

INTERIM STATEMENT

THIRD QUARTER 2019

OVERVIEW OF KEY FIGURES

INTERIM STATEMENT Q3 2019

- 02 Overview of Key Figures in Q3 2019
- 04 Highlights Q1 – Q3 2019
- 06 Course of Business
- 06 Significant Developments
- 07 Consolidated Statement of Comprehensive Income
- 13 Consolidated Statement of Financial Position
- 16 Consolidated Statement of Cash Flows
- 18 Segment Reporting
- 21 Forecast for the Fiscal Year 2019
- 22 Financial Calendar, Contact, Imprint

		Q3 2019 ^{1,2}	Q3 2018 ¹	Q1 – Q3 2019 ^{1,2}	Q1 – Q3 2018 ¹
Order situation					
Order book (Sep 30)	EUR million	–	–	370.2	358.7
Income statement					
Revenue	EUR million	274.0	268.1	838.6	817.1
Gross profit	EUR million	159.0	158.0	487.2	479.2
Adjusted EBITA	EUR million	38.7	42.8	119.3	130.5
Adjusted EBITA margin	%	14.1	16.0	14.2	16.0
EBITA	EUR million	35.0	41.0	104.6	126.4
EBITA margin	%	12.8	15.3	12.5	15.5
Adjusted profit for the period	EUR million	23.3	26.5	74.2	83.4
Adjusted EPS	EUR	0.73	0.83	2.33	2.61
Profit for the period	EUR million	16.4	21.0	51.2	68.9
EPS	EUR	0.52	0.66	1.61	2.16
NORMA Value Added (NOVA)	EUR million	8.1	13.9	29.1	45.1
Cash flow					
Operating cash flow	EUR million	38.4	30.3	75.2	57.5
Cash flow from investing activities	EUR million	–11.3	–84.1	–39.5	–114.1
Cash flow from financing activities	EUR million	–8.1	–39.0	–62.5	23.8
Net operating cash flow	EUR million	37.4	23.0	65.9	39.4
		Sep 30, 2019	Dec 31, 2018		
Balance sheet					
Total assets	EUR million	1,553.7	1,471.7		
Equity	EUR million	634.9	602.4		
Equity ratio	%	40.9	40.9		
Net debt ³	EUR million	462.9	399.6		
Employees					
Core workforce		6,665	6,901		
		Q1 – Q3 2019	Q1 – Q3 2019		
Non-financial control parameters					
Number of invention applications		17	28		
Defective parts per million (PPM)		7	7		
Quality-related customer complaints per month		6	7		
Share data					
IPO		April 2011			
Stock exchange		Frankfurter Stock Exchange, Xetra			
Market segment		Regulated Market (Prime Standard), SDAX			
ISIN		DE000A1H8BV3			
Security identification number/ticker symbol		A1H8BV/NOEJ			
Highest price Q3 2019 ⁴	EUR	36.42			
Lowest price Q3 2019 ⁴	EUR	26.68			
Closing price as of Sep 30, 2019 ⁴	EUR	31.82			
Market capitalization as of Sep 30, 2019 ⁴	EUR million	1,013.9			
Number of shares		31,862,400			

1_Adjustments are described on ► PAGE 08.

2_Including effects from the first-time adoption of IFRS 16.

3_Excluding derivative financial instruments.

4_Xetra price



CONTENTS

02	Overview of Key Figures in Q3 2019
04	Highlights Q1 – Q3 2019
06	Course of Business
06	Significant Developments
07	Consolidated Statement of Comprehensive Income
13	Consolidated Statement of Financial Position
16	Consolidated Statement of Cash Flows
18	Segment Reporting
21	Forecast for the Fiscal Year 2019
22	Financial Calendar, Contact, Imprint

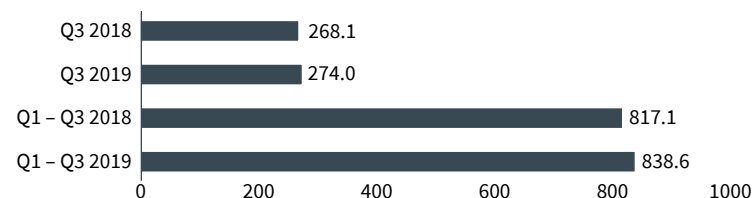
Overview of Key Figures	02
Highlights Q1 – Q3 2019	04
Course of Business	06
Significant Developments	06
Consolidated Statement of Comprehensive Income	07
Adjustments	08
Effects of the First-time Adoption of IFRS 16	09
Notes on Sales and Earnings Development	09
Consolidated Statement of Financial Position	13
Notes to the Financial and Asset Position	14
Consolidated Statement of Cash Flows	16
Notes to the Consolidated Statement of Cash Flows	17
Segment Reporting	18
Notes to Segment Development	19
Forecast for the Fiscal Year 2019	21
Financial Calendar, Contact, Imprint	22

- 02 Overview of Key Figures in Q3 2019
- 04 Highlights Q1 – Q3 2019
- 06 Course of Business
- 06 Significant Developments
- 07 Consolidated Statement of Comprehensive Income
- 13 Consolidated Statement of Financial Position
- 16 Consolidated Statement of Cash Flows
- 18 Segment Reporting
- 21 Forecast for the Fiscal Year 2019
- 22 Financial Calendar, Contact, Imprint

HIGHLIGHTS Q1 – Q3 2019 ¹

DEVELOPMENT OF SALES Q1 – Q3 2019

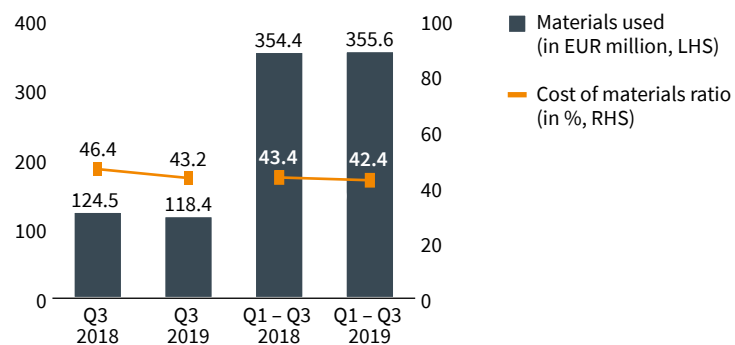
IN EUR MILLION



EFFECTS ON GROUP SALES

	in EUR million	Share in %
Group sales Q1 – Q3 2018	817.1	
Organic growth	-12.9	-1.6
Acquisitions	13.3	1.6
Currency effects	21.1	2.6
Group sales Q1 – Q3 2019	838.6	2.6

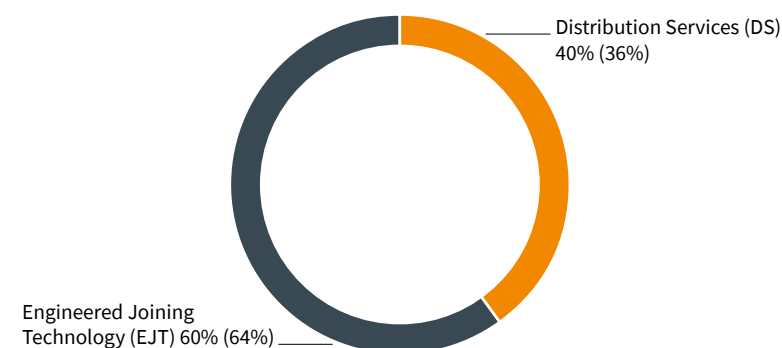
COSTS OF MATERIALS AND COST OF MATERIALS RATIO



¹ Adjustments are described on ► PAGE 08.

DISTRIBUTION OF SALES BY SALES CHANNELS

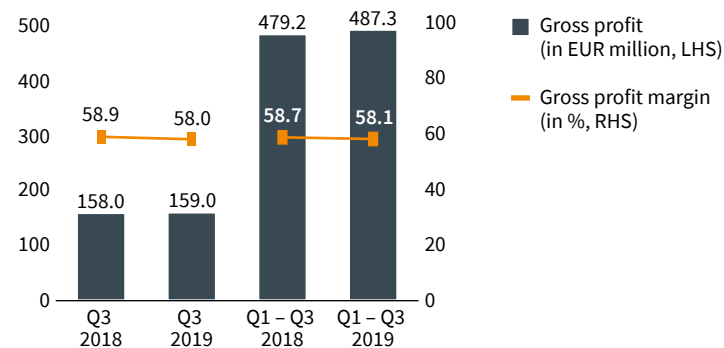
IN %, PRIOR-YEAR IN BRACKETS



DEVELOPMENT OF SALES CHANNELS

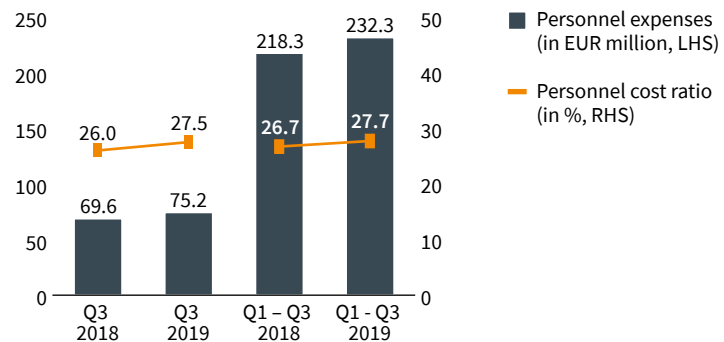
	Engineered Joining Technology (EJT)		Distribution Services (DS)	
	Q1 – Q3 2019	Q1 – Q3 2018	Q1 – Q3 2019	Q1 – Q3 2018
Group sales (in EUR million)	504.7	517.9	330.3	295.1
Growth (in %)	-2.6		11.9	
Share of sales (in %)	60.4	63.7	39.6	36.3

