The background image shows the Guggenheim Museum Bilbao at dusk. The building's iconic curved, metallic facade is illuminated from within, creating a warm glow. The sky is a mix of dark blue and orange, suggesting the time is either dawn or dusk. The building's complex geometry is highlighted by the play of light and shadow.

# Q1-Q3 2019/20

## Management Presentation

3 March 2020

## Financials Q1-Q3 2019/20: Zumtobel Group confirms slight growth and improvement of profitability

- **Group revenues grow by 0.8% (FX-adj. plus 0.2%)**
  - Lighting Segment: plus 1.2% - promising growth in core DACH-region (+2.6%)
  - Components Segment revenues slightly below previous year level (minus 0.4%) – price pressure remains high
  - Third quarter of FY 2019/20 shows slight revenue decline of minus 0.5% (FX-adj. minus 1.6%)
- **Adj. EBIT increase from EUR 23.9 million to EUR 46.9 million**
  - Improvement based on slight revenue growth – especially in margin-strong core markets – and cost saving measures
  - Gross profit EUR 12.3 million above PY
  - Selling & administrative costs EUR 9.0 million below PY
- **Net profit at EUR 22.2 million (PY: minus EUR 6.1 million)**
  - One-off costs of EUR 8.6 million (PY EUR 16.8 million)
- **Guidance 2019/20 confirmed**
  - Weaker economic outlook and macroeconomic uncertainties (e.g. coronavirus) slow optimism over the fourth quarter
  - Adj. EBIT margin of 3-5% and – depending on the further development of the coronavirus – slight growth in revenues



