

zehnder

always the
best climate

Six-month Report

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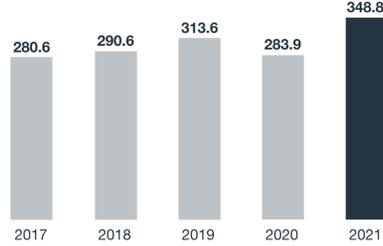
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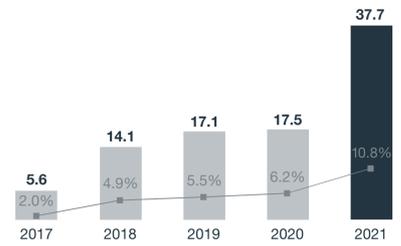
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Key figures 1st half-year

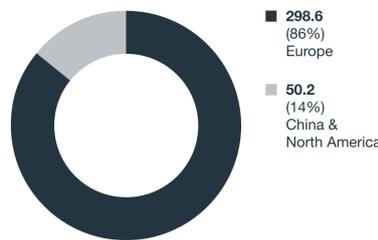
Sales
EUR million



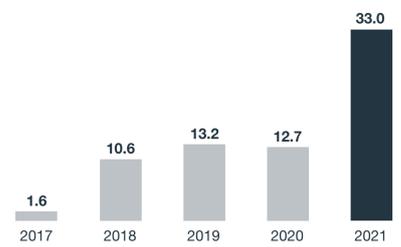
EBIT
EUR million, % of sales



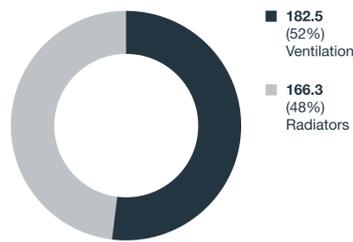
Sales by segment
2021, EUR million



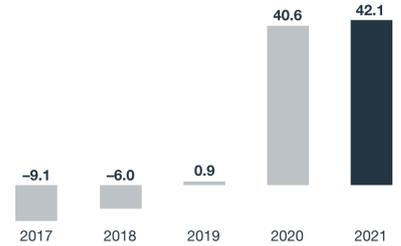
Net profit
EUR million



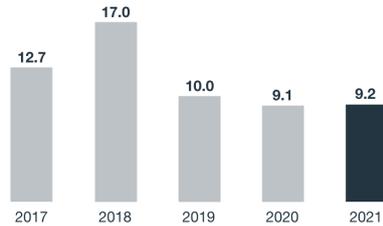
Sales by business area
2021, EUR million



Cash flow from operating activities
EUR million



Investments in property, plant and equipment & intangible assets
EUR million



Share price development
1 January to 30 June 2021, %



		1 st half-year 2021	1 st half-year 2020	Change from prior year %
Sales	EUR million	348.8	283.9	22.9
EBITDA¹	EUR million	50.1	28.5	75.7
	% of sales	14.4	10.0	
EBIT	EUR million	37.7	17.5	115.7
	% of sales	10.8	6.2	
Net profit²	EUR million	33.0	12.7	161.2
	% of sales	9.5	4.5	
Cash flow from operating activities	EUR million	42.1	40.6	3.6
Investments in property, plant and equipment & intangible assets	EUR million	9.2	9.1	1.8
Depreciation & amortisation	EUR million	12.4	11.0	12.1
Total assets	EUR million	532.3	480.5	10.8
Non-current assets	EUR million	197.3	207.2	- 4.8
Net liquidity/(debt)¹	EUR million	110.7	51.3	115.6
Shareholders' equity²	EUR million	343.5	307.7	11.6
	% of total assets	64.5	64.0	
Number of employees	Ø full-time equivalents	3,473	3,312	4.9
Market closing price registered share A	CHF	88.20	37.20	137.1
Registered shares A (CHF 0.05 par value)	Units	9,756,000	9,756,000	-
Own shares	Ø Units	91,753	72,404	26.7
Registered shares B (not listed; CHF 0.01 par value)	Units	9,900,000	9,900,000	-
Net profit per registered share A³	EUR	2.76	1.06	161.8
Shareholders' equity per registered share A³	EUR	27.9	25.1	11.3

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

2 Including minority interests

3 Excluding minority interests

Company profile

The Zehnder Group improves quality of life with comprehensive indoor climate solutions. The globally active company develops and manufactures its products in 17 plants, including 3 in China and 3 in North America. Its sales activities, spanning more than 70 countries, take place through local sales companies and representative offices.

