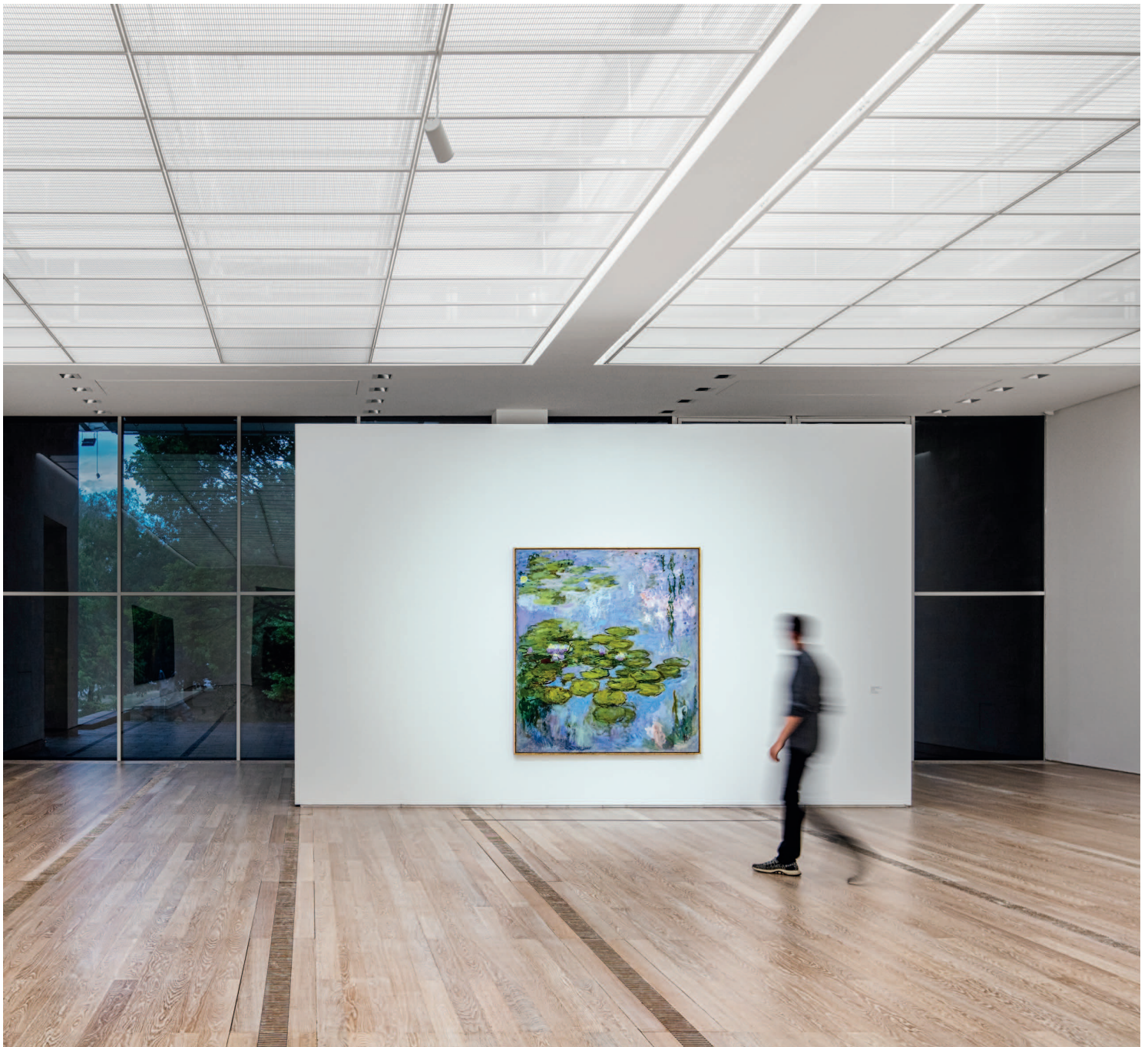


# Q1 2021/22

Interim Report (May – July 2021)

