



NORMA GROUP SECOND QUARTER 2022 RESULTS

MAINTAL, August 10, 2022

Facts & Figures Q2 2022 – Key Figures



Sales

Increase of net sales of 12.9% leads to sales of EUR 317.9 million

(Q2 2021: EUR 281.7 million)

Organic Growth of 5.3%

(Q2 2021: 53.0%)



Adj. EBIT & adj. EBIT margin

Adjusted EBIT decreased by 38.2% to EUR 22.3 million

(Q2 2021: EUR 36.1 million)

Adjusted EBIT margin of 7.0%

(Q2 2021: 12.8%)



Net Operating Cashflow

Net Operating Cashflow of EUR 26.4 million

(Q2 2021: EUR 36.8 million)



Balance Sheet

Equity Ratio of 44.7%

(Dec. 31, 2021: 44.6%)

Net Debt at EUR 382.8 million

(Dec. 31, 2021: EUR 318.5 million)



AGM & Dividend

All agenda items approved by AGM on May 17, 2022, including a dividend of EUR 0.75 per share

(2021: EUR 0.70)



Updated Guidance

Medium to high single-digit organic Group sales growth (unchanged)

EBIT margin of around 8%

(prev.: "around 11%")

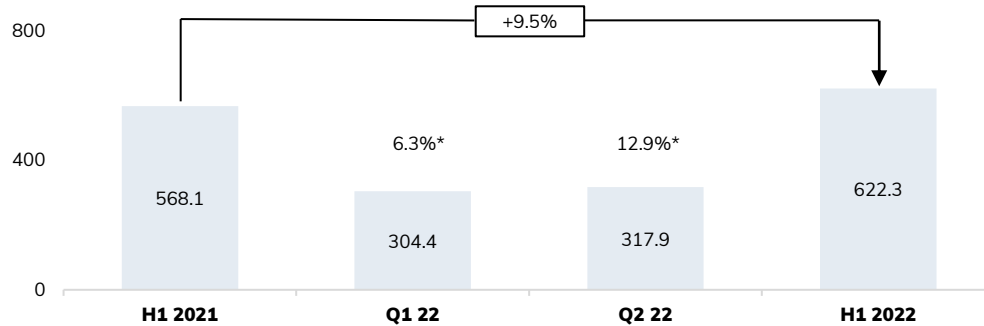
Net Operating Cash Flow of around EUR 60 million

(prev.: "around EUR 100 million")

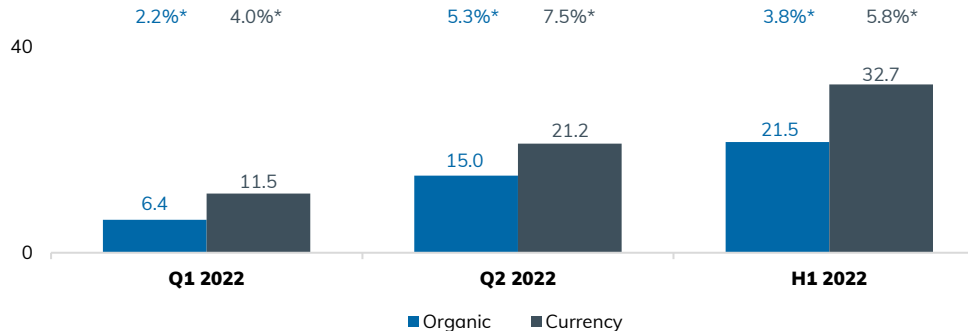
Top Line Development Q2 & H1 2022



Sales Development



Organic Growth & Currency Effects



Top Line

- Increase in Net Sales by 12.9% to EUR 317.9 million in Q2 2022 compared to EUR 281.7 million in Q2 2021, mainly due to Americas and positive currency effects.

