



CAREL

# CAREL INDUSTRIES S.p.A. 2022 – H1 Results

4<sup>th</sup> August 2022

# H1 2022 – Highlights

**Q2 2022 is the sixth consecutive quarter in which CAREL reported a double digit organic revenues growth. These very solid results, characterized by a demand that remains strong both in HVAC and in Refrigeration were achieved in spite of a persistent challenging scenario in the supply chain.**

**+29.0%**  
Revenues growth  
rate

- Excluding the positive impact of the exchange rates, and the contribution coming from the acquisition of CFM and Enginia (~16m€) **the organic revenues growth rate reported is +18.2%.**
- **Q2 2022 organic revenues growth** (LFL at constant exchange rate) equal to 15.0%, standing in the highest end of the guidance given in May.
- Supply chain challenging scenario exacerbated by the **lock-downs in China** due to a resurgence of COVID-19 epidemic.

**21.5%**  
EBITDA margin

- **EBITDA margin equal to 21.5%:** higher both on FY 2021 and on Q1 2022 level.
- **The full deployment** of the effects deriving from **previous price-list increases** and the **positive operating leverage** effects partly offset higher raw materials costs due to the shortage.

**2**  
M&A transactions

- **M&A pipeline remains active.** During H1 2022 CAREL completed **two bolt-on transactions:**
  - Acquisition of 70% of the share capital of Sauber
  - Acquisition of a further 30% stake in Arion

# M&A – 2022 – Sauber

**SAUBER**<sup>®</sup>  
AUTOMATION  
AND ELECTRICAL



- **Company profile:** Sauber is based in Porto Mantovano (Mantua) and is active mainly in the sector of on-field installation and maintenance services for HVAC/humidification systems in commercial and residential buildings, with a **strong focus on energy saving and optimization.**
- **Rationale:** the transaction can be traced back to the implementation of one of the main pillars of CAREL's strategy of strengthening its services area (digital, on-field and consulting) both by internal activities and through acquisitions.
- **Transaction structure:** Carel takes over control of Sauber through the acquisition of 70% of its share capital. The acquisition of the remaining 30%, the valuation of which is tied to Sauber future results, is governed by a cross-option mechanism between the parties, exercisable in 2025.

## • Key Data:

- ✓ Equity value (70%) = 3.6m€
- ✓ 2021 Revenues = 7.6m€
- ✓ EBITDA = 0.8m€
- ✓ Employees = ~55

## • Industrial fitting:

- ✓ Bolt-on acquisition
- ✓ Strong know-how in on-field services and energy savings
- ✓ Strong possible synergies with lot/Digital services provided by CAREL

## • Financial fitting:

- ✓ ~7x EV/EBITDA
- ✓ Low impact on Carel's NFP

# M&A – 2022 – Arion



- **Company profile:** Arion is the joint venture based in Bolgare (Bergamo Province - Italy), established in 2015 between CAREL and Bridgeport S.p.A. with the aim of developing sensor technology expressly dedicated to the air conditioning and refrigeration sectors.
- **Rationale:** The transaction is consistent with the Group's long-term strategy since the use of increasingly advanced sensors will make the equipment more efficient, more reliable and more connected with the eco-system in which they are inserted, also facilitating the activation of digital services.
- **Transaction structure:** Carel acquired a further 30% of the share capital of Arion reaching a 70% stake.



- **Key Data:**

- ✓ Equity value (30%) = 1.2m€
- ✓ 2021 Revenues = 2.7m€
- ✓ 2020 EBITDA = 0.5m€
- ✓ Employees = 6

- **Industrial fitting:**

- ✓ Bolt-on acquisition
- ✓ Enabler of digital services
- ✓ Focus on those applications presenting higher growth trends
- ✓ Secure supply-chain in critical technology

- **Financial fitting:**

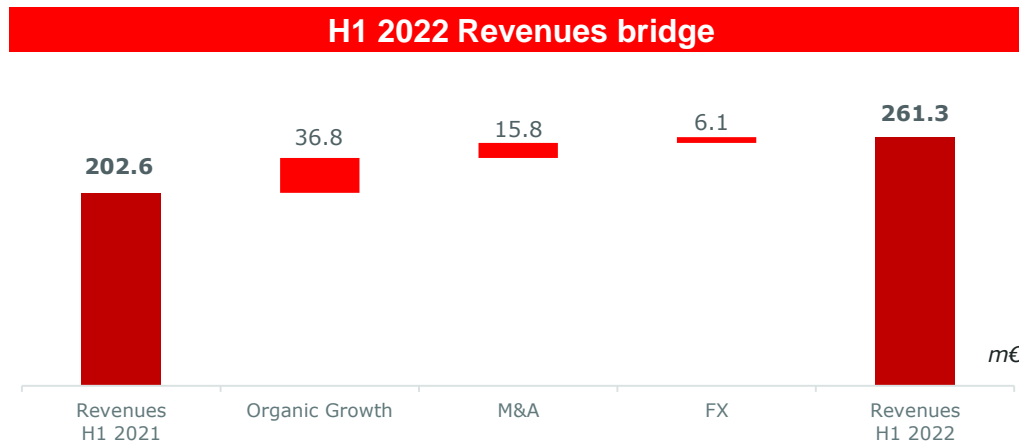
- ✓ ~7x EV/EBITDA\*
- ✓ Low impact on Carel's NFP

