

# Danfoss Press Release

February 28, 2025

## Danfoss delivered solid performance in a volatile market

- Sales in 2024 amounted to EUR 9.7 billion.
- Operational EBITA was EUR 1,097 million corresponding to a margin of 11.3%.
- Investments in innovative solutions (R&D) at EUR 488 million, corresponding to 5.0% of sales.
- Continued to decouple our own emissions from our sales growth, achieving a 19% reduction in scope 1 and 2 carbon emissions.
- Outlook 2025 sales in the range of EUR 9.5-11.0 billion and operational EBITA margin in the range of 10.8-12.3%.

**In 2024, we delivered solid operational results and most of our core businesses remained resilient. However, factors such as higher interest rates and lower farm income sent the build of new off-highway machines within agriculture and construction into a cyclical downturn. The electric vehicle market was also impacted by governments scaling back incentives.**

**We have as always proactively managed our business performance through the cycle and maintained our long-term focus. To set Danfoss up for the future, we have taken decisive actions to evolve our operating model to better serve our customers, improve competitiveness, enable faster decision-making, and become a more responsive organization.**

**We continued with significant investments in delivering competitive and innovative solutions as well as regionalizing our factory footprint, thereby continuing to execute on our green growth strategy.**

NORDBORG, DENMARK – In 2024, sales were EUR 9,674 million. Despite challenging market conditions, we delivered a solid operational EBITA of EUR 1,097 million, equal to a margin of 11.3%.

*"I am especially excited to see the continuous strong performance in our Climate Solutions and our Drives businesses. We strengthened our position in selected high-growth markets like data centers, commercial heat pumps, and selected electrification applications such as marine. Moreover, we maintained a high level of investments in innovation to expand our offerings of competitive, innovative, and best-in-class technology and solutions,"* **says Kim Fausing, President & CEO of Danfoss.**

Over the past five years, we doubled the size of Danfoss, achieving balanced sales and a strong local presence across the Americas, Europe, and Asia. We firmly believe in the long-term growth opportunities for Danfoss and in offering great service to our customers all over the world. This is why we continue to invest in factory automation and in regionalizing our supply chain to become more resilient. Additionally, we successfully completed the integration of the Eaton Hydraulics acquisition into the Danfoss Power Solutions segment.

With our new operating model, we have decentralized further to move closer to our customers and become easier to do business with. We focus on strengthening innovation and our entrepreneurial mindset as well as improving our cost competitiveness and responsiveness through increasing speed in decision-making. Today, we operate Danfoss through three segments and 16 divisions. Our businesses now operate within a significantly simplified structure, supported by leaner Shared and Corporate functions.

For Danfoss, sustainability is a key driver of competitiveness and an integrated part of our strategy. We continued to decouple our organic growth from emissions, reducing our scope 1 and 2 emissions by 19% as we work toward our ambitious 90% reduction target by 2030. We also signed a power purchase agreement covering 100% green electricity for our two campuses in Haiyan, China reducing our carbon emissions by 40,000 tons every year as of 2025, which is equivalent to 33% of Danfoss' emissions in China and 9% globally.

In 2024, we launched the 'Green Ask' initiative with strategic suppliers, which covers 40% of our EUR 3.5 billion spend to enhance data on sourced products and identify decarbonization opportunities.

*"I am proud of what the Danfoss team has accomplished together this year. Our global team's engagement, resilience, and determination in overcoming challenges and driving impact exemplify the exceptional talent that is fueling our success. I sincerely thank our customers and partners for their trust and close collaboration, which is fundamental for our common success going forward. While global economic uncertainties and geopolitical instability may cause market fluctuations, we stay the course. We firmly believe in the long-term growth opportunities for Danfoss,"* **says Kim Fausing.**

### Financial outlook 2025

Danfoss has a continued ambition to expand or maintain our market share. Sales are expected to be in the range of EUR 9.5-11.0bn for the full year. The operational EBITA margin is expected to be in the range of 10.8-12.3%, following our continued investments in new products and solutions.

### Key figures for 2024

- Sales in 2024 down 9% to EUR 9,674m (2023: 10,654m).
- Operational EBITA (EBITA excl. integration costs and other operating income and expenses): EUR 1,097m equal to a margin of 11.3% (2023: EUR 1,455m or 13.7%)
- Investments in innovation (R&D) maintained at high level of EUR 488m (2023: 487m), corresponding to 5.0% of sales (2023: 4.6%).
- Investments (CapEx) excluding M&A were EUR 434 million (2023: 596m).
- Net profit EUR 370 million (2023: 819m).
- Free operating cash flow (after financial items and tax) amounted to EUR 467 million (2023: 692m).
- Lost Time Injury Frequency (LTIF) continues to be at the same low level as the previous year at 1.3 (2023: 1.2).
- The total number of employees decreased to 39,360 (2023: 42,054), reflecting efforts to balance the workforce in alignment with the current market conditions as well as the implementation of our adjusted operating model.

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[Read the full annual report here.](#)

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**About Danfoss A/S:**

Danfoss engineers solutions that increase machine productivity, lower energy consumption, enable electrification, and reduce emissions.

Our solutions are used in areas such as refrigeration, air conditioning, heating, power conversion, motor control, industrial machinery, automotive, marine, and on- and off-highway equipment. We also provide solutions for renewable energy, such as solar and wind power, Power-to-X, heat recovery, as well as contribute to district-energy solutions for cities.

Our innovative engineering dates back to 1933. Danfoss is family-owned and employs over 39,000 people. We create long-term value for our customers in more than 100 countries with a global footprint of around 100 factories. [www.danfoss.com](http://www.danfoss.com)