



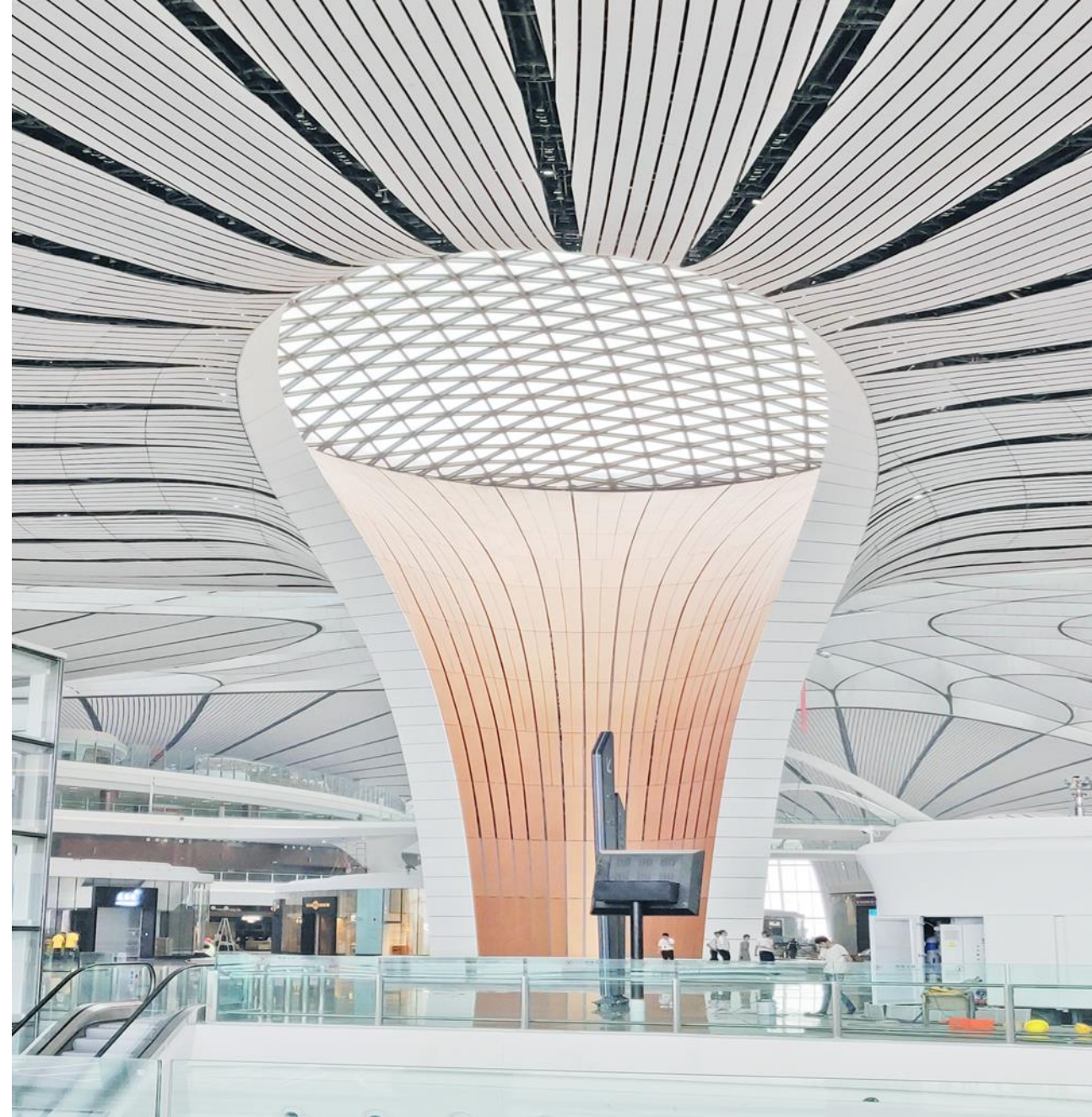
H1 2019/20

Management Presentation

3 December 2019

Financials H1 2019/20: Zumtobel Group confirms slight growth and improvement of profitability

- **Group revenues grow by 1.5% (FX-adj. plus 1.0%)**
 - Lighting Segment: plus 1.5% - promising growth in core DACH-region (+5.3%)
 - Components Segment revenues slightly above previous year level (0.8%) but price pressure remains high
 - Third continuing quarterly growth after 13 quarters of decline
- **Adj. EBIT increase from EUR 24.8 million to EUR 43.9 million**
 - Improvement based on slight revenue growth – especially in margin-strong core markets – and cost saving measures
 - Gross profit EUR 10.7 million above PY
 - Selling & administrative costs EUR 6.8 million below PY
- **Net profit at EUR 24.7 million (PY: EUR 8.8 million)**
 - One-off costs of EUR 7.2 million (PY EUR 5.6 million)
- **Guidance 2019/20 confirmed**
 - Slight increase in revenues & adj. EBIT margin of 3-5%, in spite of deteriorating market outlook and remaining political risks (e.g.BREXIT)

