

NORMA Group achieves sound level of profitability in third quarter of 2024 despite sluggish market environment

- **Q3 2024 sales down 7.9 percent to EUR 273.6 million**
- **Stable development in water management sector cannot compensate for decline in automotive and industrial sectors**
- **Adjusted operating profit (EBIT) at EUR 20.9 million**
- **Adjusted EBIT margin at 7.7 percent**
- **Forecast for full year 2024 confirmed at Group level; more details provided regarding business regions**

Maintal, Germany, November 5, 2024 – NORMA Group achieved a sound level of profitability in the third quarter of 2024 despite a difficult market environment. Business with joining technology for vehicles (Mobility & New Energy) suffered under a weak global automotive industry with low production figures for cars and trucks. Sales in the Water Management sector, on the other hand, remained stable at a high level. The Industry Applications business unit was especially impacted by the persistently weak economy in large parts of Europe and in China.

Group sales in the third quarter of 2024 amounted to EUR 273.6 million and were 7.9 percent below the same quarter of the previous year (Q3 2023: EUR 297.1 million). Currency effects had a negative impact of 0.5 percent, while the acquisition of irrigation specialist Teco, completed at the beginning of 2024, made a positive contribution of 0.2 percent to sales growth. Adjusted earnings before interest and taxes (adjusted EBIT) in the third quarter of 2024 was down 15.6 percent over the prior-year quarter at EUR 20.9 million (Q3 2023: EUR 24.8 million). The adjusted EBIT margin was 7.7 percent (Q3 2023: 8.3 percent). Lower sales and higher personnel costs due to inflation had a negative impact on both earnings and margins. Measures initiated in 2023 to increase operating efficiency as part of the “Step Up” program made a positive contribution to profitability. Net operating cash flow of EUR 28.2 million in the third quarter of 2024 was lower than in the prior-year period (Q3 2023: EUR 38.6 million).

CEO Guido Grandi: “The third quarter presented us with an exceptionally challenging market environment. Macroeconomic trends that included the slowdown in vehicle sales, muted investment in the construction and infrastructure sectors combined with a generally subdued economy in several regions all had an impact on our business volume. Despite these developments, we still managed to achieve a sound level of profitability. We are continuing to implement our 'Step Up' improvement program with discipline and are focusing even more closely on efficiency and growth measures in our three strategic business units Industry Applications, Water Management and Mobility & New Energy.”

Varying development in the business regions

In the **Americas** region, sales in the third quarter of 2024 fell by 1.2 percent year-on-year to EUR 131.3 million due to negative currency effects in connection with the US dollar (Q3 2023: EUR 132.9

million). Adjusted for currency effects, sales development was slightly positive (+0.1 percent). Business with stormwater and irrigation solutions (Water Management) and the Industry Applications business grew slightly on a currency-adjusted basis. In the Mobility & New Energy sector, however, sales of joining technology for vehicles declined. At the end of September, Hurricane Helene caused short-term business interruptions for some customers on the east coast of the USA.

In the **EMEA** region (Europe, Middle East and Africa), sales amounted to EUR 108.0 million in the third quarter of 2024, down 9.4 percent on the prior-year figure (Q3 2023: EUR 119.3 million). Business with joining technology for vehicles (Mobility & New Energy) was impacted by lower production volumes for cars and trucks. Development in the Water Management sector was very positive due to the acquisition of Italian company Teco. Teco develops and sells solutions for targeted and, therefore, economical irrigation for gardens, landscaping and agriculture. The Industry Applications business was stable compared to the previous year.

In the **Asia-Pacific** region, third-quarter sales were down 23.9 percent to EUR 34.2 million (Q3 2023: EUR 45.0 million). Currency effects had a slightly positive impact here. Business with customers in the Chinese automotive industry (Mobility & New Energy) declined significantly. In Industry Applications, sales were lower – due in particular to persistently weak economic development in China. Development in the Water Management business was varied: Demand in Australia continued to develop positively, while business in South and Southeast Asia declined.

