



CAREL

CAREL INDUSTRIES S.p.A. 2022 – 9M Results

10th November 2022

9M 2022 – Highlights

In the first 9M 2022 the company managed to keep an excellent organic revenue growth rate (Q3 2022 is the seventh consecutive quarter in which CAREL reported a double digit organic revenue growth). Adding to this the strong effort in M&A activity (4 deals completed) and a continuous commitment in ESG.

+29.3%
Revenues growth
rate

- Excluding the positive impact of the exchange rates, and the contribution coming from the M&A activity (~22m€) the **organic revenue growth rate reported is +19.0%**.
- CAREL managed to take advantage of **very positive trends** experienced in a certain **number of applications in HVAC** (Heat pumps; Indoor Air Quality; Data centres) and **in Refrigeration**, in spite of a supply chain scenario still very challenging to which is added a difficult geo-political and macro-economic context.

21.4%
EBITDA margin

- **EBITDA margin equal to 21.4%:** higher on FY 2021 and in line with H1 2022 level. Net of ~1.8m€ non-recurring M&A activity costs, the EBITDA margin would have been 21.9%
- **The partial deployment** of the effects deriving from **previous price-list increases** and the **positive operating leverage** effects partly offset higher raw materials cost due to the shortage.

4

M&A transactions

- **M&A pipeline remains active.** During 9M 2022 CAREL completed **4 bolt-on transactions:**
 - Acquisition of 70% of the share capital of **Sauber**
 - Acquisition of a further 30% stake in **Arion**
 - Acquisition of 100% of **Klingenburg**
 - Acquisition of 100% of **Senva**

M&A – 2022 – Senva



- **Company profile:** SENVA is a US company located in Oregon **specialising in the design and manufacture of a wide range of sensors**, mainly in the air-conditioning and ventilation sectors, and with a **significant presence in indoor air quality**.
- **Rationale:** the acquisition of SENVA is a further step towards the process of external growth through complementary products in reference applications that began in 2018. As in the case of Arion's acquisition (April 2022), the **focus in the sensors segment is key to making products more efficient and more connected to their ecosystem, while also facilitating the activation of digital services**. Furthermore, Numerous synergies can be achieved through the integration of CAREL and SENVA
- **Transaction structure:** Carel Industries S.p.A acquires all SENVA Inc.'s business through a SPV held by Carel USA Inc., Carel Industries S.p.A.'s US subsidiary. **That acquisition is valued at USD 34 million**. CAREL will also make an additional payment of up to USD 4 million tied to certain EBITDA results, for a total potential acquisition value of USD 38 million.

• Key Data:

- ✓ Enterprise value (100%) = 34-38m€
- ✓ 2021 Revenues = ~13m USD
- ✓ EBITDA (TTM) = 3.1m USD
- ✓ Employees = ~65

• Industrial fitting:

- ✓ Bolt-on acquisition
- ✓ Strong complementarity with CAREL's product line-up
- ✓ Strong cross-selling and channel/geographical expansion opportunities

• Financial fitting:

- ✓ ~12x EV/EBITDA
- ✓ Low impact on Carel's NFP

M&A – 2022 – Klingenburg



- **Company profile:** Klingenburg GmbH and Klingenburg International Sp. Z.o.o. are leading producers of a wide range of **products used mainly for heat recovery in ventilation and humidification systems, adiabatic cooling and air purification.**
- **Rationale:** The transaction rationale is mainly attributable to the **high degree of complementarity between Recuperator and Klingenburg** in relation to the respective technologies of specialisation (**plate exchangers for Recuperator and rotary for Klingenburg**) and to the application areas. Furthermore it will **strengthen CAREL's profile as a supplier of complete control solutions** with high added value in the conditioning and refrigeration industry, with **energy efficiency** as one of their main characteristics.
- **Transaction structure:** The transaction, through which CAREL Industries S.p.A. takes over control of Klingenburg GmbH and Klingenburg International Sp. Z.o.o. via the **acquisition of 100% of the share capital of the German and Polish companies**, took place in response to an Enterprise Value of Euro **12.0 million** (adjusted for approximately 2 million deferred capex).



• Key Data:

- ✓ Enterprise value (100%) = 12m€
- ✓ 2021 Revenues = ~30m€
- ✓ EBITDA = 2.4m€
- ✓ Employees = ~200

• Industrial fitting:

- ✓ Bolt-on acquisition
- ✓ Strong complementarity with Recuperator's product line-up
- ✓ Strong cross-selling and geographical expansion opportunities

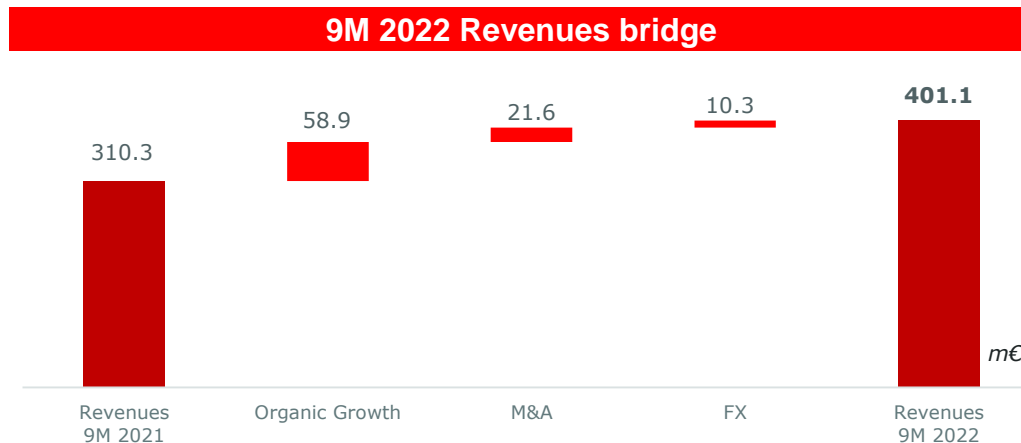
• Financial fitting:

- ✓ ~5x EV/EBITDA
- ✓ Low impact on Carel's NFP

9M 2022 – Results

KPIs			
m€	9M 2021	9M 2022	Δ%
Revenue	310.3	401.1⁽¹⁾	29.3%
Revenue FX Adj.	310.3	390.8	25.9%
Revenue (no M&A)	310.3	379.6	22.4%
EBITDA	66.0	85.9⁽²⁾	30.1%
EBITDA adj.	68.0	87.7⁽³⁾	29.0%
<i>EBITDA adj. Revenue</i>	21.9%	21.9%	
Net Profit	38.8	52.6	35.7%
Capex	13.8	15.4	11.6%

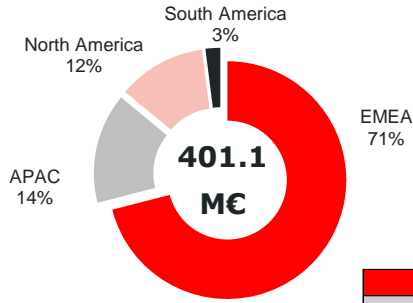
⁽¹⁾ Incl. ~21.4m€ (change in the consolidation perimeter); ⁽²⁾ Incl. ~4.7m€ (change in the consolidation perimeter); ⁽³⁾ Incl. ~1.8m€ (M&A expenses)



- **Revenue +29.3%:** Q3 2022 substantially confirmed the same growth trends and the magnitude already reported in the first part of the year in spite of a persistent challenging scenario (supply chain tensions, cost inflation, slow-down in global economy). Excluding the positive contribution coming from M&A and FX the reported organic growth is equal to 19%. It is worth noting that the growth rate reported in 9M 2021 was already very high (+25%).
- **EBITDA +30.1%:** The very positive results reported in revenues were reflected in the EBITDA growth rate. Q3 2022 EBITDA margin equal to 21.3% (22.4% on an adjusted base) 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 +35.7%:** benefitting from the operating results. 20.8% Tax-rate in line with as reported in 9M 2021
- **Capex:** higher capex including the new plant in Croatia.

9M 2022 – Revenue breakdowns

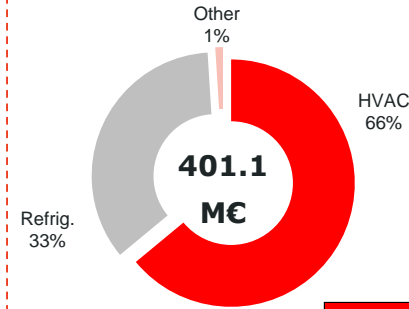
Breakdown by region



Area	m€		Δ%	Δ% fx
	9M2021	9M2022		
EMEA	224.1	283.3	26.4%	26.6%
APAC	46.0	57.3	24.6%	15.2%
Americas (North)	33.4	48.7	45.8%	30.1%
Americas (South)	6.8	11.7	72.2%	56.3%
Total Revenue	310.3	401.1	29.3%	25.9%

- **EMEA** – Robust growth rate confirmed also in Q3 2022. 9M 2022 LFL growth rate equal to 19%
- **APAC** – Acceleration in Q3 in the whole area, in spite of prolonged and strict numerous lock-downs in China. South APAC still over performing (9M 2022 growth rate at constant FX >25%)
- **Americas (North)** – Even excluding M&A contribution and the positive FX impact, the growth rate reported would have been approximately 20%.
- **Americas (South)** – Growth rate acceleration continued in Q3 thanks to very positive performance also outside Brazil and to seasonality in the Refrigeration sector.

Breakdown by sector



Sector	m€		Δ%	Δ% fx
	9M 2021	9M2022		
HVAC	200.5	267.0	33.2%	29.6%
Refrig.	106.4	130.9	22.9%	20.0%
Core Revenue	306.9	397.8	29.6%	26.2%
No core	3.4	3.3	-3.5%	-3.7%
Total Revenue	310.3	401.1	29.3%	25.9%

- **HVAC: Excellent growth confirmed** (>20% excluding M&A and FX), driven by a strong demand across the board also in Q3 (particularly strong in heat pumps, Indoor air quality and data centers).
- **Refrigeration: Excluding M&A and FX the growth rate would have been ~17%**. In the first 9M of the year **demand remained robust** also thanks to the transition towards low GWP refrigerants.

