OUR IMPACT

We create. We care. We connect.
For you.

wilo

Annual and Sustainability Report 2024

CONTENTS

OUR IMPACT

We offer
sustainable solutions.

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We are
a responsible company.

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We live
strong partnerships.

WILO PROFILE

The Wilo Group is one of the **world's leading premium suppliers** of pumps and pump systems for the building services, water management and industrial sectors. In the past decade, we have developed from a hidden champion into a visible and **connected champion.** Today, Wilo has **over 9,000 employees** worldwide.

Our innovative solutions, smart products and individual services move water in an **intelligent, efficient and climate-friendly** manner. We are also making an important contribution to climate protection with our **sustainability strategy** and in conjunction with our partners. We are systematically pressing ahead with the digital transformation of the Group. We are already the **digital pioneer** in the industry with our products and solutions, processes and business models.

MARKET SEGMENTS

BUILDING SERVICES RESIDENTIAL
We are a full-range supplier and customers' first choice.

WATER MANAGEMENT
We are a global market player and digital solutions provider.

BUILDING SERVICES COMMERCIAL
We are a market, innovation and smart solutions leader.

INDUSTRY
We specialise in selected sectors and applications.

OEM
We are the preferred partner for smart integrated solutions.

KEY FIGURES

		2024	2023	2022	2021	2020
Net sales	EUR million	1,895.3	1,974.8	1,885.7	1,651.9	1,451.5
Net sales growth	%	-2.3*/-4.0	4.7	14.2	13.8	-1.8
EBITDA	EUR million	189.1**	216.8	196.7	181.1	141.2
(as % of sales)	%	10.0	11.0	10.4	11.0	9.7
Cash flow from operating activities	EUR million	189.1	163.6	42.1	126.7	161.5
Capital expenditure***	EUR million	135.6	198.6	155.3	172.3	120.9
R&D costs****	EUR million	79.4	77.7	70.6	64.8	63.8
(as % of sales)	%	4.2	3.9	3.7	3.9	4.4
Equity	EUR million	975.1	962.6	930.9	836.8	764.9
Equity ratio	%	41.1	40.4	42.7	45.1	47.1
Employees (annual average)	Number	9,171	8,974	8,457	8,200	7,836

* Adjusted for exchange rate effects ** Adjusted for restructuring expenses *** Investments in intangible assets, property, plant and equipment and company acquisitions
**** Including capitalised development costs, excluding amortisation of capitalised development costs and restructuring expenses

NET SALES

EUR 1,895.3 million

The 2024 reporting year was characterised by economic and numerous geopolitical challenges. Adjusted for exchange rate effects, net sales declined slightly by 2.3 percent. This was mainly due to the significant decrease in OEM business. Measured in local currency, an increase was achieved in the non-OEM segment in 2024.

CASH FLOW

EUR 189.1 million

The consistently strong operating cash flow formed a solid basis for the high financial strength and flexibility of the Wilo Group. The cash flow from operating activities in the 2024 financial year exceeded the already high level of the previous year, reaching a new record of EUR 189.1 million.

SUSTAINABILITY HIGHLIGHTS 2024

Reducing emissions

Wilo had committed itself to reducing the scope 1 and scope 2 emissions by 50 percent relative to the base year of 2020 by 2030. We achieved this target in 2024.

Clean growth

Our products, systems and solutions in the field of water purification showed above-average growth of 16 percent in the year 2024 and thus contributed substantially to improving the quality of life.

Climate-neutral production

In 2024, Wilo not only achieved an absolute reduction of 51 percent in the scope 1 and scope 2 emissions, but also ensured that all European and Asian plants were climate-neutral.

Outstanding commitment

Wilo's involvement in the Global South, bringing together environmental protection and climate change mitigation with economic development, has been honoured with the SDG Innovation Award.

OUR IMPACT

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Oliver Hermes,
President & Global CEO of the Wilo Group

EDITORIAL

THE SUSTAINED IMPACT OF ARTIFICIAL INTELLIGENCE

Ladies and gentlemen,

In 2024, our world again experienced a dynamic year in both geopolitical and geoeconomic terms. Once again, we have that old alliances are crumbling and trade barriers, sanctions and technology embargoes are further decoupling the global economy. The growth of new multinational collaborations and the establishment of new supply chains should no longer obscure a long unquestionable fact: the geoeconomic turnabout caused by this geopolitical upheaval has changed our world for the long term. The world has become more complex, more fragmented and more protectionist.

In this challenging market environment, the Wilo Group generated net sales of EUR 1,895.3 million, which corresponds to a slight decrease in net sales of 2.3 percent after adjustment for currency effects. Wilo generated adjusted EBITDA of EUR 189.1 million, with a corresponding EBITDA margin of 10.0 percent. At EUR 189.1 million, we were once again able to increase cash flow from operating activities compared to the high level of the previous year and to set a new record.

In addition, Wilo has laid the foundations for continued dynamic and profitable growth through decisive, forward-looking management decisions. Through the consistent further development and transfer of the proven region-for-region approach to the entire organisation, important organisational measures were initiated to continue the Wilo Group's sustained success.

Focus on people — the hyper-impact of sustainability

An equally important, groundbreaking decision in 2024 concerned nothing less than Wilo's overall strategic direction. Since last year, we have considered our Group-wide sustainability strategy to be an overarching approach. All other functional corporate strategies are subordinate to it — without exception.

Our sustainability strategy comprises three impact areas that determine the Wilo Group's work today and in the future: "Creating", "Caring" and "Connecting". This triad is nothing less than the pacemaker of our daily work — and thus of the multinational technology group Wilo as a whole.

Specifically, by "Creating", we mean the direct impact of our products, systems and solutions, for example on the supply of water and food, but also on the digital and AI era. "Caring" describes our responsible actions towards employees, the environment and society. This impact area includes goals such as reducing emissions in the production processes and creating a healthy working environment. Under "Connecting", we summarise Wilo's sustained impact through its involvement in strong international partnerships.

Our commitment to sustainability is therefore more focused than ever on the impact of our business activities. It's a big step. And yet it is an obvious change of perspective because sustainability is not an end in itself. In recent years, we have consistently evolved into a sustainability pioneer and therefore know what the ultimate purpose of any sustainability effort is: to put people at the centre. This is the hyper-impact of sustainability — the impact of the impacts.

In other words, our actions are only sustainable when they improve people's lives. This incorruptibly simple truth drives us, a group of over 9,000 employees, every day at around 90 production and sales companies in more than 50 countries. We improve people's quality of life worldwide. To achieve this end, we need to create, care and connect. It requires our tireless efforts in the impact areas of "Creating", "Caring" and "Connecting". And it requires the smart integration of artificial intelligence. This technological revolution, which is taking place as if in a time-lapse video, holds a key factor in achieving our goal.

"To achieve this end, we need to create, care and connect."

We at Wilo are convinced that the decisive factor is how we — as a company, but also society as a whole — understand AI. Dismissing it as a threat, rejecting it or even boycotting it is not an option. Only if we embrace AI, engage with it and see it as an opportunity can we exploit its true potential.

Our goal: Using AI to create, care, and connect

So what does artificial intelligence have to do with our goal of ultimate sustainability? Let's take the first impact area of our strategy, **"CREATING":**

In Wilo's high-tech factories, we have long relied on the possibilities of technology, for example in quality management. We use AI-assisted image analysis to check the strength of seals, for example. We know whether two-component materials cure properly after a few moments, not after eight hours. The same applies to the evaluation of the detailed 8D reports that we receive from suppliers for quality optimisation: AI helps with the time-consuming interpretation of the reports and thus increases efficiency. The AI also makes further suggestions for improvement on its own. The adaptive worker assistance system, for which Wilo's Smart Factory in Dortmund won the Microsoft Intelligent Manufacturing Award (MIMA) last year, also incorporates AI.

The added value of technology is also obvious in the development of our products, systems and solutions. Wilo is therefore continuously working on integrating AI even more closely into development processes. This approach has been successful. In 2024, we were recognised as an outstanding practical example of the successful use of artificial intelligence in product development as part of the international comparative study "AI-driven Product Development". The study, conducted by the Machine Tool Laboratory WZL at RWTH Aachen University and the Complexity Management Academy, examined over 150 companies. In addition to Wilo, Engel Austria, Miele, Phoenix Contact and Siemens Mobility also received awards.

"Wilo launched the Wilo-Stratos MAXO, a smart pump, back in 2019."

One example of our initiative: In a technology project, our engineers are currently working on ways AI can help determine the temperature in the motors of pumps and pump systems. However, artificial intelligence has an almost greater influence on development in the collection and interpretation of information from product operation. We recognised the value of this data many years ago: Wilo launched the Wilo-Stratos MAXO, a smart pump, back in 2019. Today, we are benefiting from this technological milestone in the development of future pump generations.

As a technology group that thinks in terms of impact areas, the application of our products, systems and solutions and the corresponding effect of this application are naturally the most relevant. Wilo technology is needed along the entire value chain of the digital economy. As an elementary component of critical infrastructure, our pumps and pump systems play a key role in AI applications of all kinds.

Our impact is already evident in the raw materials that are indispensable for the digital and AI era. Wilo pumps and pump systems are used all over the world in sustainable mining projects, for example in the dewatering of shafts, but also in peripheral processes. But we also play a leading role in equipping high-tech factories for the production of hardware and semiconductors. Numerous state-of-the-art production sites of well-known companies rely on Wilo technology, especially for the cooling of processes.

But the heart of artificial intelligence beats elsewhere: in data centres. Processing the large volumes of data requires equally large computing capacities. It's in data centres that AI becomes a reality. These buildings, which are being constructed at high speed all over the world, are home to gigantic servers. Cooling them requires a lot of water — and sustainable, highly efficient and reliable pumps and pump systems from Wilo to move the cooling water.

We have had the privilege of equipping data centres around the world with Wilo products, systems and solutions: the Alibaba Data Center in Zhangjiakou (China), the SK Broadband Data Center in Seoul (Korea), the Google Data Center in Hamina (Finland) and many more. Wilo creates the infrastructure required for the digital and AI era — and thus enables us to exploit the potential that these technologies bring. This is a key and increasingly important impact of Wilo.

Innovative pilot projects from the water industry, for example, show where this potential lies. AI-assisted control systems will make the water supply and distribution of tomorrow even more intelligent and thus counteract the worsening water shortage. Wilo is ready for this trend. Our smart products, systems and solutions are far more than just components of the intelligent water infrastructure of the future. They contribute data to AI-assisted intelligence.

The **"CARING"** impact area shows how we use the possibilities of AI to fulfil our responsibility towards employees, the environment and society.

We have been offering our employees the company's own AI chatbot WiloGPT since 2023 — immediately after the hype surrounding OpenAI's ChatGPT, which is considered a breakthrough in generative AI for all. The tool uses the same AI models as ChatGPT, and has a similar range of functions, but as part of the Wilo IT infrastructure it is compliant with data protection requirements.

Many Wilo employees are now also working with Microsoft Copilot's AI assistance functions. And the next development is already on the horizon: In the SIMBA project, WiloGPT is combined with the Wilo DataHub, Wilo's central data platform, to allow the tool to learn Wilo-specific skills and support employees in their daily work with information specific to Wilo, regardless of position or location.

The past two years illustrate the speed at which the AI revolution is taking place. Our aim is not just to keep pace, but to lead the way — this applies to AI technology, but also to our global health management. The Health Cube is a perfect example of the "Caring" impact area. Employees worldwide and the entire Dortmund region will benefit from the innovative health centre at the Wilopark. The new building at the Wilopark will open on 1 April 2026. How can AI be integrated into the project? The project team is discussing this in the current detailed concept phase. But one thing is already certain: Artificial intelligence will also revolutionise the healthcare sector.

And what about the **"CONNECTING"** impact area? We are convinced that strong networks are needed to leverage the full potential of AI.

We can only discover the possibilities and limits of technology by exchanging ideas with partners from business, science and society. Organisations such as KI Park e.V. provide a suitable framework for this exchange. As a member of the European innovation ecosystem for AI, we are part of a strong network of companies, start-ups and research institutions that believe in the technology's potential for prosperity and growth.

This was also the motto of last year's meeting of top innovators in the Networking Cube at the Wilopark. At the "AI & Sustainability" workshop, Wilo experts and partners discussed trends and challenges in the areas of artificial intelligence and sustainability. Two extremely topical issues — and an exchange that needs to be continued.

AI at Wilo: sustainably successful, in 2025 and beyond

Our commitment to sustainability is geared towards concrete results — the impact of our actions. Artificial intelligence is more than a necessary precondition. This development holds considerable potential to become more efficient and sustainable if we put people at the centre of the AI revolution. Only then will it be truly sustainable.

Wilo will continue on its chosen path as a sustainable AI pioneer in 2025 and beyond. This is because AI fits in with our overall strategic direction — and will undoubtedly help the Wilo Group to continue on its profitable path of growth.

Yours,

Oliver Hermes
President & Global CEO of the Wilo Group

Georg Weber, Global CTO of the Wilo Group

Oliver Hermes, President & Global CEO of the Wilo Group

Dr. Patrick Niehr, Global CFO of the Wilo Group

CREATING. CARING. CONNECTING.

Water is the most valuable resource on our planet. Just 2.5 percent of the world's water reserves are freshwater: and more than two thirds of this is bound up in the glaciers of Antarctica, where it cannot be used. But water is also a complex commodity. A quantity that is sufficient in a sparsely populated rural area can mean a dangerous shortage in an urban area. Water is the basis of our lives, and its availability is a global issue, but the regional and local challenges are very different. Wilo meets these challenges with pioneering water solutions and an overarching strategy that takes a holistic approach to the megatrend of water shortage with the three pillars of Creating, Caring and Connecting.

The water situation is dramatic. According to UNICEF, more than two billion people live in countries with inadequate water supplies. By 2030, around 700 million people could be forced to migrate due to extreme water shortages. Another ten years later, one in four children in the world will probably grow up in a region blighted by extreme water stress.

The past two years have been the hottest since records began. Global warming has now exceeded the maximum of 1.5 degrees set out in the Paris Climate Agreement, and is heading towards two degrees. There are numerous scenarios that show what could happen if temperatures continue to rise. However, it is already clear that extreme weather events are increasing to an alarming extent. Tropical cyclones, heatwaves, fires and heavy rainfall: the effects are drastic.

The United Nations World Water Development Report shows that water shortage is a global problem. There are two very different sides to the global water crisis. Major droughts and floods, record rainfall and low surface water levels are occuring simultaneously. These unpredictable extremes are making water management increasingly difficult in many places.

In addition to global warming, other man-made factors are having a decisive impact on the water balance. The use of freshwater reserves for agricultural, industrial and domestic purposes is a key factor here. Agriculture alone accounts for around 70 percent of global freshwater consumption, often using inefficient irrigation methods that put additional strain on water reserves. In addition, water reservoirs are contaminated by industrial wastewater, pesticides, fertilisers or improper waste disposal. According to the World Health Organisation (WHO), 80 percent of wastewater worldwide is not treated correctly before it is discharged into the environment.

Finally, the megatrend of urbanisation is also putting further pressure on the water supply because cities consume a huge amount of water and cause pollution. In poorer regions in particular, inefficient water transportation systems, legal problems and a lack of investment in water infrastructure mean that millions of people have little or no access to clean

CREATING

We improve people’s quality of life – globally.

We create sustainable urban living spaces.

We increase energy security.

We improve the access to clean water.

We provide food security.

We develop solutions for the digital & AI age.

We decelerate climate change.

CARING

We reduce emissions.

We organise sustainable supply chains.

We promote a value-based corporate culture.

We live diversity.

We improve employee health.

We remain a first choice employer.

CONNECTING

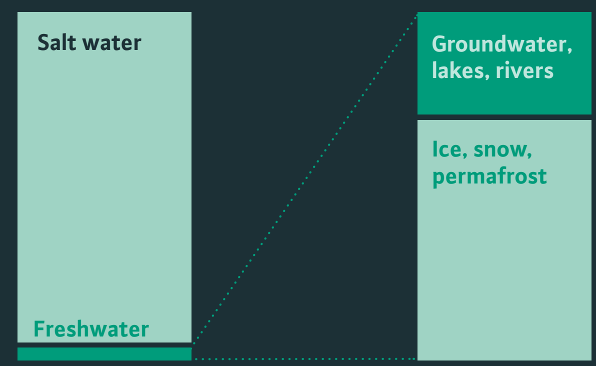
We empower people.

We strengthen our relationships.

We play an active part in shaping the sociopolitical environment.

We advocate cross-border cooperation.

Water resources worldwide



Only 2.5 percent of the world's water reserves are freshwater, of which just under a third is usable.

water and adequate sanitary facilities. This leads to the spread of diseases and in turn to even more poverty.

The correlation between water scarcity on the one hand and social and economic development on the other is complex and multi-layered. Tackling these problems requires a holistic approach that takes social, economic and environmental factors into account. Wilo has organised this approach into three impact areas: Creating, Caring and Connecting.

As part of its overarching sustainability strategy, the Wilo Group has defined ambitious goals to create sustainable technologies and solutions, assume responsibility and bolster strong partnerships worldwide.

“Wilo creates impact through innovation, and has been doing so for more than 150 years.”

Impact through innovation

Wilo creates impact through innovation, and has been doing so for more than 150 years. Wilo products, systems and solutions help to secure and improve critical infrastructure. Sustainable and digital solutions are particularly in demand in urban areas, which are growing rapidly due to the megatrend of urbanisation. Wilo technologies enable a reliable water supply in smart urban areas and therefore make a valuable contribution to a future worth living in.

Innovation and sustainability go hand in hand at Wilo. Wilo-SiFresh is an outstanding example. The cold water circulation system combines drinking water hygiene and sustainability by continuously monitoring water temperature during circulation and replacing water automatically only when required. This prevents pathogens such as legionella from spreading, while also saving water and reducing costs.
The system is particularly suitable for large public or commercial buildings in which the cold water stagnates for lengthy periods, for example during conversions or extended shutdowns. Patients in hospitals or care homes, employees in office buildings, workers in factories, children in schools or sports facilities: Wilo-SiFresh protects people from illness with its effective water circulation. Through targeted water exchange instead of continuous discharge, Wilo-SiFresh contributes to the sustainable use of drinking water and helps operators to comply with legal hygiene standards efficiently.

But innovation at Wilo goes beyond product development. Examples of this are large-scale water projects that Wilo is equipping with state-of-the-art pump technology. For instance, in the Toshka project in Egypt, around one million hectares of desert are being opened up for agricultural use, thus improving the country's water and food security. In Morocco, the Sebou project secures the supply to the metropolises of Rabat and Marrakesh. In India, the Narmada-Malwa-Gambhir Link project is stabilising water-dependent agriculture in the upper Chambal basin by balancing out the extreme fluctuations between monsoon rains and dry spells and using intelligent irrigation systems to supply water for 50,000 hectares of arable land. These are just three examples that show the importance of overarching projects in meeting the challenges of the future in view of the megatrend of water scarcity.

Most of the freshwater is bound up in glaciers

Impact with responsibility

Wilo takes responsibility: for its employees, the climate and the sustainable use of resources. Wilo is actively committed to climate protection and is systematically reducing emissions at its production sites, because innovative water solutions must not come at the price of increased CO_2 emissions. The opening of new, state-of-the-art primary production facilities in India and China, for example, shows how sustainable technology can be implemented worldwide.

Responsibility also means building bridges. For instance, European solidarity forms the foundation of the European Union, including in dealing with resources such as water. Access to clean water requires cross-border solutions. A European water strategy and a European Blue Deal would be important steps towards ensuring sustainable water supply and distribution.

Wilo is therefore involved in strong international (water) partnerships in Europe and around the world to increase its sustainable impact.

Impact for people

Wilo products, systems and solutions sustainably improve the quality of life of people all over the world. Clean water is a basic requirement for good health. Inadequate water and hygiene conditions are a serious problem in many regions of the world. Wilo meets this challenge with innovative solutions. Wilo's products, systems and solutions have a direct impact on people's health, as they provide them with clean water, and also because they are an integral part of public healthcare.
In addition, the technology helps to secure and improve critical infrastructure. Without Wilo's products, systems and solutions, everyday life as we know it would not be possible. The company is driving digitalisation and sustainability with smart applications. After all, the most intelligent solutions are also the most sustainable. In this way, Wilo is helping to create liveable and sustainable spaces and structures for people and the environment.

WE OFFER SUSTAINABLE SOLUTIONS

Wilo technology moves water – highly efficiently, reliably and sustainably.
We are improving the quality of life of people everywhere in the world through our innovative system solutions and services.

WILO EUROPE: PETER GLAUNER
Regional Chief Executive Officer & Regional Chief Sales Officer

"Our goal is to create products, systems and solutions that significantly improve people's quality of life – worldwide. We are proud that we have already done this successfully and will continue to do so in the future."

GERMANY

POWER PLANT FOR CLEAN AIR

Martin Belz, senior expert for building greening at City Arc and project manager for the Kö-Bogen II façade greening project

WILO EUROPE

Kö-Bogen II shows how sustainable architecture can positively change urban spaces and make them more liveable. Its façade is planted with 30,000 hornbeams over a total length of eight kilometres. This makes it the largest green façade in Europe and a power plant for good air. It acts like a natural filter and absorbs pollutants, binds particulate matter and reduces the CO_2 content. At the same time, it lowers the ambient temperature. The positive effects are also apparent in the wider surroundings of the building. The plants act like a natural air conditioning system. They create a healthy urban climate in which people feel comfortable. Martin Belz, senior expert for building greening at City Arc and project manager for the Kö-Bogen II façade greening project, explains: "The greening of the building reduces the cooling energy required by up to 30 percent, while the ambient temperature is lowered by around three degrees thanks to the cooling capacity of the plants." Two highly efficient Wilo pressure-boosting systems are used to ensure that the green façade is optimally supplied with water.

WILO AMEA

CLEAN WATER FOR 1.7 MILLION PEOPLE

Umm Al Hayman in Kuwait is more than just a sewage treatment plant. It is changing and improving the living conditions of 1.7 million people. Every day, the plant cleans 500 million litres of sewage safely and efficiently. This protects health, preserves the environment and enables sustainable water usage. The treated sewage is used for agricultural irrigation and thus contributes to food security without using precious groundwater or expensively desalinated seawater. At the heart of the system are the high-efficiency pumps from the Wilo-Rexa NORM series, which were specially developed for Umm Al Hayman.

Clean water for the desert metropolis: Umm Al Hayman contributes to the sustainable use of water in Kuwait City

SUSTAINABLE FISH FARMING

Salmon is a nutritional superhero. It supplies millions of people worldwide with essential nutrients. It is of great economic importance to Chile, which is one of the largest exporters of the fish. The organic fish farm Los Chilcos plays an important role in this. It makes a key contribution to food security and the sustainable development of the maritime food industry. Los Chilcos relies on highly efficient and reliable Wilo pumps for its water supply.

WILO AMERICAS

WE ARE A RESPONSIBLE COMPANY

Integrity, fairness, respect, passion and responsibility are the irrefutable values by which Wilo works and lives.

WILO AMERICAS: JEFF PLASTER
Regional Chief Executive Officer

“We deal with the important issues of environment, employees and society. Our references reflect our responsible behaviour.”

BRAZIL

CLEAN DRINKING WATER FOR FAMILIES

Fresh drinking water: a blessing for the villagers

WILO AMERICAS

Every day, families in the north-east of Brazil fight for access to clean water. They often have to draw dirty water from clay pits. Edjane lives with her family in the affected region and explains: “Sometimes we have to walk several kilometres to get water.” To improve the situation, 17 cisterns were built in the village of Riacho das Almas with financial support from the Wilo Foundation. Four of the cisterns were built in 2022 with the active support of Wilo employees as part of the “Habitat for Humanity” voluntary programme “Water for Life”. Wilo employee Ingryd Diogo Pires, who was born in Brazil herself, played a key role: “The opportunity to help directly on site and support people who previously had no access to clean water was incredibly motivating for me. The whole project, the people here – it touched me deeply.”

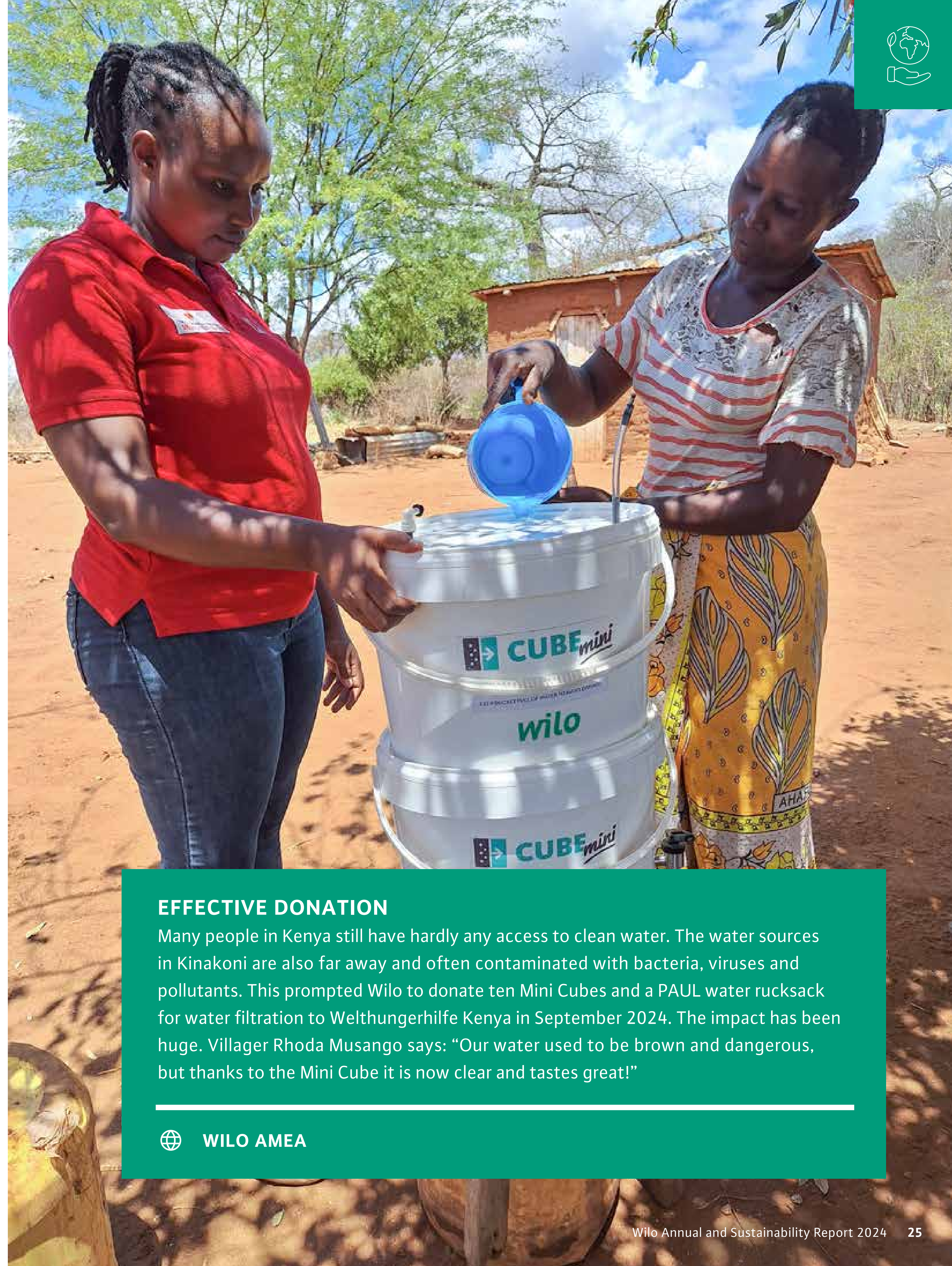
WILO EUROPE

RAINWATER FOR A COMFORTABLE CLIMATE

A pleasantly air-conditioned and healthy working environment, a sustainable water supply and maximum conservation of resources: these are three goals at the Wilopark in Dortmund. The efficient use of water as a resource is of great importance. The Wilopark is therefore not only a place of innovative technologies, but also a role model for sustainability and responsibility.

A smart system for surface drainage at the headquarters of Wilo Europe, which is also the headquarters of the Wilo Group, is used to collect, store and clean rainwater. The treated water is then used efficiently, including for sanitary facilities, for watering the green areas and, in future, for cooling the smart factory.

A place for innovative technologies and a role model for greater sustainability: the Wilopark in Dortmund



EFFECTIVE DONATION

Many people in Kenya still have hardly any access to clean water. The water sources in Kinakoni are also far away and often contaminated with bacteria, viruses and pollutants. This prompted Wilo to donate ten Mini Cubes and a PAUL water rucksack for water filtration to Welthungerhilfe Kenya in September 2024. The impact has been huge. Villager Rhoda Musango says: “Our water used to be brown and dangerous, but thanks to the Mini Cube it is now clear and tastes great!”

WILO AMEA

WE LIVE STRONG PARTNERSHIPS

The global challenges of our times can only be tackled by working together. We maintain a strong network of partners around the world and take responsibility for a more sustainable future.

WILO AMEA: JENS DALLENDÖRFER
Regional Chief Executive Officer

"We focus on team play and build on strong international partnerships. Our commitment across national borders shows that we empower people and encourage them in their actions."

UNITED ARAB EMIRATES

GREEN PRACTICE INSTEAD OF GREY THEORY

WILO AMEA

The combination of theory and practice in the degree programme is of great importance. Thanks to the partnership with Wilo, a laboratory with pumps and pump solutions in a fully digitalised environment has been set up at Heriot-Watt University in Dubai. This enables mechanical engineering students to train at the highest level. “Theoretical knowledge is important, but it doesn’t give us any idea of how pump systems work in real life. The Wilo lab gives us the opportunity to gain practical experience in handling pumps and to compare theoretical knowledge with real experiments,” says Noel Reney, a mechanical engineering student at Heriot-Watt University.


Heriot-Watt University in Dubai

WILO EUROPE

FOCUS ON AI AND SUSTAINABILITY: TOP INNOVATORS EXCHANGE IDEAS

Networking at the highest level: Since 2023, leading minds in the industry have been coming together in interactive workshops to assess the opportunities and challenges in artificial intelligence and sustainability and to share experiences. The representatives of the international companies Goldbeck, Vaillant, Claas, Phoenix Contact, Vorwerk and Wilo are united by a common goal: to shape a sustainable and intelligent future. At the “AI & Sustainability” workshop in the Wilo Networking Cube in 2024, everything centred on “Connecting”, one of the three areas of action of Wilo’s overarching Group-wide sustainability strategy. The aim: to exchange ideas, learn from each other, develop solutions and remain competitive in the two areas of artificial intelligence and sustainability. A regular dialogue that provides valuable insights and reflects the power of working together for a better future.

Interactive dialogue between premium players on AI and sustainability

Wilo and the Milwaukee Bucks announce their partnership for more sustainability

WILO AMERICAS

WORKING TOGETHER FOR MORE SUSTAINABILITY

In September 2024, the Wilo Group became the first sustainability partner of the NBA basketball team Milwaukee Bucks in the USA. This is a partnership based on similar values and convictions as well as mutual support in promoting a more sustainable use of the valuable resource of water. Both parties have committed to working together on joint sustainability projects and initiatives. Like Wilo, the Milwaukee Bucks team attaches great importance to sustainability: their home, the Fiserv Forum, is one of the most sustainable sports venues in the USA, thanks in part to products, systems and solutions from Wilo. By sponsoring the Milwaukee Bucks, Wilo is once again showing its commitment to the American market.

GUEST ARTICLE

PARTNER FOR INNOVATIVE WATER SOLUTIONS

VON DEAN AMHAUS

DEAN AMHAUS
Since March 2010, Dean Amhaus has served as the president and CEO of The Water Council in Milwaukee, Wisconsin, USA. He has a wide range of expertise in government relations, branding, fundraising, economic development, and nonprofit management.

There is an old quote from American politics: "A billion here, a billion there, pretty soon it begins to add up to real money." Unfortunately, today we tend to toss around such big numbers and gloss over their significance. The same seems to be true when we hear the United Nations' statistic that more than 2 billion people live in countries experiencing high water stress. More than half of the global population could face water shortages by 2050. We can be numb to those large numbers, but frankly one is too many.

Climate change only exacerbates the issue. Most of the effects of climate change will be felt through water, whether drought, flooding, rising sea levels or unpredictable rain patterns. Water is also deeply tied to energy, as energy production often requires large amounts of water, and water and wastewater utilities require large amounts of energy.

Clearly, then, water is at the crux of sustainability impact. Yet alarmingly, it still doesn't receive the attention it should. At The Water Council – a non-

“It doesn’t have to be wet to be water tech.”

Milwaukee is one of the largest water technology clusters in the world

profit based in Milwaukee, Wisconsin – we address challenges of water quality and quantity in a unique way by focusing on water technology innovation and water stewardship, connecting solutions providers and solutions seekers to solve global water challenges and preserve freshwater resources.

FRESHWATER TECHNOLOGY HUB

In some ways, Milwaukee might seem like an odd place for an organisation like us. The city sits on the shores of Lake Michigan – part of the mighty Great Lakes, home to just over 20% of the world’s surface freshwater reserves.

Yet we in Milwaukee understand the value of freshwater and the critical importance of protecting it. Historically, much of our economy, from brewing to tanneries to manufacturing, relied on abundant, clean freshwater. A water technology sector developed over more than a century to support that need, with large corporations such as A. O. Smith Corporation, Badger Meter, Kohler and more making their home in south-eastern Wisconsin. Wilo opened its U.S. headquarters in Cedarburg, a Milwaukee suburb, in 2022, joining a confluence of over 240 water technology businesses, as well as acclaimed utilities and universities – one of the largest water technology clusters in the world. The Water Council was founded in 2009 to harness the economic potential of Milwaukee’s water technology hub while addressing the vital task of conserving the world’s freshwater. We are a membership organisation, working to convene, connect and showcase water technology companies, universities, utilities and innovative water stewards worldwide.

INNOVATING SOLUTIONS

Technology innovation is crucial to addressing persistent water problems. We work with global start-ups and established companies operating in digital solutions, artificial intelligence, and advanced materials and membranes as well as more traditional wastewater, drinking water, stormwater and industrial solutions. As we like to say, “it doesn’t have to be wet to be water tech.”

Several of our members are working on the removal and destruction of PFAS chemicals. Others are developing digital or AI-based systems to help wastewater and drinking water utilities better manage their operations. From wastewater management to water reuse to improving energy efficiency for water utilities, our companies are involved in every aspect of the water cycle.

Innovation programs like our Tech Challenge and Pilot Program help connect large water corporations and water users to promising technologies from across the world. Our BREW 2.0 Post-Accelerator provides late-stage water tech start-ups with the training and connections they need to overcome the growth hurdle of commercialization and continue their scale into the market.

Water tech companies also need connections to innovative water users, particularly those looking to improve their water stewardship.

WILO IN THE WATER COUNCIL

Wilo has been a member of The Water Council since October 2024. This connection is based on a partnership with similar interests, values and perspectives as well as mutual support in promoting a more sustainable use of the valuable resource of water. Deepening the partnership, Svenja Ahlburg, Regional Chief Sales Officer of Wilo Americas, has been a member of the Board of Directors of The Water Council since January 2025.

Why did Wilo join The Water Council, and what is your role on the Board of Directors?
By joining TWC, Wilo is strengthening its leading role in the water technology sector and becoming part of a network that promotes sustainable water solutions. In my role as a board member, I help to raise awareness of acute challenges relating to water availability, quality and usage and to foster links between representatives from the public sector, industry and science.

How can companies and organisations be motivated to prioritise water in their sustainability strategies?
Both water shortages and flooding pose an existential threat. Sustainable and efficient water management is not only an ecological imperative, but also a commercial and strategic advantage. By using water responsibly, companies boost their competitiveness and value chain, and protect critical infrastructure.

What projects are planned with TWC and Wilo?
TWC has launched the BREW 2,0 Accelerator Programme (Business, Research and Entrepreneurship in Water) to assist young companies and innovators from the water technology sector in entering the market. Wilo USA is part of the programme as a jury member and accompanies start-ups from all over the world through the Accelerator process.

WATER STEWARDSHIP: AN OVERLOOKED SUSTAINABILITY FACTOR

Unfortunately, with water's relatively low cost and easy access, water stewardship remains a low priority for many companies. Clean, abundant water is just as important to business – and life – as clean air. Problems with water quantity and quality disrupt operations and supply chains, cripple profit margins and hurt brand value. But unlike the alternative energies now being developed and adopted, there is no alternative for water.

But addressing water risks is more complicated than reducing carbon emissions, and progress and impact are harder to measure. A ton of carbon mitigated in Milwaukee has the same benefit long term as a ton of carbon mitigated in Wilo's home of Dortmund, Germany. That's not the case with water; a gallon of water saved in water-abundant Milwaukee doesn't help water-scarce Phoenix. Yet even in Milwaukee, we face water challenges such as stormwater management and legacy industrial contamination. Water impacts are relevant to the local watershed(s) in which a company operates.

That's why a critical first step in corporate water stewardship is assessing water use, risks and opportunities across a company's enterprise.

At The Water Council, we were at the forefront in recognising that companies need assistance getting started on the water aspect of their stewardship journey. That's why we created WAVE: Water Stewardship Verified. WAVE accelerates water stewardship action within organisations of all sizes using a five-step approach:

- Understand water uses and impacts across the enterprise
- Assess watershed risk
- Prioritize sites and actions to mitigate water-related risk
- Approve a water stewardship policy
- Communicate an action plan, goals and timeline

Organisations from across the industrial spectrum, and even universities, have found value in WAVE.

CONVENE, CONNECT, SHOWCASE

Water is a shared resource for businesses and citizens, so WAVE encourages companies to take a collaborative approach within their watersheds to address shared challenges. We also offer consultation to our WAVE companies to help them meet their water technology needs, connecting the stewardship side of our work with the innovation side. One example that occurred outside of our WAVE program involves our members Primo Brands (previously BlueTriton Brands) and Wellntel, a member company that uses acoustic technology to continuously measure and report on groundwater supply. Primo uses Wellntel technology at four locations to monitor groundwater levels and flow at the springs from which Primo sources its products.

Making those connections is what The Water Council does best, whether it's connecting a wastewater utility to an exciting new treatment technology, helping an overseas member find a U.S.-based partner, or connecting a corporate water user to the technology it needs to become a better water steward. These collaborations are crucial to solving growing water challenges, which is why we will continue to "convene, connect and showcase" our members. Our connection to Wilo reflects a close partnership with similar interests, values and perspectives. Our work drives economic development and promotes solutions to address pressing challenges involving water quality and quantity. Wilo's products and solutions complement The Water Council's objectives.

Let's all do our part to make sure we no longer casually talk about the alarming fact that billions of people can't access this world's most precious resource – water. The Water Council looks forward to continuing to work with Wilo toward that goal.

HIGHLIGHTS 2024

Wilo sets standards with sustainable innovations

JANUARY: The Wilo Group has been recognised as a successful practical example as part of the Managing Sustainable Innovations international comparative study, in which the Laboratory of Machine Tools and Production Engineering (WZL) of RWTH Aachen University and the Complexity Management Academy analysed the sustainable innovation management of more than 140 companies.

Wilo wins MIMA Award 2024

MARCH: A jury of leading experts from business and science has honoured the Wilo Group with the prestigious Microsoft Intelligent Manufacturing Award (MIMA) 2024 in the "Add Value!" category for adaptive worker assistance. It will be used in the smart factory at the Wilopark in Dortmund. The prize is awarded by Microsoft Germany and the management consultancy Roland Berger.

Wilo Group strategy summit for North and Latin America

MARCH: In March, the Executive Board and Supervisory Board of the Wilo Group and representatives of Wilo's American subsidiaries met for a strategy summit in the USA. Under the direction of Oliver Hermes, President & Global CEO of the Wilo Group, the participants discussed developments in the American markets and the direction of Wilo's American business at the regional Wilo headquarters in Cedarburg, Wisconsin.

Ambitious climate targets of the Wilo Group confirmed by SBTi

APRIL: The Wilo Group submitted targets for reducing its own CO_2 emissions to the Science Based Targets initiative (SBTi) in 2023 – in April, the short- and long-term emission reduction targets were confirmed by the initiative. In addition, Wilo's target of net zero by 2050 has been verified. Consequently, Wilo's commitment to sustainability officially contributes to achieving the 1.5 degree target agreed in the Paris Climate Agreement. To date, around 5,100 companies worldwide have been audited by the SBTi.

Wilo at the World Future Energy Summit in Abu Dhabi

APRIL: The World Future Energy Summit 2024 took place in Abu Dhabi, where innovative ideas and pioneering findings were presented and discussed. During the World Future Energy Summit and the Abu Dhabi Sustainability Week, Wilo addressed a number of key challenges in the Building Technology, Water Management and Industry market segments.

IFAT 2024: Wilo presents sustainable solutions and innovations

MAY: Wilo looks back on successful IFAT trade fairs in Munich and India. The technology group impressively demonstrated its sustainable and future-proof water and wastewater solutions. Large numbers of visitors saw the latest innovations for a greener future first-hand.

CEO Oliver Hermes in conversation with Hendrik Wüst, Minister-President of North Rhine-Westphalia

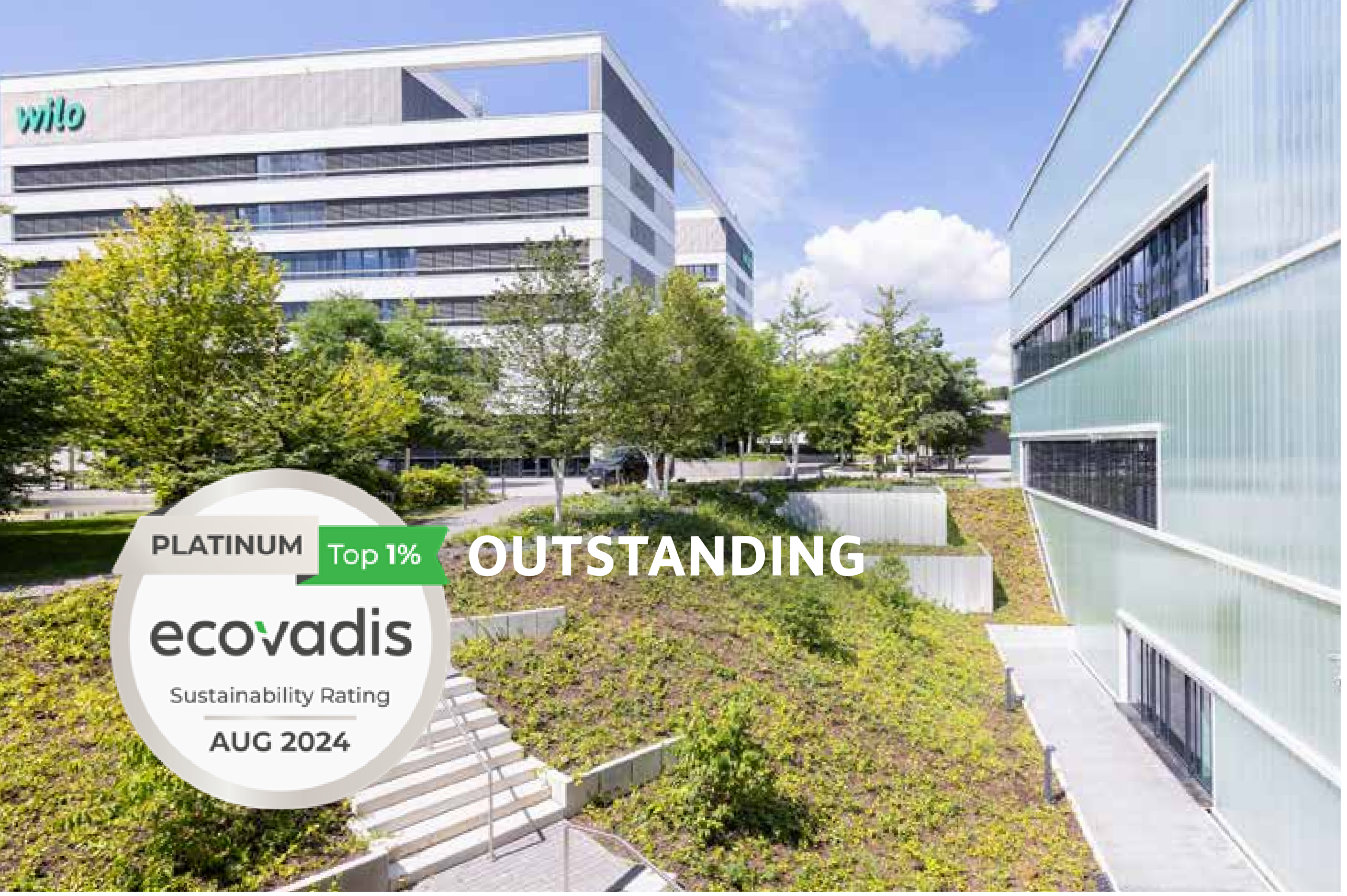
JUNE: The Minister-President of North Rhine-Westphalia, Hendrik Wüst, was a guest at the Wilopark in Dortmund. In a conversation with Oliver Hermes, President & Global CEO of the Wilo Group, Wüst learned about Wilo's sustainability strategy, intelligent and digitalised production processes and the H_2POWERPLANT hydrogen solution.

Europe's Climate Leader 2024: Award for Wilo

JULY: The Wilo Group was recognised as a European leader in climate protection. For this designation, the Financial Times and Statista assessed hundreds of European companies based on their progress in reducing their CO_2 emissions.

Networking Cube: Centre for dialogue and networking

SEPTEMBER: Wilo officially opened the Networking Cube in Dortmund with a big celebration. Since then, the technology group has regularly welcomed guests from the worlds of business, politics, society, science and finance to the new, innovative market partner meeting centre, which covers around 5,000 square metres at the Wilopark. "The Networking Cube is an example of the Connecting impact area of our overarching, Group-wide sustainability strategy," says Oliver Hermes, President & Global CEO of the Wilo Group.



"Outstanding" rating for Wilo

SEPTEMBER: The Wilo Group's commitment to sustainability has once again been given a platinum rating by EcoVadis. This is the third time in a row that the rating agency has placed Wilo in its highest category. In addition, Wilo actually achieved the rating level "Outstanding". Less than one percent of the more than 130,000 companies assessed by EcoVadis achieve such an excellent result.

Sustainable together

SEPTEMBER: The Wilo Group is a sustainability partner of the Milwaukee Bucks. The sponsorship of the US NBA basketball team is a clear commitment by the Wilo Group to Wisconsin and the US market. In future, the partners will work together on joint sustainability projects and initiatives.

Water summit at the Wilopark

OCTOBER: The circular economy initiative Circular Valley brought together renowned experts from business and politics for a water summit at the Wilopark. With the Networking Cube market partner meeting centre, the Wilo Group as host provided the perfect environment for dialogue between water and sustainability experts.

Factory of the Year 2024

OCTOBER: The Wilo Smart Factory at the Group headquarters in Dortmund has been named Factory of the Year 2024, winning the most prestigious production competition in the German-speaking world. The ultra-modern plant at the Wilopark sets standards in industrial production and is regarded as a state-of-the-art factory.

Top management meeting of the Wilo Group

NOVEMBER: At the International Meeting of General Managers (IMGM), the Wilo Group welcomed its international managers to the company's headquarters in Dortmund for the 29th time. This year's management conference, which was held in the Networking Cube at the Wilopark, focussed on the overarching, Group-wide sustainability strategy and the expansion of Wilo's successful region-for-region strategy.

Wilo Group receives SDG Innovation Award

NOVEMBER: The SDG Innovation Award was presented for the third time by the Senate of the German Economy in cooperation with the United Nations Industrial Development Organisation (UNIDO). The Wilo Group was honoured at the award ceremony in Munich for its outstanding commitment to the Global South.

Wilo as a guest at the "World without Hunger" conference

NOVEMBER: At the "World without Hunger" conference in Addis Ababa, leading politicians from all over the world met to discuss one of the most pressing problems of our time: hunger. Wilo's participation emphasised its role in the advancement of innovative pump technologies, which are essential to food security and agricultural development in Africa and worldwide.

Wilo Korea wins the National Quality Management Award

NOVEMBER: Wilo Korea was named as a "Quality Competitiveness Excellent Enterprise" at the 50th National Quality Management Awards, which were presented on 20 November 2024 in Seoul, Korea. This is the first time a pump manufacturer has received the coveted prize.

Lee Tebbatt appointed President of the BPMA

NOVEMBER: Lee Tebbatt, Managing Director of Wilo UK, has been appointed President of the British Pump Manufacturers' Association (BPMA). Founded in 1941, the BPMA acts as the voice of the pump industry in the UK and is a not-for-profit trade association representing the interests of UK and Irish suppliers of pumps for liquids and pumping equipment.

Ecolution Award: Wilo honours pioneering projects

DECEMBER: The Wilo Group presented the Ecolution Award for the first time. The award recognises efficient, reliable, environmentally friendly and therefore pioneering projects in the water industry. Four outstanding projects from Switzerland, China, India and the UK were honoured at the exclusive award ceremony at the Wilopark.

GROUP MANAGEMENT REPORT 2024

Wilo looks back on a challenging financial year in an extremely demanding market environment. The Executive Board has accepted the challenges, reacted decisively and at the same time acted in a forward-looking manner. Through the consistent development and application of the proven region-for-region approach across the entire organisation as part of the WiGrow project, significant growth oriented and cost-cutting reorganisation measures were initiated.These measures aim to ensure the Wilo Group's long-term viability and profitability. In 2024, these efforts further strengthened the foundations for dynamic and profitable growth in line with Ambition 2030.

CONTENTS

THE 2024 FINANCIAL YEAR AT A GLANCE

NET SALES

EUR 1,895.3 million

The reporting year 2024 was characterised by economic and numerous geopolitical challenges. Adjusted for currency effects, a slight decline in net sales was recorded at 2.3%. This was mainly due to the significant decline in OEM business, while slight growth was achieved in local currency in the non-OEM segment in 2024. The depreciation of many of the Wilo Group's key currencies had an additional negative impact on net sales reported in Group currency. Taking into account the negative currency effects, consolidated net sales totalled EUR 1,895.3 million, which is 4.0% below the previous year's figure.

CASH FLOW

EUR 189.1 million

A consistently strong operating cash flow forms a solid basis for the high financial strength and flexibility of the Wilo Group. At EUR 189.1 million, cash flow from operating activities was further increased compared to the high level of the previous year. Group-wide intensified working capital management contributed significantly to this success. Free cash flow also improved significantly to EUR 36.1 million.

ADJUSTED EBITDA

EUR 189.1 million

Wilo achieved an adjusted EBITDA of EUR 189.1 million, with an adjusted EBITDA margin of 10.0%. In addition to the partly challenging market conditions in 2024, the Wilo Group's profitability was significantly impacted by non-recurring effects. Taking into account the expenses for the restructuring measures already implemented, initiated and planned, reported EBITDA totalled EUR 152.5 million. The corresponding EBITDA margin reached 8.0%.

RESEARCH AND DEVELOPMENT

EUR 79.4 million

Wilo has traditionally attached great importance to research and development. As an innovation and technology leader, Wilo aspires to set standards beyond the pump industry. Accordingly, expenditure on research and development also remained at a high level in 2024. It totalled EUR 79.4 million or 4.2% of net sales.

INVESTMENTS

EUR 135.6 million

The Wilo Group made moderate, strategically important investments to secure the future in 2024, despite a macroeconomic environment characterised by a high degree of uncertainty. EUR 135.6 million were invested, among other things, in the construction, expansion and modernisation of sales and production locations as well as company acquisitions. The opening of the Networking Cube, a centre for regular exchange with national and international market partners as well as for events and seminars, was celebrated in Dortmund in September 2024. In Dubai, capacities were adjusted to the dynamic growth of demand in the region. This location serves as a regional platform for the countries in the Middle East and North Africa.

SUSTAINABILITY

The Wilo Group's commitment to sustainability was honoured with the “Platinum” award for the third time in a row. In addition, Wilo achieved the “Outstanding” rating this year. This is the highest rating from EcoVadis, one of the world's most renowned providers of sustainability ratings for companies. This puts Wilo among the top 1% of the companies assessed annually by EcoVadis.

REALIGNMENT OF THE ORGANISATIONAL STRUCTURE

With the comprehensive reorganisation as part of the WiGrow project, Wilo has set an important course to strengthen the Group's future viability and secure its accelerated profitable growth in the long term. With this strategic transformation, Wilo is responding to the geoeconomic turning point while simultaneously increasing the efficiency as well as the market and customer orientation of the entire company.

EMPLOYEES

9,171

The high level of commitment and versatile skills of all Wilo Group employees are the basis and driving force behind the company's economic success. Wilo employed an annual average of 9.171 people.

BASIC INFORMATION ON THE WILO GROUP

- → **As a premium supplier of products, system solutions and building services, water management and industry, Wilo is represented in all major markets**
- → **A global production and sales network with over 9,000 employees creates customer proximity**
- → **Comprehensive reorganisation strengthens the future viability of the Wilo Group and increases efficiency as well as market and customer orientation**
- → **Research and development activities remain at a high level despite temporary economic burdens**

Customers and products

Wilo is a global premium supplier of pumps and pump systems. The main areas of application for the wide range of products and solutions are heating, cooling and air conditioning technology, water supply and wastewater disposal. As a full-range supplier, the Wilo Group covers the entire spectrum of its customers' needs with its extensive portfolio of products, system solutions and services. The wide range includes high-efficiency pumps for use in single-family homes, apartment blocks, public and commercial buildings as well as special pumps, agitators and wastewater treatment solutions for the water management. Wilo also offers products and solutions for industrial applications and flood control.

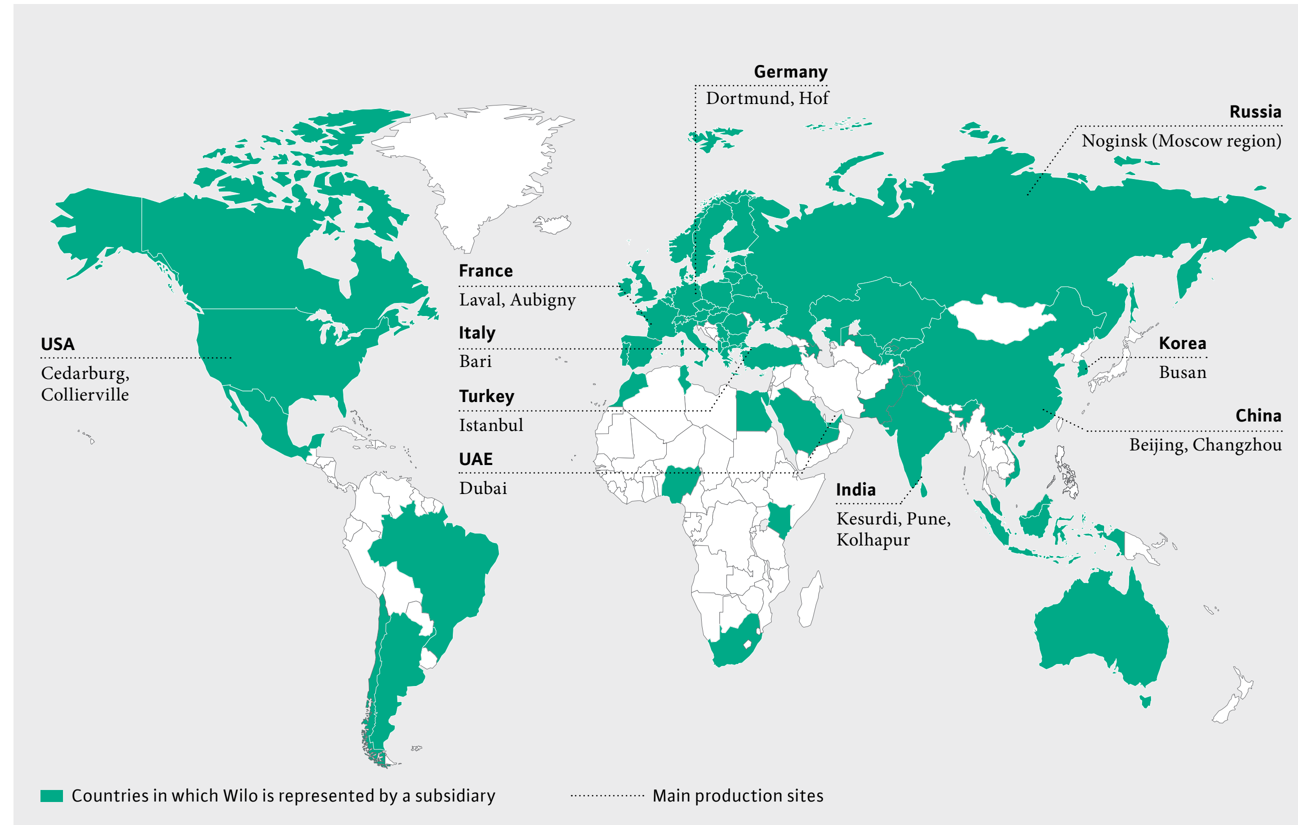
The Wilo Group has consistently aligned its corporate strategy and the focus of its more than 9,000 employees with sustainability and the needs and requirements of its customers. Close and trusting cooperation with OEM partners, consultants, specialist retailers and tradesmen, as well as general contractors, investors and end users, forms the foundation of Wilo's long-standing market success. As a premium provider, Wilo aims to develop cutting-edge technology and intelligent solutions that make people's daily lives noticeably easier. This is the principle behind the claim "Pioneering for You".

Wilo manufactures pumps and pump systems at 16 main production sites in Europe, Asia and America. In accordance with the global production strategy (GPS), these production sites form the Wilo production network in the narrower sense.

The Wilo Group also operates at other smaller locations, including Sonneberg, Pohlheim and Chemnitz in Germany, Sanford (Florida) in the USA and Shanghai in China. Highly specialised products such as water supply, wastewater treatment and flood control systems are developed and produced at these locations. In addition, products are assembled for the local market at a wide variety of locations, including in Brazil, Malaysia, Kazakhstan and Saudi Arabia.

With this decentralised structure of around 90 production and sales companies in over 50 countries, the Wilo Group has an efficient and customer-oriented global network. Together with a large number of additional branches and independent sales and service partners, Wilo thus ensures that the requirements and needs of customers worldwide are reliably met at all times and to the highest quality.

Wilo Group locations



Market segments

The Wilo Group operates in the five market segments Building Services Residential, Building Services Commercial, OEM (Original Equipment Manufacturers), Water Management and Industry. The portfolio of products, system solutions and services is consistently geared towards specific customer requirements in the respective market segments. This clearly defined focus, the Group's traditionally high innovative strength and proximity to customers thanks to its local presence are key factors in its success. Thanks to its targeted combination in the respective markets, the Wilo Group is able to identify at an early stage the different trends in each region and changing requirements and respond to them quickly and flexibly. This capability will become even more important in the future in view of the increasing decoupling and regional fragmentation of global markets.

Building Services Residential & Commercial

In view of the rapidly advancing climate change, the importance of energy and resource efficiency is noticeably increasing worldwide. Both ecological and economic reasons require a higher, technically optimised efficiency. Which is why the aspects of economic efficiency and sustainability are playing a more pronounced role when it comes to both commercial and domestic building use. This requires the use of innovative systems incorporating optimally coordinated components to an ever greater extent – not only for new builds, but also to achieve the more ambitious climate targets especially when converting and modernising buildings. Wilo offers the necessary energy-efficient concepts for the Building Services Residential and Building Services Commercial market segments. These relate to heating technology and air-conditioning as well as water supply and wastewater disposal. The main areas of application for the Wilo Group's products and system solutions are single-family homes and apartment blocks as well as public buildings, industrial and office buildings, hospitals and hotels.

OEM

Wilo is a reliable partner for leading original equipment suppliers and manufacturers of boilers, heating pumps and air conditioning systems. With its many years of experience, in-depth market knowledge and high level of application expertise, the Wilo Group is a development partner, innovative forward thinker and trendsetter. Taking into account current and future regulatory requirements, Wilo anticipates new global market needs and continuously changing market requirements at an early stage. This enables Wilo to develop and offer customised, future-oriented solutions that are ideally tailored to the specific needs of the respective customers and markets. Wilo offers a broad range of established, tried-and-tested integrated products and intelligent, individually developed solutions for OEM customers.

Water Management

As a result of the high dynamics of global population growth and urbanisation as well as the massive consequences of climate change and increasing environmental pollution, water as a raw material is becoming scarce worldwide and is therefore a very precious commodity. In many regions of the world, it is already a fundamental problem to supply the rapidly growing population with sufficient quantities of clean drinking water and to treat wastewater. Immense quantities of water are also consumed in agriculture and industry. Here, too, demand is growing rapidly worldwide. Therefore, safe and sufficient water treatment and supply for the world's ever-growing population pose comprehensive global challenges, especially since problems such as water scarcity on the one hand and the consequences of climate change such as extreme weather events and rising sea levels on the other are continuously and rapidly worsening. As a competent partner to the water industry, Wilo offers professional solutions for the increasingly complex requirements of drinking water extraction and water pumping as well as for the transport and treatment of sewage. With expertise, customised products and reliable technology, Wilo improves the water supply in agriculture and thus contributes to securing the food supply. Flood control is also becoming increasingly important. Wilo offers the right high-performance pumps and pump systems for these requirements.

Industry

As a premium supplier, Wilo develops and produces pumps that are characterised by a high degree of reliability, flexibility and efficiency. These are vital and process-critical factors for pumps and pump systems, particularly in industrial applications. The Wilo Group's particular strength in the Industry market segment lies in support applications for processes in various industries. As every industrial sector has its own, often extremely specific requirements for pumps and peripherals, Wilo develops customised concepts and solutions for every industrial requirement. The aim is to ensure smooth installation, safe operation and efficient maintenance. The Wilo Group's pumps and system solutions are used worldwide, e.g. for pumping cooling water in power plants or wastewater treatment on board ships. Other important areas of application are dewatering in mining and the production of foodstuffs. The cooling of data centres is also becoming increasingly important. This application is driven by the megatrend of digitalisation and in particular by the rapid development in the field of artificial intelligence (AI).

Corporate strategy

The sustainability strategy forms the overarching framework for the corporate strategy and the derived functional and regional strategies. Climate protection is a core element of the Wilo Group's business model and therefore an integral part of its corporate culture. Highly efficient pumps and system solutions not only enable Wilo customers from all areas of application in building services, water management and industry to save energy and thus achieve their climate targets, but the Wilo Group also organises its entire value creation process, so as to keep its impacts on the environment as low as possible now and even to totally eliminate them in the long term. The Wilo Group is aware of its social responsibility and endeavours to always reconcile its growth ambitions with environmentally and socially responsible action. In this respect, sustainability and social responsibility have a high priority in all decision-making and business processes at Wilo. This aspiration is anchored in the company through the overarching position of the sustainability strategy and the explicit inclusion of sustainability goals in the strategy development process and is given the highest priority.

The Wilo Group's sustainability strategy is consistently aligned with the three key impact areas "Creating", "Caring" and "Connecting", for which Wilo has defined long-term targets up to 2030. "Creating" encompasses the sustainable contribution of Wilo products, systems and solutions to improving water supply and decarbonisation, among other things. Wilo technology moves water highly efficiently, reliably and sustainably. The Wilo Group has set itself the goal of improving people's quality of life worldwide with innovative system solutions and services. "Caring" describes Wilo's responsible behaviour towards the environment, employees and society and includes goals such as reducing emissions in production processes and creating a healthy working environment. Integrity, fairness, respect, passion and responsibility are the irrefutable values that Wilo works and lives by. "Connecting" stands for increasing sustainable impact through engagement in strong international partnerships. The global challenges of the present can only be overcome together. Wilo maintains a strong network of partners around the world and takes responsibility for a more sustainable future. A total of 14 strategic goals were formulated within the three impact areas "Creating", "Caring" and "Connecting". These targets are integrated into the functional strategies of the departments and are therefore part of regular reporting.

→ *Further details can be found in the Wilo Group's sustainability report, which is published together with the Annual Report or can be accessed at https://wilo.com/sustainability-report.*[1]

In conjunction with the sustainability strategy, Ambition 2030 defines the overarching corporate goals, development and strategic growth path up to the year 2030 and beyond. "Together we accelerate our profitable growth as a worldwide solution provider" defines the main strategic objectives of Ambition 2030. To accelerate profitable growth, the Wilo Group is powerfully and vigorously pressing ahead with its regionalisation strategy and is specifically promoting cooperation and networking between all stakeholders along the entire value chain. The particular importance of international cross-sector and cross-industry cooperation with various interest groups is emphasised. There is also a clear focus on the consistent further development of the company from a component manufacturer to a digital pioneer and integrated solution provider for the pump industry. To this end, Wilo is systematically driving forward the development of smart products, systems, services and solutions, while at the same time vigorously promoting the Group's digital transformation.

