



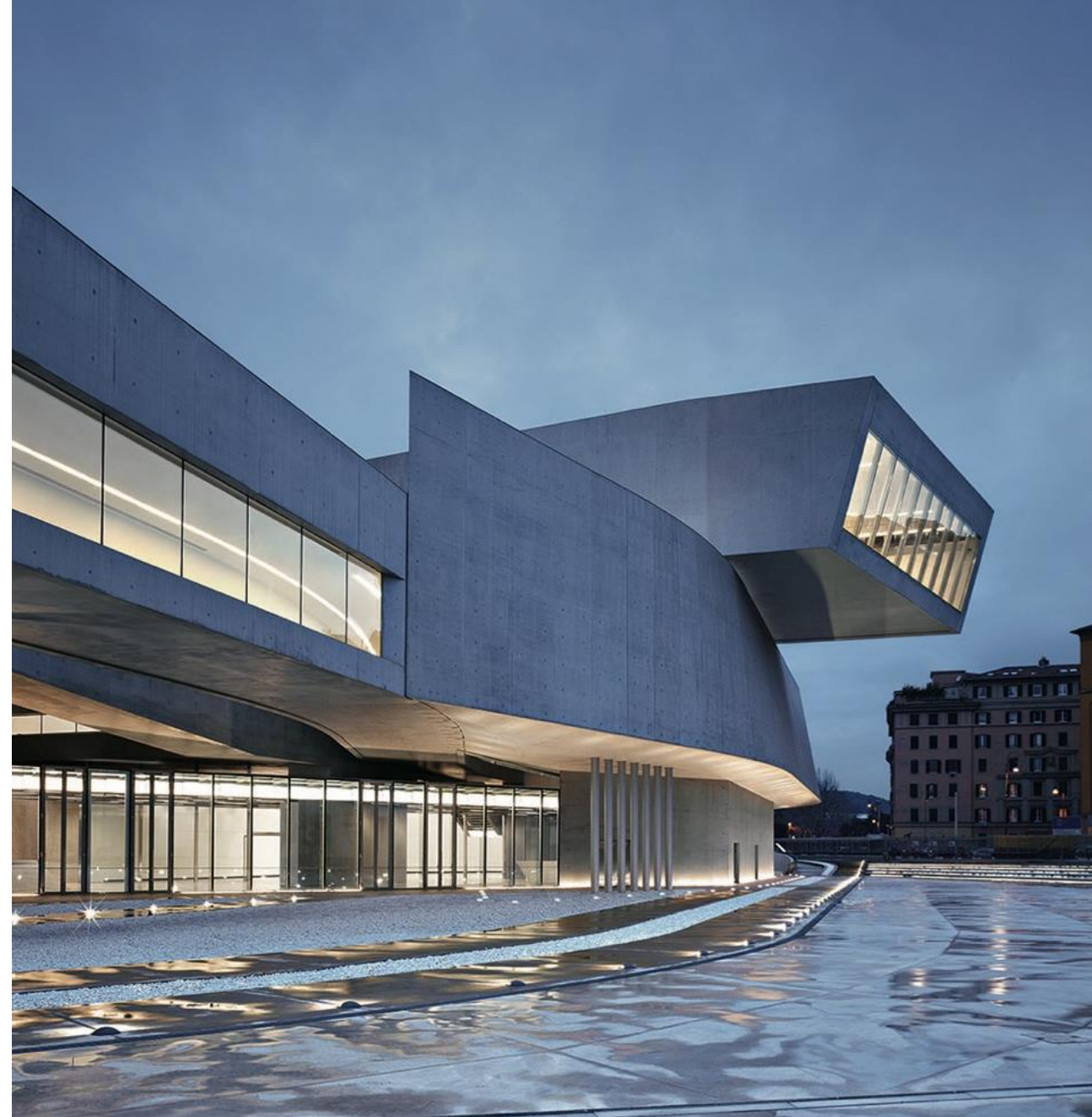
Q1 2019/20

Management Presentation

3 September 2019

Zumtobel Group shows slight growth and solid improvement of profitability

- **Group revenues grow by 1.1% (FX-adj. plus 0.9%)**
 - Lighting Segment: plus 1.4% - promising growth in core DACH-region (+6,7%); continuing price competition (2-3%)
 - Components Segment revenues on previous year level (-0.1%)
 - Second continuing quarterly growth after 13 quarters of decline
- **Adj. EBIT increase from EUR 10.0 million to EUR 15.8 million**
 - Improvement based on slight revenue growth and cost saving measures
 - Development costs EUR 1.6 million and selling & administrative costs EUR 3.4 million below PY
- **Net profit at EUR 10.9 million (PY: EUR 2.8 million)**
 - One-off costs for restructuring measures of EUR 0.4 million (PY EUR 2.7 million)
- **Guidance 2019/20 confirmed**
 - Slight increase in revenues & adj. EBIT margin of 3-5%