GROSS PROFIT AND GROSS PROFIT MARGIN

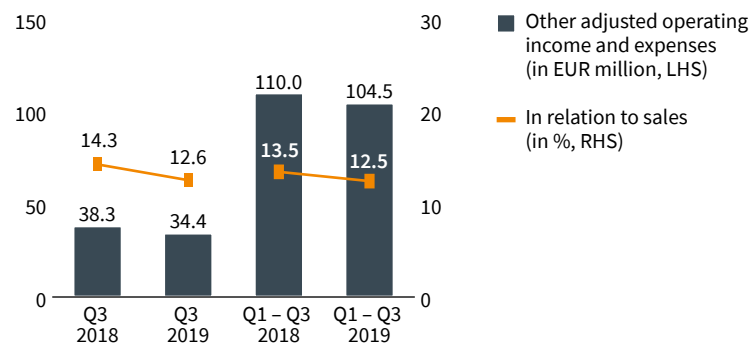


- 02 Overview of Key Figures in Q3 2019
- 04 Highlights Q1 – Q3 2019
- 06 Course of Business
- 06 Significant Developments
- 07 Consolidated Statement of Comprehensive Income
- 13 Consolidated Statement of Financial Position
- 16 Consolidated Statement of Cash Flows
- 18 Segment Reporting
- 21 Forecast for the Fiscal Year 2019
- 22 Financial Calendar, Contact, Imprint

ADJUSTED PERSONNEL EXPENSES AND PERSONNEL COST RATIO ¹



NET EXPENSES FROM ADJUSTED OTHER OPERATING INCOME AND EXPENSES AS WELL AS IN RELATION TO SALES ^{1,2}



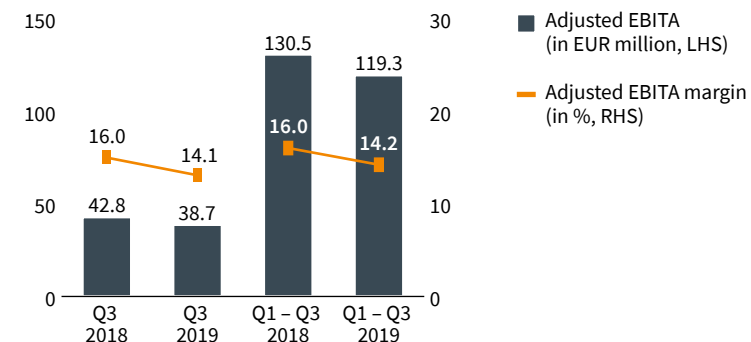
NET OPERATING CASH FLOW ²

IN EUR MILLION	Q1 – Q3 2019	Q1 – Q3 2019
Adjusted EBITDA	150.6	151.0
Change in working capital	-49.9	-67.2
Investments from operating business	-34.7	-44.4
Net operating cash flow	65.9	39.4

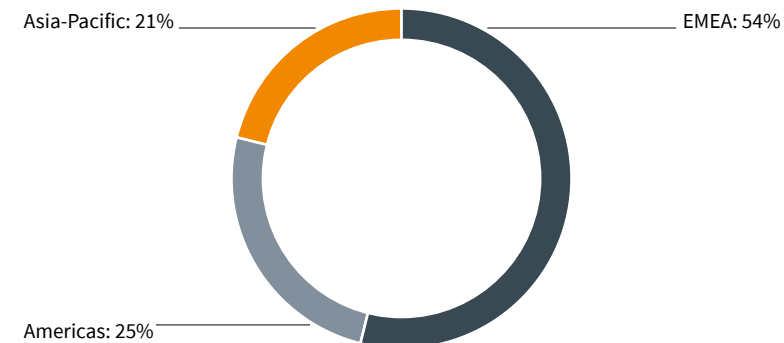
¹ Adjustments are described on ► PAGE 08.

² Including the positive effect of EUR 8.5 million due to the first-time adoption of IFRS 16.

ADJUSTED EBITA AND ADJUSTED EBITA MARGIN ¹



CORE WORKFORCE BY SEGMENT



02	Overview of Key Figures in Q3 2019
04	Highlights Q1 – Q3 2019
06	Course of Business
06	Significant Developments
07	Consolidated Statement of Comprehensive Income
13	Consolidated Statement of Financial Position
16	Consolidated Statement of Cash Flows
18	Segment Reporting
21	Forecast for the Fiscal Year 2019
22	Financial Calendar, Contact, Imprint

COURSE OF BUSINESS

In the first nine months of 2019, NORMA Group recorded Group sales of EUR 838.6 million. Compared to the same period of the prior-year, this represents a 2.6% increase in sales.

Organic Group sales declined by 1.6%, however this was offset by acquisition-related growth of 1.6% and positive exchange rate effects of 2.6%. Due in part to strikes at major US customers in the passenger car and truck sectors, the Group's organic growth fell short of expectations both in the Americas as well as in the EMEA and Asia-Pacific regions.

For this reason and following the revision of its forecast on July 19, 2019, NORMA Group's Management Board lowered its expectations for organic growth and also for NORMA Value Added (NOVA) in fiscal year 2019 as a whole on October 17, 2019.

However, the adjusted EBITA margin in the third quarter of the fiscal year was at 14.1% and thus above the guidance of more than 13% issued in July.

Further information on the revision communicated on October 17, 2019, and on the other components of the guidance given in the 2018 Annual Report can be found in the table on page 21. ► **FORECAST, P. 21**

SIGNIFICANT DEVELOPMENTS

In February 2019, the Management Board announced the implementation of a rightsizing program aimed at the long-term optimization of Group structures. More detailed information can be found in the 2018 Annual Report. The statements made there remain valid. ► **2018 ANNUAL REPORT, P. 44**

The measures already implemented and planned are expected to result in a positive contribution to earnings (adjusted EBITA) of around EUR 10 million to EUR 15 million annually from 2021 on. The Management Board estimates the total costs of the project to be around EUR 10 million to EUR 15 million, spread out over a period of approximately two years. Costs of EUR 13.9 million have already been incurred. The costs incurred within the framework of the project are shown adjusted. ► **ADJUSTMENTS, P. 08**

Personnel changes in the Management Board

On July 31, 2019, Bernd Kleinhens resigned from office as CEO of NORMA Group after one and a half years and left the Company by mutual agreement. In addition to his function as Chief Financial Officer, Dr. Michael Schneider took over the duties of CEO on an interim basis. The Supervisory Board initiated a process aimed at defining a final solution for filling the position of Chairman of the Management Board.

Significant Events after the reporting Date

On November 5, 2019, the Supervisory Board of NORMA Group SE has approved a change program "Get on track", as resolved by the Management Board. The aim of this program is to increase NORMA Groups' profitability and flexibility.

It includes the optimization of site capacities across all regions, a streamlining of the product portfolio, in particular through an active portfolio management, as well as improvements in purchasing.

The change program should result in cost savings starting in 2020, which shall increase until 2023 to annually EUR 40 million to EUR 45 million. The accumulated total cost volume for the implementation of the measures is expected to be around EUR 45 million to EUR 50 million until 2023. The costs incurred in the program will be shown on an unadjusted basis.

The program "Get on track" includes measures that go beyond the "Rightsizing program" already communicated.

INTERIM STATEMENT
Q3 2019

- 02 Overview of Key Figures in Q3 2019
- 04 Highlights Q1 – Q3 2019
- 06 Course of Business
- 06 Significant Developments
- 07 Consolidated Statement of Comprehensive Income
- 13 Consolidated Statement of Financial Position
- 16 Consolidated Statement of Cash Flows
- 18 Segment Reporting
- 21 Forecast for the Fiscal Year 2019
- 22 Financial Calendar, Contact, Imprint

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from January 1 to September 31, 2019

