

H1 2023/24

STABLE EBIT MARGIN DESPITE DECLINE IN REVENUES

Press release
Dornbirn, 7 December 2023

- **Revenues fall by 8.5% to EUR 574.4 million (FX-adjusted: –6.8%)**
- **Operating results (EBIT) at EUR 30.9 million (H1 2022/23: EUR 50.8 million)**
- **EBIT adjusted for special effects at EUR 40.0 million (H1 2022/23: EUR 50.8 million)**
- **Net profit declines from EUR 33.7 million to EUR 21.2 million**

Dornbirn, Austria – Results presented today for the first half of the 2023/24 financial year show a decline of 8.5% in revenues to EUR 574.4 million for the Zumtobel Group. After an adjustment for foreign exchange effects, the decline equalled 6.8%. The main underlying reason is the ongoing difficult order situation in the components business: Revenues fell by 22.8% year-on-year to EUR 152.1 million in the Components Segment, but declined only marginally by 1.5% to EUR 454.4 million in the Lighting Segment. EBIT recorded by the Zumtobel Group consequently dropped from EUR 50.8 million the first half of the previous year to EUR 30.9 million as a result of the decline in revenues and represents an EBIT margin of 5.4% for the reporting period (8.1% in the previous year). Net profit amounted to EUR 21.2 million compared with EUR 33.7 million in the first half of 2022/23.

“Orders in the components business are recovering very slowly, and customers’ warehouses remain well-stocked. The pressure on prices is high, and the construction branch is confronted with widespread weakness”, explained Alfred Felder, CEO of the Zumtobel Group. “In this market environment, the second half of the financial year will be more than challenging for us – and we have taken the necessary steps to strengthen our company’s competitive position”.

Operating results negatively influenced by special effects / presentation of adjusted EBIT

The reorganisation of the components plant and personnel adjustments in the lighting plant that were announced in mid-October led to special effects and a corresponding negative influence on EBIT. These effects also include the costs of the social plan for 170 Zumtobel Group employees which was agreed on 10 November 2023 and total EUR 9.1 million. To continue to present an undistorted view of the actual development of the Zumtobel Group’s operating business, the Management Board has decided to report EBIT adjusted for special effects and to adjust reporting accordingly beginning with this half-year.

Adjusted development costs rose by EUR 0.8 million to EUR 32.6 million in the first half of 2023/24 (H1 2022/23: EUR 31.8 million), chiefly due to higher personnel expenses. Adjusted selling and administrative expenses (incl. research) rose slightly by EUR 0.7 million to EUR –168.6 million (H1 2022/23: EUR –167.9 million). The main drivers were the personnel cost increases resulting from collective agreements and bonuses, which were contrasted by a reduction in transport costs and by the earlier receipt of a research subsidy. Adjusted Group EBIT fell from EUR 50.8 million in the first half of the previous year to EUR 40.0 million in H1 2023/24, and the adjusted

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EBIT margin declined to 7.0% (H1 2022/23: 8.1%). Net profit for the period totalled EUR 21.2 million (H1 2022/23: EUR 33.7 million). Earnings per share for the shareholders of Zumtobel Group AG (basic EPS based on 43.1 million shares) declined to EUR 0.49 (H1 2022/23: EUR 0.78).

The balance sheet structure of the Zumtobel Group remains solid. The balance sheet total equalled EUR 1,012.9 million as of 31 October 2023 and was slightly higher than the last balance sheet date on 30 April 2023 (EUR 1,002.4 million). The equity ratio equalled 42.1% as of 31 October 2023 and remained constant compared with 30 April 2023 (42.1%). Equity increased by EUR 4.8 million from EUR 421.7 million as of 30 April 2023 to EUR 426.5 million, and net liabilities rose to EUR 93.2 million as of 31 October 2023 (30 April 2023: EUR 86.9 million).

Investments in technological know-how

The Zumtobel Group continued to invest in the strengthening of its leading technological position in recent months – precisely in the area of networked light. Through an asset deal in September, the company purchased the rights to the SiteWorx software developed by Digital Lumens. The Zumtobel Group now holds the exclusive rights to this software for Europe. This system for lighting management, which comprises the SiteWorx cloud software solution and the related Tune, Sense and Area applications, uses intelligent end devices to measure the energy consumption of lighting solutions, show the use of interior rooms through networked sensors, and store and visualise all associated data. The company is currently working on the integration of the software to substantially accelerate the digitalisation of its products and services.

Outlook

The economic environment remains tense and has had an appropriate negative influence on the commercial construction sector. Contrary to the previous outlook, demand in the substantially more short-term Components Segment failed to develop the expected momentum. This weakness was a direct result of customers' continuing high stock levels. The Management Board of the Zumtobel Group continues to expect a decline in revenues in the mid-single digit per cent range for the 2023/24 financial year.

In view of the previously communicated restructuring measures together with the resulting reintroduction of adjusted EBIT and the related financial indicators, the Management Board of the Zumtobel Group has decided to focus on the adjusted EBIT margin in the future. This reorientation is intended to improve comparability and reflects efforts to isolate the effects of restructuring activities on operating results and provide a transparent view of operating performance. For the 2023/24 financial year, the Management Board of the Zumtobel Group expects an adjusted EBIT margin (excluding special effects) of 4% to 6%. This outlook is based on the assumption that there will be no further deterioration in the economic environment.

H1 2023/24 RESULTS AT A GLANCE

in EUR million	H1 2023/24	H1 2022/23	Change in %
Revenues	574.4	627.8	-8.5
Lighting Segment	454.4	461.5	-1.5
Components Segment	152.1	197.1	-22.8
Adjusted EBIT	40.0	50.8	-21.3
as a % of revenues	7.0	8.1	
EBIT	30.9	50.8	-39.2
as a % of revenues	5.4	8.1	
Net profit/loss for the period	21.2	33.7	-37.3
as a % of revenues	3.7	5.4	

in EUR million	31 October	30 April	Change in %
Total assets	1,012.9	1,002.4	1.0
Equity	426.5	421.7	1.1
Equity ratio in %	42.1	42.1	
Net debt	93.2	86.9	7.3
Headcount incl. contract worker (full-time equivalent)	5.3	5.5	-2.8

in EUR million	H1 2023/24	Change in %	in % of Group
D/A/CH	211.0	1.3	36.7
Northern and Western Europe	135.6	-11.5	23.6
Southern and Eastern Europe	152.7	-8.5	26.6
Asia & Pacific	46.2	-29.2	8.0
Americas & MEA	28.9	-15.2	5.0
Total	574.4	-8.5	100.0

INFORMATION

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

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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/lighting/group).