

Press Release

Dornbirn, 1 July 2022

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Zumtobel Group on track for success

- **Revenue growth of 9.9%, earnings reach pre-corona level (EUR 1,148.3 million)**
- **With EUR 60.8 million, best operating results (EBIT) in the past five years**
- **Goals for revenues and EBIT margin exceeded in 2021/22**
- **Forecast for 2022/23: revenue growth of 3% to 6% and EBIT margin of 4% to 5%**

Dornbirn, Austria – The Zumtobel Group successfully continued the positive trend from the past two financial years with its business performance in 2021/22. In spite of the challenging conditions – which have become more difficult in recent months due to the war in Ukraine – revenues nearly matched the level prior to the outbreak of the corona pandemic: Group revenues rose by 9.9% to EUR 1,148.3 million (2020/21: EUR 1,044.5 million). This positive development was also reflected in EBIT, which increased to EUR 60.8 million and marked the best operating results in the past five years. The EBIT margin equalled 5.3%. The Zumtobel Group also exceeded its own goals for 2021/22 – the original forecast called for revenue growth of 4% to 7% and an EBIT margin of 4% to 5%.

CEO Alfred Felder commented: *“We can look back with pride at the past year, which we successfully mastered despite an exorbitant rise in raw material prices, interrupted supply chains and a chronic undersupply of critical components.”*

Sound growth in both segments

After an adjustment for foreign exchange effects, Group revenues rose by 8.8% in 2021/22. Revenues increased by 6.4% to EUR 844.7 million (2020/21: EUR 794.1 million) in the Lighting Segment and by 19.9% to EUR 363 million in the Components Segment. Revenues in the D/A/CH region, the largest market for the Zumtobel Group, rose by a slightly lower 4.2% compared with the other regions because of the prior year growth recorded by Switzerland and Austria despite the Covid-19 crisis. The Northern and Western Europe region and Southern and Eastern Europe region reported revenue increases in the low double-digit percentage range. The Zumtobel Group generated solid growth, above all, in Great Britain, France, Spain and Italy as well as double-digit revenue growth in the Asia & Pacific region.

The development of revenues supported an increase in Group EBIT to EUR 60.8 million in 2021/22 (2020/21: EUR 43.4 million) and an improvement in the return on sales from 4.2% to 5.3%. Positive effects involved a decline in depreciation/amortisation as well as lower guarantee expenses and efficiency improvements in direct labour costs. Negative factors included the sharp rise in raw material, transport and energy expenses as well as the partial absence of government-supported short-time work models and higher consulting fees.

Selling expenses (incl. research) were 7.8% higher at EUR –282.9 million in 2021/22 (2020/21: EUR –262.6 million). The largest increases were recorded in personnel costs after the expiration of short-time work programmes. Transport costs and travel expenses were also substantially higher, as were customs duties as a result of the Brexit. Administrative expenses rose by 10.7% to EUR –43.1 million (2020/21: EUR –38.9 million) owing to an increase in personnel costs and depreciation/amortisation. Other operating income fell to EUR 5.8 million (2020/21: EUR 9.6 million), chiefly due to a decline in license income and higher miscellaneous costs.

Profit before tax rose to EUR 47.5 million in 2021/22 (2020/21: EUR 34.0 million). The reported tax expense equalled EUR –1.7 million, compared with tax income of EUR 11.6 million in 2020/21. Net income increased only marginally to EUR 45.8 million (2020/21: EUR 45.6 million). Earnings per share

for the shareholders of Zumtobel Group AG (basic EPS based on 43.1 million shares) equalled EUR 1.06 (2020/21: EUR 1.06).

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The crisis on global procurement markets was also reflected in the development of inventories, which rose by EUR 54.8 million. Working capital totalled EUR 211.3 million as of 30 April 2022 and was EUR 58.9 million over the level on 30 April 2021. Cash flow from operating activities declined from EUR 140.7 million to EUR 57.6 million in 2021/22, while cash flow from investing activities was slightly higher year-on-year. Free cash flow therefore declined to EUR 15.9 million (2020/21: EUR 100.0 million).

Improvement in the balance sheet structure/dividend recommendation

The balance sheet total rose to EUR 1,005.4 million as of 30 April 2022 (2020/21: EUR 943.3 million), primarily due to an increase in inventories and trade receivables. The equity ratio equalled 32.7% as of 30 April 2021, compared with 38.1% on 30 April 2022. The EUR 6.6 million increase in net liabilities to EUR 95.1 million as of 30 April 2022 resulted chiefly from a higher balance of borrowings.

“We have a very good year behind us and want to share this success with our shareholders”, added CEO Alfred Felder. “Our recommendation to the annual general meeting will therefore include an increase in the dividend to EUR 0.35 for the 2021/22 financial year. That represents roughly 33% of net profit.”

