

CAREL

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

13th March 2025

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FY 2024 – Highlights

After three years of annual growth exceeding 20%, 2024 has been a transition year.

Despite the decline in revenue, the Group maintained good profitability and a strong cash generation, supporting record investment level.

-11.0%

Revenue growth

- Reported revenue equal to 578.5m€, -11.0% on 2023 (-13.7% organic revenues).
- Q4 results broadly in line with Q1 (but higher than Q3) despite December traditionally being one of the softest month for the Group. **Much better YoY performance in Q4 2024.**
- On a FY basis, the decline in revenue is due mainly to the **poor performance in EMEA: Heat pumps sales down approximately 70%** to a mid-single digit share of total CAREL revenue, and weak Refrigeration scenario.

18.1%

EBITDA margin

- **EBITDA margin equal to 18.1%**, in continuity with 9M 2024 (18.2%) as the initiatives to contain discretionary opex offset the seasonal weaker profitability in Q4.
- In spite of the decline in revenues and therefore the **negative operating leverage effect**, the Group managed to maintain an **adequate profitability** thanks both to a number of savings (which allowed to report **lower overhead expenses** compared to 2023) and higher gross profitability .
- **R&D investments on revenues ratio confirmed at target level: >5%.**

50_{m€}

NFP

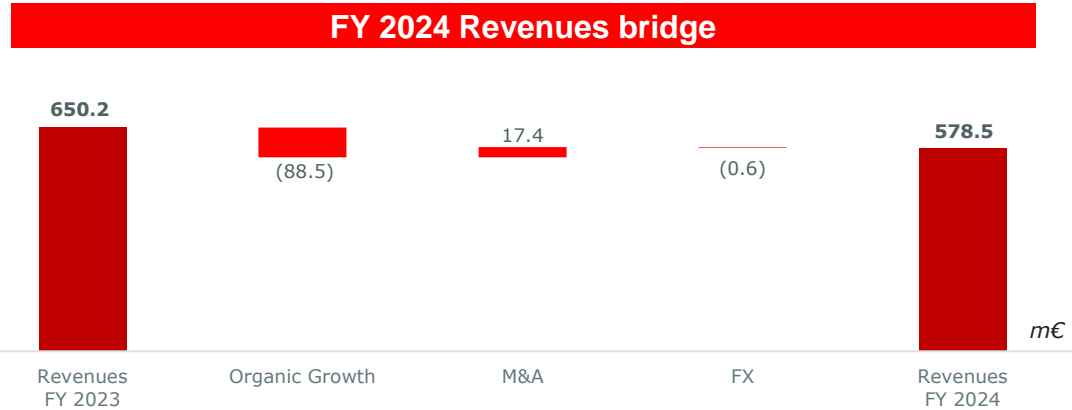
- **Strong cash generation** (cash conversion cycle* ~60%) in spite of capex record level.
- NFP includes 44m€ for the acquisition of the residual 49% stake in CFM, net of which would have been substantially zero.
- **NFP/LTM EBITDA 0.5x.** Net of 31.6m€ related to the IFRS16 accounting principle, this ratio would be close to 0.2x.

*(EBITDA-ΔNWC-Capex)/EBITDA

FY 2024 – Results

KPIs			
m€	FY 2023	FY 2024	Δ%
Revenue	650.2	578.5	(11.0%)
Organic Revenue	650.2	561.4 ⁽¹⁾	(13.7%)
EBITDA	137.2	104.9	(23.6%)
EBITDA /Revenue	21.1%	18.1%	
Net Profit	70.9	62.6	(11.7%)
Capex	27.4	31.6	15.3%

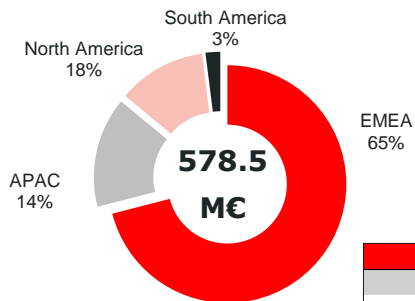
⁽¹⁾ Excl. ~17.4m€ (change in the consolidation perimeter) and 0.6m€ (neg. FX impact);



- **Revenue -11.0%:** The brilliant results in the Americas did not offset weak performance in the EMEA/APAC area. **17.4m€ revenues coming from a change in the scope of consolidation thanks mainly to Kiona, which reported a +15% recurring revenue growth** (local currency).
- **EBITDA -23.6%:** 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 (>20%).
- **Net Profit -11.7%:** due to the operating results. Tax rate equal to 20.7%, in line with 2023.
- **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.
- **Dividend:** 0.165€ per share proposed dividend; ~30% pay-out ratio

