

zumtobel group

Q1 – Q3 (May 2018 – January 2019)

Report on the 3rd Quarter 2018/19 of Zumtobel Group AG

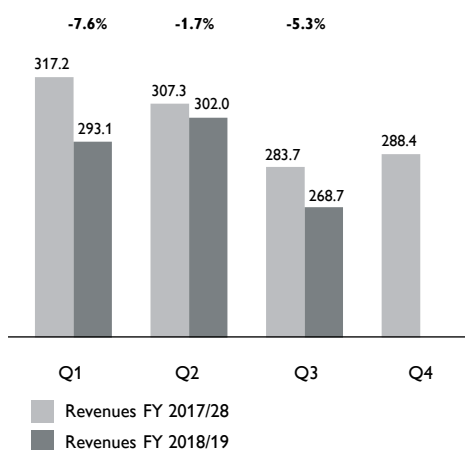


Overview of the Third Quarter of 2018/19

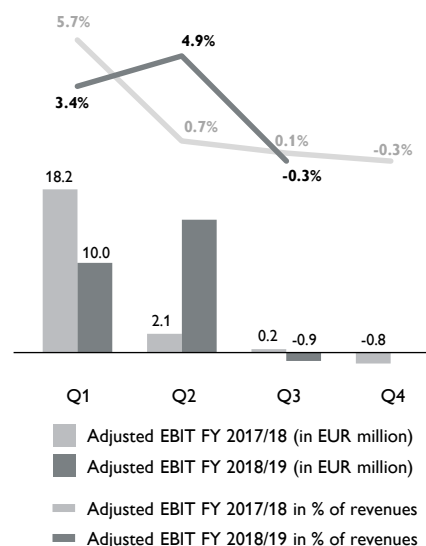
Key Data in EUR million	Q3 2018/19	Q3 2017/18	Change in %	Q1-Q3 2018/19	Q1-Q3 2017/18	Change in %
Revenues	268.7	283.7	(5.3)	863.8	908.1	(4.9)
EBITDA	0.4	11.7	(96.4)	45.6	52.2	(12.7)
as a % of revenues	0.2	4.1		5.3	5.7	
Adjusted EBIT	(0.9)	0.2	<(100)	23.9	20.5	16.9
as a % of revenues	(0.3)	0.1		2.8	2.3	
EBIT	(12.0)	(2.2)	<(100)	7.2	13.9	(48.6)
as a % of revenues	(4.5)	(0.8)		0.8	1.5	
Net profit/loss for the period	(14.8)	(9.3)	(59.0)	(6.1)	(1.7)	<(100)
as a % of revenues	(5.5)	(3.3)		(0.7)	(0.2)	
Cash flow from operating results	0.5	11.7	(95.4)	45.8	53.1	(13.7)
Investments	16.6	15.3	8.4	49.9	48.6	2.7
				31 January 2019	30 April 2018	Change in %
Total assets				952.5	986.1	(3.4)
Equity				268.8	268.3	0.2
Equity ratio in %				28.2	27.2	
Net debt				159.3	146.3	8.9
Headcount incl. contract worker (full-time equivalent)				5,905	6,497	(9.1)

Development of Business by Quarter

Revenues (in EUR million)



Adjusted EBIT



Letter to Shareholders

Dear Shareholders,

The first nine months of the 2018/19 financial year were influenced by urgently required restructuring measures to stabilise the business and improve profitability:

A range of measures were implemented during the first three quarters to strengthen revenues and earnings. Despite an increase in global competition and a related decline in revenues, the Zumtobel Group successfully improved profitability. We are also pleased to report that the ongoing start-up of the lighting and components plant in Niš, Serbia, which began last September, is proceeding as planned. The next step will be to transform Niš into a fully operational plant with a high degree of vertical integration in order to improve our competitive position and increase our flexibility to react to the changing demands of our core markets.



Alfred Felder

Difficult market environment, political uncertainty and negative foreign exchange effects lead to decline in revenues

Group revenues totalled EUR 863.8 million in the first three quarters of 2018/19 (minus 4.9% compared with the previous year). After an adjustment for foreign exchange effects – which resulted from the increase in the euro versus the Turkish lira, Australian dollar and Swedish krona – revenues declined by 3.8%. Further reasons for the decline included the intense price competition in the lighting industry and substantially lower revenues in Great Britain (roughly minus 14%), the Zumtobel Group's most important single market. Revenue development in Great Britain has been negatively influenced by the still uncertain outcome of the BREXIT negotiations and the resulting decline in orders for non-residential construction in that market.

Reduction of fixed costs supports improvement in profitability

Group EBIT adjusted for special effects rose to EUR 23.9 million in the first three quarters of 2018/19 (Q1-Q3 2017/18: EUR 20.5 million), and the return on sales improved from 2.3% to 2.8%. The improvement in the Group's profitability resulted, above all, from the efficiency and cost savings measures which were introduced by the Management Board. Selling and administrative costs fell by a substantial EUR 21.9 million (minus 8%) year-on-year during the reporting period.

