









CAREL

CAREL INDUSTRIES S.p.A. 2021 – FY Results

3th March 2022

FY 2021 - Main events

-  **New Croatian plant construction kick-off**
-  Completion of the **acquisition of 51% of the share capital of CFM and 100% of the share capital of Enginia**
-  Appointment of **CAREL's new Board of Auditors and Board of Directors**. One specific Director, Carlotta Rossi Luciani, was assigned **tasks and powers concerning ESG**.
-  Signing of CAREL's first **Sustainability Linked Loan** for an amount of 20m€
-  Disclosure of the first **Multi-year sustainability plan - "Driven by the Future"/Sustainability in action**
-  Disclosure on Revenues/Opex/Capex alignment with European Taxonomy (one year ahead compared to regulation requirements)

FY 2021 – Financial highlights

Q4 substantially confirmed the positive trends already reported in the first 9M 2021, resulting into an yearly record growth rate in revenues and an increase in profitability, in spite of the global tensions in the electronic materials supply chain and higher inflation.

+26.8%
Revenues growth
rate

- Excluding the adverse impact of the exchange rates, and the contribution coming from the acquisition of CFM and Enginia (~16.0m€) **the organic revenues growth rate the year remains well above 20% (+21.9%)**.
- **2021 was characterised by the ability of the company to take advantage of robust positive trends across the board.** Thanks to its resilience CAREL managed to partly mitigate the effect of the supply chain constraints which is still impacting on a number of CAREL product families.

21.0%
Adj. EBITDA margin

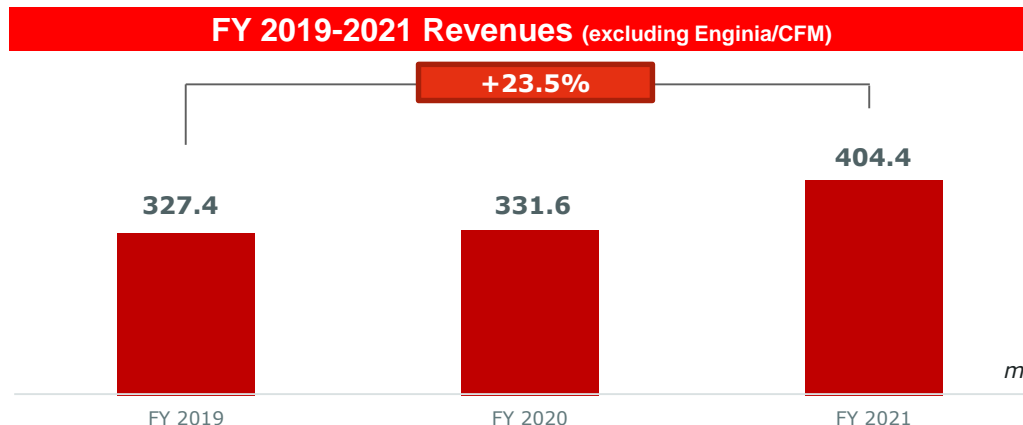
- **Adj. EBITDA margin equal to 21.0%, up 130bps on FY 2020.**
- **Excellent performance driven mainly by operating leverage** offsetting higher raw material costs and a slightly different product mix due to the shortage.

-50%
Organic NFP

- **Net of the M&A activity, NFP halved compared to 2020 thanks to a high cash conversion rate (60%): ~70m€ FFO easily covered ~15m€ increase in NWC (driven by an expected increase in inventory and higher revenues), ~18m€ capex and ~12m€ dividends.**

FY 2021 – Results

KPIs			
m€	FY 2020	FY 2021	Δ%
Revenue	331.6	420.4	26.8%
Revenue FX Adj.	331.6	421.5	27.1%
Revenue (no M&A)	331.6	404.4	21.9%
EBITDA	65.2	85.3 ⁽²⁾	30.8%
EBITDA adj.	65.4	88.2 ⁽³⁾	35.0%
<i>EBITDA Adj./Revenue</i>	19.7%	21.0%	
Net Profit	35.1	49.1	39.7%
Capex	13.3	18.7	40.6%



⁽¹⁾ Including ~16.0m€ from the inclusion of CFM and Enginia in the consolidation perimeter

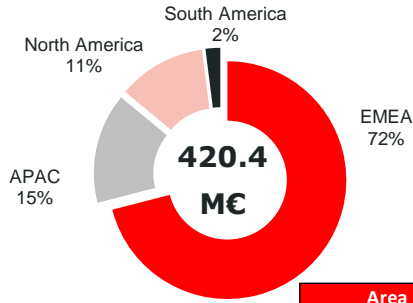
⁽²⁾ Including approx. 4.1m€ from the inclusion of CFM and Enginia in the consolidation perimeter

⁽³⁾ Excluding approx. 2.9m€ related mainly to M&A advisory costs.

- **Revenue +26.8%:** The growth rate remains above 20% even net of the positive contribution coming from the inclusion in the scope of consolidation of CFM and Enginia (for approximately half-year). It is above 20% also if we compare actual revenue with the results reported in 2019 (the latter were not impacted by the COVID pandemic).
- **EBITDA adj. +35.0%:** The very positive results reported in revenues were reflected in the EBITDA Adj. growth rate. On a like-for-like basis the growth rate would have been ~25%. 21% EBITDA adj. margin (+130bps compared to 2020), slightly lower compared to 9M 2021 due mainly to seasonal effects.
- **Net Profit +39.7%:** benefitting from the operating results. Significant improvement on FY 2020 tax rate (19.6% against 21.1%) thanks mainly to a favourable geographic profit mix.
- **Capex:** higher capex including the new plant in Croatia.
- **Dividend:** 0.15€ per share proposed dividend (+25% compared to 2020); ~30% pay-out ratio

FY 2021 – Revenue breakdowns

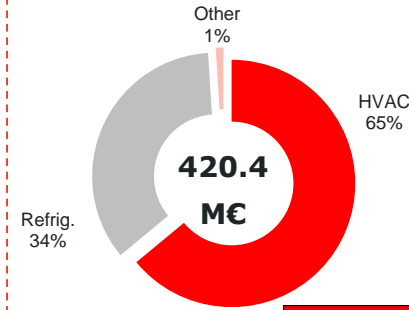
Breakdown by region



Area	m€	m€	m€	Δ%	Δ% fx
EMEA	226.5	236.3	302.3	28.0%	28.1%
APAC	50.2	49.7	62.7	26.2%	24.0%
Americas (North)	42.5	38.5	46.0	19.7%	23.2%
Americas (South)	8.2	7.2	9.4	30.4%	38.8%
Total Revenue	327.4	331.6	420.4	26.8%	27.1%

- **EMEA** – Very significant growth reported in one of the most important geographic areas (~22% growth on a LFL basis) in spite of the raw materials shortage phenomenon.
- **APAC** – In the last two quarters the growth rate reported in the area started to get back to a more normalized level maintaining solid growth prospects for the future.
- **Americas (North)** – On a LFL basis (excluding FX) Q4 growth rate close at 18% confirming the positive trend experienced during the year
- **Americas (South)** – Strong performance in the entire region.

