

**EXPECT
GLOBAL LEADERSHIP**



FINANCIAL REPORT

2024/25

Main activities

AVK has two main business units: AVK Water Solutions and AVK Advanced Manufacturing. The previous business units of AVK Water and AVK Industrial have been combined into AVK Water Solutions in the past year to ensure better synergy in product offers and route to market. AVK Water Solutions is a group of companies that develop, manufacture, and supply high-quality valves and integrated solutions for a wide range of applications within water supply and industrial water-based segments. AVK Advanced Manufacturing consists of companies that manufacture components and products made of metal, rubber, and plastic, which are used in various industrial applications.

Production and sales take place via the AVK Group's network of more than 100 companies in 40 countries across Europe, the Middle East, North and South America, Australia, Asia, and Africa.

AVK acquired during the year the foundry, Frese Metal- og Stålstøberi A/S, based in Slagelse, Denmark. The foundry has supplied castings to AVK Tooling for many years, and the acquisition will ensure AVK an integrated supply chain for components into the marine sector.

Development of key financial figures

The net sales amounted to DKK 9,4 billion in 2024/25, which is a growth of 4,1% from the previous year. The acquired company had a minor impact, and considering the impact of changes in exchange rates in the Group consolidation, the real organic growth rate was 4,4%.

The water segments realised a positive development with a growth in sales of 6,8% with a growing share in the project markets and supported by growth in most markets across the world, especially for India, Southeast Asia, the Middle East, North America and many markets in Continental Europe. The Industrial segments were challenged by unfavourable market conditions for more of the segments served, and sales fell 4,2%. With the new business unit, AVK Water Solutions, the Group will focus on ensuring a broader product offer and a stronger sales effort in a number of markets and a positive sales development is expected for the coming year.

The Advanced Manufacturing market segments realised a sales growth of 10,6% supported by strong sales of rubber components, but also sales of pallets made of recycled plastic developed positively.

The operating profit amounted to DKK 993 million, an improvement of 14,0% from the previous year. The profit margin improved from 9,7% last year to 10,6% helped by the ongoing efforts for operational improvements across the Group based on lean, investments in automation, digitalisation and product development.

The investment level continued at a high level, where the majority is related to capacity extension, upgrading and automation of factories across several countries, but also product development, the upgrade of the Group's IT platform, and energy saving and green energy projects to reduce the

CO₂ impact of the Group attract considerable investment. The amount of investments in fixed assets amounted to DKK 594 million, and this amount will increase further in the coming year, where the major investment will continue to be the establishment of a fully local supply chain in the United States.

Expected AVK Group development

AVK will continue to focus on growing our business across the various markets and business segments being served. The growth rate this year is expected around 10% with the contribution of both organic growth and the addition of a new joint venture in the Nordics with the Ulefos Holding Group and an acquisition of a business with triple offset valves in Italy, both effective from 1 January 2026. The general market situation in Europe, North America and China is expected to remain weak, but the present order book, a continuous strong market in the Middle East and a strong improvement in sales for Flonidan and AVK Tooling of smart gas meters to the Dutch market and components for the wind market respectively, we expect an improved organic growth in the coming year. AVK has gained a stronger position in the project markets e.g. for dams and reservoirs, irrigation and wastewater treatment, and this will further support growth in the coming years. The operating profit is expected to develop positively with the growth in sales.

A reduction of CO₂-emission and sustainable solutions are getting more and more attention on the political agenda all over the world, and AVK is fully conscious of its responsibility and possible contribution. AVK's products already contribute significantly to a lower CO₂ footprint through reduction of water loss (less energy consumption) and recycling of materials for both metal and plastic products in the Group. The increased attention to sustainability is considered a long-term growth factor for the Group.

Smart solutions that allow for better management and control of the water supply and irrigation systems will play a growing role in the product and service offer and help reduce the leakage of water and the related energy consumption.

The production and sales of pallets based on recycled plastic waste is expected to continue the strong growth driven by more companies wanting to recycle their own plastic waste and support sustainability using products based on recycled waste.

