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report

Testo del comunicato

Vedi allegato.

Press Release

The Annual Shareholders Meeting of Carel Industries S.p.A. approved the 2018 Annual Report and the proposed dividend of EUR 0.1 per share.

Brugine, 15 April 2019 – Today the ordinary Annual Shareholders Meeting of Carel Industries S.p.A. (**'Carel'** or the **'Company'**) approved the Company's 2018 Annual Report and the allocation of the net profit for 2018 of EUR 23,987,058.00 as follows:

- **distribution to the shareholders of a dividend of EUR 0.1 per share, gross of withholdings required by law, with ex-dividend date of 24 June 2019, record date of 25 June 2019, and date of payment of 26 June 2019;**
- **allocation of the balance to other reserves.**

Consolidated results as of 31 December 2018

- **Consolidated revenues of EUR 280.22 million, up 9.7% compared with 2017 (+11.4% at constant exchange rates);**
- **Consolidated EBITDA equal to EUR 46.99 million (16.8% of revenues for the period), -6.7% compared with 2017;**
- **Consolidated adjusted EBITDA equal to EUR 55.21 million (19.7% of revenues for the period), +8.5% compared with 2017;**
- **Consolidated net result equal to EUR 30.75 million (-1.3% compared with the net result for 2017);**
- **Consolidated adjusted net result equal to EUR 37.52 million (+18.9% compared with 2017)**
- **Consolidated net financial position negative at EUR -59.13 million.**

Revenue

Revenue totalled EUR 280.22 million (including the contribution from the full consolidation of Recuperator S.p.A. from 23 November 2018, Hygromatik GmbH from 30 November 2018 for a total of around EUR 2.1 million plus that of Alfaco Polska S.p.z.o.o., equal to EUR 3.0 million following the Group gaining control on 1 June 2017) compared with EUR 255.45 million as at 31 December 2017, a year-on-year percentage increase of +9.7%. 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 would have been 11.4%. This performance confirms the good balance and resilience of the Group's business portfolio as well as the effectiveness of the strategic decisions taken.

The sector which recorded the highest growth is refrigeration which, in absolute terms, reported an increase of around EUR 14 million (+15.5% compared with the same period of the previous year), related to Carel's capacity to exploit significant business opportunities thanks to innovative content of its products and a strong presence in all communication and sales channels. Added to this is the important contribution of the HVAC sector, whose positive change exceeded EUR 13 million (+8.3% compared with 2017) also due to the timely use of the leverage of up-selling and cross-selling partly made possible by the long-term relationship the Group enjoys with a large number of its customers. In addition to organic growth in HVAC there is the contribution from the above-mentioned acquisitions of Hygromatik and Recuperator.

Table 1 Revenue by business area (*thousands of euro*)

	31.12.2018	31.12.2017	Variation %	FX variation %
HVAC revenue	171,684	158,481	8.3%	9.9%
REF revenue	102,289	88,538	15.5%	17.6%
Total core revenue	273,973	247,019	10.9%	12.7%
Non-core revenue	6,247	8,430	-25.9%	-25.4%
Total revenue	280,220	255,449	9.7%	11.4%

Table 2 Revenue by geographical area (*thousands of euro*)

	31.12.2018	31.12.2017	Variation %	FX variation %
Western Europe	143,108	125,677	13.9%	14.0%
Other European countries, Middle East, Africa	47,528	41,265	15.2%	15.6%
North America	35,512	34,655	2.5%	7.2%
South America	7,479	8,260	-9.5%	1.8%
Asia Pacific South	12,930	12,895	0.3%	5.2%
Asia Pacific North	33,663	32,697	3.0%	5.8%
Net revenue	280,220	255,449	9.7%	11.4%

EBITDA

Consolidated EBITDA as at 31 December 2018 stood at EUR 46.99 million, equivalent to 16.8% of revenue for the period, a fall of 6.7% compared with the figure of EUR 50.34 million recorded as at 31 December 2017. This decrease is attributable to several negative non-recurring entries, the main one being listing on the STAR segment of Borsa Italiana S.p.A. (the 'Listing'), equal to EUR 5.9 million, plus the costs related to important M&A transactions concluded in the year and several allocations to risk provisions.