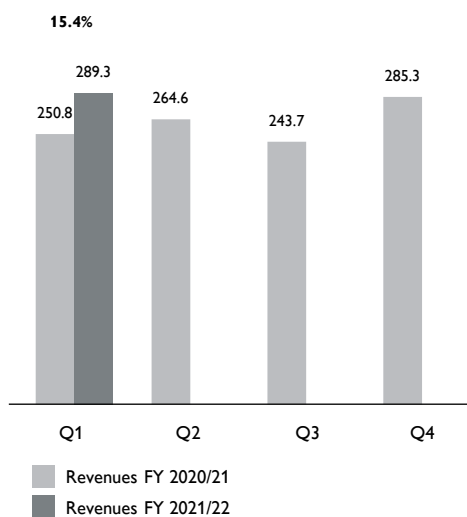


## Overview of the First Quarter of 2021/22

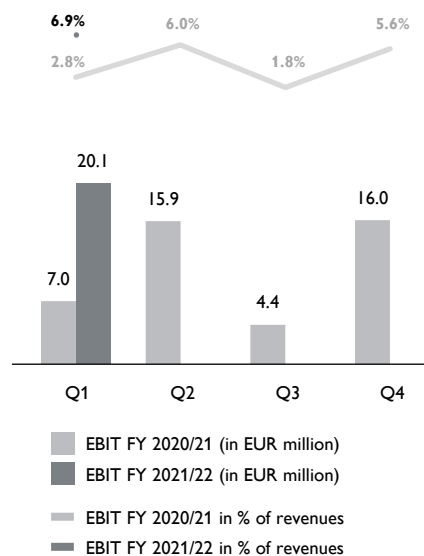
Key Data in EUR million	Q1 2021/22	Q1 2020/21	Change in %
Revenues	289.3	250.8	15.4
EBITDA	33.5	22.9	46.3
<i>as a % of revenues</i>	11.6	9.1	
EBIT	20.1	7.0	>100
<i>as a % of revenues</i>	6.9	2.8	
Net profit for the period	13.4	3.1	>100
<i>as a % of revenues</i>	4.6	1.3	
Cash flow from operating results	33.7	23.9	41.3
Investments	8.9	8.0	11.4
	<b>31 July 2021</b>	<b>30 April 2021</b>	<b>Change in %</b>
Total assets	993.5	977.7	1.6
Equity	326.2	308.4	5.8
<i>Equity ratio in %</i>	32.8	31.5	
Net debt	107.9	97.3	10.9
Headcount incl. contract worker (full-time equivalent)	5.896	5.813	1.4

### Development of business by quarter

Revenues development (in EUR million)



EBIT development



# Letter to Shareholders

Dear Shareholders,

After nearly one and a half years of extraordinary situations across the world, the Zumtobel Group is again on course with clearly stabilised revenues. The positive results for the first quarter of the current financial year unmistakably show that we have met our promise to return to our sound pre-pandemic development as quickly as possible.

We recorded a year-on-year increase of 15.4% in revenues to EUR 289.3 million for the first three months, which means we will have soon matched the first quarter of the pre-crisis financial year in 2019/20. EBIT – in this case, unadjusted operating earnings – nearly tripled from EUR 7.0 million in the first quarter of 2020/21 to EUR 20.1 million. A comparison with the first quarter of the pre-crisis year in 2019/20 shows an improvement of nearly five million euros in operating results.

This success was based on consistent efficiency improvement and cost optimisation in recent years as well as the further development of our “FOCUSED” corporate strategy, which we expanded during the past financial year to also include digitalisation and sustainability. We intend to increase the integration of sustainability in our everyday actions during 2021/22. The necessary expertise from all relevant departments in the Zumtobel Group has been combined and bundled in a sustainability team which reports directly to the Management Board. This team will pursue activities in the interest of the circular economy and define and implement the necessary processes and reporting. I also want to take the opportunity to mention that the Zumtobel Group, along with 11 other Austrian corporations, has become a klimaaktiv Pakt partner and actively supports the Austrian government's national climate protection initiative. The Zumtobel Group is also one of the 19 Austrian companies included in the VBW Austrian Sustainability Index (VÖNIX), which underscores our leadership in the area of ecological and social activities.

Despite the many positive developments in recent months, we are also faced with a number of challenges. The pandemic has still not been overcome and trends on the global raw materials market – with rising prices and in part shortages of key components – represent complications for producing companies like the Zumtobel Group. Together with our procurement team, we are continuously evaluating the situation and see the long-term relationships with our suppliers as a key advantage. The close contacts between our colleagues in sales and our customers also supports reliable planning on the customer side.

All in all, my colleagues on the Management Board and I are convinced the Zumtobel Group is on a good course. We therefore expect to meet the targets set for the 2021/22 financial year with an increase of 4% to 7% in revenues and an EBIT margin of 4% to 5%.

