

Press release

27/03/2014



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NORMA Group achieves record figures in 2013 and expects solid sales growth for 2014

- Sales increased by 5.1% to EUR 635.5 million in financial year 2013
- Adjusted EBITA improved by 6.9% to EUR 112.6 million
- Adjusted EBITA margin climbed to 17.7%
- Adjusted earnings per share improved to EUR 1.95
- Proposed dividend of EUR 0.70 per share
- Sales expected to grow organically by about 4% to 7% in 2014

Maintal, Germany, 27 March 2014 – NORMA Group SE ("NORMA Group"), a global market and technology leader for engineered joining technology, achieved record sales and earnings in financial year 2013. Sales of the MDAX-listed group increased by 5.1% to EUR 635.5 million over the reporting period (2012: EUR 604.6 million). The acquisitions made in 2012 and 2013 contributed EUR 26.7 million. Organic growth, which is adjusted by acquisitions, amounted to 2.5%. The company increased adjusted operating earnings (adjusted EBITA) by 6.9% to EUR 112.6 million in 2013 (2012: EUR 105.4 million) in spite of the difficult environment in the European region. As a result, NORMA Group achieved a consistently strong EBITA margin at the record level of 17.7% in financial year 2013. The adjusted earnings per share based on the outstanding shares as at 31 December 2013 grew year on year to EUR 1.95 in 2013 (2012: EUR 1.94).

"2013 was another successful year for NORMA Group. While the economic environment led to a weak start into the year, we could compensate its effects over the course of the year," says Werner Deggim, CEO of NORMA Group. "The engine production start-ups that resulted from the new Euro-6 emissions targets had positive effects on the development of our business since mid-year. Our strategy to expand into important growth markets through targeted acquisitions has also contributed to the positive result. NORMA Group is well-positioned for the future. We therefore expect to see solid growth throughout this financial year 2014."

NORMA Group expects group sales to show solid organic growth year on year by around 4% to 7% in 2014. Additional sales of around EUR 5 million result from the acquisitions of the Polish company Variant S.A. and the Australian company Guyco Pty. Ltd. in 2013.

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Growth in EMEA and Asia-Pacific, currency-related sales decline in the Americas

In the **EMEA** region, NORMA Group sales grew by a solid 5.6% to EUR 387.9 million in financial year 2013 (2012: EUR 367.5 million). While sales grew moderately only acquisitively with declining volumes in a number of industries in the first quarter 2013, the improved economic environment led organic sales to accelerate moderately in the second quarter of 2013 and significantly from the third quarter of 2013. New production starts on the back of the Euro-6 norm contributed to the highly dynamic development in the fourth quarter of 2013. In June 2013, NORMA Group acquired the distribution business of Variant S.A. in Poland. This move strengthened the company's distribution network in Eastern Europe and shortened the supply chain to end users by one level. In addition, NORMA Group increased existing capacity in the German sites of Maintal and Gerbershausen as well as in the UK and Serbia in 2013.

The **Americas** region generated EUR 191.5 million in sales in 2013, which fell slightly short of the previous year's EUR 193.3 million due to negative currency effects. The performance of the first and second quarter of 2013 was economy and currency-related relatively weak, however the situation improved as the US economy increasingly gained momentum towards the end of the year. In the fourth quarter of 2013, the region generated a sizeable 16.8% year-on-year organic growth. In 2013, NORMA Group built its new plant in Atibaia near Sao Paulo, Brazil, which was supported by the purchase of assets from Click Automotiva Industrial Ltda. in September 2013. This step was an important milestone towards establishing production in the world's fifth largest country and strengthening the market position in South America. The company also invested in new production equipment and lines in the US plants in Auburn Hills and St. Clair as well as in the Mexican facilities in Juarez and Monterrey.

The **Asia-Pacific** region again made a significant contribution to the growth of NORMA Group in financial year 2013. Sales in this market grew by 28.1% to EUR 56.0 million (2012: EUR 43.8 million) with contributions coming from the acquisitions completed during the last two years. In 2013, NORMA Group acquired the distribution business of Davydick & Co. Pty. Ltd. and Guyco Pty. Ltd. in Australia. By doing so, the company accessed additional regional markets, increased its product offering and strengthened its position in the water and wastewater markets across the Asia-Pacific region. In February 2014, NORMA Group acquired the remaining 15% of the shares in Chien Jin Plastic Sdn. Bhd. in Malaysia. The manufacturer of thermoplastic joining solutions for water management applications is now a fully-owned subsidiary of NORMA Group. In order to meet the greater demand for metal-based joining solutions in the region, NORMA Group is currently constructing a second plant in Changzhou, China, 200 kilometres outside of Shanghai.

Solid equity ratio – net debt position reduced substantially

As at year-end 2013, NORMA Group's equity in the consolidated financial statements had grown by 10.6% to EUR 319.9 million (31 December 2012: EUR 289.2 million). The increase resulted predominantly from the group's consolidated net income of EUR 55.6 million. With 38.8%, the company posted a healthy equity ratio as of 31 December 2013 (31 December 2012: 41.8%). The decline compared to the previous year was a consequence particularly of the issuance of a EUR 125 million

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promissory note resulting in an increase of the total assets. Net debt ex hedging instruments could be decreased to EUR 138.2 million by 31 December 2013 in spite of acquisitions and dividend payments (31 December 2012: EUR 174.2 million). As a result, the ratio of net debt to equity (gearing) fell substantially year-on-year to 0.5 at year-end 2013 (31 December 2012: 0.7).