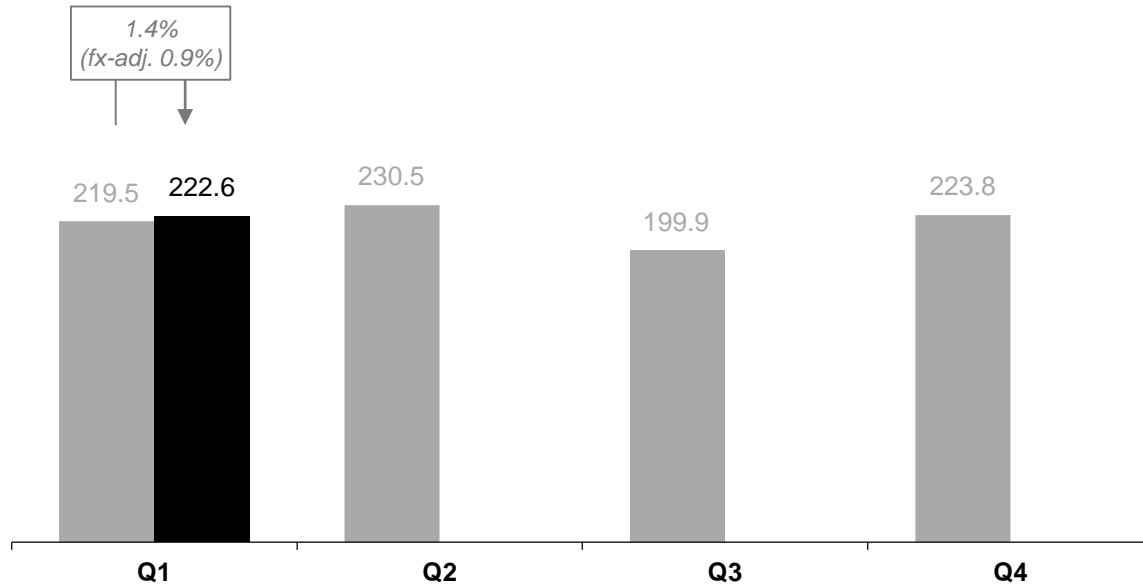


Lighting Segment shows solid EBIT improvement in Q1

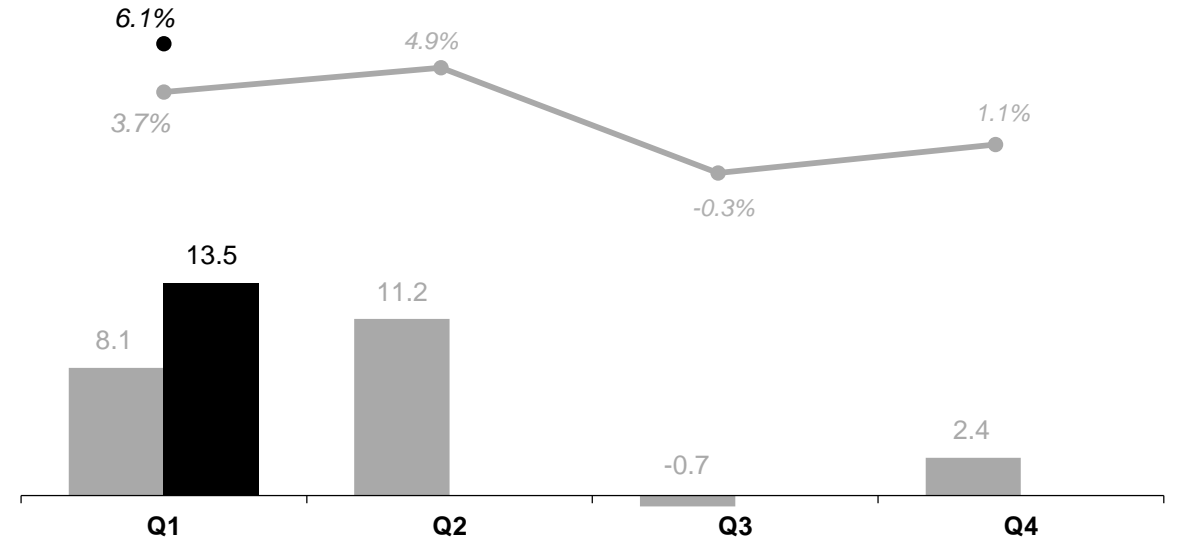
Lighting Segment – Revenue and EBIT development

LIGHTING SEGMENT

REVENUES



ADJUSTED EBIT¹⁾



■ Revenues 2018/19 In EUR million
 ■ Revenues 2019/20 In EUR 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

Revenues FY 2018/19 EUR 873.7 million (minus 3.8%)

