

Zehnder Group increases sales to EUR 697 million and EBIT to EUR 69 million

In the 2021 financial year, the Zehnder Group increased its sales by 13% to EUR 697.1 million and its operating result (EBIT) by 37% to EUR 69.1 million. As a result, the EBIT margin increased by a further 1.7 percentage points to 9.9%. Net profit increased by 51% to EUR 60.3 million.



Dear shareholders,

Looking back on an eventful but once again largely successful year, the Zehnder Group demonstrated flexibility and resilience throughout 2021. We enjoyed a strong first half of the year with large order volumes as we dealt with pent-up demand. As the year progressed, we faced ever greater challenges presented by sharply rising raw material and component prices and a gradual decline in the availability of electronic components. Developments like these slowed our growth considerably. Nevertheless, we are pleased to be able to present a solid result for the year as a whole.

Strong radiator business, slowdown in ventilation growth

The Zehnder Group increased its sales by 13% to EUR 697.1 million in the reporting year (12% organic¹). On the one hand, it benefited from catching up on the pandemic-related backlog – especially in the radiator business. On the other hand, the gradual decline in the availability of electronic components led to supply difficulties, which had a significant adverse impact on the ventilation business in particular. By the end of the year, sales in the ventilation business area increased by 9% to EUR 352.6 million (6% organic). Sales in the radiator business area grew by 17% to EUR 344.5 million (18% organic). This means that the share of total sales accounted for by ventilation and radiators was 51% and 49% respectively (52% and 48% in the previous year).

The Europe segment achieved sales of EUR 586.8 million in 2021. This represents an unchanged 84% of total sales, and a 13% increase in sales (13% organic). EUR 290.0 million of revenue in Europe was generated in the ventilation business area. All three product lines – residential ventilation, heat exchangers and clean air solutions – contributed to an 8% growth (7% organic). In the radiator business area, revenues increased by 20% to EUR 296.8 million (20% organic). Sales in the radiator product line as well as in the climate ceiling product line both experienced positive development.

“Our high-quality, energy-efficient radiator systems were in high demand in 2021. The positive trend experienced in France, the Zehnder Group's largest market for radiators, is particularly noteworthy.”

- The Zehnder Group recorded its highest growth rates in France, the UK and Italy, primarily as a result of the considerable recovery in these markets following the pandemic-related drop in sales experienced in the previous year. But sales also increased compared to 2019. In France, the Zehnder Group's largest radiator market, public incentives under the European Green Deal promoted the installation of high-quality, energy-efficient radiator systems, which the Zehnder Group offers through its wide range of electric and hot water radiators. In Italy, tax incentives for renovations aimed at improving energy efficiency in buildings were also a driver of growth, particularly in the ventilation business. In the UK, sales in both business areas developed favourably, and the strong recovery of radiator sales via DIY stores is certainly worth noting.
- Sales also increased in Germany, the Zehnder Group's largest market in terms of sales, as well as in Switzerland and Poland; however, the strained situation in raw material markets, as well as shortages in the logistics chain, led to delivery difficulties – as seen in other markets. This affected both ventilation and radiators. In this environment, close coordination with the customers was essential. In Germany, the AUFWIND partner programme introduced in 2019 has proven its worth. Around 700 installers already make use of services such as prioritised processing of enquiries, involvement in the further development of products and services, and individualised advertising measures for more effective customer acquisition.
- In the Netherlands and Belgium, where the Zehnder Group is mainly active in the ventilation business, sales suffered due to shortages in the supply chain. In Belgium, the growing radiator business almost made up for the decline in ventilation business. The Netherlands saw a significant drop in sales; however, the order intake was solid. In addition, the Zehnder Group contributed to significant projects, such as the first European 3D-printed house in the Eindhoven district of Bosrijk (NL). It meets all the strict Dutch building regulations and is very energy efficient. It also uses a Zehnder ComfoAir Q ventilation system to maintain a healthy and pleasant indoor climate.

The China & North America segment achieved sales of EUR 110.3 million in the reporting year, corresponding to an unchanged 16% of total sales. Compared to the previous year, revenues grew by 10% (3% organic).

