



H1 2023/24

MANAGEMENT PRESENTATION | 7 DECEMBER 2023

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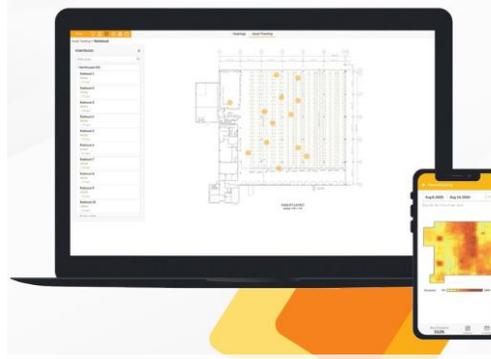
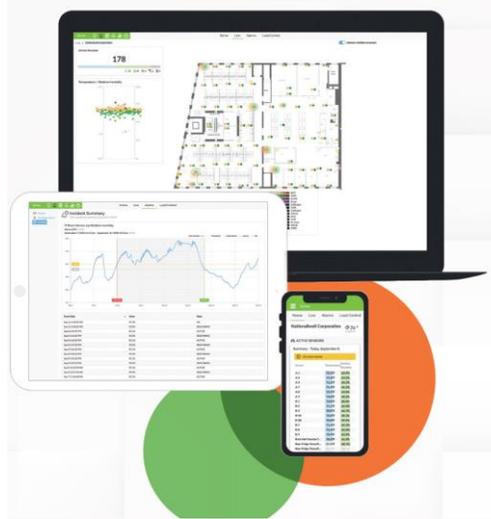
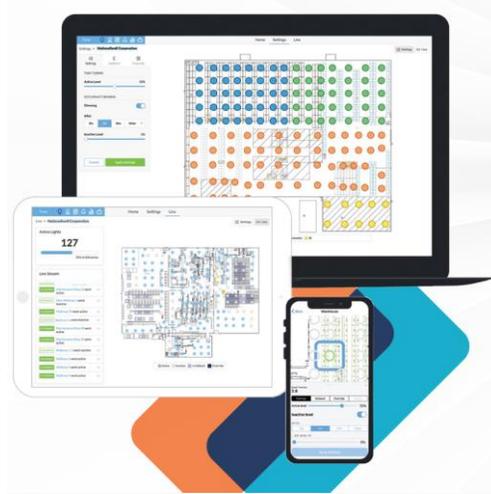
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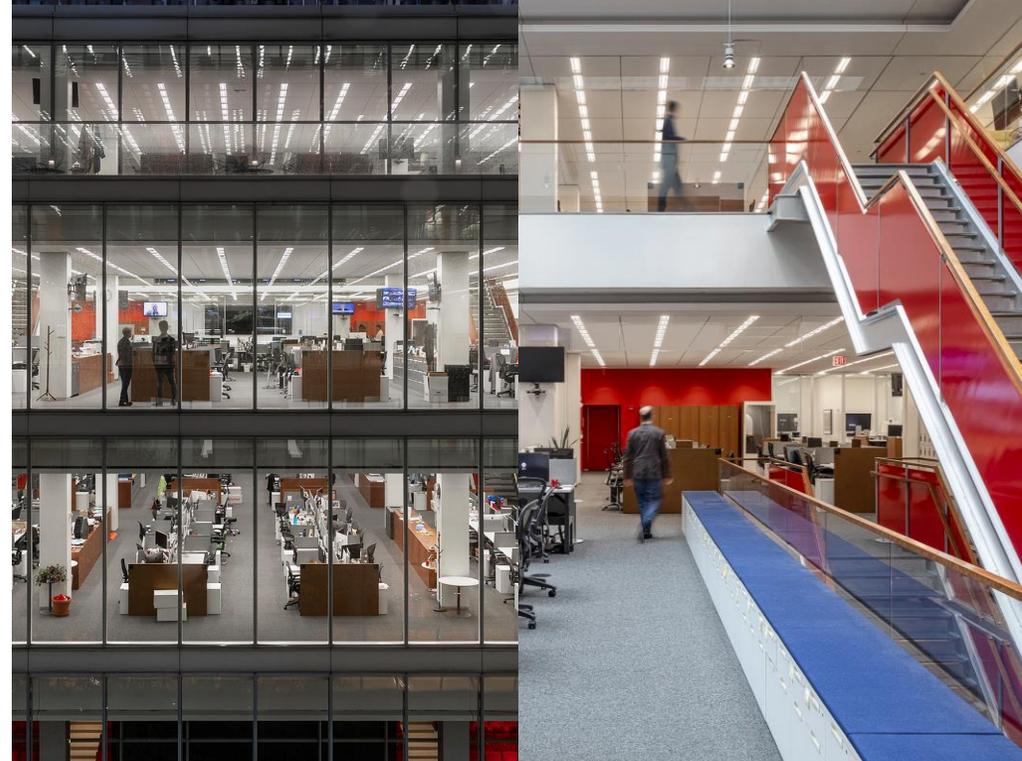
Stadium Chongqing Longxing, China



SPAR, Lustenau, Austria



Asset Deal | SiteWorx



Office New York Times, USA



Hospital, Milan, Italy

H1 2023/24 FINANCIAL OVERVIEW

- **Group revenues decline by 8.5% to EUR 574.4 mn (PY: EUR 627.8 mn)**
 - Lighting Segment revenues at EUR 454.4 mn (–1.5%)
 - Components Segment at EUR 152.1 mn (–22.8%)
 - Good revenue contributions especially from Switzerland
- **Adj. EBIT at EUR 40.0 mn (PY: EUR 50.8 mn)**
 - Missing contribution from revenue growth and higher personnel costs due to inflation
 - Adj. Gross profit reaches EUR 208.6 mn; adj. Gross profit margin increased to 36.3% (PY: 34.8%)
 - Adj. SG&A expenses at EUR 168.6 mn
- **Net profit declines to EUR 21.2 mn (PY: EUR 33.7 mn)**
- **Solid balance sheet**
- **Equity ratio at 42.1%**



