



CAREL

# CAREL INDUSTRIES S.p.A. 2023 – H1 Results

3<sup>rd</sup> August 2023



# H1 2023 – Highlights

For the tenth consecutive quarter CAREL reported a double-digit organic revenue growth, doubling revenue compared to 2020. EBITDA margin stood at 22.0%

**+26.4%**  
Revenues growth rate

- Organic growth stood at 13.1% (13.9% at constant exchange rate), at the top end of the guidance given in May, further accelerating the trend reported in Q1 2023.
- Positive demand recorded in HVAC (in particular in heat-pumps, data centre cooling and Indoor Air Quality) confirmed as well as the slow-down in Refrigeration investment cycle due mainly to an uncertain and worsening economic scenario.

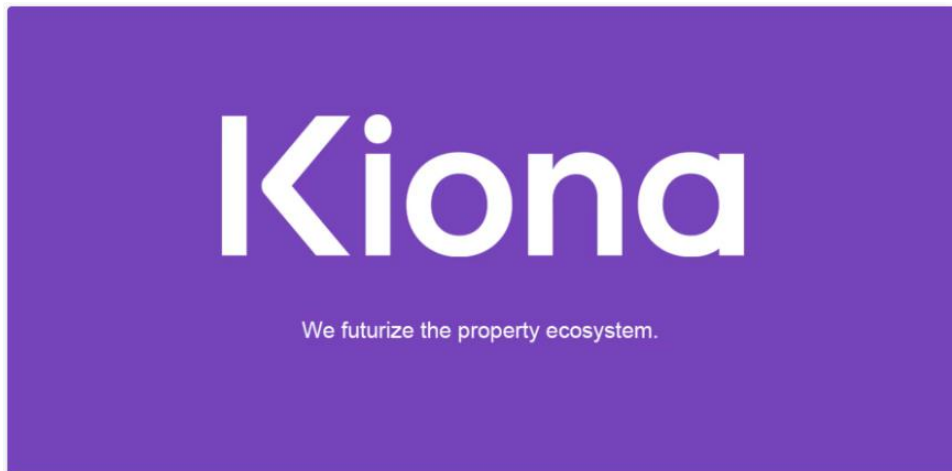
**22.0%**  
EBITDA margin

- EBITDA margin equal to 22.0%, higher than H1 2022 (21.5%) and Q1 2023 (20.8%).
- The positive operating leverage, a better product mix and the continuous deployment of the effects deriving from previous price-list increases offset higher costs on raw materials (persisting inflation, even if at a lower extent, compared to 2022).

**108 m€**  
NFP

- H1 2023 NFP slightly higher compared to FY 2022 including:
  - ~36m€ NWC increase due mainly to revenue growth and higher inventory level linked mainly to the raw material shortage.
  - ~20m€ dividends
  - ~4m€ M&A

# M&A – 2023 – Kiona



- **Company profile:** Kiona is a leading Norway-based Software as a Service (“SaaS”) provider of property technologies solutions for energy consumption optimization and building digitalization in retail & industrial refrigeration, public, commercial and multi-residential facilities.
- **Rationale:** The transaction serves as a strategic move to further strengthen CAREL's positioning as a global leader in the HVAC-R industry, addressing the increasing digitalization and shift towards servitization of the sector, as Kiona is expected to materially enhance and accelerate the development of CAREL's software and digital services offering.
- **Transaction structure:** Carel Industries S.p.A will acquire 82.4% of Kiona. The acquisition consideration implies a 100% Enterprise Value of NOK 2.35 billion (c. €210m). Each of the founder & CEO and other minor shareholders will retain a significant portion of their stake, which on an aggregate basis will account for a c. 17.6% minority stake subject to a 3-years lock up period followed by a put and call option scheme.

## • Key Data:

- ✓ Enterprise value (100%) = 2.35bn NOK (~210m€)
- ✓ 2023 exp. Revenues = ~285m NOK (~25m€)
- ✓ 2023 ex. EBITDA margin = 20%-25%
- ✓ Employees = ~150

## • Industrial fitting:

- ✓ Increasing R&D fire-power in digital solutions by joining CAREL and Kiona teams.
- ✓ Strengthening CAREL capabilities to develop and sell digital services.
- ✓ Opening new commercial opportunities for Kiona
- ✓ Developing technological synergies between the Kiona system at the installation level and the CAREL controls on the HVAC/R units

