ZUMTOBEL Group

Q1 2025/26

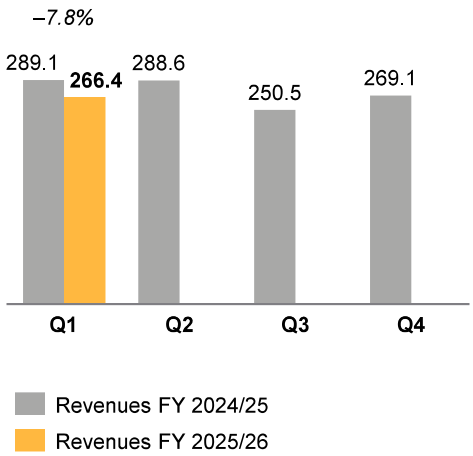
Quarterly Report (May 2025 – July 2025)

Overview of the First Quarter of 2025/26

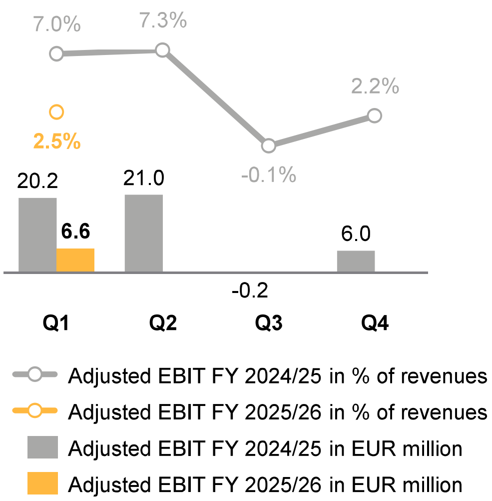
Key Data in EUR million	Q1 2025/26	Q1 2024/25	Change in %
Revenues	266.4	289.1	–7.8
Adjusted EBITDA	20.1	33.4	–39.9
as a % of revenues	*7.5*	*11.6*	
EBITDA	12.8	32.0	–60.0
as a % of revenues	*4.8*	*11.1*	
Adjusted EBIT	6.6	20.2	–67.5
as a % of revenues	*2.5*	*7.0*	
Special effects	–7.4	–1.5	<-100
EBIT	–0.8	18.7	<-100
as a % of revenues	*–0.3*	*6.5*	
Net profit for the period	–4.0	12.8	<-100
as a % of revenues	*–1.5*	*4.4*	
Cash flow from operating results	12.8	32.4	–60.6
CAPEX	13.4	13.4	0.1
thereof CAPEX excl. IFRS 16	*12.1*	*11.6*	*3.9*
	31 July 2025	**30 April 2025**	**Change in %**
Total assets	999.6	989.6	1.0
Equity	418.8	424.9	–1.4
Equity ratio in %	*41.9*	*42.9*	
Net debt	134.4	118.5	13.4
Headcount incl. contract worker (full-time equivalent)	5,259	5,299	–0.8

Development of business by quarter

Revenues development (in EUR million)



Adjusted EBIT development



Letter to Shareholders

Dear Shareholders,

The first quarter of the current financial year is now behind us – a period that was influenced by economic uncertainty and continuing weakness in our industry. This climate was also reflected in the development of our business: In comparison with the first quarter of the previous financial year, revenues declined by 7.8% to EUR 266.4 million. At the segment level, we see the following picture: The Lighting Segment recorded revenues of EUR 210.7 million (−7% vs. Q1 2024/25) and revenues in the Components Segment amounted to EUR 70.9 million (−11.8% vs. Q1 2024/25). Adjusted Group EBIT equalled EUR 6.6 million and represents an adjusted EBIT margin of 2.5%. That places us within the range of our guidance for the 2025/26 financial year.

These numbers clearly reflect the substantial challenges faced by our company. It is, therefore, all the more important that we continue to focus the Zumtobel Group on resilience and future viability.

