

Zehnder Group continues transformation into innovative system provider of ventilation and indoor climate solutions



Dear shareholders,

The 2025 financial year saw Zehnder Group continue its strategic development and consolidate its operational strength, particularly in the area of ventilation and indoor climate solutions. The positive trend in sales and the operating result from the first half of the year continued as the year progressed, driven largely by further growth in the ventilation segment.

In a challenging market environment still characterised by restrained new construction and renovation activity, Zehnder Group significantly improved its sales and profitability. With an innovative product and service portfolio, key milestones were achieved in the transformation of its business model. Our clear strategic focus helped to further strengthen our market position.

We continued our targeted growth initiatives in the reporting year, expanding the ventilation business in Eastern and Southern Europe and consolidating our position in the areas of multi-family homes and indoor climate solutions across Europe, as well as in the service and maintenance business.

As expected, the structural decline in the radiator segment persisted due to the weak renovation market. At the same time, demand for lower-priced radiator models increased. Active cost management and the implementation of optimisation measures helped to mitigate these effects.

With the Sustainability Report now integrated into the Annual Report for the first time, we provide a comprehensive overview of strategy, finances and sustainability in a single publication. This format clearly shows how our sustainability priorities support long-term value creation and corporate governance. Together with our partners and employees, we continue to work

towards our goal of achieving net zero by 2050, as sustainable solutions are a core outcome of our innovative strength. Despite geopolitical uncertainties and trade policy challenges, we are looking to the future with confidence.

Improved operating result despite diverging segment trends

In the 2025 financial year, Zehnder Group's sales increased by 8% (organically +7%¹) to EUR 760.7 million (previous year: EUR 705.8 million). The Siber acquisition in Spain in July 2024 supported total sales growth by 3%, while currency effects had a negative impact of -1% and the divestment of the Climate Ceiling Solutions business also reduced sales growth by 1%. Demand in the ventilation segment grew across all key countries, partly due to catch-up effects. The increase in sales is attributable to new building regulations and market share gains. By contrast, demand and sales in the radiator segment continued to decline.

In the 2025 financial year, Zehnder Group achieved an operating result (EBIT) of EUR 63.4 million and an EBIT margin of 8.3%. This represents an increase of 348% compared with the previous year's EBIT of EUR 14.1 million. In the 2024 financial year, one-off effects amounted to EUR 35.9 million in connection with targeted portfolio adjustments, production relocations, value adjustments in China, and restructuring measures.

Adjusted EBIT¹ increased by 30% to EUR 65.2 million (previous year: EUR 50.1 million), corresponding to an adjusted EBIT margin¹ of 8.6% (previous year: 7.1%). One-off effects of EUR 1.8 million resulted from further selective adjustments to production and distribution in the European radiator segment.

Research and development expenses remained stable at EUR 25.6 million (previous year: EUR 25.3 million). Of this, around 76% was attributable to the ventilation segment. The Group recorded a net profit of EUR 47.8 million in the 2025 financial year (previous year: net loss of EUR -2.4 million). The Group's tax rate in the 2025 financial year was 20.9% (previous year: 119.6%).

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

Sales growth driven by stronger ventilation segment

Total sales in the ventilation segment increased significantly by 18% (organically +15%) to EUR 501.7 million in 2025. The acquisition of Siber in Spain in July 2024 supported ventilation sales by around 5%. In the second half of the year, ventilation sales grew organically by 14%. Currency effects were approximately -1%. All three divisions – indoor ventilation, heat exchangers, and industrial air cleaning solutions – contributed positively to sales growth. The ventilation segment accounted for 66% of total sales of Zehnder Group in the reporting year (previous year: 60%).

Ventilation sales in the EMEA region (Europe, Middle East, and Africa) increased by 23% (organically +16%) to EUR 403.3 million (previous year: EUR 328.4 million). Most countries in this region recorded sales growth, with particularly strong increases in the United Kingdom, the Netherlands, and Poland. The introduction of new building regulations in the United Kingdom boosted demand for indoor ventilation, benefiting the replacement business for existing buildings.