Breakdown by sector



Sector	m€	m€	m€	Δ%	Δ% fx
HVAC	215.4	217.5	270.1	24.1%	24.5%
Refrig.	107.6	110.3	145.8	32.2%	32.5%
Core Revenue	323.0	327.8	415.8	26.8%	27.2%
No core	4.4	3.8	4.6	21.4%	21.4%
Total Revenue	327.4	331.6	420.4	26.8%	27.1%

- **HVAC: Net of the FX impact the total growth was nearly 25%** (~20% organic), thanks to a very strong demand across all the applications. Q4 performance substantially aligned to first 9M in spite of a tight raw material shortage scenario
- **Refrigeration: Even excluding the contribution coming from M&A, the growth reported in the sector would have been higher than 25%** thanks to a strong recovery in the investment cycle in Food retail and in food service as well.

From EBITDA to Net Profit

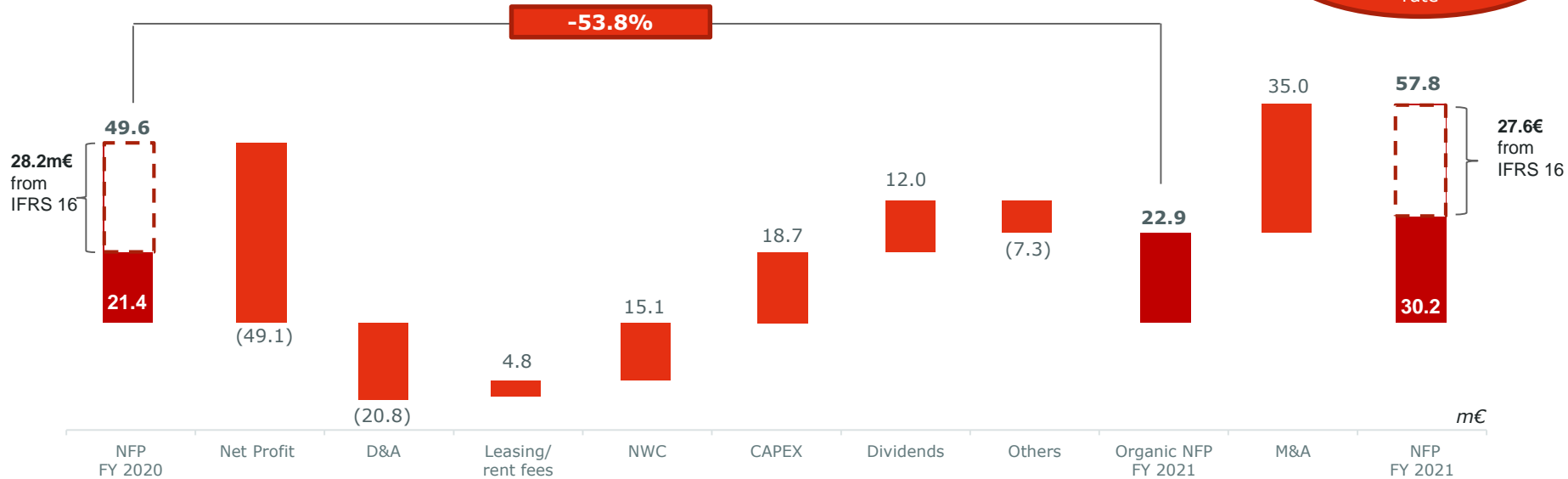
	K€	FY '20	FY '21	Δ%
EBITDA		65,194	85,302	30.8%
	D&A	-18,482	-20,844	
EBIT		46,713	64,457	38.0%
	<i>Financial (charges)/income</i>	-1,489	-2,355	
	<i>FX gains/losses</i>	-921	-1,430	
	<i>Gain/Loss on liabilities valuation on minorities</i>	-	-125	
	<i>Results from companies cons. with E.M.</i>	208	508	
EBT		44,511	61,055	37.2%
	<i>Taxes</i>	-9,393	-11,967	
	<i>Minorities</i>	-5	-29	
Group net profit		35,112	49,059	39.7%

- **Higher D&A** mainly due to the change in the scope of consolidation (CFM and Enginia) and higher capex.

- Higher financial charges due to IFRS 16 interest and accounting impact from put and call option on CFM acquisition.
- FX losses mainly related to the operations in Brazil, Croatia and China.

- **Lower Tax-rate (19.6%)**, compared to 21.1% in FY 2020. It benefits from a favorable geographic profit mix.

FY 2021 – NFP Bridge



- **Excluding the impact of the M&A activity, NFP would have been more than halved thanks to a robust cash generation (cash-conversion rate equal to 60%).**
- **ΔNWC +15.1m€:** Substantially stable compared to 9M 2021 level. The increase compared to FY 2020 is due to : 1) a significant growth in revenues; 2) an expected increase in inventory to better cope with the global raw material shortage. FY 2021 DSO improved compared to FY 2020.
- Approximately half of the total FY 2021 NFP is related to **IFRS 16 accounting effect**.

Sustainability, Digitalization and Closing Remarks

Focus – Sustainability plan

ACT FOR THE PLANET

22 GOALS DIVIDED INTO:

ENVIRONMENTAL POLICIES

- Environmental pollution and climate change
- Energy efficiency and sustainable products
- Reduction of waste and resort to responsible disposal methods

INNOVATION AND TECHNOLOGY

- R&D and product innovation
- Quality and safety of products and services

ACT FOR PEOPLE

22 GOALS DIVIDED INTO:

PEOPLE

- Respect for human rights
- Diversity, equal opportunities and inclusion
- Professional training & development
- Health and safety at work
- Attraction, development and retention of talents
- Engagement of, listening to & satisfaction of employees
- Well-being, life-work balance and protection of employment

COMMUNICATION

- Involvement, listening to & satisfaction of customers

SUSTAINABLE DEVELOPMENT OF LOCAL COMMUNITIES

- Local communities and relationship with the area

ACT TO SHARE THE VALUE

11 GOALS DIVIDED INTO:

SUSTAINABLE STRATEGY AND GOVERNANCE

- Governance and integrity of business
- Privacy, data security and protection
- Responsible supply chain management
- Prevention of and fight against corruption

Focus - Digitalization

In the last few years CAREL has adopted a Digitalization Roadmap to foster its transition towards a digital Enterprise

MAIN INITIATIVES



S&OP

Improving the whole Sales&Operation planning process through the introduction of technologies related to **Machine Vision, Machine Integration and Deep Learning**



PLM

Implementing a Product Lifecycle Management System to significantly **decrease lead times and more in general the time-to-market of a product/idea**



Services

Adoption of new technologies to create new business opportunities in the on-field services segment.

