



2024

Annual Report

GRUNDFOS 

Possibility in every drop

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In memoriam: Niels Due Jensen



Ignite’27:
Our 2025-2027 strategy



Technology and innovation are levers
for climate action and growth



Building a water treatment platform



Front page photo:
A Grundfos colleague operates a crane to lift an SE pump. SE pumps are designed for handling wastewater, process water and unscreened raw sewage in heavy-duty municipal, utility and industrial applications.

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Management Review

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Management's Report 2024

Maintaining a robust business in a year of market headwinds

Continuing a tendency that began during the second half of 2023, 2024 was characterised by an unusual cocktail of headwinds, which impacted demand in key markets and applications negatively. Despite the market environment challenges, we maintained a robust business.

In 2024, a number of European countries and China saw an overall economy stand-still or experienced growth that was significantly lower than usual. This affected the construction sector, and particularly the activity level for new build.

Furthermore, private homeowners have for some time focused their spending on travel and leisure rather

than home renovation. Similarly, across many industrial sectors, investment levels have declined after the high levels seen during the period from 2021 to mid-2023.

On top of this, after a period of stock build and growing interest rates, many channel partners focused on reducing their product stock throughout 2024.

An example is the European market for heat pumps. Until mid-2023, many heat pump suppliers ramped up capacity and built significant stock to meet the demand of the expected conversion from gas to power across Europe. Unfortunately, the required political support to drive this important change did not materialise, and the demand for heat pumps therefore slumped. As a major supplier of pumping solutions to heat pump manufacturers, this impacted us negatively.

However, Grundfos benefits from a combination of a sizeable installed base of pumping solutions, loyal channel partners and end users who appreciate our reliability, our high-quality solutions, our global reach as well as our capability of co-creating the right solutions together with our partners and customers. Consequently, we have a solid base for replacement business.

In addition, important geographies such as the US and Indian markets remained strong. Towards the latter part of 2024, other markets, for example Southern Europe, also stabilised and delivered growth.

Further, even in markets that generally represent challenges, some applications offer significant growth opportunities. An example is the soaring market

for IT cooling driven by data centres, where we have established ourselves as one of the globally leading suppliers of pumping solutions.

Water-stress and climate change continue to present two of the biggest global challenges. Many of our customers around the world are fully committed to contributing to solving these fundamental issues. We are guided by our purpose of pioneering solutions to the world's water and climate challenges and improving quality of life for people as we continue helping our customers meeting their commitments. The fundamental demand for what we do therefore remains strong.

Sales reflecting challenged markets

The market headwinds that gained momentum during



This report covers the annual results of the Grundfos Group, Grundfos Holding A/S, and its affiliated companies. To read the majority owner's annual report, please visit www.poulduejensenfoundation.com

A quick overview
Poul Due Jensen,
Group President, CEO



the second half of 2023 and continued into 2024, impacted markets deeper and persisted for a longer time than we had anticipated.

Consequently, full-year sales for 2024 amounted to DKK 33.2bn, representing a 2.4% decline compared to 2023 when measured in local currencies.

Measured in DKK, sales declined by 3.4%, reflecting a negative currency impact of 1%-point.

During the first half of 2024, our sales dropped 8.6%, whereas we delivered 4% growth during the second half of the year.

There were notable differences in market development across different applications. Where our Commercial Building Services division showed a sales growth of 1% in local currency terms, the Industry and Water Utility divisions saw a minor sales decline of 1% and 2% respectively. Due to the significant decline in home renovation and in the heat pump application in particular, our Domestic Building Services division experienced a 12% sales drop compared to 2023.

Our Peerless Pump business achieved a 9% increase in sales measured in local currencies, whereas sales in our DAB branded business remained on par with 2023.

Sales in our Water Treatment business increased by 18% over 2023, including the acquired Culligan Commercial & Industrial business (see more on p. 20).

As mentioned above, we are not satisfied with the sales decline; however, given the market situation, we are satisfied with the overall robustness of our business.

Satisfactory financial performance

In 2024, we delivered a consistent financial performance in line with our strategic ambitions for earnings and cash flow generation.

To remain competitive, we continuously develop our organisation, including our operations footprint. In 2024, we have taken several initiatives to make our business even stronger for future requirements. This includes major operations footprint changes.

In March, we inaugurated a new factory located in Changshu, China. The factory represents our single biggest factory investment so far, and it is focused on serving our Commercial Building Services customers in China and other Asian countries.

In April, we announced our intention to relocate production from our factory in Wahlstedt, Germany, to our current locations in Hungary, Serbia and Denmark. The relocation will take place over two-three years.

An agreement to support the colleagues who will unfortunately lose their jobs due to the relocation of activities was made in a constructive dialogue with the local works council. The financial impact of the agreement is reflected in our 2024 financial statements. For further information, please refer to Note 19.

The agreements made in December 2022 to transfer the ownership of our two Russian Grundfos legal entities were finally approved and closed in 2024. The net financial impact is an income of DKK 474m, which is reported as a special item in our financial statements. For further information, please refer to Note 7.

The year ended with EBIT before special items of DKK 3,590m (2023: DKK 4,309m) corresponding to a ratio of 10.8% (2023: 12.5%). This is in line with our strategic earnings ambition of a 10% EBIT ratio.

EBIT reached DKK 4,064m (2023: DKK 4,309m).

Net income from finance items ended at DKK 315m (2023: DKK 395m), driven mainly by returns on our securities portfolio and higher interest income on cash deposits.

Profit before tax made up DKK 4,379m (2023: DKK 4,704m) and profit after tax DKK 3,433m (2023: DKK 3,422m).

Cash flow from operating activities amounted to DKK 4,471m (2023: DKK 5,943m). The decrease in cash flow from operating activities derives primarily from lower EBIT and an increase in working capital.

We continue investing significantly in the development of new products, services and solutions. Investments in 2024 totalled DKK 1,637m (2023: DKK 1,871m), equivalent to 4.9% of revenue (2023: 5.4%).

Free cash flow ended at DKK 2,904m (2023: 4,079m), largely as a result of the decrease in cash flow from operating activities.

Our balance sheet remains strong. The equity ratio stands at 68.4% at year-end (2023: 70.8%).

Overall, we are satisfied with the financial performance in 2024, despite the sales fluctuations. Revenue growth did not meet the range forecasted for the year, yet our earnings met the targeted 10% ratio for EBIT before special items/revenue.

Customers in focus

“The world is full of problems that can be solved in a better way.” This phrase was coined by Grundfos founder Poul Due Jensen. The mindset expressed in that sentence continues to be part of Grundfos’ credo in our ambition of bringing solutions to our customers’ challenges.



MANAGEMENT REVIEW

The feedback from our ongoing customer satisfaction surveys shows that Grundfos customers again have recognised our efforts. In 2024, we have further improved compared to the record-high customer satisfaction score our customers gave us in 2023. We have improved the score by one point overall to 82, thereby exceeding the target originally set to be reached by 2025.

Taking customer feedback is essential for us to zoom in on areas where we can support our customers even better. In 2024, one of our focus themes was the topic called ‘delivery’, which covered areas such as our communication to customers, delivery lead time, stock availability, customer service, real-time

tracking, order processing and order accuracy. Within this area, customer feedback was significantly more positive than in 2023. This outcome is the result of a determined effort and serves as a strong inspiration for even further improvement.

Motivated and engaged people

How we serve our customers and how we provide the best possible environment for our people to be at their best are some of the most essential building blocks for our long-term success. A year of challenged markets put additional strain on our 20,818 colleagues across the world. In such a widespread organisation and challenged market situation, we must stay close to our people.

We do so in many ways. One is to invite our colleagues to participate in our annual employee motivation and satisfaction survey (EMS). Fortunately, more than 9 out of 10 colleagues decided to provide their feedback. The employee feedback is foundational for our leaders in their daily effort to make Grundfos an excellent place to work, learn and grow.

Historically, the EMS was conducted in our Grundfos branded pumping solutions business, which covers approximately 85% of our headcount. For the Grundfos branded business, the 2024 EMS confirmed the record-high overall score of 78, which was also the score in 2023.

In 2024, we invited colleagues from all parts of Grundfos Group to participate in the EMS, the only exception being the newly acquired Culligan Commercial & Industrial business in Italy, France and the UK, which for practical reasons could not make it into the 2024 EMS. With close to all Grundfos Group colleagues being part of the EMS, we saw a small drop of 1 point, which means that the Grundfos Group score was 77. This is still a very high score.

Employers around the world have in recent years been facing an increasing number of employees struggling with symptoms of stress and a decline in well-being. In our EMS, we focus on both well-being and stress. Whereas our people share positive feedback on well-being, stress levels are still a source of concern. We invest significant leadership resources in preventive stress management, and we constantly seek new ways of dealing with stress.

A diverse, equitable and inclusive workplace

Where a multitude of viewpoints and perspectives come together, something unique is born. In Grundfos, we want to nurture a culture that champions respect and fosters a diverse and inclusive workplace, where our people sense they belong and feel valued, respected and supported.

Across many elements of diversity, we make substantial efforts to promote a better gender balance in an industry that historically mostly has attracted males. Fortunately, that is changing across all levels of our organisation, yet it will require a continuous focus.

Our people and leaders are nudged in the right direction via training on unconscious bias, a recruitment policy that promotes recruitment of individuals from diverse talent pools, gender-mixed mentorship programmes and continued support for employee-driven Employee Resource Groups.

MANAGEMENT REVIEW

Leadership levels	2024	2023	2025 target
Board of Directors	33% (2 of 6)	20% (1 of 5)	33%
Top leadership*	21% (14 of 67)	21% (15 of 71)	27%
All levels*	25% (485 of 1,950)	25% (370 of 1,486)	27%

Board of Directors: Members of the Board of Directors appointed by shareholders

Top leadership: Grundfos Group Management and next level of people leaders (equivalent to ‘other managerial levels’ as defined in the Danish Financial Statements Act)

*) 2024 includes all entities. For 2023, the basis for calculation included entities covering 85% of the total headcount

In 2024, we reached the 2025 target of 33% female representation on the Board of Directors. The representation of female top leaders and all-level leaders remained unchanged at Grundfos Group level. We will continue our efforts to move existing biases with training and by use of the relevant policies, as well as through our support for Employee Resource Groups.

Strong progress towards the net zero target

‘Sustainable’ is one of the values of Grundfos, and sustainability is at the core of our business. We engage proactively in the global water and climate agenda, firmly believing that our expertise and intelligent products can improve the lives of millions of people around the world.

We successfully continue the reduction of CO₂ emissions in line with our commitment to the Science Based Targets initiative.

For scope 1 and 2 emissions, we have committed to reducing emissions by 50% by 2030. We are likely to achieve this target already by 2025, supported by the sourcing of renewable energy for our European operations through a Power Purchase Agreement (PPA) concluded in 2023. Deliveries of green energy from the PPA started in August 2024 and are expected to cover around 80% of our European power consumption.

The vast majority of our CO₂ emissions stem from the energy consumption by our sold products (scope 3, category 11), and this is where we make the biggest impact in the combat against climate change.

Our most energy-efficient E-pumps use up to 37% less energy than a standard pump without controls, and it is our focus to grow the share sold of these energy-efficient solutions.



By the end of 2024, we have across scopes 1, 2 and 3 reduced our total carbon emissions by 23.6% compared to our 2020 baseline. This means that we are well on our way to meet our Science Based Targets initiative commitment.

Please refer to the [Grundfos Sustainability Report 2024](#) for more detailed information on our sustainability progress. This Annual Report should be read in conjunction with the Sustainability Report. By publishing our Sustainability Report, we fulfil the requirements for corporate sustainability reporting set out in section 99a of the Danish Financial Statements Act.

Relentless focus on research and development

Innovation has never been more vital. It is absolutely key to delivering the energy-efficient and smart water solutions the world needs. It is also key for Grundfos’ ability to differentiate our offerings and continue to

deliver more customer value than competitors through better products, solutions and customer experiences.

To advance our innovation agenda, we have in 2024 dedicated DKK 1,941m (2023: DKK 1,826m) to research and development, equivalent to 5.8% of revenue (2023: 5.3%).

Innovation at Grundfos is a cross-company effort. Research and technology development takes place at Group level, whilst product and solutions development happens with customers and close to the applications within our four divisions.

We conduct ongoing research into more sustainable materials, more efficient and smart production technologies as well as new software, IoT and digital platforms that help us unleash new customer value and services.

MANAGEMENT REVIEW

Looking back on 2024, we released 26 new products.

Examples of key launches are:

- Our new SMART Digital DDA digital dosing pump won the prestigious Red Dot Design Award for Best Product Design due to its accessibility and ease of use.
- Introduction of the new SQ pump controller, an IoT connected controller for our innovative SQ submersible pump range, which enables that the customer has seamless connectivity to Grundfos GO and Grundfos Connect. With this system, customers receive automated reporting of usage and performance of their pumps, while also preventing downtime by means of our expert analytics.
- Launch of the new and highly energy-efficient UPM10/UPM20 circulator for the heat pump business with innovative digital feature sets and high standards for robustness.

Intellectual property rights are essential for protecting our business and staying ahead of competition. In 2024, Grundfos filed 45 patents for new inventions, which is the highest level filed in recent years, and we were granted 108 new patents. We occasionally experience violations of our intellectual property rights, and since we do not accept unauthorised use of our technology or other intellectual property, we are determined to enforce our rights.

Product safety and cyber security remain critically important to Grundfos. We take lead in our industry to give customers comfort that our solutions meet high standards on safety and cyber security. In 2024, Grundfos achieved the ISO27001 certification, which validates that we have implemented an effective

Information Security Management System to oversee the development and maintenance of our digital products and solutions.

Strengthening our water treatment business

On 1 September 2024, we welcomed more than 400 new colleagues as we acquired the Commercial & Industrial business of Culligan in Italy, France and the UK, headquartered in Bologna, Italy. Together with our existing Eurowater business, which is focused primarily on the North and Central European markets, we are creating a European leader in water treatment. The combined business has been renamed into Grundfos Water Treatment. Please find more information in the article on p. 20.

The table below summarises the achievements for the Group's most important KPIs.

KPI		2024	2023	2025 Target
Sales growth		(2.4%)	4.2%	Grow more than served market (avg. 4%)
Customer satisfaction		82	81	81
Employee motivation and satisfaction ¹		77	78	78
Return on sales		10.8%	12.5%	10%
Cash conversion		0.73	0.97	Average 0.75
Total emissions reduction	Scope 1 and 2 emissions (market-based) ²	35.7%	20.8%	Reduction in 2030 by 50%
	Scope 3 emissions ²	23.6%	14.6% ³	Reduction in 2030 by 25%

¹ 2024 includes all entities. For 2023, the basis for calculation included entities covering 85% of the total headcount
² Accumulated reduction compared to SBTi base year 2020
³ Restated - baseline data updated

Sales growth: Annual growth in sales in local currencies
Customer satisfaction is measured in the annual External Customer Satisfaction Survey, ECSS. The customer satisfaction factor is measured on three questions regarding overall

customer satisfaction. Answers are rated on a scale from 1 to 10, and for reporting purposes the scores are converted to an index number between 0 and 100.
Employee motivation and satisfaction is captured through 62 questions within 15 topic areas

Group KPIs

The table below summarises the achievements for the Group's most important KPIs.

Financial risks

As a result of our global activities, Group profit and equity are influenced by a number of financial risks. Foreign exchange risks in the operating companies are managed centrally, as are interest and liquidity risks. The Board of Directors has set up a policy for the use of financial instruments.

Foreign exchange risk

Grundfos' policy is to hedge foreign exchange rates for the most essential flow of goods, i.e. sale and purchase

of goods. The objective of the policy is to reduce the potential adverse short-term (up to 15 months) impact from foreign exchange rate fluctuations on cash flows and earnings, and thereby allow for planning and counteractions in case of longer-term adverse impacts.

Currency hedging is carried out centrally by Group Treasury and covers cash flow risk as well as fair value risk. Cash flow risk is hedged for a period of up to 15 months, aiming at a coverage of 50-90% of the expected exposure, whereas fair value hedging is aiming at an 80-90% coverage of the balance sheet exposure. The most important currencies hedged are USD, AUD, GBP, CNY and HUF. At the end of 2024, currency contracts to reduce the foreign exchange risk in connection with the flow of goods amounted to DKK 6,760m (2023: DKK 6,470m). Reference is made to Note 31 for further details.

Other financial risks

- Liquidity risk: Financial independence is a core value to Grundfos. Maintaining adequate liquidity is therefore key. In addition to unused borrowing facilities, net deposits amounted to DKK 8,174m by the end of 2024 (2023: DKK 8,885m).
- Credit risk: Credit risks derive primarily from trade debtors, securities and bank receivables. Risks on trade debtors are diversified across a large number of customers, reducing the exposure. The credit risk on bank receivables, forward exchange contracts and similar is reduced by selecting financial business partners with a high credit rating.
- Raw material risk: Grundfos does not hedge raw materials. No single raw material constitutes a significant proportion of production costs.



Data ethics

The Grundfos Group is committed to responsible data consumption, including when we collect, process and use personal data, and implement new technologies.

In the Grundfos Data Ethics Policy, we set out the key principles for our handling of data, as per section 99d of the Danish Financial Statements Act.

The Grundfos Data Ethics Policy can be found here: www.grundfos.com/legal/data-ethics-policy. Here we also outline our initiatives impacting data ethics for 2024 and into 2025.

Uncertainty relating to recognition and measurement

In preparing the consolidated financial statements, management makes a number of estimates and assumptions related to the recognition and measurement of assets and liabilities, all of which are inherently subject to uncertainty. As of 31 December 2024, estimates and assumptions are particularly relevant in respect of the impairment testing of goodwill.

Grundfos is, as disclosed in Note 28, party to ongoing disputes and legal actions. None of these disputes and legal actions will have a significant impact on our financial position beyond what has been recognised and stated in the Annual Report.

Outlook for 2025

For 2025, we forecast revenue growth in the range of 4-7%, including the impacts of the acquisition made in 2024. The forecast excludes impacts from potential acquisitions and divestments in 2025. Given uncertainties related to geopolitical issues, among others the potential introduction of additional trade tariffs, and due to overall uncertain market conditions, the assumptions underlying the revenue forecast may change significantly during 2025.

We forecast an EBIT before special items ratio in line with our strategic ambition of 10%.

Grundfos Strategy 2025 completed

With the launch of ‘Ignite’27’ in January 2025, we entered a new strategy period. For more information on

Ignite’27, please refer to the article on p. 18. This also means that we have completed our Strategy 2025.

When we launched Strategy 2025 in 2019, we could not foresee the unprecedented events that have impacted the world since 2020. Despite the many unexpected external factors, we have successfully delivered on the most important Group KPIs and ambitions we set for ourselves.

Our strategic ambitions and financial KPIs for sales growth, return on sales and cash conversion were met consistently during the strategy period. The KPIs for employee and customer satisfaction were already achieved in 2023. We have shown solid progress on our carbon emissions reduction targets and the related SBTi commitments where we are well ahead. Overall, we are satisfied with our accomplishments during the Strategy 2025 period.

Management’s Report on the Parent Company

Grundfos Holding A/S is the Parent Company of the Grundfos Group and holds the shares of all the

other Grundfos Group companies – either directly or indirectly. The company’s activities include the majority of the Group’s research and development functions, as well as Group functions involving coordination, planning and management.

In this capacity, Grundfos Holding A/S performs several overarching functions and services. Grundfos Holding A/S had 2,060 employees at the end of 2024 (2023: 1,886). In 2024, the revenue of Grundfos Holding A/S totalled DKK 5,578m (2023: DKK 5,200m), and EBIT amounted to DKK 1,002m (2023: DKK 718m).

According to the equity method, income from the other Group companies amounted to DKK 2,410m (2023: DKK 2,524m). Profit after tax stood at DKK 3,427m (2023: DKK 3,417m). The balance sheet shows equity of DKK 24,489m (2023: DKK 23,127m), corresponding to an equity ratio of 79.3% (2023: 78.3%).

For 2025, we expect revenue as well as EBIT at the same level as 2024.

Key figures and financial ratios – The Grundfos Group

1 January – 31 December 2024

	2024	2023	2022	2021	Not adjusted for IFRS 2020
CONSOLIDATED PROFIT AND LOSS ACCOUNT					
Revenue	33,226	34,407	33,341	28,733	26,340
Earnings before interest and tax (EBIT) before special items	3,590	4,309	3,939	3,266	2,606
Earnings before interest and tax (EBIT)	4,064	4,309	3,088	3,266	2,606
Net finance income and expenses	315	395	(339)	104	(42)
Profit before tax	4,379	4,704	2,749	3,370	2,564
CONSOLIDATED PROFIT AFTER TAX	3,433	3,422	2,016	2,659	1,931
CONSOLIDATED BALANCE SHEET					
Intangible assets	4,425	2,739	2,530	2,548	1,138
Property, plant and equipment	7,600	7,112	6,517	6,640	5,718
Financial assets	1,315	1,028	1,063	884	777
Current assets	22,494	21,819	20,682	19,196	17,762
TOTAL ASSETS	35,834	32,698	30,792	29,268	25,395
Equity	24,524	23,155	20,946	19,507	17,501
Non-current liabilities	2,168	1,444	1,414	1,436	1,659
Current liabilities	9,142	8,099	8,432	8,325	6,235
TOTAL LIABILITIES AND EQUITY	35,834	32,698	30,792	29,268	25,395
FINANCIAL KEY FIGURES AND RATIOS					
Capital investments, tangible	1,278	1,593	1,234	1,078	935
Capital investments, intangible	359	278	193	256	193
Total capital investments	1,637	1,871	1,427	1,334	1,128
Research and development cost, incl. capitalised cost	1,941	1,826	1,677	1,563	1,186
Interest-bearing net deposit/loan	8,174	8,885	6,625	7,482	7,435
Net cash flow from operating and investment activities	2,904	4,079	986	2,781	2,427
Sales growth	(3.4%)	3.2%	16.0%	9.1%	(4.3%)
Sales growth in local currencies	(2.4%)	4.2%	12.1%	10.4%	(4.4%)
EBIT before special items as a percentage of net revenue	10.8%	12.5%	11.8%	11.4%	9.9%
Return on equity	14.4%	15.5%	10.0%	14.4%	11.1%
Equity ratio	68.4%	70.8%	68.0%	66.6%	68.9%
SUSTAINABILITY KEY FIGURES					
Emission scope 1 and scope 2 (1,000 t CO ₂ e)	76	94.1	100.3	114.6	114.9
Emission scope 3 (1,000 t CO ₂ e)	112,040	125,224	142,120	-	-
EMS (Score)	77	78	76	77	77
Women leaders	25%	25%	24%	22%	24%
Water withdrawal (m ³)	335,610	339,608	365,126	341,538	318,469
Number of employees at year-end	20,818	19,937	20,026	20,154	19,221



Definition of
KEY FIGURES AND FINANCIAL RATIOS:

Sales growth: Annual change in consolidated net revenue measured in DKK.

