



CARLO GAVAZZI

Interim Report  
April 1 – September 30, 2023



## At a Glance

(CHF million)	1.4.-30.9.23	1.4.-30.9.22	%
Bookings	<b>83.1</b>	133.1	-37.5
Revenue from sale of goods	<b>97.5</b>	104.7	-6.9
EBITDA	<b>19.7</b>	22.3	-11.7
EBIT	<b>16.4</b>	19.5	-15.9
Net profit for the half-year	<b>12.3</b>	13.8	-10.9

(CHF million)	30.9.23	31.3.23	%
Total equity attributable to owners of Carlo Gavazzi Holding AG	<b>133.0</b>	131.9	+0.8
Net working capital	<b>59.9</b>	64.2	-6.7
Net cash position	<b>54.5</b>	49.2	+10.8

### Alternative Performance Measures (APM)

Definitions for all APM are included on our website available at:

[www.carlogavazzi.com/en/investors/alternative-performance-measures.html](http://www.carlogavazzi.com/en/investors/alternative-performance-measures.html)

# Letter to the Shareholders

Dear Shareholders.

During the first half of the 2023/24 financial year, Carlo Gavazzi experienced a general slowdown in the industrial automation markets, particularly in the USA and China. The Group's revenue from sale of goods in local currency decreased slightly by 1.0% and bookings in local currency were lower by 33.6% compared to the record-high first half of 2022/23. Revenue from sale of goods in local currency increased in Europe by 1.5% whereas they decreased by 7.5% in the Americas and 4.3% in Asia-Pacific.

In Swiss Francs, revenue from sale of goods decreased by 6.9% to CHF 97.5 million (CHF 104.7 million in the first semester of the 2022/23 business year). The stronger CHF versus other currencies resulted in a 5.9% value reduction compared with the same exchange rates of the equivalent period last year.

Bookings in Swiss Francs were impacted by the general market slowdown and unfavorable currency developments. They decreased by 37.5% to CHF 83.1 million (CHF 133.1 million in 2022/23), resulting in a book-to-bill ratio of 0.85 on September 30, 2023.

Gross profit decreased by CHF 1.6 million to CHF 52.2 million (CHF 53.8 million in 2022/23), however, still resulting in an improved gross profit margin of 53.6% (51.3% in 2022/23).

Due to the strengthening of the organization (e.g. finalized global ERP roll out) and inflation impacts which could not get fully offset, operating expenses in the current period increased by CHF 1.6 million to CHF 35.9 million compared to CHF 34.3 million in the first half of last year. As a result of the above mentioned gross profit value reduction and increased expenses operating profit (EBIT) decreased from CHF 19.5 million to 16.4 million. Profit for the half-year declined by CHF 1.5 million to CHF 12.3 million (CHF 13.8 million in 2022/23).

At September 30, 2023, the total equity attributable to owners of the Group amounted to CHF 133.0 million resulting in an equity ratio of 72.5%.

## Geographical markets

Revenue from sale of goods in local currency continued to grow in Europe while the Americas and Asia-Pacific were influenced by various unfavorable developments.

In Europe, revenue from sale of goods was 1.5% up in local currency compared to the same period of last year. Business development was successful throughout Southern European countries as well as in some Nordic countries thanks to activities and initiatives especially in the main strategic industries in building and industrial automation markets. Other European countries were impacted by decreased demand in the energy field.

Revenue from sale of goods in the Americas was down by 7.5% in local currency compared to the previous year due to weakened demand across the distribution network, mainly in the USA.

In Asia-Pacific revenue from sale of goods decreased by 4.3% in local currency, impacted mainly by a decline in the main Chinese industrial automation industries (semiconductors and plastic & rubber).

The geographical share of revenue outside Europe was 29.7%, with revenue from sale of goods in the Americas and Asia-Pacific accounting for 17.3% and 12.4%, respectively.

## Markets and products

Revenue from sale of goods in strategic industries in local currency decreased 1.2% versus the same period of last year. The drop was mainly led by multiple industrial automation industries which was not compensated fully by demand in the electrification market.

Overall, revenue from sale of goods in Sensors decreased by 7.2% compared with the same period of last year. Capacitive sensors declined by more than 28% due mainly to a slowdown in the European market.

Controls continued to perform well. Revenue from sale of goods grew 8.1% mainly due to an impressive 42.6% increase in the energy field, particularly driven by ongoing strong demand for energy management and energy efficiency solutions.

