

**Press Release**  
November 7, 2018



NORMA Group SE  
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## **NORMA Group with strong organic sales growth in the first nine months of 2018**

- Sales increase by 7.0 percent to EUR 817.1 million
- Strong organic growth of 9.7 percent
- Adjusted EBITA margin at 16.0 percent
- Group forecast for fiscal year 2018 confirmed

**Maintal, Germany, November 7, 2018** – NORMA Group, a global market leader in engineered joining technology, increased its Group sales to EUR 817.1 million in the period from January to September 2018. This represents an increase of 7.0 percent compared with the same period last year (Q1 – Q3 2017: EUR 763.4 million). Organic sales growth was strong at 9.7 percent. Additional sales revenues from the acquisitions of [Fengfan](#), [Kimplas](#) and [Statek](#) contributed 1.4 percent to Group sales growth. Negative currency effects reduced sales growth by minus 4.1 percent.

In the third quarter of 2018, NORMA Group increased its sales by 9.7 percent year-on-year to EUR 268.1 million (Q3 2017: EUR 244.4 million). At 7.1 percent, organic growth remained at a consistently high level. Currency effects had a slightly positive effect in the third quarter for the first time in fiscal year 2018.

“We continued our strong organic growth in the third quarter of 2018,” said NORMA Group CEO Bernd Kleinhens. “Demand for our products remains high. However, the tense situation on the raw materials markets continues to have an impact on earnings and margins.”

### **Strong growth in the Americas and Asia-Pacific regions**

NORMA Group increased sales in the **EMEA (Europe, Middle East and Africa)** region to EUR 375.7 million from January to September 2018, 1.8 percent higher than the first nine months of 2017 (Q1 – Q3 2017: EUR 369.1 million). Revenues from [the acquisition of Statek, completed on August 7, 2018](#), contributed to this result. Growth in the region weakened in the third quarter of 2018, however. This was mainly due to the generally difficult situation in the European automotive sector with declining production figures.

In the **Americas** region, sales in the first nine months of 2018 rose by 7.9 percent year-on-year to EUR 334.3 million (Q1 – Q3 2017: EUR 309.7 million). The main reasons for this were the good order volume in the commercial vehicles and agricultural machinery business in the US and positive catch-up effects from NDS’s water business.

In the **Asia-Pacific** region, NORMA Group increased its sales by 26.5 percent to EUR 107.2 million between January and September 2018 compared with the first nine months of 2017 (Q1 – Q3 2017: EUR

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84.7 million). Besides the very good business performance in the [Engineered Joining Technology \(EJT\)](#) division, additional sales revenue generated by the acquisition of Kimplas also contributed to this result.

### **High raw material prices influence earnings and margin**

Adjusted earnings before interest, taxes and amortization of intangible assets (adjusted EBITA) declined in the first nine months of 2018 by 2.9 percent compared to the same period of the previous year to EUR 130.5 million (Q1 – Q3 2017: EUR 134.4 million). The adjusted EBITA margin was 16.0 percent (Q1 – Q3 2017: 17.6 percent).

The main reason for the decline in earnings and margin was the tense situation on the international raw material markets. Higher prices for stainless steel and alloy surcharges, force majeure in the area of important plastic components and the US punitive tariffs on steel had a negative impact on the cost of materials ratio. The increasing shortage of materials on the raw material markets and strong sales growth also temporarily led to variable special costs in the areas of procurement, production and logistics.

In the third quarter of 2018, adjusted EBITA rose by 0.1 percent to EUR 42.8 million (Q3 2017: EUR 42.7 million). The adjusted EBITA margin was 16.0 percent (Q3 2017: 17.5 percent), an increase from the second quarter of 2018 (Q2 2018: 15.2 percent).

Net operating cash flow in the first nine months of 2018 was at EUR 32.6 million, which was EUR 39.4 million lower than in the same period of the previous year (Q1-Q3 2017: EUR 72.0 million). This was primarily due to higher capital expenditure from operating activities, a balance sheet date-related increase in working capital and a decline in adjusted EBITDA.

### **Forecast for 2018 confirmed at Group level**

At Group level, NORMA Group is sticking to its adjusted forecast for fiscal year 2018 published on July 26, 2018. According to this forecast, the company expects to achieve an organic increase in Group sales in 2018 of around 5 to 8 percent compared to the previous year, targeting the upper end of the range. Sales revenues from the acquisitions of Fengfan, Kimplas and Statek are also expected to amount to around EUR 17.0 million (previously: EUR 15.0 million). NORMA Group expects an adjusted EBITA margin for 2018 of between 16 and 17 percent and net operating cash flow of around EUR 130 million.

The forecast for the EMEA region has been adjusted due to the weaker sales growth in the third quarter of 2018 and considering the difficult situation in the European automotive industry with decreasing production volumes: Instead of solid organic sales growth, NORMA Group now expects moderate organic growth.

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### NORMA Group in figures

Key figures at a glance (in EUR millions)	1 <sup>st</sup> – 3 <sup>rd</sup> Quarter 2018	1 <sup>st</sup> – 3 <sup>rd</sup> Quarter 2017	Full Year 2017
Income statement	01/01 – 09/30/2018	01/01 – 09/30/2017	01/01 – 12/31/2017
Sales	817.1	763.4	1,017.1
Adjusted* EBITA	130.5	134.4	174.5
Adjusted* EBITA margin (in %)	16.0%	17.6%	17.2%
Adjusted* earnings for the period	83.4	80.2	105.0
Adjusted* earnings per share (in EUR)	2.61	2.51	3.29
Balance sheet	09/30/2018	09/30/2017	12/31/2017
Total assets	1,434.5	1,314.9	1,312.0
Equity	574.8	485.5	534.3
Equity ratio (in %)	40.1%	36.9%	40.7%
Net debt**	457.8	398.3	344.9

Key figures at a glance (in EUR millions)	3 <sup>rd</sup> Quarter 2018	3 <sup>rd</sup> Quarter 2017	2 <sup>nd</sup> Quarter 2018
Income statement	07/01–09/30/2018	07/01–09/30/2017	04/01–06/30/2018
Sales	268.1	244.4	276.4
Adjusted* EBITA	42.8	42.7	42.0
Adjusted* EBITA margin (in %)	16.0%	17.5%	15.2%

\*More on adjustments: [1<sup>st</sup> Quarter 2018](#) (p. 8); [1<sup>st</sup> Half Year 2018](#) (p. 37); [3<sup>rd</sup> Quarter 2018](#) (p. 8); [Full Year 2017](#) (p. 139)

\*\*Net debt including hedging instruments; hedging instruments in Q3/2018: EUR 0.9 million; Q3/2017: EUR 1.7 million; FY 2017: EUR 1.4 million

The interim statement for the third quarter of 2018 is available [here](#). More information can be found in the [Investor Relations website](#).

### Upcoming dates

Publication of the preliminary figures for fiscal year 2018 is scheduled for February 13, 2019.



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 100 countries with around 9,100 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. The company generated sales of around EUR 1.02 billion in 2017. 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.