

Press Release

Dornbirn, 30 June 2021

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Zumtobel Group announces sound increase in net profit

- **Net profit rises from EUR 14.5 million to EUR 45.6 million despite 7.7% decline in revenues**
- **Free cash flow increases from EUR 53.3 million to EUR 100.0 million**
- **Positive outlook and end of adjusted earnings guidance**

Dornbirn, Austria – The international lighting corporation Zumtobel Group closed the 2020/21 financial year (1 May 2020 to 30 April 2021) with a significantly improved result despite the negative effects of the corona pandemic: Net profit rose from EUR 14.5 million in the previous year to EUR 45.6 million. In contrast to the previous year, the company benefited from a positive income tax effect of EUR 11.6 million: Profit before tax totalled EUR 34.0 million in 2020/21 compared with EUR 22.7 million in 2019/20.

“Independent of this tax effect, the Zumtobel Group recorded its best annual results since the 2010/11 financial year even though the pandemic had a strong negative impact on the development of revenues during the first nine months,” commented **CEO Alfred Felder**.

Revenues fell by 7.7% to EUR 1,044.5 million in 2020/21 (FX-adjusted: minus 6.6%). This decline resulted, above all, from a substantial drop in revenues (minus 15.4%) during the first quarter. Business improved steadily in the following quarters – and in the fourth quarter alone, the Group recorded an increase of 9.6% over the last quarter of the previous year, which already reflected the consequences of the corona crisis.

The D/A/CH region, the largest market for the Zumtobel Group, reported a comparatively moderate 3.8% decline in revenues. Austria, the home market of the Zumtobel Group, even managed to generate slight growth of 7.6%. The Asia & Pacific region recorded an increase of 2.7% in revenues. Revenues in the Lighting Segment fell by 6.1% in the 2020/21 financial year. The Components Segment with its global focus was hit harder by the pandemic: Revenues fell by 11.3%, also owing to negative foreign exchange effects.

Increase in operating profit – Stronger balance sheet

The Zumtobel Group recorded a positive adjusted EBIT of EUR 45.5 million in 2020/21 (2019/20: EUR 53.9 million) despite the loss of approximately EUR 87 million in revenues. The adjusted return on sales equalled 4.4%. Operating profit (unadjusted EBIT) rose by more than 23.0% year-on-year to EUR 43.4 million (2019/20: EUR 35.1 million) based on a substantial reduction in restructuring costs.

The decline in selling and administrative expenses combined with lower restructuring costs and a positive income tax effect supported a solid increase in net profit from EUR 14.5 million in the previous year to EUR 45.6 million. Earnings per share for the shareholders of the Zumtobel Group AG (basic EPS based on 43.1 million shares) equalled EUR 1.06 (2019/20: EUR 0.33). The development of free cash flow was also clearly positive: Due to effective working capital management and a sizeable year-on-year reduction in capital expenditure (EUR 38.1 million versus EUR 57.9 million), free cash flow nearly doubled to EUR 100.0 million (2019/20: EUR 53.3 million).

The Zumtobel Group's balance sheet also reflects the positive development of earnings: The equity ratio increased from 27.7% on 30 April 2020 to 31.5% on 30 April 2021. Net liabilities declined by EUR 68.3 million (EUR 97.3 million as of 30 April 2021 versus EUR 165.7 million as of 30 April 2020), primarily due to a year-on-year reduction in borrowings. Gearing fell from 59.0% to 31.6%.

Corporate strategy with additional focus points

The Zumtobel Group continued the implementation of its corporate strategy in 2020/21, whereby the product portfolios of the Lighting Brands Zumtobel and Thorn were consequently aligned with the two-brand strategy. Management also further developed the corporate strategy and anchored two new and important focus points: digitalisation and sustainability. Under the new keyword “FOCUSED”, the strategy was extended to include the two aspects “E” (Environment and Engaged Employees) and “D” (digitalisation“).

In addition to the systematic advancement of employees, one of the main goals is to become climate neutral by 2025. The Zumtobel Group also wants to firmly anchor circular economy in its business model. *“We take this subject seriously and want to take on a pioneering role for the entire lighting industry by implementing these initiatives,”* emphasised **CEO Felder**.