Excluding these elements, adjusted EBITDA actually stood at EUR 55.21 million (equal to 19.7% of revenue for the period), an increase of 8.5% compared with the previous year.

This positive performance follows the increase in revenue and features significant efficiency measures which made it possible to offset the greater recurring costs mainly associated with the above-mentioned listing, the expansion of the Group's international footprint, plus the negative effect of foreign exchange rates and the ongoing shortage of electronic components.

Net result

The net result was EUR 30.75 million (including the contribution from the application of the regulation on the "Patent-box", equal to around EUR 2.1 million). Excluding the impact of the non-recurring items already mentioned in the analysis of EBITDA, the (adjusted) net result stands at EUR 37.52 million compared with EUR 31.55 million last year, an 18.9% increase.

Consolidated net financial position

The net financial position was negative by EUR 59.13 million compared with the positive figure of EUR 40.24 million as at 31 December 2017.

This performance is mainly due to the impact of the acquisition of Recuperator S.p.A. and Hygromatik GmbH, which had a weighting of around EUR 78 million. Excluding these items, the net financial position would have been positive thanks to the healthy cash generation. The latter had a beneficial effect on the rising operating results, which made it possible to cover both greater investment and an increase in net working capital mainly due to higher inventory level related to the global shortage of electronic components.

OTHER RESOLUTIONS BY THE ORDINARY ANNUAL SHAREHOLDERS MEETING

Remuneration Report

The Annual Shareholders Meeting expressed a favourable opinion of the first section of the Remuneration Report pursuant to Art. 123-ter, paragraph 6, of Legislative Decree No. 58/1998.

Revocation and new authorization of the purchase and disposal of treasury shares

The Annual Shareholders Meeting revoked, for the part not yet carried out, the authorization of the purchase and disposal of treasury shares, given to the Board of Directors of the Company by the Shareholders Meeting by the resolution dated 7 September 2018.

It simultaneously granted the Company's Board of Directors a new authorization for the purchase and disposal of treasury shares in one or more tranches, up to a maximum number which, considering the treasury shares in the portfolio of the Company and its subsidiaries from time to time, may not collectively exceed 5,000,000 (five million) shares, equal to 5% of the Company's share capital, with the following purposes: (i) to comply with obligations arising from stock incentive plans approved by the Company and addressed to the members of the Company's governing bodies and/or employees or those of its subsidiaries; (ii) to carry out transactions in support of market liquidity to thereby facilitate due progress of the trading outside the normal variations associated with the market trend; and (iii) to undertake sale, exchange, trade-in, contribution transactions or other acts of disposal of treasury shares to acquire equity stakes and/or properties and/or enter into agreements (including of a commercial nature) with strategic partners and/or implement industrial projects or extraordinary finance transactions that fall within the expansion goals of the Company and of the Carel Group.

The authorization to purchase treasury shares is requested for the maximum duration laid down by Article 2357, paragraph 2 of the Italian Civil Code, i.e. 18 months from the resolution passed today.

The purchase of treasury shares will take place within the limits of the distributable profits and available resources presented in the most recent financial statements duly approved at the time of execution of each transaction, (i) at a price no more than 20% above or below the reference price recorded of the stock during the Stock Exchange session on the day preceding each individual transaction, and in any event (ii) for a consideration that does not exceed the higher of the price of the last independent transaction and the price of the highest current independent bid offer present at the trading facility where the purchase is made.

The Company currently holds 83,335 treasury shares, representing 0.0833% of the share capital.

The Annual Shareholders Meeting also authorized the Company's Board of Directors - for the same purposes as set out above - to make disposition (in whole or in part, on one or more occasions) of the treasury shares in portfolio pursuant to Art. 2357 of the Italian Civil Code, without any time limit, even before having reached the maximum number of shares that may be purchased and repurchasing the said shares, where applicable, provided that the treasury shares held by the Company - and, where applicable, by its subsidiaries - do not exceed the limit set in the authorization.

