



CAREL

CAREL INDUSTRIES S.p.A. 2024 – 9M Results

7th November 2024

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9M 2024 – Highlights

Q3 2024 revenues and EBITDA margin substantially in line with Q2 2024 confirming the same trends already seen in the first part of this year.

-12.9%
Revenue growth

- Reported revenues equal to 432.9m€, -12.9% on the first 9M 2023 (-16.4% organic revenues).
- This is mainly attributable to the poor performance in the EMEA area slightly penalized in Q3 by seasonality (August): Heat pumps sales further worsened in Q3 2024 (representing a mid-single digit share of total CAREL revenues in the first 9M of the year); **Weak Refrigeration scenario confirmed.**
- **9M 2023 comps remain particularly high due to the backlog recovery** after the easing of the electronic material shortage. **Q3 2023 revenues have been the second highest ever reported by the company.**

18.2%
EBITDA margin

- **EBITDA margin equal to 18.2%**, in continuity with H1 2024 (18.3%). The difference between the actual figure and 9M 2023 (22.3%), is due to the negative operating leverage effect. A number of savings allowed the company to report lower overhead expensed compared to 2023 in spite of a change in perimeter. Positive trend in raw material costs.
- **R&D investments on revenues ratio confirmed at target level: >5%.**

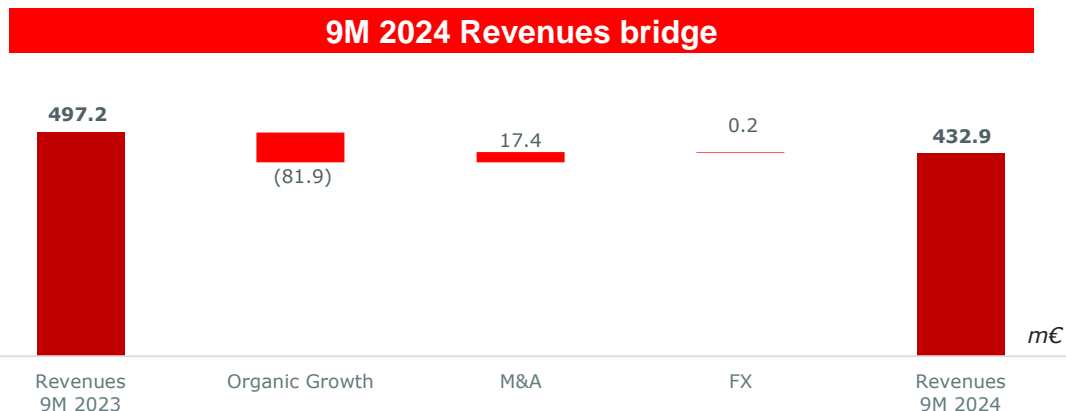
84_{m€}
NFP

- NFP includes 44m€ for the acquisition of the residual 49% stake in CFM, net of which would have been substantially in line with FY 2023.
- **NFP/LTM EBITDA <1x.** Net of 31.6m€ related to the IFRS16 accounting principle, this ratio would be close to 0.5x.

9M 2024 – Results

KPIs			
m€	9M 2023	9M 2024	Δ%
Revenue	497.2	432.9	(12.9%)
Organic Revenue	497.2	415.7⁽¹⁾	(16.4%)
EBITDA	110.7	78.7	(28.9%)
<i>EBITDA/Revenue</i>	22.3%	18.2%	
Net Profit	59.1	39.7	(32.8%)
Capex	15.0	22.0	47.1%

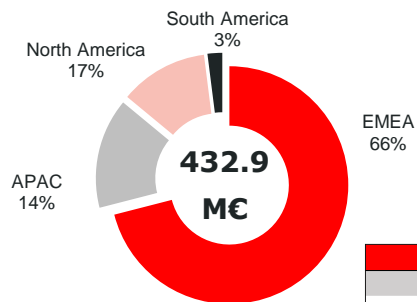
⁽¹⁾ Excl. ~17.4m€ (change in the consolidation perimeter) and 0.2m€ (positive FX impact);



- **Revenue -12.9%:** Q3 2024 close to Q2 2024 and slightly impacted by seasonality (August). **17.4m€ revenues coming from a change in the scope of consolidation thanks mainly to Kiona** (double-digit revenues growth).
- **EBITDA -28.9%:** Revenues trend negatively affected EBITDA. Stable EBITDA margin during 2024. The decline on the same period 2023 is due to the operating leverage effect partly mitigated by higher gross profitability and by the implementation of a strict cost containment plan. R&D expenses on revenues >5%. Accretive profitability from Kiona (>25%).
- **Net Profit -32.8%:** Financial charges (5.3m€) and tax rate (23.2%) not far from 2023 figures.
- **Capex: Record high capex** mainly related to R&D and to the expansion of the Klingenburg polish plant for the optimization of CAREL's mechanics production process. ~5% capex/revenues target ratio is confirmed.