By 2030, the Wilo Group is aiming for above-average net sales growth to over EUR 3 billion with profitability of more than 14.0% (measured by EBITDA margin). Organic growth is to be supported by targeted M&A activities.

Ambition 2030

Ultimate Customer Satisfaction | Engaged & Empowered Employees | Innovation Leadership | Digital Pioneer | Business Excellence | Independent & Responsible Company

BUILDING SERVICES RESIDENTIAL	BUILDING SERVICES COMMERCIAL	OEM	WATER MANAGEMENT	INDUSTRY
We are a full-range supplier and customer's first choice.	We are a market, innovation and smart solutions leader.	We are a preferred partner for smart integrated solutions.	We are a global market player and digital solutions provider.	We specialise in selected sectors and applications.

[1] The sustainability report and the content that can be accessed via the link are not part of the Group management report. In accordance with German legal requirements, KPMG AG Wirtschaftsprüfungsgesellschaft has not audited the sustainability report or the cross-references or the information to which they relate, and accordingly does not express an opinion or any other form of assurance conclusion thereon.

This strategy of accelerated and profitable growth is based on six clearly defined strategic pillars:

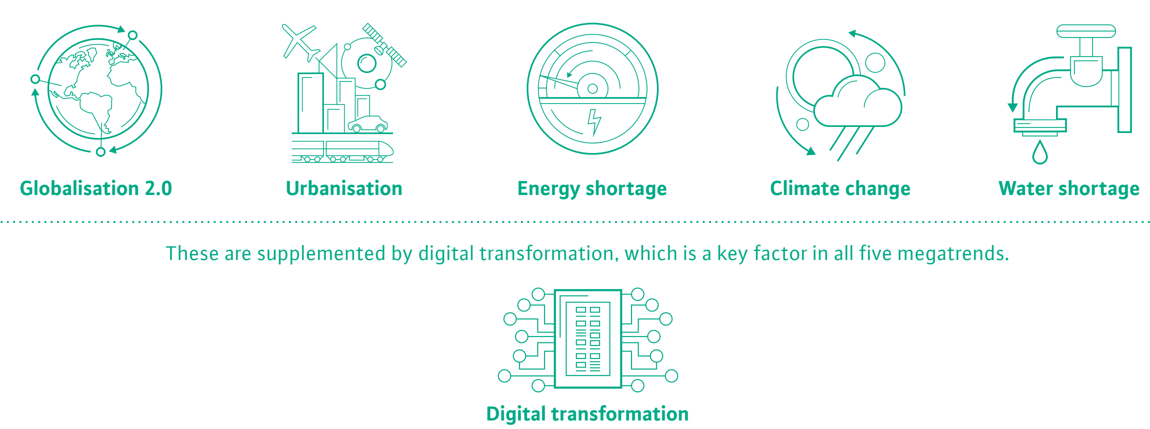
- **ULTIMATE CUSTOMER SATISFACTION:** Wilo strives for maximum customer satisfaction – this is emphasised by the claim “Pioneering for You”.
- **ENGAGED & EMPOWERED PEOPLE:** Wilo empowers and develops its employees – they form the backbone of the company.
- **INNOVATION LEADERSHIP:** As an innovation leader, Wilo sets new standards – innovations include new technologies and materials, products and services, processes and (digital) business models.
- **DIGITAL PIONEER:** Wilo aims to establish itself as a digital pioneer in the pump industry – and is seizing the opportunities offered by digital transformation to achieve this.
- **BUSINESS EXCELLENCE:** Wilo stands for “business excellence” in all business processes – along the entire value chain.
- **INDEPENDENT & RESPONSIBLE COMPANY:** Wilo remains an independent and responsible company – the Wilo Group relies on a stable organisation and shareholder structure.

Specific, fundamental strategic directions were defined and specified for each of the five market segments in order to achieve the overarching strategic goals. The Building Services Residential market segment aims to be a full-service provider and preferred supplier of sustainable solutions. The Building Services Commercial market segment is driving forward the expansion of its market and innovation leadership as a sustainable solution provider with best-in-class services. In the OEM market segment, Wilo is consolidating its position as a preferred partner with smart and integrated solutions. In the Water Management market segment, the aim is to further strengthen the global market presence with sustainable solutions for water management. The Industry market segment will continue to focus on selected sectors and applications in future.

Five megatrends relevant to Wilo were initially identified and specified as the basis for strategic long-term planning. Globalisation, urbanisation and energy shortages as well as climate change and water scarcity will have a major impact on the Wilo Group's future business, both individually and in increasing interaction. These influences are not theoretical scenarios, but are already being experienced in the company's current development. Of fundamental importance is also digital transformation, which is an important megatrend in its own right. There is no alternative and it is indispensable for overcoming the numerous challenges that the aforementioned megatrends pose for the company as well as for society, the economy and politics. In this way, digital transformation significantly supports and drives Wilo in the targeted and efficient implementation of solutions.

The established, targeted corporate foresight process is used to derive and analyse not only risks but also opportunities from forecast future developments in relation to global megatrends. The results are thus systematically taken into account in the further development of the corporate strategy.

Megatrends



Vision, mission and values

OUR VISION

Wilo, the water solution leader for a smart and resource efficient world.

OUR MISSION

Inventing and managing responsible water solutions that benefit everyone, everywhere.

OUR VALUES

Integrity, fairness, respect, passion, responsibility.

This process also serves to further develop existing business and growth areas and to identify and tap into new ones. Among other things, the Wilo Group is focusing on the areas of water technology and renewable energies as well as hydrogen technologies and systems in particular.

The vision and mission as well as the corporate values form the framework for the sustainability strategy and Ambition 2030. The vision is the guiding principle that the Wilo Group wants to achieve. It is a self-confident statement with which Wilo is taking a clear position in a constantly changing world.

Based on this vision, the mission defines the main purpose or commitment that Wilo is pursuing. At the same time, it is the guideline for dealing with current and future challenges. The Wilo Group wants to use its products and the accompanying system solutions and services to make people’s lives easier all around the world. For this reason, integrity, fairness, respect, passion and responsibility are irrefutable values that Wilo works and lives by. They form the common foundation. Each and every individual in the company is committed to this – regardless of position, task or area of responsibility. Traditionally, the sustainable success of the Wilo Group has been based to a large extent on these shared values.

The coronavirus pandemic has exposed the risks of the existing global economic order with its closely interlinked value chains. Disrupted supply chains, bottlenecks and difficult-to-calculate cost fluctuations have therefore further fuelled the trend towards regionalisation and localisation of production networks. Meanwhile, geopolitical crises such as Russia's ongoing war of aggression in Ukraine are noticeably accelerating the political and economic division of the world. Protectionist tendencies and the efforts of individual countries and regions to isolate themselves and become self-reliant have thus recently intensified once again and are leading to a progressive decoupling of international economic relations. Established alliances are fracturing and multinational partnerships need to be realigned. Trade barriers, extraterritorial sanctions and technology embargoes are the consequences of the supply chain decoupling that has been initiated and accelerated for political reasons. This fragmentation of the world is being further fuelled by the current major conflicts. On the one hand, there is the threat of trade conflicts between the USA and China, Europe and possibly other countries. In addition, the risk in the Middle East remains high despite the recent easing of tensions. Finally, a political escalation around Taiwan cannot be ruled out. In view of these geopolitical conflicts, the risk-minimising reduction of dependencies on one trading partner through the diversification of economic relationships (de-risking) is becoming increasingly important. The Wilo Group has been pursuing a region-for-region approach for years in order to meet these challenges and minimise the risk of major disruptions and operational or delivery failures in times of crisis.

This approach, which in the past has mainly focused on the areas of procurement and production as well as customer-oriented processes, aims to allow as much decentralisation as possible in the individual regions on the one hand and as much centralisation as necessary on the other. The aim is to produce in an efficient and customer-oriented manner on site for local and regional markets.

In view of the critical geo-economic developments and the strong growth of the Wilo Group in recent years – particularly in the dynamic markets of Asia and the Global South – the Executive Board has decided to further develop the region-for-region approach and now apply it to the entire organisation. To this end, the WiGrow project was launched in 2024. This project aims to bundle the operational and functional expertise for each market region comprehensively and holistically. The objectives are to make the organisation even more customer-oriented and agile, to reduce organisational and operational complexity and at the same time to strengthen financial responsibility in the regions. Functions and processes are therefore regionalised as far as possible, i.e. carried out and managed by the regions. All key business-relevant operating activities along the value chain were transferred to the regions. Only those tasks that are essential for the governance, management and control of the regional organisations will remain with the Group, i.e. the global functions (previously "Group functions"). At a centralised level, responsibility for strategy development and implementation is also retained, as is the Group-wide management of research and development activities. Furthermore, the global functions ensure that synergies within the group can be optimally utilised.

→ *Further information on the organisational changes from 1 January 2025 can be found in the "Group organisation and management" section below.*

Group organisation and management

The Wilo Group can look back on over 150 years of successful company history. Today's WILO SE, a European stock corporation (Societas Europaea), emerged from the "Kupfer- und Messingwarenfabrik Louis Opländer" founded in Dortmund in 1872. The company is still headquartered in Dortmund, Germany. As the parent company of the Wilo Group, WILO SE assumes central management tasks and is also operationally active itself. The Wilo-Foundation is the majority shareholder with around 90% of the shares in WILO SE. The issued capital of WILO SE amounts to EUR 26,980 thousand.

As at 31 December 2024, the Wilo Group comprised around 90 production and sales companies worldwide, most of which are directly majority-owned by WILO SE.

In the year under review, Wilo (U.K.) Ltd. acquired 100% of the shares in Arfon Rewinds Ltd. with sites in Bromborough, England and Caernarfon, Wales. Arfon Rewinds is an established provider of installation, maintenance, condition monitoring and repair services. With this acquisition, the UK subsidiary has sustainably expanded its service capacities in the Water Management market segment.

The three-member Executive Board of WILO SE is responsible for the management and control of the Wilo Group. Mathias Weyers left the Executive Board in the year under review. The position of Chief Financial Officer (CFO) was taken over by Dr Patrick Niehr, who was previously responsible as Chief Change Officer (CCO) as part of his Executive Board activities. The following schedule of responsibilities shows the allocation of functional responsibilities on the Executive Board as at 31 December 2024.

The Supervisory Board of WILO SE appoints, controls and monitors the Executive Board. It consists of a total of six ordinary members who are appointed by the Annual General Meeting. Two members of the Supervisory Board are employee representatives appointed at the proposal of the European Works Council of WILO SE. Detailed information on the cooperation between the Executive Board and the Supervisory Board can be found in the Report of the Supervisory Board in this Annual Report.[2]

Schedule of responsibilities

President & Chief Executive Officer (CEO) Oliver Hermes

- Coordination of Executive Board activities
- Digitisation Team
- Government & Public Affairs
- Group Digital Business & Marketing
- Group Mergers & Acquisitions
- Group Service
- Sales Regions Mature & Emerging Markets, North America
- Strategic Business Unit OEM

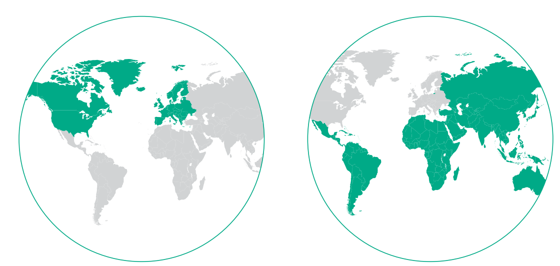
Chief Financial Officer (CFO) Dr Patrick Niehr

- Group People & Culture
- Group Controlling
- Group Finance, Accounting & Taxes
- Group Information Management
- Group Legal, Internal Audit & Compliance
- Group Market Segment Management
- Group Product & Product Information Management
- Strategic Business Unit Water Treatment

Chief Technology Officer (CTO) Georg Weber

- Group Location Management
- Group Operations
- Group Procurement, Supply Chain Management & Logistics
- Group Quality & Qualification
- Group Research & Development
- Group Sustainability Management

Composition of established markets and growth markets
as at 31 December 2024



Established markets | Growth markets

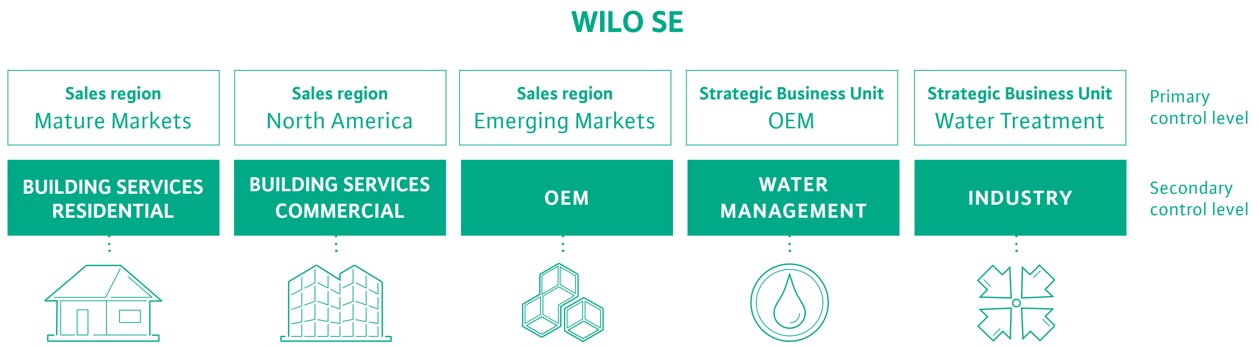
In its external reporting as at 31 December 2024, the Wilo Group distinguishes between established markets and growth markets. In the financial year 2024, 58.9% of consolidated net sales were generated in the established markets and 41.1% in the growth markets.

Until 31 December 2024, the Wilo Group was managed via a matrix organisation with two management levels.

The three sales regions Mature Markets, North America and Emerging Markets and the strategic business units OEM and Water Treatment served as the overarching organisational and management units according to which the Wilo Group was primarily managed. In addition, the Wilo Group managed its business via a secondary management level, which was divided into five market segments.

[2] The report of the Supervisory Board is not part of the Group management report. In accordance with German legal requirements, KPMG AG Wirtschaftsprüfungsgesellschaft has not audited the report of the Supervisory Board, and consequently does not express an opinion or any other form of assurance conclusion thereon.

Organisational and management structure of the Wilo Group as at 31 December 2024



In the past financial year 2024, the Executive Board initiated a comprehensive reorganisation of the Wilo Group with the WiGrow project. Since 1 January 2025, business activities have been presented in the internal reporting system in the form of three main regions (Europe, Americas and AMEA[3]) and the Strategic Business Unit Water Treatment, which remains unchanged in its previous form. The earnings contribution of the OEM business, which was previously considered separately, will in future be allocated for management purposes to the regions in which net sales are generated. The regions and the SBU Water Treatment act in a decentralised manner as independent strategic business units, particularly when it comes to operational management decisions. Functions and processes were regionalised holistically in accordance with the region-for-region approach, which provides for as much decentralisation as possible on the one hand and as much centrality as necessary on the other. To this end, all business-relevant, operational activities along the value chain were embedded in the newly created strategic business units. With this reorganisation, the Wilo Group in its new structure is even better tailored to the requirements of the respective markets and aligned to the needs of customers. It can thus better meet the challenges in the respective region and capitalise on the opportunities that arise.

Responsibility for the implementation of business activities in the regions lies with the country subsidiaries, whose activities are coordinated and managed by regional management bodies, the so-called Regional Boards. These are staffed with experienced managers who report directly to the Executive Board of WILO SE.

WILO SE, represented by its Executive Board, performs the main management functions for the Wilo Group. These primarily include strategy development and implementation, governance tasks, resource allocation, financial and performance management. The Executive Board is supported in this by the global functions (previously “Group functions”).

To manage the Wilo Group, the Executive Board will continue to focus in future on the development of net sales and profitability. The primary key figures for measurement of profitability are EBITDA (earnings before interest, taxes, depreciation and amortisation) and the EBITDA margin as a percentage of net sales. The targeted accelerated net sales growth from organic and external growth and the high level of investment require considerable financial resources. For this reason, leverage is used as a further key performance indicator. Leverage is defined as the ratio of consolidated net debt (total of financial liabilities and lease liabilities less cash) to consolidated EBITDA adjusted for any restructuring costs and other extraordinary items such as acquisitions. The Wilo Group's key financial performance indicators are therefore net sales, EBITDA or the EBITDA margin and leverage. For the purposes of external financial reporting in accordance with German Accounting Standard (DRS) 20, these figures therefore also form part of the analysis of business performance, the assessment of the Group's position and the forecast reporting.

[3] Europe: Europe | Americas: North and Latin America | AMEA: Africa, Middle East and Asia.

At Group level, another important financial performance indicator is cash flow from operating activities, i.e. the liquidity generated by the Wilo Group in the course of its operating activities. A sustained positive cash flow from operating activities secures the company's financial independence and liquidity. It is therefore a key indicator of internal financing capability. The increase in net sales and EBITDA are key levers for improving the cash flow from operating activities. In addition, the consistent management of net working capital actively supports the development of operating cash flow.

Under some long-term financing agreements, the Wilo Group has undertaken to comply with certain standard financial covenants. In addition to leverage, these involve in particular the equity ratio and the interest cover ratio, which is defined as the ratio of consolidated EBITDA to consolidated interest expenses. To ensure compliance with the required minimum values at all times, these key figures are regularly reviewed and reported to the Executive Board. The Wilo Group continued to comply with the agreed financial covenants in the year under review 2024.

All key indicators relevant to management are determined based on the key figures in the consolidated financial statements, which are prepared on the basis of the International Financial Reporting Standards (IFRS) as adopted by the EU.

In addition to the financial performance indicators and key figures described above, non-financial aspects relating to employees, processes along the value chain, sustainability and social commitment, among other things, are important for the Wilo Group's business success and development.
➔ *Further details can be found in the Wilo Group's sustainability report, which is published together with the Annual Report or can be accessed at https://wilo.com/sustainability-report.*[4]

Research and development

Strategy and direction

Wilo's sustainability strategy with its three impact areas “Creating”, “Caring” and “Connecting” forms the foundation for all research and development activities. With its products, systems and solutions, the Wilo Group aims to make a sustainable contribution to decarbonisation or improving the water supply, for example. A particular focus is placed on the sustainable design of the product portfolio. The Wilo Group strives to offer products that save resources and are energy-efficient and environmentally friendly through continuous development and innovation. The Wilo Group's research and development activities are also firmly integrated as core components into the Ambition 2030 and the corporate goals. The overarching R&D framework is therefore defined and specified in accordance with the corporate strategy. In this way, the Wilo Group's strong position in terms of sustainability, innovation, technology and quality is to be continuously expanded. Derived from the megatrends relevant for Wilo, the key strategic action areas for research and development remain unchanged: energy and resource efficiency, systems technology, solutions expertise, and digital technologies.

When working on the strategic impact areas, Wilo works closely with external partners and other industrial companies in the field of research and development. The Wilo Group also cooperates with higher education institutions and innovative start-ups in order to enrich and expand its internal know-how with external expertise. A global research and development network supports the diverse projects, whereby public funding is also utilised for application-related issues. As part of digitalisation, Wilo will continue to focus in future on new business models and complementary services.

Global research and development activities are managed by a central organisation comprising dedicated teams for technology fields such as hydraulics, motors, microelectronics, software and sustainable product design. This enables efficient management of the challenges posed by the digital transformation and promotes global collaboration with optimal knowledge transfer. Series development is decentralised at the Wilo Group's locations, but is coordinated globally, resulting in agile working methods and increased efficiency.

Results

The importance of artificial intelligence (AI) is growing steadily in science, business and the media and is now rapidly gaining ground in new areas of application. AI is already highly relevant also at Wilo. The Wilo AI Competence Centre, which is part of the research and development department, actively follows the dynamic developments in the field of artificial intelligence in order to ensure Wilo's business success in this

[4] The sustainability report and the content that can be accessed via the link are not part of the Group management report. In accordance with German legal requirements, KPMG AG Wirtschaftsprüfungsgesellschaft has not audited the sustainability report or the cross-references or the information to which they relate, and accordingly does not express an opinion or any other form of assurance conclusion thereon.

forward-looking area. In cooperation with the renowned Lamarr Institute for Machine Learning and Artificial Intelligence, which is also based in Dortmund, the company's in-house expertise in this area is being further expanded. The aim is to promote innovation and increase productivity through advanced AI solutions.

The Wilo Group was recognised as a leading example of the successful use of artificial intelligence in product development in the international comparative study "AI-driven Product Development" in the year under review 2024. The study, conducted by the Laboratory for Machine Tools and Production Engineering (WZL) at RWTH Aachen University and the Complexity Management Academy, analysed the use of AI in product development in over 150 companies.

Another important step in this direction was the introduction of the company's internal chatbot "WiloGPT". This application was developed to support employees in various areas. WiloGPT is an AI-powered assistant designed to help answer questions and provide information to support employees. The chatbot is designed to help improve efficiency and productivity in various departments of the company by enabling employees to quickly access relevant information and manage complex tasks more effectively.

One of the key development results in the reporting year 2024 was the expansion of the Wilo-Atmos GIGA-I and Wilo-Atmos GIGA-D standard pump series. The majority of the series has already been launched in 2022 (Atmos GIGA-I) and 2023 (Atmos GIGA-D). With the current launch, the maps of the series have been expanded to include several split pump curves.

The web-based Wilo Monitor was launched on the market in the year under review. The Wilo Monitor is designed to enable remote monitoring, control and optimisation of pumps and pump systems. Prompt, automatic warning messages are essential in the event of faults in order to avoid longer system downtimes.

In the wastewater systems application area, Wilo presented the Wilo-Rexa SUPRA-M30-41 and Wilo-Rexa SUPRA-C10-77 extensions to the energy-efficient Wilo-Rexa submersible motor pump series in the reporting year. They have been specially developed for the requirements of modern water management and are available with IE0 and IE3 motors.

Employees

With an almost constant number of employees in the department of research and development, the employee structure in 2024 also remained largely unchanged compared to the previous year. The targeted recruitment of highly qualified young international talent from technology and natural sciences disciplines is a growing challenge. The Wilo Group therefore continues to implement comprehensive measures to be perceived as an employer of choice by potential applicants. This includes special talent development programmes and a large number of national and international training, exchange and mentoring initiatives. These measures are intended to ensure that Wilo can continue to successfully attract highly qualified employees in the future and retain them in the long term.

Patents and licences

The Wilo Group continues to pursue a consistent intellectual property (IP) strategy in order to secure innovative unique selling points through patents and other property rights that support the Wilo Group's profitable growth and contribute to the corporate strategy, particularly in the "Creating" impact area. In 2024, the number of active property rights and the number of published patent applications increased once again. In addition, successes were achieved in the enforcement of intellectual property rights, particularly against the misuse of Wilo brands on online marketplaces. In addition, 2024 introduced a new monitoring system to identify abusive domain registrations. A case study published by the renowned Swiss International Institute for IP Management (I3PM) in 2023 confirms the effectiveness of Wilo's IP management and certifies special capabilities in several key areas.

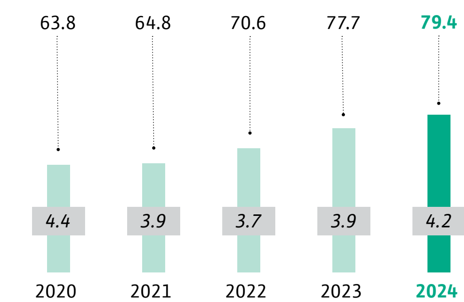
Investment and expenditure

A key investment focus for the year under review 2024 was the expansion of test capacities for new product series. In addition, the Wilo Innovation Lab was opened at the Dortmund site. The Innovation Lab is part of the Innovation Cube, in which the research and development department is centrally located. This innovative space serves as a platform for creative ideas and as a meeting place for interdisciplinary exchange and collaboration. The Wilo Innovation Lab is intended to create an inspiring environment that actively promotes the creativity and innovative strength of employees as well as collaboration between different specialist departments. It is equipped with state-of-the-art technology and flexible workspaces, providing an ideal environment for the development of new products, systems and solutions as well as for the optimisation of processes and the implementation of innovations.

Total expenses of research and development in the year under review 2024 amounted to EUR 79.4 million (previous year: EUR 77.7 million). With a ratio of 4.2% of research and development expenses to net sales, they exceeded the high level of the previous year (3.9%).

Development costs were capitalised in the amount of EUR 18.5 million (previous year: EUR 13.3 million). Research and non-capitalised development costs of EUR 74.8 million (previous year: EUR 73.8 million) were recognised in the income statement. These include amortisation of capitalised development costs in the amount of EUR 10.0 million (previous year: EUR 9.4 million) and restructuring costs.

F&E expenses*
in EUR million and *in % of net sales*



* Research, capitalised and non-capitalised development costs (excluding amortisation of capitalised development costs and restructuring costs)

BUSINESS REPORT

- **No economic turnaround in 2024: global economy grew only moderately, construction industry remained under considerable strain**
- **Slight decline in net sales of 2.3% adjusted for currency effects**
- **Extraordinary items from restructuring measures impact profitability**
- **Operating cash flow exceeds the previous year's high level, free cash flow significantly improved**

General economic and industry-specific conditions

The global economy was unable to emerge from its weak phase in 2024

The pace of expansion in the global economy remained moderate, with developments varying greatly from region to region. The economic disparity between the most important economic areas of the USA, China and Europe was large. The causes were manifold. On the one hand, geopolitical risks remained a burden. In addition to Russia's unrestrained war of aggression in Ukraine, the conflict in the Middle East escalated. EU sceptics gained in importance in the European elections. Governments in important EU states such as Germany and France became unstable and were thus partially weakened. During the presidential election campaign, the announcements made by Donald Trump at the end of 2024 triggered further uncertainty worldwide. On the other hand, the Global South moved closer together with the expansion of the BRICS alliance. Internationally active companies need to reorganise and establish regional supply chains and production structures to limit risks. In addition, climate change has led to an increase in extreme weather events in 2024 and, finally, structural problems have become apparent in industrialised countries, especially in Germany. The energy transition and the necessary transformation towards an emission-free economy have triggered immense pressure to adapt. Although the previously very high inflation in 2024 levelled off worldwide, it remained above the central banks' two per cent target in the USA and the eurozone in terms of the core rate. Interest rate cuts were therefore lower than expected, particularly in the USA. All in all, global industrial production in 2024 remained subdued and the construction industry in many regions remained under pressure. According to the International Monetary Fund (IMF), the global economy in 2024 expanded by a total of 3.2% after 3.3% in the previous year. According to the IMF, the economic output of industrialised countries increased on average by 1.7% (previous year: 1.7%), while emerging and developing countries grew by 4.2% (previous year: 4.4%).

The following section presents the general economic and industry-specific developments in 2024 in the regions that are relevant to the Wilo Group. In addition to the general economic development of individual countries and regions, the economic performance of the Wilo Group is influenced in particular by the construction and sanitary industries as well as the water and wastewater industries.

Established markets: Weak residential construction overshadows construction activity

EUROPE. The economy continued to suffer from global pressures and uncertainties. Economic momentum was particularly weak in Western Europe. According to the ifo Institute for Economic Research, European industry has not yet overcome its crisis. The impetus from abroad remained moderate and capital investments declined. The slowdown in inflation had a positive effect, although this development in the second half of the year was mainly due to falling energy prices. The European Central Bank (ECB) started a turnaround in its monetary policy in June 2024 with the first interest rate cut after two years of a tight policy. Switzerland and the UK also eased their monetary policy. Both countries have grown moderately. According to the preliminary assessment of Kiel Institute for the World Economy (IfW) in December, domestic demand in the eurozone was driven by private consumer spending and government consumption. Net exports are therefore likely to have been slightly positive. According to Eurostat, the European Statistics Office, gross domestic product (GDP) in the eurozone in 2024 once again showed little growth at 0.7% (previous year: 0.4%).

The German economy was mired in a deep crisis and has not developed any upward momentum despite falling interest rates in 2024. It has been treading water for five years now and is thus in the longest period of stagnation since the end of the Second World War. According to the ifo Institute for Economic Research, the price-adjusted GDP level 2024 was only at the level of the pre-coronavirus year 2019. The weakness of German industry is not only cyclical, but also largely due to structural factors. Digitalisation, decarbonisation, demographics and the move away from previously globalised structures pose major challenges for the German economy. The industry is suffering from increasing competition, particularly from China, as well as location-specific competitive disadvantages. According to an analysis by the Kiel-based IfW in 2024, high levels of uncertainty about the direction of economic policy have also inhibited the willingness to invest and weighed on consumer confidence. According to data from the Federal Statistical Office, Germany's GDP therefore shrank again slightly by 0.2% (previous year: -0.3%).

Due to the negative general economic environment, 2024 has been the most difficult year for the construction industry since 2020, according to the industry network Euroconstruct (including ifo). After Europe's construction output already came under pressure in the middle of 2022 and shrank in 2023, the sector was hit even harder by the downward spiral in 2024. The financing environment was initially less attractive due to the interest rate turnaround that was only initiated in the middle of the year. Residential construction in particular slipped into a pronounced crisis due to high property prices and construction costs. 2024 was also very challenging for other building construction (industry, logistics, commerce, public buildings). Construction output in this area fell slightly once again. In contrast, civil engineering was a mainstay of the construction industry thanks to extensive investment in transport and energy infrastructure. Overall, according to the December analysis by Euroconstruct, construction output in the 19 core markets of Europe in 2024 shrank by 2.4% in real terms (previous year: -1.3%).

The German construction industry continued its downward spiral in 2024. Euroconstruct assumes that construction output fell in real terms by 2.8% after -2.4% in the previous year. In its November estimate, the German Construction Industry Federation (HDB) assumes that only 250,000 flats were completed in 2024, after the previous year's figure of 294,000 flats clearly fell short of the federal government's new construction target of 400,000 units per year. According to data from the German Institute for Economic Research (DIW), the broadly defined construction volume declined for the fourth year in a row, falling in real terms by 3.7% (previous year: -2.0%). New residential construction alone shrank by 10.1% in real terms (previous year: -9.7%). At -3.2%, investments in existing buildings, such as extensions and conversions, repairs and modernisation, were not under quite as much pressure as new construction (previous year: -1.0%).

In 2024 the persistently and markedly negative construction industry environment has also impacted the German sanitary industry, which had previously been largely resistant. In their joint assessment from November, the German Trade Association for Buildings and Energy (VdZ) and German Sanitary Industry Association (VDS) assume that total net sales for 2024 in the refrigeration, air conditioning and ventilation sector fell by just under 5% to EUR 50.6 billion (previous year: +12.0%). This put an end to many years of steady growth. Domestic net sales in the sector fell in 2024 by an estimated 4% to EUR 41.4 billion. Demand for heating systems also plummeted as a result of the substantial anticipatory effects in previous years and the high level of consumer uncertainty caused by the debate surrounding the Germany Building Energy Act (GEG). According to the German Federation of German Heating Industry (BDH), heating sales slumped to 712,500 units in the entire year 2024 compared to just over 1.3 million units in 2023. That would be a minus of 46% (previous year: +34%). The target of 500,000 heating pumps per year formulated in the German government's climate policy was clearly missed in 2024 with the 193,000 units actually installed.

USA. The US economy was experiencing a broad, dynamic upturn in 2024, fuelled by strong private consumption and expansive government spending. Investment activity was also vibrant, both in equipment and in construction. As a result of strong domestic demand, the US Federal Reserve maintained its restrictive monetary policy for longer than generally expected. Only late in the year, supported by a sustained decline in the inflation rate, did the Fed utilise the scope for an interest rate turnaround in September. In this environment, the US economy grew by 2.8% in 2024, after 2.9% in the previous year.

The US construction industry has grown in 2024, stimulated by the bustling domestic economy. In nominal terms, construction output rose at a similarly dynamic rate as in the previous year in terms of the value of expenditure at 6.5%. On the one hand, government investment in construction remained expansive, particularly in the energy (+20.5%) and water supply (+18.0%) sectors. On the other hand, private construction expenditure in commercial construction rose, with substantially higher investment in production facilities (+20.3%) being offset by lower expenditure on the construction of offices and commercial buildings. Private residential construction grew robustly at 5.9%, with trends reversing within the segment. Investment in new single-family homes recovered significantly (+7.1%). By contrast, expenditure on new apartment blocks (-6.7%) fell.

Growth markets: Construction industry is an important pillar and driver of the economy

CHINA. Despite the key interest rate cuts by the People's Bank of China and the expansionary economic policy, the economy in 2024 lacked the necessary tailwind for a strong recovery. The unresolved property crisis, which is diminishing private consumption, as well as the debt problems of individual local governments, have continued to weigh on the economy. After a robust start, investment and industrial production grew only modestly over the rest of the year. Capacity utilisation in the industry continued to fall slightly compared to previous years. According to data from the Chinese National Bureau of Statistics (NBS), in 2024 economy ultimately grew by 5.0% after 5.2% in the previous year.

China's construction industry was also unable to overcome the long-term crisis in 2024. Investments in buildings have once again shrunk significantly across the board. In real terms, investments in building construction fell by 10.6%, while investments in residential construction, by far the dominant individual segment, fell by a similar amount at -10.5%. Office buildings (-9.0%) and other commercial buildings (-13.9%) were also unable to escape the negative trend.

SOUTH KOREA. After the economy got off to a strong start in 2024, its momentum and inflation levelled off over the course of the year. Korea's export-oriented industry has lost momentum. Gross capital investment (excluding construction) was initially very weak, but bucked the general trend in the second half of the year by picking up again significantly. Despite a slight increase in employment, private consumption was only able to provide very little stimulus for the economy in 2024. In the final quarter, the Bank of Korea (BoK) lowered its key interest rates in two steps to 3.0%. According to their analyses, Korea's economy in 2024 is therefore likely to have grown by 2.0% and thus robustly, compared to only 1.4% in the very weak previous year.

The construction industry has noticeably slowed down the overall economic situation in 2024. According to BoK, real construction investment fell by 2.7% (previous year: +1.5%). This was due to a significant decline in activities in building construction and civil engineering.

INDIA. Structurally, the world's most populous country is growing very strongly. The drivers are population growth and urbanisation. In addition, the policy is now geared towards strong economic expansion, which should strengthen India's global importance. Following the very significant economic slump caused by the pandemic, the country initially recovered very dynamically. This catch-up process has apparently run its course in 2024 and higher inflation has further diminished private consumption. In this environment, the central bank has not eased its monetary policy. The key interest rate has been at 6.5% since the beginning of 2023. According to IMF data, the economy grew by 2024 at 6.5% (previous year: 8.2%).

Private investment also remained restrained in 2024 due to severely underutilised capacities. However, the state is providing substantial impetus here with a targeted expansion of the infrastructure, including for water management. In view of the structural housing shortage and demand for commercial buildings, the construction industry has a key role to play in this rapidly developing and changing country. According to the national investment promotion agency Invest India, the construction sector is growing by 6-7% per year from 2023 to 2025. The construction industry is also likely to have grown at this rate in 2024 with regard to the overall economy. The World Bank assumes that real construction investment has actually increased at an accelerated rate in 2024, driven by high levels of investment in infrastructure, thus counterbalancing the levelling off of private consumption.

SOUTHEAST ASIA. The structurally very dynamic region with a young population has benefited in 2024 from the recovery in global trade. According to the World Bank, exports have picked up again in 2024 after a very weak previous year. However, only moderate growth in the global economy diminished the upturn. While private consumption benefited from falling inflation rates, investment activity remained subdued due to high interest rates and various uncertainties. In the second half of the year, many central banks in the region began to loosen their interest rates, for example in the Philippines, Thailand and Indonesia. The IMF estimates the rate of expansion in the most important countries in Southeast Asia (ASEAN-5) in 2024 at 4.5% after 4.0% in the previous year.

The construction industry in Southeast Asia generally benefits from the region's high structural dynamism, meaning that the high demand across the board (housing, economy, infrastructure) is a fundamental driver of construction investment. Nevertheless, short-term developments vary from country to country. Momentum in Thailand, for example, was below average. Indonesia's construction sector recovered after several years of crisis, driven by government investment, although residential construction in 2024 remained weak and overcapacity slowed down the construction of offices and hotels. Construction activity has also picked up in Vietnam. Housing, office and hotel construction gradually emerged from a deep crisis in 2024, and investment in factories and industrial estates fuelled industrial construction. The city state of Singapore invested substantially in infrastructure in 2024.

TURKEY. The Turkish economy cooled down further in 2024. Following the re-election of President Erdogan in May 2023, the extremely relaxed monetary policy that had been in place for many years was massively tightened in order to curb the rapid inflation and currency depreciation. The Turkish economy in 2024 was characterised by a restrictive monetary policy and continued very high inflation despite the change in policy. According to the World Bank, high wage increases, the weak currency and tax effects fuelled the price increase. Industry came under increasing pressure due to weak economic demand in Europe, among other things, resulting in an overall decline in industrial production. According to the World Bank, economic growth for 2024 is relatively weak 3.2% (previous year: 5.1%).

The Turkish construction industry was faced with major challenges under these conditions, particularly in private residential and commercial construction. On the one hand, reconstruction in the earthquake region and the urban transformation programme remained the most important growth drivers. This also favoured investments in drinking water and wastewater management. However, financing difficulties and high construction costs have weighed on demand for the construction industry. This led to a sharp decline in private residential construction.

MIDDLE EAST & AFRICA. Developments in the Middle East were overshadowed in 2024 primarily by the Gaza conflict, the armed conflicts in the border region between Israel and Jordan and the renewed Houthi attacks on ships in the Red Sea. However, there was no further escalation of the conflicts into a conflagration in the region. According to the World Bank, in 2024 a moderate upturn was observed in the oil-exporting countries at 1.7% (previous year: 1.4%) and the oil-importing countries of North Africa at 2.2% (previous year: 2.7%). Algeria has grown significantly and Morocco somewhat more slowly than recently, while Tunisia's economy has regained its footing. Egypt suffered from lower shipping traffic in the Suez Canal, higher interest rates and low investment. In addition, the crises in the region prevented stimulation of tourism. Overall, the World Bank puts economic growth in the Middle East and North Africa at 1.8% (previous year: 1.7%). In addition, the economy in the sub-Saharan region has brightened slightly despite food shortages and social and political conflicts. Nigeria has increased its oil production, but has had to raise interest rates significantly to combat high inflation. Growth nevertheless accelerated to 3.3%. In South Africa, GDP growth was again very weak at 0.8% after 0.7% in the previous year.

Within this heterogeneous general economic framework, the construction industry is also subject to different conditions depending on the country. Building construction in the United Arab Emirates (UAE) in 2024 experienced a strong upturn, both in the construction of flats and commercial buildings. The construction industry also boomed in Saudi Arabia, fuelled by government giga projects to create housing, among other things. In Morocco, in 2024 growth impetus came from publicly financed and private residential construction, the construction of healthcare and educational facilities and vibrant investment in the wholesale, retail and tourism sectors. In contrast, the construction industry in Tunisia remained in crisis. This was due to the low number of government projects, difficult financing conditions and delays in major projects. The construction industry in Egypt was strained, with many construction companies and property developers coming under pressure as a result of devaluation and a lack of foreign currency in 2024.

LATIN AMERICA. According to the World Bank, economic growth in the region remained very subdued at 2.2% in 2024 (previous year: 2.3%). While the economy in Brazil picked up slightly with GDP growth of 3.2%, momentum in Mexico slowed significantly at 1.7%. In contrast, Chile's economy in 2024 recovered vividly from the previous year's stagnation with growth of 2.4%. In Argentina, the economy shrank again and very significantly with a decline of 2.8%. The government led by President Milei is pursuing a rigid austerity and anti-inflationary course, which initially led to major upheavals but showed its first successes at the end of the year 2024.

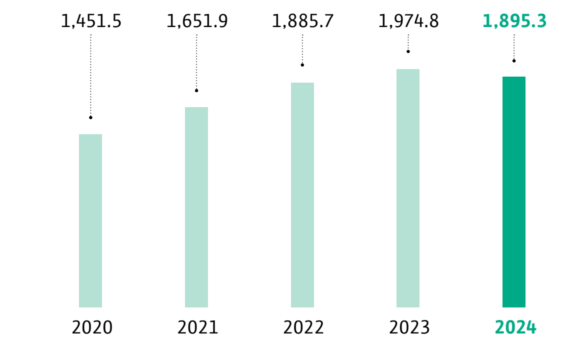
Construction activity was bustling in individual Latin American countries in 2024. Mexico's building construction sector has overcome its weak phase, with the construction of industrial buildings in particular picking up strongly. Following weak demand for flats and offices during the pandemic, this sector also picked up noticeably. Construction activity also picked up in Brazil. Higher subsidies for social housing and increased government spending were important drivers.

Results of operations

Development of net sales

The reporting year 2024 was characterised by difficult geopolitical and economic conditions and a challenging market environment. Adjusted for currency effects, a slight decline in net sales was recorded at 2.3%. However, the depreciation of various important foreign currencies for the Wilo Group had a negative impact on net sales performance in the Group currency. Taking these negative exchange rate effects into account, consolidated net sales of EUR 1,895.3 million were down on the previous year's figure by 4.0% or EUR 79.5 million.

Development of net sales
in EUR million



In the individual sales regions, net sales development for the financial years 2024 and 2023 was as follows:

Net sales development by region

EUR million	2024	2023	Change in%	Change after adjustment for exchange rate effects in%
Established markets	1,116.7	1,178.3	-5.2	-5.3
Growth markets	778.6	796.5	-2.2	2.2
Total	**1,895.3**	**1,974.8**	**-4.0**	**-2.3**

The established markets and growth markets consisted of the following countries as at 31 December 2024:
– Established markets: All European nations, USA and Canada
– Growth markets: China, India, South Korea, the Southeast Asian nations, Australia and Oceania, Russia, Belarus, the Caucasian nations, Turkey, the Middle East, Africa, Latin America

ESTABLISHED MARKETS. In the established markets, net sales in 2024 fell by 5.2% or EUR 61.6 million to EUR 1,116.7 million. Currency rate effects were of minor importance in these markets.

The main reason for the decline in net sales in the established markets was the significant drop in OEM business in Europe compared to 2023. The picture was largely uniform in the individual countries and regions. In anticipation of various planned energy efficiency and CO_2 reduction measures in European countries, manufacturers of heating pumps, among others, had significantly increased their production in previous years. As some of the planned projects were not or only partially implemented, the OEM customers' warehouses in the year under review were still well stocked. At the same time, many consumers took a wait-and-see approach due to the uncertainties surrounding energy efficiency programmes and related subsidies. This had a correspondingly curbing effect on market demand. In Germany in particular, the Building Energy Act (GEG) has led to a high level of uncertainty among market participants, with the result that sales of heating systems in 2024 plummeted overall. The sector also suffered in general from the continuing weakness of the construction industry in Europe. Wilo was unable to completely escape the generally negative industry trend in the OEM business, with the result that development of net sales here was significantly lower than in the previous year.

Outside the OEM segment, however, net sales in Europe were roughly on a par with the previous year's high level. The previous year was also characterised by exceptionally high growth as a result of extraordinary items. In addition to the reduction of high order backlogs, there were certain anticipatory effects among wholesalers and other customers at the prospect of government energy efficiency subsidy programmes. Accordingly, the warehouses of wholesalers and installation companies were also well stocked here at the beginning of the year, meaning that these stocks were expended first. The gradual reduction in stocks, which was also encouraged by the start of the heating season, led to a normalisation of the wholesale stock situation and demand for pumps and pump systems picked up again significantly over the course of the year 2024. The Wilo Group has a broad base of installations in Europe, meaning that economic fluctuations can be cushioned to a certain extent by a continuous replacement business. However, the weak construction sector in most European countries continued to weigh on the project business, with a few exceptions. One exception was business in Southern Europe, which developed extremely positively in this area. In Greece, for example, several major projects were completed in the Water Management market segment and in Spain a dynamic project business also led to an increase in net sales. The trend in Eastern Europe was also positive 2024. In Poland, significant growth was generated due to the market launch of a new product range, among other things. Growth was also recorded in 2024 in the Nordic countries and in the UK and Ireland – supported by the acquisition of Arfon Rewinds. SBU Water Treatment, in which all of the Wilo Group's activities in the area of water and wastewater treatment are bundled, also provided positive impetus. A double-digit growth rate was achieved here. These positive developments were able to almost offset the decline in net sales, particularly in Germany and France, the two largest individual markets in Europe. The governments in both countries came under pressure, resulting in generally increased uncertainty about economic and climate policy. The financial viability and organisation of future subsidies were also unclear. The decline in net sales in France and Germany was therefore mainly due to a lack of willingness to invest on the part of end consumers on the one hand and the generally weak construction industry on the other. In Germany, the year-on-year decline was also due to base effects, as double-digit growth rates were achieved in 2023, partly favoured by non-recurring effects.

In the North American market, on the other hand, net sales grew very strongly by 10.0%. The acquisitions of Gustavo Preston Company, Boyer & Seeley Inc. and Plad Equipment Ltd. made in 2023 also contributed to this strong growth. In Canada in particular, business has also grown organically to a great extent as a result of more focused market cultivation and the expansion of the local sales organisation. In the USA, a broadening of the customer base in the OEM segment and growth in the service business contributed to the very positive development. With the establishment of a dedicated service organisation, which was strengthened by the targeted acquisitions in the previous year, the Wilo Group was able to significantly expand its market access in the USA. With its own US production sites, including in Cedarburg, Wisconsin, and a high level of localisation, Wilo has also created the basis for serving local customers efficiently and in line with their requirements as well as for achieving sustainable growth. This is especially true in view of the significant changes in market conditions resulting from the new US economic policy.

GROWTH MARKETS. In the growth markets, net sales adjusted by currency effects increased by 2.2%. Nominal development of net sales in the growth markets, translated into euros, was severely curbed by the depreciation of various local currencies. In the reporting currency, the euro, net sales in 2024 fell by 2.2% or EUR 17.9 million to EUR 778.6 million. Overall, the picture in the growth markets was somewhat more diversified than in the established markets.

Net sales in India rose very strongly by 9.2%, and even by 10.6% when adjusted for exchange rate effects. The Indian sales organisation has already been further expanded in recent years with the aim of achieving greater diversification between the market segments. This has paid off in 2024. As a result, business in the Building Services segment expanded significantly, fuelled by the strong economic momentum and the immense demand for living space for the growing population. The Water Management market segment benefited from extensive projects to expand the water infrastructure.

In the South Korean market, net sales in the reporting currency fell by 3.0%. However, adjusted for exchange rate effects, slight net sales growth of 1.0% was achieved. The country's construction sector is experiencing a sustained period of weakness, meaning that business in the Building Services segment was sluggish. This development was compensated for by a more focused market cultivation with an emphasis on rapidly developing sectors with great potential. In this context, equipping data centres and factories for the semiconductor industry, for example, is a growing line of business.

In China, net sales were 6.6% below the previous year's level. Adjusted for the devaluation of the renminbi against the euro, the decline in net sales in local currency was 5.5%. The Building Services segment suffered from the persistent weakness of the real estate sector and, as a result of the high level of local municipalities' debt, many government infrastructure projects in the area of water supply and wastewater disposal are currently being postponed.

Strong net sales growth of 9.4% was achieved in Southeast Asia. Indonesia was once again the growth driver. A major project in which Wilo supplies pump systems for dewatering in mining was continued in the reporting year. Strong growth was also achieved with mining projects in Australia. In addition, business in Taiwan was significantly expanded, particularly with large projects in the Water Management market segment.

In Turkey, net sales were slightly above the previous year's level. This development was significantly influenced by negative exchange rate effects. Adjusted for exchange rate effects, strong growth of over 25% was achieved. While the OEM segment was also significantly weaker here than in the previous year, business in Turkey once again benefited from numerous public projects to expand and modernise infrastructure. Turkey has also prioritised investment in the reconstruction of the earthquake region.

In Central Asia, net sales fell by around 20%. The strong growth in Azerbaijan was unable to offset the decline in net sales in Uzbekistan and Kazakhstan. Business in this region is largely characterised by project business, which is subject to certain fluctuations.

In the MENA sales region (Middle East and North Africa), net sales increased by 2.8%. Projects in Iraq in the Industry and Water Management market segments contributed to this positive development. Growth was also achieved in the United Arab Emirates, Saudi Arabia and Lebanon. Project business is also of great importance in this region and therefore business development is subject to greater volatility. However, the Wilo brand is becoming increasingly established in the region, meaning that dependence on large-scale projects is steadily decreasing.

In Central and South Africa, net sales were roughly on a par with the previous year. Several large water management projects were implemented in Ghana and high growth was achieved with industrial customers in Nigeria. This compensated for the decline in net sales in other parts of the continent, such as Kenya and Côte d'Ivoire.

Very strong growth was achieved in Latin America. Net sales increased here by almost 30%. The Wilo Group is continuously expanding its sales organisation in Latin America and opening up new markets and business areas – including in Central America and the Caribbean. A number of projects in the Water Management market segment were completed in Guatemala and Trinidad Tobago. In the Building Services market segment, high growth was achieved in Paraguay and Uruguay. Business in Argentina has stabilised in 2024. A number of irrigation projects in agriculture were implemented here. In particular, agricultural irrigation projects also contributed to the strong increase in net sales in Mexico.

Earnings development

Earnings development

EUR million		2024	2023	Change in%
Net sales	in EUR million	1,895.3	1,974.8	–4.0
Gross profit *Gross margin*	in EUR million *in%*	638.4 *33.7*	679.9 *34.4*	–6.1 *–0.7 pp*
Earnings before interest, taxes, depreciation and amortisation (EBITDA) *EBITDA as a percentage of net sales (EBITDA margin)*	in EUR million *in%*	152.5 *8.0*	216.8 *11.0*	–29.7 *–3.0 pp*
Adjusted EBITDA* *Adjusted EBITDA margin*	in EUR million *in%*	*189.1* *10.0*	– –	– –
Net finance costs & net income from investments carried at equity	in EUR million	–20.9	–12.7	–64.6
Consolidated net income before taxes	in EUR million	29.2	103.6	–71.8
Consolidated net income	in EUR million	**19.2**	**75.2**	**–74.5**

* EBITDA adjusted for restructuring expenses

In 2024, the Wilo Group's earnings development was significantly influenced by the future-proofing and growth-oriented reorganisation and restructuring measures initiated by the Executive Board in the course of the reporting year. The measures affect all areas of the company and are intended to further reduce the cost base. The measures already implemented or planned, for which corresponding restructuring provisions were recognised, had a negative impact on earnings development totalling EUR 36.6 million.

Compared to the previous year, gross profit fell by 6.1% or EUR 41.5 million, to EUR 638.4 million, mainly due to the decline in net sales and the restructuring measures. The gross profit margin fell by 0.7 percentage points to 33.7%. The noticeable decline in the OEM business led to reduced capacity utilisation at the factories in Europe. This was offset by positive effects from lower material and freight prices as well as savings from cost-cutting measures, such as the temporary reduction in working hours for employees in production. However, this only partially compensated for the negative effects of the lower fixed cost degression and the restructuring expenses.

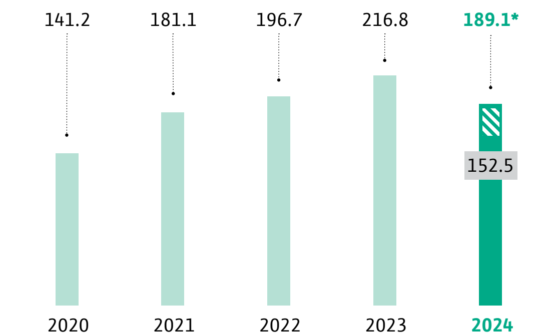
Selling and administrative expenses increased year-on-year by 4.6% or EUR 22.5 million, to EUR 508.1 million. This was also mainly due to restructuring expenses and higher personnel costs. On the one hand, the average number of people employed by the Wilo Group during the year was slightly higher. This was mainly due to the strengthening of sales and service structures in the growth markets as well as the company acquisitions made. On the other hand, personnel expenses increased as a result of regular salary and collectively agreed pay increases. In the context of the challenging economic conditions, in 2024 the Executive Board pushed ahead with strict cost management to safeguard profitability and liquidity, so that the extent of the increase in selling and administrative expenses could at least be limited.

The research and development costs recognised in profit or loss increased by EUR 1.0 million or 1.5% to EUR 74.8 million. This was due to salary increases, higher amortisation of capitalised development costs and expenses for restructuring measures. In contrast, a higher proportion of development costs was capitalised than in the previous year, as several development projects in 2024 were at a correspondingly advanced stage.

The other operating income decreased from minus EUR 4.3 million to minus EUR 5.3 million. A higher foreign-currency income from operating activities was offset by lower gains from asset disposals, among other things.

Reported earnings before interest, taxes, depreciation and amortisation (EBITDA) therefore fell significantly by EUR 64.3 million to EUR 152.5 million. The EBITDA margin (ratio of EBITDA to net sales) fell accordingly by 3.0 percentage points to 8.0%. The EBITDA decline was mainly due to the decrease in sales revenues and, in particular, the planned and partially already implemented restructuring measures. Adjusted for the restructuring expenses of EUR 36.6 million, EBITDA totalled EUR 189.1 million and the EBITDA margin was 10.0%.

EBITDA
in EUR million



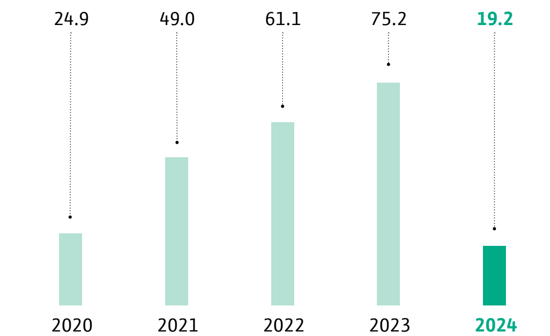
* EBITDA adjusted for restructuring expenses

The Wilo Group's net finance costs fell by EUR 7.2 million from minus EUR 13.9 million in the previous year to minus EUR 21.1 million in the year under review. Net interest costs totalled minus EUR 20.6 million following minus EUR 16.7 million in 2023. On the one hand, the increase in the average interest rate of the loan portfolio was a contributing factor. On the other hand, the interest payments for the promissory note issued in November 2023 impacted the interest result for the first time throughout the entire reporting year. The net foreign currency income from financing activities improved by EUR 1.3 million. In contrast, the result from the utilisation and measurement of derivative financial instruments deteriorated by EUR 1.8 million.

Income taxes totalled EUR 10.0 million (previous year: EUR 28.3 million). Due to the lower pre-tax result, current tax expenses also fell from EUR 33.3 million to EUR 24.8 million. Income of EUR 14.8 million was recorded in deferred taxes (previous year: EUR 4.9 million).

Overall, the consolidated net income for 2024 therefore deteriorated by a total of EUR 56.0 million to EUR 19.2 million. Return on sales, i.e. the ratio of consolidated net income to the Wilo Group's net sales, fell accordingly from 3.8% in the previous year to 1.0% in the year under review.

Consolidated net income
in EUR million



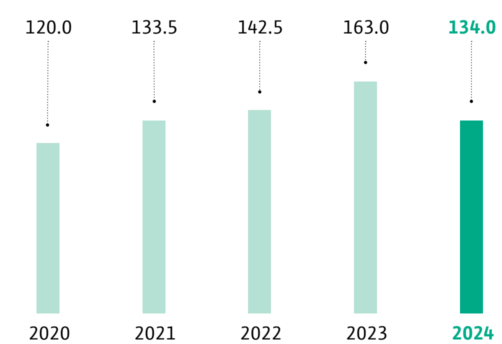
Cash flows

Capital expenditure

In 2024, capital expenditure on intangible assets and property, plant and equipment (not including company acquisitions and leases) fell by EUR 29.0 million to EUR 134.0 million, compared to the previous year's high level. This planned decline resulted from the successful completion of several major projects to modernise and adapt capacities. In recent years, the Wilo Group has invested heavily in a modern, future-proof, efficient and growth-promoting corporate infrastructure. The localisation efforts initiated before the outbreak of the pandemic were further intensified and the appropriate degree of vertical integration for Wilo in individual regions and countries was redefined. At the same time, Wilo has strengthened the degree of vertical integration along its value chains. Multi-year projects such as the construction measures for the main production facilities in the USA, China and India have now been completed. The strategic location project at the headquarters in Dortmund is also nearing completion with the planned commissioning of the Health Cube in 2026.

To ensure long-term profitable growth, the focus in 2024 was once again on the further development of capacities and structures for production and sales as well as the implementation of new technologies worldwide, taking into account Wilo's strategically defined sustainability goals.

Capital expenditure on intangible assets and property, plant and equipment*
in EUR million



* not including company acquisitions and leases

Capital expenditure in the year under review was also primarily related to the strategic location development project in Dortmund as well as the modernisation and further development of the production capacities located there. Investments were also made in the expansion of the IT infrastructure.

Wilo's headquarters in Dortmund, known as Wilopark, is being completely redesigned as part of a major project lasting several years and comprehensively geared towards the requirements of the future. The centrepiece is the Smart Factory, a state-of-the-art, intelligent production facility that integrates key elements of the industry 4.0 vision. This was already completed in the first phase in 2019 and production started as planned. 2020 saw the company moving into the Pioneer Cube, a modern office building that is home to the employees in the head office. The Innovation Cube was completed in 2023. This ultra-modern building complex is now home to the research and development department, including a test laboratory.

Further construction work on the Wilopark continued as planned in the reporting year 2024. The Networking Cube was inaugurated in September. The Networking Cube is a centre for regular exchanges with national and international market partners as well as for events and seminars. Throughout the complex, visitors have access to numerous state-of-the-art meeting rooms and interaction areas. Construction work on the Health Cube, a modern, holistic health centre on the Wilopark, began in 2024 and the structural work was started. The official launch of the Health Cube is planned for 2026.

In view of the current and future changes to the product portfolio, growing market demand and to further increase cost efficiency, the Wilo Group has also invested in corresponding production capacities. As part of the increased vertical integration of production, a fully automated welding and production line with six robots for the fully automated manufacture of parts for hydraulics production was put into operation at the plant in Beijing. In addition, an automated production and test line for the series production of high-efficiency pumps from the PARA series was purchased in Aubigny, France.

Further significant investments were made in the year under review 2024 in the expansion of sales and production locations worldwide. Among other things, the plant in Dubai was expanded and capacities were adapted to the dynamically growing demand in the region. This location serves as a regional platform for the countries in the Middle East and North Africa. In order to take account of the high growth dynamics of these markets, a further assembly platform including sales and administration units is also being built in Morocco. In addition, a plant for the local assembly of products with corresponding logistics and office space was obtained in Indonesia in 2024 to further strengthen the company's presence in the growth region of Southeast Asia. This ensures efficient implementation of local requirements and the shortest possible delivery time to the customer.

The Wilo Group has set itself ambitious climate targets. To reduce CO_2 emissions, Wilo is increasingly relying on in-house electricity generation and climate-friendly energy supply concepts, among other things. The main production sites in Dortmund and Hof in Germany, in Cedarburg in the USA and in Kolhapur in India have already been equipped with modern photovoltaic systems in recent years. The plants opened in 2023 in Kesurdi, India, and Changzhou, China, also have solar power generation systems. In addition, solar modules are being successively installed at the subsidiaries worldwide. In the year under review 2024 the local heating network for the Wilo plant in Hof, which is supplied by a biogas plant and a wood chip heating system on neighbouring farms, has been completed. Upon commissioning, this production facility will be supplied exclusively with heat generated from biomass.

A large part of the investments for the reporting year 2024 was allocated to the expansion of the IT infrastructure as part of the ongoing digital transformation of the Wilo Group, including the implementation of the ERP software SAP S/4HANA and the security of digital processes.

Development costs including borrowing costs were capitalised in the amount of EUR 19.3 million in the year under review (previous year: EUR 13.7 million).

The focus of product development and product enhancement was on water management, sustainability, digitalisation and reducing complexity. In addition to product developments for glanded pumps and for water management, the focus was on the further development of platform solutions.

Further information on purchase commitments for planned capital expenditure on property, plant and equipment can be found in the notes to the consolidated financial statements in (13.2) "Contingent liabilities and other financial obligations".

Capital expenditure on intangible assets and property, plant and equipment (not including company acquisitions and leases) was broken down as follows in the 2024 and 2023 financial years:

Investments in intangible assets and property, plant and equipment

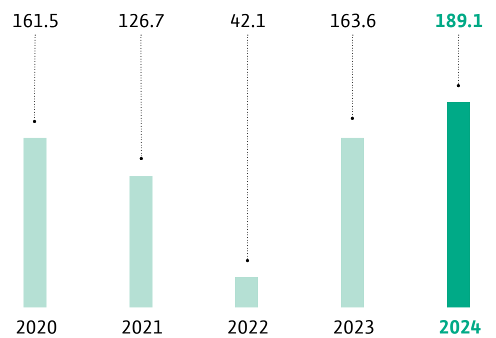
EUR million	2024	2023	Change
Capital expenditure on intangible assets	34.3	**27.6**	**6.7**
Land and buildings	11.7	24.2	–12.5
Technical equipment and machinery	10.6	11.7	–1.1
Operating and office equipment	18.4	24.3	–5.9
Advance payments and assets under construction	59.0	75.2	–16.2
Capital expenditure on property, plant and equipment	**99.7**	**135.4**	**–35.7**
Total	**134.0**	**163.0**	**–29.0**

As part of the M&A activities, the Wilo Group acquired all shares in Arfon Rewinds Ltd., a British service company with locations in Bromborough, England and Caernarfon, Wales, in the year under review. Including company acquisitions, capital expenditure in the reporting year totalled EUR 135.6 million (previous year: EUR 198.6 million).

Cash flow and liquidity

The cash inflow from operating activities increased by EUR 25.5 million to EUR 189.1 million in the reporting year 2024 despite the lower earnings before interest, taxes, depreciation and amortisation (EBITDA). On the one hand, the reduction in the earnings was significantly influenced by the non-cash recognition of restructuring provisions for the measures taken in the context of the reorganisation of the Wilo Group. On the other hand, working capital was reduced by EUR 42.7 million, in particular as a result of targeted measures to reduce stocks. Inventories were reduced by EUR 67.6 million adjusted for exchange rate effects, while trade payables increased by EUR 31.3 million adjusted for exchange rate effects. In contrast, the increase in trade receivables by EUR 56.2 million adjusted for exchange rate effects had the opposite effect. In addition, income tax payments fell by EUR 8.0 million.

Cash flow from operating activities
in EUR million



In the context of investing activities, the utilisation of net cash in the year under review fell by the amount of EUR 52.0 million to EUR 130.7 million. At EUR 99.5 million, payments for capital expenditure on property, plant and equipment were EUR 34.4 million below the previous year's figure. The planned decline in capital expenditure is primarily due to the fact that the major capacity-expanding construction measures for the main production sites in the USA, China and India, among others, have now been completed. The strategic location project at the headquarters in Dortmund is also nearing completion with the planned commissioning of the Health Cube in 2026. In addition, in view of the difficult economic conditions, in principle, the only investments implemented in 2024 were the ones that were of particular strategic importance to the Wilo Group. In the year under review, EUR 1.6 million was spent on company acquisitions, which was EUR 34.0 million less than in the previous year.

