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Six-month Report

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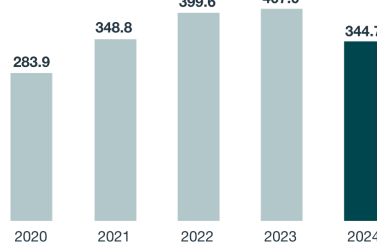
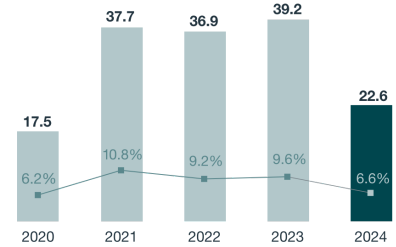
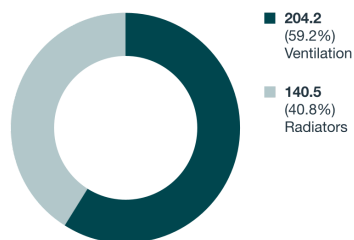
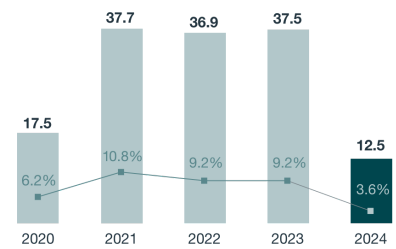
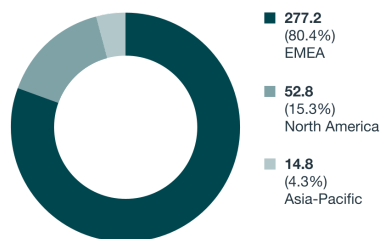
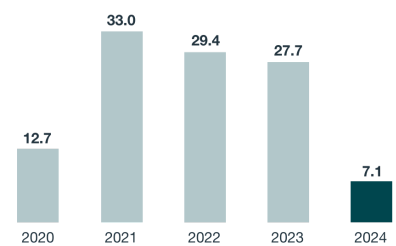
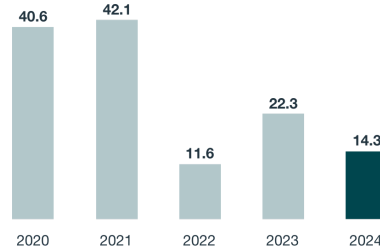
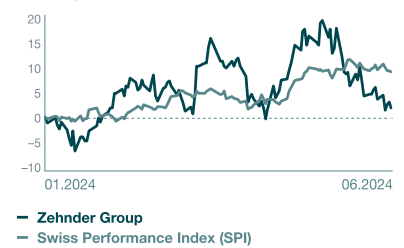
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Key figures 1st half-yearSales
EUR millionEBIT before one-off effects
EUR million, % of salesSales by segment
2024, EUR millionEBIT
EUR million, % of salesSales by region
2024, EUR millionNet profit
EUR millionCash flow from operating activities
EUR millionShare price development
1 January to 30 June 2024, %

		1st half-year 2024	1st half-year 2023	Change from prior year in %
Sales	EUR million	344.7	407.0	-15.3
EBITDA before one-off effects ^{1,2}	EUR million	35.3	51.2	-31.1
	% of sales	10.2	12.6	
EBITDA ¹	EUR million	25.2	49.5	-49.2
	% of sales	7.3	12.2	
EBIT before one-off effects ^{1,2}	EUR million	22.6	39.2	-42.5
	% of sales	6.6	9.6	
EBIT	EUR million	12.5	37.5	-66.7
	% of sales	3.6	9.2	
Net profit ³	EUR million	7.1	27.7	-74.2
	% of sales	2.1	6.8	
Cash flow from operating activities	EUR million	14.3	22.3	-35.9
Investments in property, plant and equipment & intangible assets	EUR million	8.4	12.4	-32.1
Depreciation & amortisation	EUR million	12.7	12.0	5.9
Total assets	EUR million	489.7	537.6	-8.9
Non-current assets	EUR million	218.6	226.9	-3.6
Net liquidity/(net debt) ¹	EUR million	53.0	24.3	118.3
Total equity	EUR million	333.2	336.0	-0.8
	% of total assets	68.0	62.5	
Number of employees	Ø full-time equivalents	3,529	3,865	-8.7
Market closing price registered share A	CHF	52.80	72.40	-27.1
Registered shares A (CHF 0.05 par value)	Units	9,268,200	9,756,000	-5.0
Own shares	Ø Units	337,334	418,771	-19.4
Registered shares B (not listed; CHF 0.01 par value)	Units	9,900,000	9,900,000	-
Non-diluted net profit per registered share A ³	EUR	0.60	2.39	-74.8
Shareholders' equity per registered share A ³	EUR	29.2	28.2	3.7

¹ For further information please refer to: [Alternative performance measures](#).