FY 2024 – Revenue breakdowns

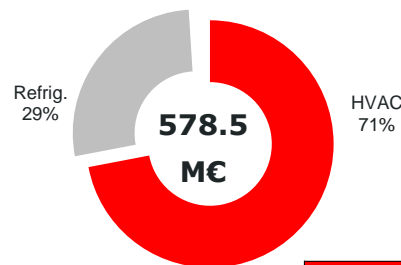
Breakdown by region



	m€		m€	
Area	FY 2023	FY 2024	Δ%	Δ% fx
EMEA	450.2	376.7	(16.3%)	(16.7%)
APAC	89.3	83.0	(7.1%)	(5.8%)
Americas (North)	97.2	103.6	6.6%	6.7%
Americas (South)	13.5	15.2	12.6%	19.8%
Total Revenue	650.2	578.5	(11.0%)	(10.9%)

- **EMEA** – Q4 2024 reaffirmed the trends observed in the previous quarters, though order intake began to gradually accelerate. Very high 2023 comps.
- **APAC** – Q4 2024 saw further acceleration, making it the strongest quarter of the year, driven by very positive performance in the refrigeration sector. However, China macroeconomic scenario remains weak, with mixed trends. Positive trajectory in Data centres.
- **Americas (North)** – North America continued to deliver strong performance (Q4 was the highest of the year: 28m€) driven mainly by the positive momentum in data centres.
- **Americas (South)** – Good results reported, in particular in Brazil combined with a mixed scenario in other countries in the region.

Breakdown by sector



	m€		m€	
Sector	FY 2023	FY 2024	Δ%	Δ% fx
HVAC	472.1	410.0	(13.2%)	(13.1%)
Refrig.	175.1	167.9	(4.1%)	(3.9%)
Core Revenue	647.3	577.9	(10.7%)	(10.6%)
No core	3.0	0.7	(76.9)%	(76.9)%
Total Revenue	650.2	578.5	(11.0%)	(10.9%)

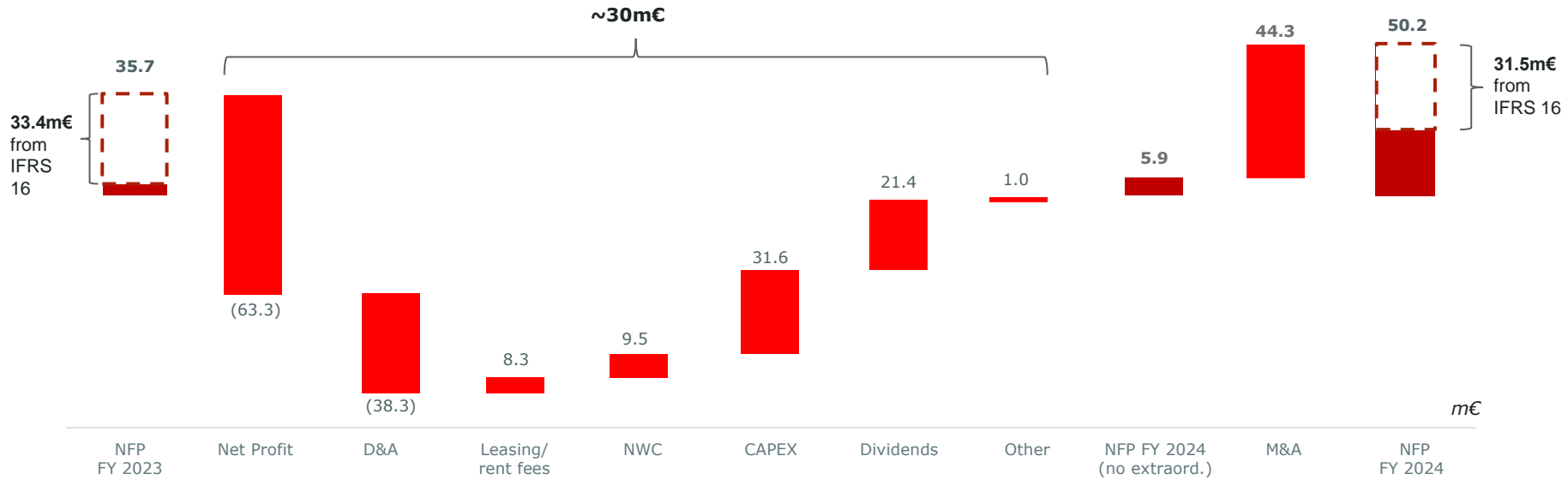
- **HVAC: Q4 2024** showed a slightly improvement over the previous 2Qs mainly thanks to DCs in North America. **EMEA region** remained stable in absolute terms QoQ, while **order intake provided overall positive signals**.
- **Refrigeration: Q4 reaffirmed the trends observed throughout 2024:** the investment cycle in the EMEA region remains stagnant, while the U.S. continues to experience strong growth, with a focus on natural refrigerants and energy efficiency. Also in this case, **tangible signs of recovery are emerging in EMEA**.