Zehnder Group products and systems for heating and cooling, comfortable indoor ventilation and air cleaning are characterised by outstanding design and high energy efficiency. The Group is among the market and technology leaders in its business areas with brands such as Zehnder, Runtal, Acova, Bisque, Greenwood, Paul, Core, Fortuneway, Enervent and Recair.

The Zehnder Group has had its headquarters in Gränichen (Switzerland) since 1895. It employs around 3500 people worldwide and achieved sales of EUR 618 million in 2020. The company is listed on the SIX Swiss Exchange (symbol ZEHN/number 27 653 461). The unlisted registered shares B are held by the Zehnder family and persons closely associated with them.

Locations



Significant increase in sales and profitability in first half of 2021

The sales achieved by the Zehnder Group grew by 23% to EUR 348.8 million in the first half of 2021, with the operating result (EBIT) rising from EUR 17.5 million in the same period of the previous year to EUR 37.7 million. As a result, the EBIT margin increased by a considerable 4.7 percentage points to 10.8%. Net profit was EUR 33.0 million (previous year: EUR 12.7 million).

Dear shareholders,

The products and systems that we manufacture for a healthy indoor climate were in high demand during the first half of 2021. This stemmed partly from recovery effects, which were felt most significantly in the markets that had been hardest hit by the COVID-19 pandemic in the previous year. It was also the result of a greater desire for fresh, clean air indoors and homeowners investing more in modernising their spaces. Additionally, ambitious climate targets such as those set by the European Union are promoting sustainable products and solutions aimed at reducing energy consumption in heating, cooling and ventilation applications. The supply and production chain remains strained, however. Strategically, we are continuing on the right path: we have seen further progress in our efforts to digitalise, develop innovations and make ongoing improvements, and we recorded a positive operating result during the first half of the year. Ensuring that our workforce remains healthy continues to be our utmost priority. While the majority of our employees were still working from home during the first few months of 2021, we are now looking forward to them gradually returning to our business premises.

„The desire for fresh, clean air indoors increased again. Ambitious climate targets are promoting our sustainable products and solutions aimed at reducing energy consumption in heating, cooling and ventilation applications.“

Consistently high demand for our products and systems for a healthy indoor climate

In the first half of 2021, the Zehnder Group increased its sales by 23% (+24% organically¹) to EUR 348.8 million (previous year: EUR 283.9 million). Both business areas experienced positive growth. Ventilation sales rose by 15% (+16% organically) to EUR 182.5 million (previous year: EUR 158.9 million), while radiator revenues grew 33% (+35% organically) to EUR 166.3 million (previous year: EUR 125.0 million). 52% of total sales were attributable to the ventilation business area and 48% to the radiator business area (previous year: 56% and 44% respectively).

The Europe segment achieved sales of EUR 298.6 million (previous year: EUR 239.9 million), which equates to growth of 24% (+25% organically). All of the Zehnder Group's major markets had a part to play in this increase.

- France, the United Kingdom and Italy recorded the highest rates of growth during the first six months of 2021, primarily as a result of the considerable recovery on these markets following the pandemic-related drop in sales they had experienced in the previous year. However, it is also worth noting that sales figures were considerably higher than the first half of 2019. It is particularly important to highlight the positive trend experienced in France, the Zehnder Group's largest market for radiators. There is much demand for renovations aimed at boosting comfort and maintaining property values. Public incentives brought about by the European Green Deal are encouraging the installation of high-quality, efficient radiator systems of the kind that the Zehnder Group offers through its wide range of electric and hot water radiators.
- Sales also rose in Germany – which is still the Zehnder Group's largest sales market – and Switzerland, exceeding levels achieved before the coronavirus crisis. As was the case in other markets, however, the strained situation on the raw material markets and bottlenecks in the logistics chain led to delivery delays affecting both ventilation and radiators.
- The positive sales experienced by the Netherlands, Belgium and Poland in the previous year continued during the first six months of 2021. Among the highlights of this period was the Zehnder Group's contribution to creating the first European 3D-printed home, in the Bosrijk area of Eindhoven (Netherlands). The house fulfils all of the Netherlands' strict building regulations and is highly energy-efficient. To maintain a healthy and pleasant indoor climate, it uses a ventilation system based on Zehnder ComfoAir Q.