Development in the nine-months from January to September

In the period from January to September 2024, NORMA Group generated sales of EUR 888.4 million, representing a decrease of 5.1 percent compared to the prior-year period (Q1–Q3 2023: EUR 936.1 million). This figure includes slightly negative currency effects (-0.5 percent). Adjusted EBIT amounted to EUR 72.8 million in the first nine months of the year (Q1–Q3 2023: EUR 74.5 million). The adjusted EBIT margin of 8.2 percent was higher than the prior-year quarter (Q1–Q3 2023: 8.0 percent). Net operating cash flow was strong in the period from January to September 2024: At EUR 69.4 million, it improved significantly compared to the same period in 2023 (Q1–Q3 2023: EUR 25.6 million).

Forecast for financial year 2024 defined in more detail

NORMA Group confirms key expectations for the current financial year at Group level. Given the challenging market environment, NORMA Group expects sales and profitability at Group level to be at the lower end of the forecast published in March:

- The company expects Group sales of around EUR 1.2 billion.
- In terms of profitability, the company expects an adjusted EBIT margin of about 8.0 percent for 2024.
- Net operating cash flow is expected to be in the range of around EUR 80 million to EUR 110 million.

The company has provided more details regarding its sales forecast for the business regions:

- For the **Americas** region, NORMA Group expects sales in the range of around EUR 540 million to EUR 550 million in 2024.
- For the **EMEA** region, NORMA Group forecasts sales in the range of around EUR 480 million to EUR 500 million in 2024.
- In the **Asia-Pacific** region, NORMA Group expects sales in the range of around EUR 140 million to EUR 150 million in 2024.

NORMA Group in figures

Financial figures

		Q3 2024	Q3 2023	Q1-Q3 2024	Q1-Q3 2023
Order situation					
Order book (September 30)	EUR million			474.1	491.0
Income statement					
Revenue	EUR million	273.6	297.1	888.4	936.1
Cost of materials ratio	%	42.8	47.7	43.6	45.0
Personnel cost ratio	%	29.5	27.1	28.6	26.1
Adjusted EBIT ¹	EUR million	20.9	24.8	72.8	74.5
Adjusted EBIT margin ¹	%	7.7	8.3	8.2	8.0
EBIT	EUR million	15.5	19.5	56.4	58.6
EBIT margin	%	5.7	6.6	6.4	6.3
Financial result	EUR million	-5.3	-6.6	-18.2	-15.7
Adjusted tax rate	%	35.1	39.4	39.0	36.5
Adjusted profit for the period ¹	EUR million	10.2	11.0	33.3	37.3
Adjusted earnings per share ¹	EUR	0.32	0.35	1.04	1.17
Profit for the period	EUR million	6.1	7.1	21.1	25.4
Earnings per share	EUR	0.19	0.22	0.66	0.80
Cash flow					
Cash flow from operating activities	EUR million	43.9	48.9	90.9	41.9
Cash flow from investing activities	EUR million	-10.7	-13.3	-43.2	-44.6
Cash flow from financing activities	EUR million	-29.6	-3.3	-59.0	-31.6
Net operating cash flow	EUR million	28.2	38.6	69.4	25.6
		Sep 30, 2024	Dec 31, 2023		
Balance sheet					
Total assets	EUR million	1,440.9	1,493.3		
Equity	EUR million	693.4	693.4		
Equity ratio	%	48.1	46.4		
Net debt	EUR million	337.9	345.4		

¹Adjusted exclusively for acquisition effects.

Non-financial figures

	Sep 30, 2024	Dec 31, 2023
Workforce		

Core workforce		6,063	5,994
Temporary workers		1,632	2,011
Total workforce		7,695	8,005
		Q1-Q3 2024	Q1-Q3 2023
Non-financial figures			
Number of invention applications	Number	18	14
CO ₂ emissions	Tons of CO ₂ equivalents	2,800	3,049
Defective parts	Parts per Million (PPM)	4.7	1.9

2. The CO₂ emissions that form the basis for calculating the ESG-LTI in connection with Management Board remuneration are reported in accordance with the GHG Protocol (market-based, Scope 1 and Scope 2). Scope 1 includes only emissions from natural gas and liquefied petroleum gas, and Scope 2 includes emissions from purchased electricity and district heating. When recording emissions, only emissions related to the production sites are taken into account. Since January 2022, NORMA Group has purchased electricity from renewable energies at all production sites. To this end, NORMA Group purchases "Energy Attribute Certificates." These are also included in the target value. Further information can be found in the 2023 CR Report and the 2023 Annual Report.

Other dates and additional information

NORMA Group will publish preliminary figures for financial year 2024 on February 11, 2025. 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 7,700 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 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.

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