9M 2024 – Revenue breakdowns

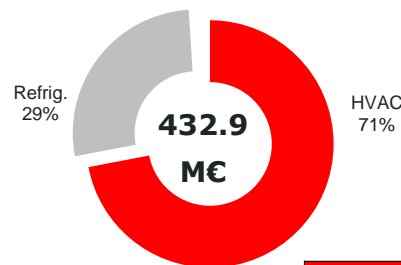
Breakdown by region



Area	m€		Δ%	Δ% fx
	9M 2023	9M 2024		
EMEA	348.2	285.5	(18.0%)	(18.4%)
APAC	67.4	60.4	(10.4%)	(8.6%)
Americas (North)	71.5	75.5	5.7%	6.1%
Americas (South)	10.2	11.5	13.0%	17.7%
Total Revenue	497.2	432.9	(12.9%)	(12.8%)

- **EMEA** – Q3 2024 underpinned by the same trends already seen in the previous quarters including the destocking, which should be close to an end. Very high 2023 comps.
- **APAC** – Q3 2024 higher than Q2 2024. 9M results penalized by very high 2023 comps, lower exports to Europe, weak China economy and in general a mixed scenario across regions and applications. Very positive trend in Data centres.
- **Americas (North)** – North America reported positive performance also in Q3 2024 (revenues >25m€) in spite of a very challenging comparison (Q3 2023 was the highest quarter ever reported). Data centres positive momentum continues.
- **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€		Δ%	Δ% fx
	9M 2023	9M 2024		
HVAC	361.2	306.0	(15.3%)	(15.2%)
Refrig.	133.7	126.4	(5.5%)	(5.3%)
Core Revenue	494.9	432.4	(12.6%)	(12.5%)
No core	2.3	0.5	(78.1)%	(78.1)%
Total Revenue	497.2	432.9	(12.9%)	(12.8%)

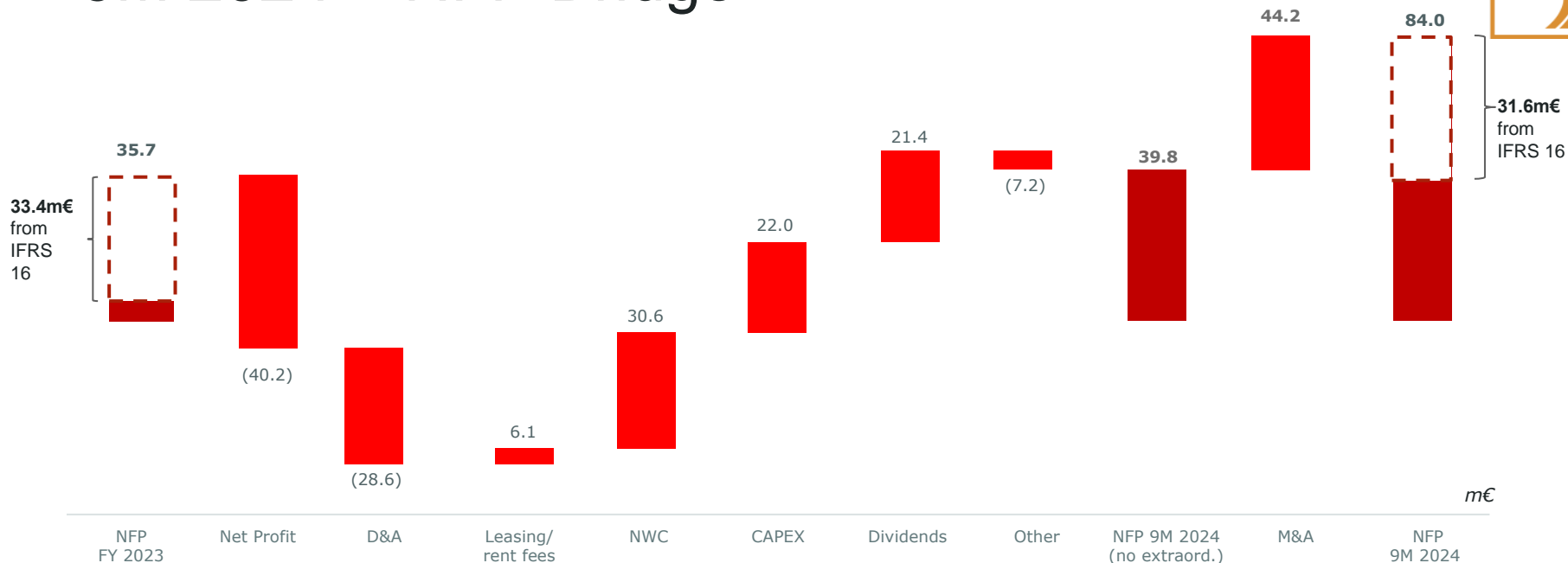
- **HVAC**: the deceleration started in Q3 2023 worsened sequentially. **Q3 2024 had a very volatile profile** and was impacted by summer closures and further decline in sales in **HPs segment, which is expected to have bottomed out.**
- **Refrigeration: mixed results.** The investment cycle in the **EMEA 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€	9M '23	9M '24	Δ%
EBITDA		110,705	78,710	-28.9%
	D&A	-23,137	-28,579	
EBIT		87,568	50,131	-42.8%
	Financial (charges)/income	-5,919	-5,219	
	FX gains/losses	-893	2,397	
	Gain/Losses from FV on liabilities for options on minorities	-	3,373	
	Companies cons.with equity method	292	1,737	
EBT		81,048	52,346	-35.4%
	Taxes	-19,325	-12,128	
	Minorities	-2,645	-495	
Group net profit		59,079	39,723	-32.8%