Earnings negatively influenced by lower revenues and one-off costs for restructuring measures

Net loss for the period amounted to minus EUR 6.1 million for the first three quarters of 2018/19 due to negative special effects of EUR 16.8 million (Q1-Q3 2017/18: EUR 6.5 million) from restructuring measures and the market-related decline in revenues. The restructuring costs resulted primarily from the streamlining of the management team and from the gradual shutdown of production at the components plant in Jennersdorf, Burgenland.

Continuation of restructuring course to improve profitability

In spite of the savings measures implemented to date, the company has still not reached a competitive cost basis. The continuous evaluation of all processes, business areas and plants is indispensable in a highly competitive global market like the lighting industry.

The Zumtobel Group will therefore continue its restructuring course and introduce further measures in the fourth quarter of 2018/19 to improve profitability. In addition to the gradual shutdown of production at the components plant in Jennersdorf, Burgenland, production at the lighting plant in Guangzhou, China, will be scaled back to a minimum by the end of 2018/19 for small-lot production. Local volume production for the Asian lighting market will be handled by a partner network in the future. Further selective adjustments will

also be made in the selling and administrative area to reduce the Group's cost structures, which are still high in international comparison.

Stabilisation of revenues – continued pursuit of strategy

These restructuring measures are part of the urgently required steps to put the company back on track. The Zumtobel Group's reorientation is not only directed to improving profitability, but also to stabilisation of revenues and sharper positioning on the global lighting market. The strategy announced last September will be consistently pursued. In today's increasingly integrated, digital world, the company is therefore strengthening its focus on services and turnkey solutions as the drivers for further growth, on the components business as the answer to intelligent lighting products and systems and on strong core brands for a clear positioning in key markets and applications.

Outlook for 2018/19 and confirmation of medium-term target

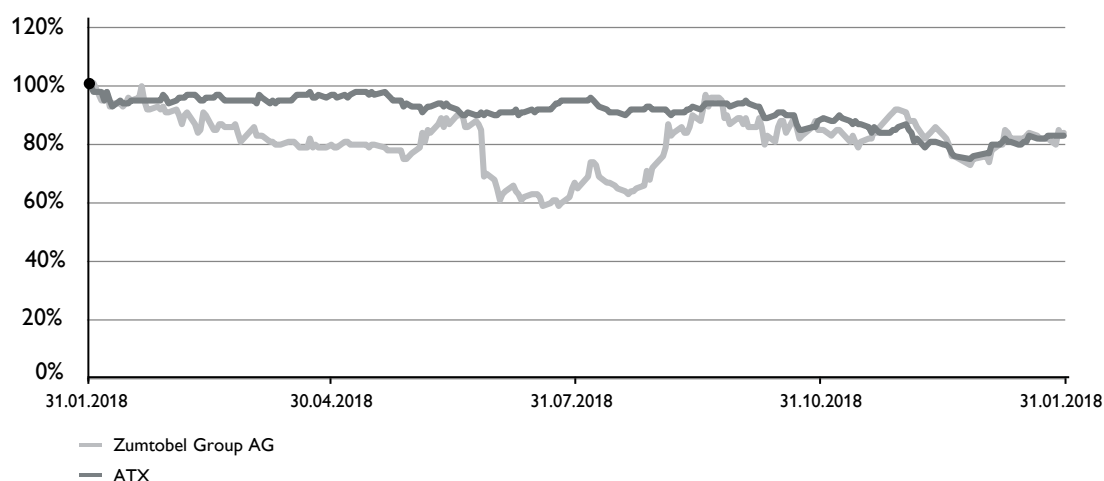
The Management Board of the Zumtobel Group sees 2018/19 as a year of transition and confirms the previously issued guidance. In view of the ongoing low visibility as well as the generally intensive price competition in the lighting industry and numerous macroeconomic issues (e.g. BREXIT, trade conflicts), a statement on the development of revenues in the fourth quarter is connected with uncertainty. For the full year of 2018/19, adjusted Group EBIT is expected to improve slightly year-on-year (FY 2017/18: EUR 19.7 million). The company has set a medium-term target to generate an EBIT margin of approximately 6% by the 2020/21 financial year.

Alfred Felder
Chief Executive Officer (CEO)

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 343 million at the end of January 2019. The shareholder structure has changed slightly since the end of the 2017/18 financial year. The Zumtobel family increased its holding from 35.5% to 36.1% of the voting rights and has therefore remained the stable core shareholder of Zumtobel Group AG since the IPO. Lazard Freres Gestion, an institutional investor, held an investment of over 5% as of 31 January 2019. The remaining shares are held primarily by other institutional investors. The average daily turnover on the Vienna Stock Exchange amounted to 270,599 shares in the first three quarters of 2018/19 (double-count, as published by the Vienna Stock Exchange). The company held an unchanged number of 353,343 treasury shares as of 31 January 2019.

