

INTERIM STATEMENT FIRST QUARTER

A large, stylized graphic of the year '2021' in a bold, blue, sans-serif font. The numbers are partially obscured by a dynamic splash of water that flows across the bottom of the page. A silver metal ring with a spring mechanism is positioned over the zero, symbolizing a cycle or a specific technical part.

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OVERVIEW OF KEY FIGURES

		Q1 2021	Q1 2020	Change in %
Order situation				
Order book (Mar 31)	EUR million	453.8	374.2	21.3
Income statement				
Group sales	EUR million	286.4	253.6	13.0
Material cost ratio ¹	%	43.0	43.0	n/a
Personnel cost ratio ¹	%	25.9	30.3	n/a
Adjusted EBITA ¹	EUR million	39.5	27.1	45.5
Adjusted EBITA margin ¹	%	13.8	10.7	n/a
EBITA	EUR million	39.1	26.4	48.4
EBITA margin	%	13.7	10.4	n/a
Adjusted EBIT ¹	EUR million	36.9	25.1	47.0
Adjusted EBIT margin ¹	%	12.9	9.9	n/a
EBIT	EUR million	31.5	18.6	69.0
EBIT margin	%	11.0	7.4	n/a
Financial result	EUR million	-3.8	-3.2	41.0
Adjusted tax rate	%	26.7	28.6	n/a
Adjusted profit for the period ¹	EUR million	24.3	15.6	55.1
Adjusted earnings per share ¹	EUR	0.76	0.49	55.1
Profit for the period	EUR million	20.3	10.8	87.3
Earnings per share	EUR	0.63	0.34	85.3
Cash flow				
Cash flow from operating activities	EUR million	8.7	9.8	-11.1
Cash flow from investing activities	EUR million	-11.8	-9.5	24.4
Cash flow from financing activities	EUR million	-10.0	32.2	n/a
Net operating cash flow	EUR million	2.5	6.7	-62.5
		Mar 31, 2021	Dec 31, 2020	Change in %
Balance sheet				
Assets	EUR million	1,485.1	1,414.7	5.0
Equity	EUR million	630.9	589.5	7.0
Equity ratio	%	42.5	41.7	n/a
Net debt	EUR million	352.0	338.4	4.0
Employees				
Core workforce		6,485	6,786	-2.3
Temporary workers		2,466	1,690	14.4
Total workforce		8,951	8,476	1.8
		Q1 2021	Q1 2020	Change in %
Non-financial figures				
Number of invention applications		5	8	-37.5
Defective parts	PPM (parts per million)	4.5	10.0	-55.0
CO ₂ emissions (Scope 1 and 2)	t CO ₂ e	12,427	13,604	-8.7
Share data				
Stock exchange		Frankfurt Stock Exchange		
Market segment		Regulated Market (Prime Standard), SDAX		
ISIN / security identification number / ticker symbol		DE0000A1H8BV3/A1H8BV/NOEJ		
Highest price Q1 2021 ² / lowest price Q1 2021 ²	EUR	45.20/38.72		
Closing price as of March 31, 2021 ²	EUR	40.50		
Market capitalization as of March 31, 2021 ²	EUR million	1,290		
Number of shares		31,862,400		

1_Adjusted exclusively for acquisition effects.

2_Xetra price.

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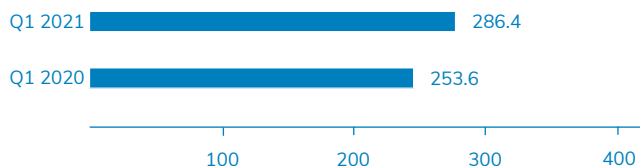
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HIGHLIGHTS FIRST QUARTER 2021¹

Development of Group sales Q1 2021

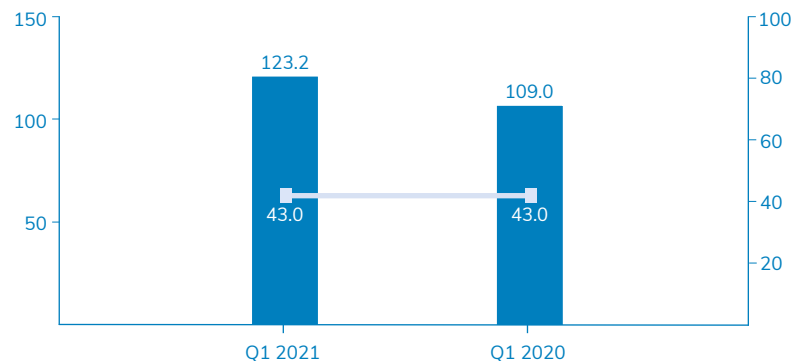
in EUR millions



Effects on Group sales

	in EUR millions	Share in %
Group sales Q1 2020	253.6	
Organic growth	45.2	17.8
Currency effects	-12.3	-4.9
Group sales Q1 2021	286.4	13.0

Costs of materials and material cost ratio



■ Cost of materials (in EUR millions, LHS)
 ■ Material cost ratio (in %, RHS)

Development of sales channels

	Engineered Joining Technology (EJT)		Standardized Joining Technology (SJT)	
	Q1 2021	Q1 2020	Q1 2021	Q1 2020
Group sales (in EUR millions)	174.6	153.8	110.6	98.8
Growth (in %)	13.6		11.9	
Share of sales (in %)	61.2	60.9	38.8	39.1

¹ Adjustments are described on → PAGE 9.