Sales growth in local currencies: Annual change in consolidated net revenue adjusted for currency impact.

Interest-bearing net deposit/loan Securities, Cash and cash equivalents and Interest-bearing debt.

Return on equity: Consolidated profit after tax as a percentage of the average equity.

Equity ratio: Equity at year-end as a percentage of total assets.

Net cash flow from operating and investment activities: Net cash flow from operating and investments activities before impact from purchase/sale of securities and acquisition/sale of companies.

Sustainability key figures See Sustainability Report for definitions.



In memoriam: Niels Due Jensen

On 12 September 2024, former CEO and chairperson Niels Due Jensen passed away at the age of 81.

Niels was synonymous with Grundfos. He was barely two years old when the company was founded by his father, Poul Due Jensen, and Niels truly grew up with it. Starting as an apprentice machinist, he became a fully qualified mechanical engineer and eventually took over as CEO in 1977, a role he held until 2003. Under his leadership, Grundfos transformed from a Danish company into a global entity, pioneering intelligent and energy-efficient pumps and water solutions.

Niels was not only a visionary leader, but also a compassionate individual who valued respect, integrity, and diversity. His commitment to these values was evident in his interactions with employees and the community.

His legacy includes the development of Grundfos' first solar-driven pump system in 1982, which laid the foundation for future innovations in water solutions. Less than a

decade later, Grundfos introduced the world's first intelligent pumps, and this was due to Niels' insistence and determination. He was in truth a visionary leader and innovator, and this mindset continues to live in the Grundfos organisation.

Niels' contributions extended beyond business. Among many other initiatives, he funded a safe water project in Zeze, Tanzania, providing access to safe water for over 5,100 people. This quest for creating access to safe water for the world's population will continue in Niels' spirit. His dedication to improving lives around the world will be remembered and cherished.

On 24 September, thousands of Grundfos employees took to the streets of Bjerringbro to bid farewell to 'Mr Grundfos', a remarkable, deeply respected and beloved person who left an indelible mark on Grundfos and the world.

Group Management



Poul Due Jensen
Group President,
Chief Executive Officer



Mikael Geday
Group Executive Vice President,
Chief Financial Officer



Jens Ulrik Gernow
Group Executive Vice President
Chief Operating Officer



Mirjam Baijens
Group Executive Vice President
Chief Human Resources Officer



Bent Jensen
Group Executive Vice President
CEO Commercial Building Services



Morten Bach Jensen
Group Executive Vice President
CEO Domestic Building Services



Inge Delobelle
Group Executive Vice President
CEO Industry



Hamed Heyhat
Group Executive Vice President
CEO Water Utility

Board of Directors



Jens Winther Moberg
Chair



Carsten Joachim Reinhardt
Vice Chair



Henrik Ehlers Wulff
Member of the Board



**Jacob Theresia Maria
van der Meijs**
Member of the Board



Claus Aagaard
Member of the Board



Annika Ölme
Member of the Board



Ágnes Eszter Pauer
Member of the Board,
elected by employees



**John Bjerregaard
Jacobsen**
Member of the Board,
elected by employees



Søren Lund Nielsen
Member of the Board,
elected by employees



7,015m

Revenue 2024 in DKK
(2023: DKK 6,965m)

Commercial Building Services

Moderate growth with solid traction in key markets

In 2024, our CBS division experienced an overall moderate growth rate. Three important markets did, however, represent a solid growth pace, namely the Middle East, Western Europe and the USA. The success in these markets was driven by a strategic focus on district energy and high growth customer verticals, such as data centres.

Market uncertainties characterised the year

Customers in Germany, Austria and Switzerland were challenged by a general economic slowdown, and the anticipated green transition initiatives in Germany accelerated at a slower pace than expected. This resulted in moderate sales in the DACH region as a whole. The Chinese market continued to face challenges in the real estate sector, which caused lower activity levels compared to previous years.

Despite these challenges, CBS saw an improvement in order intake. Notably, the water and energy-efficient E-pumps, which help commercial building owners reach their carbon footprint commitments, grew increasingly popular in Europe and the USA.

Commercial Building Services (CBS)

CBS serves customers within commercial buildings services with reliable and high-technology products and solutions, as well as a range of services, including energy and system optimisation. CBS works dedicatedly to helping the end users of commercial buildings reach their water and climate ambitions, while respecting, protecting and advancing the flow of water.

Domestic Building Services

Navigating a challenged European market

2024 was a challenging year for DBS. The division experienced a significant sales drop driven by low demand for small circulator pumps serving the heating applications market in key European countries, in combination with impacts from wholesalers reducing their stock levels. Lack of political action on climate targets, especially regarding energy efficiency, also affected the market negatively. Despite these challenges, our DBS division kept a proactive focus on stimulating demand and fuelling innovation, and the division maintained its market share in all regions and experienced growth in key markets such as the USA, India and the Middle East. The division continued its dedication to customer centricity and achieved very high customer satisfaction scores.

Committed to an energy-efficient future

DBS is committed to providing energy-efficient products and solutions that help mitigate the growing global challenges. In 2024, the division officially launched the new generation of SCALA2, our domestic pressure booster. DBS also launched a new ALPHA range for domestic hot water recirculation in the USA, as well as the new UPM10 targeting OEM customers. With these cutting-edge high-quality products, DBS delivers sustainable design along with enhanced digitalisation and energy efficiency, paving the way for buildings of the future.

Domestic Building Services (DBS)

DBS serves OEMs, distributors, installers and homeowners with some of the world’s most energy-efficient pumps and solutions for domestic homes. DBS develops, produces and sells smaller domestic pumps and solutions for single-family housing and residential buildings, serving five domestic applications in heating, HVAC OEM, domestic hot water, boosting and wastewater. The DBS division aspires to offer homeowners the most attractive choices for sustainable homes and comfortable lives.



Industry

Strategic expansion amidst challenging market conditions

In 2024, IND continued to strengthen its position in the Americas, Europe and India, while contending with an economic slowdown in China and the Asia-Pacific region. The division remained committed to assisting customers in transitioning to energy-efficient solutions, and at the same time, the water treatment business was expanded.

A key milestone was reached as Industry welcomed more than 400 new water treatment colleagues following the acquisition of Culligan’s Commercial & Industrial business in Italy, France and the UK. This was a strong addition to the continuous build of a strong water treatment portfolio, enabling IND to serve a wider customer base.

Progress towards sustainability goals through robust customer engagement

Industry maintained strong momentum towards sustainability objectives. Sales of the intelligent E-pump portfolio significantly increased, reflecting dedicated efforts to achieve an ambitious target set out to help customers transition towards more energy-efficient solutions. Throughout the year, the division experienced high levels of customer engagement focused on sustainability and developed strong collaborations as a trusted solutions partner for key customers.

Industry (IND)

IND serves industry customers with a wide range of premium quality products, solutions and services based on pumping and water treatment systems. IND optimises industrial utilities and industrial processes, covering areas such as water treatment or water reuse, system integration, energy and process optimisation by delivering value-adding digital solutions. The division helps industrial customers and end users globally reach their water and climate ambitions while maximising their output.



7,909m

Revenue 2024 in DKK
(2023: DKK 8,036m)



5,039m

Revenue 2024 in DKK
(2023: DKK 5,150m)

Water Utility

Leveraging opportunities despite fluctuating sales

In 2024, WU navigated through a year that saw performance challenges in some markets. Throughout the year, the division focused on strengthening its foundation for operational excellence and advancing digital innovation transformation. This enabled WU to maintain its market share in the USA and Europe and further improve customer satisfaction scores. In the groundwater business, overall demand persisted with the innovative SQ line of products. In the municipal sector, our project-based sales experienced growth, and customer demand remained robust throughout the year.

Innovating for a sustainable future

Innovation, energy efficiency and sustainability of our solutions is the top priority for WU to positively contribute to the journey toward sustainable water infrastructures and resilient communities. The WU organisation is committed to being a partner of choice for water utilities to upgrade to smarter, more resilient and digitally enabled systems to improve the efficiency of water infrastructure and effectiveness of investments that create a more equitable water system for the future. The WU Water Access & Sustainability business unit drives Grundfos' water access ambition to create lasting impact by enhancing access to water for underserved communities. In 2024, WU reached 17.4 million people through its efforts, surpassing its goal of 16 million people.

Water Utility (WU)

WU serves water utilities customers by providing intelligent pumping solutions aimed at optimising water management in groundwater and irrigation, clean water distribution, wastewater collection and transport, as well as water intake. WU is committed to transforming challenges into opportunities, pioneering innovation and delivering consistent value.

Ignite'27: Our 2025-2027 strategy

Coinciding with the release of this annual report, Grundfos enters a new strategy period, which we call Ignite'27.



The coming three-year period, 2025-2027, is set to ignite a journey, which will see Grundfos taking its position as a globally leading provider of intelligent water and climate solutions to new heights, shaping our industry in innovation, circularity and net-zero impact. We do this to fulfil the Grundfos purpose at a time where water stress, climate change, and population growth more than ever require our world-class water- and energy-efficient solutions.

This journey is about honouring our legacy, embracing new bold aspirations, and continuing to make a meaningful impact on the world. We set off from 80 proud years, where Grundfos has been a pioneer in

water and climate solutions, rooted in a belief that innovation and sustainability can change lives and make businesses thrive. Today, we are more committed than ever to fulfilling our purpose and promise of Possibility in every drop.

We see four critical must-win battles that we must tackle together to accomplish this. They will steer our collective efforts towards 2027 across all our four divisions and group functions.

Innovate to grow: We will create groundbreaking solutions that address the pressing water and climate needs.

Win in the US: We will strengthen our presence in a key market that offers significant growth potential.

Expand through M&A: We will leverage strategic partnerships and acquisitions to unlock new opportunities.

Organise for competitiveness: We will boost productivity and reinvest in future capabilities, growth and innovation.

We are equally excited and energised as we enter the new strategy period, knowing well that we are facing tough competition and a complex world market.

We believe that this strategy will be an important step on our path to fulfilling our purpose. Millions of people around the globe depend on sustainable water and energy solutions, and we are ready to meet these challenges with innovation, courage and collaboration.

Ignite'27 is the Grundfos Group Strategy 2025-2027. The strategy marks the 'ignition' of a rocket that will bring us towards our Winning Aspiration 2040 of being the leading provider of intelligent water and climate solutions globally, shaping our industry in innovation, circularity and net-zero impact.

Technology and innovation are levers for climate action and growth

Innovation and new technology deployment is at the core of how Grundfos serves our customers. Throughout its 80-year history, Grundfos has used technology to deliver high-quality and increasingly energy-efficient solutions to support our customers and end users in solving their water and energy challenges. Ranging from the first deep ground water pump in the 1940s to delivering the world's first 'intelligent pump' during the 1990s by embedding the X99 micro frequency converter in our UPE pump, Grundfos aims to constantly deliver innovative solutions and technology to our markets.

Today, our commitment to delivering customer and end user value with new technology is stronger than ever. Driven by industry-leading innovation investment levels, Grundfos successfully delivered 26 new product launches to market in 2024.

Notable innovations include the upgrade of our MGE motor programme with coherent functional modules and high-efficient motors for the 11-22kW, the new small circulators to the US and OEM markets as well as the UPM10/UPM20 upgrade to our very successful PML/XL, which is the main platform sold to the heat pump business.

Furthermore, still guided by the urge to support our customers in solving their most pressing problems, Grundfos passed audit on the IEC 62443-4-1 cyber security standard in 2024, thereby joining several of the biggest industry companies in the world by documenting secure product development based on the international IEC 62443-4 standard.





Building a water treatment platform

In the face of escalating global water resource challenges, the efficient use, reuse and treatment of water has never been more important.

As populations grow and industrial demands increase, water stress is becoming an issue affecting communities and industries worldwide.

Water scarcity has become a pressing concern on every continent, driven by climate change, pollution and unsustainable water practices. The World Health Organization estimates that by 2050, half of the world's population will be living in water-stressed areas at least one month per year.

In response to these global challenges,

Grundfos has since 2020 been on a journey to build a powerful new water treatment platform, integrating advanced technologies and processes to enhance the efficiency and effectiveness of water treatment. Through these enhanced water treatment capabilities and solutions, Grundfos is equipped to make a substantial difference in industries where water quality is paramount, including food and beverage, pharma, semi-conductors and data centres.

The Grundfos water treatment business is currently most firmly established in the European market. Here, the expertise

of the acquired company Eurowater and the Commercial & Industrial business of Culligan in combination with Grundfos' core capabilities within pump technology, offers the customers unique opportunities of intelligent and energy-efficient water treatment solutions.

Water Treatment Europe has a total annual revenue of approximately DKK 1.5bn and employs close to 1,000 water treatment specialists, positioning Grundfos as a leader in water treatment in Europe. This part of Grundfos' business is projected to grow significantly in future.

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Management’s Statement

Statement by the Board of Directors and Group Management on the Annual Report

Today, the Board of Directors and Group Management have reviewed and approved the Annual Report of Grundfos Holding A/S for the financial year 1 January – 31 December 2024.

The Annual Report has been prepared in accordance with the IFRS Accounting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the financial statements of the Parent Company give a true and fair view of the financial position at 31 December 2024, the results of the Group’s and Parent Company’s operations, and consolidated cash flows for the financial year 2024.

In our opinion, the Management’s Report includes a true and fair view of the development in the operations and financial circumstances of the results for the year, and of the financial position of the Group and the Parent Company, as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent Company.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Bjerringbro, 5 February 2025

Registered Group Management

Poul Due Jensen <i>Group President, CEO</i>	Mikael Andreas Holm Geday <i>Group Executive Vice President, CFO</i>	Jens Ulrik Gernow <i>Group Executive Vice President, COO</i>
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Board of Directors

Jens Winther Moberg <i>Chair</i>	Carsten Joachim Reinhardt <i>Vice Chair</i>	Henrik Ehlers Wulff <i>Member of the Board</i>
Jacoba Theresia Maria van der Meijs <i>Member of the Board</i>	Claus Aagaard <i>Member of the Board</i>	Annika Ölme <i>Member of the Board</i>
Ágnes Eszter Pauer <i>Member of the Board, elected by employees</i>	John Bjerregaard Jacobsen <i>Member of the Board, elected by employees</i>	Søren Lund Nielsen <i>Member of the Board, elected by employees</i>

Independent Auditor’s Report

To the shareholders of Grundfos Holding A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Grundfos Holding A/S for the financial year 1 January – 31 December 2024, which comprise statement of profit and loss, statement of other comprehensive income, statement of financial position, statement of cash flows, statement of changes of equity and notes, including material accounting policies, for the Group and the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2024 and of the results of the Group’s and the Parent Company’s operations and cash flows for the financial

year 1 January – 31 December 2024 in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark.

Our responsibilities under those standards and requirements are further described in the “Auditor’s responsibilities for the audit of the consolidated financial statements and the parent company financial statements” (hereinafter collectively referred to as “the financial statements”) section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’

International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Statement on the Management’s review

Management is responsible for the Management’s review.

Our opinion on the financial statements does not cover the Management’s review, and we do not express any assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management’s review and, in doing so, consider whether the Management’s review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management’s review provides the information required under the Danish Financial Statements Act. Based on our procedures, we conclude that the Management’s review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management’s review.

Management’s responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group’s and the Parent Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. 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 the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit.

- We also:
- Identify and assess the risks of material misstatement of the financial statements, 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 opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group’s and the Parent Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management’s use of the going concern basis of accounting in preparing the financial statements 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 and the Parent Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. 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 and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including

the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements and the parent company financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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 control that we identify during our audit.

Aarhus, 5 February 2025

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Henrik Kronborg Iversen
State Authorised Public Accountant
mne 24687

Morten Friis
State Authorised Public Accountant
mne 32732

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Consolidated statement of profit and loss

1 January - 31 December 2024	NOTE	2024	2023
Revenue	1	33,226	34,407
Production cost		(19,343)	(18,961)
GROSS PROFIT		13,883	15,446
Research and development cost	2	(1,839)	(1,842)
Selling and distribution cost	3	(5,127)	(5,926)
Administrative cost	4	(3,327)	(3,369)
EARNINGS BEFORE INTEREST AND TAX (EBIT) AND BEFORE SPECIAL ITEMS		3,590	4,309
Special items	7	474	0
EARNINGS BEFORE INTEREST AND TAX (EBIT)		4,064	4,309
Finance income	8	420	463
Finance expenses	8	(105)	(68)
PROFIT BEFORE TAX		4,379	4,704
Income tax expenses	9	(946)	(1,282)
PROFIT FOR THE YEAR		3,433	3,422
ATTRIBUTABLE TO:			
Shareholders of Grundfos Holding A/S		3,427	3,417
Non-controlling interests (NCI)		6	5
TOTAL		3,433	3,422

Consolidated statement of other comprehensive income

1 January - 31 December 2024	NOTE	2024	2023
PROFIT FOR THE YEAR		3,433	3,422
Other comprehensive income that may be reclassified to profit and loss in subsequent periods:			
Net gain/loss on cash flow hedges		(149)	(47)
Exchange rate adjustments on foreign operations		(238)	(237)
Tax on foreign exchange adjustments and hedging instruments		5	33
OTHER COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIOD, NET OF TAX		(382)	(251)
Other comprehensive income that will not be reclassified to profit and loss in subsequent periods:			
Remeasurement gain/loss on defined benefit plans	18	60	(2)
Tax on defined benefit plans	9	(16)	(3)
OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS, NET OF TAX		44	(5)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		(338)	(256)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		3,095	3,166
Attributable to:			
Shareholders of Grundfos Holding A/S		3,089	3,161
Non-controlling interests (NCI)		6	5
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		3,095	3,166

Consolidated statement of financial position

As at 31 December 2024

ASSETS	NOTE	2024	2023
NON-CURRENT ASSETS			
INTANGIBLE ASSETS			
Goodwill	10	2,177	1,078
Other intangible assets	10	1,900	1,416
Completed development projects	10	111	60
Development projects in progress	10	237	185
TOTAL INTANGIBLE ASSETS		4,425	2,739
PROPERTY, PLANT AND EQUIPMENT			
Land and buildings	11	3,128	3,029
Technical installations and machinery	11	2,616	2,217
Other technical installations	11	314	338
Property, plant and equipment in progress	11	952	1,135
Right-of-use assets	12	590	393
TOTAL PROPERTY, PLANT AND EQUIPMENT		7,600	7,112
FINANCIAL ASSETS			
Securities	13	73	64
Deferred tax assets	9	1,013	794
Pension assets	18	165	105
Other accounts receivable		64	65
TOTAL FINANCIAL ASSETS		1,315	1,028
TOTAL NON-CURRENT ASSETS		13,340	10,879
CURRENT ASSETS			
Inventories	14	5,916	5,663
Trade and other receivables	15	7,579	6,574
Income tax receivable		783	630
Securities	13	4,707	3,144
Cash and cash equivalents	16	3,509	5,808
TOTAL CURRENT ASSETS		22,494	21,819
TOTAL ASSETS		35,834	32,698

Consolidated statement of financial position

As at 31 December 2024

EQUITY AND LIABILITIES	NOTE	2024	2023
EQUITY			
Share capital	17	381	381
Hedge transaction reserve		(101)	12
Exchange adjustment reserve		(27)	244
Retained earnings		22,536	20,790
Proposed dividend		1,700	1,700
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF GRUNDFOS HOLDING A/S		24,489	23,127
Non-controlling interests		35	28
TOTAL EQUITY		24,524	23,155
NON-CURRENT LIABILITIES			
Pensions and similar obligations	18	135	140
Provisions	19	1,201	755
Deferred tax liabilities	9	410	302
Lease liabilities	12, 20, 25	364	239
Interest-bearing debt	25	58	8
Total non-current liabilities		2,168	1,444
CURRENT LIABILITIES			
Provisions	19	295	280
Trade and other payables	21	2,938	2,656
Interest-bearing debt	25	57	123
Lease liabilities	12, 20, 25	243	162
Income tax payable		1,166	1,080
Other liabilities	22	4,443	3,798
TOTAL CURRENT LIABILITIES		9,142	8,099
TOTAL LIABILITIES		11,310	9,543
TOTAL LIABILITIES AND EQUITY		35,834	32,698

Consolidated statement of cash flows

1 January - 31 December 2024	NOTE	2024	2023
OPERATING ACTIVITIES			
Profit after tax		3,433	3,422
Depreciation and amortisation of non-current assets	6, 10, 11, 12	1,586	1,845
Finance income	8	(420)	(463)
Finance expenses	8	105	68
Loss on disposal of property, plant and equipment		(24)	64
Other adjustments		(489)	164
Tax for the year	9	946	1,282
Changes in net working capital	24	(59)	674
Changes in warranty and other provisions		423	106
Net foreign exchange differences		(56)	45
CASH FLOW FROM OPERATIONS BEFORE FINANCIAL ITEMS AND TAX		5,445	7,207
Taxes paid		(1,258)	(1,504)
Interest paid and realised currency losses	8	(51)	(57)
Interest received and realised currency gains	8, 13	360	308
Interest paid on lease liabilities	8, 12	(25)	(11)
CASH FLOW FROM OPERATING ACTIVITIES		4,471	5,943

	NOTE	2024	2023
INVESTING ACTIVITIES			
Purchase of intangible assets	10	(359)	(278)
Proceeds from sale of property, plant and equipment		70	6
Purchase of property, plant and equipment	11	(1,278)	(1,593)
Acquisition of subsidiaries, net of cash acquired	27	(1,622)	(629)
Purchase of securities	13	(3,403)	(1,288)
Sale of securities	13	1,891	1,441
CASH FLOW FROM INVESTING ACTIVITIES		(4,701)	(2,341)
NET CASH FLOW FROM OPERATING AND INVESTING ACTIVITIES		(230)	3,602
FINANCING ACTIVITIES			
Payment of principal portion of lease liabilities	12, 25	(233)	(204)
Proceeds from borrowings	25	0	40
Repayment of borrowings	25	(11)	0
Purchase of own shares		(79)	(12)
Dividend paid		(1,701)	(1,000)
CASH FLOW FROM FINANCING ACTIVITIES		(2,024)	(1,176)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		(2,254)	2,426
Cash and cash equivalents as at 1 January		5,808	3,523
EXCHANGE RATE ADJUSTMENTS		(45)	(141)
Available fund (Opening)		5,763	3,382
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER		3,509	5,808

Consolidated statement of changes in equity

1 January - 31 December 2024

	NOTE	SHARE CAPITAL	RETAINED EARNINGS	HEDGE TRANSACTION RESERVE	EXCHANGE ADJUSTMENT RESERVE	PROPOSED DIVIDEND	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF GRUNDFOS HOLDING A/S	NON CONTROLLING INTEREST	EQUITY
BALANCE AT 1 JANUARY 2023		381	19,035	47	459	1,000	20,922	24	20,946
PROFIT/ LOSS FOR THE YEAR, ATTRIBUTABLE TO SHAREHOLDERS		0	1,717	0	0	1,700	3,417	5	3,422
Actuarial gain/loss	18	0	(2)	0	0	0	(2)	0	(2)
Fair value adjustment of hedging instruments		0	0	(47)	0	0	(47)	0	(47)
Exchange rate adjustments, affiliated companies, etc.		0	0	0	(236)	0	(236)	(1)	(237)
Tax on other comprehensive income		0	(3)	12	21	0	30	0	30
TOTAL OTHER COMPREHENSIVE INCOME		0	(5)	(35)	(215)	0	(255)	(1)	(256)
Dividend paid	17	0	0	0	0	(1,000)	(1,000)	0	(1,000)
Purchase of treasury shares		0	(287)	0	0	0	(287)	0	(287)
Sale of own shares		0	138	0	0	0	138	0	138
Share-based compensation		0	192	0	0	0	192	0	192
TOTAL TRANSACTIONS WITH SHAREHOLDERS		0	43	0	0	(1,000)	(957)	0	(957)
BALANCE AT 31 DECEMBER 2023		381	20,790	12	244	1,700	23,127	28	23,155
PROFIT/LOSS FOR THE YEAR, ATTRIBUTABLE TO SHAREHOLDERS		0	1,727	0	0	1,700	3,427	6	3,433
Actuarial gain/loss	18	0	60	0	0	0	60	0	60
Fair value adjustment of hedging instruments		0	0	(149)	0	0	(149)	0	(149)
Exchange rate adjustments, affiliated companies, etc.		0	0	0	(240)	0	(240)	2	(238)
Tax on other comprehensive income		0	(16)	36	(31)	0	(11)	0	(11)
TOTAL OTHER COMPREHENSIVE INCOME		0	44	(113)	(271)	0	(340)	2	(338)
Dividend paid	17	0	0	0	0	(1,700)	(1,700)	(1)	(1,701)
Purchase of treasury shares		0	(378)	0	0	0	(378)	0	(378)
Sale of own shares		0	125	0	0	0	125	0	125
Share-based compensation	26	0	228	0	0	0	228	0	228
TOTAL TRANSACTIONS WITH SHAREHOLDERS		0	(25)	0	0	(1,700)	(1,725)	(1)	(1,726)
BALANCE AT 31 DECEMBER 2024		381	22,536	(101)	(27)	1,700	24,489	35	24,524



Hedge transaction reserve

The Group has in OCI presented the gains/losses arising from the hedge transaction reserve, including those related to foreign currency forward contracts that are hedges of forecast revenue and inventory purchases, that may be reclassified to profit or loss in subsequent periods. In subsequent periods, the amount previously recorded in the cash flow hedge reserve will be recognised in profit or loss when the asset (liability) is being recovered (settled) or if the conditions for cash flow hedging are no longer fulfilled.