Organic Growth

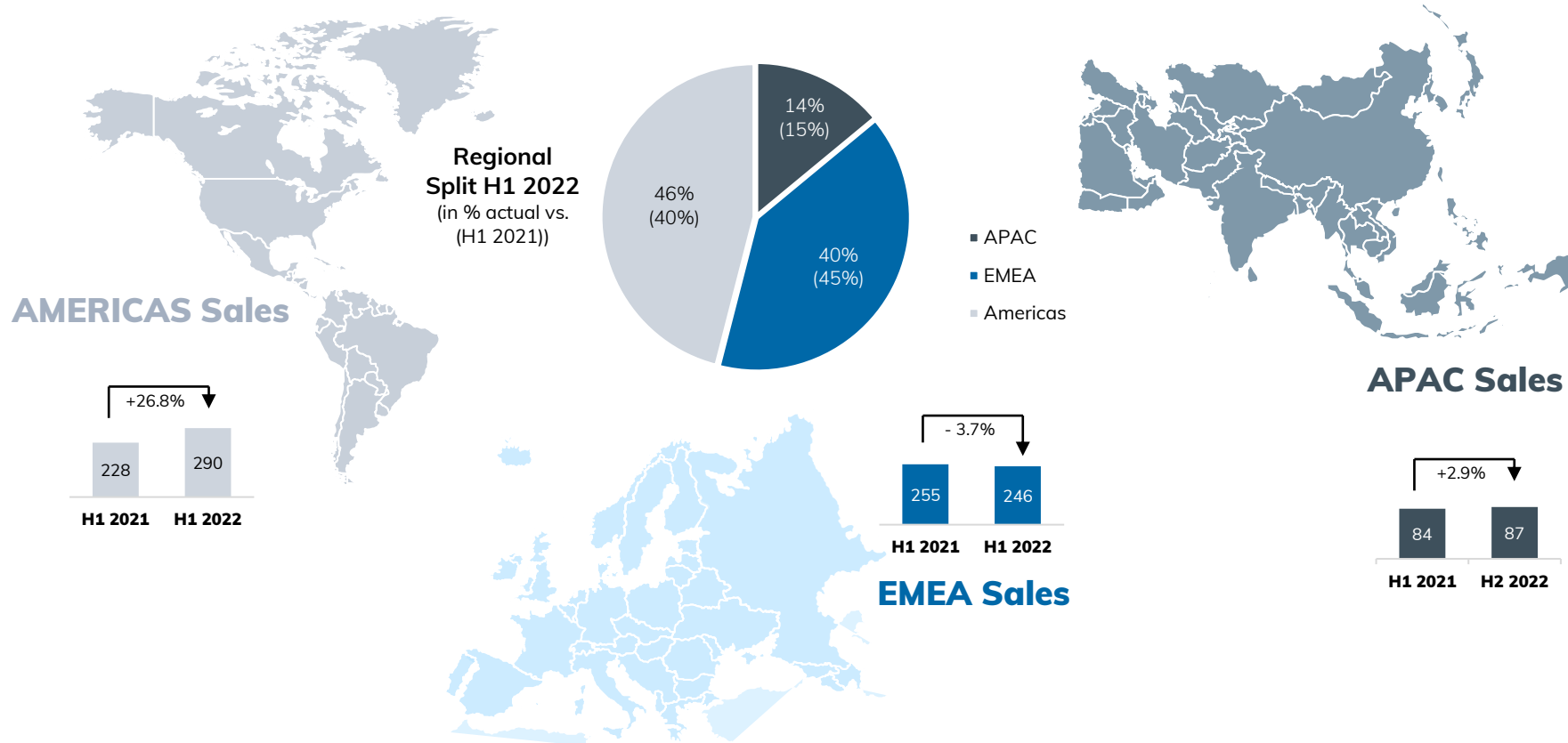
- Organic Growth of 5.3% in Q2 2022 with very strong performance in Americas
- EJT sales increased to EUR 167.6 million, with organic growth of 0.7% due to strong Americas business almost being offset by weak China business in APAC
- SJT sales increased to EUR 147.2 million, showing strong organic growth of 10.5%, mainly due to US Water business and APAC region

Currency Effects

- Positive translation effects of EUR 21.2 million or 7.5% in Q2 2022

* In % of prior year sales

Segment Reporting (I/II) – H1 2022



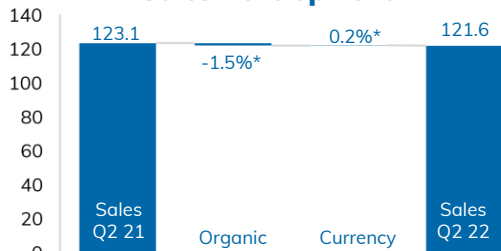
Segment Reporting (II/II) – Q2 2022

EMEA



- **EJT:** 1.1% organic decline in Q2 2022 mainly due to weaker automotive business also related to Russia-Ukraine-crisis while partly compensated by positive pricing effects
- **SJT:** 3.3% organic decline in Q2 2022 due to lower volumes partly compensated by higher pricing