- In China, sales increased by 15% to EUR 55.6 million (–3% organic). In the ventilation business, the Zehnder Group expanded its position in the Passive House business. In addition, the fast-growing heat exchanger company Fortuneway, acquired in April 2021, made a positive contribution to sales. In the radiator business area, various projects were carried out and sales increased compared to 2020; however, growing payment difficulties experienced by various construction groups in the second half of the year had a massive impact on the real estate sector. In the ventilation business in particular, project orders collapsed over the course of the second half of the year.

- In North America, sales amounted to EUR 54.7 million, 5% more than in the previous year (9% organic). Shortages with regard to materials and personnel had a negative impact on radiator sales. The ventilation business, on the other hand, experienced favourable development. The product range was further adapted to local needs, and assembly in Buffalo NY (USA) was expanded. Driven by the trend towards energy-efficient construction, ventilation sales increased by 30% (31% organic). They now account for 34% of sales in North America (28% in the previous year).

“Driven by the trend towards energy-efficient construction, our ventilation sales in North America increased by 30%. They now account for 34% of our sales in North America (28% in the previous year).”

¹ See **Alternative performance measures** in the consolidated financial statements in the Financial Report.

Increase in EBIT margin from 8.2% to 9.9%

The operating result (EBIT) in the reporting year rose to EUR 69.1 million (previous year: EUR 50.5 million). As a result, the EBIT margin increased by a further 1.7 percentage points to 9.9%.

The EBIT figure achieved in the Europe segment was EUR 63.6 million (previous year: EUR 41.6 million). The Group continued to pursue a systematic strategy of optimising costs and improving efficiency. In addition, costs for business travel and events remained at a lower level as activities were reduced or conducted online. On the other hand, rising purchase prices, especially for steel and electronics, had a negative impact on profitability, as they could not be fully compensated by sales price increases. As well as this, supply bottlenecks affecting certain suppliers increasingly led to delivery problems and disruptions in the production and supply chain. In addition, logistics costs became more expensive. With a view to strengthening its competitiveness, the Zehnder Group also increased its spending on research into and development of innovative new products.

The EBIT figure achieved in the China & North America segment was EUR 5.5 million (previous year: EUR 8.9 million). The main reason for the lower profitability is the reduced credit rating of various construction groups in China, which made it necessary to make value adjustments on receivables.

The use of loss carry-forwards and the positive effects of the tax reform measures introduced in Switzerland reduced the income tax burden. Accordingly, a net profit of EUR 60.3 million (previous year: EUR 39.9 million) was achieved.

“With sales of EUR 697 million, EBIT of EUR 69 million and a net profit of EUR 60 million, we achieved a solid result in 2021.”

Product development with a focus on ventilation growth

In the reporting year, expenditure on research and development amounted to EUR 21.4 million (previous year: EUR 18.2 million), with two-thirds focusing on the ventilation business as a key growth area. The Smart Home is a central topic, and the Zehnder Group is working on integrating its appliances into intelligently networked buildings. A development team for controls and climate solutions has also been established in Italy. At the International Sanitation and Heating Fair (ISH), held online in March, the Zehnder Group presented the Zehnder ComfoClima System as an innovative room climate solution for heating, ventilation, cooling and hot water production. It is specially tailored for use in buildings affected by the lowest energy standards and modern prefabricated houses. The fair also provided an opportunity to showcase the new school ventilation system based on the Zehnder ComfoAir Q600 ST enthalpy ventilation unit. This not only reduces the aerosol concentration in the room through continuous air exchange, but also keeps the CO₂ concentration at a low level to ensure a safe and healthy learning atmosphere. Another innovation is the compact Zehnder ComfoAir Flex ventilation unit, which is particularly suitable for multi-family houses where the available space is limited. Zehnder's Climate Switch technology guarantees the best automatically adjusted room climate in every season.

“At the digital ISH, we presented the Zehnder ComfoClima System as an innovative room climate solution for heating, ventilation, cooling and hot water production. It is specially tailored for use in buildings with the lowest energy standard and modern prefabricated houses.”