Development of the Zumtobel Group Share



Key Data on the Zumtobel Group Share Q1-Q3 2018/19

Closing price at 30.04.2018	EUR 7.500	Currency	EUR
Closing price at 31.01.2019	EUR 7.895	ISIN	AT0000837307
Performance Q1-Q3 2018/19	5.3%	Ticker symbol Vienna Stock Exchange (XETRA)	ZAG
Market capitalisation at 31.01.2019	EUR 343 mill.	Market segment	ATX Prime
Share price - high at 19.09.2018	EUR 9.170	Reuters symbol	ZUMV.VI
Share price - low at 26.07.2018	EUR 5.550	Bloomberg symbol	ZAG AV
Ø Turnover per day (shares)	270,599	Number of issued shares	43,500,000

Group Management Report

Significant Events since 30 April 2018

No dividend for FY 2017/18

A resolution was passed by 42nd annual general meeting on 21 July 2018 to waive the payment of a dividend for the 2017/18 financial year.

Management Board presents new "Focus" strategy

The new strategy for the Zumtobel Group was presented in connection with the publication of the first quarter report on 4 September 2018. It comprises five key elements which are derived from "Focus", the core of the new strategy. The clearly defined goal of this strategy is to create sustainable added value for all stakeholders (shareholders, customers, employees). The company has set a goal to generate an EBIT margin of approximately 6% by the 2020/21 financial year.

Zumtobel Group opens new plant in Serbia

The new production plant in Niš, Serbia, was officially opened on 28 September 2018. The plant houses two main areas: Production area 1 for components (Tridonic) started series production at the end of July 2018, and Production area 2 for lighting started operations at the beginning of September. With a total investment volume of over EUR 30 million and 40,000 square metres, this plant represents an important addition to the Zumtobel Group's international production network.

Gradual shutdown of production at the components plant in Jennersdorf

In November 2018, the Zumtobel Group approved the gradual shutdown of production in the components plant (Tridonic) in Jennersdorf, Austria, by November 2019. This economically necessary reorganisation will primarily affect approximately 90 employees in the production area. The research and development location in Jennersdorf with roughly 30 jobs will remain the LED competence centre for the Zumtobel Group. The production of the LED modules in Jennersdorf will be transferred to Nis and Dornbirn.

Contract with CEO Alfred Felder extended to 2022

On 4 December 2018, the Supervisory Board of the Zumtobel Group announced that the expiring contract with CEO Alfred Felder would be extended beyond 30 April 2019 by three years to 30 April 2022.

Settlement of legal dispute with Ulrich Schumacher

A settlement was reached in January 2019 in the legal dispute with former CEO Ulrich Schumacher. The Zumtobel Group will make a gross payment of EUR 1.5 million to Mr. Schumacher, which represents roughly one-third of the original claim of EUR 4.4 million. Most of this amount represents claims for compensation from previous financial years and has already been reflected in appropriate provisions.

Signing for second EIB tranche of EUR 40 million

The European Investment Bank (EIB) has released the second credit tranche of EUR 40 million in connection with a financing programme of EUR 80 million which was granted to the Zumtobel Group to strengthen research and development activities. The contract was signed in January and payment was made in February 2019.

No other significant events occurred after the balance sheet date on 30 April 2018.

Development of revenues in the first three quarters of 2018/19

- >> Group revenues decline by 4.9% (FX-adjusted: minus 3.8%)
- >> LED share of Group revenues rises to 81.3% (Q1-Q3 2017/18 79.5%)
- >> Lighting Segment revenues (FX-adjusted) 5.6% below previous year
- >> Revenues in Components Segment reflect previous year (FX-adjusted: plus 0.2%)

In the first nine months of the 2018/19 financial year (1 May 2018 to 31 January 2019), Group revenues fell by 4.9% year-on-year to EUR 863.8 million (previous year: EUR 908.1 million). Revenue development was influenced by negative currency translation effects of EUR 9.5 million, which resulted primarily from the increase in the euro versus the Turkish lira, Australian dollar and Swedish krona. After an adjustment for these effects, the decline equalled 3.8% for the reporting period. The LED share of Group revenues increased from 79.5% to 81.3% within 12 months.

FX-adjusted decline of 3.8% in Group revenues

Segment development in EUR million	Q3 2018/19	Q3 2017/18	Change in %	Q1-Q3 2018/19	Q1-Q3 2017/18	Change in %	FX adjusted in %
Lighting Segment	199.9	214.1	(6.6)	649.9	693.5	(6.3)	(5.6)
Components Segment	83.3	84.8	(1.7)	259.3	263.8	(1.7)	0.2
Reconciliation	(14.5)	(15.1)	(4.0)	(45.3)	(49.2)	(7.8)	
Zumtobel Group	268.7	283.7	(5.3)	863.8	908.1	(4.9)	(3.8)

Business in the Lighting Segment is still influenced by the difficult industry environment. The development of revenues was adversely affected, in particular, by a sharp drop in revenues in Great Britain, the most important single market for the Zumtobel Group, and by very intensive price competition. Revenues in the Lighting Segment therefore fell by 6.3% to EUR 649.9 million (previous year: EUR 693.5 million). After an adjustment for negative foreign exchange effects, revenues were 5.6% lower than the first three quarters of the previous year.