The financial resource requested by the Digitalization Roadmap will be approximately 5m€ in 2022

Closing Remarks

2021 Results

- **2021 FY results marked a record in CAREL history both in terms of revenues growth and profitability** proving one more time the sensibility of CAREL organic development strategy followed over the year.
- **2 M&A transaction completed for a cash out of approximately 35 m€**

ESG

- **In the last year the company accelerated its effort in ESG topics:**
 - **A new threefold Governance** including BoDs at a strategic level, Risk Control and sustainability committee at an advisory level and ESG team at an operational level
 - **CAREL's first sustainability plan** "Driven by the future – Sustainability in action".
 - **Good results in EU Taxonomy analysis (~60% of the analysed revenues and 49.5% of capex are "aligned")**

2022 Opportunities and Challenges

- **Opportunities:** Strong underlying trends accelerated by regulation (Fgas, Kigali Amendment, Green deal) and scenario (higher demand for energy efficiency and indoor air quality).
- **Challenges:** Persisting electronic material shortage, geopolitical tensions, COVID-19 Pandemic

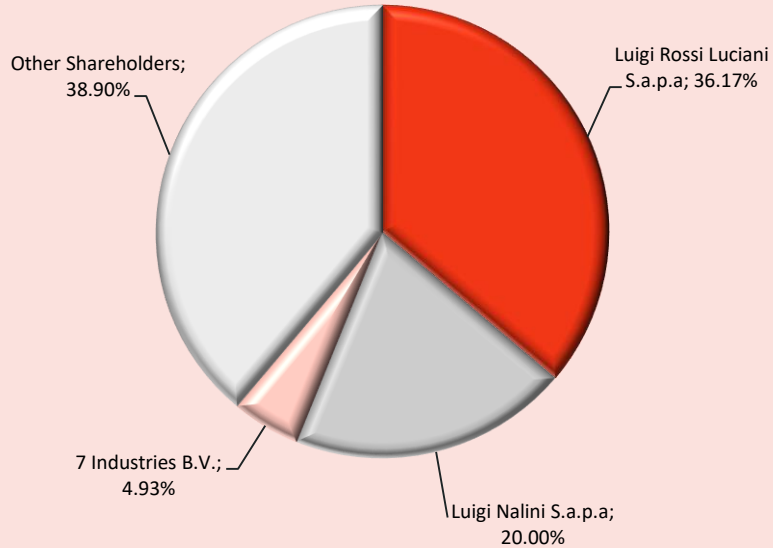
Guidance

Significant elements of uncertainty related to COVID-19 pandemic, electronic material shortage and recent geopolitical tensions persist, therefore it is still too early to give a precise guidance for Year end. Nonetheless, taken into account the positive trends in demand reported in the first weeks of 2022, the Group expects to report a double-digit growth in revenues (on a like for like basis) at the end of Q1

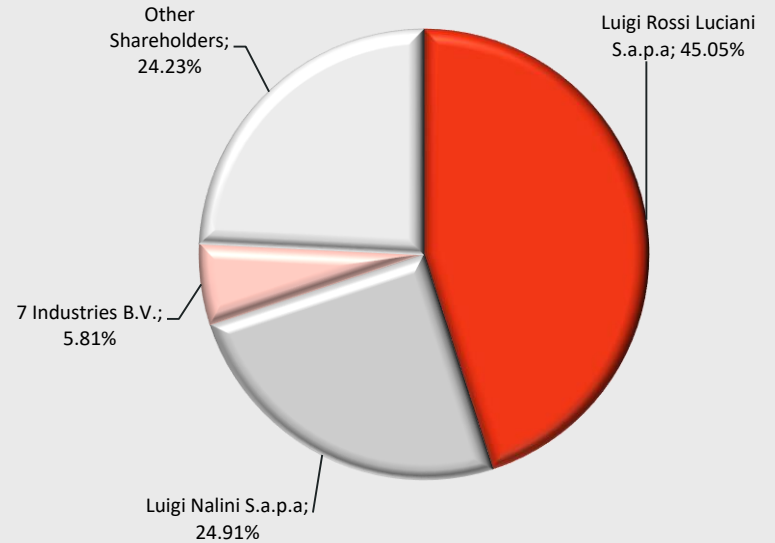
Annexes

Shareholding structure (>5% voting rights)

CAREL Industries S.p.A.
Number of shares



CAREL Industries S.p.A.
Voting rights



Income statement and Balance Sheet

Income statement

	K€	FY 2021	FY 2020	Delta %
Revenues		420,418	331,610	26.8%
Other revenues		5,779	3,704	56.0%
Operative costs		(340,895)	(270,120)	26.2%
Operative costs adj.		(337,975)	(269,948)	25.2%
EBITDA		85,302	65,194	30.8%
EBITDA Adj.		88,222	65,366	35.0%
Depreciation and impairments		(20,844)	(18,482)	12.8%
EBIT		64,457	46,713	38.0%
EBT		61,055	44,511	37.2%
Taxes		(11,967)	(9,393)	27.4%
Net result of the period		49,088	35,118	39.8%
Non controlling interest		29	5	n.r
Group net result		49,059	35,112	39.7%

Balance sheet

	K€	FY 2021	FY 2020	Delta %
Fixed Capital		230,630	176,413	30.7%
Working Capital		55,591	41,007	35.6%
Employees defined benefit plan		(8,612)	(8,189)	5.2%
Net invested capital		277,610	209,231	32.7%
Equity		169,875	159,621	6.4%
Non current liabilities		49,894	-	n.r.
Net financial position (asset)		57,841	49,610	16.6%
Total		277,610	209,231	32.7%



Company Profile

Leading provider of advanced control solutions for HVAC/R



Growing key markets

- **HVAC:** Industrial, Residential, Commercial
- **Refrigeration:** Food Retail and Food Service