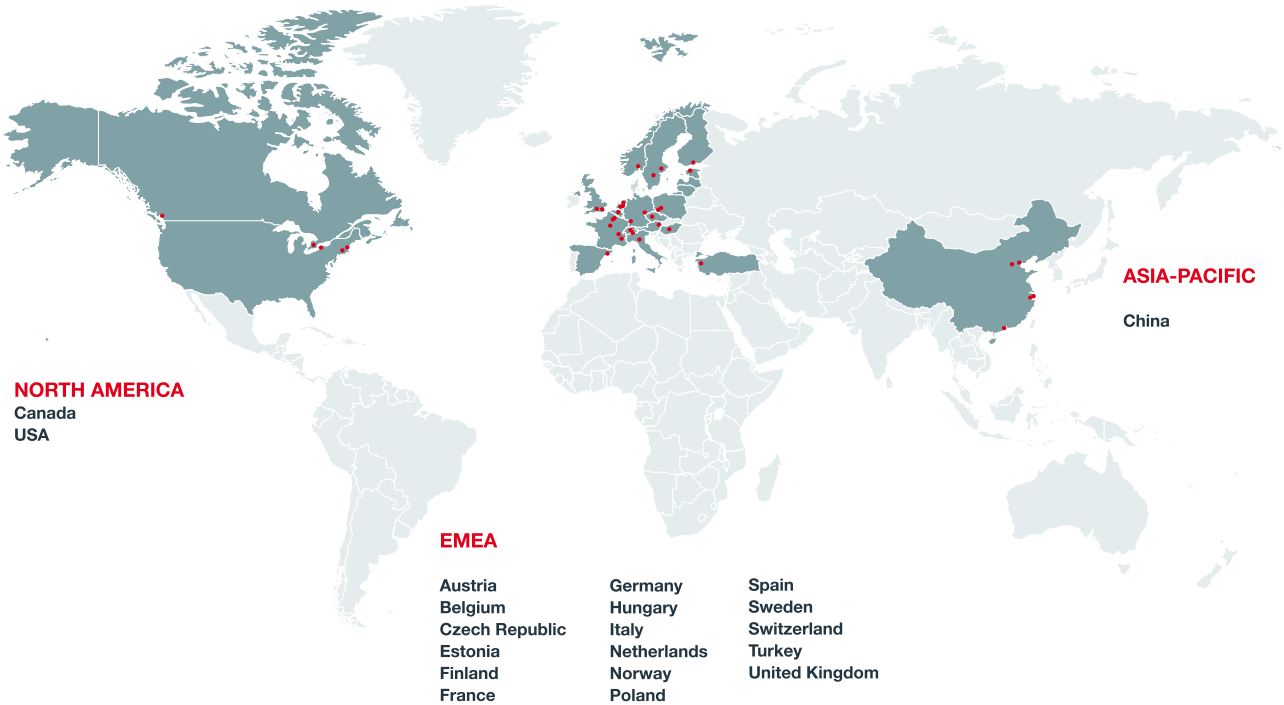
² The one-off effects consist of EUR 8.1 million related to the divestment of the Climate Ceiling Solutions business and other European restructuring costs of EUR 2.0 million (previous year: EUR 1.7 million restructuring costs in the radiator segment).

³ Excluding minority interests

Company profile

Zehnder Group provides worldwide leading solutions for a comfortable, energy-efficient and healthy indoor climate. The products and services of the Group include heating, cooling, indoor ventilation and air cleaning. The Group develops and manufactures its products at its own factories in Europe, China and North America. In the financial year of 2023, Zehnder Group had about 3,500 employees and achieved sales of EUR 762 million. The company is listed on the SIX Swiss Exchange (symbol: ZEHN, number: 27 653 461). The unlisted registered shares B are held by Graneco AG, which is controlled by the Zehnder families.

Locations



Lower sales in the first half of 2024 in a challenging market environment

Zehnder Group sales decreased by 15% to EUR 344.7 million in the first half of 2024. All of Zehnder Group's core markets were affected by declining sales. The Group's operating result (EBIT) amounted to EUR 12.5 million, corresponding to an EBIT margin of 3.6%. EBIT before one-off effects¹ fell by 42% to EUR 22.6 million (previous year: EUR 39.2 million). At 6.6%, the EBIT margin before one-off effects¹ was on a par with the second half of 2023. Net income totalled EUR 7.1 million (previous year: EUR 27.7 million).