Another product worth highlighting in the area of decorative radiators is the Artémia radiator, sold under the French brand Acova. Equipped with an innovative wall bracket with hinge, it makes the installation process much easier for professionals. The Artémia was awarded the Trophée du Négoce 2021 prize in the Design category. The new Zehnder Studio Collection premium design line has now been launched in Poland and Italy, with other European countries set to follow as of January 2022. The products previously marketed under the premium brand Runtal will be integrated into the Zehnder Studio Collection. This strengthens the Zehnder brand and continues the legacy of Runtal, which was acquired in 1988, in Zehnder's premium design line.

Investments in infrastructure

In 2021, the Zehnder Group invested EUR 21.9 million in property, plant and equipment and intangible assets (previous year: EUR 16.7 million). In the Europe segment, the amount invested was EUR 20.2 million (previous year: EUR 13.3 million). In the China & North America segment, investments worth EUR 1.7 million (previous year: EUR 3.4 million) were made.

In April, construction started on the new training and office building at the Lahr (DE) site: the “Center of Climate” is envisaged as a future communication hub for customers and employees alike, and a centre for healthy indoor climate for Zehnder in Germany. Over the course of 2023, training rooms and practical workshops, a showroom, meeting and conference rooms, office space and a new Zehnder restaurant as a meeting place for customers and employees will be available comprising a total area of almost 5,000 m². In Switzerland, the Zehnder Group has invested in its existing training infrastructure. The newly installed 2.5-room model apartment allows the simulation of three different apartment types featuring five different ventilation concepts. These combined efforts contribute to the Zehnder Academy's growing aspirations to assert itself as the leading competence centre for indoor climate solutions in Switzerland.

“The ‘Center of Climate’ we are building over at the Lahr site is envisaged as a future communication hub for customers and employees alike, and a centre for healthy indoor climate for Zehnder in Germany.”

Capacity for heat exchanger production was expanded in both Waalwijk (NL) and Reinsdorf (DE). In Vaux-Andigny (FR), further investments were made in modernising the radiator production. At the Dutch site in Zwolle, the new rooftop solar system was completed and put into operation in the spring. The 3,564 solar cells generate around 1,400 kWp (kilowatt peak) annually, which is equivalent to the consumption of 400 households.

Acquisitions in China and France

The acquisition of a 51% share in the Chinese company Zhongshan Fortuneway Environmental Technology Co., Ltd. by the Zehnder Group was successfully completed at the end of April 2021. The company specialises in the development, production and sale of enthalpy exchangers for moisture and heat recovery, and has been one of the Zehnder Group's suppliers since 2019. With this acquisition, the Group has complemented its technology and product portfolio and is focusing on the growth potential in China, where the share of enthalpy exchangers in ventilation equipment is high. Today, the majority of these are made out of paper, although there is a trend towards the use of polymer membranes, as these are more efficient, durable and hygienic. The workforce – including management – and site will be retained.

“With the acquisition of Fortuneway in China and Caladair in France, we are complementing our technology and product portfolio and increasing our geographical presence.”

In October, the Zehnder Group acquired 75% of the shares in the French company Caladair International SAS. Founded in 1979 and headquartered in Mâcon, Burgundy, the company develops, produces and sells energy-efficient ventilation and thermodynamic systems, primarily for commercial buildings. A third of its turnover is achieved outside France. With this acquisition, the Zehnder Group has expanded its ventilation product portfolio to include compact air handling units for commercial buildings and multi-family houses – a strategically important sector that will close a gap in its product range. Caladair will continue to operate at its current location under the management of the current managing director, who holds a minority share of 25%. The existing customer base is being retained and is set to be expanded. In addition, Caladair products are to be sold in various markets via the Zehnder Group's established sales channels in order to exploit further synergies.

High cash flow from operating activities and solid balance sheet

Cash flow from operating activities amounted to EUR 79.9 million in the reporting period (previous year: EUR 95.3 million), while net liquidity¹ grew from EUR 96.4 million to EUR 123.2 million. Shareholders' equity was EUR 362.4 million (previous year: EUR 326.9 million). This equates to an unchanged high equity ratio of 66%.