- **Higher D&A** mainly due to the purchase price allocation amortization (Kiona).
- **Financial charges** substantially in line with 9M 2023.
- **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 (23.2%)** slightly lower on 9M 2023 (23.8%).

9M 2024 – NFP Bridge



- Total NFP equal to ~84m€ including 44m€ M&A (49% of CFM). Net of this cash-out the NFP would have been substantially stable thanks to the robust cash generation which covered capex, dividends and higher NWC.
- **CAPEX 22m€.** The trajectory is in line with the 5% capex-on-revenues target set for 2024YE. 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 +31m€:** The increase in the NWC is due mainly to **lower payables linked to lower purchases and inventory.**

Kiona update

Technology



- The implementation of the **full compatibility between CAREL supervisory systems (Boss) and Kiona** has been completed and presented to Chillventa Exhibition. It will open new opportunities for cross selling and cross fertilization.
- Innovative applications using AI are being studied with the aim of a smarter and more automated way to manage alarms and energy savings.

Internationalization



- CAREL is actively helping Kiona to speed up its **internationalization** process, targeting in particular **Southern Europe and UK**. Chillventa Exhibition gave us the possibility to present Kiona to a vast audience.
- **In Italy a process to qualify structured system integrators has already started.**

Results



- In spite of a very challenging scenario Kiona managed to score a **double-digit revenues growth with a >25% profitability**. These results don't include some significant projects with public administrations in the Nordics, which are expected to start in the next few quarters.

CAREL's new organization



Organizational update

- In view of the retirement of Giandomenico Lombello, Managing Director and with CAREL for over 30 years, the company has been working with great intensity in 2024 to design the new organizational and operating model, which will take effect from the 1st of January 2025.
- Francesco Nalini as CEO will directly manage a streamlined C-suite line.
- The company takes this opportunity to express its gratitude for the passion that Giandomenico has poured into his thirty-year career at CAREL. He will continue to support the transition process and ensure a smooth handover of responsibilities.



New Organization's key elements



A hybrid matrix model, with a strengthening of the regional dimension to be closer to customers and their needs.



A streamlined C-suite line, directly reporting to the CEO to reduce complexity and quicken the decision making process.



A strengthened structure, injected with new dedicated roles to accelerate the development of new capabilities.



A greater emphasis on driving disruptive long-term innovation, beyond incremental advancements.

Closing Remarks

9M 2024 Results

- **Q3 2024 was a very volatile quarter further lowering visibility** and with a **persisting challenging scenario** in particular in Europe.
- **High comps effect remained** (due partly to the backlog recovery in 2023): **Q3 2024 was the second highest quarter ever recorded by CAREL.**
- **18.2% EBITDA margin** substantially confirms the H1 2024 trend. The difference compared to 9M 2023 (22.3%) was due to revenues trend/operating leverage.

Opex containment initiatives

- **The initiatives to contain opex**, implemented in the last few quarters, have been successful in keeping **overhead expenses even lower compared to 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 three 25bps cuts in interest rate in 2024; 2) **US economy proved to be robust** even in presence of a clear cool down in the labor market; 3) **China's 5% 2024 GDP growth target at risk.**
- **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.

