ZUMTOBEL Group

H1 2022/23

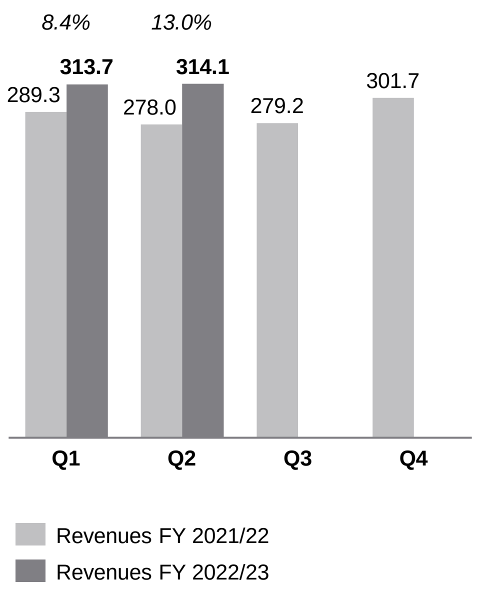
Half-Year Financial Report (May 2022 – October 2022)

Overview of the First Half-Year 2022/23

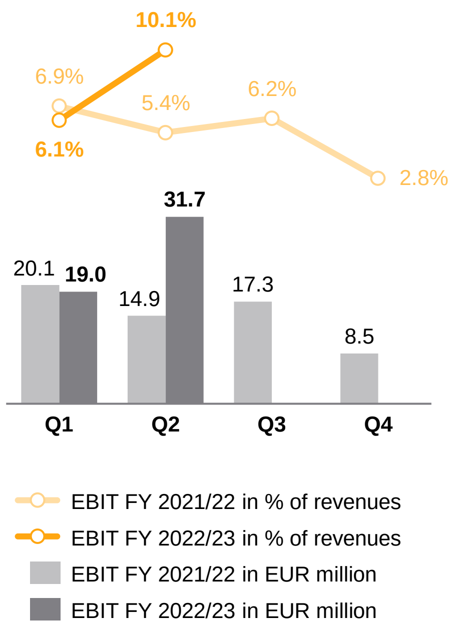
Key Data in EUR million	Q2 2022/23	Q2 2021/22	Change in %	H1 2022/23	H1 2021/22	Change in %
Revenues	314.1	278.0	13.0	627.8	567.4	10.6
EBITDA	45.5	29.4	54.9	78.4	62.9	24.6
as a % of revenues	*14.5*	*10.6*		*12.5*	*11.1*	
EBIT	31.7	14.9	>100	50.8	35.0	45.2
as a % of revenues	*10.1*	*5.4*		*8.1*	*6.2*	
Net profit/loss for the period	22.9	9.6	>100	33.7	23.0	46.8
as a % of revenues	*7.3*	*3.4*		*5.4*	*4.1*	
Cash flow from operating results	45.5	29.4	54.7	78.3	63.2	24.0
CAPEX	18.3	9.0	>100	34.3	21.8	57.1
				31 Oct. 2022	30 April 2022	Change in %
Total assets				1,038.5	1,005.4	3.3
Equity				404.0	382.8	5.5
Equity ratio in %				*38.9*	*38.1*	
Net debt				106.1	95.1	11.5
Headcount incl. contract worker (full-time equivalent)				5,726	5,782	(1.0)

Development of business by quarter

Revenues development (in EUR million)



EBIT development



Letter to Shareholders

Dear Shareholders,

The Zumtobel Group has developed better than expected in recent months, as you could see from our 10 November 2022 ad hoc announcement on preliminary results for the first half-year. The improved availability of components, successful selling price adjustments and positive foreign exchange effects supported a 10.6% year-on-year increase in revenues to EUR 627.8 million. Sound revenue growth was recorded, above all in the markets outside Europe, while the America & MEA region also reported higher revenues due to catch-up effects that followed a weaker first six months in the previous year. This substantial improvement in revenues was also reflected in earnings: EBIT rose to EUR 50.8 million in the first half of 2022/23, which represents an increase of nearly EUR 16 million over the first six months of 2021/22 and an EBIT margin of 8.1%.

Based on these developments, we also announced an adjustment of our guidance for 2022/23 on 10 November 2022. We now expect an increase of 4% to 8% in revenues for the full 2022/23 financial year (previous guidance: 3% bis 6%) and an EBIT margin of 4% to 6% (previous guidance 4% to 5%). However, this update reflects the assumption that Europe will continue to receive sufficient quantities of gas, energy prices will level off, and the availability of precursors for the production of luminaires and components does not deteriorate in this unusually difficult market environment.

We realise that the next two quarters will be challenging and are monitoring, with some concern, the growing weakness in the construction branch. The rising prices for building materials and energy, higher interest rates and the soaring cost of living are creating an increasingly uncertain market environment for the construction industry. The latest EUROCONSTRUCT forecast for our most important European markets shows an increase of 0.7% in commercial construction for 2023, which represents a substantial reduction below the projection in the last report – and less new construction will, of course, have a negative impact on our business.

However, we also see a number of clear opportunities: On the one hand, the sale of compact fluorescent lamps with integrated ballasts has been prohibited since September 2021, and the transition rules for T8-fluorescent tubes and particularly small halogen lamps will expire on 1 September 2023. Our customers are therefore under increasing pressure to invest in more sustainable and energy-efficient lighting solutions. On the other hand, refurbishment, meaning the energetic renovation of existing buildings, makes an important contribution to reaching climate goals. The Zumtobel Group also has the right solutions here: The complete replacement of a lighting concept or an upgrade with one of our refurbishment kits are only two of our many offers. We are working closely together with our customers and partners to find the best approach for every situation. Especially in times of rising electricity costs, the conversion to high-efficiency LED lighting solutions for customers will pay off much more quickly.

Dear Shareholders: In view of these developments, you can certainly see why our outlook remains cautiously optimistic – despite the unexpectedly good first half-year.

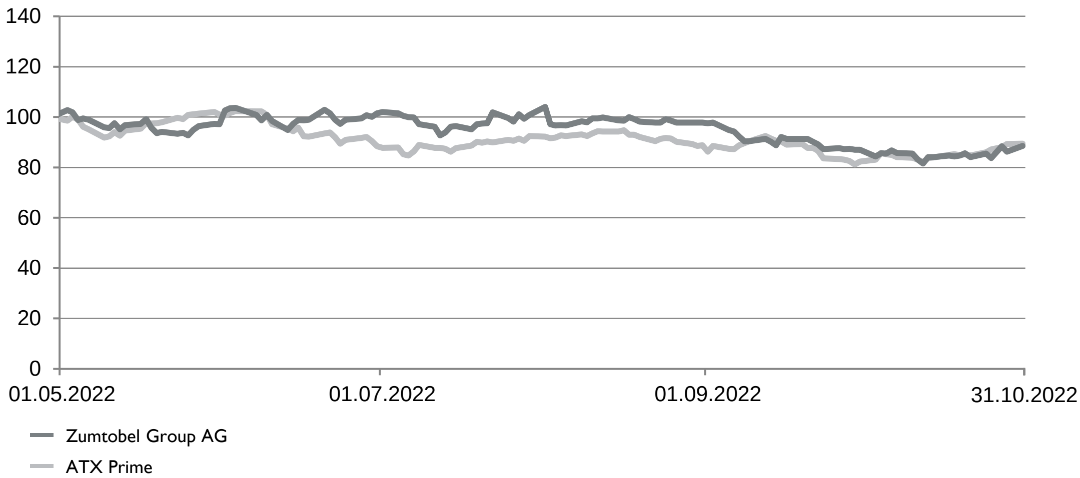
Thank you for your confidence!