From EBITDA to Net Profit

	K€	FY '23	FY '24	Δ%
EBITDA		137,183	104,871	-23.6%
	D&A	-32,783	-38,345	
EBIT		104,400	66,526	-36.3%
	Financial (charges)/income	-9,705	-7,073	
	FX gains/losses	-3,763	3,183	
	Gain/Losses from FV on liabilities for options on minorities	1,660	15,356	
	Companies cons.with equity method	613	1,737	
EBT		93,205	79,729	-14.5%
	Taxes	-18,732	-16,470	
	Minorities	-3,531	-617	
Group net profit		70,942	62,642	-11.7%

- **Higher D&A** mainly due to the purchase price allocation amortization (Kiona).
- **Lower financial charges** due to lower interest rates, lower financial liabilities and the high comparison base (2023 bridge loan for the Kiona acquisition).
- **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 + the FV on Kiona's minority option.
- **CCEM** positive results mainly related to Free Polska.
- **Tax-rate (20.7%)** in line with FY 2023 and benefitting for the gain from FV on liabilities for minority options.

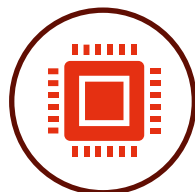
FY 2024 – NFP Bridge



- Net of the cash out for the CFM acquisition, the NFP would have been close to zero, thanks to the strong cash generation (**cash conversion cycle = ~60%**)
- **CAPEX 31.6m€**. Record capex maintaining the ~5% capex-to-revenue trajectory set for 2024YE. A significant portion was allocated to completing **the new research lab in the HQ** and **expanding the Klingenburg plant in Poland to enhance efficiency** in our mechanics production process.
- **ΔNWC +9.5m€**: A strong improvement compared to 9M 2024 data, primarily due to seasonality effects and better inventory and receivables management.

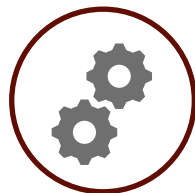
*(EBITDA-ΔNWC-Capex)/EBITDA

Continuous innovation @ CAREL



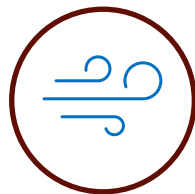
Electronics

- In 2024, CAREL introduced the new generation of one of its most iconic controllers: the MPXpro.
- Specifically designed for refrigeration, this new controller is built on the revolutionary CAREL's proprietary software development environment, **STone**, with **additional sensing capabilities to provide more data for edge and cloud algorithms**.
- **Fully compatible with leading natural refrigerants**, including flammable ones, MPXpro is ready to support the energy transition.



Mechanics

- Building on the success of B-Blue, a plate heat recovery unit specifically designed for Data Centres, **Recuperator has now introduced a groundbreaking innovation** in the world of indirect evaporative cooling: **the V-Series heat recovery units, featuring advanced PVC fins**.
- The use of virgin PVC ensures **durability and longevity (against corrosion and acid condensate)** outperforming traditional materials and making it a reliable choice for both harsh industrial and HVAC applications (**Data Centres**).



Sensing

- Born from the **collaboration and shared expertise of Arion and Senva**, an **innovative infrared propane gas leak sensor, called GLD mini, has just been launched**. **Designed to support the transition to natural refrigerants**, this sensor delivers **exceptional accuracy and safety**. It is immune to poisoning effects, auto-calibrating and features redundant microprocessors and relays, ensuring unparalleled reliability.
- Built on the innovative **Mini-Architecture platform**, GLD paves the way for a complete range of sensors, capable of detecting the most widely used refrigerants in both refrigeration and HVAC applications.



Services

- Leveraging its significant market share in Europe in the refrigeration segment, CAREL has launched a new initiative called **"Total Store Solution."** This initiative offers a comprehensive solution in which CAREL provides the "control system for cabinet/compressor rack, supervision system, digital and consultancy services."
- **A.I. will play a pivotal role in the future** (e.g. implementation of the **"automatic rule engine for alarms"** currently under development in **Kiona**).

New multi-year sustainability plan

4 years of successes

2021-2024 Sustainability plan

E

- In 2023, **77% of total electricity consumption came from renewable sources** (57% in 2021).
- **A 30% reduction in direct and indirect emissions** driven by energy efficiency initiatives.
- Completion of **CAREL carbon footprint measurement (Scope 1, 2, 3)**.
- Approval of CAREL's **near-term decarbonization targets by SBTi**.

S

- Continuous **improvement in workplace safety, maintaining work-related accident rates**, below the 3 years avg.
- **Gender equality certification obtained by the Italian HQ**.

G

- Increased number of independent BoDs members, now representing the majority.
- **Integration of ESG KPIs in executives MBO/LTI**.

2025-2028 Sustainability plan

4 years of projects

E

- Increasing **renewable electricity usage to 90%**.
- **Enhancing energy efficiency** by expanding ISO 50001 certification and other initiatives across CAREL's plants.
- Implementing a **10yrs GHG reduction plan (2033)** to cut Scope 1 and 2 emissions by 54.6 and scope 3 by 32.5%.
- **Expanding the number of products covered by LCA**.

S

- **Expanding the number of production plants covered by ISO 45001 certification**.
- **Implementing a due-diligence process on Human rights**.

