

NORMA Group with robust profitability in the second quarter of 2024

- **Robust profitability: Adjusted operating profit (EBIT) at EUR 26.1 million; adjusted EBIT margin at 8.5 percent**
- **Difficult market environment: Q2 sales down 5.5 percent from prior-year quarter to EUR 306.3 million**
- **Strong cash flow: EUR 43.6 million net operating cash flow in Q2 2024**
- **Business development in the first half of 2024 in line with expectations**
- **Kerstin Müller-Kirchhofs nominated as new member of the Supervisory Board**

Maintal, Germany, August 13, 2024 – NORMA Group achieved a robust level of profitability in the second quarter of 2024 despite a difficult market environment. Business with water management solutions grew once again. In the business with joining technology for vehicles and industrial applications, economic conditions led to weaker customer demand. Overall, NORMA Group performed in line with expectations in the first half of 2024 with a significant improvement in profitability.

Group sales in the second quarter of 2024 were down 5.5 percent over the prior year to EUR 306.3 million (Q2 2023: EUR 324.0 million). Currency effects had a positive impact of 0.2 percent. The acquisition of the Italian irrigation specialist Teco, which was completed at the end of February 2024, also contributed 0.2 percent to sales development.

Adjusted earnings before interest and taxes (adjusted EBIT) was EUR 26.1 million in the second quarter of 2024, a year-on-year decline of 3.6 percent (Q2 2023: EUR 27.1 million). By contrast, the adjusted EBIT margin rose slightly year-on-year to 8.5 percent (Q2 2023: 8.4 percent). Adjustments were mainly made for effects from purchase price allocations. Net operating cash flow was EUR 43.6 million in the second quarter of 2024, a clear improvement over the same quarter of the previous year (Q2 2023: EUR 31.9 million).

CEO Guido Grandi: “We have proven to be resilient in a challenging quarter. Sluggish global growth in a number of industrial sectors had a noticeable impact on our business volume. However, thanks to the efficiency measures that we launched in 2023 as part of the ‘Step Up’ program, we have realized sound results and have achieved a robust margin. We reduced logistics costs in particular and are focusing on profitable new business in our three strategic business areas Industry Applications, Water Management and Mobility & New Energy.”

Growth in Americas, decline in Europe and Asia

In the **Americas** region, sales in the second quarter of 2024 showed a 1.3 percent year-on-year increase to EUR 146.4 million (Q2 2023: EUR 144.5 million). This includes positive currency effects of 1.0 percent. End customer-driven business with stormwater drainage and irrigation solutions was the main growth driver: Water Management grew by 5.9 percent compared to the same quarter of the previous year. Thanks to the strong market position in the US, the company was able to maintain its position in the region. In Mobility & New Energy, sales were down as a result of the

generally weak automotive industry and, in particular, lower production figures for commercial vehicles (-4.2 percent). Business volume in the general industrial sector (Industry Applications) was slightly lower than in the same quarter of the previous year (-0.8 percent).

In the **EMEA** region, the company generated sales of EUR 122.7 million in the second quarter of 2024. This represents a decline of 10.1 percent compared to the prior-year quarter (Q2 2023: EUR 136.6 million). Currency effects had a minor negative effect of 0.2 percent. The acquisition of Teco, an Italian company for efficient irrigation products, contributed 0.5 percent to sales. NORMA Group acquired Teco in the first quarter of 2024 to expand its Water Management solutions business in Europe. The existing Water Management business also saw considerable growth. A downturn in the European vehicle industry with lower production figures was reflected in a 13.3 percent decline in sales in Mobility & New Energy compared to the same period of the previous year. Industry Applications declined slightly by 3.6 percent compared to the second quarter of 2023.

In the **Asia-Pacific** region, sales declined by 13.4 percent year-on-year to EUR 37.2 million in the second quarter (Q2 2023: EUR 42.9 million). This includes a decline of 1.6 percent due to negative currency effects. The continued hesitant recovery of the Chinese economy and, in particular, the uncertainties in the construction sector had a negative impact on business with joining technology for broad industrial applications (Industry Applications), which shrank by 26.4 percent compared to the previous year. Subdued demand from customers in the automotive industry resulted in a lower business volume in the Mobility & New Energy segment in the period from April to June compared to the same period in the previous year (-13.7 percent). By contrast, business with Water Management products developed positively, growing by 1.2 percent compared to the second quarter of the previous year.