Alfred Felder
Chief Executive Officer (CEO)

The Zumtobel Group AG Share

Based on an unchanged number of 43.5 million common shares outstanding, the market capitalisation of Zumtobel Group AG totalled EUR 266 million at the end of October 2022. The shareholder structure has not changed significantly since the end of the 2021/22 financial year: The Zumtobel family continues to hold approximately 36% of the voting rights and has remained the stable core shareholder of Zumtobel Group AG since the IPO. Most of the remaining shares are held by institutional investors, none of whom exceeded the 4% reporting threshold as of 31 October 2022. The average daily turnover on the Vienna Stock Exchange amounted to 63,387 shares in the first half of 2022/23 (double-count, as published by the Vienna Stock Exchange). The company held an unchanged number of 353,343 treasury shares as of 31 October 2022.

Development of the Zumtobel Group AG Share (in %)



Key Data on the Zumtobel Group AG Share H1 2022/23

Closing price at 30.04.2022	EUR 6.900	Currency	EUR
Closing price at 31.10.2022	EUR 6.110	ISIN	AT0000837307
Performance H1 2022/23	(11.4)%	Ticker symbol Vienna Stock Exchange (XETRA)	ZAG
Market capitalisation at 31.10.2022	EUR 266 Mio	Market segment	ATX Prime
Share price - high at 03.05.2022	EUR 7.250	Reuters symbol	ZUMV.VI
Share price - low at 13.10.2022	EUR 5.620	Bloomberg symbol	ZAG AV
Ø Turnover per day (shares)	63,387	Number of issued shares	43,500,000

Group Management Report

General Economic Environment

The global economy is currently confronted with a range of challenges: Inflation that has risen to a level not seen in decades, the intensification of financial conditions in most regions, the war in Ukraine and the ongoing COVID-19 pandemic have had a significant negative impact on the outlook. In addition, demand has been weakened by the normalisation of monetary and fiscal policy.

Global economy faced with numerous challenges

An increasing number of economies have entered a phase of slower growth or beginning recession. In its October 2022 outlook, the International Monetary Fund sees a decline in global growth from +6% in 2021 to +3.2% in 2022 and a further reduction to +2.7% in 2023. That represents the weakest growth profile since 2001, apart from the global financial crisis and the acute phase of the COVID-19 pandemic, and reflects the loss of momentum in the world's largest economies, i.e. the USA, the eurozone and China. Forecasts for the Zumtobel Group's most important selling markets – Germany, France, Italy and Great Britain – point to only slight growth or a decline (Germany -0.3%, Italy -0.2%, France +0.7%, Great Britain +0.3%).

Growth projected to slow to +2.7% in 2023

General economic conditions have a direct influence on commercial construction. The latest EUROCONSTRUCT data (November 2022) show an increase of only 1.9% in our most important European markets during 2022, and the forecast for 2023 was revised downward by 1.5 percentage points. In spite of this generally weaker development, most of our core markets are expected to generate moderate growth.

Slight improvement in most of our core markets

Significant Events since 30 April 2022

On 9 June 2022, Zumtobel Group AG announced the appointment of Marcus Frantz as Chief Digital Transformation Officer (CDTO) beginning on 1 November 2022. He will be responsible for driving the Group's digital transformation. The former three-member Management Board of the Zumtobel Group will therefore be expanded to include a fourth member.

Marcus Frantz appointed CDTO of the Zumtobel Group

The 46th General Meeting on 29 July 2022 approved the distribution of a 35 euro cents dividend per share for the 2021/22 financial year. The dividends were paid to shareholders on 5 August 2022.

Dividend of 35 euro cents per share

The 46th General Meeting also re-elected Supervisory Board members Volkhard Hofmann and Christian Beer, each for a term extending up to the 2024/25 financial year.

Volkhard Hofmann and Christian Beer re-elected to the Supervisory Board

No other significant events occurred after the balance sheet date on 30 April 2022.

Development of revenues in the first half of 2022/23

- >> Group revenues rise by 10.6% (FX-adjusted: 8.8%) with sound development in the Lighting Segment (9.8%) and in the Components Segment (12.2%)
- >> Group EBIT improves significantly to EUR 50.8 million

Income statement in EUR million	Q2 2022/23	Q2 2021/22	Change in %	H1 2022/23	H1 2021/22	Change in %
Revenues Lighting Segment	235.0	208.1	13.0	461.5	420.5	9.8
Revenues Components Segment	93.9	83.5	12.5	197.1	175.7	12.2
Reconciliation	(14.8)	(13.5)	9.6	(30.8)	(28.8)	6.9
Revenues	314.1	278.0	13.0	627.8	567.4	10.6
Cost of goods sold	(200.5)	(189.2)	6.0	(409.1)	(378.3)	8.1
Gross profit	113.6	88.8	27.9	218.6	189.0	15.7
as a % of revenues	*36.2*	*31.9*		*34.8*	*33.3*	
SG&A expenses	(81.9)	(73.9)	10.7	(167.9)	(154.1)	8.9
EBIT Lighting Segment	24.9	11.1	>100	41.6	27.0	53.7
as a % of segment revenues	*10.6*	*5.3*		*9.0*	*6.4*	
EBIT Components Segment	8.9	7.7	15.2	16.5	16.2	1.6
as a % of segment revenues	*9.4*	*9.2*		*8.4*	*9.2*	
Reconciliation	(2.0)	(3.9)	(48.3)	(7.3)	(8.3)	(12.3)
EBIT	31.7	14.9	>100	50.8	35.0	45.2
as a % of revenues	*10.1*	*5.4*		*8.1*	*6.2*	
Financial results	(2.4)	(2.6)	8.3	(7.5)	(5.5)	(36.7)
Profit before tax	29.4	12.3	>100	43.3	29.5	46.8
Income taxes	(6.5)	(2.7)	<-100	(9.5)	(6.5)	46.8
Net profit/loss for the period	22.9	9.6	>100	33.7	23.0	46.8
Earnings per share (in EUR)	0.53	0.22	>100	0.78	0.53	46.8

For information: EBITDA (EBIT plus depreciation and amortisation) totalled EUR 78.4 million in H1 2022/23.

10.6% increase in Group revenues

Group revenues rose by 10.6% year-on-year to EUR 627.8 million in H1 2022/23 (H1 2021/22: EUR 567.4 million), above all due to price increases and positive foreign exchange effects. Revaluations were recorded by the Swiss franc, the US dollar and the Chinese yuan, while the Turkish lira was the focus of a strong devaluation. After an adjustment for foreign exchange effects, revenues increased by 8.8%.

Lighting Segment revenues rise by 9.8%

Revenues in the Lighting Segment rose by 9.8% to EUR 461.5 million in H1 2022/23 (H1 2021/22: EUR 420.5 million), in particular due to price increases and positive foreign exchange effects.

Components Segment revenues 12.2% higher

The Components Segment recorded a sound 12.2% improvement to EUR 197.1 million in H1 2022/23 (H1 2021/22: EUR 175.7 million). In addition to higher volumes, the increase was supported by price adjustments.

In the D/A/CH region, strong growth was recorded in Switzerland and Germany but revenues in Austria were below the previous year. Revenues were higher in the Northern and Western Europe region, with the exception of Norway, whereby the strongest increases were reported in Sweden, Belgium and Luxembourg. Southern and Eastern Europe reported more moderate revenue growth, with sound development in Italy. Revenues in the Asia & Pacific region reflected the previous year. The major impulses for the substantial improvement in the America & MEA region were provided by the USA and the United Arab Emirates.

Revenues in EUR million	Q2 2022/23	Change in %	H1 2022/23	Change in %	in % of Group
D/A/CH	108.7	24.1	208.4	16.5	33.2
Northern and Western Europe	76.1	11.4	153.2	9.1	24.4
Southern and Eastern Europe	80.2	8.7	166.8	7.3	26.6
Asia & Pacific	29.4	(9.0)	65.2	0.0	10.4
Americas & MEA	19.6	23.1	34.1	25.1	5.4
Total	**314.1**	**13.0**	**627.8**	**10.6**	**100.0**

The cost of goods sold was negatively influenced by a sharp rise in material, energy and personnel costs as well as write-downs to materials and the strong US dollar. Development costs rose by EUR 1.6 million to EUR 31.8 million (H1 2021/22: EUR 30.2 million), largely due to a decline in capitalised expenses and higher license fees. The sound development of revenues led to an increase in the gross profit margin (after development costs) to 34.8% (H1 2021/22: 33.3%) in spite of the negative cost effects during the reporting period.

