CARLO GAVAZZI

Media Information

Carlo Gavazzi informs about the effects of coronavirus outbreak

Steinhausen March 10, 2020 – The Swiss automation group Carlo Gavazzi, like many other globally active companies, is affected by the spread of coronavirus (SARS-CoV-2). Carlo Gavazzi has a major presence in China and Italy, countries currently affected by strict quarantine regulations. The factories in Kunshan (China) and Belluno (Italy), have so far been able to maintain production for the most part. On the other hand, sales and distribution in China and to some extent in other regions are experiencing a bottleneck. In addition, a number of the Group's long-standing customers are affected by interrupted supply chains, resulting in delays or reduction in orders. The Group confirms that the two months of February and March 2020 are affected by the coronavirus outbreak.

Also due to the strengthening of the Swiss Franc, the Group expects lower sales for the second half of the 2019/20 financial year ending on 31 March 2020 compared to the first half.

For the entire business year 2019/20, Carlo Gavazzi expects an operating revenue of around CHF 148 million (previous year CHF 155 million). We expect gross margin to be in line with the previous year. Net profit is expected to be in the region of CHF 5 million (previous year: CHF 10.7 million). The decrease in net profit is mainly due, as already announced, to the substantial investments in Marketing and Sales and a new ERP system, in addition to the current global situation.

Carlo Gavazzi will announce the detailed figures for the annual result on June 24, 2020.

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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