First half of 2024: Sales and profitability in line with business expectations

Group sales were EUR 614.8 million in the first six months of financial year 2024. This represents a decrease of 3.8 percent compared to the prior-year period (H1 2023: EUR 639.0 million). Before currency effects (-0.5 percent) and acquisition effects (+0.2 percent), the decline amounted to 3.5 percent. Adjusted earnings before interest and taxes (adjusted EBIT) developed positively: Despite the drop in sales, adjusted EBIT rose to EUR 51.8 million in the period from January to June 2024 (H1 2023: EUR 49.7 million). The adjusted EBIT margin of 8.4 percent was well above the level of the prior year (H1 2023: 7.8 percent). Net operating cash flow increased significantly to EUR 41.2 million in the first half of 2024 (H1 2023: EUR -12.9 million). In addition to robust earnings before interest, taxes, depreciation and amortization (EBITDA), a significantly lower build-up of (trade) working capital had a positive impact on cash flow.

Forecast for full year 2024 confirmed

The Management Board confirms expectations in terms of sales, profitability and cash flow for the current financial year that were published at the end of March 2024: For the full year, NORMA Group anticipates Group sales of around EUR 1.2 billion to EUR 1.3 billion. With regard to profitability, the Management Board expects an adjusted EBIT margin of between 8.0 percent and

8.5 percent for 2024. Net operating cash flow is expected to be in the range of around EUR 80 million to EUR 110 million.

Kerstin Müller-Kirchhofs nominated as new member of the Supervisory Board

The Management Board and Supervisory Board of NORMA Group SE have nominated Kerstin Müller-Kirchhofs as new member of the Supervisory Board. The economics graduate and certified public accountant has many years of experience in the management of industrial companies. Most recently, she was CFO of Gesco SE, a listed holding company with several medium-sized technology companies. Previous management positions have included globally operating supplier of technical plastics Albis Plastic (Otto Krahn Group) and the German subsidiary of Air Liquide, a producer of industrial gases.

An application was made for the court appointment of Kerstin Müller-Kirchhofs as new member of the Supervisory Board by the next Annual General Meeting. This means that NORMA Group's six-member Supervisory Board will once again be complete. Kerstin Müller-Kirchhofs succeeds Miguel Ángel López Borrego, who stepped down from the Supervisory Board in May 2024 at his own request. She will be up for election by the shareholders at NORMA Group's Annual General Meeting in May 2025.

Mark Wilhelms, Chairman of the Supervisory Board of NORMA Group: "I am pleased that we are able to win Ms. Müller-Kirchhofs, a proven financial expert, for a Supervisory Board mandate. With her strong profile and many years of experience with market leaders in various industrial sectors, she is an ideal choice for the board."



Kerstin Müller-Kirchhofs

NORMA Group in figures

Financial figures

		Q2 2024	Q2 2023	H1 2024	H1 2023
Order situation					
Order backlog (Jun 30)	EUR million			487.6	535.3
Income statement					
Revenue	EUR million	306.3	324.0	614.8	639.0
Adjusted material cost ratio ¹	%	43.7	42.7	44.0	43.8
Personnel cost ratio ¹	%	28.5	25.2	28.2	25.6
Adjusted EBIT ¹	EUR million	26.1	27.1	51.8	49.7
Adjusted EBIT margin ¹	%	8.5	8.4	8.4	7.8
EBIT	EUR million	20.5	21.8	40.9	39.0
EBIT margin	%	6.7	6.7	6.7	6.1
Financial result	EUR million	-6.7	-5.2	-12.9	-9.1
Adjusted tax rate	%	44.6	33.6	40.5	35.2
Adjusted profit for the period ¹	EUR million	10.7	14.5	23.2	26.3
Adjusted earnings per share ¹	EUR	0.34	0.45	0.72	0.82
Profit for the period	EUR million	6.5	10.6	15.0	18.3
Earnings per share	EUR	0.20	0.33	0.47	0.57
Cash flow					
Cash flow from operating activities	EUR million	46.7	29.4	47.0	-7.1
Cash flow from investing activities	EUR million	-12.7	-13.0	-32.5	-31.3
Cash flow from financing activities	EUR million	-28.1	-24.2	-29.4	-28.2
Net operating cash flow	EUR million	43.6	31.9	41.2	-12.9
		Jun 30, 2024	Dec 31, 2023		
Balance sheet					
Assets	EUR million	1,508.8	1,493.3		
Equity	EUR million	708.5	693.4		
Equity ratio	%	47.0	46.4		
Net debt	EUR million	367.6	345.4		

¹ Adjusted only for acquisition-related effects.

Non-financial figures

		Jun 30, 2024	Dec 31, 2023
Employees			
Core workforce		6,121	5,994
Temporary workers		1,901	2,011
Total workforce		8,022	8,005
		H1 2024	H1 2023
Non-financial figures			
Invention applications	Number	13	8
CO ₂ emission (scope 1 and 2) ²	Tons CO ₂ equivalents	2,297	2,572
Defective parts	PPM	3.9	1.8

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 CR Report 2023 and the Annual Report 2023.

Other dates and additional information

NORMA Group will publish figures for the third quarter on November 5, 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 8,000 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.