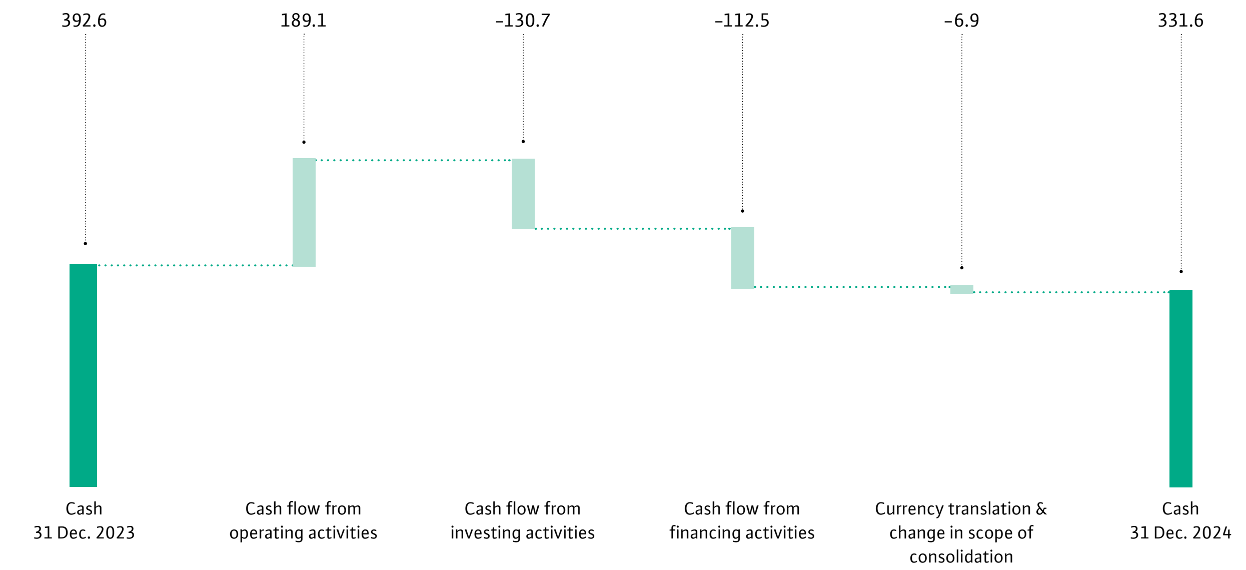
Cash flow from financing activities totalled minus EUR 112.5 million. It was therefore EUR 279.2 million below the previous year's figure. The previous year was marked by the issue of a traditional promissory note in the amount of EUR 270.0 million and the corresponding cash inflows. In the year under review 2024, the Wilo Group repaid bullet loans totalling EUR 40.0 million. In the previous year, the Wilo Group had repaid a senior note and another loan totalling EUR 52.0 million. In addition, a cash outflow of EUR 17.4 million (previous year: EUR 14.5 million) resulted from the dividend payment to the shareholders of WILO SE in 2024. The sale of treasury shares resulted in a cash inflow of EUR 5.0 million (previous year: EUR 3.0 million). Cash flow from financing activities also includes payments for the repayment of lease liabilities and the corresponding interest payments totalling EUR 18.0 million (previous year: EUR 15.4 million).

The individual cash flows for the 2024 and 2023 financial years were as follows:

Cash flows

EUR million	**2024**	2023	Change
Cash flow from operating activities	189.1	163.6	25.5
Cash flow from investing activities	–130.7	–182.7	52.0
Cash flow from financing activities	–112.5	166.7	–279.2
Change in cash	**–54.1**	**147.6**	**–201.7**
Cash at the end of the financial year	331.6	392.6	–61.0
Free cash flow	36.1	–37.5	73.6

Change in cash
in EUR million



Free cash flow improved from minus EUR 37.5 million to plus EUR 36.1 million, primarily due to the improved cash flow from operating activities and the significantly lower cash outflows for capital expenditure. Free cash flow is calculated as the difference between cash flow from operating activities and cash flow from investing activities and takes into account interest received and interest paid as well as dividends received.

Taking into account the negative net effects of currency translation and changes in cash due to changes in the scope of consolidation totalling EUR 6.9 million, cash decreased by EUR 61.0 million to EUR 331.6 million as at 31 December 2024.

Financial management

The Wilo Group's financial management pursues the goal of maintaining the company's financial independence, ensuring liquidity at all times and supporting its operating business. In addition to operating cash flow, Wilo has sufficient financing facilities from internationally positioned banks. They include short and medium-term cash credit facilities as well as guarantee and margin facilities with a total volume of around EUR 500 million. The key element is a syndicated loan with a revolving credit facility of EUR 300.0 million and an option to increase it by EUR 100.0 million. The term of the syndicated loan concluded in December 2023 was originally five years and was extended by one year to 2029 in the year under review. There is a further one-year extension option. As at 31 December 2024, cash credit facilities totalling EUR 6.7 million (previous year: EUR 3.5 million) were used. Guarantee and margin facilities totalling EUR 55.0 million (previous year: EUR 59.9 million) were used.

The financial liabilities consist of senior notes issued as part of US private placements in the years 2017, 2020 and 2022. The volume of these senior notes is USD 30.0 million (bullet maturity 2027), EUR 90.0 million (bullet maturity 2035) and EUR 95.0 million (bullet maturity 2032, 2034 and 2037). In addition, WILO SE took out two traditional promissory note loans totalling EUR 224.0 million and EUR 270.0 million in 2022 and 2023, respectively. The individual tranches each have a bullet maturity and the original terms range from three to ten and three to seven years, respectively. Both promissory notes include an ESG (Environmental, Social, Governance) component to reflect the leading, holistic sustainability approach of Wilo in the financing strategy. In this way, the

Wilo Group is visibly reinforcing its commitment to climate protection and sustainability and underlining its aspiration to think and act sustainably. There is also a promissory note loan totalling EUR 50.0 million with a term of ten years, which was taken out in 2017. This loan has been repaid in instalments since 2022 and had a carrying amount of EUR 25.0 million as at 31 December 2024 (previous year: EUR 35.0 million). A further promissory note loan totalling EUR 15.0 million was taken out in 2020 with a term until 2030 and repayment in instalments. As at the balance sheet date, this promissory note loan had a carrying amount of EUR 8.3 million (previous year: EUR 9.8 million). In addition, a KfW development loan of EUR 19.5 million with a term of ten years was concluded in 2017 to finance the construction projects at Wilopark in Dortmund for the new administration building, the "Pioneer Cube". The loan amount has been used since 2018 according to the progress of construction. It is being repaid in instalments following two redemption-free years. As at 31 December 2024, the KfW development loan had a carrying amount of EUR 7.3 million (previous year: EUR 9.8 million).

The Wilo Group operates active portfolio management with regard to the origin, type and maturity structure of its borrowings. Financing policy focuses primarily on both return and security targets.

WILO SE currently expects to be able to repay all the tranches of the senior notes and promissory note loans and all other loan liabilities and overdrafts on time from its budgeted cash flows from operations, as well as through refinancing measures as required. It has no knowledge that the current weakness of the global economy, which is expected to continue for the foreseeable future, or any potential increase in the volatility of the financial market environment could have a significant negative impact on the Wilo Group's financing activities. As at 31 December 2024, cash amounted to EUR 331.6 million (previous year: EUR 392.6 million). The Wilo Group's leverage as the ratio of net financial position (total of financial debt and lease liabilities less cash) to consolidated EBITDA (adjusted for any restructuring expenses and other extraordinary items such as acquisitions) increased from 2.09 at the end of the previous year to 2.55 as at 31 December 2024, primarily as a result of the lower EBITDA in conjunction with the slight increase in net debt.

→ *Further details on the financing structure can be found in (9.10) of the notes to the consolidated financial statements on **pages 136 et. seq.***

Financial position

The Wilo Group's total assets as at 31 December 2024 remained almost constant at EUR 2,372.9 million compared with the end of the previous year.

Non-current assets increased by 5.5% or EUR 65.3 million to EUR 1,242.6 million. This increase is primarily due to capital expenditure on intangible assets and property, plant and equipment totalling EUR 134.0 million. Capital expenditure on property, plant and equipment totalled EUR 99.7 million and was mainly related to site development in Dortmund and new production technologies. In addition, the Wilo Group invested EUR 34.3 million in intangible assets. Of this, EUR 18.5 million was attributable to capitalised development costs plus capitalised borrowing costs in the amount of EUR 0.8 million. Amortisation of intangible assets and depreciation of property, plant and equipment amounted to EUR 102.3 million in the year under review. The valuation of intangible assets and property, plant and equipment originally held in foreign currencies resulted in positive exchange rate effects totalling EUR 8.2 million. In total, there was an increase in intangible assets and property, plants and equipment of EUR 65.6 million.

The carrying amount of current assets fell in 2024 by 6.0% or EUR 72.2 million to EUR 1,130.3 million. Inventories were reduced significantly by 15.0% or EUR 67.2 million to EUR 379.9 million. Following the targeted build-up of safety stocks in previous years due to the massive distortions on the procurement markets and disruptions in global supply chains, inventories are now increasingly normalising. This was significantly accelerated by a Group-wide working capital management programme. However, current trade receivables increased by 19.6% or EUR 57.2 million to EUR 348.3 million. This development was partly due to the stronger net sales development in the last quarter compared to the previous year.

Overall, working capital, defined as current and non-current trade receivables plus inventories and less current and non-current trade payables, was reduced by a total of 7.7% to EUR 505.6 million. Cash amounted to EUR 331.6 million as at 31 December 2024 and was therefore EUR 61.0 million lower than at the end of the previous year.

As at 31 December 2024, the Wilo Group's equity increased slightly compared with the end of the previous year by 1.3% or EUR 12.5 million to EUR 975.1 million. This was mainly due to the consolidated net profit of EUR 19.2 million. In addition, WILO SE sold treasury shares totalling EUR 5.0 million in the reporting year. The actuarial gains from pension obligations after deferred taxes totalling EUR 2.4 million and the positive effects from the translation of subsidiaries' financial statements in foreign currencies into the Group currency amounting to EUR 2.6 million also increased equity. The dividend distributed to shareholders reduced equity by EUR 17.4 million. As equity increased overall, but debt was reduced in contrast, the equity ratio increased from 40.4% at the end of the previous year to 41.1% as at 31 December 2024.

Non-current liabilities of EUR 812.5 million as at 31 December 2024 mainly consisted of financial liabilities of EUR 678.6 million and provisions for pension obligations and similar obligations of EUR 67.1 million. Non-current financial liabilities at the end of the year under review were EUR 72.6 million lower than in the previous year. This was mainly due to the reclassification of the tranche of the promissory note issued in 2022 totalling EUR 57.0 million, which matures in 2025, to current financial liabilities. Provisions for pensions and similar obligations fell slightly by EUR 2.8 million.

The carrying amount of current liabilities was EUR 52.5 million higher than the previous year's figure at 585.3 million as at 31 December 2024. On the one hand, current financial liabilities increased by EUR 11.5 million to EUR 87.8 million. This was mainly due to the aforementioned reclassification of the EUR 57.0 million tranche of the promissory note issued in 2022, which matures in 2025. On the other hand, the repayment of three bullet loans totalling EUR 40.0 million during the year under review had the opposite effect. Current trade payables increased by EUR 33.7 million to EUR 228.3 million. In addition, a provision of EUR 33.2 million was recognised for the restructuring measures as part of the WiGrow project.

The net assets of the Wilo Group were as follows as at 31 December 2024 and 2023:

Financial position

EUR million	**2024**	%	2023	%
Non-current assets	1,242.6	52.4	1,177.3	49.5
Inventories	379.9	16.0	447.1	18.8
Current trade receivables	348.3	14.7	291.1	12.2
Cash	331.6	13.9	392.6	16.5
Other current assets	70.5	3.0	71.7	3.0
Total assets	**2,372.9**	**100.0**	**2,379.8**	**100.0**
Equity	975.1	41.1	962.6	40.4
Non-current liabilities	812.5	34.2	884.5	37.2
Current trade payables	228.3	9.6	194.6	8.2
Other current liabilities	357.0	15.1	338.1	14.2
Total equity and liabilities	**2,372.9**	**100.0**	**2,379.8**	**100.0**

Statement by the Executive Board on the economic situation

The Wilo Group looks back on 2024 as another challenging financial year characterised by geopolitical crises and uncertainty in the global economic environment. In addition to Russia's ongoing unabated war of aggression in Ukraine, the trouble spots in the Middle East continued to spread. Moreover, various political changes have increased uncertainty and thus overshadowed general economic development in the Wilo Group's key markets. EU sceptics have gained in importance in the European elections. In important EU countries such as Germany and France, the governments were unstable and partially weakened. After all, announcements by Donald Trump during the presidential election campaign in the USA triggered additional uncertainty worldwide. The Global South also moved closer together with the expansion of the BRICS alliance. Nationalist tendencies emerged even more strongly and the decoupling of the global economy continued in 2024. Under these conditions, the global economy remained weak overall, with only a few exceptions. The construction industry in the Wilo Group's key markets of Europe and China was also in a prolonged crisis.

In addition, the year under review has shown in particular that the markets for green technologies of the future such as heating pumps are volatile, prone to disruption and also characterised by a high degree of uncertainty. Overall, the high potential has so far fallen short of expectations. This is not least the result of a misguided economic and energy policy in Europe, particularly in Germany. The sharp rise in energy prices coupled with sometimes contradictory and unclear signals from politicians initially led to a boom in the heating market, and in particular the heating pump market, followed by a massive slump in demand. There is currently a great deal of uncertainty regarding future political guidelines for switching to climate-friendly heat generator and the associated subsidies. Accordingly, end consumers are adopting a wait-and-see approach. The Wilo Group, too, was unable to escape these market distortions, and recorded significant declines in OEM business in 2024.

However, with its global presence and diversified product portfolio, Wilo was able to at least partially offset the weaker business with OEM customers in Europe. Projects in dynamically developing industries of the future, for example, provided positive impetus. Thus, equipping data centres with innovative cooling system solutions is a growing area of business. Wilo has also supplied pumps and pump systems for large-scale projects to secure drinking water and food supplies for millions of people in the Global South. Business with systems and solutions for water and wastewater treatment also developed very positively.

In total, a slight decline in net sales of 2.3% adjusted for currency rate effects was recorded in 2024. This meant that the target of mid-single-digit net sales growth set at the beginning of the year could not be achieved.

In view of the course of business in the year under review 2024 the Executive Board feels reinforced in its decision to now extend the established region-for-region approach to the entire organisation. With the WiGrow project, important steps were taken in 2024 to make the Wilo Group fit for the future, resilient and agile. Wilo is thus resolutely and consistently countering the increasing fragmentation of the world economic order and a constantly changing market environment. By reducing organisational and operational complexity as well as achieving structural cost savings, efficiency is also expected to be increased.

High profitability, which leads to high operating cash flows, enables the Wilo Group to realise its ambitious growth projects and maintain a high degree of independence as a company. Short-term declines in profitability are only accepted if they serve to secure the company's long-term future viability and strengthen its performance. In view of the uncertain outlook due to geo-economic developments and considering the intense competitive environment, cost drivers are regularly analysed and structures are adjusted where necessary. In the year under review, the Executive Board has taken consistent measures to reduce labour and material costs and implemented strict cost management. The company responded to the lower capacity utilisation resulting from the sluggish OEM business by temporarily reducing working hours at the main plant in Dortmund, for example. With the WiGrow project, the Executive Board has also initiated a comprehensive reorganisation of the Wilo Group in 2024. This involves analysing and adapting personnel structures at the European locations. The measures, some of which have already been implemented and some of which are still planned, affect all areas of the company. The necessary restructuring measures had a total negative impact of EUR 36.6 million on the Wilo Group's earnings in 2024.

As a result of the lower net sales, earnings before interest, taxes, depreciation and amortisation (EBITDA) were down on the previous year's high level. In addition, the restructuring measures described above significantly reduced the earnings for the year under review. In this respect, a significant drop in profitability was recorded in 2024 compared to the previous year. Reported EBITDA totalled EUR 152.5 million. In 2024 the EBITDA margin fell to 8.0%. Both figures therefore fell well short of the original expectations of the Executive Board. Adjusted for restructuring expenses, EBITDA totalled around EUR 189 million. At 10.0%, the EBITDA margin was still in double figures, but one percentage point lower than in the previous year.

Despite this decline in earnings, cash flow from operating activities increased to over EUR 189 million in 2024. Targeted measures to optimise working capital contributed significantly to this improvement. Free cash flow improved materially to over EUR 36 million. A high operating cash flow and positive free cash flow enable the Wilo Group to implement its ambitious growth projects and maintain a high degree of independence as a company.

In recent years, the Wilo Group has invested heavily in a modern, future-oriented and efficient corporate infrastructure. The main capacity-expanding site development projects in the USA, China and India have already been successfully completed. The strategic location development project in Dortmund is also about to be finalised. Accordingly, investments in 2024 fell as planned compared to the previous year. Wilo invested moderately in the reporting year, taking into account the weaker economic environment. Around EUR 135 million was invested in the future-oriented construction and expansion of sales and production locations, the modernisation of production capacities, the expansion of the sales infrastructure and, to a lesser extent, the targeted acquisition of companies. The opening of the Networking Cube marked another milestone in the strategic development of the location at the headquarters in Dortmund. This historic project is to be completed in 2026 with the commissioning of the Health Cube, a modern, holistic health centre for Wilo employees and the entire Dortmund region. At the location in Dubai, capacities in 2024 were adjusted to the dynamically growing demand in the region. This location serves as a regional platform for the countries in the Middle East and North Africa.

Wilo sees itself as a climate protection company. This basic understanding is reflected in the overarching sustainability strategy and the pioneering role that Wilo has always aspired to play in terms of energy efficiency. Integrity, fairness, respect, passion and responsibility are the irrefutable values by and with which the entire company works. In 2024, the Wilo Group's extensive sustainability initiatives were awarded “Platinum” status for the third time in a row. In addition, Wilo proudly achieved the “Outstanding” rating this year. This is the highest rating from EcoVadis, one of the world's most renowned providers of sustainability ratings for companies. This means that Wilo is among the best 1% of all companies assessed. The rating acknowledges the continuous implementation and integration of measurable and traceable initiatives in the areas of the environment, labour law and human rights, ethics, and sustainable procurement practices. The Wilo Group has also been recognised as “Europe's Climate Leader 2024”. As part of this initiative, the Financial Times and Statista have rated hundreds of European companies based on their progress in reducing their CO_2 emissions. These awards confirm the success of the continuous sustainability work throughout the Wilo Group.

Contrary to the forecast, the leverage exceeded the previous year's level due to the lower than expected EBITDA and the slightly higher than planned net debt. However, at 2.55, it remains at an acceptable level given the Wilo Group's stable economic situation and below the limits agreed upon as part of the financing arrangements.

Taking into account the extraordinarily challenging macroeconomic and geopolitical environment and the factors specific to the Wilo Group's business, the Executive Board is satisfied with the business performance in terms of the high cash flow from operating activities, the positive free cash flow, the start of the reorganisation and transformation of the Wilo Group as part of the WiGrow project, the successful implementation of numerous sustainability initiatives, the strong market presence and innovative strength and the company's solid financing structure.

With its stable ownership structure, clearly formulated strategy and financial strength, the Wilo Group is ideally positioned to survive and continue to develop successfully even in turbulent times. The Wilo Group's strong international presence facilitates a tendency towards risk equalisation between the activities in individual regions. The comprehensive transformation and regionalisation of the entire Group as part of the WiGrow project will further strengthen these capabilities. Other strengths include, in particular, the ability to innovate, the high level of commitment of managers and employees and the strong market presence. This market position is further reinforced by the special proximity to customers and problem-solving expertise. To summarise, the Executive Board continues to assess the Wilo Group's economic situation as solid and sustainable. This assessment is based on the results in the consolidated financial statements and the separate financial statements of WILO SE for 2024 and takes into account business performance up until the preparation of the 2024 Group management report.

REPORT ON RISKS AND OPPORTUNITIES

- → **Integrated risk management system ensures transparency and security**
- → **Identification and realisation of operational and strategic opportunities through systematic opportunities management**
- → **Largely unchanged overall risk situation compared to the previous year**
- → **No going concern risks identified**

Risk and opportunities policy

The Wilo Group’s corporate strategy and business policy are primarily aimed at ensuring the independence of the company, profitable growth and a long-term increase in enterprise value as well as sustainable, responsible development of the company. As an enterprise with global operations, the Wilo Group is exposed to various risks. At the same time, however, the global focus also opens up numerous opportunities. In this respect, business activity requires careful monitoring of all relevant risks and opportunities. As a matter of principle, the Executive Board makes its strategic and operational decisions on the basis of a systematic analysis and assessment of identified risks and opportunities in relation to the financial position, financial performance and liquidity situation of the Wilo Group and in relation to future development. Risks that could jeopardise the future of the company as a going concern, or that are inappropriately high or unclear, are not entered into in principle.

The comprehensive and systematic risk management system that is established throughout the entire Wilo Group and the forward-looking procedure for managing opportunities are therefore fixed and integral components of corporate management.

Opportunities management

The systematic identification and realisation of operational and strategic opportunities is essential for promoting and ensuring the profitable growth that is the aim of the corporate strategy while taking into account the sustainability goals. The opportunities management is not directly integrated in the risk management system, and in this respect opportunities are not assessed in line with the methodology prescribed by risk management.

The operational opportunities are identified and assessed directly and systematically in the regions and central functions. The respective markets are monitored and analysed there. This allows trends and new developments to be recognised at an early stage and any potential opportunities to be derived. These are then evaluated in detail as part of the planning process. The opportunities and the related measures are incorporated directly into the medium-term planning using scenario calculations. Resources are coordinated and allocated at Group level.

Opportunities of elevated strategic significance that may arise from acquisitions or partnerships are analysed, assessed and implemented at Executive Board level, as are adjustments to the strategy. The corporate foresight process is used to derive and analyse the risks and opportunities potentially arising from the relevant global megatrends and the implications for the Wilo Group that are associated with them now or may be associated with them in the future. In this way, corresponding opportunities are systematically taken into account as part of the further development of the corporate strategy.

Risk management system

The Wilo Group has a global, state-of-the-art, integrated risk management system that is established throughout the Group. It ensures that business risks are identified at an early stage and effective countermeasures are initiated quickly and without avoidable delays. Monitoring the measures initiated and their consistent implementation is a key component of this system. Once identified, risks are assessed, managed as far as possible, and monitored at all times.

The organisation of risk management in the Wilo Group is decentralised. The second-level managers, who act as risk management officers, are responsible for recording and reporting risks throughout the Group. They work in close cooperation with the Group risk manager and are aided by Controlling. Checklists and risk classification ensure uniform risk assessment and comparability in the procedure throughout the entire Wilo Group. To this end, customised software provides the relevant communication and information platform.

The Executive Board bears overall responsibility for risk management. It also defines the risk strategy for the Wilo Group, which is implemented throughout the Group using standardised guidelines and processes.

Integral components of the risk management system are:

- the Risk Management Directive
- the risk atlas
- risk management officers in the regions and central functions
- the Group risk manager
- regular risk reporting
- ad hoc risk reporting

The Risk Management Directive of the Wilo Group sets out the principles for handling risks. It also regulates the requirements for risk reporting, the procedure for assessing risks and compulsory reporting thresholds. The guideline also defines the tasks and authorisations of all those involved in the risk management process.

The risk atlas specifies standardised categories for structuring risk identification. It is continuously checked for completeness and adjusted accordingly if necessary. This ensures that all relevant risk areas are recorded at all times.

The respective risk management officers of the Wilo Group ensure that risks are tracked and controlled in the divisions for which they are responsible. Risks are specifically identified and reported for the individual sales regions and central functions. The Group risk manager coordinates this decentralised risk management process and reports regularly to the WILO SE Executive Board on a quarterly basis and on an ad hoc basis as necessary.

As part of risk identification, Wilo analyses information on customers and suppliers in line with the respective data protection regulations and for internal purposes only. Furthermore, market and competition analyses are prepared and risks relating to the political and macroeconomic environment are monitored and assessed.

The risks identified are analysed using a uniform methodology set out by the Risk Management Directive. For each identified risk, both the specific probability of occurrence (for the next twelve months) and the gross and net risk are determined. Suitable risk-preventing or risk-limiting measures are already taken into account in the net risks. The aim of these measures is to reduce the potential for damage and/or the probability of occurrence. Where possible and economically viable, risks are limited by taking out insurance or, in the case of financial risks, by using suitable derivative financial instruments. The Risk Management Directive also defines compulsory reporting thresholds. It stipulates that the risk management officers must report every risk for which the net potential loss exceeds a defined value regardless of the probability of occurrence.

The risks reported by the divisions are aggregated at Group level in the risk management system. The Executive Board receives quarterly and, if necessary in individual cases, ad hoc and immediate reports on the findings of risk analyses. In addition, the Supervisory Board or the Audit Committee appointed by it is informed about the status and development of the risk management system.

The basic aim of this controlling system is to keep the Wilo Group's overall risk exposure transparent and within acceptable business limits.

Risk classification and risk assessment

The sections below describe the key risks to the Wilo Group. In line with the net risk analysis approach, suitable counter measures, hedges and the general conditions are already taken into account in calculating the respective probability of occurrence and potential loss resulting from risks.

The risks, their probabilities of occurrence and their possible financial impact on EBITDA are measured and classified as follows:

Probability of occurrence	
Unlikely	≤ 20%
Possible	> 20% ≤ 50%
Likely	> 50%

If the probability of occurrence of a potential risk is between 20% and 50%, the corresponding risk is categorised as possible. A potential risk is considered likely if the possibility of the risk actually materialising is greater than 50% and unlikely if the probability of occurrence is a maximum of 20%.

Potential negative impact on EBITDA	
Low	≤ 10%
Medium	> 10% ≤ 50%
High	> 50%

In the event that a risk is assumed to have occurred, the possible financial impact on EBITDA that can be derived is classified into one of three categories – low, medium or high – based on the forecast percentage deterioration in EBITDA. An EBITDA deterioration between 10% and 50% is considered to have a medium negative impact on earnings. A conceivable, but estimated low negative impact on earnings therefore corresponds to an estimated negative effect on EBITDA of up to 10%. A high financial impact is defined as an expected negative effect of more than 50%.

Overview of business risks

	Probability of occurence	Potential negative impacts on EBITDA
General risks		
Economic environment	Possible	Medium
Extraordinary external disruptions	Possible	Medium
Legal and regulatory environment	Possible	Medium
Industry-specific risks		
Competition	Possible	Medium
Company-specific risks		
Research and development	Possible	Low
Procurement and production	Possible	Medium
Human resources	Possible	Low
Information technology	Possible	Medium
Acquisitions and strategic partnerships	Possible	Medium
Financial risks		
Exchange rates	Likely	Low
Interest*	Possible	None
Commodities	Possible	Low
Defaults	Possible	Low
Financing and liquidity	Unlikely	Low

* The possible impact of interest rate risk relates to the net finance costs and is classified as low. More detailed information can be found in the "Financial risks and opportunities" section of the Group management report.

The overarching risk classification in the Wilo Group's risk profile as summarised in the "Overview of business risks" table did not change compared with the previous year.

General risks and opportunities

Economic environment

Economic and market risks can arise due to general economic, political and social trends. The specific development of the construction sector, the sanitary industry and the water and wastewater industries in the respective countries and regions is considered particularly important at the industry level. The Wilo Group is dependent on these developments to a significant extent. However, the strong international presence of the Wilo Group also helps to balance risk between activities in individual regions.

On account of the uncertainties and risks involved, the Wilo Group carefully observes and continuously analyses economic developments and expectations from a macroeconomic and political perspective as well as with a view to developments in its customers' industries. If necessary, appropriate countermeasures can therefore be taken at an early stage in order to safeguard the Wilo Group's current or future economic situation in the best possible way. In particular, this involves specific country risks, which are minimised by way of targeted countermeasures. The Global South is gaining political and economic importance as a result of the decoupling of the world and will play an increasingly active role in shaping the global economy. Although the general conditions on the global markets remain extremely uncertain in some cases and future expectations are therefore fraught with risk, the opportunities for growth are very good, particularly in selected markets in Asia, Latin America and Africa. However, these highly populated and fast-growing markets also involve higher risks. Nevertheless, by focusing on selected attractive orders and through targeted organisational measures, the establishment and expansion of local production capacities, their optimised use and the realisation of synergies, the Wilo Group is significantly reducing its risk potential in these markets.

Leading economic researchers are still not forecasting any noticeable economic recovery for the global economy in 2025. The geopolitical environment remains extremely risky and characterised by great uncertainty. The Russian war of aggression in Ukraine continues unabated and the situation in the Middle East remains fragile despite initial signs of an easing of tensions. Other geopolitical crises, particularly with regard to China and Taiwan or the Korean peninsula, could escalate further, as could existing trade conflicts such as those between the USA and China. Following the new US President Donald Trump's announcement about introducing far-reaching protective tariffs, there is a threat of further trade conflicts with currently unforeseeable negative effects on the global economy.

The Wilo Group is closely monitoring these developments and, if necessary, will selectively adjust business policy decisions in a timely manner in order to limit the financial risks to the Group and reassess the opportunities. All in all, the Wilo Group considers the potential negative impact of the economic environment on the company's results of operations to be moderate (medium earnings impact according to risk classification).

Extraordinary external disruptions

As a globally active group of companies, Wilo is exposed to various external risks. Natural disasters, increasingly frequent severe weather events as a result of climate change, terrorist attacks, epidemics, wars, fires or political unrest can potentially impair business activities at the affected location. The Wilo Group classifies the probability of occurrence of such extraordinary disruptions as possible.

With regard to the war in Ukraine, the highly disruptive situation in the Middle East and other geopolitical crises in individual countries and regions, as well as the relevant forecast risks for the Wilo Group's business, potential effects were proactively minimised through targeted measures. In the event of a further escalation, additional steps will be taken to limit the risk to which the Group is exposed. To the extent possible and reasonable, the Wilo Group is also adequately insured against operational shutdowns and property damage. To minimise potential negative effects, Wilo has also developed and implemented appropriate emergency plans and preventive measures. The Wilo Group classifies the earnings effect of extraordinary external disruptions as moderate (medium earnings impact according to risk classification).

Legal and regulatory environment

Significant changes to the legal framework and the regulatory environment (e.g. restrictions on trade, tax legislation, product quality, energy efficiency and safety standards) can have both a negative and a positive impact on the Wilo Group's business activities.

On the one hand, restrictions on trade could make commodity procurement more difficult or more expensive and the sale of products in certain markets or regions may be restricted. Protectionist tendencies have increased worldwide in recent years. The new US government's announcements of punitive tariffs are fuelling this trend. In general, a move away from free trade and globalisation in favour of greater fragmentation of the global economy can be observed. In addition, stricter requirements as a result of product quality or safety standards may lead to increased production or research and development costs.

Due to the global focus of the Wilo Group, particular risks arise from trade restrictions, for example as a result of stricter export regulations, embargoes or economic sanctions against certain countries, individuals, companies or sectors. These restrictions could adversely affect the Wilo Group's business activities in the affected regional markets. In this respect, it is always important to weigh up and manage the effects in terms of logistics, finance and the company's reputation. Violations of regulatory provisions can result in penalties, sanctions and reputational damage that may be significant in some cases. In view of the foreseeable trade conflict between the USA, China and Europe, as well as the latent and impending geopolitical crises, higher tariffs, new sanctions and embargo regulations could have an even greater impact on the export business in the future.

On the other hand, changes in legal conditions and the regulatory environment can also give rise to opportunities. For example, the introduction or tightening of energy efficiency directives could stimulate demand for energy-efficient products.

With its broad range of high-efficiency pumps, the Wilo Group is in an ideal position to serve the respective markets quickly and comprehensively. The legal framework and regulatory environment in all key markets are monitored on an ongoing basis. This means that potential problem areas or opportunities can be recognised at an early stage and business activities can be quickly adjusted accordingly. The occurrence of risks arising from the legal or regulatory environment is possible. The impact on the Wilo Group's results of operations is considered to be moderate (medium earnings impact according to risk classification).

Urbanisation

According to an estimate by the United Nations (UN), the world's population will grow from the current 8.2 billion to almost 10 billion by the year 2050. At the same time, the proportion of the population living in urban conurbations is increasing rapidly all around the world. More than half of the world's population currently lives in cities. According to the UN, the figure is expected to be a good two-thirds in 2050. In addition to the cities and metropolitan regions that already exist today and will continue to grow, completely new large cities are emerging in a short space of time, predominantly in the emerging economies of Asia.

Massive urbanisation in the emerging markets and unchecked population growth are exacerbating a number of ecological, economic and social challenges. Sustainable and intelligent urban development in these regions is therefore essential. The same applies to the established conurbations in industrialised countries, which are increasingly modernising and redesigning their urban structures and public networks with environmental and climate protection aspects in mind. Smart cities and smart urban areas are being planned almost everywhere in the world. They are designed to be more efficient, resource-saving and social than conventional cities. The establishment and expansion of connected digital infrastructures is an essential part of this process. The megatrend of urbanisation, especially in the form of smart urban areas, is a source of considerable long-term growth potential for the Building Services Residential, Building Services Commercial and Water Management market segments.

Water shortage

Water is a scarce resource in many regions of the world. According to estimates from the World Health Organisation (WHO) and UNICEF, around 700 million people currently have no access to a rudimentary supply of drinking water. Around 1.5 billion people live without adequate basic sanitation, which corresponds to around one fifth of the world's population. Water supply and wastewater disposal are substantial problems, especially in the fast-growing megacities of emerging countries. The overexploitation of groundwater reserves there often leads to a drop in the groundwater table. At the same time, huge quantities of drinking water are lost due to outdated and dilapidated pipe systems. Furthermore, as one of the largest consumers of water, agriculture has an immense demand for water. Due to the global rise in temperature, increasing and prolonged periods of drought and declining groundwater levels, irrigation is becoming an increasingly important issue for agriculture worldwide. It will therefore become more and more important in future to utilise the available resources efficiently. This requires the use of intelligent technologies for water extraction and treatment. Wilo has aligned itself to this megatrend with the products and system solutions from the Water Management market segment and offers professional solutions for the complex requirements of drinking water production, water extraction, irrigation, wastewater transport and wastewater treatment.

Climate change & energy shortage

Man-made climate change is becoming increasingly visible and tangible due to global warming and the accumulation of severe weather extremes. The polar ice caps and mountain glaciers are continuing to melt, sea levels are rising, droughts and storms are becoming more frequent – even in temperate climate zones. These are just some of the expected and already relevant effects of climate change. Drastic action is required worldwide to stop, or at least limit, climate change and its consequences. As a result, new, comprehensive packages of measures are now being launched in almost all countries to reduce greenhouse gas emissions and stop them completely within a specified time frame. In addition to transport, traffic and energy, they are increasingly targeting the agriculture, construction and housing sectors. Apart from the increased use of renewable energies, the development and utilisation of more energy-efficient processes and technologies is being driven forward – also in the markets for heating and cooling in buildings addressed by Wilo.

As such, the megatrends of climate change and energy shortage offer substantial growth opportunities for all five of the Wilo Group's market segments in all of the regions in which the company has a presence. Numerous opportunities are opening up, particularly in urban conurbations. Rising population figures, stricter environmental standards and higher demands on energy and resource efficiency are posing new challenges for urban planners. This is why innovative urban infrastructures based on smart systems and digital solutions are now springing up all around the world. Demand for forward-looking, resource-saving products and system solutions will increase as a result of the tightening of minimum legal standards. Wilo products already offer customers improved energy efficiency throughout the entire operation phase. High-efficiency pumps reduce the electricity consumption of heating and air conditioning systems and in water management by up to 80% compared to older, unregulated pumps. Wilo aspires to shape the future as an innovation leader and digital pioneer and to evolve into the leading system provider with tailored, intelligent, and resource-efficient solutions in line with the company's vision. In this way, Wilo is making an important contribution to reducing the CO_2 impact on the environment through lower energy consumption.

Digitalisation

The digital transformation of society, trade, logistics, transport and industry is omnipresent and is gaining further momentum thanks to the immense possibilities of artificial intelligence (AI). Almost every area is affected by far-reaching changes due to the establishment of new technologies. Modern information and communication technologies are finding their way into all areas of life and the economy ever more quickly and comprehensively. There is no alternative to new digital technologies, which are rapidly replacing traditional production and business processes. Entire corporate value chains are being affected by digital change (Internet of Things, industry 4.0, AI) and established business models are being called into question. In turn, new, innovative business models and companies are emerging. The digitalisation presents significant opportunities for the Wilo Group. On the one hand, the aim is to achieve significant increases in efficiency and productivity by optimising the company's own existing business processes and to establish even closer partnerships and interconnection with customers. On the other hand, opportunities for new innovative business models are also emerging for the pump industry. The Wilo Group leverages this potential with its smart products and system solutions, for example.

In addition, digitalisation and the targeted use of AI also offer direct opportunities for the company itself. High-performance digital systems enable greater transparency and closer monitoring of all stages in value chain and thus an even more consistent alignment and management of the Wilo Group based on sustainability aspects and goals. This requires a fundamental and sustainable reorganisation of value chain and business processes. To this end, Wilo has defined a digitalisation strategy as a fixed component of its corporate strategy. An interdisciplinary group of experts, which was set up within the company specifically for this purpose, is driving the Wilo Group's digital transformation forward in a strategically targeted manner.

Wilo expects that the digitalisation of the company will have a positive impact on business activities in the medium to long term. The smart urban areas emerging around the world have been identified as a particular source of business potential in this context. The Wilo Group is systematically tapping into new business areas here.

Industry-specific risks and opportunities

Competition

Competition risk remained largely unchanged compared with the previous year. Although there are uncertainties associated with increasing price competition, the Wilo Group is countering these risks in a targeted manner and primarily by increasing the use of product lines with unique selling points. The Wilo Group also secures its high level of competitiveness with the help of its technological edge, particularly in the areas of energy efficiency and digitalisation, outstanding product quality and the close-knit, global Wilo service network. The occurrence of competition risks is possible. Any effects on earnings for the Wilo Group that deviate from corporate planning and may arise from the competitive environment are estimated by Wilo to be moderate (medium impact on earnings according to risk classification).

Technological progress in building management

Manufacturers and consumers are increasingly focusing on the topic of smart living. In what are known as smart homes, everyday devices and systems in the private living area are electronically networked. The aim is to combine greater energy efficiency with greater convenience, economy, flexibility and safety. The devices and systems can be controlled and accessed both indoors and remotely from any location. Internet that is available virtually everywhere, quicker wireless and mobile communication options and more powerful end devices as well as new, network-enabled sensors are providing possibilities for more, fundamentally new applications for private residential and living environments. Smart homes as well as modern office and commercial buildings with corresponding smart technology therefore offer attractive growth opportunities for the Building Services Residential and Building Services Commercial market segments. Wilo has extensive system and solution expertise in this area. The opportunities arising from this can positively influence the business activities of the Wilo Group in the medium to long term.

Company-specific risks and opportunities

Research and development

Wilo is consistently oriented towards technological progress. In order to strengthen its own market position and secure future profitable growth, the Wilo Group invests continuously in the development of new technologies and products, irrespective of the economic cycle. In 2024, research and development expenses including capitalised development costs amounted to 4.2% of consolidated net sales. In order to early identify the opportunities offered by new technologies, Wilo carries out regular technology screening and maintains a continuous dialogue with universities and research institutes. The Wilo Group conducts customer surveys, trend analyses and targeted market tests to limit the risk that insufficient attention is being paid to customer requirements in the development process.

All development activities are examined continuously to ensure they are effective and conform with the goals. Qualitative, time and financial risks in the development projects are minimised in this way. Professional project management and regular deviation analyses ensure that customer requirements are always kept in view. Binding Group-wide standards and guidelines are applied in this area. The occurrence of risks from research and development is possible, but the impact on the Wilo Group's EBITDA is considered to be low.

Procurement and production

The Wilo Group's business success depends not least on a reliable and efficient supply of materials, parts and components. Supply bottlenecks and capacity restrictions can lead to production stoppages and delays in delivery to the customer, resulting in additional costs. Furthermore, unexpectedly sharp price increases for components, raw materials or transport services due to market bottlenecks or other reasons may have a negative impact on the Wilo Group's profitability. To minimise procurement risks, Wilo uses an integrated procurement and supplier management system. Supply bottlenecks are primarily prevented by ensuring the availability of second-source suppliers.

In light of the experience gained during the coronavirus pandemic and the further intensification of the crisis on the procurement markets and in logistics as a result of the war in Ukraine – including the massive price increases in some cases – the Wilo Group considers the risk that regional or global disruptive events could also lead to disruptions in the supply chain in the future, triggering production restrictions or production stoppages, to be fundamentally possible. Wilo has established efficient local production and supply structures in the most important markets with its consistently decentralised approach, which is being transferred to the entire organisation through the WiGrow project and thus driven forward. This reduces dependence on global, cross-border suppliers and thus minimises the risk that renewed disruptions to these systems could jeopardise the Wilo Group's production.

The Executive Board had already decided in 2020 to critically review the existing make-or-buy strategies. In this context, the appropriate degree of vertical integration for Wilo in individual regions and countries was redefined. Since then, critical components have increasingly been produced in-house. In addition, dependence on individual suppliers was further reduced through increased multiple sourcing. Both approaches will be systematically continued in future.

The Wilo Group also further professionalised the management of supply chain risks in the context of the COVID-19 pandemic. This involved implementing a comprehensive software-based solution to improve risk transparency and allow the resulting countermeasures to be initiated as quickly as possible. This tool enables Wilo to identify relevant developments in the supply chain automatically and in real time, among other things. Supported by modern AI technologies, the impact of loss events on the various elements of the supply chain is visualised. This enables targeted countermeasures to be taken quickly.

The company mitigates quality risk through the uniform Group-wide production standards of the Wilo Production System (WPS) and comprehensive quality management. This risk is classed as unlikely. The risk of production stoppages is strictly limited through the use of state-of-the-art production plants and professional control systems.

Finally, taking out suitable insurance policies also helps to reduce the economic consequences of the business risks mentioned here. If such risks occur despite this, the company estimates that this could entail a medium earnings effect for the Wilo Group.

Human resources

The basic prerequisite for the Wilo Group's success is its qualified employees with their expertise, commitment and motivation. With the loss of qualified personnel in strategic positions, company-specific knowledge can be lost. This can also lead to capacity bottlenecks or productivity losses. The Wilo Group counters this risk with methods such as coordinated demographic management. Its core elements are active succession planning and the development of new staff as part of Group-wide talent management. The occurrence of HR risks is generally possible. However, the impact on the Group's results of operations is classified as low.

Information technology

All important business processes for the Wilo Group are integrated into efficient IT systems. In extreme circumstances, the failure of key systems or substantial data losses could lead to business interruptions. There is also a risk that confidential information or information relevant to data protection could be stolen, for example through cyberattacks on Wilo Group servers, social engineering or data manipulation. This would result in financial loss as well as violations of data protection legislation. The increasing threat of cybercrime along the entire value chain particularly affects the Wilo Group's security of supply and requires the constant protection of internal company data.

Wilo prevents these IT risks on the one hand by backing up critical company data on a daily basis and on the other by taking extensive preventive measures. In particular, the company database for supporting production, materials management, order processing, financial accounting and cost accounting fulfils the highest security standards. The Wilo Group runs its critical business applications in two separate, certified and highly powerful data centres as well as at certified external providers. Coordinated processes and business recovery plans are also in place for the event of disasters. System downtime is further minimised by targeted utilisation of an in-house support team and outside service providers.

With regard to cybercrime, the Wilo Group uses both technical and organisational measures. These are designed to identify security vulnerabilities and block attacks. Training courses and internal reports on current attacks are intended to raise employees' awareness of how to handle sensitive user data.

With the establishment of a Corporate Information Security Office as part of the Group Internal Audit & Compliance function, the Wilo Group had already further professionalised information security management in 2022 and created a new unit that bundles and coordinates the protection of all information assets.

Given these measures, the occurrence of IT risks is fundamentally possible, but the earnings effects have been limited to a medium level.

Acquisitions and strategic partnerships

As part of its corporate strategy, the Wilo Group also uses the realisation of opportunities for external growth to expand its technological spectrum and geographical presence. There are many opportunities that can arise from acquisitions and strategic partnerships. They offer additional potential for growth and efficiency and can open up access to new sales channels, markets and customers as well as expand Wilo's expertise with new products and technologies. A company acquisition is generally only considered if it is seen as advantageous from both a strategic and an economic point of view. With regard to research and development in particular, the company enters into strategic partnerships with the aim of advancing joint technology projects. In this area, the Wilo Group cooperates with renowned universities and research institutes.

In addition to the opportunities that arise from the expected synergies, among other things, company acquisitions are always associated with risks. Accordingly, each investment decision is preceded by a careful assessment and analysis of the commercial, technical, legal, tax and financial conditions (due diligence). The aim is to identify, quantify and limit the risks associated with the planned acquisition. In addition, an individual strategy for integration into the Wilo Group is developed for each acquisition and the necessary measures are planned and implemented.

However, even with the most careful examination after an acquisition has been made, risks may arise that were not recognised during due diligence, were not considered material or were not properly quantified. Similarly, the identified benefits and synergies may not materialise or may not materialise to the expected extent or within expected timeframe. Furthermore, an unexpectedly difficult and cost-intensive integration process could jeopardise the realisation of the planned objectives and synergies. If the business performs worse than expected in the long term, it may be necessary to recognise impairment losses on goodwill. On the other hand, there could also be a negative impact on earnings resulting directly from the poorer operating performance of the acquired business and the countermeasures that may be required.

The occurrence of risks arising from acquisitions and strategic partnerships is generally possible. The Wilo Group classifies the corresponding impact on its earnings as moderate (medium earnings impact according to risk classification).

Financial risks and opportunities

Exchange rates

Due to the Wilo Group's global presence, the management of exchange rate fluctuations is of great importance. Currency risk for the company primarily results from its operating and financing activities. Wilo limits currency risk, which largely relates to the supply of goods and services to Group companies, through same-currency offsetting transactions and derivative financial instruments.

Exchange rate risks from the Group companies' operating activities with external customers and suppliers are likely to materialise. However, the Wilo Group estimates the associated impact on earnings to be low. These activities are predominantly transacted in local currency.

Currency risk from financing activities mainly results from foreign-currency borrowing from third-party lenders. Foreign-currency loans are also granted to Group companies for financing purposes. Wilo uses derivative financial instruments to reduce these currency risks. In preparing the consolidated financial statements, the annual financial statements of subsidiaries that are based outside the eurozone or whose functional currency is not the euro are translated into the reporting currency, the euro. Changes in the average exchange rate of a currency can therefore notionally influence both net sales and income as a result of translation. However, this translation risk has no impact on cash flows in local currency.

In summary, the occurrence of exchange rate risks is considered likely, but the Wilo Group estimates the associated impact on earnings to be low.
→ *Further information on currency risks in accordance with IFRS 7 and a corresponding sensitivity analysis are provided in section (12) "Risk management and derivative financial instruments" on* ***pages 154 et seqq.*** *of the notes to the consolidated financial statements.*

Interest

Interest rate risk mainly results from floating rate financial liabilities and the investment of cash. Both rises and falls in the yield curves result in interest rate exposure. The Wilo Group mitigates adverse changes in value from unexpected interest rate movements by using derivative financial instruments on a case-by-case basis. The occurrence of interest rate risk is considered possible, but the impact on net finance costs is considered to be low as most financial liabilities have long-term fixed interest rates and most variable-interest tranches are hedged using suitable derivatives.

On the other hand, favourable interest rate developments in connection with the investment of cash could have a positive effect on net interest income. Group Treasury monitors and analyses developments on the financial markets in order to optimise the balance between liquidity retention and the investment of cash in term money or debt instruments with an excellent credit standing and a maximum time horizon of up to two years.
→ *Further information on interest rate risks in accordance with IFRS 7 is provided in section (12) "Risk management and derivative financial instruments" on* ***page 156*** *of the notes to the consolidated financial statements.*

Commodities

The Wilo Group is mainly exposed to commodity price risk as a result of price fluctuations on the global markets for copper, aluminium, stainless steel and their alloys. To minimise copper price risks, the Wilo Group mainly enters into long-term purchase commitments. The purchase volume and price are fixed up to a maximum of twelve months in advance. This ensures a high level of supply security and counteracts price fluctuations. The prices for a substantial proportion of the copper procurement volume for the 2025 financial year have already been determined in order to minimise the impact on earnings from the change in copper prices for the Wilo Group. In addition, commodity derivatives will also be used in future to minimise commodity price risks. They are used if the impact on earnings due to changes in commodity prices is significant for the Wilo Group and corresponding financial instruments can be offered and utilised efficiently at the same time.

When procuring aluminium and stainless steels and their alloys, Wilo deliberately refrains from hedging its prices. The financial and other hedging instruments offered for this purpose are not suitable to efficiently minimise the risk of price changes related to these specific commodities.

Commodity price risks are possible, but the Wilo Group classifies the associated impact on earnings as low.
→ *Further information on commodity price risks in accordance with IFRS 7 and a corresponding sensitivity analysis are provided in section (12) "Risk management and derivative financial instruments" on* ***pages 156 et seq.*** *of the notes to the consolidated financial statements.*

Defaults

Default risks on the customer side are countered by a standardised, effective system throughout the Group. It includes systematic receivables management and the monitoring of payment behaviour. As no customer accounts for more than 10% of consolidated net sales, dependence on individual customers is limited. The Wilo Group did not experience any significant negative effects from the payment behaviour of its customers in the year under review. The possible effect of default on earnings is currently also considered low for 2025. The Wilo Group is closely monitoring further developments on an ongoing basis. If necessary, appropriate countermeasures are taken.

There is also the risk that banks with which investment transactions are conducted, at which credit facilities exist or with which hedging transactions have been concluded may default. The potential default of these partners would have a negative impact on the Wilo Group's financial position and results of operations. However, this specific risk is unlikely to materialise, as Wilo only concludes such transactions with banks having good to very good credit ratings. Group Treasury continuously monitors and assesses the credit ratings of these banks and takes appropriate measures to reduce counterparty risk as required.

Financing and liquidity

Liquidity risk stems from a potential lack of cash for paying due liabilities in full and on time in the agreed currency. There is also a risk of having to accept unfavourable financing terms in the event of liquidity bottlenecks and volatility on the international financial and capital markets. To minimise liquidity and financing risks, the Wilo Group aims to ensure the long-term, cost-effective coverage of liquidity and capital requirements at all times. Various financing instruments are used for this purpose. Liquidity management therefore makes a valuable contribution to the profitable growth of the Wilo Group.

The financing instruments include committed cash credit facilities and guarantee and margin lines for the parent company and subsidiaries of around EUR 500 million with international banks of good to very good credit standing. The key element is a syndicated loan with a revolving credit facility of EUR 300.0 million and an option to increase it by EUR 100.0 million. The term of the syndicated loan concluded in December 2023 was originally five years and was extended by one year to 2029 in the year under review. There is a further one-year extension option. As at 31 December 2024, cash credit facilities amounting to EUR 6.7 million and guarantee and margin facilities amounting to EUR 55.0 million had been utilised. In addition, as at 31 December 2024, there were two traditional promissory notes totalling EUR 494.0 million, further promissory note loans totalling EUR 33.3 million and senior notes totalling EUR 212.5 million that were issued as part of US private placements. In addition, there was a KfW development loan with a value of EUR 7.3 million as at 31 December 2024. With current cash of over EUR 330 million and the diversified financing structure described above, the Wilo Group is solidly financed over the planning period and beyond and has a high degree of financial flexibility.

The Wilo Group's leverage, i.e. the ratio of net financial position (total of financial debt and lease liabilities less cash) to consolidated EBITDA (adjusted for any restructuring expenses and other extraordinary items such as acquisitions), increased from 2.09 at the end of the previous year to 2.55 as at 31 December 2024.

In order to achieve a needs-driven supply of cash with matching maturities and the optimum allocation of cash within the Group, the Wilo Group prepares corresponding liquidity and finance plans. These are based on the budget planning and the strategic five-year planning process in addition to the year-to-date forecast. In addition, a rolling three-month liquidity plan is prepared monthly for each significant Group company. The Wilo Group has a sufficient liquidity reserve in the form of cash credit facilities and cash to guarantee financial and operating flexibility and solvency over the long term.

The Wilo Group uses cash pooling, netting and borrowing arrangements to the extent advisable and permitted under local commercial and tax regulations. At Group level, all financial transactions are recorded using centralised treasury software and monitored by WILO SE. This creates the possibility of risk equalisation between the individual companies.

As part of its long-term financing agreements, WILO SE has undertaken to comply with certain standard market financial covenants. If certain minimum values are not met with regard to the key figures, the lenders would be authorised to demand early repayment, among other things. If the loans are cancelled, the Wilo Group would have to arrange new financing on potentially less favourable terms. These key figures are regularly reviewed, planned and reported to the Executive Board of WILO SE. This is to ensure that the required minimum values are complied with at all times and that suitable measures can be initiated at an early stage if necessary. Due to its strong equity base and profitability, the Wilo Group still expects to comply with its financial covenants throughout the term of the existing financing agreements.

The Wilo Group believes that liquidity and financing risks are unlikely to arise on account of the cash and credit facilities available, the financing structure and the business model. The financial impact on the Group is therefore rated as low.
→ *Further details on the use of derivative financial instruments are provided under notes (11) and (12) on **pages 144 et seqq.** of the notes to the consolidated financial statements.*

Overall assessment

The Wilo Group's current risk situation is largely unchanged compared with the previous year. The integrated risk management system ensures that the measures taken to mitigate the identified risks are controlled. In the view of the Executive Board, no risks or combinations of risks that could jeopardise the company as a going concern are currently apparent. In combination with the predominantly attractive medium and long-term opportunities, the Wilo Group has a balanced, forward-looking risk/opportunity profile that will enable it to continue to act responsibly and grow profitably in line with its corporate strategy while taking sustainability goals into account.

OUTLOOK

- → Global economy is likely to remain weak in 2025
- → Major geopolitical risks, but if inflation continues to fall a turnaround in interest rates might provide new impetus
- → Mid-single-digit net sales growth and significant increase in EBITDA expected for 2025

General economic and industry-specific conditions

Global economy on moderate path in 2025, USA threatens massive protective tariffs

Significant risks and uncertainties continue to loom over the global economy, which stand in the way of a noticeable economic recovery. While the chances of an easing of tensions in the Middle East improved at the beginning of 2025, the war in Ukraine continues. Furthermore, the possibility of new crises breaking out cannot be ruled out, particularly in Asia, where the conflict between Taiwan and China continues to fester and tensions on the Korean peninsula are increasing. However, a greater divergence between the economic blocs represents a significant economic risk. The announcements by the new US President Donald Trump regarding the introduction of far-reaching protective tariffs make new trade conflicts imminent. This could lead to an acceleration of the fragmentation of the global economy, which jeopardises prosperity. Europe is the loser of the geo-economic turnaround, which is characterised by national isolation and the disintegration of previously functioning value chains based on the division of labour. New alliances are emerging and the Global South is gaining political and economic importance thanks to its high dynamics. In the short term, with a view to 2025, major distortions caused by the trade conflicts could also have a significant impact on the financial markets. However, the scope for fiscal policy to take countermeasures and stimulate the economy is very limited in view of the increased debt levels in many countries. The Kiel Institute for the World Economy (IfW) expects fiscal policy in 2025 to be slightly restrictive at best. By contrast, central banks are likely to apply the brakes less and less and gradually move towards a neutral stance. According to the ifo Institute for Economic Research, the easing of inflation in industrialised countries and rising real incomes are supporting consumer demand and investments should be boosted by the gradual easing of monetary policy. In this risky environment, the Kiel-based IfW anticipates that the global economy in 2025 will only grow at 3.1%, i.e. at a slightly slower rate than in the reporting year 2024. The International Monetary Fund (IMF) foresees global economic growth of 3.3% in its January 2025 forecast. The economy is unlikely to pick up speed either in industrialised countries (2025: 1.9%) or in emerging and developing countries (2025: 4.2%).

The following section presents the expected macroeconomic and industry-specific developments in 2025 in the regions that are relevant to the Wilo Group. In addition to the general economic development of individual countries and regions, the economic performance of the Wilo Group is influenced in particular by the construction and sanitary industries as well as the water and wastewater industries.

Europe region: signs of stabilisation in the construction sector, but Germany remains weak

EUROPE. Leading economic research institutes (e.g. IfW, ifo) assume that the monetary policy in 2025 will trigger further interest rate cuts and that financing conditions will improve. In the eurozone, real wage growth and a robust labour market should gradually lead to a recovery of private consumption. However, the industrial economy will only pick up speed slowly and investments will only increase gradually. No fiscal policy stimulus is expected for 2025, as many support measures have expired and economic policy is focusing more on the high level of national debt in some cases. The economy is also encumbered by numerous uncertainties such as the looming trade conflicts. According to the IfW, challenging majorities for some European governments are also contributing to the uncertainties surrounding future economic policy. For 2025, it is assumed that capital investments will nevertheless increase. Together with moderate growth in private and public consumption, the economy in the eurozone is therefore being driven by a slight recovery in domestic demand. Net exports have a slightly contractive effect with noticeably higher imports. The institutes' GDP forecasts for the eurozone consistently predict only a very modest recovery for 2025 (IfW: +0.9%, ifo: +1.2%). The IMF also expects only low growth of 1.0% for the eurozone in 2025. The picture is similar for the UK and Switzerland. Both countries are expected to grow only moderately in 2025.

The industry network Euroconstruct (including ifo) is now seeing the first signs of recovery in Europe's construction industry. A trend reversal is emerging, particularly in residential construction, which usually reacts directly to changes in interest rates due to high debt financing. The real estate market has stabilised in several countries and lending for the purchase of houses and flats is increasing again. This important early indicator signals higher investment and thus also a gradual recovery in construction activity. Specifically, Euroconstruct is forecasting a stabilisation of real construction output in Europe's residential construction in 2025 and a return to brisker growth from 2026, driven by demographic and improved economic factors as well as more attractive subsidies for renovation. Non-residential construction is likely to pick up as early as 2025 in both new construction and the renovation of existing buildings. Impetus comes from climate policy incentives. In addition, infrastructure investments are also likely to support civil engineering in 2025 and 2026. Against this backdrop, Euroconstruct expects construction output in the 19 European core markets to increase slightly in 2025 by 0.6% in real terms. The markets in Scandinavia and Eastern Europe in particular are contributing to this recovery. In Spain, the UK and Switzerland, the construction industry is expected to grow very robustly. Portugal and the Netherlands are also on the rise. A slight decline is expected for France and Belgium, and even a further slump in construction activity for Italy.

GERMANY. Within Europe, economists are mostly worried about the German economy in 2025, with both poor order situation and the resulting lack of demand for goods as well as global risks and political uncertainties standing in the way of a recovery. While demand is picking up again in other countries, the export-oriented German industry is barely benefiting. German goods exports are increasingly decoupling from the global trend. This is increasingly due to structural problems. Industry in particular is suffering from the noticeable loss of competitiveness, especially on non-European markets. There are many reasons for this: the burdens imposed by taxes, bureaucracy and energy costs in Germany have increased compared to locations abroad. In addition, according to the ifo Institute, the renewal of digital, energy and transport infrastructure is progressing more slowly and the shortage of skilled labour is more pronounced. In this respect, investment decisions are increasingly being made to the detriment of Germany as a production location. This weakness is now also affecting the labour market. Companies in the automotive industry in particular have already announced substantial job cuts. In addition, insolvencies have recently risen sharply in the construction industry as well as in consumer-related sectors. The newly elected federal government could change the direction of economic policy in Germany. Whether, when and to what extent this can lead to structural relief for companies and new impetus for the economy cannot be foreseen at present, however. The growth forecasts for 2025 are correspondingly sceptical and uncertain, with the ifo Institute forecasting growth of just 0.4% in its baseline scenario and the Deutsche Bundesbank predicting growth of just 0.2%. The Kiel-based IfW assumes zero growth. In January, the IMF reduced its 2025 forecast for Germany from 0.8% to 0.3%.

Euroconstruct expects real construction output in Germany to fall by 1.0% in 2025. For the two following years, the forecast outlines only stagnation at a low level, despite lower interest rates and a possible slight improvement in the overall economy. A recovery in construction output is not expected. Key early indicators underpin the negative outlook for 2025, with new orders in the main construction sector falling by 1.9% in the first ten months of 2024, adjusted for price. By the end of November, approvals for residential construction had slumped further by 18.9%. The German Construction Industry Association (ZDB) anticipates a real decline in turnover of 2.2% in the construction industry for 2025. However, for the construction sector in 2026, the German Institute for

Economic Research (DIW) anticipates a broad but subdued recovery in construction volume by 2.0% in real terms, with new residential construction set to increase by 4.9%. Nevertheless, the volume of new residential construction in 2026 will be a quarter lower than in the peak year 2020.

Following the sharp slump in the German heating market in 2024 to just 712,500 installed units, sales have returned to the level of the years 2014 to 2019, according to the German Federation of German Heating Industry (BDH). This means that the heating turnaround has stalled just over a year after the German Building Energy Act (GEG) came into force, despite the expansion of subsidies at the end of August 2024. Several leading indicators suggest that the market situation in 2025 will remain challenging for the time being. The SHK business barometer for the building services sector has recently deteriorated further (as of the 3rd quarter 2024), including in the ventilation/air conditioning and heating segments. According to the current, half-year BDH survey from October, manufacturers of heating systems are still predominantly pessimistic about the coming months. In the medium term, however, the outlook remains positive. The politically driven transformation of the economy in the coming years and the decarbonisation of the construction sector are likely to trigger substantial investment in new construction and existing buildings. Measures to improve energy efficiency play a key role here. According to the BDH, in addition to replacing entire heat generators, simple and less cost-intensive measures can achieve noticeable improvements in system efficiency in existing buildings, resulting in energy savings and reduced emissions. These measures include replacing the heating pump.

Americas region: Continued robust construction upturn in the USA, recovery possible in Latin America

USA. According to the ifo Institute, the turning point of the current economic boom in the US has not yet been reached at the turn of the year 2024/2025. The economy is likely to continue its upswing, although the momentum is expected to level off slightly. However, economic policy harbours great uncertainty. According to the announcements, significant changes are to be expected once Donald Trump takes office. It is becoming apparent that financial policy will be even more expansionary. On the other hand, the announced significant increases in import duties and stricter measures to curb irregular migration could slow down the growth in production potential, according to the Kiel-based Institute. As a result, inflation is likely to just slowly approach the US Federal Reserve's target of 2%, meaning that there is less room for further relaxing of monetary policy. In addition, the new direction of US policy could lead to escalating trade conflicts between the major economic blocs and, as a further consequence, to noticeably negative effects on the US domestic economy. In its January outlook, the IMF anticipates that the US economy will grow by 2.7% in 2025, but that momentum will increasingly level off.

Important key data for private US residential construction is currently signalling a slowdown. For example, both building permits and new construction starts were overall slightly down at the end of 2024. Although the construction of new single-family homes as well as renovation and extension activities are likely to increase in 2025, supported by lower interest rates and a demand for around 1.5 million homes. FMI's specialists for the North American construction sector expect growth of 4% and 5%, respectively. However, a sharp decline of 13% is forecast for the construction of apartment blocks. The trend in other building construction is also likely to remain mixed. While the construction of hotel and commercial buildings (logistics, retail) is falling in 2025 according to FMI, investments in factories and other production facilities remain on the upswing with growth of 6%. Government funding programmes are providing impetus for the areas of semiconductors, electric vehicles, green energy and sustainable production processes. This also benefits investments (excluding buildings) in energy (+7%) and water supply (+9%). According to current estimates by the Environmental Protection Agency (EPA), the investment requirement for the US drinking water supply alone amounts to USD 650 billion over the next 20 years, two thirds of which will be for the repair and modernisation of the network.

LATIN AMERICA. For 2025, there are signs of an economic upturn in the region. The drivers are a further flattening of inflation and normalisation of interest rates. In their new forecasts from January 2025, the World Bank and the IMF assume that the region's economy will grow by 2.5%. All countries in the region are expected to grow. The economies of Brazil and Chile, for example, are experiencing a solid upturn with good growth at 2%. Mexico should achieve moderate growth of 1.5%, provided there is no escalating trade conflict with the USA. Accordingly, Argentina is set to overcome the recession in 2025 and, for the first time, record a noticeable recovery at 5.0%.

This improves the prospects for the construction sector. However, the announced restrictive US trade policy poses a risk. The most recent upturn in the Mexican construction sector is likely to continue in the short term. The tailwind in building construction is also likely to continue in Brazil. Concessions also provide new impetus for investments in water management. In the course of the expansion and modernisation of infrastructure and water management, there are good opportunities for the sale of pumps and pump systems throughout the region in the medium term.

AMEA region: Dynamic infrastructure investments offer potential in the construction and water management sectors

CHINA. According to the German Institute for Economic Research (DIW), the latest expansive financial and monetary policy measures are likely to have a positive impact on Chinese growth in 2025. However, according to the ifo Institute's analysis, domestic demand remains subdued due to the real estate market crisis. Bustling export growth should continue to support the economy, as China's exports are expected to be redirected to other markets as a consequence of the trade restrictions announced by the USA. In addition, companies now appear to be producing more intermediate goods for domestic production themselves than before the coronavirus pandemic. Moreover, the competitiveness of companies has improved compared to their European competitors, partly because the energy crisis in Europe has driven up costs. In response to diverted goods flows as a result of a trade conflict with the USA, relations between Europe and China could also deteriorate noticeably if new reciprocal punitive tariffs are imposed. Overall, China's economic momentum is likely to flatten further in the coming years. The IMF forecasts GDP growth of 4.6% for 2025.

