



CAREL

CAREL INDUSTRIES S.p.A. 2023 – FY Results

6th March 2024



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FY 2023 – Highlights

For the third consecutive year CAREL reported a **>20% revenue growth rate (constant FX)** and **≥21% adj. Ebitda margin**

+21.1%
Revenue growth⁽¹⁾

- **Reported Revenue equal to 650m€** in line with the guidance given in October.
- **Organic growth** in revenues (LFL and constant exchange rates) **stood at 10.0%**
- **All segments/geographies positively contributed to the performance** thanks to a mix of organic growth and M&A, **despite a sequential slow down in HP** (with a steep deceleration in Q4) and a **soft Refrigeration market** due mainly to the weak macro-economic scenario (inflation/interest rate)

21.1%
EBITDA margin

- **EBITDA margin equal to 21.1%**, higher than FY 2022 (20.5%). The expected decrease on 9M 2023 is due to a seasonal effect. Excluding the one-off costs related to M&A (~2.7m€), the Adj. EBITDA margin reported would stand at 21.5% (top end of the guidance).
- **The positive operating leverage, a better product mix and the continued effects** deriving from **previous price-list increases** offset higher costs of raw materials (persistent inflation in particular in the first part of the year).

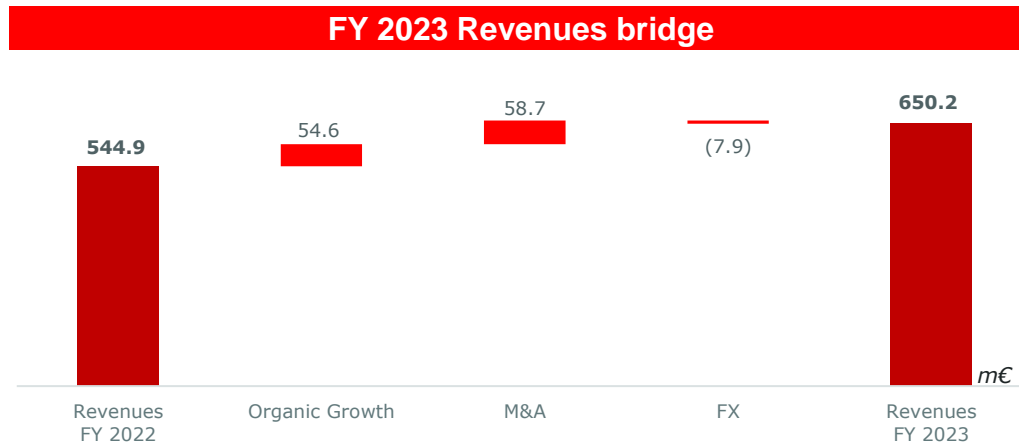
36_{m€}
NFP

- **Net of the IFRS 16 accounting effect (~33m€), the NFP would be virtually zero.** This remarkable results was achieved mainly thanks to a very robust cash generation (cash-conversion cycle equal to approximately ~75%⁽²⁾)

⁽¹⁾At constant exchange rate – ⁽²⁾Excluding M&A and Share Capital Increase – Calculated as $(EBITDA - \Delta NWC - Capex) / EBITDA$

FY 2023 – Results

KPIs			
m€	FY 2022	FY 2023	Δ%
Revenue	544.9	650.2	19.3%
Organic Revenue	544.9	599.4⁽¹⁾	10.0%
EBITDA	111.7	137.2	22.8%
Adj. EBITDA ⁽²⁾	114.7	139.9	21.9%
Adj. EBITDA /Revenue	21.1%	21.5%	
Net Profit	62.1	70.9	14.2%
Capex	26.8	27.4	2.2%



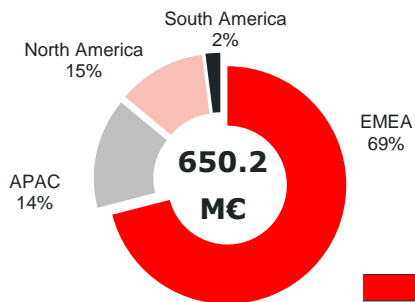
⁽¹⁾ Excl. ~58.7m€ (change in the consolidation perimeter) and ~7.9m€ (negative FX impact);

⁽²⁾ Adjustments mainly related to M&A costs.

- **Revenue +19.3%: Balanced contribution from organic and M&A growth.** In Q4 expected flattish organic growth due to the sharp deceleration in the heat-pumps market and a prolonged weakness in the refrigeration segment.
- **Adj. EBITDA +21.9%:** The very positive results reported in revenue were reflected in Adj. EBITDA growth. **For the second consecutive year Adj. EBITDA margin >21%** thanks to the **operating leverage** effect, to a **better products mix** (benefitting from the easing of the raw material shortage) and continued effects of previous price-list increases. Lower Q4 Adj. ebitda margin (~18%) due to seasonal effects.
- **Net Profit +14.2%:** benefitting from the operating results. Lower tax rate (20.1%) on FY 2022 was mainly linked to a different country mix.
- **Capex:** in line with FY 2022
- **Dividend:** 0.19€ per share proposed dividend; ~30% pay-out ratio