IN EUR THOUSANDS	Q3 2019	Q3 2018	Q1 – Q3 2019	Q1 – Q3 2018
Revenue	273,978	268,126	838,648	817,110
Changes in inventories of finished goods and work in progress	2,233	12,460	525	12,903
Other own work capitalized	1,182	1,872	3,735	3,619
Raw materials and consumables used	-118,542	-124,704	-355,687	-354,635
Gross profit	158,851	157,754	487,221	478,997
Other operating income	3,040	2,219	9,340	10,272
Other operating expenses	-38,741	-40,898	-116,549	-121,292
Employee benefits expense	-76,672	-69,650	-241,482	-218,277
Depreciation and amortization	-19,332	-16,126	-57,106	-44,666
Operating profit	27,146	33,299	81,424	105,034
Financial income	285	124	774	552
Financial costs	-4,220	-4,069	-11,993	-10,619
Financial costs – net	-3,935	-3,945	-11,219	-10,067
Profit before income tax	23,211	29,354	70,205	94,967
Income taxes	-6,836	-8,322	-19,055	-26,042
Profit for the period	16,375	21,032	51,150	68,925
Other comprehensive income for the period, net of tax				
Other comprehensive income that can be reclassified to profit or loss, net of tax	16,114	-1,350	18,384	5,751
Exchange differences on translation of foreign operations	16,353	-1,975	20,286	4,098
Cash flow hedges, net of tax	-239	625	-1,902	1,653
Costs of hedging, net of tax	-53	0	33	0
Other comprehensive income that cannot be reclassified to profit or loss, net of tax	-41	8	-19	8
Remeasurements of post-employment benefit obligations, net of tax	-41	8	-19	8
Other comprehensive income for the period, net of tax	16,073	-1,342	18,365	5,759
Total comprehensive income for the period	32,362	19,690	69,515	74,684
Profit attributable to				
Shareholders of the parent	16,419	21,029	51,221	68,784
Non-controlling interests	-44	3	-71	141
	16,375	21,032	51,150	68,925
Total comprehensive income attributable to				
Shareholders of the parent	32,581	19,812	69,699	74,651
Non-controlling interests	-219	-122	-184	33
	32,262	19,690	69,515	74,684
(Un)diluted earnings per share (in EUR)	0.52	0.66	1.61	2.16
Diluted earnings per share (in EUR)	0.52	0.66	1.61	2.16

02	Overview of Key Figures in Q3 2019
04	Highlights Q1 – Q3 2019
06	Course of Business
06	Significant Developments
07	Consolidated Statement of Comprehensive Income
13	Consolidated Statement of Financial Position
16	Consolidated Statement of Cash Flows
18	Segment Reporting
21	Forecast for the Fiscal Year 2019
22	Financial Calendar, Contact, Imprint

ADJUSTMENTS

NORMA Group adjusts certain expenses for the operational management of the Company. The adjusted results presented in the following reflect the management's view.

In the first nine months of 2019, net expenses totaling EUR 12.1 million (Q1 – Q3 2018: EUR 1.3 million) were adjusted within EBITDA. These mainly relate to other operating expenses (EUR 2.7 million) and expenses for employee benefits (EUR 9.2 million) in connection with the rightsizing project initiated in the fourth quarter of 2018 to optimize Group structures.

In addition, expenses for integration costs in connection with the acquisitions of Kimplas and Statek (EUR 310 thousand) were also adjusted within other operating expenses and employee benefit expenses (EUR 53 thousand).

Furthermore, in the period from January to September 2019 depreciation on property, plant and equipment from purchase price allocations amounting to EUR 2.6 million (Q1 – Q3 2018: EUR 2.9 million) was adjusted within EBITA (earnings before interest, taxes and amortization of intangible assets) and amortization of intangible assets from purchase price allocations amounting to EUR 16.8 million (Q1 – Q3 2018: EUR 15.2 million) was adjusted within EBIT.

Notional income taxes resulting from the adjustments are calculated using the tax rates of the respective local companies concerned and included in adjusted earnings after taxes.

The following table shows earnings adjusted for these effects:

ADJUSTMENTS ¹

IN EUR THOUSANDS	Q1 – Q3 2019 unadjusted	Total adjustments	Q1 – Q3 2019 adjusted
Revenue	838,648	0	838,648
Changes in inventories of finished goods and work in progress	525	0	525
Other own work capitalized	3,735	0	3,735
Raw materials and consumables used	- 355,687	117	- 355,570
Gross profit	487,221	117	487,338
Other operating income and expenses	- 107,209	2,748	- 104,461
Employee benefits expense	- 241,482	9,229	- 232,253
EBITDA	138,530	12,094	150,624
Depreciation	- 33,890	2,551	- 31,339
EBITA	104,640	14,645	119,285
Amortization	- 23,216	16,838	- 6,378
Operating profit (EBIT)	81,424	31,483	112,907
Financial costs – net	- 11,219	0	- 11,219
Profit before income tax	70,205	31,483	101,688
Income taxes	- 19,055	- 8,459	- 27,514
Profit for the period	51,150	23,024	74,174
Non-controlling interests	- 71	0	- 71
Profit attributable to shareholders of the parent	51,221	23,024	74,245
Earnings per share (in EUR)	1.61	0.72	2.33

¹ Deviations in decimal places may occur due to commercial rounding.

02	Overview of Key Figures in Q3 2019
04	Highlights Q1 – Q3 2019
06	Course of Business
06	Significant Developments
07	Consolidated Statement of Comprehensive Income
13	Consolidated Statement of Financial Position
16	Consolidated Statement of Cash Flows
18	Segment Reporting
21	Forecast for the Fiscal Year 2019
22	Financial Calendar, Contact, Imprint

EFFECTS FROM FIRST-TIME ADOPTION OF IFRS 16

Due to the first-time adoption of IFRS 16 since January 1, 2019, the Consolidated Financial Statements of NORMA Group have been subject to changeover effects in the following areas. The effects of the first-time adoption of IFRS 16 on the Consolidated Balance Sheet as of January 1, 2019, and the effects on the Consolidated Statement of Comprehensive Income for the period from January 1, 2019, to September 31, 2019, are as follows:

EFFECTS FROM THE FIRST-TIME ADOPTION OF IFRS 16 ON KEY FINANCIAL CONTROL PARAMETERS ¹

IN EUR MILLION	Q1 – Q3 2019 adjusted	Effects of IFRS 16	Q1 – Q3 2019 adjusted without IFRS 16
Adjusted EBITA	119.3	0.9	118.4
Adjusted EBITA margin (in %)	14.2	0.1	14.1
Net operating cash flow	65.9	8.5	57.4
in % related to revenue	7.9	1.0	6.9
NORMA VALUE ADDED (NOVA)	29.1	0.6	28.5

¹ Deviations may occur due to commercial rounding.

NOTES TO THE DEVELOPMENT OF SALES AND EARNINGS

ORDER BACKLOG REMAINS AT A HIGH LEVEL

As of September 30, 2019, NORMA Group's order backlog totaled EUR 370.2 million and was thus EUR 11.5 million higher than in the prior-year period (September 30, 2018: EUR 358.7 million).

ORGANIC SALES DECLINE IN Q1 – Q3 2019

Group sales in the period from January to September amounted to EUR 838.6 million and were thus 2.6% above the level of the same period of the prior-year (Q1 – Q3 2018: EUR 817.1 million). Organic sales declined by 1.6%. However this was offset by positive effects from acquisitions in the amount of 1.6%. Translation effects from changes in exchange rates contributed 2.6% to Group sales in the first nine months of 2019.

In the third quarter of 2019, NORMA Group's sales revenues amounted to EUR 274.0 million, an increase of 2.2% compared to the same quarter of the prior-year (Q3 2018: EUR 268.1 million). At a nearly flattish development (–0.1%), organic sales improved slightly compared to the second quarter (–0.4%). The acquisitions of Kimplas and Statek contributed 0.2% or EUR 0.4 million to Group sales in the third quarter. Translation effects from currency translation were weaker than in the second quarter of 2019, but still had a positive impact of EUR 5.7 million or 2.1%.

The EJT business in Asia-Pacific had a positive effect, recording solid organic growth in the third quarter following a strong organic decline in the second quarter of 2019. EJT's organic sales also stabilized in the EMEA region, while the Americas showed a significant decline.

GROWTH IN BOTH SALES CHANNELS ACQUISITION- AND CURRENCY-DRIVEN

The DS division generated sales of EUR 106.9 million in the third quarter of 2019, (Q3 2018: EUR 102.8 million). This includes organic growth of 0.8% due to the solid organic growth of the Americas region and, in particular, NDS' strong water business. In the EMEA and Asia-Pacific regions, on the other hand, organic sales in the DS division fell noticeably. Beyond that, sales of Kimplas and Statek contributed slightly positively to growth in the DS division with 0.3%. Currency effects also had a positive impact of 2.8%.

Based on the first nine months of fiscal year 2019, the DS division recorded solid organic growth of EUR 11.3 million or 3.8% across all regions (Q1 – Q3 2018: EUR 13.1 million). Effects from currency translation contributed EUR 11.1 million or 3.8% (Q1 – Q3 2018: EUR – 14.4 million) to the growth of the DS division, while the effects of acquisitions added EUR 12.8 million or 4.3% (Q1 – Q3 2018: EUR 10.2 million).

By contrast, the EJT business continued to develop cautiously in the third quarter, in part due to strikes at major US customers in the passenger car and truck sectors. At EUR 166.0 million, sales in the months of July to September were nearly at the same level as in the same period of the prior-year (Q3 2018: EUR 164.5 million). Organic sales amounted to EUR –1.3 million and thus declined slightly by 0.8%. Exchange rate effects in the amount of EUR 2.8 million had a positive impact of 1.7% on sales of the EJT division.

02	Overview of Key Figures in Q3 2019
04	Highlights Q1 – Q3 2019
06	Course of Business
06	Significant Developments
07	Consolidated Statement of Comprehensive Income
13	Consolidated Statement of Financial Position
16	Consolidated Statement of Cash Flows
18	Segment Reporting
21	Forecast for the Fiscal Year 2019
22	Financial Calendar, Contact, Imprint

For the months January to September of 2019, the EJT division recorded a noticeable decline in organic sales of EUR – 23.1 million or – 4.5% to EUR 504.7 million (Q1 – Q3 2018: EUR 571.9 million). This was partially offset by effects from currency translation amounting to EUR 9.9 million or 1.9%.