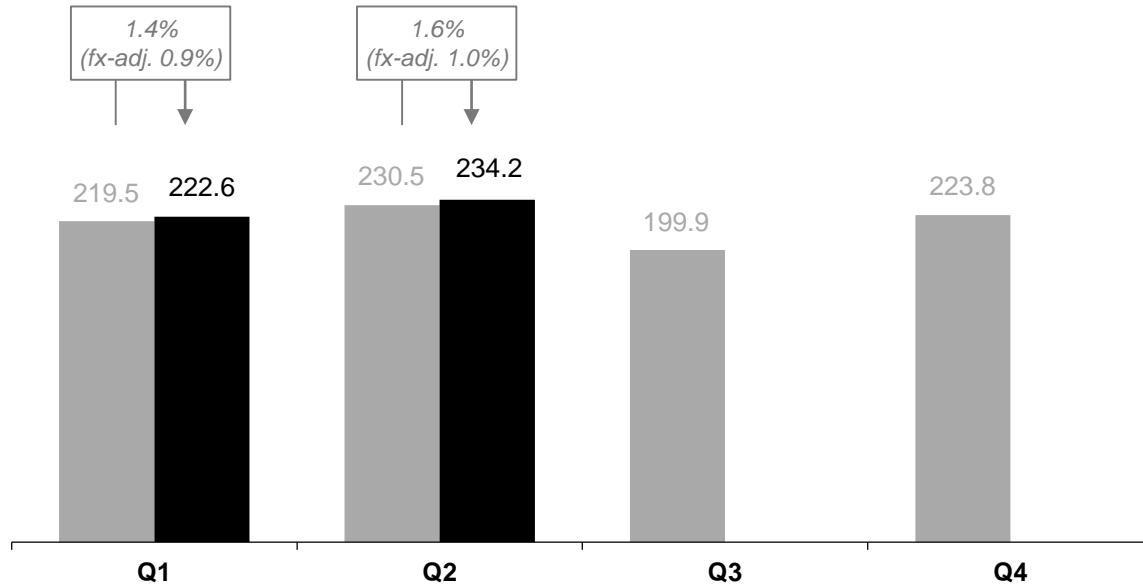


Lighting Segment shows encouraging EBIT improvement in H1 2019/20

Lighting Segment – Revenue and EBIT development

LIGHTING SEGMENT

REVENUES

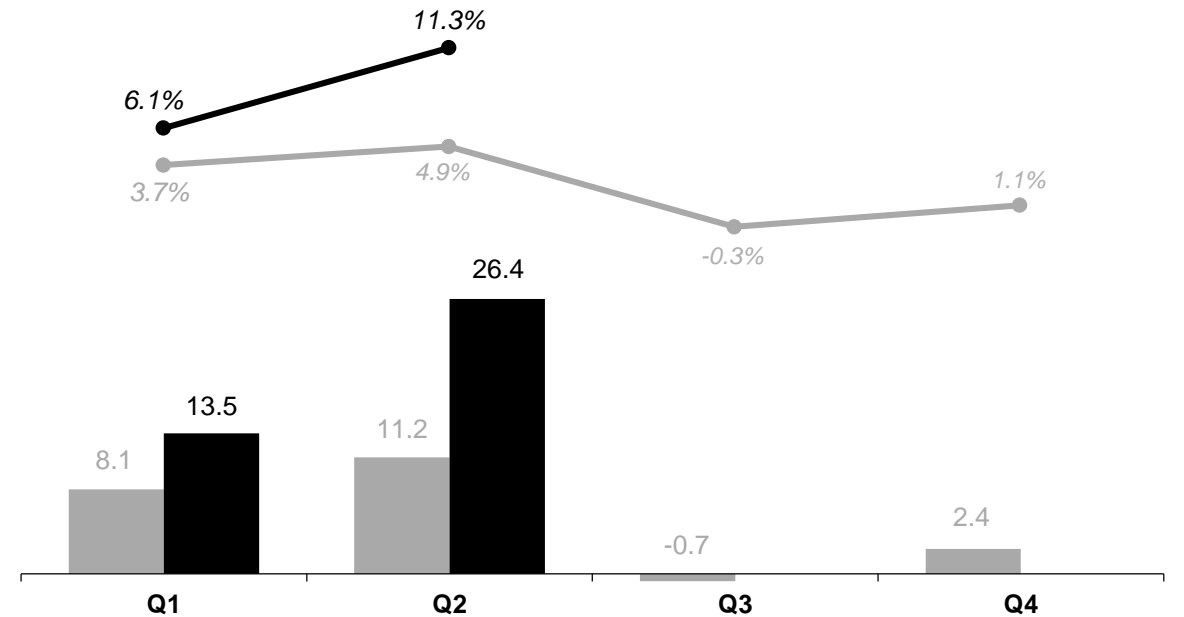


■ Revenues 2018/19
In EUR million

■ Revenues 2019/20
In EUR million

Revenues H1 2019/20 EUR 456.7 million (plus 1.5%)
Revenues H1 2018/19 EUR 450.0 million

ADJUSTED EBIT¹⁾



■ Adjusted EBIT 2018/19
in EUR million

■ Adjusted EBIT 2019/20
in EUR million

—●— Adjusted EBIT 2018/19
as a % of revenues

—●— Adjusted EBIT 2019/20
as a % of revenues

Adjusted EBIT H1 2019/20 EUR 39.9 million (margin of 8.7%)
Adjusted EBIT H1 2018/19 EUR 19.4 million (margin of 4.3%)

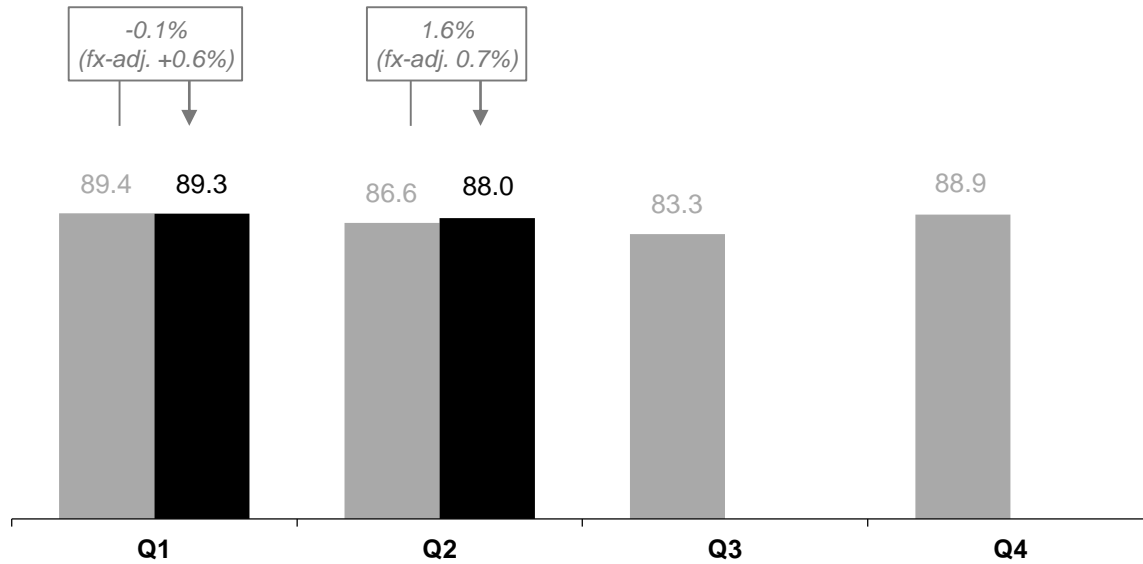
1) Reported EBIT
adjusted for
special effects