FY 2023 – Revenue breakdowns

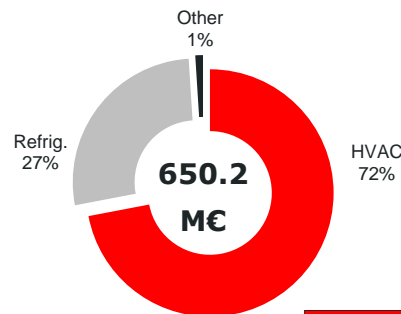
Breakdown by region



	m€	m€		
Area	FY 2022	FY 2023	Δ%	Δ% fx
EMEA	382.7	450.2	17.6%	17.9%
APAC	78.2	89.3	14.2%	21.7%
Americas (North)	71.0	97.2	36.9%	40.7%
Americas (South)	13.0	13.5	4.3%	3.9%
Total Revenue	544.9	650.2	19.3%	21.1%

- **EMEA** – The combination of organic growth and M&A kept the growth rate >15%. Slow-down in H2 mainly linked to the heat-pumps sector.
- **APAC** – ~22% growth (excluding FX) based both on organic and M&A (Eurotec) contribution. Excellent performance in India and South Korea. China's macro-economic scenario still weak.
- **Americas (North)** – Very positive performance throughout the year thanks to data centres and to some projects related to BESS (Battery Energy Storage Systems). Positive performance from SENVA.
- **Americas (South)** – The good results reported in Brazil were partly offset by the impact of the macro-economic scenario in other regions.

Breakdown by sector



	m€	m€		
Sector	FY 2022	FY 2023	Δ%	Δ% fx
HVAC	371.9	472.1	27.0%	28.7%
Refrig.	168.9	175.1	3.7%	5.6%
Core Revenue	540.8	647.3	19.7%	21.5%
No core	4.1	3.0	-27.2%	-23.9%
Total Revenue	544.9	650.2	19.3%	21.1%

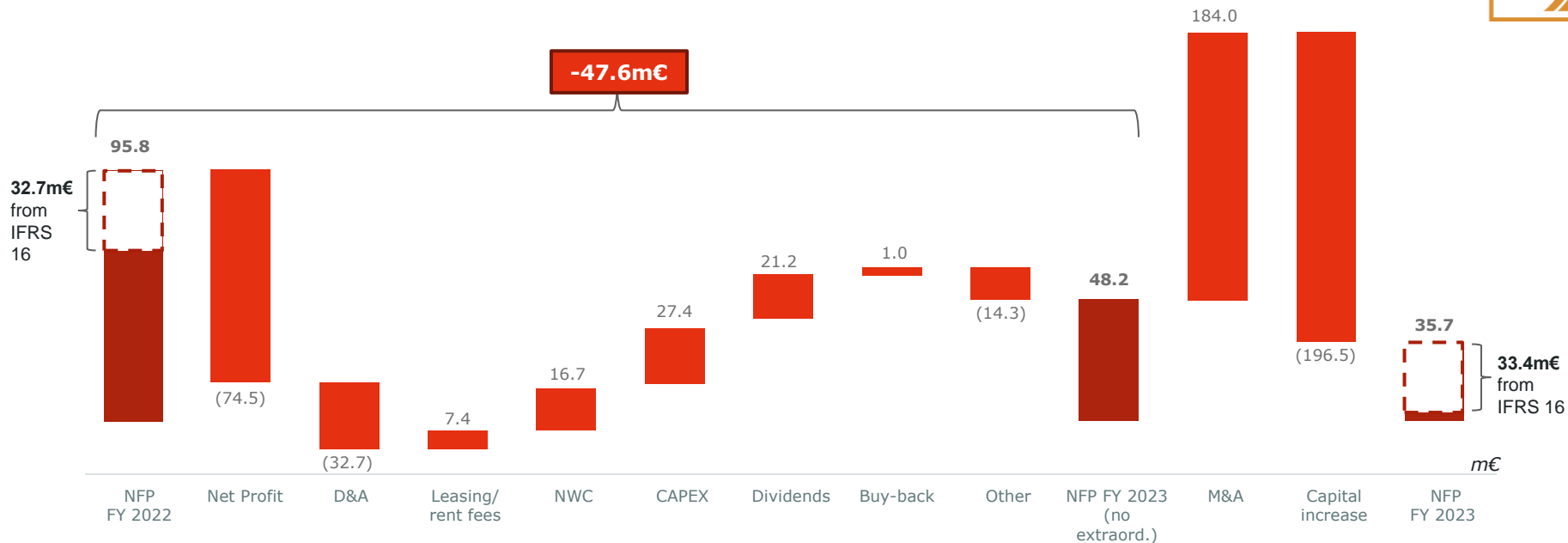
- **HVAC: Excellent growth in 2023** (~14% excluding M&A) partly hampered by a sequential sharp slow-down in the second half of the year in the heat pump sector in Europe.
- **Refrigeration:** In spite of a **generalized stagnation in the investment cycle**, the company managed to report a **mid single-digit growth**, thanks also to the contribution of Kiona.