Thank you for your confidence in these challenging times!

Alfred Felder  
Chief Executive Officer (CEO)



Alfred Felder

# Group Management Report

## Development of Group results in Q1 2021/22 versus Q1 2020/21

- >> Group revenues rise by 15.4% (FX-adjusted: 15.1%) with strong growth in the Lighting Segment (12.0%) and Components Segment (26.1%)
- >> Group EBIT rises significantly to EUR 20.1 million

Income statement in EUR million	Q1 2021/22	Q1 2020/21	Change in %
Umsatzerlöse Lighting Segment	212.4	189.7	12.0
Umsatzerlöse Components Segment	92.2	73.1	26.1
Überleitung	-15.3	-12.0	27.2
<b>Revenues</b>	<b>289.3</b>	<b>250.8</b>	<b>15.4</b>
<b>Cost of goods sold</b>	<b>-189.1</b>	<b>-170.8</b>	<b>10.7</b>
<b>Gross profit</b>	<b>100.2</b>	<b>80.0</b>	<b>25.4</b>
<i>as a % of revenues</i>	34.6	31.9	
<b>SG&amp;A expenses</b>	<b>-80.2</b>	<b>-70.9</b>	<b>13.1</b>
<b>Sondereffekte</b>	<b>0.0</b>	<b>-2.1</b>	
EBIT Lighting Segment	15.9	5.9	>100
<i>in % vom Segmentumsatz</i>	7.5	3.1	
EBIT Components Segment	8.6	3.8	>100
<i>in % vom Segmentumsatz</i>	9.3	5.2	
Überleitung	-4.4	-2.7	
<b>EBIT</b>	<b>20.1</b>	<b>7.0</b>	<b>&gt;100</b>
<i>as a % of revenues</i>	6.9	2.8	
<b>Financial results</b>	<b>-2.9</b>	<b>-3.0</b>	<b>4.0</b>
<b>Profit before tax</b>	<b>17.2</b>	<b>4.0</b>	<b>&gt;100</b>
<b>Income taxes</b>	<b>-3.8</b>	<b>-0.9</b>	<b>&lt;-100</b>
<b>Net profit for the period</b>	<b>13.4</b>	<b>3.1</b>	<b>&gt;100</b>
<b>Earnings per share (in EUR)</b>	<b>0.31</b>	<b>0.07</b>	<b>&gt;100</b>

Group revenues rose by 15.4% year-on-year to EUR 289.3 million in Q1 2021/22 (Q1 2020/21: EUR 250.8 million). The positive foreign exchange effects of EUR 0.7 million resulted primarily from the revaluation of the British pound. In contrast, the Turkish lira and Swiss franc recorded major devaluations. After an adjustment for foreign exchange effects, revenues increased by 15.1%.

**Increase of 15.4% in Group revenues**

Revenues in the Lighting Segment rose by 12.0% to EUR 212.4 million in Q1 2021/22 (Q1 2020/21: EUR 189.7 million). The upward trend continued from the previous quarter, and the gap to the pre-crisis level in Q1 2019/20 was significantly reduced.

**Lighting Segment revenues rise by 12.0%**

The Components Segment recorded a year-on-year increase of 26.1% in revenues to EUR 92.2 million. In addition to the general economic recovery, this positive development was supported by customers' restocking purchases. Segment revenues exceeded the pre-crisis level in Q1 2019/20. FX-adjusted revenues rose by 26.5%, whereby the negative effect resulted mainly from the Turkish lira.

**Components Segment revenues with sound plus of 26.1% over previous year**

Revenues in most regions were substantially higher compared with Q1 2020/21. The region 'Rest of the World' represented an exception, where the negative trend was caused primarily by a year-on-year decline of 40% in each of the markets in the USA, United Arab Emirates and Qatar. The development of revenues was particularly encouraging in Austria, China and Spain. Revenues in these countries also clearly exceeded the pre-crisis level in Q1 2021/22. Of special note was the double-digit growth in the core markets of Great Britain, France and Italy, which were hard hit by the Covid-19 crisis in the previous year.