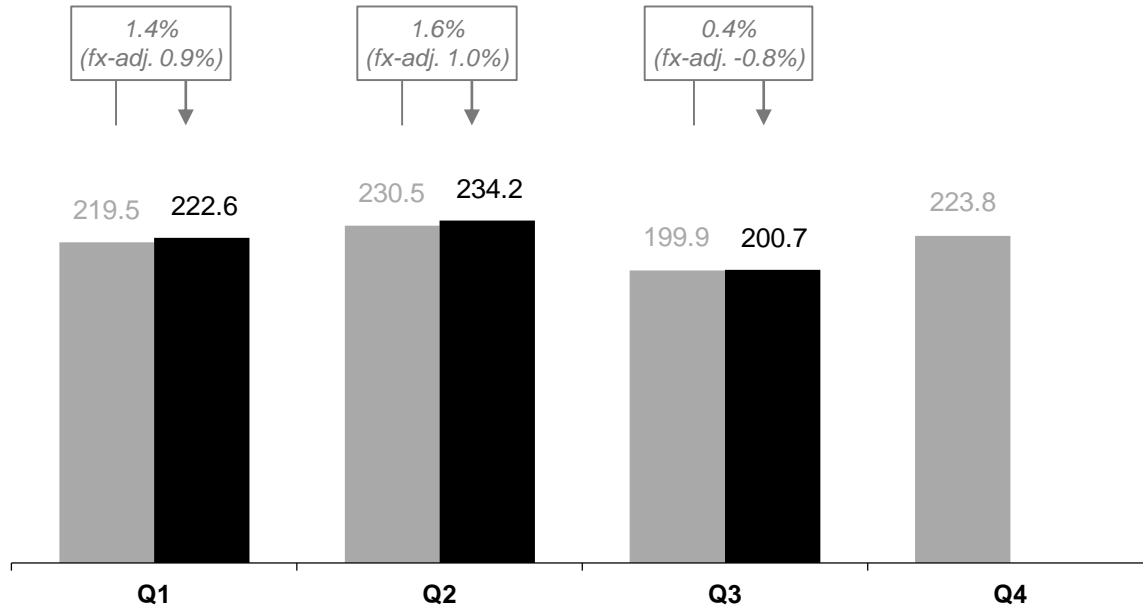
Guggenheim Museum Bilbao - Spain

# Lighting Segment shows EBIT improvement in Q1-Q3 2019/20

Lighting Segment – Revenue and EBIT development

## LIGHTING SEGMENT

### REVENUES

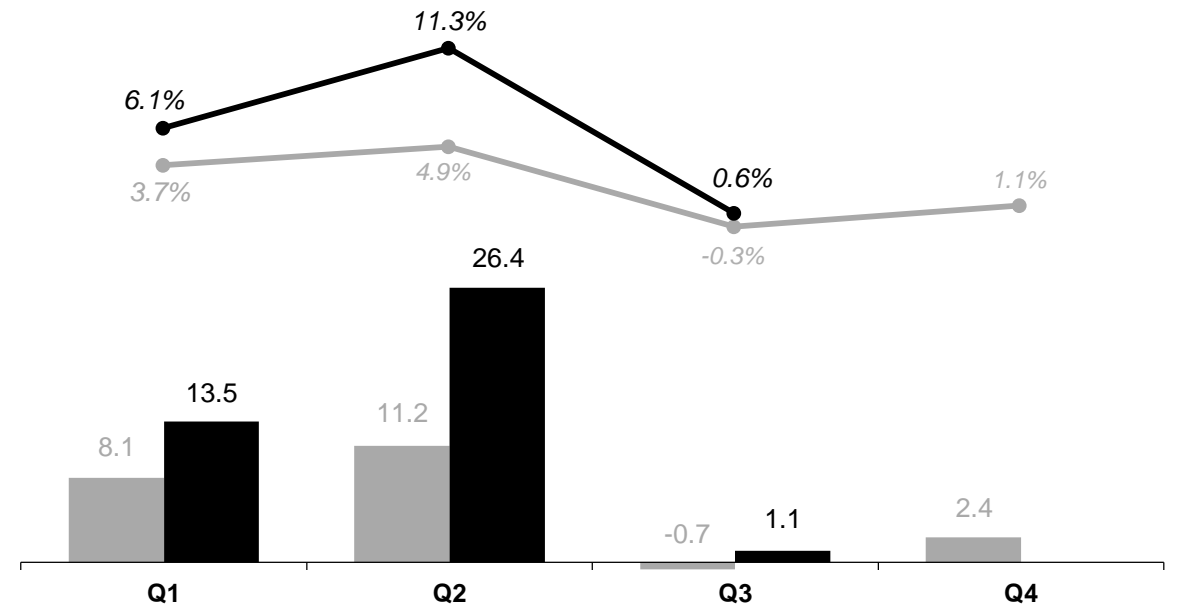


■ Revenues 2018/19  
In EUR million

■ Revenues 2019/20  
In EUR million

Revenues Q1-Q3 2019/20 EUR 657.4 million (plus 1.2%)  
Revenues Q1-Q3 2018/19 EUR 649.9 million

### ADJUSTED EBIT<sup>1)</sup>



■ 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 Q1-Q3 2019/20 EUR 41.0 million (margin of 6.2%)  
Adjusted EBIT Q1-Q3 2018/19 EUR 18.7 million (margin of 2.9%)

