

## Press release

### **Vaillant Group continues to grow in a difficult market environment**

- **Sales revenue growth of around 3 per cent in 2023**
- **Significant market share gains in the heat pump business**
- **Adjustment of cost and personnel structures to market situation and customer requirements**

**Remscheid, 13 May 2024** – The Remscheid-based heating technology provider Vaillant Group recorded sales revenue of €3.8 billion in the 2023 financial year, an increase of 3 per cent on the previous year. With a significant increase of almost 50 per cent, the Vaillant Group's heat pump business developed significantly better than the European heat pump market, as in the years before. In Germany, the heat pump business even grew by more than 100 per cent. This ranks the Vaillant Group market leader in Germany and the third-largest supplier of heat pumps in Europe. In the segment of gas-fired heating appliances, the company maintained its globally leading position.

Business and sales development in the various markets varied greatly in 2023 and was less dynamic than originally expected. The first half of the year was characterised by growth, which resulted from a backlog of orders from 2022, particularly in Germany. In the second half of the year, demand weakened significantly in almost all European heating technology markets. A sharp decline in construction activity across Europe contributed to this, as did the controversial public debate surrounding laws regarding the use of environmentally friendly heating technology and corresponding subsidies. In 2023, the European market for heating technology was around 10 per cent below the previous year's level. This trend continued in the first months of 2024.

## **Adjustment of cost and personnel structures to market situation and customer requirements**

In order to align the company with the new demand situation and future market and customer requirements, the Vaillant Group is adjusting its cost and personnel structures and reducing around 700 staff positions in administrative areas. Around 300 of these will be in Germany. At the same time, the capacity for close-to-customer services and digital services will be further strengthened, also in terms of personnel, and the innovative heat pump portfolio will be expanded with undiminished energy.

Vacant administrative positions will therefore not be filled, and early retirement options will be made available. In addition, the company offers employees a voluntary leave programme. The aim is to avoid layoffs for operational reasons.

## **The Vaillant Group continues to drive transformation ahead**

Since 2016, the Vaillant Group has been focusing on expanding its heat pump business and has since expanded cross-functional capacities and structures – particularly in research and development, production and sales. The number of employees across the Group has increased from 12,500 in 2016 to 17,500 in 2023. In Germany, staff increased from 3,500 to 5,000 employees during this period. Even after the currently planned capacity adjustment, the number of employees will be significantly higher than in 2021. As part of its long-term strategy, the Vaillant Group is systematically continuing its transformation into a leading manufacturer of electric heat pumps. As part of this, the company will open a new factory for the production of electronic components at its headquarters in Remscheid this autumn.

## **Heat pump key technology for climate-neutral building sector**

“The heat pump is and will remain the key technology for the climate-neutral heating of buildings. We expect demand to rise again in the medium and long term. The subsidy conditions in many European countries are already very attractive,” says Vaillant Group CEO Dr.-Ing. Norbert Schiedeck. “With the planned cost and structural adjustments, we are increasing efficiency in administration and the competitiveness of the Vaillant Group in a currently challenging competitive environment. We will continue to do everything in our power to maintain our leading position as a heating manufacturer with heat pumps and gas-fired heating appliances.”

# VAILLANT GROUP

The **Vaillant Group** is an internationally active company based in Remscheid, Germany, which operates in the fields of heating, ventilation and air-conditioning technology. As one of the global market and technology leaders, the Vaillant Group develops and manufactures customised products, systems and services to provide a comfortable living environment. Its product portfolio ranges from efficient heating devices based on conventional energy sources to system solutions for using renewable energy. In the financial year 2023, the company, which has been family-owned since its foundation in 1874, generated sales of around 3.8 billion euros with its workforce of 17,500.

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## Contact

Dr Jens Wichtermann  
Director Corporate Communications,  
Sustainability Management & Government Relations  
Vaillant Group  
42850 Remscheid, Germany

Telephone +49 2191 18-2754  
Mobile +49 175 2951810  
E-mail [jens.wichtermann@vaillant-group.com](mailto:jens.wichtermann@vaillant-group.com)  
Web [www.vaillant-group.com](http://www.vaillant-group.com)