G

- Establishing an impartial third-party ESG due-diligence process across the supply chain, including on-site audit.
- **Implementing ISO 37001 certification (anti-corruption)**

Closing Remarks

FY 2024 Results

- **2024 as a transition year:** Marked by high volatility and low visibility, yet the secular trends driving CAREL's success remained intact.
- **Resilient profitability:** Despite the negative operating leverage effect, CAREL maintained a solid 18.1% profitability, offsetting the typical Q4 seasonal downturn through fully implemented cost-containment initiatives.
- **Strong Financial Position:** Robust cash generation and a solid balance sheet enabled record investment levels, particularly in innovation, reinforcing CAREL's long-term development strategy.

Focus on sustainable innovation

- The Group **introduced a range of cutting-edge products and initiatives**, reinforcing its position at the forefront of innovation. Additionally, it has just launched a **multi-year sustainability plan**, further **solidifying its commitment to long-term, responsible growth**.

Scenario

- The current **macroeconomic landscape** remains challenging, marked by **geopolitical tensions, heightened volatility, and limited visibility**.
- **HVAC/Ref.:** Overall, the EMEA region shows significant signs of recovery, though they require confirmation in the coming months. The APAC region presents a mixed outlook, while North and South America remain positive.

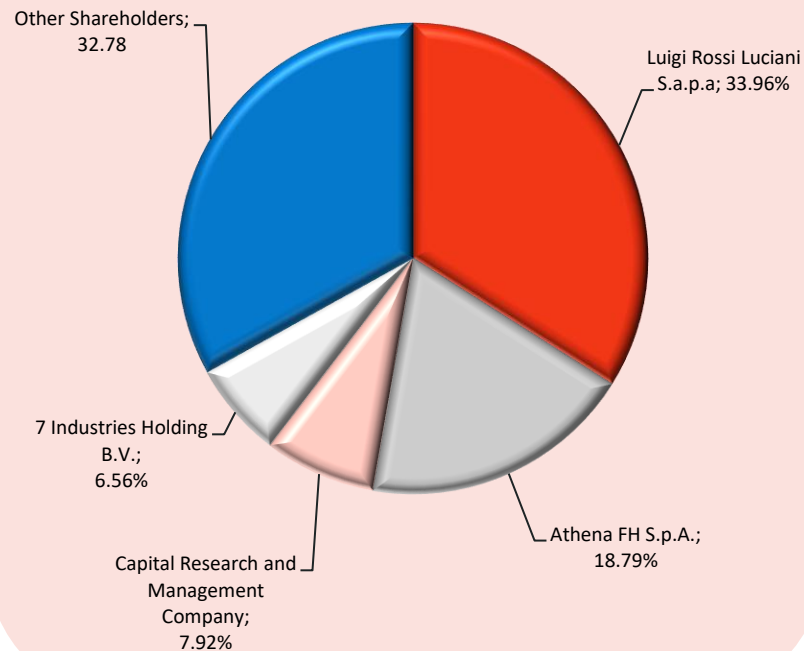
Guidance

Taking this into account, along with the fact that the significantly positive trend in the order intake, observed in the early months of the year, requires some time to translate into results, the Group expects Q1 2025 revenues to be close to those of the same period in 2024, with an acceleration in performance starting from the second quarter.

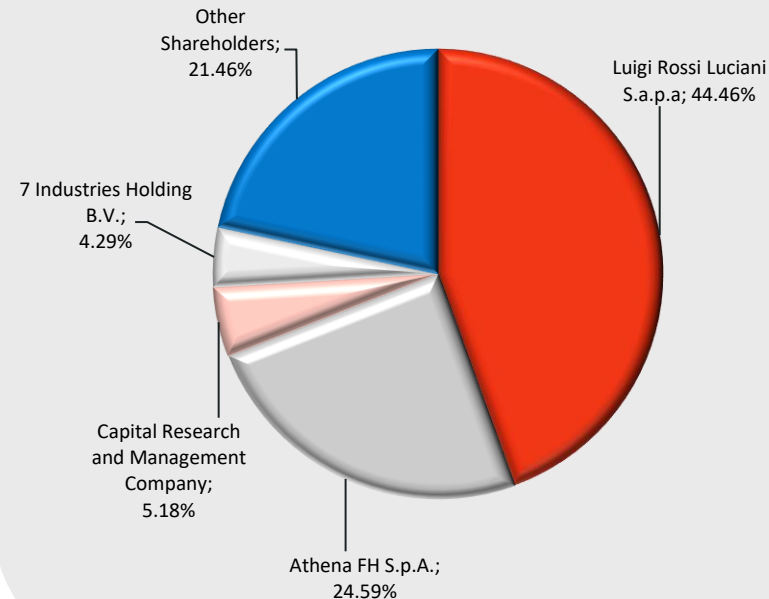
Annexes

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€	FY 2024	FY 2023	Delta %
Revenues		578,536	650,247	(11.0%)
Other revenues		6,272	6,007	4.4%
Operating costs		(479,938)	(519,070)	(7.5%)
EBITDA		104,871	137,183	(23.6%)
Depreciation and impairments		(38,345)	(32,783)	17.0%
EBIT		66,526	104,400	(36.3%)
EBT		79,729	93,205	(14.5%)
Taxes		(16,470)	(18,732)	(12.1%)
Net result of the period		63,259	74,473	(15.1%)
Non controlling interest		617	3,531	(82.5%)
Group net result		62,642	70,942	(11.7%)

