

Q1-Q3 2023/24

MANAGEMENT PRESENTATION

7 March 2024

BE
ELECTRIFIED



DISCLAIMER

The facts and information contained herein constitute forward-looking statements as of the date they were made and based upon assumptions as to future events or circumstances that may not prove to be complete or accurate. By their nature, these statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and are difficult to predict. Therefore, actual outcomes or results may differ materially from what is expressed, implied or forecasted in these statements. Neither Zumtobel Group AG nor any of its directors, officers, employees or advisors nor any other person makes any representation or warranty, expressed or implied, as to the accuracy or completeness of the facts and information contained in this document or the related oral presentation thereof, including responses to questions following the presentation. Neither Zumtobel Group AG nor any of its directors, officers, employees and advisors nor any other person shall have any liability whatsoever for loss howsoever arising, directly or indirectly, from any use of this document, the facts and/or information.

Whilst all reasonable care has been taken to ensure the facts stated herein are accurate and that the assumptions and opinions contained herein are fair and reasonable, this document is selective in nature and is intended to provide an introduction to, and overview of, the business of Zumtobel Group AG as of the date this document was made. Where any information and statistics are quoted from any external source, such information or statistics should not be interpreted as having been adopted or endorsed by Zumtobel Group AG as being accurate.

CIELUMA



keyture

Our new product brand

ZUMTOBEL

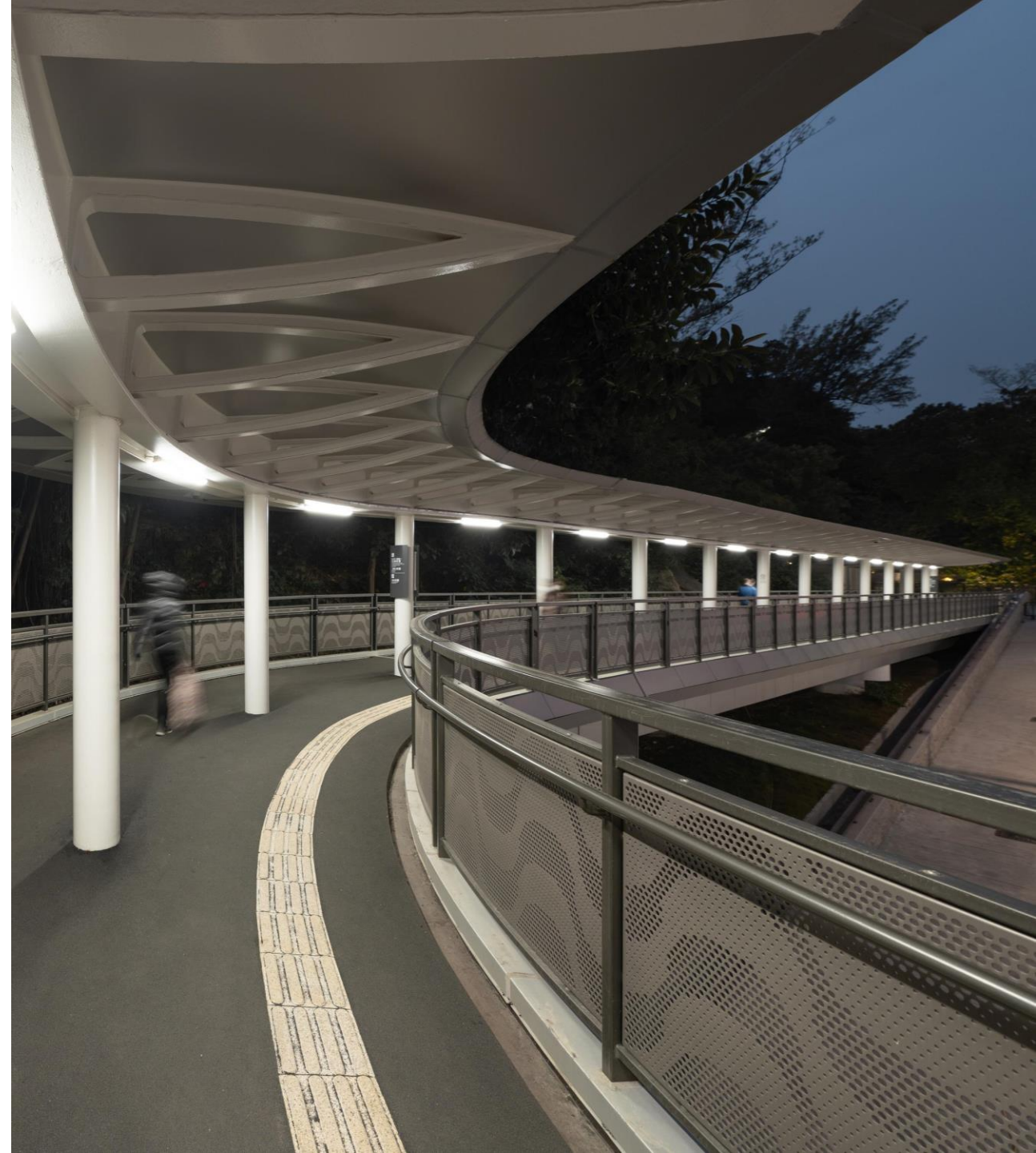
SIEMENS

Enlighted

Partnership

Q1-Q3 2023/24 FINANCIAL OVERVIEW

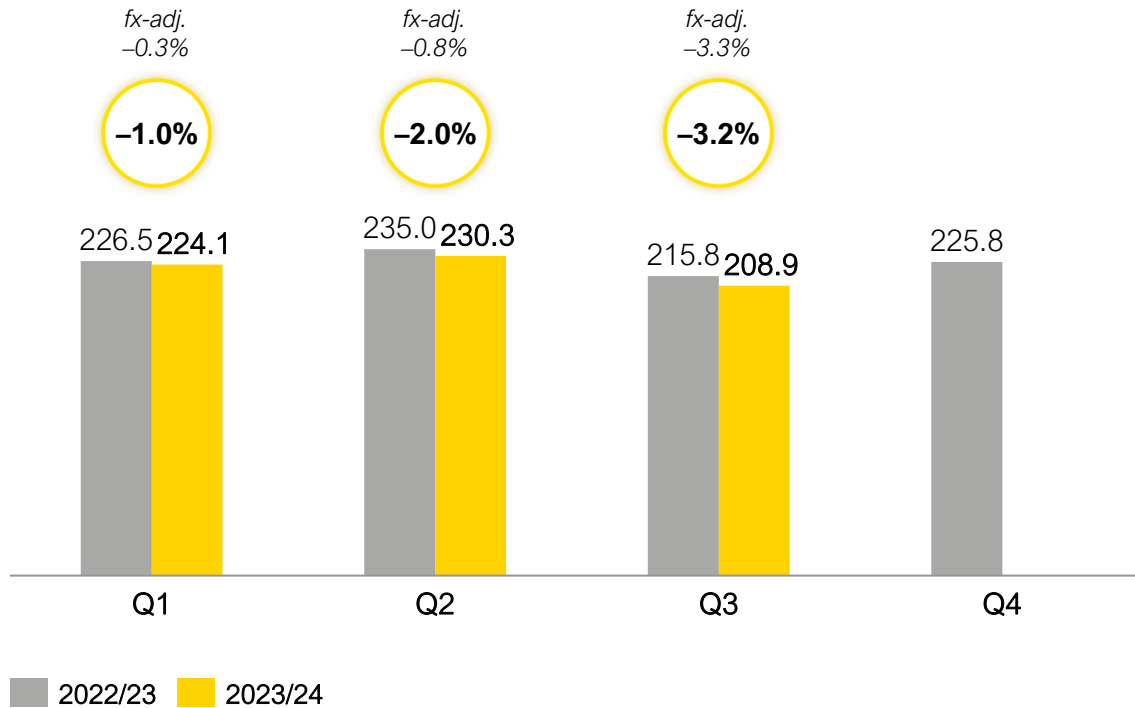
- **Group revenues decline by 7.9% to EUR 840.0 mn (PY: EUR 912.2 mn)**
 - Lighting Segment revenues at EUR 663.4 mn (–2.1%)
 - Components Segment at EUR 222.6 mn (–20.4%)
 - Good revenue contributions especially from Switzerland
- **Adj. EBIT at EUR 45.9 mn (PY: EUR 68.0 mn)**
 - Missing revenue contribution and higher personnel costs due to inflation
 - Adj. Gross profit reaches EUR 297.9 mn; adj. Gross profit margin increased to 35.5% (PY: 34.5%)
 - Adj. SG&A expenses at EUR 252.0 mn
- **Net profit declines to EUR 21.4 mn (PY: EUR 43.4 mn)**
- **Solid balance sheet**
- **Equity ratio at 43.4%**



LIGHTING SEGMENT

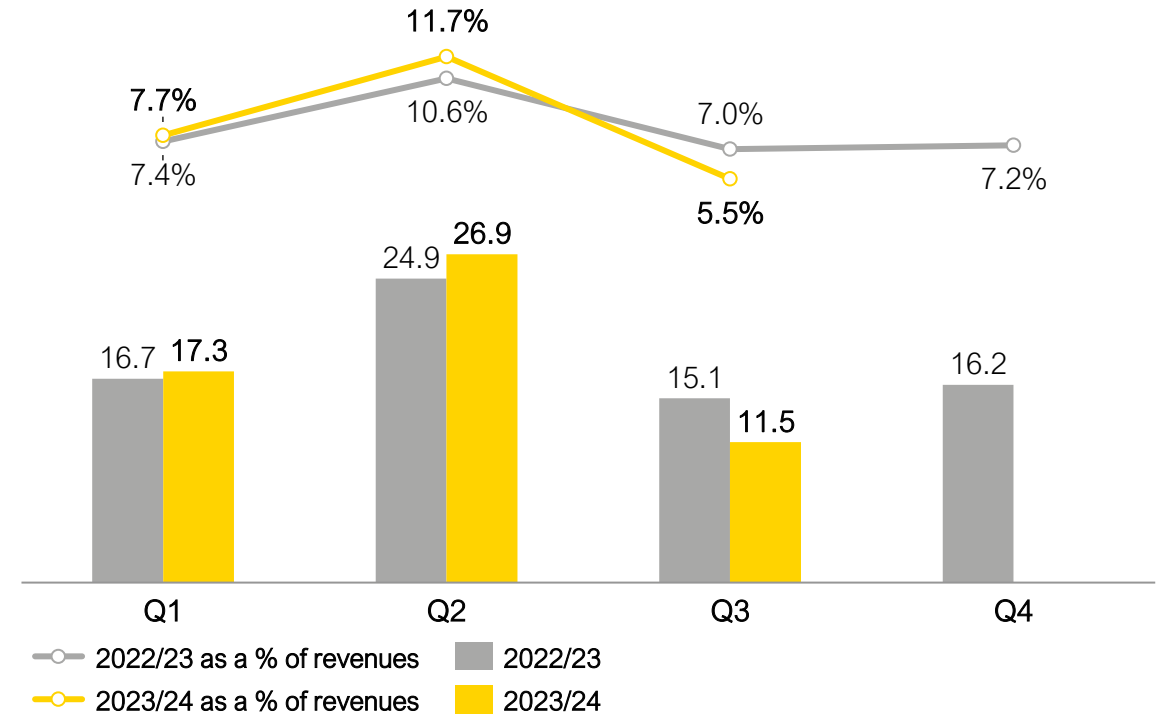
REVENUE SLIGHTLY DECLINED, WHILE ADJUSTED EBIT LOWER DUE TO HIGHER PERSONNEL COSTS

