



CAREL

CAREL INDUSTRIES S.p.A. 2024 – H1 Results

1st August 2024

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H1 2024 – Highlights

As expected, Q2 2024 substantially confirmed Q1 2024 main trends and results in terms of revenues and profitability. A gradual improvement is expected in H2 2024

-11.7%
Revenue growth

- Reported revenues equal to 291.5m€, -11.7% on H1 2023 (-15.8% on a LFL and constant exchange rates base).
- This is mainly attributable to the poor performance in the EMEA area: Heat pumps sale decline confirmed in Q2 2024; Refrigeration still down but with a sequential slight improvement.
- H1 2023 comps are particularly high due to the backlog recovery after the easing of the electronic material shortage. Q2 2023 revenues have been the highest ever reported by the company.

18.3%
EBITDA margin

- EBITDA margin equal to 18.3%, in continuity with Q1 2024 (18.2%). The difference between the actual figure and H1 2023 (22.0%), is due to the negative operating leverage effect. A number of initiatives to contain discretionary expenses have been implemented.
- R&D investments on revenues ratio brought back closer to its historical level: >5%.

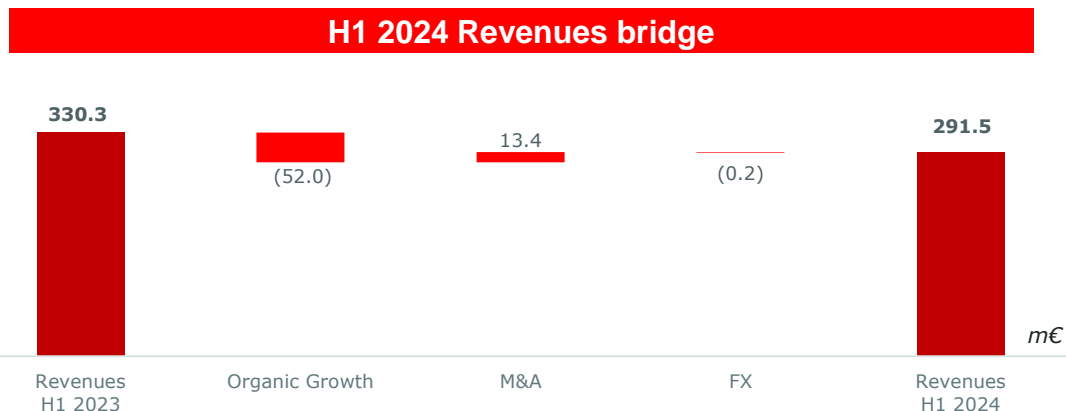
102m€
NFP

- NFP includes 44m€ for the acquisition of the residual 49% stake in CFM, 13m€ capex, 33m€ Δ NWC and 21m€ dividends.
- NFP/LTM EBITDA <1x. Net of 32.7m€ related to the IFRS16 accounting principle, this ratio would be close to 0.6x.

H1 2024 – Results

KPIs			
m€	H1 2023	H1 2024	Δ%
Revenue	330.3	291.5	(11.7%)
Organic Revenue	330.3	278.1⁽¹⁾	(15.8%)
EBITDA	72.6	53.2	(26.7%)
<i>EBITDA/Revenue</i>	22.0%	18.3%	
Net Profit	40.3	27.8	(30.9%)
Capex	7.9	13.0	64.6%

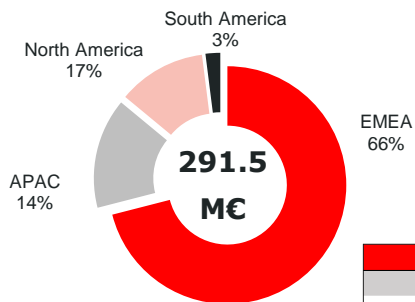
⁽¹⁾ Excl. ~13.4m€ (change in the consolidation perimeter) and ~0.2m€ (negative FX impact);



- **Revenue -11.7%:** Guidance confirmed, Q2 2024 substantially in line with Q1 2024. **13.4m€ revenues coming from a change in the scope of consolidation thanks mainly to Kiona** (~15% recurring revenues growth).
- **EBITDA -26.7%:** Double-digit revenues decline negatively affected EBITDA. The reduction in profitability compared to 2023 is due to the operating leverage effect partly mitigated by higher gross profitability. R&D expenses on revenues >5%. Accretive profitability from Kiona (>25%).
- **Net Profit -30.9%:** Capital gains from put/call options on minorities offset 3.5m€ financial charges. Tax rate close to 23%, substantially in line with H1 2023 (22.5%).
- **Capex:** Higher capex mainly related to R&D and to an enlargement of the Klingenburg polish plant. 5% capex/revenues target ratio is confirmed.