Dear shareholders,

Construction activity slowed down further in the first half of 2024. Economic and political uncertainties as well as high construction costs once again characterised the general conditions in our most important markets. While sales in the comparative period in the first half of 2023 still benefited significantly from the normalisation in the supply chains and an improved delivery capacity, new construction activities in Europe reached a new low during the first half of 2024. At the same time, political and economic uncertainties also hampered the renovation business. These developments had a negative impact on demand for both ventilation systems and radiators. In this challenging environment, we further pursued our cost reduction measures and portfolio streamlining with the sale of the Climate Ceiling Solutions business. In this way, we managed to partially counteract the current market weakness on the earnings side and keep the operating margin stable before one-off effects compared to the second half of 2023.

There were no general signs of an improvement in construction activity in the construction industry in the first half of the year. We nevertheless observed a stabilisation in different markets, for example in the UK, North America and Spain. Regardless of the current market situation, we are continuing to implement strategic initiatives, focus on our strengths and invest in the future growth of Zehnder Group.

¹ For more information, see: [Alternative performance measures](#).

Ventilation and radiator segment affected by decline in demand

Zehnder Group sales fell by 15% to EUR 344.7 million in the first half of 2024 (–15% organically¹). Currency effects had a slightly positive impact of around 0.1% on consolidated sales. The persistently difficult conditions led to a decline in construction activity for new residential buildings in our most important markets. The renovation business was also affected by weaker demand due to general political and economic uncertainty. As a result, both the ventilation and radiator segments recorded lower sales in the first half of 2024.

Sales in the ventilation segment fell by 17% (–17% organically¹) to EUR 204.2 million in the first half of 2024. With the exception of air cleaning solutions, both other business areas within the ventilation segment, ventilation and heat exchangers, were affected by a significant decline in demand. The basis for comparison is high due to the combination of a high order backlog from 2022 and improved delivery capacity in the first half of 2023.

EUR 157.8 million (previous year: EUR 189.4 million) of total sales in the ventilation segment were achieved in the EMEA region (Europe, Middle East and Africa). Belgium and Germany recorded the largest declines in sales. In contrast, sales in the UK displayed a slightly positive trend. Sales in the ventilation segment in the North America region decreased to EUR 34.7 million (previous year: EUR 38.8 million). This was primarily caused by a slowdown in demand in the Canadian market for new buildings due to the high interest rate level and construction costs. The Asia-Pacific region recorded a further decline in sales to EUR 11.8 million (previous year: EUR 17.2 million). The continuing difficult economic situation, characterised by an oversupply of housing in China, once again led to lower demand.

The radiator segment generated sales of EUR 140.5 million in the first half of 2024. This corresponds to a decline in sales of 13% (–13% organically¹). Due to persistently high construction costs and general political and economic uncertainties, renovation activities involving radiator replacement in the relevant markets were again reduced in the first half of 2024. The resulting decline in demand led to lower sales in all areas of the radiator segment. The measures we have already initiated to adjust production capacities were systematically continued. We have therefore further adapted personnel capacities and production shifts again to the market situation. In China, the outsourcing of radiator production is nearing completion.

“Personnel capacities and production shifts were adapted again to the market situation.”

EUR 119.4 million (previous year: EUR 134.1 million) of sales in the radiator segment were achieved in the EMEA region (Europe, Middle East and Africa). The downward trend from the previous year continued in the first half of 2024 in France and Germany. By contrast, there was merely a slight decline in sales in Switzerland, the UK and Italy. In the North America region, total sales in the

radiator segment amounted to EUR 18.1 million (previous year: EUR 24.1 million). The demand situation in Canada and the USA has weakened significantly in both the residential and commercial sectors due to the persistently high construction costs. Sales in the Asia-Pacific region were also lower in the first half of 2024. This amounted to EUR 3.0 million (previous year: EUR 3.5 million) due to subdued demand.

¹ For more information, see: [Alternative performance measures](#).

Operating result under pressure

Zehnder Group recorded an operating result (EBIT) of EUR 12.5 million, corresponding to an EBIT margin of 3.6%. EBIT before one-off effects¹ fell by 42% to EUR 22.6 million in the first half of 2024. The EBIT margin before one-off effects¹ was 6.6% and stabilised at the level of the second half of 2023. The sale of the Climate Ceiling Solutions business caused a one-off loss of EUR 8.1 million in the first half of 2024. In addition, selective organisational adjustments led to one-off costs of around EUR 2.0 million. Insufficient capacity utilisation due to lower sales had a negative impact on Zehnder Group's operating result. Operating costs were reduced as a result of consistent and differentiated cost management. Zehnder Group was able to largely absorb the increases in labour costs caused by higher inflation and reduce other operating expenses. Overall, costs did not decline to the same extent as sales, as strategic investments in research and development, the expansion of the market presence, IT and sustainability initiatives were deliberately maintained. In doing so, Zehnder Group is strengthening the foundations for emerging stronger from the current phase of market weakness.