Stabilization of top line; Price pressure remains drag on EBIT margin

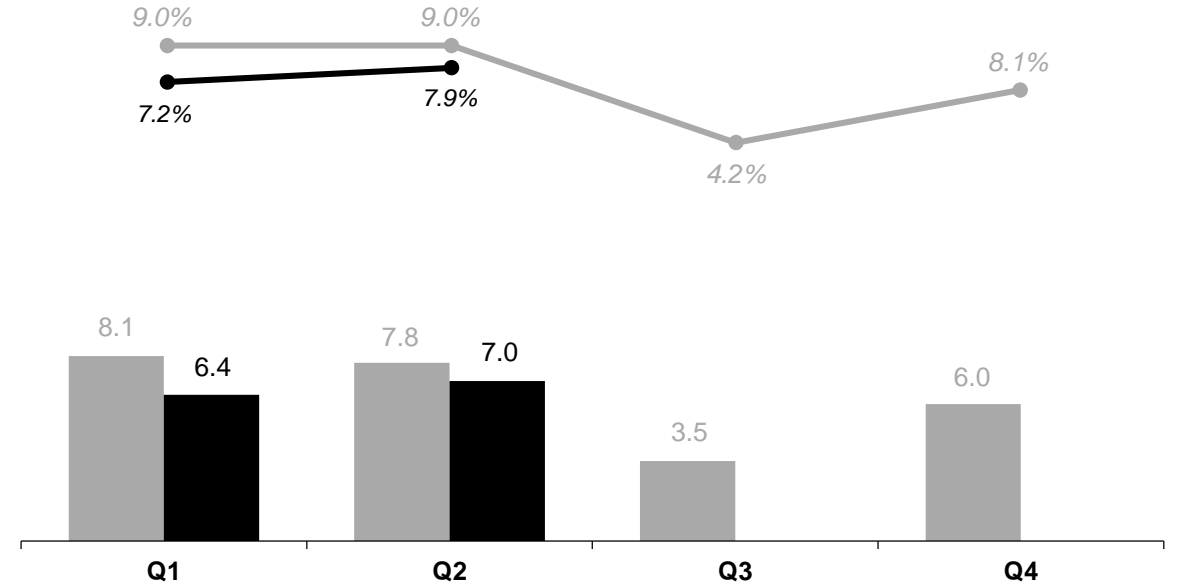
Components Segment – Revenue and EBIT development

COMPONENTS SEGMENT

REVENUES



ADJUSTED EBIT¹⁾



■ Revenues 2018/19
In EUR million

■ Revenues 2019/20
In EUR million

Revenues H1 2019/20 EUR 177.3 million (plus 0.8%)
Revenues H1 2018/19 EUR 176.0 million

■ Adjusted EBIT 2018/19
in EUR million

■ Adjusted EBIT 2019/20
in EUR million

—●— Adjusted EBIT 2018/19
as a % of revenues

—●— Adjusted EBIT 2019/20
as a % of revenues

1) Reported EBIT
adjusted for
special effects

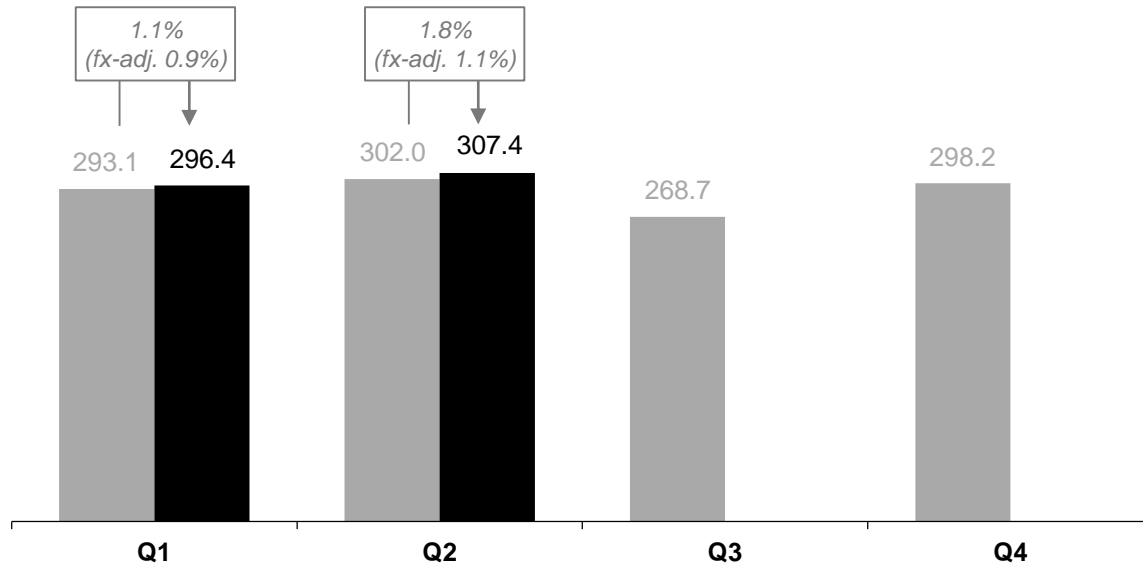
Adjusted EBIT H1 2019/20 EUR 13.4 million (margin of 7.5%)
Adjusted EBIT H1 2018/19 EUR 15.9 million (margin of 9.0%)