H1 2024 – Revenue breakdowns

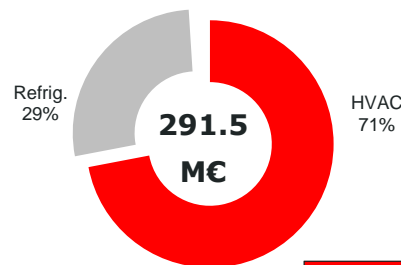
Breakdown by region



Area	m€		m€	
	H1 2023	H1 2024	Δ%	Δ% fx
EMEA	235.0	193.5	(17.7%)	(18.1%)
APAC	44.5	40.2	(9.8%)	(7.1%)
Americas (North)	44.6	50.1	12.3%	12.4%
Americas (South)	6.1	7.7	26.2%	26.4%
Total Revenue	330.3	291.5	(11.7)%	(11.7)%

- **EMEA** – Sharp slow-down in HPs sector confirmed due also to high inventory level in the supply chain. The latter is present, even at a lesser extent, also in other verticals. Refrigeration demand still down. Very misleading comps.
- **APAC** – Very high comps in Q2 2023 (>24m€), a weaker than expected Chinese economy and some projects timing explain the decrease in revenues.
- **Americas (North)** – North America excellent momentum continues: Very positive performance thanks to data centres, to a strong interest towards energy efficiency (Valves/Inverters) and to a sustained demand in refrigeration (also in CO2 equipment). Again, positive performance from SENVA.
- **Americas (South)** – Good results reported, in particular in Brazil combined with a mixed scenario in other countries in the region.

Breakdown by sector



Sector	m€		m€	
	H1 2023	H1 2024	Δ%	Δ% fx
HVAC	238.9	206.5	(13.6%)	(13.5%)
Refrig.	90.0	84.6	(5.9%)	(5.9%)
Core Revenue	328.9	291.1	(11.5)%	(11.4)
No core	1.4	0.4	(70.8)%	(70.8)%
Total Revenue	330.3	291.5	(11.7)%	(11.7)%

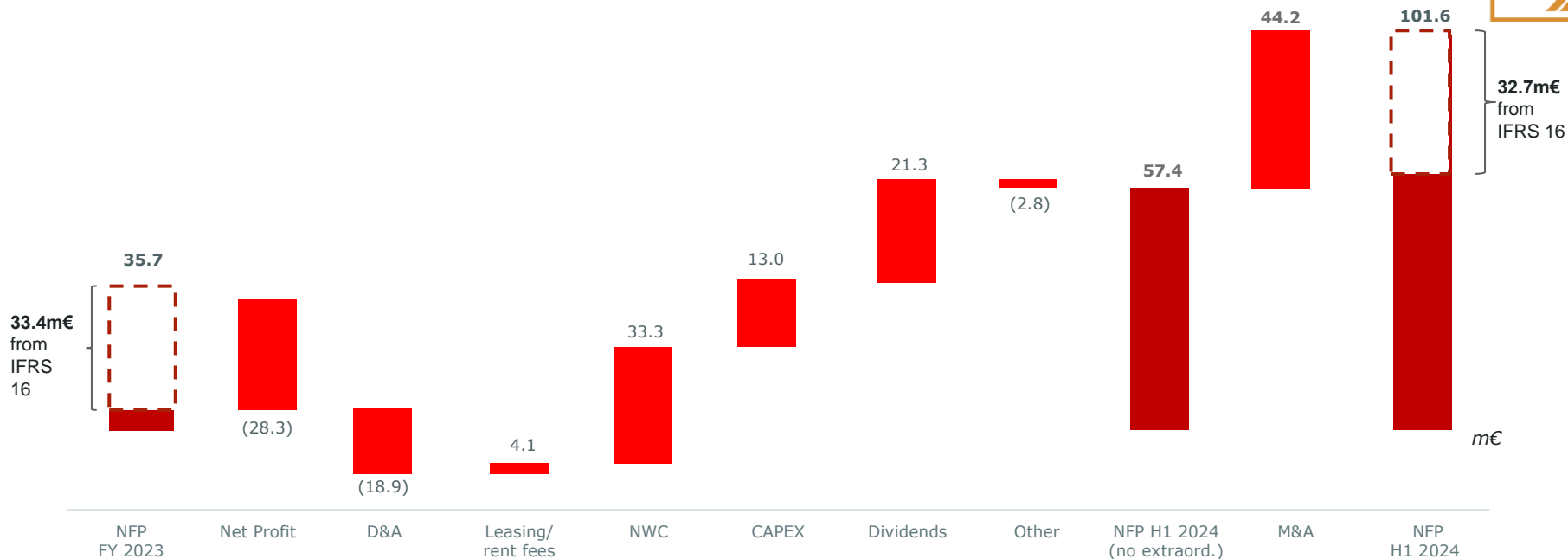
- **HVAC: the deceleration started in Q3 2023 worsened sequentially and stabilized in Q2 2024. On a LFL basis, H1 2024 vs. H1 2023 equal to -17% mainly due to a temporary negative trend in HP plus very high comps.**
- **Refrigeration: mixed results. The investment cycle in the EMEA area is still stagnating, while a very good growth is visible in the US together with a focus on natural refrigerants and energy efficiency.**