From EBITDA to Net Profit

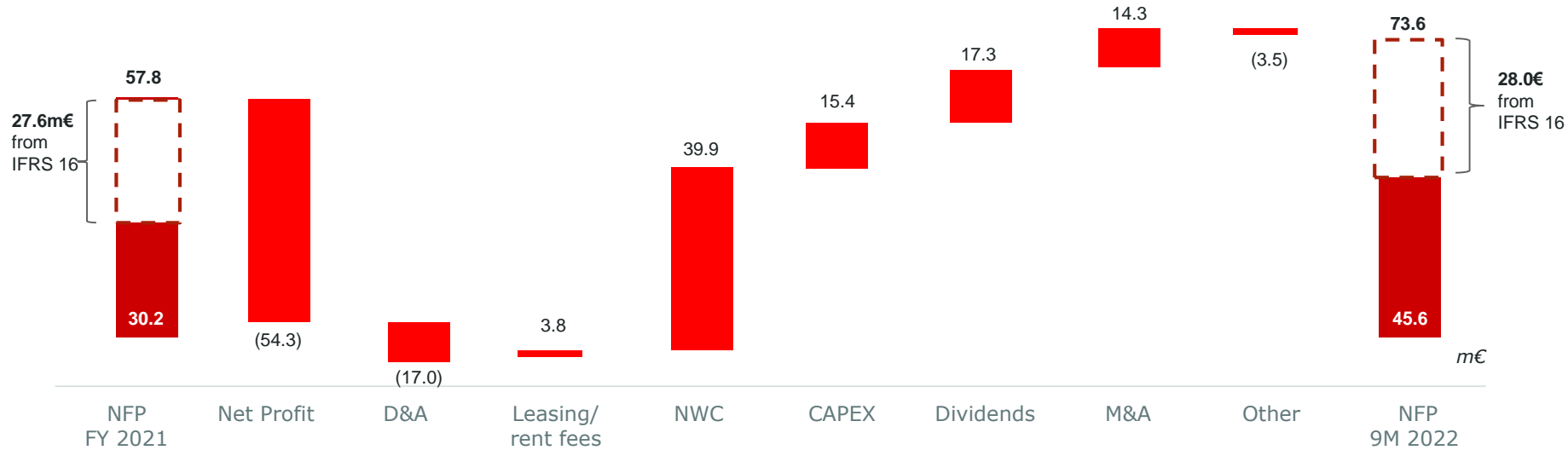
	K€	9M '21	9M '22	Δ%
EBITDA		66,042	85,918	30.1%
	D&A	-15,147	-17,033	
EBIT		50,894	68,885	35.3%
	Financial (charges)/income	-1,719	-2,189	
	FX gains/losses	-310	-549	
	Companies consolid. with Eq. . Methods	509	2,361	
EBT		49,375	68,508	38.8%
	Taxes	-10,283	-14,236	
	Minorities	-291	-1,635	
Group net profit		38,801	52,636	35.7%

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

- **Financial charges** slightly higher compared to 9M '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 stable (20.8%)**, compared to 9M 2021 and down on H1 2022 level.

9M 2022 – NFP Bridge



- **Robust cash generation was offset by a strategic increase in NWC along with the payment of 2021 dividends.** Approximately 14m€ impact deriving from M&A
- **ΔNWC +39.9m€:** The significant increase in NWC is mainly due to higher revenues (DSO are substantially the same compared to 9M 2021) and a strategic consolidation of the safety stock (~21m€) in order to be more resilient in such challenging raw material shortage scenario. It is worth noting that the level of NWC and inventory stock remained substantially stable compared to H1 2022.
- Approximately **40% of the total 9M 2022 NFP** is related to IFRS 16 accounting effect.

ESG rating - Update



MSCI
ESG RATINGS



CCC B BB BBB A AA AAA

- In October 2022 CAREL was **upgraded to “AA” in the MSCI ESG Ratings assessment.**
- This upgrade is part of a **continuous improvement path** which brought CAREL from **“B” in 2019 to “AA” in 2022.**
- CAREL is now in the **“ESG Leaders”** category according to MSCI ESG rating assessment: **“A company leading its industry in managing the most significant ESG risks and opportunities”.**



- Between April and June 2022 CAREL took part for the first time in the **ECOVADIS rating process. Ecovadis is the most important Global ESG rating provider**, with more than 90K companies rated.
- ECOVADIS Rating is particularly **valuable for the supply chain**, often representing a pre-requisite to be chosen as a supplier.
- The Group **received a Silver Medal** and its ranking is in the top 23% (in its industry/sector).

Closing Remarks

Q3/9M 2022 Results

- **Solid growth trend across the board and in all the regions confirmed also in Q3 2022 (seventh consecutive quarter reporting a double-digit organic growth).**
Some applications continue to stand out such as **heat pumps**, data centers, Indoor Air Quality in HVAC and Food Retail in Refrigeration thanks also to secular trends, such as **electrification, and regulation.**
- **Strong effort of the company in increasing flexibility, efficiency, time-to-market, sustainability:** new plant in Croatia completed; digitalization process' milestone achieved; ESG ratings improvement.

M&A

- In 9M 2022 CAREL completed **four bolt-on acquisitions 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
 - **Klingenburg** – Completing CAREL's offering in Heat exchangers for AHUs.
 - **SENVA** – Widening opportunities in smart and high value added sensors sector.

Challenges/ Opportunities

- **Challenges:** The persistence of the **electronic material shortage**, the relentless rise in **inflation rate**, the **geopolitical tensions** and the **restrictive monetary policy** adopted by the Fed and ECB are all elements that could hamper global growth in the next quarters.
- **Opportunities: Transition to low GWP refrigerants** is already gaining traction also outside Europe (Kigali Amendment ratification by China and India and authorized by the US Senate). Booming **Heat pumps market**, in particular in Europe due to the REPowerEU regulation.

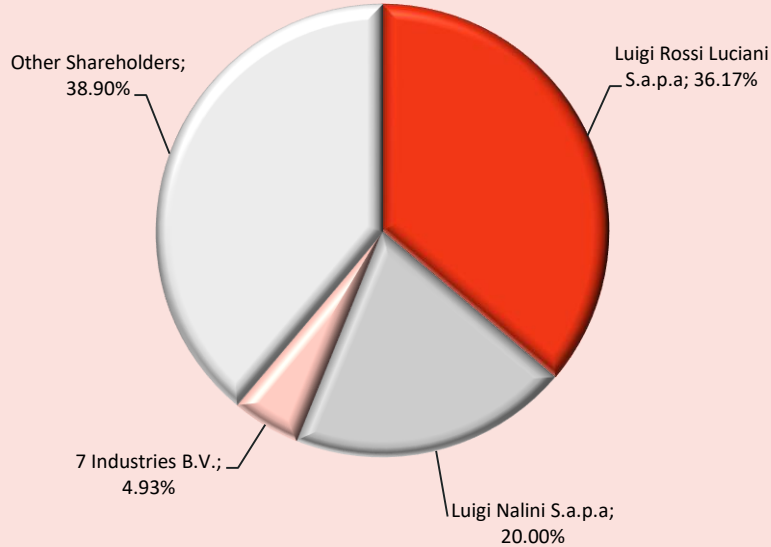
Guidance

**Net of possible further worsening in the supply chain, the Company expects to report, in 2022, a revenue growth close to 20% (LFL, current exchange rate), improving its previous guidance.
FY 2022 total EBITDA Margin is expected to be close to 20%.**