MATERIAL PRICES AND COST OF MATERIALS RATIO

Steel prices were highly volatile during the reporting period, while nickel prices rose. Prices for plastic components remained stable, but remained at a high level.

Adjusted cost of materials amounted to EUR 355.6 million in the first nine months of 2019, with the cost of raw materials almost at the level of the prior-year period (Q1 – Q3 2018: EUR 354.4 million). This resulted in a lower cost of materials ratio – cost of materials in percent of sales – of 42.4% (Q1 – Q3 2018: 43.4%) compared to the same period of the prior-year. The reason for this is the high basis for comparison due to a build-up of finished and unfinished products in the prior-year.

In the period from January to September 2019, the ratio of cost of materials to total operating performance (sales plus changes in inventories and other own work capitalized) was 42.2% (Q1 – Q3 2018: 42.5%).

GROSS MARGIN SLIGHTLY DOWN ON THE PRIOR-YEAR

Gross profit (sales less cost of materials plus changes in inventories and other own work capitalized) amounted to EUR 487.3 million in the first three quarters of 2019, up 1.7% from EUR 479.2 million in the prior-year. The resulting gross margin deteriorated slightly to 58.1% (Q1 – Q3 2018: 58.7%).

Gross profit was also influenced by a lower build-up of inventories of finished goods and work in progress compared to the prior-year. This amounted to EUR 0.5 million in the first nine months of 2019 (Q1 – Q3 2018: EUR 12.9 million). The reasons for this were the maintenance of safety reserves against the back-drop of the uncertain outcome of the Brexit negotiations, pre-production due to the pending relocation of production as part of the rightsizing project, and NDS's good water business in the prior-year.

In the third quarter of 2019, NORMA Group achieved a gross profit of EUR 159.0 million, an increase of 0.6% over the prior-year (Q3 2018: EUR 158.0 million). The gross margin was 58.0% in the third quarter of 2019, compared to 58.9% in the same quarter of the prior-year.

HIGHER ADJUSTED PERSONNEL COST RATIO

As of September 30, 2019, NORMA Group employed 8,731 people worldwide, including temporary workers (September 30, 2018: 9,055). Of these, 6,665 employees are attributable to the core workforce (September 30, 2018: 6,925). Accordingly, the total number of workers decreased by 3.6% compared to the prior-year. The number of employees attributable to the core workforce fell by 3.8% compared to the prior-year.

In the third quarter of 2019, adjusted personnel expenses totaled EUR 75.2 million. This represents an increase of 8.0% compared to the third quarter of 2018 (EUR 69.6 million). The adjusted personnel cost ratio in the third quarter was 27.5% (Q3 2018: 26.0%).

Adjusted employee benefit expenses amounted to EUR 232.3 million in the first three quarters of 2019, an increase of 6.4% compared to the same period of the prior-year (Q1 – Q3 2018: EUR 218.3 million). The resulting personnel expense ratio was 27.7%, an increase compared to the prior-year quarter (Q1 2018: 26.7%). The reasons for this include compensation payments to a Management Board member who resigned and the reduction in bonus payments for employees in the prior-year. In addition, a not used flexibility in personnel structures due to previously higher sales expectation, especially in EMEA and Asia-Pacific, also had a negative impact.

In the EMEA region, the number of employees fell by 4.3%, and the permanent workforce in the Americas region was also lower as of September 30, 2019, than at the same time last year (– 7.2%). Only in the Asia-Pacific region there were 2.5% more permanent employees as of September 30, 2019.

DEVELOPMENT OF PERSONNEL FIGURES

	Sep 30, 2019	Sep 30, 2018
EMEA	3,614	3,776
Americas	1,680	1,811
Asia-Pacific	1,371	1,338
Employees excluding temporary workers	6,665	6,925
Temporary workers	2,066	2,130
Employees including temporary workers	8,731	9,055

- 02 Overview of Key Figures in Q3 2019
- 04 Highlights Q1 – Q3 2019
- 06 Course of Business
- 06 Significant Developments
- 07 Consolidated Statement of Comprehensive Income
- 13 Consolidated Statement of Financial Position
- 16 Consolidated Statement of Cash Flows
- 18 Segment Reporting
- 21 Forecast for the Fiscal Year 2019
- 22 Financial Calendar, Contact, Imprint

ADJUSTED OTHER OPERATING INCOME AND EXPENSES DOWN

The balance of adjusted other operating income and expenses amounted to EUR – 104.5 million in the first nine months of 2019 and thus improved by 5.0% compared to the prior-year's level (Q1 – Q3 2018: EUR – 110.0 million). The ratio of adjusted other operating income and expenses to sales revenues in the first nine months of the current fiscal year was 12.5% (Q1 – Q3 2018: 13.5%). In particular, the first-time application of IFRS 16 had a positive impact of EUR 8.5 million on other operating expenses.

Other operating income includes in particular currency gains from operating activities of EUR 4.7 million (Q1 – Q3 2018: EUR 5.3 million) and income from the reversal of provisions and liabilities of EUR 1.8 million (Q1 – Q3 2018: EUR 2.2 million). Other operating expenses include currency losses of EUR 4.3 million (Q1 – Q3 2018: EUR 6.4 million).

In the third quarter of 2019, adjusted other operating income and expenses amounted to EUR – 34.4 million (Q3 2018: EUR – 38.3 million). This results in a ratio in relation to sales of 12.6% (Q3 2018: 14.3%).

OPERATING RESULT AND MARGIN NEGATIVELY IMPACTED BY HIGHER PERSONNEL COSTS

Adjusted EBITDA amounted to EUR 150.6 million in the first nine months of 2019, almost unchanged from the prior year at – 0.2% (Q1 – Q3 2018: EUR 151.0 million). The adjusted EBITDA margin for the reporting period was 18.0% (Q1 – Q3 2018: 18.5%). Adjusted EBITDA includes a positive effect of EUR 8.5 million from the first-time adoption of IFRS 16. In the third quarter, adjusted EBITDA amounted to EUR 49.4 million (Q3 2018: EUR 50.1 million) and the adjusted EBITDA margin to 18.0% (Q3 2018: 18.7%).

Unadjusted EBITDA in the months January to September 2019 amounted to EUR 138.5 million (Q1 – Q3 2018: EUR 149.7 million). The resulting EBITDA margin was 16.5% (Q1 – Q3 2018: 18.3%). In the third quarter, unadjusted EBITDA amounted to EUR 46.5 million (Q3 2018: EUR 49.4 million) and the unadjusted EBITDA margin to 17.0% (Q3 2018: 18.4%).

Adjusted EBITA decreased by 8.6% to EUR 119.3 million in the first nine months of 2019 (Q1 – Q3 2018: EUR 130.5 million). The adjusted EBITA margin was 14.2% (Q1 – Q3 2018: 16.0%). In the third quarter, adjusted EBITA amounted to EUR 38.7 million (Q3 2018: EUR 42.8 million) and the adjusted EBITA margin to 14.1% (Q3 2018: 16.0%).

At an unadjusted EBITA of EUR 104.6 million (Q1 – Q3 2018: EUR 126.4 million), the unadjusted EBITA margin reached 12.5% (Q1 – Q3 2018: 15.5%). In the third

quarter, unadjusted EBITA amounted to EUR 35.0 million (Q3 2018: EUR 41.0 million) and the adjusted EBITA margin to 12.8% (Q3 2018: 15.3%).

The main reasons for the decline in margins were the significantly lower production volumes in the automotive industry, the resulting sales revenue losses in all three regional segments as well as the disproportionately high increase in personnel costs and costs resulting from the introduction of an ERP system at a site in Latin America.

NORMA VALUE ADDED (NOVA)

NORMA Value Added (NOVA) amounted to EUR 29.1 million in the first three quarters of 2019, a noticeable year-on-year decline (Q1 – Q3 2018: EUR 45.1 million). This was due to the weaker adjusted EBIT and the increase in capital employed due to the acquisitions made in the prior fiscal year.

FINANCIAL RESULT

The financial result in the months January to September 2019 amounted to EUR – 11.2 million and thus deteriorated by 11.4% compared to the prior-year (Q1 – Q3 2018: EUR – 10.1 million). This is due in particular to interest expenses from finance leases of EUR – 1.0 million (Q1 – Q3 2018: EUR 0.0 million) and other financial expenses of EUR – 0.9 million (Q1 – Q3 2018: EUR – 0.7 million).

Net interest expense decreased by EUR 0.2 million year-on-year to EUR 9.6 million in the months January to September 2019 (Q1 – Q3 2018: EUR 9.8 million). In addition, changes in exchange rates had a positive effect of EUR 0.3 million on the financial result in the first nine months of 2019 (Q1 – Q3 2018: EUR 0.5 million).

At EUR 3.9 million, the financial result of the third quarter 2019 was at the same level as the prior-year (Q3 2018: EUR 3.9 million).

ADJUSTED INCOME TAXES AND TAX RATE

Adjusted income taxes for the period January to September 2019 amounted to EUR 27.5 million (Q1 – Q3 2018: EUR 31.0 million). Measured against adjusted pre-tax earnings of EUR 101.7 million (Q1 – Q3 2018: EUR 114.4 million), the tax rate was 27.1% (Q1 – Q3 2018: 27.1%).

