

Press Release

August 5, 2020



NORMA Group SE
Group Communications
Edisonstraße 4
63477 Maintal
Germany
www.normagroup.com

NORMA Group sales and earnings affected by the corona pandemic in the first half of 2020

- Corona pandemic affects business development in all regions
- Group sales down 21.2 percent in the first half of the year
- Positive net operating cash flow
- “Get on track” transformation program making progress

Maintal, Germany, August 5, 2020 – [NORMA Group](http://www.normagroup.com), a global market leader in engineered joining technology, reports a 21.2 percent decline in sales to EUR 445.0 million in the first half of 2020 (H1 2019: EUR 564.7 million). Sales declined by 21.7 percent in organic terms. Currency effects had a slightly positive impact of 0.5 percent on Group sales. Adjusted earnings before interest, taxes and amortization of intangible assets (adjusted EBITA) fell by 94.3 percent year-on-year in the first half of 2020 to EUR 4.6 million (H1 2019: EUR 80.6 million). The adjusted EBITA margin was 1.0 percent (H1 2019: 14.3 percent). Adjusted earnings before interest and taxes (adjusted EBIT) amounted to EUR 0.5 million in the first half of 2020 (H1 2019: EUR 76.4 million). The adjusted EBIT margin was 0.1 percent (H1 2019: 13.5 percent). The operating result was strongly influenced by the effects of the corona pandemic in the first half of the year. In addition, the expenses incurred as part of the “Get on track” transformation program had a negative impact on the operating result. The expenses from the program amounted to EUR 22.1 million in the first half of the year and were not adjusted.

“The first six months of the current year were dominated by the developments of the corona pandemic,” said Dr. Michael Schneider, CEO of NORMA Group. “Like many other companies, we too had to partially shut down or interrupt our production. We are now gradually returning to a new working routine. However, due to the continuing high level of uncertainty regarding economic development and the corona pandemic, we cannot yet issue a forecast for the current fiscal year.”

Sales decline in the three regions EMEA, Americas and Asia-Pacific

Sales declined noticeably in all three regions **EMEA (Europe, Middle East and Africa), Americas and Asia-Pacific**. The decline in sales is mainly due to the restrictions associated with the corona pandemic. The automotive industry has been hit particularly hard by these. Among other areas, this affected NORMA Group’s EJT business (Engineered Joining Technology). The Americas and EMEA regions were affected in particular, while business activities in the Asia-Pacific region recovered noticeably in the second quarter following the end of the lockdown in China.

The impact of the corona pandemic also affected NORMA Group’s DS business (Distribution Services). All three regions recorded a decline in sales in this area in the first half of the year. Only the US subsidiary [NDS](http://www.nds.com), which specializes in water management, made a positive contribution to sales by recording organic sales growth of 4.4 percent in the first half of the year.

Press Release

August 5, 2020



NORMA Group SE
Group Communications
Edisonstraße 4
63477 Maintal
Germany
www.normagroup.com

Positive net operating cash flow despite expenses for the “Get on track” program

Net operating cash flow developed positively in the first half of 2020. It amounted to EUR 8.5 million (H1 2019: EUR 28.6 million) despite the non-cash expenses for the “Get on track” program of around EUR 22.1 million (H1 2019: EUR 28.6 million) that have not yet been incurred and are not adjusted.

Implementation of the “Get on track” transformation program proceeding well

The challenging market environment, especially in the automotive industry, was further exacerbated by the corona pandemic. These developments have further increased the urgency to implement the global “Get on track” program decided in November 2019. In order to reduce costs and complexity and to maintain and increase the efficiency and competitiveness of NORMA Group, possible measures should therefore be brought forward. The responsible employee representatives are involved in accordance with the statutory participation rights.

NORMA Group SE in figures

Key figures at a glance (in EUR millions)	1st half 2020	1st half 2019	Change in %
Income statement	01/01 – 06/30/2020	01/01 – 06/30/2019	
Sales	445.0	564.7	- 21.2
Adjusted* EBITA	4.6	80.6	- 94.3
Adjusted* EBITA margin* (in %)	1.0	14.3	N/A
Adjusted* EBIT	0.5	76.4	- 99.4
Adjusted* EBIT margin (in %)	0.1	13.5	N/A
Balance sheet	06/30/2020	06/30/2019	Change in %
Total assets	1,472.2	1,505.8	- 2.2
Equity	602.2	602.5	0.0
Equity ratio (in %)	40.9	40.0	N/A
Net debt**	414.4	479.0	- 13.5
Employees incl. temporary workers	7,476	8,890	- 15.9

Key figures at a glance (in EUR millions)	2nd quarter 2020	2nd quarter 2019	Change in %
Income statement	04/01 – 06/30/2020	04/01 – 06/30/2019	
Sales	191.5	289.0	- 33.8
Adjusted* EBITA	- 22.5	40.9	- 155.0
Adjusted* EBITA margin (in %)	- 11.8	14.2	N/A
Adjusted* EBIT	- 24.6	38.9	- 163.4
Adjusted* EBIT margin (in %)	- 12.9	13.4	N/A

Press Release

August 5, 2020



NORMA Group SE
Group Communications
Edisonstraße 4
63477 Maintal
Germany
www.normagroup.com

* More information on adjustments can be found in the following financial reports: [2nd quarter 2020](#) (p. 13); [2nd quarter 2019](#) (p. 14); [2019 Annual Report](#) (p. 148 f.); [1st quarter 2020](#) (p. 8).

** Net debt including hedging instruments; hedging instruments of H1/2020: EUR 2.1 million; H1/2019: EUR 1.1 million; FY 2019: EUR 0.9 million

Additional information is available [here](#). Press photos are available from our [platform](#).

Further dates

Publication of the financial figures for the third quarter of fiscal year 2020 is scheduled for November 4.



Contact

NORMA Group SE
Andreas Trösch
Vice President Investor Relations, Communications & Corporate Responsibility
Email: Andreas.Troesch@normagroup.com
Phone: +49 (0)6181 – 6102 741

Lina Bosbach
Senior Manager Group Communications
Email: Lina.Bosbach@normagroup.com
Phone: +49 (0)6181 – 6102 7606

Marie Wöller
Junior Manager Group Communications
Email: Marie.Woeller@normagroup.com
Phone: +49 (0)6181 – 6102 7604

About NORMA Group

NORMA Group is an international market leader in engineered and standardized [joining technology and fluid handling systems](#). With around 7,500 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 2019. The company has a [global network](#) of 28 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.

Press Release

August 5, 2020



NORMA Group SE
Group Communications
Edisonstraße 4
63477 Maintal
Germany
www.normagroup.com

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.