Slight growth and saving measures lead to improvement of profitability

Zumtobel Group – Revenue and EBIT development

ZUMTOBEL GROUP

REVENUES

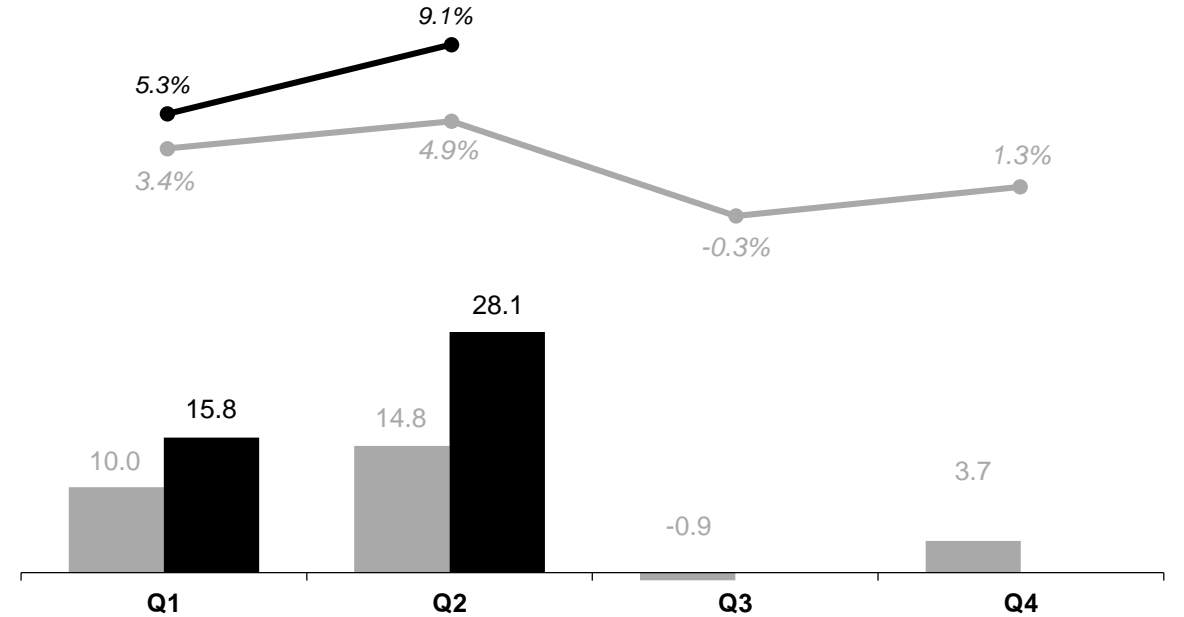


■ Revenues 2018/19
In EUR million

■ Revenues 2019/20
In EUR million

Revenues H1 2019/20 EUR 603.8 million (plus 1.5%)
Revenues H1 2018/19 EUR 595.1 million

ADJUSTED EBIT¹⁾



■ Adjusted EBIT 2018/19
in EUR million

■ Adjusted EBIT 2019/20
in EUR million

—●— Adjusted EBIT 2018/19
as a % of revenues

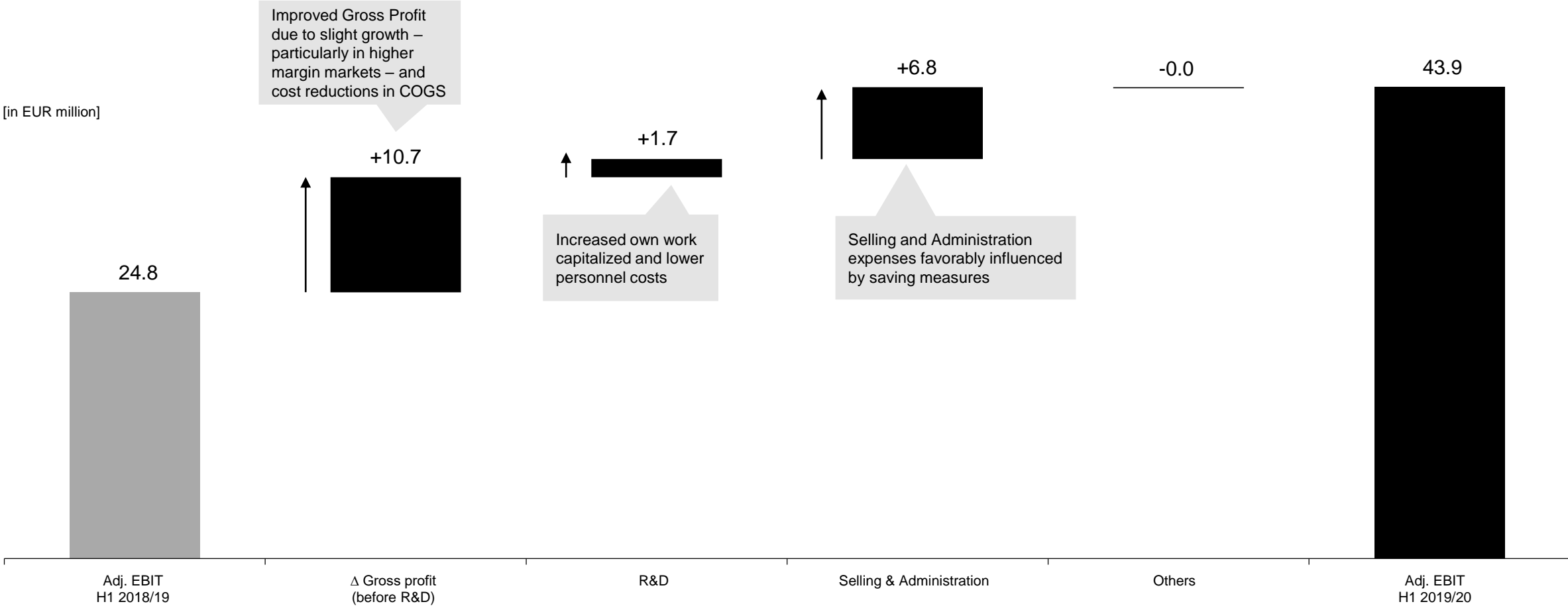
—●— Adjusted EBIT 2019/20
as a % of revenues

