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# Financial Report

## **Consolidated financial statements**

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## **Financial statements of Zehnder Group AG**

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## Five-year overview

		2025	2024	2023	2022	2021
<b>Sales</b>	EUR million	<b>760.7</b>	<b>705.8</b>	<b>762.1</b>	<b>812.5</b>	<b>697.1</b>
Change from prior year	%	7.8	-7.4	-6.2	16.6	12.9
<b>EBITDA adjusted<sup>1</sup></b>	EUR million	<b>89.1</b>	<b>77.0</b>	<b>87.6</b>	<b>n/a</b>	<b>n/a</b>
	% of sales	11.7	10.9	11.5	-	-
<b>EBITDA<sup>1</sup></b>	EUR million	<b>87.3</b>	<b>55.3</b>	<b>84.8</b>	<b>95.3</b>	<b>92.1</b>
	% of sales	11.5	7.8	11.1	11.7	13.2
<b>EBIT adjusted<sup>1</sup></b>	EUR million	<b>65.2</b>	<b>50.1</b>	<b>63.0</b>	<b>n/a</b>	<b>n/a</b>
	% of sales	8.6	7.1	8.3	-	-
<b>EBIT</b>	EUR million	<b>63.4</b>	<b>14.1</b>	<b>60.2</b>	<b>71.4</b>	<b>69.1</b>
Change from prior year	%	348.0	-76.5	-15.7	3.2	36.8
	% of sales	8.3	2.0	7.9	8.8	9.9
<b>Net profit/(loss)<sup>2</sup></b>	EUR million	<b>47.8</b>	<b>-2.4</b>	<b>44.6</b>	<b>56.7</b>	<b>60.3</b>
Change from prior year	%	n/a	n/a	-21.3	-5.9	51.2
	% of sales	6.3	-0.3	5.9	7.0	8.6
<b>Cash flow from operating activities</b>	EUR million	<b>80.0</b>	<b>60.6</b>	<b>87.8</b>	<b>59.3</b>	<b>79.9</b>
	% of sales	10.5	8.6	11.5	7.3	11.5
<b>Research &amp; development expenses</b>	EUR million	<b>-25.6</b>	<b>-25.3</b>	<b>-25.5</b>	<b>-24.7</b>	<b>-21.4</b>
	% of sales	-3.4	-3.6	-3.3	-3.0	-3.1
<b>Investments in property, plant and equipment &amp; intangible assets</b>	EUR million	<b>17.0</b>	<b>17.0</b>	<b>23.1</b>	<b>27.1</b>	<b>21.9</b>
<b>Depreciation, amortisation &amp; impairment</b>	EUR million	<b>-23.9</b>	<b>-41.1</b>	<b>-24.6</b>	<b>-23.9</b>	<b>-22.9</b>
<b>Total assets</b>	EUR million	<b>457.0</b>	<b>476.7</b>	<b>516.8</b>	<b>532.8</b>	<b>553.3</b>
<b>Non-current assets</b>	EUR million	<b>200.9</b>	<b>211.5</b>	<b>226.4</b>	<b>228.6</b>	<b>208.5</b>
<b>ROCE<sup>1</sup></b>	%	<b>22.1</b>	<b>15.4</b>	<b>17.9</b>	<b>18.9</b>	<b>22.6</b>
<b>Net liquidity/(net debt)<sup>1</sup></b>	EUR million	<b>32.8</b>	<b>-11.8</b>	<b>70.8</b>	<b>45.4</b>	<b>123.2</b>
<b>Shareholders' equity<sup>2</sup></b>	EUR million	<b>267.5</b>	<b>241.5</b>	<b>347.3</b>	<b>340.8</b>	<b>364.4</b>
	% of total assets	58.5	50.7	67.2	64.0	65.9
<b>Number of employees<sup>3</sup></b>	Ø full-time equivalents	<b>3,636</b>	<b>3,559</b>	<b>3,772</b>	<b>3,827</b>	<b>3,554</b>
<b>Dividends<sup>4</sup></b>	CHF million	<b>15.7</b>	<b>11.2</b>	<b>15.3</b>	<b>21.1</b>	<b>21.1</b>
<b>Net profit per registered share A<sup>5</sup></b>	EUR	<b>4.16</b>	<b>0.15</b>	<b>3.84</b>	<b>4.84</b>	<b>5.13</b>
<b>Dividend per registered share A<sup>4</sup></b>	CHF	<b>1.40</b>	<b>1.00</b>	<b>1.30</b>	<b>1.80</b>	<b>1.80</b>
<b>Payout ratio</b>	%	<b>36</b>	<b>n/a</b>	<b>35</b>	<b>38</b>	<b>32</b>
<b>Market closing price registered share A</b>	CHF	<b>81.80</b>	<b>45.20</b>	<b>53.50</b>	<b>55.80</b>	<b>93.10</b>
<b>Market capitalisation<sup>6</sup></b>	CHF million	<b>758.1</b>	<b>418.9</b>	<b>521.9</b>	<b>544.4</b>	<b>908.3</b>
<b>Total market capitalisation<sup>7</sup></b>	CHF million	<b>920.1</b>	<b>508.4</b>	<b>627.9</b>	<b>654.9</b>	<b>1,092.6</b>

1 For further information please refer to: [Alternative performance measures](#) in the consolidated financial statements in the Financial Report

2 Including minority interests

3 Including permanent, temporary and temporary FTEs via agency

4 For 2025 as proposed by the Board of Directors

5 Excluding minority interests

6 Market value of all listed registered shares A at year end, excluding value of unlisted registered shares B

7 Registered shares A and B; registered shares B recognised at one fifth of the price of the registered share A at year end

## Data per share

		2025	2024	2023	2022	2021
<b>Number of shares</b>						
Registered shares A	in thousands units	9,268	9,268	9,756	9,756	9,756
	each with a par value of CHF	0.05	0.05	0.05	0.05	0.05
Registered shares B (not listed)	in thousands units	9,900	9,900	9,900	9,900	9,900
	each with a par value of CHF	0.01	0.01	0.01	0.01	0.01
Number of voting rights or shares	in thousands units	19,168	19,168	19,656	19,656	19,656
Notional number of shares	in thousands units	11,248	11,248	11,736	11,736	11,736
	each with a par value of CHF	0.05	0.05	0.05	0.05	0.05
<b>Market prices (January–December)</b>						
Registered share A	high CHF	81.80	61.60	77.40	92.20	106.40
Registered share A	low CHF	42.80	41.40	45.60	49.40	60.90
Registered share A	at year end CHF	81.80	45.20	53.50	55.80	93.10
<b>Consolidated net profit<sup>1</sup></b>						
Per registered share A	EUR	4.16	0.15	3.84	4.84	5.13
<b>Consolidated equity<sup>1,2</sup></b>						
Per registered share A	EUR	23.26	20.80	29.55	28.20	29.76
<b>Dividend (gross)</b>						
Dividend per registered share A <sup>3</sup>	CHF	1.40	1.00	1.30	1.80	1.80
Payout ratio	% of net profit per share	36	n/a	35	38	32

1 All data excluding minority interests; all data on the basis of total shares outstanding at year end less the average of the shares held by Zehnder Group AG as own shares

2 Before appropriation of earnings

3 For 2025 as proposed by the Board of Directors

# Consolidated balance sheet



EUR million	Notes	31 December 2025	31 December 2024	Change from prior year %
<b>Assets</b>				
Liquid assets	1	40.0	56.7	
Trade accounts receivable	2	104.6	100.3	
Other receivables	2	20.4	17.8	
Inventories	3	83.9	83.0	
Prepayments		1.7	2.3	
Accrued income		5.4	5.1	
<b>Current assets</b>		<b>256.1</b>	<b>265.2</b>	<b>-3.5</b>
Property, plant and equipment	4	173.7	182.1	
Financial assets	4	12.9	13.0	
Intangible assets	4	14.4	16.4	
<b>Non-current assets</b>		<b>200.9</b>	<b>211.5</b>	<b>-5.0</b>
<b>Total assets</b>		<b>457.0</b>	<b>476.7</b>	<b>-4.1</b>
<b>Liabilities &amp; shareholders' equity</b>				
Short-term financial liabilities	5	4.6	4.3	
Trade accounts payable		46.3	39.9	
Other short-term liabilities		27.9	28.1	
Short-term provisions	6	14.1	15.3	
Accruals and deferred income	7	71.1	59.9	
<b>Current liabilities</b>		<b>164.1</b>	<b>147.7</b>	<b>11.1</b>
Long-term financial liabilities	5	2.6	64.2	
Other long-term liabilities		0.3	0.5	
Long-term provisions	6	22.6	22.8	
<b>Non-current liabilities</b>		<b>25.5</b>	<b>87.6</b>	<b>-70.9</b>
<b>Total liabilities</b>		<b>189.5</b>	<b>235.2</b>	<b>-19.4</b>
Share capital		0.4	0.4	
Capital reserves		-0.2	-0.2	
Own shares		-7.8	-6.1	
Retained earnings		266.3	238.2	
<b>Equity attributable to shareholders of Zehnder Group AG</b>		<b>258.7</b>	<b>232.3</b>	
Minority interests		8.8	9.2	
<b>Total equity</b>	<b>8</b>	<b>267.5</b>	<b>241.5</b>	<b>10.7</b>
<b>Total liabilities &amp; equity</b>		<b>457.0</b>	<b>476.7</b>	<b>-4.1</b>

# Consolidated income statement



EUR million	Notes	2025	2024	Change from prior year %
<b>Sales</b>	17	<b>760.7</b>	<b>705.8</b>	<b>7.8</b>
Other operating income	18	4.5	5.7	
Changes in inventories		-0.7	-4.7	
Own work capitalised		2.6	2.3	
Cost of materials		-264.4	-244.0	
Personnel costs		-267.2	-253.7	
Other operating expenses	19	-148.2	-156.2	
Depreciation and impairment of property, plant and equipment	4	-21.8	-38.6	
Amortisation and impairment of intangible assets	4	-2.1	-2.5	
<b>Operating result (EBIT)</b>		<b>63.4</b>	<b>14.1</b>	<b>348.1</b>
Financial result	20	-3.0	-1.7	
<b>Earnings before taxes</b>		<b>60.4</b>	<b>12.4</b>	<b>385.4</b>
Income taxes	21	-12.6	-14.9	
<b>Net profit/(loss)</b>		<b>47.8</b>	<b>-2.4</b>	<b>n/a</b>
Attributable to:				
– shareholders of Zehnder Group AG		46.3	1.7	
– minority interests		1.5	-4.1	
Non-diluted net profit excluding minority interests per registered share A (EUR)	22	4.16	0.15	n/a
Diluted net profit excluding minority interests per registered share A (EUR)	22	4.15	0.15	n/a
Non-diluted net profit excluding minority interests per registered share B (EUR)	22	0.83	0.03	n/a
Diluted net profit excluding minority interests per registered share B (EUR)	22	0.83	0.03	n/a