Leadership in premium niches

- **Control solutions**
- **High Efficiency** applications

Innovation focus

- **5 R&D centers** (Europe x3, China and US)
- **c. 6%¹ of Revenues** invested in R&D

Global footprint

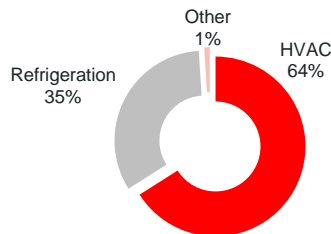
- **10 production plants** (5x Italy, Croatia, Germany, China, US and Brazil)

Key financials – 2021A

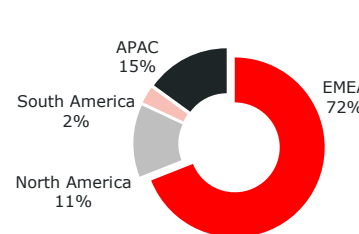
Revenue	EBITDA	EBITDA margin	Net income
€420m	€85m	~20.3%	€49m
+13% ² CAGR 2015A-21A	+15% CAGR 2015-21A	~180bps Margin expansion 2015A-21A	+15% CAGR 2015A-21A

Revenue breakdown - 2021A

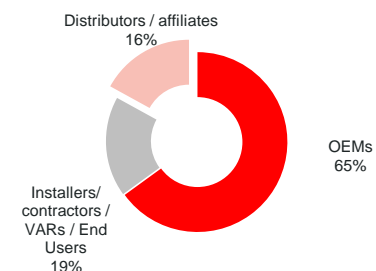
By market



By geography



By channel



Source: Company information as of Mar-22

Note: 1) avg. 2015A-21A; 2) Net of Enginia/CFM contribution, Revenues CAGR=12.1%

Note: financial data refer to consolidated accounts of CAREL Industries S.p.a. 2015-2021 IFRS. Comparability might be affected by change in consolidation perimeter

We operate in attractive niches across a wide range of end-markets...

HVAC

Industrial

Data Centers



Industry and Process



Pharma and Food



Residential

Residential



Commercial

Shopping Centers



Office Space



Recreational



Refrigeration

Food Retail

Convenience Stores



Hypermarkets



Food Service

Restaurant Chains



Refrigerated Merchandisers



...through a one-stop-shop portfolio of components and platforms



Programmable controls



Electronic controls easily programmable and customizable

HMI and unit terminals



User interfaces for units and systems

Parametric controls



Entry level electronic controllers

Adiabatic humidifiers and evaporative coolers



Pressure water atomizers

Isothermal humidifiers



Steam production systems

Heat exchangers



Heat exchangers for AHU

Dumpers



Dumpers and other AHU components

Power solutions



Electrical panels

Sensors and protection devices



Temperature/humidity and air quality sensors

Electronic expansion valves & drivers



Electronic valves for the modulation of refrigerant flow

Speed controllers & inverters



Speed control devices for BLDC compressors

Compressors¹



BLDC compressors

Remote management, monitoring systems, IoT



Solution for local / remote management monitoring and optimization

Services



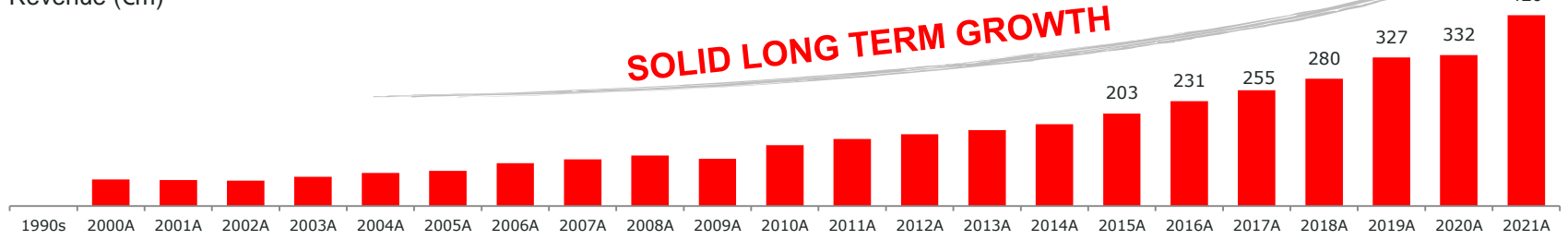
Innovative services based on the IoT capabilities

Distinctive ability to meet customers' demand for tailored integrated solutions using standard platforms

Source: Company information as of Mar-22
Note: 1) developed with partners

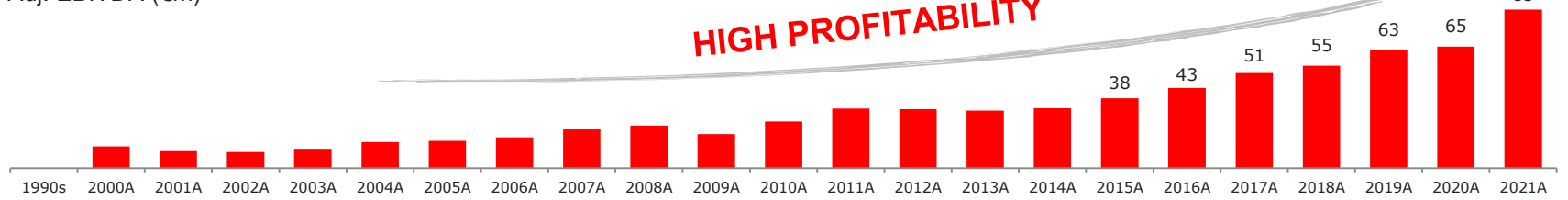
Long track record of profitable growth

Revenue (€m)

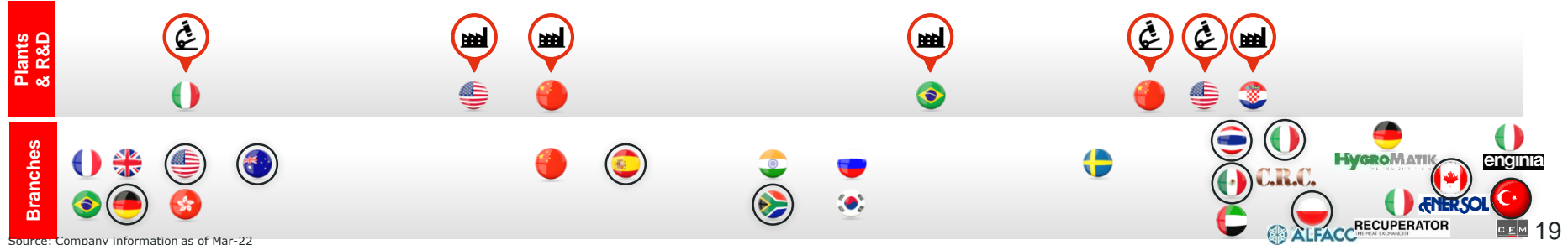


SOLID LONG TERM GROWTH

Adj. EBITDA (€m)