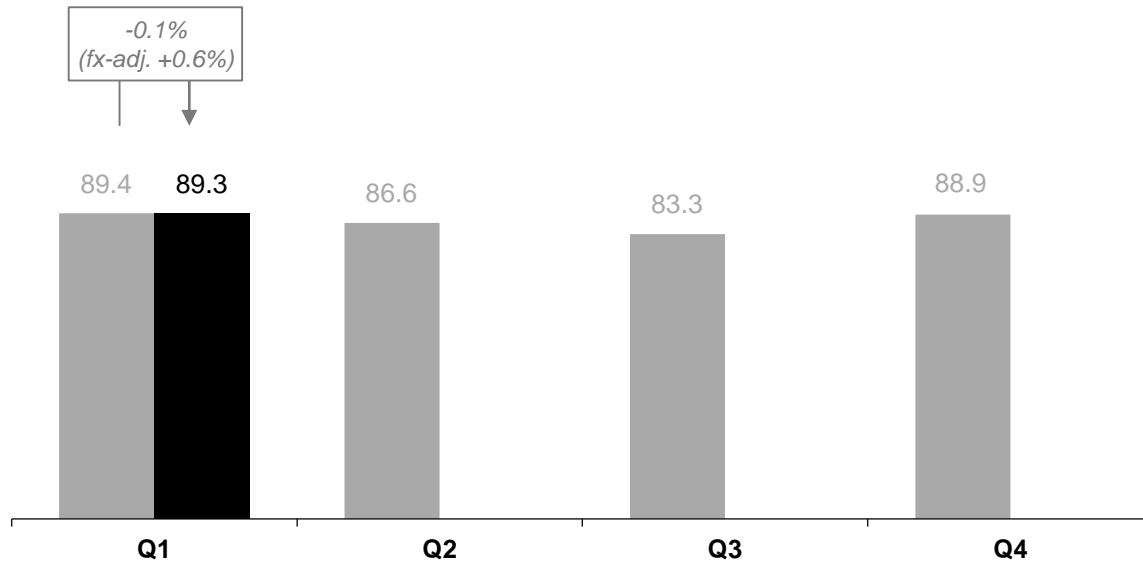
Adjusted EBIT FY 2018/19 EUR 21.1 million (margin of 2.4%)

Flat Volume development; Price pressure biggest drag on EBIT margin

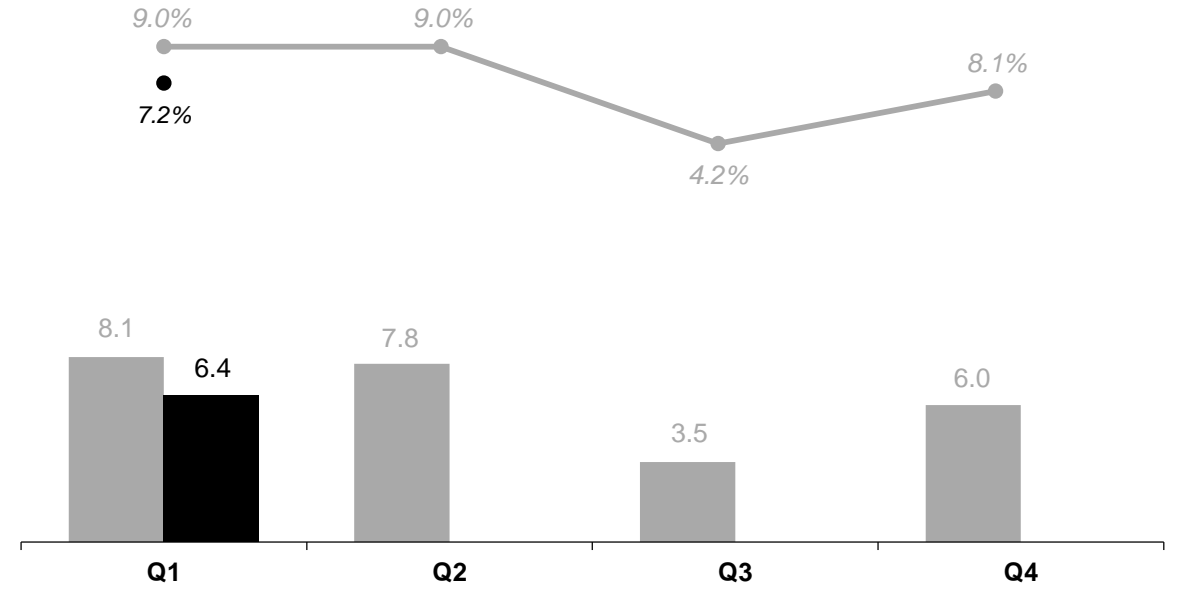
Components Segment – Revenue and EBIT development

COMPONENTS SEGMENT

REVENUES



ADJUSTED EBIT¹⁾



■ Revenues 2018/19
In EUR million

■ Revenues 2019/20
In EUR million

■ 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

Revenues FY 2018/19 EUR 348.3 million (minus 1.3%)

