



Media Information

Strong result 2021/22 and growth driven new leadership team

- Revenue from sale of goods grow more than 23%, reaching CHF 183.4 million (2020/21: CHF 148.2 million)
- Bookings grow 48.2 % solid book-to-bill ratio of 1.27
- Operating profit (EBIT) rises 79.2% to CHF 31.0 million (CHF 17.3 million in 2020/21).
- EBIT margin increases another 5.3 percentage points to 16.9 % (11.6 % in 2020/21; 7.3% in 2019/20)
- Group net profit for the year grows 81.8% to CHF 22.0 million (CHF 12.1 million in 2020/21)
- Board of Directors proposes dividend of CHF 12.00 per bearer share
- Daniel Hirschi proposed as new Chairman of the Board of Directors to replace Valeria Gavazzi who does not stand for re-election
- Vittorio Rossi (Group CEO) and Yolanta de Cacqueray (former CFO Landis & Gyr Switzerland) proposed as new Members of the Board of Directors besides Daniel Hirschi, Stefano Premoli Trovati and Federico Foglia
- Yolanta de Cacqueray proposed as representative of the bearer shareholders
- Jean-Marc Theolier appointed Group CEO as of AGM 2022

Steinhausen, June 23, 2022 - In 2021/22, following recovery from the coronavirus pandemic and its negative consequences for the global economy, Carlo Gavazzi achieved one of the best years in the Company's history with revenue, EBIT and net profit growing by double digit rates.

Revenue from sale of goods grew in line with the sharp increase in bookings, and the Group's very sound financial position was once again strengthened. 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 23.2 % in local currency while bookings grew by 47.6 %. Revenue from sale of goods in Swiss Francs grew by 23.8 % to CHF 183.4 million (CHF 148.2 million in 2020/21) while bookings increased by 48.2 % to CHF 232.1 million (CHF 156.6 million in 2020/21), resulting in a book-to-bill ratio of 1.27 on March 31, 2022.

Gross profit increased by CHF 19.0 million to CHF 98.6 million (CHF 79.6 million in 2020/21) while the gross margin remained constant at 53.7 %. Thanks to continued cost control, operating expenses increased less proportionately than revenue from sale of goods from CHF 61.6 million in the previous year to CHF 67.7 million notwithstanding the continuing investments in R&D. In addition, the Group continued to invest during the year in the ongoing development of the new ERP system which went live for Europe in December 2021.

Operating profit (EBIT) increased to CHF 31.0 million, compared to CHF 17.3 million in the previous year (+79.2 % versus 2020/21). The EBIT margin increased 5.3 percentage points to 16.9 % (11.6 % in 2020/21). After considering financial expense of CHF 0.6 million and income taxes of CHF 8.4 million, the Group net profit for the year amounted to CHF 22.0 million (CHF 12.1 million in 2020/21), an increase of 81.8 %.

At March 31, 2022, total equity attributable to the owners of the Group stood at CHF 116.2 million (CHF 106.2 million in 2020/21), giving an equity ratio of 68.7 % (2020/21: 68.2 %) with a net cash position of CHF 66.8 million.

Having assessed the results, 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, corresponding to a dividend yield of 4.3%.

Double-digit growth rates in all regions

Sales grew at a very high rate across all three geographical regions in local currency.

In Europe, sales and marketing activities in both building and industrial automation markets produced a robust growth of 24.7 % versus the previous year.

In the Americas, sales increased by 26.2 % in local currency compared to the previous year, driven by very positive business developments with distributors mainly in the industrial automation markets.

Increasing demand for building automation products was the main driver for the 12.6 % year-on-year increase in sales in Asia-Pacific where growth in local currency was achieved throughout the entire area.

Concerning the geographical distribution of revenue, sales outside Europe reached 32.9 %, with the Americas and Asia-Pacific accounting for 18.8 % and 14.1 %, respectively.

Controls and Solid-state-relays drive sales

Controls, the Group's largest product line, increased revenue from sale of goods by a strong 31.7 % above the previous year. In particular, energy management products grew by more than 48 % versus the previous year driven by the new emerging needs coming from the most innovative energy efficiency applications and also thanks to the introduction of a new series of energy analyzers for energy storage or electric vehicle charging applications. Furthermore, sales of monitoring relay products increased by more than 10 % due to the improved penetration and development into the distribution channels, particularly in the Americas region.