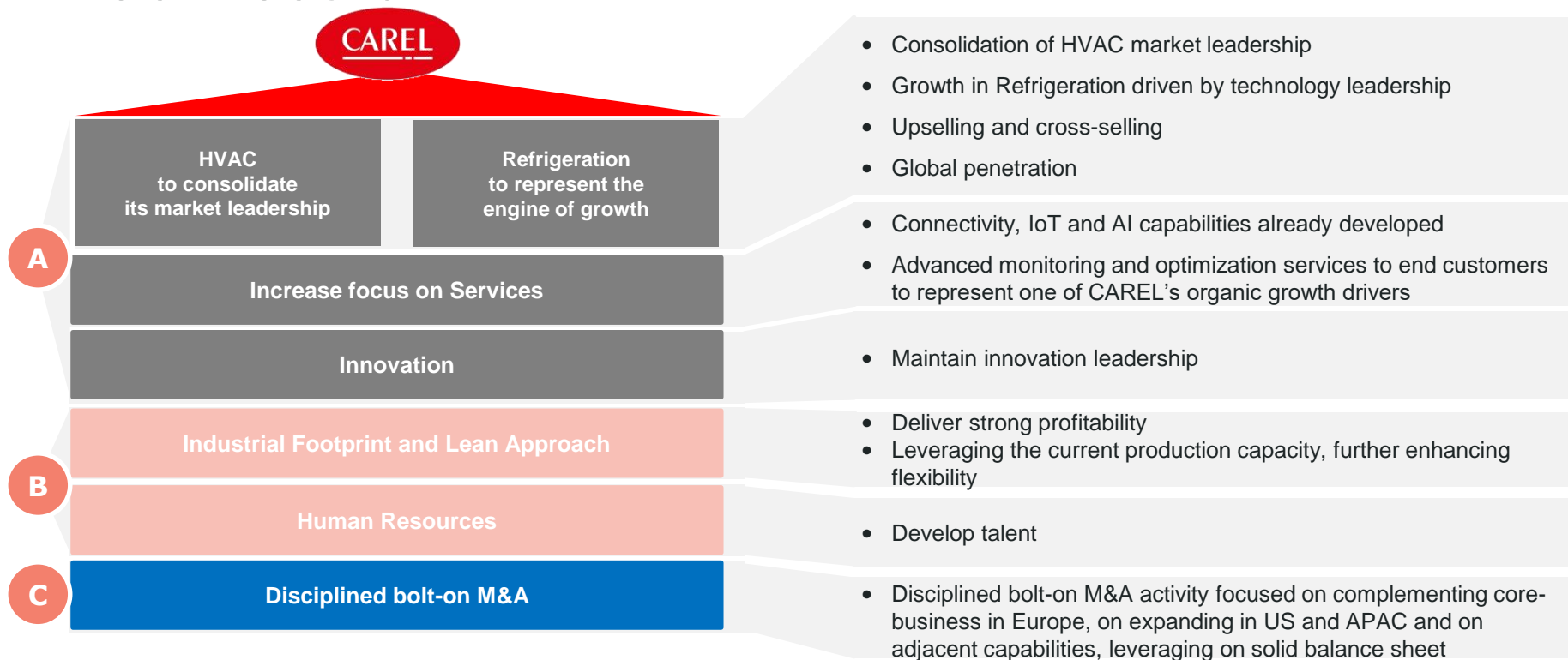
HIGH PROFITABILITY



Source: Company information as of Mar-22
 Note: financial data refer to consolidated accounts of CAREL Industries S.p.a. for the period 2011A-2021A (IFRS 2015A- 2020A; ITA GAAP 2011A-2014A) and CAREL S.p.a. for the period 2000A-2010A (ITA GAAP). Comparability might be affected by change in reporting standard and in consolidation perimeter.

Legend: R&D centre Plants Acquisitions of local distributors

Well-articulated strategies to continue the growth track record



CAREL general strategy for 2020-2023 will be oriented to the research for new innovative technological solutions with a major focus on energy saving, transition to natural refrigerants, widening high-efficiency solutions offer and geographical expansion

Leading provider of advanced energy efficient control solution



1 High-tech leader in attractive niches of the HVAC/R industry



High value applications

...CONSOLIDATED
IN **HVAC** PREMIUM NICHES

...INNOVATION-ORIENTED
IN **REFRIGERATION**

Deep knowledge of final applications is key

33%¹
European market share
in *Chillers*



In Europe

SIGNIFICANT ROOM FOR
FURTHER EXPANSION

Energy efficiency and high performance are critical

46%¹
European market share
in *Roof-tops*



In Europe

BREAK-THROUGH
INNOVATIONS

-50% kWh³
HEEZ energy consumption

Requirement for tailored and customizable solutions

41%¹
market share
In *CCU for Data Centers²*



Higher efficiency⁴
Rotary DC technology

Solutions accounting for a low percentage of the final equipment value

GROWING PRESENCE
Globally


Source: Company information as of Mar-18, BSRIA (Mar-17)
 Note: 1) 2016 market shares calculated on # of units based on BSRIA market data and management elaborations; 2) close control units for data centers in US, UK and Italy; 3) tested by third-party laboratory compared to Top-ten EU benchmarks; 4) compared to average semi-hermetic

2 Attractive market growth supported by secular trends


Secular trends...