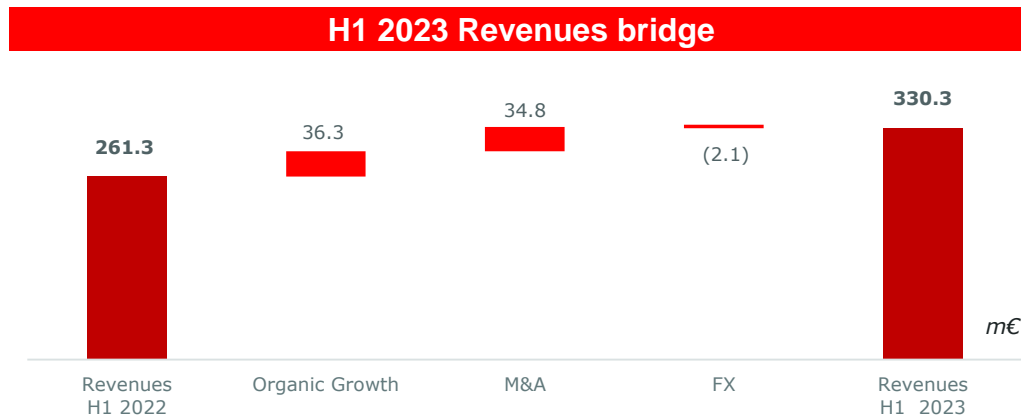
## • Financial Data:

- ✓ ~8.4x Rev./EBITDA on 2023 Exp. revenue
- ✓ 100% Enterprise Value of NOK 2.35 billion (c. €210m)

# H1 2023 – Results



KPIs			
m€	H1 2022	H1 2023	Δ%
Revenue	261.3	<b>330.3<sup>(1)</sup></b>	26.4%
Organic Revenue	261.3	<b>297.6</b>	13.9%
EBITDA	56.1	<b>72.6<sup>(2)</sup></b>	29.4%
<i>EBITDA Revenue</i>	21.5%	<b>22.0%</b>	
Net Profit	34.8	<b>40.3</b>	15.7%
Capex	8.9	<b>7.9</b>	-11.2%

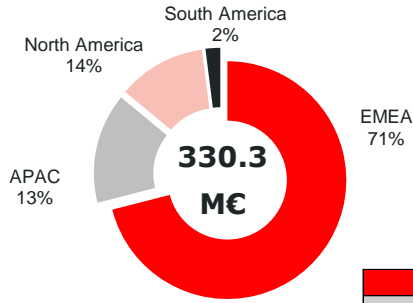


<sup>(1)</sup> Incl. ~34.8m€ (change in the consolidation perimeter); <sup>(2)</sup> Incl. 4.2m€ (change in the consolidation perimeter);

- **Revenue +26.4%:** In Q2 2023 reported organic growth equal to ~16%, approximately 5% higher on Q1 2023 (~11%), thanks mainly to a recovery in refrigeration sector and confirmed positive trends in HVAC (heat-pumps, Data Centres, IAQ). In H1 2023 **Change-in-perimeter contribution equal to 34.8m€** and negative FX impact for 2.1m€
- **EBITDA +29.4%:** The very positive results reported in revenue were reflected in the EBITDA growth rate. The increase in EBITDA margin was due to the **operating leverage** effect, to a **better products mix** (benefitting from the easing in raw material shortage scenario) and further deployment of previous price-list increases.
- **Net Profit +15.7%:** benefitting from the operating results. 22.5% tax-rate, in line with expectation and Q1 2023, was slightly higher on H1 2022 (21.4%) impacted by a different country-mix and changes in regulations.
- **Capex:** Slightly Lower capex due to a different quarterly distribution. FY 2023 ~5% Capex/revenues expectation confirmed.

# H1 2023 – Revenue breakdowns

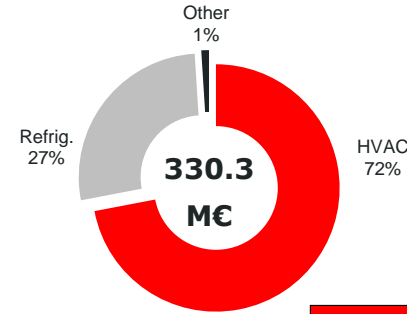
## Breakdown by region



	m€	m€		
Area	H1 2022	H1 2023	Δ%	Δ% fx
EMEA	187.1	235.0	25.6%	26.0%
APAC	36.3	44.5	22.8%	27.9%
Americas (North)	31.8	44.6	40.2%	38.9%
Americas (South)	6.1	6.1	-0.6%	-1.6%
<b>Total Revenue</b>	<b>261.3</b>	<b>330.3</b>	<b>26.4%</b>	<b>27.2%</b>

- **EMEA** – Q1 2023 positive trends confirmed also in Q2 2023. LFL growth rate close to 14%.
- **APAC** – Significant acceleration in Q2 2023 mainly thanks to an excellent performance in India and South Korea plus a number of commercial opportunities seized. China's macro-economic scenario still weak.
- **Americas (North)** – The main contribution to the strong performance in US was M&A (SENVIA) together with a strong demand in Data Centers and IAQ.
- **Americas (South)** – The positive performance reported in Brazil in Q2 2023 did not offset the impact of the macro-economic scenario in other regions.

