

## Media Information

### Carlo Gavazzi - increase in revenue and net income in first half year

- **Operating revenue increases by 8.0% to CHF 76.0 million (previous year: CHF 70.4 million)**
- **Growth across all regions and product lines – Switches up 10.7%**
- **EBIT reaches CHF 6.5 million, (previous year: CHF 6.4 million; +1.6%)**
- **Group net income grows 12.2% to CHF 4.6 million (previous year: CHF 4.1 million)**
- **Equity ratio of 71.0% (previous year: 71.8%)**

*Steinhausen, November 22, 2018* – During the first half of the 2018/19 financial year, Carlo Gavazzi recorded a marked increase in revenue and net income. Sales were driven by improvements in all regions and main product lines with Switches achieving a double-digit growth rate.

In local currency, operating revenue grew by 5.0% and bookings by 4.7%. In Swiss Francs, operating revenue increased by 8.0% to CHF 76.0 million (CHF 70.4 million in the first semester of the 2017/18 business year). Sales grew by 4.8% in Europe, 9.9% in the Americas and 0.2% in Asia-Pacific. Bookings grew by 7.7% to CHF 78.7 million (CHF 73.1 million in 2017/18), resulting in a book-to-bill ratio of 1.04 at September 30, 2018.

Gross profit increased by CHF 2.8 million to CHF 40.8 million (CHF 38.0 million in 2017/18) while the gross margin decreased by 0.3 percentage points to 53.7% due to more aggressive sales efforts. Operating expenses went up by CHF 2.6 million from CHF 31.6 million in the previous first half year to CHF 34.2 million (+8.2%) owing to continuing increased investments in R&D, Marketing and Sales.

Operating profit (EBIT) reached CHF 6.5 million, compared to CHF 6.4 million (+1.6%) in the first half of last year.

Group net income increased by CHF 0.5 million (+12.2%) to CHF 4.6 million (CHF 4.1 million in 2017/18).

At September 30, 2018, shareholders' equity amounted to CHF 93.2 million, giving an equity ratio of 71.0%.

### **Growth across all regions**

Revenue grew across all geographical regions in local currency.

In Europe, sales were 4.8% above the same period of last year. Effective business development spanned from Nordic to Central and Southern European countries, which leveraged on the positive business cycle.

Sales in the Americas grew by 9.9%, confirming the effectiveness of on-going business development activities in the area.

In Asia-Pacific, sales increased by only 0.2%, mainly due some postponement of project-based business in building automation in Singapore and other South East Asian markets.

As in the past years, the geographical share of revenue outside Europe continued to expand to 35.5%, with sales in the Americas and Asia-Pacific accounting for 20.1% and 15.4%, respectively.

### **Solid state relays drive sales of Switches**

Sales in priority markets increased 5.5% versus the same period of last year. Among the selected priority markets, Heating, Ventilation & Air Conditioning (HVAC), Plastics and Energy grew by 14.3%, 10.8% and 7.9% respectively.

Sales of Sensors were 2.3% above the same period of last year mainly due to an increase in capacitive and level sensors sales, thanks to on-going business development in industrial applications globally.

Controls product sales were up 3.9% mainly due to a robust 14.9% increase in energy products, which was driven by development in energy management applications and energy efficiency programs across building automation markets, such as Energy and HVAC.

Sales of Switches products grew by 10.7% compared to the previous year. Solid state relays sales increased 16.3%, also thanks to the development in both industrial and building automation markets. Motor controls sales were 7.7% above the previous year also due to further business development in the applications for HVAC market.

### **Outlook**

The current economic environment is characterized on the one hand by higher volatility and greater political imponderables and on the other by continued global economic growth. On the whole, the factors of uncertainty tend to increase. Nevertheless, Carlo Gavazzi Group continues to see growth opportunities in important markets, particularly outside Europe, and further strengthens its product portfolio through investments in R&D and efforts in Marketing and Sales.

**Consolidated key figures  
(CHF million)**

<b>Income statement</b>	<b><u>1. HY</u> <u>2018/19</u></b>	<b><u>1. HY</u> <u>2017/18</u></b>	<b>%</b>
Bookings	<b>78.7</b>	<b>73.1</b>	+7.7
Operating revenue	<b>76.0</b>	<b>70.4</b>	+8.0
EBITDA	<b>8.4</b>	<b>8.2</b>	+2.4
EBIT	<b>6.5</b>	<b>6.4</b>	+1.6
Net income	<b>4.6</b>	<b>4.1</b>	+12.2
Cash flow	<b>6.5</b>	<b>5.8</b>	+12.1
Additions to fixed assets	<b>1.9</b>	<b>1.0</b>	+90.0
<b>Balance sheet</b>	<b><u>30.9.2018</u></b>	<b><u>31.3.2018</u></b>	
Net working capital	<b>37.5</b>	<b>35.7</b>	+5.0
Net cash position	<b>40.6</b>	<b>50.7</b>	-19.9

**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](http://www.carlogavazzi.com)*

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