Sensors performed above the previous year. A positive contribution came from both capacitive and inductive sensors, where revenue from sale of goods increased by more than 17 % in respect of the previous year. Regarding capacitive sensors, the growth was primarily due to the IO Link family of products which guarantee high-performance and maximum flexibility. The growth in inductive sensors was mostly due to a new series which provides a robust solution for safety detection on mobile equipment increasing the Group's presence in industrial markets.

Solid-state-relays achieved a remarkable growth in revenue from sale of goods (+33 % compared to the previous year) thanks to digital solid-state-relays developments in heating application where precise temperature control is crucial to guarantee the quality of the end product. Motor controls also increased at a strong rate reaching a growth of more than 11 % compared to last year. This performance was predominantly due to a new compact self-learning soft starter that provides customers with a more advanced product offering in the Heating, Ventilation and Air Condition (HVAC) market segment, primarily for Heat pumps and commercial refrigeration cabinet applications.

Priority markets performed once again better than the rest, with an increase in revenue from sale of goods of more than 42 % in Energy markets and more than 53 % in the Food and Beverage market.

The strong 2021 /22 business year coincides with the last full business year of Vittorio Rossi as Group CEO. The Board of Directors wishes to thank Vittorio Rossi for his commitment and successful work for the Group over many years.

Strategy

The Group's growth strategy is based on developing new and enhanced products to accelerate the penetration and development in specific global industries specifically around decarbonized applications. Furthermore, the Group is focused on continuous improvement of its business model, by embracing operational excellence and improving its agility to address critical post-Covid-19 market expectations, including global supply chain and geopolitical constraints.

The main initiatives include the optimization and duplication of production capabilities, the new global ERP system with enhanced supply chain capabilities, increased value-innovation in our product development including digital initiatives across the board.

Although challenges will persist world-wide in the foreseeable future, our ability to adapt to changing conditions while increasing our global presence will generate the continuing favorable outcome. Increased investment in selected markets will prove beneficial to our sales compound annual growth rates during the next three to five years term.

New leadership team focused on expediting growth

After more than 12 years as Chairman, Valeria Gavazzi has decided that she will not stand for re-election as Chairman and Member of the Board of Directors at the AGM 2022 in order to spend more time with her family, who continues to firmly stand behind the majority stake of Carlo Gavazzi.

The Board of Directors proposes to the AGM the following elections:

- Daniel Hirschi, currently member of the Board of Directors and representative of the bearer shareholders, as Chairman of the Board of Directors
- Stefano Premoli Trovati as Member of the Board of Directors (as before)
- Federico Foglia as Member of the Board of Directors (as before)
- Vittorio Rossi, current Group CEO, as Member of the Board of Directors (new)
- Yolanta de Cacqueray, former CFO Landis & Gyr Switzerland, as Member of the Board of Directors and representative of the bearer shareholders (new)

Further, the Board of Directors appointed Jean-Marc Theolier, President and CEO of Carlo Gavazzi Americas and Global Sales & Marketing Director, as Group CEO, replacing Vittorio Rossi as of July 26, 2022 (date of AGM).

Carlo Gavazzi would like to thank Valeria Gavazzi for her tireless and outstanding contribution to the success of the Group and wishes the new leadership team all the best in their efforts to continue building a successful future for the Group.

Consolidated key figures (CHF million)

Income Statement	2021/22	2020/21	%
Bookings	232.1	156.6	48.2
Revenue from sale of goods	183.4	148.2	23.8
EBITDA	36.9	23.2	59.1
EBIT	31.0	17.3	79.2
EBIT margin	16.9 %	11.6%	
Group net profit for the year	22.0	12.1	81.8
Balance Sheet (as at 31 March)	2022	2021	
Net working capital	32.4	26.9	20.4
Total equity attributable to owners of the Group	116.2	106.2	9.4
Total assets	169.1	155.7	8.6
Equity ratio	68.7%	68.2%	

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:

<https://www.carlogavazzi.com/en/investors/alternative-performance-measures-apm.html>

The complete annual report 2021/22 can be downloaded from the website at:

[Carlo Gavazzi Annual Report 2021/22.](#)

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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