Selling and administrative expenses (incl. research) rose by EUR 13.8 million to EUR –167.9 million (H1 2021/22: EUR –154.1 million), whereby the main drivers were higher costs for personnel, consulting, travel and marketing as well as a decline in other operating income.

Group EBIT totals EUR 50.8 million

Group EBIT increased from EUR 35.0 million (H1 2021/22) to EUR 50.8 million in H1 2022/23, and the EBIT margin equalled 8.1% (H1 2021/22: 6.2%). The improvement in earnings was based primarily on the good development of revenues.

EBIT in the Lighting Segment rose from EUR 27.0 million to EUR 41.6 million. The increase in material and fixed costs was more than offset by the sound growth in revenues. EBIT in the Components Segment increased only slightly from EUR 16.2 million to EUR 16.5 million due to higher material costs, especially from the stronger US dollar.

Financial result in EUR million	Q2 2022/23	Q2 2021/22	Change in %	H1 2022/23	H1 2021/22	Change in %
Interest expense	(1.7)	(1.3)	30.6	(2.9)	(2.6)	10.8
Interest income	0.1	0.1	(17.7)	0.2	0.2	16.9
Net financing costs	(1.7)	(1.3)	33.6	(2.7)	(2.5)	(10.4)
Other financial income and expenses	2.0	(1.6)	>100	(2.1)	(3.2)	(35.3)
Result from associated companies	(1.0)	0.2	<-100	(1.0)	0.2	<-100
Impairment loss associates	(1.7)	0.0		(1.7)	0.0	
Financial results	(2.4)	(2.6)	8.3	(7.5)	(5.5)	(36.7)

Financial results below previous year

Financial results fell by EUR 2.0 million to EUR –7.5 million (H1 2021/22: EUR –5.5 million). Interest expense, which consists almost entirely of the interest expense for current credit agreements and finance leases, amounted to EUR –2.7 million (H1 2021/22: EUR –2.5 million). Other financial income and expenses of EUR –2.1 million include, in particular, the interest expense on pension obligations and the earnings effects from changes in exchange rates and the valuation of hedges. The decline in the share of earnings from associates and the impairment loss recognised to associates are attributable to Inventron AG.

Year-on-year increase in net profit to EUR 33.7 million

Profit before tax totalled EUR 43.3 million (H1 2021/22: EUR 29.5 million), and income taxes equalled EUR –9.5 million (H1 2021/22: EUR –6.5 million). Net profit rose to EUR 33.7 million (H1 2021/22: EUR 23.0 million). Earnings per share for the shareholders of Zumtobel Group AG (basic EPS based on 43.1 million shares) equalled EUR 0.78 (H1 2021/22: EUR 0.53).

Cash flow

Cash Flow Statement in EUR million	Q2 2022/23	Q2 2021/22	Change in %	H1 2022/23	H1 2021/22	Change in %
Cash flow from operating results	45.5	29.4	54.7	78.3	63.2	24.0
Change in working capital *	7.0	(0.9)	>100	(11.7)	(23.5)	50.0
Change in other operating items *	(3.8)	(2.4)	(57.2)	(18.0)	(14.1)	(27.6)
Income taxes paid	(3.0)	(2.0)	(48.4)	(4.3)	(2.0)	<-100
Cash flow from operating activities *	45.7	24.1	89.9	44.2	23.5	88.1
Cash flow from investing activities	(12.7)	(8.2)	(54.7)	(27.0)	(16.8)	(60.8)
FREE CASH FLOW	33.0	15.9	>100	17.2	6.7	>100
Cash flow from financing activities	(12.8)	(9.5)	(34.1)	11.3	0.9	>100
CHANGE IN CASH AND CASH EQUIVALENTS	20.2	6.3	>100	28.5	7.6	>100

* The amounts from Q2 2021/22 were adjusted due to an addition error in the previous year.

Cash flow from operating results increased significantly by EUR 15.2 million from EUR 63.2 million in the previous year to EUR 78.3 million, primarily due to the EUR 13.8 million improvement in profitability.

Cash outflows from the changes in other operating positions amounted to EUR –18.0 million (H1 2021/22: EUR –14.1 million) and resulted mainly from an increase in bonus and holiday allowance payments as well as a decline in guarantee provisions. Cash flow from operating activities therefore improved from EUR 23.5 million to EUR 44.2 million in H1 2022/23.

Cash flow from investing activities totalled EUR –27.0 million in the reporting period (H1 2021/22: EUR –16.8 million). In addition to investments in property, plant and equipment, this position also includes cash outflows of EUR 9.6 million for capitalised development costs (H1 2021/22: EUR 5.5 million).

Free cash flow at EUR 17.2 million

Free cash flow rose substantially to EUR 17.2 million (H1 2021/22: EUR 6.7 million), chiefly as a result of cash outflows for working capital and other operating positions.

Cash flow from financing activities amounted to EUR 11.3 million (H1 2021/22: EUR 0.9 million) and is principally attributed to the increased use of the consortium credit agreement.

Asset position

Balance sheet data in EUR million	31 Oct. 2022	30 April 2022
Total assets	1,038.5	1,005.4
Net debt	106.1	95.1
Debt coverage ratio	*0.78*	*0.79*
Equity	404.0	382.8
Equity ratio in %	*38.9*	*38.1*
Gearing in %	*26.3*	*24.8*
CAPEX	34.3	54.1
Working capital	222.3	211.3
As a % of rolling 12 month revenues	*18.4*	*18.4*

Solid balance sheet structure

The balance sheet total of the Zumtobel Group rose by 3.3% during the first half-year due to the increase in the volume of business. The balance sheet total equalled EUR 1,038.5 million as of 31 October 2022 (30 April 2022: EUR 1,005.4 million).

Working capital increased by EUR 44.9 million over the level on 31 October 2021 (EUR 177.4 million) to EUR 222.3 million as of 31 October 2022. As a per cent of rolling 12-month revenues, working capital rose from 16.2% in the previous year to 18.4%. The main driver compared with the previous year is an increase of EUR 12.4 million in trade receivables.

The equity ratio increased slightly to 38.9% as of 31 October 2022 (30 April 2022: 38.1%) based on the positive results for the first half-year and a decline in the pension obligations recognised to comprehensive income. Equity rose by EUR 21.2 million over the balance sheet date on 30 April 2022 to EUR 404.0 million (EUR 382.8 million). Net debt increased to EUR 106.1 million as of 31 October 2022 (30 April 2022: EUR 95.1 million).The balance sheet structure of the Zumtobel Group remains stable and strong.

Major risks and uncertainties in the 2022/23 financial year

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.

Review of the first half-year

Delivery times on the procurement markets for various merchandise groups declined and normalised during the first half-year due to weaker demand and higher production capacity. However, the situation on the semiconductor market is still strained. The availability of the involved components has improved, but semiconductors for industrial applications remain an exception. Allocation still determines this submarket because of inadequate production capacity and the resulting supply shortages for the industrial segments, regions and customers. The sustainability-driven technology transformation has also led to an above-average increase in the demand for electronic components like semiconductors and power transistors, among others for the expansion of e-mobility, and this has caused selected shortages. In most cases, the semiconductor components from individual producers are not directly interchangeable and require modifications to the hardware design – here, corresponding changes made it possible to use alternative suppliers, which substantially improved the availability of LED drivers. Cross-functional allocation teams create the necessary transparency for availability, evaluate emerging opportunities and risks, and ensure that the necessary steps, e.g. design adjustments, are taken on time.