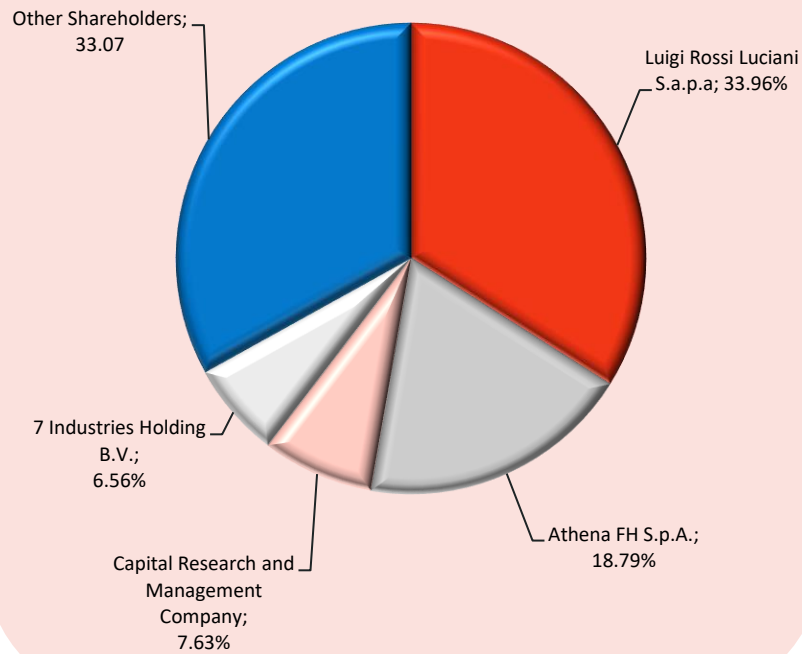
Guidance

Taking into account the above and that the recent preliminary managerial results for October, which are being finalized and still need to be refined, though very positive do not signal a substantial deviation from the trends already present in the last quarters, the Group expects Q4 consolidated revenues substantially in line with those of the previous quarters and therefore expects to close the year with consolidated revenues close to 580m€.

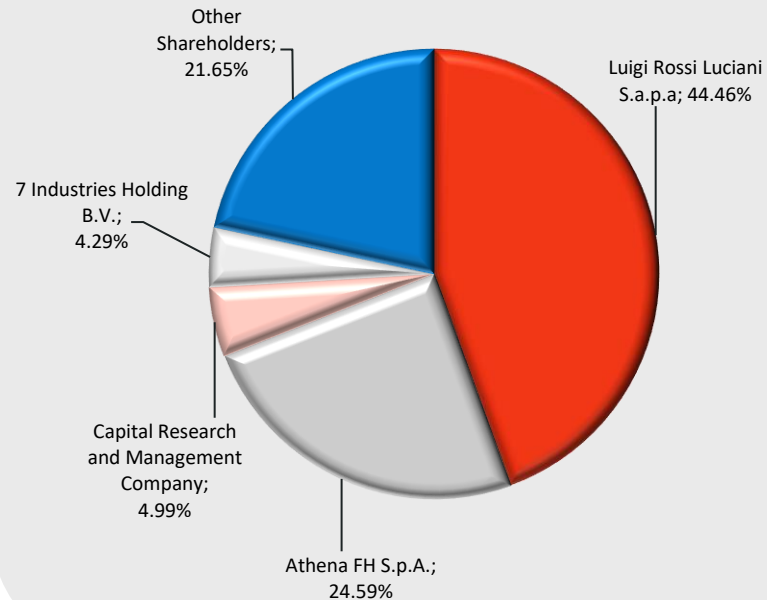
Annexes

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€	9M 2024	9M 2023	Delta %
Revenues		432,897	497,213	(12.9%)
Other revenues		3,766	3,712	1.5%
Operating costs		(357,952)	(390,220)	(8.3%)
EBITDA		78,710	110,705	(28.9%)
Depreciation and impairments		(28,579)	(23,137)	23.5%
EBIT		50,131	87,568	(42.8%)
EBT		52,346	81,048	(35.4%)
Taxes		(12,128)	(19,325)	(37.2%)
Net result of the period		40,219	61,724	(34.8%)
Non controlling interest		495	2,645	(81.3%)
Group net result		39,723	59,079	(32.8%)

Balance sheet

	K€	9M 2024	FY 2023	Delta %
Fixed Capital		505,753	507,725	(0.4%)
Working Capital		95,218	77,509	22.8%
Employees defined benefit plan		(7,211)	(8,479)	(14.9%)
Net invested capital		593,760	576,755	2.9%
Equity		413,525	396,174	4.4%
Non current liabilities		96,242	144,918	(33.6%)
Net financial position (asset)		83,993	35,664	>100%
Total		593,760	576,755	2.9%

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%¹ of Revenues** invested in R&D

Global footprint

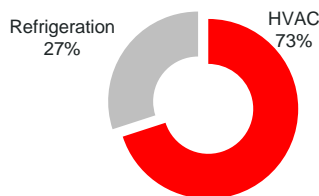
- **15 production plants** (6x Italy, 2xCroatia, Poland, 2x Germany, China, 2xUS and Brazil)

Key financials – 2023A

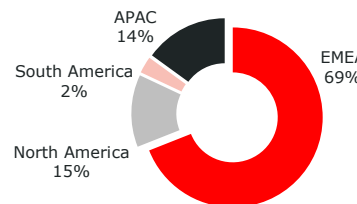
Revenue	EBITDA	EBITDA margin	Net income
€650m	€137m	~21.1%	€70.9m
+16% CAGR 2015A-23A	+18% CAGR 2015-23A	~260bps Margin expansion 2015A-23A	+16% CAGR 2015A-23A