REVENUES IN EUR MN



Q1-Q3 2023/24: EUR 663.4 mn (minus 2.1%)
 Q1-Q3 2022/23: EUR 677.3 mn

ADJUSTED EBIT IN EUR MN

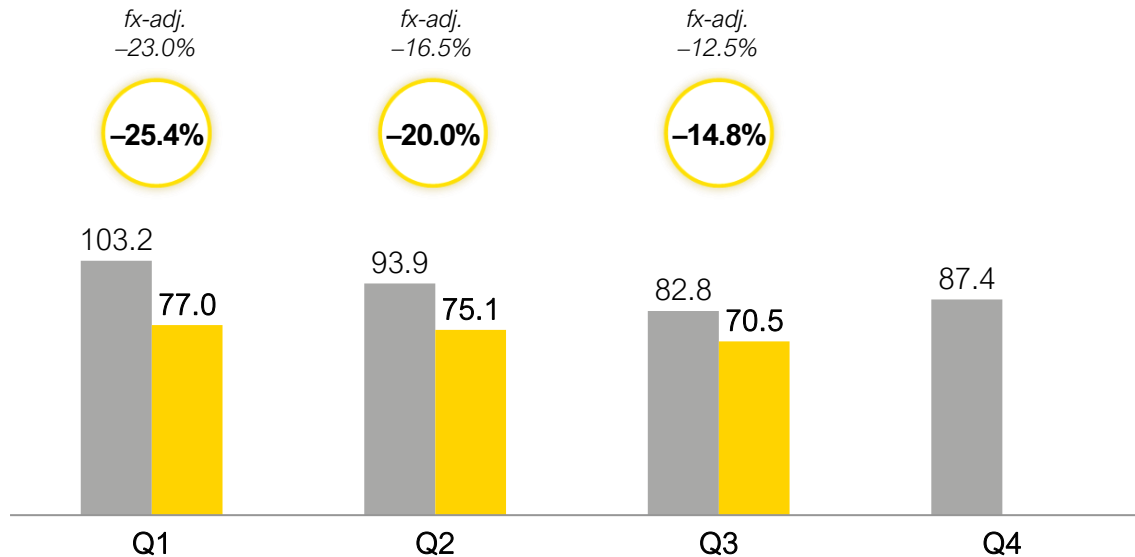


Q1-Q3 2023/24: EUR 55.6 mn (margin of 8.4%)
 Q1-Q3 2022/23: EUR 56.7 mn (margin of 8.4%)