From EBITDA to Net Profit

EBITDA		111,725	137,183	22.8%
	D&A	-24,414	-32,783	
EBIT		87,311	104,400	19.6%
	Financial (charges)/income	-3,173	-9,705	
	FX gains/losses	-861	-3,763	
	Gain/Losses from FV on liabilities for options on minorities	-2,235	1,660	
	Companies consolidated with eq. method	2,360	613	
EBT		83,402	93,205	11.8%
	Taxes	-18,603	-18,732	
	Minorities	-2,675	-3,531	
Group net profit		62,124	70,942	14.2%

- **Higher D&A** mainly due to the purchase price allocation amortization.
- **Higher Financial charges** due to the macro trend on interest rates, the bridge loan for the Kiona acquisition and non-cash interests linked to the put-call options on a number of minority stakes.
- **FX losses** linked to unfavorable FX effects on Kiona's put/call option expressed in NOK.
- Lower net gain deriving from **associates (equity method)** due to an **extraordinary item reported in H1 2022**
- **Lower tax-rate (20.1%)**, compared to FY 2022 (22.3%) related mainly to a different country mix.

FY 2023 – NFP Bridge



- **Total NFP equal to 35.7m€.** Excluding the impact of the IFRS 16 accounting effect (33.4m€) the NFP would be virtually zero.
- Net of the combined effect of M&A and the share capital increase, **the 2023 robust cash generation easily covered ΔNWC, Capex and Dividends.**
- **ΔNWC +16.7m€: Strong improvement compared to 9M 2023 (38.1m€)** thanks mainly to the implementation of several inventory improvement initiatives. The growth on 2022 level is mainly linked to the increase in revenues/receivables dynamic.



In March, the 5th generation of CAREL's software development environment, named Stone, will be launched at the MCE Exhibition in Milan.

It will natively support all CAREL products.

Flexibility

- **Optimized teamwork** allowing multiple people to work simultaneously on the same project.
- Opportunity to **reuse modules already developed** on previous architectures.
- **Real time automatic test** to validate the functionality of the code.

Artificial intelligence

- It **natively supports the usage of generative AI** to automatically write parts of the software. Existing roadmap for the development of further generative AI-based features.
- Creation of **digital twins** of the customer unit to validate the software before building expensive physical prototypes.

Remote installation, maintenance

- It enables **secure remote maintenance on the end unit software without having any operator on-field** even without a permanent internet connection.

Security

- Thanks to the **digital signature, it prevents the installation of any unauthorized non-original software** on the control, creating a **shield against possible attacks** and protecting OEMs' spare parts business.



Ideal development path

1

A (multi-location) team starts developing the software with the possibility of re-using software modules already developed, capitalizing on previous investments.

2

The team can focus on the high value-added parts of the logic of the end unit, continuously testing in real time the functionality of the SW. The less important but highly time-consuming part of the code is left to the AI.

3

Once the end unit has been commissioned, the SW development/maintenance team can intervene remotely avoiding significant downtimes and the deployment of on-field personnel.

4

In case of a HW failure a possible replacement with non-original spare parts is prevented by the software.

Kiona

Integration process

- **STEERING COMMITTEE**

- Following the acquisition of Kiona a steering committee has been established and consists of a number of key managers from CAREL and Kiona.

- The main tasks of the committee are to accelerate the Kiona/CAREL integration and the development of synergies.

- **POST-MERGER INTEGRATION MANAGER**

- A CAREL manager with a long-standing expertise in the software and services sector has been appointed as post-merger integration manager.

- She has the responsibility for the correct and timely implementation of the steering committee decisions and initiatives and will be also a member of the Kiona's Board of Directors.

2024 main integration projects

- **REFRIGERATION**

- Keeping Kiona HW-agnostic, CAREL field controls will be natively integrated in Kiona's software libraries allowing for a seamless usage optimization between the two. Combining CAREL+Kiona could lead to an even simpler (and cheaper) installation.

- Integration between CAREL Digital Services and Kiona 24/7 alarm management system.

- **BUILDINGS**

- The process to accelerate Kiona's internationalization process has started, leveraging on CAREL's leading positioning in a number of HVAC niches. The main geographic areas to focus on are southern Europe and the US.

Results and expectations

- **2023**

In 2023 the company posted approximately 24m€ revenues with a 22% increase on 2022

Adjusted EBITDA margin (excluding costs mainly related to the acquisition) was slightly lower than 20%.

- **2024**

In January 2024 the company reported a >20% revenues growth rate in spite of a challenging European macroeconomic scenario.

A growth in the profitability compared to 2023 is expected.

Closing Remarks

FY 2023 Results

- For the third consecutive year, CAREL reported a **>20% revenue growth rate** (constant exchange rate), with a balanced mix between organic and external growth.
- In spite of a deteriorating scenario, in particular in the HP sector in Europe and a weak demand in refrigeration, **CAREL managed to report a double-digit organic growth (+10%)**.
- **Adj. EBITDA margin 21.5% and an outstanding cash conversion cycle (~75%*)**.