“Insufficient capacity utilisation due to lower sales had a negative impact on the operating result.”

In the ventilation segment, EBIT before one-off effects¹ fell by 41% to EUR 21.5 million in the first half of 2024 (previous year: EUR 36.1 million). The EBIT margin before one-off effects¹ declined by 4.2 percentage points compared to the previous year to 10.5%. Investments into market coverage were maintained to further strengthen the growth segment of ventilation. Structural adjustments led to one-off effects of EUR 0.8 million. EBIT in the ventilation segment amounted to EUR 20.6 million and the EBIT margin was 10.1%.

In the radiator segment, EBIT before one-off effects¹ fell to EUR 1.1 million in the first half of 2024 (previous year: EUR 3.1 million). The EBIT margin before one-off effects¹ was 0.8% (previous year: 1.9%). The uncertain economic and geopolitical environment led to a decline in demand in the European and North American markets. The associated decline in volume reduced production utilisation. Targeted cost-saving measures continued to be systematically implemented in the radiator segment. EBIT and EBIT margin totalled EUR -8.2 million and -5.8% respectively, caused by a one-off loss of EUR 8.1 million in connection with the sale of the Climate Ceiling business and further restructuring costs in Europe in the areas of production and sales, amounting to EUR 1.2 million.

The tax rate in the reporting period was 44% (previous year: 23%). The higher tax rate was due to non-tax-deductible expenses in connection with the sale of the Climate Ceiling Solutions business. The net income of the total Group for the first half of 2024 totalled EUR 7.1 million (previous year: EUR 27.7 million).

¹ For more information, see: [Alternative performance measures](#).

Innovation as a driving force for growth

In the first half of 2024, expenditure on research and development increased by 2% to EUR 13.0 million. Zehnder Group plans to use new intelligent retrofitting solutions to benefit even more from the growing renovation business in the future and to become less dependent on the new construction business in the ventilation segment. One product example of this is the ComfoAir Fit 100. This versatile comfort ventilation unit is installed as a complete system in a flexible and space-saving manner, either in the ceiling or on the wall. ComfoAir Fit 100 is ideal for apartment blocks, an area in which Zehnder Group would like to expand further.

Oerlikon Balzers is a world leading supplier of surface coatings. A decisive factor in maintaining this position is air purification from Zehnder Clean Air Solutions. It enabled Oerlikon Balzers to reduce dust pollution in the microblasting area by 78%. The result: the improved air quality not only reduced the costs for quality assurance. Employees have also benefited from a noticeably more pleasant working environment. This success confirms that Oerlikon Balzers will continue to rely on Zehnder in the future.

The latest product innovation from CORE is an enthalpy exchanger with a formable membrane. This formable polymer membrane patented by Zehnder Group combines the familiar advantages of plate enthalpy exchangers with the flexibility and efficiency of Zehnder heat recovery technology. Thanks to its formability, the membrane provides a structure with even more surface area for the exchange of heat and moisture with the air. Thanks to the reduced use of materials and improved recycling possibilities, our new enthalpy exchangers are also particularly environmentally friendly. Due to further capacity requirements, the Chinese subsidiary Zhongshan Fortuneway Environmental Technology Co., Ltd. has moved to a larger factory.

Zehnder Group is launching two new electric radiators in France: ACOVA Mara for the professional market and ACOVA Arlan for the DIY market. Both products have a flat front design and advanced connectivity solutions. The products were presented at various trade fairs in June. The sales launch is planned for fall 2024.

Lower cash flow from operating activities

During the first half of 2024, cash flow from operating activities decreased to EUR 14.3 million (previous year: EUR 22.3 million). The decrease is mainly due to the lower profit compared to the same period of the previous year as well as an increase in trade receivables. In the first half of 2024, Zehnder Group invested EUR 8.4 million (previous year: EUR 12.4 million) in property, plant and equipment, and intangible assets.

The acquisition of the remaining 25% stake in Zehnder Caladair International SAS was financed by EUR 4.7 million liquid assets. In the first half of 2024, a dividend of EUR 15.4 million was paid out. Net liquidity¹ at the end of June 2024 stood at EUR 53.0 million (previous year: EUR 24.3 million). Equity totalled EUR 333.2 million (previous year: EUR 336.0 million). This corresponds to a high equity ratio of 68% (previous year: 62%).