Revenue breakdown - 2023A

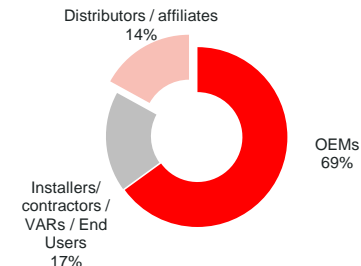
By market



By geography



By channel



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

Telephone distribution and commercial use strictly prohibited



Programmable controls



Electronic controls easily programmable and customizable

HMI and unit terminals



User interfaces for units and systems

Parametric controls



Entry level electronic controllers

Adiabatic humidifiers and evaporative coolers



Pressure water atomizers

Isothermal humidifiers



Steam production systems

Heat exchangers



Heat exchangers for AHU

Dampers



Dampers and other AHU components

Power solutions



Electrical panels

Sensors and protection devices



Temperature/humidity and air quality sensors

Electronic expansion valves & drivers



Electronic valves for the modulation of refrigerant flow

Speed controllers & inverters



Speed control devices for BLDC compressors

Compressors¹



BLDC compressors

Remote management, monitoring systems, IoT



Solution for local / remote management monitoring and optimization

Services



Innovative services based on the IoT capabilities

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

Source: Company information
Note: 1) developed with partners



Long track record of revenue growth

SOLID LONG-TERM GROWTH

Revenue (€m)



HIGH PROFITABILITY

Adj. EBITDA (€m)



Plants & R&D

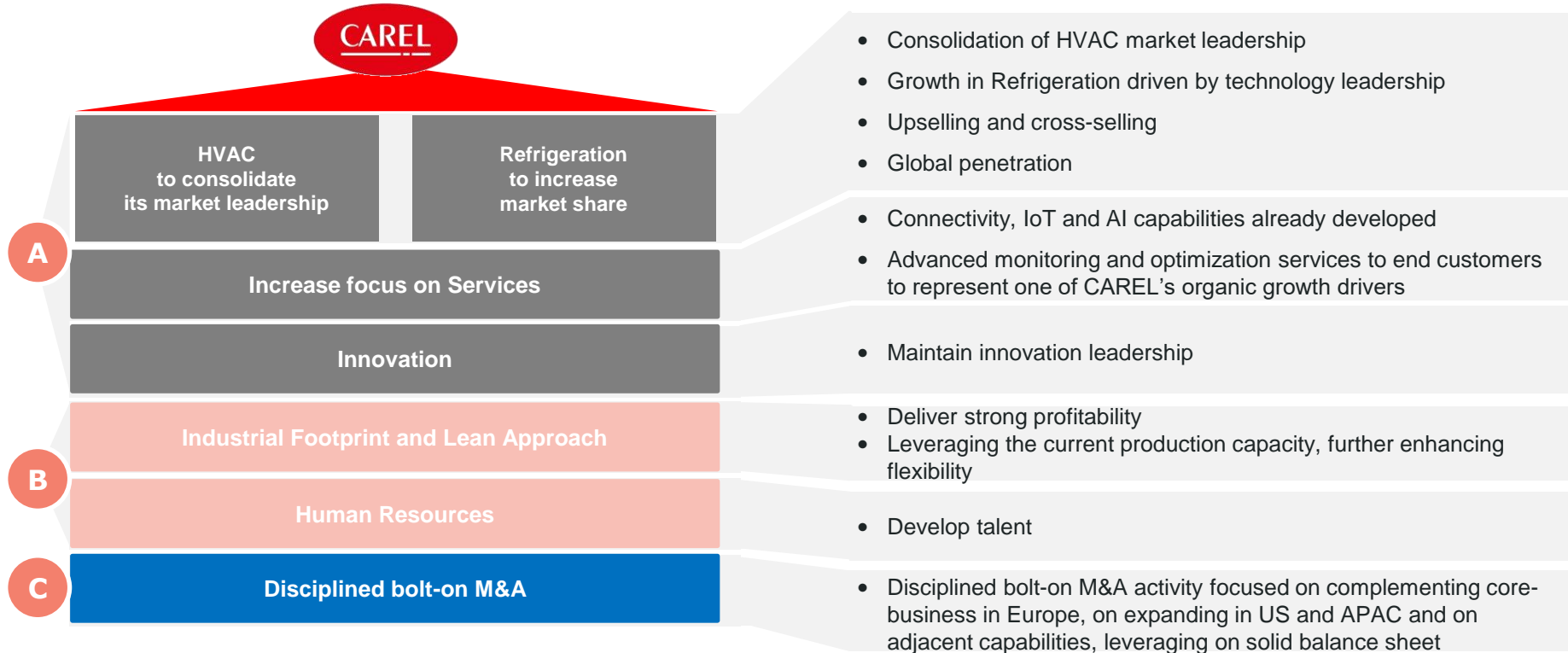
Branches

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



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 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...