On 24 March 2021, the Zehnder Group launched a share buyback programme for the purpose of capital reduction. Over a maximum period of three years, the Group will buy back up to 5% of the listed registered shares A via a second trading line on the SIX Swiss Exchange. This corresponds to 487,800 registered shares A. By the end of the year, 79,300 registered shares A had been repurchased at a total price of EUR 5.6 million.

“As part of the share buyback programme launched in 2021 for the purpose of capital reduction, we purchased 79,300 registered shares A for a total price of EUR 5.6 million.”

¹ See **Alternative performance measures** in the consolidated financial statements in the Financial Report.

High level of employee satisfaction

At the end of 2021, the number of full-time equivalent employees increased from 3,361 in the previous year to 3,634 – an increase that can primarily be attributed to acquisitions. In the reporting year, the Zehnder Group welcomed around 200 new employees from Fortuneway in China and Caladair in France. This brought the average number of employees up to 3,554 (previous year: 3,340). Of these, 411 were employed temporarily (previous year: 287) and 58 were apprentices (previous year: 63). 2,693 employees (previous year: 2,607) were working in Europe and 861 (previous year: 733) in China & North America.

Leadership forms a major contributing factor to a committed workforce. With this in mind, the Zehnder Group introduced its Leadership Development Programme in 2021. Its goals include bolstering common strategic foundations, developing leadership skills and social competences further, increasing customer and market orientation, and promoting a culture of appreciation, trust, empowerment and inclusion. Around 30 managers have taken part to date. The implementation of additional modules and the training of more managers are planned for the coming years.

“A major contributing factor to a committed team is leadership. We are investing in the ongoing development of our managers through the Leadership Development Programme launched in 2021.”

The continuous efforts to promote an attractive working environment are bearing fruit. 84% of employees took the opportunity to participate in the Group-wide employee satisfaction survey in autumn 2021 and provide their feedback on leadership, strategy and market approach, commitment to the Zehnder Group, and outlook after the pandemic. The answers were evaluated anonymously by an external partner, and the results were impressive: employee satisfaction had increased significantly compared to the 2018 survey. 83% (2018: 69%) of employees stated that they would recommend the Zehnder Group as an employer of choice.

Increased strategic focus on sustainability

Sustainable management is essential for differentiation in the market, corporate reputation and corporate success. In 2021, a project team consisting of the Chairman of the Board of Directors, the Group Executive Committee and various Group functions worked intensively on revising the Zehnder Group's sustainability ambitions with the aim of achieving an ecological, social and economic balance for the Group's ongoing development. In 2022, the objectives, measures and responsibilities will be firmed up, further data will be collected, coordinated improvement initiatives will be launched and non-financial reporting will be prepared.

“The COP26 House was presented at the climate conference in Glasgow. This has been specifically designed for zero carbon emissions and is equipped with a Zehnder ComfoAir Q350 heat recovery ventilation unit.”

The Zehnder Group is involved in initiatives in various countries to help the construction industry address its carbon-free challenges. At the 26th Climate Change Conference in Glasgow (UK) in November 2021, there were not one but two projects on show to which the Zehnder Group had contributed. One of them, the COP26 House, is the first house of its kind to be designed specifically for zero carbon emissions and equipped with a Zehnder ComfoAir Q350 balanced ventilation unit with Passive House certification. The system delivers fresh, filtered air into the building, while recovering much of the energy already used to heat the building. In Poland, the Zehnder Group was a partner of the Polish-Swiss Innovation Day held on 14 October 2021, during which sustainable construction and sustainable buildings were among the topics discussed. The Innovation Day was an integral part of “Circular Week Poland 2021”. Circular Week is an international campaign consisting of a series of events and initiatives on circular economy and sustainable development taking place across Europe.

In addition, the Zehnder sites worked on reducing their own ecological footprint. In Zwolle (NL), the new solar plant was commissioned in the spring, which generates around 35% more energy than the site consumes. In the UK and Italy, a start has been made on converting the vehicle fleet to electric or hybrid vehicles. Various locations successfully implemented projects to reduce plastic packaging for product shipments. The Zehnder Group also made progress in the area of occupational safety and health management. The production plants in Poland and the UK successfully applied for ISO 45001 certification for the first time, while this was renewed at the Swiss plant. By the end of 2023, all radiator plants in Europe are to be ISO 45001 certified.