Extraordinary operations

- **CAREL significantly strengthened its positioning in the digital services sector** with the acquisition of a top player as Kiona.
- **In December the company successfully completed its first Share Capital increase**, with the intention of being flexible in seizing possible further M&A opportunities.

ESG

- The **Silver medal and the “AA” score** were confirmed also in 2023 respectively by **Ecovadis and MSCI**.
- **CDP raised its score on CAREL for the second consecutive year (from B- to B)**.

Scenario

- **Macro-economic scenario deteriorated** in H2 2023 due mainly to the impact of high interest rates. This was particularly true in **heat pumps**: despite the presence of a **solid structural trend**, 2023 HP sales in Europe marked a 5% decrease.
- **In Refrigeration** the weak demand trend reported in H1 2023 continued also in H2 2023.

Guidance

The first months of 2024 confirmed the dynamics of the last part of 2023; hence, **the Group expects to close Q1 2024 with total revenue not far from Q4 2023**. As regards **the rest of the year, expectations are for a gradual improvement** linked to the recovery of the investment cycle in the refrigeration sector (the first slight signs of which are already present), the disposal of inventory accumulated in the HP supply chain and the improvement of the European macroeconomic scenario (interest rates).

*Excluding M&A and Share Capital Increase – Calculated as (EBITDA-ΔNWC-Capex)/EBITDA

Annexes

Income statement and Balance Sheet

Income statement

	K€	FY 2023	FY 2022	Delta %
Revenues		650,247	544,852	19.3%
Other revenues		6,007	5,780	3.9%
Operating costs		(519,070)	(438,906)	18.3%
Operating costs adj.		(516,399)	(435,888)	18.5%
EBITDA		137,183	111,725	22.8%
EBITDA ADJ.		139,854	114,743	21.9%
Depreciation and impairments		(32,783)	(24,414)	34.3%
EBIT		104,400	87,311	19.6%
EBT		93,205	83,402	11.8%
Taxes		(18,732)	(18,603)	0.7%
Net result of the period		74,473	64,799	14.9%
Non controlling interest		3,531	2,675	32.0%
Group net result		70,942	62,124	14.2%

Balance sheet

	K€	FY 2023	FY 2022*	Delta %
Fixed Capital		507,725	313,282	62.10%
Working Capital		77,509	85,899	-9.80%
Employees defined benefit plan		-8,479	-8,129	4.30%
Net invested capital		576,755	391,053	47.50%
Equity		396,174	221,247	79.10%
Non current liabilities		144,918	73,965	95.90%
Net financial position (asset)		35,664	95,841	-62.80%
Total		576,755	391,053	47.50%

*Restated

Company Profile

Leading provider of advanced control solutions for HVAC/R

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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%¹ of Revenues** invested in R&D

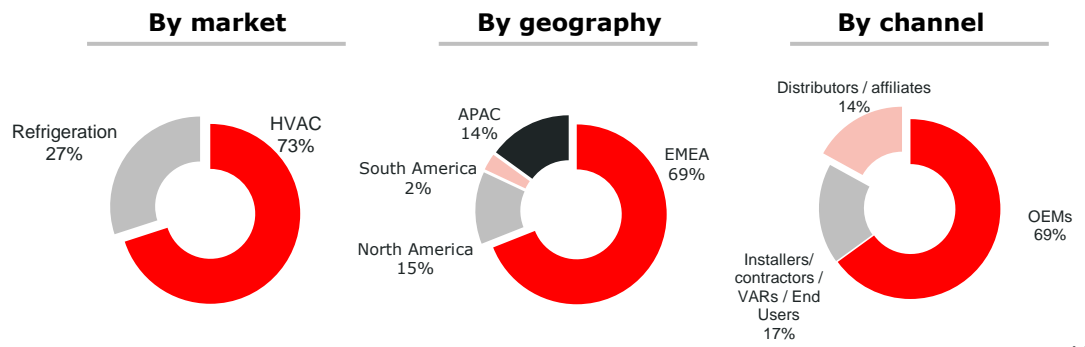
Global footprint

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

Key financials – 2023A

Revenue	EBITDA	EBITDA margin	Net income
€650m	€112m	~21.1%	€62m
+16% CAGR 2015A-23A	+18% CAGR 2015-23A	~260bps Margin expansion 2015A-23A	+16% CAGR 2015A-23A

Revenue breakdown - 2023A



Source: Company information
 Note: 1) avg. 2015A-23A – In 2020-2023 the R&D/revenue avg. ratio was ~4.4% due to a strong growth in revenue.
 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