ORDER SITUATION REQUIRES REORIENTATION

Measurements

Components plant, Dornbirn (AT)



- Partial transfer of production to the plant in Niš (Serbia)
- Conversion of the plant in Dornbirn into a “Centre of Production Innovation”
- Reorganisation will affect roughly 100 employees

Lighting plant, Dornbirn (AT)



- Volume adjustments and organisational optimisation
- Reduction of roughly 70 employees

Impact

Restructuring costs

- Restructuring costs of EUR –9.1 mn were booked in Q2 2023/24
- No further material costs are expected

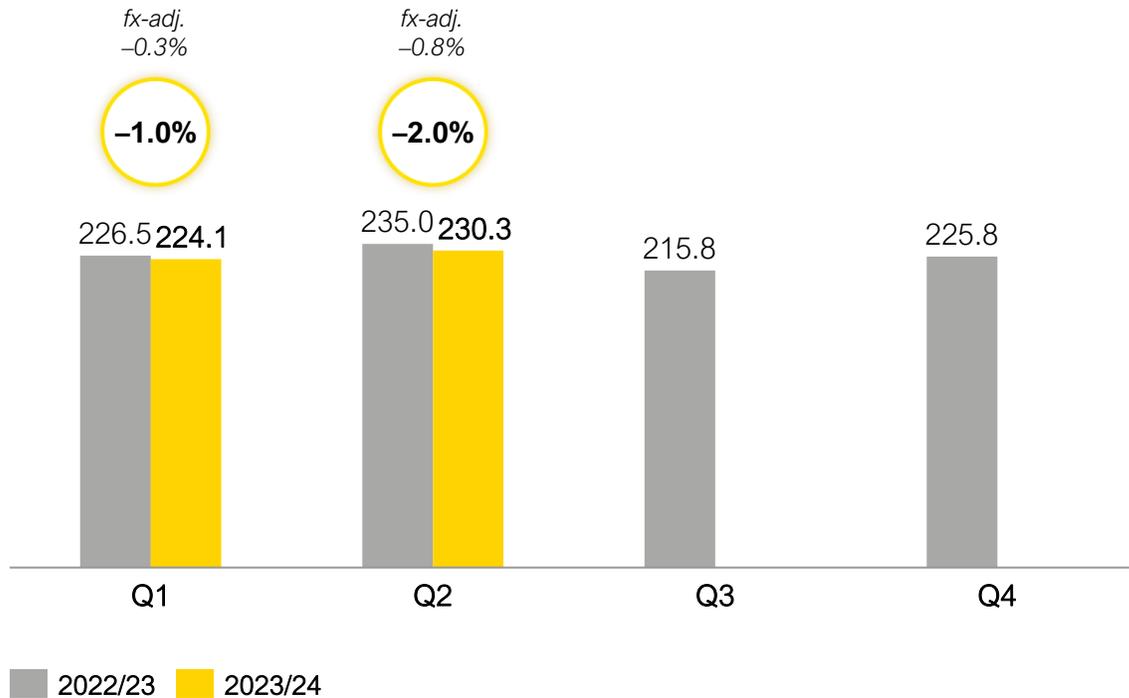
→ **Re-introduction of adjusted EBIT**

Expected savings in the high single-digit millions with initial effect already in FY 2024/25

