

Press Release

The CAREL Industries Board of Directors has approved the consolidated results as of 31 March 2025

- Consolidated revenues equal to € 147.4 million, +0.7% compared to the first three months 2024.
- Consolidated EBITDA equal to € 26.6 million corresponding to 18.1% of revenues. Net of a number of non-recurring items, profitability would have been 18.6%;
- Consolidated net result equal to € 10.1 million, -38.7% compared to the net result recorded in the first three months 2024; the decrease is mainly due to the absence of a favourable non-recurring item related to CFM, which was present in the same period of 2024, and the impact of exchange rates on the valuation of the put/call option on the minority stake in Kiona (both items are non-cash in nature)
- Negative consolidated net financial position equal to € 43.9 million, an improvement from € 50.2 million as of 31 December 2024, including the accounting effect linked to the application of IFRS16 of € 30.8 million.

Brugine, 13 May 2025 – The Board of Directors of CAREL Industries S.p.A. ('CAREL', or the 'Company' or the 'Parent Company') met today and approved the consolidated results as of 31 March 2025.

Francesco Nalini, Chief Executive Officer of the Group, stated: *"The results as of 31 March 2025 confirm the ongoing improvement in performance that began in mid-2024. Whereas last year this trend was mainly supported by the gradual fading of the negative impact of de-stocking and the normalisation of the comparison base with 2023, the first quarter of 2025 marks a further step forward, thanks to a significant recovery in demand – particularly in the refrigeration sector in the EMEA region – despite a global environment that remains marked by instability.*

This trend is reflected in a strongly growing order backlog, which indicates promising potential for revenue in the coming quarters, also thanks to the full restoration of production capacity, which was optimised in 2024 to cope with less favourable market conditions.

Margins have also shown encouraging signs: the EBITDA margin remained solid compared to the previous year and, net of non-recurring items, improved by 50 basis points, reaching 18.6%. This result was made possible by effective procurement management, which allowed the Group to benefit from the decline in the prices of electronic raw materials. This was further supported by the development of high-margin digital services, which have always been one of the main pillars of our strategy.

From a financial perspective, the quarter saw a further reduction in net debt, which now stands at approximately € 44 million, demonstrating the Group's financial solidity and disciplined approach.

We continue to monitor the evolution of the macroeconomic scenario and geopolitical tensions closely, as they remain a source of uncertainty. However, our globally distributed production footprint, based on the duplication of processes, provides us with strong resilience, even in the face of tariffs and trade duties. This enables us to look ahead to 2025 with confidence.

The Group will continue to invest in innovation, sustainability, and customer value, with the aim of swiftly and decisively seizing the opportunities that may arise in the near future."

Consolidated revenues

Consolidated revenue amounted to € 147.4 million, up 0.7% (+0.1% at constant exchange rates) compared to € 146.4 million as of 31 March 2024.

Although modest, the growth recorded in the first quarter represents a reversal of the previous trend, coming after four consecutive quarters of decline. It is important to highlight that this acceleration could have been stronger were it not for a temporary limitation in the Group's production capacity, which had been optimised to align with 2024's market flow—a year particularly challenging in terms of demand. These constraints were progressively overcome, and backlogged orders were deferred to the second quarter. The factors behind the growth as of 31 March are multiple and involve various sectors and geographical areas. Starting with Refrigeration,

following nearly eighteen months of investment cycle weakness in Europe—driven by an unfavourable macroeconomic environment (high interest rates and inflation)—a significant rebound in demand was recorded. This trend, which gradually strengthened during the early months of the year, led to double-digit revenue growth in the EMEA region for this market. Results in North America were also positive, although impacted by a strong comparison base from 2024. In the APAC region, performance was less robust, primarily due to temporary factors; however, an improvement is expected over the course of the year.

Moving on to the HVAC sector, performance was substantially in line with the first quarter of 2024. This apparent stability, however, conceals several clearly positive developments: firstly, the extremely strong growth in the data centre segment continued, driven mainly by the United States. The industrial segment also delivered solid results, maintaining continuity with the final quarters of last year. As for the commercial segment, there has been a closer alignment between the Group's performance and market demand, as the *de-stocking* phenomenon—which had significantly affected 2024 results—has subsided. It is worth noting that the first quarter of 2024, particularly in the EMEA region, had been favourably impacted by a positive tail-end effect from heat pump sales. In this regard, the early months of the current year did not show clear signs of recovery in this segment, although a positive trend is expected in the medium term.