In addition to the interest rate cuts by the People's Bank of China, the central government launched a fiscal package totalling around EUR 1.3 trillion in October 2024 to combat the debt problems of local governments. However, it remains to be seen whether this will provide new impetus for the construction industry in 2025. In contrast, the general willingness of the private sector in China to invest was also very low at the turn of 2024/2025 and activity in new building construction was extremely weak with a further slump at 23%. At just over 90 points, the national real estate climate index also remained below the 100 threshold and, despite an improvement during the year, was roughly at the same level as at the end of 2023. These key figures indicate that the real estate crisis will continue and construction investment will remain weak in 2025. Nevertheless, China is expected to continue its major efforts to expand production capacities and infrastructure. This includes the water and wastewater industry.

SOUTH KOREA. According to the Bank of Korea (BoK), the country's economy 2025 continues a moderate wide-ranging development and monetary policy remains expansive. Private consumption is expected to be the main driver of growth thanks to the continued increase in employment and low inflationary pressure. Increasing competition in key industries and heightened protectionism, on the other hand, are likely to restrain the momentum of exports in 2025. The BoK is also forecasting the revival of investment, meaning that the Korean GDP in 2025 is likely to grow by 1.9%. In addition to the geopolitical crises and distortions in global trade due to an intensification of protectionism, the further course of the semiconductor cycle and the government crisis that broke out at the turn of 2024/2025 represent specific uncertainty factors for South Korea.

The development of the construction industry is also lagging behind the overall robust economy in 2025. Despite falling interest rates, real construction investment is expected to fall by a further 1.3% throughout the year. However, the downward trend will come to a halt during the course of the year. Following a sharp decline of 3.2% in the first half of the year, BoK expects the second half of the year to stabilise at the previous year's level.

INDIA. The World Bank expects India to remain the fastest growing economy of all major economic regions. However, the rate of expansion will gradually level off slightly in the coming years as the pace of investment slows and government consumption is to be reduced in relation to GDP. The Kiel-based IfW assumes that the recent rise in wholesale prices for processed products and higher food prices will dampen private consumption. A recovery in the agricultural sector from the monsoon-related crop failures, on the other hand, could provide impetus. For 2025, the IMF expects India's economy to grow again at a rate of 6.5%.

The construction industry remains a central pillar of the Indian economy and at the same time a mainstay of the dynamic economy, as the drivers are still intact. Invest India, the national investment promotion agency, has recently forecast growth in the construction sector of 6–7% per year in a mid-term forecast up to 2025. New building regulations are increasingly focusing on environmentally friendly, energy-efficient technologies. Demand for living space will rise sharply in the coming years, particularly in urban centres. Around 100 million additional residential units will be needed in urban areas by 2050. At the same time, the infrastructure, including the supply of fresh water and the disposal of waste water, urgently needs to be expanded. Water scarcity is currently jeopardising economic development. The population of 1.4 billion people corresponds to one fifth of the world's population. However, India only has 4% of the world's drinking water resources. In addition, the demand from agriculture and industry is immense. There are also major deficiencies in wastewater treatment, especially in urban centres. The need for investment in the Indian water sector will therefore remain high in the coming years. Pump sales are growing by an average of 4% per year and are expected to reach a volume of USD 100 billion in 2026.

SOUTHEAST ASIA. The economically most important countries in Southeast Asia (ASEAN-5, Vietnam) are very closely integrated into the global and especially the Chinese value chain. According to the Kiel-based IfW, they could therefore benefit from the expected trade conflicts. High tariffs on exports from China could lead to some production being relocated to other Asian countries. During the pandemic and the period of disrupted global value chains, this region had already increasingly become the focus of Western companies in order to diversify their supply chains and make them less risky and less dependent on China. In addition, the region's structural growth is intact as a result of the young population, urbanisation and adaptation to climate change, meaning that economic momentum is likely to remain high in the medium term. However, the risks have recently risen further due to increasing geopolitical tensions in the region (e.g. China/Taiwan). The IMF is forecasting growth of 4.6% for the ASEAN-5 countries in 2025. Vietnam is even likely to expand with 6.6% (World Bank).

Southeast Asia's construction industry is benefiting from a young, rapidly growing population, urbanisation and structurally high levels of investment in infrastructure. The focus is increasingly shifting to projects aimed at mitigating the damage caused by advancing climate change. The opportunities for modern pumps and pump systems are correspondingly good, both in residential and commercial construction with all its facets and in the water and wastewater industry. Indonesia is driving forward major investment projects in this context with multi-year megaprojects. Firstly, the construction of Nusantara, a completely new, green, smart and digital capital planned on the drawing board, which has already begun. It replaces Jakarta, as the previous seat of government is in danger of sinking due to rising sea levels despite the construction of a coastal dam on Java. Other focal points for construction investments are extensive irrigation systems for agriculture as well as schools, hospitals and residential buildings. In Singapore and Malaysia, the planned joint special economic zone in Johor is providing new impetus.

TURKEY. As a result of the now resolutely tight monetary policy, the economy has cooled down and the first successes in containing inflation are gradually becoming visible. With further progress, Turkish domestic demand should pick up slightly in 2025, according to the World Bank. Higher exports are also expected. The central bank is aiming to initially reduce inflation to around 21% by the end of 2025 and to around 12% by the end of 2026. Despite the improvements, the negative factors for the Turkish economy remain. In addition to inflation, the high level of government debt and the resulting pressure to devalue the currency are likely to continue. This makes the Turkish economy still vulnerable. The World Bank therefore currently assumes that growth in 2025 will continue to flatten out to just 2.6%.

The prospects for the Turkish construction industry therefore remain risky. On the one hand, the downward trend in interest rates and construction costs should provide support. In addition, reconstruction work is continuing in the earthquake region. On the other hand, public budget deficits are hampering investment in housing construction and infrastructure. Numerous projects are being thoroughly examined. In addition, the slump in building permits in 2024 signals a decline in residential construction activity for 2025.

MIDDLE EAST & AFRICA. In the Middle East and North Africa, the World Bank anticipates economic stimulus for 2025 from a renewed increase in oil production. The Gulf states such as Saudi Arabia are also likely to benefit from robust private domestic demand. Accordingly, the oil-producing countries in the region are expected to achieve bustling economic growth at 3.3% in 2025. The forecast shows that the oil-importing countries of North Africa are also set to experience accelerated, dynamic growth at 3.7%. This is primarily due to Egypt's powerful, broad economic recovery resulting in 3.5% growth. The drivers are a substantial increase in investments, partly due to a major project with the United Arab Emirates (UAE), as well as dynamic exports and a recovery in private consumption. While Tunisia is expected to grow rather moderately at 2.2%, the World Bank anticipates stronger growth for Algeria (3.4%) and Morocco (3.9%). Together, in 2025 the countries of the Middle East and North Africa should achieve an acceleration of economic expansion at 3.4%. The economy in the sub-Saharan region should continue to recover in 2025. The World Bank expects consumption and investment to pick up as inflation declines, although structural deficits will remain a burden.

Nevertheless, the outlook for the construction industry in the entire region remains fundamentally risky and uncertain. However, individual markets can still be structurally very attractive for selected projects. Government investment in infrastructure provides important impetus. Driven by climate change and water scarcity, drinking water production and wastewater treatment are increasingly becoming the focus. The importance of climate protection and energy efficiency is also growing in building construction. The structural, long-term drivers for residential and commercial construction in the region are strong population growth and urbanisation. The UAE is a vibrant market for building construction, characterised by high dynamics in the real estate, tourism, industrial and healthcare sectors, which are increasingly relying on new technologies and sustainability standards. Dubai in particular wants to reduce the enormous energy consumption for air conditioning. Saudi Arabia plans to invest heavily in the water sector, among other things, as part of its medium-term development plan "Vision 2030". Investments in new seawater desalination plants will therefore remain high. Another focus is wastewater treatment. So far, only half of the wastewater is being treated. By 2030, the quota should rise to 95–100%. Accordingly, Saudi Arabia is pressing ahead with the construction of new wastewater treatment plants and the expansion of existing ones, as well as investing heavily in the expansion of the wastewater network. Water scarcity is already a major problem in Egypt today, and it is set to worsen rapidly. The reasons are the filling of the gigantic dam in Ethiopia on the upper reaches of the Nile, population growth, climate change, the reclamation of the western desert and the industrialisation of the Suez Canal. To combat increasing water stress, Egypt is investing more in water recycling plants for agriculture and in seawater desalination plants.

Outlook for the Wilo Group

Future orientation

The short-term outlook for the Wilo Group in 2025 is mixed depending on the region and market segment. In Europe, the construction industry is stabilising at a low level. At the same time, cost and efficiency benefits favour the replacement of old heating systems with new, climate-friendly ones. This should support the demand for efficient, high-performance pumps and pump systems. In the Americas and the AMEA region, there is a high demand for pumps, especially in the water management sector. This indicates relatively broad, robust growth in demand in the Wilo Group's specific markets.

Nevertheless, the overarching economic outlook for 2025 and beyond is divided from today's perspective and the short-term picture is therefore fraught with risk. The international economy is therefore expected to remain susceptible to disruption with only slight momentum. Further interest rate cuts – particularly in the eurozone – should initially have a positive effect, albeit to varying degrees from region to region. As a result of the increase in debt in many countries since the pandemic, the scope for fiscal policy to stimulate growth is usually limited. In addition, geopolitical factors in particular will also have a noticeable impact on the global economy in 2025. On the one hand, there are still high risks from existing and possible new armed conflicts. On the other hand, the new US administration threatens massive changes in energy policy and international trade relations, among other things. The planned punitive and special tariffs could trigger a far-reaching trade war, put renewed pressure on supply chains and fuel inflation. In any case, the trend towards decoupling the global economy is likely to be fuelled and the regionalisation of value chains further advanced. While the North America – Europe axis, which has been closely intertwined politically and economically for decades, is once again under pressure, the Global South is becoming increasingly important. New alliances and blocs are forming. This fundamental reorganisation of the global environment is taking place in parallel with the immense challenges posed by climate change and the far-reaching changes and new opportunities opened up by digitalisation with the help of artificial intelligence.

Overall, the risk and opportunity profile for both the global economy and the Wilo Group's specific markets therefore remains very challenging in 2025, but nevertheless positive from today's perspective. The Executive Board of WILO SE is therefore confident that it will be able to successfully continue the targeted course of accelerated profitable growth in 2025.

One of the cornerstones of the company's successful development is the is the established region-for-region approach. In this way, Wilo strives to achieve an optimal balance of local and centralised activities for the company, also in order to limit the unavoidable additional costs and inefficiencies that arise from decoupling. In combination with targeted optimisation of in-sourcing, risks from the supply chain can be contained. In addition, production should be customer-oriented and as efficient as possible for local and regional markets. Wilo has strengthened its local presence in key markets in recent years through targeted acquisitions and investments and established new, state-of-the-art production sites in the USA, China and India. Worldwide, the Wilo Group now has 16 main production sites in Europe, America and Asia as well as other smaller sites for highly specialised products, particularly for the water industry, and numerous assembly sites in selected emerging countries. As a result, the company now has powerful structures in the Group's own global network. The region-for-region approach has so far focused on procurement and production as well as customer-oriented processes. In the year under review 2024, Wilo has logically developed this approach further and taken it to the next level. To this end, the entire organisational structure of the Wilo Group was regionalised and decentralised with the WiGrow project. Key functions that were previously bundled centrally were reorganised into the three newly defined regions – Europe, Americas and AMEA. This brings Wilo even closer to its customers, gives it a more agile organisation and significantly reduces operational and organisational complexity. At the same time, this creates important prerequisites for at least partially cushioning the negative effects of new trade conflicts and at the same time better capitalising on opportunities in the respective regions.

In addition to the strategic risk balancing and the structure that is now even more strongly aligned with the market regions, Wilo is also relying on other fundamental strategic cornerstones in 2025 and in the years to come. These are, in particular, the firm anchoring of sustainability aspects in all areas and decisions of the company as well as the consistent further development of the company into a solution provider. The company's innovative strength will also be reinforced in future, irrespective of the cycle, through serious research and development efforts. Wilo is also driving forward the digitalisation of the company and its products and services using the rapidly increasing range of applications of artificial intelligence.

Outlook for the regions

EUROPE. The specific European markets for pumps and pump systems, including the associated services, are of key strategic importance to Wilo. On the one hand, they are regionally very heterogeneous and highly competitive. On the other hand, they are high-volume and technologically very sophisticated, making them particularly attractive for the Wilo Group as a premium supplier. Wilo enjoys a strong market position in Europe thanks to its innovative strength, high quality and close customer relationships. This is a critical factor for success in light of the intense competition in the region.

Irrespective of the cycle, the refurbishment of buildings, modernisation and digitalisation are becoming structurally more important in Europe. A large proportion of the installed heating and air conditioning systems are outdated and will have to be replaced in the coming years to fulfil stricter environmental protection requirements. In this respect, there is an enormous demand for energy-saving and environmentally friendly systems despite the high level of market maturity. This requires smart, networked and digitally controllable devices and systems. In addition, climate protection requires high levels of investment in the modernisation of water and wastewater systems. The Wilo Group therefore continues to assume that the demand for high-quality, energy-efficient pumps and integrated system solutions will continue to grow throughout Europe in the coming years, driven by innovation.

There are signs of a slight economic upturn in Europe for 2025, although the momentum remains low. Increases in real wages and an expected further fall in interest rates in the eurozone, the UK and Switzerland are slightly positive signals for consumption and willingness to invest, as well as for construction-related activities in particular. The Wilo Group has a strong market presence in its home region of Europe and is well positioned to benefit from this thanks to its proximity to customers and its high-performance products and services. In addition to the replacement business, which is also driven by the strict environmental regulations in Europe, the company is focusing in particular on the sale of complete pump systems.

Specifically for Germany, however, the outlook for 2025 remains challenging. There are no signs of an economic turnaround for 2025 and the structural problems in important core industries are having a negative impact. Following the sharp slump in construction activity, particularly in residential construction, there are at least signs of a certain bottoming out at a low level over the course of the year 2025. In addition, sales of heating systems in general and modern heating pumps in particular have recently slumped dramatically. The heating revolution in Germany has stalled. New impetus is unlikely in the short term. The German heating market is therefore likely to remain challenging in 2025. However, it remains to be seen whether and how the subsidy conditions for investments in climate-friendly heating systems will change after the German parliamentary elections. In the medium term, there is no alternative to replacing old heating systems. For retrofitting and new builds, the heating pump is the key product for CO_2-free heating systems.

AMERICAS. In recent years, the Wilo Group has strengthened its market position and customer access in the USA and Canada through organic growth and a series of targeted acquisitions. With the WiGrow project, Wilo has further reinforced the organisation throughout the Americas region. This should already have a positive impact from 2025. The outlook for the construction industry in the region is mixed across sectors and countries, but fundamentally positive. In the USA, construction investment in industry remains on the upswing thanks to government subsidies. In Central and South America, there are signs of a broad upturn in construction activity as financing conditions have improved. The water industry is also a key structural growth driver in the region. The noticeable climate changes are putting agriculture, among other things, under increasing water stress. It is therefore to be expected that extensive investments will be made in efficient irrigation systems in the future. There is also a huge need to ensure an efficient drinking water supply. In the USA alone, substantial investments will be required here in the coming years.

With a view to 2025 and the following years, the new trade and energy policy of the US government led by Donald Trump is bringing about noticeable changes in many respects. In particular, the announced increases in tariffs on imported products will make trade with the USA more difficult. Economically, close customer relationships and the established local company organisation are therefore of particular importance for Wilo. This will limit the negative effects of this US policy on the company. Wilo has laid the foundations for growth in the USA, particularly under the new conditions, with its own US production sites in Cedarburg, Wisconsin, among others, and through localisation and optimisation in the production network.

AMEA. The Wilo Group's growth markets are very heterogeneous and are subject to different, sometimes very specific risks and opportunities depending on the country. They must therefore be considered separately and assessed individually with regard to individual projects. In general, high population growth, urbanisation, climate change and an immense need for clean drinking water and efficient wastewater treatment are driving the markets for Wilo's pumps and pump systems. However, as business in the growth markets is strongly characterised by project business, fluctuations from one year to the next are typical.

In China, the property crisis continues to weigh on residential construction, but there is potential in the water and wastewater industry. In view of the massive environmental pollution, the government is planning considerable investment in climate protection and the expansion and modernisation of the water and wastewater infrastructure. The Chinese government has announced an extensive economic stimulus package to relieve the burden on indebted local governments so that more infrastructure projects are likely to be implemented again in the medium term. Wilo also addresses larger projects in the commercial and industrial sectors in China. Digitalisation, among other things, offers attractive growth opportunities here, as the gigantic data centres require effective, complex cooling systems. This segment is to be further expanded in the future.

Turkey and individual Arab countries such as Egypt, Morocco, the Gulf states and North African countries offer great potential for the Wilo Group, particularly in the water management sector. Here, too, ambitious projects are being implemented to produce drinking water and for irrigation in agriculture, thus ensuring a secure food supply for the population. The economic risks of these mega-investments, which are usually secured by the state, are comparatively limited and the projects can be very attractive due to their large volumes.

There is also great growth potential for the Wilo Group in India. The country's economy is characterised by above-average momentum. Urbanisation and population growth are driving the construction industry structurally. The construction industry is an important lever for the economic development of the country, which currently has a population of 1.4 billion, and is therefore a high priority for the government. On the one hand, it promotes residential construction. New building standards increasingly require environmentally friendly, energy-efficient technologies. On the other hand, India is investing heavily in the expansion and modernisation of its infrastructure. The focus is also on water management. The country is suffering from water shortages and demand is increasing rapidly. Overall, the demand for modern pumps in India continues to rise steadily.

High population dynamics, urbanisation and the need to build and expand a correspondingly efficient infrastructure also offer good structural growth prospects in Southeast Asia. This region is also particularly affected by the consequences of climate change; rising sea levels and increased extreme weather are jeopardising entire cities. New urban centres are being built, most of them future-oriented smart cities. Indonesia, for example, is building a completely new capital city in Nusantara. In this respect, there are good structural opportunities here for the use of intelligent and energy-saving pumps and pump systems.

Statement by the Executive Board on forecast development

The consistent implementation of the future-oriented, sustainability-focused business strategy in conjunction with the well-balanced internal risk equalisation system is and remains of paramount importance to the Wilo Group. This is an established strength and should remain so, particularly in view of the geo-economic turning point and the profound upheavals in the economy and society. On the one hand, risk equalisation is based on successful customer orientation and high innovative strength, as they enable the continuous development of new technologies and products. On the other hand, with its broad international market presence and diversification in terms of regions and market and product segments, the Wilo Group can offset individual risks and temporary market disruptions to a certain extent. With the comprehensive reorganisation initiated in 2024 as part of the consistent further development of the proven region-for-region approach, the Wilo Group has strengthened its resilience and agility and thus set an important course for improving the Wilo Group's future viability in a constantly changing world and broadening the basis for sustainable, profitable growth. The Executive Board is convinced that the company is thus well positioned to face head-on the major challenges posed by the geo-economic turnaround and to capitalise on the attractive opportunities.

In view of the continuing very high level of uncertainty with regard to geopolitical and economic developments, particularly forward-looking, risk-aware and flexible corporate management is essential. Key factors for success in such a challenging market environment are a high degree of entrepreneurial flexibility and a pronounced ability to adapt. These elements are deeply integrated into the corporate culture, strategy and management of the Wilo Group and will continue to characterise corporate management in 2025. The Executive Board monitors both overarching external developments and market-specific trends as well as short-term factors very closely in order to take any necessary measures to limit the impact on the company as much as possible and to make the most of any opportunities that arise. The Executive Board of the Wilo Group is therefore cautiously optimistic about the current financial year, despite the uncertain geopolitical and economic situation.

Based on the forecast business development in the individual regions outlined above, the Executive Board anticipates net sales growth in the mid-single-digit percentage range for the Wilo Group in the 2025 financial year. This is based on the underlying assumptions that the world economy will develop as forecast and that there will be no major upheaval on the currency and capital markets. The planning also assumes that geopolitical tensions will not escalate further. Possible acquisitions are not taken into account here.

The Executive Board sets strict profitability targets in order to ensure the Wilo Group's entrepreneurial ability to act, flexibility and independence at all times. In view of the uncertain economic outlook and geopolitical conditions, the Executive Board has imposed strict cost management and is monitoring developments during the year very closely in order to be able to take compensatory measures in the short term. The restructuring measures initiated in 2024 as part of the WiGrow project are intended to further reduce the cost base. These measures are important structural prerequisites for profitable growth and are intended to strengthen the future viability of the Wilo Group in the long term. Last year's earnings development was characterised in particular by the aforementioned restructuring measures and the decline in net sales. In this respect, an improvement in profitability is forecast for 2025. A significant increase in absolute EBITDA is expected, which should also result in a correspondingly significant increase in the EBITDA margin. The leverage is expected to decrease slightly compared to the year under review, primarily as a result of the improved EBITDA.

The risk of misjudgements regarding the development of the sales and procurement markets as well as the financial and foreign exchange markets is once again expected to be exceptionally high in the 2025 financial year. An escalation of the increasing geopolitical tensions and trade conflicts is possible and its consequences for the global economy are currently unforeseeable. Accordingly, the Wilo Group's net sales and EBITDA expectations remain subject to increased uncertainty. Regional economic fluctuations can generally be partially offset by the Wilo Group's global orientation and diversification. Further military escalations, increasing trade conflicts, resulting lasting disruptions to value chains and the associated significant burdens on the global economy could nevertheless have a significant impact on the Wilo Group's growth and profitability targets.

The Wilo Group stands for sustainable, forward-looking and innovative products and system solutions and is developing into a targeted solutions provider. Research and development have therefore traditionally played – and will continue to play – a very important role at Wilo. Accordingly, expenditure for research and development will remain at a high level in the 2025 financial year irrespective of temporary factors affecting the economy or the Group’s markets.

In recent years, Wilo has invested heavily in the future and in a modern, efficient and growth-promoting corporate infrastructure. Localisation efforts were intensified and the appropriate degree of vertical integration for Wilo in individual regions and countries was redefined. Vertical integration along the value chains was also strengthened, accordingly. The main capacity-expanding site development projects were completed with the commissioning of the plants in Cedarburg/Wisconsin in the USA, Kesurdi in India and Changzhou in China. The strategic location development project at the headquarters in Dortmund is also nearing completion. Following the inauguration of the Networking Cube in the reporting year, only the Health Cube has yet to be completed. In this respect, investments in 2025 are expected to decrease compared to the year under review.

One future investment focus will be on harmonising and modernising the IT infrastructure. In addition to the global implementation of the ERP software SAP S/4HANA, a standardisation of the CRM software is also planned over the next few years. In addition, the existing infrastructures and capacities are continuously reviewed for their future viability. The focus here is particularly on sustainability aspects and modernisation measures. In line with the Ambition 2030, company acquisitions also remain a focus. In view of the risky economic outlook and uncertain prospects, the Executive Board is monitoring further developments closely and on an ongoing basis. If necessary, appropriate adjustments are made to the investment planning. Planned and ongoing projects are specifically reviewed in relation to the changed circumstances and only those investments that are of particular strategic importance are realised.

The long-term financing structure, the high equity ratio of over 41 % and the freely available cash of over EUR 330 million form a solid basis for the Wilo Group's long-term profitable growth. In addition, the strong financial profile helps to secure the Wilo Group's financial stability and independence in the long term. WILO SE is obliged by some of its long-term financing instruments in place as at 31 December 2024 to meet certain standard market financial ratios, known as covenants. WILO SE always fully complied with this obligation in the year under review and, from today's perspective, has no indication that it will not fulfil these financial covenants in the future.

The presented corporate goals for the year 2025 are based on a professional and detailed planning process. They take into account all information on and knowledge of internal and external factors that were available at the time of this management report being prepared. Future unforeseeable developments and events may lead to changes in expectations and deviations from forecast figures. All estimates for the year 2025 are based on the assumptions of an unchanged scope of consolidation compared to the year under review and comparable exchange rates. Planning does not take account of any factors relating to legal and regulatory issues or substantial impairment losses.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

for the period 1 January to 31 December 2024

EUR thousand	Note	**2024**	2023
Net sales	(8.1)	1,895,305	1,974,778
Cost of sales	(8.2)	–1,256,945	–1,294,836
Gross profit		**638,360**	**679,942**
Selling expenses	(8.3)	–346,092	–329,247
Administrative expenses	(8.3)	–162,014	–156,373
Research and non-capitalised development costs	(8.4)	–74,832	–73,761
Other operating income	(8.5)	32,946	31,968
Other operating expenses	(8.6)	–38,227	–36,227
Earnings before interest and taxes (EBIT)		**50,141**	**116,302**
Net income from investments carried at equity	(8.7)	108	1,178
Financial income	(8.8)	15,366	12,610
Financial expenses	(8.8)	–36,454	–26,531
Consolidated net income before taxes		**29,161**	**103,559**
Income taxes	(8.9)	–9,987	–28,345
Consolidated net income		**19,174**	**75,214**
of which attributable to non-controlling interests		–112	–642
of which attributable to the shareholders of WILO SE		19,286	75,856

Consolidated statement of comprehensive income

for the period 1 January to 31 December 2024

EUR thousand	Note	**2024**	2023
Consolidated net income		**19,174**	**75,214**
Items that have not been or will not be reclassified to profit or loss			
Remeasurement of pension obligation and plan assets		3,338	–5,865
on which current income taxes	(8.9)	–937	1,600
		2,401	**–4,265**
Items that have been or will be reclassified to profit or loss			
Currency translation differences		2,778	–18,015
Cash flow hedges – effective portion of changes in fair value and reclassification to profit or loss	(11.1)	–489	–5,466
on which current income taxes		156	1,772
Other comprehensive income		**4,846**	**–25,974**
Total comprehensive income		**24,020**	**49,240**
of which attributable to non-controlling interests		32	–808
of which attributable to the shareholders of WILO SE		23,988	50,048

Consolidated statement of financial position

as at 31 December 2024

Assets

EUR thousand	Note	2024	2023
Non-current assets			
Intangible assets	(9.1)	378,154	355,494
Property, plant and equipment	(9.2)	803,945	760,969
Investments carried at equity	(7.)	1,332	3,864
Trade receivables	(9.4)	5,650	4,183
Other financial assets	(9.5)	8,884	12,818
Other receivables and assets	(9.7)	3,253	8,230
Deferred tax assets	(8.9)	41,364	31,769
		1,242,582	**1,177,327**
Current assets			
Inventories	(9.3)	379,855	447,078
Trade receivables	(9.4)	348,335	291,144
Other financial assets	(9.5)	16,773	13,520
Tax receivables	(9.6)	916	605
Other receivables and assets	(9.7)	52,870	57,564
Cash	(9.8)	331,586	392,572
		1,130,335	**1,202,483**
Total assets		**2,372,917**	**2,379,810**

Equity and liabilities

EUR thousand	Note	2024	2023
Equity	(9.9)		
Issued capital		26,980	26,980
./. Nominal amount of treasury shares		–803	–886
Subscribed capital		26,177	26,094
Capital reserves		50,722	47,440
Retained earnings		1,011,057	1,008,219*)
Other reserves		–99,538	–104,240*)
Treasury share reserve		–16,560	–18,201
Equity attributable to the shareholders of WILO SE		**971,858**	**959,312**
Non-controlling interests		3,270	3,242
		975,128	**962,554**
Non-current liabilities			
Financial liabilities	(9.10)	678,585	751,214
Other financial liabilities	(9.12)	41,872	34,789
Other liabilities	(9.13)	6,856	6,507
Provisions for pensions and similar obligations	(9.14)	67,092	69,858
Other provisions	(9.15)	8,736	8,595
Deferred tax liabilities	(8.9)	9,396	13,553
		812,537	**884,516**
Current liabilities			
Financial liabilities	(9.10)	87,805	76,309
Trade payables	(9.11)	228,265	194,627
Other financial liabilities	(9.12)	74,136	74,722
Other liabilities	(9.13)	128,573	141,908
Other provisions	(9.15)	60,667	39,273
Tax liabilities	(9.16)	5,806	5,901
		585,252	**532,740**
Total equity and liabilities		**2,372,917**	**2,379,810**

Prior-year figures are restated
*) for retained earnings and other reserves, see note (9.9)

Consolidated statement of cash flows

for the period 1 January to 31 December 2024

EUR thousand	**2024**	2023	Change
Earnings before interest and taxes (EBIT)	**50,141**	**116,302**	**–66,161**
Depreciation and amortisation of intangible assets and property, plant and equipment	102,317	100,497	1,820
Increase/decrease in provisions	18,990	–23,933	42,923
Losses/gains on disposals of intangible assets and property, plant and equipment	1,113	–1,814	2,927
Decrease/increase in inventories	67,602	–7,079	74,681
Decrease/increase in trade receivables	–56,174	50,636	–106,810
Decrease/increase in trade payables	31,258	–54,512	85,770
Increase/decrease in other assets and liabilities not related to investing or financing activities	–8,055	4,265	–12,320
Other non-cash expenses and income	7,106	12,395	–5,289
Operating cash flow before income taxes	**214,298**	**196,756**	**17,541**
Income taxes paid	–25,197	–33,206	8,009
Cash flow from operating activities	**189,101**	**163,550**	**25,551**
Purchases of intangible assets	–34,672	–27,609	–7,063
Disposals of property, plant and equipment	4,722	10,049	–5,327
Disposals of intangible assets	94	369	–275
Purchases of property, plant and equipment	–99,483	–133,858	34,375
Purchases of consolidated companies	–1,572	–35,557	33,985
Proceeds from the sale of consolidated companies	0	3,572	–3,572
Dividends received	200	300	–100
Cash flow from investing activities	**–130,711**	**–182,734**	**52,023**
Dividend payment	–17,362	–14,524	–2,838
Proceeds from assuming financial liabilities	21,342	284,362	–263,020
Repayment of financial liabilities	–82,501	–73,155	–9,346
Proceeds from the sale of treasury shares	5,006	3,010	1,996
Repayment of lease liabilities	–16,563	–14,307	–2,256
Interest payments received	9,989	5,037	4,952
Interest payments made	–32,446	–23,674	–8,772
Cash flow from financing activities	**–112,535**	**166,750**	**–279,285**
Change in cash	–54,145	147,567	–201,712
Changes in cash due to exchange rates and hyperinflation	–6,985	–19,514	12,529
Changes in cash resulting from the basis of consolidation	144	0	144
Cash at beginning of period	392,572	264,519	128,053
Cash at end of period	**331,586**	**392,572**	**–60,986**

Detailed information can be found in note (10).

Consolidated statement of changes in equity

for the period from 1 January 2023 to 31 December 2024

	Subscribed capital				Other reserves*)						
EUR thousand	Issued capital	Nominal amount of treasury shares	Capital reserves	Retained earnings*)	Currency-translation reserve	Hedging reserve	Reserve for the measure-ment of pensions	Treasury share reserve	Equity attributable to the share-holders of WILO SE	Non-controlling interests	**Equity**
1 January 2023	**26,980**	**–937**	**45,504**	**945,554**	**–63,304**	**2,371**	**–7,488**	**–19,224**	**929,456**	**1,463**	**930,919**
Consolidated net income 2023	0	0	0	75,856	0	0	0	0	75,856	–642	75,214
Other comprehensive income	0	0	0	0	–17,849	–3,694	–4,265	0	–25,808	–166	–25,974
Dividend payments	0	0	0	–14,524	0	0	0	0	–14,524	0	–14,524
Sale of treasury shares	0	51	1,936	0	0	0	0	1,023	3,010	0	3,010
Reclassification of cur-rency translation diffe-rences on loss of control	0	0	0	0	–10,011	0	0	0	–10,011	0	–10,011
Other changes	0	0	0	1,333	0	0	0	0	1,333	2,587	3,920
31 December 2023	**26,980**	**–886**	**47,440**	**1,008,219**	**–91,164**	**–1,323**	**–11,753**	**–18,201**	**959,312**	**3,242**	**962,554**
1 January 2024	**26,980**	**–886**	**47,440**	**1,008,219**	**–91,164**	**–1,323**	**–11,753**	**–18,201**	**959,312**	**3,242**	**962,554**
Consolidated net income 2024	0	0	0	19,286	0	0	0	0	19,286	–112	19,174
Other comprehensive income	0	0	0	0	2,634	–333	2,401	0	4,702	144	4,846
Dividend payments	0	0	0	–17,362	0	0	0	0	–17,362	0	–17,362
Sale of treasury shares	0	83	3,282	0	0	0	0	1,641	5,006	0	5,006
Other changes	0	0	0	914	0	0	0	0	914	–4	910
31 December 2024	**26,980**	**–803**	**50,722**	**1,011,057**	**–88,530**	**–1,656**	**–9,352**	**–16,560**	**971,858**	**3,270**	**975,128**

Detailed information can be found in note (7) and note (9.9).

*) Retained earnings recognised separately from other reserves

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(1.) General information

WILO SE ("the company"), based in Dortmund, Germany, is registered with the Dortmund Local Court in section B no. 21356 and is the parent company of the Wilo Group. The Group's core business is the production and worldwide sale of machinery, notably liquid pumps and appliances. The Wilo Group develops, manufactures and markets pumps and building technology systems, primarily for heating, refrigeration, air-conditioning and ventilation systems, for water supply and for sewage and effluent disposal.

(2.) Basis for the preparation of the consolidated financial statements

The consolidated financial statements of WILO SE as at 31 December 2024 have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. Furthermore, all interpretations of the IFRS Interpretations Committee (formerly the International Financial Reporting Interpretations Committee, IFRIC) applicable for the 2024 financial year have been taken into account. WILO SE exercises the option provided for in section 315e (3) of the Handelsgesetzbuch (HGB – German Commercial Code) and is therefore not required to prepare consolidated financial statements in accordance with German commercial law. To ensure equivalence with consolidated financial statements prepared in accordance with German commercial law, the disclosure requirements of section 315e (1) HGB are met in addition to the IFRS disclosure requirements.

A number of items of the income statement and statement of financial position have been combined for clarity of presentation. These items are reported and explained separately in the notes. The consolidated income statement has been prepared using the cost-of-sales method. The amounts in the consolidated financial statements are generally presented in thousands of euro (EUR thousand).

As in the 2023 financial year, the ongoing war in Ukraine did not have a significant impact on the Wilo Group in the year under review. There are no uncertainties that cast doubt on the ability of WILO SE and its subsidiaries to continue as a going concern.

(3.) Adoption of new and amended standards and interpretations

The following standards, interpretations and amendments to existing standards were adopted for the first time in the 2024 financial year, but had no or no material effect on the consolidated financial statements of WILO SE:

- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Financing Agreements (Amendments to IAS 7 and IFRS 7)

The following standards, amendments to existing standards and interpretations issued by the IASB and the IFRS Interpretations Committee are not yet effective in the 2024 financial year or have not yet been endorsed by the European Union. However, they will have no impact or no material impact on the consolidated financial statements of WILO SE. WILO SE is not implementing early adoption of these standards, interpretations or amendments to existing standards or interpretations:

First-time adoption as of 1 January 2025:
- Lack of Exchangeability (Amendments to IAS 21)

First-time adoption as of 1 January 2026:
- Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- Annual Improvements to IFRS Accounting Standards – Volume 11

First-time adoption as of 1 January 2027:
- Presentation and Disclosures in Financial Statements (IFRS 18)

- Subsidiaries without Public Accountability: Disclosures (IFRS 19)

First-time adoption still open:
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

(4.) Basis of consolidation

The consolidated financial statements include WILO SE and all significant companies that WILO SE controls directly or indirectly. WILO SE controls an entity when it is exposed, or has rights, to changing returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

All consolidated companies' financial statements are prepared as at 31 December. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is achieved until it ends and fully consolidated in accordance with IFRS 10.

In addition to WILO SE, the consolidated financial statements as at 31 December 2024 include eleven (previous year: twelve) German entities and 70 (previous year: 67) foreign subsidiaries. In addition, one joint venture (previous year: two) is included in the consolidated financial statements using the equity method.

A list of all of WILO SE's direct and indirect shareholdings can be found in the annex to the notes to the consolidated financial statements.

(5.) Consolidation methods

The financial statements of the German and foreign companies included in the consolidated financial statements were prepared using uniform accounting policies.

Business combinations are accounted for using the acquisition method in accordance with IFRS 3, with all hidden assets and liabilities disclosed. The assets, liabilities and contingent liabilities of the acquiree identified in accordance with IFRS 3 are measured at fair value at the acquisition date and offset against the purchase price of the acquisition in capital consolidation.

Any excess of the purchase price over the value of acquired, remeasured equity is capitalised as goodwill and tested for impairment annually at the level of the cash-generating unit to which the goodwill is allocated. If the acquired equity exceeds the purchase price at the acquisition date, the difference is reassessed and recognised in profit or loss. Intangible assets are recognised separately from goodwill if they can be separated from the company or result from a contractual or other right.

The increase in the shareholding in a controlled and thereby fully consolidated company is treated as a transaction between owners under IFRS 10 in the consolidated financial statements. Any resulting difference is recognised directly in retained earnings and allocated to the shareholders of WILO SE.

Intragroup sales, income, expenses, receivables, payables and contingent liabilities are eliminated. Profits and losses resulting from intragroup trading and recognised in inventories are eliminated. Any temporary differences arising on consolidation are accounted for by recognising deferred tax items as appropriate.

(6.) Currency translation

Foreign-currency transactions in the separate financial statements of WILO SE and consolidated subsidiaries are translated into functional currency at the transaction date exchange rate. Foreign-currency monetary assets and liabilities are translated at the average rate as at the end of the reporting period and any exchange gains or losses are recognised in profit or loss. Non-monetary assets and liabilities measured at cost are translated at the transaction date exchange rate. Non-monetary items measured at fair value are translated at the measurement date exchange rate.

Items in the separate financial statements of consolidated entities are measured in the currency of the primary economic environment (functional currency).

Financial statements prepared in functional currencies other than the euro are translated into euro for consolidation. The reporting currency used in the consolidated financial statements is the euro. All assets and liabilities are translated at the exchange rate as at the end of the reporting period; the items of the consolidated income statement are recognised in the consolidated financial statements at annual average rates that appropriately approximate the transaction rates. Translation differences are accounted for as a separate item in consolidated equity until a subsidiary is disposed of.

Turkey was classified as a hyperinflationary economy in April 2022. This meant that a functional currency of a consolidated company, namely the Turkish lira, was classified as hyperinflationary as defined by IAS 29 (Financial Reporting in Hyperinflationary Economies) in the 2022 financial year. The assessment, which was based on quantitative and qualitative criteria, resulted in particular from the fact that cumulative inflation in Turkey over the past three calendar years had risen to over 100% in the first quarter of the 2022 calendar year and continues to rise. Turkey's categorisation as a hyperinflationary country remains unchanged in 2024.

The objective of IAS 29 is to express the financial statements of an entity that reports in the currency of a hyperinflationary economy in terms of the unit currently applicable at the end of the reporting period. Monetary items are not restated because they are already expressed in terms of the unit currently applicable at the end of the reporting period.

The adjustments are to be made by applying a general price index. Data from the Turkish Statistical Institute (TURKSTAT Corporate) on the harmonised consumer price index for Turkey was used here (CPI basis 2003 = 100).

The harmonised consumer price index stood at 1,859.38 on 1 January 2024 (1 January 2023: 1,128.42) and increased by 44.38% (previous year: 64.78%) to 2,684.55 as at 31 December 2024 (31 December 2023: 1,859.38).

All items of the statement of financial position and the income statement are translated into the Group's presentation currency in accordance with IAS 21 only after the items concerned have been indexed. In both cases, the exchange rate as at the closing date is applied in translation. The exchange rate as at the closing date on 31 December 2024 was TRY 36.7377 per EUR (previous year: 32.5739).

All in all, the application of IAS 29 had a negative effect on consolidated net income of EUR -1,405 thousand (previous year: EUR -1,561 thousand). This effect is reported in net financial income. Equity is indexed in the currency translation reserve.

The main exchange rates used in currency translation are as follows:

Exchange rates

		Annual average rates		Rate as at 31 Dec.	
	EUR 1 =	**2024**	2023	**2024**	2023
Pound sterling	GBP	0.8450	0.8688	0.8292	0.8691
Chinese yuan	CNY	7.7733	7.6839	7.5833	7.8509
Indian rupee	INR	90.5174	89.4344	88.9332	91.9042
Polish zloty	PLN	4.3021	4.5234	4.2750	4.3395
Russian rouble	RUB	101.2545	92.6060	112.2498	98.3014
Swedish krona	SEK	11.4498	11.4842	11.4590	11.0960
Swiss franc	CHF	0.9534	0.9717	0.9412	0.9260
South Korean won	KRW	1,479.0296	1,420.1227	1,532.1491	1,433.6609
Turkish lira	TRY	35.6419	26.1549	36.7377	32.5739
US dollar	USD	1.0808	1.0828	1.0389	1.1050

(7.) Accounting policies

The accounting policies applied in the previous year have generally been retained; explanations on the first-time adoption of new or amended standards and interpretations can be found in note (3.). Items presented in the statement of financial position are broken down into current and non-current items. An asset or liability is classified as current if it is expected to be realised within twelve months of the end of the reporting period.

MEASUREMENT BASIS The consolidated financial statements have been prepared using a historical cost approach with the exception of the derivatives presented in section 11.

ESTIMATES AND ASSUMPTIONS The preparation of consolidated financial statements in line with IASB standards requires management to make estimates and assumptions that affect the amounts and reporting of recognised assets and liabilities, income and expenses and contingent assets and liabilities. The main matters affected by estimates and assumptions are as follows:

- assessment of impairment on goodwill
- assessment of impairment on capitalised development costs
- measurement of intangible assets and items of property, plant and equipment (recognition of useful life)
- assessment of impairment on trade receivables
- assessment of impairment on deferred tax assets
- recognition and measurement of provisions for pensions and similar obligations
- recognition and measurement of other provisions

In goodwill impairment testing, the recoverable amount of cash-generating units is measured as the higher of fair value less costs to sell and value in use. Fair value is the best estimate of the amount obtainable at the end of the reporting period from the sale of a cash-generating unit in an arm's length transaction. Value in use is the present value of the future cash flows expected to be derived from continuing use of a cash-generating unit.

The Executive Board of WILO SE uses the value in use as calculated using the discounted cash flow method in impairment testing for goodwill. The discounted cash flows are based on the strategic planning for a period of five years.

The cash flows forecasts take into account past experience and are based on the best estimate of future development by the company's management. Cash flows after the detailed planning period are extrapolated using growth rates specific to the business area.

The most important assumptions on which the calculation of value in use is based relate to long-term cash flows, average annual EBIT growth rates and the weighted average cost of capital. In particular, the planning premises take into account expected net sales and EBIT development and the development of sales markets. The forecast growth for the individual divisions also takes account of past growth rates. Future company acquisitions are not included in planning. These estimates and the underlying methods can have a significant influence on the respective values and ultimately on the amount of possible goodwill impairment. The Wilo Group reported goodwill of EUR 177,474 thousand as at the end of the reporting period (previous year: EUR 171,489 thousand). Further information can be found under "Intangible assets" and "Impairment of assets" (note (7.)) and in note (9.1).

For intangible assets and items of property, plant and equipment, the useful lives applied are based on management estimates. Moreover, if necessary, impairment tests determine the recoverable amount of an asset or the cash-generating unit assigned to the asset as the higher of fair value less costs to sell or the value in use.

Fair value is the best estimate of the amount obtainable at the end of the reporting period from the sale of an asset in an arm's length transaction. The discounted future cash flow of the asset in question must be determined to calculate its value in use. The estimate of discounted future cash flows includes significant assumptions that themselves are subject to estimation uncertainty, e.g. the discount rate. Although the management presumes that its assumptions of general economic conditions, estimates of discounted future cash flow and of relevant expected useful lives are appropriate, a change in assumptions or circumstances could require a change in analysis. This could result in additional impairment losses in the future if the trends identified by the management reverse or if its assumptions or estimates prove to be inaccurate. The Wilo Group reported intangible assets of EUR 378,154 thousand (previous year: EUR 355,494 thousand) and property, plant and equipment of EUR 803,945 thousand (previous year: EUR 760,969 thousand).

Further information can be found under "Intangible assets", "Property, plant and equipment" and "Impairment of assets" (note (7.)) and in notes (9.1) and (9.2).

Credit risks and risks of default can arise for trade receivables to the extent that customers do not meet their payment obligations and asset losses occur as a result. The necessary write-downs are calculated taking into account the credit rating of the respective customer, any collateral and experience of historical default rates. The actual default on payment by the customer can differ from the expected default on account of the underlying factors. The Wilo Group recognised total write-downs on trade receivables of EUR 25,604 thousand (previous year: EUR 27,270 thousand) as at the end of the reporting period. Further information can be found under "Financial assets" (note (7.)) and in note (9.4).

The recognition of deferred tax assets on tax loss carryforwards requires the expectation of future taxable profit. The assessment of whether deferred tax assets are impaired starts by taking into account deferred tax liabilities with the same taxable entity and the same taxation authority and the taxable profits that are sufficiently likely to occur in the future. The Executive Board makes a best estimate of the probability of future taxable profits on the basis of strategic corporate planning.

The calculation of provisions for pensions and similar post-employment obligations is based on key premises, such as the discount rates, salary trends, life expectancies and assumptions regarding trends in healthcare. The discount rates used are determined on the basis of the returns on prime fixed-income corporate bonds of the same term and currency as at the end of the reporting period. Actual developments may differ from the premises assumed on account of the fluctuating market and economic situation. This can have a significant effect on the obligations for pensions and similar post-employment benefits. The resulting differences are recognised in other comprehensive income. In total, provisions for pensions and similar obligations of EUR 67,092 thousand (previous year: EUR 69,858 thousand) were reported as at the end of the reporting period. Further information can be found under "Pensions and similar obligations" (note (7.)) and in note (9.14).

The amount and probability of utilisation are estimated for the recognition and measurement of other provisions. The measurement is based on the most likely settlement amount or the expected settlement amount if there are equal probabilities. The amount of actual utilisation can differ from estimates. The Wilo Group primarily reports provisions for possible warranty claims and restructuring under other provisions. In total, other provisions of EUR 69,403 thousand (previous year: EUR 47,868 thousand) were reported as at the end of the reporting period (note (9.15)). Further information can be found under "Other provisions" (note (7.)) and in note (9.15).

The assumptions and estimates are based on current knowledge and the data currently available. Actual developments can differ from estimates. If the actual developments differ from estimates, the resulting consequences for the carrying amounts of the relevant assets and liabilities are taken into account accordingly.

JUDGEMENTS Judgements must be made in the application of accounting policies. In particular, this applies to the following:

- Judgements must be made when allocating financial assets in accordance with IFRS 9 to the measurement categories at amortised cost, at fair value through profit and loss (FVTPL) and at fair value through other comprehensive income (FVOCI).
- The cash-generating units for goodwill impairment testing are formed and defined by product and application and are subject to management judgement. The allocation of goodwill to individual cash-generating units is likewise subject to judgement.
- When using derivatives to minimise the financial risks of hedged items, it must be decided whether hedge accounting is to be used within the meaning of IFRS 9.

EXPENSE AND REVENUE RECOGNITION In accordance with IFRS 15, the Wilo Group realises net sales when control of distinct goods or services is transferred to the customer, that is, when the customer has the ability to determine the use of the transferred goods or services and obtain substantially all the remaining benefits. This requires that an agreement with enforceable rights and obligations exists and receiving the consideration – taking into account the customer's creditworthiness – is probable. Net sales correspond to the transaction price to which the Wilo Group expects to be entitled. At the Wilo Group the transaction does not generally include considerations with various amounts in the transaction price. However, if the transaction price does include considerations with various amounts, the amount of the consideration with the most probable amount is determined. If the period of time between the transfer of goods or services and the agreed time of payment exceeds a period of twelve months, and a significant benefit results from the financing, then significant financing components are reclassified from net sales to net finance costs. If a contract covers several distinct goods and/or services, the transaction price is allocated to the performance obligation on the basis of the relative stand-alone selling prices. If stand-alone selling prices are not directly observable, then these are estimated at an appropriate level. For each performance obligation, net sales are realised either at a point in time or over a specific period time. At the Wilo Group, depending on the relevant Incoterms, net sales are typically realised at a point in time. Exceptions relate in particular to services provided at a point in time with evidence of the provision of the service as well as warranty revenue, which is realised over a specific period of time using the input method. Net sales are presented net of sales-related trade discounts and rebates.

Cost of sales includes all direct costs and overheads incurred in generating net sales, including depreciation on production machinery. This item also includes amounts recognised for guarantee provisions. Operating expenses are recognised in profit or loss when service is rendered or the expenses incurred. Interest income and interest expenses are recognised on an accrual basis.

ADMINISTRATIVE AND SELLING EXPENSES Administrative expenses and selling expenses include attributable labour and material costs as well as depreciation applicable to each functional area.

RESEARCH AND DEVELOPMENT COSTS Development costs are capitalised as intangible assets at cost and amortised over their useful lives, provided the capitalisation criteria described in IAS 38 are met. Development costs that do not meet the capitalisation criteria in accordance with IAS 38 and research costs are reported as a separate line item in the income statement. In the year under review, development costs were capitalised in the amount of EUR 18,533 thousand (previous year: EUR 13,316 thousand). Furthermore, the addition to capitalised development costs also includes borrowing costs of EUR 763 thousand (previous year: EUR 389 thousand), meaning that the addition totals EUR 19,296 thousand (previous year: EUR 13,705 thousand).

BORROWING COSTS Borrowing costs are recognised in profit or loss, provided they do not relate directly to the acquisition, development or production of qualifying assets.

If this is the case, these direct borrowing costs are capitalised as incidental costs of acquisition of the qualified asset. Qualifying assets are assets which require a substantial period of time to bring them to a condition suitable for use or sale. In the 2024 financial year, borrowing costs were capitalised in the amount of EUR 1,816 thousand (previous year: EUR 1,952 thousand). The borrowing cost rate, which forms the basis for determining the capitalisable borrowing costs, was 3.35% (previous year: 2.83%).

INTANGIBLE ASSETS Acquired intangible assets with a finite useful life are capitalised at cost and amortised on a straight-line basis over their useful lives (three to five years in the Wilo Group). Amortisation is recognised in the cost of sales, selling and administrative expenses as well as the research and non-capitalised development costs.

In accordance with IFRS 3 and IAS 38 in conjunction with IAS 36, goodwill is not amortised but instead tested for impairment annually and whenever there is an indication that it has become impaired.

If the conditions of IAS 38 are met, development costs on the individual components with a finite useful life are capitalised and amortised on a straight-line basis over their expected useful life of ten to 15 years. Capitalised development costs for intangible assets that are not yet available for use are tested for impairment annually.

PROPERTY, PLANT AND EQUIPMENT Physical assets used in the business for longer than one year are measured at cost less straight-line depreciation. Cost comprises the purchase price plus all directly attributable costs incurred in bringing an asset to the location and condition necessary for it to be capable of operating. This includes costs of employee benefits arising directly from the construction or acquisition of items of property, plant and equipment, costs of site preparation, initial delivery and handling costs, installation, assembly and testing costs, and professional fees. Trade discounts and rebates on the purchase price or incidental costs of acquisition are deducted from the cost of the asset. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are also included in the cost of that asset.

The estimated useful life of a building is between ten and 60 years; leasehold improvements and buildings on third-party land are depreciated over the shorter of the lease term or their useful life.

The useful lives for technical equipment and machinery are between three and 14 years. Operating and office equipment subject to normal use are depreciated over three to 13 years. Significant parts of an asset that meet the criteria set out in IAS 16 are accounted for using the component approach. The depreciation for the financial year is allocated to the corresponding functional areas.

ASSETS HELD FOR SALE Non-current assets or disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition and its sale must be highly probable. Assets held for sale are no longer written down, and are instead measured at the lower of fair value less costs to sell and carrying amount.

LEASES The Wilo Group does not lease out any items itself, instead acting as a lessee only. The starting point for the initial measurement of the lease liability is the present value of the payments to be made over the lease term. The lease liability is carried forward to subsequent periods depending on the agreed repayment.

The right-of-use assets acquired are capitalised at cost on initial recognition and depreciated on a straight-line basis over the term of the lease. Subsequent measurement is based on the provisions for non-current assets.

Leased property is returned to the lessor at the end of the lease term.

IMPAIRMENT OF NON-FINANCIAL ASSETS The recoverable amount is measured using the discounted cash flow method on the basis of the planning approved by the Supervisory Board, which covers a strategic planning horizon of five years. An appropriate, unit-specific growth factor is applied. The plans are based on past experience and projected market development. The product divisions of the Wilo Group are broken down by product groups and applications to form the cash-generating units. As the Wilo Group does not perform voluntary segment reporting in accordance with IFRS 8, a further subdivision of the cash-generating units into additional segments is unnecessary.

The Wilo Group uses the value in use of each product division as its recoverable amount for the purposes of goodwill impairment testing.

The main assumptions used to determine the value in use of each product division for goodwill impairment testing are shown in the table below:

Assumptions used to determine value in use

2024 financial year **Product division**	Goodwill in EUR thousand	Long-term growth factor in %	Discount rate before income taxes in %
Heating, Ventilation, Air-conditioning	12,034	1.1	11.46
Clean and Waste Water	165,440	1.1	11.28

The sustained growth factor is based on economic targets for the business regions in which Wilo operates.

The discount rate before income taxes is calculated using the capital structure of a peer group and the parameters published by Deutsche Bundesbank to estimate interest rates for hypothetical zero-coupon bonds. The market risk premium is determined based on a recommendation of the Expert Committee for Company Valuations and Business.

Over the planning period, at continuously increasing net sales, medium to substantial EBIT growth is assumed in both product divisions.

Goodwill impairment testing confirmed that there was no need to recognise impairment losses. Goodwill is tested for impairment as part of the annual impairment test as at 31 October (from the 2024 financial year). Prior to 2024, the impairment test was carried out on 30 November of every year. The change was due to internal process optimisations.

Furthermore, as in the previous year, the impairment test for capitalised development costs and intangible assets that are not yet available for use performed in the 2024 financial year resulted in no impairment losses.

INVESTMENTS CARRIED AT EQUITY Investments carried at equity include shares in joint ventures.

Joint ventures are based on joint arrangements in which the Wilo Group has joint control of the arrangement together with a third party and has rights to the net assets of the arrangement.

These entities are measured using the equity method. They are capitalised at cost at the acquisition date. The acquisition costs include transaction costs directly attributable to the acquisition of the shares. The carrying amount is subsequently increased or decreased by the changes in equity corresponding to the Wilo Group's share of capital. Intercompany profits or losses from transactions between Group companies and investments carried at equity were negligible in the past financial year.

FINANCIAL ASSETS The Wilo Group's financial assets comprise loans and receivables, acquired equity and debt securities, cash and derivative financial instruments that are assets. Within the Wilo Group, these financial assets are reported under trade receivables, other financial assets and cash.

On initial recognition, a financial asset is classified and measured as follows:

- at amortised cost
- FVOCI debt instruments (investments in debt instruments measured at fair value through other comprehensive income)
- FVOCI equity investments (equity investments measured at fair value through other comprehensive income)
- FVTPL (at fair value through profit or loss)

Purchases and sales of non-derivative financial assets are accounted for on the settlement date, i.e. the date of delivery and transfer of ownership. Derivative financial instruments are accounted for at the trade date.

Financial assets are not reclassified after initial recognition unless the Group changes its business model for controlling financial assets. In this case, all the affected financial assets are reclassified on the first day of the reporting period following the change in the business model.

A financial asset is carried at amortised cost if both of the following conditions are met and it has not been designated as FVTPL:

- It is held within a business model whose objective is achieved by collecting the contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is designated at FVOCI if both of the following conditions are met and it has not been designated as FVTPL:

- It is held within a business model whose objective is achieved by both holding financial assets to collect the contractual cash flows and selling financial assets, and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

When an equity investment that is not held for trading is recognised for the first time, the Group may irrevocably elect whether to present subsequent changes in the fair value of the investment in other comprehensive income. This is done on a case-by-case basis for each investment.

All financial instruments not measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably elect to designate as FVTPL financial assets that otherwise meet the conditions for recognition at amortised cost or FVOCI if this serves to eliminate or significantly reduce accounting mismatches that would otherwise occur.

The following section describes the subsequent measurement of financial assets and the effects on the income statement:

- *Financial assets at FVTPL* These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

- *Financial assets at amortised cost* These assets are subsequently measured at amortised cost using the effective interest method. Amortised cost is reduced by impairment losses. Interest income, currency gains and losses and impairment losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

- *Debt instruments at FVOCI* These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, currency gains and losses and impairment losses are recognised in profit or loss. Other net gains or losses are recognised in other comprehensive income. The cumulative other comprehensive income is reclassified to profit or loss on derecognition.

- *Equity investments at FVOCI* These assets are subsequently measured at fair value. Dividend income is recognised in profit or loss unless the dividend evidently covers part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to profit or loss.

- *Derecognition of financial assets* The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the cash flows in a transaction that also transfers substantially all the risks and opportunities associated with ownership of the financial asset.

  A financial asset is also derecognised when the Group neither transfers nor retains substantially all the risks and opportunities of ownership and does not retain control of the transferred asset.

- *Impairment of assets* The risk provision and thus any impairment loss is based on the expected loss credit model of IFRS 9. These measurement provisions cover all financial assets not measured at FVTPL, such as loans, lease payments, trade receivables, credit enhancements, contract assets, specific finance guarantees or credit agreements. The measurement approach depends on the change in credit risk since initial recognition. In accordance with IFRS 9, the measurement model consists of the measurement approaches that the risk provision is based either on a twelve-month expected loss or a lifetime expected credit loss of the financial assets. A lifetime expected credit loss is determined only when the credit risk has significantly increased since initial recognition. An example would be if a receivable is more than 30 days past due or the rating has been downgraded by two or more notches.

For the subsequent measurement of trade receivables and contract assets, there is a simplified approach using an impairment matrix. These receivables are subject to the lifetime expected credit loss.

INVENTORIES Raw materials, supplies and merchandise are measured at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. Work in progress and finished goods are carried at cost. This includes all costs directly attributable to production and appropriate portions of production overheads. Production overheads include production-related depreciation, pro rata administration costs and pro rata social security costs. Cost does not include borrowing costs. Discounts are recognised on raw materials, supplies, merchandise and products for quality and functional defects and for risks of failure to sell. Inventories are measured as at the end of the reporting period at the lower of cost and net realisable value.

DERIVATIVES AND HEDGING TRANSACTIONS The Wilo Group uses derivatives solely to reduce exchange rate, interest rate and commodity price risk. These instruments are hedges from an economic perspective. The Wilo Group uses hedge accounting in accordance with IAS 39.

If the hedges do not meet the requirements of IAS 39 or IFRS 9, they are recognised and measured under FVTPL. Measurement is performed using standard measurement methods based on market parameters specific to each instrument. The fair value of forward exchange contracts and cross-currency interest rate swaps is calculated using net present value models, while the fair value of options is calculated using option pricing models. Where possible, the relevant market prices and interest rates at the end of the reporting period are used as the input parameters for these models.

The fair value of forward exchange contracts is determined using the middle spot exchange rate as at the end of the reporting period and taking into account the forward premiums and discounts for the remaining contract term with respect to the agreed forward exchange rate. The fair value of cross-currency interest rate swaps is determined by discounting the expected cash flows. Discounting is based on applicable market interest rates with matching maturities as at the end of the reporting period. Commodity futures are measured on the basis of current quoted market prices, taking corresponding forward premiums and discounts into account.

In contrast, currency and commodity options are measured using option pricing models. The fair value of derivative financial instruments is calculated by banks.

Changes in the fair value of derivatives as at the end of the reporting period are taken directly to profit and loss under other net finance costs. Income and expenses from the realisation of derivatives are disclosed in the income statement in the item in which the effects of hedged items are reported. Income or expenses from the realisation of currency derivatives are recognised under other operating income or expenses, provided the hedged item is assigned to the operating area and the income and expenses from the measurement of this item were recognised accordingly in the same item. If the item relates to financial activity, the realised income and expenses from the currency forward or currency option are reported in other net financial income. Income or expenses from the realisation of cross-currency interest rate swaps are reported in net interest income. Income or expenses from the realisation of commodity derivatives without physical delivery are reported in cost of sales.

OTHER RECEIVABLES AND ASSETS Other receivables and assets primarily include tax receivables, advance payments, employer pension liability assets, deferrals and receivables from employees that are not financial assets. These other receivables and assets are measured at amortised cost.

DEFERRED TAXES Deferred tax assets and deferred tax liabilities are recognised in accordance with IAS 12 for all temporary differences between the carrying amount of an asset or liability in the IFRS financial statements and its tax base.

Deferred tax assets are also recognised in respect of the expected utilisation of unused tax loss carryforwards in subsequent years provided that, according to the estimates made by the Executive Board, the tax loss carryforwards are sufficiently likely to be utilised. Deferred tax assets are tested for impairment as at the end of the reporting period. To this end, a tax plan is derived from the five-year strategic planning approved by the Supervisory Board. The plans are based on past experience and projected market development, as well as the results of planned measures and measures that have already been initiated. Deferred tax assets on loss carryforwards of EUR 53,018 thousand (previous year: EUR 40,279 thousand) were recognised as at the end of the reporting period. The Executive Board anticipates utilisation of these loss carryforwards in subsequent years, also at companies which reported a tax loss in the year under review.

The Executive Board of WILO SE also recognises deferred tax liabilities for the tax expenses to arise on the expected profit distributions by the consolidated subsidiaries to WILO SE in the subsequent year. Deferred tax assets and liabilities are measured at the tax rates that apply or that are expected to apply at the realisation date according to the current legal situation in the individual countries.

Deferred tax assets are offset against deferred tax liabilities if they relate to the same taxation authority and have matching terms. Information on the deferred taxes as at 31 December 2024 and offsetting is provided in note (8.9).

GOVERNMENT GRANTS In accordance with IAS 20, a government grant is recognised only if there is reasonable assurance of compliance with the conditions attached to it and that the grant will be received. Research and investment grants received by WILO SE and its subsidiaries are recognised in profit or loss over the periods necessary to match them to the costs they are intended to compensate. Investment grants are recognised as deferred income and reversed to profit and loss over the term of the subsidised assets.

EQUITY Treasury shares in the notional amount of EUR 803 thousand (previous year: EUR 886 thousand) are openly deducted from issued capital.

FINANCIAL LIABILITIES Financial liabilities primarily comprise liabilities and derivative financial instruments with negative fair values.

In accordance with IAS 32, primary liabilities such as financial liabilities due to banks, trade payables and liabilities reported under other financial liabilities are recognised in the consolidated statement of financial position if the Wilo Group has a contractual obligation to transfer cash or other financial assets to another party. The primary liabilities are assigned to the "at amortised cost" measurement category within the meaning of IFRS 9 and are carried at settlement amount or amortised cost using the effective interest method. Non-interest-bearing and low-interest liabilities with a term of more than one year are discounted if the time value of money is not immaterial. For liabilities with a term of less than one year, the fair value is assumed to be the same as the settlement amount. Transaction costs that are directly attributable are also recognised for all financial liabilities not subsequently measured at fair value and then amortised over their term using the effective interest method.

In accordance with IFRS 9, derivative liabilities are recognised at fair value with changes in value recognised through profit or loss (FVTPL).

Financial liabilities are derecognised when the corresponding contractual obligations are settled or cancelled or have expired.

Financial assets and financial liabilities are generally reported without offsetting.

To a limited extent, the Wilo Group has set up supply chain financing (SCF) for a small group of suppliers. As a result, the suppliers concerned can have their liabilities settled by the participating bank before the actual maturity. In these cases, the Wilo Group reclassifies trade payables to other financial liabilities until the payment of the original bank takes place from the Wilo Group to the bank in line with the payment conditions agreed with the bank. In the 2024 financial year, transaction costs amounted to EUR 3,950 thousand (previous year: EUR 9,275 thousand). As at 31 December 2024, other financial liabilities from the SCF of EUR 1,281 thousand were recognised (previous year: EUR 3,474 thousand).