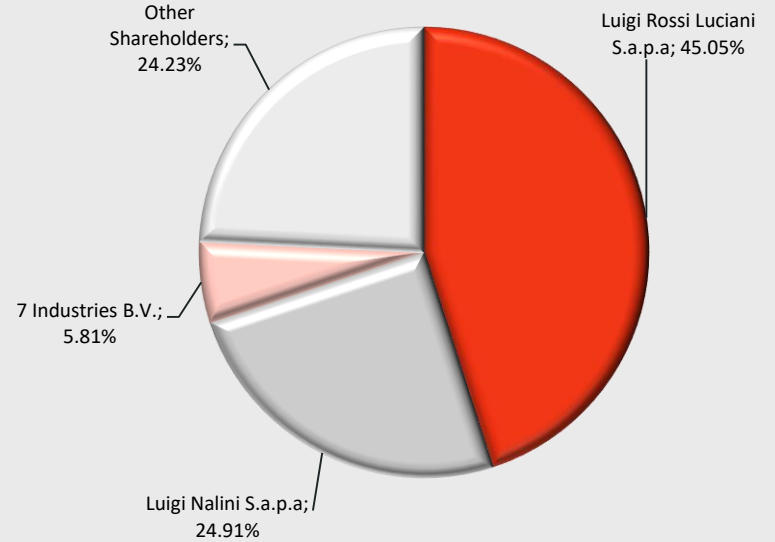
Annexes

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€	9M 2022	9M 2021	Delta %
Revenues		401,076	310,309	29.3%
Other revenues		3,179	3,409	(6.7%)
Operating costs		318,337	247,677	28.5%
EBITDA		85,918	66,042	30.1%
Depreciation and impairments		(17,033)	(15,147)	12.4%
EBIT		68,885	50,894	35.3%
EBT		68,508	49,375	38.8%
Taxes		(14,236)	(10,283)	38.5%
Net result of the period		54,271	39,092	38.8%
Non controlling interest		1,635	291	>100%
Group net result		52,636	38,801	35.7%

Balance sheet

	K€	9M 2022	FY 2021	Delta %
Fixed Capital		248,928	230,338	8.1%
Working Capital		101,642	55,591	82.8%
Employees defined benefit plan		(8,495)	(8,612)	(1.4%)
Net invested capital		342,074	277,317	23.4%
Equity		215,473	169,875	26.8%
Non current liabilities		53,040	49,602	6.9%
Net financial position (asset)		73,560	57,841	27.2%
Total		342,074	277,317	23.4%

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

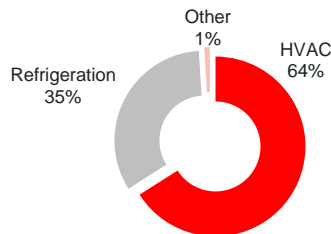
- **15 production plants** (6x Italy, 2xCroatia, Poland, 2x Germany, China, 2xUS and Brazil)

Key financials – 2021A

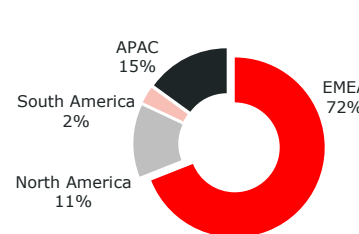
Revenue	EBITDA	EBITDA margin	Net income
€420m	€85m	~20.3%	€49m
+13% ² CAGR 2015A-21A	+15% CAGR 2015-21A	~180bps Margin expansion 2015A-21A	+15% CAGR 2015A-21A

Revenue breakdown - 2021A

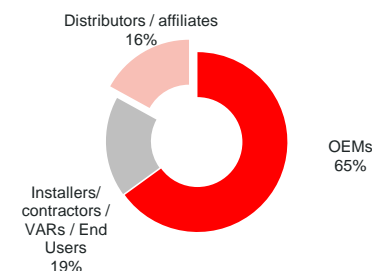
By market



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

Refrigeration

Industrial

Residential

Commercial

Food Retail

Food Service

Data Centers



Residential



Shopping Centers



Convenience Stores



Restaurant Chains



Industry and Process



Office Space



Hypermarkets



Refrigerated Merchandisers



Pharma and Food



Recreational



...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

Compressors¹



BLDC compressors

Remote management, monitoring systems, IoT



Solution for local / remote management monitoring and optimization

Services



Innovative services based on the IoT capabilities

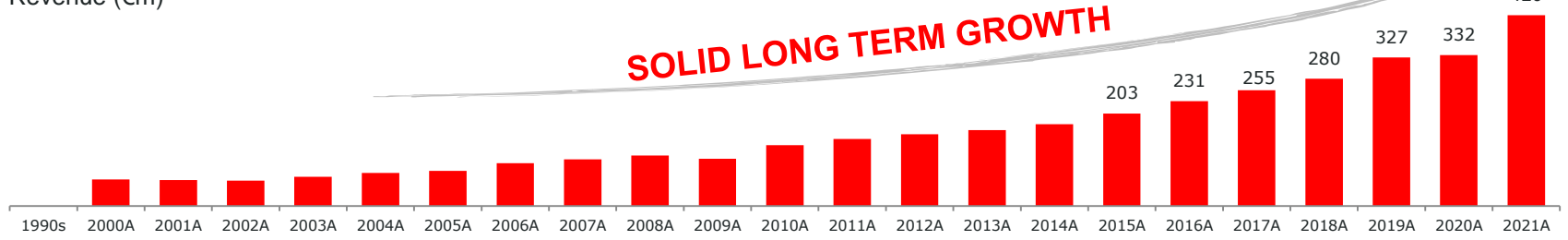
Distinctive ability to meet customers' demand for tailored integrated solutions using standard platforms