Food Service

Restaurant Chains



Hypermarkets

















Refrigerated Merchandisers



...through a one-stop-shop portfolio of components and platforms

Telephone distribution and commercial use strictly prohibited



<p>Programmable controls</p>  <p>Electronic controls easily programmable and customizable</p>	<p>HMI and unit terminals</p>  <p>User interfaces for units and systems</p>	<p>Parametric controls</p>  <p>Entry level electronic controllers</p>	<p>Adiabatic humidifiers and evaporative coolers</p>  <p>Pressure water atomizers</p>	<p>Isothermal humidifiers</p>  <p>Steam production systems</p>
<p>Heat exchangers</p>  <p>Heat exchangers for AHU</p>	<p>Dampers</p>  <p>Dampers and other AHU components</p>	<p>Power solutions</p>  <p>Electrical panels</p>	<p>Sensors and protection devices</p>  <p>Temperature/humidity and air quality sensors</p>	<p>Electronic expansion valves & drivers</p>  <p>Electronic valves for the modulation of refrigerant flow</p>
<p>Speed controllers & inverters</p>  <p>Speed control devices for BLDC compressors</p>	<p>Compressors¹</p>  <p>BLDC compressors</p>	<p>Remote management, monitoring systems, IoT</p>  <p>Solution for local / remote management monitoring and optimization</p>	<p>Services</p>  <p>Innovative services based on the IoT capabilities</p>	

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

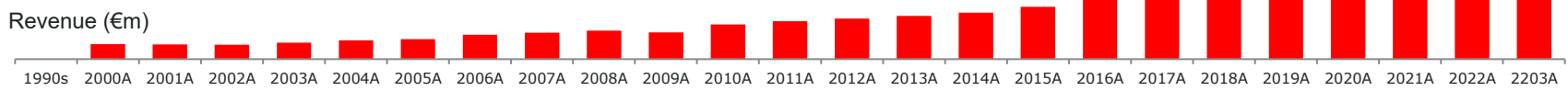
Source: Company information
Note: 1) developed with partners



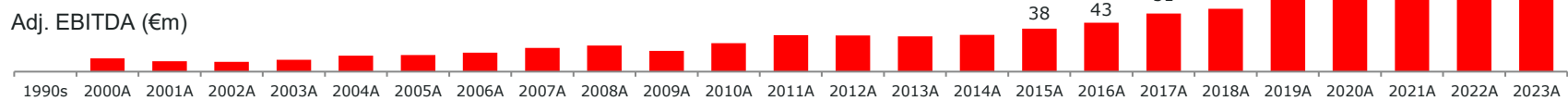


Long track record of revenue growth

SOLID LONG-TERM GROWTH



HIGH PROFITABILITY



Plants & R&D

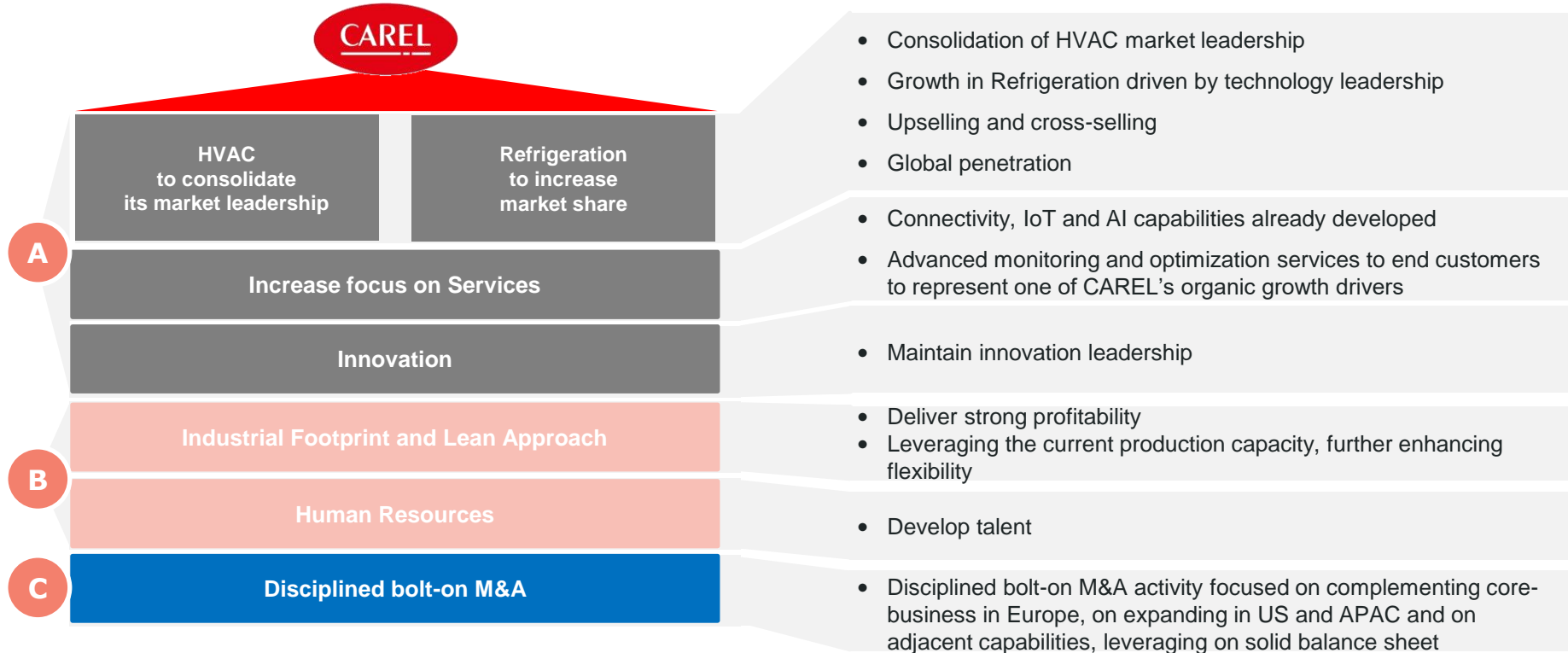
Branches

IPO

- 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)
- 2023 – KIONA (NOR)

Source: Company information 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



Leading provider of advanced energy efficient control solutions



1 High-tech leader in attractive niches of the HVAC/R industry

Focus on attractive niches...