Exchange adjustment reserve

The Group recognised translation differences on foreign operations in a separate component of equity, i.e. the exchange adjustment reserve.

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Notes to the consolidated financial statements

Note 1 Revenue

Revenue breakdown according to the following divisions and regions:

	2024	2023
DIVISIONS		
Commercial Building Services	7,015	6,965
Domestic Building Services	7,889	8,937
Industry	7,909	8,036
Water Utility	5,039	5,150
Other	5,374	5,319
TOTAL	33,226	34,407
	2024	2023
GEOGRAPHICAL MARKETS		
Europe	17,484	18,592
North and South America	7,601	7,260
Asia	6,371	6,878
The Middle East/Africa	1,770	1,677
TOTAL	33,226	34,407



Revenue includes sale of goods of DKK 32,548 million (2023: DKK 33,715 million) and service sales of DKK 678 million (2023: DKK 692 million).

Notes to the consolidated financial statements

Note 2 Research and development cost	2024	2023
Staff cost	1,356	1,188
Depreciation and amortisation	142	139
Other research and development cost	341	515
TOTAL	1,839	1,842

Note 3 Selling and distribution cost	2024	2023
Staff cost	2,912	2,733
Distribution cost	631	665
Depreciation, amortisation and impairment	110	502
Other selling and distribution related cost	1,474	2,026
TOTAL	5,127	5,926

Note 4 Administration cost	2024	2023
Staff cost	1,762	1,657
Depreciation and amortisation	244	230
Other administration	1,321	1,482
TOTAL	3,327	3,369

Notes to the consolidated financial statements

Note 5 Staff Cost

	2024	2023
Wages and salaries	8,633	7,988
Share-based payments	228	192
Pensions, defined benefit plans	20	72
Pensions, defined contribution plans	487	346
Other social security cost	834	666
TOTAL	10,202	9,264

Staff cost is recognised as follows:

	2024	2023
Production cost	4,172	3,686
Research and development cost	1,356	1,188
Selling and distribution cost	2,912	2,733
Administration cost	1,762	1,657
TOTAL	10,202	9,264
Average number of full-time employees	19,854	19,916
Number of employees at year-end	20,818	19,937

Staff cost includes fees to Group Management and the Board of Directors of Grundfos Holding A/S for directorships in Grundfos Holding A/S and can be specified as follows:

	2024			2023		
	BOARD OF DIRECTORS OF THE PARENT COMPANY	REGISTERED GROUP MANAGEMENT OF THE PARENT COMPANY	OTHER GROUP MANAGEMENT	BOARD OF DIRECTORS OF THE PARENT COMPANY	REGISTERED GROUP MANAGEMENT OF THE PARENT COMPANY	OTHER GROUP MANAGEMENT
Remuneration	11	22	23	11	21	19
Cash Bonus	0	13	9	0	14	15
Pensions and other post-employment benefits	0	4	3	0	5	3
Termination benefits	0	0	3	0	0	1
Share-based payments (Note 26)	0	9	1	0	11	2
TOTAL	11	48	39	11	51	40



Staff cost includes our Long-Term Incentive Programme (LTI) which is described in Note 26 Share-based compensation expenses.

Wages and salaries include severance cost of DKK 449m mainly related to the planned Wahlstedt plant relocation.



Selected CO₂ emissions-related KPIs are included as part of Grundfos' executive and senior leadership remuneration programme for short-term and long-term incentives. For further information see Note 26

For details on members of Other Group Management, please refer to page 12 in the Annual Report

Notes to the consolidated financial statements

Note 6 Depreciation, amortisation and impairments	2024	2023
Intangible non-current assets, Note 10	341	707
Tangible non-current assets, Note 11	1,001	917
Right-of-use assets, Note 12	244	221
TOTAL	1,586	1,845

Depreciation, amortisation and impairment are recognised in the statement of income and loss as follows:	2024	2023
Production cost	1,116	974
Research and development cost	116	139
Selling and distribution cost	110	502
Administrative cost	244	230
TOTAL	1,586	1,845

Note 7 Special items	2024	2023
Recycling of exchange adjustment reserve	(353)	0
Other cost related to divestment	(121)	0
TOTAL	(474)	0

In August 2022, Grundfos announced the exit from Russia. The exit decision led to a one-off expense recognition of DKK 851m reported as special items in the consolidated profit and loss accounts. The one-off expense was based on management’s best estimate and is comprised of impairment of assets and other cost such as severance and other legal commitments.

In December 2022, Grundfos signed an agreement with Grundfos Russia local management members to sell the two Grundfos legal entities in Russia. The divestment of the Russian business to the local management was finalised after approvals from the Russian authorities were obtained in 2024 (OOO Grundfos Istra in March and OOO Grundfos in June).

As a consequence of the sale we have performed a reassessment of our obligations and adjusted our provision accordingly. In addition the exchange adjustment reserve that accumulated from the translation of the RUB-based entities into DKK for Group reporting purposes within other comprehensive income has been recycled into profit and loss.

Notes to the consolidated financial statements

Note 8 Finance income and expenses	2024	2023
Interest income bonds	92	71
Value adjustment bonds	41	63
Dividend income shares	18	24
Value adjustment shares	67	94
Other financial income	202	211
TOTAL	420	463
Interest on lease liabilities	25	11
Loss electricity swap	29	0
Other finance expenses	51	57
TOTAL	105	68

Notes to the consolidated financial statements

Note 9 Tax

Note 9.1 Income taxes in statement of profit and loss and reconciliation

	2024	2023
TAX ON THE PROFIT FOR THE YEAR IS SPECIFIED AS FOLLOWS:		
Tax on profit/loss for the year	946	1,282
Tax on other comprehensive income, deferred	20	9
Tax on other comprehensive income, current	(31)	20
TOTAL	935	1,311
TAX ON THE PROFIT FOR THE YEAR IS CALCULATED AS FOLLOWS:		
Current income taxes	1,179	1,253
Deferred income taxes	(245)	20
Change in deferred tax due to change in tax rates	0	0
Deferred income taxes regarding previous years	23	(38)
Adjustment regarding previous years	(12)	47
Top-up corporate income tax	1	0
TOTAL	946	1,282
EFFECTIVE TAX RATE IS CALCULATED AS FOLLOWS:		
Danish tax rate	22%	22%
Deviation in tax rate in foreign companies in relation to Danish tax rate	1%	1%
Non-taxable income and non-deductible expenses	(2%)	2%
Non-deductible withholding taxes	1%	1%
Other, including adjustments regarding previous years	0%	1%
EFFECTIVE TAX RATE	22%	27%
CONSOLIDATED OTHER COMPREHENSIVE INCOME:		
DEFERRED TAX RELATED TO ITEMS RECOGNISED IN OCI DURING IN THE YEAR		
Net gain/loss on cash flow hedges	36	12
Remeasurement gain/loss on actuarial gains/losses	(16)	(3)
DEFERRED TAX CHARGED TO OCI	20	9

Notes to the consolidated financial statements

Note 9.2 Deferred taxes

	2024	2023
CHANGES IN DEFERRED TAX		
NET DEFERRED TAX ASSETS 1 JANUARY	492	562
Acquisition of companies	(121)	(88)
Exchange rate adjustment	(10)	(9)
Change in tax rate	0	0
Deferred tax recognised in profit and loss account	222	18
Deferred tax recognised in equity	20	9
NET DEFERRED TAX ASSETS 31 DECEMBER	603	492
BREAKDOWN OF DEFERRED TAX		
Non-current assets	(459)	(220)
Current assets	668	423
Provisions	335	210
Liabilities	59	79
NET DEFERRED TAX ASSETS	603	492
REFLECTED IN THE STATEMENT OF FINANCIAL POSITION AS FOLLOWS:		
Deferred tax assets	1,013	794
Deferred tax liabilities	(410)	(302)
NET DEFERRED TAX ASSETS	603	492



The Group accumulated tax losses of DKK 99m (2023: DKK 98m) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Grundfos Group. They have arisen in subsidiaries that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future.

Cumulative deferred income taxes recorded in equity amounted to DKK 174m (2023: DKK 154m). The Group does not recognise any deferred taxes on investments in subsidiaries because it controls the dividend policy of its subsidiaries – i.e. the Group controls the timing of reversal of the related taxable temporary differences and management is satisfied that no material amounts will reverse in the foreseeable future.

Notes to the consolidated financial statements

Note 10 Intangible assets	GOODWILL	OTHER INTANGIBLE ASSETS	COMPLETED DEVELOPMENT PROJECTS	DEVELOPMENT PROJECTS IN PROGRESS	TOTAL
COST AT 1 JANUARY 2024	1,467	2,305	192	185	4,149
Acquisition of companies	1,062	461	0	0	1,523
Additions	0	227	20	112	359
Disposals	0	(320)	(9)	0	(329)
Transfers	0	61	60	(60)	61
Exchange rate adjustments	63	63	0	0	126
COST AT 31 DECEMBER 2024	2,592	2,797	263	237	5,889
AMORTISATION AND IMPAIRMENT AT 1 JANUARY 2024	389	889	132	0	1,410
Amortisation	0	312	29	0	341
Impairment	0	0	0	0	0
Amortisation and impairment on disposals	0	(319)	(9)	0	(328)
Exchange rate adjustments	26	15	0	0	41
AMORTISATION AND IMPAIRMENT AT 31 DECEMBER 2024	415	897	152	0	1,464
CARRYING AMOUNT AT 31 DECEMBER 2024	2,177	1,900	111	237	4,425
COST AT 1 JANUARY 2023	1,228	2,074	224	73	3,599
Acquisition of companies	271	426	0	0	697
Additions	0	155	10	113	278
Disposals	0	(361)	(43)	0	(404)
Transfers	0	35	1	(1)	35
Exchange rate adjustments	(32)	(24)	0	0	(56)
COST AT 31 DECEMBER 2023	1,467	2,305	192	185	4,149

Notes to the consolidated financial statements

	GOODWILL	OTHER INTANGIBLE ASSETS	COMPLETED DEVELOPMENT PROJECTS	DEVELOPMENT PROJECTS IN PROGRESS	TOTAL
AMORTISATION AND IMPAIRMENT AT 1 JANUARY 2023	0	967	102	0	1,069
Amortisation	0	279	30	0	309
Impairment	398	0	0	0	398
Amortisation and impairment on disposals	0	(350)	0	0	(350)
Exchange rate adjustments	(9)	(7)	0	0	(16)
AMORTISATION AND IMPAIRMENT AT 31 DECEMBER 2023	389	889	132	0	1,410
CARRYING AMOUNT AT 31 DECEMBER 2023	1,078	1,416	60	185	2,739

Amortisation of intangible assets is included in the Consolidated Statement of Income and Loss as follows:

	2024		2023	
	OTHER INTANGIBLE ASSETS	COMPLETED DEVELOPMENT PROJECTS	OTHER INTANGIBLE ASSETS	COMPLETED DEVELOPMENT PROJECTS
Research and development expenses	108	29	101	30
Selling and distribution expenses	107	0	90	0
Administration expenses	97	0	88	0
TOTAL	312	29	279	30

Carrying amount of goodwill:

	2024	2023
Industry - Water Treatment Solutions	1,801	717
Industry - Pump Solutions	93	88
Water Utility	239	229
Others	44	44
TOTAL	2,177	1,078

Notes to the consolidated financial statements

Impairment test

End of 2024, the reported goodwill amounts to DKK 2,177m. Goodwill primarily arose from the acquisitions of Silhorko-Eurowater in 2020, Mechanical Equipment Company Inc. (MECO) in 2021, Metasphere in 2023 and the Commercial & Industrial business of Culligan in 2024.

Goodwill represents the premium paid by Grundfos above the fair value of the net assets acquired. It is attributable to synergies and know-how resulting from the combination of the businesses and the value of the employee base.

Goodwill is allocated to cash-generating units which are determined to be the most appropriate business segment levels it pertains to. For the reporting period, following cash generating units were identified:

(i) Industry - Water Treatment Solutions, (ii) Industry - Pump Solutions and (iii) Water Utility division. The allocation of the goodwill to the cash generating units is specified in above table.

As at the reporting date, an impairment test was performed on the carrying amount of intangible assets with indefinite useful lives which for the reporting period only represents goodwill.

Water Treatment Solutions

Impairment tests are performed based on expected future cash flows that are built from budgets and long-term business plans.

The carrying amount of the net assets including goodwill is compared to the recoverable amount. The recoverable amount is calculated using cash flow projections for a 5-year period which from thereafter converge into a terminal value applying perpetuity growth. The projected cash flows represent management's best estimate of revenue, profitability and investment plans for the cash generating units.

The discount rate applied to cash flow projections is 8.9% and terminal value cash flows are extrapolated using a 2.0% growth rate which represents the estimated long-term average growth rate for the industry.

Key assumptions and sensitivity analysis

The recoverable amount of the Water Treatment Solutions business is determined to be in close range to the carrying amount and the impairment test results are sensitive to assumptions made for the (i) EBITDA growth rate (ii) the terminal value growth rate and (iii) the discount rate. Each of these parameters have been assessed and estimated using the most recently available market data and management's experience and best judgement on the business outlook.

The EBITDA growth rate is built on assumptions on volume growth and profitability expectations that leverage synergies. A change in EBITDA margin by +/- 1 percentage point will change the value of the cash generating unit by +/- 9.3% (DKK 329m in either direction). The terminal value growth rate is

in line with long term industry average growth projections at 2.0%. A change in the growth rate by +/- 0.5 percentage points will increase or decrease the value of the cash generating unit by 3.2% (DKK 108m) and 2.7% (DKK 94m) respectively. The discount rate applied to cash flow projections is 8.9%. This rate was determined based on available market data and an assessment of the risk profile of the individual entities.

Specifically, a risk-free interest rate based on the current yield of a 10-year government bond in the relevant geography plus an estimated market-risk premium are used to estimate the required rate of return on equity. Estimated risk premiums are then added, depending on industry, business model and geography. The required rate of return on debt is based on an estimated credit assessment of the entities and current interest rate levels. The required rates of return on equity and debt are weighted using a capital structure based on a group of company peers.

An increase in the weighted average cost of capital (WACC) by 0.5 percentage points will decrease the equity value of the cash generating unit by 7.5% (DKK 265m) and a decrease in the WACC by 0.5 percentage points will increase the equity value of the cash generating unit by 8.7% (DKK 307m).

Water Utility division

Impairment tests are performed based on expected future cash flows that are built from budgets and long-term business

plans. The carrying amount of the net assets including goodwill is compared to the recoverable amount. The recoverable amount is calculated using cash flow projections for a 5-year period which from thereafter converge into a terminal value applying perpetuity growth. The projected cash flows represent management's best estimate of revenue, profitability and investment plans for the cash generating units.

The discount rate applied to cash flow projections is 8.5% and terminal value cash flows are extrapolated using a 2.0% growth rate which represents the estimated long-term average growth rate for the industry.

The recoverable amount of the Water Utility is significantly higher than the carrying amount.

The Group did not identify any reasonably possible change in key assumptions which could cause an impairment loss to be recognised for Water Utility.

Notes to the consolidated financial statements

Note 11	Property, plant and equipment	LAND AND BUILDINGS	TECHNICAL INSTALLATIONS AND MACHINERY	OTHER TECHNICAL INSTALLATIONS	PROPERTY, PLANT AND EQUIPMENT IN PROGRESS	TOTAL
	COST AT 1 JANUARY 2024	7,334	14,370	1,916	1,135	24,755
	Acquisition of companies	35	7	6	1	49
	Additions	59	404	75	740	1,278
	Disposals	(40)	(527)	(434)	(5)	(1,006)
	Transfers	110	684	39	(894)	(61)
	Exchange rate adjustments	(148)	(138)	(20)	(25)	(331)
	COST AT 31 DECEMBER 2024	7,350	14,800	1,582	952	24,684
	DEPRECIATION AND IMPAIRMENT AT 1 JANUARY 2024	4,305	12,153	1,578	0	18,036
	Depreciation	227	633	141	0	1,001
	Write-down of the year	0	0	0	0	0
	Depreciation and impairment on disposals	(31)	(475)	(431)	0	(937)
	Transfers	0	0	0	0	0
	Exchange rate adjustments	(279)	(127)	(20)	0	(426)
	DEPRECIATION AND IMPAIRMENT AT 31 DECEMBER 2024	4,222	12,184	1,268	0	17,674
	CARRYING AMOUNT 31 DECEMBER 2024	3,128	2,616	314	952	7,010
	COST AT 1 JANUARY 2023	6,974	13,864	1,859	1,004	23,701
	Acquisition of companies	0	3	0	0	3
	Additions	97	295	76	1,125	1,593
	Disposals	(37)	(348)	(63)	7	(441)
	Transfers	334	577	57	(1,003)	(35)
	Exchange rate adjustments	(34)	(21)	(13)	2	(66)
	COST AT 31 DECEMBER 2023	7,334	14,370	1,916	1,135	24,755

Notes to the consolidated financial statements

	LAND AND BUILDINGS	TECHNICAL INSTALLATIONS AND MACHINERY	OTHER TECHNICAL INSTALLATIONS	PROPERTY, PLANT AND EQUIPMENT IN PROGRESS	TOTAL
DEPRECIATION AND IMPAIRMENT AT 1 JANUARY 2023	4,138	11,939	1,518	0	17,595
Depreciation	224	562	131	0	917
Write-down of the year	0	0	0	0	0
Depreciation and impairment on disposals	(32)	(330)	(62)	0	(424)
Transfers	0	0	0	0	0
Exchange rate adjustments	(25)	(18)	(9)	0	(52)
DEPRECIATION AND IMPAIRMENT AT 31 DECEMBER 2023	4,305	12,153	1,578	0	18,036
CARRYING AMOUNT 31 DECEMBER 2023	3,029	2,217	338	1,135	6,719

Notes to the consolidated financial statements

Note 12 Right-of-use assets

The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. The Group has leases with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use (ROU) assets recognised and the movements during the period:

	LAND AND BUILDINGS	MOTOR VEHICLES	OTHER EQUIPMENT	TOTAL
CARRYING AMOUNT AT 1 JANUARY 2024	190	167	36	393
Additions	215	197	33	445
Disposal of ROU assets	0	(6)	(2)	(8)
Depreciation	(103)	(118)	(23)	(244)
Exchange rate adjustments	2	(1)	3	4
CARRYING AMOUNT AT 31 DECEMBER 2024	304	239	47	590
CARRYING AMOUNT AT 1 JANUARY 2023	266	107	38	411
Additions	42	155	24	221
Disposal of ROU assets	(8)	(3)	(2)	(13)
Depreciation	(111)	(88)	(22)	(221)
Exchange rate adjustments	1	(4)	(2)	(5)
CARRYING AMOUNT AT 31 DECEMBER 2023	190	167	36	393

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:	2024	2023
BALANCE AT 1 JANUARY	401	401
Additions	444	221
Interest	25	11
Disposals	(8)	(13)
Payments	(255)	(219)
BALANCE AT 31 DECEMBER	607	401
Current	243	162
Non-current	364	239
TOTAL	607	401



The Group has lease contracts, primarily buildings and vehicles used in its operations. Leases of motor vehicles generally have lease terms between 4 and 5 years and buildings have lease terms between 1 and 10 years.

Notes to the consolidated financial statements

Undiscounted lease liabilities maturity analysis:	2024	2023
Less than one year	253	167
One to three years	304	200
More than three years	74	46
TOTAL UNDISCOUNTED LEASE LIABILITIES AT 31 DECEMBER	631	413

The following are the amounts recognised in profit and loss:	2024	2023
Depreciation expense of right-of-use assets	243	220
Interest expense on lease liabilities	25	11
Expense relating to short-term leases	74	93
Variable lease payments	29	33
TOTAL	371	357

The Group had total cash outflows for leases of DKK 258m in 2024 (DKK 215m in 2023).