## Breakdown by sector



	m€	m€		
Sector	H1 2022	H1 2023	Δ%	Δ% fx
HVAC	171.4	238.9	39.4%	40.0%
Refrig.	87.5	90.0	2.8%	4.1%
<b>Core Revenue</b>	<b>258.9</b>	<b>328.9</b>	<b>27.0%</b>	<b>27.8%</b>
No core	2.5	1.4	-42.9%	-41.4%
<b>Total Revenue</b>	<b>261.3</b>	<b>330.3</b>	<b>26.4%</b>	<b>27.2%</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: Recovery in revenues in Q2 2023 mainly linked to the easing of the electronic material shortage experienced in the first weeks of the year.** Weak demand in food service and a deceleration in the investment cycle in food retail confirmed.

# From EBITDA to Net Profit

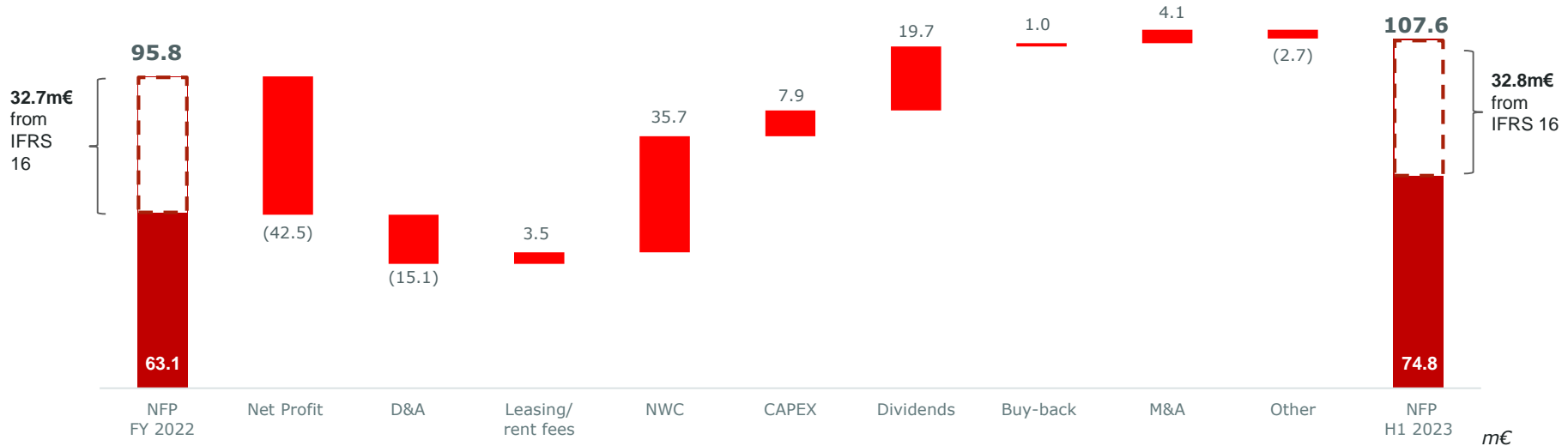
	K€	H1 '22	<b>H1 '23</b>	Δ%
EBITDA		56,106	<b>72,606</b>	29.4%
	D&A	-11,168	<b>-15,099</b>	
EBIT		44,938	<b>57,507</b>	28.0%
	<i>Financial (charges)/income</i>	-1,540	<b>-2,647</b>	
	<i>FX gains/losses</i>	-153	<b>-341</b>	
	<i>Companies consolidated with eq. method</i>	2,363	<b>290</b>	
EBT		45,608	<b>54,809</b>	20.2%
	<i>Taxes</i>	-9,756	<b>-12,359</b>	
	<i>Minorities</i>	-1,044	<b>-2,173</b>	
Group net profit		34,809	<b>40,277</b>	15.7%

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

- **Higher Financial charges** due to the macro trend on interest rates.
- Lower net gain deriving from associates (equity method) due to an extraordinary item reported in H1 2022

- **Higher tax-rate (22.5%)**, compared to H1 2022 (21.4%) due to a different Country-mix and a number of changes in regulations.
- Higher minorities due to **strong performance reported by CFM**.

# H1 2023 – NFP Bridge



- **ΔNWC +35.7m€:** due to higher DSO (seasonality and higher revenues) and an increase in inventory (~25m€) mainly linked to the raw material shortage.
- **Dividends** paid equal to 19.7m€
- Approximately **30% of the total** H1 2023 NFP is related to IFRS 16 accounting effect.

# Closing Remarks

## H1 2023 Results

- Q2 2023 was the 10<sup>th</sup> consecutive quarter reporting a double-digit organic growth. Such a level of consistency proves, 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.
- H1 2023 marked a doubling in revenue compared to 2020 results thanks to the balanced mix of CAREL's development strategy based both on organic and M&A growth drivers.

## M&A and capital allocation

- In July CAREL signed a binding agreement to acquire 82.4% of Kiona, bringing the total of M&A transactions since the IPO to 11.
- With the aim of retaining a flexible capital structure in order to be able to continue pursuing future growth opportunities, CAREL BoDs resolved to call an EGM for a possible capital increase.