¹ For more information, see: [Alternative performance measures](#).

Focus on core business

Zehnder Group continues to pursue its strategy of “Growth for ventilation – harvest for radiators”. With the sales of its Climate Ceiling Solutions business, Zehnder Group is focusing on its core business and its strengths in the area of indoor climate. The sale of the two Climate Ceiling Solutions units in Germany and France was completed at the end of June 2024. With revenues of around EUR 23 million in 2023, the Climate Ceilings Solutions business was loss-making in recent years. The transaction led to a one-off loss of EUR 8.1 million in the first half of 2024. The radiant ceiling panel business for heating and cooling will remain with Zehnder Group.

On 3 July 2024, Zehnder Group announced the acquisition of the Spanish company Siber, a leading company in the residential ventilation sector, to strengthen its market position in Southern Europe in the long term. Siber has broad market access in Spain and Portugal, focusing on complete ventilation systems for new-build apartment blocks. The addition of Siber complements Zehnder Group's product portfolio with products in the mid-price category and harbours further synergy potential. The takeover will enable us to sustainably expand our activities in the most important growth markets in Southern and Eastern Europe in the long term.

Zehnder Group identified further strategic growth levers in the first half of 2024 and put together a dedicated core team from our sales and service divisions across EMEA to address them through an interdisciplinary approach. Key focus areas include increasing digitalisation along the customer journey, expanding our service offerings, and investing in solutions for renovation and multifamily homes. Additionally, Zehnder will invest in specific regional growth measures, particularly in Eastern and Southern Europe. The recent acquisition of Siber is strongly aligned with the identified levers and supports our strategic expansion.

With the implementation of further capacity adjustments in radiator production, the sale of the non-core Climate Ceiling Solutions business and the acquisition of Siber in Spain, Zehnder Group has taken necessary and important steps to sustainably improve the company's performance and lay the foundations for profitable growth.

Zehnder Group is further expanding its presence in North America, a growth market for domestic ventilation. To this end, targeted investments have been made with a view to strengthening the local sales organisation, expanding the market presence and implementing a new ERP solution.

Outlook for full year 2024

Zehnder Group assumes that there will be no significant trend changes in the residential construction segment in the short term. Despite the housing shortage in many countries, no short-term recovery is expected for new building permits in the core markets. Zehnder Group also does not anticipate any significant upturn in renovation projects until the end of 2024 due to a reduced willingness to spend on the part of customers. Consequently, Zehnder Group expects sales for the full year 2024 between EUR 670 million and EUR 700 million, and an EBIT margin before one-off effects¹ of 6-7% of sales.

Zehnder Group is further continuing to reduce costs through targeted measures and is constantly adapting to the market environment. The measures taken are aimed at increasing productivity, strengthening resilience and improving profitability. Thanks to its strong market positioning, excellent customer loyalty and high level of innovation, Zehnder Group is in a solid position to emerge stronger from the current downturn in the construction industry.

In the long term, Zehnder Group continues to assess growth prospects as positive, particularly in the ventilation segment. The backlog in new construction and renovation activities, new building regulations for better insulated buildings, the increasing demand for energy-saving and efficient climate solutions, and the desire for healthy indoor air quality, together with great potential for market penetration in ventilation systems in various countries, will favour growth.

¹ For more information, see: [Alternative performance measures](#).

Thank you to our stakeholders

On behalf of the Board of Directors and the Executive Committee, we would like to express our gratitude and appreciation to our employees for their continued commitment and our customers for their loyalty.

We would also like to thank our suppliers and business partners for their fantastic cooperation.

Finally, we would like to thank you, our valued shareholders, for your continued loyalty and your confidence in our successful future.