...supporting attractive market growth


Reference HVAC and refrigeration Market

- 


GROWING POPULATION

 - Improvement in **LIVING STANDARDS** increasing demand for HVAC/R
- 

CHANGE IN CONSUMER HABITS

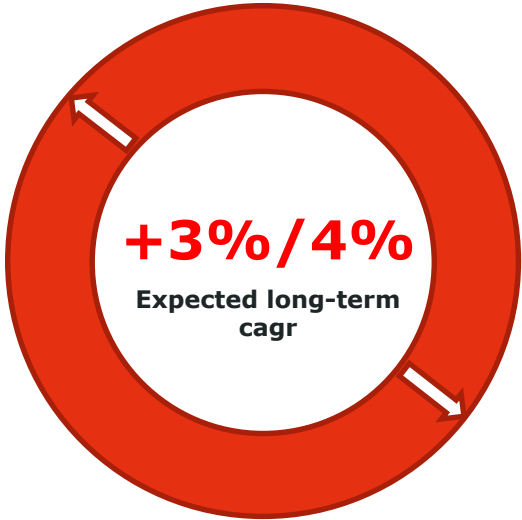
 - Focus on **WASTE REDUCTION** in food sector
 - Increase in number of convenience stores/**FRESH FOOD**
- 

GLOBAL GROWTH

 - **ECONOMIC ACTIVITY** driving demand for HVAC/R
- 

INTERNET OF THINGS

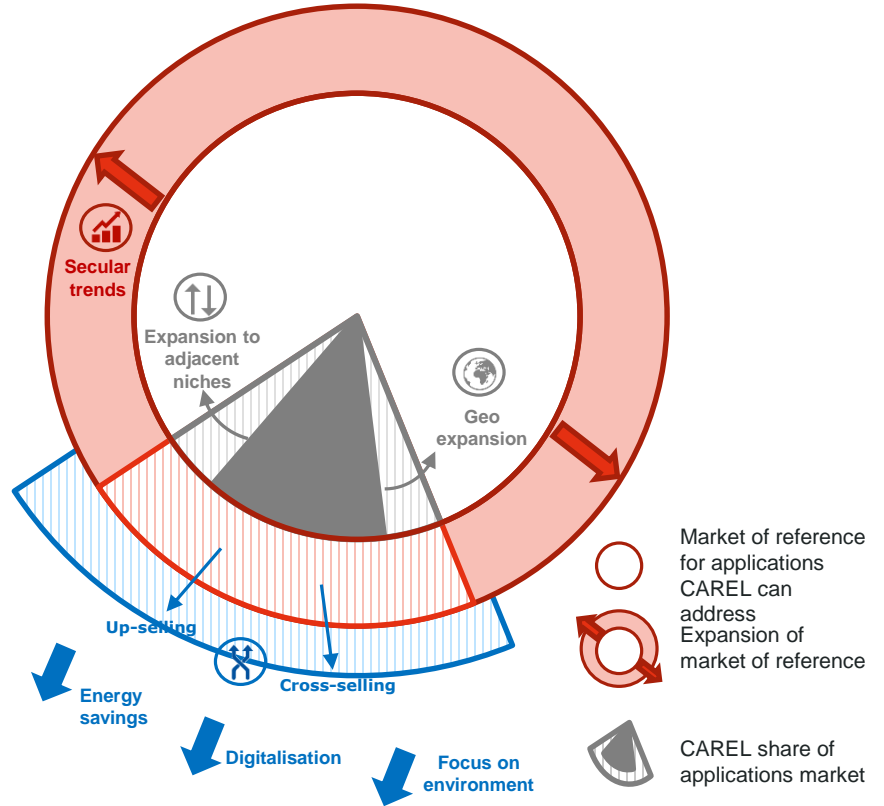
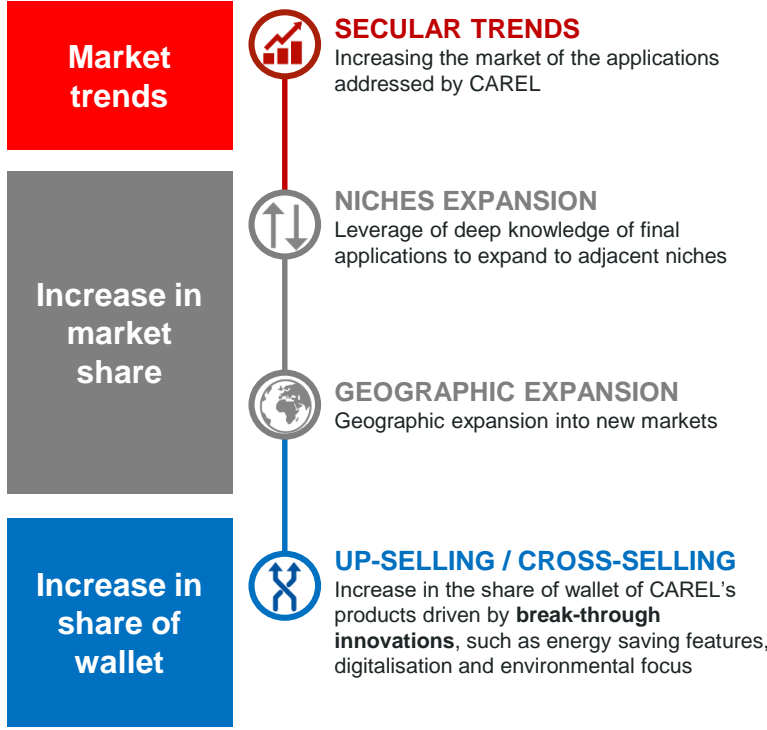
 - Increasing adoption of **AUTOMATION TECHNOLOGIES** and **CONNECTED SOLUTIONS**



Source: Company information

2 Growth is driven by market trends and focused strategic actions...

Growth drivers



2 ...and favoured by up-selling and cross-selling

FROM PRODUCT PLATFORMS TO INTEGRATED ELECTRONIC SOLUTIONS...

PRODUCT PLATFORMS



From a **COMBINATION OF PRODUCTS**
FROM DIFFERENT PLATFORMS



To an **ECOSYSTEM TO QUICKLY**
ADOPT NEW TECHNOLOGIES

SYSTEMS



...IN THE HVAC AND REFRIGERATION MARKETS

HVAC

Example of a **CHILLER UNIT**

Before

DC Technology

μchiller

CABEL APPLICA

Refrigeration

Example of a **BEVERAGE COOLER**

Before

DC

Heez

CABEL APPLICA

3 Positioning and innovation capability hard to replicate

~6% OF REVENUE¹

Invested annually in R&D

~12% OF TOTAL WORKFORCE

dedicated to R&D

5 R&D CENTRES

PROPRIETARY SOFTWARE

Vast library of proprietary software modules developed over the past 15 years: **maximizing customizations and reducing time-to-market**

COMBINING 5 DOMAINS

- Hardware & Firmware
- Software
- Mechanics
- Thermodynamics
- IoT

RESEARCH COLLABORATION

With Tier-1 Universities and Research Institutions

TECHNOLOGICAL PARTNERS

Cooperation with technology leaders



Timeline of awards (left side):

