CARLO GAVAZZI

Ad Hoc Announcement
Pursuant to Article 53 of the SIX Exchange Regulation Listing Rules

Media Information

HY results impacted by slowdown in industrial automation markets

- **Revenue from sale of goods in local currency decreases by 1.0%, reaching CHF 97.5 million (-6.9% in Swiss Francs vs. 1st half 2022/23)**
- **Continued sales growth in Europe, decrease in the Americas and Asia-Pacific**
- **Gross profit margin increases from 51.3% to 53.6%**
- **EBIT declines from CHF 19.5 million to CHF 16.4 million**
- **Net profit for the half-year reduces by CHF 1.5 million to CHF 12.3 million (CHF 13.8 million in 2022/23)**
- **Solid equity ratio of 72.5%**

Steinhausen, November 23, 2023 – During the first half of the 2023/24 financial year, Carlo Gavazzi experienced a general slowdown in the industrial automation markets, particularly in the USA and China. The Group's revenue from sale of goods in local currency decreased slightly by 1.0% and bookings in local currency were lower by 33.6% compared to the record-high first half of 2022/23. Revenue from sale of goods in local currency increased in Europe by 1.5% whereas they decreased by 7.5% in the Americas and 4.3% in Asia-Pacific.

In Swiss Francs, revenue from sale of goods decreased by 6.9% to CHF 97.5 million (CHF 104.7 million in the first semester of the 2022/23 business year). The stronger CHF versus other currencies resulted in a 5.9% value reduction compared with the same exchange rates of the equivalent period last year.

Bookings in Swiss Francs were impacted by the general market slowdown and unfavorable currency developments. They decreased by 37.5% to CHF 83.1 million (CHF 133.1 million in 2022/23), resulting in a book-to-bill ratio of 0.85 on September 30, 2023.

Gross profit decreased by CHF 1.6 million to CHF 52.2 million (CHF 53.8 million in 2022/23), however, still resulting in an improved gross profit margin of 53.6% (51.3% in 2022/23).

Due to the strengthening of the organization (e.g. finalized global ERP roll out) and inflation impacts which could not get fully offset, operating expenses in the current period increased by CHF 1.6 million to CHF 35.9 million compared to CHF 34.3 million in the first half of last year.

As a result of the above mentioned gross profit value reduction and increased expenses operating profit (EBIT) decreased from CHF 19.5 million to 16.4 million.

Profit for the half-year declined by CHF 1.5 million to CHF 12.3 million (CHF 13.8 million in 2022/23).

At September 30, 2023, the total equity attributable to owners of the Group amounted to CHF 133.0 million resulting in an equity ratio of 72.5%.

Continued growth in Europe

Revenue from sale of goods in local currency continued to grow in Europe while the Americas and Asia-Pacific were influenced by various unfavorable developments.

In Europe, revenue from sale of goods was 1.5% up in local currency compared to the same period of last year. Business development was successful throughout Southern European countries as well as in some Nordic countries thanks to activities and initiatives especially in the main strategic industries in building and industrial automation markets. Other European countries were impacted by decreased demand in the energy field.

Revenue from sale of goods in the Americas was down by 7.5% in local currency compared to the previous year due to weakened demand across the distribution network, mainly in the USA.

In Asia-Pacific revenue from sale of goods decreased by 4.3% in local currency, impacted mainly by a decline in the main Chinese industrial automation industries (semiconductors and plastic & rubber).

The geographical share of revenue outside Europe was 29.7%, with revenue from sale of goods in the Americas and Asia-Pacific accounting for 17.3% and 12.4%, respectively.

Strong performance of Controls – Sensors and Switches with lower sales

Revenue from sale of goods in strategic industries in local currency decreased 1.2% versus the same period of last year. The drop was mainly led by multiple industrial automation industries which was not compensated fully by demand in the electrification market.

Overall, revenue from sale of goods in Sensors decreased by 7.2% compared with the same period of last year. Capacitive sensors declined by more than 28 % due mainly to a slowdown in the European market.

Controls continued to perform well. Revenue from sale of goods grew 8.1% mainly due to an impressive 42.6% increase in the energy field, particularly driven by ongoing strong demand for energy management and energy efficiency solutions.

Revenue from sale of goods in Switches declined by 9.5 %. Due to the enlargement of the product range towards selected applications in the vertical markets, such as heating, ventilation and air conditioning (HVAC), revenue from sales of goods of soft starters grew by 10.7 % versus the same period of last year. On the other hand, revenue from sales of goods of solid-state relays decreased by 16.7% mainly due to a general slowdown in the industrial automation markets across Americas and Asia.

Outlook

The Company's approach to specific strategic industries is expected to keep generating growth opportunities. However, external factors such as supply chain issues, high stock levels at customers, continued inflation, economic as well as geopolitical uncertainties and potential local downturns will continue to affect the markets. While Carlo Gavazzi expects China and the USA to face further challenges in their recovery attempts, Europe and the rest of Asia should provide the Group's main opportunities during the second half of the financial year.

The Carlo Gavazzi Group continues to focus on strengthening its sales organization in growing markets, 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 ambitions.

Consolidated key figures
(CHF million)

Income statement	**1. HY 2023/24**	**1. HY 2022/23**	%
Bookings	**83.1**	**133.1**	-37.5
Revenue from sale of goods	**97.5**	**104.7**	-6.9
EBITDA	**19.7**	**22.3**	-11.7
EBIT	**16.4**	**19.5**	-15.9
Net profit for the half-year	**12.3**	**13.8**	-10.9
Balance sheet	**30.9.23**	**31.3.23**	
Total equity attributable to owners of the Group	**133.0**	**131.9**	+0.8
Net working capital	**59.9**	**64.2**	-6.7
Net cash position	**54.5**	**49.2**	+10.8

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.
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