The Group has several lease contracts that include extension and termination options. Management assesses whether or not it is reasonably certain that these options will be exercised after considering all relevant facts and circumstances.

Notes to the consolidated financial statements

Note 13 Securities

	2024	2023
COST AT 1 JANUARY	3,224	3,377
Additions during the year	3,403	1,288
Disposals during the year	(1,891)	(1,441)
COST AT 31 DECEMBER	4,736	3,224
Value adjustments at 1 January	(16)	(172)
Value adjustments during the year	60	156
VALUE ADJUSTMENTS AT 31 DECEMBER	44	(16)
BALANCE AT 31 DECEMBER	4,780	3,208
Current	4,707	3,144
Non-current	73	64
TOTAL	4,780	3,208

The portfolio consists solely of listed shares and bonds and is distributed as follows:

	2024	2023
Shares	1,368	786
Bonds	3,412	2,422
TOTAL	4,780	3,208

Information about the Group's financial assets and associated risks is disclosed in note 29.

Notes to the consolidated financial statements

Note 14 Inventories	2024	2023
Raw materials and consumables	2,316	2,120
Work in progress	1,873	1,813
Manufactured goods and goods for resale	1,727	1,730
TOTAL	5,916	5,663

During 2024, DKK 32m (2023: DKK 60m) was recognised as an expense for inventories carried at net realisable value. This is recognised in cost of sales.

	2024	2023
PROVISION FOR OBSOLETE INVENTORIES AT 1 JANUARY	605	542
Reversal of provision through profit and loss	(48)	(51)
Additional provision	72	114
PROVISION FOR OBSOLETE INVENTORIES AT 31 DECEMBER	629	605

Notes to the consolidated financial statements

Note 15 Trade and other receivables

	2024	2023
Trade receivables	6,187	5,545
Prepayments	302	270
Other current receivables	1,202	889
TOTAL TRADE AND OTHER RECEIVABLES	7,691	6,704
Allowance for expected credit loss	(112)	(130)
TRADE AND OTHER RECEIVABLES, NET	7,579	6,574

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

Set out below is the movement in the allowance for expected credit losses of trade receivables and contract assets:

	2024	2023
BALANCE AT 1 JANUARY	130	138
Provisions during the year	31	29
Realised losses	(8)	(20)
Reversal of provision through profit and loss	(40)	(16)
Exchange rate adjustments	(1)	(1)
BALANCE AT 31 DECEMBER	112	130

Trade receivables' age profile:

	2024	2023
Not overdue at the reporting date	5,806	5,083
Overdue less than 30 days	295	356
Overdue 30 to 60 days	81	87
Overdue 60 to 120 days	35	72
Overdue more than 120 days	82	77
TRADE RECEIVABLES BEFORE PROVISION	6,299	5,677
PROVISION FOR BAD DEBT AT 31 DECEMBER	(112)	(130)
BALANCE AT 31 DECEMBER	6,187	5,545

Notes to the consolidated financial statements

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by each business unit subject to the Group’s established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a credit rating scorecard and individual credit limits are defined in accordance with this assessment. The Group’s trade debtors comprise a large number of customers, and the Group’s risk in that connection is not considered unusually high.

Outstanding customer receivables are regularly monitored. At 31 December 2024, the Group had 42 customers (2023: 50) that owed it more than DKK 10m each and accounted for approximately 24% (2023: 25%) of all the receivables outstanding.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments

with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 29.

The letters of credit and other forms of credit insurance are considered an integral part of trade receivables and considered in the calculation of impairment. The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written-off when there is no reasonable expectation of recovering the contractual cash flows.

Note 16 Cash and cash equivalents

	2024	2023
Cash at bank and on hand	3,509	5,808
TOTAL	3,509	5,808

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Notes to the consolidated financial statements

Note 17 Share capital

The share capital consists of 38,090,911 shares with a nominal value of DKK 10 each.
All shares rank equally. The share capital is fully paid.

	2024	2023
Ordinary shares of DKK 10 each	381	381
TOTAL	381	381

In 2024, the Group bought 219,909 own shares (0.6% of share capital) from Poul Due Jensens Fond at fair value at time of purchase for proceeds of DKK 378 million.
All shares have been used for the Group's share programmes during 2024. The Group has been authorised by the shareholders to acquire up to 2,625,000 treasury shares, equal to 6.6 % of the share capital.
The authorisation expires in yearly tranches during the period from 30 April 2025 to 30 April 2029.

DIVIDEND PER SHARE	2024	2023
Proposed dividend per share	44.63	44.63
Dividend from last year per share	44.63	26.25

Notes to the consolidated financial statements

Note 18 Pension and similar obligations

Defined contribution plans

The Group has made pension agreements with a considerable number of its employees. The majority of the agreements are for defined contribution plans. Contributions are paid to pension insurance plans and charged to the consolidated income statement in the period to which the contributions relate. Once the contributions have been paid, there are no further payment obligations.

Defined benefit plans

The Group has a number of defined benefit plans where the responsibility for the pension obligation towards the employees rests with the Group.

The largest plans are in Switzerland and the UK accounting for 69% (2023: 70%) of the Group's obligation (gross) and 76% (2023: 77%) of its plan assets.

The plans are primarily based on years of service, and benefits are generally determined on the basis of salary and rank. The Group assumes the risk associated with future developments in salary, interest rates, inflation, mortality and disability etc.

The majority of the obligations are funded with assets placed in independent pension funds. In a number of countries, some minor obligations are unfunded.

For these unfunded plans, the retirement benefit obligations amounted to DKK 119 million or 6% of the present value of the gross obligation (2023: DKK 106 million or 6%).

Switzerland

Participants are insured against the financial consequences of retirement, disability and death. The pension plans guarantee a minimum interest credit and fixed conversion rates at retirement. Contributions are paid by both the employee and the employer. The plans must be fully funded. In case of underfunding, recovery measures must be taken, such as additional financing from the employer or from the employer and employees, reduction of benefits or a combination of both.

The pension plans include a risk-sharing element between Grundfos and the plan participants.

The UK

Participants are insured against the financial consequences of retirement and death. The schemes do not provide any insured disability benefits. The pension plans are plans guaranteeing defined benefit pension at retirement on a final salary basis. The majority of the pension plans do not include a risk-sharing element between Grundfos and the plan participants.

Actuarial assumptions

Actuarial calculations and valuations are performed annually for all major plans. The actuarial assumptions vary from country to country due to local conditions.

Discount rates at 31 December are based on the market yield of high quality corporate bonds or government bonds with a maturity approximating to the terms of the obligations.

Notes to the consolidated financial statements

Sensitivity analysis for Switzerland and the UK

The table below illustrates the sensitivity related to significant actuarial assumptions used in the calculation of the defined benefit obligation recognised at the reporting date. The sensitivity covers the plans in the UK and Switzerland. The analysis is based on changes in assumptions that the Group considered to be reasonably possible at the reporting date. It is estimated that the relevant changes in assumptions would have increased/(decreased) the defined benefit obligation by the amounts shown below:

	2024		2023	
	0.5%	(0.5%)	0.5%	(0.5%)
Discount rates	(87)	95	(83)	93
Salary increase	8	(8)	7	(7)
Pension increase	42	(38)	39	(36)

	2024		2023	
	CH	UK	CH	UK
Discount rates (%)	1.00	5.25	1.75	5.00
Salary increase (%)	2.00	4.80	2.00	4.80
Pension increase (%)	0.00	3.10	0.00	3.10

The fair values of each major class of plan assets are as follows:

	2024	2023
INVESTMENTS QUOTED IN ACTIVE MARKETS:		
Listed equity investments	681	636
Real estate	154	157
Corporate bonds	801	736
Cash and cash equivalents	29	17
UNQUOTED INVESTMENTS:		
Insurance contracts	141	127
Corporate bonds	14	13
Other	188	169
TOTAL	2,008	1,855

Notes to the consolidated financial statements

	2024			2023		
	PRESENT VALUE OF OBLIGATION	FAIR VALUE OF PLAN ASSETS	OBLIGATION, NET	PRESENT VALUE OF OBLIGATION	FAIR VALUE OF PLAN ASSETS	OBLIGATION, NET
CARRYING AMOUNT AT 1 JANUARY	1,872	1,837	35	1,879	1,855	24
Current service cost	22	0	22	20	0	20
Past service cost	0	0	0	54	0	54
Interest on obligation/plan asset	73	74	(1)	66	68	(2)
RECOGNISED IN PROFIT AND LOSS	95	74	21	140	68	72
Actuarial gain/loss, demographic assumptions	(2)	0	(2)	(10)	0	(10)
Actuarial gain/loss, financial assumptions	41	0	41	(85)	0	(85)
Actuarial gain/loss, experience adjustments	(12)	0	(12)	13	0	13
Return on plan assets excl. interest income	0	79	(79)	0	(87)	87
Impact from asset ceiling	0	8	(8)	0	7	(7)
RECOGNISED IN OTHER COMPREHENSIVE INCOME	27	87	(60)	(82)	(80)	(2)
Foreign exchange adjustments	38	47	(9)	37	46	(9)
Acquisition and divestments, net	16	0	16	0	0	0
Employee contributions	10	10	0	10	10	0
Employer contributions	(4)	33	(37)	(6)	50	(56)
Benefits paid	(84)	(88)	4	(106)	(112)	6
OTHER CHANGES	(24)	2	(26)	(65)	(6)	(59)
CARRYING AMOUNT AT 31 DECEMBER	1,970	2,000	(30)	1,872	1,837	35
Accumulated impact from asset ceiling	0	8	(8)	0	16	(16)
PENSIONS AND SIMILAR OBLIGATIONS AT 31 DECEMBER	1,970	2,008	(38)	1,872	1,853	19
Carrying amount is reflected in the statement of financial position as follows:						
Net pension obligations			135			140
Net pension assets			(165)			(105)
NET PENSION OBLIGATIONS			(30)			35

Notes to the consolidated financial statements

In 2024 the net pension postition for the company has changed from a net obligation of DKK 35m to a net asset of DKK 30m.

The main driver for this has been return on plan assets and to a lessor extent contributions from the company.

The estimated weighted average duration of the defined benefit obligation was 13.1 years (2023: 13.0 years) and is split into:

Members of defined benefit schemes	2024	2023
Active employees	2,170	2,160
Retired employees	572	598
Deferred vested	708	683
TOTAL EMPLOYEES	3,450	3,441

The expected payments or contributions to the defined benefit plans within the next 12 months amount to DKK 25m (2023: DKK 24m).

Notes to the consolidated financial statements

Note 19 Provisions

	WARRANTY	RESTRUCTURING	JUBILEE	OTHERS	TOTAL
BALANCE AT 1 JANUARY 2024	219	207	193	416	1,035
Provision	178	508	0	87	773
Utilised	(188)	0	(10)	(7)	(205)
Reversed	(3)	(121)	(3)	(16)	(143)
Acquisition of companies	1	0	0	0	1
Exchange rate adjustments	6	21	0	8	35
BALANCE AT 31 DECEMBER 2024	213	615	180	488	1,496
Current	136	159	0	0	295
Non-current	77	456	180	488	1,201

	WARRANTY	RESTRUCTURING	JUBILEE	OTHERS	TOTAL
BALANCE AT 1 JANUARY 2023	185	144	189	376	894
Provision	151	164	4	97	416
Utilised	(115)	(73)	0	(2)	(190)
Reversed	(1)	(1)	0	(51)	(53)
Acquisition of companies	1	0	0	0	1
Exchange rate adjustments	(2)	(27)	0	(4)	(33)
BALANCE AT 31 DECEMBER 2023	219	207	193	416	1,035
Current	140	140	0	0	280
Non-current	79	67	193	416	755



Warranty

The provision is recognised for potential warranty claims on the basis of past experience and expected measures. The ordinary warranty on product sold covers a period of 24 months.

Restructuring

The provision covers the expected cost related to the announcement of the planned relocation of our Wahlstedt manufacturing activities. Payment will take place over two-three years. The reversed amount is a consequence of the exit of Russia mentioned in Note 7 'Special items'.

Jubilee

In the majority of companies there is an obligation to remunerate employees celebrating certain anniversaries (such as 25, 40 and 50 years). The payments vary among countries and companies.

Other

Other provisions include legal disputes to which the Group is a party.

Notes to the consolidated financial statements

Note 20 Bank and other loans		INTEREST RATE	MATURITY	2024	2023
Bank loans		6.8%	2025	50	15
Other loans		3-5%	2025	27	29
Lease liabilities		0-3%	2025-2031	607	401
Bank overdrafts and loans				38	87
TOTAL				722	532
Current				300	285
Non-current				422	247
TOTAL				722	532
Note 21 Trade and other payables				2024	2023
Trade payables				2,938	2,656
TOTAL				2,938	2,656



Bank overdrafts:
The bank overdrafts are secured by a portion of the Group's short-term deposits.



Trade payables are non-interest bearing.

Notes to the consolidated financial statements

Note 22 Other Liabilities

	2024	2023
Customer bonus	1,035	901
Staff related	1,394	1,525
Deferred income	546	495
VAT and other taxes	503	366
Accrued expenses	807	497
Other	158	14
TOTAL	4,443	3,798



Customer bonus is recognised at an estimated value according to underlying agreements. When finally settled, the bonus will be set off against future payments from the customer.

Deferred income refers to prepayments from customers for goods and services where the Group has not yet fulfilled its contractual obligations.

Note 23 Fees to auditors appointed by the shareholders

	2024	2023
Fee to EY for statutory audit	16	15
Fee to EY for other assurance engagements	4	2
Fee to EY for tax advisory services	6	4
Fee to EY for other services	6	7
TOTAL	32	28

Note 24 Changes in working capital

	2024	2023
Changes in inventories	(253)	857
Changes in accounts receivable	(1,004)	443
Change in trade creditors, other liabilities and deferred income	927	(440)
Unrealised exchange rate adjustments	271	(186)
TOTAL	(59)	674

Notes to the consolidated financial statements

Note 25 Changes in liabilities arising from financing activities

	CURRENT INTEREST-BEARING LOANS AND BORROWINGS	CURRENT LEASE LIABILITIES	NON-CURRENT INTEREST BEARING LOANS AND BORROWINGS	NON-CURRENT LEASE LIABILITIES	TOTAL
BALANCE AT 1 JANUARY 2024	123	162	8	239	532
Cash flows	(66)	(105)	55	(152)	(268)
New leases	0	178	0	267	445
Other	0	10	0	15	25
Exchange rate adjustments	0	(2)	(5)	(5)	(12)
BALANCE AT 31 DECEMBER 2024	57	243	58	364	722
BALANCE AT 1 JANUARY 2023	100	164	3	237	504
Cash flows	31	(50)	9	(154)	(164)
New leases	0	53	0	168	221
Other	0	(5)	0	(12)	(17)
Exchange rate adjustments	(8)	0	(4)	0	(12)
BALANCE AT 31 DECEMBER 2023	123	162	8	239	532



'Other' includes the effect of reclassification of non-current portion of interest-bearing loans and borrowings, including lease liabilities, to current due to the passage of time, the accrual of special dividends that were not yet paid at year end, and the effect of accrued but not yet paid interest on interest-bearing loans and borrowings, including lease liabilities. The Group classifies interest paid as cash flows from operating activities.

Notes to the consolidated financial statements

Note 26 Share-based compensation expenses

Note 26.1 Long-Term Incentive Programme (LTI)

The LTI is targeted at Group Management and other members of senior management. Under this programme, Restricted Stock Units (RSUs) are granted to the executives.

These RSUs vest with them after a continued service of 3.5 years and are also contingent on targets for performance indicators that are defined for the programme for a specific year.

Following the vesting of RSUs under both these programmes, the executives will receive shares of Grundfos Holding A/S.

The expense recognised over the vesting period is based on the fair value of the RSUs at the grant date.



The outstanding units are expected to vest over a weighted average period of 1.7 years (2023: 1.6 years).

	NO. OF UNITS	WEIGHTED AVERAGE GRANT DATE FAIR VALUE (DKK PER UNIT)
OUTSTANDING AS AT 1 JANUARY 2023	117,045	1,470
Granted during the year	66,691	1,351
Vested during the year	(8,751)	1,249
Forfeited during the year	(13,942)	1,458
OUTSTANDING AS AT 31 DECEMBER 2023	161,043	1,434
Granted during the year	76,030	1,711
Vested during the year	(47,381)	1,372
Forfeited during the year	(12,724)	1,506
OUTSTANDING AS AT 31 DECEMBER 2024	176,968	1,565

Notes to the consolidated financial statements

Note 26.2 Employee Share Purchase Plan (ESP)

ESP is a global programme, whereby certain employees are granted an option to buy shares of Grundfos Holding A/S at a discounted price. Employees of group companies in certain countries are excluded from this due to local restrictions or requirements. The only condition for eligibility is that the employee is employed by the Group as at the specified date (close to the grant date) and has not resigned or been terminated.

The Board of Directors of Grundfos Holding A/S will each year decide if an Employee Share Purchase Plan is offered.

The expense recognised in the year in question is based on the discount the employee is entitled to upon purchase of the shares.

	2024	2023
Number of shares purchased during the year	173,828	203,670

Note 26.3 Expense recognised during the year

	2024	2023
Expense arising from equity-settled share-based payment transactions (LTI)	54	55
Expense arising from equity-settled share-based payment transactions (ESP)	174	137
TOTAL	228	192



There were no cancellations or modifications to the grants.

Note 26.4 Inputs and model used

The share price is calculated once per year and is valid for a 12-month period. The methodology for calculating the share price is prescribed in the articles of association and is based on a multiples approach. Thus the key parameters are multiples on price earnings from a peer group of companies and the profit after tax for the Grundfos Group.

	2024	2023
Benchmark PE multiple	19.8	18.6
Annual growth in average profit after tax applied for share price calculation	18%	14%

Notes to the consolidated financial statements

Note 27 Business combinations

On 1 September 2024, Grundfos acquired Culligan's Commercial & Industrial business in Italy, France and the UK, which forms part of the Water Treatment Solutions business. From a legal perspective, Grundfos has acquired 5 limited liability companies. The total consideration amounted to DKK 1,622m.

The result of the acquired activities has been included in the consolidated financial statements as of 1 September 2024. The acquired business does not have a material impact on the consolidated financial statements, and therefore historical and pro forma disclosures have not been presented. Had the acquisition taken place at 1 January 2024, revenue would have been higher by DKK 532m and profit would have been higher by DKK 34m.

The fair values of the identifiable assets and liabilities of Culligan's Commercial & Industrial business as at the date of acquisition were:

Recognised amounts of identifiable assets acquired, and liabilities assumed	FAIR VALUE RECOGNISED IN ACQUISITION
Technology	202
Customer relations and distributors	258
Other intangible assets	1
TOTAL INTANGIBLE ASSETS	461
Property, plant and equipment	49
TOTAL NON-CURRENT ASSETS	510
Inventories	122
Trade receivables	256
Other receivables	33
Cash at bank	67
TOTAL CURRENT ASSETS	478
TOTAL ASSETS	988

Notes to the consolidated financial statements

Recognised amounts of identifiable assets acquired, and liabilities assumed	FAIR VALUE RECOGNISED IN ACQUISITION
Long term liabilities	(9)
Provisions	(15)
Deferred tax	(113)
TOTAL NON-CURRENT LIABILITIES	(137)
Short term liabilities	(69)
Trade creditors	(159)
Deferred income	(23)
Other payables	(51)
TOTAL CURRENT LIABILITIES	(302)
TOTAL LIABILITIES ASSUMED	(439)
TOTAL IDENTIFIABLE NET ASSETS	549
Goodwill	1,062
Cash net	11
TOTAL CASH ACQUISITION COST	1,622
Recognised amounts of identifiable assets acquired, and liabilities assumed	
Purchase consideration	1,622
Contingent purchase consideration	0
FAIR VALUE OF CONSIDERATION	1,622

Notes to the consolidated financial statements

The fair value of the trade receivables amounts to DKK 256m. The gross amount of trade receivables is DKK 278m

The deferred tax liability mainly comprises the tax effect of the identified intangible assets.

As part of the purchase price allocation of the acquisition, goodwill of DKK 1,062m was identified after recognition of the fair value of identifiable assets, liabilities and contingent liabilities. Fair value adjustments were determined using discounted cash flows for identified assets. The intangible assets reflect the recognition of Technological know-how (DKK 202m) and Customer relations and distributors (DKK 258m). Deferred tax of DKK 125m is in relation to these intangible asset adjustments. The acquisition of the Culligan activities involved acquisition cost of DKK 31m, which is recognised as administrative expense.

The goodwill of DKK 1,062m comprises the value of expected commercial and scaling synergies arising from the integration of the Culligan business, into the Industry-Water Treatment Solutions.

The goodwill does not meet the criteria for recognition as an intangible asset under IAS 38. The amount of the goodwill is not expected to be deductible for income tax purposes.

Note 28 Commitments and contingencies

Note 28.1 Commitments

	2024	2023
Performance and payment guarantees	147	161
Purchase agreements for property, plant and equipment	143	129
TOTAL	290	290

Lease contracts etc. are renewed on a continuous basis hence, there is a minor number of contracts committed not yet recorded as at 31 December 2024. The value of these contracts is considered to be immaterial.

Apart from this the Group is under no material obligations to acquire assets.

Note 28.2 Contingencies

The Group is party to a number of disputes, lawsuits and legal actions including tax disputes. It is the view of management that the outcome of these legal actions will have no other significant impact on the Group's financial position beyond what has been recognised and stated in the Annual Report.

Notes to the consolidated financial statements

Note 29 Financial risk management and financial assets

The Group's activities expose it to a variety of financial risks:

- Market risks: Currency risk and raw materials
- Credit risk
- Liquidity risk

The main purpose of the Group's financial risk management is to finance the Group's operations and to provide guarantees to support its operations. The Group uses derivative financial instruments to hedge certain risk exposures.

The Group's financial risk activities are governed by the policies approved by the Board of Directors. Risk management is carried out by the Central Treasury department who are responsible for identifying, measuring and managing the Group's financial risks in accordance with the Group's policies and risk objectives.

It is the Group's policy that no trading in derivatives should be undertaken for speculative purposes.