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



Long track record of profitable growth

Revenue (€m)

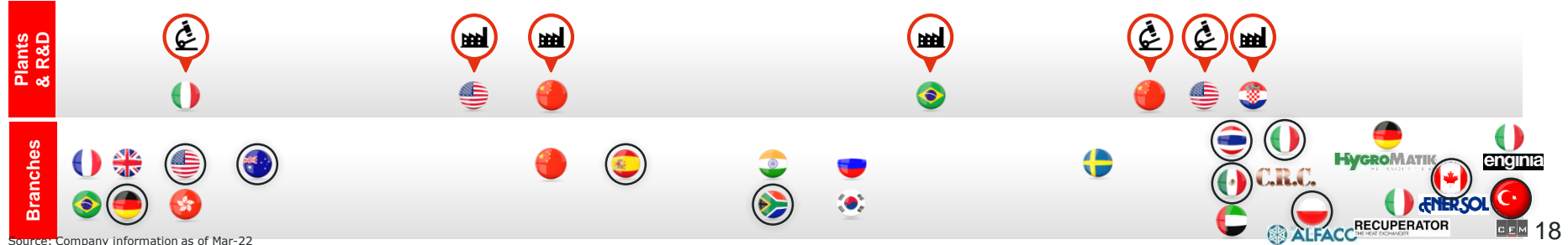


SOLID LONG TERM GROWTH

Adj. EBITDA (€m)



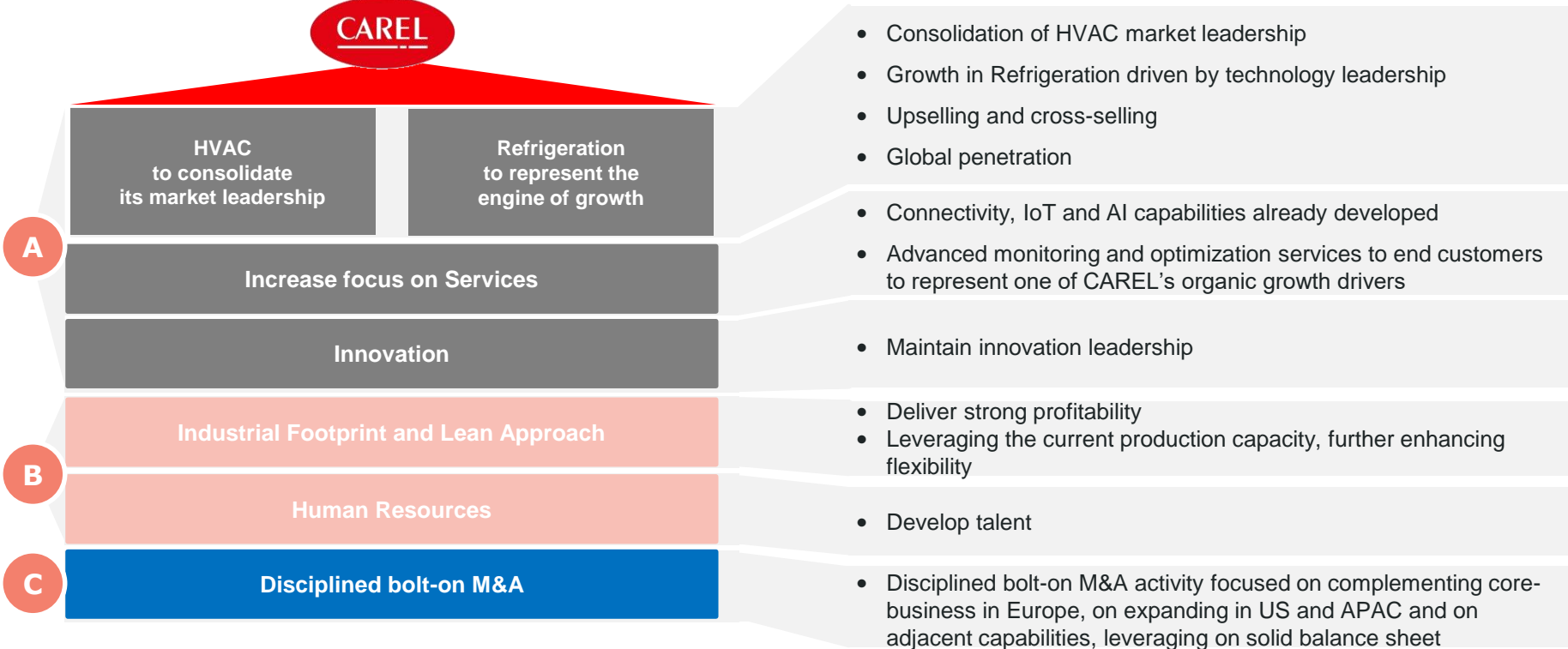
HIGH PROFITABILITY



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

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%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**