From EBITDA to Net Profit

	K€	H1 '23	H1 '24	Δ%
EBITDA		72,606	53,230	-26.7%
	D&A	-15,099	-18,914	
EBIT		57,507	34,316	-40.3%
	Financial (charges)/income	-2,647	-3,500	
	FX gains/losses	-341	839	
	Gain/Losses from FV on liabilities for options on minorities	-	3,373	
	Companies cons.with equity method	290	1,732	
EBT		54,809	36,760	-32.9%
	Taxes	-12,359	-8,421	
	Minorities	-2,173	-524	
Group net profit		40,277	27,814	-30.9%

- **Higher D&A** mainly due to the purchase price allocation amortization (Kiona).
- **Higher Financial charges** due to the macro trend on interest rates and non-cash interests linked to the put-call options on a number of minority stakes.
- **FX gain** linked to a favorable FX effects on Kiona's put/call option expressed in NOK.
- **Capital gain** from the FV on the acquisition of 49% of CFM.
- **CCEM** positive results mainly related to Free Polska.
- **Tax-rate (22.9%)** substantially in line with H1 2023 (22.5%).

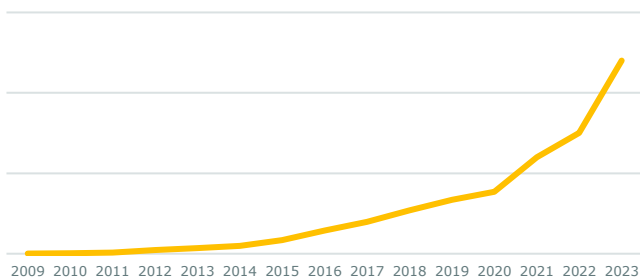
H1 2024 – NFP Bridge



- Total NFP equal to ~102m€ including 21m€ dividends and 44m€ M&A due to the acquisition of the residual 49% stake in CFM.
- **CAPEX 13m€.** A significant share was devoted to the completion of **the new research lab in the HQ** and the **expansion of the Klingenburg plant in Poland to increase efficiency** in our mechanics production process.
- **ΔNWC +33m€:** The increase in the NWC is due to **seasonal factors, lower payables linked to lower purchases and the dynamic of inventory.** Working capital on LTM revenues equal to ~17%.

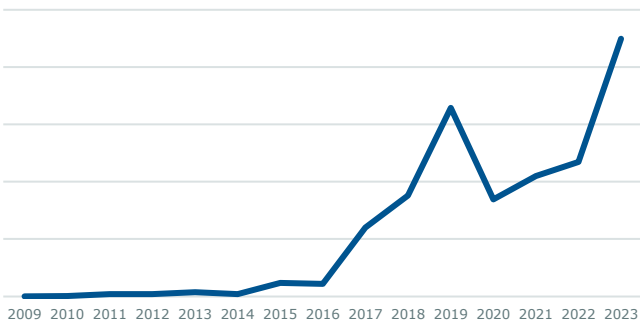
Focus on «Variable Speed Compressor technology»

Inverters sales – Global (#products)



35%
'18-'23
Cagr

Inverters sales – North America (#products)



19%
'18-'23
Cagr

- “Variable speed compressor technology” has been a **game changer** in the last 10 years, in particular in Europe.
- Two are key elements in this technology: **Electronic Expansion Valves (EEVs)** and **Inverters**.
- **Carel globally doubled the number of its EEVs sold and scored a 5x for its inverters between 2018-2023.**
- **The North America market** is still rather small compared to other regions but **is showing an unmistakable strong acceleration** (H1 2024 reported strong revenues growth on H1 2023: EEV >30%; Inverter ~50%).
- This acceleration is driven by: 1) a major **interest towards energy efficiency**; 2) **Regulations** (DoE minimum energy efficiency thresholds); 3) **Data Centers expansion**.
- **Carel is extremely well positioned to exploit this new trend in this geography.**

Closing Remarks

H1 2024 Results

- As expected, the **generalized slow-down in the EMEA area, underpinned by a negative peak in HPs performance, continued also in Q2 2024**. This was due to a decline in demand coupled with high inventory level in some verticals. Very positive performance in North and South America. Mixed results in APAC.
- **High comps effect**, due partly to an extraordinary factor (backlog recovery in the first part of 2023) was even more challenging in Q2 2024, the highest quarter ever recorded by CAREL.
- **18.3% EBITDA margin** confirming the Q1 2024 trend. The difference compared to H1 2023 (22.0%) was due to revenues trend/operating leverage.

Opex containment initiatives

- In the last few months, the company launched a certain **number of initiatives to contain opex**. The effort put in place by the company in this activity has resulted in **keeping overhead expenses in line with 2023 in spite of the change in the consolidation perimeter and higher R&D expenses**.