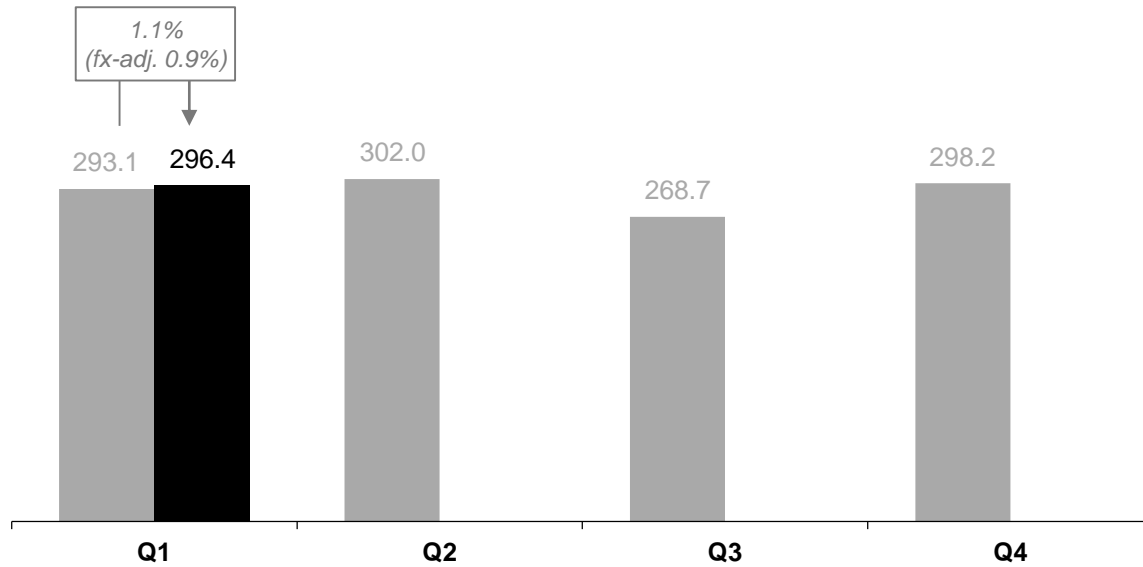
Adjusted EBIT FY 2018/19 EUR 25.4 million (margin of 7.3%)

Saving measures lead to improvement of profitability

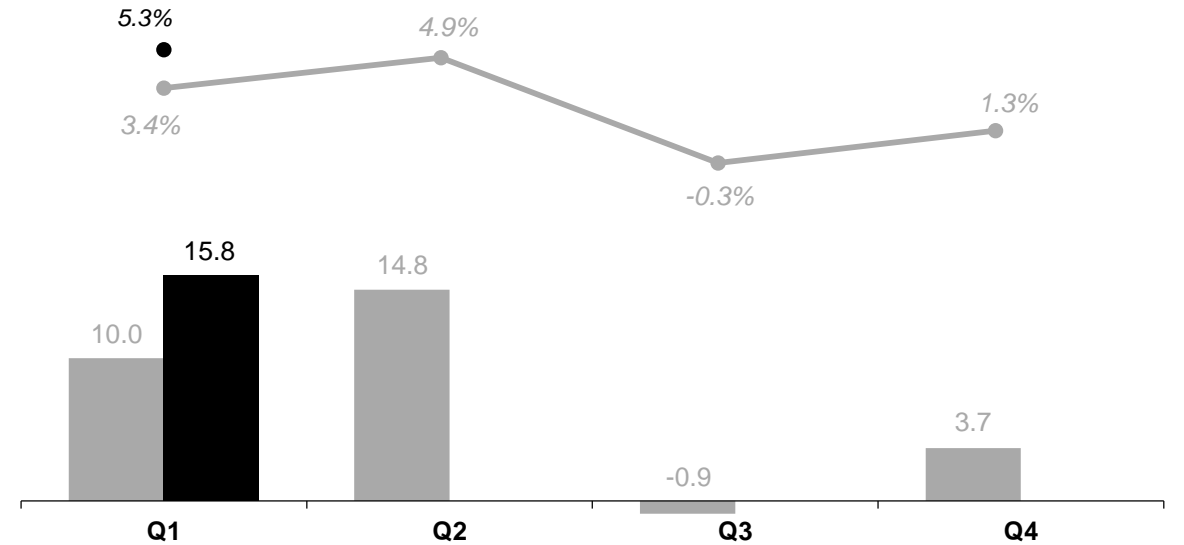
Zumtobel Group – Revenue and EBIT development

ZUMTOBEL GROUP

REVENUES



ADJUSTED EBIT¹⁾



■ Revenues 2018/19 In EUR million
 ■ Revenues 2019/20 In EUR 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

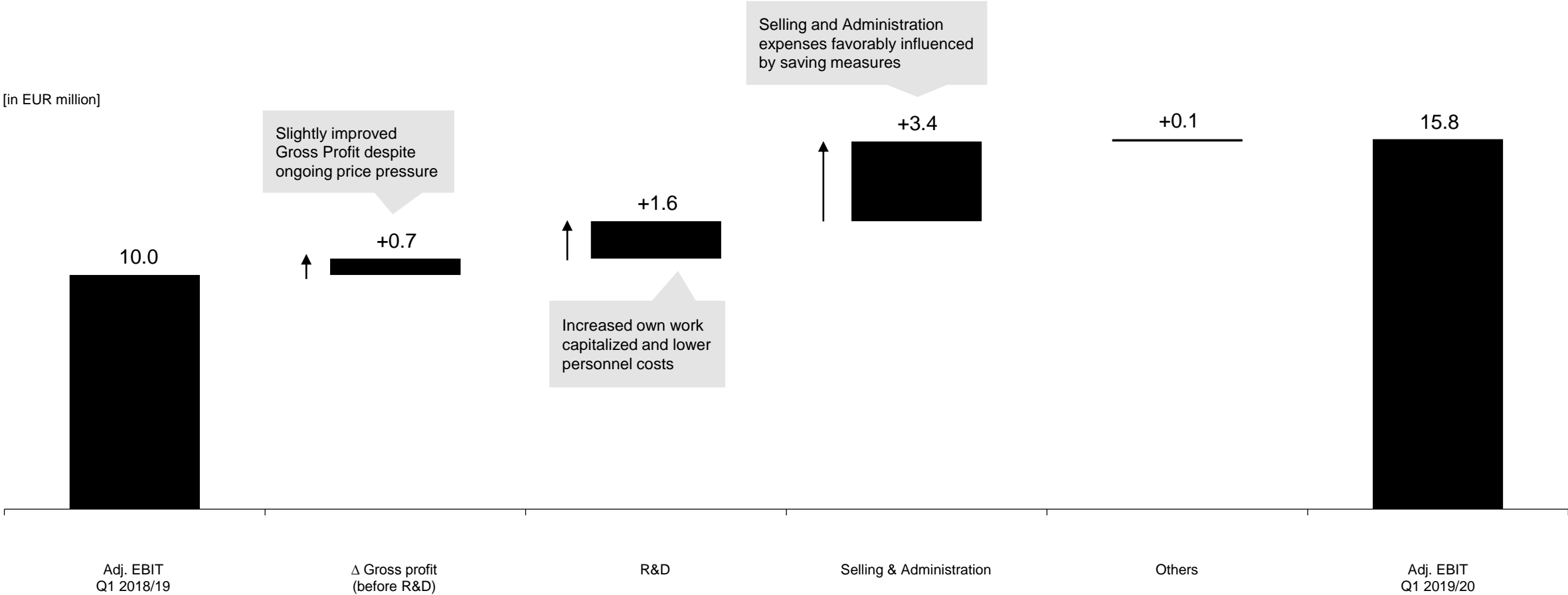
1) Reported EBIT adjusted for special effects