COMPONENTS SEGMENT

Q3 REVENUE STILL IMPACTED BY HIGH CUSTOMERS' INVENTORY LEVELS AND A LACK OF ECONOMIC MOMENTUM

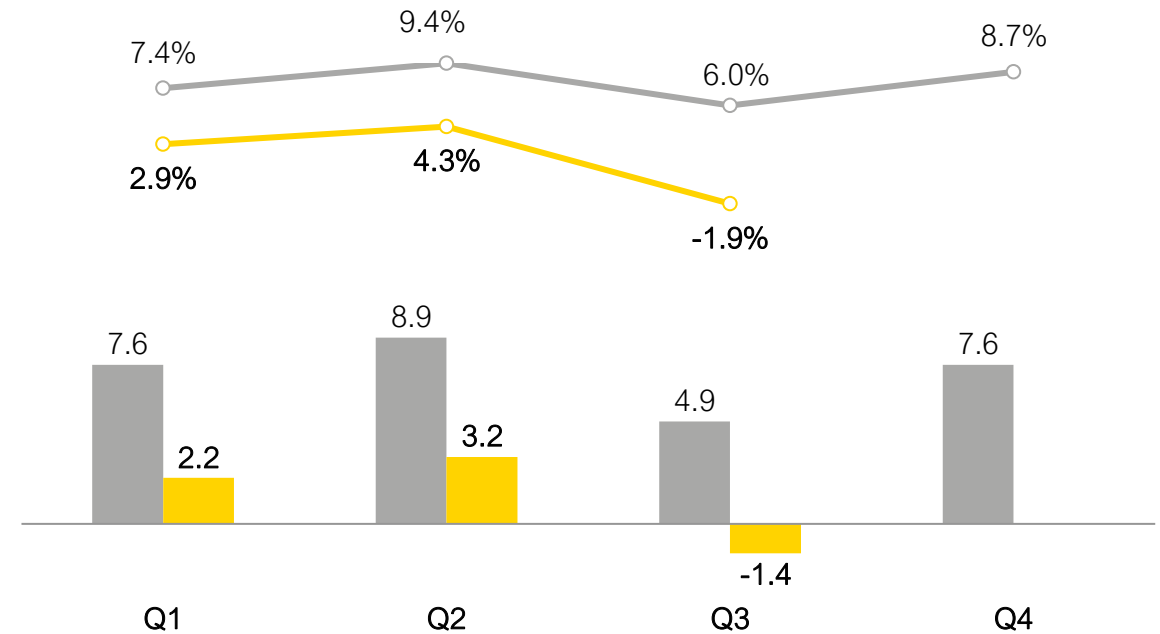
REVENUES IN EUR MN



■ 2022/23 ■ 2023/24

Q1-Q3 2023/24: EUR 222.6 mn (minus 20.4%)
 Q1-Q3 2022/23: EUR 279.8 mn

ADJUSTED EBIT IN EUR MN

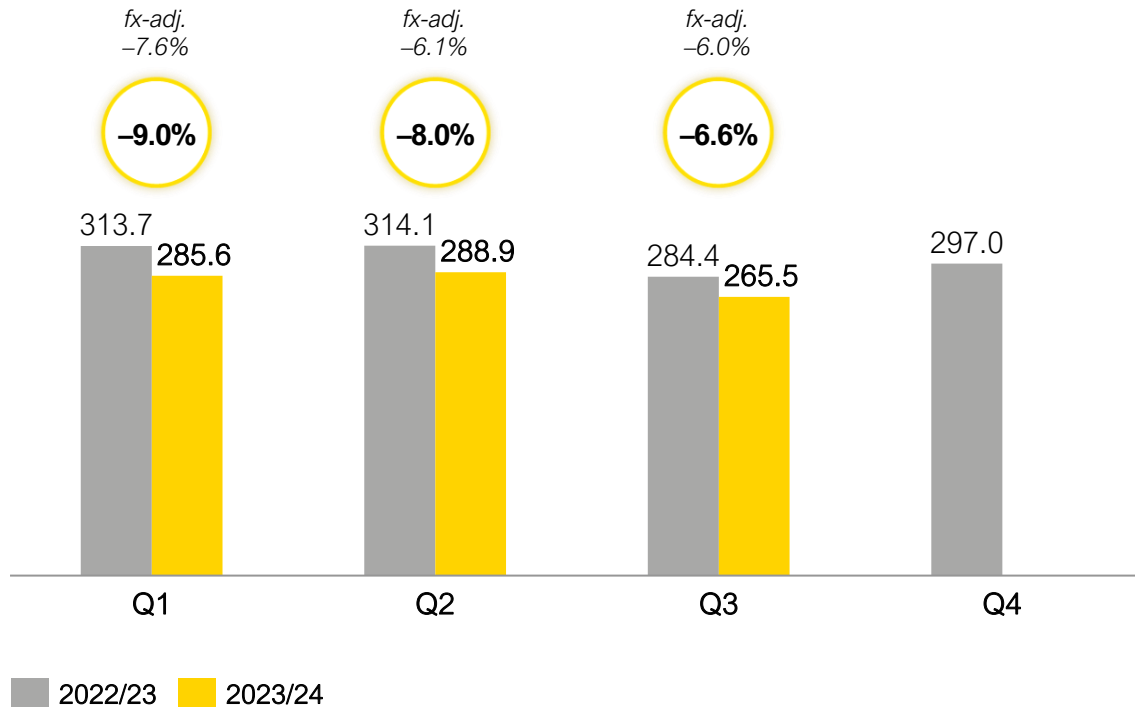


○ 2022/23 as a % of revenues ■ 2022/23
 ○ 2023/24 as a % of revenues ■ 2023/24

Q1-Q3 2023/24: EUR 4.1 mn (margin of 1.8%)
 Q1-Q3 2022/23: EUR 21.4 mn (margin of 7.7%)