The strategic decision to close the unprofitable US production site in Highland, New York, is a consequence of this process. This measure is part of the updated corporate strategy FOCUSED[+], which will increase the concentration on our core markets and align our global production network to provide optimal support. We intend to maintain a sales presence in the USA despite this plant shutdown – but in a new structure that will cover two independent units for North and South America. The goal is to remain a reliable partner for our customers – including architects and planners – and to develop new markets. The American markets will be supplied by the Zumtobel Group's global production network in the future.

The first phase of our updated corporate strategy included an analysis of our selling and administrative expenses (SG&A). Based on the results, we are currently preparing a global package of measures for implementation by the end of the 2028/29 financial year. The first measures have already been defined: They are designed to shorten decision paths, clarify responsibilities, and sustainably strengthen innovation in order to act even more customer-oriented. This should also permanently improve efficiency and cost structures. We expect these activities will lead to the realisation of significant savings in SG&A costs over the next four years. These cost savings will increase annually and are expected to reach a volume of EUR 30 to 40 million in the fourth year, i.e. in the 2028/29 financial year. The most important levers are a leaner organisation, the expansion of our Shared Service Centres in Serbia and Portugal, and further process automation.

The first effects are expected in the current 2025/26 financial year, with 80% of the cost savings realised by 2027/28. The related restructuring costs will reach the single-digit million range annually up to and including the 2028/29 financial year.

Phase two of our efficiency programme will involve the evaluation of operations, procurement and R&D. This programme will create the basis to steer our company and our employees safely through these challenging times and ensure that we are optimally prepared for future developments. The same applies to the hoped-for recovery in our industry, a period in which we want to further strengthen the competitive position of the Zumtobel Group.

Dear Shareholders: My colleagues on the Management Board and I are convinced that we will sustainably strengthen our company for the future with these measures. In this way, we intend to face the current challenges on the market – which have impacted the entire branch – with the necessary foresight and responsibility.

As you know, we continue to see the current geopolitical and economic situation as stressed and difficult to forecast. That makes it extremely difficult to predict economic developments in the 2025/26 financial year. Against this backdrop and with reference to the above-mentioned uncertainties, we expect a revenue decline in the single-digit percentage range and an adjusted EBIT margin of 1% to 4% for the 2025/26 financial year.

Alfred Felder
Chief Executive Officer (CEO)

Group Management Report

Development of revenues in the first quarter of 2025/26

- >> Group revenues decline by 7.8% (FX-adjusted: –7.7%)
- >> Lighting Segment revenues 7.0% below previous year
- >> Components Segment revenues fall by 11.8%
- >> Adjusted EBIT equals EUR 6.6 million

Income statement in EUR million	Q1 2025/26	Q1 2024/25	Change in %
Revenues Lighting Segment	210.7	226.6	–7.0
Revenues Components Segment	70.9	80.3	–11.8
Reconciliation	–15.1	–17.8	–15.2
Revenues	**266.4**	**289.1**	**–7.8**
Adjusted Cost of goods sold	**–168.5**	**–177.8**	**–5.2**
Adjusted Gross profit	**97.9**	**111.2**	**–12.0**
as a % of revenues	*36.7*	*38.5*	
Adjusted SG&A expenses	**–91.3**	**–91.0**	**0.4**
Adjusted EBIT Lighting Segment	11.4	20.1	–43.1
as a % of segment revenues	*5.4*	*8.9*	
Adjusted EBIT Components Segment	1.3	4.7	–71.8
as a % of segment revenues	*1.9*	*5.9*	
Reconciliation	–6.2	–4.6	34.6
Adjusted EBIT	**6.6**	**20.2**	**–67.5**
as a % of revenues	*2.5*	*7.0*	
Special effects	**–7.4**	**–1.5**	
EBIT Lighting Segment	4.1	18.6	–78.3
as a % of segment revenues	*1.9*	*8.2*	
EBIT Components Segment	1.3	4.7	–71.8
as a % of segment revenues	*1.9*	*5.9*	
Reconciliation	–6.2	–4.6	34.6
EBIT	**–0.8**	**18.7**	**<-100**
as a % of revenues	*–0.3*	*6.5*	
Financial results	**–3.0**	**–4.6**	**33.5**
Profit before tax	**–3.9**	**14.2**	**<-100**
Income taxes	**–0.1**	**–1.4**	**–92.0**
Net profit for the period	**–4.0**	**12.8**	**<-100**
Earnings per share (in EUR)	**–0.09**	**0.30**	**<-100**

For information: EBITDA (EBIT plus depreciation and amortisation) totalled EUR 12.8 million in Q1 2025/26 (Q1 2024/25: EUR 32.0 million).