Revenues FY 2019/20 EUR 1,162.0 million (minus 2.9%)

Adjusted EBIT FY 2018/19 EUR 27.6 million (margin of 2.4%)

Main building blocks of the adj. EBIT development

Zumtobel Group – ADJ. EBIT Bridge



Net profit increased from EUR 2.8 to 10.9 million

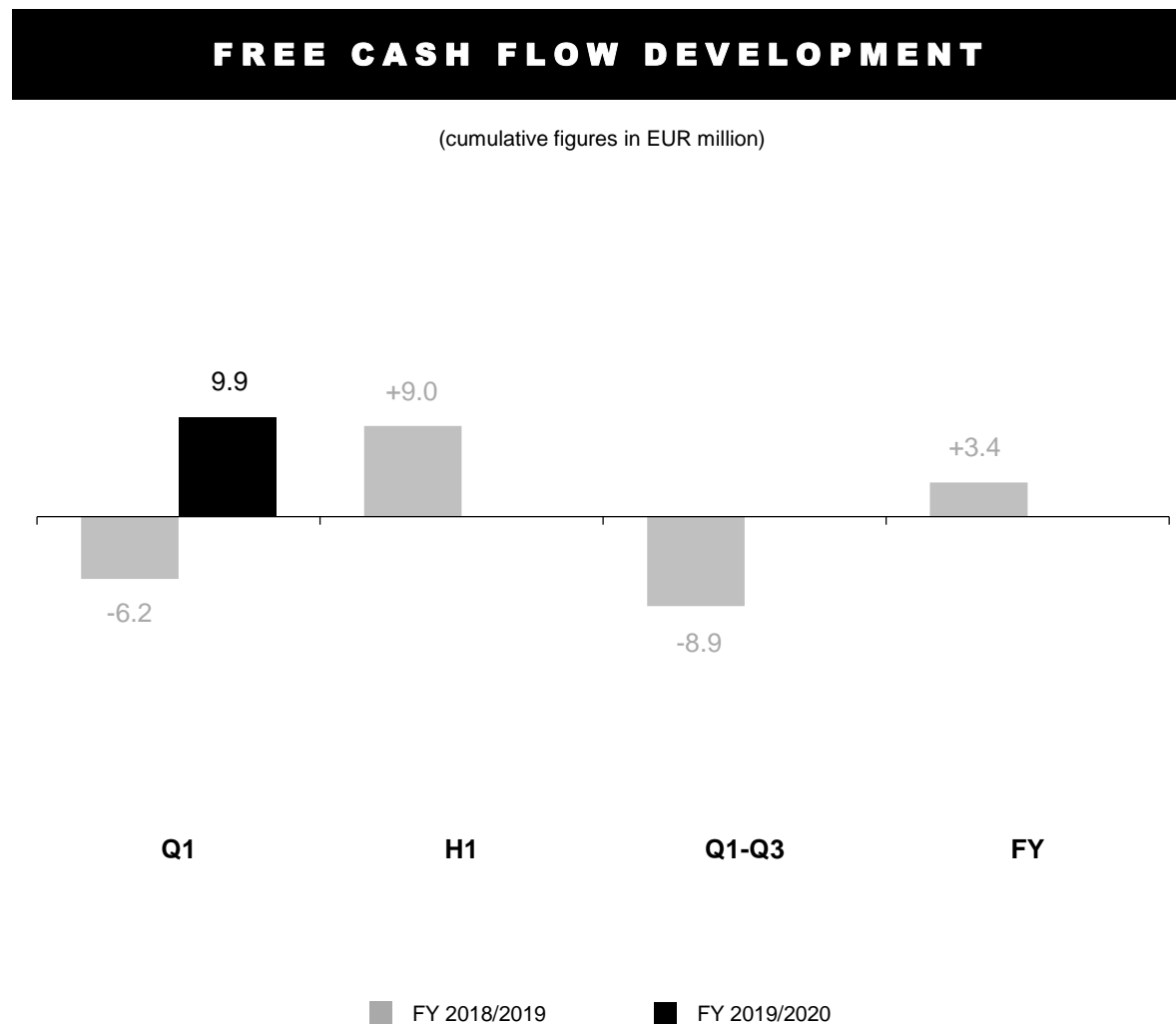
Zumtobel Group – Income statement

in EUR million	Q1 2019/20	Q1 2018/19	Change in %
Revenues	296.4	293.1	1.1
Cost of goods sold	-200.8	-199.7	0.5
Gross profit (incl. development)	95.6	93.4	2.4
<i>as a % of revenues</i>	32.3	31.9	
SG&A expenses	-79.8	-83.4	-4.3
Adjusted EBIT	15.8	10.0	58.4
<i>as a % of revenues</i>	5.3	3.4	
Special effects	-0.4	-2.7	84.9
EBIT	15.4	7.3	>100
<i>as a % of revenues</i>	5.2	2.5	
Financial results	-1.8	-2.8	35.4
Profit before tax	13.6	4.4	>100
Income taxes	-2.7	-1.6	64.9
Net profit for the period	10.9	2.8	>100
Earnings per share (in EUR)	0.25	0.06	>100

Free cash flow at EUR 9.9 million (PY minus EUR 6.2 million)

Zumtobel Group – Cash Flow Statement

in EUR million	Q1 2019/20	Q1 2018/19
Cash flow from operating results	30.8	21.0
Change in working capital	-3.6	-8.4
Change in other operating items	-6.9	-3.4
Taxes paid/received	-0.7	-1.0
Cash flow from operating activities	19.6	8.3
Proceeds from the sale of non-current assets	0.6	0.2
Capital expenditures on non-current assets	-10.4	-15.5
