

# Zehnder Group on its way to becoming a leading international provider of indoor climate solutions



---

**Dear shareholders,**

In the 2024 reporting year, Zehnder Group made significant progress towards becoming a leading international supplier of indoor climate solutions. In line with our strategic objectives, we sold the non-core Climate Ceiling Solutions division and made the necessary capacity adjustments in radiator production. With the acquisition of the Spanish ventilation specialist Siber, we have reached an important milestone and consolidated our market position in Southern Europe.

At the same time, new residential construction activities in Europe reached a historic low in 2024. Renovation work also declined. Encouragingly, however, we were able to slightly increase sales in the ventilation segment again in the second half of the year. Thanks to stringent cost reductions, we also managed to safeguard the operating margin before one-off effects in a challenging environment.

The importance of a high-quality indoor climate will continue to grow, as it has a significant positive impact on health, comfort, and sustainability. Driven by global megatrends such as demographic change, urbanisation, climate change, and technological progress, innovative and integrated indoor climate solutions are becoming one of the key topics in new buildings and renovations.

This trend is resulting in an increased emphasis on system solutions for indoor climate. At Zehnder Group, we are taking this aspect into account by transforming ourselves into an innovative, future-orientated system and service provider for a healthy and comfortable indoor climate. Zehnder Group continues to develop and build on its proven strengths.

## Resilient operating result in a weak market environment

Zehnder Group sales in the 2024 financial year fell by 7% (organically –9%<sup>1</sup>) to EUR 705.8 million (previous year: EUR 762.1 million). The Siber acquisition in Spain contributed positively with a 2% increase in sales, while the sale of the Climate Ceiling Solutions division resulted in a 1% sales decline. The past financial year was characterised by a combination of geopolitical and economic uncertainties. As a result, there was significantly less construction and renovation activity in some of our key markets. This led to lower sales in the ventilation and radiator segment in the 2024 financial year.

In the 2024 financial year, Zehnder Group achieved an operating result after one-off costs (EBIT) of EUR 14.1 million (–76%), which corresponds to an EBIT margin of 2.0%. In 2024, strategic measures were implemented to sustainably reduce costs and increase efficiency. Overall, the one-off effects amounted to EUR 35.9 million for the disposal of the Climate Ceiling Solutions business, the relocation of radiator production from Gränichen (CH) to Vaux-Andigny (FR), the impairment of the production plant in Dachang (CN), value adjustments on trade receivables due to the ongoing real estate crisis in China, and further organisational and restructuring measures. At EUR 50.1 million, adjusted EBIT<sup>1</sup> was down –21% on the previous year, corresponding to an adjusted EBIT margin of 7.1% (previous year: 8.3%). In the second half of the year, the adjusted EBIT margin improved to 7.6% (previous year: 6.7%).

At a total of EUR 25.3 million, expenditure on research and development remained stable (previous year: EUR 25.5 million). Around 72% of this was attributable to the ventilation segment. In the 2024 financial year, the tax rate was 119.5% due to non-tax-deductible one-off costs (previous year: 21.8%). Net loss totaled EUR –2.4 million due to high one-off costs (previous year: net profit of EUR 44.6 million).

<sup>1</sup> See [Alternative performance measures](#) in the consolidated financial statements in the Financial Report.

## Ventilation sales with organic growth in the second half of the year

Total sales in the ventilation segment fell by 4% (organically –8%) to EUR 424.2 million in 2024. The acquisition of Siber in Spain made a positive contribution of 4% to ventilation sales. In the second half of the year, ventilation sales rose organically by 3%. In both the indoor ventilation and heat exchanger divisions, sales fell significantly due to the decline in new residential construction. By contrast, sales of industrial air cleaning solutions increased once again. During the reporting year, the ventilation segment accounted for 60% of the Group's total sales for the first time, a relative increase of two percentage points compared to the previous year.

In the EMEA region (Europe, Middle East and Africa), ventilation sales declined by 2% (organically –8%) to EUR 328.4 million (previous year: EUR 336.2 million). This development was largely due to the decrease in new residential construction activity in the 2024 financial year, which in turn was attributable to a lower inclination to invest. The markets in Germany and Belgium recorded the most significant decline in sales due to the sharp fall in new construction activity there. Further growth was seen in the UK following the introduction of favourable building regulations.

At EUR 71.1 million (previous year: EUR 69.1 million), sales in North America were slightly above the previous year's level (+3%). In Canada particularly, the key interest rate cuts led to a revival in the construction market. The ventilation segment's relative share of total sales in North America rose by five percentage points to 65%.