# Consolidated cash flow statement



EUR million	Notes	2025	2024
Net profit/(loss)		47.8	-2.4
Depreciation of property, plant and equipment	4	21.7	23.8
Amortisation of intangible assets	4	2.1	1.5
(Reversal of)/loss from impairment	4	0.1	15.7
(Gain)/loss from sale of subsidiaries	25	-	3.1
Other non-cash changes		2.6	4.5
(Gain)/loss from disposals of non-current assets		-0.3	2.4
(Increase)/decrease in trade accounts receivable		-7.2	-1.9
(Increase)/decrease in other receivables, prepayments and accrued income		-2.1	-0.8
(Increase)/decrease in inventories		-4.1	9.8
Increase/(decrease) in trade accounts payable		8.5	-2.9
Increase/(decrease) in other short-term liabilities, accruals and deferred income		12.4	-2.2
Increase/(decrease) in provisions	6	-0.7	5.6
(Increase)/decrease in deferred tax assets	4	-0.7	4.4
<b>Cash flow from operating activities</b>		<b>80.0</b>	<b>60.6</b>
Investments in property, plant and equipment	4	-17.1	-17.1
Investments in intangible assets	4	-0.1	-0.1
Government grants received related to assets		0.1	0.2
Investments in consolidated entities (less cash taken over)	24	-	-94.9
Investments in minority interests	24	-	-4.7
Divestment of property, plant and equipment	4	0.8	1.9
Divestment of consolidated entities (net of cash given)	25	-	-3.0
<b>Cash flow from investing activities</b>		<b>-16.2</b>	<b>-117.7</b>
Dividends paid to shareholders		-11.8	-15.4
Dividends paid to minority shareholders (of subsidiaries)		-1.2	-1.1
Purchase of own shares		-3.9	-4.3
Sale of own shares		1.8	2.1
Increase/(decrease) in short-term financial liabilities	5	-0.8	-2.7
Increase/(decrease) in long-term financial liabilities	5	-60.6	59.7
Increase/(decrease) in other liabilities		-0.2	-0.1
<b>Cash flow from financing activities</b>		<b>-76.8</b>	<b>38.3</b>
Currency effects		-3.8	-1.7
<b>Increase/(decrease) in liquid assets</b>		<b>-16.7</b>	<b>-20.5</b>
Liquid assets at 1.1.		56.7	77.2
Liquid assets at 31.12.		40.0	56.7
<b>Increase/(decrease)</b>		<b>-16.7</b>	<b>-20.5</b>

# Consolidated statement of changes in equity



EUR million	Share capital	Capital reserves	Own shares	Retained earnings			Equity attributable to shareholders of Zehnder Group AG	Minority interests	Total equity
				Goodwill offset	Other retained earnings	Translation differences			
<b>Equity at 1.1.2025</b>	<b>0.4</b>	<b>-0.2</b>	<b>-6.1</b>	<b>-270.9</b>	<b>515.6</b>	<b>-6.4</b>	<b>232.3</b>	<b>9.2</b>	<b>241.5</b>
Capital reduction	-	-	-	-	-	-	-	-	-
Purchase of own shares	-	-	-3.9	-	-	-	-3.9	-	-3.9
Sale of own shares	-	-	1.2	-	0.6	-	1.8	-	1.8
Share-based compensation									
– Transfers	-	-	1.0	-	-1.0	-	-	-	-
– Granted	-	-	-	-	1.7	-	1.7	-	1.7
Net profit/(loss)	-	-	-	-	46.3	-	46.3	1.5	47.8
Netted goodwill	-	-	-	-0.6	-	-	-0.6	-	-0.6
Change in minority interests	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-11.8	-	-11.8	-1.2	-13.0
Currency effects	-	-	-	-	-	-7.0	-7.0	-0.7	-7.7
<b>Equity at 31.12.2025</b>	<b>0.4</b>	<b>-0.2</b>	<b>-7.8</b>	<b>-271.5</b>	<b>551.3</b>	<b>-13.4</b>	<b>258.7</b>	<b>8.8</b>	<b>267.5</b>
<b>Equity at 1.1.2024</b>	<b>0.4</b>	<b>33.6</b>	<b>-39.9</b>	<b>-187.0</b>	<b>530.4</b>	<b>-4.8</b>	<b>332.6</b>	<b>14.7</b>	<b>347.3</b>
Capital reduction	-	-33.8	33.8	-	-	-	-	-	-
Purchase of own shares	-	-	-4.3	-	-	-	-4.3	-	-4.3
Sale of own shares	-	-	3.0	-	-0.8	-	2.2	-	2.2
Share-based compensation									
– Transfers	-	-	1.4	-	-2.0	-	-0.6	-	-0.6
– Granted	-	-	-	-	1.6	-	1.6	-	1.6
Net profit/(loss)	-	-	-	-	1.7	-	1.7	-4.1	-2.4
Netted goodwill	-	-	-	-83.9	-	-	-83.9	-	-83.9
Change in minority interests	-	-	-	-	-	-	-	-0.6	-0.6
Dividends	-	-	-	-	-15.4	-	-15.4	-1.1	-16.4
Currency effects	-	-	-	-	-	-1.6	-1.6	0.3	-1.3
<b>Equity at 31.12.2024</b>	<b>0.4</b>	<b>-0.2</b>	<b>-6.1</b>	<b>-270.9</b>	<b>515.6</b>	<b>-6.4</b>	<b>232.3</b>	<b>9.2</b>	<b>241.5</b>

# Consolidation scope and principles



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## Consolidation scope

The consolidated financial statements are presented in Euros and include all domestic and foreign companies which Zehnder Group AG controls directly or indirectly either by holding more than 50% of the voting rights or by otherwise having the power to control their operating and financial policies. Assets and liabilities as well as revenues and expenses are included at 100% in accordance with the full consolidation method. Minority interests in equity and in net profit of fully consolidated companies are recognised separately.

Holdings with a voting interest of between 20 and 49% (associated companies) are included in accordance with the equity method. Consolidated equity and the financial result for the period are accounted for proportionately.

The following changes were made in the consolidation scope compared to the previous year:

- Merger of ELP SCI into Filtech France SARL as of 1 January 2025 in France;
- Renaming of Filtech France SARL into Filtech France SAS as per 4 July 2025 in France;
- Renaming of Zehnder Corporate Americas, Inc. into Zehnder Group North America Inc. as per 29 September 2025 in the USA.

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## Consolidation principles

### General

Zehnder Group prepares its financial statements in accordance with the existing guidelines of Swiss GAAP FER (Swiss Accounting and Reporting Recommendations).

The consolidated balance sheet and income statement are based on the financial statements of the companies as defined in the consolidation scope for the year ended 31 December.

The data presented in the consolidated financial statements are based on uniform accounting and valuation principles which apply to all Group companies.

Intergroup receivables and payables as well as revenues and expenses are eliminated in the consolidated statements. Intermediate profits in inventories are eliminated as well.

### Foreign currency translation

For the year under review, the financial statements of subsidiaries which report in currencies other than the euro were translated into euros (EUR) as follows:

- Balance sheet figures at year-end exchange rates;
- Income statement figures at average exchange rates for the year;
- Cash flow statement figures at average exchange rates for the year.

Differences arising from applying these disparate exchange rates as well as foreign exchange differences on long-term loans of an equity nature to Group companies were booked to the cumulative translation differences of the consolidated equity capital. Foreign currency differences arising from repayments of long-term loans of an equity nature are also booked to consolidated equity capital and are not transferred to the income statement until such time as a disposal takes place.

The principal rates of exchange used for consolidation are shown in the table below.

	CAD	CHF	CNY	GBP	PLN	SEK	USD
	1	1	100	1	100	100	1
<b>Year-end exchange rates</b>							
<b>2025</b>	<b>0.6215</b>	<b>1.0745</b>	<b>12.18</b>	<b>1.1462</b>	<b>23.69</b>	<b>9.25</b>	<b>0.8518</b>
2024	0.6699	1.0638	13.19	1.2070	23.39	8.73	0.9628
<b>Average exchange rates for the year</b>							
<b>2025</b>	<b>0.6358</b>	<b>1.0672</b>	<b>12.36</b>	<b>1.1700</b>	<b>23.59</b>	<b>9.03</b>	<b>0.8900</b>
2024	0.6755	1.0484	12.84	1.1791	23.22	8.75	0.9218

### Capital consolidation

Capital is consolidated to show equity capital as if the Group were one single company. To do this, it is necessary to offset the net worth of consolidated companies against the capital allotted to them.

Assets acquired and liabilities assumed are recognised as of the date when control is obtained and measured at their acquisition-date fair values. Intangible assets not previously recognised by the acquiree, but significant to the acquisition decision, are identified and recognised. Any residual goodwill is subsequently offset against equity of the Group.

In the case of a gradual acquisition, each step of the acquisition is accounted for separately. The assets and liabilities acquired at each stage are recognised at their fair values as of the respective acquisition dates. When control is ultimately obtained, the previously held equity interests are remeasured at fair value, and any resulting gain or loss is recognised in the income statement. The cumulative fair value of the identifiable net assets acquired and the consideration paid are used to determine the goodwill, which is subsequently offset against the equity of the Group.

# Accounting and valuation principles



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The balance sheets of all subsidiaries of Zehnder Group AG have been valued according to uniform valuation principles in accordance with the Swiss accounting and reporting recommendations (Swiss GAAP FER). The financial reporting gives a true and fair view of the financial position, the results of operations, and the cash flows. The consolidated financial statements have been prepared in accordance with the historical cost method with the exception of marketable securities and participations under 20%, which are measured at fair value. In the year under review, the consolidation principles as well as the accounting and valuation principles applied remained unchanged year on year.

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## 1. Liquid assets

Liquid assets include cash and cash equivalents, postal checking account and bank balances as well as fixed-term deposits with an original maturity of 90 days or less. Liquid assets are shown at nominal values.

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## 2. Trade accounts receivable

Accounts receivable are stated at nominal value. Value adjustments for doubtful accounts are established based on maturity structure and identifiable solvency risks. Besides individual value adjustments with respect to specific known risks, other value adjustments are recognised based on experience.

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## 3. Inventories

Inventories are valued on the lower of cost or market principle. Purchased products are valued at acquisition cost and manufactured goods at production cost. Production costs comprise variable manufacturing costs and overheads. Valuation adjustments are undertaken for risks arising from time in storage or reduced marketability. Unrealised profits in inventories from intergroup deliveries are eliminated. Any supplier discounts are netted with the cost of materials.

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## 4. Property, plant and equipment

Property, plant and equipment is shown in the consolidated balance sheet at acquisition or manufacturing cost (for self-constructed assets) less depreciation and valuation adjustments.

The following useful lives are applicable for the main items contained in property, plant and equipment:

Buildings	20 to 40 years
Installations	5 to 15 years
Machinery and equipment	5 to 15 years
Furniture	3 to 5 years
Computer hardware	3 to 5 years
Vehicles	3 to 5 years

The straight-line method of depreciation is applied to all property, plant and equipment. In general, depreciation commences from the time the asset is put into operation. Plant under construction is not depreciated.

Assets valued at less than EUR 3000 are considered to be minor and are charged directly as an expense to the income statement. Investments financed through long-term leases are included in the balance sheet. Expenses for operating leasing are charged directly to the income statement in the period that they were incurred.