...resulting in leadership positioning

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% kWh²
HEEZ energy consumption

Requirement for tailored and customizable solutions

42%
market share
in *CRAC for Data Centers*⁽¹⁾



In Europe

Higher efficiency³
Rotary DC technology

GROWING PRESENCE
Globally

Solutions accounting for a low percentage of the final equipment value

Source: Company elaborations as of 31 December 2022 based on Building Services Research and Information Association data as of 31 December 2021

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...



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



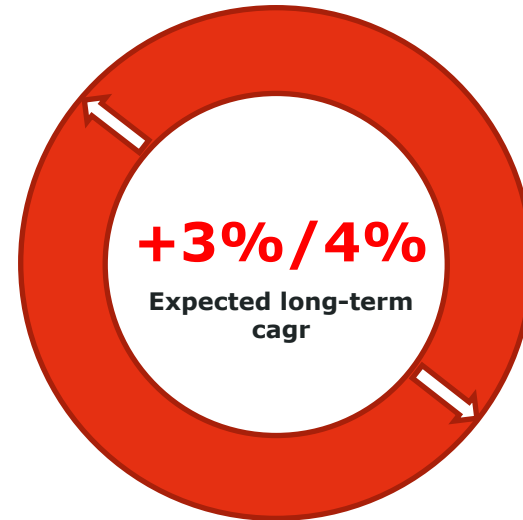
INTERNET OF THINGS

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

Source: Company information

...supporting attractive market growth

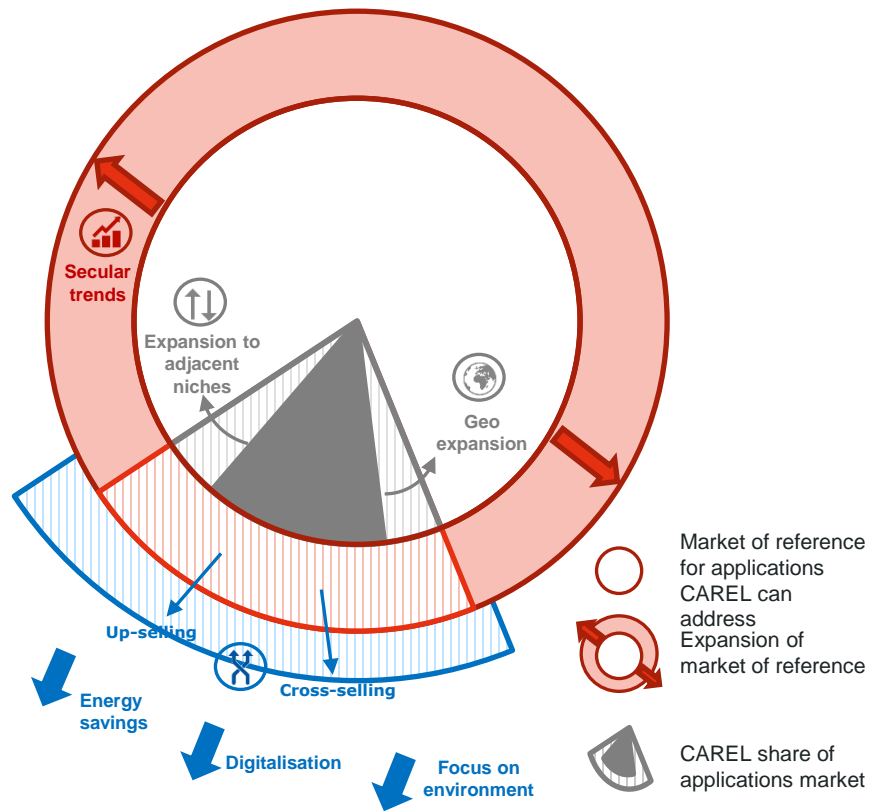
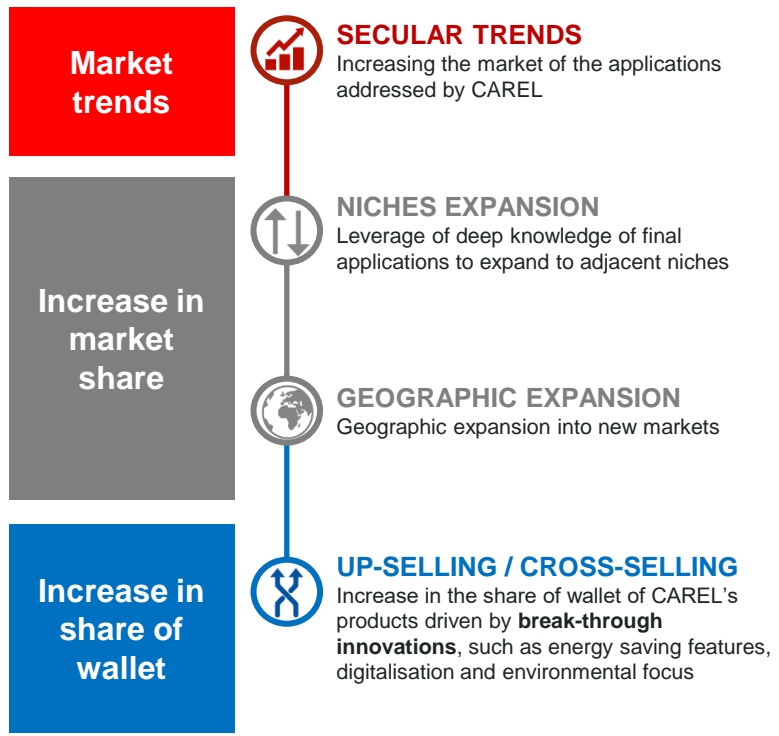
Reference HVAC and refrigeration Market