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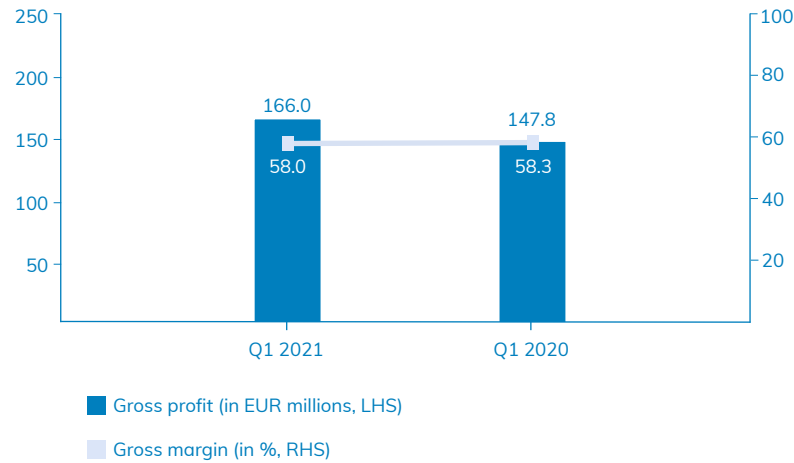
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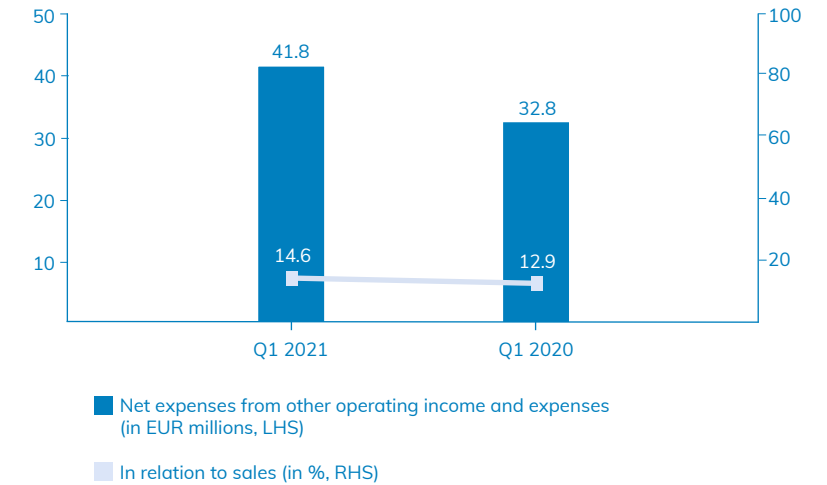
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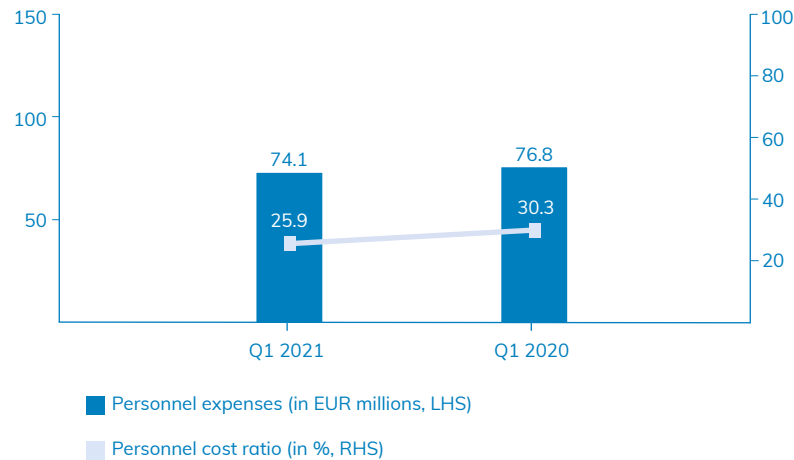
Gross profit and gross margin



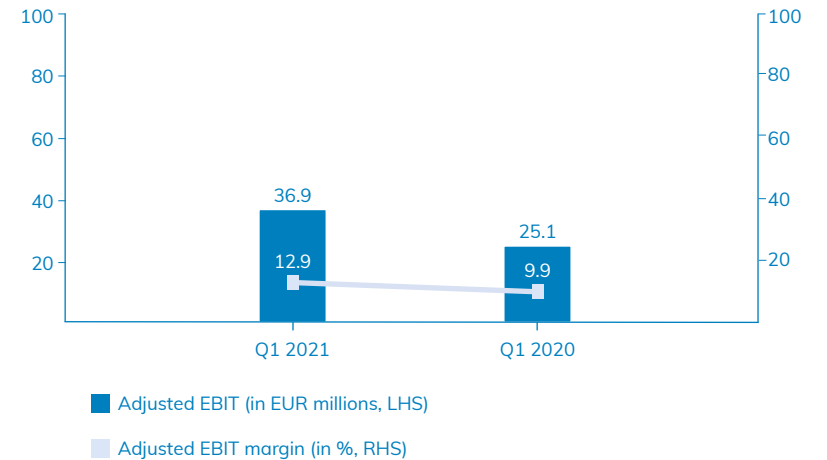
Net expenses from other operating income and expenses as well as in relation to Group sales



Personnel expenses and personnel cost ratio



Adjusted EBIT and adjusted EBIT margin



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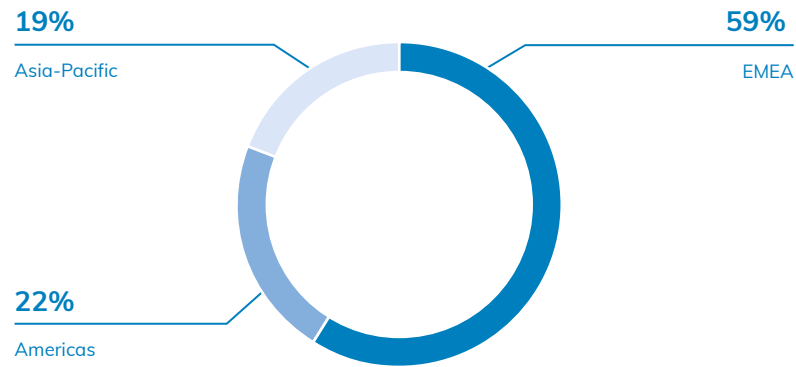
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Core workforce per segment



Net operating cash flow

in EUR millions	Q1 2021	Q1 2020
EBITDA	50.1	38.2
Change in working capital	-38.4	-24.2
Investments from operating business	-9.2	6.7
Net operating cash flow	2.5	6.7

Personnel Changes in the Supervisory Board and Course of Business in the First Quarter

Miguel Ángel López Borrego appointed to the Supervisory Board

Miguel Ángel López Borrego was appointed a new member of the Supervisory Board of NORMA Group with effect from March 16, 2021. In accordance with the Articles of Association, the Supervisory Board of NORMA Group SE is comprised of six members. With the appointment of Miguel Ángel López Borrego, the Board is now complete again. The Supervisory Board had temporarily been comprised of only five members after the former Chairman of the Supervisory Board, Lars Berg, resigned from it at the end of the day on August 31, 2020. With the appointment of Miguel Ángel López Borrego, the competent court approved the proposal of the Management Board and Supervisory Board of NORMA Group SE. Mr. López Borrego will stand for election by the shareholders at the Annual General Meeting on May 20, 2021. Mr. López's detailed curriculum vitae can be found on NORMA Group's website. WWW.NORMAGROUP.COM

„Get on track“ program progressing according to plan

As part of the global transformation program „Get on track“, NORMA Group integrated the production of the subsidiary Fengfan at the Shaoxing site into its existing plant in Changzhou in the first quarter of 2021. This step completes the consistent strategic integration of the Chinese manufacturer of connecting technology, which NORMA Group had acquired in 2017. Fengfan's expertise and market presence will help to further expand NORMA Group's business activities in Asia in the automotive, new energy and industry applications sectors. As a result, the number of production sites in China will be reduced from four to three.

