



SPAFID CONNECT

Informazione Regolamentata n. 2092-20-2018	Data/Ora Ricezione 07 Settembre 2018 15:04:00	MTA - Star
--	---	------------

Societa' : CAREL INDUSTRIES S.P.A.
Identificativo : 108196
Informazione
Regolamentata
Nome utilizzatore : CARELINDUSNSS01 - --
Tipologia : 3.1; 1.2
Data/Ora Ricezione : 07 Settembre 2018 15:04:00
Data/Ora Inizio : 07 Settembre 2018 15:04:01
Diffusione presunta
Oggetto : CAREL - BoDs approved 1H 2018 results

Testo del comunicato

Vedi allegato.

Press Release

The Board of Directors of the CAREL Industries Group approves the consolidated results of the first half of 2018

- Consolidated revenue of €138.79 million, up 9.1% compared with the first half of 2017 (+12.1% at constant exchange rates);
- EBITDA equal to €24.16 million (17.4% of revenue for the period), -8.4% compared with the first half of 2017;
- Consolidated adjusted EBITDA equal to €29.18 million (21% of revenue for the period), +10.6% compared with the first half of 2017;
- Consolidated net profit equal to €15.62 million (-7.6% compared with the net result for the first half of 2017);
- Adjusted net profit equal to €19.33 million (+14.3% compared with the first half of 2017)
- Consolidated net financial position positive by €15.23 million.

Brugine, 7 September 2018 – The Board of Directors of CAREL Industries S.p.A. ('CAREL', or the 'Company' or the 'Parent Company'), which met today, approved the results for the first half of 2018, according to the Consolidated Half-Year Financial Statements of the CAREL Industries Group (the 'CAREL Group' or the 'Group').

Francesco Nalini, Group CEO, stated: "The operating results recorded in the first half of 2018 are significantly positive. Turnover increased by 9.1% (12.1% at constant exchange rates), confirming the value of the main strategic guidelines which have steered and will continue to steer the Group's operations in the years to come: innovation, energy saving and customer focused approach. Other operating economic indicators (EBITDA and Net profit) would have posted a double-digit percentage increase, excluding non-recurring costs, of around €5 million, linked to the Company's listing on the STAR segment of Borsa Italiana (Italian Stock Exchange), which took place on 11 June 2018. The latter presents a new challenge and a significant opportunity for further growth, which we are ready to embrace with the commitment and enthusiasm that characterized CAREL since its establishment 45 years ago."

Revenue

Revenue totalled €138.79 million compared with €127.27 million as at 30 June 2017, up 9.1% year on year. The performance of several currencies in which the Group operates had a negative effect on this result, in particular the US dollar and the Brazilian real: at constant exchange rates the growth in Group revenue compared with 30 June 2017 would have been 12.1%.

This performance is a result of the positive trend recorded in both business segments in which CAREL operates – HVAC and Refrigeration – with increases, respectively, of +7.4% and +15.7%, demonstrating the excellent balance of the Group's business portfolio.

From a geographical perspective, at constant exchange rates, note an increase in all reference areas, except for a slight fall in the Asia – South Pacific area. The main drivers of these results can be found in CAREL's ability to take advantage of important cross-selling and up-selling opportunities, thanks to the process of continuous product innovation, where one of the main objectives is energy efficiency. Added to this is effective commercial action in the international mass retailing chains, which has had a positive impact mainly on the "Refrigeration" market.

Lastly, note that compared with the same period of the previous financial year, Alfaco Polska S.p.z.o.o. was fully consolidated following the Group taking control on 1 June 2017.

Table 1 Revenue by business area

	First half 2018	First half 2017	Variation %	FX variation %
HVAC revenue	85,375	79,488	7.4%	10.6%
REF revenue	49,859	43,110	15.7%	18.7%
Non-core revenue	3,560	4,670	-23.8%	-22.6%
Total	138,793	127,267	9.1%	12.1%

Table 2 Revenue by geographical area

	First half 2018	First half 2017	Variation %	FX variation %
Western Europe	72,997	64,821	12.6%	12.9%
Other European countries, Middle East and Africa	23,806	18,271	30.3%	30.7%
North America	17,194	18,600	-7.6%	3.3%
South America	3,712	4,169	-11.0%	0.8%
Asia Pacific South	5,789	6,434	-10.0%	-2.9%
Asia Pacific North	15,295	14,973	2.1%	6.8%
Total	138,793	127,267	9.1%	12.1%

EBITDA

Consolidated EBITDA as at 30 June 2018 stood at €24.16 million, equivalent to 17.4% of revenue for the period, a fall of 8.4% compared with the figure of €26.38 million recorded as at 30 June 2017. This decrease is entirely attributable to the non-recurring costs incurred in the first half of 2018 for listing on the STAR market of Borsa Italiana S.p.A. (the 'Listing'), equal to €5.02 million and mainly incurred by the Parent Company.

