

# H1 2019/20

Half-Year Financial Report (May - October 2019)

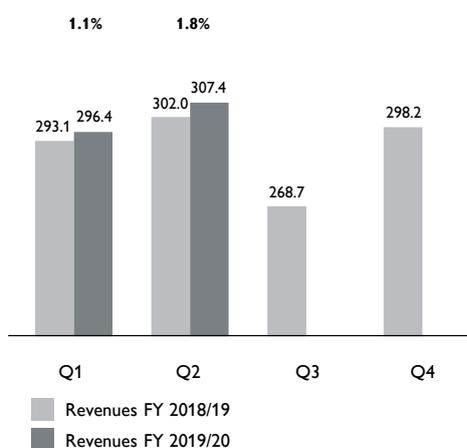


## Overview of the First Half-Year 2019/20

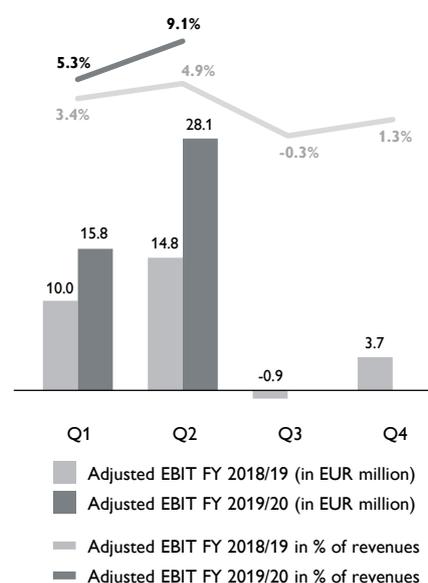
| Key Data in EUR million                                | Q2 2019/20 | Q2 2018/19 | Change in % | 1 HY 2019/20 | 1 HY 2018/19  | Change in % |
|--|------------|------------|-------------|--------------|---------------|-------------|
| Revenues   | 307.4      | 302.0      | 1.8         | 603.8        | 595.1         | 1.5         |
| EBITDA   | 37.4       | 24.2       | 54.5        | 68.2         | 45.1          | 51.2        |
| as a % of revenues                                     | 12.2       | 8.0        |             | 11.3         | 7.6           |             |
| Adjusted EBIT  | 28.1       | 14.8       | 89.7        | 43.9         | 24.8          | 77.1        |
| as a % of revenues                                     | 9.1        | 4.9        |             | 7.3          | 4.2           |             |
| EBIT   | 21.2       | 11.9       | 78.6        | 36.7         | 19.1          | 91.4        |
| as a % of revenues                                     | 6.9        | 3.9        |             | 6.1          | 3.2           |             |
| Net profit for the period                              | 13.8       | 6.0        | >100        | 24.7         | 8.8           | >100        |
| as a % of revenues                                     | 4.5        | 2.0        |             | 4.1          | 1.5           |             |
| Cash flow from operating results                       | 37.4       | 24.3       | 54.4        | 68.3         | 45.3          | 50.7        |
| Investments  | 14.2       | 17.8       | (20.2)      | 24.6         | 33.3          | (26.0)      |
|  |            |            |             | 31 Oct 2019  | 30 April 2019 | Change in % |
| Total assets   |            |            |             | 989.5        | 920.9         | 7.5         |
| Equity   |            |            |             | 278.7        | 262.8         | 6.0         |
| Equity ratio in %                                      |            |            |             | 28.2         | 28.5          |             |
| Net debt   |            |            |             | 173.1        | 148.7         | 16.4        |
| Headcount incl. contract worker (full-time equivalent) |            |            |             | 5,877        | 5,878         | 0.0         |

### Development of business by quarter

Revenues (in EUR million)



Adjusted EBIT



# Letter to Shareholders

Dear Shareholders,

After several very challenging financial years, our current performance confirms the course set by the Zumtobel Group. The first half of 2019/20 closed with a slight plus in revenues and very satisfactory earnings improvement despite unfavourable market conditions.

## **DACH region and autumn season as drivers for slight revenue growth**

The Zumtobel Group recorded a slight 1.5% increase in revenues to EUR 603.8 million in the first half of 2019/20. This positive result was supported, above all, by the core markets in the DACH region with revenue growth of 5.5% and by the seasonally strong autumn months.

## **Positive development of operating earnings based on slight revenue growth and cost savings**

The Zumtobel Group recorded very positive operating development in the first half of 2019/20: Group EBIT, adjusted for special effects, rose by 77.1% year-on-year to EUR 43.9 million and led to an increase in the adjusted return on sales from 4.2% to 7.3%. The improvement in the Group's profitability was supported by the slight growth in sales combined with cost savings. These factors led to an increase in net profit from EUR 8.8 million to EUR 24.7 million.

Our objective for the seasonally weaker second half-year is to direct our full attention to continuing this profitable growth course. For the 2019/20 financial year, we expect a slight increase in revenues as well as an improvement in the adjusted EBIT margin to 3 to 5% – despite the growing weakness in key core markets – and confirm our previously communicated guidance.

Alfred Felder  
Chief Executive Officer (CEO)

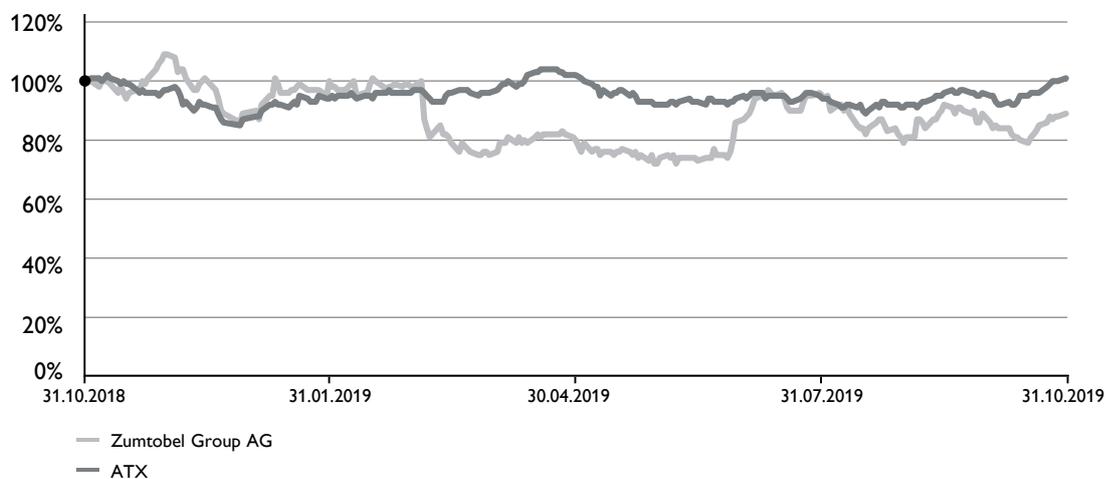


Alfred Felder

## The Zumtobel Group Share

Based on an unchanged number of 43,5 million common shares outstanding, the market capitalisation of Zumtobel Group AG totalled EUR 310 million at the end of October 2019. The shareholder structure has changed slightly since the end of the 2018/19 financial year. The Zumtobel family increased its holding from 36.1% to 37.0% of the voting rights and has remained the stable core shareholder of Zumtobel Group AG since the IPO. In addition, the institutional investors Lazard Freres Gestion SAS and Wellington Management Group LLP each reported an investment of over 4% as of 31 October 2019. The remaining shares are held primarily by other institutional investors. The average daily turnover on the Vienna Stock Exchange amounted to 78,331 shares in the first half of 2019/20 (double-count, as published by the Vienna Stock Exchange). The company held an unchanged number of 353,343 treasury shares as of 31 October 2019.

Development of the Zumtobel Group Share



### Key Data on the Zumtobel Group Share 1st half year 2019/20

|                                     |                 |   |              |
|-------------------------------------|-----------------|---|--------------|
| Closing price at 30.04.2018         | EUR 6.430       | Currency                                    | EUR          |
| Closing price at 30.04.2019         | EUR 7.120       | ISIN  | AT0000837307 |
| Performance 1st half year 2019/20   | 10.7%           | Ticker symbol Vienna Stock Exchange (XETRA) | ZAG          |
| Market capitalisation at 31.10.2019 | EUR 310 million | Market segment                              | ATX Prime    |
| Share price - high at 10.07.2019    | EUR 9.170       | Reuters symbol                              | ZUMV.VI      |
| Share price - low at 29.05.2019     | EUR 5.550       | Bloomberg symbol                            | ZAG AV       |
| Ø Turnover per day (shares)         | 78,331          | Number of issued shares                     | 43,500,000   |

# Group Management Report

## The Economic Environment

The October 2019 report by the International Monetary Fund (IMF) included a further downward revision to this year's outlook for the global economy. Growth is now expected to reach 3.0% in 2019 – which represents the lowest level since the financial crisis in 2008/2009. The global economic climate has been clouded, above all, by the trade conflict between the United States and China, but also by a decline in industrial production – especially in the automotive industry. However, the forecast for 2020 points to slight recovery and an increase in economic output to 3.4%.

Economic momentum has slowed in the eurozone, a key market for the Zumtobel Group, and also in Great Britain, the largest single market. This growing weakness led the IMF to reduce its estimate for the eurozone from 1.9% to 1.2% in 2019. Germany (plus 0.5%) and Italy (0.0%) – two key countries for the Zumtobel Group – have been particularly hard hit by the market decline. The forecasts for Great Britain were reduced to 1.2% in 2019 and 1.4% in 2020. The greatest risk here remains the threat of a "no deal BREXIT" and the potential economic consequences.

The IMF expects stronger growth for the USA with a plus of 2.4% in 2019 and 2.1% in 2020. The slowdown reflects the fading effects of the loose fiscal policies which prevailed in recent years. The emerging and developing countries in Asia will remain an important driver for the worldwide economy with growth rates of 5.9% in 2019 and 6.0% in 2020. Momentum is, however, also weakening in this region, above all due to the trade conflict and diminishing demand for exports in China.

## Significant Events since 30 April 2019

A resolution was passed by 43rd annual general meeting on 26 July 2019 to waive the payment of a dividend for the 2018/19 financial year. The newly elected members of the Supervisory Board of the Zumtobel Group are Eva Kienle, CFO of KWS SAAT SE, and Karin Zumtobel-Chammah, formerly the Head of Art & Culture for the Zumtobel Group. The Supervisory Board of Zumtobel Group again consists of six shareholder representatives and three members delegated by the Employees' Council.

**No dividend for  
FY 2018/19**

No other significant events occurred after the balance sheet date on 30 April 2019.

## Development of revenues in the first half-year 2019/20

- >> Group revenues rise by 1.5% (FX-adjusted: plus 1.0%)
- >> Lighting Segment revenues (FX-adjusted) 0.9% over previous year
- >> Components Segment revenues slightly over previous year: (FX-adjusted: plus 0.6%)

### FX-adjusted increase of 1.0% in Group revenues

In the first half of the 2019/20 financial year (1 May 2019 to 31 October 2019), Group revenues rose by 1.5% year-on-year to EUR 603.8 million (previous year: EUR 595.1 million). Revenue development was influenced by positive currency translation effects of EUR 2.8 million, which resulted primarily from the increase in the Swiss franc, US dollar and VAE dirham versus the euro. After an adjustment for these effects, revenues rose by 1.0% during the reporting period.