Decline of 7.8% in revenues

Revenues recorded by the Zumtobel Group fell by 7.8% to EUR 266.4 million in Q1 2025/26 (Q1 2024/25: EUR 289.1 million), primarily due to a decline in the UK and negative developments in the Asia & Pacific region. After an adjustment for foreign exchange effects, the decline equalled 7.7%.

Lighting Segment revenues fall by 7.0%

In the Lighting Segment, revenues were 7.0% lower at EUR 210.7 million in Q1 2025/26 (Q1 2024/25: EUR 226.6 million). Higher revenues in parts of the Southern and Eastern Europe region were unable to offset the negative developments in the UK and in the Asia & Pacific region.

Revenue decline of 11.8% in the Components Segment

The Components Segment recorded a decline of 11.8% in revenues to EUR 70.9 million in Q1 2025/26 (Q1 2024/25: EUR 80.3 million). The difficult economic environment was responsible for lower revenues in all regions.

Revenues in the D/A/CH region were stable during Q1 2025/26, but lower in Northern and Western Europe – especially in the UK. A slight decline was recorded in Southern and Eastern Europe. The Asia & Pacific and America & MEA regions also failed to match the prior year revenues due to the difficult operating conditions.

Revenues in EUR million	Q1 2025/26	Q1 2024/25	Change in %	in % of Group
D/A/CH	107.3	106.6	0.6	40.3
Northern and Western Europe	61.2	73.5	–16.7	23.0
Southern and Eastern Europe	70.1	72.8	–3.7	26.3
Asia & Pacific	17.0	23.4	–27.7	6.4
Americas & MEA	10.8	12.7	–15.0	4.1
Total	**266.4**	**289.1**	**–7.8**	**100.0**

The adjusted cost of goods sold reflects a reduction in material and personnel costs. Adjusted development costs declined by EUR 1.1 million to EUR 17.1 million in the reporting period (Q1 2024/25: EUR 18.2 million). An increase in the material ratio was responsible for a decline in the adjusted gross profit margin to 36.7% (Q1 2024/25: 38.5%). Adjusted selling and administrative expenses (incl. research) reflected the previous year at EUR –91.3 million (Q1 2024/25: EUR –91.0 million).

Adjusted EBIT falls to EUR 6.6 million

Adjusted EBIT for the Zumtobel Group fell from EUR 20.2 million in Q1 2024/25 to EUR 6.6 million in Q1 2025/26, and the adjusted EBIT margin equalled 2.5% (Q1 2024/25: 7.0%). The negative development of the margin resulted, above all, from the loss of revenues.

Adjusted EBIT in the Lighting Segment fell from EUR 20.1 million in the comparative period to EUR 11.4 million in Q1 2025/26. In this segment, fixed cost savings were unable to offset the decline in revenues. The challenging market situation was responsible for a decline in both revenues and margins in the Components Segment. Adjusted EBIT in the Components Segments dropped from EUR 4.7 million to EUR 1.3 million in Q1 2025/26.

Special effects of EUR –7.4 million

Negative special effects of EUR –7.4 million were recorded in Q1 2025/26 in connection with the shutdown of the production location in Highland (USA). EBIT for the Zumtobel Group fell to EUR –0.8 million (Q1 2024/25: EUR 18.7 million) and the EBIT margin equalled –0.3% (Q1 2024/25: 6.5%).

