	-3,9	-57,6
Adjusted tax rate	%	36,5	37,0	n/a
Adjusted profit for the period ¹	EUR million	12,4	11,8	5,6
Adjusted earnings per share ¹	EUR	0,39	0,37	5,1
Profit for the period	EUR million	8,5	7,8	8,8
Earnings per share	EUR	0,26	0,24	8,3
Cash flow				
Cash flow from operating activities	EUR million	0,3	-36,5	n/a
Cash flow from investing activities	EUR million	-19,8	-18,3	n/a
Cash flow from financing activities	EUR million	-1,4	-4,1	n/a
Net operating cash flow	EUR million	-2,3	-44,8	n/a
Balance sheet				
		March 31, 2024	Dec 31, 2023	Change in % ²
Total assets	EUR million	1,515,5	1,493,3	1,5
Equity	EUR million	711,6	693,4	2,6
Equity ratio	%	47,0	46,4	n/a
Net debt	EUR million	378,2	345,4	9,5

Non-financial figures

		Q1 2024	Q1 2023	Change in % ²
Core workforce ³	Number	6,077	5,994	1,4
Temporary workers ³	Number	2,050	2,011	1,9
Total workforce ³	Number	8,127	8,005	1,5
Number of invention applications	Number	6	2	200,0
Defective parts	PPM (Parts per Million)	6,4	2,3	178,3
CO ₂ emissions (Scope 1 and 2) ⁴	Tons of CO ₂ equivalents	1.654	1.862	-11,2

1_ Adjusted for effects from purchase price allocations.

2_ The percentage change is based on unrounded absolute figures; rates of change greater than 200% are not shown.

3_ Previous period reporting figures as of the reporting date of Dec 31, 2023.

4_ Since January 2022, NORMA Group has purchased electricity from renewable energies at all production sites. NORMA Group purchases "Energy Attribute Certificates" for this purpose. The CO₂ emissions are reported in accordance with the GHG Protocol (market-based, Scope 1 and Scope 2). Scope 1 includes only emissions from natural gas and LPG and Scope 2 emissions from purchased electricity and district heating. When recording emissions, only emissions relating to the production sites are taken into account.

Other dates and additional information

NORMA Group will publish its business figures for the second quarter on August 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 8,100 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 2023. The company has a global network of 25 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

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.