Lighting Segment- FX-adjusted revenues 5.6% below previous year

Revenues in the Components Segment fell by 1.7% in the first three quarters of 2018/19, but increased slightly by 0.2% after an adjustment for foreign exchange effects. Two factors had a negative influence on this development: the devaluation of the Turkish lira versus the reporting currency (euro) and a decrease in the demand for components from the Lighting Segment. In addition, a stronger decline was recorded in sales of conventional electronic ballasts. Positive factors included a substantial improvement in the demand for intelligent, integrated LED components and Tridonic system solutions.

FX-adjusted revenues in Components Segment at prior year level

Distribution of regional revenues

Revenues in EUR million	Q3 2018/19	Change in %	Q1-Q3 2018/19	Change in %	in % of Group
D/A/CH	83.3	(0.7)	267.4	(2.6)	31.0
Northern Europe	56.1	(9.0)	182.8	(10.7)	21.2
Benelux & Eastern Europe	38.8	(15.9)	131.3	(5.5)	15.2
Southern Europe	41.3	(7.3)	131.9	(1.5)	15.3
Asia & Pacific	30.4	4.4	92.1	(2.3)	10.7
Middle East & Africa	13.1	10.7	40.5	5.1	4.7
Americas	5.8	(12.3)	17.9	(23.2)	2.1
Total	268.7	(5.3)	863.8	(4.9)	100.0

Substantial declines in Great Britain and the USA

The first nine months of 2018/19 were characterised by a difficult industry environment as well as a continuation of the trend from previous quarters. The D/A/CH region, the strongest market for the Zumtobel Group, recorded a 2.6% decline (FX-adjusted: minus 2.4%) in revenues to EUR 267.4 million. Revenues exceeded the previous year in Switzerland, but were lower in Austria and Germany. Revenues in Northern Europe fell by 10.7% to EUR 182.8 million. The Lighting Segment, in particular, recorded a further substantial revenue decline in Great Britain during the first three quarters of 2018/19 (approx. 14%). The Benelux & Eastern Europe region reported a decline of 5.5% (FX-adjusted: minus 1.8%) in revenues to EUR 131.3 million. The countries in Eastern Europe were unable to match the positive first half-year growth and recorded a sharp drop in revenues for the third quarter. The Benelux region failed to complete the turnaround and also recorded lower revenues in the third quarter. Revenues in the Southern European region fell by 1.5% to EUR 131.9 million. The Asia & Pacific region matched prior year results with an FX-adjusted decrease of 0.1% in revenues. The Middle East & Africa region followed the second quarter trend with an increase of 5.1% in revenues to EUR 40.5 million. Revenues in the America region fell by 23.2% (FX-adjusted: minus 23.8%) to EUR 17.9 million.

Development of earnings in the first three quarters of 2018/19

- >> Profitability negatively affected by revenue declines and ongoing intensive price competition
- >> Efficiency and cost savings measures with a significant impact on fixed costs
- >> Adjusted Group EBIT rises to EUR 23.9 million
- >> High one-off costs for restructuring measures lead to loss of minus EUR 6.1 million for the period

Adjusted Group EBIT rises to EUR 23.9 million

Group EBIT adjusted for special effects rose to EUR 23.9 million in the first three quarters of 2018/19 (Q1-Q3 2017/18: EUR 20.5 million), and the return on sales increased from 2.3% to 2.8%. The improvement in Group profitability during the reporting period was supported primarily by the Lighting Segment, where adjusted EBIT increased from EUR 14.0 million to EUR 18.7 million. In the Components Segment, adjusted EBIT equalled EUR 19.4 million (Q1-Q3 2017/18: EUR 24.2 million). The results of the cost reduction measures are now visible, especially in the Lighting Segment, and earnings improved during the reporting period despite the ongoing intensive price competition. The first half of the previous year was also influenced by higher warranty provisions, above all for long-term road lighting projects.

Decline in development costs

The gross profit margin (after development costs) for the Zumtobel Group fell to 30.8% in the first nine months of 2018/19 (previous year: 31.8%). Development costs included in the cost of goods sold were EUR 5.3 million lower at EUR 45.6 million (Q1-Q3 2017/18: EUR 50.9 million).

Income statement in EUR million	Q3 2018/19	Q3 2017/18	Change in %	Q1-Q3 2018/19	Q1-Q3 2017/18	Change in %
Revenues	268.7	283.7	(5.3)	863.8	908.1	(4.9)
Cost of goods sold	(191.2)	(194.8)	(1.8)	(597.8)	(619.4)	(3.5)
Gross profit	77.5	89.0	(12.9)	266.1	288.7	(7.9)
as a % of revenues	28.8	31.4		30.8	31.8	
SG&A expenses adjusted for special effects	(78.3)	(88.8)	(11.8)	(242.1)	(268.3)	(9.7)
Adjusted EBIT	(0.9)	0.2	<(100)	23.9	20.5	16.9
as a % of revenues	(0.3)	0.1		2.8	2.3	
Special effects	(11.1)	(2.3)	(100.0)	(16.8)	(6.5)	(100.0)
EBIT	(12.0)	(2.2)	<(100)	7.2	13.9	(48.6)
as a % of revenues	(4.5)	(0.8)		0.8	1.5	
Financial results	(2.8)	(6.6)	58.0	(10.3)	(13.6)	24.2
Profit/loss before tax	(14.8)	(8.8)	(67.5)	(3.2)	0.3	<(100)
Income taxes	(0.1)	(0.5)	(89.9)	(2.9)	(1.9)	48.4
Net profit/loss for the period	(14.8)	(9.3)	(59.0)	(6.1)	(1.7)	<(100)
Earnings per share (in EUR)	(0.34)	(0.22)	(59.0)	(0.14)	(0.04)	<(100)

Note: EBITDA (plus depreciation and amortisation) amounted to EUR 45.6 million in the first three quarters of 2018/19.