## Outlook

- The positive trends reported in H1 2023 in data centers and IAQ are expected to continue in H2 2023.
- In heat pumps, despite the presence of a solid structural trend, a temporary deceleration in the growth rate is possible over the next few quarters due mainly to the macro-economic scenario and regulation uncertainty.
- In Refrigeration the weak demand in H1 2023 should gradually recover in the coming quarters.

## Guidance

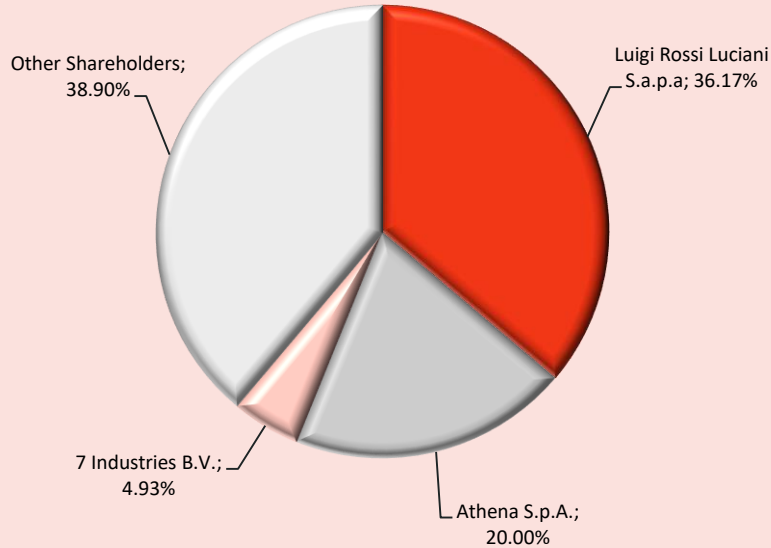
Taking the above into account, the Group forecasts a significant growth also in the second half of the year, albeit with a less exuberant trend than in the first: in the first 9M 2023, the Group expects to report a revenue growth rate (LFL, constant exchange rate) not far from what reported in H1 2023. Organic growth is also expected for the fourth quarter, the extent of which is however difficult to quantify at the moment, in consideration of the volatility of the markets and the uncertainty on macroeconomic scenario.



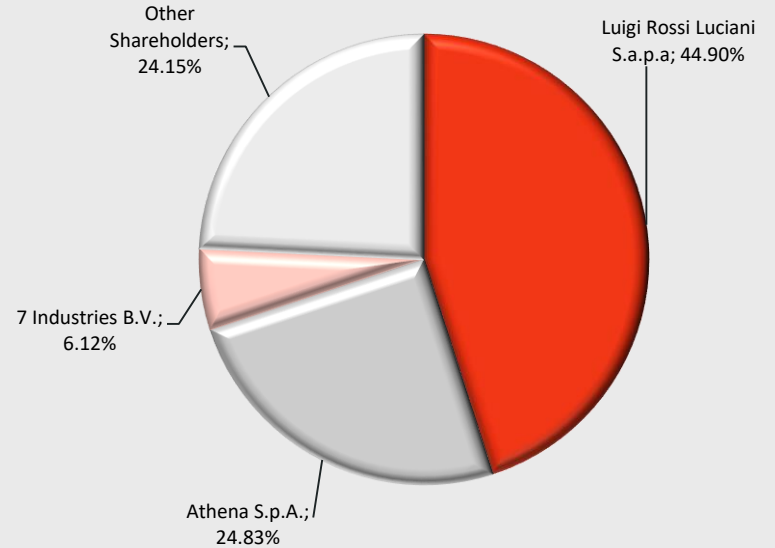
# Annexes

# 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€	H1 2023	H1 2022	Delta %
Revenues		330,309	261,346	26.4%
Other revenues		2,612	2,023	29.1%
Operating costs		(260,315)	(207,262)	25.6%
<b>EBITDA</b>		<b>72,606</b>	<b>56,106</b>	<b>29.4%</b>
Depreciation and impairments		(15,099)	(11,168)	35.2%
<b>EBIT</b>		<b>57,507</b>	<b>44,938</b>	<b>28.0%</b>
<b>EBT</b>		<b>54,809</b>	<b>45,608</b>	<b>20.2%</b>
Taxes		(12,359)	(9,756)	26.7%
<b>Net result of the period</b>		<b>42,450</b>	<b>35,853</b>	<b>18.4%</b>
Non controlling interest		2,173	1,044	>100%
<b>Group net result</b>		<b>40,277</b>	<b>34,809</b>	<b>15.7%</b>

## Balance sheet

	K€	H1 2023	FY 2022	Delta %
Fixed Capital		306,509	300,499	2.0%
Working Capital		119,239	89,926	32.6%
Employees defined benefit plan		(8,279)	(8,129)	1.9%
<b>Net invested capital</b>		<b>417,469</b>	<b>382,296</b>	<b>9.2%</b>
Equity		234,492	221,247	6.0%
Non current liabilities		75,347	65,208	15.5%
Net financial position (asset)		107,630	95,841	12.3%
<b>Total</b>		<b>417,469</b>	<b>382,296</b>	<b>9.2%</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

