

CAREL

# CAREL INDUSTRIES S.p.A. 2023 – Q1 Results

12<sup>th</sup> May 2023



# Q1 2023 – Highlights

For the ninth consecutive quarter CAREL reported a double digit-organic revenue growth in spite of a challenging scenario in the supply chain, keeping an EBITDA margin close to 21%.

**+24.8%**  
Revenues growth rate

- **Organic growth stood at 11.3%, exceeding the guidance given in March** thanks to an excellent management of tensions reported in the supply chain experienced in the first weeks of the year.
- **Positive demand recorded in HVAC** in particular in certain applications such as heat-pumps, data centre cooling and Indoor Air Quality. The expected **temporary slow-down in Refrigeration demand** materialized in Q1 2023 due mainly to an uncertain global economic scenario and inflation.

**20.8%**  
EBITDA margin

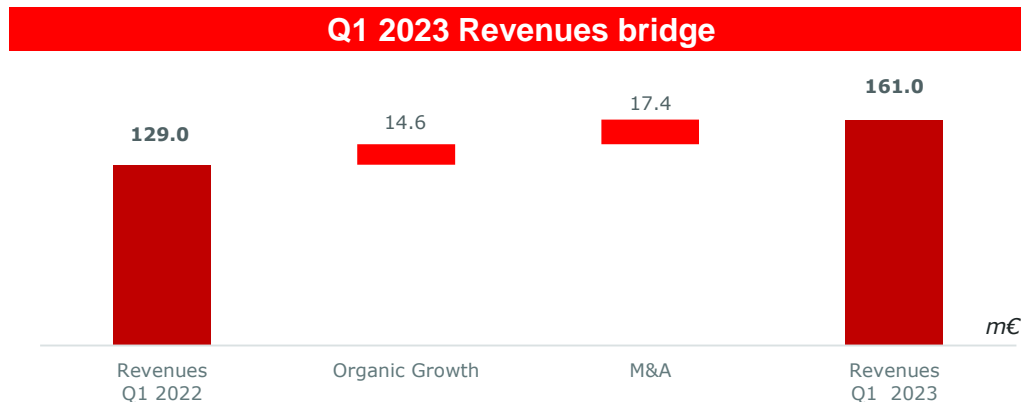
- **EBITDA margin equal to 20.8%**, above FY 2022 (20.5%) and close to Q1 2022 (21.1%).
- **The continuous deployment** of the effects deriving from **previous price-list increases** and the **positive operating leverage** offset higher costs on raw materials (persisting inflation, even if at a lower extent, compared to 2022).

**Stable NFP**

- **Q1 2023 NFP (including 3.9m€ cash-out for Eurotec) was substantially in line with FY 2022.**
- ~ 20m€ NWC increase due mainly to revenue growth and higher inventory level linked mainly to the raw material shortage.

# Q1 2023 – Results

KPIs			
m€	Q1 2022	Q1 2023	Δ%
Revenue	128.9	161.0 <sup>(1)</sup>	24.8%
Organic Revenue	128.9	143.6	11.3%
EBITDA	27.2	33.4 <sup>(2)</sup>	22.8%
<i>EBITDA Revenue</i>	21.1%	20.8%	
Net Profit	16.4	18.5	13.2%
Capex	4.7	3.0	-35.3%

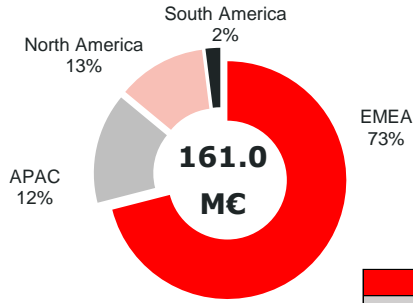


<sup>(1)</sup> Incl. ~17.4m€ (change in the consolidation perimeter); <sup>(2)</sup> Incl. 2.0m€ (change in the consolidation perimeter);

- **Revenue +24.8%: Contribution coming from both organic and M&A activities led to a strong performance** (2023 is the third consecutive year in which the Group reports a >20% revenue growth in Q1). Results are even more positive taking into consideration the **challenging supply chain scenario** that underpinned the first weeks of the year.
- **EBITDA +22.8%:** The very positive results reported in revenue were reflected in the EBITDA growth rate thanks to further deployment of previous price-list increases, along with operating leverage which helped in recovering part of the **raw material cost inflation**. Q1 2023 opex include two important European exhibition (ISH and Euroshop)
- **Net Profit +13.2%:** benefitting from the operating results. 22.1% tax-rate, in line with expectation and FY 2022, was higher on Q1 2022 (20.5%) impacted by a different country-mix and changes in regulations.
- **Capex:** Lower capex due to a different quarterly distribution. FY 2023 ~5% Capex/revenues expectation confirmed.