Revenue from sale of goods in Switches declined by 9.5%. Due to the enlargement of the product range towards selected applications in the vertical markets, such as heating, ventilation and air conditioning (HVAC), revenue from sales of goods of soft starters grew by 10.7% versus the same period of last year. On the other hand, revenue from sales of goods of solid-state relays decreased by 16.7% mainly due to a general slowdown in the industrial automation markets across Americas and Asia.

## Outlook

The Company's approach to specific strategic industries is expected to keep generating growth opportunities. However, external factors such as supply chain issues, high stock levels at customers, continued inflation, economic as well as geopolitical uncertainties and potential local downturns will continue to affect the markets. While Carlo Gavazzi expects China and the USA to face further challenges in their recovery attempts, Europe and the rest of Asia should provide the Group's main opportunities during the second half of the financial year.

The Carlo Gavazzi Group continues to focus on strengthening its sales organization in growing markets, increasing the penetration of its product portfolio in specific market areas, broadening market reach with new product releases for the “Internet of Things”, adapting its supply chain to maintain the business continuity of its customers and leveraging digitalization as a global enabler of its ambitions.



**Daniel Hirschi**  
Chairman



**Jean-Marc Théolier**  
Group CEO

## Condensed Consolidated Statement of Comprehensive Income

for the six months ended September 30

(in CHF 1 000)	Notes	2023	2022
<b>Continuing operations</b>			
Revenue from sale of goods		97 508	104 722
Cost of sale of goods		(45 262)	(50 955)
<b>Gross profit</b>		<b>52 246</b>	<b>53 767</b>
Research & development expense		(3 804)	(3 714)
Selling, general and administrative expense		(32 128)	(30 618)
Other operating income (expense), net		50	82
<b>Operating profit (EBIT)</b>		<b>16 364</b>	<b>19 517</b>
Finance income		326	26
Finance expense		(101)	(709)
<b>Profit before income tax</b>		<b>16 589</b>	<b>18 834</b>
Income tax expense		(4 254)	(5 053)
<b>Profit for the half-year</b>		<b>12 335</b>	<b>13 781</b>
<b>Other comprehensive income</b>			
Actuarial gains (losses) on employee benefit obligations		261	690
Tax impact on actuarial gains (losses) on employee benefit obligations		(68)	(142)
<b>Total items that will not be reclassified to profit or loss</b>		<b>193</b>	<b>548</b>
Exchange differences on translation of foreign operations		(2 871)	(4 318)
<b>Total items that may be reclassified subsequently to profit or loss</b>		<b>(2 871)</b>	<b>(4 318)</b>
<b>Total other comprehensive income for the half-year, net of tax</b>		<b>(2 678)</b>	<b>(3 770)</b>
<b>Total comprehensive income for the half-year</b>		<b>9 657</b>	<b>10 011</b>
Profit attributable to owners of Carlo Gavazzi Holding AG		12 335	13 781
Comprehensive income attributable to owners of Carlo Gavazzi Holding AG		9 657	10 011
<b>Earnings per share from net profit of continuing operations for the period attributable to owners of Carlo Gavazzi Holding AG</b>			
(in CHF per share)			
<b>Basic and diluted earnings per share of continuing operations:</b>			
- registered shares	8	3.47	3.88
- bearer shares	8	17.36	19.39

The accompanying notes are an integral part of the consolidated financial statements.

## Condensed Consolidated Balance Sheet

(in CHF 1 000)	Notes	as of	
		September 30 2023	March 31 2023
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		54 510	49 231
Fixed deposits		6 434	15 470
Trade receivables		32 912	35 819
Other receivables		17 279	14 387
Inventories		46 142	43 307
<b>Total current assets</b>		<b>157 277</b>	<b>158 214</b>
<b>Non-current assets</b>			
Property, plant and equipment		8 688	8 743
Right-of-use assets		5 023	6 028
Intangible assets		7 821	8 055
Other receivables		387	390
Deferred income tax assets		4 278	3 917
<b>Total non-current assets</b>		<b>26 197</b>	<b>27 133</b>
<b>Total assets</b>		<b>183 474</b>	<b>185 347</b>
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Trade payables		16 991	17 104
Other payables		17 500	18 288
Lease liabilities		2 248	2 501
Other provisions		1 258	1 290
Current income tax liabilities		4 825	5 589
<b>Total current liabilities</b>		<b>42 822</b>	<b>44 772</b>
<b>Non-current liabilities</b>			
Other payables		520	543
Lease liabilities		2 961	3 697
Employee benefit obligations		3 581	3 857
Other provisions		381	392
Deferred income tax liabilities		197	202
<b>Total non-current liabilities</b>		<b>7 640</b>	<b>8 691</b>
<b>Total liabilities</b>		<b>50 462</b>	<b>53 463</b>
<b>Equity</b>			
Share capital		10 661	10 661
Capital reserves		600	600
Other reserves	9	(34 637)	(31 959)
Retained earnings		156 388	152 582
<b>Total equity attributable to owners of Carlo Gavazzi Holding AG</b>		<b>133 012</b>	<b>131 884</b>
<b>Total liabilities and equity</b>		<b>183 474</b>	<b>185 347</b>