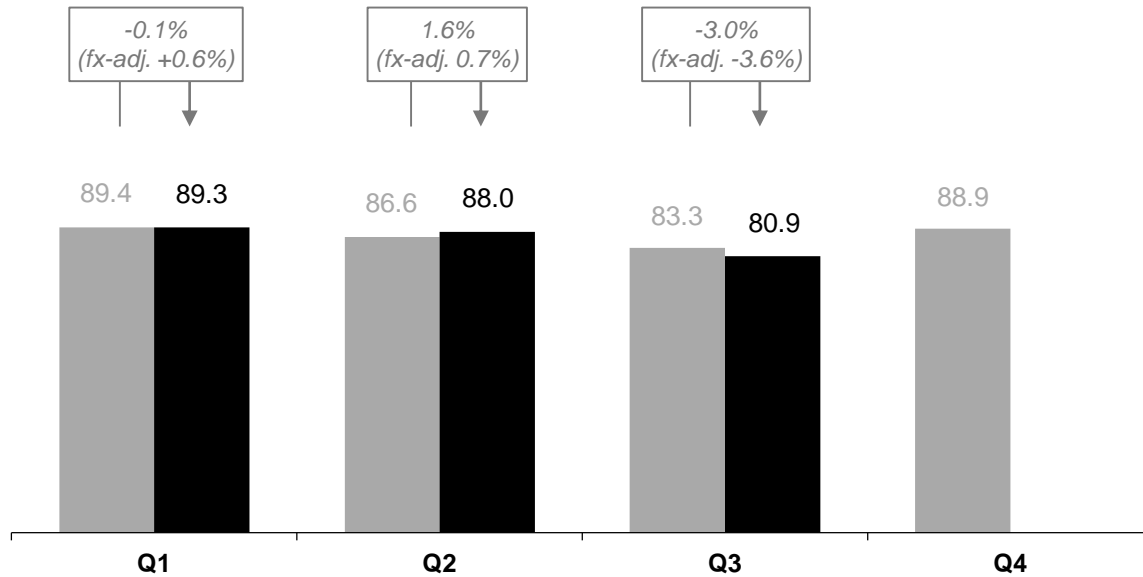


# Deteriorated top-line; Research subsidies support EBIT in third quarter

Components Segment – Revenue and EBIT development

## COMPONENTS SEGMENT

### REVENUES

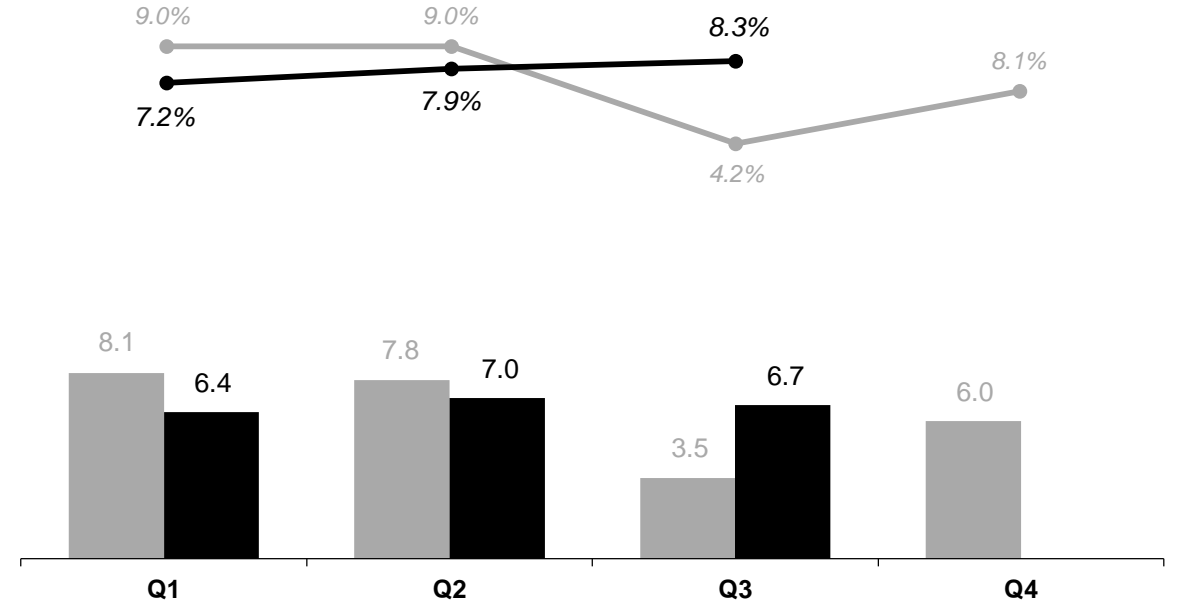


■ Revenues 2018/19  
In EUR million

■ Revenues 2019/20  
In EUR million

Revenues Q1-Q3 2019/20 EUR 258.2 million (minus 0.4%)  
 Revenues Q1-Q3 2018/19 EUR 259.3 million

### ADJUSTED EBIT<sup>1)</sup>



■ 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

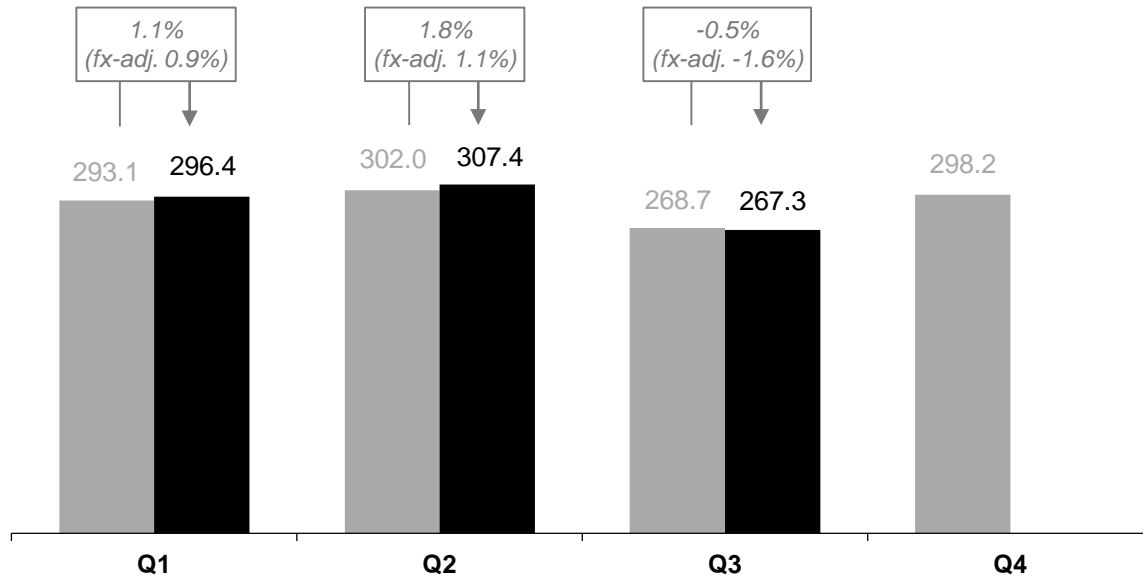
Adjusted EBIT Q1-Q3 2019/20 EUR 20.1 million (margin of 7.8%)  
 Adjusted EBIT Q1-Q3 2018/19 EUR 19.4 million (margin of 7.5%)