Strong recovery in the first quarter of 2021

NORMA Group's business developed very positively in the first quarter of 2021 compared to the previous year, despite the ongoing pandemic. Sales and earnings improved significantly in all regions and business units. This was due to the economic recovery in all of NORMA Group's main customer industries. There was a significant increase in demand in both the automotive industry and the areas of water management and industry applications compared to the first quarter of the previous year. With an adjusted EBIT margin of 12.9% and net operating cash flow of EUR 2.5 million, NORMA Group's business developed positively as expected in the first quarter of 2021. Based on this, the Management Board reaffirms its forecast for the full year 2021.

→ [FORECAST FOR FISCAL YEAR 2021](#)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from January 1 to March 31, 2021

in EUR thousands	Q1 2021	Q1 2020
Revenue	286,418	253,554
Changes in inventories of finished goods and work in progress	1,895	2,383
Other own work capitalized	830	827
Raw materials and consumables used	-123,159	-108,955
Gross profit	165,984	147,809
Other operating income	4,753	7,501
Other operating expenses	-46,504	-40,279
Employee benefits expense	-74,112	-76,832
Depreciation and amortization	-18,607	-19,557
Operating profit	31,514	18,642
Financial income	167	241
Financial costs	-3,938	-3,411
Financial costs-net	-3,771	-3,170
Profit before income tax	27,743	15,472
Income taxes	-7,492	-4,658
Profit for the period	20,251	10,814
Other comprehensive income for the period, net of tax:		
Other comprehensive income that can be reclassified to profit or loss, net of tax	21,156	-1,080
Exchange differences on translation of foreign operations	20,952	-19
Cash flow hedges, net of tax	204	-1,061
Other comprehensive income that cannot be reclassified to profit or loss, net of tax	2	5
Remeasurements of post-employment benefit obligations, net of tax	2	5
Other comprehensive income for the period, net of tax	21,158	-1,075
Total comprehensive income for the period	41,409	9,739
Profit attributable to		
Shareholders of the parent	20,213	10,861
Non-controlling interests	38	-47
	20,251	10,814
Total comprehensive income attributable to		
Shareholders of the parent	41,377	9,588
Non-controlling interests	32	151
	41,409	9,739
(Un)diluted earnings per share (in EUR)	0.63	0.34
Diluted earnings per share (in EUR)	0.63	0.34

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Adjustments

NORMA Group adjusts certain expenses and income for the operational management of the Company. The adjusted results presented below reflect the management's view. Within operating profit (EBIT) only expenses and income that are related to a business combination have been adjusted. As a result, expenses from the 'Get on track' change program are not adjusted and therefore included in EBIT. Depreciation of property, plant and equipment

from purchase price allocations in the amount of EUR 0.4 million (2020: EUR 0.8 million) and amortization of intangible assets from purchase price allocations in the amount of EUR 5.0 million (2020: EUR 5.7 million) were also adjusted within EBITA in the first quarter of 2021. Notional income taxes resulting from the adjustments are calculated at the tax rates of the respective local companies concerned and are included in adjusted earnings after taxes.

The following table shows earnings adjusted for these effects:

Adjustments ¹

in EUR thousands	Q1 2021 reported	Adjustments	Q1 2021 adjusted
Revenue	286,418	0	286,418
Changes in inventories of finished goods and work in progress	1,895	0	1,895
Other own work capitalized	830	0	830
Raw materials and consumables used	- 123,159	0	- 123,159
Gross profit	165,984	0	165,984
Other operating income and expenses	- 41,751	0	- 41,751
Employee benefits expense	- 74,112	0	- 74,112
EBITDA	50,121	0	50,121
Depreciation	- 11,014	357	- 10,657
EBITA	39,107	357	39,464
Amortization	- 7,593	4,995	- 2,598
Operating profit (EBIT)	31,514	5,352	36,866
Financial result	- 3,771	0	- 3,771
Profit before income tax	27,743	5,352	33,095
Income taxes	- 7,492	- 1,347	- 8,839
Profit for the period	20,251	4,005	24,256
Non-controlling interests	38	0	38
Profit attributable to shareholders of the parent	20,213	4,005	24,218
Earnings per share (in EUR)	0.63	0.13	0.76

1_Deviations may occur due to commercial rounding.

Notes on the Development of Sales and Earnings

Order backlog at a high level at the end of the quarter

As of March 31, 2021, NORMA Group's order backlog amounted to EUR 453.8 million and was thus 21.3% higher than the previous year's level (March 31, 2020: EUR 374.2 million). The low basis in the previous year is due to the fact that customers' ordering behavior at the end of March 2020 was significantly more restrained due to the onset of the pandemic and the considerable uncertainty it caused. By contrast, the order backlog at the end of March 2021 was at a high level due to strong demand from the automotive industry.

Organic sales rose sharply in all regions in the first quarter of 2021

NORMA Group's total sales of EUR 286.4 million in the first quarter of 2021 were 13.0% higher than in the same period of the previous year (Q1 2020: EUR 253.6 million). Organic sales in the first three months of 2021 increased by 17.8% compared to the same quarter of last year. Currency effects, particularly in connection with the US dollar, dampened sales growth by 4.9%. The increase in sales is mainly attributable to the significant economic recovery compared to the same quarter of the previous year and the recovery in demand in all of NORMA Group's businesses despite the ongoing pandemic. The surprising start of the pandemic and the related plant closures showed their first noticeable effects on NORMA Group's sales development in the same quarter of the previous year. Consequently, the basis for comparison with the previous year is relatively low.