DECLINE IN SALES FURTHER EASED IN Q3, WHILE ADJUSTED EBIT WAS NEGATIVELY IMPACTED

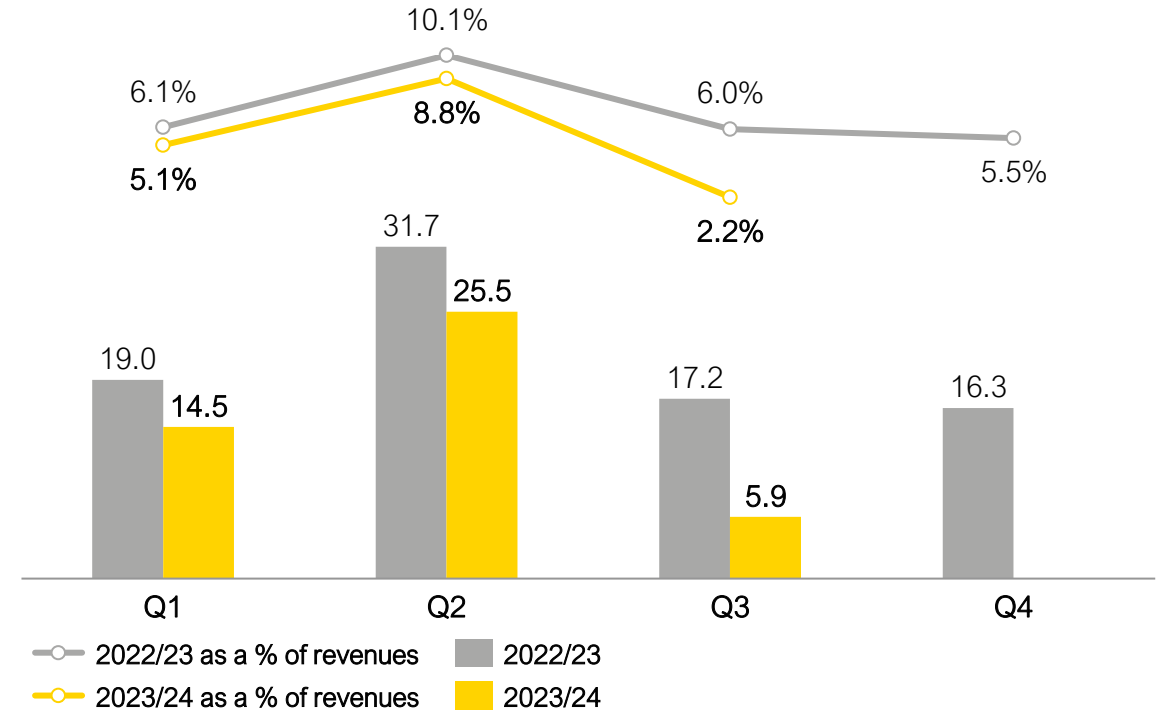
REVENUES IN EUR MN



Q1-Q3 2023/24: EUR 840.0 mn (minus 7.9%)
 Q1-Q3 2022/23: EUR 912.2 mn

Q1-Q3 2023/24 results

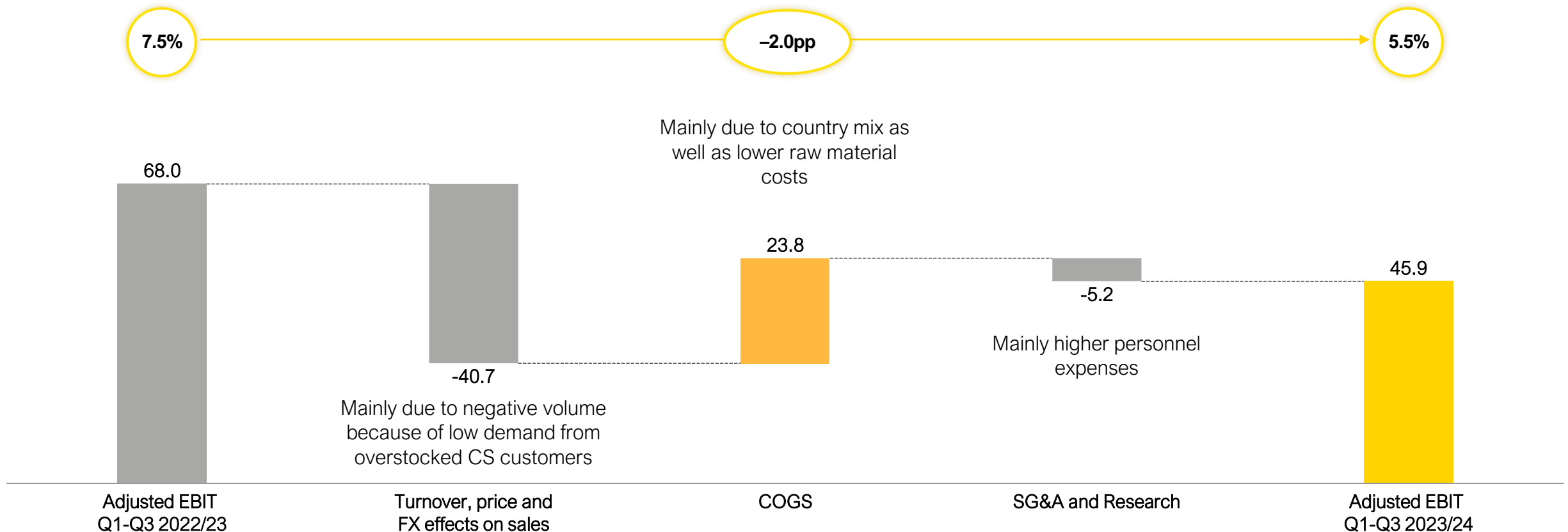
ADJUSTED EBIT IN EUR MN



Q1-Q3 2023/24: EUR 45.9 mn (margin of 5.5%)
 Q1-Q3 2022/23: EUR 68.0 mn (margin of 7.5%)

REVENUE DECLINE, INFLATION-BASED INCREASE IN PERSONNEL COSTS, ONLY PARTLY OFFSET BY HIGHER GROSS PROFIT MARGIN

ADJUSTED EBIT BRIDGE IN EUR MN / AS % OF SALES



ADJUSTED GROSS PROFIT MARGIN INCREASED TO 35.5% WHILE ADJUSTED EBIT MARGIN WAS NEGATIVELY IMPACTED

ZUMTOBEL GROUP – INCOME STATEMENT

IN EUR MN	Q1-Q3 2023/24	Q1-Q3 2022/23	CHANGE IN %
Revenues	840.0	912.2	-7.9
Adjusted cost of goods sold	-542.1	-597.4	-9.3
Adjusted gross profit (incl. development)	297.9	314.7	-5.4
<i>as a % of revenues</i>	35.5	34.5	
Adjusted SG&A expenses	-252.0	-246.8	2.1
Adjusted EBIT	45.9	68.0	-32.5
<i>as a % of revenues</i>	5.5	7.5	
Special effects	-9.1	0.0	
EBIT	36.8	68.0	-45.9
<i>as a % of revenues</i>	4.4	7.5	
Financial results	-13.0	-12.3	-5.3
Profit before tax	23.8	55.7	-57.2
Income taxes	-2.4	-12.2	-80.6
Net profit for the period	21.4	43.4	-50.7
Earnings per share (in EUR)	0.50	1.01	-50.5

Special effects of EUR -9.1 mn recorded in Q1-Q3 2023/24, thereof:

- EUR 7.4 million for personnel expenses,
- EUR 0.8 million for depreciation, amortisation and impairment of assets
- EUR 0.9 million for other expenses and income

CASH FLOW IN Q1-Q3 2023/24 WAS NEGATIVELY IMPACTED BY REVENUE DECLINE

ZUMTOBEL GROUP – CASH FLOW STATEMENT

IN EUR MN	Q1-Q3 2023/24	Q1-Q3 2022/23
Cash flow from operating results	78.5	109.5
Change in working capital	8.7	-3.4
Change in other operating items	-22.3	-15.5
Taxes paid/received	-6.3	-6.1
Cash flow from operating activities	58.6	84.5
Cash flow from investing activities	-29.7	-38.3
Free cash flow	28.9	46.2

SOLID BALANCE SHEET: STRONG EQUITY RATIO AND DEBT COVERAGE RATIO

ZUMTOBEL GROUP – KEY BALANCE SHEET DATA

IN EUR MN	31 January 2024	30 April 2023
Total assets	984.2	1,002.4
Net debt	94.3	86.9
<i>Debt coverage ratio</i>	0.86	0.62
Equity	427.3	421.7
<i>Equity ratio in %</i>	43.4	42.1
<i>Gearing in %</i>	22.1	20.6
CAPEX	40.6	69.4
<i>thereof CAPEX excl. IFRS 16</i>	32.4	54.5
Working capital	224.7	231.7
<i>as a % of rolling 12-month revenues</i>	19.8	19.2

Solid liquidity position backed by:

- Consortium credit agreement with a term ending in December 2028 and a volume of EUR 125 mn (including clause for an increase in the credit line up to EUR 350 mn), thereof EUR 25 mn drawn
- Two long-term credit agreements of EUR 30 mn and EUR 40 mn with the European Investment Bank (EIB) (bullet repayment in September 2024, respectively February 2025)
- Uncommitted credit lines totalling EUR 43.4 mn