# Q1 2023 – Revenue breakdowns

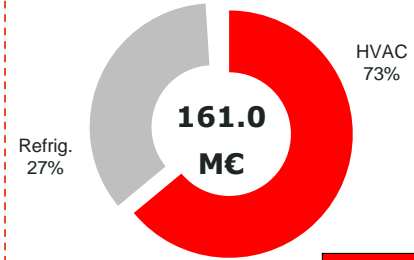
## Breakdown by region



	m€	m€		
Area	Q1 2022	Q1 2023	Δ%	Δ% fx
EMEA	93.3	117.2	25.7%	26.2%
APAC	17.9	20.1	12.0%	13.6%
Americas (North)	15.2	20.8	36.8%	32.6%
Americas (South)	2.6	2.9	14.3%	9.5%
<b>Total Revenue</b>	<b>128.9</b>	<b>161.0</b>	<b>24.8%</b>	<b>24.8%</b>

- **EMEA** – Robust growth rate driven mainly by HVAC and M&A. LFL growth rate close to 13%.
- **APAC** – Double digit growth led by strong performance in South APAC. China’s macro-economic scenario is gradually improving.
- **Americas (North)** – The main contribution to the strong performance in US was M&A (SENVA offsetting the impact of the raw material shortage).
- **Americas (South)** – Positive performance both in HVAC and Refrigeration in spite of the raw material shortage.

## Breakdown by sector



	m€	m€		
Sector	Q1 2022	Q1 2023	Δ%	Δ% fx
HVAC	83.5	116.6	39.6%	39.4%
Refrig.	44.1	43.9	-0.5%	-0.1%
<b>Core Revenue</b>	<b>127.6</b>	<b>160.5</b>	<b>25.7%</b>	<b>25.7%</b>
No core	1.4	0.6	-59.2%	-59.3%
<b>Total Revenue</b>	<b>128.9</b>	<b>161.0</b>	<b>24.8%</b>	<b>24.8%</b>

- **HVAC: Excellent growth confirmed** (~20% excluding M&A), driven by a strong demand particularly in heat pumps, Indoor air quality and data centers.
- **Refrigeration:** As expected, **the temporary raw material shortage phenomenon** heavily impacted sector’s performance. Sluggish demand in food service and a deceleration in the investment cycle in food retail due to inflation/macro-economic scenario

# From EBITDA to Net Profit

	K€	Q1 '22	Q1 '23	Δ%
EBITDA		27,234	<b>33,439</b>	22.8%
	D&A	-5,414	<b>-7,532</b>	
EBIT		21,821	<b>25,907</b>	18.7%
	Financial (charges)/income	-585	<b>-777</b>	
	FX gains/losses	-79	<b>52</b>	
EBT		21,156	<b>25,182</b>	19.0%
	Taxes	-4,345	<b>-5,564</b>	
	Minorities	-425	<b>-1,074</b>	
Group net profit		16,386	<b>18,544</b>	13.2%

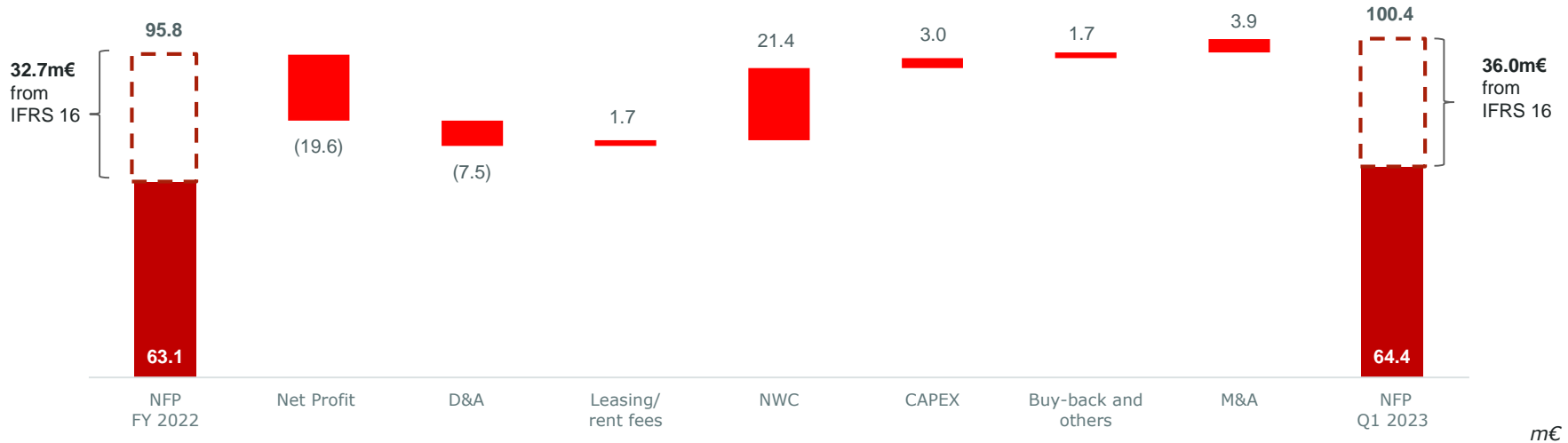
- **Higher D&A** mainly due to the purchase price allocation amortization.

- **Higher Financial charges** due to the macro trend on interest rates.

- **Higher tax-rate (22.1%)**, compared to Q1 2022 (20.5%) due to a different Country-mix and a number of changes in regulations.