Note 29.1 Financial risks

Market risk

FINANCIAL RISKS	DESCRIPTION	EFFECT	Reference
Currency risk	The Group is exposed to fluctuations when performing sales and purchases in foreign currencies.	Effect: Moderate Threat: Moderate	Note 1 'Revenue'
Interest rate risk	The Group is exposed to fluctuations in interest rates related to cash position, financial investments and financing arrangements	Effect: Low Threat: Moderate	Note 13 'Securities'
Credit risk	The Group is exposed to the risk that a counterparty (mainly related to trade receivables and cash position) will not meet its obligation leading to a financial loss.	Effect: Moderate Threat: Low	Note 15 'Trade and other receivables' Note 20 'Bank and other loans'
Raw materials risk	The Group is exposed to raw material price inflation mainly related to copper and aluminium.	Effect: High Threat: Moderate	Note 14 'Inventories'

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: currency risk and other price risk, such as interest-rate risk and raw material risk. Financial instruments affected by market risk include transactions with entities in foreign currencies.

The sensitivity analysis in the following sections relates to the position as at 31 December in 2024 and 2023.

Notes to the consolidated financial statements

The sensitivity analysis has been prepared on the basis that the proportions of financial instruments in foreign currencies are all constant and on the basis of the hedge designations in place at 31 December 2024. Further, it is assumed that the exchange rate sensitivities have a symmetric impact, i.e. an increase in rates results in the same absolute movement as a decrease in rates.

The following assumption has been made in calculating the sensitivity analysis:
The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks.

This is based on the financial assets and financial liabilities held at 31 December 2024 and 2023 including the effect of hedge accounting.

The sensitivity analysis shows the effect on profit and equity of a reasonably possible change in exchange rates.
Hedges consist primarily of currency derivatives, which are further described in the following sections.

Risk on raw material prices is not hedged by way of financial instruments. Risks on change in interest rates are not considered material for the purposes of the financial statements.

Note 29.2 Financial instruments by category

	2024	2023
FINANCIAL RISKS		
Shares	1,368	786
Bonds	3,412	2,422
Long-term electricity swap	0	1
FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS	4,780	3,209
Trade receivables	6,187	5,545
Cash and cash equivalents	3,509	5,808
FINANCIAL ASSETS MEASURED AT AMORTISED COST	9,696	11,353
Long-term electricity swap	23	0
FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS	23	0
Bank and other loans	115	131
Trade creditors	2,938	2,656
FINANCIAL LIABILITIES MEASURED AT AMORTISED COST	3,053	2,787
Forward currency contracts	149	24
FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	149	24

Notes to the consolidated financial statements

Note 29.3 Fair value measurement

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Fair value hierarchy	QUOTED MARKET PRICES (LEVEL 1)	VALUATION BASED DIRECTLY OR INDIRECTLY ON MARKET (LEVEL 2)	VALUATION TECHNIQUES BASED ON UNOBSERVABLE INPUTS FOR VALUATION (LEVEL 3)	TOTAL
2024				
Shares	1,368	0	0	1,368
Bonds	3,412	0	0	3,412
FINANCIAL ASSETS MEASURED AT FAIR VALUE AS OF 31 DECEMBER	4,780	0	0	4,780
Forward currency contracts	0	149	0	149
Long-term electricity swap	0	0	23	23
FINANCIAL LIABILITIES MEASURED AT FAIR VALUE AS OF 31 DECEMBER	0	149	23	172
2023				
Shares	786	0	0	786
Bonds	2,422	0	0	2,422
Long-term electricity swap	0	0	1	1
FINANCIAL ASSETS MEASURED AT FAIR VALUE AS OF 31 DECEMBER	3,208	0	1	3,209
Forward currency contracts	0	24	0	24
FINANCIAL LIABILITIES MEASURED AT FAIR VALUE AS OF 31 DECEMBER	0	24	0	24

There were no transfers between the 3 Levels during 2024 or 2023.

Notes to the consolidated financial statements

Note 29.4 Valuation techniques and assumptions used

Management assesses that the fair values of cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts, largely due to the short-term maturities of these instruments.

Securities

Fair value of securities is based on observable market prices from stock exchanges.

Foreign exchange derivatives

The Group enters into derivative financial instruments with various counterparties, principally financial institutions, with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employ the use of market observable input. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations.

The models incorporate various input including the foreign exchange spot and forward rates, yield curves of the respective currencies, and currency basis spreads between the respective currencies. As at 31 December 2024, the mark-to-market values of other derivative asset positions do not contain a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

Electricity swap

The Group has entered into a long-term electricity swap, in which the Group purchases renewable electricity from a windfarm at a fixed price and sells it at market price with net settlements on a monthly basis. It is a 10-year contract with expiry in 2034. The volume in the electricity swap covers a portion of the Group's electricity consumption but is not considered a hedge. The valuation of electricity swaps is based on estimates on non-observable prices for a long-term period. The fair value of electricity swaps is determined by discounting estimated future cash flows. Discounting takes place on the basis of estimated price curves and volumes of electricity produced.

Note 29.5 Foreign currency risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a local currency, normally being a foreign currency).

The Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 15-month period for hedges of forecasted sales and purchases.

The Group hedges its exposure to fluctuations on the translation into Danish Kroner of its foreign operations by using foreign currency swaps and forwards.

At 31 December 2024, the Group has hedged 80% of the next 12 months' exposure of its expected foreign currency sales. The hedged sales were highly probable at the reporting date.

The foreign currency risk is hedged by using foreign currency forward contracts.

The majority of Grundfos' transactions are denominated in USD, EUR, AUD, GBP, CNY or HUF. The functional currency of the subsidiaries is generally the local currency, therefore, Grundfos has exposure to these currencies through the translate value of future EBIT and cash flows. The following table demonstrates the sensitivity to the possible change in the exchange rates of the currencies below after the effect of hedge accounting, with all other variables held constant. The Group's exposure to foreign currency changes for all other currencies is not material. Given the Danish Kroner has a fluctuation limit of a maximum +/- 2.25% through the European Exchange Rate Mechanism, the effect of EUR on sensitivity is minimal.

Notes to the consolidated financial statements

		2024			2023		
CURRENCY SENSITIVITY - IMPACT TO EQUITY (BEFORE TAX)	INCREASE IN EXCHANGE RATE	MONETARY ITEMS	HEDGING	NET	MONETARY ITEMS	HEDGING	NET
USD	5%	37	(92)	(55)	32	(48)	(16)
AUD	5%	3	(14)	(11)	4	(13)	(9)
GBP	5%	17	(39)	(22)	15	(32)	(17)
CNY	5%	12	(22)	(10)	3	(20)	(17)
HUF	5%	0	21	21	0	22	22
TOTAL		69	(146)	(77)	54	(91)	(37)

The impact on equity arises from monetary items and hedging instruments where the currency that the hedging instruments and monetary items are denominated in differs from the functional currency of the entity. The impact would have been the opposite if exchange rates had been decreasing by similar percentages. The analysis is based on the transaction currency.

Monetary items are expected to be converted to cash during a period of up to 60 days. Hedging contracts cover up to 80% of expected inflow in each currency for a period of up to 12 months.

Profit before tax will not be impacted by changes in the exchange rates due to a high degree of efficiency in the hedging.

Note 29.6 Liquidity risk

The Group monitors its risk of a shortage of funds using a liquidity planning tool. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and lease contracts. The Group's policy is that not more than 25% of borrowings should mature in the next 12-month period. Approximately 10% of the Group's debt will mature in less than one year as at 31 December 2024 (2023: 10%) based on the carrying value of borrowings reflected in the financial statements.

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders. Further, to prevent significant restrictions to Grundfos' liquidity, cash is held among several investment grade financial institutions to minimise loss in an illiquidity event.

Notes to the consolidated financial statements

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	ON DEMAND	LESS THAN 3 MONTHS	3 TO 12 MONTHS	1 TO 5 YEARS	> 5 YEARS	TOTAL
As at 31 December 2024						
Interest-bearing loans and borrowings (excl. items below)	0	0	57	58	0	115
Lease liabilities (refer to Note 12)	0	61	182	364	0	607
Trade and other payables	0	2,448	490	0	0	2,938
Forward currency contracts	0	40	109	0	0	149
Long-term electricity swap	0	1	7	13	2	23
TOTAL	0	2,550	845	435	2	3,832
As at 31 December 2023						
Interest-bearing loans and borrowings (excl. items below)	0	0	123	8	0	131
Lease liabilities (refer to Note 12)	0	42	125	234	0	401
Trade and other payables	0	2,213	443	0	0	2,656
Forward currency contracts	0	(5)	(19)	0	0	(24)
Long-term electricity swap	0	0	0	(1)	0	(1)
TOTAL	0	2,250	672	242	0	3,164

Notes to the consolidated financial statements

Note 30 Capital management

For the purpose of the Group’s capital management, capital includes issued capital and all equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is in accordance with guidelines defined by the majority owner, Poul Due Jensens Fond, to ensure and support healthy economic growth and development of the Grundfos Group.

This includes to maintain a solid equity ratio – under the current economic conditions – at a level above 60%.

There is no written dividend policy; however, in recent years, dividend distribution has been at a level of 50% of the consolidated profit of the year.

	31 DECEMBER 2024	31 DECEMBER 2023
Bank and other loans	722	532
Trade and other payables	2,938	2,656
Less: Cash and short-term deposits	(8,216)	(8,952)
NET DEBT	(4,556)	(5,764)

In terms of liquidity, the Group has a cash reserve comprising cash and cash equivalent (see Note 16) and securities (see Note 13).

The Group has only few and immaterial loans. Thus, the Group is not subject to financial covenants from banks or other financial institutions.

Gearing ratio is negative, demonstrating that the Group has effectively no net debt.

Notes to the consolidated financial statements

Note 31 Hedging activities and derivatives

Forward currency contracts are estimated by generally accepted valuation techniques based on relevant observable swap curves and exchange rates. The fair value applied is calculated mainly by external sources on the basis of discounted future cash flows. Anticipated cash flow for individual contracts is based on observable market data such as interest rates and exchange rates. In addition, fair values are based on non-observable data, including exchange rate volatilities, or correlation between yield curves and credit risks. Non-observable market data account for an insignificant part of the fair value of the derivative financial instruments.

Foreign currency risk

Foreign currency forward contracts are designated as hedging instruments in cash flow hedges of forecast cash inflows of predominantly, USD, EUR, AUD, GBP, CNY and cash outflows of HUF from operations denominated in the local currency of entities within the Group. Should there be a forecasted transaction in excess of DKK 50m, this will be considered significant, and therefore, between 50-90% of this cash flow exposure should be hedged.

Otherwise, the exposures of foreign currency cash flows must be within the following ratios:

- 0-6 months: 80%-90%
- 7-12 months: 70%-80%
- 12-15 months: 50%-70%

These forecast transactions are highly probable. Refer to the table below for the relevant amounts of the respective transactions. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates. Given the Danish Kroner has a fluctuation limit towards EUR of a maximum +/- 2.25% through the European Exchange Rate Mechanism, the Group has entered into foreign exchange forward contracts predominantly with EUR as the other leg of the currency pair.

There is no proxy hedging for the currency risk hedging, and therefore the economic relationship between the hedged exposure and the hedge is high. Effectiveness is assessed using the critical terms match approach according to IFRS 9. The source of ineffectiveness is the credit risk of the hedging instruments. For hedges where the cost of hedging is applied, the change in basis spread is recognised in other comprehensive income and is a time effect during the life of the forward contract. At maturity, this amounts to zero.

The net amount of the foreign exchange contracts is presented within either 'Other Current Assets' or 'Other Current Liabilities', depending on whether the carrying amount is positive or negative.

Notes to the consolidated financial statements

The Group is holding the following foreign exchange forward contracts:

				MATURITY					
				LESS THAN 1 MONTH	1 TO 3 MONTHS	3 TO 6 MONTHS	6 TO 9 MONTHS	9 TO 12 MONTHS	TOTAL
AS AT 31 DECEMBER 2024	Fair Value, Asset	Fair Value, Liability	Notional Amount						
Foreign exchange forward contracts (highly probable forecast sales or purchases)									
USD			EUR	29	31	62	66	56	244
AUD			EUR	6	11	15	16	11	59
GBP			EUR	15	13	21	20	13	82
CNY			EUR	44	120	115	92	46	417
HUF			EUR	(1,900)	(3,900)	(6,180)	(5,970)	(4,540)	(22,490)
NOTIONAL AMOUNT (IN DKK MILLIONS)									
USD	0.0	(76.0)		211	222	443	472	401	1,749
AUD	4.0	4.0		25	48	66	72	47	258
GBP	0.0	(17.0)		131	119	192	180	118	740
CNY	0.0	(9.0)		43	118	113	90	45	409
HUF	0.0	(11.0)		(34)	(71)	(112)	(108)	(82)	(407)
AVERAGE FORWARD RATE (EUR/ONE CURRENCY UNIT)									
USD				1.072	1.106	1.100	1.116	1.088	1.099
AUD				1.668	1.658	1.641	1.667	1.665	1.658
GBP				0.848	0.866	0.864	0.857	0.847	0.857
CNY				7.846	7.805	7.789	7.741	7.698	7.779
HUF				399.233	403.053	401.096	408.208	423.449	407.505

Notes to the consolidated financial statements

The Group is holding the following foreign exchange forward contracts:

				MATURITY					
				LESS THAN 1 MONTH	1 TO 3 MONTHS	3 TO 6 MONTHS	6 TO 9 MONTHS	9 TO 12 MONTHS	TOTAL
AS AT 31 DECEMBER 2023	Fair Value, Asset	Fair Value, Liability	Notional Amount						
Foreign exchange forward contracts (highly probable forecast sales or purchases)									
USD			EUR	20	34	34	23	23	134
AUD			EUR	5	10	17	14	9	55
GBP			EUR	12	11	15	19	14	71
CNY			EUR	44	62	106	111	77	400
HUF			EUR	(2,398)	(3,526)	(6,417)	(5,868)	(3,564)	(21,773)
NOTIONAL AMOUNT (IN DKK MILLIONS)									
USD	12.8	1.0		132	230	232	153	158	905
AUD	1.2	3.9		22	47	80	63	41	253
GBP	0.6	7.5		100	95	127	161	126	609
CNY	11.1	0.0		42	59	101	105	73	380
HUF	18.3	1.3		(47)	(69)	(125)	(114)	(69)	(424)
AVERAGE FORWARD RATE (EUR/ONE CURRENCY UNIT)									
USD				1.099	1.094	1.104	1.092	1.091	1.096
AUD				1.556	1.627	1.637	1.678	1.675	1.644
GBP				0.895	0.896	0.878	0.878	0.877	0.883
CNY				7.294	7.393	7.683	7.726	7.712	7.611
HUF				408.407	415.239	408.539	411.117	396.390	408.233

Notes to the consolidated financial statements

The impact of hedged items on the statement of financial position is as follows:

Fair value hierarchy	VOLUME OF FOREIGN EXCHANGE FORWARD CONTRACTS	CASH FLOW HEDGE RESERVE
31 DECEMBER 2024		
Highly probable expected net cash flows from customers/to vendors	6,760	149
31 DECEMBER 2023		
Highly probable expected net cash flows from customers/to vendors	6,470	24

The effect of the cash flow hedge in the statement of profit or loss and other comprehensive income is, as follows:

	TOTAL HEDGING GAIN/LOSS RECOGNISED IN OCI	INEFFECTIVENESS RECOGNISED IN PROFIT AND LOSS	LINE ITEM IN THE STATEMENT OF PROFIT AND LOSS
YEAR ENDED 31 DECEMBER 2024			
Highly probable expected net cash flows from customers/to vendors	149	0	Revenue / production cost
YEAR ENDED 31 DECEMBER 2023			
Highly probable expected net cash flows from customers/to vendors	24	0	Revenue / production cost

Notes to the consolidated financial statements

Note 32 Related parties

Note 32.1 Group information

The table below provides information about the Group's structure, including details of the subsidiaries and the holding company. Grundfos Holding A/S directly or indirectly owns the entire share capital in all subsidiaries except for Grundfos Saudi Arabia Company Limited, Saudi Arabia with an ownership percentage of 75%.

Group companies

Argentina, Bombas Grundfos de Argentina S.A.
Austria, Eurowater Wasseraufbereitung GmbH
Austria, Grundfos Pumpen Vertrieb G.m.b.H.
Australia, DAB Pumps Oceania Pty. Ltd.
Australia, Grundfos Australia Holding Pty. Ltd.
Australia, Grundfos Pumps Pty. Ltd.
Australia, Metasphere Australia Pty.
Belgium, Eurowater Belgium NV
Belgium, Grundfos Bellux S.A.
Brazil, Bombas Grundfos do Brasil Ltda.
Bulgaria, Grundfos Bulgaria EOOD
Canada, Grundfos Canada Inc.
Chile, Bombas Grundfos Chile SpA
China, DAB Pumps (Qingdao) Co. Ltd.
China, Grundfos Pumps (Changshu) Co. Ltd.
China, Grundfos (China) Holding Co. Ltd.
China, Grundfos Pumps (Chongqing) Co. Ltd.
China, Grundfos Pumps (Hong Kong) Ltd.
China, Grundfos Pumps (Shanghai) Co. Ltd.
China, Grundfos Pumps (Suzhou) Ltd.
China, Grundfos Pumps (Wuxi) Ltd.
Colombia, Grundfos Columbia S.A.S.
Croatia, Grundfos Sales Croatia d.o.o.
Czechia, Eurowater spol. s.r.o.
Czechia, Grundfos Sales Czechia and Slovakia s.r.o.
Denmark, Armacoat A/S
Denmark, Eurotank A/S
Denmark, Grundfos A/S
Denmark, Grundfos DK A/S
Denmark, Grundfos Finance A/S
Denmark, Grundfos Operations A/S
Denmark, Grundfos US ApS
Denmark, Grundfos Water Treatment Denmark A/S
Denmark, Sintex A/S
Egypt, Grundfos Holding Egypt LLC

Egypt, Grundfos Egypt LLC
Egypt, Grundfos Service Egypt LLC
Finland, OY Grundfos Environment Finland AB
Finland, OY Grundfos Pumput AB
France, Eurowater Sarl
France, Grundfos Water Treatment France S.A.S.
France, Pompes Grundfos Distribution S.A.S.
France, Pompes Grundfos S.A.S.
Germany, Biral GmbH
Germany, DAB Pumps GmbH
Germany, Deutsche Vortex GmbH & Co. KG
Germany, Eurowater Wasseraufbereitung GmbH
Germany, Grundfos GmbH
Germany, Grundfos Pumpenfabrik GmbH
Germany, Grundfos Verwaltung GmbH
Germany, Grundfos Dosing & Disinfection GmbH
Ghana, Grundfos Pumps Ghana Ltd.
Greece, Grundfos Hellas Single-Member A.E.B.E.
Hungary, DAB Pumps Hungary Kft.
Hungary, Eurowater Vizkezelés Kft.
Hungary, Grundfos Shared Services Kft.
Hungary, Grundfos Hungary Manufacturing Ltd.
Hungary, Grundfos South East Europe Kft.
India, Grundfos Pumps India Private Ltd.
Indonesia, PT DAB Pumps Indonesia
Indonesia, PT Grundfos Pompa
Indonesia, PT Grundfos Trading Indonesia
Ireland, Grundfos (Ireland) Ltd.
Ireland, Mechanical Equipment Company Ireland Ltd
Italy, DAB Pumps S.p.A.
Italy, DWT Holding S.p.A.
Italy, CWTS S.r.l.
Italy, F.D.T. S.r.l.
Italy, Everblue S.r.l.
Italy, Grundfos Pompe Italia S.r.l.
Japan, Grundfos Pumps K.K.
Kazakhstan, Grundfos Kazakhstan LLP

Kenya, Grundfos Kenya Ltd.
Korea, Grundfos Pumps Korea Ltd.
Latvia, GRUNDFOS Pumps Baltic SIA
Malaysia, Grundfos Pumps SDN. BHD
Mexico, Bombas Grundfos de Mexico Manufacturing S.A. de C.V.
Mexico, Bombas Grundfos de Mexico S.A. de C.V.
Mexico, DAB Pumps de Mexico S.A. de C.V.
Netherlands, DAB Pumps B.V.
Netherlands, Eurowater BV
Netherlands, Solvermedia B.V.
Netherlands, Grundfos Nederland B.V.
New Zealand, Grundfos Pumps NZ Ltd.
Nigeria, Grundfos Water Solutions NGA Limited
Norway, Grundfos Water Treatment Norway AS
Norway, Grundfos Norge AS
Peru, Grundfos de Peru S.A.C.
Philippines, Grundfos IS Support & Operations Centre Philippines Inc.
Philippines, Grundfos Pumps (Philippines) Inc.
Poland, Centrum Badawczo-Wdrozeniowe Unitex Sp.z o.o.
Poland, DAB Pumps Poland Sp.Z.o.o.
Poland, Eurowater Sp. z o.o.
Poland, Grundfos Pompy Sp.Z.o.o.
Portugal, Bombas Grundfos (Portugal) S.A.
Romania, SC Grundfos Pompe Romania SRL
Saudi Arabia, Grundfos Saudi Arabia Company Limited
Serbia, Grundfos Srbija d.o.o.
Singapore, MECO Water Purification (Asia) Pte
Singapore, Grundfos (Singapore) Pte. Ltd.
Slovakia, Eurowater spol. s.r.o.
Slovenia, Grundfos Ljubljana d.o.o.
South Africa, DAB Pumps South Africa (Pty) Ltd.
South Africa, Grundfos Holding South Africa (Pty) Ltd
South Africa, Grundfos (Pty) Ltd.
Spain, Bombas Grundfos España S.A.
Spain, DAB Pumps Iberica S.L.

Sweden, Eurowater AB
Sweden, Grundfos AB
Switzerland, Biral AG
Switzerland, Eurowater Wasseraufbereitung AG
Switzerland, Grundfos Holding AG
Switzerland, Grundfos Handels AG
Switzerland, Grundfos Pumpen AG
Taiwan, Grundfos Pumps (Taiwan) Ltd.
Thailand, Grundfos (Thailand) Ltd.
Türkiye, Grundfos Pompa Sanayi ve Ticaret Ltd.Sti.
Ukraine, Eurowater Ltd.
Ukraine, TOV Grundfos Ukraine
United Arab Emirates, Grundfos Gulf Distribution FZE
United Arab Emirates, Grundfos Trading L.L.C.
United Kingdom, DAB Pumps Ltd.
United Kingdom, Grundfos Manufacturing Ltd.
United Kingdom, Grundfos Pumps Ltd.
United Kingdom, Grundfos Water Treatment UK Ltd.
United Kingdom, Grundfos Watermill Ltd.
United Kingdom, Metasphere Limited
USA, Grundfos CBS Inc.
USA, Grundfos Americas Corporation
USA, Grundfos Pumps Corporation
USA, Grundfos Pumps Manufacturing Corporation
USA, Grundfos US Holding Corporation
USA, Mechanical Equipment Company Inc.
USA, Sterling Fluid Systems (USA) LLC (DBA Peerless Pump Company)
USA, DAB Pumps Inc.
USA, SFS (USA) Holding Inc.
USA, Grundfos Water Utility Inc.
USA, Water Works Inc.
Vietnam, Grundfos Vietnam Company Ltd.