Balance sheet

	K€	FY 2024	FY 2023	Delta %
Fixed Capital		508,920	507,725	0.2%
Working Capital		76,909	77,509	(0.8%)
Employees defined benefit plan		(7,390)	(8,479)	(12.8%)
Net invested capital		578,438	576,755	0.3%
Equity		441,535	396,174	11.4%
Non current liabilities				
on put and call options		86,714	144,918	(40.2%)
Net financial position (asset)		50,190	35,664	40.7%
Total		578,438	576,755	0.3%

Company Profile

Leading provider of advanced control solutions for HVAC/R

Teleborsa: distribution and commercial use strictly prohibited



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

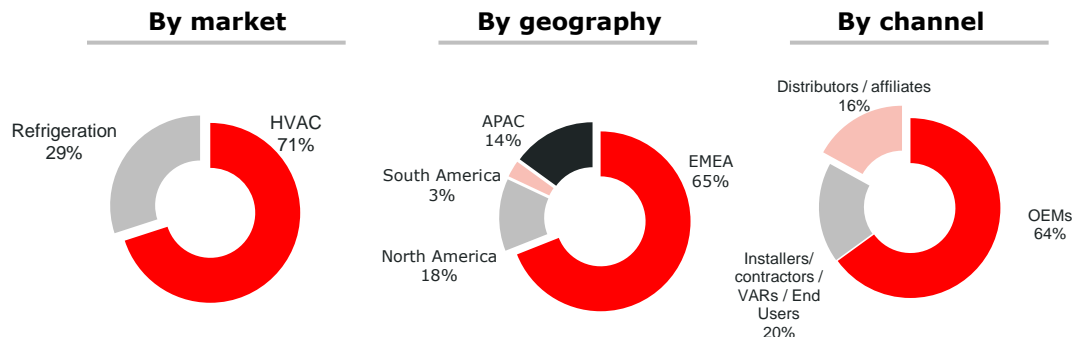
Global footprint

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

Key financials – 2024A

Revenue	EBITDA	Net income
€579m	€105m	€63m
+12% CAGR 2015A-24A	+12% CAGR 2015A-24A	+13% CAGR 2015A-24A