# H1 2022 – Results

KPIs				
	m€	H1 2021	H1 2022	Δ%
Revenue		202.6	261.3 <sup>(1)</sup>	29.0%
Revenue FX Adj.		202.6	255.3	26.0%
Revenue (no M&A)		202.6	245.5	21.2%
EBITDA		44.1	56.1 <sup>(2)</sup>	27.2%
<i>EBITDA/Revenue</i>		21.8%	21.5%	
Net Profit		26.8	34.8	29.7%
Capex		6.9	8.9	29.0%

<sup>(1)</sup> Including ~ 15.8m€ from the inclusion of CFM and Enginia in the consolidation perimeter

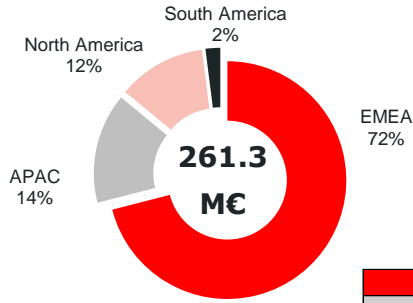
<sup>(2)</sup> Including approx. 3.8m€ from the inclusion of CFM and Enginia in the consolidation perimeter



- **Revenue +29.0%:** In spite of the challenging scenario (supply chain tensions, cost inflation, slow-down in global economy), the company managed to grow organically close to 20% (+18.2%), thanks to the excellent execution of its multi-year strategic guidelines, including the pursuit of resilience and production flexibility. It is worth noting that the growth rate reported in H1 2021 was already very high (+26%)
- **EBITDA +27.2%:** The very positive results reported in revenues were reflected in the EBITDA growth rate. Q2 2022 EBITDA margin close to 22% thanks to the full deployment of previous price-list increases, along with operating leverage which helped in recovering part of the raw material cost inflation.
- **Net Profit +29.7%:** benefitting from the operating results. Higher Tax-rate (21.4%) compared to what reported in H1 2021 (19.9%) due to a different country mix.
- **Capex:** higher capex including the new plant in Croatia.

# H1 2022 – Revenue breakdowns

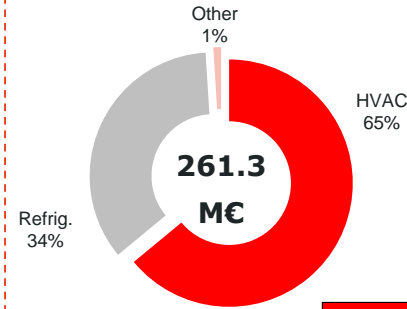
## Breakdown by region



Area	m€	m€	Δ%	Δ% fx
EMEA	147.0	187.1	27.3%	27.3%
APAC	29.8	36.3	21.9%	13.4%
Americas (North)	21.5	31.8	48.1%	34.7%
Americas (South)	4.4	6.1	39.8%	24.3%
<b>Total Revenue</b>	<b>202.6</b>	<b>261.3</b>	<b>29.0%</b>	<b>26.0%</b>

- **EMEA** – Robust growth rate reported also in Q2 2022, in spite of the raw material shortage still affecting the business. H1 2022 LFL growth rate equal to 19%
- **APAC** – The deceleration in the growth rate of the area is attributable to the prolonged and strict numerous lock-downs in China. Very positive results instead in South APAC (>20%)
- **Americas (North)** – Even excluding M&A contribution and the positive FX impact, the growth rate reported would have been higher than 20%.
- **Americas (South)** – Growth rate acceleration in Q2 2022 thanks also to seasonality in Refrigeration sector.

## Breakdown by sector



Sector	m€	m€	Δ%	Δ% fx
HVAC	129.7	171.4	32.1%	28.9%
Refrig.	70.6	87.5	23.9%	21.2%
<b>Core Revenue</b>	<b>200.3</b>	<b>258.9</b>	<b>29.2%</b>	<b>26.2%</b>
No core	2.3	2.5	7.5%	7.3%
<b>Total Revenue</b>	<b>202.6</b>	<b>261.3</b>	<b>29.0%</b>	<b>26.0%</b>

- **HVAC: Excellent growth confirmed** (~20% excluding M&A and FX), driven by a strong demand across the board already experienced in the last quarters (particularly strong in heat pumps, Indoor air quality and data centers).
- **Refrigeration: Excluding M&A and FX the growth rate would have been ~16%**. The slow-down in growth reported in Q2 2022 is linked to the very strong results reported in Q2 2021 and not to a deceleration in **demand, which remains robust**.

