

## Media Information

### **Carlo Gavazzi Group: Solid sales and bookings in the first half of 2013/14 – continued growth outside Europe**

- **Stable operating revenue in local currency; in Swiss Francs up 2.3% to CHF 70.8 million (first half 2012/13: CHF 69.2 million)**
- **Book-to-bill ratio increases to 1.05**
- **North America and Asia-Pacific with 33% of overall sales**
- **Stable gross margin of 55.5% (56.2%)**
- **Net income of CHF 4.3 million (-24.6%), decrease mainly because of currency effects**

*Steinhausen, November 21, 2013* – On the back of solid sales in key markets outside Europe and the successful launch of new products, Carlo Gavazzi recorded overall stable revenues in local currency during the first half of the financial year. Operating revenue in Swiss Francs increased by 2.3% to CHF 70.8 million (first half of 2012/13: CHF 69.2 million).

Orders grew 2.5% to CHF 74.5 million (CHF 72.7 million) resulting in a book-to-bill ratio of 1.05.

Gross profit increased by CHF 0.5 million to CHF 39.3 million and the gross margin was 55.5%, compared to 56.2% in the previous year.

The Group continued to implement its strategy of investing in its product portfolio and in the expansion of the sales network in fast growing markets outside Europe. Operating expenses increased by CHF 1.1 million to CHF 32.5 million (CHF 31.4 million). This resulted in operating profit (EBIT) of CHF 6.7 million, compared to CHF 7.4 million (-9.5%) in the previous year.

Group net income reached CHF 4.3 million against CHF 5.7 million (-24.6%) in the previous year. The key reason for this decrease was an exchange difference of CHF 1.1 million, mainly due to the strengthening of the Euro against the US Dollar, resulting in an exchange loss of CHF 0.5 million, compared to an exchange gain of CHF 0.6 million last year.

At September 30, 2013, shareholder's equity stood at CHF 87.6 million, giving an equity ratio of 69.9%.

## **Sales outside Europe now represent one third of total revenues**

The on-going recession in Southern Europe mainly affected markets such as Italy and Spain. As a result, sales in Europe decreased by of 5.2%. Asia-Pacific increased sales by 22.3% in local currency compared to the previous year, due to excellent growth in China (+29.1%). Sales in North America grew by 2.1% in local currency compared to the previous year due to very good growth in the USA.

The share of sales outside Europe expanded to more than 33% of total revenues, from 30% in the same period last year, with the Americas and Asia-Pacific accounting for 18% and 15%, respectively.

## **Successful launch of new UWP platform**

Sales in priority markets, net of energy markets, were 3.5% above the same period last year. Food & Beverage, Lifts & Escalators, Smart Building as well as Heating, Ventilation and Air Conditioning (HVAC) each recorded growth rates of around 10% or more versus the previous year.

Due to several initiatives in building and home automation, and car parks, sales of Fieldbuses increased by 20%. In particular, market recognition of the high modularity of the new UWP platform and its interoperability with building management systems boosted balanced penetration worldwide.

Sales of Sensors were in the same range as the previous year, although inductive sensors grew more than 5% by leveraging their stronger feature set and through selective customization for OEM customers in the industrial automation sector. Although sales of efficiency monitoring products for photovoltaic plants more than halved compared with the first semester of 2012/13, Controls products still performed almost in line with the previous year thanks to the comprehensive range of energy management and monitoring relays aimed at both building automation markets and panel builders.

The enlargement of the offering enhanced sales of solid state relays, which confirmed their solid value proposition for industrial automation. Sales of soft starters were in line with last year thanks to growth in the HVAC market. Furthermore, sales of safety relays and signalling devices for railways were 35.4% above the same period last year.

## **New generation of energy metering devices**

The global economic situation and the market environment are still complex; gradual growth is expected in the advanced economies, with the exception of Southern European countries, while the pace of growth is slowing down in emerging markets. Given the sluggish recovery expected across Europe, the Group's efforts will be directed at further improving geographic coverage, with local marketing initiatives deployed selectively. In addition, Carlo Gavazzi will continue to strengthen R&D and to enlarge its product portfolio. The introduction of the new UWP platform this fall will be followed by the launch of a new generation of energy metering devices in March 2014.

Carlo Gavazzi is convinced that these initiatives will add significant value to the Group in the years to come.

**Consolidated key figures  
(CHF million)**

<b>Income statement</b>	<b><u>1. HY</u> <u>2013/14</u></b>	<b><u>1. HY</u> <u>2012/13*</u></b>	<b>%</b>
Bookings	<b>74.5</b>	72.7	+2.5
Operating revenue	<b>70.8</b>	69.2	+2.3
EBITDA	<b>8.6</b>	9.3	-7.5
EBIT	<b>6.7</b>	7.4	-9.5
EBIT margin	<b>9.4 %</b>	10.8%	-
Net income	<b>4.3</b>	5.7	-24.6
Cash flow	<b>6.3</b>	7.6	-17.1
Additions to fixed assets	<b>1.3</b>	1.2	+8.3
<b>Balance sheet</b>	<b><u>30.9.2013</u></b>	<b><u>31.3.2013</u></b>	
Net working capital	<b>34.7</b>	34.6	+0.3
Net cash position	<b>38.3</b>	52.0	-26.3

\*With the application of IAS 19 (revised) the previous year's figures have been restated in accordance with IAS 8.

**Interim Report**

The complete interim report can be downloaded from  
<http://www.carlogavazzi.com/en/investors/interim-report.html>

**About Carlo Gavazzi:**

*Carlo Gavazzi is a publicly quoted international electronics group (SIX: GAV) with activities in the design and marketing of electronic control components for factory and building automation.*

Please visit our website: [www.carlogavazzi.com](http://www.carlogavazzi.com)

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