Ascent into the MDAX and promissory note issuance

NORMA Group has been a component of the German Stock Exchange's MDAX index for medium-sized companies since 18 March 2013. "We are proud that we have established ourselves as a promising growth stock in the international financial markets not even three years since our IPO," says Dr. Othmar Belker, CFO of NORMA Group. "Our positive reputation in the capital market combined with a strong balance sheet and sound financing structure are important success factors for our business that also ensure attractive refinancing options in the global money and capital markets." In July 2013, NORMA Group issued its first promissory note with a volume of EUR 125 million, which makes its financing structure more flexible.

Proposed dividend of EUR 0.70 per share

The management board and the supervisory board of NORMA Group will propose a dividend of EUR 0.70 per share for financial year 2013. This corresponds to another increase by EUR 0.05 or 7.7% and total dividend payments of EUR 22.3 million. As a consequence, the pay-out ratio amounts to 35.9% of the group's adjusted net income in 2013 (EUR 62.1 million).

As at 31 December 2013, NORMA Group employed a global workforce including temporary staff of 4,947; 462 employees more than a year before (4,485 employees). In Germany, the number of employees grew to 902 by the end of 2013. Compared to year-end 2012, the German workforce increased by 38 employees.

Solid sales growth expected for 2014

From today's perspective, NORMA Group expects global economic growth to accelerate in 2014 compared to 2013, driven predominantly by the advanced economic regions including the euro zone, which will likely return to moderately positive growth in 2014. Contributions to growth should also come from the developing and emerging countries. Solid growth forecasts for most Asian markets and particularly China, stronger activity in the Asian growth markets and the gaining of market shares lead NORMA Group to forecast strong sales growth in excess of 10% in 2014 for the **Asia-Pacific** region. The **North American** business is expected to grow solidly in local currencies and moderately in euro in 2014. Growth should also be supported by potential early purchases motivated by the introduction of the EPA15 emissions targets for heavy duty vehicles scheduled for 1 January 2015. For the **EMEA** region, NORMA Group anticipates solid growth in 2014 compared to the previous year. Production volumes in individual industries are expected to increase. The legal introduction of the Euro 6 emissions regulation

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and the related ramp-up in production of new-generation engines should also support growth, with a greater number of joining elements adding a higher value.

Overall, NORMA Group expects solid group organic sales growth by around 4% to 7% in 2014 compared to the previous year, unless the economy slows down significantly in the different regions. In addition, NORMA Group anticipates sales in the amount of about EUR 5 million from Variant S.A. and Guyco Pty. Ltd., which were acquired in 2013. For 2014, NORMA Group targets an adjusted EBITA margin above the levels of the past years of over 17% (2011: 17.7%; 2012: 17.4%; 2013: 17.7%). Sales should pick up in 2015 compared to the current financial year 2014. The company plans to further increase both group sales and earnings across all three regions in 2015.

NORMA Group SE – Overview of consolidated figures 2013

Key figures at a glance (in EUR millions)	Financial year 2013	Financial year 2012***	Financial year 2011
Income statement	01/01-31/12/2013	01/01-31/12/2012	01/01-31/12/2011
Sales	635.5	604.6	581.4
Adjusted EBITA	112.6	105.4	102.7
Adjusted EBITA margin	17.7%	17.4%	17.7%
Adjusted earnings per share*	1.95	1.94	1.81
Balance sheet	31/12/2013	31/12/2012	31/12/2011
Total assets	823.7	691.8	648.6
Equity	319.9	289.2	256.0
Equity ratio	38.8%	41.8%	39.5%
Net debt**	138.2	174.2	176.7

Key figures at a glance (in EUR millions)	Q4 2013	Q4 2012	Q4 2011
Income statement	01/10 – 31/12/2013	01/10 – 31/12/2012	01/10 – 31/12/2011
Sales	152.8	137.3	139.6
Adjusted EBITA	27.6	21.9	22.6
Adjusted EBITA margin	18.0%	15.9%	16.2%

*Adjusted pro forma earnings per share based on the number of shares as at year-end 2013

**Net debt excluding hedging instruments: (2013: EUR 15.3 million)

***Restated figures due to the application of IAS 19R

Adjustment: In 2011 adjusted by non-recurring / non-period-related costs (mainly due to the IPO), restructuring costs as well as other group and normalised items and depreciation from PPA adjustments. In 2012 and 2013 adjusted by depreciation from PPA adjustments.

The financial report 2013 is available from www.normagroup.com/publications. Additional information is available from the Investor Relations section at www.normagroup.com.

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About NORMA Group

NORMA Group is an international market and technology leader in engineered joining technology. The company manufactures a wide range of innovative joining technology solutions in three product categories (clamp, connect and fluid) and offers more than 30,000 high-quality products and solutions to around 10,000 customers in 100 countries. NORMA Group joining products can be found in vehicles, ships, trains, aircraft, domestic appliances, engines and plumbing systems as well as in applications for the pharmaceutical and biotechnology industry. The company generated sales of around EUR 636 million in 2013. With around 5,000 employees, NORMA Group operates a global network of 21 production facilities as well as numerous sales and distribution sites across Europe, the Americas, and Asia-Pacific. The company has its headquarters in Maintal near Frankfurt am Main, Germany. NORMA Group was formed in 2006 as a result of the merger between the German Rasmussen Group and the Swedish ABA Group. Since April 2011, NORMA Group is listed on the German stock exchange and included in the MDAX index since March 2013.

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.