# From EBITDA to Net Profit

	K€	H1 '21	<b>H1 '22</b>	Δ%
EBITDA		44,123	<b>56,106</b>	27.2%
	D&A	-9,669	<b>-11,168</b>	
EBIT		34,454	<b>44,938</b>	30.4%
	<i>Financial (charges)/income</i>	-1,130	<b>-1,540</b>	
	<i>FX gains/losses</i>	-255	<b>-153</b>	
	<i>Companies consolid. with Eq. . Methods</i>	618	<b>2,363</b>	
EBT		33,688	<b>45,608</b>	35.4%
	<i>Taxes</i>	-6,701	<b>-9,756</b>	
	<i>Minorities</i>	-145	<b>-1044</b>	
Group net profit		26,843	<b>34,809</b>	29.7%

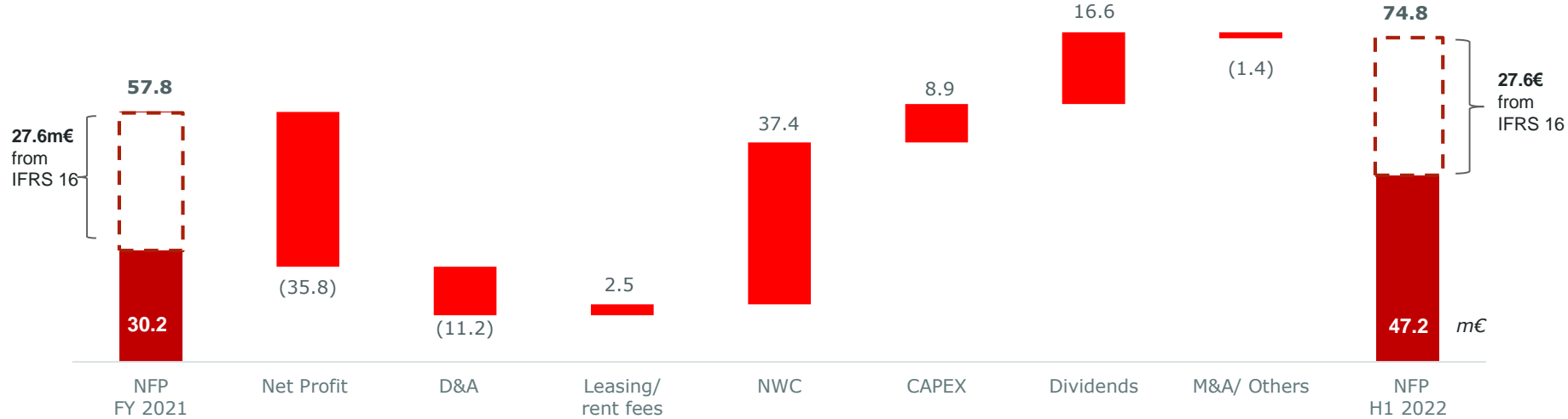
- **Higher D&A** mainly due to the purchase price allocation amortisation

- **Financial charges** slightly higher compared to H1 '21 impacted mainly by the financial effects of the put/call option on CFM
- The growth in **Companies consolidated with equity method** is due to the application of the fair-value principle on Arion stake, following the related M&A transaction.

- **tax-rate increase (21.4%)**, compared to 19.9% reported in H1 2022 due to different country mix.



# H1 2022 – NFP Bridge



- **Robust cash generation was offset by a strategic increase in NWC along with the payment of 2021 dividends.**
- **ΔNWC +37.4m€:** The significant increase in NWC is mainly due to higher revenues (DSO are substantially the same compared to H1 2021) and a strategic consolidation of the safety stock (~19m€) in order to be more resilient in such challenging raw material shortage scenario.
- Approximately one third of the total H1 2022 NFP is related to IFRS 16 accounting effect.



# Closing Remarks

## Q2/H2 2022 Results

- **Solid growth across the board and in all the regions with a demand level that remains high and healthy.** Some applications continue to stand out such as heat pumps, data centers, Indoor Air Quality in HVAC and Food Retail in Refrigeration.
- The strong **effort** that the Company put and is still putting into initiatives to increase its resilience (**chip-pivoting, longer-term orders, double source/country suppliers, new plant in Croatia**) allowed for a double-digit organic growth in revenues for the **sixth consecutive quarter**.

## M&A

- In H1 2022 CAREL completed **two minor bolt-on acquisitions but with a significant strategic potential**:
  - **Sauber** – Strengthening Group’s positioning in the services area
  - **Arion** – Securing the supply chain and opening new opportunities in the sensors field
- M&A pipeline is still active, with a particular focus on Europe and US.

## Challenges

- The electronic material shortage phenomenon and inflation **have not shown significant and unmistakable signs of relief/recovery** compared to previous quarters.
- The **restrictive monetary policy** adopted by Fed and ECB are likely to slow-down global economic growth (US real GDP decreased by 1.6% in Q1 2022 and by 0.9% in Q2 2022)