Yours sincerely,



Dr Hans-Peter Zehnder
Chairman of the Board of Directors



Matthias Huenerwadel
Chairman of the Group Executive
Committee, CEO

Consolidated balance sheet

EUR million	30 June 2024	31 December 2023	30 June 2023
Assets			
Liquid assets	58.7	77.2	52.5
Trade accounts receivable	105.9	97.9	122.8
Other receivables	16.5	18.5	19.2
Inventories	82.7	90.2	108.0
Prepayments	1.7	1.5	1.9
Accrued income	5.6	5.1	6.4
Current assets	271.1	290.4	310.8
Property, plant and equipment	196.4	203.1	203.1
Financial assets	16.4	16.8	17.2
Intangible assets	5.8	6.5	6.6
Non-current assets	218.6	226.4	226.9
Total assets	489.7	516.8	537.6
Liabilities & shareholders' equity			
Short-term financial liabilities	1.7	1.7	22.7
Trade accounts payable	40.5	41.8	50.3
Other short-term liabilities	22.9	28.5	26.5
Short-term provisions	9.1	9.2	7.7
Accruals and deferred income	57.1	62.9	66.6
Current liabilities	131.3	144.2	173.8
Long-term financial liabilities	4.0	4.7	5.5
Other long-term liabilities	0.5	0.6	0.6
Long-term provisions	20.8	20.0	21.7
Non-current liabilities	25.2	25.3	27.8
Total liabilities	156.5	169.5	201.7
Share capital	0.4	0.4	0.4
Capital reserves	-0.2	33.6	33.6
Own shares	-3.7	-39.9	-33.2
Retained earnings	322.0	338.6	318.0
Equity attributable to shareholders of Zehnder Group AG	318.5	332.6	318.7
Minority interests	14.7	14.7	17.3
Total equity	333.2	347.3	336.0
Total liabilities & equity	489.7	516.8	537.6

Consolidated income statement

EUR million	1st half-year 2024	1st half-year 2023	Change from prior year in %
Sales	344.7	407.0	-15.3
Changes in inventories	-3.2	1.9	
Own work capitalised	1.4	1.4	
Other operating income	2.1	2.1	
Cost of materials	-116.7	-155.7	
Personnel costs	-126.8	-129.6	
Depreciation of property, plant and equipment	-12.2	-11.5	
Amortisation of intangible assets	-0.5	-0.5	
Other operating expenses	-76.3	-77.5	
Operating result (EBIT)	12.5	37.5	-66.7
Financial result	0.2	-1.6	
Earnings before taxes	12.7	36.0	-64.8
Income taxes	-5.5	-8.3	
Net profit	7.1	27.7	-74.2
Attributable to:			
- shareholders of Zehnder Group AG	6.6	27.0	
- minority interests	0.6	0.6	
Non-diluted net profit excluding minority interests per registered share A (EUR)	0.60	2.39	-74.8
Diluted net profit excluding minority interests per registered share A (EUR)	0.60	2.38	-74.8
Non-diluted net profit excluding minority interests per registered share B (EUR)	0.12	0.48	-74.8
Diluted net profit excluding minority interests per registered share B (EUR)	0.12	0.48	-74.8

Consolidated cash flow statement

EUR million	1st half-year 2024	1st half-year 2023
Net profit	7.1	27.7
Depreciation and amortisation of property, plant and equipment	12.2	11.5
Depreciation and amortisation of intangible assets	0.5	0.5
Other non-cash changes	2.0	3.8
(Gain)/loss on disposals of assets	6.5	-0.1
(Increase)/decrease in trade accounts receivable	-11.7	-4.3
(Increase)/decrease in other receivables, prepayments and accrued income	-1.2	0.8
(Increase)/decrease in inventories	1.2	-11.1
Increase/(decrease) in trade accounts payable	2.6	-0.5
Increase/(decrease) in other short-term liabilities, accruals and deferred income	-6.4	-6.9
Increase/(decrease) in provisions	1.1	0.5
(Increase)/decrease in deferred tax assets	0.3	0.4
Cash flow from operating activities	14.3	22.3
Investments in property, plant and equipment	-8.4	-12.1
Investments in intangible assets	-0.1	-0.3
Investments in subsidiaries	-	-0.1
Investments in minority interest	-4.7	-
Divestment of property, plant and equipment	0.3	0.1
Divestment of subsidiaries, net of cash given	-3.0	-
Cash flow from investing activities	-15.8	-12.4
Dividends paid to shareholders	-15.4	-21.6
Purchase of own shares	-1.9	-10.6
Sale of own shares	2.1	2.7
Increase/(decrease) in short-term financial liabilities	-0.7	19.1
Increase/(decrease) in long-term financial liabilities	-	-0.8
Increase/(decrease) in other liabilities	-0.1	-
Cash flow from financing activities	-15.9	-11.2
Currency effects	-1.1	-1.4
Increase/(decrease) in liquid assets	-18.5	-2.7
Liquid assets at 1.1.	77.2	55.1
Liquid assets at 30.6.	58.7	52.5
Increase/(decrease)	-18.5	-2.7