Scenario

- **Mixed macro-economic scenario:** 1) **Europe's GDP growth still flattish** in spite of a 25bps first interest rate cut in June. A possible new cut could materialize in September; 2) **US economy proved to be robust** also in Q2 2024 (GDP +2.8%); 3) **China's GDP growth in Q2 was 4.7%, the lowest since Q1 2023**.
- **HVAC/Ref.:** HPs segment still under pressure and slower than expected recovery in refrigeration in the EMEA area. Mixed signals from APAC region. Positive view on North and South America.

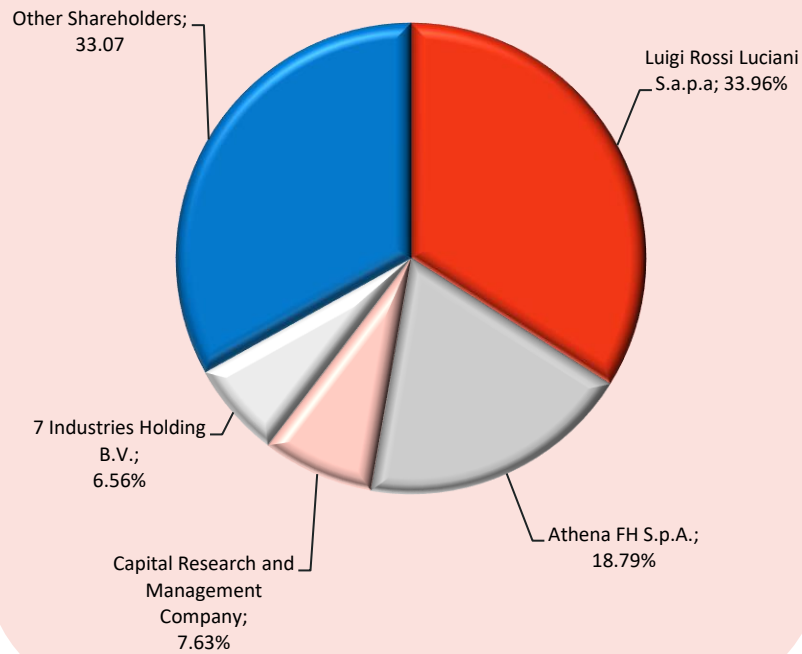
Guidance

Expectations are for a gradual improvement in the H2 2024 scenario: a progressive recovery in the refrigeration investment cycle and the reduction of the inventory level in the supply chain. Therefore, the Group expects to report Q3 consolidated revenues close to those of the second quarter and FY 2024 consolidated revenues close to 600m€.

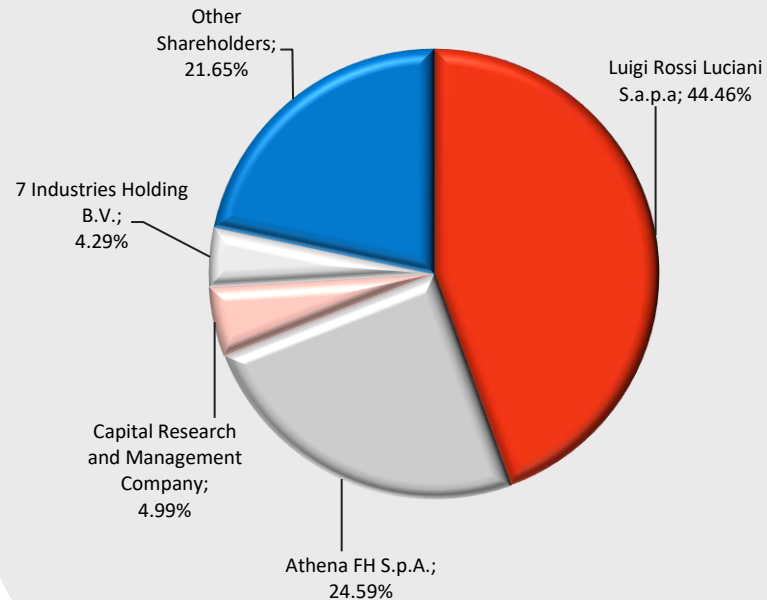
Annexes

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 2024	H1 2023	Delta %
Revenues		291,526	330,309	(11.7%)
Other revenues		2,516	2,612	(3.6%)
Operating costs		(240,812)	(260,315)	(7.5%)
EBITDA		53,230	72,606	(26.7%)
Depreciation and impairments		(18,914)	(15,099)	25.3%
EBIT		34,316	57,507	(40.3%)
EBT		36,760	54,809	(32.9%)
Taxes		(8,421)	(12,359)	(31.9%)
Net result of the period		28,338	42,450	(33.2%)
Non controlling interest		(524)	(2,173)	(75.9%)
Group net result		27,814	40,277	(30.9%)

