

Press Release 2/2014

2013 Business Year: Growth in second half – Below expectations overall

Gränichen, Switzerland, 17 January 2014 – Zehnder Group, which operates internationally in the indoor climate sector (radiators and ventilation), reported sales in 2013 that were nearly on a par with 2012. Full-year sales revenues were EUR 523 million (unaudited, EUR 524 million in 2012). The radiator segment accounted for 66% (2012: 67%) of this total and the ventilation business for 34% (2012: 33%). Foreign exchange adjusted, sales revenues were 1% above the 2012 level. Group management anticipates that with sales at the prior-year level and higher costs for the implementation of strategic projects, operating profit and net income will be lower than in 2012. Results for 2013 and the annual report will be published on 7 March 2014.

Sales

After declining by 3% in the first six months of 2013, sales improved again in the second half of the year, increasing by 2% compared with the second half of 2012. The problems with deliveries that arose with the opening of the new logistics centre in Lahr, Germany, were remedied in July. Full-year sales revenues for 2013 remained almost unchanged at EUR 523 million. EUR 346 million of Group sales was attributable to the radiator business (compared with -1% in 2012, in local currencies 0%) and EUR 177 million was attributable to the ventilation business (+1%, in local currencies +2%). With 34% of Group sales in the reporting year, ventilation contributed one more percentage point than in 2012.

In Europe, radiator sales dropped by 3% (in local currencies -2%) to EUR 296 million. Growth in France, the UK and Russia stood in contrast to downturns in Germany, Italy and Switzerland. The sales revenues for the ventilation segment in Europe were EUR 168 million, 2% higher than in 2012 (in local currencies +3%). Good growth rates were posted in Italy and the UK. The markets in Switzerland and the Netherlands slowed any stronger growth. Sales developed well in North America, where overall sales rose by 11% (in local currencies +15%) to EUR 33 million. Sales in China were also positive, growing by 4% (in local currencies +5%) to EUR 26 million.

Net income for the year

In the second half of the year, the sale of a property in China was successfully concluded. The one-off positive effect on operating profit (EBIT) was about EUR 9 million. The flat sales trend and the high level of advanced expenditures for development, distribution and sales as well as for the implementation of strategic IT projects had a direct impact on EBIT as well as on net income. Including the income from the sale of a property in China, Zehnder Group estimates that EBIT and net profit will be below the 2012 level.

Outlook for 2014

Group management does not expect economic conditions in most markets to improve. On this basis, Zehnder Group predicts zero growth for the radiator segment in Europe in 2014. The ventilation business will continue to grow, albeit at a low rate. Group management expects some improvement in North America and China and estimates mid-single-digit growth for 2014. Overall, Group management is forecasting a modest improvement in earnings in 2014.

Next dates to note

Press release on results for 2013	7 March 2014 (07.00 a.m.)
Publication of annual report 2013 on website	7 March 2014 (07.00 a.m.)
Press conference and meeting for financial analysts	7 March 2014 in Zurich
General Meeting of Shareholders 2014	9 April 2014 in Suhr, Switzerland
Six-month report 2014	15 August 2014 (07.00 a.m.)

For more information

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This press release is published in German and English. The German version is binding.

Company profile

Zehnder Group focuses on providing a healthy indoor climate.

Zehnder Group develops, manufactures and sells radiators and ventilation systems. The products are marketed under various well-established brands. Zehnder Group figures among the market leaders in the sectors in which it is active.

Its main sales area is Europe. Additionally, Zehnder Group has operations in China and North America. Its products are manufactured in modern facilities in Europe and overseas. Zehnder Group has some 3,300 employees worldwide.

Its bearer shares (valor 13 255 733) are listed on the SIX Swiss Exchange. The unlisted registered shares are held by members of the Zehnder family and persons closely associated with them.

Zehnder Group – always around you