Significant sales growth in the EJT and SJT business

With sales of EUR 174.6 million, the EJT business grew by 13.6% compared to the same quarter of the previous year (Q1 2020: EUR 153.8 million) in the first quarter of 2021. Organic sales growth amounted to 17.5%, while currency effects reduced EJT sales by 3.9%. The recovery of production and sales figures for passenger cars (light vehicles) and commercial vehicles (heavy vehicles) in the first quarter of 2021 was the main reason for the good sales performance of the EJT business.

The SJT business also recorded significant growth in sales in the first quarter of 2021 compared to the same quarter of the previous year. At EUR 110.6 million, net sales in the SJT area were up 11.9% on the same period of the previous year (Q1 2020: EUR 98.8 million). This includes organic sales growth of 18.3% and negative currency effects of 6.3%. The growth in the SJT business was driven by both the general global economic recovery and the strong water management business.

Material cost ratio

In the period from January to March 2021, the cost of materials amounted to EUR 123.2 million and was thus 13.0% higher than in the same quarter of the previous year (Q1 2020: EUR 109.0 million), also due to the increased business activity. The material cost ratio – cost of materials in relation to sales – remained unchanged at 43.0% compared to the previous year (Q1 2020: 43.0%) despite increasing price pressure on the raw material markets. The ratio of material cost to total operating performance (sales plus changes in inventories and other own work capitalized) amounted to 42.6% in the first quarter of 2021 (Q1 2020: 42.4%).

The prices of the raw materials of relevance to NORMA Group (mainly steel, alloy surcharges and engineering plastics) already showed a noticeable upward trend again towards the end of last year with the increasing economic recovery and, as expected, were mostly significantly above the level of the previous year's quarter in the first quarter of 2021. However, due to pre-negotiated contracts and the optimization measures from the 'Get on track'-program, the price increases in the first quarter of 2021 did not have a significant effect on NORMA Group's material cost ratio. Nevertheless, the pressure on prices is increasing noticeably. Significant price increases in the areas of both non-stainless steels and alloy surcharges (all grades) were recorded in recent months. In addition, the ongoing limited availability of materials, especially steel and wire as well as in the area of granules, which is partly due to force majeure declarations on the part of various input material suppliers, is currently leading to supply bottlenecks in some areas. NORMA Group is countering this development through cross-functional cooperation between the various purchasing departments worldwide and the continuous optimization of processes and supply chains.

Gross margin

Gross profit (sales less cost of materials plus changes in inventories and other own work capitalized) amounted to EUR 166.0 million in the first quarter of 2021 (Q1 2020: EUR 147.8 million) and thus increased by 12.3% compared to the first quarter of the previous year. The resulting gross margin amounted to 58.0% and was thus slightly below the level of the previous year (Q1 2020: 58.3%).

Personnel cost ratio

Employee benefit expenses amounted to EUR 74.1 million in the first quarter of 2021 and thus decreased by 3.5% compared to the same quarter of the previous year (Q1 2020: EUR 76.8 million), also due to the lower number of employees included in the core workforce. The personnel cost ratio resulting from the ratio of personnel expenses to sales amounted to 25.9% in the first quarter of 2021 and was thus significantly below the level of the same quarter of the previous year (Q1 2020: 30.3%).

Personnel figures per segment

	Mar 31, 2021	Dec 31, 2020	Mar 31, 2020
EMEA	3,820	3,858	3,890
Americas	1,420	1,401	1,494
Asia-Pacific	1,245	1,376	1,402
Core workforce	6,485	6,635	6,786
Temporary staff	2,466	2,155	1,690
Total workforce	8,951	8,790	8,476

Other operating income and expenses

The balance of other operating income and expenses amounted to EUR – 41.8 million in the first quarter of 2021 (Q1 2020: EUR – 32.8 million) and was thus 27.4% higher than in the same period of the previous year. This was mainly due to higher other operating expenses, in particular for temporary staff and other personnel-related expenses, as a result of the renewed increase in business activity. In addition, the increase in freight costs compared to the same period of the previous year resulted in higher other operating expenses. These were related to both the higher Group sales volume and to temporary delivery backlogs as a result of the restructuring measures. The additional expenses from the 'Get on track'-program totaled EUR 0.6 million in the first quarter of 2021.

Other operating income includes, in particular, currency gains from operating activities of EUR 2.2 million (Q1 2020: EUR 4.2 million) as well as income from the reversal of liabilities and unused provisions of EUR 1.5 million (Q1 2020: EUR 2.5 million).

Other operating income and expenses as a percentage of sales amounted to 14.6% in the first three months of 2021 (Q1 2020: 12.9%).

Operating result and margin

The operating result adjusted for amortization of tangible and intangible assets from purchase price allocations, adjusted EBIT, amounted to EUR 36.9 million in the reporting period (Q1 2020: EUR 25.1 million). This represents an increase of 47.0% compared to the same quarter of the previous year. At 12.9%, the adjusted EBIT margin was significantly above the level of the same quarter of the previous year (Q1 2020: 9.9%). Earnings performance in the same quarter of the previous year was impacted by the outbreak of the coronavirus pandemic and the accompanying temporary plant closures in March 2020 in particular. Strong sales growth in the first quarter of 2021 and cost savings from the 'Get on track'-program, mainly in the areas of materials and personnel, had a positive impact on the operating result in the first three months of 2021.

Adjusted EBITA amounted to EUR 39.5 million in the first quarter of 2021 (Q1 2020: EUR 27.1 million). The adjusted EBITA margin was 13.8% (Q1 2020: 10.7%).

NORMA Value Added (NOVA)

In the current reporting period, NORMA Value Added (NOVA) amounted to EUR 9.3 million (Q1 2020: EUR – 2.5 million). This corresponds to an increase of EUR 11.8 million compared to the previous year.

Financial result

The financial result amounted to EUR – 3.8 million in the first quarter of 2021 and thus decreased by 19.0% compared to the previous year (Q1 2020: EUR – 3.2 million). This is mainly due to the weaker result from the valuation of derivatives in the amount of EUR – 1.1 million (Q1 2020: EUR – 0.1 million) compared to the same quarter of the previous year. As in the previous year (Q1 2020: EUR 0.4 million), exchange rate effects amounting to EUR 0.3 million had a positive impact on the financial result.