LIGHTING SEGMENT

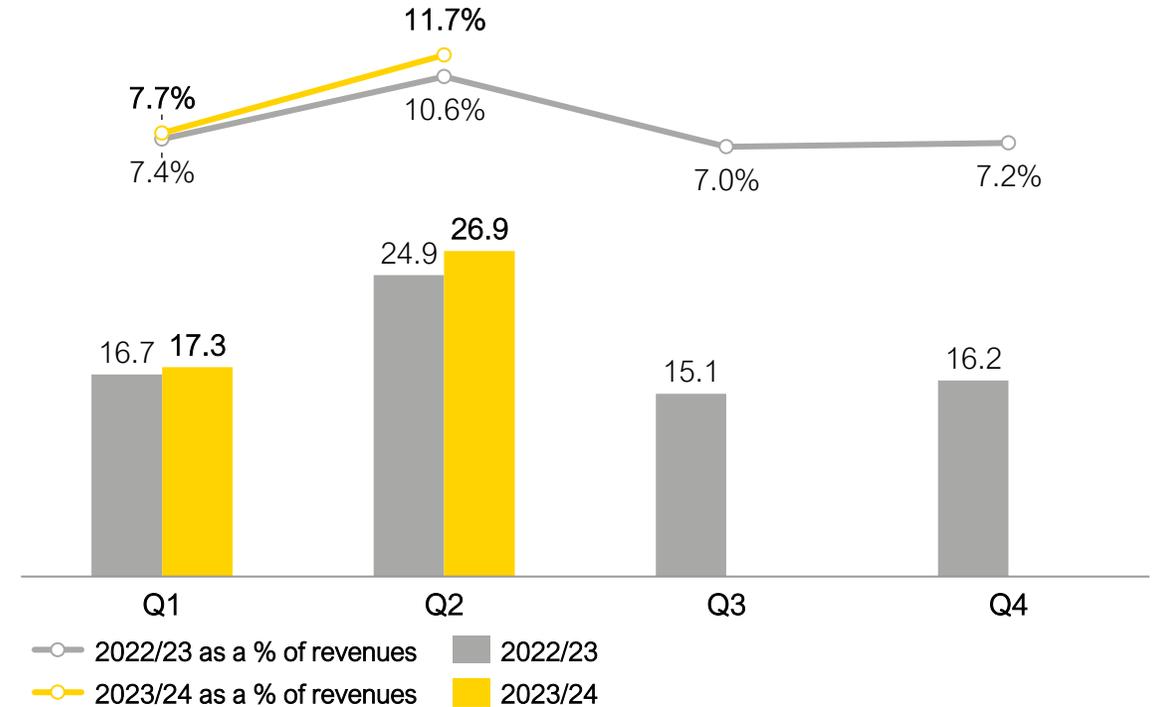
IMPROVEMENT IN ADJUSTED EBIT MARGIN, WHILE REVENUES REMAIN FLAT

REVENUES IN EUR MN



H1 2023/24: EUR 454.4 mn (minus 1.5%)
 H1 2022/23: EUR 461.5 mn

ADJUSTED EBIT IN EUR MN

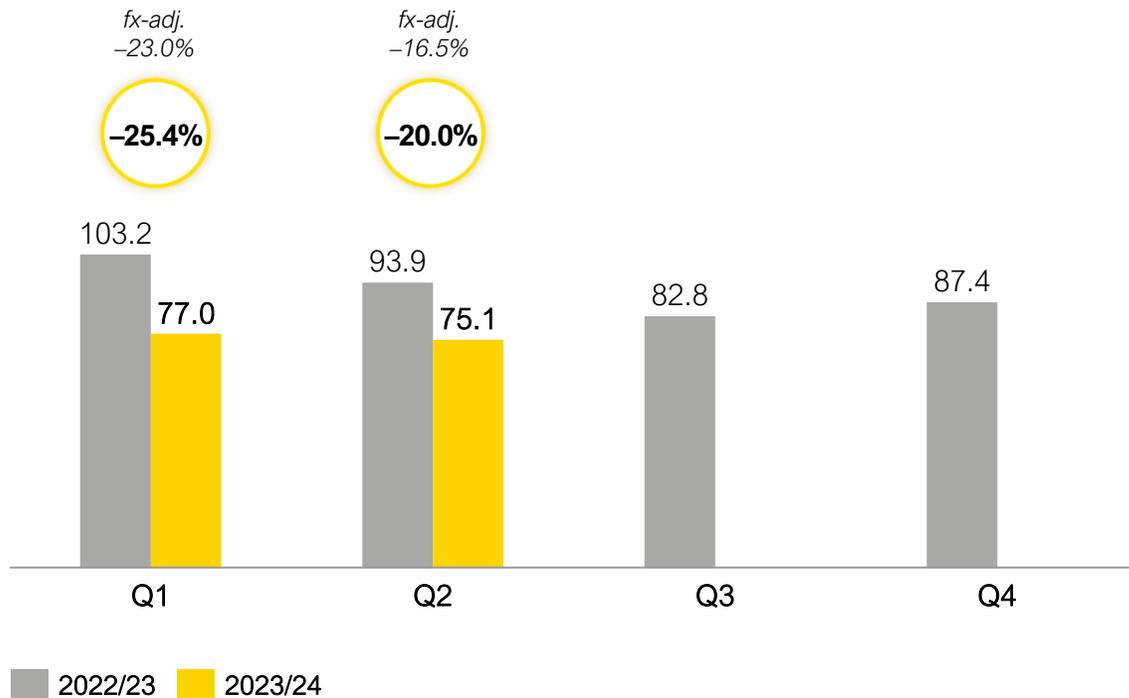


H1 2023/24: EUR 44.2 mn (margin of 9.7%)
 H1 2022/23: EUR 41.6 mn (margin of 9.0%)