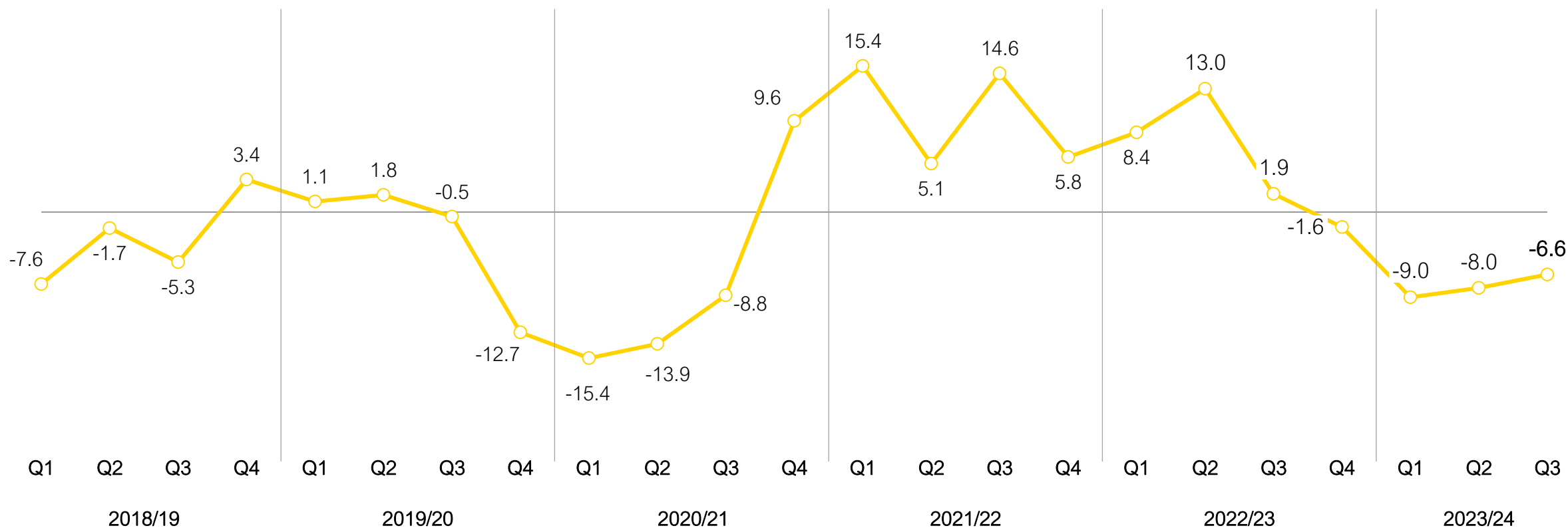
Financial covenants attached to:

- Debt coverage ratio¹ < 3.55
 0.86 as of 31 January 2024
- Equity ratio > 23.5%
 43.4% as of 31 January 2024

→ Covenants tested on 31 October as well as 30 April

SALES DEVELOPMENT YEAR-ON-YEAR NEGATIVE IN A DIFFICULT MARKET ENVIRONMENT

ZUMTOBEL GROUP – SALES DEVELOPMENT BY QUARTER VS PY PERIOD IN %

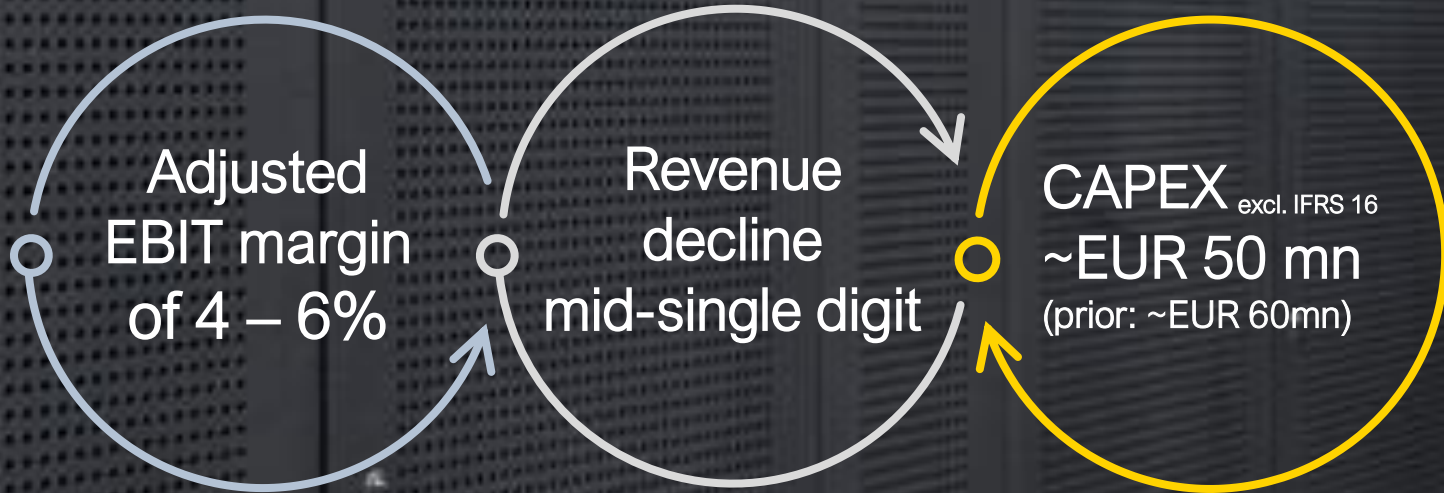


GROUP REVENUES DOWN BY 7.9% IN Q1-Q3 2023/24

ZUMTOBEL GROUP – REGIONAL REVENUE DISTRIBUTION

IN EUR MN	Q3 2023/24	CHANGE IN %	Q1-Q3 2023/24	CHANGE IN %	
				NOMINAL	FX ADJUSTED
D/A/CH	93.2	-3.8	304.2	-0.3	-1.7
Northern and Western Europe	58.6	-13.9	194.2	-12.2	-11.3
Southern and Eastern Europe	71.3	-7.8	223.9	-8.3	-5.5
Asia & Pacific	26.0	2.0	72.1	-20.4	-14.6
Americas & MEA	16.5	-1.1	45.4	-10.6	-6.7
Total	265.5	-6.6	840.0	-7.9	-6.6

FY 2023/24 OUTLOOK



A silhouette of a woman with long hair, looking upwards. The background is a gradient from dark blue on the left to light beige on the right, with a large, bright circular shape representing the sun or moon partially visible on the right side.