### Distribution of regional revenues

| Revenues in EUR million  | Q2 2019/20   | Change in % | 1 HY 2019/20 | Change in % | in % of Group |
|--------------------------|--------------|-------------|--------------|-------------|---------------|
| D/A/CH                   | 101.5        | 5.5         | 194.4        | 5.5         | 32.2          |
| Northern Europe          | 62.1         | (2.5)       | 123.9        | (2.2)       | 20.5          |
| Benelux & Eastern Europe | 49.5         | 4.6         | 95.6         | 3.4         | 15.8          |
| Southern Europe          | 42.1         | 0.4         | 89.3         | (1.5)       | 14.8          |
| Asia & Pacific           | 29.7         | (6.0)       | 60.0         | (2.7)       | 9.9           |
| Middle East & Africa     | 15.1         | 2.8         | 26.1         | (4.6)       | 4.3           |
| Americas                 | 7.6          | 13.1        | 14.6         | 20.3        | 2.4           |
| <b>Total</b>             | <b>307.4</b> | <b>1.8</b>  | <b>603.8</b> | <b>1.5</b>  | <b>100.0</b>  |

### Growth in D/A/CH, Eastern Europe and America

The trends from previous quarters continued to a certain extent during the first half of 2019/20. The D/A/CH region, the strongest market for the Zumtobel Group, recorded an increase of 5.5% (FX-adjusted: plus 4.0%) in revenues to EUR 194.4 million. Revenues exceeded the previous year in Switzerland and Germany but declined slightly in Austria. In Northern Europe, revenues declined by 2.2% to EUR 123.9 million. Sweden, in particular, failed to meet expectations. In contrast, business development in Great Britain was positive with slight growth after more than two years of declines. The Benelux & Eastern Europe region was only able to connect in part with the positive development from the first quarter of the reporting year. The sound trend in Eastern Europe continued from the previous year, but business in Benelux was again characterised by contradictory developments: The satisfactory trend in Belgium was partly offset by further revenue declines in the Netherlands, and revenues for the first six months of 2019/20 rose by 3.4% (FX-adjusted: plus 3.6) to EUR 95.6 million. The Southern European region consists primarily of Italy, Spain and France. Italy was unable to continue the prior year's sound growth during the first six months of 2019/20, but France and Spain reported a year-on-year improvement. Revenues in this region declined by 1.5% in total to EUR 89.3 million. The Asia & Pacific region reported an FX-adjusted decrease of 2.9% in revenues. The Middle East & Africa region was unable to continue the positive first quarter trend and recorded a decline of 4.6% in revenues to EUR 26.1 million. Revenues in the America region rose by 20.3% (FX-adjusted: plus 16.0%) to EUR 14.6 million.

| Segment development in EUR million | Q2 2019/20 | Q2 2018/19 | Change in % | 1 HY 2019/20 | 1 HY 2018/19 | Change in % | FX adjusted in % |
|------------------------------------|------------|------------|-------------|--------------|--------------|-------------|------------------|
| Lighting Segment                   | 234.2      | 230.5      | 1.6         | 456.7        | 450.0        | 1.5         | 0.9              |
| Components Segment                 | 88.0       | 86.6       | 1.6         | 177.3        | 176.0        | 0.8         | 0.6              |
| Reconciliation                     | (14.8)     | (15.1)     | (2.3)       | (30.2)       | (30.8)       | (2.1)       |                  |
| Zumtobel Group                     | 307.4      | 302.0      | 1.8         | 603.8        | 595.1        | 1.5         | 1.0              |

Business in the Lighting Segment is still influenced by the difficult environment in the industrial sector. Nevertheless, the revenue declines on the markets in Italy, Australia, Northern Europe and Russia as well as the very aggressive price competition were more than offset by revenue growth in the D/A/CH, Benelux & Eastern Europe and America regions. Revenues in the Lighting Segment therefore rose by 1.5% to EUR 456.7 million (previous year: EUR 450.0 million). After an adjustment for negative foreign exchange effects, revenues were 0.9% higher than the first half of the previous year.

**Lighting Segment- FX-adjusted revenues 0.9% over previous year**

Revenues in the Components Segment rose by 0.8% in the first half of 2019/20. After an adjustment for foreign exchange effects, the increase equalled 0.6%. The growth in revenues was supported above all, by increased demand for component from the Lighting Segment and from the markets in France and Great Britain. Negative factors included weaker demand from Italy and Turkey. In addition, the demand for conventional electronic ballasts continued to decline. Positive factors included a substantial improvement in the demand for intelligent, integrated LED components and Tridonic system solutions.

**FX-adjusted revenues in Components Segment slightly over previous year**

## Development of earnings in the first half-year 2019/20

- >> Profitability positively influenced by increase in revenues and strict cost management
- >> Efficiency and cost savings measures with a significant impact on fixed costs
- >> Adjusted Group EBIT rises to EUR 43.9 million
- >> Net profit for the period clearly positive at EUR 24.7 million

Group EBIT adjusted for special effects rose to EUR 43.9 million in the first half of 2019/20 (H1 2018/19: EUR 24.8 million), and the return on sales increased from 4.2% to 7.3%. The improvement in Group profitability during the reporting period was supported by the Lighting Segment, where adjusted EBIT increased from EUR 19.4 million to EUR 39.9 million. In the Components Segment, adjusted EBIT equalled EUR 13.4 million (H1 2018/19: EUR 15.9 million). The results of the cost reduction measures are now visible, especially in the Lighting Segment, and earnings improved substantially during the reporting period despite the ongoing aggressive price competition.

**Adjusted Group EBIT rises to EUR 43.9 million**

The gross profit margin, excluding special effects and development costs, rose to 33.2% in the first half of 2019/20 (previous year: 31.7%). Development costs included in the cost of goods sold fell by EUR 1.3 million to EUR 28.6 million (H1 2018/19: EUR 30.0 million).

**Decline in development costs**

| Income statement in EUR million | Q2 2019/20 | Q2 2018/19 | Change in % | 1 HY 2019/20 | 1 HY 2018/19 | Change in % |
|---------------------------------|------------|------------|-------------|--------------|--------------|-------------|
| Revenues                        | 307.4      | 302.0      | 1.8         | 603.8        | 595.1        | 1.5         |
| Cost of goods sold              | (202.5)    | (206.8)    | (2.1)       | (403.2)      | (406.5)      | (0.8)       |
| Gross profit                    | 105.0      | 95.2       | 10.3        | 200.6        | 188.6        | 6.4         |
| as a % of revenues              | 34.1       | 31.5       |             | 33.2         | 31.7         |             |
| SG&A expenses                   | (76.9)     | (80.4)     | (4.3)       | (156.7)      | (163.8)      | (4.3)       |
| Adjusted EBIT                   | 28.1       | 14.8       | 89.7        | 43.9         | 24.8         | 77.1        |
| as a % of revenues              | 9.1        | 4.9        |             | 7.3          | 4.2          |             |
| Special effects                 | (6.8)      | (2.9)      | <(100)      | (7.2)        | (5.6)        | (28.3)      |
| EBIT                            | 21.2       | 11.9       | 78.6        | 36.7         | 19.1         | 91.4        |
| as a % of revenues              | 6.9        | 3.9        |             | 6.1          | 3.2          |             |
| Financial results               | (3.7)      | (4.7)      | 21.4        | (5.5)        | (7.6)        | 26.6        |
| Profit before tax               | 17.5       | 7.2        | >100        | 31.1         | 11.6         | >100        |
| Income taxes                    | (3.7)      | (1.2)      | <(100)      | (6.4)        | (2.8)        | <(100)      |
| Net profit for the period       | 13.8       | 6.0        | >100        | 24.7         | 8.8          | >100        |
| Earnings per share (in EUR)     | 0.32       | 0.14       | >100        | 0.57         | 0.20         | >100        |

1) Excluding special effects

Note: EBITDA (plus depreciation and amortisation) amounted to EUR 68.2 million in the first half of 2019/20.

### Substantial reduction in selling and administrative costs

The efficiency and cost reduction measures implemented in spring 2018 led to a further reduction in selling and administrative costs. Selling expenses (incl. research) fell by EUR 2.7 million to EUR 146.6 million in the first half of 2019/20 (H1 2018/19: EUR 149.2 million), and administrative expenses were EUR 4.5 million lower at EUR 14.9 million (H1 2018/19: EUR 19.4 million). This development was supported, above all, by the streamlining of the management team and strict cost controls. Other operating income, excluding special effects, remained unchanged at EUR 4.8 million (H1 2018/19: EUR 4.8 million) and consisted primarily of license income from the LED business and amounts receivable from government grants.

### Negative special effects of EUR 7.2 million

Negative special effects of EUR 7.2 million were recorded in the first half of 2019/20 (H1 2018/19: EUR 5.6 million). They are related primarily to costs arising from a quality problem in the UK (EUR 7.9 million) and restructuring measures involving the sales organisations and plants. These negative special effects were contrasted by income of EUR 2.0 million from the initial consolidation of LED FMT GmbH, Austria (formerly LEXEDIS Lighting GmbH, Austria).

| Financial result in EUR million               | Q2 2019/20 | Q2 2018/19 | Change in % | 1 HY 2019/20 | 1 HY 2018/19 | Change in % |
|---|------------|------------|-------------|--------------|--------------|-------------|
| Interest expense                              | (2.0)      | (1.7)      | 16.1        | (4.0)        | (3.8)        | 4.2         |
| Interest income                               | 0.1        | 0.1        | (23.2)      | 0.2          | 0.2          | (36.8)      |
| Net financing costs                           | (1.9)      | (1.6)      | (18.5)      | (3.8)        | (3.6)        | (6.9)       |
| Other financial income and expenses           | (1.8)      | (3.2)      | 43.1        | (1.7)        | (4.4)        | (60.4)      |
| Result from companies accounted for at-equity | 0.0        | 0.1        | (71.0)      | 0.0          | 0.4          | (95.8)      |
| Financial results                             | (3.7)      | (4.7)      | 21.4        | (5.5)        | (7.6)        | 26.6        |

### Financial results above previous year

Financial results improved by EUR 2.0 million year-on-year to minus EUR 5.5 million (H1 2018/19: minus EUR 7.6 million). Interest expense is attributable primarily to the current credit agreement and to finance leases. Other financial income and expenses totalled minus EUR 1.7 million (H1 2018/19: minus EUR 4.4 million). The fluctuations in the fair value measurement of financial instruments reflect the high

volatility on the foreign exchange market, above all in connection with the Swiss franc, Turkish lira, British pound and US dollar.

Profit before tax amounted to EUR 31.1 million for the reporting period (H1 2018/19: EUR 11.6 million), and income taxes totalled EUR 6.4 million (H1 2018/19: EUR 2.8 million). Net profit therefore rose to EUR 24.7 million (H1 2018/19: EUR 8.8 million). Earnings per share for the shareholders of Zumtobel Group AG (basic EPS based on 43.1 million shares) were positive at EUR 0.57 (H1 2018/19: plus EUR 0.20).

## Cash flow and asset position

The improvement in profitability was reflected in an increase in cash flow from operating results from EUR 45.3 million to EUR 68.3 million.

Working capital was further optimised during the reporting period and declined EUR 4.0 million below the level on 31 October 2018 to EUR 181.5 million as of 31 October 2019. Accordingly, cash flow from operating activities increased from EUR 41.6 million to EUR 58.4 million in the first half of 2019/20.

**Positive development  
of working capital**

Cash flow investing activities was lower than the previous year at EUR 24.6 million in the first half of 2019/20. This amount includes investments of EUR 3.1 million (H1 2018/19: EUR 13.4 million) for the new plant in Serbia. Free cash flow improved to plus EUR 34.2 million during the reporting period (H1 2018/19: plus EUR 9.0 million), primarily due to the increase in cash flow from operating activities and a decline in cash flow from investing activities.

**Free cash flow at plus  
EUR 34.2 million**

Further details on the cash flow statement are provided in the consolidated interim financial statements under "Notes to the Cash Flow Statement."

| Balance sheet data in EUR million   | 31 Oct 2019 | 30 April 2019 |
|-------------------------------------|-------------|---------------|
| Total assets                        | 989.5       | 920.9         |
| Net debt                            | 173.1       | 148.7         |
| Debt coverage ratio                 | 2.01        | 2.66          |
| Equity                              | 278.7       | 262.8         |
| Equity ratio in %                   | 28.2        | 28.5          |
| Gearing in %                        | 62.1        | 56.6          |
| Investments                         | 24.6        | 66.2          |
| Working capital                     | 181.5       | 172.8         |
| As a % of rolling 12 month revenues | 12.3        | 14.8          |

The balance sheet structure has remained nearly unchanged since 30 April 2019. The equity ratio equalled 28.2% as of 31 October 2019. Net debt increased by EUR 24.4 million over the level on 30 April 2019 to EUR 173.1 million, primarily due to the recognition of lease liabilities totalling EUR 48.2 million following the initial application of IFRS 16 as of 31 October 2019. Gearing – the ratio of net debt to equity – therefore deteriorated from 56.6% to 62.1%.

**Solid balance sheet  
structure**

## Major risks and uncertainties during the second half-year 2019/20

### Risk management for early identification of opportunities and risks

The Zumtobel Group believes an effective risk management system is an important factor for maintaining and expanding its competitive position. The goal of risk management is to identify risks and opportunities at an early point in time through a systematic approach and thereby permit the prompt implementation of suitable measures to deal with changes in the operating environment.

### Risks arising from economic developments and competitive risks

The most important risk factor is the forecasted economic growth – together with the repeated downward revisions – in our core markets, which has a direct impact on the professional construction industry and its development. Private residential construction is still active, but construction in the industrial and administrative sectors has already started to weaken. This trend has been amplified by the uncertain political environment (BREXIT, new elections and/or difficult government and coalition building in several countries). The market is still characterised by surplus capacity and the resulting downward pressure on prices and margins. This situation has been exacerbated by the accelerated consolidation in the lighting business, where larger competitors have acquired additional lighting companies and thereby increased their purchasing power as well as their market shares. All these developments can have a negative effect on the sales volumes recorded by the Zumtobel Group and lead to the postponement or cancellation of projects.

### Risks arising from restructuring

In any event, necessary measures to bring structural costs and capacity in line with a more difficult market environment or the strategic reorientation of the Zumtobel Group could lead to additional restructuring costs and thereby have a negative effect on earnings. The new production plant for lighting and components in Niš (Serbia), which was opened in September 2018, not only brings opportunities, but also short-term risks. The adjustment of plant capacity and the shift of products to other locations lead to temporary production and/or logistics inefficiencies and, in turn, can result in delivery problems.

