

Ad Hoc Announcement

Pursuant to Article 53 of the SIX Exchange Regulation Listing Rules

Media Information

Carlo Gavazzi HY results: Strong recovery from the pandemic

- **Operating revenue in local currency increases by 30.9%, reaching CHF 92.6 million (+33.6% in Swiss Francs vs. 1st half 2020/21)**
- **Strong sales growth in all regions**
- **EBIT grows from CHF 5.3 million to CHF 15.9 million**
- **Group net income of CHF 11.2 million (previous year: CHF 3.1 million)**
- **Solid equity ratio of 68.0%**

Steinhausen, November 25, 2021 – In many industries, disruptions to supply chains have been visible for a while and have now led to bottlenecks in factory production. Carlo Gavazzi has also felt the effects of these events but until now has been able to manage the situation quite well.

During the first half of the 2021/22 financial year, the overall business performance of Carlo Gavazzi benefitted from the economic recovery from the coronavirus pandemic (Covid-19) and its resulting consequences for the global economy.

The Group's operating revenue in local currency increased by 30.9 % and bookings were up by 72.0 %. In Swiss Francs, operating revenue increased by 33.6 % to CHF 92.6 million (CHF 69.3 million in the first semester of the 2020/21 business year). Sales in local currency increased by 30.4 % in Europe, by 36.0 % in the Americas and by 27.4 % in Asia-Pacific. Bookings in Swiss Francs increased by 75.9 % to CHF 121.0 million (CHF 68.8 million in 2020/21), resulting in a book-to-bill ratio of 1.31 at September 30, 2021.

Gross profit increased by CHF 13.5 million to CHF 49.8 million (CHF 36.3 million in 2020/21) resulting in a gross margin of 53.8 % (52.4% in 2020/21). Carlo Gavazzi reacted early to the difficult global situation resulting from the coronavirus pandemic and managed to reduce operating costs noticeably across the organization in the previous year. Operating expenses in the current period increased by CHF 3.5 million from CHF 30.4 million in the previous first half year to CHF 33.9 million including continuing investment in the development of the new

ERP system. The expense increase of 10.3 % was substantially below the increase of 33.6 % in operating revenue thereby considerably enhancing the bottom line.

As a result, operating profit (EBIT) increased from CHF 5.3 million to CHF 15.9 million. Group net income increased by CHF 8.1 million to CHF 11.2 million (CHF 3.1 million in 2020/21). At September 30, 2021, shareholders' equity amounted to CHF 107.3 million, giving an equity ratio of 68.0 %.

Growth across all regions

Sales grew above the same period of last year, thanks to increased demand in all product categories and markets as well as overall resilient performance despite the Covid-19 pandemic.

In Europe, sales increased by 30.4 %, mainly due growth across the whole region in energy efficiency, building automation, and industrial automation markets.

Sales in the Americas grew by 36.0 %, mainly due to recovery in OEMs and distribution activities in the US market, particularly in industrial automation.

In Asia-Pacific, sales were 27.4 % above the previous period, mainly due to development in industrial automation markets with OEMs and distribution channels in China.

The geographical share of revenue outside Europe was 34.1 %, with sales in the Americas and Asia-Pacific accounting for 18.4 % and 15.7 %, respectively.

Growth driven by energy management and HVAC

Sales in priority markets increased 35.4 % versus the same period of last year. The growth was spread across the relevant markets in industrial automation and building automation.

Sensors product sales were 17.7 % above the same period of last year mainly due to the increase in manufacturing activity globally. Sales in capacitive sensors increased by 21.0 % compared to the previous year, also thanks to steady growth in HVAC (heating, ventilation and air-conditioning) applications. Sales in inductive sensors went up by 33.5 % compared to the previous year, mainly due to industrial automation markets gaining momentum once again.

Controls product sales increased by 32.4 % mainly due to a strong increase in energy products and monitoring relays of 42.6 % and 28.1 %, respectively, particularly driven by ongoing strong demand for energy management and energy efficiency solutions.

Sales of Switches products increased by 40.5 % compared to the previous year. Sales in solid state relays and motor controls grew by 54.8 % and 12.1 %, respectively, mainly due to resurgence of business with OEMs in industrial automation markets and HVAC (heating, ventilation and air-conditioning) applications.

Outlook

The global recovery is characterized by major uncertainties as a consequence of the Covid-19 pandemic and its impact. Current challenging economic conditions and bottlenecks in global supply chains will continue to be present in both industrial and building automation markets, however, the effect on our business is difficult to estimate. It is expected, however, that any shortages will remain transitory and not become more permanent.

Nevertheless, the Carlo Gavazzi Group continues to focus on strengthening its sales organization, increasing the penetration of its product portfolio, broadening market reach with

new product releases also towards the internet of things, and to adapt its supply chain to maintain business continuity.

Consolidated key figures (CHF million)

Income statement	1. HY	1. HY	%
	<u>2021/22</u>	<u>2020/21</u>	
Bookings	121.0	68.8	+75.9
Operating revenue	92.6	69.3	+33.6
EBITDA	18.9	8.3	+127.7
EBIT	15.9	5.3	+200.0
Net income	11.2	3.1	+261.3
Cash flow	14.3	6.1	+134.4
Balance sheet	<u>30.9.21</u>	<u>31.3.21</u>	
Shareholders' equity	107.3	106.2	+1.0
Net working capital	33.2	27.0	+23.0
Net cash position	58.8	62.5	-5.9

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.

For further information please contact:

Rolf Schläpfer
Hirzel.Neef.Schmid.Konsulenten
Phone +41 43 344 42 42
E-Mail rolf.schlaepfer@konsulenten.ch