Adjusted EBIT H1 2019/20 EUR 43.9 million (margin of 7.3%)
Adjusted EBIT H1 2018/19 EUR 24.8 million (margin of 4.2%)

1) Reported EBIT
adjusted for
special effects

Main building blocks of the adj. EBIT development

Zumtobel Group – ADJ. EBIT Bridge



Net profit increased from EUR 8.8 to 24.7 million

Zumtobel Group – Income statement

in EUR million	H1 2019/20	H1 2018/19	Change in %
Revenues	603.8	595.1	1.5
Cost of goods sold	-403.2	-406.5	-0.8
Gross profit (incl. development)	200.6	188.6	6.4
<i>as a % of revenues</i>	33.2	31.7	
SG&A expenses	-156.7	-163.8	-4.3
Adjusted EBIT	43.9	24,8	77.1
<i>as a % of revenues</i>	7.3	4.2	
Special effects	-7.2	-5.6	-28.3
EBIT	36.7	19.1	91.4
<i>as a % of revenues</i>	6.1	3.2	
Financial results	-5.5	-7.6	26.6
Profit before tax	31.1	11.6	>100
Income taxes	-6.4	-2.8	<-100
Net profit for the period	24.7	8.8	>100
Earnings per share (in EUR)	0.57	0.20	>100

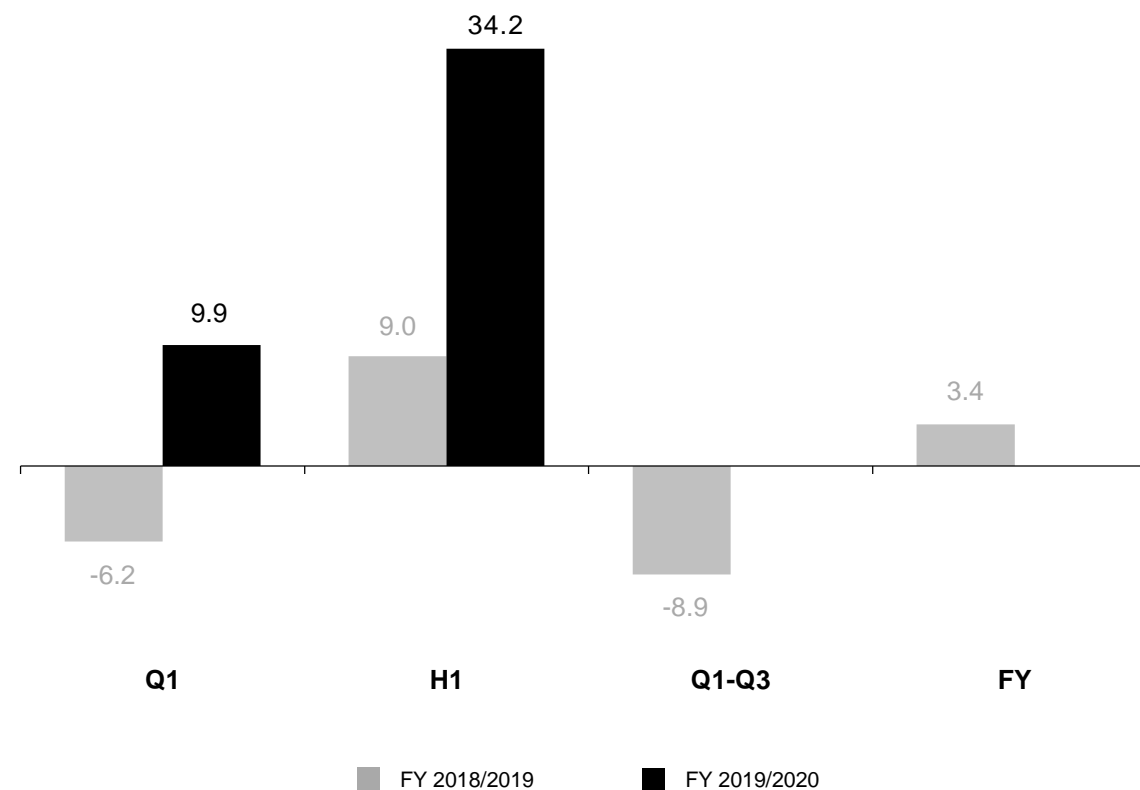
Free cash flow at EUR 34.2 million (PY EUR 9.0 million)

Zumtobel Group – Cash Flow Statement

in EUR million	H1 2019/20	H1 2018/19
Cash flow from operating results	68.3	45.3
Change in working capital	-7.9	0.5
Change in other operating items	-0.5	-2.7
Taxes paid/received	-1.5	-1.6
Cash flow from operating activities	58.4	41.6
Proceeds from the sale of non-current assets	0.5	0.6
Capital expenditures on non-current assets	-24.6	-33.3
Change in current and non-current financial assets	0.0	0.1
Cash flow from investing activities	-24.2	-32.6
Free cash flow	34.2	9.0