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			
Equity at 1.1.2024	0.4	33.6	-39.9	-187.0	530.4	-4.8	332.6	14.7	347.3
Capital reduction	-	-33.8	33.8	-	-	-	-	-	-
Purchase of own shares	-	-	-1.8	-	-	-	-1.8	-	-1.8
Sale of own shares	-	-	4.3	-	-1.0	-	3.3	-	3.2
Share-based compensation									
-Transfers	-	-	-	-	-0.6	-	-0.6	-	-0.6
-Granted	-	-	-	-	0.3	-	0.3	-	0.3
Net profit	-	-	-	-	6.6	-	6.6	0.6	7.1
Netted goodwill	-	-	-	-4.1	-	-	-4.1	-	-4.1
Change in minority interests	-	-	-	-	-	-	-	-0.6	-0.6
Dividends	-	-	-	-	-15.4	-	-15.4	-	-15.4
Currency effects	-	-	-	-	-	-2.3	-2.3	-	-2.3
Equity at 30.6.2024	0.4	-0.2	-3.7	-191.1	520.3	-7.1	318.5	14.7	333.2
Equity at 1.1.2023	0.4	33.6	-27.8	-187.0	509.7	-5.7	323.1	17.7	340.8
Capital reduction	-	-	-	-	-	-	-	-	-
Purchase of own shares	-	-	-10.4	-	-	-	-10.4	-	-10.4
Sale of own shares	-	-	5.0	-	-1.1	-	3.9	-	3.9
Share-based compensation									
-Transfers	-	-	-	-	-0.8	-	-0.8	-	-0.8
-Granted	-	-	-	-	0.5	-	0.5	-	0.5
Net profit	-	-	-	-	27.0	-	27.0	0.6	27.7
Netted goodwill	-	-	-	-	-	-	-	-	-
Change in minority interests	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-21.6	-	-21.6	-	-21.6
Currency effects	-	-	-	-	-	-3.0	-3.0	-1.1	-4.1
Equity at 30.6.2023	0.4	33.6	-33.2	-187.0	513.8	-8.7	318.7	17.3	336.0

Segment reporting

		Ventilation	Radiators	Total
1st half-year 2024				
Sales third	EUR million	204.2	140.5	344.7
EBIT before one-off effects ¹	EUR million	21.5	1.1	22.6
	% of sales	10.5	0.8	6.6
EBIT	EUR million	20.6	-8.2	12.5
	% of sales	10.1	-5.8	3.6
Number of employees	Ø full-time equivalents	1,832	1,697	3,529
1st half-year 2023				
Sales third	EUR million	245.4	161.6	407.0
EBIT before one-off effects ¹	EUR million	36.1	3.1	39.2
	% of sales	14.7	1.9	9.6
EBIT	EUR million	36.1	1.4	37.5
	% of sales	14.7	0.9	9.2
Number of employees	Ø full-time equivalents	1,971	1,895	3,865

¹ The one-off effects consist of EUR 8.1 million related to the divestment of the Climate Ceiling Solutions business and other European restructuring costs of EUR 2.0 million (previous year: EUR 1.7 million restructuring costs in the radiator segment).

Sales by region and segment

		1st half-year 2024	1st half-year 2024 in %	1st half-year 2023	1st half-year 2023 in %
Ventilation EMEA	EUR million	157.8	45.8	189.4	46.5
	Change from prior year in %	-16.7		8.3	
Ventilation North America	EUR million	34.7	10.1	38.8	9.5
	Change from prior year in %	-10.6		53.2	
Ventilation Asia-Pacific	EUR million	11.8	3.4	17.2	4.2
	Change from prior year in %	-31.5		-12.8	
Total ventilation segment	EUR million	204.2	59.2	245.4	60.3
	Change from prior year in %	-16.8		11.6	
Radiators EMEA	EUR million	119.4	34.6	134.1	32.9
	Change from prior year in %	-11.0		-14.3	
Radiators North America	EUR million	18.1	5.2	24.1	5.9
	Change from prior year in %	-24.8		20.1	
Radiators Asia-Pacific	EUR million	3.0	0.9	3.5	0.8
	Change from prior year in %	-13.2		5.7	
Total radiator segment	EUR million	140.5	40.8	161.6	39.7
	Change from prior year in %	-13.1		-10.1	
Total region EMEA	EUR million	277.2	80.4	323.5	79.5
	Change from prior year in %	-14.3		-2.4	
Total region North America	EUR million	52.8	15.3	62.9	15.5
	Change from prior year in %	-16.1		38.6	
Total region Asia-Pacific	EUR million	14.8	4.3	20.7	5.1
	Change from prior year in %	-28.5		-10.2	
Total	EUR million	344.7	100.0	407.0	100.0
	Change from prior year in %	-15.3		1.8	

Notes to the interim financial statements

Consolidation, accounting and valuation principles

The unaudited consolidated interim report for the first six months of 2024 was drawn up in line with the provisions of Swiss GAAP FER 31. This Six-month Report is intended to be read in conjunction with the 2023 Annual Report. The consolidation, accounting and valuation principles published in the 2023 Annual Report have been applied consistently in preparing this interim report.