The plant in Les Andelys, France, was sold on 30 September 2017 to Europhane SAS, in which ZG Lighting France S.A. still holds an investment of 10%. This plant supplies the Zumtobel Group with outdoor lighting. On 2 May 2019 back-up proceedings were opened at the responsible commercial court (Court Evreux). This represents a special procedure in France, which allows companies in difficulty to secure court protection without being insolvent or over-indebted. A possible actual insolvency of Europhane could have a negative effect on the Zumtobel Group's outdoor lighting business.

### Market acceptance of new products

Differentiation from the competition can strengthen a company's market position and protect appropriate margins. In both the lighting and components businesses, the Zumtobel Group must regularly defend its strong technology position in the industry and adapt new developments to meet the changing requirements of various applications. This challenge is met with a steady focus on innovation and close cooperation between development and sales. With the cross-segment function "Services & Solutions" (formerly Zumtobel Group Services), the Zumtobel Group has further strengthened its position as a service-oriented company. Innovative turnkey solutions for products, systems and services are a key driver for future growth.

### Raw material and delivery risk

The prices for steel, copper, aluminium and plastic granulate have stabilised or declined slightly in recent months. Tensions on the electronics market have also eased – in particular, delivery times and the availability of multi-layer ceramic capacitors (MLCC) have normalised – and the related, temporary delivery delays have disappeared. However, the upcoming 5G telecommunications expansion could lead to a shortage in 2020 due to the massive additional demand for electronic components. Long-term contracts have been concluded with several suppliers to reduce potential delivery risks.

In order to protect the ability to meet its payment obligations at all times, the Zumtobel Group maintains liquidity reserves that generally take the form of demand deposits with banks and can be used to service expected operating expenses and financial liabilities. The Group can also access extensive working capital credits to offset seasonal liquidity fluctuations arising from business activities. The Zumtobel Group had short-term, unsecured lines of credit totalling EUR 63.7 million at its disposal as of 31 October 2019 (previous year: EUR 67.7 million). An important source of financing for the Zumtobel Group is the consortium credit agreement concluded on 1 December 2015 with seven banks, which has a term ending in November 2022 and a current maximum line of EUR 200 million. The amount drawn by the Zumtobel Group under this credit agreement totalled EUR 20 million as of 31 October 2019 (previous year: EUR 90 million). The consortium credit agreement includes a clause covering an increase of up to EUR 200 million. In addition, the Zumtobel Group concluded two long-term credit agreements of EUR 40 million each with the European Investment Bank (EIB), which call for bullet repayment and have terms ending in September 2024, respectively in February 2025; both credits were fully drawn as of 31 October 2019. The consortium credit agreement and the credit agreements with the European Investment Bank (EIB) include a change of control clause which would take effect if there were an absolute change in voting rights. In addition, another short-term bilateral credit agreement for EUR 40 million was concluded with a bank; it has a term ending in January 2020 and was also fully drawn as of 30 October 2019. The consortium credit agreement requires compliance with specific financial covenants (a debt coverage ratio of less than 3.55 and an equity ratio of more than 23.5%). A deterioration in these financial indicators could lead to a gradual increase in the credit margin, while failure to comply with the covenants could cause the lending banks to call existing loans. These financial covenants were met in full as of 31 October 2019 with a debt coverage ratio of 2.01 (30 April 2019: 2.66) and an equity ratio of 28.2% (30 April 2019: 28.5%).

#### Low liquidity risk

A EUR 40.0 million loan with a term ending in January 2020 has a fixed interest rate and is therefore not exposed to interest rate risk. Two other loans for EUR 40 million each with terms ending in September 2024 and February 2025, respectively, and the balance of EUR 20 million currently outstanding under the consortium credit agreement carry variable interest rates (EURIBOR money market interest rates). In order to reduce the related interest rate risk, the Zumtobel Group has concluded EUR-interest rate swaps with various banks for a current effective nominal volume of EUR 20 million. These instruments have a term ending in June 2021 and exchange the variable interest payments on the financing into fixed interest payments and limit the interest rate to a maximum of 0.3%.

#### Interest rate risk

The foreign exchange markets are characterised by high uncertainty and volatility. The earnings recorded by the Zumtobel Group are exposed to foreign exchange risk, in particular from transaction effects – i.e. when local companies buy and/or sell their products in a currency other than their local currency. Intragroup dividends or loans can also be paid and received in a currency other than the local currency. Translation risk – i.e. when foreign company financial statements are converted into the Group currency (euro) for consolidation – is of lesser importance for the Zumtobel Group and is not hedged. Transaction risk is generally hedged with forward exchange contracts that have a term of up to one year and, in selected cases, by options. The Group's main currencies are the EUR, GBP, USD (as well as the Asian currencies that are pegged to the USD), AUD and CHF. Foreign exchange exposure is based on general forecast assumptions and not on specific contracts and, for this reason, the requirements for hedge accounting are usually not met. Currently available information indicates that negative transaction effects from exchange rate fluctuations can also be expected in the second half of 2019/20.

#### Foreign exchange risk

### Product liability risks

The risks arising from regress claims and the subsequent damage to the Group's image as a result of quality defects can be caused by errors in the internal and/or external supply chain. Quality assurance systems monitor compliance with the Group's internally defined, high standards for product quality. The Zumtobel Group also carries product liability insurance. The lighting industry is experiencing a trend towards longer warranty periods, above all for road lighting projects, which leads to higher guarantee costs and/or provisions for warranties.

### Balance sheet risks

Balance sheet risks arise, above all, from the valuation of individual assets. The Group's asset and earnings positions are directly influenced by foreign exchange effects as well as the necessary use of estimates and judgment in valuing non-financial assets, deferred tax assets, inventories, receivables, the provisions for pensions, severance payments and service anniversary bonuses, and the provisions for guarantees and warranties. The major balance sheet risks for the Zumtobel Group are related to goodwill, the valuation of capitalised development costs and inventories, and the valuation of the pension fund in Great Britain.

Additional information on the potential risks and opportunities facing the Zumtobel Group is provided in the 2018/19 annual financial report. Based on the information available at the present time, there are no major individual risks that could endanger the continued existence of the Zumtobel Group.

## Outlook

- >> Cautious optimism for the 2019/20 financial year
- >> Guidance and medium-term goal confirmed

The Management Board of the Zumtobel Group expects a slight increase in revenues as well as an improvement in the adjusted EBIT margin to 3 to 5% for the full 2019/20 financial year (2018/19 financial year: 2.4%) despite the growing weakness in key core markets. The optimism over developments in the second half of 2019/20 is limited, however, by economic projections for Europe and the risk of a "no deal BREXIT". The medium-term goal to generate an EBIT margin of roughly 6% by the 2020/21 financial year remains intact.

Dornbirn, 3 December 2019

The Management Board

Alfred Felder  
Chief Executive Officer (CEO)

Thomas Tschol  
Chief Financial Officer (CFO)

Bernard Motzko  
Chief Operating Officer (COO)

**Condensed Consolidated Interim Financial Statements**  
**as of 31 October 2019**

# Income Statement

| in TEUR  | Q2<br>2019/20  | Q2<br>2018/19  | Change<br>in % | 1 HY<br>2019/20 | 1 HY<br>2018/19 | Change<br>in % |
|--|----------------|----------------|----------------|-----------------|-----------------|----------------|
| Revenues   | 307,445        | 302,013        | 1.8            | 603,836         | 595,122         | 1.5            |
| Cost of goods sold   | (210,362)      | (206,830)      | 1.7            | (411,131)       | (406,537)       | 1.1            |
| <i>thereof special effects</i>                                 | (7,900)        | 0              |                | (7,900)         | 0               |                |
| <b>Gross profit</b>  | <b>97,083</b>  | <b>95,183</b>  | <b>2.0</b>     | <b>192,705</b>  | <b>188,585</b>  | <b>2.2</b>     |
| <i>as a % of revenues</i>                                      | 31.6           | 31.5           |                | 31.9            | 31.7            |                |
| Selling expenses   | (72,711)       | (75,043)       | (3.1)          | (146,564)       | (149,238)       | (1.8)          |
| Administrative expenses  | (7,322)        | (8,654)        | (15.4)         | (14,935)        | (19,395)        | (23.0)         |
| Other operating income   | 5,283          | 3,417          | 54.6           | 7,204           | 4,940           | 45.8           |
| <i>thereof special effects</i>                                 | 2,096          | 0              |                | 2,414           | 0               |                |
| Other operating expenses                                       | (1,086)        | (3,007)        | (63.9)         | (1,750)         | (5,743)         | (69.5)         |
| <i>thereof special effects</i>                                 | (1,012)        | (2,894)        | (65.0)         | (1,743)         | (5,632)         | (69.1)         |
| <b>Operating profit</b>  | <b>21,248</b>  | <b>11,896</b>  | <b>78.6</b>    | <b>36,660</b>   | <b>19,149</b>   | <b>91.4</b>    |
| <i>as a % of revenues</i>                                      | 6.9            | 3.9            |                | 6.1             | 3.2             |                |
| Interest expense   | (2,024)        | (1,743)        | 16.1           | (3,978)         | (3,819)         | 4.2            |
| Interest income  | 76             | 99             | (23.2)         | 153             | 242             | (36.8)         |
| Other financial income and expenses                            | (1,793)        | (3,150)        | (43.1)         | (1,737)         | (4,385)         | (60.4)         |
| Result from companies accounted for at-equity                  | 17             | 59             | (71.2)         | 17              | 407             | (95.8)         |
| <b>Financial results</b>                                       | <b>(3,724)</b> | <b>(4,735)</b> | <b>21.4</b>    | <b>(5,545)</b>  | <b>(7,555)</b>  | <b>26.6</b>    |
| <i>as a % of revenues</i>                                      | (1.2)          | (1.6)          |                | (0.9)           | (1.3)           |                |
| <b>Profit before tax</b>                                       | <b>17,524</b>  | <b>7,161</b>   | <b>&gt;100</b> | <b>31,115</b>   | <b>11,594</b>   | <b>&gt;100</b> |
| Income taxes   | (3,729)        | (1,184)        | <(100)         | (6,434)         | (2,825)         | <(100)         |
| <b>Net profit for the period</b>                               | <b>13,795</b>  | <b>5,977</b>   | <b>&gt;100</b> | <b>24,681</b>   | <b>8,769</b>    | <b>&gt;100</b> |
| <i>as a % of revenues</i>                                      | 4.5            | 2.0            |                | 4.1             | 1.5             |                |
| <i>thereof due to non-controlling interests</i>                | 193            | (16)           | >100           | 186             | (75)            | >100           |
| <i>thereof due to shareholders of the parent company</i>       | 13,602         | 5,993          | >100           | 24,495          | 8,844           | >100           |
| Average number of shares outstanding – basic (in 1,000 pcs.)   | 43,147         | 43,147         |                | 43,147          | 43,147          |                |
| Average number of shares outstanding – diluted (in 1,000 pcs.) | 43,147         | 43,147         |                | 43,147          | 43,147          |                |
| <b>Earnings per share (in EUR)</b>                             |                |                |                |                 |                 |                |
| Earnings per share (diluted and basic)                         | 0.32           | 0.14           |                | 0.57            | 0.20            |                |

## Statement of Comprehensive Income

| in TEUR   | Q2<br>2019/20  | Q2<br>2018/19 | Change<br>in %   | 1 HY<br>2019/20 | 1 HY<br>2018/19 | Change<br>in %   |
|---|----------------|---------------|------------------|-----------------|-----------------|------------------|
| <b>Net profit for the period</b>  | <b>13,795</b>  | <b>5,977</b>  | <b>&gt;100</b>   | <b>24,681</b>   | <b>8,769</b>    | <b>&gt;100</b>   |
| Actuarial gain/loss   | (10,155)       | 3,951         | <(100)           | (10,155)        | 3,951           | <(100)           |
| Deferred taxes due to actuarial gain/loss   | 2,031          | (172)         | >100             | 2,031           | (172)           | >100             |
| <b>Total of items that will not be reclassified ("recycled") subsequently to the income statement</b> | <b>(8,124)</b> | <b>3,779</b>  | <b>&lt;(100)</b> | <b>(8,124)</b>  | <b>3,779</b>    | <b>&lt;(100)</b> |
| Currency differences  | (8,485)        | 836           | <(100)           | (704)           | 3,110           | <(100)           |
| Currency differences arising from loans   | 6,749          | 437           | >100             | (50)            | (1,230)         | (95.9)           |
| Hedge accounting  | 17             | 91            | (81.3)           | 112             | 226             | (50.4)           |
| Deferred taxes due to hedge accounting  | (4)            | (23)          | 81.5             | (28)            | (56)            | (50.4)           |
| <b>Total of items that will be reclassified ("recycled") subsequently to the income statement</b>     | <b>(1,723)</b> | <b>1,341</b>  | <b>&lt;(100)</b> | <b>(670)</b>    | <b>2,050</b>    | <b>&lt;(100)</b> |
| <b>Subtotal other comprehensive income</b>  | <b>(9,847)</b> | <b>5,120</b>  | <b>&lt;(100)</b> | <b>(8,794)</b>  | <b>5,829</b>    | <b>&lt;(100)</b> |
| <i>thereof due to non-controlling interests</i>   | 3              | 75            | (95.5)           | 13              | 141             | (90.6)           |
| <i>thereof due to shareholders of the parent company</i>  | (9,850)        | 5,045         | <(100)           | (8,807)         | 5,688           | <(100)           |
| <b>Total comprehensive income</b>   | <b>3,948</b>   | <b>11,098</b> | <b>(64.4)</b>    | <b>15,887</b>   | <b>14,598</b>   | <b>8.8</b>       |
| <i>thereof due to non-controlling interests</i>   | 196            | 57            | >100             | 199             | 66              | >100             |
| <i>thereof due to shareholders of the parent company</i>  | 3,752          | 11,041        | (66.0)           | 15,688          | 14,532          | 8.0              |