FREE CASH FLOW DEVELOPMENT

(cumulative figures in EUR million)



Solid balance sheet structure (increase of net debt due to IFRS 16)

Zumtobel Group – Key balance sheet data

in EUR million	31 October 2019	30 April 2019
Total assets	989.5	920.9
Net debt	173.1	148.7
Equity	278.7	262.8
<i>Equity ratio in %</i>	28.2	28.5
<i>Gearing in %</i>	62.1	56.6
Investments	24.6	66.2
Working capital	181.5	172.8
<i>As a % of rolling 12 months revenues</i>	12.3	14.8

Net debt totalled EUR 173.1 million as of 31 October 2019
(30 April 2019: EUR 148.7 million)

Solid liquidity position backed by:

- Consortium credit agreement with a term ending Nov. 2022 and a max. volume of EUR 200 million, whereof EUR 20 million drawn
- Short-term bilateral credit agreement with a volume of EUR 40 million (bullet repayment in January 2020; fully drawn)
- Two long-term credit agreements of EUR 40 million each with the European Investment Bank (EIB) (bullet repayment in September 2024, respectively February 2025; both fully drawn)
- Uncommitted lines of credit totalling EUR 63.7 million

Financial covenants attached to:

- Debt coverage ratio (=net debt/EBITDA) < 3.55
✓ **2.01 as of 31 October 2019**
- Equity ratio > 23.5%
✓ **28.2% as of 31 October 2019**

→ Testing of covenants on 31 Oct as well 30 April

Implementation of IFRS 16 in H1 2019/20: EUR 8.1 million EBITDA effect

Zumtobel Group – implementation of IFRS 16

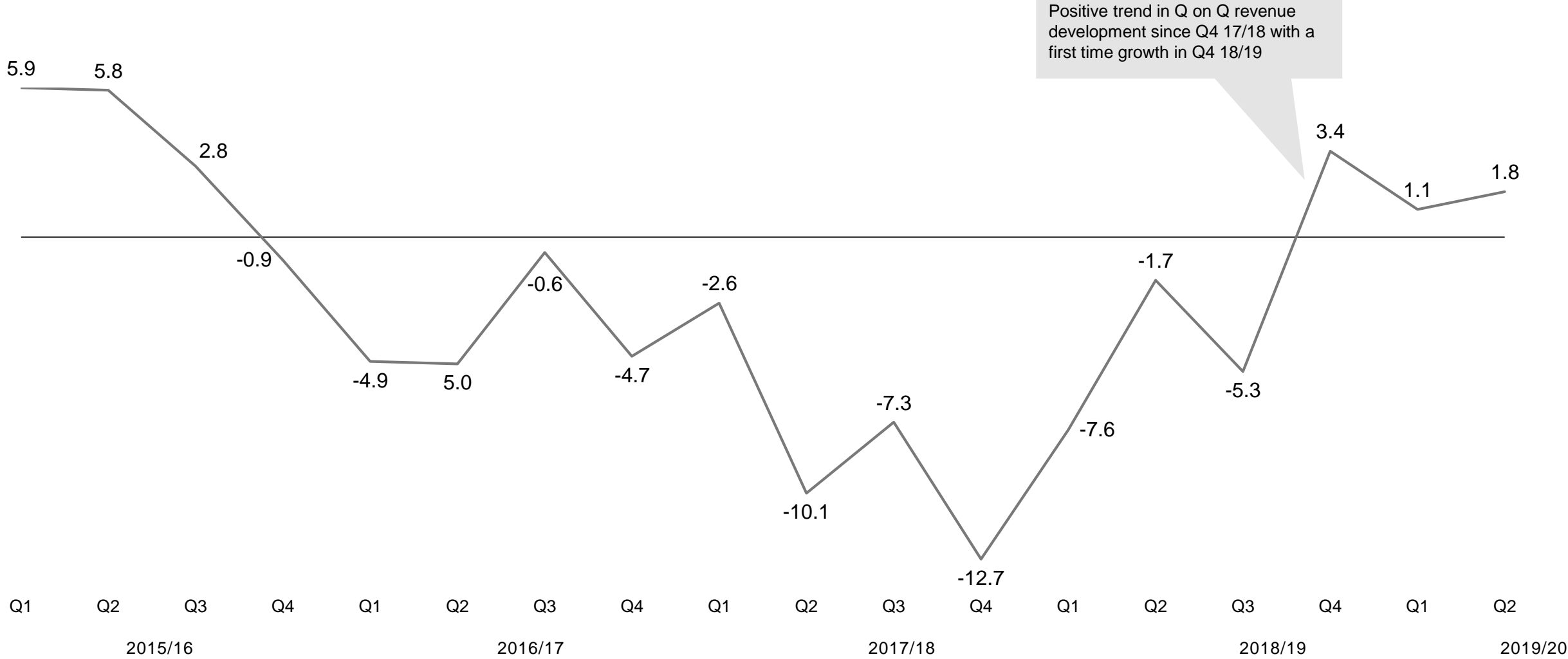
Income Statement	In EUR million
EBITDA	8.1
Depreciation	(7.5)
EBIT	0.6
Interest Result	(1.1)
Net Income	(0.5)

Balance Sheet	In EUR million
Change of net debt	48.2

- **Extension of the Balance Sheet**
 - Recognition of “Right of Use Asset“
 - Recognition of „Lease Liability“
- **Impact on Income Statement**
 - **Increase of EBITDA:** No expenses for rent / leasing
 - **Increase of EBIT:** Expenses for Rent / Leasing are broken down into depreciation of “Right of Use Asset” and interest on “Lease Liability”
 - **Decrease of interest result:** interest on “Lease Liability”
- Change in accounting standard has no impact on underlying cash flows

Third quarter of growth

Zumtobel Group – Sales development by Quarter vs PY Period in %



Positive trend in Q on Q revenue development since Q4 17/18 with a first time growth in Q4 18/19