Excluding these costs, adjusted EBITDA actually stood at €29.18 million (equal to 21% of revenue for the period), an increase of 10.6% compared with the same period of the previous year (€26.38 million).

Net profit

The net result, equal to €15.62 million, was negatively impacted by the non-recurring effect of the above-mentioned Listing costs.

Excluding the latter, the (adjusted) net result stood at €19.33 million compared with €16.91 million for the first half of the previous year, with an increase of 14.3% for the period (+18.0% at constant exchange rates).

Consolidated net financial position

The net financial position was positive by €15.23 million compared with the positive figure of €40.24 million as at 31 December 2017.

This decrease is mainly due to the recording of payables for dividends yet to be distributed, equal to €20 million, and to the payment of dividends, which took place at the end of May 2018, equal to €10 million. As at 30 June 2018, the cash and cash equivalents at the Parent Company totalled €66.54 million.

Relevant facts occurred after 30 June 2018

The Shareholders' Meeting approved today an incentive plan for the free allocation of Carel ordinary shares called "Performance Shares Plan 2018–2022" reserved to certain beneficiaries, identified nominally and possibly in several occasions among executive directors, executives with strategic responsibilities and employees of the Company or of Company' subsidiaries for the strategic importance of the roles.

For more information about the Plan, please refer to the information document prepared pursuant to Article 114–*bis* of the TUF (Consolidated Finance Act) and Article 84–*bis* of the Issuers' Regulation available to the public at the registered office of the Company, at Borsa Italiana S.p.A., on the Company's website at the address www.carel.com in the section IR/Meeting documentation, as well as at the authorised storage facility "eMarket Storage" at the address www.emarketstorage.com.

Outlook for the management

The performance recorded at 30 June 2018 shows a growth in revenue of 9.1% (12.1% net of the exchange rate impact) in line with expectations, thanks also to the continuous implementation of the strategic guidelines that have historically oriented Group's actions: innovation, energy saving and Customer care.

This implementation will continue in the second half of the year together with the expansion plan of the industrial footprint of Carel through the further development of some production sites, including the Croatian, US and Chinese ones.

In absence of significant changes in the economic and sector scenario, the Group expects to maintain a trend of revenue growth for the second half of the year similar to that of the first. Excluding non-recurring costs linked to the listing on the Italian Stock Exchange, profitability (in terms of EBITDA margin) at the end of 2018 is expected to be in line with the one achieved in the previous year. All this should enable a cash generation able to confirm the financial soundness of the Group.

OTHER BOARD OF DIRECTORS RESOLUTIONS

Appointment of the investor relations manager

The CAREL Board of Directors meeting took note of the appointment of Giampiero Grosso as Group Investor Relations Manager, occurred in on the 27th of August 2018. Giampiero Grosso's CV is available on the website www.carel.com, in the Investor Relations section.

Implementation of the incentive plan called "Performance Shares 2018–2022"

The Board of Directors of CAREL proceeded to identify the beneficiaries of the incentive plan for the first vesting period, 2018–2020, also establishing the "Base Number of Shares" (as defined in the regulation of the Incentive Plan and in the Information Document drawn up pursuant to art. 114bis of the TUF and published pursuant to Article 84bis of the Issuers' Regulations) for the same vesting period, 2018–2020, for a total of approximately 0.07% of CAREL share capital.

International footprint expansion

The Board of Directors of CAREL has also approved the expansion project of the production plant in the United States in line with the roadmap of the Group's international expansion footprint.

CONFERENCE CALL

The results as at 30 June 2018 will be illustrated today, 7 September 2018, at 15.30 (CET) during a conference call to the financial community, which will also be the subject of a webcast in *listen only* mode at www.carel.com Investor Relations section.

The CFO, Giuseppe Viscovich, stated, pursuant to paragraph 2 of Article 154-bis of the Consolidated Finance Act, that the accounting information in this press release corresponds to the documented results, accounts and bookkeeping records. The Consolidated Half-Year Financial Statements will be filed in compliance with the law at the headquarters of the company (Via dell'Industria, 11 - Brugine) and at Borsa Italiana S.p.A., available to anyone who submits a request and they will also be available on the Company's website - www.carel.com.