- Nov-13**: Electrolux Supplier Award
- Jan-16**: AHR Expo Innovation Award
- Apr-17**: China Refrigeration Innovation Award

Timeline of awards (right side):

- Sep-17**: World Beverage Innovation Award
- Oct-17**: RAC Cooling Industry Award
- Apr-18**: China Refrigeration Award

AWARD WINNING BUSINESS

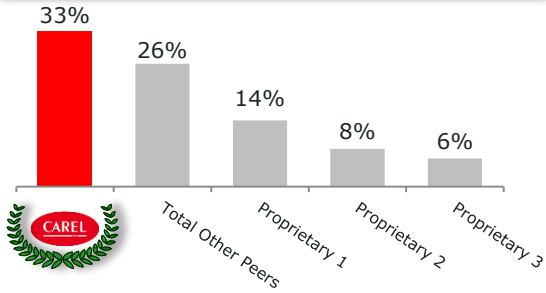
Source: Company information as of Mar1-22
Note: 1) avg. 2015A-21A

3 Leadership position in HVAC OEM premium niches...

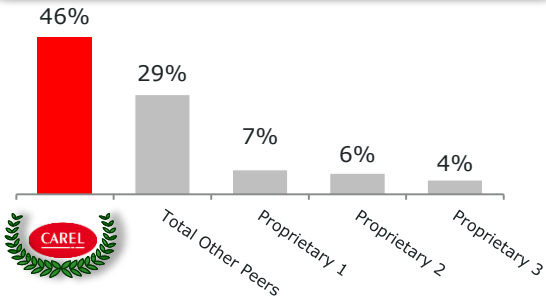
Leadership positioning in premium niches...

...with no perfect comparable

Chiller European Market Share¹



Rooftop European Market Share²







	CAREL	OEM proprietary solutions	Large diversified competitors	EM / Low cost competitors
Vertical niche approach	✓✓✓	✓✓	✓	✓✓✓
Innovation pace & knowledge of final applications	✓✓✓	✓	✓✓	✓✓
Integrated solutions	✓✓✓	✓	✓✓	✓
Global operations	✓✓✓	✓✓	✓✓✓	✓
Flexibility for tailored solutions	✓✓✓	✓✓	✓	✓✓✓
Economies of scale	✓✓✓	✓	✓✓	✓

Source: Management elaborations based on BSRIA data for the year 2016 (based on report dated Mar-17)
 Note: 1) Total other minor proprietary c.13%; 2) Total other minor proprietary c.8%

Leveraging on HVAC experience...

...CAREL is a leader in innovation

		CAREL	Large diversified competitors	EM / Low cost competitors
 HEOS SISTEMA Waterloo system with DC tech for refrigeration	2014			
 HECU SISTEMA High efficiency condensing unit control for multi-split refrigeration system	2015			
 HEEZ Control solution for refrigerated merchandiser with rotary DC tech	2017			
 EMJ Winner at China Refrigeration award 2018	2018			
		Vertical niche approach	✓✓✓	✓✓✓
		Innovation pace & knowledge of final applications	✓✓✓	✓
		Integrated solutions	✓✓✓	✓
		Global operations	✓✓✓	✓
		Flexibility for tailored solutions	✓✓✓	✓✓✓
		Economies of scale	✓✓✓	✓

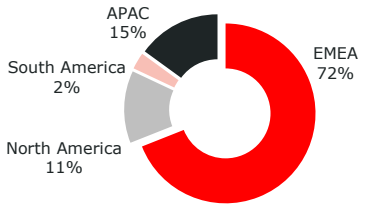
Source: Company info; Management elaborations