Grundfos Holding A/S, based in Bjerringbro, Denmark, is the Parent Company of the Grundfos Holding A/S Group.

Ownership

The Poul Due Jensens Fond owns 87.9% of the share capital in Grundfos Holding A/S, while the founder's family owns 8.8% and the employees own 3.3%

Associates

Base Business Bjerringbro A/S, Denmark – 21% ownership

Megat Projekt Sp. z o.o., Poland – 50% ownership

There are restrictions on access to liquidity among the Group's companies but the amounts on which the restrictions occur are immaterial.

The German subsidiary Deutsche Vortex GmbH & Co. KG, Ludwigsburg, uses the exemption in the § 264b HGB to prepare, audit and publish individual annual accounts.

Notes to the consolidated financial statements

Note 32.2 Transactions with related parties

Board of Directors and Group Executive Team

In the financial year, no transactions took place with the Board of Directors and Group Executive Team other than the transactions as a result of conditions of employment.

For compensation of Group Management, please refer to Note 5.

Poul Due Jensens Fond

In the financial year, a limited number of transactions have taken place with Poul Due Jensens Fond. The transactions comprise service transactions. The total payment to the Grundfos Group does not exceed DKK 6m (2023: DKK 7m). In the financial year, Poul Due Jensens Fond sold shares in Grundfos Holding A/S at a value of DKK 378m to Grundfos Holding A/S (2023: DKK 287m).

Other related parties

In the financial year, a limited number of transactions have taken place with certain shareholder members of the Due Jensen Family. The transactions comprise service transactions.

The total transactions with the Grundfos Group do not exceed DKK 1m (2023: DKK 1m).

Note 33 Events after the balance sheet date

Subsequent to 31 December 2024, there have been no further events with any significant effect on the financial statements beyond what has been recognised and disclosed in the Annual Report.

The Board of Directors of Grundfos Holding A/S has approved the issuance of these consolidated financial statements on 5 February 2025.

The annual general assembly is expected to finally approve the consolidated financial statements on 28 February 2025.

Note 34 Information regarding the Group

Note 34.1 Corporate information

The consolidated financial statements comprise the parent company Grundfos Holding A/S and its subsidiaries (the Group) for the year ended 31 December 2024. The Group's main operations consist of the manufacture and sale of pump solutions.

The parent company is a limited liability company incorporated and domiciled in Denmark. The company's registered office address is Grundfos Holding A/S, Poul Due Jensens Vej 7, DK-8850 Bjerringbro.

Notes to the consolidated financial statements

Note 35 Summary of material accounting policies

Note 35.1 Basis of preparation

The Annual Report for the year ended 31 December 2024 has been prepared in accordance with IFRS Accounting Standards (R) as adopted by the European Union (EU), and additional disclosure requirements in the Danish Financial Statements Act applicable to reporting class C (Large) entities.

The Grundfos Group has adopted all new, amended or revised IFRS Accounting Standards and interpretations as endorsed by the EU effective as of 1 January 2024.

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments, earn out and debt or securities and equity financial assets that have been measured at fair value.

The Annual Report is presented in Danish Kroner (DKK), the functional currency of the parent company, and all amounts are stated in millions, except when otherwise indicated.

Note 35.2 Basis of consolidation

The consolidated financial statements comprise the parent company, Grundfos Holding A/S, and subsidiaries over which Grundfos Holding A/S exercises control.

Entities acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Entities disposed of are recognised in the consolidated statement of profit or loss until the date of disposal.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent company and to non-controlling interests even if this means that the non-controlling interests have a negative balance. When necessary, the financial statements of subsidiaries are adjusted to align their accounting policies with those of the Group. All intra-group assets and liabilities, equity, income, expenses and cash flows arising from transactions between group entities are fully eliminated on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Note 35.3 New and amended standards and interpretations

The following accounting standards / amendments are effective as of 1 January 2024.

- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current
- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

The above standards and amendments do not have material impact on our financial statements

Notes to the consolidated financial statements

Note 35.4 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

The following accounting standards / amendments are effective as of 1 January 2025.

- Lack of exchangeability – Amendments to IAS 21
- IFRS 18 *Presentation and Disclosure in Financial Statements* – Replacement of IAS 1 *Presentation of Financial Statements*

The adoption is not expected to have material impact on our financial statements

Note 35.5 Critical accounting estimates and judgements

In preparing the consolidated financial statement, Management has made judgements, estimates and assumptions that affect how the Group's accounting policies are applied and the amount of assets, liabilities, income and expenses reported.

Note 35.5.1 Judgements

The following provides information about judgements made in applying those accounting policies that most significantly impact the amounts recognised in the consolidated and separate financial statements:

Special items

The use of special items entails management judgement in the separation from ordinary items. Management carefully assesses individual classifications for a fair distinction between operating activities and significant income and expenses of a special nature. The exit decision from Russia and Belarus led to one-off expenses which management deems a special item.

Exit related expenses relate to impairment of assets and cost related to severance and other legal commitments arising from the Share Purchase Agreement with the buyer.

Management has assessed the various scenarios and likelihood in their judgement and estimation of the provision.

Notes to the consolidated financial statements

Note 35.5.2 Assumptions and estimation uncertainties

Management makes accounting estimates and assumptions on which the recognition and measurement of the Group’s revenues, expenses, assets and liabilities, and the accompanying disclosures, are based.

The following provides information about assumptions and estimation uncertainties which could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affected in future periods.

Tax (Note 9)

Conducting business globally the interpretation of local tax regulations – including transfer pricing – creates uncertainty with regards to timing, assessment and other assumptions. Management reviews the assumptions on an ongoing basis. Tax assets and liabilities are recognised at the most likely future impact to the consolidated financial statements, considering the level and timing of future taxable income.

Impairment test of goodwill (Note 10)

The key assumptions supporting recoverable amounts mainly comprise discount rate (WACC) and expectations regarding future production and unit prices. Please refer to Note 10 for more details related to the impairment test.

Depreciation on tangible non-current assets (Note 11)

The expected lifetime for tangible assets is determined based on experience and expectations for future use of the assets. Estimated lifetime is linked to uncertainty due to varying utilisation.

Inventories (Note 14)

Valuation of inventories includes estimates related to allocation of indirect cost and estimates on the net realisable value at which inventories are expected to be sold. Estimates in these areas are based on judgements such as determination of obsolete items and expected future revenue.

Trade receivables (Note 15)

The valuation of trade receivables includes estimates on the expected credit loss. These estimates are based on statistics over the historic risk of credit losses, and judgements over future risk of losses. By nature, this methodology is associated with uncertainty.

Pension obligations, defined benefit plans (Note 18)

Pension obligations under defined benefit plans are based on assumptions in the actual individual agreements (such as a fixed amount or a percentage of the employee’s salary) and generic assumptions (interest, inflation, mortality etc.) which are associated with a degree of uncertainty. External actuarial support is used on significant plans.

The calculated pension obligation is measured at discounted present value.

Provisions (Note 19)

Provision for warranty is determined on historic experience on the level and size of claims under the warranty provided. The provision is adjusted annually. Management continually assesses provisions, including contingencies and the likely outcome of pending and potential legal proceedings. The outcome of such proceedings depends on future events, which are, by nature, uncertain. When considering provisions involving significant estimates, opinions and estimates by external legal experts and existing case law are applied in assessing the probable outcome of material legal proceedings.

Estimated cost of restructuring reflects the total estimated cost of decided or foreseen significant restructuring measures.

Notes to the consolidated financial statements

Note 36 Grundfos Holding A/S Group general accounting policies

Note 36.1 Revenue

Pump solutions

Pump solutions relate to sale of finished goods of which revenue is recognised in the statement of profit and loss when control of the products has been transferred to the customer (the performance obligation is satisfied at a point in time). Control is transferred when the products are delivered, which occurs when the Group has objective evidence that all criteria for transfer of risk have been satisfied. Sales are only recognised to the extent that it is highly probable that a significant reversal will not occur. Products are often sold with retrospective volume discounts. Revenue is measured at the fair value of the consideration agreed, excluding VAT, duties, and discounts in relation to the sale contract. Accumulated experience is used to estimate variable considerations (expected value method). The validity of assumptions and estimates are reassessed at each reporting date. Because of historical accurate estimates, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur.

Service sales

Service income is recognised in the statement of profit and loss as the services are rendered. Accordingly, the recognised sale corresponds to the sales value of the work performed during the year. This is determined based on the actual cost incurred relative to the total expected cost. The sale of services is recognised in the statement of profit and loss when the aggregated income and expenses of the service contract can be reliably measured, and it is probable that the Group will receive the financial benefits, including payments.

Note 36.2 Production cost

Production cost comprises cost incurred in generating the revenue for the year.

This includes direct and indirect cost such as staff cost, depreciation, amortisation and provisions for obsolete inventory.

Note 36.3 Research and development cost

Research and development cost is cost that relates to the Company's R&D activities, including staff cost, amortisation and depreciation. Research cost is recognised in the profit and loss account in the year it is incurred.

Development cost incurred for the maintenance and optimisation of existing products or production processes is recognised in the profit and loss account. Cost for the development of new products is recognised in the profit and loss account, unless the criteria for recognition in the consolidated statement of financial position are met for the individual development project.

Project sales

In addition to the standard pump sales Grundfos develops and delivers highly customised pump solutions. The performance obligation is satisfied over time and payment is generally due upon completion of installation and acceptance by the customer. In some contracts, short-term advances are required before the installation service is provided.

A loss is recognised if the sum of the expected cost for services under the contract exceeds the transaction price.

The Group's standard payment terms are 30-60 days. However, there may be country-specific deviations from the standard payment terms. The Group does not expect to have any contracts where the period between the transfer of the promised products or services to the customer and payment by the customer exceeds one year. Therefore, the Group does not adjust any of the transaction prices for the time value of money. A receivable is recognised when the products are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The Group's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision.

Notes to the consolidated financial statements

Note 36.4 Staff cost

Staff cost includes the Group's total cost of wages, salaries, pensions and other social insurance cost. Staff cost also includes cost in accordance with the Group's employee share programme.

Staff cost including cost related to the employee share programme is distributed across functions in accordance with the functions primarily executed by the relevant employees.

Note 36.5 Special items and earnings before interest and tax (EBIT) before special items

Special items include significant and rarely occurring items that are the result of external events over which Grundfos has no influence and are not attributable to Grundfos' normal operations. This includes – but is not limited to – unforeseeable events that would be considered as force majeure such as natural disasters and political actions that significantly impact Grundfos' operations. Consequently, operating profit (EBIT) before special items is defined as operating profit (EBIT) excluding the above-mentioned special items.

Note 36.6 Finance income and expenses

Finance income and expenses comprise interest received, and interest paid, realised and unrealised gains/losses on securities, receivables, debt and transactions denominated in foreign currencies. Further, the interest element of leasing payments is included.

Note 36.7 Goodwill

Goodwill is recognised at initial recognition in the statement of financial position at cost and allocated to cash-generating units as described under Note 10 'Intangible assets'.

Subsequently, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised.

Note 36.8 Other intangible assets

Other intangible assets are measured at cost less accumulated amortisation and write-downs. Amortisation on other intangible assets is made according to the straight-line method over the anticipated economic life of the asset.

Estimated useful lives and residual values are reassessed annually. The estimated useful lives are:

Know-how	3-10 years
Customer relations	3-10 years
Other intangible assets	3-10 years

Notes to the consolidated financial statements

Note 36.9 Development projects

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or utilisation opportunity within the Group is demonstrated, and where the Group intends to produce, market or use the project, are recognised as intangible assets, provided that the cost can be measured reliably and that there is sufficient assurance that future earnings or the net selling price can cover cost of sales, selling and distribution costs and administrative expenses and development cost.

Other development cost is recognised in the consolidated statement of profit or loss when incurred. Recognised development projects are measured at cost less accumulated amortisation and impairment.

Cost includes direct and indirect expenses, including wages.

Completed development projects are generally amortised on a straight-line basis over 5 years. Development projects in progress are not amortised, but annually tested for impairment.

Note 36.10 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any cost directly attributable to the acquisition until the date on which the assets are available for use.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets.

The expected useful lives are as follows:	
Buildings	20-40 years
Technical installations and machinery	3-10 years
Other technical installations	3-10 years
Land	Not depreciated

The remaining useful life is reassessed annually and adjusted as necessary. The residual value of an asset is considered when the depreciable amount of the asset is determined. The basis of depreciation is calculated considering the asset's residual value less any impairment losses. The residual value is determined at the date of acquisition and reassessed annually.

When the residual value exceeds the carrying amount of the assets, depreciation is discontinued. If the depreciation period or the residual value is changed, the changes are accounted for as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains/losses on the disposal of property, plant and equipment are stated as the difference between the selling price and the carrying amount at the date of disposal.

Gains/losses are recognised in the consolidated statement of profit or loss as other operating income or operating cost in the period of disposal.

Notes to the consolidated financial statements

Note 36.11 Right-of-use assets and lease liability

For identified leases, a right-of-use asset and a corresponding lease liability are recognised on the lease commencement date. Upon initial recognition, the right-of-use asset is measured at cost corresponding to the lease liability recognised, adjusted for any lease prepayments or directly related cost, including dismantling and restoration cost.

Right-of-use assets are depreciated by the straight-line method over the lease term or the useful life of the leased asset, whichever is shortest.

The lease liability is measured at the present value of lease payments of the lease term discounted using the interest rate implicit in the lease contract. In cases where the implicit interest rate cannot be determined, an appropriate incremental Grundfos borrowing rate is applied corresponding to the borrowing rate used in the country specific project.

Lease extensions are applied where they are available and when it is foreseeable and reasonably certain they will be exercised.

Right-of-use assets and lease liabilities are not recognised for low value lease assets below DKK 50,000 or leases with a term of 12 months or less. These are recognised as an expense on a straight-line basis over the term of the lease.

Note 36.12 Trade receivables and other receivables

Receivables are measured at amortised cost less expected credit losses. The estimated value is discounted where relevant.

Contracted work in progress is measured at sales value of the completed part of the contracts as at the date of statement of financial position.

Expected credit loss is based on historic experience including impact from regional and specific circumstances.

An impairment analysis is performed to measure expected credit losses. The provision rates are based on days past due, customer geography, type and rating and coverage by letters of credit or other forms of credit insurance. Generally, trade receivables are written-off if past due for more than one year.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

Note 36.13 Inventories

Inventories are measured at the lower of cost in accordance with the FIFO method and the net realisable value. The cost of goods for resale and raw materials and consumables comprises purchase price plus delivery cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables, direct wages and indirect costs such as material and labour, maintenance of and depreciation on production machinery, buildings and equipment and cost relating to production administration and management.

The net realisable value of inventories is determined as the selling price less cost of completion and cost incurred to make the sale, taking into account marketability, obsolescence and developments in the expected selling price.

Notes to the consolidated financial statements

Note 36.14 Provisions

Provisions are recognised when, as a result of past events, the Group has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation.

Provisions are measured at the expected future cash flows and – where material – discounted, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Management continually assesses provisions, including contingencies and the likely outcome of pending and potential legal proceedings.

Note 36.15 Pension and similar obligations

The Group has established defined-benefit plans with certain employees at some of the Group’s foreign companies. The plans place the Group under an obligation to pay a certain benefit in connection with retirement (e.g. in the form of a fixed amount at retirement or a proportion of the employee’s exit salary). The pension obligations are determined by discounting the pension obligations at the present value.

The present value is determined based on assumptions about the future development in economic variables such as interest rates, inflation, mortality and disability probabilities, which are subject to some degree of uncertainty. External actuaries are used for the measurement of all significant defined-benefit plans. The assumptions used are disclosed in Note 18 ‘Pension and similar obligations’.

Notes to the consolidated financial statements

Note 36.16 Tax

Income tax

Tax expense for the year includes current and deferred tax. Tax is recognised in the consolidated statement of profit or loss, except when the tax relates to items recognised in other comprehensive income or directly in equity, in which case the tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax

Current tax assets and tax liabilities arising from current or prior periods are recognised at the amounts expected to be received from or paid to the relevant tax authority.

Tax for the period is recognised in the consolidated statement of profit or loss.

The tax rates applied are those in force at the date of the statement of financial position.

Deferred tax

Deferred tax is measured using all temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry forwards, are recognised to the extent that future taxable income is likely to be available against which the differences can be used – either as a setoff against tax on future income or as a set-off against deferred tax liabilities.

Deferred tax assets are assessed on an ongoing basis and are recognised only to the extent that future taxable profits are likely to allow the recovery of the deferred tax asset.

Deferred tax assets and deferred tax liabilities are measured using the tax rates expected to apply in the year when the asset is realised, or the liability is settled.

Deferred tax assets and deferred tax liabilities are set off if a legal right to do so exists, and the deferred tax is attributable to the same legal tax entity.

The temporary exception from the requirement to account for deferred taxes arising from the implementation of the Global Minimum Tax has been applied.

Uncertain tax positions

Uncertain tax positions are recognised if it is probable that the uncertain tax position will affect the Group's future tax payments. Uncertain tax positions are measured at the expected future value to be settled.

Note 36.17 Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised in employee benefits expense, together with a corresponding increase in equity (retained earnings), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Notes to the consolidated financial statements

Note 36.18 Financial instruments

Financial assets and financial liabilities

Financial assets and liabilities are measured at fair value through the consolidated statement of profit or loss or at fair value through other comprehensive income (hedging instruments).

Derivatives and hedge accounting

Derivative financial instruments are measured at fair value.

An economic relationship between the hedged item and the hedging instrument exists when it is expected that the values of the hedged item and hedging instrument will typically move in opposite directions in response to movements in the same risk (hedged risk).

Effectiveness is monitored by comparing the change in the value of the future cash flow hedged to the change in the value of the derivative.

Note 36.19 Fair value measurements

The Group uses fair value for certain disclosures and measurement of financial instruments and other investments. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the assumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, presuming that they are acting in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, thus maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed are categorised within the fair value hierarchy, described as follows, on the basis of the lowest level input that is significant to the fair value measurement as a whole.

Changes in the fair value of derivative financial instruments designated as a hedge of a recognised asset or liability are recognised in other comprehensive income.

Changes in the fair value of derivative financial instruments that are not designated as a hedge or do not meet the criteria for hedge accounting are recognised as finance income or finance cost in the consolidated statement of profit or loss.

Other financial assets and liabilities

Receivables and other financial assets are measured at amortised cost and written down for expected credit loss on bad debt.

Payables are measured at amortised cost.

LEVEL 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

LEVEL 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

LEVEL 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair value of interest rate swaps is determined by discounting estimated future cash flows. Discounting takes place on the basis of yield curves based in turn on market rates prevailing at the closing date. Fair value of the issued bonds is equal to the listed bond price at the balance sheet date.

The fair value of electricity swaps is determined by discounting estimated future cash flows. Discounting takes place on the basis of estimated price curves and estimated volumes of electricity produced.

Notes to the consolidated financial statements

Note 36.20 Business combinations

Enterprises acquired during the year are recognised in the consolidated financial statements from the date of acquisition. The acquisition date is the date when the parent company effectively obtains control of the acquired enterprise. Enterprises disposed of are recognised in the consolidated statement of profit or loss until the disposal date.

For acquisitions of new enterprises in which the parent company is able to exercise control over the acquired enterprise, the purchase method is used. The acquired enterprise's identifiable assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax on revaluations is recognised.

Goodwill is initially measured at cost, being the excess of the consideration transferred, over the Group net identifiable assets acquired, and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the consolidated statement of profit or loss as a gain from a bargain purchase. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business

combination is, from the acquisition date, allocated to each of the Group cash-generating units that are expected to benefit from the combination. Goodwill is tested for impairment at year-end or more frequently when impairment indicators are identified.

The cost of a business combination comprises the fair value of the consideration agreed upon. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the amount of that adjustment is included in the cost of the combination if the adjustment is probable and can be measured in a reliable manner. Subsequent changes to contingent considerations are recognised in the consolidated statement of profit or loss. If uncertainties regarding the measurement of identifiable assets, liabilities and contingent liabilities exist at the acquisition date, initial recognition will take place on the basis of preliminary fair values. If identifiable assets, liabilities and contingent liabilities are subsequently determined to have significantly different fair value at the acquisition date than first assumed, goodwill is adjusted up to twelve months after the acquisition. The effect of the adjustments is recognised in the opening balance of equity and the comparative figures are restated accordingly.

Note 36.21 Government grants

Grants for R&D purposes are recognised as income in the consolidated profit and loss account under R&D cost, thus offsetting the cost they compensate.

Grants for the purchase of assets and development projects that are capitalised are offset in the cost of the assets to which the grants are given.

Note 36.22 Foreign currency translation

For each of the reporting entities in the Group, a functional currency is determined. The functional currency of the parent company is DKK. The functional currency is the currency used in the primary financial environment in which the reporting entity operates. Transactions denominated in other currencies than the functional currency are foreign currency transactions. On initial recognition, foreign currency transactions are translated into the functional currency using the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the consolidated statement of profit or loss as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated into the functional currency using the exchange rates at the reporting date. The difference between the exchange rates at the date of statement of financial position and at the date at which the receivable or payable arose or the exchange rates in the latest annual report is recognised in the consolidated statement of profit or loss.

The consolidated statement of profit or loss and statement of comprehensive income of entities with a functional currency other than Danish kroner are translated at the exchange rates at the transaction date. Balance sheet items are translated at the exchange rates at the date of statement of financial position. An average exchange rate for each month is used as the exchange rate at the transaction date to the extent that this does not significantly distort the presentation of the underlying transactions.

Foreign currency translation adjustments that are considered part of the total net investment in entities with another functional currency than DKK are recognised in the consolidated financial statements in other comprehensive income under a separate reserve for foreign currency translation adjustments under equity.

Notes to the consolidated financial statements

Note 36.23 Cash flow statement

The cash flow statement shows the cash flows from operating, investing and financing activities for the year, the year’s changes in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of entities is shown separately in cash flows from investing activities. Cash flows from acquired entities are recognised in the cash flow statement from the acquisition date. Cash flows from disposals of entities are recognised up until the date of disposal.

Cash flows from operating activities are calculated in accordance with the indirect method based on profit/loss after tax adjusted for non-cash operating items, changes in working capital, interest received and paid, including the interest element related to recognised lease commitments, dividends received and corporation tax paid.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities, of intangible assets, property, plant and equipment and other non-current assets as well as securities that are not presented as cash and cash equivalents.