BACK UP

FINANCIAL CALENDAR

DATE	SUBJECT	PERIOD
3 July 2024	Annual Results 2023/24	1 May 2023 – 30 April 2024
23 July 2024	Record Date for the Annual General Meeting	
2 August 2024	48th Annual General Meeting	
6 August 2024	Ex-Dividend Day	
7 August 2024	Record Date Dividend	
9 August 2024	Dividend Payout Day	
5 September 2024	Interim Report Q1 2024/25	1 May 2024 – 31 July 2024
5 December 2024	Half-Year Financial Report 2024/25	1 May 2024 – 31 October 2024
6 March 2025	Interim Report Q1 – Q3 2024/25	1 May 2024 – 31 January 2025

EFFICIENCY MEASURES TO TACKLE THE DIFFICULT MARKET ENVIRONMENT

**Cost reduction
and efficiency
improvements**



Operational efficiency

- Review staffing in all functional areas
- Reduce costs through digitalization and strict management of overhead costs



Management of manufacturing costs

- Increase automation in our manufacturing processes
- Increase factory lead in low-cost countries and reduce number of temporary workers



Capture market opportunities

- Refurbishment as growth driver
- Higher price acceptance among customers for energy efficient products



Design to cost

- Value engineering
- Local sourcing in low-cost countries

ORDER SITUATION REQUIRES REORIENTATION

Measurements

Components plant, Dornbirn (AT)



- Partial transfer of production to the plant in Niš (Serbia)
- Conversion of the plant in Dornbirn into a “Centre of Production Innovation”
- Reorganisation will affect roughly 100 employees

Lighting plant, Dornbirn (AT)



- Volume adjustments and organisational optimisation
- Reduction of roughly 70 employees

Impact

Restructuring costs

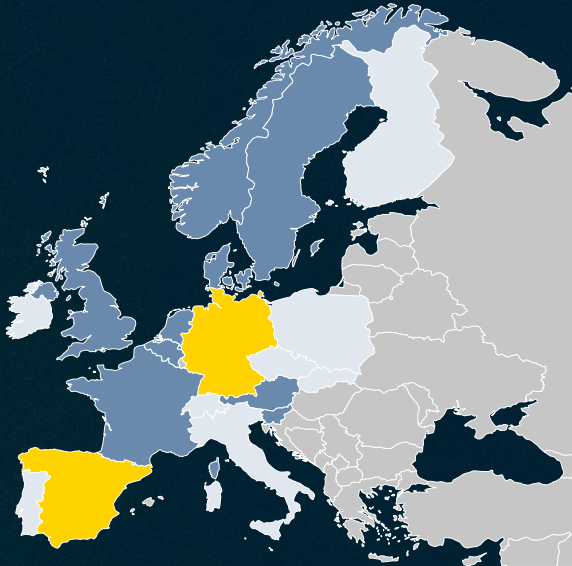
- Restructuring costs of EUR –9.1 mn were booked in Q2 2023/24
- No further material costs are expected

→ **Re-introduction of adjusted EBIT**

Expected savings in the high single-digit millions with initial effect already in FY 2024/25

CURRENT MARKET OUTLOOK FOR THE FINANCIAL YEAR 2023/24

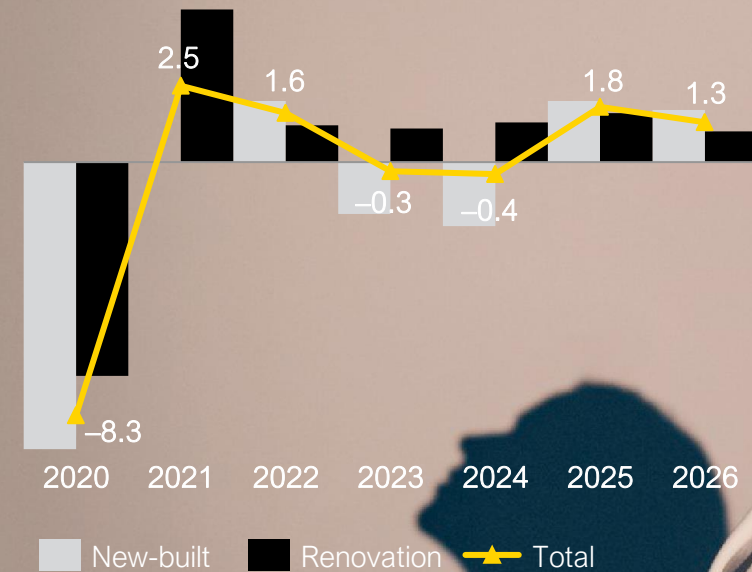
Growth in non-residential construction in 2024