Adjusted net profit for the period and adjusted earnings per share

Adjusted earnings for the period (after taxes) amounted to EUR 24.3 million in the current reporting period and were thus 55.1% higher than in the same quarter of the previous year (Q1 2020: EUR 15.6 million). Based on an unchanged number of 31,862,400 shares, adjusted earnings per share amounted to EUR 0.76 (Q1 2020: EUR 0.49).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

in EUR thousands	Mar 31, 2021	Dec 31, 2020	Mar 31, 2020
Non-current assets			
Goodwill	385,520	377,610	397,716
Other intangible assets	224,621	222,649	263,226
Property, plant and equipment	276,265	270,005	290,755
Other non-financial assets	1,959	2,088	2,654
Contract assets	650	0	15
Income tax assets	788	750	1,107
Deferred income tax assets	18,071	18,634	10,011
	907,874	891,736	965,484
Current assets			
Inventories	169,988	152,189	180,530
Other non-financial assets	22,554	18,675	21,633
Other financial assets	3,201	2,470	4,442
Derivative financial assets	589	429	116
Income tax assets	3,882	6,514	10,302
Trade and other receivables	200,105	157,312	172,469
Contract assets	486	270	457
Cash and cash equivalents	176,458	185,109	211,355
	577,263	522,968	601,304
Total assets	1,485,137	1,414,704	1,566,788

Equity and liabilities

in EUR thousands	Mar 31, 2021	Dec 31, 2020	Mar 31, 2020
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	-12,776	-33,938	8,572
Retained earnings	401,278	381,063	386,709
Equity attributable to shareholders	630,687	589,310	637,466
Non-controlling interests	232	200	1,727
Total equity	630,919	589,510	639,193
Liabilities			
Non-current liabilities			
Retirement benefit obligations	16,778	16,542	16,286
Provisions	16,307	14,801	6,626
Borrowings	393,005	387,814	500,335
Other non-financial liabilities	522	495	334
Contract liabilities	356	167	123
Lease liabilities	27,087	25,727	34,881
Other financial liabilities	0	0	1,644
Derivative financial liabilities	0	0	1,864
Deferred income tax liabilities	57,217	56,151	69,283
	511,272	501,697	631,376
Current liabilities			
Provisions	23,962	23,848	8,017
Borrowings	87,615	90,177	90,629
Other non-financial liabilities	39,970	34,967	37,019
Contract liabilities	433	998	1,153
Lease liabilities	8,307	8,118	8,798
Other financial liabilities	9,945	10,212	10,145
Derivative financial liabilities	2,501	1,419	320
Income tax liabilities	6,908	5,032	5,146
Trade and other payables	163,305	148,726	134,992
	342,946	323,497	296,219
Total liabilities	854,218	825,194	927,595
Total equity and liabilities	1,485,137	1,414,704	1,566,788

Notes on the Assets and Financial Position

Total assets

Total assets amounted to EUR 1,485.1 million as of March 31, 2021, an increase of 5.0% compared to the end of 2020 (Dec 31, 2020: EUR 1,414.7 million). Compared to March 31, 2020 (EUR 1,566.8 million), total assets decreased by 5.2%.

Fixed assets

Non-current assets amounted to EUR 907.9 million as of the balance sheet date, a slight increase of 1.8% compared to the end of 2020 (Dec 31, 2020: EUR 891.7 million). This increase is due, among other factors, to the positive development of the US dollar on goodwill and other intangible assets on the reporting date. Non-current assets accounted for 61.1% of total assets as of the reporting date March 31, 2021 (Dec 31, 2020: 63.0%).

A total of EUR 10.3 million was invested in fixed assets in the period from January to March 2021 (Q1 2020: EUR 7.7 million). Furthermore, additions to non-current assets of EUR 2.1 million (Q1 2020: EUR 7.3 million) were recognized for the capitalization of rights of use for leased land and buildings. Capital expenditure included own work capitalized in the amount of EUR 0.8 million (Q1 2020: EUR 0.8 million). The main focus of investing activities in the first quarter was on China, the United States, Serbia, Poland and the Czech Republic. There were no significant disposals.

Current assets amounted to EUR 577.3 million on the balance sheet date, up 10.4% compared to the end of 2020 (Dec 31, 2020: EUR 523.0 million). The increase is due in particular to an increase in trade and other receivables (+ 27.2%) and inventories (+ 11.7%). Current assets decreased by 4.0% compared to the previous year's reporting date (March 31, 2020: EUR 601.3 million). This development was primarily due to a reduction in cash and cash equivalents (- 16.5%), inventories (- 5.8%) and income tax assets (- 62.3%). The increase in trade accounts receivable compared to the previous year's reporting date (+ 16.0%) had an offsetting effect.

Cash and cash equivalents amounted to EUR 176.5 million as of March 31, 2021 (Dec 31, 2020: EUR 185.1 million).

Current assets accounted for 38.9% of total assets as of March 31, 2021 (Dec 31, 2020: 37.0%).

Increase in (trade) working capital

(Trade) working capital (inventories plus receivables less payables, in each case mainly trade payables) amounted to EUR 206.8 million as of March 31, 2021, and was thus 28.6% higher than at the end of 2020 (Dec 31, 2020: EUR 160.8 million), also due to seasonal factors. The main drivers here were the strong increase in trade receivables and inventories. The increase in trade payables and similar liabilities had an offsetting effect.

Compared to the previous year (March 31, 2020: EUR 218.0 million), (trade) working capital declined by 7.0%. This was mainly due to positive effects from active working capital management in the area of inventories (March 31, 2021: EUR 170.0 million; March 31, 2020: EUR 180.5 million). The increase in the area of trade receivables (March 31, 2021: EUR 200.1 million; March 31, 2020: EUR 172.5 million) and trade payables (March 31, 2021: EUR 163.3 million; March 31, 2020: EUR 135.0 million) is due to an increase in business activity compared to the same period of the previous year as well as reporting date effects.