Cash flows from financing activities comprise changes in the size or composition of the share capital and related expenses as well as borrowings, repayment of interest-bearing debt, repayment of lease commitments, purchase and sale of treasury shares and distribution of dividends to shareholders.

Cash and cash equivalents comprise cash at bank and in hand. Cash flow in currencies other than the functional currency are translated using average exchange rates unless this deviates significantly from the rate at the transaction date.

Note 36.24 Contingent liabilities and assets

Contingent liabilities comprise obligations that are not recognised because the outflow of resources embodying economic benefits will probably not be required to settle the obligation or because the amount of the obligation cannot be measured with sufficient reliability.

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Parent Company financial statements Grundfos Holding A/S

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Statement of profit and loss

1 January - 31 December 2024	NOTE	2024	2023
Revenue	1	5,578	5,200
Production cost		(204)	(213)
GROSS PROFIT		5,374	4,987
Research and development cost	2	(1,427)	(1,434)
Selling and distribution cost	3	(989)	(797)
Administrative cost	4	(1,956)	(2,038)
EARNINGS BEFORE INTEREST AND TAX (EBIT)		1,002	718
Income from investments in affiliated companies		2,410	2,524
Finance income	5	682	724
Finance expenses	5	(320)	(287)
PROFIT BEFORE TAX		3,774	3,679
Income tax expenses	6	(347)	(262)
PROFIT FOR THE YEAR		3,427	3,417

Statement of other comprehensive income

1 January - 31 December 2024	NOTE	2024	2023
PROFIT FOR THE YEAR		3,427	3,417
OTHER COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS:			
Exchange differences on translation of foreign operations		149	(86)
Other adjustments		(456)	(188)
Tax on other comprehensive income		(33)	19
NET OTHER COMPREHENSIVE LOSS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIOD		(340)	(255)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		3,087	3,162

Statement of financial position

As at 31 December 2024

ASSETS	NOTE	2024	2023
NON-CURRENT ASSETS			
INTANGIBLE ASSETS			
Completed development projects		111	60
Other intangible assets		125	138
Development projects in progress		237	185
Other intangible assets in progress		277	144
TOTAL INTANGIBLE ASSETS	7	750	527
PROPERTY, PLANT AND EQUIPMENT			
Technical installations and machinery	8	104	95
Other technical installations	8	152	186
Property, plant and equipment in progress	8	164	124
Right of use assets	9	110	203
TOTAL PROPERTY, PLANT AND EQUIPMENT		530	608
FINANCIAL ASSETS			
Investments in affiliated companies	10	17,147	15,279
Accounts receivable from affiliated companies	11	2,752	2,671
Other accounts receivable		30	33
TOTAL FINANCIAL ASSETS		19,929	17,983
TOTAL NON-CURRENT ASSETS		21,209	19,118
CURRENT ASSETS			
Inventory		3	4
Accounts receivable from affiliated companies	11	2,387	2,543
Corporation tax receivable		0	134
Prepayments and other accounts receivable	12	256	239
Securities	13	4,705	3,141
Cash and cash equivalents	14	2,303	4,376
TOTAL CURRENT ASSETS		9,654	10,437
TOTAL ASSETS		30,863	29,555

Statement of financial position

As at 31 December 2024

EQUITY AND LIABILITIES	NOTE	2024	2023
EQUITY			
Share capital	15	381	381
Reserve development projects		191	191
Reserve for net revaluation under the equity method		4,898	4,036
Retained earnings		17,319	16,819
Proposed dividend		1,700	1,700
TOTAL EQUITY		24,489	23,127
NON-CURRENT LIABILITIES			
Provisions	16	36	29
Deferred tax liabilities	6	181	110
Lease liabilities	9	99	150
TOTAL NON-CURRENT LIABILITIES		316	289
CURRENT LIABILITIES			
Trade and other payables	18	283	303
Accounts payable to affiliated companies	11	5,262	5,363
Interest-bearing debt	17	31	58
Lease liabilities	9	12	53
Income tax payable	6	79	0
Other liabilities	19	391	362
TOTAL CURRENT LIABILITIES		6,058	6,139
TOTAL LIABILITIES		6,374	6,428
TOTAL LIABILITIES AND EQUITY		30,863	29,555

Statement of cash flows

1 January - 31 December 2024	NOTE	2024	2023
OPERATING ACTIVITIES			
Profit after tax		3,427	3,417
Depreciation and impairment of property, plant and equipment and right-of-use assets	7, 8, 9	339	344
Finance income	5	(682)	(724)
Finance expenses	5	320	287
Income from investments in affiliated companies	10	(2,410)	(2,524)
Provisions		7	0
Tax for the year	6	347	262
Changes in net working capital		496	(832)
Dividends received	10	1,256	1,411
CASH FLOW FROM OPERATIONS BEFORE FINANCIAL ITEMS AND TAX		3,100	1,641
Taxes paid		(63)	(277)
Interest paid and realised currency losses		(320)	(287)
Interest received and realised currency gains		682	724
Other adjustments		358	(25)
CASH FLOW FROM OPERATING ACTIVITIES		3,757	1,776

	NOTE	2024	2023
INVESTING ACTIVITIES			
Purchase of intangible assets	7	(323)	(248)
Purchase of property, plant and equipment	8, 9	(163)	(158)
Capital injections to subsidiaries		(1,612)	(544)
Repayment of loans from affiliated companies		(276)	1,845
Purchase of securities	13	(3,395)	(1,282)
Sale of securities	13	1,938	1,440
CASH FLOW FROM INVESTING ACTIVITIES		(3,829)	1,053
NET CASH FLOW FROM OPERATING AND INVESTING ACTIVITIES		(72)	2,829
FINANCING ACTIVITIES			
Payment of principal portion of lease liabilities	9	(98)	(102)
Proceeds from borrowings affiliated companies		(96)	989
Repayment of borrowings		(27)	0
Proceeds from borrowings		0	18
Purchase of own shares		(80)	(12)
Dividend paid		(1,700)	(1,000)
CASH FLOW FROM FINANCING ACTIVITIES		(2,001)	(107)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		(2,073)	2,722
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY		4,376	1,654
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER		2,303	4,376

Statement of changes in equity

	SHARE CAPITAL	RESERVE DEVELOPMENT PROJECTS	RESERVE EQUITY METHOD	RETAINED EARNINGS	PROPOSED DIVIDEND	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF GRUNDFOS HOLDING A/S
BALANCE AT 1 JANUARY 2023	381	126	3,111	16,304	1,000	20,922
Profit for the year, attributable to shareholders	0	65	1,113	539	1,700	3,417
Other comprehensive income/loss	0	0	0	(86)	0	(86)
Exchange rate adjustments, affiliated companies, etc.	0	0	(188)	0	0	(188)
Tax on other comprehensive income	0	0	0	19	0	19
TOTAL COMPREHENSIVE INCOME/LOSS	0	65	925	472	1,700	3,162
TRANSACTIONS WITH OWNERS:						
Dividend paid	0	0	0	0	(1,000)	(1,000)
Purchase of treasury shares	0	0	0	(287)	0	(287)
Sale of own shares	0	0	0	241	0	241
Share-based compensation expenses	0	0	0	89	0	89
TOTAL TRANSACTIONS WITH SHAREHOLDERS	0	0	0	43	(1,000)	(957)
BALANCE AT 31 DECEMBER 2023	381	191	4,036	16,819	1,700	23,127
Profit for the year, attributable to shareholders	0	23	1,154	550	1,700	3,427
Other comprehensive income/loss	0	0	0	149	0	149
Exchange rate adjustments, affiliated companies, etc.	0	0	(292)	(164)	0	(456)
Tax on other comprehensive income	0	0		(33)	0	(33)
TOTAL COMPREHENSIVE INCOME/LOSS	0	23	862	502	1,700	3,087
TRANSACTIONS WITH OWNERS:						
Dividend paid	0	0	0	0	(1,700)	(1,700)
Purchase of treasury shares	0	0	0	(378)	0	(378)
Sale of own shares	0	0	0	250	0	250
Share-based compensation expenses	0	0	0	103	0	103
TOTAL TRANSACTIONS WITH SHAREHOLDERS	0	0	0	(25)	(1,700)	(1,725)
BALANCE AT 31 DECEMBER 2024	381	214	4,898	17,296	1,700	24,489

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Notes to the accounts of Grundfos Holding A/S

Note 1 Revenue	2024	2023
Intercompany services	5,578	5,200
TOTAL	5,578	5,200

Sale of services consists of fees for royalties, IT services and other intra-group services.

Note 2 Research and development cost	2024	2023
Staff cost	812	719
Consultancy	235	233
Depreciation and amortisation	54	62
Other research and development cost	326	420
TOTAL	1,427	1,434

Note 3 Selling and distribution cost	2024	2023
Staff cost	187	171
Sales promotion	145	142
Consultancy	80	75
Depreciation and amortisation	8	4
Other selling and distribution cost	569	405
TOTAL	989	797

Notes to the accounts of Grundfos Holding A/S

Note 4 Administration cost	2024	2023
Staff cost	653	693
Consultancy	205	220
Depreciation and amortisation	67	51
Other administration	1,031	1,074
TOTAL	1,956	2,038

Note 5 Finance income and expenses	2024	2023
Interest income from bonds	92	71
Value adjustment etc. from bonds	41	63
Value adjustment etc. from shares	85	118
Hedging forward contracts	20	26
Financial income, affiliated companies	297	331
Other financial income	140	118
Exchange rate adjustments, other	7	(3)
TOTAL	682	724
Interest on lease liabilities	1	1
Financial expenses, affiliated companies	289	285
Loss electricity swap	29	0
Other finance expenses	1	1
TOTAL	320	287

Notes to the accounts of Grundfos Holding A/S

Note 6 Tax

Note 6.1 Income taxes in statement of profit and loss and reconciliation

	2024	2023
TAX ON THE PROFIT FOR THE YEAR IS SPECIFIED AS FOLLOWS:		
Tax on profit/loss for the year	347	262
Tax on other comprehensive income	33	(19)
TOTAL	380	243
TAX ON THE PROFIT FOR THE YEAR HAS BEEN CALCULATED AS FOLLOWS:		
Current income taxes	251	228
Deferred income taxes	71	10
Withholding taxes paid abroad	19	26
Adjustment regarding previous years	6	(2)
TOTAL INCOME TAXES	347	262
EFFECTIVE TAX RATE CAN BE CALCULATED AS FOLLOWS:		
Danish tax rate	22%	22%
Non-taxable income and non-deductible expenses	(14%)	(16%)
Withholding taxes paid abroad	1%	1%
Adjustment previous years	0%	0%
Other adjustments	0%	0%
EFFECTIVE TAX RATE	9%	7%
Income tax receivable	0	134
Income tax payable	(79)	0
TOTAL INCOME TAX	(79)	134

Notes to the accounts of Grundfos Holding A/S

Note 6.2 Deferred taxes

	2024	2023
CHANGES IN DEFERRED TAX		
Net deferred tax assets 1 January	110	100
Deferred tax recognised in profit and loss account	71	10
Deferred tax recognised in equity	0	0
NET DEFERRED TAX LIABILITY	181	110
	2024	2023
BREAKDOWN OF DEFERRED TAX		
Fixed assets	177	120
Current assets	32	24
Provisions	(26)	(33)
Liabilities	(2)	(1)
Tax loss carry forward	0	0
NET DEFERRED TAX LIABILITY	181	110
REFLECTED IN THE STATEMENT OF FINANCIAL POSITION AS FOLLOWS:		
Deferred tax assets	0	0
Deferred tax liabilities	(181)	(110)
NET DEFERRED TAX LIABILITY	(181)	(110)

Notes to the accounts of Grundfos Holding A/S

Note 7 Intangible assets

	OTHER INTANGIBLE FIXED ASSETS	OTHER INTANGIBLE FIXED ASSETS IN PROGRESS	COMPLETED DEVELOPMENT PROJECTS	DEVELOPMENT PROJECTS IN PROGRESS	TOTAL
COST AT 1 JANUARY 2024	381	144	129	185	839
Additions	22	169	20	112	323
Disposals	(261)	0	(9)	0	(270)
Transfers	90	(36)	60	(60)	54
COST AT 31 DECEMBER 2024	232	277	200	237	946
AMORTISATION AND IMPAIRMENT AT 1 JANUARY 2024	243	0	69	0	312
Amortisation and impairment	125	0	29	0	154
Amortisation and impairment on disposals	(261)	0	(9)	0	(270)
AMORTISATION AND IMPAIRMENT AT 31 DECEMBER 2024	107	0	89	0	196
CARRYING AMOUNT 31 DECEMBER 2024	125	277	111	237	750
COST AT 1 JANUARY 2023	620	93	161	73	947
Additions	17	108	10	113	248
Disposals	(342)	0	(43)	0	(385)
Transfers	86	(57)	1	(1)	29
COST AT 31 DECEMBER 2023	381	144	129	185	839

Notes to the accounts of Grundfos Holding A/S

	OTHER INTANGIBLE FIXED ASSETS	OTHER INTANGIBLE FIXED ASSETS IN PROGRESS	COMPLETED DEVELOPMENT PROJECTS	DEVELOPMENT PROJECTS IN PROGRESS	TOTAL
AMORTISATION AND IMPAIRMENT AT 1 JANUARY 2023	412	0	73	0	485
Amortisation and impairment	128	0	30	0	158
Amortisation and impairment on disposals	(297)	0	(34)	0	(331)
AMORTISATION AND IMPAIRMENT AT 31 DECEMBER 2023	243	0	69	0	312
CARRYING AMOUNT 31 DECEMBER 2023	138	144	60	185	527

Notes to the accounts of Grundfos Holding A/S

Note 8 Property, plant and equipment	TECHNICAL INSTALLATION AND MACHINERY	OTHER TECHNICAL INSTALLATIONS	PROPERTY, PLANT AND EQUIPMENT IN PROGRESS	TOTAL
COST AT 1 JANUARY 2024	511	831	124	1,466
Additions	13	10	132	155
Disposals	(47)	(339)	0	(386)
Transfers	17	21	(92)	(54)
COST AT 31 DECEMBER 2024	494	523	164	1,181
DEPRECIATION AT 1 JANUARY 2024	416	645	0	1,061
Depreciation	21	65	0	86
Depreciation on disposals	(47)	(339)	0	(386)
DEPRECIATION AT 31 DECEMBER 2024	390	371	0	761
CARRYING AMOUNT 31 DECEMBER 2024	104	152	164	420
COST AT 1 JANUARY 2023	472	779	109	1,360
Additions	28	23	85	136
Disposals	0	0	0	0
Transfers	11	29	(70)	(30)
COST AT 31 DECEMBER 2023	511	831	124	1,466
DEPRECIATION AT 1 JANUARY 2023	394	581	0	975
Depreciation	22	64	0	86
DEPRECIATION AT 31 DECEMBER 2023	416	645	0	1,061
CARRYING AMOUNT AT 31 DECEMBER 2023	95	186	124	405

Notes to the accounts of Grundfos Holding A/S

Note 9 Right-of-use assets

The Company has lease contracts for buildings, motor vehicles and other equipment used in its operations. For buildings that are all leased from another company in the Group, lease terms of 5 years have been applied, while motor vehicles and other equipment generally have lease terms between 4 - 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.

The Company also has leases with lease terms of 12 months or less and leases of low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	BUILDINGS	MOTOR VEHICLES	TOTAL
CARRYING AMOUNT AT 1 JANUARY 2024	180	23	203
Additions	0	6	6
Depreciation	(90)	(9)	(99)
CARRYING AMOUNT AT 31 DECEMBER 2024	90	20	110
CARRYING AMOUNT AT 1 JANUARY 2023	270	10	280
Additions	0	23	23
Depreciation	(90)	(10)	(100)
CARRYING AMOUNT AT 31 DECEMBER 2023	180	23	203

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	2024	2023
BALANCE AT 1 JANUARY	203	281
Additions	6	22
Interest	1	1
Payments	(99)	(102)
BALANCE AT 31 DECEMBER	111	203
Current	12	53
Non-current	99	150
TOTAL	111	203

Notes to the accounts of Grundfos Holding A/S

Undiscounted lease liabilities maturity analysis:	2024	2023
Less than one year	12	54
One to three years	103	103
More than three years	2	52
TOTAL UNDISCOUNTED LEASE LIABILITIES AT 31 DECEMBER	117	209

The following are the amounts recognised in profit or loss:	2024	2023
Depreciation expense of right-of-use assets	100	100
Interest expense on lease liabilities	1	1
Expense relating to short-term leases	1	1
Expense relating to leases of low-value assets	2	2
Variable lease payments	0	0
TOTAL AMOUNT RECOGNISED IN PROFIT OR LOSS	104	104

The company had total cash outflows for leases of DKK 99m in 2024 (2023: DKK 102m).

The company has a number of lease contracts that include extension and termination options. Management assesses whether or not it is reasonably certain that these options will be exercised after considering all relevant facts and circumstances.

Notes to the accounts of Grundfos Holding A/S

Note 10 Investments in affiliated companies	2024	2023
COST AT 1 JANUARY	17,847	17,303
Additions	1,612	544
Disposals	(606)	0
COST AT 31 DECEMBER	18,853	17,847
Value adjustments at 1 January	(2,568)	(3,493)
Share of profit	2,410	2,922
Impairment	0	(398)
Dividends received	(1,256)	(1,411)
Other value adjustments	(292)	(188)
ADJUSTMENTS AT 31 DECEMBER	(1,706)	(2,568)
CARRYING AMOUNT AT 31 DECEMBER	17,147	15,279
OF WHICH CARRYING AMOUNT OF GOODWILL	2,177	1,078

Notes to the accounts of Grundfos Holding A/S

Note 11	Accounts receivable from and payables to affiliated companies	2024	2023
	Receivables from affiliated companies – non-current	2,752	2,671
	Receivables from affiliated companies – current	2,387	2,543
	Payables to affiliated companies – current	(5,262)	(5,363)
	TOTAL RECEIVABLE FROM AND PAYABLES TO AFFILIATED COMPANIES	(123)	(149)
		2024	2023
	Breakdown of receivables from affiliated companies:		
	Interest-bearing receivables	4,732	4,293
	Non-interest-bearing receivables	407	921
	TOTAL RECEIVABLES FROM AFFILIATED COMPANIES	5,139	5,214
		2024	2023
	Payables to affiliated companies – non-current	0	0
	Interest-bearing payables to affiliated companies – current	5,262	5,363
	Non-interest-bearing payables to affiliated companies	0	0
	TOTAL PAYABLES TO AFFILIATED COMPANIES	5,262	5,363
Note 12	Prepayments and other accounts receivable	2024	2023
	Prepayments	172	139
	Other accounts receivable	84	100
	TOTAL	256	239

Notes to the accounts of Grundfos Holding A/S

Note 13 Securities	2024	2023
COST AT 1 JANUARY	3,158	3,316
Additions during the year	3,395	1,282
Disposals during the year	(1,938)	(1,440)
COST AT 31 DECEMBER	4,615	3,158
Value adjustments at 1 January	(17)	(172)
Value adjustments during the year	107	155
VALUE ADJUSTMENTS AT 31 DECEMBER	90	(17)
BALANCE AT 31 DECEMBER	4,705	3,141
Current	4,705	3,141
Non-current	0	0
TOTAL	4,705	3,141
The portfolio consists solely of listed shares and bonds and is distributed as follows:		
Shares	1,346	763
Bonds	3,359	2,378
TOTAL	4,705	3,141

Notes to the accounts of Grundfos Holding A/S

Note 14 Cash and cash equivalents

	2024	2023
Cash at bank and on hand	2,303	4,376
TOTAL	2,303	4,376
	2024	2023
Cash at bank and on hand	2,303	4,376
TOTAL	2,303	4,376
BANK OVERDRAFTS	0	0
CASH AND CASH EQUIVALENTS	2,303	4,376



Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

Note 15 Share capital

The share capital consists of 38,090,911 shares with a nominal value of DKK 10 each. All shares rank equally. The share capital is fully paid.

	2024	2023
Ordinary shares of DKK 10 each	381	381
TOTAL	381	381

In 2024, the Group bought 219,909 own shares (0.6% of share capital) from Poul Due Jensens Fond at fair value at time of purchase for proceeds of DKK 378 million. All shares have been used for the Group's share programmes during 2024. The Group has been authorised by the shareholders to acquire up to 2,625,000 treasury shares, equal to 6.6 % of the share capital. The authorisation expires in yearly tranches during the period from 30 April 2025 to 30 April 2029.

Notes to the accounts of Grundfos Holding A/S

Note 16 Provisions

	RESTRUCTURING	JUBILEE	TOTAL
BALANCE AT 1 JANUARY 2024	0	29	29
Provision	13	0	13
Utilised	(2)	0	(2)
Reversed	0	(4)	(4)
BALANCE AT 31 DECEMBER 2024	11	25	36
Current	0	0	0
Non-current	11	25	36

	RESTRUCTURING	JUBILEE	TOTAL
BALANCE AT 1 JANUARY 2023	0	29	29
Provision	0	0	0
Utilised	0	0	0
Reversed	0	0	0
BALANCE AT 31 DECEMBER 2023	0	29	29
Current	0	0	0
Non-current	0	29	29

Jubilee
In Grundfos Holding A/S, employees celebrating their 25, 40 or 50-year anniversary receive a one time benefit payment.

Notes to the accounts of Grundfos Holding A/S

Note 17 Interest bearing debt	2024	2023
Loan from a third-party	31	58
TOTAL	31	58
Current	31	58
Non-current	0	0
TOTAL	31	58

Bank overdrafts
The bank overdrafts are secured by a portion of the Group's short-term deposits.