Sales Development

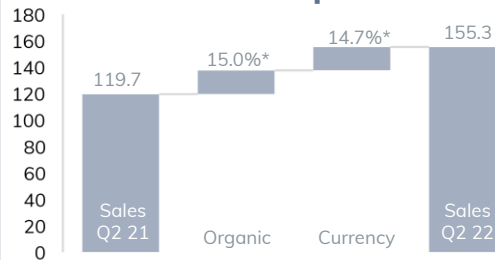


Americas



- **EJT:** 13.4% organic growth in Q2 2022 mainly due to positive pricing
- **SJT:** Strong double-digit organic growth of 14.9% in Q2 2022 mainly due to positive pricing effects with US water business growing 20.7% in H1 2022

Sales Development

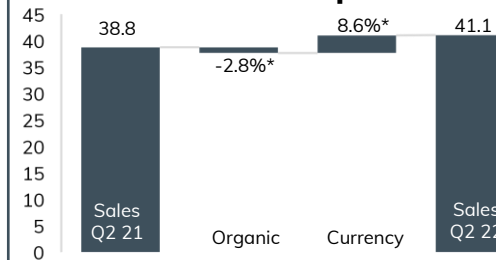


APAC



- **EJT:** Organic decline of 13.4% mainly due to difficult China business related to COVID-19-lockdowns
- **SJT:** Strong organic growth of 20.1% also due to positive water business in India, Malaysia & Australia