Revenue breakdown - 2024A



Source: Company information

Note: 1) avg. 2015A-24A

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



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 recovery units



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

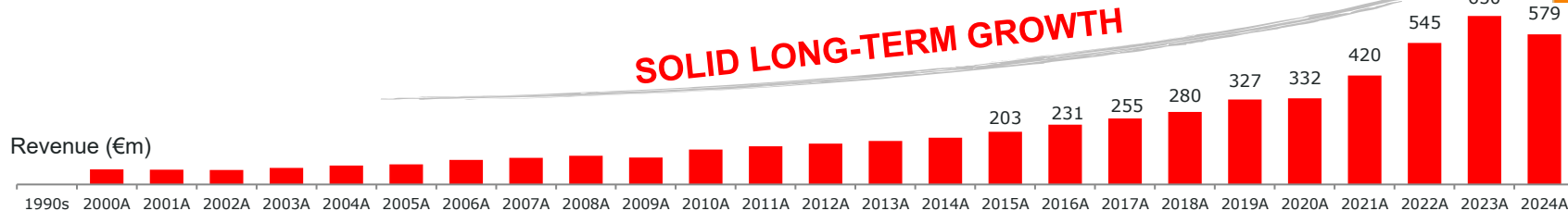


Innovative services based on the IoT capabilities

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

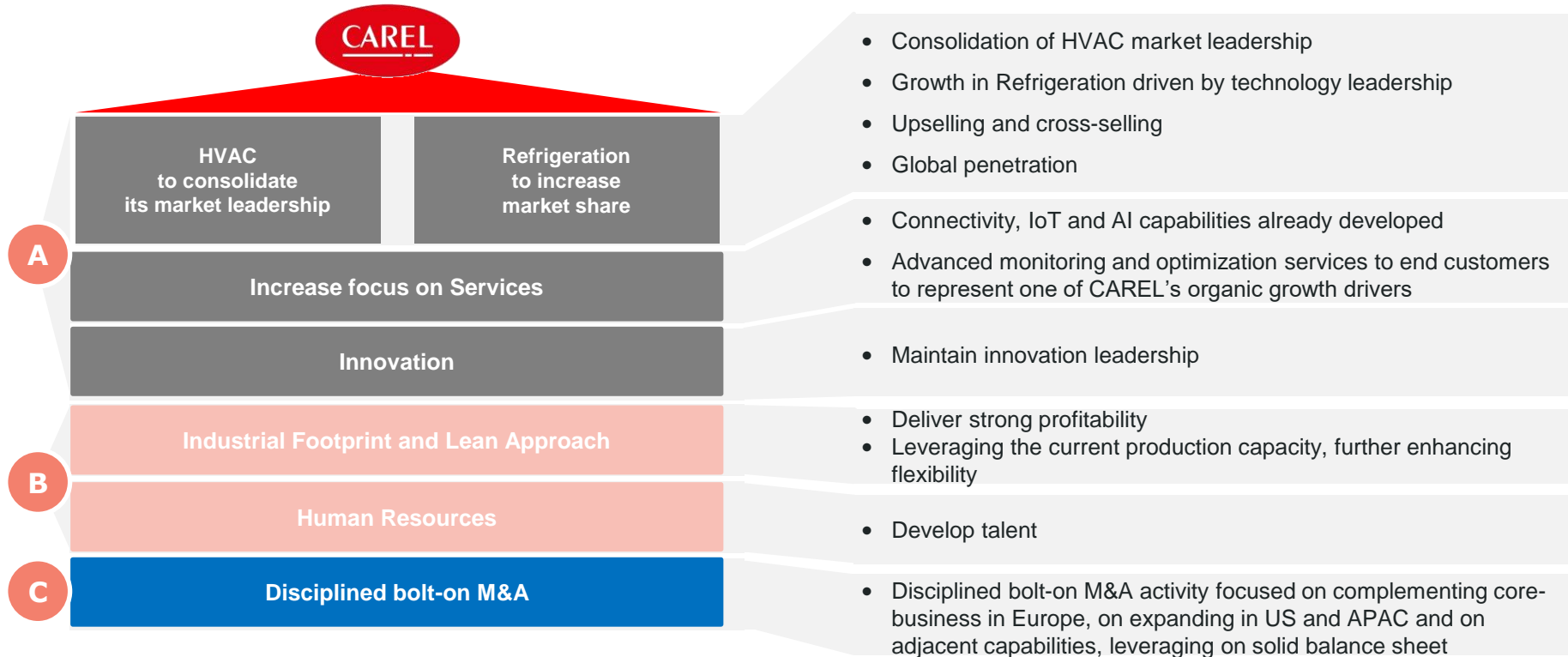


Source: Company information Note: financial data refer to consolidated accounts of CAREL Industries S.p.a. for the period 2011A-2024A (IFRS 2015A- 2020A); ITA GAAP 2011A-2014A) and CAREL S.p.a. for the period 2000A-2010A (ITA GAAP). Comparability might be affected by change in reporting standard and in consolidation perimeter.