„Among the highlights is our contribution to creating the first European 3D-printed home, in the Bosrijk area of Eindhoven (Netherlands). To maintain a healthy and pleasant indoor climate, it uses a ventilation system based on Zehnder ComfoAir Q.“

In the China & North America segment, sales rose by 14% (+16% organically) to EUR 50.2 million (previous year: EUR 43.9 million).

- Sales in China continued to recover in the first half of 2021, after the pandemic had forced the Zehnder Group's business activity to grind to almost a complete halt during the first quarter of 2020. The passive house business is growing in importance in the ventilation area, and new projects have also been completed in the radiator area. On the whole, sales rose from EUR 18.6 million in the same period of the previous year to EUR 25.0 million. While this equates to a 34% rise (+28% organically), the result is still below the 2019 figure.
- In North America, the product range available in the ventilation business continued to undergo localisation and the majority of unit imports were superseded by assembly in Buffalo, NY (USA). Ventilation only accounts for a third of sales in North America, but this part of the world is also seeing a growing trend in favour of energy-efficient construction. The Zehnder Group increased its ventilation sales by 24% (30% organically) to EUR 8.8 million. On the other hand, radiator sales were impaired by shortages in materials and labour. Additionally, the strong devaluation of the US dollar compared with the euro had a negative impact on sales in the Group's currency. In total, sales revenues during the first half of 2021 amounted to EUR 25.2 million – 1% below the previous year (EUR 25.3 million; +8% organically).

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

High demand and continued focus on costs led to higher margins

The operating result (EBIT) in the first half of 2021 rose to EUR 37.7 million (previous year: EUR 17.5 million). Of this, the Europe segment contributed EUR 34.1 million (previous year: EUR 14.3 million) and the China & North America segment EUR 3.7 million (previous year: EUR 3.2 million). This resulted in a remarkable 4.7 percentage point increase in the EBIT margin to 10.8% (previous year: 6.2%).

„Our operating result (EBIT) rose from EUR 17.5 million to EUR 37.7 million. This resulted in a remarkable 4.7 percentage point increase in the EBIT margin to 10.8%.“

The Group continued to pursue a systematic strategy of optimising costs and improving efficiency. Additionally, significant restrictions on business travel and events being run in a digital format had a positive impact on the cost base during the first six months of 2021. However, profitability is still being hampered by rising purchase prices, affecting steel and electronics in particular. This was particularly evident during the second quarter and sales price increases were only able to compensate for it to an extent. As well as this, supply bottlenecks affecting certain suppliers increasingly led to long waiting times and disruptions in the production and supply chain. Expenditure on product development and innovation was increased in order to develop new products and bring them to the market more rapidly.

Income tax was affected by factors including the use of loss carry-forwards and positive effects of the tax reform measures introduced in Switzerland. Net profit came out at EUR 33.0 million (previous year: EUR 12.7 million).

Continued investment with a focus on ventilation growth

In the first half of 2021, the Zehnder Group invested EUR 9.2 million (previous year: EUR 9.1 million) in property, plant and equipment and intangible assets. Of this, a figure of EUR 8.2 million (previous year: EUR 7.4 million) was invested in the Europe segment. In April, construction started on the new training and office building – called the Center of Climate – at the Lahr (Germany) site. Capacity for heat exchanger production was expanded in both Waalwijk (Netherlands) and Reinsdorf (Germany). In the China & North America segment, investments worth EUR 1.1 million (previous year: EUR 1.7 million) were made.

Expenditure on research and development amounted to EUR 10.3 million during the first half of 2021 (previous year: EUR 8.6 million), with two-thirds focusing on the ventilation business area. At the ISH international trade fair for sanitation and heating, held in a digital format in March, the Zehnder Group presented innovations including the new Zehnder ComfoClime indoor climate system solution designed for prefabricated and low-energy houses and the Zehnder ComfoAir Q600 ST enthalpy ventilation unit for optimising classroom ventilation. Another new product worth highlighting in the area of decorative radiators is the Artémia radiator sold under the French brand Acova. Designed to make installation much easier for professionals, it was awarded the Trophée du Négoce 2021 prize in the Design category.