COMPONENTS SEGMENT

Q2 REVENUE STILL IMPACTED BY HIGH CUSTOMERS' INVENTORY LEVELS

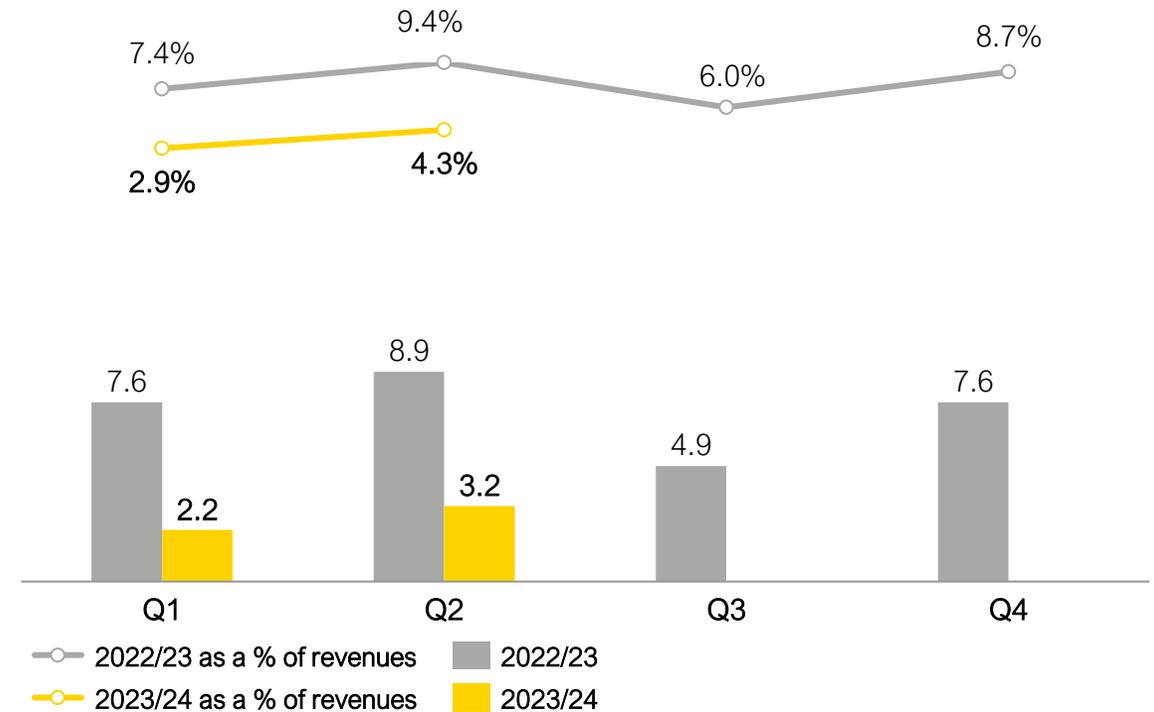
REVENUES IN EUR MN



H1 2023/24: EUR 152.1 mn (minus 22.8%)
 H1 2022/23: EUR 197.1 mn

H1 2023/24 results

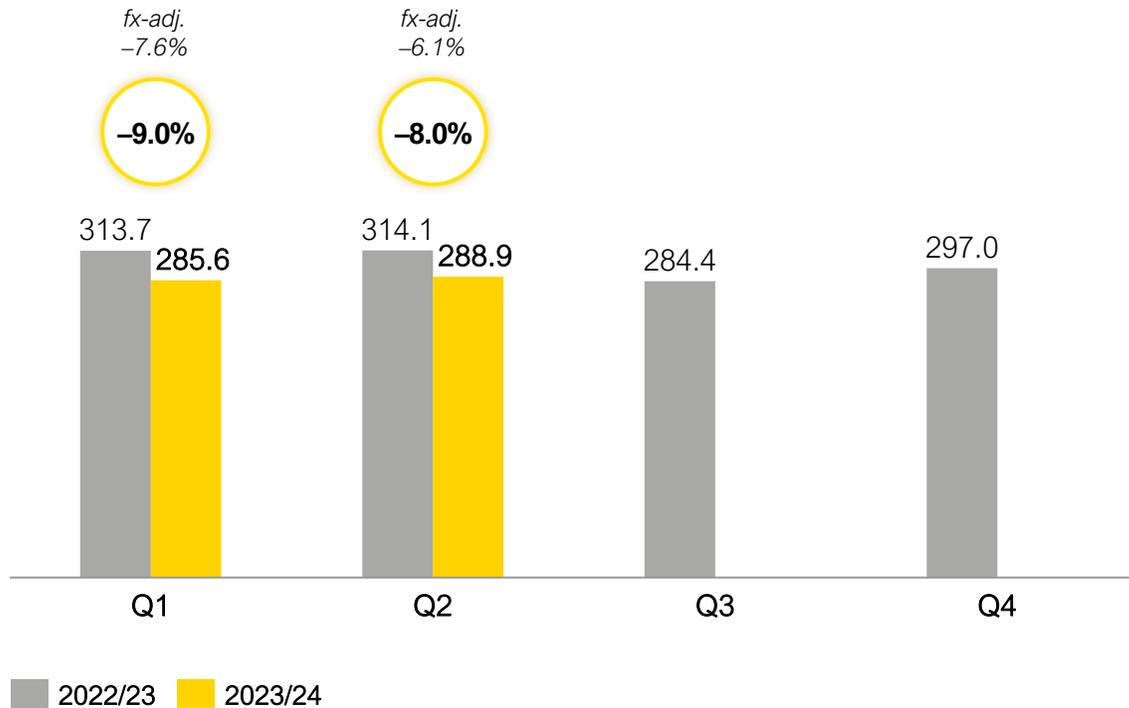
ADJUSTED EBIT IN EUR MN



H1 2023/24: EUR 5.5 mn (margin of 3.6%)
 H1 2022/23: EUR 16.5 mn (margin of 8.4%)

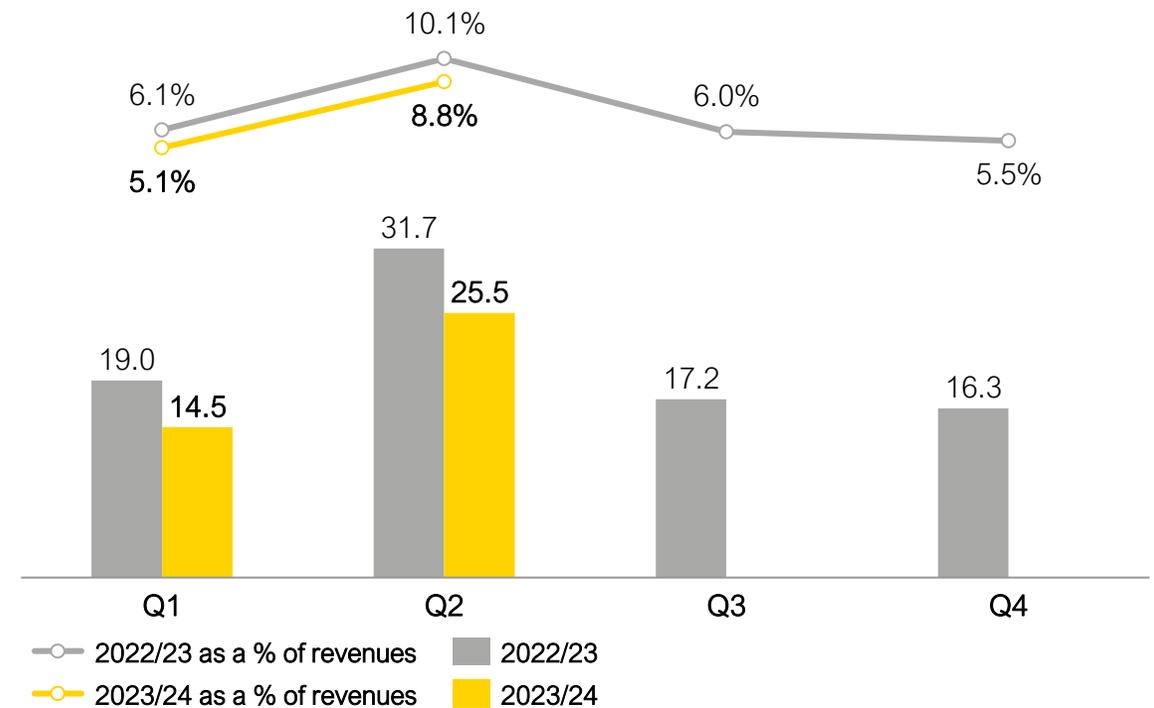
REVENUE DECLINE IN A DIFFICULT MARKET ENVIRONMENT, ADJUSTED EBIT MARGIN REMAINS SOLID