## Balance Sheet

| in TEUR  | 31 Oct 2019    | in %         | 30 April 2019  | in %         |
|--|----------------|--------------|----------------|--------------|
| Goodwill   | 190,716        | 19.3         | 190,299        | 20.7         |
| Other intangible assets                                  | 53,293         | 5.4          | 50,179         | 5.4          |
| Property, plant and equipment                            | 277,295        | 28.0         | 232,690        | 25.3         |
| Financial assets accounted for at equity                 | 3,881          | 0.4          | 3,863          | 0.4          |
| Financial assets   | 989            | 0.1          | 993            | 0.1          |
| Other assets   | 3,866          | 0.4          | 4,145          | 0.5          |
| Deferred taxes   | 23,096         | 2.3          | 25,487         | 2.8          |
| <b>Non-current assets</b>                                | <b>553,136</b> | <b>55.9</b>  | <b>507,656</b> | <b>55.2</b>  |
| Inventories  | 167,530        | 16.9         | 174,827        | 19.0         |
| Trade receivables  | 172,074        | 17.4         | 162,829        | 17.7         |
| Financial assets   | 185            | 0.0          | 700            | 0.1          |
| Other assets   | 47,193         | 4.8          | 37,566         | 3.9          |
| Liquid funds   | 49,413         | 5.0          | 37,332         | 4.1          |
| <b>Current assets</b>                                    | <b>436,395</b> | <b>44.1</b>  | <b>413,254</b> | <b>44.8</b>  |
| <b>ASSETS</b>  | <b>989,531</b> | <b>100.0</b> | <b>920,910</b> | <b>100.0</b> |
| Share capital  | 108,750        | 11.0         | 108,750        | 11.8         |
| Additional paid-in capital                               | 335,316        | 33.9         | 335,316        | 36.4         |
| reserves   | (191,761)      | (19.4)       | (167,687)      | (18.2)       |
| Net profit for the period                                | 24,495         | 2.5          | (15,267)       | (1.7)        |
| Capital attributed to shareholders of the parent company | 276,800        | 28.0         | 261,112        | 28.3         |
| Capital attributed to non-controlling interests          | 1,865          | 0.2          | 1,666          | 0.2          |
| <b>Equity</b>  | <b>278,665</b> | <b>28.2</b>  | <b>262,778</b> | <b>28.5</b>  |
| Provisions for pensions                                  | 88,300         | 8.9          | 81,752         | 8.9          |
| Provisions for severance compensation                    | 50,830         | 5.1          | 47,479         | 5.2          |
| Provisions for other employee benefits                   | 10,510         | 1.1          | 9,671          | 1.1          |
| Other provisions   | 11,209         | 1.1          | 10,580         | 1.1          |
| Borrowings   | 156,180        | 15.7         | 126,167        | 13.7         |
| Other liabilities  | 880            | 0.1          | 634            | 0.1          |
| Deferred taxes   | 2,635          | 0.3          | 2,583          | 0.3          |
| <b>Non-current liabilities</b>                           | <b>320,544</b> | <b>32.3</b>  | <b>278,866</b> | <b>30.4</b>  |
| Provisions for taxes                                     | 24,333         | 2.5          | 23,421         | 2.5          |
| Other provisions   | 40,236         | 4.1          | 41,839         | 4.5          |
| Borrowings   | 66,346         | 6.7          | 59,877         | 6.5          |
| Trade payables   | 126,701        | 12.8         | 137,397        | 14.9         |
| Other liabilities  | 132,706        | 13.4         | 116,732        | 12.7         |
| <b>Current liabilities</b>                               | <b>390,322</b> | <b>39.5</b>  | <b>379,266</b> | <b>41.1</b>  |
| <b>EQUITY AND LIABILITIES</b>                            | <b>989,531</b> | <b>100.0</b> | <b>920,910</b> | <b>100.0</b> |

# Cash Flow Statement

| in TEUR   | 1 HY 2019/20    | 1 HY 2018/19    |
|---|-----------------|-----------------|
| Profit before tax   | 31,115          | 11,594          |
| Depreciation and amortisation   | 31,571          | 25,982          |
| Gain/loss on the disposal of property, plant and equipment and intangible assets            | 148             | 157             |
| Other non-cash financial results  | 1,737           | 3,565           |
| Interest income/ Interest expense   | 3,825           | 3,582           |
| Share of profit or loss in companies accounted for at equity                                | (17)            | 407             |
| Changes in the scope of consolidation   | (113)           | 0               |
| <b>Cash flow from operating results</b>   | <b>68,266</b>   | <b>45,287</b>   |
| Inventories   | 6,861           | 3,206           |
| Trade receivables   | (7,751)         | (2,589)         |
| Trade payables  | (10,050)        | (8,720)         |
| Prepayments received  | 3,009           | 8,642           |
| <b>Change in working capital</b>  | <b>(7,931)</b>  | <b>539</b>      |
| Non-current provisions  | (1,187)         | (1,058)         |
| Current provisions  | (1,512)         | (5,424)         |
| Other assets  | (8,957)         | (8,573)         |
| Other liabilities   | 11,165          | 12,366          |
| <b>Change in other operating items</b>  | <b>(491)</b>    | <b>(2,689)</b>  |
| <b>Income taxes paid</b>  | <b>(1,485)</b>  | <b>(1,559)</b>  |
| <b>Cash flow from operating activities</b>  | <b>58,359</b>   | <b>41,578</b>   |
| Cash inflows from the disposal of property, plant and equipment and other intangible assets | 454             | 612             |
| Cash outflows for the purchase of property, plant and equipment and other intangible assets | (24,636)        | (33,309)        |
| Change in non-current and current financial assets  | 16              | 146             |
| <b>Cash flow from investing activities</b>  | <b>(24,166)</b> | <b>(32,551)</b> |
| <b>FREE CASH FLOW</b>   | <b>34,193</b>   | <b>9,027</b>    |
| Cash proceeds from non-current and current borrowings                                       | 0               | 41,432          |
| Cash repayments of non-current and current borrowings                                       | (13,495)        | (69,873)        |
| Interest paid   | (3,918)         | (3,776)         |
| Interest received   | 157             | 242             |
| <b>Cash flow from financing activities</b>  | <b>(17,256)</b> | <b>(31,975)</b> |
| <b>CHANGE IN CASH AND CASH EQUIVALENTS</b>  | <b>16,937</b>   | <b>(22,948)</b> |
| Cash and cash equivalents at the beginning of the year                                      | 19,605          | 72,446          |
| Cash and cash equivalents at the end of the year  | 36,240          | 50,896          |
| Effects of exchange rate changes on cash and cash equivalents                               | (302)           | 1,398           |
| <b>Change absolute</b>  | <b>16,937</b>   | <b>(22,948)</b> |

# Statement of Changes in Equity

## 1st Half-Year 2019/20

| in TEUR                               | Attributed to shareholders of the parent company |                            |                 |                  |                  |                  | Total          | Non-controlling interests | Total equity   |
|---------------------------------------|--|----------------------------|-----------------|------------------|------------------|------------------|----------------|---------------------------|----------------|
|                                       | Share capital                                    | Additional paid-in capital | Other reserves  | Currency reserve | Hedge accounting | Reserve IAS 19   |                |                           |                |
| <b>30 April 2019</b>                  | <b>108,750</b>                                   | <b>335,316</b>             | <b>(24,141)</b> | <b>(38,020)</b>  | <b>(260)</b>     | <b>(120,533)</b> | <b>261,112</b> | <b>1,666</b>              | <b>262,778</b> |
| +/- Net profit for the period         | 0  | 0                          | 24,495          | 0                | 0                | 0                | 24,495         | 186                       | 24,681         |
| +/- Other comprehensive income        | 0  | 0                          | 0               | (767)            | 84               | (8,124)          | (8,807)        | 13                        | (8,794)        |
| <b>+/- Total comprehensive income</b> | <b>0</b>   | <b>0</b>                   | <b>24,495</b>   | <b>(767)</b>     | <b>84</b>        | <b>(8,124)</b>   | <b>15,688</b>  | <b>199</b>                | <b>15,887</b>  |
| +/- Dividends                         | 0  | 0                          | 0               | 0                | 0                | 0                | 0              | 0                         | 0              |
| <b>31 October 2019</b>                | <b>108,750</b>                                   | <b>335,316</b>             | <b>354</b>      | <b>(38,787)</b>  | <b>(176)</b>     | <b>(128,657)</b> | <b>276,800</b> | <b>1,865</b>              | <b>278,665</b> |

## 1st Half-Year 2018/2019

| in TEUR                               | Attributed to shareholders of the parent company |                            |                 |                  |                  |                  | Total          | Non-controlling interests | Total equity   |
|---------------------------------------|--|----------------------------|-----------------|------------------|------------------|------------------|----------------|---------------------------|----------------|
|                                       | Share capital                                    | Additional paid-in capital | Other reserves  | Currency reserve | Hedge accounting | Reserve IAS 19   |                |                           |                |
| <b>30 April 2018</b>                  | <b>108,750</b>                                   | <b>335,316</b>             | <b>(10,900)</b> | <b>(42,987)</b>  | <b>(432)</b>     | <b>(125,206)</b> | <b>264,541</b> | <b>3,802</b>              | <b>268,343</b> |
| Adjustment IFRS 9                     | 0  | 0                          | 377             | 0                | 0                | 0                | 377            | 0                         | 377            |
| <b>1 May 2018</b>                     | <b>108,750</b>                                   | <b>335,316</b>             | <b>(10,523)</b> | <b>(42,987)</b>  | <b>(432)</b>     | <b>(125,206)</b> | <b>264,918</b> | <b>3,802</b>              | <b>268,720</b> |
| +/- Net profit for the period         | 0  | 0                          | 8,844           | 0                | 0                | 0                | 8,844          | (75)                      | 8,769          |
| +/- Other comprehensive income        | 0  | 0                          | 0               | 1,739            | 170              | 3,779            | 5,688          | 141                       | 5,829          |
| <b>+/- Total comprehensive income</b> | <b>0</b>   | <b>0</b>                   | <b>8,844</b>    | <b>1,739</b>     | <b>170</b>       | <b>3,779</b>     | <b>14,532</b>  | <b>66</b>                 | <b>14,598</b>  |
| +/- Dividends                         | 0  | 0                          | 0               | 0                | 0                | 0                | 0              | 0                         | 0              |
| <b>31 October 2018</b>                | <b>108,750</b>                                   | <b>335,316</b>             | <b>(1,679)</b>  | <b>(41,248)</b>  | <b>(262)</b>     | <b>(121,427)</b> | <b>279,450</b> | <b>3,868</b>              | <b>283,318</b> |

The balance sheet position "reserves" comprises other reserves as well as the currency reserve, the reserve for hedge accounting, the reserve for stock options and the IAS 19 reserve for "employee benefits".

# Notes

## Accounting and Valuation Methods

The condensed consolidated interim financial statements as of 31 October 2019 were prepared in accordance with the principles set forth in International Financial Reporting Standards (IAS 34, Interim Financial Reporting). The company has elected to make use of the option set forth in IAS 34 and provide selected explanatory notes.

These condensed consolidated interim financial statements were prepared in accordance with all IAS/IFRS issued by the International Accounting Standards Board (IASB) as well as all interpretations (IFRIC/SIC) of the International Financial Reporting Interpretations Committee and Standing Interpretations Committee that were adopted by the European Union through its endorsement procedure and were applicable as of the balance sheet date

The accounting and valuation methods applied as of 31 October 2019 reflect the methods applied in preparing the consolidated financial statements as of 30 April 2019, with the exception of the IFRSs which require mandatory application as of 1 January 2019.

In order to improve the transparency and explanatory power of the condensed consolidated interim financial statements, certain items were combined on the balance sheet and income statement and are presented separately in the notes. The amounts in the tables are presented in thousand euros (TEUR), unless stated otherwise. The use of automatic data processing equipment can lead to rounding differences.

The quarterly financial statements of the companies included in the condensed consolidated financial statements were prepared on the basis of uniform accounting and valuation principles.

The preparation of condensed consolidated interim financial statements in accordance with IFRS requires the use of estimates and assumptions by management, which have an influence on the amount and reporting of recognised assets and liabilities, income and expenses, and the disclosures on contingent liabilities in the interim financial report. Actual values may differ from these assumptions and estimates.