Financial result in EUR million	Q1 2025/26	Q1 2024/25	Change in %
Interest expense	–2.3	–2.8	–17.8
Interest income	0.3	0.2	69.5
Net financing costs	**–2.0**	**–2.6**	**23.3**
Other financial income and expenses	**–1.0**	**–2.0**	**–47.0**
Financial results	**–3.0**	**–4.6**	**33.5**

Financial results above previous year

Financial results amounted to EUR –3.0 million in Q1 2025/26 (Q1 2024/25: EUR –4.6 million). Interest expense consisted chiefly of the interest expense for current credit agreements and finance leases and totalled EUR –2.0 million (Q1 2024/25: EUR –2.6 million). The other financial income and expenses of EUR –1.0 million consisted primarily of the interest expense on pension obligations, the earnings effects from exchange rate changes and the measurement of hedges.

Net profit totals EUR –4.0 million

Profit before tax totalled EUR –3.9 million in the reporting period (Q1 2024/25: EUR 14.2 million), and income taxes equalled EUR –0.1 million (Q1 2024/25: EUR –1.4 million). Net profit for the reporting period declined to EUR –4.0 million (Q1 2024/25: EUR 12.8 million). Earnings per share for the shareholders of Zumtobel Group AG (basic EPS based on 42.3 million shares) equalled EUR –0.09 (Q1 2024/25: EUR 0.30).

Cash flow

Cash flow statement in EUR million	Q1 2025/26	Q1 2024/25	Change in %
Cash flow from operating results	12.8	32.4	–60.6
Change in working capital	2.2	–15.2	>100
Change in other operating items	–11.8	–14.6	19.4
Income taxes paid	–1.9	–2.6	27.6
Cash flow from operating activities	**1.3**	**0.0**	**>100**
Cash flow from investing activities	**–11.9**	**–11.2**	**–6.6**
FREE CASH FLOW	**–10.6**	**–11.2**	**5.6**
Cash flow from financing activities	**12.0**	**13.9**	**–13.8**
CHANGE IN CASH AND CASH EQUIVALENTS	**1.4**	**2.7**	**–47.2**

Cash flow from operating results declined substantially year-on-year from EUR 32.4 million to EUR 12.8 million, mainly due to the loss of revenues.

Cash outflows from the changes in other operating positions amounted to EUR –11.8 million (Q1 2024/25: EUR –14.6 million) and resulted mainly from a reduction in the provisions for variable salary components. Cash flow from operating activities improved year-on-year to EUR 1.3 million in Q1 2025/26.

Cash flow from investing activities amounted to EUR –11.9 million (Q1 2024/25: EUR –11.2 million). In addition to investments in property, plant and equipment, this position also included investments of EUR 5.3 million (Q1 2024/25: EUR 2.8 million) for capitalised development costs.

Free cash flow at EUR –10.6 million

Free cash flow equalled EUR –10.6 million in Q1 2025/26 (Q1 2024/25: EUR –11.2 million).

Cash flow from financing activities totalled EUR 12.0 million in Q1 2025/26 (Q1 2024/25: EUR 13.9 million).

Asset position

Balance sheet data in EUR million	31 July 2025	30 April 2025
Total assets	999.6	989.6
Net debt	134.4	118.5
Debt coverage ratio	*1.98*	*1.36*
Equity	418.8	424.9
Equity ratio in %	*41.9*	*42.9*
Gearing in %	*32.1*	*27.9*
CAPEX	13.4	89.7
thereof CAPEX excl. IFRS 16	*12.1*	*54.2*
Working capital	225.2	227.8
As a % of rolling 12 month revenues	*21.0*	*20.8*

Solid balance sheet structure

The balance sheet total of the Zumtobel Group equalled EUR 999.6 million as of 31 July 2025 and remained nearly unchanged from the last balance sheet date on 30 April 2025 (EUR 989.6 million). Working capital totalled EUR 225.2 million as of 31 July 2025 and was EUR 2.5 million below the level on 30 April 2025 (EUR 227.8 million). As a per cent of rolling 12-month revenues, working capital increased minimally from 20.8% on the last balance sheet date to 21.0%.