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



Refrigeration

Example of a BEVERAGE COOLER

Before



3 Positioning and innovation capability hard to replicate

>5% OF REVENUE¹

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



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 at 31/12/2023

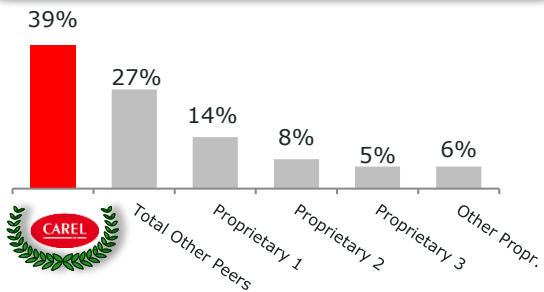
Note: 1) avg. 2015A-23A. In 2020-2023 the R&D/revenue avg. ratio was ~4.4% due to a strong growth in revenue

3 Leadership position in HVAC OEM premium niches...

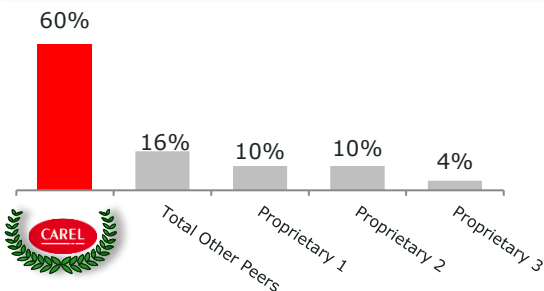
Leadership positioning in premium niches...

...with no perfect comparable

Chiller European Market Share



Rooftop European Market Share








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

Source: Company elaborations as of 31 December 2022 based on Building Services Research and Information Association data as of 31 December 2021

3 ...and leading in innovation in the refrigeration market

Leveraging on HVAC experience...

...CAREL is a leader in innovation

		CAREL	Large diversified competitors	EM / Low cost competitors
 HEOS SISTEMA Waterloop system with DC tech for refrigeration	 HECU SISTEMA High efficiency condensing unit control for multi-split refrigeration system			
2014				
 HEEZ Control solution for refrigerated merchandiser with rotary DC tech	 EMJ Winner at China Refrigeration award 2018			
2015				
 IJ Highly customizable controller with advanced connectivity				
2017				
2018				
2020				
Vertical niche approach		✓✓✓	✓✓	✓✓✓
Innovation pace & knowledge of final applications		✓✓✓	✓✓	✓
Integrated solutions		✓✓✓	✓✓	✓
Global operations		✓✓✓	✓✓✓	✓
Flexibility for tailored solutions		✓✓✓	✓✓	✓✓✓
Economies of scale		✓✓✓	✓✓	✓

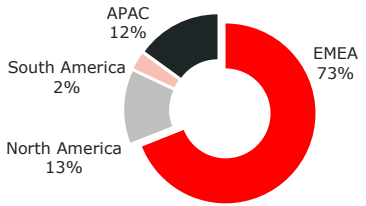
Source: Company information and elaborations

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
- 273** Employees
- 94** Sales force
- 2** R&D Centre