...supporting attractive market growth

Reference HVAC and refrigeration Market



GROWING POPULATION

- Improvement in **LIVING STANDARDS** increasing demand for HVAC/R



CHANGE IN CONSUMER HABITS

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



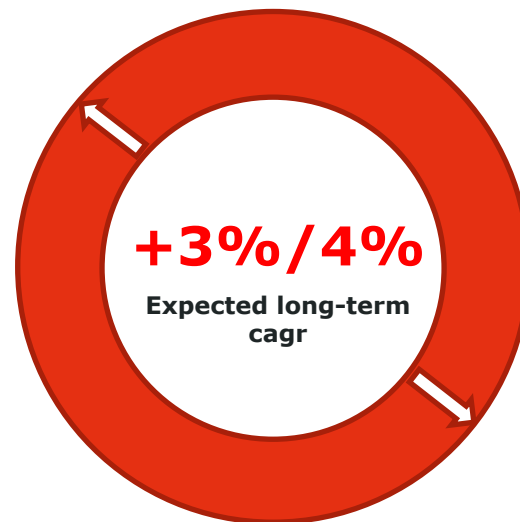
GLOBAL GROWTH

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



INTERNET OF THINGS

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

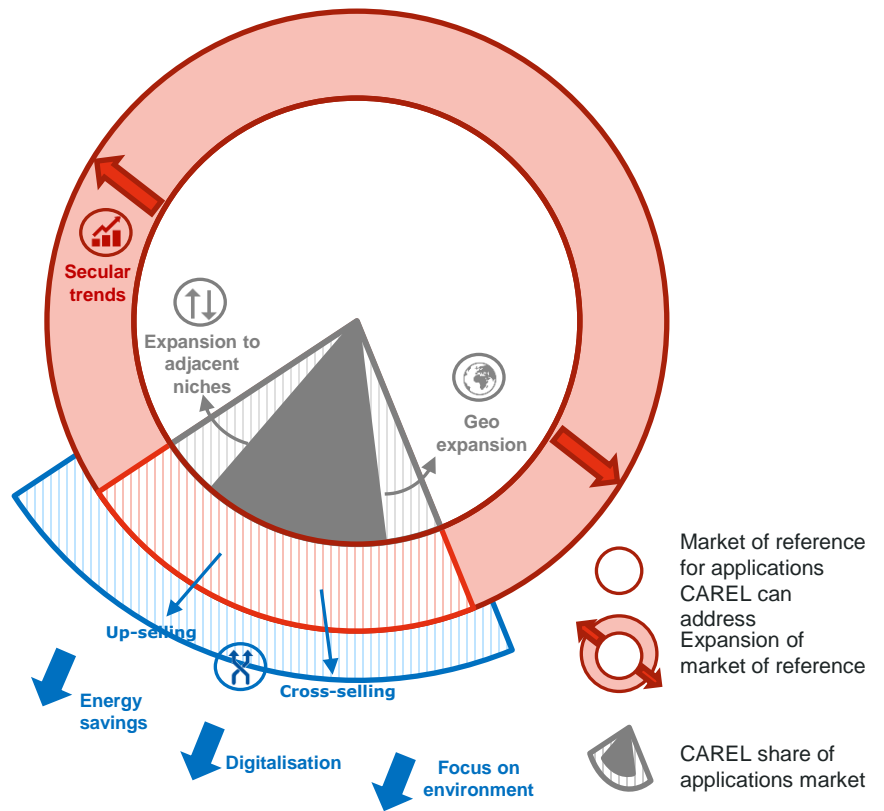
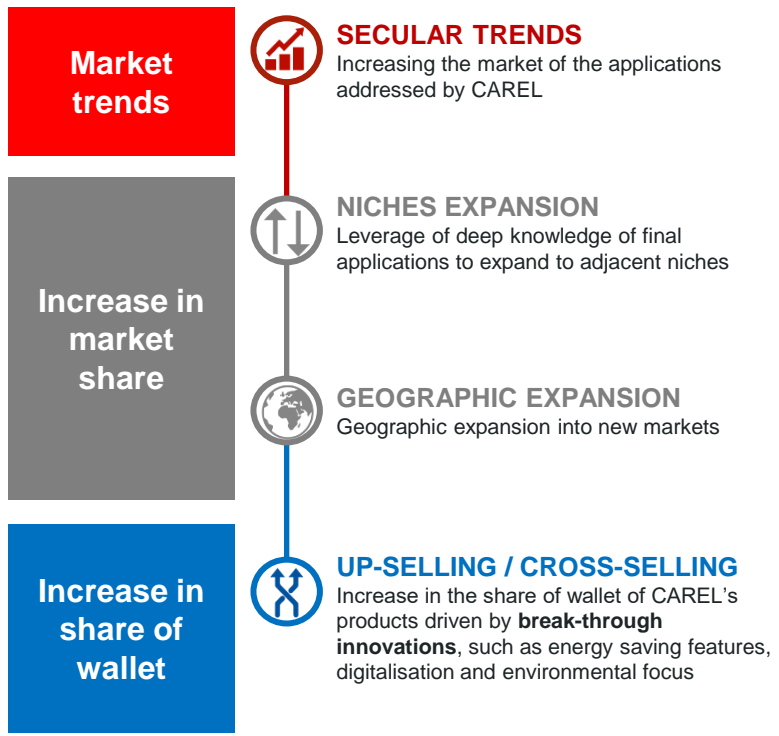