The accompanying notes are an integral part of the consolidated financial statements.

## Condensed Consolidated Statement of Changes in Equity

(in CHF 1 000)	Notes	Attributable to owners of Carlo Gavazzi Holding AG				
		Share capital	Capital reserves	Other reserves	Retained earnings	Total equity
<b>Equity at April 1, 2022</b>		<b>10 661</b>	<b>600</b>	<b>(27 948)</b>	<b>132 882</b>	<b>116 195</b>
<b>Net profit for the half-year</b>		-	-	-	<b>13 781</b>	<b>13 781</b>
Actuarial gains (losses) on employee benefit obligations, net of tax		-	-	548	-	548
Exchange difference on translation of foreign operations		-	-	(4 318)	-	(4 318)
<b>Other comprehensive income for the half-year</b>		-	-	<b>(3 770)</b>	-	<b>(3 770)</b>
<b>Total comprehensive income for the half-year</b>		-	-	<b>(3 770)</b>	<b>13 781</b>	<b>10 011</b>
Dividends	7	-	-	-	(8 529)	(8 529)
<b>Total transactions with owners</b>		-	-	-	<b>(8 529)</b>	<b>(8 529)</b>
<b>Equity at September 30, 2022</b>		<b>10 661</b>	<b>600</b>	<b>(31 718)</b>	<b>138 134</b>	<b>117 677</b>
<b>Equity at April 1, 2023</b>		<b>10 661</b>	<b>600</b>	<b>(31 959)</b>	<b>152 582</b>	<b>131 884</b>
<b>Net profit for the half-year</b>		-	-	-	<b>12 335</b>	<b>12 335</b>
Actuarial gains (losses) on employee benefit obligations, net of tax		-	-	193	-	193
Exchange difference on translation of foreign operations		-	-	(2 871)	-	(2 871)
Other comprehensive income for the half-year		-	-	(2 678)	-	(2 678)
<b>Total comprehensive income for the half-year</b>		-	-	<b>(2 678)</b>	<b>12 335</b>	<b>9 657</b>
Dividends	7	-	-	-	(8 529)	(8 529)
<b>Total transactions with owners</b>		-	-	-	<b>(8 529)</b>	<b>(8 529)</b>
<b>Equity at September 30, 2023</b>		<b>10 661</b>	<b>600</b>	<b>(34 637)</b>	<b>156 388</b>	<b>133 012</b>

The accompanying notes are an integral part of the consolidated financial statements.

## Condensed Consolidated Statement of Cash Flows

for the six months ended September 30

(in CHF 1 000)	Notes	2023	2022
<b>Cash flow from operating activities</b>			
<b>Profit for the half-year</b>		<b>12 335</b>	<b>13 781</b>
Income taxes		4 254	5 053
Depreciation and amortization		3 316	2 826
Loss (gain) on disposal of property, plant and equipment		(66)	(44)
Change in other non-cash items		(597)	(475)
Changes in working capital:			
- Change in trade receivables and other receivables		(1 356)	(10 679)
- Change in inventories		(3 999)	(9 768)
- Change in trade payables and other payables		(3 330)	2 305
Interest received		122	24
Interest paid		(93)	(138)
Income taxes paid		(2 038)	(1 769)
<b>Cash flow from operating activities</b>		<b>8 548</b>	<b>1 116</b>
<b>Cash flow from investing activities</b>			
Purchases of property, plant and equipment		(1 564)	(1 257)
Purchases of intangible assets		(1)	(10)
Proceeds from disposal of property, plant and equipment		79	45
Purchases of fixed deposits		(19 000)	–
Proceeds from disposal of fixed deposits		28 000	–
<b>Cash flow from investing activities</b>		<b>7 514</b>	<b>(1 222)</b>
<b>Cash flows from financing activities</b>			
Dividends paid to company's shareholders	7	(8 529)	(8 529)
Principal elements of lease payments		(1 212)	(1 233)
<b>Cash flow from financing activities</b>		<b>(9 741)</b>	<b>(9 762)</b>
<b>Change in cash and cash equivalents</b>		<b>6 321</b>	<b>(9 868)</b>
Cash and cash equivalents at the beginning of the half-year		49 231	66 775
Effects of exchange rate changes on cash and cash equivalents		(1 042)	(2 037)
<b>Cash and cash equivalents at the end of the half-year</b>		<b>54 510</b>	<b>54 870</b>