# Slight growth and saving measures lead to improvement of profitability

Zumtobel Group – Revenue and EBIT development

## ZUMTOBEL GROUP

### REVENUES

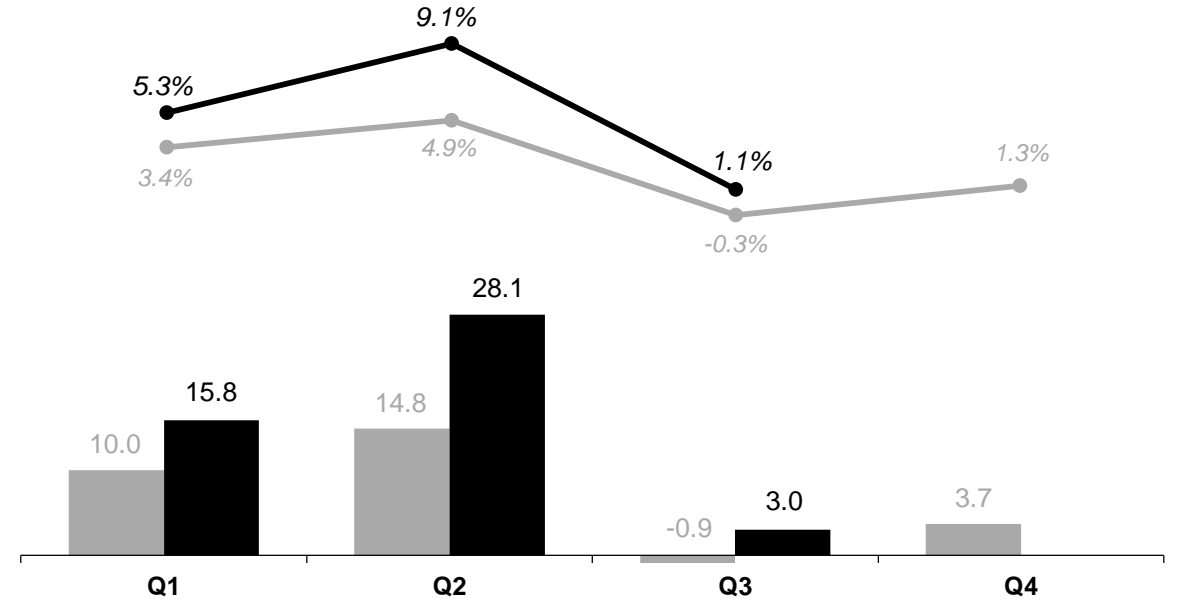


■ Revenues 2018/19  
In EUR million

■ Revenues 2019/20  
In EUR million

Revenues Q1-Q3 2019/20 EUR 871.1 million (plus 0.8%)  
Revenues Q1-Q3 2018/19 EUR 863.8 million

### ADJUSTED EBIT<sup>1)</sup>



■ Adjusted EBIT 2018/19  
in EUR million

■ Adjusted EBIT 2019/20  
in EUR million

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

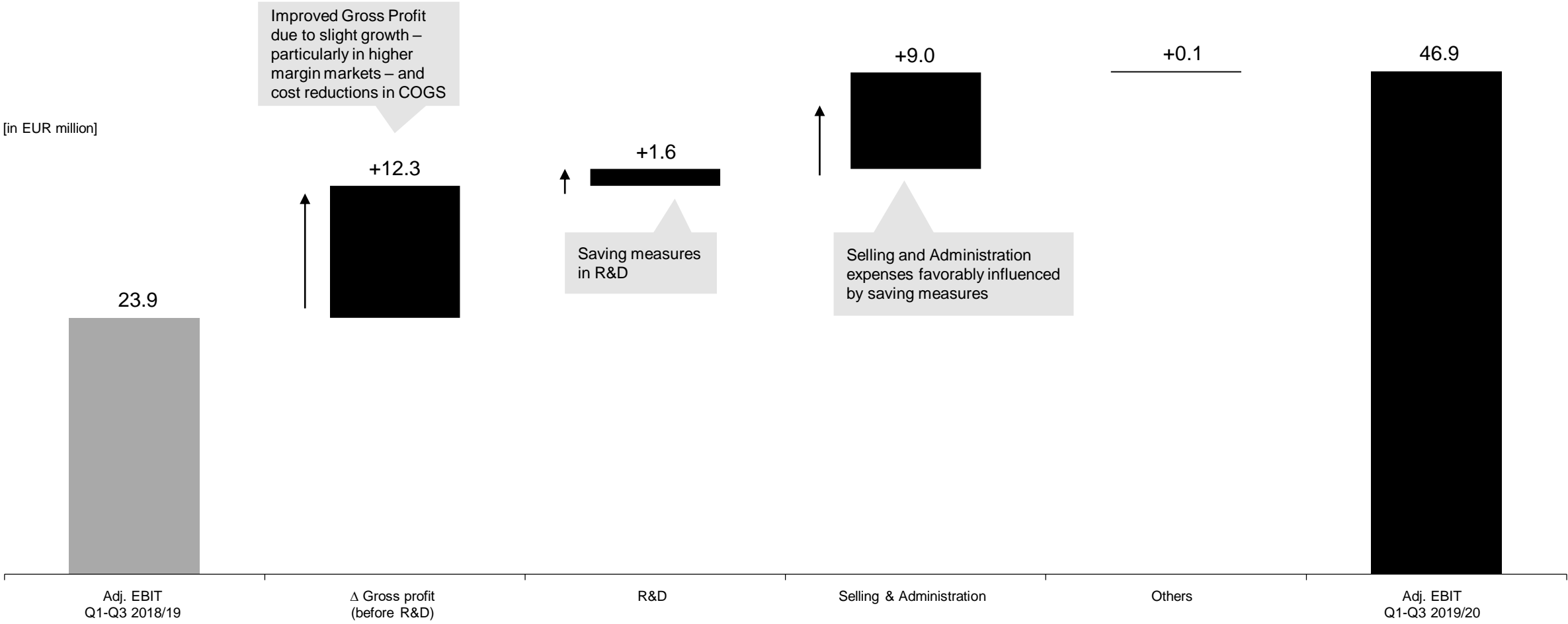
—●— Adjusted EBIT 2019/20  
as a % of revenues