Balance sheet

	K€	H1 2024	FY 2023	Delta %
Fixed Capital		508,693	507,725	0.2%
Working Capital		103,411	77,509	33.4%
Employees defined benefit plan		(7,268)	(8,479)	(14.3%)
Net invested capital		604,836	576,755	4.9%
Equity		404,474	396,174	2.1%
Non current liabilities		98,809	144,918	(31.8%)
Net financial position (asset)		101,553	35,664	>100%
Total		604,836	576,755	4.9%

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

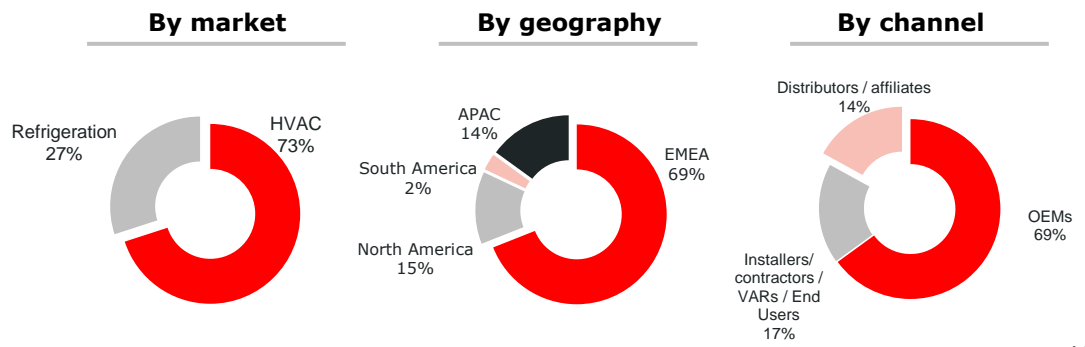
Global footprint

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

Key financials – 2023A

Revenue	EBITDA	EBITDA margin	Net income
€650m	€137m	~21.1%	€70.9m
+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

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

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<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

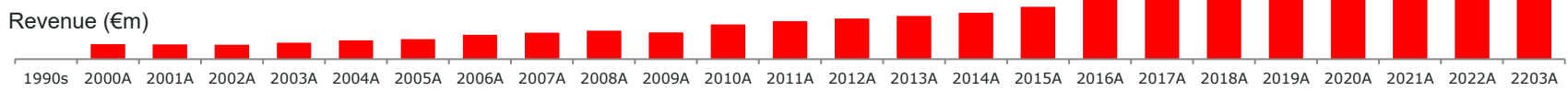
Source: Company information
Note: 1) developed with partners