The resolution was also passed with the vote in favour of the majority of the shareholders of Carel Industries S.p.A. present at the Annual Shareholders Meeting, other than shareholders who separately or collectively hold the majority interest, including in relative terms, provided that it exceeds ten (10) percent (i.e. Luigi Rossi Luciani S.a.p.a. and Luigi Nalini S.a.p.a.), and the exemption under Art. 106, paragraphs 1, 1-bis and 1-ter, to the extent applicable, and Art. 3 of the Consolidated Finance Act and Art. 44-bis, paragraph 2, of the Issuers Regulation therefore applies in respect of the aforesaid shareholders.

Appointment of Professor Giovanni Costa to the position of member of the Board of Directors of Carel Industries S.p.A.

The Annual Shareholders Meeting, having acknowledged that Director Giovanni Costa - co-opted under Article 2386, first paragraph, of the Italian Civil Code and Article 17 of the Company's Articles of Association at the Board of Directors' meeting of 25 January 2019 to replace Director Corrado Sciolla - ceases to hold office as Director on today's date, resolved to re-appoint, with the legal majorities and without applying the "vote by slate" mechanism, the same Giovanni Costa as Company Director, stipulating that he will hold office until the end of the term of the other Directors currently in office and, accordingly, until the date of the Shareholders' Meeting convened to approve the financial statements as of and for the financial year ending on 31 December 2020.

Consolidated Non-Financial Report

The ordinary Annual Shareholders Meeting acknowledged the 2018 Consolidated Non-Financial Report drafted in accordance with Legislative Decree No. 254 of 30 December 2016.

It bears recalling that the Annual Financial Report of Carel Industries as of and for the year ended 31 December 2018 approved by the Annual Shareholders Meeting, including, *inter alia*, the separate and consolidated financial statements, together with the Consolidated Non-Financial Report, the Corporate Governance and Ownership Structure Report, the reports of the Board of Statutory Auditors and the independent auditors and the Board of Directors' reports on the other items on the agenda are available to the public from the Company's registered offices and the website www.carel.it. The additional documentation set out in Art. 77, paragraph 2-*bis*, of the Issuers Regulation is available from the public from the registered office.

In accordance with applicable legislation, a condensed tally of the votes, containing the number of shares represented at the Annual Shareholders Meeting and the shares for which the vote was cast, the percentage of capital represented by the said shares, the number of votes in favour of and against the resolution and the number of abstentions will be made available to the public within five days of the date of the Annual Shareholders Meeting on the Company's website. The minutes of the Annual Shareholders Meeting will be made available to the public within 30 days of the date of the Annual Shareholders Meeting according to the same methods.

RESOLUTIONS PASSED BY THE BOARD OF DIRECTORS OF CAREL INDUSTRIES S.P.A

Verification of satisfaction of independence requirements by Professor Giovanni Costa in the position of member of the Board of Directors of Carel Industries S.p.A.

During its session today following the aforementioned ordinary Annual Shareholders Meeting, the Board of Directors of Carel Industries S.p.A. verified, on the basis of the information provided by the person in question and available to the Company, that Professor Costa meets the requirements laid down in Art. 148, paragraph 3, of the Consolidated Finance Act and Art. 3 of the Corporate Governance Code for Listed Companies.

Professor Giovanni Costa thus assumes the position of non-executive, independent director, as well as that of Lead Independent Director, in addition to sitting on the Remuneration Committee and Control and Risks Committee.

To the best of the Company's knowledge, Professor Giovanni Costa did not hold any shares of Carel Industries S.p.A. on today's date.

Giovanni Costa is professor emeritus of Business Strategy and Company Organization at the University of Padua, where he taught from 1996 to 2017. He has provided business consultancy service for many years, participating in management development projects at Italian and international companies and public administrations, in addition to serving in governance roles at various companies and entities. He is currently a member of the Board of Directors of Intesa Sanpaolo and Edizione S.r.l.

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.

For further information

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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 heating, ventilation and 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 (collectively, "HVAC/R") in which it operates and, in the opinion of the Company management, with a distinctive position in the relevant niches in those markets.

HVAC is the main Group market, representing 61% of the Group's revenues in the financial year ended 31 December 2018, while the refrigeration market accounted for 37% of the Group's revenues.

The Group commits significant resources to 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 23 subsidiaries and nine production plants located in various countries. As of 31 December 2018, approximately 80% of the Group's revenue was generated outside of Italy and 49% 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 relationships.

Fine Comunicato n.2092-27

Numero di Pagine: 7