Investment properties that have been assessed as finance leases and financed via long-term leasing contracts are reported in the balance sheet at the lower of the present value of the minimum lease payments or the market value. The corresponding finance lease obligations are shown on the liabilities side. With regard to finance leases, please refer to item **5. Financial liabilities**.

Costs for maintenance, repairs and minor renovations are charged as expenses to the income statement when they occur. Major renovations and investments are capitalised if they result in appreciation of value and depreciated over the remaining useful life of the corresponding asset.

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## 5. Financial assets

Holdings with a voting interest of less than 20% and loans are valued at nominal or acquisition cost less the necessary valuation adjustments. For the accounting principles of the employer contribution reserves and the active deferred taxes, please refer to the following items “10. Pension funds” and “13. Income taxes” of these accounting and valuation principles.

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## 6. Intangible assets

Acquired intangible assets are initially recognised at acquisition cost. They are amortised on a straight-line basis over their estimated useful lives from the time at which they become available for use. The estimated useful lives applied by the Group are as follows:

Software	3 to 5 years
Patents, trademarks, technology, customer relationships and other rights	3 to 10 years
Land use rights	25 to 50 years

Internally generated intangible assets are fully charged to the income statement in the year in which they are incurred.

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## 7. Impairment of assets

The book values of assets are reviewed for impairment at each balance sheet date or if there are indications that an asset may be impaired. If an indication of potential impairment exists, the recoverable amount of the respective asset is determined. If the book values exceed the estimated recoverable amounts, the assets are written down to their recoverable amounts. Impairment losses are recognised in the income statement. The recoverable amount is the higher of the estimated asset's net selling price and its value in use. The net selling price is the amount recoverable from the sale of an asset in an arm's-length transaction between independent parties less the cost of disposal. The value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life.

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## 8. Trade accounts payable and other liabilities

Trade accounts payable and other liabilities are shown at nominal value. They include short-term tax liabilities, shown in the balance sheet on the basis of the results for the reporting year. This item also includes taxes on the proposed distribution of profits by subsidiaries.

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## 9. Provisions

Provisions are recognised for actual and legal obligations arising from past events and for potential risks and losses from existing agreements when an outflow of funds is likely and can be measured in a reliable way.

The provisions are for the purpose of personnel pensions and to cover identifiable risks, including guarantee, procedural and country risks, as well as restructuring measures implemented. Provisions for deferred tax liabilities and for set-off risks in respect of tax audits are also included.

Provisions are broken down according to their maturity, i.e. a distinction is made between short-term provisions with an expected cash outflow within the next twelve months and long-term provisions with an expected cash outflow of funds after a period greater than one year.

The provisions are recalculated annually and adjusted accordingly. It is assumed that there is a high probability of use of these provisions.

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## 10. Pension funds

Employees of the Swiss Group companies are registered with a legally independent collective foundation that provides benefits in addition to state pensions. The collective foundation is funded through investment income and premiums paid by both employers and employees. The contributions payable are set out in the regulations.

The economic effects of pension plans on the company are presented as follows: although the capitalisation of economic benefit would be admissible, it is not undertaken because the company does not intend to use this to lower employer contributions. Any benefit resulting from freely disposable employer contribution reserves is recognised as an asset. An economic liability is recognised if the conditions for forming a provision are met. The employer contributions to the pension fund for the reporting period are recognised in the income statement.

In most countries abroad, pension and retirement plans are state-organised. They are generally financed through employer and employee contributions. Two of our German companies have a pension plan in addition to the state scheme. The corresponding obligations are specified in part under provisions. In addition, one obligation amounting to EUR 5.0 million was transferred to a pension trust (Contractual Trust Arrangement) and is no longer specified on the balance sheet. Any financial income from the outsourced obligation is posted in personnel expenses.

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## 11. Derivative financial instruments

Derivative financial instruments are sometimes used to hedge against currency, interest rate and commodity risks. Valuation is undertaken at current value or according to the same valuation principles as for the hedged underlying transaction (current values or according to lower of cost or market principle). The changes in value since the previous valuation are reported in the financial result for the period.

Instruments used to hedge future cash flows are not recognised in the balance sheet, but are reported in the notes until the future cash flow is realised.

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## 12. Sales

Sales comprises the sale of products and services after deducting value-added taxes, rebates, and other price discounts. Sales are posted if the relevant risks and opportunities associated with the services rendered or the ownership of the sold products have been transferred to the customer, the income and costs can be reliably determined, and the recoverability of the resulting receivables is adequately assured.

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## 13. Income taxes

Income taxes comprise current and deferred income taxes.

Current income taxes are calculated by applying the current tax rates to the profit calculated in accordance with commercial law/anticipated profit for tax purposes, in accordance with the respective taxable profit calculation regulations. The current income tax liabilities are recognised under accruals and deferred income.

Deferred taxes comprise deviations between the group-wide and tax valuation in the company financial statements. These deviations can lead to timing differences in the taxation of the profits. Deferred taxes are based on the income tax rates per country. Whether an actual tax expense or an actual tax reduction will also arise in the foreseeable future has not been taken into account. Deferred tax assets are recognised in the balance sheet within financial assets, and deferred tax liabilities within provisions. Deferred tax assets and deferred tax liabilities are offset provided that they apply to the same taxable entity and are levied by the same tax authority. Deferred tax assets with respect to timing differences will then be capitalised only if it becomes likely that they can be offset by future taxable profits.

Several companies have tax loss carry-forwards. Deferred tax assets have not been capitalised from tax loss carry-forwards.

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#### **14. Transactions with related parties**

Associated companies, boards of directors, executive board members, employee benefits plans, and companies controlled by major shareholders are considered to be related parties.

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#### **15. Government grants**

Government grants are compensations provided by public institutions for services provided or expenses incurred in the operating activity and may relate to assets or to income. Government grants are recognised if there is a reasonably assured entitlement, and the amount can be reliably estimated.

Government grants relating to assets are offset against the respective asset and are presented as gross amounts in the cash flow from investing activities.

Government grants relating to income are offset against the corresponding expenses and are disclosed in the respective note.

# Notes to the consolidated financial statements



## 1. Liquid assets

Liquid assets amounted to EUR 40.0 million (previous year: EUR 56.7 million), whereas interest-bearing financial liabilities reached EUR 7.2 million (previous year: EUR 68.6 million). At year end, net liquidity<sup>1</sup> amounted to EUR 32.8 million (previous year: net debt<sup>1</sup> of EUR –11.8 million).

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

## 2. Trade accounts receivable and other receivables

EUR million	31.12.2025	31.12.2024
Trade accounts receivable, gross*	126.5	123.4
Value adjustments on trade accounts receivable	-21.9	-23.1
<b>Trade accounts receivable, net</b>	<b>104.6</b>	<b>100.3</b>
Other receivables, gross	21.8	19.8
Value adjustments on other receivables	-1.3	-2.0
<b>Other receivables, net</b>	<b>20.4</b>	<b>17.8</b>
<b>Total trade accounts receivable and other receivables</b>	<b>125.0</b>	<b>118.1</b>
* Of which more than 12 months overdue gross	22.3	19.2

Due to the ongoing real estate crisis in China and the associated outstanding receivables, related value adjustments on trade receivables amounted to EUR 19.3 million (previous year: EUR 21.1 million). The decline is mainly due to the weakening of the Chinese currency.

In addition to individual allowances based on a risk assessment, general allowances are made for the following overdue periods:

1–30 days	0%
31–60 days	10%
61–90 days	10%
91–180 days	25%
181–360 days	50%
More than 360 days	100%

### 3. Inventories

EUR million	31.12.2025	31.12.2024
Raw materials	53.4	54.4
Semi-finished products and goods in process	6.6	5.7
Finished products	44.9	43.7
Valuation adjustments	-21.0	-20.7
<b>Total inventories</b>	<b>83.9</b>	<b>83.0</b>

## 4. Non-current assets

## Property, plant and equipment

EUR million	Land/ buildings/ installations in buildings	Machinery/ plant	Other fixed assets	Plant under con- struction	Total
<b>Net book value at 1.1.2025</b>	<b>125.2</b>	<b>43.7</b>	<b>8.5</b>	<b>4.7</b>	<b>182.1</b>
<b>Acquisition cost</b>					
Status 1.1.2025	262.9	271.7	32.5	5.1	572.2
Investments	1.1	9.6	3.1	4.0	17.8
Disposals	-1.1	-7.9	-3.4	-0.1	-12.5
Changes in consolidation scope	-	-	-	-	-
Reclassifications	0.1	3.5	0.7	-4.5	-0.2
Currency effects	-3.9	-4.3	-0.5	-0.1	-8.8
Status 31.12.2025	259.0	272.5	32.4	4.4	568.4
<b>Accumulated valuation adjustments</b>					
Status 1.1.2025	-137.7	-228.0	-24.0	-0.4	-390.1
Depreciation	-7.2	-11.2	-3.3	-	-21.7
Impairment	-	-	-	-	-0.1
Disposals	0.7	7.0	3.2	-	10.9
Changes in consolidation scope	-	-	-	-	-
Reclassifications	-	-	0.2	-	0.2
Currency effects	2.3	3.4	0.4	-	6.1
Status 31.12.2025	-142.0	-228.9	-23.5	-0.4	-394.7
<b>Net book value at 31.12.2025</b>	<b>117.1</b>	<b>43.6</b>	<b>8.9</b>	<b>4.0</b>	<b>173.7</b>
<b>Net book value at 1.1.2024</b>					
<b>140.4</b>	<b>49.9</b>	<b>8.7</b>	<b>4.1</b>	<b>203.1</b>	
<b>Acquisition cost</b>					
Status 1.1.2024	259.5	268.6	33.4	4.1	565.6
Investments	2.6	8.2	3.7	3.4	17.9
Disposals	-1.2	-7.8	-3.7	-	-12.7
Changes in consolidation scope	1.4	-1.1	-0.5	-	-0.2
Reclassifications	0.1	2.8	-0.5	-2.4	-
Currency effects	0.5	1.0	0.1	-	1.7
Status 31.12.2024	262.9	271.7	32.5	5.1	572.2
<b>Accumulated valuation adjustments</b>					
Status 1.1.2024	-119.0	-218.8	-24.7	-	-362.5
Depreciation	-7.5	-13.0	-3.3	-	-23.8
Impairment	-11.1	-3.2	-	-0.4	-14.8
Disposals	0.7	7.1	3.5	-	11.3
Changes in consolidation scope	-	1.1	0.3	-	1.4
Reclassifications	-0.1	-0.4	0.4	-	-
Currency effects	-0.7	-0.9	-0.1	-	-1.7
Status 31.12.2024	-137.7	-228.0	-24.0	-0.4	-390.1
<b>Net book value at 31.12.2024</b>	<b>125.2</b>	<b>43.7</b>	<b>8.5</b>	<b>4.7</b>	<b>182.1</b>

Net book values from finance leases of EUR 0.3 million (previous year: EUR 0.8 million) are capitalised in land/buildings/installations in buildings and EUR 2.1 million (previous year: EUR 2.4 million) in machinery/plant.