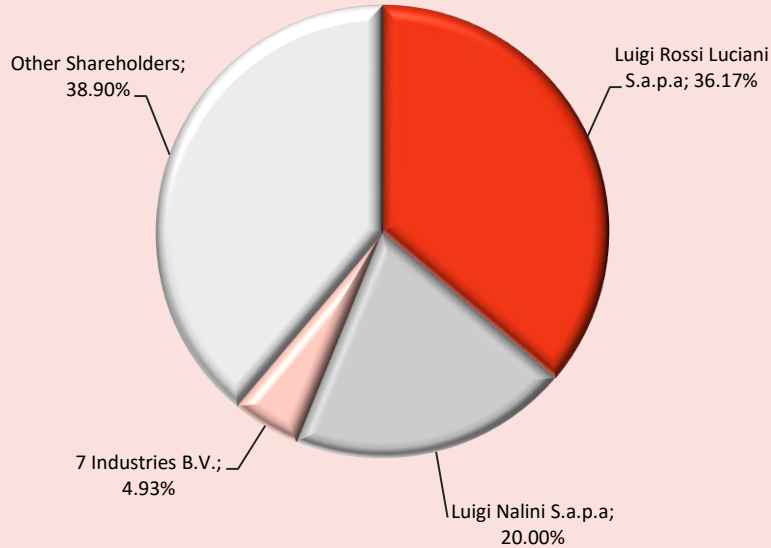
## Guidance

**A demand scenario that remains positive and the continuous effort of the company in increasing its resilience should allow the company to positively cope with the above-mentioned challenges. Thanks to this, and net of possible further worsening in the supply chain, the Company expect to report in H2 2022 a low-to-mid double-digit growth in revenues (on a like for like – HoH – current FX basis).**

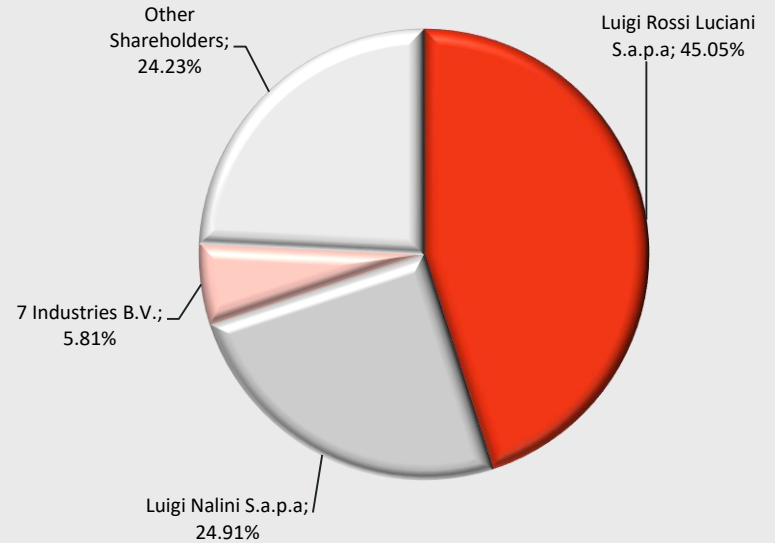
# Annexes

# 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€	H1 2022	H1 2021	Delta %
Revenues		261,346	202,601	29.0%
Other revenues		2,023	2,761	(26.7%)
Operating costs		207,262	161,239	28.5%
<b>EBITDA</b>		<b>56,106</b>	<b>44,123</b>	<b>27.2%</b>
Depreciation and impairments		(11,168)	(9,669)	15.5%
<b>EBIT</b>		<b>44,938</b>	<b>34,454</b>	<b>30.4%</b>
<b>EBT</b>		<b>45,608</b>	<b>33,688</b>	<b>35.4%</b>
Taxes		(9,756)	(6,701)	45.6%
<b>Net result of the period</b>		<b>35,853</b>	<b>26,987</b>	<b>32.9%</b>
Non controlling interest		1,044	145	>100%
<b>Group net result</b>		<b>34,809</b>	<b>26,843</b>	<b>29.7%</b>

## Balance sheet

	K€	H1 2022	FY 2021	Delta %
Fixed Capital		237,814	230,338	3.2%
Working Capital		93,044	55,591	67.4%
Employees defined benefit plan		(7,906)	(8,612)	(8.2%)
<b>Net invested capital</b>		<b>322,952</b>	<b>277,317</b>	<b>16.5%</b>
Equity		198,304	169,875	16.7%
Non current liabilities		49,892	49,602	0.6%
Net financial position (asset)		74,756	57,841	29.2%
<b>Total</b>		<b>322,952</b>	<b>277,317</b>	<b>16.5%</b>

# 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%<sup>1</sup> of Revenues** invested in R&D

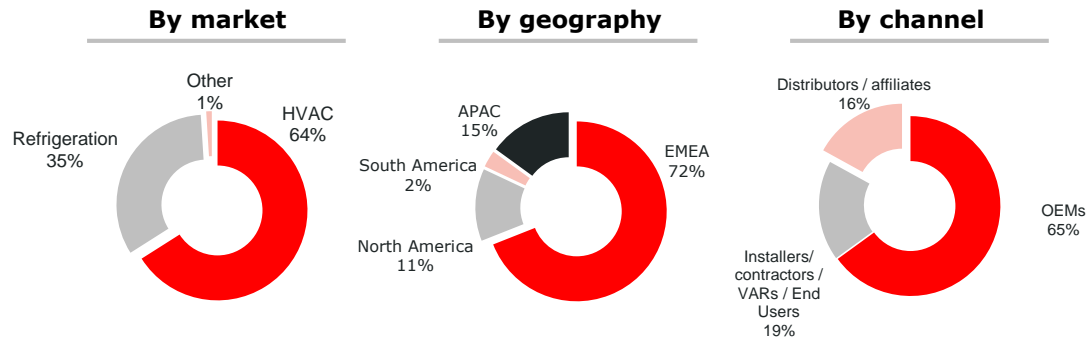
## Global footprint

- **11 production plants** (6x Italy, Croatia, Germany, China, US and Brazil)