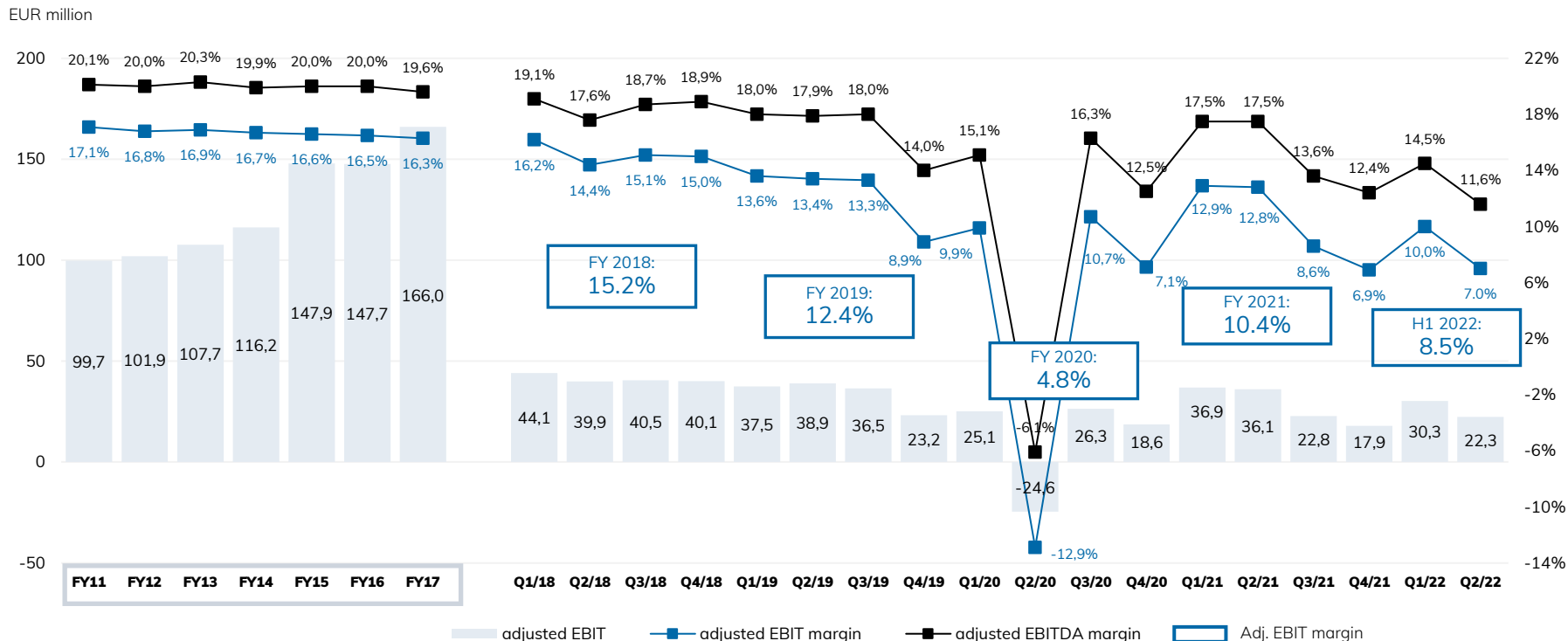
Sales Development



* In % of prior year sales

EBITDA & EBIT Margin Development

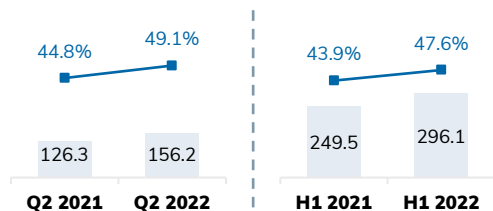
Weakening adj. EBIT margin due to high increased gas and energy prices, a further increase of inflation, ongoing effects of the war in Ukraine, the risk of further lockdowns in China as well as higher costs for logistics and other operative costs including IT implementation costs



Profit & Loss Development Q2 and H1 2022

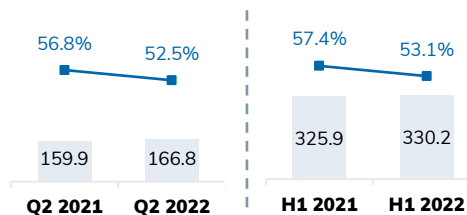
Material Costs

(in EUR million and % of sales)



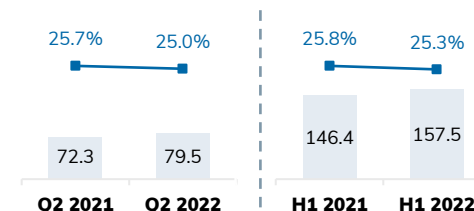
Gross Profit

(in EUR million and % of sales)



Adjusted Personnel Expenses

(in EUR million and % of sales)

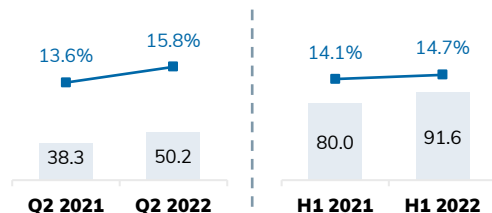


Material cost ratio increased by 430 BPs and Gross Profit ratio decreased by 430 BPs in Q2 2022, mainly due to higher costs related to global supply shortages and high inflation as well as the effects of the war in Ukraine

Improvement in personnel costs ratio by 70 BPs to 25% in Q2 and by 50 BPs in H1 respectively

Net Expenses from adj. other operating Income and Expenses

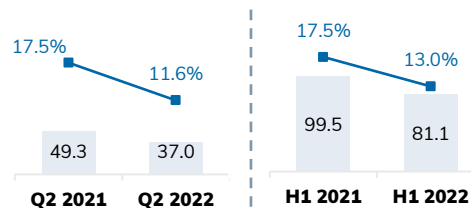
(in EUR million and % of sales)



OPEX increased by EUR 11.9 million to EUR 50.2 million leading to 15.8% mainly due to higher number of leased staff & IT implementation costs

Adjusted EBITDA

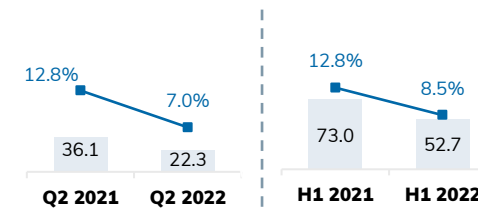
(in EUR million and % of sales)



Consequently adj. EBITDA margin decreased by 590 BPs to 11.6% and adjusted EBIT margin decreased by 580 BPs to 7.0% in Q2

Adjusted EBIT

(in EUR million and % of sales)



Operational Adjustments H1 2022



in EUR million*	Reported	Adjustments	Adjusted
Sales	622.3		622.3
EBITDA	81.1	0	81.1
<i>EBITDA margin</i>	13.0%		13.0%
EBITA	56.1	0.6 (depreciation PPA)	56.7
<i>EBITA margin</i>	9.0%		9.1%
EBIT	41.6	11.1 (incl. EUR 10.4 million amortization PPA)	52.7
<i>EBIT margin</i>	6.7%		8.5%
Net Profit	26.7	8.3 (incl. EUR -2.8 million post tax impact)	35.0
<i>Net Profit margin</i>	4.3%		5.6%
EPS (in EUR)	0.84	0.26	1.10