### Financial assets

EUR million	Financial assets	Loans	Reserves for employer contributions	Deferred tax assets	Total
<b>Net book value at 1.1.2025</b>	<b>0.1</b>	<b>0.3</b>	<b>3.1</b>	<b>9.5</b>	<b>13.0</b>
<b>Acquisition or current book value</b>					
Status 1.1.2025	0.1	0.3	3.1	14.0	17.5
Increases	-	-	-	1.3	1.3
Decreases	-	-	-0.6	-0.6	-1.2
Changes in consolidation scope	-	-	-	-	-
Currency effects	-	-	-	-0.3	-0.3
Status 31.12.2025	0.1	0.3	2.6	14.4	17.4
<b>Accumulated valuation adjustments</b>					
Status 1.1.2025	-	-	-	-4.5	-4.5
Impairment	-	-	-	-	-
Status 31.12.2025	-	-	-	-4.5	-4.5
<b>Net book value at 31.12.2025</b>	<b>0.1</b>	<b>0.3</b>	<b>2.6</b>	<b>9.9</b>	<b>12.9</b>
<b>Net book value at 1.1.2024</b>					
<b>Net book value at 1.1.2024</b>	<b>0.1</b>	<b>0.3</b>	<b>3.2</b>	<b>13.2</b>	<b>16.8</b>
<b>Acquisition or current book value</b>					
Status 1.1.2024	0.1	0.3	3.2	13.2	16.8
Increases	-	-	-	0.8	0.8
Decreases	-	-	-	-0.8	-0.8
Changes in consolidation scope	-	-	-	0.6	0.6
Currency effects	-	-	-	-	-
Status 31.12.2024	0.1	0.3	3.1	14.0	17.5
<b>Accumulated valuation adjustments</b>					
Status 1.1.2024	-	-	-	-	-
Impairment	-	-	-	-4.5	-4.5
Status 31.12.2024	-	-	-	-4.5	-4.5
<b>Net book value at 31.12.2024</b>	<b>0.1</b>	<b>0.3</b>	<b>3.1</b>	<b>9.5</b>	<b>13.0</b>

For further details on reserves for employer contributions, please refer to item **15. Employer contribution reserves and pension fund liabilities** in these notes to the consolidated financial statements.

## Intangible assets

EUR million	Patents/ techno- logy	Brands/ trade- marks	Software licences	Land use rights	Other intangible assets	Total
<b>Net book value at 1.1.2025</b>	<b>13.0</b>	<b>2.3</b>	<b>0.6</b>	<b>0.5</b>	<b>-</b>	<b>16.4</b>
<b>Acquisition or current book value</b>						
Status 1.1.2025	15.2	2.4	11.3	1.9	0.5	31.2
Investments	-	-	0.1	-	-	0.1
Disposals	-0.1	-	-0.2	-	-	-0.3
Changes in consolidation scope	-	-	-	-	-	-
Reclassifications	-	-	0.2	-	-	0.2
Currency effects	-	-	0.1	-0.1	-	-0.1
Status 31.12.2025	15.1	2.4	11.4	1.7	0.5	31.1
<b>Accumulated valuation adjustments</b>						
Status 1.1.2025	-2.2	-0.1	-10.7	-1.4	-0.5	-14.8
Amortisation	-1.0	-0.7	-0.4	-	-	-2.1
Impairment	-	-	-	-	-	-
Disposals	0.1	-	0.2	-	-	0.3
Changes in consolidation scope	-	-	-	-	-	-
Reclassifications	-	-	-0.2	-	-	-0.2
Currency effects	-	-	-0.1	0.1	-	0.1
Status 31.12.2025	-3.1	-0.8	-11.1	-1.3	-0.5	-16.7
<b>Net book value at 31.12.2025</b>	<b>12.0</b>	<b>1.6</b>	<b>0.3</b>	<b>0.4</b>	<b>-</b>	<b>14.4</b>
<b>Net book value at 1.1.2024</b>	<b>1.2</b>	<b>2.8</b>	<b>1.0</b>	<b>1.5</b>	<b>-</b>	<b>6.5</b>
<b>Acquisition or current book value</b>						
Status 1.1.2024	3.3	2.4	11.6	1.8	0.5	19.6
Investments	0.1	-	0.1	-	-	0.1
Disposals	-0.3	-	-0.3	-	-	-0.6
Changes in consolidation scope	12.4	-	-0.3	-	-	12.1
Reclassifications	-	-	-	-	-	-
Currency effects	-0.3	-	0.1	-	-	-0.1
Status 31.12.2024	15.2	2.4	11.3	1.9	0.5	31.2
<b>Accumulated valuation adjustments</b>						
Status 1.1.2024	-2.1	0.4	-10.6	-0.3	-0.5	-13.1
Amortisation	-0.6	-0.5	-0.4	-	-	-1.5
Impairment	-	-	-	-1.0	-	-1.0
Disposals	0.3	-	0.3	-	-	0.6
Changes in consolidation scope	-	-	0.1	-	-	0.1
Reclassifications	-	-	-	-	-	-
Currency effects	0.2	-	-0.1	-	-	0.1
Status 31.12.2024	-2.2	-0.1	-10.7	-1.4	-0.5	-14.8
<b>Net book value at 31.12.2024</b>	<b>13.0</b>	<b>2.3</b>	<b>0.6</b>	<b>0.5</b>	<b>-</b>	<b>16.4</b>

## 5. Financial liabilities

Financial liabilities consist of:

EUR million	2025	2024
Bank debts	2.0	2.4
Bank loans	2.5	62.6
Other loans	0.4	0.4
Financial lease liabilities	2.4	3.2
<b>Total</b>	<b>7.2</b>	<b>68.6</b>

Financial lease liabilities have the following maturity structure:

EUR million	2025	2024
Less than 12 months	0.4	0.6
12 months to 60 months	1.7	1.9
More than 60 months	0.3	0.7
<b>Total</b>	<b>2.4</b>	<b>3.2</b>

Total financial liabilities have the following maturities and currencies:

EUR million	2025	2024
<b>Split by maturity</b>		
Less than 12 months	4.6	4.3
12 months to 60 months	2.3	63.5
More than 60 months	0.3	0.7
<b>Total</b>	<b>7.2</b>	<b>68.6</b>
<b>Split by currency</b>		
CAD	0.3	0.3
CHF	-	42.6
EUR	6.9	25.7
<b>Total</b>	<b>7.2</b>	<b>68.6</b>

Short-term loans are at average interest rates of 2.2% (previous year: 2.5%).  
Long-term loans are at average interest rates of 1.5% (previous year: 1.7%).

## 6. Provisions

EUR million	Tax provisions	Pension commitments	Restructuring provisions	Warranty provisions	Other provisions	Total
<b>Book value at 1.1.2025</b>	<b>8.6</b>	<b>2.7</b>	<b>9.7</b>	<b>7.1</b>	<b>10.1</b>	<b>38.2</b>
New provisions	0.3	0.5	4.1	2.2	2.0	9.1
Use	-	-0.4	-5.6	-1.6	-0.7	-8.4
Reversals	-0.4	-0.2	-0.4	-0.4	-0.5	-2.0
Changes in consolidation scope	-	-	-	-	-	-
Currency effects	-	-	-	-0.1	-0.1	-0.2
<b>Book value at 31.12.2025</b>	<b>8.4</b>	<b>2.5</b>	<b>7.9</b>	<b>7.1</b>	<b>10.7</b>	<b>36.6</b>
Of which short-term	-	0.4	7.3	4.2	2.1	14.1
<b>Book value at 1.1.2024</b>	<b>6.4</b>	<b>2.7</b>	<b>2.6</b>	<b>7.1</b>	<b>10.4</b>	<b>29.2</b>
New provisions	0.3	1.0	8.9	1.4	1.7	13.3
Use	-	-0.6	-1.8	-1.3	-0.8	-4.5
Reversals	-1.4	-0.4	-0.1	-0.4	-1.0	-3.2
Changes in consolidation scope	3.3	-0.1	-	0.2	-0.1	3.3
Currency effects	-	-	0.1	-	-	-
<b>Book value at 31.12.2024</b>	<b>8.6</b>	<b>2.7</b>	<b>9.7</b>	<b>7.1</b>	<b>10.1</b>	<b>38.2</b>
Of which short-term	-	0.4	9.2	4.1	1.6	15.3

Tax provisions include deferred as well as other tax provisions in accordance with item "9. Provisions" of the **Accounting and valuation principles** in the consolidated financial statements in this Financial Report.

The discount rate for German pension obligations was 4.0% (previous year: 3.5%).

In 2025, EUR 4.1 million new restructuring provisions were recognised in connection with European radiator market restructurings as well as other selective restructurings in Europe and China. In the previous year, new restructuring provisions were mainly related to the ongoing restructuring of the radiator production footprint.

Other provisions mainly include provisions for pending legal cases and personnel-related provisions.

## 7. Accruals

Accruals and deferred income consist of:

EUR million	31.12.2025	31.12.2024
Accrued current taxes	11.0	6.9
Accrued customer bonuses	16.2	14.5
Accrued personnel bonuses	18.5	15.1
Other accrued liabilities	25.4	23.4
<b>Accruals and deferred income</b>	<b>71.1</b>	<b>59.9</b>

## 8. Equity capital

At the balance sheet date, the equity ratio was 59% (previous year: 51%). The factors that contributed to changes in consolidated equity are presented in the consolidated statement of changes in equity.

As in the previous year, the total share capital of Zehnder Group AG amounted to CHF 0.6 million, corresponding to EUR 0.4 million at the exchange rate of 1 January 2003. It comprises 9,268,200 registered shares A with a par value of CHF 0.05 each and 9,900,000 registered shares B with a par value of CHF 0.01 each.

Statutory and legal reserves and those not available for distribution amounted to EUR 8.1 million (previous year: EUR 6.3 million).

	Registered shares A units 2025	Value per unit EUR 2025	Value thousand EUR 2025	Registered shares A units 2024	Value per unit EUR 2024	Value thousand EUR 2024
<b>Own shares at 1.1.</b>	<b>110,989</b>	<b>55.17</b>	<b>6,123</b>	<b>583,148</b>	<b>68.50</b>	<b>39,949</b>
Transfer at market price	-41,275	68.77	-2,838	-60,859	53.93	-3,282
Cancellation due to capital reduction				-487,800	69.25	-33,781
Gain/(loss) from sale			632			-1,049
Purchase at acquisition price	63,200	62.12	3,926	76,500	56.04	4,287
<b>Own shares at 31.12.</b>	<b>132,914</b>	<b>59.01</b>	<b>7,843</b>	<b>110,989</b>	<b>55.17</b>	<b>6,123</b>

The transferred shares were sold at a discount of 30% to management staff participating in a stock ownership plan, transferred to the Executive Committee as part of the share-based compensation plan (LTI), and issued to members of the Board of Directors as part of their annual retainer (see item 23. **Shares granted** in these notes to the consolidated financial statements).

## 9. Contingent liabilities

At year end, guarantee obligations and contingent liabilities vis-à-vis third parties amounted to EUR 14.8 million (previous year: EUR 12.2 million).