- Higher minorities due to **strong performance reported by CFM.**

# Q1 2023 – NFP Bridge



- **Stable NFP compared to FY 2022.**
- **ΔNWC +21.4m€:** due to higher DSO (linked to seasonality, higher revenues and raw material shortage) and an increase in inventory (~11m€) also in this case linked to the raw material shortage.
- Approximately **35% of the total** Q1 2023 NFP is related to IFRS 16 accounting effect.

# Closing Remarks

## Q1 2023 Results

- **Q1 2023 was the 9<sup>th</sup> consecutive quarter reporting a double-digit organic growth.** This result, achieved in presence of a challenging electronic material shortage and a deceleration in the refrigeration sector, **confirms once again the resilience of the wide business portfolio of the Group**, covering several applications and geographic areas subject to different cycles and different macro-economic scenarios.

## M&A and Integration

- Carel relentless M&A activity continued also in Q1 2023 with the **acquisition of Eurotec**, a distributor, system integrator and long-time commercial partner of CAREL based in Auckland in New Zealand.
- **Several workstreams** have been opened in order to quickly integrate the companies acquired in 2022, with an initial focus on coordinating **purchasing and production**.

## Challenges/ Opportunities

- **Challenges:** Even if in constant and gradual improvement, electronic material shortage is still an issue, in particular in certain applications. On top of this, **inflation rate**, the **geopolitical tensions** and the **restrictive monetary policy** adopted by the Fed and ECB are all elements having already an impact on the most cyclical applications in which CAREL operates (Industrial HVAC; Commercial Refrig.)
- **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

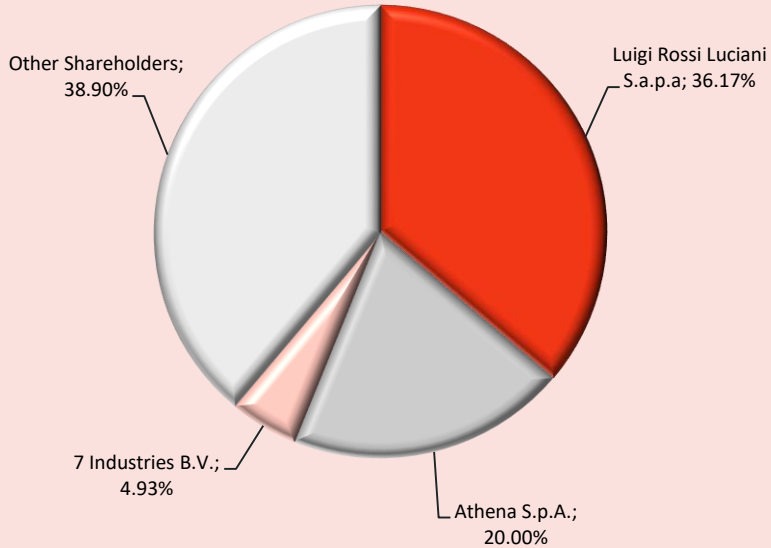
**Taking into consideration the above-mentioned situation the Group maintains a positive and optimistic outlook for the rest of the year: an improvement in the supply chain is expected and the slow-down in refrigeration demand should be temporary. In H1 2023 CAREL expects to report a low to mid teens percentage revenue growth (LFL, current exchange rate).**

# Annexes

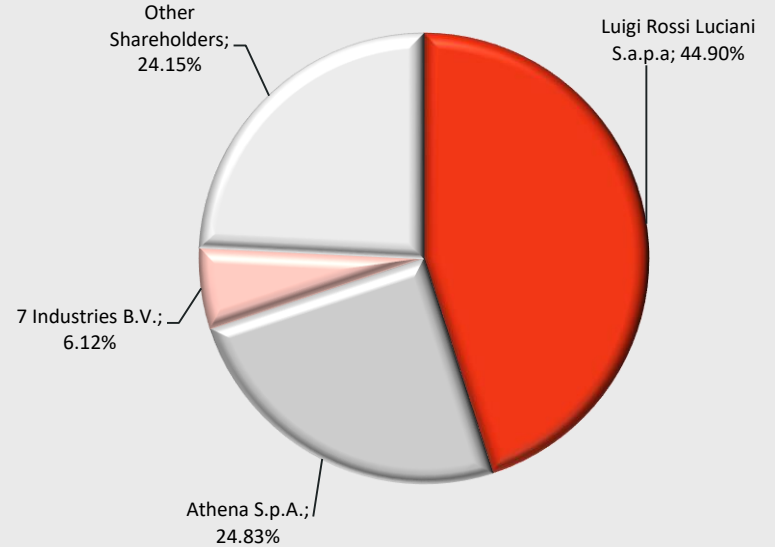


# Shareholding structure (>3% voting rights)

**CAREL Industries S.p.A.  
Number of shares**



**CAREL Industries S.p.A.  
Voting rights**



# Income statement and Balance Sheet

## Income statement

	K€	Q1 2023	Q1 2022	Delta %
Revenues		160,982	128,949	24.8%
Other revenues		1,276	914	39.6%
Operating costs		(128,819)	(102,629)	25.5%
<b>EBITDA</b>		<b>33,439</b>	<b>27,234</b>	<b>22.8%</b>
Depreciation and impairments		(7,532)	(5,414)	39.1%
<b>EBIT</b>		<b>25,907</b>	<b>21,821</b>	<b>18.7%</b>
<b>EBT</b>		<b>25,182</b>	<b>21,156</b>	<b>19.0%</b>
Taxes		(5,564)	(4,345)	28.1%
<b>Net result of the period</b>		<b>19,618</b>	<b>16,811</b>	<b>16.7%</b>
Non controlling interest		1,074	425	>100%
<b>Group net result</b>		<b>18,544</b>	<b>16,386</b>	<b>13.2%</b>