Legend: R&D centre Plants Acquisitions of local distributors

CAREL

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

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



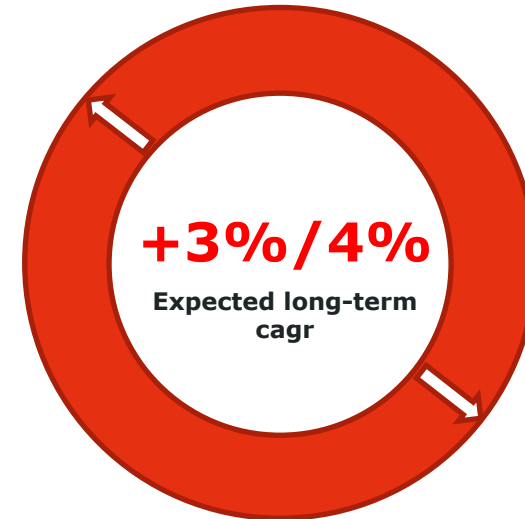
INTERNET OF THINGS

- 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

Market trends



SECULAR TRENDS

Increasing the market of the applications addressed by CAREL



NICHES EXPANSION

Leverage of deep knowledge of final applications to expand to adjacent niches



GEOGRAPHIC EXPANSION

Geographic expansion into new markets

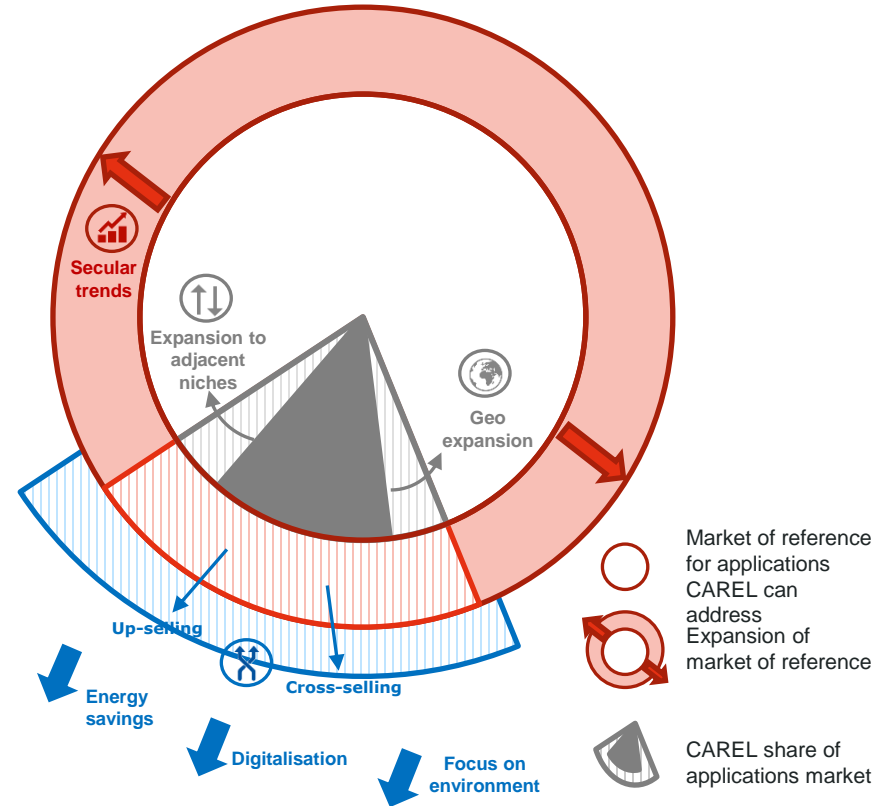


UP-SELLING / CROSS-SELLING

Increase in the share of wallet of CAREL's products driven by **break-through innovations**, such as energy saving features, digitalisation and environmental focus

Increase in market share

Increase in share of wallet



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

PROPRIETARY SOFTWARE

Vast library of proprietary software modules developed over the past 20 years: maximizing customizations and reducing time-to-market

RESEARCH COLLABORATION

With Tier-1 Universities and Research Institutions



~12% OF TOTAL WORKFORCE

dedicated to R&D

6 R&D CENTRES

COMBINING 5 DOMAINS

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

TECHNOLOGICAL PARTNERS

Cooperation with technology leaders

TOSHIBA



CAREL

UNIQUE
KNOW
HOW

01100
10110
11110

AWARD
WINNING
BUSINESS



Nov-13

Electrolux Supplier Award



Jan-16

AHR Expo Innovation Award



Apr-17

China Refrigeration Innovation Award



Sep-17

World Beverage Innovation Award



Oct-17

RAC Cooling Industry Award



Apr-18

China Refrigeration Award



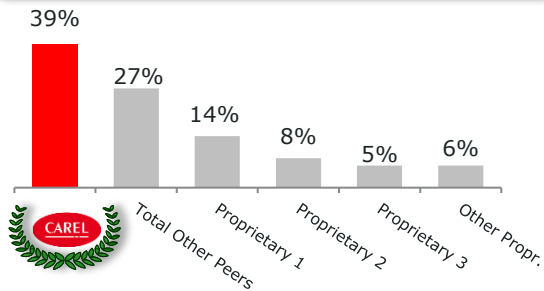
Source: Company information at 31/12/2024
Note: 1) avg. 2015A-24A.

3 Leadership position in HVAC OEM premium niches...

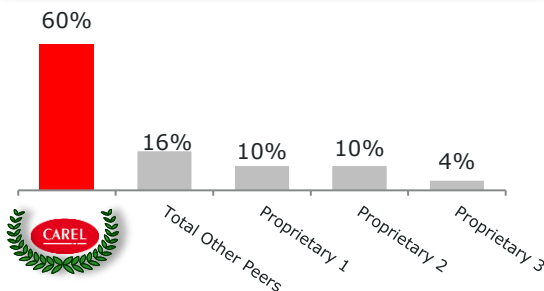
Leadership positioning in premium niches...


...with no perfect comparable

Chiller European Market Share



Rooftop European Market Share



		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	✓✓✓	✓	✓✓	✓

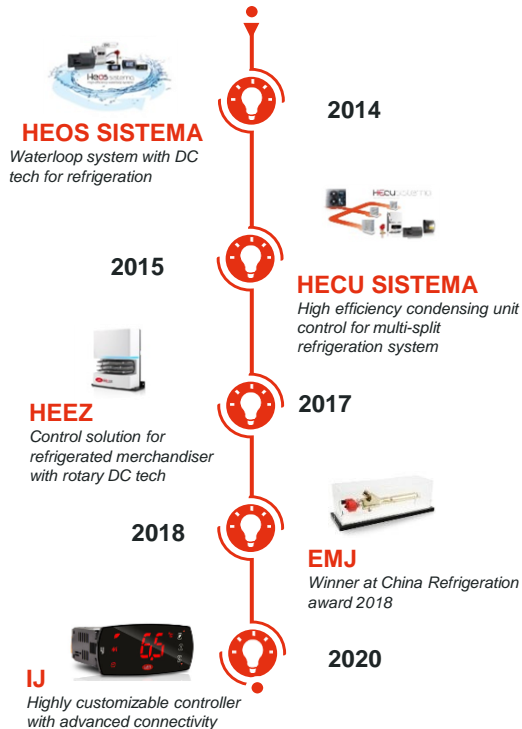
Source: Company elaborations as of 31 December 2022 based on Building Services Research and Information Association data as of 31 December 2021

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
Vertical niche approach	✓✓✓	✓✓	✓✓✓
Innovation pace & knowledge of final applications	✓✓✓	✓✓	✓
Integrated solutions	✓✓✓	✓✓	✓
Global operations	✓✓✓	✓✓✓	✓
Flexibility for tailored solutions	✓✓✓	✓✓	✓✓✓
Economies of scale	✓✓✓	✓✓	✓