PENSIONS AND SIMILAR OBLIGATIONS Provisions are recognised for uncertain liabilities from pension obligations and other post-employment benefits.

In accordance with IAS 19, pension obligations for defined benefit commitments are calculated using the internationally recognised projected unit credit method. The calculations are based on actuarial appraisals and biometric parameters.

Actuarial gains and losses and gains and losses from the remeasurement of plan assets are recognised in full in other comprehensive income.

The expense relating to pension obligations, with the exception of the interest portion reported in net finance costs, is allocated to the relevant functional areas. The amount of pension obligations is determined using actuarial methods, for which estimates are essential.

The calculations for pension obligations use the following parameters, shown here on a weighted-average basis:

Calculation parameters for pension obligations

Figures in %	31 December 2024	31 December 2023
Discount rate	3.34	4.06
Pension adjustment	2.31	2.43
Salary increase	2.65	3.67

The net interest expense is calculated by multiplying the net pension liability by the discount rate.

The actuarial present value of pension obligations calculated using the projected unit credit method is reduced by the amount of the corresponding assets at the third-party pension provider if the requirements of IAS 19 for plan assets are met.

OTHER PROVISIONS Other provisions are recognised in accordance with IAS 37 when there is a present obligation to a third party resulting from a past event, settling the obligation will probably require an outflow of resources and the amount of the obligation can be reliably estimated. Non-current provisions for obligations not expected to result in an outflow of resources in the next year are recognised at the net present value of the expected outflow of resources. The discount rate is based on market interest rates.

The settlement amount includes expected cost increases. Provisions are remeasured as at the end of each reporting period. Provisions are not offset against rights of recourse.

(8.) Notes to the consolidated income statement

(8.1) Net sales

Net sales break down according to the following regions:

Net sales

EUR thousand	2024	%	2023	%
Established markets	1,116,663	58.9	1,178,277	59.7
Growth markets	778,642	41.1	796,501	40.3
Total	**1,895,305**	**100.0**	**1,974,778**	**100.0**

The established markets and growth markets consisted of the following countries as at 31 December 2024:
Established markets: All European nations, USA and Canada
– Growth markets: China, India, South Korea, Southeast Asian countries, Australia and Oceania, Russia, Belarus, Caucasian countries, Turkey, Middle Eastern countries, African countries, Latin America

Net sales include revenue from the sale of goods of EUR 1,736,438 thousand (previous year: EUR 1,825,606 thousand), service income of EUR 158,755 thousand (previous year: EUR 149,172 thousand) and income from warranties of EUR 112 thousand. In 2024, EUR 3,185 thousand (previous year: EUR 2,738) was generated from contract liabilities.

(8.2) Cost of sales

This item consists of costs of the products and merchandise sold.

Cost of sales

EUR thousand	2024	2023
Cost of materials	–870,422	–907,932
Miscellaneous costs	–386,523	–386,904
Total	**–1,256,945**	**–1,294,836**

(8.3) Selling and administrative expenses

Selling and administrative expenses

EUR thousand	2024	2023
Selling expenses	–346,092	–329,247
Administrative expenses	–162,014	–156,373
Total	**–508,106**	**–485,620**

Selling expenses include staff costs, depreciation and amortisation, and customer service, advertising, sales promotion, market research and shipping costs for sales in particular.

(8.4) Research and non-capitalised development costs

Research and non-capitalised development costs

EUR thousand	2024	2023
Research and development costs	–93,365	–87,077
of which capitalised development costs	18,533	13,316
Total	**–74,832**	**–73,761**

(8.5) Other operating income

Other operating income

EUR thousand	2024	2023
Foreign-currency gains from operating activities	18,510	14,781
Government grants	5,905	2,317
Income from disposals of intangible assets and property, plant and equipment	1,541	4,332
Insurance compensation	1,305	410
Other	5,685	10,128
Total	**32,946**	**31,968**

The foreign-currency gains from operating activities of EUR 18,510 thousand (previous year: EUR 14,781 thousand) mainly consist of gains due to exchange rate changes between the inception and settlement of foreign-currency receivables and liabilities, and foreign-currency gains resulting from measurement at the exchange rate as at the end of the reporting period. Foreign-currency losses of EUR 24,014 thousand (previous year: EUR 25,411 thousand) from these items are reported under other operating expenses (see note (8.6)). As subsidiaries mostly trade with customers and suppliers in local currency, these foreign-currency gains and losses mainly arise on intragroup transactions.

(8.6) Other operating expenses

Other operating expenses

EUR thousand	2024	2023
Foreign-currency losses from operating activities	–24,014	–25,411
Additions to provisions from restructuring	0	–2,500
Losses on disposals of intangible assets and property, plant and equipment	–2,669	–2,519
Expenses from donations	–549	–642
Other	–10,995	–5,155
Total	**–38,227**	**–36,227**

(8.7) Result from investments carried at equity

The result from investments carried at equity results from the application of the equity method at EMU I.D.F. S.A.R.L. and totalled EUR 108 thousand in the financial year (previous year: EUR 1,178 thousand).

(8.8) Net finance costs

Financial income is composed as follows:

Financial income

EUR thousand	2024	2023
Foreign-currency gains from financing activities	2,685	2,099
Interest income from cash and cash equivalents	9,989	5,037
Gains on derivative financial instruments	762	830
Other	1,930	4,644
Total	**15,366**	**12,610**

Financial expenses are composed as follows:

Financial expenses

EUR thousand	2024	2023
Interest expenses on financial liabilities	–31,044	–22,608
Losses on derivative financial instruments	–2,079	–305
Foreign-currency losses from financing activities	–1,764	–2,461
Interest rate effects from pensions, non-current liabilities and receivables	–1,981	–2,043
Interest expenses for leases	–1,402	–1,066
Capitalised borrowing costs	1,816	1,952
Total	**–36,454**	**–26,531**

The foreign-currency gains and losses from financing activities result from the translation of intragroup foreign-currency loans.

In the current financial year, the gains and losses on derivative financial instruments resulted primarily from positive and negative utilisation and measurement effects of forward exchange contracts. In addition, positive and negative utilisation and measurement effects resulted from commodity derivatives used to hedge prices for commodities within the Wilo Group.

(8.9) Income taxes

The income tax expense contained in consolidated net income is composed as follows:

Income taxes

EUR thousand	2024	2023
Current tax expense/income		
– Year under review	–24,972	–32,800
– Adjustments for prior periods	181	–485
Current income taxes	**–24,791**	**–33,285**
Deferred tax expense/income		
– from DTAs on loss carryforwards	12,739	–299
– from changes in tax rates	148	–22
– from the creation and reversal of temporary differences	1,668	5,361
– from write-downs on and reversals of deferred tax assets	249	–100
Deferred tax expense/income	**14,804**	**4,940**
Income taxes	**–9,987**	**–28,345**

Deferred taxes are determined according to local income tax rates. For Germany, this is a combined tax rate of 31.8% (previous year: 31.8%) consisting of corporation tax, solidarity surcharge and trade tax. Local income tax rates for foreign entities range from 9.0% to 35.0% (previous year: from 9.0% to 34.0%).

DEFERRED TAXES BY ITEM IN THE STATEMENT OF FINANCIAL POSITION Deferred tax assets and liabilities are recognised as follows in relation to measurement differences on individual items of the statement of financial position and tax loss carryforwards:

Deferred taxes by item in the statement of financial position

	Deferred tax assets		Deferred tax liabilities	
EUR thousand	2024	2023	2024	2023
Intangible assets	2,486	11,497	41,357	48,438
Property, plant and equipment	3,257	5,502	23,555	20,251
Inventories	14,064	12,039	998	1,063
Receivables and other assets	4,073	5,677	6,050	5,386
Cash flow hedges	774	618	0	0
	24,654	**35,333**	**71,960**	**75,138**
Financial liabilities	698	246	391	635
Trade payables	1,366	1,663	20	27
Pensions and similar obligations	8,832	9,638	160	237
Other provisions and liabilities	25,616	17,866	9,685	10,772
Tax loss carryforwards	53,018	40,279	0	0
	89,530	**69,692**	**10,256**	**11,671**
Offset	**–72,820**	**– 73,256**	**–72,820**	**– 73,256**
Carrying amount	**41,364**	**31,769**	**9,396**	**13,553**

The change in deferred tax assets and liabilities in the year under review was as follows:

Change in deferred taxes

EUR thousand	Net amount of deferred tax assets/ liabilities as at 31 Dec. 2023	Recognised in profit or loss	Recognised in other comprehensive income	**Net amount of deferred tax assets/ liabilities as at 31 Dec. 2024**
Intangible assets	–36,940	–1,930	0	–38,870
Property, plant and equipment	–14,448	–5,548	0	–19,996
Inventories	11,349	2,090	0	13,439
Receivables and other assets	381	–2,267	0	–1,886
Cash flow hedges	618	0	156	774
Financial liabilities	–389	696	0	307
Trade payables	1,624	–291	0	1,333
Pensions and similar obligations	9,402	478	–937	8,943
Other provisions and liabilities	7,153	8,837	0	15,990
Initial application of IFRS 9 and IFRS 15	0	0	0	0
Tax loss carryforwards	40,279	12,739	0	53,018
Impact of exchange rate changes	–813	0	–271	–1,084
Total	**18,216**	**14,804**	**–1,052**	**31,968**

The change in deferred tax assets and liabilities in the previous year was as follows:

Change in deferred taxes

EUR thousand	Net amount of deferred tax assets/ liabilities as at 31 Dec. 2022	Recognised in profit or loss	Recognised in other comprehensive income	Net amount of deferred tax assets/ liabilities as at 31 Dec. 2023
Intangible assets	–35,727	–1,213	0	–36,940
Property, plant and equipment	–16,542	2,094	0	–14,448
Inventories	8,152	3,197	0	11,349
Receivables and other assets	2,780	–2,399	0	381
Cash flow hedges	–1,154	0	1,772	618
Financial liabilities	–176	–213	0	–389
Trade payables	1,436	188	0	1,624
Pensions and similar obligations	7,869	–67	1,600	9,402
Other provisions and liabilities	3,081	4,072	0	7,153
Initial application of IFRS 9 and IFRS 15	420	–420	0	0
Tax loss carryforwards	40,578	–299	0	40,279
Impact of exchange rate changes	–825	0	12	–813
Total	**9,892**	**4,940**	**3,384**	**18,216**

The change in deferred taxes was recognised in other comprehensive income in the amount of EUR –1,052 thousand. Of this figure, actuarial changes in the present value of pension obligations and the remeasurement of the related plan assets had an effect on other comprehensive income totalling EUR –937 thousand and hedge accounting had an effect on other comprehensive income totalling EUR 156 thousand. In addition, an effect on other comprehensive income totalling EUR –271 thousand is attributable to effects from the currency translation of deferred taxes.

Unutilised tax loss carryforwards amounted to EUR 328,014 thousand (previous year: EUR 270,648 thousand) as at the end of the reporting period, EUR 301,279 thousand of which (previous year: EUR 248,151 thousand) can be carried forward indefinitely. The limited tax loss carryforwards amount to EUR 26,735 thousand (previous year: EUR 22,497 thousand) and can be carried forward for between three and 20 years.

Applying local income tax rates, deferred tax assets on loss carryforwards of EUR 53,018 thousand (previous year: EUR 40,279 thousand) were recognised as at the end of the reporting period. The management anticipates utilisation of these loss carryforwards in subsequent years, also at companies which reported a tax loss in the year under review. No deferred tax assets were recognised for German and international tax loss carryforwards amounting to EUR 146,003 thousand (previous year: EUR 130,363 thousand) as future utilisation did not seem sufficiently likely at the end of the reporting period.

As WILO SE is anticipating profit distributions from its consolidated subsidiaries next year, deferred tax liabilities of EUR 2,163 thousand (previous year: EUR 3,500 thousand) have been recognised on these distributions.

In the case of dividends being distributed by subsidiaries or a possible disposal of subsidiaries, 5% of the dividend or disposal gains are subject to German taxation. Generally this results in an additional tax charge. As at 31 December 2024, there were retained profits of EUR 267,663 thousand at subsidiaries (previous year: EUR 206,177 thousand) intended for long-term investment, for which no deferred tax liabilities were therefore recognised.

RECONCILIATION OF INCOME TAXES The combined statutory tax rate of 15.8% consisting of corporation tax and the solidarity surcharge plus the trade tax rate of approximately 16.0% was used in the reconciliation of income taxes in the 2024 financial year. This corresponds to a total tax rate of 31.8% (previous year: 31.8%). The Wilo Group reported tax expenses of EUR 9,987 thousand (previous year: EUR 28,345 thousand) in its consolidated income statement for 2024. This is EUR 656 thousand higher (previous year: EUR 4,794 thousand lower) than the expected tax expense of EUR 9,332 thousand (previous year: EUR 33,139 thousand) that results from applying the domestic rate of 31.8% (previous year: 31.8%) at Group level.

The difference is attributable to the following causes:

Tax reconciliation

EUR thousand	**2024**	2023
Consolidated net income before taxes	29,161	103,559
Expected tax expense	**–9,332**	**–33,139**
Tax rate changes	148	–22
Difference from current tax rates	8,855	13,285
Temporary differences arising on consolidation	164	–67
Other permanent differences	–6,067	–3,244
Tax-free income	1,008	363
Change in unrecognised deferred taxes on loss carryforwards	–4,898	–523
Withholding tax	–1,638	–6,151
Prior-period taxes	181	–485
Other	1,592	1,638
Current tax expense	**–9,987**	**–28,345**

The Wilo Group falls within the scope of Pillar II minimum taxation, which came into force in German legislation on 28 December 2023 and applies to financial years beginning on or after 30 December 2023 ("MinStG").

Under the legislation, the Group is obliged to pay an additional tax for each jurisdiction with an effective tax rate under 15%. Determining the effective tax rate is very complex and involves a large number of specific adjustments. The law provides for relief in the form of a temporary safe harbour arrangement, which means that under certain conditions no additional tax is due for the year.

On the basis of the current figures, the extent to which the respective jurisdictions fulfil the transitional CbCR safe harbour, consisting of the de minimis test, the Simplified ETR and the routine profits test, was examined. As a result, the safe harbour rules could not be invoked for four jurisdictions (China, Hungary, Switzerland and the United Arab Emirates). For these jurisdictions, the supplementary tax was calculated on the basis of earnings before taxes, taking into account the respective differential tax rate (minimum tax rate less simplified ETR). For the financial year ending 31 December 2024, the Wilo Group reported a tax charge of EUR 372 thousand (previous year: EUR 0 thousand).

The Wilo Group is making use of the temporary exemption resulting from the implementation of the Pillar II regulations, under which no deferred taxes need to be recognised. This exemption was included in the amendment to IAS 12 published in May 2023 and adopted by the European Union on 8 November 2023.

(9.) Notes to the consolidated statement of financial position

(9.1) Intangible assets

Intangible assets developed as follows in the 2024 and 2023 financial years:

Intangible assets

EUR thousand	Patents, property rights and customer base	Goodwill	Capitalised development costs	Advance payments	Total
Cumulative cost					
As at 1 January 2023	126,467	162,383	143,616	12,541	445,007
Currency translation	−1,203	−3,263	−404	−9	−4,879
Additions	4,641	77	13,705	9,272	27,695
Additions from business combinations	5,626	17,702	0	0	23,328
Reclassifications	9,170	0	−1,500	−7,670	0
Disposals	−2,597	0	0	0	−2,597
As at 31 December 2023	**142,104**	**176,898**	**155,417**	**14,134**	**488,554**
As at 1 January 2024	142,104	176,898	155,417	14,134	488,554
Currency translation	1,425	3,836	304	0	5,565
Additions	3,086	2,105	19,296	11,938	36,425
Additions from business combinations	0	1,527	0	0	1,527
Reclassifications	9,741	−1,610	0	−8,131	0
Disposals	−4,658	0	0	0	−4,658
As at 31 December 2024	**151,698**	**182,757**	**175,017**	**17,941**	**527,413**
Cumulative depreciation					
As at 1 January 2023	86,191	5,553	25,983	0	117,727
Currency translation	−779	−144	−5	0	−928
Depreciation in the financial year	9,397	0	9,412	0	18,809
Disposals	−2,549	0	0	0	−2,549
As at 31 December 2023	**92,260**	**5,409**	**35,390**	**0**	**133,059**
As at 1 January 2024	92,260	5,409	35,390	0	133,059
Currency translation	670	−128	7	0	550
Depreciation in the financial year	10,281	0	9,954	0	20,235
Disposals	−4,586	0	0	0	−4,586
As at 31 December 2024	**98,625**	**5,281**	**45,351**	**0**	**149,258**
Residual carrying amounts					
As at 1 January 2023	40,276	156,830	117,633	12,541	327,280
As at 31 December 2023	**49,844**	**171,489**	**120,027**	**14,134**	**355,494**
As at 1 January 2024	49,844	171,489	120,027	14,134	355,494
As at 31 December 2024	**53,072**	**177,474**	**129,667**	**17,941**	**378,154**

Goodwill is tested for impairment at least annually. Detailed information on impairment testing is provided in note (7).

Goodwill allocated to the product divisions developed as follows in the 2024 financial year:

Development of goodwill by product division

EUR thousand	1.1.2024	Additions	Currency translation	Reclas-sification	31.12.2024
Product division					
Heating, Ventilation, Air-conditioning	13,461	183	−2	−1,610	12,032
Clean and Waste Water	158,028	3,448	3,966	0	165,442
Total	**171,490**	**3,631**	**3,964**	**−1,610**	**177,474**

(9.2) Property, plant and equipment

Property, plant and equipment developed as follows in the 2024 and 2023 financial years:

Property, plant and equipment

EUR thousand	Land and buildings	Technical equipment and machinery	Operating and office equipment	Advance payments and assets under construction	Total
Cumulative cost					
As at 1 January 2023	520,042	305,669	436,365	101,869	1,363,945
Currency translation	–11,992	–4,376	–8,429	–1,889	–26,686
Additions	31,679	13,420	35,192	75,192	155,483
Additions from business combinations	9,465	25	630	96	10,216
Reclassifications	62,103	28,148	11,472	–101,723	0
Disposals	–1,398	–25,458	–26,698	–78	–53,632
Disposals due to changes in the scope of consolidation	–3,861	–762	–369	0	–4,993
As at 31 December 2023	**606,038**	**316,665**	**448,163**	**73,468**	**1,444,334**
As at 1 January 2024	606,038	316,665	448,163	73,468	1,444,334
Currency translation	1,102	615	–801	319	1,235
Additions	27,494	12,076	32,704	58,989	131,263
Additions from business combinations	150	324	103	0	577
Reclassifications	44,057	11,917	10,495	–66,469	0
Disposals	–6,931	–6,700	–24,029	–4,987	–42,647
Disposals due to changes in the scope of consolidation	0	0	0	0	0
As at 31 December 2024	**671,910**	**334,896**	**466,635**	**61,321**	**1,534,762**
Cumulative depreciation					
As at 1 January 2023	118,787	204,833	336,699	225	660,544
Currency translation	–3,296	–3,033	–5,955	0	–12,284
Depreciation in the financial year	21,351	20,271	35,083	0	76,706
Impairment in accordance with IAS 36	3,627	759	614	0	5,000
Reclassifications	800	34	–668	–166	0
Disposals	–1,177	–20,859	–21,526	0	–43,562
Disposals due to changes in the scope of consolidation	–1,966	–726	–346	0	–3,038
As at 31 December 2023	**138,126**	**201,279**	**343,901**	**59**	**683,365**
As at 1 January 2024	138,126	201,279	343,901	59	683,365
Currency translation	–164	–52	–1,101	0	–1,318
Depreciation in the financial year	23,729	22,175	36,178	0	82,082
Impairment in accordance with IAS 36	0	0	0	0	0
Reclassifications	–487	0	487	0	0
Disposals	–5,038	–6,472	–21,801	0	–33,311
Disposals due to changes in the scope of consolidation	0	0	0	0	0
As at 31 December 2024	**156,166**	**216,929**	**357,664**	**59**	**730,819**
Residual carrying amounts					
As at 1 January 2023	401,255	100,836	99,666	101,644	703,401
As at 31 December 2023	**467,912**	**115,386**	**104,262**	**73,409**	**760,969**
As at 1 January 2024	467,912	115,386	104,262	73,409	760,969
As at 31 December 2024	**515,744**	**117,967**	**108,970**	**61,261**	**803,943**

In accordance with IAS 36.12, an entity is required to examine the impact on its assets in the event of certain indications of impairment. In the previous year, the increase in market interest rates, the massive rise in energy and material prices, the continued supply bottlenecks affecting already strained supply chains, Russia's war of aggression against Ukraine and the high level of inflation were seen as an objective external indication that assets may be impaired within the meaning of IAS 36.12. In the 2024 financial year, the latter two indications continue to apply. Accordingly, an impairment test must be conducted for the assets affected. An impairment loss is recognised if this impairment test establishes that the carrying amount of an asset is higher than its recoverable amount (IAS 36.59). The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. If a reliable estimate of the market price is not possible, the value in use of the asset is applied as the recoverable amount. In cases where it was not possible to determine the fair value of an individual asset because it is closely integrated into the entity's business operations and separate cash flows could not be identified, the recoverable amount was determined at the level of the smallest identifiable group of assets that generate largely independent cash flows from their defined use.

The value in use is based on the planned free cash flows of the assets or the corresponding cash-generating units, which are discounted using the weighted average cost of capital. The planning horizon until 2029 corresponds to the planning approved by the Supervisory Board, which is based on the strategic planning for a period of five years. The cash flow from the 2030 planning period is applied as the basis of calculation for the perpetual annuity from 2029 onwards. For the purposes of impairment testing, an average cost of capital after income tax of 12.47% (previous year: 12.08%) was determined for the affected regions. There was no need for impairment as at the end of the reporting period.

LEASES There are leases for low-value assets in the area of operating and office equipment in particular (e.g. laptops and mobile phones). In accordance with the exemptions provided by IFRS 16, no right-of-use assets or lease liabilities are recognised in the statement of financial position for these leases.

The carrying amounts of property, plant and equipment as at 31 December 2024 contained right-of-use assets of EUR 49,004 thousand. In the previous year, the carrying amounts of the right-of-use assets recognised in accordance with IFRS 16 amounted to EUR 37,492 thousand. The net carrying amounts of the recognised right-of-use assets are composed as follows:

Right-of-use lease assets

EUR thousand	IFRS 16, 31 Dec. 2024	IFRS 16, 31 Dec. 2023
Land and buildings	27,852	21,588
Technical equipment and machinery	2,948	2,753
Operating and office equipment	18,204	13,151
Total	**49,004**	**37,492**

The right-of-use assets recognised as property, plant and equipment in the 2024 financial year in accordance with IFRS 16 developed as follows:

Development of right-of-use lease assets

EUR thousand	Land and buildings	Technical equipment and machinery	Operating and office equipment	Total
As at 1 January 2024	**21,588**	**2,753**	**13,151**	**37,492**
Currency translation	–193	0	77	–116
Additions to right-of-use assets	15,796	1,525	14,272	31,593
Reclassifications	0	0	0	0
Disposals of right-of-use assets	–1,617	–38	–1,831	–3,486
Depreciation in the financial year	–7,722	–1,292	–7,465	–16,479
As at 31 December 2024	**27,852**	**2,948**	**18,204**	**49,004**

Wilo applies the exemptions provided by IFRS 16 for leases relating to low-value assets and for short-term leases. The following amounts for leases are reported in the income statement:

Amounts reported in the income statement		
EUR thousand	**2024**	2023
Interest expenses for lease liabilities	1,402	1,066
Lease expenses for low-value assets	3,133	4,779
Expenses for short-term leases	14,055	8,758
Expenses for variable lease payments not included in the measurement of lease liabilities	244	243
Total	**18,834**	**14,846**

The consolidated statement of cash flows includes cash outflows of EUR 16,563 thousand (previous year: EUR 14,307 thousand) in cash flow from financing activities for leases for which a lease liability has been recognised in accordance with IFRS 16.

(9.3) Inventories

Inventories		
EUR thousand	**31.12.2024**	31.12.2023
Raw materials and supplies	151,791	166,111
Work in progress	32,520	44,829
Finished goods and merchandise	191,862	228,831
Advance payments	3,682	7,307
Total	**379,855**	**447,078**

As at 31 December 2024, the write-down on inventories, with a gross carrying amount of EUR 416,228 thousand (previous year: EUR 478,648 thousand), amounted to EUR 36,372 thousand (previous year: EUR 31,570 thousand), of which EUR 5,038 thousand (previous year: EUR 6,632 thousand) was recognised in profit or loss. Inventories are not subject to any restrictions on title beyond the suppliers' customary retention of title.

(9.4) Trade receivables

The trade receivables result from normal goods and services transactions of the Wilo Group. Current trade receivables of EUR 348,335 thousand (previous year: EUR 291,144 thousand) are due in the 2025 financial year. Non-current trade receivables of EUR 5,650 thousand (previous year: EUR 4,183 thousand) are due after more than one year. There are no restrictions on title on trade receivables.

The Executive Board is of the opinion that the carrying amounts of trade receivables are approximately equal to their fair values. Adequate provision is made for default risk through write-downs in the form of specific and valuation allowances and the expected credit loss. Specific valuation allowances are recognised on the basis of information available in a specific case as at the end of the reporting period. Specific valuation allowances are recognised in an appropriate amount in relation to any legal, collection or insolvency proceedings against debtors, overdue payments, complaints, third-party collateral, changes in agreed terms of payment and all other transactions or information affecting the collectability of trade receivables.

If trade receivables are past due, assumptions are made regarding the expected settlement date. If a long-range settlement date is assumed, the receivables are discounted accordingly.

Specific valuation allowances and the expected credit loss on trade receivables changed as follows in the 2024 and 2023 financial years:

Specific valuation allowances		
EUR thousand	**2024**	2023
As at 1 January	**20,412**	**22,833**
Currency translation	205	-785
Additions	2,307	5,462
Utilisation	-1,246	-4,179
Reversals	-3,419	-2,919
As at 31 December	**18,259**	**20,412**

IFRS 9 expected credit loss at 31 December 2024			
EUR thousand	Expected loss rate	Gross carrying amount	Risk provision
Europe	0.2 – 2.1%	152,772	1,475
Asia-Pacific	0.5 – 9.3%	107,135	4,721
MEA	0.3 – 3.1%	39,591	791
Others	0.6 – 4.2%	30,189	358
As at 31 December 2024		**329,687**	**7,345**

IFRS 9 expected credit loss at 31 December 2023			
EUR thousand	Expected loss rate	Gross carrying amount	Risk provision
Europe	0.2 – 2.0%	137,512	1,401
Asia-Pacific	0.5 – 11.2%	88,470	4,643
MEA	0.8 – 3.0%	27,258	536
Others	0.6 – 4.0%	25,218	278
As at 31 December 2023		**278,458**	**6,858**

The Europe, Asia-Pacific, MEA and Others regions consist of the following countries:
- **Europe:** All European nations except Russia and Belarus
- **Asia-Pacific:** India, China, South Korea, the Southeast Asian nations, Australia and Oceania
- **MEA:** The Middle East, Turkey and Africa
- **Others:** The Americas, Russia and Belarus, the Caucasian nations

Further information on expected credit loss is provided under "Risk management and derivative financial instruments" (12.).

Income and expenses from valuation allowances, recoveries and the derecognition of trade receivables are recognised in note (8.3) Selling and administrative expenses.

(9.5) Other financial assets

Other financial assets break down as follows as at 31 December 2024 and 2023:

Other financial assets

EUR thousand	31.12.2024 Total	of which with a remaining term < 1 year	> 1 year	31.12.2023 Total	of which with a remaining term < 1 year	> 1 year
Receivables from unconsolidated subsidiaries and jointly controlled entities	689	689	0	425	425	0
Research allowance	5,767	5,767	0	1,930	1,930	0
Rent deposits	4,552	320	4,232	4,682	289	4,393
Receivables from derivative financial instruments	1,765	859	906	3,784	335	3,449
Loans	118	0	118	100	0	100
Equity instruments	2,077	0	2,077	1,994	0	1,994
Miscellaneous other financial receivables	10,689	9,138	1,551	13,423	10,541	2,882
Total	**25,657**	**16,773**	**8,884**	**26,338**	**13,520**	**12,818**

Equity instruments of EUR 2,077 thousand (previous year: EUR 1,994 thousand) are measured at fair value. As the fair value could not be derived from stock exchange or market prices, or from discounting reliably determined future cash flows, the fair value is estimated on a cost basis.

The carrying amounts of other financial assets are approximately equal to their fair values. There are no restrictions on other financial assets. The receivables reported in other financial receivables are non-interest-bearing.

(9.6) Tax receivables

The Wilo Group reported receivables from income taxes of EUR 916 thousand as at the end of the reporting period (previous year: EUR 605 thousand).

(9.7) Other receivables and assets

Other receivables and assets are composed as follows as at 31 December 2024 and 2023:

Other receivables and assets

EUR thousand	31.12.2024 Total	of which with a remaining term < 1 year	> 1 year	31.12.2023 Total	of which with a remaining term < 1 year	> 1 year
Tax assets	27,684	27,015	669	36,261	31,956	4,305
Advance payments	13,139	13,119	20	18,107	18,070	37
Employer pension liability assets	2,023	0	2,023	3,237	0	3,237
Deferred expenses	12,109	12,077	32	7,750	7,135	615
Assets in unconsolidated subsidiaries	0	0	0	5	0	5
Receivables from employees and claims for damages	1,168	659	509	434	403	31
Total	**56,123**	**52,870**	**3,253**	**65,794**	**57,564**	**8,230**

(9.8) Cash and cash equivalents

Cash and cash equivalents of EUR 331,586 thousand (previous year: EUR 392,572 thousand) mainly comprises cash and sight deposits at banks. There are restrictions on title of EUR 1,011 thousand (previous year: EUR 3,570 thousand).

(9.9) Equity

ISSUED CAPITAL As in the previous year, the issued capital of WILO SE amounted to EUR 26,980 thousand as at the end of the reporting period and is fully paid in. It is divided into 10,117,331 no-par value ordinary registered shares and 259,418 no-par value preferred registered shares without voting rights. There were 10,067,894 ordinary shares (previous year: 10,036,094) and, as in the previous year, no preferred shares in circulation as at 31 December 2024.

Treasury shares in the notional amount of EUR 803 thousand (previous year: EUR 886 thousand) are openly deducted from issued capital.

CAPITAL RESERVES The capital reserves of EUR 50,722 thousand (previous year: EUR 47,440 thousand) result from the capital increase implemented in the 2011 financial year of EUR 15,507 thousand, EUR 14,527 thousand of which was appropriated to the capital reserves of WILO SE, as well as the increase in 2022 resulting from the sale of ordinary shares in the amount of EUR 15,281 thousand, of which EUR 9,824 thousand was transferred to the capital reserves. As a result of the sale of ordinary shares totalling EUR 3,010 thousand in the 2023 financial year, there was a further addition to the capital reserve in the amount of EUR 1,936 thousand. In addition, further ordinary shares of EUR 5,006 thousand were sold in 2024, of which EUR 3,282 thousand was added to the capital reserves.

RETAINED EARNINGS Retained earnings include the legal reserve in accordance with section 150 (2) of the Aktiengesetz (AktG – German Stock Corporation Act) of 10.0% of the issued capital of WILO SE.

OTHER RESERVES Other reserves of EUR -99,538 thousand (previous year: EUR -104,240 thousand) include differences from the translation of the foreign-currency financial statements of the companies included in the consolidated financial statements, actuarial gains and losses from pension obligations and gains and losses from the revaluation of plan assets. From this financial year onwards, retained earnings were recognised separately from other reserves.

TREASURY SHARES In May 2024, WILO SE sold 31,800 ordinary shares, equivalent to 0.3% of the share capital, at a price of EUR 157.43 per share. As a result, the company held treasury shares in the amount of 308,855 as at 31 December 2024. This corresponds to 3.0% of the share capital. As at 31 December 2024, the company reported 49,437 ordinary shares (previous year: 81,237) and 259,418 preference shares (previous year: 259,418) as treasury shares. The treasury shares were sold to one of the shareholders. The purchase price was paid in full in the year under review.

DIVIDENDS The Annual General Meeting on 21 March 2024 resolved to distribute EUR 17,362 thousand from the unappropriated surplus as at 31 December 2024 (previous year: EUR 14,524 thousand). This corresponds to a dividend per ordinary share of EUR 1.73.

CAPITAL MANAGEMENT A business objective of the Wilo Group is to sustain the strongest possible equity base in order to foster confidence in all key stakeholders and promote the Group's onward development. A sound equity base is also a key factor in ensuring a stable risk rating with lenders, which is important for obtaining acceptable borrowing terms for the Wilo Group. The Executive Board, the Supervisory Board and the shareholders of WILO SE ensure a responsible dividend policy and an appropriate return on invested capital to promote value growth and safeguard the company's future.

The Executive Board of WILO SE is kept informed about the equity position of the Wilo Group as part of monthly reporting. In addition, the equity position of the fully consolidated subsidiaries is reviewed at regular intervals and as required and, if necessary, measures are initiated in accordance with the tax and legal framework in order to support both the operating objectives of each subsidiary and the strategic objectives of the Wilo Group through appropriate equity resources. As at 31 December 2024, the Wilo Group reported equity of EUR 975,128 thousand (previous year: EUR 962,554 thousand), which primarily consists of freely disposable retained earnings of EUR 1,007,691 thousand (previous year: EUR 1,005,521 thousand).

The freely disposable retained earnings do not include the legal reserve of WILO SE of EUR 3,366 thousand (previous year: EUR 2,698 thousand). Taken together, the freely disposable retained earnings and the legal reserve make up the Group's retained earnings of EUR 1,011,057 thousand (previous year: EUR 1,008,219 thousand).

In the context of the borrowing of senior notes and promissory note loans, WILO SE is required to report a minimum equity ratio. The company satisfied this requirement in full in the 2024 and 2023 financial years. More detailed information on these senior notes and promissory note loans can be found in note (9.10).

(9.10) Financial liabilities

Financial liabilities break down as follows as at 31 December 2024 and 2023:

Financial liabilities		
EUR thousand	**31.12.2024**	31.12.2023
Non-current financial liabilities		
with a remaining term		
> 1 to < 5 years	443,879	457,058
of > 5 years	234,706	294,156
Total	**678,585**	**751,214**
Current financial liabilities		
with a remaining term		
of < 1 year	87,805	76,309

WILO SE reported the following material financing agreements as at 31 December 2024:

- **USPP 2022** In September 2022, WILO SE issued a senior note of EUR 95.0 million as part of a US private placement ("USPP 2022"). The senior note is divided into three tranches with terms of ten years (EUR 30.0 million), twelve years (EUR 30.0 million) and 15 years (EUR 35.0 million). The individual tranches have bullet maturity and bear interest at 3.70%, 3.90% and 4.10% p.a. The senior note is not secured against real property or financial assets of the company.

- **USPP 2020** In April 2020, WILO SE issued a senior note of EUR 90.0 million with a term of 15 years as part of a US private placement ("USPP 2020"). The senior note has bullet maturity, an interest rate of 1.55% p.a. and is not secured against real property or financial assets of WILO SE.

- **USPP 2017** In May 2017, WILO SE issued a senoir note of USD 30.0 million maturing in 2027 with an interest rate of 3.22% p.a. as part of a US private placement ("USPP 2017"). It is not secured against real property or financial assets of WILO SE. The senior note had a carrying amount of EUR 27.5 million as at 31 December 2024.

- **PROMISSORY NOTE 2023** In November 2023, WILO SE placed a traditional promissory note with a volume of EUR 270.0 million on the international capital market ("promissory note 2023"). The terms of the three different tranches are three years (EUR 74.0 million), five years (EUR 157.0 million) and seven years (EUR 39.0 million). The individual tranches have bullet maturity and fixed (4.467%, 4.484%, 4.642%) as well as variable interest rates. The variable-interest portions of the individual tranches are mostly hedged using suitable derivatives. The promissory note includes an ESG (environmental, social, governance) component that ties the margin to the Wilo Group's sustainability rating as issued by the EcoVadis rating agency. The promissory note is not secured against real property or financial assets of the company.

- **PROMISSORY NOTE 2022** In August 2022, WILO SE issued a traditional promissory note with a volume of EUR 224.0 million ("promissory note 2022"). The terms of the four different tranches are three years (EUR 57.0 million), five years (EUR 99.0 million), seven years (EUR 58.0 million) and ten years (10.0 million). The individual tranches have bullet maturity and fixed (2.124%, 2.435%, 2.778%, 3.161%) as well as variable interest rates. The variable-interest portions of the individual tranches are mostly hedged using suitable derivatives. The promissory note also includes an ESG (environmental, social and governance) component that ties the margin to the Wilo Group's sustainability rating as issued by the EcoVadis rating agency. The promissory note is not secured against real property or financial assets of the company.

- **PROMISSORY NOTE 2020** In June 2020, WILO SE took out a promissory note loan ("promissory note loan 2020") in the amount of EUR 15.0 million with a term to 2030 and an interest rate of 1.50% p.a. The promissory note loan is repayable semi-annually from December 2020 in the amount of EUR 750 thousand. It is not secured against real property or financial assets of the company. The promissory note loan had a carrying amount of EUR 8.3 million at the end of the reporting period.

- **PROMISSORY NOTE 2017** In June 2017, WILO SE took out a promissory note loan ("promissory note loan 2017") in the amount of EUR 50.0 million with a term to 2027 and an interest rate of 1.35% p.a. The promissory note loan was repaid semi-annually from December 2022 in the amount of EUR 5.0 million and had a carrying amount of EUR 25.0 million as at 31 December 2024. It is not secured against real property or financial assets of the company.

- **KFW DEVELOPMENT LOAN 2017** A KfW development loan of EUR 19.5 million with a term of ten years and an interest rate of 1.15% was concluded in November 2017 to finance the administrative building as part of the construction project at the Dortmund location ("KfW development loan 2017") and secured by a land charge. The loan amount has been fully drawn down in instalments since 2018 according to the progress of construction. After two redemption-free years, repayment has taken place in instalments since 2020. The KfW development loan had a carrying amount of EUR 7.3 million as at the end of the reporting period.

- **SYNDICATED LOAN 2023** In December 2023, WILO SE concluded a syndicated loan of EUR 300.0 million with an option to increase it by EUR 100.0 million. The original term was five years and was extended by one year to 2029 in the year under review. There is an option to extend it by a further year. The interest rate comprises a basic reference rate with a matching maturity plus a credit margin that is adjusted quarterly on the basis of leverage. The syndicated loan is not secured against real property or financial assets of the company. The credit facility was not utilised as at 31 December 2024.

The company is required to satisfy certain standard financial ratios (ratio of consolidated EBITDA to consolidated interest expenses (interest cover ratio), ratio of consolidated net debt to consolidated EBITDA (leverage) and the equity ratio) for the senior notes, promissory note loans 2017 and 2020 and the syndicated loan. WILO SE has fully complied with these covenants at all times and currently assumes that it will continue to do so in the future. If it were to fall short of certain minimum values in terms of these financial covenants, the lenders would be entitled to demand early repayment, among other things. If the loans were cancelled, the Wilo Group would have to agree new financing on potentially less favourable terms. The agreements also include a number of standard grounds for termination.

Incidental costs were incurred in connection with the financing arrangements that are deducted from the financial liabilities and reported in profit or loss over the term of the financing arrangements using the effective interest method. The incidental costs of acquisition outstanding as at the end of the reporting period amounted to EUR 1,998 thousand (previous year: EUR 2,576 thousand). The fair value of the financial liabilities calculated using net present value models was EUR 766,390 thousand as at 31 December 2024 (previous year: EUR 758,998 thousand).

Current financial liabilities mainly consist of the tranches of non-current financial liabilities which are due in the 2025 financial year and the utilisation of credit facilities.

(9.11) Trade payables

Trade payables break down as follows as at 31 December 2024 and 2023:

Trade payables		
EUR thousand	**31.12.2024**	31.12.2023
Trade payables		
with a remaining term of < 1 year	228,265	194,627
Total	**228,265**	**194,627**

Trade payables consist of outstanding obligations to suppliers. The Executive Board assumes that the carrying amounts of non-current trade payables are approximately equal to their fair values.

(9.12) Other financial liabilities

Other financial liabilities		
EUR thousand	**31.12.2024**	31.12.2023
Non-current other financial liabilities		
of which		
Lease liabilities		
with a remaining term of > 1 < 5 years	28,335	22,794
with a remaining term of > 5 years	5,257	3,093
Liabilities from derivative financial instruments		
with a remaining term of > 1 < 5 years	3,512	4,068
Miscellaneous financial liabilities		
with a remaining term of > 1 < 5 years	4,768	4,834
Total	**41,872**	**34,789**

Other financial liabilities		
EUR thousand	**31.12.2024**	31.12.2023
Current other financial liabilities		
of which		
Bills payable	9,903	10,021
Liabilities to unconsolidated subsidiaries and jointly controlled entities	0	2,648
Lease liabilities	15,807	12,083
Supply chain financing	1,281	3,474
Liabilities from derivative financial instruments	4,475	2,026
Miscellaneous financial liabilities	42,670	44,470
of which for bonuses and discounts	26,042	26,792
Total	**74,136**	**74,722**

Current other financial liabilities have a remaining term of less than one year. Miscellaneous financial liabilities include amounts for tax consulting, financial statement costs, commissions, del credere commissions and other financial obligations to external companies. The Executive Board assumes that the carrying amounts of other financial liabilities are approximately equal to their fair values.

(9.13) Other liabilities

Other liabilities break down as follows as at 31 December 2024 and 2023:

Other liabilities		
EUR thousand	**31.12.2024**	31.12.2023
Non-current other liabilities		
Contract liabilities (IFRS 15)	3,205	3,185
Advance payments received	35	–
Deferred income	3,616	3,322
Total	**6,856**	**6,507**
Current other liabilities		
Other tax liabilities	20,557	21,135
Staff liabilities	47,225	63,747
Advance payments received	38,424	43,709
Social security liabilities	6,204	6,698
Deferred income	1,091	243
Miscellaneous other liabilities	15,072	6,376
Total	**128,573**	**141,908**

As permitted under IFRS 15, no disclosures are made with regard to the remaining performance obligations as at 31 December 2024 or 31 December 2023, that have an expected original maturity of one year or less.

Non-current other liabilities have a remaining term of between one and five years. Current other liabilities have a remaining term of less than one year.

Staff liabilities include accumulated holiday pay, management bonuses and gratuities, outstanding salaries, employer's liability insurance contributions and severance pay.

(9.14) Provisions for pensions and similar obligations

Pension obligations and other post-employment benefits are composed as follows as at 31 December 2024 and 2023:

Provisions for pensions and similar obligations		
EUR thousand	**31.12.2024**	31.12.2023
Provisions for pensions	61,856	64,836
Similar obligations	5,236	5,022
Total provisions for pensions	**67,092**	**69,858**
Plan assets	–450	–979
Total pension obligations	**66,642**	**68,879**

The net benefit plan liability developed as follows:

Net benefit plan liability

EUR thousand	Defined benefit obligation 2024	Defined benefit obligation 2023	Fair value of plan assets 2024	Fair value of plan assets 2023	Net defined benefit liability (asset) 2024	Net defined benefit liability (asset) 2023
As at 1 January	**84,974**	**74,430**	**–21,117**	**–16,930**	**63,857**	**57,500**
Current service cost	3,817	3,159	0	0	3,817	3,159
Past service cost	–372	–384	0	0	–372	–384
Interest expense/income	2,827	2,780	–708	–734	2,119	2,046
Settlements	–12	–294	0	0	–12	–294
Items recognised in profit or loss	**6,260**	**5,261**	**–708**	**–734**	**5,552**	**4,527**
Remeasurement						
Actuarial losses (gains) from the change in demographic assumptions	–513	–193	0	0	–513	–193
Actuarial losses (gains) from the change in financial assumptions	–1,432	4,622	0	0	–1,432	4,622
Actuarial losses (gains) from experience adjustments	–1,679	1,275	0	0	–1,679	1,275
Income from plan assets excluding interest income	0	0	286	161	286	161
Net translation differences	–657	–687	555	510	–102	–178
Items recognised in other comprehensive income	**–4,281**	**5,017**	**841**	**671**	**–3,440**	**5,687**
Amounts paid by the employer	0	0	–1,168	–520	–1,168	–520
Payments made	–4,311	–3,751	677	437	–3,634	–3,314
Miscellaneous changes	259	4,018	–19	–4,040	240	–23
Other changes	**–4,053**	**267**	**–510**	**–4,123**	**–4,563**	**–3,857**
As at 31 December	**82,900**	**84,974**	**–21,495**	**–21,117**	**61,406**	**63,857**
of which reported as						
Plan assets					**450**	**979**
Provisions for pensions					**61,856**	**64,836**

The net liability of EUR 61,406 thousand (previous year: EUR 63,857 thousand) is composed of the provision for pensions of EUR 61,856 thousand (previous year: EUR 64,836 thousand) less the EUR 450 thousand reported as plan assets (previous year: EUR 979 thousand).

Pension obligations are recognised for accrued entitlements and current benefits under defined benefit plans for eligible active and former employees of the Wilo Group and their surviving dependants.

The benefit amount depends on country-specific circumstances and is generally based on years of service and pay level. The beneficiaries predominantly receive benefits in the form of lifetime old age, disability and surviving dependants' pensions. Benefits are granted to a smaller extent in the form of lump-sum payments on retirement.

The corresponding provisions are recognised on the basis of annual actuarial assessments of existing pension obligations.

Defined benefit obligations are recognised in accordance with the actuarial assessment over the service life of employees and consist of staff cost and interest cost. The staff costs are allocated to the relevant functional areas. The interest expense is reported in other net finance costs after netting against the interest income from plan assets. Actuarial gains and losses and the effects of the revaluation of plan assets are recognised in full in other comprehensive income. Contributions for the coming financial year are expected to be similar to the current year.

In Germany in particular, the Wilo Group has decided to back pension obligations with plan assets to a limited extent.

Plan assets break down as follows:

Components of plan assets

EUR thousand	2024	2023
Cash	16,540	16,509
Qualifying insurance policies	4,507	4,162
Investment funds	448	446
As at 31 December	**21,495**	**21,117**

Furthermore, there are employee pension liability policies to cover provision-funded pension obligations in the amount of EUR 2,023 thousand (previous year: EUR 3,237 thousand) though these do not satisfy the requirements for classification as plan assets under IAS 19.

The Wilo Group is not currently assuming any material payments into plan assets in the coming years.

WILO SE's defined benefit plan was discontinued on 31 December 2005. A defined contribution plan was set up for WILO SE employees for whom a pension obligation has existed from 1 January 2006. An expense of EUR 2,898 thousand (previous year: EUR 3,074 thousand) was recognised in the year under review for defined contribution plans in the Wilo Group. Of this figure, 65.5% related to Germany (previous year: 61.3%) and 16.3% to France (previous year: 10.9%).

The defined benefit obligations are broken down among the beneficiaries as follows:

- Active members: EUR 48,206 thousand (previous year: EUR 45,121 thousand)
- Deferred members: EUR 7,013 thousand (previous year: EUR 6,782 thousand)
- Pensioners: EUR 27,681 thousand (previous year: EUR 28,966 thousand)

The regional breakdown of obligations is as follows:

Regional distribution

EUR thousand	2024	%	2023	%
Germany	56,627	68.3	57,926	68.2
France	10,480	12.6	11,538	13.6
Other	15,793	19.1	15,510	18.3
Total	**82,900**	**100.0**	**84,974**	**100.0**

The measurement of pension obligations is based on actuarial assumptions. Accordingly, the Wilo Group is exposed to certain actuarial risks. In particular, these include interest risks, risks of rising pensions, salary risks and longevity risks.

Changes in the significant actuarial assumptions would have affected the present value of pension obligations as follows:

Sensitivity analysis

		Present value of the pension obligation Change in % 2024	2023
Discount rate	+0.5%	–6.9	–7.2
	–0.5%	8.1	8.3
Pension factor	+0.25%	2.0	2.1
	–0.25%	–1.9	–1.9
Salary factor	+0.25%	0.3	0.3
	–0.25%	–0.3	–0.1
Life expectancy	+10%	5.1	5.3

Sensitivities are calculated assuming a change in just one individual factor with the other actuarial assumptions remaining constant. The assumed deviations are realistic assumptions based on past experience and future market forecasts.

As at 31 December 2024, the weighted average duration of the defined benefit obligation was 11.7 years (previous year: 12.5 years).

SIMILAR OBLIGATIONS Similar obligations for post-employment benefits amount to EUR 5,236 thousand for 2024 (previous year: EUR 5,022 thousand). The gross obligation amounts to EUR 7,447 thousand (previous year: EUR 7,979 thousand). They include gross obligations from partial retirement for WILO SE of EUR 6,637 thousand (previous year: EUR 7,055 thousand). The EUR 4,234 thousand fair value of plan assets as at the end of the reporting period (previous year: EUR 4,688 thousand) is deducted insofar as it relates to obligations under the partial retirement scheme. Excess plan assets not attributable to obligations under the partial retirement scheme in the amount of EUR 2,022 thousand (previous year: EUR 1,731 thousand) are reported under employer pension liability assets in noncurrent other assets. The present value of the obligations under the partial retirement scheme at 31 December 2024 was determined using a discount rate of 3.34% (previous year: 3.20%). Furthermore, an annual wage and salary increase of 2.65% was assumed (previous year: 1.1%).

(9.15) Other provisions

Non-current and current provisions for guarantees are recognised for potential warranty claims on the basis of past experience and planned measures.

In 2024, the Executive Board of WILO SE initiated growth-oriented reorganisation and restructuring measures aimed at safeguarding the company's future. The measures relate to all departments of the company and are intended to further reduce the cost base. The measures already implemented or planned, for which corresponding restructuring provisions of EUR 33.2 million were recognised, had a negative impact on earnings development totalling EUR 36.6 million. Of this amount, EUR 17.4 million was attributable to administration, EUR 13.1 million to the cost of sales, EUR 3.9 million to research and development and EUR 2.2 million to sales.

As in the previous year, miscellaneous provisions do not contain any material employee-related provisions.

Other provisions

Current

EUR thousand	Guarantees	Restructuring	Other	Total
As at 1 January 2024	**16,034**	**5,459**	**17,780**	**39,273**
Currency translation	-71	0	-1,583	**-1,654**
Utilisation	-987	-1,628	-8,045	**-10,660**
Reclassification	61	0	0	**61**
Reversal	-3,922	-2,777	-776	**-7,475**
Additions from business combinations	0	0	515	**515**
Addition	3,844	33,174	3,589	**40,607**
As at 31 December 2024	**14,959**	**34,228**	**11,480**	**60,667**

Non-current

EUR thousand	Guarantees	Anniversary	Total
As at 1 January 2024	**5,229**	**3,366**	**8,595**
Currency translation	-122	-109	**-231**
Utilisation	-1,096	0	**-1,096**
Reclassification	-61	0	**-61**
Reversal	-595	-80	**-675**
Addition	1,261	943	**2,204**
As at 31 December 2024	**4,616**	**4,120**	**8,736**

(9.16) Tax liabilities

The Wilo Group reported tax liabilities of EUR 5,806 thousand as at the end of the reporting period (previous year: EUR 5,901 thousand).

(10.) Notes to the consolidated statement of cash flows

The consolidated statement of cash flows is broken down according to cash flows from operating, investing and financing activities. Cash flows from operating activities are calculated using the indirect method and reported after adjustment for currencies. The effects of exchange rate changes and changes in the composition of the consolidated group on cash are shown separately. Cash as at 31 December 2024 consisted of EUR 332,651 thousand (previous year: EUR 392,572 thousand) in cash and sight deposits with banks, EUR 1,011 thousand (previous year: EUR 3,570 thousand) of which was subject to restrictions on title.

The changes in cash due to exchange rate changes of EUR -6,985 thousand (previous year: EUR -19,514 thousand) relate to the effect of translating foreign-currency items of cash into the reporting currency. Purchases of intangible assets include payments in connection with capitalised development costs of EUR 19,296 thousand (previous year: EUR 13,705 thousand).

The cash flow from financing activities shows the following changes in financial liabilities and lease liabilities:

Change in financial liabilities and lease liabilities

			Non-cash		
EUR thousand	**1.1.2024**	Cash flows	Other non-cash changes	Currency translation	**31.12.2024**
Financial liabilities (non-current)	751,214	-13,932	-58,697	0	678,585
Financial liabilities (current)	76,309	-47,201	58,697	0	87,805
Lease liabilities	37,970	-16,563	28,107	-115	49,399
Total	**865,493**	**-77,696**	**28,107**	**-115**	**815,789**

Change in financial liabilities and lease liabilities

EUR thousand	1.1.2023	Cash flows	Non-cash: Other non-cash changes	Non-cash: Currency translation	31.12.2023
Financial liabilities (non-current)	542,947	255,276	-47,009	0	751,214
Financial liabilities (current)	73,368	-44,068	47,009	0	76,309
Lease liabilities	34,446	-14,307	18,269	-438	37,970
Total	**650,761**	**196,901**	**18,269**	**-438**	**865,493**

Interest received for cash and interest paid is allocated to net cash flow from financing activities because the interest received includes mainly payments in connection with the short-term reinvestment of funds borrowed but not yet required.

(11.) Disclosures on financial instruments

(11.1) Derivative financial instruments

The following table shows the fair values of derivative financial instruments as at 31 December 2024 and the changes as against the previous year:

Derivative financial instruments

	Fair value				Nominal amount	
	Maturity from 31 December 2024					
EUR thousand	< 1 year	> 1 < 5 years	> 5 years	Previous year	**31.12.2024**	31.12.2023
Forward exchange contracts	-3,101	-2,284	-4	-2,794	104,325	145,016
Interest rate swaps	-273	-560	0	484	256,000	225,750

Net finance costs include gains of EUR 762 thousand (previous year: EUR 830 thousand) and losses of EUR 2,079 thousand (previous year: EUR 305 thousand) (see note (8.8)).

CASH FLOW HEDGE ACCOUNTING FOR LONG-TERM LOANS

WILO SE has extended various long-term loans to WILO USA LLC with a total volume of USD 125.6 million (previous year: USD 125.6 million). USD 50 million was recognised as at the end of the reporting period (previous year: USD 62.6 million). The loan agreements provide for interest and principal payments. Even though the loans (hedged items) are eliminated in the consolidation process, there remains a currency risk and net foreign-currency result in net financial income in the consolidated financial statements from the currency translation of the Group loans in the financial statements of WILO SE. The risk relates to the variable value of the USD cash flow for repayments at the respective repayment dates in the EUR required.

For this reason, WILO SE held a total of 35 (previous year: 44) external forward exchange contracts (hedging instruments) as at 31 December 2024; these hedge the repayment tranches of this loan to 30 April 2031 and are designated as cash flow hedges.

The change in forward exchange contracts for currency swaps is as follows:

2024 exchange rate risk in EUR thousand	Forward exchange contracts for currency swaps	< 1 year	> 1 < 5 years	> 5 years
Carrying amount of other comprehensive income as at 1 January	598	34	838	0
Change in other comprehensive income	2,302	917	1,107	278
Reclassification from other comprehensive income to profit and loss	-2,588	-2,231	-358	0
Carrying amount of other comprehensive income as at 31 December	**311**	**-1,280**	**1,587**	**278**
of which:				
Carrying amount as at 1 January Fair value	1,555	695	1,133	-274
Carrying amount as at 1 January Reclassification of foreign currency measurement to OCI	-661	-661	0	0
Carrying amount as at 1 January Reclassification of hedging costs to OCI	-295	0	-295	0
	598	**34**	**838**	**-274**
of which:				
Change in fair value	2,302	917	1,107	278
Change Reclassification of foreign currency measurement to OCI	-2,215	-2,215	0	0
Change Reclassification of hedging costs to OCI	-373	-15	-358	0
	-287	**-1,313**	**749**	**278**
of which:				
Carrying amount as at 31 December Fair value	3,856	1,612	2,240	4
Carrying amount as at 31 December Reclassification of foreign currency measurement to OCI	-2,877	-2,877	0	0
Carrying amount as at 31 December Reclassification of hedging costs to OCI	-668	-15	-653	0
	311	**-1,280**	**1,587**	**4**

2023 exchange rate risk in EUR thousand	Forward exchange contracts for currency swaps	< 1 year	> 1 < 5 years	> 5 years
Carrying amount of other comprehensive income as at 1 January	305	-1,539	1,844	0
Change in other comprehensive income	-1,984	-921	-790	-274
Reclassification from other comprehensive income to profit and loss	2,278	2,494	-216	0
Carrying amount of other comprehensive income as at 31 December	**598**	**34**	**838**	**-274**
of which:				
Carrying amount as at 1 January Fair value	3,539	1,616	1,923	0
Carrying amount as at 1 January Reclassification of foreign currency measurement to OCI	-3,155	-3,155	0	0
Carrying amount as at 1 January Reclassification of hedging costs to OCI	-79	0	-79	0
	305	**-1,539**	**1,844**	**0**
of which:				
Change in fair value	-1,984	-921	-790	-274
Change Reclassification of foreign currency measurement to OCI	2,494	2,494	0	0
Change Reclassification of hedging costs to OCI	-216	0	-216	0
	293	**1,573**	**-1,006**	**-274**
of which:				
Carrying amount as at 31 December Fair value	1,555	695	1,133	274
Carrying amount as at 31 December Reclassification of foreign currency measurement to OCI	-661	-661	0	0
Carrying amount as at 31 December Reclassification of hedging costs to OCI	-295	0	-295	0
	598	**34**	**838**	**-274**

In future periods, the following amounts are to be reclassified from other comprehensive income to net foreign-currency income for the USD loan.

2024	Carrying amount	Expected reclassification		
EUR thousand		< 1 year	> 1 < 5 years	> 5 years
Other comprehensive income	-191	-464	183	90
Nominal amount in USD million		13.8	34.6	1.7
Average exchange rate hedge USD/EUR		1.1910	1.1656	1.1632
Fair value	-3,836	-1,593	-2,249	6

2023	Carrying amount	Expected reclassification		
EUR thousand		< 1 year	> 1 < 5 years	> 5 years
Other comprehensive income	-402	-314	-304	216
Nominal amount in USD million		12.6	41.7	8.3
Average exchange rate hedge USD/EUR		1.1808	1.1782	1.1565
Fair value	-1,509	-657	-1,126	274

In the financial year, a result for the market performance of the derivatives of EUR -2,302 thousand (previous year: EUR 1,984 thousand) was recognised in other comprehensive income. In the same period, part of the deferred result of EUR 2,877 thousand (previous year: EUR 2,494 thousand) for existing derivatives was reclassified to the net foreign-currency income and EUR 373 thousand (previous year: EUR 216 thousand) for settled derivatives was reclassified to the net finance costs. This resulted in the same amount of net foreign-currency income of the Group loan being compensated. There was no ineffectiveness in the financial year. Hedge effectiveness results from matching the value-critical parameters of hedged item and hedging instrument and a "dollar-offset measurement" for accounting recognition on the reporting date.

CASH FLOW HEDGE ACCOUNTING – PURCHASES AND SALES OF GOODS In addition, Wilo uses hedge accounting in accordance with IAS 39 to hedge currency risks relating to the purchase and sale of inventories. The hedging strategy gives rise to the quarterly rolling hedging of currency risks at the level of individual monthly tranches. The hedge ratio for a specific, future date increases over time and is continuously reviewed against current forecasts. This allows ineffectiveness and over-hedging to be fundamentally avoided to the greatest possible extent. Any ineffectiveness or over-hedging is reported in operating net foreign-currency income. The Group held the following forward exchange contracts for hedging changes resulting from operating currency risks:

Forward exchange contracts for hedging operating currency risks

31.12.2024	1–6 months	6–12 months	> one year
Nominal amount CHF: EUR in EUR million	4.9	5.2	9.2
Average forward exchange rate CHF:EUR	1.0665	1.0815	1.0915
Nominal amount GBP: EUR in EUR million	6.7	4.6	0.0
Average forward exchange rate GBP:EUR	1.1519	1.1562	0
Nominal amount USD: EUR in EUR million	1.4	2.0	0.0
Average forward exchange rate USD:EUR	0.9156	0.9098	0.0000
Nominal amount PLN: EUR in EUR million	8.0	7.6	0.0
Average forward exchange rate PLN:EUR	0.225	0.223	0

31.12.2023	1–6 months	6–12 months	> one year
Nominal amount CHF: EUR in EUR million	4.4	4.7	13.4
Average forward exchange rate CHF:EUR	1.0244	1.03	1.0800
Nominal amount GBP: EUR in EUR million	7.5	3.6	3.4
Average forward exchange rate GBP:EUR	1.1424	1.1344	1.1389
Nominal amount CNY: EUR in EUR million	2.4	0.7	0.0
Average forward exchange rate CNY:EUR	0.1393	0.1351	0.0000
Nominal RON: EUR in EUR million	10.3	11.4	5.3
Average forward exchange rate RON:EUR	0.2211	0.2254	0.2245

Rolling FX hedging of cash inflows/supplier payments

2024 exchange rate risk in EUR thousand	Forward exchange contracts for sales	Forward exchange contracts for purchases
Carrying amount of other comprehensive income as at 1 January	1,016	37
Change in other comprehensive income[1]	706	-166
Reclassification from other comprehensive income to profit and loss	-865	17
Carrying amount of other comprehensive income as at 31 December	**857**	**-112**
of which:		
Carrying amount of forward exchange contract asset[2]	21	158
Carrying amount of forward exchange contract liability[2]	-915	0
Nominal amount at the reporting date	19,620	-1,373

2023 exchange rate risk in EUR thousand	Forward exchange contracts for sales	Forward exchange contracts for purchases
Carrying amount of other comprehensive income as at 1 January	24	68
Change in other comprehensive income[1]	1,427	124
Reclassification from other comprehensive income to profit and loss	-435	-155
Carrying amount of other comprehensive income as at 31 December	**1,016**	**37**
of which:		
Carrying amount of forward exchange contract asset[2]	364	0
Carrying amount of forward exchange contract liability[2]	-1,417	0
Nominal amount at the reporting date	31,485	0

[1] The amount corresponds to the change in the value of the hedged items used to determine the ineffectiveness. With a reversed sign, the amount corresponds to the change in the value of the hedging instruments used to determine the ineffectiveness.
[2] The carrying amounts of the hedging instruments are reported in "Other financial assets" (9.5) or "Other financial liabilities" (9.13). The cash flow hedge reserve is reported in other comprehensive income (equity).

CASH FLOW HEDGE ACCOUNTING FOR INTEREST RATE HEDGES In 2022 and 2023, WILO SE placed two promissory notes on the international capital market. Interest rate swaps were agreed with other banks for the variable-interest portion of the loans. This is intended to minimise the interest rate risk. The promissory notes and the interest rate swaps were designated as a valuation unit.

At the time of placement, the terms of the four different tranches of the promissory note loan issued in the 2022 financial year were three years in the amount of EUR 57,000 thousand, five years in the amount of EUR 99,000 thousand, seven years in the amount of EUR 58,000 thousand and ten years in the amount of EUR 10,000 thousand. The individual tranches have bullet maturity and both fixed and variable interest rates. Interest rate swaps were partially agreed with other banks for the variable-interest portion of the loan totalling EUR 111,500 thousand. The hedging volume through the interest rate swaps totals EUR 66,250 thousand.

The terms of the four different tranches of the promissory note placed in the 2023 financial year totalling EUR 270,000 thousand are three years in the amount of EUR 74,000 thousand, five years in the amount of EUR 157,000 thousand and seven years in the amount of EUR 39,000 thousand. The individual tranches have bullet maturity and both fixed and variable interest rates. Interest rate swaps were agreed with other banks for the variable-interest portion of the loan totalling EUR 159,500 thousand. The hedging volume through the interest rate swaps totals EUR 159,500 thousand.

Further interest rate swaps with a total volume of EUR 30,250 thousand were concluded in the 2024 financial year. The hedging volume through the interest rate swaps totalled EUR 96,500 thousand at the end of the current financial year.