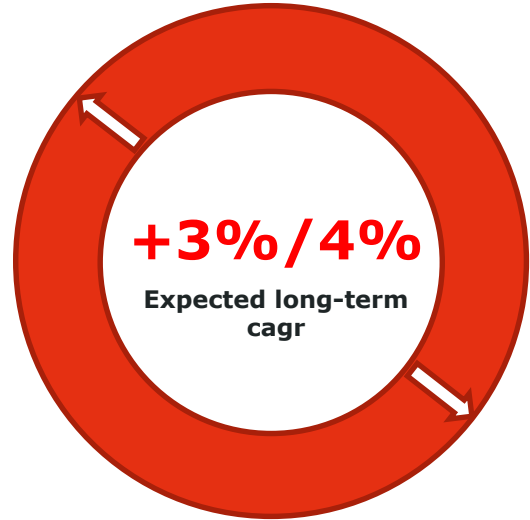
GLOBAL GROWTH

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



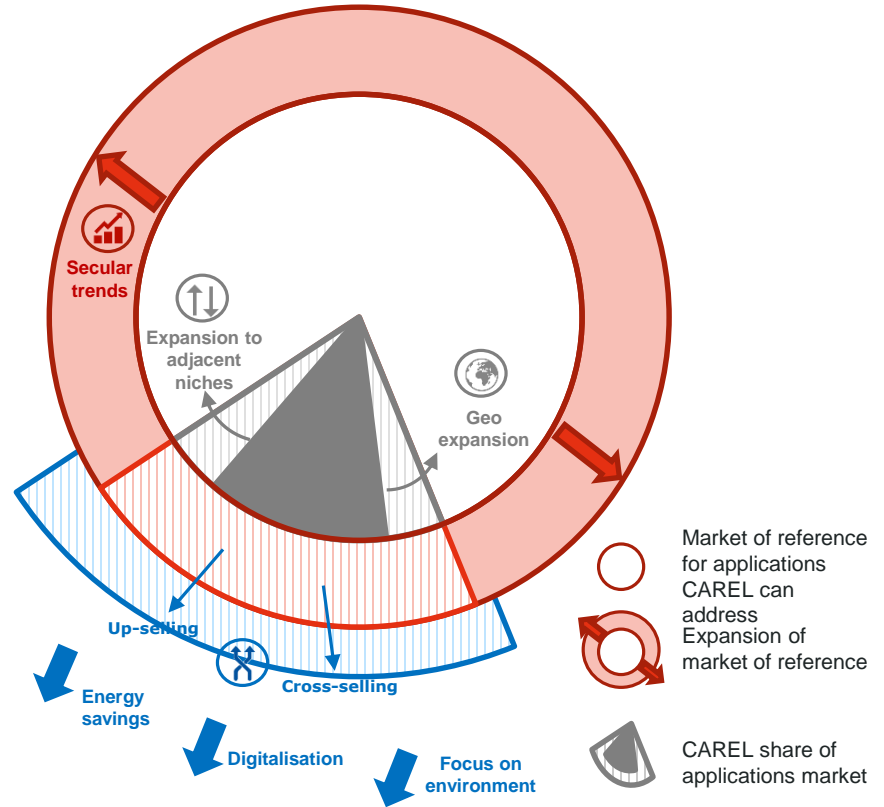
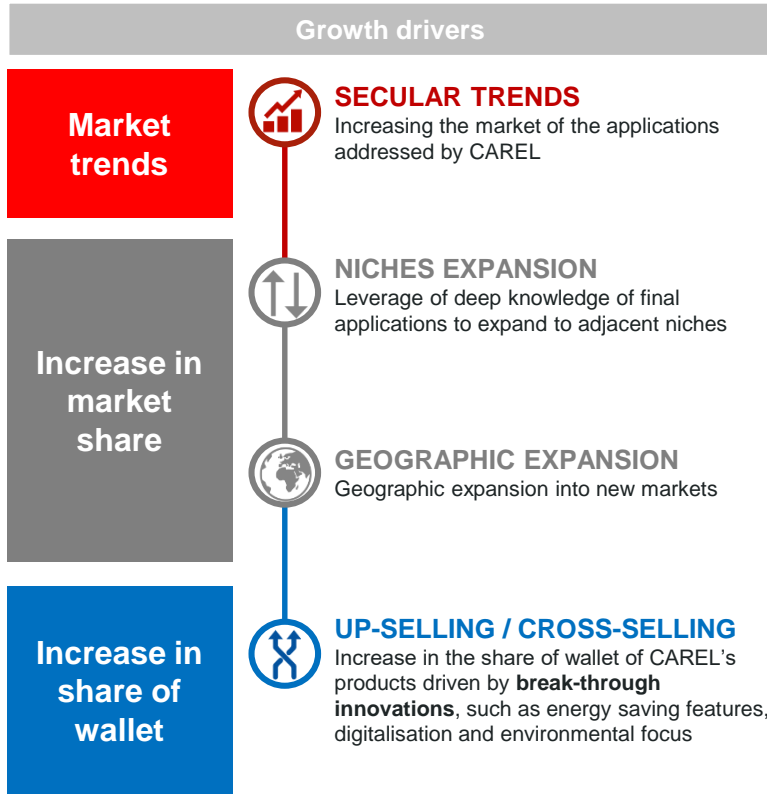
INTERNET OF THINGS

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



Source: Company information

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



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 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

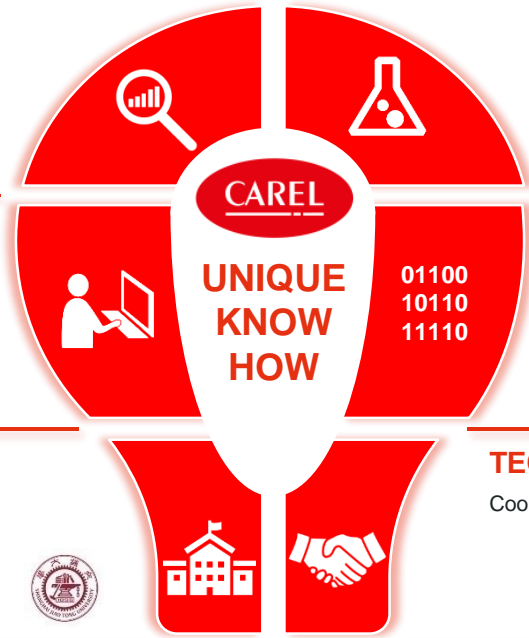
- Hardware & Firmware
- Software
- Mechanics
- Thermodynamics
- IoT