REVENUES IN EUR MN



H1 2023/24: EUR 574.4 mn (minus 8.5%)
H1 2022/23: EUR 627.8 mn

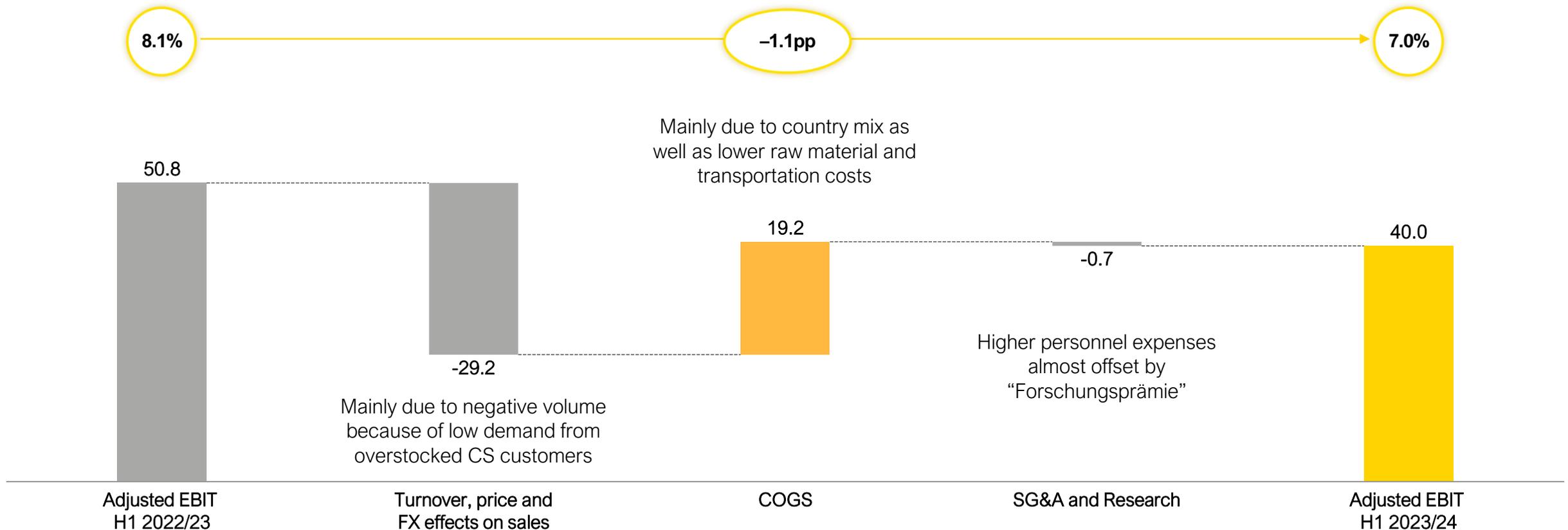
ADJUSTED EBIT IN EUR MN



H1 2023/24: EUR 40.0 mn (margin of 7.0%)
H1 2022/23: EUR 50.8 mn (margin of 8.1%)

REVENUE DECLINE, INFLATION-BASED INCREASE IN PERSONNEL COSTS, ONLY PARTLY OFFSET BY HIGHER GROSS PROFIT MARGIN

ADJUSTED EBIT BRIDGE IN EUR MN / AS % OF SALES



SOLID ADJUSTED EBIT MARGIN IN H1 2023/34 DUE TO SOLID BUSINESS IN THE LIGHTING SEGMENT

ZUMTOBEL GROUP – INCOME STATEMENT

IN EUR MN	H1 2023/24	H1 2022/23	CHANGE IN %
Revenues	574.4	627.8	-8.5
Adjusted cost of goods sold	-365.9	-409.1	-10.6
Adjusted gross profit (incl. development)	208.6	218.6	-4.6
<i>as a % of revenues</i>	36.3	34.8	
Adjusted SG&A expenses	-168.6	-167.9	0.4
Adjusted EBIT	40.0	50.8	-21.3
<i>as a % of revenues</i>	7.0	8.1	
Special effects	-9.1	0.0	
EBIT	30.9	50.8	-39.2
<i>as a % of revenues</i>	5.4	8.1	
Financial results	-7.4	-7.5	2.0
Profit before tax	23.5	43.3	-45.7
Income taxes	-2.4	-9.5	-75.3
Net profit for the period	21.2	33.7	-37.3
Earnings per share (in EUR)	0.49	0.78	-37.3

Special effects of EUR -9.1 mn recorded in Q2 2023/24, thereof:

- EUR 6.3 million for personnel expenses,
- EUR 0.8 million for depreciation, amortisation and impairment and
- EUR 2.0 million for other expenses and income,

for the restructuring measures at the Dornbirn site (Austria) announced in the press release published on 13 October 2023.

CASH FLOW IMPROVEMENT IN H1 2023/24

ZUMTOBEL GROUP – CASH FLOW STATEMENT

IN EUR MN	H1 2023/24	H1 2022/23
Cash flow from operating results	60.4	78.3
Change in working capital	4.0	-11.7
Change in other operating items	-16.0	-18.0
Taxes paid/received	-3.1	-4.3
Cash flow from operating activities	45.4	44.2
Cash flow from investing activities	-22.3	-27.0
Free cash flow	23.1	17.2