**Strong revenue growth in Great Britain, France and Austria**

Umsatzerlöse in million	Q1 2021/22	Veränderung in %	in % vom Konzern
D/A/CH	91.4	4.8	31.6
Nord- und Westeuropa	72.0	24.8	24.9
Süd- und Osteuropa	81.7	26.9	28.2
Asien & Pazifik	32.9	37.1	11.4
Rest der Welt	11.3	-35.2	3.9
<b>Gesamt</b>	<b>289.3</b>	<b>15.4</b>	<b>100.0</b>

Group EBIT rose from EUR 7.0 million (Q1 2020/21) to EUR 20.1 million (Q1 2021/22), and the return on sales improved from 2.8% to 6.9%. The increase in fixed costs, above all following a sizeable reduction in government-supported short-work models, was more than offset by the positive development of revenues as well as the absence of restructuring expenses. EBIT increased from EUR 5.9 million to EUR 15.9 million in the Lighting Segment and from EUR 3.8 million to EUR 8.6 million in the Components Segment.

**Group EBIT rises significantly to EUR 20.1 million**

The gross profit margin (after development costs) for the Zumtobel Group improved to 34.6% in the reporting period (Q1 2020/21: 31.9%). The cost of goods sold was negatively influenced by rising raw material costs and incoming freight charges. Positive effects resulted from the decline in depreciation and amortisation and the release of guarantee provisions. Development costs rose by EUR 1.5 million to EUR 15.0 million (Q1 2020/21: EUR 13.5 million), chiefly due to the increase in personnel expenses which followed the substantial reduction in short-time work.

Selling and administrative expenses (incl. research) rose by EUR 9.3 million to EUR – 80.2 million in Q1 2021/22 (Q1 2020/21: EUR – 70.9 million), above all due to the absence of short-time work. Other negative effects included higher customs charges in connection with the Brexit and increased outgoing freight charges.



**Financial results stable year-on-year**

Financial results increased by EUR 0.1 million to EUR – 2.9 million (Q1 2020/21: EUR – 3.0 million). Interest expense, which is attributable primarily to current credit agreements and finance leases, totalled minus EUR 1.2 million (Q1 2020/21: minus EUR 1.4 million). Other financial income and expenses amounted to EUR – 1.7 million (Q1 2020/21: EUR – 1.6 million) and include the cost of pension obligations and earnings effects from changes in exchange rates. The fluctuations in the fair value measurement of financial instruments reflect the high volatility on the foreign exchange market.

**Net profit of EUR 13.4 million clearly above previous year**

Profit before tax totalled EUR 17.2 million in the first quarter of 2021/22 (Q1 2020/21: EUR 4.0 million) and income taxes equalled EUR – 3.8 million (Q1 2020/21: EUR – 0.9 million). Net profit improved significantly to EUR 13.4 million (Q1 2020/21: EUR 3.1 million). Earnings per share for the shareholders of Zumtobel Group AG (basic EPS based on 43.1 million shares) equalled EUR 0.31 (Q1 2020/21: EUR 0.07).

**Cash flow**

Cash Flow Statement in EUR million	Q1 2021/22	Q1 2020/21	Veränderung in %
Cash flow from operating results	33.7	23.9	41.3
Change in working capital	-22.6	-24.5	7.9
Change in other operating items	-11.7	7.1	<-100
Income taxes paid	0.0	-0.9	96.8
<b>Cash flow from operating activities</b>	<b>-0.5</b>	<b>5.6</b>	<b>&lt;-100</b>
<b>Cash flow from investing activities</b>	<b>-8.6</b>	<b>-8.0</b>	<b>-8.0</b>
<b>Free cash flow</b>	<b>-9.1</b>	<b>-2.4</b>	<b>&lt;-100</b>
<b>Cash flow from financing activities</b>	<b>10.4</b>	<b>-6.2</b>	<b>&gt;100</b>
<b>Change in cash and cash equivalents</b>	<b>1.3</b>	<b>-8.6</b>	<b>&gt;100</b>

Cash flow from operating results increased from EUR 23.9 million in the first quarter of the previous year to EUR 33.7 million due to the improvement in profitability.

**Working capital below previous year**

Working capital totalled EUR 175.6 million as of 31 July 2021 and was EUR 15.7 million below the level on 31 July 2020. As a per cent of rolling 12-month revenues, working capital declined from 17.6 % in the previous year to 16.2%. Cash outflows for changes in other operating positions amounted to EUR – 11.7million (Q1 2020/21: cash inflows of EUR 7.1 million). Cash flow from operating activities therefore declined from EUR 5.6 million to EUR – 0.5 million in Q1 2021/22.