## Balance sheet

	K€	Q1 2023	FY 2022	Delta %
Fixed Capital		297,665	300,499	(0.9%)
Working Capital		109,817	89,926	22.1%
Employees defined benefit plan		(8,180)	(8,129)	0.6%
<b>Net invested capital</b>		<b>399,302</b>	<b>382,296</b>	<b>4.4%</b>
Equity		233,480	221,247	5.5%
Non current liabilities		65,351	65,208	0.2%
Net financial position (asset)		100,471	95,841	4.8%
<b>Total</b>		<b>399,302</b>	<b>382,296</b>	<b>4.4%</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

- **6 main R&D centers** (Europe x3, China and US 2x)
- **>5%<sup>1</sup> of Revenues** invested in R&D

## Global footprint

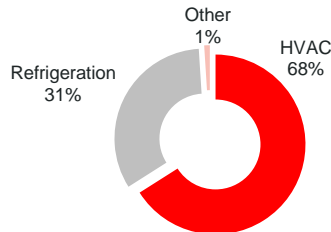
- **15 production plants** (6x Italy, 2xCroatia, Poland, 2x Germany, China, 2xUS and Brazil)

## Key financials – 2022A

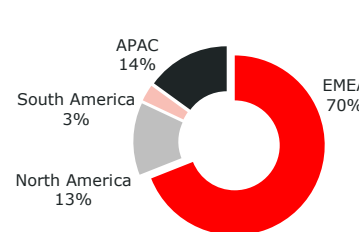
Revenue	EBITDA	EBITDA margin	Net income
€545m	€112m	~20.5%	€62m
+15% CAGR 2015A-22A	+17% CAGR 2015-22A	~200bps Margin expansion 2015A-22A	+16% CAGR 2015A-22A

## Revenue breakdown - 2022A

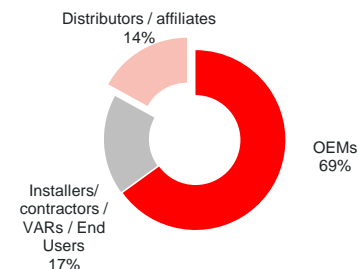
### By market



### By geography



### By channel



Source: Company information as of Mar-23

Note: 1) avg. 2015A-22A

Note: financial data refer to consolidated accounts of CAREL Industries S.p.a. 2015-2022 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

## 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

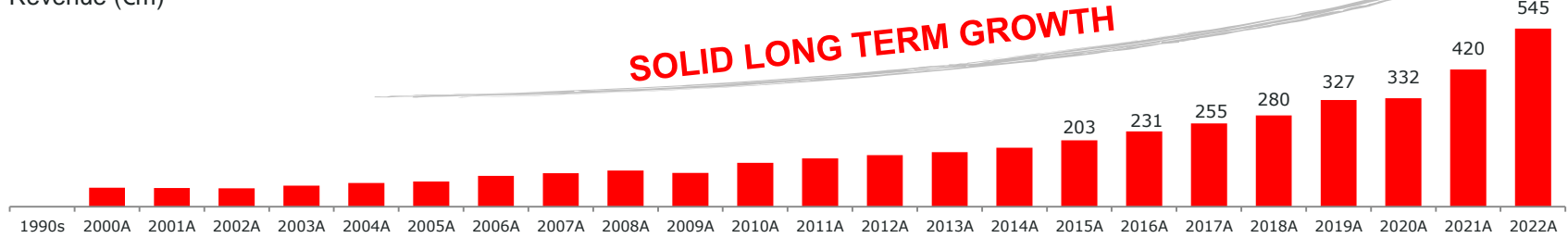
**Distinctive ability to meet customers' demand for tailored integrated solutions using standard platforms**

