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Testo del comunicato

Vedi allegato.

Press Release

The Board of Directors examines the possible impacts of the COVID-19 emergency.

Brugine, 26 March 2020 - Following the evolution of the pandemic called COVID-19 (Coronavirus) and adopting the Recommendations issued by ESMA (European Securities and Market Authority), today, the Board of Directors of CAREL Industries S.p.A. ("Carel" or the "Company") examined the impacts of the current situation linked to the health emergency due to the pandemic.

In February 2020, production activities were stopped for about a week at the plant in China in the wake of countrywide restrictions imposed by the Chinese authorities to deal with the COVID-19 (Coronavirus) emergency. The Group acted quickly and transferred part of the production to other plants during that period. The Chinese plant is even now rapidly returning to full operation.

In Italy, the spread of the virus has led to production being halted from March 26 until April 3 at the earliest at the factory in Brugine (where the parent company operates) and a reduction in production capacity at the factory in Rescaldina (where Recuperator operates), in compliance with the government's new restrictions. All other production plants in Croatia, North America, South America, China and Germany are in operation; currently, the transfer of goods between plants, to commercial branches and to end customers has not been disrupted. The Group is now striving to increase production in Croatia and China to make up for the shutdown of the Brugine plant.

In economic terms, the spread of Covid-19 in the first two months mainly impacted the Asian region, which saw a decrease in revenues.

At the time of writing, the Group has sufficient liquidity, in line with the end of the year value, to guarantee flexibility should the macroeconomic situation deteriorate. Geographical diversification, and of the sectors in which the Group operates, is considered to have mitigated this risk.

Nevertheless, the continued spread of the virus worldwide and the strict measures adopted by all governments to counteract further contagion are affecting the prospects for future macroeconomic growth, with probable repercussions on the domestic situation in Italy and abroad.

These factors of instability have been deemed not to require adjustments to the financial statements (non-adjusting events) - pursuant to IAS 10 § 21.

The Directors are constantly monitoring these factors of uncertainty and, as a precaution, they have developed a risk mitigation plan focusing on strategic supplies, the accurate assessment of expenditure and investments and the frequent monitoring of collections. However, it is not yet possible to predict the development of this phenomenon and the consequences for the macroeconomic situation, nor can any impact be identified that would give rise to adjustments to the values recorded for the Group's assets and liabilities.

Specifically, these factors of uncertainty could have an affect mainly, but not exclusively, on those entries in the financial statements that are subject to evaluation, for the description of which refer to the section "Use of estimates" and "Impairment test" of the Explanatory Notes of the consolidated Financial Statement at 31 December 2019. Moreover, it is made clear that, although the turbulence on the financial markets caused by the emergency has brought a sharp and generalized fall in the prices of equity securities, which saw a significant reduction in the value of the Company's shares compared to 31 December 2019, the current value is higher than both the values implicit in the consolidated shareholders' equity at 31 December 2019 and the initial investment values, and broadly supports the book values of the Group's net assets.

The Board of Directors of CAREL approved the 2019 Financial Report on the 5th of March 2020. However, by adopting the recommendations issued by ESMA above, in the meeting held today it resolved to change its contents, substantially including the information reported above, in particular, in the paragraph "Significant events after 31 December 2019". Further information, where necessary, will be disclosed in subsequent interim financial reports.

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 66% of the Group's revenues in the financial year ended 31 December 2019, while the refrigeration market accounted for 33% 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 24 subsidiaries and nine production plants located in various countries. As of 31 December 2019, approximately 80% of the Group's revenue was generated outside of Italy and 30% outside EMEA (Europe, Middle East, Africa).

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.

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