## Effects of new and revised standards and interpretations

The following standards and interpretations were adopted by the European Union and require mandatory application as of the last balance sheet date:

| Standards and Interpretations |  | Mandatory application<br>in financial years beginning<br>on or after |
|-------------------------------|--|--|
| IAS 19                        | Change: Plan amendments, curtailments or settlements             | 1 January 2019   |
| IAS 28                        | Change: Long-term interests in associates and joint ventures     | 1 January 2019   |
| IAS 23, IFRS 3 and IFRS 11    | Annual Improvements to IFRS<br>(Cycle 2015-2017)                 | 1 January 2019   |
| IFRS 9                        | Change: Early repayment options with negative prepayment penalty | 1 January 2019   |
| IFRS 16                       | Leases   | 1 January 2019   |
| IFRIC 23                      | Uncertainty over income tax treatments                           | 1 January 2019   |

### IFRS 16 – Leases

The IASB issued IFRS 16 "Leases" in January 2016 to replace, among others, IAS 17 "Leases" and IFRIC 4 "Determining whether an Arrangement contains a Lease" as of 1 January 2019. IFRS 16 eliminates the classification as operating leases or finance leases for the lessee. As a replacement, it introduces a standard accounting model which requires lessees to recognise usage rights and corresponding liabilities for leases with a term of more than 12 months.

The application of IFRS 16 results in the recognition of operating leases that were previously not recognised – generally in line with the current accounting treatment applied to finance leases. The accounting rules for lessors were transferred nearly unchanged from IAS 17 to IFRS 16, which means the lessor can continue to classify leases as financing or operating leases.

The Zumtobel Group waived the early application of this standard and decided in favour of the modified retrospective method. IFRS 16 was initially applied as of 1 May 2019, and the comparative prior year data were not adjusted. The cumulative effects of the initial application as of 1 May 2019 are as follows:

| in TEUR                                  | As of<br>30.04.2019 | IFRS 16<br>adjustment | As of<br>01.05.2019 |
|--|---------------------|-----------------------|---------------------|
| <b>ASSETS</b>                            |                     |                       |                     |
| <b>Non-current assets</b>                |                     |                       |                     |
| Property, plant and equipment            | 232,690             | 52,534                | 285,224             |
| <b>EQUITY AND LIABILITIES</b>            |                     |                       |                     |
| <b>Non-current financial liabilities</b> |                     |                       |                     |
| Lease liabilities                        | 16,063              | 38,918                | 54,981              |
| <b>Current financial liabilities</b>     |                     |                       |                     |
| Lease liabilities                        | 1,023               | 13,616                | 14,639              |

For the identified leases, lease liabilities were recognised for future payments and discounted at the incremental borrowing rate of the respective lessee. The weighted average incremental borrowing rate of the lessees equalled 4.13% as of 1 May 2019. The incremental borrowing rates were based on a reference interest rate plus a risk premium. Rights of use were recognised at amounts corresponding to the lease liabilities. This led to an increase of TEUR 52,534 in property, plant and equipment as reported on the balance sheet. Land and buildings, motor vehicles and other property, plant and equipment were identified as categories. Most of the contracts, based on the number, represent motor vehicle leases. Most of the contracts, based on the value of the right of use, are related to the rental of buildings (TEUR 45,804).

The following practical expedients were applied in connection with the initial application of IFRS 16:

- >> Leases with a term ending within 12 months of the initial application date were not recognised.
- >> Initial direct costs were not included in the valuation of the right of use as of the initial application date.
- >> Low-value assets (< TEUR 5) were not recognised.
- >> The revised definition of a lease was applied to new contracts. The original estimate was taken over for existing contracts ("grandfathering" method) as of the initial application date.

New lease and rental agreements were concluded in the period after the initial application. The rights of use totalled TEUR 54,417 as of 31 October 2019. Leased assets with a combined value of TEUR 6,595 (as of 1 May 2019: TEUR 6,065) which were recorded according to the previous rules as property, plant and equipment obtained through finance leases are also reported under rights of use.

Amortisation to the rights of use asset totalled TEUR 7,836 for the reporting period.

The major differences between the liabilities for operating leases reported in the notes to the consolidated financial statements as of 30 April 2019 (TEUR 44,287) and the recognised lease liabilities as of 1 May 2019 (TEUR 52,534) are based on the following:

- >> Sufficient certain extension and cancellation options
- >> Discounting effects
- >> Non-lease components
- >> Short-term leases with a term of less than 12 months of the initial application date
- >> Low-value leases

In the first half of 2019/20, expenses of TEUR 2,944 resulted from current leases, low-value leases and service components. Interest expense of TEUR 1,042 was recognised in connection with leasing.

Lease liabilities totalling TEUR 13,558 are due within the next 12 months and are therefore reported as current lease liabilities.

The development of the rights of use and lease liabilities during the reporting period is shown below:

| in TEUR                  | 01.05.2019 | Amortisation | Repayment | Addition | Modification | 31.10.2019 |
|--------------------------|------------|--------------|-----------|----------|--------------|------------|
| <b>Rights of use</b>     | 58,599     | (7,836)      |           | 3,100    | (466)        | 54,417     |
| <b>Lease liabilities</b> | (69,620)   |              | 8,339     | (3,100)  | (295)        | (64,830)   |

#### Other standards/interpretations

The effects of the changes resulting from the other new standards and interpretations were analysed and had no material effects on these consolidated interim financial statements.

The following new or revised IAS/IFRS/IFRIC interpretations were not applied prematurely. These standards and interpretations were published, but do not yet require mandatory application and/or were not yet adopted by the European Union through its endorsement process. Consequently, they were not applied by the Zumtobel Group in 2019/20:

| Standards and Interpretations | Mandatory application<br>in financial years beginning<br>on or after   |                |
|-------------------------------|--|----------------|
| Various                       | Changes in the Framework Concept   | 1 January 2020 |
| IFRS 3                        | Changes to IFRS 3 Definition of a business   | 1 January 2020 |
| IAS 1 / IAS 8                 | Changes to IAS 1 / IAS 8 Definition of materiality   | 1 January 2020 |
| IFRS 17                       | Insurance Contracts  | 1 January 2021 |
| Various                       | Changes to IFRS 10 und IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Still open     |

## Possible Effects of the Brexit

The ongoing uncertainty over the Brexit led to a decision by the Zumtobel Group to install an internal task force to address the current situation. A variety of measures have been implemented in preparation for a "no deal scenario" – examples include the reduction of logistics and customs-processing capacity, the adjustment of business structures and protection for the continued operation of accounting and controlling systems.

## Foreign Currency Translation

The most important currencies for the conversion of the subsidiaries' financial statements into EUR are listed in the following table:

| 1 EUR equals | Average exchange rate: |                 | Closing rate: Balance Sheet |               |
|--------------|------------------------|-----------------|-----------------------------|---------------|
|              | Income Statement       |                 | 31 October 2019             | 30 April 2019 |
|              | 31 October 2019        | 31 October 2018 |                             |               |
| AUD          | 1.6214                 | 1.5865          | 1.6137                      | 1.5911        |
| CHF          | 1.1051                 | 1.1511          | 1.1007                      | 1.1437        |
| USD          | 1.1143                 | 1.1640          | 1.1154                      | 1.1218        |
| SEK          | 10.6941                | 10.3719         | 10.7498                     | 10.6350       |
| GBP          | 0.8905                 | 0.8861          | 0.8613                      | 0.8625        |

## Scope of consolidation

The condensed consolidated interim financial statements include all major Austrian and foreign companies that are controlled by Zumtobel Group AG. The changes in the scope of consolidation during the interim financial period are shown below:

|   | Consolidation Method |           |           |
|---|----------------------|-----------|-----------|
|   | full                 | at equity | Total     |
| <b>30 April 2019</b>                          | <b>94</b>            | <b>2</b>  | <b>96</b> |
| Included during reporting year for first time | 0                    | 0         | 0         |
| <i>thereof newly founded</i>                  | 0                    | 0         | 0         |
| Merged during reporting year                  | 0                    | (1)       | (1)       |
| Liquidated during reporting year              | (1)                  | 0         | (1)       |
| Loss of significant influence                 | 0                    | 0         | 0         |
| <b>31 October 2019</b>                        | <b>93</b>            | <b>1</b>  | <b>94</b> |

- >> ZG Innovation France SAS, France, was liquidated and deconsolidated in September 2019.
- >> The remaining shares in the previously equity-accounted LED FMT GmbH, Austria (formerly LEXEDIS Lighting GmbH, Austria), were acquired and merged with Zumtobel LED GmbH, Austria, in May 2019. The initial consolidation resulted in income of TEUR 1,970, which is reported under special effects.

The changes in the consolidation range did not have a material effect on the interim consolidated financial statements.

## Notes to the Income Statement

The following comments explain the major changes to individual items in relation to the comparable prior year period.

### Seasonality

Sales volumes are generally higher during the first two quarters than in the second half-year for seasonal reasons; in particular, the third quarter falls significantly below the average. This distribution reflects the Group's dependency on developments in the construction industry as well as the seasonal distribution of business in this sector.

### Revenues

Revenues include an adjustment of TEUR 21,366 (previous year: TEUR 23,651) for sales deductions (primarily customer discounts). Gross revenues total TEUR 625,202 (previous year: TEUR 618,773).

Revenues recorded by the Zumtobel Group resulted from the sale of lighting, components and services. Sales of lighting and components are recognised at a point in time. In contrast, the sale of services is recognised over time – i.e. on a monthly basis.

### Expenses

The income statement was prepared in accordance with the cost of sales method. The following categories of income and expenses are included in the cost of goods sold (incl. development costs), selling expenses (incl. research costs), administrative expenses and other operating results:

#### 1st Half-Year 2019/20

| in TEUR               | Cost of goods sold | Selling expenses | Administrative expenses | Other operating results | Total            |
|-----------------------|--------------------|------------------|-------------------------|-------------------------|------------------|
| Cost of materials     | (274,885)          | (2,134)          | (41)                    | 0                       | (277,060)        |
| Personnel expenses    | (91,033)           | (84,171)         | (14,901)                | (551)                   | (190,656)        |
| Depreciation          | (22,221)           | (8,835)          | (515)                   | 0                       | (31,571)         |
| Other expenses        | (30,675)           | (48,916)         | (6,247)                 | (1,199)                 | (87,037)         |
| Own work capitalised  | 8,843              | 243              | 23                      | 0                       | 9,109            |
| Internal charges      | (2,857)            | (3,623)          | 6,480                   | 0                       | 0                |
| <b>Total expenses</b> | <b>(412,827)</b>   | <b>(147,436)</b> | <b>(15,201)</b>         | <b>(1,750)</b>          | <b>(577,214)</b> |
| <b>Other income</b>   | <b>1,696</b>       | <b>872</b>       | <b>266</b>              | <b>7,204</b>            | <b>10,038</b>    |
| <b>Total</b>          | <b>(411,131)</b>   | <b>(146,564)</b> | <b>(14,935)</b>         | <b>5,454</b>            | <b>(567,176)</b> |

## 1st Half-Year 2018/19

| in TEUR               | Cost of goods sold | Selling expenses | Administrative expenses | Other operating results | Total            |
|-----------------------|--------------------|------------------|-------------------------|-------------------------|------------------|
| Cost of materials     | (265,996)          | (2,434)          | (31)                    | (2)                     | (268,463)        |
| Personnel expenses    | (95,302)           | (83,371)         | (17,397)                | (2,846)                 | (198,916)        |
| Depreciation          | (20,921)           | (2,892)          | (505)                   | (1,664)                 | (25,982)         |
| Other expenses        | (34,881)           | (59,506)         | (7,963)                 | (1,231)                 | (103,581)        |
| Own work capitalised  | 10,039             | 132              | 12                      | 0                       | 10,183           |
| Internal charges      | (3,655)            | (2,720)          | 6,375                   | 0                       | 0                |
| <b>Total expenses</b> | <b>(410,716)</b>   | <b>(150,791)</b> | <b>(19,509)</b>         | <b>(5,743)</b>          | <b>(586,759)</b> |
| <b>Other income</b>   | <b>4,179</b>       | <b>1,553</b>     | <b>114</b>              | <b>4,940</b>            | <b>10,786</b>    |
| <b>Total</b>          | <b>(406,537)</b>   | <b>(149,238)</b> | <b>(19,395)</b>         | <b>(803)</b>            | <b>(575,973)</b> |

The cost of goods sold includes development costs of TEUR 28,643 (previous year: TEUR 29.953). The cost of materials includes a special effect of TEUR 7.900 for a warranty case provision in Great Britain.

Development costs of TEUR 8,529 (previous year: TEUR 9,391) were capitalised during the reporting period. The amortisation of capitalised development costs amounted to TEUR 6,068 (previous year TEUR 6,290).