In the third quarter of 2019, adjusted income taxes amounted to EUR 9.3 million (Q3 2018: EUR 10.0 million), representing a tax rate of 28.5% (Q3 2018: 27.4%) measured against an adjusted pre-tax result of EUR 32.6 million (Q3 2018: EUR 36.5 million).

INTERIM STATEMENT Q3 2019

- 02 Overview of Key Figures
in Q3 2019
- 04 Highlights
Q1 – Q3 2019
- 06 Course of Business
- 06 Significant Developments
- 07 Consolidated Statement
of Comprehensive
Income
- 13 Consolidated Statement
of Financial Position
- 16 Consolidated Statement
of Cash Flows
- 18 Segment Reporting
- 21 Forecast for the Fiscal
Year 2019
- 22 Financial Calendar,
Contact, Imprint

ADJUSTED EARNINGS FOR THE PERIOD AND ADJUSTED EARNINGS PER SHARE LOWER

Adjusted profit for the period (after taxes) amounted to EUR 74.2 million in the current reporting period and was thus 11.1% below the prior-year's level (Q1–Q3 2018: EUR 83.4 million). Based on an unchanged number of 31,862,400 shares, adjusted earnings per share of EUR 2.33 for the nine-month period were 10.8% below the prior-year figure (Q1–Q3 2018: EUR 2.61).

In the third quarter, the adjusted result for the period was EUR 23.3 million (Q3 2018: EUR 26.5 million). This represents a decrease of 12.3% compared to the prior- year. At EUR 0.73 or 12.1%, the resulting adjusted earnings per share also fell short of the prior-year quarter (Q3 2018: EUR 0.83).

At EUR 51.2 million, the unadjusted result for the nine-month period was 25.5% below the result for the same period last year (Q1–Q3 2018: EUR 68.8 million). The unadjusted earnings per share amounted to EUR 1.61 (Q1–Q3 2018: EUR 2.16) and thus fell by 25.6%.

The unadjusted result for the third quarter of 2019, at EUR 16.4 million, was 21.9% below the prior-year quarter (Q3 2018: EUR 21.0 million) as well as the unadjusted earnings per share at EUR 0.52 (Q3 2018: EUR 0.66).

02	Overview of Key Figures in Q3 2019
04	Highlights Q1 – Q3 2019
06	Course of Business
06	Significant Developments
07	Consolidated Statement of Comprehensive Income
13	Consolidated Statement of Financial Position
16	Consolidated Statement of Cash Flows
18	Segment Reporting
21	Forecast for the Fiscal Year 2019
22	Financial Calendar, Contact, Imprint

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

IN EUR THOUSANDS	Sep 30, 2019	Dec 31, 2018	Sep 30, 2018
Non-current assets			
Goodwill	398,834	389,505	404,832
Other intangible assets	277,561	283,394	262,972
Property, plant and equipment	286,968	243,326	234,671
Other non-financial assets	3,360	2,404	2,326
Derivative financial assets	476	2,180	3,836
Income tax assets	1,143	878	903
Deferred income tax assets	7,636	6,571	3,926
	975,978	928,258	913,466
Current assets			
Inventories	183,088	178,107	186,020
Other non-financial assets	24,678	17,984	18,717
Other financial assets	1,966	5,231	1,195
Derivative financial assets	133	584	220
Income tax assets	9,835	6,807	5,969
Trade and other receivables	189,153	143,138	185,057
Contract assets	1,174	1,185	1,051
Cash and cash equivalents	167,733	190,392	122,809
	577,760	543,428	521,038
Total assets	1,553,738	1,471,686	1,434,504

EQUITY AND LIABILITIES

IN EUR THOUSANDS	Sep 30, 2019	Dec 31, 2018	Sep 30, 2018
Equity attributable to equity holders of the parent			
Subscribed capital	31,862	31,862	31,862
Capital reserve	210,323	210,323	210,323
Other reserves	21,047	2,517	-2,505
Retained earnings	370,152	356,022	333,121
Equity attributable to shareholders	633,384	600,724	572,801
Non-controlling interests	1,489	1,717	1,963
Total equity	634,873	602,441	574,764
Liabilities			
Non-current liabilities			
Retirement benefit obligations	13,644	12,804	12,103
Provisions	6,369	7,260	8,827
Borrowings	430,774	455,759	561,995
Other non-financial liabilities	361	431	440
Contract liabilities	119	149	0
Lease liabilities	31,278	0	0
Other financial liabilities	2,017	1,992	4,163
Derivative financial liabilities	878	605	683
Deferred income tax liabilities	72,711	73,099	68,875
	558,151	552,099	657,086
Current liabilities			
Provisions	10,144	8,750	9,194
Borrowings	147,679	113,332	8,628
Other non-financial liabilities	43,296	26,984	36,162
Contract liabilities	744	453	1,191
Lease liabilities	8,508	0	0
Other financial liabilities	10,366	18,866	4,951
Derivative financial liabilities	424	153	199
Income tax liabilities	5,691	6,580	6,536
Trade and other payables	133,862	142,028	135,793
	360,714	317,146	202,654
Total liabilities	918,865	869,245	859,740
Total equity and liabilities	1,553,738	1,471,686	1,434,504

- 02 Overview of Key Figures in Q3 2019
- 04 Highlights Q1 – Q3 2019
- 06 Course of Business
- 06 Significant Developments
- 07 Consolidated Statement of Comprehensive Income
- 13 Consolidated Statement of Financial Position
- 16 Consolidated Statement of Cash Flows
- 18 Segment Reporting
- 21 Forecast for the Fiscal Year 2019
- 22 Financial Calendar, Contact, Imprint

NOTES TO THE FINANCIAL AND ASSET POSITION

TOTAL ASSETS

Total assets amounted to EUR 1,553.7 million as of September 30, 2019, an increase of 5.6% compared to the end of 2018 (Dec 31, 2018: EUR 1,471.7 million). Compared to September 30, 2018 (EUR 1,434.5 million), total assets increased by 8.3%.

FIXED ASSETS

Non-current assets amounted to EUR 976.0 million as of September 30, 2019, an increase of 5.1% compared to the end of 2018 (Dec 31, 2018: EUR 928.3 million). The main reason for this development is an increase in property, plant and equipment, which is attributable in particular to the rights of use from operating leases (RoU assets) to be capitalized for the first time in connection with the first-time adoption of IFRS 16 (Leases). In addition, positive currency effects as of the reporting date as well as investments in fixed assets in the period from January to September 2019 increased property, plant and equipment. Non-current assets accounted for 62.8% of total assets as of September 30, 2019 (Dec 31, 2018: 63.1%).

A total of EUR 36.2 million was invested in fixed assets in the period from January to September 2019 (Q1 – Q3 2018: EUR 44.4 million). In addition, EUR 11.1 million were recognized as additions to fixed assets for the capitalization of RoU assets for leased land and buildings. Capital expenditure included EUR 3.7 million in own work capitalized (Q1 – Q3 2018: EUR 3.6 million). In the first nine months of the year, investment activities focused on Germany, Serbia, the UK, Poland, France, China, India, the US and Mexico. There were no significant disposals.

Current assets amounted to EUR 577.8 million on the balance sheet date and thus increased slightly by 6.3% compared to the end of 2018 (Dec 31, 2018: EUR 543.4 million). The increase is due in particular to an increase in trade receivables (+ 32.1%). In contrast, cash and cash equivalents decreased (– 11.9%). Current assets increased by 10.9% compared to the prior-year's reporting date (September 30, 2018: EUR 521.0 million). This development was primarily due to a significant increase in cash and cash equivalents (+ 36.6%).

Cash and cash equivalents amounted to EUR 167.7 million as of September 30, 2019 (Dec 31, 2018: EUR 190.4 million). Current assets accounted for 37.2% of total assets as of September 30, 2019 (Dec 31, 2018: 36.9%).

RISE IN (TRADE) WORKING CAPITAL

Trade working capital (inventories plus trade receivables minus trade payables) amounted to EUR 238.4 million as of September 30, 2019, up 33.0% on the figure at the end of 2018 (Dec 31, 2018: EUR 179.2 million) due to seasonal factors. In addition to the increase in trade receivables, the main driver here was a decrease in trade payables and similar liabilities compared to the end of 2018 (September 30, 2019: EUR 133.9 million; Dec 31, 2018: EUR 142.0 million).

Compared to the prior-year (September 30, 2018: EUR 235.3 million), trade working capital increased by 1.3%.

EQUITY RATIO ONCE AGAIN AT A HIGH LEVEL

Group equity amounted to EUR 634.9 million as of September 30, 2019. This represents an increase of 5.4% compared to the end of 2018 (Dec 31, 2018: EUR 602.4 million). The equity ratio was 40.9% as of the reporting date for the quarter (Dec 31, 2018: 40.9%). The significant increase in equity is attributable in particular to an increase in retained earnings due to a positive result for the period (EUR 51.2 million) and the increase in other reserves due to positive currency translation differences (EUR + 18.5 million). By contrast, the dividend of EUR 35.0 million paid to NORMA Group shareholders in May 2019 reduced equity.

DEBT

Non-current liabilities amounted to EUR 558.2 million as of September 30, 2019, an increase of 1.1% or EUR 6.1 million compared to the end of 2018 (Dec 31 2018: EUR 552.1 million). The increase resulted from a rise in leasing liabilities due to the first-time adoption of IFRS 16. On the other hand, non-current loan liabilities decreased by 5.5% or EUR 25.0 million, mainly due to the reclassification to current liabilities according to maturities.

