Ad hoc announcement pursuant to Art. 53 LR

Media Information

Carlo Gavazzi presents strong FY 2022/23 result

- **Revenue from sale of goods grows 20.1% in local currency / 14.3% in CHF, reaching CHF 209.6 million (2021/22: CHF 183.4 million)**
- **Bookings decrease 1.0% to CHF 229.8 million (2021/22: CHF 232.1 million)**
- **Solid book-to-bill ratio of 1.1**
- **EBIT increases 26.8% to CHF 39.3 million (2021/22: CHF 31.0 million)**
- **EBIT margin increases 1.9 ppts to 18.8% (2021/22: 16.9%)**
- **Net profit for the year grows 28.2% to CHF 28.2 million (2021/22: CHF 22.0 million)**
- **Board of Directors proposes dividend of CHF 12.00 per bearer share**

Steinhausen, June 22, 2023 - As a result of the recovery from the effects of the pandemic, Carlo Gavazzi achieved a strong result in the 2022/23 business year, despite the negative consequences of the war in Ukraine, continued strong inflation, increasing interest rates and the negative consequences for the global economy. Revenue from sale of goods, EBIT and net profit for the year grew by double digit rates. The Group's very sound financial position was maintained.

On the back of solid sales in key markets and ongoing launches of new products, the Group's revenue from sale of goods increased by 20.1 % in local currency while bookings grew by 4.2 %. Revenue from the sale of goods in Swiss Francs grew by 14.3% to CHF 209.6 million (CHF 183.4 million in 2021/22) while bookings decreased by 1.0% to CHF 229.8 million (CHF 232.1 million in 2021/22), resulting in a book-to-bill ratio of 1.1 at March 31, 2023. Bookings were lower in the second half of the year than in the first semester.

Gross profit increased by CHF 10.9 million to CHF 109.5 million (CHF 98.6 million in 2021/22), corresponding to a gross margin of 52.2%. Thanks to continued cost control, operating expenses increased less proportionately than revenue from sale of goods, from CHF 67.7 million in the previous year to CHF 69.8 million, notwithstanding the continuing investments in the business. In addition, the Group continued to invest during the year in the ongoing development of the new ERP system which is expected to be fully rolled out worldwide in the first half of the current business year.

Operating profit (EBIT) increased to CHF 39.3 million, compared to CHF 31.0 million in the previous year (+26.8% versus 2021/22). The EBIT margin increased 1.9 percentage points to 18.8% (16.9% in 2021/22). After considering financial expense of CHF 0.5 million and income taxes of CHF 10.5 million, the Group net profit for the year amounted to CHF 28.2 million (CHF 22.0 million in 2021/22), an increase of 28.2%.

At March 31, 2023, the total equity attributable to the owners of the Group stood at CHF 131.9 million (CHF 116.2 million in 2021/22), giving an equity ratio of 71.2% (2021/22: 68.7%) with a net cash position of CHF 49.2 million.

Proposals to the Annual Shareholders' Meeting

The Board of Directors will propose to the Annual Shareholders' Meeting that the Company pays a dividend of CHF 12.00 per bearer share and CHF 2.40 per registered share for the reporting period.

In light of the entry into force of the revised Swiss corporate law on 1 January 2023, the Board of Directors will submit for approval to the Annual Shareholders' Meeting on 25 July 2023 a revision of the Articles of Association. The proposed revision of the Articles of Association will also include a conversion of all bearer shares into registered shares with a nominal value of CHF 15.00 each. The agenda containing the Board of Directors' proposals on all items is expected to be sent to shareholders and to be published in the Swiss Official Gazette of Commerce on 4 July 2023.

Double-digit growth in Europe and Americas, slight decrease in Asia Pacific

Revenue from sale of goods in local currency grew at double-digit rates across Europe and the Americas but decreased in Asia-Pacific.

In Europe, revenue from sale of goods recorded a strong growth rate at 26.5 % versus the previous year thanks to further strengthening of activities in energy efficiency in the Central and Southern European countries and to a good performance in industrial automation in the whole area.

Revenue from sale of goods in the Americas grew by 12.2 % compared to the previous year, driven by very good performance in the US and in Mexico with the implementation of effective sales programs across the main strategic industries.