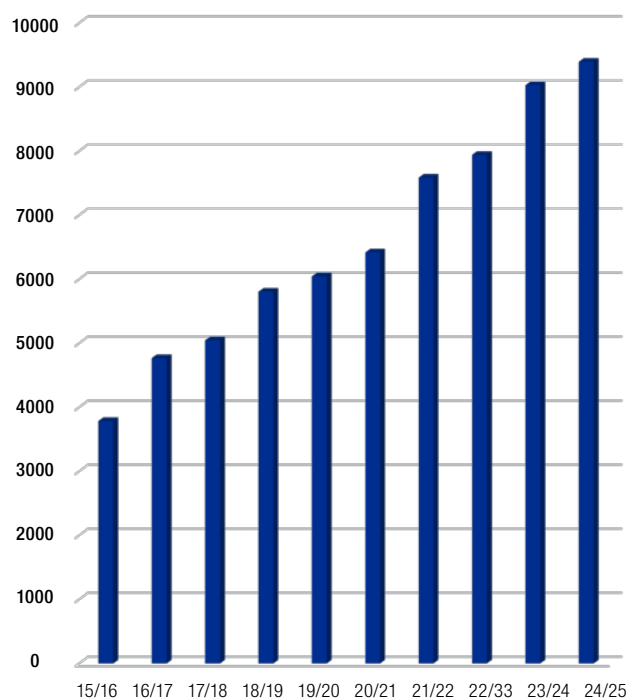
Digital solutions will have an increasing significance on the Group's interaction with and service to customers, and in addition contribute to the optimisation of the Group's supply chain and internal processes.

LEAN tools are widely used in the Group to strengthen the delivery performance, operating profit, and cash flow.

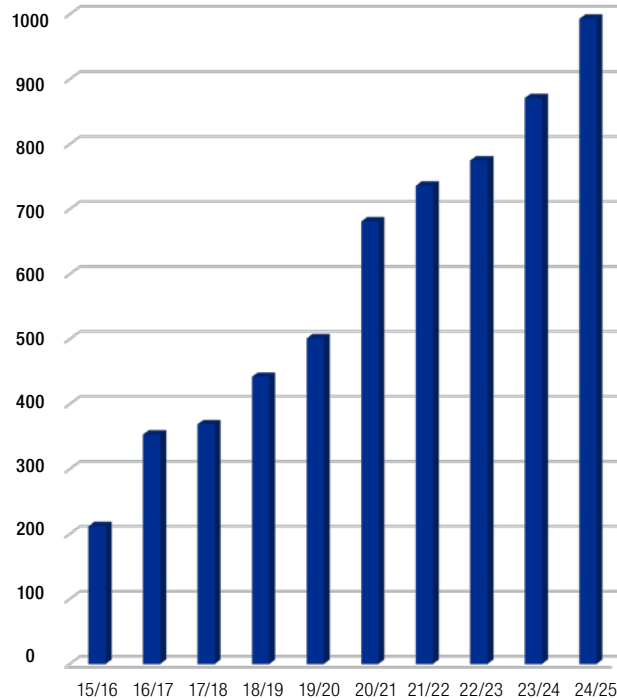
Overall, a positive development is expected for the Group in the coming year.