For further information

INVESTOR RELATIONS

Giampiero Grosso – Investor Relations Manager
ir@carel.com
+39 049 9731961

Barabino & Partners IR
Stefania Bassi
s.bassi@barabino.it
+39 335 62 82 667
Francesco Faenza
f.faenza@barabino.it
+39 02 72 02 35 35

MEDIA RELATIONS

Barabino & Partners
Fabrizio Grassi
f.grassi@barabino.it
+39 392 73 92 125
Charlotte Nilssen
c.nilssen@barabino.it
+39 02 72 02 35 35

CAREL

The CAREL Group is a leader in the design, production and global marketing of technologically advanced components and solutions for excellent energy efficiency in the control and regulation of air conditioning ("HVAC") and refrigeration equipment and systems. CAREL is focused on several vertical niche markets with extremely specific needs, catered for with dedicated solutions developed comprehensively for these requirements, as opposed to mass markets.

The Group designs, produces and markets hardware, software and algorithm solutions aimed at both improving the performance of the units and systems they are intended for and for energy saving, with a globally recognised brand in the HVAC and refrigeration markets (overall "HVAC/R") in which it operates and, in the opinion of the Company management, with a distinctive position in the reference niches in those markets.

HVAC is the main Group market, representing 62% of the Group's revenue in the financial year ended 31 December 2017, while the refrigeration market accounted for 35% of the Group's revenue.

The Group commits significant resources to research and development ("Research and Development"), an area which plays a strategic role in helping it maintain its leadership position in the reference HVAC/R market niches, with special attention focused on energy efficiency, the reduction of the impact on the environment, trends relating to the use of natural refrigerant gases, automation and remote connectivity (the Internet of Things), and the development of data driven solutions and services.

The Group operates through 21 subsidiaries and 7 production plants located in various countries. As at 31 December 2017, 80% of the Group's revenue were generated outside of Italy and 51% outside of Western Europe.

Original Equipment Manufacturers or OEMs, suppliers of complete units for applications in the HVAC/R markets, make up the main category of the Company's customers on which the Group focuses to build long-term relations. As at 31 December 2017, over 80% of the Group's major customers in the HVAC market and more than 67% in the refrigeration market have been customers of CAREL for over 10 years. "Major customers" are defined as the 60 top customers in terms of sales in each market that, in total, have generated around 50% of the Group's revenue for each reference market.

The accounting statements of CAREL Industries S.p.A., in the process of being audited, are illustrated below.

Consolidated Statement of financial position (€'000)

	30.06.2018	Restated 31.12.2017
Property, plant and equipment	25,626	22,405
Intangible assets	12,976	13,031
Equity-accounted investments	370	327
Other non-current assets	1,674	1,648
Deferred tax assets	4,654	4,141
Non-current assets	45,300	41,552
Trade receivables	64,104	54,643
Inventories	45,846	37,773
Current tax assets	911	846
Other current assets	6,728	4,555
Current financial assets	11,022	47,076
Cash and cash equivalents	93,071	43,900
Current assets	221,684	188,793
TOTAL ASSETS	266,984	230,345
Equity attributable to the owners of the parent	103,427	118,068
Equity attributable to non-controlling interests	310	248
Total equity	103,737	118,316
Non-current financial liabilities	31,616	21,671
Provisions for risks	1,564	1,650
Defined benefit plans	5,610	5,687
Deferred tax liabilities	1,961	1,662
Non-current liabilities	40,750	30,671
Current financial liabilities	57,247	29,066
Trade payables	42,533	35,018
Current tax liabilities	5,235	2,279
Other current liabilities	17,481	14,995
Current liabilities	122,496	81,359
TOTAL LIABILITIES AND EQUITY	266,984	230,345

Consolidated Statement of profit or loss

<i>(€'000)</i>	First half 2018	First half 2017
Revenue	138,793	127,267
Other revenue	766	637
Costs of raw materials, consumables and goods and changes in inventories	(55,759)	(51,473)
Services	(25,488)	(18,155)
Capitalised development expenditure	1,066	662
Personnel expense	(34,710)	(31,797)
Other expense, net	(504)	(765)
Amortisation, depreciation and impairment losses	(4,175)	(3,902)
OPERATING PROFIT	19,990	22,475
Net financial income	66	227
Net exchange rate losses	(418)	(185)
Share of profit (loss) of equity-accounted investees	15	(117)
PROFIT BEFORE TAX	19,653	22,400
Income taxes	(4,030)	(5,484)
PROFIT FOR THE PERIOD	15,623	16,915
Non-controlling interests	27	26
PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE OWNERS OF THE PARENT	15,596	16,889

