

publication: 07.03.2017 07:30  
source: <http://adhoc.presstext.com/news/1488868200919>  
keywords: Zumtobel Group AG / quarterly result / forecast

*Public disclosure of inside information according to article 17 MAR*

## **Zumtobel Group AG: Zumtobel Group posts further marked increase in profitability**

### **Report on the third quarter of Zumtobel Group AG (1 May 2016 to 31 January 2017)**

Dornbirn, Austria (pta009/07.03.2017/07:30) - \* In the third quarter, after adjustment for foreign exchange effects the Zumtobel Group achieved revenue growth (plus 2.8%)

- \* Adjusted EBIT for the first three quarters rose by 29.9% from EUR 47.8 million to EUR 62.0 million
- \* Net profit for the period at EUR 29.8 million slightly up on previous year (previous year: EUR 29.2 million)
- \* LED share of revenues rises to 72.9%
- \* Important strategic steps to strengthen competitive position
- \* More specific earnings guidance for full 2016/17 financial year

In the third quarter of the 2016/17 financial year the Zumtobel Group showed very positive operating development. In the first nine months of the current financial year, Group EBIT adjusted for special effects rose to EUR 62.0 million, compared to EUR 47.8 million in the comparable prior-year period. Net profit for the period was slightly up on the prior-year level, reaching EUR 29.8 million (previous year: EUR 29.2 million).

#### **FX-adjusted revenues show an increase in Q3**

In the third quarter the Zumtobel Group nearly matched the comparable prior period revenues for the first time in this financial year at EUR 306.1 million (previous year: EUR 307.9 million; minus 0.6%). Adjusted for negative foreign exchange effects, this equates to a 2.8% rise in revenues. Total group revenues declined by 3.6% year-on-year to EUR 973.4 million in the first three quarters of 2016/17 (previous year: EUR 1,009.9 million). The development of revenues was influenced by substantial negative foreign exchange effects in the amount of EUR 34.6 million, due above all to the strength of the euro against the British pound. Another contributory factor was the absence of revenues from the signage business which was sold in November 2015. After adjustment for foreign exchange effects, Group revenues declined by 0.2% in the first three quarters. The dynamic growth with LED products remains unbroken: revenues from the sale of LED products increased by 11.7% year-on-year to EUR 709.5 million (previous year: EUR 634.9 million), as the LED share of Group revenues rose to 72.9% within 12 months (31 January 2016: 62.9%).

#### **Different regional trends; stable revenue growth in Great Britain**

In a generally challenging and volatile industry environment, regional trends remain widely different. In Great Britain revenue growth has remained stable since the BREXIT referendum. Revenues in Northern Europe fell by 6.9% to EUR 252.3 million, in a development influenced by strong negative foreign exchange effects from the British pound. Indeed, after adjustment for these foreign exchange effects, regional revenues showed a 5.0% increase. Revenue development remains weak in Australia, France, Switzerland and, above all, across the Middle East, influenced by the increasing tensions in the political and economic environment during recent quarters. In contrast, development is very positive in the Benelux & East Europe region, as well as in Austria, the USA and Italy.

#### **Marked improvement in profitability**

The measures introduced to improve cost structures are having a clear positive impact on the development of earnings: Group EBIT adjusted for special effects rose by 29.9% from EUR 47.8 million to EUR 62.0 million in spite of the lower revenues. Consequently, the return on sales improved from 4.7% to 6.4%. Both the Lighting and Components segments clearly exceeded the respective prior year results in the first three quarters. The Lighting Segment, which was also the focus of restructuring efforts in the previous year, reported a 19.0% improvement in adjusted EBIT to EUR 46.4 million (previous year: EUR 39.0 million), while the

Components Segment recorded an 8.6% increase to EUR 30.8 million (previous year: EUR 28.4 million). Net profit for the period was slightly higher than the previous year at EUR 29.8 million (previous year: EUR 29.2 million). Working capital and free cash flow continued their positive development. On 31 January 2017 working capital totalled EUR 240.0 million, which was EUR 16.5 million lower than on 31 January 2016. Free cash flow showed a marked rise to EUR 40.6 million in the first three quarters of 2016/17 (previous year: minus EUR 10.1 million).

**Outlook: More specific earnings guidance for full 2016/17 financial year**

Based on the solid development of business in the first three quarters and the visible improvement in cost structures, the Management Board of the Zumtobel Group is issuing more specific guidance for earnings in the current financial year and now expects operating earnings (adjusted EBIT) of approx. EUR 70 million. The former earnings guidance (adjusted EBIT) indicated a slight improvement over the previous year (previous year: EUR 58.7 million).

emitter: Zumtobel Group AG  
Höchster Straße 8  
6850 Dornbirn  
Austria

contact person: Harald Albrecht

phone: +43 (0)5572 509-1125

e-mail: Harald.Albrecht@zumtobelgroup.com

website: www.zumtobelgroup.com

ISIN(s): AT0000837307 (share)

stock exchanges: official trade in Vienna

**zumtobel group**

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