KEY FIGURES 2024/25

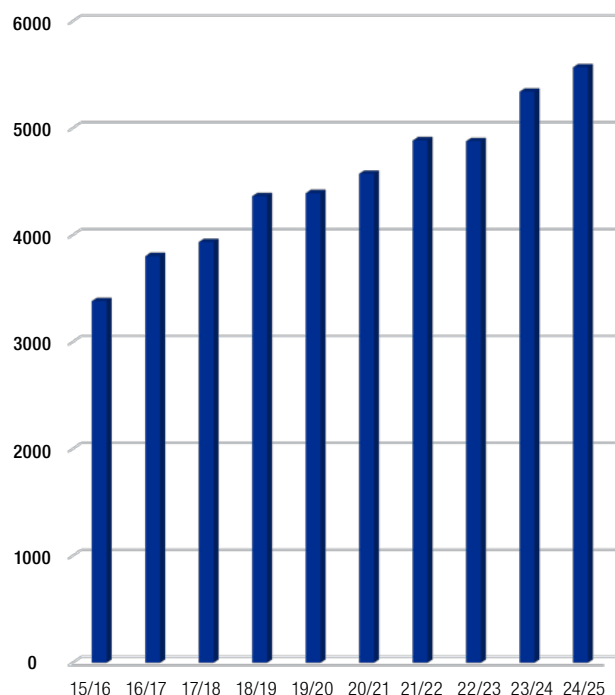
Net sales - million DKK



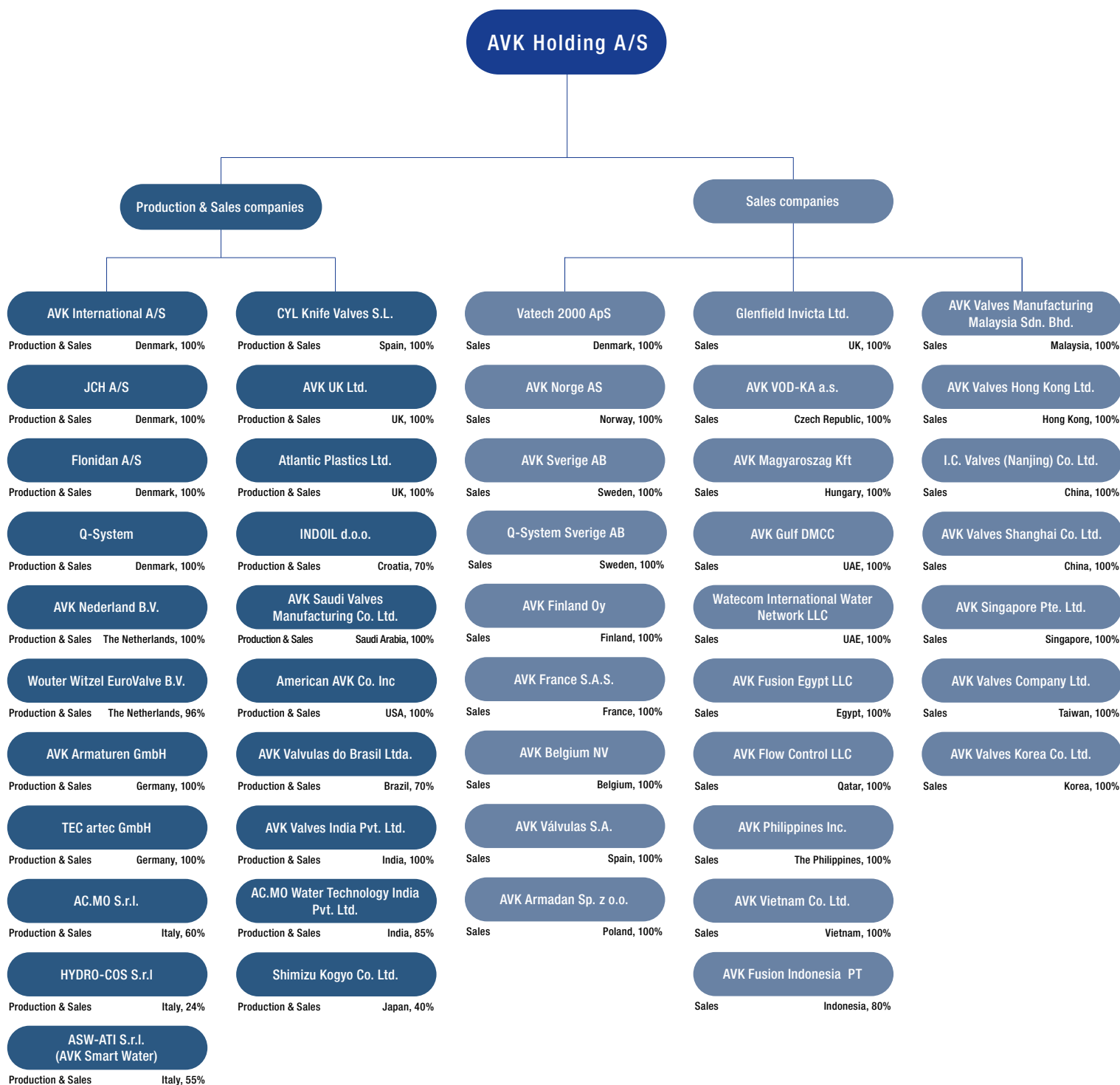
Operating profit - million DKK



Employees in the AVK Group



THE AVK GROUP OF COMPANIES



AVK Holding A/S

Production companies

AVK Polska Sp. z o.o.

Production Poland, 100%

AVK Haut Marnaise S.A.S.

Production France, 100%

InterApp Valcom SA

Production Spain, 100%

OMV-INDOIL Bosnia d.o.o.

Production Bosnia, 70%

AVK Valves Anhui Co., Ltd.