In Asia-Pacific, revenue from sale of goods decreased by 1.1 % versus previous year mainly due to manufacturing contraction in the Chinese market following local pandemic policies and increasing trade barriers.

Concerning the geographical distribution, revenue from sale of goods outside Europe reached 31.2%, with the Americas and Asia-Pacific accounting for 19.0% and 12.2%, respectively.

Energy management products drive Control sales

Controls, the Group's largest product line, performed above the previous year thanks to a very high contribution from energy management products, which grew by more than 50%. This positive trend results from the increase in demand for energy monitoring products such as the EM500 series in the e-mobility and electrification industries. Furthermore, "Internet of Things" (IOT) products increased by more than 16% thanks to the improved penetration of the energy and building efficiency market due to the newly launched UWP 4.0. This monitoring gateway and controller provides an enhanced comprehensive solution for gathering information from meters and sensors, storing data into its secure database and exchanging it with the local Building Management Systems.

Sensors performed slightly above the previous year. A positive contribution came from inductive sensors, which increased by more than 3% versus the previous year mainly due to the new ICF family of products. Developed in the Danish competence center, these sensors have been specifically designed to resist shocks, vibrations and impacts, high and low temperatures and frequent washdown cycles. They are used by strategic OEM manufacturers of conveyor systems, agricultural machines, industrial doors and metal works in general.

Switches grew by more than 24% last year, driven by the solid-state relays RG platform across all markets in industrial automation. The newly launched RL Series further enhances reliability where panel space is restricted and unplanned machine downtime must be avoided. This applies especially for plastic machines as well as food & beverage machines.

Strategy

The Group's strategy remains centered on developing new and differentiated automated products to accelerate the penetration in specific, increasingly growing industries worldwide.

Furthermore, the Group is focused on continuous improvement of its business model, by embracing excellence and improving its agility to changing market conditions. The main initiatives include new products from engineering interactions with the leading OEMs of our strategic industries, improved channel and go-to-market strategies, the roll-out of the new global ERP system with enhanced logistics and supply chain alignments, the re-allocation and duplication of production capabilities, and ultimately the enhancement of customer service indicators worldwide.

Outlook

In full awareness of the acute geopolitics, inflationary economies and global supply chain issues, Carlo Gavazzi Group believes that its commitment to continuously developing operational excellence and anticipating core market trends will lead the Group to keep performing well in the industrial and building automation markets. As adversity will persist in the foreseeable future, our ability to adapt to changing conditions while increasing our presence in high growth industries will generate a continuous favorable outcome of the Group's results. As many customers are currently tending to reduce their stocks, Carlo Gavazzi expects incoming orders to slow down somewhat in the short term. The Group therefore does not expect the same growth rate for the current year as in the 2022/23 business year. Nonetheless, increased differentiation and investments in markets that require constant updates into value-innovation will prove beneficial to maintain positive sales growth rates during the next three to five years term. In an increasingly complex world, Carlo Gavazzi intends to accelerate investments to fulfil customer requirements and to further develop our product offering and processes.

Consolidated key figures (CHF million)

Income Statement	2022/23	2021/22	%
Bookings	**229.8**	**232.1**	-1.0
Revenue from sale of goods	**209.6**	**183.4**	14.3
EBITDA	**44.9**	**36.9**	21.7
EBIT	**39.3**	**31.0**	26.8
EBIT margin	**18.8%**	**16.9%**	
Net profit for the year	**28.2**	**22.0**	28.2
Balance Sheet (as at 31 March)	**2023**	**2022**	
Net working capital	**64.2**	**32.4**	98.1
Total equity attributable to owners of the Group	**131.9**	**116.2**	13.5
Total liabilities and equity	**185.3**	**169.1**	9.6
Equity ratio	**71.2%**	**68.7%**	

For some figures Carlo Gavazzi Group uses alternative performance measures (APMs) which are not defined in accordance with International Financial Reporting Standards (IFRS). The respective definitions can be found at Carlo Gavazzi Alternative performance measures.

The complete annual report 2022/23 can be downloaded from the website at:
Carlo Gavazzi Annual Report 2022/23.

About Carlo Gavazzi:
Carlo Gavazzi is a publicly listed 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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