Systematic implementation of corporate strategy

“This sound performance also underscores the success of the Zumtobel Group’s corporate strategy with its focus on innovation, digitalisation and sustainability,” added Felder, confirming that the strategy will be systematically continued. “Despite the difficult market environment, we invested EUR 68 million in research and development during the 2021/22 financial year. Innovative products are decisive for the Group’s future success.”

Digitalisation represents another focal point for the Zumtobel Group: the goal, among others, is to create a digital customer interface and to optimise business processes along the value chain up to fully digitalised process flows. The first step will involve the implementation of a new customer relations management system for the D/A/CH region. In order to accelerate the digital transformation, Marcus Frantz will join the Management Board of the Zumtobel Group as Chief Digital Transformation Officer (CDTO) in November 2022.

Clear goals were also defined during the past financial year to make the Zumtobel Group even more sustainable in the true sense of the word. The first goal is to achieve climate neutrality in its own plants by 2025, whereby the focus will be placed on avoidance and reduction before the compensation of emissions. The second goal is to become the partner of choice and work continuously with suppliers on sustainable procurement and suitable solutions along the entire value chain. On top of that, the Zumtobel Group is committed to the circular economy concept, which it views as a future-oriented innovation tool where products serve as raw materials for the next product generation.

These sustainability activities have already been recognised internationally: in October 2021, EcoVadis, a global sustainability rating agency, presented the Zumtobel Group with a gold medal that confirms its ranking among the top three per cent of over 75,000 rated companies worldwide.

Outlook

Continuous improvement, also during the 2021/22 financial year, shows that the Zumtobel Group is well on its way to generate sustainable and profitable growth. However, further developments in Ukraine, the rising cost of raw materials, transport and energy, and the availability of semiconductors will have a major impact on the course of the global economy and, in turn, on the development of the Zumtobel Group. The future economic effects of the Covid-19 pandemic are also impossible to predict in detail at the present time.

However, the Zumtobel Group sees itself in a strong position to master these challenges. Against this backdrop and with reference to the above-mentioned uncertainties, the Management Board of the Zumtobel Group expects an increase of 3% to 6% in revenues and an EBIT margin of 4% to 5% for the 2022/23 financial year.

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Zumtobel: Städel Museum, Frankfurt a. M., Germany

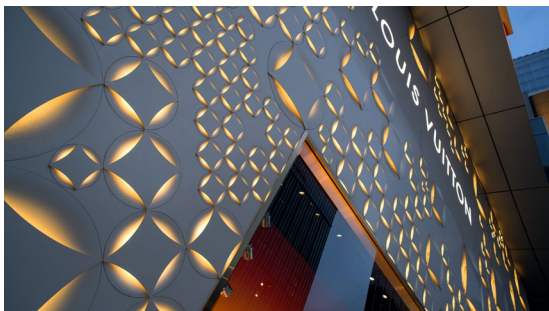
Over 1,000 luminaires for a new art experience: for the Old Masters rooms, Zumtobel has brought the light from the outside to the inside with its innovative lighting concept. To achieve this, the lighting level was adapted to the existing levels of natural light. The new lighting enhances the expressive power of the artworks, evens out the differences between the rooms with and without daylight and reduces power consumption with the help of LED technology.

Photographer: Wolfgang Stahr



Thorn: Durham Cathedral, Great Britain

Thorn has been working with Durham County Council in the northeast of England to replace the historic Durham Cathedral's former external lighting system. As the cathedral is a UNESCO World Heritage site, the renewal had to be executed very carefully. The project team developed an efficient lighting concept based on the latest LED technology to reduce CO₂ emissions and impressively highlight historic architecture.



Tridonic: Louis Vuitton, Xiamen, China

Aesthetic lighting installations are a hallmark of Louis Vuitton stores. This design element was also incorporated in the new branch within the MixC shopping complex in the port city of Xiamen, China. Underlining the luxury image of the fashion chain, an impressive illuminated façade attracts attention to the store, all made possible by a sophisticated lighting concept featuring Tridonic driver technology.



Zumtobel Group: Live.Light and Zumtobel Group Award

On May 24, the Zumtobel Group's Light Forum became a meeting point for all those who wanted to experience light in all its fascination. Some 400 visitors had the opportunity to experience innovative and expressive design and state-of-the-art light technology. With its official award ceremony the Zumtobel Group Award was also a part of the event. The sixth edition of the international architecture prize – with a focus on future-oriented developments to improve the quality of life and sustainability in the built environment – produced three exceptional winning projects, which address collective living, affordable housing and circularity.

Photographer: Nina Bröll

Information

This press release and the accompanying high-resolution images can be downloaded at:
<https://z.lighting/en/group/news-insights/>

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

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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 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 2021/22 financial year, the Group posted revenues of EUR 1,148.3 million. The Zumtobel Group is based in Dornbirn in the Vorarlberg region of Austria. For further information, please visit z.lighting/group