Consolidated Statement of comprehensive income

<i>(€'000)</i>	First half 2018	First half 2017
Profit for the period	15,623	16,915
Items that may be subsequently reclassified to profit or loss:		
- Fair value gains (losses) on hedging derivatives net of the tax effect	(9)	19
- Exchange differences	(286)	(3,147)
Items that may not be subsequently reclassified to profit or loss:		
- Actuarial gains on employee benefits net of the tax effect	63	-
Comprehensive income	15,391	13,787
attributable to:		
- Owners of the parent	15,360	13,804
- Non-controlling interests	31	(17)

Earnings per share

Earnings per share (in Euros)	0.16	0.17
-------------------------------	------	------

Consolidated Statement of cash flows

<i>(€'000)</i>	First half 2018	First half 2017
Profit for the period	15,623	16,915
Adjustments for:		
Amortisation, depreciation and impairment losses	4,175	3,894
Accruals to/utilisations of provisions	970	319
Non-monetary net financial income	(59)	(72)
Income taxes	5	-
	20,714	21,056
Changes in working capital:		
Change in trade receivables and other current assets	(11,961)	(8,906)
Change in inventories	(9,103)	(2,729)
Change in trade payables and other current liabilities	13,043	989
Change in non-current assets	(771)	218
Change in non-current liabilities	265	(475)
Cash flows generated from operations	12,187	10,154
Net interest paid	(254)	(243)
Net cash flows generated by operating activities	11,933	9,911
Investments in property, plant and equipment	(5,723)	(2,660)
Investments in intangible assets	(1,522)	(972)
Disinvestments of financial assets	36,223	-
Disinvestments of property, plant and equipment and intangible assets	86	96
Interest collected	245	-
Investments in equity-accounted investees	(40)	(0)
Business combinations net of cash acquired	-	(2,910)
Cash flows generated by (used in) investing activities	29,269	(6,447)
Acquisitions of non-controlling interests	0	(400)
Capital increases	31	-
Dividend distributions	(10,000)	-
Increase in financial liabilities	33,166	18,514
Decrease in financial liabilities	(15,177)	(20,272)
Cash flows generated by (used in) financing activities	8,020	(2,158)
Change in cash and cash equivalents	49,223	1,306
Cash and cash equivalents - opening balance	43,900	28,845
Exchange differences	(52)	(1,331)
Cash and cash equivalents - closing balance	93,071	28,820



Consolidated Statement of changes in equity

(€'000)

	Share capital	Legal reserve	Translation reserve	Hedging reserve	Other reserves	Retained earnings	Profit for the period	Equity	Equity att. to non-controlling interests	Total equity
Balance at 1.01.2017	10,000	2,000	8,019	24	23,594	37,643	25,114	106,393	841	107,235
Owner transactions										
- Allocation of profit for the period	-	-	-	-	26,637	(1,523)	(25,114)	-	-	-
- Dividend distributions	-	-	-	-	(15,000)	-	-	(15,000)	-	(15,000)
- Change in consolidation scope	-	-	-	-	-	150	-	150	(550)	(400)
Total owner transactions	10,000	2,000	8,019	24	35,231	36,270	-	91,544	291	91,835
- Profit for the period	-	-	-	-	-	-	16,889	16,889	26	16,915
- Other comprehensive income (expense)	-	-	(3,104)	19	-	-	-	(3,085)	(43)	(3,128)
Total other comprehensive income (expense)	-	-	(3,104)	19	-	-	16,889	13,804	(17)	13,787
Balance at 30.06.2017	10,000	2,000	4,915	43	35,231	36,270	16,889	105,347	275	105,622
Balance at 1.01.2018	10,000	2,000	3,430	33	35,195	36,192	31,218	118,068	248	118,316
Owner transactions										
- Allocation of profit for the period	-	-	-	-	27,612	3,606	(31,218)	-	-	-
- Capital increases	-	-	-	-	-	-	-	-	31	31
- Dividend distributions	-	-	-	-	(30,000)	-	-	(30,000)	-	(30,000)
- Change in consolidation scope	-	-	-	-	-	-	-	-	-	-
Total owner transactions	10,000	2,000	3,430	33	32,807	39,798	-	88,068	279	88,348
- Profit for the period	-	-	-	-	-	-	15,596	15,596	27	15,623
- Other comprehensive expense	-	-	(290)	(9)	63	-	-	(236)	4	(232)
Total other comprehensive expense	-	-	(290)	(9)	63	-	15,596	15,360	31	15,391
Balance at 30.06.2018	10,000	2,000	3,140	24	32,870	39,798	15,596	103,427	310	103,737

Fine Comunicato n.2092-20

Numero di Pagine: 10