The market prices for primary raw materials like copper, steel and aluminium declined during the first half-year as a result of market conditions and, based on this development, permitted the negotiation of new reduced prices – also for secondary products. Unfortunately, these savings effects could not be materialised in full due to the very high energy costs passed on by suppliers to their customers and substantial negative foreign exchange effects from the US dollar. The prices for various raw materials like packaging, plastic granulate and semiconductors remain very high, and there are no signs of a possible reduction in the near future.

Our own production costs have also been negatively affected by the enormously high energy costs. The Austrian locations are particularly affected since purchases are made on the spot market because of expired contracts.

Conflicting developments are currently visible in the transport sector. The container costs for overseas freight from Asia have declined significantly, but the constant high fuel prices have led to higher road freight costs in Europe.

Outlook on the second half-year

Over the long run, the development of the economy represents the major risk factor, together with the development of the construction industry. The previously very positive economic outlook has taken on a completely new perspective due to the war in Ukraine, and recession is possible in several of our core markets. The future course of the worldwide COVID-19 pandemic is also connected with uncertainty, above all due to the potential effects of China's zero- COVID strategy. The high energy and raw material prices are driving inflation, and the ability to obtain sufficient supplies of certain raw materials and components is still limited. Collective negotiations and the resulting wage and salary increases will also lead to higher costs. The construction industry in the professional sector is influenced by the general economic climate. However, the lighting branch is expected to benefit from the high energy prices and the prohibition on fluorescent lamps in the EU, which will accelerate the changeover from conventional to LED lighting.

Shifts in major application areas like industry, office and the retail trade can, on the one hand, lead to very different growth rates and, on the other hand, to changes in the product mix. For example: The increased use of e-commerce by the retail trade has been reflected in the expansion of warehouse space, while traditional in-shop selling areas are on the decline, while the reduction of office space is more than offset by the increased use of home office. These factors could accelerate the long-expected consolidation of the lighting industry.

Reference to the 2021/22 annual report

Additional information on the potential risks and opportunities facing the Zumtobel Group is provided in the 2021/22 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 for the 2022/23 financial year

- Increase of 4% to 8% in revenues
- EBIT margin of 4% to 6%

The management of the Zumtobel Group continues to see the current geopolitical and economic situation as stressed, with consequences that are difficult to estimate. Further developments in Ukraine, the prices for energy, raw materials and transport as well as the availability of semiconductors will have a major impact on the course of the global economy and inflation and, in turn, on the development of the Zumtobel Group.

Outlook on 2022/23: revenue growth of 4–8% and EBIT margin of 4–6%

Based on the positive development of business during the first half-year, the Management Board of the Zumtobel Group now expects an increase of 4% bis 8% in revenues (previous guidance: 3% to 6%) and an EBIT margin of 4% to 6% (previous guidance: 4% to 5%) for the full 2022/23 financial year. This outlook reflects the assumption that Europe will continue to receive sufficient quantities of gas, energy prices will level off, and the availability of precursors for the production of luminaires and components does not deteriorate in this unusually difficult market environment.

Dornbirn, 6 December 2022

The Management Board

Alfred Felder Chief Executive Officer (CEO)	Thomas Erath Chief Financial Officer (CFO)
Bernard Motzko Chief Operating Officer (COO)	Marcus Frantz Chief Digital Transformation Officer (CDTO)

Condensed Consolidated Interim Financial Statements

as of 31 October 2022

Consolidated Income Statement

in TEUR	Q2 2022/23	Q2 2021/22	1 HY 2022/23	1 HY 2021/22
Revenues	314,107	278,040	627,770	567,365
Cost of goods sold	(200,500)	(189,232)	(409,130)	(378,316)
Gross profit	**113,607**	**88,808**	**218,640**	**189,049**
Selling expenses	(72,620)	(64,944)	(147,597)	(134,229)
Administrative expenses	(9,655)	(10,265)	(20,908)	(21,610)
Other operating income	871	1,361	1,229	1,835
Other operating expenses	(461)	(81)	(586)	(81)
Operating profit	**31,742**	**14,879**	**50,778**	**34,964**
Interest expense	(1,739)	(1,332)	(2,910)	(2,627)
Interest income	65	79	183	156
Other financial income and expenses	1,969	(1,578)	(2,101)	(3,248)
Result from associated companies	(987)	224	(987)	224
Impairment loss associates	(1,698)	0	(1,698)	0
Financial results	**(2,390)**	**(2,607)**	**(7,513)**	**(5,495)**
Profit before tax	**29,352**	**12,272**	**43,265**	**29,469**
Income taxes	(6,457)	(2,700)	(9,518)	(6,483)
Net profit/loss for the period	**22,895**	**9,572**	**33,747**	**22,986**
thereof due to non-controlling interests	*169*	*202*	*163*	*182*
thereof due to shareholders of the parent company	22,726	9,370	33,584	22,804
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
Earnings per share (in EUR)				
Earnings per share (diluted and basic)	0.53	0.22	0.78	0.53

Consolidated Statement of Comprehensive Income

in TEUR	Q2 2022/23	Q2 2021/22	1 HY 2022/23	1 HY 2021/22
Net profit/loss for the period	**22,895**	**9,572**	**33,747**	**22,986**
Actuarial gain/loss	5,490	2,618	4,869	6,440
Deferred taxes due to actuarial gain/loss	(1,624)	0	(1,624)	0
Total of items that will not be reclassified ("recycled") subsequently to the income statement	**3,866**	**2,618**	**3,245**	**6,440**
Currency differences	(844)	1,815	2,020	102
Currency differences associates	91	144	91	144
Currency differences arising from loans	(2,499)	1,066	(2,371)	3,283
Total of items that will be reclassified ("recycled") subsequently to the income statement	**(3,252)**	**3,025**	**(260)**	**3,529**
Subtotal other comprehensive income	**614**	**5,643**	**2,985**	**9,969**
thereof due to non-controlling interests	*42*	*47*	*84*	*80*
thereof due to shareholders of the parent company	*572*	*5,596*	*2,901*	*9,889*
Total comprehensive income	**23,509**	**15,215**	**36,732**	**32,955**
thereof due to non-controlling interests	*211*	*251*	*247*	*262*
thereof due to shareholders of the parent company	*23,298*	*14,964*	*36,485*	*32,693*

Consolidated Balance Sheet

in TEUR	31 October 2022	30 April 2022
Goodwill	195,312	195,357
Other intangible assets	40,344	37,817
Property, plant and equipment	258,352	255,905
Shares in associated companies	1,485	4,079
Financial assets	5,210	5,297
Other assets	3,607	3,633
Deferred taxes	29,993	38,707
Non-current assets	**534,303**	**540,795**
Inventories	212,598	213,118
Trade receivables	166,096	153,737
Financial assets	4,131	3,728
Other assets	40,511	33,592
Liquid funds	80,813	60,461
Current assets	**504,149**	**464,636**
ASSETS	**1,038,452**	**1,005,431**
Share capital	108,750	108,750
Additional paid-in capital	335,316	335,316
Reserves	(41,333)	(62,717)
Capital attributed to shareholders of the parent company	402,733	381,349
Capital attributed to non-controlling interests	1,225	1,452
Equity	**403,958**	**382,801**
Provisions for pensions	52,446	55,595
Provisions for termination benefits	37,929	40,048
Provisions for other employee benefits	8,219	9,016
Other provisions	21,346	22,869
Borrowings	162,989	123,300
Other liabilities	16,580	18,101
Deferred taxes	1,857	1,847
Non-current liabilities	**301,366**	**270,776**
Provisions for taxes	17,816	19,305
Other provisions	21,776	24,333
Borrowings	26,137	34,455
Trade payables	118,314	120,275
Other liabilities	149,085	153,486
Current liabilities	**333,128**	**351,854**
EQUITY AND LIABILITIES	**1,038,452**	**1,005,431**