SOLID BALANCE SHEET: STRONG EQUITY RATIO AND DEBT COVERAGE RATIO

ZUMTOBEL GROUP – KEY BALANCE SHEET DATA

IN EUR MN	31 October 2023	30 April 2023
Total assets	1,012.9	1,002.4
Net debt	93.2	86.9
<i>Debt coverage ratio</i>	<i>0.77</i>	<i>0.62</i>
Equity	426.5	421.7
<i>Equity ratio in %</i>	<i>42.1</i>	<i>42.1</i>
<i>Gearing in %</i>	<i>21.9</i>	<i>20.6</i>
CAPEX	27.7	69.4
<i>thereof CAPEX excl. IFRS 16</i>	<i>22.7</i>	<i>54.5</i>
Working capital	228.2	231.7
<i>as a % of rolling 12-month revenues</i>	<i>19.7</i>	<i>19.2</i>

Solid liquidity position backed by:

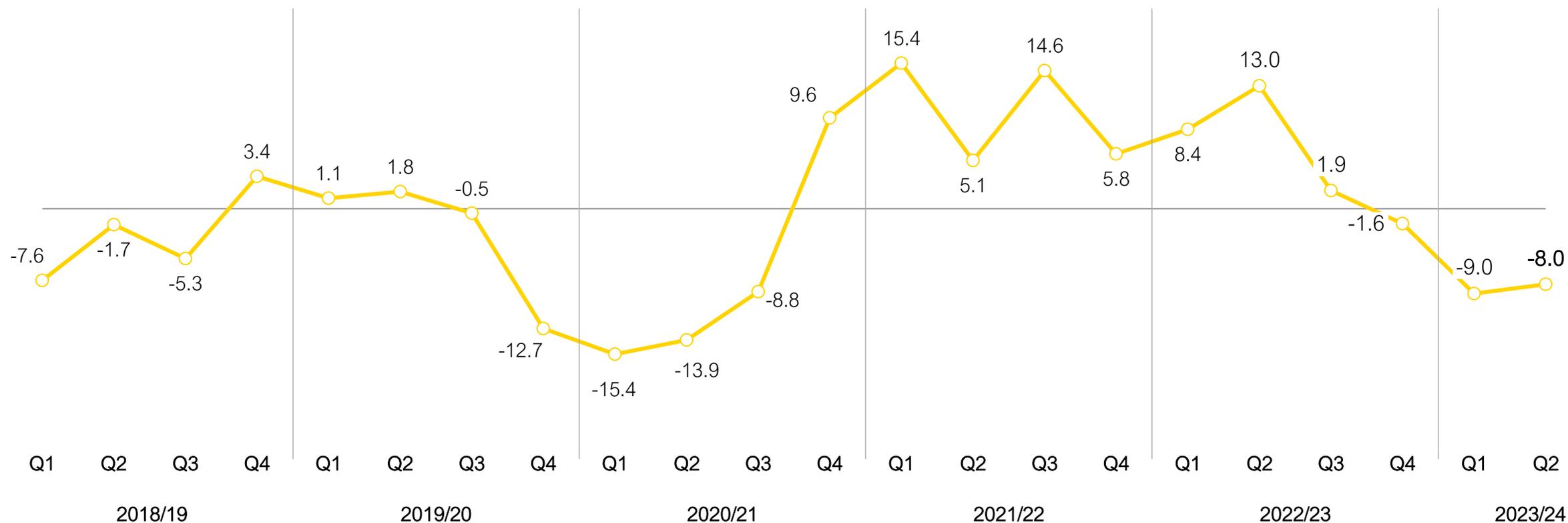
- Consortium credit agreement with a term ending in December 2027 and a volume of EUR 125 mn (including clause for an increase in the credit line up to EUR 350 mn), thereof EUR 30 mn drawn
- Two long-term credit agreements of EUR 30 mn and EUR 40 mn with the European Investment Bank (EIB) (bullet repayment in September 2024, respectively February 2025)
- Uncommitted credit lines totalling EUR 43.4 mn

Financial covenants attached to:

- Debt coverage ratio¹ < 3.55
 0.77 as of 31 October 2023
 - Equity ratio > 23.5%
 42.1% as of 31 October 2023
- Covenants tested on 31 October as well as 30 April

SALES DEVELOPMENT YEAR-ON-YEAR NEGATIVE IN A DIFFICULT MARKET ENVIRONMENT

ZUMTOBEL GROUP – SALES DEVELOPMENT BY QUARTER VS PY PERIOD IN %



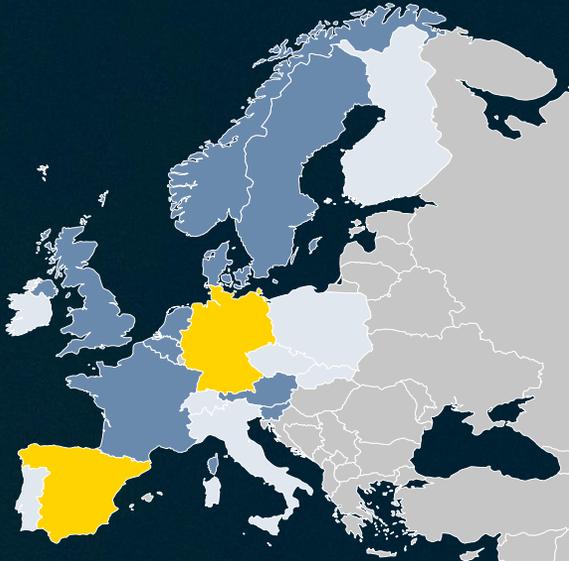
GROUP REVENUES DOWN BY 8.5% IN H1 2023/24

ZUMTOBEL GROUP – REGIONAL REVENUE DISTRIBUTION

IN EUR MN	Q2 2023/24	CHANGE IN %	H1 2023/24	CHANGE IN %	
				NOMINAL	FX ADJUSTED
D/A/CH	106.1	-2.4	211.0	1.3	0.0
Northern and Western Europe	67.0	-12.0	135.6	-11.5	-10.2
Southern and Eastern Europe	76.6	-4.5	152.7	-8.5	-5.3
Asia & Pacific	23.9	-18.7	46.2	-29.2	-23.0
Americas & MEA	15.2	-22.4	28.9	-15.2	-10.7
Total	288.9	-8.0	574.4	-8.5	-6.8