**Free cash flow at minus EUR 9.1 million**

Cash flow from investing activities amounted to EUR – 8.6 million in the first quarter of 2021/22 (Q1 2020/21: EUR – 8.0 million). The volume of investments amounted to EUR 8.9 million (Q1 2020/21: EUR 8.0 million). Included here are capitalised development costs of EUR 3.0 million (Q1 2020/21: EUR 3.1 million). Free cash flow declined substantially to EUR – 9.1 million (Q1 2020/21: EUR – 2.4 million), chiefly due to the cash outflows for other operating positions. Cash flow from financing activities totalled EUR 10.4 million (Q1 2020/21: EUR – 6.2 million) and was influenced, above all, by an increase in medium-term bank liabilities.

## Asset position

Balance sheet data in EUR million	31 July 2021	30 April 2021
Total assets	993.5	977.7
Net debt	107.9	97.3
Debt coverage ratio	0.86	0.85
Equity	326.2	308.4
Equity ratio in %	32.8	31.5
Gearing in %	33.1	31.6
Investments	8.9	38.1
Working capital	175.6	152.5
As a % of rolling 12 month revenues	16.2	14.6

The balance sheet structure has remained nearly unchanged since 30 April 2021. The equity ratio equalled 32.8% as of 31 July 2021. Net debt increased by EUR 10.6 million over the level on 30 April 2021 to EUR 107.9 million.

**Solid balance sheet structure**

## Outlook for the 2021/22 financial year

- >> Increase of 4% to 7% in revenues
- >> EBIT margin of 4% to 5%
- >> Continuing uncertainty over the limited availability and rising prices of raw materials and transport costs

The corona crisis is still not over; which means a certain degree of uncertainty over the development of the global economy will continue in the coming months. The situation on the raw materials market also remains difficult for producing companies like the Zumtobel Group. In particular, the shortage of semiconductors and raw materials like steel and aluminium create substantial challenges. This limited availability was responsible for a reduction in capacity utilisation in the Zumtobel Group's production facilities. The company is also confronted with rising transport costs and a decline in transport capacity.

The Management Board of the Zumtobel Group confirms the outlook and expects an increase of 4% to 7% in revenues and an EBIT margin of 4% to 5% for the 2021/22 financial year.

**Outlook confirmed: growth of 4–7% in revenues and 4–5% in EBIT**

Dornbirn, 7 September 2021

The Management Board

Alfred Felder  
Chief Executive Officer (CEO)

Thomas Erath  
Chief Financial Officer (CFO)

Bernard Motzko  
Chief Operating Officer (COO)

Zumtobel Group AG has adjusted the scope of the interim reports due to the changed requirements of the “Prime Market Rules“ of the Vienna Stock Exchange for first and third quarter interim reporting. Financial information presented in the interim report for the first quarter of 2021/22 is fundamentally based on the same accounting and valuation methods underlying the consolidated financial statements of the Zumtobel Group AG for the 2020/21 financial year.

## Consolidated Income Statement

in TEUR	Q1 2021/22	Q1 2020/21
Revenues	289,324	250,800
Cost of goods sold <sup>1</sup>	(189,084)	(170,840)
<b>Gross profit<sup>1</sup></b>	<b>100,240</b>	<b>79,960</b>
Selling expenses <sup>1</sup>	(69,285)	(62,524)
Administrative expenses <sup>1</sup>	(11,346)	(9,370)
Other operating income	474	1,026
Other operating expenses	0	(2,059)
<b>Operating profit</b>	<b>20,083</b>	<b>7,033</b>
Interest expense	(1,295)	(1,508)
Interest income	77	68
Other financial income and expenses	(1,671)	(1,569)
Result from associated companies	0	0
<b>Financial results</b>	<b>(2,889)</b>	<b>(3,009)</b>
<b>Profit before tax</b>	<b>17,194</b>	<b>4,024</b>
Income taxes	(3,783)	(885)
<b>Net profit for the period</b>	<b>13,411</b>	<b>3,139</b>
<i>thereof due to non-controlling interests</i>	(23)	179
<i>thereof due to shareholders of the parent company</i>	13,434	2,960
Average number of shares outstanding – basic (in 1.000 pcs.)	43,147	43,147
Average number of shares outstanding – diluted (in 1.000 pcs.)	43,147	43,147
<b>Earnings per share (in EUR)</b>		
Earnings per share (diluted and basic)	0.31	0.07

<sup>1</sup> The correction of a system setting in the internal calculation logic led to the adjustment, without recognition through profit or loss, of the presentation of the various expense categories for the comparative period in accordance with IAS 8.