The following contingent liability exists in connection with the acquisition of Zhongshan Fortuneway Environmental Technology Co., Ltd.:

- Zehnder Group owns 51% of Zhongshan Fortuneway Environmental Technology Co., Ltd. Zehnder Group has agreed on the conditions of the potential transfer of the additional 25% stake in Zhongshan Fortuneway Environmental Technology Co., Ltd. with the current owner. On the one hand, Zehnder Group has received call options on the remaining 49% stake in Zhongshan Fortuneway Environmental Technology Co., Ltd. On the other hand, Zehnder Group has issued put options on a 25% stake in Zhongshan Fortuneway Environmental Technology Co., Ltd.

The option right is exercisable from 2024. As the option does not meet the recognition criteria for an asset or a liability, it is not recognised in the balance sheet.

The following contingent liabilities exist in connection with the divestment of the Closed Ceiling Solution business:

- In case the working capital of the divested business does not meet the liquidity requirement, an additional EUR 3.0 million credit facility must be granted. As per 31 December 2025, as in the previous year, the criteria were not met for the exercise of this cash injection call. The contingent liability expires 24 months after closing of the transaction, namely as per 30 June 2026.
- Zehnder Group will continue to be subject to certain liability claims from ongoing construction projects. This contingent liability cannot be quantified and currently does not meet the recognition criteria for provisions.

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## 10. Pledged assets

None of the Group's assets were pledged either in the reporting year or in the previous year.

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## 11. Liabilities to pension funds

At year end, there were liabilities to pension funds of EUR 0.9 million (previous year: EUR 1.1 million). These are included in other short-term liabilities.

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## 12. Transactions with related parties

In the reporting year, as was the case in the previous year, no products were sold to associated companies and there were no receivables due from associated companies.

In the year under review, as per the previous year, Zehnder Group did not complete any major transactions with shareholders and there were no receivables or obligations.

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## 13. Derivative financial instruments

EUR million	Contract	Positive	Negative	Contract	Positive	Negative	Purpose
	value	fair value	fair value	value	fair value	fair value	
	31.12.2025	31.12.2025	31.12.2025	31.12.2024	31.12.2024	31.12.2024	
Foreign exchange	2.9	-	-	4.2	-	0.1	Hedging
<b>Total</b>	<b>2.9</b>	<b>-</b>	<b>-</b>	<b>4.2</b>	<b>-</b>	<b>0.1</b>	

#### 14. Operating leasing not recognised in the balance sheet

Current operating leasing contracts expire as follows:

EUR million	31.12.2025	31.12.2024
Within 12 months	5.7	5.9
In 13–60 months	13.5	10.1
In more than 60 months	3.5	4.0
<b>Total</b>	<b>22.7</b>	<b>20.0</b>

#### 15. Employer contribution reserves and pension fund liabilities

##### Employer contribution reserve (ECR)

EUR thousands	Nominal value 31.12.2025	Balance sheet 31.12.2025	Currency gain (+)/ loss (-) on ECR 2025	Balance sheet 31.12.2024	Expense (-)/ income (+) in personnel expenses 2025	Expense (-)/ income (+) in personnel expenses 2024
Pension trust fund	2,573	2,573	28	3,143	-598	-
<b>Total</b>	<b>2,573</b>	<b>2,573</b>	<b>28</b>	<b>3,143</b>	<b>-598</b>	<b>-</b>

No interest was paid on the employer contribution reserve in either year.

##### Economic benefits/economic liabilities and pension expenses

EUR thousands	Excess/ (inad- equated) cover 31.12.2025 <sup>1</sup>	Economic share of organi- sation 31.12.2025	Economic share of organi- sation 31.12.2024	Capitalised in business year 2025	Contri- butions accrued 2025	Pension expenses in personnel expenses 2025	Pension expenses in personnel expenses 2024
Pension trust fund	3,092	-	-	-	-	-	-
Personnel pension fund collective fund	14,395	-	-	-	2,701	2,701	3,045
Pension plans abroad	-	-	-	-	10,803	10,803	11,231
<b>Total</b>	<b>17,487</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,504</b>	<b>13,504</b>	<b>14,276</b>

<sup>1</sup> The details regarding the excess coverage in 2025 are based on provisional financial statements as at 31 December 2025.

Please refer to item “10. Pension funds” of the [Accounting and valuation principles](#) in the consolidated financial statements and to the pension commitments in item [6. Provisions](#) in these notes to the consolidated financial statements.

## 16. Segment reporting

In accordance with Swiss GAAP FER 31/8, segment reporting used by the top management level for corporate management is disclosed. Zehnder Group is an indoor climate system supplier. With the two segments, ventilation and radiators, the Group is classified according to business areas. These are managed independently from one another and their business performance is assessed separately.

The ventilation segment covers the three product lines for ventilation, heat exchangers, and clean air solutions. The radiator segment contains two product lines: radiators and ceiling panels.

The **Sales by region and segment** table also provides information on the regions in which the sales were generated. Sales are allocated to the region to which the products and systems were sold. In order to reflect the global activities of Zehnder Group, the regions have been expanded accordingly to EMEA (Europe, Middle East, and Africa), Asia-Pacific, and North America.

		Ventilation	Radiators	Total
<b>2025</b>				
Sales	EUR million	501.7	259.0	760.7
EBIT adjusted <sup>1</sup>	EUR million	62.8	2.4	65.2
	% of sales	12.5	0.9	8.6
EBIT	EUR million	62.8	0.6	63.4
	% of sales	12.5	0.2	8.3
Number of employees	Ø full-time equivalents	2,184	1,452	3,636
<b>2024</b>				
Sales	EUR million	424.2	281.6	705.8
EBIT adjusted <sup>1</sup>	EUR million	44.4	5.7	50.1
	% of sales	10.5	2.0	7.1
EBIT	EUR million	37.4	-23.2	14.1
	% of sales	8.8	-8.2	2.0
Number of employees	Ø full-time equivalents	1,947	1,612	3,559

<sup>1</sup> See **Alternative performance measures** in the consolidated financial statements in this Financial Report.

## 17. Sales

Consolidated sales amounted to EUR 760.7 million (previous year: EUR 705.8 million), an increase of 7.8%. Organic<sup>1</sup> sales increased by 7.0%.

Sales by region and segments are classified as follows:

		2025	%	2024	%
<b>Sales by region and segments</b>					
Ventilation EMEA	EUR million	403.3	53.0	328.4	46.5
	Change from prior year in %	22.8		-2.3	
Ventilation North America	EUR million	76.1	10.0	71.1	10.1
	Change from prior year in %	7.0		2.9	
Ventilation Asia-Pacific	EUR million	22.3	2.9	24.7	3.5
	Change from prior year in %	-9.8		-30.9	
<b>Total ventilation segment</b>	EUR million	<b>501.7</b>	<b>66.0</b>	<b>424.2</b>	<b>60.1</b>
	Change from prior year in %	18.3		-3.8	
Radiators EMEA	EUR million	216.4	28.5	235.9	33.4
	Change from prior year in %	-8.2		-12.1	
Radiators North America	EUR million	38.0	5.0	38.5	5.5
	Change from prior year in %	-1.1		-15.5	
Radiators Asia-Pacific	EUR million	4.5	0.6	7.2	1.0
	Change from prior year in %	-37.9		-0.9	
<b>Total radiator segment</b>	EUR million	<b>259.0</b>	<b>34.0</b>	<b>281.6</b>	<b>39.9</b>
	Change from prior year in %	-8.0		-12.3	
Total region EMEA	EUR million	619.8	81.5	564.3	80.0
	Change from prior year in %	9.8		-6.6	
Total region North America	EUR million	114.1	15.0	109.6	15.5
	Change from prior year in %	4.1		-4.4	
Total region Asia-Pacific	EUR million	26.7	3.5	31.9	4.5
	Change from prior year in %	-16.1		-25.9	
<b>Total</b>	EUR million	<b>760.7</b>	<b>100.0</b>	<b>705.8</b>	<b>100.0</b>
	Change from prior year in %	7.8		-7.4	

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

## 18. Other operating income

Other operating income is classified as follows:

EUR million	2025	2024
Licence income	-	0.1
Gain/(loss) on disposal of fixed assets	0.3	1.0
Miscellaneous operating income	4.2	4.5
<b>Total</b>	<b>4.5</b>	<b>5.7</b>

The main sources of miscellaneous operating income are income generated by the sale of scrap materials, rental income from third parties, and payments from insurance claims.

## 19. Other operating expenses

Other operating expenses are classified as follows:

EUR million	2025	2024
Operating expenses	-53.5	-54.2
Marketing and distribution expenses	-64.5	-63.2
Administration and IT expenses	-31.1	-30.9
Gain/(loss) from sale of subsidiaries (Climate Ceiling Solutions business)	0.8	-7.9
<b>Total</b>	<b>-148.2</b>	<b>-156.2</b>

## 20. Financial result

EUR million	2025	2024
Financial expenses	-1.5	-2.3
Financial earnings	0.3	0.5
Exchange gains/(losses)	-1.8	0.1
<b>Total financial result</b>	<b>-3.0</b>	<b>-1.7</b>

## 21. Income taxes

The tax ratio (=taxes as a percentage of earnings before taxes) was 20.9% (previous year: 119.5%).

EUR million	2025	2024
Current taxes	-13.3	-10.4
Deferred taxes	0.6	-4.5
<b>Total taxes</b>	<b>-12.6</b>	<b>-14.9</b>

In accordance with the OECD BEPS 2.0 Pillar Two rules, the Group has applied the global minimum tax framework in the countries in which it operates. All relevant countries can benefit from the Transitional Country-by-Country Reporting Safe Harbor and are therefore exempt from a top-up tax calculation. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Zehnder Group anticipates that losses of EUR 0.7 million (previous year: EUR 0.2 million) can be utilised against future taxable profits. The deferred tax assets on these losses amount to EUR 0.2 million (previous year: EUR 0.0 million).

Total deferred tax assets not capitalised amount to EUR 1.2 million (previous year: EUR 1.2 million) and originate predominantly from Finland.

The differences between the expected income tax expense, based on the expected income tax rate and the effective income tax expense shown in the income statement, is explained by the following factors. The expected income tax rate of the Group is based on the profit/loss before taxes and the applicable tax rate in the tax year for the Group companies.

EUR million	2025	2024
Earnings before taxes	60.4	12.4
Expected tax rate in %	21.2	22.5
<b>Expected tax expenses</b>	<b>-12.8</b>	<b>-2.8</b>
Effect from non-refundable tax credits/incentives	0.5	0.2
Effect of non-deductible expenses	-0.7	-6.8
Effect of non-recognition of tax loss carry-forwards	-0.3	-0.8
Effect of use of unrecognised tax loss carry-forwards	0.3	0.2
Effect from deferred tax asset valuation allowances	0.7	-4.5
Other effects	-0.4	-0.4
<b>Effective tax expenses</b>	<b>-12.6</b>	<b>-14.9</b>
Effective tax rate in %	20.9	119.6

In the previous year, EUR 5.3 million of the total EUR 6.8 million effect of non-deductible expenses were derived from the impairment in China and the divestment of the Zehnder Climate Ceiling Solutions business. Furthermore, EUR 4.5 million capitalised deferred taxes were impaired in relation to the business development in China and the diminished probability of generating sufficient taxable profits to realise these assets.