Sales in the ventilation segment in North America rose by 7% to EUR 76.1 million (previous year: EUR 71.1 million), with market share gains, particularly in Canada.

In the Asia-Pacific region, ventilation sales fell by 10% to EUR 22.3 million (previous year: EUR 24.7 million), as weak real estate market development and a high number of vacant apartments in China continued to dampen demand in this region.

Increased operating result in the ventilation segment

In the ventilation segment, EBIT rose by 68% to EUR 62.8 million in the 2025 financial year (previous year: EUR 37.4 million). The EBIT margin was 12.5%. In the previous year, comparable adjusted EBIT¹ amounted to EUR 44.4 million and corresponded to an adjusted EBIT margin¹ of 10.5%. There were no one-off effects in the reporting year. Targeted investments continued to be made to expand market coverage and drive product innovation. At the same time, profitability was boosted by higher volumes.

Reduced renovation activity weighs on radiator sales

The radiator segment achieved sales of EUR 259.0 million in the 2025 financial year, down 8% (organically -5%) on the previous year's sales of EUR 281.6 million. Radiator sales accounted for 34% of Zehnder Group's total sales (previous year: 40%).

In the EMEA region, sales in the radiator segment fell by 8% to EUR 216.4 million (previous year: EUR 235.9 million). The downtrend from the previous year continued in 2025, with Germany and France the most affected. This was mainly due to reduced renovation activity and a shift towards lower-priced radiator models amid economic uncertainty.

Radiator sales in North America remained stable at EUR 38.0 million (previous year: EUR 38.5 million), supported by steady demand for high-quality decorative radiators and electric bathroom radiators.

Sales in the Asia-Pacific region fell by 38% to EUR 4.5 million (previous year: EUR 7.2 million), primarily due to the ongoing weakness in the construction sector in China.

A challenging market leads to lower capacity utilisation in the radiator segment

In the radiator segment, EBIT increased to EUR 0.6 million during the reporting period (previous year: EUR -23.2 million). The EBIT margin was 0.2% (previous year: -8.2%). Adjusted EBIT¹ fell to EUR 2.4 million in the 2025 financial year (previous year: EUR 5.7 million). One-off effects of EUR 1.8 million resulted from further selective adjustments to production and distribution in the radiator segment. At the site in Lahr (Germany), for example, operation was switched from a two-shift to a single-shift system.

Reluctance to renovate coupled with the trend towards lower-cost radiators led to price pressure and an unfavourable product mix. This again resulted in a lower production capacity utilisation, particularly at the plant in Germany. Thanks to the cost-saving and efficiency measures implemented, operating EBIT remained at least slightly positive.

A clear strategy for above-average growth: focusing on ventilation systems and services

With our innovative products, digital services, and a clear growth strategy, we are very well positioned to achieve above-average growth in the coming years. At the Capital Markets Day on 12 November 2025, the Group Executive Committee outlined the positive outlook for ventilation systems and our strategy for deriving maximum benefit from the expected market growth. Demand for integrated indoor climate solutions is set to rise sharply, driven by climate change, stricter building regulations, rising energy costs, and increasing requirements for comfort and convenience. While the market share of traditional radiators continues to decrease, the importance of energy-efficient ventilation systems is steadily growing.

We recognised this trend early on and, since 2001, have developed from a radiator manufacturer into a leading international provider of ventilation and indoor climate solutions. Today, the Group generates around two-thirds of its sales in this segment. Technological leadership, client centricity, and operational excellence form the foundation for further expansion.

“We recognised this trend early on and, since 2001, have developed from a radiator manufacturer into a leading global provider of ventilation and indoor climate solutions.”

Our strategy aims to build on our leading market position in Europe through geographical expansion and an increased focus on the renovation market and multi-family homes, supplemented by selected, value-adding acquisitions. In North America, market development will be accelerated with a clear focus on the US market, where Zehnder is gradually expanding its sales in high-growth states.