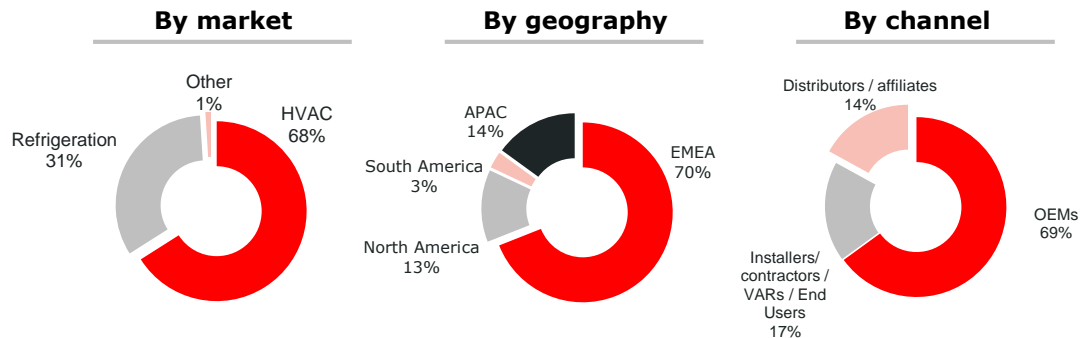
## Global footprint

- **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



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

### Industrial

#### Data Centers



#### Industry and Process



#### Pharma and Food



### Residential

#### Residential



### Commercial

#### Shopping Centers



#### Office Space



#### Recreational



## Refrigeration

### Food Retail

#### Convenience Stores



#### Hypermarkets



### Food Service

#### Restaurant Chains



#### 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



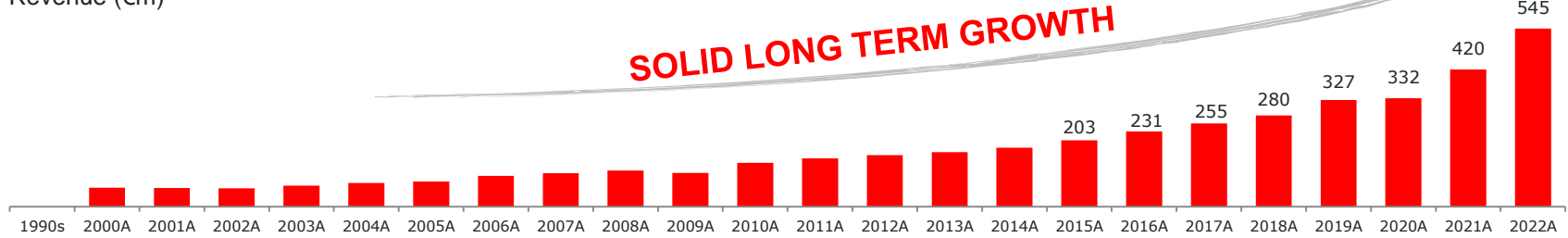
Innovative services based on the IoT capabilities

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

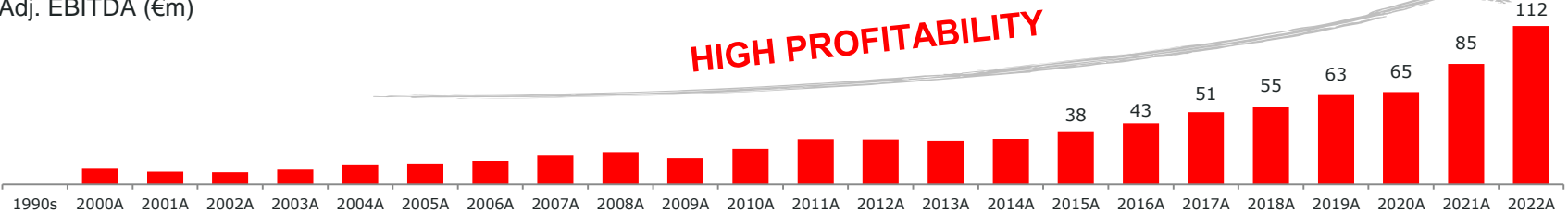
Source: Company information as of Mar-22  
Note: 1) developed with partners

# Long track record of profitable growth

Revenue (€m)



Adj. EBITDA (€m)