Change in current and non-current financial assets	0.0	0.8
Cash flow from investing activities	-9.7	-14.5
Free cash flow	9.9	-6.2



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

Zumtobel Group – Key balance sheet data

in EUR million	31 July 2019	30 April 2019
Total assets	990.8	920.9
Net debt	199.1	148.7
Equity	274.7	262.8
<i>Equity ratio in %</i>	<i>27.7</i>	<i>28.5</i>
<i>Gearing in %</i>	<i>72.5</i>	<i>56.6</i>
Investments	10.4	66.2
Working capital	175.8	172.8
<i>As a % of rolling 12 months revenues</i>	<i>15.1</i>	<i>14.9</i>

Net debt totalled EUR 199.1 million as of 31 July 2019
(30 April 2019: EUR 148.7 million)

Solid liquidity position backed by (as of 30 April):

- Consortium credit agreement with a term ending Nov. 2022 and a max. volume of EUR 200 million, whereof EUR 50 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 62.6 million

Financial covenants attached to :

- Debt coverage ratio (=net debt/EBITDA) < 3.5
- Equity ratio > 25%

→ Testing on 31 Oct as well 30 April

→ Covenants will be adjusted as of 31 Oct based on IFRS 16

Implementation of IFRS 16 in Q1 2019/20: EUR 4.0 million EBITDA effect

Zumtobel Group – implementation of IFRS 16

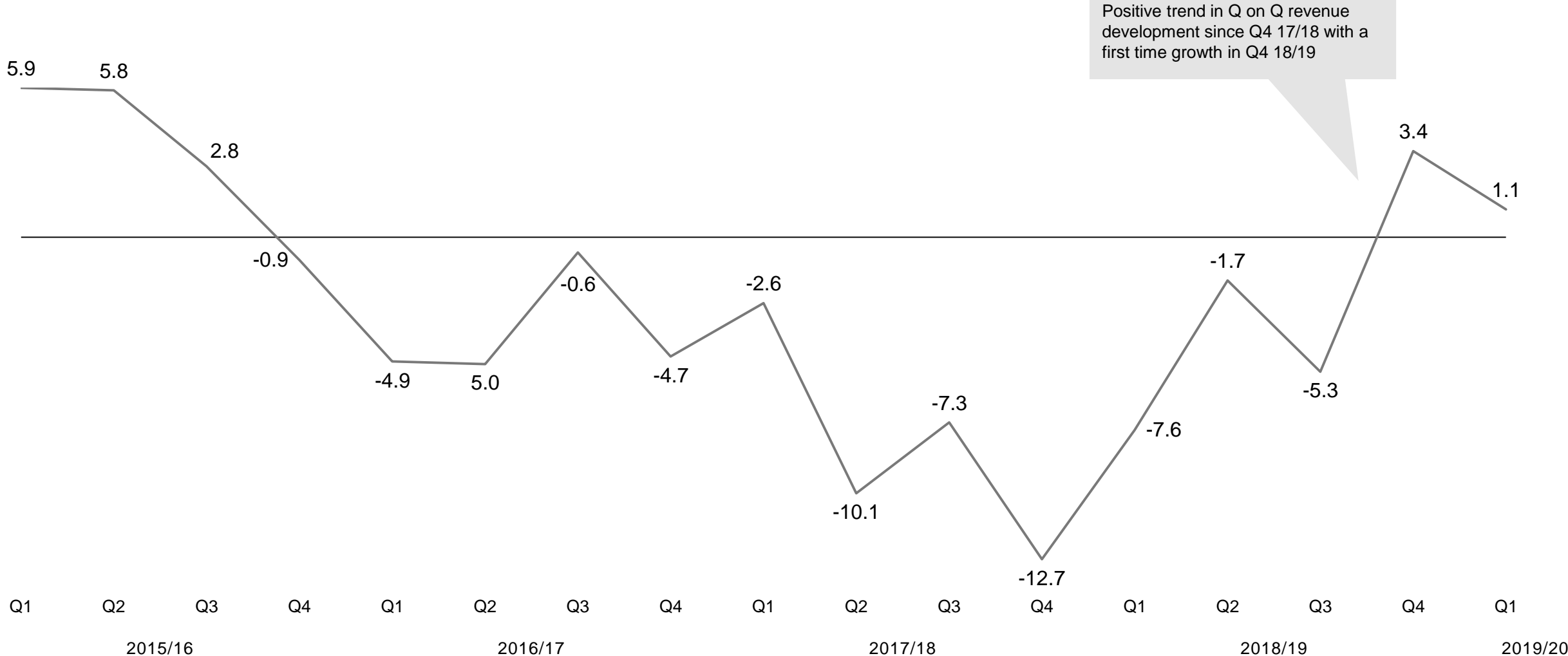
Income Statement	In EUR million
EBITDA	4.0
Depreciation	(3.6)
EBIT	0.4
Interest Result	(0.5)
Net Income	(0.1)