The service business – including maintenance, spare parts supply, and digital system monitoring – will be prioritised, as it is highly profitable and will grow significantly with the expanding installed base. The Zehnder Academies in individual countries will also play a crucial role, acting as centres of expertise and training to ensure knowledge transfer to our customers and partner companies, and making Zehnder’s innovative strength tangible.

With this clear strategic direction and its innovative products, Zehnder Group is ideally positioned to take maximum advantage of the expected market growth.

Successful integration, innovation, and service quality

The integration of Spanish company Siber, acquired in July 2024, continues to progress according to plan. Following their successful launch in Italy in the first half of 2025, EVO products were also rolled out in the Baltic States and in Belgium over the course of the year. In addition, the first orders were received from the regions East and West, and from Germany.

Siber’s broad market access in Spain and Portugal and its focus on complete ventilation systems for new-build apartment blocks ideally complements Zehnder Group’s portfolio with mid-priced products. This opens up additional sales potential in the European market and strengthens the Group’s position in the growing multi-family home segment.

With its newly introduced MyZehnder Service Center, Zehnder Group is combining all service-related matters on a central platform. Business and private customers receive individual support with complaints, delivery queries, orders

and invoices, supplemented by an integrated knowledge database and transparent tracking of requests. After a one-time registration, customers gain easy and secure access to extensive service offerings as well as additional platforms such as the filter shop.

Clean Air Solutions continued its successful market expansion into new regional markets in 2025, including Spain, Hungary, and the Czech Republic. At segment level, innovative filter solutions were introduced to meet the challenges of demanding metalworking environments. Furthermore, a targeted campaign to combat dust issues in the woodworking industry received highly positive feedback.

Improved liquidity and equity ratio

Cash flow from operating activities increased by 32% to EUR 80.0 million in the 2025 financial year (previous year: EUR 60.6 million) compared with the previous year. In the 2025 financial year, Zehnder Group invested EUR 17.0 million in property, plant and equipment (previous year: EUR 17.0 million).

A key focus in the 2025 financial year was on generating liquidity. Against this backdrop, the company has specifically repaid the syndicated loan of EUR 60.6 million to finance the acquisition of the Spanish company Siber.

Net liquidity¹ amounted to EUR 32.8 million at the end of 2025 (previous year: net debt¹ of EUR –11.8 million). Equity totalled EUR 267.5 million (previous year: EUR 241.5 million). Accordingly, the equity ratio increased to 59% (previous year: 51%).

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

Dividend for the 2025 reporting year and new election to the Board of Directors

At the Annual General Meeting on 19 March 2026, the Board of Directors will propose the distribution of a dividend of CHF 1.40 (previous year: CHF 1.00) per registered share A, taking into account the results of the 2025 financial year.

Dr Urs Buchmann will not be standing for re-election to the Board of Directors of Zehnder Group AG. The Board of Directors proposes the election of Dr Mara Zehnder as part of the medium-term planned generational transition within the Zehnder family of shareholders. All other members of the Board of Directors will stand for re-election.

Outlook for the 2026 financial year

A slightly positive overall trend in construction activity is expected for 2026. Demand for energy-efficient indoor climate solutions is set to further grow, although it may be adversely affected by macroeconomic developments and the progression of regional conflicts and geopolitical tensions. Zehnder Group will communicate its full-year outlook when it publishes its half-year figures for 2026.

Zehnder Group is well positioned to benefit above average from the trends outlined. Building on our transformation from a radiator manufacturer into a leading international provider of indoor climate solutions, the opportunities that arise should be consistently seized and sustainable growth achieved in key markets.

The expansion of the range of services for renovation and multi-family home projects, the clean air solutions business and the increasing importance of the service business will provide additional growth momentum. On that basis, the medium-term targets are confirmed: average annual sales growth of around 5% and an EBIT margin before one-off effects of 9–11%.

Thanks and acknowledgements

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

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

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

With kind regards,



Dr Hans-Peter Zehnder
Chairman of the Board of Directors



Matthias Huenerwadel
Chairman of the Group Executive
Committee, CEO

The expectations presented in the management report are based on assumptions. If these prove to be incorrect, the associated results will also change.