The efficiency and cost reduction measures implemented in spring 2018 led to a significant reduction in selling and administrative costs. Selling expenses (incl. research) fell by EUR 11.9 million to EUR 222.3 million (Q1-Q3 2017/18: EUR 234.3 million), and administrative expenses were EUR 10.0 million lower at EUR 28.2 million (Q1-Q3 2017/18: EUR 38.2 million). This development was supported, above all, by the streamlining of the management team and strict cost controls. Other operating income, excluding special effects, rose to EUR 8.4 million (Q1-Q3 2017/18: EUR 4.2 million) due to higher license income from the LED business and government grants.

Substantial reduction in selling and administrative costs

Negative special effects of EUR 16.8 million were recorded in the first three quarters of 2018/19 (Q1-Q3 2017/18: EUR 6.5 million). These effects are related primarily to restructuring measures involving management and the write-off of a capitalised development project in connection with the adjustment of the product portfolio. Also included are costs for the gradual shutdown of production at the components plant (Tridonic) in Jennersdorf, Austria, and adjustments for pension obligations in Great Britain. These adjustments reflect a decision by the High Court in Great Britain on 26 October 2018 concerning the gender-neutral equalisation of claims from certain pension commitments. The resulting change in pension commitments was accounted for as a subsequent service cost and recognised through profit or loss.

Negative special effects from transformation process

Adjusted EBIT in EUR million	Q3 2018/19	Q3 2017/18	Change in %	Q1-Q3 2018/19	Q1-Q3 2017/18	Change in %
Reported EBIT	(12.0)	(2.2)	<(100)	7.2	13.9	(48.6)
thereof special effects	(11.1)	(2.3)	<(100)	(16.8)	(6.5)	(100.0)
Adjusted EBIT	(0.9)	0.2	<(100)	23.9	20.5	16.9
as a % of revenues	(0.3)	0.1		2.8	2.3	

Financial results improved by EUR 3.3 million year-on-year to minus EUR 10.3 million (Q1-Q3 2017/18: minus EUR 13.6 million). Interest expense is attributable primarily to the current credit agreement and to finance leases. Other financial income and expenses totalled minus EUR 5.4 million (Q1-Q3 2017/18: minus

Financial results slightly over previous year

EUR 8.6 million) and include the interest expense on pension obligations as well as the income and expenses from exchange rate fluctuations which resulted from the high volatility on the foreign currency market.

Financial result in EUR million	Q3 2018/19	Q3 2017/18	Change in %	Q1-Q3 2018/19	Q1-Q3 2017/18	Change in %
Interest expense	(1.5)	(1.8)	(16.1)	(5.3)	(5.0)	6.5
Interest income	0.1	0.1	(31.7)	0.3	0.3	15.2
Net financing costs	(1.4)	(1.7)	14.9	(5.0)	(4.7)	(6.0)
Other financial income and expenses	(1.1)	(4.9)	78.2	(5.4)	(8.6)	(36.5)
Result from companies accounted for at-equity	(0.3)	(0.1)	<(100)	0.1	(0.3)	>100
Financial results	(2.8)	(6.6)	58.0	(10.3)	(13.6)	24.2

Profit before tax amounted to minus EUR 3.2 million for the reporting period (Q1-Q3 2017/18: EUR 0.3 million), and income taxes totalled EUR 2.9 million (Q1-Q3 2017/18: EUR 1.9 million). Net profit therefore fell to minus EUR 6.1 million (Q1-Q3 2017/18: minus EUR 1.7 million). Earnings per share for the shareholders of Zumtobel Group AG (basic EPS based on 43.1 million shares) equalled minus EUR 0.14 (Q1-Q3 2017/18: minus EUR 0.04).