CURRENT MARKET OUTLOOK FOR THE FINANCIAL YEAR 2023/24

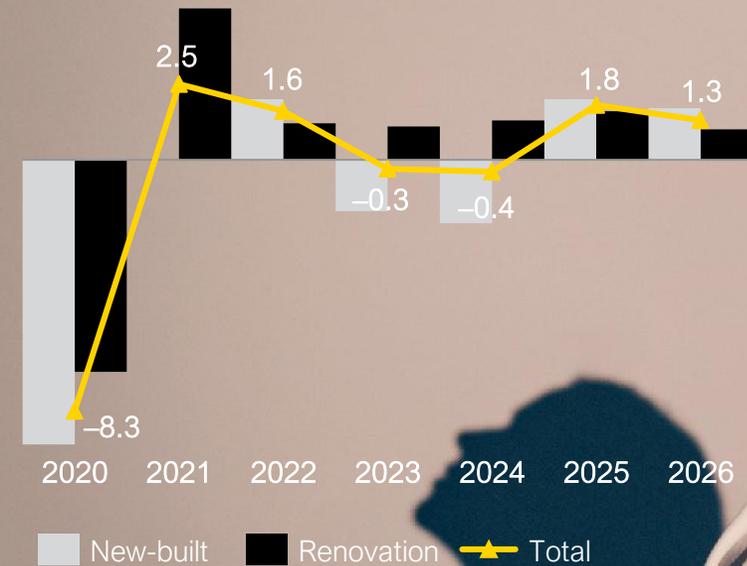
Growth in non-residential construction in 2024



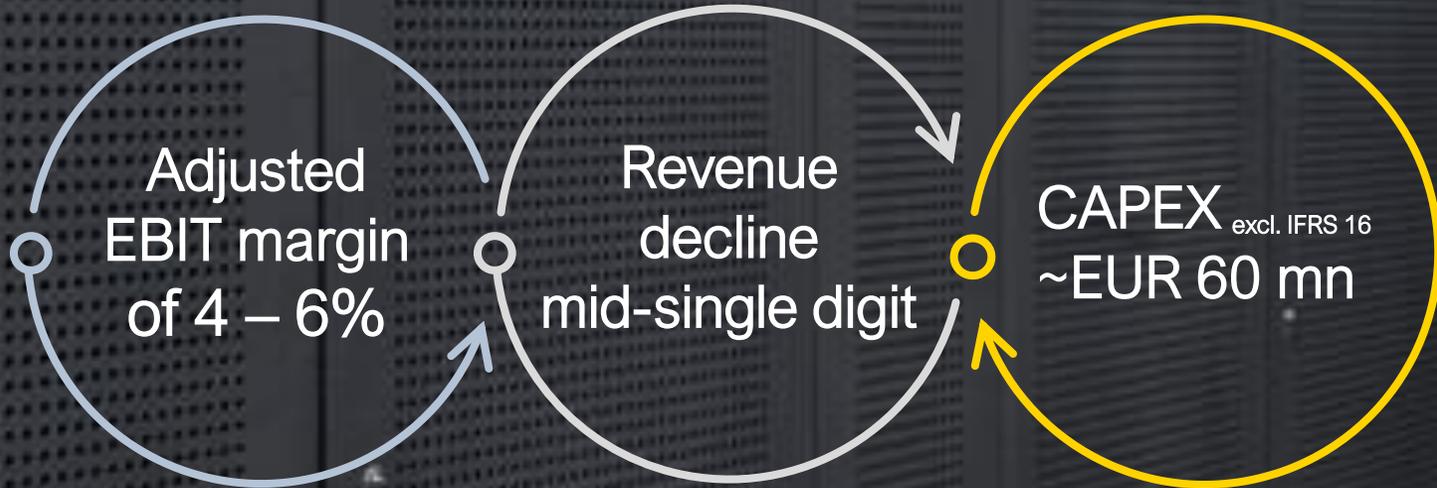
> +0.5%
 0 - +0.5%
 negative

- Non-residential construction prospects are weak in total – sideways movement is expected for this and next year
- 8 out of 19 countries expect growth in 2023 – weak prospects in markets like Great Britain, Germany and France
- Expected output far below top levels
- New-built construction is rather negative in 2024, but positive in 2025
- Strong headwinds include difficult economic framework, risen interest rates and increased construction costs
- However: Renovation is growing each year → Investments in sustainability will rise

Development of non-residential construction until 2026



FY 2023/24 OUTLOOK



A silhouette of a woman with long hair, looking upwards. The background is a gradient from dark blue on the left to light beige on the right, with a large, bright circular shape representing the sun or moon partially visible on the right side.

BACK UP

FINANCIAL CALENDAR

DATE	SUBJECT	PERIOD
7 March 2024	Interim Report Q1 – Q3 2023/24	1 May 2023 – 31 January 2024

EFFICIENCY MEASURES TO TACKLE THE DIFFICULT MARKET ENVIRONMENT

**Cost reduction
and efficiency
improvements**



Operational efficiency

- Review staffing in all functional areas
- Reduce costs through digitalization and strict management of overhead costs



Management of manufacturing costs

- Increase automation in our manufacturing processes
- Increase factory lead in low-cost countries and reduce number of temporary workers



Capture market opportunities

- Refurbishment as growth driver
- Higher price acceptance among customers for energy efficient products