4 Highly efficient global operations serving locally...

GLOBAL PRODUCTION FOOTPRINT

DIRECT AND HIGHLY SKILLED SALES NETWORK

BEST POSITIONED TO CAPTURE GLOBAL GROWTH OPPORTUNITIES



Revenue 2021A breakdown by geography

Source: Company information at 31/12/2021

NORTH AMERICA

- 1** Plant
- 136** Employees
- 65** Sales force
- 1** R&D Centre

WESTERN EUROPE

- 6** Plants
- 989** Employees
- 190** Sales force
- 3** R&D Centre

NORTH APAC

- 1** Plant
- 282** Employees
- 81** Sales force
- 1** R&D Centre

SOUTH AMERICA

- 1** Plant
- 48** Employees
- 24** Sales force

RoEMEA

- 1** Plant
- 364** Employees
- 122** Sales force

SOUTH APAC

- 46** employees
- 46** Sales force

Legend: R&D centres Plants Commercial subsidiaries Affiliates

4 ...diversified blue-chip customers

GLOBAL BLUE-CHIP

HVAC

REFRIGERATION

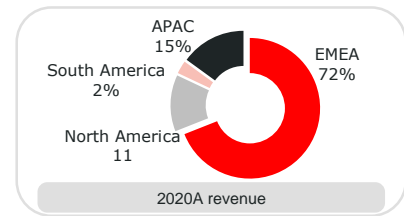
BROAD & HIGHLY DIVERSIFIED

>10,000
Customers

In **c. 100**
countries worldwide

<4%
from first customer¹

<20%
from top-15 customers²



LONG-TERM BUSINESS RELATIONSHIPS

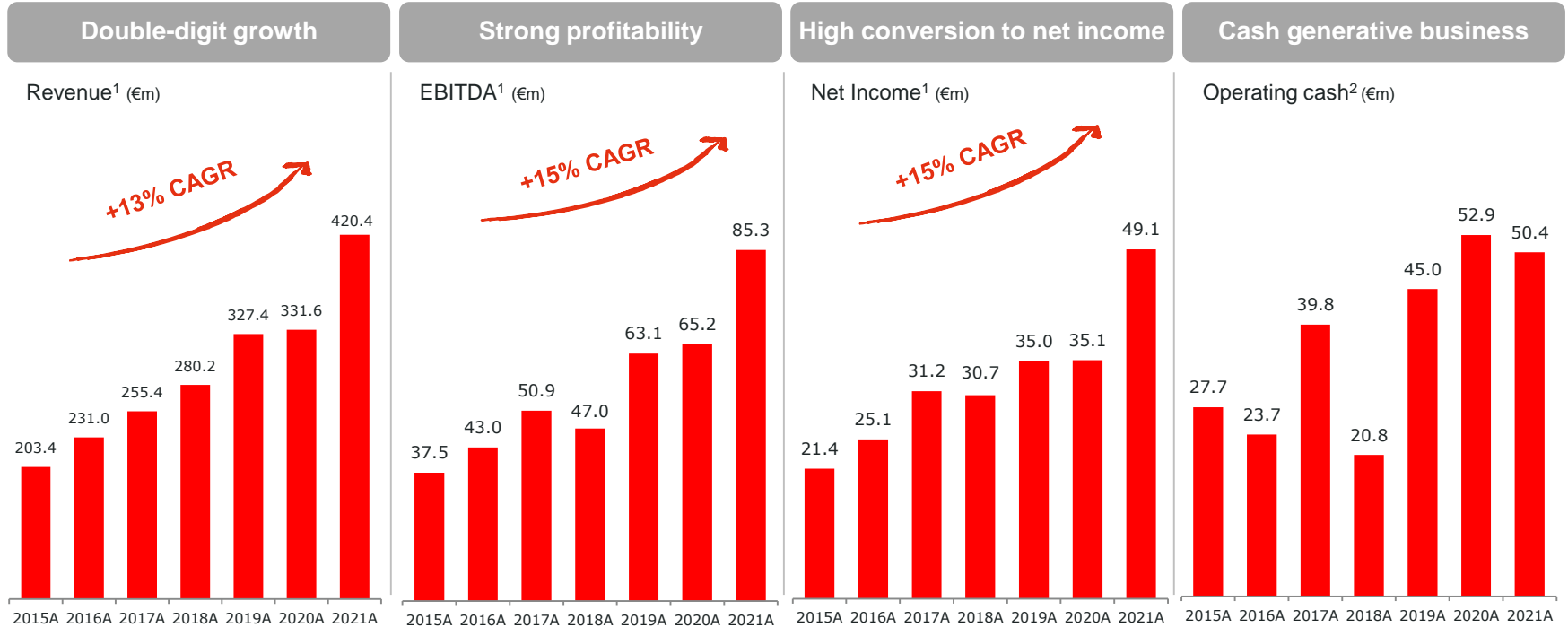
~80%
of Top Customers³
with CAREL for >10y

~70%
of Top Customers³
with CAREL for >10y

Well-established relationships oriented to preserve and enhance the CUSTOMER LIFE-TIME VALUE

Source: Company information as of Dec.21;
Note: 1) as% of 2021 Revenues 2) as of 2021 revenues for each market 3) Top 40 customers accounting for approx. 50% of total revenue for each market

5 Track record of profitable organic growth



Resulting in a solid balance sheet and strong value creation to shareholders

Source: Company information as of Mar-22
Note: 2015-2020 IFRS

Note: 1) Including the contribution from M&A and the impact of the non recurring IPO Costs (~8m€ in 2018) 2) Operating cash calculated as cash flow from operations - Capex;

6 A Global expansion, innovation and services



6 Pursuing external growth through disciplined bolt-on M&A



CAREL has performed **detailed analyses and scouting of potential targets**, thus promoting an **opportunistic approach** with a focus on **3 MAIN EXPANSION AREAS**:



M&A

M&A – 2021 – CFM



- **Company profile:** a long-standing **distributor and partner in Turkey** as well as a **provider of digital and on-field services** and complete high added value solutions dedicated to OEMs, contractors and end users in the Turkish HVAC (Heating, Ventilation and Air conditioning) and Refrigeration market.
- **Transaction structure:** Carel takes control of CFM through the acquisition of 51% of the share capital of the company The acquisition of the remaining 49% of CFM, the valuation of which is tied to CFM future results, is governed by a cross-option mechanism between the parties, exercisable between 2024 and 2027.

• Key Data:

- ✓ Enterprise value (51%) = 23.1m€
- ✓ 2020 Revenues = 14.5m€
- ✓ EBITDA = 5.0m€
- ✓ Employees = ~34

• Industrial fitting:

- ✓ Bolt-on acquisition
- ✓ Footprint expansion outside Western Europe
- ✓ Strong know-how in digital and on-field services

• Financial fitting:

- ✓ ~9x EV/EBITDA
- ✓ Low impact on Carel's NFP

M&A – 2021 – Enginia



- **Company profile:** Enginia has been operating in the AHU sector since 1997 and has grown year after year to become a recognized leader, particularly as regards the manufacture production of dampers for air handling units.
- **Rationale:** expansion of the product portfolio in the HVAC market, consolidating CAREL's role as a supplier of complete solutions to manufacturers of air handling units through advanced solutions in terms of performance and energy efficiency.
- **Transaction structure:** Carel, through its subsidiary Recuperator, acquired 100% of the share capital of Enginia.



• Key Data:

- ✓ Enterprise value* = 12.4m€
- ✓ 2020 Revenues = 12.3m€
- ✓ 2020 EBITDA = 1.5m€
- ✓ Employees = 46

• Industrial fitting:

- ✓ Bolt-on acquisition
- ✓ Completing CAREL's product range for AHU
- ✓ Significant synergies with CAREL/Recuperator

• Financial fitting:

- ✓ ~8x EV/EBITDA*
- ✓ Low impact on Carel's NFP

*The transaction included the real estate complex that houses the company's headquarters, which was valued separately.

M&A – 2018 – Recuperator



• **Key Data:**

- ✓ Cash-out for equity = 25.7m€
- ✓ Company positive net-cash = 6.9m€
- ✓ 2017 Revenues = 16.4m€
- ✓ EBITDA = 1.7m€
- ✓ Employees = ~60

• **Industrial fitting:**

- ✓ Small-size Company
- ✓ Complementary products
- ✓ Carel's commercial strength
- ✓ Cross-selling

• **Financial fitting:**

- ✓ ~11x EV/EBITDA vs. CAREL'S ~15x
- ✓ Net-Cash in the BS
- ✓ Low impact on Carel's NFP

M&A – 2018 – HygroMatik



HYGROMATIK[®]
WE HUMIDIFY THE AIR



WE HUMIDIFY THE AIR.



• **Key Data:**

- ✓ Cash-out for equity = 56.1m€
- ✓ Enterprise Value = 59.0m€
- ✓ 2017 Revenues = 15.0m€
- ✓ EBITDA = 4.7m€
- ✓ Employees = ~60

• **Industrial fitting:**

- ✓ Small-size Company
- ✓ Interesting geographic positioning
- ✓ Strong in after-sale services
- ✓ Cross-selling

• **Financial fitting:**

- ✓ ~12.5x EV/EBITDA vs. CAREL's ~15x
- ✓ HygroMatik NFP substantially neutral.

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