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

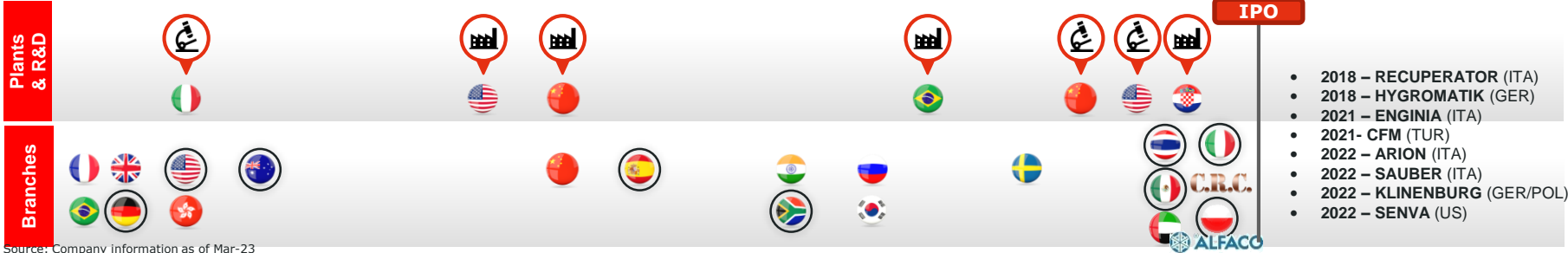
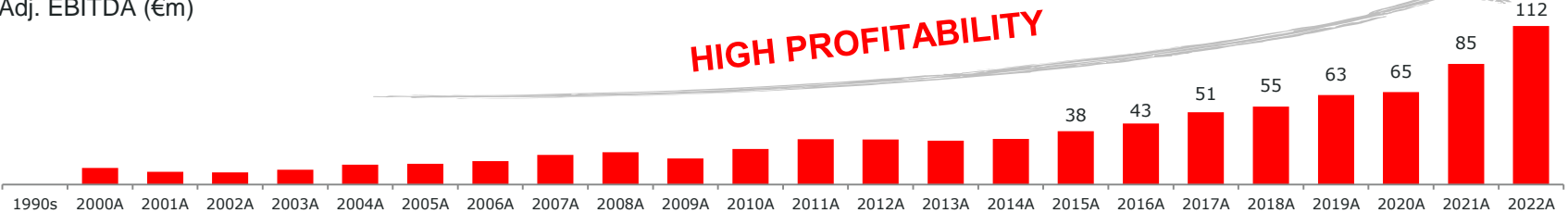


# Long track record of profitable growth

Revenue (€m)

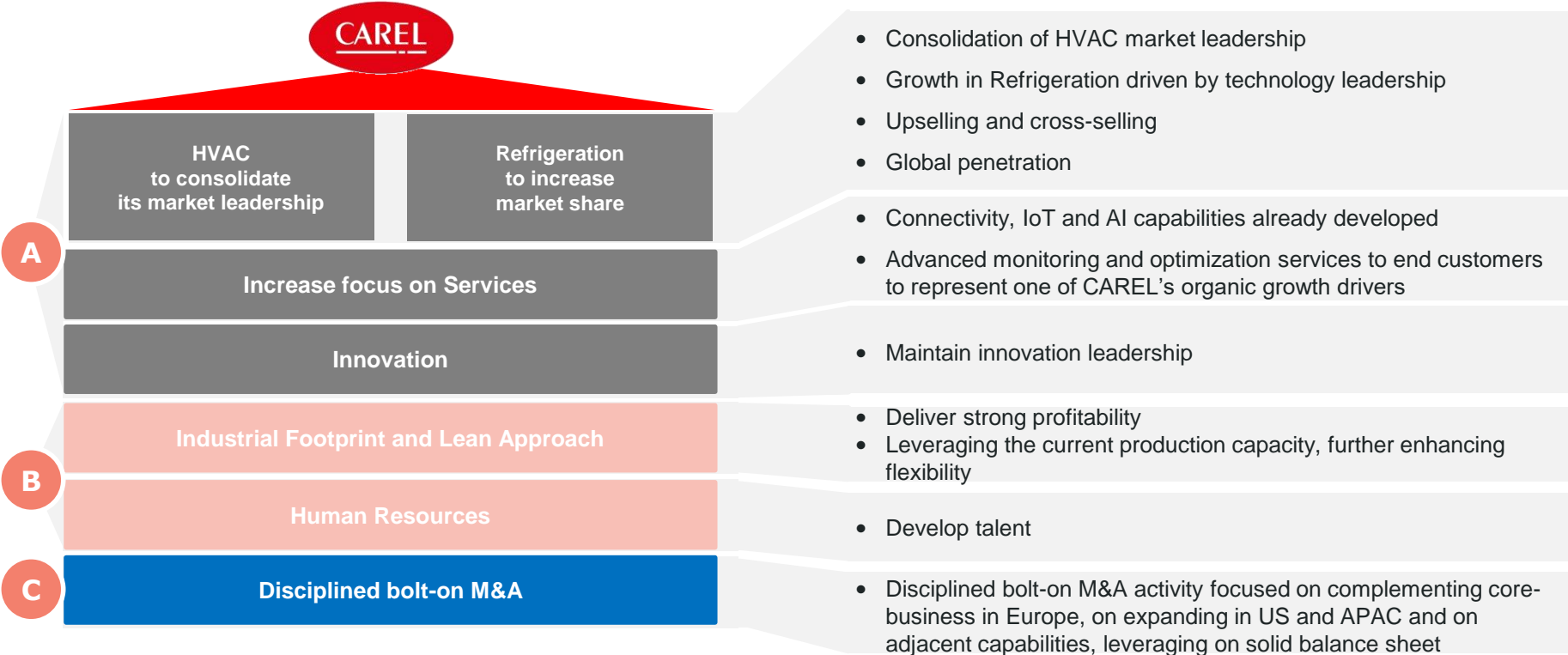


Adj. EBITDA (€m)



Source: Company information as of Mar-23  
 Note: financial data refer to consolidated accounts of CAREL Industries S.p.a. for the period 2011A-2023A (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.