> +0.5%
 0 - +0.5%
 negative

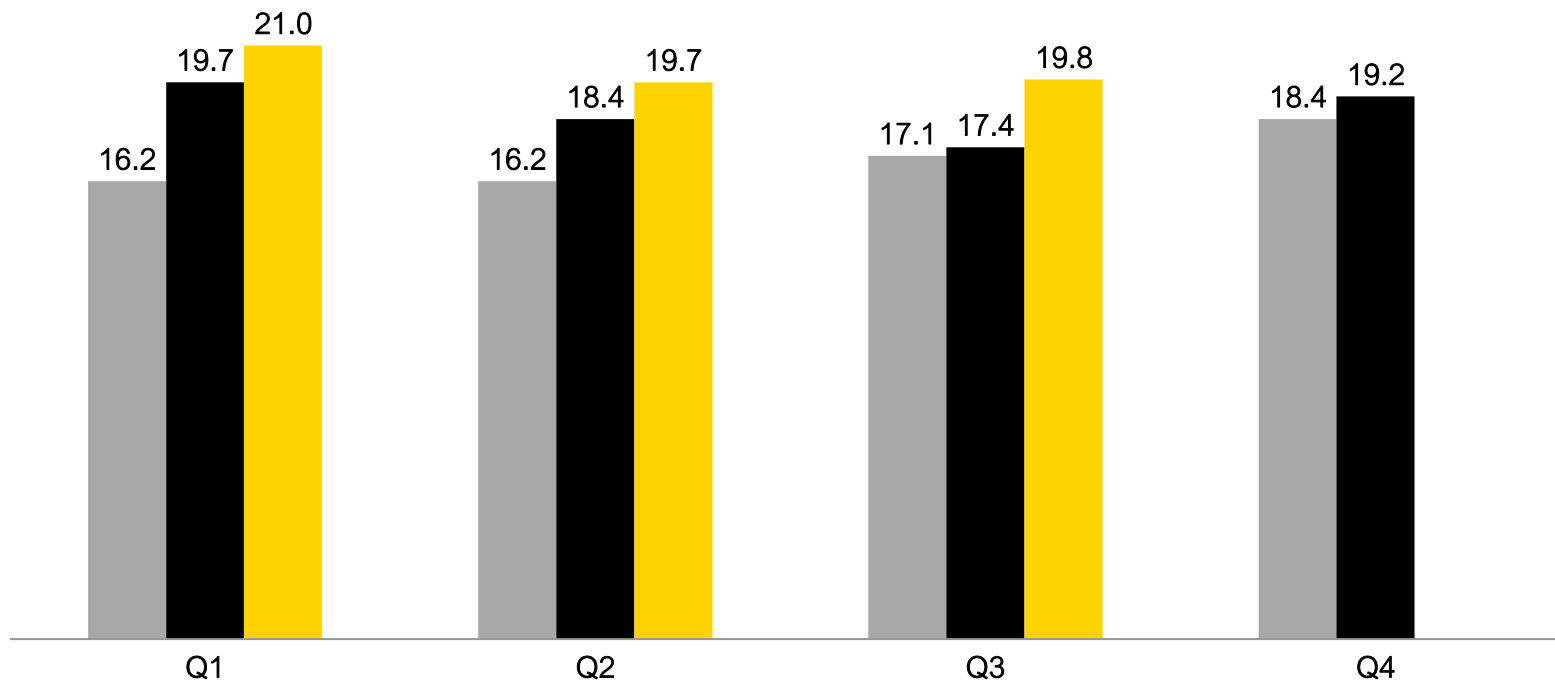
- Non-residential construction prospects are weak in total – sideways movement is expected for this and next year
- 8 out of 19 countries expect growth in 2023 – weak prospects in markets like Great Britain, Germany and France
- Expected output far below top levels
- New-built construction is rather negative in 2024, but positive in 2025
- Strong headwinds include difficult economic framework, rising interest rates and increased construction costs
- However: Renovation is growing each year → Investments in sustainability will rise

Development of non-residential construction until 2026



WORKING CAPITAL DEVELOPMENT

ZUMTOBEL GROUP – WORKING CAPITAL



■ FY 2021/22 ■ FY 2022/23 ■ FY 2023/24
In %

- Working capital at EUR 224.7 mn as of 31 January 2024 (30 April 2023: EUR 231.7 mn)
- In % of rolling 12-month revenues, working capital at 19.8% (PY: 17.4%)

SUPPLEMENTARY DATA FOR SEGMENT REPORTING

ZUMTOBEL GROUP

IN EUR MN	Lighting Segment		Components Segment		Reconciliation		Group	
	Q1-Q3 2023/24	Q1-Q3 2022/23	Q1-Q3 2023/24	Q1-Q3 2022/23	Q1-Q3 2023/24	Q1-Q3 2022/23	Q1-Q3 2023/24	Q1-Q3 2022/23
Net revenues	663.4	677.3	222.6	279.8	-46.0	-45.0	840.0	912.2
External revenues	662.9	676.6	177.1	235.6	0	0	840.0	912.2
Inter-company revenues	0.5	0.7	45.5	44.3	-46.0	-45.0	0	0
Adjusted EBIT	55.6	56.7	4.1	21.4	-13.9	-10.2	45.9	68.0
Special effects	-2.4	0	-6.7	0	0	0	-9.1	0
EBIT	53.2	56.7	-2.6	21.4	-13.9	-10.2	36.8	68.0
Investments	23.5	21.4	7.0	10.5	1.8	6.8	32.4	38.8
Depreciation	-28.4	-28.0	-10.2	-9.8	-3.2	-3.2	-41.8	-41.0

FIVE-YEAR OVERVIEW

ZUMTOBEL GROUP

IN EUR MN	2022/23	2021/22	2020/21	2019/20	2018/19
Revenues	1,209.2	1,148.3	1,044.5	1,131.3	1,162.0
EBIT	84.3	60.8	43.4	35.1	2.7
<i>as a % of revenues</i>	7.0	5.3	4.2	3.1	0.2
Net profit/loss for the period	60.0	45.8	45.6	14.5	-15.2
<i>as a % of revenues</i>	5.0	4.0	4.4	1.3	-1.3
Total assets	1,002.4	1,005.4	943.3	1,011.7	920.9
Equity	421.7	382.8	308.4	280.7	262.8
<i>Equity ratio in %</i>	42.1	38.1	32.7	27.7	28.5
Net debt	86.9	95.1	88.5	165.7	148.7
Cash flow from operating results	140.2	122.7	115.7	101.3	56.8
CAPEX excl. IFRS 16	54.5	45.3	38.1	57.9	66.2
<i>as a % of revenues</i>	4.5	3.9	3.7	5.1	5.7
R&D total	67.8	67.5	64.8	62.7	66.2
<i>as a % of revenues</i>	5.6	5.9	6.2	5.5	5.7
Headcount incl. contract workers (FTE)	5,503	5,782	5,813	6,039	5,878

ZUMTOBEL GROUP AG

Investor Relations

investorrelations@zumtobelgroup.com
www.zumtobelgroup.com