1) Reported EBIT  
adjusted for  
special effects

Adjusted EBIT Q1-Q3 2019/20 EUR 46.9 million (margin of 5.4%)  
Adjusted EBIT Q1-Q3 2018/19 EUR 23.9 million (margin of 2.8%)

# Main building blocks of the adj. EBIT development

Zumtobel Group – ADJ. EBIT Bridge



# Net profit increased from minus EUR 6.1 million to plus EUR 22.2 million

Zumtobel Group – Income statement

in EUR million	Q1-Q3 2019/20	Q1-Q3 2018/19	Change in %
Revenues	871.1	863.8	0.8
Cost of goods sold	-591.4	-597.8	-1.1
<b>Gross profit (incl. development)</b>	<b>279.7</b>	<b>266.1</b>	<b>5.1</b>
<i>as a % of revenues</i>	32.1	30.8	
SG&A expenses	-232.8	-242.1	-3.9
<b>Adjusted EBIT</b>	<b>46.9</b>	<b>23.9</b>	<b>96.2</b>
<i>as a % of revenues</i>	5.4	2.8	
Special effects	-8.6	-16.8	48.8
<b>EBIT</b>	<b>38.3</b>	<b>7.2</b>	<b>&gt;100</b>
<i>as a % of revenues</i>	4.4	0.8	
Financial results	-9.8	-10.3	4.8
<b>Profit before tax</b>	<b>28.5</b>	<b>-3.2</b>	<b>&gt;100</b>
Income taxes	-6.3	-2.9	<-100
<b>Net profit for the period</b>	<b>22.2</b>	<b>-6.1</b>	<b>&gt;100</b>
<b>Earnings per share ( in EUR)</b>	<b>0.51</b>	<b>-0.14</b>	<b>&gt;100</b>

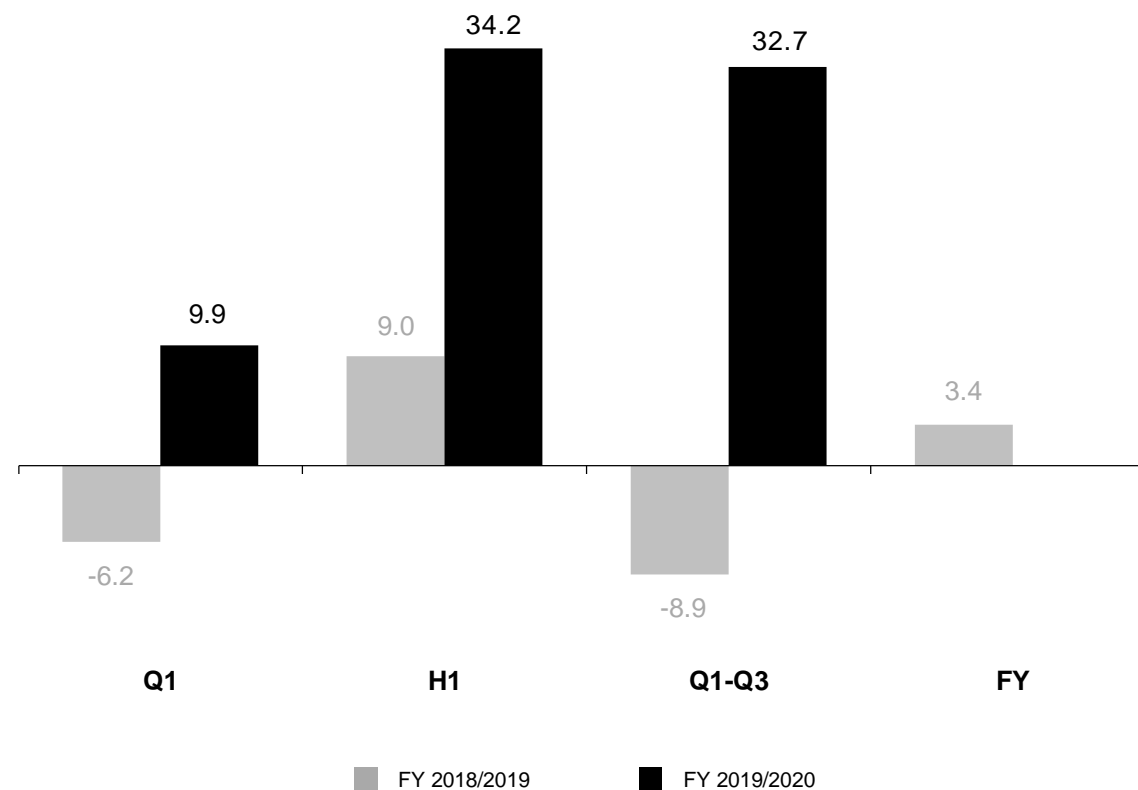
# Free cash flow at EUR 32.7 million (FY minus EUR 8.9 million)