Current liabilities amounted to EUR 360.7 million as of the reporting date of the current quarter. As of December 31, 2018, these amounted to EUR 317.1 million. The increase is attributable to the first-time implementation of IFRS 16. Furthermore, the short-term loan liabilities increased due to the aforementioned reclassification and the other non-financial liabilities increased due to the increase in personnel-related liabilities, which among other factors is attributable to the increase in liabilities for severance payments in connection with the rightsizing project initiated in the fourth quarter of 2018 to optimize Group structures.

- 02 Overview of Key Figures in Q3 2019
- 04 Highlights Q1 – Q3 2019
- 06 Course of Business
- 06 Significant Developments
- 07 Consolidated Statement of Comprehensive Income
- 13 Consolidated Statement of Financial Position
- 16 Consolidated Statement of Cash Flows
- 18 Segment Reporting
- 21 Forecast for the Fiscal Year 2019
- 22 Financial Calendar, Contact, Imprint

FINANCIAL LIABILITIES

At EUR 631.9 million, the financial liabilities of NORMA Group as of September 30, 2019, exceeded the level of December 31, 2018, (EUR 590.7 million) by 7%. The increase in liabilities from leases is attributable to the effects of the first-time adoption of IFRS 16 described above.

The maturities of the syndicated loans and the promissory note loans as of September 30, 2019, are as follows:

MATURITY BANK BORROWINGS AS OF SEP 30, 2019

IN EUR THOUSANDS	up to 1 year	> 1 year up to 2 years	> 2 years up to 5 years	> 5 years
Syndicated bank facilities, net	5,037	5,037	175,038	0
Promissory note, net	139,152	66,275	98,510	86,500
Total	144,189	71,312	273,548	86,500

RISE IN NET DEBT

Net debt was EUR 464.2 million as of September 30, 2019, compared to EUR 400.3 million at the end of 2018, an increase of 16.0% or EUR 63.9 million. This increase is attributable on the one hand to the increase in financial liabilities due to the first-time adoption of IFRS 16 in 2019 as a result of liabilities from capitalized leases (EUR 39.8 million) and on the other hand to the decline in cash and cash equivalents compared to the end of 2018. The decline in cash and cash equivalents is attributable to cash outflows from investing activities (EUR – 39.5 million) and financing activities (EUR – 62.8 million). These more than offset the cash inflow from operating activities (EUR + 75.2 million).

In addition, the non-cash currency effects from foreign currency loans had a negative impact on net debt.

At 0.7, gearing (net debt in relation to equity) exactly matched the level at the end of 2018 (Dec 31, 2018: 0.7). With the increase in net debt as of September 30, 2019, leverage (net debt excluding hedging derivatives in relation to adjusted EBITDA for the last twelve months) was 2.3 (Dec 31, 2018: 1.9). Without the effects of the first-time adoption of IFRS 16, the leverage would have been 2.2.

The net financial debt of NORMA Group is as follows:

NET DEBT

IN EUR THOUSANDS	Sep 30, 2019	Dec 31, 2018
Bank borrowings, net	578,453	569,091
Derivative financial liabilities – hedge accounting	1,302	758
Finance lease liabilities	39,786	32
Other financial liabilities	12,383	20,826
Financial debt	631,924	590,707
Cash and cash equivalents	167,733	190,392
Net debt	464,191	400,315

02 Overview of Key Figures in Q3 2019

04 Highlights Q1 – Q3 2019

06 Course of Business

06 Significant Developments

07 Consolidated Statement of Comprehensive Income

13 Consolidated Statement of Financial Position

16 Consolidated Statement of Cash Flows

18 Segment Reporting

21 Forecast for the Fiscal Year 2019

22 Financial Calendar, Contact, Imprint

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from January 1 to September 30, 2019

IN EUR THOUSANDS

	Q3 2019	Q3 2018	Q1 – Q3 2019	Q1 – Q3 2018
Operating activities				
Profit for the period	16,375	21,032	51,150	68,925
Depreciation and amortization	19,332	16,126	57,106	44,666
Gain (-)/loss (+) on disposal of property, plant and equipment	46	62	12	229
Change in provisions	777	992	2,068	2,411
Change in deferred taxes	-169	-234	-2,641	-988
Change in inventories, trade account receivables and other receivables, which are not attributable to investing or financing activities	-4,040	-1,140	-50,042	-49,829
Change in trade and other payables, which are not attributable to investing or financing activities	2,274	-6,152	4,901	-15,603
Change in reverse factoring liabilities	-272	-4,613	2,689	693
Payments for share-based payments	0	0	-1,045	-3,513
Interest expenses in the period	3,823	3,418	11,271	9,883
Income (-)/expenses (+) due to measurement of derivatives	78	113	96	307
Other non-cash expenses (+)/income (-)	211	687	-387	347
Cash flow from operating activities	38,435	30,291	75,178	57,528
thereof interest received	267	144	737	305
thereof income taxes	-11,927	-10,821	-25,715	-24,782
Investing activities				
Payments for acquisitions of subsidiaries, net	0	-66,302	-546	-69,291
Investments in property, plant and equipment and intangible assets	-10,802	-17,764	-39,274	-45,674
Proceeds from the sale of property, plant and equipment	-531	11	272	863
Cash flow from investing activities	-11,333	-84,055	-39,548	-114,102
Financing activities				
Payments for the acquisition of non-controlling interests	0	-1,121	0	-1,121
Interest paid	-5,503	-5,904	-9,815	-8,935
Dividends paid to shareholders	0	0	-35,049	-33,456
Dividends paid to non-controlling interests	-1	-35	-43	-134
Proceeds from borrowings	0	-4	0	102,000
Repayment of borrowings	-79	-31,931	-10,300	-34,316
Proceeds from/repayment of derivatives	-9	31	-106	-140
Repayment of lease liabilities	-2,532	-11	-7,482	-99
Cash flow from financing activities	-8,124	-38,975	-62,795	23,799
Net change in cash and cash equivalents	18,978	-92,739	-27,165	-32,775
Cash and cash equivalents at the beginning of the year	145,478	215,185	190,392	155,323
Effect of foreign exchange rates on cash and cash equivalents	3,277	363	4,506	261
Cash and cash equivalents at the end of the period	167,733	122,809	167,733	122,809

- 02 Overview of Key Figures in Q3 2019
- 04 Highlights Q1 – Q3 2019
- 06 Course of Business
- 06 Significant Developments
- 07 Consolidated Statement of Comprehensive Income
- 13 Consolidated Statement of Financial Position
- 16 Consolidated Statement of Cash Flows
- 18 Segment Reporting
- 21 Forecast for the Fiscal Year 2019
- 22 Financial Calendar, Contact, Imprint

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

GROUP-WIDE FINANCIAL MANAGEMENT

A detailed overview of the general financial management of NORMA Group can be found in the 2018 Annual Report. ► **ANNUAL REPORT 2018, P. 47**

NET OPERATING CASH FLOW

Net cash provided by operating activities in the period from January to September 2019 amounted to EUR 65.9 million, an increase of EUR 26.6 million compared to the first quarter of 2018 (Q1–Q3 2018: EUR 39.4 million). This development is attributable to a lower increase in (trade) working capital (EUR –49.9 million) as of September 30, 2019, compared to the end of 2018. As of September 30, 2018, this increase amounted to EUR 67.2 million. In addition, lower investments from the operating business (Q1–Q3 2019: EUR 34.7 million; Q1–Q3 2018: EUR 44.4 million) contributed to an increase compared to the prior-year period. The first-time adoption of IFRS 16 had a positive impact of EUR 8.4 million on net operating cash flow.

CASH FLOW FROM OPERATING ACTIVITIES

Cash flow from operating activities reached EUR 75.2 million in the first nine months of 2019, an increase of EUR 17.7 million compared to EUR 57.5 million in the same period of the prior-year. This significant improvement in cash flow from operating activities compared to the same period of the prior-year is mainly attributable to the aforementioned development of trade working capital in relation to EBITDA generated.

Cash flow from operating activities is influenced by changes in current assets, provisions and liabilities (excluding liabilities in connection with financing activities).

As in the prior-year, the company participates in a reverse factoring program, a factoring program and an ABS program. The reverse factoring program liabilities are reported under trade payables and similar liabilities. Cash flows from the reverse factoring, factoring and ABS programs are reported under cash flow from operating activities, as this corresponds to the economic substance of the transactions.

The adjustments for expenses of EUR 0.1 million (Q1–Q3 2018: EUR 0.3 million) for the valuation of derivatives included in cash flow from operating activities relate to changes in the fair value of foreign currency derivatives and interest rate swaps allocated to financing activities and recognized in profit or loss.

The adjusted other non-cash income (–)/expenses (+) mainly comprise expenses from the currency translation of external financial liabilities and intragroup monetary items amounting to EUR –0.7 million (Q1–Q3 2018: EUR 0.1 million).

Cash flows from interest paid are reported under cash flows from financing activities.