Plants & R&D

Branches

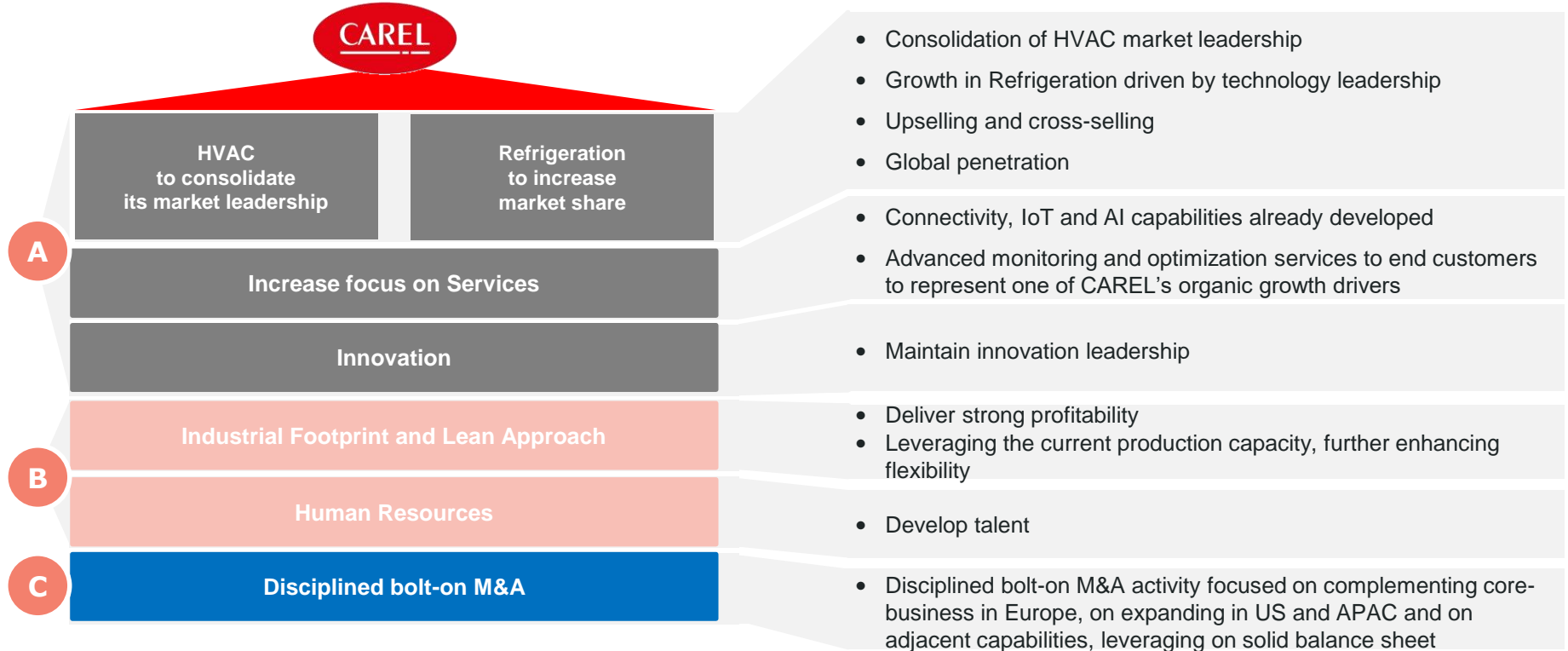
- 2018 – RECUPERATOR (ITA)
- 2018 – HYGROMATIK (GER)
- 2021 – ENGINIA (ITA)
- 2021 – CFM (TUR)
- 2022 – ARION (ITA)
- 2022 – SAUBER (ITA)
- 2022 – KLINENBURG (GER/POL)
- 2022 – SENVA (US)

IPO

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**

# 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)

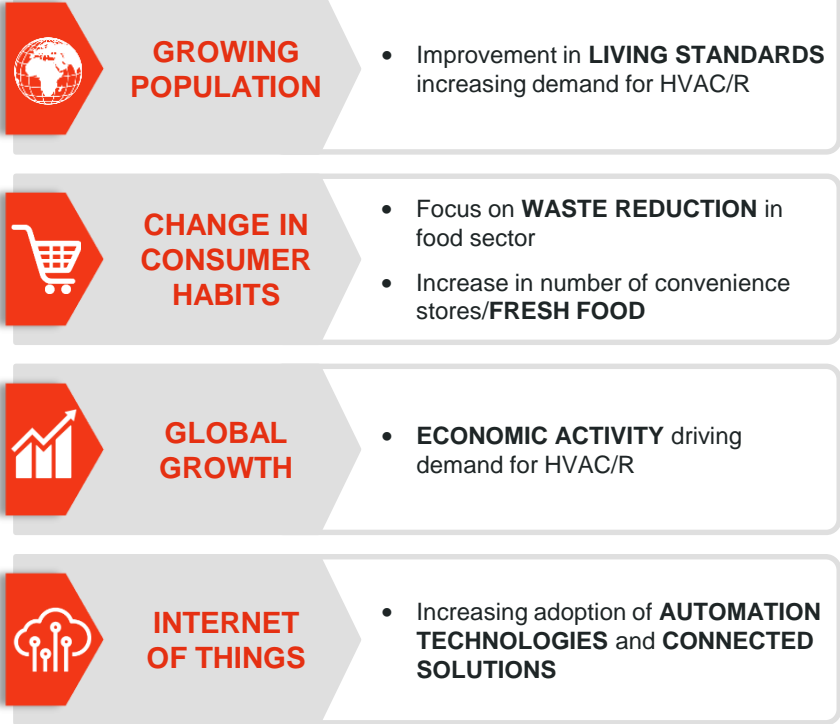
Note: 1) the rest of the market is mainly driven by proprietary solutions 2) tested by third-party laboratory compared to Top-ten EU benchmarks; 3) compared to average semi-hermetic