Source: Company information

2

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

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



Refrigeration

Example of a BEVERAGE COOLER



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

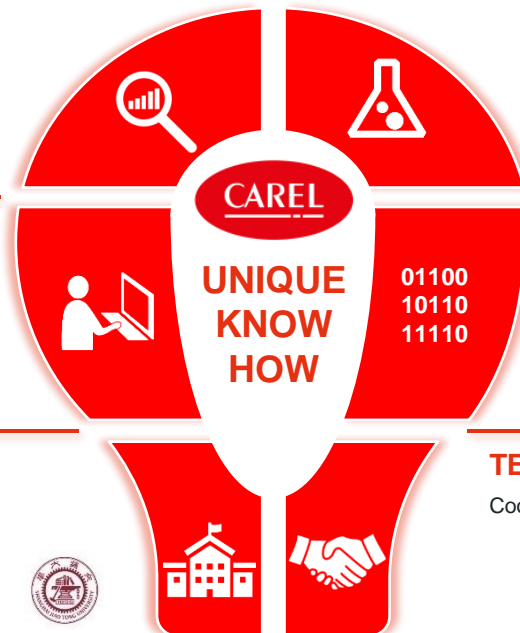
- Hardware & Firmware
- Software
- Mechanics
- Thermodynamics
- IoT

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

Source: Company information at 31/12/2023

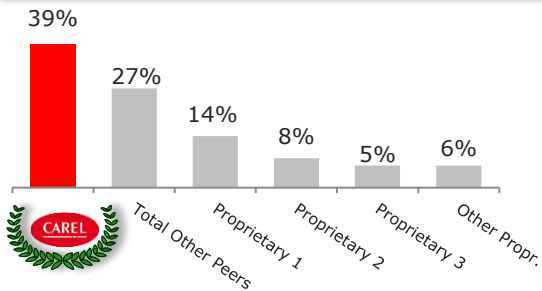
Note: 1) avg. 2015A-23A. In 2020-2023 the R&D/revenue avg. ratio was ~4.4% due to a strong growth in revenue

3 Leadership position in HVAC OEM premium niches...

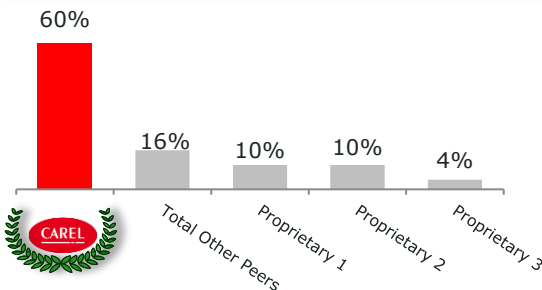
Leadership positioning in premium niches...

...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		✓✓✓	✓✓	✓

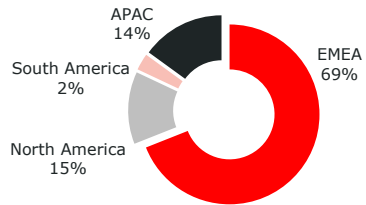
Source: Company information and elaborations