# Well-articulated strategies to continue the growth track record



**CAREL general strategy for 2023-2026 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-23



# 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

**39%**  
European market share  
in *Chillers*



In Europe

**SIGNIFICANT ROOM** FOR FURTHER EXPANSION

Energy efficiency and high performance are critical

**60%**  
European market share  
in *Roof-tops*



In Europe

**BREAK-THROUGH**  
INNOVATIONS

**-50% kWh<sup>2</sup>**  
*HEEZ energy consumption*

Requirement for tailored and customizable solutions

**42%**  
market share  
in *CRAC for Data Centers*<sup>(1)</sup>



In Europe

**Higher efficiency<sup>3</sup>**  
*Rotary DC technology*

Solutions accounting for a low percentage of the final equipment value

**GROWING PRESENCE**  
*Globally*

Source: Company information as of Mar-2023, BSRIA (Dec.-21)


Note: 1) the rest of the market is mainly driven by proprietary solutions 2) tested by third-party laboratory compared to Top-ten EU benchmarks; 3) 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**

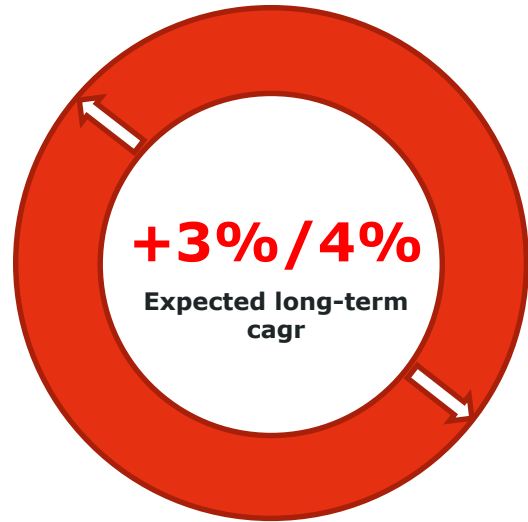
  - Focus on **WASTE REDUCTION** in food sector
  - Increase in number of convenience stores/**FRESH FOOD**
- 

**GLOBAL GROWTH**

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

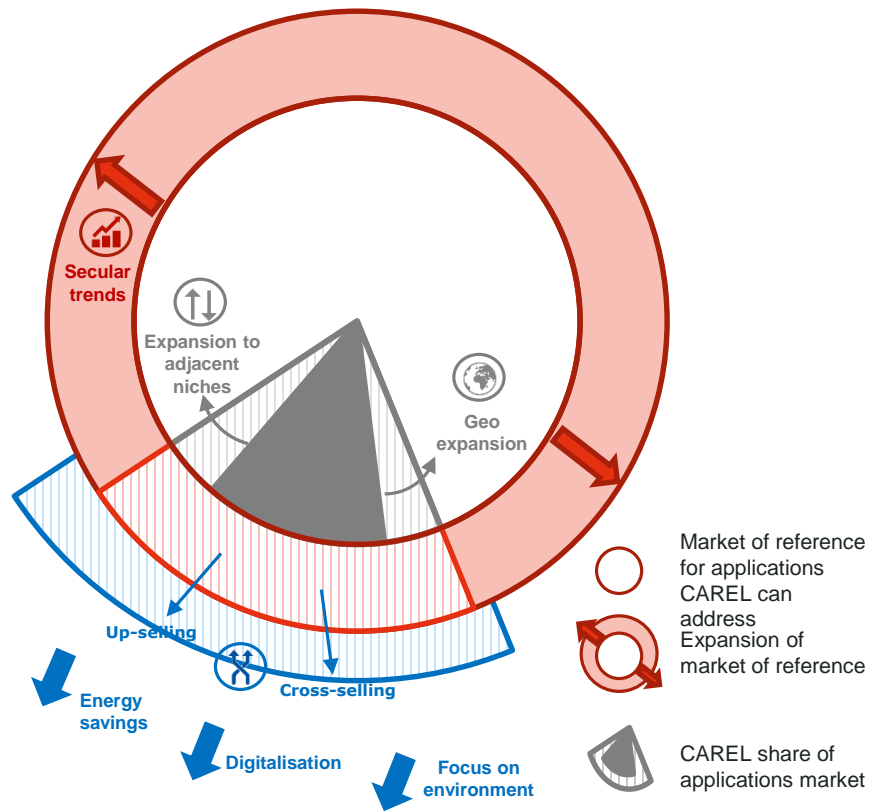
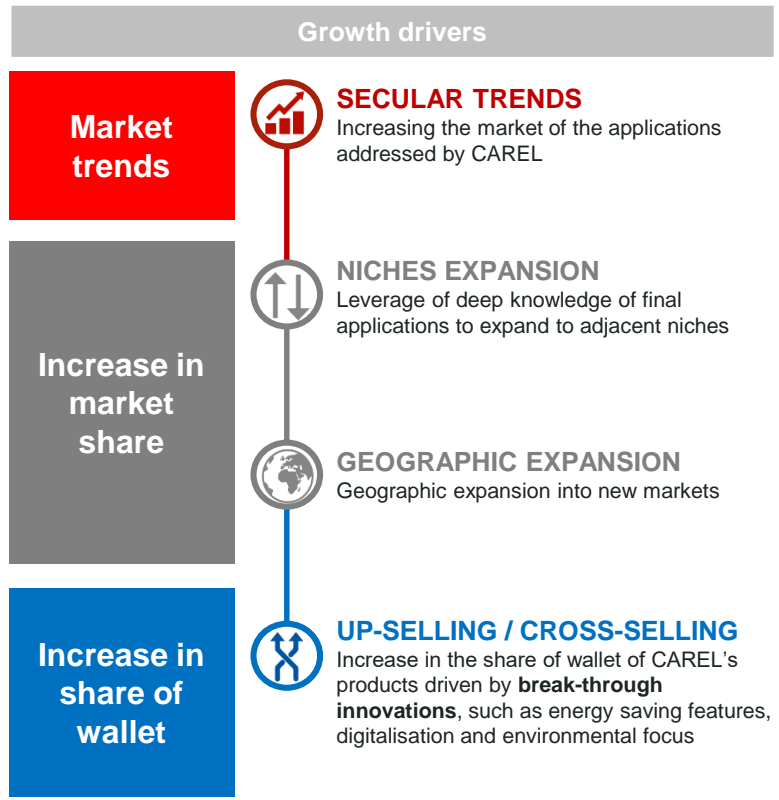
**INTERNET OF THINGS**