„At the end of April 2021, we successfully completed the acquisition of a 51% share in Chinese enthalpy exchanger manufacturer Fortuneway in Zhongshan (Guangdong province).“

The acquisition of a 51% share in Chinese company Zhongshan Fortuneway Environmental Technology Co., Ltd. was successfully completed at the end of April 2021. Headquartered in Zhongshan (Guangdong province), the company specialises in

the development, production and sale of enthalpy exchangers for humidity and heat recovery and has been a supplier of the Zehnder Group since 2019. Acquiring this rapidly growing business has increased the number of staff by 176.

Solid balance sheet with high equity ratio

Cash flow from operating activities amounted to EUR 42.1 million in the reporting period (previous year: EUR 40.6 million). At the end of June 2021, there was a net liquidity¹ amount of EUR 110.7 million (previous year: EUR 51.3 million). Equity amounted to EUR 343.5 million (previous year: EUR 307.7 million), equating to a consistently high equity ratio of 65% (previous year: 64%).

On 24 March 2021, the Zehnder Group began a share buyback programme for the purposes of capital reduction. Over a maximum period of three years, the Group will buy back up to 5% of the listed registered shares A via a second trading line on the SIX Swiss Exchange. This is the equivalent of 487,800 registered shares A. By 30 June 2021, 79,300 registered shares A had been bought back at a total price of EUR 5.6 million.

„As part of our share buyback programme for the purpose of capital reduction, 79,300 registered shares A had been bought back at a total price of EUR 5.6 million.“

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

Strategic plans on course

In the ventilation area, the Zehnder Group is striving for growth. The coronavirus pandemic proved the advantages of the company's ventilation systems: continuous air exchange, perfect air humidity levels, an ideal room temperature, low pollutant levels, little noise and excellent energy efficiency and heat recovery. The Zehnder Group is making ongoing efforts to expand its expertise in the area of intelligent ventilation systems. It is particularly proud of the partnership that it recently commenced with Germany's Sentinel Haus Institut – an independent knowledge leader in the area of health in buildings. The partnership is aiming to raise awareness about the importance of a healthy indoor climate among construction professionals and home occupants alike.

The Group is pursuing a harvest strategy for its radiator business. In doing so, it is continually optimising operating procedures by introducing measures such as investing in production plant modernisation and automation – something that makes sense from both a financial and an environmental perspective. The Zehnder Group is also introducing targeted innovations in areas such as smart home technology and is using its strong market position – particularly in the area of bathroom radiators and multi column radiators – to secure further market shares.

„Heat exchangers, clean air solutions and climate ceiling solutions represent – in addition to ventilation and radiators – three other potential stars in our portfolio.“

Heat exchangers, clean air solutions and climate ceiling solutions represent three other potential stars in the Zehnder Group's portfolio. The Group has laid some essential foundations for future growth through the acquisition of Chinese enthalpy exchanger manufacturer Fortuneway, completed in April 2021; the Virus Shield air cleaning filter

solution introduced in the second half of 2020; and a fully independent European organisation for climate ceiling solutions launched at the start of 2021.

Positive outlook for the year as a whole subject to uncertainties

The Zehnder Group believes that the coronavirus situation will continue to normalise over the coming months, and is anticipating a positive order situation. However, the outlook for the year as a whole remains uncertain and there are still risks at play, including the strained supply chain, significant material price increases and recovery effects levelling off. Growth is expected to weaken in the second half of the year and margin pressure to increase. For the year as a whole, the Zehnder Group is anticipating sales of EUR 680–720 million and an EBIT margin of around 10%.

„For the year as a whole, we are anticipating sales of EUR 680–720 million and an EBIT margin of around 10%.“

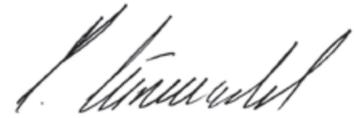
It is continuing to pursue its medium-term goals of average annual sales growth of 5% and an EBIT margin of 8–10%.

