

Q1 2023/24

ZUMTOBEL GROUP WITH FIRST QUARTER EBIT MARGIN OF 5% DESPITE DECLINE IN REVENUES

Press release
Dornbirn, 6 September 2023

- **Revenues fall by 9% to EUR 285.6 million (FX-adjusted: 7.6%)**
- **EBIT totals EUR 14.5 million (Q1 2022/23: EUR 19 million)**
- **EBIT margin only slightly lower year-on-year at 5.1% (Q1 2022/23: 6.1%)**
- **Net profit amounts to EUR 9.8 million (Q1 2022/23: EUR 10.9 million)**
- **Revenue guidance adjusted; EBIT margin confirmed**

Dornbirn, Austria – As previously announced on 22 August 2023, the Zumtobel Group recorded a decline of 9% in revenues to EUR 285.6 million for the first quarter of the current 2023/24 financial year. The underlying factors of this decline include, above all, a sharp year-on-year drop of roughly 25% in revenues from the Components Segment and negative foreign exchange effects. After an adjustment for foreign exchange effects, revenues declined by 7.6%. Against this backdrop, EBIT fell to EUR 14.5 million compared to EUR 19.0 million in the previous year. The EBIT margin equals 5.1% and is only slightly lower year-on-year (Q1 2022/23: 6.1%). Net profit for the reporting period amounts to EUR 9.8 million (Q1 2022/23: EUR 10.9 million).

“The massive drop of over EUR 26 million in the Components Segment revenue was unexpected. The market in this business shows no signs of recovery as customers’ warehouses are still well stocked,” explained **Alfred Felder, CEO of the Zumtobel Group**. The company therefore issued an updated guidance on 22 August.

In the Lighting Segment’s first quarter of 2023/24, revenues declined marginally by 1% to EUR 224.1 million. Lower sales volumes and negative foreign exchange effects were largely offset by business in higher margin markets. Weaker demand led to a decline of 25.4% in revenues for the Components Segment to EUR 77.0 million, compared to the increase of 12% in the first quarter of 2022/23. In this industry orders are placed on very short-term notice, which makes revenue forecasts more difficult.

In the D/A/CH countries, a key region for the Zumtobel Group, the strongest revenue growth was recorded in Switzerland. In Austria, revenues increased compared to a strong previous year but declined in Germany. Apart from sound development in the Benelux countries, revenues were lower in the remainder of Europe and especially on the Spanish market. The Zumtobel Group also recorded substantial revenue declines in the Asia & Pacific region, above all in China and Australia. Revenues declined only slightly compared to the previous year in the America & MEA region.

ZUMTOBEL Group

The development of costs presents a differentiated picture: A reduction in material and transport expenses was contrasted by higher costs for personnel and guarantees. Despite the decline in revenues, the gross profit margin rose to 35.9% (Q1 2022/23: 33.5%) due to revenue growth in higher margin regions. Selling and administrative expenses (incl. research) rose by EUR 2.0 million to EUR –88.0 million (Q1 2022/23: EUR –86.0 million), whereby the main drivers were increases of personnel costs based on collective agreements and bonuses.

This results in the fall of the Group EBIT from EUR 19.0 million in Q1 2022/23 to EUR 14.5 million in Q1 2023/24. The EBIT margin equals 5.1% (Q1 2022/23: 6.1%). Profit before tax totals EUR 11.0 million (Q1 2022/23: EUR 13.9 million). Net profit for the period equals EUR 9.8 million, compared with EUR 10.9 million in the first quarter of the previous financial year. Earnings per share for the shareholders of the Zumtobel Group amount to EUR 0.23 (Q1 2022/23: EUR 0.25).

Continued solid balance sheet structure

The balance sheet total of the Zumtobel Group totalled EUR 995.0 million as of 31 July 2023 and remained nearly unchanged in comparison with the last balance sheet date on 30 April 2023 (EUR 1,002.4 million). The equity ratio improved slightly to 43.2% (30 April 2023: 42.1%). Equity rose by EUR 8.5 million to EUR 430.2 million as of 31 July 2023. Net debt increased to EUR 98.2 million as of 31 July 2023 (30 April 2023: EUR 86.9 million). The Zumtobel Group's balance sheet structure remains stable and strong.

Adjusted guidance: Revenue decline, expected margin development intact

Due to the lack of dynamics in the components business and the tense economic climate, the Management Board of the Zumtobel Group now expects a revenue decline in the mid-single digit per cent range for the 2023/24 financial year (previous guidance: revenue growth of 1% to 4%). The expected EBIT margin of 3% to 6% for the 2023/24 financial year is confirmed – provided there is no further deterioration in the economic environment.

SHORT PORTRAIT

ABOUT

Zumtobel Group AG

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 5,500 employees. In the 2022/23 financial year, the Group posted revenues of EUR 1,209.2 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).

Q1 2023/24 RESULTS AT A GLANCE

in EUR million	Q1 2023/24	Q1 2022/23	Change in %
Revenues	285.6	313.7	-9.0
Lighting Segment	224.1	226.5	-1.0
Components Segment	77.0	103.2	-25.4
EBIT	14.5	19.0	-23.8
<i>as a % of revenues</i>	5.1	6.1	
Net profit/loss for the period	9.8	10.9	-9.7
<i>as a % of revenues</i>	3.4	3.5	

in EUR million	31 July 2023	30 April 2023	Change in %
Total assets	995.0	1,002.4	-0.7
Equity	430.2	421.7	2.0
<i>Equity ratio in %</i>	43.2	42.1	
Net debt	98.2	86.9	13.0
Headcount incl. contract worker (full-time equivalent)	5,451	5,503	-0.9

in EUR million	Q1 2023/24	Change in %	in % of Group
D/A/CH	105.0	5.2	36.8
Northern and Western Europe	68.6	-11.0	24.0
Southern and Eastern Europe	76.0	-12.2	26.6
Asia & Pacific	22.2	-37.9	7.8
Americas & MEA	13.7	-5.4	4.8
Total	285.6	-9.0	100.0

INFORMATION

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

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