Slight improvement of revenues despite challenging market environment

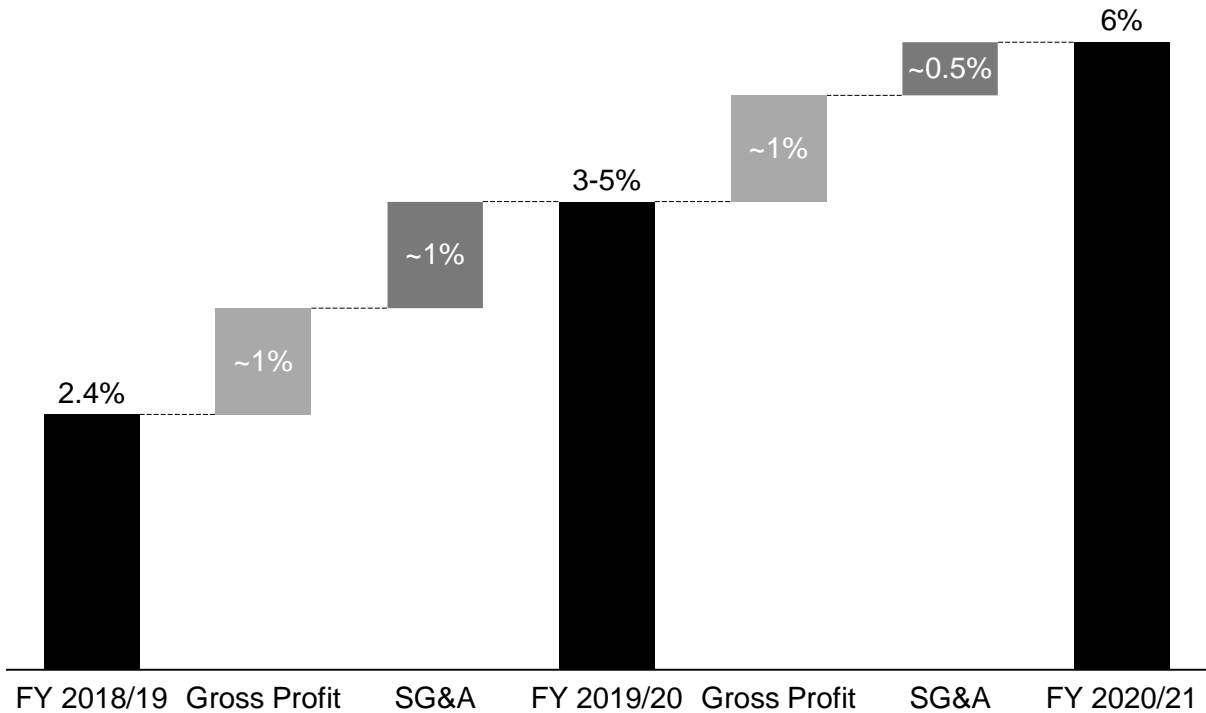
Zumtobel Group – Regional revenue distribution

in EUR million	Q2 2019/20	Change in %	H1 2019/20	Change in %	
				nominal	FX adjusted
D/A/CH	101.5	5.5	194.4	5.5	4.0
Northern Europe	62.1	-2.5	123.9	-2.2	-1.3
Benelux & Eastern Europe	49.5	4.6	95.6	3.4	3.6
Southern Europe	42.1	0.4	89.3	-1.5	-1.5
Asia & Pacific	29.7	-6.0	60.0	-2.7	-2.9
Middle East & Africa	15.1	2.8	26.1	-4.6	-7.1
America	7.6	13.1	14.6	20.3	16.0
Total	307.4	1.8	603.8	1.5	1.0

Zumtobel Group Outlook: 2019/20 will be a period of transformation

Guidance 2019/20 and medium-term goal

- For the 2019/20 financial year, the Management Board expects – in spite of the challenging market environment – a slight increase in revenues as well as an improvement in the adjusted EBIT margin to 3-5% (FY 2018/19: 2.4%).
- The medium-term goal to generate an EBIT margin of roughly 6% by the 2020/21 financial year remains intact.



Action plan to generate EBIT margin of 6%

Gross Profit

- Slight increase in revenues
- Improved margins: FOCUS markets as well as sustainable and profitable applications
- Improved production costs: Ramp up of production plant in Nis/ Serbia

SG&A

- Lean organisation for competitive cost base in administration & sales
- Digitalisation of business processes

Financial Calendar

Zumtobel Group

3 December 2019	Half-Year Financial Report 2019/20	(1 May 2019 – 31 October 2019)
3 March 2020	Interim Report Q1–Q3 2019/20	(1 May 2019 – 31 January 2020)
25 June 2020	Annual Results 2019/20	(1 May 2019 – 30 April 2020)
14 July 2020	Record Date for the Annual General Meeting	
24 July 2020	44th Annual General Meeting of Zumtobel Group AG	
28 July 2020	Ex-Dividend Day	
29 July 2020	Record Date Dividend	
31 July 2020	Dividend Payout Day	
1 September 2020	Interim Report Q1 2020/21	(1 May 2020 – 31 July 2020)
1 December 2020	Half-Year Financial Report 2020/21	(1 May 2020 – 31 October 2020)
2 March 2021	Interim Report Q1–Q3 2020/21	(1 May 2020 – 31 January 2021)