Zumtobel Group – Cash Flow Statement

in EUR million	Q1-Q3 2019/20	Q1-Q3 2018/19
Cash flow from operating results	86.2	45.8
Change in working capital	-1.2	12.9
Change in other operating items	-7.3	-16.2
Taxes paid/received	-6.2	-2.4
<b>Cash flow from operating activities</b>	<b>71.6</b>	<b>40.2</b>
Proceeds from the sale of non-current assets	0.7	0.7
Capital expenditures on non-current assets	-40.2	-49.9
Change in current and non-current financial assets	0.6	0.1
<b>Cash flow from investing activities</b>	<b>-38.9</b>	<b>-49.1</b>
<b>Free cash flow</b>	<b>32.7</b>	<b>-8.9</b>

## 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 January 2020	30 April 2019
Total assets	965.9	920.9
Net debt	177.1	148.7
Equity	277.6	262.8
<i>Equity ratio in %</i>	28.7	28.5
<i>Gearing in %</i>	63.8	56.6
Investments	40.2	66.2
Working capital	175.9	172.8
<i>As a % of rolling 12 months revenues</i>	15.0	14.9

**Net debt totalled EUR 177.1 million as of 31 January 2020 (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 45 million 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 63.2 million

## Financial covenants attached to:

- Debt coverage ratio (=net debt/EBITDA) < 3.55
- Equity ratio > 23.5%

→ Testing of covenants on 31 Oct as well 30 April

# Implementation of IFRS 16 in Q1-Q3 2019/20: EUR 12.1 million EBITDA effect

Zumtobel Group – implementation of IFRS 16

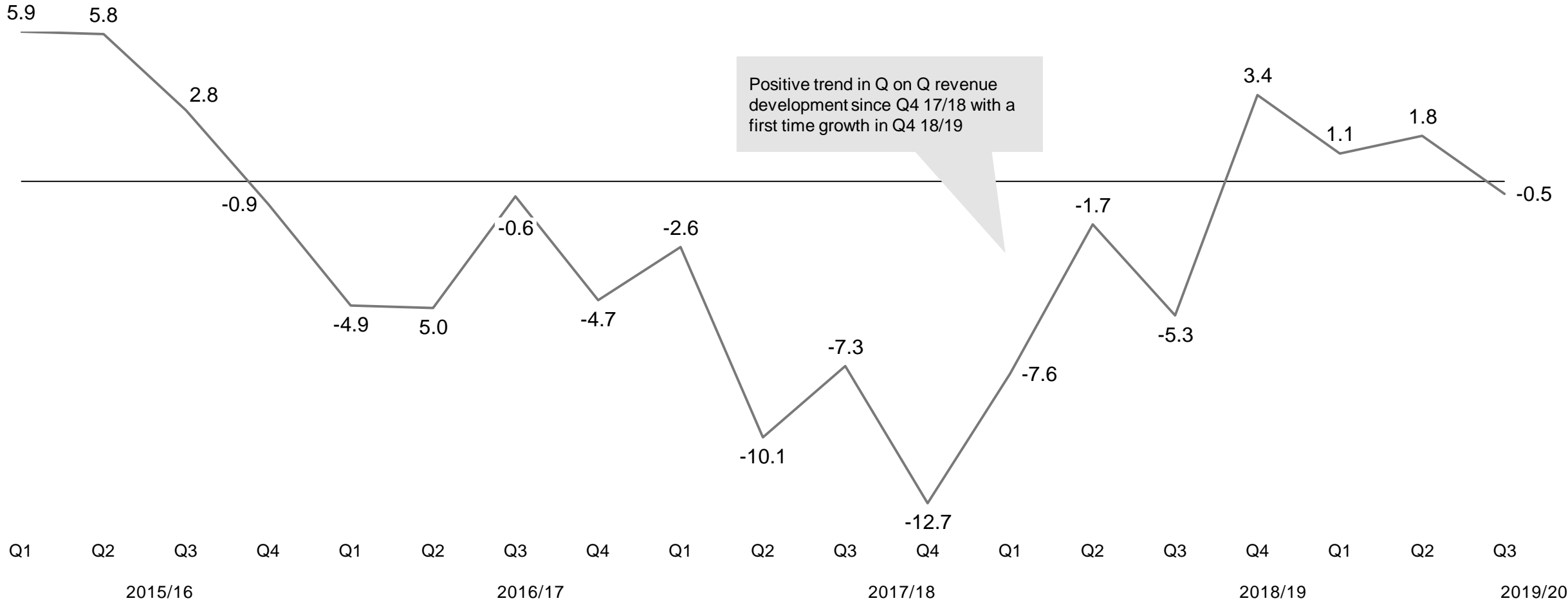
Income Statement	In EUR million
EBITDA	12.1
Depreciation	(11.3)
EBIT	0.9
Interest Result	(1.6)
Net Income	(0.7)

Balance Sheet	In EUR million
Change of net debt	46.8

- **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 2019/20 falls behind previous year