The accompanying notes are an integral part of the consolidated financial statements.

## Notes to the Condensed Consolidated Financial Statements

### 1. General information

Carlo Gavazzi Holding AG with its subsidiaries (together Carlo Gavazzi Group, hereinafter “the Group”) is an internationally active electronics company. Its core business Automation Components consists of design and manufacture of electronic control components for the global industrial automation markets. Carlo Gavazzi Holding AG is a publicly traded company listed on the Swiss stock exchange (SIX Swiss Exchange) in Zurich. Its registered office is at Sumpfstrasse 3, CH-6312 Steinhausen, Switzerland.

The financial year of the Group ends on March 31. The Group reporting currency is Swiss Francs (CHF). The consolidated financial statements are presented in thousands of Swiss Francs (CHF 1 000).

These unaudited consolidated half-year financial statements of the Group were approved for publication by the Board of Directors on November 21, 2023.

The Group’s business is not usually impacted by seasonality.

include all the information and disclosures required in annual financial statements and should be read in conjunction with the Group’s annual financial statements for the year ended March 31, 2023, which were prepared in accordance with IFRS.

The Group’s consolidated half-year financial statements have been prepared under the historical cost convention.

The preparation of consolidated financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that may affect the reported amounts of assets and liabilities, income and expenses, as well as the disclosure of contingent liabilities and contingent assets during the reporting period. Whilst these estimates are based on management’s best knowledge of current circumstances and possible future events, actual results may ultimately differ from these estimates. In this interim report, management has not made any significant changes to the estimates and assumptions compared with the previous periods.

### 2. Material accounting and valuation policies

The material accounting and valuation policies are described in detail in the annual report for the financial year ended March 31, 2023. These policies have been applied consistently in the reporting periods presented, unless otherwise stated.

#### 2.1 Basis of preparation

The Group’s unaudited consolidated half-year financial statements have been prepared in accordance with the International Accounting Standard IAS 34 “Interim Financial Reporting”. The consolidated interim financial statements do not

#### 2.2 Changes to accounting policies

##### New and amended standards adopted by the Group

The Group did not apply any new or amended standards which had any significant impact on the consolidated financial statements.

##### Impact of standards issued but not yet applied by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for March 31, 2024 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

## 2.3 Principles of consolidation

The principles of consolidation and the number of consolidated legal entities remained unchanged compared with the ones presented in the Group's annual report for the financial year ended March 31, 2023.

## 2.4 Foreign currency translation

The following exchange rates into Swiss Francs were used during the periods:

### Exchange Rates

Period end rates applied for the consolidated balance sheet

Currency	Unit	30.09.2023	31.03.2023
BRL	100	18.20	18.06
CAD	1	0.67	0.68
CNY	100	12.54	13.32
DKK	100	12.97	13.32
EUR	1	0.97	0.99
GBP	1	1.12	1.13
HKD	100	11.68	11.66
MYR	100	19.48	20.74
NOK	100	8.55	8.74
SEK	100	8.38	8.82
SGD	1	0.67	0.69
USD	1	0.92	0.92

Average rates applied for the consolidated income statement

Currency	Unit	01.04.2023 30.09.2023	01.04.2022 30.09.2022
BRL	100	18.13	19.05
CAD	1	0.66	0.75
CNY	100	12.52	14.36
DKK	100	13.02	13.45
EUR	1	0.97	1.00
GBP	1	1.12	1.17
HKD	100	11.38	12.30
MYR	100	19.49	21.88
NOK	100	8.41	9.98
SEK	100	8.35	9.49
SGD	1	0.66	0.70
USD	1	0.89	0.97

## 3. Significant events and business transactions

During the periods, there were no significant events or business transactions in connection with the critical accounting estimates and judgments defined in the Group's annual financial statements for the year ended March 31, 2023.

