

Press Release

Dornbirn, 8 March 2022

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Zumtobel Group with sound nine-month results

- **Group revenues increase by 11.5% to EUR 846.6 million**
- **EBIT improves by a significant 91.1% to EUR 52.2 million**
- **Net profit for the period increased clearly to EUR 32.7 million**
- **Outlook confirmed despite tense situation on the raw materials market**

Dornbirn, Austria – The Zumtobel Group continued its good first half-year performance during the third quarter. Group revenues rose by 11.5% to EUR 846.6 million in the first three quarters of the 2021/22 financial year (Q1-Q3 2020/21: EUR 759.2 million), after foreign exchange adjustments the increase equalled 10.3%. The improvement in EBIT after three quarters was even more visible: At EUR 52.2 million, it substantially exceeded the previous year's figure of EUR 27.3 million. Net profit for the first nine months of 2021/22 more than doubled year-on-year to EUR 32.7 million (Q1-Q3 2020/21: EUR 14.9 million).

“These results underscore the solid position our company has now reached. We weathered the pandemic comparatively well and also came to grips with the difficult raw materials situation,” commented Alfred Felder, CEO of the Zumtobel Group. “However, there are still no signs that would justify an all-clear signal. Rising raw material prices and, above all, the semiconductor shortage will potentially have a stronger impact in the fourth quarter.”

Strong growth in Components Segment revenues

Revenues in the Lighting Segment rose by 8.2% to EUR 624.5 million in the first three quarters of 2021/22 (Q1-Q3 2020/21: EUR 577.0 million). The Components Segment recorded even stronger growth with a year-on-year increase of 21.3% in revenues to EUR 265.9 million. The general upward trend in the economy was evident in both segments, and the company was able to pass on price increases in part to the market.

In most regions, the Zumtobel Group recorded double-digit growth in revenues over the previous year. Two examples are the core markets of Great Britain and France, which were hard hit by the Covid-19 crisis in the previous year. One exception, however, is the DACH region where the increase in revenues was limited to nearly 4%. Business development in Austria was sound, but only slightly higher than the previous year in Germany and weaker in Switzerland. Revenue declines were recorded in the USA and the United Arab Emirates.

Selling and administrative expenses (incl. research costs) rose by EUR 18.5 million to EUR –231.9 million in the first three quarters of 2021/22 (Q1-Q3 2020/21: EUR –213.4 million). The main reasons included the higher personnel costs which followed the expiration of short-time work as well as rising costs for customs duties in connection with the Brexit and a substantial increase in transport costs.

Earnings per share more than doubled

EBIT recorded by the Zumtobel Group rose from EUR 27.3 million to EUR 52.2 million due to the substantial increase in revenues over the first three quarters of the previous year, and the return on sales improved significantly from 3.6% to 6.2%. Net profit more than doubled to EUR 32.7 million (Q1-Q3 2020/21: EUR 14.9 million). Earnings per share for the shareholders of the Zumtobel Group (basic EPS based on 43.1 million shares) equalled EUR 0.76 (Q1-Q3 2020/21: EUR 0.34).

The shortage of raw materials, especially in the semiconductor area, had a visible influence on the development of working capital: As of 31 January 2022, working capital totalled EUR 194.0 million and was EUR 28.1 million higher than the prior year level of EUR 165.9 million. The main driver was the EUR 57 million increase in inventories which resulted from the significant increase in raw material prices and higher stocks of raw materials and merchandise. Free cash flow, after the deduction of investments, totalled EUR 1.2 million (Q1-Q3 2020/21: EUR 59.8 million).

The balance sheet structure has remained nearly unchanged since 30 April 2021. The equity ratio improved to 34.2% as of 31 January 2022. Net liabilities rose by EUR 16.0 million over the level at year-end 2020/21 to EUR 113.4 million. The balance sheet total was EUR 28.6 million higher at the end of the first three quarters, above all, due to the increase in inventories.

Raw materials situation remains challenging

The Zumtobel Group welcomes the increase in orders, but this represents a great challenge given the current raw materials situation. The company is still negatively affected by the shortage of raw materials and transport capacity. The rising costs for materials, transport and, in the meantime, also energy can only be passed on in part to customers.

Alfred Felder: *“From the company’s viewpoint, the current market environment is almost more challenging than at the beginning of the corona pandemic. Our current priority is, therefore, to protect the delivery capability for our products and the high service quality for our customers.”*

In order to address the lack of sufficient semiconductors for high-end drivers, the Zumtobel Group started a programme in the first half of 2021/22 to reduce the dependence on individual semiconductor suppliers through appropriate adjustments in product development. That allowed the company to significantly expand the range of suppliers.

Outlook confirmed

The management of the Zumtobel Group expects the raw materials shortage will influence the development of revenues in the fourth quarter. The uncertain situation in the Ukraine conflict also adds further uncertainty. Although the direct risk to Group revenues from sales in Russia and Ukraine is not very high – in total around EUR 8 million – the exact extent is uncertain with regard to the development of the global economy in the coming months.

In view of the sound development of business during the past three quarters, the company confirms its outlook for the 2021/22 financial year. The Zumtobel Group still sees an increase of 4% to 7% in revenues and an EBIT margin of 4% to 5%, whereby – after the first three quarters – management expects results for both indicators will reach the upper end of the given range. These expectations could, however, be exceeded depending on the availability of the required semiconductors.

ZUMTOBEL Group

Q1-Q3 2021/22 results at a glance

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in EUR million	Q3 2021/22	Q3 2020/21	Change in %	Q1-Q3 2021/22	Q1-Q3 2020/21	Change in %
Revenues	279.2	243.7	14.6	846.6	759.2	11.5
Lighting Segment	204.0	183.0	11.5	624.5	577.0	8.2
Components Segment	90.3	73.5	22.8	265.9	219.2	21.3
EBIT	17.3	4.4	>100	52.2	27.3	91.1
<i>as a % of revenues</i>	6.2	1.8		6.2	3.6	
Net profit for the period	9.7	1.5	>100	32.7	14.9	>100
<i>as a % of revenues</i>	3.5	0.6		3.9	2.0	

in EUR million	31 Jan 2022	30 April 2021	Change in %
Total assets	1,006.3	977.7	2.9
Equity	344.1	308.4	11.6
<i>Equity ratio in %</i>	34.2	31.5	
Net debt	113.4	97.3	16.4
Headcount incl. contract workers (full-time equivalent)	5,696	5,813	-2.0

in EUR million	Q3 2021/22	Change in %	Q1-Q3 2021/22	Change in %	in % of Group
D/A/CH	86.9	9.8	265.8	3.8	31.4
Northern and Western Europe	68.6	14.7	209.0	14.5	24.7
Southern and Eastern Europe	78.0	24.3	233.5	22.4	27.6
Asia & Pacific	30.1	3.1	95.4	17.6	11.3
Rest of the World	15.6	21.9	42.9	-11.8	5.1
Total	279.2	14.6	846.6	11.5	100.0

Information

The quarterly report can be downloaded at: <https://z.lighting/en/group/investor-relations/>

This press release 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](https://www.zumtobel.com/lighting/group)