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

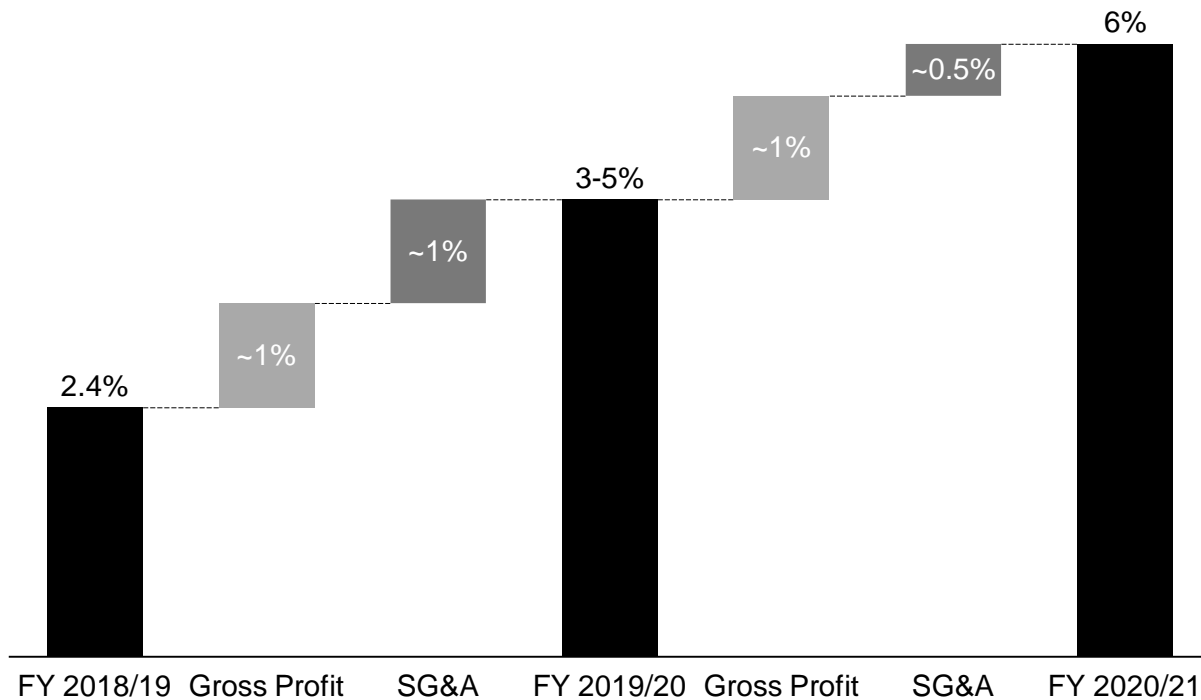
Zumtobel Group – Regional revenue distribution

in EUR million	Q3 2019/20	Change in %	Q1-Q3 2019/20	Change in %	
				nominal	FX adjusted
D/A/CH	81.1	-1.3	275.1	3.1	1.6
Northern and Western Europe	70.0	-1.3	224.3	-0.3	-0.4
Southern and Eastern Europe	70.4	3.5	224.4	0.2	0.4
Asia & Pacific	25.0	-15.2	85.4	-5.8	-6.0
Rest of the World	20.8	14.6	61.8	7.9	5.2
<b>Total</b>	<b>267.3</b>	<b>-0.5</b>	<b>871.1</b>	<b>0.8</b>	<b>0.2</b>

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

Guidance 2019/20 and medium-term goal

- The weaker economic outlook for Europe and macroeconomic uncertainties (e.g. coronavirus) combined with the related, but currently incalculable negative effects on our operating business have curbed our optimism for the fourth quarter of 2019/20.
- The Management Board still expects an improvement in the adjusted EBIT margin to 3 to 5% and – depending on the further development of the coronavirus – slight growth in revenues.
- 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