The corporate strategy also includes a systematic focus on digitalisation. It covers the development of innovative products with expanded functions and digital services that create new customer experiences and strengthen customer ties. Processes will also be digitalised throughout the company – from incoming orders to after-sales.

Positive outlook – End of adjusted earnings guidance

In its guidance, management refers to the ongoing uncertainty over the economic consequences of the pandemic as well as the sharp rise in raw material prices. However, the Management Board is optimistic:

The extensive cost reduction measures implemented in recent years have produced the desired results, and the Zumtobel Group is leaving the restructuring mode. Therefore, the presentation of EBIT adjusted for special effects is also obsolete. Guidance for the 2021/22 financial year will again be based on unadjusted operating results (EBIT).

“The Zumtobel Group has left the restructuring mode and, as a result, we are now also leaving the adjusted presentation of earnings behind us. Starting with the 2021/22 financial year, unadjusted EBIT will represent our only relevant benchmark and the basis for our guidance,” explained **Alfred Felder**.

The Management Board sees the Zumtobel Group well positioned for profitable growth and expects an increase of 4% to 7% in revenues and an EBIT margin of 4% to 5% for the 2021/22 financial year.



Zumtobel: BBC Headquarters Wales, United Kingdom

For the new building that houses the BBC Wales headquarters in Cardiff, Zumtobel has developed a comprehensive lighting solution, which is both functional and decorative and creates optimal lighting conditions for the staff who work there. The BBC employs more than 1,000 people at the impressive digital broadcasting centre, mostly in the radio and TV studios.

Photographer: David Thrower



Thorn: Interporto Campano Nola, Italy

With the aim of saving energy and reducing running costs, Thorn has upgraded the entire lighting system of the Interporto Campano in Nola (Naples). The project is impressive in its size, over 3,000,000 m², and in the diversity of the areas involved - ranging from the railway junction to storage areas, not forgetting the lighting for the general transit sections.

Photographer: Michele Girardi



Tridonic: Terrassa, Spain

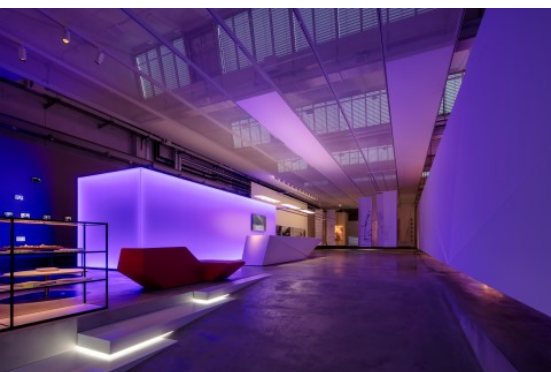
The Spanish city of Terrassa, located around 30 kilometres outside of Barcelona, is devoted to climate protection. By modernising more than 29,000 light points, it has now reached an important milestone in becoming an energy-efficient, eco-friendly city. Tridonic's dimmable constant current LED drivers played a big part in it.



acdc: City of Carlisle, United Kingdom

A large-scale lighting initiative was launched to showcase the historic city center of Carlisle, England's largest city by area, which is located near the Scottish border, to locals and visitors. acdc took on the lighting of numerous local landmarks of international significance, including the medieval Carlisle Citadel.

Photographer: D&H Photography



Zumtobel Group: Opening of new Light Forum

On 19 November 2020, the Zumtobel Group celebrated the digital opening of its new Light Forum on an area of 4,000 m² at its headquarters in Dornbirn. A unique architectural space where the company's strong brands can present their comprehensive lighting expertise as well as the latest developments and technologies has been created. Through the reutilisation of the old building, the company has also added value to the adjacent regional urban space.

Photographer: Faruk Pinjo

ZUMTOBEL Group

Information

This press release and the accompanying high-resolution images can be downloaded at:

<https://z.lighting/en/group/news-insights/>

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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 5,800 employees. In the 2020/21 financial year, the Group posted revenues of EUR 1,044.5 million. The Zumtobel Group is based in Dornbirn in the Vorarlberg region of Austria. For further information, please visit z.lighting/group

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