Analysing individual geographical areas, the region that contributes the most to the Group—EMEA (Europe, Middle East, and Africa), which accounts for 67% of total revenue—closed the first quarter of 2025 with a constant currency growth of 0.8%. This result is particularly positive, as it signals a clear trend reversal and a return to growth in the Group's most significant region. The main contribution to performance came from the Refrigeration sector, which recorded double-digit percentage growth, driven by a robust recovery in the investment cycle, especially in the *food retail* segment. Performance in the HVAC sector was slightly negative, primarily due to the lower contribution from the heat pump segment, which had still shown strong results in the first quarter of 2024. More generally, demand in the HVAC sector remains less dynamic than in Refrigeration, although a gradual improvement is expected in the coming quarters, mainly due to declining interest rates and inflation nearing 2%.

The APAC region (Asia-Pacific), which represents approximately 12% of Group revenue, reported a 15.5% decline at constant exchange rates compared to the same period in 2024. The results were affected by a number of temporary factors and the timing of key orders and projects. A significant recovery is expected from the second quarter onwards, although the economic environment in China remains particularly complex, also due to geopolitical tensions and trade tariffs.

North America, which accounts for about 18% of total revenue, posted a 10.4% increase at constant exchange rates, driven primarily by excellent performance in the HVAC sector, particularly in data centre cooling applications and other innovative industrial uses. Results in Refrigeration were stable compared to previous quarters, although impacted by a very demanding comparison base, as the first quarter of 2024 was the strongest quarter ever in this sector for the region. There remains strong interest in solutions increasingly focused on energy efficiency (including variable speed technology) and the use of low-impact refrigerants, particularly natural refrigerants. Finally, South America, which represents around 2% of the Group's total turnover, reported growth at constant exchange rates compared to the first quarter of 2024, mainly driven by air conditioning demand in Brazil.

Table 1 – Revenue by business area (*thousands of euros*)

	31.03.2025	31.03.2024	Delta %	Delta fx %
HVAC revenue	103,810	104,190	(0.4%)	(1.1%)
REF revenue	43,395	41,981	3.4%	3.3%
Total core revenue	147,205	146,172	0.7%	0.1%
Non-core revenue	195	243	(19.7%)	(20.1%)
Total Revenue	147,400	146,415	0.7%	0.1%

Table 2 Revenue by geographical area (*thousands of euros*)

	31.03.2025	31.03.2024	Delta %	Delta fx %
EMEA	99,521	98,454	1.1%	0.8%
APAC	17,791	20,821	(14.6%)	(15.5%)
North America	26,813	23,584	13.7%	10.4%
South America	3,275	3,556	(7.9%)	2.9%
Total Revenue	147,400	146,415	0.7%	0.1%

Consolidated EBITDA

Consolidated EBITDA as of 31 March 2025 amounted to EUR 26.6 million, in line with the figure recorded during the same period in 2024. Profitability, measured as the ratio of EBITDA to revenue, stood at 18.1%, also consistent with the first quarter of 2024. It is worth noting that, excluding certain non-recurring items, profitability would have reached 18.6%. The EBITDA performance reflects substantial continuity with the results of previous quarters, and therefore limited positive effects from operating leverage. Additionally, there was a positive contribution from the subsidiary Kiona, which closed the quarter with an EBITDA margin of about 25%.

Consolidated net income

Consolidated net profit totalled EUR 10.1 million, marking a decrease of 38.7% compared to EUR 16.5 million as of 31 March 2024. This difference is due to the absence of a favourable non-recurring item (related to the minority stake in CFM) that was present in the same period of 2024, and to the impact of exchange rates on the valuation of the put/call option on the minority stake in Kiona (both items are non-cash in nature). The effective tax rate was 21.3%, slightly improved compared to the same period in the previous year (22.3%).

Consolidated net financial position

The consolidated net financial position was negative for € 43.9 million, including the accounting effect of the application of IFRS16, equal to € 30.8 million. The decrease of approximately € 6 million compared to the figure recorded as of 31 December 2024 reflects solid operating results and careful management of working capital. Investments totalled € 4.4 million, slightly down from 2024 levels, which had represented a record year.

Business outlook

The first quarter of 2025 was once again influenced by a complex geopolitical environment, marked by the ongoing conflicts between Russia and Ukraine and Israel and Hamas, with global repercussions in terms of instability and uncertainty. The macroeconomic outlook continues to display divergent trends across the key regions where the Group operates: Europe, Asia, and the United States. In Europe, inflation has gradually approached the 2% target, prompting a loosening of monetary policy by the ECB, although economic growth remains weak. In Asia, the recovery appears uneven: while there are positive signs in industrial production, uncertainties remain regarding domestic demand, particularly in China, and the deflationary risk in some key economies. In the United States, the economy continues to demonstrate resilience, supported by strong employment and robust consumer spending. However, the implementation of protectionist policies by the current administration makes the future particularly uncertain.