The change in forward exchange contracts for interest rate swaps is as follows:

2024 interest rate risk in EUR thousand	Interest rate swaps	< 1 year	> 1 < 5 years	> 5 years
Carrying amount of other comprehensive income as at 1 January	290	0	0	0
Change in other comprehensive income[1]	1,317	0	363	681
Reclassification from other comprehensive income to profit and loss	–234	–234	0	0
Carrying amount of other comprehensive income as at 31 December	**1,373**	**–234**	**363**	**681**
of which:				
Carrying amount as at 1 January Fair value	–484	0	197	–681
Carrying amount as at 1 January Reclassification of accrued interest to OCI	774	774	0	0
	290	**774**	**197**	**–681**
of which:				
Change in fair value	1,317	273	363	681
Change Reclassification of accrued interest to OCI	–234	–234	0	0
	1,083	**39**	**363**	**681**
of which:				
Carrying amount as at 31 December Fair value	833	273	560	0
Carrying amount as at 31 December Reclassification of accrued interest to OCI	540	540	0	0
	1,373	**813**	**560**	**0**

2023 interest rate risk in EUR thousand	Interest rate swaps	< 1 year	> 1 < 5 years	> 5 years
Carrying amount of other comprehensive income as at 1 January	–3,921	0	0	0
Change in other comprehensive income	3,645	0	3,211	435
Reclassification from other comprehensive income to profit and loss	566	566	0	0
Carrying amount of other comprehensive income as at 31 December	**290**	**566**	**3,211**	**435**
of which:				
Carrying amount as at 1 January Fair value	–4,130	0	–3,014	–1,116
Carrying amount as at 1 January Reclassification of accrued interest to OCI	208	208	0	0
	–3,921	**208**	**–3,014**	**–1,116**
of which:				
Change in fair value	3,645	0	3,211	435
Change Reclassification of accrued interest to OCI	566	566	0	0
	4,211	**566**	**3,211**	**435**
of which:				
Carrying amount as at 31 December Fair value	–484	0	197	–681
Carrying amount as at 31 December Reclassification of accrued interest to OCI	774	774	0	0
	290	**774**	**197**	**–681**

(11.2) Disclosures on the carrying amounts and fair values of financial instruments

The following tables show the financial assets and liabilities with their carrying amounts as at 31 December 2024 and 2023 for each IFRS 9 measurement category and statement of financial position category.

Financial assets and liabilities as at 31 December 2024

EUR thousand	IFRS 9 measurement category	Carrying amount under IFRS 9 Amortised cost	Fair value	Derivatives used in hedge accounting
Current and non-current financial assets				
Trade receivables	Amortised cost	353,985		
Other financial assets				
Receivables from subsidiaries, jointly controlled entities and associates	Amortised cost	689		
Receivables from derivative financial instruments not used in hedge accounting	FVTPL		58	
Receivables from derivative financial instruments used in hedge accounting	n/a			1,707
Loans	Amortised cost	118		
Equity instruments	FVOCI in equity		2,077	
Miscellaneous financial assets	Amortised cost	21,008		
Cash	Amortised cost	331,586		
Current and non-current financial liabilities				
Financial liabilities	Amortised cost	766,390		
Trade payables	Amortised cost	228,265		
Other financial liabilities				
Bills payable	Amortised cost	9,903		
Liabilities to subsidiaries, jointly controlled entities and associates	Amortised cost	0		
Liabilities from derivative financial instruments not used in hedge accounting	FVTPL		871	
Liabilities from derivative financial instruments used in hedge accounting	n/a			7,116
Miscellaneous financial liabilities	Amortised cost	48,719*		
of which aggregated by IFRS 9 measurement category				
Amortised cost		1,760,663		
FVOCI in equity			2,077	
FVTPL			–813	
Derivatives used in hedge accounting				–5,409

* Disclosed without lease liabilities

Financial assets and liabilities as at 31 December 2023

EUR thousand	IFRS 9 measurement category	Carrying amount under IFRS 9 Amortised cost	Fair value	Derivatives used in hedge accounting
Current and non-current financial assets				
Trade receivables	Amortised cost	295,327		
Other financial assets				
Receivables from subsidiaries, jointly controlled entities and associates	Amortised cost	425		
Receivables from derivative financial instruments not used in hedge accounting	FVTPL		33	
Receivables from derivative financial instruments used in hedge accounting	n/a			3,751
Loans	Amortised cost	100		
Equity instruments	FVOCI in equity		1,994	
Miscellaneous financial assets	Amortised cost	20,035		
Cash	Amortised cost	392,572		
Current and non-current financial liabilities				
Financial liabilities	Amortised cost	827,523		
Trade payables	Amortised cost	194,627		
Other financial liabilities				
Bills payable	Amortised cost	10,021		
Liabilities to subsidiaries, jointly controlled entities and associates	Amortised cost	2,648		
Liabilities from derivative financial instruments not used in hedge accounting	FVTPL		220	
Liabilities from derivative financial instruments used in hedge accounting	n/a			5,874
Miscellaneous financial liabilities	Amortised cost	52,778*		
of which aggregated by IFRS 9 measurement category				
Amortised cost		1,796,056		
FVOCI in equity			1,994	
FVTPL			–187	
Derivatives used in hedge accounting				–2,123

* Disclosed without lease liabilities

The carrying amounts of the financial assets and liabilities in the scope of IFRS 7 are the same as their fair value per class. The only exception is financial liabilities, which have a carrying amount of EUR 766,390 thousand (previous year: EUR 827,523 thousand) and a fair value of EUR 754,242 thousand (previous year: EUR 758,998 thousand). The fair values of financial liabilities were calculated using net present value methods.

The Group has one investment measured at fair value in other comprehensive income and whose fair value of EUR 2,077 thousand (previous year: EUR 1,994 thousand) corresponds to the hierarchy Level 3.

WILO SE holds an 8.5 % stake in EUROCARBO S.P.A., Corropoli /Italy, in the context of a strategic investment. The value of the stake is measured in line with strategic considerations largely based on the value of the equity stake and the hidden reserves in property, plant and equipment. The indicative valuation is based on the continuation of the investment decision. On the basis of all available information, in our view cost and fair value have the same measurement as at 31 December 2024.

WILO SE also holds a 2.6 % stake in HydroPoint Data Systems, Inc., Petaluma/USA. The company is a specialist on the US smart water management market. This highly innovative and new business area involves considerable planning uncertainties. As a result of this uncertainty, fair value is determined based on cost.

However, neither remeasurement had an impact on earnings or other comprehensive income. Sensitivity can be determined only on the basis of the overall value. A 10 % increase (reduction) in the respective value results in an increase (decrease) in other comprehensive income of EUR 208 thousand (previous year: EUR 119 thousand).

The calculation of the fair values of the receivables and liabilities from derivative financial instruments, which are assigned to the FVTPL category in the amount of EUR 58 thousand (previous year: EUR 33 thousand) and EUR 871 thousand (previous year: EUR 220 thousand) respectively, is shown under note (7).

(11.3) Net gains and losses by measurement category

The table below shows the net earnings reported under profit and loss for the 2024 financial year in line with IFRS 7, consisting of interest, dividends, changes in fair value, impairment, impairment reversals and the effects of currency translation on each measurement category of financial assets and liabilities. This does not include the earnings effects of leases, as leases do not belong to any IFRS 9 measurement category.

Net gains and losses by measurement category 2024 financial year

Measurement category	Carrying amount 31 Dec.	Interest and dividends	Impairments	Impairment reversals	Effects of currency translation	Net gains/losses
Financial assets						
Amortised cost	707,386	4,501	–4,169	4,629	58,748	63,709
FVOCI in equity	2,077	0	0	0	0	0
FVTPL	58	0	0	0	0	0
Total financial assets		**4,501**	**–4,169**	**4,629**	**58,748**	**63,709**
Financial liabilities						
Amortised cost	1,053,277	–31,044	0	0	–52,270	–83,314
FVTPL	871	0	0	0	0	0
Total financial liabilities		**–31,044**	**0**	**0**	**–52,270**	**–83,314**

Net gains and losses by measurement category 2023 financial year

Measurement category	Carrying amount 31 Dec.	Interest and dividends	Impairments	Impairment reversals	Effects of currency translation	Net gains/losses
Financial assets						
Amortised cost	701,847	4,051	–6,137	3,511	37,226	38,651
FVOCI in equity	1,994	0	0	0	0	0
FVTPL	33	0	0	0	0	0
Total financial assets		**4,051**	**–6,137**	**3,511**	**37,226**	**38,651**
Financial liabilities						
Amortised cost	1,087,597	–22,608	0	0	–25,889	–48,479
FVTPL	220	0	0	0	0	0
Total financial liabilities		**–22,608**	**0**	**0**	**–25,889**	**–48,479**

(11.4) Fair value hierarchy of financial assets and liabilities

Financial assets and liabilities accounted for at fair value are divided into the following three levels in accordance with IFRS 13 on the basis of the measurement of their fair value:

Level 1: The fair value for an asset or liability is calculated using quoted market prices on active markets for identical assets and liabilities.

Level 2: The fair value for an asset or liability is based on value factors for this asset or liability that are observed directly or indirectly on a market.

Level 3: The fair value for an asset or liability is based on value factors for this asset or liability that do not refer to observable market data.

The following table shows the allocation of financial assets and liabilities that existed within the Wilo Group as at 31 December 2024 and 2023 that were recognised at fair value or for which the fair value was disclosed.

Fair value hierarchy

EUR thousand	**31.12.2024 Level 2**	31.12.2023 Level 2
Receivables from derivative financial instruments used in hedge accounting	1,707	3,751
Receivables from derivative financial instruments not used in hedge accounting (FVTPL)	58	33
Liabilities from derivative financial instruments in hedge accounting	7,116	5,874
Liabilities from derivative financial instruments not used in hedge accounting (FVTPL)	871	220
Financial liabilities (fair value)	754,242	758,998
	Level 3	Level 3
Equity instruments (FVOCI in equity)	2,077	1,994

The Wilo Group did not report any financial assets or liabilities classified as Level 1 based on the method by which their fair value was determined as at 31 December 2024 and 2023. More detailed information on equity instruments (FVOCI in equity) can be found in note (11.2).

If reclassifications to another level in the valuation hierarchy are required these are made as at the end of the financial year in which the event occurs that results in reclassification being required.

(12.) Risk management and derivative financial instruments

RISK MANAGEMENT PRINCIPLES Due to the international nature of its business activities, the assets, liabilities and planned transactions of the Wilo Group are subject to market risks from changes in exchange rates, interest rates and commodity prices in particular. The objective of financial risk management is to mitigate this risk from operating and financial activities. This is achieved using derivative and primary hedging instruments selected according to estimated risk. Derivative financial instruments are used exclusively as hedging instruments, i.e. they are not used for trading or other speculative purposes. The general credit risk on these derivative financial instruments is low because they are only entered into with banks of excellent credit standing. The Group is also subject to credit and default risk and liquidity risk.

The basic principles of financial policy and strategy are determined by the Executive Board and monitored by the Supervisory Board. Responsibility for implementing financial policy and strategy lies with Group Finance. Further information on risks and risk management can be found in the report on risks and opportunities of the Group management report.

CURRENCY RISK The Wilo Group is exposed to currency risk primarily in its financing and operating activities. Currency risk in financing activities relates to foreign-currency borrowing from external lenders and foreign-currency lending to finance Group companies.

Currency risk in operating activities mainly relates to the supply of goods and provision of services to Group companies. Currency risk exposure on such transactions is countered by the use of same-currency offsetting transactions and derivative financial instruments. The currency risk on operating business between Group companies and external customers and suppliers is estimated to be low as most of such business is transacted in the functional currency of the Group companies.

The following table shows the foreign-currency risk position of the Wilo Group as at 31 December 2024 and 2023 in the respective foreign currency. This consists of foreign-currency transactions in operating activities and foreign-currency financing activities up to 31 December 2024 and 2023 as well as expected foreign-currency transactions in operating activities in 2025 and 2024. This analysis does not take into account the effects of the translation of the financial statements of subsidiaries into reporting currency (translation risk). The gross risk is before hedges.

Foreign-currency risk positions as at 31 December 2024

in millions of	EUR	USD	CNY	GBP	PLN	RON	RUB
Cash	6.9	8.4	20.2	1.6	0.0	0.0	42,509.6
Trade and other receivables	8.2	10.6	0.1	0.0	0.0	0.0	0.0
Receivables from affiliated companies	15.3	62.0	209.6	4.3	23.1	12.5	590.0
Trade and other payables	−7.0	−10.3	−15.3	−1.1	0.0	0.0	−22,007.9
Liabilities due to affiliated companies	−1.7	−30.3	0.0	0.0	0.0	0.0	0.0
Financial liabilities	−37.3	−15.0	−68.8	0.0	0.0	0.0	−3,965.2
Currency risk from assets and liabilities – gross –	**−15.4**	**25.4**	**145.8**	**6.0**	**23.1**	**12.5**	**606.5**
Expected sales in 2025	81.5	68.2	143.3	9.5	17.7	17.7	0.0
Expected acquisitions in 2025	−127.7	−75.9	−295.2	0.0	0.0	0.0	−98.8
Currency risk from expected transactions in operating activities in 2025 – gross –	**−46.2**	**−7.7**	**−151.9**	**9.5**	**17.7**	**17.7**	**−98.8**
Currency risk – net –	**−61.7**	**17.6**	**−6.1**	**15.5**	**40.8**	**30.2**	**507.7**

Foreign-currency risk positions as at 31 December 2023

in millions of	EUR	USD	CNY	GBP	PLN	RON	RUB
Cash	2.5	9.6	41.9	2.1	1.8	0.2	134.5
Trade and other receivables	18.5	6.9	4.8	0.0	0.0	0.0	0.0
Receivables from affiliated companies	14.3	27.8	205.0	4.5	22.3	2.4	537.3
Trade and other payables	−6.7	−13.9	−14.5	−0.1	0.0	0.0	−17.4
Liabilities due to affiliated companies	−6.2	−0.3	0.0	0.0	0.0	0.0	0.0
Financial liabilities	−47.3	−19.3	−38.6	−0.1	0.0	0.0	−43.6
Currency risk from assets and liabilities – gross –	**−24.9**	**10.8**	**198.6**	**6.4**	**24.1**	**2.6**	**610.8**
Expected sales in 2024	102.3	94.2	248.4	9.4	49.5	43.3	0.0
Expected acquisitions in 2024	−165.3	−156.8	−276.9	−0.7	−0.6	0.0	−281.3
Currency risk from expected transactions in operating activities in 2024 – gross –	**−63.0**	**−62.6**	**−28.5**	**8.7**	**49.0**	**43.3**	**−281.3**
Currency risk – net –	**−87.8**	**−51.8**	**170.0**	**15.2**	**73.1**	**45.9**	**329.5**

The foreign-currency receivables and liabilities, expected foreign-currency transactions and derivative financial instruments in the form of cross-currency interest rate swaps and forward exchange contracts have certain sensitivities to currency fluctuations. A 10.0% appreciation or depreciation in the respective currency compared with the other currencies as at 31 December would have the following hypothetical impact on earnings:

Sensitivity analysis

	2024		2023	
EUR million	**+10%**	**-10%**	+10%	-10%
EUR	-6.9	5.6	-9.5	7.6
USD	6.7	-5.4	1.0	-0.8
CNY	-0.1	0.1	2.6	-2.1
GBP	3.6	-2.9	3.2	-2.6
PLN	2.6	-2.2	4.3	-3.6
RON	1.7	-1.4	1.3	-1.1

In addition to a long-term Group loan in USD, exchange rate risks in connection with sales of products and purchases of inventories are hedged. These derivative financial instruments used in hedge accounting have sensitivities to currency fluctuations. A 10.0% appreciation or depreciation in the respective currency compared with the other currencies as at 31 December would have the following hypothetical impact on other comprehensive income:

Sensitivity analysis

	2024		2023	
EUR million	**+10%**	**-10%**	+10%	-10%
USD	0.1	-7.8	2.9	-6.7
CHF	1.7	-2.2	1.4	-3.5
GBP	0.7	-1.6	1.4	-1.4
PLN	1.2	-2.0	3.2	-2.2

The sensitivity analysis assumes that all other factors influencing value remain constant and that the figures at the reporting date are representative for the year as a whole.

INTEREST RATE RISK The Wilo Group faces interest rate risk mainly on floating rate financial liabilities and on invested cash. Both a rise and a fall in the yield curve result in interest rate exposure. The Wilo Group mitigates adverse changes in value from unexpected interest rate movements by using derivative financial instruments. The occurrence of interest rate risk is considered possible, but the impact on net finance costs is considered to be low as most financial liabilities have long-term fixed interest rates and most variable-interest tranches are hedged using suitable derivatives.

In the event of a change in interest rates of 100 basis points (bp) at the reporting date, which was considered possible, equity and profit or loss would have increased or decreased by the amounts listed below. This analysis assumed that all other parameters, especially exchange rates, remained constant.

Sensitivity analysis

	Profit or loss		Equity after taxes	
EUR thousand	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 December 2024				
Variable-rate instruments	-100.0	100.0	0.0	0.0
Interest rate swaps	0.0	0.0	2,138.5	-2,173.3
Cash flow sensitivity (net)	**-100.0**	**100.0**	**-2,138.5**	**2,173.3**

The market value of interest rate swaps is reported in derivative financial instruments (11.1).

COMMODITY PRICE RISK The Wilo Group is mainly exposed to commodity price risk as a result of price fluctuations on the global markets for copper, aluminium, stainless steel and their alloys. When it comes to minimising copper price risks, the Wilo Group enters into long-term purchase commitments rather than concluding commodity derivatives. The purchase volume and price are fixed up to a maximum of twelve months in advance.

From today's perspective, the Wilo Group's result of operations would be influenced by price fluctuations on the global markets for copper and aluminium in the 2024 financial year as follows:

Sensitivity analysis

EUR thousand	**2024**	2023
Fair value of risk position for commodity price changes – gross –	**21,228**	**26,726**
Fair value hedges	0	0
Fair value of risk position for commodity price changes – net –	**21,228**	**26,726**
Earnings impact of 10% price increase	-2,123	-2,673
Earnings impact of 10% price decrease	2,123	2,673

The calculation takes into account all copper and aluminium derivatives at the reporting date and the planned procurement volume for the next year in each case.

CREDIT AND DEFAULT RISK Customer credit risk is countered with a uniform and effective Group-wide system for systematic receivables management and the monitoring of payment behaviour. Dependency on individual customers is limited because Wilo does not generate more than 10.0% of its total net sales with any one customer.

The maximum credit risk is equal to the carrying amount of financial instruments.

Trade receivables are secured with retentions of title. The fair value of these retentions of title is equal to the carrying amount of trade receivables. The carrying amount of trade receivables before write-downs is EUR 379,590 thousand (previous year: EUR 322,597 thousand). As at 31 December 2024, EUR 18,259 thousand (previous year: EUR 20,412 thousand) in specific write-downs was recognised on past due trade receivables of EUR 39,083 thousand (previous year: EUR 39,978 thousand).

Wilo applies a central approach to the expected credit loss concept in accordance with IFRS 9. Four different risk groups were formed on the basis of regions. The probability of a future credit loss is determined on the basis of actual credit losses of the last three years for each region. For each region, time buckets are used to examine in which maturity period the receivable was when the credit loss occurred. In addition, indicators (e.g. gross domestic product, industry outlook) are used to assess the probability of a future credit loss. This data is used to determine a credit loss probability per region as a percentage. As at the reporting date, the Wilo Group recognised impairments of EUR 7,346 thousand using the expected credit loss model (previous year: EUR 6,858 thousand). Further information can be found in note (9.4) Trade receivables.

In addition, there is a maximum credit risk of EUR 2,077 thousand (previous year: EUR 1,994 thousand) for financial assets in the "fair value through OCI (FVOCI in equity)" measurement category and of EUR 58 thousand (previous year: EUR 33 thousand) for financial assets in the "fair value through profit or loss (FVTPL)" measurement category resulting exclusively from derivative financial instruments. With regard to other financial assets that are neither impaired nor past due, there are no indications as at the end of the reporting period that debtors will fail to make payment. As in the previous year, no impairment was recognised on other financial assets as at 31 December 2024.

Master agreements for financial futures have been concluded with various globally operating banks. Among other things, these agreements state that amounts in the same currency payable between parties on the same date are offset and therefore only the remaining net amount is paid by one party to the other. They also stipulate that, under certain circumstances, such as a party's default, all transactions still outstanding are cancelled. In the event of this happening, all transactions still outstanding will be offset.

These agreements do not satisfy the criteria for the netting of the corresponding assets and liabilities in the statement of financial position as they did not give rise to a legal right to offset the respective assets and liabilities at the current time. This right will only exist on the occurrence of future events, such as the default of one of the two parties.

The following financial assets and liabilities were reported in the statement of financial position without netting as the criteria of IAS 32.42 required to offset them were not met. However, they are subject to the agreements described above that allow offsetting given certain future events.

Offsetting financial assets and liabilities

EUR thousand	Carrying amount	Assets and liabilities before offsetting[1]	Net values
31.12.2024			
Receivables from derivative financial instruments	1,765	–1,765	0
Liabilities from derivative financial instruments	–7,987	1,765	–6,222
31.12.2023			
Receivables from derivative financial instruments	3,784	–2,715	1,069
Liabilities from derivative financial instruments	–6,094	2,715	–3,379

[1] Assets and liabilities with a right of set-off but that do not meet the criteria for offsetting in the statement of financial position.

LIQUIDITY RISK The Wilo Group strives to cover its financial requirements for the operating business of its Group companies at all times and at low cost. Various instruments available on the financial market are used for these purposes. These instruments include committed and non-committed cash credit, guarantee and margin facilities from various reputable national and international banks with a volume of around EUR 500 million. The cash credit facilities were utilised in the amount of EUR 6.7 million (previous year: EUR 3.5 million) and the guarantee and margin facilities were utilised in the amount of EUR 55.0 million (previous year: EUR 59.9 million). In addition, WILO SE has secured its long-term financial requirements by issuing promissory note loans, which were also placed with financially sound, reputable financial partners (see note (9.10)).

As a result of existing short- and medium-term credit facilities with various prominent banks, the long-term coverage of financial requirements with the promissory note loans and other refinancing options, the Wilo Group is not currently exposed to material credit, concentration or liquidity risk. There are also cash pooling and financing arrangements with Group companies where appropriate and permitted under local commercial and tax law.

The following overview shows the contractual maturities and corresponding cash outflows, including estimated interest payments, for financial liabilities as at 31 December 2024 and 2023:

Cash outflows for financial liabilities as at 31 December 2024

EUR thousand			Maturities		
31.12.2024	Carrying amount	Agreed payments	< 1 year	> 1 < 5 years	> 5 years
Financial liabilities					
Non-current	678,585	–802,597	–25,513	–511,517	–265,567
Current	87,805	–87,805	–87,805	0	0
Trade payables	228,265	–228,265	–228,265	0	0
Lease liabilities	49,399	–49,399	–15,807	–28,335	–5,527
Other financial liabilities	58,622	–58,622	–53,854	–4,768	0
Derivative financial instruments	7,987	–7,987	–4,475	–3,512	0
Total	**1,110,663**	**–1,234,675**	**–415,719**	**–548,132**	**–270,824**

Cash outflows for financial liabilities as at 31 December 2023

EUR thousand			Maturities		
31.12.2023	Carrying amount	Agreed payments	< 1 year	> 1 < 5 years	> 5 years
Financial liabilities					
Non-current	751,214	–907,094	–28,854	–543,894	–334,346
Current	76,309	–76,309	–76,309	0	0
Trade payables	194,627	–194,627	–194,627	0	0
Lease liabilities	37,970	–37,970	–12,083	–22,794	–3,093
Other financial liabilities	65,447	–65,447	–60,613	–4,834	0
Derivative financial instruments	6,094	–6,094	–2,026	–4,068	0
Total	**1,131,661**	**–1,287,541**	**–374.512**	**–575,590**	**–337,439**

(13.) Other disclosures

(13.1) Waiver of disclosure

Group companies that waive disclosure in accordance with section 264 (3) HGB are indicated in the list of shareholdings.

(13.2) Contingent liabilities and other financial obligations

The company reported contingent liabilities from warranties and sureties of EUR 9,295 thousand as at 31 December 2024 (previous year: EUR 11,375 thousand). No provisions have been recognised for contingent liabilities carried at nominal amount as the probability of the risk is estimated as low.

The contingent liabilities result from operating activities with customers and suppliers of the Wilo Group and from obligations in connection with the Wilopark construction project. Contingent liabilities with a nominal obligation of EUR 447 thousand (previous year: EUR 3,894 thousand) had an agreed remaining term of less than one year as at 31 December 2024, while nominal obligations of EUR 3,418 thousand (previous year: EUR 3,377 thousand) with an agreed remaining term of more than one year have been contractually stipulated. There are also contingent liabilities with a nominal obligation of EUR 5,430 thousand (previous year: EUR 4,104 thousand).

Purchase commitments for planned capital expenditure on property, plant and equipment amounted to EUR 23,825 thousand as at 31 December 2024 (previous year: EUR 18,594 thousand) and on intangible assets to EUR 0 thousand. It is not practicable to disclose estimates of the financial effect of contingent liabilities, the uncertainties relating to the amount or timing of any outflows or the possibility of any reimbursement.

The nominal value of WILO SE's future payment obligations from existing rental and other contracts as at 31 December 2024 amounts to around EUR 70,967 thousand (previous year: EUR 75,847 thousand). Of these, EUR 22,952 thousand (previous year: EUR 21,189 thousand) have a term of up to one year and EUR 9,626 thousand (previous year: EUR 11,458 thousand) have a term of more than five years.

(13.3) Average number of employees over the year

Average employee numbers for the year were as follows:

Employees

	2024	2023
Production	5,236	5,273
Sales and administration	3,935	3,701
Total	**9,171**	**8,974**
Germany	3,048	3,048
Outside Germany	6,123	5,926
Total	**9,171**	**8,974**

The average number of employees increased by 2.2% year-on-year (previous year: 6.1%).

(13.4) Expenses using the nature of expense method

Staff costs according to section 315e in conjunction with section 314 (1) no. 4 HGB of the financial year break down as follows:

Staff costs

EUR thousand	2024	2023
Wages and salaries	491,106	444,525
Social security contributions and expenses for retirement benefits	100,535	93,984
of which for retirement benefit expenses EUR 9,560 thousand (previous year: EUR 9,164 thousand)		
Total	**591,641**	**538,509**

Depreciation and amortisation for 2024, including leases in accordance with IFRS 16, is calculated as follows:

Depreciation and amortisation

EUR thousand	2024	2023
Depreciation and amortisation	102,317	100,515

(13.5) Proposal for the appropriation of profits

At the proposal of the Executive Board, the Annual General Meeting of WILO SE on 26 March 2025 will resolve the payment of a dividend of EUR 1.31 per ordinary share, with the remaining unappropriated surplus of WILO SE being carried forward to new account.

(13.6) Events after the end of the reporting period

The Executive Board of WILO SE approved the consolidated financial statements for submission to the Supervisory Board on 10 March 2025. It is the responsibility of the Supervisory Board to examine the consolidated financial statements and to state whether it adopts them.

(13.7) Related party disclosures

The Wilo Group engages in business transactions with unconsolidated subsidiaries and jointly controlled entities for the provision of goods and services. The outstanding trade receivables from these companies amounted to EUR 689 thousand (previous year: EUR 427 thousand). Liabilities to these companies amounted to EUR 0 thousand at the reporting date (previous year: EUR 2,650 thousand), of which EUR 0 thousand related to joint ventures (previous year: EUR 2,650 thousand). Sales and services charged on to these companies, including on-charged interest, amounted to EUR 1,543 thousand (previous year: EUR 2,628 thousand).

The balances outstanding at the end of the financial year are unsecured, do not bear interest and will be settled via payment.

One member of the Supervisory Board influences a company that provides consultancy services for WILO SE. WILO SE generated net sales totalling EUR 1,172 thousand (previous year: EUR 1,422 thousand) from this company in the 2024 financial year. All liabilities were settled in the year under review. In addition, the pumps of one member of the Supervisory Board were replaced in the 2023 financial year. This resulted in revenues of EUR 0 thousand (previous year: EUR 3 thousand). Revenues totalling EUR 0 thousand (previous year: EUR 1 thousand) were generated with another member of the Supervisory Board.

One of the shareholders owns a heating and air-conditioning installation company that purchases standard quantities of pumps from the reporting entity. The same company installs and maintains the heating and air-conditioning systems of the reporting entity. Revenues of EUR 23 thousand (previous year: EUR 18 thousand) were generated with the heating and air-conditioning installation company in the 2024 financial year. There were receivables from this company of EUR 0 thousand as at 31 December 2024 (previous year: EUR 1 thousand). At the same time, the Wilo Group procured goods and services of EUR 2 thousand (previous year: EUR 4 thousand) from this company.

In addition, one of the shareholders is the owner of a company that specialises in property management in the region. In the 2024 financial year, the company generated sales of EUR 3 thousand (previous year: EUR 0 thousand).

There are also leases relating to land and buildings that are directly or indirectly owned by shareholders. Total lease payments of EUR 404 thousand were made to these shareholders in 2024 (previous year: EUR 421 thousand).

The Wilo-Foundation holds the majority of ordinary shares in WILO SE. There is a service agreement between WILO SE and the Wilo-Foundation for administrative work. WILO SE generated income of EUR 39 thousand in 2024 (previous year: EUR 39 thousand). As in the previous year, in this connection there were no receivables from the Wilo-Foundation as at 31 December 2024.

A member of the Executive Board utilised WILO SE services. The total amount in the year under review was EUR 9 thousand (previous year: EUR 9 thousand).

(13.8) Auditor's fees

The following fees were recognised as an expense in the 2024 financial year for services provided by the auditor of the consolidated financial statements, KPMG AG Wirtschaftsprüfungsgesellschaft:

Auditor's fees

EUR thousand	2024	2023
Audits of financial statements		
of which for the previous year: EUR 68 thousand (2023: EUR 1 thousand)	638	594
Other assurance services		
of which for the previous year: EUR 23 thousand (2023: EUR 56 thousand)	234	183
Other services		
of which for the previous year: EUR 0 thousand (2023: EUR 0 thousand)	57	72
Total	**929**	**849**

(13.9) Remuneration of the Executive Board and the Supervisory Board

The table below shows the remuneration of the Executive Board:

Remuneration of the Executive Board

EUR thousand	2024	2023
Total remuneration of the Executive Board	**14,102**	**15,536**
IAS 24.17 (a)	10,690	13,869
IAS 24.17 (b)	1,638	967
IAS 24.17 (c)	0	700
IAS 24.17 (d)	1,774	0

As at the end of the reporting period, EUR 5,265 thousand (previous year: EUR 10,000 thousand) was recognised as a liability that will not be paid out until the following financial year after approval of the consolidated financial statements.

The total remuneration paid to former members of the Executive Board amounted to EUR 1,076 thousand (previous year: EUR 1,079 thousand). As at the end of the reporting period, a pension provision of EUR 6,377 thousand (previous year: EUR 6,671 thousand) was recognised for former members of executive bodies, some of whom are also related parties.

The remuneration of the Supervisory Board amounted to EUR 636 thousand in the 2024 financial year (previous year: EUR 621 thousand).

The Supervisory Board has established a virtual management participation model for the members of the Executive Board of WILO SE. The participating members contractually receive virtual shares entitling them to participate in the company's positive performance. This does not make them shareholders of the company with corresponding shareholders' rights (e.g. rights of information, voting rights at the Annual General Meeting, right to receive dividends). As at 31 December 2024, a total of 363,188 virtual shares have been granted to the Executive Board. The value of the virtual shares is determined at the end of each financial year using a simplified company valuation procedure.

As a matter of principle, the term of the individual virtual participation is unlimited. A participant's virtual participation ends automatically when he or she steps down from the respective management position on the Executive Board. The ordinary termination of the virtual participation ahead of schedule is excluded. A partial realisation of positive differences before leaving the Executive Board is possible. After a holding period of at least five years - but from 1 January 2027 at the earliest – 25% of a tranche of virtual shares can be realised once by the participant early, i.e. before leaving the Executive Board. The amount paid out to the participant in the management participation programme is the difference between the cost and the retransfer value of the virtual shares.

As at 31 December 2024, a provision of EUR 0 thousand (previous year: EUR 1,200 thousand) was recognised under other provisions for obligations from the virtual management participation model for the Executive Board.

(13.10) Executive bodies of the company

SUPERVISORY BOARD

Lars Roßner
– Chairman –
Partner at BUSE Rechtsanwälte
Steuerberater PartG mbH
Dusseldorf

Dr Hinrich Mählmann
– Vice Chairman –
Advisory Board of the companies
Ortwin Goldbeck Holding SE,
Hülskens Holding GmbH & Co. KG
and Gebr. Kemper GmbH & Co. KG
Chairman of the Supervisory Board
of Gebr. Pfeiffer SE
Managing Director of Konrad Krieger GmbH
Cologne

Vincent Baudry
European Works Council
Laval, France

Martin Cremer
Managing Director of JMC Immobilien GmbH & Co. KG
Dortmund

Professor Kurt Mehnert
Folkwang University of the Arts,
Faculty of Design, Department of Strategy and Vision
Owner of Mehnert Corporate Design GmbH & Co. KG
Berlin

Daniela Mohr (until 21 March 2024)
European Works Council
Dortmund

Tobias Bähr (since 21 March 2024)
European Works Council
Dortmund

Dr-Ing. E.h. Jochen Opländer
Honorary Chairman of the Supervisory Board
Dortmund

EXECUTIVE BOARD

Oliver Hermes
– Chairman –
Herdecke

Dr Patrick Niehr
Dortmund

Georg Weber
Dusseldorf

Mathias Weyers (until 30 June 2024)
Essen

Dortmund, 10 March 2025

The Executive Board

Oliver Hermes   Dr Patrick Niehr   Georg Weber

Shareholdings

Shareholdings of WILO SE as at 31 December 2024 (Disclosure pursuant to section 315e HGB)	Ownership interest in %
ABIONIK Group GmbH, Berlin/Germany***)	100.0
ABIONIK NewCo II GmbH, Berlin/Germany*)	100.0
Arfon Rewinds Ltd., Caernarfon/United Kingdom	100.0
Circulating Pumps Ltd., King's Lynn, Norfolk/United Kingdom	100.0
EMU I.D.F. S.A.R.L., Ste. Geneviève-des-Bois/France**)	50.0
Eurocarbo S.p.A., Corropoli/Italy*)	8.5
FSM Frankenberger GmbH, Berlin/Germany***)	100.0
Guhong Environmental Engineering Equipment Co.Ltd., Shanghai/China	75.0
HydroPoint Data Systems, Inc., Petaluma/USA*)	2.6
Hydroserve GmbH, Trumau/Austria	100.0
HydroServe LLC., Cedarburg/USA	100.0
LIKUSTA Umwelttechnik GmbH, Lich/Germany***)	100.0
LIKU-TECH ENVIRONMENTAL SOLUTIONS INDIA PRIVATE LIMITED, Nolambur (Chennai)/India	51.0
MARTIN Systems GmbH, Berlin/Germany***)	100.0
Mating Membrance Technology Co. Ltd., Shanghai/China	100.0
PT. WILO Pumps Indonesia, Jakarta/Indonesia	100.0
S.E.S.E.M. S.A.S., Saint-Denis/France	100.0
STEMMA S.R.L., Trissino/Italy	100.0
TUMAR bvba, Merelbeke/Belgium	100.0
WILO (Changzhou) Pump Co., Ltd, Changzhou/China	100.0
WILO (Singapore) Pte. Ltd, Singapore/Singapore	100.0
WILO (UK) Ltd., Burton-on-Trent/United Kingdom	100.0
WILO Adriatic d.o.o, Ljubljana/Slovenia	100.0
WILO Australia PTY Ltd, Brisbane City QLD/Australia	100.0
WILO Baltic SIA, Riga/Latvia	100.0
WILO Bel o.o.o., Minsk/Belarus	100.0
WILO Beograd d.o.o., Belgrade/Serbia	100.0
WILO Bulgaria EOOD, Sofia/Bulgaria	100.0
WILO Canada Inc., Calgary/Canada	100.0
WILO Caspian LLC, Baku/Azerbaijan	100.0
WILO Central Asia TOO, Almaty/Kazakhstan	100.0
WILO Chile SpA, Santiago de Chile/Chile	100.0
WILO China Ltd., Beijing/China	100.0
WILO CS s.r.o., Prague/Czech Republic	100.0
WILO Danmark A/S, Karlslunde/Denmark	100.0
WILO East Africa Ltd., Nairobi/Kenya	100.0
WILO Eesti OÜ, Tallinn/Estonia*)	100.0
WILO Egypt for Import LLC, Cairo/Egypt	100.0
WILO Egypt LLC, Cairo/Egypt	100.0
WILO EMU Anlagenbau GmbH, Roth/Germany	100.0
WILO Engineering Ltd t/a Wilo Ireland, Limerick/Ireland	100.0
WILO Finland OY, Espoo/Finland	100.0
WILO France S.A.S., Chatou/France	100.0
WILO Hellas A.B.E.E., Athens/Greece	100.0
WILO Hrvatska d.o.o., Zagreb/Croatia	100.0
WILO Ibérica S.A., Alcalá de Henares/Spain	100.0
WILO Indústria, Comércio e Importação LTDA, City of São Paulo/Brazil	100.0
WILO Industriebeteiligungen GmbH, Dortmund/Germany	100.0
WILO IndustrieSysteme GmbH, Chemnitz/Germany***)	100.0
WILO Intec S.A.S., Aubigny/France	100.0
WILO Italia s.r.l., Peschiera Borromeo (Milan)/Italy	100.0
WILO Lebanon S.A.R.L., Beirut/Lebanon	100.0
WILO Lietuva UAB, Vilnius/Lithuania	100.0
WILO Logistic Nordic AB, Växjö/Sweden	100.0
WILO Magyarország Kft., Törökbálint/Hungary	100.0
WILO Malaysia Sdn. Bhd., Petaling Jaya/Malaysia	100.0
WILO Maroc S.A.R.L., Casablanca/Morocco	100.0
WILO Mather and Platt Pumps Private Ltd., Pune/India	100.0
WILO Mexico Bombas Centrifugas, S.A. de C.V., Querétaro/Mexico	100.0
WILO Middle East FZE, Dubai/United Arab Emirates	100.0
WILO Mitarbeiter Invest GmbH, Dortmund/Germany***)	100.0
WILO N.V./S.A., Ganshoren (Brussels)/Belgium	100.0
WILO Nasos Tizimlari LLC, Tashkent/Uzbekistan	100.0
WILO Nederland b.v., Westzaan/Netherlands	100.0
WILO Nord Amerika GmbH, Dortmund/Germany***)	100.0
WILO Nordic AB, Växjö/Sweden	100.0
WILO Norge AS, Oslo/Norway	100.0
WILO Polska Sp. z o.o., Lesznowola/Poland	100.0
WILO Pompa Sistemleri San. Ve Tic. A.S., Istanbul/Turkey	100.0
WILO Portugal, Lda, Porto/Portugal	100.0
WILO Projects GmbH (formerly WILO GVA GmbH), Berlin/Germany***)	100.0
WILO Pumpen Österreich GmbH, Wiener Neudorf/Austria	100.0
WILO Pumps Ltd., Busan/Korea	100.0
WILO Pumps Nigeria Ltd., Gbagada/Nigeria	100.0
WILO Pumps Pakistan (Pvt.) Limited, Islamabad/Pakistan*)	100.0
WILO PUMPS SA (PTY) LTD, Johannesburg/South Africa	100.0
WILO Romania s.r.l., Bucharest/Romania	100.0
WILO Rus o.o.o., Moscow/Russia	100.0
WILO SALMSON Argentina S.A., Buenos Aires/Argentina	100.0
WILO Saudi Arabia Ltd., Riyadh/Saudi Arabia	100.0
WILO Schweiz AG, Rheinfelden/Switzerland	100.0
WILO Taiwan Company Ltd., New Taipei/Taiwan	100.0
WILO Tunisia SUARL, Tunis/Tunisia*)	49.0
WILO Ukrainia t.o.w., Kiev/Ukraine	100.0
WILO USA LLC, Rosemont, IL/USA	100.0
WILO Vietnam Co. Ltd, Ho Chi Minh City/Vietnam	100.0
WILO-Mitarbeiter-Beteiligungsgesellschaft mbH, Dortmund/Germany***)	100.0
WRI-TECH Industrial Serv. B.V., Uitgeest/Netherlands	100.0

*) These companies were not included in the 2024 consolidated financial statements
**) This is a joint venture accounted for using the equity method
***) These companies waive disclosure in accordance with section 264 (3) HGB

INDEPENDENT AUDITOR'S REPORT

To WILO SE, Dortmund

Audit opinions

We have audited the consolidated financial statements of WILO SE, Dortmund, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from 1 January to 31 December 2024 and the notes to the consolidated financial statements, including key information regarding the significant accounting policies. In addition, we have audited the Group management report of WILO SE for the financial year from 1 January to 31 December 2024.

The Group management report contains references that are not required by law and that are marked as unaudited. In accordance with German statutory provisions, we have not audited the content of these references and the information to which they refer.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards (hereinafter "IFRS Accounting Standards) published by the International Accounting Standards Board (IASB) as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2024 and of its financial performance for the financial year from 1 January to 31 December 2024.
- the accompanying Group management report as a whole provides an appropriate view of the Group's position. In all material respects, this Group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. The Group management report contains references that are not required by law and that are marked as unaudited. Our audit opinion does not cover these references or the information to which they refer.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the Group management report.

Basis for the opinions

We conducted our audit of the consolidated financial statements and of the Group management report in accordance with Section 317 HGB and the German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) [Institute of Public Auditors in Germany]. Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and of the Group management report" section of our independent auditor's report. We are independent of the Group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the Group management report.

Responsibilities of management and the Supervisory Board for the consolidated financial statements and the Group management report

Management is responsible for the preparation of consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. Furthermore, the legal representatives are responsible for the internal controls that they deemed necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (e.g. manipulation of accounts, misappropriation of assets) or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, management is responsible for the preparation of the Group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a Group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the Group management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the Group management report.

Auditor's responsibilities for the audit of the consolidated financial statements and of the Group management report

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 whether the Group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the Group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 and this Group management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements and of the Group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting material misstatements resulting from fraud is higher than the risk of not detecting material misstatements resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- obtain an understanding of internal controls relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the Group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls or these arrangements and measures.

- evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the Group management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- evaluate the presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.

- plan and perform the audit of the consolidated financial statements in order to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business divisions within the Group as a basis for the formation of the audit opinions on the consolidated financial statements and on the Group management report. We are responsible for the direction, supervision and review of the audit activities performed for the purpose of the Group audit. We bear sole responsibility for our opinions.

- evaluate the consistency of the Group management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.

- perform audit procedures on the prospective information presented by management in the Group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

Essen, 10 March 2025
KPMG AG
Wirtschaftsprüfungsgesellschaft

Signed Dr Hain	Signed Huperz
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

REPORT OF THE SUPERVISORY BOARD

The Supervisory Board monitored the work of the Executive Board on an ongoing basis while providing intensive support and advice throughout the 2024 financial year. At regular meetings, the Supervisory Board was kept fully informed about the development of the Wilo Group's business and all factors affecting it. Members of the Supervisory Board received regular written reports from the Executive Board on the current business situation and on current and planned Group activities. Measures requiring the approval of the Supervisory Board were discussed at length and submitted to the Supervisory Board for resolution. In addition, there was a direct exchange of information between the Chairman of the Supervisory Board and the CEO on important matters arising between the meetings.

The Supervisory Board held a total of five regular meetings in person in 2024.

The two Supervisory Board meetings on 21 March 2024 initially focused on the annual financial statements and the consolidated financial statements as at 31 December 2023. The business performance of the Wilo Group was discussed in detail, particularly in light of the global economic situation. The Supervisory Board was also informed about the current status of ongoing construction projects. Following the Annual General Meeting on 21 March 2024, the inaugural meeting of the Supervisory Board was then held by the newly elected members.

At the meeting on 18 June 2024, the Supervisory Board primarily discussed the current economic situation, including M&A activities, and the implementation of Wilo's sustainability strategy and the region-for-region approach derived from this, as well as the current status of ongoing construction projects.

At its meeting on 9 October 2024, the Supervisory Board discussed current economic developments and focused on current M&A activities and the reorganisation of the Group structure to further implement the region-for-region approach as part of the WiGrow project.

At its meeting on 12 December 2024, the Supervisory Board discussed current economic developments and focused on the results of the annual international executive conference. The Supervisory Board also approved the definition of the medium-term planning framework for 2025 to 2029 and the adoption of the annual plan for 2025 and also discussed the current status of ongoing construction projects.

Both the consolidated financial statements with the management report for the 2024 financial year presented with the annual report and the separate financial statements of WILO SE for the 2024 financial year, each comprising an income statement, statement of financial position and notes to the financial statements, have been audited and issued with an unqualified audit opinion by KPMG AG Wirtschaftsprüfungsgesellschaft, Essen, Germany. The internal control system (ICS) established by the Executive Board, the internal audit system and the compliance system were assessed as appropriate by the auditor. The auditor also determined that the design and operation of the systems are suitable for recognising developments that could jeopardise the continued existence of the company at an early stage.

The above documents were submitted to the Supervisory Board for examination in good time and subjected to comprehensive scrutiny. The auditor took part in the discussion of the annual financial statements and the consolidated financial statements in the meeting of the Audit Committee on 25 March 2025 in order to report on key audit findings and provide comprehensive supplementary information. The Audit Committee performed preparatory work for the Supervisory Board and, in particular, also appraised the findings of the risk management system and the internal control system.

There are no other committees.

After thorough examination and discussion of the annual financial statements, the consolidated financial statements, the management report and the Group management report, the Supervisory Board endorsed the opinion of the auditor and approved the annual financial statements and the consolidated financial statements prepared by the Executive Board in its meeting on 26 March 2025, which was also attended by the auditor. The annual financial statements were thereby adopted. The Supervisory Board also approved the proposal for appropriation of the net profit of WILO SE.

The following personnel changes took place on the Supervisory and Executive Boards in the year under review:

The term of office of the Supervisory Board members ended at the end of the Annual General Meeting of WILO SE on 21 March 2024. The Supervisory Board members Mr Lars Roßner, Dr Hinrich Mählmann, Professor Kurt Mehnert and Mr Martin Cremer were re-elected for another term of office, as was the employee representative Mr Vincent Baudry. Ms Daniela Mohr left the Supervisory Board in her role as employee representative; Mr Tobias Bähr was appointed as a new employee representative in her place.

The Supervisory Board re-elected Mr Roßner as its Chairman and Dr Mählmann as its Deputy Chairman.

Dr Mählmann, Mr Cremer and Mr Roßner were elected as members of the Audit Committee. Dr Mählmann was elected as Chairman and Mr Cremer as Deputy Chairman of the Audit Committee.

With effect from 1 April 2024, Mr Oliver Hermes was re-elected as a member of the Executive Board of WILO SE for a period of six years, i.e. until 31 March 2030, and as its Chairman.

Mr Mathias Weyers resigned from his position as a member of the Executive Board with effect from 30 June 2024.

In the interests of good, responsible corporate governance, WILO SE and its executive bodies voluntarily comply with the current version of the Corporate Governance Code. There are departures from the Code relating to the specific nature of the company (primarily as to the preparation and holding of Annual General Meetings, the publication of reports, Supervisory Board committees) on the one hand and the individual disclosure of Executive Board and Supervisory Board remuneration on the other, in which connection the statutory provisions are complied with. Detailed information on the few departures from the Code was again compiled in full for banks and institutional partners in a declaration of compliance in line with section 161 of the German Stock Corporation Act.

Subject to the above qualification, WILO SE intends to continue to comply with the recommendations of the Government Commission on the German Corporate Governance Code in future.

Despite a challenging market environment, the Wilo Group can look back on a successful financial year. The transformation of the company by implementing the region-for-region approach for the entire organisation as part of the WiGrow project has set the course for a successful future and sustainable, profitable growth.

The Supervisory Board wishes to thank the members of the Executive Board, the employees and employee representatives of the Wilo Group for their work and the exemplary commitment and outstanding loyalty that has been a vital factor in this success.

Dortmund, March 2025

The Supervisory Board
Lars Roßner
Chairman

SUSTAINABILITY REPORT 2024

ENVIRONMENT

SOCIAL

GOVERNANCE

CONTENTS

KEY ACHIEVEMENTS 2024

Climate neutral
All sites in Europe and Asia have carbon-neutral production*

102 tonnes
Used pumps from the return process

Health Award
Honoured with the Corporate Health Award 2024

150
Suppliers trained on sustainability issues

51%
Reduction in scope 1 and scope 2 emissions compared to 2020

Platinum
Top rating from EcoVadis once again

16%
increase in sales in the water treatment sector

77%
Employee engagement score

* Offsetting residual emissions

THE STRATEGY AT A GLANCE

Our sustainability strategy consists of three impact areas. Within this, we have defined ten focus topics and assigned specific targets to them.

CREATING

We offer sustainable solutions.
Wilo technology moves water – highly efficiently, reliably, sustainably. We are improving the quality of life of people all over the world with innovative system solutions and services.

RELIABLE WATER SOLUTIONS
Improve access to clean water

HIGH-EFFICIENCY TECHNOLOGIES
Press ahead with decarbonisation and climate protection

SUSTAINABLE PRODUCT DESIGN
Create transparency about the environmental footprint of our products and promote the circular economy

CARING

We are a responsible company.
Integrity, fairness, respect, passion and responsibility are the irrefutable values that Wilo works and lives by.

AMBITIOUS CLIMATE GOALS
Reduce group-wide greenhouse gas emissions and speed up the transformation to climate neutrality.

EMPLOYER OF CHOICE
Promote employee engagement, ensure a safe and healthy working environment and strengthen diversity in Wilo teams

SUSTAINABLE SUPPLY CHAIN
Reduce emissions from purchased materials and improve sustainability in the supply chain

CONSCIENTIOUS CORPORATE POLICY
Embed ethical corporate values throughout the Group

CONNECTING

We are committed to strong partnerships.
The global challenges of our times can only be tackled by working together. We maintain a strong network of partners around the world and take responsibility for creating a more sustainable future.

LOCAL SKILLS DEVELOPMENT
Enable sustainable growth for people and organisations

STRONG INTERNATIONAL PARTNERSHIPS
Promote global initiatives and network activities

CORPORATE POLITICAL RESPONSIBILITY
Strengthen commitment to sociopolitical participation

GENERAL DISCLOSURES

1. Role of the administrative, management and supervisory bodies in sustainability management

The Group organisation of the Wilo Group is described in the management report of the annual report (see p. 56 seqq.). Sustainability management is integrated in the organisational structure on a cross-functional basis. The Chief Technology Officer (CTO) has the highest governance function for sustainability activities within the company. The Sustainability Steering Board, which consists of the entire Executive Board (CEO, CTO and CFO), also decides on cross-functional sustainability issues and projects. The Sustainability Management department reports directly to the governance function and is responsible for developing and implementing the sustainability strategy. The department and the Sustainability Steering Board meet regularly within the Sustainability Steering Committee to coordinate the implementation of the strategy and decisions to be made. The Sustainability Council, which meets quarterly, is made up of all relevant functions that are responsible for managing sustainability targets within their area of specialisation, as well as representatives from the regions. The Council's task is to track the achievement of objectives and to coordinate and exchange information on requirements and measures.

In addition to financial performance indicators and ratios, non-financial factors are also important for the company's success. Parts of the variable management remuneration are therefore linked to the company's sustainability performance. The individual functions, regions and locations are responsible for implementing the necessary measures. They develop concrete roadmaps and implementation plans and report on these regularly to the Sustainability Management department.

2. Sustainability strategy

The sustainability strategy forms the overarching framework for the corporate strategy and the derived functional and regional strategies. It is consistently focussed on three impact areas for which long-term goals have been defined up to 2030: Creating, Caring and Connecting. This approach allows integrated sustainability management to be incorporated and progress in achieving key goals to be documented transparently.

Creating encompasses the sustainable contribution of Wilo products and solutions to improving the quality of life of people worldwide. Wilo technology moves water – highly efficiently, reliably and sustainably. This means that Wilo has a significant influence on meeting the basic need for water infrastructure and giving more people access to clean water. At the same time, high-efficiency technology harbours enormous energy-saving potential and therefore represents a key lever for achieving climate protection targets. Wilo is pursuing a consistent circularity strategy in order to increase resource efficiency and simultaneously utilise economic potential.

Caring describes Wilo's conscientious approach to the environment, employees and society. The focus here is on the targets for reducing emissions and achieving climate neutrality at the global production sites and along the entire value chain. With regard to the company's own workforce, the focus is on promoting employee commitment, creating a working environment that promotes health and implementing the Wilo Diversity Strategy. As a globally active industrial company, ensuring a sustainable supply chain and promoting a responsible corporate culture are also key objectives in this impact area.

Connecting stands for increasing the sustainable impact of the Wilo Group by engaging in strong international partnerships. The global challenges of our times can only be tackled by working together. Wilo maintains a strong network of partners around the world and takes responsibility for shaping a more sustainable future.

Specifying the long-term goals in detail is done in the sustainability programme, which breaks the global issues down into measurable targets and KPIs. To this end, 10 strategic directions including a total of 14 specific goals have been formulated within the three impact areas. These objectives are integrated into the functional and regional strategies of the departments and are therefore part of regular reporting.

SUSTAINABILITY STRATEGY AND PROGRAMME UP TO 2030

IMPACT AREA	SUBJECT	STRATEGIC GOAL	KPI	PAGE
Creating	Reliable water solutions	Improve access to clean water	Cold water applications growth rate Water treatment growth rate	p. 202
	High-efficiency technologies	Drive decarbonisation and climate protection	Annual energy saving (TWh)	p. 193
	Sustainable product design	Increase transparency about the ecological footprint of our products	Availability of environmental footprints (%)	p. 206
		Promote the circular economy	Increase the recycling content (%)	p. 206
Caring	Ambitious climate goals	Reduce group-wide greenhouse gas emissions and speed up the transformation to climate neutrality	Scope 1 & scope 2 emissions (t CO_2e) Scope 3 emissions (t CO_2e)	pp. 198–199
	Employer of choice	Promote employee commitment	Engagement score	p. 215
		Ensure a safe and healthy working environment	LTIR (work-related accidents)	p. 215
		Strengthen diversity in Wilo teams	Women in management positions (%) Nationalities in Wilo teams (%)	p. 216
	Sustainable supply chain	Reduce emissions from purchased materials	CO_2 emissions (t)	p. 197
		Improve sustainability in the supply chain	Proportion of suppliers assessed (%)	p. 222
	Responsible corporate policy	Anchor ethical company values through the Group	Coverage rate of training courses on business ethics (%)	p. 234
Connecting	Local competence development	Enable sustainable growth for people and organisations	Number of skills development programmes and empowered people	p. 225
	Strong international partnerships	Promote global initiatives and network activities	Connected people from science, economics, politics and civil society from around the world (number)	p. 232
	Corporate political responsibility	Strengthen commitment to sociopolitical participation		

3. Wilo's contribution to the Sustainable Development Goals

The United Nations adopted the Sustainable Development Goals (SDGs) in 2015. The action plan describes the path to more prosperity and quality of life – while consuming fewer resources. Wilo aspires to make a contribution to securing a sustainable future and to take responsibility for achieving the Sustainable Development Goals. In 2018, the Executive Board of the Wilo Group signed the UN Global Compact, underscoring our commitment to the SDGs. In line with its business activities, Wilo has a particular influence on the achievement of targets 6, 8, 9, 11, 12, 13 and 17.

SDG 6 – Clean water and sanitation: Wilo's goal is to supply more people with clean water. Sustainability is firmly enshrined in Wilo's core business. The Group is thus making a significant contribution to achieving UN Goal 6 of expanding activities and programmes in the area of water and sanitation by 2030.

SDG 8 – Decent work and economic growth: As a global employer, Wilo contributes to employment and economic growth in many countries. Providing decent working conditions is just as self-evident as supporting and advancing employees worldwide.

SDG 9 – Innovation and infrastructure: Wilo regards itself as an innovation leader and digital pioneer in the industry. Goal 9 involves establishing robust infrastructures and promoting sustainable industrialisation and innovation. Wilo is contributing to this goal through the use of its environmentally friendly, highly efficient technologies and its innovations in the area of digitalisation.

SDG 11 – Sustainable cities and communities: Urbanisation is one of the key developments of the 21st century. More than half of the world's population lives in cities, and this figure is expected to rise to almost 70% by the year 2050. At the same time, urbanisation is presenting serious challenges. Cities have an enormous ecological footprint. Wilo is using smart technologies to meet this challenge.

SDG 12 – Responsible consumption and production: The world's population is currently consuming more resources than its ecosystems can provide. For social and economic development to take place within the sustainable capacity of ecosystems, the way in which society produces and consumes goods must be fundamentally changed. Wilo works resource-efficiently and supports initiatives to promote the circular economy. Wilo wants to continuously reduce its use of primary raw materials by expanding its infrastructure for the returning and recycling of old products.

SDG 13 – Climate action: Climate change is a central challenge for sustainable development. The warming of the Earth's atmosphere is triggering changes in the global climate system, which will make themselves felt in all areas of life. Wilo has always strived to optimise the energy consumption of its pumps. New technologies have consistently allowed it to be a market pioneer in terms efficiency. Through the use of highly efficient pumps, Wilo is playing its part in developing pumps that use less energy and thus emit less CO_2.

SDG 17 – Partnerships for the goals: The only way to achieve the sustainability goals is by working together. Companies, governments and other organisations will have to cooperate in order to increase the leverage of their respective contributions. For Wilo, partnerships are an essential function of business success. The expertise gained from working in networks is also used to collaborate on sustainability issues.

4. Risk management

The Wilo Group has a modern, integrated and globally available risk management system that enables climate risks and opportunities to be assessed. It ensures that business risks are identified at an early stage and that effective countermeasures are initiated.

Risk management at the Wilo Group is organised on a decentralised basis. The second-level managers act as risk management officers. They are responsible for identifying and submitting reports on risks throughout the group. The risk management officers work in close collaboration with the Group Risk Manager and are assisted by Controlling. Checklists and a categorisation of risks ensure a uniform risk assessment throughout the Wilo Group and comparability of procedures. Customised software is available as a communication and information platform.

The Executive Board bears overall responsibility for risk management and defines the risk strategy for the Wilo Group. The risk strategy is implemented throughout the Group using uniform guidelines and processes.

The opportunities and risks associated with climate change for the company have also been defined in the business strategy. Climate change has a material impact on all five of the Wilo Group's market segments in all of the regions in which the company has a presence.

The key, medium-term physical risks of climate change lie for the Wilo Group in the increase in severe weather events and the associated impacts on the supply chain. Storm damage, floods but also droughts can affect the entire supply chain and bring massive economic consequences with them in addition to the impacts on people. These risks are countered using professional monitoring and controlling systems. Supply bottlenecks are primarily prevented by ensuring the availability of second-source suppliers. Suitable insurance is also taken out to offset the financial consequences.

However, climate change also offers economic opportunities for the Wilo Group: With intelligent pumps and pump systems, Wilo is helping to comprehensively and reliably cover the basic demand for water infrastructure and counter the negative consequences of climate change, such as flooding. Energy and resource efficiency requirements are also increasing, particularly in urban centres. Around the world, innovative urban infrastructures are being created on the basis of smart systems and digital solutions. Demand for forward-looking, resource conserving products and system solutions will increase as a result of the tightening of minimum legal standards. The Wilo Group's aim is to shape the future as an innovation leader and digital pioneer and to contribute to reducing the carbon footprint of the environment through lower energy consumption.

The Risk Management Directive of the Wilo Group sets out the principles for handling risks. Moreover, it governs the requirements of risk reporting, the procedures for risk assessment and binding reporting thresholds. Furthermore, it defines the duties and authorisations of all persons involved in the risk management process.

The risk atlas defines uniformly applicable categories for how the risk identification has to be structured. The risk atlas is continuously being reviewed to assure that it is complete and is updated accordingly if necessary. This guarantees that all relevant risk areas are covered at all times.

The respective risk management officers ensure that risks are identified and controlled in the business units they are responsible for. In this way, the risks for the individual sales regions and central functions are specifically identified and reported on. The Group risk manager coordinates this decentralised risk management process and reports to the Wilo Group's Executive Board every quarter and also on an ad hoc basis as necessary.

Wilo assesses the identified risks based on a uniform methodology that is set out in the Risk Management Policy. The specific probability of occurrence (in the next twelve months), gross and net risk are calculated for each identified risk. The net risk already includes suitable measures to prevent or mitigate risk. These procedures aim to reduce the potential damage and/or the probability of occurrence. Binding reporting thresholds are also laid down in the Risk Management Policy. This means that the risk management officers must report every risk where the net potential damage exceeds a defined value regardless of its probability of occurrence. The risk management system reflects the risks reported by the different business areas in aggregate at Group level. The Executive Board receives quarterly and, if necessary in individual cases, immediate reports on the findings of risk analyses. In addition, the Supervisory Board and the Audit Committee it appoints are comprehensively and constantly informed of the status and development of the risk management system.

STAKEHOLDERS AND FORMS OF DIALOGUE

Customers	– Dialogue in daily sales and customer service discussions – Work in associations – Meetings, congresses, trade fairs – Market research – CUSAT (Customer Satisfaction Analysis)
Suppliers	– Early supplier integration – Standardised supplier development – Regular audits and training – Supplier days, theme days
Employees	– Employee discussions – Employee surveys – Complaints procedure – Internal corporate communication – Digital collaboration platforms
Government organisations	– Contribution of expert knowledge in expert bodies – Participation in standardisation committees
Research and development	– Participation in and initiation of research projects – Cooperation with universities and educational institutions – Support for scientific publications
Society	– Involvement in local initiatives – Support for social programmes
Associations	– Membership of numerous business and professional associations

5. Interests and views of stakeholders

Continuous dialogue with stakeholders is essential and therefore a central element of Wilo's sustainability management. The aim is to understand their requirements and expectations and to anticipate possible changes at an early juncture.

Customers

Customers and their specific needs and requirements are Wilo's central point of orientation. This is why the corporate strategy and operational focus are consistently geared towards this. Wilo has a tradition of close and trusting co-operation with OEM partners, planning offices, specialist dealers and tradesmen, as well as general contractors, investors and end users. In addition to routine day-to-day communication along the sales channels, we focus on cooperation in associations, organising meetings and congresses, and participating in joint projects.

Suppliers

Intensive dialogue with suppliers starts during the selection process in the form of early integration and standardised processes. This contact is conducted as a partnership and maintained through continuous relationship management. There are also regular dialogue days where topics are discussed away from day-to-day business, contacts are made and outstanding suppliers are honoured.

Employees

One key component of employee communication is constructive cooperation with employee representatives. Wilo places great value on partnership-based interaction that offers benefits for both parties. All the relevant guidelines are developed and realised in close cooperation, leading to significantly higher acceptance and faster implementation. Digital communications channels like the intranet (TeamOne) offer the opportunity to inform employees about all company topics in a timely and comprehensive manner.

6. Processes to identify and assess material impacts, risks and opportunities

Identifying the material matters fulfils the requirements pursuant to the Global Reporting Initiative (GRI) and also takes into account the consideration of double materiality in accordance with the European Sustainability Reporting Standard (ESRG). Wilo carried out the materiality analysis in preparation for the future reporting obligation under the CSRD (Corporate Sustainability Reporting Directive).

Identifying the issues

At the beginning of the materiality assessment, a list of sustainability issues that are potentially relevant and their associated impacts, opportunities and risks was initially prepared. To this end, not only the topics that Wilo had already identified in previous materiality analyses were analysed and consolidated into a comprehensive list, but also the ESRS sub-topics, frameworks such as the standards of the Global Reporting Initiative (GRI) or the industry standard of the Sustainability Accounting Standards Board (SASB), the topics of sustainability ratings and sustainability topics of comparable companies. The intention behind this step was to ensure that a comprehensive view of potentially relevant issues is guaranteed.

Identifying IROs

In a second step, both positive and negative impacts as well as opportunities and risks were identified for each of the issues. To this end, existing internal Wilo analyses such as the human rights risk analysis, product-specific environmental declarations and the non-financial risks and opportunities of the risk atlas were considered. This assessment was supplemented by research into IROs typical in industry. Criteria applied during the identification process were:

- Consideration of the economic activities as well as of Wilo's direct and indirect business relationships worldwide
- Consideration of affected stakeholders and users of sustainability information by internal Wilo experts who maintain contact with them
- Review of completeness and possible interdependencies by deriving opportunities/risks from positive/negative impacts and grouping them into thematic clusters.

The result was an inventory of over 300 potentially relevant IROs for Wilo along the entire value chain relating to the ESRS sub-themes.

