

Press Release

Dornbirn, 1 December 2020

01

H1 2020/21: Zumtobel Group remains in the profit zone

Key financials: H1 2020/21 (May to October 2020):

- Revenue decline of 14.6% to EUR 515.4 million
- Operating profit (adjusted EBIT) of EUR 25.3 million
- Positive net profit of EUR 13.3 million for the period
- No guidance for the full year due to the current pandemic situation

Dornbirn, Austria, 1 December 2020 – The development of revenues in the Zumtobel Group (ISIN AT0000837307) during the first half of the 2020/21 financial year (1 May 2020 to 31 October 2020) was significantly influenced by the economic effects of the Covid-19 pandemic: Group revenues fell by 14.6% year-on-year to EUR 515.4 million (H1 2019/20: EUR 603.8 million). After an adjustment for foreign exchange effects, revenues declined by 13.9%.

Despite this decline, the Zumtobel Group managed to navigate well through the crisis and successfully generated a profit for the first half year: Adjusted Group EBIT totalled EUR 25.3 million, and the return on sales equalled 4.9% (H1 2019/20: 7.3%). Net profit amounted to EUR 13.3 million for the first half of 2020/21.

“The generation of solid earnings during a global economic crisis is by no means an easy task,” emphasised Alfred Felder, CEO of the Zumtobel Group. “However, it underscores our company’s comparatively robust position.”

Covid-19 pandemic’s negative impact on business development in both segments

The second quarter of the current financial year (1 August to 31 October 2020) saw an increase in momentum due to the easing of restrictions on business life throughout Europe, but this positive trend has been subdued by the renewed increase in corona cases. The Lighting Segment recorded a 13.7% decrease in revenues for the first half year, while the decline in the Components Segment was 17.8%. Many customers, especially in the Components Segment, increased their inventories at the beginning of the lockdown in the fourth quarter of the 2019/20 financial year. This had an additional negative effect on revenues in the following months and resulted in lower order levels, especially during the first quarter of 2020/21.

Revenues in the DACH region, the strongest market for the Zumtobel Group, fell by nearly 9%. Revenues in Switzerland and Austria were only slightly lower despite the crisis, but the reduction in Germany was more substantial. Three core markets, Italy, Great Britain and France, were particularly hard hit by declines in revenue in the double-digits.

Effective cost management successfully offset a major part of the revenue decline. Cost savings of EUR 20.6 million were recorded during the first half of 2020/21, above all in the areas of sales and administration. These efforts were supported, among others, by the reduction in personnel expenses which resulted from the use of short-time work options. Not least due to the strong focus on expenses, free cash flow equalled at EUR 35.0 million and was even slightly higher than the first quarter of the previous year.

Solid balance sheet

The balance sheet structure has remained solid and nearly unchanged since 30 April 2020. The equity ratio equalled 28.4% as of 31 October 2020. Net debt declined by EUR 19.7 million from year-end 2019/20 to EUR 145.9 million.

Opening of the new Light Forum at the headquarters in Dornbirn

The digital opening of the new 4,000-square-metre Light Forum took place on 19 November. This space provides a unique setting to present wide-ranging light experiences for customers, partners and the general public. It shows the full range of the Group's brands, both directly on site and as a digital experience over the Internet. This revival of an old industrial building at the company's founding location also underscores the Zumtobel Group's commitment to its regional roots.

Extension of Management Board contract for Bernard Motzko (COO)

The Supervisory Board of Zumtobel Group AG extended the Management Board contract with Bernard Motzko at the end of November for a further three years to 30 April 2024. Mr. Motzko has served as Chief Operating Officer (COO) of the Zumtobel Group since May 2018. This contract extension will ensure continuity on the Management Board. Bernard Motzko will also be responsible for the advancement of the Zumtobel Group's digitalisation strategy in the future.

Outlook

The Management Board is convinced that the Group's position is sufficiently robust to master the economic crisis. In addition, management is currently working to adjust the corporate strategy in response to changes in the economic framework so that new growth opportunities can be identified and taken advantage of.

In view of the current development of the Covid-19 pandemic, including the recent sharp rise in infections and the resulting lockdown measures, the Zumtobel Group stands by its decision not to issue any guidance for the 2020/21 financial year.

H1 2020/21 results at a glance

in EUR million	1 HY 2020/21	1 HY 2019/20	Change in %
Revenues	515.4	603.8	-14.6
Lighting Segment	394.1	456.7	-13.7
Components Segment	145.7	177.3	-17.8
Adjusted EBIT	25.3	43.9	-42.4
<i>as a % of revenues</i>	4.9	7.3	
EBIT	22.9	36.7	-37.4
<i>as a % of revenues</i>	4.5	6.1	
Net profit for the period	13.3	24.7	-46.0
<i>as a % of revenues</i>	2.6	4.1	

ZUMTOBEL Group

03

in EUR million	31 Oct 2020	30 April 2020	Change in %
Total assets	969.1	994.8	-2.6
Equity	275.3	280.7	-1.9
<i>Equity ratio in %</i>	28.4	28.2	
Headcount incl. contract worker (full-time equivalent)	5 786	6 039	-4.2

in EUR million	1 HY 2020/21	Change in %	in % of Group
D/A/CH	177.0	-8.9	34.3
Northern and Western Europe	122.7	-20.5	23.8
Southern and Eastern Europe	128.0	-16.9	24.8
Asia & Pacific	51.9	-13.5	10.1
Rest of the World	35.8	-12.7	7.0
Total	515.4	-14.6	100.0

Information

The half-year report can be downloaded at: <https://z.lighting/de/group/investor-relations/>

This press release can be downloaded at: <https://z.lighting/de/group/news-insights/?category=company>

Media Contact

Zumtobel Group Press Team
+43 (0)5572 509 575
press@zumtobelgroup.com

Contact Investor Relations

Emanuel Hagspiel
Senior Director Investor Relations
+43 (0)5572 509 1125
emanuel.hagspiel@zumtobelgroup.com

About the Zumtobel Group:

The Zumtobel Group is an international lighting group and a leading supplier of innovative lighting solutions, lighting components and associated services. With its brands, acdc, Thorn, Tridonic and Zumtobel, the Group offers its customers around the world a comprehensive portfolio of products and services. The Group's know-how about the effects of light on people, acquired over decades, forms the basis for the development of innovations and for accessing new fields of business. In the lighting business, the Group with its Thorn and Zumtobel brands, is one of the European market leaders. Through its lighting technology brand, Tridonic, the Zumtobel Group plays a leading role worldwide in the manufacture of hardware and software for lighting systems (LED light sources and LED drivers, sensors and lighting management). The Zumtobel Group's service offering is one of the most comprehensive in the entire lighting industry, including consultation on smart lighting controls and emergency lighting systems, light contracting, design services and project management of turnkey lighting solutions, as well as new, data-based services focused on delivering connectivity for buildings and municipalities via the lighting infrastructure. The Group is listed on the Vienna Stock Exchange (ATX Prime) and currently holds a workforce of around 6,000 employees. In the 2019/20 financial year, the Group posted revenues of EUR 1,131.3 million. The Zumtobel Group is based in Dornbirn in the Vorarlberg region of Austria. For further information, please visit z.lighting/group