Consolidated Cash Flow Statement

in TEUR	1 HY 2022/23	1 HY 2021/22
Profit before tax	43,265	29,469
Depreciation and amortisation	27,575	27,286
Impairment of property, plant and equipment and intangible assets	30	643
Gain/loss on the disposal of property, plant and equipment and intangible assets	(37)	273
Other non-cash financial results	2,101	3,248
Interest income/Interest expense	2,727	2,471
Share of profit or loss including impairment in associated companies	2,685	(224)
Cash flow from operating results	**78,346**	**63,166**
Inventories	(813)	(25,965)
Trade receivables	(12,334)	(9,202)
Trade payables	(1,106)	(296)
Prepayments received	2,509	11,990
Change in working capital	**(11,744)**	**(23,473)**
Non-current provisions	(2,700)	(3,398)
Current provisions	(2,460)	(8,025)
Other assets	(7,647)	1,390
Other liabilities	(5,217)	(4,093)
Change in other operating items	**(18,024)**	**(14,126)**
Income taxes paid	**(4,338)**	**(2,043)**
Cash flow from operating activities	**44,240**	**23,524**
Cash inflows from the disposal of property, plant and equipment and other intangible assets	259	109
Cash outflows for the purchase of property, plant and equipment and other intangible assets	(27,515)	(17,534)
Change in non-current and current financial assets	50	468
Interest received	183	156
Cash flow from investing activities	**(27,023)**	**(16,801)**
FREE CASH FLOW	**17,217**	**6,723**
Cash proceeds from non-current and current borrowings	40,000	20,000
Cash repayments of non-current and current borrowings	(10,409)	(6,824)
Dividend paid to shareholders of the parent	(15,101)	(8,629)
Dividend paid to non-controlling interests	(481)	(1,061)
Interest paid	(2,714)	(2,560)
Cash flow from financing activities	**11,295**	**926**
CHANGE IN CASH AND CASH EQUIVALENTS	**28,512**	**7,649**
Cash and cash equivalents at the beginning of the period	41,418	54,818
Cash and cash equivalents at the end of the period	68,947	63,361
Effects of exchange rate changes on cash and cash equivalents	(983)	894
Change absolute	**28,512**	**7,649**

Consolidated Statement of Changes in Equity

1st Half-Year 2022/23

in TEUR	Share capital	Additional paid-in capital	Other Reserves	Currency reserve	Reserve IAS 19	Total	Non-controlling interests	Total equity
	Attributed to shareholders of the parent company							
30 April 2022	**108,750**	**335,316**	**66,283**	**(25,538)**	**(103,462)**	**381,349**	**1,452**	**382,801**
+/- Net profit/loss for the period	0	0	33,584	0	0	33,584	163	33,747
+/- Other comprehensive income	0	0	0	(344)	3,245	2,901	84	2,985
+/- Total comprehensive income	**0**	**0**	**33,584**	**(344)**	**3,245**	**36,485**	**247**	**36,732**
+/- Dividends	0	0	(15,101)	0	0	(15,101)	(474)	(15,575)
31 October 2022	**108,750**	**335,316**	**84,766**	**(25,882)**	**(100,217)**	**402,733**	**1,225**	**403,958**

1st Half-Year 2021/22

in TEUR	Share capital	Additional paid-in capital	Other Reserves	Currency reserve	Reserve IAS 19	Total	Non-controlling interests	Total equity
	Attributed to shareholders of the parent company							
30 April 2021	**108,750**	**335,316**	**29,355**	**(40,268)**	**(126,824)**	**306,329**	**2,087**	**308,416**
+/- Net profit/loss for the period	0	0	22,804	0	0	22,804	182	22,986
+/- Other comprehensive income	0	0	0	3,449	6,440	9,889	80	9,969
+/- Total comprehensive income	**0**	**0**	**22,804**	**3,449**	**6,440**	**32,693**	**262**	**32,955**
+/- Dividends	0	0	(8,629)	0	0	(8,629)	(1,061)	(9,690)
31 October 2021	**108,750**	**335,316**	**43,530**	**(36,819)**	**(120,384)**	**330,393**	**1,288**	**331,681**

The balance sheet position "reserves" comprises other reserves, the currency reserve, the reserve for hedge accounting and the IAS 19 reserve.

Condensed Notes

Accounting and Valuation Methods

The condensed consolidated interim financial statements for the period from 1 May 2022 to 31 October 2022 were prepared in accordance with the principles of Financial Reporting Standards, Interim Financial Reporting (IAS 34). The Zumtobel Group elected to use the option permitted by IAS 34 and provide condensed notes.

The condensed consolidated interim financial statements as of 31 October 2022 were based on the International Financial Reporting Standards and the related interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as applied in the European Union (EU), which were in effect on the balance sheet date.

The accounting and valuation methods applied as of 31 October 2022 reflect the methods applied in preparing the consolidated financial statements as of 30 April 2022, with the exception of the IFRSs which required mandatory application after 1 January 2022. A detailed description of these methods is provided in the consolidated financial statements for 2021/22 under note 2.6.4 "Accounting and Valuation Methods".

As of 31 October 2022, there were indications of possible impairment to goodwill as a result of the significant change in interest rates. Recoverability was determined by estimating the recoverable amount of the respective cash-generating unit. The most important parameters for the impairment test are driven by forecasted cash flows, the long-term growth rate, and the average weighted cost of capital used for discounting. The measurement period covers a four-year forecast period, a transition year and a perpetual annuity. Planning was based on external forecasts, experience and estimates by the Management Board on the market environment and the development of earnings.

Three scenarios were analysed for the "CGU Lighting".

- Base scenario (weighting: 60%): This scenario generally reflects the budgeted assumptions. Cost increases were offset by appropriate price adjustments. The lower materials ratio visible in actual results was not included in the adjustment.
- Best case scenario (20%): Included here is an average reduction of 1.3 pp in material costs to reflect the potential arising from a possible decline in energy, material and transport costs.
- Worst case scenario (20%): This includes an average increase of 2.1 pp in material costs to simulate the effects of a further increase in energy, material and transport costs without compensating price adjustments.

The base scenario for the "CGU Components" (weighting: 60%) retains the budgeted growth expectations. A short-term reduction in profitability due to the devaluation of the US dollar should be recovered in the following years. The positive scenario (weighting: 20%) includes additional growth expectations of 0.3 pp, e.g. from stronger growth in the global economy. This is contrasted by a 1.6 pp decline in growth in the negative scenario (weighting: 20%).

The following assumption were made in planning the scenarios or the segments:

Non-observable input factors	2022/23	2021/22
Long-term growth rate		
for the CGUs	1.50%	1.50%
Cash flow forecast period	4 years	4 years
CGU Lighting		
Pre-tax discount rate	11.39%	9.08%
CGU Components		
Pre-tax discount rate	11.50%	9.22%

- Long-term growth rate: The growth rate used to extrapolate cash flows beyond the forecast period. This growth rate is lower than the forecasts for the sector in which the cash-generating unit is active.
- Cash flow for the forecast period: The four-year forecast prepared by management and approved/reviewed by the Management Board.
- Pre-tax discount rate: Reflects the specific risks of the respective CGUs and the countries in which they are active.

Additional information on the impairment testing of goodwill is provided in the section on goodwill under "Selected Notes to the Consolidated Balance Sheet".

The effects of new standards are described in greater detail under "Effects of new and revised standards and interpretations". The consolidated financial statements for 2021/22 are also available online under https://z.lighting/en/group/investor-relations/.

In order to improve the transparency and explanatory power of the condensed consolidated interim financial statements, certain items were combined on the balance sheet, the income statement and the statement of comprehensive income 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 reporting packages of the companies included in the condensed consolidated interim financial statements were prepared on the basis of uniform accounting and valuation principles.

The preparation of consolidated interim financial statements in accordance with IFRS requires the use of judgments, 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 condensed consolidated interim financial report.

Russian invasion of Ukraine and effects of global uncertainty

Revenues increased significantly due to the improved availability of components, the successfully implemented increases in selling prices and positive foreign exchange effects. These factors also supported a year-on-year improvement in EBIT despite the global disruptions caused by the Russian invasion of Ukraine on 24 February 2022 and the resulting energy crisis as well as record inflation and the ongoing tense COVID-19 situation.