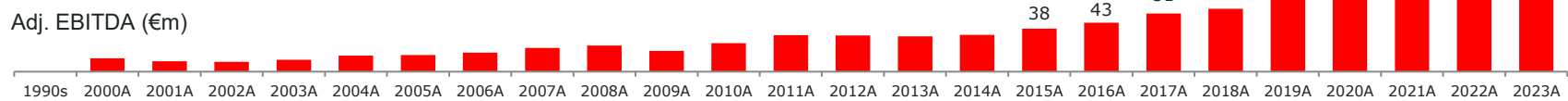


Long track record of revenue growth

SOLID LONG-TERM GROWTH



HIGH PROFITABILITY



Plants & R&D

Branches

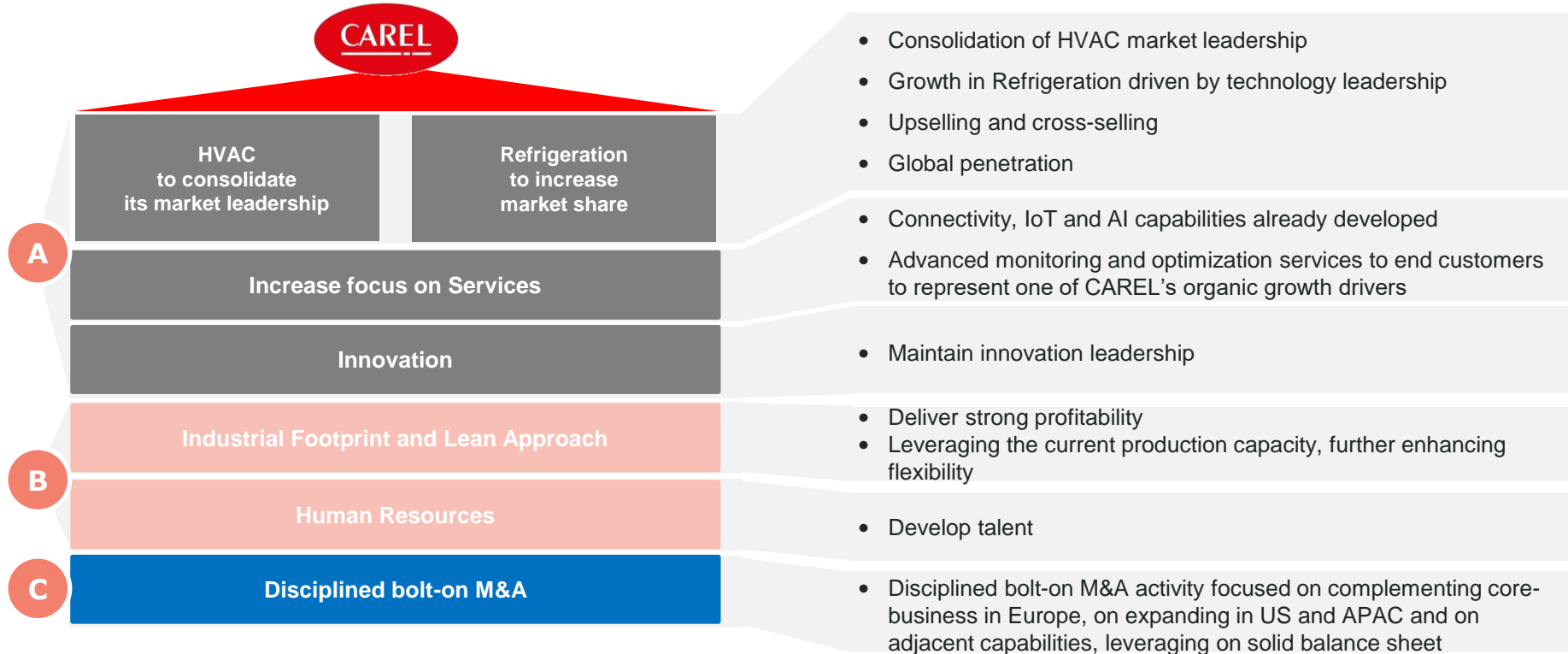
IPO

- 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.

Legend: R&D centre Plants Acquisitions of local distributors

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

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



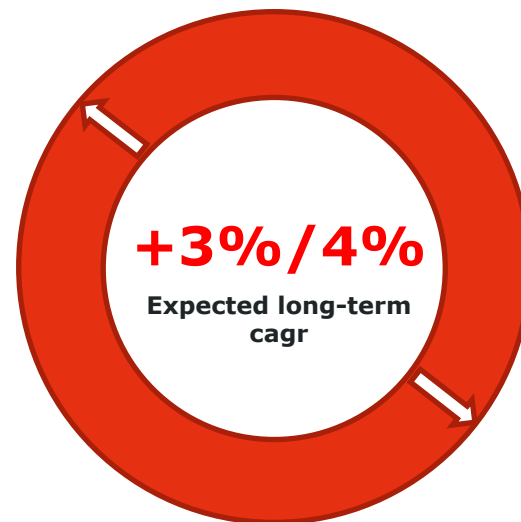
INTERNET OF THINGS

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

Source: Company information

...supporting attractive market growth

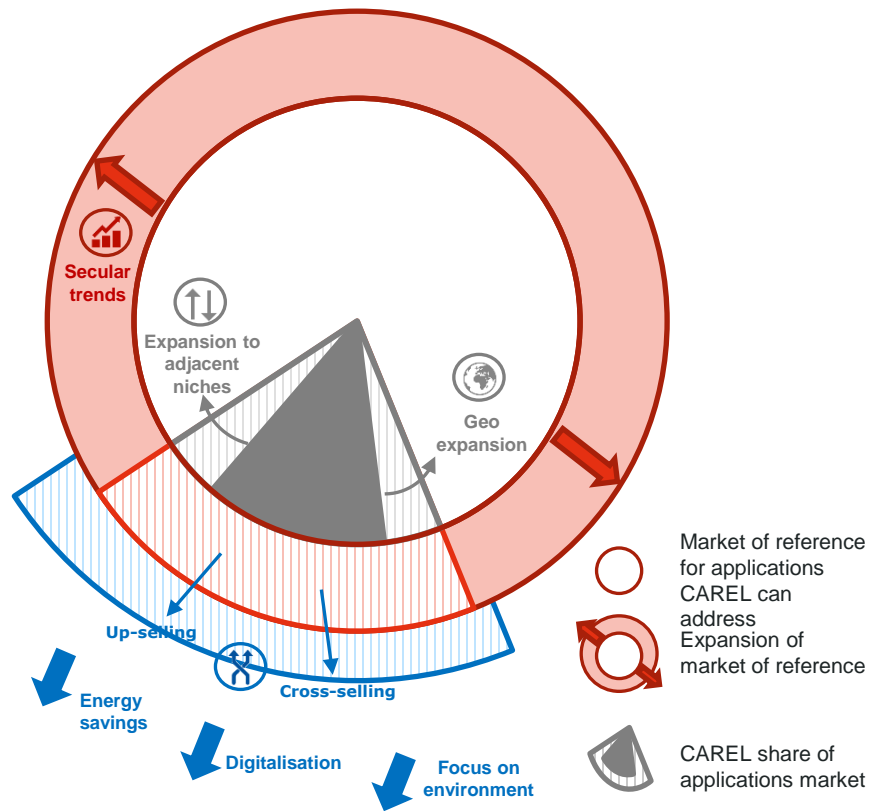
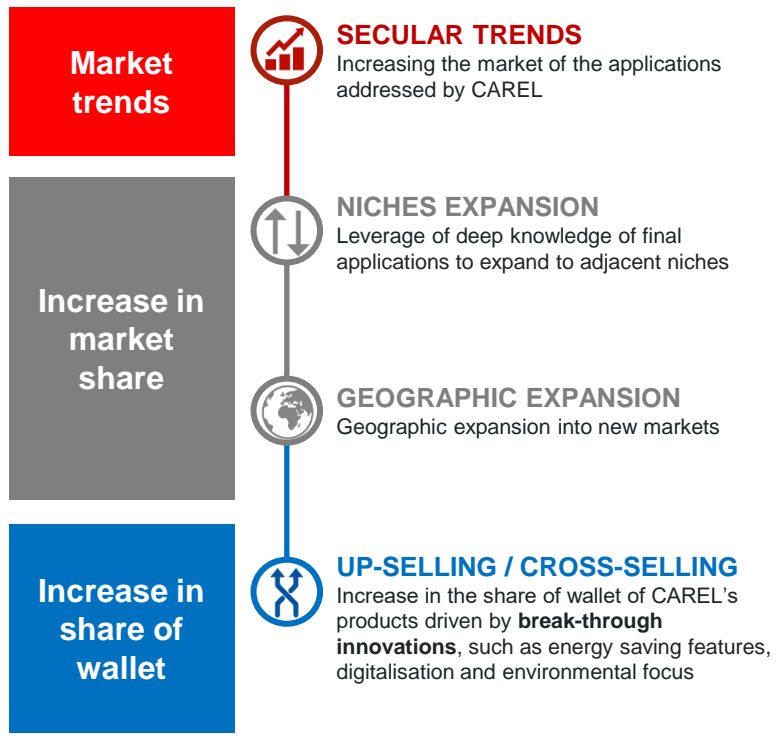
Reference HVAC and refrigeration Market