4 Highly efficient global operations serving locally...

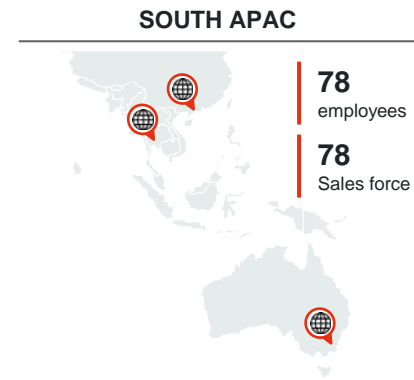
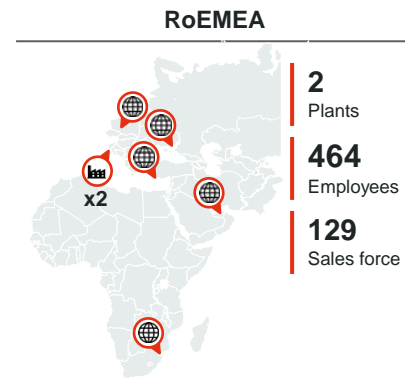
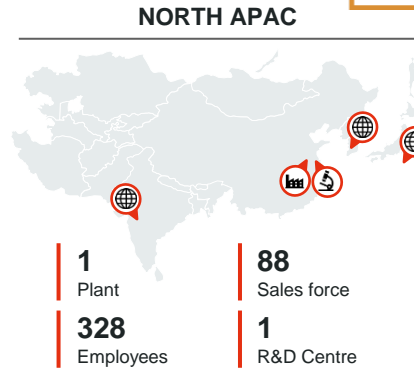
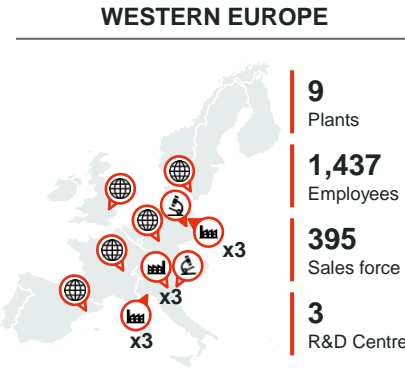
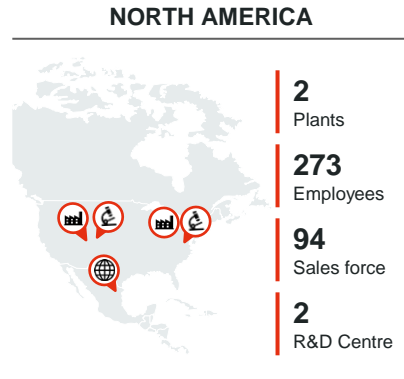
GLOBAL PRODUCTION FOOTPRINT

DIRECT AND HIGHLY SKILLED SALES NETWORK

BEST POSITIONED TO CAPTURE GLOBAL GROWTH OPPORTUNITIES



Revenue 2023A breakdown by geography



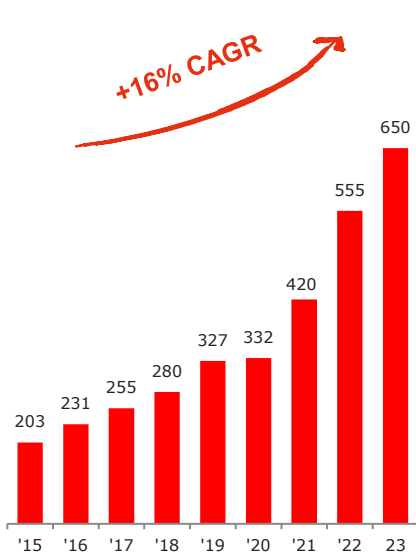
Legend: R&D centres Plants Commercial subsidiaries

Source: Company information at 31/12/2022

5 Track record of profitable growth

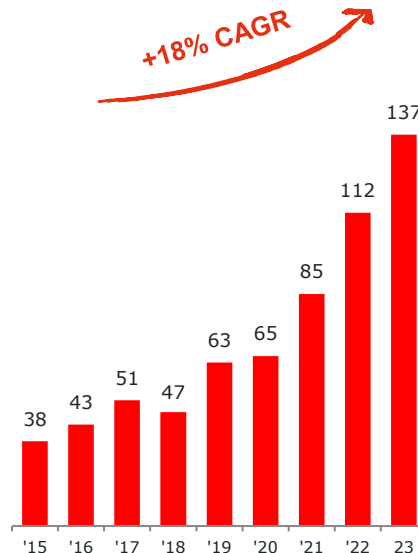
Double-digit growth

Revenue¹ (€m)



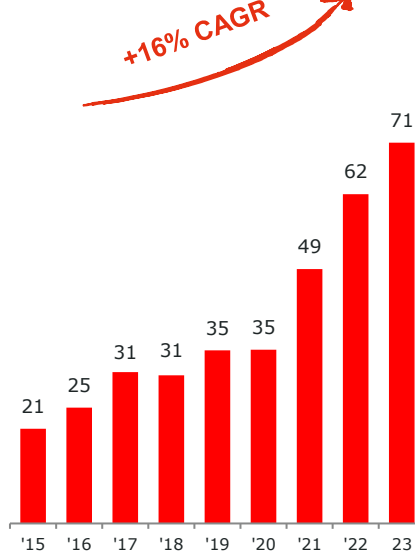
Strong profitability

EBITDA¹ (€m)



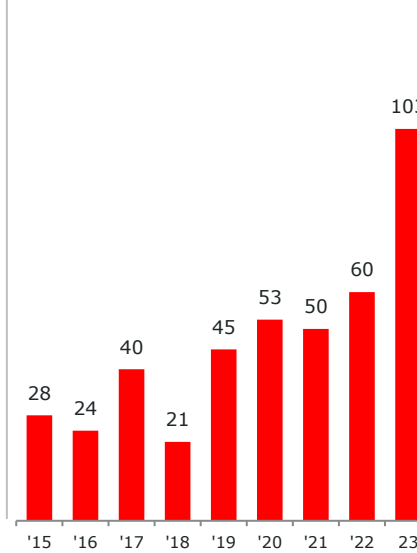
High conversion to net income

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 **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,