The package of sanctions implemented and expanded by the EU in connection with the Russian invasion of Ukraine had only limited effects on the Zumtobel Group's capital and earnings structures.

Delivery times on the procurement markets for various merchandise groups declined and normalised during the first half-year due to weaker demand and higher production capacity. However, the situation on the semiconductor market is still strained. The availability of the involved components has improved, but semiconductors for industrial applications remain an exception. Allocation still determines this submarket because of inadequate production capacity and the resulting supply shortages for the industrial segments, regions and customers.

The market prices for primary raw materials like copper, steel and aluminium declined during the first half-year as a result of market conditions and, based on this development, permitted the negotiation of new reduced prices – also for secondary products. Unfortunately, these savings effects could not be materialised in full due to the very high energy costs passed on by suppliers to their customers and substantial negative foreign exchange effects from the US dollar. The prices for various raw materials like packaging, plastic granulate and semi-conductors remain high due to inflation, and there are no signs of a possible reduction in the near future.

Production costs have also been negatively affected by the high energy prices. The Austrian locations are particularly affected here since purchases are made on the spot market because of expiring contracts. Conflicting developments are currently visible in the transport sector: The container costs for overseas freight from Asia have declined significantly, but the constant high fuel prices have led to higher road freight costs in Europe.

The continued increase in interest rates during the first half-year as reflected in the discount factors and, in turn, in the valuation of goodwill and employee-related obligations.

Other significant events in the first half of 2022/23

On 9 June 2022, Zumtobel Group AG announced the appointment of Marcus Frantz as Chief Digital Transformation Officer (CDTO) beginning on 1 November 2022. He will be responsible for driving the Group's digital transformation. The former three-member Management Board of the Zumtobel Group will therefore be expanded to include a fourth member.

The General Meeting approved the payment of a 35 euro cents dividend per share for the 2021/22 financial year. Dividends totalling TEUR 15,101 (previous year: TEUR 8,629) were distributed to shareholders on 5 August 2022.

The 46th General Meeting also re-elected Supervisory Board members Volkhard Hofmann and Christian Beer, each for a term extending up to the 2024/25 financial year.

The provisions for pensions and termination benefits were revalued due to the increase in interest rates and inflation during the first half of 2022/23. The revaluation led to a decline of TEUR 4,869.

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: Income Statement		Closing rate: Balance Sheet	
	31 October 2022	31 October 2021	31 October 2022	30 April 2022
AUD	1.4943	1.5879	1.5529	1.4699
CHF	0.9927	1.0847	0.9925	1.0229
USD	1.0194	1.1857	0.9914	1.0540
SEK	10.6460	10.1529	10.9010	10.2958
NOK	10.1578	10.1802	10.3028	9.7525
GBP	0.8577	0.8557	0.8612	0.8391

Scope of Consolidation

The condensed consolidated interim financial statements include all major Austrian and foreign companies that are controlled by Zumtobel Group AG. There were no changes in the scope of consolidation during the first half of the 2022/23 financial year; 88 companies were included through full consolidation and one company was included at equity.

Selected Notes to the Consolidated Income Statement

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

Revenues

Revenues include an adjustment of TEUR 23,679 (H1 2021/22: TEUR 23,288) for sales deductions. Gross revenues total TEUR 651,449 (H1 2021/22: TEUR 590,653).

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 2022/23

in TEUR	Cost of goods sold	Selling expenses	Administrative expenses	Other operating results	Total
Cost of materials	(280,428)	(3,840)	(29)	0	(284,297)
Personnel expenses	(89,444)	(85,831)	(16,542)	0	(191,817)
Depreciation	(19,402)	(6,760)	(1,443)	0	(27,605)
Other expenses	(26,614)	(48,471)	(9,215)	(586)	(84,886)
Own work capitalised	6,553	612	255	0	7,420
Internal charges	(1,659)	(4,247)	5,906	0	0
Total expenses	**(410,995)**	**(148,537)**	**(21,068)**	**(586)**	**(581,186)**
Other income	**1,865**	**940**	**160**	**1,229**	**4,194**
Total	**(409,130)**	**(147,597)**	**(20,908)**	**643**	**(576,992)**

1st Half-Year 2021/22

in TEUR	Cost of goods sold	Selling expenses	Administrative expenses	Other operating results	Total
Cost of materials	(258,763)	(3,623)	(14)	0	(262,400)
Personnel expenses	(82,726)	(81,473)	(16,227)	(81)	(180,507)
Depreciation	(19,163)	(7,493)	(1,273)	0	(27,929)
Other expenses	(24,927)	(39,962)	(8,796)	0	(73,685)
Own work capitalised	6,494	2	62	0	6,558
Internal charges	(887)	(3,655)	4,543	0	0
Total expenses	**(379,973)**	**(136,204)**	**(21,705)**	**(81)**	**(537,963)**
Other income	**1,657**	**1,975**	**95**	**1,835**	**5,562**
Total	**(378,316)**	**(134,229)**	**(21,610)**	**1,754**	**(532,401)**

The cost of goods sold includes development costs of TEUR 31,784 (H1 2021/22: TEUR 30,158).

The increase in other expenses resulted primarily to the renewed expansion of sales activities.

Other Financial Income and Expenses

in TEUR	Q2 2022/23	Q2 2021/22	1 HY 2022/23	1 HY 2021/22
Interest component as per IAS 19 less income on plan assets	(366)	(718)	(1,260)	(1,431)
Foreign exchange gains and losses	252	(879)	(830)	(1,936)
Market valuation of financial instruments	2,083	19	(11)	119
Total	**1,969**	**(1,578)**	**(2,101)**	**(3,248)**

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. The positive effects in the second quarter of 2022/23 are attributable, above all, to derivatives denominated in Swiss francs (CHF).

The impairment loss of TEUR –1,698 recognised to associates involves a write-down to the equity-accounted investment in Inventron AG, Switzerland, to reflect a decline in future earnings prospects.

Selected Notes to the Consolidated Statement of Comprehensive Income

Actuarial Gain/Loss

The reported actuarial gains of TEUR 4,869 (H1 2021/22: actuarial gain of TEUR 6,440) are attributable to revaluation effects from the Group's pension and termination obligations. They reflect the increase in interest rates and inflation levels during the first half of 2022/23.

Currency Differences

This position consists of translation effects from the conversion of subsidiaries' financial statements (TEUR 2,075; H1 2021/22: TEUR –2,259) and effects from foreign currency-related adjustments to goodwill following the application of IAS 21 ("The Effects of Changes in Foreign Exchange Rates") (TEUR –45; H1 2021/22: TEUR 2,453). The currency reserve also includes a currency effect of TEUR 84 (2021/22: TEUR 80) from non-controlling interests and currency effects of TEUR 91 (H1 2021/22: TEUR 144) from investments in associates. Also included here are currency differences resulting from an interest rate hedge (net investment hedge, TEUR –94; H1 2021/22: TEUR –172).

Currency Differences arising from Loans

The currency differences arising from loans (TEUR –2,371; H1 2021/22: TEUR 3,283) result from long-term intragroup loans in SEK, GBP and USD, which are classified as net investments in a foreign operation and must therefore be reported under comprehensive income.

Deferred Taxes

The deferred taxes recognised in comprehensive income during the first half of 2022/23 (TEUR –1,624; H1 2021/22: TEUR 0) are related to the provisions for pensions and termination benefits based on actuarial losses as defined in IAS 19 ("Employee Benefits"). Deferred taxes were not recognised for the actuarial losses resulting from a pension plan in a British Group company because the related amounts are immaterial.

Selected Notes to the Consolidated Balance Sheet

The following comments refer to major changes in individual items compared to the balance sheet date on 30 April 2022.