The equity ratio was slightly lower at 41.9% as of 31 July 2025 (30 April 2025: 42.9%). Equity declined by EUR 6.1 million from EUR 424.9 million on the balance sheet date at 30 April 2025 to EUR 418.8 million. Net liabilities increased to EUR 134.4 million as of 31 July 2025 (30 April 2025: EUR 118.5 million), in particular due to the increased drawdown from the credit agreement. The balance sheet structure of the Zumtobel Group remains stable and solid.

Outlook for the 2025/26 financial year

- >> Year-on-year revenue decline in the single-digit percentage range confirmed
- >> Adjusted EBIT margin of 1% to 4% confirmed

The market environment remains challenging – for the Zumtobel Group and for other market participants – because economic developments in the Group's key markets are currently impossible to predict. The geopolitical situation is still precarious and the impact of US tariff policies – although the direct effects on the Zumtobel Group are minimal because only a very low share of revenue is generated in that market – could further increase competition and slow growth. This directly affects the Zumtobel Group as well as customers who have decided to postpone new construction projects or outsource outside Europe. Demand for the Zumtobel Group's products and services, especially in the new construction sector, is still weak and has been reflected longer customer decision cycles and project delays that additionally impair business activity. In contrast, positive factors include the initiatives at the EU level and in Germany which will strengthen the sector in the future and could contribute to an upturn.

Outlook on 2025/26: Revenues in single digit percentage range below previous year and adjusted EBIT margin of 1–4%

The management of the Zumtobel Group continues to see the current geopolitical and economic situation as stressed and difficult to forecast. That makes it difficult to predict economic developments in the 2025/26 financial year. Against this backdrop and with reference to the above-mentioned uncertainties, the Management Board of Zumtobel Group expects revenues in a single-digit percentage range below the previous year and an adjusted EBIT margin of 1% to 4%.

Dornbirn, 4 September 2025

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)

Consensed Consolidated Interim Financial Statements

as of 31 July 2025

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. Financial information presented in the interim report for the first quarter of 2025/26 is fundamentally based on the same accounting and valuation methods underlying the consolidated financial statements of the Zumtobel Group AG for the 2024/25 financial year.

Consolidated Income Statement

in TEUR	Q1 2025/26	Q1 2024/25
Revenues	266,406	289,066
Cost of goods sold	–173,167	–178,932
Gross profit	**93,239**	**110,134**
Selling expenses	–81,501	–80,805
Administrative expenses	–12,996	–10,827
Other operating income	463	341
Other operating expenses	–34	–95
Operating profit	**–829**	**18,748**
Interest expense	–2,275	–2,769
Interest income	277	163
Other financial income and expenses	–1,039	–1,959
Financial results	**–3,037**	**–4,565**
Profit before tax	**–3,866**	**14,183**
Income taxes	–114	–1,418
Net profit/loss for the period	**–3,980**	**12,765**
thereof due to non-controlling interests	*–105*	*–121*
thereof due to shareholders of the parent company	*–3,875*	*12,886*
Average number of shares outstanding – basic (in 1,000 pcs.)	42,338	42,834
Average number of shares outstanding – diluted (in 1,000 pcs.)	42,338	42,834
Earnings per share (in EUR)		
Earnings per share (diluted and basic)	–0.09	0.30

