

publication: 09.12.2015 07:30

source: <http://adhoc.presstext.com/news/1449642600109>

keywords: Zumtobel Group AG / semiannual result / Adjustment of earnings guidance

Adhoc announcement according to article 48d section 1 BörseG

Zumtobel Group AG: Report on the first half-year (May - October 2015)

Lighting group achieves sound operating improvement in Q2

Dornbirn / Austria (pta008/09.12.2015/07:30) - * Group revenues up 5.8% at EUR 702.0 million

* Continued strong growth momentum with LED products (plus 45.1%)

* Cost-saving impact of restructuring already tangible but not yet in full

* First-half adj. EBIT of EUR 42.3 million down on prior year (EUR 47.2 mill.) but Q2 shows slight year-on-year rise at EUR 28.8 mill. and clear improvement over Q1 (EUR 13.5 mill.)

* At EUR 27.5 million, net profit for the period showed a slight decline (PY: EUR 28.9 mill.)

* Outlook: Adjustment of earnings guidance for 2015/16 to EUR 70 to 80 million

Dornbirn, Austria - Following a subdued start to the new financial year, the international lighting group Zumtobel Group recorded sound operating improvement during the second quarter of the 2015/16 financial year (August to October). Group revenues increased 5.8% in the first six months to EUR 702.0 million. The rise in revenues was supported by positive currency effects. After adjustment for these effects, revenues rose by 1.6%. Once again the key growth driver was the sale of innovative and energy-efficient LED luminaires and components. Revenues from LED products rose by 45.1% year-on-year, driving a substantial increase in the LED share of Group revenues to 61.8%.

Positive development in Components, temporary negative effects in Lighting

A breakdown by business segment continues to show contrasting developments: The Components Segment (Tridonic brand) continued its very positive development during the reporting period and made further substantial progress in strengthening its focus on LED technology. Segment revenues rose by 9.7% (FX-adjusted: 6.2%) to EUR 215.5 million (prior year: EUR 196.4 million). Business in the Lighting Segment (Thorn, Zumtobel and acdc brands) was less robust, but also showed a slight improvement in the second quarter. Here there was an increase of 6.0% in first-half revenues (FX-adjusted: plus 1.8%) to EUR 531.1 million (prior year: EUR 500.9 million). This development resulted from several temporary negative effects, above all a market-led sharp drop in demand in France and Australia, and continuing weakness in Asia. In contrast, the second quarter brought a substantial improvement in supply capability and productivity at the Spennymoor lighting plant in the UK.

Operating earnings improve in Q2 but first-half earnings still down on prior year

First-half operating earnings (adjusted EBIT) declined against the prior-year period to EUR 42.3 million (prior year: EUR 47.2 million) a drop of 10.5%. This equates to a return on sales (adjusted EBIT margin) of 6.0% (prior year: 7.1%). The earnings figures reflect the weak FX-adjusted revenue growth in the Lighting Segment. There were also delays in the full-scale realisation of projected cost savings from the restructuring measures implemented to date in the sales and production sectors. Earnings were further impacted by a substantial increase in expenditures for research and development (plus EUR 7.9 million), continuing pressure on prices and temporary negative currency effects related to the U.S. dollar and the Swiss franc. A breakdown by quarter shows that, at EUR 28.8 million, adjusted EBIT for the second quarter was slightly up on the prior-year period (EUR 28.2 million) and well ahead of the weak first quarter (EUR 13.5 million). Net profit for the first half-year 2015/16 amounted to EUR 27.5 million which was slightly down on the previous year (EUR 28.9 million).

"The current financial year is the decisive one for the strategic redirection of the Zumtobel Group as we target sustained profitable growth. We are continuing to bank systematically on multi-brand sales, an agile, globally competitive production network and leveraging synergy effects in purchasing and R&D. After a weak first quarter we have achieved a sound operating improvement in

the second quarter, even if we still trail slightly behind our own expectations overall. That's why, in the second half year we are focusing on our sales activities in particular, in order to make far better use of the existing market potential for the Zumtobel Group through our multi-brand approach. And as previously announced, we are also evaluating further opportunities to optimise our structural costs," summed up **CEO Ulrich Schumacher**.

Adjustment of earnings guidance for full 2015/16 financial year

The temporary negative effects mentioned above had been anticipated by management for some time and are therefore already included in the outlook for the 2015/16 financial year. However, the development of business has been below the Management Board's expectations due to the weaker FX-adjusted revenue growth and delays in the realisation of projected cost savings during the first six months. The Management Board has therefore reduced its earnings guidance (adjusted EBIT) for the full year from the previously announced EUR 90 to 100 million to EUR 70 to 80 million (prior-year adjusted EBIT: EUR 66.5 million). The revenue target remains intact with an increase of approx. 5% year-on-year, which will be supported primarily by positive currency effects.

emitter: Zumtobel Group AG
Höchster Straße 8
6850 Dornbirn
Austria

contact person: Harald Albrecht

phone: +43 5572 509-1125

e-mail: harald.albrecht@zumbelgroup.com

website: www.zumbelgroup.com

ISIN(s): AT0000837307 (share)

stock exchanges: official trade in Vienna

zumtobel group

News transmitted by pressetext.adhoc. The emitter is responsible for the content.