Goodwill

The application of IAS 21 (“The Effects of Changes in Foreign Exchange Rates“) led to foreign currency-based adjustments of TEUR –45 to goodwill in the first half of 2022/23 (H1 2021/22: TEUR 2,453) which were not recognised through profit or loss. These foreign exchange effects are allocated to assets in the Lighting Segment for segment reporting.

Recoverable amount
The recoverable amount of the “CGU Lighting“ exceeded the carrying amount by EUR 23.3 million (2021/22: EUR 156.8 million). In the ”CGU Components“, the surplus coverage equalled EUR 90.2 million (2021/22: EUR 212.3 million).

Effect of possible changes in material assumptions
An increase in the pre-tax WACC from 11.4% to 11.8% (FY 2022/23), from 9.1% to 11.1% (FY 2021/22) or a decline of 4.0% in cash flow (FY 2022/23)/22.2% (FY 2021/22), assuming all other parameters are constant, would reduce the surplus coverage in the “CGU Lighting“ to zero. In the “CGU Components“, an increase in the pre-tax WACC from 11.5% to 17.2% (FY 2022/23), from 9.2% to 21.0% (FY 2021/22) or a decline of 36.5% in cash flow (FY 2022/23)/58.6% (FY 2021/22) would reduce the surplus coverage to zero.

The sustainability of the high measurable market returns is connected with uncertainty due to the current economic environment. Therefore, the cost of capital was also derived from a market return based on the upper limit of the range for basic interest rates and market risk premium recommended by the Chamber of Tax Advisors and Auditors (“Fachsenat für Betriebswirtschaft zu Basiszins und Marktrisikoprämie”, KFS/BW 1 E 7). This would result in surplus coverage of EUR 98.1 million for the "CGU Lighting" and EUR 119.4 million for the "CGU Components”.

Investments in associates

Of the total decline in investments in associates, TEUR –987 is attributable to the carryforward of the equity-accounted investment in Inventron AG, Switzerland. It also includes a write-down of TEUR –1,698 to the fair value of the investment (TEUR 1,485; H1 2021/22: TEUR 4,079) to reflect the negative earnings outlook.

Inventories

The following table shows the various components of inventories:

in TEUR	31 October 2022	30 April 2022
Raw materials	85,494	78,274
Work in process	2,236	3,176
Semi-finished goods	13,189	10,836
Merchandise	30,472	37,561
Finished goods	81,207	83,271
Inventories	**212,598**	**213,118**

Trade Receivables

The increase in trade receivables is primarily attributable to the higher volume of business in the first half-year compared with the end of the 2020/21 financial year.

Current Financial Assets

Current financial assets include receivables due from financial institutions from a continuing involvement in a factoring agreement (31 October 2022: TEUR 2,209; 30 April 2022: TEUR 2,175).

Non-current Financial Liabilities

The increase in non-current financial liabilities is primarily attributable to the draw-down of TEUR 40,000 from the consortium credit agreement to cover higher financing requirements.

Current Provisions

The decline in other current provisions resulted primarily from a reduction in miscellaneous provisions.

Current Financial Liabilities

The decline in current financial liabilities resulted chiefly from a reduction of TEUR 7,102 in the use of short-term credit lines.

Other Current Liabilities

The decrease of TEUR 4,401 in other current liabilities resulted primarily from a reduction in bonus, holiday and remuneration liabilities to employees.

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 tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels on the fair value hierarchy. They do not include any information on the fair value of financial assets or financial liabilities that are not carried at fair value when the carrying amount represents an approximation of fair value.

31 October 2022

Assets

in TEUR	Carrying amount	Accounting at fair value	Accounting at amortized cost	Fair value	Level 1	Level 2	Level 3
Non-current financial assets	5,210	576	4,634				
Securities and similar rights	*576*	*576*	*-*	*576*			*576*
Loans originated and other receivables	*4,634*	*-*	*4,634*				
Current financial assets	4,132	1,906	2,226				
Securities and similar rights	*2,209*	*-*	*2,209*				
Loans originated and other receivables	*17*	*-*	*17*				
Positive market values of derivatives held for trading	*1,906*	*1,906*	*-*	*1,906*		*1,906*	
Trade receivables	166,096	2,209	163,887	2,209			2,209
Liquid funds	80,813	-	80,813				
Total	**256,251**	**4,691**	**251,560**				

Liabilities

in TEUR	Carrying amount	Accounting at fair value	Accounting at amortized cost	Fair value	Level 1	Level 2	Level 3
Non-current borrowings	162,989	-	162,989				
Loans received	*126,189*	*-*	*126,189*	*123,764*			
Lease liability	*36,800*	*-*	*36,800*				
Current borrowings	26,137	-	26,137				
Loans received	*2,633*	*-*	*2,633*				
Working capital credits	*11,803*		*11,803*				
Lease liability	*11,701*	*-*	*11,701*				
Trade payables	118,314	-	118,314				
Other current liabilities	5,896	5,704	192				
Negative market values of derivatives held for trading	*1,178*	*1,178*	*-*	*1,178*		*1,178*	
Negative market values of derivatives (hedge accounting)	*4,526*	*4,526*		*4,526*		*4,526*	
Other	*192*	*-*	*192*				
Total	**313,336**	**5,704**	**307,632**				

30 April 2022

Assets

in TEUR	Carrying amount	Accounting at fair value	Accounting at amortized cost	Fair value	Level 1	Level 2	Level 3
Non-current financial assets	5,297	576	4,721				
Securities and similar rights	*576*	*576*	*-*	*576*			*576*
Loans originated and other receivables	*4,721*	*-*	*4,721*				
Current financial assets	3,728	1,548	2,180				
Securities and similar rights	*2,175*	*-*	*2,175*				
Loans originated and other receivables	*5*	*-*	*5*				
Positive market values of derivatives held for trading	*1,548*	*1,548*	*-*	*1,548*		*1,548*	
Trade receivables	153,737	2,175	151,562	2,175			2,175
Liquid funds	60,461	-	60,461				
Total	**223,223**	**4,299**	**218,924**				

Liabilities

in TEUR	Carrying amount	Accounting at fair value	Accounting at amortized cost	Fair value	Level 1	Level 2	Level 3
Non-current borrowings	123,300	-	123,300				
Loans received	*86,276*	*-*	*86,276*	*85,483*			
Lease liability	*37,024*	*-*	*37,024*				
Current borrowings	34,455	-	34,455				
Loans received	*3,063*	*-*	*3,063*				
Working capital credits	*18,906*		*18,906*				
Lease liability	*12,486*	*-*	*12,486*				
Trade payables	120,275	-	120,275				
Other current liabilities	5,280	5,240	40				
Negative market values of derivatives held for trading	*879*	*879*	*-*	*879*		*879*	
Negative market values of derivatives (hedge accounting)	*4,361*	*4,361*		*4,361*		*4,361*	
Other	*40*	*-*	*40*				
Total	**283,310**	**5,240**	**278,070**				

Selected Notes to the Consolidated 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.

Transition to Cash and Cash Equivalents

in TEUR	31 October 2022	30 April 2022
Liquid funds	80,813	60,461
Not available for disposal	(63)	(137)
Overdrafts	(11,803)	(18,906)
Cash and cash equivalents	**68,947**	**41,418**

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 information on segment assets is limited to the data on segment inventories that is regularly reported to management.