Note 18 Trade and other payables	2024	2023
Trade payables	283	303
TOTAL	283	303

Trade payables are non-interest bearing and are normally settled on 60-day terms

Notes to the accounts of Grundfos Holding A/S

Note 19 Other liabilities	2024	2023
Staff related	221	259
Accrued expenses	144	95
Other	26	8
TOTAL OTHER LIABILITIES	391	362

Note 20 Fees to auditors appointed by the shareholders	2024	2023
Fee to EY for statutory audit	2	1
Fee to EY for other assurance engagements	4	1
Fee to EY for tax advisory services	4	2
Fee to EY for other services	3	2
TOTAL FEES	13	6

Notes to the accounts of Grundfos Holding A/S

Note 21 Staff cost

	2024	2023
Wages and salaries	1,450	1,402
Share-based payments	103	89
Pensions	138	108
Other social security cost	21	20
TOTAL	1,712	1,619

Staff cost is recognised in the financial statements as follows:

	2024	2023
Production	60	36
Research and development	812	719
Sales and distribution	187	171
Administration	653	693
TOTAL	1,712	1,619
Average number of full-time employees	1,955	1,825
Number of employees at year end	2,060	1,886

Staff cost includes fees to Group Management and the Board of Directors of Grundfos Holding A/S for directorships in Grundfos Holding A/S and can be specified as follows:

	2024			2023		
	BOARD OF DIRECTORS	REGISTERED GROUP MANAGEMENT	OTHER GROUP MANAGEMENT	BOARD OF DIRECTORS	REGISTERED GROUP MANAGEMENT	OTHER GROUP MANAGEMENT
Remuneration	11	22	23	11	21	19
Cash bonus	0	13	9	0	14	15
Pensions and other post-employment benefits	0	4	3	0	5	3
Termination benefits	0	0	3	0	0	1
Share-based payments (according to Note 26 in the consolidated notes)	0	9	1	0	11	2
TOTAL	11	48	39	11	51	40

Notes to the accounts of Grundfos Holding A/S

Note 22 Share-based compensation expenses

Note 22.1 Long-Term Incentive Programme (LTI)

The LTI is targeted at Group Management and other members of senior management. Under this programme, Restricted Stock Units (RSUs) are granted to the executives. These RSUs vest with them after a continued service of 3.5 years and are also contingent on targets for performance indicators that are defined in the programme for a specific year.

Following the vesting of RSUs under both these programmes, the executives will receive shares of the parent Company. There are no cash settlement alternatives. The Group also does not have a past practice of cash settlement for these RSUs.

The expense recognised over the vesting period is based on the fair value of the RSUs at the grant date.

	NO. OF UNITS	WEIGHTED AVERAGE GRANT DATE FAIR VALUE (DKK PER UNIT)
OUTSTANDING AS OF 1 JANUARY 2023	117,045	1,470
Granted during the year	66,691	1,351
Vested during the year	(8,751)	1,249
Forfeited during the year	(13,942)	1,458
OUTSTANDING AS OF 31 DECEMBER 2023	161,043	1,434
Granted during the year	76,030	1,711
Vested during the year	(47,381)	1,372
Forfeited during the year	(12,724)	1,506
OUTSTANDING AS OF 31 DECEMBER 2024	176,968	1,565



The outstanding units are expected to vest over a weighted average period of 1.7 years (2023: 1.6 years).

Notes to the accounts of Grundfos Holding A/S

Note 22.2 Employee Share Purchase Plan (ESP)

ESP is a global programme, whereby certain employees are granted an option to buy shares of Grundfos Holding A/S at a discounted price. Employees employed by group companies in certain countries are excluded from this due to local restrictions or requirements. The only condition for eligibility is that the employee should be employed by the Group as at the specified date (close to the grant date) and has not resigned or been terminated.

The Board of Directors of Grundfos Holding A/S will each year decide if an Employee Share Purchase Plan is offered.

The expense recognised over the vesting period is based on the discount the employee is entitled to upon purchase of the shares.

	2024	2023
Shares purchased during the year	173,828	203,670

Note 22.3 Expense recognised during the year

	2024	2023
Expense arising from equity-settled share-based payment transactions (LTI)	54	55
Expense arising from equity-settled share-based payment transactions (ESP)	49	34
TOTAL	103	89

There were no cancellations or modifications to the grants.

Note 22.4 Inputs and model used

	2024	2023
Benchmark PE multiple	19.8	18.6
Annual growth in average profit after tax applied for share price calculation	18%	14%

Notes to the accounts of Grundfos Holding A/S

Note 23 Financial risk management and financial assets

The main purpose of the Company's financial liabilities is to finance the Company's operations and to provide guarantees to support its operations.

The Company is exposed to financial risks, consisting of liquidity risk, foreign currency risk, interest rate risk and credit risk that affect its earnings. Company Management oversees the management of these risks, including overseeing that the Company's financial risk activities are governed by the policies and procedures outlined by Management and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

The Board of Directors reviews and agrees on policies for managing each of these risks.

Note 23.1 Financial risks

FINANCIAL RISKS	DESCRIPTION	EFFECT	Reference
Currency risk	The Company is exposed to fluctuations when performing sales and purchases in foreign currencies.	Effect: Low Threat: Moderate	Note 1 'Revenue'
Interest rate risk	The Company is exposed to fluctuations in interest rates related to financing arrangements	Effect: High Threat: Moderate	Note 13 'Securities' Note 14 'Cash and cash equivalents' Note 17 'Interest bearing debt'
Credit risk	The Company is exposed to risk a counterparty (mainly related to trade receivables and contracts assets) will not meet its obligation leading to a financial loss.	Effect: Moderate Threat: Moderate	Note 11 'Accounts receivable from and payables to affiliated companies' Note 14 'Cash and cash equivalents'

Notes to the accounts of Grundfos Holding A/S

Note 23.2 Financial instrument by category	2024	2023
Shares	1,346	763
Bonds	3,359	2,378
Long-term electricity swap	0	1
FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS	4,705	3,142
Accounts receivable	2,387	2,543
Cash and cash equivalents	2,303	4,376
FINANCIAL ASSETS MEASURED AT AMORTISED COST	4,690	6,919
Long-term electricity swap	23	0
FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS	23	0
Bank and other loans	31	58
Accounts payable	5,545	5,666
FINANCIAL LIABILITIES MEASURED AT AMORTISED COST	5,576	5,724
Forward currency contracts, external banks	149	28
Forward currency contracts, affiliated companies	(149)	(28)
FINANCIAL ASSETS/LIABILITIES MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	0	0

Notes to the accounts of Grundfos Holding A/S

Note 23.3 Fair value measurement

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Fair value hierarchy	QUOTED MARKET PRICES (LEVEL 1)	VALUATION BASED DIRECTLY OR INDIRECTLY ON MARKET (LEVEL 2)	VALUATION TECHNIQUES BASED ON UNOBSERVABLE INPUTS FOR VALUATION (LEVEL 3)	TOTAL
2024				
Shares	1,346	0	0	1,346
Bonds	3,359	0	0	3,359
FINANCIAL ASSETS MEASURED AT FAIR VALUE AS AT 31 DECEMBER	4,705	0	0	4,705
Forward currency contracts	0	149	0	149
Long-term electricity swap	0	0	23	23
FINANCIAL LIABILITIES MEASURED AT FAIR VALUE AS AT 31 DECEMBER	0	149	23	172
2023				
Shares	763	0	0	763
Bonds	2,378	0	0	2,378
Long-term electricity swap	0	0	1	1
FINANCIAL ASSETS MEASURED AT FAIR VALUE AS AT 31 DECEMBER	3,141	0	1	3,142
Forward currency contracts	0	28	0	28
FINANCIAL LIABILITIES MEASURED AT FAIR VALUE AS AT 31 DECEMBER	0	28	0	28

There were no transfers between Level 1 and Level 2 during 2024 or 2023.

Notes to the accounts of Grundfos Holding A/S

Note 23.4 Valuation techniques and assumptions used

The management assessed that the fair values of cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Securities

Fair value of securities is based on observable market prices from stock exchanges.

Electricity swap

The Group has entered into a long-term electricity swap, in which the Group purchases renewable electricity from a windfarm at a fixed price and sells it at market price with net settlements on a monthly basis. It is a 10-year contract with expiry in 2034. The volume in the electricity swap covers a portion of the Group's electricity consumption but is not considered a hedge. The valuation of electricity swaps is based on estimates on non-observable prices for a long-term period. The fair value of electricity swaps is determined by discounting estimated future cash flows. Discounting takes place on the basis of estimated price curves and volumes of electricity produced.

Note 23.5 Foreign currency risks

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of variations in foreign currency rates.

		2024			2023		
	INCREASE IN EXCHANGE RATE	MONETARY ITEMS	HEDGING	NET	MONETARY ITEMS	HEDGING	NET
CURRENCY SENSITIVITY - IMPACT ON EQUITY (BEFORE TAX)							
USD	5%	113	(4)	109	119	0	119
AUD	5%	6	0	6	7	0	7
GBP	5%	(9)	0	(9)	(40)	0	(40)
CNY	5%	(1)	0	(1)	(1)	0	(1)
HUF	5%	(16)	0	(16)	(15)	0	(15)
TOTAL		93	(4)	89	70	0	70



The impact on equity arises from monetary items and hedging instruments where the currency that the hedging instruments and monetary items are denominated in differs from the functional currency of the entity. The impact would have been the opposite if exchange rates had been decreasing by similar percentages. The analysis is based on the transaction currency. The Company hedges group cash flow with external banks and enters opposite contracts with group companies, hence the net value and calculated impact of currency fluctuations on hedging is zero.

Monetary items are expected to be converted to cash during a period of up to 60 days. Hedging contracts cover up to 80% of expected inflow in each currency for a period of up to 12 months.

Notes to the accounts of Grundfos Holding A/S

Note 23.6 Liquidity risk

The Company’s objective is to maintain a balance between funding continuity and flexibility through the use of bank overdrafts, bank loans and bonds issue. The Management assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available.

	ON DEMAND	UP TO 1 YEAR	FROM 1 TO 3 YEARS	FROM 3 YEARS TO 5 YEARS	MORE THAN 5 YEARS	TOTAL
31 DECEMBER 2024						
Interest-bearing loans and borrowings (excl. items below)	0	31	0	0	0	31
Lease liabilities	0	112	97	2	0	112
Trade payables	0	283	0	0	0	283
Long-term electricity swap	0	7	14	0	2	23
TOTAL FINANCIAL LIABILITIES MEASURED AT FAIR VALUE	0	333	111	2	2	426
31 DECEMBER 2023						
Interest-bearing loans and borrowings (excl. items below)	0	58	0	0	0	58
Lease liabilities	0	54	103	52	0	209
Trade payables	0	303	0	0	0	303
Long-term electricity swap	0	0	(1)	0	0	(1)
TOTAL FINANCIAL LIABILITIES MEASURED AT FAIR VALUE	0	415	103	52	0	570

Notes to the accounts of Grundfos Holding A/S

Note 23.7 Interest rate risks

The company's interest risk is mainly related to bank deposits and bonds. Bank deposits have a short time horizon, whereas the exposure of the bond portfolio – amounting to a total of DKK 3,359m (2023: DKK 2,378m) – when expressed by an increase of the interest rate by 1 percentage point is approx. DKK 86m (2023: DKK 79m).

Note 24 Hedging activities and derivatives

Forward currency contracts are estimated by generally accepted valuation techniques based on relevant observable swap curves and exchange rates. The fair value applied is calculated mainly by external sources on the basis of discounted future cash flows. Anticipated cash flow for individual contracts is based on observable market data such as interest rates and exchange rates. In addition, fair values are based on non-observable data, including exchange rate volatilities, or correlation between yield curves and credit risks. Non-observable market data account for an insignificant part of the fair value of the derivative financial instruments.

Foreign currency risk

Foreign currency forward contracts are designated as hedging instruments in cash flow hedges of forecast cash inflows of predominantly, USD, EUR, AUD, GBP, CNY and cash outflows of HUF from operations denominated in the entities controlled by the Company. Should there be a forecasted transaction in excess of DKK 50m, this will be considered significant, and therefore, between 50-90% of this cash flow exposure should be hedged. Otherwise, the exposures of foreign currency cash flows must be within the following ratios:

- 0-6 months: 80%-90%
- 7-12 months: 70%-80%
- 12-15 months: 50%-70%

The Company sets out opposite contracts with the controlled entities which effectively transfers the value of the contract to the controlled entity.

These forecast transactions are highly probable. Refer to the table below for the relevant amounts of the respective transactions. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates. Given the Danish Kroner has a fluctuation limit towards EUR of a maximum +/- 2.25% through the European Exchange Rate Mechanism, the Company has entered into foreign exchange forward contracts predominantly with EUR as the other leg of the currency pair.

Further to the described contracts that are transferred to the controlled entities, the Company has entered contracts to hedge own cash outflows in USD.

There is no proxy hedging for the currency risk hedging, and therefore the economic relationship between the hedged exposure and the hedge is high. Effectiveness is assessed using the critical terms match approach according to IFRS 9. The source of ineffectiveness is the credit risk of the hedging instruments. For hedges where the cost of hedging is applied, the change in basis spread is recognised in other comprehensive income and is a time effect during the life of the forward contract. At maturity, this amounts to zero.

The net amount of the foreign exchange contracts is presented within either 'Other Current Assets' or 'Other Current Liabilities', depending on whether the carrying amount is positive or negative.

Notes to the accounts of Grundfos Holding A/S

The Company is holding the following foreign exchange forward contracts:

				MATURITY					
The Company is holding the following foreign exchange forward contracts:				LESS THAN 1 MONTH	1 TO 3 MONTHS	3 TO 6 MONTHS	6 TO 9 MONTHS	9 TO 12 MONTHS	TOTAL
AS AT 31 DECEMBER 2024	Fair Value, Asset	Fair Value, Liability	Notional Amount						
Foreign exchange forward contracts (highly probable forecast sales or purchases)									
USD - inflow			EUR	29	31	62	66	56	244
USD - outflow			EUR	(29)	(31)	(62)	(66)	(56)	(244)
AUD - inflow			EUR	6	11	15	16	11	59
AUD - outflow			EUR	(6)	(11)	(15)	(16)	(11)	(59)
GBP - inflow			EUR	15	13	21	20	13	82
GBP - outflow			EUR	(15)	(13)	(21)	(20)	(13)	(82)
CNY - inflow			EUR	132	120	115	92	46	505
CNY - outflow			EUR	(132)	(120)	(115)	(92)	(46)	(505)
HUF - inflow			EUR	1,900	3,900	6,180	5,970	4,540	22,490
HUF - outflow			EUR	1,900	3,900	6,180	5,970	4,540	22,490
NOTIONAL AMOUNT (IN DKK MILLIONS)									
USD - inflow	79.5	(0.1)		211	222	443	472	401	1,749
USD - outflow	0.1	(76.4)		(211)	(222)	(443)	(472)	(401)	(1,749)
AUD - inflow	0.0	(3.7)		25	48	66	72	47	258
AUD - outflow	4.2	0.0		(25)	(48)	(66)	(72)	(47)	(258)
GBP - inflow	18.7	0.0		131	119	192	180	118	740
GBP - outflow	0.0	(17.4)		(131)	(119)	(192)	(180)	(118)	(740)
CNY - inflow	9.4	(0.1)		129	118	113	90	45	495
CNY - outflow	0.1	(8.5)		(129)	(118)	(113)	(90)	(45)	(495)
HUF - inflow	0.3	(11.5)		34	71	112	108	82	407
HUF - outflow	12.2	(0.2)		(34)	(71)	(112)	(108)	(82)	(407)
AVERAGE FORWARD RATE (EUR/ONE CURRENCY UNIT)									
USD				1.072	1.106	1.100	1.116	1.088	1.099
AUD				1.668	1.658	1.641	1.667	1.665	1.658
GBP				0.848	0.866	0.864	0.857	0.847	0.857
CNY				7.846	7.805	7.789	7.741	7.698	7.779
HUF				399.233	403.053	401.096	408.208	423.449	407.505

Notes to the accounts of Grundfos Holding A/S

The Company is holding the following foreign exchange forward contracts:

				MATURITY					
				LESS THAN 1 MONTH	1 TO 3 MONTHS	3 TO 6 MONTHS	6 TO 9 MONTHS	9 TO 12 MONTHS	TOTAL
AS AT 31 DECEMBER 2023	Fair Value, Asset	Fair Value, Liability	Notional Amount						
Foreign exchange forward contracts (highly probable forecast sales or purchases)									
USD - inflow			EUR	22	36	46	23	25	152
USD - outflow			EUR	(20)	(34)	(34)	(24)	(23)	(135)
AUD - inflow			EUR	8	10	17	14	9	58
AUD - outflow			EUR	(8)	(10)	(17)	(14)	(9)	(58)
GBP - inflow			EUR	12	11	15	19	15	72
GBP - outflow			EUR	(12)	(11)	(15)	(19)	(15)	(72)
CNY - inflow			EUR	44	62	106	111	77	400
CNY - outflow			EUR	(44)	(62)	(106)	(111)	(77)	(400)
HUF - inflow			EUR	3,062	4,254	6,417	5,868	3,564	23,165
HUF - outflow			EUR	(3,062)	(4,254)	(6,417)	(5,868)	(3,564)	(23,165)
NOTIONAL AMOUNT (IN DKK MILLIONS)									
USD - inflow	12.8	1.0		150	243	310	157	166	1,026
USD - outflow	1.7	12.3		(132)	(230)	(232)	(162)	(158)	(914)
AUD - inflow	4.3	1.1		36	47	80	63	41	267
AUD - outflow	1.2	3.9		(36)	(47)	(80)	(63)	(41)	(267)
GBP - inflow	8.5	0.5		100	95	127	161	126	609
GBP - outflow	0.6	7.5		(100)	(95)	(127)	(161)	(126)	(609)
CNY - inflow	8.5	0.5		42	59	101	105	71	378
CNY - outflow	0.6	7.5		(42)	(59)	(101)	(105)	(71)	(378)
HUF - inflow	19.5	0.1		60	83	125	114	69	451
HUF - outflow	0.2	18.8		(60)	(83)	(125)	(114)	(69)	(451)
AVERAGE FORWARD RATE (EUR/ONE CURRENCY UNIT)									
USD				1.099	1.094	1.104	1.092	1.091	1.096
AUD				0.952	1.627	1.637	1.679	1.675	1.555
GBP				0.895	0.896	0.878	0.878	0.877	0.883
CNY				7.294	7.393	7.683	7.726	7.719	7.611
HUF				323.557	344.620	408.539	411.117	396.389	384.582

Notes to the accounts of Grundfos Holding A/S

The impact of hedged items on the statement of financial position is as follows:

Fair value hierarchy	VOLUME OF FOREIGN EXCHANGE FORWARD CONTRACTS	CASH FLOW HEDGE RESERVE
31 DECEMBER 2024		
Highly probable expected net cash flows from customers/to vendors	149	0
31 DECEMBER 2023		
Highly probable expected net cash flows from customers/to vendors	129	0

The effect of the cash flow hedge in the statement of profit and loss and other comprehensive income is as follows:

	TOTAL HEDGING GAIN/LOSS RECOGNISED IN OCI	INEFFECTIVENESS RECOGNISED IN PROFIT AND LOSS	LINE ITEM IN THE STATEMENT OF PROFIT AND LOSS
YEAR ENDED 31 DECEMBER 2024			
Highly probable expected net cash flows from customers/to vendors	0	0	Revenue / production cost
YEAR ENDED 31 DECEMBER 2023			
Highly probable expected net cash flows from customers/to vendors	0	0	Revenue / production cost

Notes to the accounts of Grundfos Holding A/S

Note 25 Related parties

Note 25.1 Group information

For more information about related parties, including compensation to Group Management, see Note 32 'Related parties under the Consolidated Financial Statement'.

Note 25.2 Transactions with related parties

Transactions between Grundfos Holding A/S and the subsidiaries

	2024	2023
Sale of goods and services	5,578	5,200
Cost of goods and services	1,751	1,635
Interest income	297	331
Interest expense	289	285
Dividends received	1,256	1,411
Loans given	4,732	4,293
Loan received	5,263	5,363



The amounts disclosed in the table are the amounts recognised as an expense or income during the reporting period. The amount of loans represent the balances at year-end.

Notes to the accounts of Grundfos Holding A/S

Note 26 Commitments and contingencies

Note 26.1 Commitments

The Company has provided security for facilities in subsidiaries. The total corporate guarantee amounts to DKK 360m (2023: DKK 407m), hereof utilised DKK 22m (2023: DKK 37m).

The Company has issued letters of intent to support subsidiaries credit facilities, company credit card limits, trade finance arrangements and foreign exchange risk due to operations in multiple currencies. These letters of intent are contingent upon the subsidiaries' inability to meet their financial obligations

Lease contracts etc. are renewed on a continuous basis, hence there is a minor number of contracts committed not yet recorded as at 31 December 2024. The value of these contracts is considered to be immaterial.

Apart from this the Company is under no material obligations or commitments.

Note 26.2 Contingencies

The Company has issued performance and payment guarantees of DKK 16m (2023: DKK 16m).

The Company has issued support letters for a number of subsidiaries.

The Danish affiliated companies participate in a Danish joint taxation arrangement with Grundfos Holding A/S serving as the administration company and are therefore jointly and severally liable for the total corporation tax and for obligations, if any, to withhold tax on interest, royalties and dividends for the jointly taxed companies. The total net liability to the Danish tax authorities is recognised in the financial statements of Grundfos Holding A/S.

Note 27 Events after the balance sheet date

The Board of Directors of Grundfos Holding A/S has approved the issuance of the parent company financial statements on 5 February 2025. As of this date, no material events after the reporting date have occurred that are not recognised and disclosed.

Notes to the accounts of Grundfos Holding A/S

Note 28 Grundfos Holding A/S accounting policies

Grundfos Holding A/S is a private limited company domiciled in Denmark. The Annual Report for the period 1 January to 31 December 2024, comprises the Financial Statements of Grundfos Holding A/S.

The Financial Statements of Grundfos Holding A/S have been prepared in accordance with the IFRS Accounting Standards (R) as adopted by the EU and Danish disclosure requirements for large class C companies.

Unless otherwise indicated, the Annual Report is presented in DKK rounded to the nearest million. Besides the following section, the accounting policies for Grundfos Holding A/S are the same as for the Grundfos Group.

Note 28.1 Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries are measured at cost on initial recognition and subsequently at the proportionate share of the companies' net asset value calculated in accordance with the parent company's accounting policies with the deduction or addition of unrealised intra-group gains/losses and with the addition or deduction of goodwill calculated according to the purchase method.

Companies with a negative net asset value are recognised at DKK 0, and any receivable amount from these companies is written down, to the extent it is deemed to be irrecoverable, by the parent company's share of the negative net asset value. If the negative net asset value exceeds the amount receivable, the residual amount is recognised under provisions to the extent that the parent company has a legal or constructive obligation to cover the subsidiary's negative balance.

The proportionate share of the profit or loss of subsidiaries after tax is recognised in the income statement after full elimination of intra-group gains/losses.

Note 28.2 Dividend

Dividend proposed for the financial year is shown as a separate item under shareholders' equity.

Dividend is recognised as a liability at the time of adoption by the shareholders at the annual general meeting (the date of declaration).
Dividends expected to be declared in respect of the year are stated as a separate line item under equity.

Note 28.3 Corporation tax

Grundfos Holding A/S is jointly taxed with its Danish subsidiaries. Current tax and deferred tax is allocated between the jointly taxed companies. The jointly taxed companies are taxed under the tax prepayment scheme.

Note 28.4 Development projects

Grundfos Holding A/S has established a non-distributable reserve in equity regarding capitalised development projects. This reserve will be reversed as the development projects have effect on the income statements. The amount is presented net of deferred tax.

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