## Other Operating Results

| in TEUR                                  | Q2 2019/20     | Q2 2018/19     | 1 HY 2019/20   | 1 HY 2018/19   |
|--|----------------|----------------|----------------|----------------|
| Government grants                        | 2,386          | 2,164          | 2,398          | 2,164          |
| License revenues                         | 176            | 909            | 1,412          | 2,285          |
| Gains on sale                            | 0              | 0              | 325            | 0              |
| Changes in the scope of consolidation    | 2,171          | 0              | 2,096          | 0              |
| Other income                             | 551            | 343            | 973            | 491            |
| <b>Other operating income</b>            | <b>5,283</b>   | <b>3,417</b>   | <b>7,204</b>   | <b>4,940</b>   |
| Impairment charges to non-current assets | (58)           | 0              | (58)           | (1,432)        |
| Restructuring                            | (1,028)        | (2,894)        | (1,692)        | (3,931)        |
| Changes in the scope of consolidation    | 0              | 0              | 0              | (269)          |
| Other expenses                           |                | (113)          |                | (111)          |
| <b>Other operating expenses</b>          | <b>(1,086)</b> | <b>(3,007)</b> | <b>(1,750)</b> | <b>(5,743)</b> |

As in the previous year, government grants for the first half of 2019/20 represent subsidies recognised directly to income.

License income for the reporting period comprises income from the LED business, similar to the first half of the previous year.

The special effects reported in the first half of 2019/20 include TEUR 7,900 cost of materials, TEUR 552 of personnel expenses, TEUR 58 of depreciation and amortisation and other operating income of TEUR 1,281.

The special effects are classified as follows:

| in TEUR  | Q2 2019/20     | Q2 2018/19     | 1 HY 2019/20   | 1 HY 2018/19   |
|--|----------------|----------------|----------------|----------------|
| Reorganisation management and sales                                    | (453)          | (2,098)        | (514)          | (2,809)        |
| Impairment capitalized R&D   |                |                |                | (1,432)        |
| Expenses related to sale of facility Les Andelys (FR)                  |                | (97)           |                | (242)          |
| Restructuring operations - Lighting Segment                            |                | (11)           |                | (38)           |
| Restructuring other facilities   | (558)          |                | (1,229)        |                |
| Deconsolidation effects  | 115            |                | 126            | (269)          |
| Warranty case outdoor luminaires (UK)                                  | (7,900)        |                | (7,900)        |                |
| <b>Lighting Segment</b>  | <b>(8,796)</b> | <b>(2,206)</b> | <b>(9,517)</b> | <b>(4,790)</b> |
| Restructuring facility Jennersdorf (AT)                                | 0              |                | 318            |                |
| Restructuring operations - Components Segment                          |                | (212)          |                | (407)          |
| <b>Components Segment</b>  | <b>0</b>       | <b>(212)</b>   | <b>318</b>     | <b>(407)</b>   |
| Deconsolidation effects  | 11             |                |                | (435)          |
| Restructuring management board   |                | (476)          |                |                |
| First time consolidation LED FMT GmbH (formerly Lexedis Lighting GmbH) | 1,970          |                | 1,970          |                |
| <b>Central Functions</b>   | <b>1,981</b>   | <b>(476)</b>   | <b>1,970</b>   | <b>(435)</b>   |
| <b>Total</b>   | <b>(6,815)</b> | <b>(2,894)</b> | <b>(7,229)</b> | <b>(5,632)</b> |

The effects reported here are classified as special effects in accordance with IAS 1.98. Thereof TEUR -7.900 (previous year: TEUR 0) are included in the cost of materials and TEUR 671 (previous year: TEUR -5.632) in other operating income and expenses.

### Interest Expense

Interest expense consists primarily of interest on the current credit agreement and interest expense from finance lease.

### Other Financial Income and Expenses

| in TEUR   | Q2 2019/20     | Q2 2018/19     | 1 HY 2019/20   | 1 HY 2018/19   |
|---|----------------|----------------|----------------|----------------|
| Interest component as per IAS 19 less income on plan assets | (1,222)        | (806)          | (1,961)        | (1,616)        |
| Foreign exchange gains and losses                           | 794            | (1,735)        | 959            | (1,770)        |
| Market valuation of financial instruments                   | (1,365)        | (609)          | (735)          | (999)          |
| Losses on sale/Impairment                                   | 0              | 0              | 0              | 1              |
| <b>Total</b>  | <b>(1,793)</b> | <b>(3,150)</b> | <b>(1,737)</b> | <b>(4,385)</b> |

Foreign exchange gains and losses include realised and unrealised foreign exchange gains and losses from receivables and liabilities as well as realised foreign exchange gains and losses from currency futures.

The position "market valuation of financial instruments" shows the results from the measurement of currency futures at the applicable market prices as of the balance sheet date.

## Income Taxes

The classification of income taxes into current and deferred taxes is shown in the following table:

| in TEUR              | Q2 2019/20     | Q2 2018/19     | 1 HY 2019/20   | 1 HY 2018/19   |
|----------------------|----------------|----------------|----------------|----------------|
| Current taxes        | (1,022)        | (1,152)        | (1,955)        | (2,784)        |
| thereof current year | (907)          | (1,172)        | (1,840)        | (2,802)        |
| thereof prior years  | (115)          | 20             | (115)          | 18             |
| Deferred taxes       | (2,707)        | (32)           | (4,479)        | (41)           |
| <b>Income taxes</b>  | <b>(3,729)</b> | <b>(1,184)</b> | <b>(6,434)</b> | <b>(2,825)</b> |

## Earnings per Share

Basic earnings per share are calculated by dividing net profit for the period by the weighted average number of shares outstanding as of the balance sheet date for these interim financial statements (43,146,657 shares).

## Notes to the Statement of Comprehensive Income

### Actuarial Gains/Losses

The reported actuarial losses resulted from revaluation effects in the Group's pension and severance compensation obligations. These effects are related primarily to the decline in interest rates in Switzerland, Great Britain, Germany and Austria during the first half of 2019/20.

### Currency Differences

This position comprises translation effects from the conversion of subsidiaries' financial statements as well as the effects of foreign currency-related adjustments to goodwill following the application of IAS 21 ("The Effects of Changes in Foreign Exchange Rates").

### Currency Differences arising from Loans

These currency differences result from long-term SEK, GBP and USD loans that qualify for classification as a net investment in a foreign operation and must therefore be reported under comprehensive income. This position also includes currency differences resulting from an interest rate hedge (net investment hedge).

### Hedge Accounting

The amount of TEUR 112 reported under hedge accounting (previous year: TEUR 226) resulted from a change in the market value of derivatives that qualify for hedge accounting and were concluded to hedge interest rate risk.

### Deferred Taxes

Deferred taxes of TEUR 2,003 were recognised in other comprehensive income during the first half of 2019/20 (previous year: TEUR –229). They include TEUR 2,031 (previous year: TEUR –172) from the provisions for pensions and severance compensation due to actuarial losses (previous year: gains) in accordance with IAS 19 "Employee Benefits" and TEUR –28 (previous year: TEUR –56) from the hedge accounting reserve. Deferred tax assets were not recorded for the actuarial losses attributable to a pension plan in a British Group company because the related amounts are immaterial.

## Notes to the Balance Sheet

The following comments refer to major changes in individual items compared to the balance sheet date on 30 April 2019.

### Goodwill

The goodwill arising from the acquisition of the Thorn Lighting Group is allocated to the "CGU Lighting" to reflect the organisational structure and tested annually, or more frequently if required, for indications of impairment at the Lighting Segment level. There were no indications for an impairment during the first half of 2019/20. The "CGU Lighting" represents the operating Lighting Segment in the sense of IFRS 8.5.

The application of IAS 21 ("The Effects of Changes in Foreign Exchange Rates") led to foreign currency-based adjustments of TEUR 417 to goodwill in the first half of 2019/20 (previous year: TEUR 2,404) which were not recognised through profit or loss. These foreign exchange effects are allocated to assets in the Lighting Segment for segment reporting.

### Property, plant and equipment

The increase in property, plant and equipment resulted from the initial application of IFRS 16 "Leases" in the current financial year. The rights of use reported by the Zumtobel Group as of 31 October 2019 totalled TEUR 54,417. This amount includes leased assets of TEUR 6,595, which were recorded under the previous rules as property, plant and equipment obtained through finance leases.

### Trade Receivables

The growth in trade payables over the level on 30 April 2019 resulted primarily from a year-on-year increase in the volume of business.

### Other Current Assets

The increase in other current assets resulted, above all, from higher prepayments to suppliers and, additionally, from a higher balance of VAT receivables as of 31 October 2019.

### Non-current Provisions

The increase in the provisions for pensions, severance compensation and other employee-related provisions is primarily attributable to revaluation effects of TEUR 10,641 from the IAS 19 obligations. These effects resulted primarily from the decline in interest rates in Switzerland, Great Britain, Germany and Austria during the first half of 2019/20. The increase in other non-current provisions is related to higher warranty provisions.

### Non-current Financial Liabilities

The increase in non-current financial liabilities resulted chiefly from the initial application of IFRS 16 "Leases". The non-current lease liabilities reported by the Zumtobel Group as of 31 October 2019 totalled TEUR 51,272. This amount includes lease obligations of TEUR 15,486, which were recorded as finance leases under the previous rules.

A contrary effect resulted from the reduction in the amount drawn under the consortium credit agreement from TEUR 25,000 as of 30 April 2019 to TEUR 20,000 as of 31 October 2019.

### **Current Financial Liabilities**

The increase in current financial liabilities resulted, above all, from the initial application of IFRS 16 “Leases“ in the current financial year. The current lease liabilities reported by the Zumtobel Group as of 31 October 2019 totalled TEUR 13,558. This amount includes lease obligations of TEUR 1,045, which were recorded as finance leases under the previous rules. A contrary effect resulted from a reduction of TEUR 4,300 in current bank liabilities.

### **Trade Payables**

The decline in trade payables is based chiefly on a reduction in inventories.

### **Other Current Liabilities**

The increase in other current liabilities is chiefly attributable to tax liabilities and prepayments received.

### **Determination of Fair Value**

The determination of fair value is based on a three-level hierarchy that reflects the valuation certainty.

- Level 1: Listed prices on active markets for identical instruments
- Level 2: Valuation based on input factors that can be monitored on the market
- Level 3: Valuation based on input factors that cannot be monitored on the market

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels on the fair value hierarchy. It does not include any information on the fair value of financial assets or financial that are not carried at fair value when the carrying amount represents an approximation of fair value.

## 31 October 2019

### Assets

| in TEUR   | Carrying amount | Accounting at |                | Fair value | Level 1 | Level 2 | Level 3 |
|---|-----------------|---------------|----------------|------------|---------|---------|---------|
|   |                 | fair value    | amortized cost |            |         |         |         |
| Non-current financial assets                                  | 989             | 578           | 411            |            |         |         |         |
| <i>Securities and similar rights</i>                          | 578             | 578           | -              | 578        |         |         | 578     |
| <i>Loans originated and other receivables</i>                 | 411             | -             | 411            |            |         |         |         |
| Current financial assets                                      | 185             | 157           | 28             |            |         |         |         |
| <i>Loans originated and other receivables</i>                 | 28              | -             | 28             |            |         |         |         |
| <i>Positive market values of derivatives held for trading</i> | 157             | 157           | -              | 157        |         | 157     |         |
| Trade receivables   | 172,074         | -             | 172,074        |            |         |         |         |
| Liquid funds  | 49,413          | 49,413        |                | 49,413     |         |         |         |
| <b>Total</b>  | <b>222,661</b>  | <b>50,148</b> | <b>172,513</b> |            |         |         |         |

### Liabilities

| in TEUR   | Carrying amount | Accounting at |                | Fair value | Level 1 | Level 2 | Level 3 |
|---|-----------------|---------------|----------------|------------|---------|---------|---------|
|   |                 | fair value    | amortized cost |            |         |         |         |
| Non-current borrowings  | 156,180         | -             | 156,180        |            |         |         |         |
| <i>Loans received</i>   | 104,909         | -             | 104,909        | 105,317    |         |         |         |
| <i>Finance leases</i>   | 51,271          | -             | 51,271         |            |         |         |         |
| Other non-current liabilities                                   | 348             | 348           | -              | 348        |         |         | 348     |
| Current borrowings  | 66,346          | -             | 66,346         |            |         |         |         |
| <i>Loans received</i>   | 52,788          | -             | 52,788         | 52,969     |         |         |         |
| <i>Finance leases</i>   | 13,558          | -             | 13,558         |            |         |         |         |
| Trade payables  | 126,701         | -             | 126,701        |            |         |         |         |
| Other current liabilities                                       | 4,654           | 4,571         | 83             |            |         |         |         |
| <i>Negative market values of derivatives held for trading</i>   | 162             | 162           | -              | 162        |         | 162     |         |
| <i>Negative market values of derivatives (hedge accounting)</i> | 4,409           | 4,409         |                | 4,409      |         | 4,409   |         |
| <i>Other</i>  | 83              | -             | 83             |            |         |         |         |
| <b>Total</b>  | <b>354,229</b>  | <b>4,919</b>  | <b>349,310</b> |            |         |         |         |