## 22. Net profit per registered share

The undiluted net profit per registered share A is calculated by dividing the net profit excluding minority shares by the total nominal value adjusted shares, less the average number of own shares held by Zehnder Group AG, based on a weighted average due to the capital reduction.

The shares eligible for the share-based compensation plan (LTI) are also held as own shares. The shares allocated will be included proportionately, resulting in a dilution of the net profit per registered share A.

		2025	2024
Net profit excluding minority interests	EUR million	46.3	1.7
Notional number of shares	units	11,248,200	11,248,200
Notional number of shares excl. own shares	units	11,120,645	11,169,576
<b>Non-diluted net profit excluding minority interests per registered share A</b>	<b>EUR</b>	<b>4.16</b>	<b>0.15</b>
Notional number of shares excl. own shares	units	11,120,645	11,169,576
Eligible shares for share-based compensation plan (LTI)	units	29,897	21,731
Number of shares for calculating diluted net profit per share	units	11,150,542	11,191,307
<b>Diluted net profit excluding minority interests per registered share A</b>	<b>EUR</b>	<b>4.15</b>	<b>0.15</b>

The undiluted/diluted net profit excluding minority interests per registered share B amounts to one fifth of the undiluted/diluted net profit excluding minority interests per registered share A.

## 23. Shares granted

As part of the Zehnder Group Management Share Plan (ZGMSP), the managers of operating units and members of the Group management of Zehnder Group are given the opportunity to acquire registered shares A. The shares are issued at a discount to the persons entitled to receive them. The registered shares A issued also include the Board of Directors' shares. Half of the annual retainer that the members of the Board of Directors receive is made up of registered shares A.

In the case of the ZGMSP, the difference between the current value at the time of allocation and the issue price is recognised in personnel expenses.

Furthermore, Zehnder Group offers a long-term, variable compensation element (long-term incentive or LTI). This is granted as part of a long-term investment plan in which rights to shares are awarded under certain conditions. The general contractual basis and exercise conditions are explained under item **5.3 Variable long-term compensation element (long-term incentive, LTI)** in the Compensation Report.

The value of shares issued at the time of allocation is equal to the current value. The current value is determined as the closing rate on the day of allocation.

		2025	2024
<b>Shares for the Zehnder Group Management Share Plan</b>			
Shares granted for the Zehnder Group Management Share Plan	units	23,803	40,666
Current value on the day of allocation	CHF	72.00	51.70
Personnel expenses for the Zehnder Group Management Share Plan	CHF	505,000	685,000
<b>Shares for replacement awards</b>			
Shares granted for the replacement award of the new GEC member	units	1,799	-
Current value on the day of allocation	CHF	50.60	-
Personnel expenses for the Zehnder Group Management Share Plan	CHF	91,000	-
<b>Shares for the compensation of the Board of Directors</b>			
Shares granted for the compensation of the Board of Directors	units	12,211	10,780
Current value on the day of allocation	CHF	46.20	51.90
Personnel expenses for the compensation of the Board of Directors	CHF	564,000	559,000
<b>Shares for the variable long-term compensation element for the Group Executive Committee</b>			
Shares granted for the variable long-term compensation element for the Group Executive Committee (with 100% achievement of objectives)	units	20,089	14,716
Shares allocated for the variable long-term compensation element for the Group Executive Committee	units	3,462	9,413
Current value on the day of allocation	CHF	52.60	55.10
Personnel expenses for the variable long-term compensation element for the Group Executive Committee	CHF	984,000	407,000
<b>Total personnel expenses for shares granted</b>	CHF	<b>2,144,000</b>	<b>1,651,000</b>

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## 24. Acquisitions

In 2025, no acquisitions were made.

The purchase price allocation relating to the acquisition of the Siber Group in 2024 was finalised in 2025. As part of this finalisation, the identifiable net assets were determined to be EUR 0.6 million lower than initially recognised, resulting in a corresponding increase in goodwill to EUR 80.4 million.

In the previous year, the following acquisitions were made:

- As per 19 March 2024, Zehnder Group acquired the remaining 25% share in Zehnder Caladair International SAS in France. The purchase price was EUR 4.7 million. EUR 0.6 million equity from minority interests was transferred to equity attributable to shareholders of the Zehnder Group AG. The resulting goodwill amounted to EUR 4.1 million and was offset against equity.
- As of 11 July 2024, Zehnder Group acquired the ventilation Group Siber in Spain, consisting of Zehnder Spain Holding, S.L.U., Zerfas Europe, S.L.U., Siber Zone, S.L.U., Metair 2010, S.L.U., and Industrias Gonal Hispania, S.L.U. The purchase price was EUR 86.3 million. Additionally, EUR 10.4 million debt was taken over and EUR 0.9 million transaction costs were capitalised. The Group acquired net assets amounting to EUR 17.8 million (excluding EUR 10.4 million debt taken over). These net assets included liquid assets of EUR 2.6 million, other current assets of EUR 15.2 million, non-current assets of EUR 15.7 million, and liabilities of EUR 15.7 million. The resulting goodwill amounted to EUR 79.7 million and was offset against equity.

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## 25. Disposals

In the year under review, no disposals were made.

In the previous year, the following disposal was made:

- As per 30 June 2024, the divestment of Zehnder Climate Ceiling Solutions GmbH (Germany) and Zehnder Climate Ceiling Solutions SAS (France) to Private Assets SE & Co. KGaA (Germany) was completed. EUR 13.2 million of assets, of which EUR 3.0 million were liquid assets, and EUR 8.5 million of liabilities were divested. Total one-off costs related to the transaction amounted to EUR 7.9 million and were reported in other operating expenses.

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## 26. Goodwill

In accordance with the consolidation principles, Zehnder Group directly nets acquired goodwill against equity at the time of first consolidation.

The theoretical amortisation of goodwill is based on the straight-line method and an amortisation period of five years. The impact of the theoretical capitalisation and amortisation of goodwill is disclosed in the tables below:

### Impact of theoretical capitalisation of goodwill on balance sheet

		31.12.2025	31.12.2024
<b>Disclosed equity including minority interests</b>	EUR million	<b>267.5</b>	<b>241.5</b>
Equity ratio	%	58.5	50.7
<b>Acquisition value of goodwill</b>			
Status at beginning of business year	EUR million	270.9	187.1
Additions	EUR million	0.6	83.9
Status at end of business year	EUR million	271.6	270.9
<b>Accumulated amortisation</b>			
Status at beginning of business year	EUR million	-172.2	-151.9
Amortisation in current year	EUR million	-28.6	-20.3
Status at end of business year	EUR million	-200.8	-172.2
<b>Theoretical net book value of goodwill</b>	EUR million	<b>70.8</b>	<b>98.7</b>
<b>Theoretical equity including minority interests and net book value of goodwill</b>	EUR million	<b>338.3</b>	<b>340.3</b>
Theoretical equity ratio	%	64.1	59.1

In 2025, EUR 0.6 million additions to goodwill are related to the final determination of the purchase price allocation in connection with the acquisition of the Siber Group in 2024.

In the previous year, additions to goodwill included EUR 79.7 million from the acquisition of the Siber Group in Spain and EUR 4.1 million from the acquisition of the remaining 25% share in Zehnder Caladair International SAS in France.

### Impact of theoretical capitalisation of goodwill on results

		31.12.2025	31.12.2024
<b>Disclosed net profit/(loss)</b>	EUR million	<b>47.8</b>	<b>-2.4</b>
Theoretical amortisation of goodwill	EUR million	-28.6	-20.3
<b>Net profit/(loss) after amortisation of goodwill</b>	EUR million	<b>19.2</b>	<b>-22.7</b>

## 27. Government grants

The following government grants related to income were recognised:

EUR million	2025	2024
Technology/research and development grants	0.9	0.8
Others	0.1	0.8
<b>Total government grants</b>	<b>1.0</b>	<b>1.5</b>

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## **28. Events after the balance sheet date**

Zehnder Group is not aware of any events that occurred after the balance sheet date that could have a material impact on the consolidated financial statements for the financial year ended December 31, 2025.

The 2025 financial statements were approved by the Board of Directors on 23 February 2026.

# Overview of companies



As at 31 December 2025, the consolidation scope of Zehnder Group comprised the following companies.

Unless otherwise stated, the capital stock is shown in the relevant local currency.

		Activity	Capital stock	Capital share in %	Consolidated
<b>Austria</b>					
Vienna	Zehnder Österreich GmbH	S	5,000	100	Fully
<b>Belgium</b>					
Mechelen	Zehnder Group Belgium nv/sa	S	800,010	100	Fully
<b>Canada</b>					
London	Airia Brands Inc.	S/P	27,162,000	100	Fully
Vancouver	Core Energy Recovery Solutions Inc.	S/P	18,766,213	100	Fully
<b>China</b>					
Dachang	Dachang Zehnder Indoor Climate Co., Ltd.	P	200,000,000	73	Fully
Beijing	Zehnder (China) Indoor Climate Co., Ltd.	S	228,250,000	73	Fully
Pinghu	Nather Ventilation System Co., Ltd.	S/P	60,000,000	76	Fully
Pinghu	Zhejiang Nather Water Treatment Technology Co., Ltd.	S	5,000,000	39	Fully
Shanghai	Shanghai Nather Air Technology Co., Ltd.	O	3,200,000	76	Fully
Shanghai	Zehnder Group Enterprise Management (Shanghai) Co., Ltd.	O	2,516,000	100	Fully
Zhongshan	Zhongshan Fortuneway Environmental Technology Co., Ltd.	S/P	11,111,000	51	Fully
<b>Czech Republic</b>					
Prague	Zehnder Group Czech Republic s.r.o.	S	200,000	100	Fully
<b>Estonia</b>					
Tallinn	Zehnder Baltics OÜ	S	2,556	100	Fully
<b>Finland</b>					
Porvoo	Enervent Zehnder OY	S/P	250,000	100	Fully
<b>France</b>					
Évry	Zehnder Group France	S	6,261,866	100	Fully
Évry	Zehnder Group Participations SAS	O	22,744,000	100	Fully
Mâcon	Zehnder Caladair International SAS	S/P	1,000,000	100	Fully
Mâcon	Calihce SCI	O	2,000	100	Fully
Modane	Filtech France SAS	S/P	128,000	100	Fully
Saint-Quentin	HET Transport & Logistique SAS	O	687,000	100	Fully
Vaux-Andigny	Zehnder Group Vaux Andigny SAS	P	4,200,000	100	Fully

**Germany**

Lahr	Zehnder Group Deutschland GmbH	S	2,000,000	100	Fully
Lahr	Zehnder GmbH	P	25,000,000	100	Fully
Lahr	Zehnder Group Deutschland Holding GmbH	O	2,100,000	100	Fully
Lahr	Zehnder Group Grundstücksverwaltungs-GmbH	O	1,100,000	100	Fully
Lahr	Zehnder Logistik GmbH	O	250,000	100	Fully
Reinsdorf	Core Energy Recovery Solutions GmbH	S	25,000	100	Fully
Reinsdorf	Core Production Germany GmbH	P	2,100,000	100	Fully