## Key financials – 2021A

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

## Revenue breakdown - 2021A



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



### Food Service

#### Restaurant Chains



#### Hypermarkets



#### 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

## Dampers



Dampers 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

## Compressors<sup>1</sup>



BLDC compressors

## Remote management, monitoring systems, IoT



Solution for local / remote management monitoring and optimization

## Services



Innovative services based on the IoT capabilities

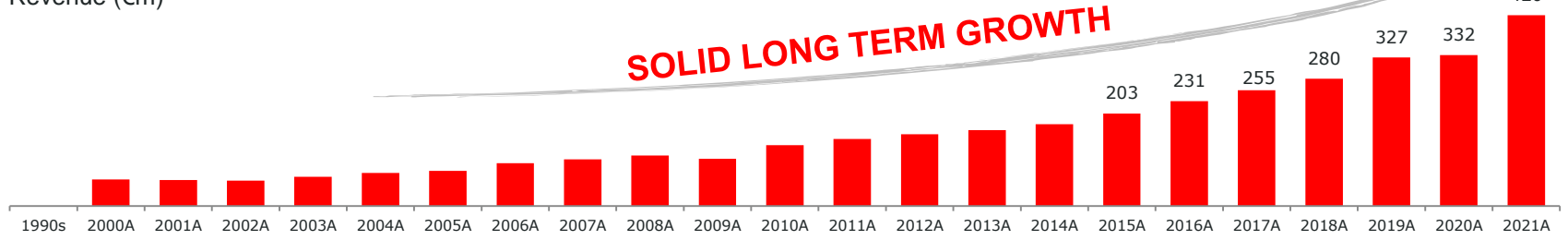
**Distinctive ability to meet customers' demand for tailored integrated solutions using standard platforms**

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

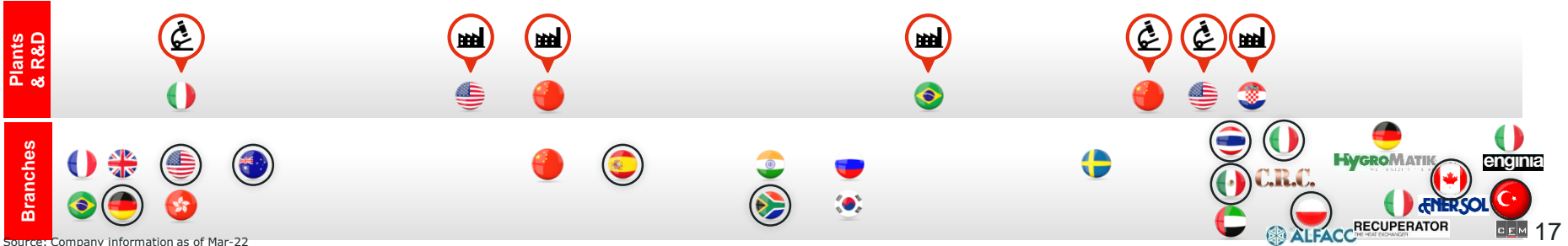


# Long track record of profitable growth

Revenue (€m)