RESEARCH COLLABORATION

With Tier-1 Universities and Research Institutions

TECHNOLOGICAL PARTNERS

Cooperation with technology leaders





Nov-13
Electrolux Supplier Award





Jan-16
AHR Expo Innovation Award





Apr-17
China Refrigeration Innovation Award





Sep-17
World Beverage Innovation Award





Oct-17
RAC Cooling Industry Award





Apr-18
China Refrigeration Award



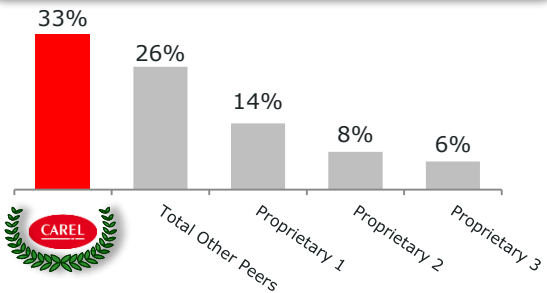
AWARD WINNING BUSINESS

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

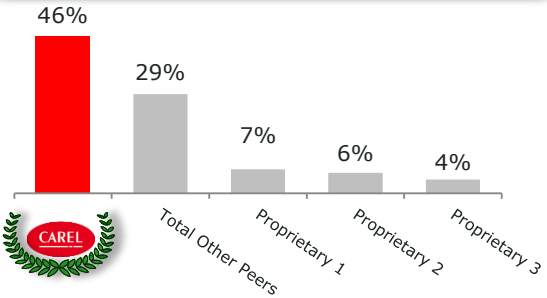
3 Leadership position in HVAC OEM premium niches...

Leadership positioning in premium niches... **...with no perfect comparable**

Chiller European Market Share¹



Rooftop European Market Share²

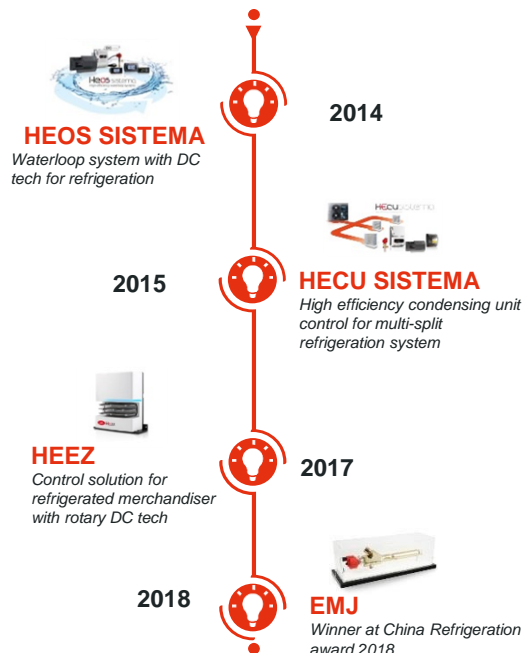


	CAREL	OEM proprietary solutions	Large diversified competitors	EM / Low cost competitors
Vertical niche approach	✓✓✓	✓✓	✓	✓✓✓
Innovation pace & knowledge of final applications	✓✓✓	✓	✓✓	✓✓
Integrated solutions	✓✓✓	✓	✓✓	✓
Global operations	✓✓✓	✓✓	✓✓✓	✓
Flexibility for tailored solutions	✓✓✓	✓✓	✓	✓✓✓
Economies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

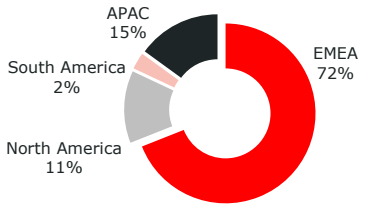
Source: Company info; Management elaborations

