

## Press Release

August 6, 2019



NORMA Group SE  
Group Communications  
Edisonstraße 4  
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[www.normagroup.com](http://www.normagroup.com)

### Organic sales of NORMA Group down in the first half of 2019

- Sales in the first half of 2019 rose by 2.9 percent year-on-year to EUR 564.7 million; organic sales declined by 2.3 percent
- Adjusted EBITA declined by 8.2 percent to EUR 80.6 million in the first half of 2019
- Forecast for financial year 2019 revised

Maintal, Germany, August 6, 2019 – [NORMA Group](http://www.normagroup.com), a global market leader in engineered joining technology, increased its sales by 2.9 percent to EUR 564.7 million in the first half of 2019 (H1 2018: EUR 549.0 million). While sales fell organically by 2.3 percent, [Kimplas](#) and [Statek](#), the companies acquired in 2018, contributed 2.3 percent and EUR 12.9 million respectively. Currency effects had a positive effect of 2.8 percent or EUR 15.4 million on sales. Adjusted earnings before interest, taxes and amortization of intangible assets (adjusted EBITA) fell by 8.2 percent year-on-year in the first half of 2019 to EUR 80.6 million (H1 2018: EUR 87.7 million). The adjusted EBITA margin was 14.3 percent (H1 2018: 16.0 percent). The lower organic sales volume and the costs of introducing an ERP system at a site in Latin America, among other factors, had a negative impact. Net operating cash flow increased by EUR 12.2 million to EUR 28.6 million (H1 2018: EUR 16.4 million).

Sales increased by 4.6 percent to EUR 289.0 million in the second quarter of 2019 (Q2 2018: EUR 276.4 million). Organic sales declined by 0.4 percent. Kimplas and Statek, the companies acquired in 2018, contributed 2.4 percent to sales growth, while currency effects contributed 2.5 percent. Adjusted earnings before interest, taxes and amortization of intangible assets (adjusted EBITA) fell by 2.6 percent year-on-year in the second quarter of 2019 to EUR 40.9 million (Q2 2018: EUR 42.0 million). The adjusted EBITA margin was 14.2 percent (Q2 2018: 15.2 percent). Net operating cash flow fell by EUR 1.4 million to EUR 28.8 million (Q2 2018: EUR 30.2 million).

### Revision of the annual forecast for 2019 and personnel changes in the Management Board

Based on the figures for the second quarter of 2019 and the results expected for the full year 2019, NORMA Group has revised its forecast for organic sales growth, the adjusted EBITA margin and net operating cash flow. The company expects to achieve organic sales growth within the corridor of around -1 to around 1 percent in fiscal year 2019 (previously: 1 to 3 percent). In addition, an adjusted EBITA margin of over 13 percent (previously: at the lower end of the corridor between 15 percent and 17 percent) and net operating cash flow of EUR 90 million (previously: EUR 100 million) are expected for fiscal year 2019.

Bernd Kleinhens, CEO of the NORMA Group, left the Management Board by mutual agreement with the Supervisory Board on July 31, 2019. As of August 1, 2019, Dr. Michael Schneider has temporarily assumed the responsibilities of Chief Executive Officer in addition to his position as Chief Financial Officer.

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“Primarily in view of the weaker than expected market environment in the global automotive business, we have revised our forecast on how business will develop in 2019,” said Dr. Michael Schneider, member of the Management Board of NORMA Group. “In addition, the global trade disputes and sanctions are having a negative impact. The resulting reluctance to invest and market weakness are reflected in a continued decline in business in the EMEA and Asia-Pacific regions, China and India in particular. A recovery in the second half of 2019 is not foreseeable from what we know today. Despite the current challenging conditions, we believe that with our diversified product range and our focus on the future markets of electromobility and water management, we remain well positioned to benefit from global megatrends in the future.”

### Development in EMEA, the Americas and Asia-Pacific

In the **EMEA region (Europe, Middle East and Africa)**, sales declined by 1.4 percent year-on-year in the first half of 2019 to EUR 254.6 million (H1 2018: EUR 258.1 million). This drop in sales was mainly due to weaker business in the Engineered Joining Technology segment as a result of the continuing decline in production volumes in the European automotive industry. On the other hand, NORMA Group’s Distribution Services business generated sales momentum. The acquisition of Statek in Germany also made a positive contribution to sales. For fiscal year 2019, NORMA Group continues to anticipate moderate organic growth in the EMEA region.