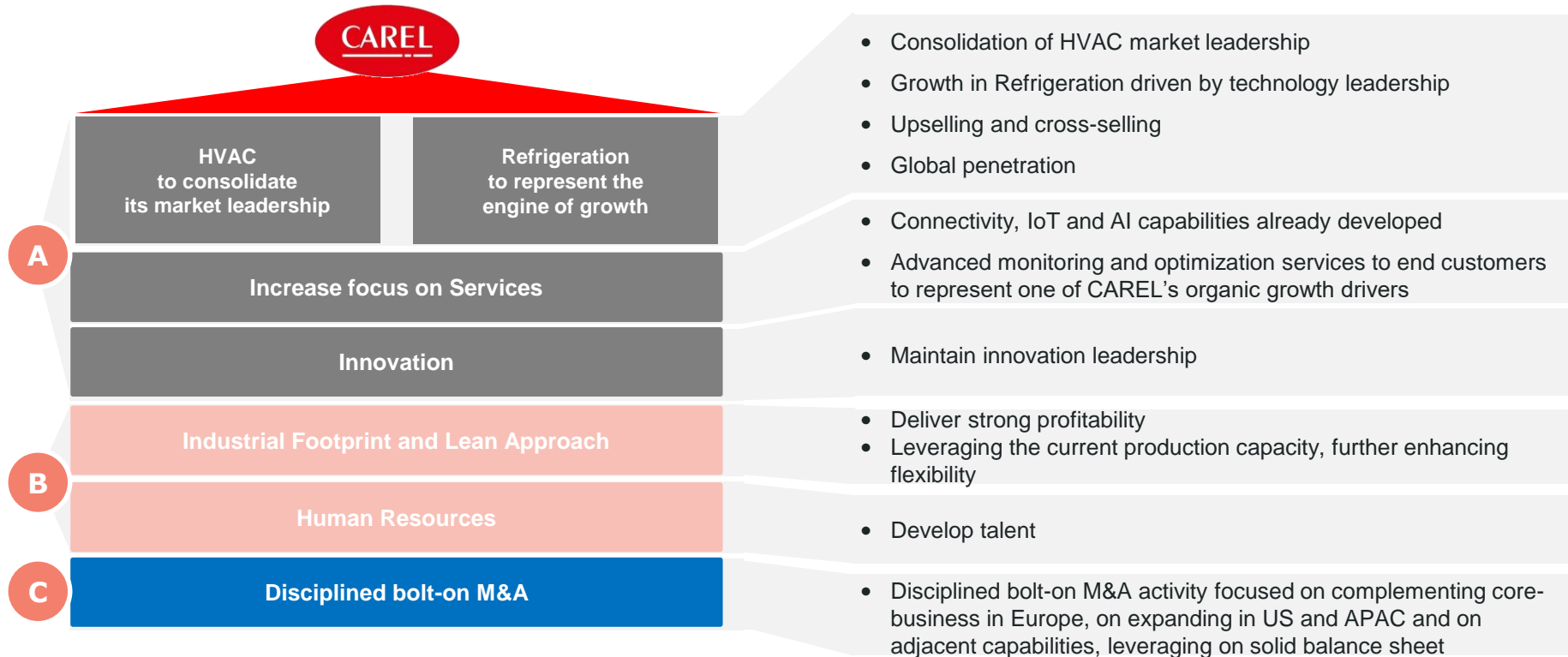
Adj. EBITDA (€m)