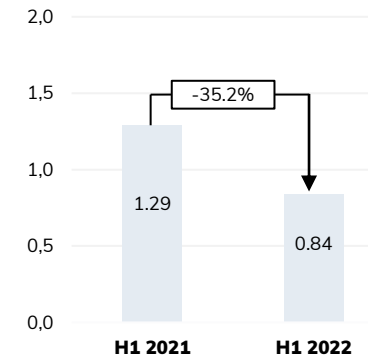
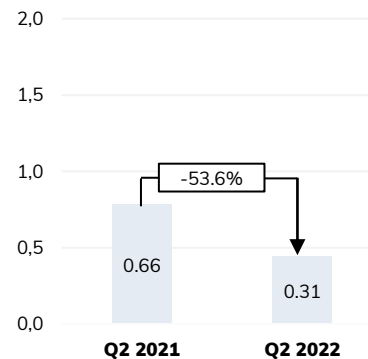
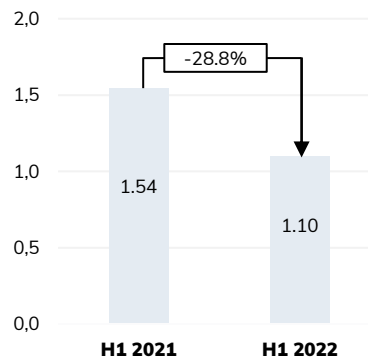
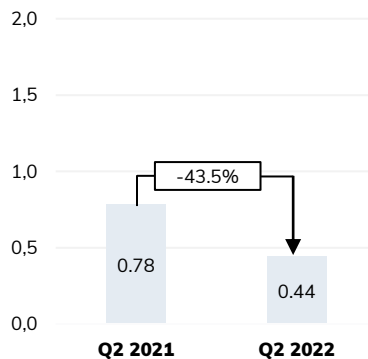
* Deviations may occur due to commercial rounding.

EPS Development in Q2 & H1 2022 and Dividend

Dividend of EUR 0.75 or around 33% of adjusted Group net profit for the fiscal year 2021 approved by the AGM on May 17th, 2022

Adjusted EPS*

Reported EPS*



Net Income
(in EUR million)

24.9

14.1

49.1

35.0

20.8

10.0

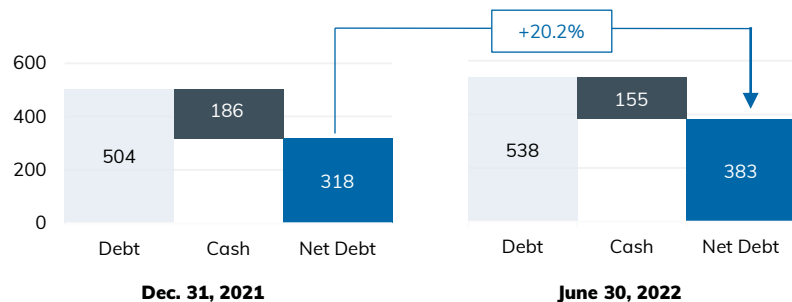
41.1

26.7

* Based on number of shares of 31.862,400

Equity Ratio, Net Debt and Debt Ratios

Net Debt (in EUR million)



- Net Debt increased by 20.2% mainly due to dividend payment and business seasonality
- Leverage showing increase to 2.5x due to higher net debt and lower EBITDA
- Slightly better Equity Ratio of 44.7%

Equity Ratio

	Dec. 31, 2021	June 30, 2022
Equity Ratio (Equity / balance sheet total)	44.6%	44.7%

Debt Ratios

	Dec. 31, 2021	June 30, 2022
Leverage (Net debt / EBITDA)	1.9x	2.5x
Gearing (Net debt / equity)	0.5x	0.5x

Net Operating Cash Flow Development in Q2 & H1 2022

in EUR million	2019	2020	2021	Q2 2021	Q2 2022	Variance (2022 to 2021)	H1 2021	H1 2022	Variance (2022 to 2021)
(Adjusted) EBITDA	187.2	99.3	167.6	49.3	37.0	-24.9%	99.5	81.1	-18.5%
Δ ± Trade Working capital	-9.5	20.2	-20.4	-2.0	1.3	166.0%	-40.4	-53.4	-32.2%
Net operating cash flow before investments from operating business	177.7	119.5	147.2	47.3	38.3	-19.0%	59.1	27.7	-53.1%
Δ ± Investments from operating business	-54.8	-41.2	-47.4	-10.5	-11.9	-13.3%	-19.8	-17.9	9.6%
Net Operating Cash Flow	122.9	78.3	99.8	36.8	26.4	-28.3%	39.3	9.8	-75.1%