Assessing IROs

To determine the sustainability aspects that are subject to reporting requirements, the individual IROs in the inventory were assessed in the next step. The European Financial Reporting Advisory Group (EFRAG), which also produced the ESRS, has prepared guidance for this purpose. Wilo experts, supported by external consultants, closely followed these guidelines when assessing the inventory to ensure compliance with ESRS requirements.

In accordance with the assessment logic proposed by EFRAG, different assessment models result for positive and negative impacts, assessments and risks. In terms of impact, a distinction must first be made between potential and actual impact, and between positive and negative impact. The severity of the impact is assessed for all four of these variants. The degree of severity is subdivided according to the extent and scope of positive effects. Negative impacts that are identified are also assessed to see whether they are irreversible. In the case of actual impacts, the severity is assessed; in the case of potential impacts, the probability of occurrence is added. For potential negative impacts in connection with human rights, the special case where the severity takes precedence over the probability of occurrence was taken into account.

Risks and opportunities are treated in the same way as each other when they are assessed. As is the case with the severity of the impacts, the financial scale as well as the probability of occurrence have to be assessed for both risks and opportunities. All of the assessments along the different types of IROs were conducted using a scale system with values ranging from one to five, which were assigned on the basis of the EFRAG recommendations with specific definitions and boundaries. A time frame for when the relevant IRO will in all probability materialise to the greatest possible extent was additionally defined in all assessments. One example would be a risk for which the time frame relates to the maximum possible loss for Wilo. The time frames were assessed for each IRO based on the dimensions “short term” (less than one year), “medium term” (one to five years) and “long term” (more than five years).

Because of the different criteria used in the assessments and the different time frames to be considered, the materiality assessment carried out for the first time in accordance with the ESRS took place without the dedicated involvement of Risk Management. Close coordination and dovetailing is planned for future processes. The first step for this purpose involved comparing the identified material risks and opportunities with the risk atlas.

Derivation of key reporting matters

The link between the IROs that were assessed and the reportable disclosures that are material for Wilo is formed by the thresholds relating to materiality. As soon as an impact, a risk or an opportunity is given an assessment that is above the defined threshold, the relevant matter becomes material for Wilo. In this event, Wilo is required to publish qualitative and quantitative disclosures on the matter in question in its sustainability report. The specific disclosure requirements are again defined here by the ESRS in order to guarantee the greatest possible comparability between the various reporting enterprises.

In the final analysis, the materiality assessment showed that, of the 35 possible sub-topics of the ESRS in total, 18 are material for Wilo. These can be aggregated into the overarching matters in the areas of environmental (climate change, water and marine resources, circular economy), social (own workforce and workers in the value chain, affected communities, consumers and end users) and governance (corporate policy). The topics of biodiversity and environmental pollution were excluded, as the probability of significant impacts, opportunities or risks is categorised as low.

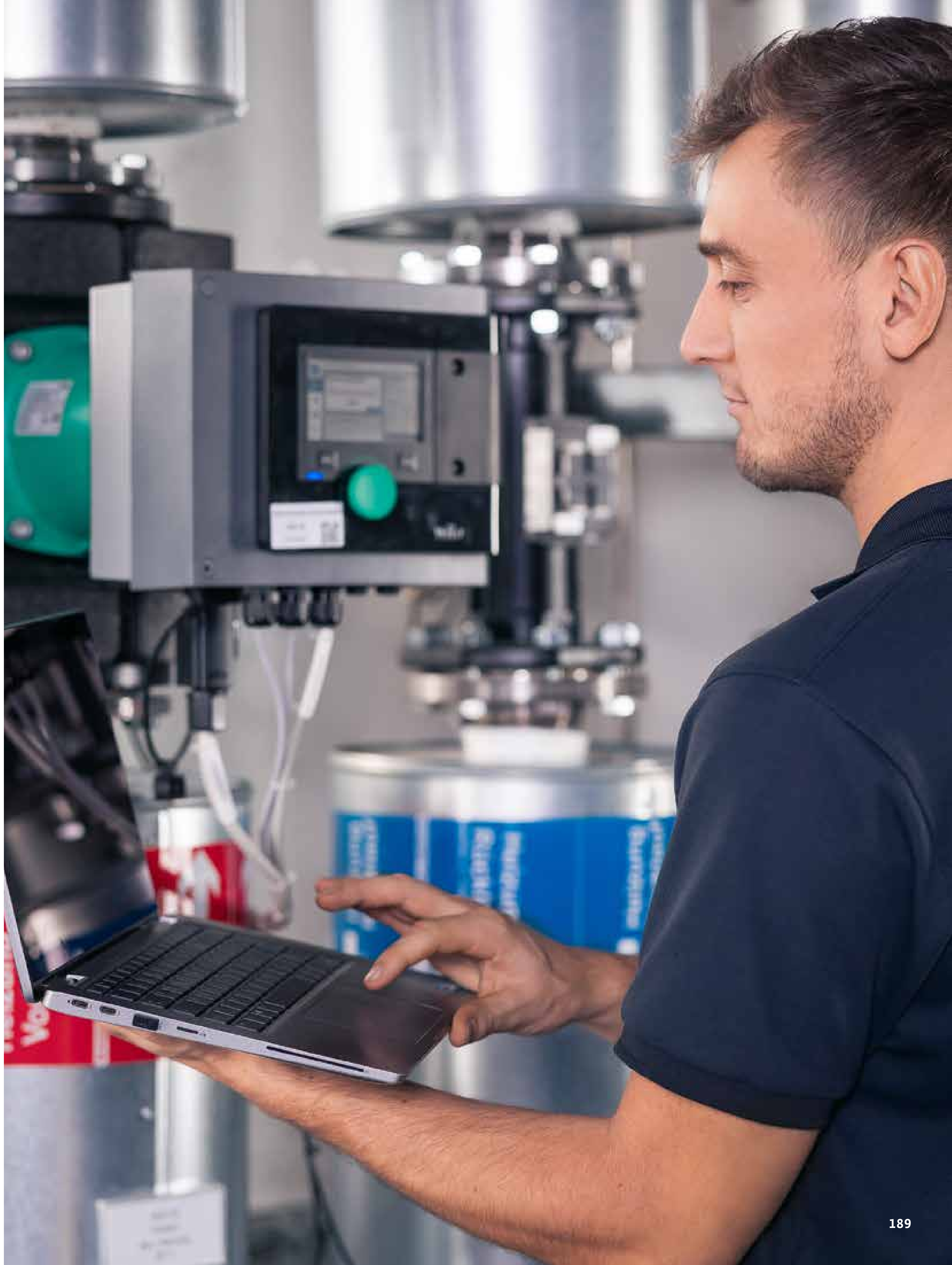
The results of the materiality analysis were validated internally by various expert committees at Wilo and approved by the Executive Board. In order to continuously adapt it to changing regulatory requirements, market conditions and stakeholder expectations, it will be reviewed annually from now on.

7. Overview of the disclosure requirements

A list of disclosure requirements based on the results of the materiality assessment can be found in the notes starting on page 237.

MATERIAL SUSTAINABILITY ASPECTS

SUBJECT	SUB-TOPIC	STRATEGIC RELEVANCE	PAGE
Climate change	Climate change adaptation Climate change mitigation Energy		from p. 192
Water and marine resources	Water		from p. 200
Resource use and circular economy	Resource inflows, including resource use Resource outflows in connection with products and services Waste		from p. 204
Own workforce	Working conditions Equal treatment and equal opportunities for all		from p. 210
Workers in the value chain	Working conditions Equal treatment and equal opportunities for all Other work-related rights		from p. 220
Affected communities	Economic, social and cultural rights of communities		from p. 223
Consumers and end users	Personal safety of consumers and/or end users		from p. 226
Business conduct	Corporate culture Political engagement Corruption and bribery		from p. 230



ENVIRONMENTAL

The Wilo Group is shaping the ecological transformation of its business model and making a significant contribution to mitigating climate change, improving water supply and promoting a sustainable circular economy.

CLIMATE CHANGE

→ **Climate target for 2030 already achieved: 51% reduction in scope 1 and scope 2 emissions compared to the base year 2020**

→ **All European and Asian production sites are climate-neutral**

→ **16% of the total electricity requirement is covered by self-generation from PV**

1. Strategy

Climate change is one of five megatrends that Wilo is gearing its long-term strategy towards (see p. 54). Growing populations, more stringent environmental standards and higher requirements for energy and resource efficiency are posing new challenges especially in major conurbations. Wilo products, systems and solutions enable customers to significantly improve energy efficiency throughout the entire operating phase. High-efficiency pumps reduce electricity consumption by up to 80% compared to older, uncontrolled pumps. As a leading provider of pumps and pump systems, the Wilo Group aims to make a major contribution to the protection of the climate through tailor-made, intelligent and resource-efficient solutions.

The megatrends of climate change and energy shortage offer substantial growth opportunities for all five of the Wilo Group's market segments in all of the regions in which the company operates. At the same time, Wilo's highly efficient and sustainable products, systems and solutions make an important contribution to reducing the CO_2 impact on the environment through lower energy consumption.

Wilo considers the greenhouse gas emissions at its own sites and along the entire value chain to be a further material matter. As a mechanical engineering company, Wilo is part of the climate-intensive sector. Reducing emissions in the company's upstream and downstream processes can in particular make a significant contribution to decarbonisation.

2. Management of impacts, risks and opportunities

The procedure for analysing and assessing the material positive and negative impacts and the risks and opportunities in connection with climate change is described in the section "General disclosures".

The main impacts, risks and opportunities for Wilo in connection with climate change relate to energy-efficient solutions and emissions in the value chain.

3. Energy savings and high-efficiency technologies

Policies and governance

The development of the company's market profile in the area of high-efficiency technologies and the expansion of the related energy savings have been defined as goals in the 2030 sustainability strategy. Key functions are assigned to smart systems and solutions here. Wilo has recognised the importance of digital technology and automation for intelligent, efficient and sustainable management of pumps and pump systems in operation. As a result, digital transformation, energy efficiency and climate protection are clearly correlated and form an integral part of the strategy. The Product Management and Research & Development departments are responsible for Group-wide implementation.

Measures

There is considerable potential for increasing efficiency in technologies for the intelligent operation of pumps. This includes the Smart Balance application, for example, which Wilo developed further in the year under report. This innovative application calculates the hydronic balancing of a system so that the heating system, including the pump, is optimally adjusted. This technology can save 10–20% of heating costs and therefore energy and emissions by increasing efficiency. The Smart Balance application can be used with all heating systems. In addition to new, efficient technologies, a key lever lies in market communication and comprehensive customer training. As part of its Energy Solutions service, Wilo supports its customers in identifying potential energy savings and leveraging them through the optimum design and optimised operation of the products.

Not only increasing efficiency, but also storing surplus energy is an essential part of the energy transition. In this context, Wilo is developing system solutions for the generation, storage and reconversion of hydrogen as a new business area. Wilo offers customers innovative concepts in the field of power-to-gas and power-to-power that meet the requirements of a modern energy supply. At the centre of these solutions are electrolysers developed in-house, which serve as the core of efficient hydrogen production. With this approach, Wilo is making a significant contribution to the transition from grey or blue hydrogen to green hydrogen. This underlines Wilo's commitment not only to increasing efficiency, but also to storing surplus energy sustainably and investing in a climate-friendly future.

Parameters and goals

As part of its Group-wide sustainability strategy, Wilo has set itself the goal of saving 1.8 terawatt hours of electricity per year through the use of high-efficiency technologies. This figure is the electricity saved by using high-efficiency pumps compared to the corresponding uncontrolled previous models. In 2024, a saving of just under 1.5 terawatt hours was achieved. This result is mainly due to the weak demand for heat pumps and other heating systems from the OEM business.

ENERGY SAVINGS THROUGH HIGH-EFFICIENCY TECHNOLOGY (TWH)

2023	2024
2.0	1.47

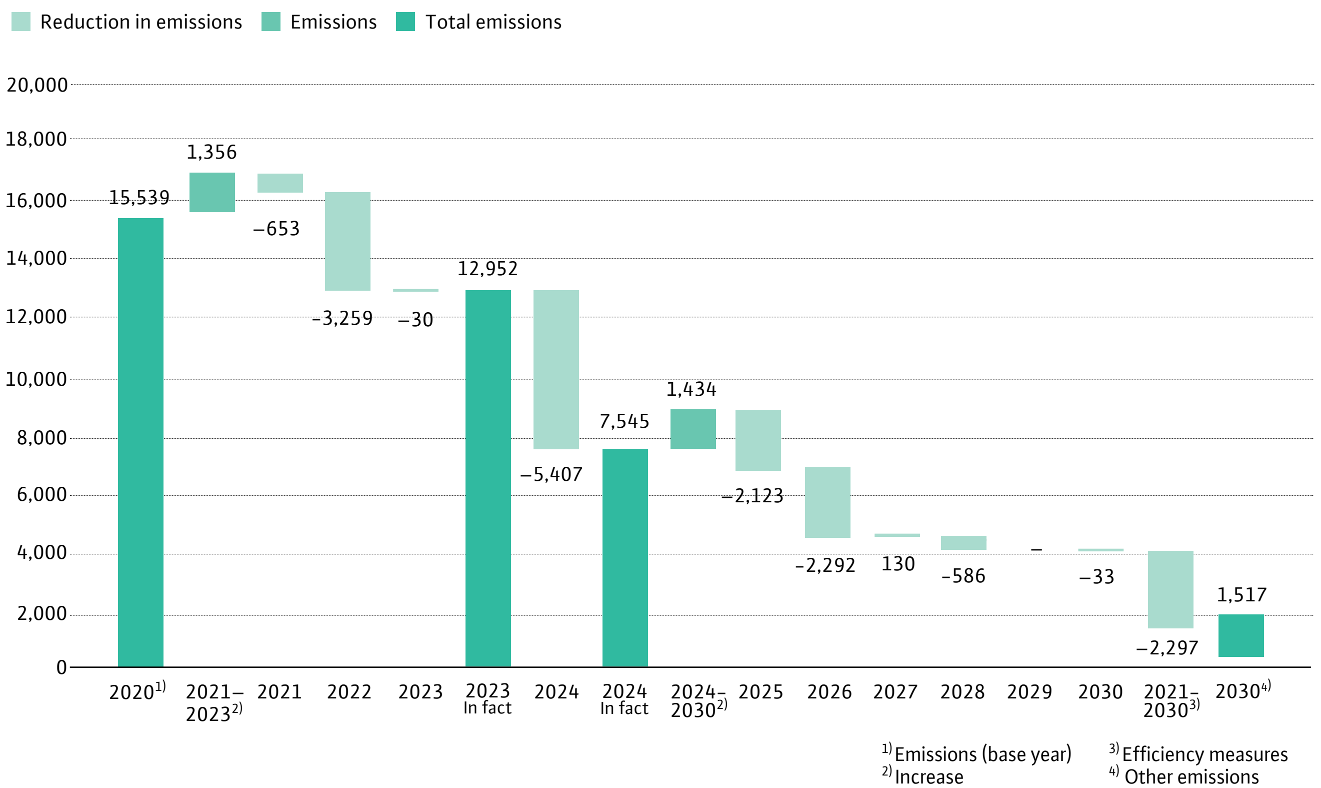
4. Greenhouse gas emissions

Policies and governance

Wilo has formulated a medium-term climate strategy up to 2030 and a long-term climate strategy up to 2050, which include ambitious targets along the entire value chain. The strategies apply throughout the Group. This ambition was reaffirmed with the signing of the Business Ambition for 1.5 °C as part of the Science Based Targets initiative (SBTi) campaign.

As part of its climate strategy, Wilo has set itself ambitious Group-wide targets for scope 1 and scope 2 emissions and specified them in a climate plan. Site-specific transformation plans outline the paths to achieving the goals and are agreed with the management of each Wilo site. An energy team consisting of local energy managers and representatives of the Group functions analyses potential and defines the necessary measures. Continuous tracking and any necessary adjustments ensure that the greenhouse gas reduction targets set are achieved. Responsibility for the climate plan lies with the Group Sustainability Management and Group Location Management departments, which also monitor the effectiveness of the measures. The investments required to implement the plans are approved by the Executive Board.

TRANSFORMATION PLAN OF THE WILO GROUP (SCOPE 1 & 2; t CO_2e)



Both growth factors and emission reduction measures are taken into account in the transformation plans. In 2024, a major reduction in scope 2 was achieved by switching to green electricity at the production sites in Asia. All other locations will also switch to green electricity by 2025 as part of the climate plan. scope 1 reduction measures such as the electrification of paint drying processes or the replacement of gas and oil with local heating as well as other energy efficiency measures complete the plan. A reduction of up to 80% in scope 1 and 2 is expected to be achieved by 2030.

In the area of scope 3 emissions, the company's main emissions are in the upstream and downstream value chain. The goals in the 2030 sustainability strategy have been formulated in line with this. The Purchasing department defines the measures necessary for implementation in the supply chain (upstream) and reports on the progress to the Executive Board in regular reviews.

More than 90% of emissions in the downstream part of the value chain are caused during the utilisation phase of the products. Appropriate reduction targets are defined in the sustainability strategy. A key lever is provided by the high-efficiency technologies described above, which contribute to enormous energy savings. Market strategies are additionally required in order to create transparency concerning operations and the potential for optimisation.

Measures

Scope 1 and scope 2 primarily include emissions caused by the consumption of primary energy and the sourcing of electricity. The implementation of the Wilo climate strategy is based on four types of decarbonisation levers to which the reduction measures can be allocated: enhancing energy efficiency, increasing in-house electricity generation, purchasing green electricity and substituting fossil fuels. The main drivers for reductions in scope 1 and 2 are the purchase of green electricity at the locations and the reduction in the consumption of heating energy. Moreover, the installation of photovoltaic systems will drive increased production of the company's own green electricity. Five new PV systems with a total output of around 1,200 kilowatt peak were installed in the year under report.

Wilo continuously implements new technologies in order to achieve the reduction targets relating to greenhouse gas emissions. These include the energy-efficient remodelling of paint shops and the use of alternative options for operating buildings, for example via H2 combined heat and power plants. In addition to various methods of heat recovery and the continuous installation of LEDs, there are also plans to increase the use of heat pumps. The site in Hof was connected to local heating from biogas and wood chips from neighbouring farms in 2024, which will reduce emissions from heat generation to almost zero after its planned completion in 2025.

The investments required for the measures are researched and budgeted each year. A transformation plan will be drawn up by the Wilo energy team and submitted to the Executive Board for approval. There is a dedicated budget to ensure the effective implementation of measures and the realisation of potential. The group-wide Location Management unit is responsible for implementation.

Wilo is developing supplier engagement programmes in order to reduce the upstream emissions at suppliers (Scope 3.1). Moreover, the proportion of suppliers with sustainability ratings is gradually being increased. Identifying the material emission drivers and calculating the emissions using real data were the focus in the year under review. The measures will be driven and monitored by Purchasing.

Wilo is working on further efficiency increases and new, smart pumps to reduce the emissions from sold products (Scope 3.11). In addition, initiatives were launched in the year under report 2024 to obtain greater transparency concerning the operations of the products focused on. A key lever can also be found in the promotion and consideration of decarbonisation measures of Wilo's customers, especially within the framework of major projects in which Wilo products are operated using renewable energy.

Parameters and goals

By joining the Science Based Targets initiative (SBTi), Wilo has undertaken to comply with the 1.5-degree climate target as well as to reduce emissions in full (net zero) by 2050. SBTi has confirmed the short and long-term, scientifically substantiated emission reduction targets of the Wilo Group and verified the scientifically substantiated net zero target to be reached by 2050. Wilo has committed to reducing absolute greenhouse gas emissions under scope 1 and 2 by 50% by 2030 and by 90% by 2050, starting from the base year 2020. For absolute scope 3 emissions, the target is a reduction of 25% by 2030 and 90% by 2050, with the same base year. In addition, the annual purchase of electricity from renewable energies will be increased from 40% in 2020 to 100%t by 2030.

Other targets that have a positive impact on reducing emissions are the expansion of in-house energy generation to 20% by 2030 and increasing energy efficiency. Wilo intends to implement annual energy efficiency projects that achieve energy savings of at least 1% compared to the previous year's consumption.

Future developments relating to increases in sales volumes were taken into account in the decarbonisation plans in the form of an increase in emissions. The increase in emissions is based on the expected sales growth.

GREENHOUSE GAS EMISSION REDUCTION TARGETS*

	Base year 2020	Goal for 2030 (in relation to base year)	Goal for 2050 (in relation to base year)
Scope 1	5,339 t CO_2e	–50% 7,770 t CO_2e (Scope 1 & 2)	–90%/Net Zero
Scope 2 (market-based)	10,201 t CO_2e		
Scope 3	44,842,720 t of CO_2e	–25%/33,632,041 t CO_2e	

* Values extrapolated to 100%

Energy consumption and energy mix
The energy consumption for the year under report 2024 and a comparison with the base year 2020 are shown in the 'Energy consumption and energy mix' table. This shows that energy consumption from fossil fuels has been significantly reduced compared to the base year 2020 (–33%). In addition to reducing the consumption of fossil fuels, a key measure is the consumption of electricity from renewable energy sources. The share of this in total power consumption has already been increased to 84%. Extensive investment in photovoltaic systems have also increased the proportion of in-house electricity generation to 16%.

ENERGY CONSUMPTION AND ENERGY MIX

Type	2020 (base year)	2024
Fuel consumption from crude oil and petroleum products (MWh)	3,312	863
Fuel consumption from natural gas (MWh)	21,980	20,967
Consumption from purchased or acquired electricity, steam, heating and cooling and from fossil fuels (MWh)	29,117	8,721
Total consumption of fossil fuels (MWh)	**54,409**	**30,551**
Proportion of fossil fuels in total power consumption (in %)	75	42
Consumption from purchased or acquired electricity, steam, heating and cooling and from renewable sources (MWh)	17,511	36,217
Consumption of energy generated in-house where this does not involve fossil fuels (MWh)	792	6,825
Total consumption of renewable energy (MWh)	**18,302**	**43,041**
Proportion of renewable energy in total power consumption (in %)	25	58
Total energy consumption (MWh)	**72,711**	**73,592**
Proportion of renewable energy (green electricity) in total power consumption (in %)	39	84

IN-HOUSE ENERGY GENERATION 2024

Type	2020 (base year)	2024
Generation of energy from renewable sources (PV) (MWh)	792	7,626
Proportion of total electricity consumption (in %)	2	16

Greenhouse gas emissions
Wilo has selected the consolidation approach under commercial law in accordance with IFRS 10 for the calculation of the greenhouse gas inventory, as WILO SE directly or indirectly holds 100% of the shares in virtually all of the subsidiaries around the world.

Overall, greenhouse gas intensity has improved significantly: in relation to turnover, total emissions in 2024 fell by 11% compared to the base year 2020. In absolute terms, scope 1 and 2 emissions fell by 51%. This result is essentially due to the reduced consumption of heating oil and gas and the gradual expansion of the procurement of green electricity. In contrast, scope 3 emissions have increased by 16%. The main reason for this is sales growth. Wilo products and solutions for improving the water supply have a particularly strong influence due to their high performance and long service life. In future, work will be carried out to further improve the data situation so as to adequately take into account application-specific parameters such as the utilisation profile and the actual energy mix.

SCOPE 1 AND SCOPE 2 EMISSIONS*

	Retrospectively 2020 (base year)	Current 2024	Comparison % (2024 to 2020)
Scope 1 GHG emissions			
Scope 1 gross GHG emissions (t CO_2e)	5,338	4,522	–15
Percentage of scope 1 GHG emissions from regulated emissions trading systems (in %)	0	0	–
Scope 2 GHG emissions			
Location-based scope 2 gross GHG emissions (t CO_2e)	15,431	17,680	15
Market-based scope 2 gross GHG emissions (t CO_2e)	10,201	3,022	–70
Scope 1 and market-based scope 2 GHG emissions			
Total scope 1 and market-based scope 2 gross GHG emissions (t CO_2e)	15,539	7,544	–51

* Values extrapolated to 100%

MATERIAL SCOPE 3 EMISSIONS

	Retrospectively 2020 (base year)	Current 2024	Comparison % (2024 to 2020)
Scope 3 GHG emissions (relevant according to materiality analysis)			
Total indirect significant (Scope 3) gross GHG emissions (tonnes of CO_2e)	44,418,637	51,434,968	16
1 Purchased goods and services (t CO_2e)	424,103	373,197	–12
11 Use of sold products (t CO_2e)	43,931,497	50,999,351	16

TOTAL SCOPE 1, SCOPE 2 AND SCOPE 3 GREENHOUSE GAS EMISSIONS (t CO_2e)*

	Retrospectively 2020 (base year)	**Current** 2024	**Comparison** (%) (2024 to 2020)
Location-based	44,439,407	51,457,169	16
Market-based	44,434,176	51,442,512	16

* Values extrapolated to 100%

FURTHER EMISSIONS (t CO_2e)

	Retrospectively 2020 (base year)	**Current** 2024	**Comparison** (%) (2024 to 2020)
Biogenic emissions	295	315	7

The resulting emission intensities were as follows:

CONNECTIVITY OF THE GREENHOUSE GAS INTENSITY ON THE BASIS OF THE INCOME WITH INFORMATION ON THE FINANCIAL REPORTING (t CO_2e/CURRENCY UNIT)

Greenhouse gas intensity per net income	**2020**	**2024**	**Comparison** (%)
Total GHG emissions (location-based) per net income	0.0306	0.0272	-11.3
Total GHG emissions (market-related) per net revenue	0.0306	0.0271	-11.3

The 15 categories of scope 3 emissions according to the GHG Protocol were subjected to a materiality assessment in order to identify the priority emission types. The ability to influence the relevant scope 3 category and the level of that category are taken as parameters. The result of the assessment confirms that two categories are especially relevant for Wilo: category 11 (Use of sold products) and category 1 (Purchased goods and services).

MATERIALITY ASSESSMENT FOR SCOPE 3 CATEGORIES

	Subject
3.1	Purchased goods and services
3.2	Capital goods
3.3	Activities in connection with fuels and energy
3.4	Upstream transport and distribution
3.5	Waste
3.6	Business travel
3.7	Employee commuting
3.8	Upstream leased assets
3.9	Downstream transport
3.10	Processing of products sold
3.11	Utilisation of products sold
3.12	Treatment of products at the end of their service life
3.13	Downstream leased assets
3.14	Franchises
3.15	Investments

In addition to the European and Chinese production sites, the plants in India, South Korea, Turkey and the United Arab Emirates (Pune, Kolhapur, Kesurdi, Busan, Istanbul and Dubai) will also become climate-neutral by 2024. This means that the carbon footprint of all European and Asian plants is balanced. Other emissions are offset with certificates. The certificates for the neutral position are obtained from projects outside the EU that have a gold standard. There are no CO_2 credits to be cancelled in the future. Information on the number of CO_2 offset certificates was not available at the time of editorial deadline.

REMOVALS AND CERTIFICATES

	2020	**2024**
Location-based	0	0
Market-based	2,900	n/a

WATER

→ **Wilo water solutions are essential for mitigating the consequences of climate change**

→ **Sustainable water solutions improve access to clean water and make a significant contribution to food security**

→ **16% increase in sales in the water treatment segment**

1. Strategy

The increasing shortage of water around the world is one of five megatrends that Wilo is gearing its long-term strategy towards. Due to the fast pace of urbanisation and climate change, water as a raw material is becoming an ever-scarcer commodity around the world. Providing the rapidly growing global population with sufficient clean drinking water is already a fundamental problem in many regions of the world. This also has serious consequences for food security, as a functioning agricultural sector depends on water. Health risks are increasing at the same time, as polluted water is frequently a trigger for illnesses.

Wilo's products and solutions have a direct impact on people's quality of life and health – because they provide them with clean water, but also because they are an integral component of public health services. As one of the leading companies in the water industry, Wilo emphasises the need for a coherent and comprehensive water strategy in Europe.

2. Management of impacts, risks and opportunities

The process for analysing and assessing the material positive and negative impacts as well as the opportunities and risks in connection with water and marine resources is described in the 'General disclosures' section. The main impacts, risks and opportunities for Wilo relate to water solutions and water consumption at its own sites.

Wilo thus plays an influential role in reliably covering the fundamental need for water infrastructure and on enabling more people to access clean water through its products, systems and solutions from the Water Management market segment. At the same time, strengthening the global market presence in the water management industry creates enormous opportunities for growth in the Water Management market segment.

Water consumption at the company's own sites is regarded as another material matter. The production processes at the production sites of the Wilo Group do not generally consume a lot of water. Innovative technologies such as the use of Wilo solutions for water treatment can further reduce the consumption of fresh water and thus help to conserve resources.

3. Water solutions

Providing more people with clean water is a central goal of the sustainability strategy geared towards 2030. To this end, Wilo is continually expanding the portfolio of innovative products and solutions along the entire water cycle. The group-wide Market Segment Management unit is responsible for implementing the strategy in consultation with Product Management and the sales regions. Key cross-functional initiatives have been formulated to ensure that the operating business is specifically aligned with the strategy. As part of these initiatives, action-based and project-driven measures have been defined and will be implemented in the coming years. The steering committee meets regularly to discuss the current implementation status of the respective measures.

Measures

Key measures to implement the strategy in the area of water solutions include the development of the product portfolio, the enhancement of the company's market profile and its involvement in international partnerships and networks. Investments in the development of the cold water and filtration solutions are allocated in the group-wide Product Strategy unit. These are scheduled in product development.

In the year under report 2024, Wilo launched various new solutions on the market to drive forward the sustainable transformation of building technology and water management. The Wilo-Rexa BLOC and Wilo-Rexa NORM wastewater pumps, for example, are designed to ensure the most efficient and reliable wastewater transport possible with low operating and maintenance costs. This enables energy-efficient and self-sufficient operation with energy from renewable sources, especially in continuous operation, as is common in wastewater treatment plants.

A significant example of the use of these pumps is the "Umm Al Hayman" wastewater treatment project in Kuwait, which is scheduled to be fully operational by June 2025. The new wastewater treatment plant with a capacity of 500,000 cubic metres per day and a 450-km-long pipeline network ensure safe wastewater disposal for 1.7 million people in five densely populated areas. A key sustainability aspect of the project is the complete reprocessing of the wastewater for agricultural and industrial use. The plant also makes an active contribution to conserving resources by producing biogas and fertiliser.

When it comes to filtration solutions, a state-of-the-art odour control system from Wilo subsidiary LIKU-TECH in Fathe Nagar, India, ensures that unpleasant odours from wastewater treatment plants are effectively eliminated. Biofilter solutions play a central role in this process, guaranteeing reliable odour neutralisation thanks to their sustainable and efficient technology. The system is based on biological air purification, in which specially developed filter materials break down harmful odorous substances such as hydrogen sulphide and ammonia. Thanks to the innovative LIKU-TECH modules, a significant improvement in air quality has been achieved, while at the same time minimising energy consumption. This solution also represents an important step towards sustainable wastewater treatment in urban areas.

Goals and parameters

As part of the Group-wide sustainability strategy, Wilo has set itself the goal of growing by 7% in the cold water solutions segment and by 15% in the water filtration segment. Applications in these areas play an especially large role in supplying more people with clean water. Growth areas can be found in particular in the Global South, as the water stress already being suffered here in any case is being exacerbated even more by climate change. At the same time, the existing infrastructure is falling well short of covering the need for water. This is where Wilo's water solutions make a valuable contribution to fulfilling basic human water needs.

In the past year under report, sales growth in the area of water solutions was moderate due to the weak economy and fell short of expectations, particularly in the area of cold water applications. In the water treatment segment, on the other hand, there was once again double-digit growth, due in particular to the increased demand for filtration solutions. Wilo's solutions for implementing an additional purification stage in wastewater treatment plants had a significant impact.

GROWTH RATE OF WILO WATER SOLUTIONS (%)

	2023	2024
Cold water applications growth rate	10	0.7
Water treatment growth rate	24	16

4. Water consumption at the Wilo sites

Policies and governance

Handling water in a way that conserves this valuable resource in terms of extraction and consumption at the company's sites is a central element of the QHSEE Policy (Policy for Quality, Health, Occupational Safety, Environment, Energy) approved by the Wilo Executive Board. Monitoring as well as continually reducing consumption per capita are defined as group-wide goals. Location Management is responsible for implementation and monitoring. The results are reported and measures are derived in quarterly environmental reviews conducted with the sites.

Generally speaking, Wilo's production processes are not highly water-intensive. Water is primarily consumed in sanitation. Exceptions are sites where particularly powerful pumps are installed for the water supply. The water required in this case for hydraulic testing of the products is permanently recycled and recirculated to conserve resources.

At all its sites, Wilo sources most of the fresh water it requires from public providers. Ground water and rainwater supplement the water supply and are used in particular to irrigate outdoor facilities. Four of Wilo's production sites are located in regions that suffer from high water stress: Kolhapur and Pune in India and the plants in Dubai and Istanbul. The group-wide goals are also applicable to these sites, where particular attention is paid to the recycling of water – for example, in the test basins.

Measures

Requirements for monitoring and ensuring compliance with statutory regulations and for preventing any waste or contamination of water are implemented on the basis of ISO 14001, which is mandatory for all operating sites. The measures to save water are agreed centrally by the Location Management department with the sites each year.

Quarterly reporting as well as annual internal and external audits are carried out to check compliance with the requirements and identify possible deviations. The effectiveness of the measures is monitored on a central basis and reported on to the Executive Board in the management review.

Goals and parameters

Wilo pursues the goal at its own sites of continually monitoring and reducing the consumption of fresh water per capita. Consumption increased significantly in the year under report 2024 due to the start of production at the new site in Kesurdi, India. This was due to several different activities such as the completion of the construction work, the design of the outdoor areas, increased training and testing activities and the measures required to improve water quality. These activities have now been completed, meaning that a significant reduction in consumption can be expected from 2025.

TOTAL WATER CONSUMPTION (m³)

2023	2024
135,427	161,945

PER CAPITA WATER CONSUMPTION (m³)

2023	2024
18.97	27.20

TOTAL WATER CONSUMPTION (m³)/ NET INCOME IN EUR MILLION

2023	2024
61.59	85.44

TOTAL WATER CONSUMPTION AT LOCATIONS WITH HIGH WATER STRESS (m³)

	2023	2024
Kesurdi	6,943*	50,894
Kolhapur	6,035	8,007
Dubai	7,744	4,150
Istanbul	2,470	3,156

* only Q4/23 due to new opening

PER CAPITA WATER CONSUMPTION AT LOCATIONS WITH HIGH WATER STRESS (m³)

	2023	2024
Kesurdi	15.6*	114.9
Kolhapur	21.0	28.5
Dubai	181.8	92.2
Istanbul	23.8	20.5

* only Q4/23 due to new opening

RESOURCE USE AND CIRCULAR ECONOMY

→ **Partnership with Heraeus Remloy enables recycling of rare earth magnets**

→ **102 tonnes of old pumps returned to Wilo via return concept**

→ **Recycling rate at the Wilo production sites exceeds 90%**

1. Strategy

The circular economy and the conservation of resources are essential levers for achieving the sustainability goals. Wilo aspires to make a significant contribution to the circular economy. Circularity is promoted through numerous initiatives and the consistent application of what are known as R strategies at company and product level. These include, in particular, product innovations with a focus on design-for-circularity, return systems and circular business models. Overall, the Wilo Group is pursuing the goal of achieving not only ecological but also economic benefits through its circularity activities by increasing resource efficiency, reducing costs and opening up new business opportunities. They are also intended as preparation for future regulations and material shortages.

2. Management of impacts, risks and opportunities

The process for analysing and assessing the material positive and negative impacts as well as the opportunities and risks in connection with resource use and circularity is described in the 'General disclosures' section. The main impacts, risks and opportunities for Wilo relating to resource utilisation and circularity are in the area of raw material supply and waste avoidance.

A large number of different materials are required for the manufacture of Wilo pumps and system solutions, primarily metals and electronic components and, to a lesser extent, plastics. Further expansion of circularity will result in economic benefits for Wilo. Improving the possibilities for reuse and recycling can reduce the need for raw materials and thus raw material and disposal costs. The dependence on the commodity market is reduced at the same time. Increasing recyclability is an important strategic goal of the Wilo Group for this reason.

3. Circular economy

Policies and governance

The commitment to circularity is enshrined in the Sustainability Strategy 2030. The focus here is on creating basic transparency around the environmental footprint of Wilo products and solutions as well as on reducing the consumption of raw materials by increasing the use of reused and recycled materials. Wilo follows the guiding principle of 'avoidance and utilisation before recycling and disposal' Implementation is the responsibility of Research & Development, Repair & Recycling and Central Sustainability Management.

Moreover, handling natural resources responsibly and taking account of environmental aspects along the entire product life cycle are stipulated as part of the group-wide QHSEE Policy (Policy for Quality, Health, Occupational Safety, Environment, Energy). This policy has been approved by the Executive Board and broken down by the responsible functions in the QHSEE area to the level of the sites. The implementation status and progress are reviewed and measures are derived in the course of the quarterly HSE Review.

Measures

Product innovations to avoid the use of resources

Wilo develops energy-efficient products, systems and solutions that have an especially long service life, a factor that makes a key contribution to reducing the consumption of resources. At the same time, measures are continually being implemented to reduce the use of raw materials in the manufacturing process and, in particular, not to use materials that are harmful to the environment. Numerous product innovations have allowed the use of copper per manufactured product to be significantly reduced, for example.

Reuse

A material that is critical both in terms of the environment and in terms of supply and that Wilo pays special attention to is rare earths, such as those found in permanent magnets. These are highly significant in high-efficiency technology and are almost impossible to replace or can be replaced only at great expense. The reuse and recycling of rare earths is therefore a major determining factor in a sustainable materials cycle. The process of extracting magnets from production scrap and reusing them in production is already established at Wilo. In addition, over 1,700 rare earth magnets have already been dismantled from new pumps and returned to the production process in a non-destructive manner. This is possible only thanks to the recycling-friendly development processes introduced back in the 1990s.

A return concept for old pumps was established together with customers in order to increase the number of units. To this end, Wilo has been certified as a primary treatment plant since 2022. At the end of the year under report 2024, 550 collection points had been set up, from which a total of 102 tonnes of used pumps were returned to Wilo in 2024 alone.

Recycling

The potential recycling rate of a Wilo pump is almost 100%. Almost every component of a pump can be returned directly to the material cycle at the end of its service life. In this case, too, Wilo is focussing on recycling rare earth magnets, as more than 9% of this resource-critical material comes from China and is lost forever in the usual disposal channels. There is as yet no technology that is able to separate the rare earths after other materials have been shredded.

Which is why Wilo entered into a partnership with Heraeus Remloy. In collaboration with this technology company, Wilo has developed a process for recycling rare earth magnets. Heraeus Remloy has subsequently invested in an industrial recycling system that can be used to produce reusable magnetic powder from used magnets from the most varied of applications (pumps, wind turbines, motor vehicles, etc.). The next step will see Wilo use this powder to manufacture magnets in its in-house magnet production that can then be used in new pumps. The take-back concept for old pumps is also an important prerequisite for this step, because it provides an adequate increase in the quantities required.

Waste management

Waste management is a permanent and integral element of the local environmental programmes at all Wilo production sites. It is also a prerequisite for ISO 14001 certification, which is mandatory for all production sites. Key measures to achieve the defined targets are the use of recyclable materials and the consistent separation of all recyclable materials. In addition, measures to reduce specific types of waste are being initiated and implemented.

Parameters and goals

In its sustainability strategy, the Wilo Group has set itself the goal of having an ecological footprint for 80% of its products by 2030. This performance indicator is measured by the number of verified life cycle analyses for selected reference products in the best-selling product groups in relation to the entire product portfolio. By developing life cycle analyses for Wilo products, the quality of building life cycle analyses can be improved. Furthermore, the use of life cycle analyses enables the continuous improvement of products.

In the year under report, the availability of life cycle assessments was extended to 19% of the product portfolio. The next step will be to implement a calculation tool to increase the speed and quality of the creation process.

AVAILABILITY OF ENVIRONMENTAL FOOTPRINTS (%)

	2023	2024
Proportion of verified environmental footprints	10	19

Another strategic goal is to promote a circular economy and increase the proportion of recycled materials used by 30%. By improving the possibilities for reuse and recycling, both raw material requirements and raw material and disposal costs are reduced. The dependence on the commodity market is reduced at the same time.

The data on material weights and recycling percentages was further improved in the year under report. In a first step, the recycled content for the metals used, which make up more than 80% of the average total weight of a pump, can now be identified. In the year under report 2024, the recycling rate for all metals was 63%. The recycling rate was determined on the basis of secondary data. The next steps will involve working on further differentiation and identifying improvement measures.

Waste and material recycling

The Group-wide goal is to increase the recycling rate of all waste generated at Wilo sites to over 90%. By recycling, Wilo means all processes that serve to reuse or recycle materials and thus keep them in circulation. Thermal recovery is not included in this.

RECYCLING CONTENT OF USED MATERIALS

	2023	2024
Recycled content (%)	Data on material categories, weights and recycling content defined	63*

* metals only

In the year under report, the recycling rate was increased to 92%. The key factors in this are the ongoing measures to prevent waste and to collect and separate recyclable materials.

TYPES OF WASTE (t)

	2023	2024
Metal	2,903.57	2,815.20
Electronic waste	154.73	147.25
Cardboard/paper	1,298.41	1,147.02
Plastic	213.13	209.03
Wood	2,720.19	2,016.33
Chemical waste	890.96	877.28
Mixed waste	461.95	322.88
Other waste	183.28	255.79

WASTE VOLUMES

	2023	2024
Total waste volume (t)	8,826	7,791
Recycling rate (%)	91	92
Disposed of (t)	450	305
Recycled (t)	8,042	7,167
Hazardous waste (t)	334	320

SOCIAL

The Wilo Group assumes social responsibility and is committed to fairness and progress. Wilo offers employees a healthy and safe working environment and a wide range of development opportunities.

OWN WORKFORCE 

→ **The employee engagement score of 77% illustrates high employee commitment**

→ **More than 40,000 online training sessions attended at the Wilo eAcademy**

→ **Wilo received the Health Management Award 2024**

1. Strategy

The promotion and further development of employees is one of the strategic pillars of the 2030 business strategy. Well-trained, motivated and capable employees are a key factor in maintaining and expanding our position as one of the world's leading premium suppliers of pumps and pump systems. The increasing requirements in an ever more rapidly changing and ever more complex world of work demand continuous learning and targeted personnel development measures.

Intensive employee communication and participation play a central role in Wilo's corporate culture. Interactive formats for developing new internal processes and refining existing ones allow fresh and different perspectives to be integrated in decision-making. They also lead to greater employee satisfaction and motivation. Open communication and trusting cooperation have always been the basis for Wilo's daily actions and decision-making and ensure that employees' interests and rights are protected.

2. Management of impacts, risks and opportunities

The procedure for analysing and assessing the material positive and negative impacts and the risks and opportunities in connection with the company's own workforce is described in the section "General disclosures".

The main impacts, risks and opportunities for Wilo in connection with its own workforce are in the areas of fair and safe working conditions and equal opportunities. In addition to traditional hygiene factors as well as flexible working time models and appropriate compensation, fair working conditions also include occupational health and safety and the opportunities for further training and continuous professional development. The topic of equal rights subsumes equal opportunities for all employees as well as performance through diversity.

Attractive remuneration, integrated education and training programmes and the guarantee of equal opportunities, diversity and inclusion represent an opportunity for Wilo to be recognised as a first-choice employer on the employment market and to attract and retain qualified staff. At the same time, these factors reduce the risks of capacity constraints, a brain drain and the loss of company-specific expertise.

3. Employer of choice

Policies and governance

Strengthening Wilo's position as an employer of choice is an explicit goal of the Wilo 2030 sustainability strategy. Working conditions are specified by Group-wide policies and standards that apply to all employees worldwide. The governance of the policies is performed by the company management. In addition to the Code of Conduct, which references compliance with the principles of the United Nations Universal Declaration of Human Rights, Wilo's Labour Relations Policy provides strategies relating to working conditions and equal rights. The policy specifies the general principles of conduct and describes the strategies in the areas of diversity, inclusion, freedom of association and collective agreements, occupational safety, working hours and fair pay. It is emphasised that the Wilo Group respects freedom of expression in accordance with Article 19 of the Universal Declaration of Human Rights and encourages its employees to express their opinions without fear of negative consequences. Employees of the Wilo Group are also entitled to form, join or organise themselves in trade unions.

The People & Culture department is responsible for developing, implementing and monitoring the Labour Relations Policy.

With regard to occupational health and safety, the Wilo Group pursues a Zero Accident Strategy, which is set out and published in the QHSEE Policy. The Wilo site managers and the managers of the Group Functions are responsible for implementing the strategy. Monitoring and reporting is carried out by the Health, Safety & Environment department. Measures are derived from the analysis of the accident reports and implemented by the HSE team in cooperation with the local HSE managers. In addition, the number of accidents and the preventive measures to be derived are part of the monthly Operations Manager Meeting.

Measures

Measures for implementing the strategic objectives relating to employees are derived annually from the analysis of the main impacts, opportunities and risks. The scope and responsibility for implementing and managing the measures varies depending on the subject area. In principle, the implementation of measures and the achievement of goals are measured and assessed at Wilo using OKRs (objectives and key results). Quarterly review meetings within the responsible teams are used to assess the progress of the measures and make any necessary adjustments.

Working hours and work-life balance

The Wilo Group complies with the applicable laws and collective agreements on working hours, breaks and public holidays. The regular working hours per week are defined by national law and limited to a maximum of 48 hours. Overtime is permitted only in conjunction with the applicable provisions of the employment contract. Flexible working time models are also offered. Since 2023, employees in Germany have been able to take additional time off by taking a 'mini-sabbatical'. Cooperation with local nurseries creates better opportunities for employees to find a childcare place in the immediate vicinity of their workplace. With these and other family-friendly programmes, Wilo creates the ideal conditions for reconciling work and family life.

Adequate wage

The Wilo Group is committed to implementing worldwide standards when it comes to remuneration. This is based on clearly documented job profiles that are formulated uniformly throughout the Group and assessed on the basis of skills requirements. Wilo offers additional benefits alongside the employees' salaries. For example, Wilo supports its employees with pension schemes and offers pension benefits that take into account the special features and rules of individual countries. As part of the annual salary review process, managers are provided with centralised planning data to assist them in reviewing the salaries of their employees. Market changes, macroeconomic developments and the employees' individual performance are taken into account in order to allow fair and performance-based salary adjustment.

The remuneration system comprises fixed and partially variable salary components and additional benefits. The Harmonisation Framework for Variable Pay is used for employees who have a variable component in their remuneration. The Harmonisation Framework has set long-term standards for the structure of all variable remuneration systems within the Wilo Group since 2023. It is a summary of variable remuneration parameters that ensures a fair and motivating bonus remuneration structure for all.

Occupational health and safety

Wilo introduced a group-wide occupational health and safety management system in 2016 that is implemented at all production sites with more than 20 operating personnel. This ensures that standards and processes are put into practice throughout the Group. This occupational health and safety system is certified in accordance with ISO 45001. The degree of coverage is more than 80% of employees.

The core of the management system is the risk assessments, which are created and regularly updated for all activities at all sites. They form the basis for selecting and implementing the necessary technical, organisational and personal protection measures. The inclusion of employees in this assessment is defined in the Group-wide standard. Group-wide safety standards are defined for activities with a high risk potential. These include speed controls for forklift trucks, technical requirements for crane equipment and principles of conduct for performing electrical work, for example. Regular internal audits monitor compliance and identify potential for improvement. The results are incorporated into central, quarterly reporting.

Regular safety training courses are an important requirement for preventing accidents. They are therefore mandatory for all Wilo employees worldwide. The scope and frequency are dependent on the respective area of work. At least once a year, training is provided within the administration on significant risks and innovations relating to occupational health and safety. The average amount of training is three to four hours.

In accordance with the group-wide ISO 45001 certification, committees have been set up in all plants to involve employees in relevant safety concerns. In addition, regular safety days or weeks are organised to shed more light on safety-critical topics.

In addition to the occupational health and safety standards, health management also plays a central role in the corporate culture at Wilo. Offers on voluntary medical check-ups directly at the employer's premises increase the chance that health risks will be identified and treated at any early stage. Preventative programmes on topics such as healthy eating and stress management in everyday life are also successful measures that were implemented in 2024. An innovative health centre will also be completed at the Dortmund site in the next few years. With a modern site, a holistic medical approach and high-quality treatments, GPs, specialists and therapists working on an outpatient basis at the Health Cube not only resolve acute problems, but also actively promote the long-term health of their patients. The overall concept was honoured with the renowned Corporate Health Award.

Training programs and skills development

Employees are continuously and proactively prepared for changing requirements with a variety of measures. The Wilo eAcademy offers numerous training courses on a wide range of topics. More than 40,000 courses were attended across the Group in the year under report 2024.

Managers are supported centrally in their role as supervisors. In addition to traditional coaching and mentoring programmes, this includes the Leadership Accelerator Programme, which provides regular further training measures for managers. In 2024, for example, a special training course on our new sustainability strategy was set up as part of the programme and a training series on the topic of feedback was held. In addition to management development, the global talent management and succession planning concepts initiated in 2023 were rolled out in other countries.

Regular performance assessments are part of the process of successfully encouraging employees and developing their skills. Since 2022, the performance development process has been rolled out via the HR tool WiPeople, gradually enabling all employees worldwide to participate. The process involves agreeing targets (individual and/or team targets) at the beginning of the year, regular tracking and feedback on these targets during the year and an assessment of these targets at the end of the year, including a feedback meeting between managers and employees.

In addition, employees in Germany and France undergo annual performance reviews, which are used to determine development and career plans.

4. Equality

Policies and governance

In addition to the Labour Relations Policy, a new Diversity & Inclusion Strategy was adopted by the Executive Board in 2023. This emphasises how important diversity and inclusion of people are for the company. The goal is to create a workplace that is free of any discrimination. That includes discrimination on the basis of ethnic background, religion, skin colour, nationality, origin and all other forms of discrimination that come under the scope of EU regulations and national law. When recruiting and promoting employees, qualifications, work experience and skills take top priority. In addition, a global Diversity & Inclusion Policy was adopted in 2024 to ensure the implementation of the strategy worldwide.

Measures

Diversity

Wilo has set itself the goal of creating a sustainable environment for all employees and making diversity & inclusion a core part of the company's DNA. Wilo has been committed to the Diversity Charter since 2016.

Building an inclusive and supportive workforce that values the diversity of all our employees is key to future innovation and sustainability. Wilo's Diversity & Inclusion Strategy focuses on various dimensions of diversity – such as gender, age, nationality, mental and physical abilities, sexual orientation and social background – both globally and locally to ensure equal opportunities and create a culture of belonging. This is about equal opportunities in recruitment processes, but also equal opportunities in the promotion and further development of employees within the jobs that already exist.

The entire company is involved in the implementation of this D&I strategy. Defined ambassadors from various functions and levels of the company initiate global and local initiatives. A global D&I Council, which is closely linked to top management, supports these activities and ensures that the targets relating to diversity & inclusion are achieved. The TALKS by WiLearn lecture series and local events such as 'Wilo Welcome' strengthen internal communication and awareness of the topic.

A female mentoring initiative was implemented at 2024 to support women in their careers. To this end, a pilot programme with two international mentoring pairs was launched and successfully completed. Focus will be placed on further initiatives in subsequent years in order to ensure continuous support.

Wilo also provides offers numerous offers such as individual working time models. These support a good work-life balance, which has a positive effect on career development for women. One sign that people are happy to take up the opportunity of individual working time models is the growing number of part-time employees.

5. Employment and inclusion of people with disabilities

Potential exists regardless of any disability. Everyone should have the opportunity to realise this potential. Wilo is therefore creating a working world and a workplace for everyone – regardless of physical and mental abilities. To promote this globally, the employment and inclusion of people with disabilities is also an integral part of the D&I strategy. As with the other dimensions of the strategy, global and local ambassadors have been recruited for this purpose. The respective ambassadors work together to develop measures to raise awareness of inclusion in the workplace worldwide. In addition, global campaigns in the form of action days, for example on the subject of mental health, raise and support the awareness of the workforce as a whole – whether the employees are affected by the issue or not.

One of the main aspects of employee participation is constructive cooperation with employee representatives. In Europe, Wilo has a European Works Council that represents the employees. In situations where the right to freedom of association and collective bargaining is restricted by national laws, the Wilo Group facilitates the free election of the workforce's own representative body.

Discussions and consultations with the Executive Board take place with both local employee representatives and higher-level union representatives. The representatives are informed of the company's strategies in detail on a regular basis. The results of the open and constructive cooperation between Wilo and the employee representatives include, for example, a better work-life balance, health protections offers and offers in the area of pension provision. The standards developed are set out in company agreements, which are the responsibility of the Executive Board for People & Culture.

Digital communication channels such as the Wilo intranet (Team-One) offer the opportunity to inform employees promptly and comprehensively about all topics relating to the company and to involve them using various methods. Some analogue lines of communication are also used in addition to digital communication channels, however. One example is the innovative TALKS by WiLearn format, which was launched in 2023 and further expanded in the year under report. The aim of this format is to obtain new inspiration of various subjects from different internal and external speakers and interactive discussions and to exchange ideas on them. The events were held in 2024 on topics including "Sustainability" and "Mental Health". Another interaction tool is the Wilo innovation portal WINGS. Employees worldwide can submit ideas via an online platform, which are evaluated by an independent committee. The WINGS Champion Summit takes place once a year, at which the best innovations and idea providers are honoured.

To enable Wilo to continuously and purposefully develop as an employer, an Employee Listening Strategy was developed in the previous year and rolled out throughout 2024. The overarching goal of the Employee Listening Strategy is to improve the employee experience as a whole and make employees' voices heard. The Employee Listening Strategy is based on the principle of giving employees the opportunity to share feedback anonymously on various topics and processes. This ranges from a comprehensive engagement survey, through specific surveys on HR processes that are offered, up to unit-specific questionnaires – for example, in the context of change processes. The respective results are reflected on together with managers and employees as part of a holistic follow-up process and appropriate measures are derived.

6. Complaints procedure

Wilo encourages open communication that permits and values different perspectives. Reports of violations of laws, internal guidelines or the Code of Conduct can be reported via the SpeakUp tool. This is an externally operated, protected communications platform that allows users to leave confidential messages for Wilo by phone or online in their local language. The number of reports increased last year, which is mainly due to an intensive information campaign on the use of the tool. No serious cases were identified.

INCIDENTS, COMPLAINTS AND SERIOUS IMPACTS RELATED TO HUMAN RIGHTS

	2023	2024
Total number of incidents involving discrimination, including harassment, reported in the period under review	3	10
Number of complaints that were submitted via channels through which people within the company's own workforce can express concerns (including grievance mechanisms)	3	10
Number of serious incidents relating to human rights	0	0

The effectiveness of the complaints procedure is reviewed once a year by Internal Audit & Compliance and the results are presented to the Supervisory Board.

7. Parameters and goals

The goals of "Promoting employee engagement", "Ensuring a safe working environment" and the goals of "Increasing the number of women in management positions" and "Increasing diversity in Wilo teams", which contribute to equal opportunities at Wilo, are of particular strategic relevance when it comes to Wilo's own workforce. All the goals are consolidated in the Wilo sustainability strategy under the general goal of "First choice employer".

Promoting employee engagement

The goal is to increase the Wilo Engagement Score to 80% by 2030. The Engagement Score is based on a tool-based survey that all Wilo Group employees are invited to take part in twice a year. The survey asks how likely it is that employees will recommend Wilo as an employer and whether their own job is perceived as meaningful. The sense of inclusion that the employees feel and their well-being are also asked about. The methodology was used for the first time in October 2023 to survey employee engagement. In 2024, employee engagement averaged 77%. This is on a par with the previous year and above the industry benchmark of 76%.

EMPLOYEE ENGAGEMENT

KPI	2023	2024
Engagement score (%)	77	77

Ensuring a safe and healthy working environment

As part of its "Vision Zero" strategy, Wilo has set itself the goal of preventing all accidents and work-related illnesses. This goal is measured using the lost time injury rate (LTIR). The rate measures the number of work-related accidents per 1 million hours worked.

Last year, the number of accidents was slightly higher than in the previous year. As a result of this and the decrease in the number of hours worked, the accident rate of 3.36 is slightly higher than the previous year's result.

In 2024, a fatal accident occurred at the production site in Kolhapur, India, for the first time since Group-wide recording began. The possibility of organisational culpability was ruled out by an official and intensive internal investigation into the matter. Nevertheless, process-related potential for improvement was analysed and corresponding measures implemented.

OCCUPATIONAL SAFETY AND HEALTH PROTECTION

	2023	2024
People who are covered by the company's health and safety management system on the basis of legal requirements and/or recognised standards or directives (in %)	100	100
Fatalities as a consequence of work-related injuries and work-related illnesses	0	1
The number and rate of reportable work-related accidents (LTIR)	2.9	3.3
Number of days lost on account of work-related injuries and fatalities as a consequence of work-related accidents and work-related illnesses and from fatalities as a result of illnesses	771	685

Equality

Wilo has set itself the goal of increasing the proportion of women in management positions worldwide to 30% by 2030. All employees with management responsibility throughout the Group are included in the calculation.

In addition to increasing the proportion of women in management positions, a further goal has been set that takes into account the diversity of the teams: to increase the proportion of different nationalities in the Wilo teams to at least 10% on a global level by 2030. The nationality dimension is thus used as a criterion in addition to the gender dimension. Last year, the proportion of women in management positions fell slightly due to personnel changes. However, the proportion of different nationalities in Wilo teams has increased.

DIVERSITY AND EQUALITY

KPI	2023	2024
Women in management positions (%)	18.3	18.2
Women on the Management Board (%)	0	0
Nationalities in Wilo teams (%)	5.2	7.9

Characteristics of the company's employees
(as at the reporting date of 31 December 2024)

NUMBER OF EMPLOYEES BY GENDER

Gender	2023	2024
Male	6,979	6,980
Female	2,093	2,205
Other	0	0
Not indicated	12	4
Total number of employees	9,084	9,189

HEADCOUNT IN COUNTRIES IN WHICH WILO HAS AT LEAST 50 EMPLOYEES

Country	2023	2024
Germany	3,079	3,044
France	1,245	1,170
India	1,151	1,158
China	917	992
USA	453	456
Russia	335	345
South Korea	319	328
Poland	129	140
Turkey	113	118
Italy	104	124
United Kingdom	93	95

EMPLOYEES BY TYPE OF CONTRACT, BROKEN DOWN BY GENDER

	Female		Male		Other*		Not specified		Total	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Employees	2,093	2,205	6,979	6,980	0	0	12	4	9,084	9,189
Permanent employees	1,815	1,914	5,839	5,997	0	0	4	4	7,659	7,915
Temporary employees	278	291	1,139	983	0	0	8	0	1,425	1,274
Employees with no guaranteed working hours	0	0	0	0	0	0	0	0	0	–
Full-time employees	1,818	1,795	6,732	6,429	0	0	12	4	8,563	8,228
Part-time employees	275	410	245	551	0	0	0	0	521	961

* Gender based on employees' own statements

EMPLOYEES BY TYPE OF CONTRACT, BROKEN DOWN BY REGION

	Mature markets		Emerging markets		North America		Total	
	2023	2024	2023	2024	2023	2024	2023	2024
Employees	5,346	5,390	3,233	3,280	505	519	9,084	9,189
Permanent employees	4,841	5,016	2,314	2,381	503	518	7,659	7,915
Temporary employees	497	374	925	899	2	1	1,425	1,274
Employees with no guaranteed working hours	0	0	0	0	0	0	0	0
Full-time employees	4,826	4,446	3,232	3,269	505	514	8,563	8,229
Part-time employees	520	944	1	11	0	5	521	0

Diversity parameters

EMPLOYEES BY AGE GROUP

Age group	2023	2024
	Number of employees	
Under 30 years old	1,372	1,213
30 to 50 years old	5,354	5,292
Over 50 years old	2,358	2,684

EMPLOYEES BY GENDER

Gender	2023	2024
	Number of employees in the top management level (one or two levels below the administrative and supervisory bodies)	
Female	78	88
Male	173	190
Other	0	0
Not indicated	0	1

Adequate wage
All Wilo employees received an appropriate salary in accordance with the applicable reference values.

Social protection
Wilo's employees enjoy social protection against any loss of earnings as a result of public programmes and benefits offered by Wilo. The events that are covered include:
a) Illness
b) Unemployment from the time at which the employee starts working for the company
c) Work-related accidents and disability
d) Parental leave
e) Retirement

PEOPLE WITH DISABILITIES (WORKFORCE IN %)

	2023	2024
	4.87*	2.7

* Germany only

DIFFERENCES IN EARNINGS (%)

Gender pay gap i.e. the difference between the average income of female and male employees, expressed as a percentage of the average income of male employees	2023	2024
Germany	11.9	12.06

WORKERS IN THE VALUE CHAIN

→ **The Supplier Engagement Programme ensures assessment of all suppliers by EcoVadis or comparable recognised rating agencies by 2030**

→ **24% of all relevant suppliers already assessed by EcoVadis**

→ **180 suppliers were trained in South Korea, India, Germany and France on the expectations related to human rights due diligence obligations**

1. Strategy

The Wilo Group is committed to the principles of the United Nations Universal Declaration of Human Rights and the European Convention on Human Rights and is dedicated to compliance with the UN Global Compact. Wilo accepts responsibility for the entire value chain and defines clear rules of conduct for suppliers concerning compliance with the applicable law, human rights and non-discrimination, labour, ethics, health, safety and the environment.

The rules of conduct are described in Wilo's Code of Conduct and in the Supplier Code of Conduct. Both codes define the legal and moral guidelines for day-to-day activities in all areas of the company and value chain. Wilo endeavours to maintain close and sustainable relationships based on a spirit of trust with suppliers. The principle of an open communication culture is also described in the Code of Conduct. Employees in the supply chain can contact Wilo using the complaints procedure if the principles of conduct outlined here are not complied with (see page 222 "Complaints procedure").

2. Management of impacts, risks and opportunities

The procedure for analysing and assessing the material positive and negative impacts and the risks and opportunities in connection with workers in the value chain is described in the chapter "General disclosures".

In the context of Gesetz über die unternehmerischen Sorgfaltspflichten zur Vermeidung von Menschenrechtverletzungen in der Lieferkette (LKSG – German Act on Corporate Due Diligence Obligations for the Prevention of Human Rights Violations in Supply Chains), Wilo has implemented a comprehensive risk management system. The results of the risk analysis to be conducted each year have been incorporated in the double materiality assessment.

The impacts, risks and opportunities in connection with workers in the value chain that are material for Wilo can be found in the area of fair working conditions and, within that, the main subjects involving compliance with appropriate labour, salary and social standards as well as equality, primarily at suppliers in the Asian region and in relation to materials that feature a high proportion of manual processing (casting, steel, components).

3. Responsible supply chain

Policies and governance

The Wilo Executive Board has described the company's human rights strategy in a statement of principles and, within that, declared its commitment to the United Nations Universal Declaration of Human Rights and the European Convention on Human Rights. The basis for this is formed by Wilo's Code of Conduct and the Supplier Code of Conduct. Other core elements are risk management and the complaints procedure described below.

The Procurement & Supply Chain Management department is responsible for the risk assessment in the value chain and for implementing the necessary prevention and corrective measures. The Group Executive Team is informed of the results at least once a year and on an ad hoc basis. The effectiveness of the risk management system and the suitability of the methodology used are assessed during the annual risk analysis. In addition, the Internal Audit & Compliance department performs an audit.

Measures

Wilo has initiated a number of measures to ensure that suppliers comply with their human rights obligations. This includes in particular the Wilo Code of Conduct, the Supplier Code of Conduct and the complaints procedure, which can be used by internal and external affected parties in the event of violations.

Human rights and environmental expectations are taken into consideration when direct suppliers are selected. Signing the Wilo Supplier Code of Conduct is mandatory for qualifying as a supplier. Direct suppliers thereby pledge to comply with the human rights and environmental expectations defined by the company and to address these appropriately along the supply chain. In addition, suppliers with priority risks are subject to in-depth audits based on the SMETA methodology in order to find out details about the local situation and to define concrete measures for improvement. The audits are carried out by an accredited certification institute.

A total of 41 high-risk suppliers were identified in the course of the regular risk assessment in the past year. The number was narrowed down to 28 after measures already in place, such as certificates or audits, were taken into account. An action plan was drawn up for this group, with a SMETA audit also included in the plan in three cases. No serious violations of human rights were identified or reported in any case in 2024.