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**

Source: Company information as of Mar-22

# 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%<sup>1</sup>**  
European market share  
in *Chillers*



In Europe

**SIGNIFICANT ROOM** FOR  
FURTHER EXPANSION

Energy efficiency and high performance are critical

**46%<sup>1</sup>**  
European market share  
in *Roof-tops*



In Europe

**BREAK-THROUGH**  
INNOVATIONS

**-50% kWh<sup>3</sup>**  
*HEEZ energy consumption*

Requirement for tailored and customizable solutions

**41%<sup>1</sup>**  
market share  
in *CCU for Data Centers<sup>2</sup>*



**Higher efficiency<sup>4</sup>**  
*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**

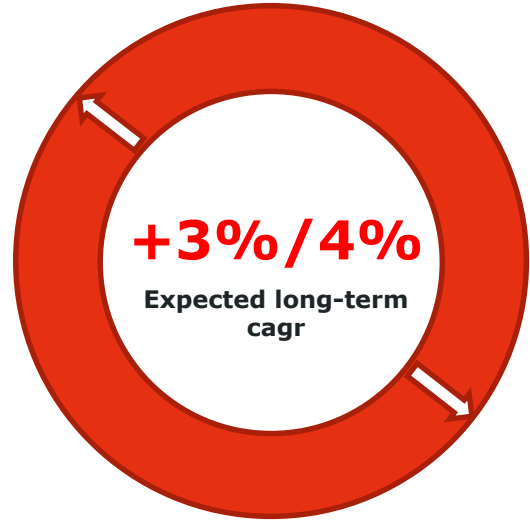
 **GLOBAL GROWTH**

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

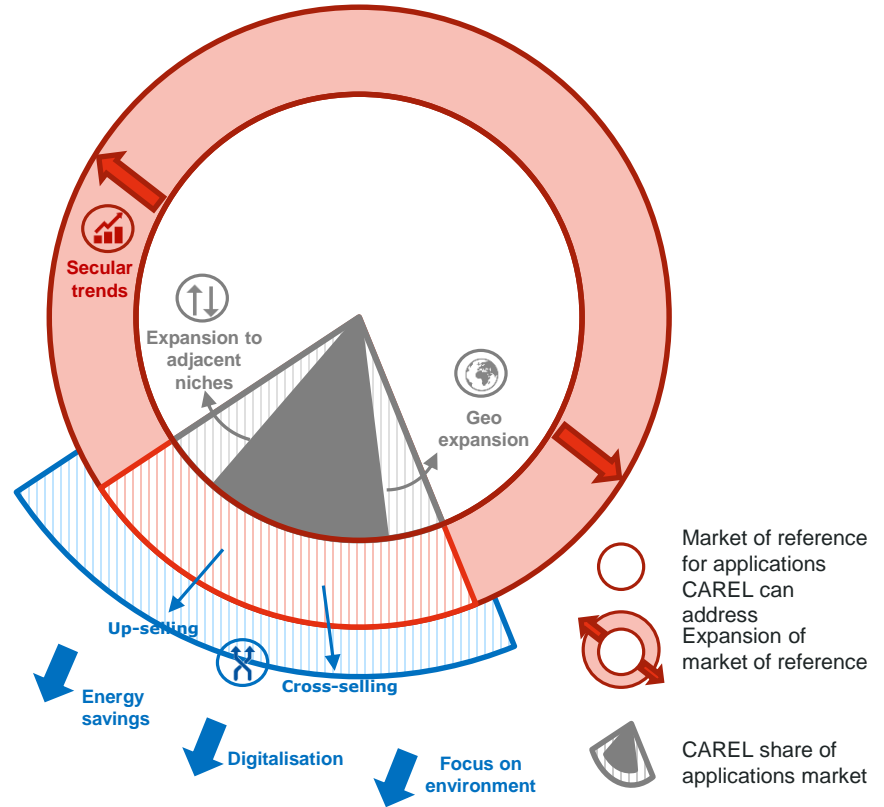
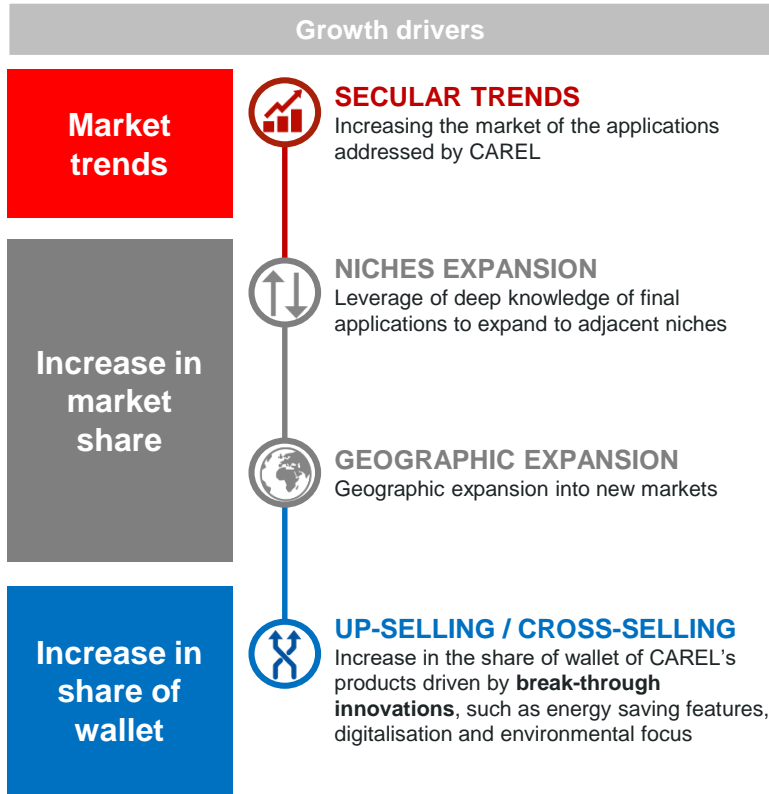
 **INTERNET OF THINGS**

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

Source: Company information



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





# 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



Refrigeration

Example of a **BEVERAGE COOLER**

Before



# 3 Positioning and innovation capability hard to replicate

**~6% OF REVENUE<sup>1</sup>**

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**

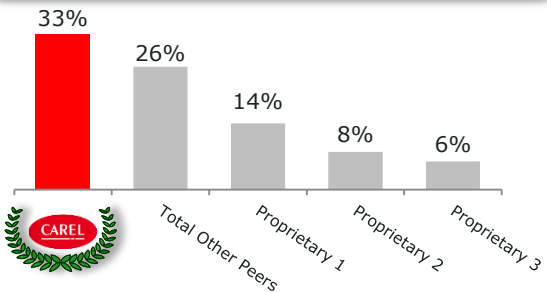
Source: Company information as of Mar1-22  
Note: 1) avg. 2015A-21A

# 3 Leadership position in HVAC OEM premium niches...

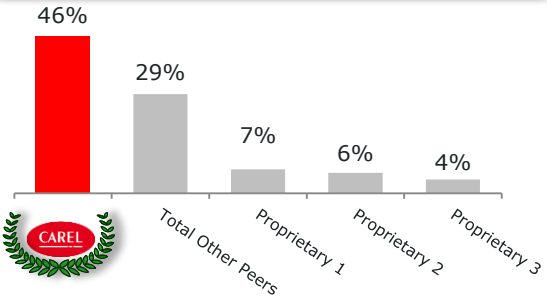
Leadership positioning in premium niches...

...with no perfect comparable

Chiller European Market Share<sup>1</sup>



Rooftop European Market Share<sup>2</sup>







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

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

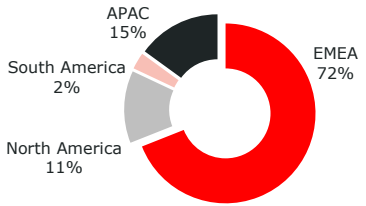
Source: Company info; Management elaborations