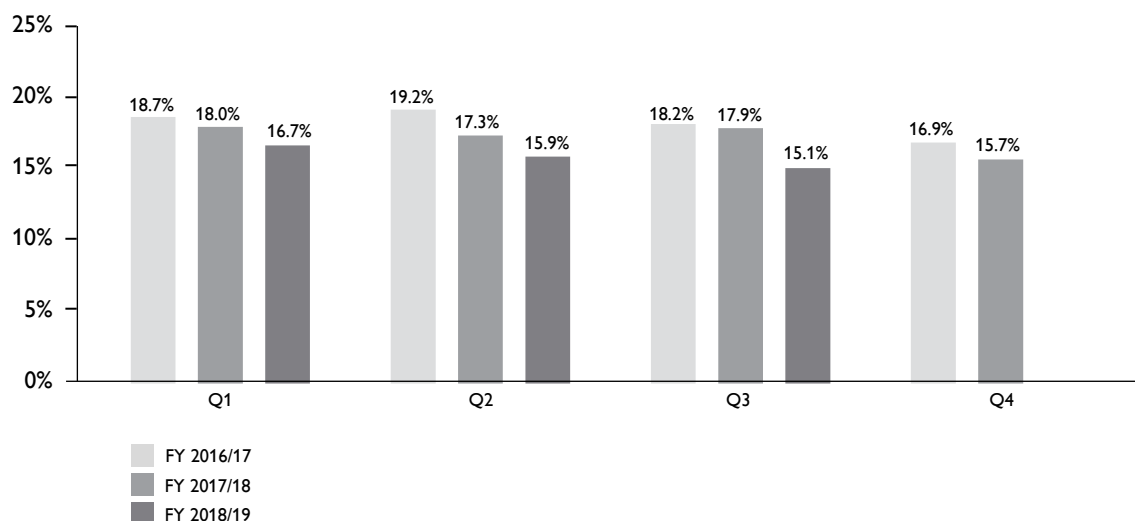
Cash flow and asset position

Cash flow from operating results declined from EUR 53.1 million in the first three quarters of the previous year to EUR 45.8 million.

Positive development of working capital

The optimisation of working capital continued during the reporting period with a reduction of EUR 47.6 million below the level on 31 January 2018 to EUR 174.0 million as of 31 January 2019. As a per cent of rolling 12-month revenues, working capital declined from 17.9% in the previous year to 15.1%. Accordingly, cash flow from operating activities increased from EUR 13.5 million to EUR 40.2 million. Cash outflows from changes in other operating positions totalled EUR 16.2 million (Q1-Q3 2017/18: outflows of EUR 29.2 million).

Working Capital as % of rolling 12-month revenues



Cash flow from investing activities reflected the comparable prior year period with an investment volume of EUR 49.9 million in the first three quarters of 2018/19. This amount includes investments of EUR 18.4 million for the new plant in Serbia (Q1-Q3 2017/18: EUR 6.6 million) as well as capitalised development costs of EUR 13.2 million (Q1-Q3 2017/18: EUR 8.4 million). Free cash flow improved to minus EUR 8.9 million during the reporting period (Q1-Q3 2017/18 minus 39.3 million), primarily due to the increase in cash flow from operating activities.

**Free cash flow at
minus EUR 8.9 million**

Balance sheet data in EUR million	31 January 2019	30 April 2018
Total assets	952.5	986.1
Net debt	159.3	146.3
Equity	268.8	268.3
Equity ratio in %	28.2	27.2
Gearing in %	59.3	54.5
Investments	49.9	69.0
Working capital	174.0	188.1
As a % of rolling 12 month revenues	15.1	15.7

The quality of the balance sheet structure has remained nearly unchanged since 30 April 2018. The equity ratio equalled 28.2% as of 31 January 2019. Net debt rose by EUR 13.0 million over the level on 30 April 2018 to EUR 159.3 million and gearing – the ratio of net debt to equity – therefore increased from 54.5% to 59.3%.

**Solid balance sheet
structure**

Cautious optimism for the 2018/19 financial year – guidance confirmed

The Management Board of the Zumtobel Group sees 2018/19 as a year of transition and confirms the previously issued guidance. In view of the ongoing low visibility as well as the generally intensive price competition in the lighting industry and numerous macroeconomic issues (e.g. BREXIT, trade conflicts), a statement on the development of revenues in the fourth quarter is connected with uncertainty. For the full year of 2018/19, adjusted Group EBIT is expected to improve slightly year-on-year (FY 2017/18: EUR 19.7 million). The company has set a medium-term target to generate an EBIT margin of approximately 6% by the 2020/21 financial year.

Dornbirn, 5 March 2019

The Management Board

Alfred Felder
Chief Executive Officer (CEO)

Thomas Tschol
Chief Financial Officer (CFO)

Bernard Motzko
Chief Operating Officer (COO)

Zumtobel Group AG has adjusted the scope of the interim reports due to the changed requirements of the "Prime Market Rules" of the Vienna Stock Exchange for first and third quarter interim reporting. The adjustment particularly relates to the notes to the consolidated financial statements as required by IAS 34. Financial information presented in the interim report for the third quarter of 2018/19 is fundamentally based on the same accounting and valuation methods underlying the consolidated financial statements of the Zumtobel Group AG for the 2017/18 financial year, with the exception from first time application of IFRS 9 Financial instruments and IFRS 15 Revenues from contract with customers. There was no material impact on the presentation of the financial statement.