As a result, visibility remains limited. Nevertheless, thanks to the strong results achieved in the first quarter, the order backlog, which—despite a short lead time of 3-5 weeks—remains solid, and the positive market trends, the Group expects to close the second quarter with revenue growth—compared to Q2 2024—ranging from high single-digit to low double-digit percentages.

This projection does not factor in any potential negative geopolitical developments, which cannot be foreseen at this time.



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CONFERENCE CALL

The results as of 31 March 2025 will be illustrated today, 13 May 2025, at 16.30 (Italian time) during a conference call to the financial community, which will also be the subject of a webcast in listen-only mode on www.carel.com, Investor Relations section.

The CFO, Nicola Biondo, stated, pursuant to paragraph 2 of Article 154-bis of the Consolidated Finance Act, that the accounting information in this press release corresponds to the documented results, accounts and bookkeeping records.

For further information

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CAREL

The CAREL Group is a global leader in the design, production and marketing of technologically-advanced components and solutions for excellent energy efficiency in the control of heating, ventilation and air conditioning (“HVAC”) and refrigeration equipment and systems. CAREL is focused on several vertical niche markets with extremely specific needs, catered for with dedicated solutions developed comprehensively for these requirements, as opposed to mass markets.

The Group designs, produces and markets hardware, software and algorithm solutions aimed at both improving the performance of the units and systems they are intended for and for energy saving, with a globally-recognised brand in the HVAC and refrigeration markets (collectively, “HVAC/R”) in which it operates and, in the opinion of the Company’s management, with a distinctive position in the relevant niches in those markets.

HVAC is the Group’s main market, representing 71% of the Group’s revenues in the financial year to 31 December 2024, while the refrigeration market accounted for 29% of the Group’s revenues.

The Group commits significant resources to research and development, an area which plays a strategic role in helping it maintain its position of leadership in the reference HVAC/R market niches, with special attention focused on energy efficiency, the reduction of environmental impact, trends relating to the use of natural refrigerant gases, automation and remote connectivity (the Internet of Things), and the development of data-driven solutions and services.

As of 31 December 2024 the Group operates through 47 branches including 15 production areas located in various countries, approximately 80% of the Group’s revenues was generated outside of Italy and more than 30% outside of EMEA (Europe, Middle East, Africa).

Original Equipment Manufacturers or OEMs – suppliers of complete units for applications in HVAC/R markets – make up the Company’s main category of customers, which the Group focuses on to build long-term relationships.

The accounting statements of the CAREL Industries Group, not subject to independent auditing, are illustrated below.

Consolidated Financial Statements as of 31 March 2025

Consolidated Statement of financial position

(€'000)	31/03/2025	31/12/2024
Property, plant and equipment	118,957	123,124
Intangible assets	375,626	379,745
Equity-accounted investments	4,083	3,999
Other non-current assets	4,452	4,468
Deferred tax assets	15,422	14,689
Non-current assets	518,541	526,025
Trade receivables	105,874	99,606
Inventories	97,116	94,206
Current tax assets	5,201	6,238
Other current assets	22,440	22,540
Current financial assets	3,263	3,290
Cash and cash equivalents	105,896	99,119
Current assets	339,789	324,998
TOTAL ASSETS	858,330	851,023
Equity attributable to the owners of the parent company	440,148	434,944
Equity attributable to non-controlling interests	6,500	6,591
Total equity	446,648	441,535
Non-current financial liabilities	99,949	109,367
Provisions for risks	6,459	6,358
Defined benefit plans	7,231	7,390
Deferred tax liabilities	25,590	26,185
Other non-current liabilities	88,722	87,720
Non-current liabilities	227,951	237,020
Current financial liabilities	53,140	43,231
Trade payables	65,987	62,689
Current tax liabilities	6,508	6,250
Provisions for risks	4,986	5,435
Other current liabilities	53,111	54,863
Current liabilities	183,732	172,468
TOTAL LIABILITIES AND EQUITY	858,330	851,023

Consolidated Statement of profit or loss

(€'000)	31/03/2025	31/03/2024
Revenue	147.400	146.415
Other revenue	1.149	1.124
Costs of raw materials, consumables and goods and changes in inventories	(57.044)	(60.354)
Services	(21.495)	(20.495)
Capitalised development expenditure	1.262	1.285
Personnel expenses	(42.905)	(40.387)
Other expenses, net	(1.745)	(921)
Amortisation, depreciation and impairment losses	(11.161)	(9.508)
OPERATING PROFIT	15.461	17.158
Net financial income/(charges)	(1.731)	(1.523)
Net exchange rate gains/(losses)	(891)	2.672
Gains/(losses) on from FV of liabilities for options on minority stakes	-	3.454
PROFIT BEFORE TAX	12.839	21.762
Income taxes	(2.733)	(4.848)
PROFIT FOR THE PERIOD	10.106	16.915
Non-controlling interests	(22)	389
PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY	10.129	16.525