Balance Sheet	In EUR million
Change of net debt	50.1

- **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

Second 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

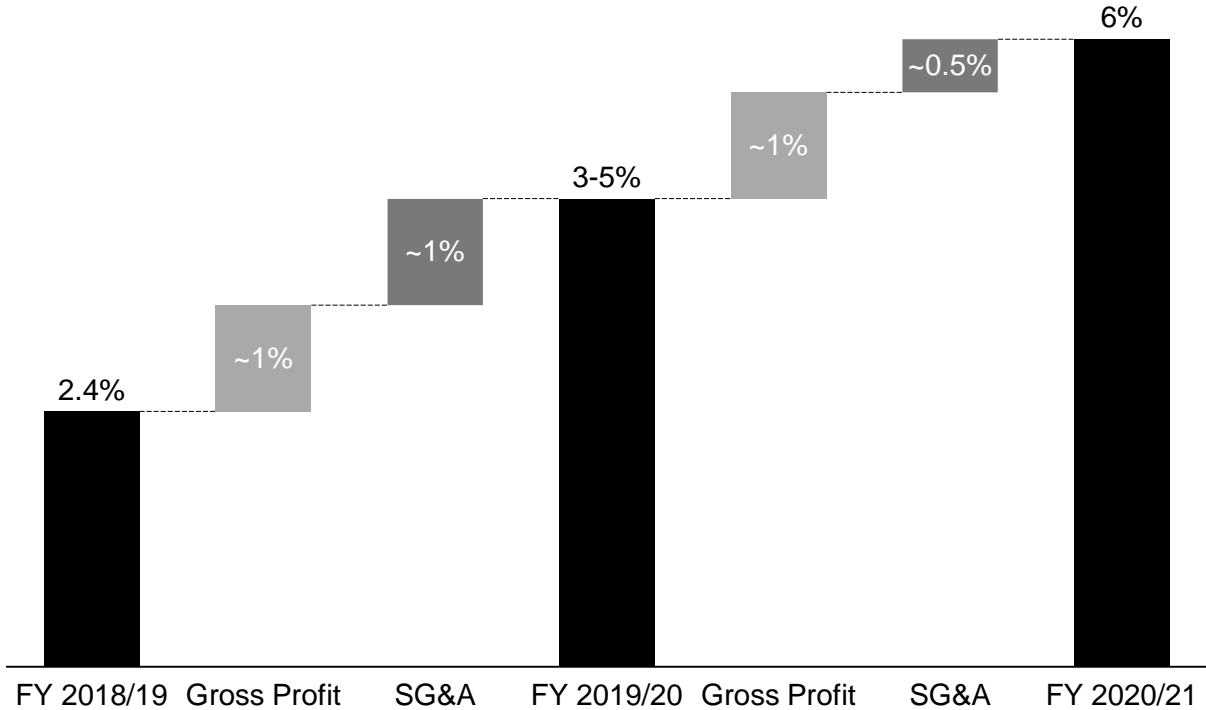
Zumtobel Group – Regional revenue distribution

in EUR million	Q1 2019/20	Change in %	
		nominal	FX adjusted
D/A/CH	92.9	5.6	4.0
Northern Europe	61.8	-1.9	-0.9
Benelux & Eastern Europe	46.1	2.1	3.4
Southern Europe	47.3	-3.1	-3.1
Asia & Pacific	30.3	0.7	1.2
Middle East & Africa	11.0	-13.3	-15.1
America	7.1	29.2	24.2
Total	296.4	1.1	0.9