WESTERN EUROPE

- 9** Plants
- 1,437** Employees
- 395** Sales force
- 3** R&D Centre

NORTH APAC

- 1** Plant
- 328** Employees
- 88** Sales force
- 1** R&D Centre

SOUTH AMERICA

- 1** Plant
- 61** Employees
- 21** Sales force

RoEMEA

- 2** Plants
- 464** Employees
- 129** Sales force

SOUTH APAC

- 78** employees
- 78** Sales force

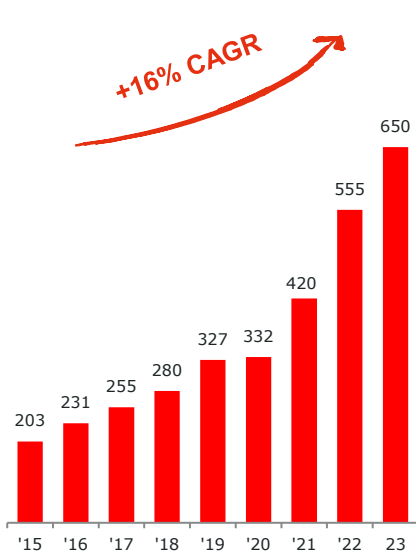
Legend: R&D centres Plants Commercial subsidiaries

Source: Company information at 31/12/2022

5 Track record of profitable growth

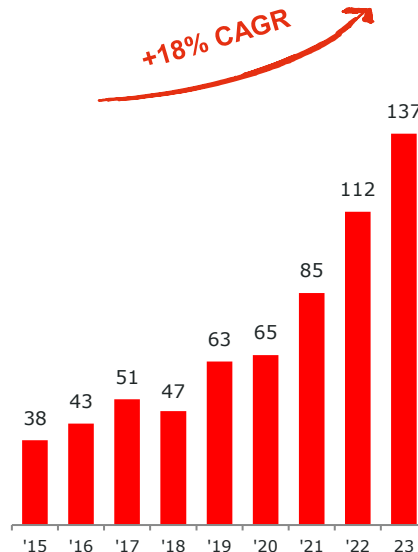
Double-digit growth

Revenue¹ (€m)



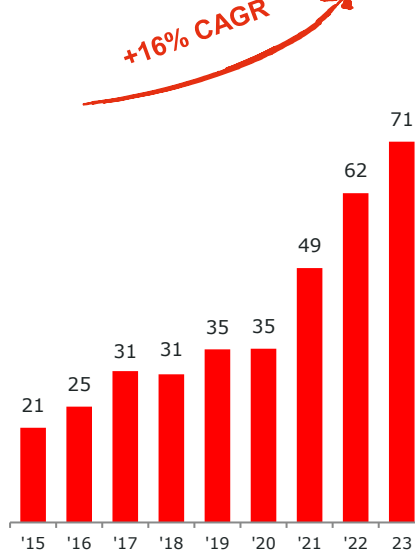
Strong profitability

EBITDA¹ (€m)



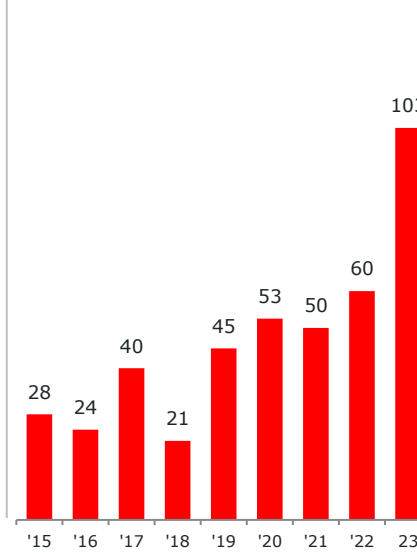
High conversion to net income

Net Income¹ (€m)



Cash generative business

Operating cash² (€m)



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

Source: Company information Note: 2015-2023 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 **B** 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 – 2023 – Kiona



Kiona

We futurize the property ecosystem.

- **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 acquired 82.4% of Kiona on the 31st of August 2023. The acquisition consideration implies a 100% Enterprise Value of NOK 2.35 billion (c. €210m). Each of the founder & CEO and other minor shareholders retained a significant portion of their stake, which on an aggregate basis accounts for a c. 17.6% minority stake subject to a 3-years lock up period followed by a put and call option scheme.

- **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

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.

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).

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.

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.

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 took 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.

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.*

M&A – 2018 – Recuperator



- **Company profile:** Recuperator is an Italy-based company active in the design, production and sale of "air-to-air" heat exchangers.
- **Rationale:** Integration with Recuperator expands CAREL's product portfolio in the HVAC market, consolidating its role as a supplier of complete solutions to manufacturers of air handling units, providing them with ever better solutions in terms of performance and energy efficiency.
- **Transaction structure:** The purchase price for the entire share capital of Recuperator is EUR 25.7 million, financed through the use of CAREL's own funds and bank loans

M&A – 2018 – HygroMatik

HYGROMATIK[®]
WE HUMIDIFY THE AIR



- **Company profile:** HygroMatik is based in Henstedt-Ulzburg, near Hamburg. It designs, produces and markets humidifiers and related accessories, in the industrial, commercial and wellness field.
- **Rationale:** integration with HygroMatik will consolidate Carel's positioning in German-speaking countries and in northern Europe thanks to the strong penetration of the acquired company in these markets and will allow for a better positioning in the context of different applications, leveraging the strength of the brand, the industrial excellence and specialised expertise in the field of humidification of one of the main players in the sector
- **Transaction structure:** The purchase price and the related cash-out for the entire share capital of HygroMatik GmbH amounted to EUR 56.1 million, financed through the use of own funds and bank loans,