Production China, 100%

AVK Advanced Castings
Anhui Co. Ltd.

Production China, 100%

Furnes Group

Randers Jernstøberi A/S

Sales Denmark, 51%

Furnes Jernstøperi AS

Production & Sales Norway, 51%

Southern Africa Group

AVK Valves
Southern Africa Pty. Ltd.

Production & Sales South Africa, 99%

Premier Valves Mining Pty. Ltd.

Sales South Africa, 49%

AVK Industrial Pty. Ltd.

Sales South Africa, 49%

Zenzele Valves Manufacturing

Production & Sales South Africa, 49%

Australia Group

AVK Australia Pty. Ltd.

Production & Sales Australia, 100%

AVK CTS Pty. Ltd.

Sales Australia, 100%

AVK Industrial Pty. Ltd.

Sales Australia, 100%

AVK New Zealand Pty. Ltd.

Sales New Zealand, 100%

Fusion Group

Fusion Group Ltd.

Production & Sales UK, 93%

Fusion Italia SRL

Sales Italy, 93%

Fusion Polska Sp. z o.o.

Sales Poland, 93%

Ace Plastic Company Ltd.

Production & Sales Egypt, 65%

Fusion Plast Pty. Ltd.

Sales Australia, 93%

AWT Fusion Sdn. Bhd.

Sales Malaysia, 46%

GH-Fusion Corp. Ltd.

Production China, 46%

AVK Syntec Anhui Co. Ltd.

Production China, 93%

AVK Holding A/S

Orbinox Group

Orbinox Valves International S.L.

Holding Spain, 77%

Orbinox S.A.

Production & Sales Spain, 77%

Orbinox Comercial S.L.

Sales Spain, 62%

LucaValves S.L.

Sales Spain, 39%

Orbinox UK Ltd.

Sales UK, 77%

Damper Technology Ltd.

Production & Sales UK, 65%

Orbinox Deutshland GmbH

Sales Germany, 77%

Orbinox France S.R.L

Sales France, 77%

Orbe Valve Inc.

Sales USA, 77%

Orbinox America LLC

Sales USA, 100%

Orbe Canada Inc.

Production & Sales Canada, 77%

Damper Technology Canada

Sales Canada, 65%

Orbinox Brasil Industria e Comércio, Ltda.

Production & Sales Brazil, 77%

Orbinox Chile Spa

Sales Chile, 77%

Orbinox Perú S.A.C.

Sales Peru, 77%

Orbinox Valves Ningbo Co. Ltd.

Production & Sales China, 77%

Orbinox Valves Wuhan Co. Ltd.

Production & Sales China, 54%

Damper Technology India

Production & Sales India, 63%

Orbinox India Pvt. Ltd.

Production & Sales India, 76%

Ahirant Technocast India Pvt. (Associated)

Production India, 31%

Talis Group

Bayard S.A.S

Production & Sales France, 100%

Calasys SAS

Tech France, 85%

Belgicast Internacional S.L.

Production & Sales Spain, 100%

Belgicast Italia S.r.l.

Sales Italy, 100%

Industra - Comercio de Equipamentos Industriais S.A.

Sales Portugal, 100%

Talis Flow Control (Shanghai) CO., Ltd.

Production China, 100%

Industrial Sales

AVK Industrial Sales

Sales Switzerland, 100%

InterApp Technics AG

Production Switzerland, 100%

AVK Industrial Solutions

Sales Italy, 100%

AVK Industrial Poland

Sales Poland, 100%

InterApp US

Sales USA, 90%

Advanced Manufacturing

AVK GUMMI A/S

Production & Sales Denmark, 100%

AVK Ravenstein B.V.

Production & Sales The Netherlands, 100%

AVK Elastomer Technology LLC

Production & Sales USA, 100%

AVK Sealing Kunshan Co. Ltd.

Production & Sales China, 100%

AVK Tooling A/S

Production & Sales Denmark, 100%

Frase Metal- og Stålstøberi

Production & Sales Denmark, 100%

AVK Components Sp. z o.o.

Production & Sales Poland, 100%

AVK Plastics B.V.

Production & Sales The Netherlands, 100%

AVK Plast A/S

Production & Sales Denmark, 100%

Q-Pall B.V.

Sales The Netherlands, 70%

G+W Armaturen GmbH

Sales Germany, 100%