Consolidate Income Statement

in TEUR	Q3 2018/19	Q3 2017/18	Change in %	Q1-Q3 2018/19	Q1-Q3 2017/18	Change in %
Revenues	268.717	283.718	-5,3	863.839	908.132	-4,9
Cost of goods sold	-191.246	-194.765	-1,8	-597.781	-619.383	-3,5
Gross profit	77.471	88.953	-12,9	266.058	288.749	-7,9
<i>as a % of revenues</i>	28,8	31,4		30,8	31,8	
Selling expenses	-73.109	-76.882	-4,9	-222.347	-234.294	-5,1
Administrative expenses	-8.802	-13.096	-32,8	-28.197	-38.239	-26,3
Other operating income	3.847	1.192	>100	8.589	4.692	83,1
<i>thereof special effects</i>	0	17	-100,0	0	302	-100,0
Other operating expenses	-11.401	-2.351	<-100	-16.946	-6.984	<-100
<i>thereof special effects</i>	-11.121	-2.351	<-100	-16.753	-6.834	<-100
Operating profit/loss	-11.994	-2.184	<-100	7.157	13.924	-48,6
<i>as a % of revenues</i>	-4,5	-0,8		0,8	1,5	
Interest expense	-1.521	-1.812	-16,1	-5.343	-5.016	6,5
Interest income	86	126	-31,7	328	285	15,2
Other financial income and expenses	-1.057	-4.857	-78,2	-5.443	-8.576	-36,5
Result from companies accounted for at-equity	-295	-96	<-100	113	-334	>100
Financial results	-2.787	-6.639	58,0	-10.345	-13.641	24,2
<i>as a % of revenues</i>	-1,0	-2,3		-1,2	-1,5	
Profit/loss before tax	-14.781	-8.823	-67,5	-3.188	283	<-100
Income taxes	-51	-505	-89,9	-2.875	-1.938	48,4
Net profit/loss for the period	-14.832	-9.328	-59,0	-6.063	-1.655	<-100
<i>as a % of revenues</i>	-5,5	-3,3		-0,7	-0,2	
thereof due to non-controlling interests	9	-124	>100	-66	-146	55,1
thereof due to shareholders of the parent company	-14.841	-9.204	-61,3	-5.997	-1.509	<-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	
Earnings per share (in EUR)						
Earnings per share (diluted and basic)	-0,34	-0,22		-0,14	-0,04	
Earnings per share from continuing operations (in EUR)						
Earnings per share (diluted and basic)	-0,34	-0,22		-0,14	-0,04	

Consolidated Statement of Comprehensive Income

in TEUR	Q3 2018/19	Q3 2017/18	Change in %	Q1-Q3 2018/19	Q1-Q3 2017/18	Change in %
Net profit/loss for the period	-14.832	-9.328	-59,0	-6.063	-1.655	<-100
Actuarial gain/loss	0	0		3.951	4.789	-17,5
Deferred taxes due to actuarial gain/loss	0	0		-172	-198	-12,9
Total of items that will not be reclassified ("recycled") subsequently to the income statement	0	0		3.779	4.591	-17,7
Currency differences	1.743	-3.092	>100	2.579	-6.237	>100
Currency differences arising from loans	-149	-333	55,3	288	-3.866	>100
Hedge accounting	196	248	-21,0	287	644	-55,4
Deferred taxes due to hedge accounting	-49	-63	22,6	-72	-161	-55,4
Total of items that will be reclassified ("recycled") subsequently to the income statement	1.741	-3.240	>100	3.082	-9.620	>100
Subtotal other comprehensive income	1.741	-3.240	>100	6.861	-5.029	>100
<i>thereof due to non-controlling interests</i>	-494	-152	<-100	-419	-340	-23,1
<i>thereof due to shareholders of the parent company</i>	2.235	-3.088	>100	7.280	-4.689	>100
Total comprehensive income	-10.299	-12.568	-18,1	798	-6.684	>100
<i>thereof due to non-controlling interests</i>	-543	-276	-96,9	-486	-486	0,0
<i>thereof due to shareholders of the parent company</i>	-9.756	-12.292	20,6	1.284	-6.198	>100

Consolidated Balance Sheet

in TEUR	31 January 2019	in %	30 April 2018	in %
Goodwill	189.960	19,9	187.895	19,1
Other intangible assets	50.252	5,3	47.824	4,8
Property, plant and equipment	230.750	24,2	222.159	22,4
Financial assets accounted for at equity	3.920	0,4	3.807	0,4
Financial assets	1.026	0,1	1.012	0,1
Other assets	4.374	0,5	4.468	0,5
Deferred taxes	25.479	2,7	25.597	2,6
Non-current assets	505.761	53,1	492.762	49,9
Inventories	199.786	21,0	198.735	20,2
Trade receivables	137.389	14,4	157.694	16,0
Financial assets	472	0,1	1.664	0,2
Other assets	63.316	6,6	50.161	5,1
Liquid funds	45.759	4,8	85.090	8,6
Current assets	446.722	46,9	493.344	50,1
ASSETS	952.483	100,0	986.106	100,0
Share capital	108.750	11,4	108.750	11,0
Additional paid-in capital	335.316	35,2	335.316	34,0
reserves	-171.867	-18,0	-132.835	-13,5
Net profit/loss for the period	-5.997	-0,6	-46.690	-4,7
Capital attributed to shareholders of the parent company	266.202	27,9	264.541	26,8
Capital attributed to non-controlling interests	2.646	0,3	3.802	0,4
Equity	268.848	28,2	268.343	27,2
Provisions for pensions	81.721	8,6	83.313	8,4
Provisions for severance compensation	49.265	5,2	49.330	5,0
Provisions for other employee benefits	9.612	1,0	9.534	1,0
Other provisions	9.599	1,0	8.717	0,9
Borrowings	176.335	18,5	175.656	17,8
Other liabilities	1.662	0,2	2.544	0,3
Deferred taxes	3.066	0,3	3.087	0,3
Non-current liabilities	331.260	34,8	332.181	33,7
Provisions for taxes	23.034	2,4	22.096	2,2
Other provisions	35.860	3,8	39.996	4,1
Borrowings	28.752	3,0	55.763	5,7
Trade payables	137.878	14,5	153.758	15,6
Other liabilities	126.851	13,3	113.969	11,5
Current liabilities	352.375	37,0	385.582	39,1
EQUITY AND LIABILITIES	952.483	100,0	986.106	100,0