Thank you to our stakeholders

The pandemic continued to have severely negative repercussions during the first half of 2021. Despite this, digital communication channels still enabled us to remain in constant contact with our employees, customers, suppliers, business partners, shareholders, financial analysts and other contacts. We want to extend our sincere thanks to you for the excellent cooperation you have demonstrated and hope to see you again in person soon.



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 2021	31 December 2020	30 June 2020
Assets			
Liquid assets	121.1	106.3	69.9
Trade accounts receivable	129.0	111.0	109.3
Other receivables	15.7	17.1	19.8
Inventories	64.1	60.6	69.3
Prepayments	1.5	1.3	1.6
Accrued income	3.6	3.4	3.5
Current assets	335.1	299.7	273.3
Property, plant and equipment	180.5	182.9	192.6
Financial assets	13.6	13.0	11.3
Intangible assets	3.2	3.0	3.3
Non-current assets	197.3	198.9	207.2
Total assets	532.3	498.6	480.5
Liabilities & shareholders' equity			
Short-term loans	3.5	3.1	10.5
Trade accounts payable	48.0	35.1	35.2
Other short-term liabilities	28.9	29.6	31.9
Short-term provisions	13.2	10.9	10.4
Accruals and deferred income	60.9	57.9	52.1
Current liabilities	154.5	136.7	140.1
Long-term loans	6.9	6.8	8.0
Other long-term liabilities	0.8	1.2	0.3
Long-term provisions	26.6	27.0	24.5
Non-current liabilities	34.4	35.0	32.7
Total liabilities	188.8	171.7	172.8
Share capital	0.4	0.4	0.4
Capital reserves	33.6	33.6	33.6
Own shares	-7.5	-4.1	-2.1
Retained earnings	310.4	293.6	266.7
Accumulated FX differences	-11.5	-12.1	-5.8
Minority interests	18.2	15.6	14.9
Equity	343.5	326.9	307.7
Total liabilities & shareholders' equity	532.3	498.6	480.5

Consolidated income statement

EUR million	1 st half-year 2021	1 st half-year 2020	Change from prior year %
Sales	348.8	283.9	22.9
Changes in inventories	0.2	2.8	
Own work capitalised	0.8	0.5	
Other income	2.2	1.4	
Cost of materials	- 126.6	- 106.4	
Personnel costs	- 106.9	- 97.3	
Depreciation of property, plant and equipment	- 12.1	- 10.8	
Amortisation of intangible assets	- 0.3	- 0.3	
Other operating expenses	- 68.5	- 56.3	
Operating result (EBIT)	37.7	17.5	115.7
Financial result	- 0.4	- 1.8	
Earnings before taxes	37.5	15.7	138.2
Income taxes	- 4.4	- 3.1	
Net profit	33.0	12.7	161.2
Minority interests	0.8	0.3	
Net profit excluding minority interests	32.2	12.3	
Non-diluted net profit excluding minority interests per registered share A (EUR)	2.76	1.06	161.8
Diluted net profit excluding minority interests per registered share A (EUR)	2.76	1.06	161.8
Non-diluted net profit excluding minority interests per registered share B (EUR)	0.55	0.21	161.8
Diluted net profit excluding minority interests per registered share B (EUR)	0.55	0.21	161.8

Consolidated cash flow statement

EUR million	1 st half-year 2021	1 st half-year 2020
Net profit	33.0	12.7
Depreciation and amortisation of property, plant and equipment	12.1	10.8
Depreciation and amortisation of intangible assets	0.3	0.3
Other non-cash changes	4.6	2.2
(Gain)/loss on disposals of non-current assets	- 0.1	- 0.1
(Increase)/decrease of trade accounts receivable	- 17.6	13.2
(Increase)/decrease of other receivables, prepayments and accrued income	1.2	- 0.9
(Increase)/decrease of inventories	- 4.3	- 9.0
Increase/(decrease) of trade accounts payable	12.8	4.2
Increase/(decrease) of other short-term liabilities, accruals and deferred income	0.9	3.4
Increase/(decrease) of provisions	- 0.5	4.1
(Increase)/decrease of deferred tax assets	- 0.4	- 0.1
Cash flow from operating activities	42.1	40.6
Investments in property, plant and equipment	- 8.9	- 8.8
Investments in intangible assets	- 0.3	- 0.2
Investments in subsidiaries	- 2.3	-
Divestment of property, plant and equipment	0.2	0.3
Divestment of financial assets	0.1	-
Cash flow from investing activities	- 11.2	- 8.8
Dividends paid to shareholders	- 13.3	- 7.7
Purchase of own shares	- 5.6	-
Sale of own shares	3.1	1.8
Increase/(decrease) of short-term loans	- 0.2	- 5.0
Increase/(decrease) of long-term loans	-	0.5
Increase/(decrease) of other liabilities	- 0.2	- 0.1
Cash flow from financing activities	- 16.2	- 10.5
Currency effects	0.1	- 0.3
Increase/(decrease) of liquid assets	14.8	21.0
Liquid assets at 1.1.	106.3	48.9
Liquid assets at 30.6.	121.1	69.9
Increase/(decrease)	14.8	21.0