## 4. Segment reporting

The Group is an internationally active electronics company active in designing, manufacturing and marketing electronic control components for the global markets of industrial and building automation. The Group has only one operating and reportable segment, the information for the segment therefore mainly corresponds to the figures in the consolidated financial statements. When the Group implemented IFRS 8 „Operating Segments“, the following circumstances led to the conclusion that it only has one reportable segment:

- Internal monthly reporting for the only operating segment is carried out in concentrated form for the whole Group.
- Because of the close integration of the Group companies, focussing individually on production, logistics, marketing and selling, key decisions are, consequently, made by corporate management at consolidated Group level and not based on the financial statements of individual legal entities.
- The holding company only provides corporate services; its operating result is monitored in the internal monthly reporting.

## 5. Notes to the Condensed Consolidated Statement of Comprehensive Income

Revenue from the sale of goods in the first six months of the financial year 2023/24 amounted to CHF 97 508 (2022/23 CHF 104 722). The decrease of 6.9% is related to an organic decrease in local currency of 1.0% and a negative currency effect from the translation into Swiss Francs of 5.9%. Profit for the half year decreased in the first six months of the financial year 2023/24 to CHF 12 335 (2022/23 CHF 13 781) or 10.5%.

## 6. Contingent assets and contingent liabilities

There have not been any other significant changes to the Group's contingent assets or contingent liabilities since the approval of the consolidated financial statements for the year ended March 31, 2023.

## 7. Dividend

Carlo Gavazzi Holding AG pays one dividend per financial year. The Annual General Meeting held on July 25, 2023, resolved to pay a dividend for the financial year 2022/23 with value July 31, 2023, as follows:

Dividend per registered share	CHF	2.40
Dividend per bearer share	CHF	12.00
<b>Total dividend</b>	<b>CHF thousands</b>	<b>8 529</b>

## 8. Earnings per share

Earnings per registered share are computed based on the weighted average number of registered shares of CHF 3 each outstanding during the periods.

Earnings per bearer share are computed based on the weighted average number of bearer shares of CHF 15 each outstanding during the periods.

Basic and diluted earnings per share are as follows:

Basic and diluted earnings per share for the half year ended September 30		
(in CHF 1 000)	2023	2022
<b>Net profit attributable to owners of Carlo Gavazzi Holding AG</b>	<b>12 335</b>	<b>13 781</b>
Percentage of registered shares outstanding in comparison with the share capital outstanding	45.03 %	45.03 %
Percentage of bearer shares outstanding in comparison with the share capital outstanding	54.97 %	54.97 %
<b>Registered shares</b>		
Net profit attributable to registered shareholders	5 554	6 206
Average number of shares outstanding	1 600 000	1 600 000
<b>Basic and diluted earnings per registered share (CHF)</b>	<b>3.47</b>	<b>3.88</b>
<b>Bearer shares</b>		
Net profit attributable to bearer shareholders	6 781	7 575
Average number of shares outstanding	390 710	390 710
<b>Basic and diluted earnings per bearer share (CHF)</b>	<b>17.36</b>	<b>19.39</b>

## 9. Other reserves

(in CHF 1 000)	Foreign exchange translation reserve	Other OCI	Total other reserves
<b>Equity at April 1, 2022</b>	<b>(27 076)</b>	<b>( 872)</b>	<b>(27 948)</b>
Actuarial gains (losses) on employee benefit obligations, net of tax	-	548	548
Exchange difference on translation of foreign operations	(4 318)	-	(4 318)
<b>Other comprehensive income for the half-year</b>	<b>(4 318)</b>	<b>548</b>	<b>(3 770)</b>
<b>Total comprehensive income for the half-year</b>	<b>(4 318)</b>	<b>548</b>	<b>(3 770)</b>
<b>Equity at September 30, 2022</b>	<b>(31 394)</b>	<b>( 324)</b>	<b>(31 718)</b>
<b>Equity at April 1, 2023</b>	<b>(31 369)</b>	<b>( 590)</b>	<b>(31 959)</b>
Actuarial gains (losses) on employee benefit obligations, net of tax	-	193	193
Exchange difference on translation of foreign operations	(2 871)	-	(2 871)
<b>Other comprehensive income for the half-year</b>	<b>(2 871)</b>	<b>193</b>	<b>(2 678)</b>
<b>Total comprehensive income for the half-year</b>	<b>(2 871)</b>	<b>193</b>	<b>(2 678)</b>
<b>Equity at September 30, 2023</b>	<b>(34 240)</b>	<b>( 397)</b>	<b>(34 637)</b>

## 10. Related party transactions

The related parties consist primarily of shareholders, members of the Board of Directors and members of Executive Management.