### 30 April 2019

#### Assets

| in TEUR   | Carrying amount | Accounting at |                | Fair value | Level 1 | Level 2 | Level 3 |
|---|-----------------|---------------|----------------|------------|---------|---------|---------|
|   |                 | fair value    | amortized cost |            |         |         |         |
| Non-current financial assets                                  | 993             | 577           | 416            |            |         |         |         |
| <i>Securities and similar rights</i>                          | 577             | 577           | -              | 577        |         |         | 577     |
| <i>Loans originated and other receivables</i>                 | 416             | -             | 416            |            |         |         |         |
| Current financial assets                                      | 700             | 662           | 38             |            |         |         | -       |
| <i>Loans originated and other receivables</i>                 | 38              | -             | 38             |            |         |         |         |
| <i>Positive market values of derivatives held for trading</i> | 662             | 662           | -              | 662        |         | 662     |         |
| Trade receivables   | 162,829         | -             | 162,829        |            |         |         |         |
| Liquid funds  | 37,332          | 37,332        |                | 37,332     |         |         |         |
| <b>Total</b>  | <b>201,854</b>  | <b>1,239</b>  | <b>200,615</b> |            |         |         |         |

#### Liabilities

| in TEUR   | Carrying amount | Accounting at |                | Fair value | Level 1 | Level 2 | Level 3 |
|---|-----------------|---------------|----------------|------------|---------|---------|---------|
|   |                 | fair value    | amortized cost |            |         |         |         |
| Non-current borrowings  | 126,167         | -             | 126,167        |            |         |         |         |
| <i>Loans received</i>   | 110,104         | -             | 110,104        | 111,326    |         |         |         |
| <i>Finance leases</i>   | 16,063          | -             | 16,063         |            |         |         |         |
| Other non-current liabilities                                   | 338             | 338           | -              | 338        |         |         | 338     |
| Current borrowings  | 59,877          | -             | 59,877         |            |         |         |         |
| <i>Loans received</i>   | 58,858          | -             | 58,858         | 59,332     |         |         |         |
| <i>Finance leases</i>   | 1,019           | -             | 1,019          |            |         |         |         |
| Trade payables  | 137,397         | -             | 137,397        |            |         |         |         |
| Other current liabilities                                       | 4,260           | 4,167         | 93             |            |         |         |         |
| <i>Negative market values of derivatives held for trading</i>   | 175             | 175           | -              | 175        |         | 175     |         |
| <i>Negative market values of derivatives (hedge accounting)</i> | 3,992           | 3,992         |                | 3,992      |         | 3,992   |         |
| <i>Other</i>  | 93              | -             | 93             |            |         |         |         |
| <b>Total</b>  | <b>328,039</b>  | <b>4,505</b>  | <b>323,534</b> |            |         |         |         |

Various balance sheet positions also include assets and liabilities that do not represent financial instruments as defined in IAS 32 "Financial Instruments – Presentation" (Non-FI). Included here, for example, are prepaid expenses, deferred charges, suppliers with debit balances and social security or tax payments.

In Zumtobel Group AG, the calculation of fair value is based primarily on input factors that can be monitored on the market (Level 2). The fair value of forward exchange contracts is determined by calculating the present value of the related cash flows based on the observable market interest rate curves for the respective currency and the exchange rates in effect on the valuation date. The fair value of the remaining derivative financial instruments can be reliably determined as of each balance sheet date because these measurements are based on input factors that can be monitored on the market. These valuations reflect the Level 2 criteria. The financial instruments classified under Level 2 represent the derivatives included under financial assets and financial liabilities. The risks arising from the non-fulfilment of financial assets and liabilities are reflected in discounts, in cases where these risks are material.

The other non-current liabilities of TEUR 338 (previous year: TEUR 355) reflect obligations arising from the call/put option for the purchase of the remaining 40% of accdc in 2020. The purchase price for the remaining share is linked to the future development of accdc's revenues. The valuation of this obligation at fair value is based on accdc's forecasted revenues.

The consolidated interim financial statements of Zumtobel Group AG as of 31 October 2019 also include an insignificant scope of financial instruments whose valuation is not based on listed prices or input factors that can be monitored on the market (Level 3). These items consist primarily of minor shareholdings in various companies. There have been no significant changes in these shareholdings since 30 April 2019, and no profit distributions were received on these investments during the reporting period.

These consolidated interim financial statements do not include any financial instruments whose valuation is based on listed prices on active markets (Level 1).

## Notes to the Cash Flow Statement

Cash flow is determined on a monthly basis in accordance with the indirect method. The resulting monthly cash flows are translated at the applicable average monthly exchange rate and then aggregated, while the balance sheet positions are translated at the exchange rate in effect on the respective closing date. This procedure leads to currency translation differences, above all in individual positions under cash flow from operating activities, and therefore to material differences compared with the respective balance sheet positions. Cash flow from operating results rose from TEUR 45,287 in the first half of the previous year to TEUR 68,266, chiefly due to the improvement in profitability which resulted from the increased volume of business.

Working capital declined during the reporting period, among others due to a substantial reduction in inventories as well as a decrease in trade payables during the first half of 2019/20. The receivables sold on the basis of a factoring agreement totalled TEUR 78,973 as of 31 October 2019 (H1 2018/19: TEUR 66,892). Working capital totalled TEUR 181,513 as of 31 October 2019 and was TEUR 4,009 lower than on 31 October 2018. As a per cent of rolling 12-month revenues, working capital declined from 15.9% in the previous year to 12.3%. Cash outflows for changes in other operating positions totalled TEUR 491 (H1 2018/19: minus TEUR 2,689), whereby cash outflows in the comparable prior year period were related primarily to the use of current provisions. Cash flow from operating activities rose from TEUR 41,578 to TEUR 58,359 in the first half of 2019/20.

Cash flow from investing activities consists mainly of investments in various production facilities and also includes investments in tools for new products, expansion projects and capitalised development costs (TEUR 8,529). The volume of investments was lower in year-on-year comparison at TEUR 24,636 in the first half of 2019/20 (H1 2018/19: 33,309). This amount includes TEUR 3,085 of investments for the new plant in Serbia (H1 2018/19: TEUR 13,384). The higher cash flow from operating activities and the lower investment activity led to an improvement in free cash flow to plus TEUR 34,193 (H1 2018/19: TEUR 9,027).

Cash flow from financing activities consists chiefly of TEUR 8,339 for the repayment of lease liabilities as well as the reduced amount drawn from the consortium credit agreement.

### Transition to Cash and Cash Equivalents

| in TEUR                          | 31 October 2019 | 30 April 2019 |
|----------------------------------|-----------------|---------------|
| Liquid funds                     | 49,413          | 37,332        |
| Not available for disposal       | (617)           | (869)         |
| Overdrafts                       | (12,556)        | (16,858)      |
| <b>Cash and cash equivalents</b> | <b>36,240</b>   | <b>19,605</b> |

## Notes to the Statement of Changes in Equity

### Dividend

The net profit from the previous year was transferred in full to retained earnings.

### Other Reserves

This position includes profit carried forward and the results for the year. The initial application of IFRS 9 led to an effect of TEUR 377 in the previous year.

### Currency Translation Reserve

This reserve includes the currency differences resulting from the application of the historical exchange rate on the initial consolidation date and the exchange rate in effect on the balance sheet date for companies that do not report in the euro as well as differences resulting from the translation of the income statement at the monthly average exchange rate and the exchange rate in effect on the balance sheet date. Also included here are the currency differences arising from long-term Group loans granted in SEK, GBP and USD, which are classified as net investments in foreign operations in accordance with IAS 21. This reserve also contains the foreign currency effects of an interest rate hedge and foreign currency-related adjustments to goodwill.

### Hedge Accounting

The changes in equity from the application of hedge accounting reflect the changes in the fair value of derivative contracts that are recorded directly in equity as well as amounts transferred from equity to profit or loss following the exercise or realisation of contracts and the related deferred taxes.

### Development of Treasury Shares

| in pcs                                  | Total          |
|---|----------------|
| Share buyback to 30 April 2019          | 1,539,211      |
| Exercised to 30 April 2019              | (1,185,868)    |
| <b>30. April 2019 = 31 October 2019</b> | <b>353,343</b> |

### IAS 19 Reserve

This position includes the actuarial losses arising from the application of IAS 19. The change during the first half of 2019/20 resulted primarily from revaluation effects in the Group's pension and severance compensation obligations which were caused by a decline in interest rates in Switzerland, Great Britain, Germany and Austria during the first half of the reporting year.

## Segment Reporting

The Zumtobel Group comprises two operating segments, which also form the basis for the corporation's management: the Lighting Segment and the Components Segment. The Lighting Segment covers the Indoor, Outdoor und Zumtobel Group Services business areas and markets lighting solutions, interior and exterior lighting as well as electronic-digital lighting and room management systems. The Components Segment includes the Tridonic business, which develops, produces and markets electronic lighting components and LED lighting components. The transfer of goods and services between the two divisions is based on ordinary market conditions.

Segment reporting is principally based on the same presentation, accounting and valuation methods used to prepare the consolidated financial statements. In accordance with the management approach prescribed by IFRS 8 (Operating Segments), operating profit (EBIT) – a key indicator used for internal reporting – is included as part of the segment data.

The assets allocated to the individual segments include property, plant and equipment that can be directly assigned as well as intangible assets and working capital (excluding accrued interest, tax receivables and tax liabilities).

The column "Reconciliation" comprises the assets and related income statement items that could not be allocated to either segment as well as property, plant and equipment, financial liabilities and taxes that involve both segments.

### 2nd Quarter 2019/20

| in TEUR                       | Lighting Segment |                |                | Components Segment |                |                | Reconciliation  |                 |                 | Group           |                 |                 |
|-------------------------------|------------------|----------------|----------------|--------------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                               | Q2<br>2019/20    | Q2<br>2018/19  | Q2<br>2017/18  | Q2<br>2019/20      | Q2<br>2018/19  | Q2<br>2017/18  | Q2<br>2019/20   | Q2<br>2018/19   | Q2<br>2017/18   | Q2<br>2019/20   | Q2<br>2018/19   | Q2<br>2017/18   |
| <b>Net revenues</b>           | <b>234,187</b>   | <b>230,505</b> | <b>234,688</b> | <b>88,012</b>      | <b>86,601</b>  | <b>90,233</b>  | <b>(14,754)</b> | <b>(15,094)</b> | <b>(17,670)</b> | <b>307,445</b>  | <b>302,013</b>  | <b>307,251</b>  |
| <i>External revenues</i>      | 234,130          | 228,760        | 234,678        | 73,021             | 73,250         | 72,562         | 294             | 3               | 11              | 307,445         | 302,012         | 307,251         |
| <i>Inter-company revenues</i> | 57               | 1,746          | 10             | 14,700             | 13,351         | 17,671         | (14,757)        | (15,097)        | (17,681)        | 0               | 0               | 0               |
| <b>Adjusted EBIT</b>          | <b>26,352</b>    | <b>11,235</b>  | <b>(389)</b>   | <b>6,965</b>       | <b>7,805</b>   | <b>8,940</b>   | <b>(5,252)</b>  | <b>(4,251)</b>  | <b>(6,410)</b>  | <b>28,064</b>   | <b>14,789</b>   | <b>2,141</b>    |
| Special effects               | (8,796)          | (2,206)        | 3,036          | 0                  | (213)          | 0              | 1,981           | (476)           | 13              | (6,815)         | (2,895)         | 3,050           |
| <b>Operating profit</b>       | <b>17,556</b>    | <b>9,029</b>   | <b>(3,425)</b> | <b>6,965</b>       | <b>7,593</b>   | <b>8,940</b>   | <b>(3,273)</b>  | <b>(4,727)</b>  | <b>(6,423)</b>  | <b>21,248</b>   | <b>11,894</b>   | <b>(908)</b>    |
| <b>Investments</b>            | <b>7,522</b>     | <b>8,931</b>   | <b>7,456</b>   | <b>4,011</b>       | <b>7,783</b>   | <b>3,207</b>   | <b>2,736</b>    | <b>1,130</b>    | <b>1,988</b>    | <b>14,269</b>   | <b>17,845</b>   | <b>12,651</b>   |
| <b>Depreciation</b>           | <b>(10,980)</b>  | <b>(9,742)</b> | <b>(7,368)</b> | <b>(3,645)</b>     | <b>(3,055)</b> | <b>(2,897)</b> | <b>(1,506)</b>  | <b>(1,098)</b>  | <b>(1,377)</b>  | <b>(16,131)</b> | <b>(13,895)</b> | <b>(11,641)</b> |