# Consolidated Balance Sheet

in TEUR	31 July 2021	30 April 2021
Goodwill	191,209	190,191
Other intangible assets	41,458	41,379
Property, plant and equipment	268,252	271,328
Shares in associated companies	3,935	3,935
Financial assets	4,566	4,559
Other assets	3,336	3,322
Deferred taxes	34,940	37,360
<b>Non-current assets</b>	<b>547,696</b>	<b>552,074</b>
Inventories	167,109	158,321
Trade receivables	175,319	162,595
Financial assets	2,786	2,222
Other assets	36,310	37,270
Liquid funds	64,297	65,205
<b>Current assets</b>	<b>445,821</b>	<b>425,613</b>
<b>ASSETS</b>	<b>993,517</b>	<b>977,687</b>
Share capital	108,750	108,750
Additional paid-in capital	335,316	335,316
Reserves	(133,444)	(182,641)
Net profit for the period	13,434	44,904
Capital attributed to shareholders of the parent company	324,056	306,329
Capital attributed to non-controlling interests	2,098	2,087
<b>Equity</b>	<b>326,154</b>	<b>308,416</b>
Provisions for pensions	79,446	82,477
Provisions for termination benefits	48,199	49,093
Provisions for other employee benefits	10,564	10,702
Other provisions	27,793	27,245
Borrowings	150,629	137,114
Other liabilities	1,990	2,363
Deferred taxes	476	459
<b>Non-current liabilities</b>	<b>319,097</b>	<b>309,453</b>
Provisions for taxes	20,735	21,120
Other provisions	32,026	35,923
Borrowings	23,734	27,401
Trade payables	113,375	117,772
Other liabilities	158,396	157,602
<b>Current liabilities</b>	<b>348,266</b>	<b>359,818</b>
<b>EQUITY AND LIABILITIES</b>	<b>993,517</b>	<b>977,687</b>

## Consolidated Cash Flow Statement

in TEUR	Q1 2021/22	Q1 2020/21
Profit before tax	17,194	4,024
Depreciation and amortisation	13,408	15,855
Gain/loss on the disposal of property, plant and equipment and intangible assets	255	(2)
Other non-cash financial results	1,671	2,544
Interest income/ Interest expense	1,218	1,455
<b>Cash flow from operating results</b>	<b>33,746</b>	<b>23,876</b>
Inventories	(8,235)	(6,836)
Trade receivables	(11,496)	(5,407)
Trade payables	(4,935)	(16,520)
Prepayments received	2,101	4,250
<b>Change in working capital</b>	<b>(22,565)</b>	<b>(24,513)</b>
Non-current provisions	(1,852)	8,431
Current provisions	(4,015)	(7,736)
Other assets	19	(3,071)
Other liabilities	(5,832)	9,480
<b>Change in other operating items</b>	<b>(11,680)</b>	<b>7,104</b>
<b>Income taxes paid</b>	<b>(29)</b>	<b>(900)</b>
<b>Cash flow from operating activities</b>	<b>(528)</b>	<b>5,567</b>
Cash inflows from the disposal of property, plant and equipment and other intangible assets	89	5
Cash outflows for the purchase of property, plant and equipment and other intangible assets	(8,948)	(8,035)
Change in non-current and current financial assets	170	(13)
Interest received	77	70
<b>Cash flow from investing activities</b>	<b>(8,612)</b>	<b>(7,973)</b>
<b>FREE CASH FLOW</b>	<b>(9,140)</b>	<b>(2,406)</b>
Cash proceeds from non-current and current borrowings	16,998	14,860
Cash repayments of non-current and current borrowings	(5,364)	(15,377)
Interest paid	(1,191)	(1,352)
<b>Cash flow from financing activities</b>	<b>10,443</b>	<b>(6,184)</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>1,303</b>	<b>(8,590)</b>
Cash and cash equivalents at the beginning of the period	54,818	59,739
Cash and cash equivalents at the end of the period	56,339	49,552
Effects of exchange rate changes on cash and cash equivalents	218	(1,597)
<b>Change absolute</b>	<b>1,303</b>	<b>(8,590)</b>