Consolidated Statement of comprehensive income

(€'000)	31/03/2025	31/03/2024
Profit for the period	10.106	16.915
Items that may be subsequently reclassified to profit or loss:		
- Fair value gains (losses) on hedging derivatives net of the tax effect	(35)	(30)
- Exchange differences	(4.960)	2.034
Items that may not be subsequently reclassified to profit or loss:		
- Discounted benefits to employees net of fiscal effect	-	-
Comprehensive income	5.111	18.919
attributable to:		
- Owners of the parent company	5.203	18.437
- Non-controlling interests	(91)	481

Earnings per share

Earnings per share (in euros)	0.09	0.15
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Consolidated Statement of cash flows

(€'000)	31.03.2025	31.03.2024
Profit for the period	10,106	16,915
Adjustments for:		
Amortisation, depreciation and impairment losses	11,161	9,508
Accruals to/utilisations of provisions	(123)	1,255
Other non-monetary charges/(gains)	2,461	(4,789)
Taxes	2,733	4,848
Changes in working capital:		
Change in trade receivables and other current assets	(6,196)	(4,922)
Change in inventories	(3,221)	(3,079)
Change in trade payables and other current liabilities	(1,106)	(8,029)
Change in non-current assets	90	(33)
Change in non-current liabilities	(6)	(925)
Cash flows generated from operations	15,900	10,747
Net interest paid	(774)	(1,570)
Tax paid	(2,800)	(2,180)
Net cash flows generated by operating activities	12,326	6,997
Investments in property, plant and equipment	(2,133)	(3,461)
Investments in intangible assets	(2,245)	(1,924)
Investments/Disinvestments of financial assets	-	-
Disinvestments of property, plant and equipment and intangible assets	156	83
Interest collected	435	1,090
Industrial aggregation net of the acquired cash	-	(44,213)
Cash flows generated by (used in) investing activities	(3,788)	(48,426)
Increase in financial liabilities	10,000	-
Decrease in financial liabilities	(8,795)	(10,901)
Decrease in financial liabilities for leasing fees	(2,106)	(1,876)
Cash flows generated by (used in) financing activities	(901)	(12,777)
Change in cash and cash equivalents	7,638	(54,205)
Cash and cash equivalents - opening balance	99,119	154,010
Conversion variations	(860)	142
Cash and cash equivalents - closing balance	105,897	99,947



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Consolidated Statement of changes in equity

	Share capital	Legal reserve	Translation reserve	Hedging reserve	Other reserves	Retained earnings	Profit for the period	Equity	Equity att. to non-controlling interests	Total equity
<i>(€'000)</i>										
Balance as of 1/1/2024	11,250	2,000	(3,015)	393	182,307	112,544	70,942	376,422	19,752	396,174
Owner transactions										
- Allocation of profit for the period	-	-	-	-	-	70,942	(70,942)	-	-	-
- Change in scope of consolidation	-	-	-	-	-	13,875	-	13,875	(13,875)	-
Total owner transactions	11,250	2,000	(3,015)	393	182,307	197,361	-	390,297	5,877	396,174
- Profit for the period							16,525	16,525	389	16,915
- Other comprehensive income (expenses)			1,942	(30)				1,912	92	2,004
Total other comprehensive income (expenses)	-	-	1,942	(30)	-	-	16,525	18,437	481	18,919
Balance as of 1/3/2024	11,250	2,000	(1,073)	363	182,307	197,361	16,525	408,734	6,358	415,092
Balance as of 1/1/2025	11,250	2,250	638	127	205,069	152,967	62,642	434,944	6,591	441,535
Owner transactions										
- Allocation of profit for the period	-	-	-	-	-	62,642	(62,642)	-	-	-
Total owner transactions	11,250	2,250	638	127	205,069	215,609	-	434,944	6,591	441,536
- Profit for the period							10,129	10,129	(22)	10,106
- Other comprehensive expenses			(4,891)	(35)	-			(4,926)	(69)	(4,995)
Total other comprehensive expenses	-	-	(4,891)	(35)	-	-	10,129	5,203	(91)	5,112
Balance as of 31/3/2025	11,250	2,250	(4,253)	92	205,069	215,609	10,129	440,147	6,500	446,648