Continuous dividend policy

Based on the results of the 2021 reporting year, the Board of Directors is proposing to the Annual General Meeting on 7 April 2022 a dividend of CHF 1.80 per registered share A (previous year: CHF 1.25). The payout ratio of 33% is in line with the Zehnder Group’s continuous dividend policy. This envisages paying out 30–50% of consolidated net profits.

“Our continuous dividend policy is based on earnings and envisages distributing 30–50% of consolidated net profits.”

The current share buyback programme will also be continued.

Growth for ventilation, harvest for radiators strategy implemented further

The Zehnder Group consistently pursued its strategy in 2021, further reinforcing its strong competitive position in the growth business of ventilation by making investments in both market and product development. With the acquisition of Caladair in France, it added strategically important large units for commercial buildings and multi-family houses to its product portfolio. The expansion of the local production of ventilation units for North America in Buffalo NY (USA) and the establishment of a development team for control and climate solutions in Italy were further milestones.

“Our strategy focuses on growth for ventilation, harvest for radiators and promotion of our three potential stars – heat exchangers, clean air solutions and climate ceilings.”

In the radiator business, capacity utilisation increased owing to high demand, which also resulted into improved profitability. The production facilities were further modernised and productivity increased. The Zehnder Group also expanded its development competencies in the field of electronics, strengthened its overall quality management and placed even more focus on design.

Heat exchangers, clean air solutions and climate ceilings represent three other potential stars in the Group's portfolio, all of which developed favourably in the reporting year. The acquisition of the enthalpy exchanger manufacturer Fortuneway in China and the launch of the new generation of air cleaning units scheduled for 2022 provide scope for future growth. In the area of climate ceilings, the new, completely independent European organisation for climate ceilings has set itself the goal of turning around this still unprofitable product line.

Higher sales growth targeted for 2022 due to acquisitions

The demand for system solutions for energy-efficient, healthy, comfortable and sustainable buildings is likely to increase further in the future. The Zehnder Group offers the perfect products to meet this demand, although the ongoing pandemic and global political tensions continue to create many uncertainties. That said, the Zehnder Group expects market conditions as well as the situation in the manufacturing and transport chains to increasingly normalise over the course of 2022; however, visibility and the ability to plan are still limited at present.

The Zehnder Group is resolutely pursuing its adopted strategy of growth for ventilation, harvest for radiators. It continues to invest in market cultivation, product development, digital transformation and production capacity, and its commitment to sustainability is being strengthened. The Group also continues to evaluate complementary acquisitions to round out its technology and product portfolio, strengthen its market position and expand its geographical presence.

On 18 February 2022, the Zehnder Group signed the contract to acquire the Canadian ventilation company Airia Brands Inc. This move sees it targeting sales growth above the 5% average annual target for the 2022 financial year, with the EBIT margin expected to be 8–10%. The tax rate, which was significantly lower in 2021 and 2020 than in previous years due to the use of loss carry-forwards and the tax reform measures introduced in Switzerland, will normalise in 2022 and have a corresponding impact on net profit.

In the medium term, the Zehnder Group continues to target average annual sales growth of 5%, raising the range for the targeted EBIT margin to 9–11%.

“The Zehnder Group maintains its medium-term target of average annual sales growth of 5%, raising the range for the targeted EBIT margin to 9–11%.”

Many thanks

We would like to express our deepest thanks to all the employees of our company. They have made the Zehnder Group even stronger this year, which was again marked by the pandemic.


We would also like to thank our customers, suppliers and business partners for their loyalty and the excellent working relationships that the company has established with them.

As well as this, we want to take this opportunity to extend our thanks to you, our valued shareholders, for the trust and sense of loyalty that you have shown to the Zehnder Group.

Yours sincerely,



Dr Hans-Peter Zehnder
Chairman of the Board of Directors



Matthias Huenerwadel
Chairman of the Group Executive
Committee, CEO

The expectations presented in the Management Report are based on assumptions. If they do not prove true, this will affect the associated results.