CASH FLOW FROM INVESTING ACTIVITIES

Cash flow from investing activities amounted to EUR –39.5 million in the first nine months of 2019 (Q1–Q3 2018: EUR –114.1 million) and includes net cash outflows from the procurement and sale of non-current assets of EUR 39.0 million (Q1–Q3 2018: EUR 44.8 million). This includes the change in liabilities for the acquisition of intangible assets and property, plant and equipment of EUR –4.5 million (Q1–Q3 2018: EUR –1.3 million). The investments made in the period from January to September 2019 related in particular to the Company's sites in Germany, Serbia, the UK, Poland, France, China, India, the US and Mexico.

The first nine months of 2019 also include net payments of EUR –0.5 million for acquisitions.

The net payments for acquisitions in the prior-year period relate to the acquisition of Kimplas Piping Systems Ltd. and Statek Stanzereitechnik GmbH as well as the payment of the outstanding purchase price liability from the acquisition of Fengfan Fastener (Shaoxing) Co., Ltd (“Fengfan”) in the second quarter of 2017.

CASH FLOW FROM FINANCING ACTIVITIES

Cash flows from financing activities in the period from January to September 2019 include dividend payments to shareholders of NORMA Group SE amounting to EUR 35.0 million (Q1–Q3 2018: EUR 33.5 million). Also included is interest Q1–Q3 2019: EUR 9.8 million (including interest payments from leasing liabilities of EUR 1.0 million) compared to EUR 8.9 million in Q1–Q3 2018. Financing activities show payments for the scheduled repayment of loans (Q1–Q3 2019: EUR 2.4 million; Q1–Q3 2018: net proceeds from financial liabilities of EUR 67.7 million), repayment of ABS and factoring liabilities of EUR 7.5 million (Q1–Q3 2018: EUR 0 thousand) and payments from derivatives of EUR 0.1 million (Q1–Q3 2018: EUR 0.1 million). Furthermore, payments for leases of EUR 7.5 million (Q1–Q3 2018: payments for finance leases of EUR 0.1 million) are reported under cash flow from financing activities.

SEGMENT REPORTING

for the period from January 1 to September 30, 2019

INTERIM STATEMENT Q3 2019

- 02 Overview of Key Figures in Q3 2019
- 04 Highlights Q1 – Q3 2019
- 06 Course of Business
- 06 Significant Developments
- 07 Consolidated Statement of Comprehensive Income
- 13 Consolidated Statement of Financial Position
- 16 Consolidated Statement of Cash Flows
- 18 Segment Reporting
- 21 Forecast for the Fiscal Year 2019
- 22 Financial Calendar, Contact, Imprint

	EMEA		Americas		Asia-Pacific		Total segments		Central functions		Consolidation		Consolidated Group	
	Q1 – Q3 2019	Q1 – Q3 2018	Q1 – Q3 2019	Q1 – Q3 2018	Q1 – Q3 2019	Q1 – Q3 2018	Q1 – Q3 2019	Q1 – Q3 2018	Q1 – Q3 2019	Q1 – Q3 2018	Q1 – Q3 2019	Q1 – Q3 2018	Q1 – Q3 2019	Q1 – Q3 2018
IN EUR THOUSANDS														
Total revenues	400,768	415,292	359,711	341,738	116,554	109,670	877,033	866,700	20,821	20,082	-59,206	-69,672	838,648	817,110
thereof inter-segment revenues	28,511	39,605	7,499	7,473	2,375	2,512	38,385	49,590	20,821	20,082	-59,206	-69,672	0	0
Revenues from external customers	372,257	375,687	352,212	334,265	114,179	107,158	838,648	817,110	0	0	0	0	838,648	817,110
Contribution to consolidated Group sales	44%	46%	42%	41%	14%	13%	100%	100%						
Adjusted gross profit ¹	231,325	237,370	202,591	193,917	53,255	48,708	487,171	479,995	n.a.	n.a.	167	-753	487,338	479,242
Adjusted EBITDA¹	73,901	74,399	68,129	66,837	17,456	15,599	159,486	156,835	-8,527	-5,579	-335	-282	150,624	150,974
Adjusted EBITDA margin ^{1,2}	18.4%	17.9%	18.9%	19.6%	15.0%	14.2%							18.0%	18.5%
Depreciation without PPA depreciation ³	-13,006	-9,493	-11,505	-6,531	-5,677	-3,369	-30,188	-19,393	-1,151	-1,061	0	0	-31,339	-20,454
Adjusted EBITA¹	60,895	64,906	56,624	60,306	11,779	12,230	129,298	137,442	-9,678	-6,640	-335	-282	119,285	130,520
Adjusted EBITA margin ^{1,2}	15.2%	15.6%	15.7%	17.6%	10.1%	11.2%							14.2%	16.0%
Assets (prior year as of Dec 31, 2018) ⁴	623,769	624,446	718,447	649,757	253,594	250,416	1,595,810	1,524,619	326,463	361,153	-368,535	-414,086	1,553,738	1,471,686
Liabilities (prior year as of Dec 31, 2018) ⁵	198,324	198,342	320,769	291,204	51,122	54,814	570,215	544,360	654,982	671,394	-306,332	-346,509	918,865	869,245
CAPEX	16,588	20,147	10,036	15,147	8,378	7,419	35,002	42,713	1,206	1,709	n.a.	n.a.	36,208	44,422
Number of employees ⁶	3,668	3,589	1,766	1,685	1,331	1,103	6,765	6,377	111	115	n.a.	n.a.	6,876	6,492

1_ For details regarding the adjustments, refer to ► PAGE 08.

2_ Based on segment sales.

3_ Depreciation from purchase price allocations.

4_ Including allocated goodwill, taxes are shown in the column 'consolidation.'

5_ Taxes are shown in the column 'consolidation.'

6_ Number of employees (average headcount).

02	Overview of Key Figures in Q3 2019
04	Highlights Q1 – Q3 2019
06	Course of Business
06	Significant Developments
07	Consolidated Statement of Comprehensive Income
13	Consolidated Statement of Financial Position
16	Consolidated Statement of Cash Flows
18	Segment Reporting
21	Forecast for the Fiscal Year 2019
22	Financial Calendar, Contact, Imprint

NOTES TO SEGMENT DEVELOPMENT

The share of sales generated by foreign Group companies amounted to 82.7% in the first nine months of 2019 (Q1 – Q3 2018: 80.8%).

EMEA

EFFECTS FROM THE FIRST-TIME A OF IFRS 16

IN EUR MILLION	Q1 – Q3 2019 adjusted	Effects of IFRS 16	Q1 – Q3 2019 adjusted wi- thout IFRS 16
Adjusted EBITDA	73.9	2.9	71.0
Adjusted EBITDA-margin (in %)	18.4	0.7	17.7
Adjusted EBITA	60.9	0.3	60.6
Adjusted EBITA-margin (in %)	15.2	0.1	15.1
Assets	623.8	8.3	615.5
Liabilities	198.3	8.7	189.6
CAPEX	16.6	1.1	15.5

1_Deviations may occur due to commercial rounding.

Sales (external sales) in the EMEA region amounted to EUR 372.3 million in the period from January to September 2019, representing a slight decrease of 0.9% compared to the same period of the prior-year (Q1 – Q3 2018: EUR 375.7 million). The decline in sales in the region was mainly due to a slight decline in organic growth of 1.6% due to lower production and sales figures as a result of the continuing restrained business in the automotive sector. Sales of EUR 2.5 million from the acquisition of Statek, on the other hand, contributed 2.6% to growth in the region. Due to the sales decline in the EMEA region, its share of Group sales fell to 44% (Q1 – Q3 2018: 46%).

Adjusted EBITDA in the EMEA region for the period January to September 2019 was EUR 73.9 million, down 0.7% year-on-year (Q1 – Q3 2018: EUR 74.4 million). The adjusted EBITDA margin increased to 18.4% compared to 17.9% in the prior-year period. Adjusted EBITA was EUR 60.9 million (Q1–Q3 2018: EUR 64.9 million) while the adjusted EBITA margin was 15.2% (Q1 – Q3 2018: 15.6%).

Besides the IFRS 16 effects, the reason for the margin development in the EMEA region was mainly the significantly stronger increase in personnel expenses in relation to sales.

Investments made in the EMEA region in the reporting period totaled EUR 16.6 million (Q1 – Q3 2018: EUR 20.1 million) and were primarily related to new machinery and production equipment for the plants in Germany, the UK, Serbia, France and Poland. At EUR 623.8 million, assets remained virtually constant compared to the end of 2018 (Dec 31, 2018: EUR 624.4 million). Liabilities amounted to EUR 198.3 million and thus likewise remained constant compared to the end of 2018 (December 31, 2018: EUR 198.3 million).

In the third quarter of 2019, the EMEA region recorded sales of EUR 117.7 million, which were roughly at the prior-year's level (Q1 – Q3 2018: EUR 117.6 million). The Management Board adjusted its forecast for the region on October 17, 2019, based on the latest figures and expectations for 2019 as a whole and now expects a moderate organic decline for the full year 2018 (previously: “moderate organic growth”).

AMERICAS

EFFECTS FROM THE FIRST-TIME A OF IFRS 16

IN EUR MILLION	Q1 – Q3 2019 adjusted	Effects of IFRS 16	Q1 – Q3 2019 adjusted without IFRS 16
Adjusted EBITDA	68.1	4.3	63.8
Adjusted EBITDA-margin (in %)	18.9	1.2	17.7
Adjusted EBITA	56.6	0.6	56.6
Adjusted EBITA-margin (in %)	15.7	0.2	15.6
Assets	718.4	24.2	694.2
Liabilities	320.8	26.3	294.5
CAPEX	10.0	0.1	9.9

1_Deviations may occur due to commercial rounding.