Regular training programmes and information days ensure that both the company's own workforce and the suppliers know and understand Wilo's expectations and are aware of risks to human rights. A special external training platform focussing on sustainability was introduced in 2024. It includes compulsory courses and free access to over 40 pieces of content. All employees in the procurement area were invited to take part in the last quarter, and around 20% have already completed the mandatory courses.

In addition, almost 180 suppliers in South Korea, India, Germany and France received specially tailored on-site training.

Violations of human rights or environmental obligations are remedied immediately. If corresponding incidents occur at direct suppliers, the managers responsible for purchasing develop an action plan together with the affected supplier and monitor its implementation. The goal is to reduce or avoid violations. If the violations cannot be remedied, other measures will be implemented that could culminate in the termination of the business relationship. Wilo applies the same procedure in the event of serious indications of violations at indirect suppliers.

In the year under report 2024, no reports were received via the complaints channels or via the external monitoring system Sphera about corresponding human rights violations involving workers in the value chain.

Stakeholder involvement
In the course of the annual risk analysis, Wilo takes numerous sources into account that provide information about the actual or potential impacts on the affected stakeholders. This includes information on specific human rights risks in the countries in which Wilo operates (e.g. UNICEF Children's Rights in the Workplace Index or ITUC Global Rights Index), as well as sector-specific information on risks in the relevant product groups.

Another important source is the Sphera monitoring system, which evaluates and sends up-to-date risk information on the value chain to Wilo on a daily basis. Internal information from supplier audits and visits is also included.

Complaints procedure
Wilo has set up the SpeakUp tool as instrument that is available both inside and outside the company for reporting possible violations of human rights and environmental regulations. The tool enables reports to be made in 60 different languages, both in writing as well as verbally. It is operated externally to ensure maximum anonymity and confidentiality. The Code of Procedures for Complaints defines how relevant reports are handled. It is available both internally on the Wilo Intranet as well as externally on the Wilo website. This ensures that human rights and environmental risks and violations at indirect suppliers can also be reported.

Parameters and goals
Ensuring a responsible value chain is set out as a strategic goal in the Wilo 2030 sustainability strategy. A Supplier Engagement Programme has been set up for this purpose, which involves an external evaluation of Wilo suppliers. The aim is to create an assessment for each key supplier by 2030 and improve their sustainability level based on the overall score and spend rate.

Starting with the year under report 2024 reporting year, Wilo is therefore working with EcoVadis, the leading provider of sustainability ratings for companies. Its methodology focuses on four key sustainability pillars and is based on global standards. If necessary to achieve the strategic goal, Wilo will also cooperate with comparable rating providers in future.

PROPORTION OF SUPPLIERS ASSESSED

	2023	Result 2024
Proportion of suppliers assessed (%)	Methodology & implementation of pilot study	24
Average sustainability rating weighted by sales	–	15*

* Further development of the methodology and implementation from 2025.

AFFECTED COMMUNITIES

→ **Cooperation in international partnerships strengthens Wilo's contribution to ensuring a safe water supply**

→ **Participation in WASH projects to improve access to clean (drinking) water and sanitary facilities**

→ **Partnership commitment in the Global South honoured with the SDGs Innovation Award**

1. Strategy

Global challenges, such as climate change, energy and food security, and the management of increasingly scarce resources, such as water, can be solved only by working together. For Wilo, partnerships play a key role in entrepreneurial success. At the same time, the expertise gained from working in networks is used to collaborate on sustainability issues and to enhance the impact on improvements being made to living conditions.

2. Management of impacts, risks and opportunities

The procedure for analysing and assessing the material positive and negative impacts and the risks and opportunities in connection with climate change is described in the section "General disclosures". The main impacts, risks and opportunities for Wilo in connection with affected communities are in the area of water supply and development promotion.

A sustainable improvement in living conditions is possible only if people have safe access to clean water and sanitary facilities. Wilo therefore focuses on working with international partners to make a significant contribution to reliable water supplies.

The implementation of these activities is frequently bundled in programmes that go far beyond simple product application. Rather, they are far more about establishing an integrated approach: Wilo trains and involves local groups and integrates them in existing structures and sustainable management and, by doing so, plays a part in safeguarding employment in the regions in question. Such a programme encompasses all elements of local skills development and thus supports sustainable local development.

3. International partnerships and local development programmes

Policies and governance
The promotion of global networking activities and the implementation of programmes for local skills development are formulated as strategic goals in Wilo's Sustainability Strategy 2030. They are driven by the Government & Public Affairs department, which reports directly to the Executive Board.

Measures

Together with international partners, Wilo promotes programmes for local skills development in order to empower people, organisations and societies to shape their own development sustainably. When implementing the programmes, Wilo pays particular attention to education on sustainable development. By developing people's expertise worldwide, Wilo promotes framework conditions for sustainable growth.

Wilo works together with local vocational training colleges from the sanitation and HVAC sector and in close coordination with competent ministries as well as subordinate agencies to jointly define effective learning content. Recognition and certification of the education and training modules is key to the long-term success and sustainability of the programmes.

Within the framework of WASH projects, Wilo meets basic humanitarian needs by creating access to clean (drinking) water and sanitary facilities. The cooperation in public-private development projects (develoPPPs) helps initiate regional, sustainable development. The develoPPP project, which was honoured with the SDGs Innovation Award and which Wilo is implementing in Mongolia in cooperation with the BMZ, for example, demonstrates the use of sustainable technology in the Global South. The aim is to increase energy efficiency and contribute to climate change mitigation. Among other things, Wilo provides highly efficient pumps and supports the training of local specialists. To this end, teachers from Mongolia are trained according to the "train-the-trainer" principle and intercultural exchange between Mongolian and German trainees is promoted.

Knowledge and technology transfer are closely linked and go hand in hand as drivers of sustainable innovation. The younger generation in particular possesses enormous potential for advancing society economically, politically and socially and additionally in shaping it in a sustainable manner.

At the Enactus World Cup 2024 in Kazakhstan, Wilo supported the ‘Action with Africa’ themed competition and took over the sponsorship of the ‘Water’ theme. In addition, the company presented the ‘Wilo Water Excellence Award’. Furthermore, an excursion was organised with partners from Kazakhstan and Germany to strengthen Wilo's international networking activities, particularly with the local education system. Among other people, 50 international students took part in this supporting programme, working on various Wilo case studies in the field of "Smart Cities" and then presenting them. Students, universities and companies joined forces at the World Cup with the aim of turning ideas into innovative solutions and start-ups with an impact.

Stakeholder involvement

As a multinational company, Wilo is an active member of various national and international associations and organisations. The goal of the major part of this cooperation is the responsible, sustainable management of the precious resource of water and of the environment.

Political and economic institutions are supporting Wilo in the international networking activity and the development of highly effective concepts with the aim not only of strengthening education and training capacity, but additionally of raising the awareness of the population about the subject of energy and resource efficiency.

Parameters and goals

The expansion of global network activities and programmes to promote sustainable development is a strategic goal in Wilo's Sustainability Strategy 2030. Wilo's skills development programmes were further expanded in the year under report 2023. The performance indicator measures the number of training centres initiated by Wilo. The definition of the KPIs is currently being adapted and expanded to include other skills development formats, such as training programmes on sustainability issues or themed competitions. The aim is to empower 50,000 people by 2030 to help shape sustainable development. The number of people reached will be reported from 2025 onwards.

INTERNATIONAL PARTNERSHIPS AND SKILLS DEVELOPMENT PROGRAMMES

	2023	2024
Programmes for skills development (number of training programmes)	17	17
Programmes for skills development (number of training participants): KPI and methodology established	–	4,000

CONSUMERS AND END USERS

→ **High potential of Wilo products, systems and solutions to improve quality of life**

→ **Customers' needs are given top priority**

→ **Zero defect strategy and quality management 4.0 ensure the highest level of quality, reliability and safety**

1. Strategy

Customers and their specific needs and requirements are Wilo's central point of orientation. This is why the corporate strategy and the operational focus of around 9,200 employees are consistently geared towards this. Wilo has a history of working closely with OEM partners, planning offices, specialist retailers and tradesmen as well as general contractors, investors and end users in a spirit of mutual trust. This approach forms the foundation of the Wilo Group's market success. As a leading global premium supplier, Wilo has always stood for reliability, safety and compliance. The goal is to develop intelligent cutting-edge technologies that make people's daily lives noticeably easier. This is the principle behind the claim "Pioneering for You".

Preventive and integrated quality management is one of the core tasks within the company. It begins when products are already in development and when components are purchased, and continues on through production all the way to customer service. Quality assurance measures are centred on customers, their specific requirements and their satisfaction with the Wilo Group's services. Through the intensive involvement of suppliers, laboratories, service and sales units as well as customers, a new understanding of forward-looking quality assurance is being jointly developed: quality management 4.0.

2. Management of impacts, risks and opportunities

The procedure for analysing and assessing the material positive and negative impacts and the risks and opportunities in connection with consumers and end users is described in the section "General disclosures". The key impacts, risks and opportunities in connection with consumers and end users are product safety and efficient water supply.

The high potential of Wilo products, systems and solutions for improving the climate, water supply and quality of life is described in detail in the "Climate change" and "Water and marine resources" chapters.

Only trained specialists are permitted to install and also to repair and maintain Wilo products and systems, which is why safety risks for consumers and end users can be classed as very low. Relevant safety instructions are presented in the installation and operating instructions enclosed with each and every product. Comprehensive quality management guarantees that all safety requirements are complied with along the entire value chain.

3. Product safety

Policies and governance

Wilo pursues a zero-defect strategy along the entire value chain. This means that – from development to the end-of-life of the Wilo products, systems and solutions – no deviations from the defined safety and technical requirements are tolerated. Consideration of potential hazards for customers is always the top priority. The zero defect strategy has been approved by the Wilo Executive Board and is defined in the QHSEE Policy that has been communicated. The Quality & Qualification department is responsible for implementing and further developing the quality strategy. The results and necessary corrective measures are assessed together with the sites and functional areas involved as part of the monthly quality reporting process.

Wilo has implemented a quality management system certified to ISO 9001 at all production sites. The necessary processes, standards and tools, which are applicable throughout the Group, are organised by the House of Quality. It defines all relevant activities along the entire value chain process – from development through to recycling. The effectiveness of the measures is reviewed using the regular reporting and also by means of the annual internal and external audits.

All potential safety and technical risks are identified by means of a failure mode and effects analysis in the early phase of product development and limited or remedied using appropriate measures. As the performance indicator, the risk coverage rate provides transparency about the status and progress of the measures. Approval to proceed to the next stage of development is given only when all safety risks have been covered. The process is defined in the development policy, which is applicable throughout the Group. Compliance with the requirements for the corresponding milestone reviews is monitored by Quality & Qualification and reported on at regular steering committee meetings.

Involvement of consumers and end users

Wilo has established two key processes in the Group to take customers' assessments and feedback into account: on the one hand, a regular survey is conducted in the key markets in which customers are asked about numerous parameters and also their satisfaction with the safety, reliability and quality aspects. The Digital Business & Marketing department is responsible for the survey. The results are discussed with the responsible sales managers and action plans are drawn up.

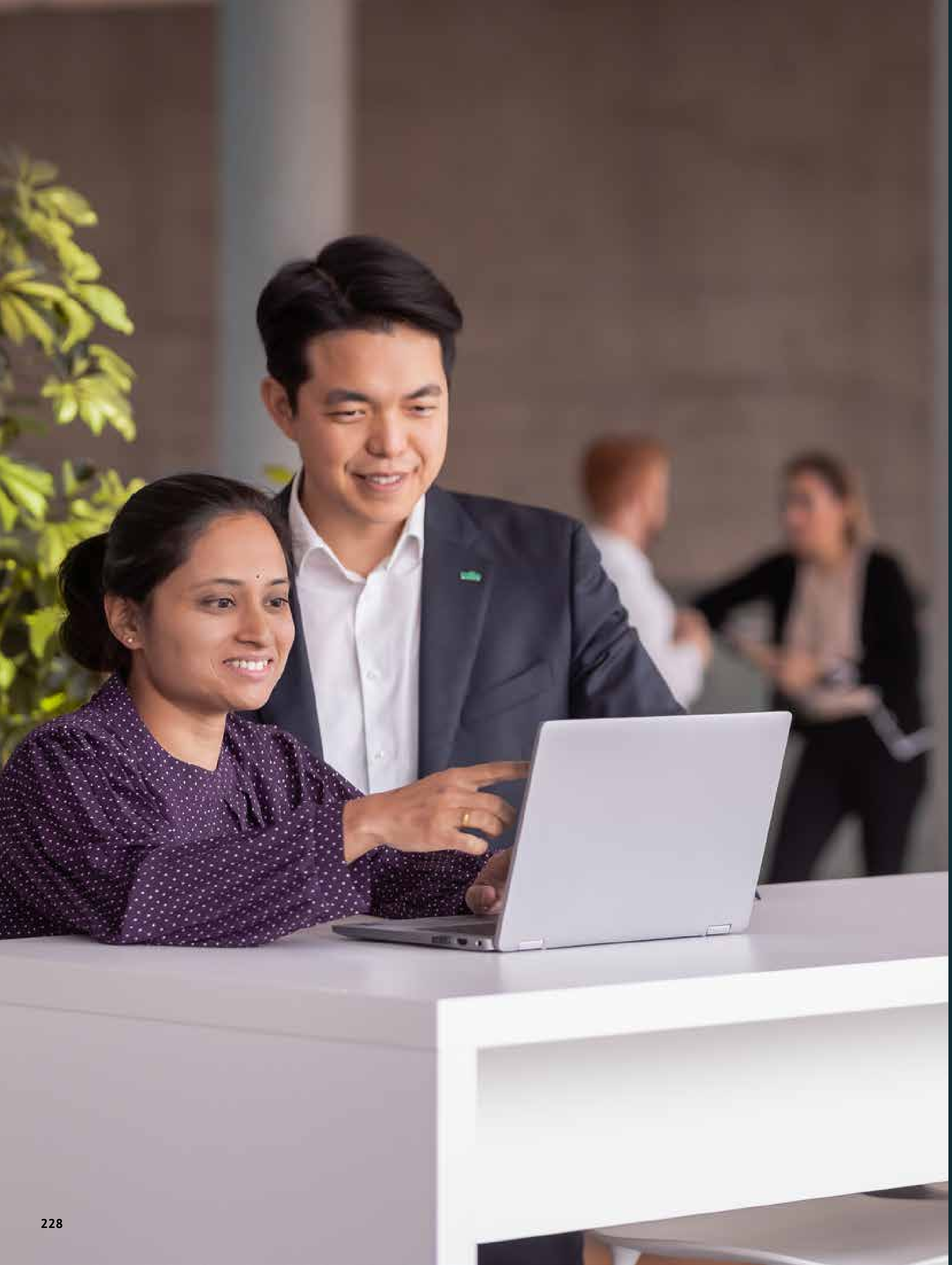
In addition, all instances of quality defects are recorded and assessed in global claim statistics. A standardised lessons-learned process is used to transfer relevant findings to the Research & Development department, which makes appropriate product adjustments as required. An instance of a serious quality or safety defect is regulated in the recall process. This enables the Quality & Qualification department to stop further sales of the product in question and coordinate the recall from the market.

Complaints procedure

Wilo customers can contact the company at any time via the existing communication channels in the event of actual or suspected safety deficiencies. The SpeakUp tool is also available for submitting reports anonymously if human rights violations or compliance breaches are identified.

Parameters and goals

Wilo pursues a consistent zero defect strategy as part of its quality management. The goal is to produce error-free results in all stages of the value-added process and thus to place on the market a completely safe and compliant product. There were no product safety-related complaints or feedback from customers in the year under report 2024, nor were any safety-related incidents reported.



GOVERNANCE

Wilo is committed to strong partnerships to jointly overcome the challenges of today. Wilo operates on the basis of Group-wide ethical values and takes responsibility for building a more sustainable future.

BUSINESS CONDUCT

→ **Wilo emphasises the importance of corporate political responsibility to shape socio-political issues**

→ **A value-oriented corporate culture forms the basis for ethical conduct**

→ **89% of employees received training on compliance topics in the year under report**

1. Strategy

As part of its corporate political responsibility, Wilo plays an active role in helping to shape the sociopolitical environment. Wilo takes a clear stance on issues such as climate change mitigation, energy and resource scarcity – global developments that will shape people's lives and societies in the coming decades. Together with international network partners, Wilo is driving future-oriented, environmentally friendly solutions and proactively encouraging dialogue with governments, NGOs, associations and relevant partner companies.

Wilo highlights the importance of actions to ensure energy and food security, illustrates the need for energy and resource efficiency, raises awareness about the correct management of the precious resource that is water and emphasises the relevance of hydrogen as an energy source of the future. In order to raise awareness of issues that are of great relevance for society and in order to share its knowledge and experience, Wilo plays an active part in networking and expert events. The company also regularly looks to hold discussions with key stakeholders through its own campaigns and events.

Responsible corporate management focused on fundamental ethical principles here constitutes a central prerequisite for credibility and reputation both inside and outside the company. This is why integrity, fairness, respect, passion and responsibility are irrefutable values that Wilo works and lives by. They form a common foundation. Traditionally, the sustainable success of the Wilo Group has been based to a large extent on these shared values.

2. Management of impacts, risks and opportunities

The procedure for analysing and assessing the material positive and negative impacts and the risks and opportunities in connection with responsible business conduct is described in the section "General disclosures". The impacts, risks and opportunities in connection with business conduct that are material for Wilo relate to ethical behaviour and transparency.

Promoting dialogue and cooperation between the worlds of politics, economics and business is a central prerequisite for tackling the global challenges posed by climate change. Solutions that are sufficiently scalable in scope and reach can be developed and implemented only by working together. It is for this reason that Wilo is committed to strong corporate political responsibility.

A value-orientated corporate culture shared by all employees forms the basis for ethical conduct. Promoting and shaping this corporate culture is of central importance for Wilo. It offers the frame of reference that ensures the values are complied with across countries and cultural groups. This is the prerequisite for legally compliant conduct in all areas of the economic activities and is a key factor in preventing relevant compliance risks such as corruption, conflicts of interest and anti-competitive behaviour.

3. Corporate political responsibility

Policies and governance

Initiating and promoting international formats for political dialogue is formulated as a strategic goal in the 2030 sustainability strategy. The Government and Public Affairs department, reporting directly to the Executive Board, is responsible for implementation.

Measures

Wilo sees the exchange of different perspectives, opinions and experiences as the foundation for solidarity and community. As a climate-protection company that operates around the world, it is of great relevance for the Wilo Group that it exchanges views in knowledge networks and is proactive in strengthening the dialogue with the stakeholder groups. For this reason, involvement in clubs and associations as well as participation in or organisation of events, discussion groups and other formats that promote exchange are explicitly encouraged. To this end, the company develops its positions and communicates them to political institutions and stakeholders.

Strong partner network across the whole world

The World Without Hunger conference in Addis Ababa, Ethiopia, jointly organised by the United Nations Industrial Development Organisation, the African Union Commission and the Government of Ethiopia, brought together over 1,500 high-level stakeholders from around the world to discuss one of the most pressing issues of our time – hunger. The conference emphasised the importance of joint efforts to create sustainable solutions.

The transformative role of water was discussed in the Water and Agriculture Action Forum. Water is at the heart of food security. Wilo's presence provided a platform to inform key stakeholders about the crucial role of innovative technologies in sustainable agriculture and irrigation systems. They support farmers in gaining better access to water, which in turn leads to improved agricultural productivity and less hunger.

International networking was also the focus of the International German Sustainability Award, which Wilo and the German Sustainability Award Foundation organised in 2024 for the second time. The award recognises successful partnerships between German companies and companies located in the Global South – and thus the hugely important dialogue between North and South. The decisions on transformation are being made globally, while international technology transfer is a core element of the efforts to create a more just world economic order. It is for this reason that, in the future, the International German Sustainability Awards will also recognise pioneering contributions to the transformation to a sustainable future – especially through environmental and high-efficiency technology.

Sustainable impact through networking

The climate crisis is also a water crisis. Greater attention must be dedicated to water in the negotiations on climate policy. The Wilo Group is therefore involved in top-level climate change conferences and plays an active part in political discussions in order to highlight the importance of water and the urgent need for action.

Fresh water resources around the world are coming under increasing pressure – a situation that is being exacerbated by the impacts of climate change and putting society, ecosystems and economic development at risk. Wilo presented itself at the Arab Water Forum, which was held in conjunction with the World Utilities Congress 2024 in Abu Dhabi, with the aim of emphasising the need for sustainable water management. By participating, Wilo is supporting the "UAE Water Security Strategy 2036", which aims to ensure a sustainable and uninterrupted water supply for the United Arab Emirates (UAE) under both normal and difficult conditions. The core objectives of the strategy include increasing the water productivity index to USD 110 per cubic metre and reducing the demand for water resources by 21%. Wilo's participation in the event emphasises its commitment to driving innovation and sustainability in the water industry.

Politicians and the private sector must work together across national borders to balance the needs of communities, industry, agriculture and ecosystems for water. As Europe is putting itself forward as a trailblazer in this regard, the Wilo Group is calling on the European Commission to make water a higher priority and emphasising the need for a coherent and comprehensive water strategy. This was discussed at the IFAT (International Trade Fair for Environmental Technologies) in Munich with Arthur Guischet, Secretary General of the European Water Association (EWA), and Dr Lisa Broß, Spokeswoman of the Management Board of the German Association for Water Management, Wastewater and Waste (DWA).

Oliver Hermes, Chairman of the Executive Board and CEO of the Wilo Group, opened the exchange with introductory words on the relevance of a possible European Blue Deal. A holistic water strategy and its consistent implementation in the form of a Blue Deal would not only better prepare Europe for increasing water scarcity, but would also create a positive narrative. There was unanimous agreement that the topic of water must be given much more attention and brought more into the public eye. The aim is to jointly develop innovative approaches to promote sustainable water management and lay the foundations for future partnerships.

Political influence and lobbying activities

Lobbying is about representing interests, and this is the foundation for a healthy democracy and social progress. Wilo contributes to the political dialogue in a constructive and party-neutral manner. In the interests of transparency and accountability, the activities are disclosed in the German and European registers of lobbyists. Wilo has reported on its annual activities and financial expenditure in the area of interest representation since 2022 under registration number R003240. The people authorised to represent these interests are the Wilo Group Executive Board and the employees who directly perform the lobbying activities in the name of the Wilo Group.

Parameters and goals

In accordance with the Sustainability Strategy 2030, Wilo is committed to helping to shape social policy on issues such as climate change mitigation, energy and resource scarcity. To this end, Wilo initiates and promotes dialogue formats, events and topic-specific conferences, which are characterised in particular by a multi-stakeholder approach. The aim is to connect at least 10,000 people a year, share knowledge and promote partnerships, as the challenges of sustainable transformation can only be overcome together.

In the year under report 2024, numerous such networking events were initiated and coorganised throughout the Wilo Group. In addition to energy efficiency and climate change mitigation, the focus was on topics relating to water supply and food security. Examples include the Energy Efficiency Day in Ankara, the World Without Hunger Conference in Africa and the Arab Water Forum in Dubai.

Merely by holding such prominent conferences with a high level of appeal and participation, it was possible to reach far more than 10,000 people. These are complemented by smaller, locally focused events and political dialogue formats that deepen the exchange on sustainable topics.

4. Value-oriented corporate culture

Policies and governance

Based on a stable foundation of values, Wilo has developed a code of conduct that acts as a radar for the daily actions and helps all employees to take the right decisions in critical situations. The Code of Conduct summarises all of the company's important principles and basic rules. It has been approved by the Wilo Group Executive Team and communicated to all the sites. Embedded in a global, regionally adapted compliance management system, the Code of Conduct is supplemented by a large number of specific Group guidelines, local policies and work instructions that apply to all Wilo Group employees without exception.

Promoting a value-oriented corporate culture is also a goal of the sustainability strategy geared towards 2030. The focus here is on communicating the company's ethical values and preventing compliance breaches by designing and implementing appropriate training offers. The Group Legal, Internal Audit & Compliance department is responsible for implementing the strategy.

Measures

Wilo's compliance management system consists of the elements of prevention, detection and response and, as an overarching framework, relates to all relevant compliance issues.

Prevention

Training and e-learning are at the heart of compliance risk prevention. Real situations are simulated and employees are trained to react appropriately in critical situations. The Wilo Compliance Office is also regularly consulted as a point of contact on questions or problems. Regular global compliance surveys provide insights into potential for improvement within the preventive activities (e.g. training contents or information requirements). In addition to the usual communication channels, employees have the option of using the Wilo AskMe tool to ask about how to behave correctly in specific circumstances.

Investigation and detection

Various points of contact can be used to detect potential compliance breaches, including both personal reporting channels, for example through the local compliance representative, Human Resources or direct supervisors, or by submitting reports through the SpeakUp whistleblower system. In order to protect whistleblowers, the reporting system is technically managed by an external operator and can also be used anonymously. The SpeakUp tool is available for both company employees and external parties. Last year, 21 potential compliance violations were reported via the tool. A further 13 reports were made via other communication channels. The detection activities additionally include the compliance risk analysis, which is used to identify and assess risks of corruption and bribery. And it goes without saying that compliance issues are always covered by internal audits.

Response

In addition to the SpeakUp tool, there is a case management process for following up on suspicious activities in a standardised, verifiably documented and objective manner and, if a response is required, for sanctioning them appropriately. Reporting duties and responsibilities are assigned to certain functions transparently and on a case-by-case basis. Case management also provides analyses of the lessons learned in order to ensure that the compliance management system and the related activities can be continuously improved.

Corruption and bribery

Wilo pursues a zero tolerance strategy when it comes to corruption. The Anti-corruption Policy defines the group-wide operating principles in the fight against corruption. Regular e-learning courses simulating real situations and enabling employees to react appropriately in critical situations have been conducted in the last few years. The right way to act in especially sensitive situations, such as on business trips or when gifts are offered, is defined in the Hospitality and Gifts Policy. In addition, a Hospitality & Gifts Register is kept, which is linked to an approval process. Risks of corruption can also arise as a result of cooperation with business partners. Wilo is currently using the DowJones risk assessment tool to analyse customers in potentially high-risk countries for possible violations or sanctions.

Anti-competitive behaviour

Preventing anti-competitive behaviour also forms part of the effort to ensure responsible business practices and is defined as a goal in the sustainability strategy. Fair competition is a fundamental requirement for innovation, growth and prosperity in a society. Wilo is committed to open markets and fair competition and complies with national and internationally applicable legal regulations. By acting in compliance with the rules, all the employees play a part in preventing risks – especially risks of unfair competition – at the Wilo Group. The Internal Audit & Compliance department is responsible for implementing the strategy.

Data and information security

Customers, suppliers and employees generate information and entrust it to Wilo. This information can be business and trade secrets, intellectual property and personal data. Wilo takes targeted technical and organisational measures. For example, personal data is kept only for a temporary period in accordance with a prescribed deletion concept. The permissions concept means that not every employee can access all internal data.

Wilo bases all its measures on the applicable data protection legislation as well as the relevant standards governing information security and the prevention of cyber risks. Data and information security has increased sharply in importance in the last few years. The Chief Information Security Officer is responsible for advancing the topics of information security and data protection.

Conflicts of interest

The company's economic success is based on objective decisions. Wilo relies on our employees not being guided by personal interests but instead aligning their actions with objective criteria. A conflict of interest arises if personal interests are not in line with the interests of the Wilo Group. This must be avoided by making business decisions exclusively in the best interests of the Wilo Group. Employees who have a conflict of interest are expected to let their superiors know in order to find a joint solution. Transparent disclosure of the situation can prevent conflicts of interest from the outset and protect those involved.

Parameters and goals

The goal as defined in the Wilo sustainability strategy is to communicate the company's ethical values and to implement appropriate training offers. The achievement of the goal is measured using the coverage rate of training programmes on business ethics. The goal is a coverage rate of 90%. In the year under report, e-learning training was resumed throughout the Group Two e-learning courses on the topics of basic compliance knowledge and whistleblowing were rolled out in 2024 and currently have a completion rate of 84% and 80% respectively. In total, 89% employees took part in at least one compliance training course.

TRAINING PROGRAMMES ON ETHICAL BUSINESS PRACTICES

	2023	2024
Coverage rate of business ethics training (%)	Design and piloting of a new training series	89

Confirmed incidents of corruption or bribery

Of the total number of 34 reports received in the year under report, 5 related to attempts at corruption or bribery. There were no convictions or fines for offences against corruption or bribery regulations.

APPENDIX

ABOUT THIS REPORT

Format
This report is published online. The content is available to download as a full document in PDF format.

Reporting standard: GRI
This report follows the internationally recognised standards of the Global Reporting Initiative (GRI) and is prepared "in accordance" with the applicable GRI standard. The GRI content index refers to the additional content in the sustainability report or in other published sources. Wilo transparently reports all information and data that is relevant and material from a company perspective.

Preparation for ESRS
In future, Wilo will be subject to the CSRD (Corporate Sustainability Reporting Directive) reporting obligation. In preparation for the reporting in line with the relevant European Sustainability Reporting Standards (ESRS), Wilo has already adopted and implemented some initial ESRS elements in this report. These include in particular the principle of double materiality and the restructuring of the relevant section of the report in line with the material matters that have been identified. The ESRS index shows which report contents have already been fulfilled and which are still being worked on.

UN Global Compact
As a signatory of the UN Global Compact, we are obliged to report on our progress in terms of implementing the ten principles. This sustainability report also includes the required annual "Communication on Progress" (CoP).

Sustainable Development Goals
The report also refers to the United Nations Sustainable Development Goals. The goals on which Wilo is focusing and the company activities undertaken to achieve these goals are discussed in the respective section on the sustainability strategy.

Reporting cycle
Wilo's sustainability report is published every year in fully revised form. The key indicators are updated every year.

Report content
This Wilo sustainability report provides information on the strategic orientation and management of sustainability within the company and relates to the whole of the Wilo Group. The target readers of this publication include customers, employees, suppliers, media representatives and other interested stakeholders. A materiality assessment has been conducted in order to define and evaluate the material sustainability matters. Targets and measures have been formulated in conjunction with the sustainability strategy. These are presented transparently and comprehensibly in the report.

If information that has previously been reported needs to be revised, it is corrected or restated directly in the report and marked.

The reporting period covers the whole of Wilo's 2024 financial year (1 January to 31 December 2024). The editorial deadline for this report was 21 February 2025 and some of the figures are rounded.

Contact
Your opinion is important to us. E-mail us with your questions and suggestions at:
responsibility@wilo.com

ADDITIONAL KEY FIGURES

	Unit	2022	2023	2024	Note
Key business figures					
Net sales	EUR million	1,885.70	1,974.80	**1,895.30**	
Net sales growth	%	14.2	4.7/10.4*	**-2.3*/-4.0**	*adjusted for exchange rate effects
EBITDA	EUR million	196.7	216.8	**189.1****	** adjusted for restructuring expenses
Capital expenditure	EUR million	155.3	198.6	**135.6**	
R&D expenses	EUR million	70.6	77.7	**79.4**	
Equity	EUR million	930.9	962.6	**975.1**	
Equity ratio	%	42.7	40.4	**41.1**	
Water					
Total water consumption	m^3	114,442	121,632	**161,945**	
Per capita water consumption	m^3	18.75	18.97	**27.2**	
Total water consumption/ EUR million net revenue	m^3/EUR million	60.69	61.59	**85.44**	
Energy and emissions					
Energy consumption and energy mix					
Fuel consumption from coal and coal products	MWh	0	0	**0**	
Fuel consumption from crude oil and petroleum products	MWh	1,455	1,458	**863**	
Fuel consumption from natural gas	MWh	27,204	21,580	**20,967**	
Fuel consumption from other fossil sources	MWh	0	0	**0**	
Consumption from purchased or received electricity, heat, steam and cooling and from fossil sources	MWh	16,768	17,132	**8,721**	
Total consumption of fossil energy	MWh	45,427	40,170	**30,551**	
Share of fossil fuels in total energy consumption	%	57	55	**42**	
Consumption from nuclear power sources	MWh	0	0	**0**	
Share of consumption from nuclear sources in total energy consumption	%	0	0	**0**	
Fuel consumption for renewable sources, including biomass (also industrial and municipal waste of biological origin, biogas, hydrogen from renewable sources, etc.)	MWh	0	0	**0**	
Consumption from purchased or acquired electricity, steam, heating and cooling and from renewable sources	MWh	33,326	28,559	**36,217**	
Consumption of energy generated in-housewhere this does not involve fossil fuels	MWh	1,442	3,825	**6,825**	
Total consumption of renewable energy	MWh	34,767	32,384	**43,041**	
Share of renewable sources in total energy consumption	%	43	45	**58**	
Total energy consumption	MWh	80,194	72,554	**73,592**	
Share of renewable sources (green electricity) in total electricity consumption	%	69	65	**84**	

	Unit	2022	2023	2024	Note
In-house energy generation					
Generation of non-renewable energy	MWh	0	0	**0**	
Generation of energy from renewable sources	MWh	1,442	4,244	**7,626**	
Energy savings through high-efficiency pumps	TWh	2.2	2.0	**1.5**	
Greenhouse gas emissions 2020					Baseline values in the chapter “Climate change”
Biogenic emissions	t CO_2e	211	269	**315**	
Scope 1 GHG emissions					
Scope 1 gross GHG emissions	t CO_2e	5,891	4,802	**4,522**	
Percentage of scope 1 GHG emissions from regulated emissions trading systems	%	0	0	**0**	
Scope 2 GHG emissions					
Location-based scope 2 gross GHG emissions	t CO_2e	18,957	17,609	**17,680**	
Market-related scope 2 gross GHG emissions	t CO_2e	7,956	8,159	**3,022**	
Scope 3 GHG emissions					
Total indirect (scope 3) GHG gross emissions	t CO_2e	54,305,794	55,567,977	**51,434,968**	
1 Purchased goods and services	t CO_2e	635,226	525,095	**373,197**	
2 Capital goods	t CO_2e	7,400	8,133	**5,635**	
3 Activities in connection with fuels and energy	t CO_2e	4,253	3,965	**4,053**	
4 Upstream transport and distribution	t CO_2e	49,241	37,475	**27,801**	
5 Waste	t CO_2e	5,240	5,723	**4,756**	
6 Business avels	t CO_2e	710	1,322	**2,324**	
7 Employee commuting	t CO_2e	10,067	10,856	**11,052**	
8 Upstream leased assets	t CO_2e	5,819	5,922	**6,252**	
Scope-3-Upstream in total	t CO_2e	717,957	598,490	**435,070**	
9 Downstream transport	t CO_2e	0	0	**0**	
10 Processing of products sold	t CO_2e	0	0	**0**	
11 Utilisation of sold products	t CO_2e	53,586,984	54,968,778	**50,999,351**	
12 Treatment of products at the end of their service life	t CO_2e	853	710	**546**	
13 Downstream leased assets	t CO_2e	0	0	**0**	
14 Franchises	t CO_2e	0	0	**0**	
15 Financial investments	t CO_2e	0	0	**0**	
Scope-3-Downstream in total		53,587,837	54,969,488	**50,999,897**	
Total GHG emissions					
Total GHG emissions (location-based)	t CO_2e	54,330,642	55,590,388	**51,457,169**	
Total GHG emissions (market-related)	t CO_2e	54,319,640	55,580,939	**51,442,512**	
GHG intensity per net income					
Total GHG emissions (location-based) per net income	t CO_2e/EUR	0.0288	0.0281	**0.0272**	
Total GHG emissions (market-related) per net income	t CO_2e/EUR	0.0288	0.0281	**0.0271**	
Removals and certificates					
Removals	t CO_2e	0	0	**0**	
Offset certificates	t CO_2e	250	1,004	**N/A**	

	Unit	2022	2023	2024	Note
Material					
Total amount of waste	t	8,818	8,826	7,791	
Recycling rate	%	89	91	92	
Disposed	t	616	450	305	
Recycled	t	7,848	8,042	7,167	
Hazardous waste	t	354	334	320	
Own workforce					
Total number of employees	Number	8,643	9,084	9,189	as of the balance sheet date 31.12.2024
Male	Number	6,621	6,979	6,980	
Female	Number	2,022	2,093	2,205	
Other	Number	0	0	0	
Not specified	Number	0	12	4	
By gender					
Share of men	%	76.6	76.8	76.0	
Share of women	%	23.4	23.0	24.0	
Share of other	%	0	0	0	
Share of not specified	%	0	0.13	0.04	
By employment contract					
Fixed-term	Number	1,124	1,425	1,274	
Of which men	Number	880	1,139	983	
Of which women	Number	244	278	278	
Of which other	Number	0	0	0	
Of which not specified	Number	0	8	0	
Permanent	Number	7,519	7,659	7,915	
Of which men	Number	5,745	5,839	5,997	
Of which women	Number	1,775	1,815	1,914	
Of which other	Number	0	0	0	
Of which not specified	Number	0	4	4	
By age group					
Under 30 years	Number	1,230	1,372	1,213	
30 to 50 years old	Number	4,988	5,354	5,292	
Over 50 years	Number	2,426	2,358	2,684	
By employment relationship					
Part-time	Number	545	521	961	
Of which men	Number	258	245	551	
Of which women	Number	286	275	410	
Of which other	Number	0	0	0	
Of which not specified	Number	0	0	0	
Full-time	Number	8,102	8,563	8,228	
Of which men	Number	6,368	6,732	6,429	
Of which women	Number	1,734	1,818	1,795	
Of which other	Number	0	0	0	
Of which not specified	Number	0	12	4	

	Unit	2022	2023	2024	Note
Employees by region					
Emerging markets	Number	3,051	3,233	3,280	
Mature markets	Number	5,194	5,346	5,390	
North America	Number	398	505	519	
Number of employees in countries where Wilo has at least 50 employees					
Germany	Number	2,983	3,079	3,044	
France	Number	1,243	1,245	1,170	
India	Number	1,063	1,151	1,158	
China	Number	914	917	992	
USA	Number	371	453	456	
Russia	Number	338	335	345	
South Korea	Number	306	319	328	
Poland	Number	115	129	140	
Turkey	Number	101	113	118	
Italy	Number	110	104	124	
United Kingdom	Number	89	93	95	
Other personnel-related key figures					
Gender pay gap	%	–	11.9	12.1	The key figure has so far only been collected for Germany
Women on the Management Board	%	0.0	0.0	0.0	
Women in management positions	%	19.0	18.3	18.2	
Nationalities in Wilo teams	%	–	5.3	7.9	Change in the calculation method in the year under report
Fluctuation rate	%	3.9	4.8	4.1	
Proportion of employees with disabilities	%	5.14	4.87	2.7	First global survey in the year under report
Accident frequency	LTIR	3.4	2.9	3.3	
Occupational accident severity rate	ASR	0.10	0.06	0.06	
Number of work-related accidents amongst Wilo employees	Number	28	27	38	
Number of work-related accidents involving non-Wilo employees	Number	13	9	5	
Engagement score	%	–	77	77	
Employees covered by collective bargaining	%	78.40	80.83	79.56	The key figure has so far only been collected for Germany
Training hours	Hours	804*	1,018	456	Restructuring of the learning platform, therefore no exact figure available; only Leadership Accelerator training courses
Average training hours per employee	Hours/ employee	4.7	3.9	4.0	Leadership Accelerator training courses only
Participants in skills development programmes	Number	–	–	4,000	
Business conduct					
Training programmes on ethical business practices	%	49	–*	89	Design and piloting of a new training series
Number of reports using whistleblower procedures	Number	31	23	34	
Networked people around the world from science, business, politics and civil society	Number	–	–*	9,000	*KPI and methodology established

CERTIFICATION OVERVIEW

Location		9001	14001	45001	50001
44263 Dortmund-Wilopark, Germany	WILO SE	x	x	x	x
44263 Dortmund-Felicitasstrasse, Germany	WILO SE	x	x	x	x
44357 Dortmund-Breisenbach, Germany	WILO SE	x	x	x	x
95030 Hof, Germany	WILO SE, Hof plant	x	x	x	x
09224 Chemnitz, Germany	Wilo IndustrieSysteme	x	–	–	–
53005 Laval Cedex, France	Wilo France SAS	x	x	x	–
53950 Louverné, France	Wilo France SAS	x	x	x	–
92500 Rueil-Malmaison, France	Wilo France SAS	x	–	–	–
36073 Cornedo Vicentino, Italy	STEMMA S.R.L.	x	–	–	–
70123 Bari, Italy	Wilo Italia SRL	x	–	–	–
18700 Aubigny-sur-Nère, France	Wilo INTEC SAS	x	x	–	x
Jebel Ali Free Zone – South, PO Box 26720 Dubai, United Arab Emirates	Wilo Middle East FZE	x	x	x	–
Beijing 101300, P. R. China	Wilo China Ltd.	x	x	x	–
Changzhou 213002, China	Wilo Pump Co, Ltd.	x	x	x	–
Busan 618-260, South Korea	Wilo Pumps Limited	x	x	x	–
43300 Seri Kembangan, Selangor, Malaysia	Wilo Malaysia Sdn. Bhd.	x	–	–	–
Pune 411 019, India	Wilo Mather and Platt Pumps Private Limited	x	x	x	–
Kolhapur 416 234, India	Wilo Mather and Platt Pumps Private Limited	x	x	x	–
Maharashtra 412 802, India	Wilo Mather and Platt Pumps Private Limited	x	x	x	–
34956 Istanbul, Turkey	Wilo Pompa Sistemleri A.Ş.	x	x	x	–
QLD 4172 Brisbane, Australia	Wilo Australia Pty Ltd	x	–	–	–
Noginsk (Moscow region), Russia	Wilo RUS LLC	x	–	–	–
A-2351 Wiener Neudorf, Austria	Wilo Pumpen Österreich GmbH	x	–	–	–
352 45 Växjö, Sweden	Wilo Nordic AB	x	–	–	–
1083 Ganshoren, Belgium	Wilo nv	x	–	–	–
05-506 Lesznowola, Poland	Wilo Polska Sp. z o.o.	x	–	–	–
H-2045 Törökbálint, Hungary	Wilo Magyarország Kft.	x	–	–	–
96515 Sonneberg-Werkringstraße, Germany	Martin Systems	x	–	–	–
96515 Sonneberg-Lindenbach, Germany	Martin Systems	x		–	–
35423 Lich, Germany	Likusta GmbH	x	x	–	–
Kanchipuram 631501, India	Liku-Tech Environmental Solut.	x	x	–	–
35415 Pohlheim, Germany	FSM Frankenb.	x	x	x	–
65232 Taunusstein, Germany	FSM Frankenb.	x	–	–	–
Shanghai 201806, China	Guhong Environmental Engineer.	x	x	x	–

ESRS INDEX OVERVIEW

ESRS 2 GENERAL DISCLOSURES

Disclosure requirement	Designation	Page	Note	Essential
Disclosure requirement GOV-1	The role of the administrative, management and supervisory bodies	pp. 180-188		
Disclosure requirement GOV-2	Information provided to and sustainability matters addressed by the company's administrative, management and supervisory bodies	pp. 180-188		
Disclosure requirement GOV-3	Inclusion of sustainability-related performance in incentive systems	pp. 180-188		
Disclosure requirement GOV-4	Declaration on due diligence		Excluded	
Disclosure requirement GOV-5	Risk management and internal controls over sustainability reporting	pp. 180-188		
Disclosure requirement SBM-1	Strategy, business model and value chain	pp. 180-188		
Disclosure requirement SBM-2	Interests and views of stakeholders	pp. 180-188		
Disclosure requirement SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		Excluded	
Disclosure requirement IRO-1	Description of the process for identifying and assessing the material impacts, risks and opportunities	pp. 180-188		
Disclosure requirement IRO-2	Disclosure requirements included in the ESRS and covered by the company's sustainability declaration	pp. 180-188		

ENVIRONMENT

ESRS E1 climate change mitigation

Disclosure requirement	Designation	Page	Note	Essential
E1 – Disclosure requirement in connection with ESRS 2 GOV-3	Inclusion of sustainability-related performance in incentive systems		Excluded	
Disclosure requirement E1 – 1	Transition plan for climate change mitigation	pp. 192–199	Excluded: EU taxonomy data	
E1 Disclosure requirement in connection with ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		Excluded	
E1 Disclosure requirement in connection with ESRS 2 IRO-1	Description of the procedures for identifying and assessing the main climate-related impacts, risks and opportunities	pp. 192–199	Excluded: climate risks, transition risks & opportunities; climate-related scenario analysis	
Disclosure requirement E1 – 2	Strategies in connection with climate change mitigation and climate change adaptation	pp. 192–199		
Disclosure requirement E1 – 3	Measures and resources in connection with the climate strategies	pp. 192–199	Excludes: CapEx and OpEx, which are necessary for implementing the measures taken or planned	
Disclosure requirement E1 – 4	Targets in connection with climate change mitigation and climate change adaptation	pp. 192–199		
Disclosure requirement E1 – 5	Energy consumption and energy mix	pp. 192–199		
Disclosure requirement E1 – 6	Gross GHG emissions in the categories scope 1, 2 and 3 as well as total GHG emissions	pp. 192–199		
Disclosure requirement E1 – 7	Reduction of greenhouse gases and projects to mitigate greenhouse gases, financed via CO_2 credits	pp. 192–199		
Disclosure requirement E1 – 8	Internal CO_2 pricing		Excluded	
Disclosure requirement E1 – 9	Anticipated financial impact of material physical and transition risks and potential climate-related opportunities		Excluded	

ENVIRONMENT

ESRS E2 environmental pollution

Disclosure requirement	Designation	Page	Note	Essential
E2 – Disclosure requirement in connection with ESRS 2 IRO-1	Description of the procedures for identifying and assessing the main impacts, risks and opportunities relating to environmental pollution			No
Disclosure requirement E2 – 1	Strategies in connection with environmental pollution			No
Disclosure requirement E2 – 2	Measures and resources in connection with environmental pollution			No
Disclosure requirement E2 – 3	Targets in connection with climate change mitigation and climate change adaptation			No
Disclosure requirement E2 – 4	Air, water and soil pollution			No
Disclosure requirement E2 – 5	Substances of concern and substances of very high concern			No
Disclosure requirement E2 – 6	Anticipated financial impact from impacts, risks and opportunities related to environmental pollution			No

ESRS E3 water and marine resources

E3 – Disclosure requirement in connection with ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities related to water and marine resources	pp. 200–203		
Disclosure requirement E3 – 1	Strategies related to water and marine resources	pp. 200–203		
Disclosure requirement E3 – 2	Measures and resources related to water and marine resources	pp. 200–203		
Disclosure requirement E3 – 3	Targets in connection with water and marine resources	pp. 200–203		
Disclosure requirement E3 – 4	Water consumption	pp. 200–203		
Disclosure requirement E3 – 5	Anticipated financial impact from impacts, risks and opportunities in connection with water and marine resources		Excluded	

ENVIRONMENT

ESRS E4 Biodiversity and ecosystems

Disclosure requirement	Designation	Page	Note	Essential
Disclosure requirement E4 – 1	Transition plan and consideration of biodiversity and ecosystems in the strategy and business model			No
E4 – Disclosure requirement in connection with ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model			No
E4 – Disclosure requirement in connection with ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities related to biodiversity			No
Disclosure requirement E4 – 2	Strategies related to biodiversity and ecosystems			No
Disclosure requirement E4 – 3	Measures and resources related to biodiversity			No
Disclosure requirement E4 – 4	Targets related to biodiversity and ecosystems			No
Disclosure requirement E4 – 5	Impact parameters related to biodiversity and ecosystem change			No
Disclosure requirement E4 – 6	Anticipated financial effects from impacts, risks and opportunities related to biodiversity and ecosystems			No

ESRS E5 Resource use and circular economy

E5 – Disclosure requirement in connection with the ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities in connection with resource use and circular economy	pp. 203–206		
Disclosure requirement E5 – 1	Strategies in connection with resource use and circular economy	pp. 203–206		
Disclosure requirement E5 – 2	Measures and means related to resource use and circular economy	pp. 203–206		
Disclosure requirement E5 – 3	Targets in connection with resource use and circular economy	pp. 203–206		
Disclosure requirement E5 – 4	Resource inflows		Excluded	
Disclosure requirement E5 – 5	Resource outflows		Excluded	
Disclosure requirement E5 – 6	Anticipated financial effects from impacts, risks and opportunities related to resource use and the circular economy		Excluded	

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ESRS S1 Own workforce

Disclosure Requirement	Designation	Page	Note	Essential
S1 – Disclosure requirement in connection with ESRS 2 SBM-2	Interests and views of stakeholders	pp. 210–219		
S1 – Disclosure requirement in connection with ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	pp. 210–219		
Disclosure requirement S1 – 1	Strategies in connection with our own workforce	pp. 210–219		
Disclosure requirement S1 – 2	Procedure for involving own employees and employee representatives in relation to impacts	pp. 210–219		
Disclosure requirement S1 – 3	Procedures to address negative impacts and channels through which our own workers can raise concerns	pp. 210–219		
Disclosure requirement S1 – 4	Taking measures in relation to material impacts and approaches to mitigate material risks and capitalise on material opportunities in relation to own workforce and the effectiveness of these measures and approaches	pp. 210–219		
Disclosure requirement S1 – 5	Targets related to managing material negative impacts, promoting positive impacts and managing material risks and opportunities	pp. 210–219		
Disclosure requirement S1 – 6	Characteristics of the company's employees	pp. 210–219		
Disclosure requirement S1 – 7	Characteristics of non-employees in the company's own workforce		Excluded	
Disclosure requirement S1 – 8	Collective agreement coverage and social dialogue	pp. 210–219		
Disclosure requirement S1 – 9	Diversity parameters	pp. 210–219		
Disclosure requirement S1 – 10	Adequate wage	pp. 210–219		
Disclosure requirement S1 – 11	Social protection	pp. 210–219		
Disclosure requirement S1 – 12	Persons with disabilities	pp. 210–219		
Disclosure requirement S1 – 13	Parameters for training and skills development		Excluded	
Disclosure requirement S1 – 14	Parameters for occupational health and safety	pp. 210–219		
Disclosure requirement S1 – 15	Parameters for work-life balance		Excluded	
Disclosure requirement S1 – 16	Remuneration parameters (differences in earnings and total remuneration)	pp. 210–219		
Disclosure requirement S1 – 17	Incidents, complaints and serious impacts in connection with human rights	pp. 210–219		

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ESRS S2 Workers in the value chain

Disclosure Requirement	Designation	Page	Note	Essential
S2 – Disclosure requirement in connection with ESRS 2 SBM-2	Interests and views of stakeholders	pp. 220–222		
S2 – Disclosure requirement related to ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	pp. 220–222		
Disclosure requirement S2 – 1	Strategies relating to workforce in the value chain	pp. 220–222		
Disclosure requirement S2 – 2	Procedure for involving the workforce in the value chain with regard to impacts	pp. 220–222		
Disclosure requirement S2 – 3	Procedures to address negative impacts and channels through which workers in the value chain can raise concerns	pp. 220–222		
Disclosure requirement S2 – 4	Taking measures in relation to material impacts and approaches to managing material risks and exploiting material opportunities related to the workforce in the value chain and the effectiveness of these measures and approaches	pp. 220–222		
Disclosure requirement S2 – 5	Targets related to managing material negative impacts, promoting positive impacts and managing material risks and opportunities	pp. 220–222		

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ESRS S3 Affected communities

Disclosure Requirement	Designation	Page	Note	Essential
S3 – Disclosure requirement in connection with ESRS 2 SBM-2	Interests and views of stakeholders	pp. 223–225		
S3 – Disclosure requirement in connection with ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	pp. 223–225		
Disclosure requirement S3 -1	Strategies related to affected communities	pp. 223–225		
Disclosure requirement S3 – 2	Procedure for involving affected communities in relation to impacts	pp. 223–225		
Disclosure requirement S3 -3	Procedures to address negative impacts and channels through which affected communities can raise concerns	pp. 223–225		
Disclosure requirement S3 -4	Taking measures in relation to material impacts on affected communities and approaches to managing material risks and capitalising on material opportunities related to affected communities and the effectiveness of these measures	pp. 223–225		
Disclosure requirement S3 -5	Targets related to managing material negative impacts, promoting positive impacts and managing material risks and opportunities	pp. 223–225		

SOCIAL

ESRS S4 Consumer and end users

Disclosure Requirement	Designation	Page	Note	Essential
S4 – Disclosure requirement in connection with ESRS 2 SBM-2	Interests and views of stakeholders	pp. 226–227		
S4 – Disclosure requirement in connection with ESRS 2 SBM-3	Material effects, risks and opportunities and their interaction with strategy and business model	pp. 226–227		
Disclosure requirement S4 – 1	Strategies in connection with consumers and end users	pp. 226–227		
Disclosure requirement S4 – 2	Procedure for involving consumers and end users in relation to impacts	pp. 226–227		
Disclosure requirement S4 – 3	Procedures to address negative impacts and channels through which consumers and end users can raise concerns	pp. 226–227		
Disclosure requirement S4 – 4	Taking measures in relation to material impacts on consumers and end users and approaches to managing material risks and capitalising on material opportunities related to consumers and end users and the effectiveness of these measures and approaches	pp. 226–227		
Disclosure requirement S4 – 5	Targets related to managing material negative impacts, promoting positive impacts and managing material risks and opportunities	pp. 226–227		

GOVERNANCE

ESRS G1 Business conduct

G1 – Disclosure requirement in connection with ESRS 2 GOV-1	The role of the administrative, management and supervisory bodies	pp. 230–234		
G1 – Disclosure Requirement in connection with ESRS 2 IRO-1	Description of the processes to identify and assess the material impacts, risks and opportunities	pp. 230–234		
Disclosure requirement G1 – 1	Strategies in relation to business conduct and corporate culture	pp. 230–234		
Disclosure requirement G1 – 2	Management of relationships with suppliers			No
Disclosure requirement G1 – 3	Prevention and detection of corruption and bribery	pp. 230–234		
Disclosure requirement G1 – 4	Confirmed incidents of corruption or bribery	pp. 230–234		
Disclosure requirement G1 – 5	Political influence and lobbying	pp. 230–234		
Disclosure requirement G1 – 6	Payment practices			No

GRI INDEX OVERVIEW

Declaration of use	WILO SE has reported in accordance with the GRI Standards for the period 1 January 2024 – 31 December 2024; the reporting structure is based on the ESRS Standards.
GRI used 1	GRI 1: Fundamentals 2021
Applicable GRI sector standard(s)	None

MATERIAL TOPICS (GRI 201–419)

GRI standard		Reference / page	Note / reason for omission
GRI 2: General disclosures 2021			
2–1	Organisational details	Wilo Annual Report, from p. 56	
2–2	Entities included in the organisation's sustainability reporting	from p. 237	
2–3	Reporting period, reporting frequency and contact point	from p. 237	
2–4	Correction or restatement of information	from p. 237	
2–5	External assurance		
2–6	Activities, value chain and other business relationships	Wilo Annual Report, from p. 50	
2–7	Employees	pp. 216–218	
2–8	Workers who are not employees		Information not available
2–9	Management structure and composition	Wilo Annual Report, pp. 56–59	
2–10	Nomination and selection of the highest governance body	Wilo Annual Report, pp. 56–59	
2–11	Chair of the highest governance body	Wilo Annual Report, p. 163	
2–12	Role of the highest governance body in overseeing the management of impacts	Wilo Annual Report, pp. 56–59	
2–13	Delegation of responsibility for the management of impacts	p. 180	
2–14	Role of the highest governance body in sustainability reporting	p. 180	
2–15	Conflicts of interest	Wilo Annual Report, pp. 56–59	
2–16	Communication of critical concerns	Wilo Annual Report, pp. 56–59	
2–17	Collective knowledge of the highest governance body	p. 180	
2–18	Evaluation of the performance of the highest governance body		Information not available
2–19	Remuneration policies	Wilo Annual Report, p. 162	
2–20	Process to determine remuneration	Wilo Annual Report, p. 162	
2–21	Ratio of total annual remuneration		Information not available
2–22	Declaration of application of the sustainable development strategy	pp. 10–45, 180–188	
2–23	Declaration of commitment to principles and conduct	Website	Policy statement: https://wilo.com/de/Compliance/
2–24	Inclusion of the declarations of commitment to principles and conduct	Website	Policy statement: https://wilo.com/de/Compliance/
2–25	Procedure for eliminating negative impacts	Website	Policy Statement: https://wilo.com/de/Compliance/
2–26	Procedure for seeking advice and reporting concerns	Website	Policy statement: https://wilo.com/de/Compliance/
2–27	Compliance with laws and regulations		No offences have been committed
2–28	Membership of associations and interest groups	pp. 231–232	
2–29	Approach to stakeholder engagement	p. 185	
2–30	Collective bargaining agreements	p. 241	
GRI 3: Material topics 2021			
3–1	Process to determine material topics	pp. 186–188	
3–2	List of material topics	p. 188	
3–3	Management of material topics	pp. 192–234	In the full report
GRI 201: Economic performance 2016			
201–1	Direct economic value generated and distributed	Wilo Annual Report, pp. 108–158	
201–2	Financial implications of climate change for the organisation and other risks and opportunities associated with climate change	pp. 108–158	Financial valuation in preparation
201–3	Liabilities for defined benefit pension plans and other pension plans	Wilo Annual Report, pp. 110–162	
201–4	Financial support from the public sector	Wilo Annual Report, pp. 110–162	
GRI 204: Procurement practices 2016			
204–1	Share of expenditure for local suppliers		Information not available
GRI 205: Anti-corruption 2016			
205–1	Operating sites that are checked for corruption risks	p. 233	
205–2	Communication and training about anti-corruption policies and procedures	p. 233	
205–3	Confirmed incidents of corruption and measures taken	p. 233	
GRI 206: Anti-competitive behaviour 2016			
206–1	Legal proceedings due to anti-competitive behaviour, cartel and monopoly formation		No offences have been committed

GRI standard		Reference / page	Note / reason for omission
GRI 301: Materials 2016			
301-1	Materials used by weight or volume		In preparation
301-2	Recycled input materials used	pp. 204–206	
301-3	Recycled products and their packaging materials	p. 205	
GRI 302: Energy 2016			
302-1	Energy consumption within the organisation	pp. 192–199	
302-2	Energy consumption outside the organisation	pp. 192–199	
302-3	Energy intensity	pp. 192–199	
302-4	Reduction in energy consumption	pp. 192–199	
302-5	Reductions in energy requirements of products and services	pp. 192–199	
GRI 303: Water and sewage 2018			
303-1	Interactions with water as a shared resource	pp. 202–203	
303-2	Management of water discharge related impacts	pp. 202–203	
303-3	Water withdrawal		Information not available
303-4	Water recirculation		Information not available
303-5	Water consumption	pp. 202–203	
GRI 305: Emissions 2016			
305-1	Direct GHG emissions (Scope 1)	pp. 192–199	
305-2	Indirect energy-related GHG emissions (Scope 2)	pp. 192–199	
305-3	Other indirect GHG emissions (Scope 3)	pp. 192–199	
305-4	Intensity of greenhouse gas emissions	pp. 192–199	
305-5	Reduction of greenhouse gas emissions	pp. 192–199	
305-6	Emissions of ozone-depleting substances (ODS)		Not applicable
305-7	Nitrogen oxides (NOx), Sulphur oxides (SOx) and other significant air emissions		Not applicable

GRI standard		Reference / page	Note / reason for omission
GRI 306: Waste 2020			
306-1	Waste generation and significant waste-related impacts	pp. 204–206	
306-2	Management of significant waste-related impacts	pp. 204–206	
306-3	Waste generated	p. 206	
306-4	Waste diverted from disposal	p. 206	
306-5	Waste forwarded for disposal		
GRI 308: Environmental assessment of suppliers 2016			
308-1	New suppliers that were screened using environmental criteria	p. 222	
308-2	Negative environmental impacts in the supply chain and measures taken	pp. 193–195, p. 205	
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	from p. 238	
401-2	Company benefits that are only offered to full-time employees, but not to temporary or part-time employees	pp. 210–219	
401-3	Parental leave		Information not available
GRI 402: Employer-employee relationship 2016			
402-1	Minimum notification period for operational changes	pp. 210–219	
GRI 403: Occupational health and safety 2018			
403-1	Management system for health and safety at work	pp. 210–219	
403-2	Hazard identification, risk assessment, and incident investigation	pp. 210–219	
403-3	Occupational health services	pp. 210–219	
403-4	Employee involvement, consultation and communication on health and safety in the workplace	pp. 210–219	
403-5	Employee training on health and safety in the workplace	pp. 210–219	
403-6	Promotion of worker health	pp. 210–219	
403-7	Prevention and mitigation of impacts on occupational health and safety directly related to business relationships	pp. 210–219	
403-8	Employees covered by an occupational health and safety management system	pp. 210–219	
403-9	Work-related injuries	pp. 210–219	
403-10	Work-related illnesses		Information not available

GRI standard		Reference / page	Note / reason for omission
GRI 404: Education and training 2016			
404-1	Average number of hours for training and further education per year and employee	from p. 238	
404-2	Programs for upgrading employee skills and transition assistance programs	pp. 210–219	
404-3	Percentage of employees receiving regular performance and career development reviews	pp. 210–219	
GRI 405: Diversity and equal opportunities 2016			
405-1	Diversity of governance bodies and employees	Wilo Annual Report, pp. 56–59; pp. 210–219	
405-2	Ratio between the basic salary and remuneration of women and the basic salary and remuneration of men	pp. 210–219	
GRI 406: Non-discrimination 2016			
406-1	Incidents of discrimination and remedial action taken		No cases
GRI 407: Freedom of association and collective bargaining 2016			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		Information will be published in the course of the year 2024 in the BAFA report on human rights due diligence
GRI 408: Child labour 2016			
408-1	Operations and suppliers at significant risk of incidents of child labour		Information will be published in the course of the year 2024 in the BAFA report on human rights due diligence
GRI 413: Local communities 2016			
413-1	Operating sites with local community involvement, impact assessments and support programmes	pp. 223–225	
413-2	Operations with significant or potentially negative impacts on local communities		Information will be published in the course of the year 2024 in the BAFA report on human rights due diligence
GRI 414: Social assessment of suppliers 2016			
414-1	New suppliers that were screened using social criteria	p. 222	
414-2	Negative social impacts in the supply chain and measures taken		Information will be published in the course of the year 2024 in the BAFA report on human rights due diligence

GRI standard		Reference / page	Note / reason for omission
GRI 415: Political influence 2016			
415-1	Political contributions		Not applicable, as not performed
GRI 416: Customer health and safety 2016			
416-1	Assessment of the impact of different product and service categories on health and safety	pp. 226–227	
416-2	Infringements relating to the health and safety impacts of products and services		No cases available

TOPICS IN THE APPLICABLE GRI SECTOR STANDARDS THAT WERE CLASSIFIED AS NOT MATERIAL

Subject		Explanation
GRI 202	Market presence 2016	Double materiality indicates low probability of relevant impacts, risks or opportunities
GRI 203	Indirect economic impacts in 2016	Double materiality indicates low probability of relevant impacts, risks or opportunities
GRI 207	Taxes 2019	Double materiality indicates low probability of relevant impacts, risks or opportunities
GRI 304	Biodiversity 2016	Double materiality indicates low probability of relevant impacts, risks or opportunities
GRI 409	Forced or compulsory labour 2016	Double materiality indicates low probability of relevant impacts, risks or opportunities
GRI 410	Security practices 2016	Double materiality indicates low probability of relevant impacts, risks or opportunities
GRI 411	Rights of indigenous peoples 2016	Double materiality indicates low probability of relevant impacts, risks or opportunities
GRI 417	Marketing and labelling 2016	Double materiality indicates low probability of relevant impacts, risks or opportunities
GRI 418	Protection of customer data 2016	Double materiality indicates low probability of relevant impacts, risks or opportunities

MEDIA

This annual report was published on **2 July 2025** and is available in German and English. Both versions can be downloaded at www.wilo.com.

The annual and sustainability report is also available online

desktop mobile

www.wilo.com

PUBLISHING INFORMATION

Publisher
WILO SE
Wilopark 1
44263 Dortmund

Concept and design
KMW. Kommunikation Maerz & Wolff, Hamburg
Group Digital Business & Marketing

Lithography/reproduction
Christian Córdova Bueno
delta E GmbH, Munich

Translation
Unbabel Inc., TransForm mbH

Printed by
druckpartner GmbH, Essen

Picture credits
Adobe Stock
iStock
p. 16: HGEsch, CENTRUM
p. 32 (top left), p. 34: Peter Zuzga
WILO SE

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