Consolidation scope

The consolidation scope was changed in the first half of 2024 as follows:

- As of 1 January 2024, merger of Metis B.V. with CORE Production Waalwijk B.V. in the Netherlands;
- As per 19 March 2024, the 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 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. The divested CCS business generated EUR 9.5 million sales in 2024 (previous year: EUR 12.3 million). EUR 13.2 million of assets and EUR 8.5 million of liabilities were divested. Total one-off costs related to the transaction amount to EUR 8.1 million and are reported in other operating expenses.

Capital reduction by cancellation of registered shares A of Zehnder Group AG

During the share buyback programme from March 2021 to September 2023, Zehnder Group AG had successively repurchased a total of 487,800 registered shares A, corresponding to 5% of all registered shares A. The total value of the completed share buyback is EUR 33.8 million. At the Annual General Meeting on 11 April 2024, the capital reduction by cancellation of these 487,800 listed registered shares A of Zehnder Group AG was approved. Consequently, the shares were cancelled end of April 2024.

Events after the balance sheet date

On 11 July 2024, the Zehnder Group acquired the residential ventilation company Siber in Spain for a purchase price of approximately EUR 86 million. The company has approximately 120 employees. For the 2024 financial year, Siber expects sales of around EUR 37 million, with an EBIT margin on a par with Zehnder Group's ventilation segment.

Alternative performance measures

In this Six-month Report, the 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.

Two additional alternative performance measures are disclosed to improve comparability of the previous year's financial performance: EBITDA before one-off effects and EBIT before one-off effects. These alternative performance measures were introduced this year, because, unlike in the previous year, the half-year result in 2024 is heavily impacted by the divestment of the Climate Ceiling Solutions business and further one-off restructuring costs.

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

Alternative performance measure	Definition	Calculation basis/reconciliation (in EUR million)	1st half-year 2024	1st half-year 2023
Organic sales growth	The 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 have taken place at constant exchange rates.	Sales	344.7	407.0
		Currency effects	-0.3	2.8
		Acquisition effects	-	-12.7
		Organic sales	344.4	397.1
		Organic sales growth/(decline) in %	-15.4	-0.6
EBITDA	Earnings before interest, taxes, depreciation and amortisation (EBITDA) is a key figure used to measure the performance of the Group.	Operating result (EBIT)	12.5	37.5
		Depreciation of property, plant and equipment	12.2	11.5
		Amortisation of intangible assets	0.5	0.5
		EBITDA	25.2	49.5
EBITDA before one-off effects	Earnings before interest, taxes, depreciation and amortisation (EBITDA) adjusted for significant one-off effects is a key figure used to measure the performance of the Group. One-off effects include, for example, restructuring costs or the divestment of Group entities.	Operating result (EBIT)	12.5	37.5
		Depreciation of property, plant and equipment	12.2	11.5
		Amortisation of intangible assets	0.5	0.5
		One-off effects	10.1	1.7
		EBITDA before one-off effects	35.3	51.2
EBIT before one-off effects	Earnings before interest and taxes (EBIT) adjusted for significant one-off effects is a key figure used to measure the performance of the Group. One-off effects include, for example, restructuring costs or the divestment of Group entities.	Operating result (EBIT)	12.5	37.5
		One-off effects	10.1	1.7
		EBIT before one-off effects	22.6	39.2
Net liquidity/(net debt)	Net liquidity or debt is a key figure used to measure the Group's financial liquidity or debt.	Liquid assets	58.7	52.5
		Short-term financial liabilities	-1.7	-22.7
		Long-term financial liabilities	-4.0	-5.5
		Net liquidity/(net debt)	53.0	24.3

Further information for investors

Contact

Zehnder Group AG
Investor Relations
Moortalstrasse 1
5722 Gränichen (Switzerland)

Phone +41 62 855 1521
investor-relations@zehndergroup.com
www.zehndergroup.com

Registered share A

Valor number	27 653 461
SIX	ZEHN
Bloomberg	ZEHN SW
Reuters	ZEHN S

In accordance with Art. 10 of the Articles of Association, the opting out clause applies.

Registered share B (unlisted)

Valor number	13 312 654
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Company calendar

End of business year	31.12.2024
Sales for 2024	17.1.2025
Annual Report 2024 and Media/Analyst Conference 2025	26.2.2025
Annual General Meeting 2025	3.4.2025
Six-month Report 2025	25.7.2025

This Six-month Report is only available in English. The Management Report is also available in German. The English version is binding.

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