# 2 Attractive market growth supported by secular trends

## Secular trends...

## ...supporting attractive market growth

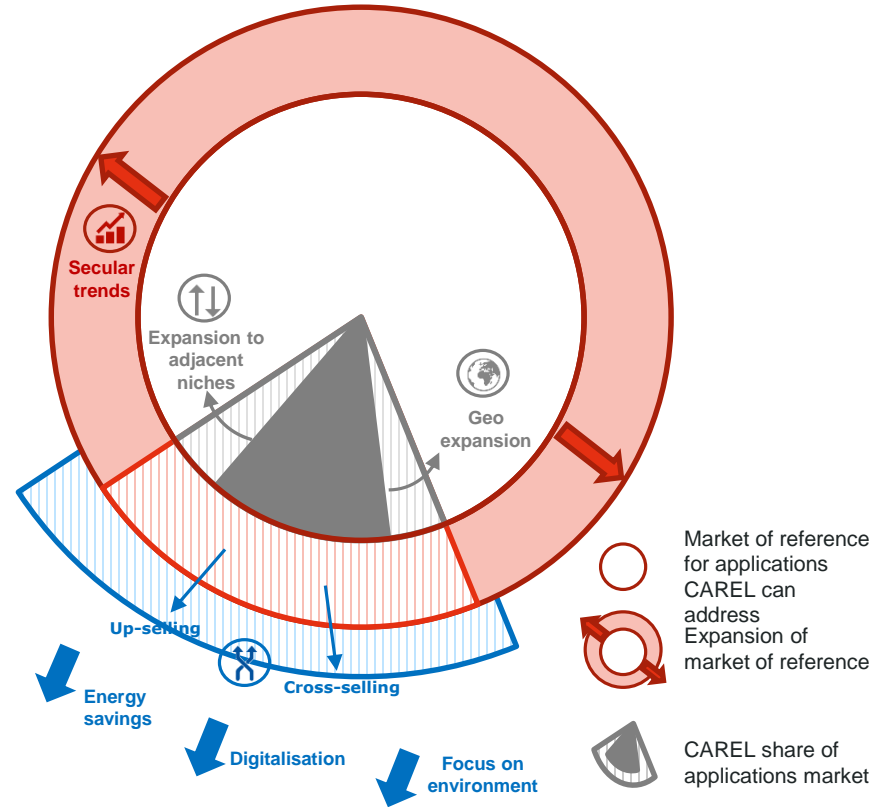
### Reference HVAC and refrigeration Market



Source: Company information

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

## Growth drivers



# 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**

DC Technology

**μchiller**

APPLICA

Refrigeration

Example of a **BEVERAGE COOLER**

**Before**

DC Technology

**μchiller**

APPLICA

# 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**

## COMBINING 5 DOMAINS

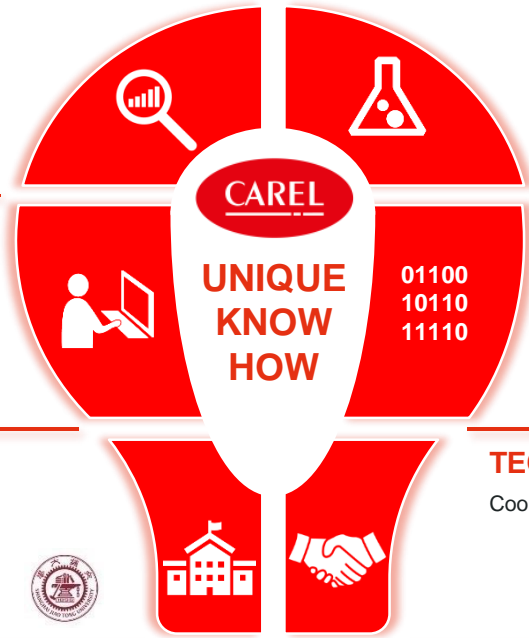
- Hardware & Firmware
- Software
- Mechanics
- Thermodynamics
- IoT