In the Asia-Pacific region, sales fell by 31% to EUR 24.7 million (previous year: EUR 35.8 million). In the wake of the ongoing property crisis, the Chinese market in particular suffered a decline in demand in the ventilation segment.

---

### Robust operating result in the ventilation segment

In the ventilation segment, adjusted EBIT<sup>1</sup> fell by 17% to EUR 44.4 million in the 2024 financial year (previous year: EUR 53.5 million). The adjusted EBIT margin was 10.5%. Despite lower sales, investments were maintained to further strengthen ventilation as a growth segment. Value adjustments on receivables in China and restructuring of the heat exchanger business in Europe led to one-off costs of EUR 7.0 million. EBIT after one-off costs in the ventilation segment totalled EUR 37.4 million, corresponding to an EBIT margin of 8.8%.

<sup>1</sup> See [Alternative performance measures](#) in the consolidated financial statements in the Financial Report.

---

### Radiator sales significantly influenced by slowdown in renovations

The radiator segment generated sales of EUR 281.6 million in the 2024 financial year, down 12% (organically -10%) on the previous year's sales of EUR 321.0 million. Renovation activities involving radiator replacement fell significantly in most markets in the 2024 financial year. This was due to a general decline in customer demand in light of political and economic uncertainties.

In line with this development, we adjusted our production capacities in response to actual demand. The decision was made to discontinue radiator production in Switzerland and relocate it to the existing plant in France. We also outsourced radiator production at our Chinese plant in Dachang. This activity will continue to operate as a trading business in the future. Radiator sales accounted for 40% of Zehnder Group's total sales during the reporting year, corresponding to a decrease of two percentage points compared to the previous year.

In the EMEA region, sales in the radiator segment fell by 12% to EUR 235.9 million (previous year: EUR 268.2 million). The two most important markets, France and Germany, recorded the largest declines in sales. In a challenging economic environment, demand shifted in part towards lower-priced products. In France, political uncertainty has increased purchasing restraint. Contrary to this trend, the Netherlands and Spain recorded slight increases in sales along a positive economic development.

In the North America region, radiator sales fell by 15% to EUR 38.5 million (previous year: EUR 45.5 million). High inventory levels in the distribution chain led to lower demand in the USA in the first half of 2024. The situation began to recover in the second half of the year.

The Asia-Pacific region reported a 1% decline in radiator revenue, totalling EUR 7.2 million (previous year: EUR 7.2 million). This slight decline in sales is largely due to the continuing weakness of the construction sector in China.

---

### Lower capacity utilisation reduces EBIT significantly in the radiator segment

In the radiator segment, adjusted EBIT<sup>1</sup> fell by 40% to EUR 5.7 million during the reporting period (previous year: EUR 9.4 million). Lower volumes resulted in lower capacity utilisation. The adjusted EBIT margin was 2.0% (previous year: 2.9%). EBIT after one-off costs fell to EUR -23.2 million in the 2024 financial year (previous year: EUR 7.2 million).

---

## Accelerated transformation into a leading international supplier of indoor climate solutions

Throughout the 2024 financial year, Zehnder Group implemented several strategically important measures to further strengthen the Group's profile as a provider for indoor climate solutions. The measures enacted consistently aim at future growth and improved profitability.

On 11 July 2024, Zehnder Group completed the acquisition of the Spanish company Siber to strengthen its market position in Southern Europe. Siber commands broad market access in Spain and Portugal, focusing on complete ventilation systems for new-build apartment blocks. The integration of Siber ideally complements our product portfolio with mid-priced products and offers further synergy potential. Specifically, this acquisition enables us to sustainably expand our activities in the important growth markets in Southern and Eastern Europe.

The production network is being further optimised through the outsourcing of radiator production in China and the planned consolidation of flat tube radiator production in France. Following the closure of the radiator production division, the Gränichen site will be expanded as a centre of excellence for indoor climate solutions. Key focus areas will include the growing service and maintenance business.

**“The Gränichen site will be expanded as a centre of excellence for indoor climate solutions.”**

In this context, even greater emphasis will be placed on education and information than before. Based on our experience, decision-makers such as builders and architects are often still insufficiently informed about the value-enhancing benefits of automated indoor ventilation and its associated advantages for health, well-being, and energy efficiency. This presents significant opportunities for Zehnder Group in terms of further market development. Accordingly, our plan is to expand the range of information, training and further education we offer at our new competence centre in Gränichen.

