Ad hoc announcement pursuant to Art. 53 LR

Media Information

HY results impacted by slowdown in automation markets

- **Revenue from sale of goods in local currency decreases by 33.5%, reaching CHF 64.1 million (-34.3% in Swiss Francs vs. 1st half 2023/24)**
- **Gross profit margin increases again from 53.6% to 56.0%**
- **EBIT declines from CHF 16.4 million to CHF 3.3 million**
- **Net profit for the half-year reduces by CHF 10.7 million to CHF 1.6 million (CHF 12.3 million in 2023/24)**
- **Solid equity ratio increases to 78.4% (72.5% in 2023/24)**

Steinhausen, November 28, 2024 – During the first half of the 2024/25 financial year, Carlo Gavazzi continued to experience a general slowdown in the automation markets, particularly in the European EV charging business. The Group's revenue from sale of goods in local currency decreased by 33.6% and bookings in local currency contracted by 46.0%.

Bookings were negatively impacted by high stock levels at customers as well as cancellations of some orders. In Swiss Francs, they declined by 46.6% to CHF 44.4 million (first semester of the 2023/24 business year: CHF 83.1 million), resulting in a book-to-bill ratio of 0.69 on September 30, 2024.

In Swiss Francs, revenue from sale of goods decreased by 34.3% to CHF 64.1 million (first half year 2023/24: CHF 97.5 million). Of this, unfavorable currency developments resulted in a 1% reduction compared to the same period last year. Revenue from sale of goods in local currency declined in Europe by 42.7%, 9.6% in the Americas and 13.4% in Asia-Pacific.

Gross profit decreased by CHF 16.3 million to CHF 35.9 million (first half year 2023/24: CHF 52.2 million), while the gross profit margin improved to 56.0% (first half year 2023/24: 53.6%).

Due to the continued buildup of a stronger organization (i.e. optimized global ERP and new factories in China and Mexico) and inflation impacts, operating expenses decreased by a smaller percentage than revenue from sale of goods. They decreased by CHF 3.3 million to CHF 32.6 million compared to CHF 35.9 million in the previous period. As a result, operating profit (EBIT) decreased from CHF 16.4 million to CHF 3.3 million while the net profit for the half-year declined by CHF 10.7 million to CHF 1.6 million (first half year 2023/24: CHF 12.3 million).

While the operational environment continued to be challenging, the Group managed to maintain a strong balance sheet. On September 30, 2024, the total equity attributable to owners of the Group amounted to CHF 130.3 million resulting in a significantly improved equity ratio of 78.4% (72.5% on September 30, 2023).

Strong decline in European EV charging market
Revenue from sale of goods in local currency continued to drop markedly in Europe. While the decline in the Americas and Asia-Pacific was less pronounced, sales in these regions were also influenced by various unfavorable developments.

In Europe, revenue from sale of goods decreased by 42.7% in local currency compared to last year. This decline was heavily impacted by the EV charging market. Also, industrial automation markets, particularly the plastic & rubber industry, came in below last year’s performance. Distribution channels, especially the top distributors, performed better than the rest of the business thanks to new dedicated programs.

Revenue from sale of goods in the Americas was down by 9.6% in local currency compared to the previous year. Due to high inventory levels, sales in the distribution channel declined strongly compared to last year whereas industrial automation markets, in particular food & beverage as well as plastic & rubber, were at the same level or slightly above last year.

In Asia-Pacific, revenue from sale of goods decreased by 13.4% in local currency, impacted mainly by China. Due to specific focus, the semiconductor equipment market grew more than in the same period of last year, whereas the distribution channel impacted negatively on the business performance.

The geographical share of revenue outside Europe was 38.7%, with revenue from sale of goods in the Americas and Asia-Pacific amounting to 24.4 % and 14.3 %, respectively.

Controls, Sensors and Switches developing differently
Sensors decreased by 9.4% compared with the same period of last year. Photoelectric and inductive sensors were impacted particularly by a continued strong over-stock effect. Capacitive sensors showed negative growth due to the drop in the heating equipment market. However, additional development initiatives began to generate new orders.

Controls experienced a substantial drop in sales. Revenue from sale of goods decreased by 48.5% mainly due to the strong 64.6% decrease in the energy field, particularly driven by the EV charging market. Meanwhile, R&D investments continue to strengthen the pipeline of new products for the future.

Revenue from sale of goods in Switches decreased by 24.4%. The decline was heavily impacted by the solid-state relays product range which decreased by 21.0% compared to last year. This negative performance was affected by the drop in sales across the entire distribution network. Negative growth was also registered for the motor controllers product segment in the HVAC industry. Towards the end of the reporting period, however, there were positive signs of recovery on the bookings front.

Outlook
The Group’s approach to focus on specific strategic industries is expected to generate growth opportunities in the mid and long term. However, external factors such as ongoing low customer demand, still high stock levels at customers, economic as well as geopolitical uncertainties and potential further local downturns will continue to affect the markets negatively in the second half of the 2024/25 business year. While Carlo Gavazzi expects Europe and China to face further challenges in their recovery attempts, the Americas and the rest of Asia are expected to provide slightly more opportunities from mid-2025. In view of the uncertain outlook, Carlo Gavazzi is planning additional measures to further reduce costs.

Consolidated key figures
(CHF million)

Income statement	**1st HY 2024/25**	**1st HY 2023/24**	%
Bookings	**44.4**	83.1	-46.6
Revenue from sale of goods	**64.1**	97.5	-34.3
EBITDA	**5.9**	19.7	-70.1
EBIT	**3.3**	16.4	-79.9
Net profit for the half-year	**1.6**	12.3	-87.0
Balance sheet	**30.9.2024**	**30.3.2024**	
Total equity attributable to owners of the Group	**130.3**	139.2	-6.4
Net working capital	**59.8**	70.5	-15.2
Net cash position	**51.1**	51.3	-0.4

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

Alternative Performance Measures (APM)

Definitions for all APM are included on our website available at:
www.carlogavazzi.com/en/investors/alternative-performance-measures.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.
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