

Press Release

Dornbirn, 6 September 2022

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Rising costs and investments lead to slight decline in return on sales

- Revenues increase by 8.4% to EUR 313.7 million
- EBIT declines slightly to EUR 19.0 million
- Net profit for the quarter lower year-on-year at EUR 10.9 million
- Outlook confirmed

Dornbirn, Austria – The Zumtobel Group successfully continued the positive development of revenues from the 2021/22 financial year in the first quarter of 2022/23: Group revenues rose by 8.4% to EUR 313.7 million (Q1 2021/22: EUR 289.3 million) and by 6.6% after an adjustment for foreign exchange effects. This growth was, however, contrasted by a sharp rise in the price of input factors as well as an increase in the value of the US dollar. Against this backdrop, EBIT declined slightly from EUR 20.1 million to EUR 19.0 million, and the return on sales (EBIT margin) equalled 6.1% (Q1 2021/22: 6.9%). Net profit of EUR 10.9 million (Q1 2021/22: EUR 13.4 million) was also influenced by a decline in financial results following the negative valuation of hedges.

“The general increase in prices and weak global supply chains had a negative effect not only on the Zumtobel Group but also on the worldwide economy”, explained Alfred Felder, CEO of the Zumtobel Group. “We have been increasingly able to pass on these higher prices to our customers, but there are limits as to what we can do. We also invested in important strategic areas to be well prepared for future challenges.”

Sound revenue growth in both segments

Revenues in the Lighting Segment rose by 6.6% to EUR 226.5 million in the first quarter of 2022/23 (Q1 2021/22: EUR 212.4 million), above all due to the successful implementation of price increases and positive foreign exchange effects. The Components Segment recorded an even stronger increase of 11.9% in revenues to EUR 103.2 million (Q1 2021/22: EUR 92.2 million). This growth was supported by the general economic recovery with higher sales volumes as well as price adjustments.

Nearly all regions where the Zumtobel Group is operating reported a significant increase in revenues. In the DACH region (plus 9.1%), growth was driven mainly by Switzerland and Germany while revenues in Austria were lower than the previous year. Higher revenues were also recorded by most of the countries in Northern and Western Europe, especially Great Britain and Sweden. The pace of growth in Southern and Eastern Europe was slightly lower. The substantial increase of 27.9% in the Overseas markets resulted primarily from a weaker previous year's first quarter in the USA.

Earnings negatively influenced by increased costs

The sharp rise in material, energy and transport costs together with higher personnel expenses had a negative influence on the development of earnings. As planned, expenditures for product innovations, digitalisation and development costs rose by EUR 1.8 million to EUR 16.9 million (Q1 2021/22: EUR 15.0 million). Sales and administrative expenses (incl. research) increased by EUR 5.8 million to EUR –86.0 million (Q1 2021/22: EUR –80.2 million). This upward trend not only involved personnel expenses but also included, among others, marketing and travel expenses which were influenced by the effects of the corona pandemic in the previous year.

These developments were responsible for a slight decline in EBIT from EUR 20.1 million to EUR 19.0 million. The return on sales (EBIT margin) equalled 6.1% (Q1 2021/22: 6.9%). The decline in net profit for the period was stronger with a reduction to EUR 10.9 million (Q1 2021/22: EUR 13.4 million). The main reason was a decrease of EUR 2.2 million in financial results that was influenced, above all, by losses on foreign exchange hedges. Earnings per share for the shareholders of the Zumtobel Group (basic EPS based on 43.1 million shares) equalled EUR 0.25 (Q1 2021/22: EUR 0.31).

There have been only minimal changes in the balance sheet structure since 30 April 2022. The equity ratio improved from 38.1% to 39.2% as of 31 July 2022. Net debt increased by EUR 19.0 million since the end of the 2021/22 financial year to EUR 114.1 million, and the balance sheet total rose slightly by EUR 4.8 million.

Inclusion in the VÖNIX index underscores the Zumtobel Group's sustainability activities

The new composition of the VBV - Austrian Sustainability Index (VÖNIX), which again includes the Zumtobel Group, was announced on 20 June 2022. The lighting company is one of 20 listed companies in Austria that have demonstrated their leadership in ecological and social activities. The basis for the "VÖNIX", which has been calculated since June 2005, is the measurement of corporate sustainability based on a model with ecological and social exclusion factors as well as positive criteria.

"Our inclusion in this index is not only an incentive, but also confirmation that we are on the right track for sustainability", added **Alfred Felder**.

Outlook confirmed

The management of the Zumtobel Group continues to see the current geopolitical and economic situation as stressed with consequences that are difficult to estimate. Further developments in Ukraine, the prices for energy, raw materials and transport as well as the availability of semiconductors will have a major impact on the course of the global economy and inflation and, in turn, on the development of the Zumtobel Group. Major concerns are focused on the uncertainties connected with secure gas supplies and the development of energy prices.

The Management Board of the Zumtobel Group confirms the previous outlook and expects an increase of 3% to 6% in revenues and an EBIT margin of 4% to 5% for the 2022/23 financial year. This outlook is, however, dependent on continued sufficient gas supplies for Europe, an end to the constant increase in energy prices, and no further deterioration in the availability of input products for the production of luminaires and components as well as the stabilisation of all other current risks at a manageable level.

ZUMTOBEL Group

Q1 2022/23 results at a glance

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in EUR million	Q1 2022/23	Q1 2021/22	Change in %
Revenues	313.7	289.3	8.4
Lighting Segment	226.5	212.4	6.6
Components Segment	103.2	92.2	11.9
EBIT	19.0	20.1	-5.2
<i>as a % of revenues</i>	6.1	6.9	
Net profit/loss for the period	10.9	13.4	-19.1
<i>as a % of revenues</i>	3.5	4.6	

in EUR million	31 July 2022	30 April 2022	Change in %
Total assets	1,010.2	1,005.4	0.5
Equity	396.0	382.8	3.5
<i>Equity ratio in %</i>	39.2	38.1	
Net debt	114.1	95.1	20.0
Headcount incl. contract worker (full-time equivalent)	5,806	5,782	0.4

in EUR million	Q1 2022/23	Change in %	in % of Group
DACH	99.7	9.1	31.8
Northern and Western Europe	77.1	7.0	24.6
Southern and Eastern Europe	86.6	6.0	27.6
Asia & Pacific	35.8	8.8	11.4
Americas & MEA	14.5	27.9	4.6
Total	313.7	8.4	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 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](https://www.zumtobel.com/lighting/group).