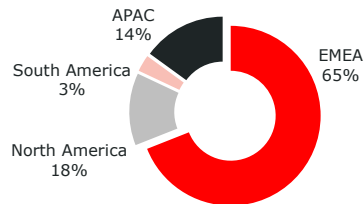
Source: Company information and elaborations

4 Highly efficient global operations serving locally...

GLOBAL PRODUCTION FOOTPRINT

DIRECT AND HIGHLY SKILLED SALES NETWORK

BEST POSITIONED TO CAPTURE GLOBAL GROWTH OPPORTUNITIES



Revenue 2024A breakdown by geography

NORTH AMERICA



2
Plants

285
Employees

98
Sales force

2
R&D Centre

WESTERN EUROPE



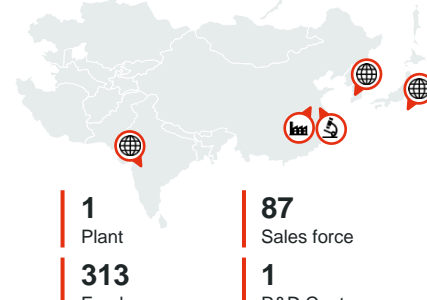
9
Plants

1421
Employees

388
Sales force

3
R&D Centre

NORTH APAC



1
Plant

87
Sales force

313
Employees

1
R&D Centre

SOUTH AMERICA

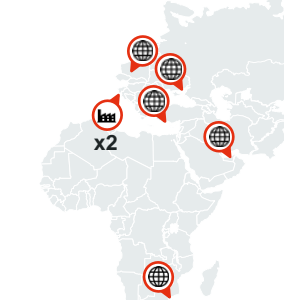


1
Plant

63
Employees

24
Sales force

RoEMEA



2
Plants

425
Employees

123
Sales force

SOUTH APAC



85
employees

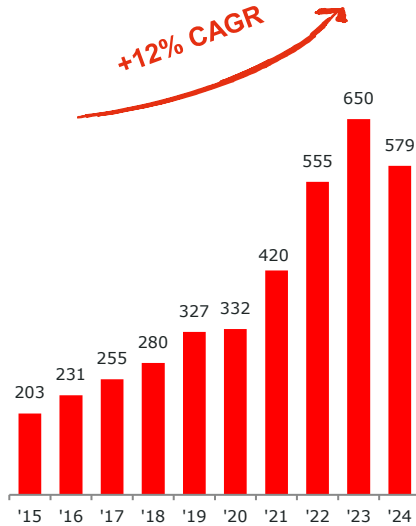
85
Sales force

Legend:  R&D centres  Plants  Commercial subsidiaries

5 Track record of profitable growth

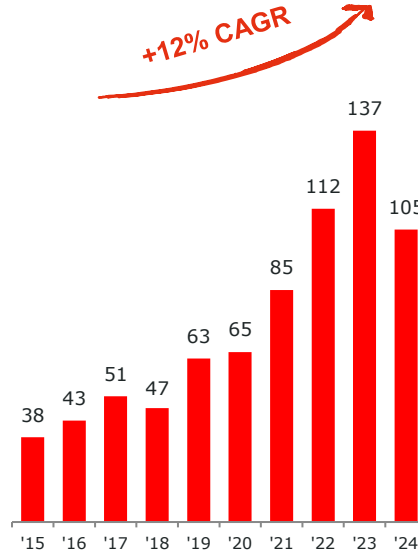
Double-digit growth

Revenue¹ (€m)



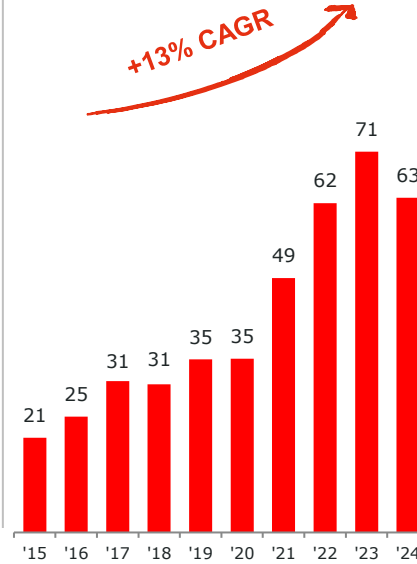
Strong profitability

EBITDA¹ (€m)



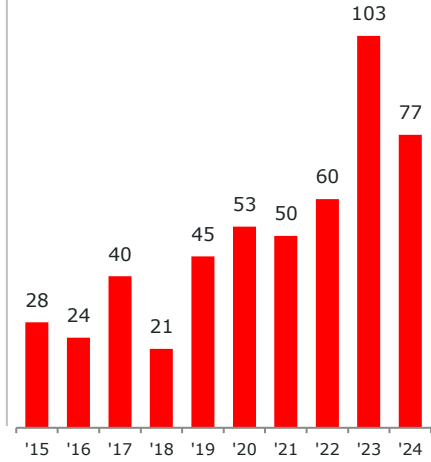
High conversion to net income

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: 2015-2020 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



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



- **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,