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 20 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

CAREL

UNIQUE KNOW HOW

01100
10110
11110

Source: Company information at 31/12/2023

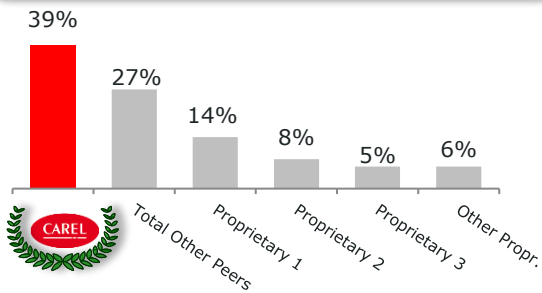
Note: 1) avg. 2015A-23A. In 2020-2023 the R&D/revenue avg. ratio was ~4.4% due to a strong growth in revenue

3 Leadership position in HVAC OEM premium niches...

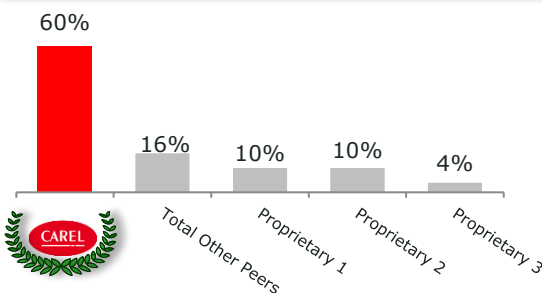
Leadership positioning in premium niches...

...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 Waterloo 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		✓✓✓	✓✓	✓

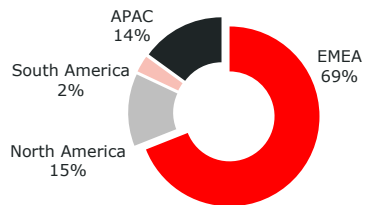
Source: Company information and elaborations