In the **Americas** region, sales from January to June 2019 rose by 6.6 percent year-on-year to EUR 237.3 million (H1 2018: EUR 222.7 million). The water management segment in particular posted strong growth in the first six months of 2019. While business with commercial vehicles and agricultural machinery continued to develop positively, production figures in the North American automotive sector remained noticeably down. For the full year 2019, a moderate organic decline is expected in the Americas region (previously: moderate organic growth).

In the **Asia-Pacific** region, NORMA Group increased its sales by 6.7 percent year-on-year in the first half of 2019 to EUR 72.8 million (H1 2018: EUR 68.2 million). The acquisition of Kimplas in India made a positive contribution to sales revenues. By contrast, the persistently weak environment in the Chinese automotive sector had a negative effect. In the Asia-Pacific region, NORMA Group anticipates moderate organic growth for 2019 as a whole (previously: strong organic growth).

As of June 30, 2019, NORMA Group had 8,890 employees worldwide, including temporary staff (December 31, 2018: 8,865 employees).

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### NORMA Group SE in figures

Key figures at a glance (in EUR millions)	1st half 2019	1st half 2018	Full year 2018
Income statement	01/01 – 06/30/2019	01/01 – 06/30/2018	01/01 – 12/31/2018
Sales	564.7	549.0	1,084.1
Adjusted* EBITA	80.6	87.7	173.2
Adjusted* EBITA margin (in %)	14.3%	16.0%	16.0%
Adjusted* result for the period	50.9	56.9	114.8
Adjusted* earnings per share (in EUR)	1.60	1.78	3.61
Balance sheet	06/30/2019	06/30/2018	12/31/2018
Total assets	1,505.8	1,431.5	1,471.7
Equity	602.5	555.1	602.4
Equity ratio (in %)	40.0%	38.8%	40.9%
Net debt**	479.0	392.0	400.3

Key figures at a glance (in EUR millions)	2nd quarter 2019	2nd quarter 2018	1st quarter 2019
Income statement	04/01 – 06/30/2019	04/01 – 06/30/2018	01/01 – 03/31/2019
Sales	289.0	276.4	275.6
Adjusted* EBITA	40.9	42.0	39.6
Adjusted* EBITA margin (in %)	14.2%	15.2%	14.4%
Adjusted* result for the period	25.7	27.3	25.2
Adjusted* earnings per share (in EUR)	0.81	0.86	0.79

\*More information on adjustments can be found in the following financial reports: [2nd quarter 2019](#) (p. 14); [2nd quarter 2018](#) (p. 37); [2018 Annual Report](#) (p. 142 f.); [1st quarter 2019](#) (p. 13)

\*\* Net debt including hedging instruments; hedging instruments in H1/2019: EUR 1.1 million; H1/2018: EUR 1.4 million; FY 2018: EUR 0.8 million

Additional information is available in the Investor Relations section [www.investors.normagroup.com](http://www.investors.normagroup.com).  
Press photos are available from our platform at [www.normagroup.com/images](http://www.normagroup.com/images).

### Further dates

Publication of the financial figures for the third quarter of fiscal year 2019 is scheduled for November 6.



NORMA Group Blog

### Contact

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### About NORMA Group

NORMA Group is an international market and technology leader in [engineered joining technology](#) (joining, connecting and fluid handling technology). The company manufactures a [wide range](#) of innovative connecting solutions and [water management](#) technology offering more than 40,000 products to customers in over 100 countries with around 8,900 employees. NORMA Group helps its customers and business partners react to global challenges such as climate change and increasing scarcity of resources. NORMA Group joining products can be found in vehicles and trains, ships and aircraft, buildings and water management as well as in applications for the pharmaceutical and biotechnology industry. In 2018, the company generated sales of around EUR 1.08 billion. NORMA Group operates a [global network](#) of 30 production facilities as well as numerous sales and distribution sites across Europe, the Americas, and Asia-Pacific. NORMA Group has its headquarters in Maintal, Germany. NORMA Group SE is listed on the German stock exchange (Prime Standard) and included in the MDAX index.

### 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.