Key initiatives for strategic growth in the EMEA region were accelerated in the 2024 reporting year. Our priorities included driving forward digitalisation along the entire customer journey, expanding our service offering, and investing in solutions for renovations and multi-family homes.

With the appointment of Valentina Videva Dufresne as President of the North America region and member of the Group Executive Committee from 1 January 2025, a separate management function has been created at Group level to tap into the vast potential of the North American market. This step places a strong focus on expanding our presence in a key growth market for residential ventilation.

---

## A clear roadmap for the future

As part of our accelerated focus on the indoor climate business we intend to continue investing in innovative products and solutions in order to consolidate and further expand our market position as a leading international provider. Based on these strategic steps, Zehnder Group is implementing its transformation into the leading provider of indoor climate solutions.

As a system provider, Zehnder Group is increasingly focusing on complete solutions. We offer integrated, multifunctional and energy-efficient solutions for a comfortable, automatically controlled indoor climate with a filtered fresh air supply that cools, dehumidifies and heats as required.

A key pillar in this regard is the expansion of the ventilation business through strategic investments and the enhancement of our product and service portfolio. The continuous growth in the ventilation segment is gradually leading to a less capital-intensive activity and a higher return on invested capital.

In the radiator segment, we plan to strengthen our potential in the renovation field. Our market position, our comprehensive product range, the high quality of our service in conjunction with short delivery times will help us to achieve this important objective. Our goal is to leverage our market position and strengthen it where possible.

At the same time, we aim to exploit growth opportunities in the areas of service, maintenance, and modernisation. We are supported in this effort by increasing market penetration in new buildings, a growing installed base, and the excellent reputation of our brand.

We are also increasingly supporting our customers in the upstream planning phase with our technical expertise. Our solutions are tailored to comply with specific legislation and are adapted to local customer preferences. Training sessions and integrated service offerings round off our maintenance-related service portfolio.

**“As a solutions provider, we get involved right from the planning stage, actively supporting our customers with our expertise and knowledge.”**

---

## Solid equity ratio despite milestone acquisition

Cash flow from operating activities decreased by 31% to EUR 60.6 million in the 2024 financial year (previous year: EUR 87.8 million) due to a lower profitability. Investment activity increased significantly in the reporting year. Investments in subsidiaries were EUR 94.9 million (previous year: EUR 0.1 million), due to the acquisition of the Spanish company Siber and the remaining 25% stake in Zehnder Caladair International SAS.

Net debt<sup>1</sup> amounted to EUR -11.8 million at the end of 2024 (previous year: net liquidity<sup>1</sup> of EUR 70.8 million). Equity totalled EUR 241.5 million (previous year: EUR 347.3 million), corresponding to an equity ratio of 51% (previous year: 67%). Goodwill from acquired companies Siber and Caladair totalling EUR 83.9 million was offset against equity.

<sup>1</sup> See [Alternative performance measures](#) in the consolidated financial statements in the Financial Report.

---

**Dividend for the 2024 reporting year**

At the Annual General Meeting on 3 April 2025, the Board of Directors will propose the distribution of a dividend of CHF 1.00 (previous year: CHF 1.30) per registered share A, taking into account the results of the 2024 financial year.

---

**Outlook for the 2025 financial year**

Key interest rates in North America and Europe have fallen over the course of 2024. We therefore expect construction industry activity in some target markets to stabilise further, albeit at a moderate level. Some uncertainties in markets such as Germany and France will remain in the ongoing year. At the same time, we can see that the low point has been overcome in various markets. Zehnder Group plans to communicate its outlook for the year when it publishes its half-year figures for 2025.

With the measures implemented and the investments made in the 2024 financial year, we have taken important steps to accelerate our transformation into a leading international provider of indoor climate solutions. Not least because of this, Zehnder Group is well positioned to benefit from the growth opportunities that present themselves. With our focused strategy, targeted investments in innovation and sustainability, tailwinds from beneficial megatrends, and consistent cost control, we aim to further strengthen our market position and achieve our medium-term targets of average annual sales growth of 5% and an EBIT margin of 9–11%.

---

**Thanks and acknowledgements**

The Board of Directors and Group Executive Committee would like to express their sincere thanks and appreciation to our employees for their outstanding performance and continued commitment to Zehnder Group.

We would like to thank our customers, suppliers, and partners for continuing to choose our products and services, and for their successful cooperation.

We also extend our gratitude to you, our valued shareholders, for your trust.

With kind regards,



**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 these prove to be incorrect, the associated results will also change.