  - 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**



Refrigeration

Example of a **BEVERAGE COOLER**



# 3 Positioning and innovation capability hard to replicate

>5% OF REVENUE<sup>1</sup>

Invested annually in R&D

~12% OF TOTAL WORKFORCE

dedicated to R&D

6 R&D CENTRES

## PROPRIETARY SOFTWARE

Vast library of proprietary software modules developed over the past 15 years: **maximizing customizations and reducing time-to-market**

## RESEARCH COLLABORATION

With Tier-1 Universities and Research Institutions

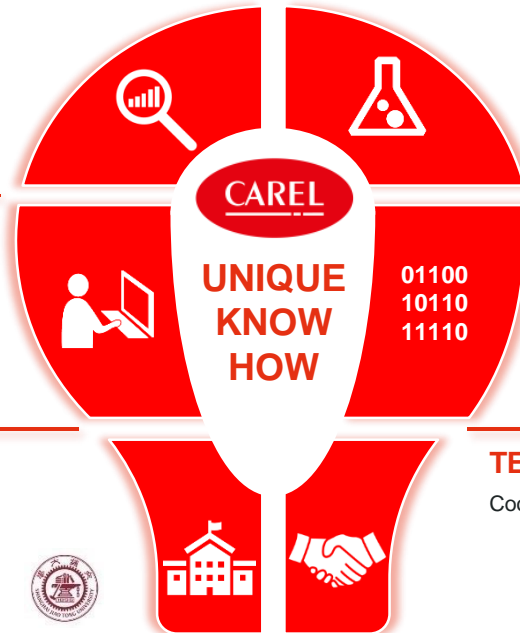


## COMBINING 5 DOMAINS

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

## TECHNOLOGICAL PARTNERS

Cooperation with technology leaders



AWARD  
WINNING  
BUSINESS

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

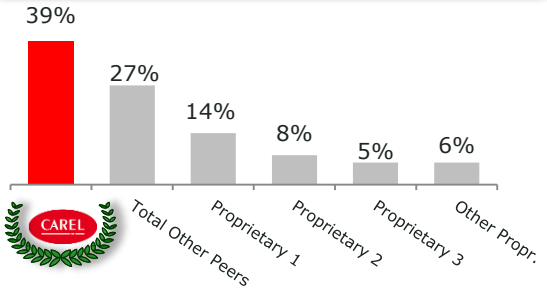
Source: Company information as of Mar-'23  
Note: 1) avg. 2015A-22A

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

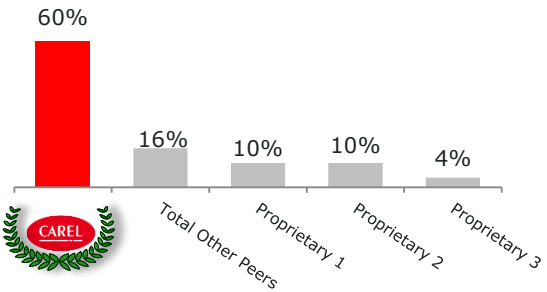
Leadership positioning in premium niches...