- Factoring programs decreased to EUR 56 million (Dec. 31, 2022: EUR 62 million)
- Lower adj. EBITDA with higher working capital outflow leads to decreased Net Operating Cash Flow before CAPEX of EUR 27.7 million compared to EUR 59.1 million in H1 2021
- CAPEX spending of EUR 17.9 million in H1 compared to EUR 19.8 million in prior year
- Resulting in a Net Operating Cash Flow of EUR 9.8 million compared to EUR 39.3 million in H1 2021

NORMA Value Added



in EUR million	Q2 2021	Q2 2022	H1 2021	H1 2022
Adjusted EBIT after taxes	26.6	16.3	53.6	38.3
Capital Cost (WACC x CE per January 1st)	-18.0	-17.2	-32.1	-34.1
NOVA	8.6	-0.9	21.6	4.2

- The NORMA Value Added (NOVA) is NORMA Group's long term strategic target
- NORMA Group determines the annual value creation in form of the NORMA Value Added (NOVA)
- NOVA is calculated on the basis of adjusted EBIT, tax rate and the cost of capital
- The cost of capital is defined by the weighted average cost of capital (WACC) and the capital employed (equity plus net debt)

Performance Improvement Program

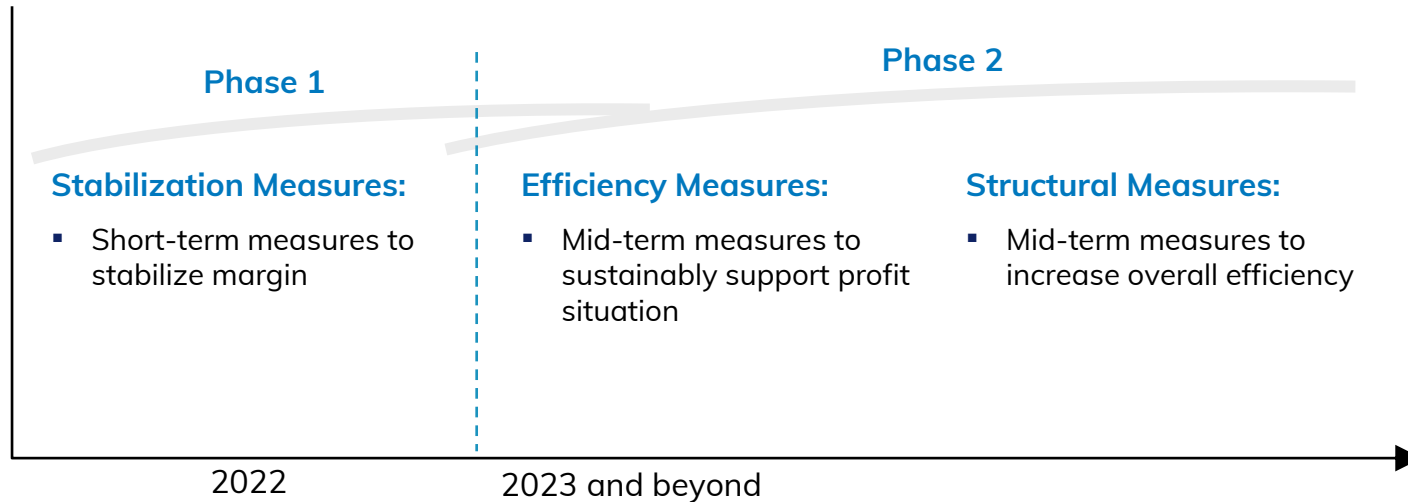


- Stabilization and sustainable improvement of NORMA Group
- Program comprising of 3 optimization layers to be implemented in the coming years
 - Stabilization Measures (short-term)
 - Efficiency Measures (mid-term)
 - Structural Measures (mid-term)

Pricing,
Sales &
Growth

Efficiency &
Cost
Improvement

Structural
Costs,
Operations &
Get on track



Outlook 2022 – Updated Company Guidance*



Organic Sales Growth

Medium to high single-digit
Organic Group Sales Growth
(unchanged)



Adj. EBIT Margin

Around 8%
(previously: "around 11%")



Net Operating Cash Flow

Around EUR 60 million
(previously: "around EUR 100 million")



NOVA

Between EUR -20 million and
EUR 10 million
(previously: "between EUR 20 million and EUR
40 million")

Thank you.

Any Questions?

Disclaimer

This presentation 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 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 or described in these statements.

Even if the actual results 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 presentation, no guarantee can be given that this will continue to be the case in the future.

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