### 1st Half Year 2019/20

| in TEUR                       | Lighting Segment |                 |                 | Components Segment |                 |                 | Reconciliation  |                 |                 | Group           |                 |                 |
|-------------------------------|------------------|-----------------|-----------------|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                               | 1 HY<br>2019/20  | 1 HY<br>2018/19 | 1 HY<br>2017/18 | 1 HY<br>2019/20    | 1 HY<br>2018/19 | 1 HY<br>2017/18 | 1 HY<br>2019/20 | 1 HY<br>2018/19 | 1 HY<br>2017/18 | 1 HY<br>2019/20 | 1 HY<br>2018/19 | 1 HY<br>2017/18 |
| <b>Net revenues</b>           | <b>456,742</b>   | <b>449,998</b>  | <b>479,424</b>  | <b>177,283</b>     | <b>175,957</b>  | <b>179,041</b>  | <b>(30,188)</b> | <b>(30,832)</b> | <b>(34,051)</b> | <b>603,836</b>  | <b>595,122</b>  | <b>624,414</b>  |
| <i>External revenues</i>      | 456,635          | 448,127         | 479,362         | 146,904            | 146,981         | 145,033         | 297             | 15              | 19              | 603,836         | 595,121         | 624,414         |
| <i>Inter-company revenues</i> | 106              | 1,871           | 62              | 30,087             | 28,976          | 34,008          | (30,193)        | (30,847)        | (34,070)        | 0               | 0               | 0               |
| <b>Adjusted EBIT</b>          | <b>39,888</b>    | <b>19,382</b>   | <b>12,842</b>   | <b>13,374</b>      | <b>15,889</b>   | <b>18,997</b>   | <b>(9,374)</b>  | <b>(10,490)</b> | <b>(11,532)</b> | <b>43,889</b>   | <b>24,781</b>   | <b>20,307</b>   |
| Special effects               | (9,517)          | (4,791)         | 4,171           | 318                | (407)           | 0               | 1,970           | (435)           | 28              | (7,229)         | (5,632)         | (5,633)         |
| <b>Operating profit</b>       | <b>30,371</b>    | <b>14,591</b>   | <b>8,671</b>    | <b>13,692</b>      | <b>15,481</b>   | <b>18,997</b>   | <b>(7,403)</b>  | <b>(10,925)</b> | <b>(11,560)</b> | <b>36,660</b>   | <b>19,148</b>   | <b>16,108</b>   |
| <b>Investments</b>            | <b>11,701</b>    | <b>18,663</b>   | <b>15,058</b>   | <b>8,128</b>       | <b>12,409</b>   | <b>7,242</b>    | <b>4,807</b>    | <b>2,238</b>    | <b>10,968</b>   | <b>24,636</b>   | <b>33,309</b>   | <b>33,268</b>   |
| <b>Depreciation</b>           | <b>(21,781)</b>  | <b>(17,766)</b> | <b>(15,238)</b> | <b>(6,988)</b>     | <b>(6,163)</b>  | <b>(6,426)</b>  | <b>(2,803)</b>  | <b>(2,053)</b>  | <b>(2,704)</b>  | <b>(31,571)</b> | <b>(25,982)</b> | <b>(24,368)</b> |

| in TEUR | Lighting Segment |               |               | Components Segment |               |               | Reconciliation  |               |               | Group           |               |               |
|---------|------------------|---------------|---------------|--------------------|---------------|---------------|-----------------|---------------|---------------|-----------------|---------------|---------------|
|         | 31 October 2019  | 30 April 2019 | 30 April 2018 | 31 October 2019    | 30 April 2019 | 30 April 2018 | 31 October 2019 | 30 April 2019 | 30 April 2018 | 31 October 2019 | 30 April 2019 | 30 April 2018 |
| Assets  | 680,902          | 634,848       | 646,377       | 188,305            | 182,295       | 173,640       | 120,324         | 103,767       | 166,089       | 989,531         | 920,910       | 986,106       |

|                                  | Lighting Segment |               |               | Components Segment |               |               | Reconciliation  |               |               | Group           |               |               |
|----------------------------------|------------------|---------------|---------------|--------------------|---------------|---------------|-----------------|---------------|---------------|-----------------|---------------|---------------|
|                                  | 31 October 2019  | 30 April 2019 | 30 April 2018 | 31 October 2019    | 30 April 2019 | 30 April 2018 | 31 October 2019 | 30 April 2019 | 30 April 2018 | 31 October 2019 | 30 April 2019 | 30 April 2018 |
| Headcount (full-time equivalent) | 3,895            | 3,933         | 4,325         | 1,842              | 1,778         | 1,690         | 140             | 167           | 209           | 5,877           | 5,878         | 6,224         |

The number of employees reported in the above table includes temporary employees working in the Zumtobel Group.

The elimination of inter-segment revenues is shown in the reconciliation column.

The reconciliation column comprises the following:

| in TEUR                 | Q2 2019/20     | Q2 2018/19     | 1 HY 2019/20   | 1 HY 2018/19    |
|-------------------------|----------------|----------------|----------------|-----------------|
| Group parent companies  | (3,959)        | (4,713)        | (8,324)        | (11,108)        |
| Group entries           | 686            | (14)           | 921            | 183             |
| <b>Operating profit</b> | <b>(3,273)</b> | <b>(4,727)</b> | <b>(7,403)</b> | <b>(10,925)</b> |

The Group parent companies represent companies that provide administrative or financing services for the entire Group and cannot be allocated to a specific segment. The reconciliation to operating profit includes Group entries for the elimination of interim profits in current and non-current assets.

| in TEUR                              | 31 October 2019 | 30 April 2019  |
|--------------------------------------|-----------------|----------------|
| Assets used by more than one segment | 102,179         | 86,754         |
| Group parent companies               | 45,113          | 43,399         |
| Group entries                        | (26,969)        | (26,386)       |
| <b>Assets</b>                        | <b>120,324</b>  | <b>103,767</b> |

All revenues generated by sales to individual external customer represent, in each case, less than 10% of total revenues.

## Related Party Transactions

Closely related persons are persons who hold key positions with Zumtobel Group AG (active members of the Management Board and Supervisory Board of Zumtobel Group AG) as well as their close family members. No consulting services were provided by management in key positions during 2019/20 (previous year: TEUR 67), and no goods were sold to management in key positions. Remuneration totalling TEUR 307 (previous year: TEUR 240) was paid to management in key positions. The Group also holds liabilities of TEUR 7 (previous year: TEUR 43) due from management in key positions. No advances or loans were granted to management in key positions. The members of management in key positions hold positions in other companies which result in control or significant influence over the financial and business policies of these companies. Transactions of TEUR 384 were carried out with these companies in 2019/20 (previous year: TEUR 326). As of 31 October 2019, the Group held liabilities of TEUR 45 due from these companies (previous year: TEUR 65). There were no transactions with owners.

The Group has concluded supply and delivery agreements with associated companies which reflect third party conditions. Revenues from the provision of materials and services to associated companies totalled TEUR 66 in the first half of 2019/20 (previous year: TEUR 5,255). Expenses for products purchased from associated companies amounted to TEUR 1,145 during the reporting period (previous year: TEUR 16,580). Trade receivables due from associated companies totalled TEUR 97 as of 31 October 2019 (30 April 2019: EUR 592) and trade payables equalled TEUR 50 (30 April 2019: TEUR 130). No receivables due from associated companies were derecognised due to failed collection in the first half of 2019/20, and there are no receivables due from unconsolidated companies.

## Contingent Liabilities and Guarantees

The Zumtobel Group has issued bank guarantees totalling TEUR 13,598 (30 April 2019: TEUR 7,233) for various purposes.

A contingent liability is related to the sale of the plant in les Andelys, France, during 2017/18 which led to the founding of Europhane SAS, France. The related liability risk is considered unlikely at the present time, and a reliable estimate for the potential liability is not possible based on the information currently available. In this regard discussions are taking place with the counterparty to achieve a solution.

## Subsequent Events

No significant events occurred after the balance sheet date on 31 October 2019.

Dornbirn, 3 December 2019

The Management Board

Alfred Felder  
Chief Executive Officer (CEO)

Thomas Tschol  
Chief Financial Officer (CFO)

Bernard Motzko  
Chief Operating Officer (COO)

**Statement by the Management Board  
in accordance with § 125 (1) of the Austrian Stock Corporation Act**

We hereby confirm to the best of our knowledge that these condensed consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the group management report for the first half-year gives a true and fair view of the major events occurring during the first six months of the financial year and their effects on the condensed consolidated interim financial statements as well as the principal risks and uncertainties faced by the group during the remaining six months of the financial year and the transactions with related companies and persons which require disclosure.

Dornbirn, 3 December 2019

The Management Board

Alfred Felder  
Chief Executive Officer (CEO)

Thomas Tschol  
Chief Financial Officer (CFO)

Bernard Motzko  
Chief Operating Officer (COO)

## **Report on the Review of the condensed Interim Consolidated Financial Statements**

### **Introduction**

We have reviewed the accompanying condensed interim consolidated financial statements of

**Zumtobel Group AG,**

**Dornbirn,**

for the period from 1 May 2019 to 31 October 2019. These condensed interim consolidated financial statements comprise the balance sheet as of 31 October 2019 and the income statement, statement of comprehensive income, the cash flow statement and statement of changes in equity for the period from 1 May 2019 to 31 October 2019 and the condensed notes, summarizing the significant accounting policies and other explanatory notes.

Management is responsible for the preparation of the condensed interim consolidated financial statements in accordance with International Financial Reporting Standards (IFRS's) for Interim Reporting as adopted by the EU.

Our responsibility is to express a conclusion on these condensed consolidated interim financial statements. Our liability towards the Company and towards third parties is limited in accordance with § 275 par. 2 of the Austrian Commercial Code (UGB).

### **Scope of review**

We conducted our review in accordance with Austrian Standards for Chartered Accountants, in particular in compliance with KFS/PG 11 "Principles of Engagements to Review Financial Statements" and with the International Standard on Review Engagements (ISRE 2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements is limited primarily to making inquiries, primarily of Company personnel, responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Austrian Standards on Auditing and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing came to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with International Financial Reporting Standards (IFRS's) for Interim Reporting as adopted by the EU.

**Statement on the consolidated interim management report for the 6 month period ended 31 October 2019 and on management's statement in accordance with § 125 Austrian Stock Exchange Act (BörseG)**

We have read the consolidated interim management report and evaluated whether it does not contain any apparent inconsistencies with the condensed interim consolidated financial statements. Based on our evaluation, the consolidated interim management report does not contain any apparent inconsistencies with the condensed interim consolidated financial statements.

The interim financial information contains the statement by management in accordance with § 125 par. 1 subpar. 3 Austrian Stock Exchange Act.

Vienna, 3 Dezember 2019

KPMG Austria GmbH

Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Note: The condensed interim consolidated financial statements together with our review report may be published or transmitted only as agreed by us.

# Service

## Financial Terms

|                      |  |
|----------------------|--|
| Adjusted EBIT        | EBIT adjusted for special effects  |
| Adjusted EBIT margin | = Adjusted EBIT as a percentage of revenues  |
| CAPEX                | Capital expenditure  |
| Debt coverage ratio  | = Net debt divided by EBITDA (of the last twelve months)   |
| EBIT                 | Earnings before interest and taxes   |
| EBITDA               | Earnings before interest, taxes, depreciation and amortisation   |
| Equity ratio         | = Equity as a percentage of assets   |
| Gearing              | = Net debt as a percentage of equity   |
| Net debt             | = Non-current borrowings + current borrowings - liquid funds - current financial receivables from associated companies |
| WACC                 | Weighted average cost of capital (debt and equity)   |
| Working capital      | = Inventories + trade receivables - trade payables - prepayments received  |

## Financial Calendar

|   |                   |
|---|-------------------|
| Interim Report Q1-Q3 2019/20 (1 May 2019 - 31 January 2020)       | 03 March 2020     |
| Annual Results 2019/20  | 25 June 2020      |
| Record Date for the Annual General Meeting                        | 14 July 2020      |
| 44th Annual General Meeting of Zumtobel Group AG                  | 24 July 2020      |
| Ex-Dividend Day   | 28 July 2020      |
| Record Date Dividend  | 29 July 2020      |
| Dividend Payout Day   | 31 July 2020      |
| Interim Report Q1 2020/21 (1 May 2020 - 31 July 2020)             | 01 September 2020 |
| Half-Year Financial Report 2020/21 (1 May 2020 - 31 October 2020) | 01 December 2020  |
| Interim Report Q1-Q3 2020/21 (1 May 2020 - 31 January 2021)       | 02 March 2021     |

## Contact Information

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## Financial Reports

Our financial reports are available in English and German for download under: <http://www.zumtobelgroup.com>.

## More Information

on Zumtobel Group AG and our brands can be found on the Internet under:

[www.zumtobelgroup.com](http://www.zumtobelgroup.com)  
[www.zumtobel.com](http://www.zumtobel.com)  
[www.thornlighting.com](http://www.thornlighting.com)  
[www.tridonic.com](http://www.tridonic.com)  
[www.acdclighting.co.uk](http://www.acdclighting.co.uk)

## Imprint

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## Disclaimer

This financial report includes statements on future developments, which are based on information available at the present time and involve risks and uncertainties that could cause the results realised at a later date to vary from these forward-looking statements. These statements on future developments are not to be understood as guarantees. On the contrary, future developments and results are dependent on a wide range of factors and connected with various risks and incalculable events. Moreover, they are based on assumptions that may prove to be incorrect. Included here, for example, are unforeseeable changes in the political, economic and business environment, especially in the regions where the Zumtobel Group operates, as well as the competitive situation, interest rates and foreign exchange rates, technological developments and other risks and incalculable events. Other risks may arise as a result of price developments, unforeseeable events in the operating environments of acquired companies or Group companies as well as ongoing cost optimisation programmes. The Zumtobel Group does not plan to update these forward-looking statements. This financial report is also presented in English, but only the German text is binding.