Equity ratio again at a high level

Group equity amounted to EUR 630.9 million as of March 31, 2021. This represents an increase of 7.0% compared to the end of 2020 (Dec 31, 2020: EUR 589.5 million). The equity ratio was 42.5% as of the reporting date for the quarter (Dec 31, 2020: 41.7%). The significant increase in equity is due in particular to the increase in retained earnings due to a positive result for the period (EUR 20.3 million) and the increase in other reserves due to positive currency translation differences (EUR + 21.0 million).

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Higher net debt

Net debt was EUR 352.0 million as of March 31, 2021, compared to EUR 338.4 million at the end of 2020. This represents an increase of 4.0% or EUR 13.6 million. This was due to the additional lease contracts capitalized in the reporting period on the one hand, which led to an increase in lease liabilities. On the other hand, non-cash currency effects on foreign currency loans and current interest expenses increased net debt in the first three months of the current fiscal year 2021. Furthermore, the valuation-related increase in derivative financial liabilities also led to an increase in net debt as of March 31, 2021.

Gearing (net debt in relation to equity) was 0.6 and thus exactly the same as at the end of 2020 (Dec 31, 2020: 0.6). With the increase in net debt in the first quarter of 2021, leverage (net debt excluding hedging derivatives in relation to adjusted EBITDA for the last twelve months) was 2.5 (Dec 31, 2020: 2.6).

NORMA Group's net financial debt is as follows:

Net debt

in EUR thousands	Mar 31, 2021	Dec 31, 2020
Bank borrowings, net	480,620	477,991
Derivative financial liabilities – hedge accounting	2,501	1,419
Lease liabilities	35,394	33,845
Other financial liabilities	9,945	10,212
Financial debt	528,460	523,467
Cash and cash equivalents	176,458	185,109
Net debt	352,002	338,358

Financial liabilities

At EUR 528.5 million, NORMA Group's financial liabilities as of March 31, 2021, exceeded the level of December 31, 2020 (EUR 523.5 million), by 1.0%. Currency effects on the US dollar led to an increase in loans. Conversely, liabilities from the commercial paper program declined by EUR 5.0 million. The increase in liabilities from leases resulted from additions in the area of rights of use due to newly concluded leases, which more than offset the changes due to repayments (payment of lease installments).

Non-current liabilities totaled EUR 511.3 million as of March 31, 2021, an increase of 1.9% or EUR 9.6 million compared to the end of 2020 (Dec 31, 2020: EUR 501.7 million).

Current liabilities amounted to EUR 342.9 million as of the reporting date of the current reporting quarter, compared to EUR 323.5 million as of December 31, 2020.

The maturities of the syndicated loans and the promissory note loans as of March 31, 2021, were as follows:

Maturity bank borrowings 2021

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			242,418	
Promissory note, net	72,615	3,500	105,587	41,500
Commercial paper	15,000			
Total	87,615	3,500	348,005	41,500

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Other non-financial liabilities

Other non-financial liabilities are as follows:

Other non-financial liabilities

in EUR thousands	Mar 31, 2021	Dec 31, 2020
Non-current		
Government grants	247	261
Other liabilities	275	73
	522	334
Current		
Government grants	921	1,185
Non-income tax liabilities	5,174	2,753
Social liabilities	6,127	5,719
Personnel-related liabilities (e.g., vacation, bonus, premiums)	27,103	26,705
Other liabilities	644	657
	39,969	37,019
Total other non-financial liabilities	40,491	37,353

Derivative financial instruments

Foreign currency derivatives

As of March 31, 2021, foreign currency derivatives with a positive market value of less than EUR 0.1 million and foreign currency derivatives with a negative market value of less than EUR 0.1 million were held to hedge cash flows. In addition, foreign currency derivatives with a positive fair value of EUR 0.6 million and foreign currency derivatives with a negative fair value of EUR 1.4 million were held to hedge changes in fair value.

The foreign currency derivatives used to hedge cash flows are used to hedge against fluctuations in the exchange rate arising from operating activities. Foreign currency derivatives used to hedge changes in fair value serve to hedge external financing liabilities, bank balances denominated in foreign currencies and intercompany monetary items against exchange rate fluctuations.

Interest rate hedging instruments

Portions of NORMA Group's external financing were hedged against interest rate fluctuations by using interest rate swaps. As of March 31, 2021, interest rate hedges with a negative fair value of EUR 1.1 million were held.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from January 1 to March 31, 2021

in EUR thousands

	Q1 2021	Q1 2020
Operating activities		
Profit for the period	20,251	10,814
Depreciation and amortization	18,607	19,557
Gain (-) / loss (+) on disposal of property, plant and equipment	-5	80
Change in provisions	1,688	559
Change in deferred taxes	-417	-1,342
Change in inventories, trade account receivables and other receivables which are not attributable to investing or financing activities	-55,137	-20,473
Change in trade and other payables which are not attributable to investing or financing activities	14,467	-1,621
Change in reverse factoring liabilities	5,015	-2,043
Interest expenses in the period	2,700	3,525
Income (-) / expenses (+) due to measurement of derivatives	1,120	55
Other non-cash expenses (+) / income (-)	413	673
Cash flow from operating activities	8,702	9,784
thereof interest received	131	237
thereof income taxes	-3,533	-5,891
Investing activities		
Investments in property, plant and equipment and intangible assets	-11,913	-9,696
Proceeds from the sale of property, plant and equipment	153	240
Cash flow from investing activities	-11,760	-9,456
Financing activities		
Interest paid	-1,914	-2,619
Proceeds from borrowings	1,585	43,750
Repayment of borrowings	-7,235	-6,328
Proceeds from / repayment of derivatives	7	-20
Repayment of lease liabilities	-2,465	-2,563
Cash flow from financing activities	-10,022	32,220
Net change in cash and cash equivalents	-13,080	32,548
Cash and cash equivalents at the beginning of the year	185,109	179,721
Effect of foreign exchange rates on cash and cash equivalents	4,429	-914
Cash and cash equivalents at the end of the period	176,458	211,355

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Group-wide financial management

A detailed overview of NORMA Group's general financial management can be found in the [2020 ANNUAL REPORT](#).