## RESEARCH COLLABORATION

With Tier-1 Universities and Research Institutions

## TECHNOLOGICAL PARTNERS

Cooperation with technology leaders



**AWARD WINNING BUSINESS**

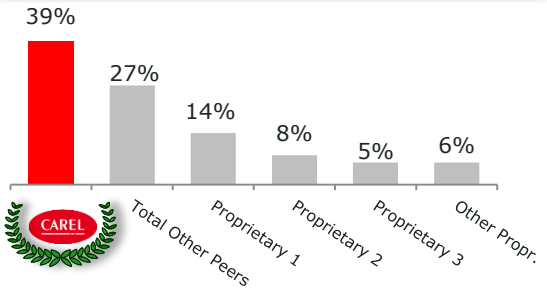
 Nov-13 <b>Electrolux Supplier Award</b> 	 Jan-16 <b>AHR Expo Innovation Award</b> 	 Apr-17 <b>China Refrigeration Innovation Award</b> 	 Sep-17 <b>World Beverage Innovation Award</b> 	 Oct-17 <b>RAC Cooling Industry Award</b> 	 Apr-18 <b>China Refrigeration Award</b> 
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Source: 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>		✓✓✓	✓✓	✓

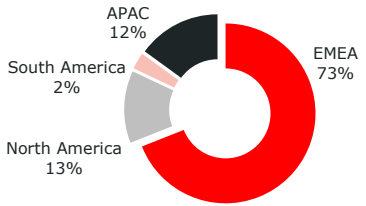
Source: Company info; Management elaborations

# 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

- 2 Plants
- 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 Plants
- 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



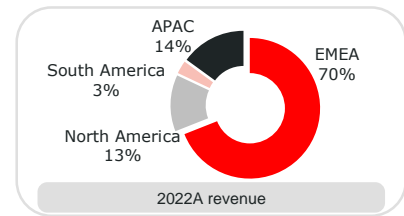
## REFRIGERATION



 **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**

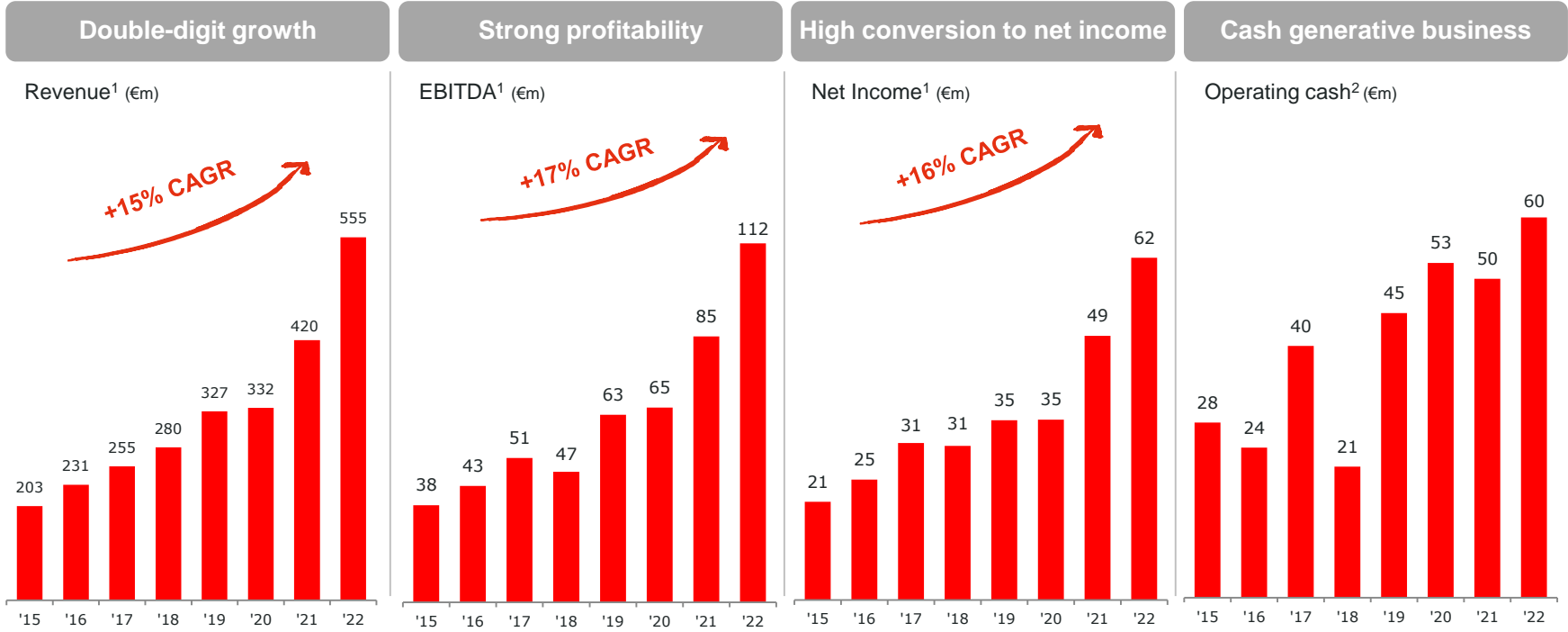
**~80%**  
of Top Customers<sup>3</sup>  
with CAREL for >10y

**~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 Global expansion, innovation and services

A



# 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

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- **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



**HYGROMATIK**<sup>®</sup>  
WE HUMIDIFY THE AIR



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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