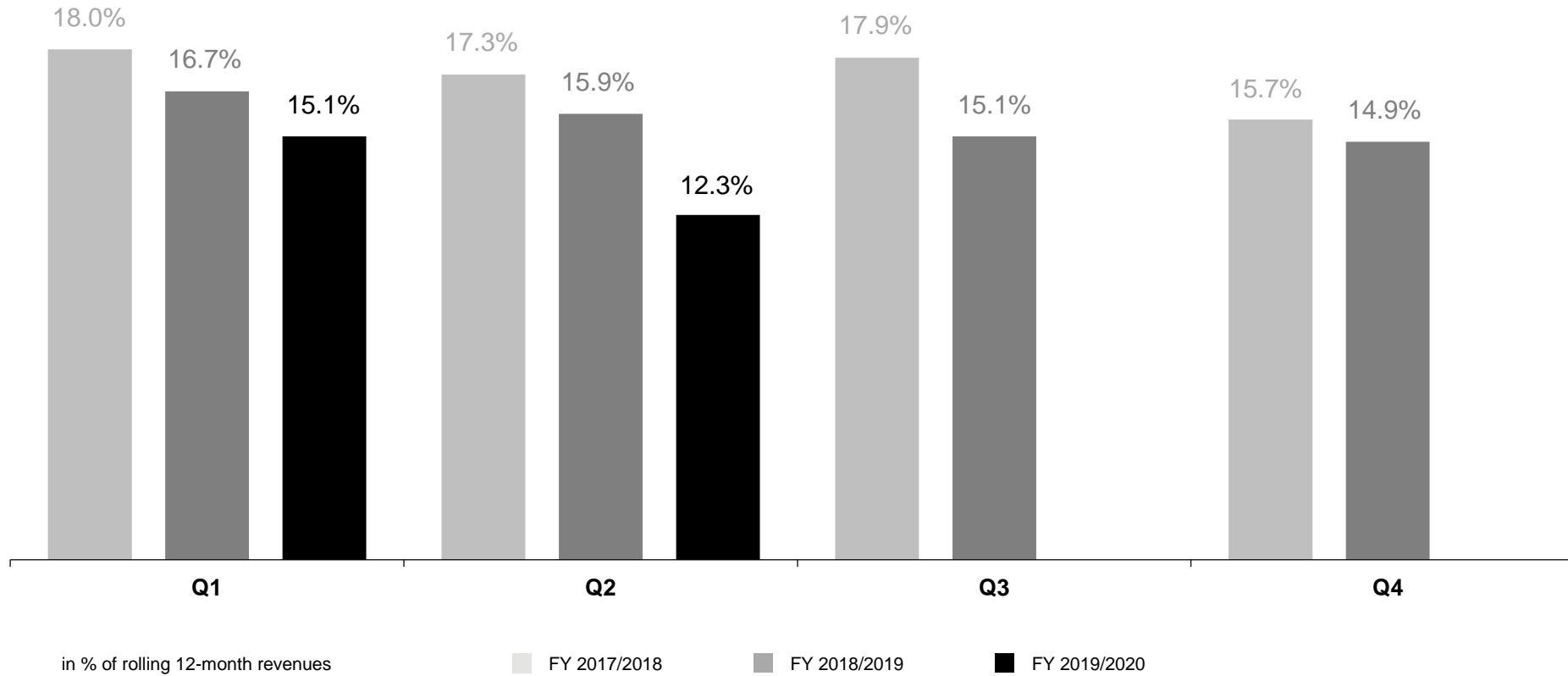


Back-up

ZUMTOBEL Group

Working capital below prior year level

Zumtobel Group – Working capital



- Working capital at EUR 181.5 million as of 31 October 2019 (30 April 2019: EUR 172.8 million)
- In % of rolling 12-month revenues, working capital down to 12.3% (PY: 15.9%)

Supplement data regarding Segment Reporting

Zumtobel Group

in TEUR	Lighting Segment		Components Segment		Reconciliation		Group	
	H1 2019/20	H1 2018/19	H1 2019/20	H1 2018/19	H1 2019/20	H1 2018/19	H1 2019/20	H1 2018/19
Net revenues	456,742	449,998	177,283	175,957	-30,188	-30,832	603,836	595,122
External revenues	456,635	448,127	146,904	146,981	297	15	603,836	595,121
Inter-company revenues	106	1,871	30,087	28,976	-30,193	-30,847	0	0
Adjusted EBIT	39,888	19,382	13,374	15,889	-9,374	-10,490	43,889	24,781
Special effects	-9,517	-4,791	318	-407	1,970	-435	-7,229	-5,632
Operating profit/loss	30,371	14,591	13,692	15,481	-7,403	-10,925	36,660	19,148
Investments	11,701	18,663	8,128	12,409	4,807	2,238	24,636	33,309
Depreciation	-21,781	-17,766	-6,988	-6,163	-2,803	-2,053	-31,571	-25,982

Five-Year Overview

Zumtobel Group

in EUR million	2018/19	2017/18	2016/17	2015/16	2014/15
Revenues	1,162.0	1,196.5	1,303.9	1,356.5	1,312.6
Adjusted EBIT	27.6	19.7	72.4	58.7	66.5
<i>as a % of revenues</i>	2.4	1.6	5.6	4.3	5.1
Net profit/loss for the period	-15.2	-46.7	25.2	11.9	11.9
<i>as a % of revenues</i>	-1.3	-3.9	1.9	0.9	0.9
Total assets	920.9	986.1	1,019.6	1,068.6	1,086.3
Equity	262.8	268.3	334.0	333.2	322.6
<i>Equity ratio in %</i>	28.5	27.3	32.8	31.2	29.7
Net debt	148.7	146.3	91.0	134.8	148.2
Cash flow from operating results	56.8	53.5	116.8	84.8	103.1
Investments	66.2	69.0	45.2	58.4	76.6
<i>as a % of revenues</i>	5.7	5.8	3.5	4.3	5.8
R&D total	66.2	73.4	82.4	87.9	79.0
<i>as a % of revenues</i>	5.7	6.1	6.3	6.5	6.0
Headcount incl. contract worker (full-time equivalent)	5,878	6,224	6,562	6,761	7,234

Thank you

ZUMTOBEL GROUP AG

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ZUMTOBEL Group

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