Net operating cash flow

In the reporting period from January to March 2021, net operating cash flow amounted to EUR 2.5 million and thus decreased by EUR 4.2 million compared to the same quarter of 2020 (Q1 2020: EUR 6.7 million). This development is mainly due to a higher build-up of (trade) working capital (Q1 2021: EUR – 38.4 million; Q1 2020: EUR: – 24.2 million) in relation to EBITDA in the reporting period compared to the end of the previous year. In the area of trade receivables, this build-up resulted from the higher sales volume compared to the same period of the previous year, which increased at an above-average rate, particularly in the last month of the quarter. Furthermore, the level of inventories increased significantly compared to the end of 2020 due to the incoming orders expected in the months to come. Conversely, trade payables also increased as a result of the increase in business activity and inventories.

Higher investments from operating activities (Q1 2021: EUR 9.2 million; Q1 2020: EUR 7.3 million) had a negative impact on net operating cash flow compared to the same period of the previous year.

Cash flow from operating activities

Cash flow from operating activities reached a level of EUR 8.7 million in the current reporting quarter (Q1 2020: 9.8 million).

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 previous year, the company participates in a reverse factoring, a factoring and an ABS program. The liabilities from the reverse factoring program 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 best reflects the economic substance

of the transactions. The total volume of these programs amounted to EUR 53.3 million (Dec 31, 2020: EUR 52.3 million).

The corrections to expenses for the valuation of derivatives in the amount of EUR 1.1 million (Q1 2020: EUR 0.1 million) included in cash flow from operating activities relate to changes in the fair value of foreign currency derivatives and interest rate swaps recognized in profit and loss that are allocated to financing activities.

The adjusted other non-cash income (–)/expenses (+) mainly comprise expenses from the currency translation of external financing liabilities and intragroup monetary items amounting to EUR 0.3 million (Q1 2020: expenses of EUR 0.6 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 – 11.8 million in the first quarter of 2021 (Q1 2020: EUR – 9.5 million) and included net cash outflows from the purchase and sale of non-current assets of EUR 11.8 million (Q1 2020: EUR 9.5 million). This included the change in liabilities for the acquisition of intangible assets and property, plant and equipment of EUR – 2.7 million (Q1 2020: EUR – 2.4 million).

Cash flow from financing activities

Cash flow from financing activities in the first three months of 2021 amounted to EUR – 10.0 million (Q1 2020: EUR 32.2 million). This mainly included net cash inflows from loans of EUR 5.6 million (Q1 2020: loan repayments of EUR 37.4 million), repayments of lease liabilities of EUR – 2.5 million (Q1 2020: EUR – 2.6 million) and interest payments (Q1 2021: EUR – 1.9 million; Q1 2020: EUR – 2.6 million).

DEVELOPMENT OF SEGMENTS

for the period from January 1 to March 31, 2021

in EUR thousands	EMEA		Americas		Asia-Pacific		Total segments		Central functions		Consolidation		Group	
	Q1 2021	Q1 2020	Q1 2021	Q1 2020	Q1 2021	Q1 2020	Q1 2021	Q1 2020	Q1 2021	Q1 2020	Q1 2021	Q1 2020	Q1 2021	Q1 2020
Total revenue	144,173	126,076	110,518	105,412	46,702	33,010	301,393	264,498	7,743	7,765	-22,718	-18,709	286,418	253,554
thereof inter-segment revenue	11,820	8,278	1,779	1,971	1,376	695	14,975	10,944	7,743	7,765	-22,718	-18,709	0	0
Revenue from external customers	132,353	117,798	108,739	103,441	45,326	32,315	286,418	253,554	0	0	0	0	286,418	253,554
Contribution to consolidated Group sales	46.2%	46.5%	38.0%	40.8%	15.8%	12.7%	100%	100%						
Gross profit	82,962	73,538	59,915	58,714	23,521	15,738	166,398	147,990	n/a.	n/a.	-414	-181	165,984	147,809
EBITDA	24,992	21,207	17,692	14,040	11,534	4,947	54,218	40,194	-3,981	-1,958	-116	-37	50,121	38,199
EBITDA margin ¹	17.3%	16.8%	16.0%	13.3%	24.7%	15.0%							17.5%	15.1%
Depreciation without PPA depreciation ²	-4,661	-4,605	-3,832	-4,076	-1,975	-2,057	-10,468	-10,738	-188	-339	-1	1	-10,657	-11,076
Adjusted EBITA ³	20,331	16,602	13,860	9,964	9,559	2,890	43,750	29,456	-4,169	-2,297	-117	-36	39,464	27,123
Adjusted EBITA margin ^{1,3}	14.1%	13.2%	12.5%	9.5%	20.5%	8.8%							13.8%	10.7%
Adjusted EBIT ³	19,178	15,944	13,027	9,294	9,401	2,704	41,606	27,942	-4,623	-2,830	-117	-35	36,866	25,077
Adjusted EBIT margin ^{1,3}	13.3%	12.6%	11.8%	8.8%	20.1%	8.2%							12.9%	9.9%
Assets (previous year's figures as of Dec 31, 2020) ^{4,5}	651,367	621,091	621,850	574,091	264,793	253,193	1,538,010	1,448,375	280,316	263,481	-333,189	-297,152	1,485,137	1,414,704
Liabilities (previous year's figures as of Dec 31, 2020) ⁵	220,715	204,830	269,114	245,259	49,280	50,441	539,109	500,530	604,839	584,564	-289,730	-259,900	854,218	825,194
CAPEX ⁶	4,341	3,036	2,939	2,613	2,745	1,726	10,025	7,375	239	313	n/a.	n/a.	10,264	7,688
Employees ⁷	3,742	3,558	1,458	1,562	1,196	1,415	6,396	6,535	120	115	n/a.	n/a.	6,516	6,650

1_In relation to segment sales.

2_Depreciation from purchase price allocation.

3_The adjustments are described in the chapter → [ADJUSTMENTS](#).

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

5_Taxes are shown in the column 'consolidation.'

6_Including capitalized rights of use for movable assets.

7_Number of employees (average).

Notes on Segment Development

The share of sales generated by foreign Group companies amounted to 82.7% in the first three months of 2021 (Q1 2020: 81.1%).