Consolidated Balance Sheet

in TEUR	31 July 2025	30 April 2025
Goodwill	195,913	196,124
Other intangible assets	59,214	53,552
Property, plant and equipment	278,467	284,965
Financial assets	4,005	4,042
Other assets	2,982	3,009
Deferred taxes	34,817	33,826
Non-current assets	**575,398**	**575,518**
Inventories	173,221	176,898
Trade receivables	158,465	162,435
Financial assets	2,880	2,757
Other assets	41,601	33,039
Liquid funds	47,997	38,935
Current assets	**424,164**	**414,064**
ASSETS	999,562	989,582
Share capital	107,867	107,867
Additional paid-in capital	331,620	331,620
Reserves	–21,481	–15,441
Capital attributed to shareholders of the parent company	418,006	424,046
Capital attributed to non-controlling interests	750	859
Equity	**418,756**	**424,905**
Provisions for pensions	45,276	44,406
Provisions for termination benefits	34,458	34,273
Provisions for other employee benefits	7,639	7,629
Other provisions	16,595	16,870
Borrowings	151,167	133,844
Other liabilities	18,777	19,911
Deferred taxes	3,166	3,160
Non-current liabilities	**277,078**	**260,093**
Provisions for taxes	11,666	11,905
Other provisions	31,742	31,489
Borrowings	32,836	25,019
Trade payables	86,188	93,299
Other liabilities	141,296	142,872
Current liabilities	**303,728**	**304,584**
EQUITY AND LIABILITIES	999,562	989,582

Consolidated Cash Flow Statement

in TEUR	Q1 2025/26	Q1 2024/25
Profit before tax	–3,866	14,183
Depreciation and amortisation	13,514	13,202
Impairment of property, plant and equipment and intangible assets	104	0
Gain/loss on the disposal of property, plant and equipment and intangible assets	–23	–5
Other non-cash financial results	1,039	1,959
Interest income/ Interest expense	1,998	2,606
Changes in the scope of consolidation	0	444
Cash flow from operating results	**12,766**	**32,389**
Inventories	3,080	–4,361
Trade receivables	3,995	1,445
Trade payables	–6,897	–14,896
Prepayments received	2,036	2,586
Change in working capital	**2,214**	**–15,226**
Non-current provisions	–1,523	–1,405
Current provisions	228	–528
Other assets	–8,301	–14,671
Other liabilities	–2,161	2,020
Change in other operating items	**–11,757**	**–14,584**
Income taxes paid	**–1,888**	**–2,608**
Cash flow from operating activities	**1,335**	**–29**
Cash inflows from the disposal of property, plant and equipment and other intangible assets	25	163
Cash outflows for the purchase of property, plant and equipment and other intangible assets	–12,075	–11,617
Change in non-current and current financial assets	–133	120
Interest received	279	166
Cash flow from investing activities	**–11,904**	**–11,168**
FREE CASH FLOW	**–10,569**	**–11,197**
Cash proceeds from non-current and current borrowings	50,000	20,000
Cash repayments of non-current and current borrowings	–35,810	–3,201
Share buyback	0	–951
Interest paid	–2,173	–1,907
Cash flow from financing activities	**12,017**	**13,941**
CHANGE IN CASH AND CASH EQUIVALENTS	**1,448**	**2,744**
Cash and cash equivalents at the beginning of the period	27,494	47,625
Cash and cash equivalents at the end of the period	28,827	49,906
Effects of exchange rate changes on cash and cash equivalents	–115	–463
Change absolute	**1,448**	**2,744**

Service

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
Adjusted EBIT	EBIT adjusted for special effects
Adjusted EBIT margin	= Adjusted EBIT as a percentage of revenues
EBITDA	Earnings before interest, taxes, depreciation and amortisation
Adjusted EBITDA	EBITDA adjusted for special effects
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 – receivables from credit institutions from a continuing involvement based on the factoring agreement
Working capital	= Inventories + trade receivables – trade payables – prepayments received – customer bonuses, discounts and rebates

Financial Calendar

Record Date for the Annual General Meeting	16 September 2025
49th Annual General Meeting	26 September 2025
Ex-Dividend Day	30 September 2025
Record Date Dividend	01 October 2025
Dividend Payout Day	03 October 2025
Half-Year Financial Report 2025/26 (1 May 2025 – 31 October 2025)	04 December 2025
Quarterly Report Q1 – Q3 2025/26 (1 May 2025 – 31 January 2026)	05 March 2026

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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

Publisher: Zumtobel Group AG, Investor Relations, Eric Schmiedchen
Coordination Financials: Alexander Tolksdorf
Translation: Donna Schiller-Margolis

Produced in-house with FIRE.sys

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