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



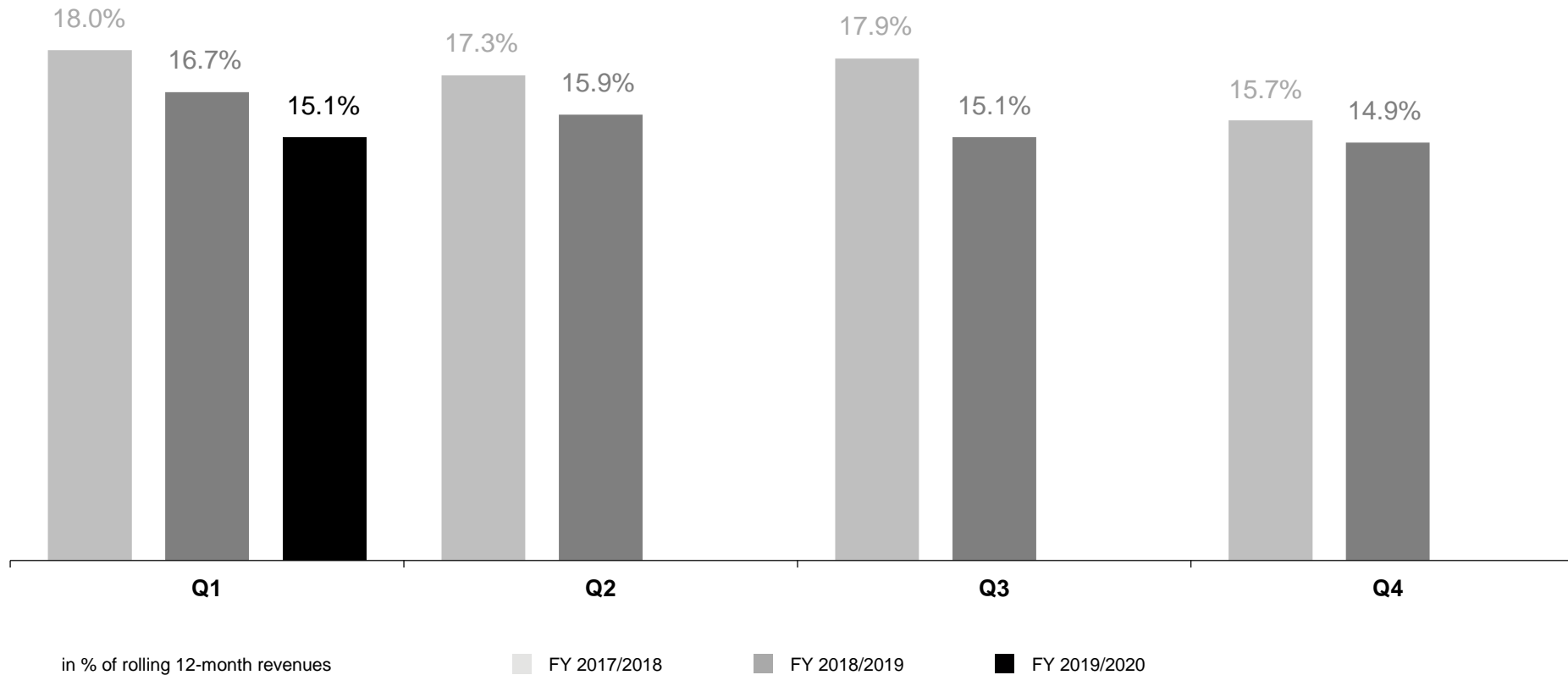
Back-up

ZUMTOBEL Group

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Working capital below prior year level

Zumtobel Group – Working capital



- Working capital at EUR 181.8 million as of 31 July 2019 (30 April 2019: EUR 172.8 million)
- In % of rolling 12-month revenues, working capital down to 15.1% (PY: 16.7%)

Supplement data regarding Segment Reporting

Zumtobel Group

in TEUR	Lighting Segment		Components Segment		Reconciliation		Group	
	Q1 2019/20	Q1 2018/19	Q1 2019/20	Q1 2018/19	Q1 2019/20	Q1 2018/19	Q1 2019/20	Q1 2018/19
Net revenues	222.555	219.492	89.270	89.355	-15.434	-15.739	296.391	293.109
External revenues	222.505	219.367	73.883	73.730	2	11	296.391	293.109
Inter-company revenues	50	125	15.387	15.625	-15.437	-15.750	0	0
Adjusted EBIT	13.537	8.147	6.409	8.083	-4.121	-6.239	15.824	9.992
Special effects	721	2.585	-318	195	11	-43	414	2.737
Operating profit/loss	12.816	5.562	6.727	7.889	-4.132	-6.197	15.410	7.254
Investments¹	46.497	9.732	14.477	4.626	2.967	1.107	63.941	15.465
Depreciation	-10.801	-8.024	-3.343	-3.108	-1.296	-955	-15.440	-12.087

1) Investments in Q1 2019/20 increased by million 53.5 EUR due to first time application of IFRS 16 (LS: million 42.2 EUR, CS: million 10.4 EUR)

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

Financial Calendar

Zumtobel Group

3 September 2019	Interim Report Q1 2019/20	(1 May 2019 - 31 July 2019)
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 2018 - 31 January 2020)

Thank you

ZUMTOBEL GROUP AG

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ZUMTOBEL Group

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