4 Highly efficient global operations serving locally...

GLOBAL PRODUCTION FOOTPRINT

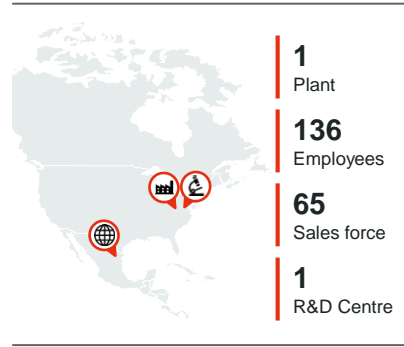
DIRECT AND HIGHLY SKILLED SALES NETWORK

BEST POSITIONED TO CAPTURE GLOBAL GROWTH OPPORTUNITIES

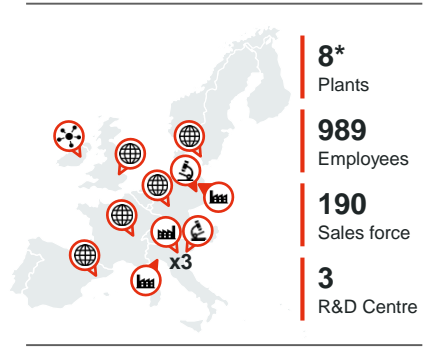


Revenue 2021A breakdown by geography

NORTH AMERICA



WESTERN EUROPE



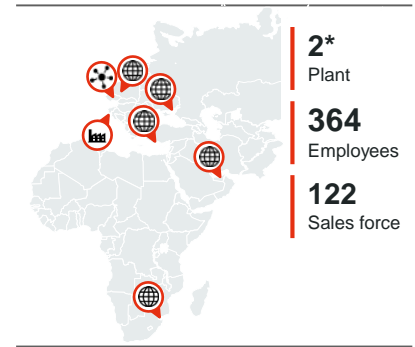
NORTH APAC



SOUTH AMERICA



RoEMEA



SOUTH APAC



Legend: R&D centres Plants Commercial subsidiaries Affiliates

Source: Company information at 31/12/2021
*Including Klittingburg acquisition

4 ...diversified blue-chip customers

GLOBAL BLUE-CHIP

HVAC

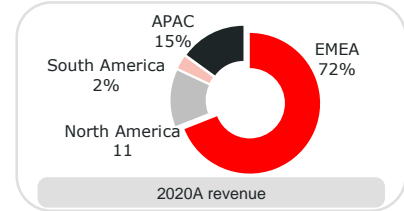
REFRIGERATION

BROAD & HIGHLY DIVERSIFIED

>10,000
Customers

In **c. 100**
countries worldwide

<4%
from first customer¹
<20%
from top-15 customers²



LONG-TERM BUSINESS RELATIONSHIPS

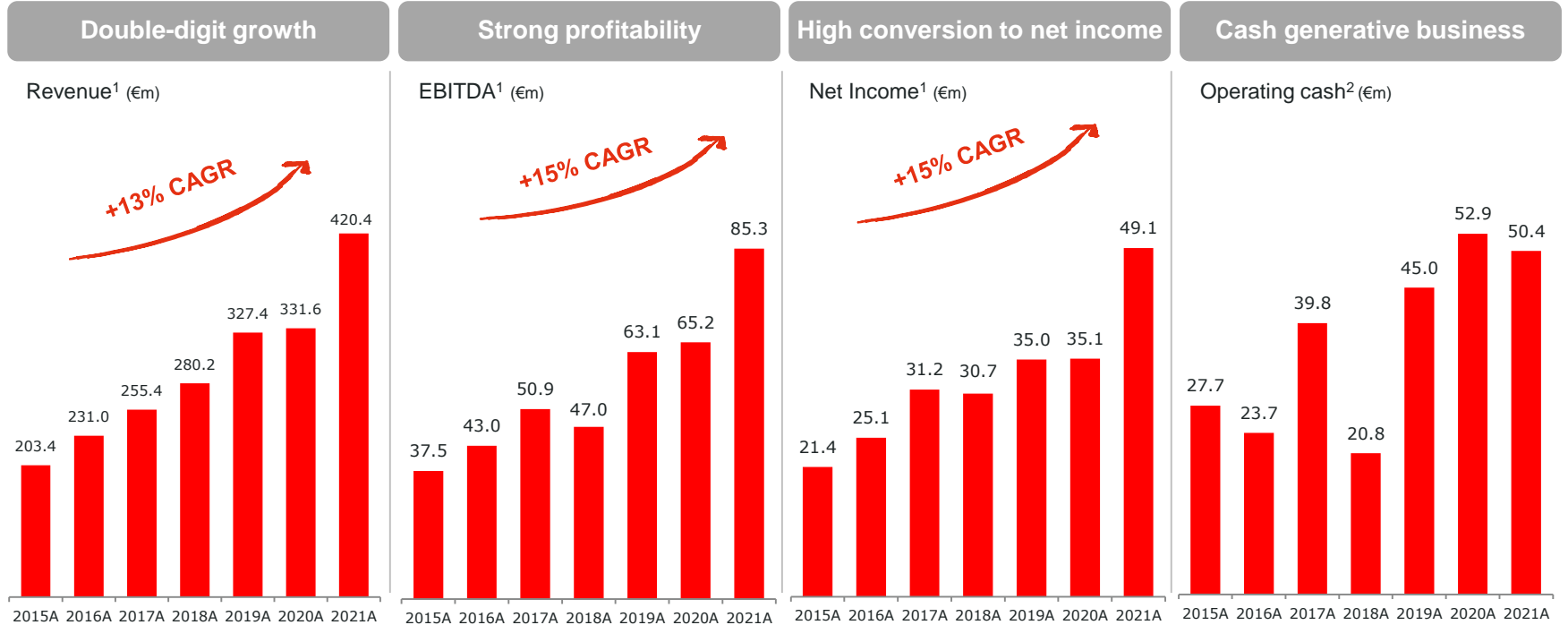
~80%
of Top Customers³
with CAREL for >10y

~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 – 2022 – Sauber



- **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

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:

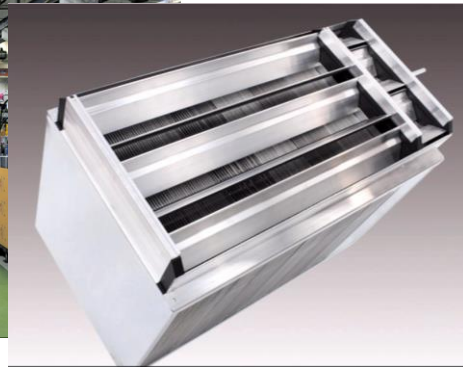
- ✓ Bolt-on acquisition
- ✓ Completing CAREL's product range for AHU
- ✓ Significant synergies with CAREL/Recuperator

• 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

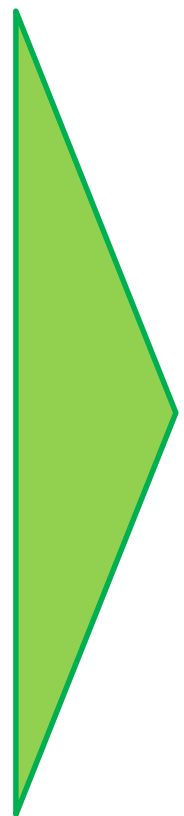
• **Industrial fitting:**

- ✓ 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



• **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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