

Ad Hoc Announcement

Pursuant to Article 53 of the SIX Exchange Regulation Listing Rules

Media Information

Carlo Gavazzi HY results 2022/23 benefit from economic recovery

- Revenue from sale of goods in local currency increases by 18.7%, reaching CHF 104.7 million (+13.1% in Swiss Francs vs. 1st half 2021/22)
- Strong sales growth in Europe and the Americas
- EBIT grows from CHF 15.9 million to CHF 19.5 million
- Net profit for the half-year reaches CHF 13.8 million (previous year: CHF 11.2 million)
- Solid equity ratio of 68.4%

Steinhausen, November 24, 2022 – During the first half of the 2022/23 financial year, the overall business performance of Carlo Gavazzi continued to benefit from the economic recovery from the coronavirus pandemic in Europe and the Americas.

The Group's revenue from sale of goods in local currency increased by 18.7 % and bookings were up by 16.1 %. In Swiss Francs, revenue from sale of goods increased by 13.1 % to CHF 104.7 million (CHF 92.6 million in the first semester of the 2021/22 business year). Revenue from sale of goods in local currency increased double-digit in Europe and the Americas and decreased slightly in Asia-Pacific.

Bookings in Swiss Francs increased by 10.0 % to CHF 133.1 million (CHF 121.0 million in 2021/22), resulting in a book-to-bill ratio of 1.27 on September 30, 2022. Gross profit increased by CHF 3.9 million to CHF 53.8 million (CHF 49.9 million in 2021/22) resulting in a gross profit margin of 51.3 % (53.8 % in 2021/22).

Operating expenses in the current period increased by CHF 0.4 million from CHF 33.9 million in the previous first half year to CHF 34.3 million. The expense increase of 1.2 % was substantially below the increase of 13.1 % in revenue from sale of goods thereby further enhancing profitability.

As a result, operating profit (EBIT) increased by 22.6 % from CHF 15.9 million to CHF 19.5 million Group. Group profit for the half-year increased by CHF 2.6 million to CHF 13.8 million (CHF 11.2 million in 2021/22).

At September 30, 2022, the total equity attributable to owners of the Group amounted to CHF 117.7 million, giving an equity ratio of 68.4 %.

Double-digit growth in Europe and the Americas

Revenue from sale of goods registered a robust growth rate compared to the same period of last year, thanks to increased demand in all product categories and industries.

In Europe, revenue from sale of goods was 26.2 % up in local currency on the same period of last year. Business development was successful throughout Germany, Austria and Switzerland (DACH), Nordic, and Southern European countries due to activities and initiatives especially in decarbonized applications within the building and industrial automation industries.

Revenue from sale of goods in the Americas grew by 11.4 % in local currency compared to the previous year impacted by a very good growth in the USA thanks to the strong evolution of the distribution network coupled with activities across the industrial automation markets.

In Asia-Pacific revenue from sale of goods decreased by 4.5 % in local currency, mainly due to a weakening economy in China triggered by both the lingering effects of the Covid-19 pandemic as well as recurring global geopolitical tensions.

The geographical share of revenue outside Europe was 34.2 %, with revenue from sale of goods in the Americas and Asia-Pacific accounting for 19.5 % and 14.7 %, respectively.

Strong demand for energy solutions

Revenue from sale of goods in strategic industries in local currencies increased 15.8 % versus the same period of last year. The growth was mainly led by multiple industrial automation industries and the electrification market.

Overall, revenue from sale of goods of Sensors was in line with the same period of last year, while capacitive sensors grew by more than 3 % thanks to special opportunities with strategic OEM customers in the Plastic & Rubber as well as Food & Beverage industries.

Controls product revenue from sale of goods was up 38.2 % mainly due to an impressive 67.2 % increase in the energy product line, particularly driven by ongoing strong demand for energy management and energy efficiency solutions.

Revenue from sale of goods of Switches products grew by 13 % compared to the previous year. Solid-state relays registered a strong growth rate, up 20 % compared to the previous year, confirming the strategic approach in relation to connected products and Internet of Things solutions with mindful innovation into industrial automation applications.

Outlook

The Company's approach to specific strategic industries will keep generating growth opportunities, however, external factors such as supply chain issues, new restrictions because of the coronavirus pandemic or a potential recession should be kept in mind. Therefore, we could see a progressive slowdown of growth during the second half of the fiscal year in comparison to the strong growth rate achieved during the first half. While we

expect China and the rest of Asia-Pacific to face further challenges in their recovery attempts, Europe will remain the Group's main growth driver during the second half of the year and the Americas are expected to continue to have sustained growth.

Carlo Gavazzi Group continues to focus on strengthening its sales organization, 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 ambition.

Consolidated key figures (CHF million)

Income statement	<u>1. HY</u> <u>2022/23</u>	<u>1. HY</u> <u>2021/22</u>	%
Bookings	133.1	121.0	+10.0
Revenue from sale of goods	104.7	92.6	+13.1
EBITDA	22.3	18.9	+18.0
EBIT	19.5	15.9	+22.6
Group profit for the half-year	13.8	11.2	+23.2
Balance sheet	<u>30.9.22</u>	<u>31.3.22</u>	
Total equity attributable to owners of the Group	117.7	116.2	+1.3
Net working capital	45.5	32.4	+40.4
Net cash position	54.9	66.8	-17.8

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.

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