**Hungary**

Budapest	Zehnder Hungary Kft.	S	3,000,000	100	Fully
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**Italy**

Campogalliano	Zehnder Group Italia S.r.l.	S	80,000	100	Fully
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**Netherlands**

Zwolle	Zehnder Group Zwolle B.V.	P	908,000	100	Fully
Zwolle	Zehnder Group Nederland B.V.	S	18,000	100	Fully
Udenhout	Filtech Nederland B.V.	S/P	5,000	100	Fully
Waalwijk	Core Production Waalwijk B.V.	S/P	114,000	100	Fully

**Norway**

Bekkestua	Exvent AS	S	300,000	100	Fully
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**Poland**

Bolesławiec	Zehnder Group Bolesławiec Sp. z o.o.	P	51,280,000	100	Fully
Wrocław	Zehnder Polska Sp. z o.o.	S	4,000,000	100	Fully

**Spain**

Barcelona	Industrias Gonal Hispania, S.L.U.	S/P	540,900	100	Fully
Barcelona	Metair 2010, S.L.U.	S/P	114,771	100	Fully
Barcelona	Siber Zone, S.L.U.	S/P	103,005	100	Fully
Sabadell	Zehnder Group Iberica Indoor Climate, S.A.U.	S	300,500	100	Fully
Barcelona	Zehnder Spain Holding, S.L.U.	O	6,053,000	100	Fully
Madrid	Zerfas Europe, S.L.U.	O	2,969,800	100	Fully

**Sweden**

Motala	Zehnder Group Nordic AB	S	6,400,000	100	Fully
Motala	Zehnder Group Motala AB	P	120,000	100	Fully

**Switzerland**

Gränichen	Zehnder Group AG	O	562,410		Fully
Gränichen	Zehnder Group Produktion Gränichen AG	P	2,900,000	100	Fully
Gränichen	Zehnder Group International Ltd	O	1,000,000	100	Fully
Gränichen	Zehnder Group Schweiz AG	S	500,000	100	Fully
Gränichen	Zehnder Group Swiss Property AG	O	2,000,000	100	Fully
Rancate	Filtech Swiss SA	S	100,000	100	Fully

**Türkiye**

Manisa	Hotpan Isitma Sistemleri Pazarlama ve Ticaret Aş	S	50,004	100	Fully
Manisa	Sanpan Isitma Sistemleri Sanayi ve Ticaret Aş	S/P	104,481,674	100	Fully

**UK**

Camberley	Zehnder Group UK Ltd	S/P	3,500,002	100	Fully
Camberley	Zehnder Group UK Holdings Ltd	O	20,000,000	100	Fully

**USA**

Buffalo NY	Hydro-Air Components, Inc. (Zehnder Rittling)	S/P	55,950	100	Fully
Buffalo NY	Zehnder Clean Air Solutions NA, LLC	S	n/a	100	Fully
Hampton NH	Zehnder America, Inc.	S	10	100	Fully
Ward Hill MA	Runtal North America, Inc.	S/P	193,522	100	Fully
Ward Hill MA	Zehnder Group North America Inc.	O	1,000	100	Fully
Ward Hill MA	Zehnder Group US Holdings, Inc.	O	30	100	Fully

P: production; S: sales; O: other functions

# Report of the statutory auditor



## Report of the statutory auditor to the General Meeting of Zehnder Group AG, Gränichen

### Report on the audit of the consolidated financial statements

#### Opinion

We have audited the consolidated financial statements of Zehnder Group AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2025, and the consolidated income statement, the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended, and notes ('consolidation scope and principles' and 'notes to the consolidated financial statements' and 'overview of companies') to the consolidated financial statements, including a summary of significant accounting policies ('accounting and valuation principles').

In our opinion, the accompanying consolidated financial statements (pages 86 to 117) give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

#### Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PricewaterhouseCoopers AG, Robert-Zünd-Strasse 2, 6005 Lucerne  
+41 58 792 62 00

[www.pwc.ch](http://www.pwc.ch)

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## Our audit approach



### Overview

Overall group materiality: EUR 7'400'000

The entities addressed by our full scope audit work as well specified procedures contribute to 81% of the Group's sales.

As key audit matter the following area of focus has been identified:

Valuation of inventories

### Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

<b>Overall group materiality</b>	EUR 7'400'000
<b>Benchmark applied</b>	Sales
<b>Rationale for the materiality benchmark applied</b>	We chose sales as the benchmark because, in our view, it is one of the benchmarks against which the performance of a group is most commonly measured, and it is a generally accepted benchmark for materiality considerations.

We agreed with the Audit Committee that we would report to them misstatements above EUR 400'000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.



### Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Valuation of inventories

Key audit matter	How our audit addressed the key audit matter
<p>The Key Audit Matter relates to the Zehnder Group's inventories.</p> <p>As of 31 December 2025, the Group's inventories amount to a net of EUR 83.9 million (previous year: EUR 83.0 million).</p> <p>Inventories are valued at the lower of cost or market value. Purchased products are valued at acquisition cost, while manufactured goods are valued at production cost. Production costs are determined based on cost accounting principles and include material, manufacturing, and appropriate overhead costs. Valuation adjustments are made to address risks arising from storage duration or reduced marketability. Group Management and the Board of Directors make assumptions to calculate the necessary valuation adjustments for inventories.</p> <p>We consider the valuation of inventories—including the determination of manufacturing costs and the assessment of net realizable value—to be a key audit matter, given its significant impact on the consolidated financial statements.</p> <p>Please refer to the disclosures on accounting and valuation principles (Note 3 'Inventories') and to the</p>	<p>We tested the appropriateness of the Group's financial reporting with respect to the valuation of inventories, including the accounting policies for valuation adjustments and cost accounting. Our audit of the valuation of the inventories included the following procedures:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding of the inventory valuation process, including the relevant controls for identifying inventory value adjustments and cost accounting.</li> <li>• We performed substantive procedures on raw materials to verify that they have been recorded at acquisition or production costs.</li> <li>• We analysed, on a sample basis, the standard cost calculations. Additionally, we assessed the differences between the standard and actual costs in order to determine if the valuation of the inventories is an acceptable approximation of the acquisition or production costs.</li> <li>• We also performed sample-based testing to verify whether individual inventory items reconcile to the standard price calculation.</li> </ul>



- notes to the financial statements (Note 3 'Inventories'), where further details are described.
- Furthermore, we recalculated the valuation adjustments on the inventories based on the inventory turnover and future consumption analysis.
  - Lastly, we performed procedures to assess the adequacy of the inventory provisioning.
- 

#### **Other information**

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Board of Directors' responsibilities for the consolidated financial statements**

The Board of Directors is responsible for the preparation of consolidated financial statements, that give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website: <http://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

### **Report on other legal and regulatory requirements**

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the consolidated financial statements.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Thomas Ebinger  
Licensed audit expert  
Auditor in charge

Petar Lesic  
Licensed audit expert

Lucerne, 23 February 2026

## Alternative performance measures

In this Integrated Annual Report, Zehnder Group reports financial key figures that are not defined according to Swiss GAAP FER. These alternative performance measures are intended to aid the management team as well as analysts and investors in forming a clearer understanding of the Group's performance.

The alternative performance measures "EBITDA adjusted" and "EBIT adjusted" were introduced in the 2024 financial statements, because, unlike in the previous years, the result in 2024 was heavily impacted by one-off effects. In 2025, one-off restructuring costs amounting to EUR 2.6 million were recognised in connection with the European radiator market. On the other hand, income of EUR 0.8 million was reported from last year's Climate Ceiling Solution divestment. These alternative performance measures were deemed more helpful as they remove exceptional and substantial business operations, and their exclusion is relevant to the assessment of the overall year-to-year business performance.

The following definitions and calculation bases of Zehnder Group may differ from those employed by other companies.

Alternative performance measure	Definition	Calculation basis/reconciliation		
		EUR million		
		2025	2024	
<b>Organic sales growth</b>	Organic sales growth measures the growth that the Group is able to achieve on its own. Organic sales equate to sales that have been adjusted for acquisition effects and which took place at constant exchange rates.	<b>Sales</b>	<b>760.7</b>	<b>705.8</b>
		Currency effects	6.2	-0.5
		Acquisition effects	-12.5	-8.4
		<b>Organic sales</b>	<b>754.4</b>	<b>696.9</b>
		<b>Organic sales growth/(decline) in %</b>	<b>7.0</b>	<b>-8.6</b>
<b>EBITDA</b>	Earnings before interest, taxes, depreciation and amortisation (EBITDA) is a key figure used to measure the performance of the Group.	<b>Operating result (EBIT)</b>	<b>63.4</b>	<b>14.1</b>
		Depreciation of property, plant and equipment	21.8	38.6
		Amortisation of intangible assets	2.1	2.5
		<b>EBITDA</b>	<b>87.3</b>	<b>55.3</b>
<b>EBITDA adjusted</b>	Earnings before interest, taxes, depreciation and amortisation (EBITDA) adjusted for significant exceptional one-off effects.	<b>Operating result (EBIT)</b>	<b>63.4</b>	<b>14.1</b>
		Depreciation of property, plant and equipment	21.8	38.6
		Amortisation of intangible assets	2.1	2.5
		One-off effects (excluding impairments)	1.8	21.7
		<b>EBITDA adjusted</b>	<b>89.1</b>	<b>77.0</b>
<b>EBIT adjusted</b>	Earnings before interest and taxes (EBIT) adjusted for significant exceptional one-off effects.	<b>Operating result (EBIT)</b>	<b>63.4</b>	<b>14.1</b>
		One-off effects	1.8	35.9
		<b>EBIT adjusted</b>	<b>65.2</b>	<b>50.1</b>

<b>ROCE</b>	The return on capital employed (ROCE) measures the profitability and efficiency of the Group's capital utilisation. The net operating profit after tax (NOPAT) is based on the adjusted EBIT and compared with the capital employed (CE).	Total assets	457.0	476.7		
		Total liabilities	-189.5	-235.2		
		Net liquidity/(net debt)	32.8	-11.8		
		<b>Capital employed (CE)</b>	<b>234.7</b>	<b>253.3</b>		
		<b>EBIT adjusted</b>	<b>65.2</b>	<b>50.1</b>		
		Effective tax rate	20.9%	22.5%		
		Expected income taxes on EBIT adjusted	-13.6	-11.3		
		<b>Net operating profit after tax (NOPAT)</b>	<b>51.8</b>	<b>39.0</b>		
		<b>ROCE in %</b>	<b>22.1</b>	<b>15.4</b>		
		<b>Net liquidity/(net debt)</b>	Net liquidity or net debt is a key figure used to measure the Group's financial liquidity or debt.	<b>Liquid assets</b>	<b>40.0</b>	<b>56.7</b>
				Short-term financial liabilities	-4.6	-4.3
Long-term financial liabilities	-2.6			-64.2		
<b>Net liquidity/(net debt)</b>	<b>32.8</b>			<b>-11.8</b>		