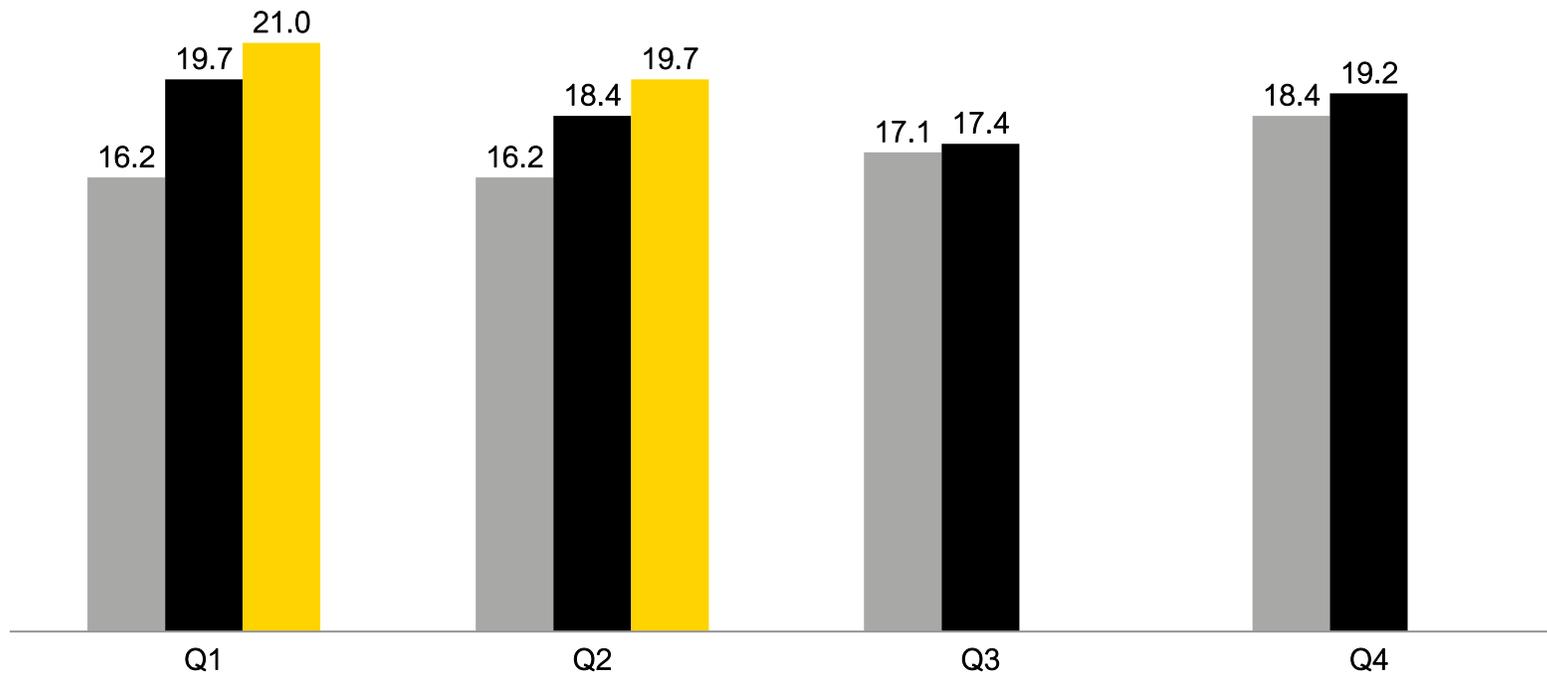


Design to cost

- Value engineering
- Local sourcing in low-cost countries

WORKING CAPITAL DEVELOPMENT

ZUMTOBEL GROUP – WORKING CAPITAL



■ FY 2021/22 ■ FY 2022/23 ■ FY 2023/24
In %

- Working capital at EUR 228.2 mn as of 31 October 2023 (30 April 2023: EUR 231.7 mn)
- In % of rolling 12-month revenues, working capital at 19.7% (PY: 18.4%)

SUPPLEMENTARY DATA FOR SEGMENT REPORTING

ZUMTOBEL GROUP

IN EUR MN	Lighting Segment		Components Segment		Reconciliation		Group	
	H1 2023/24	H1 2022/23	H1 2023/24	H1 2022/23	H1 2023/24	H1 2022/23	H1 2023/24	H1 2022/23
Net revenues	454.5	461.5	152.1	197.1	-32.1	-30.8	574.4	627.8
External revenues	454.1	461.0	120.3	166.8	0	0	574.4	627.8
Inter-company revenues	0.4	0.5	31.8	30.3	-32.1	-30.8	0	0
Adjusted EBIT	44.2	41.6	5.5	16.5	-9.7	-7.3	40.0	50.8
Special effects	-1.3	0	-7.8	0	0	0	-9.1	0
EBIT	42.8	41.6	-2.3	16.5	-9.7	-7.3	30.9	50.8
Investments	16.1	15.5	5.1	6.7	1.5	5.3	22.7	27.5
Depreciation	-19.2	-18.9	-6.8	-6.5	-2.2	-2.2	-28.2	-27.6

FIVE-YEAR OVERVIEW

ZUMTOBEL GROUP

IN EUR MN	2022/23	2021/22	2020/21	2019/20	2018/19
Revenues	1,209.2	1,148.3	1,044.5	1,131.3	1,162.0
EBIT	84.3	60.8	43.4	35.1	2.7
<i>as a % of revenues</i>	7.0	5.3	4.2	3.1	0.2
Net profit/loss for the period	60.0	45.8	45.6	14.5	-15.2
<i>as a % of revenues</i>	5.0	4.0	4.4	1.3	-1.3
Total assets	1,002.4	1,005.4	943.3	1,011.7	920.9
Equity	421.7	382.8	308.4	280.7	262.8
<i>Equity ratio in %</i>	42.1	38.1	32.7	27.7	28.5
Net debt	86.9	95.1	88.5	165.7	148.7
Cash flow from operating results	140.2	122.7	115.7	101.3	56.8
CAPEX excl. IFRS 16	54.5	45.3	38.1	57.9	66.2
<i>as a % of revenues</i>	4.5	3.9	3.7	5.1	5.7
R&D total	67.8	67.5	64.8	62.7	66.2
<i>as a % of revenues</i>	5.6	5.9	6.2	5.5	5.7
Headcount incl. contract workers (FTE)	5,503	5,782	5,813	6,039	5,878

ZUMTOBEL GROUP AG

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