4 Highly efficient global operations serving locally...

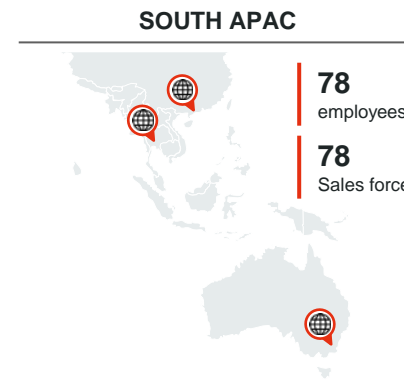
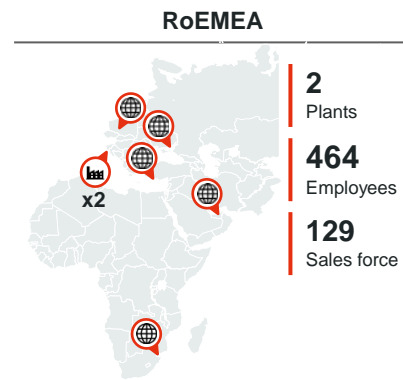
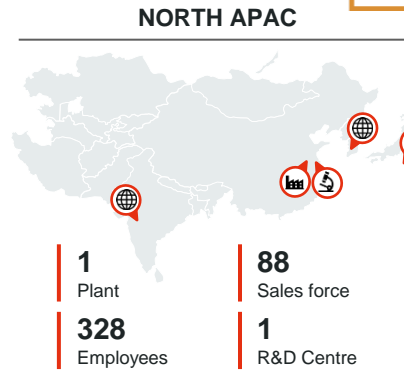
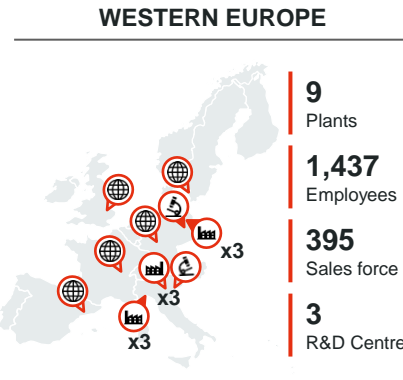
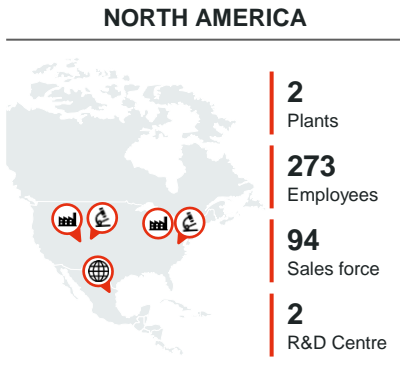
GLOBAL PRODUCTION FOOTPRINT

DIRECT AND HIGHLY SKILLED SALES NETWORK

BEST POSITIONED TO CAPTURE GLOBAL GROWTH OPPORTUNITIES



Revenue 2023A breakdown by geography



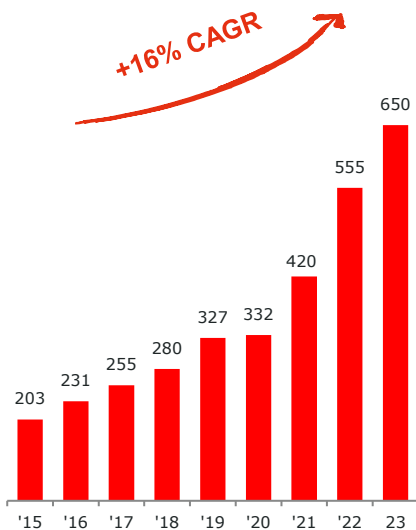
Legend: R&D centres Plants Commercial subsidiaries

Source: Company information at 31/12/2022

5 Track record of profitable growth

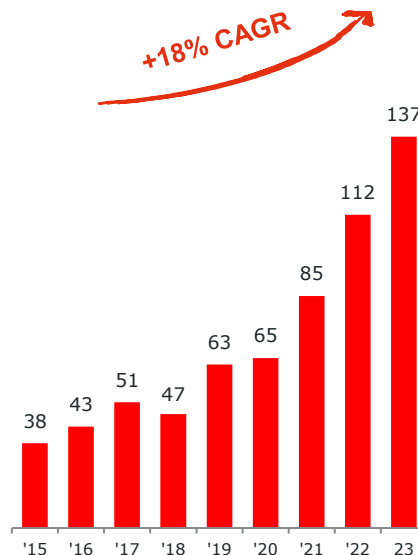
Double-digit growth

Revenue¹ (€m)



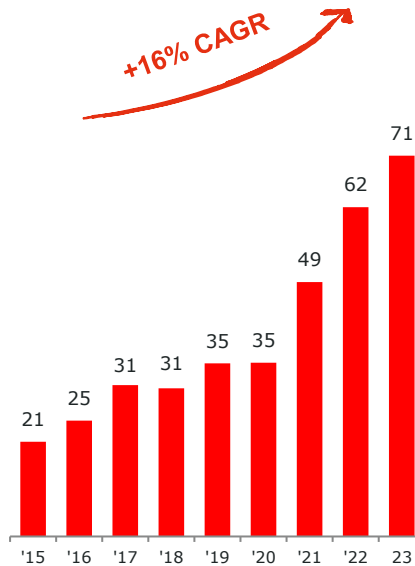
Strong profitability

EBITDA¹ (€m)



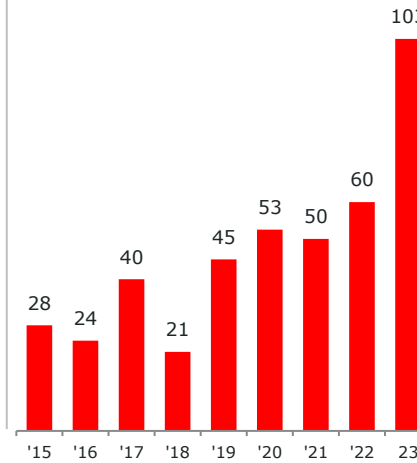
High conversion to net income

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 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,