During the periods there were no significant transactions with related parties.

## 11. Events after the balance sheet date

There were no events subsequent to the balance sheet date that require adjustment to or disclosure in the financial statements.

## Declaration on Forward-Looking Statements

This Interim Report contains statements that constitute "forward-looking statements", relating to the Group. Because these forward-looking statements are subject to risks and uncertainties, the reader is cautioned that actual future results may differ from those expressed in or implied by the statements, which constitute projections of possible developments. All forward-looking statements are based only on data available to the Group at the time of preparing this Report. The Group does not undertake any obligation to update any forward-looking statements contained in this Report because of new information, future events or otherwise.

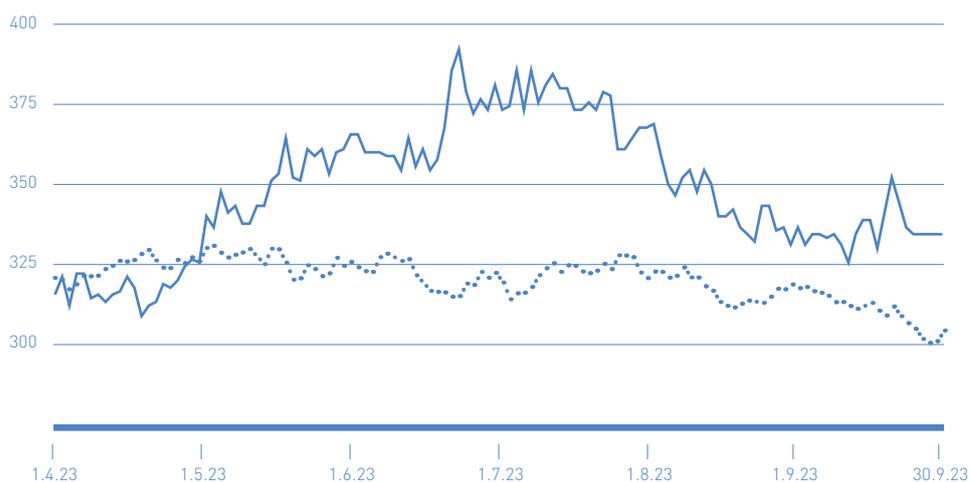
The Interim Report of the Group can also be viewed online: [www.carlogavazzi.com](http://www.carlogavazzi.com)

## Information for Investors

(CHF)	1.4.-30.9.23	1.4.-30.9.22	1.4.-30.9.21	1.4.-30.9.20	1.4.-30.9.19
Share price September 30	<b>338</b>	270	250	150	248
- half year-high	<b>391</b>	295	273	204	285
- half year-low	<b>305</b>	262	193	150	243
Average daily volume	<b>323</b>	373	896	442	362
Earnings per share	<b>17.36</b>	19.39	15.82	4.40	4.64
Book value per share	<b>187</b>	166	151	132	127
Stock market capitalization (CHF million)	<b>240</b>	192	178	107	176
- in % of equity	<b>181</b>	163	166	114	195

### Share price 1.4.2023 – 30.9.2023

(CHF)



— CARLO GAVAZZI SHARE (NOT ADJUSTED FOR DIVIDENDS)  
 ..... SPI EXTRA™ (REBASED, NOT ADJUSTED FOR DIVIDENDS)

### Financial calendar

Media and financial analysts' meeting 2023/24  
 Shareholders' meeting 2023/24  
 Interim Report 2024/25

June 27, 2024  
 July 30, 2024  
 November 28, 2024



# CARLO GAVAZZI

CARLO GAVAZZI HOLDING AG  
Sumpfstrasse 3  
CH-6312 Steinhausen, Switzerland  
Phone: +41 41 747 45 25  
Internet: [www.carlogavazzi.com](http://www.carlogavazzi.com)  
E-Mail: [gavazzi@carlogavazzi.ch](mailto:gavazzi@carlogavazzi.ch)