



NORMA Group SE
Group Communications
Edisonstrasse 4
63477 Maintal
Germany
www.normagroup.com

NORMA Group closes fiscal year 2020 profitably with a clear recovery at the end of the year

- **Sales down 13.4 percent from the previous year to EUR 952.2 million in 2020, according to preliminary figures**
- **Adjusted EBITA margin at 5.7 percent despite costs for change program**
- **Strong cash flow at EUR 78.3 million; significantly lower net debt**
- **Fourth quarter sales better than expected**

Maintal, Germany, February 17, 2021 – NORMA Group has closed its fiscal year 2020 on a profitable note according to preliminary, unaudited figures. In a rather challenging economic environment, the company posted Group sales of around EUR 952.2 million. This represents a decline of 13.4 percent compared to the previous year (2019: EUR 1,100.1 million). In organic terms, sales for the full year 2020 fell by 12.1 percent, with negative currency effects further reducing sales by 1.3 percent. The forecast for fiscal year 2020 was achieved and even slightly exceeded.

“Our business proved to be robust overall in a difficult economic environment in 2020,” said Dr. Michael Schneider, CEO of NORMA Group “The first half of the year was impacted by the rapid spread of the COVID-19 pandemic. In the second half of the year – following initial signs of recovery in China – we observed a significant increase in demand from our customers worldwide. Our special thanks go to our employees, who showed great dedication and flexibility under difficult pandemic conditions.”

Organic sales growth in the fourth quarter of 2020

NORMA Group’s business continued to recover strongly at the end of the year. According to preliminary figures, the company generated sales of EUR 261.2 million in the fourth quarter, matching the previous year’s level (Q4 2019: EUR 261.4 million). On an organic basis, sales from October to December 2020 increased by 3.8 percent compared to the same period of the previous year. That said, negative currency effects reduced sales by 3.9 percent. Adjusted EBITA declined by 16.3 percent to EUR 21.3 million in the fourth quarter (Q4 2019: EUR 25.5 million). The adjusted EBITA margin was 8.2 percent (Q4 2019: 9.8 percent).

“In the fourth quarter, our business performed better than had been expected over the course of the year and we achieved moderate to strong organic growth in all three regions. Business with automotive customers in particular recovered at the end of the year. Our consistent actions with a focus on protecting our workforce, adapting flexibly to customer needs and strict cost management also had an impact in the fourth quarter,” said Dr. Michael Schneider.

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Earnings for the full year and the margin for 2020 impacted by the corona pandemic

According to preliminary figures, adjusted earnings before interest, taxes and amortization of intangible assets (adjusted EBITA) declined by 62.3 percent compared to the previous year to EUR 54.6 million in fiscal year 2020 (2019: EUR 144.8 million). The adjusted EBITA margin for the full year 2020 was 5.7 percent (2019: 13.2 percent). This includes around EUR 29,1 million in costs for the “Get on track” change program launched in 2019, which are not adjusted for the sake of transparent presentation. The change program includes the optimization of site capacities in all regions, streamlining of the product portfolio and strengthening of the global purchasing organization. From 2023 on, this program is expected to generate annual savings of around EUR 50 million and make NORMA Group more flexible and profitable in the long term.

The economic impact of the corona pandemic was the main reason for the decline in earnings and the margin in fiscal year 2020. In particular, the large-scale economic standstill in Europe and America in the spring of 2020 caused a significant slump in orders. Production was scaled back or, in some cases, completely discontinued at several NORMA Group sites. The recovery of the order situation in the second half of the year could not fully compensate for the decline in the first half of the year.

Strong cash flow and lower net debt

Net operating cash flow in fiscal year 2020 amounted to EUR 78.3 million (2019: EUR 122.9 million). Thanks to consistent management of cash inflows and liquidity-oriented use of financing instruments, the company succeeded in securing its financial stability in an environment that continued to be dominated by uncertainty. NORMA Group lowered its net debt for the third quarter in a row. As of the reporting date of December 31, 2020, total financial liabilities amounted to around EUR 338.4 million (December 31, 2019: EUR 420.8 million).

NORMA Group – preliminary* figures for fiscal year 2020

Financial figures	Fiscal year 2020	Fiscal year 2019	Fiscal year 2018
Income statement	01/01-12/31/2020	01/01-12/31/2019	01/01-12/31/2018
Sales (in EUR millions)	952.2	1,100.1	1,084.1
Adjusted EBITA** (in EUR millions)	54.6	144.8	173.2
Adjusted EBITA margin**	5.7%	13.2%	16.0%
Balance sheet	12/31/2020	12/31/2019	12/31/2018
Net debt*** (in EUR millions)	338.4	420.8	400.3
Equity ratio	41.7%	41.6%	40.9%

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Financial figures	Q4 2020	Q4 2019	Q4 2018
Income statement	10/01-12/31/2020	10/01-12/31/2019	10/01-12/31/2018
Sales (in EUR millions)	261.2	261.4	267.0
Adjusted EBITA (in EUR millions)	21.3	25.5	42.7
Adjusted EBITA margin	8.2%	9.8%	16.0%

* The results contained in this press release are preliminary figures that have not yet been approved by the Supervisory Board or been audited by an external auditor.

** Adjustments in fiscal year 2020 for step-up effects from purchase price allocations (EUR 3.5 million); [fiscal year 2019](#) (p. 148-150), [fiscal year 2018](#) (p. 141-143)

*** Net debt including hedging instruments (hedging instruments in the amount of EUR 1.4 million in fiscal year 2020; EUR 0.9 million in fiscal year 2019; EUR 0.8 million in fiscal year 2018)

Click [here](#) for more information on our financial results. For press photos, please visit our [press area](#).

Further dates

The final financial results for 2020 and the guidance for 2021 will be published on March 24, 2021. Publication of the financial results for the first quarter of fiscal year 2021 is scheduled for May 5, 2021.

Additional information on the company is available at www.normagroup.com. Press photos are available from our platform on www.normagroup.com/images.



Contact

NORMA Group SE
Andreas Trösch
Vice President Investor Relations, Communications & Corporate Responsibility
Email: Andreas.Troesch@normagroup.com
Phone: +49 (0)6181 – 6102 741

Lina Bosbach
Senior Manager Group Communications
Email: Lina.Bosbach@normagroup.com
Phone: +49 (0)6181 – 6102 7606

Marie Wöller
Junior Manager Group Communications
Email: Marie.Woeller@normagroup.com
Phone: +49 (0)6181 – 6102 7604

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About NORMA Group

NORMA Group is an international market leader in engineered and standardized [joining technology and fluid handling systems](#). With around 8,800 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. According to preliminary, unaudited figures, NORMA Group generated sales of around EUR 952 million in 2020. The company has a [global network](#) of 28 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.