In the Americas region, NORMA Group generated external sales of EUR 352.2 million in the first three quarters of 2019, an increase of 5.4% on the prior-year (Q1 – Q3 2018: EUR 334.3 million). Sales were driven in particular by NDS's strong water business and currency translation effects.

Organic sales declined slightly by 0.8%, which is mainly attributable to the weak business in the EJT division. Exchange rate changes had a positive effect of 6.1% on sales growth in the Americas region. The region's share of total sales rose to 42% (Q1 – Q3 2018: 41%).

While adjusted EBITDA in the Americas region increased by 1.9% to EUR 68.1 million in the months of January to September 2019 (Q1–Q3 2018: EUR 66.8

02	Overview of Key Figures in Q3 2019
04	Highlights Q1 – Q3 2019
06	Course of Business
06	Significant Developments
07	Consolidated Statement of Comprehensive Income
13	Consolidated Statement of Financial Position
16	Consolidated Statement of Cash Flows
18	Segment Reporting
21	Forecast for the Fiscal Year 2019
22	Financial Calendar, Contact, Imprint

million), the adjusted EBITDA margin for this period was 18.9% (Q1 – Q3 2018: 19.6%). The adjusted EBITA margin was 15.7% (Q1 – Q3 2018: 17.6%), based on an adjusted EBITA of EUR 56.6 million (Q1 – Q3 2018: EUR 60.3 million).

Among others, the introduction of an ERP system at a site in Latin America had a negative impact on the margin in the Americas region.

Investments in the Americas region amounted to EUR 10.0 million in the reporting period (Q1 – Q3 2018: EUR 15.1 million) and mainly pertained to the plants in the US and Mexico. Assets increased by 10.6% year-on-year to EUR 718.4 million (December 31, 2018: EUR 649.8 million). Liabilities increased by 10.2% to EUR 320.8 million (December 31, 2018: EUR 291.2 million).

In the third quarter of 2019, the Americas region recorded sales of EUR 114.9 million, an increase of 3.0% compared to the prior-year period (Q1 – Q3 2018: EUR 111.6 million). The Management Board adjusted its forecast for the region on October 17, 2019, based on the latest figures and expectations for 2019 as a whole and now expects a noticeable organic decline for 2018 as a whole (previously: “moderate organic decline”).

ASIA-PACIFIC

EFFECTS FROM THE FIRST-TIME A OF IFRS 16

IN EUR MILLION	Q1 – Q3 2019 adjusted	Effects of IFRS 16	Q1 – Q3 2019 adjusted with- out IFRS 16
Adjusted EBITDA	17.5	1.2	16.3
Adjusted EBITDA-margin (in %)	15.0	1.1	13.9
Adjusted EBITA	11.8	0.1	11.7
Adjusted EBITA-margin (in %)	10.1	0.1	10.0
Assets	253.6	4.1	249.5
Liabilities	51.1	4.3	46.8
CAPEX	8.4	0.2	8.2

1_Deviations may occur due to commercial rounding.

External sales in the Asia-Pacific region increased by 6.6% to EUR 114.2 million in the nine-month period (Q1 – Q3 2018: EUR 107.2 million). Organic sales declined by 4.1% in the Asia-Pacific region. The decline in sales in the EJT division caused by a continued weak environment in the Chinese automotive sector was compensated for in particular by good DS business due to additional sales from the acquisition of Kimplas. Effects from acquisitions contributed EUR 10.3 million or

9.6% to Group sales growth in the first nine months of 2019. As a result, the region’s share of Group sales rose to 14% (Q1 – Q3 2018: 13%).

In the first nine months of 2019, adjusted EBITDA in the Asia-Pacific region was EUR 17.5 million, an increase of 11.9% compared to the prior-year period (Q1 – Q3 2018: EUR 15.6 million). The adjusted EBITDA margin amounted to 15.0% in the reporting period from January to September and is thus above the comparable period of the prior-year (Q1 – Q3 2018: 14.2%). At EUR 11.8 million, adjusted EBITA was down on the prior-year period (Q1 – Q3 2018: EUR 12.2 million), resulting in an adjusted EBITA margin of 10.1% (Q1 – Q3 2018: 11.2%).

In the Asia-Pacific region, the continued decline in investment volumes, especially in China and India, had a negative impact on the adjusted EBITA margin.

Investments in the Asia-Pacific region totaled EUR 8.4 million in the first nine months of 2019 (Q1 – Q3 2018: EUR 7.4 million) and were mainly related to the plants in China. Assets amounted to EUR 253.6 million and were thus 1.3% higher than at the end of 2018 (Dec 31, 2018: EUR 250.4 million). The liabilities of the Asia-Pacific region decreased by 6.7% to EUR 51.1 million (December 31, 2018: EUR 54.8 million).

In the third quarter of 2019, the Asia-Pacific region posted sales of EUR 41.4 million, an increase of 6.3% compared to the same period last year (Q1 – Q3 2018: EUR 38.9 million). The Management Board adjusted its forecast for the region on October 17, 2019, based on the latest figures and expectations for 2019 as a whole and now expects a moderate organic decline for the full year 2018 (previously: “moderate organic growth”).

- 02 Overview of Key Figures in Q3 2019
- 04 Highlights Q1 – Q3 2019
- 06 Course of Business
- 06 Significant Developments
- 07 Consolidated Statement of Comprehensive Income
- 13 Consolidated Statement of Financial Position
- 16 Consolidated Statement of Cash Flows
- 18 Segment Reporting
- 21 Forecast for the Fiscal Year 2019
- 22 Financial Calendar, Contact, Imprint

FORECAST FOR FISCAL YEAR 2019¹

NORMA Group's Management Board revised the forecast published in the 2018 Annual Report for adjusted EBITA margin and net cash flow on July 19 and its expectations for organic sales growth and the NORMA Value Added (NOVA) on October 17, respectively. The revisions are summarized in the following table.

The Management Board of NORMA Group SE now expects the Group to achieve organic sales growth in fiscal year 2019 within a corridor of around -4% to -2% (previously: "around -1% to around 1%"). In the Americas region, NORMA Group's Management Board anticipates a noticeable organic decline (previous forecast: "moderate organic decline"). A moderate organic decline is expected for the Asia-Pacific and EMEA regions (previous forecast: "moderate organic growth").

For NOVA, NORMA Group's Management Board now projects a range of between EUR 20 million and EUR 30 million for fiscal year 2019 as a whole (previous forecast: "between EUR 30 million and EUR 40 million").

As announced on July 19, 2019, the Management Board continues to expect an adjusted EBITA margin of over 13% for fiscal year 2019. The other components of the forecast made in the 2018 Annual Report and the adjustment made on July 19, 2019, for the full year 2019 also remain unchanged.

FORECAST FOR FISCAL YEAR 2019

Group sales growth	Decline in organic growth of -4% to -2%, additionally around EUR 13 million from acquisitions
	EMEA: moderate organic decline Americas: noticeable organic decline APAC: moderate organic decline DS: moderate growth EJT: noticeable decline
Adjusted cost of materials ratio	Moderate decline
Adjusted personnel cost ratio	Noticeable increase
Investments in R&D (in relation to EJT sales)	Around 5% of EJT sales
Adjusted EBITA margin	Of more than 13%
NOVA	Between EUR 20 million and EUR 30 million
Financial result	Up to EUR -15 million
Tax rate	Around 25% to 27%
Adjusted earnings per share	Strong decline
Investment rate (without acquisitions)	Operative investments of around 5% of Group sales
Net operating cash flow	Around EUR 90 million
Dividend/dividend ratio	Approx. 30% to 35% of adjusted net profit for the period
Number of invention applications	More than 20
Number of defective parts (parts per million/PPM)	Below 20 ²
Number of quality-related complaints per month	Below 8 ²

¹ Changes in key figures resulting from the first-time adoption of IFRS 16 are not taken into account in the forecast.

² Targets until 2020

- 02 Overview of Key Figures in Q3 2019
- 04 Highlights Q1 – Q3 2019
- 06 Course of Business
- 06 Significant Developments
- 07 Consolidated Statement of Comprehensive Income
- 13 Consolidated Statement of Financial Position
- 16 Consolidated Statement of Cash Flows
- 18 Segment Reporting
- 21 Forecast for the Fiscal Year 2019
- 22 Financial Calendar, Contact, Imprint

FINANCIAL CALENDAR, CONTACT AND IMPRINT

FINANCIAL CALENDER 2019

Date	Event
Febr 12, 2020	Publication of Preliminary Financial Results 2019
March 25, 2020	Publication of the Annual Report 2019
May 6, 2020	Publication of Interim Statement Q1 2020

The financial calendar is constantly updated. Please visit the Investor Relations section on the Company website www.investors.normagroup.com.

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Note on the Interim Statement

This Interim Statement is also available in German. If there are differences between the two, the German version takes priority.

Note on rounding

Please note that slight differences may arise as a result of the use of rounded amounts and percentages.

Forward-looking statements

This Interim Statement 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 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, including its financial position and profitability and the economic and regulatory fundamentals, are in accordance with such future-oriented statements in this Interim Statement, no guarantee can be given that this will continue to be the case in the future.

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