# 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

- 7** 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**

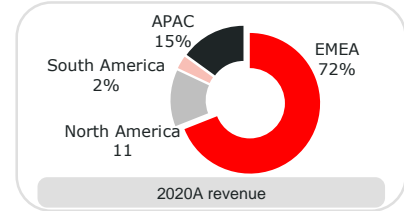
## HVAC

## REFRIGERATION

**BROAD & HIGHLY DIVERSIFIED**

**>10,000**  
Customers  
  
In **c. 100**  
countries worldwide

**<4%**  
from first customer<sup>1</sup>  
**<20%**  
from top-15 customers<sup>2</sup>



**LONG-TERM BUSINESS RELATIONSHIPS**

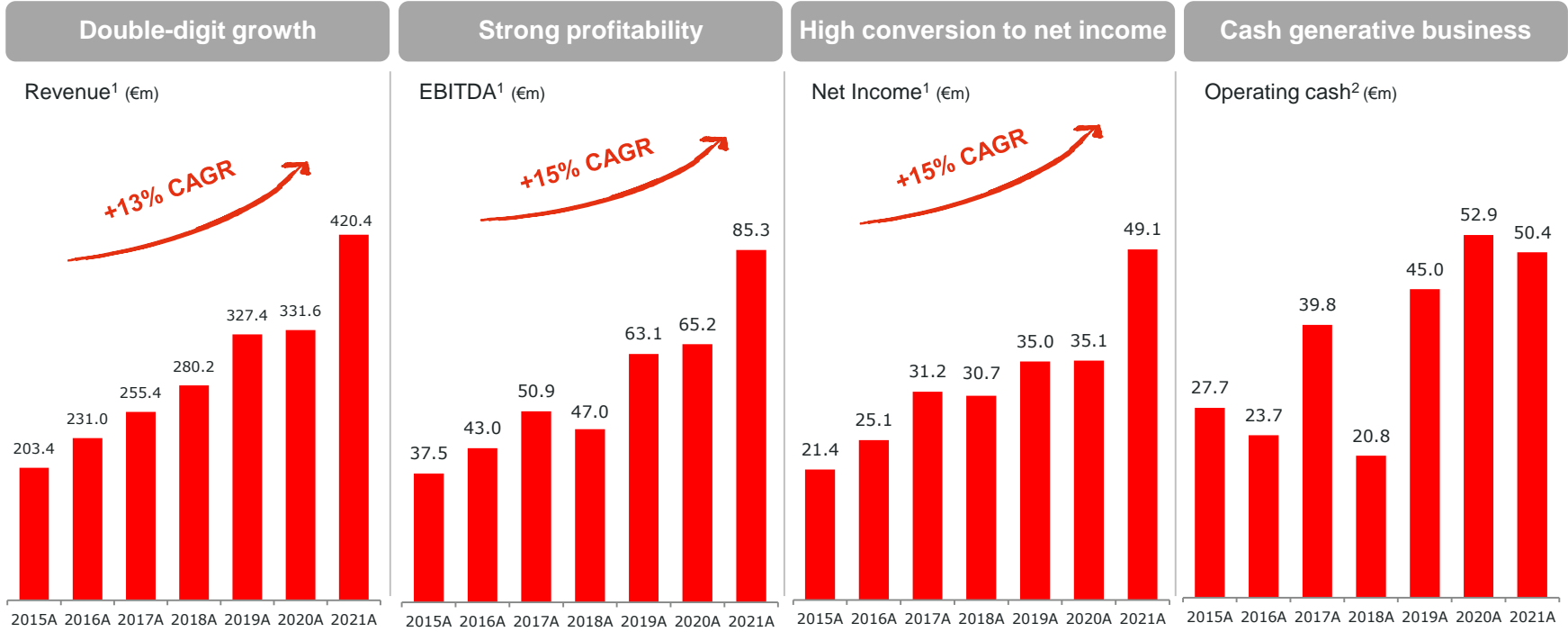
**~80%**  
of Top Customers<sup>3</sup>  
with CAREL for >10y

**~70%**  
of Top Customers<sup>3</sup>  
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:

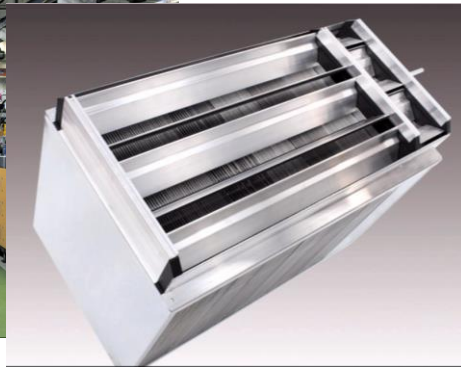
- ✓ Bolt-on acquisition
- ✓ Completing CAREL's product range for AHU
- ✓ Significant synergies with CAREL/Recuperator

## • 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

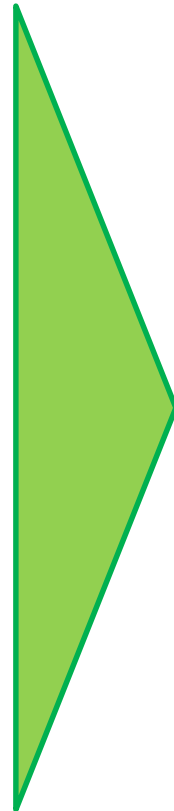
## • **Financial fitting:**

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

# M&A – 2018 – HygroMatik



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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