Consolidated statement of changes in equity

EUR million	Share capital	Capital reserves	Own shares	Goodwill offset	Retained earnings	Accumulated FX differences	Total excluding minority interests	Minority interests	Total including minority interests
Equity at 1.1.2021	0.4	33.6	-4.1	131.1	162.5	-12.1	311.3	15.6	326.9
Purchase of own shares	-	-	-5.6	-	-	-	-5.6	-	-5.6
Sale of own shares	-	-	2.2	-	1.4	-	3.6	-	3.6
Share-based compensation									
- Granted	-	-	-	-	0.3	-	0.3	-	0.3
Net profit	-	-	-	-	32.2	-	32.2	0.8	33.0
Netted goodwill	-	-	-	-3.7	-	-	-3.7	-	-3.7
Change in minority interests	-	-	-	-	-	-	-	1.0	1.0
Currency effects	-	-	-	-	-	0.6	0.6	0.7	1.2
Dividends	-	-	-	-	-13.3	-	-13.3	-	-13.3
Equity at 30.6.2021	0.4	33.6	-7.5	127.4	183.0	-11.5	325.3	18.2	343.5
Equity at 1.1.2020	0.4	33.6	-4.2	-131.2	393.0	-3.2	288.2	14.8	303.0
Purchase of own shares	-	-	-	-	-	-	-	-	-
Sale of own shares	-	-	2.2	-	0.1	-	2.3	-	2.3
Share-based compensation									
- Granted	-	-	-	-	0.1	-	0.1	-	0.1
Net profit	-	-	-	-	12.3	-	12.3	0.3	12.7
Netted goodwill	-	-	-	0.1	-	-	0.1	-	0.1
Change in minority interests	-	-	-	-	-	-	-	-	-
Currency effects	-	-	-	-	-	-2.6	-2.6	-0.2	-2.8
Dividends	-	-	-	-	-7.7	-	-7.7	-	-7.7
Equity at 30.6.2020	0.4	33.6	-2.1	-131.1	397.9	-5.8	292.8	14.9	307.7

Segment reporting

		Europe	China & North America	Eliminations	Total
1st half-year 2021					
Sales third	EUR million	298.6	50.2	-	348.8
Sales intercompany	EUR million	1.4	2.1	- 3.6	-
Sales	EUR million	300.1	52.3	- 3.6	348.8
EBIT	EUR million	34.1	3.7	-	37.7
	% of sales	11.4	7.0		10.8
Investments in property, plant and equipment & intangible assets	EUR million	8.2	1.1	-	9.2
Property, plant and equipment	EUR million	140.6	39.9	-	180.5
Number of employees	Ø full-time equivalents	2,666	808	-	3,473
1st half-year 2020					
Sales third	EUR million	239.9	43.9	-	283.9
Sales intercompany	EUR million	2.3	1.2	- 3.5	-
Sales	EUR million	242.2	45.2	- 3.5	283.9
EBIT	EUR million	14.3	3.2	-	17.5
	% of sales	5.9	7.1		6.2
Investments in property, plant and equipment & intangible assets	EUR million	7.4	1.7	-	9.1
Property, plant and equipment	EUR million	151.2	41.4	-	192.6
Number of employees	Ø full-time equivalents	2,581	730	-	3,312