Consolidated Cash Flow Statement

in TEUR	Q1-Q3 2018/19	Q1-Q3 2017/18
Profit/loss before tax	-3.188	283
Depreciation and amortisation	38.401	38.273
Gain/loss on the disposal of property, plant and equipment and intangible assets	267	880
Other non-cash financial results	5.111	8.576
Interest income/ Interest expense	5.118	4.731
Share of profit or loss in companies accounted for at equity	113	334
Cash flow from operating results	45.822	53.077
Inventories	-1.039	-2.327
Trade receivables	20.164	29.477
Trade payables	-16.220	-32.788
Prepayments received	10.042	-1.583
Change in working capital	12.947	-7.221
Non-current provisions	95	-1.788
Current provisions	-4.208	-12.803
Other current and non-current assets and liabilities	-12.044	-14.621
Change in other operating items	-16.157	-29.212
Income taxes paid	-2.422	-3.185
Cash flow from operating activities	40.190	13.459
Cash inflows from the disposal of property, plant and equipment and other intangible assets	678	4.183
Cash inflows from the sale of associates	0	500
Cash outflows for the purchase of property, plant and equipment and other intangible assets	-49.875	-48.556
Change in non-current and current financial assets	79	-5.723
Change in liquid funds from changes in the consolidation range	0	-3.179
Cash flow from investing activities	-49.118	-52.775
FREE CASH FLOW	-8.928	-39.316
Cash proceeds from non-current and current borrowings	43.007	55.994
Cash repayments of non-current and current borrowings	-82.284	-11.552
Dividend paid to shareholders of the parent	0	-9.925
Dividend paid to non-controlling interests	-668	-556
Interest paid	-5.203	-4.924
Interest received	329	286
Cash flow from financing activities	-44.819	29.323
CHANGE IN CASH AND CASH EQUIVALENTS	-53.747	-9.993
Cash and cash equivalents at the beginning of the year	72.446	77.205
Cash and cash equivalents at the end of the year	20.569	63.347
Effects of exchange rate changes on cash and cash equivalents	1.870	-3.865
Change absolute	-53.747	-9.993

Consolidated Statement of Changes in Equity

Q1 – Q3 2018/19

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			
30 April 2018	108.750	335.316	-10.900	-42.987	-432	-125.206	264.541	3.802	268.343
Adjustment IFRS 9	0	0	377	0	0	0	377	0	377
1 May 2018	108.750	335.316	-10.523	-42.987	-432	-125.206	264.918	3.802	268.720
+/- Net profit/loss for the year	0	0	-5.997	0	0	0	-5.997	-66	-6.063
+/- Other comprehensive income	0	0	0	3.287	215	3.779	7.281	-419	6.862
+/- Total comprehensive income	0	0	-5.997	3.287	215	3.779	1.284	-485	799
+/- Dividends	0	0	0	0	0	0	0	-671	-671
31 January 2019	108.750	335.316	-16.520	-39.700	-217	-121.427	266.202	2.646	268.848

Q1 – Q3 2018/19

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			
30 April 2017	108.750	335.316	45.714	-27.419	-1.040	-131.990	329.331	4.659	333.990
+/- Net profit/loss for the year	0	0	-1.509	0	0	0	-1.509	-146	-1.655
+/- Other comprehensive income	0	0	0	-9.763	483	4.591	-4.689	-340	-5.029
+/- Total comprehensive income	0	0	-1.509	-9.763	483	4.591	-6.198	-486	-6.684
+/- Dividends	0	0	-9.924	0	0	0	-9.924	-556	-10.480
31 January 2018	108.750	335.316	34.281	-37.182	-557	-127.399	313.209	3.617	316.826

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

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

Annual Results 2018/19	27 June 2019
Record Date for the Annual General Meeting	16 July 2019
43 rd Annual General Meeting	26 July 2019
Ex-Dividend Day	30 July 2019
Record Date Dividend	31 July 2019
Dividend Payout Day	2 August 2019
Report on the First Quarter 2019/20 (1 May 2019 - 31 July 2019)	3 September 2019
Report on the First Half-year 2019/20 (1 May 2019 - 31 October 2019)	3 December 2019
Report on the First Three Quarters 2019/20 (1 May 2018 - 31 January 2020)	3 March 2020

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Financial Reports

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

More Information

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