...with no perfect comparable

## Chiller European Market Share



## Rooftop European Market Share







	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 2021

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

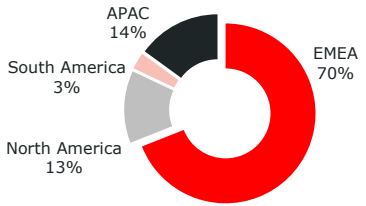


# 4 Highly efficient global operations serving locally...

**GLOBAL PRODUCTION FOOTPRINT**

**DIRECT AND HIGHLY SKILLED SALES NETWORK**

**BEST POSITIONED TO CAPTURE GLOBAL GROWTH OPPORTUNITIES**



Revenue 2022A breakdown by geography

### NORTH AMERICA

- 1** Plant
- 232** Employees
- 74** Sales force
- 2** R&D Centre

### WESTERN EUROPE

- 9** Plants
- 1,220** Employees
- 201** Sales force
- 3** R&D Centre

### NORTH APAC

- 1** Plant
- 308** Employees
- 85** Sales force
- 1** R&D Centre

### SOUTH AMERICA

- 1** Plant
- 58** Employees
- 18** Sales force

### RoEMEA

- 2\*** Plant
- 432** Employees
- 123** Sales force

### SOUTH APAC

- 49** employees
- 49** Sales force

Legend: R&D centres Plants Commercial subsidiaries

Source: Company information at 31/12/2022

# 4 ...diversified blue-chip customers

**GLOBAL BLUE-CHIP**

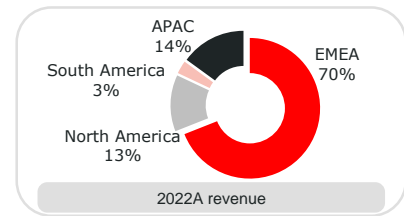
**HVAC**

**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**

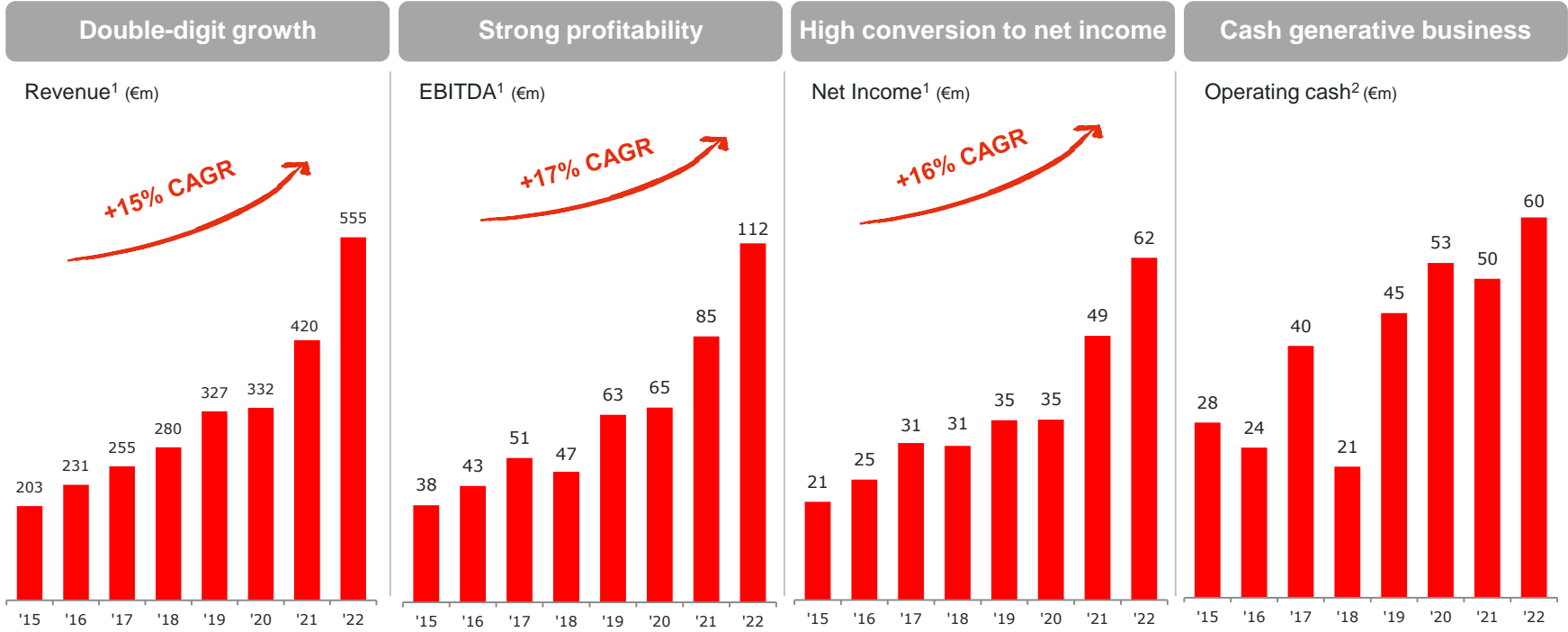
**~80%**  
of Top Customers<sup>3</sup>  
with CAREL for >10y

**~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 March.23;  
Note: 1) as% of 2022 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 growth



**Resulting in a solid balance sheet and strong value creation to shareholders**

Source: Company information as of Mar-23  
 Note: 2015-2022 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 – Net 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 – 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



# 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

# 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.

*\*The transaction included the real estate complex that houses the company's headquarters, which was valued separately.*

## • 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



# 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

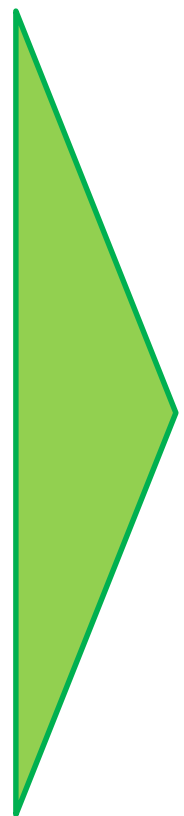
## • **Industrial fitting:**

- ✓ 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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