EMEA

External sales in the EMEA region totaled EUR 132.4 million in the first quarter of 2021 and were thus 12.4% higher than in the same quarter of the previous year (Q1 2020: EUR 117.8 million). Currency effects had only a minor negative effect of –0.4%; the majority of the growth (12.2%) is attributable to organic sales growth. Strong growth impetus came from both the Mobility and New Energies business – which was boosted in particular by the recovery in demand on the European automotive market – and the Standardized Joining Technology business. Due to the change in segment allocation of the British company Kimplas UK, a subsidiary of the Indian water management company Kimplas Piping Systems Ltd., from the Asia-Pacific region to the EMEA region, the respective sales in the same period of the previous year were reclassified (Q1 2020: EUR 0.6 million).

The EMEA region's share of Group sales in the first quarter of 2021 was unchanged compared to the previous year at 46% (Q1 2020: 46%).

Adjusted EBIT in the EMEA region amounted to EUR 19.2 million in the current reporting period, an increase of 20.3% compared to the same quarter of the previous year (Q1 2020: EUR 15.9 million). The adjusted EBIT margin was 13.3% (Q1 2020: 12.6%). The main reasons for the improvement in the operating result were the good sales performance in the first quarter and cost savings effects from the 'Get on track' measures, in the area of purchasing, in particular. Adjusted EBITA amounted to EUR 20.3 million (Q1 2020: EUR 16.6 million), and the adjusted EBITA margin was 14.1% (Q1 2020: 13.2%).

Investments in the EMEA region amounted to EUR 4.3 million in the first quarter (Q1 2020: EUR 3.0 million) and mainly pertained to the sites in Serbia and Poland.

Americas

Sales (external sales) in the Americas region amounted to EUR 108.7 million in the first quarter of 2021, up 5.1% on the previous year (Q1 2020: EUR 103.4 million). Organic growth amounted to 15.6% and was attributable to both the resurgence in customer demand in the automotive sector and the continued strong water business. Despite already solid growth in the same quarter of the previous year (+ 1.4%), sales in the area of water management increased by 29.9% in the first quarter of 2021. This was the result of particularly strong end-customer demand in the first quarter of 2021, which, in anticipation of a strong season, also boosted demand from distributors. Currency translation effects had a negative impact of – 10.5% on sales, however, due to the strong devaluation of the US dollar compared to the same quarter of the previous year.

The Americas region accounted for 38% of Group sales in the current reporting quarter (Q1 2020: 41%).

Adjusted EBIT in the Americas region increased by 40.2% compared to the same quarter of the previous year to EUR 13.0 million (Q1 2020: EUR 9.3 million). The adjusted EBIT margin for the first quarter of 2021 was 11.8% (Q1 2020: 8.8%).

Investments in the Americas region amounted to EUR 2.9 million in the period from January to March 2021 (Q1 2020: EUR 2.6 million) and related in particular to the plants in the United States and Mexico.

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Asia-Pacific

External sales of EUR 45.3 million were generated in the Asia-Pacific region in the first quarter of 2021 (Q1 2020: EUR 32.3 million). This represents an increase of 40.3% compared to the same quarter of the previous year and includes growth in organic sales in the amount of 45.4%. Currency effects had a negative impact of –3.4%. One of the reasons for the strong growth in the region was the sharp rise in demand from the Chinese automotive industry, which picked up significantly compared to the same quarter of the previous year, which was impacted by the pandemic-related lockdown in China. Further impetus came from India. The overall economic situation there eased again compared to the same period of the previous year. This spurred demand for joining technology.

The change in segment allocation of Kimplas UK from the former Asia-Pacific region to the EMEA region resulted in a reclassification of the respective previous year's sales (EUR –0.6 million). Due to the good sales development, the Asia-Pacific region's share of Group sales increased to 16% (Q1 2020: 13%).

Adjusted EBIT in the Asia-Pacific region was EUR 9.4 million in the period from January to March 2021 (Q1 2020: EUR 2.7 million). The adjusted EBIT margin was 20.1% (Q1 2020: 8.2%). Reasons for the significant increase in the margin were mainly the strong growth in sales in the region, resulting in full utilization of manufacturing capacities in the first quarter of 2021. Combined with a high level of automation and strict cost discipline, this led to a significant improvement in margins compared to the same period of the previous year.

Investments in the Asia-Pacific region amounted to EUR 2.7 million in the first quarter of 2021 (Q1 2020: EUR 1.7 million) and primarily related to the plants in China.

FORECAST 2021

The forecast for fiscal year 2021 remains unchanged from the forecast published on March 24, 2021, in the 2020 Annual Report. The Management Board's expectations for the development of the key performance indicators in fiscal year 2021 are shown in the table below.

Forecast for fiscal year 2021

Organic group sales growth	Low double-digit organic Group sales growth EJT: Strong organic sales growth in the low double-digit range SJT: Significant organic sales growth in the high single-digit range EMEA: Strong organic sales growth in the low double-digit range Americas: High single-digit organic sales growth APAC: Slight organic sales growth
Material cost ratio	Significantly improved material cost ratio
Personnel cost ratio	Significantly improved personnel cost ratio
R&D investment ratio	Around 3% of sales ¹
Adjusted EBITA margin	More than 13%
Adjusted EBIT margin	More than 12%
NORMA Value Added (NOVA)	Between EUR 10 million and EUR 25 million
Financial result	Up to EUR – 13 million
Tax rate	Between 27% and 29%
Adjusted earnings per share	Strong increase in adjusted earnings per share
Investment rate (without acquisitions)	Investment ratio between 5% and 6% of Group sales
Net operating cash flow	More than EUR 110 million
Dividend / dividend ratio	Around 30% to 35% of adjusted Group earnings
CO ₂ emissions	Reduction in CO ₂ emissions by around 19.5% ² by 2024 (CAGR: 3.0%)
Number of invention applications	More than 20
Number of defective parts (parts per million / PPM)	Below 10

¹ Due to the increasing strategic relevance of the area of water management, NORMA Group has included R&D expenses in this area in the calculation since the 2020 reporting year and uses total sales as a reference value to determine the R&D ratio (previously 5% of EJT sales).

² Reference year: 2017.

FURTHER INFORMATION

Financial Calendar, Contact and Imprint

Financial calendar 2021

Date	Event
May 20, 2021	Annual General Meeting 2021
Aug 4, 2021	Publication of Interim Report Q2 2021
Nov 3, 2021	Publication of Interim Statement Q3 2021

The financial calendar is constantly updated. Please visit the Investor Relations section on the Company website www.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 that 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 take place or be fulfilled as expected in the future. 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 downside) 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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