Sales by region and business area

		1 st half-year 2021	1 st half-year 2021 %	1 st half-year 2020	1 st half-year 2020 %
Ventilation Europe	EUR million	154.0	44.1	135.1	47.6
Change from prior year	%	14.0		2.8	
Ventilation North America	EUR million	8.8	2.5	7.1	2.5
Change from prior year	%	24.0		20.5	
Ventilation China	EUR million	19.7	5.7	16.7	5.9
Change from prior year	%	18.1		-20.1	
Total business area ventilation	EUR million	182.5	52.3	158.9	56.0
Change from prior year	%	14.8		0.4	
Radiators Europe	EUR million	144.6	41.5	104.8	36.9
Change from prior year	%	38.0		-18.1	
Radiators North America	EUR million	16.4	4.7	18.2	6.4
Change from prior year	%	-10.1		-15.7	
Radiators China	EUR million	5.3	1.5	1.9	0.7
Change from prior year	%	172.8		-66.8	
Total business area radiators	EUR million	166.3	47.7	125.0	44.0
Change from prior year	%	33.1		-19.6	
Total Europe	EUR million	298.6	85.6	239.9	84.5
Change from prior year	%	24.5		-7.5	
Total North America	EUR million	25.2	7.2	25.3	8.9
Change from prior year	%	-0.6		-7.9	
Total China	EUR million	25.0	7.2	18.6	6.6
Change from prior year	%	34.2		-30.3	
Total	EUR million	348.8	100.0	283.9	100.0
Change from prior year	%	22.9		-9.5	

Notes to the interim financial statements

Consolidation, accounting and valuation principles

The unaudited consolidated interim report for the first six months of 2021 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 2020 Annual Report. The consolidation, accounting and valuation principles published in the 2020 Annual Report have been applied consistently in preparing this interim report.

Consolidation scope

The consolidation scope was changed in the first half of 2021 as follows:

- Founding of Zehnder Climate Ceiling Solutions GmbH on 8 March 2021 in Germany;
- Completion of the acquisition of the 51% stake in Zhongshan Fortuneway Environmental Technology Co., Ltd. on 28 April 2021 in China. The purchase price is dependent on future profitability. At the end of June 2021, EUR 2.6 million was paid. The remaining price will be settled by means of an earn-out within the next 12 months. As a result of the purchase, the Zehnder Group has acquired net assets of EUR 1.1 million. The goodwill recognised amounted to EUR 3.9 million. The transaction resulted in an increase in minority interests in equity of EUR 1.0 million. In the reporting period, Fortuneway contributed EUR 1.5 million to the Group's sales;
- Sale by Zehnder (China) Indoor Climate Co., Ltd. of the 49% stake in Eric & Bason Building Environment Technologies Co., Ltd. on 28 April 2021 in China;
- Founding of Zehnder Clean Air Solutions NA, LLC on 11 June 2021 in the USA.

Events after the balance sheet date

Between the balance sheet date and the publication of this Six-month Report, no significant events requiring disclosure occurred.

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.

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)	1 st half-year	1 st half-year
			2021	2020
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	348.8	283.9
		Currency effects	4.2	- 1.5
		Acquisition effects	- 1.5	-
		Organic sales	351.4	282.4
		Organic sales growth (decline) in %	23.8	- 10.0
EBITDA	Earnings before interest, taxes, depreciation and amortisation (EBITDA) is a key figure used to measure the performance of the Group.	Operating result (EBIT)	37.7	17.5
		Depreciation of property, plant and equipment	12.1	10.8
		Amortisation of intangible assets	0.3	0.3
		EBITDA	50.1	28.5
Net liquidity/(debt)	Net liquidity or debt is a key figure used to measure the Group's financial liquidity or debt.	Liquid assets	121.1	69.9
		Short-term loans	- 3.5	- 10.5
		Long-term loans	- 6.9	- 8.0
		Net liquidity/(net debt)	110.7	51.3

Further information for investors

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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	31.12.2021
Sales for 2021	14.1.2022
Annual Report 2021 and Media/Analyst Conference 2022	23.2.2022
Annual General Meeting 2022	7.4.2022
Six-month Report 2022	27.7.2022

News and reports, as well as this Six-month Report, are available in German and English. The German version is binding.

News are published under www.zehndergroup.com/en/news.

Reports and presentations are published under www.zehndergroup.com/en/investor-relations/reports-and-presentations.