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



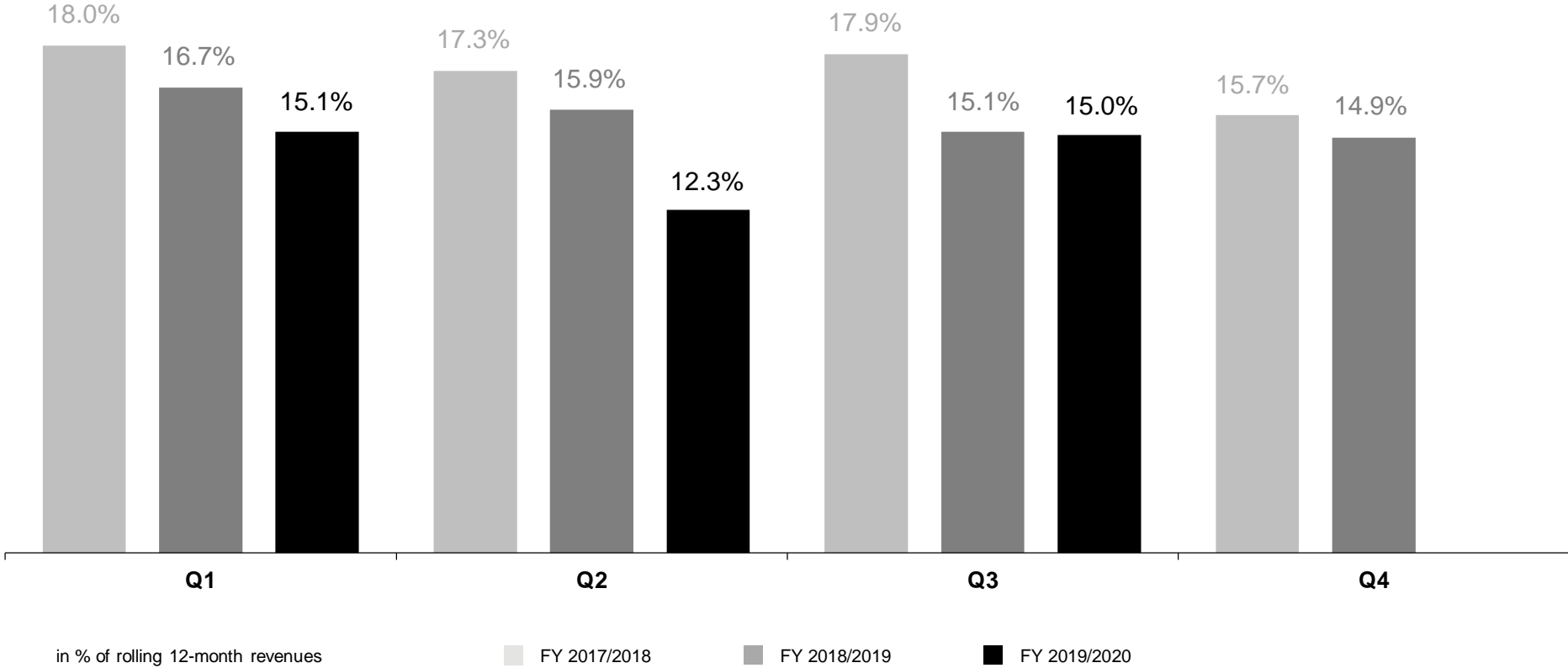


**Back-up**

**ZUMTOBEL** Group

# Working capital below prior year level

Zumtobel Group – Working capital



- Working capital at EUR 175.9 million as of 31 January 2020 (30 April 2019: EUR 172.8 million)
- In % of rolling 12-month revenues, working capital down to 15.0% (PY: 15.1%)

# Supplement data regarding Segment Reporting

Zumtobel Group

	Lighting Segment		Components Segment		Reconciliation		Group	
in TEUR	Q1-Q3 2019/20	Q1-Q3 2018/19	Q1-Q3 2019/20	Q1-Q3 2018/19	Q1-Q3 2019/20	Q1-Q3 2018/19	Q1-Q3 2019/20	Q1-Q3 2018/19
<b>Net revenues</b>	<b>657 417</b>	<b>649 872</b>	<b>258 168</b>	<b>259 303</b>	<b>-44 462</b>	<b>-45 337</b>	<b>871 124</b>	<b>863 839</b>
External revenues	657 162	647 167	213 806	216 644	156	27	871 124	863 837
Inter-company revenues	255	2 705	44 362	42 659	-44 617	-45 364	0	0
<b>Adjusted EBIT</b>	<b>41 006</b>	<b>18 694</b>	<b>20 058</b>	<b>19 357</b>	<b>-14 155</b>	<b>-14 141</b>	<b>46 909</b>	<b>23 910</b>
Special effects	-11 019	-8 898	468	-7 001	1 971	-854	-8 581	-16 753
<b>Operating profit/loss</b>	<b>29 987</b>	<b>9 796</b>	<b>20 526</b>	<b>12 356</b>	<b>-12 184</b>	<b>-14 996</b>	<b>38 328</b>	<b>7 156</b>
<b>Investments</b>	<b>19 436</b>	<b>27 254</b>	<b>12 870</b>	<b>19 100</b>	<b>7 890</b>	<b>3 521</b>	<b>40 196</b>	<b>49 875</b>
<b>Depreciation</b>	<b>-32 784</b>	<b>-26 057</b>	<b>-11 169</b>	<b>-9 183</b>	<b>-4 016</b>	<b>-3 160</b>	<b>-47 969</b>	<b>-38 400</b>

# 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

Investor Relations

Tel.: +43 (5572) 509-1125

[emanuel.hagspiel@zumtobelgroup.com](mailto:emanuel.hagspiel@zumtobelgroup.com)

[www.zumtobelgroup.com](http://www.zumtobelgroup.com)

**ZUMTOBEL** Group

# Disclaimer

The facts and information contained herein constitute forward-looking statements as of the date they were made and based upon assumptions as to future events or circumstances that may not prove to be complete or accurate. By their nature, these statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and are difficult to predict. Therefore, actual outcomes or results may differ materially from what is expressed, implied or forecasted in these statements. Neither Zumtobel Group AG nor any of its directors, officers, employees or advisors nor any other person makes any representation or warranty, expressed or implied, as to the accuracy or completeness of the facts and information contained in this document or the related oral presentation thereof, including responses to questions following the presentation. Neither Zumtobel Group AG nor any of its directors, officers, employees and advisors nor any other person shall have any liability whatsoever for loss howsoever arising, directly or indirectly, from any use of this document, the facts and/or information.

Whilst all reasonable care has been taken to ensure the facts stated herein are accurate and that the assumptions and opinions contained herein are fair and reasonable, this document is selective in nature and is intended to provide an introduction to, and overview of, the business of Zumtobel Group AG as of the date this document was made. Where any information and statistics are quoted from any external source, such information or statistics should not be interpreted as having been adopted or endorsed by Zumtobel Group AG as being accurate.