# Balance sheet of Zehnder Group AG



CHF million	Notes	31 December 2025	31 December 2024
<b>Assets</b>			
Liquid assets		0.8	0.4
Other short-term receivables	1	4.2	3.5
Prepayments and accrued income		0.1	0.1
<b>Current assets</b>		<b>5.1</b>	<b>4.0</b>
Financial assets	2	48.8	73.5
Participations	3	427.4	402.1
<b>Non-current assets</b>		<b>476.2</b>	<b>475.7</b>
<b>Total assets</b>		<b>481.3</b>	<b>479.6</b>
<b>Liabilities &amp; shareholders' equity</b>			
Short-term interest-bearing liabilities	4	1.5	16.0
Other short-term liabilities	5	0.9	-
Accruals and deferred income		0.6	0.7
Short-term provisions		0.2	-
<b>Current liabilities</b>		<b>3.1</b>	<b>16.7</b>
Long-term interest-bearing liabilities	6	71.0	56.9
<b>Non-current liabilities</b>		<b>71.0</b>	<b>56.9</b>
<b>Total liabilities</b>		<b>74.1</b>	<b>73.7</b>
Share capital	7	0.6	0.6
Legal retained earnings		12.2	12.2
Voluntary retained earnings			
• Voluntary retained earnings		4.2	4.2
• Available earnings			
– Profit carried forward		383.7	376.0
– Net profit for the year		14.0	18.8
Own shares	8	-7.4	-5.8
<b>Shareholders' equity</b>		<b>407.3</b>	<b>406.0</b>
<b>Total liabilities and shareholders' equity</b>		<b>481.3</b>	<b>479.6</b>

# Income statement of Zehnder Group AG



CHF million	Notes	2025	2024
Income from participations		17.0	22.1
Other operating income		1.5	1.2
<b>Operating income</b>		<b>18.5</b>	<b>23.3</b>
Personnel expenses		-1.0	-1.0
Other operating expenses		-4.4	-4.1
<b>Operating profit</b>		<b>13.1</b>	<b>18.2</b>
Financial income		3.0	5.7
Financial expenses		-2.1	-5.1
Direct taxes		-	0.1
<b>Net profit for the year</b>		<b>14.0</b>	<b>18.8</b>

# Accounting and valuation principles



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These annual accounts have been prepared in accordance with the provisions of the Swiss Accounting Law (title 32 OR [Swiss Code of Obligations]). The main valuation principles applied that are not prescribed by law are described below. It should be noted that the option of forming and releasing hidden reserves was exercised in order to safeguard the company's long-term best interests.

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## 1. Income from participations

The income from participations corresponds to the dividend earnings of the company. These are generally stated before the deduction of withholding tax.

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## 2. Own shares

Own shares are recognised under shareholders' equity in the balance sheet as a deduction at cost at the time of acquisition. If they are later resold, the profit or loss is recognised as financial income or expenses on the income statement.

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## 3. Share-based compensation

If own shares are used for share-based compensation for Board of Director members, the difference between the current value at the time of allocation and the allocated share payment to the Board members is assigned as personnel expenses.

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## 4. Participations

Participations are valued at acquisition cost less impairments.

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## 5. Receivables and liabilities

Receivables and liabilities to third parties and Group companies are recognised at nominal values, less any operating individual allowance.

# Notes to the financial statements of Zehnder Group AG



## General comments

As Zehnder Group AG has a pure holding company function, the point must be made that the income development of this company in no way reflects the present or future profitability of Zehnder Group. Hence the development of the Group as set out in the consolidated financial statements – and not the individual financial statements of Zehnder Group AG – is decisive for the Board of Directors for their dividend proposal.

## 1. Other short-term receivables

CHF million	31.12.2025	31.12.2024
Other short-term receivables from Group companies	4.2	3.5
<b>Total</b>	<b>4.2</b>	<b>3.5</b>

## 2. Financial assets

CHF million	31.12.2025	31.12.2024
Loans to third parties	0.7	0.3
Loans to Group companies	48.1	73.2
<b>Total</b>	<b>48.8</b>	<b>73.5</b>

## 3. Participations

The directly or indirectly held majority interests which are material are included in the [Overview of companies](#) table set out in the consolidated financial statements in this Financial Report.

## 4. Short-term interest-bearing liabilities

CHF million	31.12.2025	31.12.2024
Loans from Group companies	1.5	16.0
<b>Total</b>	<b>1.5</b>	<b>16.0</b>

**5. Other short-term liabilities**

CHF million	31.12.2025	31.12.2024
Other short-term liabilities to third parties	0.9	-
<b>Total</b>	<b>0.9</b>	<b>-</b>

**6. Long-term interest-bearing liabilities**

CHF million	31.12.2025	31.12.2024
Bank loans	-	56.9
Loans from Group companies	71.0	-
<b>Total</b>	<b>71.0</b>	<b>56.9</b>

**7. Share capital**

	Registered shares A units 2025	Registered shares B units 2025	Nominal value CHF 2025	Registered shares A units 2024	Registered shares B units 2024	Nominal value CHF 2024
Total registered shares A as of 1.1.	9,268,200		463,410	9,756,000		487,800
Total registered shares B as of 1.1.		9,900,000	99,000		9,900,000	99,000
Cancellation due to capital reduction				-487,800	-	-24,390
<b>Total at 31.12.</b>	<b>9,268,200</b>	<b>9,900,000</b>	<b>562,410</b>	<b>9,268,200</b>	<b>9,900,000</b>	<b>562,410</b>

As in the previous year, the total share capital of Zehnder Group AG amounted to CHF 0.6 million, corresponding to EUR 0.4 million at the exchange rate of 1 January 2003. It comprises 9,268,200 registered shares A with a par value of CHF 0.05 each and 9,900,000 registered shares B with a par value of CHF 0.01 each.

The unlisted registered shares B (nominal value CHF 0.01) are held by Graneco AG, which is controlled by the Zehnder families. On the balance sheet date, Graneco AG and its shareholders held 53.4% of the company's registered shares and voting rights.

## 8. Own shares

The development of own shares can be seen in the table below.

	Registered shares A units 2025	Value per share CHF 2025	Value CHF 2025	Registered shares A units 2024	Value per share CHF 2024	Value CHF 2024
<b>Own shares at 1.1., trading portfolio</b>	<b>110,989</b>	<b>52.68</b>	<b>5,846,576</b>	<b>583,148</b>	<b>69.01</b>	<b>40,242,880</b>
Shares sold	-41,275	65.20	-2,691,306	-60,859	52.90	-3,219,164
Gain/(loss) from sale			592,555			-1,001,204
Cancellation due to capital reduction				-487,800	70.26	-34,270,603
Shares bought	63,200	58.15	3,675,355	76,500	53.53	4,094,667
<b>Own shares at 31.12., trading portfolio</b>	<b>132,914</b>	<b>55.85</b>	<b>7,423,181</b>	<b>110,989</b>	<b>52.68</b>	<b>5,846,576</b>

The own shares allocated to members of the Board of Directors are shown in item **6.1 Compensation to the Board of Directors in the 2025 business year** in the Compensation Report.

## 9. Number of full-time positions

The company has no employees.

## 10. Contingent liabilities

The company has guarantee obligations in favour of subsidiaries in the amount of CHF 50.0 million (previous year: CHF 58.0 million).

In connection with the acquisition of the 51% stake in Zhongshan Fortuneway Environmental Technology Co., Ltd., there is a contingent liability due to the granting of a put option on a further 25% stake in Zhongshan Fortuneway Environmental Technology Co., Ltd.

The company belongs to a VAT group which comprises all the Swiss companies in Zehnder Group and is thus jointly and severally liable vis-à-vis the Swiss Federal Tax Administration for any VAT debts of this VAT group.

## 11. Net release of hidden reserves

The total net release of hidden reserves amounts to CHF 7.0 million (previous year: CHF 14.0 million).

## 12. Events after the balance sheet date

Zehnder Group AG is not aware of any events that occurred after the balance sheet date that could have a material impact on the consolidated financial statements for the financial year ended December 31, 2025.

# Proposal on the appropriation of earnings

	CHF
<hr/>	
The balance sheet profit available for distribution comprises	
Retained earnings from previous year	383,695,277
Net profit for 2025 according to the income statement	13,988,142
<b>Balance sheet profit</b>	<b>397,683,419</b>
<hr/>	
<b>The Board of Directors proposes the following appropriation of earnings:</b>	
Payment of a dividend <sup>1</sup>	15,747,480
To be carried forward to new account	381,935,939
<b>Total appropriation of earnings</b>	<b>397,683,419</b>
<hr/>	

<sup>1</sup> Corresponds to a dividend of CHF 1.40 per registered share A and CHF 0.28 per registered share B.

As retained earnings have reached the statutory requirement of 20% of share capital, any corresponding allocation can be waived.

# Report of the statutory auditor



## Report of the statutory auditor to the General Meeting of Zehnder Group AG, Gränichen

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Zehnder Group AG (the Company), which comprise the balance sheet as at 31 December 2025, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 125 to 130) comply with Swiss law and the Company's articles of incorporation.

#### Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Our audit approach



#### Overview

Overall materiality: EUR 4'800'000

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

As key audit matter the following area of focus has been identified:

Valuation of participations

PricewaterhouseCoopers AG, Robert-Zünd-Strasse 2, 6005 Lucerne  
+41 58 792 62 00



### Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

<b>Overall materiality</b>	EUR 4'800'000
<b>Benchmark applied</b>	Total assets
<b>Rationale for the materiality benchmark applied</b>	We chose total assets as the benchmark because, in our view, it is a relevant benchmark against which a holding company can be assessed, and it is a generally accepted benchmark for materiality considerations.

### Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Valuation of participations

<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
The key audit matter ("KAM") relates to the valuation of the participations.	We performed the following audit procedures to test the valuation of the participations:



The Company, as at 31 December 2025, holds direct and indirect participations in the amount of CHF 427.4 million (prior year: CHF 402.1 million).

The recoverable amount of these participations is assessed using a capitalised earnings model. In this process, wide-ranging qualitative and quantitative factors are taken into account. The model applies various assumptions that have a significant influence on the calculated recoverable amount of the participation.

We consider the impairment testing of participations as a key audit matter owing to their significance on the balance sheet and the corresponding estimation uncertainty.

Please refer to page 127 of the annual report for information on the accounting and valuation principles and to page 128 for the notes on the participations.

- Assessment whether a methodologically correct valuation process had been chosen and whether the calculations were mathematically correct.
- Reconciliation of the budget figures with the business plans of Management that had been approved by the Board of Directors.
- Critical assessment of the key assumptions, including the expected future earnings, the growth rate and the capitalisation rates used, by comparison with other available internal and external information and by performing sensitivity analyses.

We further conducted, on the basis of the available documentation, a critical assessment of the wider-ranging qualitative and quantitative factors considered in the valuation by Management.

Additionally, we compared the net assets of the Company with the market capitalisation of the Group.

#### Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going



concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website: <http://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

#### **Report on other legal and regulatory requirements**

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

Based on our audit according to article 728a para. 1 item 2 CO, we confirm that the Board of Directors' proposal complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Thomas Ebinger  
Licensed audit expert  
Auditor in charge

Petar Lesic  
Licensed audit expert

Lucerne, 23 February 2026