2nd Quarter 2022/23

	Lighting Segment		Components Segment		Reconciliation		Group	
in TEUR	Q2 2022/23	Q2 2021/22	Q2 2022/23	Q2 2021/22	Q2 2022/23	Q2 2021/22	Q2 2022/23	Q2 2021/22
Net revenues	**235,027**	**208,064**	**93,908**	**83,509**	**(14,828)**	**(13,533)**	**314,107**	**278,040**
External revenues	*234,803*	*207,846*	*79,304*	*70,195*	*0*	*0*	*314,107*	*278,040*
Inter-company revenues	*224*	*218*	*14,604*	*13,315*	*(14,828)*	*(13,533)*	*0*	*0*
Gross profit	**90,608**	**69,654**	**20,741**	**17,349**	**2,258**	**1,805**	**113,607**	**88,808**
Operating profit	**24,915**	**11,114**	**8,854**	**7,685**	**(2,027)**	**(3,920)**	**31,742**	**14,879**
Investments	**5,325**	**5,470**	**3,445**	**2,430**	**3,774**	**686**	**12,544**	**8,586**
Depreciation	**(9,455)**	**(10,282)**	**(3,219)**	**(3,000)**	**(1,115)**	**(1,238)**	**(13,789)**	**(14,520)**

1st Half-Year 2022/23

	Lighting Segment		Components Segment		Reconciliation		Group	
in TEUR	1 HY 2022/23	1 HY 2021/22	1 HY 2022/23	1 HY 2021/22	1 HY 2022/23	1 HY 2021/22	1 HY 2022/23	1 HY 2021/22
Net revenues	**461,520**	**420,506**	**197,062**	**175,683**	**(30,812)**	**(28,824)**	**627,770**	**567,365**
External revenues	*461,012*	*419,940*	*166,758*	*147,425*	*0*	*0*	*627,770*	*567,365*
Inter-company revenues	*509*	*566*	*30,304*	*28,258*	*(30,812)*	*(28,824)*	*0*	*0*
Gross profit	**173,460**	**147,406**	**41,617**	**37,991**	**3,563**	**3,652**	**218,640**	**189,049**
Operating profit	**41,579**	**27,046**	**16,499**	**16,238**	**(7,300)**	**(8,321)**	**50,778**	**34,964**
Investments	**15,505**	**10,395**	**6,680**	**5,330**	**5,330**	**1,809**	**27,515**	**17,534**
Depreciation	**(18,896)**	**(19,287)**	**(6,493)**	**(6,116)**	**(2,217)**	**(2,526)**	**(27,605)**	**(27,929)**

	Lighting Segment		Components Segment		Reconciliation		Group	
	31 October 2022	30 April 2022	31 October 2022	30 April 2022	31 October 2022	30 April 2022	31 October 2022	30 April 2022
Headcount (full-time equivalent)	3,760	3,759	1,808	1,869	158	154	5,726	5,782

The number of employees reported in the above table includes 173 (H1 2021/22: 210) 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 2022/23	Q2 2021/22	1 HY 2022/23	1 HY 2021/22
Group parent companies	(2,094)	(3,644)	(7,147)	(8,330)
Group entries	66	(276)	(153)	9
Operating profit	**(2,027)**	**(3,920)**	**(7,300)**	**(8,321)**

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.

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

	Lighting Segment		Components Segment		Reconciliation		Group	
in TEUR	31 October 2022	30 April 2022	31 October 2022	30 April 2022	31 October 2022	30 April 2022	31 October 2022	30 April 2022
Raw materials	50,576	50,152	56,529	46,663	0	0	107,105	96,815
Work in process	704	1,776	1,532	1,400	0	0	2,236	3,176
Semi-finished goods	9,192	7,801	4,883	3,734	0	0	14,075	11,535
Merchandise	24,098	24,057	11,218	17,801	0	0	35,317	41,859
Finished goods	52,287	58,518	41,900	34,691	(622)	(493)	93,565	92,716
Impairment loss	(20,864)	(18,093)	(18,836)	(14,889)	0	0	(39,700)	(32,982)
Inventories	**115,993**	**124,211**	**97,226**	**89,401**	**(622)**	**(493)**	**212,598**	**213,118**

Related Party Transactions

All business transactions with related persons are based on normal market terms. There were no material supply or service relationships with related parties or persons in the first half of 2022/23.

Contingent Liabilities and Guarantees

The Zumtobel Group has issued bank guarantees totalling TEUR 22,414 (30 April 2022: TEUR 24,170) for various purposes.

Subsequent Events

No significant events occurred after the interim balance sheet date on 31 October 2022.

Dornbirn, 6 December 2022

The Management Board

Alfred Felder
Chief Executive Officer (CEO)

Thomas Erath
Chief Financial Officer (CFO)

Bernard Motzko
Chief Operating Officer (COO)

Marcus Frantz
Chief Digital Transformation Officer (CDTO)

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, 6 December 2022

The Management Board

Alfred Felder
Chief Executive Officer (CEO)

Thomas Erath
Chief Financial Officer (CFO)

Bernard Motzko
Chief Operating Officer (COO)

Marcus Frantz
Chief Digital Transformation Officer (CDTO)

We draw attention to the fact that the English translation of this review report according to Section 274 of the Austrian Commercial Code (UGB) is presented for the convenience of the reader only and that the German wording is the only legally binding version.

Review report

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of Zumtobel Group AG, Dornbirn, as at 31 October 2022. The condensed consolidated interim financial statements comprise the consolidated balance sheet as at 31 October 2022, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the period from 1 May to 31 October 2022, and the condensed notes to the consolidated interim financial statements that summarize the significant accounting and include other disclosures.

The Company's management is responsible for the preparation of these condensed consolidated interim financial statements in accordance with IFRSs as adopted by the EU on "Interim Financial Reporting".

Our responsibility is to provide a review summary on these condensed consolidated interim financial statements based on our review.

Scope of the review

We have performed the review in accordance with the legal provisions applicable in Austria and the relevant expert opinions and standards, in particular KFS/PG 11 "Guidelines for the review of financial statements". The review of interim financial statements includes interviews, primarily with persons responsible for finance and accounting, and analytical assessments and other surveys. A review is significantly less in scope than an audit and requires less evidence, 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.

Review summary

Based on our review, no matters have come to our attention that cause us to presume that the accompanying condensed consolidated interim financial statements were not – in all material aspects – prepared in compliance with the IFRSs as adopted by the EU on "Interim Financial Reporting".

Statement on the half-year management report for the Group and on the statement by management pursuant to Section 125 Austrian Stock Exchange Act 2018 (BörseG 2018)

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

The half-year financial report contains the statement by management as set forth under Section 125 (1) No. 3 BörseG 2018.

Vienna, 6 December 2022

PwC Wirtschaftsprüfung GmbH

signed:

Peter Pessenlehner

Austrian Certified Public Accountant

Disclosure, publication and duplication of the condensed consolidated interim financial statements together with the review report according to Section 281 (2) UGB in a form not in accordance with statutory requirements and differing from the version reviewed by us is not permitted. Reference to our review may not be made without prior written permission from us.

Service

General Information

The use of automatic data processing equipment can lead to rounding differences.

Financial Terms

CAPEX	Capital expenditure
Debt coverage ratio	= Net debt divided by EBITDA
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
Labour productivity	= Adjusted EBIT as a percentage of personnel expenses
Net debt	= Non-current borrowings + current borrowings – liquid funds – current financial receivables from associated companies – receivables from credit institutions from a continuing involvement based on the factoring agreement
WACC	Weighted average cost of capital (debt and equity)
Working capital	= Inventories + trade receivables – trade payables – prepayments received – customer bonuses, discounts and rebates

Financial Calendar

Interim Report Q1–Q3 2022/23 (1 May 2022 – 31 January 2023) 08 March 2023

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Financial Reports

Our financial reports are available in English and German for download under: https://z.lighting/.

More Information

on Zumtobel Group AG and our brands can be found on the Internet under: https://z.lighting/

Imprint

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Disclaimer

This quarterly 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 normally characterised by expressions like "preview", "outlook", "believe", "expect", "estimate", "intend", "plan", "goal", "evaluation", "can/could", "become" or similar terms or can be interpreted as a statement on future developments because of the context. The 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. They are also 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. Risks may also 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. Neither the Zumtobel Group nor any persons involved in the preparation of this quarterly report accepts any liability whatsoever for the correctness and completeness of the statements on future developments contained in this report. The Zumtobel Group does not plan to update these forward-looking statements. The quarterly report is also presented in English, but only the German text is binding. This quarterly report does not represent a recommendation or invitation to buy or sell securities issued by the Zumtobel Group.